

Presentation For
**City of Fort Pierce Florida Retirement
and Benefit System**

Third Quarter 2016

November 17, 2016
Fort Pierce, Florida

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Ceredex Overview and Investment Team	Section 1
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OUR FIRM

- Value Equity investing roots trace back to 1989
- Approximately \$10.2 billion AUM* in three primary strategies
- Headquartered in Orlando, Florida

OUR INVESTMENT STRATEGIES

	Large Cap Value	Mid-Cap Value	Small Cap Value
Assets	\$3.9 billion	\$3.8 billion	\$2.5 billion
Lead Manager Experience	34 Years	20 Years	31 Years

OUR INVESTMENT PROFESSIONALS*

- 13 Investment Professionals
- 3 Portfolio Managers have worked together for 20 years
- 10 CFA Charterholders

*As of 9/30/16 (includes sub-advisory relationships and separate accounts).
Effective 4/20/12, the Small Cap Value Equity Strategy is closed to new investors.



PORTFOLIO MANAGERS

Mills Riddick, CFA
Chief Investment Officer
Large Cap Value Portfolio Manager
 • BS Accounting, Florida State University, 1980
 • Certified Public Accountant (CPA), State of Florida 1981
 • 34 years investment experience

Donald Wordell, CFA
Mid-Cap Value Portfolio Manager
 • BS Finance, University of Central Florida, 1992
 • MBA, University of Central Florida, 1996
 • 20 years investment experience

Brett Barner, CFA
Small Cap Value Portfolio Manager
 • BSBA Finance, University of Central Florida, 1985
 • 31 years investment experience

VALUE EQUITY ANALYSTS

Charlie Carter, CFA
Consumer Discretionary, Consumer Staples
 • BS Management, Georgia Institute of Technology, 2000
 • 15 years investment experience

Melissa Miller, CFA
Financials
 • BA Accounting, Creighton University, 1996
 • MBA, University of Iowa, 2001
 • 15 years investment experience

Cody Smith, CFA
Health Care, Technology
 • BSBA Finance, Drake University, 2004
 • 12 years investment experience

Hein Hanekom, CFA
Utilities, Materials
 • BS Finance, Western Carolina University, 2005
 • MBA, University of Central Florida, 2007
 • 11 years investment experience

Jason Fraser, CFA
Financials, Telecom
 • BS Finance, University of Florida, 2005
 • 11 years investment experience

Jennifer Graff, CFA
Industrials
 • BA Psychology, University of Central Florida, 1999
 • 15 years investment experience

Nicole Blakley, CFA
Energy, Materials
 • BS Finance, Louisiana State University, 2003
 • MBA, University of South Florida, 2005
 • 12 years investment experience

David Maynard
Industrials
 • BA Economics and Mathematics, Vanderbilt University, 2005
 • MBA, University of Virginia, 2012
 • 11 years investment experience

PORTFOLIO SPECIALIST

Sarah Thompson
 • BA Psychology, Purdue University, 1995
 • 16 years investment experience

CLIENT PORTFOLIO MANAGER

Steve Loncar
 • BS Finance, Florida State University, 1994
 • MBA, Rollins College, 2001
 • 18 years investment experience

*As of 9/30/16.





How We Define Ourselves

- Traditional Value
- Bottom Up Stock Selection
- Fundamental Research Focus

What Differentiates Us

- Dividend Focus
- Buy and Sell Decision Equally Important
- Equity Investing Equal Parts Art and Science
- Portfolio Manager/Analyst Dynamic

Our Process

- Dividends
- Valuation
- Fundamentals



Principles that have enabled the approach to be successful.

Dividend Orientation

Valuation Approach

Fundamentals



STEP 1: Apply Market Cap and Dividend Screens

LCV: 1,400 Companies

MCV: 1,200 Companies

SCV: 1,300 Companies

STEP 2: Examine Absolute and Relative Valuations

500 Companies

STEP 3: Traditional Fundamental Analysis

200 Companies

STEP 4: Construct Portfolio

LCV: 45-65 Companies

MCV: 50-70 Companies

SCV: 80-100 Companies



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

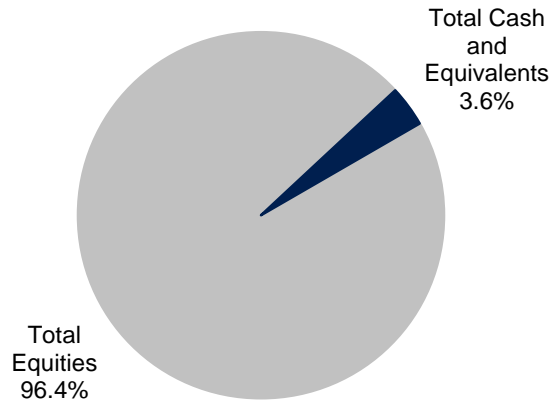
Dividends Reduce Duration

Margin of Safety

Diversity Among &
Within Sectors



Portfolio Composition



Assets	Market Value	% of Total
Total Portfolio	\$ 7,609,552.61	100.0%
Total Equities	\$ 7,336,945.00	96.4%
Total Cash and Equivalents	\$ 272,607.61	3.6%

Period Ending September 30, 2016. Source: Eagle Investment Systems, November 2, 2016.

Past performance is not indicative of future results.

This perspective was prepared for City of Fort Pierce, Florida Retirement and Benefit System, specific one-on-one presentation.



Account Activity Summary - Quarter

Beginning Portfolio Market Value 06/30/2016	\$	7,189,886.54
Contributions	\$	-
Withdrawals	\$	(16,151.79)
Net Contributions/Withdrawals	\$	(16,151.79)
Portfolio Earnings		
Interest	\$	133.81
Dividends	\$	40,007.62
Realized Gains/Losses	\$	54,657.44
Unrealized Gains/Losses	\$	341,018.99
Total Portfolio Earnings	\$	435,817.86
Ending Portfolio Market Value 09/30/2016	\$	7,609,552.61
Net Change	\$	419,666.07

Period Ending September 30, 2016. Source: Eagle Investment Systems, November 2, 2016.

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Dividends reflect past performance and there is no guarantee they will continue to be paid.

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Account Activity Summary - Annual

Beginning Portfolio Market Value 09/30/2015	\$	6,737,231.78
Contributions	\$	15,129.24
Withdrawals	\$	(476,642.57)
Net Contributions/Withdrawals	\$	(461,513.33)
Portfolio Earnings		
Interest	\$	263.56
Dividends	\$	160,897.07
Realized Gains/Losses	\$	(44,434.60)
Unrealized Gains/Losses	\$	1,217,108.13
Total Portfolio Earnings	\$	1,333,834.16
Ending Portfolio Market Value 09/30/2016	\$	7,609,552.61
Net Change	\$	872,320.83

Period Ending September 30, 2016. Source: Eagle Investment Systems, November 2, 2016.

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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 September 30, 2016		
\$ Original Investment		\$ 5,459,900.00
+ Subsequent Contributions		\$ 1,343,255.12
- Subsequent Withdrawals		\$ (18,778,557.71)
- Management Fees		\$ (1,116,959.67)
+ Total Investment Earnings		\$ 20,701,914.87
+ Income	\$ 2,817,090.77	
+/- Capital Appreciation (Depreciation)	\$ 17,884,824.10	
Total Assets as of September 30, 2016		\$ 7,609,552.61

Period Ending September 30, 2016. Source: Eagle Investment Systems and SunTrust Portfolio View, November 2, 2016.
See Investment Performance in Appendix.

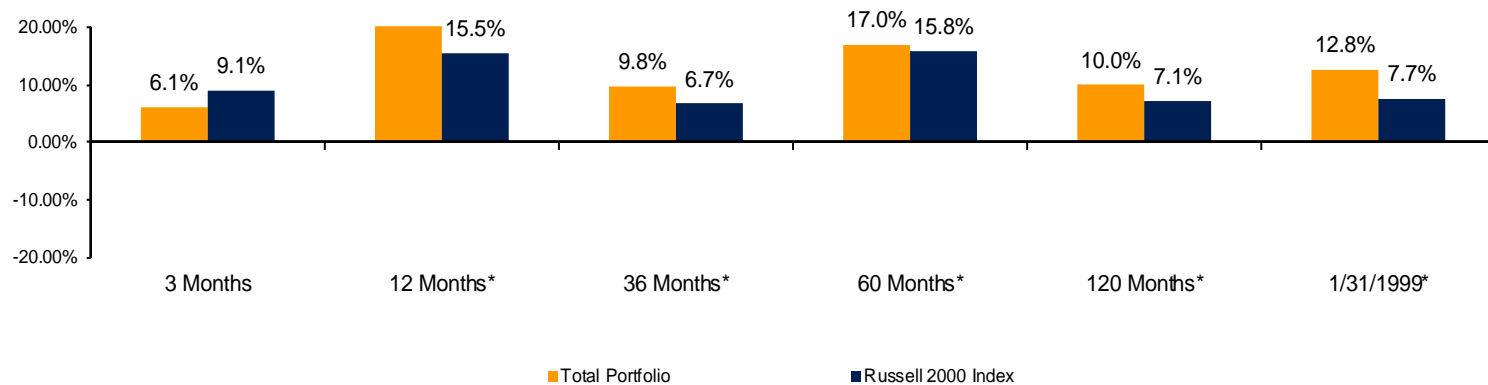
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Performance Comparisons

	<u>3 Months</u>	<u>12 Months*</u>	<u>36 Months*</u>	<u>60 Months*</u>	<u>120 Months*</u>	Inception To Date <u>1/31/1999*</u>
Total Portfolio	6.06%	21.65%	9.78%	16.99%	10.01%	12.76%
Russell 2000 Value Index	8.87%	18.81%	6.77%	15.45%	5.78%	9.08%
Russell 2000 Index	9.05%	15.46%	6.70%	15.82%	7.07%	7.70%



Period Ending September 30, 2016. Source: Eagle Investment Systems, November 2, 2016.

*Annualized returns.

Past performance is not indicative of future results.

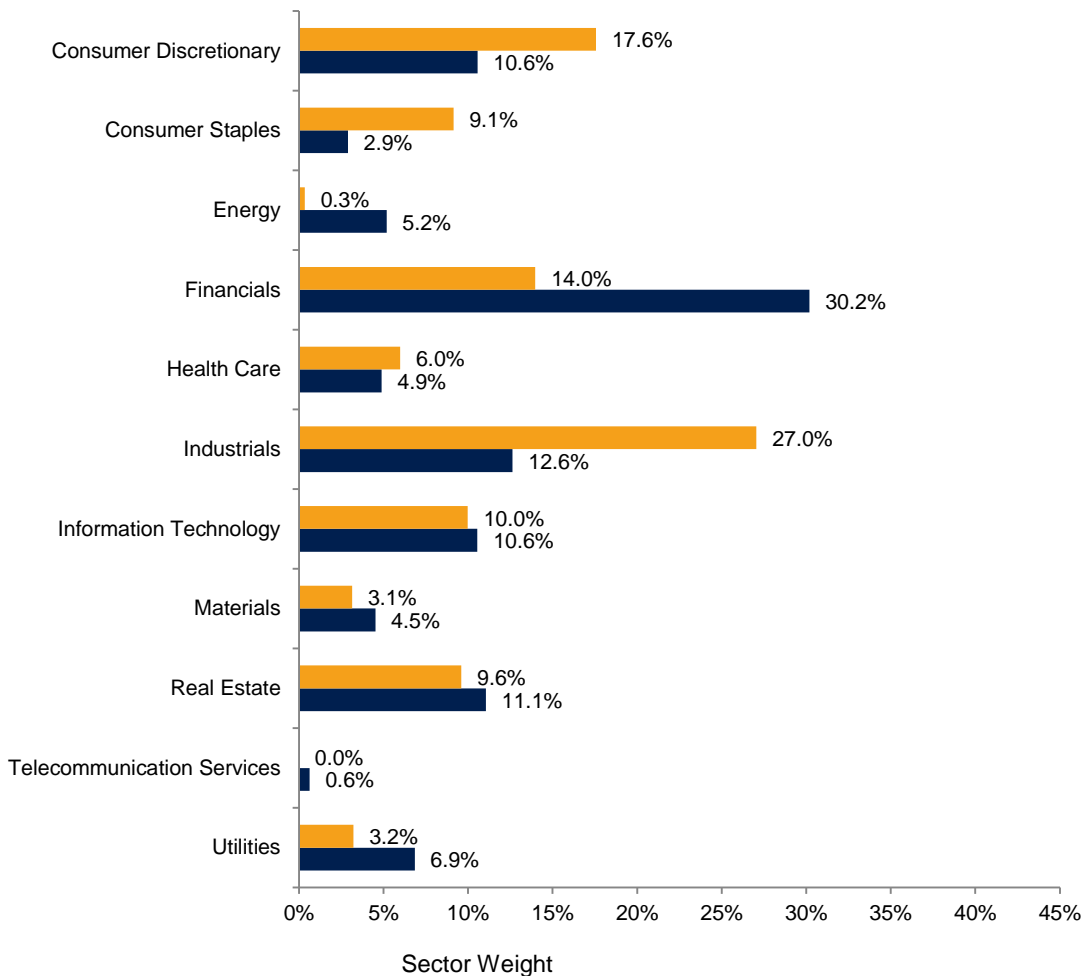
The comparative performance contained herein reflects annualized returns for specific time periods, are gross of all fees, are not indicative of actual annual returns, and may not be relied upon for investment decisions. See Investment Performance Disclosure in Appendix.

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Sector Concentration*

● Portfolio ● Russell 2000 Value



Portfolio Characteristics*

Characteristic	Portfolio	Russell 2000 Value
Market Cap (billion)	\$2.4	\$1.7
Dividend Yield	2.2%	2.1%
Price-to-Earnings (12 months trailing)	22.5	16.7
Price-to-Book	2.3	1.3
Price-to-Sales	0.9	0.9

Top 10 Holdings*

Security	%
Fair Isaac Corporation	5.4
Energizer Holdings, Inc.	3.8
Hill-Rom Holdings, Inc.	3.1
B&G Foods, Inc.	3.1
AMC Entertainment Holdings, Inc.	2.9
Medical Properties Trust, Inc.	2.7
Hanover Insurance Group, Inc.	2.6
Plantronics, Inc.	2.6
Mueller Water Products, Inc. Class	2.3
CLARCOR Inc.	2.3

See Holdings Disclosure in Appendix.

* Period Ending September 30, 2016. Source: FactSet, November 2, 2016.

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.

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Top 10 Holdings

Security	Description
Fair Isaac Corporation	Fair Isaac Corp. engages in decision management solutions. The company operates through the following segments: Applications, Scores, and Tools segment. The Applications segment includes decision management applications designed for a type of business problem or process - such as marketing, account origination, customer management, fraud, collections, and insurance claims management.
Energizer Holdings, Inc.	Energizer Holdings, Inc. manufactures and markets batteries and lighting products. The company's products include household batteries, specialty batteries and portable lighting. The company is headquartered in St. Louis, MO.
Hill-Rom Holdings, Inc.	Hill-Rom Holdings, Inc. manufactures hospital equipment, including hospital beds and stretchers. It also offers medical technologies and related services for the health care industry, including patient support systems, safe mobility and handling solutions, non-invasive therapeutic products, medical equipment rentals, surgical products and information technology solutions.
B&G Foods, Inc.	B&G Foods, Inc. manufactures, sells and distributes a diverse portfolio of shelf-stable foods and household products. Its products include frozen and canned vegetables, hot cereals, fruit spreads, canned meats and beans, bagel chips, spices, seasonings, hot sauces, wine vinegar, maple syrup, molasses, salad dressings, pizza crusts, Mexican-style sauces, dry soups, taco shells and kits, salsas, pickles, peppers, tomato-based products, puffed corn and rice snacks, nut clusters and other specialty products.
AMC Entertainment Holdings, Inc.	AMC Entertainment Holdings, Inc. is principally involved in the theatrical exhibition business and owns, operates and has interests in theatres primarily located in the United States. The company owns and operates movie theatres, which are primarily located in major metropolitan markets. It offers consumers with a fully immersive out-of-home entertainment experience by featuring a wide array of entertainment alternatives, including popular movies, throughout the day and at different price points.
Medical Properties Trust, Inc.	Medical Properties Trust, Inc. is a self-advised real estate investment trust formed to capitalize on the changing trends in healthcare delivery by acquiring and developing net-leased healthcare facilities. The company's facilities include inpatient rehabilitation hospitals, long-term acute care hospitals, regional acute care hospitals, ambulatory surgery centers and other single-discipline healthcare facilities, such as heart hospitals and orthopedic hospitals.
Hanover Insurance Group, Inc.	The Hanover Insurance Group, Inc. is a holding company that engages in the provision of property and casualty products and services. It operates through the following segments: Commercial Lines, Personal Lines, Chaucer, and Other. The Commercial Lines segment includes commercial multiple peril, commercial automobile, workers' compensation and other commercial coverage, such as specialty program business, inland marine, management and professional liability and surety.
Plantronics, Inc.	Plantronics, Inc. designs and manufactures lightweight communications headsets and accessories. It is a global designer, manufacturer, and marketer of lightweight communications headsets, telephone headset systems, other communication endpoints, and accessories for the business and consumer markets under the Plantronics brand.
Mueller Water Products, Inc. Class	Mueller Water Products, Inc. manufactures and markets water infrastructure, flow control and piping component system products for use in water distribution networks and water treatment facilities. It operates through the Mueller Co., Anvil and Mueller Technologies segments. The Mueller Co. segment manufactures valves for water and gas systems, including butterfly, iron gate, tapping, check, plug and ball valves, as well as dry-barrel and wet-barrel fire hydrants, metering systems, and leak detection and pipe condition assessment products and services for the water infrastructure industry.
CLARCOR Inc.	CLARCOR, Inc. engages in the provision of filtration products, filtration systems and services, consumer and industrial packaging products. It operates through the following segments: Engine/Mobile Filtration, Industrial/Environmental Filtration, and Packaging. The Engine/Mobile Filtration segment involves in manufacturing and marketing a line of filters used in the filtration of oils, air, fuel, coolant, hydraulic and transmission fluids.

Period Ending September 30, 2016. Source: Factset, November 2, 2016.

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Performance Review - Portfolio Holdings

	Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
City of Fort Pierce				\$ 6,228,914.63		\$ 7,609,552.61	100.00%
Currency				\$ 272,607.61		\$ 272,607.61	3.59%
	272,608	CASHUSD	\$ 1.00	\$ 272,607.61		\$ 272,607.61	3.59%
Common stock				\$ 5,956,307.02		\$ 7,336,945.00	96.41%
Consumer Discretionary				\$ 1,192,278.37		\$ 1,287,236.49	16.93%
	6,900	AMC ENTERTAINMENT HOLDINGS INC	\$ 21.02	\$ 145,038.00	\$ 31.09	\$ 214,521.00	2.82%
	7,900	CHICO'S FAS INC	\$ 16.26	\$ 128,478.93	\$ 11.90	\$ 94,010.00	1.24%
	8,665	GUESS? INC	\$ 25.86	\$ 224,065.19	\$ 14.61	\$ 126,595.65	1.67%
	4,100	HSN INC	\$ 38.82	\$ 159,149.91	\$ 39.80	\$ 163,180.00	2.15%
	572	LITHIA MOTORS INC	\$ 93.86	\$ 53,688.36	\$ 95.52	\$ 54,637.44	0.72%
	1,800	MDC PARTNERS INC	\$ 19.32	\$ 34,776.98	\$ 10.72	\$ 19,296.00	0.25%
	100	MEREDITH CORP	\$ 33.50	\$ 3,349.46	\$ 51.99	\$ 5,199.00	0.07%
	1,900	PAPA JOHN'S INTERNATIONAL INC	\$ 56.68	\$ 107,695.61	\$ 78.85	\$ 149,815.00	1.97%
	5,100	REGAL ENTERTAINMENT GROUP	\$ 18.55	\$ 94,622.98	\$ 21.75	\$ 110,925.00	1.46%
	1,400	RUTH'S HOSPITALITY GROUP INC	\$ 12.80	\$ 17,920.00	\$ 14.12	\$ 19,768.00	0.26%
	1,800	SCHOLASTIC CORP	\$ 32.58	\$ 58,644.00	\$ 39.36	\$ 70,848.00	0.93%
	5,100	SONIC AUTOMOTIVE INC	\$ 15.59	\$ 79,487.97	\$ 18.80	\$ 96,120.00	1.26%
	1,472	THOR INDUSTRIES INC	\$ 38.99	\$ 57,393.28	\$ 84.70	\$ 124,678.40	1.64%
	500	TUPPERWARE BRANDS CORP	\$ 44.58	\$ 22,291.70	\$ 65.37	\$ 33,025.00	0.43%
	200	WOLVERINE WORLD WIDE INC	\$ 28.38	\$ 5,676.00	\$ 23.03	\$ 4,618.00	0.06%
Consumer Staples				\$ 517,268.32		\$ 672,364.00	8.81%
	4,600	B&G FOODS INC	\$ 35.68	\$ 164,128.53	\$ 49.18	\$ 228,160.00	2.98%
	100	CALAVO GROWERS INC	\$ 54.05	\$ 5,404.57	\$ 65.43	\$ 6,543.00	0.09%
	5,600	ENERGIZER HOLDINGS INC	\$ 38.74	\$ 216,948.90	\$ 49.96	\$ 279,776.00	3.68%
	1,700	INTER PARFUMS INC	\$ 26.79	\$ 45,540.78	\$ 32.27	\$ 55,114.00	0.72%
	300	J&J SNACK FOODS CORP	\$ 110.71	\$ 33,214.03	\$ 119.12	\$ 35,853.00	0.47%
	100	PRICESMART INC	\$ 80.82	\$ 8,081.51	\$ 83.76	\$ 8,376.00	0.11%
	600	SANDERSON FARMS INC	\$ 73.25	\$ 43,950.00	\$ 96.33	\$ 58,542.00	0.76%
Energy				\$ 84,600.00		\$ 25,236.00	0.33%
	1,800	BRISTOW GROUP INC	\$ 47.00	\$ 84,600.00	\$ 14.02	\$ 25,236.00	0.33%
Financials				\$ 705,388.82		\$ 1,024,136.08	13.47%
	2,034	BANK OF HAWAII CORP	\$ 53.50	\$ 108,816.39	\$ 72.62	\$ 147,709.08	1.94%
	500	BLADDEX	\$ 12.44	\$ 6,220.00	\$ 28.18	\$ 14,090.00	0.19%
	2,700	COHEN & STEERS INC	\$ 33.73	\$ 91,071.00	\$ 42.75	\$ 115,425.00	1.52%
	2,700	EVERCORE PARTNERS INC	\$ 29.94	\$ 80,824.22	\$ 51.51	\$ 139,077.00	1.83%
	2,500	HANOVER INSURANCE GROUP INC/TH	\$ 42.78	\$ 106,950.00	\$ 75.42	\$ 188,550.00	2.48%

Period Ending September 30, 2016. Source: Eagle Investment Systems, November 2, 2016.

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Performance Review - Portfolio Holdings

	Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
	2,800	HORACE MANN EDUCATORS CORP	\$ 21.73	\$ 60,830.03	\$ 36.65	\$ 102,620.00	1.35%
	200	OPPENHEIMER HOLDINGS INC	\$ 26.83	\$ 5,366.00	\$ 14.29	\$ 2,858.00	0.04%
	3,000	PRIMERICA INC	\$ 43.14	\$ 129,404.87	\$ 53.03	\$ 159,090.00	2.09%
	1,600	TRUSTCO BANK CORP NY	\$ 4.66	\$ 7,456.00	\$ 7.09	\$ 11,449.00	0.15%
	2,400	UMB FINANCIAL CORP	\$ 45.19	\$ 108,450.31	\$ 59.45	\$ 143,268.00	1.88%
Health Care				\$ 327,871.08		\$ 439,130.50	5.77%
	1,200	ENSIGN GROUP INC/THE	\$ 3.91	\$ 4,686.00	\$ 20.13	\$ 24,204.00	0.32%
	3,700	HILL-ROM HOLDINGS INC	\$ 44.40	\$ 164,270.24	\$ 61.98	\$ 229,326.00	3.02%
	1,900	LANDAUER INC	\$ 46.71	\$ 88,739.08	\$ 44.48	\$ 85,034.50	1.11%
	3,700	PHIBRO ANIMAL HEALTH CORP	\$ 18.97	\$ 70,175.76	\$ 27.18	\$ 100,566.00	1.32%
Industrials				\$ 1,670,636.92		\$ 1,984,387.99	26.07%
	2,400	AAR CORP	\$ 26.13	\$ 62,712.00	\$ 31.32	\$ 75,168.00	0.99%
	3,200	ABM INDUSTRIES INC	\$ 26.48	\$ 84,745.41	\$ 39.70	\$ 127,040.00	1.67%
	100	ADVANCED DRAINAGE SYSTEMS INC	\$ 28.26	\$ 2,826.37	\$ 24.06	\$ 2,406.00	0.03%
	1,300	BWX TECHNOLOGIES INC	\$ 25.65	\$ 33,343.48	\$ 38.37	\$ 49,881.00	0.66%
	500	CHINA YUCHAI INTERNATIONAL LTD	\$ 16.42	\$ 8,210.00	\$ 10.85	\$ 5,425.00	0.07%
	2,600	CLARCOR INC	\$ 53.09	\$ 138,029.76	\$ 65.00	\$ 169,000.00	2.22%
	9,000	COVANTA HOLDING CORP	\$ 19.28	\$ 173,509.26	\$ 15.39	\$ 140,660.00	1.82%
	2,300	CUBIC CORP	\$ 36.66	\$ 84,320.85	\$ 46.81	\$ 107,663.00	1.42%
	2,200	EMCOR GROUP INC	\$ 34.58	\$ 76,079.08	\$ 59.62	\$ 131,164.00	1.73%
	3,100	FORWARD AIR CORP	\$ 47.52	\$ 147,314.56	\$ 43.26	\$ 134,106.00	1.77%
	400	GRANITE CONSTRUCTION INC	\$ 33.44	\$ 13,376.00	\$ 49.74	\$ 19,948.00	0.26%
	5,200	HERMAN MILLER INC	\$ 25.71	\$ 133,698.03	\$ 28.60	\$ 149,587.00	1.96%
	1,057	INTERFACE INC	\$ 14.84	\$ 15,689.41	\$ 16.69	\$ 17,641.33	0.23%
	1,086	ITT INC	\$ 31.98	\$ 34,726.26	\$ 35.84	\$ 39,056.90	0.51%
	6,400	KELLY SERVICES INC	\$ 18.60	\$ 119,057.71	\$ 19.22	\$ 123,008.00	1.62%
	2,600	KFORCE INC	\$ 19.80	\$ 51,488.36	\$ 20.49	\$ 53,274.00	0.70%
	3,700	KNOLL INC	\$ 16.01	\$ 59,224.24	\$ 22.85	\$ 84,545.00	1.11%
	1,400	LUXFER HOLDINGS PLC	\$ 20.96	\$ 29,344.00	\$ 11.59	\$ 16,226.00	0.21%
	400	MATTHEWS INTERNATIONAL CORP	\$ 43.24	\$ 17,296.00	\$ 60.76	\$ 24,304.00	0.32%
	1,219	MSA SAFETY INC	\$ 53.78	\$ 65,557.82	\$ 58.04	\$ 70,750.76	0.93%
	13,600	MUELLER WATER PRODUCTS INC	\$ 8.92	\$ 121,355.96	\$ 12.55	\$ 170,680.00	2.25%
	800	MULTI-COLOR CORP	\$ 51.59	\$ 41,271.04	\$ 66.00	\$ 52,800.00	0.69%
	1,000	NN INC	\$ 21.78	\$ 21,783.02	\$ 18.25	\$ 18,250.00	0.24%
	300	SUN HYDRAULICS CORP	\$ 28.66	\$ 8,598.00	\$ 32.27	\$ 9,708.00	0.13%
	300	TENNANT CO	\$ 25.21	\$ 7,563.00	\$ 64.80	\$ 19,440.00	0.26%

Period Ending September 30, 2016. Source: Eagle Investment Systems, November 2, 2016.

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Performance Review - Portfolio Holdings

	Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
	3,200	TETRA TECH INC	\$ 28.07	\$ 89,837.30	\$ 35.47	\$ 113,504.00	1.49%
	1,600	VIAD CORP	\$ 18.55	\$ 29,680.00	\$ 36.87	\$ 59,152.00	0.78%
Information Technology				\$ 476,880.24		\$ 730,976.14	9.62%
	2,914	BADGER METER INC	\$ 30.53	\$ 88,965.85	\$ 33.51	\$ 97,648.14	1.29%
	400	BLACK BOX CORP	\$ 27.99	\$ 11,196.00	\$ 13.90	\$ 5,608.00	0.07%
	4,400	DAKTRONICS INC	\$ 13.97	\$ 61,485.59	\$ 9.54	\$ 41,976.00	0.55%
	3,200	FAIR ISAAC CORP	\$ 56.33	\$ 180,246.78	\$ 124.59	\$ 398,688.00	5.25%
	3,600	PLANTRONICS INC	\$ 37.50	\$ 134,986.02	\$ 51.96	\$ 187,056.00	2.46%
Materials				\$ 178,645.27		\$ 230,286.00	3.03%
	100	A SCHULMAN INC	\$ 23.65	\$ 2,365.00	\$ 29.12	\$ 2,912.00	0.04%
	1,600	CARPENTER TECHNOLOGY CORP	\$ 42.51	\$ 68,016.00	\$ 41.26	\$ 66,016.00	0.87%
	800	HAYNES INTERNATIONAL INC	\$ 51.93	\$ 41,544.00	\$ 37.11	\$ 29,688.00	0.39%
	23,100	HECLA MINING CO	\$ 2.89	\$ 66,720.27	\$ 5.70	\$ 131,670.00	1.73%
Real Estate				\$ 619,373.47		\$ 707,044.80	9.26%
	2,400	ALEXANDER & BALDWIN INC	\$ 39.63	\$ 95,113.11	\$ 38.42	\$ 92,208.00	1.21%
	13,600	MEDICAL PROPERTIES TRUST INC	\$ 12.35	\$ 167,940.62	\$ 14.77	\$ 204,000.00	2.64%
	600	MONMOUTH REAL ESTATE INVESTMEN	\$ 8.32	\$ 4,992.00	\$ 14.27	\$ 8,562.00	0.11%
	6,400	OUTFRONT MEDIA INC	\$ 20.64	\$ 132,124.47	\$ 23.65	\$ 151,360.00	1.99%
	5,000	PARKWAY PROPERTIES INC/MD	\$ 18.65	\$ 93,257.64	\$ 17.01	\$ 85,050.00	1.12%
	1,028	POST PROPERTIES INC	\$ 47.16	\$ 48,480.48	\$ 66.13	\$ 68,464.80	0.89%
	2,500	TANGER FACTORY OUTLET CENTERS	\$ 30.99	\$ 77,465.15	\$ 38.96	\$ 97,400.00	1.28%
Utilities				\$ 183,364.53		\$ 236,147.00	3.11%
	1,500	ALLETE INC	\$ 48.55	\$ 72,825.00	\$ 59.62	\$ 89,430.00	1.18%
	2,600	CALIFORNIA WATER SERVICE GROUP	\$ 22.35	\$ 58,113.53	\$ 32.09	\$ 83,434.00	1.10%
	1,100	NORTHWESTERN CORP	\$ 47.66	\$ 52,426.00	\$ 57.53	\$ 63,283.00	0.83%

Period Ending September 30, 2016. Source: Eagle Investment Systems, November 2, 2016.

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, Florida 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.

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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.

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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%.

eA Large Cap Value: US Equity products that invest primarily in large capitalization stocks with fundamental characteristics showing high earnings growth expectations or in fast growing economic sectors. The expected benchmarks for this universe would include Russell 1000 Value, S&P 500, or the S&P/BARRA Value.

eA Mid Cap Value: US Equity Products that invest primarily in mid capitalization stocks with fundamental characteristics showing high earnings growth expectations or in fast growing economic sectors. The expected benchmarks for this universe would include Russell Midcap Value, Russell Midcap, or the S&P 400.

eA Small Cap Value: US Equity products that invest primarily in small capitalization stocks with fundamental characteristics showing them to be underpriced or in slower growing economic sectors. The expected benchmarks for this universe would include Russell 2000 or the Russell 2000 Value.

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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

