Portfolio Review

Quarter ending March 31, 2014

Prepared for

City of Sanibel Police Officers'

INVESTMENT MANAGEMENT

ING

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Becoming **Voya™ Investment Management** in May 2014

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Market Review — First Quarter 2014

First Quarter 2014: Beneath the Waves, an Ocean

Markets turned choppy in the first quarter, buffeted by everything from weather-related economic softness to the leadership transition at the Fed to an emboldened Russia flexing its muscles in the Black Sea. Despite the tumult, a number of domestic equity markets surged to new record highs during the period, suggesting a steady supply of support below the potentially destabilizing swells.

Headwinds Aplenty, but Progress Continues

Janet Yellen's assumption of Federal Reserve leadership wasn't expected to have much impact in terms of policy. A close ally of former chairman Ben Bernanke, Yellen has gone out of her way to emphasize her commitment to continuing along the path established by her predecessor. And she delivered on this commitment at her debut policy meeting of the Federal Open Market Committee (FOMC) — for the most part. As expected, the FOMC in mid-March announced another $10 billion of tapering to bring its monthly stimulus outlays down to $55 billion. It also scrapped the rapidly approaching 6.5% unemployment rate threshold in favor of a "wide range of information" including other job-market indicators, inflation and financial markets. But despite the generally dovish tone to the proceedings, investors were chagrined by Yellen's press conference suggestion — perhaps a rookie mistake — that tightening could commence six months after tapering was completed, earlier than most expected, while the interest rate projections of the individual central bank committee members seemed to indicate more hawkish expectations. Subsequent communications and the release of the official minutes for this gathering acknowledged the committee's (as it turned out, well-founded) fear of being misinterpreted by markets, however, and tempered some of the disconnect.

Beyond the over-analyzing of every Fed utterance, recent U.S. data suggest the economy may be starting to shake the brutal winter's chill. Fourth quarter GDP growth was restated at 2.6%, slightly higher than the previous estimate of 2.4%, reflecting better-than-expected consumer spending; at 3.3%, personal consumption grew at its fastest quarterly pace in three years. Positive consumer trends have persisted in recent releases. Personal income and consumer spending grew in their latest readings, and a consumer confidence metric from the Conference Board surged to a six-year high. While nonfarm payrolls for March — at 192,000 — fell slightly short of expectations, the number continued the upward trend off of December's nadir and pushed private employment above its pre-recession peak for the first time. Fundamental support for markets also remained intact during the latest reporting season, as year-over-year growth of 8.6% during the fourth quarter drove S&P 500 earnings to another record high. Expectations for first quarter 2014 are far less ambitious, however; analysts are calling for a year-over-year decline of 1.6%, down sharply from expectations for 4.3% growth when the quarter began. Even our elected officials helped — or at least failed to hurt — the economy and markets, reaching an agreement on the debt ceiling well in advance of the end-February deadline with little fanfare and nary a whiff of brinksmanship.

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Looking abroad, Europe continues to move tentatively toward recovery. The final estimate of fourth quarter GDP growth came in at 0.8% annualized, which while modest represented the third straight quarter of growth. More recently, a purchasing managers' survey for March showed that the euro zone remained firmly in expansion and that the job market had begun to stabilize. Risks remain, however. The latest inflation figure, at 0.5%, is well below the European Central Bank's (ECB) target of around 2%. Despite this, the ECB again declined to take further policy action following its latest meeting, leaving its policy rate at a record-low 0.25%; while the statement accompanying the central bank's announcement hinted at the potential for quantitative easing, a lack of specifics left many wondering whether it was merely empty rhetoric. In addition to the specter of deflation, an increasingly aggressive Russia also threatens the currency bloc's budding recovery. Despite hopes that the relatively peaceful transfer of Crimea from Ukrainian to Russian rule would placate Putin's expansionist designs, Russia has grown increasingly antagonistic in recent weeks, amassing forces along its western border and wielding its gas supplies as a cudgel against Europe.

Turning to the emerging markets, a familiar boom/bust cycle appeared to be playing out as the first quarter began. With the Federal Reserve slowly but surely moving toward a more normal policy stance — and the emerging markets thus becoming less attractive on a relative basis — the "hot" money that found its way to emerging market shores over the past several years may be on the move to safer climes. This dynamic was on display in January, as a variety of emerging market currencies and stock markets fell sharply. Though crisis conditions eased before the quarter was out — thanks in part to the decisive action of several central banks to defend their currencies — these countries, especially those with large current account balances, are likely to remain susceptible to the whims of hot money.

Meanwhile, both China's policymakers and its data flow point to lower expectations for the world's second-largest economy as it seeks to refocus itself. Beijing set a 2014 GDP growth target of "about" 7.5%, with policymakers taking great pains to highlight the flexibility inherent in the word "about." While China posted full-year 2013 growth of 7.7%, early-2014 returns have painted the government's 2014 target as hopeful at best. Data for January/February (combined due to the timing of Lunar New Year) showed softness across the board: retail sales were the weakest in three years, industrial output the weakest in five years and fixed asset investment the weakest in a decade. More recently, data showed the country's manufacturing sector contracting again in March, as it has every month in 2014, while both imports and exports dropped sharply in the latest reading on trade data.

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Up-and-Down Equity Markets End Mixed...

The first quarter's see-saw market resulted in generally positive domestic results for the period as a whole. The S&P 500 led the way among the big three indexes for the quarter, delivering a total return of 1.8%. The tech-heavy Nasdaq turned in a respectable 0.8% gain despite getting hammered in March, while the Dow Jones Industrial Average finished down about 0.1%. Of the ten S&P 500 sectors, nine delivered positive performances during the first quarter, with only consumer discretionary finishing in the red. Utilities, up a whopping 10%, were the biggest gainer by a long shot, distantly trailed by health care. In terms of capitalization, mid-cap stocks led the pack, trailed by large and small caps in that order. Value outperformed growth across the board.

While swings in the international developed markets were even more pronounced than in the United States, the MSCI EAFE Index finished more or less flat for the quarter. Europe outpaced the broader index, while Asia dragged it down. Israel, Denmark and New Zealand all posted gains well into the double digits, while Japan, Austria and the U.K. were among the markets to deliver negative results. Despite robust gains in February and March, emerging markets were unable to undo the damage wrought by January; for the quarter, the MSCI Emerging Markets Index was down 0.8%. Northern Africa and Southeast Asia were the strongest regions, while Europe was hurt by the inclusion of Russia, the poorest performing market for the quarter. China and Mexico were also notably weak, while Indonesia led the gainers with a return in excess of 20%.

...While Fixed Income Surged

Yields on Treasuries moved lower across the curve during the first quarter, as flaring risks tempered appetites. Yield on the benchmark ten-year Treasury closed March at 2.73%, down from its end-December level of 3.04%. The widely watched Barclays U.S. Aggregate gained 1.8% in March, outpacing the 1.3% advance of Treasuries; however, Treasuries with maturities in excess of 20 years, the poorest-performing asset class in 2013, finished the quarter up 7.7%. All major fixed income segments moved higher during the first quarter, led by high yield bonds, investment grade corporates and emerging market debt; asset-backed securities and hybrid adjustable-rate mortgages (ARMs) were among the sectors that lagged the benchmark. Yields on money market instruments — such as Treasury bills, short-term agency securities and high-quality commercial paper — remained very low throughout the month as the fed funds target rate traded within the 0.00–0.25% range. Libor rates moved lower across the curve.

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As climate-related uncertainty and inventory accumulation dissipate, the tailwinds of consumer re-leveraging, the housing recovery and reduced fiscal drag will continue to support above-trend U.S. growth in 2014 — albeit at a tepid pace. This should perpetuate the bid for riskier fixed- and floating-rate credit-backed instruments — such as high yield, commercial mortgage-backed securities (CMBS) and senior bank loans — that potentially will benefit from the improving U.S. economy. On the other hand, Treasury-related assets more tied to interest rate risk, such as agency mortgages, will continue to be pressured, particularly in light of the potentially more hawkish tone struck by the Fed following the mid-March FOMC meeting.

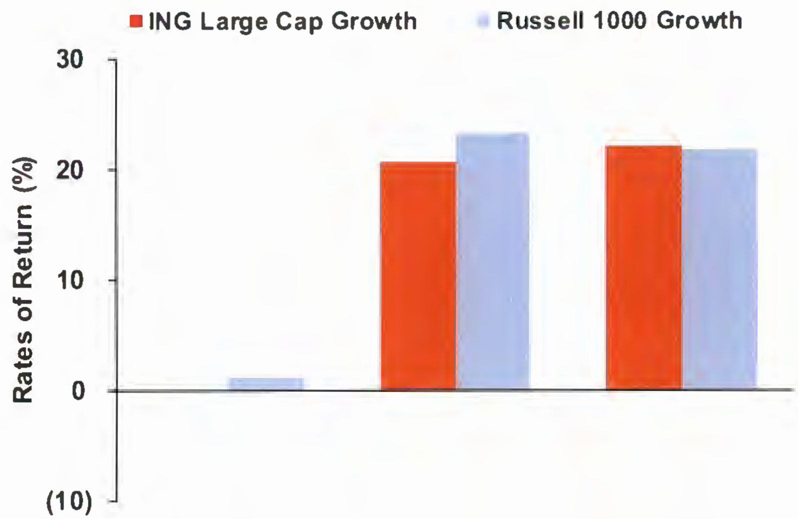
Portfolio Accounting

Quarter Ending March 31, 2014

Investment Account	Balance on 01/01/2014	Net Contributions	Earnings	Balance on 03/31/2014
ING Large Cap Growth	$ 1,583,884.39	$ (2,121.76)	$ (462.64)	$ 1,581,299.99
TOTAL	**$ 1,583,884.39**	**$ (2,121.76)**	**$ (462.64)**	**$ 1,581,299.99**

Performance Summary

Quarter Ending March 31, 2014



			Annualized
	Quarter	1 Year	Since Inception*
ING Large Cap Growth	**(0.02)%**	**20.59%**	**22.03%**
Russell 1000 Growth Index	1.12	23.22	21.74

*Performance inception date is January 1, 2012.
Returns are gross of fees. They include reinvestment of income, but do not reflect the deduction of any fees.
Historical performance is no indication of future results.

Large-Cap Growth R1000G Equity

Investment Objective

The objective is to outperform the Russell 1000 Growth Index by 2-3% annualized before management fees over full market cycles with an expected annualized tracking error of approximately 4-6%.*

*There is no guarantee that this objective will be achieved.

Investment Philosophy

This is an actively managed strategy that relies on fundamental research and analysis to identify companies with strong and accelerating business momentum, increasing market acceptance and attractive valuations.

Performance Review & Outlook

Portfolio Review

For the first quarter, the portfolio underperformed its benchmark primarily due to stock selection effects. Stock selection within energy and telecommunications services contributed the most to performance, while stock selection within the information technology and financial sectors detracted the most from performance.

Key contributors to performance were Amazon.com, Inc., Actavis PLC and EOG Resources, Inc.

Not owning Amazon.com contributed to performance. The company reported a weak 4Q13 with unit growth decelerating to 25%, below consensus estimates of 30%, and remained under pressure thereafter. Further exacerbating Amazon's performance has been the underperformance of high growth internet stocks since the beginning of the year.

Our overweight position in Actavis (ACT) contributed to performance. Shares outperformed on news that ACT would acquire specialty pharmaceutical company Forest Laboratories (FRX) for $25 billion. This transaction turns ACT from a leading generic drug company with a small branded drug business into a more balanced specialty pharmaceuticals company with $15 billion in sales split among North American generics (47% of total), North American branded (27%), drug distribution (15%) and international drugs (10%). In our view, the deal is highly accretive to earnings due to cost synergies and should drive future revenues for ACT's branded drugs thanks to FRX's large U.S. primary care salesforce.

Performance Review & Outlook continued on next page

Large-Cap Growth R1000G Equity

Our overweight position in domestic oil producer EOG Resources contributed to performance during the quarter. Performance was driven by better than expected earnings, which were particularly impressive given weather issues in oil-producing areas such as the Bakken formation in Montana and North Dakota, and the Permian basin in Texas. The company continues to show improvement in its return while providing above industry growth.

Key detractors from performance were Best Buy Co., Inc., Microsoft Corporation and Celgene Corporation.

Our overweight in Best Buy detracted from performance. The stock fell after the company reported disappointing quarterly results due to the competitive environment in consumer electronics. Stiff competition led to a highly promotional holiday season and negatively impacted Best Buy's revenues and margins.

Our underweight in Microsoft detracted from performance. The stock performed well following better than expected fourth quarter results in which Microsoft beat earnings estimates by 14%. Top-line results were driven by sales of Surface tablets and Xbox One gaming consoles, as well as by stronger than expected PC sales, which grew in excess of the market ahead of the Windows XP support expiration. Better than expected gross margins paired with well controlled operating expenses under the leadership of Microsoft's new CFO helped deliver the outsized EPS beat. For the remainder of the quarter, the stock continued to outperform on speculation over operational changes and the introduction of Office for iPad, which was ultimately launched by the company's newly appointed CEO, Satya Nadella.

Our overweight position in biotech company Celgene (CELG) detracted from performance during the quarter. The stock underperformed along with the biotechnology sector. What's more, the stock came under pressure in advance of an upcoming Markman hearing, the beginning of a patent challenge for CELG's biggest product, Revlimid, for multiple myeloma.

A Markman hearing is a pretrial hearing in a U.S. District Court, held when patent infringement is alleged by a plaintiff.

Current Strategy and Outlook

We believe that the U.S. economy has moved into a phase of self-sustaining, if slow, economic recovery. As we see modestly improving economic conditions, the U.S. Federal Reserve (Fed) has begun to reduce the pace of its asset purchase program (tapering) but has committed to maintain the federal funds rate target near zero for a considerable time after the asset purchase program ends. The Fed will consider labor market conditions and inflation in its decision to move toward a normalized interest rate environment. The strength of U.S. corporations remains intact, as evidenced by significant amounts of free cash flow and record high incremental margins. U.S. corporations are also actively returning capital to shareholders via dividend increases and share buybacks.

Performance Review & Outlook continued on next page

Large-Cap Growth R1000G Equity

Portfolio Highlights as of March 31, 2014

Sector Weightings

Underweight/Overweight vs. Benchmark (%)	Sector	Weightings (%) Portfolio	Weightings (%) Benchmark	Change in portfolio sector weight since last quarter (%)
3.7	Consumer Discretionary	22.9	19.2	(0.1)
0.5	Energy	5.3	4.8	1.4
0.4	Health Care	12.8	12.4	0.2
0.2	Industrials	12.5	12.3	0.4
(0.1)	Materials	4.5	4.6	(0.1)
(0.1)	Information Technology	27.1	27.2	0.9
(0.1)	Utilities	0.0	0.1	0.0
(1.1)	Financials	4.5	5.5	(1.1)
(1.2)	Consumer Staples	10.5	11.7	(1.6)
(2.2)	Telecom Services	0.0	2.2	0.0

Performance Attribution

	Overall	Stock Selection	Sector Selection
Energy	0.15	0.14	0.01
Telecommunication Services	0.03	0.00	0.03
Health Care	0.00	(0.01)	0.01
Utilities	(0.01)	0.00	(0.01)
Consumer Staples	(0.01)	(0.00)	(0.01)
Materials	(0.12)	(0.11)	(0.01)
Industrials	(0.21)	(0.19)	(0.02)
Financials	(0.25)	(0.26)	0.00
Information Technology	(0.35)	(0.33)	(0.01)
Consumer Discretionary	(0.36)	(0.24)	(0.11)
Cash	(0.01)	0.00	(0.01)
Total	**(1.14)**	**(1.00)**	**(0.14)**

Security Characteristics	Portfolio	R1000G Index
Weighted Average Market Cap ($Mil)	102,111	99,985
P/E (next 12 mos.)	18.48	18.41
EPS Growth (3-5 Year Estimate)	15.47	13.61
PEG Ratio (next 12 mos.)	1.36	1.63
Price to Cash Flow (last 12 mos.)	16.78	16.06
Return on Assets (%) (last 12 mos.)	9.97	10.01
Number of Issues	61	626

Returns-Based Characteristics (10 yrs.)	Composite	R1000G Index
Jensen Alpha (annualized %)	1.56	N/A
Beta	0.97	1.00
Tracking Error (%)	3.62	N/A
Information Ratio	0.37	N/A
R-Squared	0.94	1.00

Ten Largest Holdings	% of Portfolio
APPLE INC NPV	4.77
MICROSOFT COM	3.56
GOOGLE INC COM	3.54
GILEAD SCIENCES INC	2.76
HOME DEPOT INC	2.69
COMCAST CORP NEW	2.47
EMC CORP(M COM	2.36
ORACLE CORP	2.35
CVS CAREMARK CORP	2.26
PEPSICO INC	2.24

Sector weightings, performance attribution, security characteristics, and ten largest holdings are for a trust account included in the Composite. Other accounts in the Composite might have slightly different portfolio characteristics. It should not be assumed that the adviser continues to hold the securities listed. *Index source: Frank Russell Company Attribution is based on gross performance.*

Investor News — 1Q 2014

ING

VOYA:
A New Name for a Continuing Journey

ING U.S. Investment Management becomes Voya Investment Management on May 1, 2014.

- Our new name reminds us that a secure financial future is about more than just reaching a destination; it's like taking a voyage and having positive experiences along the way.
- There will be no changes in terms of investment processes or the services provided to clients.
- As we transition to our new name, we will build upon our commitment to deliver exceptional client service with a focus on sustainable long-term investment results.

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Investor News — 1Q 2014

PEOPLE IN THE NEWS

- **Christine Hurtsellers, CIO, Fixed Income,** appointed to the U.S. Treasury Borrowing Advisory Committee (TBAC)
- **Matt Toms, CFA, Head of Public Fixed Income,** Interview from November briefing posted on January 10th Fund Fire: Investors Leave "Comfort Zone As Uncertainty Dissipates"
- **Tanweer Akram, Ph.D.,** Senior Economist, Quantitative Research, was recently quoted in several industry publications:
  - February 19th quoted on CNBC, "Stocks close near session lows, NASDAQ snaps 8-day win streak"
  - February 19th in MarketWatch, Bond Report: "Treasuries Swing Lower on Fed Minutes"
  - January 24th Akram invited to lecture at Mount Royal University

BUSINESS UPDATE

- March 20th: ING U.S has been honored as a 2014 World's Most Ethical Company® by the Ethisphere Institute, an independent center of research promoting best practices in corporate ethics and governance.
- March 21st: ING Intermediate Bond Fund, W (IIBWX) and ING GNMA Income Fund, I (LEINX) have been named the number one performers in their respective categories by the Lipper Fund Awards 2014 for the three-year period ending December 31, 2013. The Lipper Awards recognize funds that have demonstrated consistent, strong risk-adjusted returns against their peers.
- March 25th: ING U.S., announced that ING Groep N.V. ("ING Group") has completed a sale of ING U.S. common stock reducing its ownership stake to approximately 43%.

UPCOMING CONFERENCES & WEBINARS

- **Pension Bridge Conference**
  April 22nd - 23rd – San Francisco
- **U.S. Markets Tri-State II Forum Conference**
  June 11th – New York
- **U.S. Markets Miss. Valley II Forum Conference**
  June 17th – Nashville

PERSONNEL UPDATE

ADDITIONS

Mustafa Chowdhury, Ph.D., Managing Director	Head of Rates
Jayme Lisiewski, Analyst	Fundamental Equity, Growth Team
Robert Parower, CFA, Analyst	Fundamental Equity, Growth Team

DEPARTURES

Matthew Babcock, Analyst	Multi-Asset Strategies and Solutions

Biographies

Equity

Richard Parower, Equity Analyst

Years of Experience: 24

Richard Parower, Senior Vice President, is an analyst on the Growth team covering the technology sector. Richard joined the firm in 2014 from Seligman Investments where he was a portfolio manager and technology analyst. Prior to that, Richard worked at Citibank Global Asset Management, Montgomery Asset Management, and G.T. Capital Management as an analyst covering technology stocks. He received his B.A. in Economics from Washington University and M.B.A. in finance and international business from Columbia Business School. He holds the Chartered Financial Analyst® designation.

Jayme Lisiewski, Equity Analyst

Years of Experience: 13

Jayme Lisiewski, Vice President, is an analyst on the Growth team covering various sectors. Prior to joining the firm in 2014, Jayme worked at Fred Alger Management and SunAmerica Asset Management as an analyst covering the industrials sector. Jayme received both a B.S. with a concentration in finance and an M.B.A. in finance from Fairleigh Dickinson University.

Fixed Income

Mustafa Chowdhury, Head of Rates

Years of Experience: 20

Mustafa Chowdhury, Managing Director, is Head of Rates and is responsible for directing the investment strategy for the Rates group, including global rates, sectors and currencies, and equity/convexity hedging. Mustafa brings 20 years' experience working in the fixed income industry (equally divided between the Buy side and Sell side) and a deep expertise in mortgage-backed securities and G7 interest rates. Prior to joining the firm, Mustafa was a portfolio manager at AVM where he served as a strategist working across fixed income assets, with a specialization in rates and mortgages. He began his investment career with Freddie Mac, where he was co-head of asset liability management and managed all hedging of the interest rate risk of the balance sheet. He also served as the Head of the U.S. Rates and Agency MBS Strategy at Deutsche Bank, where he identified trading opportunities and macro trends for clients and the trading desks. Before Deutsche Bank Mustafa worked for the Blue Crest hedge fund, focused on macro strategy, G3 rates and MBS. Mustafa holds a Ph.D. in economics from the University of California, San Diego.