

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

BOARD AGENDA

Retirement Board Regular Meeting - Thursday, May 15, 2014 - 2:00 p.m.

City Hall - Second Floor Conference Room, 100 North U.S. #1, Fort Pierce, Florida

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **COMMENTS FROM THE PUBLIC** (limited to 4 minute duration)
4. **CONSIDERATION OF MINUTES**
 - a. Approval of Summarized Minutes of April 17, 2014
5. **REPORT FROM BOARD ATTORNEY**
 - a. Proposed Rules Amendments regarding use of notations
6. **PUBLIC HEARINGS ON BENEFIT APPLICATIONS**
 - a. Request for Retirement from Diane Daniels with 25 years of service with the City of Fort Pierce (DROP Program)
 - b. Request for Retirement from Mazella D. Smith with 20 years and 8 months of service with the City of Fort Pierce
7. **OLD BUSINESS**
8. **NEW BUSINESS**
 - a. Review of Performance Evaluations by Consultant, Callan Associates
 - b. Reports from Money Managers
9. **CONSENT AGENDA**
 - a. Approve refund of member contributions
10. **CONSIDERATION OF ABSENCES**

11. **ADJOURNMENT**

- a. Next Meeting is June 19, 2014 at 2:00 p.m. and will be held in the Second Floor Conference Room, City Hall

12. Miscellaneous Reports/Information

In accordance with the Americans With Disabilities Act of 1990, persons needing a special accommodation to participate in this proceeding should contact the Recording Secretary of the Retirement and Benefit System at the Finance Department of the City of Fort Pierce no later than three business days prior to the proceeding. Telephone (772) 467-3000 for assistance.

Any person seeking to appeal any decision by the Retirement Board with respect to any matter considered at this meeting is advised that a record of proceedings is required in any such appeal and that such person may need to insure that a verbatim record of the proceedings is made including the testimony and evidence upon which the appeal is to be based.

Retirement Board**Meeting Date:** 05/15/2014**Re:** Minutes for April 17, 2014 Meeting**Submitted For:** Gloria Johnson, Finance Director, Finance Department

Information**SUBJECT:**

Approval of Summarized Minutes of April 17, 2014

AttachmentsMeeting Minutes for 4-17-14Form 8B for Comm. Perona

Form Review

Form Started By: Johnna Morris

Final Approval Date: 05/07/2014

Started On: 05/07/2014 10:09 AM

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
APRIL 17, 2014**

Summarized Minutes of the regular meeting of the City of Fort Pierce Retirement and Benefit System, April 17, 2014 at 2:00 p.m. in the 2nd Floor Conference Room at City Hall.

Present:

Commissioner Tom Perona, Chair
Gloria J. Johnson
Stanley Fidge
Commissioner Reginald Sessions
William Conavay

City Commission Member
Secretary/Treasurer
General Member
City Commission Member
U.A. General Member

Attorney Jim Walker
Christina Luna

Assistant City Attorney, Advisory
Retirement Clerk

Absent:

Nina Hurtubise
Rodney Nieves

U.A. Board Appointee
Police Officer Member

Recording:

Johnna Morris

Chief Accountant

ITEM NO. 1 & 2 ~ ROLL CALL

Chairperson, Commissioner Tom Perona called the meeting to order at 2:09p.m., the first item on the agenda being the “*Roll Call*”. Absent were Nina Hurtubise and Rodney Nieves.

ITEM NO. 3 ~ COMMENTS FROM THE PUBLIC

Comm. Perona stated that the next item on the agenda was comments from the public. He asked if there were any comments from the public. There were no comments from the public.

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
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ITEM NO. 4 ~ APPROVAL OF SUMMARIZED MINUTES OF MARCH 27, 2014.

Comm. Perona stated that the next item was the approval of the summarized minutes of March 27, 2014. Comm. Perona asked if there was a motion to approve the minutes.

A motion was made by Commissioner Reginald Sessions and seconded by Mr. Stan Fidge to approve the summarized minutes of March 27, 2014.

All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously.

ITEM NO. 5 ~ ATTORNEY'S REPORT

Attorney Jim Walker said at the chairman's request there was a review of the questions of whether margin notations constitute a public record. This came up in the context of handwritten notes being public records. A memorandum was drafted to explain this, but the short answer is a simple notation as a personal reminder would not be a public record however, if it were a means of communication it is a public record. There could be instances where the dividing line could become fuzzy so he recommended the board to adopt a policy on such. He said he was available for questions.

Comm. Perona agreed and said it would be best for the board to err on the side of caution and be mindful of what you write or put on your iPads.

Mr. Will Conavay asked if there was a policy on passing on notes to newly elected board members that were coming in; does the next person that comes along get all of his notes.

Atty. Walker said no there is no such policy.

Mr. Conavay asked if there was a policy on the destruction of the records for board members, can they be destroyed or must they be retained.

Atty. Walker said the Secretary is the public record custodian of all records for the board and the person responsible for retaining such, as a board member you are not required to keep any records. Your personal notations are not property of the board and are not retained by the secretary and you may need to retain them.

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
APRIL 17, 2014**

Mr. Stan Fidge suggested a new policy be formulated to address these issues for successors that may have the same concerns.

Comm. Perona said part of that policy needs to forbid any member from sharing any notes.

Mr. Conaway asked if he were to make notes on his iPad would his replacement have access to those notes.

Mr. Fidge said that it could be wiped clean and there would be no access to prior records.

Comm. Sessions said isn't the pertinent threshold something that is potentially going to be voted on in the future. Something that has been previously notated and previously could be excluded, it is not a communication at that point, is this correct.

Atty. Walker said not necessarily, records don't lose their status as public records.

Comm. Sessions said not as public records, but as it relates to communication between board members and his successor.

Atty. Walker said it would have to be determined if it related to a sunshine violation. He suggested the practice to be followed is to send everything through the secretary. He said he would draft language for consideration at the next meeting.

Atty. Walker said the only other thing he had was the legislative report from Jim Linn; it involves FRS, 175 and 185 plans and no concern to this board.

Comm. Perona asked if there were any questions Attorney Walker. There were none.

ITEM NO. 6 ~ PUBLIC HEARING ON BENEFITS APPLICATIONS

There were no benefit applications..

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
APRIL 17, 2014**

ITEM NO. 7 ~ OLD BUSINESS

Comm. Perona stated that the next item is Old Business, a discussion on the Commission agenda workshop, and turned it over to Mrs. Johnson.

Mrs. Johnson gave the board an overview of what was discussed at the workshop and said she was preparing a report for the City Commission outlining what was discussed and summarizing what was recommended and it will be on the first agenda in May. From the recommendations they gave a general idea to accept recommendation for eight year averaging with a three year phase in, with no retroactivity.

Comm. Perona thanked Mrs. Johnson for the review and asked for any other old business. Seeing none he moved to item no. 8.

ITEM NO. 8 ~ NEW BUSINESS

Comm. Perona stated that the next item is New Business.

Mrs. Gloria Johnson said there was a request from Comm. Tom Perona to become a member of the system, noting that there will be contribution requirements from both the City and the Commissioner.

Comm. Perona said before a motion was made he was passing the gavel to Mr. Stan Fidge, co-chair, and recusing himself from voting.

A motion was made by Mrs. Johnson and seconded by Comm. Sessions to accept the request for membership from Comm. Perona

All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously.

Mr. Fidge returned the gavel to Comm. Perona.

Comm. Perona asked for any other new business. Seeing none he moved to item no. 9.

**CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
APRIL 17, 2014**

ITEM NO. 9 ~ CONSENT AGENDA

Comm. Perona stated that the next item is the Consent Agenda.

A motion was made by Mrs. Johnson and seconded by Comm. Sessions to approve the refund of member contributions.

All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously.

ITEM NO. 10 ~ CONSIDERATION OF ABSENCES

Comm. Perona said that the next item is Consideration of Absences.

A motion was made by Mr. Conavay and seconded by Comm. Sessions to approve the absence of Nina Hurtubise.

All those in favor of the motion signified by saying aye. There was no opposition and the motion carried unanimously.

ITEM NO. 11 ~ NEXT MEETING

Comm. Perona said the next meeting was scheduled for May 15, 2014 at 2:00 p.m.

ITEM NO. 12 ~ ADJOURNMENT

Seeing there were no further questions or comments, **Comm. Perona** adjourned the meeting at 2:45 p.m. He thanked everyone for their time and attendance.

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM
MINUTES OF MEETING HELD
APRIL 17, 2014

ATTEST:

Secretary/Treasurer

Chairperson

Note: These minutes are not verbatim, only important issues and motions are reproduced in writing for the benefit of the Fort Pierce Retirement and Benefit System members. The recording itself is the official record for the meeting. The meeting tape/cd is available.

FORM 8B MEMORANDUM OF VOTING CONFLICT FOR COUNTY, MUNICIPAL, AND OTHER LOCAL PUBLIC OFFICERS

LAST NAME—FIRST NAME—MIDDLE NAME PERONA THOMAS K	NAME OF BOARD, COUNCIL, COMMISSION, AUTHORITY, OR COMMITTEE FT. PIERCE RETIREMENT BRD
MAILING ADDRESS PO BOX 1480 34954	THE BOARD, COUNCIL, COMMISSION, AUTHORITY OR COMMITTEE ON WHICH I SERVE IS A UNIT OF: ☒ CITY ☐ COUNTY ☐ OTHER LOCAL AGENCY
CITY FT. PIERCE	COUNTY SLC
DATE ON WHICH VOTE OCCURRED APRIL 17, 2014	NAME OF POLITICAL SUBDIVISION: CITY OF FT. PIERCE
MY POSITION IS: ☒ ELECTIVE ☐ APPOINTIVE	

WHO MUST FILE FORM 8B

This form is for use by any person serving at the county, city, or other local level of government on an appointed or elected board, council, commission, authority, or committee. It applies to members of advisory and non-advisory bodies who are presented with a voting conflict of interest under Section 112.3143, Florida Statutes.

Your responsibilities under the law when faced with voting on a measure in which you have a conflict of interest will vary greatly depending on whether you hold an elective or appointive position. For this reason, please pay close attention to the instructions on this form before completing and filing the form.

INSTRUCTIONS FOR COMPLIANCE WITH SECTION 112.3143, FLORIDA STATUTES

A person holding elective or appointive county, municipal, or other local public office **MUST ABSTAIN** from voting on a measure which would inure to his or her special private gain or loss. Each elected or appointed local officer also **MUST ABSTAIN** from knowingly voting on a measure which would inure to the special gain or loss of a principal (other than a government agency) by whom he or she is retained (including the parent, subsidiary, or sibling organization of a principal by which he or she is retained); to the special private gain or loss of a relative; or to the special private gain or loss of a business associate. Commissioners of community redevelopment agencies (CRAs) under Sec. 163.356 or 163.357, F.S., and officers of independent special tax districts elected on a one-acre, one-vote basis are not prohibited from voting in that capacity.

For purposes of this law, a "relative" includes only the officer's father, mother, son, daughter, husband, wife, brother, sister, father-in-law, mother-in-law, son-in-law, and daughter-in-law. A "business associate" means any person or entity engaged in or carrying on a business enterprise with the officer as a partner, joint venturer, coowner of property, or corporate shareholder (where the shares of the corporation are not listed on any national or regional stock exchange).

* * * * *

ELECTED OFFICERS:

In addition to abstaining from voting in the situations described above, you must disclose the conflict:

PRIOR TO THE VOTE BEING TAKEN by publicly stating to the assembly the nature of your interest in the measure on which you are abstaining from voting; *and*

WITHIN 15 DAYS AFTER THE VOTE OCCURS by completing and filing this form with the person responsible for recording the minutes of the meeting, who should incorporate the form in the minutes.

* * * * *

APPOINTED OFFICERS:

Although you must abstain from voting in the situations described above, you are not prohibited by Section 112.3143 from otherwise participating in these matters. However, you must disclose the nature of the conflict before making any attempt to influence the decision, whether orally or in writing and whether made by you or at your direction.

IF YOU INTEND TO MAKE ANY ATTEMPT TO INFLUENCE THE DECISION PRIOR TO THE MEETING AT WHICH THE VOTE WILL BE TAKEN:

- You must complete and file this form (before making any attempt to influence the decision) with the person responsible for recording the minutes of the meeting, who will incorporate the form in the minutes. (Continued on page 2)

APPOINTED OFFICERS (continued)

- A copy of the form must be provided immediately to the other members of the agency.
- The form must be read publicly at the next meeting after the form is filed.

IF YOU MAKE NO ATTEMPT TO INFLUENCE THE DECISION EXCEPT BY DISCUSSION AT THE MEETING:

- You must disclose orally the nature of your conflict in the measure before participating.
- You must complete the form and file it within 15 days after the vote occurs with the person responsible for recording the minutes of the meeting, who must incorporate the form in the minutes. A copy of the form must be provided immediately to the other members of the agency, and the form must be read publicly at the next meeting after the form is filed.

DISCLOSURE OF LOCAL OFFICER'S INTEREST

I, THOMAS K PERONA, hereby disclose that on APRIL 17, 20 14:

(a) A measure came or will come before my agency which (check one or more)

- ☒ inured to my special private gain or loss;
- ☐ inured to the special gain or loss of my business associate, _____;
- ☐ inured to the special gain or loss of my relative, _____;
- ☐ inured to the special gain or loss of _____, by whom I am retained; or
- ☐ inured to the special gain or loss of _____, which is the parent subsidiary, or sibling organization or subsidiary of a principal which has retained me.

(b) The measure before my agency and the nature of my conflicting interest in the measure is as follows:

Motion dealt with my retirement participation in City of Ft. Pierce retirement system which would inure to my personal gain or loss.

If disclosure of specific information would violate confidentiality or privilege pursuant to law or rules governing attorneys, a public officer, who is also an attorney, may comply with the disclosure requirements of this section by disclosing the nature of the interest in such a way as to provide the public with notice of the conflict.

Date Filed

May 2, 2014

Signature

Thomas K Perona

NOTICE: UNDER PROVISIONS OF FLORIDA STATUTES §112.317, A FAILURE TO MAKE ANY REQUIRED DISCLOSURE CONSTITUTES GROUNDS FOR AND MAY BE PUNISHED BY ONE OR MORE OF THE FOLLOWING: IMPEACHMENT, REMOVAL OR SUSPENSION FROM OFFICE OR EMPLOYMENT, DEMOTION, REDUCTION IN SALARY, REPRIMAND, OR A CIVIL PENALTY NOT TO EXCEED \$10,000.

Retirement Board

Meeting Date: 05/15/2014

Re:

Information

SUBJECT:

Proposed Rules Amendments regarding use of notations

Attachments

Proposed Rules on Handwritten Notes

Form Review

Form Started By: Johnna Morris

Final Approval Date: 05/09/2014

Started On: 05/09/2014 04:10 PM

CITY OF FORT PIERCE - OFFICE OF THE CITY ATTORNEY

MEMORANDUM

TO: Gloria Johnson, Retirement Board Secretary
FROM: James T. Walker, Assistant City Attorney
SUBJECT: Handwritten Notes as Public Records
DATE: May 1, 2014

This memorandum serves to transmit for inclusion in the Retirement Board's next Agenda packet a memorandum formally addressed to Tom Perona, as Chair, which sets out a proposed Rules amendment regarding use of notations.

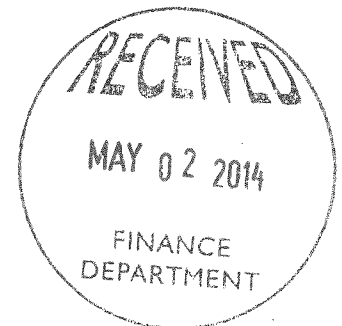
s/ James T. Walker

James T. Walker, Esq.
Assistant City Attorney

/mlp

Attachment

cc: Robert V. Schwerer, City Attorney



CITY OF FORT PIERCE - OFFICE OF THE CITY ATTORNEY

MEMORANDUM

TO: Thomas K. Perona, Retirement Board Chair

FROM: James T. Walker, Assistant City Attorney

SUBJECT: Handwritten Notes as Public Records

DATE: May 1, 2014

This memorandum serves as response to request by the Board for proposed amendatory language to be added to the Board's Rules of Procedure, governing informal notes as public records. The draft language below may simply be viewed as a springboard for further discussion. Alternatively, in the event the Board now chooses to move forward with formal adoption of a rules amendment then, in accordance with Rule 15, a motion to amend would be in order. The motion must then be renewed and passed at the next following meeting. Rule 15 states: "These rules may be amended upon motion of any member as passed at two consecutive meetings."

Rule 1. Miscellaneous.

Section (a). Name. The name of this BOARD shall be the Fort Piece Retirement BOARD as created by Chapter 13, Division II, of the Code of Ordinances of the City of Fort Pierce.

Section (b). Interpretation. These rules shall be interpreted so as to be consistent with state law and local ordinances. In the event any rule or portion hereof is declared by a court of competent jurisdiction to be invalid, then, in such event, the invalid portion thereof shall be severed and the remaining rules and parts thereof shall remain in full force and effect.

Section (c). Definitions. Unless otherwise required by context, the following words shall have the meanings herein provided for:

- (1) "Applicant" shall mean any individual who petitions the BOARD for relief.
- (2) "BOARD" shall refer to the Fort Pierce Retirement BOARD.

- (3) "Code" shall refer to the Code of Ordinances of the City of Fort Pierce.

Section (d) Making of Informal Notations.

Informal notations may be made and kept by Board members, whether made by handwriting, electronic stylus or other means. If the notation is solely for the use of the individual member making the note as an aid to recollection, it should be kept confidential and not shared with any other person. But if any notation of the Board member is intended to communicate, perpetuate or formalize knowledge of some type then, in such event, a copy of the notation should be given to the Board Secretary as soon as practicable, as a public record. If the Board member displays, shows or shares the notation at any time with any other person then, in that event, it will be presumed that the note is or was intended as a means of communication, whereupon a copy of the notation should be given to the Board Secretary as soon as practicable following the display, showing or sharing of the notation.

s/ James T. Walker

James T. Walker, Esq.
Assistant City Attorney

/mlp

cc: Robert V. Schwerer, City Attorney

Retirement Board**Meeting Date:** 05/15/2014**Re:** Morris**Submitted For:** Gloria Johnson, Finance Director, Finance Department

Information**SUBJECT:**

Request for Retirement from Diane Daniels with 25 years of service with the City of Fort Pierce (DROP Program)

Attachments

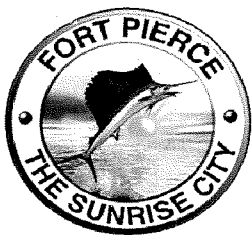
Retirement Application for Diane Daniels

Form Review

Form Started By: Johnna Morris

Final Approval Date: 05/07/2014

Started On: 05/07/2014 10:12 AM



MEMORANDUM
CITY OF FORT PIERCE RETIREMENT & BENEFIT
GENERAL & POLICE MEMBERS

TO:

R. Brackley

City Manager

THROUGH:

R. San Baldwin

Department Head

FROM:

DIANE DANIELS / 8484

DATE:

APRIL 16, 2014

SUBJECT:

Employee Request to Retire

☒ General Member

☐ Police Member

INSTRUCTIONS: Complete this memorandum requesting your retirement and turn into your Human Resources/Payroll Office **no less than 30 days** prior to your retirement date.

Employee Request to Retire

1. After 6 years of service with the Police Department of the City of Fort Pierce, I wish to retire on MAY 24, 2014.

2. I will continue employment through the Deferred Retirement Option Plan (DROP).

☒ Yes – Complete Sections A, B, & D ☐ No – Complete Sections C & D

A. Sick Leave

I would like to cash in 176 sick leave hours towards retirement. (Maximum 720 hours)

I would like to carry over sick leave hours into the DROP period with the understanding that any unused sick leave hours **will not be** paid out at the end of the DROP period.

B. Accrued Vacation

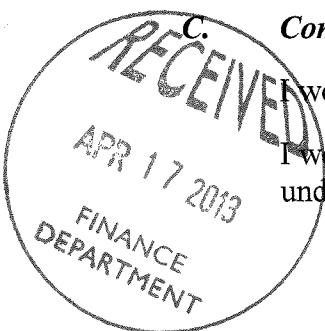
I would like to cash in vacation hours now

I would like to carry over 35.6 vacation hours into the DROP period with the understanding that any unused accrued vacation **will be** paid out at the end of the DROP period.

C. Compensatory Time

I would like to cash in compensatory hours now.

I would like to carry over compensatory hours into the DROP period with the understanding that any unused compensatory hours **will be** paid out at the end of the DROP period.



*P.A. Completed
4/17/14*

D. Insurance Election

I wish to continue participation with City's Insurance Plans.

☒ Yes – Select the Insurance Coverage to be continued ☐ No

Health: ☒ Employee Only ☐ Employee + 1 ☐ Family

Dental: ☒ Employee Only ☐ Employee + 1 ☐ Family

E. Enrollment in DROP

In the event I elected, above, to continue employment through the Deferred Retirement Option Plan (DROP), then

1. I understand that I must withdraw from DROP, including employment, no later than sixty(60) months from the date of MAY 24, 2014 when I first started to participate in DROP (please initial, to show your understanding of, and agreement with, this requirement): DD;

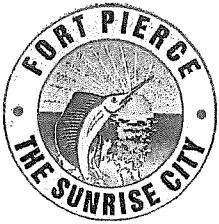
2.. I understand that once I leave employment while enrolled in the DROP program, or upon withdrawal from DROP, I cannot thereafter return to employment with either The City of Ft. Pierce, the Police Department, or the Fort Pierce Utilities Authority. That is, when I begin employment in DROP I am deemed to have submitted an irrevocable resignation, which will take effect immediately upon the date I leave employment and withdraw from DROP (please initial, to show your understanding of, and agreement with, this requirement): DD;

3. I have carefully reviewed the requirements for DROP membership and any questions relating to that have been answered to my satisfaction (please initial, to show your understanding of the DROP requirements): DD.

Please sign below acknowledging that you have read and understand all sections of this memorandum.


Signature

4-16-14
Date



Request for Hearing by the Fort Pierce Retirement Board

City of Fort Pierce

Fort Pierce Utilities Authority
Fort Pierce Police Department

TO: R. BRADshaw
Agency Manager/Chief

THROUGH: R. Sean Baldwin 
Department Head

FROM: DIANE DANIELS
(Print Name)

DATE: April 16, 2014

SUBJECT: REQUEST FOR HEARING

I am requesting a hearing before the Fort Pierce Retirement Board for the following reason:

1. ☒ to approve a request for normal retirement;
2. ☐ to approve a request for disability retirement;
3. ☒ other (please explain)

D.R.O.P.

4-16-14

Date Signed

Diane Daniels

Signature

Retirement Board

Meeting Date: 05/15/2014

Re:

Information

SUBJECT:

Request for Retirement from Mazella D. Smith with 20 years and 8 months of service with the City of Fort Pierce

Attachments

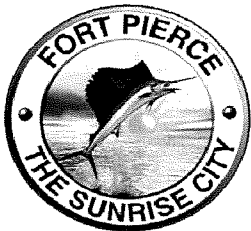
Retirement Application for Mazela Smith

Form Review

Form Started By: Johnna Morris

Final Approval Date: 05/09/2014

Started On: 05/09/2014 01:09 PM



MEMORANDUM
CITY OF FORT PIERCE RETIREMENT & BENEFIT
GENERAL & POLICE MEMBERS



TO:

Robert Bradshaw
City Manager

THROUGH:

Department Head

FROM:

Mazella D. Smith

☒ General Member
☐ Police Member

DATE:

April 18, 2014

SUBJECT:

Employee Request to Retire

INSTRUCTIONS: Complete this memorandum requesting your retirement and turn into your Human Resources/Payroll Office **no less than 30 days** prior to your retirement date.

Employee Request to Retire

1. After 20.8 years of service with the Human Resources Department of the City of Fort Pierce, I wish to retire on May 19, 2014.

2. I will continue employment through the Deferred Retirement Option Plan (DROP).

☐ Yes – Complete Sections A, B, & D ☒ No – Complete Sections C & D

A. Sick Leave

I would like to cash in 688? sick leave hours towards retirement. (Maximum 720 hours)

I would like to carry over 0 sick leave hours into the DROP period with the understanding that any unused sick leave hours **will not be** paid out at the end of the DROP period.

B. Accrued Vacation

I would like to cash in 0 vacation hours now.

I would like to carry over 0 vacation hours into the DROP period with the understanding that any unused accrued vacation **will be** paid out at the end of the DROP period.

C. Compensatory Time

I would like to cash in 0 compensatory hours now.

I would like to carry over 0 compensatory hours into the DROP period with the understanding that any unused compensatory hours **will be** paid out at the end of the DROP period.

Rocky Dan
4/18/14

D. Insurance Election

I wish to continue participation with City's Insurance Plans.

☐ Yes – Select the Insurance Coverage to be continued ☒ No

Health: ☐ Employee Only ☐ Employee + 1 ☐ Family

Dental: ☐ Employee Only ☐ Employee + 1 ☐ Family

E. Enrollment in DROP

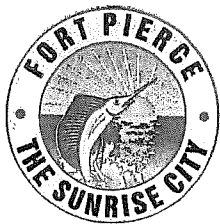
In the event I elected, above, to continue employment through the Deferred Retirement Option Plan (DROP), then

1. I understand that I must withdraw from DROP, including employment, no later than sixty(60) months from the date of _____, when I first started to participate in DROP (please initial, to show your understanding of, and agreement with, this requirement): _____;
- 2.. I understand that once I leave employment while enrolled in the DROP program, or upon withdrawal from DROP, I cannot thereafter return to employment with either The City of Ft. Pierce, the Police Department, or the Fort Pierce Utilities Authority. That is, when I begin employment in DROP I am deemed to have submitted an irrevocable resignation, which will take effect immediately upon the date I leave employment and withdraw from DROP (please initial, to show your understanding of, and agreement with, this requirement): _____;
3. I have carefully reviewed the requirements for DROP membership and any questions relating to that have been answered to my satisfaction (please initial, to show your understanding of the DROP requirements): _____.

Please sign below acknowledging that you have read and understand all sections of this memorandum.

Mazella S. Smith
Signature

04/18/14
Date



Request for Hearing by the Fort Pierce Retirement Board

City of Fort Pierce

Fort Pierce Utilities Authority
Fort Pierce Police Department

TO:

Robert Brackshaw
Agency Manager/Chief

THROUGH:

Department Head

FROM:

Mazella D. Smith
(Print Name)

DATE:

April 18, 2014

SUBJECT: REQUEST FOR HEARING

I am requesting a hearing before the Fort Pierce Retirement Board for the following reason:

1. (yes) to approve a request for normal retirement;
2. () to approve a request for disability retirement;
3. () other (please explain)

4/18/14

Date Signed

Mazella D. Smith
Signature

Retirement Board

Meeting Date: 05/15/2014

Re:

Information

SUBJECT:

Review of Performance Evaluations by Consultant, Callan Associates

Attachments

Callan Investment Measurement Services

Callan's 1st Quarter Performance Review

Form Review

Form Started By: Johnna Morris

Final Approval Date: 05/09/2014

Started On: 05/09/2014 04:19 PM

March 31, 2014



City of Fort Pierce Retirement and Benefit System

**Investment Measurement Service
Quarterly Review**

The following report was prepared by Callan Associates Inc. ("CAI") using information from sources that include the following: fund trustee(s); fund custodian(s); investment manager(s); CAI computer software; CAI investment manager and fund sponsor database; third party data vendors; and other outside sources as directed by the client. CAI assumes no responsibility for the accuracy or completeness of the information provided, or methodologies employed, by any information providers external to CAI. Reasonable care has been taken to assure the accuracy of the CAI database and computer software. In preparing the following report, CAI has not reviewed the risks of individual security holdings or the compliance/non-compliance of individual security holdings with investment policies and guidelines of a fund sponsor, nor has it assumed any responsibility to do so. Copyright 2014 by Callan Associates Inc.

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March 31, 2014

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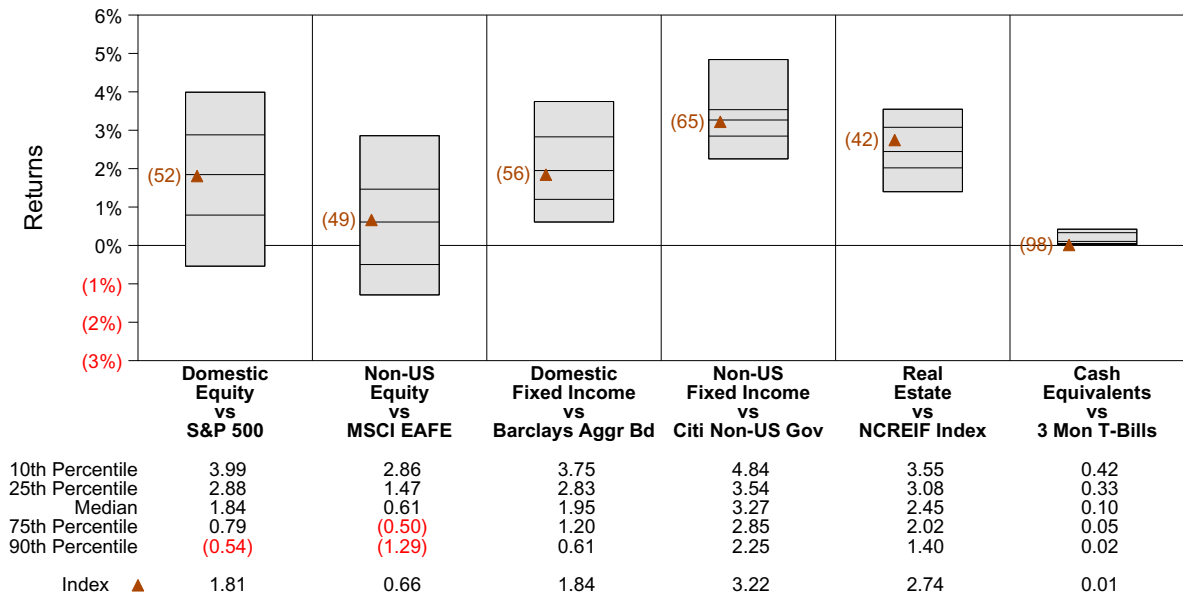
Market Overview

Active Management vs Index Returns

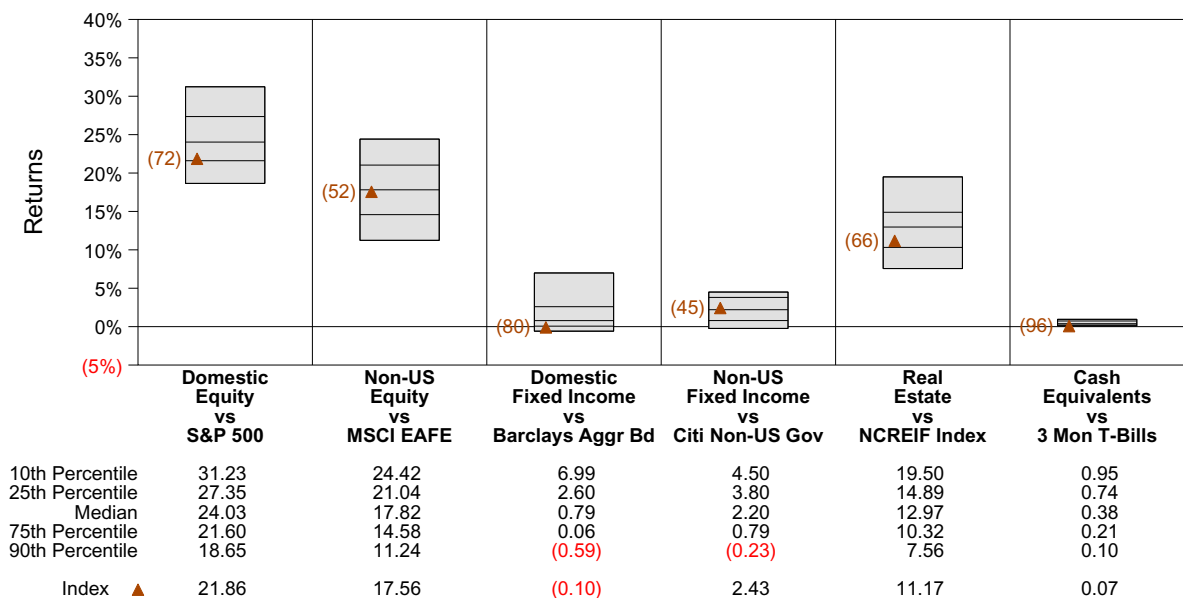
Market Overview

The charts below illustrate the range of returns across managers in Callan's Separate Account database over the most recent one quarter and one year time periods. The database is broken down by asset class to illustrate the difference in returns across those asset classes. An appropriate index is also shown for each asset class for comparison purposes. As an example, the first bar in the upper chart illustrates the range of returns for domestic equity managers over the last quarter. The triangle represents the S&P 500 return. The number next to the triangle represents the ranking of the S&P 500 in the domestic equity manager database.

Range of Separate Account Manager Returns by Asset Class One Quarter Ended March 31, 2014



Range of Separate Account Manager Returns by Asset Class One Year Ended March 31, 2014



Domestic Equity Active Management Overview

Active vs. the Index

U.S equities posted modest gains in the 1st quarter with returns for most indices in the low single digits. Median returns for the domestic equity style groups either narrowly outpaced or narrowly underperformed their respective indices with no clear pattern emerging across the market cap or style spectrum. Active small cap growth outpaced its index by the widest margin (71 basis points) while active large cap growth trailed by the widest margin (-112 basis points).

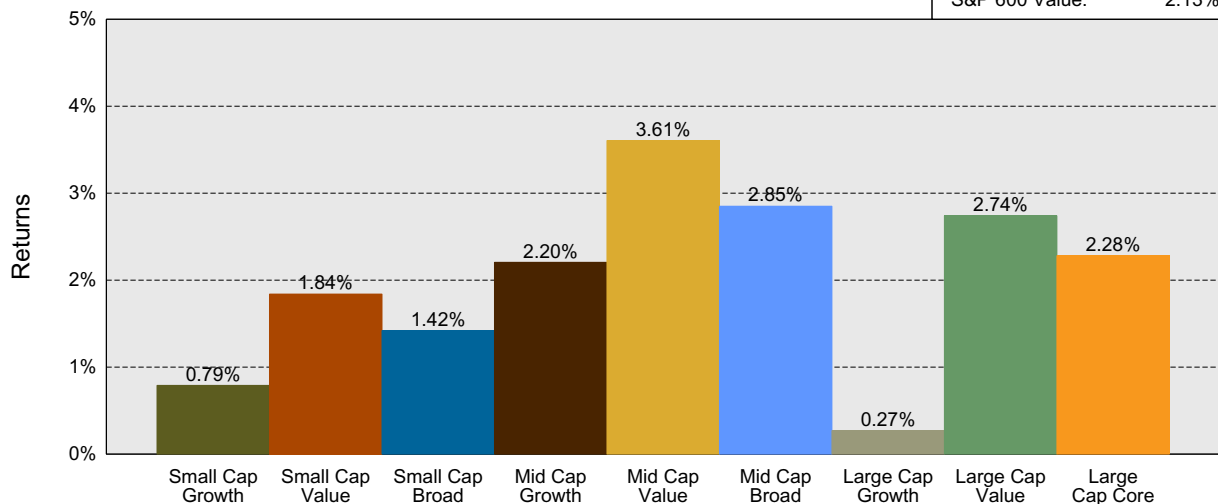
Large Cap vs. Small Cap

As in the 4th quarter, large cap indices outperformed small cap indices. Mid cap indices performed the best, however, with the S&P Midcap up 3.0% and the Russell Midcap Value index as the clear winner with a 5.2% return. Small cap growth was at the other end of the spectrum with the S&P 600 Growth Index returning a meager 0.1%.

Growth vs. Value

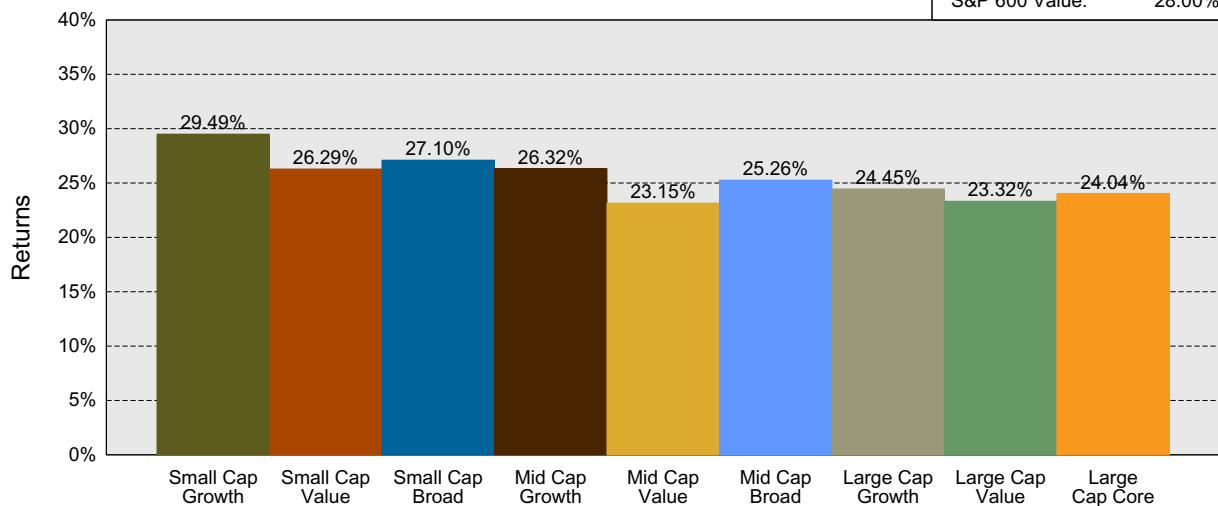
With respect to style, value outperformed growth for the recent quarter across large cap and small cap indices. The gap was most pronounced in the small cap arena with small cap value outpacing small cap growth by 205 basis points (vs. 87 basis points for large cap). Within active separate account managers, the median large cap value manager outpaced the median large growth manager by 247 basis points whereas the gap was closer to 100 basis points within small cap.

Separate Account Style Group Median Returns for Quarter Ended March 31, 2014



S&P 500:	1.81%
S&P 500 Growth:	1.39%
S&P 500 Value:	2.26%
S&P Mid Cap:	3.04%
S&P 600:	1.13%
S&P 600 Growth:	0.08%
S&P 600 Value:	2.13%

Separate Account Style Group Median Returns for One Year Ended March 31, 2014



S&P 500:	21.86%
S&P 500 Growth:	23.12%
S&P 500 Value:	20.54%
S&P Mid Cap:	21.24%
S&P 600:	27.81%
S&P 600 Growth:	27.59%
S&P 600 Value:	28.00%

Domestic Fixed Income Active Management Overview

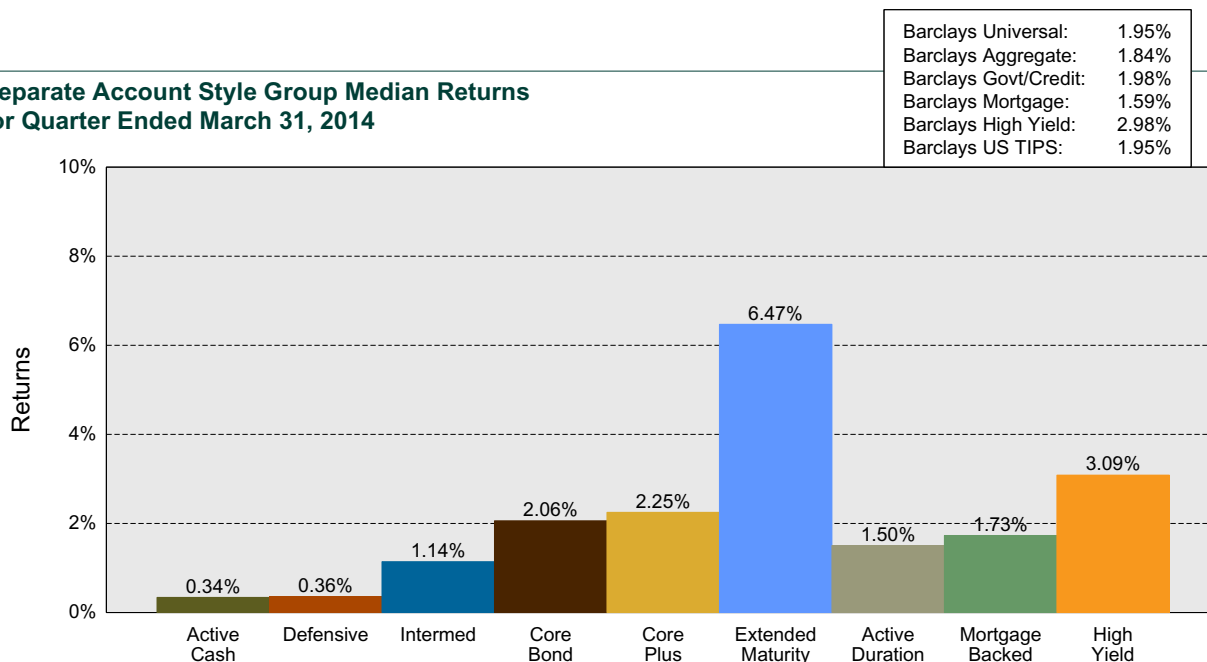
Active vs. the Index

Interest rates fell in the 1st quarter with the largest drop occurring in January in response to disappointing economic data and a spate of troubles around the world. Over the quarter, the yield on the 10-year U.S. Treasury Note dropped 31 bps. However, the bigger story was in the flattening of the yield curve. Yields on 30-year U.S. Treasury Bonds fell 40 bps while the 2-year U.S. Treasury Note yield climbed 6 bps. The short end of the curve sold off sharply in March in response to Fed comments suggesting that rates might be hiked sooner than expected. For the full quarter, longer maturity bonds sharply outperformed short and intermediate maturities due both to falling interest rates and the reshaping of the yield curve. From a sector perspective, corporate bonds posted the best returns while returns from mortgages were essentially flat, relative to U.S. Treasuries. Investment grade corporates outperformed like-duration Treasuries by 70 bps for the quarter, with the Baa rated tier performing best. For the quarter ended March 31, 2014, the median Core Bond manager returned 2.1% and the median Core Plus manager returned 2.3%, both outperforming the Barclays Aggregate Index (+1.8%).

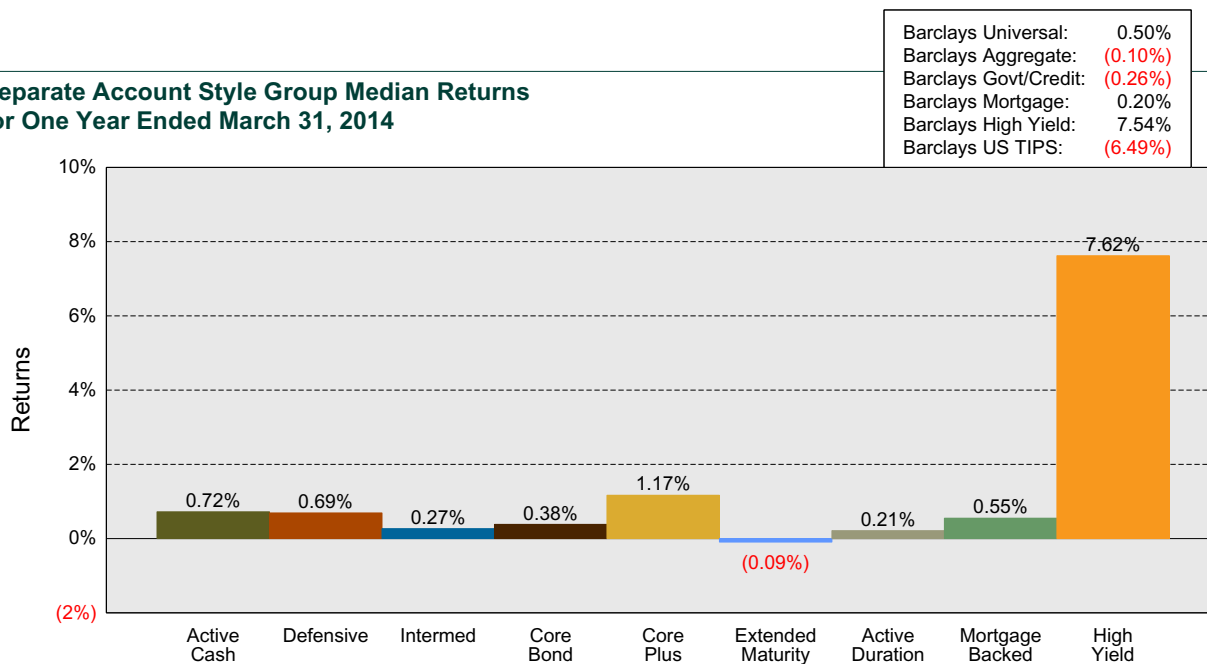
Intermediate vs. Long Duration

Longer duration managers outperformed intermediate duration managers in the 1st quarter. The median Extended Maturity manager returned an impressive 6.5% while the median Intermediate manager posted a 1.1% return.

Separate Account Style Group Median Returns for Quarter Ended March 31, 2014



Separate Account Style Group Median Returns for One Year Ended March 31, 2014



International Equity Active Management Overview

Active vs. the Index

Developed markets equities lagged their U.S. counterparts in both local currency and U.S. dollar terms (MSCI EAFE US\$: +0.7%, Local: -0.3%). Currency impacts were muted in the 1st quarter as the euro and UK pound were essentially flat while the Japanese yen and Australian dollar gained. Emerging markets was the only equity asset class to post a negative return for the quarter (MSCI Emerging Markets: -0.4%). Active management generally underperformed indices with the one exception being in the Pacific Basin.

Europe

MSCI Europe returned 2.1% for the 1st quarter, outperforming the Europe separate account peer group median (+1.7%). As in the 4th quarter, Europe was the top performing region for the recent quarter, led by strong performance from the peripheral countries.

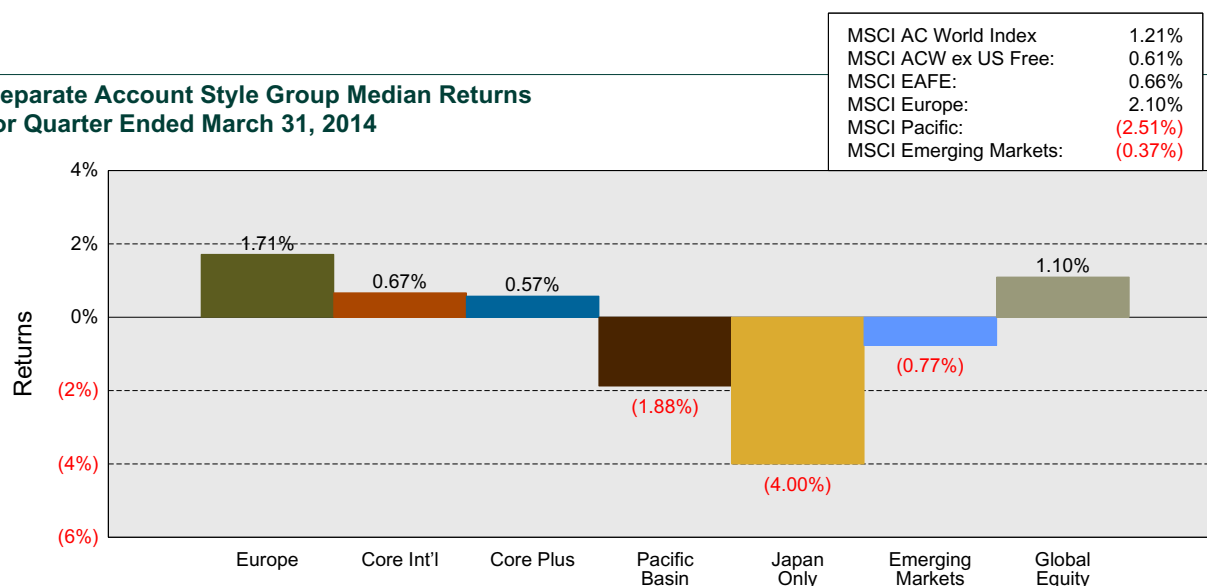
Pacific

The MSCI Pacific Index posted a return of -2.5% for the 1st quarter with Japan being the key culprit in the negative result. Japan was down sharply with a -5.5% result (MSCI:Japan \$). The median manager within the Pacific Basin peer group outpaced the Index with its -1.9% return.

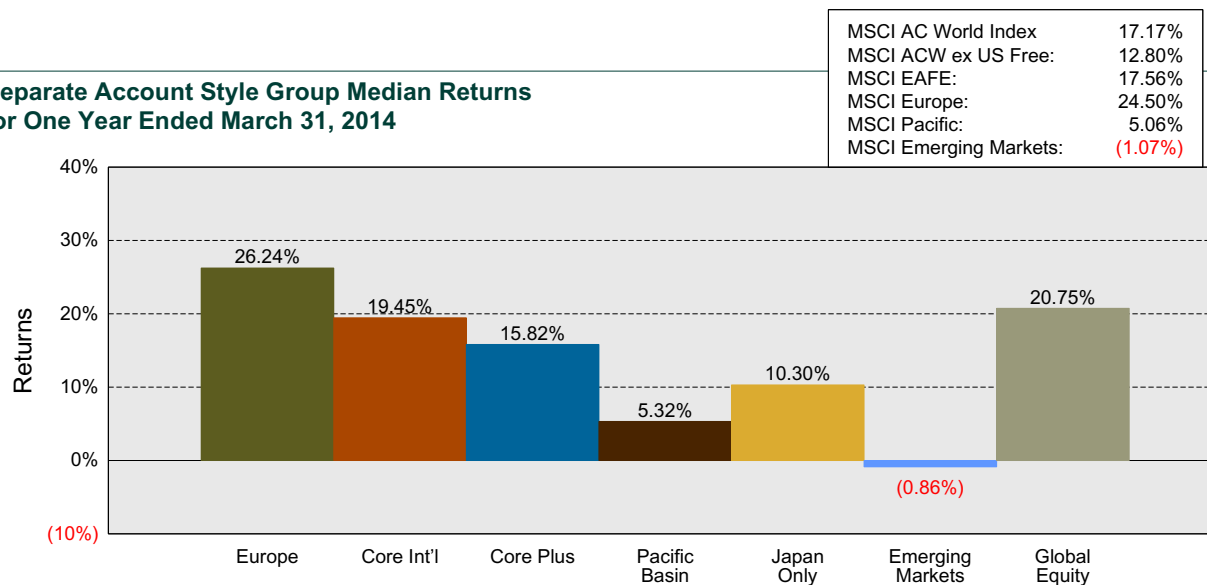
Emerging Markets

Emerging market equities continued to be significant laggards relative to the rest of the world. Active emerging market managers underperformed the Index (MSCI EM:-0.4%, median -0.8%). Russia was the worst performer among emerging market countries with a -14.4% result (MSCI: Russia US\$).

Separate Account Style Group Median Returns for Quarter Ended March 31, 2014



Separate Account Style Group Median Returns for One Year Ended March 31, 2014



International Fixed Income Active Management Overview

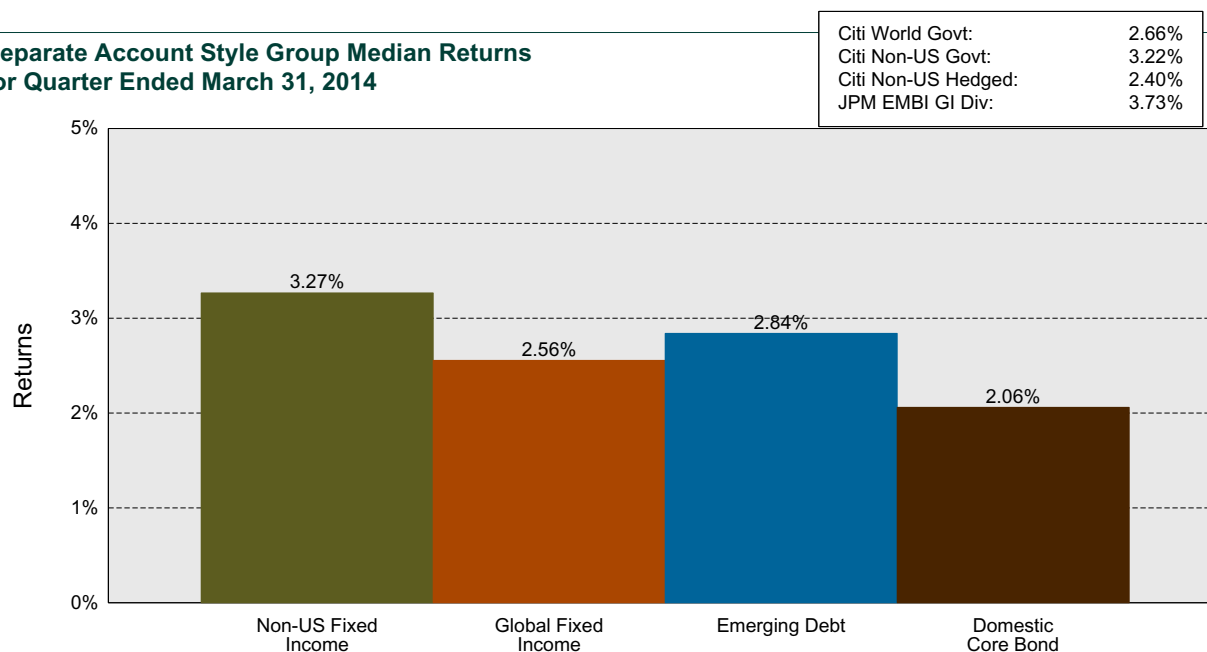
Active vs. the Index

Fixed income returns in developed markets were generally strong in the 1st quarter. The Barclays Global Aggregate index returned 2.4% and the Citigroup World Government Bond Index was up 2.7%. The U.S. dollar weakened modestly against several currencies and thus the hedged returns for these benchmarks were slightly weaker at 2.04% and 2.08%, respectively. Canada was the only country to post a negative return for the quarter while Spain and Italy both returned more than 5% for the quarter. Active management by and large outpaced the broad market indices.

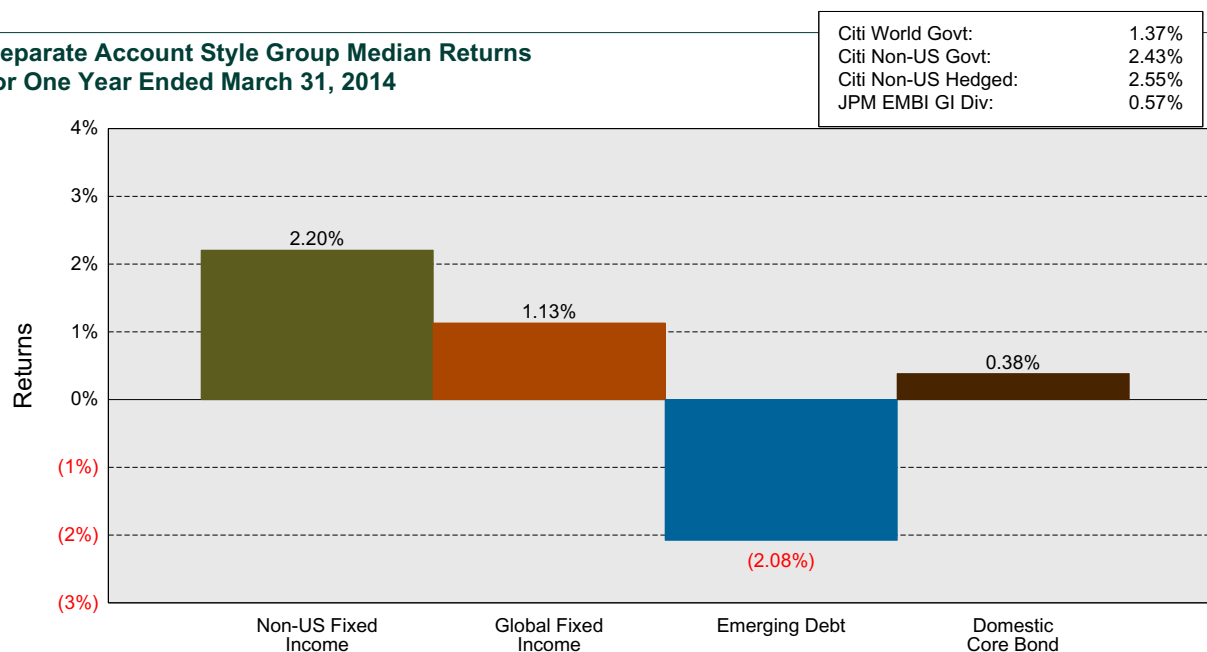
Emerging Markets

Emerging markets U.S. dollar-denominated sovereign debt performed very well as measured by the JPM EMBI Global Diversified index, which returned 3.7% for the quarter. Local currency emerging markets debt trailed; the JPM GBI-EM Global Diversified index posted a 1.9% result. In both benchmarks, Russia was the worst performing country (down 3% in local currency and 9% in U.S. dollar terms) and the ruble tumbled to a multi-year low mid-quarter, losing more than 10% versus the U.S. dollar through mid-March on investor angst over the situation in Ukraine.

Separate Account Style Group Median Returns for Quarter Ended March 31, 2014



Separate Account Style Group Median Returns for One Year Ended March 31, 2014



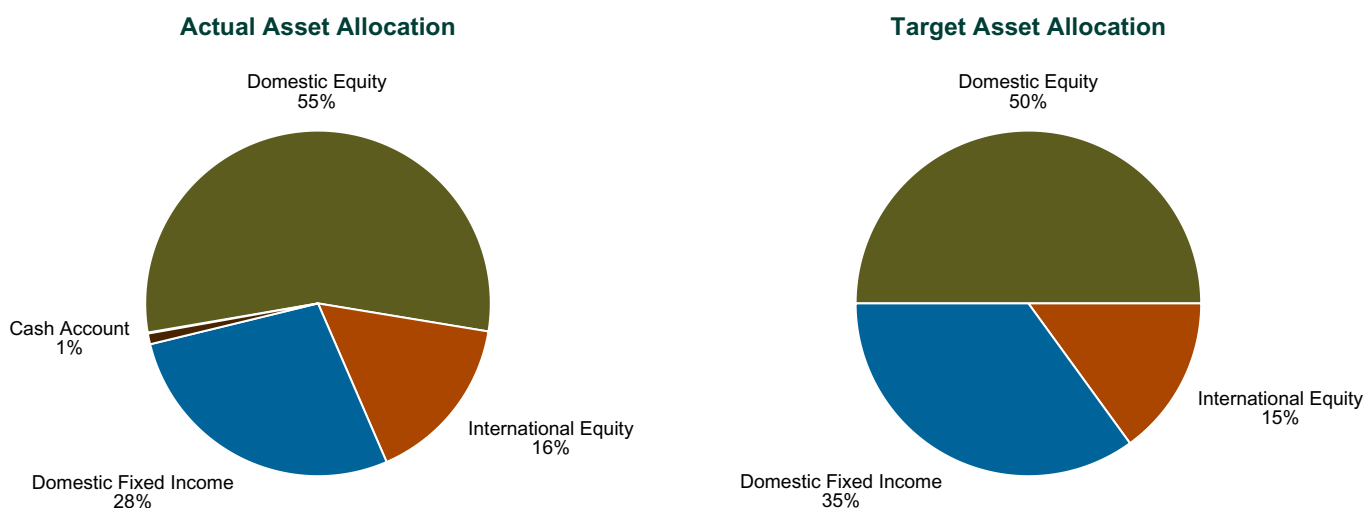
ASSET ALLOCATION AND PERFORMANCE

Asset Allocation and Performance

This section begins with an overview of the fund's asset allocation at the broad asset class level. This is followed by a top down performance attribution analysis which analyzes the fund's performance relative to the performance of the fund's policy target asset allocation. The fund's historical performance is then examined relative to funds with similar objectives. Performance of each asset class is then shown relative to the asset class performance of other funds. Finally, a summary is presented of the holdings of the fund's investment managers, and the returns of those managers over various recent periods.

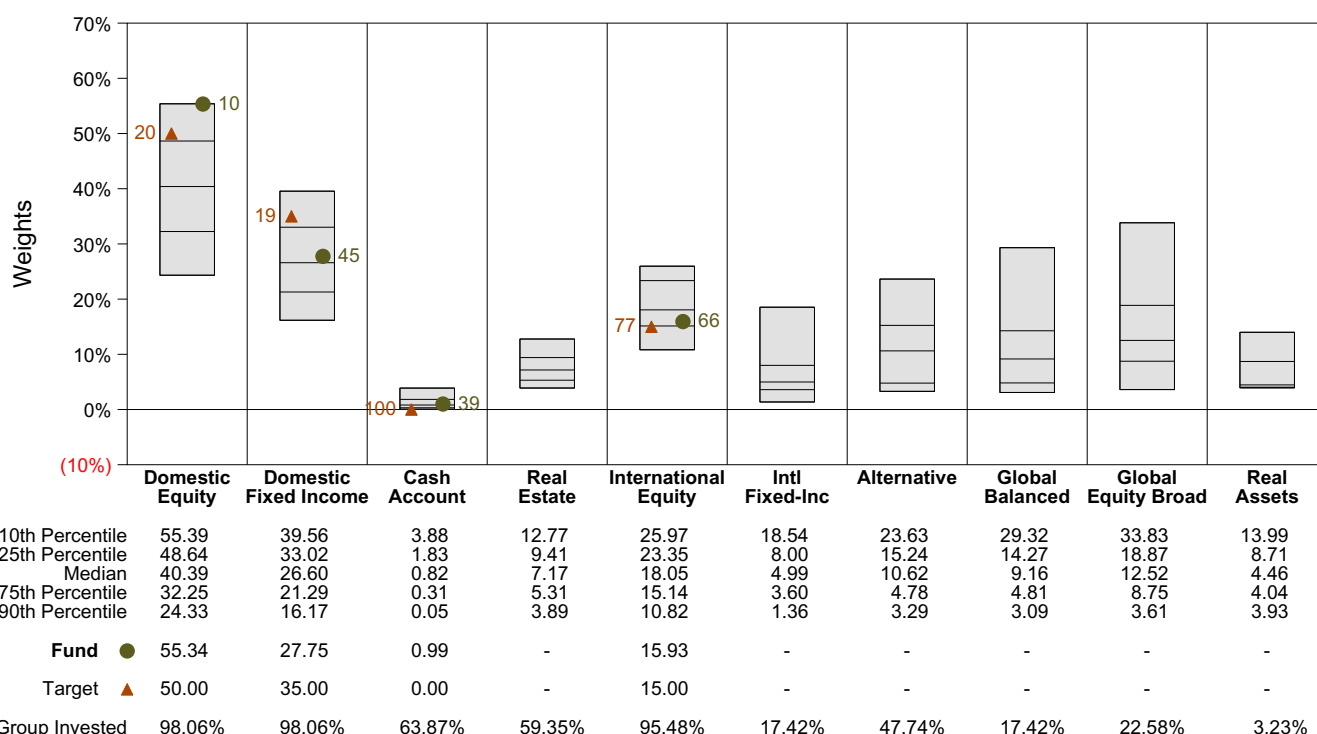
Actual vs Target Asset Allocation As of March 31, 2014

The top left chart shows the Fund's asset allocation as of March 31, 2014. The top right chart shows the Fund's target asset allocation as outlined in the investment policy statement. The bottom chart ranks the fund's asset allocation and the target allocation versus the Public Fund Sponsor Database.



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equity	97,055	55.3%	50.0%	5.3%	9,360
International Equity	27,935	15.9%	15.0%	0.9%	1,627
Domestic Fixed Income	48,662	27.7%	35.0%	(7.3%)	(12,723)
Cash Account	1,736	1.0%	0.0%	1.0%	1,736
Total	175,388	100.0%	100.0%		

Asset Class Weights vs Public Fund Sponsor Database

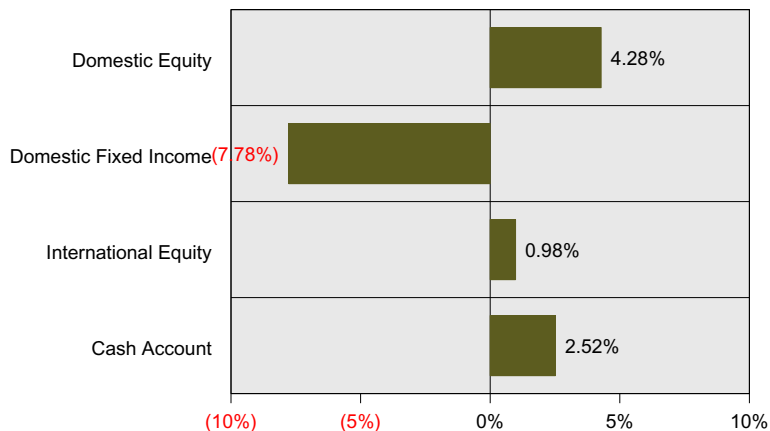


* Current Quarter Target = 35.0% S&P 500 Index, 35.0% Barclays Aggregate Index, 15.0% MSCI ACWI ex US Index, 7.5% S&P Mid Cap 400 Index, 3.8% Russell 2000 Growth Index and 3.8% Russell 2000 Value Index.

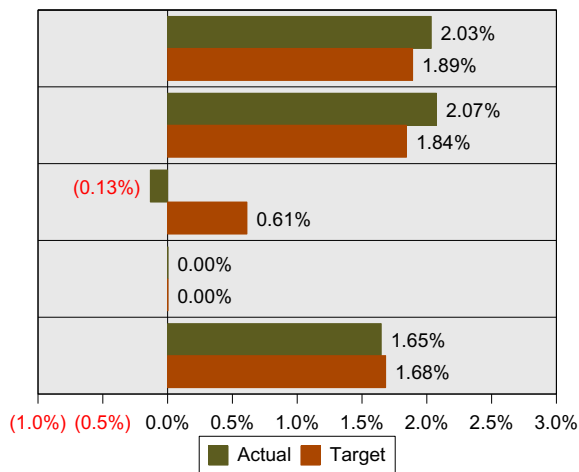
Quarterly Total Fund Relative Attribution - March 31, 2014

The following analysis approaches Total Fund Attribution from the perspective of relative return. Relative return attribution separates and quantifies the sources of total fund excess return relative to its target. This excess return is separated into two relative attribution effects: Asset Allocation Effect and Manager Selection Effect. The Asset Allocation Effect represents the excess return due to the actual total fund asset allocation differing from the target asset allocation. Manager Selection Effect represents the total fund impact of the individual managers excess returns relative to their benchmarks.

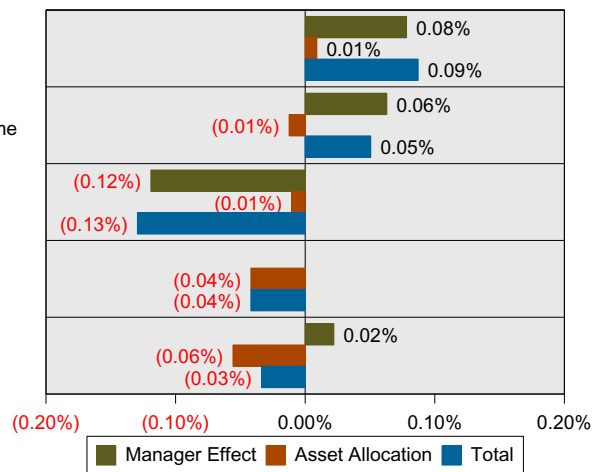
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Quarter ended March 31, 2014

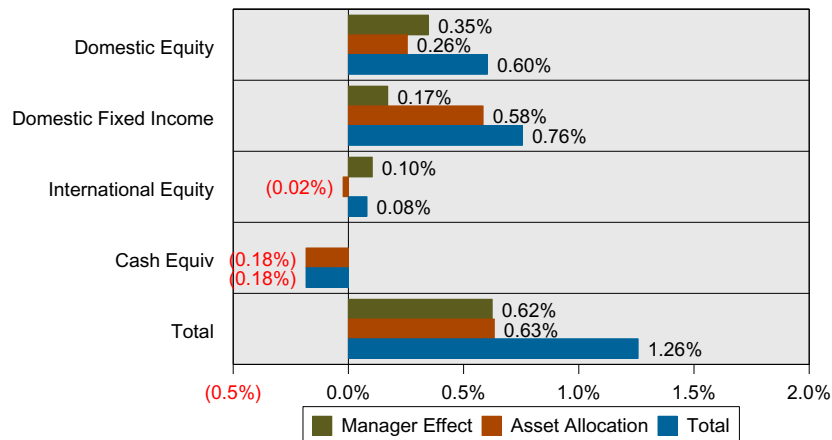
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	54%	50%	2.03%	1.89%	0.08%	0.01%	0.09%
Domestic Fixed Income	27%	35%	2.07%	1.84%	0.06%	(0.01%)	0.05%
International Equity	16%	15%	(0.13%)	0.61%	(0.12%)	(0.01%)	(0.13%)
Cash Account	3%	0%	0.00%	0.00%	0.00%	(0.04%)	(0.04%)
Total			1.65%	1.68%	0.02%	(0.06%)	(0.03%)

* Current Quarter Target = 35.0% S&P 500 Index, 35.0% Barclays Aggregate Index, 15.0% MSCI ACWI ex US Index, 7.5% S&P Mid Cap 400 Index, 3.8% Russell 2000 Growth Index and 3.8% Russell 2000 Value Index.

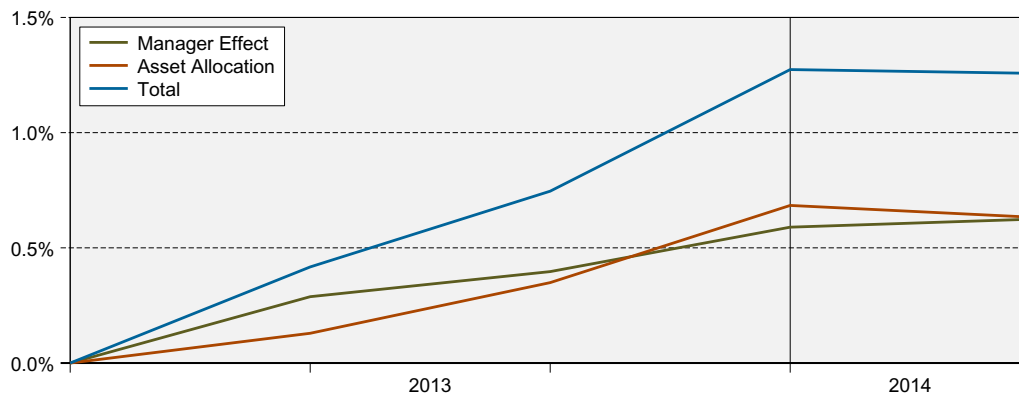
Cumulative Total Fund Relative Attribution - March 31, 2014

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

One Year Relative Attribution Effects



Cumulative Relative Attribution Effects



One Year Relative Attribution Effects

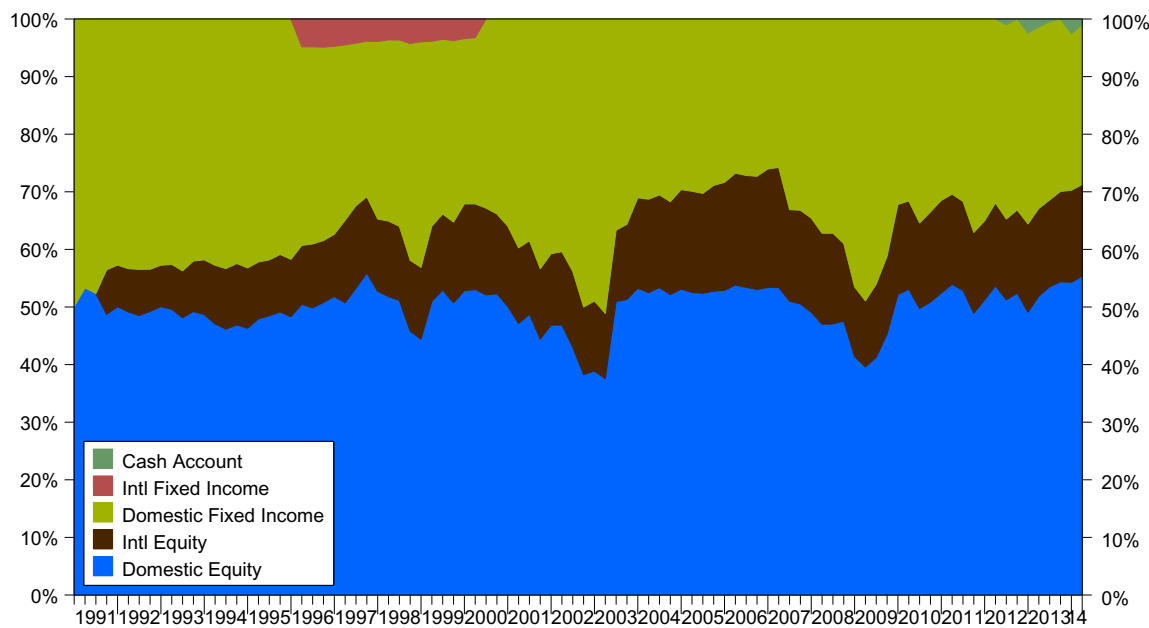
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	53%	50%	22.94%	22.25%	0.35%	0.26%	0.60%
Domestic Fixed Income	30%	35%	0.42%	(0.10%)	0.17%	0.58%	0.76%
International Equity	16%	15%	13.54%	12.80%	0.10%	(0.02%)	0.08%
Cash Equiv	1%	0%	0.01%	0.01%	0.00%	(0.18%)	(0.18%)
Total			14.01%	= 12.75%	+ 0.62%	+ 0.63%	1.26%

* Current Quarter Target = 35.0% S&P 500 Index, 35.0% Barclays Aggregate Index, 15.0% MSCI ACWI ex US Index, 7.5% S&P Mid Cap 400 Index, 3.8% Russell 2000 Growth Index and 3.8% Russell 2000 Value Index.

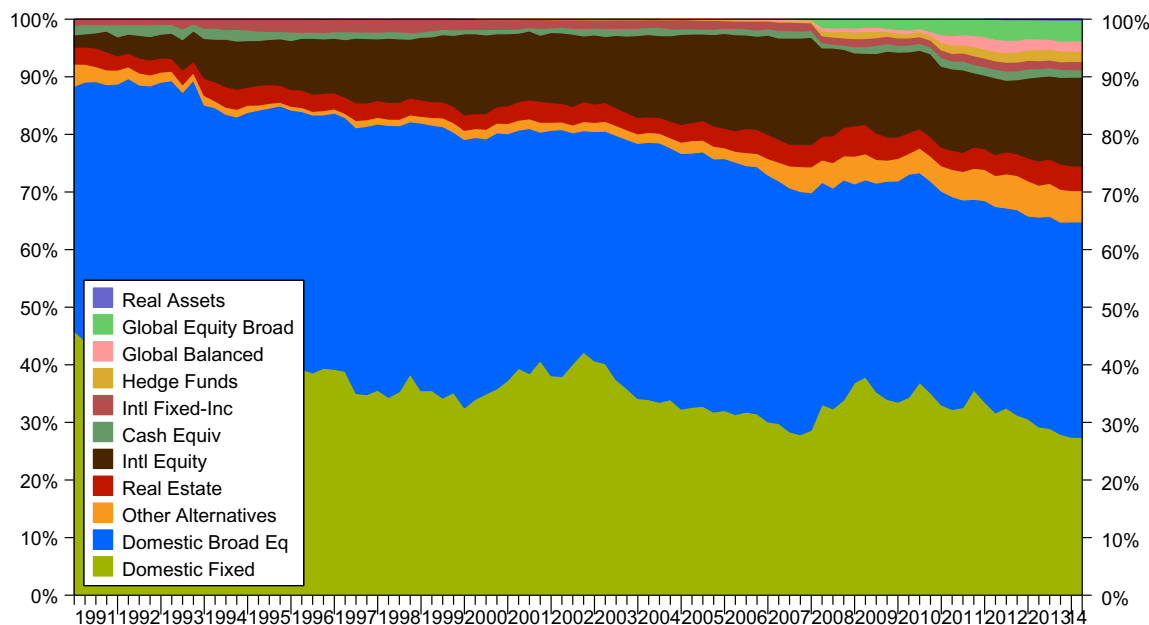
Actual Historical Asset Allocation

The Historical asset allocation for a fund is by far the largest factor explaining its performance. The charts below show the fund's historical actual asset allocation, and the historical asset allocation of the average fund in the Public Fund Sponsor Database.

Actual Historical Asset Allocation



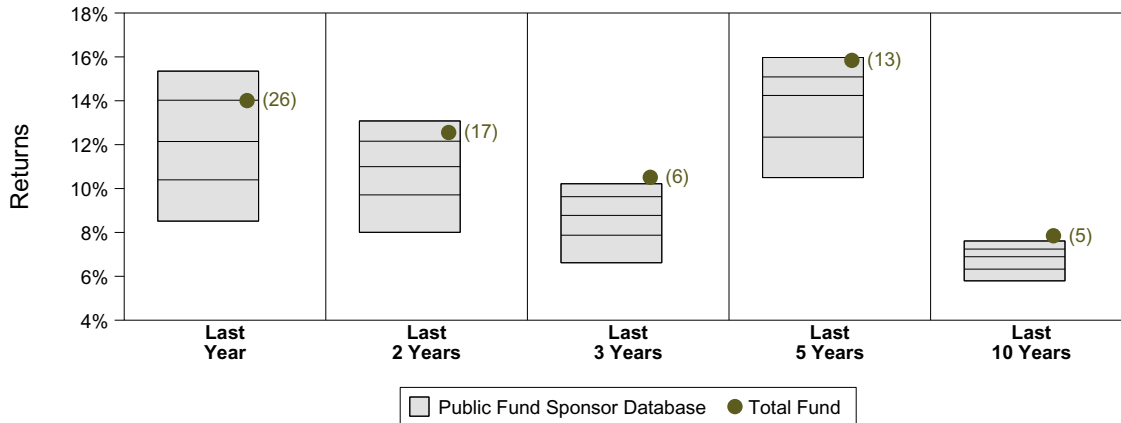
Average Public Fund Sponsor Database Historical Asset Allocation



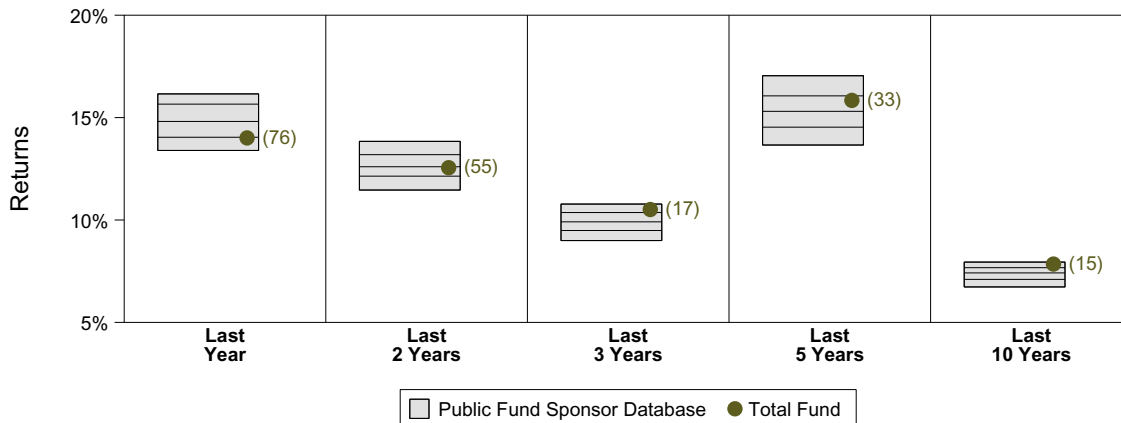
Total Fund Ranking

The first two charts show the ranking of the Total Fund's performance relative to that of the Public Fund Sponsor Database for periods ended March 31, 2014. The first chart is a standard unadjusted ranking. In the second chart each fund in the database is adjusted to have the same historical asset allocation as that of the Total Fund. The final chart shows the history of the one year ranking of the Total Fund versus the Public Fund Sponsor Database, both on an unadjusted and asset allocation adjusted basis.

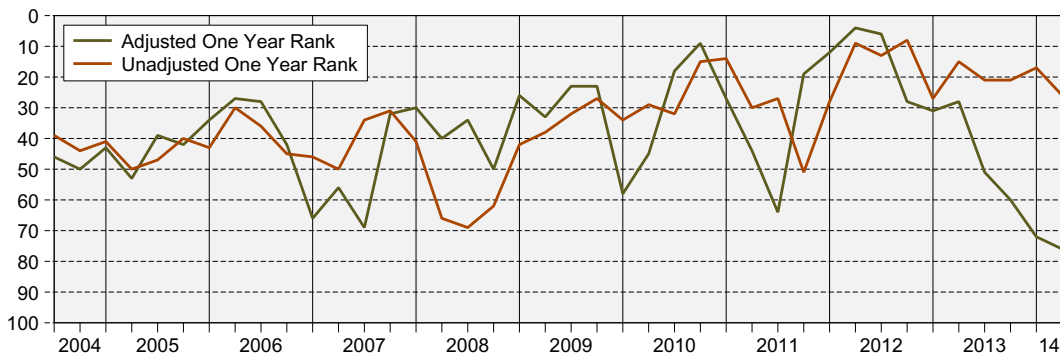
Public Fund Sponsor Database



Asset Allocation Adjusted Ranking



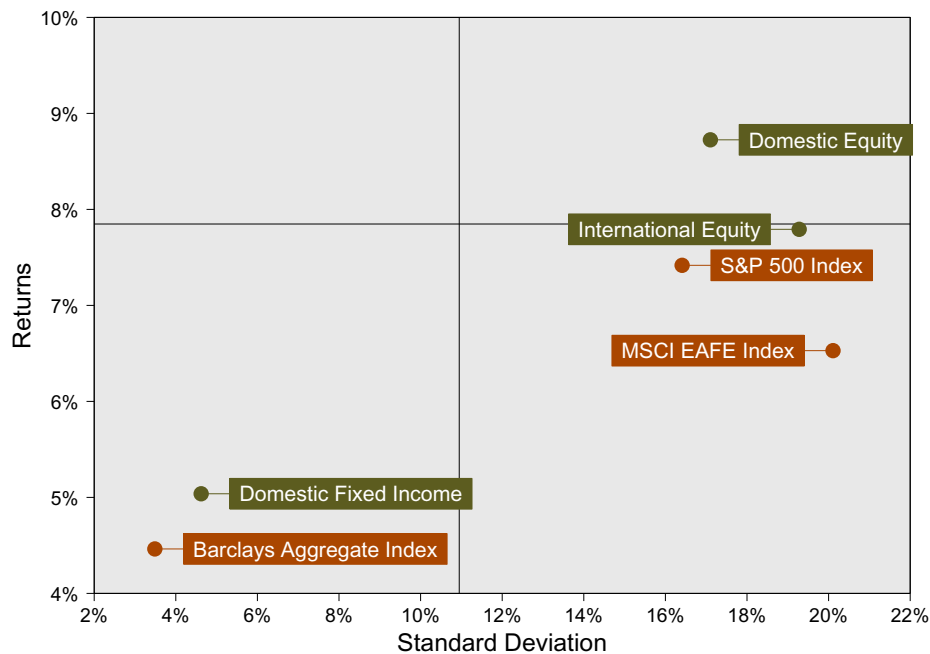
Rolling One Year Ranking vs Public Fund Sponsor Database



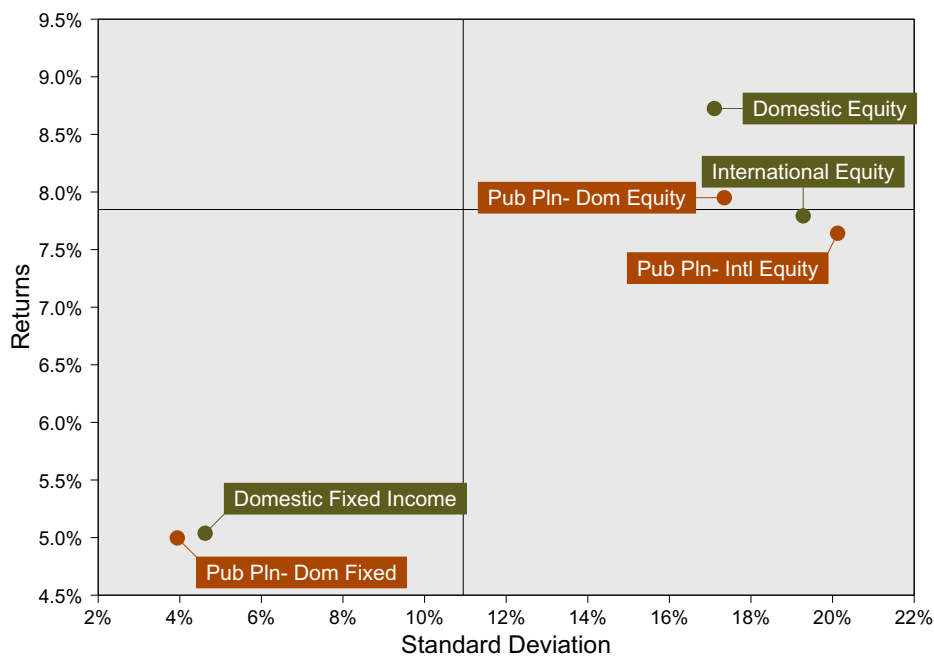
Asset Class Risk and Return

The charts below show the ten year annualized risk and return for each asset class component of the Total Fund. The first graph contrasts these values with those of the appropriate index for each asset class. The second chart contrasts them with the risk and return of the median portfolio in each of the appropriate CAI comparative databases. In each case, the crosshairs on the chart represent the return and risk of the Total Fund.

Ten Year Annualized Risk vs Return
Asset Classes vs Benchmark Indices



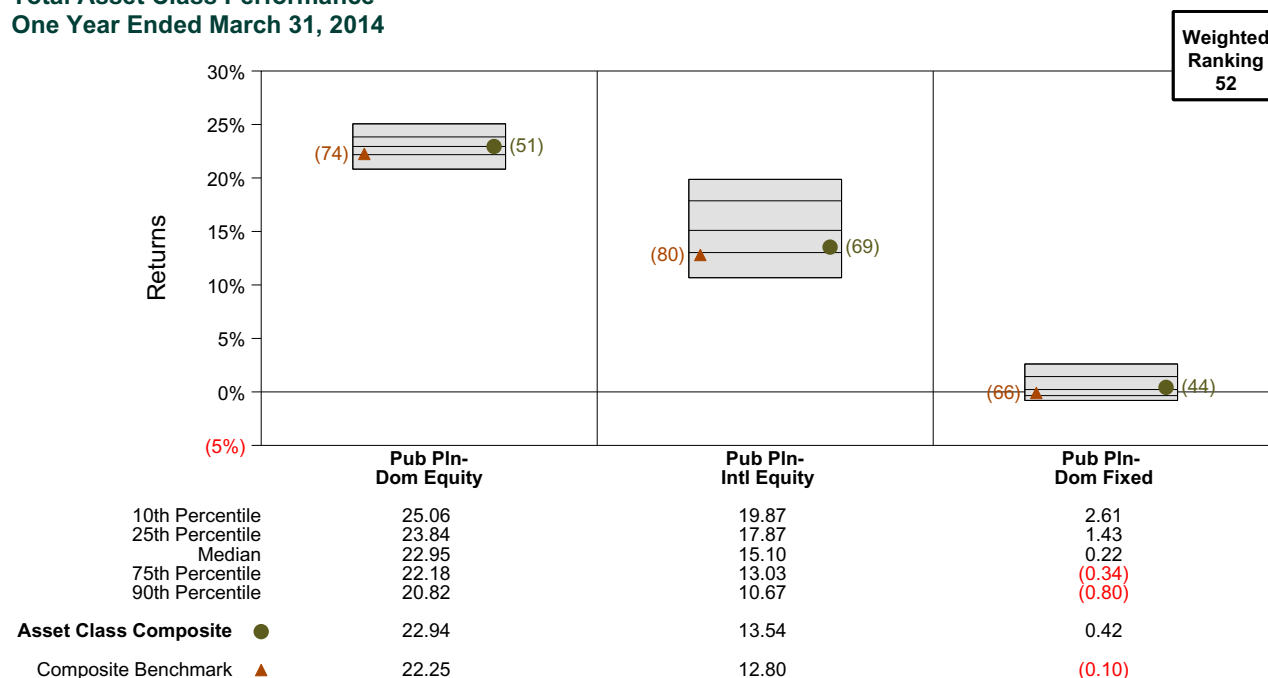
Ten Year Annualized Risk vs Return
Asset Classes vs Asset Class Median



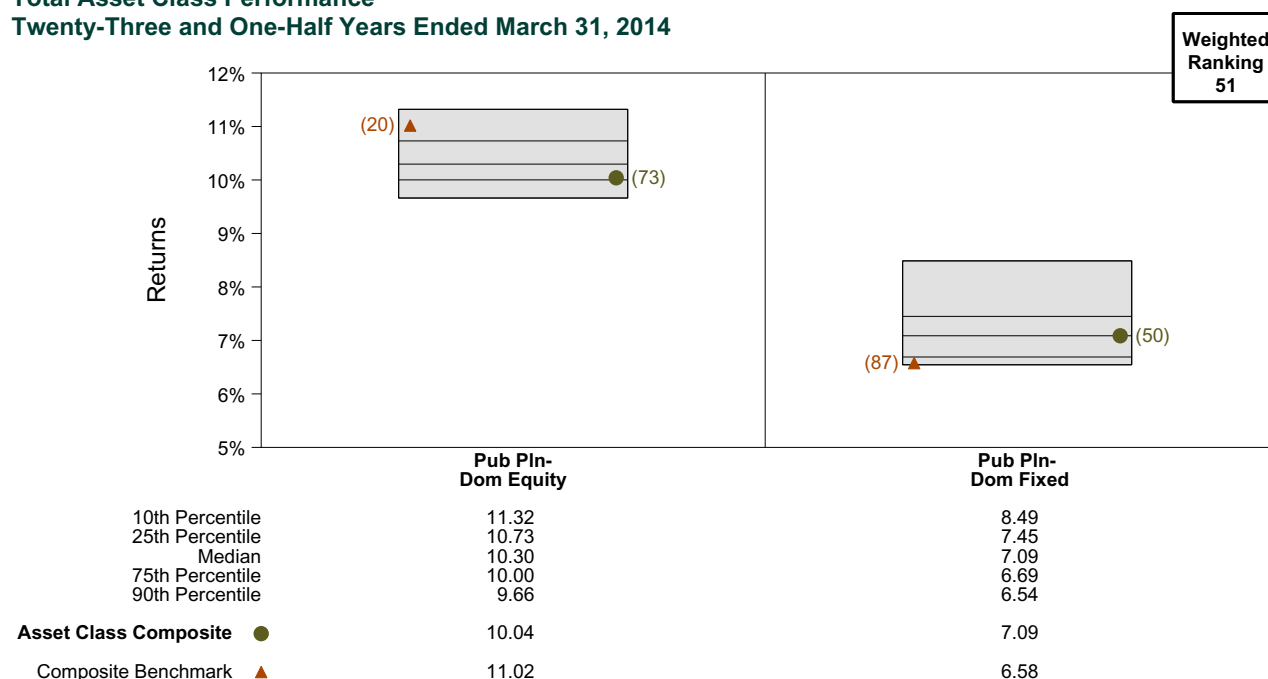
Asset Class Rankings

The charts below show the rankings of each asset class component of the Total Fund relative to appropriate comparative databases. In the upper right corner of each graph is the weighted average of the rankings across the different asset classes. The weights of the fund's actual asset allocation are used to make this calculation. The weighted average ranking can be viewed as a measure of the fund's overall success in picking managers and structuring asset classes.

Total Asset Class Performance One Year Ended March 31, 2014



Total Asset Class Performance Twenty-Three and One-Half Years Ended March 31, 2014



* Current Quarter Target = 35.0% S&P 500 Index, 35.0% Barclays Aggregate Index, 15.0% MSCI ACWI ex US Index, 7.5% S&P Mid Cap 400 Index, 3.8% Russell 2000 Growth Index and 3.8% Russell 2000 Value Index.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2014, with the distribution as of December 31, 2013. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	March 31, 2014					December 31, 2013		
	Market Value	Weight	Target	Net New Inv.	Inv. Return	Market Value	Weight	Target
Domestic Equity	\$97,054,608	55.34%	50.00%	\$(43,823)	\$1,935,061	\$95,163,370	54.28%	50.00%
Emerald Advisers, Inc.	8,440,336	4.81%	3.75%	(16,650)	276,720	8,180,266	4.67%	3.75%
Ceredex Value Advisors	7,947,667	4.53%	3.75%	(17,764)	57,879	7,907,552	4.51%	3.75%
SSgA S&P 500 Index	66,076,903	37.67%	35.00%	(6,817)	1,169,770	64,913,949	37.03%	35.00%
SSgA S&P 400 Index	14,589,702	8.32%	7.50%	(2,593)	430,692	14,161,603	8.08%	7.50%
International Equity	\$27,934,829	15.93%	15.00%	\$(27,230)	\$(37,653)	\$27,999,712	15.97%	15.00%
Morgan Stanley - Int'l Equity	12,589,957	7.18%	6.75%	(27,230)	58,780	12,558,407	7.16%	6.75%
Morgan Stanley - Emerging Mkts.	1,127,307	0.64%	0.75%	0	(5,979)	1,133,286	0.65%	0.75%
William Blair & Company	14,217,565	8.11%	7.50%	0	(90,453)	14,308,018	8.16%	7.50%
Domestic Fixed Income	\$48,662,394	27.75%	35.00%	\$(35,390)	\$989,760	\$47,708,024	27.21%	35.00%
Richmond Capital Management	48,662,394	27.75%	35.00%	(35,390)	989,760	47,708,024	27.21%	35.00%
Cash Account	\$1,736,427	0.99%	-	\$(2,700,000)	\$104	\$4,436,322	2.53%	-
Total Fund	\$175,388,257	100.0%	100.0%	\$(2,806,443)	\$2,887,272	\$175,307,428	100.0%	100.0%

Investment Manager Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Sponsor's investment managers over various time periods ended March 31, 2014. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns and Rankings for Periods Ended March 31, 2014

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
Domestic Equity	2.03%	13	22.94%	51	14.69%	29	22.61%	32	7.37%	20
Domestic Equity Benchmark	1.89%	29	22.25%	74	14.29%	51	22.22%	46	6.86%	39
Pub Pln- Dom Equity	1.68%		22.95%		14.33%		22.11%		6.72%	
Emerald Advisers, Inc.	3.37%	8	36.10%	22	17.41%	23	28.29%	24	10.66%	32
Russell 2000 Growth Index	0.48%	55	27.19%	75	13.61%	66	25.24%	66	8.63%	55
CAI Sm Cap Growth Style	0.79%		29.49%		14.93%		26.81%		9.33%	
Ceredex Value Advisors	0.75%	78	22.26%	84	14.01%	63	24.41%	76	9.82%	9
Russell 2000 Index	1.12%	71	24.90%	57	13.18%	70	24.31%	77	7.08%	72
Russell 2000 Value Index	1.78%	52	22.65%	76	12.74%	79	23.33%	87	5.44%	92
CAI Small Cap Value Style	1.84%		26.29%		14.82%		26.44%		8.02%	
SSgA S&P 500 Index	1.80%	77	21.88%	85	14.69%	67	21.21%	54	6.37%	74
Standard & Poor's 500	1.81%	77	21.86%	86	14.66%	68	21.16%	55	6.31%	75
CAI Large Cap Core Style	2.28%		24.04%		15.11%		21.46%		6.80%	
SSgA S&P 400 Index	3.04%	44	21.40%	80	13.44%	57	24.91%	43	8.84%	46
S&P Mid Cap 400 Index	3.04%	44	21.24%	80	13.37%	58	24.86%	44	8.80%	48
CAI Mid Cap Style	2.85%		25.26%		13.83%		24.59%		8.68%	
International Equity	(0.13%)	83	13.54%	69	8.40%	14	17.19%	33	3.06%	34
International Equity Benchmark	0.61%	34	12.80%	80	4.63%	85	16.04%	59	2.16%	69
Pub Pln- Intl Equity	0.45%		15.10%		6.54%		16.51%		2.51%	
Morgan Stanley - Int'l Equity	0.47%	55	15.39%	80	9.74%	27	15.52%	87	3.58%	24
MSCI EAFE Index	0.66%	43	17.56%	67	7.21%	69	16.02%	74	1.29%	88
CAI Core Int'l Equity	0.57%		18.76%		8.23%		17.25%		2.62%	
Morgan Stanley - Emerging Mkts.	(0.53%)	32	(2.12%)	46	(0.75%)	21	14.99%	32	2.26%	43
MSCI Emerging Mkts.	(0.37%)	28	(1.07%)	33	(2.54%)	54	14.83%	35	3.70%	17
CAI Emerging Mkts MFs	(1.06%)		(2.22%)		(2.44%)		13.79%		1.51%	
William Blair & Company	(0.63%)	72	13.35%	77	8.18%	26	18.91%	13	2.50%	37
MSCI AC Wld Free ex US Indx	0.61%	43	12.80%	83	4.63%	80	16.04%	50	2.16%	47
CAI Non-U.S. Equity MF	0.44%		17.37%		6.65%		16.08%		2.05%	
Domestic Fixed Income	2.07%	45	0.42%	44	5.03%	35	7.10%	45	5.90%	34
Domestic Fixed Income Benchmark	1.84%	58	(0.10%)	66	3.75%	76	4.80%	77	4.96%	66
Barclays Aggregate Index	1.84%	58	(0.10%)	66	3.75%	76	4.80%	77	4.96%	66
Pub Pln- Dom Fixed	1.93%		0.22%		4.61%		6.85%		5.47%	
Richmond Capital Management	2.07%	49	0.42%	48	5.03%	19	7.10%	21	5.90%	31
Blended Benchmark(2)	1.84%	74	(0.03%)	79	4.29%	62	5.12%	89	5.09%	88
CAI Core Bond Style	2.06%		0.38%		4.47%		6.29%		5.51%	
Total Fund	1.65%	42	14.01%	26	10.51%	6	15.84%	13	6.65%	6
Total Fund Benchmark(1)	1.68%	35	12.75%	44	9.49%	29	15.48%	17	6.12%	16
CPI + 5%	2.65%	3	6.41%	94	6.87%	89	7.34%	97	7.14%	2
Pub PlnSponsor DB	1.57%		12.14%		8.78%		14.24%		5.48%	

(1) Effective January 1, 1998, the Total Fund Benchmark is 3.75% Russell 2000 Growth, 3.75% Russell 2000 Value, 35% S&P500, 7.50% S&P400 MidCap, 35% Barclays Aggregate and 15% MSCI ACWI ex-US. Previously, the Total Fund Benchmark was 50% S&P500, 5% Citigroup Non-US Govt Bd Index, 30% Barclays Aggregate and 15% MSCI EAFE.

(2) Barclays Gov/Credit Bond Index through May 31, 2013 and Barclays Aggregate thereafter.

Investment Manager Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Sponsor's investment managers over various time periods ended March 31, 2014. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns and Rankings for Periods Ended March 31, 2014

	Last 10 Years		Last 15 Years		Last 20 Years		Last 23-1/2 Years	
Domestic Equity	8.72%	11	6.78%	17	9.36%	61	10.04%	73
Domestic Equity Benchmark	8.05%	45	6.12%	41	10.37%	10	11.02%	20
Pub Pln- Dom Equity	7.95%		5.89%		9.51%		10.30%	
Emerald Advisers, Inc.	10.55%	43	-		-		-	
Russell 2000 Growth Index	8.87%	74	6.63%	92	7.65%	93	9.46%	92
CAI Sm Cap Growth Style	10.24%		9.92%		10.95%		13.42%	
Ceredex Value Advisors	12.36%	5	14.31%	28	-		-	
Russell 2000 Index	8.53%	83	8.91%	97	9.48%	99	11.48%	97
Russell 2000 Value Index	8.07%	91	10.70%	94	10.81%	98	13.02%	94
CAI Small Cap Value Style	10.06%		13.43%		13.30%		15.52%	
SSgA S&P 500 Index	7.47%	82	4.51%	91	-		-	
Standard & Poor's 500	7.42%	86	4.46%	92	9.53%	80	10.30%	88
CAI Large Cap Core Style	8.30%		5.75%		10.22%		10.96%	
SSgA S&P 400 Index	10.19%	64	10.74%	46	-		-	
S&P Mid Cap 400 Index	10.14%	65	10.68%	46	12.51%	54	14.03%	55
CAI Mid Cap Style	10.65%		10.63%		12.61%		14.14%	
International Equity	7.79%	37	7.16%	27	8.22%	30	-	
International Equity Benchmark	7.59%	51	5.71%	74	6.26%	83	7.12%	84
Pub Pln- Intl Equity	7.64%		6.30%		7.15%		8.02%	
Morgan Stanley - Int'l Equity	7.46%	59	8.27%	7	9.96%	8	-	
MSCI EAFE Index	6.53%	95	4.49%	99	5.54%	98	6.49%	94
CAI Core Int'l Equity	7.48%		6.54%		7.54%		8.51%	
Morgan Stanley - Emerging Mkts.	9.55%	44	10.17%	56	-		-	
MSCI Emerging Mkts.	10.45%	31	10.33%	51	6.18%	52	9.86%	
CAI Emerging Mkts MFs	9.36%		10.43%		6.29%		-	
William Blair & Company	7.71%	25	-		-		-	
MSCI ACWI ex US Index	7.59%	25	5.71%	46	6.24%	49	7.24%	43
CAI Non-U.S. Equity MF	6.67%		5.21%		6.21%		6.90%	
Domestic Fixed Income	5.04%	45	5.98%	51	6.40%	57	7.09%	50
Domestic Fixed Income Benchmark	4.46%	70	5.40%	84	5.99%	84	6.58%	87
Barclays Aggregate Index	4.46%	70	5.40%	84	5.99%	84	6.58%	87
Pub Pln- Dom Fixed	5.00%		6.02%		6.73%		7.09%	
Richmond Capital Management	5.04%	43	5.98%	38	6.50%	29	7.25%	21
Blended Benchmark(2)	4.43%	90	5.46%	88	6.03%	91	6.66%	93
CAI Core Bond Style	4.96%		5.83%		6.36%		7.08%	
Total Fund	7.85%	5	7.08%	12	8.52%	39	9.22%	39
Total Fund Benchmark(1)	7.21%	28	6.36%	41	8.69%	26	9.33%	30
CPI + 5%	7.44%	16	7.47%	5	7.42%	88	7.47%	95
Pub PlnSponsor DB	6.89%		6.22%		8.34%		9.03%	

(1) Effective January 1, 1998, the Total Fund Benchmark is 3.75% Russell 2000 Growth, 3.75% Russell 2000 Value, 35% S&P500, 7.50% S&P400 MidCap, 35% Barclays Aggregate and 15% MSCI ACWI ex-US. Previously, the Total Fund Benchmark was 50% S&P500, 5% Citigroup Non-US Govt Bd Index, 30% Barclays Aggregate and 15% MSCI EAFE.

(2) Barclays Gov/Credit Bond Index through May 31, 2013 and Barclays Aggregate thereafter.

Investment Manager Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Sponsor's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	12/2013- 3/2014		2013		2012		2011		2010	
Domestic Equity	2.03%	13	34.24%	53	16.71%	27	1.05%	36	19.21%	30
Domestic Equity Benchmark	1.89%	29	33.54%	66	16.35%	42	0.65%	46	18.48%	42
Pub Pln- Dom Equity	1.68%		34.39%		16.10%		0.35%		17.95%	
Emerald Advisers, Inc.	3.37%	8	50.59%	34	18.54%	14	(0.87%)	44	29.83%	39
Russell 2000 Growth Index	0.48%	55	43.30%	74	14.59%	48	(2.91%)	61	29.09%	44
CAI Sm Cap Growth Style	0.79%		45.70%		14.51%		(1.34%)		28.81%	
Ceredex Value Advisors	0.75%	78	35.87%	75	19.31%	40	(3.36%)	45	30.78%	29
Russell 2000 Index	1.12%	71	38.82%	50	16.35%	70	(4.18%)	55	26.85%	56
Russell 2000 Value Index	1.78%	52	34.52%	81	18.05%	50	(5.50%)	65	24.50%	76
CAI Small Cap Value Style	1.84%		38.72%		18.12%		(3.70%)		27.38%	
SSgA S&P 500 Index	1.80%	77	32.44%	76	16.06%	48	2.14%	35	15.14%	42
Standard & Poor's 500	1.81%	77	32.39%	76	16.00%	48	2.11%	36	15.06%	43
CAI Large Cap Core Style	2.28%		34.34%		15.89%		1.46%		14.40%	
SSgA S&P 400 Index	3.04%	44	33.67%	75	17.94%	37	(1.69%)	47	26.59%	38
S&P 400 Mid Cap Index	3.04%	44	33.50%	77	17.88%	37	(1.73%)	48	26.64%	38
CAI Mid Cap Style	2.85%		35.84%		16.26%		(1.92%)		25.49%	
International Equity	(0.13%)	83	19.19%	55	22.38%	5	(11.38%)	20	14.23%	23
International Equity Benchmark	0.61%	34	15.78%	80	17.39%	74	(13.33%)	51	11.60%	58
Pub Pln- Intl Equity	0.45%		19.50%		18.78%		(13.18%)		12.18%	
Morgan Stanley - Int'l Equity	0.47%	55	21.72%	80	20.71%	33	(7.40%)	16	6.96%	81
MSCI EAFE Index	0.66%	43	22.78%	69	17.32%	72	(12.14%)	61	7.75%	75
CAI Core Int'l Equity	0.57%		24.29%		18.86%		(11.48%)		9.91%	
Morgan Stanley - Emerging Mkts.	(0.53%)	32	(0.80%)	32	20.19%	21	(18.41%)	42	18.49%	32
MSCI Emerging Mkts.	(0.37%)	28	(2.27%)	53	18.63%	39	(18.17%)	41	19.20%	23
CAI Emerging Mkts MFs	(1.06%)		(2.20%)		17.01%		(19.31%)		18.16%	
William Blair & Company	(0.63%)	72	18.90%	71	24.11%	7	(13.66%)	51	20.10%	7
MSCI AC Wld Free ex US Index	0.61%	43	15.78%	85	17.39%	69	(13.33%)	46	11.60%	42
CAI Non-U.S. Equity MF	0.44%		21.25%		18.80%		(13.62%)		10.51%	
Domestic Fixed Income	2.07%	45	(1.44%)	62	5.85%	69	9.38%	11	8.60%	50
Domestic Fixed Income Benchmark	1.84%	58	(2.02%)	77	4.21%	85	7.84%	35	6.54%	81
Barclays Aggregate Index	1.84%	58	(2.02%)	77	4.21%	85	7.84%	35	6.54%	81
Pub Pln- Dom Fixed	1.93%		(1.02%)		7.20%		7.22%		8.60%	
Richmond Capital Management	2.07%	49	(1.44%)	49	5.85%	59	9.38%	1	8.60%	14
Blended Benchmark(2)	1.84%	74	(2.00%)	82	4.82%	87	8.74%	11	6.59%	90
CAI Core Bond Style	2.06%		(1.46%)		6.15%		7.89%		7.49%	
Total Fund	1.65%	42	19.40%	17	13.67%	27	1.83%	28	14.87%	14
Total Fund Benchmark(1)	1.68%	35	17.65%	32	12.38%	56	1.59%	33	13.79%	33
CPI + 5%	2.65%	3	6.46%	95	6.68%	96	8.21%	1	6.68%	98
Pub PlnSponsor DB	1.57%		15.75%		12.67%		0.91%		13.00%	

(1) Effective January 1, 1998, the Total Fund Benchmark is 3.75% Russell 2000 Growth, 3.75% Russell 2000 Value, 35% S&P500, 7.50% S&P400 MidCap, 35% Barclays Aggregate and 15% MSCI ACWI ex-US. Previously, the Total Fund Benchmark was 50% S&P500, 5% Citigroup Non-US Govt Bd Index, 30% Barclays Aggregate and 15% MSCI EAFE.

(2) Barclays Gov/Credit Bond Index through May 31, 2013 and Barclays Aggregate thereafter.

Investment Manager Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Sponsor's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	2009		2008		2007		2006		2005	
Domestic Equity	29.57%	49	(36.30%)	23	6.19%	30	14.73%	42	7.91%	27
Domestic Equity Benchmark	28.28%	66	(36.32%)	25	4.80%	59	15.45%	26	5.98%	75
Pub Pln- Dom Equity	29.55%		(37.33%)		5.18%		14.60%		6.78%	
Emerald Advisers, Inc.	35.03%	62	(36.22%)	11	2.96%	90	13.25%	33	9.77%	34
Russell 2000 Growth Index	34.47%	68	(38.54%)	15	7.05%	73	13.35%	30	4.15%	80
CAI Sm Cap Growth Style	38.09%		(42.68%)		14.07%		12.49%		7.24%	
Ceredex Value Advisors	36.51%	39	(30.45%)	38	3.73%	10	17.12%	55	13.13%	13
Russell 2000 Index	27.17%	64	(33.79%)	56	(1.57%)	20	18.37%	51	4.55%	84
Russell 2000 Value Index	20.58%	77	(28.92%)	18	(9.78%)	59	23.48%	12	4.71%	83
CAI Small Cap Value Style	32.26%		(33.01%)		(8.60%)		18.75%		9.23%	
SSgA S&P 500 Index	26.57%	50	(36.93%)	64	5.54%	60	15.82%	51	4.94%	82
Standard & Poor's 500	26.47%	50	(37.00%)	65	5.49%	60	15.79%	51	4.91%	82
CAI Large Cap Core Style	26.51%		(36.36%)		6.42%		15.86%		7.17%	
SSgA S&P 400 Index	37.32%	48	(36.15%)	22	8.02%	60	10.36%	68	12.65%	38
S&P 400 Mid Cap Index	37.38%	48	(36.23%)	23	7.98%	60	10.31%	68	12.56%	38
CAI Mid Cap Style	36.99%		(40.60%)		10.13%		13.40%		11.38%	
International Equity	34.02%	63	(44.06%)	52	16.31%	33	24.77%	82	16.19%	42
International Equity Benchmark	42.14%	22	(45.24%)	66	17.12%	24	27.16%	38	17.11%	26
Pub Pln- Intl Equity	36.72%		(43.77%)		14.82%		26.74%		15.91%	
Morgan Stanley - Int'l Equity	22.39%	94	(32.35%)	5	10.62%	55	23.60%	77	7.81%	97
MSCI EAFE Index	31.78%	35	(43.38%)	60	11.17%	45	26.34%	51	13.54%	74
CAI Core Int'l Equity	30.93%		(42.74%)		10.85%		26.62%		14.91%	
Morgan Stanley - Emerging Mkts.	69.54%	74	(56.39%)	73	41.56%	53	38.00%	26	34.54%	50
MSCI Emerging Mkts.	79.02%	31	(53.18%)	25	39.78%	61	32.59%	69	34.54%	50
CAI Emerging Mkts MFs	74.54%		(54.86%)		41.77%		34.57%		34.53%	
William Blair & Company	42.83%	11	(51.99%)	94	18.49%	16	23.45%	65	22.76%	5
MSCI AC Wld Free ex US Index	42.14%	12	(45.24%)	64	17.12%	23	27.16%	30	17.11%	26
CAI Non-U.S. Equity MF	31.65%		(43.86%)		12.33%		24.86%		14.64%	
Domestic Fixed Income	10.37%	60	1.82%	38	6.71%	46	4.37%	69	2.29%	83
Domestic Fixed Income Benchmark	5.93%	80	5.24%	23	6.97%	40	4.33%	71	2.43%	76
Barclays Aggregate Index	5.93%	80	5.24%	23	6.97%	40	4.33%	71	2.43%	76
Pub Pln- Dom Fixed	12.39%		(1.13%)		6.57%		4.56%		2.74%	
Richmond Capital Management	10.37%	53	1.82%	45	6.71%	36	4.37%	79	2.29%	95
Blended Benchmark(2)	4.52%	98	5.70%	18	7.23%	15	3.78%	97	2.37%	90
CAI Core Bond Style	10.67%		0.96%		6.46%		4.58%		2.77%	
Total Fund	21.73%	34	(24.40%)	42	8.46%	41	13.67%	46	7.67%	43
Total Fund Benchmark(1)	22.69%	25	(24.62%)	43	7.45%	58	13.20%	56	6.40%	66
CPI + 5%	8.37%	98	4.56%	1	9.35%	28	7.45%	96	8.50%	26
Pub PlnSponsor DB	20.23%		(25.43%)		7.97%		13.54%		7.40%	

(1) Effective January 1, 1998, the Total Fund Benchmark is 3.75% Russell 2000 Growth, 3.75% Russell 2000 Value, 35% S&P500, 7.50% S&P400 MidCap, 35% Barclays Aggregate and 15% MSCI ACWI ex-US. Previously, the Total Fund Benchmark was 50% S&P500, 5% Citigroup Non-US Govt Bd Index, 30% Barclays Aggregate and 15% MSCI EAFE.

(2) Barclays Gov/Credit Bond Index through May 31, 2013 and Barclays Aggregate thereafter.

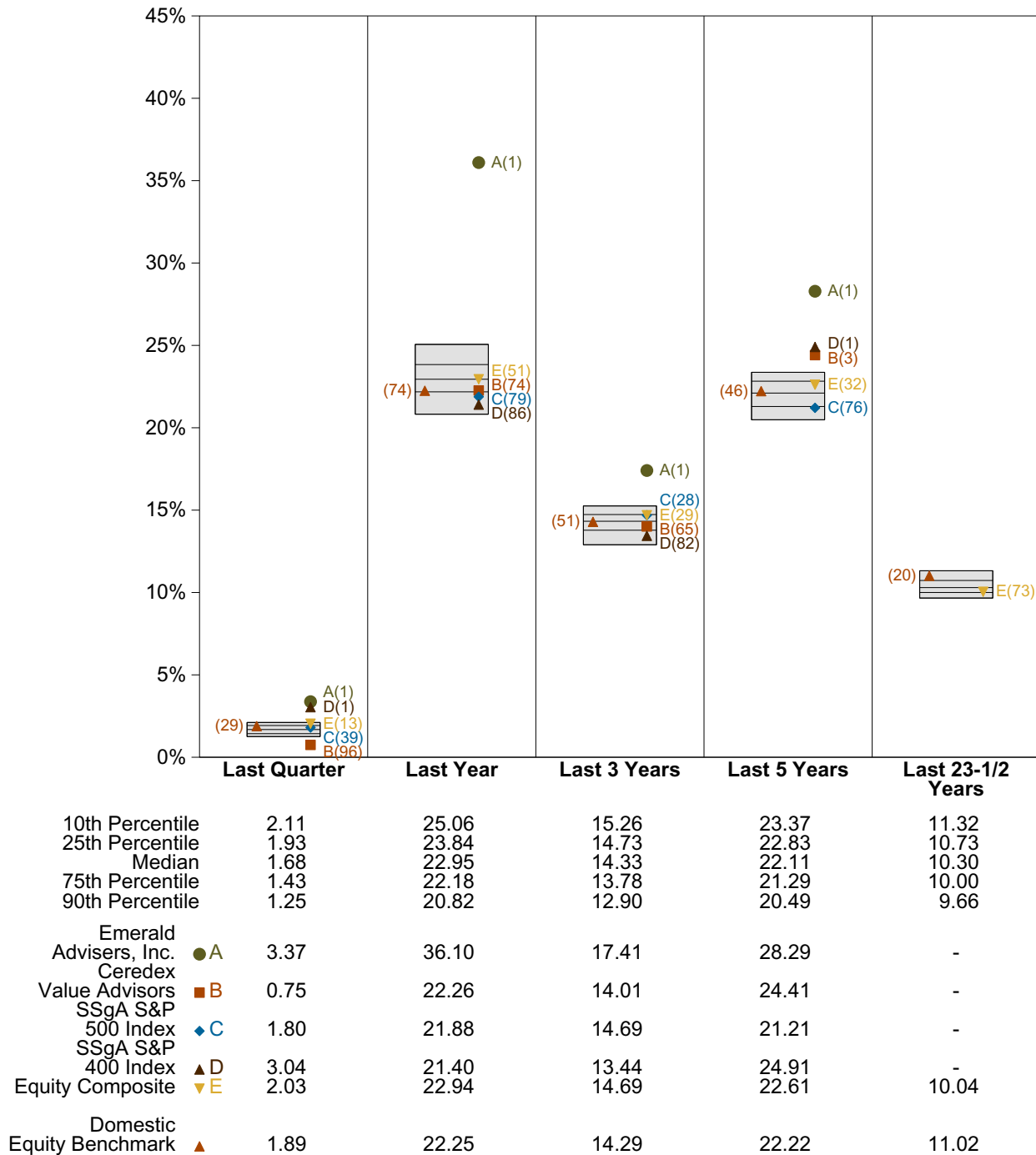
City of Fort Pierce

Performance vs Pub Pln- Domestic Equity

Periods Ended March 31, 2014

Return Ranking

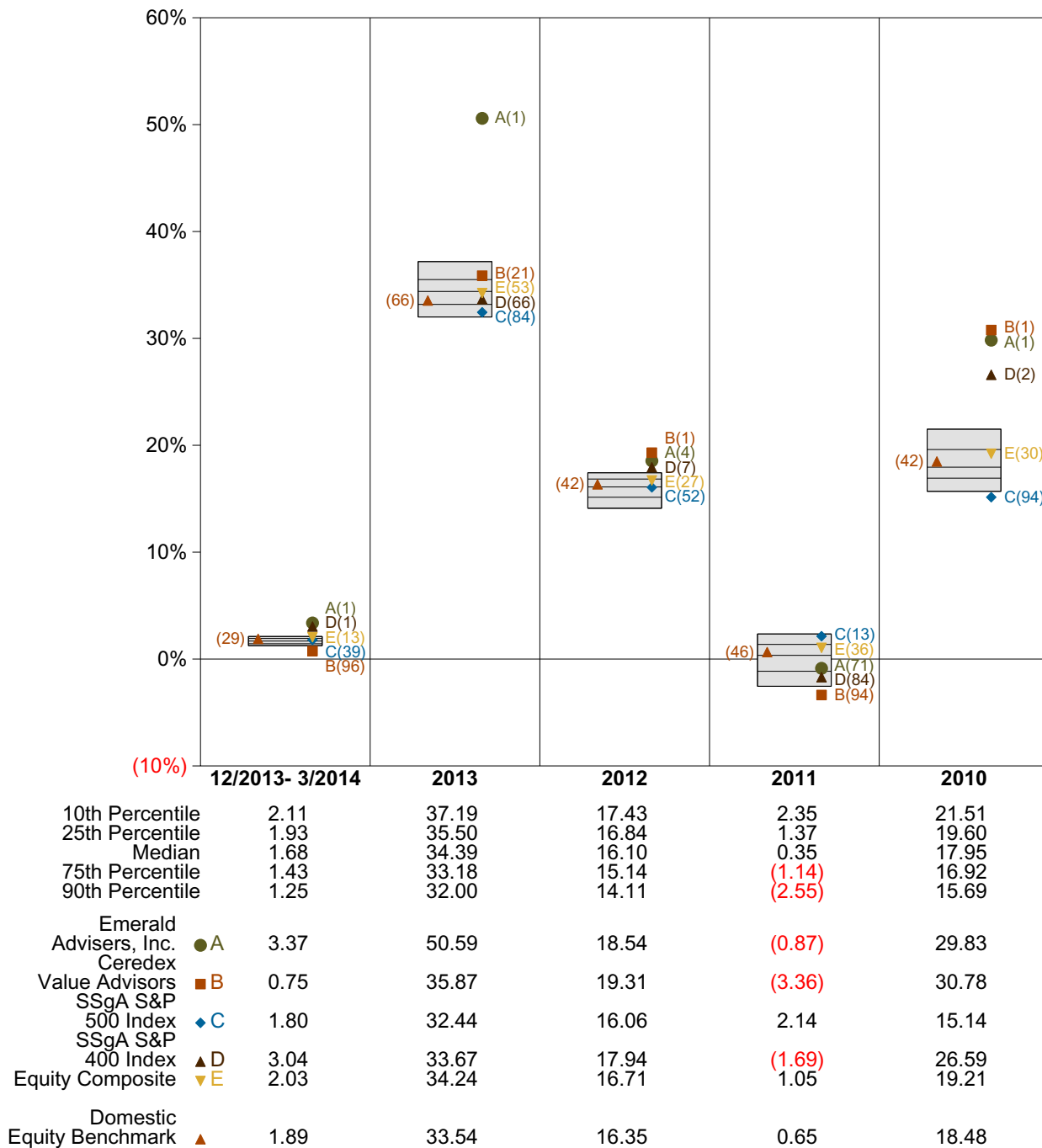
The chart below illustrates fund rankings over various periods versus the Pub Pln- Domestic Equity. The bars represent the range of returns from the 10th percentile to the 90th percentile for each period for all funds in the Pub Pln- Domestic Equity. The numbers to the right of the bar represent the percentile rankings of the funds being analyzed. The table below the chart details the rates of return plotted in the graph above.



City of Fort Pierce Performance vs Pub Pln- Domestic Equity Recent Periods

Return Ranking

The chart below illustrates fund rankings over various periods versus the Pub Pln- Domestic Equity. The bars represent the range of returns from the 10th percentile to the 90th percentile for each period for all funds in the Pub Pln- Domestic Equity. The numbers to the right of the bar represent the percentile rankings of the funds being analyzed. The table below the chart details the rates of return plotted in the graph above.



Emerald Advisers, Inc. Period Ended March 31, 2014

Investment Philosophy

Emerald is dedicated to fundamental, bottom-up research designed to identify unrecognized, under-researched and undervalued growth companies.

Quarterly Summary and Highlights

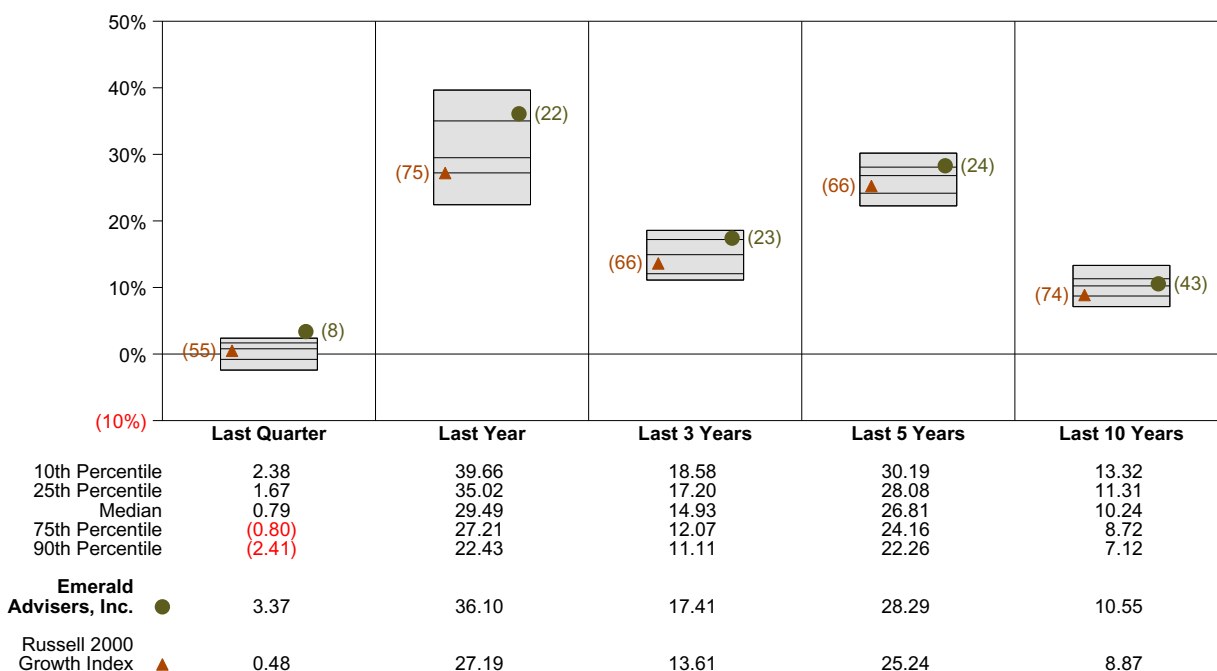
- Emerald Advisers, Inc.'s portfolio posted a 3.37% return for the quarter placing it in the 8 percentile of the CAI Small Cap Growth Style group for the quarter and in the 22 percentile for the last year.
- Emerald Advisers, Inc.'s portfolio outperformed the Russell 2000 Growth Index by 2.89% for the quarter and outperformed the Russell 2000 Growth Index for the year by 8.90%.

Quarterly Asset Growth

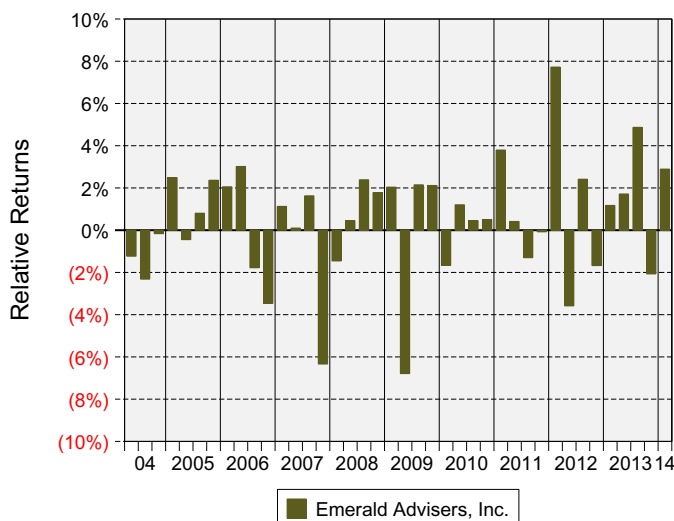
Beginning Market Value	\$8,180,266
Net New Investment	\$-16,650
Investment Gains/(Losses)	\$276,720
Ending Market Value	\$8,440,336

Percent Cash: 2.2%

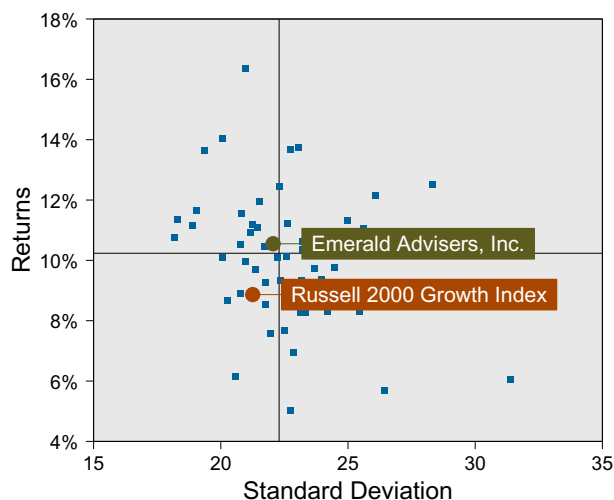
Performance vs CAI Small Cap Growth Style (Gross)



Relative Return vs Russell 2000 Growth Index



CAI Small Cap Growth Style (Gross) Annualized Ten Year Risk vs Return

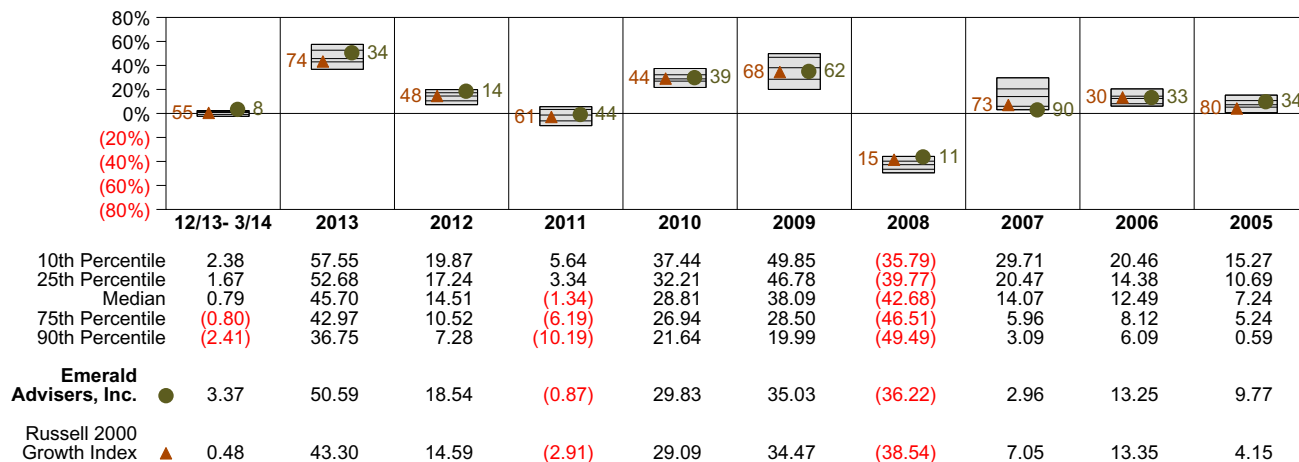


Emerald Advisers, Inc. Return Analysis Summary

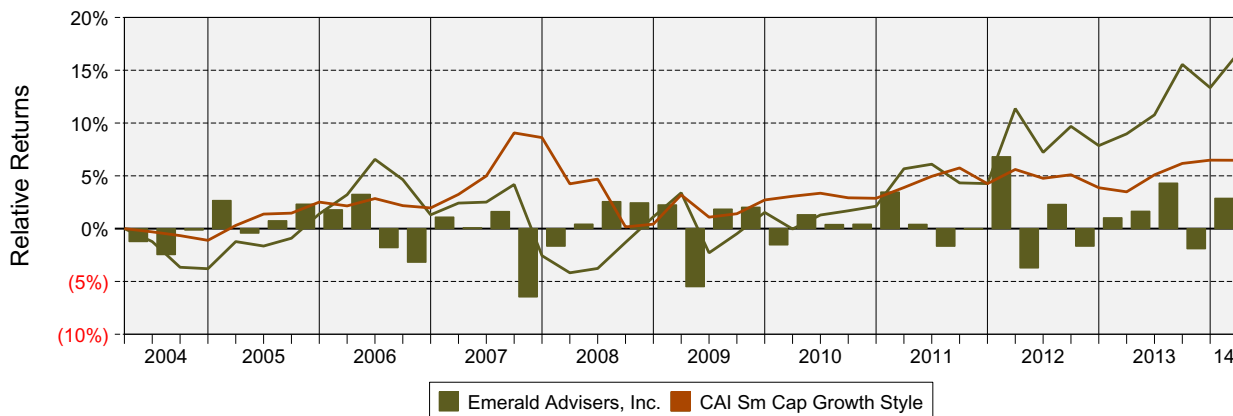
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

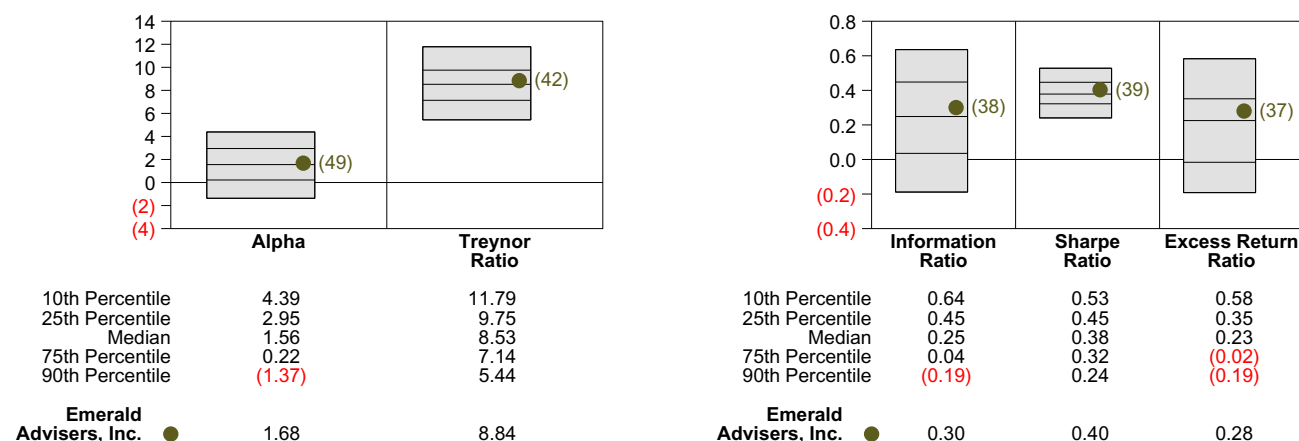
Performance vs CAI Small Cap Growth Style (Gross)



Cumulative and Quarterly Relative Return vs Russell 2000 Growth Index



Risk Adjusted Return Measures vs Russell 2000 Growth Index Rankings Against CAI Small Cap Growth Style (Gross) Ten Years Ended March 31, 2014

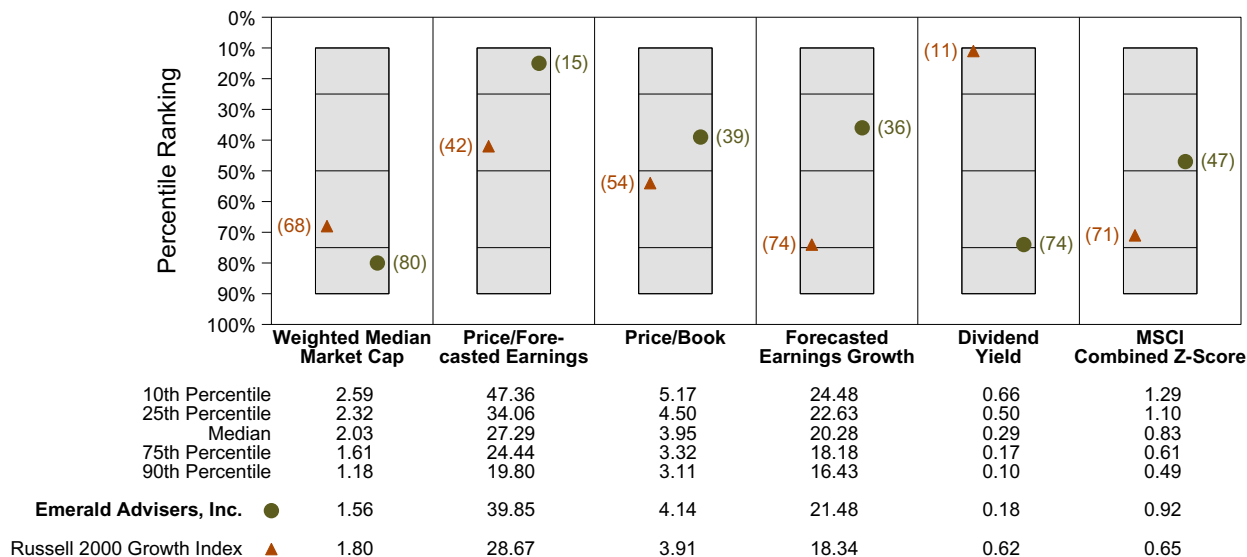


Emerald Advisers, Inc. Equity Characteristics Analysis Summary

Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

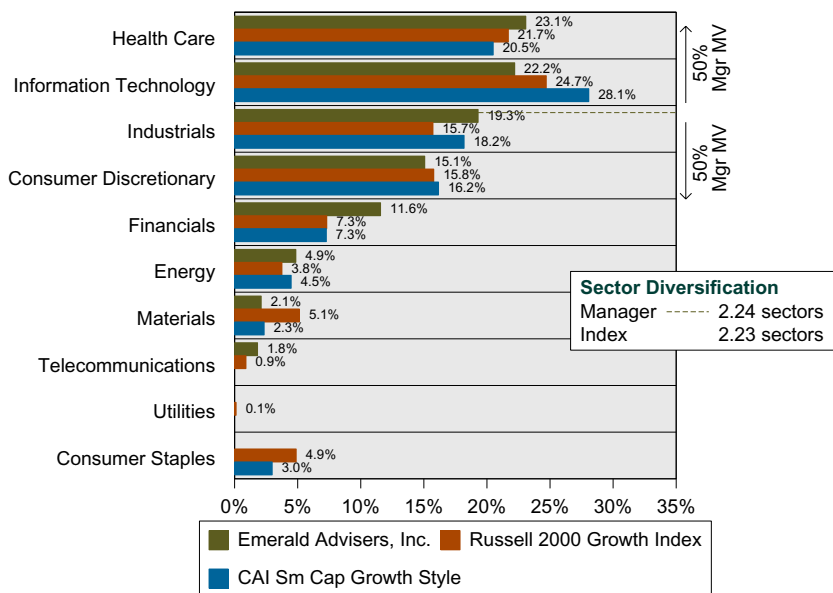
Portfolio Characteristics Percentile Rankings Rankings Against CAI Small Cap Growth Style as of March 31, 2014



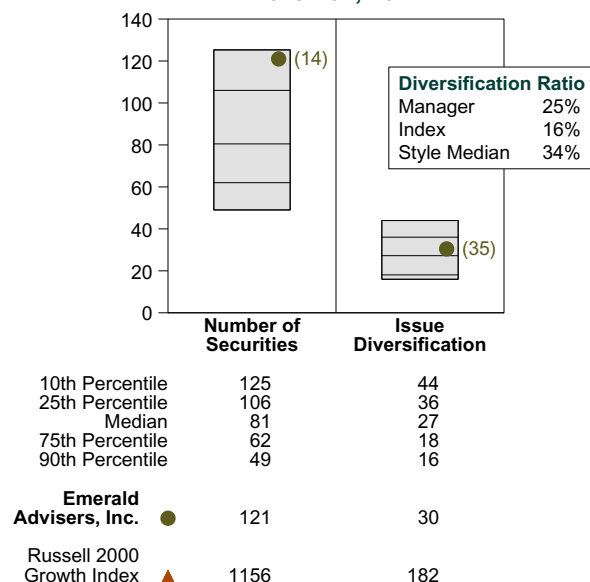
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.

Sector Allocation March 31, 2014



Diversification March 31, 2014



Emerald Advisers, Inc.

Top 10 Portfolio Holdings Characteristics

as of March 31, 2014

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Spirit Airls Inc	Industrials	\$278,408	3.4%	30.81%	4.32	19.15	0.00%	25.00%
Mwi Veterinary Supply Inc	Health Care	\$255,995	3.1%	(8.78)%	2.00	25.72	0.00%	15.00%
Trex Co Inc	Industrials	\$221,602	2.7%	(8.01)%	1.23	24.63	0.00%	29.33%
Bank of The Ozarks Inc	Financials	\$198,735	2.4%	20.73%	2.51	23.24	1.29%	19.74%
Middleby Corp	Industrials	\$198,422	2.4%	10.10%	5.08	25.54	0.00%	25.05%
Svb Finl Group	Financials	\$177,845	2.2%	22.81%	5.91	23.87	0.00%	10.00%
Acadia Healthcare Company In	Health Care	\$172,088	2.1%	(4.67)%	2.28	32.51	0.00%	17.95%
Proofpoint Inc	Information Technology	\$165,748	2.0%	11.74%	1.36	(87.66)	0.00%	30.00%
Magnum Hunter Res Corp Del	Energy	\$159,094	1.9%	16.31%	1.46	(11.44)	0.00%	-
Homeaway Inc	Consumer Discretionary	\$140,886	1.7%	(7.85)%	3.48	50.09	0.00%	25.25%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Intercept Pharmaceuticals In	Health Care	\$65,958	0.8%	374.00%	6.44	(101.38)	0.00%	-
Auspex Pharmaceuticals Inc	Health Care	\$9,536	0.1%	156.33%	0.73	(44.58)	0.00%	-
Ultragenyx Pharmaceutical In	Health Care	\$10,267	0.1%	132.81%	1.47	(109.37)	0.00%	-
Cara Therapeutics Inc	Health Care	\$13,399	0.2%	69.18%	0.42	(18.19)	0.00%	-
Applied Optoelectronics Inc	Information Technology	\$45,146	0.5%	64.36%	0.36	22.95	0.00%	17.50%
Malibu Boats Inc Com Cl A	Consumer Discretionary	\$41,107	0.5%	48.39%	0.25	24.91	0.00%	20.00%
Ldr Hldg Corp	Health Care	\$16,822	0.2%	43.43%	0.83	(75.95)	0.00%	20.00%
H & E Equipment Services Inc	Industrials	\$101,004	1.2%	36.52%	1.42	23.18	0.00%	43.34%
Spirit Airls Inc	Industrials	\$278,408	3.4%	30.81%	4.32	19.15	0.00%	25.00%
Diamondback Energy Inc	Energy	\$76,464	0.9%	27.34%	3.40	22.27	0.00%	60.00%

10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Infoblox Inc	Information Technology	\$71,875	0.9%	(39.25)%	1.08	58.48	0.00%	20.00%
Epizyme Inc	Health Care	\$50,094	0.6%	(31.69)%	0.75	(11.63)	0.00%	-
Rally Software Dev Corp	Information Technology	\$47,231	0.6%	(31.21)%	0.33	(19.53)	0.00%	25.00%
Gray Television Inc	Consumer Discretionary	\$42,766	0.5%	(30.31)%	0.54	11.69	0.00%	10.00%
Pdf Solutions Inc	Information Technology	\$32,597	0.4%	(29.08)%	0.56	13.21	0.00%	20.00%
Financial Engines Inc	Financials	\$30,519	0.4%	(26.84)%	2.59	51.04	0.47%	37.50%
Liposcience Inc	Health Care	\$2,093	0.0%	(25.69)%	0.05	(5.06)	0.00%	-
Christopher & Banks Corp	Consumer Discretionary	\$36,990	0.4%	(22.60)%	0.24	22.95	0.00%	(13.53)%
Chegg Inc	Consumer Discretionary	\$33,740	0.4%	(17.74)%	0.57	(36.46)	0.00%	331.60%
Gsv Cap Corp	Financials	\$58,163	0.7%	(16.13)%	0.20	14.18	0.00%	-

Ceredex Value Advisors Period Ended March 31, 2014

Investment Philosophy

Ceredex Value Advisors seeks to provide long-term capital appreciation and income by investing primarily in U.S. companies with market capitalization less than \$3 billion, and which managers believe are undervalued in the market place at the time of purchase.

Quarterly Summary and Highlights

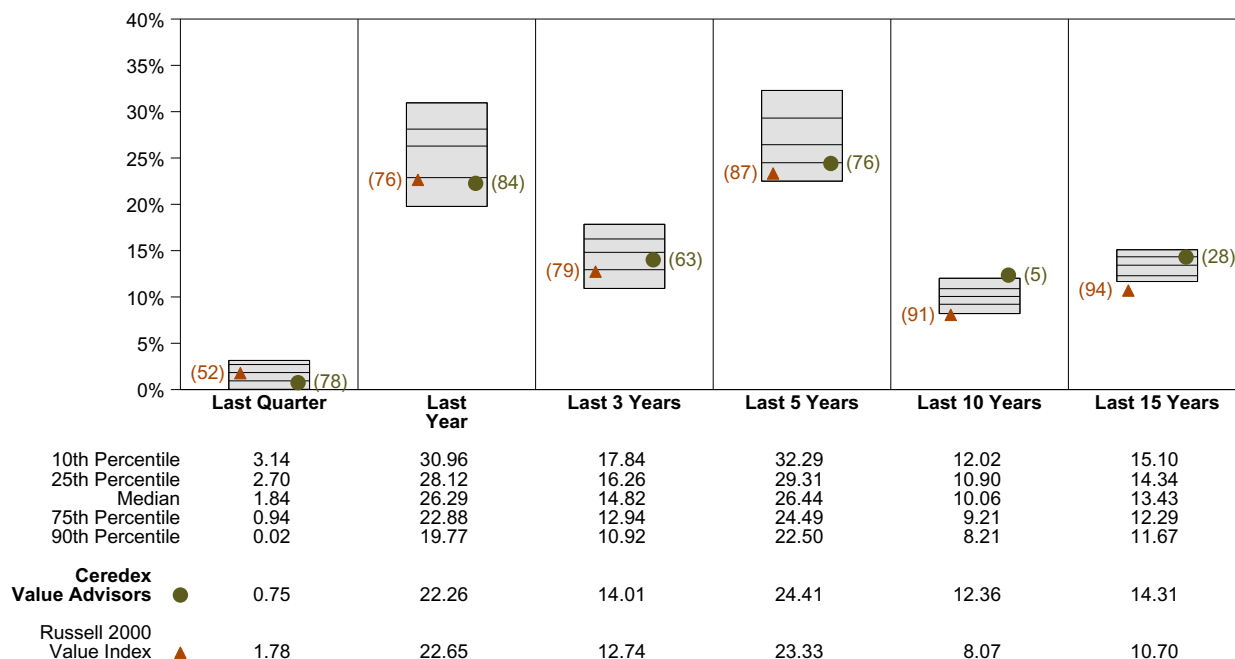
- Ceredex Value Advisors's portfolio posted a 0.75% return for the quarter placing it in the 78 percentile of the CAI Small Cap Value Style group for the quarter and in the 84 percentile for the last year.
- Ceredex Value Advisors's portfolio underperformed the Russell 2000 Value Index by 1.03% for the quarter and underperformed the Russell 2000 Value Index for the year by 0.38%.

Quarterly Asset Growth

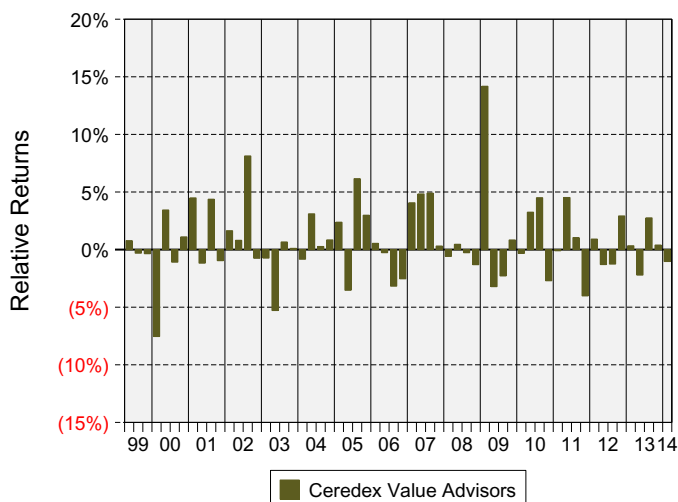
Beginning Market Value	\$7,907,552
Net New Investment	\$-17,764
Investment Gains/(Losses)	\$57,879
Ending Market Value	\$7,947,667

Percent Cash: 3.0%

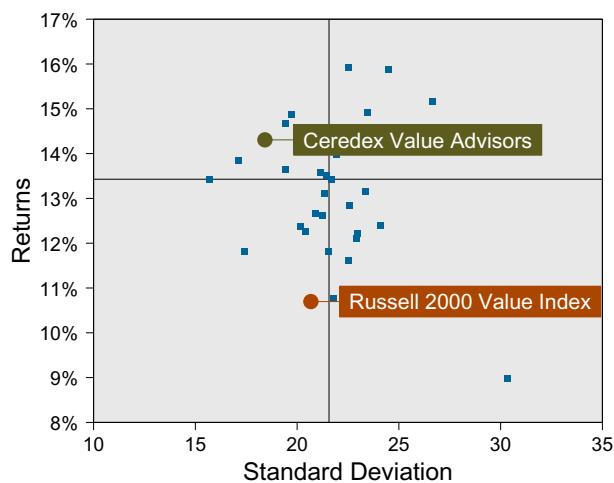
Performance vs CAI Small Cap Value Style (Gross)



Relative Return vs Russell 2000 Value Index



CAI Small Cap Value Style (Gross) Annualized Fifteen Year Risk vs Return

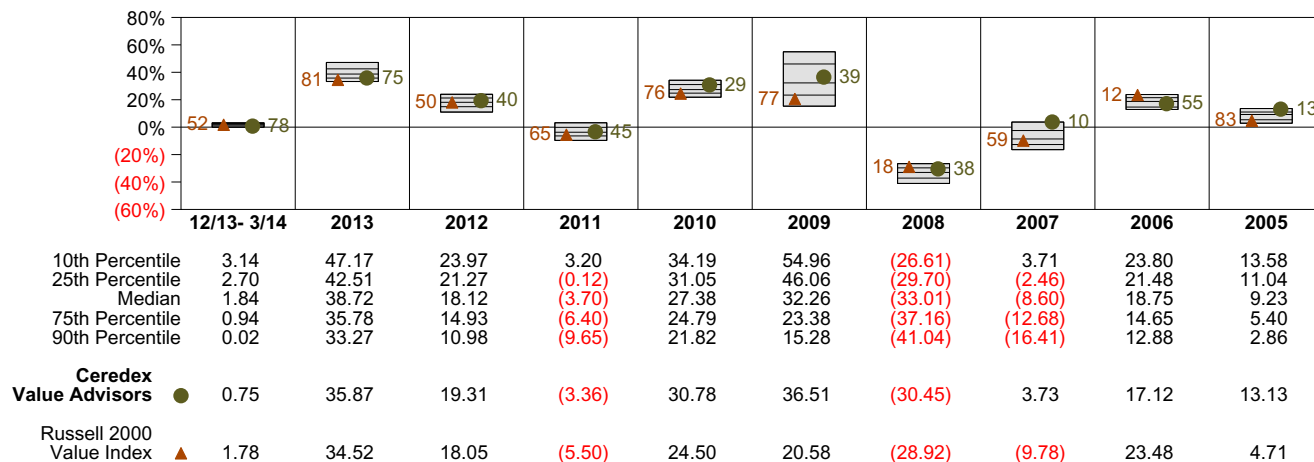


Ceredex Value Advisors Return Analysis Summary

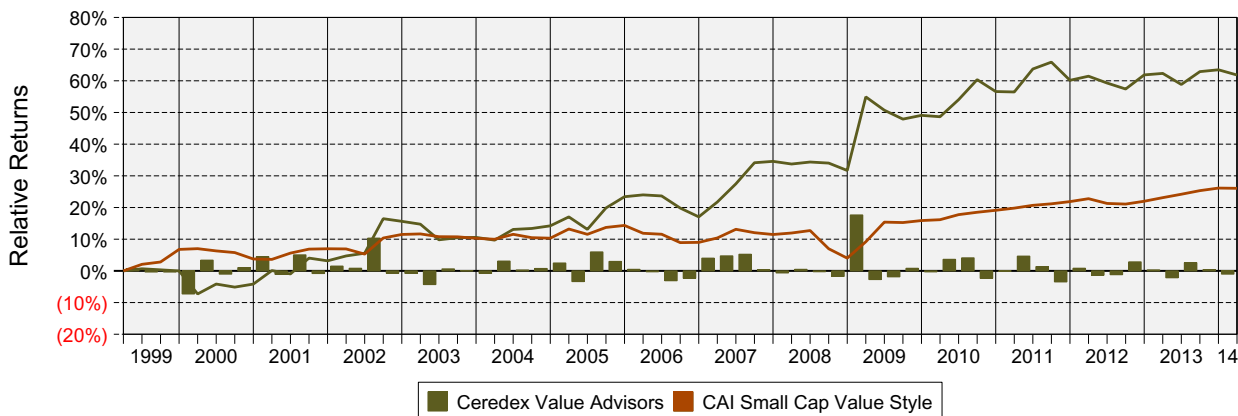
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

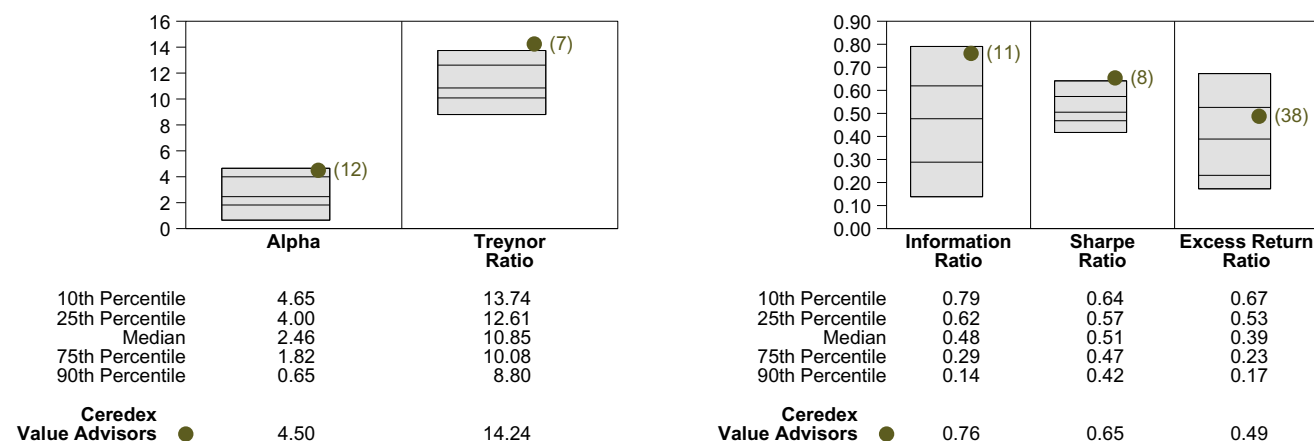
Performance vs CAI Small Cap Value Style (Gross)



Cumulative and Quarterly Relative Return vs Russell 2000 Value Index



Risk Adjusted Return Measures vs Russell 2000 Value Index Rankings Against CAI Small Cap Value Style (Gross) Fifteen Years Ended March 31, 2014

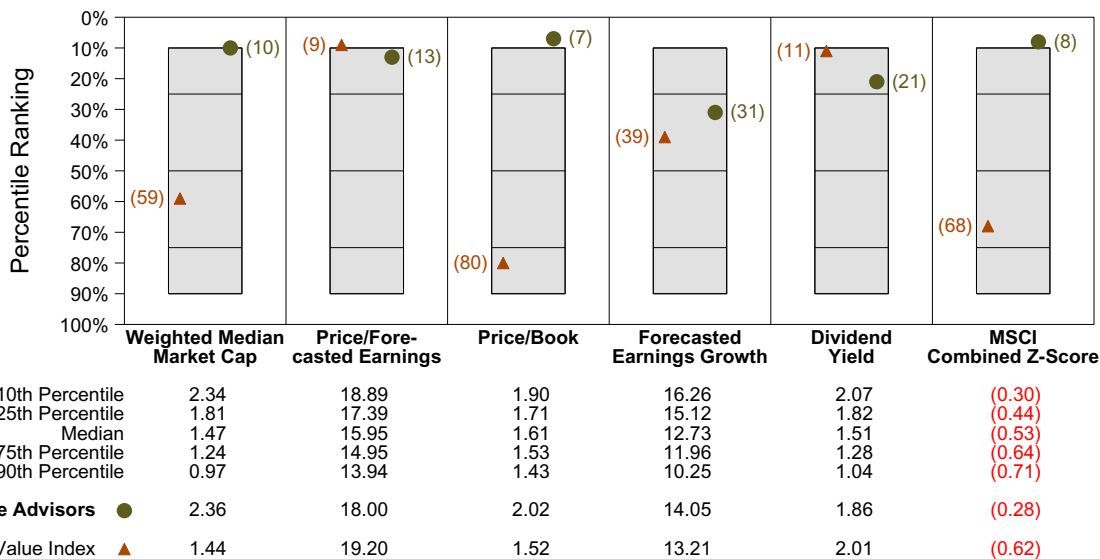


Ceredex Value Advisors Equity Characteristics Analysis Summary

Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

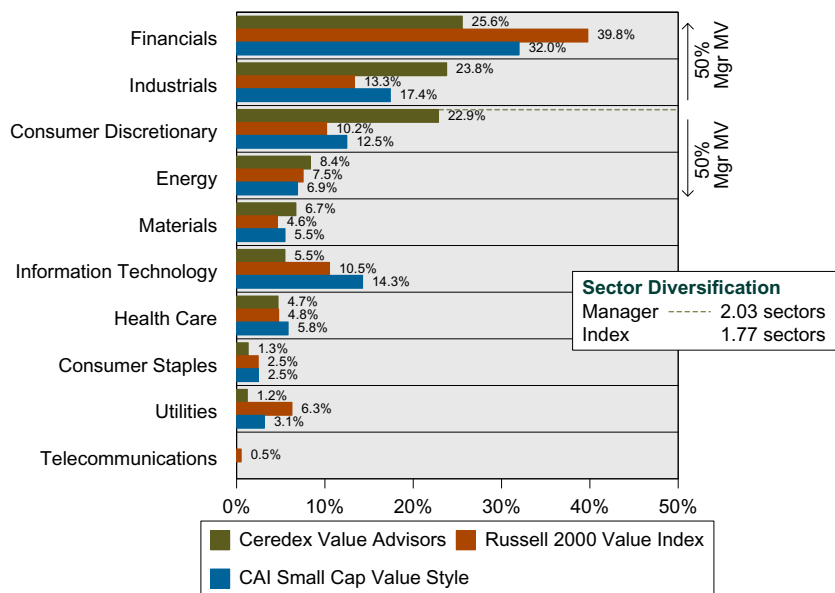
Portfolio Characteristics Percentile Rankings Rankings Against CAI Small Cap Value Style as of March 31, 2014



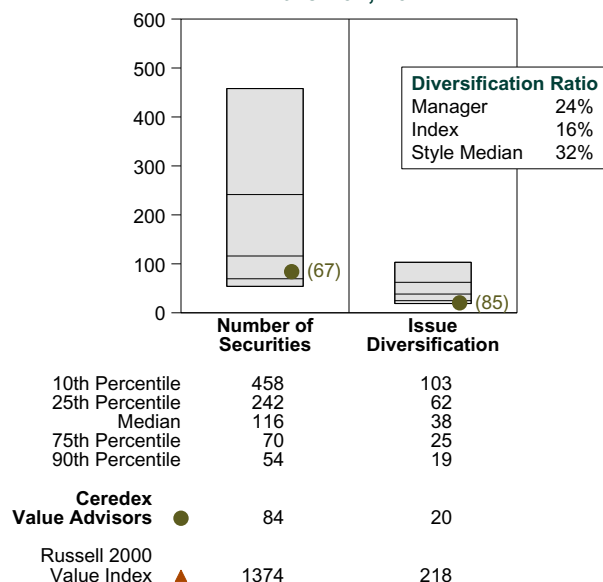
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.

Sector Allocation March 31, 2014



Diversification March 31, 2014



Ceredex Value Advisors Top 10 Portfolio Holdings Characteristics as of March 31, 2014

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Carbo Ceramics Inc	Energy	\$289,779	3.8%	18.72%	3.19	28.24	0.87%	16.50%
Stancorp Finl Group Inc	Financials	\$280,560	3.6%	0.83%	2.92	12.47	1.65%	6.40%
Hsn Inc	Consumer Discretionary	\$250,866	3.3%	(3.70)%	3.17	16.99	1.67%	12.50%
Progressive Waste Solutions Ltd	Industrials	\$227,790	3.0%	2.65%	2.92	22.33	2.14%	10.65%
Guess Inc	Consumer Discretionary	\$214,314	2.8%	(10.38)%	2.35	16.07	3.26%	3.80%
Cabot Corp	Materials	\$206,710	2.7%	15.33%	3.80	14.39	1.35%	17.00%
Cubesmart	Financials	\$188,760	2.4%	8.44%	2.41	73.65	3.03%	32.26%
Interface Inc	Industrials	\$188,176	2.4%	(6.28)%	1.37	20.49	0.58%	24.20%
Hanover Ins Group Inc	Financials	\$184,320	2.4%	3.48%	2.71	12.31	2.41%	12.39%
Miller Herman Inc	Industrials	\$183,141	2.4%	9.39%	1.90	16.63	1.74%	16.00%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Manitowoc Inc	Industrials	\$81,770	1.1%	34.72%	4.24	17.64	0.25%	27.98%
Patterson Uti Energy Inc	Energy	\$72,864	0.9%	24.62%	4.57	21.62	1.26%	0.27%
Carbo Ceramics Inc	Energy	\$289,779	3.8%	18.72%	3.19	28.24	0.87%	16.50%
Amc Entmt Hldgs Inc Cl A Com	Consumer Discretionary	\$169,750	2.2%	17.84%	0.52	21.03	0.00%	48.30%
Globe Specialty Metals Inc Shs Reg S	Materials	\$12,492	0.2%	15.89%	1.55	26.42	1.44%	15.00%
Cabot Corp	Materials	\$206,710	2.7%	15.33%	3.80	14.39	1.35%	17.00%
Einstein Noah Rest Group Inc	Consumer Discretionary	\$11,522	0.1%	14.55%	0.29	15.86	3.16%	15.00%
Granite Constr Inc	Industrials	\$43,923	0.6%	14.53%	1.55	19.85	1.30%	7.00%
Oppenheimer Hldgs Inc Cl A Non Vtg	Financials	\$22,440	0.3%	13.71%	0.38	11.27	1.57%	(24.42)%
Msa Safety Inc Com	Industrials	\$91,200	1.2%	11.94%	2.13	19.20	2.11%	18.00%

10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Black Box Corp Del	Information Technology	\$26,774	0.3%	(18.01)%	0.38	11.01	1.48%	(7.25)%
Arcos Dorados Holdings	Consumer Discretionary	\$118,944	1.5%	(16.15)%	1.31	19.20	2.37%	0.38%
Chicos Fas Inc	Consumer Discretionary	\$120,225	1.6%	(14.52)%	2.45	16.22	1.87%	13.40%
Cst Brands Inc	Consumer Discretionary	\$103,092	1.3%	(13.82)%	2.36	15.52	0.80%	10.00%
Landauer Inc	Health Care	\$58,929	0.8%	(12.94)%	0.43	22.78	4.85%	(5.52)%
Fair Isaac Corp	Information Technology	\$171,492	2.2%	(11.99)%	1.93	19.55	0.14%	9.00%
Linn Energy LLC Unit Ltd Liab	Energy	\$32,027	0.4%	(11.15)%	9.39	17.54	10.24%	(18.38)%
Clarcor Inc	Industrials	\$120,435	1.6%	(10.88)%	2.89	20.48	1.19%	11.60%
Guess Inc	Consumer Discretionary	\$214,314	2.8%	(10.38)%	2.35	16.07	3.26%	3.80%
Sothebys	Consumer Discretionary	\$52,260	0.7%	(9.92)%	3.01	17.74	0.92%	18.00%

STATE STREET GLOBAL ADVISORS

Period Ended March 31, 2014

Investment Philosophy

State Street's S&P 500 Index Fund seeks to replicate the total return of the S&P 500 Index.

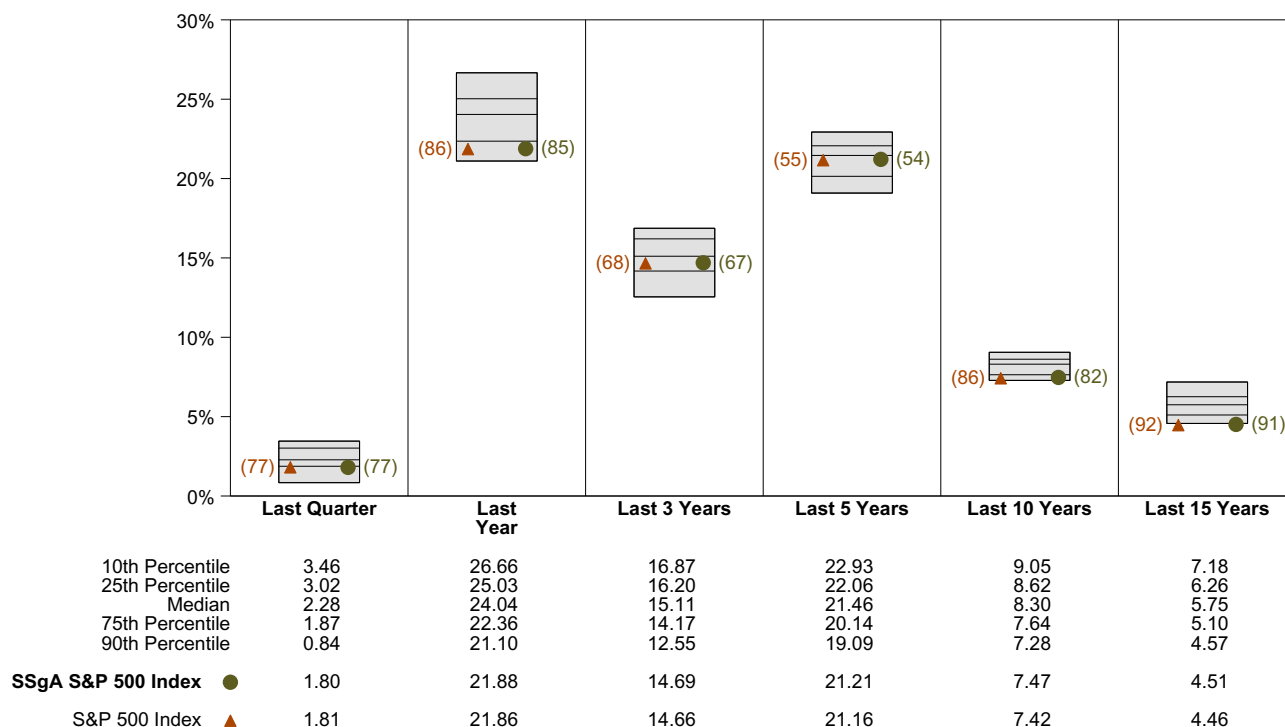
Quarterly Summary and Highlights

- SSgA S&P 500 Index's portfolio posted a 1.80% return for the quarter placing it in the 77 percentile of the CAI Large Cap Core Style group for the quarter and in the 85 percentile for the last year.
- SSgA S&P 500 Index's portfolio underperformed the S&P 500 Index by 0.01% for the quarter and outperformed the S&P 500 Index for the year by 0.02%.

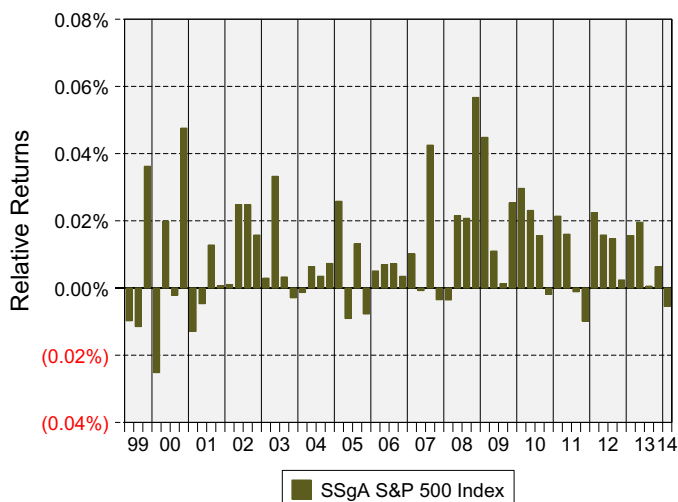
Quarterly Asset Growth

Beginning Market Value	\$64,913,949
Net New Investment	\$-6,817
Investment Gains/(Losses)	\$1,169,770
Ending Market Value	\$66,076,903

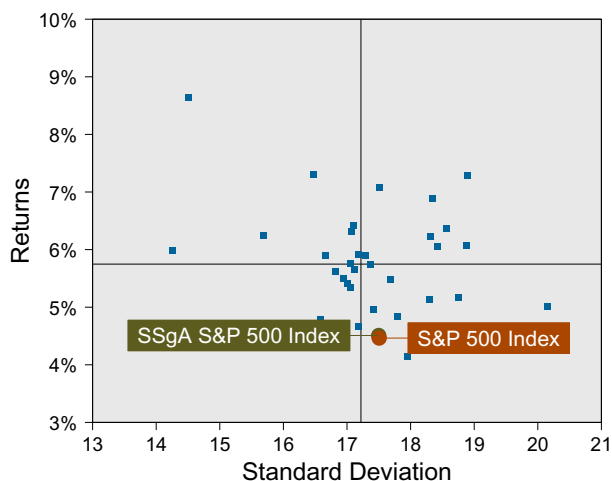
Performance vs CAI Large Cap Core Style (Gross)



Relative Return vs S&P 500 Index



CAI Large Cap Core Style (Gross) Annualized Fifteen Year Risk vs Return



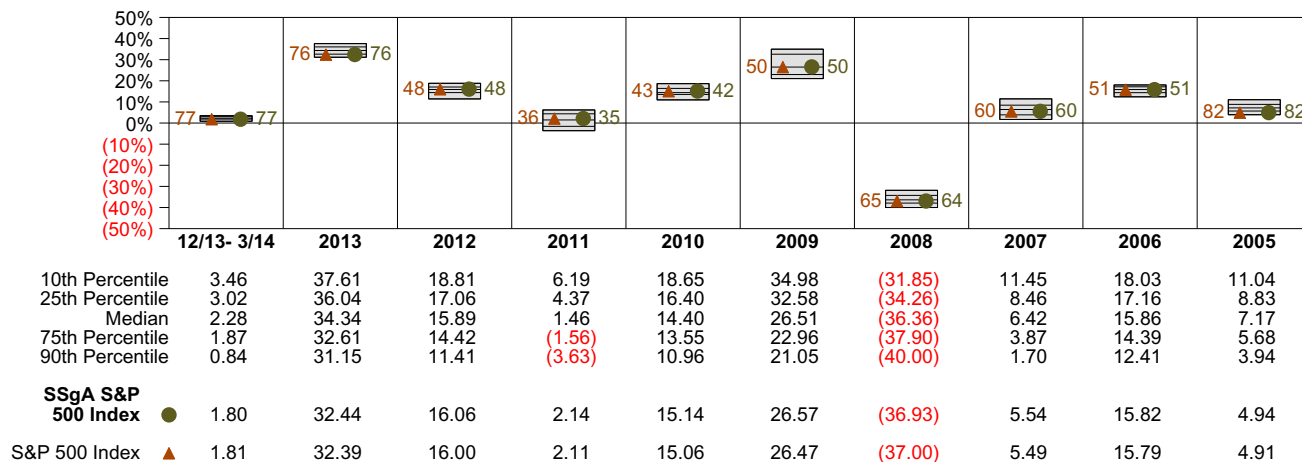
STATE STREET GLOBAL ADVISORS

Return Analysis Summary

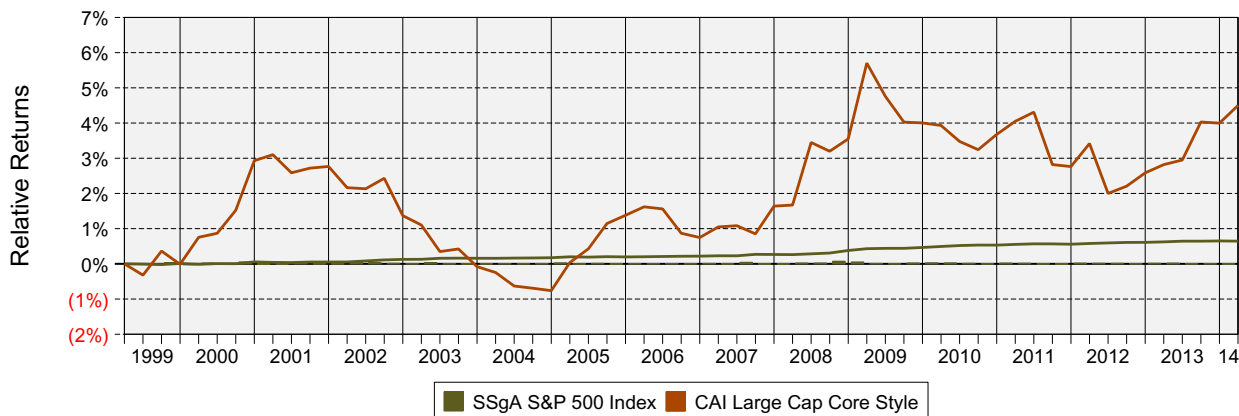
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

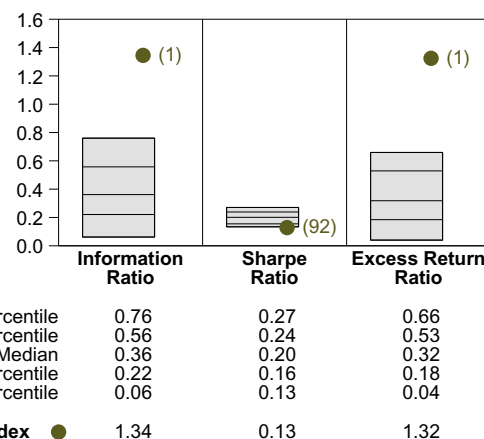
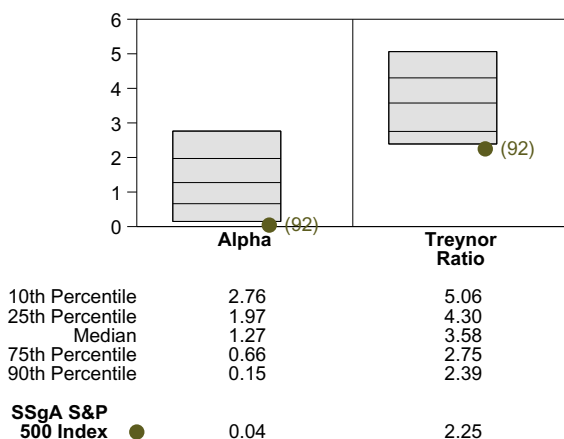
Performance vs CAI Large Cap Core Style (Gross)



Cumulative and Quarterly Relative Return vs S&P 500 Index



Risk Adjusted Return Measures vs S&P 500 Index Rankings Against CAI Large Cap Core Style (Gross) Fifteen Years Ended March 31, 2014

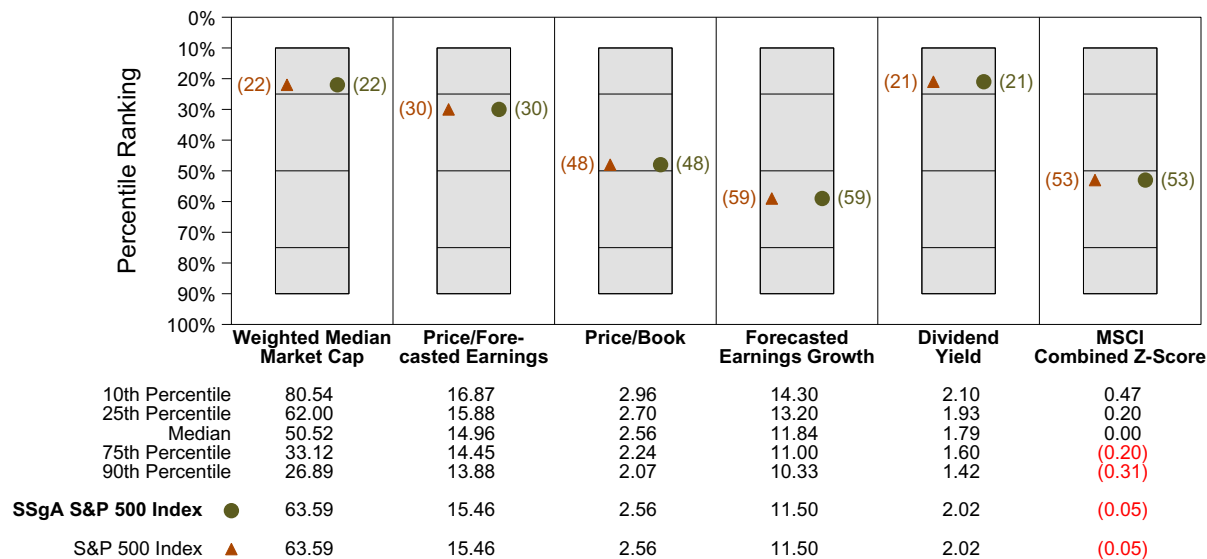


SSgA S&P 500 Index Equity Characteristics Analysis Summary

Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

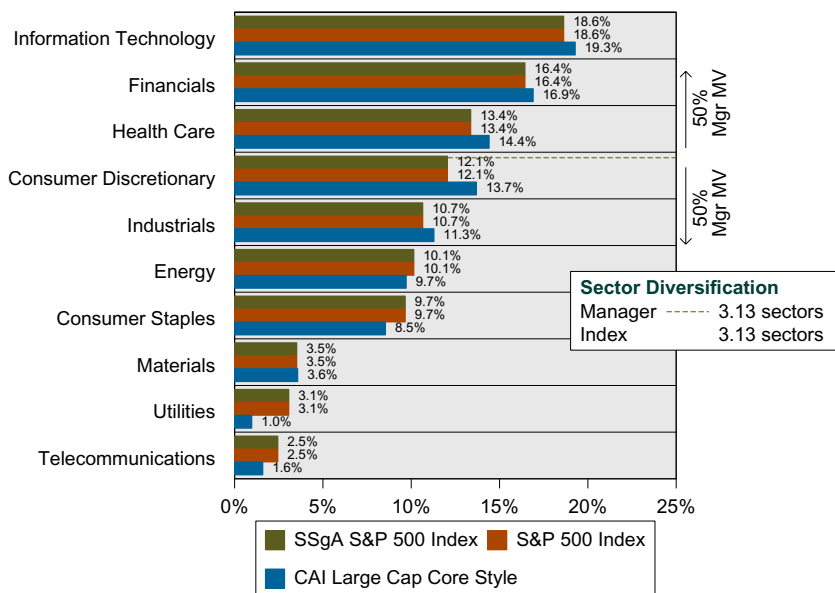
Portfolio Characteristics Percentile Rankings Rankings Against CAI Large Cap Core Style as of March 31, 2014



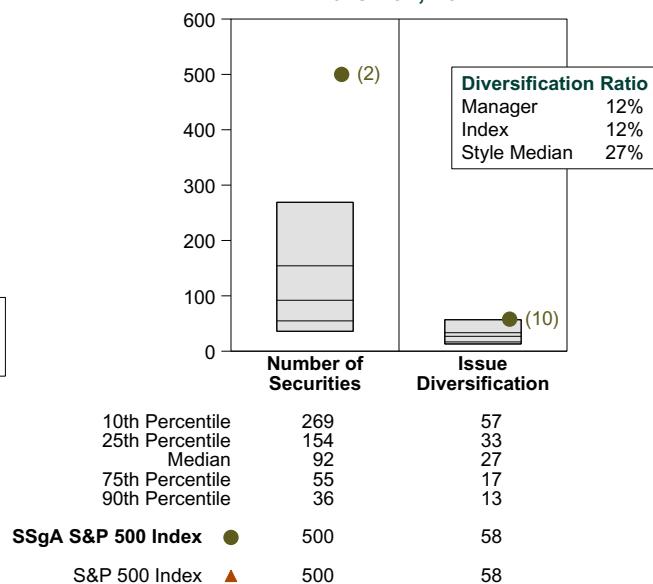
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.

Sector Allocation March 31, 2014



Diversification March 31, 2014



SSgA S&P 500 Index Top 10 Portfolio Holdings Characteristics as of March 31, 2014

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Apple Inc	Information Technology	\$1,886,188	2.9%	(3.77)%	478.77	12.03	2.27%	18.00%
Exxon Mobil Corp	Energy	\$1,662,790	2.5%	(2.80)%	422.10	12.98	2.58%	4.17%
Google Inc Cl A	Information Technology	\$1,239,471	1.9%	(0.55)%	313.00	20.74	0.00%	16.00%
Microsoft Corp	Information Technology	\$1,219,879	1.9%	10.33%	340.22	14.38	2.73%	8.50%
Johnson & Johnson	Health Care	\$1,094,908	1.7%	8.02%	277.83	16.53	2.69%	6.05%
General Electric Co	Industrials	\$1,023,495	1.6%	(6.83)%	259.55	14.99	3.40%	7.70%
Wells Fargo & Co New	Financials	\$938,157	1.4%	10.30%	261.22	12.18	2.41%	10.35%
JPMorgan Chase & Co	Financials	\$905,648	1.4%	4.49%	229.79	10.10	2.64%	6.42%
Chevron Corp New	Energy	\$894,071	1.4%	(3.95)%	227.01	10.69	3.36%	6.00%
Berkshire Hathaway Inc Del Cl B New	Financials	\$886,374	1.3%	5.41%	147.37	18.69	0.00%	10.90%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Forest Labs Inc	Health Care	\$86,801	0.1%	53.71%	25.00	25.21	0.00%	65.00%
Nabors Industries Ltd Shs	Energy	\$25,120	0.0%	45.34%	7.31	19.01	0.65%	49.80%
Keurig Green Mountain Inc	Consumer Staples	\$52,721	0.1%	40.15%	15.72	27.18	0.95%	16.50%
Tyson Foods Inc Cl A	Consumer Staples	\$46,718	0.1%	31.78%	11.89	14.74	0.68%	9.45%
Harman International Ind	Consumer Discretionary	\$28,581	0.0%	30.37%	7.21	20.90	1.13%	24.05%
Helmerich & Payne Inc	Energy	\$44,556	0.1%	28.84%	11.57	16.62	2.32%	14.00%
First Solar Inc	Information Technology	\$19,221	0.0%	27.73%	6.94	22.81	0.00%	(0.70)%
Newfield Exploration Co	Energy	\$17,003	0.0%	27.32%	4.28	15.33	0.00%	5.85%
Electronic Arts Inc	Information Technology	\$35,520	0.1%	26.46%	8.98	19.09	0.00%	15.00%
Delta Air Lines Inc Del	Industrials	\$115,921	0.2%	26.39%	29.43	12.78	0.69%	13.93%

10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Best Buy Inc	Consumer Discretionary	\$28,246	0.0%	(33.34)%	9.17	11.71	2.57%	16.30%
Staples	Consumer Discretionary	\$29,105	0.0%	(27.87)%	7.38	10.53	4.23%	(1.00)%
The Adt Corporation	Industrials	\$21,720	0.0%	(25.61)%	5.49	15.16	2.67%	10.00%
International Game Technolog	Consumer Discretionary	\$13,498	0.0%	(22.00)%	3.47	11.20	3.13%	13.50%
Cliffs Nat Res Inc	Materials	\$11,689	0.0%	(21.40)%	3.13	19.54	2.93%	2.50%
Dun & Bradstreet Corp	Industrials	\$14,678	0.0%	(18.69)%	3.68	13.24	1.77%	5.10%
Celgene Corp	Health Care	\$223,337	0.3%	(17.38)%	56.68	17.72	0.00%	25.00%
Kansas City Southern	Industrials	\$44,535	0.1%	(17.34)%	11.26	21.25	1.10%	17.70%
Peabody Energy Corp	Energy	\$16,827	0.0%	(15.91)%	4.43	122.86	2.08%	(8.45)%
Gamestop Corp New Cl A	Consumer Discretionary	\$18,747	0.0%	(15.82)%	4.74	10.54	3.21%	13.80%

STATE STREET GLOBAL ADVISORS

Period Ended March 31, 2014

Investment Philosophy

The objective of State Street's S&P MidCap 400 Index is to seek an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index over the long term.

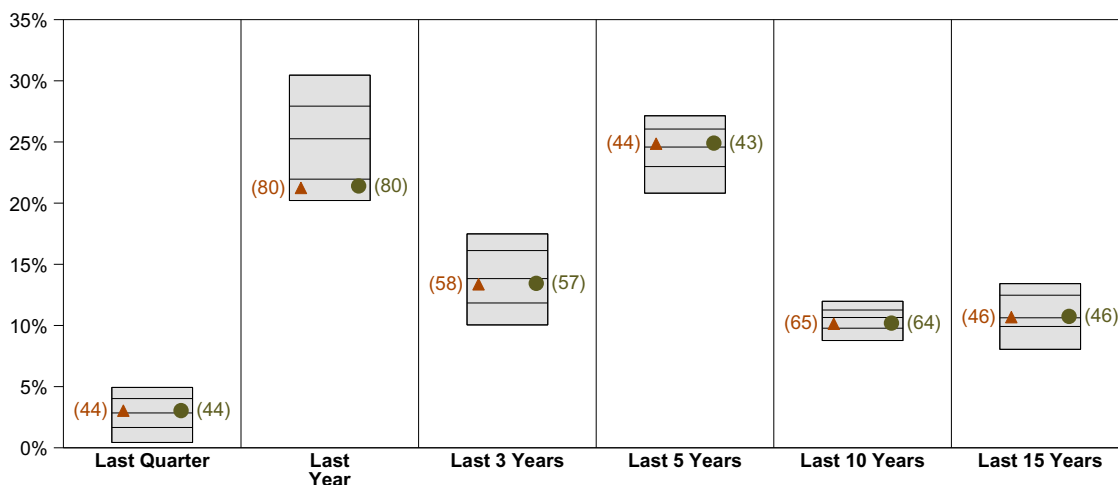
Quarterly Summary and Highlights

- SSgA S&P 400 Index's portfolio posted a 3.04% return for the quarter placing it in the 44 percentile of the CAI Mid Capitalization Style group for the quarter and in the 80 percentile for the last year.
- SSgA S&P 400 Index's portfolio outperformed the S&P Mid Cap 400 Index by 0.01% for the quarter and outperformed the S&P Mid Cap 400 Index for the year by 0.16%.

Quarterly Asset Growth

Beginning Market Value	\$14,161,603
Net New Investment	\$-2,593
Investment Gains/(Losses)	\$430,692
Ending Market Value	\$14,589,702

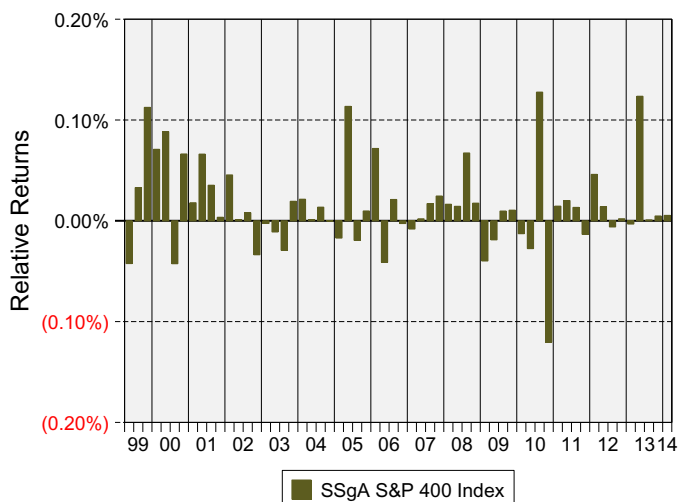
Performance vs CAI Mid Capitalization Style (Gross)



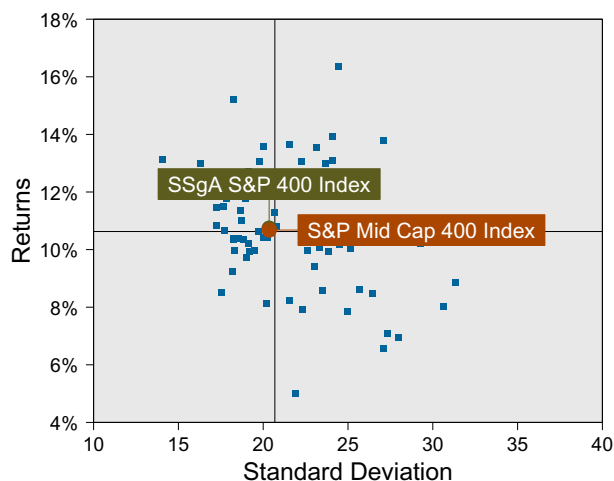
10th Percentile	4.93	30.46	17.49	27.14	11.98	13.42
25th Percentile	4.03	27.93	16.12	26.05	11.26	12.47
Median	2.85	25.26	13.83	24.59	10.65	10.63
75th Percentile	1.66	21.96	11.84	22.99	9.78	9.92
90th Percentile	0.44	20.21	10.04	20.81	8.77	8.05

SSgA S&P 400 Index ●	3.04	21.40	13.44	24.91	10.19	10.74
S&P Mid Cap 400 Index ▲	3.04	21.24	13.37	24.86	10.14	10.68

Relative Return vs S&P Mid Cap 400 Index



CAI Mid Capitalization Style (Gross) Annualized Fifteen Year Risk vs Return



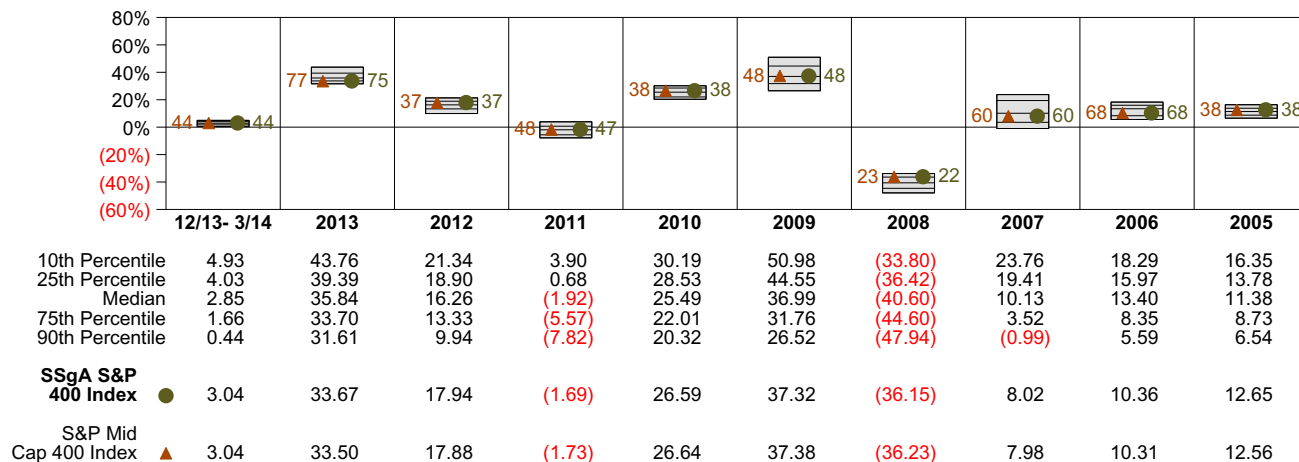
STATE STREET GLOBAL ADVISORS

Return Analysis Summary

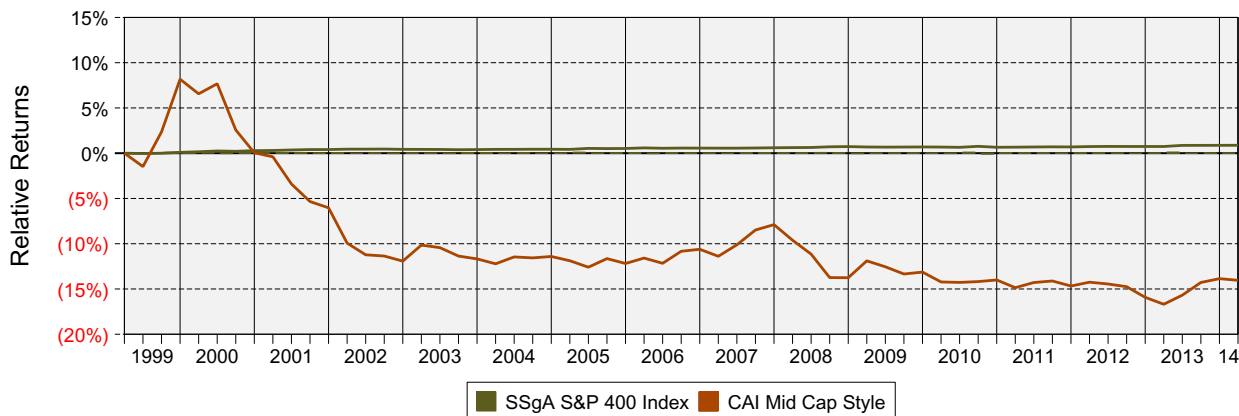
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

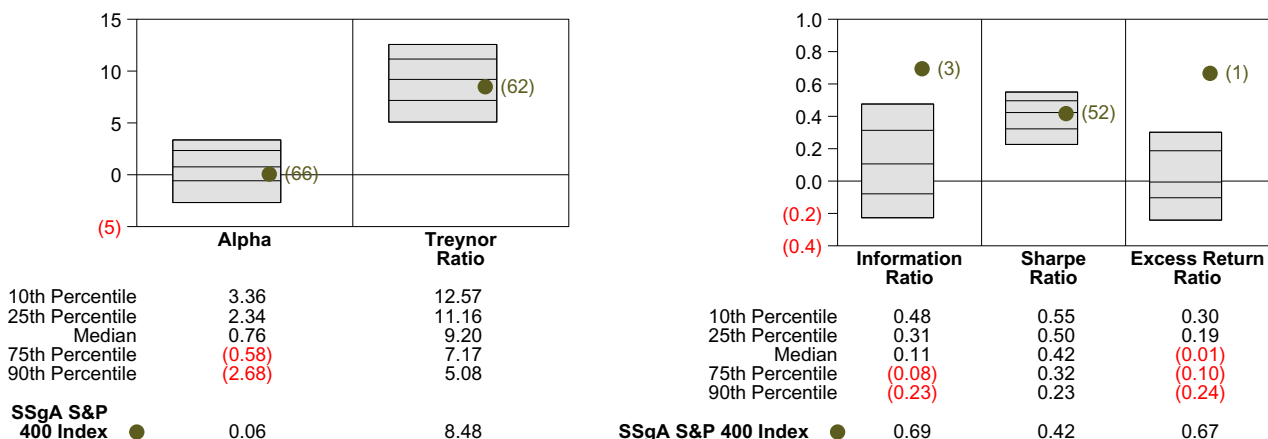
Performance vs CAI Mid Capitalization Style (Gross)



Cumulative and Quarterly Relative Return vs S&P Mid Cap 400 Index



Risk Adjusted Return Measures vs S&P Mid Cap 400 Index Rankings Against CAI Mid Capitalization Style (Gross) Fifteen Years Ended March 31, 2014

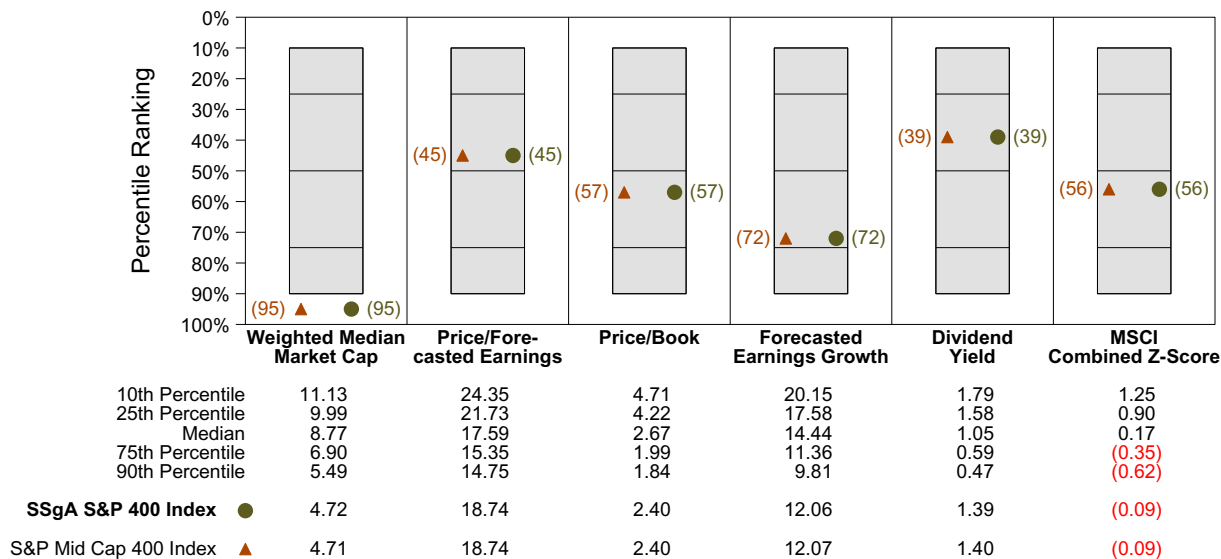


SSgA S&P 400 Index Equity Characteristics Analysis Summary

Portfolio Characteristics

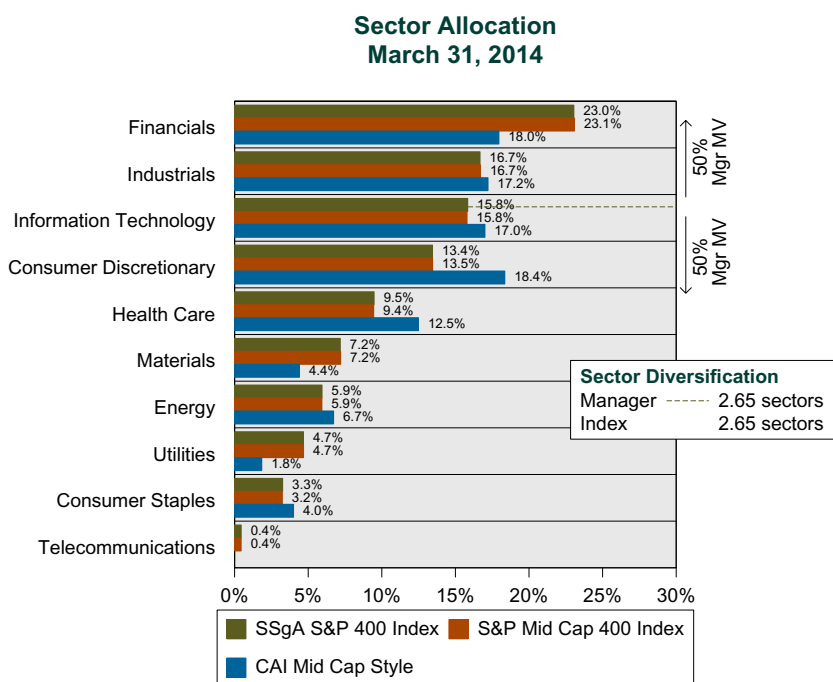
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Mid Capitalization Style as of March 31, 2014

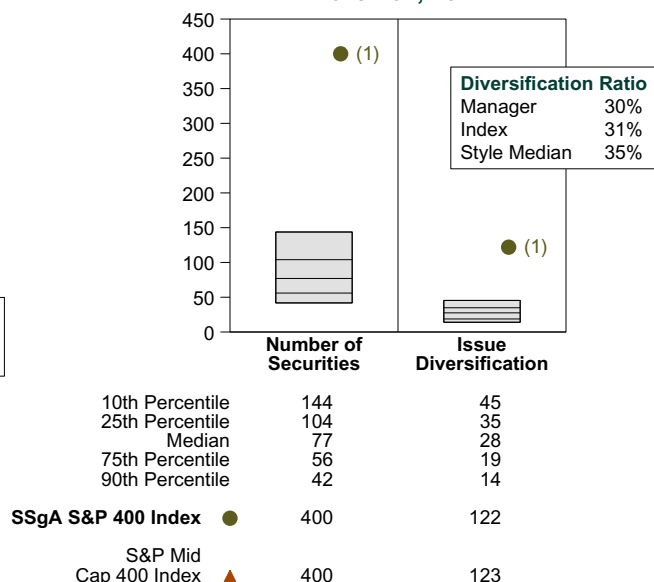


Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that comprise half of the portfolio's market value.



Diversification March 31, 2014



SSgA S&P 400 Index Top 10 Portfolio Holdings Characteristics as of March 31, 2014

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Affiliated Managers Group	Financials	\$99,757	0.7%	(7.76)%	11.04	17.29	0.00%	15.00%
Cimarex Energy Co	Energy	\$96,213	0.7%	13.68%	10.37	18.35	0.54%	17.43%
Schein Henry Inc	Health Care	\$94,974	0.7%	4.47%	10.20	21.64	0.00%	10.50%
Trimble Navigation Ltd	Information Technology	\$94,607	0.7%	12.02%	10.14	21.44	0.00%	14.00%
SI Green Realty Corp	Financials	\$89,538	0.6%	9.47%	9.56	63.56	1.99%	11.32%
Hollyfrontier Corp	Energy	\$88,690	0.6%	(2.60)%	9.47	10.46	2.52%	(4.60)%
Endo Intl Plc Shs	Health Care	\$88,383	0.6%	1.76%	10.42	18.82	0.00%	8.50%
Church & Dwight Inc	Consumer Staples	\$88,241	0.6%	4.71%	9.48	22.14	1.80%	11.00%
Equinix Inc	Information Technology	\$86,313	0.6%	4.16%	9.13	44.97	0.00%	15.00%
Polaris Inds Inc	Consumer Discretionary	\$85,997	0.6%	(3.72)%	9.20	20.61	1.37%	20.00%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Rf Micro Devices	Information Technology	\$20,169	0.1%	52.71%	2.23	13.36	0.00%	20.00%
Sunedison Inc Com	Information Technology	\$43,608	0.3%	44.37%	5.03	362.31	0.00%	15.00%
Royal Gold Inc	Materials	\$37,349	0.3%	35.92%	4.04	42.03	1.34%	13.70%
Signet Jewelers	Consumer Discretionary	\$79,878	0.5%	34.76%	1.72	-	6.69%	-
Trinity Industries	Industrials	\$51,640	0.4%	32.55%	5.59	10.76	0.83%	10.00%
Skyworks Solutions	Information Technology	\$66,434	0.5%	31.37%	7.10	13.64	0.00%	12.00%
Under Armour Inc Cl A	Consumer Discretionary	\$85,642	0.6%	31.32%	9.95	58.25	0.00%	24.00%
Lexmark International A	Information Technology	\$26,184	0.2%	31.24%	2.88	11.79	2.59%	0.10%
Gatx Corp	Industrials	\$28,622	0.2%	30.79%	3.13	16.59	1.94%	12.00%
Martin Marietta Matls Inc	Materials	\$54,505	0.4%	28.85%	5.92	30.32	1.25%	8.00%

10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Alpha Natural Resources Inc	Energy	\$8,655	0.1%	(40.48)%	0.94	(2.13)	0.00%	15.51%
Uti Worldwide Inc Ord	Industrials	\$9,092	0.1%	(39.69)%	1.11	25.70	0.57%	(6.51)%
3-D Sys Corp Del	Information Technology	\$53,233	0.4%	(36.35)%	6.10	64.43	0.00%	20.00%
Neustar Inc Cl A	Information Technology	\$19,379	0.1%	(34.80)%	1.99	8.67	0.00%	11.42%
Dreamworks Animation Skg Inc Cl A	Consumer Discretionary	\$17,747	0.1%	(25.21)%	2.04	31.80	0.00%	84.10%
Leidos Holdings Inc	Information Technology	\$24,315	0.2%	(23.40)%	2.80	12.23	3.62%	(1.87)%
Office Depot	Consumer Discretionary	\$17,892	0.1%	(21.93)%	2.21	23.20	0.00%	98.70%
Rent A Ctr Inc New	Consumer Discretionary	\$12,787	0.1%	(20.22)%	1.40	10.88	3.46%	10.00%
Lkq Corp	Consumer Discretionary	\$73,644	0.5%	(19.91)%	7.95	18.26	0.00%	22.80%
Fti Consulting	Industrials	\$11,985	0.1%	(18.96)%	1.35	17.88	0.00%	10.38%

City of Fort Pierce Performance vs Pub Pln- International Equity Periods Ended March 31, 2014

Return Ranking

The chart below illustrates fund rankings over various periods versus the Pub Pln- International Equity. The bars represent the range of returns from the 10th percentile to the 90th percentile for each period for all funds in the Pub Pln- International Equity. The numbers to the right of the bar represent the percentile rankings of the funds being analyzed. The table below the chart details the rates of return plotted in the graph above.

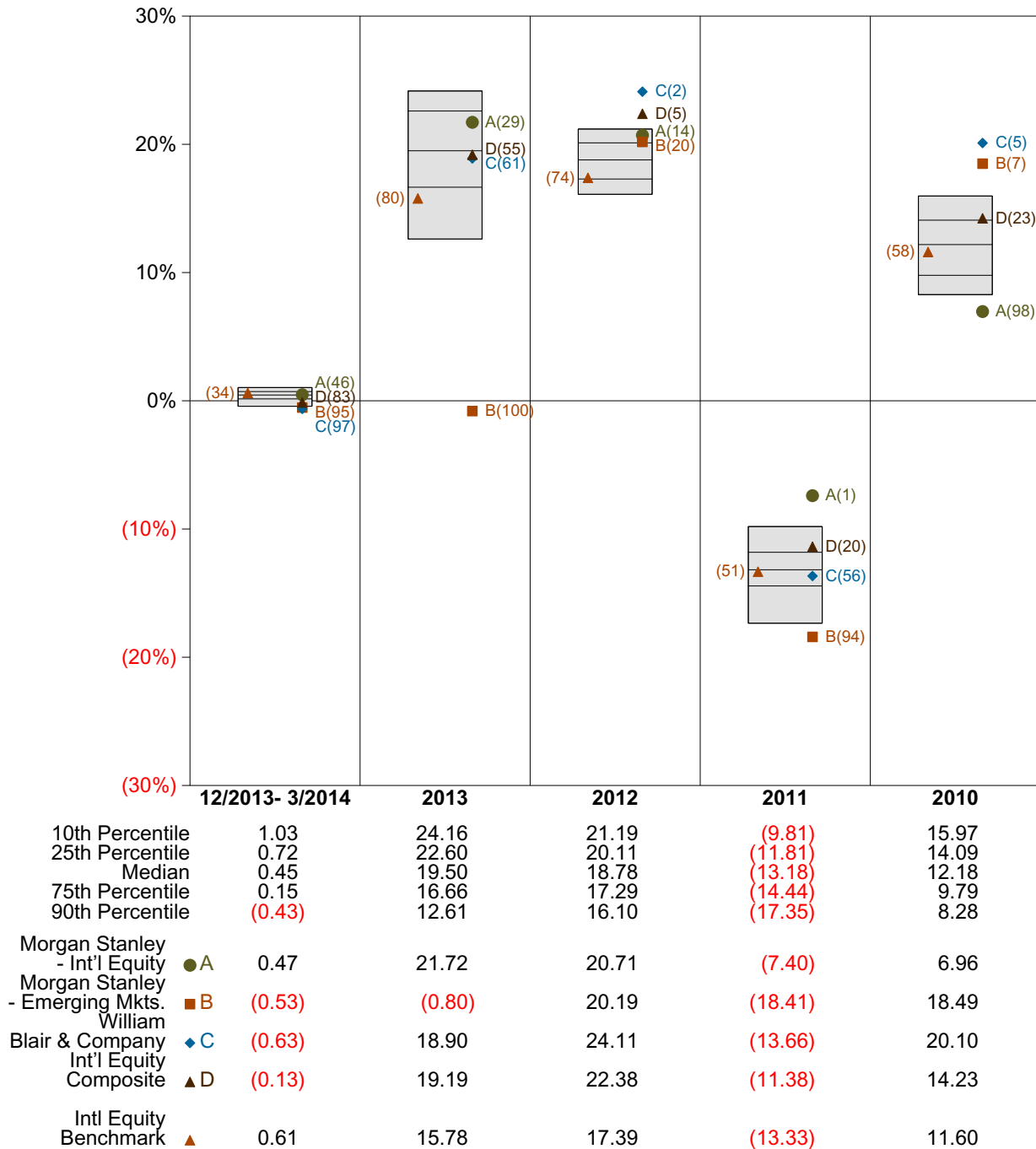


		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 22-1/2 Years
10th Percentile		1.03	19.87	8.60	18.09	10.71
25th Percentile		0.72	17.87	7.59	17.31	9.25
Median		0.45	15.10	6.54	16.51	7.58
75th Percentile		0.15	13.03	5.33	15.70	6.96
90th Percentile		(0.43)	10.67	3.96	14.91	6.66
Morgan Stanley - Int'l Equity	● A	0.47	15.39	9.74	15.52	10.98
Morgan Stanley - Emerging Mkts.	■ B	(0.53)	(2.12)	(0.75)	14.99	-
William Blair & Company	◆ C	(0.63)	13.35	8.18	18.91	-
Int'l Equity Composite	▲ D	(0.13)	13.54	8.40	17.19	9.18
Intl Equity Benchmark	▲	0.61	12.80	4.63	16.04	6.50

City of Fort Pierce Performance vs Pub Pln- International Equity Recent Periods

Return Ranking

The chart below illustrates fund rankings over various periods versus the Pub Pln- International Equity. The bars represent the range of returns from the 10th percentile to the 90th percentile for each period for all funds in the Pub Pln- International Equity. The numbers to the right of the bar represent the percentile rankings of the funds being analyzed. The table below the chart details the rates of return plotted in the graph above.



MORGAN STANLEY INVESTMENT MANAGEMENT

Period Ended March 31, 2014

Investment Philosophy

The International Equity team uses a value-driven, bottom-up approach to maximize return potential, combined with sufficient diversification to minimize investment risk.

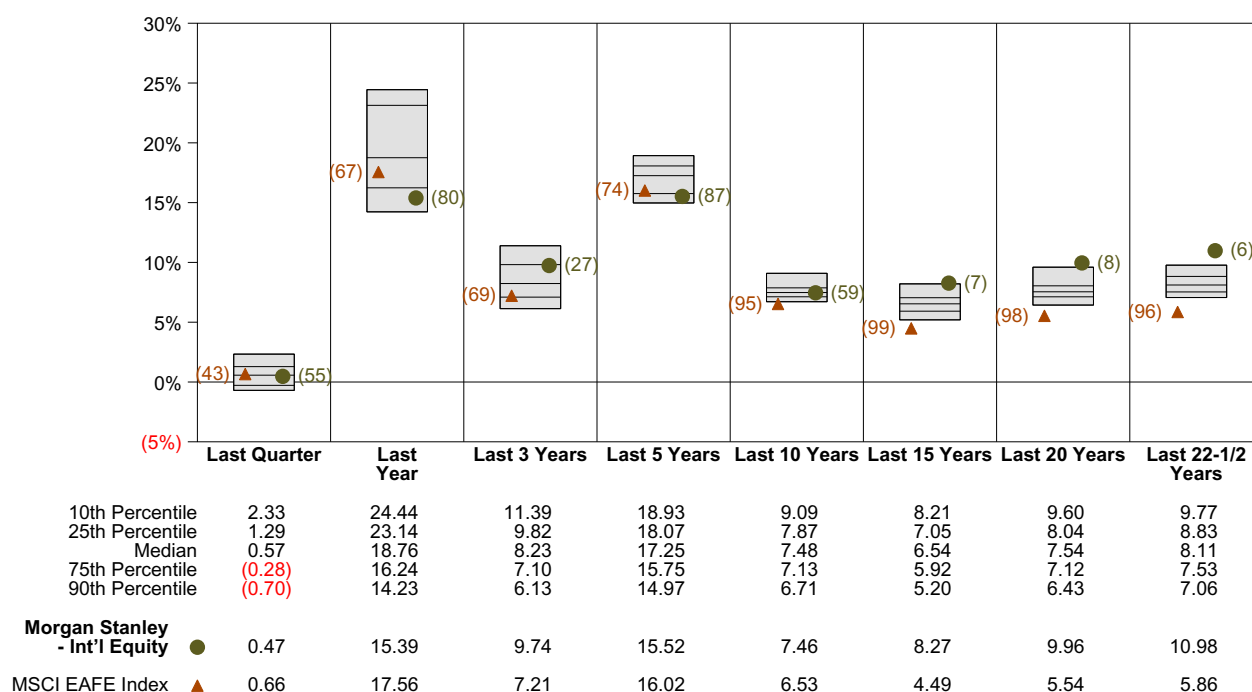
Quarterly Summary and Highlights

- Morgan Stanley - Int'l Equity's portfolio posted a 0.47% return for the quarter placing it in the 55 percentile of the CAI Core International Equity Style group for the quarter and in the 80 percentile for the last year.
- Morgan Stanley - Int'l Equity's portfolio underperformed the MSCI EAFE Index by 0.19% for the quarter and underperformed the MSCI EAFE Index for the year by 2.17%.

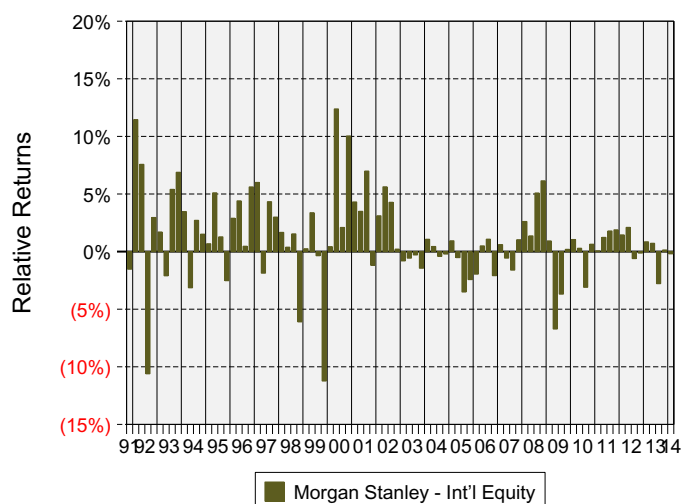
Quarterly Asset Growth

Beginning Market Value	\$12,558,407
Net New Investment	\$-27,230
Investment Gains/(Losses)	\$58,780
Ending Market Value	\$12,589,957

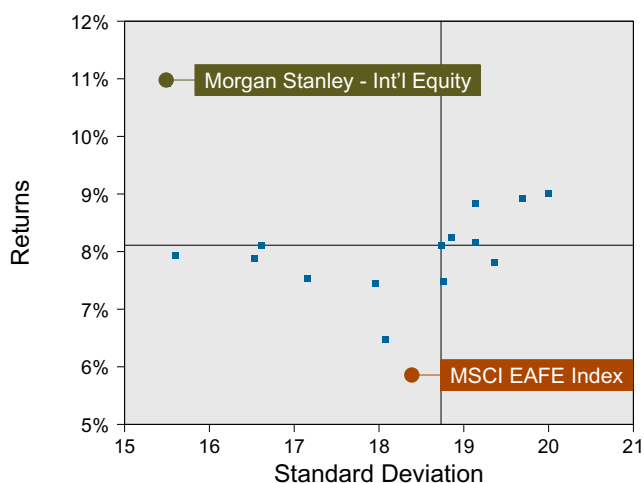
Performance vs CAI Core International Equity Style (Gross)



Relative Return vs MSCI EAFE Index



CAI Core International Equity Style (Gross) Annualized Twenty-Two and One-Half Year Risk vs Return



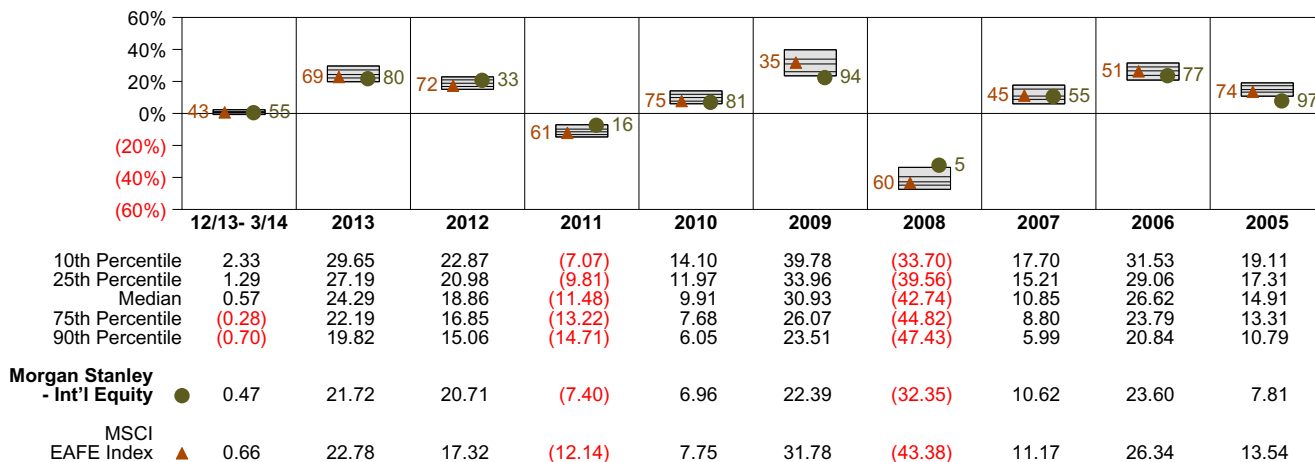
MORGAN STANLEY INVESTMENT MANAGEMENT

Return Analysis Summary

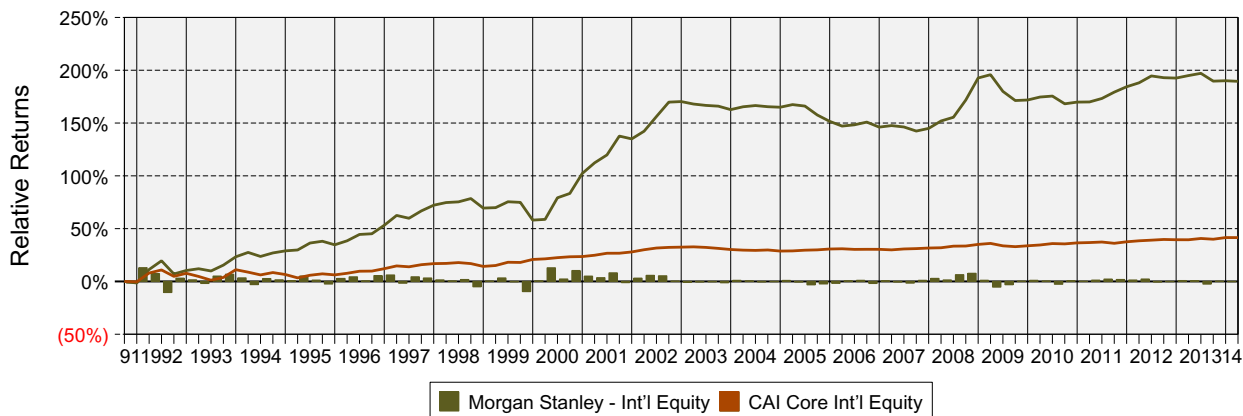
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

Performance vs CAI Core International Equity Style (Gross)



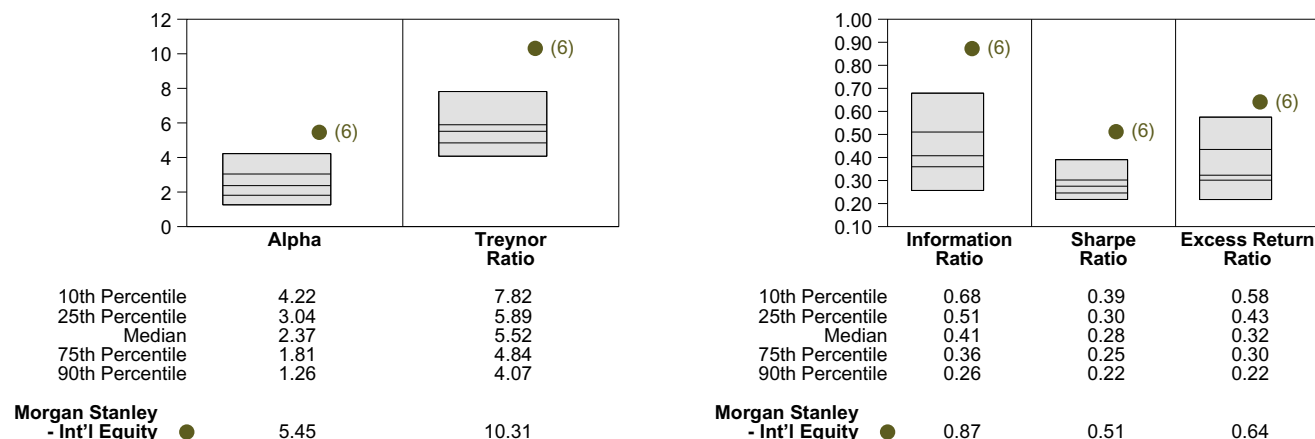
Cumulative and Quarterly Relative Return vs MSCI EAFE Index



Risk Adjusted Return Measures vs MSCI EAFE Index

Rankings Against CAI Core International Equity Style (Gross)

Twenty-Two and One-Half Years Ended March 31, 2014

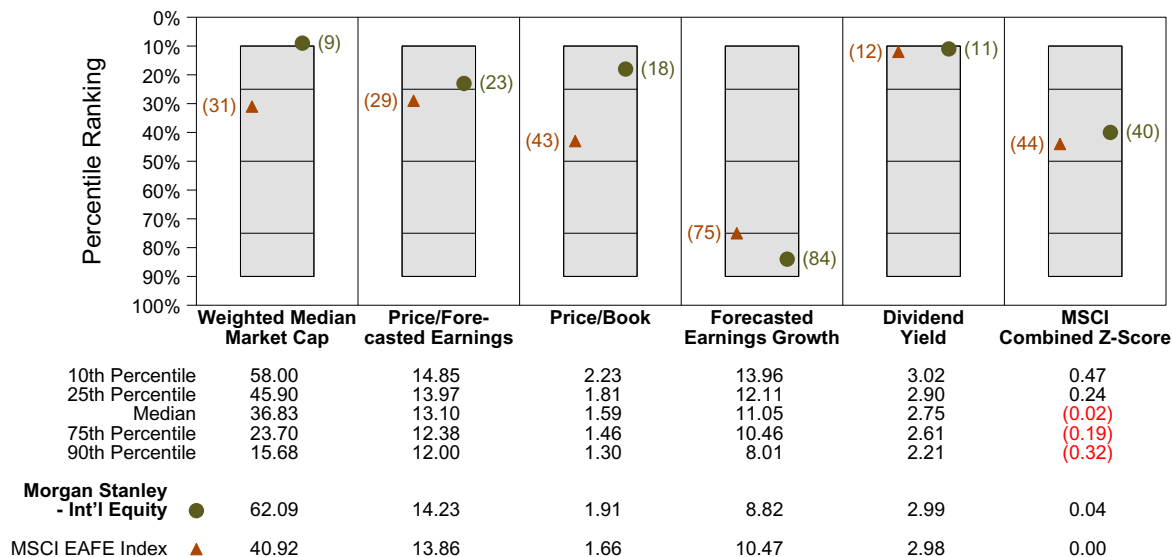


Morgan Stanley - Int'l Equity Equity Characteristics Analysis Summary

Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

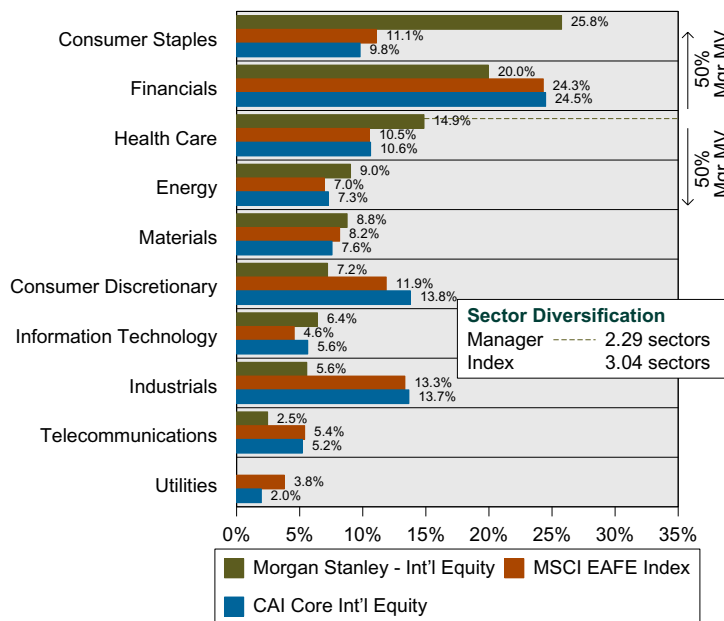
Portfolio Characteristics Percentile Rankings Rankings Against CAI Core International Equity Style as of March 31, 2014



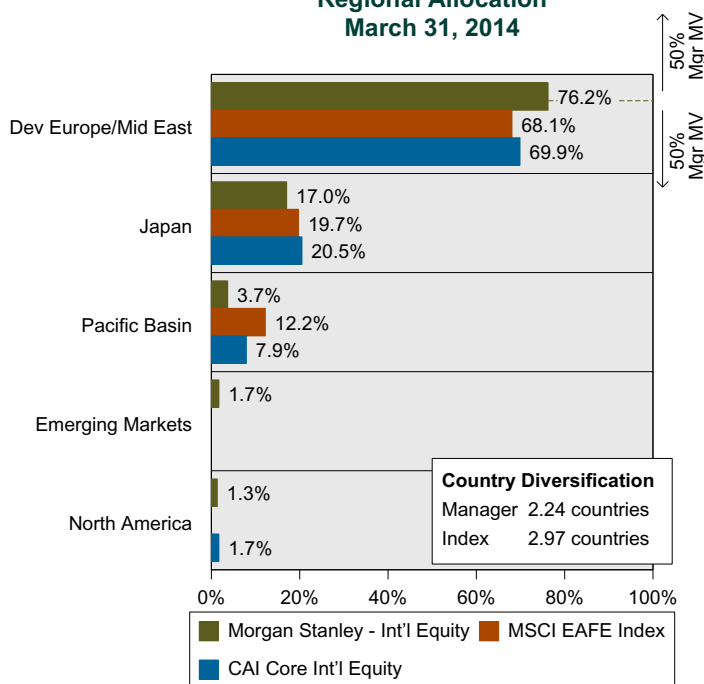
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. The regional allocation chart compares the manager's geographical region weights with those of the benchmark as well as the median region weights of the peer group.

Sector Allocation March 31, 2014



Regional Allocation March 31, 2014



Morgan Stanley - Int'l Equity Top 10 Portfolio Holdings Characteristics as of March 31, 2014

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
British American Tobacco	Consumer Staples	\$618,171	4.9%	6.83%	104.63	14.98	4.27%	5.55%
Unilever NV Cert of Shs	Consumer Staples	\$599,937	4.8%	2.94%	64.00	18.14	3.61%	4.90%
Nestle S A Shs Nom New	Consumer Staples	\$595,871	4.8%	2.61%	242.95	18.63	3.23%	5.85%
Reckitt Benckiser Group Plc	Consumer Staples	\$571,125	4.6%	4.23%	58.68	18.35	2.80%	2.31%
Sanofi Shs	Health Care	\$515,902	4.1%	(1.85)%	138.13	13.92	3.70%	7.10%
Novartis	Health Care	\$479,901	3.8%	9.60%	229.77	15.63	3.27%	5.25%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$405,167	3.2%	10.24%	210.77	17.09	2.94%	7.45%
Diageo Plc Ord	Consumer Staples	\$361,668	2.9%	(5.35)%	77.91	16.98	2.63%	5.80%
Sap Stamm	Information Technology	\$350,907	2.8%	(5.90)%	99.64	16.53	1.70%	9.80%
Prudential	Financials	\$257,122	2.1%	(2.98)%	54.15	12.86	2.65%	11.30%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Credit Agricole Sa Act	Financials	\$132,764	1.1%	23.02%	39.46	9.59	3.06%	8.25%
Weir Group Plc Ord	Industrials	\$233,744	1.9%	19.73%	9.02	16.80	1.66%	6.15%
Swisscom Ag Ittigen Ord	Telecommunications	\$99,591	0.8%	16.10%	31.84	16.66	4.05%	0.00%
Nitto Denko Corp Ord	Materials	\$27,637	0.2%	14.88%	8.34	15.59	2.02%	9.70%
Crh	Materials	\$138,839	1.1%	13.02%	20.52	21.90	2.46%	18.20%
Heidelbergcement Ag Shs	Materials	\$102,424	0.8%	12.85%	16.14	14.52	0.96%	21.00%
Hoya Corp Shs	Information Technology	\$76,278	0.6%	12.22%	13.57	21.61	2.02%	(1.55)%
Bunzl Pub Ltd Co Shs	Industrials	\$45,090	0.4%	10.79%	8.88	19.20	2.03%	4.40%
Holcim Ltd Namen Akt	Materials	\$97,059	0.8%	10.41%	27.10	15.67	1.78%	28.15%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$405,167	3.2%	10.24%	210.77	17.09	2.94%	7.45%

10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Mitsubishi Estate Co	Financials	\$164,477	1.3%	(20.37)%	33.02	52.43	0.49%	13.60%
Sumitomo Mitsui Finl Grp Inc Shs	Financials	\$186,618	1.5%	(15.73)%	60.54	8.71	2.61%	(7.10)%
Resolution	Financials	\$125,262	1.0%	(15.04)%	7.06	10.64	7.07%	14.70%
Ms&ad Insurance Grp Hldg Inc Shs	Financials	\$88,036	0.7%	(13.50)%	14.54	11.21	2.33%	18.45%
Bg Group	Energy	\$255,340	2.0%	(13.31)%	63.52	15.88	1.61%	9.35%
Sumitomo Mitsui Trust Hldg I Shs	Financials	\$64,528	0.5%	(13.04)%	17.66	11.77	2.09%	9.20%
Smiths Group Plc Shs	Industrials	\$117,429	0.9%	(12.62)%	8.36	13.31	3.13%	3.85%
Sumco Corp Tokyo Shs	Information Technology	\$39,980	0.3%	(12.50)%	1.99	13.19	0.17%	154.80%
Aggreko Plc Shs	Industrials	\$87,877	0.7%	(11.59)%	6.73	17.85	1.75%	(1.20)%
Asatsu-Dk	Consumer Discretionary	\$9,148	0.1%	(11.25)%	0.87	29.97	1.36%	(3.20)%

MORGAN STANLEY INVESTMENT MANAGEMENT

Period Ended March 31, 2014

Investment Philosophy

Morgan Stanley's fund objective is long-term capital appreciation. The fund invests at least 80% of its net assets in growth-oriented equity securities of issuers located in emerging market countries.

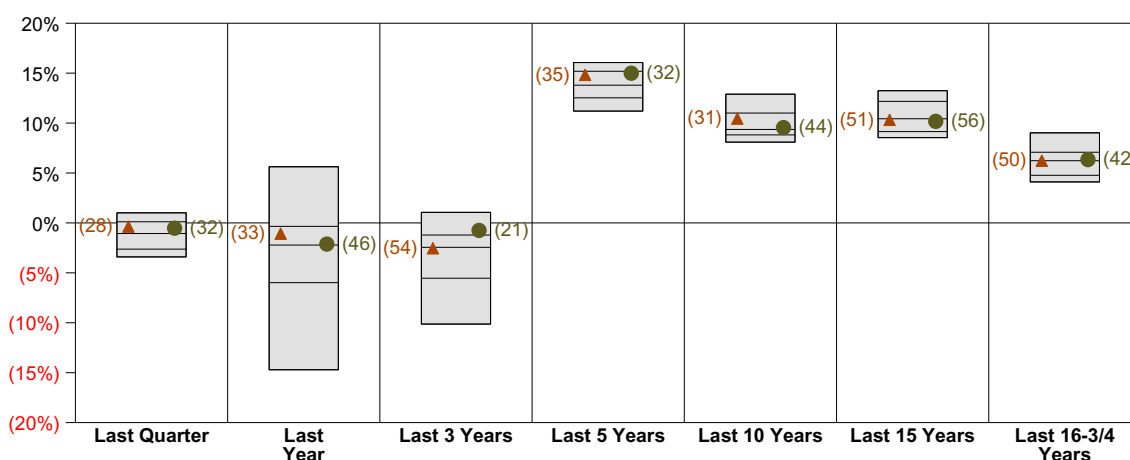
Quarterly Summary and Highlights

- Morgan Stanley - Emerging Mkts.'s portfolio posted a (0.53)% return for the quarter placing it in the 32 percentile of the CAI MF - Emerging Markets Style group for the quarter and in the 46 percentile for the last year.
- Morgan Stanley - Emerging Mkts.'s portfolio underperformed the MSCI Emerging Mkts Idx by 0.16% for the quarter and underperformed the MSCI Emerging Mkts Idx for the year by 1.05%.

Quarterly Asset Growth

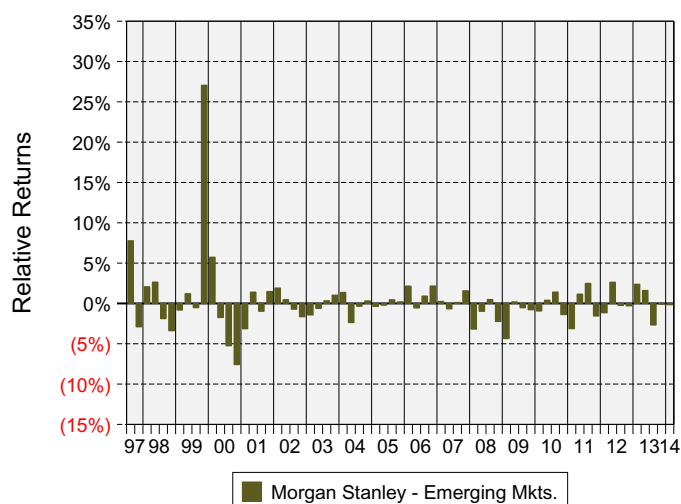
Beginning Market Value	\$1,133,286
Net New Investment	\$0
Investment Gains/(Losses)	\$-5,979
Ending Market Value	\$1,127,307

Performance vs CAI MF - Emerging Markets Style (Net)

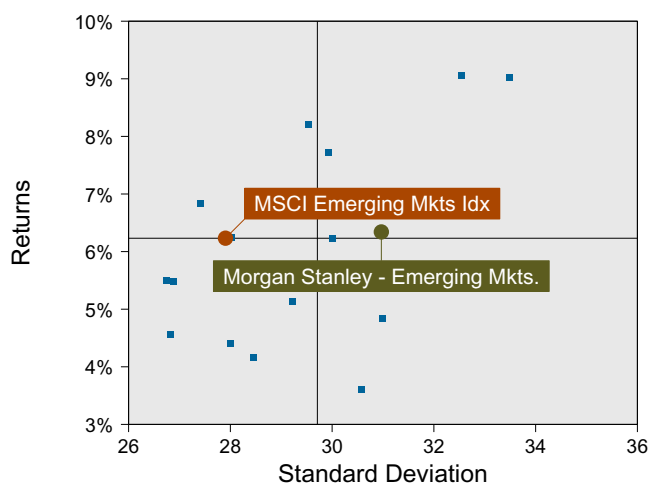


10th Percentile	1.01	5.63	1.06	16.06	12.90	13.24	9.02
25th Percentile	0.12	(0.34)	(1.21)	15.19	11.00	12.18	7.08
Median	(1.06)	(2.22)	(2.44)	13.79	9.36	10.43	6.23
75th Percentile	(2.63)	(5.98)	(5.54)	12.53	8.82	9.15	4.77
90th Percentile	(3.41)	(14.71)	(10.13)	11.20	8.09	8.54	4.11
Morgan Stanley - Emerging Mkts.	(0.53)	(2.12)	(0.75)	14.99	9.55	10.17	6.34
MSCI Emerging Mkts Idx	(0.37)	(1.07)	(2.54)	14.83	10.45	10.33	6.23

Relative Return vs MSCI Emerging Mkts Idx



CAI MF - Emerging Markets Style (Net) Annualized Sixteen and Three-Quarter Year Risk vs Return



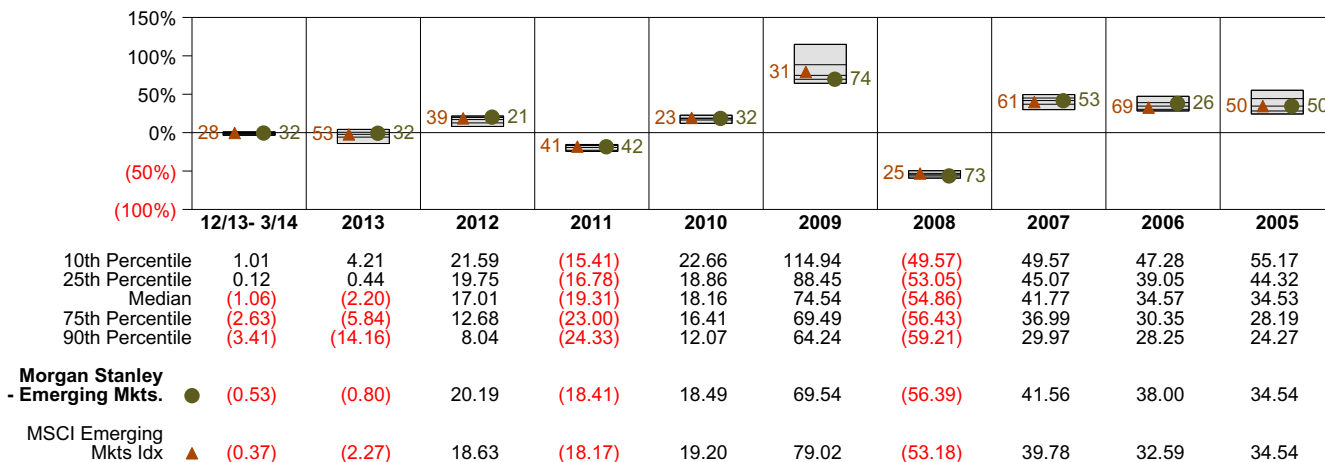
MORGAN STANLEY INVESTMENT MANAGEMENT

Return Analysis Summary

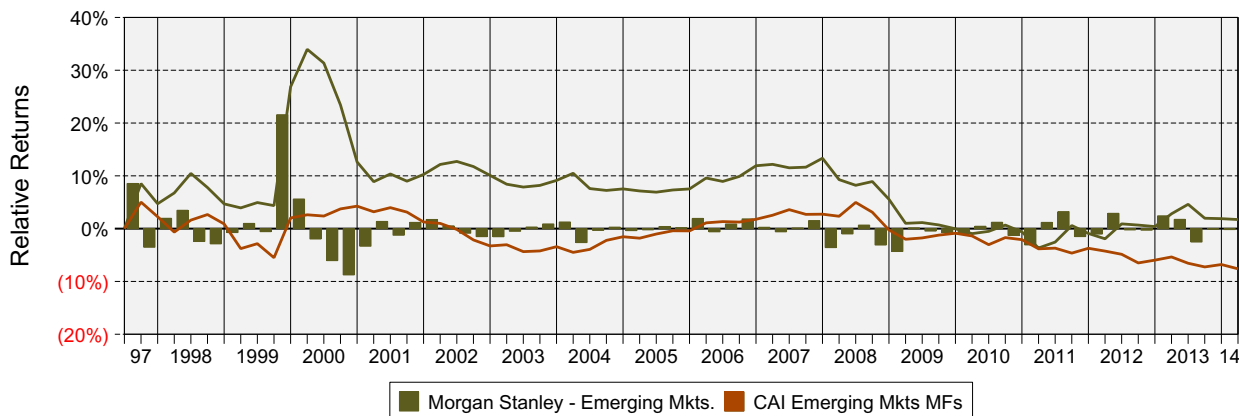
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

Performance vs CAI MF - Emerging Markets Style (Net)



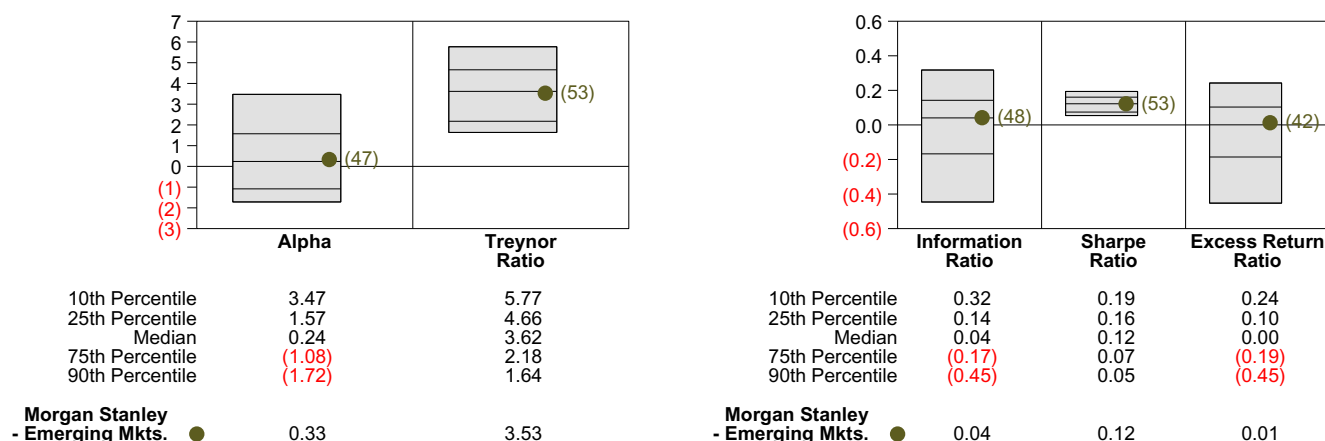
Cumulative and Quarterly Relative Return vs MSCI Emerging Mkts Idx



Risk Adjusted Return Measures vs MSCI Emerging Mkts Idx

Rankings Against CAI MF - Emerging Markets Style (Net)

Sixteen and Three-Quarter Years Ended March 31, 2014

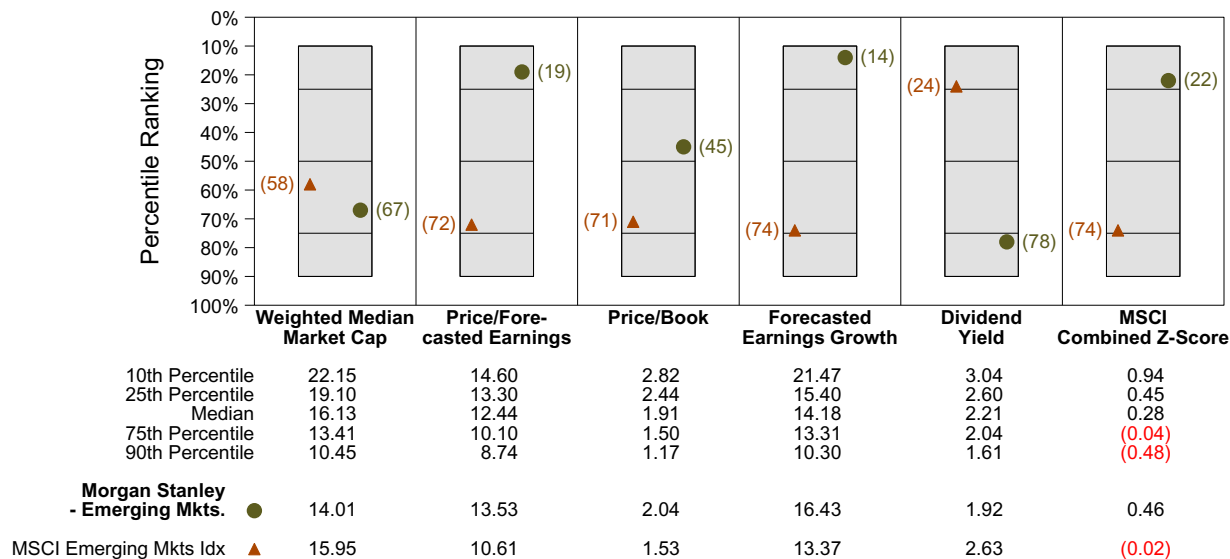


Morgan Stanley - Emerging Mkts. Equity Characteristics Analysis Summary

Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

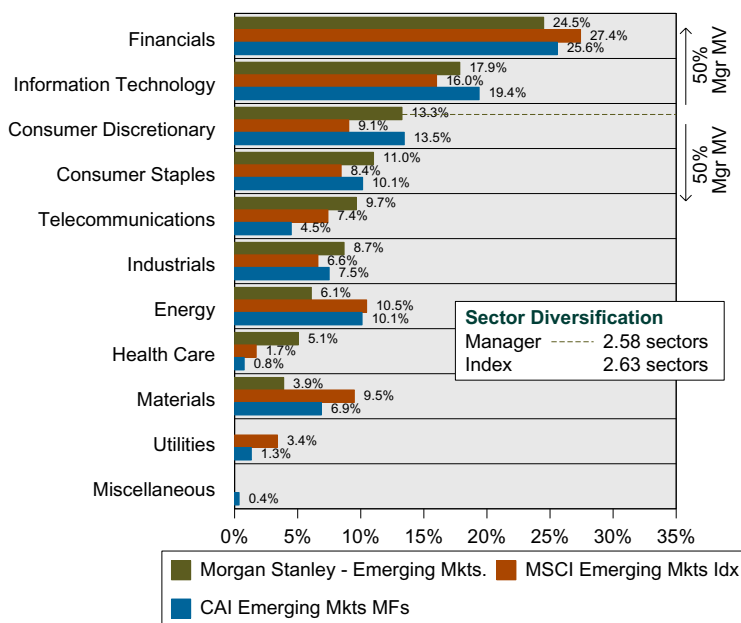
Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Emerging Markets Style as of March 31, 2014



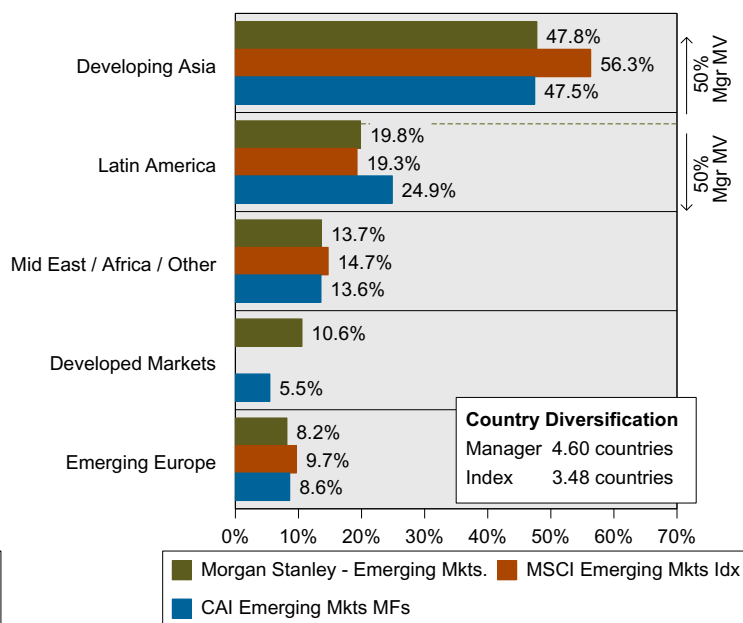
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. The regional allocation chart compares the manager's geographical region weights with those of the benchmark as well as the median region weights of the peer group.

Sector Allocation March 31, 2014



Regional Allocation March 31, 2014



Morgan Stanley - Emerging Mkts. Top 10 Portfolio Holdings Characteristics as of March 31, 2014

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Samsung Electronics Co Ltd Ord	Information Technology	\$40,797	3.8%	(1.98)%	185.85	6.81	1.06%	9.68%
Tencent Holdings Limited Shs	Information Technology	\$28,668	2.7%	9.03%	129.66	35.78	0.22%	28.00%
Taiwan Semicond Manufac Co L Shs	Information Technology	\$27,272	2.6%	9.93%	100.90	14.04	2.53%	15.00%
Hyundai Motor Co	Consumer Discretionary	\$23,149	2.2%	6.12%	51.94	6.69	0.78%	5.00%
Bank of China Ltd Shs	Financials	\$22,048	2.1%	(3.70)%	37.08	4.71	7.12%	19.05%
Perdigao S A Ord	Consumer Staples	\$19,053	1.8%	(3.00)%	17.52	18.27	1.95%	47.30%
Cemex Sab De Cv Spon Adr New	Materials	\$18,185	1.7%	6.76%	14.27	1260.00	0.00%	(53.44)%
Nasionale PERS Beperk Ord Cl H	Consumer Discretionary	\$17,075	1.6%	5.52%	45.93	32.89	0.33%	31.20%
Grupo Financiero Banorte S A Ord O S	Financials	\$14,836	1.4%	(3.24)%	18.67	14.29	1.12%	14.20%
America Movil Sab De Cv Spon Adr L S	Telecommunications	\$14,331	1.3%	(14.93)%	45.11	10.31	1.24%	8.60%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Ashok Leyland	Industrials	\$439	0.0%	42.04%	1.05	200.00	2.54%	37.24%
Drogasil On	Consumer Staples	\$4,951	0.5%	39.04%	2.87	29.59	0.67%	6.87%
Bharat Petroleum Corp	Energy	\$2,563	0.2%	36.98%	5.57	15.22	2.39%	9.87%
Shree Cement	Materials	\$1,811	0.2%	35.57%	3.31	23.12	0.46%	14.37%
Pt Indosat Tbk Shs	Telecommunications	\$791	0.1%	33.33%	1.89	25.00	0.87%	11.40%
Sihuan Pharmaceutical Holdings	Health Care	\$5,242	0.5%	31.97%	6.25	23.63	0.87%	23.14%
Hotel Shilla Co	Consumer Discretionary	\$3,773	0.4%	28.05%	3.17	21.86	0.17%	30.00%
Pt Kalbe Farma Shs New	Health Care	\$6,070	0.6%	25.81%	6.05	26.00	1.30%	12.65%
Dmci Holdings Inc Shs	Industrials	\$5,904	0.6%	23.72%	4.15	15.30	3.43%	12.24%
Indusind Bank	Financials	\$6,572	0.6%	23.55%	4.42	15.56	0.60%	20.00%

10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/ Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Shell Electric Mnfg.Hdg.	Financials	\$166	0.0%	(31.02)%	1.50	3.30	2.16%	25.20%
Yandex N V Shs Class A	Information Technology	\$5,714	0.5%	(30.04)%	7.82	22.13	0.00%	30.30%
China Oilfield Services Ltd Shs H	Energy	\$10,719	1.0%	(24.36)%	4.25	9.20	2.16%	13.40%
St Shine Optc.	Health Care	\$2,527	0.2%	(21.92)%	1.12	17.27	2.58%	19.60%
Kt Skylife	Consumer Discretionary	\$926	0.1%	(21.43)%	1.07	10.95	1.91%	17.02%
Hyundai Heavy Industries	Industrials	\$4,933	0.5%	(17.54)%	15.07	22.45	0.95%	17.10%
Uni President China Holdings Shs	Consumer Staples	\$3,213	0.3%	(17.50)%	3.03	25.48	0.98%	39.56%
Chongqing Changan B	Consumer Discretionary	\$1,420	0.1%	(15.85)%	1.50	8.26	0.49%	52.53%
America Movil Sab De Cv Spon Adr L S	Telecommunications	\$14,331	1.3%	(14.93)%	45.11	10.31	1.24%	8.60%
Idea Cellular Ltd	Telecommunications	\$6,772	0.6%	(14.72)%	7.64	18.85	0.22%	34.03%

William Blair & Company

Period Ended March 31, 2014

Investment Philosophy

William Blair & Company focuses on companies with above-average growth prospects where growth can be sustained through leading or franchise positions in terms of proprietary products, marketing dominance, or cost/asset base advantage.

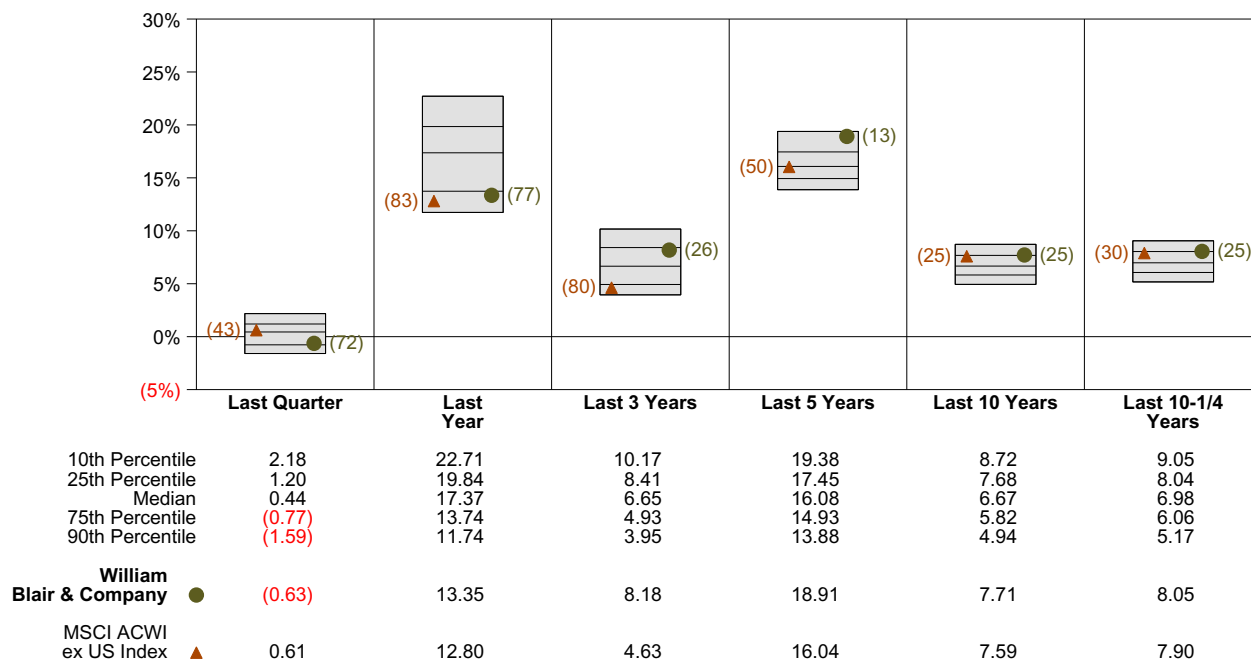
Quarterly Summary and Highlights

- William Blair & Company's portfolio posted a (0.63)% return for the quarter placing it in the 72 percentile of the CAI MF - Non-US Equity Style group for the quarter and in the 77 percentile for the last year.
- William Blair & Company's portfolio underperformed the MSCI ACWI ex US Index by 1.24% for the quarter and outperformed the MSCI ACWI ex US Index for the year by 0.55%.

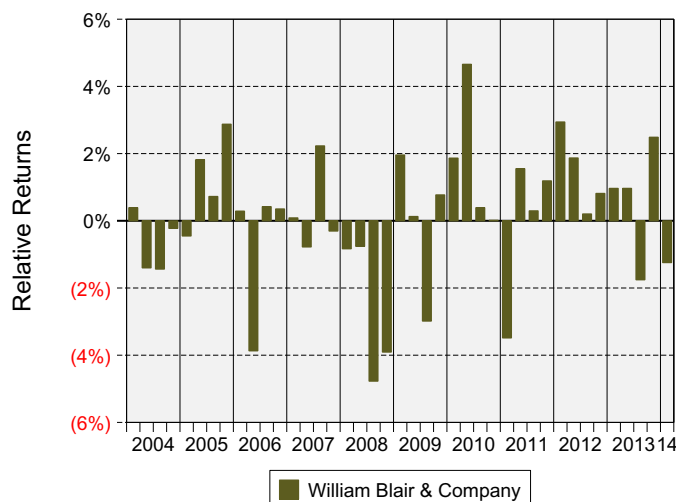
Quarterly Asset Growth

Beginning Market Value	\$14,308,018
Net New Investment	\$0
Investment Gains/(Losses)	\$-90,453
Ending Market Value	\$14,217,565

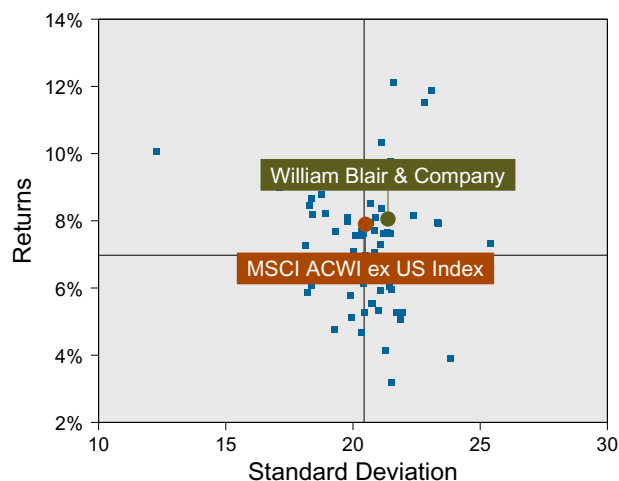
Performance vs CAI MF - Non-US Equity Style (Net)



Relative Return vs MSCI ACWI ex US Index



CAI MF - Non-US Equity Style (Net) Annualized Ten and One-Quarter Year Risk vs Return

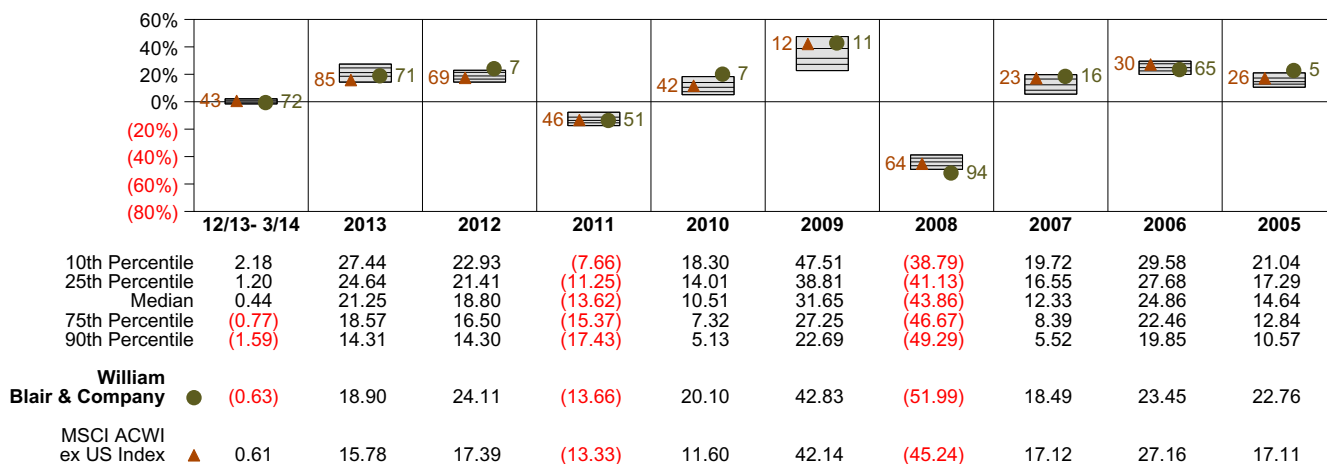


William Blair & Company Return Analysis Summary

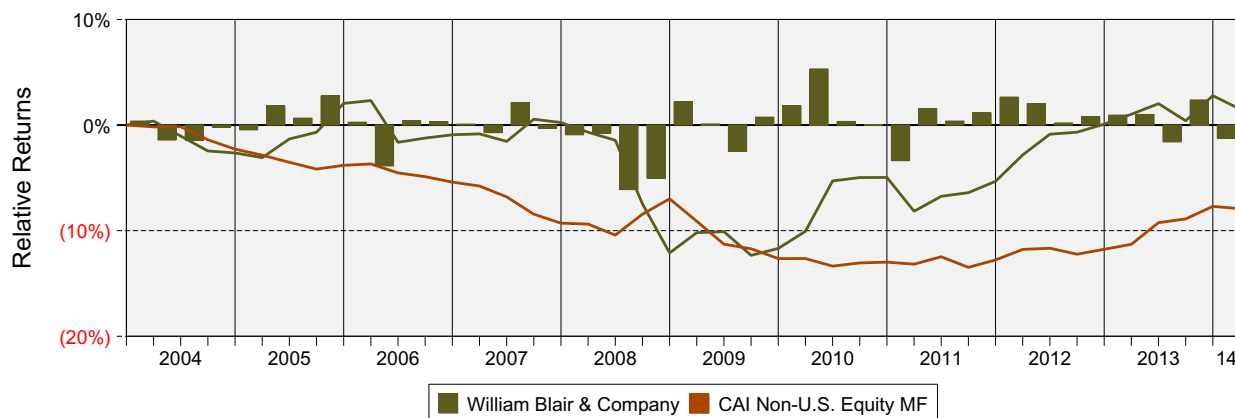
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

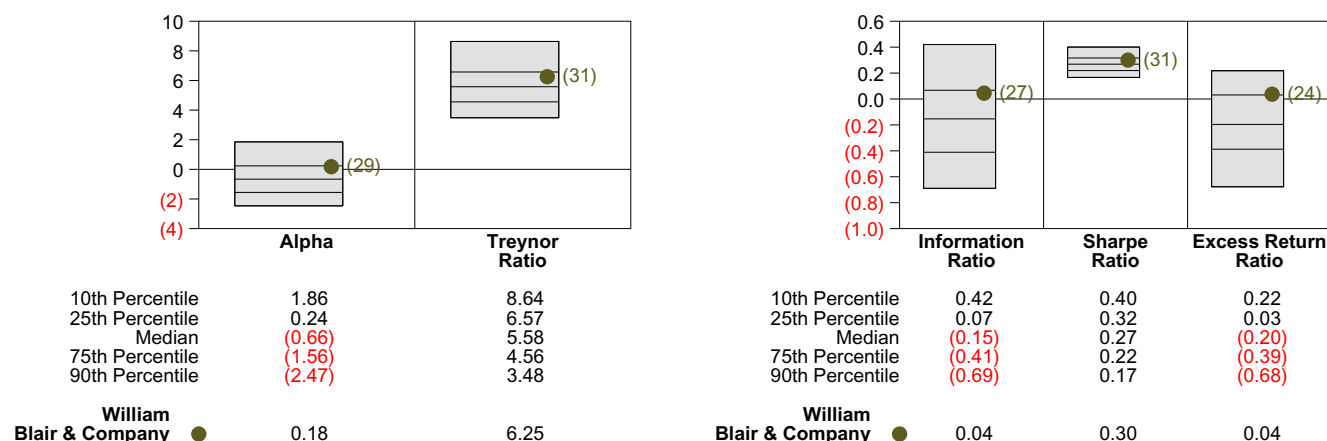
Performance vs CAI MF - Non-US Equity Style (Net)



Cumulative and Quarterly Relative Return vs MSCI ACWI ex US Index



Risk Adjusted Return Measures vs MSCI ACWI ex US Index Rankings Against CAI MF - Non-US Equity Style (Net) Ten and One-Quarter Years Ended March 31, 2014

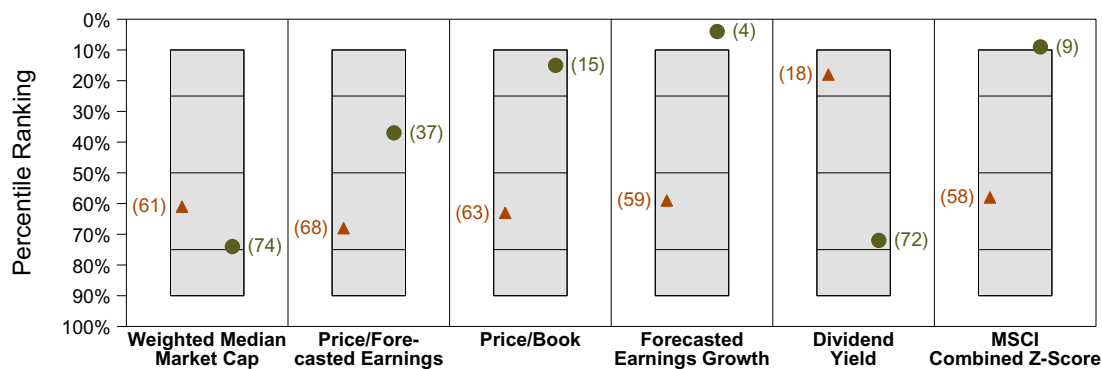


William Blair & Company Equity Characteristics Analysis Summary

Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Non-US Equity Style as of March 31, 2014

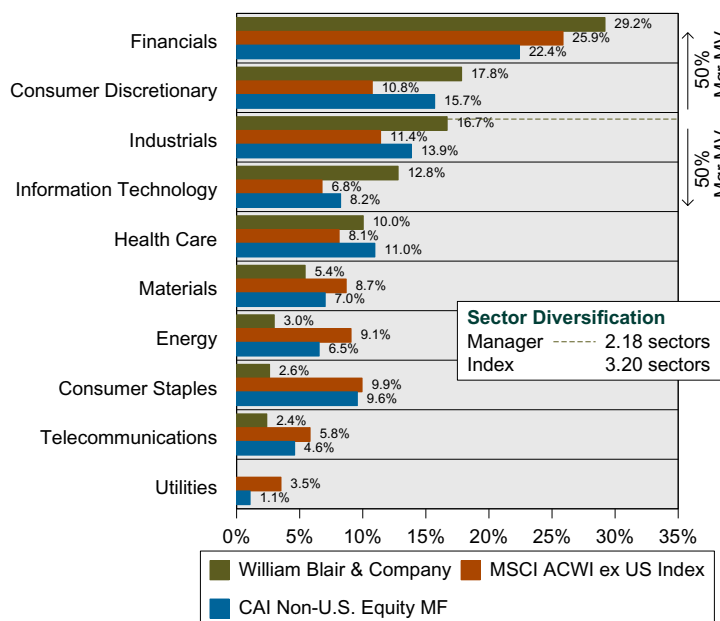


10th Percentile	51.13	15.97	2.43	14.53	3.01	0.63
25th Percentile	41.65	15.04	2.14	13.17	2.84	0.51
Median	33.59	13.72	1.75	11.22	2.46	0.15
75th Percentile	20.06	12.83	1.51	10.22	2.01	(0.14)
90th Percentile	11.41	12.11	1.31	8.94	1.92	(0.33)
William Blair & Company	20.56	14.67	2.30	15.65	2.03	0.65
MSCI ACWI ex US Index	31.25	13.09	1.65	11.03	2.90	(0.00)

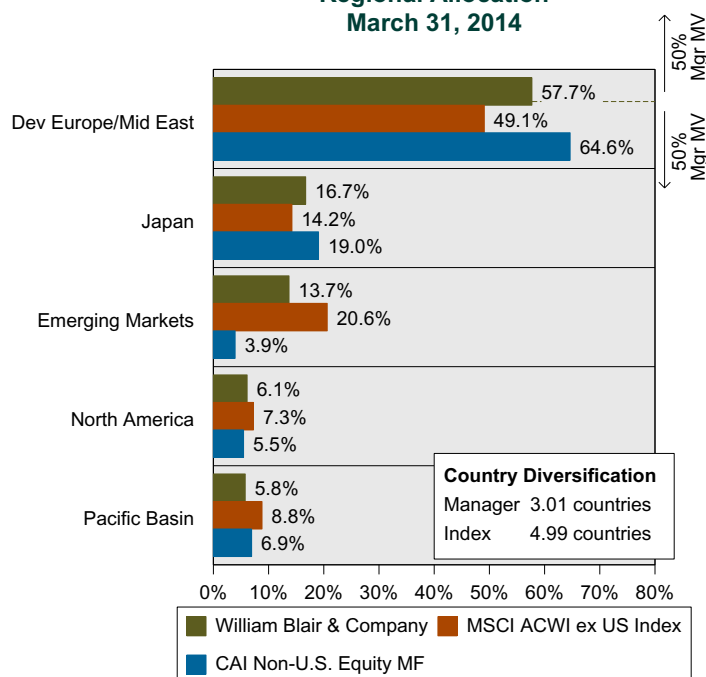
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. The regional allocation chart compares the manager's geographical region weights with those of the benchmark as well as the median region weights of the peer group.

Sector Allocation March 31, 2014



Regional Allocation March 31, 2014



William Blair & Company

Top 10 Portfolio Holdings Characteristics

as of March 31, 2014

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Sumitomo Mitsui Finl Grp Inc Shs	Financials	\$349,176	2.5%	(15.73)%	60.54	8.71	2.61%	(7.10)%
Bnp Paribas Ord	Financials	\$326,177	2.4%	(1.15)%	96.09	10.39	2.68%	23.85%
Intesa Sanpaolo Spa Shs	Financials	\$288,428	2.1%	37.15%	52.58	17.30	2.03%	24.50%
Bmw Stamm	Consumer Discretionary	\$282,822	2.0%	7.23%	76.05	11.03	2.84%	5.20%
Prudential	Financials	\$266,046	1.9%	(2.98)%	54.15	12.86	2.65%	11.30%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$238,625	1.7%	10.24%	210.77	17.09	2.94%	7.45%
Axa Paris Act Ord	Financials	\$221,105	1.6%	(6.64)%	62.90	8.91	4.29%	9.70%
Lloyds Banking Group Plc Shs	Financials	\$213,816	1.5%	(4.74)%	88.82	10.51	0.00%	33.60%
Orix Corp Ord	Financials	\$208,078	1.5%	(19.69)%	18.55	10.62	0.89%	9.90%
Itv	Consumer Discretionary	\$200,788	1.5%	(0.64)%	12.85	14.98	1.83%	11.70%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Vipshop Hldgs Ltd Sponsored Adr	Consumer Discretionary	\$28,259	0.2%	78.42%	8.41	54.00	0.00%	55.00%
Bank Rakyat Indonesia Shs	Financials	\$87,214	0.6%	41.18%	0.06	1.03	0.00%	-
Hikma Pharmaceuticals	Health Care	\$16,331	0.1%	39.21%	5.48	24.35	0.73%	27.10%
Intesa Sanpaolo Spa Shs	Financials	\$288,428	2.1%	37.15%	52.58	17.30	2.03%	24.50%
Realestate.Com Au	Consumer Discretionary	\$28,123	0.2%	34.35%	5.95	34.07	0.97%	27.61%
Kroton Educacional Sa Brazil Conv Sh	Consumer Discretionary	\$63,813	0.5%	33.18%	5.94	20.27	1.03%	35.10%
Azimut Holding	Financials	\$40,237	0.3%	30.63%	5.11	19.51	2.70%	3.10%
Nxp Semiconductors	Information Technology	\$131,737	1.0%	28.04%	14.81	13.61	0.00%	35.85%
Halla Climate Control	Consumer Discretionary	\$25,002	0.2%	27.61%	4.87	14.50	2.00%	19.69%
Valeo Sa Act	Consumer Discretionary	\$132,701	1.0%	27.15%	11.20	13.96	1.66%	15.30%

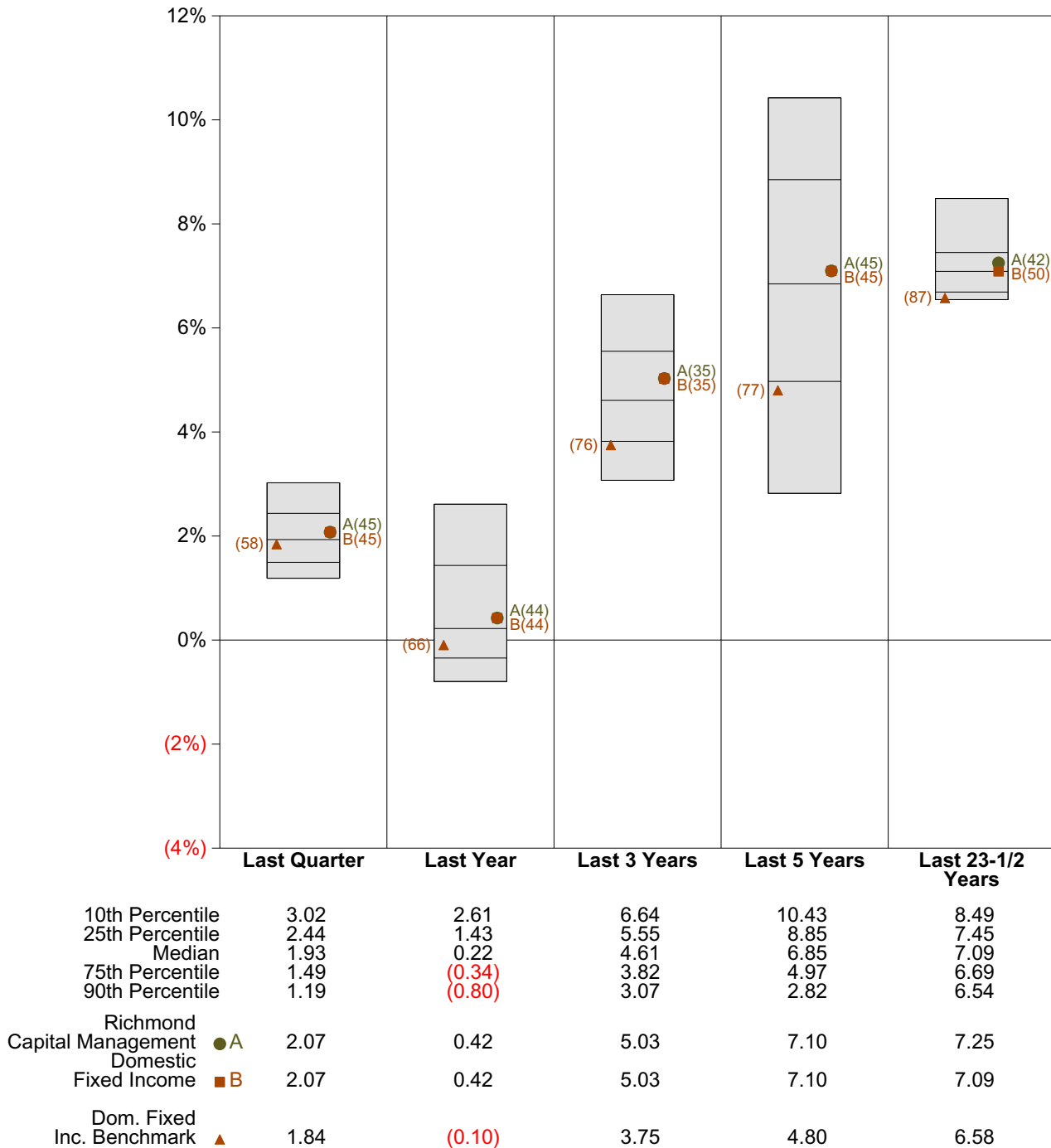
10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
China Oilfield Services Ltd Shs H	Energy	\$3,969	0.0%	(24.36)%	4.25	9.20	2.16%	13.40%
Evolutech Group	Information Technology	\$4,755	0.0%	(23.93)%	0.39	(300.00)	0.00%	-
Nippon Kayaku Co	Materials	\$15,935	0.1%	(19.84)%	2.06	15.07	2.01%	15.49%
Orix Corp Ord	Financials	\$208,078	1.5%	(19.69)%	18.55	10.62	0.89%	9.90%
Wharf Hldgs Ltd Ord	Financials	\$15,006	0.1%	(16.39)%	19.38	10.78	3.43%	10.10%
Sumitomo Mitsui Finl Grp Inc Shs	Financials	\$349,176	2.5%	(15.73)%	60.54	8.71	2.61%	(7.10)%
Ashmore Group Plc Shs	Financials	\$2,619	0.0%	(15.55)%	3.91	13.82	4.88%	(4.75)%
Rolls Royce Holdings Plc Lon Shs	Industrials	\$83,957	0.6%	(15.21)%	33.67	15.11	0.00%	11.10%
China Merchants Bk 'h' Cny1	Financials	\$1	0.0%	(14.94)%	8.32	4.89	5.68%	10.00%
Flexigroup Ltd Shs	Financials	\$5,470	0.0%	(14.82)%	1.01	11.71	4.31%	10.08%

City of Fort Pierce Performance vs Pub Pln- Domestic Fixed Periods Ended March 31, 2014

Return Ranking

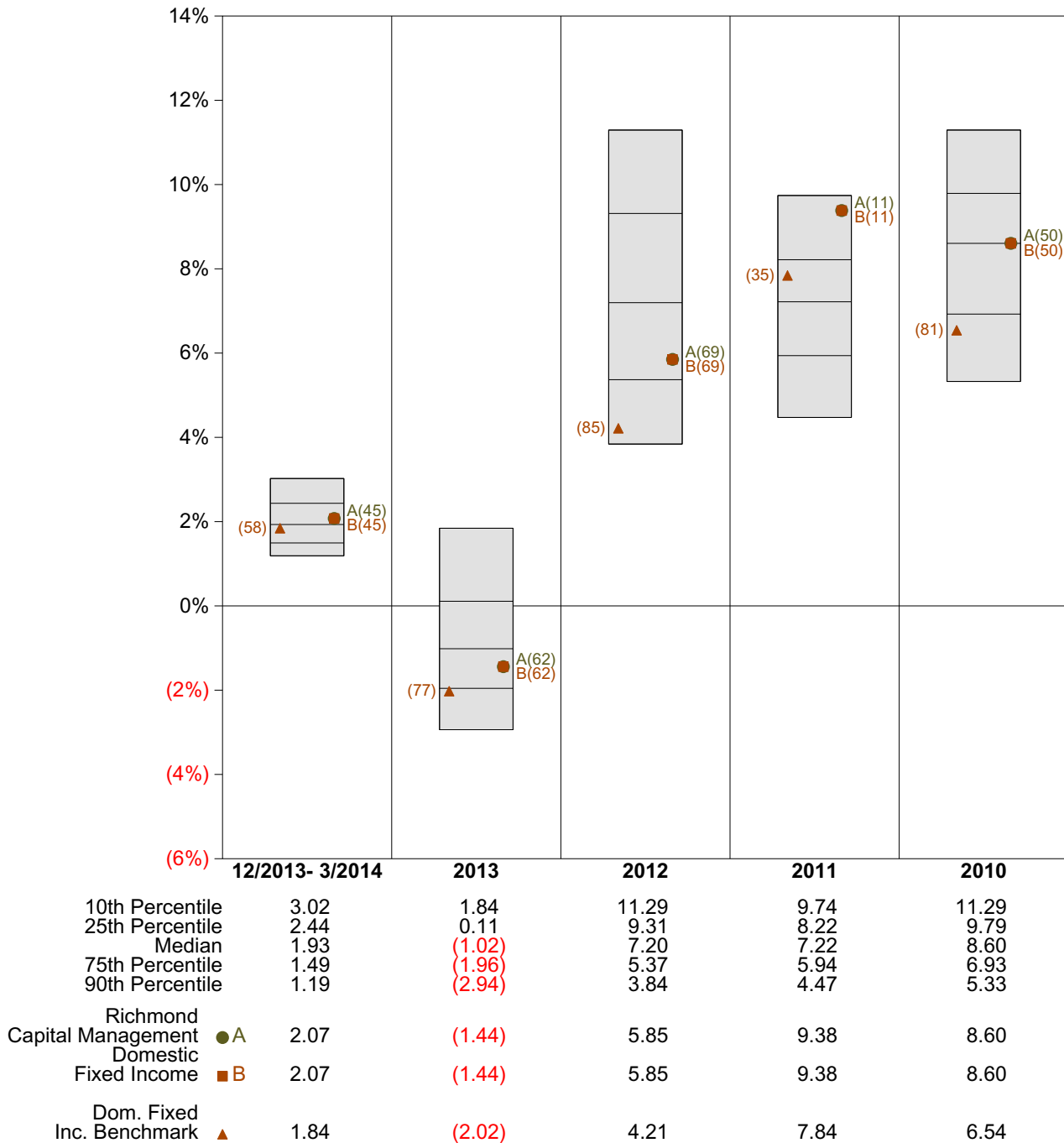
The chart below illustrates fund rankings over various periods versus the Pub Pln- Domestic Fixed. The bars represent the range of returns from the 10th percentile to the 90th percentile for each period for all funds in the Pub Pln- Domestic Fixed. The numbers to the right of the bar represent the percentile rankings of the funds being analyzed. The table below the chart details the rates of return plotted in the graph above.



City of Fort Pierce Performance vs Pub Pln- Domestic Fixed Recent Periods

Return Ranking

The chart below illustrates fund rankings over various periods versus the Pub Pln- Domestic Fixed. The bars represent the range of returns from the 10th percentile to the 90th percentile for each period for all funds in the Pub Pln- Domestic Fixed. The numbers to the right of the bar represent the percentile rankings of the funds being analyzed. The table below the chart details the rates of return plotted in the graph above.



Richmond Capital Management Period Ended March 31, 2014

Investment Philosophy

Richmond's investment philosophy is that superior returns can be achieved, over time, by focusing on value. They acknowledge that it is not always possible to predict short term movement in the financial markets. However, they believe that it is possible, through careful analysis and security selection, to choose securities which will provide superior returns over market cycles. Their search for value as always overlaid by a focus on yield (income). They believe that bond portfolios which are composed of undervalued securities and additional yield have a strong bias to provide superior returns over time. * Barclays Gov/Credit Bond Index through May 31, 2013 and Barclays Aggregate Index thereafter.

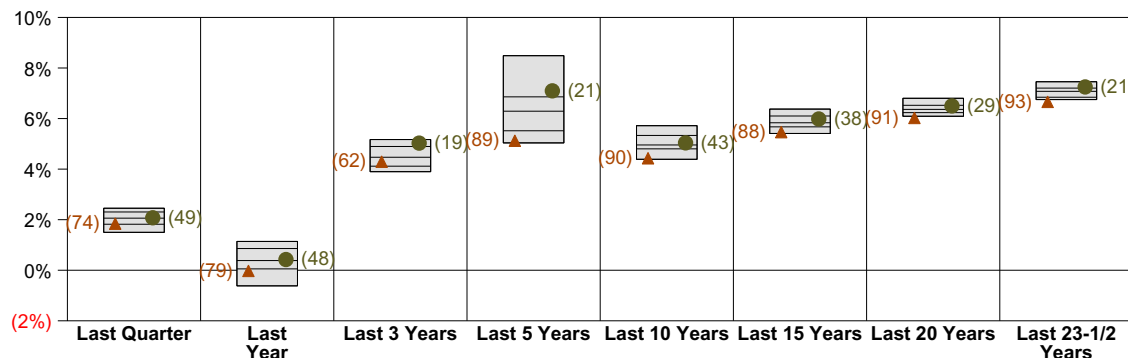
Quarterly Summary and Highlights

- Richmond Capital Management's portfolio posted a 2.07% return for the quarter placing it in the 49 percentile of the CAI Core Bond Fixed-Inc Style group for the quarter and in the 48 percentile for the last year.
- Richmond Capital Management's portfolio outperformed the Blended Benchmark* by 0.23% for the quarter and outperformed the Blended Benchmark* for the year by 0.45%.

Quarterly Asset Growth

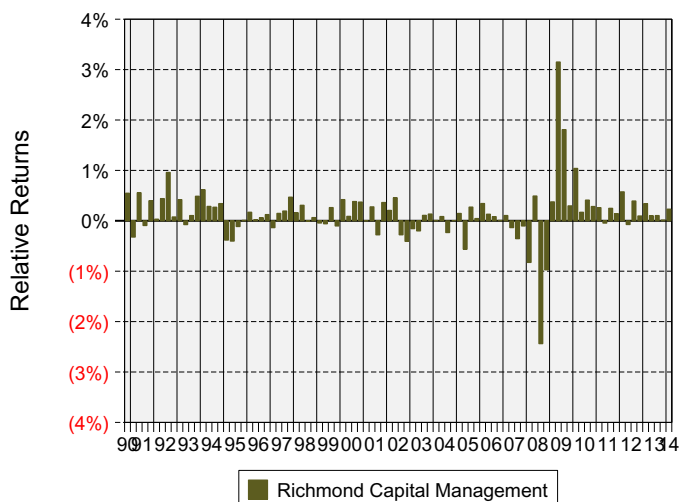
Beginning Market Value	\$47,708,024
Net New Investment	\$-35,390
Investment Gains/(Losses)	\$989,760
Ending Market Value	\$48,662,394

Performance vs CAI Core Bond Fixed-Inc Style (Gross)

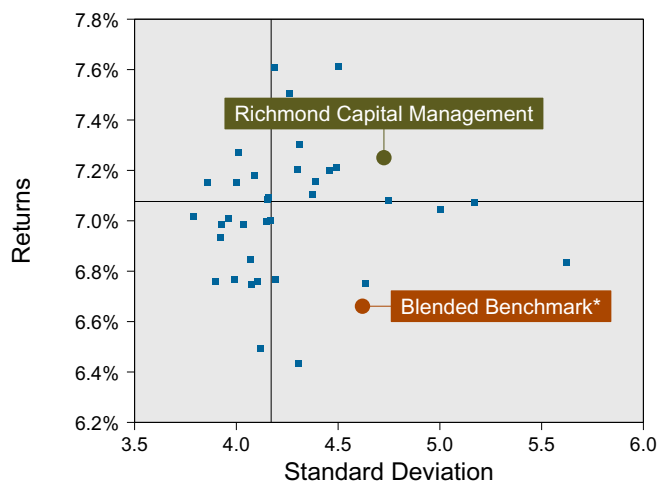


10th Percentile	2.45	1.14	5.17	8.49	5.72	6.37	6.80	7.46
25th Percentile	2.31	0.86	4.90	6.86	5.33	6.10	6.52	7.20
Median	2.06	0.38	4.47	6.29	4.96	5.83	6.36	7.08
75th Percentile	1.82	0.05	4.12	5.52	4.80	5.67	6.23	6.84
90th Percentile	1.50	(0.62)	3.90	5.04	4.39	5.41	6.09	6.75
Richmond Capital Management ●	2.07	0.42	5.03	7.10	5.04	5.98	6.50	7.25
Blended Benchmark* ▲	1.84	(0.03)	4.29	5.12	4.43	5.46	6.03	6.66

Relative Return vs Blended Benchmark*



CAI Core Bond Fixed-Inc Style (Gross) Annualized Twenty-Three and One-Half Year Risk vs Return

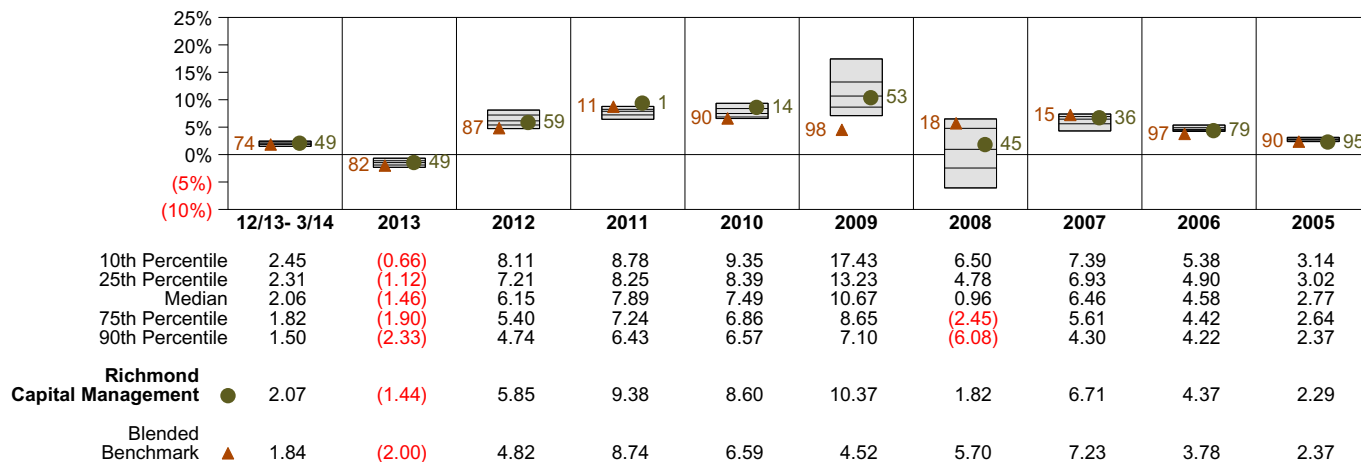


Richmond Capital Management Return Analysis Summary

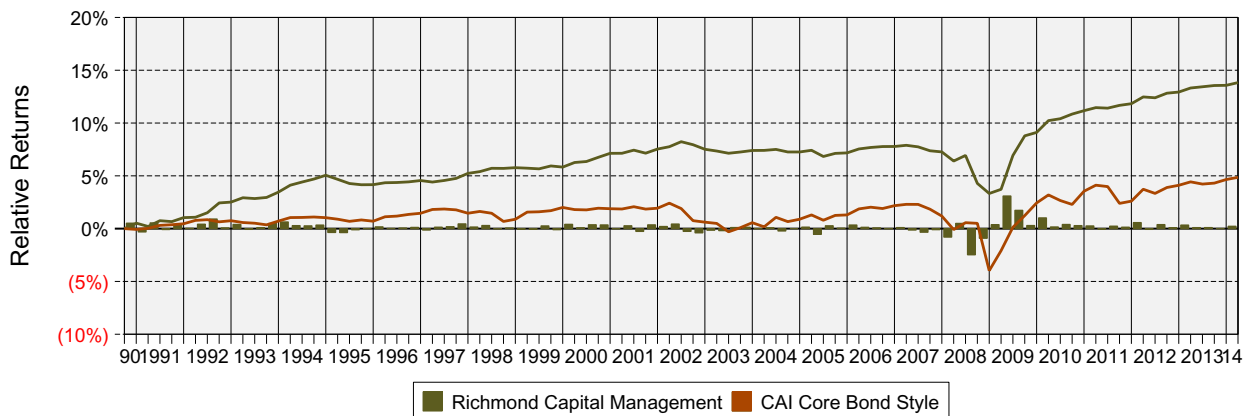
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

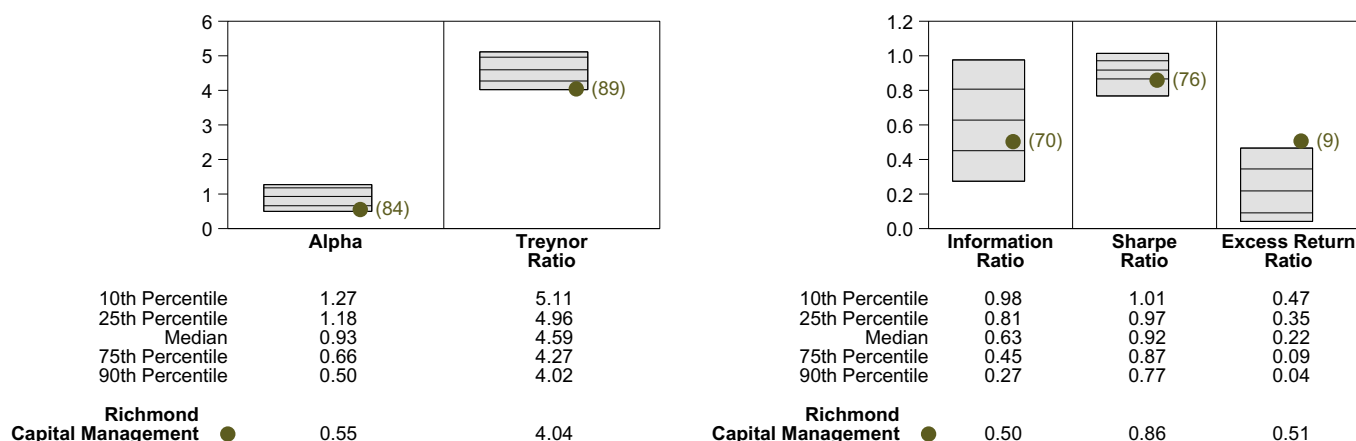
Performance vs CAI Core Bond Fixed-Inc Style (Gross)



Cumulative and Quarterly Relative Return vs Blended Benchmark



Risk Adjusted Return Measures vs Blended Benchmark Rankings Against CAI Core Bond Fixed-Inc Style (Gross) Twenty-Three and One-Half Years Ended March 31, 2014

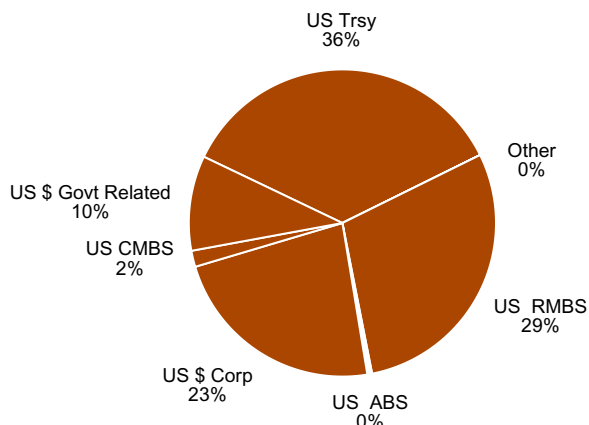
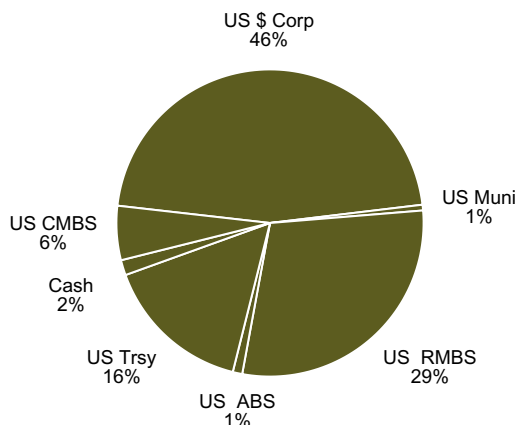


Richmond Capital Management Portfolio Characteristics Summary As of March 31, 2014

Portfolio Structure Comparison

The charts below compare the structure of the portfolio to that of the index from the three perspectives that have the greatest influence on return. The first chart compares the two portfolios across sector weights. The second chart compares the portfolios based on duration, duration distribution, duration "dispersion" (degree of "barbellness"), and sector weights within duration ranges. The last chart compares the distributions across quality ratings.

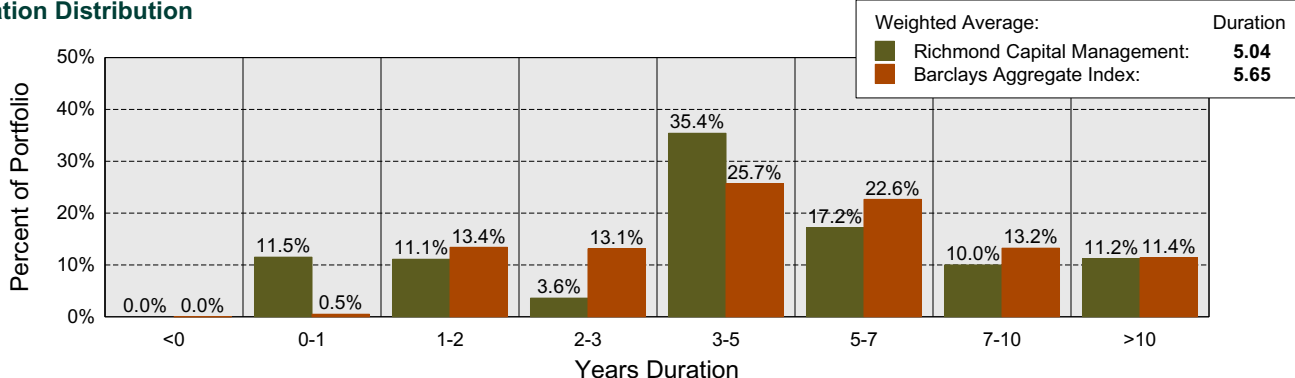
Sector Allocation



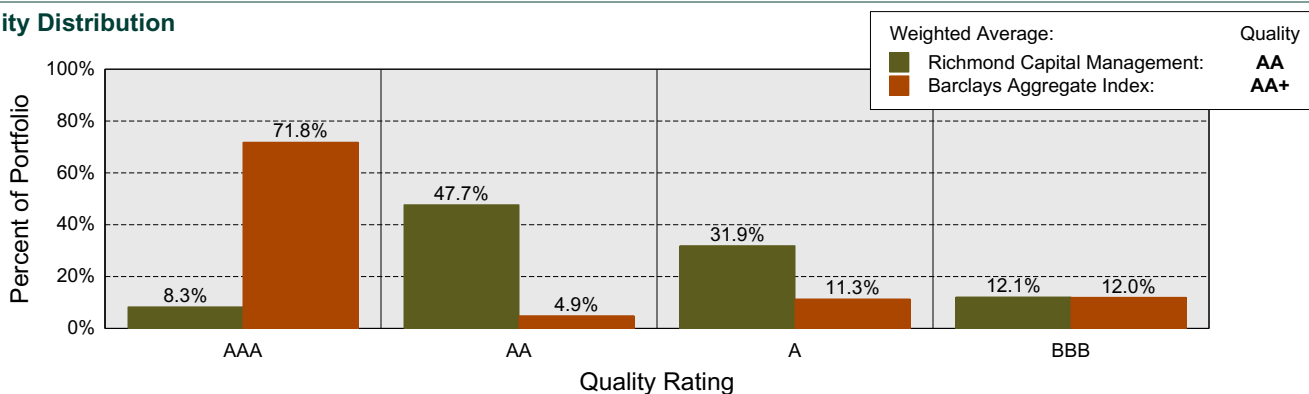
Richmond Capital Management

Barclays Aggregate Index

Duration Distribution



Quality Distribution

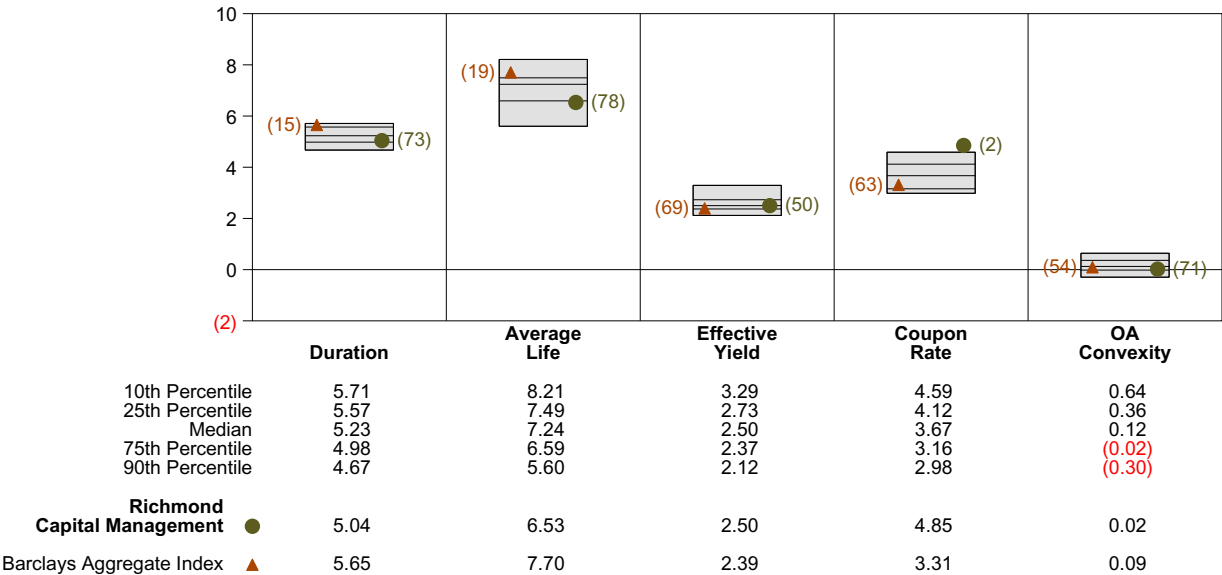


Richmond Capital Management Bond Characteristics Analysis Summary

Portfolio Characteristics

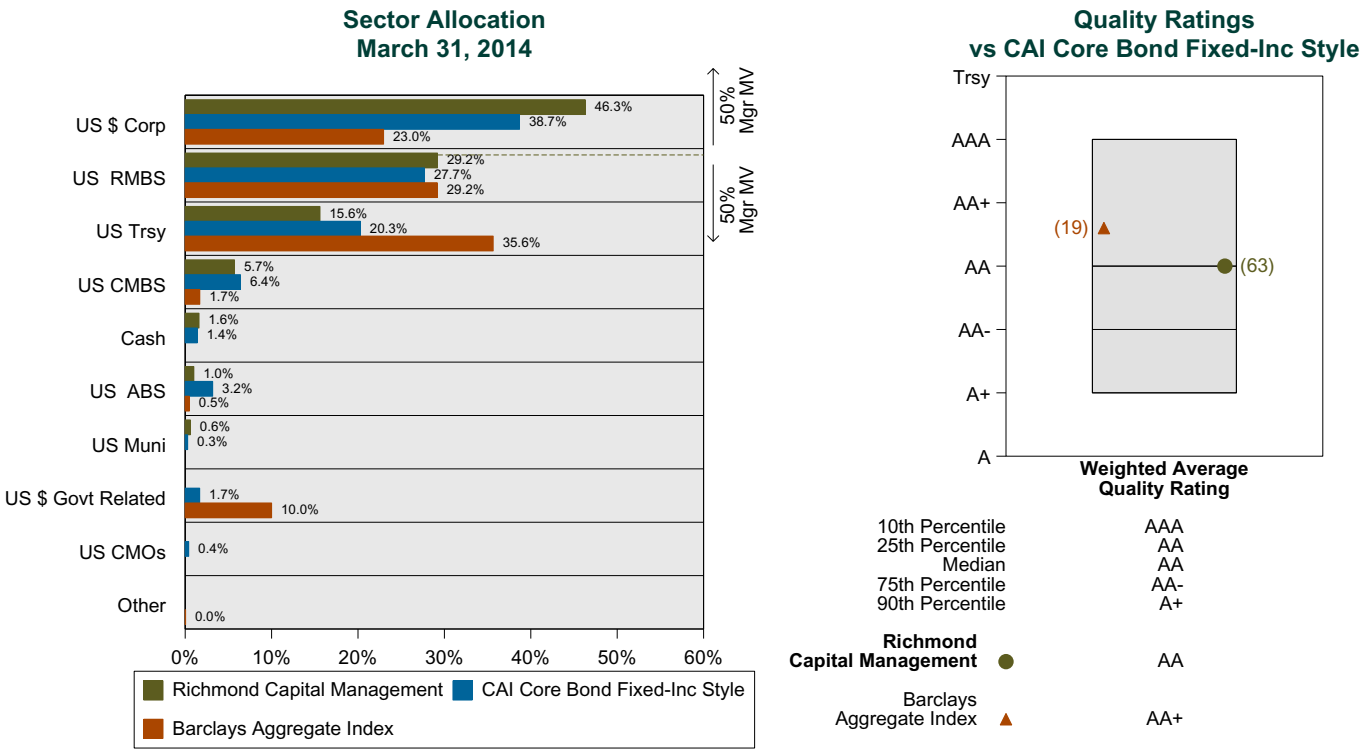
This graph compares the manager’s portfolio characteristics with the range of characteristics for the portfolios which make up the manager’s style group. This analysis illustrates whether the manager’s current holdings are consistent with other managers employing the same style.

Fixed Income Portfolio Characteristics Rankings Against CAI Core Bond Fixed-Inc Style as of March 31, 2014



Sector Allocation and Quality Ratings

The first graph compares the manager’s sector allocation with the average allocation across all the members of the manager’s style. The second graph compares the manager’s weighted average quality rating with the range of quality ratings for the style.



Equity Market Indicators

The market indicators included in this report are regarded as measures of equity or fixed income performance results. The returns shown reflect both income and capital appreciation.

Russell 2000 Growth contains those Russell 2000 securities with a greater than average growth orientation. Securities in this index tend to exhibit higher price-to-book and price-earning ratios, lower dividend yields and higher forecasted growth values than the Value universe.

Russell 2000 Index is composed of the 2000 smallest stocks in the Russell 3000 Index, representing approximately 11% of the U.S. equity market capitalization.

Russell 2000 Value contains those Russell 2000 securities with a less than average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-earning ratios, higher dividend yields and lower forecasted growth values than the Growth universe.

Standard & Poor's 500 Index is designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index is capitalization-weighted, with each stock weighted by its proportion of the total market value of all 500 issues. Thus, larger companies have a greater effect on the index.

Standard & Poor's MidCap Index is a composite of 400 medium-capitalization, domestic common stocks. Stocks in this index are not included in the Standard & Poor's 500 Index. The index is capitalization-weighted.

International Equity Market Indicators

The market indicators included in this report are regarded as measures of equity or fixed income performance results. The returns shown reflect both income and capital appreciation.

MSCI ACWI ex US Index The MSCI ACWI ex US(All Country World Index) Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the US. As of May 27, 2010 the MSCI ACWI consisted of 45 country indices comprising 24 developed and 21 emerging market country indices. The developed market country indices included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. The emerging market country indices included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

Morgan Stanley Capital International (MSCI) EAFE Index is composed of approximately 1000 equity securities representing the stock exchanges of Europe, Australia, New Zealand and the Far East. The index is capitalization-weighted and is expressed in terms of U.S. dollars.

Morgan Stanley Capital Intl (MSCI) Emerging Markets Free Index is composed of about 549 equity securities representing the stock exchanges of 13 countries in Central Asia and the Far East, Latin America, Europe, and the Middle East. Only 20% of Korea's market capitalization is included in this index. The index is market capitalization-weighted and is expressed in terms of U.S. dollars.

Fixed Income Market Indicators

The market indicators included in this report are regarded as measures of equity or fixed income performance results. The returns shown reflect both income and capital appreciation.

90-Day U.S. Treasury Bills provide a measure of riskless return. The rate of return is the average interest rate available on the beginning of each month for a Treasury Bill maturing in ninety days.

Barclays Aggregate Bond Index is a combination of the Mortgage Backed Securities Index and the intermediate and long-term components of the Government/Credit Bond Index.

Barclays Capital Govt/Credit Bond Index is a composite of all publicly issued, fixed rate, non-convertible, domestic bonds. The issues are rated at least BBB, have a minimum outstanding principal of \$100 million for U.S. Government issues or \$50 million for other bonds, and have a maturity of at least one year. The index is capitalization-weighted.

International Fixed Income Market Indicators

The market indicators included in this report are regarded as measures of equity or fixed income performance results. The returns shown reflect both income and capital appreciation.

CitiGroup Non-U.S. Dollar World Government Bond Index is composed of the CitiGroup World Government Bond Index excluding U.S. bonds. The index includes all fixed-rate government bonds in 10 countries having remaining maturities of one year or longer with amounts outstanding of at least the equivalent of US\$ 100 million. The index is capitalization-weighted and is expressed in terms of U.S. dollars.

General Price Level Market Indicators

The market indicators included in this report are regarded as measures of equity or fixed income performance results. The returns shown reflect both income and capital appreciation.

Consumer Price Index is a measure of the average change in prices for a fixed market basket of goods and services. This market basket is based on the spending patterns of urban wage earners and clerical workers, who represent 40 percent of the total civilian population.

Callan Associates Databases

In order to provide comparative investment results for use in evaluating a fund's performance, Callan Associates gathers rate of return data from investment managers. These data are then grouped by type of assets managed and by the type of investment manager. Except for mutual funds, the results are for tax-exempt fund assets. The databases, excluding mutual funds, represent investment managers who handle over 80% of all tax-exempt fund assets.

Equity Funds

Equity funds concentrate their investments in common stocks and convertible securities. The funds included maintain well-diversified portfolios.

Core International Equity Style Managers whose portfolio holdings and characteristics are similar to that of the broader developed market as represented by the MSCI EAFE Index, with the objective of adding value over and above the index, typically from country, sector, or issue selection. The Core portfolio is broadly diversified and exhibits similar risk characteristics to the developed market as measured by low residual risk with Beta and R-Squared values close to 1.00 and combined growth and value z-score values close to 0. Exposure to emerging markets and smaller capitalization stocks is limited.

Domestic Equity Database - The Domestic Equity Database is a broad collection of actively managed separate account domestic equity products.

International Emerging Markets Equity - The International Emerging Market Equity Database consists of all separate account international equity products that concentrate on newly emerging second and third world countries in the regions of the Far East, Africa, Europe, and Central and South America.

Fixed Income Funds

Fixed Income funds concentrate their investments in bonds, preferred stocks, and money market securities. The funds included maintain well-diversified portfolios.

Domestic Fixed-Income Database - The Domestic Fixed-Income Database is a broad collection of separate account domestic fixed-income products.

International Non-U.S. Dollar Fixed-Income - The International Non-U.S. Dollar Fixed-Income Database consists of all separate account international fixed-income funds that do not generally invest in U.S. fixed-income securities.

Balanced Funds

Balanced funds diversify their investments among common stocks, bonds, preferred stocks and money market securities. The funds included maintain well-diversified equity and fixed income portfolios.

Domestic Balanced Database - The Domestic Balanced Database consists of all separate account domestic balanced funds.

Common Stock Portfolio Characteristics

All Portfolio Characteristics are derived by first calculating the characteristics for each security, and then calculating the weighted average of these values for the portfolio.

Dividend Yield - The total amount of dividends paid out for a stock over the preceding twelve months divided by the closing price of a share of the common stock.

Five Year Beta - Beta measures the sensitivity of rates of return on a fund to general market movements. As such, the Beta for a portfolio is a reflection of the risk of the securities in the portfolio as compared to the broader market. This value is a composite of the individual Beta values within a portfolio. The Beta computation is based on the weighted average of the five year historical Betas of each security in a portfolio.

Growth in Dividends - This value represents a weighted average five year annual growth rate of dividends per common stock share. The rates of growth in dividends for trailing twelve month periods are calculated using the dividend-per-share values for each time period. The five-year growth in dividends figure is calculated for each security in a portfolio. From these individual values, a weighted average value is calculated for the portfolio. The number of shares in each time period is adjusted to reflect any splits, mergers, or other capital changes. In this case, dividends are ex-dividends, meaning that the dividend has been declared and a buyer of the stock after the ex-dividend date does not receive the dividend.

Growth in Earnings - This value represents a weighted average five year annual growth rate of earnings per common stock share. The rates of growth in earnings for trailing twelve month periods are calculated using the earnings-per-share values for each time period. The five-year growth in earnings figure is calculated for each security in a portfolio. From these individual values, a weighted average value is calculated for the portfolio. The number of shares in each time period is adjusted to reflect any splits, mergers, or other capital changes. In this case, the earnings per share is fully diluted and excludes extraordinary items and discontinued operations. Fully diluted earnings per share are earnings that are reduced, or diluted, by assuming the conversion of all securities that are convertible into equities.

Issue Diversification - A measure of portfolio concentration in individual issues (securities). This number represents how many different securities (names) comprise the most concentrated half of the portfolio assets (half of the assets are in how many names?). This measure is useful in evaluating the concentration/diversification of portfolios made up of many issues but concentrated in a small subset of those issues (e.g. 100 stocks with 50% of assets in 10 stocks, Issue Diversification = 10).

Number of Securities - This is a simple portfolio diversification measure representing the number of unique non-cash securities (names) currently held in the portfolio. This measure does not address potential concentration of assets within these securities (see Issue Concentration).

Price/Book Value - The Price to Book Value is a measure of value for a company. It is equal to the market value of all the shares of common stock divided by the book value of the company. The book value is the sum of capital surplus, common stock, and retained earnings.

Price/Earnings Ratio - The Price to Earnings Ratio (P/E) is a measure of value for a company. It is equal to the price of a share of common stock divided by the earnings per share for a twelve-month period.

Return on Assets - Return on Assets is a measure of a company's profitability, specifically relating profits to the total investments required to achieve the profits. It is equal to income divided by total assets. Income is after all expenses, including income taxes and minority interest, but before provision for dividends, extraordinary items, and discontinued operations. Total assets includes the sum of all current, non-current, and intangible assets.

Common Stock Portfolio Characteristics

Return on Equity - Return on Equity is a measure of a company's profitability, specifically relating profits to the equity investment employed to achieve the profits. Return on Equity focuses on the returns accruing to the residual owners of a company, the equityholders. It is equal to income divided by total common equity. Income is after all expenses, including income taxes and minority interest, but before provision for dividends, extraordinary items, and discontinued operations. Common equity includes common stock outstanding, capital surplus, and retained earnings.

Total Debt/Assets - The Debt to Assets ratio is a measure of the level of total debt of a company as a portion of the assets of the company. It is equal to short-term and long-term debt divided by total assets. Total assets include the sum of all current, non-current, and intangible assets.

Fixed Income Portfolio Characteristics

All Portfolio Characteristics are derived by first calculating the characteristics for each security, and then calculating the market value weighted average of these values for the portfolio.

Allocation by Sector - Sector allocation is one of the tools which managers often use to add value without impacting the duration of the portfolio. The sector weights exhibit can be used to contrast a portfolio's weights with those of the index to identify any significant sector bets.

Average Coupon - The average coupon is the market value weighted average coupon of all securities in the portfolio. The total portfolio coupon payments per year are divided by the total portfolio par value.

Average Moody's Rating for Total Portfolio - A measure of the credit quality as determined by the individual security ratings. The ratings for each security, from Moody's Investor Service, are compiled into a composite rating for the whole portfolio. Quality symbols range from Aaa+ (highest investment quality - lowest credit risk) to C (lowest investment quality - highest credit risk).

Average Option Adjusted (Effective) Convexity - Convexity is a measure of the portfolio's exposure to interest rate risk. It is a measure of how much the duration of the portfolio will change given a change in interest rates. Generally, securities with negative convexities are considered to be risky in that changes in interest rates will result in disadvantageous changes in duration. When a security's duration changes it indicates that the stream of expected future cash-flows has changed, generally having a significant impact on the value of the security. The option adjusted convexity for each security in the portfolio is calculated using models developed by Lehman Brothers and Salomon Brothers which determine the expected stream of cash-flows for the security based on various interest rate scenarios. Expected cash-flows take into account any put or call options embedded in the security, any expected sinking-fund paydowns or any expected mortgage principal prepayments.

Average Option Adjusted (Effective) Duration - Duration is one measure of the portfolio's exposure to interest rate risk. Generally, the higher a portfolio's duration, the more that its value will change in response to interest rate changes. The option adjusted duration for each security in the portfolio is calculated using models developed by Lehman Brothers and Salomon Brothers which determine the expected stream of cash-flows for the security based on various interest rate scenarios. Expected cash-flows take into account any put or call options embedded in the security, any expected sinking-fund paydowns or any expected mortgage principal prepayments.

Average Price - The average price is equal to the portfolio market value divided by the number of securities in the portfolio. Portfolios with an average price above par will tend to generate more current income than those with an average price below par.

Average Years to Expected Maturity - This is a measure of the market-value-weighted average of the years to expected maturity across all of the securities in the portfolio. Expected years to maturity takes into account any put or call options embedded in the security, any expected sinking-fund paydowns or any expected mortgage principal prepayments.

Average Years to Stated Maturity - The average years to stated maturity is the market value weighted average time to stated maturity for all securities in the portfolio. This measure does not take into account imbedded options, sinking fund paydowns, or prepayments.

Current Yield - The current yield is the current annual income generated by the total portfolio market value. It is equal to the total portfolio coupon payments per year divided by the current total portfolio market value.

Fixed Income Portfolio Characteristics

Duration Dispersion - Duration dispersion is the market-value weighted standard deviation of the portfolio's individual security durations around the total portfolio duration. The higher the dispersion, the more variable the security durations relative to the total portfolio duration ("barbellness"), and the smaller the dispersion, the more concentrated the holdings' durations around the overall portfolio's ("bulletness"). The purpose of this statistic is to gauge the "bulletness" or "barbellness" of a portfolio relative to its total duration and to that of its benchmark index.

Effective Yield - The effective yield is the actual total annualized return that would be realized if all securities in the portfolio were held to their expected maturities. Effective yield is calculated as the internal rate of return, using the current market value and all expected future interest and principal cash flows. This measure incorporates sinking fund paydowns, expected mortgage principal prepayments, and the exercise of any "in-the-money" imbedded put or call options.

Weighted Average Life - The weighted average life of a security is the weighted average time to payment of all remaining principal. It is calculated by multiplying each expected future principal payment amount by the time left to the payment. This amount is then divided by the total amount of principal remaining. Weighted average life is commonly used as a measure of the investment life for pass-through security types for comparison to non-pass-through securities.

Research and Educational Programs

The Callan Investments Institute provides research that keeps clients updated on the latest industry trends while helping them learn through carefully structured educational programs. Below are the Institute's recent publications – all of which can be found at www.callan.com/research.

White Papers



U.S. Equity Benchmark Review: Year End 2013

The U.S. Equity Benchmark Review is designed to aid in portfolio monitoring and evaluation by helping readers assess similarities and differences in coverage, performance, characteristics, and style of popular U. S. equity indices alongside Callan's active manager style groups.



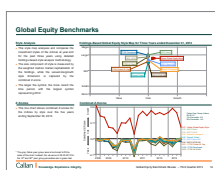
The ABCs of MLPs

In this "Ask the Expert" interview, Callan's Bill Howard and Brett Cornwell sat down to discuss the factors that are driving interest in MLPs. They cover recent changes in the marketplace and the case for investing.



Unitization: Implementation Considerations

In this Spotlight Research paper, Bo Abesamis presents a short checklist highlighting benefits for fund sponsors that are considering unitization, such as: cost containment, enhanced risk management, diversification, and others.



Global Equity Benchmark Review: Year Ended September 30, 2013

This report compares the coverage, characteristics, and risk and return data of more than 40 global equity indices from FTSE, MSCI, and Russell alongside Callan's active manager style groups.

Quarterly Publications

Quarterly Data: The *Market Pulse* reference guide covers the U.S. economy and investment trends in domestic and international equities and fixed income, and alternatives. Our *Inside Callan's Database* report provides performance information gathered from Callan's proprietary database, allowing you to compare your funds with your peers.

Capital Market Review: A quarterly macroeconomic indicator newsletter that provides thoughtful insights on the economy as well as recent performance in the equity, fixed income, alternatives, international, real estate, and other capital markets.

Private Markets Trends: A seasonal newsletter that discusses the market environment, recent events, performance, and other issues involving private equity.

Hedge Fund Monitor: A quarterly newsletter that provides a current view of hedge fund industry trends and detailed quarterly performance commentary.

DC Observer & Callan DC Index™: A quarterly newsletter that offers Callan's observations on a variety of topics pertaining to the defined contribution industry. Each issue is updated with the latest Callan DC Index™ returns.

Surveys



2014 DC Trends Survey

This annual survey presents findings such as: Plan sponsors made changes to target date funds in 2013 and will continue to do so in 2014; Passive investment offerings are increasingly common in the core investment lineup; Plan fees continue to be subject to considerable downward pressure; Retirement income solutions made little headway in 2013; and much more.



ESG Interest and Implementation Survey

In September 2013, Callan conducted a brief survey to assess the status of ESG, including responsible and sustainable investment strategies and SRI, in the U.S. institutional market. We collected responses from 129 U.S. funds representing approximately \$830 billion in assets.



2013 Cost of Doing Business Survey

Callan compares the costs of administering funds and trusts across all types of tax-exempt and tax-qualified organizations in the U.S., and we identify ways to help institutional investors manage expenses. We fielded this survey in April and May of 2013. The results incorporate responses from 49 fund sponsors representing \$219 billion in assets.



2013 Risk Management Survey

The 2008 market crisis put risk in the spotlight and prompted fund fiduciaries to look at risk management in a new light. Callan fielded this survey in November 2012. Responses came from 53 fund sponsors representing \$576 billion in assets. The vast majority of this group has taken concrete steps in the past five years to address investment risks.

Events

Did you miss out on a Callan conference or workshop? If so, you can catch up on what you missed by reading our “Event Summaries” and downloading the actual presentation slides from our website. Our most recent programs:



The **2014 National Conference Summary** features a synopsis of our speakers: David Gergen, Janet Hill, Laura Carstensen, and the 2014 Capital Markets Panel. The Summary also reviews our three workshops: managing corporate pension risk, peripheral real asset strategies, and target date fund analysis. Slide-decks of the conference presentations are also available on our website.



Our October 2013 Regional Workshop, **Unitization: The (Continuing) Odyssey**, covered the basics of unitization, real-life successes and failures, and explained some of the simple things that can trip up implementation. Our speakers were Callan's Bo Abesamis, James Veneruso, CFA, and Matt Shirilla.

Upcoming Educational Programs

Please join us at our June 2014 Regional Workshops where we will discuss the policy biases that are fundamental in investment portfolios. We will talk about time horizons, use of active management, and strategic tilts (emerging markets, small cap, illiquid investments).

“Policy Implementation Decisions”

Facilitators:

Andy Iseri, CFA – Vice President

Jay Kloepfer – Executive Vice President

Mike Swinney, CFA – Vice President

Joined by Callan's Atlanta and San Francisco Office Consultants

June 24 in Atlanta, GA

June 25 in San Francisco, CA

Workshops are from 9am to 11am.

Our research can be found at www.callan.com/research or feel free to contact us for hard copies.

For more information about research or educational events, please contact Ray Combs or Gina Falsetto at institute@callan.com or 415-974-5060.

The Center for Investment Training Educational Sessions

This educational forum offers basic-to-intermediate level instruction on all components of the investment management process. The "Callan College" courses cover topics that are key to understanding your responsibilities, the roles of everyone involved in this process, how the process works, and how to incorporate these strategies and concepts into an investment program. Listed below are the different types of sessions Callan offers.

Standard Session

July 15-16, 2014 in San Francisco

This is a two-day session designed for individuals with more than two years' experience with institutional asset management oversight and/or support responsibilities. The session will provide attendees with a thorough overview of prudent investment practices for both defined benefit and defined contribution funds. We cover the key concepts needed to successfully meet a fund's investment objectives.

The course work addresses the primary components of the investment management process: the role of the fiduciary; capital market theory; asset allocation; manager structure; investment policy statements; manager search; custody, securities lending, fees; and performance measurement.

This course is beneficial to anyone involved in the investment management process, including: trustees and staff members of public, corporate and Taft-Hartley retirement funds (defined benefit and/or defined contribution); trustees and staff members of endowment and foundation funds; representatives of family trusts; and investment management professionals and staff involved in client service, business development, consultant relations, and portfolio management.

Tuition for the Standard "Callan College" session is \$2,500 per person. Tuition includes instruction, all materials, breakfast and lunch on each day, and dinner on the first evening with the instructors.

An Introduction to Investments

October 28-29, 2014 in San Francisco

This one-and-one-half-day session is designed for individuals who have less than two years' experience with institutional asset management oversight and/or support responsibilities. The session will familiarize fund sponsor trustees, staff, and asset management advisors with basic investment theory, terminology, and practices.

Participants in the introductory session will gain a basic understanding of the different types of institutional funds, including a description of their objectives and investment session structures. The session includes:

- A description of the different parties involved in the investment management process, including their roles and responsibilities
- A brief outline of the types and characteristics of different plans (e.g., defined benefit, defined contribution, endowments, foundations, operating funds)
- An introduction to fiduciary issues as they pertain to fund management and oversight
- An overview of capital market theory, characteristics of various asset classes, and the processes by which fiduciaries implement their investment sessions

Tuition for the Introductory "Callan College" session is \$2,350 per person. Tuition includes instruction, all materials, breakfast and lunch on each day, and dinner on the first evening with the instructors.

Customized Sessions

A unique feature of the "Callan College" is its ability to educate on a specialized level through its customized sessions. These sessions are tailored to meet the training and educational needs of the participants, whether you are a plan sponsor or you provide services to institutional tax-exempt plans. Past customized "Callan College" sessions have covered topics such as: custody, industry trends, sales and marketing, client service, international, fixed income, and managing the RFP process. Instruction can be tailored to be basic or advanced.

For more information please contact Kathleen Cunnie, at 415.274.3029 or cunnie@callan.com.

List of Managers That Do Business with Callan Associates Inc.

Confidential – For Callan Client Use Only

Callan Associates takes its fiduciary and disclosure responsibilities to clients very seriously. The list below is compiled and updated quarterly because we believe our fund sponsor clients should have a clear understanding of the investment management organizations that do business with our firm. As of 03/31/14, Callan provided educational, consulting, software, database, or reporting services to this list of managers through one or more of the following business units: Institutional Consulting Group, Independent Adviser Group, Fund Sponsor Consulting, the Callan Investments Institute and the "Callan College." Per strict policy these manager relationships do not affect the outcome or process by which any of Callan's services are conducted.

Fund sponsor clients may request a copy of this list at any time. Fund sponsor clients may also request specific information regarding the fees paid to Callan by the managers employed by their fund. Per company policy, information requests regarding fees are handled exclusively by Callan's Compliance Department.

Clients should also be aware that Callan maintains an asset management division, the Trust Advisory Group (TAG). TAG specializes in the design, implementation and on-going management of multi-manager portfolios for institutional investors. Currently TAG serves as the sponsor and advisor to a multi-manager small cap equity fund and as the non-discretionary adviser to a series of Target Maturity Funds known as the Callan GlidePath® Funds. We are happy to provide clients with more specific information regarding TAG, including detail on the portfolios that it oversees. Per company policy these requests are handled by TAG's Chief Investment Officer.

Manager Name	Educational Services	Consulting Services
1607 Capital Partners, LLC		Y
Aberdeen Asset Management	Y	Y
Abacus Capital Management	Y	
Acadian Asset Management, Inc.	Y	
Advisory Research	Y	
Affiliated Managers Group		Y
AllianceBernstein	Y	
Allianz Global Investors U.S. LLC	Y	Y
Allianz Life Insurance Company of North America		Y
American Century Investment Management	Y	
Apollo Global Management	Y	
AQR Capital Management	Y	
Ares Management	Y	
Ariel Investments	Y	
Aristotle Capital Management	Y	
Aronson + Johnson + Ortiz	Y	
Artisan Holdings		Y
Atlanta Capital Management Co., L.L.C.	Y	Y
AXA Rosenberg Investment Management	Y	
Babson Capital Management LLC	Y	
Baillie Gifford International LLC	Y	Y
Baird Advisors	Y	Y
Bank of America		Y
Baring Asset Management	Y	
Barrow, Hanley, Mewhinney & Strauss, Inc.	Y	Y
BlackRock	Y	
BMO Asset Management	Y	
BNP Paribas Investment Partners	Y	
BNY Mellon Asset Management	Y	Y
Boston Company Asset Management, LLC (The)	Y	Y
Brandes Investment Partners, L.P.	Y	Y
Brandywine Global Investment Management, LLC	Y	
Brown Brothers Harriman & Company	Y	
Cadence Capital Management	Y	
Capital Group	Y	

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CastleArk Management, LLC		Y
Causeway Capital Management	Y	
Central Plains Advisors, Inc.		Y
Chartwell Investment Partners	Y	
ClearBridge Investments, LLC (fka ClearBridge Advisors)	Y	
Cohen & Steers	Y	
Columbia Management Investment Advisors, LLC	Y	Y
Columbus Circle Investors	Y	Y
Corbin Capital Partners	Y	
Cornerstone Capital Management Holdings (fka Madison Square)	Y	
Cramer Rosenthal McGlynn, LLC	Y	
Crawford Investment Council		Y
Credit Suisse Asset Management	Y	
Crestline Investors	Y	Y
Cutwater Asset Management	Y	
DB Advisors	Y	Y
D.B. Fitzpatrick & Company, Inc.	Y	
Delaware Investments	Y	Y
DePrince, Race & Zollo, Inc.	Y	Y
Deutsche Asset & Wealth Management	Y	Y
Diamond Hill Investments	Y	
DSM Capital Partners		Y
Duff & Phelps Investment Mgmt.	Y	Y
Eagle Asset Management, Inc.		Y
EARNEST Partners, LLC	Y	
Eaton Vance Management	Y	Y
Epoch Investment Partners	Y	
Fayez Sarofim & Company		Y
Federated Investors		Y
Fidelity Investments		Y
First Eagle Investment Management	Y	
First Quadrant	Y	
First State Investments	Y	
Fisher Investments	Y	
Franklin Templeton	Y	Y
Fred Alger Management Co., Inc.	Y	
Fuller & Thaler Asset Management	Y	
GAM (USA) Inc.	Y	
GE Asset Management	Y	Y
Geneva Capital Management	Y	
Goldman Sachs Asset Management	Y	Y
Grand-Jean Capital Management	Y	Y
GMO (fka Grantham, Mayo, Van Otterloo & Co., LLC)	Y	
Great Lakes Advisors, Inc.		Y
The Guardian Life Insurance Company of America		Y
Guggenheim Investments Asset Management (fka Security Global)	Y	

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Harbor Capital		Y
Hartford Investment Management Co.	Y	Y
Henderson Global Investors	Y	Y
HGK Asset Management, Inc.	Y	
Hotchkis & Wiley	Y	
Income Research & Management	Y	
ING Investment Management	Y	Y
Institutional Capital LLC	Y	
INTECH Investment Management	Y	
Invesco	Y	Y
Investec Asset Management	Y	
Janus Capital Group (fka Janus Capital Management, LLC)	Y	Y
Jensen Investment Management		Y
J.M. Hartwell	Y	
J.P. Morgan Asset Management	Y	Y
KeyCorp		Y
Lazard Asset Management	Y	Y
Lee Munder Capital Group	Y	
Lincoln National Corporation		Y
Logan Circle Partners, L.P.	Y	
Longview Partners	Y	
Loomis, Sayles & Company, L.P.	Y	Y
Lord Abbett & Company	Y	Y
Los Angeles Capital Management	Y	
LSV Asset Management	Y	
Lyrical Partners	Y	
MackKay Shields LLC	Y	Y
Man Investments	Y	
Manulife Asset Management	Y	
Martin Currie	Y	
Marvin & Palmer Associates, Inc.	Y	
Mesirow Financial Investment Management	Y	
Metropolitan West Capital Management, LLC	Y	Y
MFS Investment Management	Y	Y
Mondrian Investment Partners Limited	Y	Y
Montag & Caldwell, Inc.	Y	Y
Morgan Stanley Alternative Investment Partners	Y	
Morgan Stanley Investment Management	Y	Y
Mountain Lake Investment Management LLC		Y
National Investment Services, Inc.	Y	
Neuberger Berman, LLC (fka, Lehman Brothers)	Y	Y
Newton Capital Management	Y	
Northern Lights Capital Group		Y
Northern Trust Global Investment Services	Y	Y
Nuveen Investments Institutional Services Group LLC	Y	
Old Mutual Asset Management	Y	Y

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OppenheimerFunds, Inc.	Y	
Pacific Investment Management Company	Y	
Palisade Capital Management LLC	Y	
Parametric Portfolio Associates	Y	
Peregrine Capital Management, Inc.	Y	Y
Philadelphia International Advisors, LP	Y	
PineBridge Investments (formerly AIG)	Y	
Pinnacle Asset Management	Y	
Pioneer Investment Management, Inc.	Y	
PNC Capital Advisors (fka Allegiant Asset Mgmt)	Y	Y
Post Advisory	Y	
Principal Global Investors	Y	Y
Private Advisors	Y	
Prudential Fixed Income Management	Y	
Prudential Investment Management, Inc.	Y	Y
Prudential Real Estate	Y	
Putnam Investments, LLC	Y	Y
Pyramis Global Advisors	Y	
Rainier Investment Management	Y	
RBC Global Asset Management (U.S.) Inc.		Y
Regions Financial Corporation		Y
RCM		Y
Robeco Investment Management	Y	Y
Rothschild Asset Management, Inc.	Y	Y
Russell Investment Management	Y	
Santander Global Facilities		Y
Schroder Investment Management North America Inc.	Y	Y
Scout Investments	Y	
SEI Investments		Y
SEIX Investment Advisors, Inc.	Y	
Select Equity Group	Y	
Smith Graham and Company		Y
Smith Group Asset Management		Y
Standard Life Investments	Y	
Standish (fka, Standish Mellon Asset Management)	Y	
State Street Global Advisors	Y	
Stone Harbor Investment Partners, L.P.		Y
Strategic Global Advisors	Y	
Systematic Financial Management	Y	
T. Rowe Price Associates, Inc.	Y	Y
Taplin, Canida & Habacht	Y	
TCW Asset Management Company	Y	
Thompson, Siegel & Walmsley LLC	Y	
UBS	Y	Y
Union Bank of California		Y

List of Managers That Do Business with Callan Associates Inc. (continued)

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Van Eck	Y	
Victory Capital Management Inc.	Y	
Vulcan Value Partners, LLC	Y	Y
Waddell & Reed Asset Management Group	Y	Y
WCM Investment Management	Y	
WEDGE Capital Management		Y
Weitz Funds	Y	
Wellington Management Company, LLP	Y	
Wells Capital Management	Y	
Western Asset Management Company	Y	
William Blair & Co., Inc.	Y	Y



May 15, 2014

City of Fort Pierce

**First Quarter Performance
Review**

Weston Lewis, CFA
Vice President

Cody Chapman, CFA
Assistant Vice President

First Quarter Market Environment

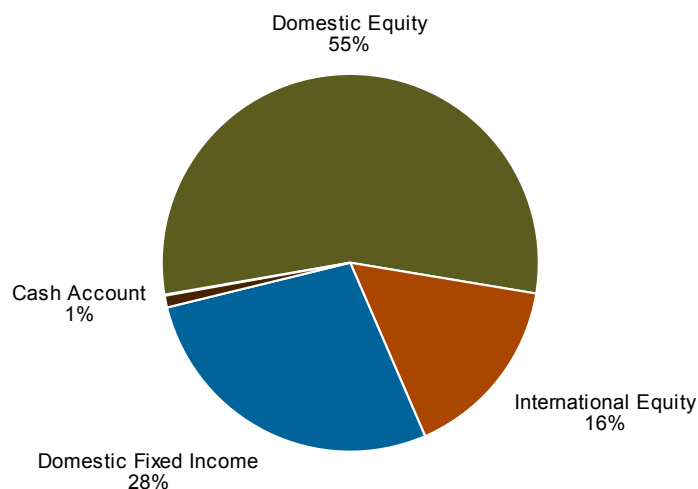
U.S. Economy

Economic data were weaker than expected in January and February with an especially cold and snowy winter largely to blame. Devaluations in several emerging markets currencies, concerns over a slowdown in China, and the unfolding crisis in Ukraine also weighed on investor sentiment throughout much of the quarter.

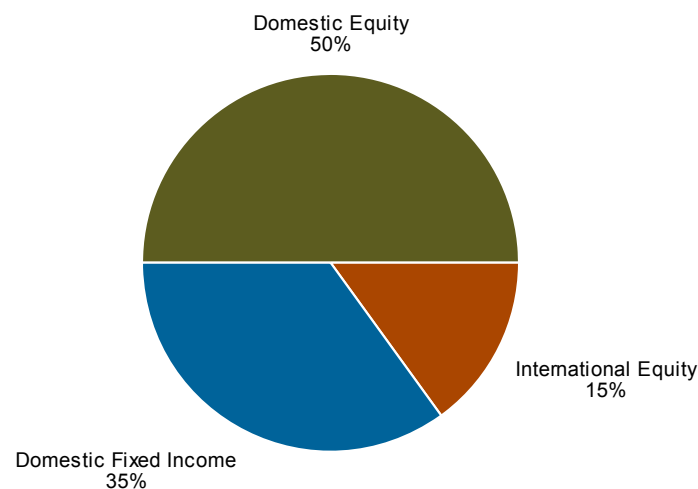
- Unemployment rate remained elevated at 6.7%
 - Long-term unemployed are of particular concern as skills atrophy and earnings power dwindles with age.
 - Labor force participation hovered at lowest rate in more than 3 decades.
 - Overseas unemployment is decidedly worse; 12% in Europe and more than 25% in Spain and Greece.
- Consumer confidence trended upward after a brutal winter
 - Consumer confidence, as measured by the Conference Board, rose to an index reading of 82.3 in March, the highest since January 2008.
- Real GDP for 4Q13 slowed to 2.6% following a robust 4.1% growth rate in 3Q13
 - In March, the FOMC lowered its forecast for 2014 GDP growth expectations to 2.8% - 3%, down slightly from the 2.8% - 3.2% expected at the December meeting.
- Still no sign of inflation
 - Headline CPI was 1.1% year-over-year as of February.
 - Core CPI (excluding Food and Energy) at 1.6%.
 - CPI still well below long term averages of 4.2% and 4.1% for the Headline and Core measures, respectively, and below Fed “target” of 2%.
- Rates fell as a “polar vortex” weighed on economic growth and geopolitical events led to investor angst.
 - 10-year U.S. Treasury yield closed the year at 3.04%, a 29-month high, and fell 31 bps during the quarter to 2.73%.
- The Fed
 - Fed continued to pare its monthly bond purchases by \$10 billion per month from \$85 billion in 2013 to \$55 billion.
 - Janet Yellen replaced Ben Bernanke as Fed Chair on Feb 3rd.
 - Comments from the Fed indicated that rates could be hiked sooner than expected surprised the markets at the end of the quarter, sparking a sell-off in short and intermediate U.S. Treasuries.

Asset Allocation Review

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Domestic Equity	97,055	55.3%	50.0%	5.3%	9,360
International Equity	27,935	15.9%	15.0%	0.9%	1,627
Domestic Fixed Income	48,662	27.7%	35.0%	(7.3%)	(12,723)
Cash Account	1,736	1.0%	0.0%	1.0%	1,736
Total	175,388	100.0%	100.0%		

One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	53%	50%	22.94%	22.25%	0.35%	0.26%	0.60%
Domestic Fixed Income	30%	35%	0.42%	(0.10%)	0.17%	0.58%	0.76%
International Equity	16%	15%	13.54%	12.80%	0.10%	(0.02%)	0.08%
Cash Equiv	1%	0%	0.01%	0.01%	0.00%	(0.18%)	(0.18%)
Total			14.01%	= 12.75%	+ 0.62%	+ 0.63%	1.26%

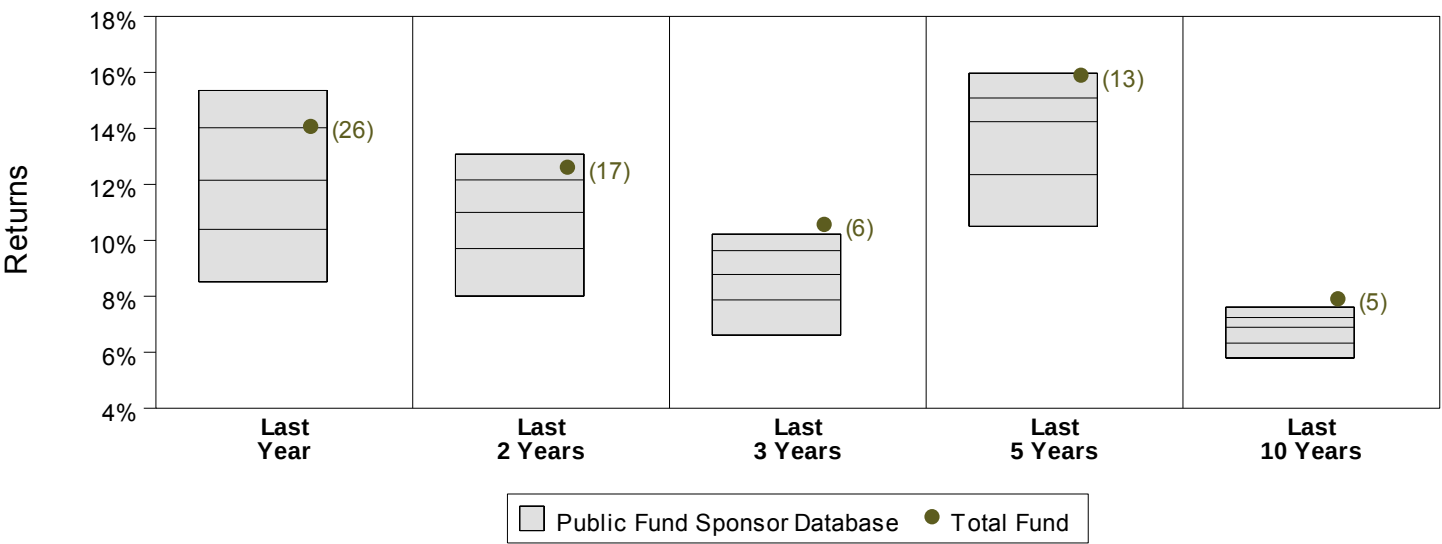
Asset Distribution Across Investment Managers

	March 31, 2014			December 31, 2013				
	Market Value	Weight	Target	Net New Inv.	Inv. Return	Market Value	Weight	Target
Domestic Equity	\$97,054,608	55.34%	50.00%	\$(43,823)	\$1,935,061	\$95,163,370	54.28%	50.00%
Emerald Advisers, Inc.	8,440,336	4.81%	3.75%	(16,650)	276,720	8,180,266	4.67%	3.75%
Ceredex Value Advisors	7,947,667	4.53%	3.75%	(17,764)	57,879	7,907,552	4.51%	3.75%
SSgA S&P 500 Index	66,076,903	37.67%	35.00%	(6,817)	1,169,770	64,913,949	37.03%	35.00%
SSgA S&P 400 Index	14,589,702	8.32%	7.50%	(2,593)	430,692	14,161,603	8.08%	7.50%
International Equity	\$27,934,829	15.93%	15.00%	\$(27,230)	\$(37,653)	\$27,999,712	15.97%	15.00%
Morgan Stanley - Int'l Equity	12,589,957	7.18%	6.75%	(27,230)	58,780	12,558,407	7.16%	6.75%
Morgan Stanley - Emerging Mkts.	1,127,307	0.64%	0.75%	0	(5,979)	1,133,286	0.65%	0.75%
William Blair & Company	14,217,565	8.11%	7.50%	0	(90,453)	14,308,018	8.16%	7.50%
Domestic Fixed Income	\$48,662,394	27.75%	35.00%	\$(35,390)	\$989,760	\$47,708,024	27.21%	35.00%
Richmond Capital Management	48,662,394	27.75%	35.00%	(35,390)	989,760	47,708,024	27.21%	35.00%
Cash Account	\$1,736,427	0.99%	-	\$(2,700,000)	\$104	\$4,436,322	2.53%	-
Total Fund	\$175,388,257	100.0%	100.0%	\$(2,806,443)	\$2,887,272	\$175,307,428	100.0%	100.0%

- Investment returns were mostly positive during the quarter, leading to more than \$2.88 million in investment gains for the quarter.
- The City withdrew \$2.81 million from the fund during the quarter.

City of Fort Pierce Total Fund

Public Fund Sponsor Database



Investment Fund Style	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Last 7 Years	
Total Fund	1.65%	42	14.01%	26	10.51%	6	15.84%	13	6.65%	6
Total Fund Benchmark(1)	1.69%	34	13.45%	33	9.89%	20	15.47%	17	5.97%	27
CPI + 5%	2.65%	3	6.41%	94	6.87%	89	7.34%	97	7.14%	2
Pub PInSponsor DB	1.57%		12.14%		8.78%		14.24%		5.48%	

- The Total Fund slightly trailed the benchmark by 0.04% during the quarter.
- Total Fund performance relative to the benchmark remains strong over longer-term time periods.



Domestic Equity Performance

First Quarter Market Environment

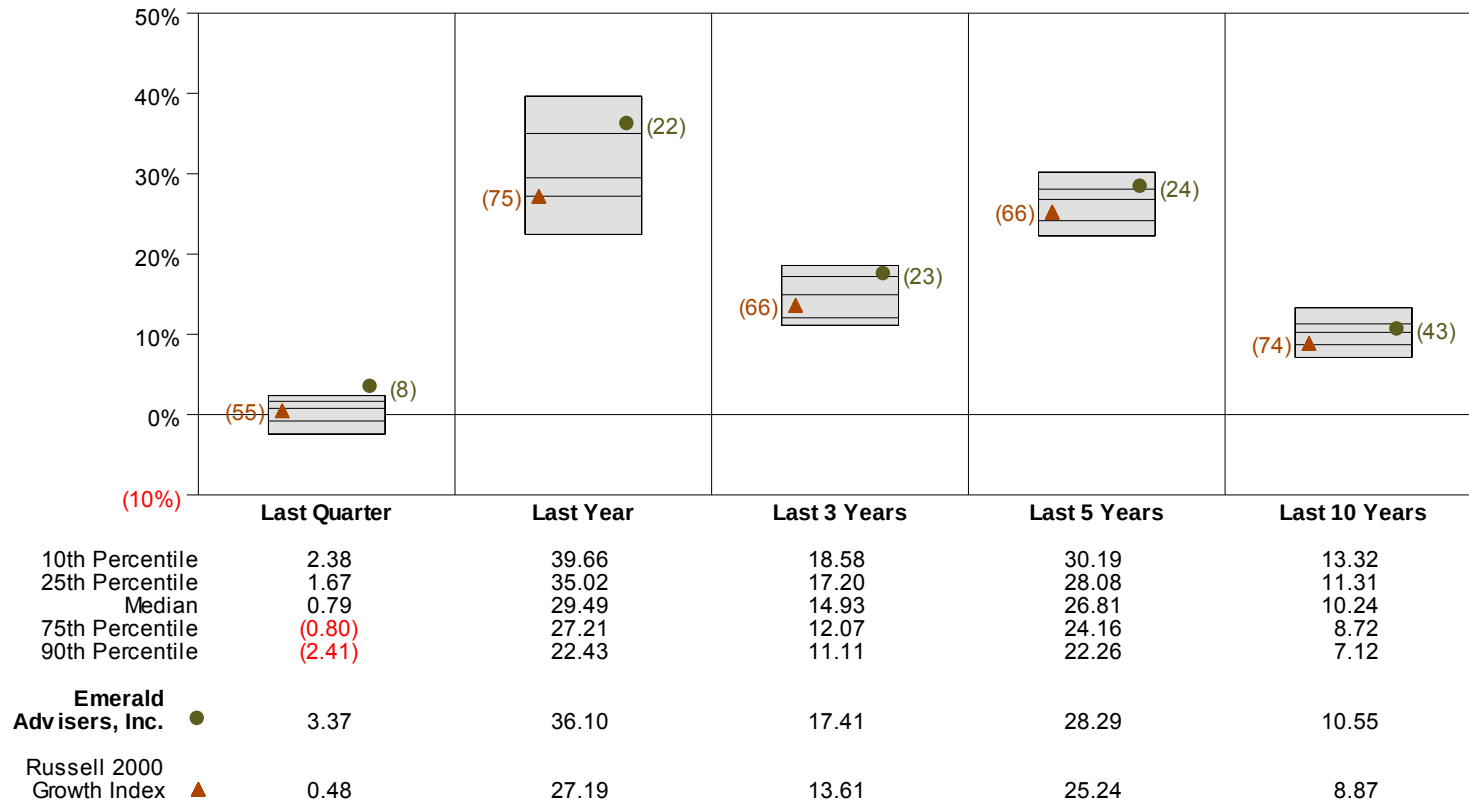
Domestic Equity

U.S. equities delivered modest gains in the 1st quarter, masking significant intra-quarter volatility. In late January, U.S. equities fell by more than 5% as several emerging countries appeared on the brink of a currency crisis and economic data were weaker than expected. Sentiment turned positive in February, stocks recovered and remained range bound through most of March before a sharp Fed-driven rally on the final day of the quarter.

- The S&P 500 closed the quarter near a record high:
 - The S&P 500 returned 1.8% for the quarter.
 - Small stocks trailed; the Russell 2000 index was up 1.1%.
- Value sharply outpaced growth across the cap spectrum with the largest outperformance in midcaps:
 - Russell Mid Value +5.2%; Russell Mid Growth +2.0%.
- Low quality continued its trend of outperformance versus high quality:
 - S&P LQ +4.7% vs. S&P HQ +1.8%.
- Utilities and Health Care were the best performing sectors.
 - Utilities (+10.1%) and Health Care (+5.8%).
 - Consumer Discretionary was the only sector to post a negative return (-2.8%).

Emerald Advisors Small Cap Growth

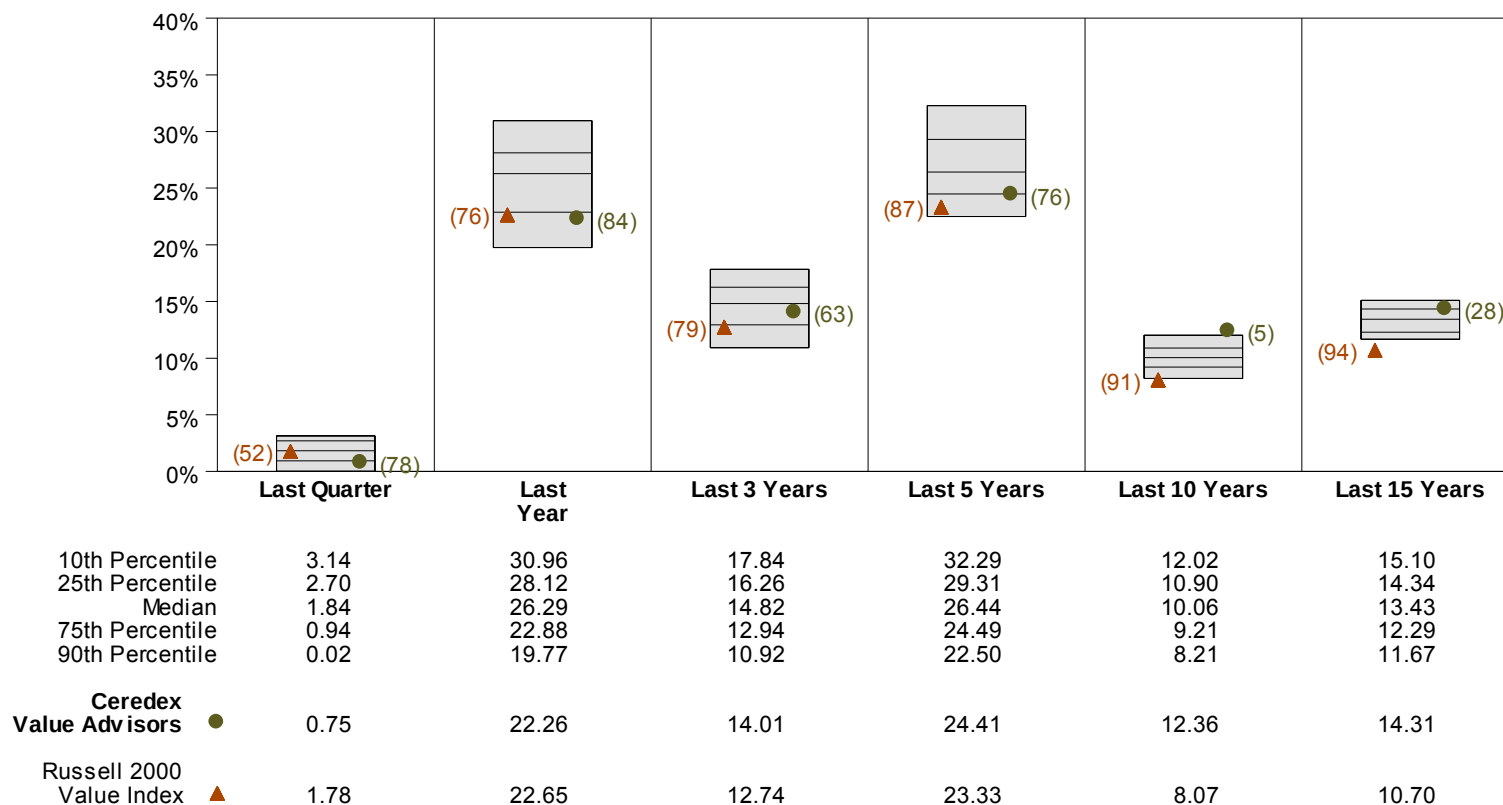
Performance vs CAI Small Cap Growth Style (Gross)



- Emerald outperformed the benchmark by 2.89% during the quarter.
- Emerald has strong long-term returns well above the benchmark for all observed trailing periods.
- Stock selection in Biotechnology and Pharmaceuticals drove performance. Stock selection within Financial Services, Producer Durables, Materials and Energy also contributed positively.

Ceredex Value Advisors Small Cap Value

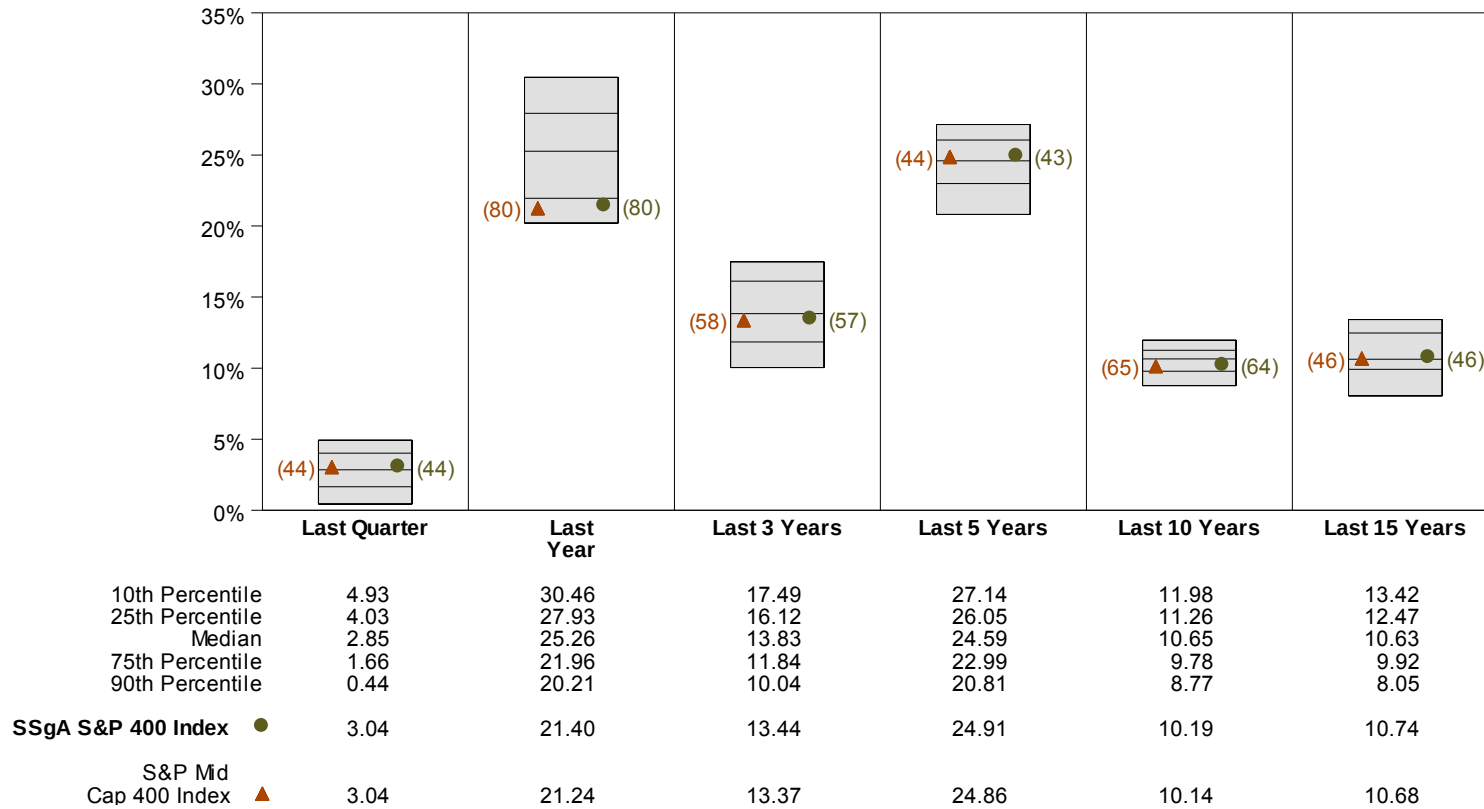
Performance vs CAI Small Cap Value Style (Gross)



- Ceredex underperformed the benchmark by 1.03% for the quarter and 0.39% over the last year.
- Long-term results are strong. The fund ranks in the top decile relative to peers over the last ten years.
- Stock selection in Consumer Discretionary, Information Technology and Financials drove underperformance.

SSgA S&P Mid Cap 400 Index

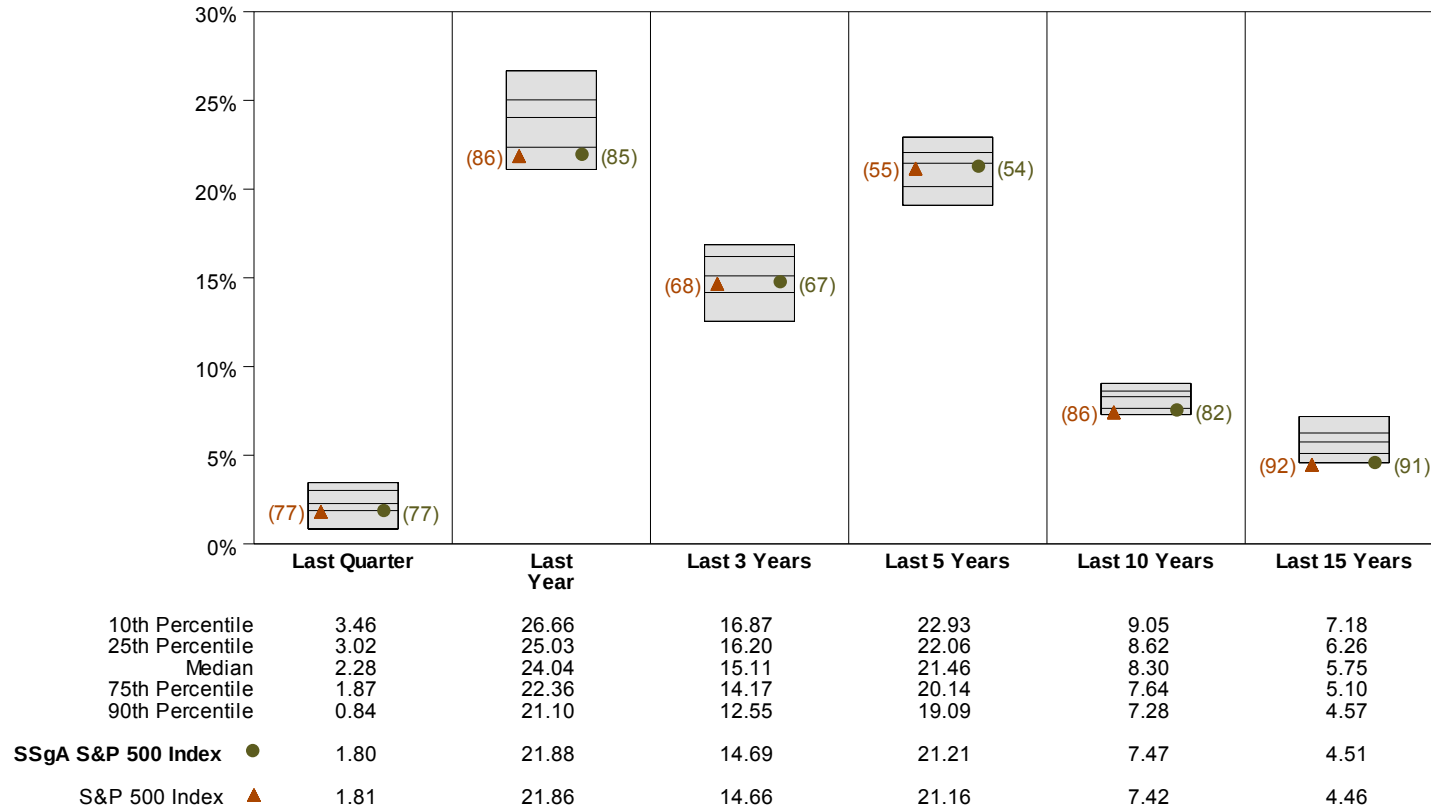
Performance vs CAI Mid Capitalization Style (Gross)



- The fund continues to track the index closely at a very low fee.

SSgA S&P 500 Index

Performance vs CAI Large Cap Core Style (Gross)



- The fund continues to track the index closely at a very low fee.



International Equity Performance

First Quarter Market Environment

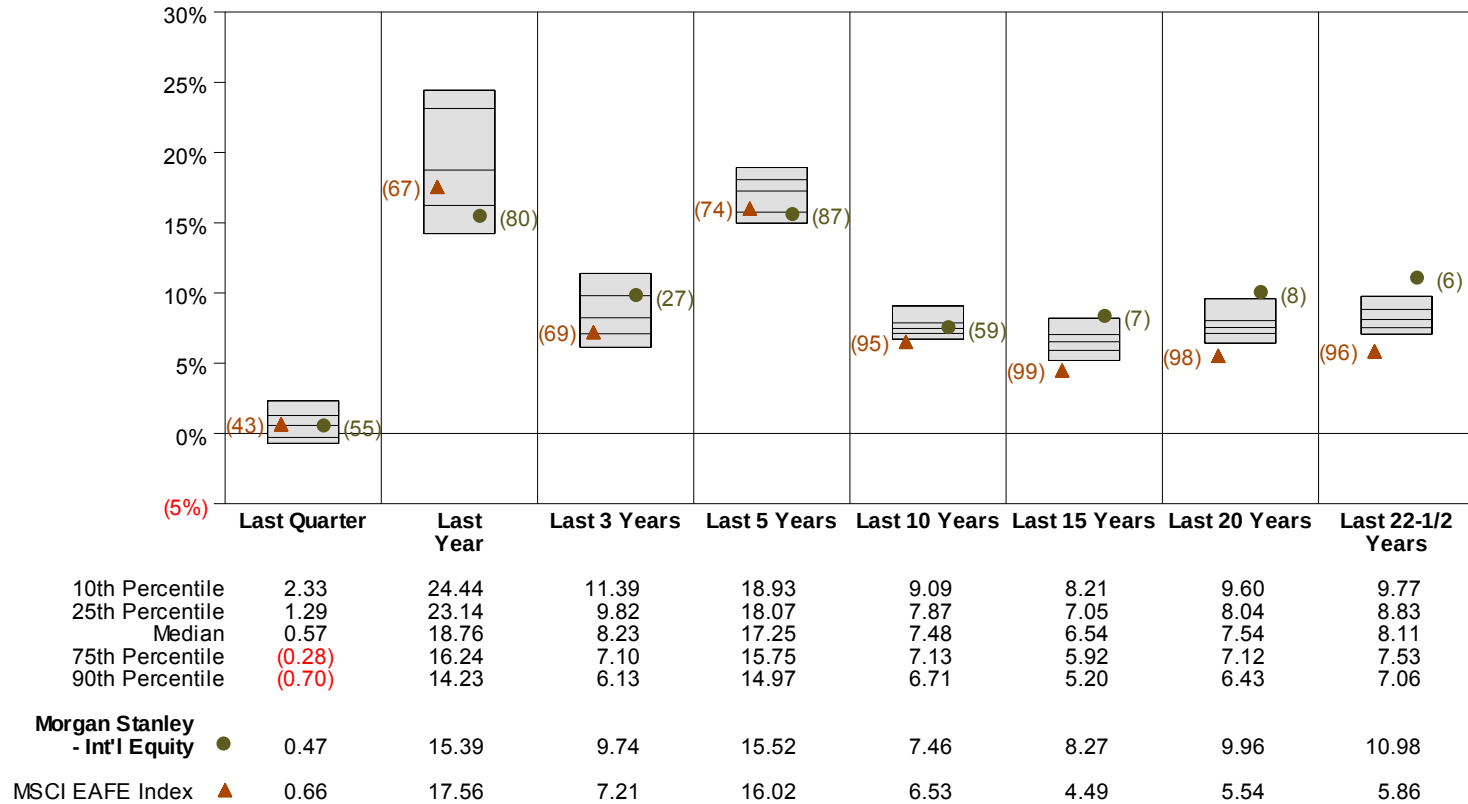
International Equity

Non-U.S. developed and emerging markets equities underperformed domestic stock indices in the first quarter. Escalating tensions in Crimea were a significant source of volatility in international markets.

- Foreign equities lagged their US counterparts in both local and US dollar terms:
 - MSCI EAFE US\$ +.7%; MSCI EAFE Local Currency -.3%.
 - Japan worst performer among developed markets -5.6%.
 - Euro and UK pound essentially flat versus U.S. dollar while yen, Australian and NZ dollars gained.
- Emerging markets continued to trail developed markets:
 - MSCI EM US\$ -0.4%
- Russia was the worst performer:
 - Crisis in Ukraine caused a sharp dislocation in Russia's equity and currency markets (MSCI Russia US\$: -14.4%, Local: -9.7%).
- The other BRICs posted mixed results:
 - MSCI Brazil US\$: +2.9%; MSCI India US\$: +8.2; MSCI China US\$: -5.9%.

Morgan Stanley Developed International Equity

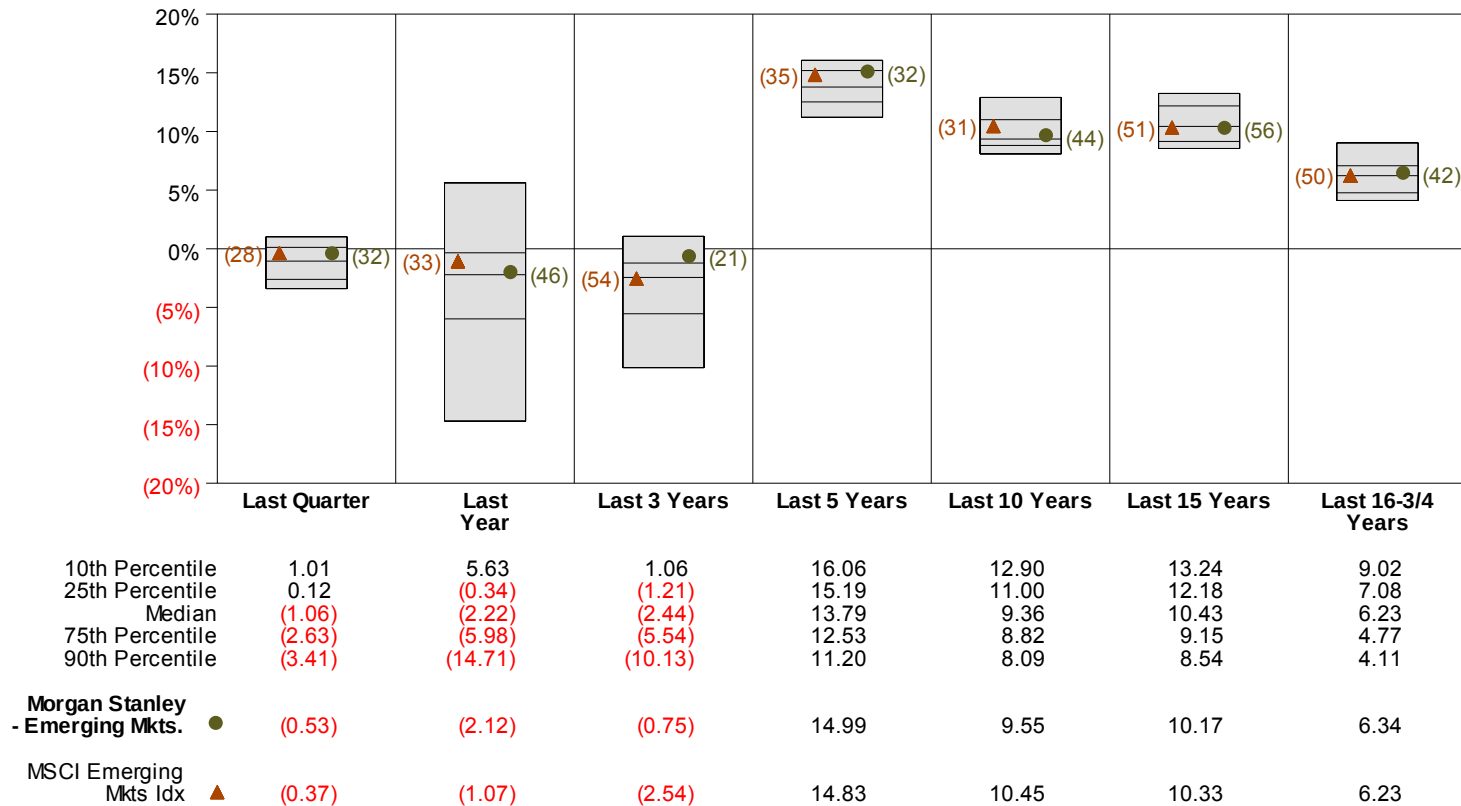
Performance vs CAI Core International Equity Style (Gross)



- The fund slightly underperformed for the quarter and trailed the index by 2.17% over the last year.
- Long-term performance remains strong. The fund ranks in the 7th percentile over the last 15 years.
- Negative results within Health Care, Energy, Technology and Financials drove underperformance.
- On January 17, 2014, the firm announced that co-lead Portfolio Manager Peter Wright will be retiring in December 2014 after 18 years at the firm.

Morgan Stanley Emerging Markets Equity

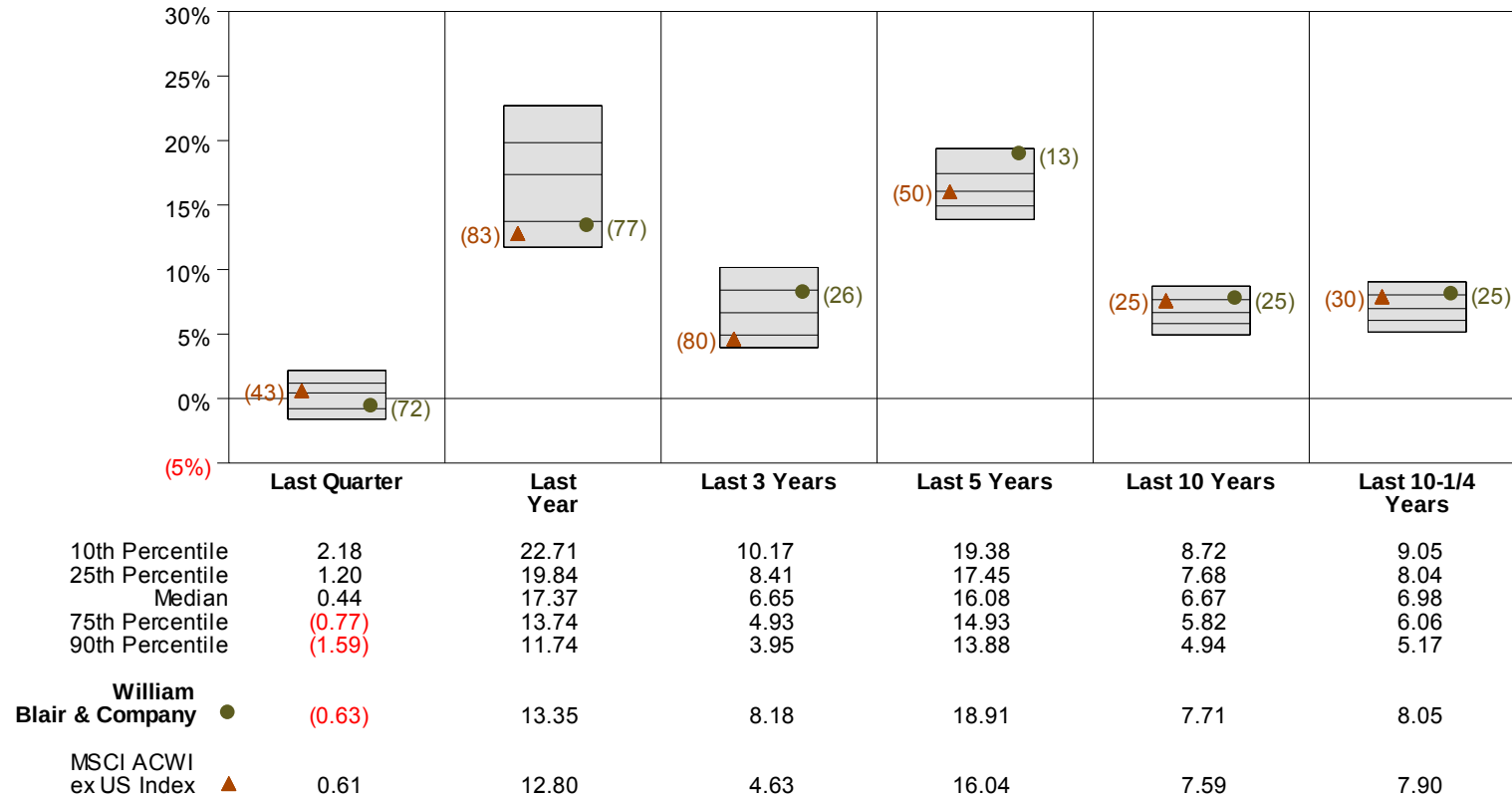
Performance vs CAI MF - Emerging Markets Style (Net)



- The fund underperformed the index by 1.05% over the last year.
- Long-term performance remains above median, slightly outperforming the index by 0.11% over the past 16.75 years.
- Stock selection within IT and Consumer Staples was the primary driver of underperformance.

William Blair International Growth Equity

Performance vs CAI MF - Non-US Equity Style (Net)



- Difficult quarter for William Blair, however, over the last year, the fund has outperformed by 0.55%.
- Long-term performance remains strong. The fund has outperformed by 2.87% over the last 5 years.
- Stock selection in Energy and Financials drove underperformance.



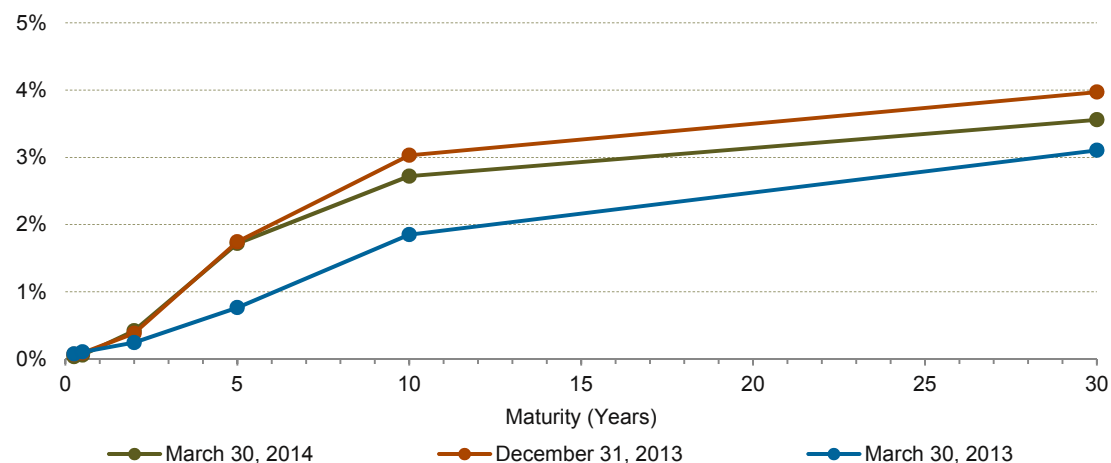
Fixed Income

First Quarter Market Environment

Fixed Income

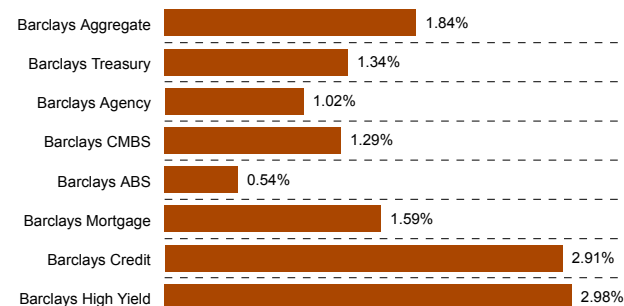
- The U.S. Treasury 10-year yield fell 31 bps during the quarter from 3.04%, the highest since mid-2011, to 2.73%.
 - The yield curve flattened with 30-year yields falling 40 bps and 2-year yields rising 6 bps.
 - The Barclays Aggregate index returned 1.84% for the quarter with longer maturities sharply outperforming shorter bonds.
 - The Barclays Long U.S. Treasury index returned 7.10% while the Intermediate U.S. Treasury index was up only 0.65%.
 - Corporate bonds continued to outperform U.S. Treasuries with the Corporate sector returning 2.94%.
- High yield continued to post strong returns.
 - Barclays U.S. High Yield index returned 2.98% for the quarter.
- TIPS performed in line with nominal U.S. Treasuries.
 - Barclays TIPS index returned 1.95% for the quarter; shorter duration Barclays 1-10 Year TIPS index up 1.03%.

U.S. Treasury Yield Curves



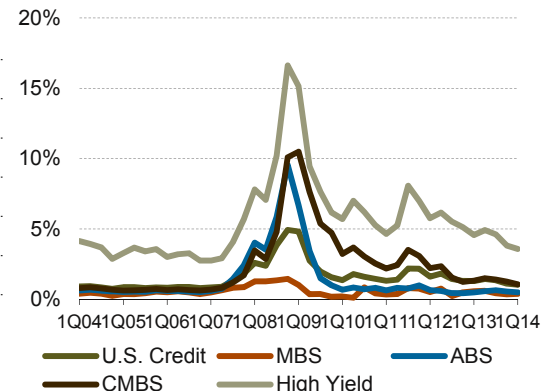
Source: Bloomberg

Absolute Returns for Quarter ended March 31, 2014



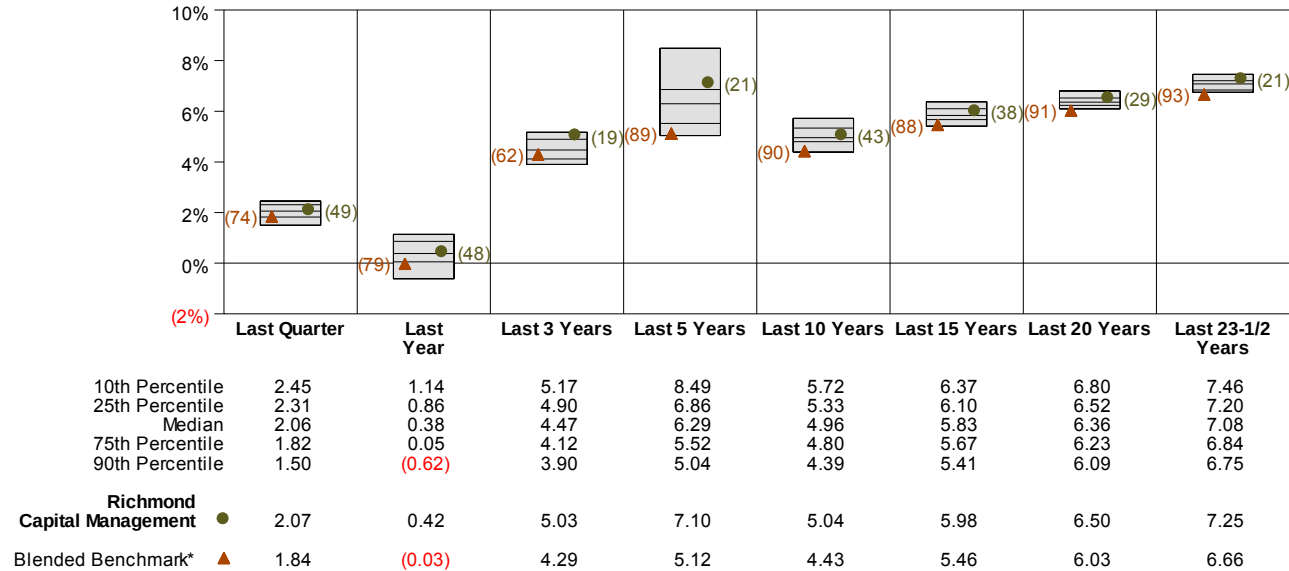
Source: Barclays

Effective Yield Over Treasuries



Richmond Capital Core Fixed Income

Performance vs CAI Core Bond Fixed-Inc Style (Gross)



- Richmond slightly outperformed for the quarter and outperformed for the year by 0.45%.
- Long-term performance remains strong. The fund has outperformed by 0.61% over the last 10 years.
- An overweight allocation to Corporate bonds and underweight allocation to Treasuries drove outperformance.

Investment Manager Objectives

Manager	Objective	Comments
Total Fund	CPI + 5% over long term.	Met.
Richmond	Outperform BC Aggregate over rolling 3-year periods by 0.50%.	Met.
	Outperform the median fixed income manager over rolling 3-year periods.	Met.
Morgan Stanley Developed	Outperform the MSCI EAFE over rolling 3-year periods by 0.50%.	Met.
	Outperform the median international equity manager over rolling 3-year periods.	Met.
Morgan Stanley Emerging	Outperform the MSCI Emerging Markets Index over rolling 3-year periods by 1.00%.	Met.
	Outperform the median emerging markets equity manager over rolling 3-year periods.	Met.
William Blair	Outperform the MSCI ACWI ex-US Index over rolling 3-year periods.	Met.
	Outperform the median international equity manager over rolling 3-year periods.	Met.
Ceredex	Outperform the Russell 2000 Value Index over time.	Met.
Emerald	Outperform the Russell 2000 Growth Index over time.	Met.
SSgA S&P MidCap 400 Index	Replicate the return of the S&P MidCap 400 Index.	Met.
SSgA S&P 500 Index	Replicate the return of the S&P 500 Index.	Met.

Retirement Board

Meeting Date: 05/15/2014

Re:

Information

SUBJECT:

Reports from Money Managers

Attachments

Richmond Capital Management

William Blair & Company

Morgan Stanley-Emerging Markets

Morgan Stanley International Equity

Emerald Advisors

Ceredex Value Advisors

Form Review

Form Started By: Johnna Morris

Final Approval Date: 05/09/2014

Started On: 05/09/2014 04:24 PM

INVESTMENT UPDATE

t o

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

o n

Thursday, May 15, 2014

b y

Paul H. Lundmark, CFA

Managing Director

Portfolio Manager



RICHMOND CAPITAL MANAGEMENT
Experience, Knowledge, Service

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

Portfolio Review

As of March 31, 2014

Cash Flows Since Inception <i>Through March 31, 2014</i>	
Market Value <i>(8/1/1989)</i>	\$12,816,948
Change in Market Value of Holdings	5,167,222
Interest Earned	59,099,537
Contributions/ <i>Withdrawals</i>	26,505,348 (54,926,108)
Total	\$48,662,947

Portfolio Review <i>Through March 31, 2014</i>	
Average Maturity	6.53 Years
Portfolio Duration <i>(Barclays Aggregate)</i>	5.04 Years 5.43 Years
Average Yield to Maturity <i>(Barclays Aggregate)</i>	2.50% 2.35%
Average Quality	AA

Statistics in this report are calculated by Bond Edge Fixed Income Analytic models.

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

Performance Summary

As of March 31, 2014

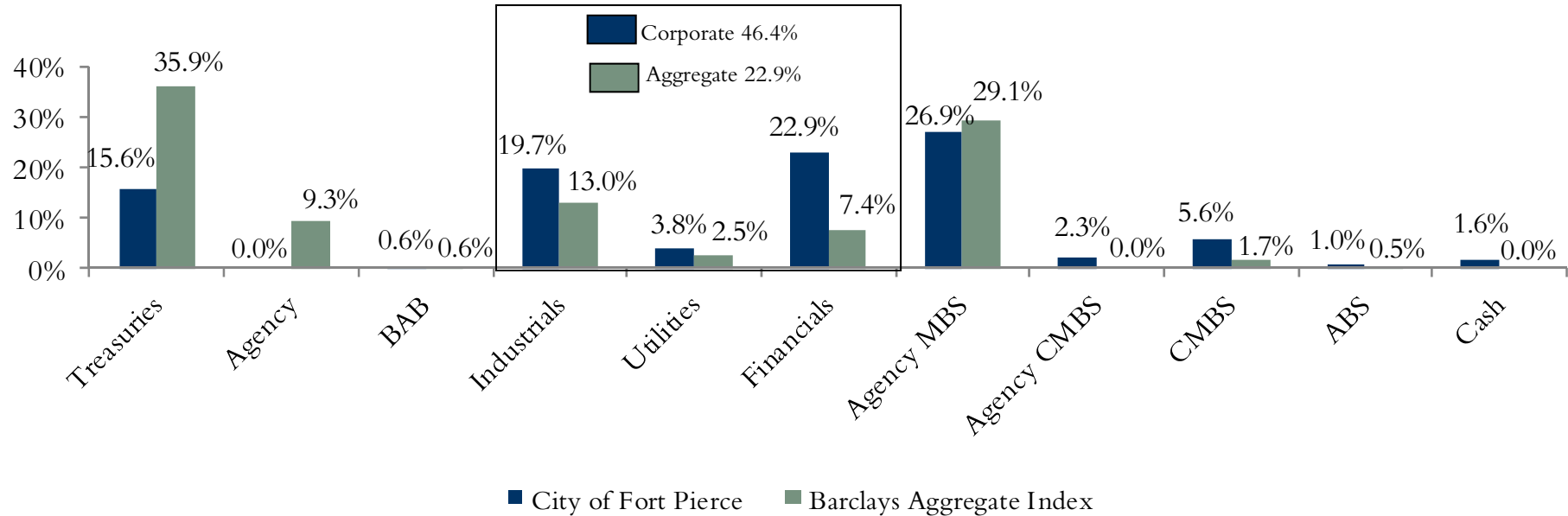
	City of Fort Pierce Retirement and Benefit System	Barclays Aggregate Index★	Value Added
1st Quarter, 2014	2.08%	1.84%	+0.24%
12 Months to Date	0.44%	-0.03%	+0.47%
Annualized: 3 Years	5.03%	4.29%	+0.74%
5 Years	7.10%	5.12%	+1.98%
10 Years	5.05%	4.43%	+0.62%
Annualized Since Inception (8/1/1989)	7.15%	6.57%	+0.58%

★Barclays G/C 8/1/89 to 5/31/13, Barclays Aggregate 6/1/13 forward

CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

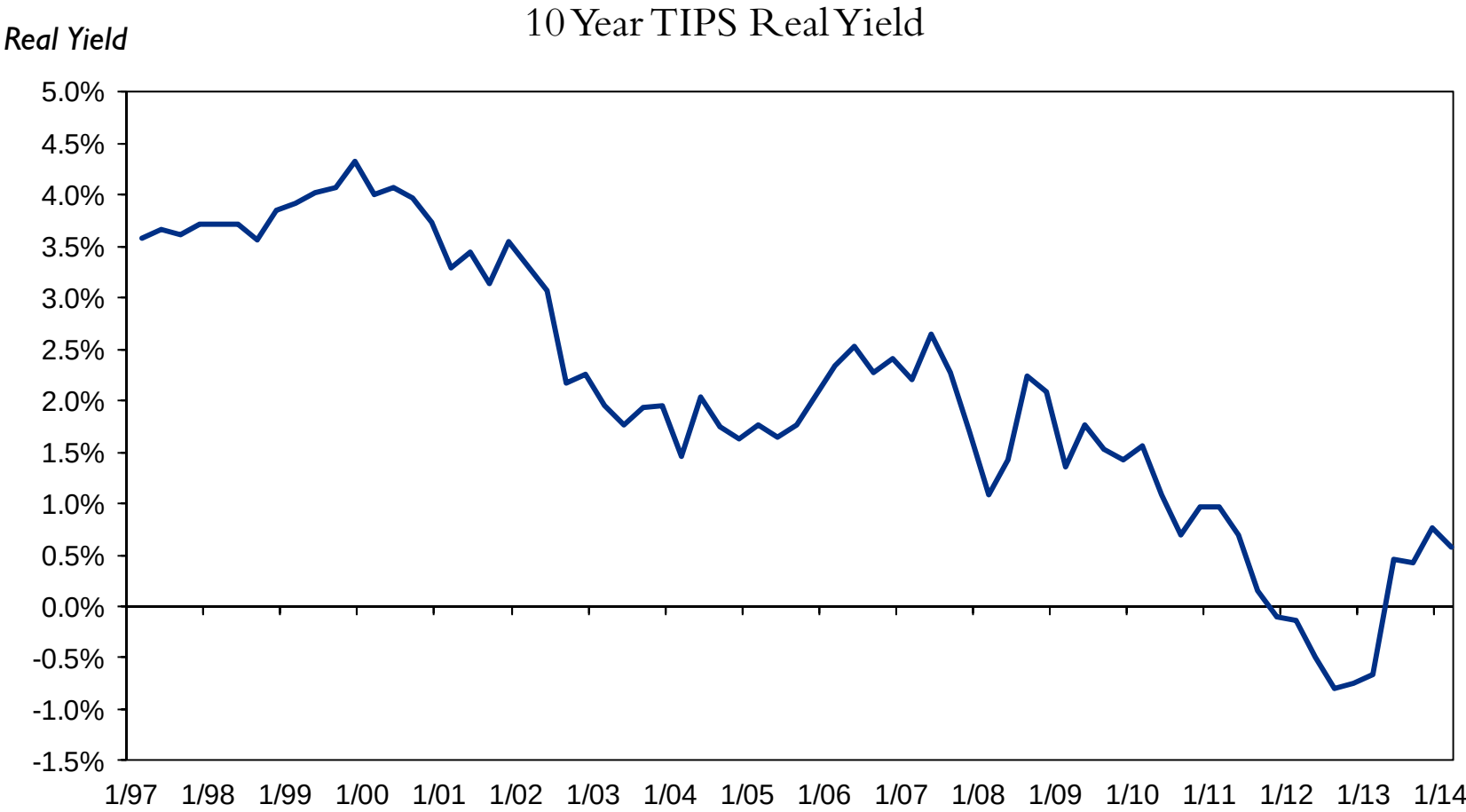
As of March 31, 2014

Quality Distribution		
	City of Fort Pierce	Barclays Aggregate Index
AAA	53.0%	72.7%
AA	1.4%	3.9%
A	32.6%	11.4%
BAA	13.0%	12.0%

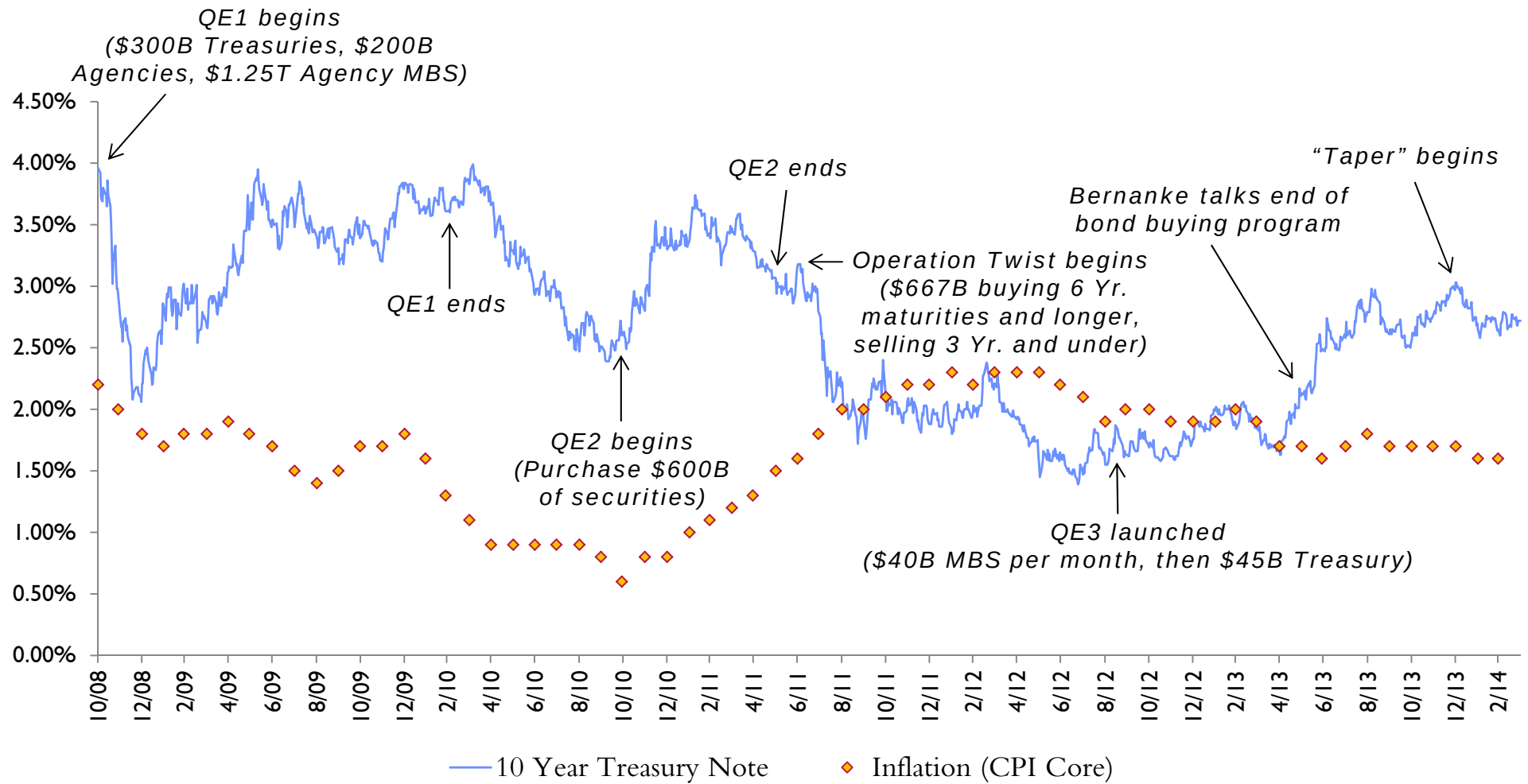


Statistics in this report are calculated by Bond Edge Fixed Income Analytic models.

HISTORICAL 10 YEAR TREASURY INFLATION-PROTECTED SECURITIES (TIPS) REAL YIELD

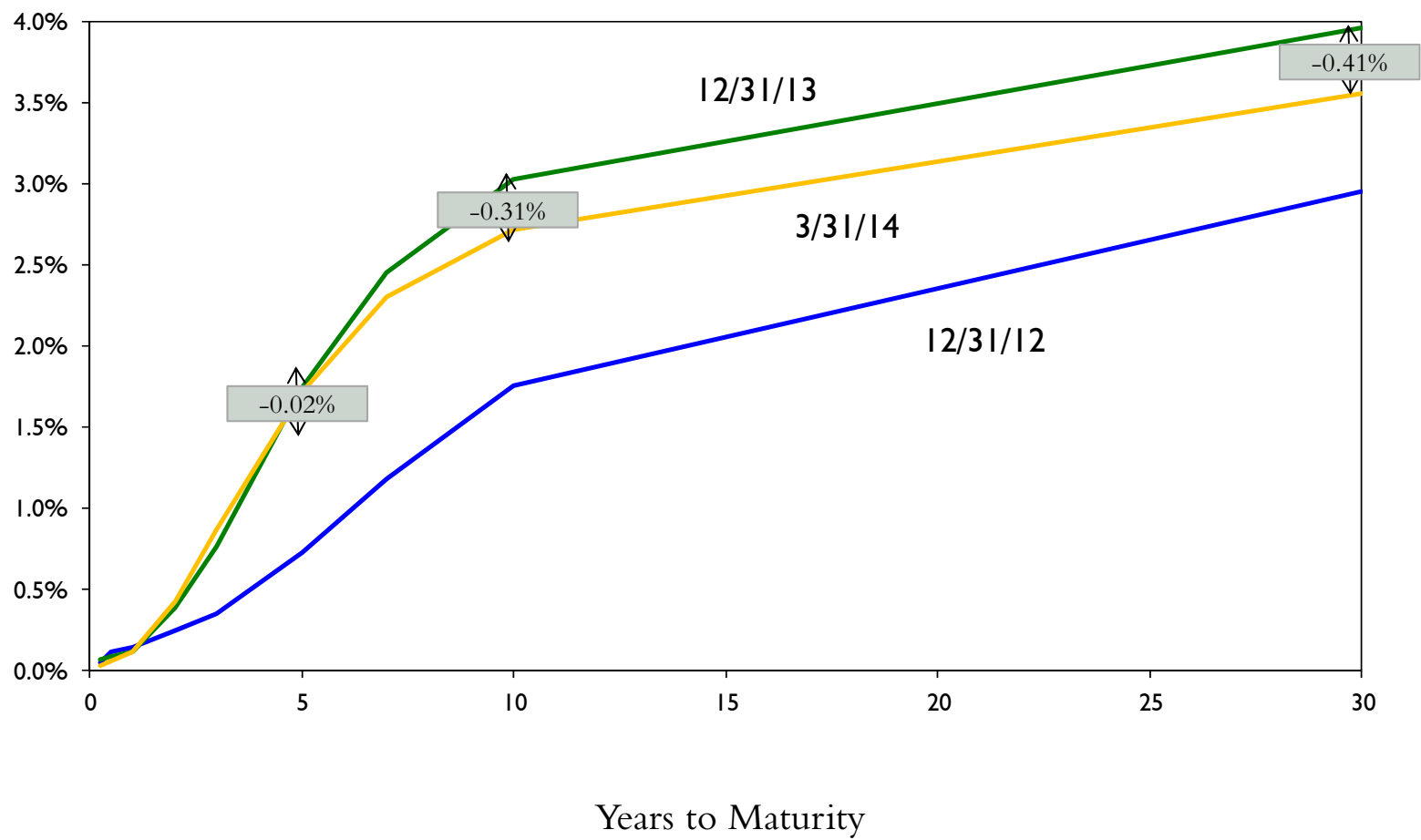


10 YEAR TREASURY YIELDS



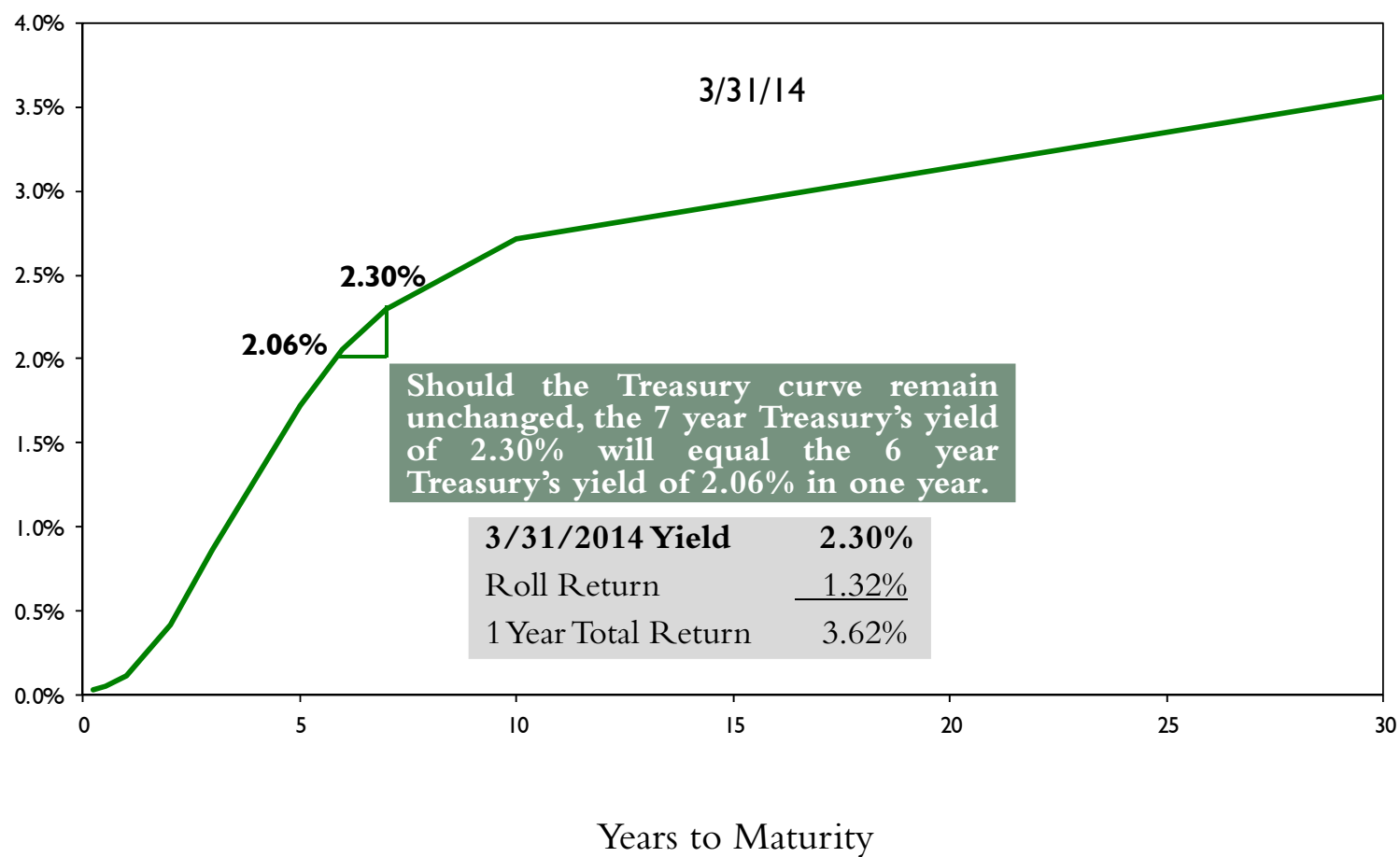
Source: Bloomberg

HISTORICAL U.S. TREASURY YIELD CURVES



Source: Bloomberg

ROLLING DOWN THE YIELD CURVE



Source: Bloomberg

REDUCING ALLOCATION TO CORPORATE BONDS

As of March 31, 2014

OAS Spread



Reducing
Duration
Risk
Overweight

Source: Barclays Corporate Index

WHAT WE HAVE BEEN DOING IN THE PORTFOLIO

- » Income dominates return over the long term. We are presently overweight high quality corporate bonds. Spreads have narrowed and in response we continue to reduce the overall portfolio risk to corporate credit by decreasing our overweight. We take comfort in the high quality of our holdings.
- » We are also overweight in AAA-rated commercial mortgage-backed securities (CMBS). These are short duration securities that provide attractive yields.
- » We have also overweighted AAA FHLMC-K and FNMA DUS bonds. These are multifamily mortgages guaranteed by Freddie Mac and Fannie Mae that offer call protection and spreads comparable to A-rated industrial corporate bonds.
- » Diversify, diversify, and diversify! The portfolio has exposure to 73 corporate credits with issuer exposure under 2.00%.
- » We cannot forecast when interest rates will rise further, but view our defensive duration strategy as an inexpensive insurance policy for our portfolios.
- » The yield curve offers opportunity as it is very steep, particularly in the intermediate portion of the yield curve.

City of Fort Pierce Retirement and Benefit System

International Growth

Cliff Kalish
Senior Client Service Associate

May 15, 2014

William Blair

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- II. Philosophy and Process
- III. Portfolio Analytics and Performance
- IV. Positioning and Strategy
- V. Appendix

Overview

Photos courtesy of George Greig.



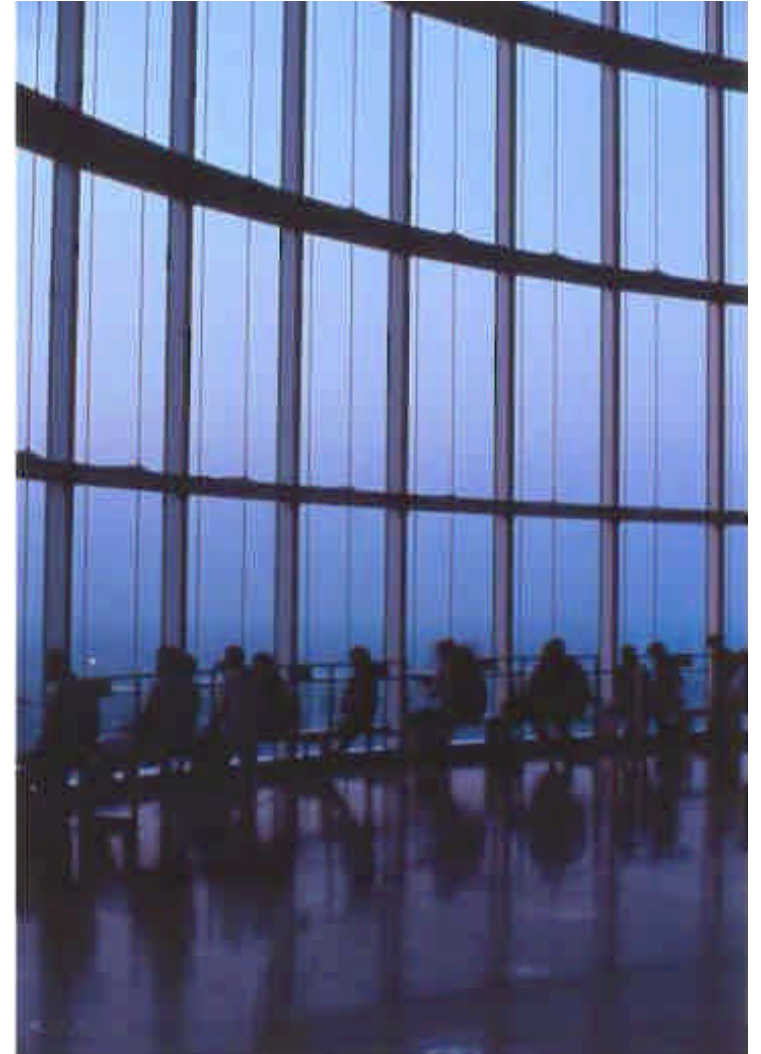
Heathrow Airport, London



Reykjavik



Stockholm

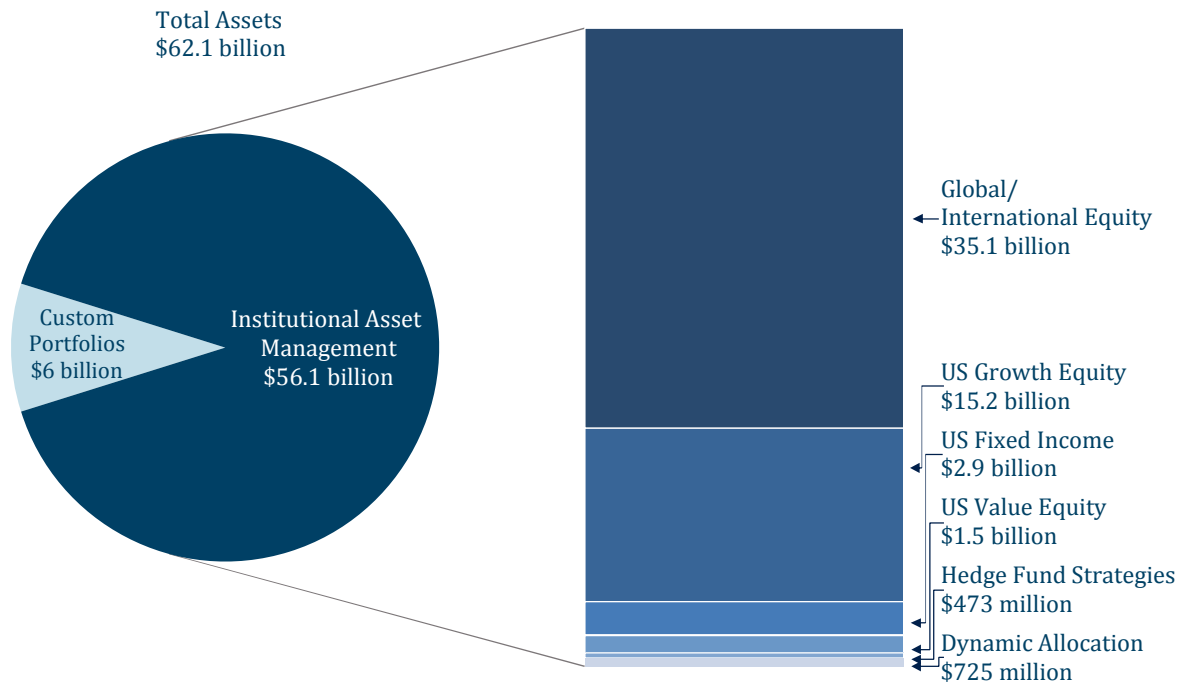


Tokyo

Overview – Asset Management Capabilities

William Blair & Company has been active in investment management for institutional and individual clients since its founding.

A number of clients who invested with us in our early years remain with us decades later. Our asset base has grown substantially in recent years.



As of March 31, 2014.

International and Global Portfolio Strategies

The non-US and global strategy suite reflects the changing global opportunity set and our philosophy of constantly expanding our horizons to capitalize on new opportunities.

- The Focused Leaders strategies comprise high quality leaders across the corporate life cycle in terms of products, services, and execution.
- The All Cap strategies reflect broad exposure to high quality companies across the market capitalization spectrum.
- The Small Capitalization strategies are designed to capture a broader array of small and micro-cap opportunities with more limited liquidity.
- Developed Plus represents our version of EAFE plus with limited emerging markets exposure, while China A reflects targeted China domestic market exposure.

	International	Emerging Markets	Global
Focused Leaders	International Leaders \$3.6 billion	Emerging Markets Leaders \$773 million	Global Leaders \$2.8 billion
All Cap	International Growth (Closed 6/12) \$16.9 billion	Emerging Markets Growth (Closed 6/11) \$5.1 billion	
Small Cap	International Small Cap Growth (Closed 3/11) \$3.2 billion	Emerging Markets Small Cap Growth (Closed 10/13) \$1.1 billion	Global Small Cap Growth \$28 million
Targeted Opportunities	International Developed Plus \$1.4 billion	China A Shares \$100 million	

Assets as of March 31, 2014. International Developed Plus includes ADR strategy assets.

International Investment Team

Portfolio Management					Strategy Analysis/ Communications
International Growth	International Leaders	International Developed Plus	International Small Cap	Emerging Markets Strategies	
Simon Fennell, Partner MA, University of Edinburgh MBA, Cornell University • 3 yrs at William Blair • 21 yrs in industry Jeffrey Urbina, CFA, Partner BS, Northwestern MM, Kellogg School of Mgmt • 17 yrs at William Blair • 28 yrs in industry	Ken McAtamney, Partner BA, Michigan State MBA, Indiana University • 9 yrs at William Blair • 24 yrs in industry Simon Fennell, Partner MA, University of Edinburgh MBA, Cornell University • 3 yrs at William Blair • 21 yrs in industry	David Merjan, CFA, Partner BA, Dickinson College MIM, Thunderbird School • 15 yrs at William Blair • 26 yrs in industry Jack Murphy, CFA, Partner BA, Villanova University • 9 yrs at William Blair • 17 yrs in industry	Jeffrey Urbina, CFA, Partner BS, Northwestern MM, Kellogg School of Management • 17 yrs at William Blair • 28 yrs in industry Stephanie Braming, CFA, Partner BA, DePauw University MBA, University of Chicago • 9 yrs at William Blair • 22 yrs in industry Andy Flynn, CFA, Partner BA, University of Kansas MBA, UNC – Chapel Hill • 8 yrs at William Blair • 23 yrs in industry	Todd McClone, CFA, Partner BA, BBA, U. of Wisconsin – Madison • 13 yrs at William Blair • 21 yrs in industry Jeffrey Urbina, CFA, Partner BS, Northwestern MM, Kellogg School of Mgmt • 17 yrs at William Blair • 28 yrs in industry	Stephanie Braming, CFA, Partner BA, DePauw University MBA, University of Chicago • 9 yrs at William Blair • 22 yrs in industry Romina Graiver B.S., Masters in Economy of Industry and Services, Pantheon Sorbonne • 1 yr at William Blair • 14 yrs in industry Blake Pontius, CFA BA, Michigan State MBA, DePaul • 8 yrs at William Blair • 16 yrs in industry

Fundamental Research Team ¹				
Strategy Research	Sector Research			Systematic Research
	Consumer	Financials	Healthcare	
Olga Bitel BS, University of Chicago MSc, London School of Economics Melissa McGrane, CFA BS, Coe College MBA, University of Chicago	Jack Murphy, CFA, Partner BA, Villanova University Andrew Siepker, CFA BS, University of Nebraska Dan Su, CFA BA, Beijing Foreign Studies University MBA, University of Chicago	Joel Gombert, CFA, Partner² BS, University of Illinois MBA, University of Chicago Alaina Anderson, CFA, Partner BS, University of Pennsylvania MBA, University of Chicago D.J. Neiman, CFA, Partner BS, Miami University MBA, University of Michigan	Thomas Sternberg, CFA BS, Duke University MBA, University of Chicago	Spiro Voulgaris, Partner BA, University of Chicago MBA, University of Chicago Steve Englehardt BA, Boston College Andrew Kominik, CFA BA, Brandeis University MBA, University of Chicago
	Industrials	Information Technology	Resources	
	Casey Preyss, CFA, Partner BS, BA, Ohio State University MBA, University of Chicago Taylor Cope, CFA MA, U. of St. Andrews	William Benton, CFA, CPA, Partner BS, University of Illinois MBA, Tuck School Drew Buckley, CFA, CPA BS, University of Colorado	William De Allaume, CFA BS, Montclair State University MBA, University of Chicago	
	Emerging Markets Small Cap Generalist Travis Cope MA, U. of St. Andrews			

Implementation/Trading Team ³				
Asia/Pacific	Europe	Americas	Fx and Portfolio Implementation	Trade Order Management
Nicola Hynds Patrick Norwood BS, University of Dayton Malik Nicholson Southern Maine University	Terry O'Bryan, Partner, Head of Intl Trading BS, University of Vermont Simon Johnstone	Daniel Iannessa BS, University of Dayton	Kristin Gaffud BS, University of Notre Dame	Tim Randick BS, Western Illinois University Monika Budyn BS, University of Illinois Chicago

As of May 2014. 1. Fundamental Research Team average 8 years at William Blair and 13 years in the industry. 2. Joel Gombert also serves as Co-Director of Research. 3. Traders, excluding Trade Order Management, average 5 years at William Blair and 13 years in the industry.

Portfolio Characteristics

December 31, 2013

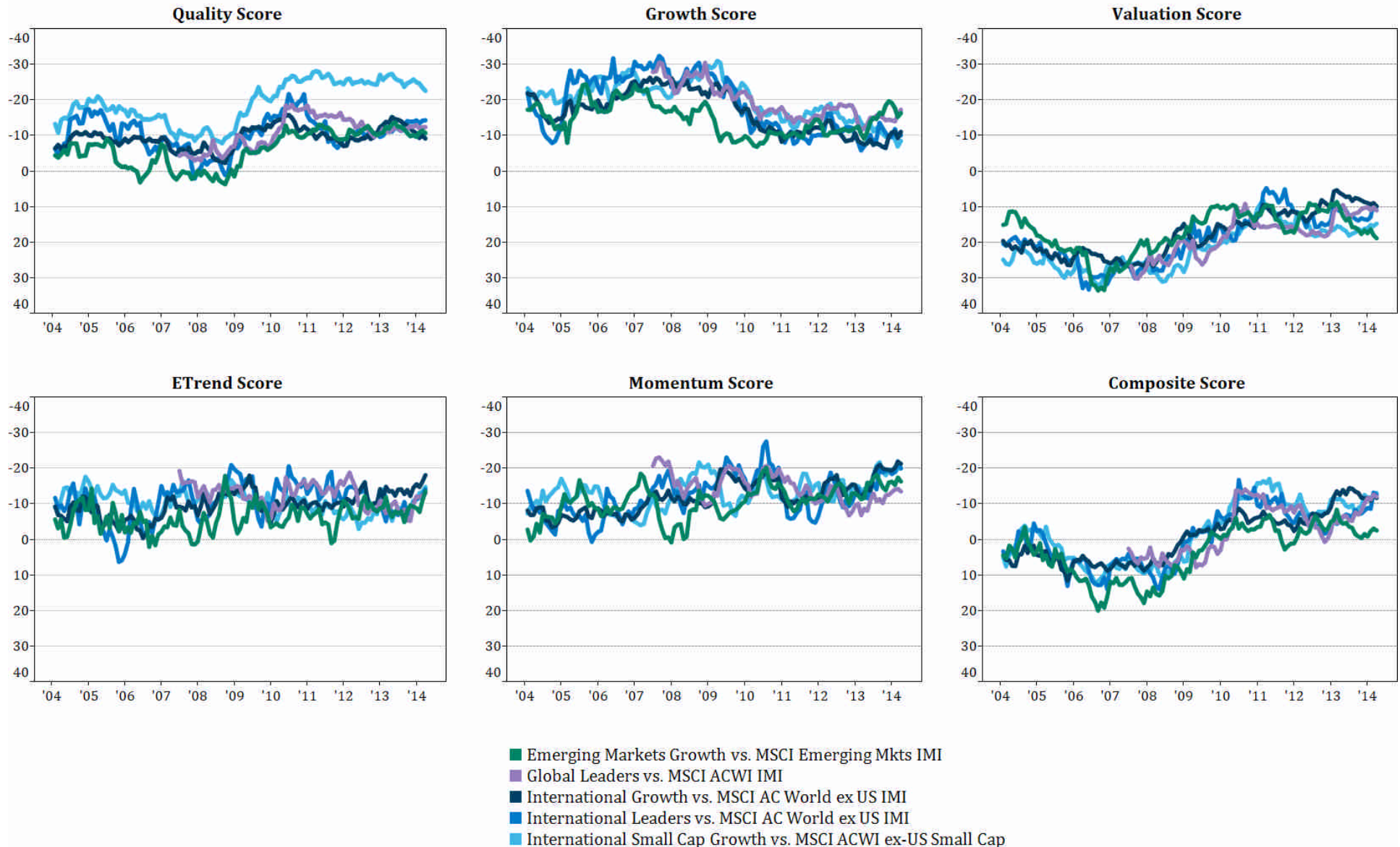
	Global Leaders	MSCI AC World IMI Index	International Leaders	International Growth	MSCI AC World ex-US IMI Index
Quality					
Cash Flow ROIC	19.6%	15.7%	17.7%	18.0%	13.2%
Return on Equity (5 yr. average)	19.2%	14.3%	16.9%	17.2%	13.7%
Reinvestment Rate	17.5%	10.6%	12.7%	15.6%	8.7%
Growth					
Historical Trend Growth (6 yr.)	13.4%	9.5%	13.3%	12.9%	9.1%
Valuation					
P/E (12-month projected)	15.9x	14.5x	15.8x	14.5x	13.4x

	Emerging Markets Growth	MSCI Emerging Markets IMI	Emerging Markets Leaders	MSCI Emerging Markets	International Small Cap Growth	MSCI AC World ex-US Small Cap
Quality						
Cash Flow ROIC	22.3%	15.7%	21.6%	16.4%	18.6%	11.4%
Return on Equity (5 yr. average)	23.1%	17.4%	22.4%	18.1%	18.6%	9.6%
Reinvestment Rate	17.1%	11.1%	17.8%	11.4%	14.7%	8.4%
Growth						
Historical Trend Growth (6 yr.)	18.5%	13.3%	18.6%	13.2%	13.3%	10.8%
Valuation						
P/E (12-month projected)	14.0x	11.0x	12.9x	11.0x	17.4x	14.8x

The MSCI ACWI IMI Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. The MSCI ACWI ex-US IMI Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the U.S. The MSCI Emerging Markets Index and Emerging Markets IMI Index are free float-adjusted market capitalization indices that are designed to measure equity market performance in the global emerging markets. The MSCI AC World ex-US Small Cap Index is a free float-adjusted market capitalization index designed to measure global developed and emerging market small capitalization equity performance, excluding the US. These indices are comparable benchmarks for their respective strategies; however the indices contain significantly more securities than the William Blair portfolios. The data shown above is taken from representative accounts. Calculated in FactSet.

Historical Relative Characteristics

March 31, 2014



Aggregate scores shown above based on William Blair & Company proprietary quantitative model. For individual and composite ranks, 1 is best and 100 is worst.

Performance as of March 31, 2014

Performance (%)	Annualized						Strategy Inception	Strategy Inception Date
	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	Team Inception 9/30/1996		
International Growth Composite	14.63	9.09	19.97	3.46	8.71	11.11	11.62	11/30/1992
MSCI AC World ex-US IMI Index	12.80	4.32	16.16	1.93	7.40	5.57	6.99	
Difference	1.83	4.77	3.81	1.53	1.31	5.54	4.64	
Emerging Markets Growth Composite	2.65	2.88	19.10	3.91	13.52	--	12.45	9/30/1996
MSCI Emerging Markets IMI Index	-1.20	-2.69	15.11	3.66	10.32	--	5.20	
Difference	3.84	5.57	3.99	0.25	3.20	--	7.25	
Emerging Markets Leaders Composite	-0.03	1.47	17.64	--	--	--	1.80	3/31/2008
MSCI Emerging Markets Index	-1.43	-2.86	14.48	--	--	--	0.67	
Difference	1.39	4.34	3.16	--	--	--	1.13	
International Small Cap Growth Composite	20.45	11.36	25.19	6.29	12.96	--	13.94	12/31/2003
MSCI AC World ex-US Small Cap Index	16.28	5.52	21.18	3.30	9.31	--	10.20	
Difference	4.17	5.85	4.01	2.99	3.66	--	3.74	
International Leaders Composite	13.64	9.49	20.55	2.55	8.01	--	11.10	1/31/2003
MSCI AC World ex-US IMI Index	12.80	4.32	16.16	1.93	7.40	--	10.91	
Difference	0.84	5.17	4.40	0.62	0.61	--	0.18	
Global Leaders Composite	17.62	11.58	21.19	--	--	--	5.87	6/30/2007
MSCI AC World IMI Index	17.11	8.69	18.53	--	--	--	2.96	
Difference	0.51	2.89	2.66	--	--	--	2.91	

Inception of the current William Blair team is 9/30/1996, when we began managing the International Growth Strategy in house. Prior to 9/30/1996 the strategy was sub-advised by Framlington International. Composite inception 11/30/1992.

Investment performance assumes reinvestment of dividends and capital gains and is gross of investment management fees and net of transaction costs. Performance results will be reduced by the fees incurred in the management of the account. For example, on an account with a 1% fee, and gross performance of 20% over one year, the annual total return on a net of fee basis will result in performance of 18.85%. A \$1,000,000 initial investment would grow to approximately \$1,440,000 gross of fees, versus \$1,412,532 net of fees, over a two year period, assuming an annual return of 20%. Investment management fees are described in William Blair & Company's Form ADV Part 2A. Past performance is not indicative of future returns. Returns for periods greater than one year are annualized. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk. The benchmark that best reflects the International Growth and International Leaders composites' investment strategy is the MSCI AC World ex-US Investable Market Index (IMI) Net, which is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the US. Returns for the MSCI ACWI ex-US IMI (Net) Index have only been calculated back to 1994 and the inception date of the International Growth All Cap composite is 11/1/1992. The benchmark that best reflects the Emerging Markets Growth composite's investment strategy is the MSCI Emerging Markets Investable Market Index (IMI) Net, which is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The benchmark that best reflects the Emerging Markets Leaders composite's investment strategy is the MSCI Emerging Markets Index (Net), which is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The benchmark that best reflects the International Small Cap Growth composite's investment style is the MSCI AC World ex-US Small Cap Index (Net), which is a free float-adjusted market capitalization index designed to measure global developed and emerging market small capitalization equity performance, excluding the US. The benchmark that best reflects the Global Leaders composite's investment strategy is the MSCI AC World Investable Market Index (IMI) Net, which is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. Composites consist of considerably fewer securities than their benchmarks.

Performance as of March 31, 2014

Performance (%)	1Q 14	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996 ₍₁₎
International Growth Composite	-0.50	21.14	23.94	-13.05	21.19	46.32	-52.27	19.73	25.04	23.07	20.12	44.10	-13.79	-12.99	-6.23	100.28	12.92	9.97	2.94
MSCI AC World ex-US IMI Index	0.87	15.82	17.04	-14.31	12.73	43.60	-45.99	16.13	26.51	17.68	21.93	42.34	-12.94	-19.83	-19.44	37.72	11.97	-3.30	0.16
Difference	-1.37	5.32	6.90	1.26	8.46	2.72	-6.28	3.61	-1.46	5.39	-1.81	1.76	-0.85	6.84	13.21	62.56	0.96	13.27	2.78
	1Q 14	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996 ₍₁₎
Emerging Markets Growth Composite	1.05	3.83	22.17	-15.89	24.73	79.09	-60.54	40.26	39.27	49.10	37.93	58.66	-2.70	13.75	-29.81	90.73	-18.90	5.91	1.07
MSCI Emerging Markets IMI Index	0.06	-2.20	18.68	-19.49	19.90	82.36	-53.78	39.83	31.70	33.47	26.62	53.97	-6.49	-2.02	-35.31	62.63	-29.67	-19.74	-1.45
Difference	0.99	6.03	3.49	3.60	4.83	-3.27	-6.76	0.44	7.57	15.63	11.31	4.69	3.78	15.77	5.50	28.11	10.77	25.65	2.52
	1Q 14	2013	2012	2011	2010	2009	2008 ₍₂₎												
Emerging Markets Leaders Composite	0.31	1.42	16.19	-17.12	28.55	62.61	-33.57												
MSCI Emerging Markets Index	-0.43	-2.60	13.03	-17.82	22.61	58.93	-27.52												
Difference	0.74	4.02	3.16	0.70	5.93	3.68	-6.05												
	1Q 14	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004								
International Small Cap Growth Composite	1.61	28.85	21.69	-10.43	27.60	61.65	-51.61	15.23	22.82	38.95	35.99								
MSCI AC World ex-US Small Cap Index	3.47	19.73	18.52	-18.50	25.21	62.91	-50.23	10.76	26.86	22.64	29.30								
Difference	-1.86	9.12	3.17	8.07	2.40	-1.26	-1.37	4.47	-4.04	16.31	6.69								
	1Q 14	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003 ₍₃₎							
International Leaders Composite	-1.25	19.21	20.60	-7.81	24.63	42.80	-53.74	15.99	21.46	23.30	21.83	41.97							
MSCI AC World ex-US IMI Index	0.87	15.82	17.04	-14.31	12.73	43.60	-45.99	16.13	26.51	17.68	21.93	47.19							
Difference	-2.12	3.40	3.56	6.50	11.90	-0.79	-7.75	-0.13	-5.05	5.62	-0.10	-5.22							
	1Q 14	2013	2012	2011	2010	2009	2008	2007 ₍₄₎											
Global Leaders Composite	0.74	23.27	18.54	-2.47	22.11	43.10	-49.50	16.00											
MSCI AC World IMI	1.33	23.55	16.38	-7.89	14.35	36.41	-42.34	0.90											
Difference	-0.58	-0.28	2.15	5.42	7.77	6.68	-7.15	15.10											

1. 10/1/96 – 12/31/96; 2. 3/31/08 – 12/31/08; 3. 1/31/03 – 12/31/03; 4. 6/30/07 – 12/31/07

Inception of the current William Blair team is 9/30/1996, when we began managing the International Growth Strategy in house. Prior to 9/30/1996 the strategy was sub-advised by Framlington International. Composite inception 11/30/1992.

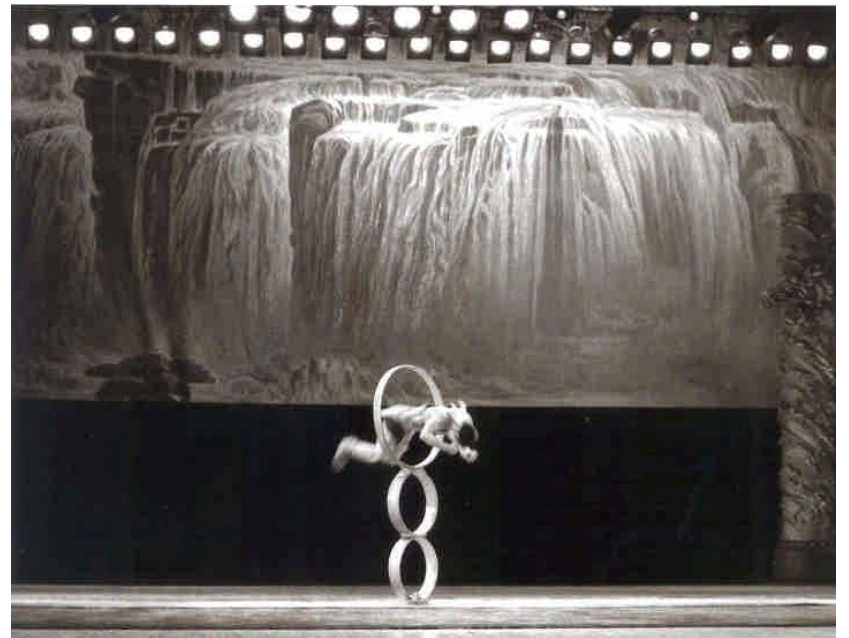
Investment performance assumes reinvestment of dividends and capital gains and is gross of investment management fees and net of transaction costs. Performance results will be reduced by the fees incurred in the management of the account. For example, on an account with a 1% fee, and gross performance of 20% over one year, the annual total return on a net of fee basis will result in performance of 18.85%. A \$1,000,000 initial investment would grow to approximately \$1,440,000 gross of fees, versus \$1,412,532 net of fees, over a two year period, assuming an annual return of 20%. Investment management fees are described in William Blair & Company's Form ADV Part 2A. Past performance is not indicative of future returns. Returns for periods greater than one year are annualized. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk. The benchmark that best reflects the International Growth and International Leaders composites' investment strategy is the MSCI AC World ex-US Investable Market Index (IMI) Net, which is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the US. Returns for the MSCI ACWI ex-US IMI (Net) Index have only been calculated back to 1994 and the inception date of the International Growth All Cap composite is 11/1/1992. The benchmark that best reflects the Emerging Markets Growth composite's investment strategy is the MSCI Emerging Markets Investable Market Index (IMI) Net, which is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The benchmark that best reflects the Emerging Markets Leaders composite's investment strategy is the MSCI Emerging Markets Index (Net), which is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. The benchmark that best reflects the International Small Cap Growth composite's investment style is the MSCI AC World ex-US Small Cap Index (Net), which is a free float-adjusted market capitalization index designed to measure global developed and emerging market small capitalization equity performance, excluding the US. The benchmark that best reflects the Global Leaders composite's investment strategy is the MSCI AC World Investable Market Index (IMI) Net, which is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets. Composites consist of considerably fewer securities than their benchmarks.

Philosophy and Process

Photos courtesy of George Greig.



Paris



Beijing

Investment Philosophy

- We believe that strong corporate performance is the foundation of superior long-term investment returns
- The essence of corporate success lies in building intrinsic strengths in the management of human capital, financial resources, and stakeholder relationships, and delivering quality, innovation, service, and value to customers
- Companies that lead in these critical areas have produced better returns on capital, over a longer time horizon, with greater consistency and less risk

Past performance is not indicative of future returns.

Investment Philosophy: Organic Value Creation

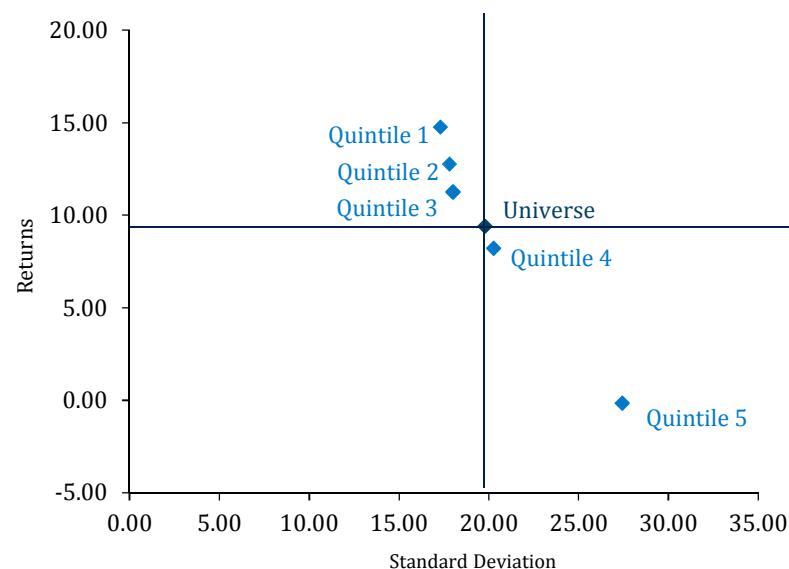
We seek:

- Organic value creation
- Peer group leadership
- Consistent earnings growth
- High return on capital and assets
- Positive earnings trends over time
- Low leverage

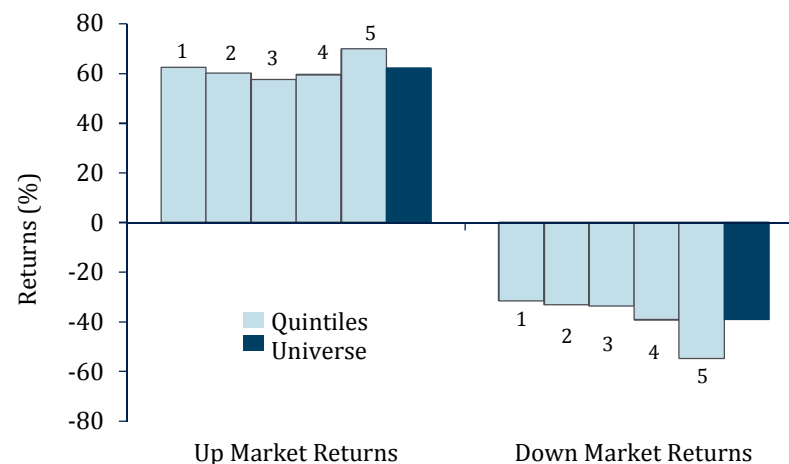
Companies with high quality and sustainable growth characteristics tend to:

- Perform well in up markets
- Protect in down markets
- Produce attractive, risk-adjusted returns

Global Universe by Quality Quintiles



Global Quality Universe Up/Down Market Performance



July 31, 1997–March 31, 2014. Data source: William Blair Global Universe. Quality is defined as those companies with good balance sheet metrics, efficiency, and higher returns. Up/down market returns based on MSCI ACWI Index, monthly annualized returns. Past performance is not indicative of future returns.

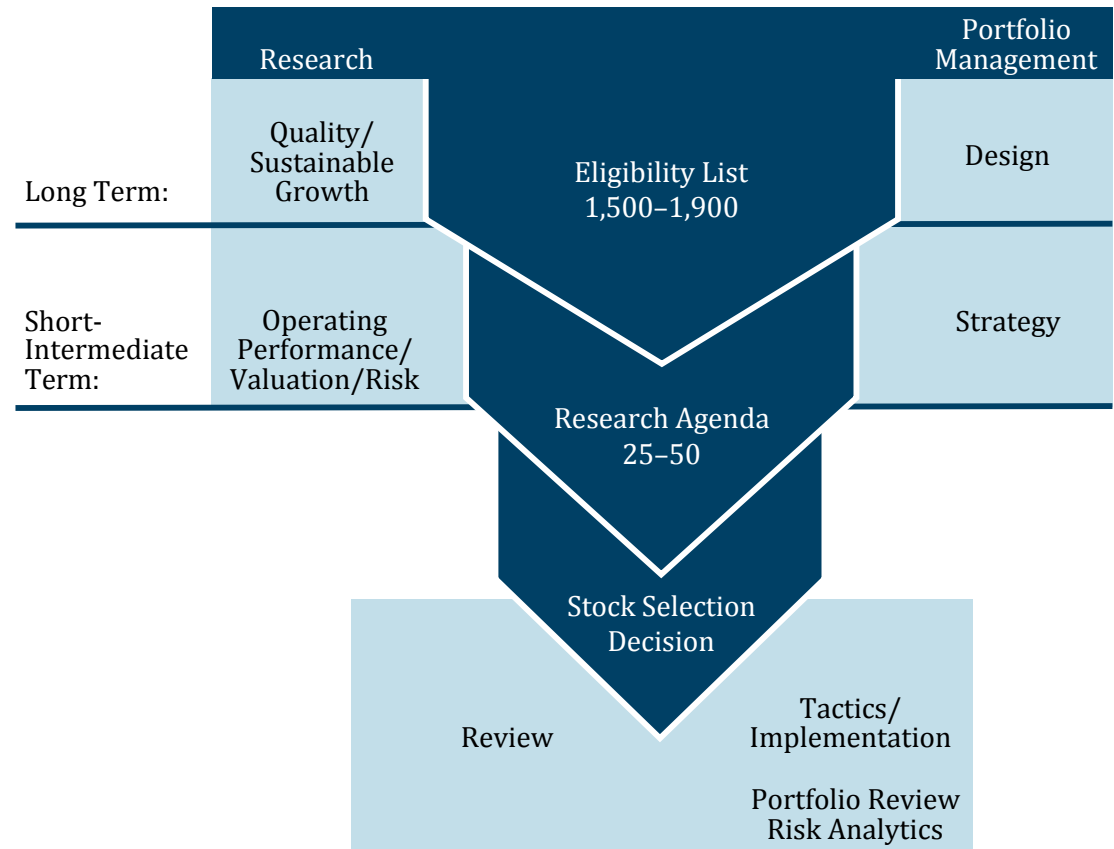
Investment Process: Integrated and Inclusive

Integrated

Each element of the process is directed toward portfolio characteristics and performance objectives

Inclusive

Members of the investment team work in concert toward research conclusions and portfolio decisions



Stock Selection: Decision Process

- Presentation and review of new recommendations from research agenda
- Focus issues
- Long-term fundamental performance prospects and risks
- Expectations variables – earnings trends, stock performance, valuation
- Baseline analysis of how company scores on internal quantitative metrics
- 3 Rs – risk, reward, relevance

Qualitative Criteria	Systematic Factor Analysis
Quality	
Management/business model	Consistency, high returns on assets and capital, financial strength: absolute and industry relative
Competitive positioning	
Governance/transparency	
Growth	
Growth drivers/outlook	Current, historical, prospective
Valuation	
Relative & absolute valuation	Historical and current
Operating Performance	
Peer analysis	Current fundamental performance
Current fundamental performance	
Strategic Considerations	
Thematic issues/risks	Aggregated sector, industry, regional data
	Macroeconomic data

Portfolio Design: International Growth Structure Guidelines

Benchmark:

MSCI ACWI ex-US IMI

Position Size:

Dependent on market cap, float, trading volume, price volatility, and fundamental risk/reward

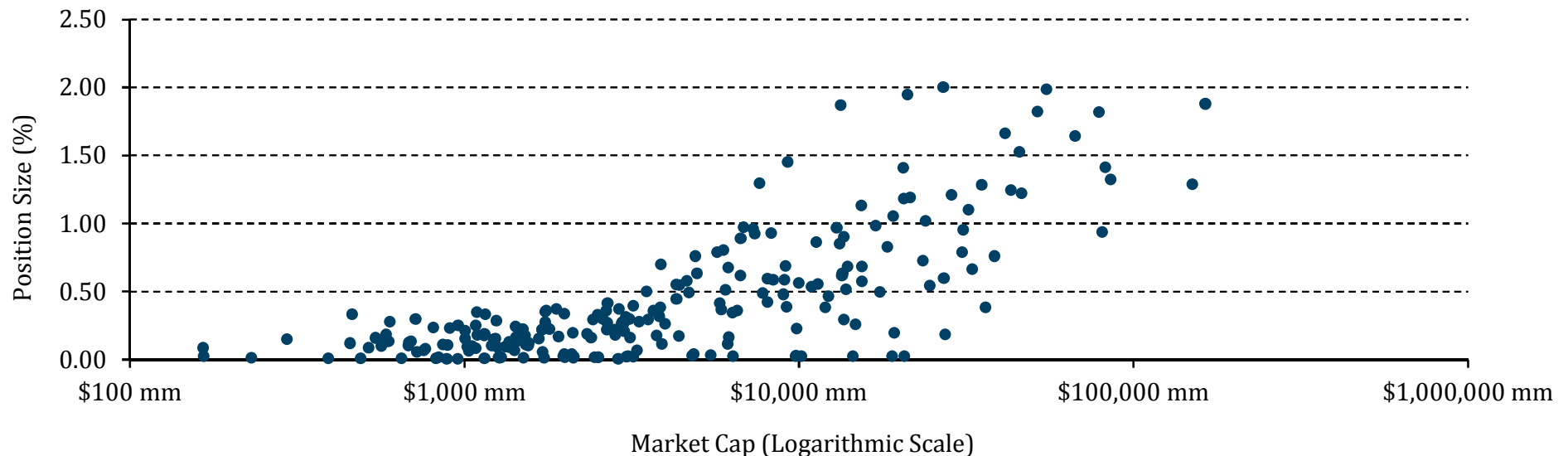
Range:

0.15–4.00% at initial purchase

Number of holdings:

180–240

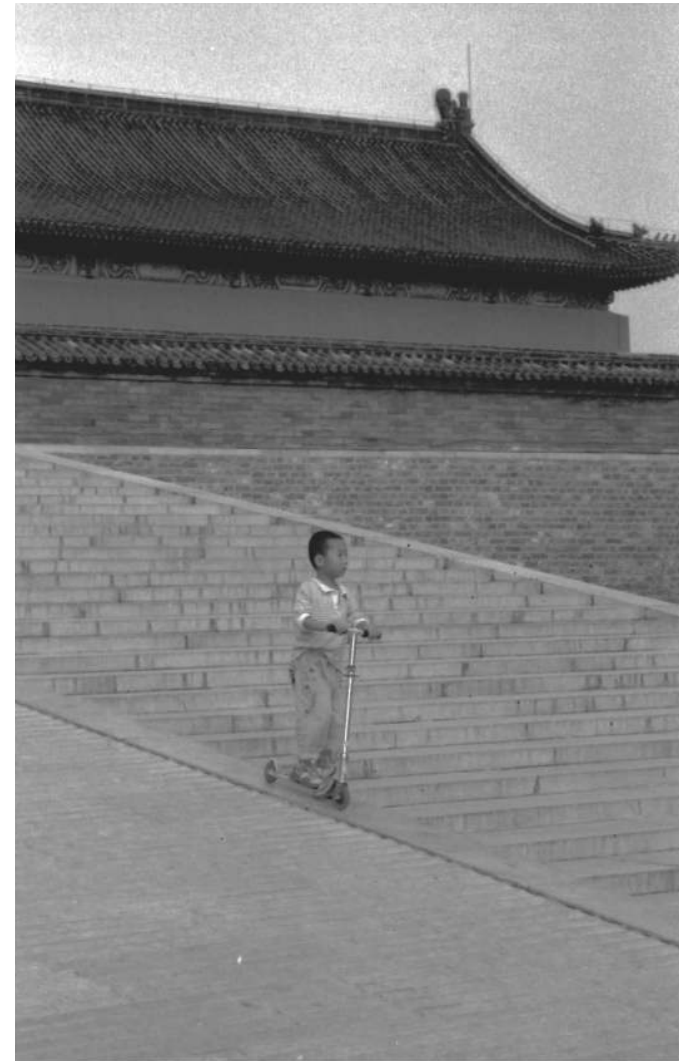
Geographic Exposure		Sector Exposure		Capitalization	
Region	Range	Sector	Range	Market Cap	Range
Pacific ex-Japan	0–15%	Discretionary	5–25%	Large Cap	20–50%
Japan	5–25%	Staples	0–20%	Mid Cap	25–55%
Europe + ME ex-UK	20–50%	Energy	5–20%	Small Cap	15–35%
United Kingdom	10–30%	Financials	5–35%		
Canada	0–15%	Healthcare	5–15%		
Emerging Asia	0–15%	Industrials	5–25%		
EMEA	0–10%	IT	0–20%		
Latin America	0–15%	Materials	0–15%		
Note: Total		Telecom Svcs.	0–10%		
Emerging Markets	10–35%	Utilities	0–10%		



As of March 31, 2014. Policy ranges subject to change at any time.

Portfolio Analytics and Performance

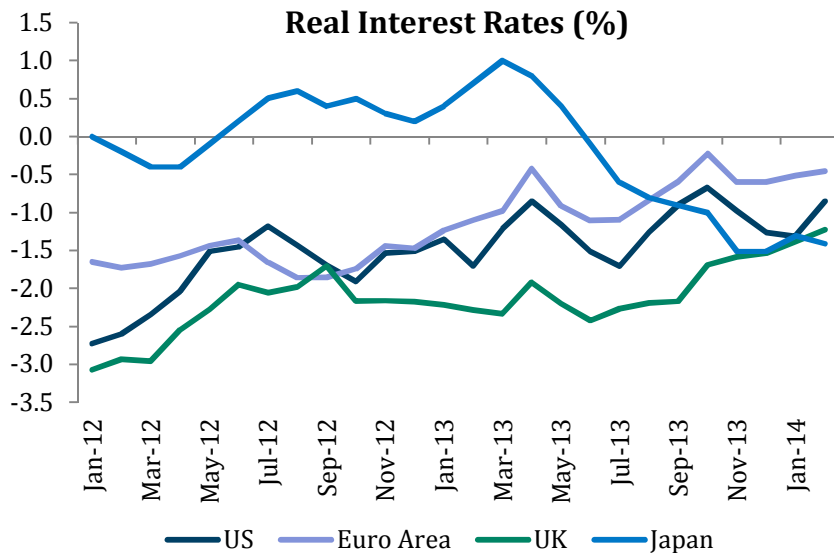
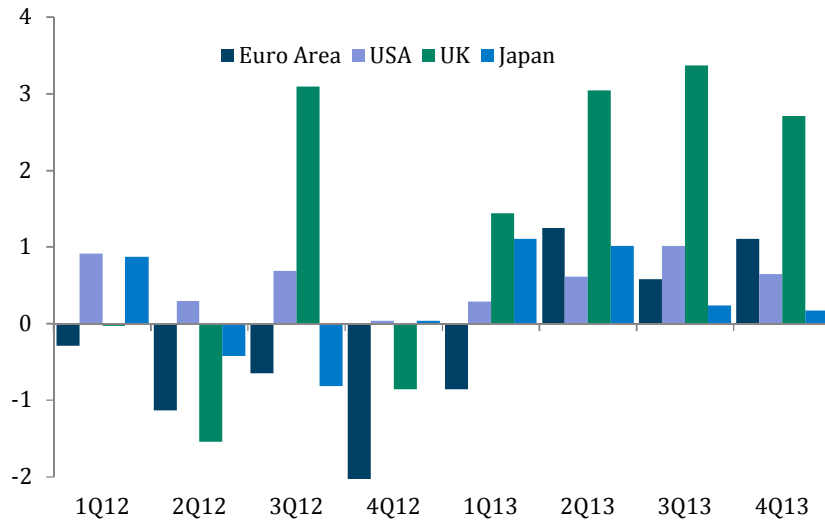
Photos courtesy of George Greig.



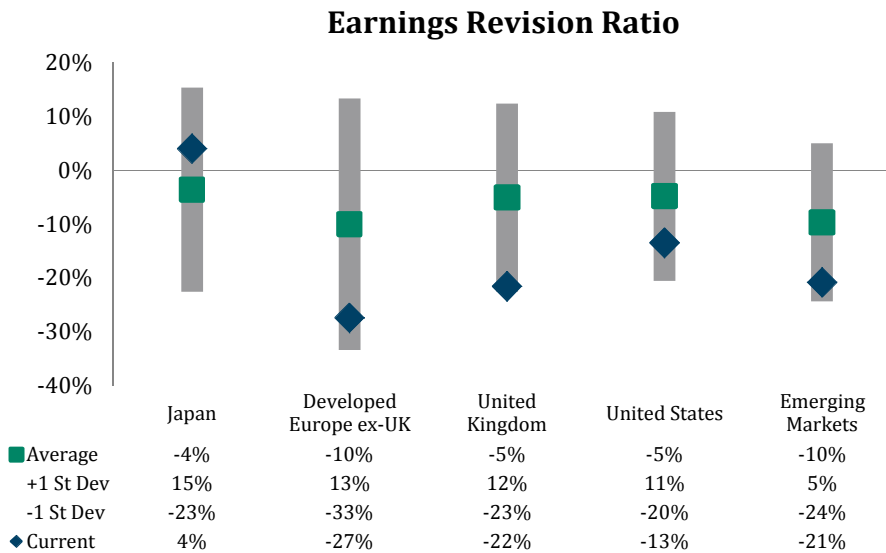
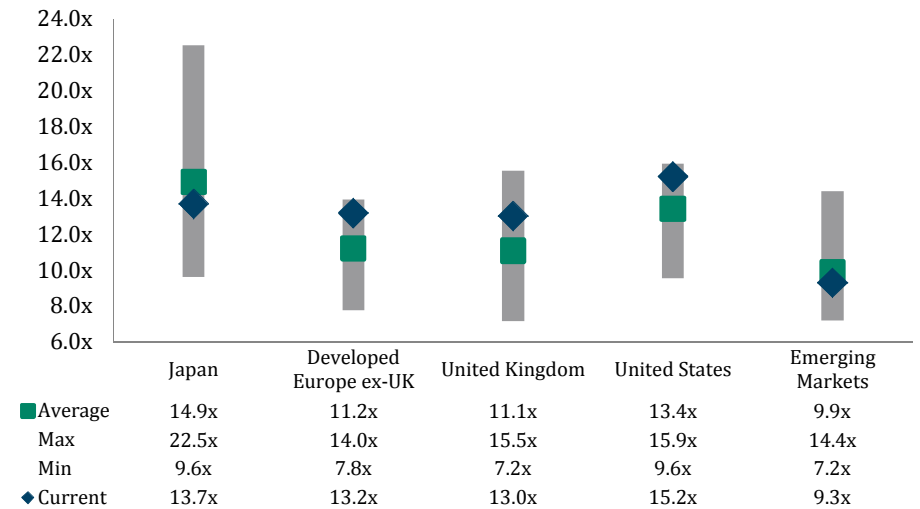
Beijing

Economy and Markets 1Q14

Regional Economic Growth and Interest Rates
GDP, QoQ % Change, AR



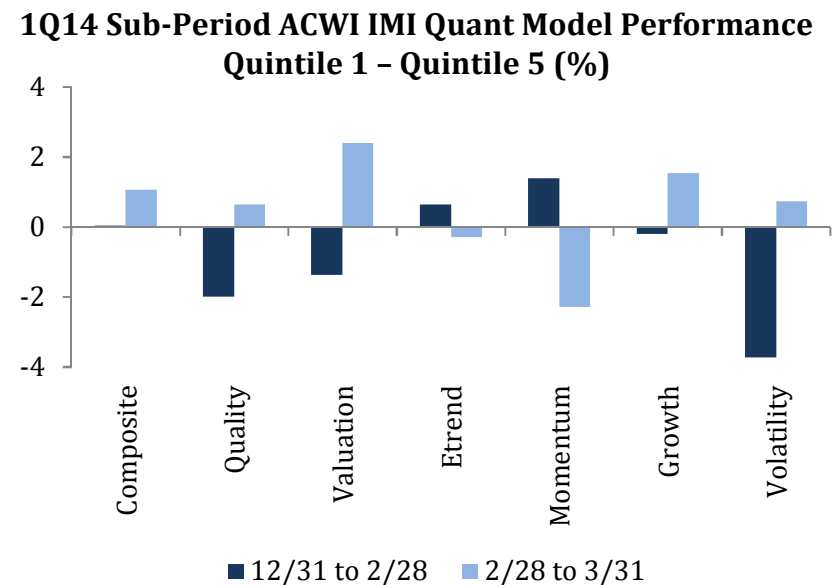
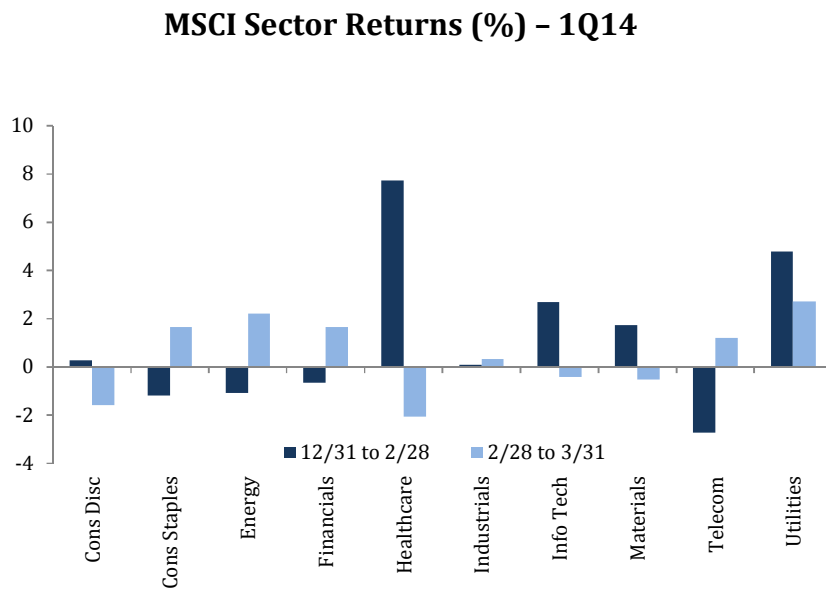
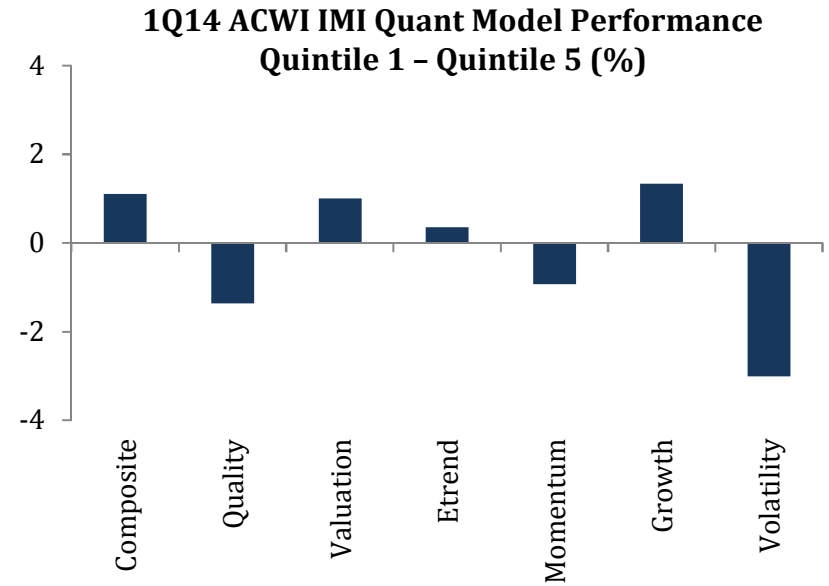
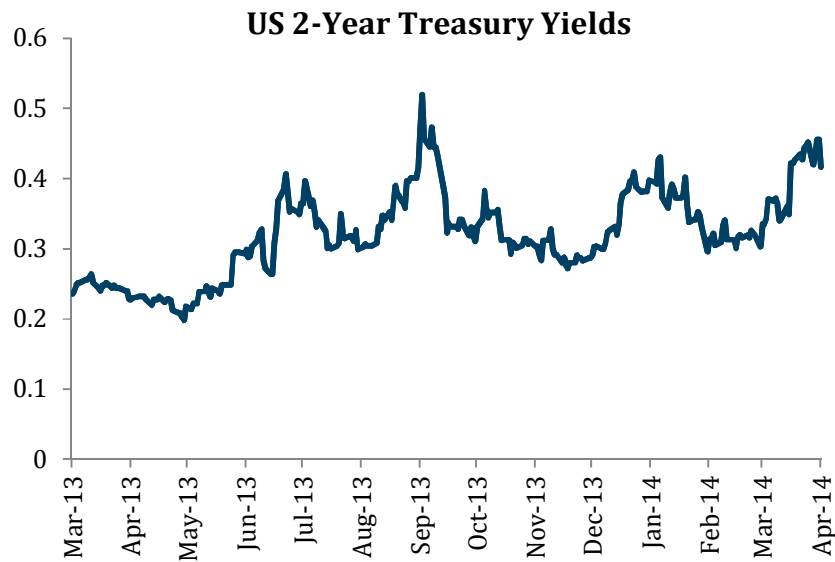
Regional Valuations and Earnings Revisions
3/31/14 vs. 10 Year History
FY2 P/E



Sources: Datastream, FactSet.

William Blair

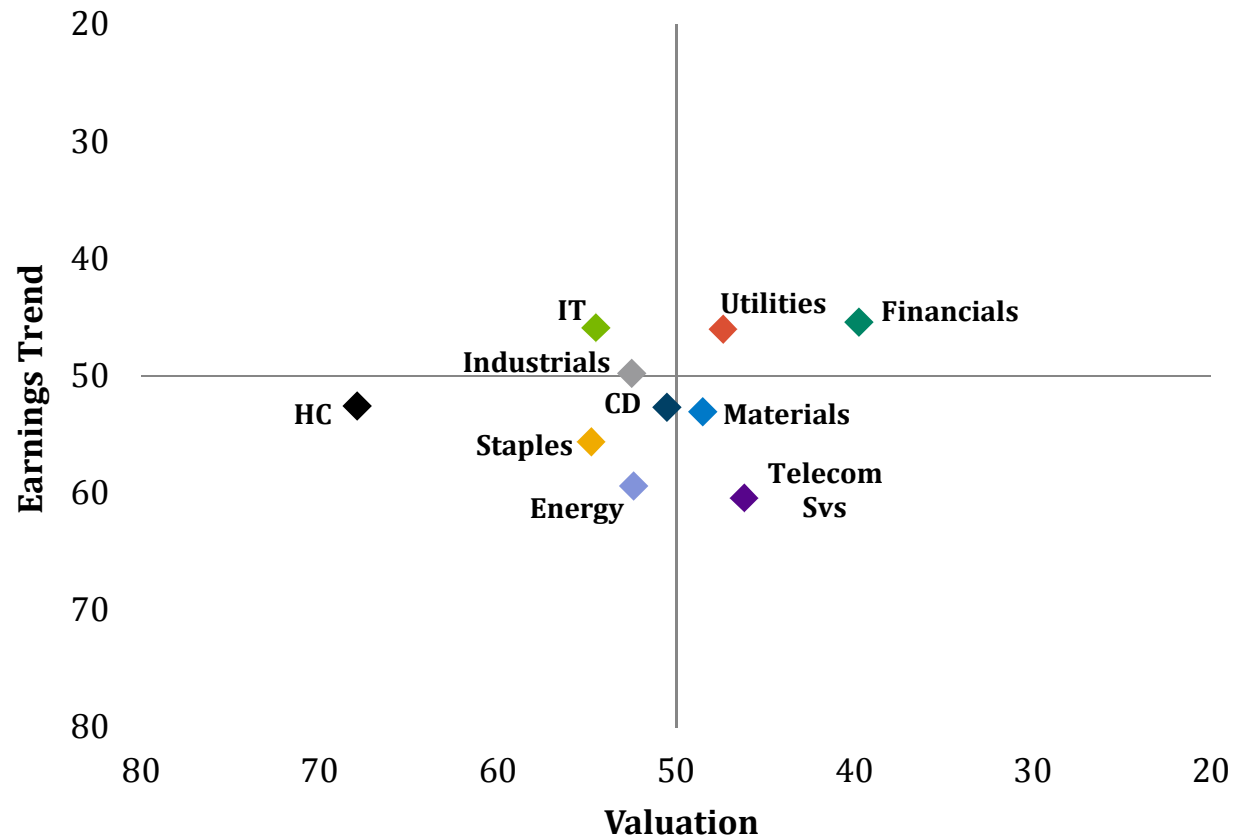
1Q14 Global Equity Market Countertrends – A Tale of Two Markets



Sources: William Blair Quantitative Models, Datastream, FactSet, MSCI. Past performance does not guarantee future results.

Markets 1Q14

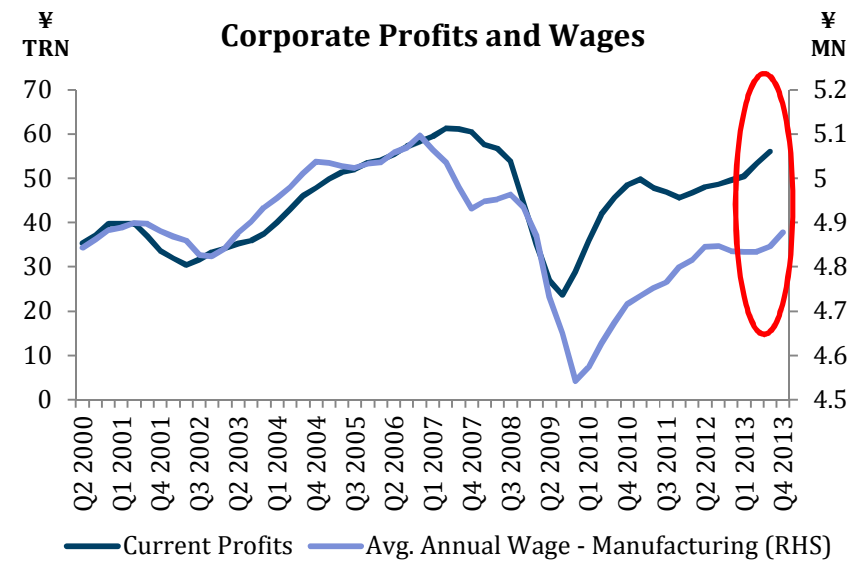
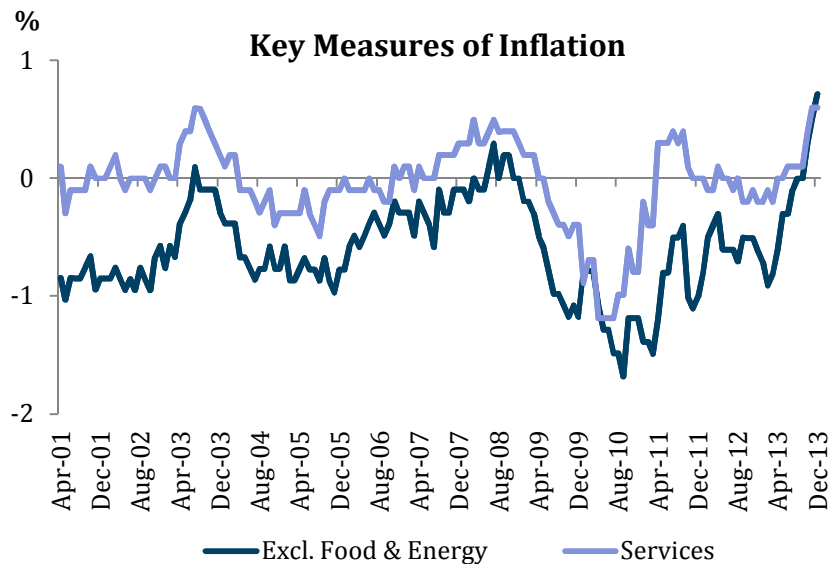
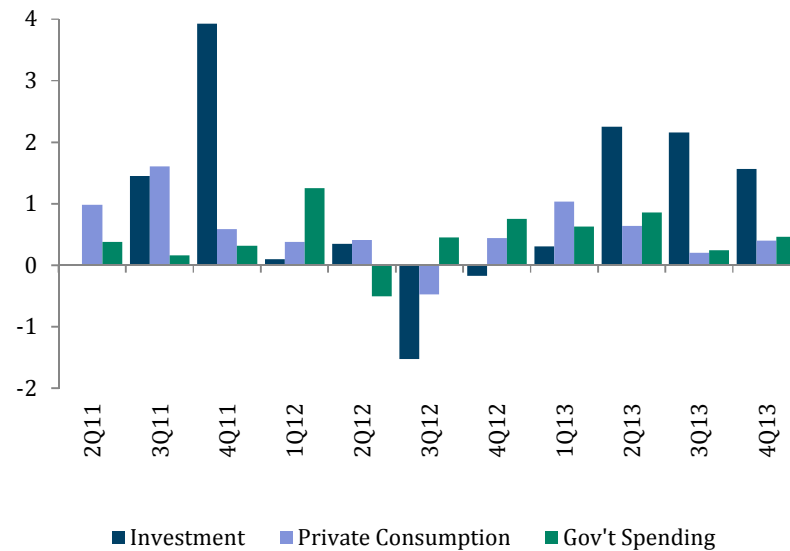
Earnings Trend and Valuation by Global Sector as of 3/31/14



Source: Summit. William Blair Quantitative Models. 1 is Best, 100 is Worst. Earnings trend based on MSCI ACWI IMI data. A direct investment in an unmanaged index is not possible. Sectors based on Global Industry Classification Sectors (GICS).

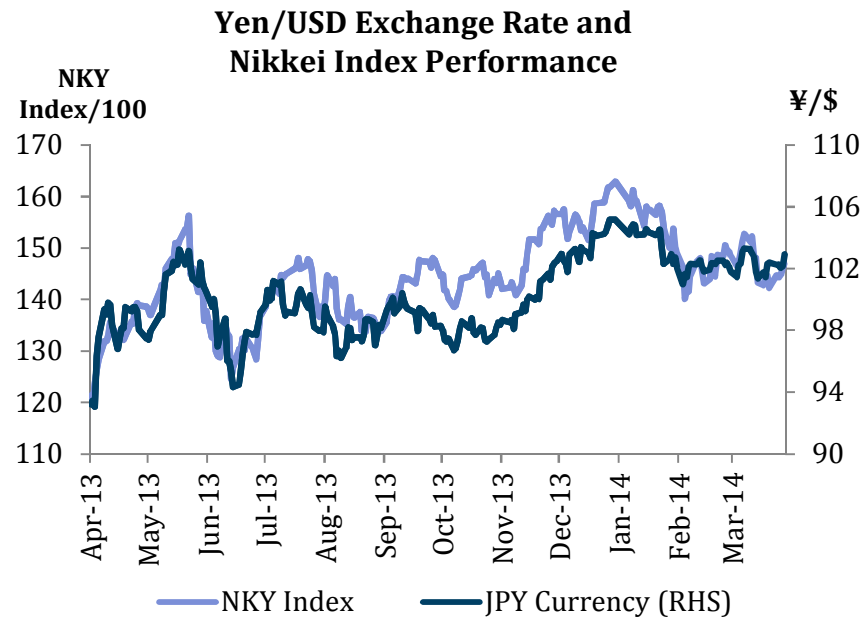
Japan Economy

Japan Domestic Demand
QoQ% Change, AR

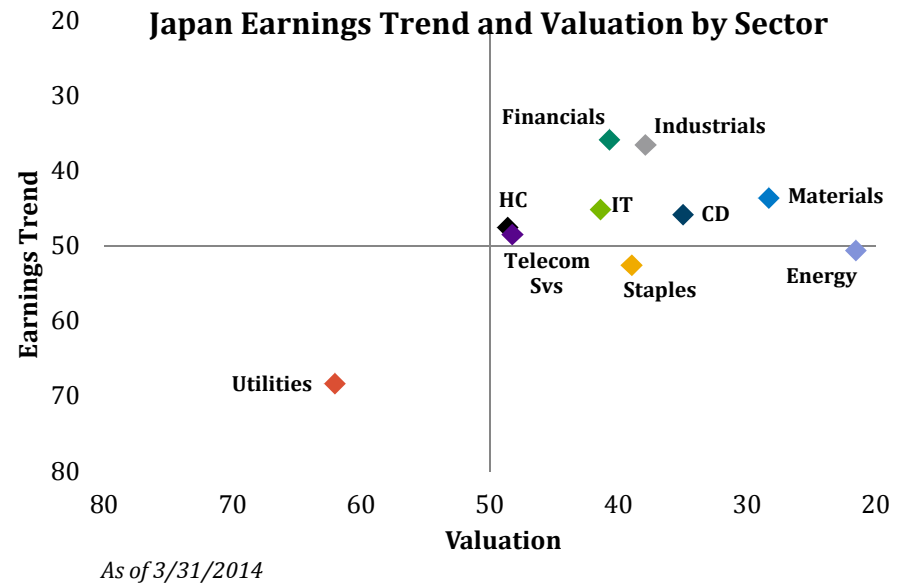
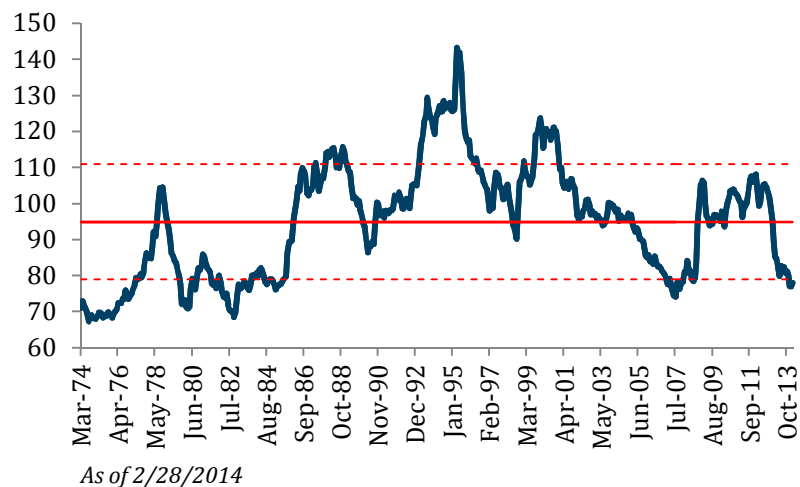


Source: Datastream.

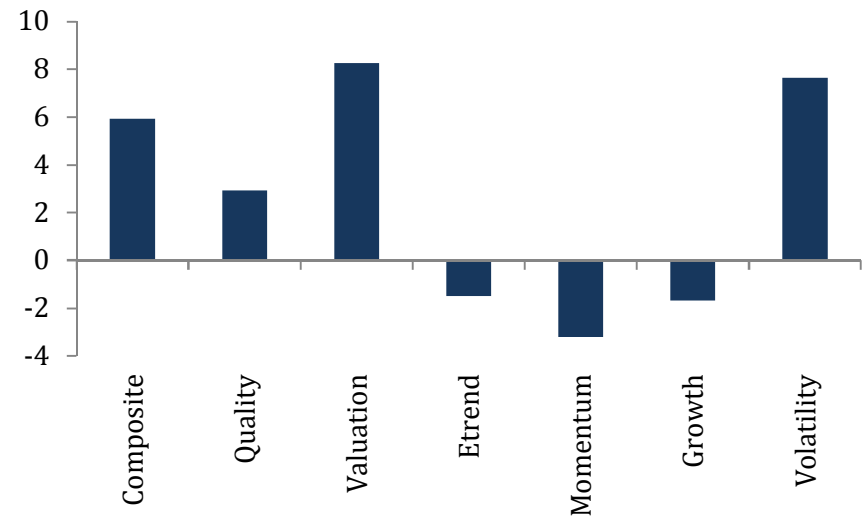
Japan Markets and Corporate Fundamentals



Japan's Real Effective Exchange Rate

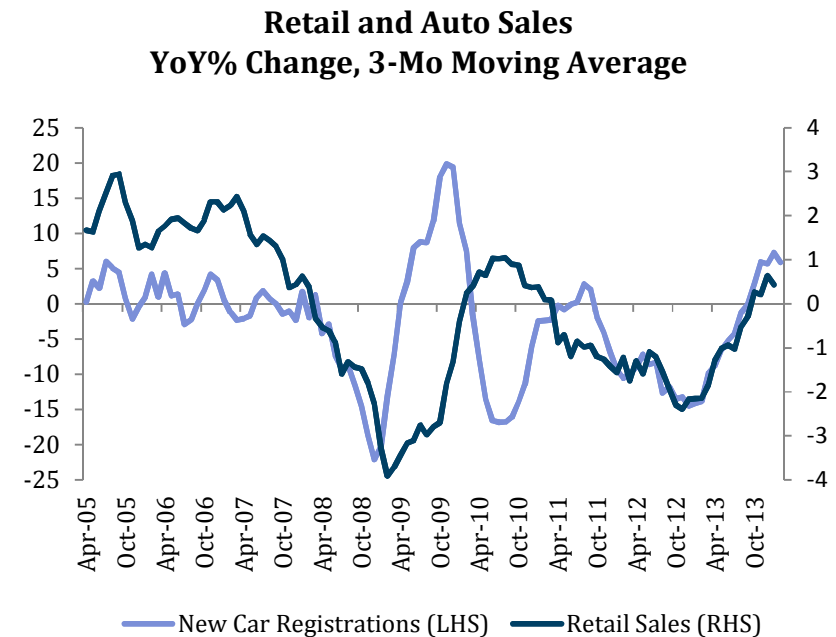
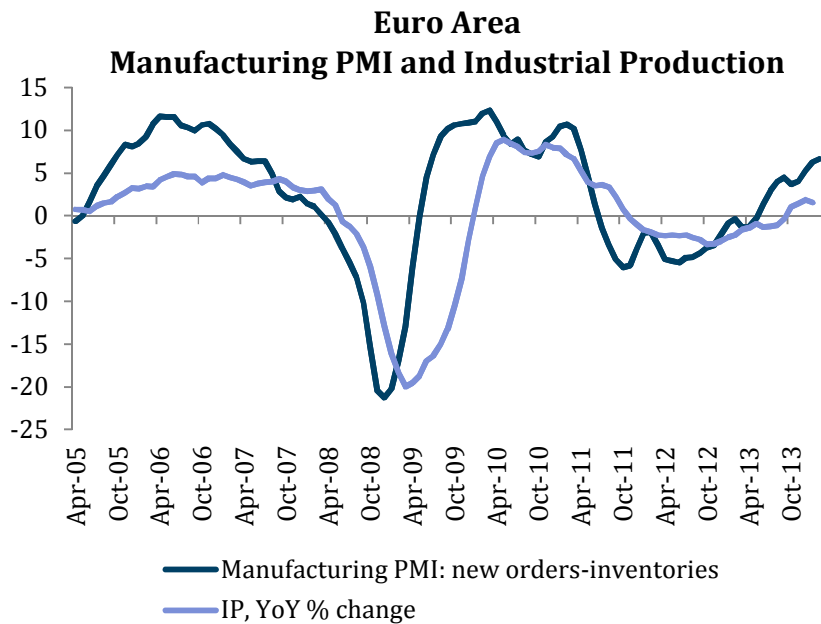
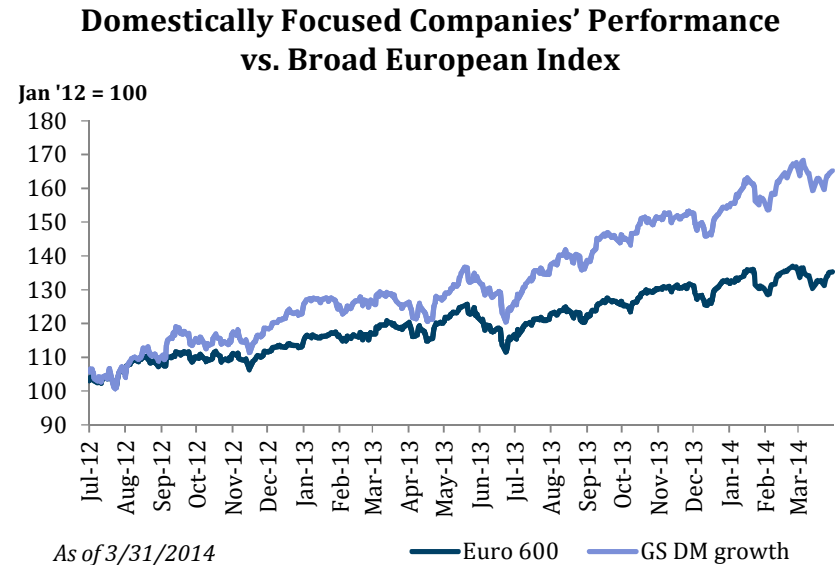
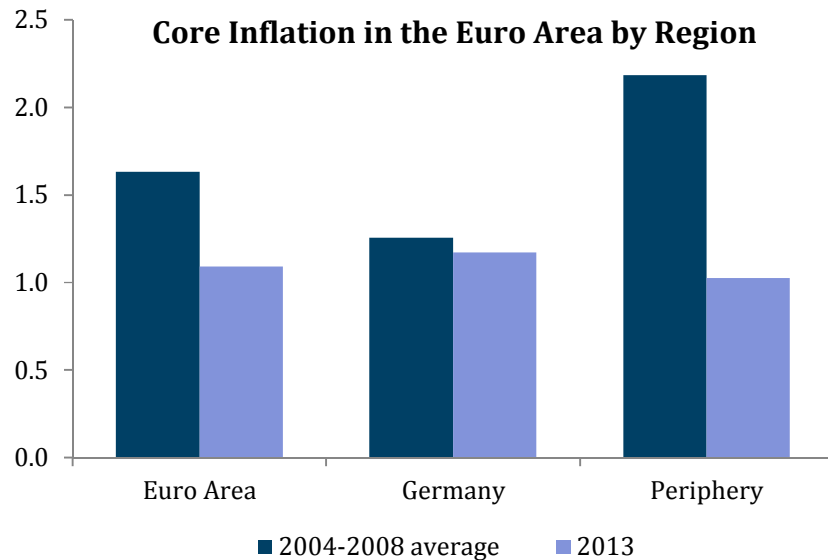


1Q14 Japan IMI Quant Model Performance



Sources: FactSet, Bloomberg, BOJ, Japan Ministry of Finance, BAML, Summit, William Blair Quantitative Models. 1 is Best, 100 is Worst. Japan earnings trend based on MSCI Japan IMI Index. A direct investment in an unmanaged index is not possible. Sectors based on Global Industry Classification Sectors (GICS).

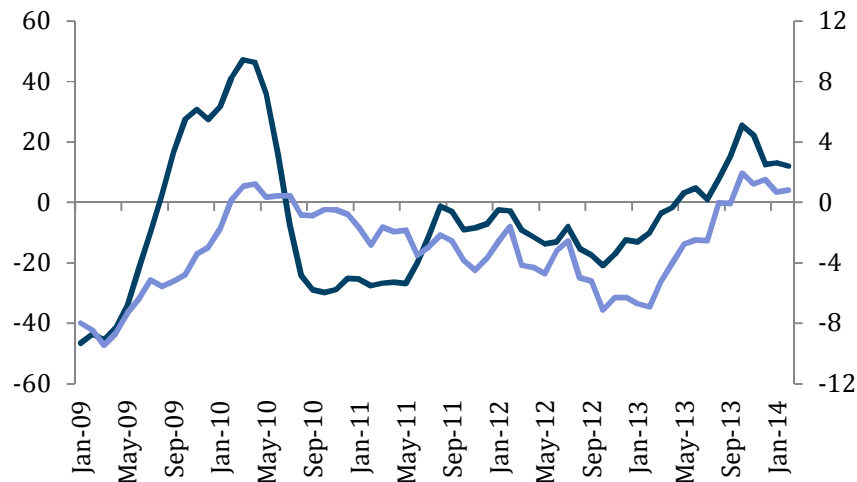
Europe Economy



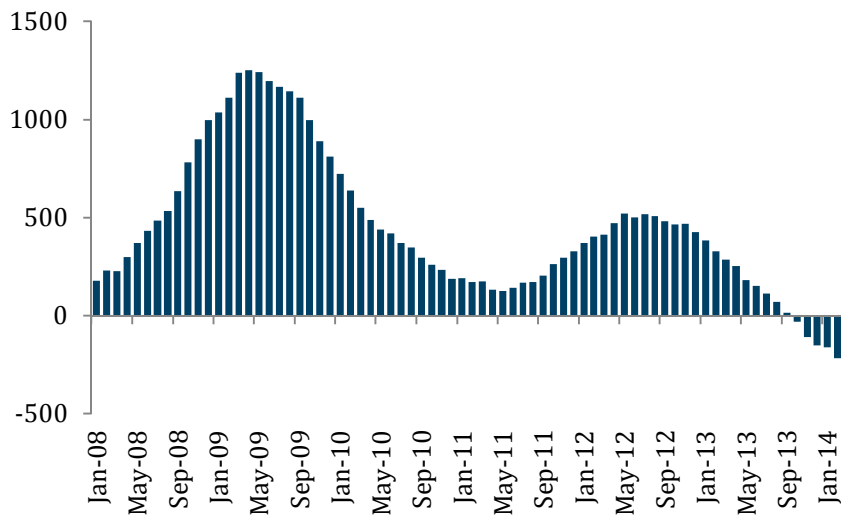
Sources: Datastream, GS, Bloomberg.

Europe Economy and Corporate Fundamentals

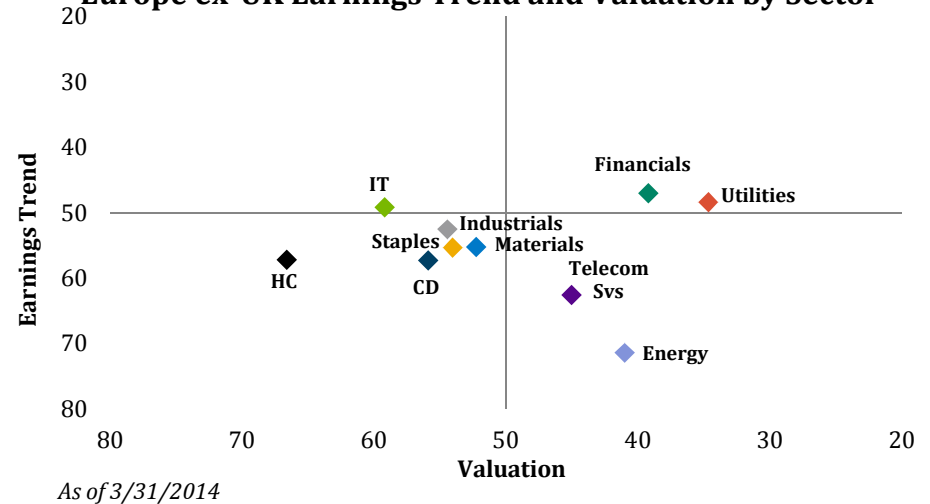
**Auto & Retail Sales in Spain,
YoY% Change, 3-Mo Moving Average**



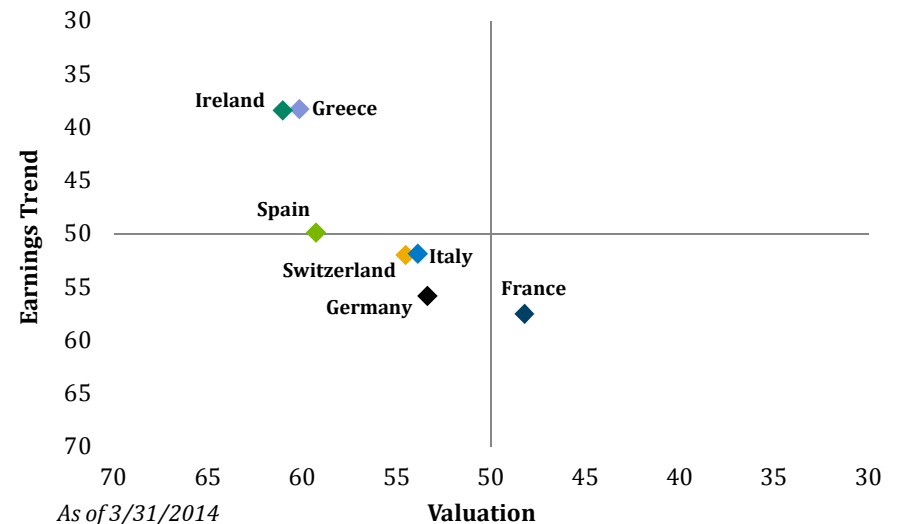
**Unemployment in Spain is Declining (000s)
YoY Change**



Europe ex-UK Earnings Trend and Valuation by Sector



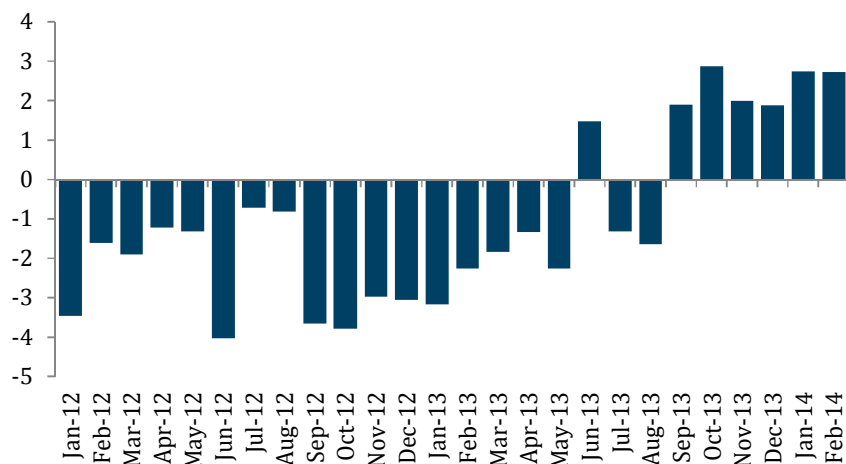
Europe ex-UK Earnings Trend and Valuation by Country



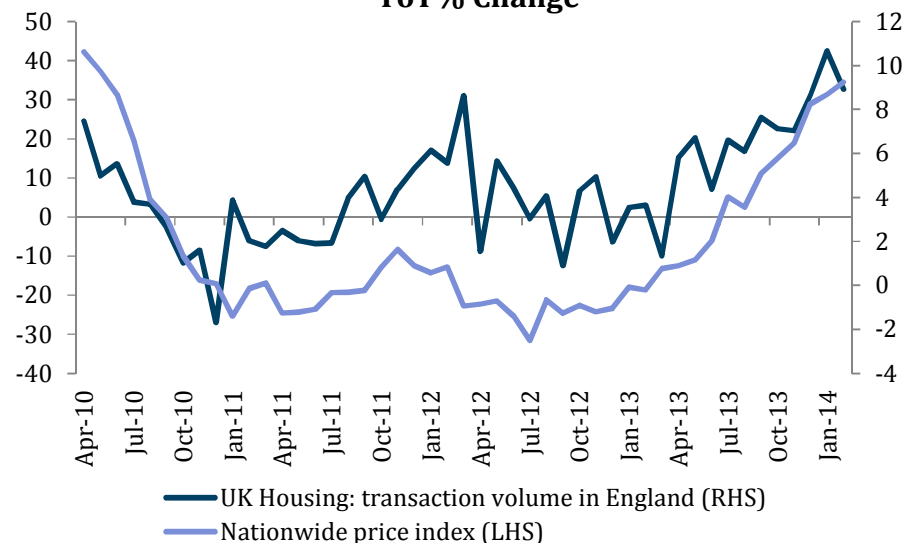
Source: Datastream, Summit, William Blair Quantitative Models. 1 is Best, 100 is Worst. Europe ex-UK earnings trend based on MSCI Europe ex-UK IMI Index. A direct investment in an unmanaged index is not possible. Sectors based on Global Industry Classification Sectors (GICS). Past performance does not guarantee future results.

UK Economy and Corporate Fundamentals

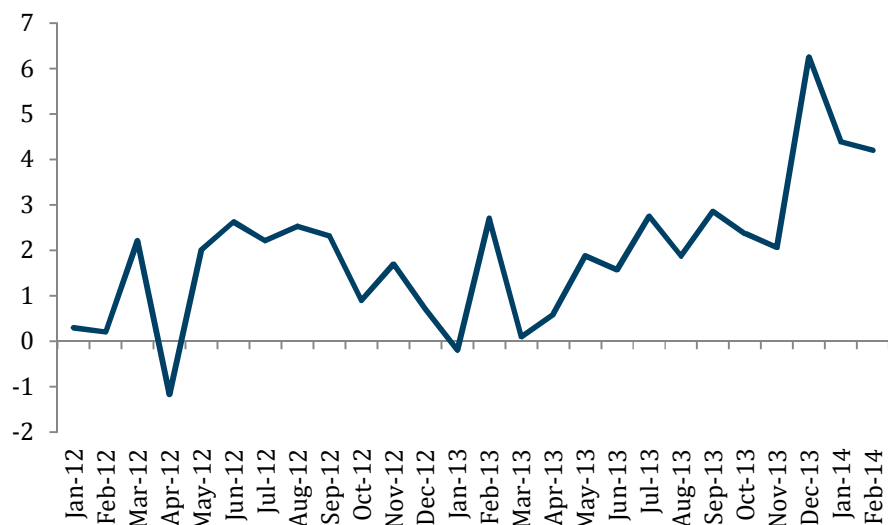
UK Industrial Production, YoY% Change



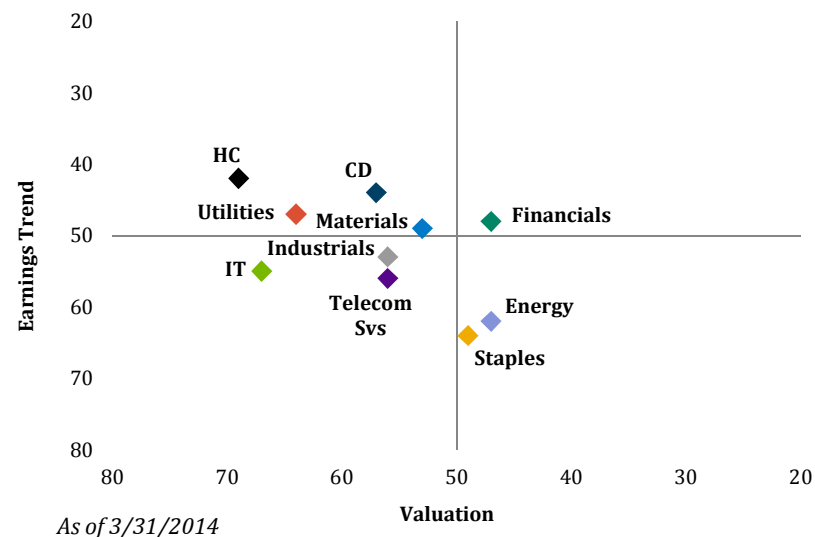
UK Housing Market: Transaction Volumes and Prices YoY% Change



UK Retail Sales, YoY% Change



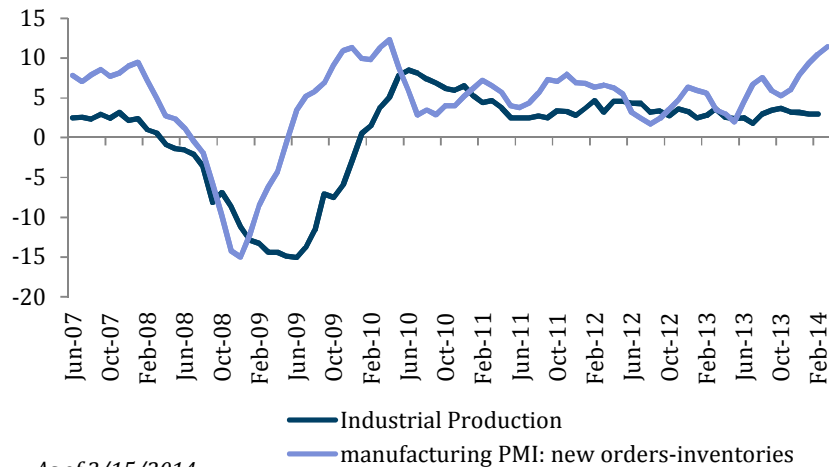
UK Earnings Trend and Valuation by Sector



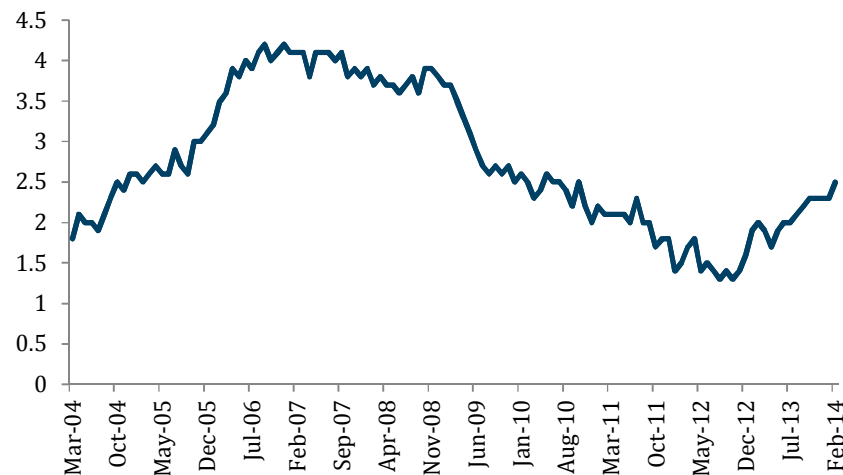
Source: Datastream. Summit, William Blair Quantitative Models. 1 is Best, 100 is Worst. UK earnings trend based on MSCI UK IMI Index. A direct investment in an unmanaged index is not possible. Sectors based on Global Industry Classification Sectors (GICS). Past performance does not guarantee future results.

US Economy and Corporate Fundamentals

Industrial Production and Purchasing Managers' Index, YoY% Change (3-mo moving avg)

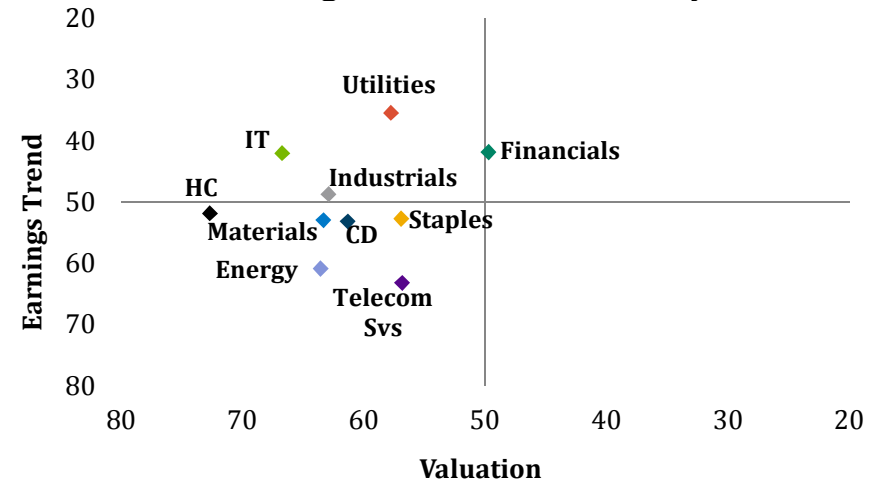


Growth of Hourly Earnings YoY% Change

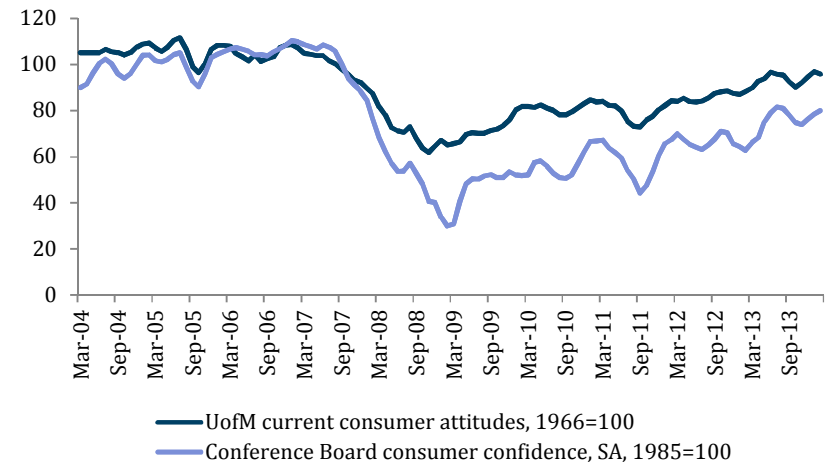


Sources: FactSet, Bloomberg, Datastream, Summit, William Blair Quantitative Models. 1 is Best, 100 is Worst. US earnings trend based on MSCI US IMI Index. A direct investment in an unmanaged index is not possible. Sectors based on Global Industry Classification Sectors (GICS).

US Earnings Trend and Valuation by Sector

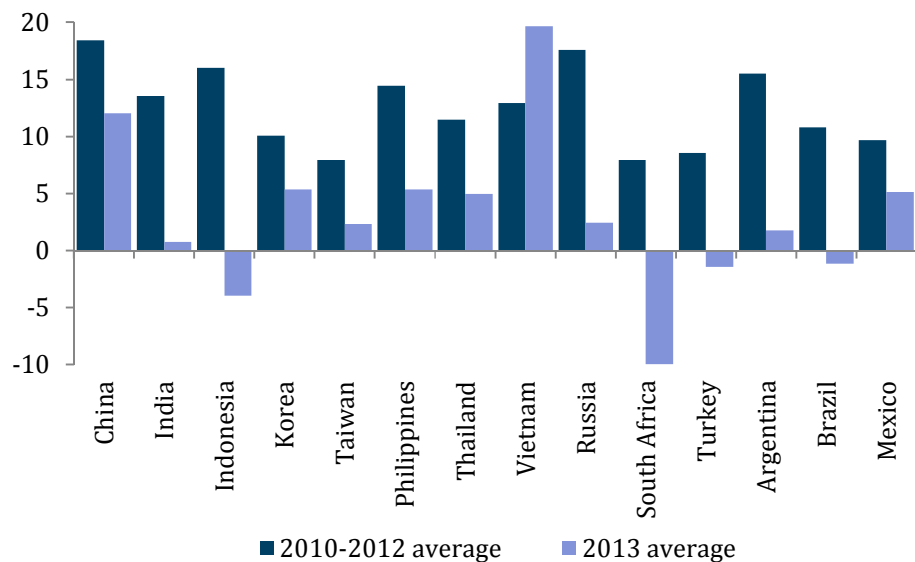


Select Measures of Consumer Confidence in the US (3-mo moving avg)

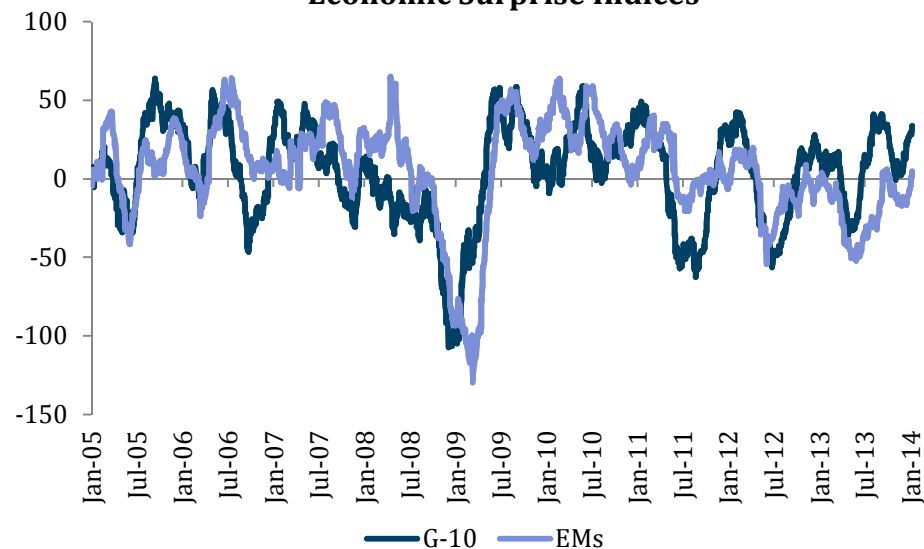


Emerging Markets Economies

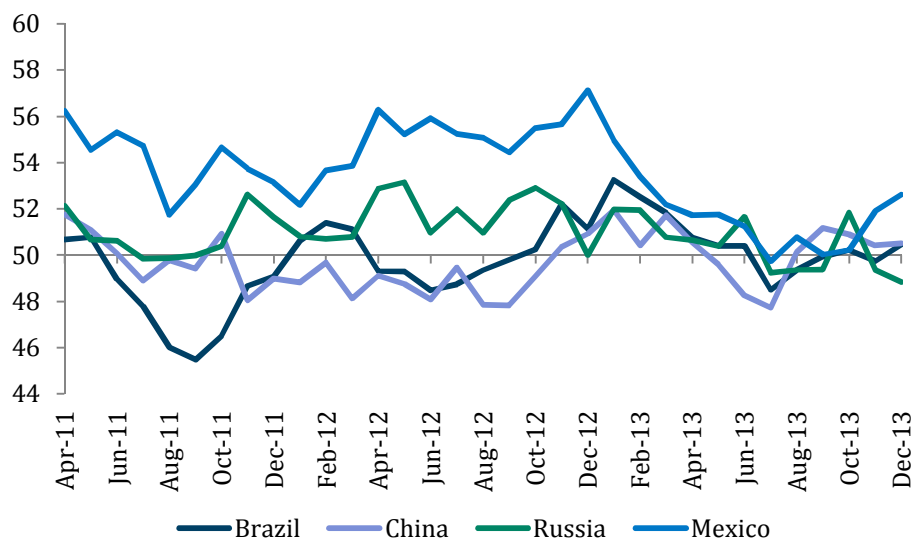
Annual GDP Growth, Nominal USD (%)



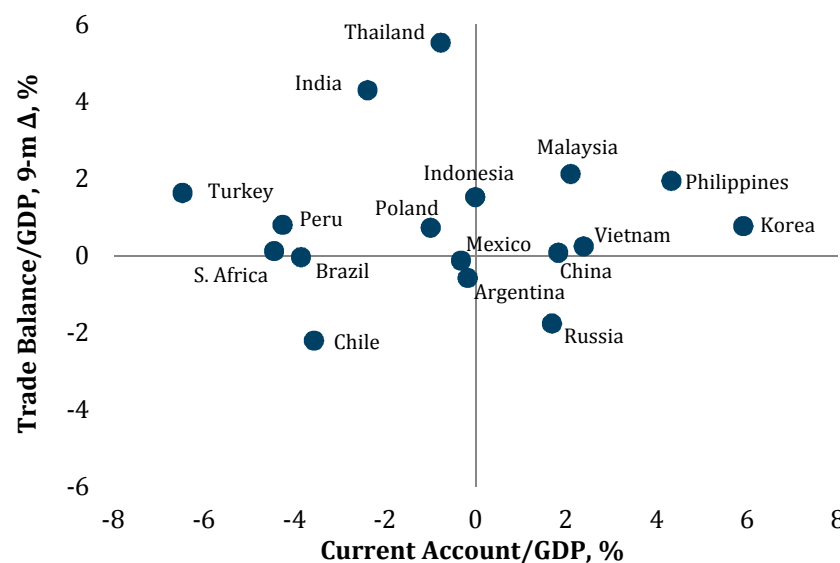
Economic Surprise Indices



Manufacturing PMIs



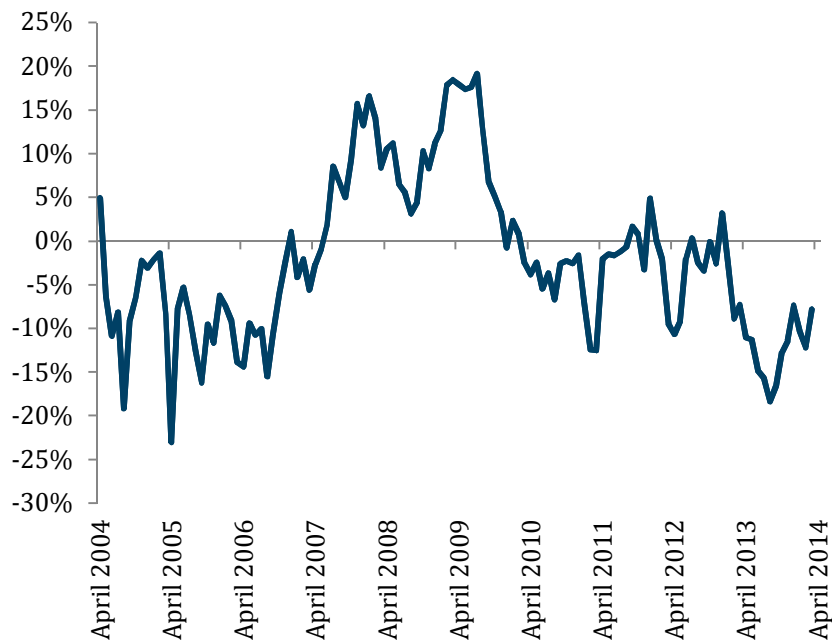
External Position in Select Emerging Market Economies



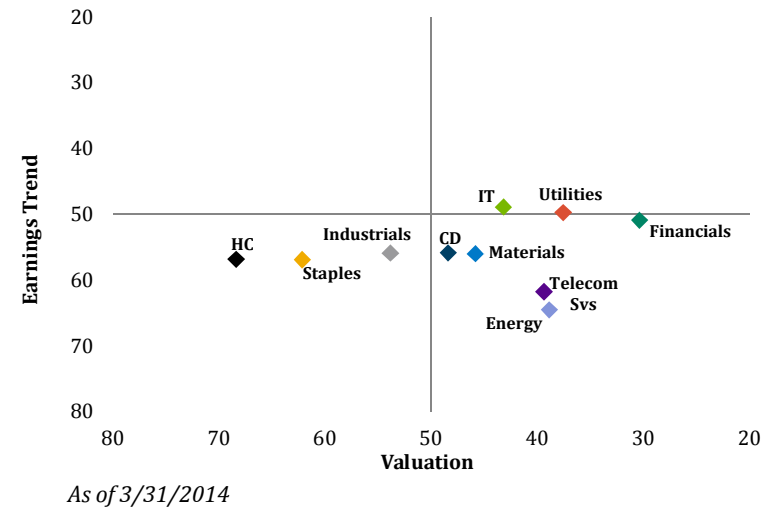
Sources: Citi Research, MSCI, Thomson Reuters, Datastream, FactSet.

Emerging Markets and Corporate Fundamentals

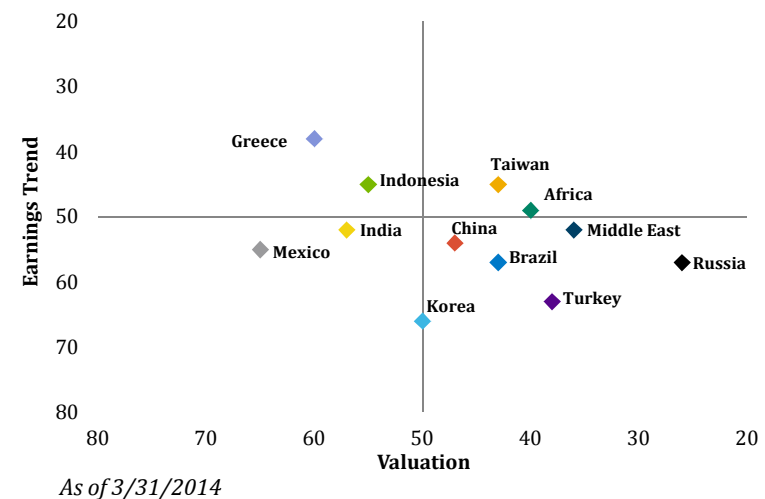
**Emerging Markets vs. Developed Markets ex-US
Aggregate Earnings Revision Ratio**



Emerging Markets Earnings Trend and Valuation by Sector



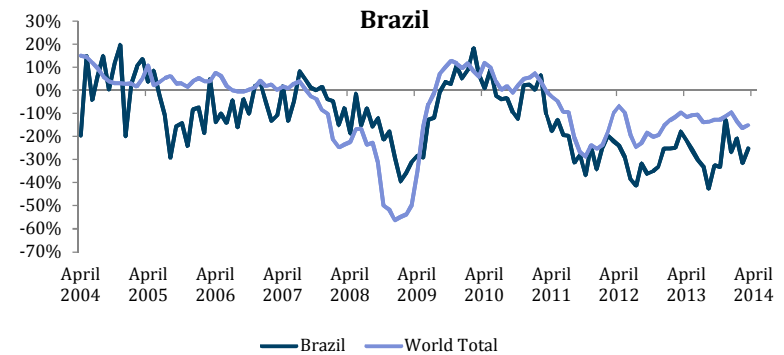
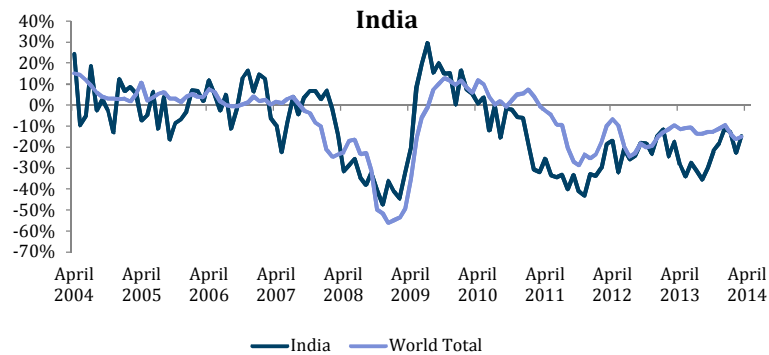
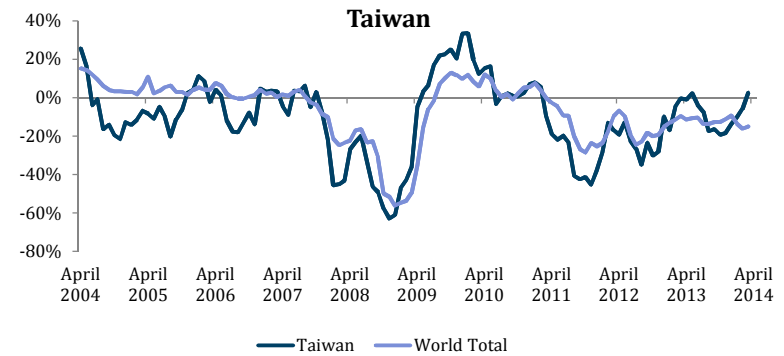
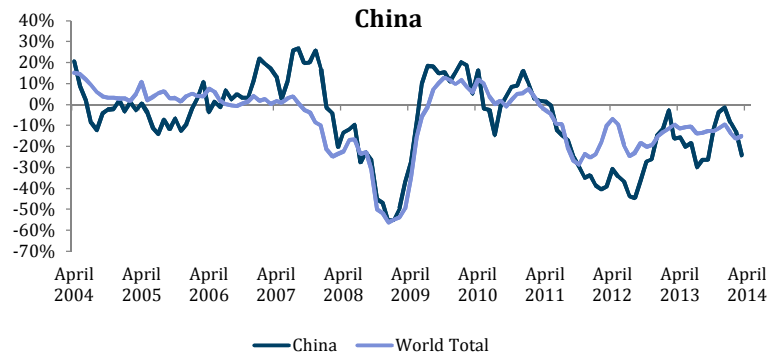
Emerging Markets Earnings Trend and Valuation by Country



Sources: FactSet, William Blair Quantitative Models. 1 is Best, 100 is Worst. Earnings trends based on MSCI IMI Indices. A direct investment in an unmanaged index is not possible. Sectors based on Global Industry Classification Sectors (GICS).

Emerging Markets and Corporate Fundamentals

Aggregate Earnings Revision Ratio



Source: FactSet.

Portfolio Characteristics

March 31, 2014

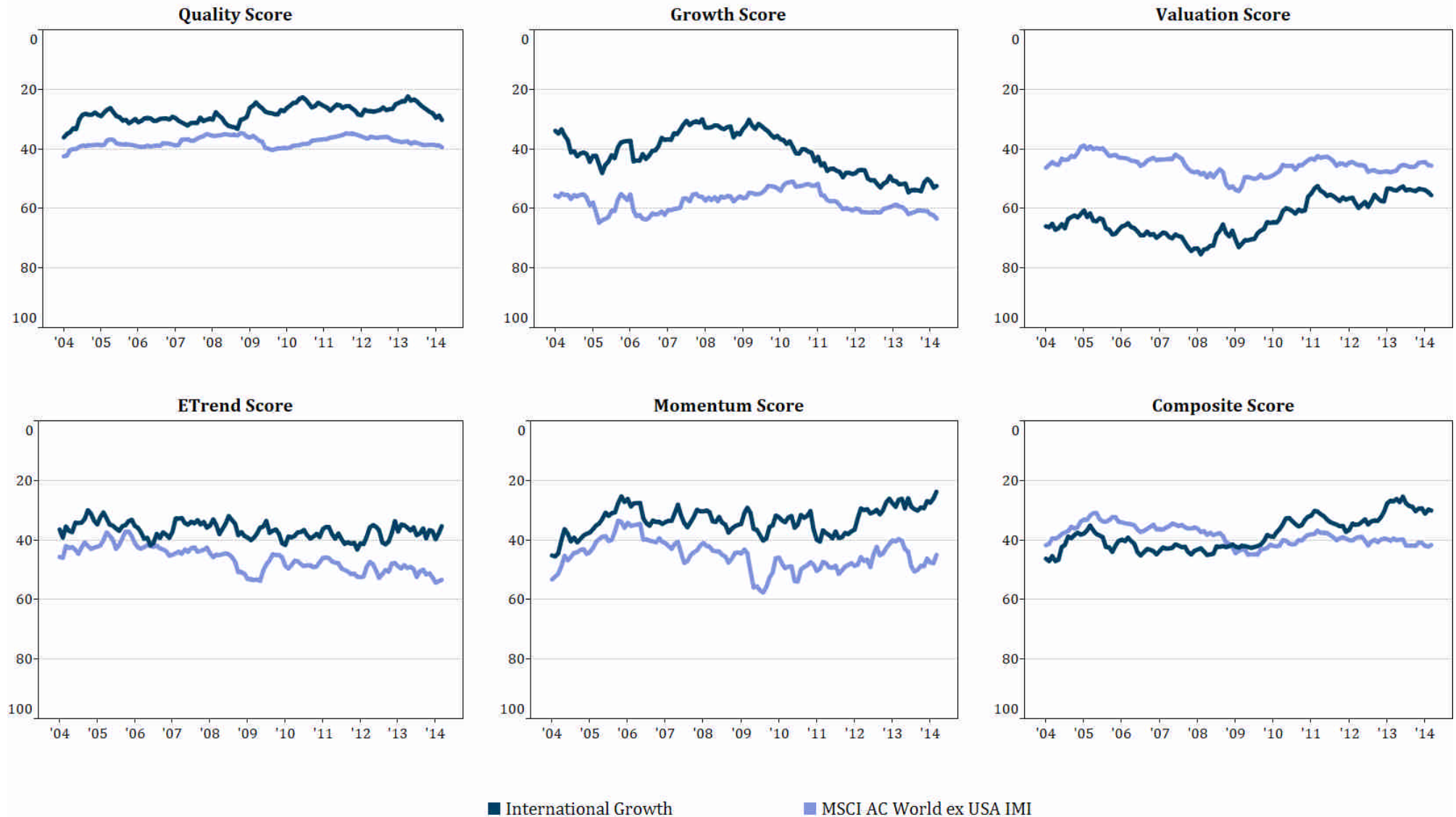
Our holdings have historically exhibited superior profitability and growth, better balance sheet structure, and reasonable valuation rates.

	Institutional International Growth Fund	MSCI AC World ex-US IMI Index
Growth		
Long-Term Growth Estimates	14.5%	11.5%
EPS (5-year historic)	13.2%	10.3%
Returns		
Return on Equity	18.6%	13.2%
Reinvestment Rate	12.9%	8.6%
Valuation		
P/E (12-month projected)	14.6x	13.5x
P/E (trailing 12 months)	18.2x	16.5x
Float-adjusted Capitalization (\$B)		
Weighted average market cap	\$29.7	\$40.2
Weighted median market cap	\$16.1	\$19.3

The index is comparable to the Fund in terms of investment approach but contains significantly more securities. Calculated in FactSet, market cap calculated in Eagle.

International Growth Portfolio Characteristics

March 31, 2014



Scores shown above based on William Blair & Company proprietary quantitative model. For individual and composite ranks, 1 is best and 100 is worst. Source: FactSet.

Market Performance – Global Markets

As of March 31, 2014

		Month To Date	Quarter To Date	2013
Regions	AC World (DM+EM)	0.4	1.3	23.6
	World Developed (DM)	0.1	1.5	27.4
	Pacific ex JP	2.3	2.9	4.7
	Japan	-1.1	-5.1	27.0
	Europe ex UK	0.0	3.9	28.8
	UK	-3.2	-0.3	22.8
	Canada	1.4	1.9	4.9
	USA	0.5	1.8	32.6
	Emerging Markets (EM)	3.0	0.1	-2.2
	Asia	1.4	0.4	2.5
Size	Large Cap	0.6	0.8	22.5
	Small Cap	-0.2	2.9	28.7
Sectors	Discretionary	-1.6	-1.3	36.7
	Staples	1.6	0.4	18.7
	Energy	2.2	1.1	13.7
	Financials	1.6	1.0	22.2
	Healthcare	-2.1	5.5	36.5
	Industrials	0.3	0.4	30.4
	IT	-0.4	2.3	28.0
	Materials	-0.5	1.2	0.5
	Telecom Services	1.2	-1.6	23.8
	Utilities	2.7	7.6	11.4
Style	Quality	0.7	-1.4	8.9
	Valuation	2.4	1.0	9.9
	Etrend	-0.3	0.4	24.2
	Momentum	-2.3	-0.9	27.9
	Growth	1.5	1.3	-6.2
	Composite	1.1	1.1	23.5

Regional performance is based on IMI region/country indexes. Sector and style values are based on the MSCI ACWI IMI Index. Size values are based on the MSCI ACWI Index. Style values reflect the Quintile 1 minus Quintile 5 spread of William Blair's proprietary quantitative models. Sectors are based on Global Industry Classification (GICS) sectors. Large Cap and Small Cap based on MSCI Global Investable Market Index Methodology. Data in blue reflects the top 20% (highest) values by region, country, sector, and style. Data in red reflects the bottom 20% (lowest) values by region, country, sector, and style.

Past returns are no guarantee of future performance. A direct investment in an unmanaged index is not possible. The Morgan Stanley Capital International (MSCI) All Country World IMI Index is an unmanaged index that includes developed markets and emerging markets. Calculated in FactSet. All index returns are net of dividends.

City of Fort Pierce Retirement and Benefit System Portfolio

Data as of April 30, 2014	
Original Investment (10/2/2003)	\$ 10,392,820
+ Contributions	\$ 0
- Withdrawals	\$ 12,677,816
- (Inv Mgmt Fees & Other Expenses*)	\$ 1,275,773
+ Dividend Income and Capital Gain Distribution	\$ 7,313,141
+ / - Market Appreciation/ (Depreciation)	\$ 10,500,872
Market Value	\$ 14,184,673

*The investment management fee and other expenses are estimates.

Performance Summary

For Periods Ending March 31, 2014

The table below shows the Institutional International Growth Fund's performance in comparison to its benchmark, the MSCI AC World ex-US IMI.

	Jan-Feb 2014	Mar 2014	1Q14	1 Year	3 Year	Annualized		Since Inception*
Institutional International Growth Fund	0.92%	-1.54%	-0.63%	13.35%	8.18%	18.91%	7.71%	8.98%
MSCI AC World ex-US IMI (net)	0.63%	0.24%	0.87%	12.80%	4.32%	16.16%	7.40%	8.88%

*City of Fort Pierce Inception – 10/02/2003

Calendar Years	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Inst Int'l Growth Fund	18.90%	24.11%	-13.66%	20.10%	42.83%	-51.99%	18.49%	23.45%	22.76%	18.15%
MSCI AC World ex-US IMI (net)	15.82%	17.04%	-14.31%	12.73%	43.60%	-45.99%	16.13%	26.51%	17.68%	21.93%

Institutional International Growth Fund Expense Ratio (no expense cap in place):

Gross
0.98%

The Fund's net expenses paid may be different. Please refer to the most recent Semi-Annual Report for more information on the Fund's expenses. Performance cited represents past performance. **Past Performance does not guarantee future results and current performance may be lower or higher than the data quoted. William Blair Institutional International Growth Fund performance shown is net of expenses, and all performance shown reflects a reinvestment of dividends and capital gains. Investment returns and principal will fluctuate and you may have a gain or loss when you sell shares. Current performance may be lower or higher than the data quoted.** International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk. The Morgan Stanley Capital International (MSCI) AC World ex-U.S. IMI Index (net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets, excluding the United States. This series approximates the minimum possible dividend reinvestment. The MSCI All Country World ex-US IMI Growth Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the US. It includes those MSCI All Country World ex-US IMI Index securities with higher price-to-book ratios and higher forecasted growth rates.

Most recent month-end performance information for the William Blair Institutional International Growth Fund is available by visiting the William Blair Funds Web site at www.williamblairfunds.com, or by calling the William Blair Funds at 1-800-742-7272. Also call this number for a prospectus, which provides more complete information about the Institutional International Growth Fund, including investment objective, risk considerations, charges and expenses. Read it carefully before you invest or send money. ©William Blair & Company, L.L.C., distributor.

William Blair International Growth Attribution

March 2014

YTD Contributors

- Underweighting Energy
- Latin America stock selection

YTD Detractors

- Energy, Financials and Healthcare stock selection
- Pacific ex-Japan, Japan, Canada and Emerging Asia stock selection

2013 Contributors

- Consumer Discretionary and Financials stock selection
- Overweighting Consumer Discretionary, underweighting Energy, Materials, Staples and Utilities
- Stock selection across most regions
- Overweighting Japan and the UK, underweighting Latin America

2013 Detractors

- Europe ex-UK stock selection and Canada underweight
- Energy, Staples, Telecom Services and Utilities stock selection
- Residual cash

The commentary above was written using actual data taken from Opturo based on a representative portfolio. Past returns are no guarantee of future performance. Holdings are subject to change at any time. Not intended as investment advice.

International Growth Performance in Various Environments

<u>Arithmetic Avg Quarterly Return (%)</u>				
		<u>Portfolio</u>	<u>Benchmark</u>	
All Quarters (4Q96 - 1Q14)		3.3	1.9	
Quarters in which:	Outperformance			
Index Rose	✓	9.7	8.0	(44/70 Qs)
Index Declined	✓	-7.4	-8.4	(26/70 Qs)
MSCI Growth (Net) Outperformed	✓	4.7	2.4	(32/70 Qs)
MSCI Value(Net) Outperformed	✓	2.1	1.5	(38/70 Qs)
MSCI Small Cap (Net) Outperformed	✓	5.3	3.8	(36/70 Qs)
MSCI EAFE (Net) Outperformed	✓	-2.0	-2.5	(29/70 Qs)
MSCI EM IMI (Net) Outperformed	✓	7.4	5.4	(37/70 Qs)

Consistent outperformance in a variety of market environments. Annualized return of 11.11% vs. 5.57% for the benchmark since we began managing international equity in house (10/1/96–3/31/14).

Inception of the current William Blair team is 9/30/1996, when we began managing the International Growth Strategy in house. Prior to 9/30/1996 the strategy was sub-advised by Framlington International. Composite inception 11/30/1992.

Investment performance assumes reinvestment of dividends and capital gains and is gross of investment management fees and net of transaction costs. Performance results will be reduced by the fees incurred in the management of the account. For example, on an account with a 1% fee, and gross performance of 20% over one year, the annual total return on a net of fee basis will result in performance of 18.85%. A \$1,000,000 initial investment would grow to approximately \$1,440,000 gross of fees, versus \$1,412,532 net of fees, over a two year period, assuming an annual return of 20%. Investment management fees are described in William Blair & Company's Form ADV Part 2A. Past performance is not indicative of future returns. Returns for periods greater than one year are annualized. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk. The Morgan Stanley Capital International (MSCI) AC World ex-US Index is an unmanaged index that includes developed and emerging markets. This benchmark is a comparable market proxy. Gross performance shown includes commissions but excludes investment management fees. Deduction of such fees would reduce returns shown and have a compounding effect over time. Based on data from the William Blair International Growth Fund, which is closed to new investors. Calculations are for attribution analysis only and are not intended to represent simulated performance history. Regional attribution is based on estimated US\$ price-only returns of equities held within regions for the period Q4 1996 to Q3 2003. Beginning Q3 2003, the returns represent the estimated total equity-only returns of securities held within regions. All stocks held during a measurement period, including purchases and sales, are included. Cash is not allocated among regions and all returns are exclusive of cash. A rounding discrepancy may occur when calculating backup data.

International Growth Performance Analysis by Geography

10/01/1996 to 3/31/2014	Portfolio	Index
United Kingdom		
Cumulative	630.4%	250.8%
Annualized	12.0%	7.4%
Europe + ME ex-UK		
Cumulative	692.9%	261.7%
Annualized	12.6%	7.6%
Japan		
Cumulative	158.8%	5.6%
Annualized	5.6%	0.3%
Pacific ex-Japan		
Cumulative	325.2%	279.0%
Annualized	8.6%	7.9%
Canada		
Cumulative	885.7%	429.4%
Annualized	14.0%	10.0%

Inception of the current William Blair team is 9/30/1996, when we began managing the International Growth Strategy in house. Prior to 9/30/1996 the strategy was sub-advised by Framlington International. Composite inception 11/30/1992.

Investment performance assumes reinvestment of dividends and capital gains and is gross of investment management fees and net of transaction costs. Performance results will be reduced by the fees incurred in the management of the account. For example, on an account with a 1% fee, and gross performance of 20% over one year, the annual total return on a net of fee basis will result in performance of 18.85%. A \$1,000,000 initial investment would grow to approximately \$1,440,000 gross of fees, versus \$1,412,532 net of fees, over a two year period, assuming an annual return of 20%. Investment management fees are described in William Blair & Company's Form ADV Part 2A. Past performance is not indicative of future returns. Returns for periods greater than one year are annualized. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk. Based on data from the William Blair International Growth Fund. Calculations are for attribution analysis only and are not intended to represent simulated performance history. All stocks held during the measurement period, including purchases and sales, are included. Cash is not allocated among regions and all returns are exclusive of cash. (1) MSCI UK IMI (net), (2) MSCI Europe ex UK IMI (net), (3) MSCI Japan IMI (net), (4) MSCI Pacific ex-Japan IMI (net), and (5) MSCI Canada IMI (net). This information may be supplied as a supplement to the International Developed Plus composite performance. A rounding discrepancy may occur when calculating backup data.

International Growth Performance Analysis by Subsector

10/1/96 to 3/31/14	Portfolio	Index
Developed Large/Mid Cap ¹		
Cumulative	489.5%	143.0%
Annualized	10.7%	5.2%
Developed Small Cap ²		
Cumulative	647.6%	197.6%
Annualized	12.2%	6.4%
Emerging Markets ³		
Cumulative	705.2%	141.9%
Annualized	12.7%	5.2%

Inception of the current William Blair team is 9/30/1996, when we began managing the International Growth Strategy in house. Prior to 9/30/1996 the strategy was sub-advised by Framlington International. Composite inception 11/30/1992.

Investment performance assumes reinvestment of dividends and capital gains and is gross of investment management fees and net of transaction costs. Performance results will be reduced by the fees incurred in the management of the account. For example, on an account with a 1% fee, and gross performance of 20% over one year, the annual total return on a net of fee basis will result in performance of 18.85%. A \$1,000,000 initial investment would grow to approximately \$1,440,000 gross of fees, versus \$1,412,532 net of fees, over a two year period, assuming an annual return of 20%. Investment management fees are described in William Blair & Company's Form ADV Part 2A. Past performance is not indicative of future returns. Returns for periods greater than one year are annualized. International investing involves special risk considerations, including currency fluctuations, lower liquidity, economic and political risk. The Morgan Stanley Capital International (MSCI) AC World ex-US Index is an unmanaged index that includes developed and emerging markets. This benchmark is a comparable market proxy. Gross performance shown includes commissions but excludes investment management fees. Deduction of such fees would reduce returns shown and have a compounding effect over time. Based on data from the William Blair International Growth Fund. Calculations are for attribution analysis only and are not intended to represent simulated performance history. Prior to Q3 1998, small cap is defined as companies with a market capitalization of under \$1 billion. From Q3 1998 to Q4 2003, small cap is defined as companies with a market capitalization of under \$1.5 billion. From Q4 2003 to Q4 2007, small cap is defined as companies with a market capitalization of under \$2 billion. Beginning Q4 2007, small cap is defined as companies with a market capitalization of under \$3 billion. For the Large/Mid Cap and Small Cap Segments, is a price-only estimate based on the average month-end market values during the quarter prior for Q4 1998. From Q4 1998 to Q4 1999, Large/Mid Cap and Small Cap segment performance is a total-return estimate based on a monthly buy-and-hold calculation. Beginning Q1 2000, Large/Mid Cap and Small Cap segment performance is a total return estimate based on a daily buy-and-hold calculation. Developed market companies without readily available market capitalization data and cash are excluded. Emerging markets return data represents the returns of the Emerging Markets Growth composite until 1/1/2007 and then the emerging portion of international growth thereafter. Indices: (1) MSCI EAFE; (2) MSCI World ex-US Small Cap (Net); (3) MSCI EM IMI. For consistency, index returns prior to Q4 1998 are price-only except for emerging markets. Beginning with Q4 1998, index returns are total return. Source: FactSet Portfolio Analysis and SPAR.

Photos courtesy of George Greig.

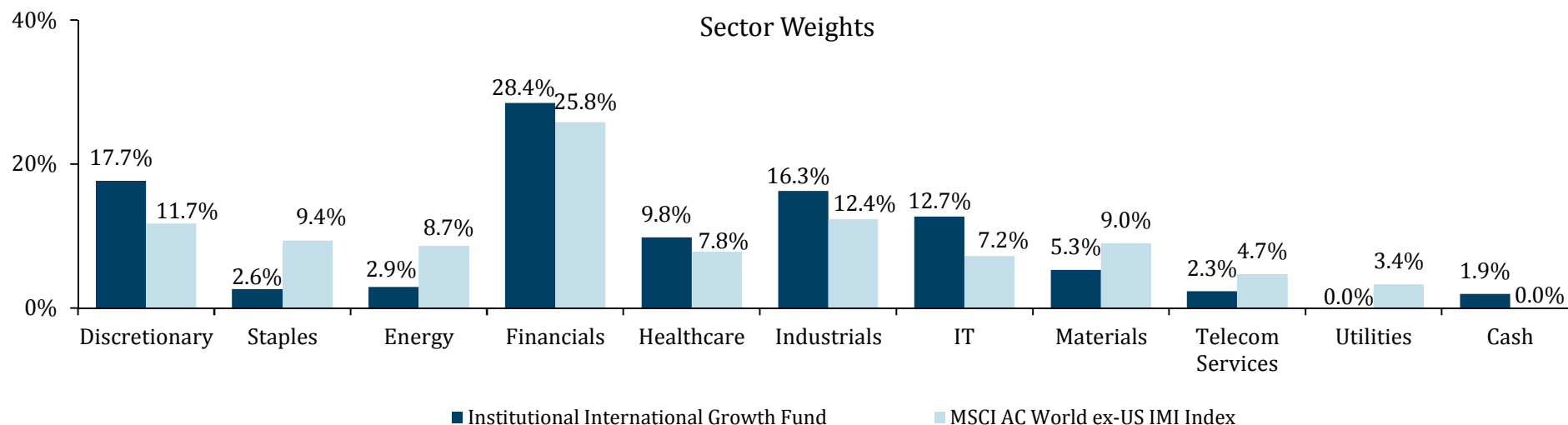
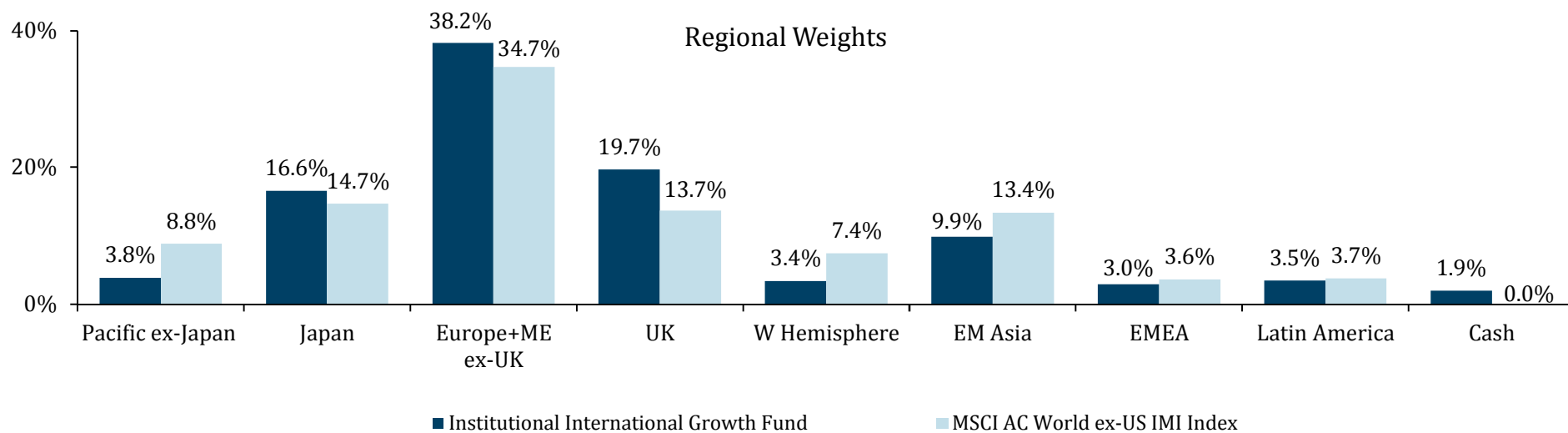
Positioning and Strategy



Hong Kong

Current Positioning: Institutional International Growth Fund

March 31, 2014

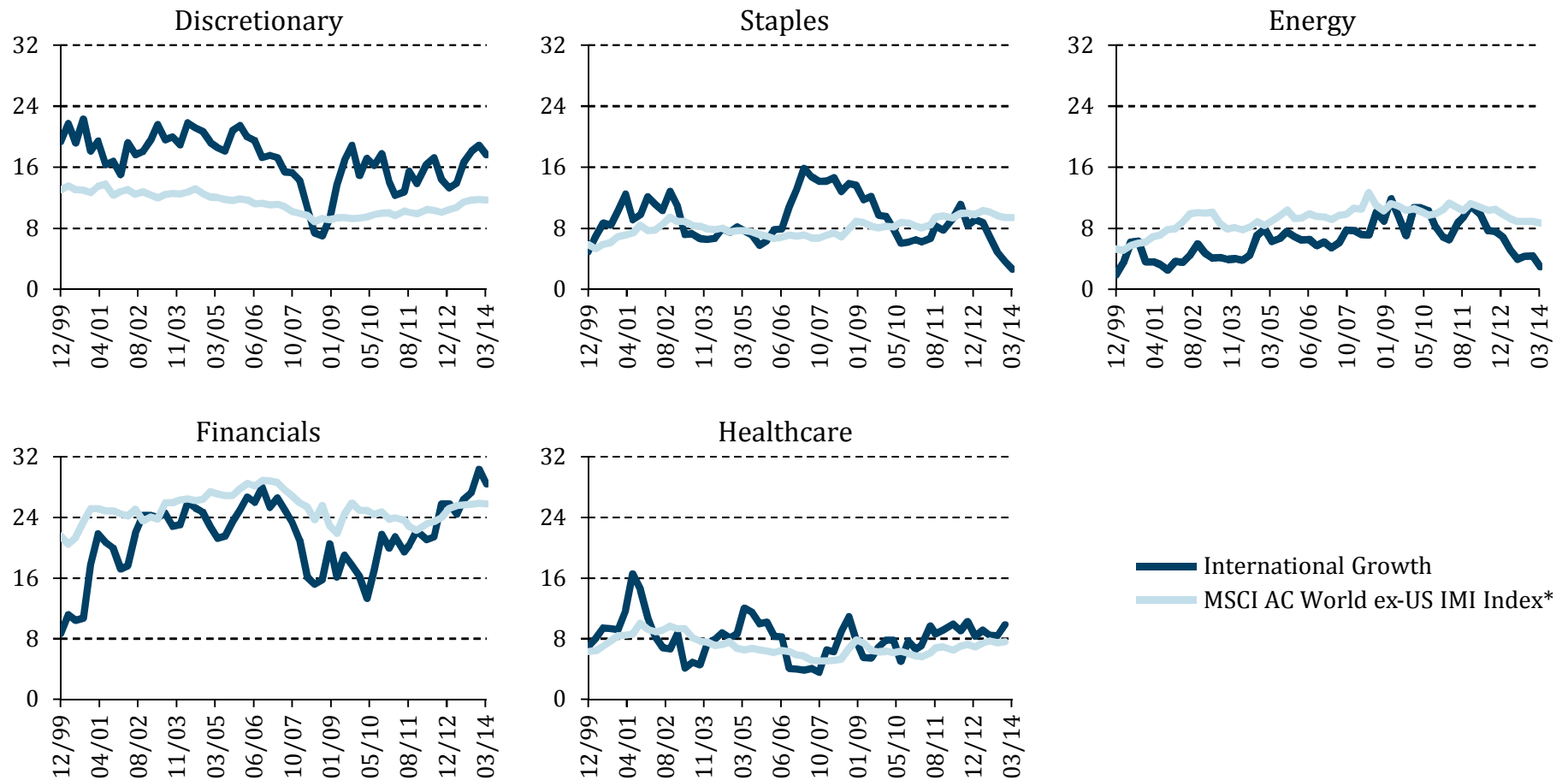


The index is comparable to the strategy in terms of investment approach but contains significantly more securities. Cash incorporates cash equivalents, accruals, and currency forwards when we hold these positions. Sectors based on GICS (Global Industry Classification Sectors). Calculated in Eagle.

Historical International Growth Sector Weightings

March 31, 2014

% of Portfolio



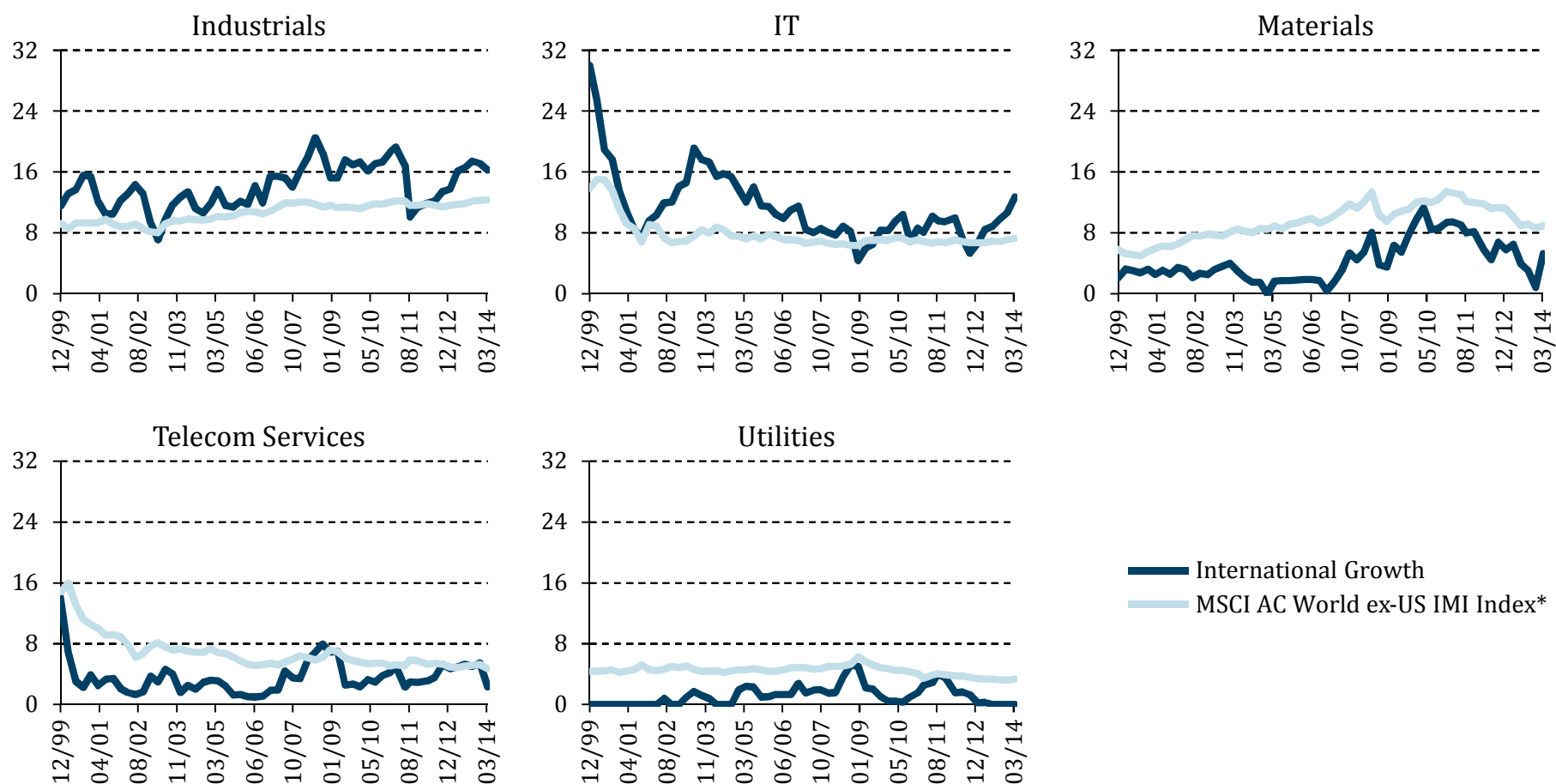
*Prior to 3/31/03, benchmark data is taken from the MSCI AC World ex-US Index.

The data shown above is taken from a representative account. The index is comparable to the strategy in terms of investment approach but contains significantly more securities. Cash incorporates cash equivalents, accruals, and currency forwards when we hold these positions. Cash is a residual of the stock selection process. Sectors based on GICS (Global Industry Classification Sectors). Calculated in Eagle.

Historical International Growth Sector Weightings

March 31, 2014

% of Portfolio



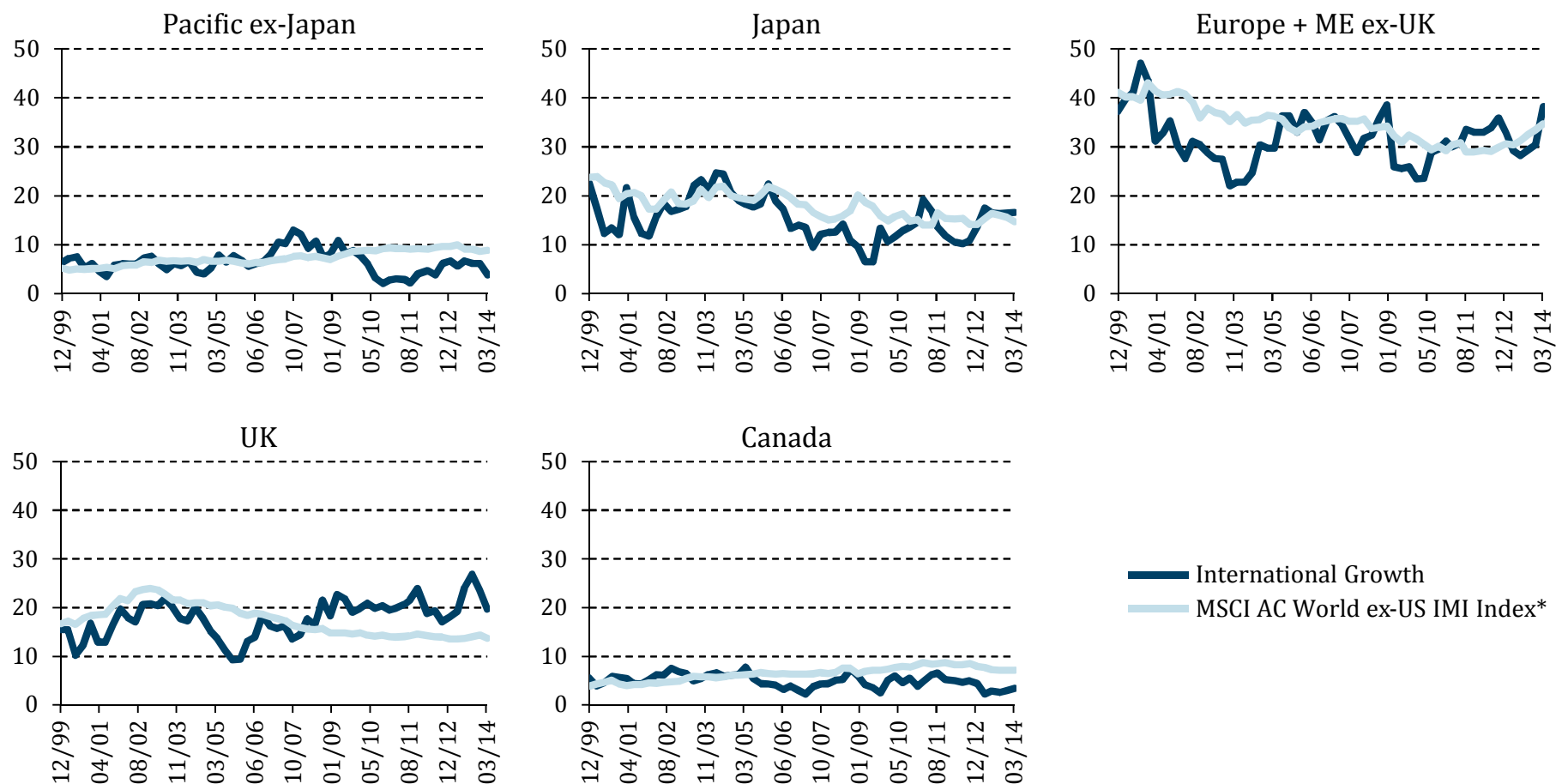
*Prior to 3/31/03, benchmark data is taken from the MSCI AC World ex-US Index.

The data shown above is taken from a representative account. The index is comparable to the strategy in terms of investment approach but contains significantly more securities. Cash incorporates cash equivalents, accruals, and currency forwards when we hold these positions. Cash is a residual of the stock selection process. Sectors based on GICS (Global Industry Classification Sectors). Calculated in Eagle.

Historical International Growth Regional Weightings

March 31, 2014

% of Portfolio



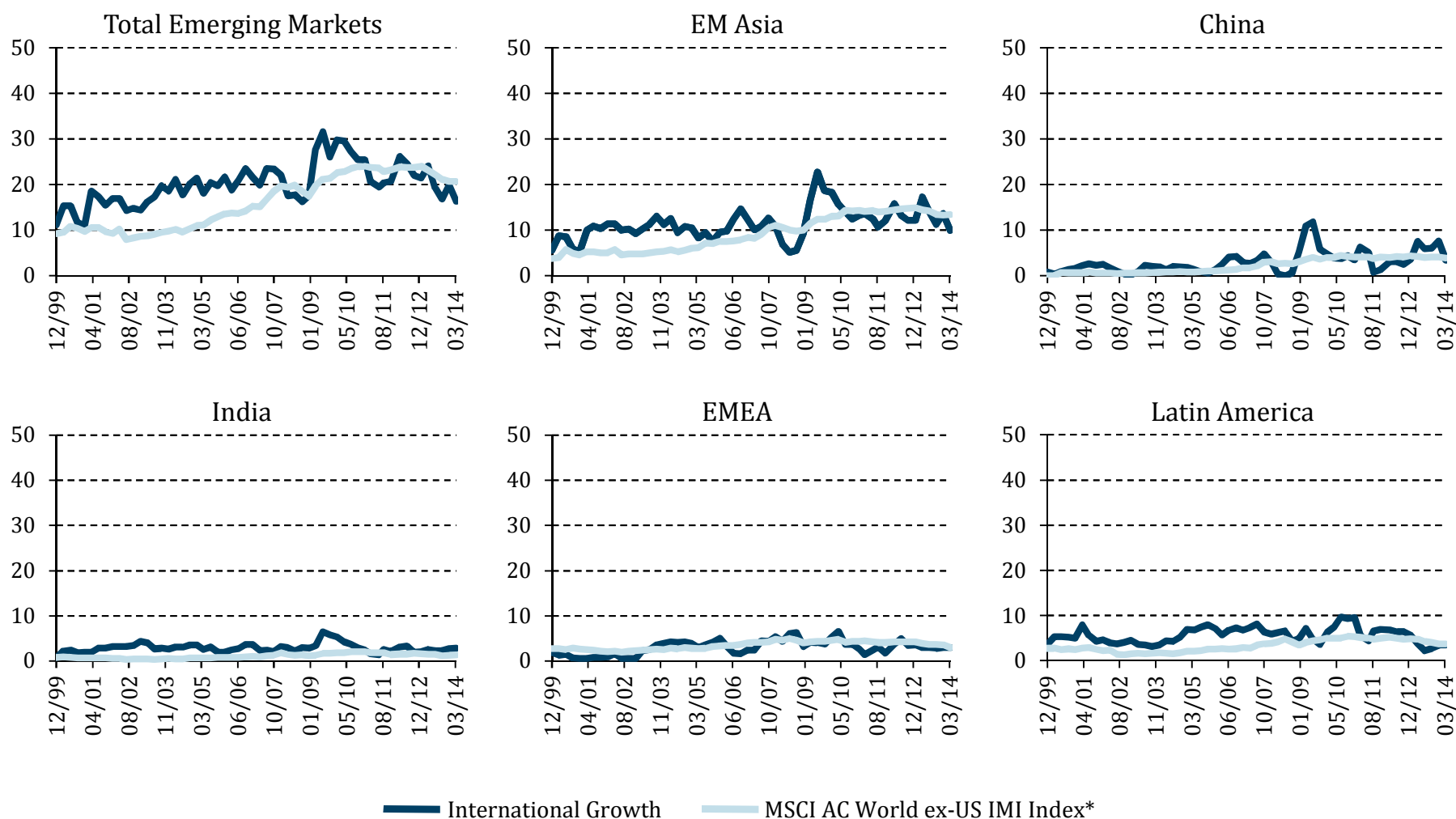
*Prior to 3/31/03, benchmark data is taken from the MSCI AC World ex-US Index.

The data shown above is taken from a representative account. The index is comparable to the strategy in terms of investment approach but contains significantly more securities. Cash incorporates cash equivalents, accruals, and currency forwards when we hold these positions. Cash is a residual of the stock selection process. Calculated in Eagle.

Historical International Growth Regional Weightings

March 31, 2014

% of Portfolio



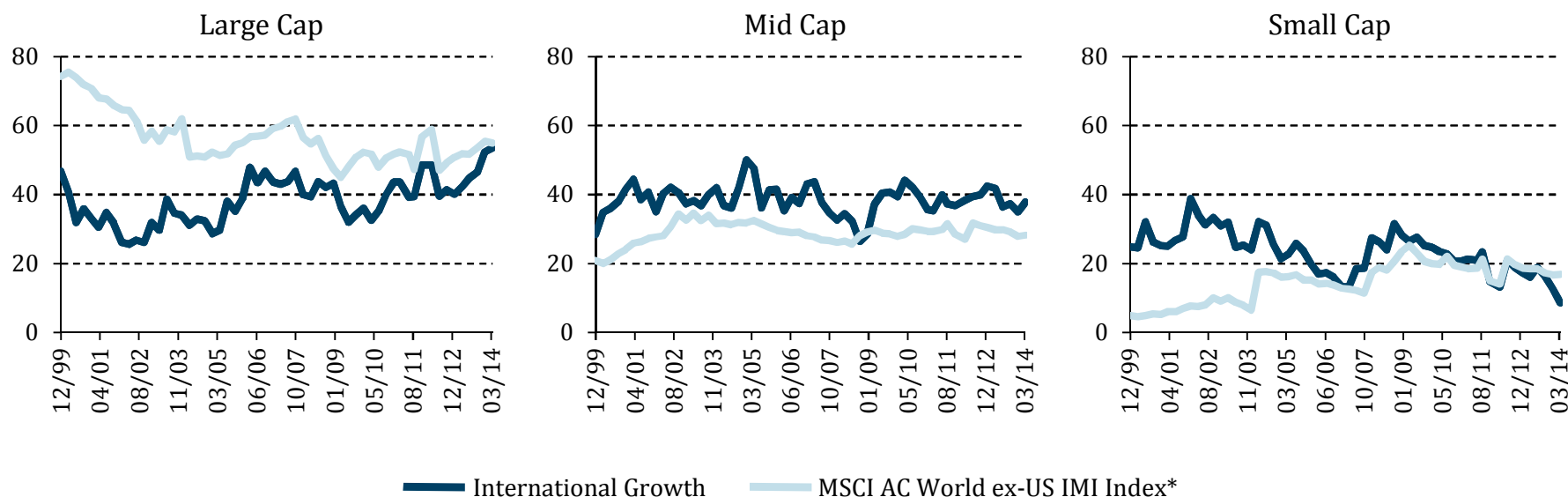
*Prior to 3/31/03, benchmark data is taken from the MSCI AC World ex-US Index.

The data shown above is taken from a representative account. The index is comparable to the strategy in terms of investment approach but contains significantly more securities. Cash incorporates cash equivalents, accruals, and currency forwards when we hold these positions. Cash is a residual of the stock selection process. Calculated in Eagle.

Historical International Growth Market Cap Weightings

March 31, 2014

% of Portfolio

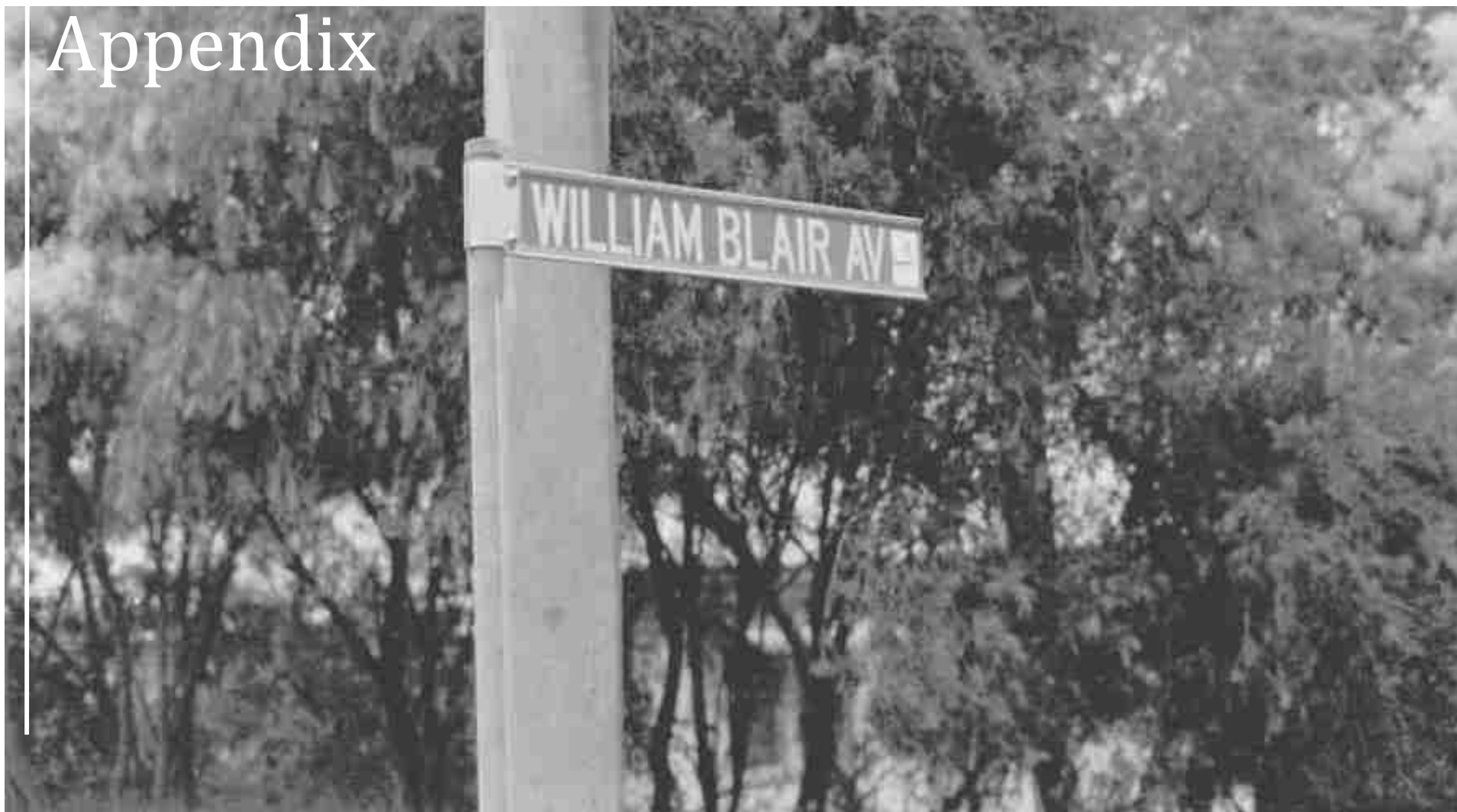


**Prior to 3/31/03, benchmark data is taken from the MSCI AC World ex-US Index.*

Beginning with 3Q 1998, market caps were defined by small, mid, and large caps as \$1.5 billion, \$1.5 billion to \$10 billion, and over \$10 billion, respectively. Beginning with 1Q 2004, these figures were adjusted to \$2 billion, \$2 billion to \$12 billion, and over \$12 billion. Beginning with 4Q 2007, these figures were adjusted to \$3 billion, \$3 billion to \$15 billion, and over \$15 billion. The data shown above is taken from a representative account. The index is comparable to the strategy in terms of investment approach but contains significantly more securities. Cash incorporates cash equivalents, accruals, and currency forwards when we hold these positions. Cash is a residual of the stock selection process. Calculated in Eagle.

Appendix

Photos courtesy of George Greig.



Goonellabah, NSW, Australia

Holdings: Institutional International Growth Fund

March 31, 2014

	Portfolio Weight		Portfolio Weight		Portfolio Weight
Pacific Ex Japan	3.84	Japan (Continued)		Europe+ME Ex UK (Continued)	
Australia	2.13	Japan (Continued)		Finland	1.61
Telstra Corp Ltd	0.82	Murata Manufacturing Co Ltd	0.52	Sampo Oyj-A Shs	1.32
Csl Ltd	0.73	Smc Corp	0.51	Kone Oyj-B	0.29
Duluxgroup Ltd	0.20	Itochu Corp	0.47	France	9.46
Rea Group Ltd	0.19	Asahi Kasei Corp	0.45	Bnp Paribas	2.24
Flight Centre Travel Group Ltd	0.15	Secom Co Ltd	0.44	Axa SA	1.52
Flexigroup Ltd	0.04	Suruga Bank Ltd	0.42	Compagnie De Saint-Gobain	0.98
Hong Kong	1.37	Omron Corp	0.36	Valeo SA	0.91
Aia Group Ltd	0.67	Kao Corp	0.25	Vinci SA	0.85
Techtronic Industries Co	0.41	Toto Ltd	0.23	Cap Gemini	0.79
Mgm China Holdings Ltd	0.18	Start Today Co Ltd	0.22	Total SA	0.78
Wharf Holdings Ltd	0.10	Sundrug Co Ltd	0.21	Unibail-Rodamco Se	0.49
Hutchison Telecomm Hong Kong	0.01	Nitori Holdings Co Ltd	0.18	Publicis Groupe	0.49
China High Precision Automat	0.00	Century Tokyo Leasing Corp	0.18	Zodiac Aerospace	0.27
New Zealand	0.20	Ship Healthcare Holdings Inc	0.17	Hermes International	0.15
Ryman Healthcare Ltd	0.20	Tsuruha Holdings Inc	0.16	Germany	8.16
Singapore	0.14	Misumi Group Inc	0.15	Bayerische Motoren Werke AG	1.94
Singapore Tech Engineering	0.14	Scsk Corp	0.15	Basf Se	1.27
Japan	16.60	Otsuka Corp	0.15	Continental AG	1.07
Japan	16.60	Miraca Holdings Inc	0.13	Bayer Ag-Reg	0.99
Sumitomo Mitsui Financial Gr	2.40	Park24 Co Ltd	0.13	Infineon Technologies AG	0.95
Orix Corp	1.43	Ts Tech Co Ltd	0.11	Prosieben Sat.1 Media Ag-Reg	0.65
Daiwa Securities Group Inc	1.19	Nippon Kayaku Co Ltd	0.11	Brenntag AG	0.44
Fuji Heavy Industries Ltd	1.13	Europe+ME Ex UK	38.24	Wincor Nixdorf AG	0.26
Denso Corp	1.10	Denmark	1.83	Wirecard AG	0.25
Daikin Industries Ltd	0.91	Gn Store Nord A/S	0.41	Bertrandt AG	0.19
Keyence Corp	0.76	Pandora A/S	0.41	Morphosys AG	0.16
Nidec Corp	0.74	Novo Nordisk A/S-B	0.39	Ireland	1.99
Hoya Corp	0.65	Coloplast-B	0.36	Shire PLC	1.31
Astellas Pharma Inc	0.61	Simcorp A/S	0.25	Smurfit Kappa Group PLC	0.44
				Crh PLC	0.24

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Holdings: Institutional International Growth Fund

March 31, 2014

	Portfolio Weight		Portfolio Weight		Portfolio Weight
Europe+ME Ex UK (Continued)		Europe+ME Ex UK (Continued)		UK (Continued)	
Israel	0.59	Switzerland (Continued)		United Kingdom (Continued)	
Check Point Software Tech	0.59	Geberit Ag-Reg	0.42	Hargreaves Lansdown PLC	0.26
Italy	2.76	Actelion Ltd-Reg	0.42	Jupiter Fund Management	0.26
Intesa Sanpaolo	1.98	Sika Ag-Br	0.20	Hiscox Ltd	0.25
Banca Generali Spa	0.32	Sonova Holding Ag-Reg	0.19	Genel Energy PLC	0.25
Azimut Holding Spa	0.28	Burckhardt Compression Holdi	0.17	Howden Joinery Group PLC	0.25
World Duty Free Spa	0.18	Straumann Holding Ag-Reg	0.16	Intercontinental Hotels Grou	0.24
Luxembourg	0.25	Cie Financiere Richemon-Br A	0.14	Berkeley Group Holdings	0.24
Eurofins Scientific	0.25	UK	19.69	Btg PLC	0.20
Netherlands	0.90	United Kingdom	19.69	Provident Financial PLC	0.20
Nxp Semiconductors NV	0.90	Prudential PLC	1.82	Berendsen PLC	0.17
Spain	3.55	Lloyds Banking Group PLC	1.47	Countrywide PLC	0.17
Banco Bilbao Vizcaya Argenta	0.94	Itv PLC	1.38	Hays PLC	0.16
Repsol SA	0.87	Bt Group PLC	1.36	Keller Group PLC	0.15
Amadeus It Holding Sa-A Shs	0.49	Capita PLC	0.89	Ds Smith PLC	0.15
Bankinter SA	0.32	Easyjet PLC	0.79	Derwent London PLC	0.15
Grifols SA	0.29	Next PLC	0.75	St James's Place PLC	0.15
Abertis Infraestructuras SA	0.29	Reckitt Benckiser Group PLC	0.75	Ig Group Holdings PLC	0.14
Mapfre SA	0.18	Compass Group PLC	0.74	Hikma Pharmaceuticals PLC	0.11
Inditex	0.16	Bunzl PLC	0.72	Asos PLC	0.06
Banco Bilbao Vizcaya - Rts	0.02	Babcock Intl Group PLC	0.71	Lancashire Holdings Ltd	0.06
Sweden	1.94	Imi PLC	0.65	Abcam PLC	0.05
Atlas Copco Ab-A Shs	1.01	Whitbread PLC	0.59	Nanoco Group PLC	0.03
Hennes & Mauritz Ab-B Shs	0.46	Rolls-Royce Holdings PLC	0.58	Travis Perkins PLC	0.03
Hexpol AB	0.33	Ashtead Group PLC	0.54	Ashmore Group PLC	0.02
Intrum Justitia AB	0.14	Rio Tinto PLC	0.47		
Switzerland	5.19	Amlin PLC	0.44		
Roche Holding Ag-Genusschein	1.64	Bg Group PLC	0.35		
Glencore Xstrata PLC	0.94	Daily Mail&General Tst-A NV	0.33		
Clariant Ag-Reg	0.48	Experian PLC	0.31		
Partners Group Holding AG	0.43	Halma PLC	0.30		

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Holdings: Institutional International Growth Fund

March 31, 2014

	Portfolio Weight		Portfolio Weight		Portfolio Weight
W Hemisphere	3.39	EM Asia (Continued)		EMEA (Continued)	
Canada	3.39	Indonesia	0.93	United Arab Emirates	1.28
Toronto-Dominion Bank	0.91	Bank Rakyat Indonesia Perser	0.60	Emaar Properties Pjsc	0.44
Canadian Natl Railway Co	0.66	Astra International Tbk Pt	0.33	First Gulf Bank	0.38
Canadian Pacific Railway Ltd	0.58	South Korea	0.78	Dragon Oil PLC	0.26
Ci Financial Corp	0.45	Naver Corp	0.32	Dubai Islamic Bank	0.20
Enbridge Inc	0.37	Halla Visteon Climate Contro	0.17	Latin America	3.46
Alimentation Couche-Tard -B	0.28	Coway Co Ltd	0.15	Brazil	3.11
Gildan Activewear Inc	0.14	Sk Telecom	0.13	Ambev Sa-Adr	0.89
EM Asia	9.87	Taiwan	1.83	Cielo SA	0.60
China	3.37	Taiwan Semiconductor-Sp Adr	0.86	Itau Unibanco Holding S-Pref	0.60
Ping An Insurance Group Co-H	0.67	Mediatek Inc	0.48	Bb Seguridade Participacoes	0.58
William Blair China A-Shares Fund, Llc ^a	0.52	Delta Electronics Inc	0.47	Kroton Educacional SA	0.43
Baidu Inc - Spon Adr	0.49	Eclat Textile Company Ltd	0.02	Weg SA	0.01
Tencent Holdings Ltd	0.43	Thailand	0.16	Peru	0.36
Chow Tai Fook Jewellery Grou	0.29	Airports Of Thailand Pcl-For	0.16	Credicorp Ltd	0.36
Wuxi Pharmatech Cayman-Adr	0.25	EMEA	2.96	Cash	1.94
Qihoo 360 Technology Co-Adr	0.22	Nigeria	0.09	Total	100.00
Vipshop Holdings Ltd - Ads	0.19	Guaranty Trust Bank	0.09	Credicorp Ltd	0.36
Sino Biopharmaceutical	0.19	Poland	0.50	Cash	1.94
Mint Group Ltd	0.10	Pko Bank Polski SA	0.50	Total	100.00
China Oilfield Services-H	0.03	Russia	0.23		
China Merchants Bank-H	0.00	Mail.Ru Group-Gdr Regs	0.23		
India	2.81	South Africa	0.87		
Hdfc Bank Limited	0.60	Bidvest Group Ltd	0.36		
Tata Motors Ltd	0.52	Naspers Ltd-N Shs	0.33		
Sun Pharmaceutical Indus	0.49	Coronation Fund Managers Ltd	0.17		
Tata Consultancy Svcs Ltd	0.47				
Hcl Technologies Ltd	0.44				
Tech Mahindra Ltd	0.25				
Lupin Ltd	0.04				

^aPositions within William Blair Funds may also include cash equivalents, accruals, and currency forwards that are not represented in the portfolio's total cash weighting.

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Defining the Universe: Eligibility List

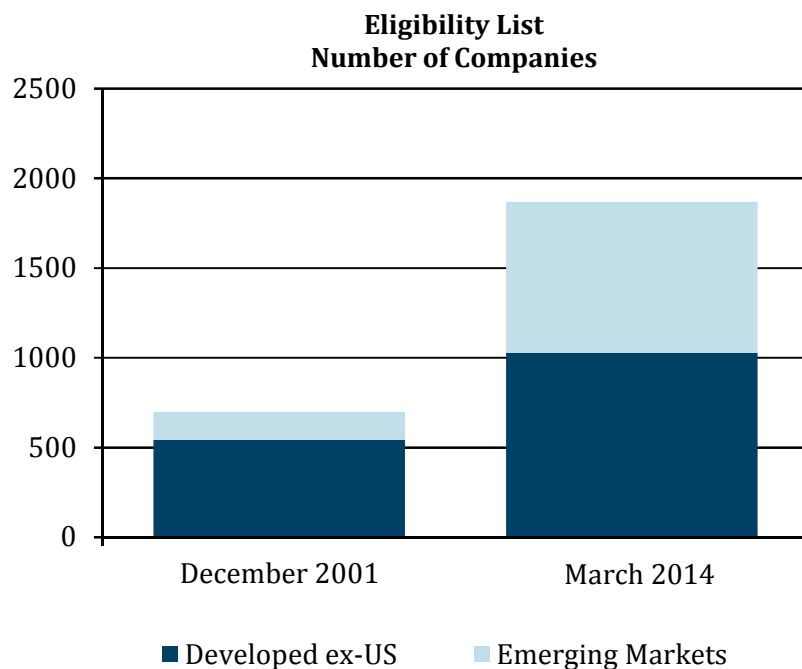
Diverse Research Universe

Flexible universe of portfolio candidates diversified across sectors, countries, and size

Represents 20–30% of investable universe with strong quality and sustainable growth characteristics

Sourced from all investment team resources

Each analyst covers, on average, approximately 125 securities



Non-US Eligibility List	
2008	988
2009	850
2010	1,260
2011	1,470
2012	1,603
2013	2,022
2014 YTD	1,869

Non-US Eligibility List		
Characteristics (%)	Elig. List	Benchmark
Higher Op Margin	17.0	16.0
Strong Cash Flow ROIC	16.1	13.3
Higher 5-Year ROE	17.1	13.4
Consistently High Reinvestment Rate	12.3	8.5
Superior 6-year Historical Trend Growth	12.2	7.8
Low Debt/Capital	28.5	40.2

As of March 31, 2014. Data source: William Blair Non-US Eligibility List and ACWI ex-US IMI Index. Calculated in FactSet.

William Blair Risk Management: An Integrated Approach

Throughout the firm and in our investment process, we employ a holistic view of risk management

William Blair's firm ownership structure and culture promote an atmosphere of risk awareness – contributing to continuous, durable firm performance for over 79 years.

We view risk management as integrated into the investment process. While we seek to mitigate all forms of risk, the strongest risk management tool we use is our investment in high quality companies.

Our Holistic View			
Firm Risk	Operational Risk	Investment Risk	Implementation Risk
Independent since founding in 1935 Private partnership, 100% employee owned. No external capital.	Governance/ risk committee Technology/ systems Business continuity	Company risk Systematic Portfolio construction: • Sector/industry • Macroeconomic • Country • Currency • Political Portfolio management professionals	Trading Investment guidelines

Biographies – International Team

Portfolio Management:

Stephanie G. Braming, CFA, Partner

Stephanie Braming is a co-Portfolio Manager for the International Small Cap Growth strategy. She joined William Blair in 2004 as the International and Global Equity Product Specialist. Prior to joining the firm, Stephanie was a Principal at Mercer Investment Consulting, where she was responsible for the strategic investment direction of her public fund, corporate, healthcare and foundation clients. In addition to her client responsibilities, Stephanie served on Mercer's United States Research Rating Committee, which assessed research ratings for investment manager strategies. Prior to her role at Mercer, Stephanie worked at the Federal Reserve Bank of Chicago. She is a member of the CFA Institute and the CFA Society of Chicago where she served on the Society's Board of Directors. Education: B.A. DePauw University; M.B.A., University of Chicago Booth School of Business.

Simon Fennell, Partner

Simon Fennell is a co-Portfolio Manager for the International Growth and International Leaders strategies. He joined William Blair & Company in 2011 as a TMT Research Analyst focusing on idea generation and strategy more broadly. Prior to joining William Blair, Simon was a Managing Director in the Equities division at Goldman Sachs in London and Boston, where he was responsible for institutional, equity research coverage for European and International stocks. Previously, Simon was in the Corporate Finance Group at Lehman Brothers in London and Hong Kong, working in the M&A and Debt Capital Markets Groups. Education: M.A., University of Edinburgh; M.B.A., Johnson Graduate School of Management, Cornell University.

Andrew G. Flynn, CFA, Partner

Andy Flynn is a co-Portfolio Manager on the Global Small Cap Growth and International Small Cap Growth strategies. Since joining William Blair in 2005, Andy has served as a U.S. Industrials and Consumer analyst as well as a non-U.S. Consumer, Healthcare and IT analyst. Before joining the firm, Andy was employed as a Senior Equity Analyst and Portfolio Manager at Northern Trust specializing in mid and small capitalization growth companies. Prior to that he worked as a Senior Equity Analyst at Scudder Kemper Investments and began his career at Fidelity Investments as a Research Assistant. Andy is a member of the CFA Institute and the CFA Society of Chicago. Education: B.A., Economics, University of Kansas; M.B.A., Finance emphasis, University of North Carolina at Chapel Hill.

Kenneth J. McAtamney, Partner

Ken McAtamney is a co-Portfolio Manager for the William Blair Global Leaders and International Leaders strategies. He joined William Blair & Company in 2005 and previously served as co-director of research, as well as mid-large cap Industrials and Healthcare analyst. Prior to joining William Blair, Ken was a Vice President for Goldman Sachs and Co., responsible for institutional equity research coverage for both international and domestic equity, and he was a Corporate Banking Officer with NBD Bank. Education: B.A., Michigan State University; M.B.A. Indiana University.

Todd M. McClone, CFA, Partner

Todd McClone is a co-Portfolio Manager for the Emerging Markets strategies. Prior to joining William Blair in 2000, he was a senior research analyst specializing in international equity for Strong Capital Management. Previously, he was a Corporate Finance Research Analyst with Piper Jaffray. At Piper Jaffray, he worked with the corporate banking financials team on a variety of transactions including initial public offerings, mergers and acquisitions and subordinated debt offerings as well as issued fairness opinions and conducted private company valuations. Education: B.B.A. and B.A. University of Wisconsin – Madison.

David Merjan, CFA, Partner

David Merjan is a Portfolio Manager for the International ADR strategy and is a co-Portfolio Manager for the International Developed Plus strategy. Prior to joining William Blair in 1998, David was with Hughes Electronics in Los Angeles in various capacities, including the Corporate Treasury department where he focused on international mergers and acquisitions and managed corporate currency and interest rate portfolios as well as in the pension management subsidiary of Hughes where he managed an international equity fund. David is a member of the CFA Institute. Education: B.A., Dickinson College; M.I.M., American Graduate School of International Management.

Jack Murphy, CFA, Partner

Jack Murphy is a co-Portfolio Manager for the International Developed Plus strategy and is the Global Consumer sector team leader where he conducts research on large-mid cap non-U.S. Consumer stocks. Prior to joining the International team, Jack was a Research Analyst within William Blair & Company's sell-side Research Department focusing on e-commerce and hardline retailers. He joined the firm in 2005. Previously, Jack worked at Credit Suisse First Boston for nearly six years as an equity research analyst covering a broad range of retail companies. Before CSFB, he worked as an equity research analyst at Lehman Brothers and as an equity research associate at Salomon Brothers. Prior to sell-side research, he worked as a financial analyst for General Electric Capital, having graduated from GE's Financial Management Program. Education: B.A., Economics, *magna cum laude*, Villanova University.

Biographies – International Team

Casey K. Preyss, CFA, Partner

Casey Preyss is a co-Portfolio Manager for the China A Shares Fund strategy and is an International Research Analyst covering mid-large cap Industrials stocks. He joined William Blair & Company's International Growth Team in 2003 as a Quantitative Analyst. Previously, Casey spent three years as an Investment Associate and Performance Analyst within William Blair & Company. Prior to joining the firm, Casey was with Thomas White International as an International Equity Research Sales Associate. Education: B.S. B.A., The Ohio State University; M.B.A., University of Chicago Booth School of Business.

Jeffrey A. Urbina, CFA, Partner

Jeff Urbina, who joined William Blair in 1996, is a co-Portfolio Manager for the William Blair International Growth, International Small Cap Growth, Emerging Markets, and China A Shares Fund strategies. He is also a Portfolio Advisor on the Global Small Cap Growth team and a member of the firm's executive committee. Previously, he was a Senior Vice President and Portfolio Manager of the Van Kampen American Capital Navigator Fund, an emerging market equity fund listed on the Luxembourg exchange. While at Van Kampen, he also served as the Director of Research and was a member of the Investment Policy Committee for the firm. Prior to joining Van Kampen in 1991, Jeff spent almost 15 years in the commercial banking business with Citibank where he was a Vice President and Senior Relationship Manager in the bank's real estate group, and with Harris Bank in Chicago where he was an International Banking Officer. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.A., Northwestern University; M.M., Northwestern University Kellogg Graduate School of Management.

Romina Graiver

Romina Graiver is a Senior Client Relationship Manager and International Product Specialist for European clients. She joined William Blair & Company in 2012. Previously, Romina worked at BNP Paribas Investment Partners for 13 years, initially as a Marketing Manager and then as an International Equity Product Specialist. Education: M.Sc. in Economics of Industry and Services from University of Pantheon-Sorbonne, Paris, France.

Blake S. Pontius, CFA

As the International and Global Equity Specialist, Blake Pontius participates in the team's decision-making meetings, conducts portfolio analysis and is responsible for communicating current portfolio structure and outlook to clients, consultants, and prospects. Previously, he was a Client Relationship Manager responsible for senior level relations with the firm's institutional International Growth clients. Prior to joining William Blair in 2005, Blake was with UBS Global Asset Management in consultant relations/communications and a Senior Analyst at Mercer Investment Consulting. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.A., Economics, with honors, Michigan State University; M.B.A., Finance, with distinction, DePaul University.

Research:

Alaina Anderson, CFA, Partner

Alaina Anderson is an International Research Analyst covering all cap Real Estate stocks. Prior to joining William Blair & Company in 2006, Alaina was a Senior Analyst in the Investments Department of the MacArthur Foundation. Her responsibilities included providing research support for internally managed portfolios, as well as investment manager due diligence, selection and monitoring for the Foundation's U.S., Non-U.S. and hedge fund portfolios. Prior to her tenure with the MacArthur Foundation, Alaina served as an investor relations consultant with Ashton Partners and a financial advisor with UBS Painewebber. Alaina is a member of the CFA Institute, the CFA Society of Chicago, and a trustee of Lawrence Hall Youth Services. B.S., University of Pennsylvania Wharton School; M.B.A., University of Chicago Booth School of Business.

William W. Benton, CFA, CPA, Partner

William Benton is the Information Technology Sector Team Leader and Research Analyst focused on non-U.S. mid-large cap Technology and Telecom stocks. Prior to joining Investment Management in 2007, he was previously a Research Analyst within the Technology sector of William Blair's sell-side research group for 10 years. In this position, William was twice named "Best on the Street" in The Wall Street Journal's annual analyst survey. He joined William Blair & Company in 1997. Prior to that, he worked at SBC Warburg, U.S. Cellular, May Department Store, and Monsanto. He is a member of the CFA Institute, the CFA Society of Chicago, and holds the Certified Public Accountant designation. Education: B.S., Finance, University of Illinois Urbana-Champaign; M.B.A., Dartmouth College (Tuck Scholar), Amos Tuck School of Business Administration.

Drew Buckley, CFA, CPA

Drew Buckley is an International Research Analyst covering the small cap Tech, Media, and Telecom (TMT) sector. He joined William Blair & Company in 2008 as a Global Research Associate, focused on the TMT industries. Prior to joining the firm, Drew spent two years at Ernst & Young LLP in New York where he served as a Senior Associate in the Investment Management Assurance practice. He is a member of the CFA Institute, the CFA Society of Chicago, and holds the Certified Public Accountant designation. Education: B.S., Business, University of Colorado – Boulder.

Biographies – International Team

Taylor Cope, CFA

Taylor Cope is an International Research Analyst covering the small cap Industrials sector. Prior to joining the firm in 2007 as a Research Associate, Taylor was a Research Analyst at Giuliani Capital Advisors in Chicago, where he was responsible for new opportunity generation, deal support and industry intelligence in the Retail, Consumer and Financial sectors. He is a member of the CFA Institute and the CFA Society of Chicago. Education: M.A. (Hons), University of St. Andrews, Scotland.

Travis Cope

Travis Cope is an Emerging Markets Small Cap Generalist Research Analyst. Prior to this role, he served as an International Research Analyst covering the small cap Resources sector. Travis joined William Blair & Company in 2008 as a Global Research Associate, supporting the Global Energy team under the guidance of research analysts. Prior to joining the firm, he was an Analyst at Macquarie Bank in Chicago, where he engaged in Corporate Restructuring advisory. Education: M.A. International Relations and Modern History, University of St. Andrews, Scotland.

William De Allaume, CFA

William De Allaume is an International Research Analyst covering the mid-large cap Resources sector. Prior to joining William Blair, he was Managing Director and Sector Head at UBS Global Asset Management, where he was responsible for Energy, Materials, Utility and Transport sectors. He also worked in asset consulting at Bankers Trust Company prior to graduate school. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.S., Montclair State University; M.B.A. in Analytic Finance and M.A. in International Relations, University of Chicago.

Joel Gomberg, CFA, Partner

Joel Gomberg is the Co-Director of Global Research for Investment Management, Global Financials Sector Team Leader, and conducts mid-large cap non-U.S. Financials research. He joined the firm in 1997 as an equity analyst following the Finance industry, including Commercial Banks, Global Investment Banks, Exchanges, Retail Brokers and Commercial Property Service companies and was group head of the Financials sector. In this role, Joel was included in The Wall Street Journal's annual analyst survey, "Best on the Street" three times. Previously, Joel was an equity analyst at Duff & Phelps and Howe Barnes Investments covering specialty finance and bank stocks. He also worked at Northern Trust Company, primarily in commercial banking and credit policy. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.S., University of Illinois at Urbana-Champaign; M.B.A., University of Chicago Booth School of Business.

D.J. Neiman, CFA, Partner

D.J. Neiman is an International Research Analyst covering small cap Financials stocks. Before transitioning to the International Growth team, he was an analyst in William Blair & Company's sell-side research group, covering the Financials sector with a focus on the asset management and advisory investment banking industries. Previously, he was a senior accountant with William Blair Funds and a fund analyst at Scudder Kemper Investments. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.S., Miami University; M.B.A., high distinction, University of Michigan Ross School of Business.

Andrew J. Siepker, CFA

Andrew Siepker is an International Research Analyst covering the small cap Consumer stocks. He joined William Blair & Company in 2006. Prior to moving to the International Team, Andrew worked on William Blair & Company's sell-side as a Research Associate, focusing on e-commerce and hardline retailers. Prior to joining William Blair & Company, he worked as a financial analyst in a finance training program at First Data Corporation. Andrew is a member of the CFA Institute and the CFA Society of Chicago. Education: B.S., Finance, highest distinction, University of Nebraska.

Thomas A. Sternberg, CFA

Tommy Sternberg is an International Research Analyst covering Healthcare stocks. He joined William Blair & Company in 2004 as a Research Associate in Investment Management focusing primarily on the Healthcare industry. Previously, Tommy spent two years at Oak Brook Bank where he served as an equity analyst in the Investment Management and Trust Department. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.S., Economics, Duke University; M.B.A., University of Chicago Booth School of Business.

Dan Su, CFA

Dan Su is an International Research Analyst covering the small cap Consumer sector. She joined William Blair & Company in 2013. Previously, Dan was a Senior Equity Analyst at Morningstar covering global apparel and internet service companies. Prior to her experience with Morningstar, Dan held various positions in corporate strategy for media and technology companies in China and Singapore. Dan is a member of the CFA Institute and the CFA Society of Chicago. Education: B.A., Beijing Foreign Studies University; M.B.A., University of Chicago Booth School of Business.

Biographies

Systematic Research:

Spiro Voulgaris, Partner

Spiro Voulgaris joined William Blair & Company in 2007 as a Senior Quantitative Analyst in Investment Management. He brings to the firm approximately 15 years experience as a quantitative analyst and strategist. Prior to joining the firm, Spiro was a Senior Quantitative Analyst with Neuberger Berman for five years and subsequently worked alongside the same investment professionals for an additional three years while with Northern Trust. He was also with Lehman Brothers for six years where he was a Strategist and Quantitative Analyst for their global and U.S. Investment Strategy teams in London and New York. Education: B.A., Economics, University of Chicago; M.B.A., with a concentration in Statistics and International Finance, University of Chicago Booth School of Business.

Steven J. Englehardt

Steve Englehardt joined William Blair & Company in 2011 as a Quantitative Resources Analyst. He is responsible for implementing quantitative models developed by the Quantitative Research team. He acts as the liaison between the Quantitative Research team and users of quantitative research. Prior to joining the firm, Steve was a Consultant and Product Developer at FactSet Research Systems in Boston and Norwalk, CT. He is a Level III CFA candidate. Education: B.A. Economics, Boston College.

Andrew Kominik, CFA

Andrew Kominik joined William Blair & Company in 2003. After serving as a marketing analyst and portfolio construction analyst, Andrew moved into his current role, Quantitative Portfolio Analyst, in 2007. He primarily supports equity management teams in the use of internal and external quantitative models to evaluate portfolio risk and performance. Andrew also develops and programs multifactor quantitative models that are used by the fundamental equity analysts and Portfolio Managers. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.A., History, Brandeis University; M.B.A., with concentrations in Econometrics & Statistics and Finance, University of Chicago Booth School of Business.

Strategy Research:

Olga Bitel

Olga Bitel joined William Blair & Company in 2009. She is responsible for economic research across all regions and sectors. Prior to joining the firm, Olga was a Senior Economist at the National Institute of Economic and Social Research in London, U.K., where she was responsible for macroeconomic forecasting and thematic research projects for international organizations and government bodies. Education: B.A., University of Chicago; M.Sc. Economics, London School of Economics and Political Science.

Melissa McGrane, CFA

Melissa McGrane joined William Blair Investment Management in 2001 and has been in her current role as a quantitative strategy analyst since 2007. She joined the research team in 2004 as a research associate focusing on companies in the consumer and financial sectors. Previously, she spent three years as a fixed income associate within the department. Melissa is a member of the CFA Institute and the CFA Society of Chicago. Education: B.S. in Economics and Business Administration, Coe College, magna *cum laude*; M.B.A., University of Chicago Booth School of Business.

Biographies – Client Service Team

John V. McLaughlin, CFA, Partner

John McLaughlin is the Head of Institutional Client Relationships. He joined William Blair & Company in his current role in 2004. Previously, John was with Brinson Partners/UBS Global Asset Management for 14 years. Prior to that, he was an advisor on structured financed and leveraged buy-outs with the former First Chicago Corporation for 10 years. Education: B.A./M.A., University of Nebraska; M.B.A., Arizona State University.

Robert J. Duwa, CFA, Partner

Robert Duwa is a Senior Client Relationship Manager. He joined William Blair & Company in his current role in 2010. Previously, Bob was a senior consultant and practice leader with DeMarche Associates Inc. for 11 years. While at DeMarche, Bob was also president of Discretionary Management Services, a registered investment advisor. Prior to that, he was in client service and marketing roles for First Chicago and Boatmen's Trust Company. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.A. Finance, Loras College.

Douglas J. Kryscio, CFA

Doug Kryscio is a Senior Client Relationship Manager. He joined William Blair & Company in his current role in 2011. Previously, Doug was a Partner and Midwest and Great Lakes Market Business Leader with Mercer Investment Counseling for 11 years. While at Mercer, Doug was also a Senior Analyst, Associate and Principal. Prior to that, he was a Portfolio Manager for First Chicago. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.B.A. Finance, department honors, University of Kentucky; M.B.A., Finance, with distinction, DePaul University, Phi Kappa Phi and Delta Mu Delta National Honor Society.

John J. Manley, CFA

John Manley joined William Blair & Company as a Senior Client Relationship Manager in 2014. Previously, John was a partner with Meketa Investment Group. While at Meketa, he served as investment consultant to various defined benefit, defined contribution, annuity, foundation, non-profit, and health & welfare fund plan sponsors. His consulting work included investment policy design and asset allocation modeling in addition to the analysis of manager and fund performance. Prior to Meketa, John was a senior research analyst at Kobren Insight Management and a client account manager at Brown Brothers Harriman. He is a member of the CFA Institute, the Boston Security Analysts Society, and has passed Level I of the Chartered Alternative Investment Analyst (CAIA) exam. Education: B.A., Economics and Government, Hamilton College.

Alex Schneider

Alex Schneider is a Client Relationship Manager. He joined William Blair & Company in 2012. Previously, he spent six years at PNC Institutional Investments as a relationship manager and two years as an Analyst at Bank of America. Alex is a Level II Candidate in the CFA program. Education: B.S., finance and marketing, with distinction, University of Illinois at Chicago Honors College; M.B.A., University of Chicago Booth School of Business.

Julie Stevens, CFA

Julie Stevens joined William Blair & Company in 2000 as a member of Investment Management's Operations team. She is the Head of Client Services. She has been a member of the Client Services team since May of 2004. Previously, she spent three years at Bank One as a Financial Analyst for the Asset Liability Management Department. She is a member of the CFA Institute and the CFA Society of Chicago. Education: B.S., Indiana University; M.B.A., University of Chicago Booth School of Business.

Cliff Kalish

Cliff Kalish is a Senior Client Service Associate. He joined William Blair & Company in his current role in 2011. Previously, Cliff was a Client Relationship Manager at Calamos Investments for six years. Prior to that, Cliff was a Research Analyst at Ellwood Associates for five years. Cliff is a Level II Candidate in the CFA program. Education: B.S. in Consumer Economics with option in Finance, University of Illinois at Urbana-Champaign.

Megan Schlesinger, CFA

Megan Schlesinger is a Senior Client Service Associate. She joined William Blair & Company in her current role in 2010. Previously, she spent three years at Advisory Research, Inc., in client services. She is currently a member of the CFA Institute, CFA Society of Chicago, and Women Investment Professionals of Chicago. Previously, Megan was a board member of the Empowering Women Network Young Executives Board. Education: B.S., Finance, with high distinction, The Pennsylvania State University.

Biographies – Client Service Team

Dana Denizman

Dana Denizman joined William Blair & Company in 1999 as a member of the Small Cap Growth team. Currently, she is responsible for client service, and has been a member of the Client Services team since May 2004. Previously, she spent four years at PaineWebber in various positions, including Registered Sales Assistant, Branch Office Administrator and in the Management Development Program. Prior to that, Dana spent four years at American Century as a Client Service Representative. Education: B.A., University of Iowa.

Jennifer Pinner

Jennifer Pinner joined William Blair & Company in 2014 as a member of Investment Management Institutional Client Service. She is a Client Service Associate, responsible for both international and domestic accounts. Previously, she spent eight years at Northern Trust in various positions, including Senior Consultant and Senior Account Manager for the Corporate and Institutional Services team. Education: B.S., DePaul University; M.B.A., Saint Xavier University Graham School of Management.

Mark Selby

Mark Selby joined William Blair & Company in 2013 as a member of Investment Management Institutional Client Service. He is a Client Service Associate, responsible for both international and domestic accounts. Previously, Mark was a Consultant at Ennis Knupp & Associates for over five years. Education: B.S., Finance, Illinois State University.

David Townsend, CFA

David Townsend joined William Blair & Company in 2013 as a member of Investment Management Institutional Client Service. He is a Client Service Associate, responsible for both international and domestic accounts. Previously, David spent nine years at Bank of America's corporate investment bank as an Assistant Vice President and two years with CIT group as a capital markets senior associate. Since 2008, David's been an Associate Professor of Finance with Lewis University. He is a member of the CFA Institute and the CFA Society of Chicago. Education: B.S.B.A Finance, The Ohio State University; M.S. Financial Markets – Financial Engineering, Illinois Institute of Technology.

Glossary - Terms

Alpha: A measure of a portfolio's return in excess of the market return, after both have been adjusted for risk. It is a mathematical estimate of the amount of return expected from a portfolio above and beyond the market return at any point in time. For example, an alpha of 1.25 indicates that a stock is projected to rise 1.25% in price in a year over the return of the market, or the return when the market return is zero. When an investment price is low relative to its alpha, it is undervalued, and considered a good selection.

Beta: A quantitative measure of the volatility of the portfolio relative to the overall market, represented by a comparable benchmark. A beta above 1 is more volatile than the overall market, while a beta below 1 is less volatile, and could be expected to rise and fall more slowly than the market.

Developed Markets: Using the Morgan Stanley Capital International (MSCI) geographic definition, this region includes: United Kingdom, Europe (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Netherlands, Norway, Spain, Sweden and Switzerland), Japan, Pacific Asia (Australia, Hong Kong, New Zealand, and Singapore) and the Western Hemisphere (Canada and other Americas).

Debt to Total Capital Ratio: This figure is the percentage of each company's invested capital that consists of debt. Companies with a high Debt to Total Capital level may be considered more risky. From a portfolio perspective, the portfolio Debt to Total Capital Ratio is a weighted average of the individual holdings' Debt to Total Capital Ratio.

Emerging Markets: Using MSCI's geographic definition, this region includes: Emerging Markets Asia (China, India, Indonesia, Malaysia, S Korea, Taiwan, and Thailand), Emerging Markets Europe, Mid-East and Africa (Czech Republic, Hungary, Poland, Russia, Turkey, Egypt, Morocco, and S Africa), and Latin America (Argentina, Brazil, Chile, Columbia, Mexico, Peru and Venezuela).

EPS (Earnings Per Share) Growth Rate (Projected): This measure represents the weighted average of forecasted growth in earnings expected to be experienced by the stocks within the portfolio over the next 3-5 years. From a portfolio perspective, the portfolio P/E ratio and EPS Growth Rate are weighted averages of the individual holdings' P/E ratios and EPS Growth Rates. Data calculated in FactSet.

EV/EBITDA: (Enterprise Value / Earnings Before Interest, Taxes and Depreciation-Amortization): The EV/EBITDA ratio is useful for global comparisons because it ignores the distorting effects of individual countries' taxation policies. It's used to find attractive takeover candidates. Enterprise value is a better measure than market cap for takeovers because it takes into account the debt which the acquirer will have to assume. Therefore, a company with a low EV/EBITDA ratio can be viewed as a good takeover candidate.

EV/IC: (Enterprise Value / Invested Capital) Ratio: Enterprise Value (EV), which is market capitalization minus cash plus debt divided by Invested Capital (IC), which is the sum of common stock, preferred stock and long-term debt. This number will get you a simple multiple. If it is below 1.0, then it means that the company is selling below book value and theoretically below its liquidation value.

Information Coefficient: A measure of the correlation between expected and actual returns.

Information Ratio: A measure of risk-adjusted return. The annualized excess return of the portfolio relative to a respective benchmark, divided by the annualized tracking error relative to that same benchmark. The higher the measure, the higher the risk-adjusted return.

PBVn: (Price/Book Value) Ratio: The PBV Ratio measures the value of a company's common stock relative to its shareholder's equity. A price-to-book multiple above one means that the price of the company's common stock is higher than its common shareholder's equity. A price-to-book multiple below one means that the price of the company's common stock are less than its break-up value, and the shares may be undervalued.

PCF: (Price/CashFlow): Some analysts favor the price/cash flow over the price-earnings (PE) ratio as a measure of a company's value. Cash flow is a measure of a company's financial health. It equals cash receipts minus cash payments over a given period of time.

P/E: (Price/Earnings) Ratio: This is the most common measure of how expensive a stock is. Simply, it is the cost an investor in a given stock must pay per dollar of current annual earnings. A high P/E generally indicates that the market is paying more to obtain the stock because it has confidence in the company's ability to increase its earnings. Conversely, a low P/E often indicates that the market has less confidence that the company's earnings will increase rapidly or steadily, and therefore will not pay as much for its stock.

R-squared: A measurement of how closely the portfolio's performance correlates with the performance of its benchmark, such as the MSC AC World Free ex US Index. In other words, it is a measurement of what portion of a portfolio's performance can be explained by the performance of the overall market or index. Ranges from 0 to 1, where 0 indicates no correlation and 1 indicates perfect correlation.

Risk (Standard Deviation): A measure of the portfolio's risk. A higher standard deviation represents a greater dispersion of returns, and thus a greater amount of risk. The annualized standard deviation is calculated using monthly returns.

Sharpe-Ratio: A risk-adjusted measure calculated using standard deviation and excess return (Portfolio return – Risk Free Rate) to determine reward per unit of risk. The higher the Sharpe ratio, the better the portfolio's historic risk-adjusted performance.

Tracking Error: Tracking Error measures the extent to which a portfolio tracks its benchmark. The tracking error of an index portfolio should be lower than that of an active portfolio. The tracking error will always be greater than zero if the portfolio is anything other than a replication of the benchmark.

Trailing 1-Year Turnover: This figure reflects the portfolio's trading activity by calculating the amount of the portfolio's holdings bought or sold over the prior year, expressed as a percentage of the portfolio's average market value. Turnover figures may be related to the amount of trading costs experienced by the portfolio.

Weighted Average Market Capitalization: Market capitalization refers to the total market value of each company's outstanding shares. The Weighted Average Market Capitalization for a portfolio is calculated as the average market capitalization of the stocks within the portfolio, weighted by the amount of each stock owned.

Weighted Median Market Capitalization: This calculation represents the median market capitalization of the stocks in the portfolio, weighted by the amount of each stock owned.

Glossary – Indices

Bank of America Merrill Lynch 1-Year U.S. Treasury Note Index: An unmanaged index comprised of a single U.S. Treasury Bill issued at the beginning of each month and held for a full month. Each month the index is rebalanced and the issue selected is the outstanding U.S. Treasury Note that matures closest to, but not beyond one year from the rebalancing date.

Bank of America Merrill Lynch 3-Month Treasury Bill Index: An unmanaged index tracking 3-month U.S. government securities.

Barclays U.S. Aggregate Bond Index: A broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid ARM pass-throughs), asset-backed securities and commercial mortgage backed securities.

Barclays Intermediate Govt./Credit Bond Index: A fixed-rate government and corporate bonds rated investment grade or higher.

Barclay's Multiverse Index: Provides a broad-based measure of the global fixed-income bond market. The index represents the union of the Global Aggregate Index and the Global High-Yield Index and captures investment grade and high yield securities in all eligible currencies. Standalone indices such as the Euro Floating-Rate ABS Index and the Chinese Aggregate Index are excluded. The Multiverse Index family includes a wide range of standard and customized sub-indices by sector, quality, maturity, and country.

Barclays U.S. Intermediate Aggregate Bond Index: A broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, mortgage-backed securities (agency fixed-rate and hybrid ARM pass-throughs), asset-backed securities and commercial mortgage backed securities with maturities between one and 10 years.

Merrill Lynch 1-Year U.S. Treasury Note Index: Comprised of a single U.S. Treasury Bill issued at the beginning of each month and held for a full month. Each month the index is rebalanced and the issue selected is the outstanding U.S. Treasury Note that matures closest to, but not beyond one year from the rebalancing date.

Merrill Lynch 3-Month Treasury Bill Index: An unmanaged index tracking 3-month U.S. government securities.

MSCI: (Morgan Stanley Capital International): MSCI indices are the most widely used benchmarks by global portfolio managers. MSCI offers international investors performance benchmarks for 51 national stock markets as well as regional, sector, industry group, and industry aggregations.

MSCI All Country World ex-US EAFE Index: An unmanaged index that includes developed and emerging markets outside the United States.

MSCI All Country World ex-US Small Cap Index: A free float-adjusted market capitalization index designed to measure global developed and emerging market small capitalization equity performance, excluding the U.S.

MSCI EAFE IMI Index: A free float-adjusted market capitalization index that is designed to measure equity market performance in the developed markets outside the United States.

MSCI All Country World ex-US Index: An unmanaged index that includes developed and emerging markets.

MSCI All Country World ex-US IMI Index: A free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the US.

MSCI All Country World IMI Index: A free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets.

MSCI All Country World ex-US IMI Growth Index: A free float-adjusted market capitalization index that is designed to measure equity market performance in the global developed and emerging markets, excluding the US. It includes those MSCI All Country World ex-US IMI Index securities with higher price-to-book ratios and higher forecasted growth rates.

MSCI World ex-US Growth Index: A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets, excluding the U.S., with higher price-to-book ratios and higher forecasted growth rates.

MSCI World ex-US Index: A free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets, excluding the U.S.

MSCI All Country World ex-US Small Cap Index: A free float-adjusted market capitalization index designed to measure global developed and emerging market small capitalization equity performance, excluding the U.S.

MSCI Emerging Markets IMI Index: A free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

MSCI Emerging Markets Small Cap Index: A free float-adjusted market capitalization index that is designed to measure equity market performance of small cap companies in emerging markets.

MSCI Emerging Markets Large Cap Index: A free float-adjusted market capitalization index that is designed to measure equity market performance of large cap companies in emerging markets.

MSCI World ex-US Small Cap Index: An unmanaged index that includes non-US developed markets.

Russell 1000 Index: Measures the performance of the 1000 largest companies in the Russell 3000 Index, which represents approximately 90% of the total market capitalization of the U.S. market.

Russell 1000 Growth Index: Measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell 1000 Value Index: Measures the performance of the large cap value segment of the U.S. equity universe. It includes those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2000 Index: Measures the performance of the 2000 smallest companies in the Russell 3000 index, which represents approximately 8% of the total market capitalization of the Russell 3000 index.

Russell 2000 Growth Index: Measures the performance of those Russell 2000 companies with higher price-to book ratios and higher forecasted growth values.

Russell 2000 Value Index: Measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

Russell 2500 Index: Measures the performance of the 2500 smallest companies in the Russell 3000 Index.

Russell 2500 Growth Index: Measures the performance of those Russell 2500 companies with higher price-to book ratios and higher forecasted growth values.

Russell 2500 Value Index: Measures the performance of those Russell 2500 companies with lower price-to book ratios and lower forecasted growth values.

Russell 3000 Index: Measures the performance of the 3000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

Russell 3000 Growth Index: Measures the performance of those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.

Russell Midcap Index: Measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 27% of the total market capitalization of the Russell 1000 companies.

Russell Midcap Growth Index: Measures the performance of those Russell Midcap companies with higher price-to-book ratios and higher forecasted growth values.

Russell Midcap Value Index: Measures the performance of the mid-cap value segment of the U.S. equity universe. It includes those Russell Midcap Index companies with lower price-to-book ratios and lower forecasted growth values.

S&P 500 Index: An index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe. Companies included in the index are selected by the S&P Index Committee, a team of analysts and economists at Standard & Poor's. The S&P 500 is a market value weighted index—each stock's weight is proportionate to its market value.

A direct investment in an unmanaged index is not possible.

Composite Disclosure – International Growth All Cap Growth

Calendar Year	Total Gross Asset-Weighted Return	Total Net Asset-Weighted Return	MSCI ACWI ex US IMI blend (net)	Composite 3-Yr	Benchmark 3-Yr	Number of Portfolios	Dispersion	Composite Assets	Percent Non-Fee Paying	Percent of Total Firm Assets
				Standard Deviation	Standard Deviation			End of Period (mm)		
2004	20.12%	19.07%	21.93%	14.62	15.02	25	0.32%	\$6,928.70	0.00%	26.46%
2005	23.07%	21.99%	17.68%	11.60	11.55	26	0.84%	\$10,105.35	0.00%	30.09%
2006	25.04%	23.95%	26.51%	11.06	10.23	27	0.49%	\$13,514.52	0.00%	31.59%
2007	19.73%	18.68%	16.13%	12.00	10.65	27	0.62%	\$16,377.91	0.00%	33.45%
2008	-52.27%	-52.73%	-45.99%	23.75	21.13	24	0.72%	\$6,906.24	0.00%	26.37%
2009	46.32%	45.01%	43.60%	26.53	25.52	23	0.73%	\$9,739.15	0.00%	26.58%
2010	21.19%	20.22%	12.73%	27.77	27.57	40	0.77%	\$14,599.87	0.00%	33.04%
2011	-13.05%	-13.74%	-14.31%	20.43	22.79	41	0.52%	\$11,567.14	0.00%	28.08%
2012	23.94%	22.95%	17.04%	18.02	19.29	41	0.58%	\$14,265.48	0.00%	28.75%
2013	21.14%	20.17%	15.82%	15.41	16.24	40	0.27%	\$16,962.01	0.00%	27.35%

Disclosures:

William Blair Investment Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. William Blair Investment Management has been independently verified for the periods January 1, 1993 through December 31, 2012. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The International Growth All Cap Growth composite has been examined for the periods presented through December 31, 2012. The verification and performance examination reports are available upon request. For purposes of compliance with GIPS, the Firm is defined as all accounts managed by William Blair Investment Management, which is the money management operation of William Blair & Company, LLC. William Blair & Company, LLC is an investment adviser registered with the United States Securities and Exchange Commission ("SEC"). Registration with the SEC does not imply a certain level of skill or training.

International Growth All Cap Growth invests in a broad range of companies based in developed and emerging markets outside of the United States. Companies have had and are expected to maintain superior growth, profitability and quality relative to local markets. The strategy will occasionally include the use of forward currency contracts to hedge some of the foreign currency exposure which accompanies investment in foreign currency-denominated securities. The benchmark that best reflects the composite's investment strategy is the MSCI All Country World Ex US Investable Market Index (IMI) Net, which is a free float-adjusted market capitalization index that is designed to measure equity market performance, net of withholding taxes, in the global developed and emerging markets, excluding the US. For any period shown prior to 1995 the benchmark return shown is for the MSCI All Country World Ex US Index, because the IMI index returns are not available for these periods. Portfolio and composite returns are calculated daily. Prior to January 1st, 2009, portfolio returns were calculated monthly using a time-weighted monthly linked return formula with adjustments for cash flows and composites were calculated monthly by weighting portfolio returns based on beginning of month market value. Valuations and returns are denominated in U.S. Dollars. Accrual accounting is used for dividends. The dividend accruals included in portfolio valuations are net of applicable withholding taxes. Pending withholding tax reclaims are not accrued for in the portfolio valuations. Portfolios must have an initial market value greater than or equal to \$1 million to be included in the composite. New accounts are added to the composite at the beginning of the month following the first full calendar month under management. Prior to July 2007, new accounts were added to the composite at the beginning of the quarter following two full calendar months under management. Portfolios that change investment strategies are transferred between composites in the first full monthly period the portfolio is managed under the new style. Portfolios will be excluded from their composite the first month immediately following their last complete month of authorized management by the Firm. For all periods, portfolios are removed from this composite, in the event of a significant cash flow, for the month during which the flow occurs. Portfolios are typically added back into the composite the following month. A portfolio is determined to have a significant cash flow if the accumulated net external flows of cash and/or securities during a month total more than 25% of the beginning of month portfolio market value. Additional information regarding the treatment of significant cash flows is available upon request. Composite dispersion measures represent the consistency of a firm's composite performance with respect to the individual portfolio returns within a composite. The dispersion of annual returns is measured by the asset-weighted standard deviation of the gross returns in the composite. Dispersion includes only those portfolios that have been included in the composite for the entire year. This eliminates any inaccuracies created by annualizing partial year returns. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. This statistic is not presented until there are 36 months of performance available. Performance results are stated gross and net of max investment advisory fees. The management fee schedule is as follows, effective January 2010:

Up to \$20,000,000:	0.80%
Next \$30,000,000:	0.60%
Next \$50,000,000:	0.50%
Next \$50,000,000:	0.45%
Next \$50,000,000:	0.40%
Over \$200,000,000:	0.30%

The maximum fee is 0.80%.

From its inception in 1992 through third quarter of 1996, the International Growth product was sub-advised by Framlington Group plc, a London-based investment firm. In 1996, management of the fund was brought in house. The International Growth Team Composite was created in October, 2001. Prior to July 2002, the only account in the composite was a mutual fund. A complete list and description of firm composites is available upon request. Additional information regarding policies for valuing portfolios, calculating performance and preparing compliant presentations is also available upon request. Past performance is not indicative of future results.

Morgan Stanley

Emerging Markets Equity Portfolio
Morgan Stanley Institutional Fund

City of Fort Pierce Retirement and Benefit System

May 15, 2014

Table of Contents

Section 1	City of Fort Pierce Retirement and Benefit System
Section 2	Investment Team
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This material authorized for distribution only when preceded or accompanied by an effective Private Placement Memorandum, which describes in detail the Fund's investment policies, management fees and other matter of interest to the prospective investor. Please read the memorandum carefully before you invest. Morgan Stanley & Co. Incorporated is the distributor of this portfolio. Foreign investing involves certain risks, including currency fluctuations and controls, restrictions on foreign investments, less governmental supervision and regulation, less liquidity and the potential for market volatility and political instability.

Morgan Stanley

Section 1

City of Fort Pierce Retirement and Benefit System

Emerging Markets Equity Portfolio

Data as of March 31, 2014

Inception Date: June 30, 1997

Original Investment	\$1,869,957.00
+Contributions	\$ -
-Withdrawals	\$(3,741,548.00)
+Income Distribution	\$ 195,373.20
+Capital Gains	\$1,266,451.80
+/- Market Appreciation/(Depreciation)	\$1,537,073.16
Market Value	\$1,127,307.16

Past performance should not be construed as a guarantee of future performance. Performance returns reflect the average annual rates of return. Periods less than 1 year are not annualized. The Morgan Stanley Institutional Fund Emerging Markets Portfolio Class A shares investment returns are NET of custody as well as investment management fees and include the reinvestment of all dividends and income. The Emerging Markets Portfolio is quoted in USD. Investment returns and principal value will fluctuate and an investor's shares, when redeemed, may be worth more or less than their original cost. Comparisons of performance assume the reinvestment of all dividends and income.

Morgan Stanley

Section 2

Investment Team

Long-standing strategic partnerships with clients

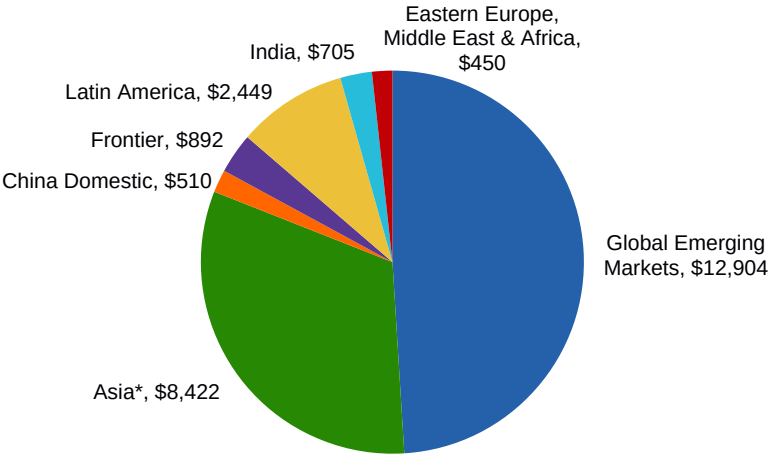
Global, diverse client base

Client and investment team interests are aligned

MSIM Emerging Market Flagship Strategies

Total Assets Under Management¹: \$26,332

Data as of March 31, 2014



Source: Morgan Stanley Investment Management

* Includes developed Asia as defined by MSCI.

1. Assets are presented in millions of US dollars. The figure includes assets managed globally under these strategies within a number of separate products, jurisdictions and mandates.

Assets in Emerging Markets

Assets are approximate as of March 31, 2014

	U.S.\$M ¹
Global Emerging Markets Strategy	
MS Pooled Trust (U.S. ERISA)	2,391
Morgan Stanley Institutional Fund	1,162
Offshore Fund (U.S. Endowments & Foundations)	411
Separate Accounts	5,869
Closed-End Fund (MSF)	245
Sub-Advisory & Insurance	1,072
SICAV (Non-U.S. Clients)	1,754
Assets in Global Emerging Markets Strategy	12,904
Frontier Emerging Markets Equity Strategy	
Total Frontier	892
Regional and Country Strategies	
Emerging Market Asia ex Developed Asian Markets ²	7,667
Latin America	2,449
India	705
Emerging Europe	450
Assets in Regional and Country Strategies	11,271
Total Assets in Emerging Markets Equity ex Developed Asia	25,067
Developed Asia Ex Japan ³	1,265
Total Assets In Emerging Markets Equity (Including Developed Asia ex-Japan) Strategy	26,332

Source: Morgan Stanley Investment Management

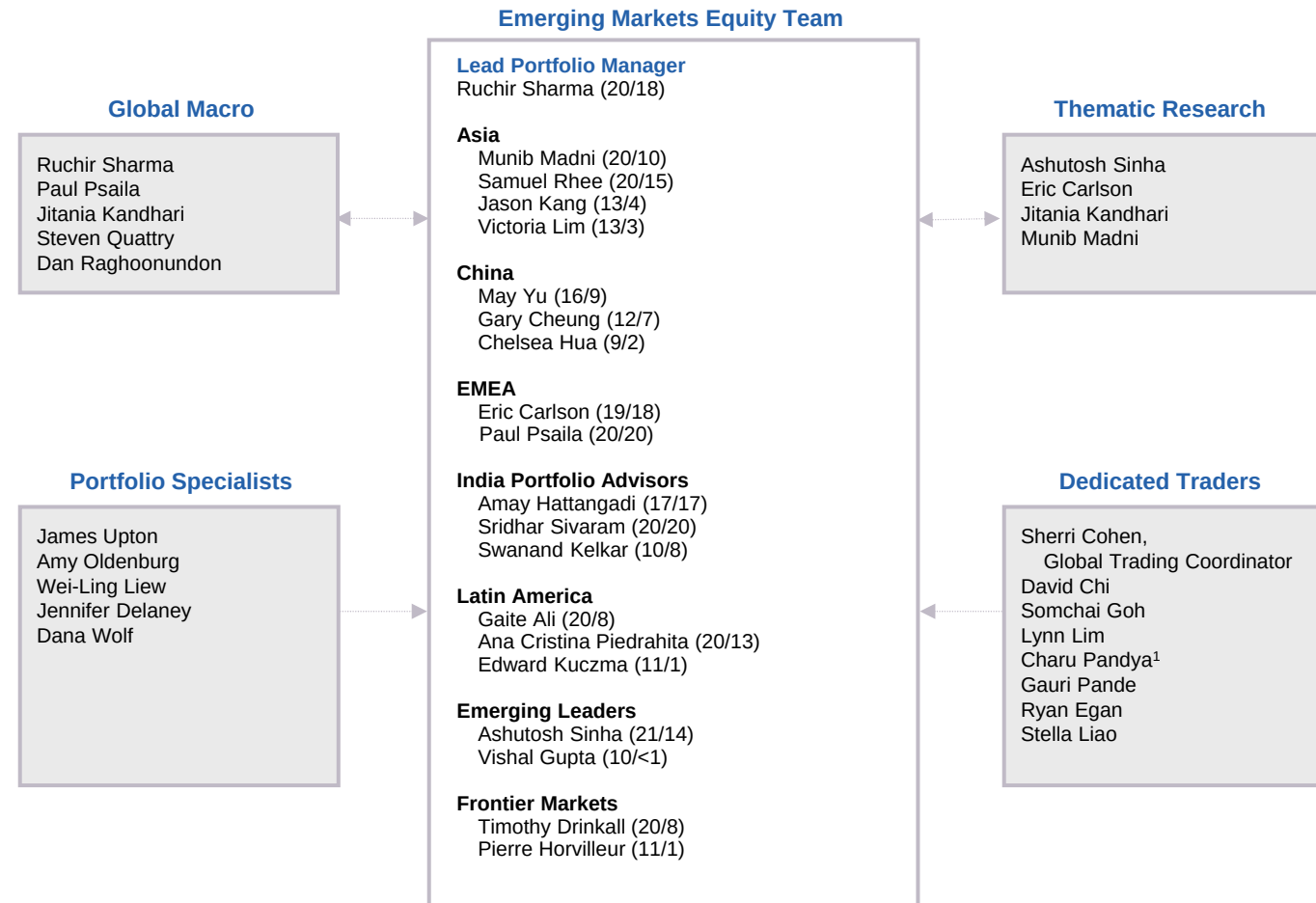
1. The figure includes assets managed globally under these strategies within a number of separate products, jurisdictions and mandates.
2. Excludes assets in countries defined as developed by MSCI.
3. Assets in countries defined as developed by MSCI (Australia, Hong Kong, New Zealand, and Singapore).

Our Investment Team

Ruchir Sharma leads global macro research, country allocation and overall portfolio construction

Portfolio managers build portfolios with country responsibility and accountability

Analysts support with macro and stock research



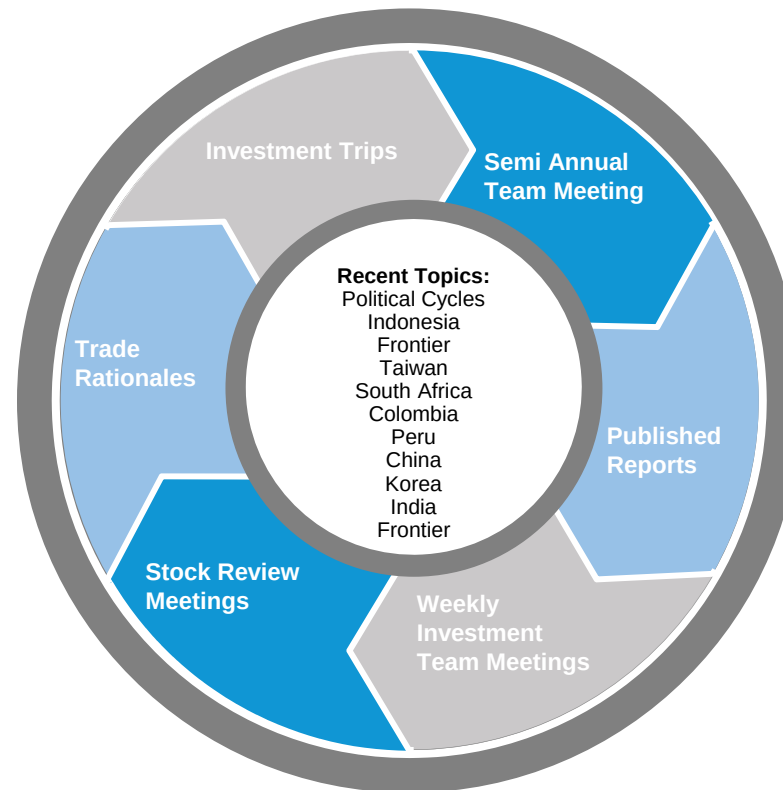
(#) Years of investment experience as of 2014/Number of Years with the Team, including previous tenure with the firm. Team members may change from time to time.

1. Trader for domestic India equity funds and trade execution support for MSIM Emerging Market funds.

Team Dynamics

Investment team, traders and portfolio specialists with main offices in:

- New York
- Mumbai
- Singapore



Topics are provided for illustrative purposes only. Information is subject to change.

Morgan Stanley

Section 2

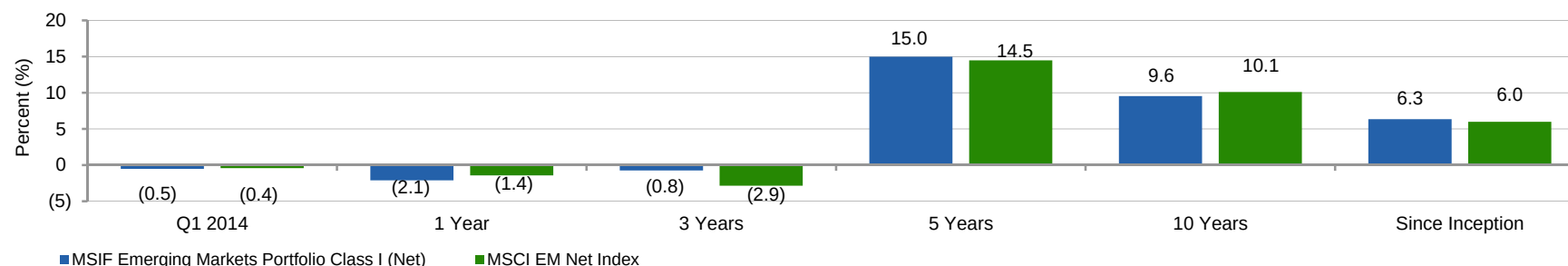
Performance Review

City of Fort Pierce Retirement and Benefit System

Market Value as of March 31, 2014: \$1,127,307.

Performance Returns (% net of fees) as of March 31, 2014

The inception date of the City of Fort Pierce is June 30, 1997



Alpha	Q1 2014 (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception (%)
vs. MSCI EM Index	(0.10)	(0.69)	2.11	0.51	(0.56)	0.36
vs. MSCI EM Growth	(0.48)	(2.78)	0.51	(0.16)	0.20	—
MSCI EM Growth	(0.05)	0.66	(1.26)	15.15	9.35	—
MSCI EM Value	(0.83)	(3.60)	(4.51)	13.76	10.82	—

Source: Morgan Stanley Investment Management

Performance data quoted represents past performance, which is no guarantee of future results, and current performance may be lower or higher than the figures shown. For the most recent month-end performance figures, please visit morganstanley.com/im or call 1-800-548-7786. Investment returns and principal value will fluctuate and fund shares, when redeemed, may be worth more or less than their original cost.

The gross expense ratio is 1.49%. The net expense ratio is 1.25%. The net expense ratio is lower than the gross expense ratio because certain fees have been voluntarily waived and/or reimbursed. The fee waivers and/or expense reimbursements will continue for at least one year or until such time as the fund's Board of Directors acts to discontinue all or a portion of such waivers and/or reimbursements. Absent such fee waivers/ reimbursements returns would have been lower. Expenses are as of the fund's fiscal year end as outlined in the fund's current prospectus. The minimum initial investment is \$5,000,000. Returns are presented for Class I shares, net of fees and include the reinvestment of all dividends and income. Performance for other shares classes will vary. Class I shares are not subject to sales charges. The MSCI EM Net Index return data is used from its inception on January 1, 2001 and the MSCI EM Gross Index return data is used prior to such date. The MSCI EM Net Index assumes the reinvestment of dividends after the deduction of withholding tax and approximates the minimum possible dividend reinvestment, whereas the MSCI EM Gross Index assumes the maximum possible dividend reinvestment.

Attribution Summary¹: MSIF Emerging Markets

Quarter to Date ending March 31, 2014

Attribution Summary: 12/31/2013 to 3/31/2014											
Country	Country Performance			Country Weight			Performance Attribution				
	Portfolio	Index	Difference	Portfolio	Index	Difference	Selection	Allocation	Total		
China	-3.43	-5.87	2.44	13.42	19.57	-6.15	0.36	0.35	0.71		
Thailand	13.90	7.39	6.51	4.63	2.26	2.37	0.28	0.17	0.45		
Philippines	12.91	9.95	2.96	4.07	0.94	3.13	0.11	0.30	0.42		
Argentina	21.34	0.00	21.34	0.38	0.00	0.38	0.00	0.12	0.12		
Colombia	7.13	5.12	2.01	1.33	1.02	0.31	0.00	0.07	0.07		
Czech Republic	7.46	7.58	-0.12	0.87	0.26	0.61	0.00	0.05	0.05		
Poland	1.53	3.44	-1.91	4.42	1.77	2.65	-0.10	0.13	0.03		
Peru	3.91	4.37	-0.46	1.08	0.44	0.63	-0.01	0.04	0.03		
Malaysia	0.62	-0.41	1.03	2.47	3.92	-1.45	0.02	0.00	0.02		
Chile	-2.31	-2.44	0.13	0.62	1.56	-0.94	0.00	0.02	0.02		
Hong Kong	1.65	0.00	1.65	1.12	0.00	1.12	0.00	0.02	0.02		
Qatar	3.29	0.00	3.29	0.54	0.00	0.54	0.00	0.02	0.02		
Egypt	0.00	9.19	-9.19	0.00	0.22	-0.22	0.00	-0.02	-0.02		
Korea	-2.29	-2.19	-0.10	16.20	15.99	0.22	-0.02	-0.01	-0.03		
Indonesia	27.35	21.19	6.17	1.64	2.52	-0.89	0.09	-0.15	-0.06		
Taiwan	1.23	1.10	0.13	6.99	11.97	-4.98	0.01	-0.07	-0.06		
Panama	-8.68	0.00	-8.68	0.70	0.00	0.70	0.00	-0.07	-0.07		
India	6.26	8.16	-1.90	7.57	6.49	1.09	-0.16	0.08	-0.08		
Greece	0.00	18.12	-18.12	0.00	0.55	-0.55	0.00	-0.09	-0.09		
Russia	-24.68	-14.45	-10.23	3.47	5.70	-2.23	-0.37	0.26	-0.11		
Hungary	-14.53	-8.71	-5.82	0.98	0.25	0.73	-0.07	-0.06	-0.13		
Mexico	-5.72	-4.97	-0.75	7.10	5.27	1.83	-0.05	-0.09	-0.13		
Austria	-4.23	0.00	-4.23	2.29	0.00	2.29	0.00	-0.15	-0.15		
Brazil	2.18	2.80	-0.62	7.43	10.35	-2.92	-0.07	-0.09	-0.16		
Other	-6.73	0.00	-6.73	3.00	0.00	3.00	0.00	-0.19	-0.19		
Turkey	-18.55	4.78	-23.33	0.83	1.46	-0.64	-0.09	-0.15	-0.25		
South Africa	2.12	4.71	-2.59	4.45	7.48	-3.03	-0.12	-0.15	-0.27		
[Cash]	0.00	0.00	0.00	2.40	0.00	2.40	0.00	-0.07	-0.07		
Total	-0.36	-0.43	0.07	100.00	100.00	0.00	-0.20	0.27	0.07		
+Trading/Hedging/Cash/ITG Impact	0.16	0.00	0.16						0.16		
=Total Return (Gross)	-0.20	-0.43	0.23						0.23		
=Total Return (NAV)	-0.53	-0.43	-0.10								

1. Based on Morgan Stanley Investment Management's Emerging Markets Equity Portfolio and the FactSet Application. Countries in which the portfolio held trace positions and/or no positions have been omitted, whereas total attribution figures represent total portfolio data. The total contribution to alpha may not match the portfolio's relative performance as the attribution model is not reflective of intra-day trading and timing considerations. Past performance is not indicative of future results. The information shown is quoted in U.S.\$ and include the reinvestment of dividends and income. While the information contained herein is believed to be reliable, we cannot guarantee its accuracy or completeness. There may be additional risks associated with international investments and emerging markets, involving foreign, economic, political, monetary and or legal factors.

Attribution Summary¹: MSIF Emerging Markets

Quarter to Date ending March 31, 2014

Attribution Summary: 12/31/2013 to 3/31/2014

Sector	Sector Performance			Sector Weight			Performance Attribution		
	Portfolio	Index	Difference	Portfolio	Index	Difference	Selection	Allocation	Total
Financials	2.26	-0.47	2.73	24.63	26.44	-1.81	0.65	0.02	0.67
Materials	4.92	-4.12	9.04	3.80	9.92	-6.12	0.36	0.24	0.60
Consumer Discretionary	4.48	3.86	0.62	12.51	9.09	3.41	0.08	0.15	0.23
Health Care	2.14	1.56	-5.24	4.98	1.74	3.24	0.02	0.06	0.08
Telecommunication Services	-4.13	-5.88	1.76	8.55	7.20	1.35	0.15	-0.09	0.06
Other	-4.43	0.00	-4.43	0.14	0.00	0.14	0.00	0.01	0.01
Utilities	0.00	2.78	-2.78	0.00	3.42	-3.42	0.00	-0.11	-0.11
Energy	-9.73	-4.49	-5.24	5.74	10.90	-5.17	-0.33	0.21	-0.12
Industrials	-2.79	-0.11	-2.68	8.32	6.53	1.79	-0.22	0.00	-0.23
Consumer Staples	-3.34	-0.45	-2.89	11.30	8.01	3.29	-0.33	-0.05	-0.38
Information Technology	-0.04	3.94	-3.98	17.63	16.74	0.89	-0.70	0.03	-0.67
[Cash]	0.00	0.00	0.00	2.40	0.00	2.40	0.00	-0.07	-0.07
Total	-0.36	-0.43	0.07	100.00	100.00	0.00	-0.32	0.40	0.07
+Trading/Hedging/Cash/ITG Impact	0.16	0.00	0.16						0.16
=Total Return (Gross)	-0.20	-0.43	0.23						0.23
=Total Return (NAV)	-0.53	-0.43	-0.10						

1. Based on Morgan Stanley Investment Management's Emerging Markets Equity Portfolio and the FactSet Application. Countries in which the portfolio held trace positions and/or no positions have been omitted, whereas total attribution figures represent total portfolio data. The total contribution to alpha may not match the portfolio's relative performance as the attribution model is not reflective of intra-day trading and timing considerations. Past performance is not indicative of future results. The information shown is quoted in U.S.\$ and include the reinvestment of dividends and income. While the information contained herein is believed to be reliable, we cannot guarantee its accuracy or completeness. There may be additional risks associated with international investments and emerging markets, involving foreign, economic, political, monetary and or legal factors.

Attribution Summary¹: MSIF Emerging Markets

One Year ending March 31, 2014

Attribution Summary: 3/29/2013 to 3/31/2014											
Country	Country Performance			Country Weight			Performance Attribution				
	Portfolio	Index	Difference	Portfolio	Index	Difference	Selection	Allocation	Total		
China	21.35	2.08	19.27	12.18	19.08	-6.90	2.11	-0.33	1.78		
Poland	35.31	19.94	15.37	4.25	1.69	2.57	0.45	0.51	0.96		
Russia	-4.60	-10.97	6.36	3.94	5.91	-1.96	0.39	0.18	0.57		
Brazil	-15.14	-12.99	-2.15	7.51	11.30	-3.79	-0.20	0.59	0.38		
Hong Kong	25.13	18.02	7.12	1.05	0.03	1.01	-0.17	0.40	0.23		
India	9.08	6.74	2.33	7.85	6.39	1.46	0.20	0.03	0.23		
Hungary	26.83	-7.91	34.74	0.91	0.23	0.68	0.29	-0.07	0.22		
South Africa	22.42	7.90	14.53	4.21	7.28	-3.07	0.49	-0.28	0.20		
Other	5.52	0.00	5.52	2.84	0.00	2.84	0.00	0.17	0.17		
Colombia	-3.35	-11.28	7.94	1.17	1.13	0.04	0.06	0.08	0.14		
Panama	23.54	0.00	23.54	0.69	0.00	0.69	0.00	0.14	0.14		
Argentina	21.34	0.00	21.34	0.09	0.00	0.09	0.00	0.13	0.13		
Qatar	0.29	0.00	0.29	0.40	0.00	0.40	0.00	0.05	0.05		
Morocco	0.00	-0.14	0.14	0.00	0.05	-0.05	0.00	0.01	0.01		
Czech Republic	8.08	12.09	-4.01	0.48	0.25	0.23	-0.03	0.04	0.00		
Korea	5.93	5.25	0.68	15.05	15.42	-0.37	0.05	-0.06	-0.01		
Peru	-15.55	-24.88	9.33	1.12	0.45	0.66	0.13	-0.18	-0.04		
Egypt	0.00	32.48	-32.48	0.00	0.22	-0.22	0.00	-0.06	-0.06		
Chile	-38.17	-27.07	-11.10	1.12	1.71	-0.59	-0.21	0.15	-0.06		
Greece	0.00	18.86	-18.86	0.00	0.18	-0.18	0.00	-0.09	-0.09		
Austria	9.49	0.00	9.49	1.38	0.00	1.38	0.00	-0.11	-0.11		
Malaysia	3.73	8.20	-4.47	3.00	3.85	-0.85	-0.15	-0.04	-0.19		
Mexico	-12.18	-10.23	-1.95	6.52	5.33	1.18	-0.14	-0.15	-0.28		
Philippines	-11.54	-9.82	-1.71	4.38	0.97	3.41	-0.10	-0.31	-0.41		
Turkey	-45.46	-29.05	-16.41	2.25	1.77	0.48	-0.10	-0.33	-0.43		
Taiwan	5.29	10.49	-5.20	7.02	11.57	-4.55	-0.36	-0.52	-0.87		
Thailand	-22.58	-16.66	-5.91	5.46	2.52	2.94	-0.48	-0.49	-0.97		
Indonesia	-25.23	-18.22	-7.01	3.38	2.67	0.72	-0.53	-0.52	-1.05		
[Cash]	0.00	0.00	0.00	1.74	0.00	1.74	0.00	0.03	0.03		
Total	-0.77	-1.43	0.65	100.00	100.00	0.00	1.69	-1.04	0.65		
+Trading/Hedging/Cash/ITG Impact	-0.10	0.00	-0.09						-0.09		
=Total Return (Gross)	-0.87	-1.43	0.56						0.56		
=Total Return (NAV)	-2.12	-1.43	-0.69								

1. Based on Morgan Stanley Investment Management's Emerging Markets Equity Portfolio and the FactSet Application. Countries in which the portfolio held trace positions and/or no positions have been omitted, whereas total attribution figures represent total portfolio data. The total contribution to alpha may not match the portfolio's relative performance as the attribution model is not reflective of intra-day trading and timing considerations. Past performance is not indicative of future results. The information shown is quoted in U.S.\$ and include the reinvestment of dividends and income. While the information contained herein is believed to be reliable, we cannot guarantee its accuracy or completeness. There may be additional risks associated with international investments and emerging markets, involving foreign, economic, political, monetary and or legal factors.

Attribution Summary¹: MSIF Emerging Markets

One Year ending March 31, 2014

Attribution Summary: 3/29/2013 to 3/31/2014											
Sector	Sector Performance				Sector Weight			Performance Attribution			
	Portfolio	Index	Difference		Portfolio	Index	Difference	Selection	Allocation	Total	
Materials	-4.30	-10.09	5.79		4.96	10.14	-5.18	0.20	0.45	0.66	
Health Care	16.30	8.01	8.29		4.62	1.56	3.05	0.30	0.29	0.58	
Financials	-5.08	-6.33	1.25		23.75	27.22	-3.47	0.24	0.24	0.49	
Information Technology	19.72	17.20	-7.72		16.16	15.31	0.85	0.26	0.14	0.40	
Energy	-14.39	-9.51	-4.87		7.13	11.55	-4.42	-0.38	0.39	0.01	
Consumer Discretionary	8.68	12.41	-3.73		12.25	8.57	3.67	-0.47	0.48	0.01	
Utilities	-22.60	-2.35	-20.24		0.12	3.38	-3.26	-0.04	0.05	0.01	
Other	-7.72	0.00	-7.72		0.47	0.00	0.47	0.00	-0.02	-0.02	
Industrials	-3.51	-0.03	-3.48		8.62	6.37	2.25	-0.31	0.06	-0.25	
Telecommunication Services	-7.66	-2.61	-5.06		6.52	7.48	-0.96	-0.38	-0.24	-0.62	
Consumer Staples	-9.82	-7.99	-1.83		13.67	8.42	5.25	-0.20	-0.43	-0.63	
[Cash]	0.00	0.00	0.00		1.74	0.00	1.74	0.00	0.03	0.03	
Total	-0.77	-1.43	0.65		100.00	100.00	0.00	-0.77	1.42	0.65	
+Trading/Hedging/Cash/ITG Impact	-0.10	0.00	-0.09							-0.09	
=Total Return (Gross)	-0.87	-1.43	0.56							0.56	
=Total Return (NAV)	-2.12	-1.43	-0.69								

1. Based on Morgan Stanley Investment Management's Emerging Markets Equity Portfolio and the FactSet Application. Countries in which the portfolio held trace positions and/or no positions have been omitted, whereas total attribution figures represent total portfolio data. The total contribution to alpha may not match the portfolio's relative performance as the attribution model is not reflective of intra-day trading and timing considerations. Past performance is not indicative of future results. The information shown is quoted in U.S.\$ and include the reinvestment of dividends and income. While the information contained herein is believed to be reliable, we cannot guarantee its accuracy or completeness. There may be additional risks associated with international investments and emerging markets, involving foreign, economic, political, monetary and or legal factors.

Morgan Stanley

Section 4

Outlook and Portfolio Position

EM And The Three Bears



The Three Bears

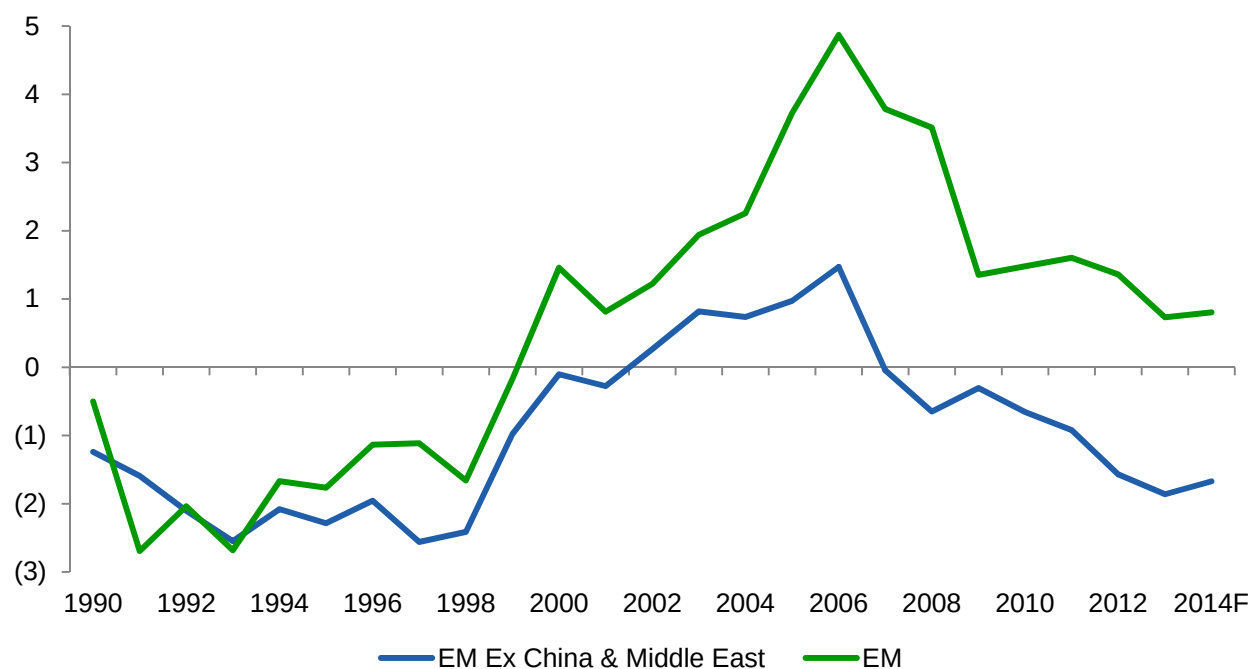
Current Account Deficits

Stale Political Regime

Excessive Credit Growth

Consuming More Than Producing

Current Account to GDP (%)

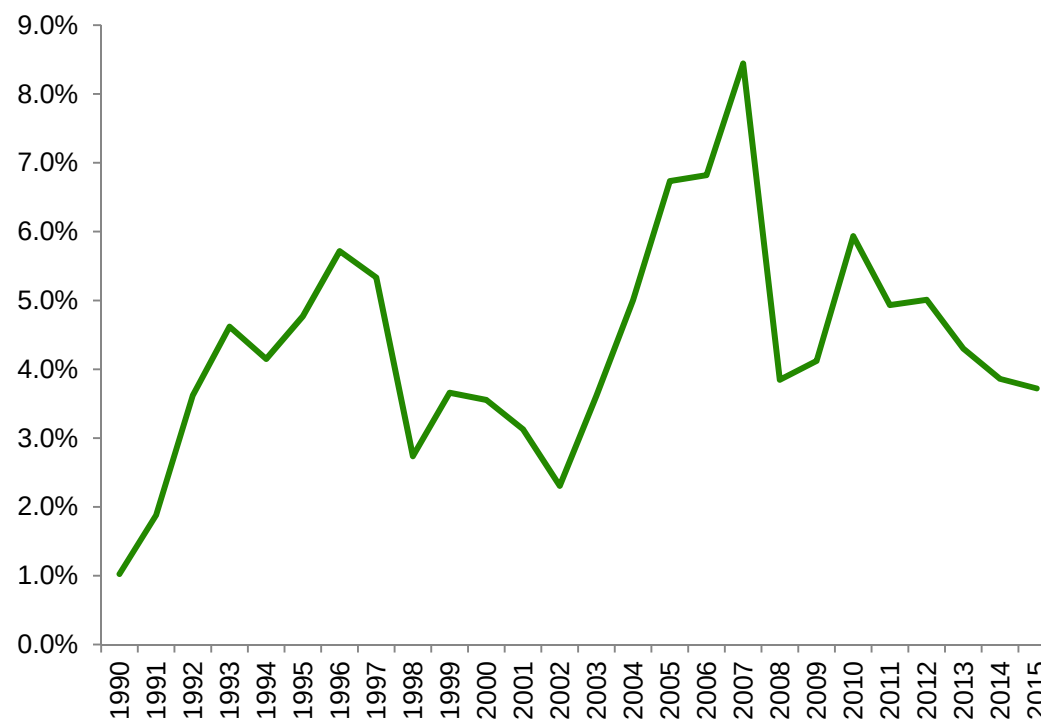


Source: IMF. Data as of April 30, 2014

Provided for informational purposes only and is not a recommendation to buy or sell any security. Forecasts and estimates are subject to change and may not necessarily come to pass due to changing market and economic conditions.

Harder To Fund More Consumption

Net Capital Flows Share of EM GDP (%)

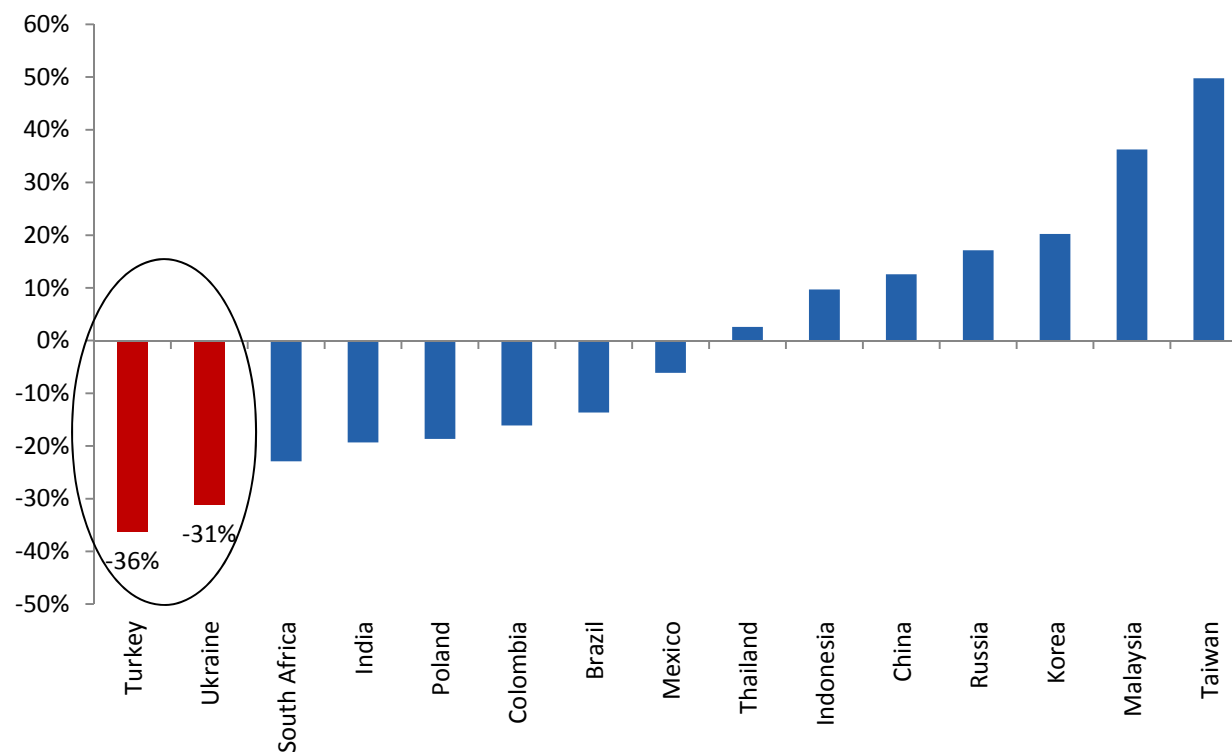


Source: IIF. As of January 2014

Countries with a current account deficit running at 5% or more a year for 5 or more years, have historically experienced a currency crisis and/or growth slowdown

But When Do Current Account Deficits Really Matter?

Cumulative five year balance in Current Account to GDP (%)

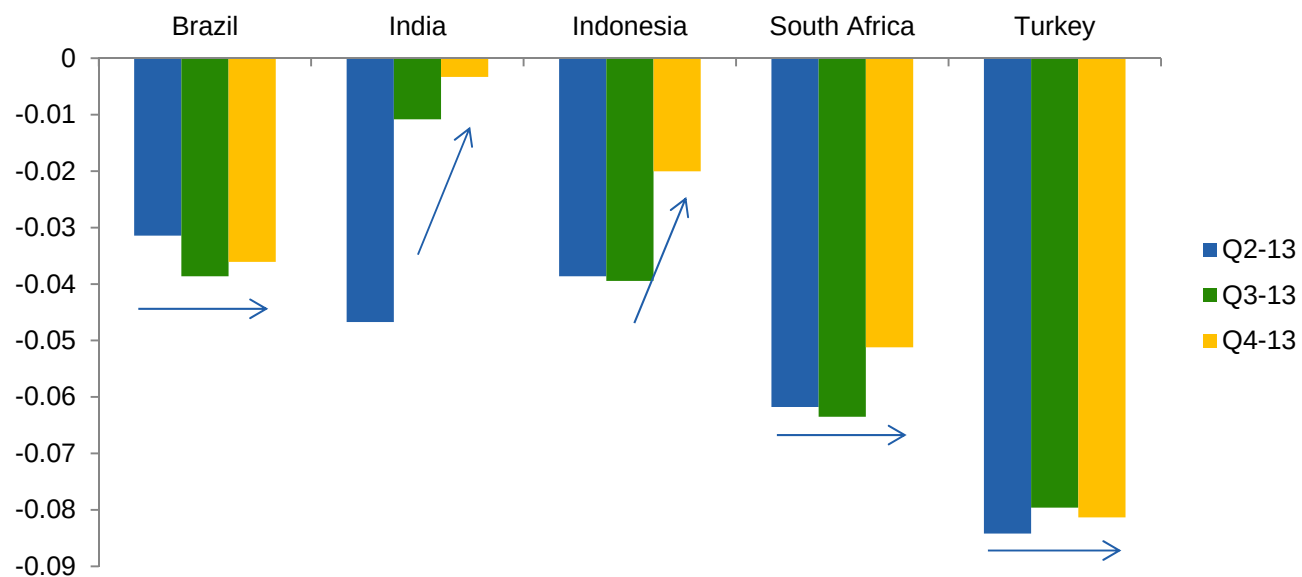


Source: Bloomberg, Haver Analytics. As of January 2014

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The Case For Differentiation Now

Current Account to GDP (%)

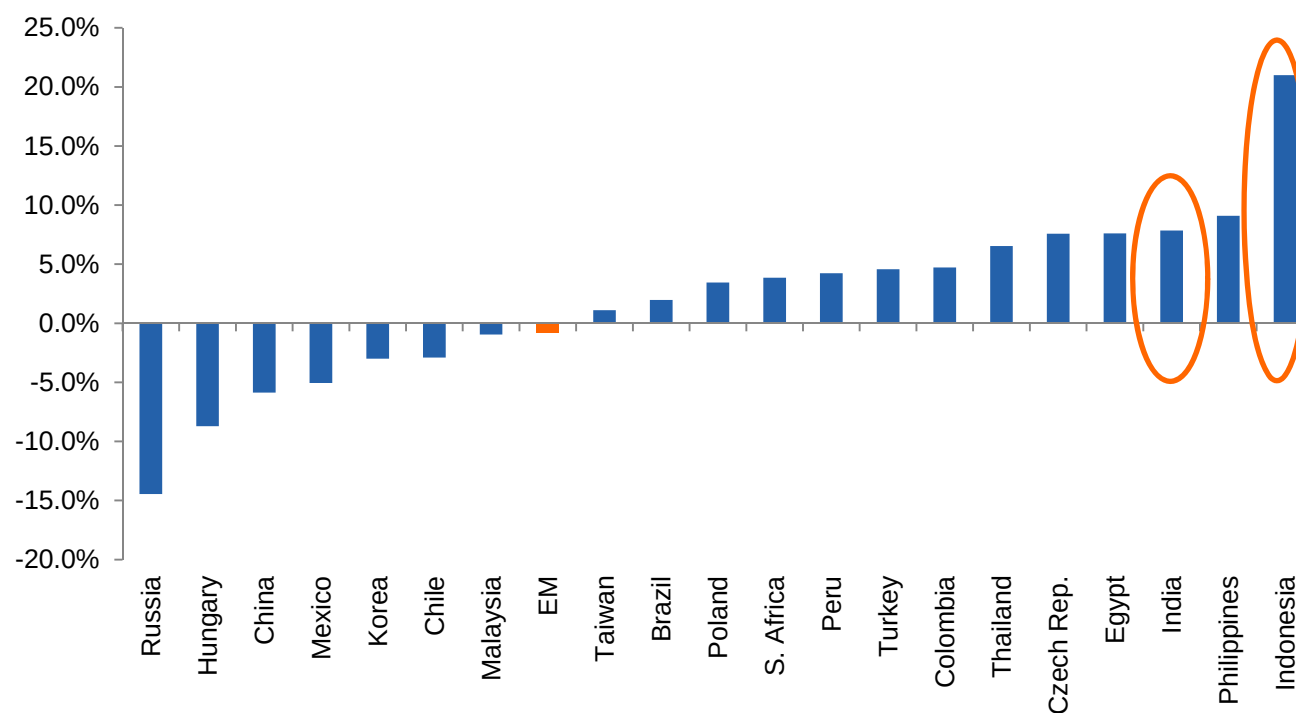


Source: Bloomberg, Haver Analytics. As of January 2014

Provided for informational purposes only and is not a recommendation to buy or sell any security. Forecasts and estimates are subject to change and may not necessarily come to pass due to changing market and economic conditions.

The Myth Of The Fragile Five Has Shattered

MSCI EM Performance in Q1-2014 (%)

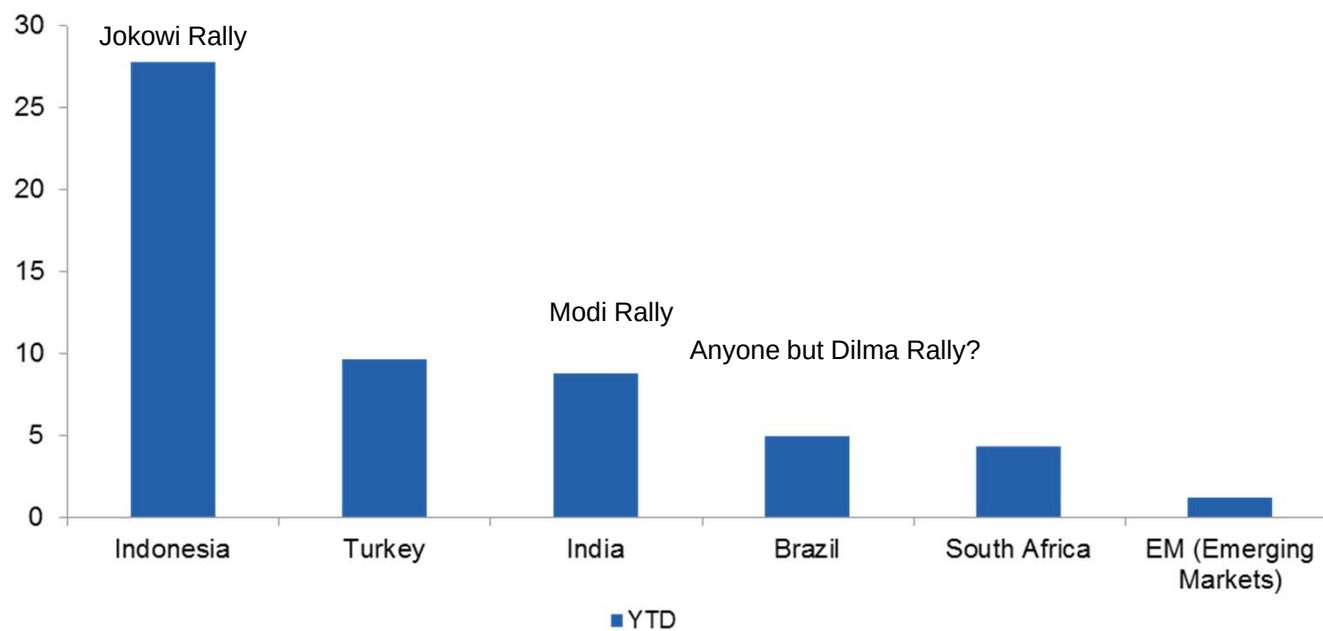


Source: FactSet. As of Q1 2014

Past performance should not be construed as a guarantee of future performance. Provided for informational purposes only and is not a recommendation to buy or sell any security.

The Big Change This Year Has Been Politics

YTD Performance in USD (%)

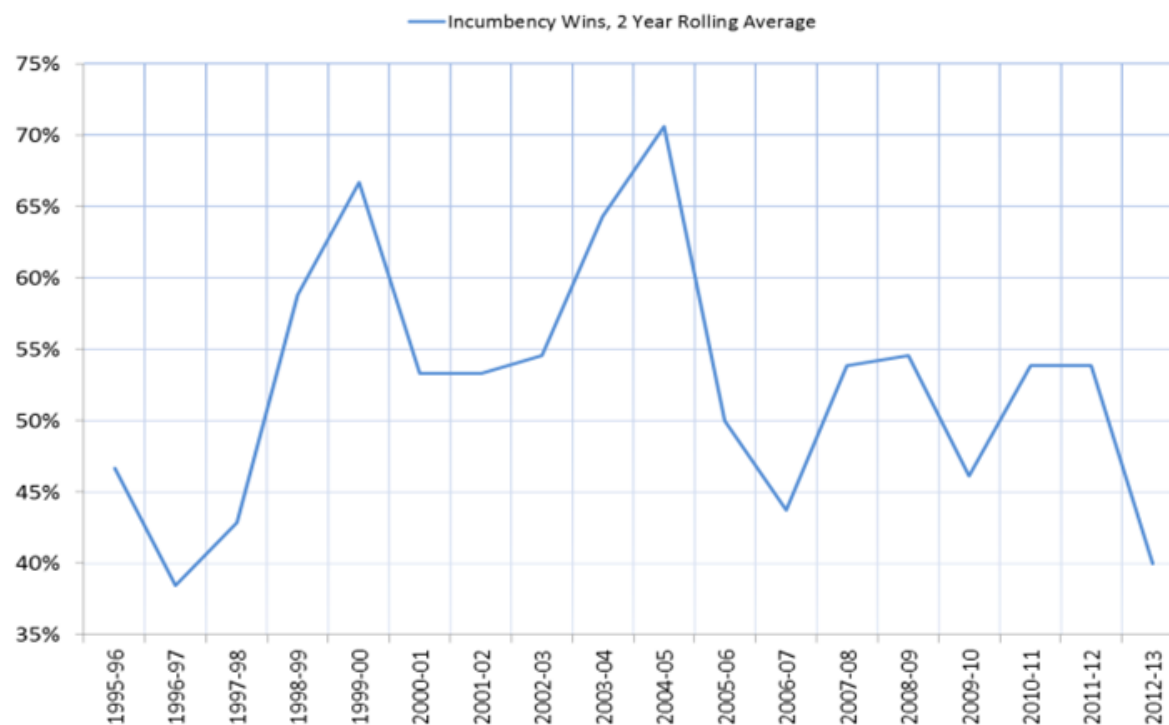


Source: FactSet. As of March 2014. Performance is based on MSCI Emerging Market country indices in USD.

Past performance should not be construed as a guarantee of future performance. Provided for informational purposes only and is not a recommendation to buy or sell any security.

Voters Turning Against Ruling Parties

Incumbents Re election Rates At Historical Lows

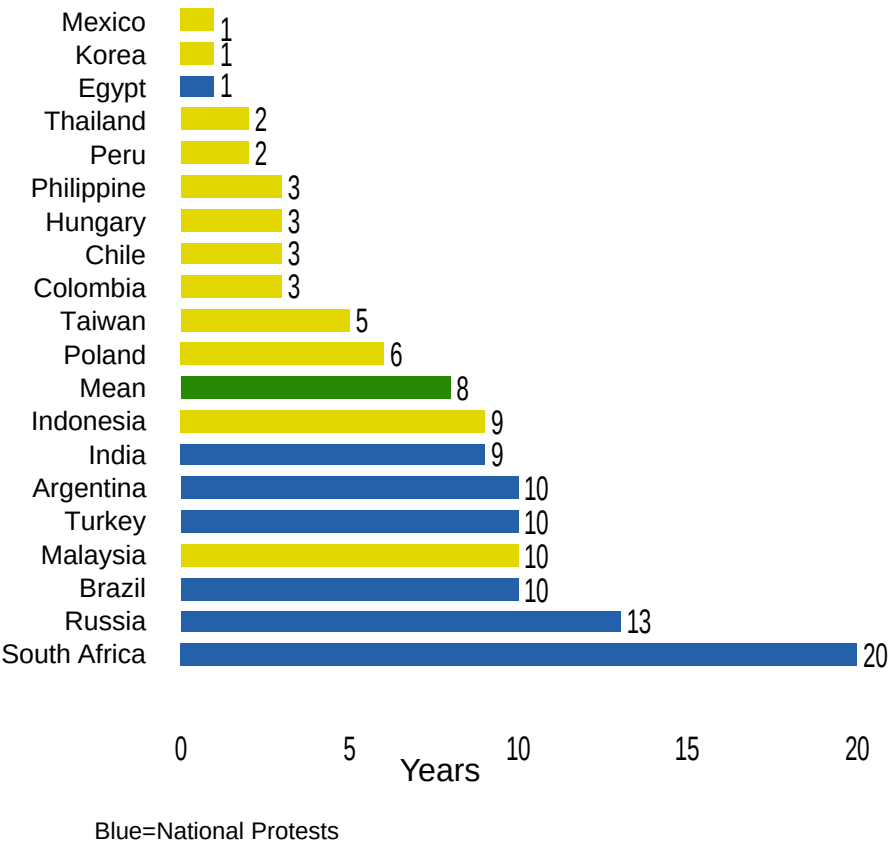


Source: MSIM Emerging Markets Internal Research, FactSet, Bloomberg

Provided for informational purposes only and is not a recommendation to buy or sell any security.

More Political Churn Needed

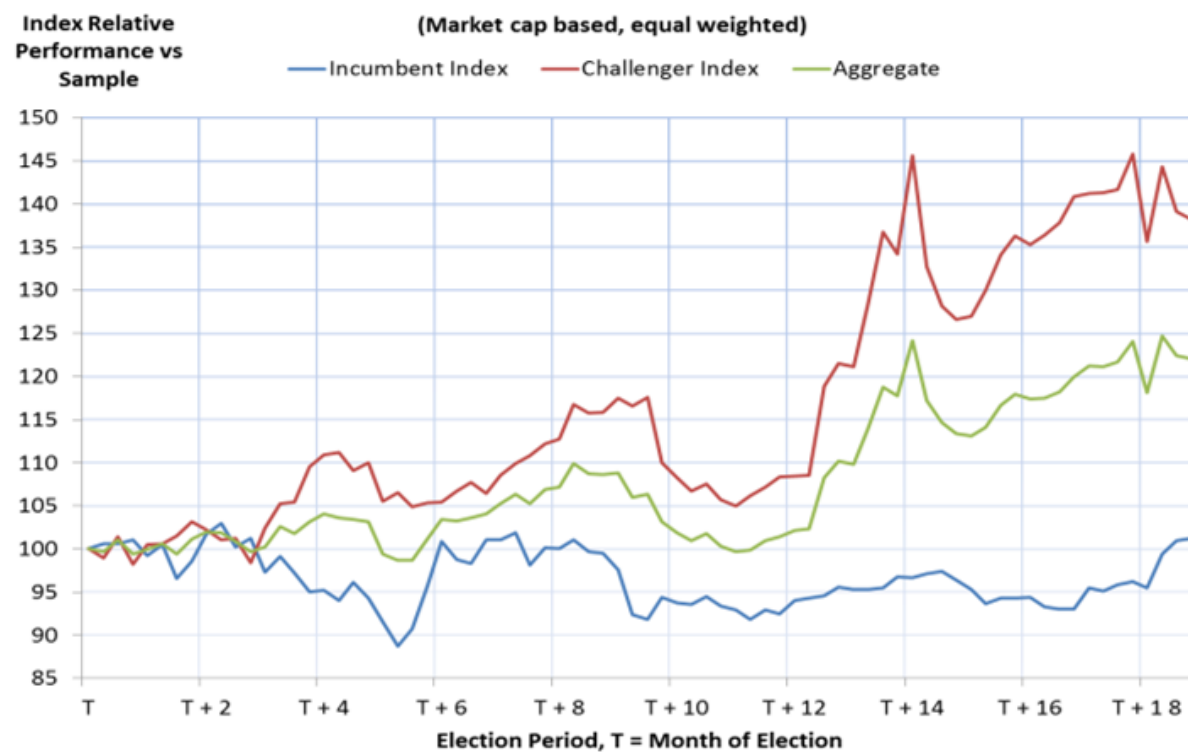
Political Tenures of Current Regime in Emerging Markets (Number of Years)



Source: MSIM Emerging Markets Internal Research. Data as of Q4-2013

After Crises, Markets Embrace Newly Elected Reformers

Market Performance Post Crises in EM



Source: MSIM Emerging Markets Internal Research, FactSet, Bloomberg. Market performance is calculated using MSCI data

Based on 20 years of data on 181 elections in 30 major democracies

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Markets Rallying For Challengers, Not Incumbents

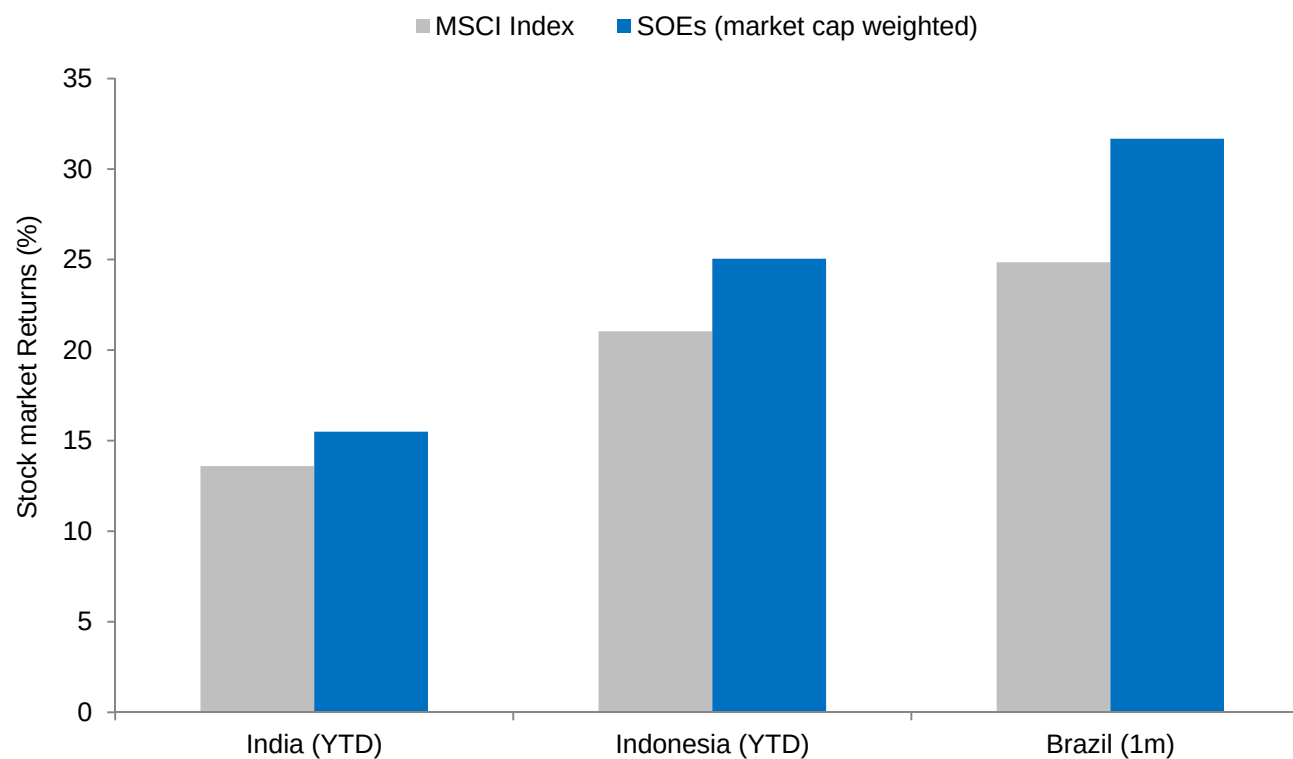
2014 Election Guide

Country	Election	Timing	Frontrunner	Likely Reform Impact
S. Africa	Parliamentary	April	Jacob Zuma African National Congress	Negative
Turkey	Presidential	Aug	Recep Tayyip Erdogan AK Party	Negative
Brazil	Presidential	Oct	Dilma Rousseff (?) Workers Party	Mixed
India	Parliamentary	May	Narendra Modi BJP	Positive
Indonesia	Presidential	July	Joko Widodo PDI-P	Positive

Source: Eurasia Group. Data as of Q1 2014.

The Hope Rallies Benefiting State Owned Companies

Countries in which the SOEs are outperforming the stock markets (% returns)

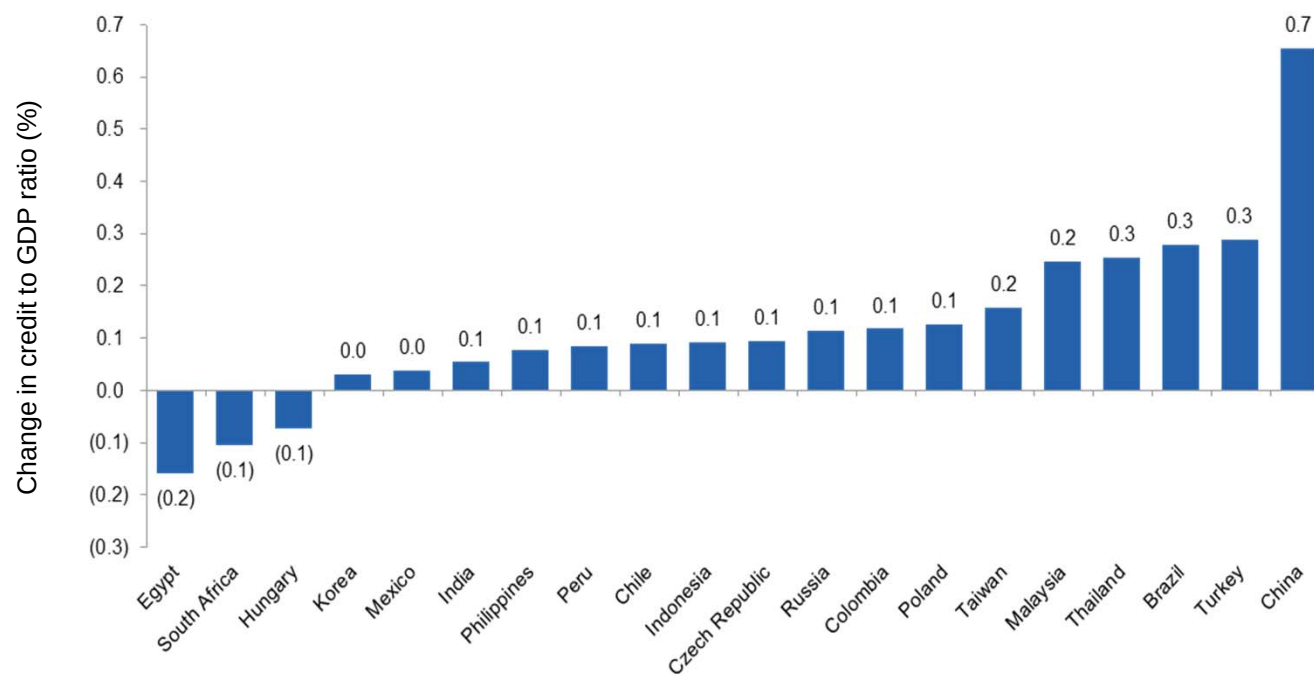


Source: Bloomberg, As of April 2014

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China's Excessive Leverage Remains A Bearish Concern

Current: Five Year Change in Credit / GDP

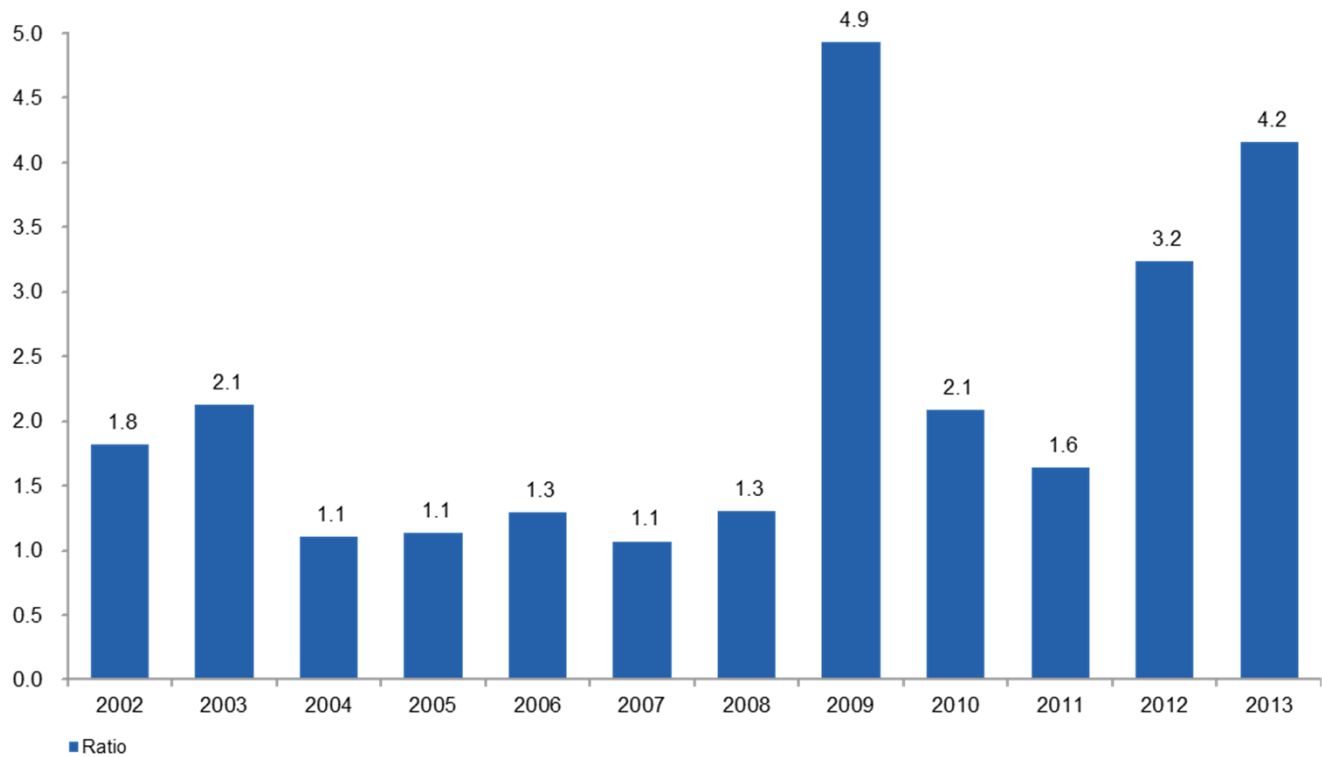


Source: Haver, Emerging Advisors, Goldman Sachs, Morgan Stanley Investment Management. Data as of January 2014. Most recent data available used.

China Needs More And More Debt To Grow

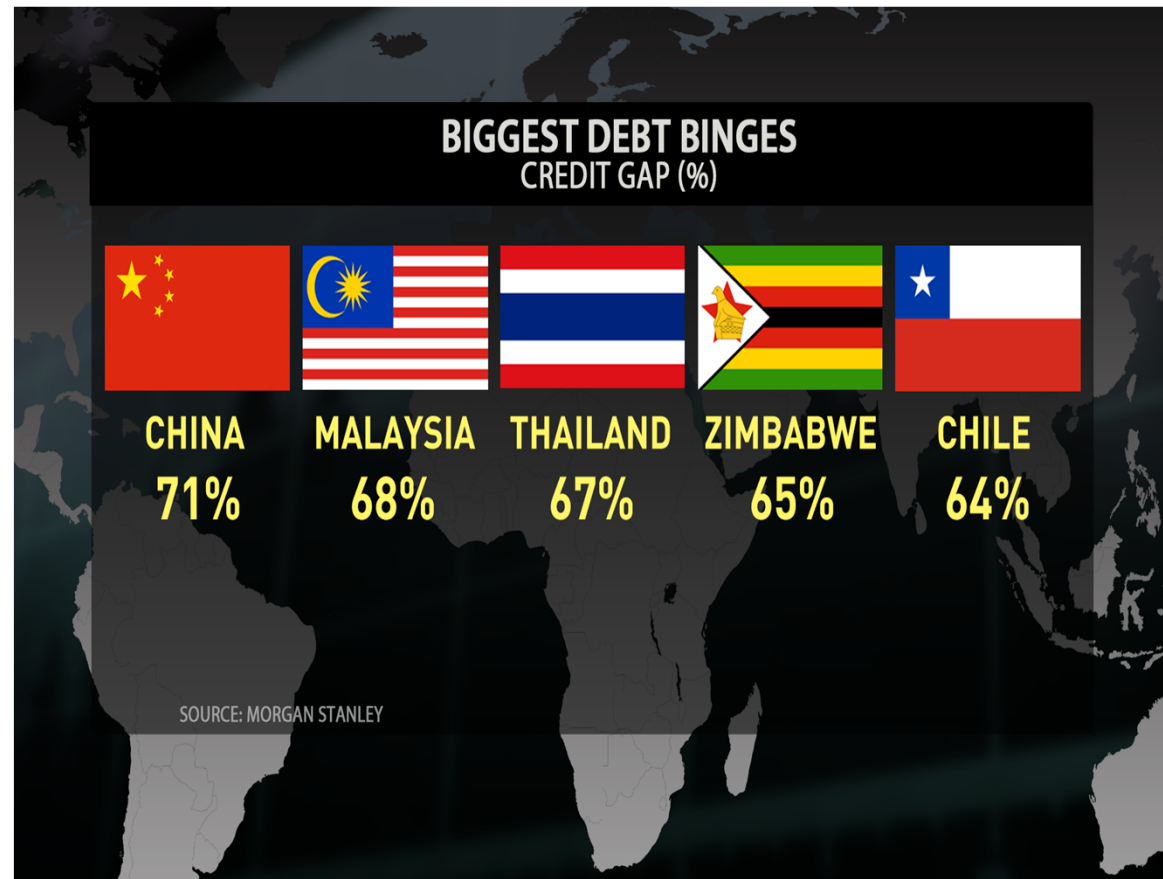
Between 2004 and 2008, the ratio of debt growth to GDP growth in China was 1 to 1. By the first half of 2013, it had decayed to 4 to 1.

Ratio Total Social Financing as% GDP to Nominal GDP Growth (Y-o-Y%)



Source: PBOC, Haver Analytics. Data as of Q3 2013, 2013 Calculations Using First Two Quarters of 2013

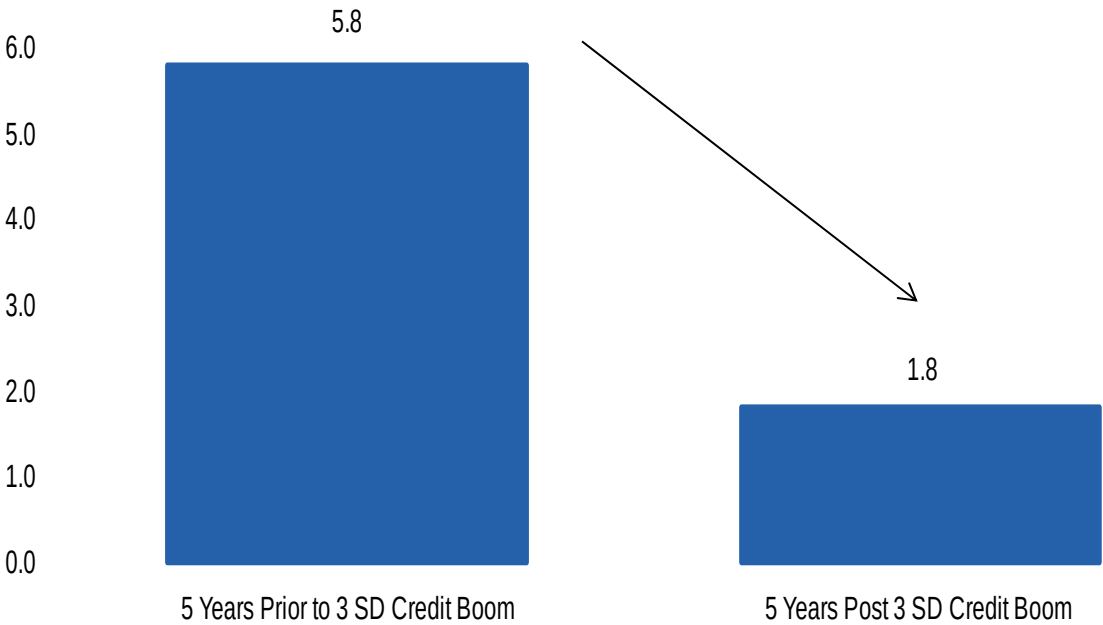
China Now Has The Largest Credit Binge Ever In EM



Source: Haver, Emerging Advisors, Goldman Sachs, Morgan Stanley Investment Management. Data as of January 2014. Most recent data available used.

Credit Binges Are Always Followed By A Major Slowdown

GDP Growth Slowdowns After Excessive Credit Booms



Source: Haver, IMF, BIS, Goldman Sachs, Emerging Advisor, MSIM. Data as of June 30, 2013

Many False Dawns For China Plays

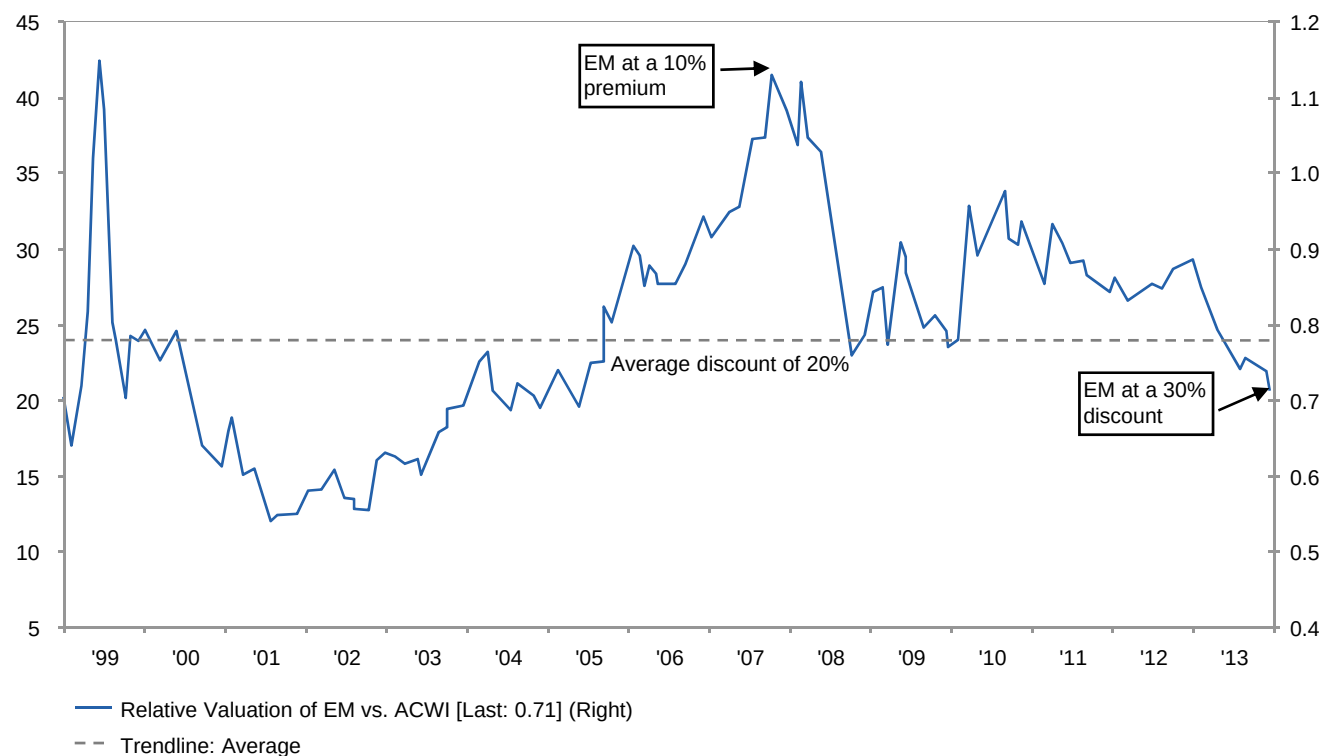
CRB spot Index



Source: Factset, As of April 2014

The Bearish Factors Are Reflected In Valuations

EM Trailing PE Relative to MSCI ACWI PE



Source: FactSet, MSIM Emerging Markets Internal Research. Data as of January 2014. **Past performance is not indicative of future results.** Provided for informational purposes only.

Growth Outperformance May Have Longer To Run

EM Growth Versus Value



Source: FactSet, MSIM Emerging Internal Markets Research. **Past performance is not indicative of future results.** Forecasts and estimates are subject to change and may not necessarily come to pass due to changing market and economic conditions. Provided for informational purposes only and is not a recommendation to buy or sell any security.

Summary

Three bears have been weighing on EM

Concern over current account deficits appear to be exaggerated

Politics at the margin seem to be turning for the better

China's excessive credit growth remains a major concern

Case for differentiation within EM remains

A smattering of investment opportunities outside of China plays

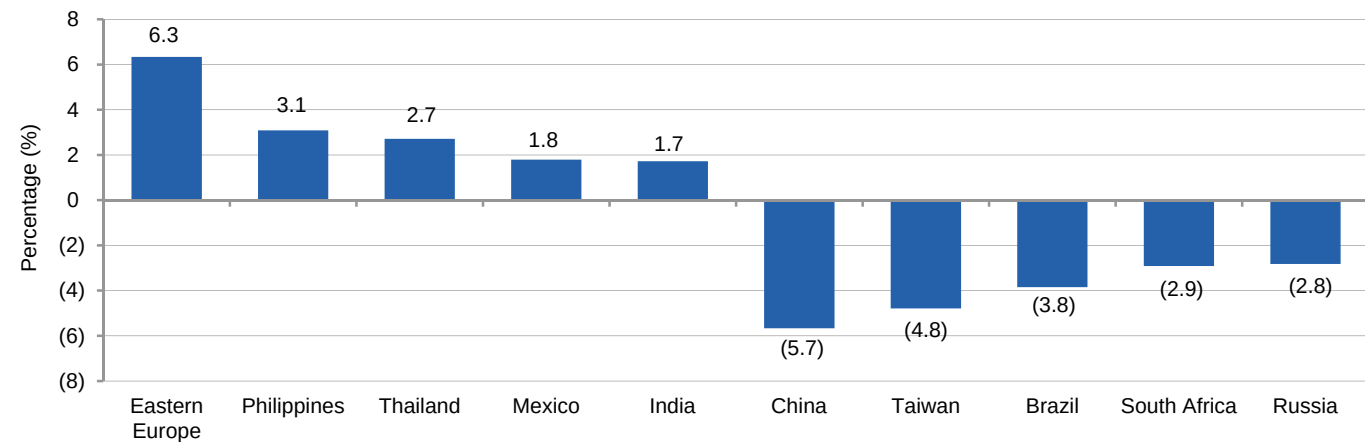
The information reflects the views of the Portfolio Manager at the time of this writing. These views may change in response to changing circumstances and market conditions. **Past performance is not indicative of future results.**

Relative Country Allocation

MSIF Emerging Markets Portfolio, Class I

Relative Weightings

Data as of March 31, 2014



Absolute Weightings (%)

MSIF Emerging Markets Portfolio	8.6	4.0	4.9	6.9	8.5	2.4	4.9	7.2	7.0	13.0
MSCI EM Net Index	2.3	0.9	2.2	5.1	6.7	5.3	7.8	11.0	11.8	18.6

Source: Morgan Stanley Investment Management

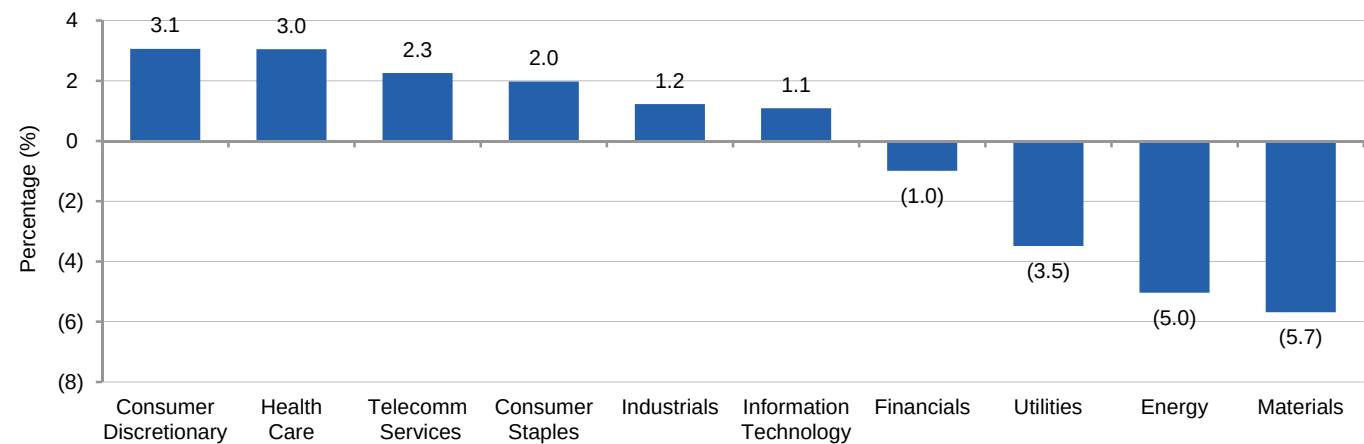
Numbers may not add up to 100% due to rounding. Morgan Stanley Institutional Fund Emerging Markets Portfolio Class I data was generated from Morgan Stanley's internal accounting records. Portfolio allocation is based on the total market value of the portfolio. Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell securities in the countries shown above.

Sector Allocation

MSIF Emerging Markets Portfolio, Class I

Relative Weightings

Data as of March 31, 2014



Absolute Weightings (%)

MSIF Emerging Markets Portfolio	12.3	4.8	9.2	10.5	7.8	17.8	25.7	0.0	5.8	3.7
MSCI EM Net Index	9.2	1.7	6.9	8.5	6.5	16.7	26.7	3.5	10.8	9.4

Source: Morgan Stanley Investment Management

Numbers may not add up to 100% due to rounding. Morgan Stanley Institutional Fund Emerging Markets Portfolio Class I data was generated from Morgan Stanley's internal accounting records. Portfolio allocation is based on the total market value of the portfolio. Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell securities in the countries shown above.

Active Stock Allocations

MSIF Emerging Markets Portfolio, Class I

Data as of March 31, 2014

Security	Country	Industry	MSIF Emerging Markets Portfolio (%)	MSCI EM Net Index (%)	Active Weight (%)
Overweight					
BRF	Brazil	Food Products	1.7	0.3	1.3
Cemex	Mexico	Construction Materials	1.6	0.4	1.2
Samsonite International	Hong Kong	Textiles, Apparel & Luxury Goods	1.2	0.0	1.2
BDO Unibank	Philippines	Banks	1.2	0.1	1.1
Bank Zachodni	Poland	Banks	1.2	0.1	1.1
Bank of China	China	Banks	1.9	0.9	1.0
Erste Group Bank	Austria	Banks	1.0	0.0	1.0
Jeronimo Martins	Poland	Food & Staples Retailing	1.0	0.0	1.0
Bank Pekao	Poland	Banks	1.2	0.2	1.0
Yum Brands	Other	Hotels, Restaurants & Leisure	1.0	0.0	1.0
			13.0	2.0	11.0
Underweight					
Gazprom	Russia	Oil, Gas & Consumable Fuels	0.0	1.2	(1.2)
Indust & Comm Bank of China	China	Banks	0.0	1.2	(1.2)
Vale	Brazil	Metals & Mining	0.0	1.1	(1.1)
Itau Unibanco Banco Multipl	Brazil	Banks	0.0	1.0	(1.0)
Hon Hai Precision Industry	Taiwan	Electronic Equipment, Instruments & Components	0.0	0.8	(0.8)
			0.0	5.4	(5.4)

Source: Morgan Stanley Investment Management

Morgan Stanley Institutional Fund Emerging Markets Portfolio Class I data was generated from Morgan Stanley's internal accounting records. Portfolio allocation is based on the total market value of the portfolio. Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the countries and industries shown above.

Morgan Stanley

Section 5

Appendix and Biographies

Emerging Markets Equity Team

Gaite Ali

Managing Director



gaite.ali@morganstanley.com

Gaite is co-lead portfolio manager for the Latin America portfolios on the Global Emerging Markets Equity team. She joined Morgan Stanley in 2007 and has 20 years of investment experience. Prior to joining the firm, Gaite was a portfolio manager at AllianceBernstein, London. Gaite received an M.B.A. in finance and an M.A. in international affairs from Columbia University, and a B.A. in history from Vassar College.

Eric Carlson

Managing Director



eric.carlson@morganstanley.com

Eric is a co-lead portfolio manager focusing on Europe, the Middle East and Africa, and thematic research, on the Global Emerging Markets Equity team. He joined Morgan Stanley in 1997 and has 19 years of investment experience. Prior to joining the firm, Eric worked as a telecommunications analyst at Neuberger & Berman. Eric received a B.A. magna cum laude in social studies from Harvard University and a J.D. from Harvard Law School.

Gary Cheung, CFA

Executive Director



gary.cheung@morganstanley.com

Gary is a member of the Global Emerging Markets Equity team, focusing on China & China A shares for our Asian Equity strategies. He joined Morgan Stanley in 2008 and has 12 years of investment experience. Prior to joining the firm, Gary was a macro equity analyst at Tudor Investment. Previously, he was an investment banking analyst at Credit Suisse focusing on corporate financial strategies. Gary received a B.S. summa cum laude in industrial and management engineering from Rensselaer Polytechnic Institute, and an M.S. in financial engineering from Columbia University. He holds the Chartered Financial Analyst designation.

Team members may change without notice from time to time.

Emerging Markets Equity Team

David Chi

Vice President



david.chi@morganstanley.com

David is a trader for the Global Emerging Markets Equity team, focusing on Latin America. He joined Morgan Stanley in 2005 and has 20 years of industry experience. Prior to joining the firm, David worked as an investor services officer at Fiduciary Trust International, servicing institutional clients on custody services. Previously, he worked for Warburg Pincus Asset Management (later becoming Credit Suisse Asset Management) in various roles within operations. David received a B.S. in business administration from SUNY Buffalo.

Sherri Cohen

Managing Director



sherri.cohen@morganstanley.com

Sherri is the global trading coordinator for Morgan Stanley Investment Management. She joined Morgan Stanley in 1998 and has 26 years of investment experience. Prior to her current role, Sherri has managed the firm's Global Equity Programs, Foreign Exchange and Derivative Trading team as well as the Global Emerging Markets Trading team. Prior to joining the firm, Sherri was head trader at Société Générale Asset Management. Previously, Sherri held various roles at General Electric Investments; including Far East trader, index fund manager and financial analyst. Additionally, she had investment experience as an investment market analyst at CIGNA Investments and a senior portfolio accountant at State Street Bank. Sherri received a B.A. in quantitative economics from Tufts University and an M.B.A. in finance and international business from the University of Connecticut.

Jennifer Delaney, CFA

Vice President



jennifer.delaney@morganstanley.com

Jennifer is a portfolio specialist on the Global Emerging Markets Equity team. She joined Morgan Stanley in 2013 and has 11 years of investment experience. Prior to joining the firm, Jennifer worked at UBS in New York, London and Mexico City writing macro strategy research across both developed and emerging market equities. She received an honors degree in economics from Cambridge University and holds the Chartered Financial Analyst designation.

Team members may change without notice from time to time.

Emerging Markets Equity Team

Tim Drinkall

Managing Director



timothy.drinkall@morganstanley.com

Tim is the lead portfolio manager for the Frontier Emerging Markets strategy, on the Global Emerging Markets Equity team. He joined Morgan Stanley in 2007 and has 20 years of investment experience. Prior to joining the firm, Tim was a fund manager at Gustavia Capital where he was responsible for two funds investing in Emerging Europe. He has been working with Emerging Markets since 1992; Tim began his investment banking career with Creditanstalt Securities as an analyst based in Budapest, Hungary and was later promoted to head of Polish equity research in Warsaw, Poland. In 1997 he joined Deutsche Bank in London as director and head of Emerging Europe equity research. Tim received a B.A. in finance from Indiana University and an M.B.A. in international business from George Washington University.

Ryan Egan

Executive Director



ryan.egan@morganstanley.com

Ryan is a trader for the Global Emerging Markets Equity team focusing on Europe, the Middle East and Africa, and Frontier Emerging Markets. He joined Morgan Stanley in 2005 and has ten years of industry experience. Previously, Ryan was a trader on Investment Management's U.S. Small Cap Equity team. He received a B.A. in economics and management from Gettysburg College.

Somchai Goh

Vice President



somchai.goh@morganstanley.com

Somchai is a trader for the Global Emerging Markets Equity team, responsible for the trading function in Hong Kong, Singapore, Malaysia and Thailand. He joined Morgan Stanley in 2000 and has 19 years of industry experience. Prior to joining the firm, Somchai was an equity trader with the Government of Singapore Investment Corp. Somchai received a B.A. with honors in engineering from the Nanyang Technological University in Singapore.

Vishal Gupta

Vice President

vishal.gupta1@morganstanley.com

Vishal is an analyst on the Global Emerging Markets equity team, focusing on the Emerging Markets Leaders strategy, based in Singapore. He joined Morgan Stanley in 2014 and has ten years of investment experience. Prior to joining the firm, Vishal worked at Sansar Capital as a research analyst covering Asian equities. Previously, he was an analyst covering the India oil & gas and retail sectors at Brics Securities in Mumbai. Vishal received his Bachelor's degree in Mechanical Engineering from Thapar University and an M.B.A. from the Indian Institute of Management, Ahmedabad.

Emerging Markets Equity Team

Amay Hattangadi, CFA

Executive Director



amay.hattangadi@morganstanley.com

Amay is a co-lead portfolio advisor, focusing on India, based in Mumbai. He joined Morgan Stanley in 1997 and has 17 years of investment experience. Previously, he was a portfolio administrator. Amay received a Bachelor of Commerce degree from the University of Mumbai. He is an Associate Member of the Institute of Chartered Accountants of India. He holds the Chartered Financial Analyst designation.

Pierre Horvilleur

Vice President



pierre.horvilleur@morganstanley.com

Pierre is the dedicated research analyst for the Frontier Emerging Markets strategy on the Global Emerging Markets Equity team. He re-joined Morgan Stanley in 2013 and has 11 years of investment experience. Prior to joining the firm, Pierre was a fundamental research analyst in emerging and international equity markets, focusing on industrials, at William Blair Investment Management. Previously, he was an emerging markets equities summer research analyst at Van Eck Global Investments. Prior to going to business school, Pierre worked at both ING financial and at Morgan Stanley in Emerging Markets Equity sales. Pierre received an MBA from the Kellogg School of Management at Northwestern University and a B.S. in finance and marketing from the University of Florida.

Chelsea Hua

Senior Associate

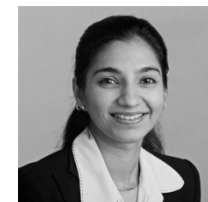


chelsea.hua@morganstanley.com

Chelsea is a research analyst on the Global Emerging Markets Equity team, focusing on China and Hong Kong. She joined Morgan Stanley in 2013 and has nine years of investment experience. Prior to joining the firm, Chelsea was a research analyst at ChinaRock Capital Management, a multi-strategy hedge fund for long/short China/Hong Kong equity. Previously, she worked for BNP Paribas and Citigroup where she was responsible for valuation, financial analysis and execution in a broad range of transactions. Chelsea received a B.A. in computer science (graduated Phi Beta Kappa) from Mount Holyoke College and an M.S. in computer science from Stanford University.

Jitania Kandhari

Executive Director



jitania.kandhari@morganstanley.com

Jitania is head of macroeconomic research on the Global Emerging Markets Equity team, focusing on global analytics, country and thematic research. She joined Morgan Stanley in 2006 and has 16 years of investment experience. Prior to joining the firm, Jitania was an emerging markets consultant at GMO. Previously, she was an associate vice president in private banking at ABN Amro, an associate vice president in securities broking and investment banking at Kotak Securities and a manager at First Global Securities. Jitania received a B.Com. in advanced financial and management accounting and an M.M.S in finance, both from the University of Bombay.

Emerging Markets Equity Team

Jason Kang

Executive Director



jason.kang@morganstanley.com

Jason is a research analyst focusing on South Korea and Taiwan for our Asian Equity strategies, based in Singapore. He re-joined Morgan Stanley in 2011 and has 13 years of investment experience. Prior to joining the firm, Jason worked at Goldman Sachs on their institutional sales team in Korea. Previously, he spent six years as an analyst covering the Korean auto and shipbuilding sectors at Morgan Stanley Equity Research. Jason received a B.S. in accounting and finance from Washington University in St. Louis, Olin School of Business.

Swanand Kelkar

Executive Director



swanand.kelkar@morganstanley.com

Swanand is a portfolio advisor and analyst on the Global Emerging Markets Equity team, focusing on India, based in Mumbai. He joined Morgan Stanley in 2007 and has ten years of investment experience. Prior to joining the firm, Swanand worked in the equity investment department at HSBC Asset Management. Swanand received his Bachelors degree in commerce from the University of Mumbai and an M.B.A. from the Indian Institute of Management, Ahmedabad. He is also an associate member of the Institute of Chartered Accountants of India.

Edward Kuczma

Vice President



edward.kuczma@morganstanley.com

Edward is a senior analyst on the Global Emerging Markets Equity team focusing on Latin America. He joined Morgan Stanley in 2013 and has 11 years of investment experience. Prior to joining the firm, Edward was a global emerging markets investment analyst at Van Eck Global covering both Latin America and EMEA equities. Edward received a B.S. in finance from Georgetown University and holds the Chartered Financial Analyst designation.

Stella Liao

Senior Associate



stella.liao@morganstanley.com

Stella is a member of the Singapore trading team for the Emerging Markets Equity team (focusing on Asia) and the Asian Real Estate team. She joined Morgan Stanley in 2007 and has seven years of industry experience. Prior to joining the firm, Stella worked as a senior fund accountant at State Street Bank. Stella holds a Bachelor of Accountancy from the Nanyang Technological University in Singapore.

Emerging Markets Equity Team

Wei-Ling Liew

Executive Director



wei-ling.liew@morganstanley.com

Wei-Ling is a portfolio specialist for the Asian Equity strategies, based in Singapore. She joined Morgan Stanley in 1996 and has 16 years of investment experience. Prior to this role, Wei-Ling worked in the firm's Global Portfolio Analysis and Research and Operations departments. She received a B.B.A. in finance from the National University of Singapore.

Victoria Lim, CFA

Vice President



victoria.lim@morganstanley.com

Victoria is a research analyst on the Global Emerging Markets Equity team, focusing on the ASEAN & Australia markets. She joined Morgan Stanley in 2011 and has 13 years of investment experience. Prior to joining the firm, Victoria worked at Templeton Asset Management as a research analyst covering global equities. Previously, she was a project manager at UBS Wealth Management. Victoria received a B.S. in economics (first class honours) from London School of Economics & Political Science (LSE) and an M.A. in international policy studies from Stanford University. She holds the Chartered Financial Analyst designation.

Munib Madni, CFA

Managing Director



munib.madni@morganstanley.com

Munib is co-lead portfolio manager for the Asian Equity ex-Japan portfolios on the Global Emerging Markets Equity team, based in Singapore. He joined Morgan Stanley in 2005 and has 20 years of investment experience. Prior to joining the firm, Munib was associate director of Australian equities at Aberdeen Asset Management. Previously, he was a portfolio manager covering Australian equities at Equitilink Investment Management. Munib received a Bachelor of Business with Honors and Bachelor of Laws from the University of Technology in Sydney. He holds the Chartered Financial Analyst designation.

Amy Oldenburg

Executive Director



amy.oldenburg@morganstanley.com

Amy is a portfolio specialist and the chief operating officer of the Global Emerging Markets Equity team. She joined Morgan Stanley in 2001 and has 13 years of investment experience. Prior to this role, Amy was a trader on the Emerging Markets Equity team, focusing on program and foreign exchange trading. Previously, she was an analyst with the Product Development Group within Morgan Stanley Investment Management and started her career with the Emerging Markets Equity Portfolio Manager Reporting team. Amy received a B.A. in business administration with a concentration in finance from Fordham University.

Emerging Markets Equity Team

Gauri Pande, CFA

Executive Director



gauri.pande@morganstanley.com

Gauri is a trader for the Domestic India Equity Funds and trade execution support for the Global Emerging Markets team, focusing on India and Europe, the Middle East and Africa. She joined Morgan Stanley in 2004 and has 12 years of industry experience. Prior to joining the firm, Gauri was an assistant manager at IDBI Capital Market Services. Gauri received a B.Comm. from the University of Pune in India. She holds the Chartered Accountant designation from the Institute of Chartered Accountants of India and the Chartered Financial Analyst designation.

Charu Pandya

Vice President



charu.pandya@morganstanley.com

Charu is a trader for Domestic India Equity Funds and trade execution support for the Global Emerging Markets Equity team, focusing on India. She joined Morgan Stanley in 2006 and has 13 years of industry experience. Prior to joining the firm, Charu was a senior equity sales trader at Enam Securities India Pvt. Ltd and Batilivala & Karani Securities India Pvt. Ltd. Charu received a bachelor of commerce from the University of Mumbai, India.

Ana Cristina Piedrahita

Executive Director



cristina.piedrahita@morganstanley.com

Cristina is co-lead portfolio manager for the Latin America portfolios on the Global Emerging Markets Equity team. She joined Morgan Stanley in 2002 and has 20 years of investment experience. Prior to joining the firm, Cristina was a Latin American equity analyst at Fidelity Investments, HSBC Asset Management and Baring Asset Management. Cristina received a B.A. in economics and political science from Brown University and an M.B.A. in business administration from the Sloan School of Management at the Massachusetts Institute of Technology.

Paul C. Psaila, CFA

Managing Director



paul.psaila@morganstanley.com

Paul is a portfolio manager for the Global Emerging Markets Equity portfolios, focusing on Global Macro Analytics and Emerging Europe, the Middle East and Africa region. He joined Morgan Stanley in 1994 and has 20 years of investment experience. Prior to joining the firm, Paul worked at the International Monetary Fund. Paul received a B.A. in political science from Brandeis University and a master's degree in economic and Latin American studies from the School of Advanced International Studies at Johns Hopkins University. He holds the Chartered Financial Analyst designation.

Emerging Markets Equity Team

Steven Quattry

Vice President



steven.quattry@morganstanley.com

Steven is an analyst on the Global Emerging Markets Equity team, focusing on global macro-economic and thematic research. He joined Morgan Stanley in 2011 and has seven years of investment experience. Prior to joining the firm, Steven was an analyst at Panda Global Advisors concentrating on economic and investment research. Previously, he was in the financial management program at GE Capital. Steven received a B.A. in finance from the University of Florida and an M.A. in international affairs, with a focus on international economic policy, from Columbia University.

Dan Raghoonundon

Vice President



dan.raghoonundon@morganstanley.com

Dan is an analyst on the Global Emerging Markets Equity team. He joined Morgan Stanley in 2007 and has ten years of investment experience. Prior to joining the firm, Dan was an analyst responsible for economic and financial analysis, currency hedging strategy at Geoffrey Bell & Company. Previously, he was an economist and editor for Moody's Economy.com. Dan received a B.S. in electrical engineering from Swarthmore College, an M.A. in French from Tufts University and an M.A. in economics from New York University.

Samuel Rhee

Managing Director



sam.rhee@morganstanley.com

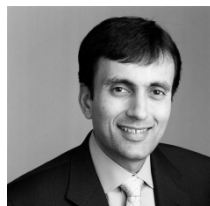
Sam is co-lead portfolio manager for our Asian ex-Japan Equity portfolios, based in Singapore. He joined Morgan Stanley in 2000 and has 20 years of investment experience. Previously, Sam was the head of Asian steel research and the Korean auto analyst at Morgan Stanley Asia. Prior to joining the firm, he worked for HSBC Investment Bank in Hong Kong and London. He received a B.A. with joint honors in economics and public administration from the Royal Holloway College, University of London.

Team members may change without notice from time to time.

Emerging Markets Equity Team

Ruchir Sharma

Managing Director



ruchir.sharma@morganstanley.com

Ruchir is Head of Emerging Markets and Global Macro at Morgan Stanley Investment Management. He joined Morgan Stanley in 1996 and has 20 years of investment experience. Prior to joining the firm, Ruchir worked with Prime Securities (Delhi), a non-banking financial services firm, where he helped run the firm's foreign exchange business. He has been a contributing editor with *Newsweek* and has frequently penned essays for publications such as *The Wall Street Journal*, *Financial Times*, *New York Times*, *Foreign Affairs* and *Time* magazine. Ruchir has also authored the book, *Breakout Nations: In Pursuit of the Next Economic Miracles*, which is an international bestseller.

Ashutosh Sinha

Managing Director



ashutosh.sinha@morganstanley.com

Ashutosh is a portfolio manager on the Global Emerging Markets Equity team, focusing on the Emerging Leaders strategy, based in Singapore. He re-joined Morgan Stanley in 2011 has 21 years of investment experience. Prior to re-joining the firm, Ashutosh most recently founded and served as the managing partner of Amoeba Capital Partners, Pte, a money management firm focused on Asia long-short equity investing from 2006 to 2011. Previously, he was the lead portfolio manager for Asia ex-Japan Equities, part of MSIM's Global Emerging Markets Equity team from 1998 to 2006. Prior to becoming lead PM, Ashutosh covered Indian equities at MSIM. Before joining Morgan Stanley, he was a portfolio manager for Indian Equities at SBI Funds Management, Mumbai. Ashutosh holds a B.Tech degree in electrical engineering from the India Institute of Technology (IIT), Kanpur, and an M.B.A. from the India Institute of Management (IIM), Calcutta.

Sridhar Sivaram

Managing Director



sridhar.sivaram@morganstanley.com

Sridhar is co-lead portfolio advisor, focusing on India for the Global Emerging Markets Equity team. He joined Morgan Stanley in 1994 and has 20 years of investment experience. Prior to joining the firm, Sridhar worked for ANZ Grindlays Bank and Citibank N.A. Sridhar received a Bachelor of Commerce from the University of Calcutta. He is also an Associate Member of the Institute of Chartered Accountants of India.

Team members may change without notice from time to time.

Emerging Markets Equity Team

James Upton

Managing Director



james.upton@morganstanley.com

James is a senior portfolio specialist and chief strategic officer for the Global Emerging Markets Equity team. He re-joined Morgan Stanley in 2006 and has 22 years of investment experience. Prior to re-joining the firm, James was a senior investment strategist at Northern Trust Global Investments. Previously, he was the Latin America equity strategist and later a global equity strategist at Credit Suisse First Boston. He began his investment career as an international economist at Merrill Lynch and spent nearly two years as a sovereign risk analyst at Morgan Stanley. Before graduate school, he was a reporter in Mexico City with United Press International. James received a B.A. in history from Middlebury College and an M.A. in economics and U.S. foreign policy from the School of Advanced International Studies (SAIS) of Johns Hopkins University.

Team members may change without notice from time to time.

Dana Wolf

Vice President



dana.wolf@morganstanley.com

Dana is the portfolio administrative officer for the Global Emerging Markets Equity team. She re-joined Morgan Stanley in 2010 and has seven years of industry experience. Prior to re-joining the firm, Dana was in the client strategies and portfolio solutions group at AQR Capital Management. Previously, she worked in the Investment Management institutional advisory group. Dana received a B.S. in economics and human & organizational development (cum laude) from Vanderbilt University.

May Yu

Executive Director



may.yu@morganstanley.com

May is a portfolio manager for the Asian Equity strategy, focusing on China and Hong Kong. She re-joined Morgan Stanley in 2012 and has 16 years of investment experience. May was previously with the Asian Equity team from 2006 to early 2011, dedicated to China investing. Prior to re-joining Morgan Stanley, she was lead portfolio manager at China International Capital Corporation (CICC) for long-only China/Hong Kong equity. Earlier in her career, May was an assistant director in China research at BNP Paribas Peregrine from a base in Beijing. She also worked as a manager for China Cinda Asset Management and China Construction Bank. May has received a Bachelor's in Engineering and Industrial Management from Dalian University of Technology, a Master of Economics in Finance from the Graduate School of the People's Bank of China and an M.B.A. from NYU's Stern School of Business.

Emerging Markets Equity Risk Disclosures

Risk Considerations:

There is no assurance that a Portfolio will achieve its investment objective. Portfolios are subject to market risk, which is the possibility that the market values of securities owned by the Portfolio will decline and that the value of Portfolio shares may therefore be less than what you paid for them. Accordingly, you can lose money investing in this Portfolio. Please be aware that this Portfolio may be subject to certain additional risks. **Equity securities.** In general, equity securities' values also fluctuate in response to activities specific to a company. **Foreign and emerging market securities.** Investments in foreign markets entail special risks such as currency, political, economic, and market risks. The risks of investing in emerging market countries are greater than the risks generally associated with investments in foreign developed countries. **Derivative instruments.** Derivatives can be illiquid, may disproportionately increase losses and may have a potentially large negative impact on the Portfolio's performance.

Please consider the investment objectives, risks, charges and expenses of the fund carefully before investing. The prospectus contains this and other information about the fund. To obtain a prospectus please download one at www.morganstanley.com/im. Please read the prospectus carefully before investing.

Morgan Stanley is a full-service securities firm engaged in securities trading and brokerage activities, investment banking, research and analysis, financing and financial advisory services.

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Morgan Stanley Investment Management – International Equity

City of Fort Pierce Retirement and Benefit System

May 15, 2014

Presented by:

Nancy Jean Norton, Executive Director
Senior Portfolio Specialist
(212) 296-0588

Pooled International Equity Trust Portfolio

Data as of March 31, 2014

Original Investment (September 1, 1991)	\$ 2,767,286.72
+ Contributions	3,295,000.00
-Withdrawals	(14,881,563.00)
- Investment Management Fees	(1,986,015.39)
+ Interest Income	265,447.24
+ Dividend Income	5,736,747.71
+ Realized Gain/(Loss)	11,925,124.32
- Other Expenses	(12,901.59)
+/- Market Appreciation/(Depreciation)	6,954,283.24
Market Value	\$12,589,956.87 ¹

1. State Street custodial accounting information reflects time period beginning January 1993. Data not available for client inception of September 1991. Fund Accounting Systems changed effective August 1, 2001. All cumulative numbers past July 31, 2001 should be considered estimates. Our figures represent investments in the Morgan Stanley Investment Management International Equity Trust.

Table of Contents

Section 1	International Equity Team and Process Overview
Section 2	International Equity Performance and Portfolio Positioning
Section 3	International Equity Outlook and Strategy
Section 4	Appendix

This material authorized for distribution only when preceded or accompanied by an effective Private Placement Memorandum, which describes in detail the Fund’s investment policies, management fees and other matter of interest to the prospective investor. Please read the memorandum carefully before you invest. Morgan Stanley & Co. Incorporated is the distributor of this portfolio. Foreign investing involves certain risks, including currency fluctuations and controls, restrictions on foreign investments, less governmental supervision and regulation, less liquidity and the potential for market volatility and political instability.

Section 1

International Equity
Team and Process Overview

Portfolio Management Team

Boutique within Morgan Stanley Investment Management

Compensation linked to economics of product with significant portion in units of funds under the firm's compensation plan

Team combines fundamental research with portfolio management

Portfolio specialists link portfolio team to client

Portfolio Management Team ²				
Peter Wright – Co-Head¹ Managing Director (27/18 years)		William Lock – Co-Head Managing Director (22/20 years)		
Christian Derold Managing Director (22/8 years)	Bruno Paulson³ Managing Director (20/5 years)	Vladimir Demine Executive Director (12/5 years)	Dirk Hoffmann-Becking⁴ Executive Director (16/1 year)	Marcus Watson Vice President (6/6 years)
Alex Gabriele Senior Associate (5/2 years)		Yiwen Li Senior Associate (5/2 years)		

International Equity U.S.\$20.1Bn Assets Under Management ⁶	Global Quality U.S.\$1.7Bn Assets Under Management ⁶	Global Franchise U.S.\$16.1Bn Assets Under Management ⁶
Portfolio Specialists Cathy Colecchi Managing Director (18/31 years) ⁵ Nancy Jean Norton Executive Director (31/11 years) ⁵ Sean McDermott Vice President (10/2 years) ⁵	Portfolio Specialists Maggie Naylor Managing Director (25/27 years) ⁵ Alistair Corden-Lloyd Executive Director (13/17 years) ⁵ Anna Baron Senior Associate (13/13 years) ⁵ Munenori Yoshimi Executive Director (20/15 years) ⁵	Portfolio Specialists Laura Bottega Managing Director (16/8 years) ⁵ Monica Carta Vice President (12/12 years) ⁵ Cathy Colecchi Managing Director (18/31 years) ⁵ Munenori Yoshimi Executive Director (20/15 years) ⁵

1. Peter Wright has announced his intention to retire in December 2014.

2. Years of investment experience / years on International Equity Team.

3. Years of investment experience (7 years as a consultant, 13 years in financial services)/years on International Equity Team.

4. Years of investment experience (5 years as a consultant, 11 years in financial services)/years on International Equity Team.

5. Years of investment experience / years with the Firm.

6. AUM as of March 31, 2014. The assets under management figures include assets managed globally under this strategy within a number of separate products, jurisdictions and mandates

Team members may change from time to time.

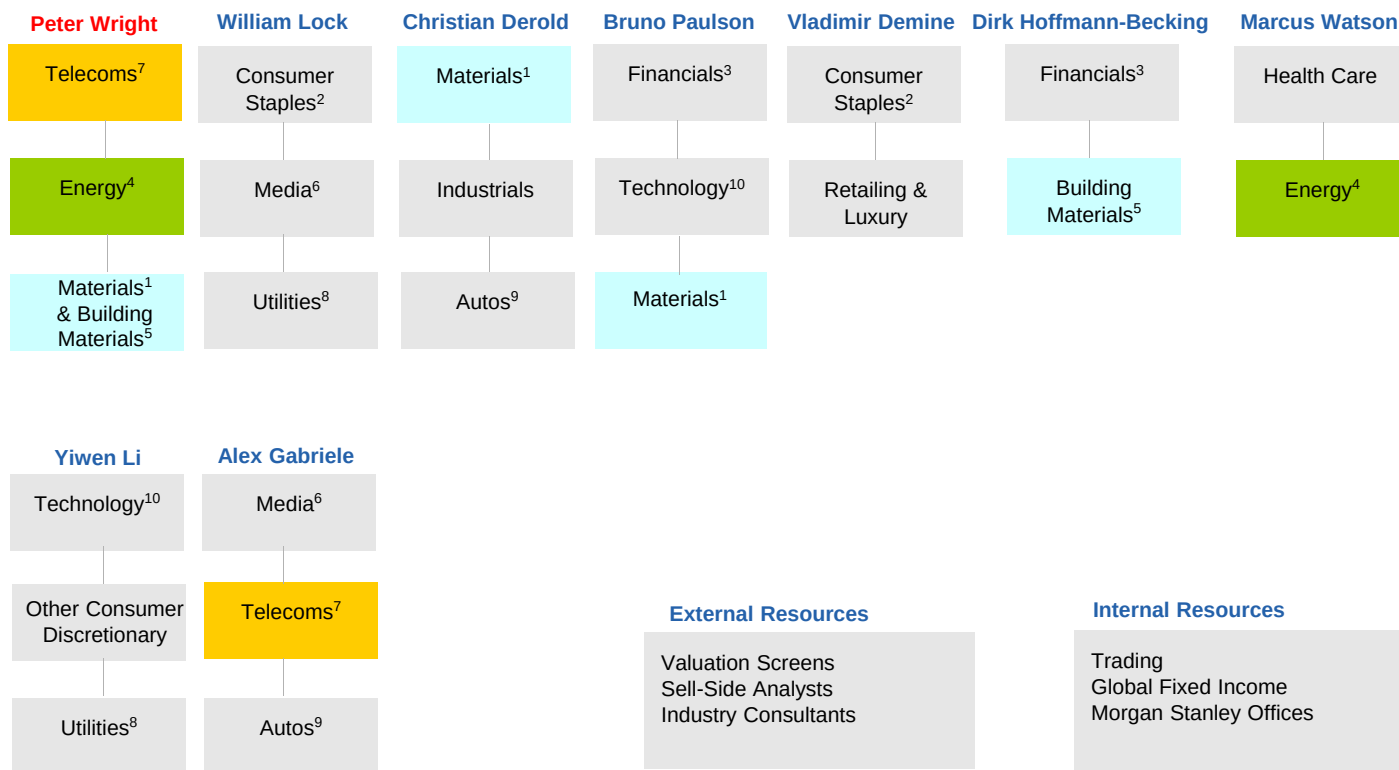
Primary Research Responsibilities: 2014

Chart denotes primary responsibilities but high degree of cross coverage and overlapping responsibility.

We are generalist stock pickers with sector responsibilities, and we are organized by sector rather than geographic coverage.

During 2014, Peter will transition his co-coverage of sectors to other members of the team.

Peter's stock responsibilities:
Intl Equity: 17 stocks
Global Franchise: 0 stocks
Global Quality: 0 stocks

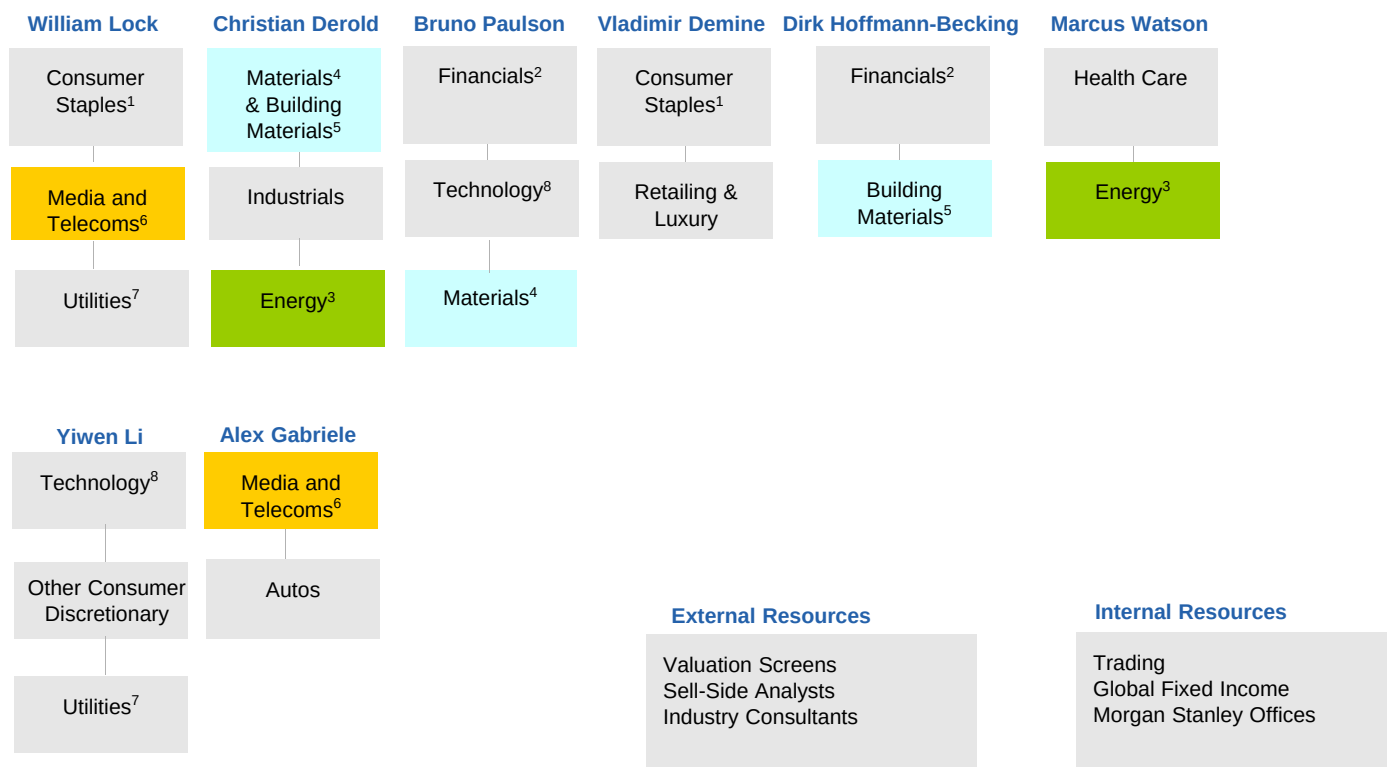


1. Coverage by Peter Wright, Christian Derold and Bruno Paulson
2. Dual coverage by William Lock and Vladimir Demine
3. Dual coverage by Dirk Hoffmann-Becking and Bruno Paulson
4. Dual coverage by Peter Wright and Marcus Watson
5. Dual coverage by Peter Wright and Dirk Hoffmann-Becking

6. Dual coverage by William Lock and Alex Gabriele
7. Dual coverage by Peter Wright and Alex Gabriele
8. Dual coverage by William Lock and Yiwen Li
9. Dual coverage by Christian Derold and Alex Gabriele
10. Dual coverage by Bruno Paulson and Yiwen Li

Primary Research Responsibilities: 2015

In 2015, each of Peter's sectors will be co-covered by a senior team member



1. Dual coverage by William Lock and Vladimir Demine
2. Dual coverage by Dirk Hoffmann-Becking and Bruno Paulson
3. Dual coverage by Christian Derold and Marcus Watson
4. Materials dual coverage by Christian Derold and Bruno Paulson

5. Building Materials dual coverage by Christian Derold and Dirk Hoffmann-Becking
6. Dual coverage by William Lock and Alex Gabriele
7. Dual coverage by William Lock and Yiwen Li
8. Dual coverage by Bruno Paulson and Yiwen Li

Investment Philosophy

Quality at the right price

We Believe:

- The best route to attractive long term returns is through compounding and capital preservation
- Superior business franchises can generate attractive returns over the long term
- Valuation is important; we look to buy these franchises at a discount to their long term intrinsic value

Our Goal¹:

- To outperform the MSCI EAFE Index over a full market cycle while providing:
 - attractive absolute returns in rising markets
 - downside protection in challenging markets

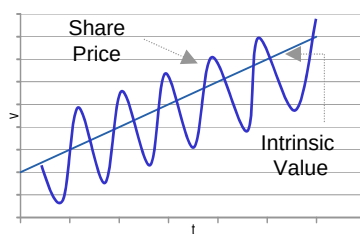
Source: Morgan Stanley Investment Management

1. This goal is a target only and no guarantee is made that it will be achieved. A full market cycle is generally 3-5 years. MSCI EAFE index is a reporting benchmark.

How We Categorize Businesses

- Ideally buy “Compounders” at a discount to intrinsic value but true “Compounders” are scarce and rarely cheap
- “Cash Cows” at discount to intrinsic value are next best
- Avoid “Value Traps” or “Cash Cows” transitioning to “Value Traps”
- In reality, most companies contain a mix of all three. It is important to identify the hand of cards correctly

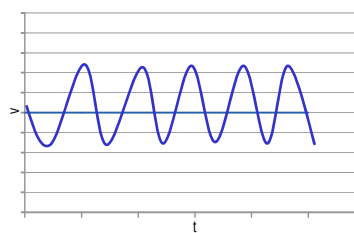
Compounder



- High unlevered returns on operating capital, opportunities to grow capital base at high returns
- High barriers to entry, preferably intangible assets
- Strong market structure, few competitors
- Disciplined use of free cash flow

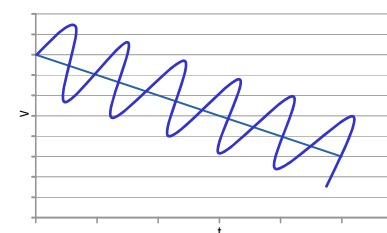
v = Intrinsic Value
t = Time

Cyclical “Cash Cow”



- Returns on capital close to cost of capital, regulated returns or high degree of cyclicity
- Mature business, few new investment opportunities
- Competitive market structures

Value Trap



- Low and structurally declining returns on capital
- High capital intensity, high fixed cost base
- Many competitors, new entrants
- Technology or IP risk, product obsolescence

For illustrative purposes only. There is no guarantee any security within each category will perform as outlined above.

Investment Process

A disciplined bottom-up approach

1. Quantitative Screens	Initial Liquidity, Valuation and Quality Metrics (~ 1000 stocks) - Is free float > \$2B? - Is stock attractively priced on absolute basis and relative to global peers? - Does stock possess desirable economic characteristics?
2. Kicking the Tyres	Assess Franchise, Financial Strength and Management (~ 300 - 400 stocks) - Look for dominant market shares and effective barriers to entry - Are Returns on Operating Capital Employed improving, stable or fading? - How does management allocate capital? How are management paid?
3. Assess Fair Value	Determine Long Term Fair Value - Focus on free cash flow, not accounting numbers - Why may the market be wrong? - Is there a catalyst to realize value?
4. Portfolio Construction & Maintenance	Meet Weekly to Review Portfolio & Stock Candidates (~ 70 - 90 stocks) - Does new idea offer better risk/reward tradeoff? - Stock weighting influenced by level of conviction, risk/reward tradeoff, liquidity - Continuous re-evaluation and maintenance research - No prescribed industry or country limits; 5% max in any 1 security

Risk Management

Seek to minimize risks that can jeopardize long term compounding

- We believe we are fallible and stress-test our assumptions about individual stocks accordingly
- We believe that cap-weighted benchmarks are inherently risky
- We worry about quality and price while indices do not
- We do not care about tracking error!

Risks We Worry About	Risks We don't
• Company Risk - Understand the specific risks facing the company we are buying - Look for resilient franchises - Understand motivations of management • Valuation Risk - Aim to avoid overpaying by emphasizing free cash-flow yields vs. local bond yields • Financial Risk - Prefer strong balance sheets with the ability to cover interest and other fixed charges • Portfolio Risk - Seek to maintain broad diversification by country, sector and number of holdings	• Tracking error • Missing out on latest investment trend • Short term “noise”

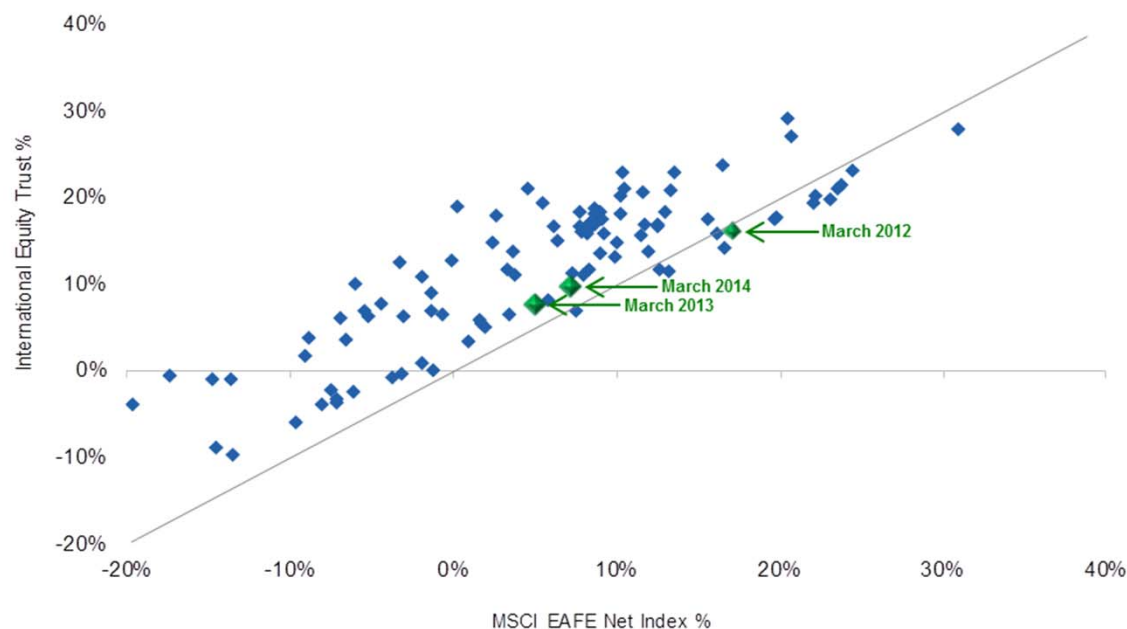
Stocks are more volatile than corporate bonds, and Government bonds and Treasury Bills are guaranteed as to the timely payment of principal and interest, if held to maturity. Fixed income investments are subject to credit and interest rate risks. Diversification does not protect an investor against a loss in a particular market; however it allows an investor to spread that risk across various asset classes.

Asymmetric Return Profile

Morgan Stanley International Equity Trust – U.S.\$

Rolling 3 Year Periods Since Inception through March 31, 2014
Quarterly Data

- This strategy has exhibited:
 - Asymmetrical performance
 - Strong capital preservation characteristics
 - Strongest outperformance in down periods
 - Weakest relative performance in concentrated, momentum-driven “up” markets



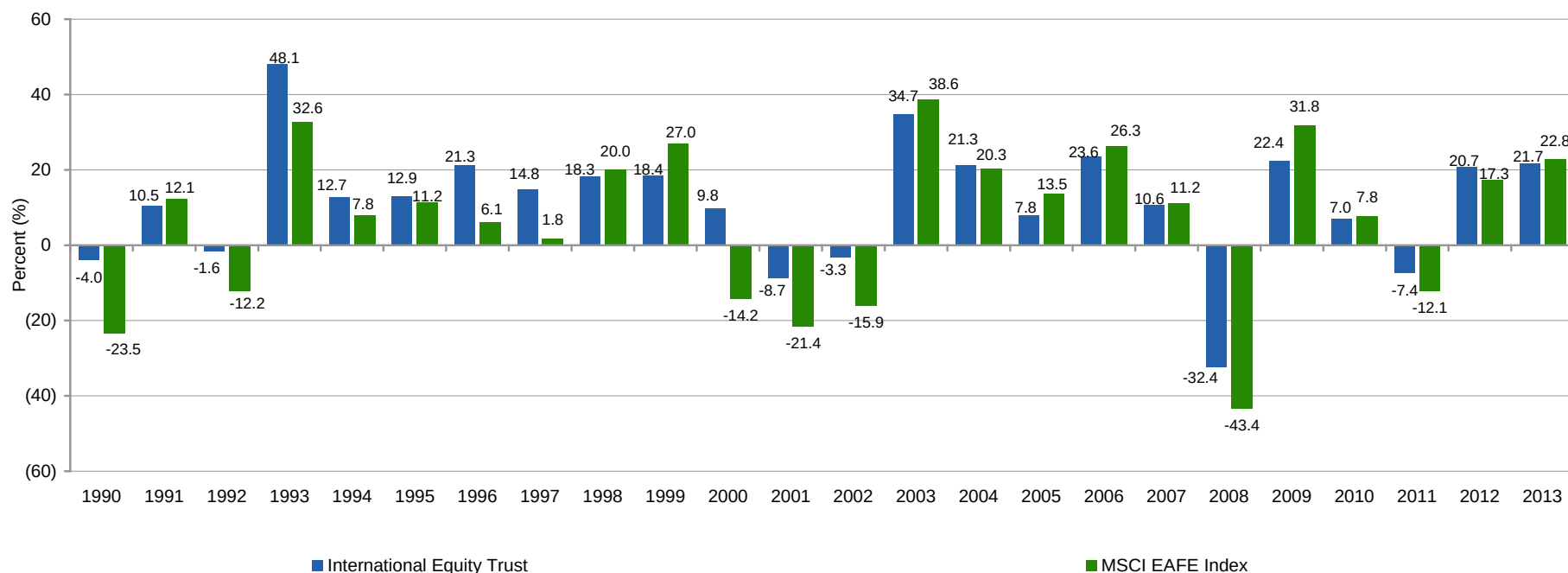
Past performance should not be construed as a guarantee of future performance. Performance returns reflect the average annual rates of return. The Morgan Stanley International Equity Trust investment returns are GROSS of custody as well as investment management fees, in U.S.\$ terms, and assume the reinvestment of all dividends and income. If expenses were deducted returns would have been lower. Investment returns and principal value will fluctuate and an investor's shares, when redeemed, may be worth more or less than their original cost. Performance returns are compared to those of an unmanaged index and are considered to be a relevant comparison to the portfolio. Comparisons of performance assume the reinvestment of all dividends and income.

International Equity Trust

Presented in U.S.\$ Terms

Calendar Year Performance Returns

The inception date of the Morgan Stanley International Equity Trust is September 30, 1986



Source: Morgan Stanley Investment Management

Past performance should not be construed as a guarantee of future performance. Performance returns reflect the average annual rates of return. The Morgan Stanley International Equity Trust investment returns are GROSS of custody as well as investment management fees, in U.S.\$ terms, and assume the reinvestment of all dividends and income. If expenses were deducted, returns would have been lower. Investment returns and principal value will fluctuate and an investor's shares, when redeemed, may be worth more or less than their original cost. Performance returns are compared to those of an unmanaged index and are considered to be a relevant comparison to the portfolio. Comparisons of performance assume the reinvestment of all dividends and income.

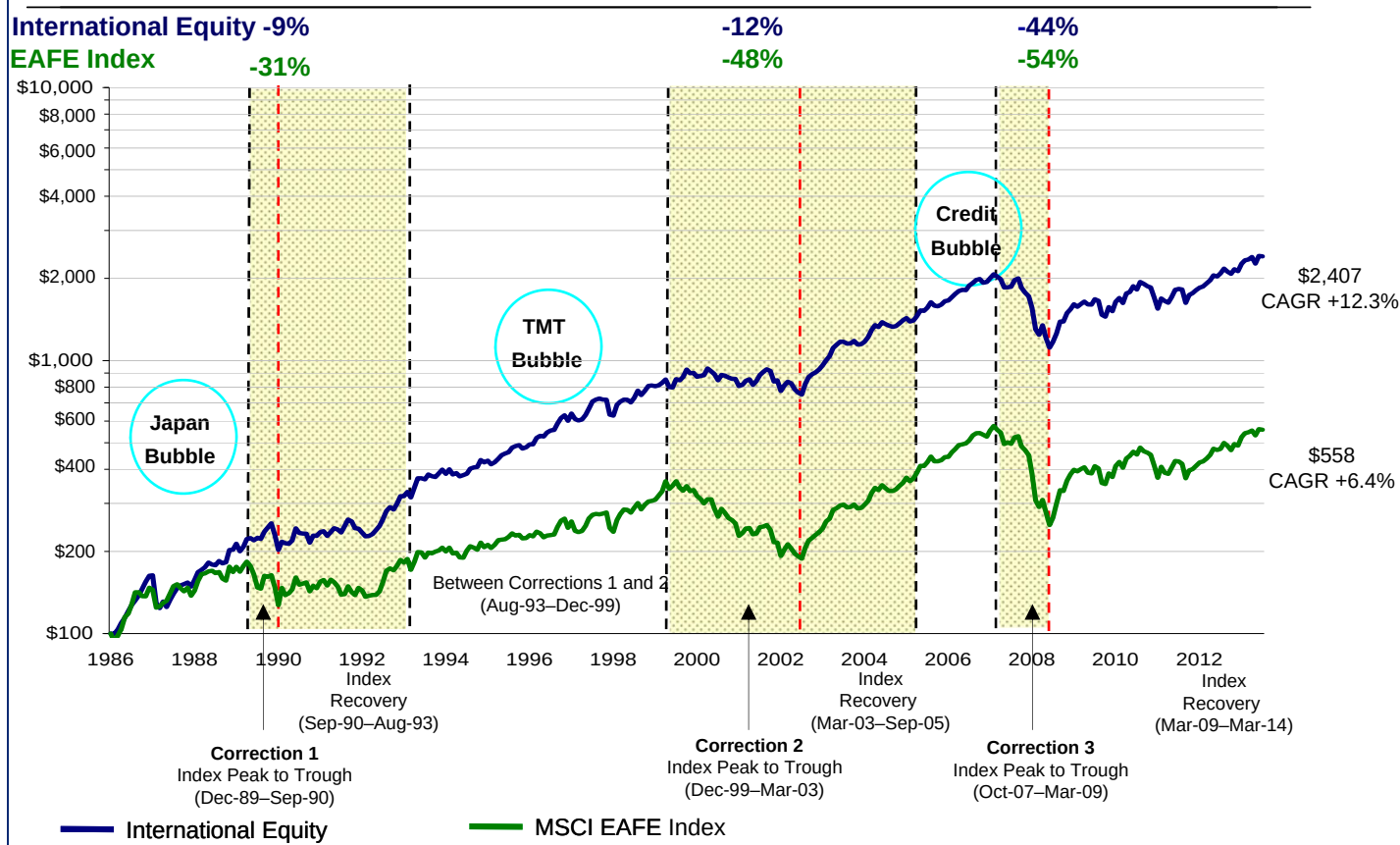
Morgan Stanley

For the Exclusive Use of the City of Fort Pierce Retirement and Benefit System and May Not be Redistributed

The Power of Compounding

Morgan Stanley International Equity Trust – U.S.\$

- \$100 invested in the portfolio worth \$2,407 v \$558 invested in the index as of March 31, 2014
- Our value discipline has identified and helped avoid the 3 great asset bubbles of the last 25 years



Source: MSCI, Morgan Stanley Investment Management; as of March 31, 2014

Past performance is no guarantee of future results. The returns represent the Morgan Stanley International Equity Trust and are presented GROSS of custody as well as investment management fees. Had fees been included, returns would be lower and results may be less favorable. Returns are quoted in U.S.\$ terms and include the reinvestment of all dividends and income. The inception date of the Morgan Stanley International Equity Trust is September 30, 1986. Please refer to section 2 of the presentation for the Trust's investment performance. Individual results may vary.

Section 2

International Equity
Performance and Portfolio Positioning

City of Fort Pierce Retirement and Benefit System

Morgan Stanley International Equity Trust

Average Annual Returns¹

Presented in U.S.\$ terms

	For Periods Ending March 31, 2014						Since Inception (%)
	1Q 2014 (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	20 Years (%)	
International Equity Trust	0.47	15.39	9.74	15.52	7.46	9.86	11.00
MSCI EAFE Index	0.66	17.56	7.21	16.02	6.53	5.54	6.09
Excess Returns (bps)	-19	-217	253	-50	93	432	491

	For Periods Ending December 31, 2013						Since Inception (%)
	4Q 2013 (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	20 Years (%)	
International Equity Trust	5.85	21.72	10.81	12.24	7.98	10.20	11.10
MSCI EAFE Index	5.71	22.78	8.17	12.44	6.91	5.68	6.13
Excess Returns (bps)	14	-106	264	-20	107	452	497

City of Fort Pierce Retirement and Benefit System

- Market Value as of March 31, 2014: \$12,589,956.87
- Inception Date: September 1, 1991

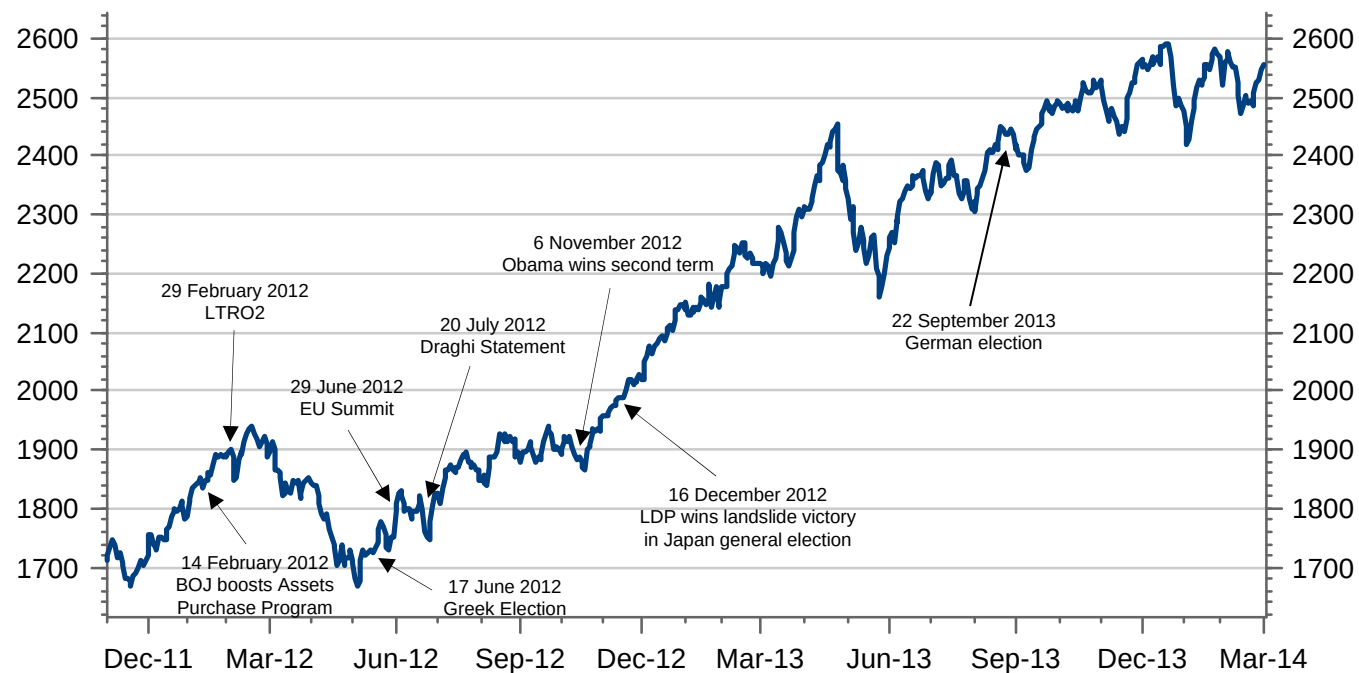
Past performance should not be construed as a guarantee of future performance. Returns less than one year are not annualized. Performance returns reflect the average annual rates of return. The Morgan Stanley International Equity Trust investment returns are GROSS of investment management fees, in U.S.\$ terms and assume the reinvestment of all dividends and income and would be lower if expenses were deducted. Investment returns and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Performance returns are compared to those of an unmanaged index and are considered to be a relevant comparison to the portfolio. The comparison index is the MSCI EAFE Index with Net Dividends reinvested. Investments in foreign markets entail special risks such as currency, political, economic, and market risks. The risks of investing in emerging-market countries are greater than the risks generally associated with foreign investments.

Taper On; Taper Off

MSCI Market Time Series Performance

Net Official Index (Local) - Daily

— EAFE

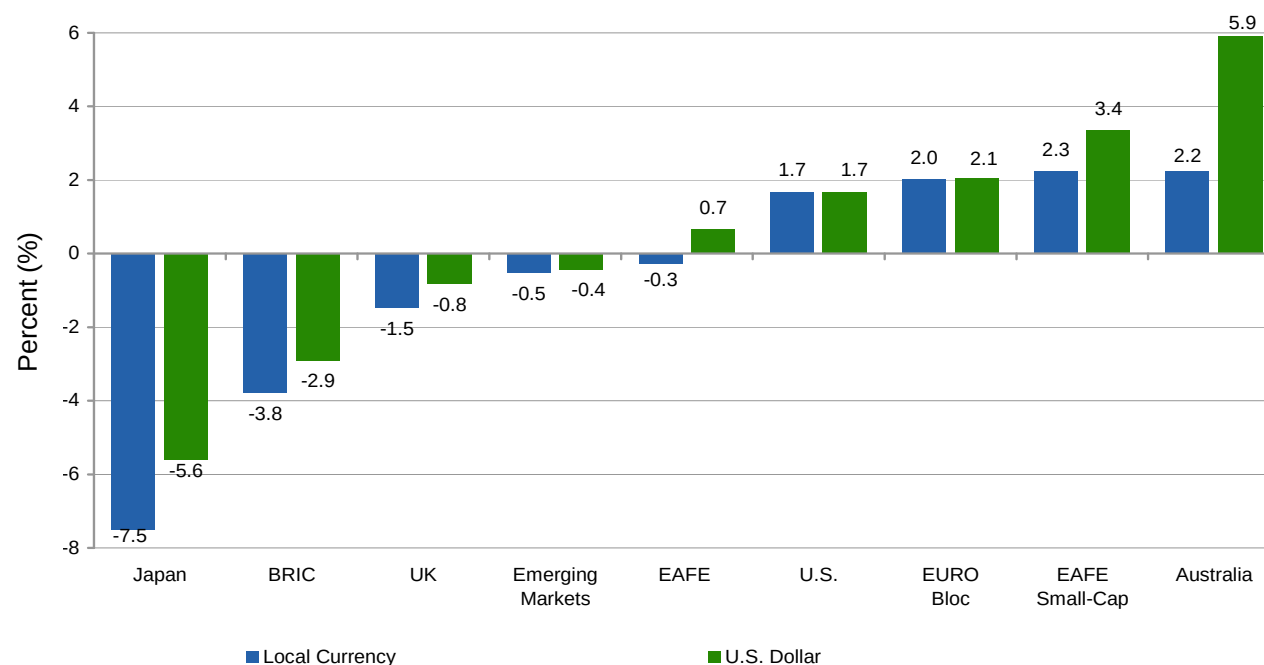


Source: MSCI

Data as of March 31, 2014. **Past performance should not be construed as a guarantee of future performance.** Provided for informational purposes only.

YTD 2014 Index Regional Returns

MSCI Official Indices

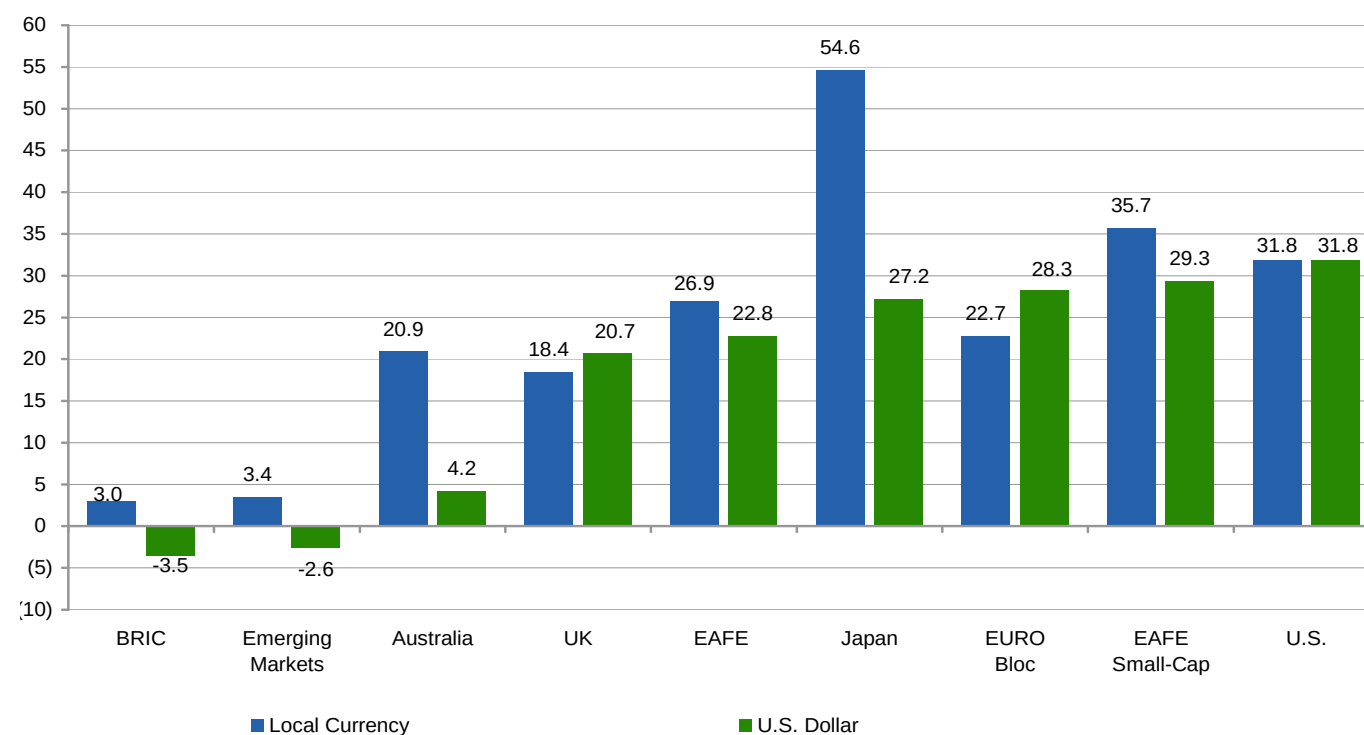


Source: FactSet

Data as of March 31, 2014. **Past performance is no guarantee of future results.** For illustrative purposes only and should not be deemed as a recommendation to buy or sell securities in the countries or regions shown above. MSCI EAFE is an unmanaged index and It is not possible to invest directly in an index.

2013 Index Regional Returns

MSCI Net Official Indices

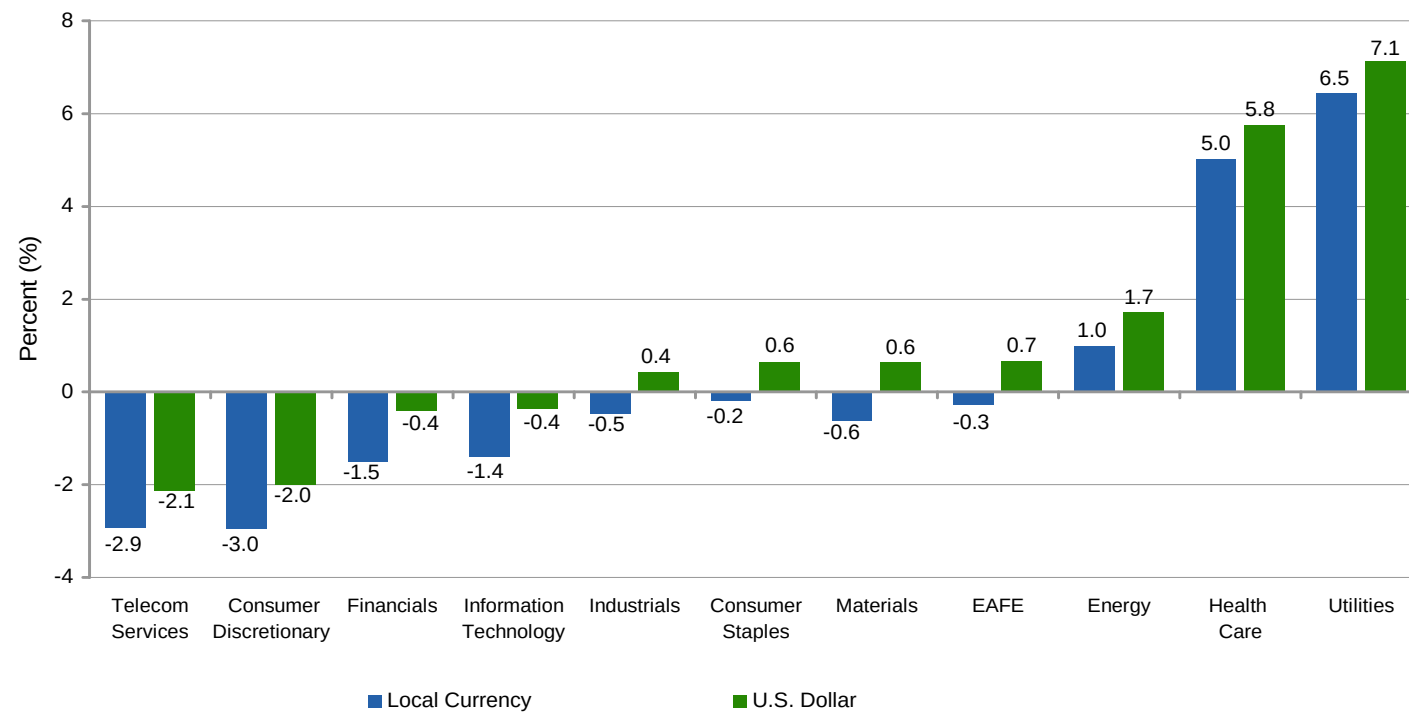


Source: FactSet

Data as of December 31, 2013. **Past performance is no guarantee of future results.** For illustrative purposes only and should not be deemed as a recommendation to buy or sell securities in the regions shown.

YTD 2014 Index Sector Returns

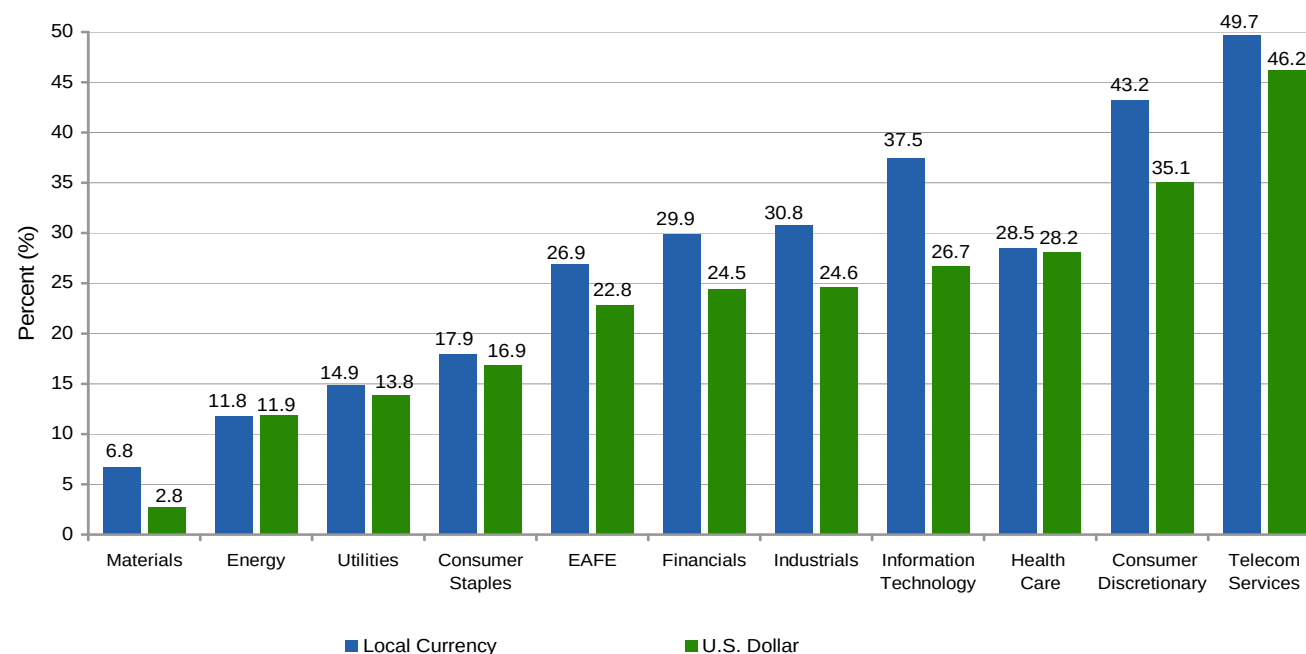
MSCI EAFE Net Official Index



Source: FactSet.
Data as of March 31, 2014. **Past performance is no guarantee of future results.** For illustrative purposes only and should not be deemed as a recommendation to buy or sell securities in the industries shown.

2013 Index Sector Returns

MSCI EAFE Net Official Index



Source: FactSet.

Data as of December 31, 2013. **Past performance is no guarantee of future results.** For illustrative purposes only and should not be deemed as a recommendation to buy or sell securities in the industries shown.

YTD 2014 Sector Attribution

Morgan Stanley International Equity Trust

Data as of March 31, 2014¹

Top Five Contributors³:

• Weir Group	+28bps
• British American Tobacco	+25bps
• Novartis	+20bps
• CRH	+16bps
• Roche	+16bps

Top Five Detractors³:

• Mitsubishi Estate	-25bps
• BG Group	-20bps
• Sumitomo Mitsui Financial Grp	-19bps
• Resolution	-16bps
• SAP	-15bps

	Sector Performance		Average Sector Weightings		Performance Attribution		
	Portfolio %	Index %	Portfolio %	Index %	Selection %	Allocation %	Total %
Consumer Staples	3.04	0.63	24.37	10.84	0.59	-	0.59
Materials	4.57	0.91	9.43	8.04	0.37	0.02	0.39
Telecom Services	1.49	-2.14	2.66	5.40	0.10	0.08	0.18
Consumer Discretionary	-1.41	-2.01	6.90	11.86	0.04	0.14	0.17
Industrials	0.50	0.41	5.85	12.89	-0.02	0.02	0.01
Health Care	3.01	5.72	13.56	10.39	-0.31	0.14	-0.18
Energy	-0.94	1.62	8.46	6.81	-0.22	0.03	-0.19
Utilities	-	7.13	-	3.61	-	-0.22	-0.22
Information Technology	-4.35	-0.37	6.25	4.51	-0.26	-0.02	-0.28
Financials	-3.46	-0.40	19.79	25.66	-0.63	0.06	-0.57
Cash	0.01	-	2.74	-	-	-0.08	-0.08
Hedging	0.01	-	-	-	-	-0.11	-0.11
Total	0.38	0.66	100.00	100.00	-0.34	0.06	-0.28
Other ²	0.09	-					0.09
Total Returns	0.47	0.66					-0.19

Source: Morgan Stanley Investment Management and FactSet

1. Portfolio weight is an average for the period from January 1, 2014 through March 31, 2014. Index MSCI EAFE Net. Attribution total return may differ from reported total return due to differing methodologies. Returns are Gross of fees, quoted in USD terms, and include the reinvestment of all dividends and income. Had fees been included, results would be lower and may differ. **Past performance is no guarantee of future results.** Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the sectors shown.

2. "Other" is the difference between the buy-and-hold attribution and official portfolio returns Gross of Fees. It reflects the Net impact of cash flows and security transactions. Additional contributors can include differences in pricing sources and fair valuation practices between systems used to calculate these returns. In volatile or illiquid markets and for high turnover portfolios, these differences can become increasingly significant. Attribution considers the total return of each security (price appreciation and dividend income). Management Fees and expenses are not considered by the attribution. The 'Cash' line in the attribution includes cash balances as well as other cash instruments.

3. Contribution is net and relative to the index. We do not own companies listed in italics.

2013 Sector Attribution

Morgan Stanley International Equity Trust

Data as of December 31, 2013¹

Top Five Contributors³:

• Prudential	+60bps
• Resolution	+37bps
• Sumitomo Mitsui Trust	+36bps
• Continental	+35bps
• Bayer	+35bps

Top Five Detractors³:

• Imperial Tobacco	-63bps
• Unilever	-48bps
• British American Tobacco	-43bps
• WorleyParsons	-39bps
• SoftBank	-34bps

	Sector Performance		Average Sector Weightings		Performance Attribution		
	Portfolio %	Index %	Portfolio %	Index %	Selection %	Allocation %	Total %
Financials	34.30	24.53	19.36	25.18	1.58	-0.11	1.47
Health Care	34.12	28.07	12.97	10.08	0.68	0.14	0.82
Materials	5.17	2.89	7.78	8.56	0.23	0.26	0.50
Industrials	29.73	24.88	6.61	12.65	0.34	-0.09	0.25
Utilities	7.37	13.84	1.50	3.70	-0.15	0.22	0.07
Information Technology	24.11	25.23	6.48	4.37	-0.07	0.02	-0.04
Energy	10.74	11.92	8.08	7.07	-0.08	-0.12	-0.20
Telecom Services	38.72	46.22	4.22	5.21	-0.21	-0.28	-0.49
Consumer Discretionary	35.68	35.08	5.56	11.41	0.07	-0.73	-0.67
Consumer Staples	14.41	16.95	24.47	11.55	-0.71	-0.66	-1.37
Cash	0.05	-	2.97	-	-	-0.83	-0.83
Currency Forwards	0.05	-	-	-	-	0.39	0.39
Total	22.66	22.77	100.00	100.00	1.68	-1.79	-0.11
Other ²	-0.94	0.01					-0.95
Total Returns	21.72	22.78					-1.06

Source: Morgan Stanley Investment Management and FactSet

1. Portfolio weight is an average for the period from January 1, 2013 through December 31, 2013. Index MSCI EAFE Net. Attribution total return may differ from reported total return due to differing methodologies. Returns are Gross of fees, quoted in USD terms, and include the reinvestment of all dividends and income. Had fees been included, results would be lower and may differ. **Past performance is no guarantee of future results.** Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the sectors shown.

2. "Other" is the difference between the buy-and-hold attribution and official portfolio returns Gross of Fees. It reflects the Net impact of cash flows and security transactions. Additional contributors can include differences in pricing sources and fair valuation practices between systems used to calculate these returns. In volatile or illiquid markets and for high turnover portfolios, these differences can become increasingly significant. Attribution considers the total return of each security (price appreciation and dividend income). Management Fees and expenses are not considered by the attribution. The 'Cash' line in the attribution includes cash balances as well as other cash instruments.

3. Contribution is net and relative to the index. We do not own companies listed in italics.

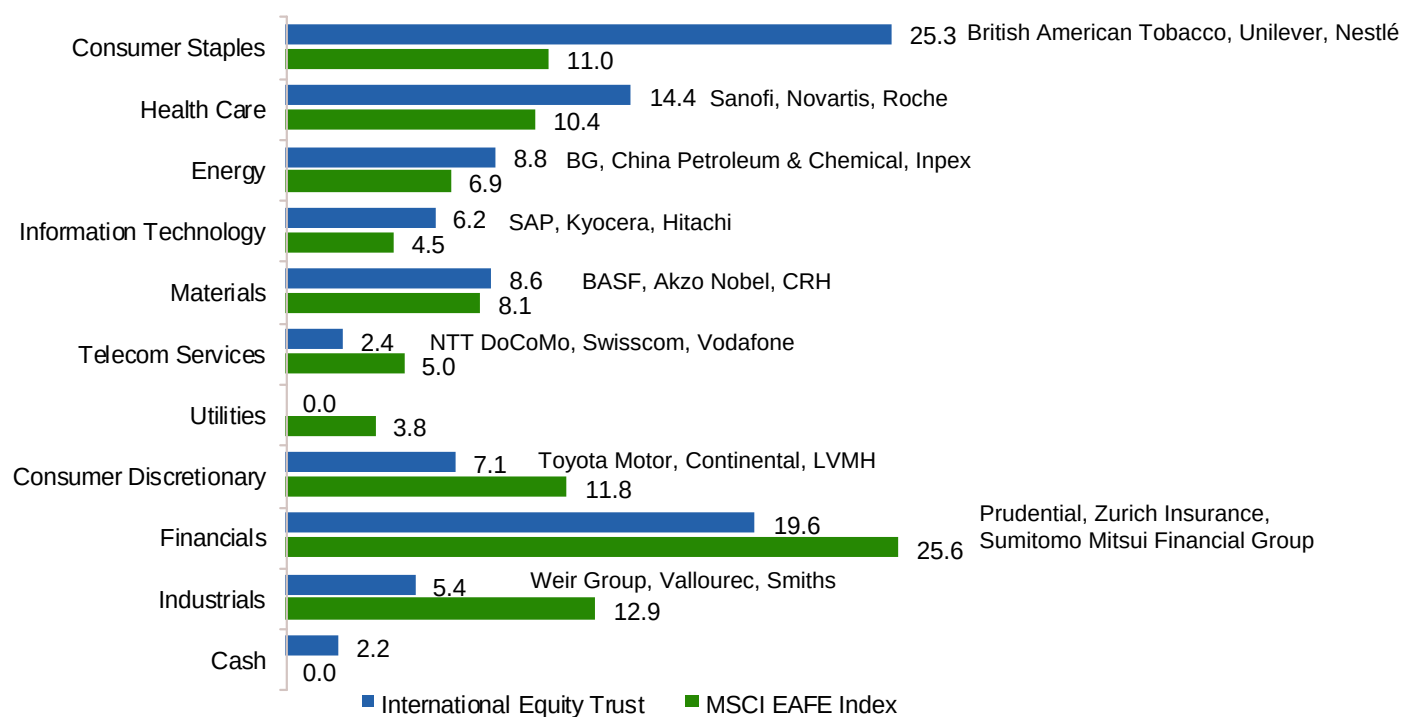
Current Portfolio

Sector Weightings

Morgan Stanley International Equity Trust

Largest Portfolio Holdings within Each Sector

- Sector weights result from bottom-up stock selection process
- Overweight defensive sectors (43.8% vs 30.3%)
- Underweight cyclical sectors (56.2% vs 69.7%)



Source: Morgan Stanley Investment Management
Data as of March 31, 2014. Subject to change daily. Each portfolio may differ due to specific restrictions and guidelines. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the industries shown above. Up to the three largest holdings are stated for each sector.

Financials Underweight Dissected

Morgan Stanley International Equity Trust

- Remain heavily underweight banks with no direct exposure to PIIGS banks. Our strategy remains choosy and opportunistic. Few bank franchises can beat their cost of capital – de-levering and forced alterations to the business model require a heavy discount to account for the considerable risks
- Strongly overweight insurers given their limited solvency, liquidity and regulatory risks. Wary of exposure to vulnerable sovereigns and low long-run interest rates

Financials Weighting	MSCI EAFE	Portfolio
Banks	13.4	8.7
Capital Markets	2.1	1.3
Diversified	1.5	0.0
Insurance	5.3	8.3
Real Estate	<u>3.3</u>	<u>1.3</u>
Financials	25.6	19.6

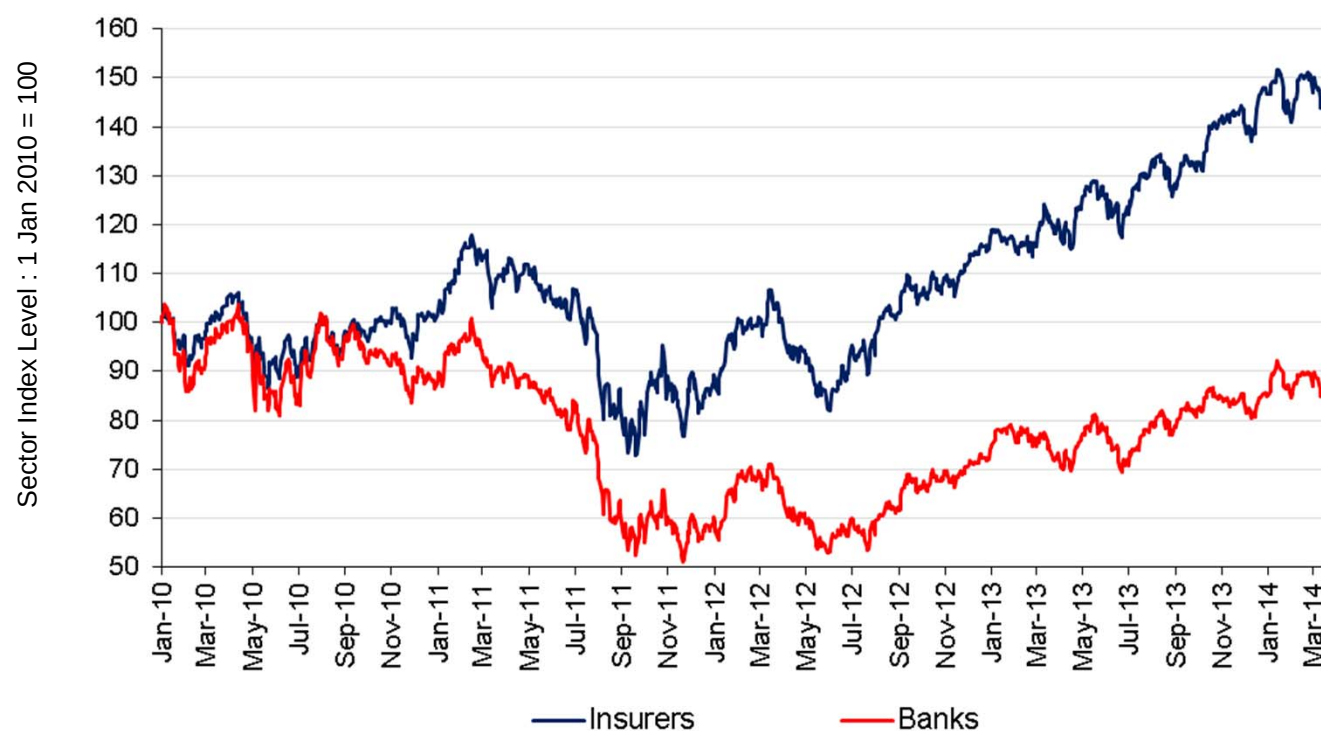
Banks Weighting	MSCI EAFE	Portfolio	Main Holdings
UK	2.8	1.6	HSBC, Lloyds
Japan	1.9	2.0	SMFG, Sumitomo Mitsui Trust Holdings
France	1.1	2.5	BNP Paribas, Credit Agricole
Australia	2.9	0.0	
Spain	1.7	0.0	
Italy	0.7	0.0	
Other	<u>2.3</u>	<u>2.6</u>	Nordea (Sweden) Svenska Handelsbanken (Sweden)
	13.4	8.7	

Insurance Weighting	MSCI EAFE	Portfolio	Main Holdings
UK	1.2	3.9	Prudential, Resolution, Admiral,
Switzerland	0.7	1.8	Zurich Insurance Group
Japan	0.5	2.1	NKSJ, MS&AD Insurance
Australia	0.4	0.0	
France	0.4	0.0	
Germany	0.9	0.0	
Other	<u>1.2</u>	<u>0.5</u>	AIA (Hong Kong)
	5.3	8.3	

Source: MSCI and FactSet

Data as of March 31, 2014. Subject to change daily. Up to three largest holdings, when available, are provided for each weighting. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned in the countries or industries shown above.

European Insurers vs Banks



Source: Bloomberg
 STOXX600 European Banks (SX7P)
 STOXX600 European Insurance (SXIP)
 Data of March 31, 2014. Index rebased to 100 in January 2010. **Past performance is not indicative of future results.** Provided for informational purposes only and is not a recommendation to buy or sell any security.

- Broadly neutral on metals and mining with improving medium term free cash flow prospects offset by shorter term concerns over Chinese demand
- Remain overweight construction materials where earnings are at cyclical lows but offer high operational leverage to any economic recovery

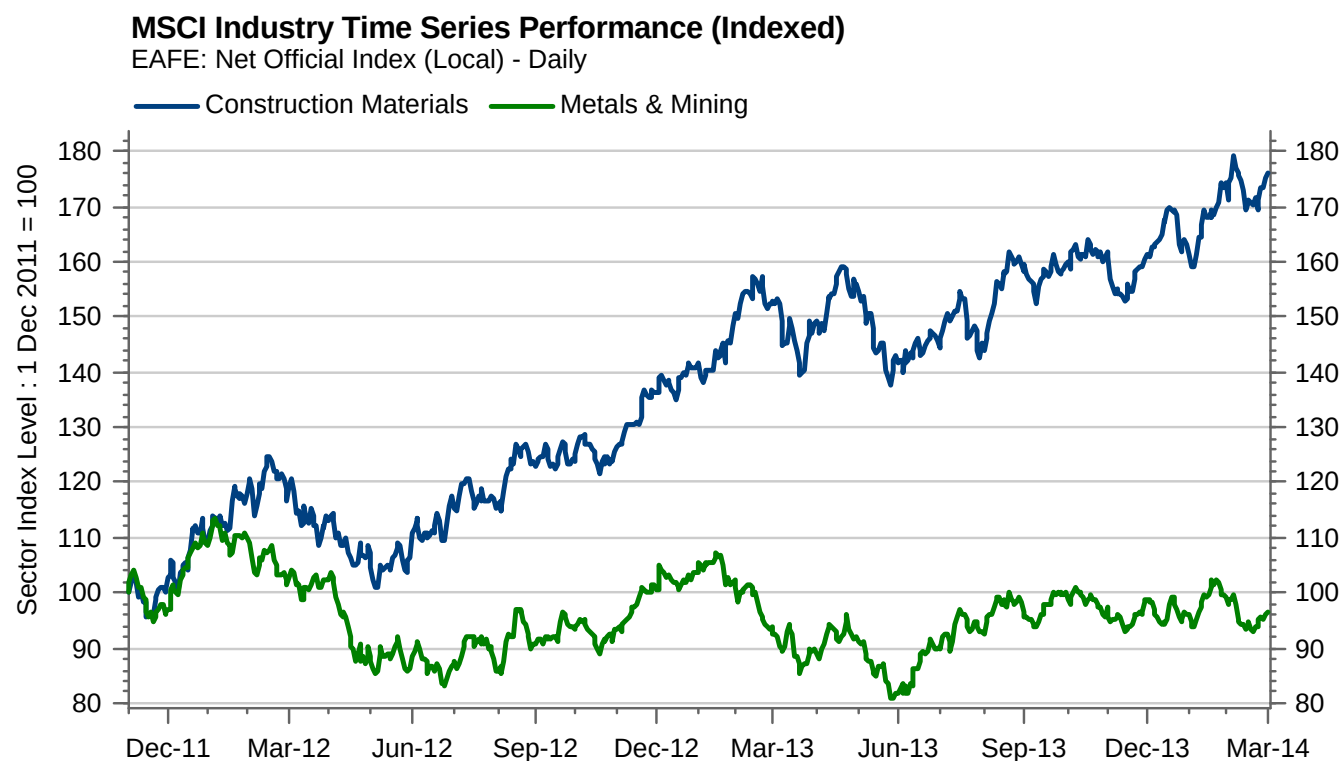
Materials Dissected

Morgan Stanley International Equity Trust

Industry Sub Group	MSCI EAFE (%)	Portfolio (%)	Holdings
Metals and Mining	3.71	3.43	Barrick Gold, BHP Billiton, ArcelorMittal, Rio Tinto, Turquoise Hill Resources, Glencore Xstrata
Chemicals	3.46	2.49	BASF, Akzo Nobel, Nitto Denko
Construction Materials	0.67	2.63	CRH, HeidelbergCement, Holcim
Paper and Forest Products	0.14	0.00	
Containers and Packaging	0.16	0.00	
	8.14	8.55	

Source: MSCI and FactSet
Data as of March 31, 2014. Subject to change daily. Up to three largest holdings, when available, are stated for each sector.
Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the industries shown above.

Metals and Mining versus Building Materials



Source: MSCI, FactSet
Data of March 31, 2014. Past performance is not indicative of future results. Provided for illustrative purposes only and should not be deemed as a recommendation to buy or sell any securities in the industries shown above.

Geographic Allocation

Morgan Stanley International Equity Trust

Data as of March 31, 2014

- Country weights result from bottom-up stock selection process
- Currency hedging primarily used for defensive purposes

Region	International Equity Trust (%)	MSCI EAFE (%)	Currency Hedge ¹ (%)
Europe non-Euro			
United Kingdom	29.3	21.1	
Switzerland	16.1	9.3	
Sweden	2.6	3.3	
Denmark	0.0	1.4	
Norway	0.0	0.8	
Total	48.0%	35.9%	
Asia/Pacific			
Japan	16.9	19.7	-5.5
Australia	1.8	7.9	
Hong Kong	0.5	2.7	
Singapore	0.0	1.5	
New Zealand	0.0	0.1	
China	1.9	0.0	
Total	21.1%	31.9%	
Europe Euro			
France	9.9	10.2	
Germany	8.3	9.5	
Spain	0.0	3.6	
Netherlands	6.4	2.9	
Italy	1.4	2.6	
Belgium	0.0	1.2	
Finland	0.0	0.9	
Ireland	1.1	0.3	
Austria	0.0	0.3	
Portugal	0.0	0.2	
Total	27.1%	31.7%	
Africa/Mideast			
Israel - Domestic	0.0	0.5	
Total	0.0%	0.5%	
North America			
Canada	1.2	0.0	
United States	0.3	0.0	5.5
Total	1.5%	0.0%	
Cash	2.2%	0.0%	

1. Yen hedged to US dollar.

Source: Morgan Stanley Investment Management, MSCI and FactSet

Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell securities in the regions shown above.

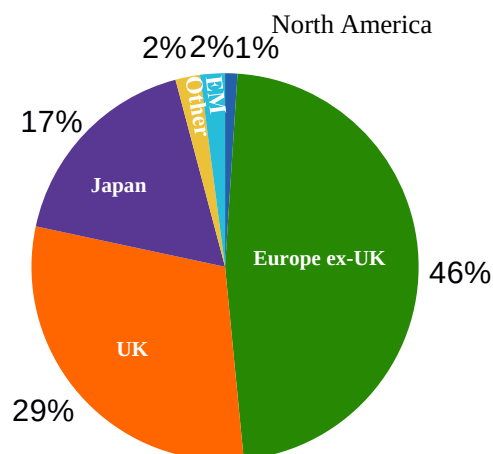
Regional Breakdown

Morgan Stanley International Equity Trust

Selected Company EM Exposure²

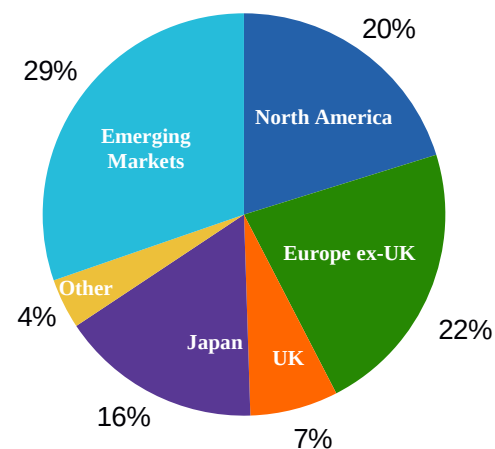
• AIA	100%
• BAT	68%
• Holcim	60%
• Unilever	57%
• BHP	52%
• Prudential	45%
• Nestle	43%
• Vallourec	38%
• Akzo Nobel	37%
• Vodafone	37%
• Diageo	35%
• Legrand	35%
• Bayer	35%
• Roche	22%

Listed Exposure



Economic Exposure

Weighted Regional Exposure based on % of Company Sales¹



■ North America ■ Europe ex UK ■ UK ■ Japan ■ Other Developed Markets ■ Emerging Markets

Source: Morgan Stanley Investment Management

1. Data as of March 31, 2014. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the countries or regions shown above. Holdings and weightings are subject to change. Each portfolio may differ due to specific investment restrictions and guidelines.
2. Data as of March 31, 2014. Securities shown are for illustrative purposes only and percentages represent the weighted average based on revenues from emerging market sales.

Top Ten Holdings

Morgan Stanley International Equity Trust

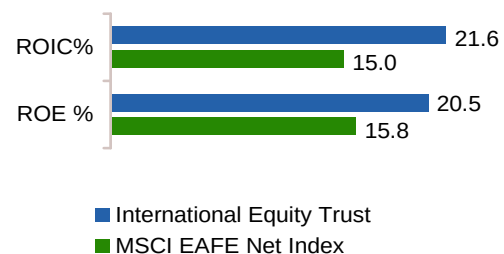
Data as of March 31, 2014

Security	Industry	Country	(%)
British American Tobacco	Tobacco	United Kingdom	4.9
Unilever	Food Products	Netherlands	4.6
Nestlé	Food Products	Switzerland	4.6
Reckitt Benckiser	Household Products	United Kingdom	4.5
Sanofi	Pharmaceuticals	France	4.0
Novartis	Pharmaceuticals	Switzerland	3.7
Roche	Pharmaceuticals	Switzerland	3.1
Diageo	Beverages	United Kingdom	2.8
SAP	Software	Germany	2.7
Prudential	Insurance	United Kingdom	2.0
Total			36.9

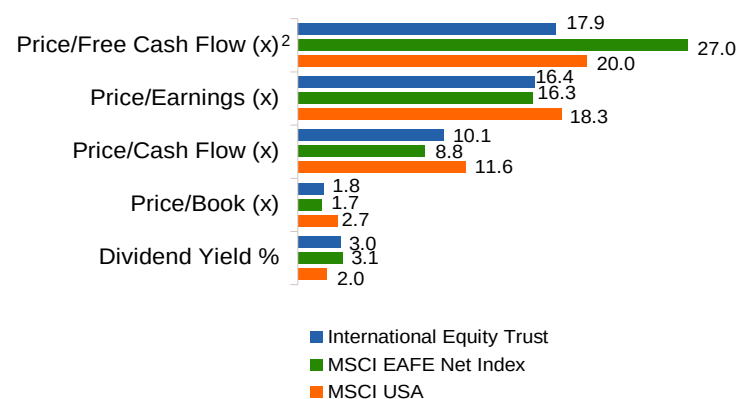
Source: Morgan Stanley Investment Management.
Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to purchase or sell the securities mentioned or securities in the industry and countries shown.

Portfolio Characteristics

Quality Ratios¹



Valuation Ratios¹



Market Cap Weights¹

	International Equity Trust %	MSCI EAFE Net Index %
Mega Cap > \$100bn	29	19
Large Cap \$50-100bn	27	19
Mid Cap \$10-50 bn	32	41
Small/Mid Cap \$1-10bn	12	21
Small Cap <\$1bn	0	0
Weighted Average Market Cap (\$bn)	73.3	54.7

Source: Morgan Stanley Investment Management, MSCI and FactSet

1. Data as of March 31, 2014. Information shown is for illustrative purposes only. **Past performance is no guarantee of future results.** Each portfolio may differ due to specific restrictions and guidelines.

2. Price to free cash flow excludes financials. Free cash flow = net operating cash flow – capital expenditure

Section 3

International Equity
Outlook and Strategy

Outlook

- The deleveraging process still has further to run
- Economic recovery in developed world remains fragile while growth in Emerging Markets is weakening
- Deflationary pressures in US and Europe still a risk and may delay “normalization” of interest rates
- Political and Policy risk remains high globally
- Japan showing early signs of breaking the deflationary mindset

As of December 31, 2013. The information reflects the views of the Portfolio Management Team at the time of this writing. These views may change in response to changing circumstances and market conditions.

2014 Strategy

- Equities in the uncomfortable part of the cycle where both expectations and valuations are high
- Clear pockets of value (pharma, insurance, telecoms and Japan) have largely closed over the past 12-18 months. Some value in unloved Energy and Materials.
- European “re-convergence” plays have largely run their course, while the scarcity of genuine growth stocks has driven valuations too high
- Global, high quality, steady compounders with rock solid balance sheets and sustainable dividends still offer the best potential risk/reward trade-off

As of March 31, 2014. The information reflects the views of the Portfolio Management Team at the time of this writing. These views may change in response to changing circumstances and market conditions.

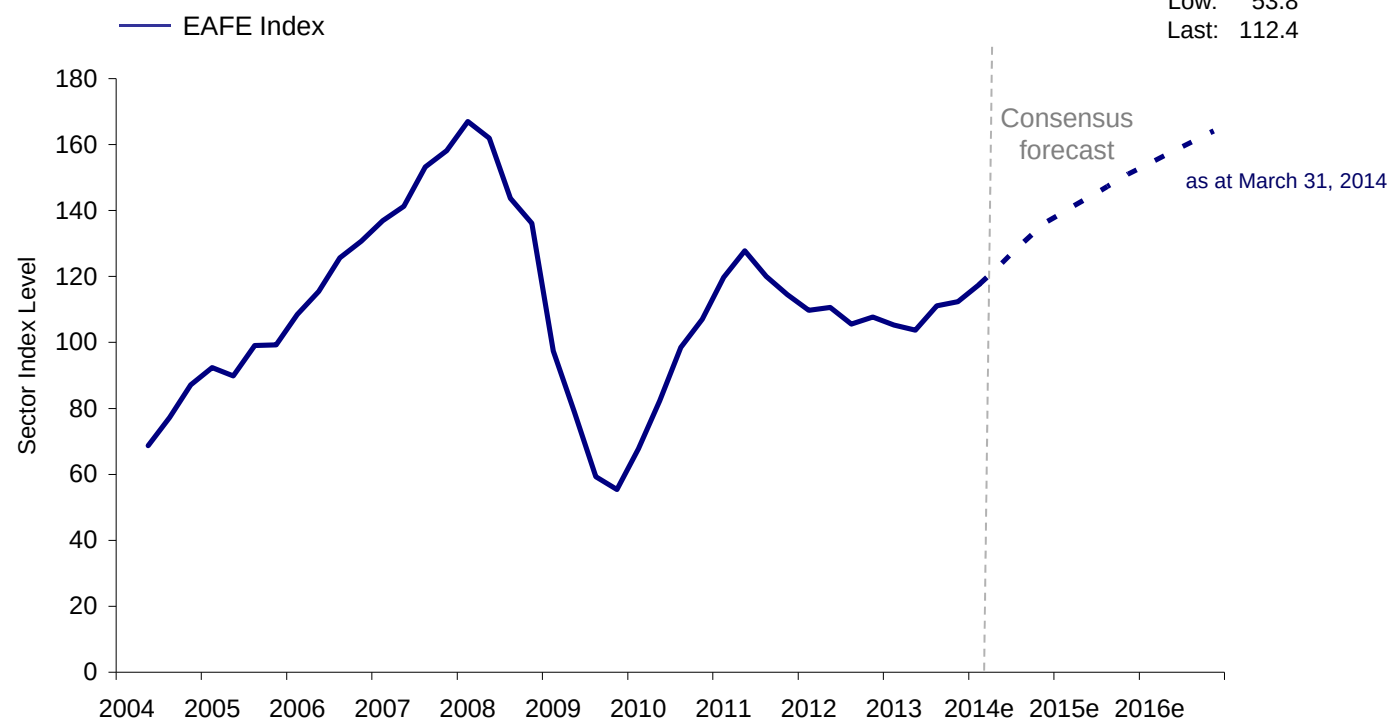
Valuations – Earnings Delivery is Key

as of March 31, 2014

	CY14	CY15	CY16
EPS	135.9	151.1	164.1
Growth %		11.2	8.3
PE	13.9	12.5	11.5

MSCI Market Time Series – Valuation

Latest 12 Months EPS – Quarterly
June 30, 2004 – December 31, 2013



Source: MSCI, FactSet

Data as of March 31, 2014 and quoted in USD.

Projection is for index, based on summation of consensus forecasts for constituents of index

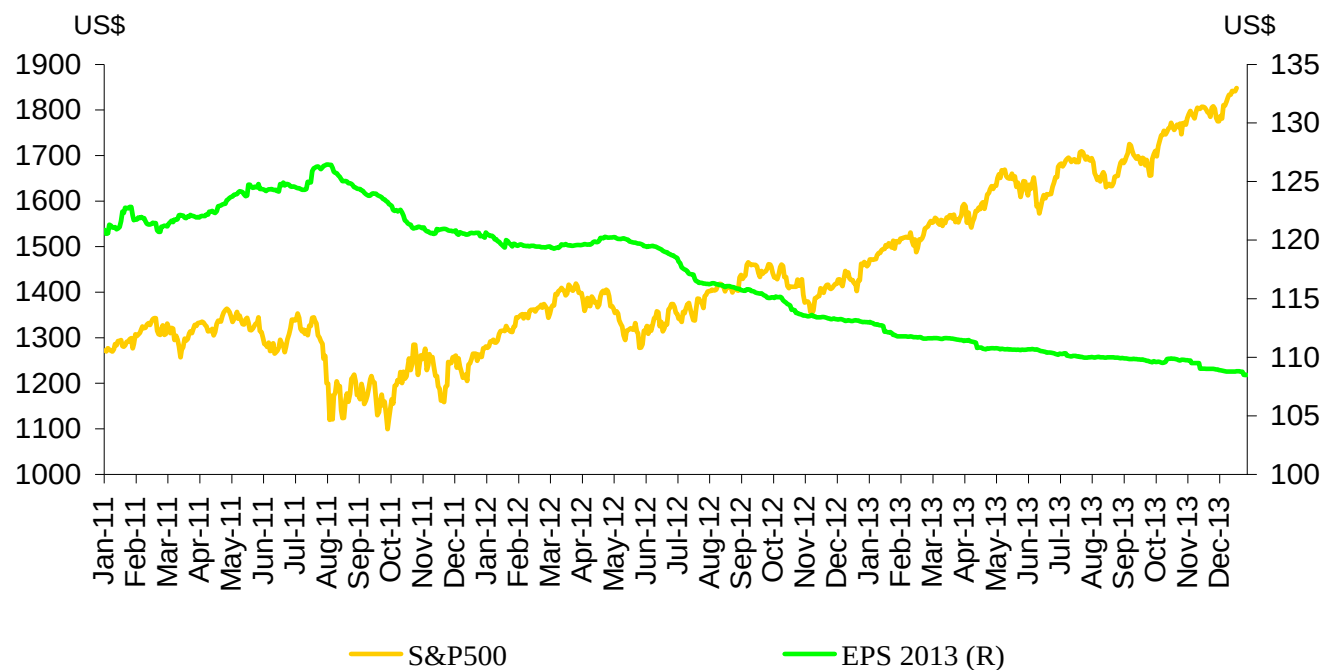
Valuation series available from December 31, 2003

Past performance is no guarantee of future results. Forecasts/estimates are subject to change and may not necessarily come to pass due to changing markets and economic conditions.

The Great Re-Rating

U.S.: S&P500 vs 2013 Earnings Per Share (EPS) Estimates

Data as of December 31, 2013

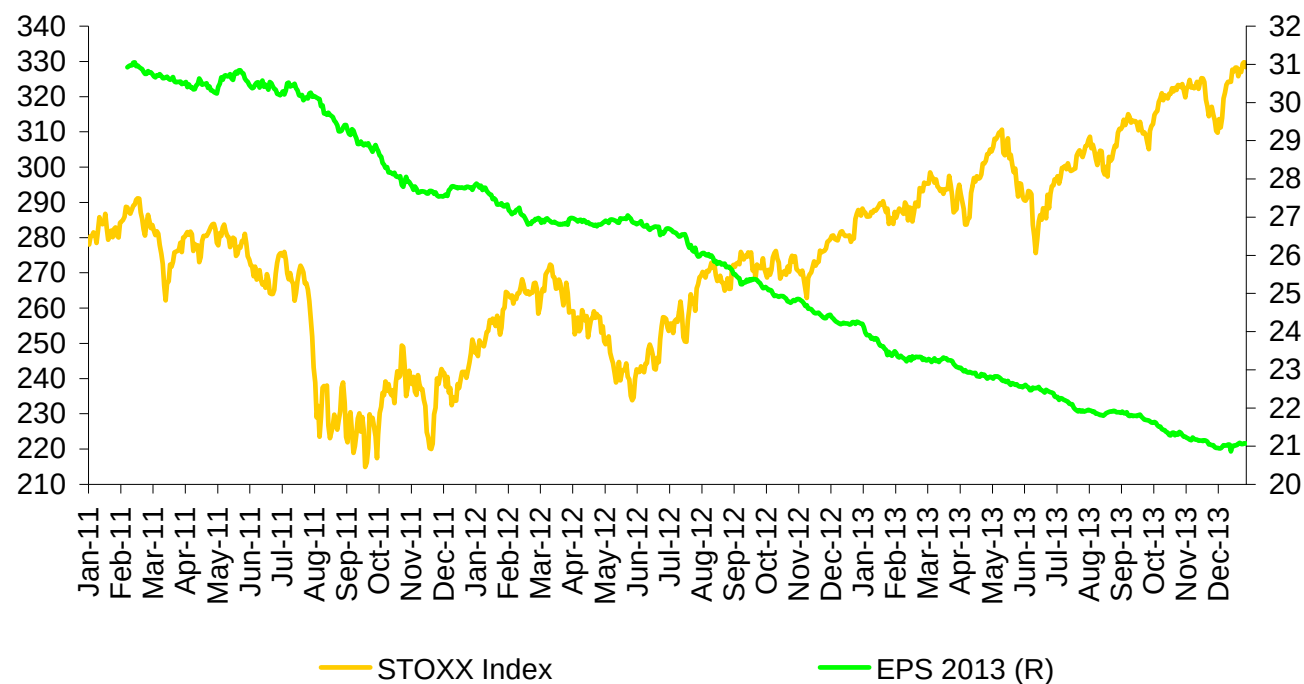


Source: Redburn, FactSet. Based on Consensus Forecast Data. **Past performance is not indicative of future results.** Forecasts and estimates are subject to change and may not necessarily come to pass due to changing market and economic conditions. EPS = Earnings Per Share. S&P 500 is an unmanaged index and it is not possible to invest directly in an index.

The Great Re-Rating

Europe: STOXX Index vs 2013 EPS Estimates

Data as of December 31, 2013

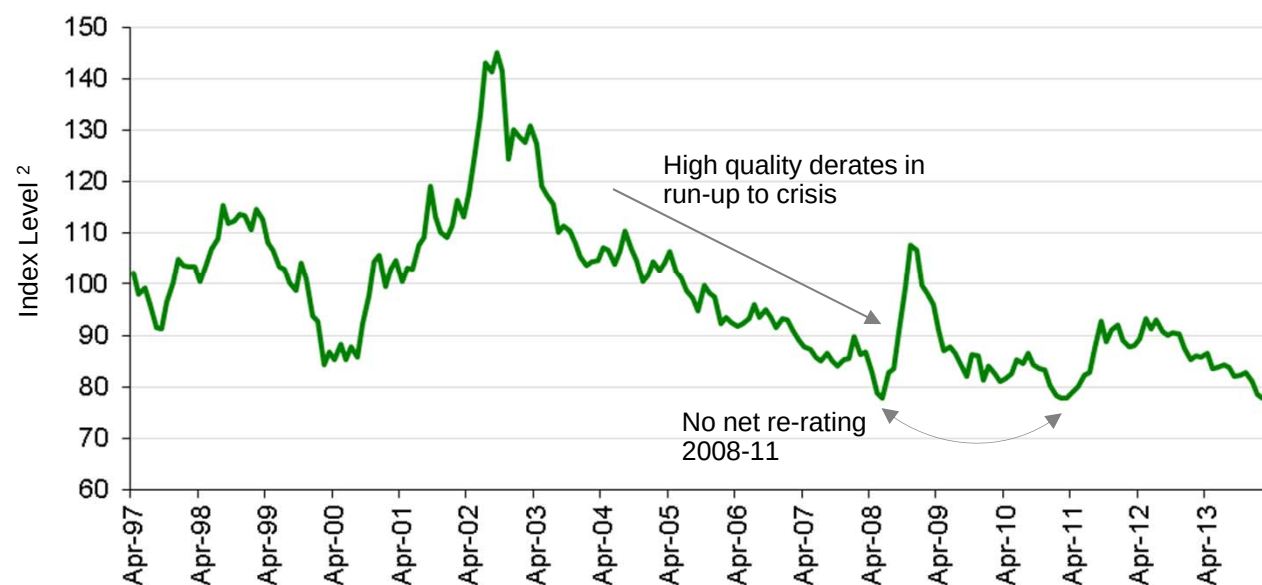


Source: Redburn, FactSet. Based on Consensus Forecast Data. **Past performance is not indicative of future results.** Forecasts and estimates are subject to change and may not necessarily come to pass due to changing market and economic conditions. EPS = Earnings Per Share. STOXX index is an unmanaged index and it is not possible to invest directly in an index.

“Quality” – What Re-rating? Quality Approaching 2008 and 2011 relative lows

- S&P issues ‘quality’ ratings for equities based on factors such as earnings stability and balance sheet robustness
- High and low quality indices for top and bottom quality tranches of S&P500 were established in 2010 dating back to 1997
- High quality re-rated in 2000-2 and 2008-9, but in general the last decade has seen a de-rating of quality. Currently relative rating of high quality to low quality is close to 2000 and 2008 lows

S&P 500 High Versus Low Quality Indices¹



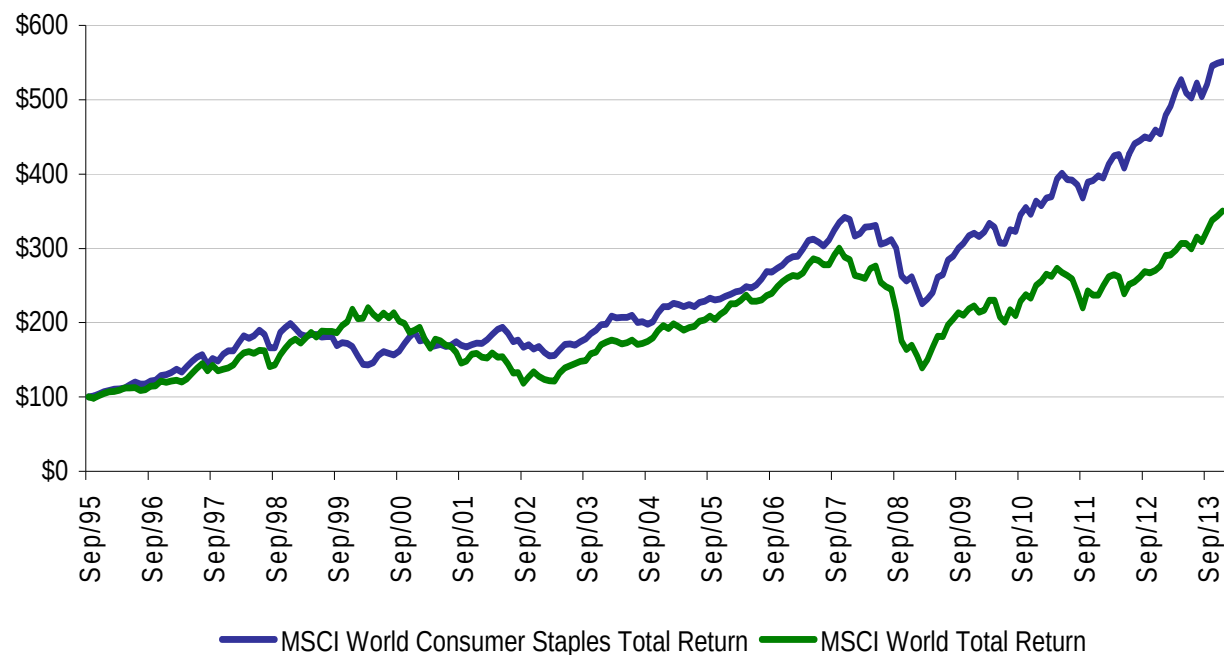
Data at March 31, 2014.

1. The Standard & Poor's 500® Index (S&P 500®) measures the performance of the large cap segment of the U.S. equities market, covering approximately 75% of the U.S. equities market. The Index includes 500 leading companies in leading industries of the U.S. economy. It is not possible to invest directly in an index. The S&P 500 High Quality Rankings Index is designed to provide exposure to constituents of the S&P 500 identified as high quality stocks – stocks with Quality Rankings of A- and above. The S&P 500 Low Quality Rankings Index is designed to provide exposure to those constituents of the S&P 500 identified as low quality stocks – stocks with Quality Rankings of B and below (excluding companies with scores of D or in liquidation). **Past performance is no guarantee of future results.** Provided for illustrative purposes only.

2. Index is High Quality Index / Low Quality Index x 100

Staples Have Outperformed The Market Over The Last Two Decades

Total Return: Staples versus MSCI World

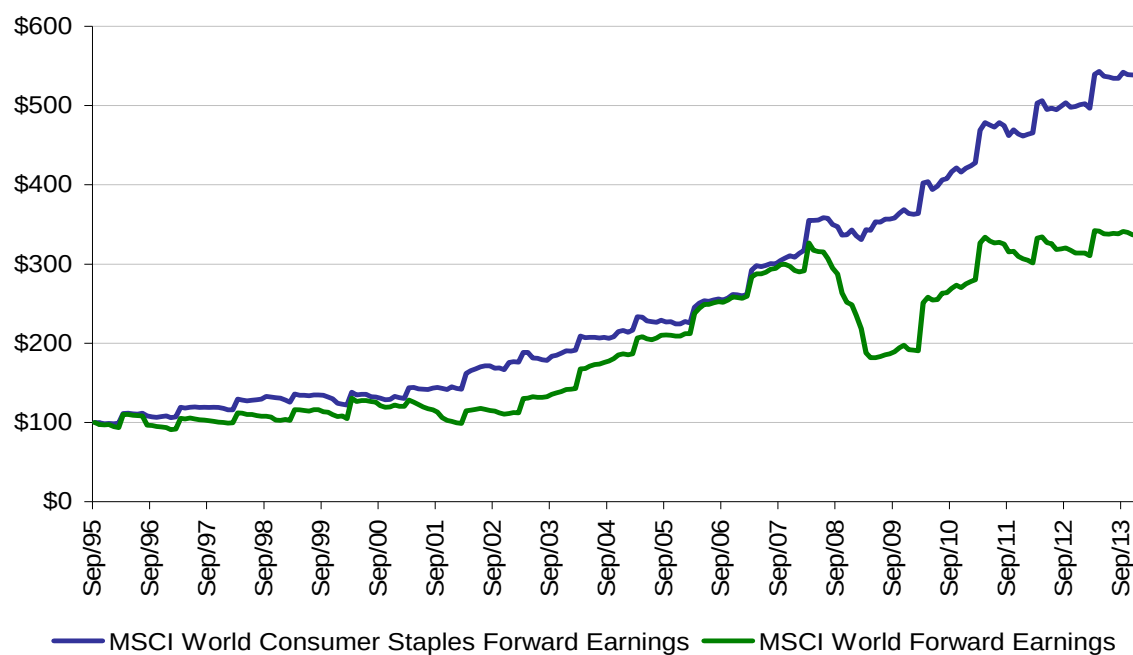


Source: FactSet, MSIM analysis. Data as at December 31, 2013. Dividends reinvested for both series.

Past performance is not indicative of future results. It is not possible to invest directly in an index. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell any security. Index rebased to 100 in September 1995.

...Due to Far Better Historical Earnings Growth...

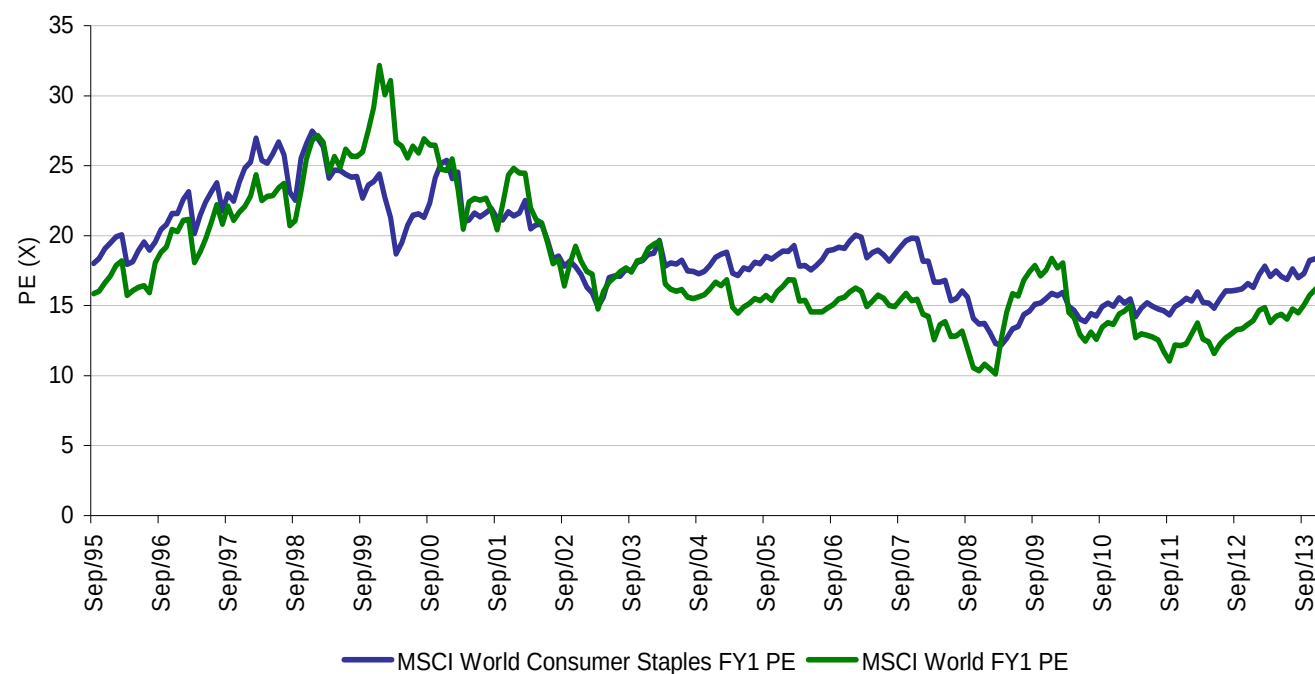
Earnings Growth: Staples versus MSCI World



Source: FactSet, MSIM analysis. Data as at December 31, 2013. Dividends reinvested for both series.
Past performance is not indicative of future results. It is not possible to invest directly in an index. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell any security.

...Rather Than Any Major Relative PE Shift

FY1 Forward Price/Earnings: Staples versus MSCI World

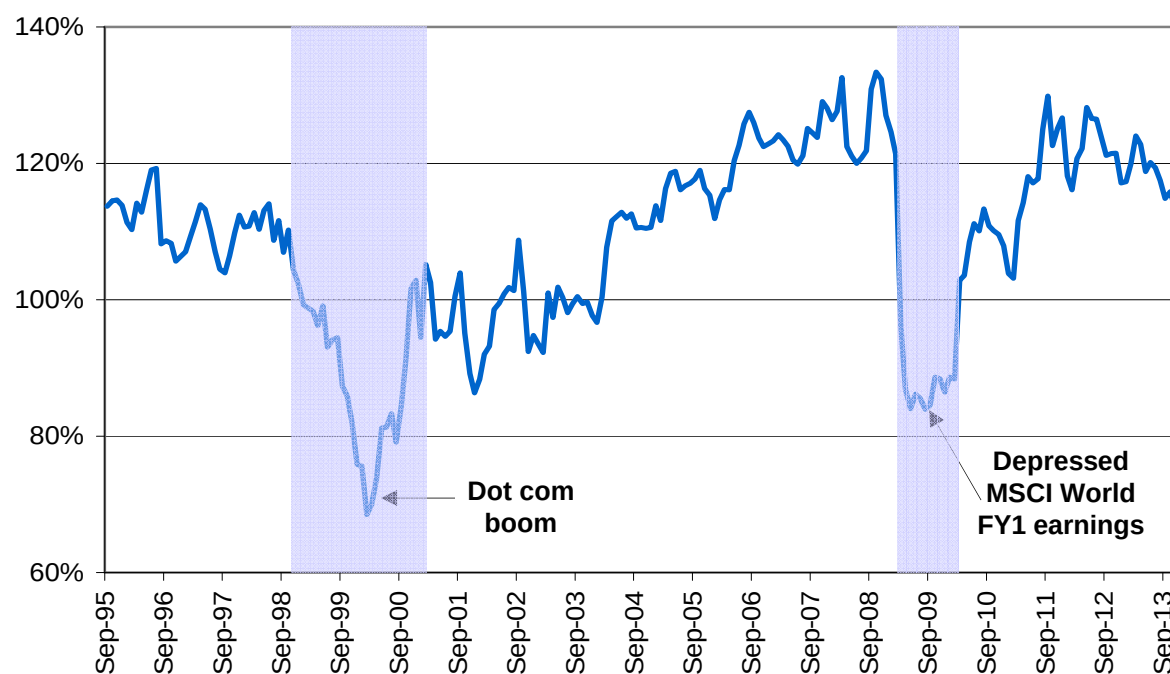


Source: Factset, MSIM analysis. Data as at December 31, 2013.

Past performance is not indicative of future results. It is not possible to invest directly in an index. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell any security.

Staples Relative PE Multiple Reasonable by 'Normal' Historical Standards

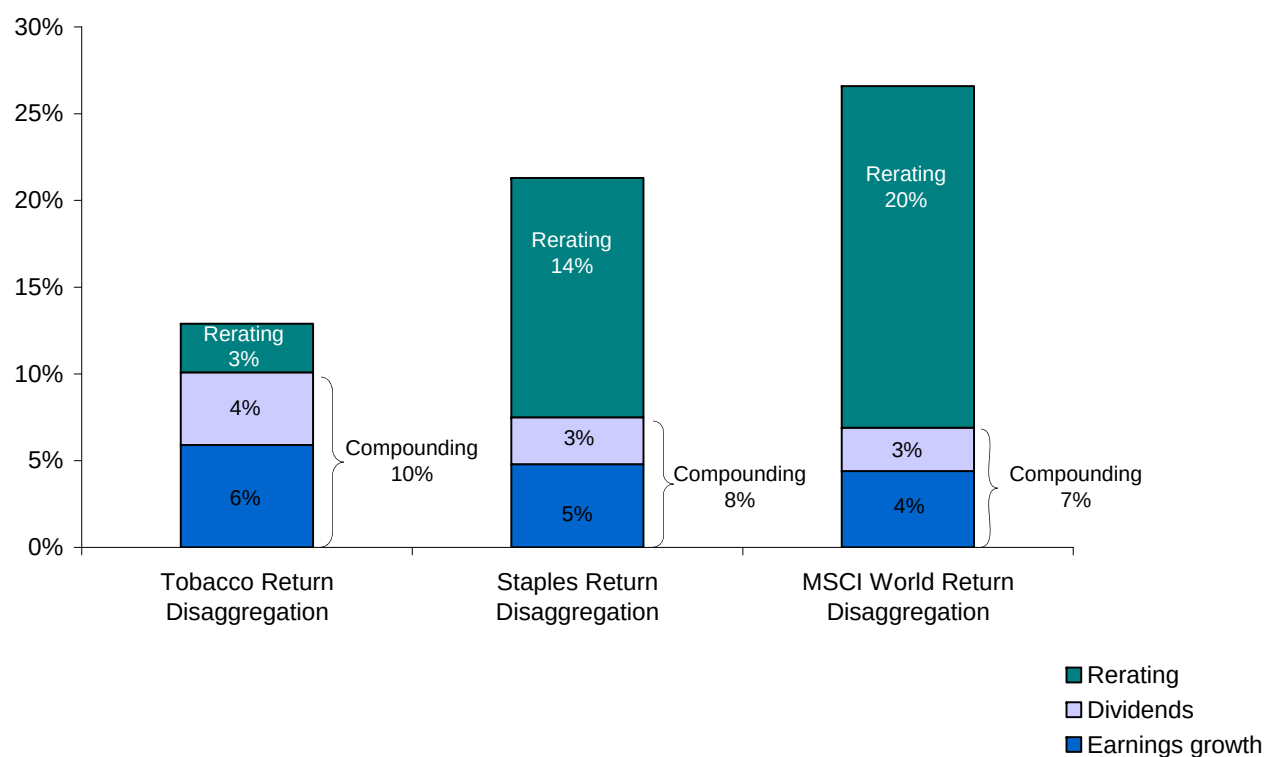
MSCI World Staples Relative FY1 Forward PE Multiple



Source: Factset, MSIM analysis. Data as at 31/12/2013. Earnings shown are those of the MSCI World Consumer Staples relative to the MSCI World Index.

Staples and Tobacco Have Continued To Compound In the Face Of Relative Derating

Drivers of 2013 Returns by Sector



Source: Factset, MSIM analysis. Data as at 31/12/2013. Earnings and ratings based on FY1 earnings. Tobacco Return represent returns of the MSCI World Tobacco Index. Staples Return represent returns of the MSCI World Consumer Staples Index.

Morgan Stanley

For the Exclusive Use of the City of Fort Pierce Retirement and Benefit System and May Not be Redistributed

Section 4

Appendix

12 Month Rolling Turnover^{1,2}

Morgan Stanley International Equity Trust



Source: Morgan Stanley Investment Management

1.Data from January 1, 1999 to March 31, 2014. **Past Performance is not indicative of future results.** Subject to change daily. Provided for informational purposes only.

2.Turnover calculated as: (Total of the lesser of buys or sales over 12 month period / Averaged market values over period) x 100.

1Q 2014 Significant Movements in the Portfolio

Morgan Stanley International Equity Trust

Major Transactions: January 1, 2014 to March 31, 2014

Initial Purchases	Additions	Reductions	Final Sales
GlaxoSmithKline	Toyota	Aggreko	Legal & General
Svenska Handelsbanken	BNP Paribas	HSBC	Astellas Pharma
Pernod Ricard	British American Tobacco	Rio Tinto	
Credit Agricole	HeidelbergCement	Bayer	
	Santos	Prudential	
	China Petroleum & Chemical	CRH	
	Mitsubishi Estate	Nestlé	
	BG Group	Resolution	
	NKSJ	British American Tobacco	
	Sumitomo Mitsui Financial Group	Glencore Xstrata	
	WorleyParsons	Mitsubishi Electric	
	MS&AD Insurance	Imperial Tobacco	
	Turquoise Hill Resources	Holcim	
	Kyocera	Sumitomo Mitsui Trust Holdings	
		Barrick Gold	
		Keyence	
		Admiral	

Source: Morgan Stanley Investment Management Limited

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2013 Significant Movements in the Portfolio

Morgan Stanley International Equity Trust

Major Transactions: January 1, 2013 to December 31, 2013

Initial Purchases	Additions	Reductions	Final Sales
<i>China Petroleum</i>	<i>Diageo</i>	<i>Imperial Tobacco</i>	<i>Scottish & Southern Energy</i>
<i>Credit Suisse</i>	<i>SAP</i>	<i>Astellas Pharma</i>	<i>UBS</i>
<i>LVMH</i>	<i>Weir Group</i>	<i>Vodafone</i>	<i>Legrand</i>
<i>Nordea</i>	<i>Sanofi</i>	<i>Keyence</i>	<i>BP</i>
<i>Barrick Gold</i>	<i>Aggreko</i>	<i>Sumitomo Mitsui Trust</i>	<i>Standard Chartered</i>
<i>NKSJ</i>	<i>Continental</i>	<i>Mitsubishi Electric</i>	<i>Singapore Telecom</i>
<i>ASML</i>	<i>British American Tobacco</i>	<i>HSBC</i>	<i>Travis Perkins</i>
<i>HeidelbergCement</i>	<i>Unilever</i>	Toyota Motor	<i>Henkel</i>
Sumco	Inpex	NGK Spark Plug	<i>Orange</i>
	Nestlé	<i>Smiths</i>	<i>William Morrison</i>
	BNP Paribas	<i>Bayer</i>	Volkswagen
	Sumitomo Mitsui Trust	Mitsubishi Estate	<i>Encana</i>
	Rio Tinto	<i>Prudential</i>	<i>ASML</i>
	Kyocera	<i>Sumitomo Mitsui Financial Group</i>	<i>AMP</i>
	Novartis	<i>Resolution</i>	Tokyo Electron
	<i>Arcelor Mittal</i>	Weir Group	<i>Orica</i>
	Sumitomo Mitsui Financial Group	Bunzl	
	Vodafone	<i>WorleyParsons</i>	
	Vallourec	Lawson	

Source: Morgan Stanley Investment Management

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2013 Significant Movements in the Portfolio

Morgan Stanley International Equity Trust

Major Transactions: January 1, 2013 to December 31, 2013

Initial Purchases	Additions	Reductions	Final Sales
	<i>ENI</i>		
	<i>Zurich Insurance</i>		
	<i>Akzo Nobel</i>		
	Swisscom		
	NGK Spark Plug		

Source: Morgan Stanley Investment Management

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YTD 2014 Country Attribution

Morgan Stanley International Equity Trust (%)

Data as of March 31, 2014¹

	Country Performance		Country Weightings		Attribution		
	Portfolio	Benchmark	Portfolio	Benchmark	Selection	Allocation	Total
Switzerland	7.22	4.74	15.93	9.13	0.37	0.28	0.65
China	9.59	0.00	1.75	0.00	0.00	0.16	0.16
Netherlands	3.37	1.06	5.56	2.71	0.13	0.02	0.14
Ireland	12.69	14.00	1.30	0.32	-0.02	0.15	0.14
Sweden	9.10	2.56	2.25	3.28	0.12	-0.01	0.11
United Kingdom	0.04	-0.82	30.97	21.70	0.24	-0.13	0.11
Hong Kong	-5.44	-3.36	0.52	2.79	-0.01	0.10	0.09
Germany	0.44	-0.33	8.20	9.44	0.07	0.01	0.08
Canada	1.97	0.00	1.41	0.00	0.00	0.03	0.03
Singapore	0.00	-0.90	0.00	1.43	0.00	0.02	0.02
Austria	0.00	-2.78	0.00	0.29	0.00	0.01	0.01
Finland	0.00	-0.03	0.00	0.91	0.00	0.01	0.01
Japan	-6.97	-5.61	17.04	20.36	-0.25	0.25	-0.01
Norway	0.00	2.18	0.00	0.81	0.00	-0.01	-0.01
Portugal	0.00	9.72	0.00	0.19	0.00	-0.01	-0.01
New Zealand	0.00	16.36	0.00	0.12	0.00	-0.02	-0.02
Belgium	0.00	2.38	0.00	1.19	0.00	-0.02	-0.02
Israel	0.00	18.48	0.00	0.48	0.00	-0.08	-0.08
Spain	0.00	4.78	0.00	3.46	0.00	-0.14	-0.14
Denmark	0.00	16.03	0.00	1.29	0.00	-0.18	-0.18
Italy	4.14	14.59	1.39	2.41	-0.14	-0.13	-0.27
France	-1.96	2.91	9.16	10.13	-0.43	-0.01	-0.44
Australia	-3.67	5.92	1.78	7.54	-0.18	-0.30	-0.48
Cash ²	0.01	0.00	2.74	0.00	0.00	-0.19	-0.19
Total	0.38	0.66	100.00	100.00	-0.08	-0.20	-0.28
Other ²	0.09	0.00					0.09
Total Returns	0.47	0.66					-0.19

Source: Morgan Stanley Investment Management, FactSet

- Portfolio weight is an average for the period from January 1, 2014 through March 31, 2014. Index MSCI EAFE Net. **Past performance is not indicative of future results.** Attribution total return may differ from reported total return due to differing methodologies. Returns are Gross of fees, quoted in USD terms, and include the reinvestment of all dividends and income. Had fees been included, results would be lower and may differ. Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities in the countries shown above. Past performance is no guarantee of future results.
- "Other" is the difference between the buy-and-hold attribution and official portfolio returns Gross of Fees. It reflects the Net impact of cash flows and security transactions. Additional contributors can include differences in pricing sources and fair valuation practices between systems used to calculate these returns. In volatile or illiquid markets and for high turnover portfolios, these differences can become increasingly significant. Attribution considers the total return of each security (price appreciation and dividend income). Management Fees and expenses are not considered by the attribution. The 'Cash' line in the attribution includes cash balances as well as other cash instruments.

2013 Country Attribution

Morgan Stanley International Equity Trust (%)

Data as of December 31, 2013¹

	Country Performance		Country Weightings		Attribution		
	Portfolio	Benchmark	Portfolio	Benchmark	Selection	Allocation	Total
Australia	-9.26	6.05	2.36	8.39	-0.26	1.02	0.76
Japan	19.80	17.45	18.95	21.25	0.53	0.03	0.56
United Kingdom	31.32	10.94	34.63	21.82	0.84	-0.37	0.47
Hong Kong	14.75	3.02	0.53	3.03	0.10	0.29	0.39
Singapore	27.89	26.26	0.39	1.67	0.09	0.27	0.36
Norway	29.32	0.00	0.00	0.86	0.00	0.11	0.11
Israel	0.00	7.70	0.00	0.49	0.00	0.06	0.06
China	30.80	42.19	0.60	0.00	0.00	0.05	0.05
Switzerland	0.00	11.23	15.55	9.01	-0.16	0.20	0.04
Ireland	23.90	25.29	1.19	0.30	-0.09	0.13	0.04
Austria	1.12	19.87	0.00	0.28	0.00	0.03	0.03
Portugal	0.00	16.73	0.00	0.18	0.00	0.02	0.02
New Zealand	0.00	13.89	0.00	0.12	0.00	0.01	0.01
United States	0.00	11.74	0.00	0.00	0.00	0.00	0.00
Greece	0.00	20.91	0.00	0.04	0.00	-0.01	-0.01
Denmark	-1.26	0.00	0.00	1.15	0.00	-0.02	-0.02
Sweden	0.00	49.52	0.22	3.21	0.03	-0.05	-0.03
Belgium	0.00	23.04	0.00	1.17	0.00	-0.05	-0.05
Italy	5.90	19.59	1.30	2.14	-0.20	0.06	-0.14
Finland	0.00	44.10	0.00	0.83	0.00	-0.16	-0.16
Germany	0.00	28.37	6.92	8.71	-0.05	-0.14	-0.19
Spain	24.65	27.85	0.00	3.04	0.00	-0.25	-0.25
Canada	18.90	24.38	0.88	0.00	0.00	-0.54	-0.54
Netherlands	-26.35	0.00	5.52	2.54	-0.83	0.24	-0.59
France	12.40	28.08	7.98	9.45	-0.57	-0.04	-0.61
Cash ²	0.05	0.00	2.97	0.00	0.00	-0.45	-0.45
Total	20.20	20.96	100.00	100.00	-0.59	0.47	-0.11
Other ²	-0.96	0.01					-0.95
Total Returns	19.24	20.97					-1.06

Source: Morgan Stanley Investment Management, FactSet

1. Portfolio weight is an average for the period from January 1, 2013 through December 31, 2013. Index MSCI EAFE Net. **Past performance is not indicative of future results.** Attribution total return may differ from reported total return due to differing methodologies. Returns are Gross of fees, quoted in USD terms, and include the reinvestment of all dividends and income. Had fees been included, results would be lower and may differ. Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities in the countries shown above. Past performance is no guarantee of future results.

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International Equity: Long Term Sector Attribution

Morgan Stanley International Equity Trust – U.S.\$

Cumulative Returns for January 1, 1999 – December 31, 2013¹

- Stock selection has accounted for 78% of the strategy's long term performance

	Sector Performance		Average Sector Weightings		Performance Attribution		
	Portfolio (%)	Index (%)	Portfolio (%)	Index (%)	Selection (%)	Allocation (%)	Total (%)
Consumer Staples	460.14	196.28	19.73	8.88	29.25	11.51	40.76
Information Technology	254.86	2.98	5.79	6.27	18.98	0.95	19.93
Health Care	344.88	135.58	8.56	8.68	13.46	2.82	16.28
Financials	71.53	44.33	16.17	25.42	12.50	3.38	15.88
Materials	385.66	253.95	8.40	7.87	7.85	6.15	14.01
Consumer Discretionary	175.55	108.36	8.78	11.99	8.81	2.56	11.37
Industrials	279.89	164.56	8.45	10.87	9.52	1.01	10.52
Telecom Services	82.20	44.15	7.95	7.21	5.18	0.08	5.26
Utilities	127.96	75.74	4.75	5.04	1.48	3.39	4.87
Energy	219.72	181.80	7.98	7.77	3.04	1.65	4.69
Cash ²	28.83	-	3.44	-	-	0.11	0.11
Hedging	-8.40	-	-0.01	-	-	-3.97	-3.97
Total	233.62	93.88	100.00	100.00	110.08	29.66	139.74
Other ²	-0.68	0.68	-	-	-	-	-1.36
Total Returns	232.94	94.56	-	-	-	-	138.38

Source: Morgan Stanley Investment Management and FactSet

1. Portfolio weight is an average for the period January 1, 1999 through December 31, 2013. Index MSCI EAFE Net Index. Attribution total return may differ from reported total return due to differing methodologies. Returns are Gross of fees, quoted in USD terms, and include the reinvestment of all dividends and income. Had fees been included, results would be lower and may differ. Each portfolio may differ due to specific investment restrictions and guidelines. Individual results will vary. Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities in the sectors shown above.

2. Other² is the difference between the buy-and-hold attribution and official portfolio returns Gross of Fees. It reflects the Net impact of cash flows and security transactions. Additional contributors can include differences in pricing sources and fair valuation practices between systems used to calculate these returns. In volatile or illiquid markets and for high turnover portfolios, these differences can become increasingly significant. Attribution considers the total return of each security (price appreciation and dividend income). Management Fees and expenses are not considered by the attribution. The 'Cash' line in the attribution includes cash balances as well as other cash instruments and derivatives (e.g., currency forwards) that can be held by the portfolio for hedging purposes.

Appendix - Biographies

Portfolio Management Team

William Lock

Managing Director

william.lock@morganstanley.com

William is a portfolio manager and co-head of the London-based International Equity team. He joined Morgan Stanley in 1994 and has 22 years of investment experience. Prior to joining the firm, he worked at Credit Suisse First Boston's Corporate Finance Group, and was a management consultant with Arthur D. Little. William received a B.A. in modern history from Keble College, Oxford.

Peter Wright, CFA

Managing Director

peter.wright@morganstanley.com

Peter is a portfolio manager and co-head of the London-based International Equity team. He joined Morgan Stanley in 1996 and has 27 years of investment experience. Prior to joining the firm, Peter worked for the State of Wisconsin Investment Board as an investment director and portfolio manager. Peter received a B.C.A. from Victoria University of Wellington, New Zealand. He is a member of the CFA Institute.

Christian Derold

Managing Director

christian.derold@morganstanley.com

Christian is a portfolio manager for the London-based International Equity team. He joined Morgan Stanley in 2006 and has 22 years of investment experience. Prior to joining the firm, Christian was director of research at Millgate Capital, a long short equity hedge fund. Prior to this, he worked at the State of Wisconsin Investment Board where he managed the Board's international equity portfolio. Christian received an M.A. in business administration from the University of Economics and Business Administration in Vienna, Austria.

Team members may change from time to time.

Portfolio Management Team

Bruno Paulson

Managing Director

bruno.paulson@morganstanley.com

Bruno is a portfolio manager for the London-based International Equity team. He joined Morgan Stanley in 2009. Prior to joining the firm, Bruno worked for Sanford Bernstein in London, where he was a Senior Analyst covering the financial sector, particularly banks and insurers, for eight years. Previously, he was a manager at the Boston Consulting Group where he focused on the financial services industry. Bruno has an MBA from INSEAD where he received the Ford Prize for graduating top of class. He was also a Research Fellow in Political Economy at Nuffield College, Oxford, and received a B.A. in Politics, Philosophy and Economics with 1st Class Honors from Keble College, Oxford.

Vladimir Demine, CFA

Executive Director

vladimir.demine@morganstanley.com

Vladimir is a portfolio manager for the London-based International Equity team. He joined Morgan Stanley in 2009 and has 12 years of investment management experience. Prior to joining the firm, Vladimir worked for UBS Global Asset Management in London, where he was an analyst responsible for stock selection of consumer staples holdings in key client mandates. Vladimir received an M.Sc. in investment management with Distinction from City University (CASS) Business School and a Master's in finance with Distinction from St Petersburg State University of Economics and Finance.

Dirk Hoffmann-Becking

Executive Director

dirk.hoffmann-becking@morganstanley.com

Dirk is a portfolio manager for the London-based International Equity team. He joined Morgan Stanley in 2013 and has 16 years of investment experience. Prior to joining the firm, Dirk worked for Société Générale as Global Head of Bank Sector Research. Previously, was a senior research analyst covering European Banks at Sanford Bernstein. Prior to that, Dirk spent five years as a consultant for McKinsey & Company and three years as a strategy manager at ABN Amro. Dirk has a Ph.D. in Law (magna cum laude) from Christian Albrechts University of Kiel, Germany and trained and worked as a lawyer at Freshfields Bruckhaus Deringer.

Team members may change from time to time.

Portfolio Management Team

Marcus Watson

Vice President

marcus.watson@morganstanley.com

Marcus is a portfolio manager for the London-based International Equity team. He joined Morgan Stanley in 2008. He received a B.Sc in psychology from the University of Newcastle Upon Tyne.

Alex Gabriele, CFA

Senior Associate

alexander.gabriele@morganstanley.com

Alex is a member of the London-based International Equity team and joined Morgan Stanley in 2012. He has 5 years of investment experience from a London based hedge fund. Previously, Alex was responsible for stock selection across the cyclical universe, predominantly in Asia ex-Japan. Alex holds a B.A in Natural Sciences from Trinity College, Cambridge.

Yiwen Li

Senior Associate

yiwen.li@morganstanley.com

Yiwen is a member of the London-based International Equity team and joined Morgan Stanley in 2012. He has 5 years of investment experience at two London based hedge funds. He was previously responsible for stock selection in Technology, Media and Consumer sectors. Yiwen received a BSc. in Philosophy and Economics from the London School of Economics. He is fluent in Mandarin and Cantonese.

Team members may change from time to time.

Portfolio Specialist Team

Catherine M. Colecchi

Managing Director

catherine.colecchi@morganstanley.com

Catherine is a portfolio specialist for the International Equity and Global Franchise products managed from London and works with clients based in the Americas. She joined Morgan Stanley in 1983 and MSIM in 1997, and has 18 years of investment experience. Previously she was a foreign exchange trader with assignments in Morgan Stanley's New York and London offices. Catherine received a BA from Vassar College and is a member of Phi Beta Kappa.

Nancy Jean Norton

Executive Director

nancy.norton@morganstanley.com

Nancy is a portfolio specialist for the International Equity products managed from London and works with North American-based clients. She re-joined Morgan Stanley Investment Management in 2011 and has 31 years of institutional investment experience. Prior to re-joining the firm, she was a Senior Vice President and Senior Relationship Manager at Cohen & Steers Capital Management, Director and Senior Relationship Manager at Deutsche Asset Management, Vice President and Principal Manager of Fiduciary Services at J.P. Morgan Asset Management. At MSIM, Nancy was Vice President in the Fiduciary Advisory Group. Nancy received a BA from St. John's University.

Sean McDermott

Vice President

sean.mcdermott1@morganstanley.com

Sean is a portfolio specialist for the International Equity products managed from London and works with North American-based clients. He joined Morgan Stanley in 2012 and has 10 years of investment experience. Prior to joining the firm, Sean was a Vice President and Relationship Manager at Cohen & Steers Capital Management. Previously, he was a client service and sales associate at Robeco Investment Management and a legal assistant at Office of the Corporation Counsel. Sean received a B.A. in English from College of the Holy Cross.

Team members may change from time to time.

Important Disclosures

Morgan Stanley Investment Management International Equity Trust (the "Trust") is a privately offered unregistered fund whose units are offered for investment only to qualified employee benefit plans and certain governmental plans pursuant to a confidential offering memorandum. The Trust is not currently registered, and does not propose in the future to be, registered as an investment company under the U.S. Investment Company Act of 1940, as amended. Morgan Stanley Investment Management Inc. is the sponsor of the Trust and Morgan Stanley Investment Management Limited is the investment manager of the Trust; both of which are registered with the U.S. Securities and Exchange Commission as investment advisers under the U.S. Investment Advisers Act of 1940, as amended.

Past performance is no guarantee of future results. Returns are gross of fees and assume the reinvestment of all dividends and income. Periods less than one year are not annualized. Returns are compared to an unmanaged market index and assumes the reinvestment of dividends and income. The index shown is not meant to depict the performance of any specific investment, should not be considered an investment, and does not include any expenses, fees or sales charges, which would lower performance. An investor can not invest directly in an index.

This material has been prepared solely for informational purposes and is not an offer, or a solicitation of an offer, to buy or sell any security or instrument or to participate in any trading strategy. Sector and Country allocation data was generated from Morgan Stanley Investment Management's internal accounting records and is preliminary. The Trust has fair valuation policies and procedures to value foreign equity securities held by the Trust that become stale as a result of events that occur after the foreign markets close but before the Trust calculates its net asset value. These fair value adjustments are reflected in the net asset value of the Trust but are not reflected in MSIM's internal accounting records. The values of securities used to calculate the net asset value of the Trust could therefore differ from the information contained in this report. Using security values that do not reflect such fair value adjustments increases the comparability of the information to the stated benchmark.

Risk Factors

Equity Securities. In general, prices of equity securities are more volatile than those of fixed income securities. **Risks of International Investing.** Any investment in foreign equity securities may involve a greater degree of risk than an investment in domestic equity securities. Among other things, foreign securities investments may carry the risks of less publicly available information, more volatile markets, less strict securities regulation, less favorable tax provisions, and a greater likelihood of war and expropriation of personal property than investments in domestic securities. **Liquidity.** A withdrawing subscriber may, at the discretion of MSIM, receive securities owned by the Trust in lieu of cash. The risk of loss and delay in liquidating these securities will be borne by the subscriber, with the result that such subscriber may receive less cash than it would have received on the date of withdrawal. **ERISA Issues.** MSIM anticipates that most or all of the subscribers will be entities subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and their participation will require special consideration of certain factors that are described in more detail in the Memorandum. **Federal Income Taxation.** The Trust has received a determination letter from the Internal Revenue Service as to the tax-exempt status of the Trust. MSIM, and the Trustee intend to comply with the provisions of ERISA and the Internal Revenue Code at all times. However, if for any reason the Trust should lose its tax-exempt status as a group trust, it would terminate pursuant to the terms of the Agreement of Trust.



www.teamemerald.com



Emerald Advisers, Inc.

Small Capitalization Growth

Data as of March 31, 2014

Prepared for:
City of Fort Pierce
Ret. & Benefit System

Information contained herein should be used for one-on-one presentations only and should be accompanied by this disclosure.



DRIVEN BY RESEARCH

Inception to Date Statement of Cashflow

Original Investment	\$4,841,219.58
Contributions	\$1,000,000.00
Withdrawals	-\$3,682,896.07

Management Fees	-\$458,951.69

1Q04	-\$1,499.47
2Q04	-\$10,496.24
3Q04	-\$4,804.83
4Q04	-\$10,840.63
1Q05	-\$10,406.50
2Q05	-\$10,663.78
3Q05	-\$11,314.23
4Q05	-\$11,689.52
1Q06	-\$13,377.49
2Q06	-\$12,840.88
3Q06	-\$12,400.84
4Q06	-\$12,973.99
1Q07	-\$13,372.71
2Q07	-\$12,999.35
3Q07	-\$11,334.91
4Q07	-\$10,462.07
1Q08	-\$9,129.24
2Q08	-\$9,499.07
3Q08	-\$9,102.94
4Q08	-\$7,072.70





DRIVEN BY RESEARCH

Inception to Date
Statement of Cashflow

Management Fees

1Q09	-\$6,610.24
2Q09	-\$7,486.93
3Q09	-\$8,601.21
4Q09	-\$10,134.48
1Q10	-\$11,610.98
2Q10	-\$10,760.62
3Q10	-\$12,001.66
4Q10	-\$12,532.52
1Q11	-\$13,664.03
2Q11	-\$13,554.81
3Q11	-\$9,250.42
4Q11	-\$10,427.46
1Q12	-\$12,332.14
2Q12	-\$11,474.10
3Q12	-\$12,193.85
4Q12	-\$12,038.06
1Q13	-\$13,565.10
2Q13	-\$14,234.57
3Q13	-\$16,471.32
4Q13	-\$16,650.18
1Q14	-\$17,075.62

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DRIVEN BY RESEARCH

Inception to Date
Statement of Cashflow

Total Investment Earnings		\$6,548,764.18
Income	\$172,177.36	
Capital Appreciation/Depreciation	\$6,376,586.82	
Total Assets as of March 31, 2014		\$8,248,136.00



Page	Content
1.1 – 1.8	Profile & Process
2.1 – 2.2	Performance
3.1 – 3.11	Investment Summary
4.1 – 4.2	Current Outlook
5.1 – 5.5	Portfolio Holdings
5.6 – 5.8	Appendix



DRIVEN BY RESEARCH

Corporate Profile

Parent Company: **Emerald Asset Management, Inc.** • S-Corporation • 100% ESOP-owned

Total Firm Assets Under Management: \$3.0 billion as of March 31, 2014

Affiliated Advisers: **Emerald Advisers, Inc.** • Equity Separate Accounts • Mutual Funds
Small Cap Growth • Mid Cap Growth • All Cap Growth • Large Cap Core • Small Cap Core
Emerald Banking & Finance Fund • Emerald Growth Fund

Emerald Mutual Fund Advisers Trust • Equity Mutual Funds • Annuities

Emerald Fixed Income Advisers LLC • Fixed Income Separate Accounts
Core Aggregate • Intermediate Government Credit • Low Duration • Balanced

Emerald Direct Lending Advisers LLC • Peer-to-Peer Lending Platform Notes

Emerald ETF Advisers LLC • Separate Accounts • Investment Funds
Global ETF • Domestic Equity Hybrid



DRIVEN BY RESEARCH

Corporate Profile

Partial Client List

Public

City of Fort Pierce (FL)

City of Philadelphia
City of Taunton (MA)
Commonwealth of Pa.
Contra Costa County (CA)
Prince George's County (MD)
State of Illinois Teachers'
18 Pennsylvania Counties
PA State Workers Insurance Fund
Board of City Trusts/Girard Estate

Corporate

Independence Blue Cross
Shands Healthcare Pension Plan
Carpenter Technology

Endowments

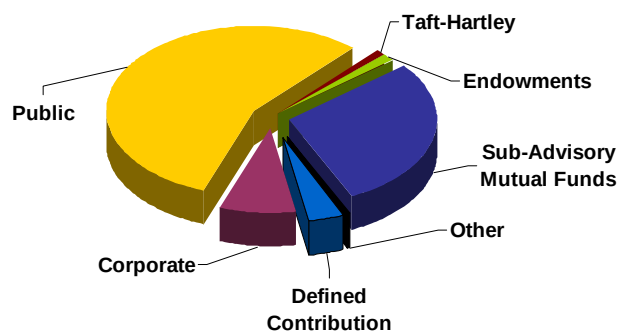
Lower Susquehanna Synod of the ELCA
Shippensburg University Foundation

Taft-Hartley

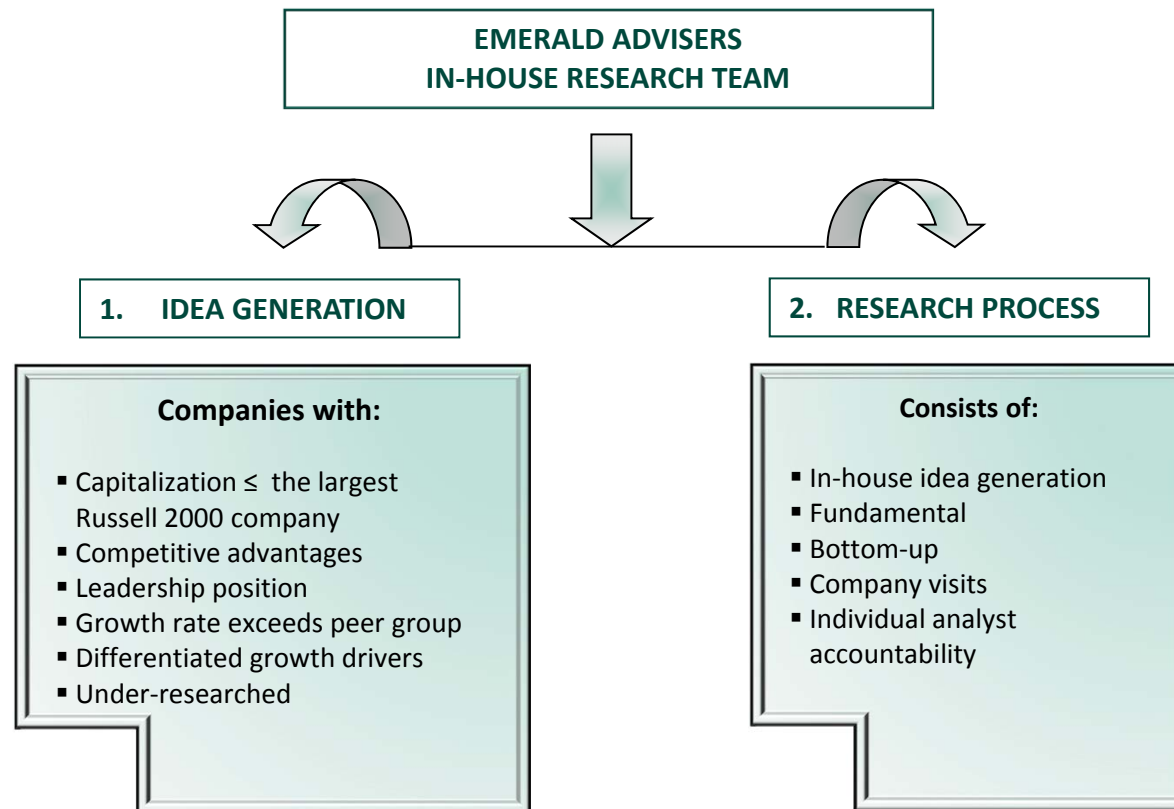
UFCW Tri-State Pension Fund
AFSCME 13

Sub-Advisory Relationships

Prudential Investments



It is not known whether the clients approve or disapprove of Emerald services provided through its subsidiaries. Emerald did not use performance-based data to determine which clients are included on this list. Clients were selected based upon their general name recognition and as a representative sampling of the types of accounts managed. Performance-based data was not used to determine which clients are included on this list. Clients were selected based on a sampling of the types of accounts managed.





DRIVEN BY RESEARCH

Investment Process

PORTFOLIO MANAGEMENT TEAM

Kenneth G. Mertz II, CFA
35 Years

Stacey L. Sears
19 Years

Joseph W. Garner
19 Years



3. PORTFOLIO CONSTRUCTION

- 110 – 120 Stocks
- Sector Diversification
- Industry Diversification
- 1/2 – 2% Positions
- Risk-Averse



Review of Portfolio Philosophy, Process, and Style

Emerald Advisers employs an intense fundamental, bottom-up, research-focused investment philosophy designed to identify unrecognized, under-researched, and under-valued investment opportunities. Since over 400 of the Russell 2000 companies are covered by two or fewer sell-side brokerage firms, Emerald believes there is extraordinary opportunity in the small capitalization markets. Emerald's hands-on approach offers us unique insight into both industry trends and company-specific trends that enable us to identify largely undiscovered companies with distinct competitive advantages and higher growth rates relative to their industry peers and the market as a whole.



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Portfolio Management

Small Cap Growth Equity



Kenneth G. Mertz II, CFA
*Chief Investment Officer/
Portfolio Manager*

- Community Banks
- Insurance



Stacey L. Sears
*Portfolio Manager /
Analyst*

- Consumer Discretionary
- Consumer Technology



Joseph W. Garner
*Portfolio Manager /
Director of Research*

- Consumer Goods/Services
- Technology/Tech Team
- Transportation

Investment Experience

35 Yrs.

19 Yrs.

19 Yrs.



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Investment Research Process

Emerald's in-house research team focuses on providing intense fundamental bottom-up research and analysis of small and mid-cap growth companies in a wide range of industries. Our analysts utilize this proprietary 10-step process in researching each individual company or security.



10-Step Process

1. Review SEC Filings, Press Releases and News Stories

The process includes monitoring relevant media sources such as industry press, financial press and popular press.

2. Meet with Management

Conduct on-site meetings with management across the organization in areas such as executive management, marketing, product development, operations and finance. The Emerald Research Team conducts approximately 2,000 meetings per year.

3. Interview Customers

Interview customers to determine (1) the critical factors driving their buy decision, (2) what competitors or alternatives were considered, (3) level of satisfaction with the quality of the product or service, and (4) likelihood of generating repeat business.

4. Interview Competitors

Interview competitors to determine their strengths and weaknesses, as well the competitors' perception of the strengths and weaknesses of the company.

5. Interview Suppliers

Interview suppliers to determine their ability to supply the products/services required by the company. Also, assess the extent of potential supply chain bottlenecks.

6. Interview Distributors

Interview distributors to determine potential issues and opportunities in the company's distribution channel such as inventory levels, demand drivers and competitive pressures.

7. Develop Financial and Valuation Models

Develop a financial model to analyze financial performance and estimate future cash flows, earnings and financing needs. Use a valuation model to analyze relative and absolute valuation.

8. Review Third-Party Research

Review published research from sell-side analysts and industry research firms to compare our data points and financial estimates. Also, use third party research to assess security-specific and industry-specific sentiment.

9. Publish an internal research report

Publish an internal research report summarizing the company's business, competitive advantages, management strengths/weaknesses, growth drivers and risks, as well as stating investment conclusions and recommendations.

10. Communicate, Communicate, Communicate

The entire research team meets formally twice per week and informally on an ongoing basis with the portfolio management team to discuss the fundamentals of all current and potential holdings. Internal discussions are held throughout the process.



DRIVEN BY RESEARCH

Managers & Analysts
Tenure • Experience

Disciplined Focus Grounded by the Emerald 10-step Research Process

Kenneth G. Mertz, CFA
Chief Investment Officer
Portfolio Manager
- Community Banks
- Insurance
Tenure w/Firm: 21 Years
Experience: 35 Years

Stacey L. Sears, MBA
Portfolio Manager
- Consumer Discretionary
- Consumer Technology
Tenure w/Firm: 21 Years
Experience: 19 Years

Joseph W. Garner, MBA
Director of Research
Portfolio Manager
- Consumer Goods / Services
- Technology / Tech Team
- Transportation
Tenure w/Firm: 19 Years
Experience: 19 Years

David Volpe, CFA, MA
Portfolio Manager
- Energy
- Producers
- Oil Services
Tenure w/Firm: 14 Years
Experience: 24 Years

Steven E. Russell, Esq., MBA
Portfolio Manager
- Financial Services
- Communications
Technology
Tenure w/Firm: 13 Years
Experience: 19 Years

Stephen Amsterdam
- Semi Cap Equip.
- Electronics
- Gaming
- Semiconductors
- Tech Team
Tenure w/ Firm: 10 Years
Experience: 21 Years

Joseph A. Besecker, MD, FAAP
- Biotechnology
- Emerging Pharma
- Medical Devices
Tenure w/Firm: 12 Years
Experience: 55 Years



Scott Blumenthal, MBA
- Basic Materials
- Industrials
- Capital Goods
- Defense & Aerospace
- Engineering & Const.
Tenure w/Firm: 8 Years
Experience: 17 Years

Alfred Cooke, MD, FASC
- Medical Devices/
Diagnostics
- Surgical Products
Tenure w/ Firm: 12 Years
Experience: 51 Years

Derek Fisher
- Computer Software
- Information Technology
- Professional Services
- Tech Team
Tenure w/Firm: 16 Years
Experience: 16 Years

Nathan R. Jones, PhD, MBA
- Technology
- Tech Team
Tenure w/ Firm: 9 Months
Experience: 9 Months

Andrew Rohrer
- Agriculture
- Automotive
- Transportation
- Trucking
Tenure w/Firm: 5 Years
Experience: 9 Years

Terry M. Smith, PhD, MBA
- Biotechnology
- Drugs & Pharma.
- Drug Distribution &
Pharma Services
- Managed Care
Tenure w/Firm: 6 Years
Experience: 6 Years

Nishit Trivedi, PhD, MBBS, MBA
- Molecular Diagnostics
- Medical Devices
- Hospitals
Tenure w/Firm: 7 Years
Experience: 7 Years



DRIVEN BY RESEARCH

Trailing Preliminary Performance as of March 31, 2014

RATE OF RETURN REPORTED GROSS

GROSS PERFORMANCE	QTD	YTD	1 Year*	3 Year*	5 Year*	Incept**
Portfolio	3.39	3.39	36.15	17.70	28.42	10.74
RUSSELL 2000G TOTAL RETURN	0.48	0.48	27.19	13.61	25.24	8.86

*Annualized **Since Inception-Mar 17, 2004

Performance Disclaimer - The preceding performance information is approved for use in "One-on-One" client presentations only. The above performance results for the Emerald Advisers, Inc., Diversified Composite do not reflect the deduction of advisory fees or other expenses normally incurred in the management of an advisory account. The Adviser's fees are fully described in Part II of its Form ADV. If a client placed \$100,000 under management and a hypothetical gross return of 10% were achieved, the investment assets before fees would have grown to \$259,374 in ten years. However, if an advisory fee of 1% of average net assets were charged, investment assets would have grown to \$234,573, or an annual compounded rate of 8.9%. The results reflect the reinvestment of all dividends. Past performance is no guarantee of future results. Results vary so that a client may show a profit or loss in their account depending upon the market conditions and specific portfolio performance. As shown above, the Diversified Composite tracks the performance of all accounts managed in this style that have been with Emerald for at least one month where the Adviser maintains full discretionary authority and for those which are not classified as broker-dealer directed "wrap" accounts. As of March 31, 2014, the Diversified Composite represented 36% of Emerald Advisers' total assets under management.



DRIVEN BY RESEARCH

Preliminary Performance

as of March 31, 2014

RATE OF RETURN REPORTED GROSS

PERFORMANCE REVIEW

		MARKET VALUE (\$)	TOTAL	RUSSELL 2000G TOTAL RETURN
Monthly				
March		8,440,333	-4.96	-2.46
February		8,880,997	4.64	4.83
January		8,502,983	3.97	-1.73
Quarterly				
1stQtr		8,440,333	3.39	0.48
Yearly				
2014	YTD	8,440,333	3.39	0.48
2013		8,178,646	50.62	43.30
2012		5,753,631	18.54	14.59
2011		4,894,644	-0.23	-2.91
2010		5,870,649	29.73	29.09
2009		5,224,800	34.89	34.47
2008		3,105,499	-36.22	-38.54
2007		4,913,104	2.93	7.05
2006		6,252,795	13.01	13.35
2005		5,567,745	9.79	4.15
2004	YTD	5,114,889	6.05	8.26
Cumulative			178.48	133.83
Annualized			10.74	8.86

Performance Disclaimer - The performance information reflected is approved for "One-on-One" client presentations only. The performance figures do not reflect the deduction of investment fees; the investment advisory fees are described in Part II of Emerald Advisers' Form ADV. For example, if a client placed \$100,000 under management and a hypothetical gross return of 10% were achieved, the investment assets before fees would have grown to \$259,374 in ten years. However, if an advisory fee of 1% of average net assets were charged, investment assets would have grown to \$234,573, or an annual compounded rate of 8.9%. This includes all reinvestment of dividends



- March comments from Fed Chair Yellen precipitate a revaluation of growth.
- Market performance in the last three weeks of March changed the complexion of the quarter, as early quarter leaders turned into laggards, with growth stocks and small capitalization stocks trailing their value and larger capitalization peers.

- Small capitalization stocks trailed large for the quarter

	<u>1Q 2014</u>
Russell 1000 Growth	1.12%
Russell 2000 Growth	0.48%
(Source: Russell Investments)	

- Growth stocks underperformed value

	<u>1Q 2014</u>
Russell 2000	1.12%
Russell 2000 Growth	0.48%
Russell 2000 Value	1.78%
(Source: Russell Investments)	

- The healthcare and energy sectors led, while consumer discretionary lagged (Source: Russell Investments)

	<u>R2G Q1</u>	<u>R2V Q1</u>	<u>R2 Q1</u>
Consumer Discretionary	-5.17%	-0.41%	-3.45%
Consumer Staples	2.94%	2.90%	2.98%
Healthcare	4.19%	2.26%	3.86%
Materials	0.57%	0.93%	0.70%
Technology	0.22%	0.72%	0.39%
Financials	-2.80%	1.72%	0.81%
Producer Durables	1.53%	0.75%	1.15%
Energy	7.68%	6.35%	6.94%



- “Fastest Growers Maintain Lead” – Strong start to the quarter for the fastest growers enabled the group to outperform, despite underperformance in March.

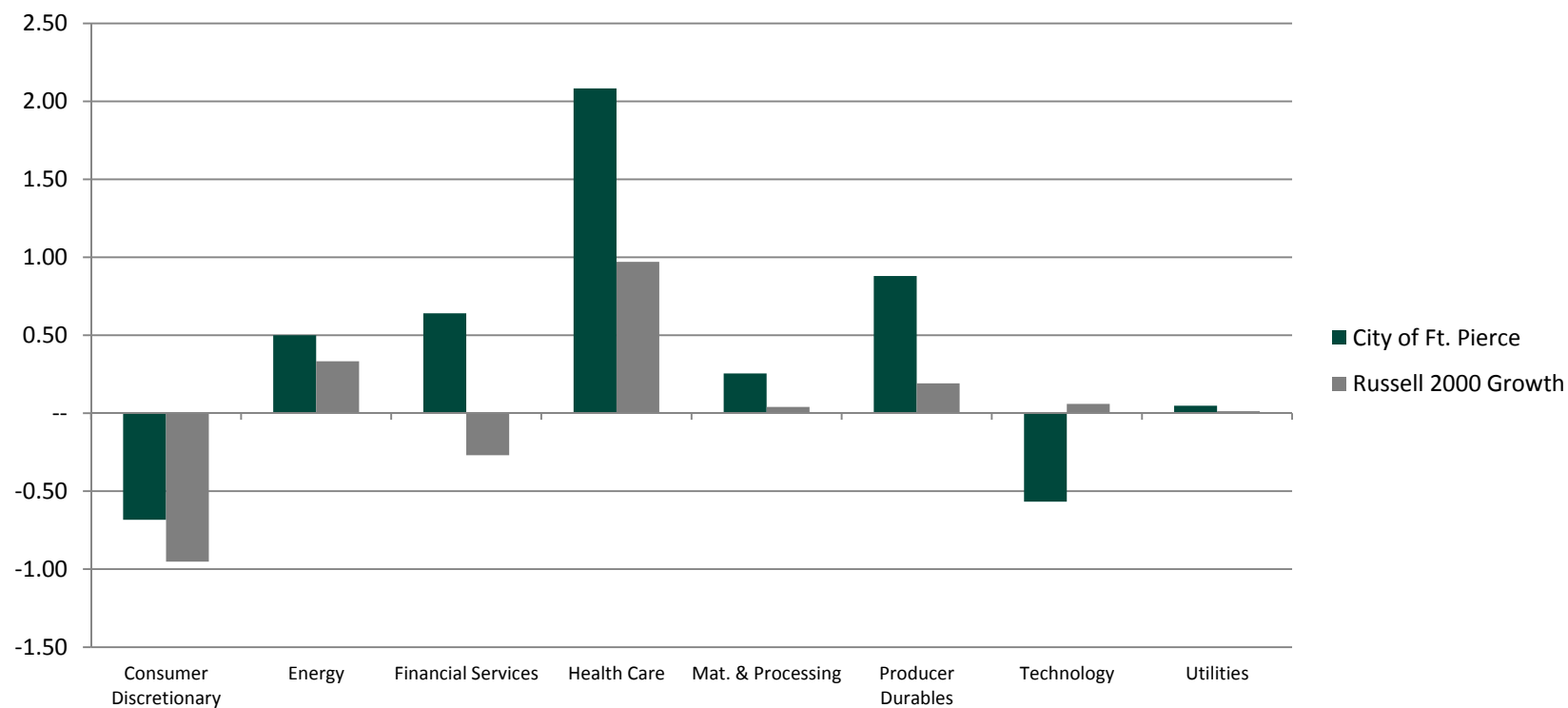
	First Quarter					
	Russell 20000		Russell 2000 Growth		Russell 2000 Value	
Long-Term Earnings Growth	Return	Contrib.	Return	Contrib.	Return	Contrib.
<=10%	1.4	0.3	-0.6	-0.1	2.1	0.6
>10%,<=20%	0.0	0.0	-0.5	-0.1	1.1	0.2
>20%	-0.4	-0.1	0.1	-0.1	-2.7	-0.1
NA	2.7	1.0	2.4	0.9	2.5	1.2

Source: BofA Merrill Lynch Small Cap Research; Russell Investment Group



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1st Quarter 2014
Perf. Attribution





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1st Quarter 2014 Performance Review

- Stock selection within the healthcare, financial services and producer durables sectors was the largest contributor to the portfolio's relative outperformance in the quarter.



Portfolio Performance Summary

Contributors

- At the sector level, the healthcare sector was the largest contributor to the portfolio's relative outperformance, driven predominantly by stock selection within the biotechnology and pharmaceutical industries.
- Stock selection within the financial services, producer durable, materials, consumer discretionary and energy sectors also contributed positively to return during the quarter. At the industry level the strength was most pronounced within the banking, air transport and building materials industries.

Top 5 Contributors to Return

- Intercept Pharmaceuticals, Inc.
- Spirit Airlines, Inc.
- Bank of the Ozarks, Inc.
- SVB Financial Group
- H&E Equipment Services, Inc.



Portfolio Performance Summary

Detractors

- At the sector level, performance within the technology sector was challenged this quarter as a result of disappointing stock selection within the software industry.

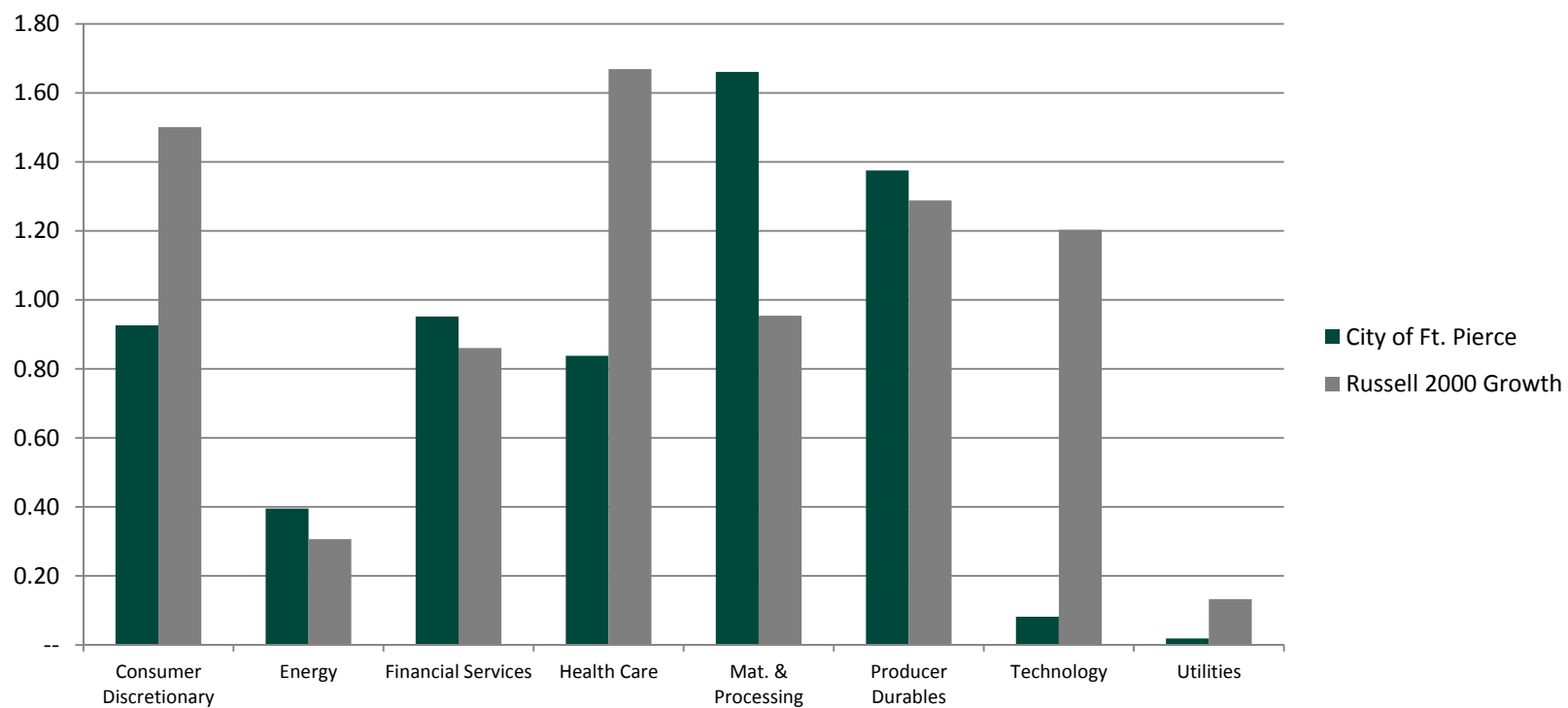
Top 5 Detractors to Return

- Infoblox Inc.
- Geron Corporation
- MWI Veterinary Supply, Inc.
- Epizyme, Inc.
- Trex Company, Inc.



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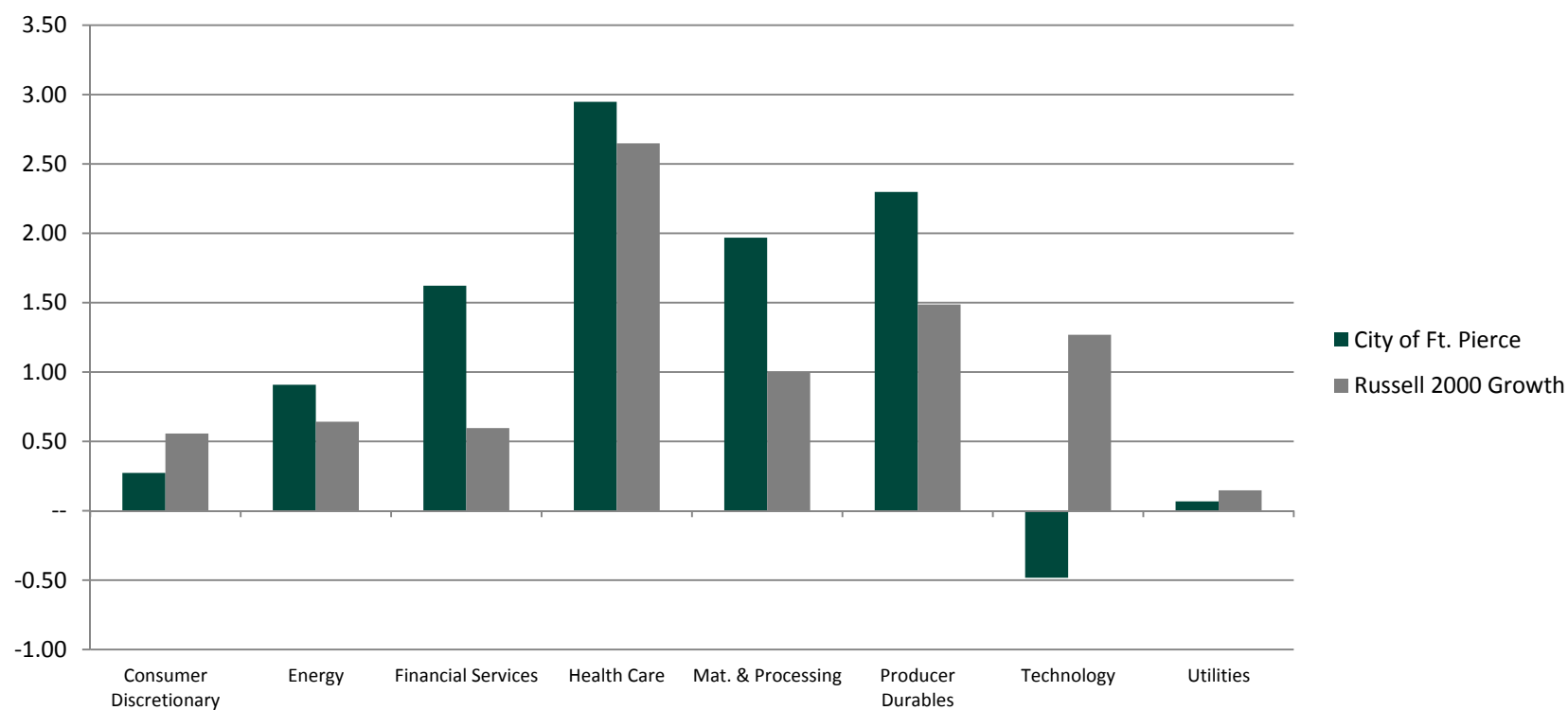
4th Qtr. 2013
Perf. Attribution





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6-Month
Perf. Attribution as of 3/31/14





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Portfolio

Portfolio Sector Allocation vs. Benchmark

Sector	Emerald	Russell 2000 Growth	Russell 2000
Consumer Discretionary	14.7%	16.6%	13.6%
Consumer Staples	0.0%	4.5%	3.3%
Energy	4.7%	4.5%	5.6%
Financial Services	11.3%	9.2%	24.0%
Health Care	22.7%	21.7%	13.4%
Materials & Processing	7.8%	8.8%	7.1%
Producer Durables	14.5%	14.5%	14.4%
Technology	20.3%	18.8%	14.4%
Utilities	1.8%	1.4%	4.0%
Cash	2.2%	0.0%	0.0%



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Portfolio

Portfolio Top 10 Holdings

	<i>Company</i>	<i>Ticker</i>	<i>% Held</i>
1.	Spirit Airlines Inc.	SAVE	3.30
2.	MWI Veterinary Supply Inc.	MWIV	3.03
3.	Trex Inc.	TREX	2.63
4.	Bank of the Ozarks Inc.	OZRK	2.35
5.	Middleby Corp.	MIDD	2.35
6.	SVB Financial Group	SIVB	2.11
7.	Acadia Healthcare Company Inc.	ACHC	2.04
8.	Proofpoint Inc.	PFPT	1.96
9.	Magnum Hunter Resources Corp.	MHR	1.89
10.	HomeAway Inc.	AWAY	1.67



Portfolio Characteristics vs. Benchmark

Characteristic	Emerald SCG Model	Russell 2000 Growth
Projected Growth Rate (3-5 Year)*	23.1%	18.3%
P/E Ratio**	24.0x	21.5x
R ² vs. Russell 2000 Growth	0.74	1.00
Yield (%)	0.15	0.65
Price / Book Value**	3.9x	3.9x
Median Market Cap (By No. of Stocks)	\$1,002 mm	\$877 mm
Wgt. Average Market Cap	\$2,101 mm	\$2,101 mm
Turnover (Trailing 12 mos.)	67%	---

* Database estimate, Emerald's internal estimates are higher.

** In order to better reflect Emerald's characteristics relative to the Russell Indices, Emerald is now calculating its P/E and Price/Book ratios based on a weighted harmonic average in line with Russell's calculation methodology.



- **Portfolio positioning:**
 - Overweight positions: Financial Services, Healthcare and Technology
 - Underweight positions: Consumer Staples, Consumer Discretionary and Materials
- **Cash rich corporate balance sheets**
 - 11% of small cap company market capitalization is in cash (Source: Bank of America Merrill Lynch)
 - Creates potential for increases in:
 - Mergers & Acquisitions
 - Infrastructure Investments
 - Share Repurchases
- **Market corrections are necessary and healthy**
- **Earnings growth is poised to reaccelerate in tandem with a reacceleration in developed market economic growth as the year progresses**
- **ZIRP appears firmly entrenched for 2014**
- **Historically rising 10 yr. U.S. treasury yields have been positively correlated to equity market performance**
- **Capital spending recovery could be on the horizon**
 - Early signs of an acceleration in non-residential construction



- **History is on the side of continued small capitalization outperformance**
 - In the 11 years since 1950 where small caps have achieved a 35% return or better, returns in the next year average a 20% gain (Source: Furey Research)
- **Implementation of the Affordable Healthcare Act and impact to consumer spending remains a point of uncertainty**
- **Innovation continues to drive secular investment opportunities**
 - Emerald continues to view the healthcare sector favorably given the resurgence in innovation in drug development, particularly in the areas of orphan drugs and oncology, as well as select opportunities within medical devices and services
 - Innovations in mobility, cloud computing, security, software delivery, network management and communications technology are driving new growth opportunities in the Technology sector
 - Innovation in oil and gas exploration and production processes as the industry has pursued hydraulic fracturing, enabling access to resources stored in the shale formations throughout the U.S.
 - The recovery from the 2007-2009 financial crisis has driven opportunities for innovative, new business models in the financial services and banking markets
- **Believe stock selection will be the key driver of relative outperformance**



DRIVEN BY RESEARCH

Portfolio Holdings
as of March 31, 2014

PORTFOLIO APPRAISAL

	Cost Basis			Market Value			Unrealized Gain/Loss	Current Yield	Estimated Annual Income
	Quantity	Average Cost	Total Cost	Current Price	Total Value	% Portfolio			
Cash/Cash Equivalent									
LIQUID ASSETS			187,304.35		187,304.35	2.2	0.0	0.0	0
PRINCIPAL CASH			187,304.35		187,304.35	2.2	0.00	0.0	0.00
TOTAL Cash/Cash Equivalent			187,304.35		187,304.35	2.2	0.0	0.0	0
Equity									
CONSUMER DISCRETIONARY			945,551.14		1,243,567.31	14.7	298,016.2	0.1	1,354
HOMEAWAY INC	3,740	27.30	102,119.87	37.67	140,885.80	1.7	38,765.93	0.0	0.00
DIVERSIFIED RSTRNT HLDGS INC	2,594	6.01	15,599.20	5.00	12,970.00	0.2	-2,629.20	0.0	0.00
BLACK DIAMOND INC	4,038	9.22	37,237.67	12.23	49,384.74	0.6	12,147.07	0.0	0.00
CHRISTOPHER & BANKS COPR	5,596	6.95	38,868.35	6.61	36,989.56	0.4	-1,878.79	0.0	0.00
CHEGG INC	4,820	11.06	53,320.54	7.00	33,740.00	0.4	-19,580.54	0.0	0.00
CHUY'S HOLDINGS INC	1,540	23.99	36,949.33	43.14	66,435.60	0.8	29,486.27	0.0	0.00
CARMIKE CINEMAS INC	1,797	13.00	23,361.00	29.86	53,658.42	0.6	30,297.42	0.0	0.00
FIVE BELOW	708	35.94	25,448.38	42.48	30,075.84	0.4	4,627.46	0.0	0.00
GRAY TELEVISION INC	4,124	13.25	54,641.60	10.37	42,765.88	0.5	-11,875.72	0.0	0.00
JACK IN THE BOX INC	1,637	38.08	62,333.91	58.94	96,484.78	1.1	34,150.87	0.0	0.00
KATE SPADE & CO	3,360	14.82	49,811.54	37.09	124,622.40	1.5	74,810.86	0.0	0.00
LITHIA MOTORS-A	957	48.91	46,805.62	66.46	63,602.22	0.8	16,796.60	0.8	497.64
LUMBER LIQUIDATORS HOLDINGS INC	780	88.75	69,228.20	93.80	73,164.00	0.9	3,935.80	0.0	0.00
MALIBU BOATS INC-CLASS A	1,850	17.21	31,841.98	22.22	41,107.00	0.5	9,265.02	0.0	0.00
MULTIMEDIA GAMES INC	4,071	19.69	80,149.15	29.04	118,221.84	1.4	38,072.69	0.0	0.00
PENSKE AUTO GROUP	1,190	32.26	38,386.01	42.76	50,884.40	0.6	12,498.39	1.7	856.80
RED ROBIN GOURMET BURGERS INC	1,411	35.55	50,160.71	71.68	101,140.48	1.2	50,979.77	0.0	0.00
TILLY'S INC-CLASS A SHRS	1,810	16.53	29,910.34	11.70	21,177.00	0.3	-8,733.34	0.0	0.00
TILE SHOP HLDGS INC	5,583	17.80	99,377.74	15.45	86,257.35	1.0	-13,120.39	0.0	0.00
ENERGY			219,988.04		400,702.10	4.7	180,714.1	0.0	0
DIAMONDBACK ENERGY INC	1,136	30.00	34,076.17	67.31	76,464.16	0.9	42,387.99	0.0	0.00
GULFPORT ENERGY CORP	953	25.40	24,204.95	71.18	67,834.54	0.8	43,629.59	0.0	0.00
MAGNUM HUNTER RES CORP DEL	18,717	4.50	84,181.48	8.50	159,094.50	1.9	74,913.02	0.0	0.00
MAGNUM HUNTER RES CORP WT EXP 041516	1,932	0.00	0.01	0.00	0.02	0.0	0.01	0.0	0.00



DRIVEN BY RESEARCH

Portfolio Holdings
as of March 31, 2014

PORTFOLIO APPRAISAL

	Quantity	Cost Basis		Market Value			Unrealized Gain/Loss	Current Yield	Estimated Annual Income
		Average Cost	Total Cost	Current Price	Total Value	% Portfolio			
Equity									
ENERGY			219,988.04		400,702.10	4.7	180,714.1	0.0	0
REX ENERGY CORPORATION	3,158	14.47	45,709.69	18.71	59,086.18	0.7	13,376.49	0.0	0.00
SANCHEZ ENERGY CORP	1,290	24.66	31,815.74	29.63	38,222.70	0.5	6,406.96	0.0	0.00
FINANCIAL SERVICES			595,820.42		954,618.25	11.3	358,797.8	0.8	8,104
AMTRUST FINANCIAL SERVICES	2,083	31.22	65,027.64	37.61	78,341.63	0.9	13,313.99	2.1	1,666.40
COBIZ INC	4,390	6.99	30,697.35	11.52	50,572.80	0.6	19,875.45	1.2	614.60
CUSTOMERS BANCORP INC	1,500	16.61	24,914.21	20.87	31,305.00	0.4	6,390.79	0.0	0.00
EVERCORE PARTNERS INC-CL A	1,636	42.04	68,782.09	55.25	90,389.00	1.1	21,606.91	1.8	1,636.00
FINANCIAL ENGINES INC	601	18.09	10,871.65	50.78	30,518.78	0.4	19,647.13	0.5	144.24
GSV CAP CORP	5,736	7.83	44,906.52	10.14	58,163.04	0.7	13,256.52	0.0	0.00
FIRST INTERNET BANCORP	640	20.14	12,891.14	22.77	14,572.80	0.2	1,681.66	1.1	153.60
FIRST NBC BANK HOLDING CO	2,960	28.04	82,992.46	34.86	103,185.60	1.2	20,193.14	0.0	0.00
BANK OF THE OZARKS INC	2,920	23.90	69,782.26	68.06	198,735.20	2.4	128,952.94	1.3	2,569.60
PACWEST BANCORP DEL	1,320	42.68	56,335.05	43.01	56,773.20	0.7	438.15	2.3	1,320.00
PACIFIC PREMIER BANCORP	2,153	10.13	21,804.59	16.14	34,749.42	0.4	12,944.83	0.0	0.00
SVB FINL GROUP	1,381	56.96	78,661.77	128.78	177,845.18	2.1	99,183.41	0.0	0.00
SQUARE 1 FINANCIAL INC	1,466	19.20	28,153.69	20.10	29,466.60	0.3	1,312.91	0.0	0.00
HEALTH CARE			1,238,958.00		1,912,256.88	22.7	673,298.9	0.0	0
ACADIA HEALTHCAREPANY INC	3,814	13.29	50,690.68	45.12	172,087.68	2.0	121,397.00	0.0	0.00
ALNYLAM PHARMACEUTICALS INC	1,954	19.93	38,936.41	67.14	131,191.56	1.6	92,255.15	0.0	0.00
ANI PHARMACEUTICALS INC	550	30.59	16,825.03	31.35	17,242.50	0.2	417.47	0.0	0.00
AUSPEX PHARMACEUTICALS, INC	310	12.00	3,720.00	30.76	9,535.60	0.1	5,815.60	0.0	0.00
ATRICURE INC	1,040	19.25	20,020.00	18.81	19,562.40	0.2	-457.60	0.0	0.00
CARA THERAPEUTICS INC	720	11.00	7,920.00	18.61	13,399.20	0.2	5,479.20	0.0	0.00
CAMBREX	4,656	13.67	63,657.32	18.87	87,858.72	1.0	24,201.40	0.0	0.00
CEPHEID	1,875	34.04	63,827.24	51.58	96,712.50	1.1	32,885.26	0.0	0.00
CYNOSURE INC.	1,640	23.47	38,488.89	29.30	48,052.00	0.6	9,563.11	0.0	0.00
DEPOMED INC	5,261	12.64	66,490.41	14.50	76,284.50	0.9	9,794.09	0.0	0.00
EPIZYME INC	2,200	32.79	72,138.67	22.77	50,094.00	0.6	-22,044.67	0.0	0.00
EVERYDAY HEALTH INC	553	13.85	7,659.87	13.99	7,736.47	0.1	76.60	0.0	0.00



DRIVEN BY RESEARCH

Portfolio Holdings
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PORTFOLIO APPRAISAL

	Quantity	Cost Basis		Market Value			Unrealized Gain/Loss	Current Yield	Estimated Annual Income
		Average Cost	Total Cost	Current Price	Total Value	% Portfolio			
Equity									
HEALTH CARE			1,238,958.00		1,912,256.88	22.7	673,298.9	0.0	0
HORIZON PHARMA, INC	5,542	13.41	74,291.65	15.12	83,795.04	1.0	9,503.39	0.0	0.00
INTERCEPT PHARMACEUTICAL	200	205.49	41,097.24	329.79	65,958.00	0.8	24,860.76	0.0	0.00
INOGEN INC	1,140	15.83	18,043.77	16.51	18,821.40	0.2	777.63	0.0	0.00
ISIS PHARMACEUTICALS INC	1,387	23.32	32,350.64	43.21	59,932.27	0.7	27,581.63	0.0	0.00
INTERMUNE INC	2,610	33.61	87,719.82	33.47	87,356.70	1.0	-363.12	0.0	0.00
LDR HOLDING CORP	490	21.83	10,696.96	34.33	16,821.70	0.2	6,124.74	0.0	0.00
LIPOSCIENCE INC	656	6.58	4,318.84	3.19	2,092.64	0.0	-2,226.20	0.0	0.00
MACROGENICS INC	1,810	25.84	46,767.96	27.83	50,372.30	0.6	3,604.34	0.0	0.00
MWI VETERINARY SUPPLY INC	1,645	54.55	89,739.20	155.62	255,994.90	3.0	166,255.70	0.0	0.00
NEUROCRINE BIOSCIENCES, INC	1,560	17.75	27,690.00	16.10	25,116.00	0.3	-2,574.00	0.0	0.00
NPS PHARMACEUTICALS INC	3,592	9.46	33,974.87	29.93	107,508.56	1.3	73,533.69	0.0	0.00
NANOSTRING TECHNOLOGIES INC	2,903	9.39	27,260.38	20.65	59,946.95	0.7	32,686.57	0.0	0.00
OMNICELL INC	2,514	17.38	43,686.16	28.62	71,950.68	0.9	28,264.52	0.0	0.00
OVASCIENCE INC	830	10.00	8,300.00	8.94	7,420.20	0.1	-879.80	0.0	0.00
PORTOLA PHARMACEUTICALS INC	1,799	18.00	32,375.68	25.90	46,594.10	0.6	14,218.42	0.0	0.00
ULTRAGENYX PHARMACEUTICAL INC	210	21.00	4,410.00	48.89	10,266.90	0.1	5,856.90	0.0	0.00
SURGICAL CARE AFFILIATES INC	1,100	30.11	33,119.03	30.75	33,825.00	0.4	705.97	0.0	0.00
SAREPTA THERAPEUTICS INC	1,640	18.79	30,821.52	24.03	39,409.20	0.5	8,587.68	0.0	0.00
THORATEC LABS CORP	1,160	37.95	44,024.64	35.81	41,539.60	0.5	-2,485.04	0.0	0.00
TANDEM DIABETES CARE INC	420	20.78	8,729.37	22.09	9,277.80	0.1	548.43	0.0	0.00
VERASTEM INC	3,770	13.46	50,752.03	10.79	40,678.30	0.5	-10,073.73	0.0	0.00
INTREXON CORP	1,819	21.12	38,413.72	26.29	47,821.51	0.6	9,407.79	0.0	0.00
MATERIALS & PROCESSING			437,300.81		654,304.00	7.8	217,003.2	0.5	2,946
APOGEE ENTERPRISES INC	1,712	25.34	43,378.84	33.23	56,889.76	0.7	13,510.92	1.2	684.80
ACUITY BRANDS INC	900	71.69	64,520.06	132.57	119,313.00	1.4	54,792.94	0.4	468.00
POLYONE CORPORATION	3,040	31.27	95,060.08	36.66	111,446.40	1.3	16,386.32	0.9	972.80
US SILICA HOLDINGS INC	1,640	34.98	57,363.14	38.17	62,598.80	0.7	5,235.66	1.3	820.00
TREX INC	3,029	38.68	117,159.83	73.16	221,601.64	2.6	104,441.81	0.0	0.00
USG CORP	2,520	23.74	59,818.86	32.72	82,454.40	1.0	22,635.54	0.0	0.00



DRIVEN BY RESEARCH

Portfolio Holdings
as of March 31, 2014

PORTFOLIO APPRAISAL

	Cost Basis			Market Value			Estimated		
	Quantity	Average	Total Cost	Current Price	Total Value	% Portfolio	Unrealized Gain/Loss	Current Yield	Annual Income
		Cost							
Equity									
PRODUCER DURABLES			772,954.96		1,220,946.44	14.5	447,991.5	0.1	1,573
ASTRONICS CORP	560	52.73	29,529.52	63.41	35,509.60	0.4	5,980.08	0.0	0.00
CONTROL4 CORP	1,030	17.40	17,926.24	21.21	21,846.30	0.3	3,920.06	0.0	0.00
FARO TECHNOLOGIES INC	1,636	44.56	72,895.25	53.00	86,708.00	1.0	13,812.75	0.0	0.00
H&E EQUIPMENT SERVICES INC	2,497	23.96	59,831.23	40.45	101,003.65	1.2	41,172.42	0.0	0.00
KFORCE INC	3,156	21.43	67,624.05	21.32	67,285.92	0.8	-338.13	1.9	1,262.40
MIDDLEBY CORP	751	86.60	65,035.20	264.21	198,421.71	2.4	133,386.51	0.0	0.00
PRIMORIS SERVICES CORP	2,220	31.55	70,038.86	29.98	66,555.60	0.8	-3,483.26	0.5	310.80
PROTO LABS INC	800	74.14	59,310.24	67.67	54,136.00	0.6	-5,174.24	0.0	0.00
ROADRUNNER TRNSN SVCS HLDG	3,462	18.66	64,603.26	25.24	87,380.88	1.0	22,777.62	0.0	0.00
SPIRIT AIRLS INC	4,687	22.49	105,418.46	59.40	278,407.80	3.3	172,989.34	0.0	0.00
TUTOR PERINI CORPORATION	580	29.22	16,950.21	28.67	16,628.60	0.2	-321.61	0.0	0.00
WESCO AIRCRAFT HOLDINGS	5,396	19.79	106,760.77	22.01	118,765.96	1.4	12,005.19	0.0	0.00
WESCO INTL INC	1,061	34.90	37,031.67	83.22	88,296.42	1.0	51,264.75	0.0	0.00
TECHNOLOGY			1,446,510.80		1,715,653.59	20.3	269,142.8	0.0	622
APPLIED OPTOELECTRONICS INC	1,830	9.96	18,221.74	24.67	45,146.10	0.5	26,924.36	0.0	0.00
ARUBA NETWORKS INC	2,910	17.76	51,676.24	18.75	54,562.50	0.6	2,886.26	0.0	0.00
A10 NETWORKS INC	929	15.12	14,045.64	15.04	13,972.16	0.2	-73.48	0.0	0.00
INFOBLOX INC	3,583	21.80	78,097.27	20.06	71,874.98	0.9	-6,222.29	0.0	0.00
CALAMP CORP	2,754	20.70	57,015.51	27.87	76,753.98	0.9	19,738.47	0.0	0.00
CAVIUM INC	2,191	29.62	64,899.94	43.73	95,812.43	1.1	30,912.49	0.0	0.00
CORNERSTONE ONDEMAND INC	1,610	48.28	77,730.21	47.87	77,070.70	0.9	-659.51	0.0	0.00
CHANNELADVISOR CORP	2,280	33.16	75,611.82	37.74	86,047.20	1.0	10,435.38	0.0	0.00
GLOBAL EAGLE ENTERTAINMENT	4,040	15.36	62,040.61	15.78	63,751.20	0.8	1,710.59	0.0	0.00
EPAM SYSTEMS INC	3,361	23.98	80,580.26	32.90	110,576.90	1.3	29,996.64	0.0	0.00
GIGAMON INC	2,665	29.54	78,733.06	30.39	80,989.35	1.0	2,256.29	0.0	0.00
GUIDEWIRE SOFTWARE INC	1,060	29.65	31,431.76	49.05	51,993.00	0.6	20,561.24	0.0	0.00
IMPERVA INC	2,290	44.30	101,442.01	55.70	127,553.00	1.5	26,110.99	0.0	0.00
IPG PHOTONICS CORP	1,183	28.07	33,204.92	71.08	84,087.64	1.0	50,882.72	0.0	0.00
INPHI CORP	3,767	11.07	41,703.51	16.09	60,611.03	0.7	18,907.52	0.0	0.00



DRIVEN BY RESEARCH

Portfolio Holdings
as of March 31, 2014

PORTFOLIO APPRAISAL

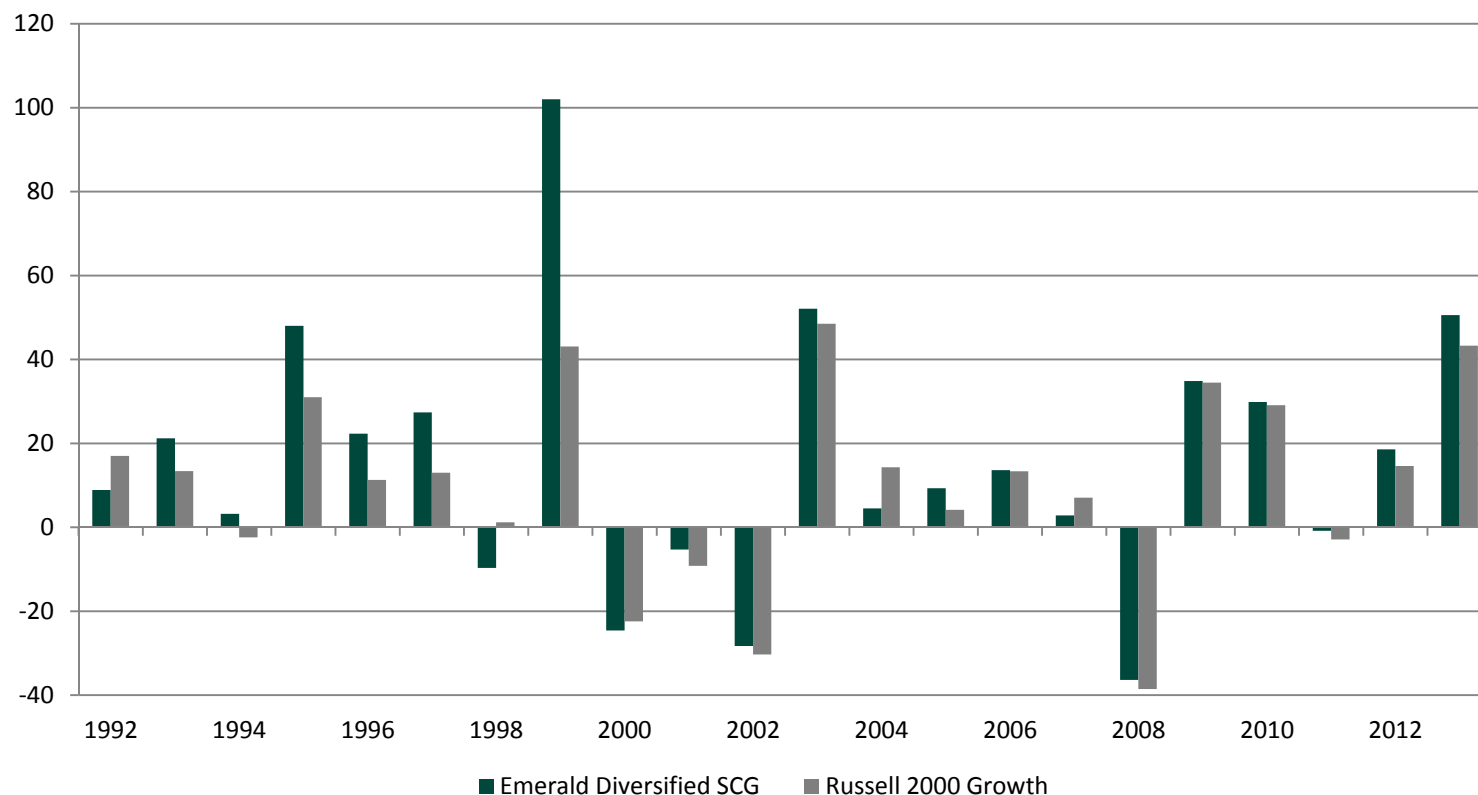
	Quantity	Cost Basis		Market Value			Unrealized Gain/Loss	Current Yield	Estimated Annual Income
		Average Cost	Total Cost	Current Price	Total Value	% Portfolio			
Equity									
TECHNOLOGY			1,446,510.80		1,715,653.59	20.3	269,142.8	0.0	622
METHODE ELECTRONICS INC	1,340	29.24	39,186.36	30.66	41,084.40	0.5	1,898.04	1.2	482.40
MICROSEMI CORP	1,690	24.09	40,715.27	25.03	42,300.70	0.5	1,585.43	0.0	0.00
NEONODE INC	7,460	6.29	46,939.93	5.69	42,447.40	0.5	-4,492.53	0.0	0.00
PDF SOLUTIONS INC	1,794	21.61	38,771.40	18.17	32,596.98	0.4	-6,174.42	0.0	0.00
PROOFPOINT INC	4,470	29.98	133,990.16	37.08	165,747.60	2.0	31,757.44	0.0	0.00
QLIK TECHNOLOGIES INC	3,346	28.97	96,921.19	26.59	88,970.14	1.1	-7,951.05	0.0	0.00
Q2 HOLDINGS INC	310	14.27	4,425.12	15.53	4,814.30	0.1	389.18	0.0	0.00
RALLY SOFTWARE DEVELOPMENT CO	3,530	25.18	88,901.74	13.38	47,231.40	0.6	-41,670.34	0.0	0.00
SABA SOFTWARE	3,110	10.12	31,473.70	12.15	37,786.50	0.4	6,312.80	0.0	0.00
TRANSACT TECHNOLOGIES INC	500	12.09	6,046.22	11.49	5,745.00	0.1	-301.22	2.4	140.00
ULTIMATE SOFTWARE GROUP INC	621	35.44	22,006.28	137.00	85,077.00	1.0	63,070.72	0.0	0.00
IXIA	1,684	18.23	30,698.93	12.50	21,050.00	0.2	-9,648.93	0.0	0.00
UTILITIES			121,005.54		149,962.66	1.8	28,957.1	0.0	0
8X8 INC NEW	9,146	7.57	69,234.19	10.81	98,868.26	1.2	29,634.07	0.0	0.00
ORBCOMM INC	5,670	6.90	39,095.99	6.85	38,839.50	0.5	-256.49	0.0	0.00
VONAGE HOLDINGS CORP	2,870	4.42	12,675.36	4.27	12,254.90	0.1	-420.46	0.0	0.00
TOTAL Equity			5,778,089.71		8,252,011.23	97.8	2,473,921.5	0.2	14,600
TOTAL Dividend Accruals					1,016.96	0.0			
TOTAL MANAGED			5,965,394.06		8,440,332.54	100	2,473,921.5	0.2	14,600



DRIVEN BY RESEARCH

Div. SCG Cal. Year Performance as of December 31, 2013

RATE OF RETURN REPORTED GROSS



**Emerald has
outperformed in
17 of the 21 full
calendar years we
have been in
business.**

Performance Disclaimer - The performance information reflected is approved for "One-on-One" client presentations only. The performance figures do not reflect the deduction of investment fees; the investment advisory fees are described in Part II of Emerald Advisers' Form ADV. For example, if a client placed \$100,000 under management and a hypothetical gross return of 10% were achieved, the investment assets before fees would have grown to \$259,374 in ten years. However, if an advisory fee of 1% of average net assets were charged, investment assets would have grown to \$234,573, or an annual compounded rate of 8.9%. This includes all reinvestment of dividends



Differentiators / Keys to Success

- ***People***
 - Portfolio management team has 73 years collective experience; together since 1994
 - Teamwork Environment: 14 analysts with 11 years average tenure
- ***Philosophy***
 - Active management uncovers extraordinary opportunities in small-cap markets
 - We work to maximize return and minimize risk by capitalizing on inherent inefficiencies
- ***Process***
 - Disciplined focus grounded by Emerald 10-Step Research Process
 - Consistent investment style adhering to growth and small-cap mandates
 - Emerald's entrepreneurial culture generates alpha by discovering and exploiting trends
- ***Persistence***
 - Remaining true to our fundamental bottom-up process irrespective of market cycles
 - Demonstrated by a 20+ year record of portfolio attribution and performance
- ***Performance***
 - Consistent long-term outperformance and consistent upside/downside market capture



Emerald Foundation

We support the communities in which we live and work as well as initiatives throughout the country. In addition to working diligently to provide superior investment returns, Team Emerald continuously sustains its involvement with both local and national organizations committed to aiding various vital community needs and services. Because of Emerald's diverse group of investment products and extensive research commitments we recognize our obligation to be an involved member of the communities in which we work and live. Since its founding in 1991, Emerald has supported community initiatives, organizations and schools that provide much-needed services to area residents. In 2005 Emerald Asset Management was selected as the *Corporate Citizen of the Year* by the Central Penn Business Journal. The Emerald Foundation is a 501(c)3 nonprofit organization founded to help “give back” to the community. A partial list of organizations supported by the Foundation includes:

ALS	Children Deserve A Chance	Boys and Girls Club Foundation	
American Red Cross	Cal Ripken, Sr. Foundation	Keystone Care	PA Breast Cancer Coalition
American Cancer Society	Cystic Fibrosis	Lititz Lions Club	St. Jude’s Research Hospital
Boy Scouts of America	Kimmel Cancer Center	Lancaster County CASA	No Greater Sacrifice

The Emerald Foundation joins hands with community and national charitable organizations devoted to encouraging initiatives focusing primarily on Youth, Education and Healthcare Research, both locally and throughout the country. To help meet the challenges facing communities the Foundation encourages initiatives by seeking meaningful collaboration among other nonprofits, local businesses and private individuals helping to promote and strengthen every individual’s commitment to community. In addition to the corporate sponsorships and participation in events, we encourage members of Team Emerald to actively work in their communities to make a difference. Emerald executives have held senior leadership positions in a number of philanthropic and charitable organizations including the Leukemia & Lymphoma Society, Boys Club, Millersville University Foundation, Pennsylvania State University Research Foundation, Berks Conservancy, and Keystone Care.



Presentation for City of Fort Pierce Retirement and Benefit System

First Quarter 2014

May 15, 2014
Fort Pierce, Florida

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Ceredex Overview and Investment Team	Section 1
Investment Philosophy and Investment Process	Section 2
Performance Review	Section 3
Appendix	Section 4
Glossary	
Disclosures	



OUR FIRM

- Value Equity investing roots trace back to 1989
- Approximately \$11.9 billion AUM* in three primary strategies
- Headquartered in Orlando, Florida

OUR INVESTMENT STRATEGIES

	Large Cap Value	Mid-Cap Value	Small Cap Value
Assets	\$3.8 billion	\$4.7 billion	\$3.3 billion
Lead Manager Experience	31 Years	17 Years	28 Years

OUR INVESTMENT PROFESSIONALS*

- 12 Investment Professionals
- 3 Portfolio Managers have worked together for 17 years
- 10 CFA Charterholders

*As of March 31, 2014 (includes sub-advisory relationships and separate accounts).
Effective April 20, 2012, the Small Cap Value Equity Fund is closed to new investors.



PORTFOLIO MANAGERS

Mills Riddick, CFA

Large Cap Value Lead Portfolio Manager

Donald Wordell, CFA

Mid-Cap Value Lead Portfolio Manager

Brett Barner, CFA

Small Cap Value Lead Portfolio Manager

RESEARCH ANALYSTS

Charlie Carter, CFA

Consumer Staples
Consumer Discretionary

Jennifer Graff, CFA

Industrials

Melissa Miller, CFA

Financials

Cody Smith, CFA

Health Care
Technology

Nicole Blakley, CFA

Energy
Materials

Jason Fraser, CFA

Financials
Telecom

Hein Hanekom, CFA

Utilities

CLIENT SERVICE

Steve Loncar

Client Portfolio Manager

Sarah Thompson

Portfolio Assistant

RIDGEWORTH EQUITY SECURITIES TRADERS

Joe Ward, CFA

Large Cap Value Lead Trader
Mid-Cap Value Lead Trader

Stephen P. Smith, CFA

Small Cap Value Lead Trader

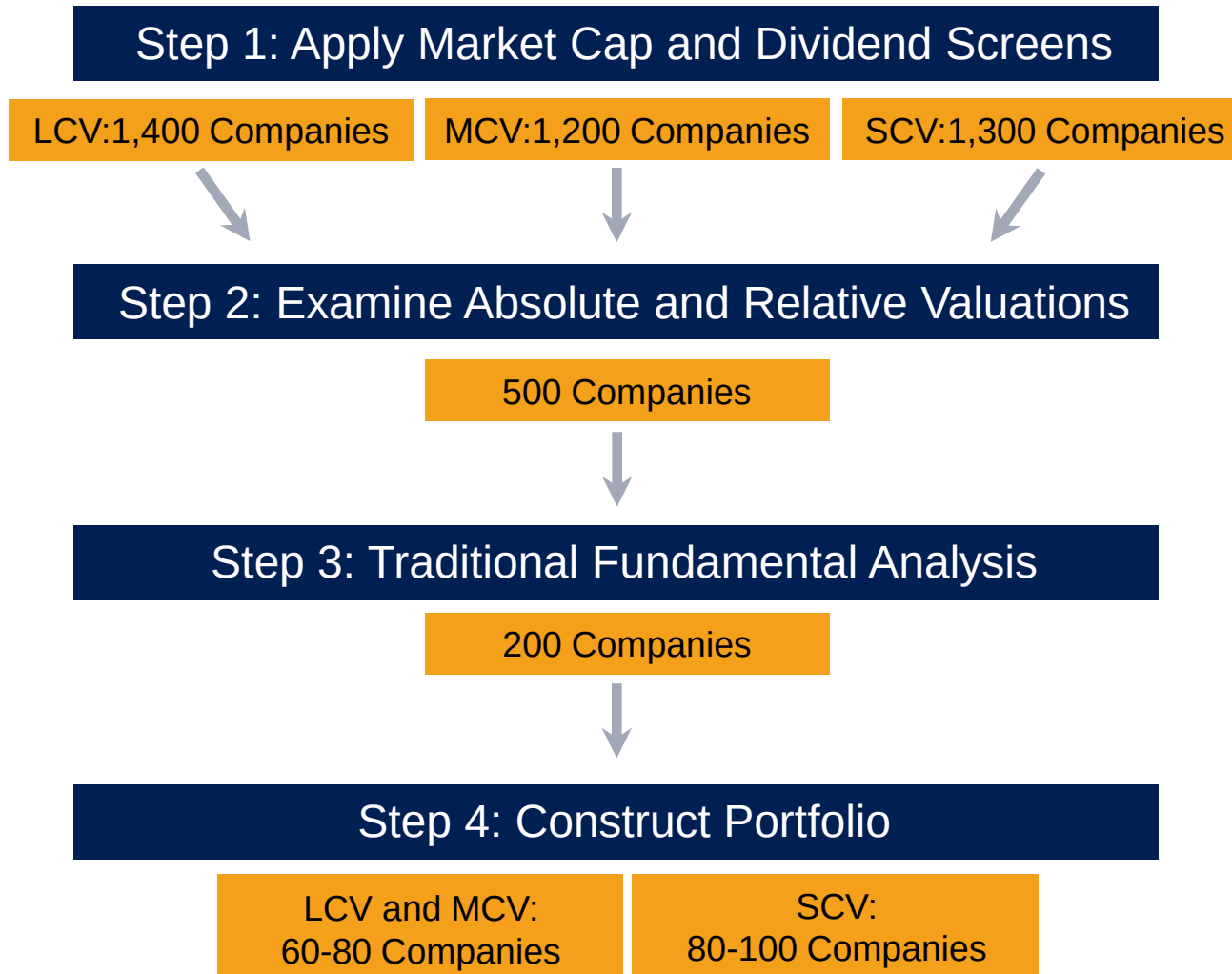


Principles that have enabled the approach to be successful.

Dividend Orientation

Valuation Approach

Fundamentals





Stock requires all three for purchase, but only one could trigger a sell:

Dividend Policy Change

- Eliminated – Automatic Sell
- Cut unexpectedly – Reevaluate Fundamentals
- Cut expectedly – Retain

Relative Value Weakens

- Stock Reaches its Previously Established Price Target
- More Attractive Risk/Reward Prospects

Fundamentals Deteriorate

- Cyclical
- Structural
- Timing of Catalyst Extended



Dividend Required

Dividends Reduce Duration

Margin of Safety

Diversity Among &
Within Sectors



Portfolio Composition



Assets		Market Value	% of Total
Total Portfolio	\$	7,949,104.05	100.0%
Total Equities	\$	7,709,864.97	97.0%
Total Cash and Equivalents	\$	239,239.08	3.0%

Period Ending March 31, 2014. Source: Advent Portfolio Exchange, May 5, 2014.

Past performance is not indicative of future results.

This perspective was prepared for City of Fort Pierce Retirement and Benefit System, specific one-on-one presentation.



Account Activity Summary - Quarter

Beginning Portfolio Market Value 12/31/13	\$	7,908,875.14
Additions	\$	86,624.00
Withdrawals	\$	(104,387.77)
Net Additions/Withdrawals	\$	(17,763.77)
Portfolio Earnings		
Net Accrued Income	\$	1.72
Interest and Dividends	\$	42,112.90
Gains/Losses		15,878.06
Total Portfolio Earnings	\$	57,992.68
Ending Portfolio Market Value 3/31/14	\$	7,949,104.05
Net Change	\$	40,228.91

Period Ending March 31, 2014. Source: Advent Portfolio Exchange, May 5, 2014.

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Account Activity Summary - Annual

Beginning Portfolio Market Value 3/31/13	\$	6,559,771.21
Additions	\$	86,698.51
Withdrawals	\$	(150,135.27)
Net Additions/Withdrawals	\$	(63,436.76)
Portfolio Earnings		
Net Accrued Income	\$	1.72
Interest and Dividends	\$	164,661.01
Gains/Losses	\$	1,288,106.86
Total Portfolio Earnings	\$	1,452,769.59
Ending Portfolio Market Value 3/31/14	\$	7,949,104.05
Net Change	\$	1,389,332.84

Period Ending March 31, 2014. Source: Advent Portfolio Exchange, May 5, 2014.

Past performance is not indicative of future results.

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Inception to Date Reconciliation

City of Fort Pierce Retirement & Benefit System Inception to Date Statement of Cash Flow January 5, 1999 through March 31, 2014		
\$ Original Investment		\$ 5,459,900.00
+ Subsequent Contributions		\$ 1,319,339.45
- Subsequent Withdrawals		\$ (17,191,573.68)
- Management Fees		\$ (953,968.06)
+ Total Investment Earnings		\$ 19,315,404.62
+ Income	\$ 2,389,173.76	
+/- Capital Appreciation (Depreciation)	\$ 16,926,230.86	
Total Assets as of March 31, 2014		\$ 7,949,102.33

Period Ending March 31, 2014. Source: Advent Portfolio Exchange, SunTrust Portfolio View, May 5, 2014.
See Investment Performance in Appendix.

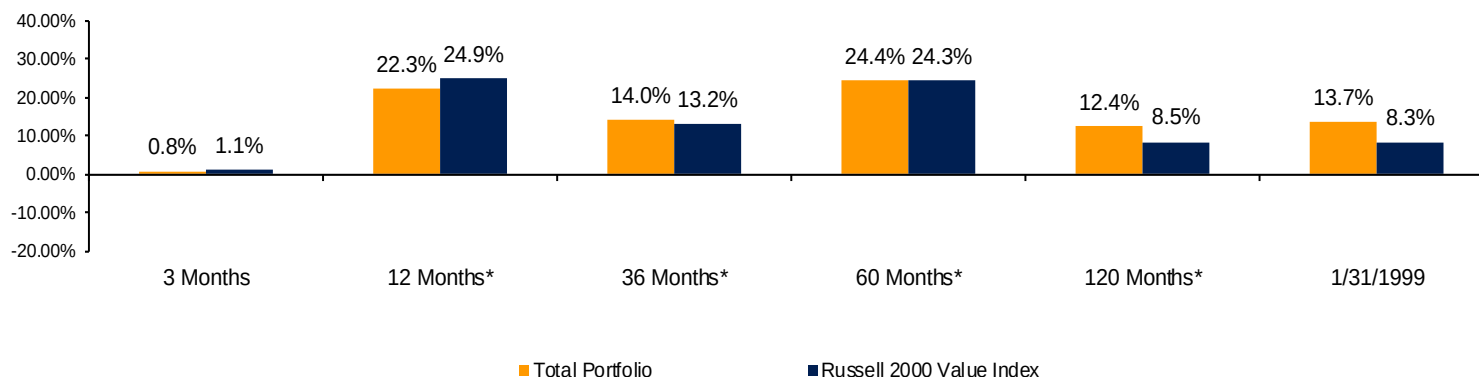
Past performance is not indicative of future results.

This perspective was prepared for City of Fort Pierce Retirement and Benefit System, specific one-on-one presentation.



Performance Comparisons

	<u>3 Months</u>	<u>12 Months*</u>	<u>36 Months*</u>	<u>60 Months*</u>	<u>120 Months*</u>	<u>To Date</u> <u>1/31/1999</u>
Total Portfolio	0.75%	22.25%	14.01%	24.39%	12.39%	13.65%
Russell 2000 Index	1.77%	22.64%	12.73%	23.32%	8.07%	10.00%
Russell 2000 Value Index	1.11%	24.89%	13.18%	24.31%	8.53%	8.31%



Period Ending March 31, 2014. Source: Advent Portfolio Exchange, May 5, 2014.

*Annualized returns

Past performance is not indicative of future results.

The comparative performance contained herein reflects annualized returns for specific time periods, are gross of all fees, are not indicative of actual annual returns, and may not be relied upon for investment decisions. See Investment Performance disclosure in Appendix.

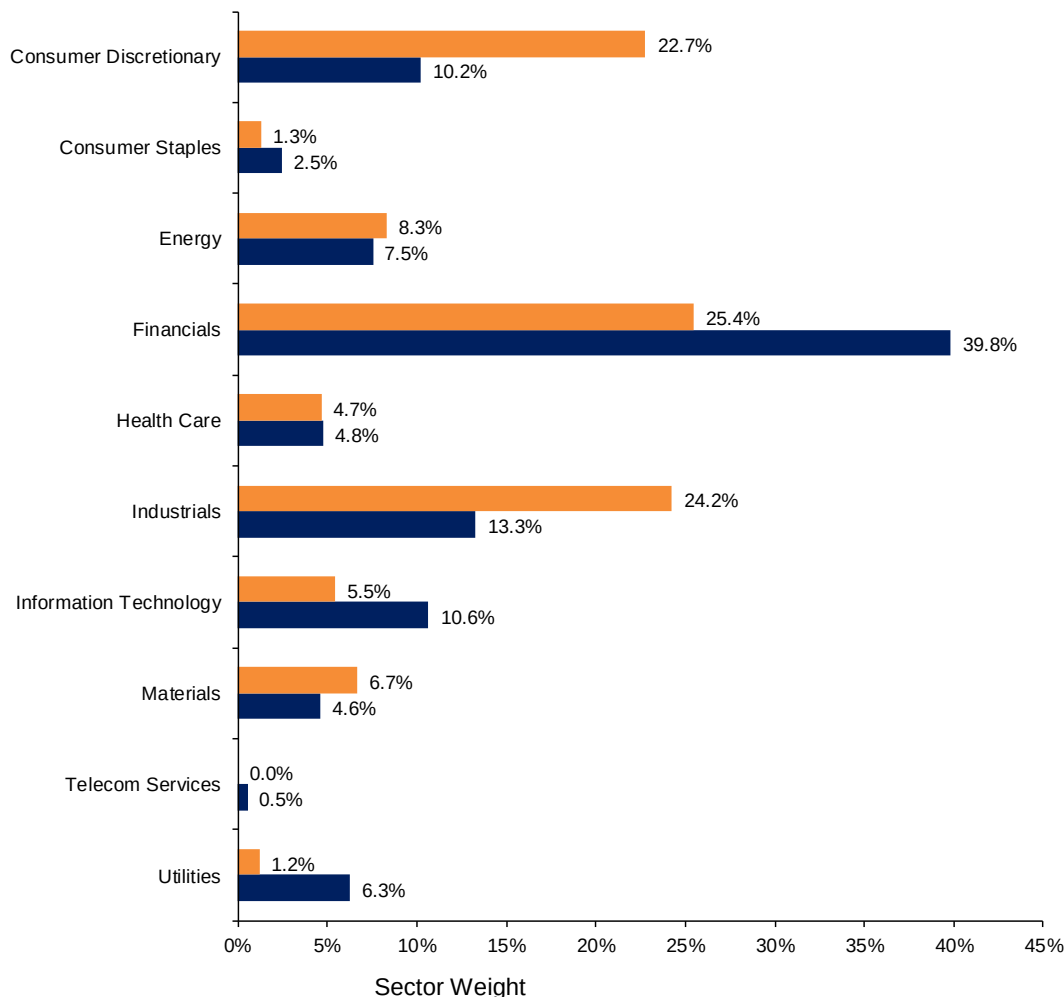
This perspective was prepared for City of Fort Pierce Retirement and Benefit System, specific one-on-one presentation.



Sector Concentration*

● Portfolio

● Russell 2000 Value



Portfolio Characteristics*

Characteristic	Portfolio	Russell 2000 Value
Market Cap (billion)	\$2.3	\$1.6
Dividend Yield	1.9%	2.0%
Price-to-Earnings (12 months trailing)	19.1	16.7
Price-to-Book	2.1	1.5
Price-to-Sales	1.0	1.1

Top 10 Holdings*

Security	%
CARBO Ceramics Inc.	3.8
StanCorp Financial Group Inc.	3.6
HSN Inc.	3.3
Progressive Waste Solutions Ltd.	3.0
Guess? Inc.	2.8
Cabot Corporation	2.7
CubeSmart	2.5
Interface Inc. CI A	2.4
Hanover Insurance Group, Inc.	2.4
Herman Miller, Inc.	2.4

* Period Ending March 31, 2014. Source: FactSet, May 5, 2014.

Past performance is not indicative of future results.

Portfolio characteristics, sector analysis, and holdings exclude cash and may change at any time without notice.

See Holdings Disclosure, Sector Weightings and Portfolio Characteristics in Appendix.

This perspective was prepared for City of Fort Pierce Retirement and Benefit System, specific one-on-one presentation.



Top 10 Holdings

Security	Description
CARBO Ceramics Inc.	CARBO Ceramics Inc., an oilfield services technology company, manufactures and sells ceramic proppants, resin-coated ceramic, and resin-coated sand proppants for use in the hydraulic fracturing of natural gas and oil wells in the United States and internationally.
StanCorp Financial Group Inc.	StanCorp Financial Group, Inc., together with its subsidiaries, provides financial products and services in the United States. The company operates in two segments, Insurance Services and Asset Management. The Insurance Services segment offers group and individual disability insurance; group life, and accidental death and dismemberment insurance; group dental and group vision insurance; and absence management services to individuals and employers groups.
HSN Inc.	HSN, Inc., an interactive multi-channel retailer, provides retail experiences through various platforms, including television, online, mobile, catalogs, and retail and outlet stores. It markets and sells a range of third party and private label merchandise primarily in the United States.
Progressive Waste Solutions	Progressive Waste Solutions Ltd. operates as a vertically integrated non-hazardous solid waste management company in North America. It operates through three segments: Canada, the U.S. south, and the U.S. northeast. The company provides waste collection, transfer, recycling, and disposal services to commercial, industrial, municipal, and residential customers in 13 U.S. states, the District of Columbia, and 6 Canadian provinces.
Guess? Inc.	Guess?, Inc. designs, markets, distributes, and licenses lifestyle collections of contemporary apparel and accessories for men, women, and children that reflect the American lifestyle and European fashion sensibilities. The company's clothing collection includes jeans, pants, skirts, dresses, shorts, blouses, shirts, jackets, knitwear, and intimate apparel. Guess , Inc.
Cabot Corp.	Cabot Corporation operates as a specialty chemicals and performance materials company. The company offers carbon black, a form of elemental carbon used to enhance the physical properties of the systems and applications in which it is incorporated; and rubber blacks for use as a rubber reinforcing agent and performance additive in tires, hoses, belts, extruded profiles, and molded goods.
CubeSmart	CubeSmart is an equity real estate investment trust. The firm invests in the real estate markets of the United States. It engages in ownership, operation, acquisition and development of self-storage facilities. The firm was formerly known as U-Store-It Trust. CubeSmart was founded in July 2004 and is based in Wayne, Pennsylvania.
Interface Inc.	Interface, Inc. designs, produces, and sells modular carpet products for the commercial, institutional, and residential markets primarily in the Americas, Europe, and the Asia-Pacific. The company offers modular carpets under the Interface, FLOR, and Heuga trademarks; and carpet tiles under the GlasBacRE trademark; an adapted version of its carpet tile for the healthcare facilities market; and two-meter roll goods that are structure-backed.
Hanover Insurance Group Inc.	The Hanover Insurance Group, Inc., through its subsidiaries, underwrites commercial and personal property, and casualty insurance products and services in the United States. It operates in four segments: Commercial Lines, Personal Lines, Chaucer, and Other.
Miller (Herman) Inc.	Herman Miller, Inc. engages in the research, design, manufacture, and distribution of office furniture systems, seating products, textiles, and related services worldwide. It provides modular systems under the Action Office, Canvas Office Landscape, Ethospace, Resolve, and My Studio Environments; seating products under the Embody, Aeron, Mirra, Setu, Sayl, Celle, Equa, and Ergon; and storage products under the Meridian and Tu names.

Period Ending March 31, 2014. Source: Factset, May 5, 2014.

Past performance is not indicative of future results. Data subject to change. See Holding Disclosure in Appendix.

This perspective was prepared for City of Fort Pierce Retirement and Benefit System, specific one-on-one presentation.



Performance Review - Portfolio Holdings

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Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
CASH AND EQUIVALENTS(USD)		\$	239,237.37	\$	239,239.09	2.90%
Consumer Discretionary						
7,000	AMC ENTERTAINMENT HLDS - CL A	\$ 19.62	\$ 137,357.17	\$ 24.25	\$ 169,750.00	2.10%
11,800	ARCOS DORADOS HOLDINGS INC SHS CLASS -A -	\$ 12.87	\$ 151,903.19	\$ 10.08	\$ 118,944.00	1.40%
1,200	BRUNSWICK CORP COM	\$ 21.23	\$ 25,478.47	\$ 45.29	\$ 54,348.00	0.60%
7,500	CHICOS FAS INC COM	\$ 17.00	\$ 127,521.31	\$ 16.03	\$ 120,225.00	1.50%
3,300	CST BRANDS INC	\$ 35.06	\$ 115,717.28	\$ 31.24	\$ 103,092.00	1.20%
693	DESTINATION MATERNITY CORP COM	\$ 17.85	\$ 12,376.05	\$ 27.40	\$ 18,988.20	0.20%
700	EINSTEIN NOAH REST GROUP INC COM	\$ 15.82	\$ 11,076.17	\$ 16.46	\$ 11,522.00	0.10%
7,765	GUESS INC COM	\$ 28.32	\$ 219,957.04	\$ 27.60	\$ 214,314.00	2.60%
4,200	HSN INC COM	\$ 37.90	\$ 159,193.32	\$ 59.73	\$ 250,866.00	3.10%
1,400	LITHIA MTRS INC CL A	\$ 17.08	\$ 23,915.55	\$ 66.46	\$ 93,044.00	1.10%
1,300	MATTHEWS INTL CORP CL A	\$ 42.43	\$ 55,164.51	\$ 40.81	\$ 53,053.00	0.60%
2,500	MEREDITH CORP COM	\$ 33.12	\$ 82,820.87	\$ 46.43	\$ 116,075.00	1.40%
2,000	NUTRI SYS INC NEW COM	\$ 14.51	\$ 29,023.43	\$ 15.07	\$ 30,140.00	0.30%
1,300	RUTHS HOSPITALITY GROUP INC COM	\$ 12.68	\$ 16,490.10	\$ 12.09	\$ 15,717.00	0.10%
2,300	SCHOLASTIC CORP COM	\$ 31.13	\$ 71,610.50	\$ 34.48	\$ 79,304.00	0.90%
3,300	SONIC AUTOMOTIVE INC CL A	\$ 13.68	\$ 45,163.79	\$ 22.48	\$ 74,184.00	0.90%
1,200	SOTHEBYS COM	\$ 36.58	\$ 43,899.84	\$ 43.55	\$ 52,260.00	0.60%
2,900	THOR INDS INC COM	\$ 38.40	\$ 111,372.54	\$ 61.06	\$ 177,074.00	2.20%
		\$	1,440,041.17	\$	1,752,900.20	22.00%
Consumer Staples						
1,300	WD-40 CO COM	\$ 38.99	\$ 50,696.04	\$ 77.57	\$ 100,841.00	1.20%
		\$	50,696.04	\$	100,841.00	1.20%
Energy						
2,300	BRISTOW GROUP INC COM	\$ 46.33	\$ 106,575.02	\$ 75.52	\$ 173,696.00	2.10%
2,100	CARBO CERAMICS INC COM	\$ 92.58	\$ 194,427.56	\$ 137.99	\$ 289,779.00	3.60%
1,184	LINN CO LLC	\$ 21.84	\$ 25,867.72	\$ 27.05	\$ 32,027.20	0.40%
2,300	PATTERSON UTI ENERGY INC COM	\$ 17.30	\$ 39,800.61	\$ 31.68	\$ 72,864.00	0.90%
1,500	TIDEWATER INC COM	\$ 51.22	\$ 76,834.23	\$ 48.62	\$ 72,930.00	0.90%
		\$	443,505.15	\$	641,296.20	8.00%
Financials						
2,000	ALEXANDER & BALDWIN HLDGS INC COM	\$ 41.60	\$ 83,201.30	\$ 42.56	\$ 85,120.00	1.00%
1,300	BANCO LATINOAMERICANO DE COME SHS E	\$ 12.43	\$ 16,170.60	\$ 26.41	\$ 34,333.00	0.40%
1,734	BANK HAWAII CORP COM	\$ 51.75	\$ 89,742.16	\$ 60.61	\$ 105,097.74	1.30%

Period Ending March 31, 2014. Source: Advent Portfolio Exchange, May 5, 2014.
See Holdings Disclosure in Appendix.

This perspective was prepared for City of Fort Pierce Retirement and Benefit System, specific one-on-one presentation.



Performance Review - Portfolio Holdings

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Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
4,500	CAMPUS CREST CMNTYS INC COM	\$ 10.92	\$ 49,183.07	\$ 8.68	\$ 39,060.00	0.40%
4,200	CASH AMER INTL INC COM	\$ 37.01	\$ 155,451.47	\$ 38.72	\$ 162,624.00	2.00%
1,500	COHEN & STEERS INC COM	\$ 36.04	\$ 54,074.19	\$ 39.85	\$ 59,775.00	0.70%
11,000	CUBESMART COM	\$ 15.93	\$ 175,338.81	\$ 17.16	\$ 188,760.00	2.30%
2,300	EVERCORE PARTNERS INC CLASS A	\$ 23.88	\$ 54,941.79	\$ 55.25	\$ 127,075.00	1.50%
3,000	HANOVER INS GROUP INC COM	\$ 42.78	\$ 128,342.29	\$ 61.44	\$ 184,320.00	2.30%
2,450	HCC INS HLDGS INC COM	\$ 24.41	\$ 59,814.96	\$ 45.49	\$ 111,450.50	1.40%
2,500	HORACE MANN EDUCATORS CORP NEW COM	\$ 18.41	\$ 46,042.13	\$ 29.00	\$ 72,500.00	0.90%
2,400	JMP GROUP INC COM	\$ 6.97	\$ 16,737.76	\$ 7.11	\$ 17,064.00	0.20%
5,700	MEDICAL PPTYS TRUST INC COM	\$ 13.05	\$ 74,412.28	\$ 12.79	\$ 72,903.00	0.90%
600	MONMOUTH REAL ESTATE INVT CORP CL A	\$ 8.31	\$ 4,991.99	\$ 9.54	\$ 5,724.00	0.00%
800	OPPENHEIMER HLDGS INC CL A NON VTG	\$ 26.82	\$ 21,460.65	\$ 28.05	\$ 22,440.00	0.20%
7,000	PARKWAY PPTYS INC COM	\$ 18.77	\$ 131,396.40	\$ 18.25	\$ 127,750.00	1.60%
2,200	POST PPTYS INC COM	\$ 47.15	\$ 103,744.19	\$ 49.10	\$ 108,020.00	1.30%
4,200	STANCORP FINL GROUP INC COM	\$ 41.22	\$ 173,136.34	\$ 66.80	\$ 280,560.00	3.50%
1,800	TRUSTCO BK CORP N Y COM	\$ 4.65	\$ 8,384.68	\$ 7.04	\$ 12,672.00	0.10%
2,200	UMB FINL CORP COM	\$ 43.77	\$ 96,294.40	\$ 64.70	\$ 142,340.00	1.70%
		\$	1,542,861.51	\$	1,959,588.24	24.60%
Health Care						
900	ENSIGN GROUP INC COM	\$ 14.37	\$ 12,938.32	\$ 43.64	\$ 39,276.00	0.40%
2,100	HILL ROM HLDGS INC COM	\$ 36.63	\$ 76,928.24	\$ 38.54	\$ 80,934.00	1.00%
1,300	LANDAUER INC COM	\$ 55.51	\$ 72,169.07	\$ 45.33	\$ 58,929.00	0.70%
3,790	STERIS CORP COM	\$ 36.33	\$ 137,694.89	\$ 47.75	\$ 180,972.50	2.20%
		\$	299,730.53	\$	360,111.50	4.50%
Industrials						
2,200	AAR CORP COM	\$ 26.66	\$ 58,658.02	\$ 25.95	\$ 57,090.00	0.70%
2,700	ABM INDS INC COM	\$ 25.71	\$ 69,438.70	\$ 28.74	\$ 77,598.00	0.90%
400	BARNES GROUP INC COM	\$ 27.33	\$ 10,935.88	\$ 38.47	\$ 15,388.00	0.10%
500	CHINA YUCHAI INTL LTD COM	\$ 16.42	\$ 8,210.64	\$ 21.18	\$ 10,590.00	0.10%
2,100	CLARCOR INC COM	\$ 51.37	\$ 107,877.61	\$ 57.35	\$ 120,435.00	1.50%
2,300	EMCOR GROUP INC COM	\$ 33.59	\$ 77,272.74	\$ 46.79	\$ 107,617.00	1.30%
1,207	GPO AEROPORTUARIO DEL PAC SAB SPON ADR E	\$ 21.66	\$ 26,149.82	\$ 58.49	\$ 70,597.43	0.80%
1,100	GRANITE CONSTR INC COM	\$ 32.32	\$ 35,557.57	\$ 39.93	\$ 43,923.00	0.50%
4,500	GREAT LAKES DREDGE & DOCK CORP COM	\$ 7.01	\$ 31,568.09	\$ 9.13	\$ 41,085.00	0.50%
200	GRUPO AEROPORTUARIO DEL SUREST SPON ADF	\$ 71.30	\$ 14,260.15	\$ 122.64	\$ 24,528.00	0.30%

Period Ending March 31, 2014. Source: Advent Portfolio Exchange, May 5, 2014.
See Holdings Disclosure in Appendix.

This perspective was prepared for City of Fort Pierce Retirement and Benefit System, specific one-on-one presentation.



Performance Review - Portfolio Holdings

18

Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
9,157	INTERFACE INC COM	\$ 6.03	\$ 55,218.34	\$ 20.55	\$ 188,176.35	2.30%
2,700	KELLY SVCS INC CL A	\$ 23.87	\$ 64,472.78	\$ 23.73	\$ 64,071.00	0.80%
4,100	KNOLL INC COM NEW	\$ 15.94	\$ 65,384.32	\$ 18.19	\$ 74,579.00	0.90%
2,200	LUXFER HOLDINGS PLC-ADR	\$ 20.95	\$ 46,111.04	\$ 19.58	\$ 43,076.00	0.50%
1,315	MACQUARIE INFRASTR CO LLC MEMBERSHIP INT	\$ 56.93	\$ 74,867.11	\$ 57.27	\$ 75,310.05	0.90%
2,600	MANITOWOC INC COM	\$ 19.42	\$ 50,511.41	\$ 31.45	\$ 81,770.00	1.00%
5,700	MILLER HERMAN INC COM	\$ 25.10	\$ 143,074.44	\$ 32.13	\$ 183,141.00	2.30%
1,600	MSA SAFETY INC	\$ 54.14	\$ 86,624.00	\$ 57.00	\$ 91,200.00	1.10%
12,200	MUELLER WTR PRODS INC COM SER A	\$ 8.73	\$ 106,579.46	\$ 9.50	\$ 115,900.00	1.40%
9,000	PROGRESSIVE WASTE SOLUTIONS LT COM	\$ 14.75	\$ 132,822.31	\$ 25.31	\$ 227,790.00	2.80%
1,700	RITCHIE BROS AUCTIONEERS COM	\$ 20.09	\$ 34,168.44	\$ 24.13	\$ 41,021.00	0.50%
300	SUN HYDRAULICS CORP COM	\$ 28.66	\$ 8,598.64	\$ 43.31	\$ 12,993.00	0.10%
700	TENNANT CO COM	\$ 25.21	\$ 17,650.27	\$ 65.62	\$ 45,934.00	0.50%
2,200	VIAD CORP COM NEW	\$ 18.55	\$ 40,814.31	\$ 24.04	\$ 52,888.00	0.60%
		\$	1,366,826.14	\$	1,866,700.83	23.40%
Information Technology						
1,100	BLACK BOX CORP DEL COM	\$ 27.98	\$ 30,786.32	\$ 24.34	\$ 26,774.00	0.30%
4,900	DAKTRONICS INC COM	\$ 14.61	\$ 71,635.59	\$ 14.39	\$ 70,511.00	0.80%
3,100	FAIR ISAAC CORP COM	\$ 51.39	\$ 159,339.19	\$ 55.32	\$ 171,492.00	2.10%
3,400	PLANTRONICS INC NEW COM	\$ 35.74	\$ 121,526.89	\$ 44.45	\$ 151,130.00	1.90%
		\$	383,288.00	\$	419,907.00	5.20%
Materials						
3,500	CABOT CORP COM	\$ 34.38	\$ 120,362.79	\$ 59.06	\$ 206,710.00	2.60%
1,500	CARPENTER TECHNOLOGY CORP COM	\$ 43.09	\$ 64,640.61	\$ 66.04	\$ 99,060.00	1.20%
600	GLOBE SPECIALTY METALS INC COM	\$ 19.52	\$ 11,715.71	\$ 20.82	\$ 12,492.00	0.10%
700	HAYNES INTERNATIONAL INC COM NEW	\$ 53.23	\$ 37,261.66	\$ 54.00	\$ 37,800.00	0.40%
32,900	HECLA MNG CO COM	\$ 3.14	\$ 103,494.35	\$ 3.07	\$ 101,003.00	1.20%
1,600	SCHULMAN A INC COM	\$ 23.65	\$ 37,846.13	\$ 36.26	\$ 58,016.00	0.70%
		\$	375,321.25	\$	515,081.00	6.40%
Utilities						
100	ALLETE INC COM NEW	\$ 50.98	\$ 5,098.75	\$ 52.42	\$ 5,242.00	0.00%
300	AVISTA CORP COM	\$ 20.57	\$ 6,173.44	\$ 30.65	\$ 9,195.00	0.10%
3,300	CALIFORNIA WTR SVC GROUP COM	\$ 21.03	\$ 69,407.18	\$ 23.94	\$ 79,002.00	0.90%
		\$	80,679.37	\$	93,439.00	1.10%
COMMON STOCK(USD) Total		\$	5,982,949.20	\$	7,709,864.97	96.90
TOTAL PORTFOLIO		\$	6,222,186.56	\$	7,949,104.05	100.00%

Period Ending March 31, 2014. Source: Advent Portfolio Exchange, May 5, 2014.
See Holdings Disclosure in Appendix.

This perspective was prepared for City of Fort Pierce Retirement and Benefit System, specific one-on-one presentation.

Appendix



**Active Position**

Absolute portfolio weight minus the benchmark portfolio weight.

Free Cash Flow Yield

Cash flow from operations for a particular year less capital expenditures divided by the diluted weighted average shares outstanding for that fiscal year.

Free cash flow per share for the current fiscal year divided by current stock price.

Market Capitalization

The total dollar value of all outstanding shares. It is calculated by multiplying the number of shares outstanding by the current price of one share.

Operating Margin

Operating income divided by revenues, expressed as a percentage.

Price to Sales Ratio (P/S)

A stock's capitalization divided by its sales over a trailing 12 months. The value is the same whether the calculation is done for the whole company or a per-share basis.

Return on Equity (ROE)

Equal to a fiscal year's after-tax income (after preferred stock dividends but before common stock dividends) divided by book value, expressed as a percentage.

Tracking Error

Tracking error is the standard deviation of the difference between the periodic total returns of a portfolio of stocks and those of a benchmark. An estimated tracking error estimates the likelihood that a portfolio will outperform or underperform its benchmark by a certain amount or more at the end of a specified period.

Client Reports and Custody Statement

It is important to receive and review the statement you receive from your custodian. Any client account report provided by our Firm is not intended to replace your custody statement, which should be considered your official record for all pertinent account information. And while our Firm's reports are provided in a different format from the custodian's, and may vary in content and scope, you should compare the asset information to that of your custody statement. Please notify us promptly if you do not receive statements on all accounts from the custodian on at least a quarterly basis.

General Economic and Market Commentary Disclaimer

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Holdings Disclosure

The information provided in this report should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein.

Indexes Referenced

Russell 1000 Value: Is an unmanaged index which is comprised of the securities in the Russell 1000 Index, as defined by Russell Investment Group, with less-than-average growth orientation. Companies in this index generally have low price-to-book and price-to-earnings ratios, higher dividend yields, and lower forecasted growth values.

Russell Midcap Value: Is an unmanaged index which measures the performance of those securities found in the Russell Midcap universe, as defined by Russell Investment Group, with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value Index.

Russell 2000 Value: Is an unmanaged index which is comprised of the securities in the Russell 2000 Index, as defined by Russell Investment Group, with a less-than-average growth orientation. Companies in this index generally have low price-to-book and price-to-earnings ratios.

Investors cannot invest directly in an index.

Investment Performance

Past performance is not indicative of future results. Unless otherwise stated as net-of-fees, performance data related to accounts managed by Ceredex represents returns gross of investment management fees, i.e., performance has not been reduced by advisory fees and other expenses that may be incurred. See Ceredex's Form ADV, Part 2 for a description of investment advisory fees. The performance information reported herein may be for a variety of products which have different methods of presenting performance data, i.e. net of fees, gross of fees, or a combination of these. This information should not be evaluated independent of or without reference to the investment advisory agreement that more specifically addresses applicable investment advisory fees.

Fees have a compounding effect on cumulative results. For example, assume the account achieves a 10% annual return prior to the deduction of fees each year for a period of ten years. If an annual fee of 0.5% of assets under management were charged each of the ten years, the resulting annual average return net of fees would be reduced to 9.48%.

Investment Process, Strategies And Procedures

Investment process, strategies, and procedures detailed in this presentation are intended to be general guidelines, subject to market conditions and client-specific investment guidelines and restrictions, and are measured at time of purchase. [Boutique] may deviate from these guidelines if market conditions warrant, or if the investment professionals deem doing so would be in the clients' best interests. Guidelines do not guarantee any reduction of risk or loss.

Investment Risk

All investments involve risk. Equity securities (stocks) may be more volatile and carry more risk than other forms of investments. Value-based investments are subject to the risk that the broad market may not recognize their intrinsic value. Dividends reflect past performance and there is no guarantee they will continue to be paid. There is no guarantee a specific investment strategy will be successful. Individual investors are advised to consult with their investment professional about their specific financial needs and goals before making any investment decisions.

Sector Weightings and Portfolio Characteristics

The sector weightings and portfolio characteristics are presented as of the date shown on this presentation, and may change without notice. A complete list of sector weightings and individual security positions for any specific period are available upon request.

Investment process, strategies, and procedures detailed in this presentation are intended to be general guidelines, subject to market conditions and client-specific investment guidelines and restrictions, and are measured at time of purchase. Ceredex Value Advisors LLC may deviate from these guidelines if market conditions warrant, or if the investment professionals deem doing so would be in the clients' best interests. Guidelines do not guarantee any reduction of risk or loss.

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MPT STATISTICS/OTHER MEASUREMENTS

Alpha - is defined as the difference between the average realized return of a portfolio manager with private information and the expected return of the passive strategy based upon public information with equal systematic risk.

Beta – is a measure of an investment's volatility, relative to an appropriate asset class.

R-Squared – a statistical measure of how well a regression line approximates real data points; an r-squared of 1.0 (100%) indicates a perfect fit. r-squared measures how well the Capital Asset Pricing Model predicts the actual performance of an investment or portfolio.

Sharpe Ratio - also known as Reward-to-Volatility-Ratio, indicates the excess return per unit of risk associated with the excess return. The higher the Sharpe Ratio, the better the performance.

Standard Deviation – a statistical measurement of dispersion about an average, which, for a mutual fund, depicts how widely the returns varied over a certain period of time.

PORTFOLIO CHARACTERISTICS DEFINITIONS

30 Day SEC Yield – is calculated by dividing the net investment income per share for the 30 days ended on the date of calculation by the offering price per share on that date. The figure is compounded and annualized.

3-5 Year EPS Growth – Analyst's estimated 3-5 year growth in earnings.

Price-to-Book (P/B) – A stock's capitalization divided by its book value. The value is the same whether the calculation is done for the whole company or a per-share basis.

Price-to-Earning P/E – The price of the stock divided by its historical earnings per share.

Price-to-Earning P/E (FY1) – The P/E ratio is equal to a stock's market capitalization divided by its projected after-tax earnings the next 12-months.

Return on Equity – Equal to a fiscal year's after tax income (after preferred stock dividends but before common stock dividends) divided by book value, expressed as a percentage.



Thank You



Retirement Board

Meeting Date: 05/15/2014

Re:

Information

SUBJECT:

Approve refund of member contributions

Attachments

Refunds

Form Review

Form Started By: Johnna Morris

Final Approval Date: 05/09/2014

Started On: 05/09/2014 04:48 PM

Retirement Board

Meeting Date: 05/15/2014

Re:

Information

SUBJECT:

Next Meeting is June 19, 2014 at 2:00 p.m. and will be held in the Second Floor Conference Room, City Hall

Form Review

Form Started By: Johnna Morris

Final Approval Date: 05/09/2014

Started On: 05/09/2014 04:58 PM

Retirement Board

Meeting Date: 05/15/2014

Re: Miscellaneous Information

Information

SUBJECT:

Miscellaneous Reports/Information

Attachments

Monthly Financial Report for April

Approved Retiree Orders

Cypen & Cypen 5-1-14

Cypen & Cypen 5-8-14

Form Review

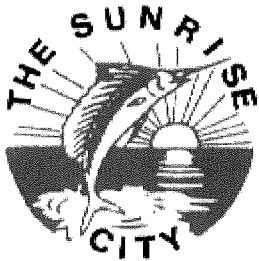
Form Started By: Johnna Morris

Final Approval Date: 05/09/2014

Started On: 05/09/2014 05:00 PM

**CITY OF FORT PIERCE
RETIREMENT AND BENEFIT SYSTEM
FINANCIAL REPORT
APRIL 30, 2014**

	April 30, 2013	April 30, 2014
Beginning Market Balance	154,199,397	168,762,698
Plus Income:		
Investments Earnings	4,354,503	6,169,660
Unrealized Gains on Investments	7,318,938	6,213,569
Total Investments	11,673,441	12,383,229
Employer Contributions	2,596,786	2,453,118
Employee Contributions	851,748	874,913
Total Contributions	3,448,535	3,328,031
Total Receipts	15,121,976	15,711,260
Less Expenses:		
Investment Expenses	274,965	290,598
Professional Fees	26,582	57,593
Administrative Expenses	85,619	99,010
Member Refunds	318,551	151,032
Retiree Benefits	6,406,812	6,864,912
Total Expenses	7,112,530	7,463,143
Ending Market Balance	162,208,843	177,010,815



CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

CITY OF FORT PIERCE
OFFICE OF DIRECTOR OF FINANCE
P.O. BOX 1480
FORT PIERCE, FL 34954
(772) 467-3000 ~ Fax (772) 489-2594

April 7, 2014

Charles A. Donnon
1360 28th Avenue
Vero Beach, FL 32960

Re: *Application for Retirement*

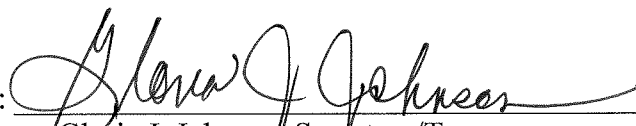
Dear Mr. Donnon:

At the meeting on March 27, 2014, the Board of Trustees of the City of Fort Pierce Retirement and Benefits System unanimously approved your request for Retirement effective January 31, 2014, entering into the DROP Program.

Should you have any questions concerning your benefits, please contact Christine Paz at 467-3080.

On behalf of the Board and the City of Fort Pierce, I would like to thank you for your eight years of service with the Fort Pierce Utilities Authority.

Sincerely,

By: 
Gloria J. Johnson, Secretary/Treasurer

cc: Christine Paz, Retirement Clerk
Lois Wolfe, HR Manager
Atty. Jim Walker, Assistant City Attorney

**BOARD OF TRUSTEES FOR
THE CITY OF FORT PIERCE
RETIREMENT & BENEFITS SYSTEM**

CASE NO.:

In Re:

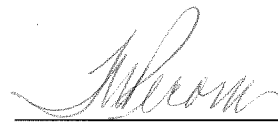
The Petition for Retirement of
Charles A. Donnon,

ORDER GRANTING NORMAL RETIREMENT

THIS CAUSE having come before the Board on Thursday, March 27, 2014 at a regular meeting of the Board, upon the petition for normal retirement dated December 4, 2013 of Charles A. Donnon, to be followed by subsequent enrollment in the DROP program as provided by Code Section 13-40.1, and having considered such petition and the supporting documentation, and it appearing that the employee is entitled to normal retirement benefits as provided by Section 13-29 of the Code of Ordinances, subject to Mr. Donnon's enrollment in the DROP program as provide by Code Section 13-40.1, and being otherwise advised in the premises and a motion having been duly made and adopted that the petition be approved, **it is accordingly,**

ORDERED that the petition for normal retirement of Charles A. Donnon, subject to his enrollment in the DROP program is and the same shall be granted.

DONE AND ORDERED this 27th day of March 2014.



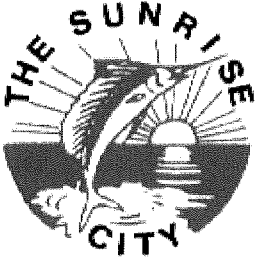
Thomas K. Perona, Board Chair

CERTIFICATE OF SERVICE

The undersigned certifies that a copy hereof has been furnished to all interested parties of record, including Charles A. Donnon, 1360 28th Avenue, Vero Beach, FL 32960, by US Mail on this 31st day of March 2014.



Gloria Johnson
Board Secretary/Treasurer



CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

CITY OF FORT PIERCE
OFFICE OF DIRECTOR OF FINANCE
P.O. BOX 1480
FORT PIERCE, FL 34954
(772) 467-3000 ~ Fax (772) 489-2594

April 7, 2014

Lester C. Hemmel
286 North FFA Road
Fort Pierce, FL 34945

Re: *Application for Retirement*

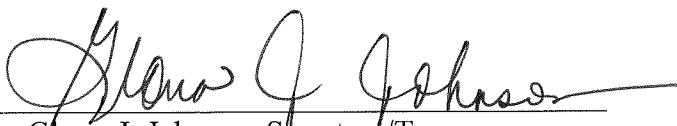
Dear Mr. Hemmel:

At the meeting on March 27, 2014, the Board of Trustees of the City of Fort Pierce Retirement and Benefits System unanimously approved your request for Retirement effective December 15, 2013, entering into the DROP Program.

Should you have any questions concerning your benefits, please contact Christine Paz at 467-3080.

On behalf of the Board and the City of Fort Pierce, I would like to thank you for your twenty-seven years of service with the Fort Pierce Utilities Authority.

Sincerely,

By: 
Gloria J. Johnson, Secretary/Treasurer

cc: Christine Paz, Retirement Clerk
Lois Wolfe, HR Manager
Atty. Jim Walker, Assistant City Attorney

**BOARD OF TRUSTEES FOR
THE CITY OF FORT PIERCE
RETIREMENT & BENEFITS SYSTEM**

CASE NO.:

In Re:

The Petition for Retirement of
Lester C. Hummel,

ORDER GRANTING NORMAL RETIREMENT

THIS CAUSE having come before the Board on Thursday, March 27, 2014 at a regular meeting of the Board, upon the petition for normal retirement dated September 18, 2013 of Lester C. Hummel, to be followed by subsequent enrollment in the DROP program as provided by Code Section 13-40.1, and having considered such petition and the supporting documentation, and it appearing that the employee is entitled to normal retirement benefits as provided by Section 13-29 of the Code of Ordinances, subject to Mr. Hummel's enrollment in the DROP program as provide by Code Section 13-40.1, and being otherwise advised in the premises and a motion having been duly made and adopted that the petition be approved, **it is accordingly,**

ORDERED that the petition for normal retirement of Lester C. Hummel, subject to his enrollment in the DROP program is and the same shall be granted.

DONE AND ORDERED this 27th day of March 2014.

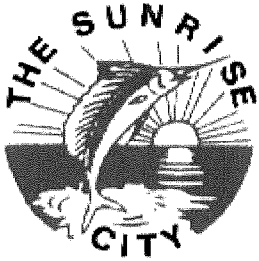

Thomas K. Perona, Board Chair

CERTIFICATE OF SERVICE

The undersigned certifies that a copy hereof has been furnished to all interested parties of record, including Lester C. Hummel, 286 North FFA Road, Fort Pierce, FL 34945, by US Mail on this 31st day of March 2014.



Gloria Johnson
Board Secretary/Treasurer



CITY OF FORT PIERCE RETIREMENT AND BENEFIT SYSTEM

CITY OF FORT PIERCE
OFFICE OF DIRECTOR OF FINANCE
P.O. BOX 1480
FORT PIERCE, FL 34954
(772) 467-3000 ~ Fax (772) 489-2594

April 7, 2014

Douglas Wilson
5711 Eagle Drive
Fort Pierce, FL 34951

Re: *Application for Retirement*

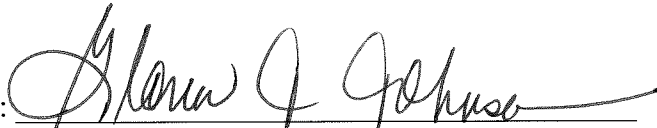
Dear Mr. Wilson:

At the meeting on March 27, 2014, the Board of Trustees of the City of Fort Pierce Retirement and Benefits System unanimously approved your request for Retirement effective March 8, 2014, entering into the DROP Program.

Should you have any questions concerning your benefits, please contact Christine Paz at 467-3080.

On behalf of the Board and the City of Fort Pierce, I would like to thank you for your twenty-five years of service with the City of Fort Pierce.

Sincerely,

By: 
Gloria J. Johnson, Secretary/Treasurer

cc: Christine Paz, Retirement Clerk
Gena Spivey, HR Manager
Atty. James Walker, Asst. City Attorney

**BOARD OF TRUSTEES FOR
THE CITY OF FORT PIERCE
RETIREMENT & BENEFITS SYSTEM**

CASE NO.:

In Re:

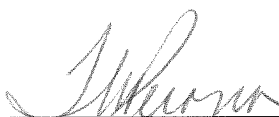
The Petition for Retirement of
Douglas Wilson,

ORDER GRANTING NORMAL RETIREMENT

THIS CAUSE having come before the Board on Thursday, March 27, 2014 at a regular meeting of the Board, upon the petition for normal retirement dated February 3, 2014 of Douglas Wilson, to be followed by subsequent enrollment in the DROP program as provided by Code Section 13-40.1, and having considered such petition and the supporting documentation, and it appearing that the employee is entitled to normal retirement benefits as provided by Section 13-29 of the Code of Ordinances, subject to Mr. Wilson's enrollment in the DROP program as provide by Code Section 13-40.1, and being otherwise advised in the premises and a motion having been duly made and adopted that the petition be approved, **it is accordingly,**

ORDERED that the petition for normal retirement of Douglas Wilson, subject to his enrollment in the DROP program is and the same shall be granted.

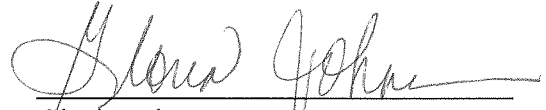
DONE AND ORDERED this 27th day of March 2014.



Thomas K. Perona, Board Chair

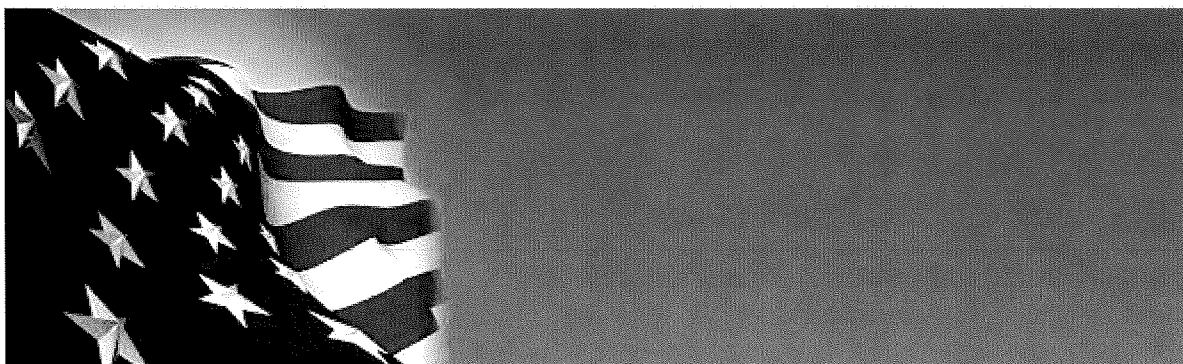
CERTIFICATE OF SERVICE

The undersigned certifies that a copy hereof has been furnished to all interested parties of record, including Douglas Wilson, 5711 Eagle Drive, Fort Pierce, FL 34951, by US Mail on this 31st day of March 2014.



Gloria Johnson
Board Secretary/Treasurer

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[View it in your browser.](#)



CYPEN & CYPEN NEWSLETTER for

MAY 1, 2014

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Stephen H. Cypen, Esq., Editor

Never Forget September 11, 2001

and

Always Remember May 1, 2011

1. STATE, LOCAL PENSION PLANS ECLIPSE \$3 TRILLION MARK: State and local defined benefit pension plans held \$3.05 trillion in assets in fiscal year 2012, according to pionline.com. State plans held \$2.53 trillion and locally administered plans held the remaining \$521 billion in assets, including cash and investments. Corporate stocks made up the largest asset class, with \$1.1 trillion, followed by international securities (\$534 billion), real estate holdings and trusts (\$492 billion) and domestic governmental securities (\$314 billion). Corporate bonds accounted for \$393 billion. Earnings on investments came to \$95 billion in 2012. (Note that private equity, venture capital and leverage buyouts are now classified under corporate stocks.) Out of \$144.6 billion in contributions made to the 4,000 public pension funds in the survey, employees contributed 30%, while local governments contributed 40% and state governments contributed 30%.

2. CORPORATE PENSION FUNDING STATUS SOARS: The average funding ratio for the 100 largest U.S. corporate defined benefit plans jumped to 93.5% in 2013 -- more than 10 percentage points higher than the previous two years and the highest since 2007, according to pionline.com. The funding level was 108.6% in 2007, but plunged to 79.1% in 2008, the peak of the financial crisis. In 2012, funding was 80.6%, a slight decrease from 2011's 81.6%. The aggregate funding deficit of the largest 100 plans shrank to \$122.3 billion in 2013, from a deficit of \$301.6 billion in 2012. By the way, average expected rate of return on plan assets decreased to 7.55% in 2013, down from 7.73% in 2012 and 7.94% the year before.

3. EFFECTS OF PENSION PLAN CHANGES ON RETIREMENT SECURITY: A new report from the Center for State & Local Government Excellence and the National Association of State Retirement Administrators gauges effects of changes in state pension plans on the retirement income of retirees. The following are some key findings:

- Pension reforms reduced the amount of retirement income new employees can expect to receive compared with that of existing employees. Reductions ranged from less than 1% to 20%.
- New employees can expect to work longer and save more to reach the benefit level of previously hired employees.
- Hybrid plans adopted in five states produce a wide range of estimated retirement incomes. Holding investment returns constant, the determining factor in the size of the hybrid benefit is employee and employer contributions. For this analysis, those states with higher required contributions produce a higher benefit than those whose statutory contribution rates are lower.
- Changes in retirement plans include an increase in the number of years included in the final average salary calculation (21 states); reduction in the multiplier (12 states); and a change to both of these variables (nine states).

Reasons for the recent wave of state pension reforms are numerous, and usually are unique to each state, its finances, and its workforce. In most cases, the primary objectives have been to reduce costs of providing retirement benefits and to transfer a greater portion of the associated risks from employers to employees. The study does not

address the rationale for modifications, but instead analyzes the effects of resulting changes at the individual employee level by (1) measuring how recent reforms affect the retirement income that will be provided to state employees who are hired under new benefit conditions; and (2) looking at human resource measures states have taken to directly or indirectly to address the impacts of pension reform.

4. IN FLORIDA, “WE HAVE A BUDGET PROBLEM, NOT A PENSION PROBLEM”: That quote comes from the Florida Public Pension Trustees Association, which shows how Florida builds budget problems one tax break at a time. The following factoids will demonstrate:

- 94.24% of Florida businesses paid *no* taxes in 2011.
- Florida has the 10th lowest business tax rate in the U.S., but among the highest unemployment and foreclosure rates.
- Florida offered 7 “mega-deal” business tax breaks since 2006 at a total cost of \$1.34 billion.
- Florida gives \$3.98 billion in business tax breaks every year.
- Business tax breaks equal 16 cents of every budget dollar.
- Corporate taxes contribute less than 3% to the state budget.

Any questions?

5. UPDATE ON DEFINED CONTRIBUTIONS PLANS IN THE PUBLIC SECTOR: The Center for State & Local Government Excellence has issued an update to its report on Defined Contribution Plans in Public Sector. The financial crisis and its aftermath generated two types of responses from sponsors of state and local governments. The first was to cut back on existing defined benefit plan commitments by raising employee contributions, reducing benefits for new employees and, in some cases, suspending the cost-of-living adjustments for existing retirees. The second response was to initiate proposals to shift some or all of the pension system from a defined benefit to a defined contribution plan. The brief describes this flurry of defined contribution activity, identifies the factors that led to the changes occurring in the states where they did, and presents data on participation and assets to put the flurry into perspective. The data show that, while the introduction of defined contribution plans by some states has received considerable attention, activity to date has been modest. Most state and local workers are covered by a traditional

defined benefit plan. In addition, these workers often have a supplementary 457 defined contribution plan that allows them to put aside a portion of their pay on a tax deferred basis. The brief does not address these supplementary plans, but, rather focuses on changes at the primary plan level. Before the financial crisis, a number of states had introduced a defined contribution plan to their structure. Most of these plans took the form of an optional defined contribution plan. That is, the sponsor retained its defined benefit plan and simply offered employees the alternative of participating in a defined contribution plan instead. Only two states, Michigan and Alaska, introduced plans that require all new hires to participate solely in a defined contribution plan. The Alaska reform applied to both general state and local workers and teachers, while the Michigan reform was limited to general state workers. Three states -- California, Indiana, and Oregon -- adopted hybrid plans, where employees are required to participate in both a defined benefit and a defined contribution plan. The timeline of the introduction of these defined contribution plans is interesting; much of the activity occurred in the wake of the fantastic performance of the stock market during the 1990s. After the financial crisis, sponsors have once again shown interest in defined contribution plans. This second wave of initiatives is quite different from the pre-crisis changes. First, all the new plans are mandatory, as opposed to mainly voluntary in the pre-crisis period. Second, being mandatory, they apply only to new employees. Third, none of the sponsors has followed the earlier Alaska-Michigan model of forcing employees to rely solely on a defined contribution plan where the employee bears all the risks. Rather, the post-crisis plans consist of either a hybrid plan or a cash balance plan, which is a defined benefit plan that maintains notional individual accounts but provides some guaranteed base return. Since the financial crisis, six states have replaced their traditional defined benefit plan with a mandatory hybrid plan: Georgia, Michigan, Rhode Island, Utah, Tennessee and Virginia. Three states have recently passed legislation to introduce cash balance plans: Kansas, Kentucky and Louisiana. (The last was ruled unconstitutional). The report concludes that although the introduction of defined contribution plans by some states has received a lot of press attention, activity to date has been modest. Moreover, most of the recent efforts have been a move to either hybrid plans, with a mandatory defined contribution and defined benefit component, or to cash balance plans, where participants are guaranteed a return

of 4-or 5 percent. Sponsors' shifts from complete reliance on traditional defined benefit plans appear to be driven by a desire to avoid future unfunded liabilities, to reduce investment and mortality risk and to provide some benefits to short tenure workers. Of course, moving away from defined benefit plans means that individuals must face the risk of poor investment returns, the risk that they might outlive their assets, and the risk that inflation will erode the value of their income in retirement -- on at least a portion of their retirement savings in hybrid plans. Participants in cash balance plans do receive a guaranteed return but, among the plans adopted to date, it is less than the typical 8% guarantee in traditional defined benefit plans. However, if some defined contribution component or cash balance arrangement enhances the likelihood of responsible funding, public sector employees may enjoy some increased security.

6. JERSEY'S PENSION OPTIONS ARE LIMITED: Governor Chris Christie is to be commended for allocating \$2.25 billion of his fiscal year 2015 budget to New Jersey's state administered pension funds. He is indeed correct that such amount, while far short of the actuarially required contribution, is large for New Jersey. However, Alicia Munnell, writing in MarketWatch, says the governor is misguided in his conclusion that further benefit cuts are the only way to handle exploding pension costs. First, the annual costs for accruing pensions are not exploding. What is exploding are the costs associated with having not funded pensions for the last 12 years. As a result, New Jersey owes \$56 billion to pay off promised benefits -- three quarters attributable to the state government and one quarter to local governments. Second, there are no feasible benefit cuts that could reduce this amount. If the state wants to confront this problem, the Governor will have to back away from his no-new-tax pledge to produce the revenues to pay the promised benefits. Before the financial crisis, benefits provided by New Jersey's three large state administered systems -- covering general employees, teachers, and police/fire -- were near the national average. After the crisis, New Jersey sharply reduced its costs for these systems. In 2010, legislation increased employee contributions from 5.5% to 6.5% of annual salary (8.5% to 10% percent for police/fire), and established an additional 1% increase to be phased in. The legislation immediately eliminated the cost-of-living adjustment for current and future retirees, roughly equivalent to a 20% benefit cut. For new hires,

benefits were further reduced. Once new hires replace current employees, the annual pension cost for general employees will be about 9% of payroll, with the employee contributing 7.5%. The cost for teachers will be about 10%, with an employee contribution of 7.5%. For police/fire, the cost will be about 20%, with an employee contribution of 10%. These provisions mean that, based on the system's assumed investment return, most employees will pay for the bulk of their own pension benefits. Well, if the cost of accruing annual benefits is not exploding, then what is the problem? The problem is that the state's unfunded liability has risen from zero in 2002 to \$56 billion in 2014. (This increase occurred despite an \$18 billion cut in the liability from eliminating the COLA.) So, how did New Jersey move from zero to \$56 billion? Part of the explanation is the financial crisis, which sharply reduced assets. But nearly half of the increase is due to the state's failing to make its required contributions. If contributions do not cover the cost of accruing benefits and the interest on the existing unfunded liability, the unfunded liability will grow. When the legislature reduced benefits in 2010, it did not immediately provide for full funding of benefits. Instead, it allowed for a seven-year ramp up. Thus, the continued growth of the unfunded liability since then should be no surprise: u-n-d-e-r-f-u-n-d-i-n-g. Further benefit cuts do not seem right on practical or policy grounds. For one thing, the only practical step to reduce unfunded liabilities -- eliminating COLAs -- has already been taken. To go further, the governor would have to cut more core benefits already earned by employees. But paying retirees and current workers, say, 70 cents on the dollar, is not realistic. Sure, in Detroit, the executive manager has proposed cuts to existing benefits, but Detroit has filed for bankruptcy, and a judge ruled that federal bankruptcy law trumped state constitutional provisions that protect pension benefits (See C & C Newsletter Special Supplement for December 3, 2013). And, of course, no state is allowed to declare bankruptcy. Thus, the remaining option, is to cut future benefits for current workers. Such cuts also may face legal hurdles. The argument against such change is that New Jersey benefits for current employees are already significantly below the national average, and employees pay most of the costs anyway. Again, while such changes would reduce the cost of accruing benefits going forward, they would not reduce today's unfunded liability by a single penny. The only real option, given the existing pressure on educational and other spending, is for Governor Christie to walk back his no-new-tax pledge so that

New Jersey can start paying its pension bills.

7. DETROIT REACHES SHORT-TERM DEAL WITH 14 UNIONS:

Detroit has reached a five year agreement with 14 of its unions, including AFSCME, the largest, in its bankruptcy case, according to governing.com. The tentative agreement covering 3,500 workers is among deals that Detroit has been able to reach in recent weeks, as progress toward completion of its historic bankruptcy reorganization case has intensified. The agreement, in principle, offers an opportunity for the unions to provide regular input and guidance to city management. The deal includes restoration of some pay for city workers who have faced wage freezes, and a 10% pay cut in recent years, although details will vary by union. Other factors in the deal include work rules concessions from the unions. Detroit's public safety unions, which have formed a coalition in negotiations with the city, are not part of the deal. The public safety unions have said they are still open to negotiations, but proposed contract terms so far have been unacceptable. The city has been offering police officers wages starting at \$14 an hour.

8. ROLLOVERS JUST GOT EASIER: Internal Revenue Service has issued ruling 2014-9. Effective immediately, the ruling permits a plan administrator for a receiving plan simply to check a recent annual report filing for the sending plan on a public data base, www.efast.dol.gov. This procedure eliminates the necessity for communication between the two plans (usually through the individual), and expedites the entire process. If it is later determined the amount rolled over was an invalid rollover contribution, the amount rolled over plus any attributable earnings must be distributed to the employee within a reasonable time after such determination.

9. COLLEGE ATHLETES: PUBLIC SECTOR UNIONS' NEWEST MEMBERS?:

It is easy to look at Shabazz Napier, senior point guard for the national champion University of Connecticut men's basketball team, and assume he has got it made. The NBA beckons, endorsement deals await and Napier's emotional celebration on the court following UConn's win over the University of Kentucky in the national championship game has made him a media favorite. So it is natural to forget that players like Napier are not actually financially secure -- yet. Governing.com reports that Napier said before the

national championship that it is hard for him to see his jersey getting sold while he struggles to find enough money to eat. There are hungry nights that Napier goes to bed starving. Soon, players like Napier may be able to organize and demand more guarantees in return for their commitment to a college. Following a ruling by a regional director of the National Labor Relations Board that Northwestern University football players receiving athletic scholarships were employees, and could organize, two states are weighing their options. (The labor board ruling only covers private schools.) In Connecticut, the state legislature is considering measures that would allow athletes at public colleges and universities to join unions. In Ohio, lawmakers are considering the opposite -- barring college athletes from collective bargaining. Since 1980, union membership has gone from about 20% of the workforce to less than 12%. Some believe the potential for college athletes to unionize presents an opportunity amid declining membership. A 2000 labor board ruling allowed graduate teaching assistants on college campuses to unionize, which spurred organization at public universities in a number of states.

10. FLORIDA DIVISION OF RETIREMENT 35TH ANNUAL POLICE OFFICERS' AND FIREFIGHTERS' PENSION TRUSTEES' SCHOOL: The 35th Annual Police Officers' and Firefighters' Pension Trustees' School will take place on May 12-14, 2014. You may access information and updates about Trustees' School, including area maps, a copy of the program when completed and links to register at the Aloft Tallahassee Downtown. Please continue to check the website for updates regarding the program at www.myflorida.com/frs/mpf. All police officer and firefighter plan participants, board of trustee members, plan sponsors and anyone interested in the administration and operation of the Chapters 175 and 185 pension plans should take advantage of this unique, insightful and informative program.

11. ADULT TRUTHS: Nothing sucks more than that moment during an argument when you realize you are wrong.

12. TODAY IN HISTORY: In 1941, General Mills introduces Cheerios.

13. KEEP THOSE CARDS AND LETTERS COMING: Several readers regularly supply us with suggestions or tips for newsletter items. Please feel free to send us or point us to matters you think would be of interest to our readers. Subject to editorial discretion, we

may print them. Rest assured that we will not publish any names as referring sources.

14. PLEASE SHARE OUR NEWSLETTER: Our newsletter readership is not limited to the number of people who choose to enter a free subscription. Many pension board administrators provide hard copies in their meeting agenda. Other administrators forward the newsletter electronically to trustees. In any event, please tell those you feel may be interested that they can subscribe to their own free copy of the newsletter at <http://www.cypen.com/subscribe.htm>.

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CYPEN & CYPEN NEWSLETTER for

MAY 8, 2014

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Stephen H. Cypen, Esq., Editor

Never Forget September 11, 2001

and

Always Remember May 2, 2011

1. LET'S FACE IT -- NOTHING GUARANTEES LIFETIME INCOME LIKE A GOOD OLD FASHIONED DEFINED BENEFIT PENSION:

Writing in *Mondaq Business Briefing*, Bruce Ashton and Fred Reish say the aging of the baby boomers in a defined contribution plan world has revealed a weakness in many 401(k) and 403(b) plans: the plans offer no systematic process for providing lifetime income. By "lifetime income," the authors mean a source of money that will not run out during the retiree's life. Until now, plan sponsors have done a reasonably good job of focusing on participant needs in saving for retirement, but have not been as aware of the importance of addressing their needs after retirement. There is no fiduciary requirement to provide post-retirement help in a 401(k) or 403(b) plan; but when plan sponsors decide to do so, they face a perceived impediment -- fiduciary liability. (The authors have been able to study the issues elsewhere and develop an answer to the concern. The

instant paper is not an in depth discussion of the issues and fiduciary analysis.) Most important risks that retirees face are that they are living longer, which means their retirement savings need to last longer. Actuaries says that life expectancies for 65 year olds increased about three years between 2000 and 2014. For a 65-year-old couple, there is a significant probability that at least one spouse will live to 95! They face market risks on their retirement money. The risk is known as "sequence of returns," referring to the risk of a serious market downturn shortly before or after retirement. Because a retiree is forced to liquidate investments to pay his expenses while the market is down, he has little chance of recouping the loss and a good possibility of running out of money. Retirees are not sure how much to withdraw -- studies show that many retirees believe they can withdraw 10% of their retirement savings each year, while others are restricting themselves to required minimum distributions (starting at age 70½) -- in other words, too much or too little. However, most experts believe that a 65-year-old retiree should withdraw no more than 4% per year (adjusted for inflation) to have a 90% chance the money will last for 30 years. But they are not prepared for the erosion of their cognitive abilities as they age. A Harvard study indicates that, by the time a person reaches age 85, his ability to make prudent financial decisions is seriously diminished. Given the risks that retirees face and their need for in-plan solutions, the time has come for fiduciaries to consider offering some form of guaranteed lifetime income product. For fiduciaries who are used to the process of selecting investment alternatives for their plans, the selection of a lifetime income solution will seem unfamiliar. But, the authors believe that fiduciaries should be able to engage in a prudent process in an informed manner. (The authors do discuss available solutions and the need to address the fiduciary concerns about their selection. However, this item is not intended to address specific circumstances, in detail.)

2. TOWN'S LEGISLATIVE PRAYER PRACTICE DOES NOT VIOLATE THE FIRST AMENDMENT'S ESTABLISHMENT CLAUSE:

Since 1999, the monthly town board meetings in Greece, New York, have opened with a roll call, a recitation of the Pledge of Allegiance and a prayer given by clergy selected from the congregations listed in a local directory. While the prayer program is open to all creeds, nearly all of the local congregates are Christian; thus, nearly all of the participating prayer givers have been, too. Citizens who attend

meetings to speak on local issues, filed suit, alleging that the town violated the First Amendment's Establishment Clause by preferring Christians over other prayer givers, and by sponsoring sectarian prayers. They sought to limit the town to "inclusive and ecumenical" prayers that referred only to a generic God. The District Court upheld the prayer practice, on summary judgment, finding no impermissible preference for Christianity, concluding that the Christian identity of most of the prayer givers reflected the predominantly Christian character of the town's congregations, not an official policy or practice of discriminating against minority faiths; finding that the First Amendment did not require Greece to invite clergy from congregations beyond its borders to achieve religious diversity; and rejecting the theory that legislative prayer must be nonsectarian. The Second Circuit Court of Appeals reversed, holding that some aspects of the prayer program, viewed in their totality by a reasonable observer, conveyed the message that Greece was endorsing Christianity. On certiorari review, the United States Supreme Court reversed. Legislative prayer, while religious in nature, has long been understood as compatible with the Establishment Clause. The Court had previously concluded that it was not necessary to define the Establishment Clause's precise boundary in order to uphold a state's practice of employing a legislative chaplain, because history supported the conclusion that the specific practice was permitted. The Court's inquiry then must be to determine whether the prayer practice in the town of Greece fits within the tradition long followed in Congress and the state legislatures. To hold that invocations must be nonsectarian would force legislatures sponsoring prayers and the courts deciding these cases to act as supervisors and censors of religious speech, thus involving government in religious matters to a far greater degree than is the case under the town's current practice of neither editing nor approving prayers in advance and not criticizing their content after the fact. It would be unwise to conclude that only those religious words acceptable to the majority are permissible, for the First Amendment is not a majority rule, and government may not seek to define permissible categories of religious speech. Absent a pattern of prayers that over time denigrate, proselytize or betray an impermissible government purpose, a challenge based solely on content of a particular prayer will not likely establish a constitutional violation. So long as the town maintains a policy of nondiscrimination, the Constitution does not require it to search beyond its borders for

non-Christian prayer givers in an effort to achieve religious balancing. Predictably, Justices Ginsburg, Breyer, Kagan and Sotomayor dissented. *Town Of Greece, New York v. Galloway*, Case No. 12-696 (U.S. May 5, 2014).

3. HOW TO HELP RETIREES STICK TO SPENDING PLAN: Having a clear and sustainable withdrawal policy in place plays a critical role in helping to keep retired clients from outliving their assets, according to onwallstreet.com. Getting them to stick to the plan, however, might be even more important. Whatever formula advisors use with clients, they must stress the importance of helping clients stick to the policy. Keeping clients on track is so crucial, that some advisors use a visual report card for client meetings, with a green thumbs up or big red circle with an "x" to show whether the clients have spent within their budget for the year. Not only does a clear withdrawal plan help clients spend within their means, but it also draws a more concrete link between spending priorities and needed tradeoffs. An advisor might remind clients, for instance, that they had chosen to spend less on leisure in order to help pay for a grandchild's education. Another way planners can help clients stick to goals: a separate carve-out for discretionary spending on entertainment, travel and unexpected expenses. In setting aside an amount for discretionary spending, clients avoid fudging their withdrawal policy to meet an unexpected cost. One advisor tells clients that a sustainable safe withdrawal policy amounts to "bulletproof" armor. So when clients deviate from the plan -- even when they say, "it is just a little this one time" -- it is like a chink in that armor, which can damage the portfolio and threaten the client's retirement. One never knows if something may hit right at that chink.

4. WHAT IS MOM WORTH?: With Mother's Day just around the corner, we ask that annual question. At-home Mom: \$113,568 -- base salary (40 hours) equals \$37,549, overtime (54 hours) comes in at \$76,037. Working mothers spend 40 hours a week at the office, then come home and perform an average of 58 hours per week on household and child care duties. Base salary (40 hours) is \$40,260, overtime (54 hours) amounts to \$27,176 -- total \$67,436. (Of course, Mom's actual working salary must be added in to determine total compensation.) This good stuff comes from salary.com.

5. NINE BUZZ WORDS TO AVOID: Onwallstreet.com asked a few financial advisors for buzz words they thought confused clients, and to offer alternative phrases where possible. (Of course, we are not talking about old standards like adding alpha, yield curves, basis points and efficient frontiers.) Ready or not, here they come:

- **Volatility.** Volatility does not mean much to a client. Better to say “the inevitable ups and downs of the market.”
- **Equities.** Equities tend to confuse people. Use “stocks” because that is a term clients have grown up with and can understand.
- **Active & Passive Management.** Active & Passive Management are confusing. The word active implies that investment manager is positively engaged with the portfolio, working for you, while passive suggests a manager who is disinterested and perhaps even lazy. Try “going to data here allows a review of historical active versus passive performance.”
- **Cap.** Cap is overused and rarely understood. It makes advisors sound like they are selling and fitting headwear. Better to say it is a measure of the number of a company's outstanding shares multiplied by the share price, a way to classify companies by size.
- **Mutual Funds & ETFs.** Mutual Funds & ETFs are becoming more commonplace, but simply do not quite convey the concept. Explaining that mutual funds and ETFs are not investments themselves, but just vehicles with which to access multiple stocks at one time.
- **Correlation.** Correlation is especially confusing in context of references to non-correlated asset classes. How about just say “we invest in a variety of different funds that tend to do well at different times?”
- **SIMPLE IRA & 401(k).** Simple IRA & 401(k) are anything but simple. They do not follow same guidelines as an IRA or a 401 (k).
- **Standard Deviation.** Standard Deviation -- forget it, maybe just say “risk.” Just show a distribution of quarterly returns in order to demonstrate graphically what historical returns have been.
- **IRA, REIT, RIA, ETFs, etc.** IRA, REIT, RIA, ETFs, etc. are the advisor's alphabet soup. The best suggestion is to avoid the acronym trap, and explain what each stands for.

Here is one out favorite acronyms, admittedly completely inapposite to

the subject matter: LSMFT (loose suspenders mean falling trousers).

6. A HISTORY OF THE CONSUMER PRICE INDEX: From businesses to government agencies to senior citizens, groups with often competing aims and desires use the Consumer Price Index. In attempting to satisfy their disparate needs, the Bureau of Labor Statistics frequently is challenged to produce a statistic that is both timely and accurate. A featured article in The Monthly Labor Review from Bureau of Labor Statistics explains both how and why the Bureau has come to produce a family of Consumer Price Indexes to address the challenge. Of all the economic statistics produced by the U.S. federal government, none has a direct impact on the lives of everyday Americans quite like the Consumer Price Index. Numerous government programs, such as Social Security benefits, are adjusted on the basis of changes to the CPI. Countless contracts -- whether business agreements, government obligations, leases, or court orders -- also utilize the CPI, to adjust the dollar amounts associated with these items. For some, the CPI seems to be a rather difficult and abstract thing to understand. Others view the index with suspicion, a statistic produced by the recondite, esoteric labors of government economists and statisticians. The truth, however, is that the ideas, history, and workings of the CPI are neither too difficult nor too secretive for the layperson to comprehend. The article presents a history of the creation and evolution of CPI: a history of both how the Bureau of Labor Statistics has gone about measuring the change in cost of purchasing some mix of consumer goods and services, and how the CPI has been used over approximately the previous 100 years. The article demonstrates that the CPI has never existed in isolation of the day's events. Rather, events of the time almost always demanded active engagement from the Bureau, and input from business groups, unions, and the public has influenced the evolution of the CPI in important ways. For those who are already knowledgeable, the article recounts the backdrop to recent and past methodological decisions, providing the why along with the how pertaining to those decisions. Interweaving the technical history of the CPI with the context of the broader political economy elucidates a far more compelling account than does covering the methodological history in isolation. The story begins in the late 19th century, proceeds through World War I, the New Deal, World War II, the postwar era, the 1960s and 1970s, and closes with events that took place from the

1980s through 2004. Throughout it all, the Bureau is seen to be a responsive, often proactive, sometimes passive agency that established and still holds forth the CPI as a vital, evolving statistic. The precursor to the modern CPI began with data published in 1919 for 32 major shipbuilding and industrial centers. The data were estimated to go back to 1913; an index for the United States was first published in 1921. The fact that the Bureau was able to estimate data back to 1913 suggests that the collection of data on retail prices and consumer expenditures began far earlier than publication of information on shipbuilding and industrial centers in 1919. Indeed, the groundwork that laid the foundation for the modern CPI began nearly at the very beginning of the establishment, in 1884, of a federal bureau to collect information upon the subject of labor, its relation to capital, the hours of labor, the earnings of laboring men and women and the means of promoting their material, social, intellectual, and moral prosperity. Boy, that's exciting stuff.

7. FLORIDA DIVISION OF RETIREMENT 35TH ANNUAL POLICE OFFICERS' AND FIREFIGHTERS' PENSION TRUSTEES' SCHOOL: The 35th Annual Police Officers' and Firefighters' Pension Trustees' School will take place on May 12-14, 2014. You may access information and updates about Trustees' School, including area maps, a copy of the program when completed and links to register at the Aloft Tallahassee Downtown. Please continue to check the website for updates regarding the program at www.myflorida.com/frs/mpf. All police officer and firefighter plan participants, board of trustee members, plan sponsors and anyone interested in the administration and operation of the Chapters 175 and 185 pension plans should take advantage of this unique, insightful and informative program.

8. ADULT TRUTHS: Even under ideal conditions people have trouble locating their car keys in a pocket, finding their cell phone, and Pinning the Tail on the Donkey -- but I bet everyone can find and push the snooze button from 3 feet away, in about 1.7 seconds, eyes closed, first time, every time.

9. TODAY IN HISTORY: In 1958, U.S. President Eisenhower orders National Guard out of Central High School, Little Rock, Arkansas.

10. KEEP THOSE CARDS AND LETTERS COMING: Several

readers regularly supply us with suggestions or tips for newsletter items. Please feel free to send us or point us to matters you think would be of interest to our readers. Subject to editorial discretion, we may print them. Rest assured that we will not publish any names as referring sources.

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