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## **Palm Beach Gardens Police Officers' Retirement Fund**

Investment Review

Quarter Ending

December 31, 2013

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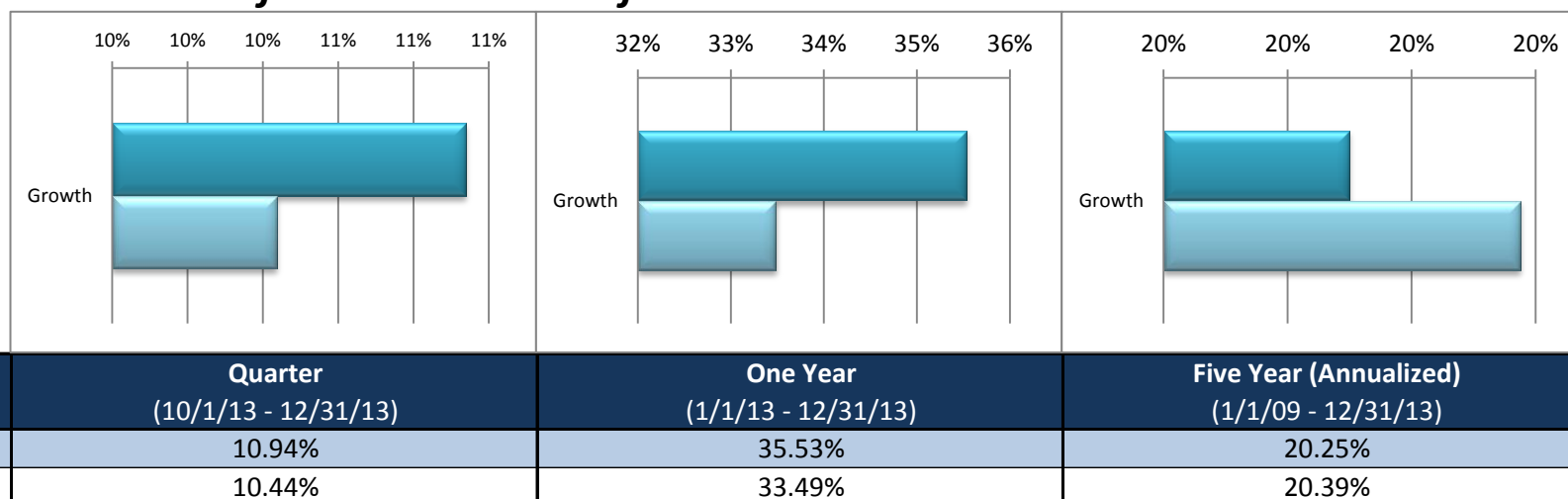
**Palm Beach Gardens Police Officers' Retirement Fund****Period Ending 12/31/2013*****Total Return Summary - Growth***

	Beginning Market Value	Ending Market Value	Difference	Contributions	Withdrawals	Gain/Loss
<b>Quarter</b> (10/1/13 - 12/31/13)	\$8,183,173.91	\$9,076,285.71	\$893,111.80	\$0.00	-\$1,764.54	\$894,876.34
<b>One Year</b> (1/1/13 - 12/31/13)	\$6,879,255.52	\$9,076,285.71	\$2,197,030.19	\$0.00	-\$203,620.51	\$2,400,650.70
<b>Five Year</b> (1/1/09 - 12/31/13)	\$3,453,041.65	\$9,076,285.71	\$5,623,244.06	\$1,767,265.03	-\$1,723,049.09	\$5,579,028.12

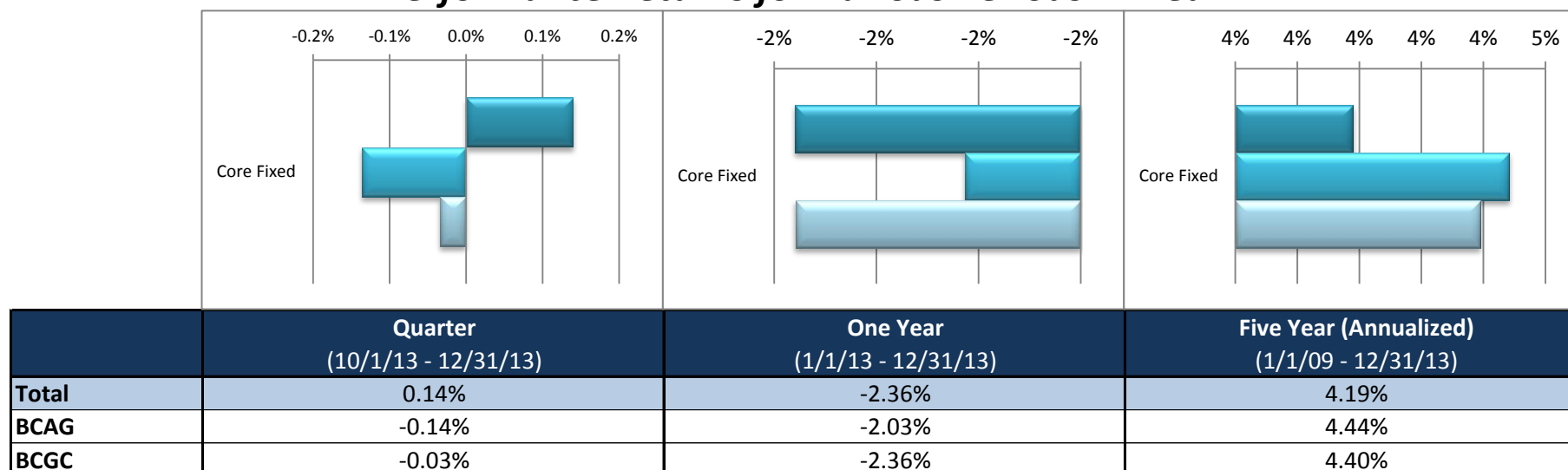
***Total Return Summary - Fixed***

	Value	Market Value	Difference	Contributions	Withdrawals	Gain/Loss
<b>Quarter</b> (10/1/13 - 12/31/13)	\$16,533,712.47	\$16,309,564.19	-\$224,148.28	\$0.00	-\$246,256.06	\$22,107.78
<b>One Year</b> (1/1/13 - 12/31/13)	\$16,811,961.11	\$16,309,564.19	-\$502,396.92	\$700,000.00	-\$792,836.35	-\$409,560.57
<b>Five Year</b> (1/1/09 - 12/31/13)	\$11,959,556.22	\$16,309,564.19	\$4,350,007.97	\$13,539,534.18	-\$12,189,940.25	\$3,000,414.04

***Performance Returns for Various Periods - Growth***




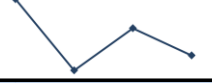
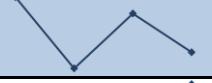

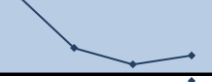






***Performance Returns for Various Periods - Fixed***



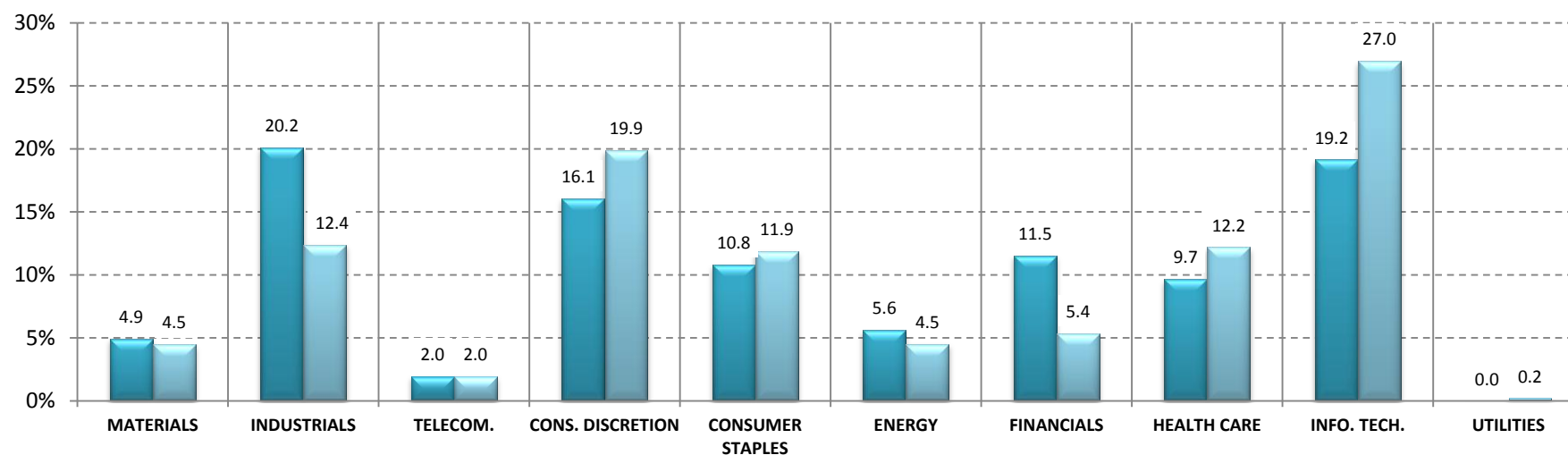


***Large Cap Growth - Five Year Performance Metrics vs. Russell 1000 Growth***

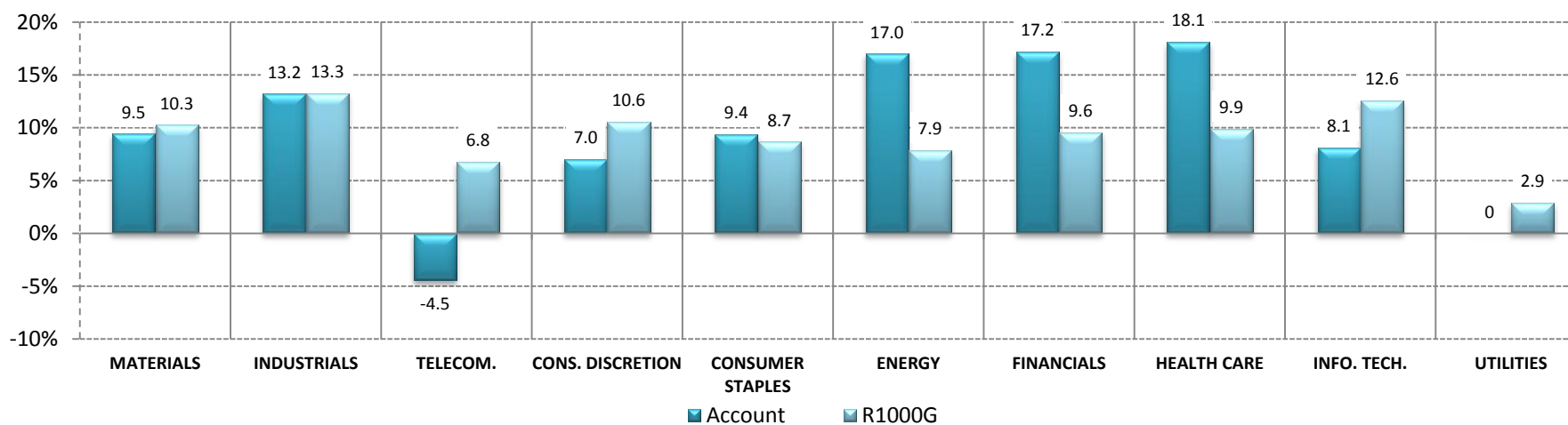
Metric	History	3/31/2013	6/30/2013	9/30/2013	12/31/2013	Definition
Batting Average (%)		55.0%	50.0%	50.0%	50.0%	The percentage of quarters the portfolio has outperformed the benchmark.
Alpha (%)		2.15	1.55	2.33	-0.39	The excess return of the portfolio relative to the return of the benchmark index on a risk-adjusted basis.
Beta		1.03	1.01	1.00	1.06	A measure of the volatility, or systematic risk, of the portfolio in comparison to the index.
Composite Std. Deviation (%)		20.56	15.88	18.64	16.86	A measure of the dispersion of the portfolio's historical returns from the average. The more spread apart the returns, the higher the deviation.
Benchmark Std. Deviation (%)		19.03	14.11	17.89	15.22	A measure of the dispersion of the benchmark's historical returns from the average. The more spread apart the returns, the higher the deviation.
R-Squared		0.916	0.924	0.919	0.925	A statistical measure that represents the percentage of portfolio's movements that can be explained by movements in the benchmark index.
Up-Market Capture Ratio (%)		107.90	104.20	103.10	103.70	A statistical measure of the portfolio's overall performance in up-markets. It is used to evaluate how well the portfolio performed relative to an index during periods when that index has risen.
Down-Market Capture Ratio (%)		95.80	95.80	89.50	98.80	A statistical measure of the portfolio's overall performance in down-markets. It is used to evaluate how well the portfolio performed relative to an index during periods when that index has fallen.
Information Ratio		0.33	0.25	0.39	0.13	The information ratio measures a portfolio's ability to generate excess returns relative to a benchmark, but also attempts to identify the consistency of the portfolio.
Tracking Error		6.44	6.48	6.26	5.62	This measure reports the difference between the return a portfolio receives and that of the benchmark it is paired against.
Sharpe Ratio		0.45	0.45	0.77	1.25	A measure that indicates the average return minus the risk-free return divided by the standard deviation of return.

\*All metrics are based upon the composite performance.

### ***Growth Sector Allocation***



### ***Growth Sector Returns (4Q13)***


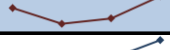
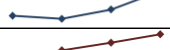



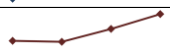





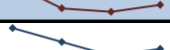
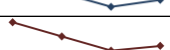

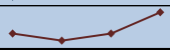
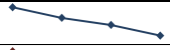







***Growth - Top Ten Equity Holdings***

Security	Weight %	IRR %
AMERICAN EXPRESS CORP.	2.80	20.51
IBM	2.48	1.81
AFFILIATED MANAGERS GROUP INC	2.39	18.75
CARDINAL HEALTH INC	2.36	28.69
EBAY INC.	2.30	(1.67)
GOOGLE INC CL A	2.27	13.09
LOWES CORP	2.13	4.47
HONEYWELL	2.11	10.60
CBS CORP. CLASS B	2.11	15.78
HOME DEPOT	2.09	9.09

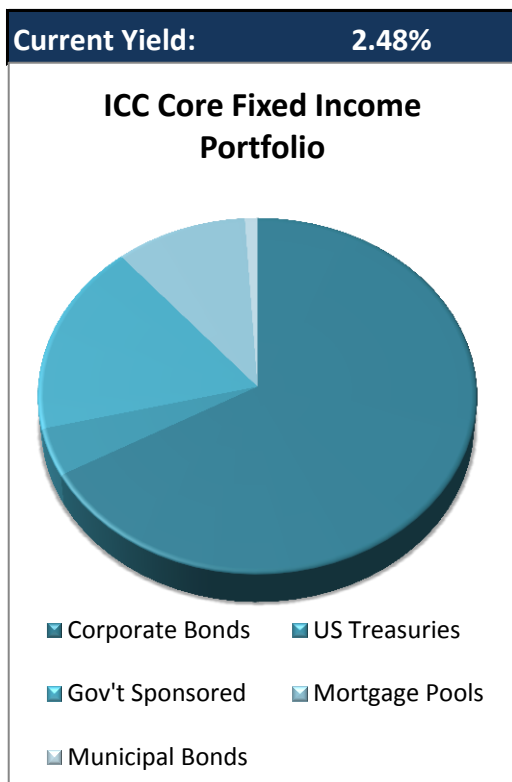


**Large Cap Growth - Portfolio Characteristics vs. Russell 1000 Growth**

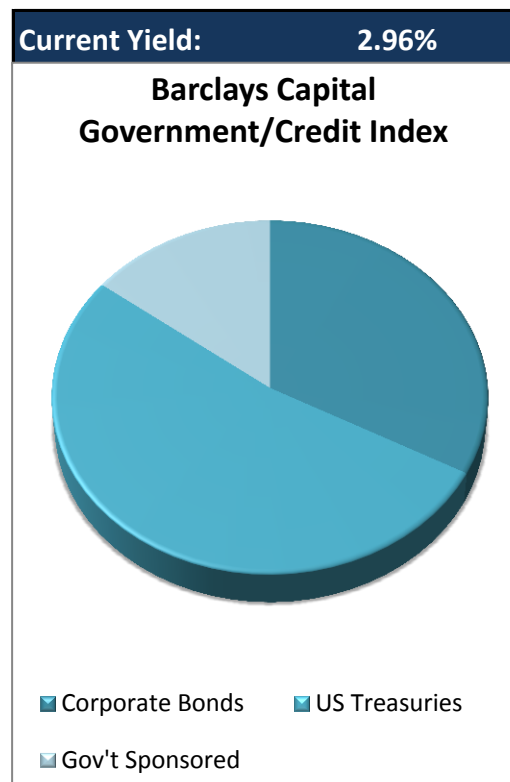
Metric		History	3/31/2013	6/30/2013	9/30/2013	12/31/2013	Definition
Market Capitalization (\$MM)	-Large Cap Growth		61.9	62.5	60.9	74.1	The weighted average of the total dollar market value of each company's outstanding shares.
	-Benchmark		93.7	84.0	87.3	101.1	
Price to Earnings	-Large Cap Growth		14.5	14.3	14.9	16.1	A weighted average of the valuation ratio of each company's current share price compared to its previous year per-share earnings.
	-Benchmark		14.9	16.5	17.5	18.6	
Price to Book	-Large Cap Growth		3.3	3.1	3.4	3.8	A weighted average of the valuation ratio of each company's current share price compared to its per-share book value.
	-Benchmark		4.4	4.4	4.5	4.9	
Price to Sales	-Large Cap Growth		0.9	0.9	1.0	1.1	A weighted average of the valuation ratio of each company's current share price compared to its previous year per-share sales.
	-Benchmark		1.8	1.8	1.9	2.0	
Price to Cash Flow	-Large Cap Growth		11.3	11.0	11.3	12.1	A weighted average of the valuation ratio of each company's current share price compared to its previous year per-share cash flows.
	-Benchmark		12.3	12.6	13.3	14.3	
Dividend Yield (%)	-Large Cap Growth		1.8	1.9	1.7	1.6	A weighted average that shows how much each company pays out in dividends each year relative to its share price.
	-Benchmark		1.8	1.7	1.7	1.6	
EPS Growth (%) (1 Year)	-Large Cap Growth		10.0	9.0	11.0	13.0	The weighted average of each company's percentage change in earnings per share (EPS), on a historical one-year basis.
	-Benchmark		17.0	10.0	9.0	11.0	
EPS Growth (%) (3 Year)	-Large Cap Growth		16.0	14.0	12.0	13.0	The weighted average of each company's percentage change in earnings per share (EPS), on a historical three-year annualized basis.
	-Benchmark		20.0	17.0	14.0	15.0	
EPS Growth (%) (5 Year)	-Large Cap Growth		11.0	12.0	17.0	20.0	The weighted average of each company's percentage change in earnings per share (EPS), on a historical five-year annualized basis.
	-Benchmark		18.0	17.0	18.0	21.0	
Return on Assets (%)	-Large Cap Growth		11.5	11.2	11.0	10.7	The weighted average of how profitable each company is relative to its total assets on a historical five-year basis.
	-Benchmark		15.4	14.8	14.7	14.8	
Debt to Equity (%)	-Large Cap Growth		35.0	35.0	36.0	38.0	A weighted average of each company's financial leverage calculated by dividing its total liabilities by stockholders' equity. It indicates what proportion of equity and debt the company is using to finance its assets.
	-Benchmark		33.0	34.0	34.0	34.0	

\*Characteristics are based upon the composite.

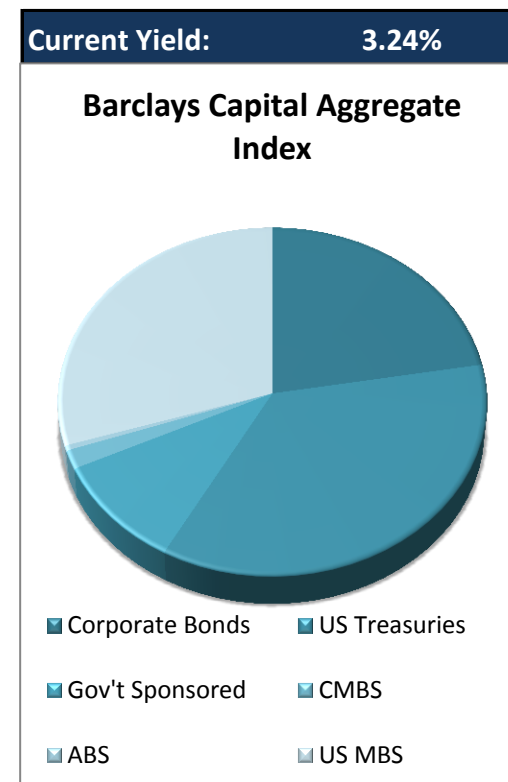
***Fixed Income Sector Allocation***



Corporate Bonds	66.9%
US Treasuries	4.3%
Gov't Sponsored	17.6%
Mortgage Pools	10.2%
Municipal Bonds	1.0%
<b>Total</b>	<b>100%</b>

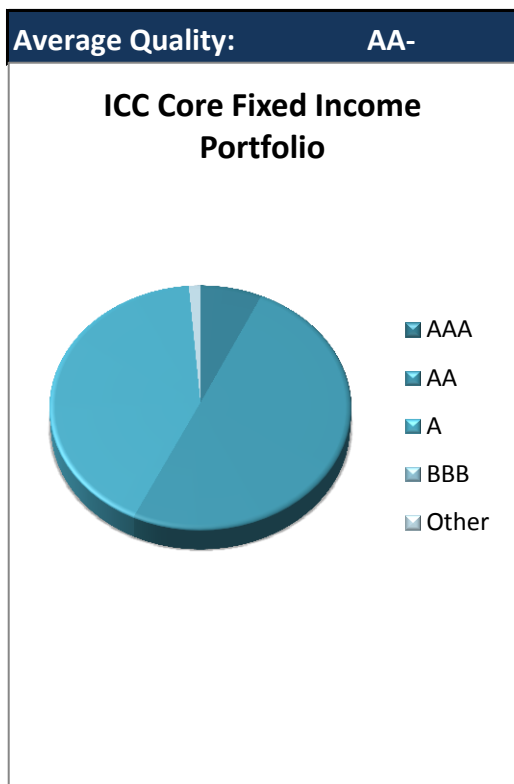


Corporate Bonds	32.8%
US Treasuries	52.5%
Gov't Sponsored	14.7%
<b>Total</b>	<b>100%</b>

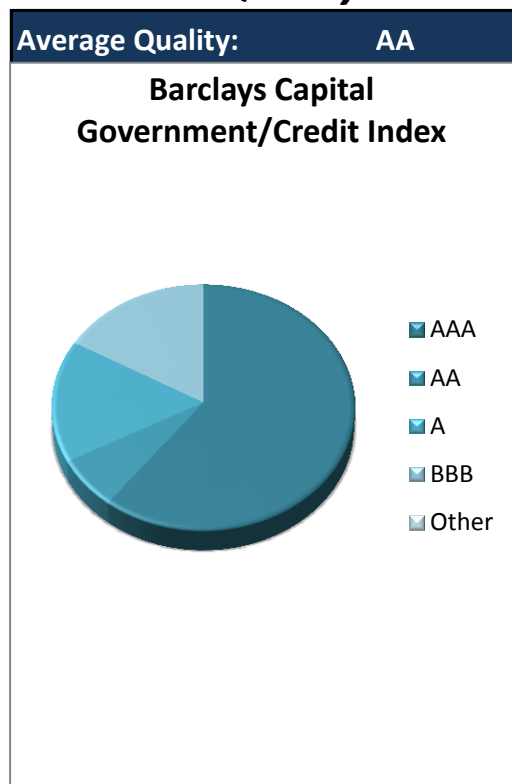


Corporate Bonds	22.3%
US Treasuries	35.7%
Gov't Sponsored	10.0%
CMBS	1.7%
ABS	0.5%
US MBS	29.8%
<b>Total</b>	<b>100%</b>

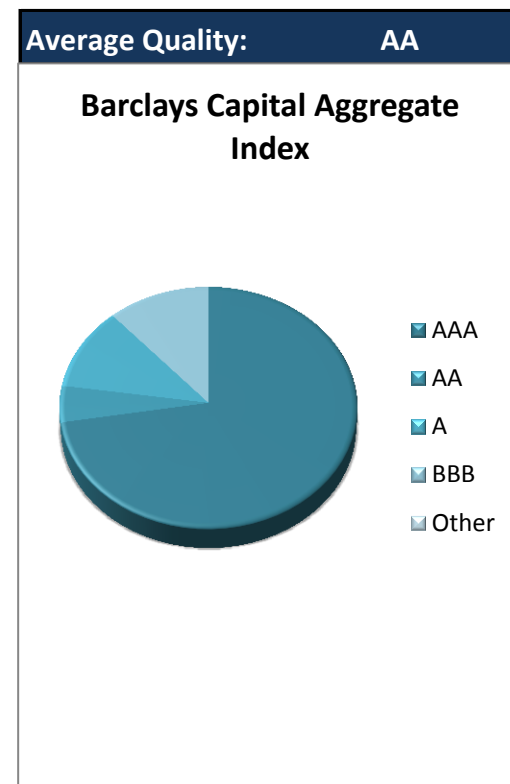
***Fixed Income Quality Allocation***



AAA	6.9%
AA	50.2%
A	41.7%
BBB	0.0%
Other	1.3%
<b>Total</b>	<b>100%</b>

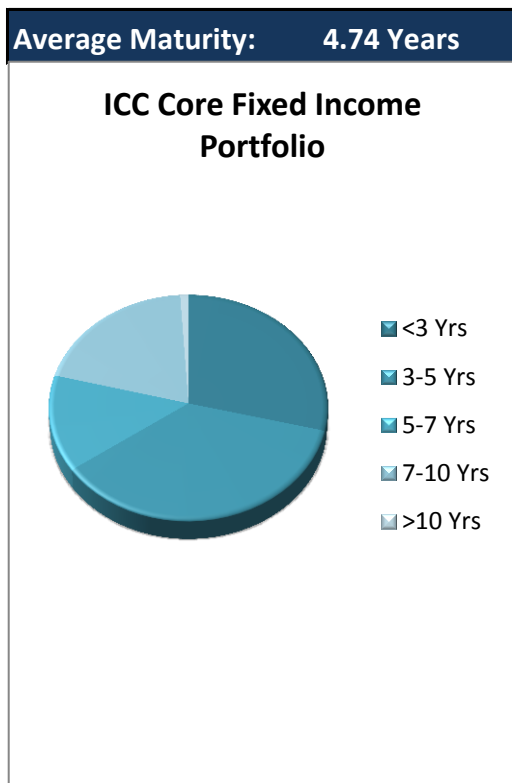


AAA	60.5%
AA	6.7%
A	16.1%
BBB	16.8%
Other	0.0%
<b>Total</b>	<b>100%</b>

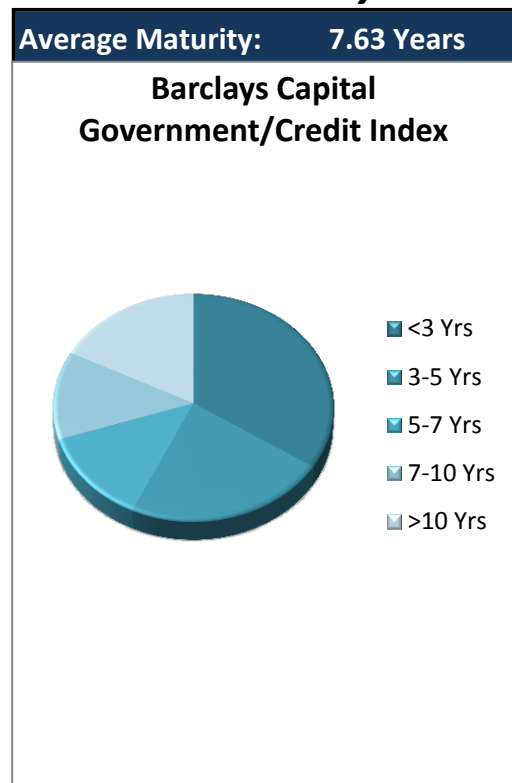


AAA	72.4%
AA	4.9%
A	11.1%
BBB	11.6%
Other	0.0%
<b>Total</b>	<b>100%</b>

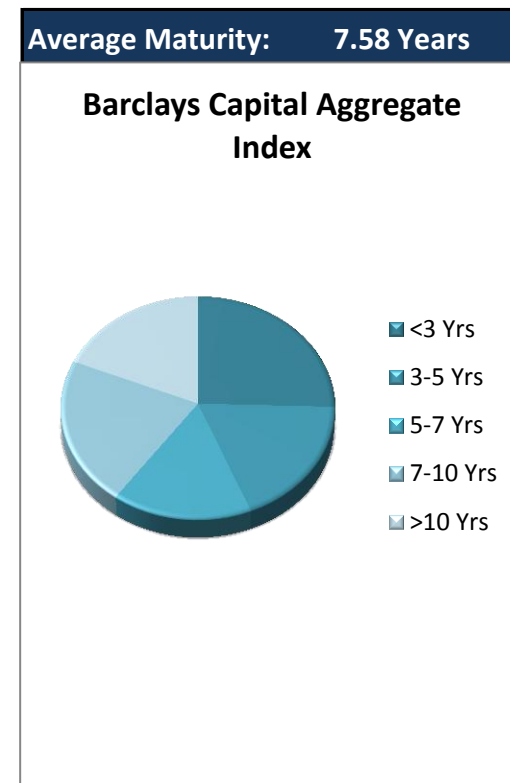
***Fixed Income Maturity Allocation***



<3 Yrs	28.9%
3-5 Yrs	36.4%
5-7 Yrs	13.8%
7-10 Yrs	20.0%
>10 Yrs	1.0%
<b>Total</b>	<b>100%</b>



<3 Yrs	34.2%
3-5 Yrs	22.7%
5-7 Yrs	13.0%
7-10 Yrs	12.6%
>10 Yrs	17.5%
<b>Total</b>	<b>100%</b>

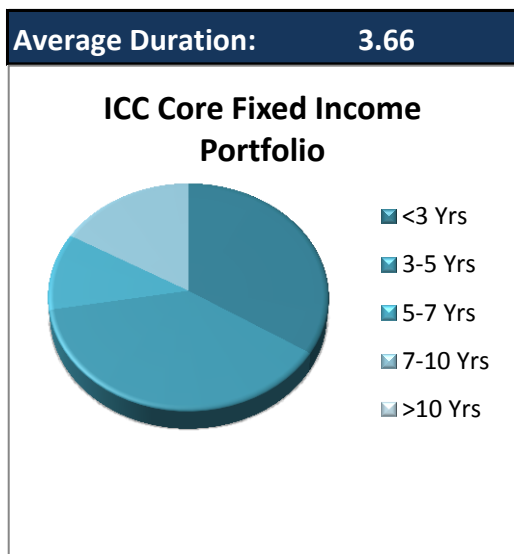


<3 Yrs	25.5%
3-5 Yrs	18.5%
5-7 Yrs	16.0%
7-10 Yrs	21.4%
>10 Yrs	18.7%
<b>Total</b>	<b>100%</b>

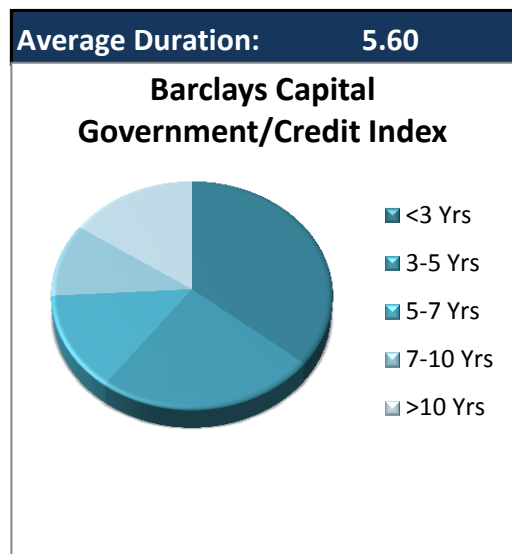
## Palm Beach Gardens Police Officers' Retirement Fund

Period Ending 12/31/2013

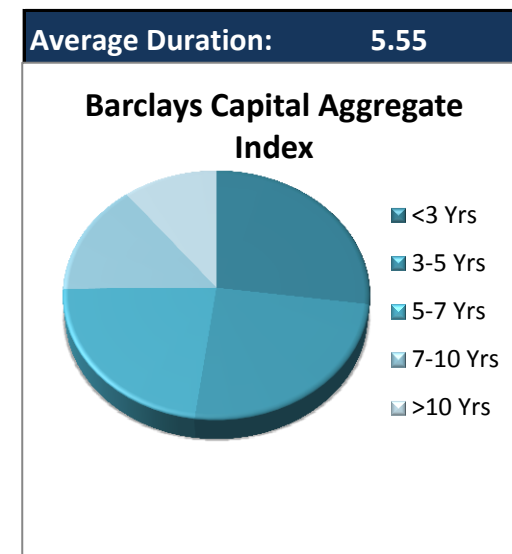
### Fixed Income Duration Allocation



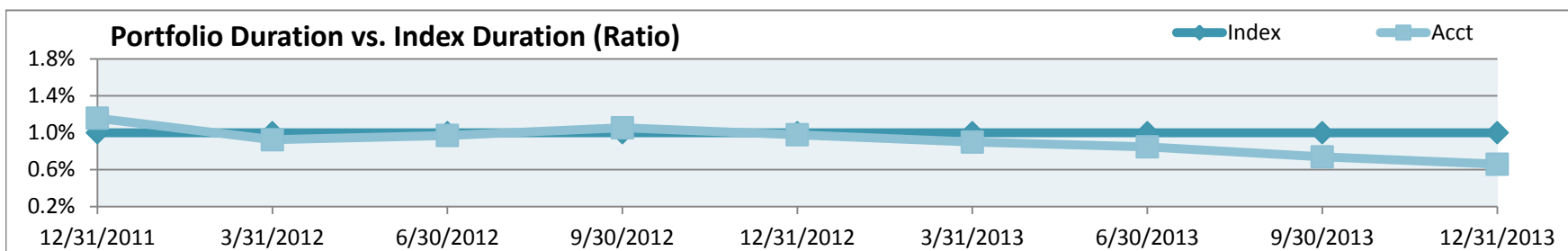
<3 Yrs	34.0%
3-5 Yrs	38.4%
5-7 Yrs	11.0%
7-10 Yrs	16.7%
>10 Yrs	0.0%
<b>Total</b>	<b>100%</b>



<3 Yrs	35.9%
3-5 Yrs	24.2%
5-7 Yrs	13.9%
7-10 Yrs	10.4%
>10 Yrs	15.5%
<b>Total</b>	<b>100%</b>



<3 Yrs	27.1%
3-5 Yrs	25.0%
5-7 Yrs	22.7%
7-10 Yrs	14.6%
>10 Yrs	10.6%
<b>Total</b>	<b>100%</b>



**Palm Beach Gardens Police Officers' Retirement Fund**
**Period Ending 12/31/2013**
**Portfolio Holdings - Growth**

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield	S&P Ratings	Moody's Rating	Coupon %	Maturity Date
<b>SUPERVISED ASSETS</b>											
<b>CASH AND EQUIVALENTS</b>											
	CASH & CASH EQUIVALENTS		316,817.57		316,817.57	3.5	0.1				
	DIV CASH ACCRUAL ACCT		4,871.50		4,871.50	0.1	0				
			<b>321,689.07</b>		<b>321,689.07</b>	<b>3.5</b>	<b>0.1</b>				
<b>COMMON STOCK</b>											
<b>MATERIALS</b>											
3500	FREEPORT MCMORAN COP & GOLD	45.74	160,078.83	37.74	132,090.00	1.5	3.3				
1000	ROCK-TENN COMPANY CL-A	63.71	63,714.09	105.01	105,010.00	1.2	1.3				
500	SHERWIN WILLIAMS CO	169.17	84,583.40	183.50	91,750.00	1	0.4				
850	WESTLAKE CHEMICAL CORP	85.570	72,733.23	122.07	103,759.50	1.100	0.7				
			<b>381,109.55</b>		<b>432,609.50</b>	<b>4.8</b>	<b>1.6</b>				
<b>INDUSTRIALS</b>											
1000	BOEING CO	75.66	75,662.90	136.49	136,490.00	1.5	2.1				
1200	CARLISLE COS INC	58.81	70,566.30	79.40	95,280.00	1	1.1				
300	CATERPILLAR TRACTOR CO	101.36	30,406.92	90.81	27,243.00	0.3	2.6				
1600	DEERE & CO.	93.53	149,644.16	91.33	146,128.00	1.6	2				
6400	DELTA AIR LINES, INC	19.1	122,266.88	27.47	175,808.00	1.9 ?					
2600	EMERSON ELECTRIC CO.	49.32	128,238.84	70.18	182,468.00	2	2.5				
1500	FLOWSERVE CORP	47.21	70,808.30	78.83	118,245.00	1.3	0.7				
2100	HONEYWELL	66.55	139,760.88	91.37	191,877.00	2.1	2				
1500	IDEX CORP	48.7	73,045.20	73.85	110,775.00	1.2	1.1				
4000	MASCO CORP.	19.6	78,394.40	22.77	91,080.00	1	2.8				
6200	SOUTHWEST AIRLINES CO.	8.97	55,623.00	18.84	116,808.00	1.3	0.8				
2300	THOR INDUSTRIES INC	53.34	122,677.93	55.23	127,029.00	1.4	1.7				
1400	WABTEC CORP COM	57.04	79,854.04	74.27	103,978.00	1.1	0.2				
900	WHIRLPOOL CORP	135.19	121,671.27	156.86	141,174.00	1.6	1.1				
			<b>1,318,621.02</b>		<b>1,764,383.00</b>	<b>19.4</b>	<b>1.4</b>				
<b>TELECOMMUNICATIONS</b>											
3500	VERIZON COMMUNICATIONS	50.31	176,090.25	49.14	171,990.00	1.9	4.3				
<b>CONSUMER DISCRETIONARY</b>											
1700	A. O. SMITH	45.01	76,514.96	53.94	91,698.00	1	1.5				
2300	AUTONATION INC	45	103,508.97	49.69	114,287.00	1.3	0				

**Palm Beach Gardens Police Officers' Retirement Fund**
**Period Ending 12/31/2013**
**Portfolio Holdings - Growth**

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield	S&P Ratings	Moody's Rating	Coupon %	Maturity Date
3000	CBS CORP. CLASS B	31.27	93,812.66	63.74	191,220.00	2.1	0.8				
2300	COMCAST CLASS A	47.57	109,405.94	51.96	119,519.50	1.3	1.5				
11600	FORD MOTOR CO.	17.09	198,253.53	15.43	178,988.00	2	2.6				
1600	HARLEY DAVIDSON INC	64.59	103,341.60	69.24	110,784.00	1.2	0.9				
1700	HASBRO INC	42.34	71,979.67	55.01	93,517.00	1	2.9				
2300	HOME DEPOT	58.96	135,614.07	82.34	189,382.00	2.1	1.4				
3900	LOWES CORP	38.41	149,781.84	49.55	193,245.00	2.1	1.5				
1600	STARBUCKS CORP	56.86	90,977.86	78.39	125,424.00	1.4	1.3				
			<b>1,133,191.10</b>		<b>1,408,064.50</b>	<b>15.5</b>	<b>1.4</b>				
<b>CONSUMER STAPLES</b>											
3600	COCA COLA COMPANY	36.77	132,357.18	41.31	148,716.00	1.6	2.5				
2100	CVS CAREMARK CORP	59.63	125,215.44	71.57	150,297.00	1.7	1.5				
3900	FLOWERS FOODS INC	18.95	73,909.68	21.47	83,733.00	0.9	2.1				
2400	GENERAL MILLS INC.	39.73	95,363.18	49.91	119,784.00	1.3	3				
1300	INGREDION INC	56.9	73,966.49	68.46	88,998.00	1	2.5				
1200	KIMBERLY CLARK CORP	93.85	112,619.76	104.46	125,352.00	1.4	3.1				
1600	TUPPERWARE CORPORATION	68.62	109,787.52	94.53	151,248.00	1.7	2.6				
1400	WALGREENS CO.	59.8	83,720.56	57.44	80,416.00	0.9	2.2				
			<b>806,939.81</b>		<b>948,544.00</b>	<b>10.5</b>	<b>2.4</b>				
<b>ENERGY</b>											
700	CARBO CERAMICS INC	117.46	82,221.95	116.53	81,571.00	0.9	1				
800	CONOCOPHILLIPS	46.87	37,492.76	70.65	56,520.00	0.6	3.9				
1400	EXXON MOBIL CORP.	81.89	114,639.59	101.20	141,680.00	1.6	2.3				
1100	PHILLIPS 66	40.37	44,403.81	77.13	84,843.00	0.9	2				
800	SM ENERGY CO	67.96	54,365.04	83.11	66,488.00	0.7 ?					
1000	WHITING PETROLEUM CORP	49.77	49,766.06	61.87	61,870.00	0.7	0				
			<b>382,889.21</b>		<b>492,972.00</b>	<b>5.4</b>	<b>1.6</b>				
<b>FINANCIALS</b>											
1000	AFFILIATED MANAGERS GROUP INC	89.7	89,702.08	216.88	216,880.00	2.4	0				
500	AMERCO	208.02	104,011.45	237.84	118,920.00	1.3 ?					
2800	AMERICAN EXPRESS CORP.	53.59	150,050.04	90.73	254,044.00	2.8	0.9				
2900	APARTMENT INVT & MGMT	29.78	86,356.16	25.91	75,139.00	0.8 ?					
1900	FIRST REPUBLIC BANK	26.77	50,863.40	52.35	99,465.00	1.1	0.8				
2400	LPL FINANCIAL HOLDINGS INC	30.92	74,220.00	47.05	112,920.00	1.2	1.6				

**Palm Beach Gardens Police Officers' Retirement Fund****Period Ending 12/31/2013****Portfolio Holdings - Growth**

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield	S&P Ratings	Moody's Rating	Coupon %	Maturity Date
600	VISA INC-CLASS A SHARES	118.31	70,988.16	222.68	133,608.00	1.5	0.7				
			<b>626,191.29</b>		<b>1,010,976.00</b>	<b>11.1</b>	<b>0.6</b>				
<b>HEALTH CARE</b>											
2200	ABBVIE INC	33.11	72,831.48	52.81	116,182.00	1.3	3				
2400	AMERISOURCE BERGEN CORP	46.2	110,876.16	70.31	168,744.00	1.9	1.3				
3200	CARDINAL HEALTH INC	41.2	131,833.40	66.81	213,792.00	2.4	1.8				
1900	CIGNA CORP	34.89	66,283.61	87.48	166,212.00	1.8	0				
600	MCKESSON HBOC INC.	90.6	54,357.66	161.40	96,840.00	1.1	0.6				
1600	MEDNAX INC	53.23	85,167.44	53.38	85,408.00	0.9	?				
			<b>521,349.75</b>		<b>847,178.00</b>	<b>9.3</b>	<b>1.2</b>				
<b>INFORMATION TECHNOLOGY</b>											
150	APPLE COMPUTER INC	294.47	44,171.00	561.02	84,153.00	0.9	1.9				
3800	EBAY INC.	42.2	160,370.77	54.86	208,487.00	2.3	0				
4800	EMC CORP	18.36	88,114.20	25.15	120,720.00	1.3	1.6				
1600	GLOBAL PAYMENTS INC	47.57	76,118.24	64.99	103,984.00	1.1	0.1				
184	GOOGLE INC CL A	1039.13	191,200.82	1,120.71	206,210.64	2.3	0				
1200	IBM	199.47	239,362.66	187.57	225,084.00	2.5	1.8				
200	MASTERCARD INC	678.62	135,723.86	835.46	167,092.00	1.8	0.5				
4600	MICROSOFT CORP.	27.48	126,394.08	37.41	172,086.00	1.9	2.5				
2500	ORACLE CORPORATION	31.52	78,794.59	38.26	95,650.00	1.1	1.3				
3100	PAYCHEX INC	32.26	100,007.53	45.53	141,143.00	1.6	3.1				
6500	SYMANTEC CORP	17.96	116,711.67	23.58	153,270.00	1.7	2.5				
			1,356,969.42		1,677,879.64	18.5	1.3				
			6,703,351.40		8,754,596.64	96.5	1.5				
			<b>7,025,040.47</b>		<b>9,076,285.71</b>	<b>100</b>	<b>1.4</b>				
<b>TOTAL PORTFOLIO</b>			<b>7,025,040.47</b>		<b>9,076,285.71</b>	<b>100</b>	<b>1.4</b>				



**Palm Beach Gardens Police Officers' Retirement Fund****Period Ending 12/31/2013*****Purchases and Sales - Growth***

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
<b>PURCHASES</b>					
10/4/2013	10/9/2013	2700	A. O. SMITH	45.01	121523.76
11/4/2013	11/7/2013	500	AMERCO	208.02	104011.45
12/20/2013	12/26/2013	400	APARTMENT INVT & MGMT	25.51	10205.16
11/15/2013	11/20/2013	2300	COMCAST CLASS A	47.57	109405.94
12/2/2013	12/5/2013	10100	FORD MOTOR CO.	17.15	173212.98
12/13/2013	12/18/2013	1500	FORD MOTOR CO.	16.69	25040.55
10/29/2013	11/1/2013	127	GOOGLE INC CL A	1031.51	131001.63
11/26/2013	12/2/2013	57	GOOGLE INC CL A	1056.13	60199.19
10/10/2013	10/16/2013	1600	HARLEY DAVIDSON INC	64.59	103341.6
10/16/2013	10/21/2013	4000	MASCO CORP.	19.6	78394.4
10/16/2013	10/21/2013	800	MEDNAX INC	106.46	85167.44
10/16/2013	10/21/2013	500	STARBUCKS CORP	78.05	39027.15
11/14/2013	11/19/2013	3500	VERIZON COMMUNICATIONS	50.31	176090.25
11/13/2013	11/18/2013	1400	WALGREENS CO.	59.8	83720.56
					<b>1300342.06</b>
<b>SALES</b>					
10/23/2013	10/28/2013	1000	A. O. SMITH	50.05	50048.62
11/15/2013	11/20/2013	2700	ELI LILLY AND COMPANY	50.99	137665.74
10/16/2013	10/21/2013	6600	GRAFTECH INTERNATIONAL LTD	8.09	53417.48
12/9/2013	12/12/2013	1100	HASBRO INC	52.15	57363.67
10/9/2013	10/15/2013	400	MCKESSON HBOC INC.	133.35	53338.07
10/24/2013	10/29/2013	300	MCKESSON HBOC INC.	149.33	44800.02
12/18/2013	12/23/2013	2900	ORACLE CORPORATION	33.81	98048.74
11/15/2013	11/20/2013	1000	SM ENERGY CO	91.01	91009.51
12/2/2013	12/5/2013	1100	TARGET CORPORATION	63.05	69356.1
10/29/2013	11/1/2013	400	VISA INC-CLASS A SHARES	204.71	81883.93
					<b>736931.88</b>

**Palm Beach Gardens Police Officers' Retirement Fund**
**Period Ending 12/31/2013**
**Portfolio Holdings - Fixed**

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield	S&P Ratings	Moody's Rating	Coupon %	Maturity Date
<b>SUPERVISED ASSETS</b>											
<b>CASH AND EQUIVALENTS</b>											
	CASH & CASH EQUIVALENTS		848,858.05		848,858.05	5.2	0.1				
<b>CORPORATE BONDS</b>											
125000	HONEYWELL INTERNATIONAL	99.560	124,452.50	100.41	125,508.12	0.800	3.900	A	A2	3.875%	2/15/14
70000	YALE UNIVERSITY	105.5	73,847.90	101.97	71,381.45	0.4	2.8	AAA	Aaa	2.900%	10/15/14
35000	GENERAL ELEC CAP CORP	99.86	34,950.65	104.36	36,526.84	0.2	3.4	AA+	A1	3.500%	6/29/15
165000	MICROSOFT CORP	99.56	164,275.65	102.08	168,436.62	1	1.6	AAA	AAA	1.625%	9/25/15
200000	WAL-MART STORES INC	99.09	198,190.00	101.90	203,805.80	1.2	1.5	AA	AA2	1.500%	10/25/15
190000	PROCTER & GAMBLE CO/THE	99.2	188,480.00	102.31	194,390.52	1.2	1.8	AA-	AA3	1.800%	11/15/15
150000	SAN DIEGO GAS & ELECTRIC	111.890	167,829.00	108.16	162,235.35	1.000	4.9	A+	Aa3	5.300%	11/15/15
150000	MONSANTO CO	99.79	149,680.50	104.25	156,379.80	1	2.6	A+	A1	2.750%	4/15/16
255000	MERCK & CO INC	100.19	255,479.40	99.82	254,553.49	1.6	0.7	AA	A2	0.700%	5/18/16
80000	AMERICAN EXPRESS CREDIT	104.82	83,856.80	104.49	83,590.40	0.5	2.7	A-	A2	2.800%	9/19/16
160000	PNC FUNDING CORP	103.64	165,830.40	104.31	166,890.08	1	2.6	A-	A3	2.700%	9/19/16
245000	MISSISSIPPI POWER CO	103.99	254,770.60	102.82	251,909.00	1.5	2.3	A	BAA1	2.350%	10/15/16
240000	AFLAC INC	105.36	252,876.00	103.19	247,658.16	1.5	2.6	A-	A3	2.650%	2/15/17
100000	NATIONAL RURAL UTIL COOP	99.68	99,680.00	111.41	111,413.90	0.7	4.9	A+	A1	5.450%	4/10/17
210000	WELLS FARGO & COMPANY	102.87	216,033.30	101.86	213,916.29	1.3	2.1	A+	A2	2.100%	5/8/17
320000	FRANKLIN RESOURCES INC	100.65	322,083.20	97.76	312,830.08	1.9	1.4	AA-	A1	1.375%	9/15/17
115000	MCDONALD'S CORP	102.47	117,839.35	115.29	132,585.91	0.8	5	A	A2	5.800%	10/15/17
260000	GENERAL DYNAMICS CORP	99.71	259,243.40	96.89	251,920.24	1.5	1	A	A2	1.000%	11/15/17
40000	GENERAL ELEC CAP CORP	100.86	40,345.20	99.34	39,736.72	0.2	1.6	AA+	A1	1.600%	11/20/17
200000	METLIFE INC	101.18	202,362.00	98.94	197,878.60	1.2	1.8	A-	A3	1.756%	12/15/17
260000	BB&T CORPORATION	99.8	259,493.00	97.37	253,154.20	1.6	1.5	A-	A2	1.450%	1/12/18
250000	WELLS FARGO & COMPANY	100.17	250,425.00	99.35	248,385.00	1.5	1.5	A+	A2	1.500%	1/16/18
205000	GOLDMAN SACHS GROUP INC	98.95	202,857.75	100.38	205,779.20	1.3	2.4	A-	BAA1	2.375%	1/22/18
335000	BANK OF NEW YORK MELLON	99.86	334,520.95	97.49	326,586.14	2	1.3	A+	A1	1.300%	1/25/18
30000	JPMORGAN CHASE & CO	100.53	30,159.90	99.12	29,736.66	0.2	1.8	A	A3	1.800%	1/25/18
175000	CATERPILLAR FINANCIAL SE	100.42	175,731.50	96.96	169,679.30	1	1.3	A	A2	1.300%	3/1/18
115000	CONS EDISON CO OF NY	99.96	114,949.40	115.65	132,997.27	0.8	5.1	A-	A3	5.850%	4/1/18
260000	APPLE INC	99.86	259,638.60	96.69	251,406.22	1.5	1	AA+	Aa1	1.000%	5/3/18
160000	BANK OF NEW YORK MELLON	99.59	159,344.00	99.63	159,401.60	1	2.1	A+	A1	2.100%	8/1/18
205000	INTERCONTINENTALE EXCHANGE	100.69	206,408.35	100.74	206,507.77	1.3	2.5	A	A3	2.500%	10/15/18
160000	ORACLE CORP	100.86	161,374.40	100.90	161,432.32	1	2.4	A+	A1	2.375%	1/15/19
195000	WELLS FARGO & COMPANY	100.27	195,528.45	99.69	194,389.26	1.2	2.2		A2e	2.150%	1/15/19

**Palm Beach Gardens Police Officers' Retirement Fund**
**Period Ending 12/31/2013**
**Portfolio Holdings - Fixed**

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield	S&P Ratings	Moody's Rating	Coupon %	Maturity Date
80000	PRINCETON UNIVERSITY	114.07	91,252.80	113.08	90,467.52	0.6	4.4	AAA	AAA	4.950%	3/1/19
115000	CHEVRON CORP	99.97	114,964.35	113.43	130,445.53	0.8	4.4	AA	AA1	4.950%	3/3/19
80000	DARTMOUTH COLLEGE	113.29	90,632.80	111.39	89,114.96	0.5	4.3	AA+	Aa1	4.750%	6/1/19
30000	COSTCO WHOLESALE CORP	100.36	30,109.50	96.32	28,896.81	0.2	1.8	A+	A1	1.700%	12/15/19
140000	BAXTER INTERNATIONAL INC	99.61	139,456.80	107.81	150,931.76	0.9	3.9	A	A3	4.250%	3/15/20
205000	NATIONAL RURAL UTIL CORP	98.36	201,644.15	96.58	197,989.00	1.2	2.4	A+	A1	2.350%	6/15/20
205000	CHEVRON CORP	98.67	202,277.60	97.31	199,477.30	1.2	2.5	AA	Aa1	2.427%	6/24/20
155000	GEORGE WASHINGTON UNIVERSITY	100	155,000.00	106.87	165,656.25	1	4.6	A+	A1	4.896%	9/15/20
250000	COCA-COLA CO/THE	99.09	247,730.00	97.13	242,828.50	1.5	2.5	AA-	Aa3	2.450%	11/1/20
50000	GENERAL ELECTRIC CAP CORP	103.86	51,930.00	109.04	54,522.35	0.3	4.2	AA+	A1	4.625%	1/7/21
230000	ALABAMA POWER CO	100.14	230,317.40	101.89	234,352.98	1.4	3.9	A	A2	3.950%	6/1/21
110000	OCCIDENTAL PETROLEUM COR	100.83	110,917.40	97.40	107,136.81	0.7	3.2	A	A1	3.125%	2/15/22
110000	PEPSICO INC	103.44	113,789.50	95.01	104,510.78	0.6	2.9	A-	A1	2.750%	3/5/22
225000	UNITEDHEALTH GROUP INC	99.49	223,861.50	95.12	214,026.75	1.3	3	A	A3	2.875%	3/15/22
195000	US BANCORP	100.41	195,803.40	96.70	188,559.34	1.2	3.1	A+	A1	3.000%	3/15/22
115000	KAISER FOUNDATION HOSPITAL	103.23	118,713.35	94.79	109,004.36	0.7	3.7	A+		3.500%	4/1/22
210000	GENERAL DYNAMICS CORP	98.78	207,448.50	89.79	188,552.91	1.2	2.5	A	A2	2.250%	11/15/22
360000	MICROSOFT CORP	100.32	361,159.20	90.34	325,220.40	2	2.4	AAA	Aaa	2.125%	11/15/22
250000	CONOCOPHILLIPS COMPANY	98.36	245,895.00	91.06	227,653.25	1.4	2.6	A	A1	2.400%	12/15/22
205000	GENERAL ELEC CAP CORP	94.25	193,206.35	94.88	194,495.39	1.2	3.3	AA+	A1	3.100%	1/9/23
205000	E.I. DO PONT DE NEMOURS	94.16	193,036.20	91.58	187,747.81	1.2	3.1	A	A2	2.800%	2/15/23
245000	PEPSICO INC	95.17	233,171.40	92.56	226,762.69	1.4	3	A-	A1	2.750%	3/1/23
210000	MEDTRONIC INC	102.14	214,485.60	92.50	194,247.90	1.2	3	AA-	A2	2.750%	4/1/23
260000	MICROSOFT CORP	100.33	260,868.40	90.47	235,222.78	1.4	2.6	AAA	AAA	2.375%	5/1/23
80000	BAXTER INTERNATIONAL INC	99.08	79,265.60	95.53	76,427.92	0.5	3.3	A	A3	3.200%	6/15/23
165000	HOWARD HUGHES MEDICAL	101.68	167,768.70	98.34	162,254.40	1	3.6	AAA	Aaa	3.500%	9/1/23
255000	SUTTER HEALTH	100	255,000.00	95.65	243,911.32	1.5	1.8	AA-	Aa3	1.674%	8/15/53
	Accrued Interest				66,033.70	0.4					
			<b>10,452,242.65</b>		<b>10,359,453.82</b>	<b>63.5</b>	<b>2.5</b>				
<b>MUNICIPAL BONDS</b>											
140000	COMMONWEALTH FING AUTH PA REV	100	140,000.00	107.59	150,623.20	0.9	5.3	AA-	A1	5.653%	6/1/24
	Accrued Interest				659.52	0					
			<b>140,000.00</b>		<b>151,282.72</b>	<b>0.9</b>	<b>5.3</b>				
<b>GOVERNMENT BONDS</b>											
255000	US TREASURY N/B	99.97	254,920.31	100.05	255,119.59	1.6	0.2	AA+	AAA	0.250%	5/31/15

# Palm Beach Gardens Police Officers' Retirement Fund

Period Ending 12/31/2013

## *Portfolio Holdings - Fixed*

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield	S&P Ratings	Moody's Rating	Coupon %	Maturity Date
210000	US TREASURY N/B	99.56	209,081.25	99.90	209,786.64	1.3	0.5	AA+	AAA	0.500%	6/15/16
125000	US TREASURY N/B	99.97	124,960.94	99.59	124,492.25	0.8	0.6	AA+	AAA	0.625%	12/15/16
75000	US TREASURY N/B	99.67	74,753.91	97.81	73,359.37	0.4	1	AA+	AAA	1.000%	5/31/18
	Accrued Interest				198.66	0					
			<b>663,716.41</b>		<b>662,956.52</b>	<b>4.1</b>	<b>0.5</b>				

### **MORTGAGE POOLS**

4592.87	GNJO M #781313	103.12	4,736.40	104.05	4,778.91	0	5.8	AA+	Aaa	6.000%	7/15/16
13606.1	FNCI M #254371	99.56	13,546.57	106.87	14,540.58	0.1	5.1	AA+	Aaa	5.500%	7/1/17
45348.501	FGCI #E01443	105.41	47,800.16	104.94	47,590.94	0.3	3.3	AA+	Aaa	3.500%	7/1/18
768.38	FGCI N #B13455	99.71	766.11	106.01	814.56	0	4.2	AA+	Aaa	4.500%	4/1/19
18867.25	FNCI N #725445	96.09	18,129.99	106.44	20,082.41	0.1	4.2	AA+	Aaa	4.500%	5/1/19
13836.88	FNCI N #825335	97.31	13,465.01	105.93	14,657.57	0.1	3.8	AA+	Aaa	4.000%	5/1/20
12437.91	FNCI N #255888	97.31	12,103.64	105.91	13,173.46	0.1	3.8	AA+	Aaa	4.000%	8/1/20
6481.03	FNCI N #829053	97	6,286.60	105.91	6,864.23	0	3.8	AA+	Aaa	4.000%	8/1/20
18465.08	FGCI #G12205	96.48	17,815.92	106.26	19,620.55	0.1	4.2	AA+	Aaa	4.500%	6/1/21
980.142	FGCI N #G12323	95.88	939.71	106.25	1,041.40	0	4.2	AA+	Aaa	4.500%	8/1/21
36674.94	GNSF M #552509	98.77	36,222.23	111.24	40,798.89	0.3	5.4	AA+	Aaa	6.000%	4/15/32
9852.4	GNSF M #582153	99.83	9,835.47	111.85	11,020.17	0.1	5.4	AA+	Aaa	6.000%	6/15/32
106024.005	FGLMC #G02268	102.08	108,227.39	111.12	117,815.99	0.7	5.8	AA+	Aaa	6.500%	8/1/36
143984.212	GN POOL # 782119	107.08	154,175.60	111.95	161,186.87	1	5.4	AA+	Aaa	6.000%	8/15/36
90477.06	FNCL # 256394	102	92,286.63	111.25	100,657.18	0.6	5.8	AA+	Aaa	6.500%	9/1/36
80055.18	G2 POOL # 4194	106.12	84,958.56	110.25	88,261.80	0.5	5	AA+	Aaa	5.500%	7/20/38
35324.712	G2 POOL # 4195	99.89	35,286.03	112.59	39,770.79	0.2	5.3	AA+	Aaa	6.000%	7/20/38
126965.044	G2 POOL # 4447	104.81	133,075.24	108.54	137,811.29	0.8	4.6	AA+	Aaa	5.000%	5/20/39
315725.534	G2 POOL # 4496	109.58	345,966.12	108.58	342,811.00	2.1	4.6	AA+	Aaa	5.000%	7/20/39
130646.371	GNSF 5.5% POOL #714005	106.16	138,689.29	109.89	143,565.34	0.9	5	AA+	Aaa	5.500%	10/15/39
223292.9	FG POOL #G05900	108.64	242,586.80	110.38	246,477.85	1.5	5.4	AA+	Aaa	6.000%	3/1/40
	Accrued Interest				6,593.62	0					
			<b>1,516,899.48</b>		<b>1,579,935.39</b>	<b>9.7</b>	<b>5</b>				

### **GOVERNMENT SPONSORED BOND**

230000	FREDDIE MAC	100	230,006.90	100.20	230,464.83	1.4	0.5	AA+	AAA	0.500%	8/28/15
225000	FEDERAL HOME LOAN BANK	99.91	224,795.25	100.06	225,137.02	1.4	0.4	AA+	AAA	0.450%	10/26/15
360000	FANNIE MAE	99.87	359,526.32	99.85	359,449.20	2.2	0.4	AA+	AAA	0.375%	12/21/15
160000	FANNIE MAE	99.95	159,920.00	99.74	159,590.88	1	0.6	AA+	AAA	0.600%	8/15/16
40000	FANNIE MAE	100	40,000.00	100.29	40,115.64	0.2	1.5	AA+	AAA	1.500%	3/27/17

**Palm Beach Gardens Police Officers' Retirement Fund**

**Period Ending 12/31/2013**

***Portfolio Holdings - Fixed***

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Cur. Yield	S&P Ratings	Moody's Rating	Coupon %	Maturity Date
205000	FEDERAL HOME LOAN BANK	99.63	204,245.60	99.10	203,151.72	1.2	0.8	AA+	Aaa	0.750%	4/17/17
205000	FANNIE MAE	100	205,000.00	100.73	206,497.73	1.3	1.6	AA+	AAA	1.600%	9/19/17
125000	FANNIE MAE	99.97	124,968.75	98.50	123,122.12	0.8	0.7	AA+	AAA	0.700%	11/15/17
245000	FANNIE MAE	99.25	243,157.60	97.79	239,592.85	1.5	1.3	AA+	Aaa	1.250%	6/20/18
215000	FANNIE MAE	99.99	214,978.50	96.25	206,941.15	1.3	1.2	AA+	AAA	1.150%	10/30/18
215000	FREDDIE MAC	99.99	214,978.50	96.00	206,390.54	1.3	1.1	AA+	AAA	1.050%	10/30/18
365000	FREDDIE MAC	100	365,000.00	99.38	362,728.60	2.2	1.8	AA+	AAA	1.825%	12/31/18
100000	FANNIE MAE	103.17	103,168.00	100.02	100,015.20	0.6	2.5	AA+	AAA	2.500%	2/13/20
40000	FANNIE MAE	99.95	39,980.00	98.45	39,380.20	0.2	2.3	AA+	Aaa	2.250%	10/23/23
	Accrued Interest				4,499.99	0					
					<b>2,729,725.42</b>	<b>2,707,077.69</b>	<b>16.6</b>	<b>1.1</b>			
					<b>16,351,442.01</b>	<b>16,309,564.19</b>	<b>100</b>	<b>2.4</b>			
<b>TOTAL PORTFOLIO</b>					<b>16,351,442.01</b>	<b>16,309,564.19</b>	<b>100</b>	<b>2.4</b>			

**Palm Beach Gardens Police Officers' Retirement Fund****Period Ending 12/31/2013*****Purchases and Sales- Fixed***

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
<b>PURCHASES</b>					
10/30/2013	11/4/2013	80000	AT&T WIRELESS 2.625% Due 12-01-22	90.67	72533.6
10/30/2013	11/4/2013	80000	BAXTER INTERNATIONAL INC 3.200% Due 06-15-23	99.08	79265.6
11/4/2013	11/7/2013	250000	COCA-COLA CO/THE 2.450% Due 11-01-20	99.09	247730
10/23/2013	10/24/2013	40000	FANNIE MAE 2.250% Due 10-23-23	99.95	39980
11/15/2013	11/18/2013	170000	FANNIE MAE 0.000% Due 06-01-17	96.52	164078.9
11/20/2013	11/22/2013	245000	FANNIE MAE 1.250% Due 06-20-18	99.25	243157.6
11/27/2013	12/2/2013	205000	FEDERAL HOME LOAN BANK 0.750% Due 04-17-17	99.63	204245.6
12/19/2013	12/31/2013	365000	FREDDIE MAC 1.825% Due 12-31-18	100	365000
10/8/2013	10/21/2013	326487.984	G2 POOL # 4496 5.000% Due 07-20-39	109.58	357759.41
10/4/2013	10/9/2013	205000	INTERCONTINENTALE EXCHANGE 2.500% Due 10-15-18	100.69	206408.35
10/23/2013	10/28/2013	245000	PEPSICO INC 2.750% Due 03-01-23	95.17	233171.4
11/12/2013	11/15/2013	100000	PRAXAIR INC 2.200% Due 08-15-22	90.41	90413
12/11/2013	12/16/2013	125000	US TREASURY N/B 0.625% Due 12-15-16	99.97	124960.94
12/13/2013	12/18/2013	195000	WELLS FARGO & COMPANY 2.150% Due 01-15-19	100.27	195528.45
					<b>2624232.85</b>

**SALES**

12/9/2013	12/12/2013	80000	AT&T WIRELESS 2.625% Due 12-01-22	89.16	71328.8
10/28/2013	10/31/2013	230000	BLACKROCK INC 3.375% Due 06-01-22	101.75	234018.1
11/22/2013	11/27/2013	160000	BRISTOL-MYERS SQUIBB CO	89.75	143600

**Palm Beach Gardens Police Officers' Retirement Fund****Period Ending 12/31/2013*****Purchases and Sales- Fixed***

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
			2.000% Due 08-01-22		
12/2/2013	12/2/2013	120000	COCA-COLA CO	100.92	121106.4
			3.625% Due 03-15-14		
12/2/2013	12/2/2013	135000	COCA-COLA CO	100.92	136244.7
			3.625% Due 03-15-14		
11/20/2013	11/22/2013	170000	FANNIE MAE	96.61	164237
			0.000% Due 06-01-17		
11/13/2013	11/14/2013	250000	FREDDIE MAC	100.12	250312.5
			0.450% Due 11-24-15		
11/4/2013	11/7/2013	80000	GOLDMAN SACHS GROUP INC	97.25	77800.8
			3.625% Due 01-22-23		
12/18/2013	12/23/2013	255000	IBM CORP	98.4	250920
			1.875% Due 05-15-19		
12/2/2013	12/5/2013	205000	JPMORGAN CHASE & CO	107.7	220791.15
			4.400% Due 07-22-20		
11/12/2013	11/15/2013	80000	PRAXAIR INC	105.38	84304
			4.050% Due 03-15-21		
11/15/2013	11/20/2013	100000	PRAXAIR INC	90.86	90858
			2.200% Due 08-15-22		
10/23/2013	10/24/2013	40000	US TREASURY N/B	100.55	40221.88
			1.375% Due 09-30-18		
11/22/2013	11/26/2013	180000	US TREASURY N/B	99.02	178228.12
			1.000% Due 05-31-18		
11/13/2013	11/18/2013	125000	UTAH ST	108.09	135112.5
			4.554% Due 07-01-24		
10/23/2013	10/28/2013	115000	VERIZON COMMUNICATIONS	112.92	129855.7
			5.500% Due 04-01-17		
12/13/2013	12/18/2013	80000	WELLS FARGO & COMPANY	100.69	80552
			1.250% Due 07-20-16		
					<b>2409491.65</b>

**PRINCIPAL PAYDOWNS**

10/1/2013	10/15/2013	5559.92	FG POOL #G05900	100	5559.92
			6.000% Due 03-01-40		
11/1/2013	11/15/2013	8097.55	FG POOL #G05900	100	8097.55
			6.000% Due 03-01-40		
12/1/2013	12/15/2013	4776.38	FG POOL #G05900	100	4776.38

**Palm Beach Gardens Police Officers' Retirement Fund****Period Ending 12/31/2013*****Purchases and Sales- Fixed***

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
			6.000% Due 03-01-40		
10/1/2013	10/15/2013	2062.09	FGCI #E01443	100	2062.09
			3.500% Due 07-01-18		
11/1/2013	11/15/2013	1219.52	FGCI #E01443	100	1219.52
			3.500% Due 07-01-18		
12/1/2013	12/15/2013	4954.91	FGCI #E01443	100	4954.91
			3.500% Due 07-01-18		
10/1/2013	10/15/2013	487.88	FGCI #G12205	100	487.88
			4.500% Due 06-01-21		
11/1/2013	11/15/2013	502.89	FGCI #G12205	100	502.89
			4.500% Due 06-01-21		
12/1/2013	12/15/2013	392.68	FGCI #G12205	100	392.68
			4.500% Due 06-01-21		
10/1/2013	10/15/2013	30.11	FGCI N #B13455	100	30.11
			4.500% Due 04-01-19		
11/1/2013	11/15/2013	19.72	FGCI N #B13455	100	19.72
			4.500% Due 04-01-19		
12/1/2013	12/15/2013	14.66	FGCI N #B13455	100	14.66
			4.500% Due 04-01-19		
10/1/2013	10/15/2013	23.93	FGCI N #G12323	100	23.93
			4.500% Due 08-01-21		
11/1/2013	11/15/2013	34.47	FGCI N #G12323	100	34.47
			4.500% Due 08-01-21		
12/1/2013	12/15/2013	23.07	FGCI N #G12323	100	23.07
			4.500% Due 08-01-21		
10/1/2013	10/15/2013	760.69	FGLMC #G02268	100	760.69
			6.500% Due 08-01-36		
10/1/2013	10/15/2013	2595.74	FGLMC #G02268	100	2595.74
			6.500% Due 08-01-36		
11/1/2013	11/15/2013	1024.91	FGLMC #G02268	100	1024.91
			6.500% Due 08-01-36		
11/1/2013	11/15/2013	3497.299	FGLMC #G02268	100	3497.3
			6.500% Due 08-01-36		
12/1/2013	12/15/2013	1059.061	FGLMC #G02268	100	1059.06
			6.500% Due 08-01-36		
12/1/2013	12/15/2013	3613.829	FGLMC #G02268	100	3613.83
			6.500% Due 08-01-36		



***Purchases and Sales- Fixed***

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
10/1/2013	10/25/2013	651.33	FNCI M #254371 5.500% Due 07-01-17	100	651.33
11/1/2013	11/25/2013	746.02	FNCI M #254371 5.500% Due 07-01-17	100	746.02
12/1/2013	12/25/2013	488.37	FNCI M #254371 5.500% Due 07-01-17	100	488.37
10/1/2013	10/25/2013	345.1	FNCI N #255888 4.000% Due 08-01-20	100	345.1
11/1/2013	11/25/2013	254.36	FNCI N #255888 4.000% Due 08-01-20	100	254.36
12/1/2013	12/25/2013	253.47	FNCI N #255888 4.000% Due 08-01-20	100	253.47
10/1/2013	10/25/2013	21.483	FNCI N #725445 4.500% Due 05-01-19	99.99	21.48
10/1/2013	10/25/2013	692.077	FNCI N #725445 4.500% Due 05-01-19	100	692.08
11/1/2013	11/25/2013	18.592	FNCI N #725445 4.500% Due 05-01-19	99.99	18.59
11/1/2013	11/25/2013	598.948	FNCI N #725445 4.500% Due 05-01-19	100	598.95
12/1/2013	12/25/2013	18.544	FNCI N #725445 4.500% Due 05-01-19	99.98	18.54
12/1/2013	12/25/2013	597.386	FNCI N #725445 4.500% Due 05-01-19	100	597.39
10/1/2013	10/25/2013	197.17	FNCI N #825335 4.000% Due 05-01-20	100	197.17
11/1/2013	11/25/2013	200.22	FNCI N #825335 4.000% Due 05-01-20	100	200.22
12/1/2013	12/25/2013	198.66	FNCI N #825335 4.000% Due 05-01-20	100	198.66
10/1/2013	10/25/2013	92.57	FNCI N #829053 4.000% Due 08-01-20	100	92.57
11/1/2013	11/25/2013	271.07	FNCI N #829053 4.000% Due 08-01-20	100	271.07
12/1/2013	12/25/2013	226.74	FNCI N #829053 4.000% Due 08-01-20	100	226.74
10/1/2013	10/25/2013	4961.59	FNCL # 256394	100	4961.59

**Palm Beach Gardens Police Officers' Retirement Fund****Period Ending 12/31/2013*****Purchases and Sales- Fixed***

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
			6.500% Due 09-01-36		
11/1/2013	11/25/2013	3395.18	FNCL # 256394	100	3395.18
			6.500% Due 09-01-36		
12/1/2013	12/25/2013	1792.03	FNCL # 256394	100	1792.03
			6.500% Due 09-01-36		
10/1/2013	10/20/2013	3593.48	G2 POOL # 4194	100	3593.48
			5.500% Due 07-20-38		
11/1/2013	11/20/2013	2477.72	G2 POOL # 4194	100	2477.72
			5.500% Due 07-20-38		
12/1/2013	12/20/2013	2120.12	G2 POOL # 4194	100	2120.12
			5.500% Due 07-20-38		
10/1/2013	10/20/2013	1272.11	G2 POOL # 4195	100	1272.11
			6.000% Due 07-20-38		
11/1/2013	11/20/2013	1219.97	G2 POOL # 4195	100	1219.97
			6.000% Due 07-20-38		
12/1/2013	12/20/2013	1117.92	G2 POOL # 4195	100	1117.92
			6.000% Due 07-20-38		
10/1/2013	10/20/2013	3509.52	G2 POOL # 4447	100	3509.52
			5.000% Due 05-20-39		
11/1/2013	11/20/2013	2862.8	G2 POOL # 4447	100	2862.8
			5.000% Due 05-20-39		
12/1/2013	12/20/2013	2531.71	G2 POOL # 4447	100	2531.71
			5.000% Due 05-20-39		
11/1/2013	11/20/2013	5925.54	G2 POOL # 4496	100	5925.54
			5.000% Due 07-20-39		
12/1/2013	12/20/2013	4836.91	G2 POOL # 4496	100	4836.91
			5.000% Due 07-20-39		
10/1/2013	10/15/2013	4515.4	GN POOL # 782119	100	4515.4
			6.000% Due 08-15-36		
11/1/2013	11/15/2013	3584.12	GN POOL # 782119	100	3584.12
			6.000% Due 08-15-36		
12/1/2013	12/15/2013	2726.7	GN POOL # 782119	100	2726.7
			6.000% Due 08-15-36		
10/1/2013	10/15/2013	502.23	GNJO M #781313	100	502.23
			6.000% Due 07-15-16		
11/1/2013	11/15/2013	254.72	GNJO M #781313	100	254.72
			6.000% Due 07-15-16		

**Palm Beach Gardens Police Officers' Retirement Fund****Period Ending 12/31/2013*****Purchases and Sales- Fixed***

Trade Date	Settle Date	Quantity	Security	Unit Price	Amount
12/1/2013	12/15/2013	250.48	GNJO M #781313 6.000% Due 07-15-16	100	250.48
10/1/2013	10/15/2013	14708.21	GNSF 5.5% POOL #714005 5.500% Due 10-15-39	100	14708.21
11/1/2013	11/15/2013	188.34	GNSF 5.5% POOL #714005 5.500% Due 10-15-39	100	188.34
12/1/2013	12/15/2013	188.14	GNSF 5.5% POOL #714005 5.500% Due 10-15-39	100	188.14
10/1/2013	10/15/2013	7307.24	GNSF M #552509 6.000% Due 04-15-32	100	7307.24
11/1/2013	11/15/2013	111.28	GNSF M #552509 6.000% Due 04-15-32	100	111.28
12/1/2013	12/15/2013	121.07	GNSF M #552509 6.000% Due 04-15-32	100	121.07
10/1/2013	10/15/2013	39.16	GNSF M #582153 6.000% Due 06-15-32	100	39.16
11/1/2013	11/15/2013	1576.29	GNSF M #582153 6.000% Due 06-15-32	100	1576.29
12/1/2013	12/15/2013	34.12	GNSF M #582153 6.000% Due 06-15-32	100	34.12
					<b>124347.52</b>

## ***ICC QSG Portfolio Manager Commentary***

We are pleased to report portfolio results to our clients for 2013. Each of our products outperformed their respective benchmark in 2013, with Growth leading an otherwise close style race for the year. Equity markets rose strongly in this, the fifth year, of the advance following the 2009 credit collapse and now reside over 131% off their lows.

The key to our outperformance across strategies can be attributed to our relentless focus on the models as they continuously absorb and compile comparable equity outlooks for each respective benchmark. Most of our clients are aware of the advantage that our quantitative modeling process embodies and our descriptions of its edge. We have often described the portfolio construction dilemma as follows: If you are a stock investor and you don't know why a stock goes up, you lack insight. If you followed a winning stock and decided not to purchase it, then you lack judgment. If you missed a stock opportunity because you never knew it existed, you lack coverage. Our modeling process is designed to address these investing pitfalls in a comprehensive and highly efficient disciplined approach, which we believe, is a strong edge that our investment process has over competitors.

Most clients look to the annual reviews for the source of their manager's insight and 2013 will likely see much attention focused on the buzzwords of "Quantitative Easing," "Budget Impasse" and all the other noise that we collectively heard as the markets advanced during the year. We will not be adding to the opinions here, but would offer the insight that this year's advance was striking in its breadth across style. It mattered very little if an investor was a "value" or "growth" style supporter since both indexes went up by about the same magnitude. This is typical of a so called liquidity driven market that favors the asset allocators who have the judgment to just get in as flows move from debt and commodities into the equity markets. Diversification across equity indexes was rewarded due to the broad nature of the advance, but diversification across asset classes was not.

As an example of our strength of coverage, let's consider the Russell 1000 Growth Index. We know that the benchmark has over 620 choices in it, and in 2013, 347 names (or over 55% of the index) beat the benchmark for the calendar year. In such a torrid equity environment, one's active management process is best tasked with opening up managers eyes to the sheer multitude of opportunities to profit in the advance. Rather than "screening" out names for consideration (a popular fundamental approach), our models objectively rank **every** security relative to each other, thus giving a small team like ours a broadened and complete opportunity set to build outperforming portfolios in a "target rich environment." **Screening only works if the names you screen out underperform.** 2013 was not such a year since the average stock beat the benchmark.

Our Quant Group takes each market advance and decline as an opportunity to objectively question our process and its results in different markets. The 2013 uniform product outperformance in the advance leaves us with the confidence that we were able to identify and act on the strong signals emerging from the indexes at the beginning of the year, across style disciplines.

As 2014 begins we believe that outperforming benchmarks will necessitate an even greater focus on individual stock selection as markets digest the record gains of the past five years. We have witnessed this performance attribution effect cyclically over time and remain confident in the ability of our modeling process to effectively guide our construction process accordingly.

## ***Large Cap Growth Commentary***

Like the other domestic disciplines, growth models were indicating a tilt toward smaller capitalization in 2013. Portfolios were constructed with a weighted market capitalization of \$74.08 Billion vs. \$99.03 Billion for the R1000 Growth Index.

### **Key Transactions for Q4**

<b>Sales/Trims for Q4</b>		<b>New Purchases for Q4</b>
Decreased McKesson HBOC, Inc	52% Gain	AMERCO (U-Haul)
Sold A.O Smith	12% Gain	A.O. Smith
Sold Graftech, Intl	32% Loss	Apartment Investment & Management
Decreased VISA	73% Gain	Comcast Class A
Decreased SM Energy	34% Gain	Ford
Sold Eli Lilly	27% Gain	Google
Sold Target Corp	1% Gain	Harley Davidson, Inc
Decreased Hasbro, Inc	14% Gain	Masco Corp
Decreased Oracle Corp	7% Gain	Mednax, Inc
		Starbucks Corp
		Verizon Communications

Looking at the model at year end, we would note a significant development in the Technology sector. The technology sector within the R1000 Growth index is made up of 105 companies making it the single largest sector by membership count. Our modeling process is deliberately not capitalization weighted, so when a very populous sector changes investment score, its often very actionable since it indicates the type of “target rich environment” we spoke of at the beginning of this piece. Furthermore, it’s been our experience that when an investment rating change effects a sector that has been dormant for an extended period, that the return opportunity is significant.

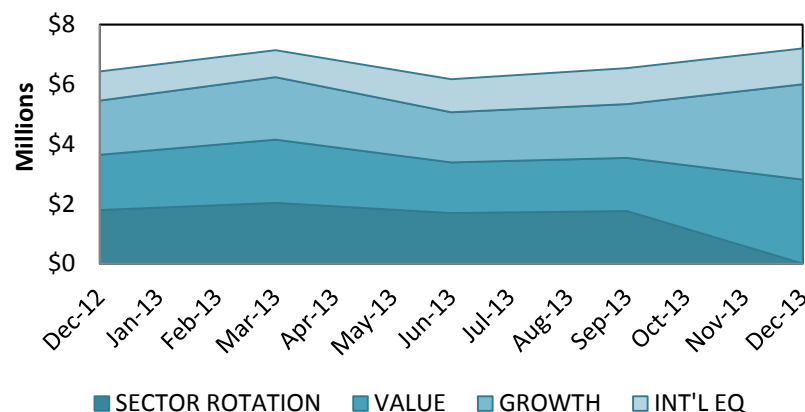
## ***Multi-Strategy***

We are thrilled to begin providing a review of the Multi-Strategy Allocation model since surpassing the \$100 Million in AUM mark with our new clients. To those not yet familiar, several of our clients have asked us to use our modeling process to ***actively allocate*** between our quantitative strategies in response to opportunities that are “inter-period” (periods when clients don’t have meetings to address new investment opportunities). We have worked with each of our clients’ consultants to determine an appropriate target band of allocation that would allow us to shift investment, for instance, from Growth to Value in response to market events. Referring back to the top of page 1, we note that there was little performance differentiation between large cap growth or value benchmarks during the year, but if a client was adroit enough to underweight International allocations like we did, the return was enhanced by an overweight to domestic equities versus clients aggregate blended index assumptions.

Full year clients began 2013 with a neutral to benchmark allocation strategy, but as opportunities unfolded throughout the year, our process rebalanced exposures away from International and towards domestic Large Cap growth. As proud as we are to have outperformed internationally, it’s obvious that our Multi-Strategy clients, when measured all together, were better off with a minimum international allocation. Further, our overweight to domestic large cap growth was equally rewarding.

Looking forward, we are still waiting for the opportunity to show even more active allocation alpha when market performance begins to meaningfully distinguish between growth and value benchmarks. The graphic below illustrates the strategic allocation shifts throughout 2013 for the Multi-Strategy portfolio

**Multi-Strategy Asset Allocation for Calendar Year 2013**



The Quant team is looking forward to extending our performance for a twentieth year in 2014. As always, we believe there is always room to improve on our results and are already starting the year with a commitment to bringing new enhancements to our processes to gain greater insight, judgment and coverage for our clients. Once again, we thank you for your business.

**Quantitative Strategies Group**

**B McMurry  
R Dombrower**

