



INTEGRITY ASSET MANAGEMENT

*Investment Presentation  
for*

***Bay County Employees'  
Retirement System***

*March 11, 2014*

Adam I. Friedman  
Senior Portfolio Manager and Principal

Andrea E. Leistra  
Senior Investment Manager

# MISSION STATEMENT

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Our goal is to deliver excellence:

*With integrity*

*In everything*

*At all times*



Daniel G. Bandi, CFA



Sean A. Burke



Brian T. Cavalier



Daniel J. DeMonica, CFA



Adam I. Friedman



Joe A. Gilbert, CFA



Mirsat Nikovic, CFA



J. Bryan Tinsley, CFA

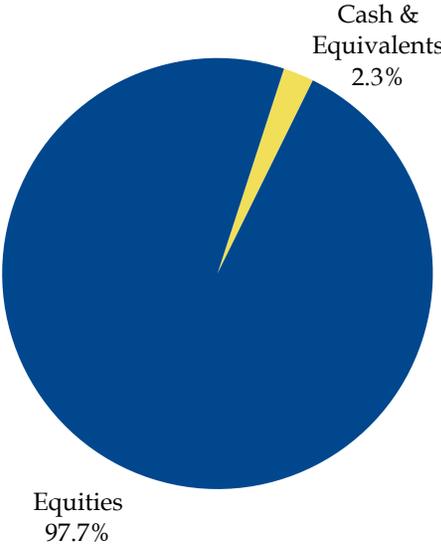


Michael P. Wayton, CFA

# ASSET ALLOCATION - Bay County Employees' Retirement System

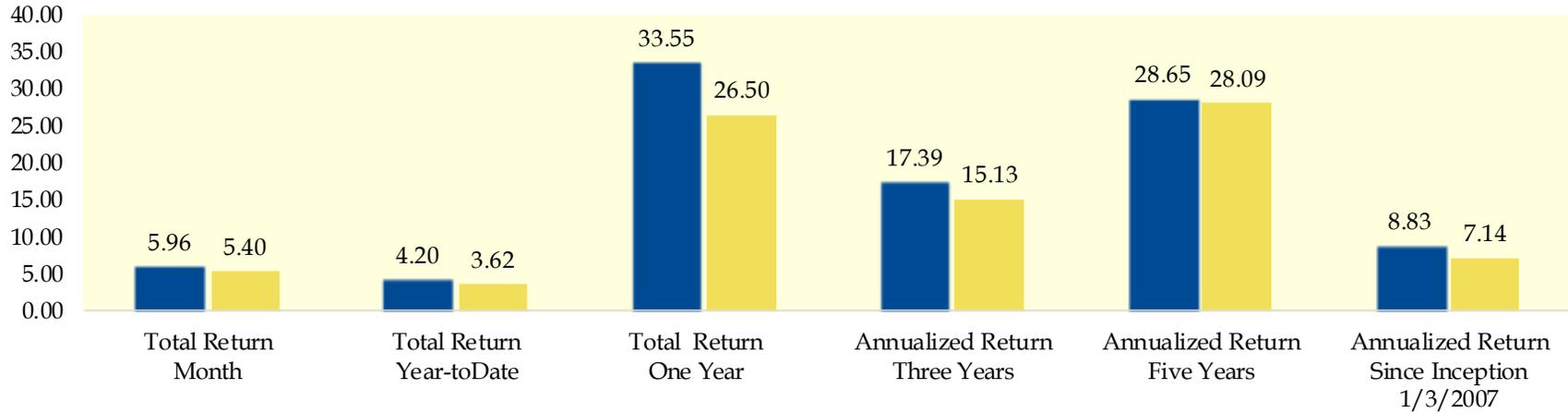
As of 2/28/2014

Asset Class	Market Value	Percent of Assets
Cash & Equivalents	\$ 590,456	2.3%
Equities	25,200,158	97.7%
<b>TOTAL</b>	<b>\$ 25,790,614</b>	<b>100.0%</b>



# PORTFOLIO PERFORMANCE – Bay County Employees’ Retirement System

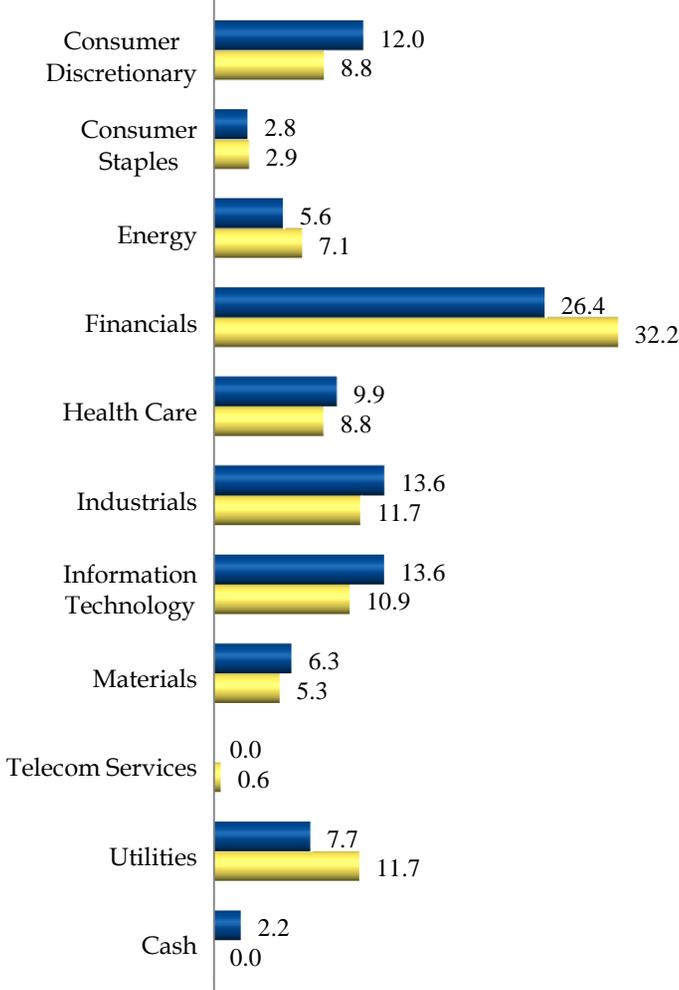
As of 2/28/2014



Portfolio Performance	Total Return Month	Total Return Year-to-Date	Total Return One Year	Annualized Return Three Years	Annualized Return Five Years	Annualized Return Since Inception 1/3/2007 - 2/28/2014
Bay County Employees' Retirement System	5.96	4.20	33.55	17.39	28.65	8.83
Russell Midcap <sup>®</sup> Value Index	5.40	3.62	26.50	15.13	28.09	7.14
<b>Value Added</b>	<b>0.56</b>	<b>0.58</b>	<b>7.05</b>	<b>2.26</b>	<b>0.56</b>	<b>1.69</b>

# SECTOR ALLOCATION – Bay County Employees’ Retirement System

As of 2/28/2014

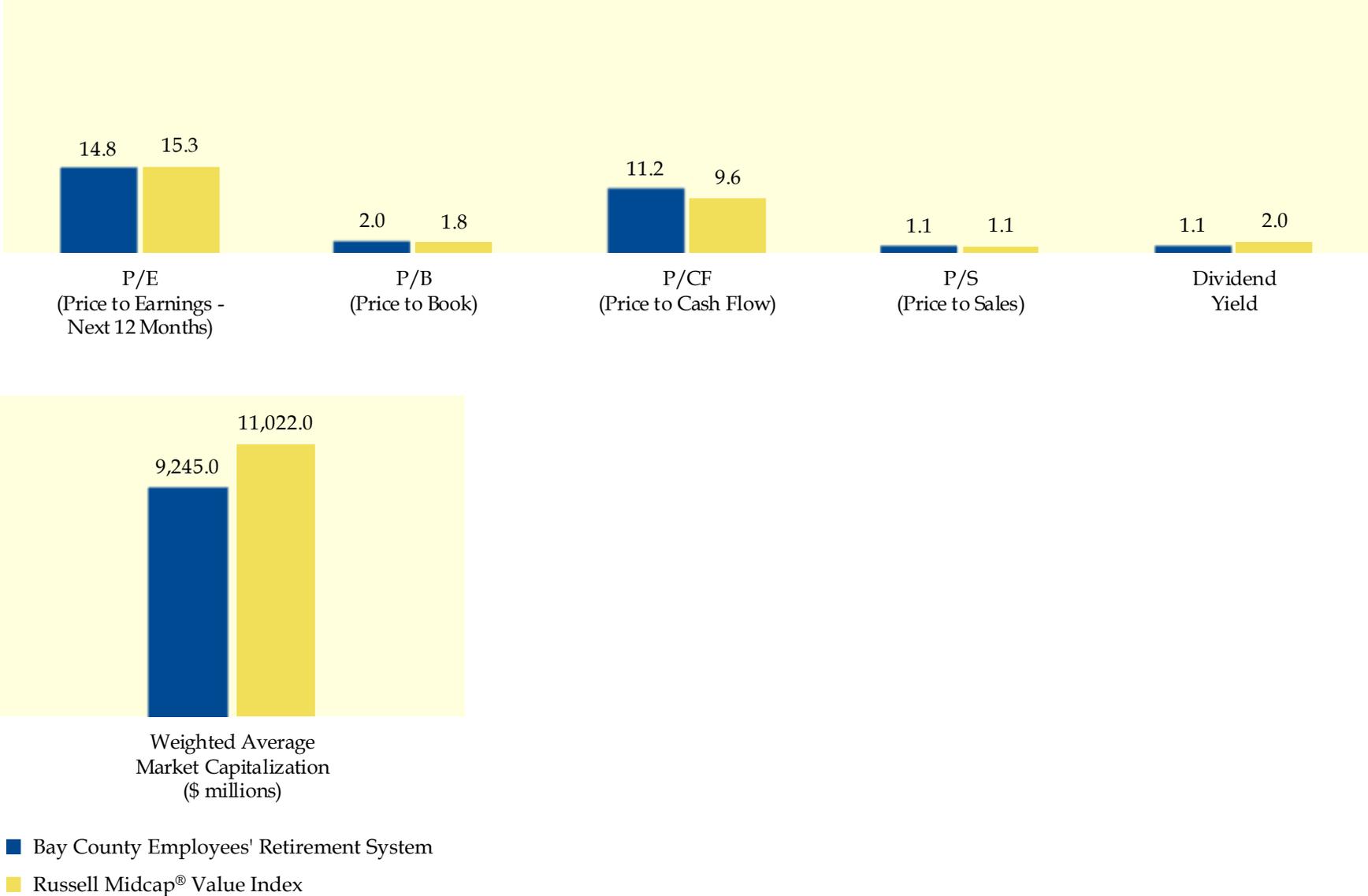


■ Bay County Employees' Retirement System  
 ■ Russell Midcap® Value Index

Source: FactSet

# EQUITY CHARACTERISTICS – Bay County Employees’ Retirement System

As of 2/28/2014



Source: FactSet

# TOP TEN HOLDINGS – Bay County Employees’ Retirement System

As of 2/28/2014

Company	Symbol	Quantity	Price (\$)	Market Value (\$)	Portfolio Weight (%)	Benchmark Weight (%)
Ameriprise Financial, Inc.	AMP	3,604	108.99	392,800	1.52	0.53
Gannett Co., Inc.	GCI	12,726	29.75	378,599	1.47	0.24
Agilent Technologies, Inc.	A	6,635	56.93	377,731	1.47	0.62
Host Hotels & Resorts, Inc.	HST	18,530	19.67	364,485	1.41	0.52
Boston Scientific Corporation	BSX	27,045	13.10	354,290	1.37	0.63
SunTrust Banks, Inc.	STI	9,250	37.68	348,540	1.35	0.73
Arrow Electronics, Inc.	ARW	6,055	56.63	342,895	1.33	0.21
Lincoln National Corporation	LNC	6,765	50.13	339,129	1.32	0.48
Fifth Third Bancorp	FITB	15,540	21.70	337,140	1.31	0.68
PolyOne Corporation	POL	8,785	37.50	329,438	1.28	-

# FIRM OVERVIEW

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- Institutional investment management firm
- Experienced, stable investment team
- Proven investment philosophy and process
- Portfolio strategy offerings:
  - *Micro Cap Equity*
  - *Small Cap Value Equity*
  - *Small/Mid Cap Value Equity*
  - *Mid Cap Value Equity*

# INVESTMENT PHILOSOPHY

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- Prudent value:
  - statistically cheap stocks trading below our estimate of intrinsic value
  
- Improving sentiment:
  - identify catalysts that lead to improving investor sentiment
  
- Risk controls:
  - continuous evaluation of risk exposure to deliver consistent long-term performance

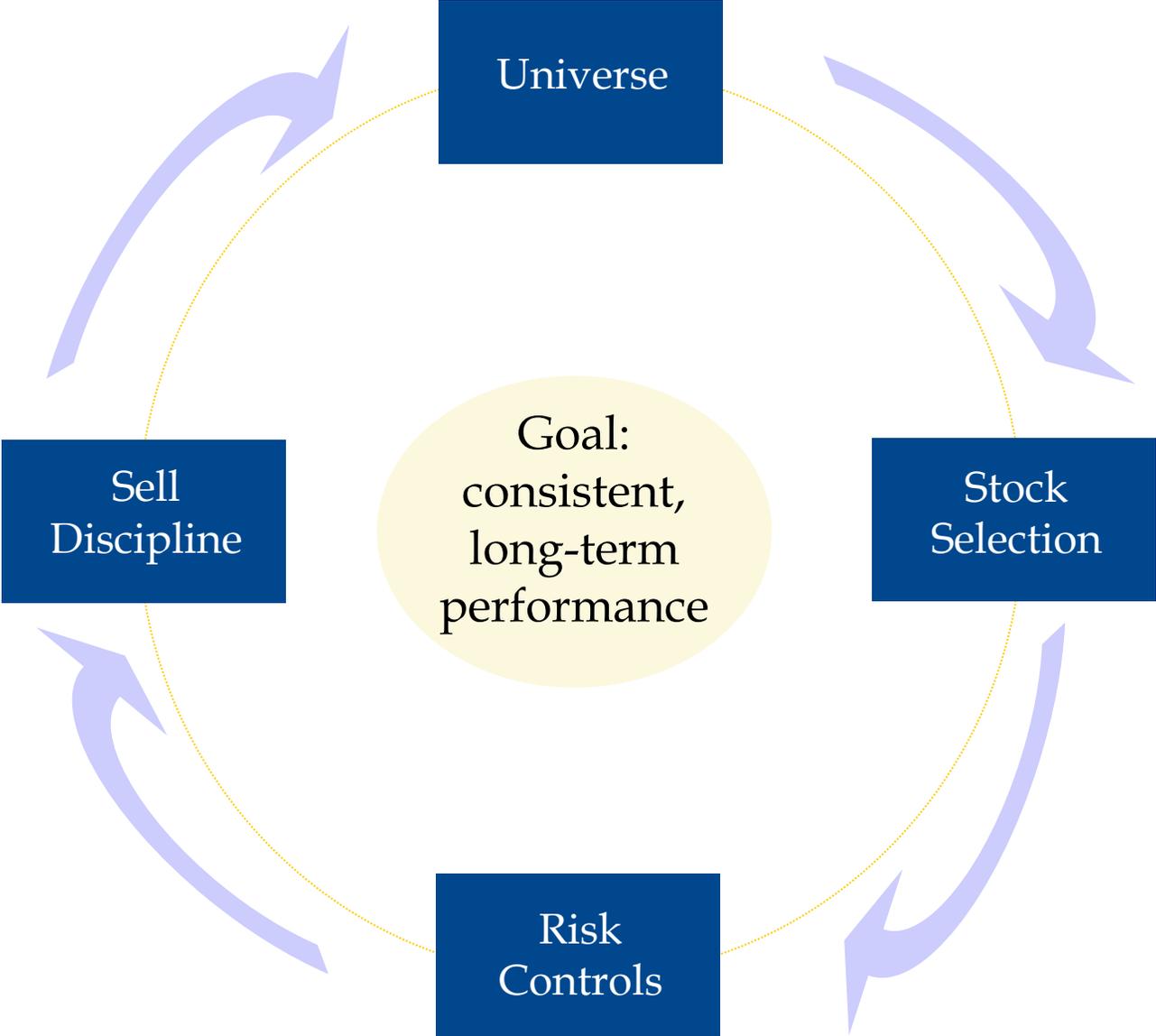
# INVESTMENT TEAM

- Team approach
- Sector focus
- Team stability

Portfolio Management & Research		
	Years Experience	Sector Responsibilities
Daniel G. Bandi, CFA <i>Chief Investment Officer &amp; Principal:                      Small Cap Value Equity                      Small/Mid Cap Value Equity</i>	22	Financials, Industrials
Daniel J. DeMonica, CFA <i>Senior Portfolio Manager &amp; Principal:                      Micro Cap Equity</i>	18	Consumer Services, Health Care, Telecommunications, & Utilities
Adam I. Friedman <i>Senior Portfolio Manager &amp; Principal:                      Mid Cap Value Equity</i>	22	Consumer Cyclical & Technology
J. Bryan Tinsley, CFA <i>Portfolio Manager</i>	17	Basic Materials, Energy, & Commercial Services
Joe A. Gilbert, CFA <i>Portfolio Manager</i>	17	Autos & Transportation, Consumer Staples & Insurance
Mirsat Nikovic, CFA <i>Portfolio Manager</i>	16	Financials, Industrials & Quantitative Analysis
Michael Wayton, CFA <i>Equity Analyst</i>	13	Consumer Cyclical, Consumer Services, Consumer Staples, & Technology
Sean A. Burke <i>Equity Analyst</i>	7	Generalist & Quantitative Research
Brian Cavalier <i>Head Equity Trader</i>	13	Equity Trader
William H. McNett, CFA <i>Principal (Head of Institutional Sales                      &amp; Client Relations)</i>	30	Portfolio Advisor Client Liaison

# INVESTMENT PROCESS

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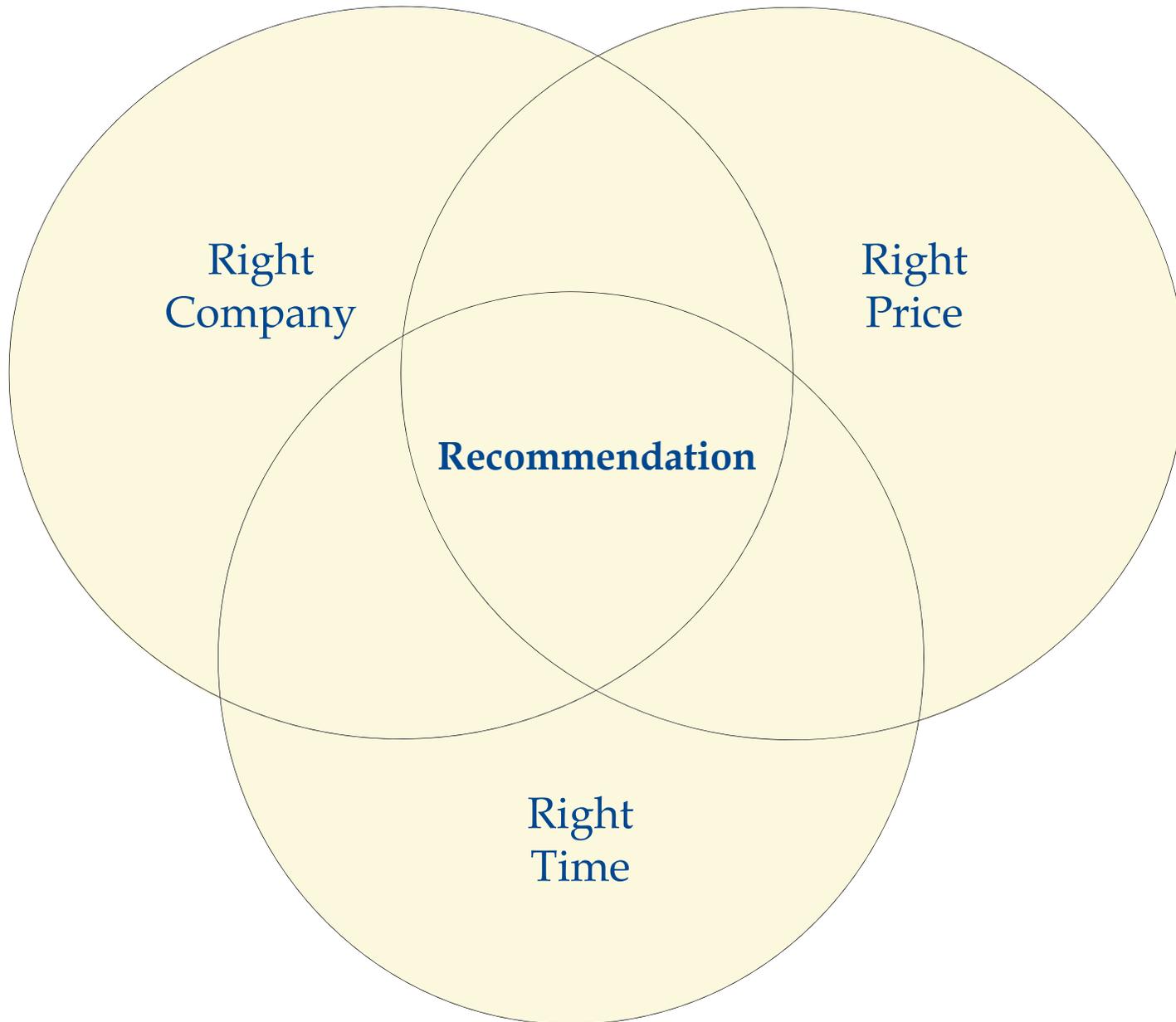
# UNIVERSE DEFINITIONS

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	Mid Cap Value
<b>Market Capitalization:</b>	\$500 million to \$10 billion
<b>Liquidity Requirement:</b>	Trading Volume of at least \$5 million per day
<b>Resulting Universe:</b>	Split in half using valuation (P/B, P/S, P/CF, P/FCF)

# STOCK SELECTION

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# STOCK SELECTION: **RIGHT COMPANY**

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- **What we look for:**

- Management analysis
  - Economic value added
  - Capital allocation discipline
  - Identify future opportunities and potential problems

- **How we do it:**

- Teamwork
  - Experienced sector specialists
  - Management meetings
  - Company monitoring

# STOCK SELECTION: **RIGHT PRICE**

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- **What we look for:**

- Evaluate statistical cheapness
  - Relative to universe
  - Relative to sector
  - Relative to history
- Determine intrinsic value
  - Model earnings and balance sheet growth
  - Discounted economic value added
  - Dividend discount model
- Balance upside potential with downside risk

- **How we do it:**

- Teamwork
  - Experienced sector specialists
  - Cross-sector information sharing

# STOCK SELECTION: **RIGHT TIME**

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- **What we look for:**

- Identify catalysts
  - Company developments
  - Industry developments
  - Macroeconomic developments

- **How we do it:**

- Teamwork
  - Cross-sector information sharing
  - Customer contact
  - Supplier contact

# RISK CONTROLS

Portfolio Construction Constraints	
	Mid Cap Value
Maximum Position Size	5.0%
Sector Allocation Constraints	+/- 10% versus index
Cash Allocation Target	0-5%
Number of Holdings	100 +/-
Average Annual Turnover*	70%
Style Purity	Monitor portfolio characteristics weekly

*\*Historically, approximately 50-60% of annual turnover has been the result of position size management (adds, trims). The remaining 40-50% has come from actual name turnover.*

# SELL DISCIPLINE

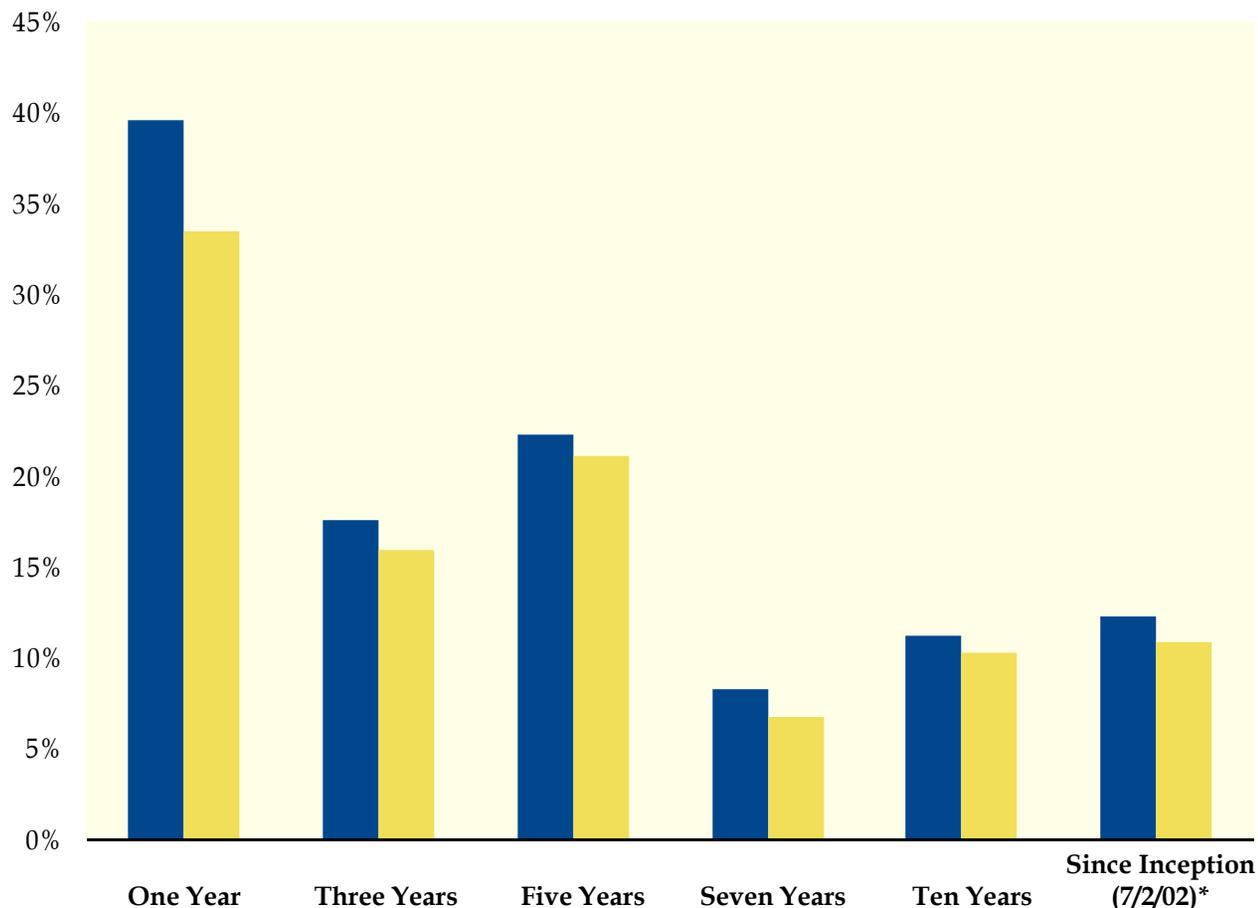
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- Catalyst change
- Negative fundamental development
- Overvaluation

# MID CAP VALUE EQUITY PERFORMANCE

## Composite Annualized Rates of Return Versus Benchmark – Gross of Fees

As of December 31, 2013



■ Integrity Mid Cap Value Equity Composite\*

■ Russell Midcap® Value Index

### Value Added

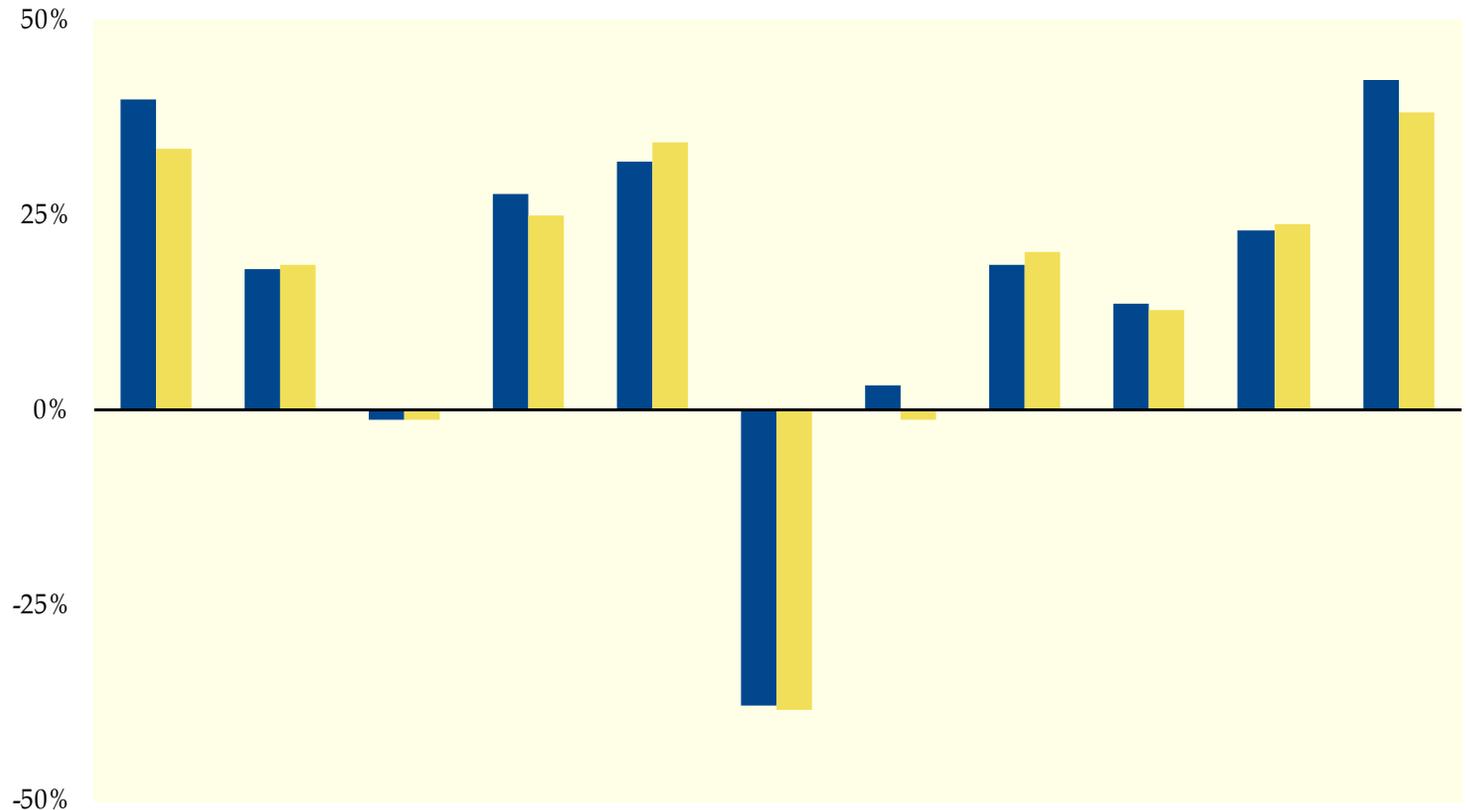
**Past performance does not guarantee of future results. The information above cannot be shown without the fully-compliant presentation for the Integrity Mid Cap Value Equity composite, which contains net of fee performance and is located on the last page(s) of the Appendix in this book.**

\*The performance data above for the period from July 2, 2002 to June 25, 2003 reflects the performance of Class I Shares of the Armada Small/Mid Cap Value Fund (ARVIX), which was advised and managed by National City Investment Management Company (NCIMC). During that period, various current employees of Integrity Asset Management were employed by NCIMC and participated in the management of the Armada Small/Mid Cap Value Fund. This performance history is gross of all fees charged to investors in the Fund and is derived by compounding the monthly returns as reported by Morningstar. The Armada Small/Mid Cap Value Fund represents the only account managed by the team in the mid cap value strategy while at NCIMC.

**FOR USE ONLY IN ONE-ON-ONE PRESENTATIONS WITH SEPARATE ACCOUNT INVESTORS.**

# MID CAP VALUE EQUITY PERFORMANCE

## Composite Calendar Rates of Return Versus Benchmark - Gross of Fees



	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
■ Integrity Mid Cap Value Equity Composite*	39.60%	18.08	-1.37%	27.67%	31.82%	-37.99%	2.96%	18.42%	13.69%	22.99%	42.23%
■ Russell Midcap® Value Index	33.46%	18.51	-1.38%	24.75%	34.21%	-38.44%	-1.42%	20.22%	12.65%	23.71%	38.07%
Value Added	6.14%	-0.43	0.01%	2.92%	-2.39%	0.45%	4.38%	-1.80%	1.04%	-0.72%	4.16%

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==== APPENDIX ====

# MID CAP VALUE EQUITY PORTFOLIO CHARACTERISTICS

As of December 31, 2013

	Mid Cap Value Equity Portfolio	Russell Midcap® Value Index
3-5 Year EPS Growth (projected)*	11.7%	9.4%
3 Year EPS Growth (historical)	12.1%	8.7%
P/E (12 month projected)*	14.9x	15.1x
P/E (12 month trailing ex negative earnings)	17.6x	16.2x
P/B	1.9x	1.7x
P/CF	10.6x	9.5x
P/S	1.2x	1.1x
Dividend Yield	1.1%	2.0%
Weighted Average Market Cap (\$mil)	\$9,046mm	\$10,550mm
# of holdings	103	534
Cash	2.3%	-
<i>Top Ten Holdings</i>		
Company Name	Portfolio Weight	
AMERIPRISE FINANCIAL INC.	1.7%	
FOREST LABORATORIES	1.5%	
GANNETT CO.	1.5%	
CIGNA CORPORATION	1.4%	
INVESCO LTD.	1.4%	
LINCOLN NATIONAL CORP.	1.4%	
SUNTRUST BANKS	1.4%	
BOSTON SCIENTIFIC CORP.	1.3%	
FIFTH THIRD BANCORP	1.3%	
HOST HOTELS & RESORTS	1.3%	
<b>TOTAL</b>	<b>14.2%</b>	

Source: FactSet

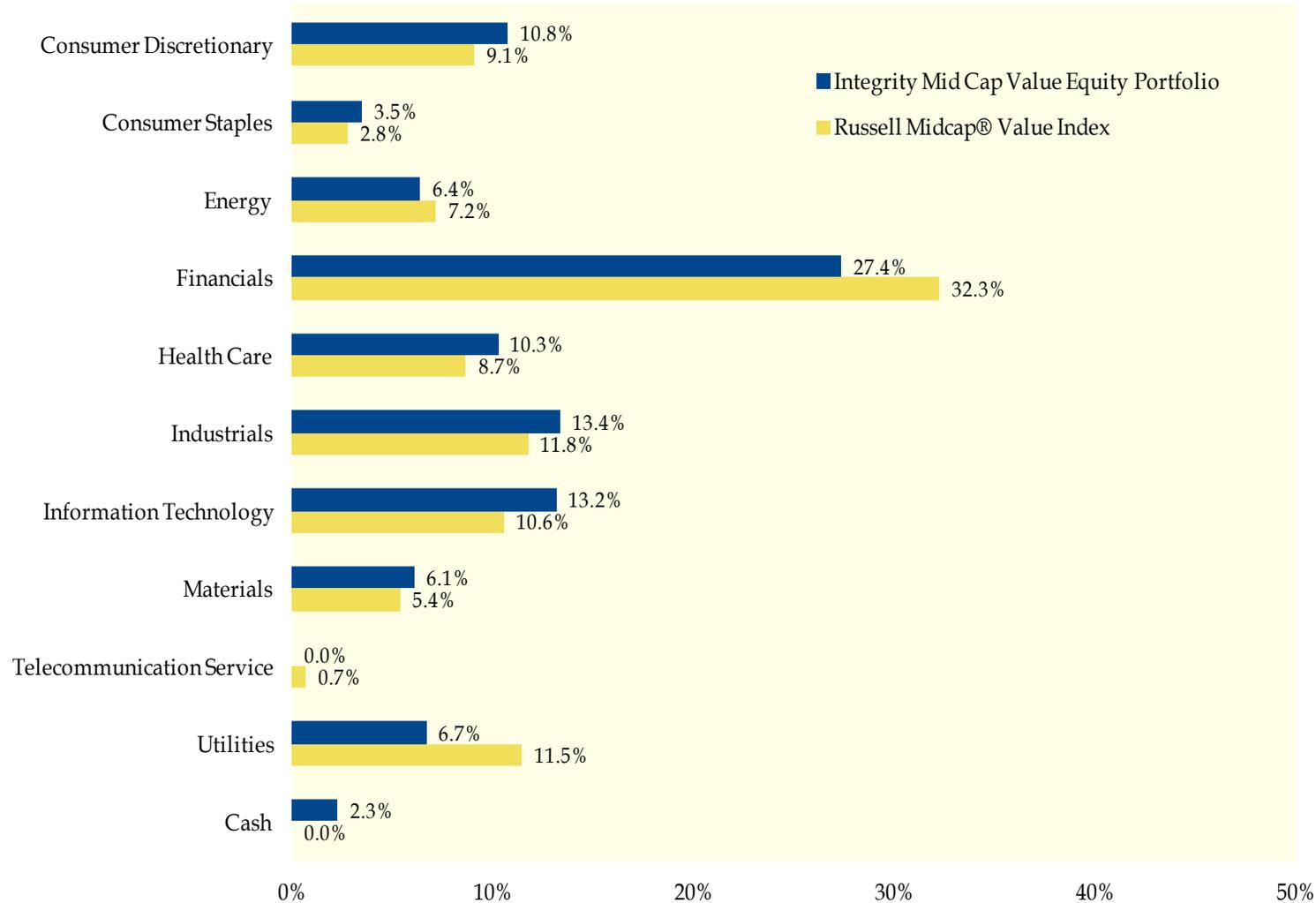
\*Projected characteristics are based on information obtained from a third party that is believed to be reliable. Projected characteristics are inherently limited and should not be relied upon as an indicator of future results.

The Mid Cap Value Equity portfolio characteristics listed above are based on a representative account and is supplemental to the Mid Cap Value Equity composite information, which is located on the last page(s) in the Appendix of this book. The representative account serves as the model against which each Mid Cap Value Equity account is managed. The representative account is an actual account and the information provided will vary for other accounts. Portfolio holdings should not be considered a recommendation to purchase or sell any security and are subject to change.

# MID CAP VALUE EQUITY PORTFOLIO SECTOR WEIGHTINGS

## Versus Benchmark

As of December 31, 2013



Source: FactSet

The Mid Cap Value Equity portfolio characteristics listed above are based on a representative account and is supplemental to the Mid Cap Value Equity composite information, which is located on the last page(s) in the Appendix of this book. The representative account serves as the model against which each Mid Cap Value Equity account is managed. The representative account is an actual account and the information provided will vary for other accounts. Portfolio holdings should not be considered a recommendation to purchase or sell any security and are subject to change.

# Performance Disclosures - Integrity Mid Cap Value Equity Composite

As of December 31, 2013

Calendar Year	Total Return (%)		Primary Benchmark (%)	3-Yr St Dev Composite (%)	3-Yr St Dev Benchmark (%)	Composite Portfolios	Dispersion within Composite (%)	Composite Assets (\$ millions)	Total Firm Assets (\$ millions)
	Gross	Net							
2013	39.60	38.45	33.46	15.46	13.69	14	0.26	330.44	4,816.19
2012	18.08	17.10	18.51	18.56	16.76	12	0.12	227.19	3,282.82
2011	-1.37	-2.21	-1.38	23.71	22.78	13	0.08	221.64	3,098.55
2010	27.67	26.62	24.75	26.51	27.11	20	0.29	302.07	3,268.56
2009	31.82	30.73	34.21	23.92	25.01	21	0.22	201.52	2,364.11
2008	-37.99	-38.53	-38.44	17.77	18.74	23	0.58	152.91	1,641.29
2007	2.96	2.10	-1.42	9.54	9.13	20	0.45	211.76	2,498.71
2006	18.42	17.43	20.22	8.67	8.65	11	n.m. <sup>a</sup>	141.47	2,496.81
2005	13.69	12.74	12.65	10.70	10.92	≤5	n.m.	53.78	1,407.74
2004	22.99	21.97	23.71	n.a.	n.a.	≤5	n.m.	19.37	438.68

<sup>a</sup> n.m. = not-meaningful

Primary Benchmark: Russell Midcap® Value Index

Annualized Compounded Rates of Return for Periods Ended December 31, 2013 (%)

1 Year	39.60	38.45	33.46
3 Years	17.58	16.60	15.97
5 Years	22.30	21.28	21.16
7 Years	8.30	7.39	6.80
10 Years	11.21	10.28	10.25
Since Inception (7.02.2002)	12.27	11.33	10.88

## Past performance is no guarantee of future results.

Integrity Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Integrity Asset Management has been independently verified for the periods from July 1, 2003 through December 31, 2012. The verification report is available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

See accompanying notes on the next page.

# Performance Disclosures - Integrity Mid Cap Value Equity Composite

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Integrity Asset Management is an investment management firm established in 2003 that manages a variety of equity assets for primarily institutional clients. The firm, which is a wholly owned subsidiary of Munder Capital Management, maintains full investment autonomy and is treated as a separate entity for GIPS compliance purposes.

The Mid Cap Value Equity composite was created in July 2003, and includes all fee-paying, discretionary portfolios that are managed according to the Mid Cap Value Equity strategy. The strategy focuses on mid-cap companies that are currently trading below our estimate of intrinsic value and are characterized by improving investor sentiment. Please Note: The performance data for the period from July 2, 2002 through June 20, 2003, reflects the performance of a registered investment company managed by the portfolio management team members while at a prior employer. During that period, the portfolio management team members primarily responsible for the Integrity Mid Cap Value Equity strategy were primarily responsible for the management of the registered investment company. This performance history is gross of all fees charged to investors in the registered investment company, with the exception of transaction costs, and is derived by compounding the monthly returns as reported by Morningstar. The registered investment company represents the only account managed by the team in the Mid Cap Value Equity strategy while at their prior employer. For continuity, the Fund's performance has been linked, for the remainder of June 2003, to the performance of the one portfolio managed in the same strategy during this time period by the portfolio managers while at Integrity Asset Management.

All returns reflect the reinvestment of investment income (dividends and/or interest) and capital gains, and are net of non-reclaimable withholding taxes, if any. Valuations and returns are stated in U.S. dollars. The gross returns shown are based on time-weighted rates of return less transaction costs. Effective June 21, 2003, net returns reflect gross performance less model investment management fees, which were derived using the maximum fixed fee rate in effect for the strategy for the respective time period. (For periods prior to June 21, 2003, net returns reflect the deduction of all expenses charged to the fund, including management fees, custodian, audit and other administrative fees.) Actual fees may vary depending on, among other things, the applicable fee schedule and portfolio size.

The investment management fee for this strategy is as follows: 0.85% on the first \$15 million; 0.75% on the next \$35 million; 0.65% on the next \$50 million; 0.60% thereafter. (Please note: Non-fee-paying portfolios accounted for 100% of composite assets as of 12/31/2003, and 0% of composite assets for all other annual period ends.)

The benchmark: Russell Midcap<sup>®</sup> Value Index, a capitalization-weighted index that measures the performance of approximately 800 of the smallest companies in the Russell 1000<sup>®</sup> Index, an index representing approximately 1,000 of the largest publically traded companies, with lower price-to-book ratios and lower forecasted growth values. Index performance information was furnished by sources deemed reliable and is believed to be accurate, however, no warranty or representation is made as to the accuracy thereof and the information is subject to correction. You cannot invest directly in an index, securities in the Composite may not match those in the index and performance of the Composite will differ. Although reinvestment of dividend and interest payments is assumed, no expenses are netted against an index's return.

Dispersion within the composite is calculated using the asset-weighted standard deviation of annual gross-of-fees returns of those portfolios that were included in the composite for the full year. If less than six portfolios are included in the composite for the full year, no dispersion measure is presented, as it is not considered meaningful.

The three-year annualized ex-post standard deviation measures the volatility of the composite and the benchmark returns over the preceding 36-month time period. The notation "n.a." (not available) will appear for periods, if any, where 36 monthly returns are not available for the composite and/or the benchmark.

Integrity Asset Management's policies for valuing portfolios, calculating performance, and preparing compliant presentations, as well as a complete list of composite descriptions, are available upon request from Bill McNett at (216) 920-5280.

PORTFOLIO APPRAISAL  
**Bay County Employees' Retirement System**  
**Mid-Cap Value**  
**10076MCV**  
February 28, 2014

Security Symbol	Quantity	Security	Cusip	Adjusted Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Cur. Yield
<b>Cash and Equivalents- USD</b>									
divacc		Dividend Receivable			16,529.26		16,529.26	0.06	0.0
CASH		United States Dollar (USD)			573,927.14		573,927.14	2.23	0.0
					<u>590,456.40</u>		<u>590,456.40</u>	2.29	0.0
<b>Equity - Common Stock- USD</b>									
Energy									
BRS	1,708.0000	Bristow Group Inc.	110394103	73.68	125,841.96	77.60	132,540.80	0.51	1.3
CAM	3,304.0000	Cameron International Corp.	13342B105	48.86	161,441.99	64.06	211,654.24	0.82	0.0
GPOR	4,602.0000	Gulfport Energy Corp.	402635304	31.80	146,351.79	66.15	304,422.30	1.18	0.0
HLX	7,029.0000	Helix Energy Solutions Group	42330P107	19.56	137,471.67	23.64	166,165.56	0.64	0.0
KOG	15,792.0000	Kodiak Oil & Gas Corporation	50015Q100	7.78	122,916.16	11.81	186,503.52	0.72	0.0
NBL	3,556.0000	Noble Energy Inc.	655044105	37.66	133,913.86	68.76	244,510.56	0.95	0.8
PDCE	3,060.0000	PDC Energy, Inc.	69327R101	57.81	176,885.49	62.13	190,117.80	0.74	0.0
					<u>1,004,822.93</u>		<u>1,435,914.78</u>	5.57	0.3
Materials									
CHMT	9,444.0000	Chemtura Corporation	163893209	21.43	202,396.91	24.75	233,739.00	0.91	0.0
FMC	2,624.0000	FMC Corp.	302491303	22.44	58,884.00	77.18	202,520.32	0.79	0.8
FUL	3,688.0000	Fuller, (H. B.) Co.	359694106	32.05	118,209.33	48.48	178,794.24	0.69	0.8
MEOH	3,557.0000	Methanex Corporation	59151K108	62.27	221,478.54	70.33	250,163.81	0.97	1.1
POL	8,785.0000	PolyOne Corp.	73179P106	13.94	122,502.87	37.50	329,437.50	1.28	0.9
RKT	1,836.0000	Rock-Tenn Company Cl A	772739207	66.24	121,608.97	111.62	204,934.32	0.79	1.3
RTI	2,834.0000	RTI International Metals Inc.	74973W107	23.48	66,533.91	27.17	76,999.78	0.30	0.0
SLCA	4,168.0000	U.S. Silica Holdings Inc.	90346E103	31.75	132,352.14	32.80	136,710.40	0.53	1.5
					<u>1,043,966.67</u>		<u>1,613,299.37</u>	6.26	0.8
Industrials									
BEAV	2,079.0000	B/E Aerospace Inc.	073302101	8.95	18,612.34	84.25	175,155.75	0.68	0.0
EME	3,910.0000	EMCOR Group Inc.	29084Q100	38.80	151,725.48	46.78	182,909.80	0.71	0.7
ENS	2,590.0000	EnerSys	29275Y102	67.82	175,663.07	71.04	183,993.60	0.71	0.7
ESL	2,325.0000	Esterline Technologies Corp.	297425100	58.66	136,395.01	107.70	250,402.50	0.97	0.0
HTZ	7,870.0000	Hertz Global Holdings Inc.	42805T105	18.40	144,805.16	28.01	220,438.70	0.85	0.0
HXL	5,368.0000	Hexcel Corp.	428291108	15.70	84,253.71	45.00	241,560.00	0.94	0.0
ITT	5,237.0000	ITT Corp	450911201	19.21	100,628.95	43.90	229,904.30	0.89	1.0
KMT	5,405.0000	Kennametal Inc.	489170100	45.47	245,757.42	43.74	236,414.70	0.92	1.6
NAV	5,260.0000	Navistar International Corp.	63934E108	34.85	183,298.89	37.50	197,250.00	0.76	0.0
ODFL	5,206.0000	Old Dominion Freight Line	679580100	20.10	104,614.92	53.24	277,167.44	1.07	0.0
OSK	4,790.0000	Oshkosh Corporation	688239201	29.72	142,374.23	57.83	277,005.70	1.07	1.0
OC	4,725.0000	Owens Corning Sales Inc.	690742101	38.23	180,646.39	45.76	216,216.00	0.84	1.4
SPR	8,241.0000	Spirit AeroSystems Holdings In	848574109	16.61	136,904.79	28.83	237,588.03	0.92	0.0
TEX	3,870.0000	Terex Corp.	880779103	30.95	119,792.37	44.53	172,331.10	0.67	0.4
TXT	6,080.0000	Textron, Inc.	883203101	26.73	162,513.20	39.70	241,376.00	0.94	0.2
UAL	3,915.0000	United Continental Holdings Co	910047109	44.57	174,471.98	44.96	176,018.40	0.68	0.0
					<u>2,262,457.90</u>		<u>3,515,732.02</u>	13.63	0.5

PORTFOLIO APPRAISAL  
**Bay County Employees' Retirement System**  
**Mid-Cap Value**  
**10076MCV**  
February 28, 2014

Security Symbol	Quantity	Security	Cusip	Adjusted Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Cur. Yield
<b>Consumer Discretionary</b>									
AAP	1,615.0000	Advance Auto Parts, Inc.	00751Y106	116.41	188,002.00	127.36	205,686.40	0.80	0.2
BC	5,440.0000	Brunswick Corp.	117043109	23.63	128,563.22	44.79	243,657.60	0.94	0.9
DHI	12,165.0000	D.R. Horton Inc.	23331A109	11.86	144,296.13	24.56	298,772.40	1.16	0.6
FL	6,163.0000	Foot Locker Inc.	344849104	35.36	217,946.08	41.71	257,058.73	1.00	2.1
GCI	12,726.0000	Gannett Co. Inc.	364730101	14.78	188,142.30	29.75	378,598.50	1.47	2.7
KSS	3,920.0000	Kohls Corp.	500255104	55.14	216,163.08	56.19	220,264.80	0.85	2.8
LEG	5,840.0000	Leggett & Platt Incorporated	524660107	30.92	180,569.30	32.05	187,172.00	0.73	3.7
MGM	11,490.0000	MGM Resorts International	552953101	14.56	167,264.52	27.55	316,549.50	1.23	0.0
HOT	3,410.0000	Starwood Hotels & Resorts Inc.	85590A401	79.31	270,433.43	82.46	281,188.60	1.09	1.7
TRW	3,225.0000	TRW Automotive Holdings Corp.	87264S106	48.20	155,451.73	82.32	265,482.00	1.03	0.0
WHR	1,390.0000	Whirlpool Corp.	963320106	142.27	197,759.91	144.63	201,035.70	0.78	1.7
WYN	3,161.0000	Wyndham Worldwide Corp.	98310W108	23.33	73,747.04	72.88	230,373.68	0.89	1.9
					2,128,338.74		3,085,839.91	11.96	1.5
<b>Consumer Staples</b>									
HAIN	2,512.0000	Hain Celestial Group Inc.	405217100	30.39	76,344.90	89.30	224,321.60	0.87	0.0
RAD	25,490.0000	Rite Aid Corp.	767754104	5.65	144,042.89	6.59	167,979.10	0.65	0.0
TSN	8,110.0000	Tyson Foods Inc. Cl A	902494103	22.77	184,684.93	39.45	319,939.50	1.24	0.8
					405,072.72		712,240.20	2.76	0.3
<b>Health Care</b>									
A	6,635.0000	Agilent Technologies, Inc.	00846U101	52.84	350,595.01	56.93	377,730.55	1.46	0.9
BSX	27,045.0000	Boston Scientific Corporation	101137107	6.48	175,250.43	13.10	354,289.50	1.37	0.0
CI	3,831.0000	Cigna Corp.	125509109	22.05	84,465.51	79.59	304,909.29	1.18	0.1
FRX	2,987.0000	Forest Laboratories Inc.	345838106	25.42	75,939.70	97.57	291,441.59	1.13	0.0
HNT	7,285.0000	Health Net Inc.	42222G108	25.10	182,847.00	34.05	248,054.25	0.96	0.0
HLS	3,515.0000	HealthSouth Corp.	421924309	17.84	62,692.20	32.68	114,870.20	0.45	2.2
UHS	2,980.0000	Universal Health Services Cl B	913903100	39.64	118,115.84	80.28	239,234.40	0.93	0.2
WOOF	9,830.0000	VCA Antech Inc.	918194101	28.10	276,263.85	30.97	304,435.10	1.18	0.0
ZMH	3,225.0000	Zimmer Holdings Inc.	98956P102	61.07	196,947.94	93.84	302,634.00	1.17	0.9
					1,523,117.48		2,537,598.88	9.84	0.4
<b>Financials</b>									
AMG	1,050.0000	Affiliated Managers Group	008252108	56.97	59,820.42	188.05	197,452.50	0.77	0.0
AFG	4,430.0000	American Financial Group Inc.	025932104	34.67	153,575.44	57.16	253,218.80	0.98	1.5
AMP	3,604.0000	Ameriprise Financial Inc.	03076C106	40.63	146,423.86	108.99	392,799.96	1.52	1.9
ACGL	4,605.0000	Arch Capital Group Ltd.	G0450A105	21.50	99,001.21	56.12	258,432.60	1.00	0.0
CMA	5,980.0000	Comerica Inc.	200340107	32.49	194,291.34	48.18	288,116.40	1.12	1.6
DDR	14,037.0000	DDR Corp	23317H102	10.89	152,846.64	16.62	233,294.94	0.90	3.7
DRE	18,135.0000	Duke Realty Corp.	264411505	15.33	277,926.77	16.80	304,668.00	1.18	4.0
FNF	8,725.0000	Fidelity Natl Financial Inc. -	31620R105	20.19	176,187.60	33.06	288,448.50	1.12	2.2
FITB	15,540.0000	Fifth Third Bancorp	316773100	10.90	169,385.97	21.70	337,140.30	1.31	2.2
AJG	5,150.0000	Gallagher, (Arthur J.) & Co.	363576109	33.19	170,915.63	46.20	237,930.00	0.92	3.1
GNW	19,705.0000	Genworth Financial Inc. -Cl A	37247D106	7.03	138,461.81	15.54	306,215.70	1.19	0.0
HIG	8,795.0000	Hartford Financial Svcs. Grp.	416515104	20.57	180,952.23	35.19	309,496.05	1.20	1.7

PORTFOLIO APPRAISAL  
**Bay County Employees' Retirement System**  
**Mid-Cap Value**  
**10076MCV**  
February 28, 2014

Security Symbol	Quantity	Security	Cusip	Adjusted Unit Cost	Total Adjusted Cost	Price	Market Value	Pct. Assets	Cur. Yield
HCN	4,250.0000	Health Care REIT Inc.	42217K106	70.74	300,626.91	58.74	249,645.00	0.97	5.4
HST	18,530.0000	Host Hotels & Resorts Inc.	44107P104	17.10	316,838.62	19.67	364,485.10	1.41	2.8
IVZ	9,362.0000	Invesco Limited	G491BT108	19.85	185,789.17	34.30	321,116.60	1.25	2.6
JLL	2,235.0000	Jones Lang LaSalle Incorporate	48020Q107	77.93	174,168.76	123.20	275,352.00	1.07	0.4
KEY	21,270.0000	Keycorp	493267108	6.35	135,102.06	13.17	280,125.90	1.09	1.7
LNC	6,765.0000	Lincoln National Corp.	534187109	13.63	92,183.90	50.13	339,129.45	1.31	1.3
BPOP	4,595.0000	Popular Inc.	733174700	27.42	125,976.98	28.59	131,371.05	0.51	0.0
PLD	7,295.0000	ProLogis, Inc.	74340W103	30.07	219,360.19	41.19	300,481.05	1.17	3.2
RF	28,880.0000	Regions Financial Corp.	7591EP100	6.69	193,198.29	10.64	307,283.20	1.19	1.1
STI	9,250.0000	SunTrust Banks Inc.	867914103	19.80	183,195.93	37.68	348,540.00	1.35	1.1
SNV	61,360.0000	Synovus Financial Corp.	87161C105	3.23	197,997.63	3.48	213,532.80	0.83	1.1
ZION	8,276.0000	Zions Bancorp.	989701107	17.90	148,110.19	31.20	258,211.20	1.00	0.5
					4,192,337.55		6,796,487.10	26.35	1.9
Information Technology									
ARRS	6,405.0000	ARRIS Group Inc.	04270V106	16.06	102,881.04	28.70	183,823.50	0.71	0.0
ARW	6,055.0000	Arrow Electronics Inc.	042735100	35.85	217,057.84	56.63	342,894.65	1.33	0.0
ATML	36,050.0000	Atmel Corp.	049513104	6.84	246,501.25	8.06	290,563.00	1.13	0.0
CDW	8,078.0000	CDW Corporation of Delaware	12514G108	21.12	170,622.68	26.17	211,401.26	0.82	0.6
CIEN	6,330.0000	Ciena Corp.	171779309	14.64	92,701.29	24.57	155,528.10	0.60	0.0
FCS	13,822.0000	Fairchild Semiconductor Intl.	303726103	5.93	82,018.46	14.08	194,613.76	0.75	0.0
ISIL	15,765.0000	Intersil Corporation CI A	46069S109	9.62	151,621.89	12.72	200,530.80	0.78	3.8
LRCX	3,735.0000	Lam Research Corp.	512807108	51.29	191,549.48	51.73	193,211.55	0.75	0.0
NUAN	12,660.0000	Nuance Communications Inc.	67020Y100	14.31	181,149.59	15.29	193,571.40	0.75	0.0
PTC	5,642.0000	PTC Inc.	69370C100	13.39	75,528.12	39.31	221,787.02	0.86	0.0
SNDK	2,625.0000	SanDisk Corp.	80004C101	59.78	156,930.24	74.30	195,037.50	0.76	1.2
SWKS	5,845.0000	Skyworks Solutions Inc.	83088M102	25.08	146,606.53	35.46	207,263.70	0.80	0.0
TECD	2,815.0000	Tech Data Corp.	878237106	55.16	155,287.44	57.60	162,144.00	0.63	0.0
TDC	4,875.0000	Teradata Corporation	88076W103	50.56	246,456.14	45.92	223,860.00	0.87	0.0
VSH	23,175.0000	Vishay Intertechnology Inc.	928298108	11.09	257,092.80	14.14	327,694.50	1.27	1.7
WDC	2,380.0000	Western Digital Corp.	958102105	68.57	163,184.79	86.99	207,036.20	0.80	1.4
					2,637,189.59		3,510,960.94	13.61	0.6
Utilities									
EIX	4,960.0000	Edison International	281020107	48.83	242,215.15	52.37	259,755.20	1.01	2.7
FE	3,735.0000	FirstEnergy Corp.	337932107	32.15	120,061.58	30.78	114,963.30	0.45	4.7
GXP	9,995.0000	Great Plains Energy Inc.	391164100	21.13	211,188.54	26.27	262,568.65	1.02	3.5
NRG	9,695.0000	NRG Energy Inc.	629377508	20.52	198,965.61	29.07	281,833.65	1.09	1.7
PNW	5,165.0000	Pinnacle West Capital Corp.	723484101	53.38	275,712.12	55.65	287,432.25	1.11	4.1
PPL	10,095.0000	PPL Corp.	69351T106	28.01	282,778.93	32.29	325,967.55	1.26	4.6
UGI	5,199.0000	UGI Corp.	902681105	27.73	144,146.69	44.69	232,343.31	0.90	2.5
WR	6,640.0000	Westar Energy Inc.	95709T100	31.09	206,448.89	34.22	227,220.80	0.88	4.1
					1,681,517.51		1,992,084.71	7.72	3.4
					16,878,821.09		25,200,157.91	97.71	1.2

PORTFOLIO APPRAISAL  
**Bay County Employees' Retirement System**  
**Mid-Cap Value**  
**10076MCV**  
 February 28, 2014

<u>Security</u> <u>Symbol</u> <u>Quantity</u>	<u>Security</u>	<u>Cusip</u>	<u>Adjusted Unit</u> <u>Cost</u>	<u>Total Adjusted</u> <u>Cost</u>	<u>Price</u>	<u>Market</u> <u>Value</u>	<u>Pct.</u> <u>Assets</u>	<u>Cur.</u> <u>Yield</u>
<b>TOTAL PORTFOLIO</b>				<b>17,469,277.49</b>		<b>25,790,614.31</b>	<b>100.00</b>	<b>1.2</b>