

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

First Quarter 2019

May 16, 2019  
Fort Pierce, Florida

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**AFFILIATES**

CEREDEX  
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## VIRTUS INVESTMENT PARTNERS

**SUBADVISERS**

AVIVA  
INVESTORS

HERZFELD

HORIZON KINETICS

Vontobel

WCM  
INVESTMENT MANAGEMENT

ZVNBRGN<sup>1</sup>  
zevenbergen capital investments

<sup>1</sup> Virtus has a minority ownership position in Zevenbergen Capital Investments.



## OUR FIRM

- Value Equity investing roots trace back to 1989
- Approximately \$8.9 billion AUM\* in three primary strategies
- Headquartered in Orlando, Florida

## OUR INVESTMENT STRATEGIES

	Large Cap Value	Mid-Cap Value	Small Cap Value
Assets	\$3.2 billion	\$3.7 billion	\$2.0 billion
Lead Manager Experience	36 Years	22 Years	33 Years

## OUR INVESTMENT PROFESSIONALS\*

- 13 Investment Professionals
- 3 Portfolio Managers have worked together for 22 years
- 10 CFA Charterholders

\*AUM as of 3/31/19 (includes sub-advisory relationships and separate accounts).



## 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  
 • 36 years investment experience

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

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

## VALUE EQUITY ANALYSTS

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

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

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

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

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

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

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

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

## PORTFOLIO SPECIALIST

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

## CLIENT PORTFOLIO MANAGER

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



## Principles that have enabled the approach to be successful



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



## 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; Stable and Seasoned Investment Management Team

## Our Process

- Dividends
- Valuation
- 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: 40-60 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



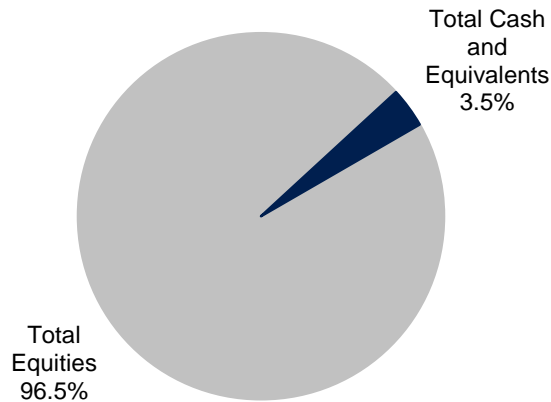
Dividend Required

Dividends Reduce Duration

Margin of Safety

Diversity Among &  
Within Sectors

## Portfolio Composition



Assets	Market Value	% of Total
<b>Total Portfolio</b>	<b>\$ 7,531,395.99</b>	<b>100.0%</b>
<b>Total Equities</b>	<b>\$ 7,266,464.58</b>	<b>96.5%</b>
<b>Total Cash and Equivalents</b>	<b>\$ 264,931.41</b>	<b>3.5%</b>

Period Ending March 31, 2019. Source: Eagle Investment Systems, May 3, 2019.  
 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 12/31/2018	\$	6,774,866.09
Contributions	\$	-
Withdrawals	\$	(15,216.58)
Net Contributions/Withdrawals	\$	(15,216.58)
Portfolio Earnings		
Interest	\$	1,331.83
Dividends	\$	52,027.24
Realized Gains/Losses	\$	119,539.04
Unrealized Gains/Losses	\$	598,848.37
Total Portfolio Earnings	\$	771,746.48
<b>Ending Portfolio Market Value 03/31/2019</b>	<b>\$</b>	<b>7,531,395.99</b>
Net Change	\$	756,529.90

Period Ending March 31, 2019. Source: Eagle Investment Systems, May 3, 2019.

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## Account Activity Summary - Annual

Beginning Portfolio Market Value 03/31/2018	\$	7,417,466.70
Contributions	\$	-
Withdrawals	\$	(68,206.05)
Net Contributions/Withdrawals	\$	(68,206.05)
Portfolio Earnings		
Interest	\$	3,903.06
Dividends	\$	215,762.46
Realized Gains/Losses	\$	423,211.51
Unrealized Gains/Losses	\$	(460,741.69)
Total Portfolio Earnings	\$	182,135.34
<b>Ending Portfolio Market Value 03/31/2019</b>	<b>\$</b>	<b>7,531,395.99</b>
Net Change	\$	113,929.29

Period Ending March 31, 2019. Source: Eagle Investment Systems, May 3, 2019.

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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, 2019	
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\$ Original Investment		\$ 5,459,900.00
+ Subsequent Contributions		\$ 1,343,255.15
- Subsequent Withdrawals		\$ (19,944,572.08)
- Management Fees		\$ (1,282,976.12)
+ Total Investment Earnings		\$ 21,955,789.04
+ Income	\$ 3,320,776.39	
+/- Capital Appreciation (Depreciation)	\$ 18,635,012.65	
<b>Total Assets as of March 31, 2019</b>		<b>\$ 7,531,395.99</b>

Period Ending March 31, 2019. Source: Eagle Investment Systems and SunTrust Portfolio View, May 3, 2019.  
 See Investment Performance in Appendix.

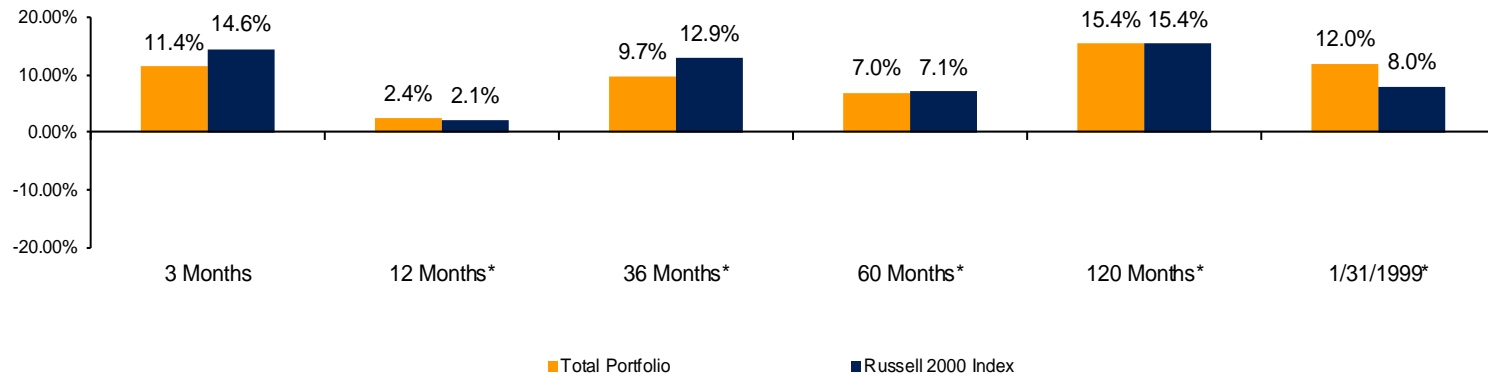
**Past performance is not indicative of future results.**

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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>	<u>Inception To Date 1/31/1999*</u>
<b>Total Portfolio</b>	<b>11.39%</b>	<b>2.43%</b>	<b>9.73%</b>	<b>6.98%</b>	<b>15.36%</b>	<b>11.96%</b>
Russell 2000 Value Index	11.93%	0.17%	10.86%	5.59%	14.12%	8.89%
Russell 2000 Index	14.58%	2.05%	12.92%	7.05%	15.36%	8.00%



Period Ending March 31, 2019. Source: Eagle Investment Systems, May 3, 2019.

\*Annualized returns.

Past performance is not indicative of future results.

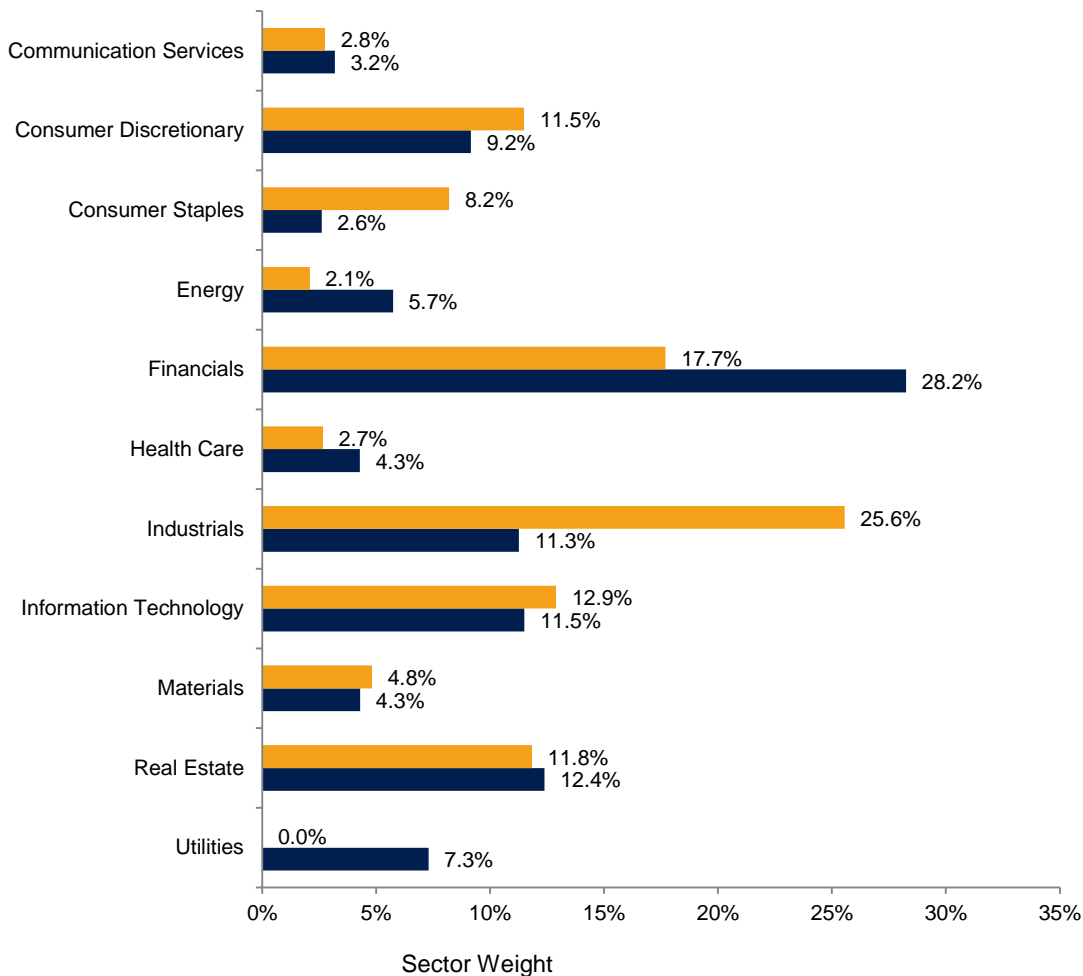
The comparative performance contained herein reflects annualized returns for specific time periods, are gross of all fees, are not indicative of actual annual returns, and may not be relied upon for investment decisions. See Investment Performance Disclosure in Appendix.

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## Sector Concentration\*

● Portfolio    ● Russell 2000 Value



## Portfolio Characteristics\*

Characteristic	Portfolio	Russell 2000 Value
Market Cap (billion)	\$2.5	\$2.1
Dividend Yield	2.6%	2.2%
Price-to-Earnings (12 months trailing)	18.2	14.7
Price-to-Book	2.2	1.3
Price-to-Sales	1.0	0.8

## Top 10 Holdings\*

Security	%
Power Integrations, Inc.	5.0
Energizer Holdings Inc.	4.2
Kemper Corporation	4.2
B&G Foods, Inc.	3.7
Physicians Realty Trust	3.6
Children's Place, Inc.	3.6
OUTFRONT Media Inc.	3.4
Evercore Inc. Class A	3.0
Tanger Factory Outlet Centers,	2.6
Herman Miller, Inc.	2.4

See Holdings Disclosure in Appendix.

\* Period Ending March 31, 2019. Source: FactSet, May 3, 2019.

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
<b>Power Integrations, Inc.</b>	Power Integrations, Inc. engages in the design, development and marketing of analog and mixed-signal integrated circuits and other electronic components and circuitry used in high-voltage power conversion. Its products are used in power converters that convert electricity from a high-voltage source to the type of power required for a specified downstream use.
<b>Energizer Holdings Inc.</b>	Energizer Holdings, Inc. manufactures and markets batteries and lighting products. The company's products include household batteries, specialty batteries, and portable lighting. Energizer Holdings was founded in 2000 and is headquartered in St. Louis, MO.
<b>Kemper Corporation</b>	Kemper Corp. is an insurance holding company, which engages in the property and casualty insurance, and life and health insurance businesses through its subsidiaries. It operates through the Property and Casualty Insurance; and Life and Health Insurance segments. The Property and Casualty Insurance segment focuses on the provision of automobile, homeowners, renters, fire, umbrella, and other types of property; and casualty insurance to individuals, and commercial automobile insurance to businesses.
<b>B&amp;G Foods, Inc.</b>	B&G Foods, Inc. is a holding company, which engages in the manufacture, sale, and distribution of shelf-stable frozen food, and household products in the U.S., Canada, and Puerto Rico. Its products include frozen and canned vegetables, hot cereals, fruit spreads, canned meats and beans, bagel chips, spices, seasonings, hot sauces, and wine vinegar.
<b>Physicians Realty Trust</b>	Physicians Realty Trust operates as a real estate investment trust, which leases and manages healthcare properties. It is a self-managed healthcare real estate company organized to acquire, selectively develop, own and manage healthcare properties which are leased to physicians, hospitals, and healthcare delivery systems.
<b>Children's Place, Inc.</b>	The Children's Place, Inc. engages in the provision of apparel, footwear, accessories, and other items for children. It also designs, contracts to manufacture and sell fashionable and value-priced merchandise under the brand names of The Children's Place, Place and Baby Place. The company was founded in 1969 and is headquartered in Secaucus, NJ.
<b>OUTFRONT Media Inc.</b>	OUTFRONT Media, Inc. engages in the business of providing leasing services of advertising space on out-of-home advertising structures and sites across the United States, Canada and Latin America. It operates through the following segments: U. S. Billboard and Transit; International; and Sports Marketing.
<b>Evercore Inc. Class A</b>	Evercore, Inc. is an independent investment banking advisory company. It operates through the Investment Banking and Investment Management business segments. The Investment Banking segment includes the global advisory business of the company through, which the firm deliver strategic corporate advisory, capital markets advisory and institutional equities services.
<b>Tanger Factory Outlet Centers,</b>	Tanger Factory Outlet Centers, Inc. is a fully-integrated, self-administered and self-managed real estate investment trust. It focuses on developing, acquiring, owning, operating and managing outlet shopping centers. The company was founded by Stanley K. Tanger in 1981 and is headquartered in Greensboro, NC.
<b>Herman Miller, Inc.</b>	Herman Miller, Inc. engages in the provision of furnishings and related technologies and services. It operates through the following segments: North American Furniture Solutions, ELA Furniture Solutions, Specialty, Consumer, and Corporate. The North American Furniture Solutions segment involves in the design, manufacture, and sale of furniture products for work-related settings such as office, education, and healthcare environments.

Period Ending March 31, 2019. Source: Factset, May 3, 2019.

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# Performance Review - Portfolio Holdings

	Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
<b>City of Fort Pierce, Florida Retirement and Benefit System</b>				<b>\$ 7,050,857.39</b>		<b>\$ 7,531,395.99</b>	<b>100.00%</b>
<b>Currency</b>				<b>\$ 264,931.41</b>		<b>\$ 264,931.41</b>	<b>3.52%</b>
	264,931	US DOLLAR	\$ 1.00	\$ 264,931.41	\$	\$ 264,931.41	3.52%
<b>Common Stock</b>				<b>\$ 6,785,925.98</b>		<b>\$ 7,266,464.58</b>	<b>96.48%</b>
<b>COMMUNICATION SERVICES</b>				<b>\$ 208,091.40</b>		<b>\$ 200,314.00</b>	<b>2.66%</b>
	4,600	EMERALD EXPOSITIONS EVENTS INC	\$ 14.99	\$ 68,956.99	\$ 12.70	\$ 58,420.00	0.78%
	900	JOHN WILEY & SONS INC	\$ 44.63	\$ 40,163.83	\$ 44.22	\$ 39,798.00	0.53%
	1,200	MEREDITH CORP	\$ 58.04	\$ 69,648.58	\$ 55.26	\$ 66,312.00	0.88%
	900	SCHOLASTIC CORP	\$ 32.58	\$ 29,322.00	\$ 39.76	\$ 35,784.00	0.48%
<b>CONSUMER DISCRETIONARY</b>				<b>\$ 752,063.80</b>		<b>\$ 833,534.00</b>	<b>11.07%</b>
	7,000	AMERICAN EAGLE OUTFITTERS INC	\$ 13.49	\$ 94,417.10	\$ 22.17	\$ 155,190.00	2.06%
	3,600	BLOOMIN' BRANDS INC	\$ 18.05	\$ 64,963.75	\$ 20.45	\$ 73,620.00	0.98%
	2,700	CHILDREN'S PLACE INC/THE	\$ 90.97	\$ 245,625.63	\$ 97.28	\$ 262,656.00	3.49%
	1,700	LITHIA MOTORS INC	\$ 95.83	\$ 162,910.16	\$ 92.75	\$ 157,675.00	2.09%
	1,100	MOVADO GROUP INC	\$ 33.00	\$ 36,296.28	\$ 36.38	\$ 40,018.00	0.53%
	2,400	PENSKE AUTOMOTIVE GROUP INC	\$ 45.79	\$ 109,904.74	\$ 44.65	\$ 107,160.00	1.42%
	600	STANDARD MOTOR PRODUCTS INC	\$ 46.41	\$ 27,847.72	\$ 49.10	\$ 29,460.00	0.39%
	300	TUPPERWARE BRANDS CORP	\$ 33.66	\$ 10,098.42	\$ 25.58	\$ 7,755.00	0.10%
<b>CONSUMER STAPLES</b>				<b>\$ 665,390.45</b>		<b>\$ 600,431.50</b>	<b>7.97%</b>
	10,900	B&G FOODS INC	\$ 32.65	\$ 355,901.27	\$ 24.42	\$ 271,355.50	3.60%
	6,800	ENERGIZER HOLDINGS INC	\$ 40.79	\$ 277,341.44	\$ 44.93	\$ 305,524.00	4.06%
	400	PRICESMART INC	\$ 80.37	\$ 32,147.74	\$ 58.88	\$ 23,552.00	0.31%
<b>ENERGY</b>				<b>\$ 172,517.37</b>		<b>\$ 151,823.00</b>	<b>2.02%</b>
	3,200	SM ENERGY CO	\$ 19.55	\$ 62,567.68	\$ 17.49	\$ 55,968.00	0.74%
	5,500	US SILICA HOLDINGS INC	\$ 19.99	\$ 109,949.69	\$ 17.36	\$ 95,855.00	1.27%
<b>FINANCIALS</b>				<b>\$ 908,144.60</b>		<b>\$ 1,284,159.99</b>	<b>17.05%</b>
	700	AMERISAFE INC	\$ 60.02	\$ 42,016.52	\$ 59.40	\$ 41,580.00	0.55%
	700	ARTISAN PARTNERS ASSET MANAGEMENT	\$ 29.82	\$ 20,876.84	\$ 25.17	\$ 17,619.00	0.23%
	1,734	BANK OF HAWAII CORP	\$ 53.50	\$ 92,766.77	\$ 78.87	\$ 136,760.58	1.82%
	1,900	CATHAY GENERAL BANCORP	\$ 38.19	\$ 72,558.55	\$ 33.91	\$ 64,429.00	0.86%
	2,100	COHEN & STEERS INC	\$ 33.73	\$ 70,833.00	\$ 42.27	\$ 88,767.00	1.18%
	2,400	EVERCORE INC	\$ 29.93	\$ 71,843.75	\$ 91.00	\$ 218,400.00	2.90%
	4,500	FIRST HAWAIIAN INC	\$ 26.54	\$ 119,450.94	\$ 26.05	\$ 117,225.00	1.56%
	2,300	FIRST INTERSTATE BANCSYSTEM INC	\$ 38.25	\$ 87,974.61	\$ 39.82	\$ 91,586.00	1.22%
	1,105	HANOVER INSURANCE GROUP INC/THE	\$ 42.78	\$ 47,271.90	\$ 114.17	\$ 126,157.85	1.68%
	1,900	HORACE MANN EDUCATORS CORP	\$ 24.66	\$ 46,862.74	\$ 35.21	\$ 66,899.00	0.89%
	4,000	KEMPER CORP	\$ 57.41	\$ 229,630.98	\$ 76.14	\$ 304,560.00	4.04%
	1,300	TRUSTCO BANK CORP NY	\$ 4.66	\$ 6,058.00	\$ 7.76	\$ 10,176.56	0.14%

Period Ending March 31, 2019. Source: Eagle Investment Systems, May 3, 2019.

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# Performance Review - Portfolio Holdings

	Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
<b>HEALTH CARE</b>				<b>\$ 105,244.46</b>		<b>\$ 193,588.00</b>	<b>2.57%</b>
	800	HILL-ROM HOLDINGS INC	\$ 44.40	\$ 35,517.88	\$ 105.86	\$ 84,688.00	1.12%
	3,300	PHIBRO ANIMAL HEALTH CORP	\$ 21.13	\$ 69,726.58	\$ 33.00	\$ 108,900.00	1.45%
<b>INDUSTRIALS</b>				<b>\$ 1,763,049.63</b>		<b>\$ 1,857,989.51</b>	<b>24.67%</b>
	1,800	ALTRA INDUSTRIAL MOTION CORP	\$ 40.07	\$ 72,134.66	\$ 31.05	\$ 56,196.00	0.75%
	3,500	APOGEE ENTERPRISES INC	\$ 51.01	\$ 178,524.85	\$ 37.49	\$ 131,215.00	1.74%
	300	BRADY CORP	\$ 41.39	\$ 12,416.57	\$ 46.41	\$ 13,923.00	0.18%
	300	COLUMBUS MCKINNON CORP/NY	\$ 34.67	\$ 10,402.38	\$ 34.35	\$ 10,305.00	0.14%
	8,800	COVANTA HOLDING CORP	\$ 17.92	\$ 157,688.66	\$ 17.31	\$ 154,528.00	2.05%
	3,000	CUBIC CORP	\$ 40.22	\$ 120,652.09	\$ 56.24	\$ 168,720.00	2.24%
	1,000	ENERSYS	\$ 84.79	\$ 84,788.54	\$ 65.16	\$ 65,160.00	0.87%
	900	ENPRO INDUSTRIES INC	\$ 69.32	\$ 62,389.03	\$ 64.45	\$ 58,005.00	0.77%
	2,000	GRANITE CONSTRUCTION INC	\$ 49.49	\$ 98,987.37	\$ 43.15	\$ 86,560.00	1.15%
	1,500	GREENBRIER COS INC/THE	\$ 45.08	\$ 67,618.11	\$ 32.23	\$ 48,345.00	0.64%
	4,900	HERMAN MILLER INC	\$ 26.25	\$ 128,631.12	\$ 35.18	\$ 173,349.75	2.30%
	2,357	INTERFACE INC	\$ 15.37	\$ 36,220.55	\$ 15.32	\$ 36,109.24	0.48%
	100	KADANT INC	\$ 88.18	\$ 8,818.11	\$ 87.96	\$ 8,796.00	0.12%
	3,000	KELLY SERVICES INC	\$ 18.60	\$ 55,808.30	\$ 22.06	\$ 66,180.00	0.88%
	1,700	KFORCE INC	\$ 19.58	\$ 33,284.43	\$ 35.12	\$ 59,704.00	0.79%
	5,700	KNOLL INC	\$ 18.85	\$ 107,436.69	\$ 18.91	\$ 107,787.00	1.43%
	1,854	KORN FERRY	\$ 30.88	\$ 57,250.64	\$ 44.78	\$ 83,207.52	1.10%
	200	LINDSAY CORP	\$ 96.11	\$ 19,221.87	\$ 96.79	\$ 19,358.00	0.26%
	500	MATSON INC	\$ 37.12	\$ 18,561.09	\$ 36.09	\$ 18,045.00	0.24%
	700	MATTHEWS INTERNATIONAL CORP	\$ 48.01	\$ 33,606.00	\$ 36.95	\$ 25,865.00	0.34%
	2,800	RITCHIE BROS AUCTIONEERS INC	\$ 25.51	\$ 71,421.66	\$ 34.00	\$ 95,200.00	1.26%
	500	SIMPSON MANUFACTURING CO INC	\$ 58.53	\$ 29,267.12	\$ 59.27	\$ 29,635.00	0.39%
	400	TENNANT CO	\$ 32.97	\$ 13,189.02	\$ 62.09	\$ 24,836.00	0.33%
	2,000	TETRA TECH INC	\$ 33.15	\$ 66,309.81	\$ 59.59	\$ 119,180.00	1.58%
	400	VALMONT INDUSTRIES INC	\$ 124.34	\$ 49,735.96	\$ 130.10	\$ 52,190.00	0.69%
	5,200	WABASH NATIONAL CORP	\$ 16.58	\$ 86,218.02	\$ 13.55	\$ 70,460.00	0.94%
	2,200	WERNER ENTERPRISES INC	\$ 37.48	\$ 82,466.98	\$ 34.15	\$ 75,130.00	1.00%
<b>INFORMATION TECHNOLOGY</b>				<b>\$ 956,309.88</b>		<b>\$ 936,210.00</b>	<b>12.43%</b>
	2,100	AVX CORP	\$ 16.50	\$ 34,659.47	\$ 17.34	\$ 36,414.00	0.48%
	1,300	CABOT MICROELECTRONICS CORP	\$ 109.72	\$ 142,639.63	\$ 111.96	\$ 146,094.00	1.94%
	2,500	COHU INC	\$ 19.54	\$ 48,840.12	\$ 14.75	\$ 37,001.00	0.49%
	2,600	COMTECH TELECOMMUNICATIONS CORP	\$ 29.76	\$ 77,372.57	\$ 23.22	\$ 60,372.00	0.80%
	4,800	DAKTRONICS INC	\$ 13.05	\$ 62,625.65	\$ 7.45	\$ 35,760.00	0.47%
	400	LITTELFUSE INC	\$ 182.22	\$ 72,888.74	\$ 182.48	\$ 72,992.00	0.97%

Period Ending March 31, 2019. Source: Eagle Investment Systems, May 3, 2019.

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.



# Performance Review - Portfolio Holdings

	Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
	1,100	MKS INSTRUMENTS INC	\$ 83.56	\$ 91,919.35	\$ 93.05	\$ 102,355.00	1.36%
	600	MONOLITHIC POWER SYSTEMS INC	\$ 132.61	\$ 79,568.23	\$ 135.49	\$ 81,534.00	1.08%
	5,200	POWER INTEGRATIONS INC	\$ 66.50	\$ 345,796.12	\$ 69.94	\$ 363,688.00	4.83%
<b>MATERIALS</b>			<b>\$</b>	<b>385,621.14</b>	<b>\$</b>	<b>349,298.00</b>	<b>4.64%</b>
	2,300	BOISE CASCADE CO	\$ 38.26	\$ 88,000.88	\$ 26.76	\$ 61,548.00	0.82%
	500	CABOT CORP	\$ 47.05	\$ 23,526.04	\$ 41.63	\$ 20,815.00	0.28%
	1,400	CARPENTER TECHNOLOGY CORP	\$ 42.51	\$ 59,514.00	\$ 45.85	\$ 64,190.00	0.85%
	3,000	COMMERCIAL METALS CO	\$ 18.92	\$ 56,754.93	\$ 17.08	\$ 51,240.00	0.68%
	600	HAYNES INTERNATIONAL INC	\$ 51.93	\$ 31,158.00	\$ 32.83	\$ 19,698.00	0.26%
	1,100	NEENAH INC	\$ 66.72	\$ 73,390.15	\$ 64.36	\$ 70,796.00	0.94%
	900	SENSIENT TECHNOLOGIES CORP	\$ 59.20	\$ 53,277.14	\$ 67.79	\$ 61,011.00	0.81%
<b>REAL ESTATE</b>			<b>\$</b>	<b>869,493.25</b>	<b>\$</b>	<b>859,116.58</b>	<b>11.41%</b>
	3,182	ALEXANDER & BALDWIN INC	\$ 35.29	\$ 112,283.48	\$ 25.44	\$ 80,950.08	1.07%
	4,700	DIAMONDROCK HOSPITALITY CO	\$ 11.07	\$ 52,050.57	\$ 10.83	\$ 51,488.50	0.68%
	600	MONMOUTH REAL ESTATE INVESTMENT	\$ 8.32	\$ 4,992.00	\$ 13.18	\$ 7,908.00	0.11%
	10,400	OUTFRONT MEDIA INC	\$ 20.75	\$ 215,802.26	\$ 23.40	\$ 243,360.00	3.23%
	14,000	PHYSICIANS REALTY TRUST	\$ 15.76	\$ 220,601.49	\$ 18.81	\$ 263,340.00	3.50%
	9,100	TANGER FACTORY OUTLET CENTERS	\$ 26.88	\$ 244,643.30	\$ 20.98	\$ 190,918.00	2.53%
	400	TAUBMAN CENTERS INC	\$ 47.80	\$ 19,120.15	\$ 52.88	\$ 21,152.00	0.28%

Period Ending March 31, 2019. Source: Eagle Investment Systems, May 3, 2019.

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 Midcap<sup>®</sup> 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<sup>®</sup> Value Index.

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**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<sup>®</sup> Value, Russell Midcap<sup>®</sup>, or the S&P 400<sup>®</sup>.

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## SECTOR WEIGHTINGS AND PORTFOLIO CHARACTERISTICS

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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

