

# **City of Marietta Employees Pension Plan**

Investment Performance Analysis

Period Ended

June 30, 2013



We have compiled the accompanying summary of the market value, performance statistics and performance results of City of Marietta Employees Pension Plan as of June 30, 2013. Our responsibility is to evaluate the performance results of the investment advisors or unregistered money managers through comparisons with market indices and other universe performance data deemed appropriate and to make observations and recommendations thereon.

We performed time-weighted rates of return calculations in accordance with standards recommended by the CFA Institute. The calculations performed are based on information provided to us by the custodians. Our approach is to analyze transactions reflected in the custodian statements as well as review the audited market values of the portfolio. This provides us with a reasonable basis, not absolute, that the investment information presented is free from a significant misstatement. We believe that our method of evaluating and measuring performance results of the Fund provides us a reasonable basis for our observations and recommendations.

The investment information referred to above presents the market value as of June 30, 2013 and the performance results of the investment advisors or unregistered money managers for the calendar quarter. Based on our procedure nothing came to our attention that would cause us to believe the information is significantly misstated however, we do not warrant the complete accuracy of the information.

CSG, LLC does not provide tax advice to clients. All investors with tax considerations, including the effect of UBTI resulting from alternative investment strategies, are strongly urged to consult their tax advisors regarding such issues. A copy of CSG's current Form ADV Part II may be obtained by contacting the firms compliance department at (901)761-8080.

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Past performance is no guarantee of future results.

CSG, LLC

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**City of Marietta Employees Pension Plan**  
**Investment Performance Analysis as of June 30, 2013**

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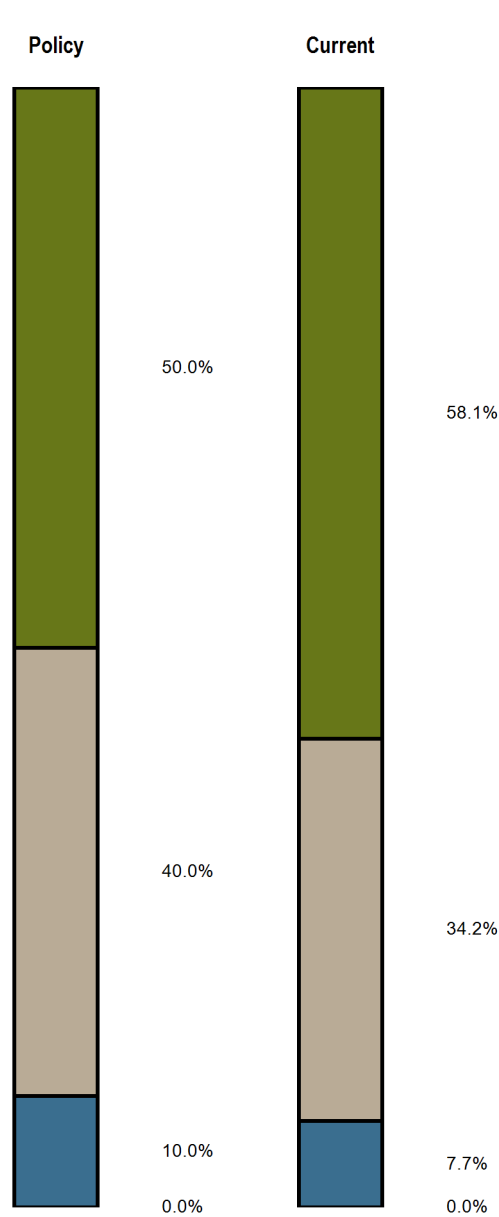
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## **Total Fund Analysis**

# City of Marietta Employees Pension Plan

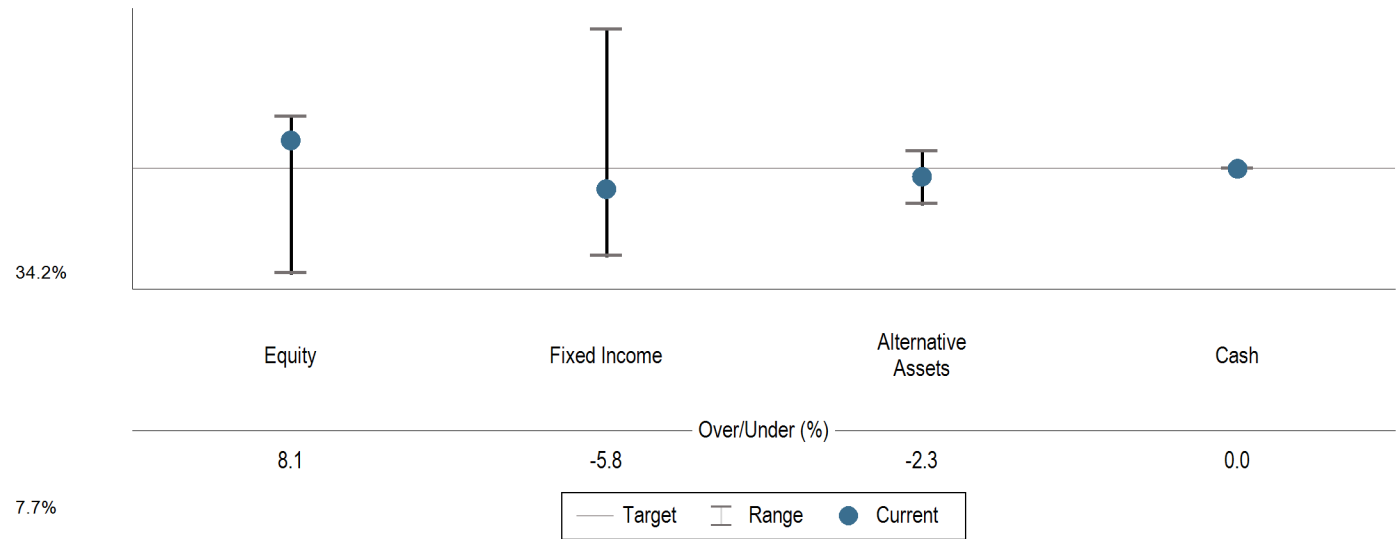


## Asset Allocation vs. Target As Of June 30, 2013

	Policy Range	Policy	%	Current	%	Difference*	%
Equity	20.0% - 65.0%	\$41,544,160	50.0%	\$48,288,104	58.1%	\$6,743,945	8.1%
Fixed Income	15.0% - 80.0%	\$33,235,328	40.0%	\$28,377,951	34.2%	-\$4,857,377	-5.8%
Alternative Assets	0.0% - 15.0%	\$8,308,832	10.0%	\$6,418,308	7.7%	-\$1,890,524	-2.3%
Cash	0.0% - 0.0%	\$0	0.0%	\$3,956	0.0%	\$3,956	0.0%
<b>Total</b>		<b>\$83,088,320</b>	<b>100.0%</b>	<b>\$83,088,320</b>	<b>100.0%</b>		

\*Difference between Policy and Current Allocation

## Actual vs. Target





## City of Marietta Employees Pension Plan

### Cash Flow Summary

Fiscal YTD Ending June 30, 2013

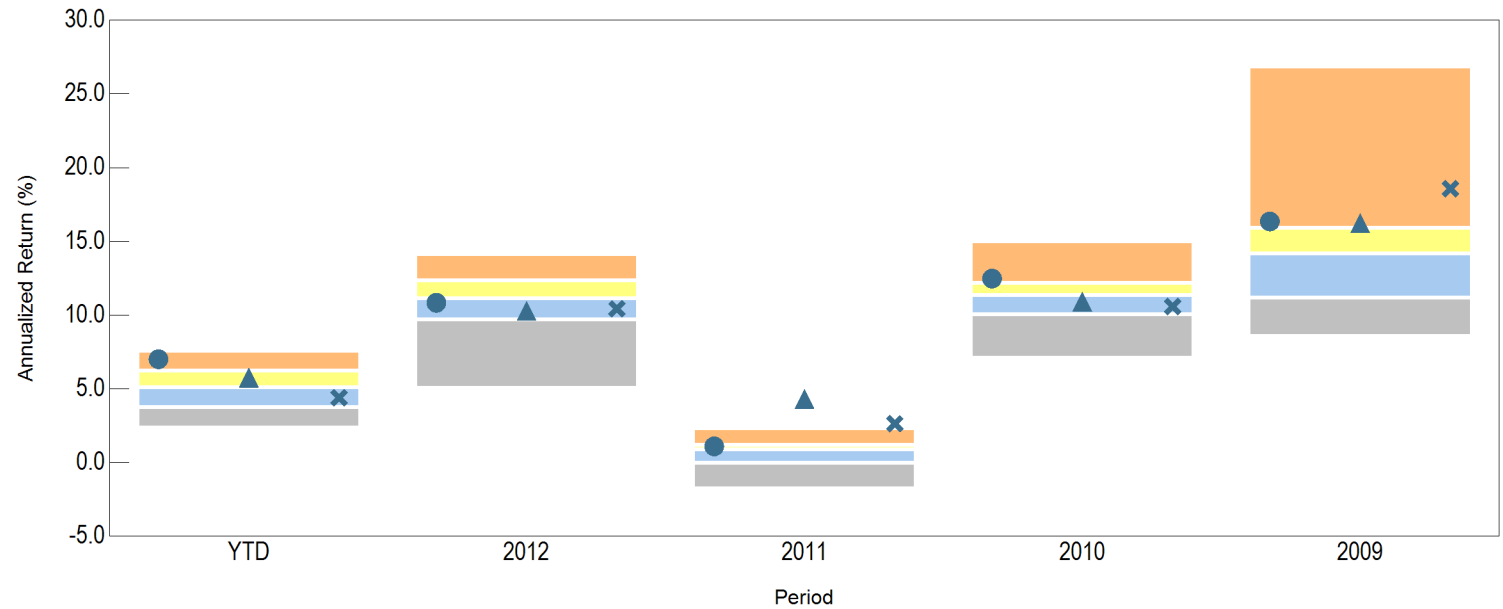
	Beginning Market Value	Withdrawals	Contributions	Fees	Net Investment Change	Ending Market Value	Period Return
Eagle Capital Management	\$12,944,395	-\$506,581	\$1,652,257	-\$121,296	\$3,412,541	\$17,502,612	24.61%
Advisory Research Small Mid Cap Value	\$10,064,769	-\$5,605	\$2,000,000	-\$114,236	\$1,981,123	\$14,040,287	17.49%
Westfield Capital All Cap	\$10,603,145	-\$534,744	\$2,000,000	-\$67,656	\$3,025,487	\$15,093,888	26.29%
Energy Opportunities Capital	\$1,332,247	-\$2,555	\$0	-\$14,780	\$321,626	\$1,651,318	24.16%
Thornburg International Value	\$5,030,964	-\$5,654,178	\$0	\$0	\$623,214	--	--
Marco Core Fixed Income	\$14,519,109	-\$14,721,368	\$1,237	-\$47,318	\$201,021	--	--
Sage Advisory Core Taxable Fixed Income	\$15,038,677	-\$1,044,512	\$0	-\$43,766	\$34,311	\$14,028,476	0.04%
Mackay Shields Core Investment Grade Fund	--	\$0	\$14,678,131	\$0	-\$328,656	\$14,349,475	--
Victory Investment Grade Convertible Securities	\$5,698,150	-\$3,884	\$0	-\$40,766	\$724,043	\$6,418,308	12.71%
Cash	\$12,324	-\$2,057,328	\$2,048,940	\$0	\$20	\$3,956	0.14%
<b>Total</b>	<b>\$75,243,780</b>	<b>-\$24,530,755</b>	<b>\$22,380,565</b>	<b>-\$449,818</b>	<b>\$9,994,730</b>	<b>\$83,088,320</b>	<b>13.26%</b>

## City of Marietta Employees Pension Plan

	Ending June 30, 2013								Inception	
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	Fiscal YTD (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
<b>Total Fund</b>	<b>83,088,320</b>	<b>100.0</b>	<b>0.3</b>	<b>7.0</b>	<b>13.3</b>	<b>10.9</b>	<b>6.8</b>	<b>6.4</b>	<b>8.3</b>	<b>Dec-90</b>
45% S&P 500 / 45% Barclays Agg / 10% ML Conv			0.3	5.8	10.1	10.8	6.0	6.0	8.3	Dec-90
35% S&P 500 / 45% Barclays Agg / 10% ML Conv / 10% ACWI x US			-0.3	4.4	9.5	9.8	5.5	6.1	--	Dec-90
<b>Total Equity</b>	<b>48,288,104</b>	<b>58.1</b>	<b>1.8</b>	<b>13.3</b>	<b>23.4</b>	<b>18.4</b>	<b>--</b>	<b>--</b>	<b>9.9</b>	<b>Aug-08</b>
S&P 500			2.9	13.8	20.6	18.5	7.0	7.3	7.1	Aug-08
<b>Total Domestic Equity</b>	<b>48,288,104</b>	<b>58.1</b>	<b>1.8</b>	<b>13.3</b>	<b>23.0</b>	<b>19.5</b>	<b>--</b>	<b>--</b>	<b>21.1</b>	<b>Feb-09</b>
Eagle Capital Management	17,502,612	21.1	4.2	15.5	24.6	20.7	--	--	22.3	Mar-09
S&P 500			2.9	13.8	20.6	18.5	7.0	7.3	20.4	Mar-09
Advisory Research Small Mid Cap Value	14,040,287	16.9	-0.5	11.1	17.5	17.6	--	--	21.3	Mar-09
Russell 2500 Value			1.5	15.1	26.9	18.9	9.4	10.2	24.4	Mar-09
Westfield Capital All Cap	15,093,888	18.2	1.5	12.9	26.3	19.7	--	--	19.3	Mar-09
Russell 3000 Growth			2.2	12.2	17.6	18.8	7.6	7.6	20.8	Mar-09
Energy Opportunities Capital	1,651,318	2.0	0.5	13.7	24.2	14.9	--	--	6.2	Mar-10
OIH/XLE Blended Energy Index			-0.5	10.7	20.9	15.0	-4.0	12.5	7.8	Mar-10
<b>Total Fixed Income</b>	<b>28,377,951</b>	<b>34.2</b>	<b>-2.3</b>	<b>-2.2</b>	<b>-0.4</b>	<b>2.9</b>	<b>--</b>	<b>--</b>	<b>4.8</b>	<b>Aug-08</b>
Sage Advisory Core Taxable Fixed Income	14,028,476	16.9	-2.0	-2.2	0.0	3.6	--	--	3.9	Dec-09
Barclays Aggregate			-2.3	-2.4	-0.7	3.5	5.2	4.5	4.5	Dec-09
MacKay Shields Core Investment Grade Fund	14,349,475	17.3	-2.8	-2.2	--	--	--	--	-2.2	Jan-13
Barclays Govt/Credit			-2.5	-2.7	-0.6	3.9	5.3	4.4	-2.7	Jan-13
<b>Total Alternative</b>	<b>6,418,308</b>	<b>7.7</b>	<b>1.0</b>	<b>7.6</b>	<b>12.7</b>	<b>8.8</b>	<b>--</b>	<b>--</b>	<b>11.5</b>	<b>Mar-09</b>
Victory Investment Grade Convertible Securities	6,418,308	7.7	1.0	7.6	12.7	8.8	--	--	11.5	Mar-09
Merrill Lynch Investment Grade Convertibles ex 144a			0.9	8.5	15.4	8.8	2.8	3.7	12.0	Mar-09
<b>Total Cash</b>	<b>3,956</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>--</b>	<b>--</b>	<b>0.3</b>	<b>Feb-09</b>
Cash	3,956	0.0	0.0	0.0	0.1	0.2	--	--	0.4	Feb-09
91 Day T-Bills			0.0	0.0	0.1	0.1	0.2	1.6	0.1	Feb-09

# City of Marietta Employees Pension Plan

IF Public DB \$50mm-\$250mm Net Accounts  
Ending June 30, 2013



	Return (Rank)									
5th Percentile	7.6		14.1		2.3		15.0		26.9	
25th Percentile	6.3		12.4		1.2		12.2		15.9	
Median	5.1		11.1		0.9		11.4		14.2	
75th Percentile	3.8		9.8		0.0		10.1		11.2	
95th Percentile	2.4		5.1		-1.7		7.1		8.6	
# of Portfolios	53		48		25		23		21	
● Total Fund	7.0	(14)	10.8	(58)	1.1	(42)	12.5	(23)	16.4	(20)
▲ 45% S&P 500 / 45% Barclays Agg / 10% ML C	5.8	(37)	10.3	(67)	4.3	(1)	10.9	(56)	16.2	(22)
✕ 35% S&P 500 / 45% Barclays Agg / 10% ML C	4.4	(68)	10.4	(64)	2.6	(1)	10.6	(61)	18.6	(19)

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## **Domestic Equity Analysis**

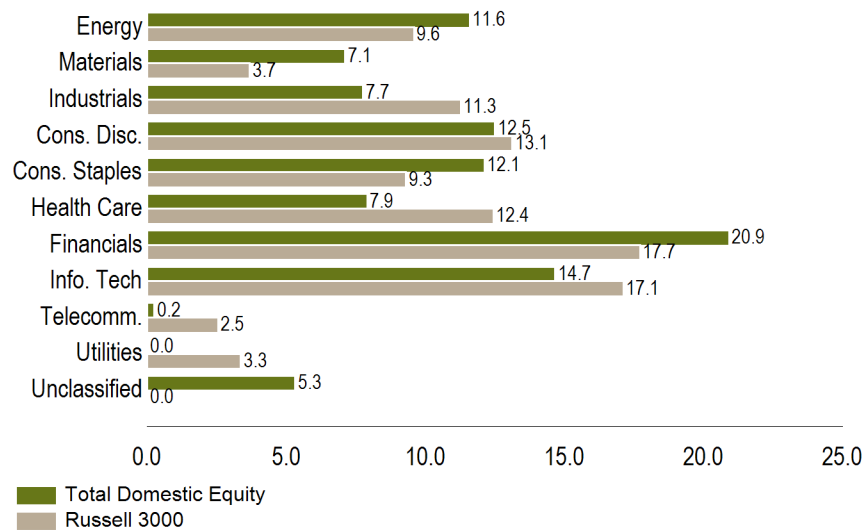
# City of Marietta Employees Pension Plan

## Total Domestic Equity Analysis

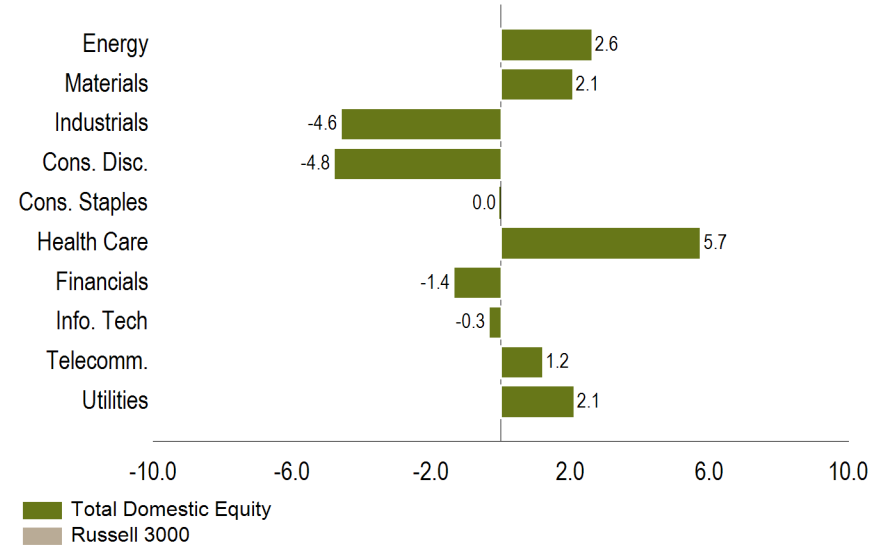
### Equity Characteristics

	Portfolio	Russell 3000
Number of Holdings	158	2,923
Weighted Avg. Market Cap. (\$B)	55.14	84.79
Median Market Cap. (\$B)	10.52	1.21
Price To Earnings	22.40	19.71
Price To Book	3.07	3.19
Price To Sales	2.41	2.26
Return on Equity (%)	15.18	17.26
Yield (%)	1.22	2.01

### Sector Allocation (%) vs Russell 3000



### Sector Excess Returns (%) vs Russell 3000



## City of Marietta Employees Pension Plan

### Top Holdings

BERKSHIRE HATHAWAY 'B'	2.96%
ORACLE	2.53%
GOOGLE 'A'	2.41%
MICROSOFT	2.27%
AON CLASS A	1.92%
COCA COLA	1.90%
NOBLE ENERGY	1.76%
ECOLAB	1.76%
MONDELEZ INTERNATIONAL CL.A	1.75%
THERMO FISHER SCIENTIFIC	1.70%
<b>Total</b>	<b>20.97%</b>

### Top Positive Relative Contributors in Percentage

	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
ACTAVIS (ACT)	0.63%	0.09%	0.15%	37.03%
THERMO FISHER SCIENTIFIC (TMO)	1.63%	0.18%	0.14%	10.84%
MORGAN STANLEY (MS)	1.46%	0.21%	0.13%	11.41%
UNITEDHEALTH GP. (UNH)	1.29%	0.38%	0.12%	14.96%
BERKSHIRE HATHAWAY 'B' (BRKB)	2.83%	1.13%	0.11%	7.41%
PIONEER NTRL.RES. (PXD)	0.91%	0.11%	0.11%	16.50%
COMERICA (CMA)	1.03%	0.04%	0.10%	11.29%
ECOLAB (ECL)	1.69%	0.13%	0.10%	6.54%
APPLE (AAPL)	1.46%	2.10%	0.09%	-9.82%
MICROSOFT (MSFT)	2.17%	1.47%	0.09%	21.59%
<b>Total</b>	<b>15.09%</b>	<b>5.84%</b>		

### Top Negative Relative Contributors in Percentage

	Portfolio Weight %	Index Weight %	Relative Contribution %	Return %
TRINITY INDS. (TRN)	0.69%	0.02%	-0.13%	-14.98%
PLUM CREEK TIMBER (PCL)	0.78%	0.04%	-0.11%	-9.86%
VALERO ENERGY (VLO)	0.47%	0.11%	-0.10%	-15.93%
MONDELEZ INTERNATIONAL CL.A (MDLZ)	1.68%	0.29%	-0.10%	-6.39%
ORACLE (ORCL)	2.42%	0.63%	-0.09%	-5.01%
ALLEGHENY TECHS. (ATI)	0.73%	0.02%	-0.09%	-16.54%
W R BERKLEY (WRB)	0.99%	0.03%	-0.08%	-7.69%
MDC HDG. (MDC)	0.66%	0.01%	-0.07%	-11.30%
NVR (NVR)	0.00%		-0.07%	-14.64%
CISCO SYSTEMS (CSCO)	0.00%		-0.06%	17.40%
<b>Total</b>	<b>8.42%</b>	<b>1.13%</b>		

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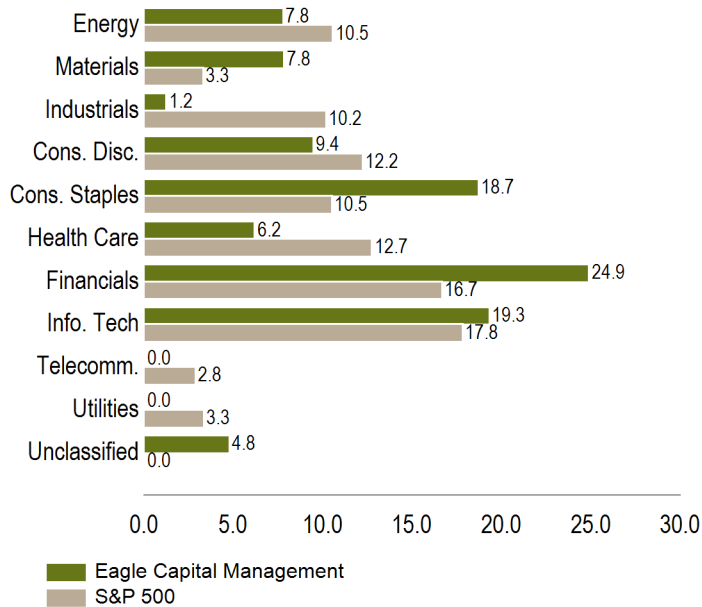


# **Investment Manager Analysis**

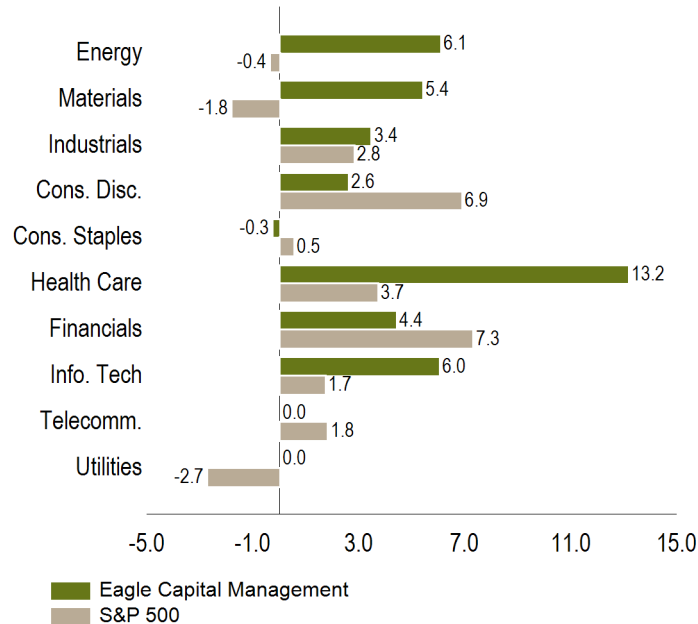
# Eagle Capital Management

Eagle's decision-making process is a bottom-up focus on companies undergoing significant change. They are looking for management teams with a vision to meaningfully change the company over the next three to five years. They must understand the corporation's strategy, evaluate it, judge management's record and ability to execute and ensure that they have the necessary resources. They then confirm that the company is undervalued. Their universe is ranked from companies that they know from adjacent opportunities and from dialogues with cutting-edge thinkers in different industries. While they use databases to highlight mispriced stocks, they do not take reported numbers at face value. Almost all of their value-added comes from original research. Frequent meetings with management, other employees and competitors, suppliers, and customers are integral to their process.

**Sector Allocation (%) vs S&P 500**



**Sector Returns (%) vs S&P 500**



## Characteristics

	Portfolio	S&P 500
PORTFOLIO CHARACTERISTICS		
Price To Earnings	20.33	18.90
P/E Excluding Negative Earnings	20.33	19.08
P/E Median	18.78	18.78
Price To Book	2.92	3.39
Price To Book Median	3.15	2.74
Price To Cash Flow	12.19	11.50
Price To Sales	2.27	2.13
Dividend Yield (%)	1.36	2.18
Weighted Ave. Market Cap. (\$B)	93.00	102.69
Median Market Cap. (\$B)	47.89	14.56

## Top Holdings

BERKSHIRE HATHAWAY 'B'	8.20%
ORACLE	7.02%
MICROSOFT	6.29%
AON CLASS A	5.33%
ECOLAB	4.88%
NOBLE ENERGY	4.72%
TWENTY-FIRST CENTURY FOX CL.A	4.52%
COCA COLA	4.41%
MORGAN STANLEY	4.22%
WAL MART STORES	4.07%

## Best Performers

	Return %
MICROSOFT (MSFT)	21.59%
UNITEDHEALTH GP. (UNH)	14.96%
MORGAN STANLEY (MS)	11.41%
GOOGLE 'A' (GOOG)	10.85%
THERMO FISHER SCIENTIFIC (TMO)	10.84%
CONSTELLATION BRANDS 'A' (STZ)	9.40%
APACHE (APA)	8.95%
FIDELITY NAT.INFO.SVS. (FIS)	8.67%
BERKSHIRE HATHAWAY 'B' (BRKB)	7.41%
TWENTY-FIRST CENTURY FOX CL.A (FOXA)	6.78%

## Worst Performers

	Return %
W R BERKLEY (WRB)	-7.69%
ALTERA (ALTR)	-6.68%
NESTLE SPN.ADR.REGD.SH.S. ADR 1:1 (NSRGY)	-6.44%
MONDELEZ INTERNATIONAL CL.A (MDLZ)	-6.39%
ORACLE (ORCL)	-5.01%
LIBERTY GLOBAL SR.C (LBTYK)	-1.08%
COCA COLA (KO)	-0.13%
MCDONALDS (MCD)	0.10%
WAL MART STORES (WMT)	0.14%
COMCAST SPECIAL 'A' (CMCSK)	0.65%

# Eagle Capital Management

\$17.5 Million and 21.1% of Fund

## RISK RETURN STATISTICS

July 01, 2008 Through June 30, 2013

Eagle Equity Live &  
Composite

S&P 500

### RETURN SUMMARY STATISTICS

Number of Periods	60	60
Maximum Return	9.24	10.93
Minimum Return	-18.36	-16.79
Annualized Return	8.91	7.01
Total Return	53.23	40.32
Annualized Excess Return Over Risk Free	8.74	6.84
Annualized Excess Return	1.90	0.00

### RISK SUMMARY STATISTICS

Beta	0.92	1.00
Upside Deviation	8.64	9.70
Downside Deviation	15.16	14.42

### RISK/RETURN SUMMARY STATISTICS

Annualized Standard Deviation	17.55	18.42
Alpha	0.19	0.00
Sharpe Ratio	0.50	0.37
Excess Return Over Market / Risk	0.11	0.00
Tracking Error	4.50	0.00
Information Ratio	0.42	--

### CORRELATION STATISTICS

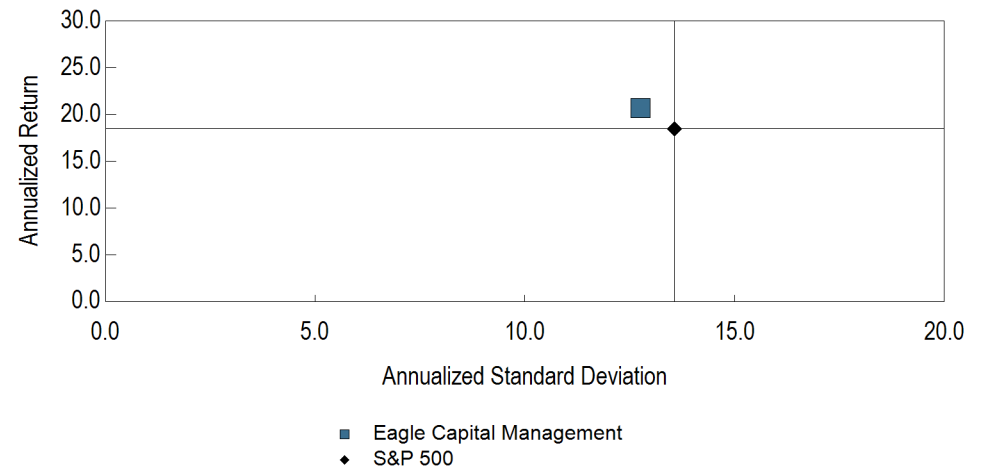
R-Squared	0.94	1.00
Correlation	0.97	1.00

Market Proxy: S&P 500

Risk-Free Proxy: 91 Day T-Bills

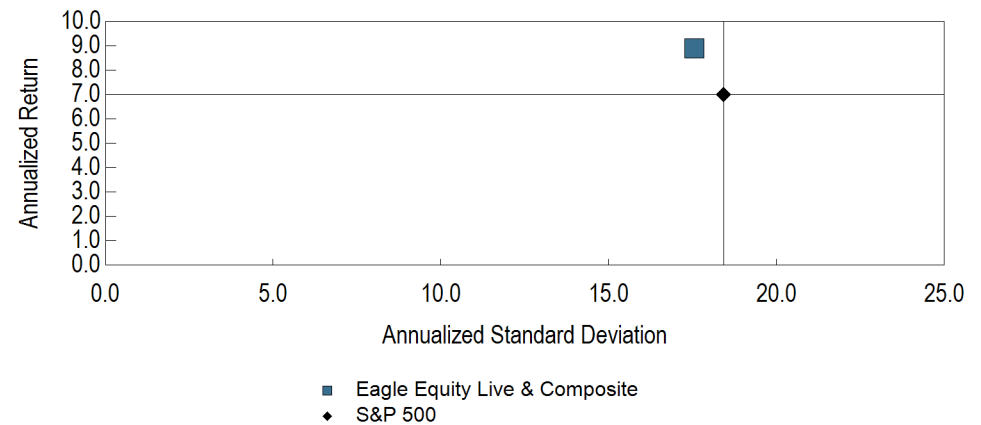
## Annualized Return vs. Annualized Standard Deviation

3 Years Ending June 30, 2013



## Annualized Return vs. Annualized Standard Deviation

5 Years Ending June 30, 2013

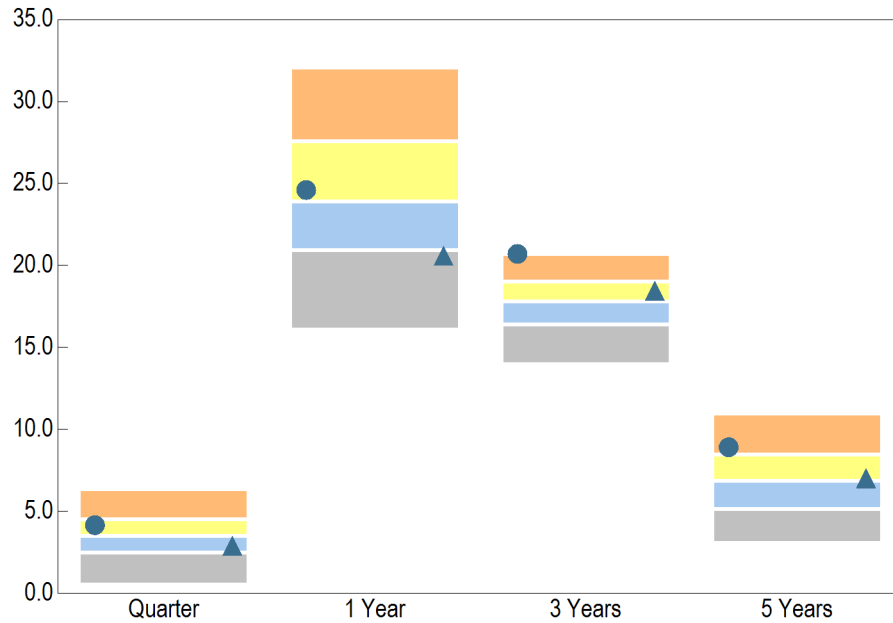


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## Eagle Capital Management

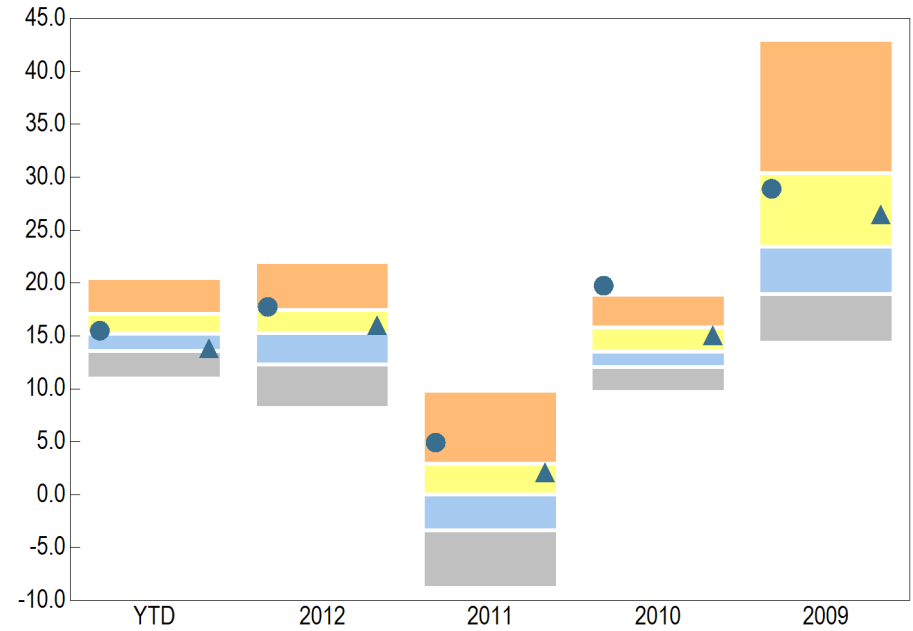
\$17.5 Million and 21.1% of Fund

eA US Large Cap Value Equity Net Accounts  
Ending June 30, 2013



● Eagle Equity Live & Composite ▲ S&P 500

eA US Large Cap Value Equity Net Accounts  
Ending June 30, 2013



● Eagle Equity Live & Composite ▲ S&P 500

	Second Quarter		Year-To-Date		1 Year Ending 6/30/13		3 Years Ending 6/30/13		5 Years Ending 6/30/13	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>Eagle Equity Live &amp; Composite</b>	<b>4.2 %</b>	<b>35</b>	<b>15.5 %</b>	<b>45</b>	<b>24.6 %</b>	<b>42</b>	<b>20.7 %</b>	<b>5</b>	<b>8.9 %</b>	<b>23</b>
S&P 500	2.9	68	13.8	72	20.6	77	18.5	38	7.0	48

## Advisory Research Small Mid Cap Value

Advisory Research's Small-Mid Cap Value philosophy focuses on the investment of stocks that are believed to be undervalued on a price-to-book basis. These stocks have, in their opinion, minimal downside risk. The companies that provide the firm with the best opportunities are those with undervalued assets that are typically off the radar screens of most firms or have been abandoned by the investment community. Once these companies have been pinpointed, the firm attempts to identify a catalyst that will cause the valuation of the company to be realized in the market place.

### Characteristics

	Portfolio	Russell 2500 Value
PORTFOLIO CHARACTERISTICS		
Price To Earnings	23.65	18.30
P/E Excluding Negative Earnings	23.65	19.58
P/E Median	18.08	15.98
Price To Book	1.98	1.82
Price To Book Median	1.77	1.56
Price To Cash Flow	11.35	9.94
Price To Sales	2.08	1.71
Dividend Yield (%)	1.08	1.77
Weighted Ave. Market Cap. (\$B)	5.14	3.31
Median Market Cap. (\$B)	3.09	0.76

### Top Holdings

CIT GROUP	4.45%
GULFPORT EN.	3.71%
COMERICA	3.66%
WHITE MOUNTAINS IN.GP.	3.59%
TRIBUNE NEW CL.A	3.58%
SUSSER HOLDINGS	3.46%
VISTEON	3.44%
ALEXANDER & BALDWIN	3.23%
OWENS CORNING	3.03%
PIONEER NTRL.RES.	3.02%

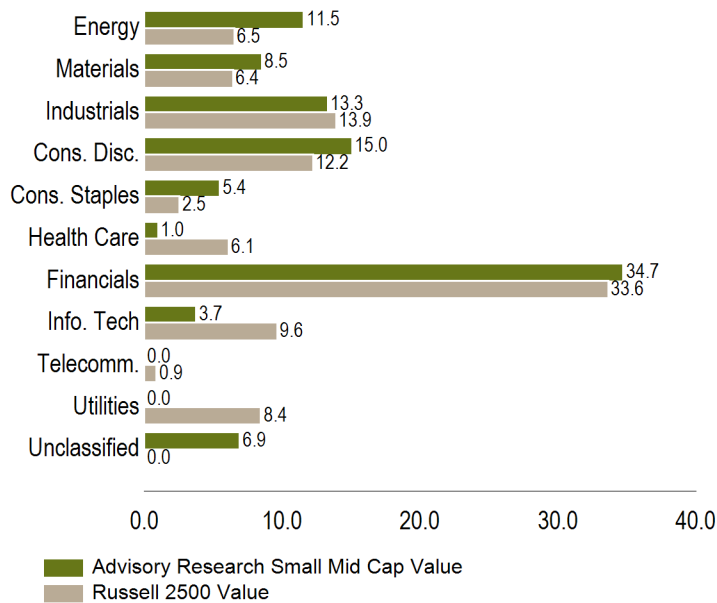
### Best Performers

	Return %
PIONEER NTRL.RES. (PXD)	16.50%
SEACOR HDG. (CKH)	12.72%
INVESTORS BANCORP (ISBC)	12.53%
KEYCORP (KEY)	11.42%
COMERICA (CMA)	11.29%
ALEXANDER & BALDWIN (ALEX)	11.19%
CABOT (CBT)	9.96%
VISTEON (VC)	9.39%
CIT GROUP (CIT)	7.24%
UNIVERSAL AMERICAN (UAM)	6.72%

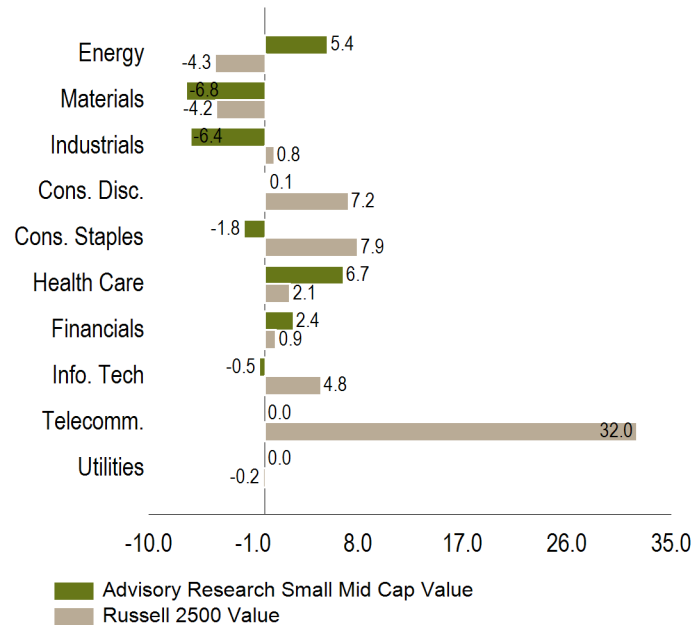
### Worst Performers

	Return %
ALLEGHENY TECHS. (ATI)	-16.54%
TRINITY INDS. (TRN)	-14.98%
LSB INDS. (LXU)	-12.56%
SCHNITZER STL.INDS. (SCHN)	-11.70%
MDC HDG. (MDC)	-11.30%
OSHKOSH (OSK)	-10.64%
PLUM CREEK TIMBER (PCL)	-9.86%
CRIMSON WINE GROUP (CWGL)	-8.44%
AVNET (AVT)	-7.18%
AMERCO (UHAL)	-6.71%

### Sector Allocation (%) vs Russell 2500 Value



### Sector Returns (%) vs Russell 2500 Value



## Advisory Research Small Mid Cap Value

\$14.0 Million and 16.9% of Fund

### RISK RETURN STATISTICS

July 01, 2008 Through June 30, 2013

Advisory Research Small  
Mid Cap Value Live &  
Composite

Russell 2500 Value

#### RETURN SUMMARY STATISTICS

Number of Periods	60	60
Maximum Return	17.05	15.95
Minimum Return	-15.66	-20.65
Annualized Return	7.38	9.42
Total Return	42.74	56.86
Annualized Excess Return Over Risk Free	7.21	9.25
Annualized Excess Return	-2.05	0.00

#### RISK SUMMARY STATISTICS

Beta	0.91	1.00
Upside Deviation	11.93	11.96
Downside Deviation	15.69	18.27

#### RISK/RETURN SUMMARY STATISTICS

Annualized Standard Deviation	21.60	23.09
Alpha	-0.10	0.00
Sharpe Ratio	0.33	0.40
Excess Return Over Market / Risk	-0.09	0.00
Tracking Error	5.61	0.00
Information Ratio	-0.36	--

#### CORRELATION STATISTICS

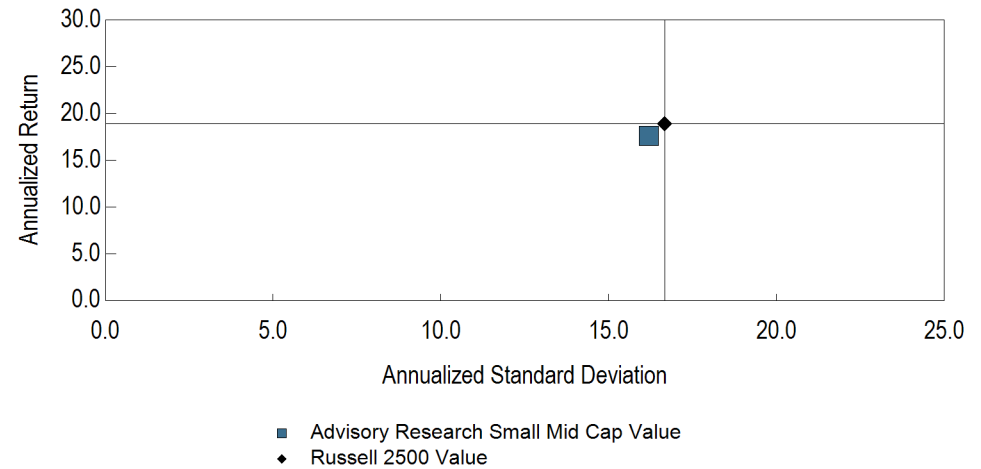
R-Squared	0.94	1.00
Correlation	0.97	1.00

Market Proxy: Russell 2500 Value

Risk-Free Proxy: 91 Day T-Bills

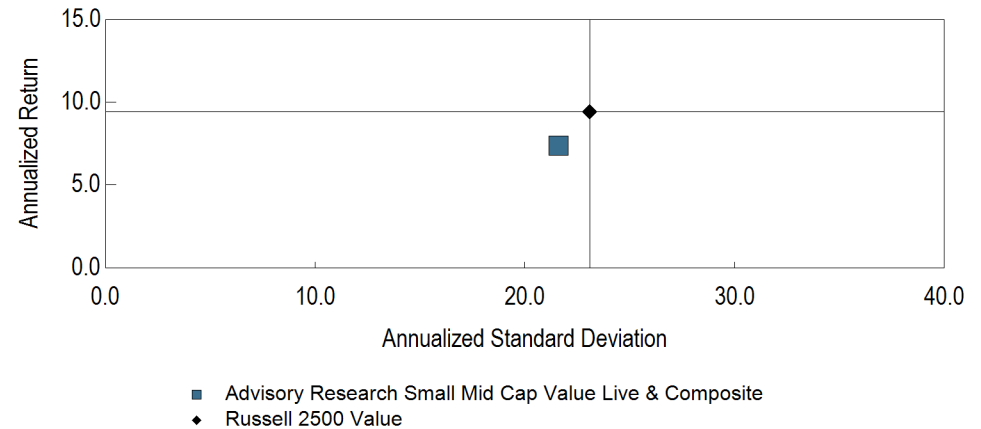
### Annualized Return vs. Annualized Standard Deviation

3 Years Ending June 30, 2013



### Annualized Return vs. Annualized Standard Deviation

5 Years Ending June 30, 2013



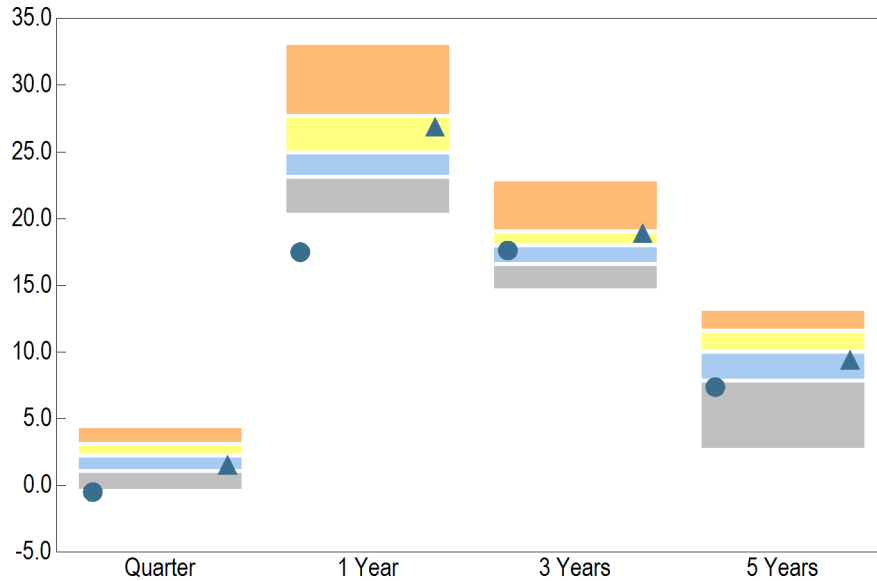
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## Advisory Research Small Mid Cap Value

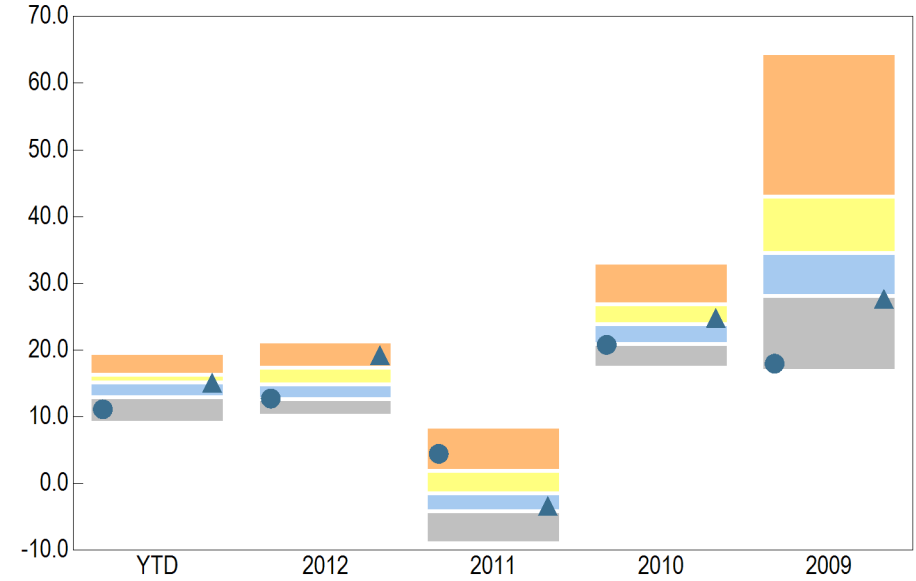
\$14.0 Million and 16.9% of Fund

eA US Small-Mid Cap Value Equity Net Accounts  
Ending June 30, 2013



● Advisory Research Small Mid Cap Value Live & Composite ▲ Russell 2500 Value

eA US Small-Mid Cap Value Equity Net Accounts  
Ending June 30, 2013



● Advisory Research Small Mid Cap Value Live & Composite ▲ Russell 2500 Value

	Second Quarter		Year-To-Date		1 Year Ending 6/30/13		3 Years Ending 6/30/13		5 Years Ending 6/30/13	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>Advisory Research Small Mid Cap Value Live &amp; Composite</b>	<b>-0.5%</b>	<b>97</b>	<b>11.1%</b>	<b>89</b>	<b>17.5%</b>	<b>99</b>	<b>17.6%</b>	<b>62</b>	<b>7.4%</b>	<b>79</b>
Russell 2500 Value	1.5	62	15.1	52	26.9	32	18.9	31	9.4	58

## Westfield Capital

Westfield is a fundamental, bottom-up manager investing in earnings growth stocks due to their conviction that stocks follow earnings progress and that they offer the best opportunity for superior real rates of return. Westfield generates themes to drive investment ideas in specific areas throughout the capitalization spectrum. This is particularly the case in cyclical sectors such as energy. The firm does utilize screens; however, most of their themes are driven from their understanding of the sectors that each analyst covers. The analysts' network and industry knowledge are the most critical components of the idea generation stage, and as bottom up investors, Westfield does not use the benchmark as a part of the portfolio construction process.

### Characteristics

	Portfolio	Russell 3000 Growth
PORTFOLIO CHARACTERISTICS		
Price To Earnings	23.96	21.88
P/E Excluding Negative Earnings	23.96	22.00
P/E Median	21.29	19.78
Price To Book	4.48	4.99
Price To Book Median	3.30	3.21
Price To Cash Flow	14.69	14.04
Price To Sales	2.90	2.99
Dividend Yield (%)	1.21	1.69
Weighted Ave. Market Cap. (\$B)	62.35	82.98
Median Market Cap. (\$B)	19.09	1.39

### Top Holdings

APPLE	4.89%
CELGENE	4.46%
GOOGLE 'A'	3.87%
ALLIANCE DATA SYSTEMS	2.76%
VISA 'A'	2.63%
AMERICAN INTL.GP.	2.42%
WILLIAMS-SONOMA	2.37%
THERMO FISHER SCIENTIFIC	2.29%
THE HERSHEY COMPANY	2.19%
COSTCO WHOLESALE	2.13%

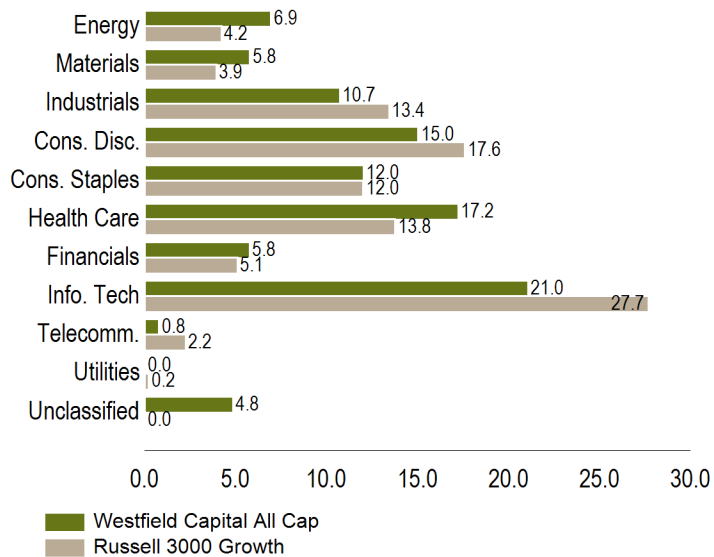
### Best Performers

	Return %
ACTAVIS (ACT)	37.03%
PRICELINE.COM (PCLN)	20.13%
WHOLE FOODS MARKET (WFM)	18.96%
CISCO SYSTEMS (CSCO)	17.40%
HEXCEL (HXL)	17.37%
STARBUCKS (SBUX)	15.42%
AMERICAN INTL.GP. (AIG)	15.15%
HURON CNSL.GP. (HURN)	14.68%
GANNETT (GCI)	12.97%
B & G FOODS (BGS)	12.63%

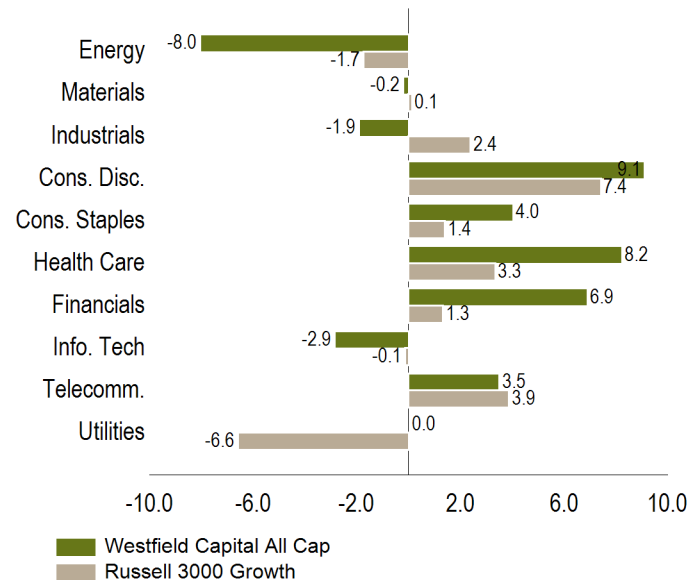
### Worst Performers

	Return %
COGNIZANT TECH.SLTN.'A' (CTSH)	-18.25%
CITRIX SYS. (CTXS)	-16.34%
VALERO ENERGY (VLO)	-15.93%
NVR (NVR)	-14.64%
SALESFORCE.COM (CRM)	-14.60%
MAXIM INTEGRATED PRDS. (MXIM)	-14.23%
TESORO (TSO)	-10.35%
APPLE (AAPL)	-9.82%
LANDSTAR SYSTEM (LSTR)	-9.79%
NUANCE COMMS. (NUAN)	-8.82%

### Sector Allocation (%) vs Russell 3000 Growth



### Sector Returns (%) vs Russell 3000 Growth



# Westfield Capital All Cap

## \$15.1 Million and 18.2% of Fund

### RISK RETURN STATISTICS

July 01, 2008 Through June 30, 2013

Westfield Capital All Cap  
Live & Composite

Russell 3000 Growth

#### RETURN SUMMARY STATISTICS

Number of Periods	60	60
Maximum Return	14.58	11.35
Minimum Return	-16.72	-17.93
Annualized Return	5.43	7.58
Total Return	30.25	44.11
Annualized Excess Return Over Risk Free	5.26	7.41
Annualized Excess Return	-2.15	0.00

#### RISK SUMMARY STATISTICS

Beta	1.08	1.00
Upside Deviation	11.50	9.92
Downside Deviation	15.15	14.94

#### RISK/RETURN SUMMARY STATISTICS

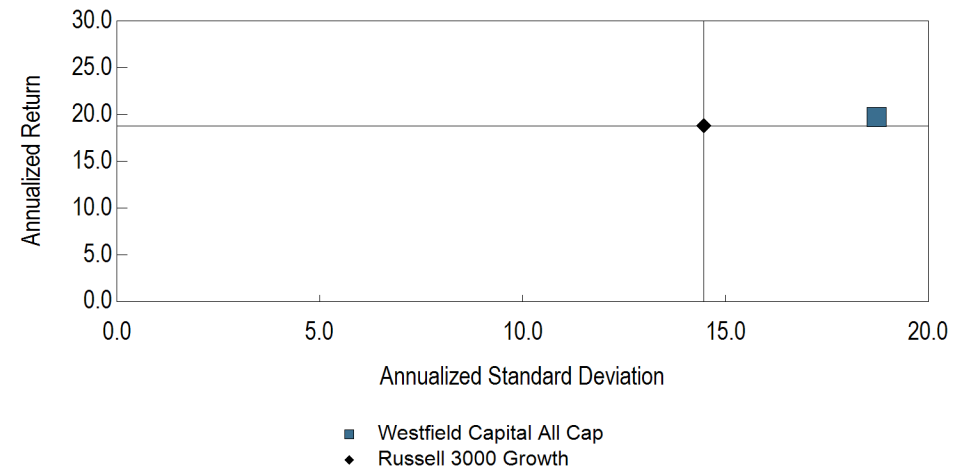
Annualized Standard Deviation	21.16	18.93
Alpha	-0.19	0.00
Sharpe Ratio	0.25	0.39
Excess Return Over Market / Risk	-0.10	0.00
Tracking Error	5.81	0.00
Information Ratio	-0.37	--

#### CORRELATION STATISTICS

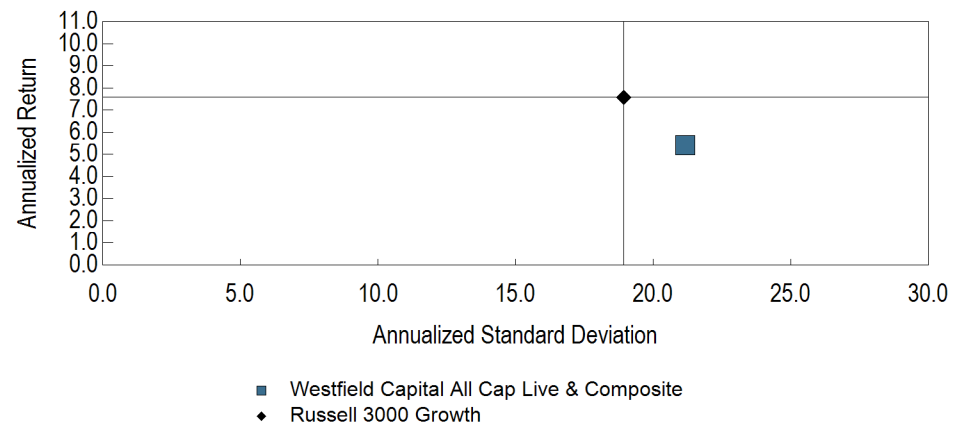
R-Squared	0.93	1.00
Correlation	0.96	1.00

Market Proxy: Russell 3000 Growth  
Risk-Free Proxy: 91 Day T-Bills

Annualized Return vs. Annualized Standard Deviation  
3 Years Ending June 30, 2013



Annualized Return vs. Annualized Standard Deviation  
5 Years Ending June 30, 2013

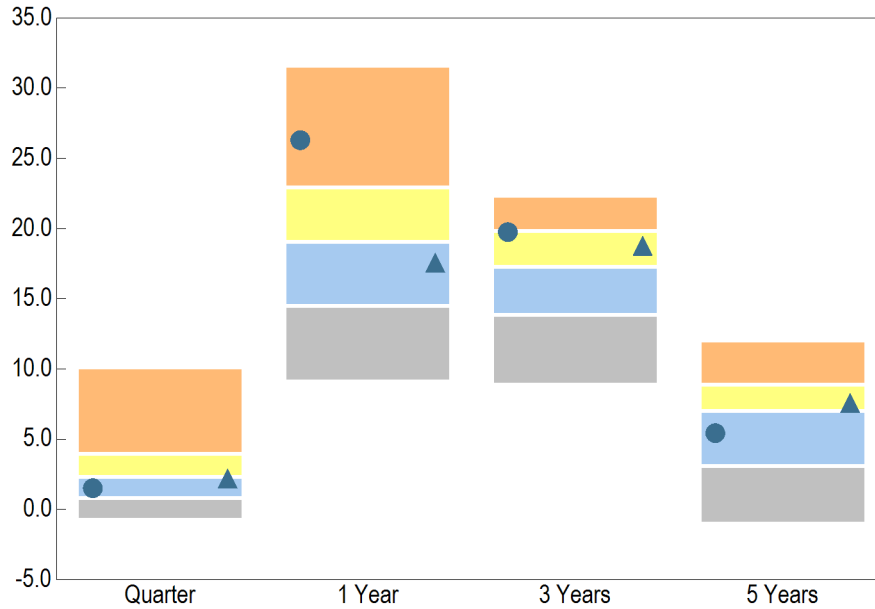


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# Westfield Capital All Cap

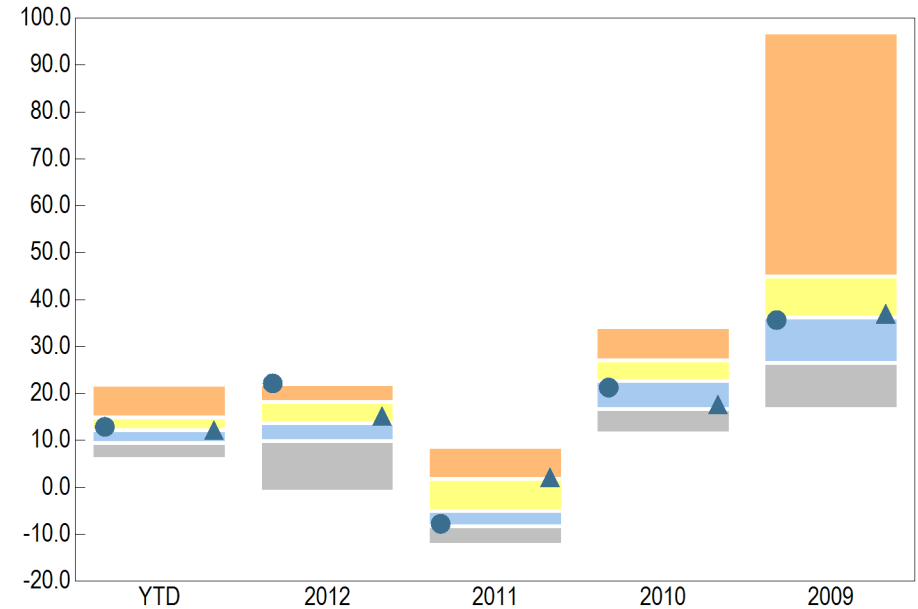
\$15.1 Million and 18.2% of Fund

eA US All Cap Growth Equity Net Accounts  
Ending June 30, 2013



● Westfield Capital All Cap Live & Composite ▲ Russell 3000 Growth

eA US All Cap Growth Equity Net Accounts  
Ending June 30, 2013



● Westfield Capital All Cap Live & Composite ▲ Russell 3000 Growth

	Second Quarter		Year-To-Date		1 Year Ending 6/30/13		3 Years Ending 6/30/13		5 Years Ending 6/30/13	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Westfield Capital All Cap Live & Composite	1.5 %	65	12.9 %	47	26.3 %	17	19.7 %	26	5.4 %	65
Russell 3000 Growth	2.2	52	12.2	50	17.6	60	18.8	36	7.6	47

## Energy Opportunities Capital

Orleans Capital Management and Simmons & Co. formed Energy Opportunities Capital Management, L.L.C. (EOCM) as a separate entity to manage the Energy Opportunities and the related Alternative Energy investment strategies. The Energy Opportunities strategy is a long only equity investment vehicle designed to take advantage of current energy market fundamentals and the continued energy upcycle. The strategy consists of separately managed accounts with identical holdings. Investment decisions are based upon macro energy fundamentals as well as company specific data gathered and analyzed by Simmons. The portfolio consists of publicly traded securities and currently is comprised of 35 holdings. Market capitalizations of these holdings range from \$400 million to in excess of \$6 billion. Security selection is designed to take advantage of the flow of economics within the energy sector by emphasizing certain energy subsectors (drillers, oil service, refiners) and to focus on companies with superior earnings growth.

### Characteristics

	Portfolio	Russell 3000
PORTFOLIO CHARACTERISTICS		
Price To Earnings	21.51	19.71
P/E Excluding Negative Earnings	21.60	20.06
P/E Median	19.50	17.82
Price To Book	2.65	3.19
Price To Book Median	1.89	2.08
Price To Cash Flow	11.05	11.63
Price To Sales	2.27	2.26
Dividend Yield (%)	1.01	2.01
Weighted Ave. Market Cap. (\$B)	20.01	84.79
Median Market Cap. (\$B)	9.14	1.21

### Top Holdings

HALLIBURTON	7.17%
OCEANEERING	6.91%
FMC TECHNOLOGIES	6.54%
CAMERON INTERNATIONAL	6.50%
NATIONAL OILWELL VARCO	5.96%
ENSCO CLASS A	5.92%
SCHLUMBERGER	5.37%
BAKER HUGHES	4.08%
DRIL-QUIP	3.88%
ATWOOD OCEANICS	3.86%

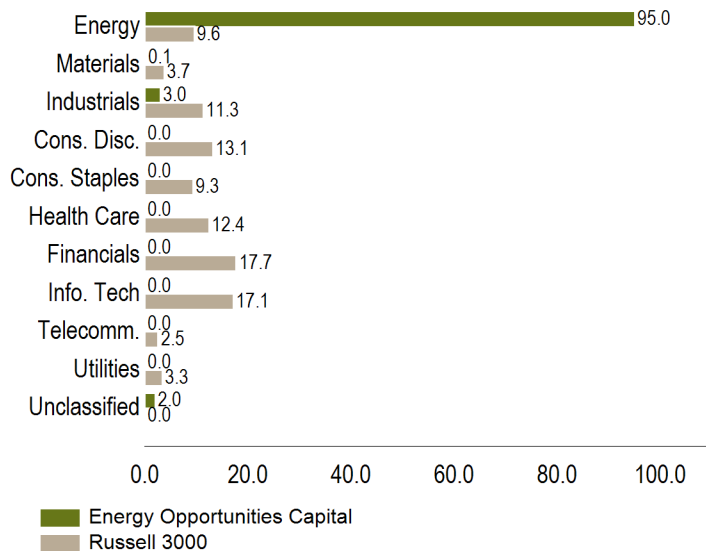
### Best Performers

	Return %
LUFKIN INDUSTRIES (LUFK)	33.45%
PIONEER NTRL.RES. (PXD)	16.50%
HORNBECK OFFS.SVS. (HOS)	15.15%
OCCIDENTAL PTL. (OXY)	14.64%
WEATHERFORD INTL. (SWX) (S:WFT)	14.12%
OIL STS.INTL. (OIS)	13.57%
CORE LABORATORIES (CLB)	10.21%
OCEANEERING (OII)	9.04%
NOBLE ENERGY (NBL)	4.08%
DRIL-QUIP (DRQ)	3.58%

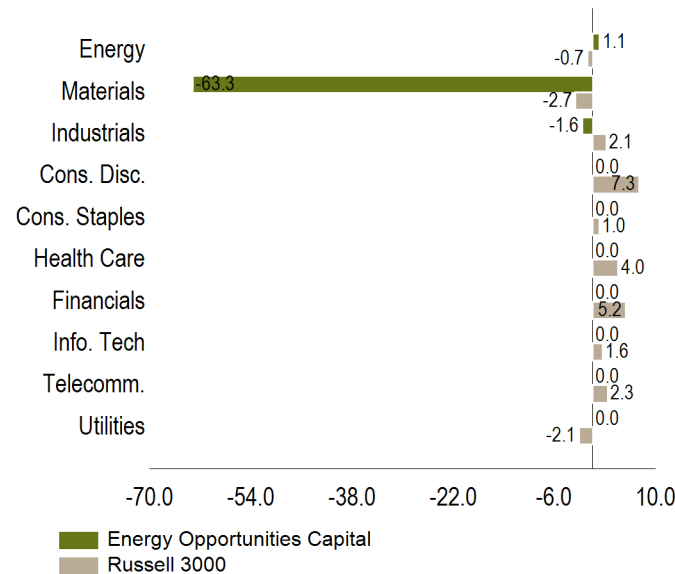
### Worst Performers

	Return %
WALTER ENERGY (WLT)	-63.27%
PEABODY ENERGY (BTU)	-30.50%
VALERO ENERGY (VLO)	-15.93%
CONCHO RESOURCES (CXO)	-14.07%
TESORO (TSO)	-10.35%
PRECISION DRILLING (C:PD)	-7.64%
TRANSOCEAN (SWX) (S:TRAN)	-6.58%
CAMERON INTERNATIONAL (CAM)	-6.20%
COBALT INTL.ENERGY (CIE)	-5.78%
RANGE RES. (RRC)	-4.54%

### Sector Allocation (%) vs Russell 3000



### Sector Returns (%) vs Russell 3000



# Energy Opportunities Capital

\$1.7 Million and 2.0% of Fund

## RISK RETURN STATISTICS

July 01, 2008 Through June 30, 2013

Energy Opportunities  
Capital Live & Composite

OIH/XLE Blended Energy  
Index

### RETURN SUMMARY STATISTICS

Number of Periods	60	60
Maximum Return	20.69	21.94
Minimum Return	-28.45	-27.67
Annualized Return	-5.02	-4.03
Total Return	-22.72	-18.58
Annualized Excess Return Over Risk Free	-5.20	-4.20
Annualized Excess Return	-1.00	0.00

### RISK SUMMARY STATISTICS

Beta	1.06	1.00
Upside Deviation	17.50	17.11
Downside Deviation	25.15	23.82

### RISK/RETURN SUMMARY STATISTICS

Annualized Standard Deviation	32.47	30.05
Alpha	-0.02	0.00
Sharpe Ratio	-0.16	-0.14
Excess Return Over Market / Risk	-0.03	0.00
Tracking Error	7.06	0.00
Information Ratio	-0.14	--

### CORRELATION STATISTICS

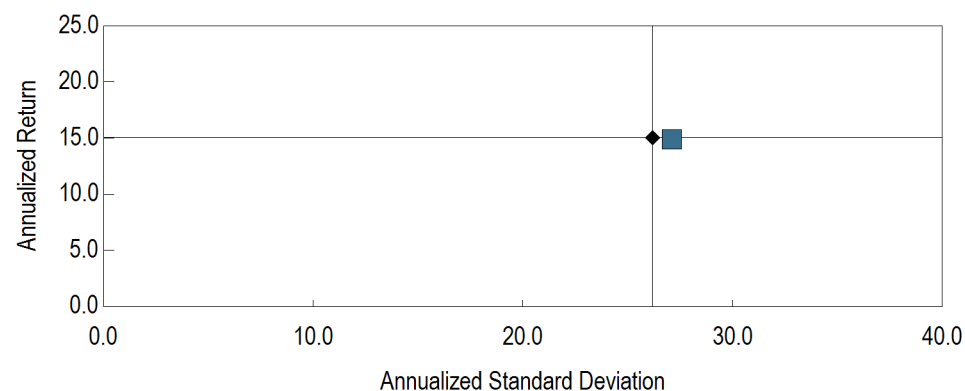
R-Squared	0.96	1.00
Correlation	0.98	1.00

Market Proxy: OIH/XLE Blended Energy Index

Risk-Free Proxy: 91 Day T-Bills

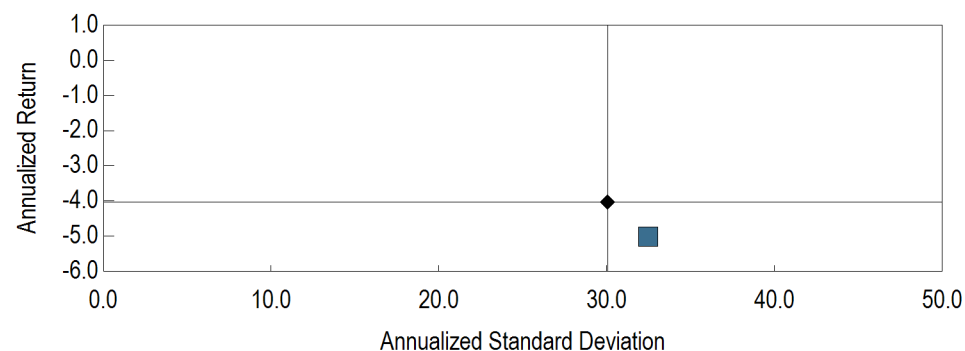
## Annualized Return vs. Annualized Standard Deviation

3 Years Ending June 30, 2013



## Annualized Return vs. Annualized Standard Deviation

5 Years Ending June 30, 2013



■ Energy Opportunities Capital Live & Composite  
◆ OIH/XLE Blended Energy Index

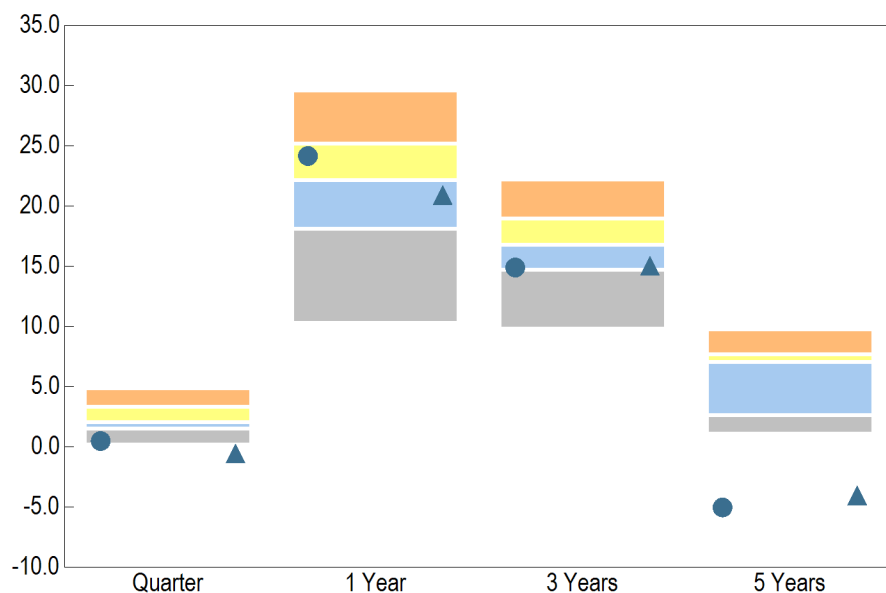
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# Energy Opportunities Capital

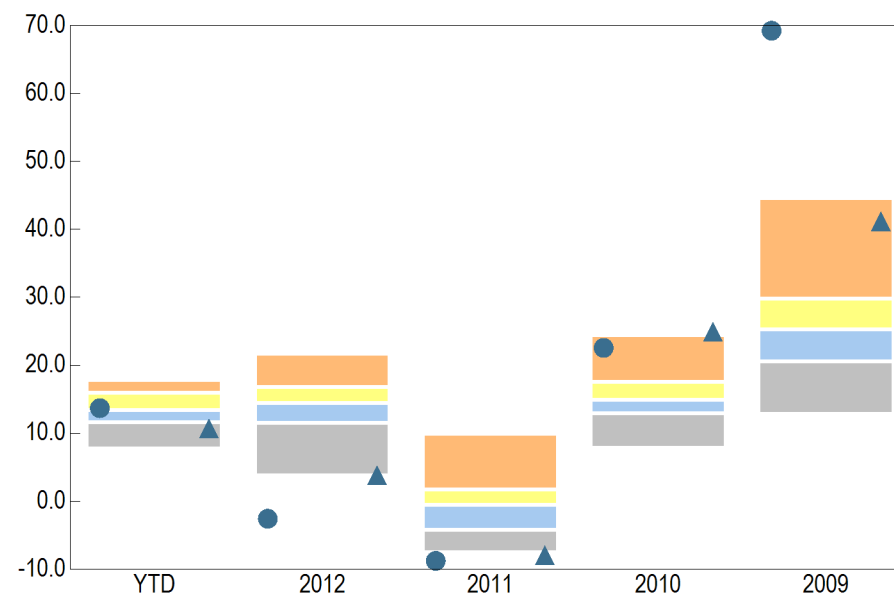
\$1.7 Million and 2.0% of Fund

eA US All Cap Core Equity Net Accounts  
Ending June 30, 2013



● Energy Opportunities Capital Live & Composite ▲ OIH/XLE Blended Energy Index

eA US All Cap Core Equity Net Accounts  
Ending June 30, 2013



● Energy Opportunities Capital Live & Composite ▲ OIH/XLE Blended Energy Index

	Second Quarter		Year-To-Date		1 Year Ending 6/30/13		3 Years Ending 6/30/13		5 Years Ending 6/30/13	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Energy Opportunities Capital Live & Composite	0.5 %	92	13.7 %	49	24.2 %	32	14.9 %	74	-5.0 %	99
OIH/XLE Blended Energy Index	-0.5	99	10.7	86	20.9	59	15.0	73	-4.0	99

## Sage Advisory Core Taxable Fixed Income

Sage Advisory employs a value-oriented comprehensive portfolio management approach blending active duration management, market sector rotation and undervalued security selection. Cash will be used for duration adjustment purposes or as part of a defensive mode, which could be as high as 30%. The strategy looks to provide consistent quarterly total returns while minimizing downside risk in any environment.

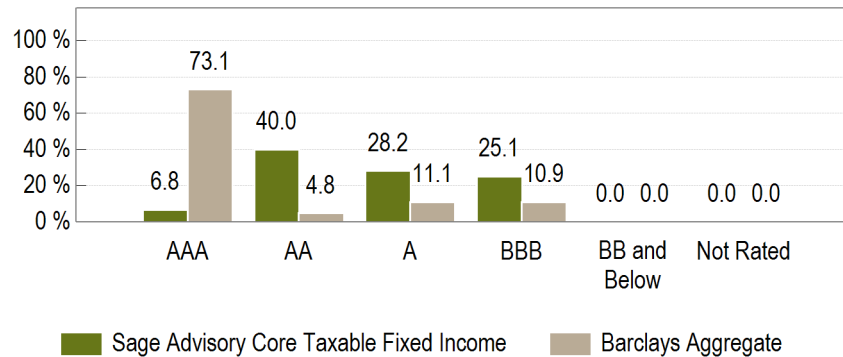
### Top Holdings

Federated Prime Obligations Money Market Fund Class Institutional	24.91%
FNCL 3.5 7/10	9.99%
FNMA CONV, 15YRS	6.97%
UNITED STATES TREASURY	6.54%
UNITED STATES TREASURY	4.17%
FNCI 3 7/11	3.32%
UNITED STATES TREASURY	3.21%
GE CAPITAL CREDIT CARD MASTER NOTE TRUST	1.78%
UNITED STATES TREASURY	1.58%
FN 906059	1.45%

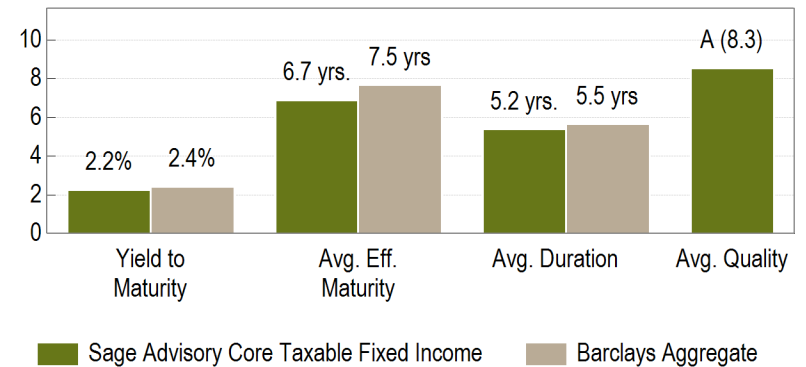
### Sector Distribution History

	Q213
UST/Agency	21.4%
Corporate	61.9%
MBS	23.3%
ABS	15.9%
Foreign	--
Muni	0.7%
Other	-23.1%

### Quality Ratings Sage Advisory Core Taxable Fixed Income



### Characteristics Sage Advisory Core Taxable Fixed Income



# Sage Advisory Core Taxable Fixed Income

\$14.0 Million and 16.9% of Fund

## RISK RETURN STATISTICS

July 01, 2008 Through June 30, 2013

Sage Advisory Core  
Taxable Fixed Income Live  
& Composite

Barclays Aggregate

### RETURN SUMMARY STATISTICS

Number of Periods	60	60
Maximum Return	4.63	3.73
Minimum Return	-2.27	-2.36
Annualized Return	5.17	5.19
Total Return	28.68	28.78
Annualized Excess Return Over Risk Free	5.00	5.02
Annualized Excess Return	-0.02	0.00

### RISK SUMMARY STATISTICS

Beta	1.01	1.00
Upside Deviation	3.05	2.67
Downside Deviation	2.45	2.45

### RISK/RETURN SUMMARY STATISTICS

Annualized Standard Deviation	3.96	3.73
Alpha	-0.01	0.00
Sharpe Ratio	1.26	1.35
Excess Return Over Market / Risk	0.00	0.00
Tracking Error	1.21	0.00
Information Ratio	-0.01	--

### CORRELATION STATISTICS

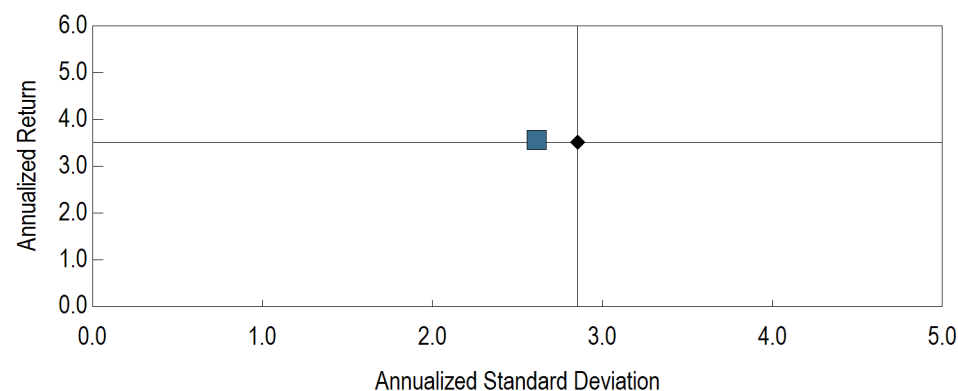
R-Squared	0.91	1.00
Correlation	0.95	1.00

Market Proxy: Barclays Aggregate

Risk-Free Proxy: 91 Day T-Bills

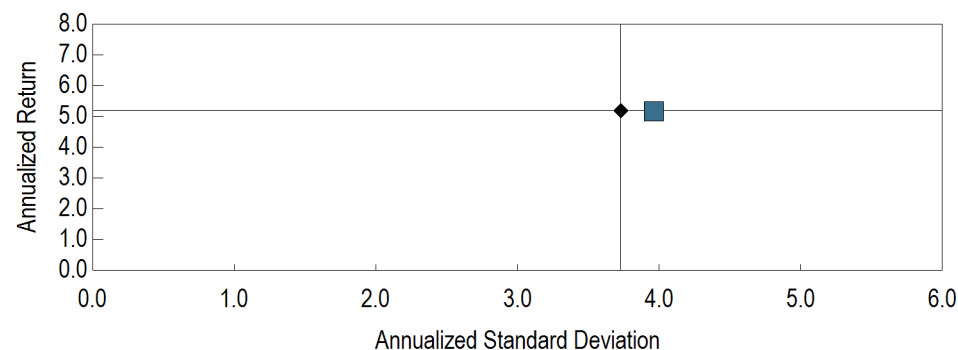
## Annualized Return vs. Annualized Standard Deviation

3 Years Ending June 30, 2013



## Annualized Return vs. Annualized Standard Deviation

5 Years Ending June 30, 2013



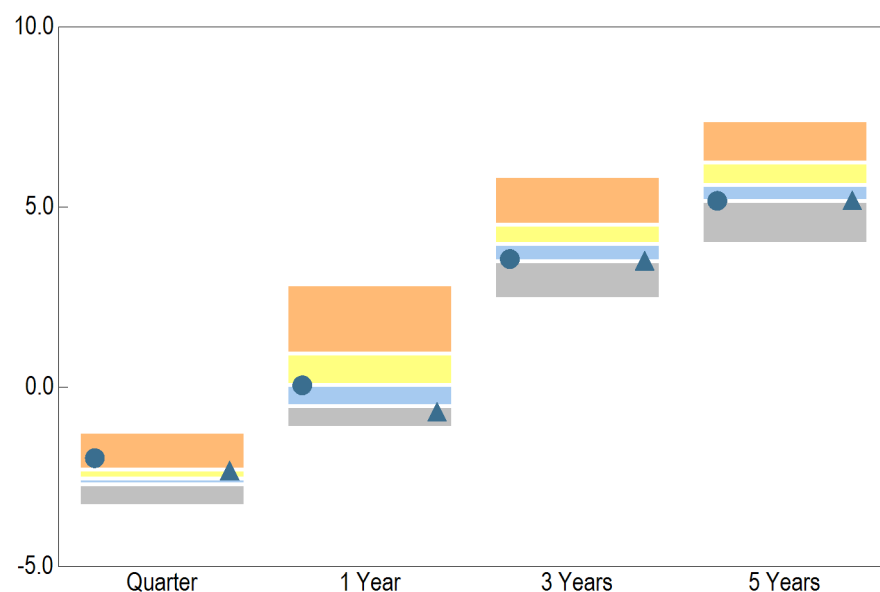
■ Sage Advisory Core Taxable Fixed Income Live & Composite  
◆ Barclays Aggregate

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## Sage Advisory Core Taxable Fixed Income

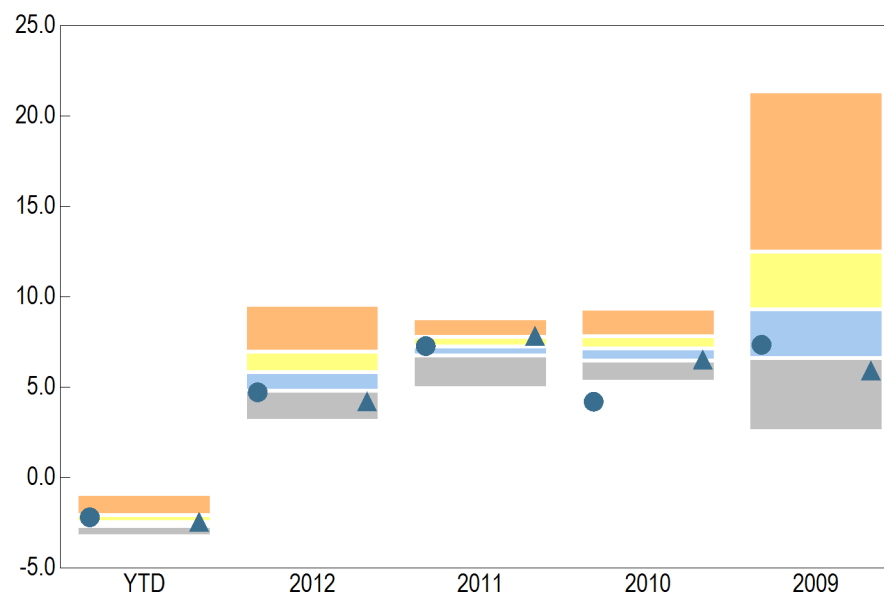
\$14.0 Million and 16.9% of Fund

eA US Core Fixed Inc Net Accounts  
Ending June 30, 2013



● Sage Advisory Core Taxable Fixed Income Live & Composite  
▲ Barclays Aggregate

eA US Core Fixed Inc Net Accounts  
Ending June 30, 2013



● Sage Advisory Core Taxable Fixed Income Live & Composite  
▲ Barclays Aggregate

	Second Quarter		Year-To-Date		1 Year Ending 6/30/13		3 Years Ending 6/30/13		5 Years Ending 6/30/13	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>Sage Advisory Core Taxable Fixed Income Live &amp; Composite</b>	<b>-2.0%</b>	<b>11</b>	<b>-2.2%</b>	<b>32</b>	<b>0.0%</b>	<b>52</b>	<b>3.6%</b>	<b>74</b>	<b>5.2%</b>	<b>76</b>
Barclays Aggregate	-2.3	27	-2.4	49	-0.7	81	3.5	75	5.2	75

## MacKay Shields Core Investment Grade Fund

The investment objective of the MacKay Shields Core Investment Grade Fund is to outperform the Barclays Capital U.S. Aggregate Bond Index (the Index). The Index is an unmanaged index comprised of publicly placed, non-convertible coupon bearing U.S. debt instruments having a maturity of at least one year. The Fund seeks to achieve its investment objective by selectively investing in a diversified portfolio of fixed and floating rate notes and bonds offering relatively attractive current market yields after adjusting for pertinent risks (including security structure and creditworthiness). Such instruments are rated investment grade.

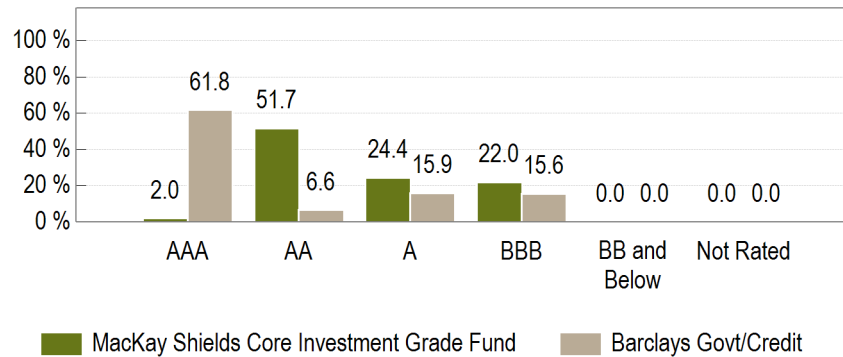
### Top Holdings

FN 30yr	12.51%
FH 30yr GOLD	5.58%
CASH - USD	4.82%
UST 2.875 11/15/42 When Iss	2.76%
FHLMC GOLD 30 YR OVER 125 LTV	2.75%
FG A94362	2.03%
FNMA CONV 30 YR SF	1.77%
GN2 30yr SF	1.69%
GN 781489	1.59%
DIGITAL REALTY TRUST LP	1.48%

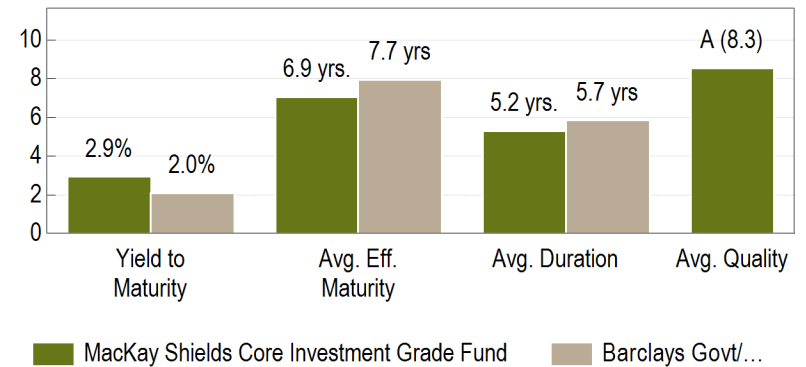
### Sector Distribution History

	Q213
UST/Agency	6.6%
Corporate	41.4%
MBS	48.9%
ABS	1.7%
Foreign	1.2%
Muni	--
Other	0.2%

### Quality Ratings MacKay Shields Core Investment Grade Fund



### Characteristics MacKay Shields Core Investment Grade Fund



# MacKay Shields Core Investment Grade Fund

\$14.3 Million and 17.3% of Fund

## RISK RETURN STATISTICS

January 01, 2012 Through June 30, 2013

MacKay Shields Core  
Investment Grade Fund  
Live & Composite

Barclays Govt/Credit

### RETURN SUMMARY STATISTICS

Number of Periods	18	18
Maximum Return	1.66	1.64
Minimum Return	-1.94	-1.92
Annualized Return	1.80	1.34
Total Return	2.71	2.02
Annualized Excess Return Over Risk Free	1.73	1.27
Annualized Excess Return	0.46	0.00

### RISK SUMMARY STATISTICS

Beta	0.91	1.00
Upside Deviation	1.71	2.06
Downside Deviation	2.94	2.69

### RISK/RETURN SUMMARY STATISTICS

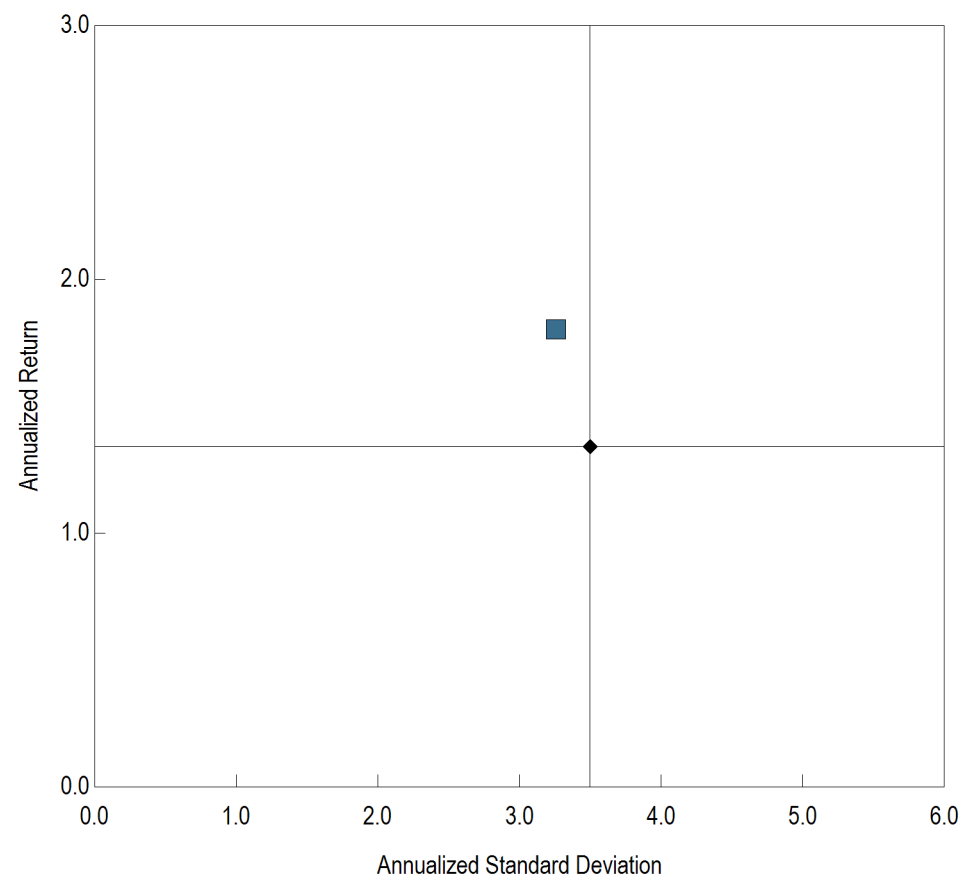
Annualized Standard Deviation	3.26	3.50
Alpha	0.05	0.00
Sharpe Ratio	0.53	0.36
Excess Return Over Market / Risk	0.14	0.00
Tracking Error	0.78	0.00
Information Ratio	0.59	--

### CORRELATION STATISTICS

R-Squared	0.95	1.00
Correlation	0.98	1.00

Market Proxy: Barclays Govt/Credit  
Risk-Free Proxy: 91 Day T-Bills

Annualized Return vs. Annualized Standard Deviation  
1 Year 6 Months Ending June 30, 2013



■ MacKay Shields Core Investment Grade Fund Live & Composite  
◆ Barclays Govt/Credit

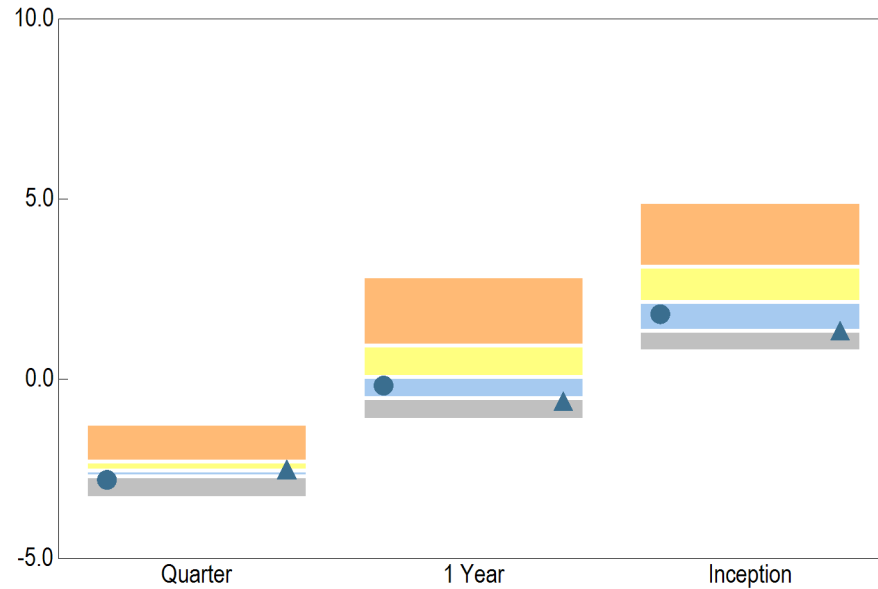
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## MacKay Shields Core Investment Grade Fund

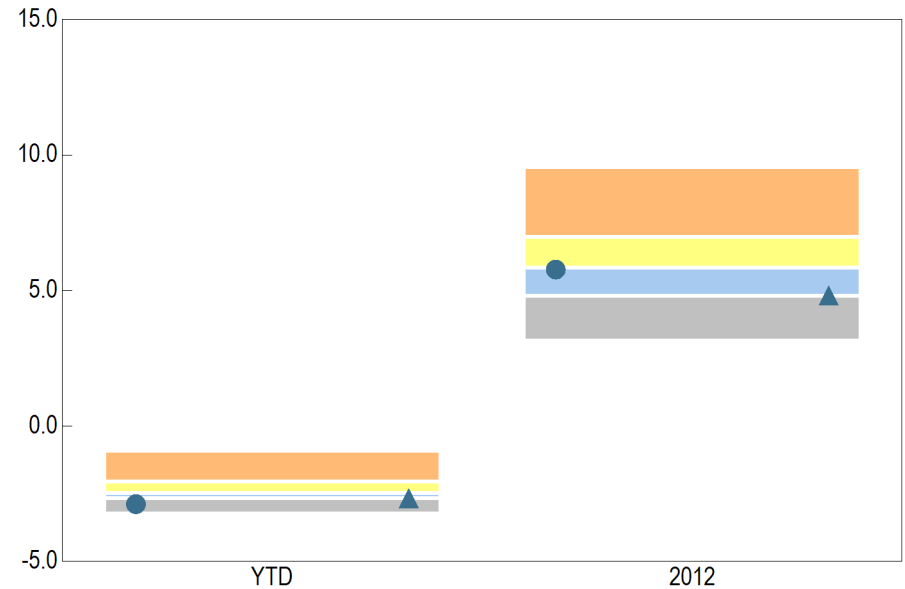
\$14.3 Million and 17.3% of Fund

eA US Core Fixed Inc Net Accounts  
Ending June 30, 2013



● MacKay Shields Core Investment Grade Fund Live & Composite    ▲ Barclays Govt/Credit

eA US Core Fixed Inc Net Accounts  
Ending June 30, 2013



● MacKay Shields Core Investment Grade Fund Live & Composite    ▲ Barclays Govt/Credit

	Second Quarter		Year-To-Date		1 Year Ending 6/30/13		Since Inception		Inception Date
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	
<b>MacKay Shields Core Investment Grade Fund Live &amp; Composite</b>	<b>-2.8 %</b>	<b>84</b>	<b>-2.9 %</b>	<b>87</b>	<b>-0.2 %</b>	<b>58</b>	<b>1.8 %</b>	<b>60</b>	<b>1/1/12</b>
Barclays Govt/Credit	-2.5	45	-2.7	76	-0.6	81	1.3	76	

## Victory Investment Grade Convertible Securities

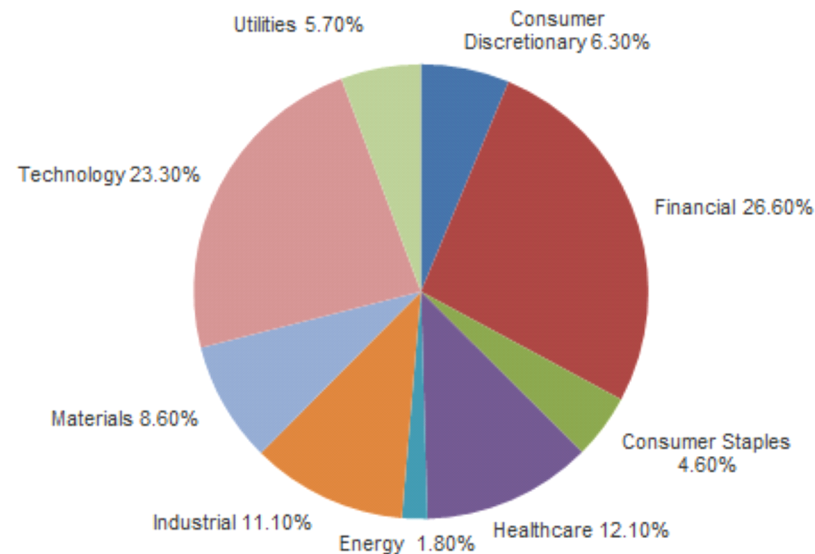
Process focuses on the intrinsic value of the underlying common stock as well as on the convertible security itself. The underlying equity analysis looks for the best combination of intrinsic value, statistical cheapness and earnings revision. The underlying fixed income analysis encompasses financial statement factors in addition to trends of pertinent financial ratios such as pre-tax interest coverage, current ratio, return on equity and profit margins. Convertible characteristics they analyze include quality, intrinsic value, conversion premium, break-even, investment value, yield advantage, call and put features, liquidity, and sensitivity/horizon analysis. They purchase when the underlying equity exhibits superior valuation characteristics, coupled with the most compelling combination of statistical cheapness and earnings revision; underlying bond exhibits solid cash flow or improving fundamentals; and convertible particulars are attractive.

### Top Holdings

Federated Prime Obligations Money Market Fund Class Institutiona	6.88%
GILEAD SCIENCES INC	6.18%
METLIFE	5.56%
INTEL CORP	5.09%
WELLS FARGO & CO	5.03%
EMC CORP	4.84%
UNITED TECHNOLOGIES UNT.	3.14%
PRICELINE COM INC 1.25% DUE 03-15-2015	2.83%
NEW YORK COMMUNITY CAPITAL TRUST V	2.76%
AFFILIATED MANAGERS GROUP INC	2.71%

	Marietta	ML Inv Gr Conv
Current Yield	2.8%	2.8%
Avg Credit Rating	BBB+	BBB+
Holdings	44	58

Quality Distribution	
AAA	2.9%
AA	0.0%
A	29.6%
BBB	67.5%
BB	0.0%
B	0.0%
Not Rated	0.0%
Other	
Avg Maturity	8.75



# Victory Investment Grade Convertible Securities

\$6.4 Million and 7.7% of Fund

## RISK RETURN STATISTICS

July 01, 2008 Through June 30, 2013

Victory Investment Grade  
Convertible Securities  
Live & Composite

Merrill Lynch Investment  
Grade Convertibles ex  
144a

### RETURN SUMMARY STATISTICS

Number of Periods	60	60
Maximum Return	6.02	7.41
Minimum Return	-13.72	-16.98
Annualized Return	2.97	2.84
Total Return	15.75	15.04
Annualized Excess Return Over Risk Free	2.80	2.67
Annualized Excess Return	0.13	0.00

### RISK SUMMARY STATISTICS

Beta	0.93	1.00
Upside Deviation	5.45	5.74
Downside Deviation	11.86	13.09

### RISK/RETURN SUMMARY STATISTICS

Annualized Standard Deviation	12.76	13.44
Alpha	0.02	0.00
Sharpe Ratio	0.22	0.20
Excess Return Over Market / Risk	0.01	0.00
Tracking Error	2.67	0.00
Information Ratio	0.05	--

### CORRELATION STATISTICS

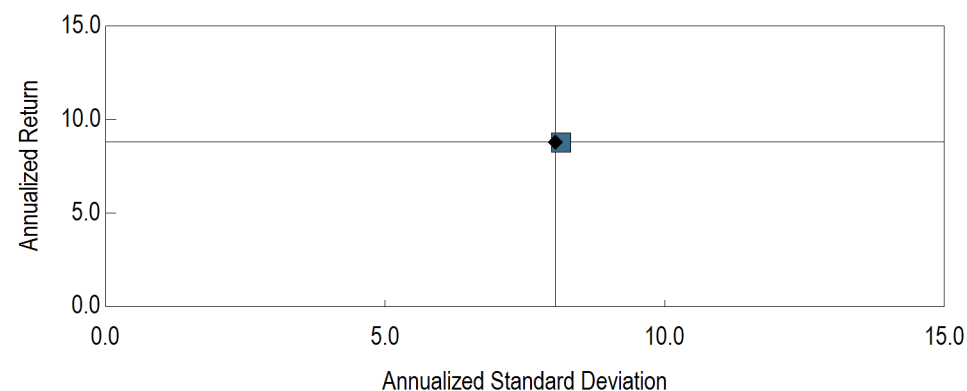
R-Squared	0.96	1.00
Correlation	0.98	1.00

Market Proxy: Merrill Lynch Investment Grade Convertibles ex 144a

Risk-Free Proxy: 91 Day T-Bills

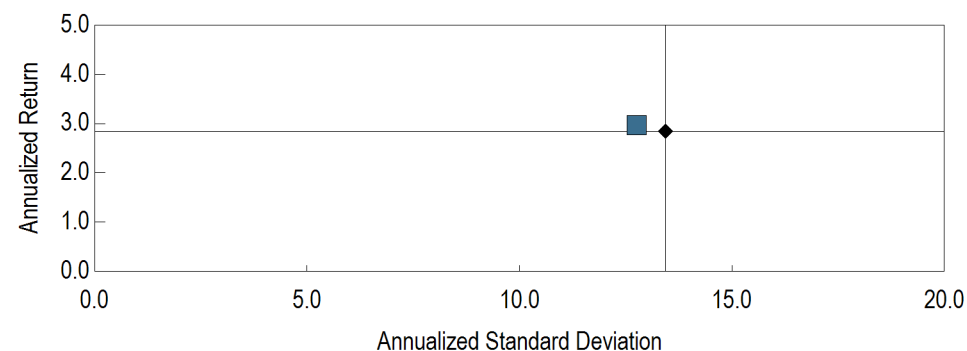
## Annualized Return vs. Annualized Standard Deviation

3 Years Ending June 30, 2013



## Annualized Return vs. Annualized Standard Deviation

5 Years Ending June 30, 2013

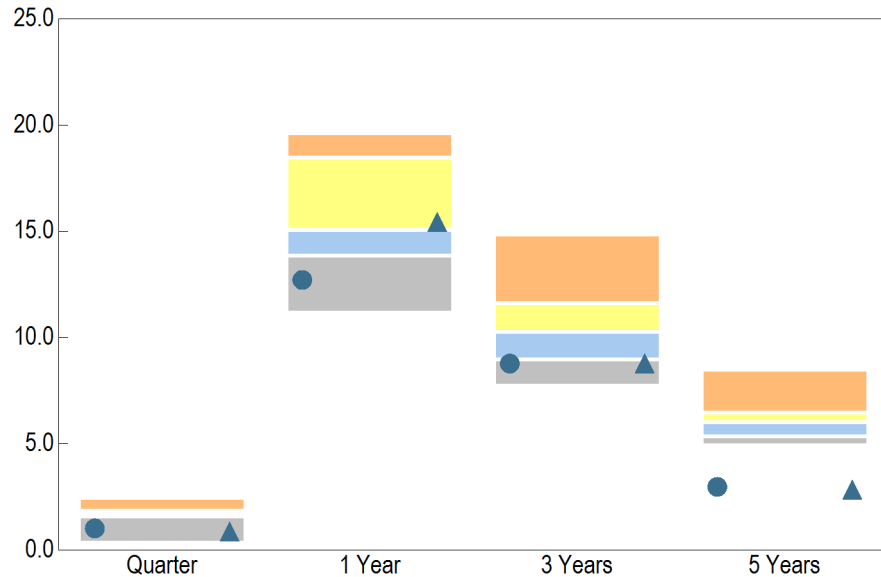


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## Victory Investment Grade Convertible Securities

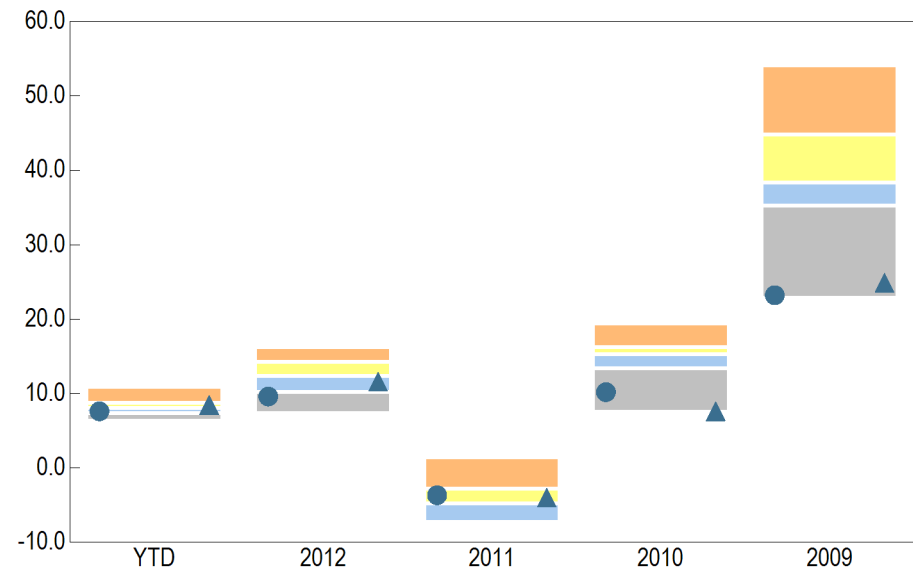
\$6.4 Million and 7.7% of Fund

eA US Convertibles Net Accounts  
Ending June 30, 2013



● Victory Investment Grade Convertible Securities Live & Composite  
▲ Merrill Lynch Investment Grade Convertibles ex 144a

eA US Convertibles Net Accounts  
Ending June 30, 2013



● Victory Investment Grade Convertible Securities Live & Composite  
▲ Merrill Lynch Investment Grade Convertibles ex 144a

	Second Quarter		Year-To-Date		1 Year Ending 6/30/13		3 Years Ending 6/30/13		5 Years Ending 6/30/13	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>Victory Investment Grade Convertible Securities Live &amp; Composite</b>	<b>1.0 %</b>	<b>88</b>	<b>7.6 %</b>	<b>68</b>	<b>12.7 %</b>	<b>81</b>	<b>8.8 %</b>	<b>87</b>	<b>3.0 %</b>	<b>99</b>
Merrill Lynch Investment Grade Convertibles ex 144a	0.9	92	8.5	44	15.4	42	8.8	86	2.8	99

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## NOTES

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- (1) Fiscal Year end is June 30.
- (2) Performance figures prior to October 1, 2008 were provided by the prior consultant.
- (3) CSG, LLC does not provide tax advice to clients. All investors with tax considerations, including the effect of UBTI resulting from alternative investment strategies, are strongly urged to consult their tax advisors regarding tax issues.
- (4) The Broad Market Index was comprised of 55% S&P 500 and 45% Barclays Aggregate from 12/30/1990 to 03/31/2009. The Index was changed on 03/31/2009 to include convertibles in the benchmark.
- (5) Prior to June 2010, the OIH/XLE index was comprised of 50% IXE and 50% OSX.

