

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

Third Quarter 2019

November 21, 2019
Fort Pierce, Florida

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AFFILIATES

CEREDEX
VALUE ADVISORS®
A VIRTUS INVESTMENT PARTNER

DUFF & PHELPS
INVESTMENT MANAGEMENT CO.
A VIRTUS INVESTMENT PARTNER

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CAPITAL MANAGEMENT™
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Virtus ETF Solutions



SUBADVISERS

AVIVA INVESTORS

HERZFELD

HORIZON KINETICS

Vontobel

ZVNBGRN¹
zevenbergen capital investments

¹ Virtus has a minority ownership position in Zevenbergen Capital Investments.
As of 9/30/19.



OUR FIRM

- Value Equity investing roots trace back to 1989
- Approximately \$9.1 billion AUM* in three primary strategies
- Headquartered in Orlando, Florida

OUR INVESTMENT STRATEGIES

	Large Cap Value	Mid-Cap Value	Small Cap Value
Assets	\$3.1 billion	\$4.2 billion	\$1.8 billion
Lead Manager Experience	37 Years	23 Years	34 Years

OUR INVESTMENT PROFESSIONALS*

- 13 Investment Professionals
- 3 Portfolio Managers have worked together for 23 years
- 10 CFA Charterholders

*AUM as of 9/30/19 (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
- 37 years investment experience

Donald Wordell, CFA
Mid-Cap Value Portfolio Manager

- BS Finance, University of Central Florida, 1992
- MBA, University of Central Florida, 1996
- 23 years investment experience

Brett Barner, CFA
Small Cap Value Portfolio Manager

- BSBA Finance, University of Central Florida, 1985
- 34 years investment experience

VALUE EQUITY ANALYSTS

Charlie Carter, CFA
Consumer Discretionary, Consumer Staples

- BS Management, Georgia Institute of Technology, 2000
- 18 years investment experience

Melissa Miller, CFA
Financials

- BA Accounting, Creighton University, 1996
- MBA, University of Iowa, 2001
- 18 years investment experience

Cody Smith, CFA
Health Care, Technology

- BSBA Finance, Drake University, 2004
- 15 years investment experience

Hein Hanekom, CFA
Energy, Utilities

- BS Finance, Western Carolina University, 2005
- MBA, University of Central Florida, 2007
- 14 years investment experience

Jason Fraser, CFA
Financials, Telecom

- BS Finance, University of Florida, 2005
- 14 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
- 15 years investment experience

David Maynard
Industrials

- BA Economics and Mathematics, Vanderbilt University, 2005
- MBA, University of Virginia, 2012
- 14 years investment experience

PORTFOLIO SPECIALIST

- Sarah Thompson**
- BA Psychology, Purdue University, 1995
 - 19 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





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





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

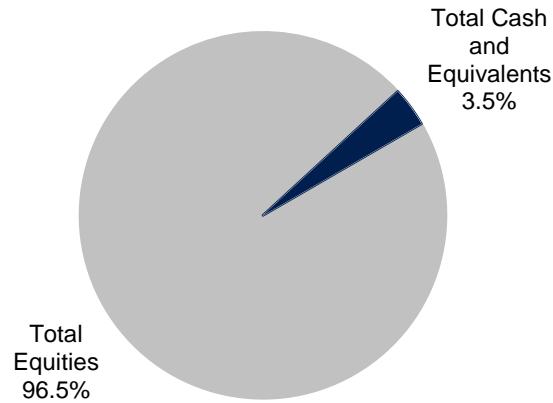
Dividends Reduce Duration

Margin of Safety

Diversity Among &
Within Sectors



Portfolio Composition



Assets	Market Value	% of Total
Total Portfolio	\$ 7,774,843.24	100.0%
Total Equities	\$ 7,502,156.99	96.5%
Total Cash and Equivalents	\$ 272,686.25	3.5%

Period Ending September 30, 2019. Source: Eagle Investment Systems, October 30, 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 06/30/2019	\$	7,691,553.31
Contributions	\$	-
Withdrawals	\$	(17,280.75)
Net Contributions/Withdrawals	\$	(17,280.75)
Portfolio Earnings		
Interest	\$	1,222.31
Dividends	\$	47,009.69
Realized Gains/Losses	\$	(31,241.72)
Unrealized Gains/Losses	\$	83,580.40
Total Portfolio Earnings	\$	100,570.68
Ending Portfolio Market Value 09/30/2019	\$	7,774,843.24
Net Change	\$	83,289.93

Period Ending September 30, 2019. Source: Eagle Investment Systems, October 30, 2019.

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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 09/30/2018	\$	8,137,812.43
Contributions	\$	-
Withdrawals	\$	(67,697.14)
Net Contributions/Withdrawals	\$	(67,697.14)
Portfolio Earnings		
Interest	\$	4,837.67
Dividends	\$	213,177.17
Realized Gains/Losses	\$	104,012.21
Unrealized Gains/Losses	\$	(617,299.10)
Total Portfolio Earnings	\$	(295,272.05)
Ending Portfolio Market Value 09/30/2019	\$	7,774,843.24
Net Change	\$	(362,969.19)

Period Ending September 30, 2019. Source: Eagle Investment Systems, October 30, 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 September 30, 2019		
\$ Original Investment		\$ 5,459,900.00
+ Subsequent Contributions		\$ 1,343,255.15
- Subsequent Withdrawals		\$ (19,978,773.07)
- Management Fees		\$ (1,317,177.11)
+ Total Investment Earnings		\$ 22,267,638.27
+ Income	\$ 3,433,639.93	
+/- Capital Appreciation (Depreciation)	\$ 18,833,998.34	
Total Assets as of September 30, 2019		\$ 7,774,843.24

Period Ending September 30, 2019. Source: Eagle Investment Systems and SunTrust Portfolio View, October 30, 2019.
See Investment Performance in Appendix.

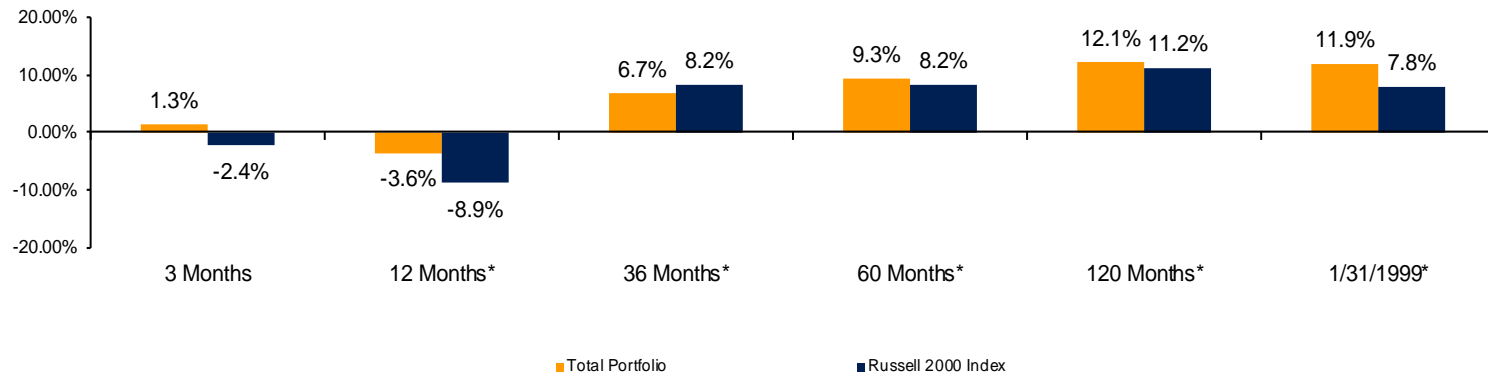
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Performance Comparisons

	<u>3 Months</u>	<u>12 Months*</u>	<u>36 Months*</u>	<u>60 Months*</u>	<u>120 Months*</u>	<u>Inception To Date 1/31/1999*</u>
Total Portfolio	1.31%	-3.61%	6.67%	9.27%	12.09%	11.85%
Russell 2000 Value Index	-0.57%	-8.24%	6.54%	7.17%	10.06%	8.71%
Russell 2000 Index	-2.40%	-8.89%	8.23%	8.18%	11.19%	7.78%



Period Ending September 30, 2019. Source: Eagle Investment Systems, October 30, 2019.

*Annualized returns.

Past performance is not indicative of future results.

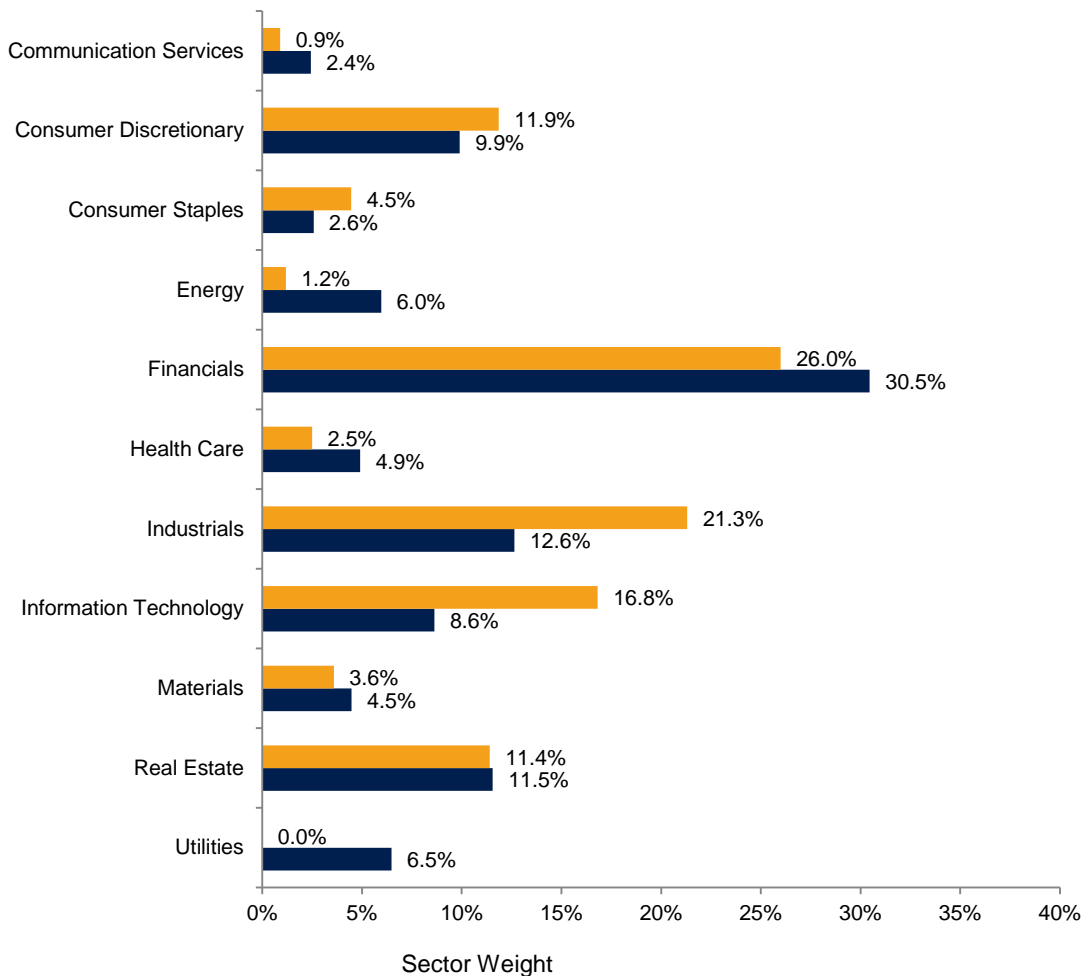
The comparative performance contained herein reflects annualized returns for specific time periods, are gross of all fees, are not indicative of actual annual returns, and may not be relied upon for investment decisions. See Investment Performance Disclosure in Appendix.

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Sector Concentration*

● Portfolio ● Russell 2000 Value



Portfolio Characteristics*

Characteristic	Portfolio	Russell 2000 Value
Market Cap (billion)	\$3.2	\$2.0
Dividend Yield	2.5%	2.3%
Price-to-Earnings (12 months trailing)	18.2	13.8
Price-to-Book	2.1	1.3
Price-to-Sales	1.1	0.8

Top 10 Holdings*

Security	%
Kemper Corporation	5.0
Power Integrations, Inc.	4.9
Energizer Holdings Inc.	4.4
First American Financial Corporation	4.1
SLM Corp	3.9
Physicians Realty Trust	3.8
Sabre Corp.	3.5
Cubic Corporation	3.3
Children's Place, Inc.	3.1
American Eagle Outfitters, Inc.	2.8

See Holdings Disclosure in Appendix.

* Period Ending September 30, 2019. Source: FactSet, October 30, 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
Kemper Corporation	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.
Power Integrations, Inc.	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.
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. Energizer Holdings was founded in 2000 and is headquartered in St. Louis, MO.
First American Financial Corporation	First American Financial Corp. operates as an insurance company. It provides title insurance and settlement services to the real estate and mortgage industries. The company operates its business through the following segments: Title Insurance & Services and Specialty Insurance. The Title Insurance & Services segment provides title insurance, escrow, closing services and similar or related financial services domestically and internationally in connection with residential and commercial real estate transactions.
SLM Corp	SLM Corp. engages in the origination, servicing, and administration of education loans. Its services include private education loans, banking, college savings, and insurance services. The company was founded in 1972 and is headquartered in Newark, DE.
Physicians Realty Trust	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.
Sabre Corp.	Sabre Corp. is a technology solutions provider to the global travel and tourism industry. It offers technology solutions including, data-driven business intelligence, mobile, distribution and software-as-a-service solutions. The company operates through the following segments: Travel Network, Airline Solutions and Hospitality Solutions.
Cubic Corporation	Cubic Corp. is a technology provider of integrated solutions. The company designs, integrates and operates systems, products and services focused in the transportation, defense C4ISR and training markets. It operates through the following segments: Cubic Transportation Systems, Cubic Global Defense Services, and Cubic Global Defense Systems.
Children's Place, Inc.	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.
American Eagle Outfitters, Inc.	American Eagle Outfitters, Inc. is a multi-brand specialty retailer. It offers an assortment of apparel and accessories for men and women under the American Eagle Outfitters brand, and intimates, apparel and personal care products for women under the Aerie brand. The firm operates stores in the United States, Canada, Mexico, Hong Kong, China and the United Kingdom.

Period Ending September 30, 2019. Source: Factset, October 30, 2019.

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Performance Review - Portfolio Holdings

	Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.	
City of Fort Pierce, Florida Retirement and Benefit System				\$	7,105,124.25	\$	7,774,843.24	100.00%
Currency				\$	272,686.25	\$	272,686.25	3.51%
	272,686	US DOLLAR	\$ 1.00	\$ 272,686.25	\$	\$ 272,686.25	3.51%	
Common Stock				\$	6,832,438.00	\$	7,502,156.99	96.49%
COMMUNICATION SERVICES				\$	64,460.46	\$	66,951.00	0.86%
	100	EMERALD EXPOSITIONS EVENTS INC	\$ 14.91	\$ 1,490.63	\$ 9.73	\$ 973.00	0.01%	
	900	JOHN WILEY & SONS INC	\$ 44.63	\$ 40,163.83	\$ 43.94	\$ 39,546.00	0.51%	
	700	SCHOLASTIC CORP	\$ 32.58	\$ 22,806.00	\$ 37.76	\$ 26,432.00	0.34%	
CONSUMER DISCRETIONARY				\$	912,421.00	\$	891,919.00	11.47%
	12,900	AMERICAN EAGLE OUTFITTERS INC	\$ 14.96	\$ 192,948.47	\$ 16.22	\$ 209,238.00	2.69%	
	3,600	BLOOMIN' BRANDS INC	\$ 18.09	\$ 65,118.41	\$ 18.93	\$ 68,148.00	0.88%	
	3,000	CHILDREN'S PLACE INC/THE	\$ 91.59	\$ 274,756.37	\$ 76.99	\$ 232,650.00	2.99%	
	5,900	DESIGNER BRANDS INC	\$ 17.17	\$ 101,321.82	\$ 17.12	\$ 102,483.00	1.32%	
	200	LITHIA MOTORS INC	\$ 95.83	\$ 19,165.90	\$ 132.38	\$ 26,476.00	0.34%	
	1,200	MOVADO GROUP INC	\$ 32.40	\$ 38,875.17	\$ 24.86	\$ 29,832.00	0.38%	
	4,000	PENSKE AUTOMOTIVE GROUP INC	\$ 45.57	\$ 182,288.72	\$ 47.28	\$ 189,120.00	2.43%	
	600	STANDARD MOTOR PRODUCTS INC	\$ 46.41	\$ 27,847.72	\$ 48.55	\$ 29,130.00	0.37%	
	300	TUPPERWARE BRANDS CORP	\$ 33.66	\$ 10,098.42	\$ 15.87	\$ 4,842.00	0.06%	
CONSUMER STAPLES				\$	314,968.90	\$	333,960.00	4.30%
	7,500	ENERGIZER HOLDINGS INC	\$ 40.92	\$ 306,931.97	\$ 43.58	\$ 326,850.00	4.20%	
	100	PRICESMART INC	\$ 80.37	\$ 8,036.93	\$ 71.10	\$ 7,110.00	0.09%	
ENERGY				\$	179,500.96	\$	88,763.25	1.14%
	3,500	SM ENERGY CO	\$ 19.15	\$ 67,019.27	\$ 9.69	\$ 33,915.00	0.44%	
	5,700	US SILICA HOLDINGS INC	\$ 19.73	\$ 112,481.69	\$ 9.56	\$ 54,848.25	0.71%	
FINANCIALS				\$	1,548,694.16	\$	1,947,720.38	25.05%
	700	AMERISAFE INC	\$ 60.02	\$ 42,016.52	\$ 66.11	\$ 46,277.00	0.60%	
	900	ARTISAN PARTNERS ASSET MANAGEMENT	\$ 29.15	\$ 26,236.50	\$ 28.24	\$ 25,416.00	0.33%	
	1,734	BANK OF HAWAII CORP	\$ 53.50	\$ 92,766.77	\$ 85.93	\$ 149,002.62	1.92%	
	2,100	CATHAY GENERAL BANCORP	\$ 37.75	\$ 79,281.07	\$ 34.74	\$ 72,943.50	0.94%	
	100	COHEN & STEERS INC	\$ 33.73	\$ 3,373.00	\$ 54.93	\$ 5,493.00	0.07%	
	2,300	EVERCORE INC	\$ 29.93	\$ 68,850.26	\$ 80.10	\$ 184,230.00	2.37%	
	5,200	FIRST AMERICAN FINANCIAL CORP	\$ 57.95	\$ 301,351.32	\$ 59.01	\$ 306,852.00	3.95%	
	5,700	FIRST HAWAIIAN INC	\$ 26.41	\$ 150,537.53	\$ 26.70	\$ 152,190.00	1.96%	
	2,300	FIRST INTERSTATE BANCSYSTEM INC	\$ 38.25	\$ 87,974.61	\$ 40.24	\$ 92,552.00	1.19%	
	1,105	HANOVER INSURANCE GROUP INC/THE	\$ 42.78	\$ 47,271.90	\$ 135.54	\$ 149,771.70	1.93%	
	1,800	HORACE MANN EDUCATORS CORP	\$ 24.66	\$ 44,396.28	\$ 46.33	\$ 83,394.00	1.07%	
	4,800	KEMPER CORP	\$ 60.17	\$ 288,792.32	\$ 77.95	\$ 374,160.00	4.81%	
	33,400	SLM CORP	\$ 9.28	\$ 309,788.08	\$ 8.83	\$ 294,755.00	3.79%	

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Performance Review - Portfolio Holdings

	Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
	1,300	TRUSTCO BANK CORP NY	\$ 4.66	\$ 6,058.00	\$ 8.15	\$ 10,683.56	0.14%
HEALTH CARE				\$ 134,462.36		\$ 187,565.00	2.41%
	1,600	HILL-ROM HOLDINGS INC	\$ 71.99	\$ 115,176.53	\$ 105.23	\$ 168,368.00	2.17%
	900	PHIBRO ANIMAL HEALTH CORP	\$ 21.43	\$ 19,285.83	\$ 21.33	\$ 19,197.00	0.25%
INDUSTRIALS				\$ 1,378,171.20		\$ 1,600,621.04	20.59%
	900	ALTRA INDUSTRIAL MOTION CORP	\$ 40.07	\$ 36,067.33	\$ 27.70	\$ 25,078.50	0.32%
	2,600	APOGEE ENTERPRISES INC	\$ 50.67	\$ 131,754.01	\$ 38.99	\$ 101,374.00	1.30%
	300	COLUMBUS MCKINNON CORP/NY	\$ 34.67	\$ 10,402.38	\$ 36.43	\$ 10,929.00	0.14%
	8,200	COVANTA HOLDING CORP	\$ 17.91	\$ 146,827.00	\$ 17.29	\$ 143,828.00	1.85%
	3,500	CUBIC CORP	\$ 42.91	\$ 150,182.64	\$ 70.43	\$ 246,505.00	3.17%
	1,300	ENERSYS	\$ 78.18	\$ 101,630.18	\$ 65.94	\$ 85,722.00	1.10%
	1,000	ENPRO INDUSTRIES INC	\$ 69.02	\$ 69,018.73	\$ 68.65	\$ 68,650.00	0.88%
	600	GREENBRIER COS INC/THE	\$ 45.08	\$ 27,047.25	\$ 30.12	\$ 18,072.00	0.23%
	3,200	HERMAN MILLER INC	\$ 26.71	\$ 85,479.92	\$ 46.09	\$ 148,412.00	1.91%
	2,857	INTERFACE INC	\$ 14.82	\$ 42,341.73	\$ 14.44	\$ 41,255.08	0.53%
	1,700	KELLY SERVICES INC	\$ 18.81	\$ 31,968.94	\$ 24.22	\$ 41,174.00	0.53%
	1,300	KFORCE INC	\$ 19.58	\$ 25,452.80	\$ 37.84	\$ 49,185.50	0.63%
	5,500	KNOLL INC	\$ 18.92	\$ 104,065.30	\$ 25.35	\$ 139,425.00	1.79%
	1,554	KORN FERRY	\$ 30.88	\$ 47,986.77	\$ 38.64	\$ 60,201.96	0.77%
	100	LINDSAY CORP	\$ 96.11	\$ 9,610.94	\$ 92.85	\$ 9,285.00	0.12%
	500	MATSON INC	\$ 37.12	\$ 18,561.09	\$ 37.51	\$ 18,755.00	0.24%
	500	MATTHEWS INTERNATIONAL CORP	\$ 48.01	\$ 24,004.29	\$ 35.39	\$ 17,695.00	0.23%
	2,600	RITCHIE BROS AUCTIONEERS INC	\$ 25.82	\$ 67,129.00	\$ 39.90	\$ 103,740.00	1.33%
	100	SIMPSON MANUFACTURING CO INC	\$ 58.53	\$ 5,853.42	\$ 69.37	\$ 6,937.00	0.09%
	400	TENNANT CO	\$ 32.97	\$ 13,189.02	\$ 70.70	\$ 28,280.00	0.36%
	300	TETRA TECH INC	\$ 33.15	\$ 9,946.48	\$ 86.76	\$ 26,028.00	0.33%
	400	VALMONT INDUSTRIES INC	\$ 124.34	\$ 49,735.96	\$ 138.44	\$ 55,526.00	0.71%
	5,300	WABASH NATIONAL CORP	\$ 16.50	\$ 87,449.04	\$ 14.51	\$ 76,903.00	0.99%
	2,200	WERNER ENTERPRISES INC	\$ 37.48	\$ 82,466.98	\$ 35.30	\$ 77,660.00	1.00%
INFORMATION TECHNOLOGY				\$ 1,103,980.92		\$ 1,260,271.00	16.21%
	2,100	AVX CORP	\$ 16.50	\$ 34,659.47	\$ 15.20	\$ 31,920.00	0.41%
	1,300	CABOT MICROELECTRONICS CORP	\$ 109.72	\$ 142,639.63	\$ 141.21	\$ 183,573.00	2.36%
	2,600	COHU INC	\$ 19.45	\$ 50,576.62	\$ 13.51	\$ 35,269.00	0.45%
	2,700	COMTECH TELECOMMUNICATIONS CORP	\$ 29.51	\$ 79,663.57	\$ 32.50	\$ 87,750.00	1.13%
	400	DAKTRONICS INC	\$ 12.82	\$ 5,127.00	\$ 7.39	\$ 2,954.00	0.04%
	500	LITTELFUSE INC	\$ 185.17	\$ 92,586.50	\$ 177.31	\$ 88,655.00	1.14%
	1,100	MKS INSTRUMENTS INC	\$ 83.56	\$ 91,919.35	\$ 92.28	\$ 101,508.00	1.31%
	600	MONOLITHIC POWER SYSTEMS INC	\$ 132.61	\$ 79,568.23	\$ 155.63	\$ 93,618.00	1.20%

Period Ending September 30, 2019. Source: Eagle Investment Systems, October 30, 2019.

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Performance Review - Portfolio Holdings

	Units	Security	Unit Cost	Book Value	Price	Market Value	Alloc.
	4,100	POWER INTEGRATIONS INC	\$ 66.50	\$ 272,646.94	\$ 90.43	\$ 370,763.00	4.77%
	11,800	SABRE CORP	\$ 21.58	\$ 254,593.61	\$ 22.40	\$ 264,261.00	3.40%
MATERIALS			\$	265,628.95	\$	269,333.00	3.46%
	1,200	BOISE CASCADE CO	\$ 38.26	\$ 45,913.50	\$ 32.59	\$ 39,108.00	0.50%
	100	CABOT CORP	\$ 47.05	\$ 4,705.21	\$ 45.32	\$ 4,532.00	0.06%
	1,300	CARPENTER TECHNOLOGY CORP	\$ 42.51	\$ 55,263.00	\$ 51.66	\$ 67,158.00	0.86%
	2,700	COMMERCIAL METALS CO	\$ 18.84	\$ 50,860.10	\$ 17.38	\$ 46,926.00	0.60%
	300	HAYNES INTERNATIONAL INC	\$ 51.93	\$ 15,579.00	\$ 35.84	\$ 10,752.00	0.14%
	600	NEENAH INC	\$ 66.72	\$ 40,031.00	\$ 65.12	\$ 39,072.00	0.50%
	900	SENSIENT TECHNOLOGIES CORP	\$ 59.20	\$ 53,277.14	\$ 68.65	\$ 61,785.00	0.79%
REAL ESTATE			\$	930,149.09	\$	855,053.32	11.00%
	3,282	ALEXANDER & BALDWIN INC	\$ 34.94	\$ 114,659.98	\$ 24.51	\$ 80,441.82	1.03%
	2,500	AMERICAN CAMPUS COMMUNITIES INC	\$ 46.92	\$ 117,305.64	\$ 48.08	\$ 120,200.00	1.55%
	4,900	DIAMONDROCK HOSPITALITY CO	\$ 11.06	\$ 54,173.57	\$ 10.25	\$ 50,837.50	0.65%
	600	MONMOUTH REAL ESTATE INVESTMENT	\$ 8.32	\$ 4,992.00	\$ 14.41	\$ 8,646.00	0.11%
	5,100	OUTFRONT MEDIA INC	\$ 20.89	\$ 106,538.20	\$ 27.78	\$ 141,678.00	1.82%
	16,100	PHYSICIANS REALTY TRUST	\$ 15.97	\$ 257,174.51	\$ 17.75	\$ 285,775.00	3.68%
	9,500	TANGER FACTORY OUTLET CENTERS	\$ 26.51	\$ 251,824.82	\$ 15.48	\$ 147,060.00	1.89%
	500	TAUBMAN CENTERS INC	\$ 46.96	\$ 23,480.37	\$ 40.83	\$ 20,415.00	0.26%

Period Ending September 30, 2019. Source: Eagle Investment Systems, October 30, 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.

CLIENT REPORTS AND CUSTODY STATEMENT

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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.

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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. Mid- and small-capitalization stocks typically carry additional risks since smaller companies generally have a higher risk of failure. Securities of mid-cap companies may be more volatile and less liquid than the securities of large-cap companies. 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.

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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

