

**SUMMARY OF RELEVANT FACTS**  
**Town of Longboat Key Consolidated Retirement Plans**  
**As of December 31, 2017**

<b>Distribution of Assets:</b>	
<b>Equity</b>	
-Large Cap. Value	\$6,026,359.70
-Large Cap. Growth	\$5,813,371.03
-Large Cap. Core	\$1,825,410.78
-Mid Cap. Value	\$1,010,290.77
-Mid Cap. Growth	\$974,158.07
-Small Cap. Value	\$994,961.67
-Small Cap. Growth	\$885,594.45
-International Value	\$2,667,688.17
-International Growth	\$2,671,443.54
<b>Total Equity</b>	<b>\$22,869,278.18</b>
-Fixed Income	\$9,295,799.38
<b>Total Traditional Assets</b>	<b>\$32,165,077.56</b>
<b>Alternative Investments</b>	
-Core Private Real Estate	\$1,606,098.94
-Master Limited Partnerships	\$1,596,745.37
<b>Total Alternative Investments</b>	<b>\$3,202,844.31</b>
Cash (Deposit & Disbursement Acc't)	\$820,976.06
<b>Total Portfolio</b>	<b>\$36,188,897.93</b>

<b>Distribution by Percentages:</b>	<b>Current</b>	<b>Policy</b>	<b>Range</b>
<b>Equity</b>			
-Large Cap. Value	16.65%	15.00%	12.5 - 17.5%
-Large Cap. Growth	16.06%	15.00%	12.5 - 17.5%
-Large Cap. Core	5.04%	5.00%	2.5 - 7.5%
-Mid Cap. Value	2.79%	2.50%	0.0 - 5.0%
-Mid Cap. Growth	2.69%	2.50%	0.0 - 5.0%
-Small Cap. Value	2.75%	2.50%	0.0 - 5.0%
-Small Cap. Growth	2.45%	2.50%	0.0 - 5.0%
-International Value	7.37%	7.50%	5.0 - 10.0%
-International Growth	7.38%	7.50%	5.0 - 10.0%
<b>Total Equity</b>	<b>63.19%</b>	<b>60.00%</b>	<b>50.0 - 70.0%</b>
-Fixed Income	25.69%	25.00%	15.0 - 35.0%
<b>Total Traditional Assets</b>	<b>88.88%</b>	<b>85.00%</b>	
<b>Alternative Investments</b>			
-Core Private Real Estate	4.44%	10.00%	0.0 - 12.5%
-Master Limited Partnerships	4.41%	5.00%	0.0 - 7.5%
<b>Total Alternative Investments</b>	<b>8.85%</b>	<b>15.00%</b>	<b>0.0 - 20.0%</b>
Cash (Deposit & Disbursement Acc't)	2.27%	0.00%	
<b>Total Portfolio</b>	<b>100.00%</b>	<b>100.00%</b>	

**Deposit & Disbursement**

Total Assets	100.00%	\$820,976
Equity	0.00%	\$0
Cash	100.00%	\$820,976
Fees		\$0
Gain or (Loss) - Gross-of-Fees		\$15
Gain or (Loss) - Net-of-Fees		\$15

**Other Important Facts:**

Total Portfolio	\$36,188,898
Fees	(\$44,104)
Total Gain or (Loss) - Gross-of-Fees	\$1,236,977
Total Gain or (Loss) - Net-of-Fees	\$1,192,873

**Vanguard - Large Cap Value ETF**

Total Assets	100.00%
Equity	89.29%
Cash	10.71%
Fees	(\$3,837)
Gain or (Loss) - Gross-of-Fees	\$402,601
Gain or (Loss) - Net-of-Fees	\$398,764

**Vanguard - Large Cap Growth ETF**

Total Assets	100.00%
Equity	92.59%
Cash	7.41%
Fees	(\$3,810)
Gain or (Loss) - Gross-of-Fees	\$354,862
Gain or (Loss) - Net-of-Fees	\$351,053

**Connors - Large Cap Core**

Total Assets	100.00%
Equity	90.75%
Cash	9.25%
Fees	(\$2,470)
Gain or (Loss) - Gross-of-Fees	\$104,130
Gain or (Loss) - Net-of-Fees	\$101,660

**Kennedy - Mid Cap Value**

Total Assets	100.00%
Equity	92.58%
Cash	7.42%
Fees	(\$1,487)
Gain or (Loss) - Gross-of-Fees	\$69,097
Gain or (Loss) - Net-of-Fees	\$67,610

**Congress - Mid Cap Growth**

Total Assets	100.00%
Equity	95.40%
Cash	4.60%
Fees	(\$1,351)
Gain or (Loss) - Gross-of-Fees	\$35,807
Gain or (Loss) - Net-of-Fees	\$34,456

**Kayne Anderson - Small Cap Value**

Total Assets	100.00%
Equity	94.42%
Cash	5.58%
Fees	(\$1,484)
Gain or (Loss) - Gross-of-Fees	\$61,566
Gain or (Loss) - Net-of-Fees	\$60,082

**RBC - Small Cap Growth**

Total Assets	100.00%	\$885,594
Equity	97.28%	\$861,507
Cash	2.72%	\$24,088
Fees		(\$1,549)
Gain or (Loss) - Gross-of-Fees		\$18,934
Gain or (Loss) - Net-of-Fees		\$17,385

**Lazard - International Value**

Total Assets	100.00%	\$2,667,688
Equity	99.05%	\$2,642,463
Cash	0.95%	\$25,226
Fees		(\$3,732)
Gain or (Loss) - Gross-of-Fees		\$124,087
Gain or (Loss) - Net-of-Fees		\$120,355

**Renaissance - International Growth**

Total Assets	100.00%	\$2,671,444
Equity	98.47%	\$2,630,480
Cash	1.53%	\$40,963
Fees		(\$3,767)
Gain or (Loss) - Gross-of-Fees		\$67,198
Gain or (Loss) - Net-of-Fees		\$63,431

**Pacific - Fixed Income**

Total Assets	100.00%	\$9,295,799
Equity	95.59%	\$8,885,758
Cash	4.41%	\$410,042
Fees		(\$12,356)
Gain or (Loss) - Gross-of-Fees		(\$5,303)
Gain or (Loss) - Net-of-Fees		(\$17,659)

**Center Coast - MLP**

Total Assets	100.00%	\$1,596,745
Equity	98.97%	\$1,580,296
Cash	1.03%	\$16,450
Fees		(\$2,744)
Gain or (Loss) - Gross-of-Fees		(\$23,702)
Gain or (Loss) - Net-of-Fees		(\$26,446)

**American Core Realty - Private Real Estate**

Total Assets	100.00%	\$1,606,099
Equity	100.00%	\$1,606,099
Cash	0.00%	\$0
Fees		(\$5,518)
Gain or (Loss) - Gross-of-Fees		\$27,685
Gain or (Loss) - Net-of-Fees		\$22,167

**Breakdown of Returns**  
**Town of Longboat Key Consolidated Retirement Plans**  
**As of December 31, 2017**

<b>EQUITY</b>		<b>Gross-of-Fees</b>		<b>Net-of-Fees</b>			
<b>Vanguard ETF (16.65%) Large Cap. Value</b>		<b>Return</b>	<b>Return</b>	<b>CRSP Large Value</b>	<b>Russell 1000 Value</b>		
	Quarter	7.16	7.09	6.97	5.33		
	Fiscal Year to Date	7.16	7.09	6.97	5.33		
	1 Year	17.14	16.83	17.16	13.66		
	Since 6/30/2016	19.12	18.80	19.00	16.33		
<b>Vanguard ETF (16.06%) Large Cap. Growth</b>				<b>CRSP Large Growth</b>	<b>Russell 1000 Growth</b>		
	Quarter	6.32	6.25	6.22	7.86		
	Fiscal Year to Date	6.32	6.25	6.22	7.86		
	1 Year	27.61	27.27	27.86	30.21		
	Since 6/30/2016	21.39	21.06	21.47	23.69		
<b>Connors (5.04%) Large Cap. Core</b>				<b>S&amp;P 500</b>	<b>60% S&amp;P / 40% S&amp;P CBOE</b>	<b>S&amp;P CBOE Buy Write</b>	
	Quarter	5.89	5.75	6.65	5.09	2.79	
	Fiscal Year to Date	5.89	5.75	6.65	5.09	2.79	
	1 Year	18.39	17.74	21.83	18.24	13.00	
	Since 6/30/2016	19.54	19.01	19.95	16.62	11.74	
<b>Kennedy (2.79%) Mid Cap. Value</b>				<b>Russell Mid Cap Value</b>			
	Quarter	7.29	7.13	5.50			
	Fiscal Year to Date	7.29	7.13	5.50			
	1 Year	19.61	18.88	13.35			
	Since 6/30/2016	23.92	23.17	16.00			
<b>Congress (2.69%) Mid Cap. Growth</b>				<b>Russell Mid Cap Growth</b>			
	Quarter	3.81	3.67	6.81			
	Fiscal Year to Date	3.81	3.67	6.81			
	1 Year	17.68	17.01	25.27			
	Since 6/30/2016	16.23	15.57	20.10			
<b>Kayne Anderson (2.75%) Small Cap. Value</b>				<b>Russell 2000 Value</b>			
	Quarter	6.53	6.37	2.05			
	Fiscal Year to Date	6.53	6.37	2.05			
	1 Year	20.83	20.08	7.84			
	Since 6/30/2016	23.33	22.57	21.50			

The prices, quotes, or statistics contained herein have been obtained from sources believed to be reliable, however, its accuracy cannot be guaranteed. Past performance is not a guarantee of future results.

<b>RBC (2.45%) Small Cap. Growth</b>	<b>Gross-of-Fees Return</b>	<b>Net-of-Fees Return</b>	<b>Russell 2000 Growth</b>	
Quarter	2.14	1.97	4.58	
Fiscal Year to Date	2.14	1.97	4.58	
Since 8/31/2017	8.61	8.43	10.28	
RBC/Fiera 1 Year	13.54	12.81	22.17	
RBC/Fiera Since 6/30/2016	15.10	14.37	24.09	
<b>Lazard (7.37%) International Value</b>			<b>MSCI EAFE (Net)</b>	
Quarter	4.64	4.49	4.23	
Fiscal Year to Date	4.64	4.49	4.23	
1 Year	27.10	26.40	25.03	
Since 6/30/2016	15.73	15.08	20.41	
<b>Renaissance (7.38%) International Growth</b>			<b>MSCI ACWI ex US (Net)</b>	
Quarter	2.57	2.42	5.00	
Fiscal Year to Date	2.57	2.42	5.00	
1 Year	28.12	27.41	27.19	
Since 6/30/2016	20.19	19.52	21.71	
<b>FIXED INCOME Pacific Income Advisors (25.69%)</b>			<b>BC Gov/Credit Intm</b>	
Quarter	(0.05)	(0.18)	(0.20)	
Fiscal Year to Date	(0.05)	(0.18)	(0.20)	
1 Year	2.12	1.59	2.14	
Since 6/30/2016	0.30	(0.22)	0.12	
<b>ALTERNATIVE - MLPs Center Coast (4.41%)</b>			<b>Alerian MLP</b>	
Quarter	(1.46)	(1.63)	(0.95)	
Fiscal Year to Date	(1.46)	(1.63)	(0.95)	
1 Year	(3.98)	(4.61)	(6.52)	
Since 6/30/2016	0.11	(0.56)	(2.41)	
<b>ALTERNATIVE - Private Real Estate American Core Reality (4.44%)</b>			<b>NCREIF Property Index</b>	<b>BC Agg</b>
Quarter	1.75	1.40	1.80	0.39
Fiscal Year to Date	1.75	1.40	1.80	0.39
Since 6/30/2017	3.66	2.95	3.53	1.24

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Time-Weighted Returns (TWR)	Gross-of-Fees	Net-of-Fees	Policy Index
	Return	Return	
Quarter	3.57	3.44	3.45
Fiscal Year to Date	3.57	3.44	3.45
1 Year	14.42	13.88	13.59
Since 6/30/2016	12.22	11.71	11.98
Dollar-Weighted Net (IRR)			Actuary Assumption
Quarter		3.43	1.75
Fiscal Year to Date		3.43	7.00
1 Year		13.95	7.00
Since 6/30/2016		11.63	7.00

Policy Index Date	9/30/2017	6/30/2017	6/30/2016
CRSP Large Value	15.00%	15.00%	15.00%
CRSP Large Growth	15.00%	15.00%	15.00%
S&P 500	5.00%	5.00%	5.00%
Russell Mid Cap Value	2.50%	2.50%	2.50%
Russell Mid Cap Growth	2.50%	2.50%	2.50%
Russell 2000 Value	2.50%	2.50%	2.50%
Russell 2000 Growth	2.50%	2.50%	2.50%
MSCI EAFE (Net)	7.50%	7.50%	7.50%
MSCI ACWI ex US (Net)	7.50%	7.50%	7.50%
BC Gov/Credit Intrm	30.00%	32.50%	35.00%
Alerian MLP	5.00%	5.00%	5.00%
NCREIF Property Index	5.00%	2.50%	0.00%
Total	100.00%	100.00%	100.00%

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# COMPLIANCE CHECKLIST

## Town of Longboat Key Consolidated Retirement Plans

As of December 31, 2017

GUIDELINES		In Compliance		OBJECTIVES		In Compliance		
<b>Equity Portfolio</b>						<b>Total Portfolio</b>	<u>3 years</u>	<u>Since Inception</u>
Listed on recognized exchange		Yes		Exceed Target Index		N/A		Yes
Single issue not to exceed 10% at market value for each equity in each separately managed portfolio		Yes		Exceed Target Rate of Return (7.0%)*		N/A		Yes
Total equity portfolio < 50.0% & > 70.0% of total fund at market value		Yes		<i>*Performance compared to dollar-weighted net returns</i>				
<b>Vanguard ETF (16.65%)</b>						<b>RBC (2.58%)</b>		
<u>Large Capitalization Value Equity Portfolio</u>						<u>Small Capitalization Growth Equity Portfolio</u>		
Market Value < 12.5% & > 17.5% of total fund		Yes		Market Value < 0.0% & > 5.0 of total fund				Yes
Performance (Inception 6/2016)	<u>3 years</u>		<u>Since Inception</u>	Performance (Inception 8/2017)	<u>3 years</u>		<u>Since Inception</u>	
Return > CRSP Large Value	N/A		Yes	Return > Russell 2000 Growth	N/A			No
Return > Russell 1000 Value	N/A		Yes					
<b>Vanguard ETF (16.06%)</b>						<b>Lazard (7.37%)</b>		
<u>Large Capitalization Growth Equity Portfolio</u>						<u>International Value Equity Portfolio</u>		
Market Value < 12.5% & > 17.5% of total fund		Yes		Market Value < 5.0% & > 10.0 of total fund				Yes
Performance (Inception 6/2016)	<u>3 years</u>		<u>Since Inception</u>	Performance (Inception 6/2016)	<u>3 years</u>		<u>Since Inception</u>	
Return > CRSP Large Growth	N/A		No	Return > MSCI EAFE (Net)	N/A			No
Return > Russell 1000 Value	N/A		No					
<b>Connors (5.04%)</b>						<b>Renaissance (7.38%)</b>		
<u>Large Capitalization Core Equity Portfolio</u>						<u>International Growth Equity Portfolio</u>		
Market Value < 2.5% & > 7.5% of total fund		Yes		Market Value < 5.0% & > 10.0 of total fund				Yes
Performance (Inception 6/2016)	<u>3 years</u>		<u>Since Inception</u>	Performance (Inception 6/2016)	<u>3 years</u>		<u>Since Inception</u>	
Return > S&P 500	N/A		No	Return > MSCI ACWI ex US (Net)	N/A			No
Return > 60% S&P/40% S&P CBOE	N/A		Yes					
Return > S&P CBOE Buy Write	N/A		Yes					
<b>Kennedy (2.79%)</b>						<b>Pacific Income Advisors (25.69%)</b>		
<u>Mid Capitalization Value Equity Portfolio</u>						<u>Fixed Income Portfolio</u>		
Market Value < 0.0% & > 5.0% of total fund		Yes		Market Value < 15.0% & > 35.0% of total fund				Yes
Performance (Inception 6/2016)	<u>3 years</u>		<u>Since Inception</u>	Performance (Inception 6/2016)	<u>3 years</u>		<u>Since Inception</u>	
Return > Russell Midcap Value	N/A		Yes	Return > Barclays Cap Interm. Gov't/Credit	N/A			Yes
				U.S. Government / Agency or U.S. Corporations				Yes
				Bonds rated "A" or better				Yes
				Single corporate issuer not exceed 10% of bond portfolio (except U.S. Government/Agency)				Yes
<b>Congress (2.69%)</b>						<b>Center Coast (4.41%)</b>		
<u>Mid Capitalization Growth Equity Portfolio</u>						<u>Master Limited Partnerships</u>		
Market Value < 0.0% & > 5.0 of total fund		Yes		Market Value < 0.0% & > 7.50 of total fund				Yes
Performance (Inception 6/2016)	<u>3 years</u>		<u>Since Inception</u>	Performance (Inception 6/2016)	<u>3 years</u>		<u>Since Inception</u>	
Return > Russell Midcap Growth	N/A		No	Return > Alerian MLP	N/A			Yes
<b>Kayne Anderson (2.75%)</b>						<b>American Core Reality (4.44%)</b>		
<u>Small Capitalization Value Equity Portfolio</u>						<u>Private Real Estate</u>		
Market Value < 0.0% & > 5.0 of total fund		Yes		Market Value < 0.0% & > 12.5 of total fund				Yes
Performance (Inception 6/2016)	<u>3 years</u>		<u>Since Inception</u>	Performance (Inception 6/2017)	<u>3 years</u>		<u>Since Inception</u>	
Return > Russell 2000 Value	N/A		Yes	Return > NCREIF Property Index	N/A			Yes

**Consulting & Management Fee Billing Summary**  
**Town of Longboat Key Consolidated Retirement Plans**  
**As of December 31, 2017**

<b>Vanguard Value ETF*</b>		<b>745-054093</b>								
<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>\$ GC Fee</u>	<u>% Annl. GC Fee</u>	<u>\$ Mgr. Fee</u>	<u>% Annl. Mgr. Fee</u>	<u>\$ Total Fee</u>	<u>% Annl. Total Fee</u>	
10/13/2017	\$5,623,773.11	10/1/2017	12/31/2017	\$3,836.69	0.27%	\$0.00	0.00%	\$3,836.69	0.27%	

\*Vanguard does not charge a separate fee for management. Returns are net of a 0.08% annual fee.

<b>Vanguard Growth ETF*</b>		<b>745-054092</b>							
<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>\$ GC Fee</u>	<u>% Annl. GC Fee</u>	<u>\$ Mgr. Fee</u>	<u>% Annl. Mgr. Fee</u>	<u>\$ Total Fee</u>	<u>% Annl. Total Fee</u>
12/1/2017	\$185,000.00	11/30/2017	12/31/2017	(\$40.55)	-0.25%	\$0.00	0.00%	(\$40.55)	-0.25%
10/13/2017	\$5,643,628.38	10/1/2017	12/31/2017	\$3,850.24	0.27%	\$0.00	0.00%	\$3,850.24	0.27%

\*Vanguard does not charge a separate fee for management. Returns are net of a 0.08% annual fee.

<b>Connors</b>		<b>745-054091</b>							
<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>\$ GC Fee</u>	<u>% Annl. GC Fee</u>	<u>\$ Mgr. Fee</u>	<u>% Annl. Mgr. Fee</u>	<u>\$ Total Fee</u>	<u>% Annl. Total Fee</u>
10/13/2017	\$1,724,967.89	10/1/2017	12/31/2017	\$1,176.82	0.27%	\$1,293.05	0.30%	\$2,469.87	0.57%

<b>Kennedy</b>		<b>745-054090</b>							
<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>\$ GC Fee</u>	<u>% Annl. GC Fee</u>	<u>\$ Mgr. Fee</u>	<u>% Annl. Mgr. Fee</u>	<u>\$ Total Fee</u>	<u>% Annl. Total Fee</u>
11/28/2017	\$10,000.00	11/27/2017	12/31/2017	(\$2.40)	-0.25%	(\$3.36)	-0.35%	(\$5.76)	-0.60%
10/13/2017	\$954,264.94	10/1/2017	12/31/2017	\$651.02	0.27%	\$841.84	0.35%	\$1,492.86	0.62%

<b>Congress</b>		<b>745-054089</b>							
<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>\$ GC Fee</u>	<u>% Annl. GC Fee</u>	<u>\$ Mgr. Fee</u>	<u>% Annl. Mgr. Fee</u>	<u>\$ Total Fee</u>	<u>% Annl. Total Fee</u>
10/13/2017	\$939,160.38	10/1/2017	12/31/2017	\$640.72	0.27%	\$710.16	0.30%	\$1,350.88	0.57%

<b>Kayne Anderson</b>		<b>745-054088</b>							
<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>\$ GC Fee</u>	<u>% Annl. GC Fee</u>	<u>\$ Mgr. Fee</u>	<u>% Annl. Mgr. Fee</u>	<u>\$ Total Fee</u>	<u>% Annl. Total Fee</u>
11/28/2017	\$20,000.00	11/27/2017	12/31/2017	(\$4.80)	-0.25%	(\$6.71)	-0.35%	(\$11.51)	-0.60%
10/13/2017	\$956,042.44	10/1/2017	12/31/2017	\$652.24	0.27%	\$843.41	0.35%	\$1,495.65	0.62%

RBC/Fiera Capital		745-054087			<u>% Annl. GC</u>		<u>% Annl. Mgr.</u>		<u>% Annl. Total</u>
<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>\$ GC Fee</u>	<u>Fee</u>	<u>\$ Mgr. Fee</u>	<u>Fee</u>	<u>\$ Total Fee</u>	<u>Fee</u>
11/28/2017	\$25,000.00	11/27/2017	12/31/2017	(\$5.99)	-0.25%	(\$10.07)	-0.42%	(\$16.06)	-0.67%
10/13/2017	\$899,065.50	10/1/2017	12/31/2017	\$613.37	0.27%	\$951.78	0.42%	\$1,565.15	0.69%

Lazard		745-054086			<u>% Annl. GC</u>		<u>% Annl. Mgr.</u>		<u>% Annl. Total</u>
<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>\$ GC Fee</u>	<u>Fee</u>	<u>\$ Mgr. Fee</u>	<u>Fee</u>	<u>\$ Total Fee</u>	<u>Fee</u>
12/15/2017	\$11,000.00	12/14/2017	12/31/2017	(\$1.35)	-0.25%	(\$1.63)	-0.30%	(\$2.98)	-0.55%
11/28/2017	\$60,000.00	11/27/2017	12/31/2017	(\$14.39)	-0.25%	(\$17.26)	-0.30%	(\$31.65)	-0.55%
10/13/2017	\$2,618,535.28	10/1/2017	12/31/2017	\$1,786.44	0.27%	\$1,980.04	0.30%	\$3,766.48	0.57%

Renaissance		745-054085			<u>% Annl. GC</u>		<u>% Annl. Mgr.</u>		<u>% Annl. Total</u>
<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>\$ GC Fee</u>	<u>Fee</u>	<u>\$ Mgr. Fee</u>	<u>Fee</u>	<u>\$ Total Fee</u>	<u>Fee</u>
12/15/2017	\$5,000.00	12/14/2017	12/31/2017	(\$0.61)	-0.25%	(\$0.74)	-0.30%	(\$1.35)	-0.55%
11/28/2017	\$15,000.00	11/27/2017	12/31/2017	(\$3.60)	-0.25%	(\$4.32)	-0.30%	(\$7.92)	-0.55%
10/13/2017	\$2,625,402.35	10/1/2017	12/31/2017	\$1,791.12	0.27%	\$1,985.24	0.30%	\$3,776.36	0.57%

Pacific		745-054084			<u>% Annl. GC</u>		<u>% Annl. Mgr.</u>		<u>% Annl. Total</u>
<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>\$ GC Fee</u>	<u>Fee</u>	<u>\$ Mgr. Fee</u>	<u>Fee</u>	<u>\$ Total Fee</u>	<u>Fee</u>
12/15/2017	\$10,000.00	12/14/2017	12/31/2017	(\$1.24)	-0.25%	(\$1.23)	-0.25%	(\$2.47)	-0.50%
10/30/2017	\$300,000.00	10/27/2017	12/31/2017	(\$135.61)	-0.25%	(\$135.62)	-0.25%	(\$271.23)	-0.50%
10/13/2017	\$9,623,458.23	10/1/2017	12/31/2017	\$6,565.39	0.27%	\$6,064.10	0.25%	\$12,629.49	0.52%

Center Coast		745-054082							
<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>\$ GC Fee</u>	<u>% Annl. GC Fee</u>	<u>\$ Mgr. Fee</u>	<u>% Annl. Mgr. Fee</u>	<u>\$ Total Fee</u>	<u>% Annl. Total Fee</u>
10/13/2017	\$1,623,191.65	10/1/2017	12/31/2017	\$1,107.39	0.27%	\$1,636.53	0.40%	\$2,743.92	0.67%

American Core Realty		745-054083							
<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>\$ GC Fee</u>	<u>% Annl. GC Fee</u>	<u>\$ Mgr. Fee</u>	<u>% Annl. Mgr. Fee</u>	<u>\$ Total Fee</u>	<u>% Annl. Total Fee</u>
12/31/2017	\$1,606,098.93	10/1/2017	12/31/2017	\$0.00	0.00%	\$4,482.87	1.11%	\$4,482.87	1.11%
10/13/2017	\$640,000.00	10/1/2017	12/31/2017	\$436.63	0.27%	\$0.00	0.00%	\$436.63	0.27%
10/3/2017	\$960,000.00	10/2/2017	12/31/2017	\$598.35	0.25%	\$0.00	0.00%	\$598.35	0.25%

Total - All Manager Fees									
<u>Date Billed</u>	<u>Market Value</u>	<u>From</u>	<u>To</u>	<u>\$ GC Fee</u>	<u>% Annl. GC Fee</u>	<u>\$ Mgr. Fee</u>	<u>% Annl. Mgr. Fee</u>	<u>\$ Total Fee</u>	<u>% Annl. Total Fee</u>
12/31/2017	\$1,606,098.93	10/1/2017	12/31/2017	\$0.00	0.00%	\$4,482.87	1.11%	\$4,482.87	1.11%
12/15/2017	\$26,000.00	12/14/2017	12/31/2017	(\$3.20)	-0.25%	(\$3.60)	-0.28%	(\$6.80)	-0.53%
12/1/2017	\$185,000.00	11/30/2017	12/31/2017	(\$40.55)	-0.25%	\$0.00	0.00%	(\$40.55)	-0.25%
11/28/2017	\$130,000.00	11/27/2017	12/31/2017	(\$31.18)	-0.25%	(\$41.72)	-0.33%	(\$72.90)	-0.58%
10/30/2017	\$300,000.00	10/27/2017	12/31/2017	(\$135.61)	-0.25%	(\$135.62)	-0.25%	(\$271.23)	-0.50%
10/13/2017	\$33,871,490.15	10/1/2017	12/31/2017	\$23,108.07	0.27%	\$16,306.15	0.19%	\$39,414.22	0.46%
10/3/2017	\$960,000.00	10/2/2017	12/31/2017	\$598.35	0.25%	\$0.00	0.00%	\$598.35	0.25%



# QUARTERLY PERFORMANCE EVALUATION

Prepared for:

## Town of Longboat Key Retirement Plans

As of December 31, 2017

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# Table of Contents

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- Capital Markets Overview Tab 1
- Performance Reports Tab 2

# Capital Markets Overview: 4Q 2017

## Introduction

As of 4Q 2017

- Risk markets globally continued to gain in 4Q17. Led by international markets, it appears we are in the midst of the most synchronous global economic upturn since 2009. MS & Co.'s bullish global equity outlook assumes earnings estimates will continue to move higher as the global economic recovery persists, and that valuations can expand further as market participants become more comfortable with the self-sustainability of this recovery. As monetary policy fades as the only driver of market outcomes, we see the re-emergence of volatility that's associated with real interest rates tracking real economic growth.
- For the quarter, US equities posted strong performance, especially the Consumer Discretionary sector of the S&P 500, which returned 9.9%. Healthcare (1.5%) and Utilities (0.2%) were clear laggards as markets discount more potential downside than upside ahead. While the US had solid performance (6.6%), Europe returns lagged, registering a 0.7% total return, but the largest returns for the quarter actually came from emerging markets 7.4%, with India's 11.8% return a clear standout. For the one-year period ending December 29, 2017, global equities rallied with double-digit returns exceeding 20% in most regions. Commodities and managed futures lagged for the one-year period.
- The Dow Jones Industrial Average increased 10.9% in the fourth quarter. The NASDAQ Composite Index was up 6.6% for the quarter. The S&P 500 Index increased 6.6% for the quarter.
- Nine of the 11 sectors within the S&P 500 generated positive returns in 4Q17. The top-performing sector was Consumer Discretionary, which was up 9.9%. Financials and Technology rose 9.0% and 8.6%, respectively, and were also among the top-performing sectors. The biggest laggards were Utilities, which rose 0.2%, and Healthcare, which rose 1.5%.
- The bond market registered slightly positive returns during the fourth quarter. The Bloomberg Barclays US Aggregate Bond Index, a general measure of the bond market, increased 0.4% for the quarter.
- Morgan Stanley & Co. economists expect US real GDP will be 2.2% in 2017. They forecast global GDP growth to be 3.6% in 2017.
- Commodities rose into the fourth quarter; the Bloomberg Commodity Index increased 4.4%.

Source: FactSet, Bloomberg, Morgan Stanley & Co. Research, Morgan Stanley Wealth Management GIC

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# Capital Markets Overview: 4Q 2017

## The US Economy

As of 4Q 2017

The Department of Commerce estimated that real Gross Domestic Product increased at an annual rate of 3.2% in 3Q17, in comparison to a 3.1% increase in 2Q17. Morgan Stanley & Co. economists forecast US Real GDP growth will be 2.2% in 2017.

The seasonally adjusted unemployment rate for November 2017 was 4.1%, down from 4.4% in August 2017. Job gains occurred in manufacturing, construction, health care, and mining. The number of unemployed was slightly down at 6.6 million from 7.1 million in the previous quarter. The number of long-term unemployed (those jobless for 27 weeks or more) was 1.6 million, little changed from the last quarter. These individuals accounted for 23.8% of the unemployed vs. 23.9% last quarter.

According to the most recent estimate from the Bureau of Economic Analysis, corporate profits increased 4.25% quarter over quarter and are up 5.35% year over year.

Inflation decreased in the US, according to the Bureau of Labor Statistics. The year-over-year Consumer Price Index was 1.9% in August and increased to 2.2% in November. Morgan Stanley & Co. economists forecast a 2.1% annual inflation rate for 2017.

The Census Bureau reported that the number of new private-sector housing starts in November 2017 was at a seasonally adjusted annual rate of 1,297,000—12.9% above housing starts this time last year.

The Census Bureau also reported that seasonally adjusted retail and food services sales increased at 5.8% year over year in August, a 230-basis-point increase since last quarter. Consumer confidence increased in 4Q17, with Conference Board Consumer Confidence reading 122.1 after reaching the highest level it had been since March 2000.

In November, the Institute for Supply Management's Purchasing Managers' Index (PMI), a manufacturing sector index, decreased as the PMI registered 58.2%, a 2% downtick from September's reading of 60.8. Generally speaking, a PMI or NMI (ISM Non-Manufacturing Index) over 50 indicates that the sector is expanding, and a PMI below 50 but over 43 indicates that the sector is shrinking but the overall economy is expanding. PMI has registered above 50 for 20 out of the last 21 months, indicating an expansion in manufacturing since March 2016. Overall, PMI has been above 43 for 102 consecutive months, indicating overall economic recovery and expansion since June 2009.

The NMI is down 2.1 points to 57.4 since August 2017. The index has now been above 50 for 93 consecutive months, indicating non-manufacturing expansion since February 2010.

Source: FactSet, Bloomberg, Morgan Stanley & Co. Research, Morgan Stanley Wealth Management GIC

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# Capital Markets Overview: 4Q 2017

## US Equity Markets

As of 4Q 2017

The Dow Jones Industrial Average increased 10.9% in 4Q17. The NASDAQ Composite Index was up 6.6% for the quarter. The S&P 500 Index increased 6.6% for the quarter.

Nine of the 11 sectors within the S&P 500 generated positive returns in 4Q17. The top-performing sector was Consumer Discretionary, which was up 9.9%. Financials and Technology rose 9.0% and 8.6%, respectively, and were also among the top-performing sectors. The biggest laggards were Utilities, which decreased 0.2%, and Healthcare, which rose 1.5%.

The Russell 1000 Index, a large-cap index, increased 6.6% for the quarter, with large-cap growth (7.9%) outperforming large-cap value (5.3%).

The Russell Midcap Index increased 6.1% for the quarter, with mid-cap growth (6.8%) outperforming mid-cap value (5.4%).

The Russell 2000 Index, a small-cap index, increased 3.3% for the quarter, with small-cap growth (4.6%) outperforming small-cap value (2.0%).

### Key US Stock Market Index Returns (%) for the Period Ending 12/29/2017

INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized)
S&P 500	6.6%	21.8%	16.2%	13.7%
Dow Jones	11.0%	28.1%	16.7%	14.3%
Russell 2000	3.3%	14.6%	14.6%	11.6%
Russell Midcap	6.1%	18.5%	15.3%	12.8%
Russell 1000	6.6%	21.7%	16.1%	13.7%

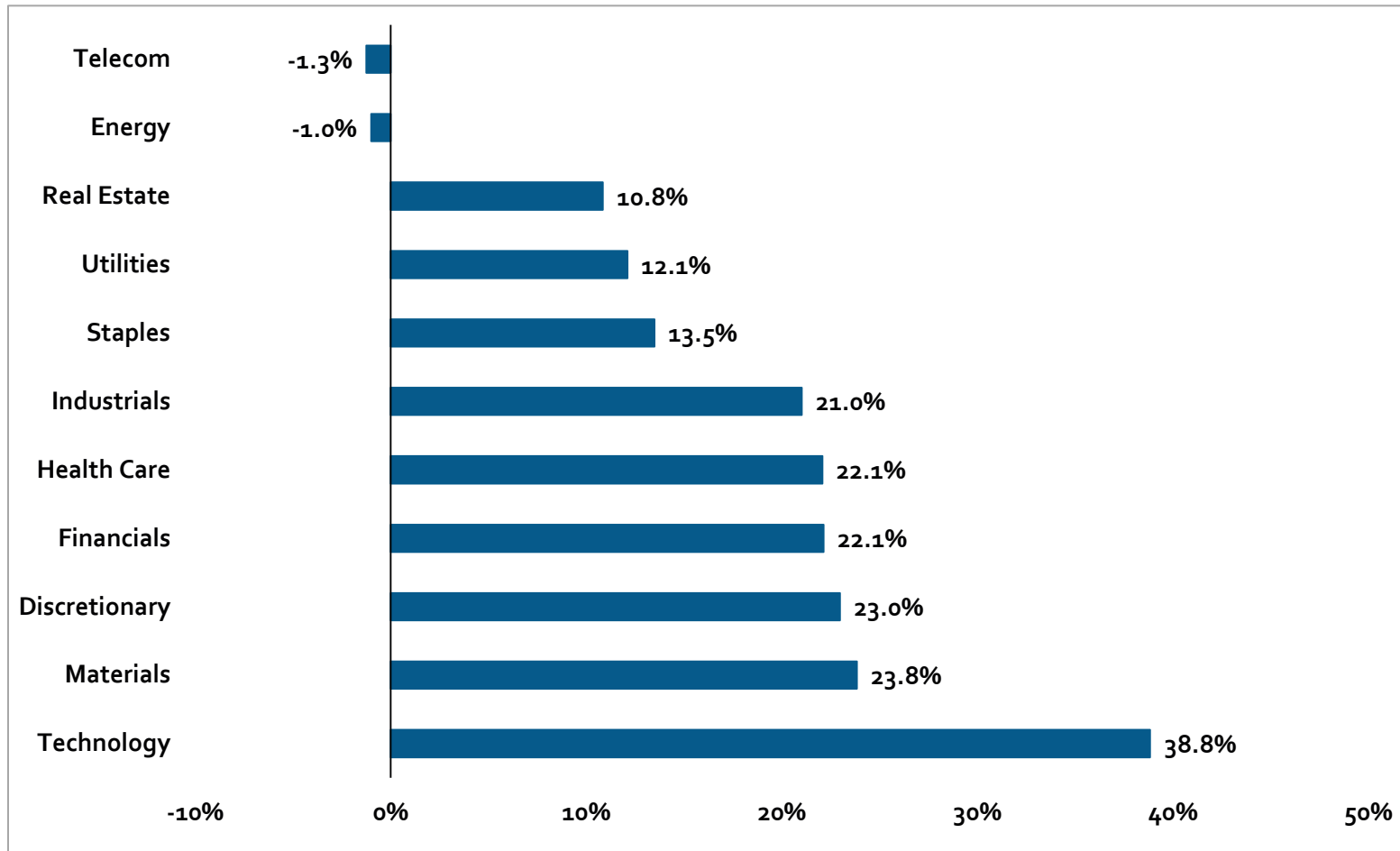
Source: FactSet, Bloomberg, Morgan Stanley Wealth Management GIC

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# S&P 500 Sectors

## YTD 2017 Total Return

As of December 29, 2017



Source: Bloomberg

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# Capital Markets Overview: 4Q 2017

## Global Equity Markets

As of 4Q 2017

In the fourth quarter, emerging markets (EM) and international developed regions both delivered positive returns (in USD). The MSCI EAFE Index (a benchmark for international developed markets) increased 4.3% for US-currency investors and increased 3.7% for local-currency investors, as the US dollar significantly depreciated in relation to the currencies of many nations in the index.

For the fourth quarter, the MSCI Emerging Markets Index increased 7.5% for US-currency investors and 5.7% for local-currency investors. The MSCI Europe Index increased 2.3% for US-currency investors and increased 1.3% for local-currency investors during 4Q17.

The S&P 500 Index increased 6.6% for the quarter.

Emerging economy equity market indices were up in the fourth quarter. The MSCI BRIC (Brazil, Russia, India and China) Index rose 6.6% for the quarter in US dollar terms and 7.0% in terms of local currencies. For the fourth quarter, the MSCI EM Asia Index was up 8.4% in US dollar terms and 6.1% in local terms.

Key Global Equity Market Index Returns (%) for the Period Ending 12/29/2017				
INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized)
MSCI EAFE	4.3%	25.6%	8.4%	6.5%
MSCI EAFE Growth	5.3%	29.3%	9.1%	7.0%
MSCI EAFE Value	3.3%	22.1%	7.5%	6.0%
MSCI Europe	2.3%	26.2%	8.0%	6.7%
MSCI Japan	8.5%	24.4%	11.4%	6.9%
S&P 500	6.6%	21.8%	16.2%	13.7%
MSCI Emerging Markets	7.5%	37.8%	4.7%	2.9%

Source: FactSet, Bloomberg, Morgan Stanley Wealth Management GIC

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# Capital Markets Overview: 4Q 2017

## The US Bond Market

As of 4Q 2017

The bond market registered positive returns during the fourth quarter. The Bloomberg Barclays US Aggregate Bond Index, a general measure of the bond market, increased 0.4% for the quarter as the curve continued to flatten.

Interest rates increased during the fourth quarter, as the yield on the 10-year US Treasury note increased to a quarter-end 2.41% from 2.33% at the end of 4Q17. This came out to a 3.1% increase in rates for the quarter.

Riskier parts of the bond market such as US high yield debt also increased in the fourth quarter. The Bloomberg Barclays Capital High Yield Index, a measure of lower-rated corporate bonds, rose 0.5%.

Mortgage-backed securities posted slightly positive returns during the fourth quarter. The Bloomberg Barclays Capital Mortgage Backed Index increased 0.2% for the quarter. During the fourth quarter, the municipal bond market also increased. As a result, the Bloomberg Barclays Capital Muni Index generated a 0.7% return for the quarter.

Key US Bond Market Index Returns (%) for the Period Ending 12/29/2017				
INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized)
Bloomberg Barclays Capital US Aggregate	0.4%	3.5%	2.1%	3.2%
Bloomberg Barclays Capital High Yield	0.5%	7.5%	5.8%	7.0%
Bloomberg Barclays Capital Government/Credit	0.5%	3.9%	2.1%	3.4%
Bloomberg Barclays Capital Government	0.1%	2.3%	1.2%	2.5%
Bloomberg Barclays Capital Intermediate Govt/Credit	-0.2%	2.1%	1.5%	2.4%
Bloomberg Barclays Capital Long Govt/Credit	2.8%	10.7%	4.3%	7.5%
Bloomberg Barclays Capital Mortgage Backed Securities	0.2%	2.5%	2.0%	2.7%
Bloomberg Barclays Capital Muni	0.7%	5.4%	3.0%	4.6%

Source: FactSet, Bloomberg, Morgan Stanley & Co. Research, Morgan Stanley Wealth Management GIC

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***An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund.***

The type of mutual funds and ETFs discussed in this presentation utilizes nontraditional or complex investment strategies and/or derivatives. Examples of these types of funds include those that utilize one or more of the below noted investment strategies or categories or which seek exposure to the following markets: (1) commodities (e.g., agricultural, energy and metals), currency, precious metals; (2) managed futures; (3) leveraged, inverse or inverse leveraged; (4) bear market, hedging, long-short equity, market neutral; (5) real estate; (6) volatility (seeking exposure to the CBOE VIX Index). Investors should keep in mind that while mutual funds and ETFs may, at times, utilize nontraditional investment options and strategies, they should not be equated with unregistered privately offered alternative investments. Because of regulatory limitations, mutual funds and ETFs that seek alternative-like investment exposure must utilize a more limited investment universe. As a result, investment returns and portfolio characteristics of alternative mutual funds and ETFs may vary from traditional hedge funds pursuing similar investment objectives. Moreover, traditional hedge funds have limited liquidity with long “lock-up” periods allowing them to pursue investment strategies without having to factor in the need to meet client redemptions and ETFs trade on an exchange. On the other hand, mutual funds typically must meet daily client redemptions. This differing liquidity profile can have a material impact on the investment returns generated by a mutual or ETF pursuing an alternative investing strategy compared with a traditional hedge fund pursuing the same strategy.

Nontraditional investment options and strategies are often employed by a portfolio manager to further a fund’s investment objective and to help offset market risks. However, these features may be complex, making it more difficult to understand the fund’s essential characteristics and risks, and how it will perform in different market environments and over various periods of time. They may also expose the fund to increased volatility and unanticipated risks particularly when used in complex combinations and/or accompanied by the use of borrowing or “leverage.”

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**KEY ASSET CLASS CONSIDERATIONS AND OTHER RISKS**

Investing in the markets entails the risk of market volatility. The value of all types of investments, including stocks, mutual funds, exchange-traded funds ("ETFs"), closed-end funds, and unit investment trusts, may increase or decrease over varying time periods. To the extent the investments depicted herein represent **international securities**, you should be aware that there may be additional risks associated with international investing, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes, and differences in financial and accounting standards. These risks may be magnified in **emerging markets and frontier markets**. **Small- and mid-capitalization companies** may lack the financial resources, product diversification and competitive strengths of larger companies. In addition, the securities of small- and mid-capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies. The value of **fixed income securities** will fluctuate and, upon a sale, may be worth more or less than their original cost or maturity value. Bonds are subject to interest rate risk, call risk, reinvestment risk, liquidity risk, and credit risk of the issuer. **High yield bonds** are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. In the case of **municipal bonds**, income is generally exempt from federal income taxes. Some income may be subject to state and local taxes and to the federal alternative minimum tax. Capital gains, if any, are subject to tax. **Treasury Inflation Protection Securities' (TIPS)** coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI). While the real rate of return is guaranteed, TIPS tend to offer a low return. Because the return of TIPS is linked to inflation, TIPS may significantly underperform versus conventional U.S. Treasuries in times of low inflation. There is no guarantee that investors will receive par if TIPS are sold prior to maturity. The returns on a portfolio consisting primarily of **environmental, social, and governance-aware investments ("ESG")** may be lower or higher than a portfolio that is more diversified or where decisions are based solely on investment considerations. Because ESG criteria exclude some investments, investors may not be able to take advantage of the same opportunities or market trends as investors that do not use such criteria. The companies identified and investment examples are for illustrative purposes only and should not be deemed a recommendation to purchase, hold or sell any securities or investment products. They are intended to demonstrate the approaches taken by managers who focus on ESG criteria in their investment strategy. There can be no guarantee that a client's account will be managed as described herein. **Options** and margin trading involve substantial risk and are not suitable for all investors. Besides the general investment risk of holding securities that may decline in value and the possible loss of principal invested, **closed-end funds** may have additional risks related to declining market prices relative to net asset values (NAVs), active manager underperformance and potential leverage. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. NAV is total assets less total liabilities divided by the number of shares outstanding. At the time an investor purchases shares of a closed-end fund, shares may have a market price that is above or below NAV. Portfolios that invest a large percentage of assets in only one industry **sector** (or in only a few sectors) are more vulnerable to price fluctuation than those that diversify among a broad range of sectors.

**Alternative investments** often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. Alternative investments are suitable only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase the volatility and risk of loss. Alternative Investments typically have higher fees than traditional investments. Investors should carefully review and consider potential risks before investing. Certain of these risks may include but are not limited to: Loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices; Lack of liquidity in that there may be no secondary market for a fund; Volatility of returns; Restrictions on transferring interests in a fund; Potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized; Absence of information regarding valuations and pricing; Complex tax structures and delays in tax reporting; Less regulation and higher fees than mutual funds; and Risks associated with the operations, personnel, and processes of the manager. As a diversified global financial services firm, Morgan Stanley Wealth Management engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley Wealth Management therefore engages in activities where Morgan Stanley Wealth Management's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley Wealth Management can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund. All expressions of opinion are subject to change without notice and are not intended to be a forecast of future events or results. Further, opinions regarding Alternative Investments expressed herein may differ from the opinions expressed by Morgan Stanley Wealth Management and/or other businesses/affiliates of Morgan Stanley Wealth Management. This is not a "research report" as defined by NASD Conduct Rule 2711 and was not prepared by the Research Departments of Morgan Stanley Smith Barney LLC or Morgan Stanley & Co. LLC or its affiliates. Certain information contained herein may constitute forward-looking statements. Due to various risks and uncertainties, actual events, results or the performance of a fund may differ materially from those reflected or contemplated in such forward-looking statements. Clients should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing. While the HFRI indices are frequently used, they have limitations (some of which are typical of other widely used indices). These limitations include survivorship bias (the returns of the indices may not be representative of all the hedge funds in the universe because of the tendency of lower performing funds to leave the index); heterogeneity (not all hedge funds are alike or comparable to one another, and the index may not accurately reflect the performance of a described style); and limited data (many hedge funds do not report to indices, and the index may omit funds, the inclusion of which might significantly affect the performance shown). The HFRI indices are based on information self-reported by hedge fund managers that decide on their own, at any time, whether or not they want to provide, or continue to provide, information to HFR Asset Management, L.L.C. Results for funds that go out of business are included in the index until the date that they cease operations. Therefore, these indices may not be complete or accurate representations of the hedge fund

universe, and may be biased in several ways. Composite index results are shown for illustrative purposes and do not represent the performance of a specific investment. Individual funds have specific tax risks related to their investment programs that will vary from fund to fund. Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice. Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Smith Barney LLC and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley or any of its affiliates, (3) are not guaranteed by Morgan Stanley and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Smith Barney LLC is a registered broker-dealer, not a bank. This material is not to be reproduced or distributed to any other persons (other than professional advisors of the investors or prospective investors, as applicable, receiving this material) and is intended solely for the use of the persons to whom it has been delivered. This material is not for distribution to the general public. Past performance is no guarantee of future results. Actual results may vary. SIPC insurance does not apply to precious metals, other commodities, or traditional alternative investments. Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Smith Barney LLC and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley or any of its affiliates, (3) are not guaranteed by Morgan Stanley and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Smith Barney LLC is a registered broker-dealer, not a bank. In Consulting Group's advisory programs, alternative investments are limited to US-registered mutual funds, separate account strategies and exchange-traded funds (ETFs) that seek to pursue alternative investment strategies or returns utilizing publicly traded securities. Investment products in this category may employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. Alternative investments are not suitable for all investors. As a diversified global financial services firm, Morgan Stanley Wealth Management engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley Wealth Management therefore engages in activities where Morgan Stanley Wealth Management's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley Wealth Management can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund. Alternative investments involve complex tax structures, tax inefficient investing, and delays in distributing important tax information. Individual funds have specific risks related to their investment programs that will vary from fund to fund. Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice.

While the HFRI indices are frequently used, they have limitations (some of which are typical of other widely used indices). These limitations include survivorship bias (the returns of the indices may not be representative of all the hedge funds in the universe because of the tendency of lower performing funds to leave the index); heterogeneity (not all hedge funds are alike or comparable to one another, and the index may not accurately reflect the performance of a described style); and limited data (many hedge funds do not report to indices, and the index may omit funds, the inclusion of which might significantly affect the performance shown). The HFRI indices are based on information self-reported by hedge fund managers that decide on their own, at any time, whether or not they want to provide, or continue to provide, information to HFR Asset Management, L.L.C. Results for funds that go out of business are included in the index until the date that they cease operations. Therefore, these indices may not be complete or accurate representations of the hedge fund universe, and may be biased in several ways.

It should be noted that the majority of hedge fund indexes are comprised of hedge fund manager returns. This is in contrast to traditional indexes, which are comprised of individual securities in the various market segments they represent and offer complete transparency as to membership and construction methodology. As such, some believe that hedge fund index returns have certain biases that are not present in traditional indexes. Some of these biases inflate index performance, while others may skew performance negatively. However, many studies indicate that overall hedge fund index performance has been biased to the upside. Some studies suggest performance has been inflated by up to 260 basis points or more annually depending on the types of biases included and the time period studied. Although there are numerous potential biases that could affect hedge fund returns, we identify some of the more common ones throughout this paper.

Self-selection bias results when certain manager returns are not included in the index returns and may result in performance being skewed up or down. Because hedge funds are private placements, hedge fund managers are able to decide which fund returns they want to report and are able to opt out of reporting to the various databases. Certain hedge fund managers may choose only to report returns for funds with strong returns and opt out of reporting returns for weak performers. Other hedge funds that close may decide to stop reporting in order to retain secrecy, which may cause a downward bias in returns.

Survivorship bias results when certain constituents are removed from an index. This often results from the closure of funds due to poor performance, "blow ups," or other such events. As such, this bias typically results in performance being skewed higher. As noted, hedge fund index performance biases can result in positive or negative skew. However, it would appear that the skew is more often positive. While it is difficult to quantify the effects precisely, investors should be aware that idiosyncratic factors may be giving hedge fund index returns an artificial "lift" or upwards bias.

**Hedge Funds of Funds** and many funds of funds are private investment vehicles restricted to certain qualified private and institutional investors. They are often speculative and include a high degree of risk. Investors can lose all or a substantial amount of their investment. They may be highly illiquid, can engage in leverage and other speculative practices that may increase volatility and the risk of loss, and may be subject to large investment minimums and initial lockups. They involve complex tax structures, tax-inefficient investing and delays in distributing important tax information. Categorically,

hedge funds and funds of funds have higher fees and expenses than traditional investments, and such fees and expenses can lower the returns achieved by investors. Funds of funds have an additional layer of fees over and above hedge fund fees that will offset returns. An investment in an **exchange-traded fund** involves risks similar to those of investing in a broadly based portfolio of equity securities traded on an exchange in the relevant securities market, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock and bond prices. An investment in a **target date portfolio** is subject to the risks attendant to the underlying funds in which it invests, in these portfolios the funds are the Consulting Group Capital Market funds. A target date portfolio is geared to investors who will retire and/or require income at an approximate year. The portfolio is managed to meet the investor's goals by the pre-established year or "target date." A target date portfolio will transition its invested assets from a more aggressive portfolio to a more conservative portfolio as the target date draws closer. An investment in the target date portfolio is not guaranteed at any time, including, before or after the target date is reached. **Managed futures** investments are speculative, involve a high degree of risk, use significant leverage, are generally illiquid, have substantial charges, subject investors to conflicts of interest, and are suitable only for the risk capital portion of an investor's portfolio. Managed futures investments do not replace equities or bonds but rather may act as a complement in a well diversified portfolio. Managed Futures are complex and not appropriate for all investors. **Rebalancing** does not protect against a loss in declining financial markets. There may be a potential tax implication with a rebalancing strategy. **Asset allocation and diversification** do not assure a profit or protect against loss in declining financial markets. Past performance is no guarantee of future results. Actual results may vary.

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Insurance products are offered in conjunction with Morgan Stanley Smith Barney LLC's licensed insurance agency affiliates.

**Indices** are unmanaged. An investor cannot invest directly in an index. They are shown for illustration purposes only and do not show the performance of any specific investment. Reference to an index does not imply that the portfolio will achieve return, volatility or other results similar to the index. The composition of an index may not reflect the manner in which a portfolio is constructed in relation to expected or achieved returns, portfolio guidelines, restrictions, sectors, correlations, concentrations, volatility, or tracking error target, all of which are subject to change over time.

This material is not a financial plan and does not create an investment advisory relationship between you and your Morgan Stanley Financial Advisor. We are not your fiduciary either under the Employee Retirement Income Security Act of 1974 (ERISA) or the Internal Revenue Code of 1986, and any information in this report is not intended to form the primary basis for any investment decision by you, or an investment advice or recommendation for either ERISA or Internal Revenue Code purposes. Morgan Stanley Private Wealth Management will only prepare a financial plan at your specific request using Private Wealth Management approved financial planning signature.

We may act in the capacity of a broker or that of an advisor. As your broker, we are not your fiduciary and our interests may not always be identical to yours. Please consult with your Private Wealth Advisor to discuss our obligations to disclose to you any conflicts we may from time to time have and our duty to act in your best interest. We may be paid both by you and by others who compensate us based on what you buy. Our compensation, including that of your Private Wealth Advisor, may vary by product and over time.

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*For index, indicator and survey definitions referenced in this report please visit the following: <http://www.morganstanleyfa.com/public/projectfiles/id.pdf>*

**GLOBAL INVESTMENT COMMITTEE (GIC) ASSET ALLOCATION MODELS:** The Asset Allocation Models are created by Morgan Stanley Wealth Management's GIC.

**HYPOTHETICAL MODEL PERFORMANCE (GROSS):** Hypothetical model performance results do not reflect the investment or performance of an actual portfolio following a GIC Strategy, but simply reflect actual historical performance of selected indices on a real-time basis over the specified period of time representing the GIC's strategic and tactical allocations as of the date of this report. The past performance shown here is simulated performance based on benchmark indices, not investment results from an actual portfolio or actual trading. There can be large differences between hypothetical and actual performance results achieved by a particular asset allocation or trading strategy. Hypothetical performance results do not represent actual trading and are generally designed

with the benefit of hindsight. Actual performance results of accounts vary due to, for example, market factors (such as liquidity) and client-specific factors (such as investment vehicle selection, timing of contributions and withdrawals, restrictions and rebalancing schedules). Clients would not necessarily have obtained the performance results shown here if they had invested in accordance with any GIC Asset Allocation Model for the periods indicated. Despite the limitations of hypothetical performance, these hypothetical performance results allow clients and Financial Advisors to obtain a sense of the risk/return trade-off of different asset allocation constructs. The hypothetical performance results in this report are calculated using the returns of benchmark indices for the asset classes, and not the returns of securities, fund or other investment products. Models may contain allocations to Hedge Funds, Private Equity and Private Real Estate. The benchmark indices for these asset classes are not issued on a daily basis. When calculating model performance on a day for which no benchmark index data is issued, we have assumed straight line growth between the index levels issued before and after that date.

**FEES REDUCE THE PERFORMANCE OF ACTUAL ACCOUNTS:** None of the fees or other expenses (e.g. commissions, mark-ups, mark-downs, fees) associated with actual trading or accounts are reflected in the GIC Asset Allocation Models. The GIC Asset Allocation Models and any model performance included in this presentation are intended as educational materials. Were a client to use these models in connection with investing, any investment decisions made would be subject to transaction and other costs which, when compounded over a period of years, would decrease returns. Information regarding Morgan Stanley's standard advisory fees is available in the Form ADV Part 2, which is available at [www.morganstanley.com/adv](http://www.morganstanley.com/adv). The following hypothetical illustrates the compound effect fees have on investment returns: For example, if a portfolio's annual rate of return is 15% for 5 years and the account pays 50 basis points in fees per annum, the gross cumulative five-year return would be 101.1% and the five-year return net of fees would be 96.8%. Fees and/or expenses would apply to clients who invest in investments in an account based on these asset allocations, and would reduce clients' returns. The impact of fees and/or expenses can be material.

**Variable annuities** are long-term investments designed for retirement purposes and may be subject to market fluctuations, investment risk, and possible loss of principal. All guarantees, including optional benefits, are based on the financial strength and claims-paying ability of the issuing insurance company and do not apply to the underlying investment options. Optional riders may not be able to be purchased in combination and are available at an additional cost. Some optional riders must be elected at time of purchase. Optional riders may be subject to specific limitations, restrictions, holding periods, costs, and expenses as specified by the insurance company in the annuity contract. If you are investing in a **variable annuity** through a tax-advantaged retirement plan such as an IRA, you will get no additional tax advantage from the variable annuity. Under these circumstances, you should only consider buying a variable annuity because of its other features, such as lifetime income payments and death benefits protection. Taxable distributions (and certain deemed distributions) are subject to ordinary income tax and, if taken prior to age 59½, may be subject to a 10% federal income tax penalty. Early withdrawals will reduce the death benefit and cash surrender value.

**Equity securities** may fluctuate in response to news on companies, industries, market conditions and general economic environment. **Ultrashort-term fixed income** asset class is comprised of fixed income securities with high quality, very short maturities. They are therefore subject to the risks associated with debt securities such as credit and interest rate risk.

**Master Limited Partnerships (MLPs)** are limited partnerships or limited liability companies that are taxed as partnerships and whose interests (limited partnership units or limited liability company units) are traded on securities exchanges like shares of common stock. Currently, most MLPs operate in the energy, natural resources or real estate sectors. Investments in MLP interests are subject to the risks generally applicable to companies in the energy and natural resources sectors, including commodity pricing risk, supply and demand risk, depletion risk and exploration risk. Individual MLPs are publicly traded partnerships that have unique risks related to their structure. These include, but are not limited to, their reliance on the capital markets to fund growth, adverse ruling on the current tax treatment of distributions (typically mostly tax deferred), and commodity volume risk. The potential tax benefits from investing in MLPs depend on their being treated as partnerships for federal income tax purposes and, if the MLP is deemed to be a corporation, then its income would be subject to federal taxation at the entity level, reducing the amount of cash available for distribution to the fund which could result in a reduction of the fund's value. MLPs carry interest rate risk and may underperform in a rising interest rate environment. MLP funds accrue deferred income taxes for future tax liabilities associated with the portion of MLP distributions considered to be a tax-deferred return of capital and for any net operating gains as well as capital appreciation of its investments; this deferred tax liability is reflected in the daily NAV, and, as a result, the MLP fund's after-tax performance could differ significantly from the underlying assets even if the pre-tax performance is closely tracked.

**Investing in commodities** entails significant risks. Commodity prices may be affected by a variety of factors at any time, including but not limited to, (i) changes in supply and demand relationships, (ii) governmental programs and policies, (iii) national and international political and economic events, war and terrorist events, (iv) changes in interest and exchange rates, (v) trading activities in commodities and related contracts, (vi) pestilence, technological change and weather, and (vii) the price volatility of a commodity. In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention. **Physical precious metals** are non-regulated products. Precious metals are speculative investments, which may experience short-term and long term price volatility. The value of precious metals investments may fluctuate and may appreciate or decline, depending on market conditions. Unlike bonds and stocks, precious metals do not make interest or dividend payments. Therefore, precious metals may not be suitable for investors who require current income. Precious metals are commodities that should be safely stored, which may impose additional costs on the investor.

**REITs** investing risks are similar to those associated with direct investments in real estate: property value fluctuations, lack of liquidity, limited diversification and sensitivity to economic factors such as interest rate changes and market recessions. Risks of **private real estate** include: illiquidity; a long-term investment horizon with a limited or nonexistent secondary market; lack of transparency; volatility (risk of loss); and leverage. Principal is returned on a monthly basis over the life of a **mortgage-backed security**. Principal prepayment can significantly affect the monthly income stream and the maturity of any type of MBS, including standard MBS, CMOs and Lottery Bonds. **Asset-backed securities** generally decrease in value as a result of interest rate increases, but may benefit less than other fixed-income securities from declining interest rates, principally because of prepayments.

**Yields** are subject to change with economic conditions. Yield is only one factor that should be considered when making an investment decision. **Credit ratings** are subject to change. **Duration**, the most commonly used measure of bond risk, quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. The majority of \$25 and \$1000 par **preferred securities** are “callable” meaning that the issuer may retire the securities at specific prices and dates prior to maturity. Interest/dividend payments on certain preferred issues may be deferred by the issuer for periods of up to 5 to 10 years, depending on the particular issue. The investor would still have income tax liability even though payments would not have been received. Price quoted is per \$25 or \$1,000 share, unless otherwise specified. Current yield is calculated by multiplying the coupon by par value divided by the market price. The initial interest rate on a **floating-rate security** may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in the floating security’s underlying reference rate. The reference rate could be an index or an interest rate. However, there can be no assurance that the reference rate will increase. Some floating-rate securities may be subject to call risk. The market value of **convertible bonds** and the underlying common stock(s) will fluctuate and after purchase may be worth more or less than original cost. If sold prior to maturity, investors may receive more or less than their original purchase price or maturity value, depending on market conditions. Callable bonds may be redeemed by the issuer prior to maturity. Additional call features may exist that could affect yield. Some \$25 or \$1000 par **preferred securities** are QDI (Qualified Dividend Income) eligible. Information on QDI eligibility is obtained from third party sources. The dividend income on QDI eligible preferreds qualifies for a reduced tax rate. Many traditional ‘dividend paying’ perpetual preferred securities (traditional preferreds with no maturity date) are QDI eligible. In order to qualify for the preferential tax treatment all qualifying preferred securities must be held by investors for a minimum period – 91 days during a 180 day window period, beginning 90 days before the ex-dividend date.

Companies paying **dividends** can reduce or cut payouts at any time.

**Nondiversification:** For a portfolio that holds a concentrated or limited number of securities, a decline in the value of these investments would cause the portfolio’s overall value to decline to a greater degree than a less concentrated portfolio. The **indices selected by Morgan Stanley Wealth Management** to measure performance are representative of broad asset classes. Morgan Stanley Wealth Management retains the right to change representative indices at any time. Because of their narrow focus, **sector investments** tend to be more volatile than investments that diversify across many sectors and companies.

**Growth investing** does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations. **Value investing** does not guarantee a profit or eliminate risk. Not all companies whose stocks are considered to be value stocks are able to turn their business around or successfully employ corrective strategies which would result in stock prices that do not rise as initially expected .

Any type of **continuous or periodic investment plan** does not assure a profit and does not protect against loss in declining markets. Since such a plan involves continuous investment in securities regardless of fluctuating price levels of such securities, the investor should consider his financial ability to continue his purchases through periods of low price levels .

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# Town of Longboat Key Consolidated Retirement Plan

## Asset Allocation & Time Weighted Performance

as of December 31, 2017

	Allocation		Performance(%)				
	Market Value (\$)	%	Current Quarter	Fiscal YTD	1 Year	Since Inception	Inception Date
<b>Total Fund</b>	<b>36,188,898</b>	<b>100.00</b>	<b>3.57</b>	<b>3.57</b>	<b>14.42</b>	<b>12.22</b>	<b>07/01/2016</b>
Policy Index			3.45	3.45	13.59	11.98	
<b>Domestic Equity</b>							
Vanguard - Large Cap Value	6,026,360	16.65	7.16	7.16	17.14	19.12	07/01/2016
CRSP Lg VL			6.97	6.97	17.16	19.02	
Vanguard - Large Cap Growth	5,813,371	16.06	6.32	6.32	27.61	21.39	07/01/2016
CRSP Lg Cap Gr			6.22	6.22	27.86	21.49	
Connors - Covered Calls	1,825,411	5.04	5.89	5.89	18.39	19.54	07/01/2016
S&P 500 Total Return			6.65	6.65	21.83	19.97	
Kennedy - Mid Cap Value	1,010,291	2.79	7.29	7.29	19.61	23.92	07/01/2016
Russell Midcap Value			5.50	5.50	13.35	16.01	
Congress - Mid Cap Growth	974,158	2.69	3.81	3.81	17.68	16.23	07/01/2016
Russell Midcap Growth			6.81	6.81	25.27	20.12	
Kayne Anderson - Small Cap Value	994,962	2.75	6.53	6.53	20.83	23.33	07/01/2016
Russell 2000 VL			2.05	2.05	7.84	21.52	
RBC - Small Cap Growth	885,594	2.45	2.14	2.14	N/A	8.61	09/01/2017
Russell 2000 Gr			4.58	4.58	N/A	10.28	
<b>International Equity</b>							
Lazard - International Value	2,667,688	7.37	4.64	4.64	27.10	15.73	07/01/2016
MSCI EAFE Net			4.23	4.23	25.03	20.43	
Renaissance - International Growth	2,671,444	7.38	2.57	2.57	28.12	20.19	07/01/2016
MSCI AC World ex US Net			5.00	5.00	27.19	21.73	

The prices, quotes, or statistics contained herein have been obtained from sources believed to be reliable, however, its accuracy cannot be guaranteed. Past performance is not a guarantee of future results.



# Town of Longboat Key Consolidated Retirement Plan

## Asset Allocation & Time Weighted Performance

as of December 31, 2017

	Allocation		Performance(%)				
	Market Value (\$)	%	Current Quarter	Fiscal YTD	1 Year	Since Inception	Inception Date
<b>Fixed Income</b>							
Pacific Income - Fixed Income	9,295,799	25.69	-0.05	-0.05	2.12	0.30	07/01/2016
BC Gov/Cr Intm			-0.20	-0.20	2.14	0.12	
<b>Alternatives</b>							
Center Coast - MLPs	1,596,745	4.41	-1.46	-1.46	-3.98	0.11	07/01/2016
Alerian MLP Index			-0.95	-0.95	-6.52	-2.41	
American Core Realty - Private Real Estate	1,606,099	4.44	1.75	1.75	N/A	3.66	07/01/2017
NCREIF Property Idx			1.80	1.80	N/A	3.53	
<b>Cash &amp; Equivalents</b>							
Cash	820,976	2.27	0.01	0.01	0.41	0.38	07/01/2016
90-Day T-Bills			0.28	0.28	0.84	0.66	

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**Town of Longboat Key Consolidated Retirement Plan**  
**Asset Allocation & Net Dollar Weighted Performance (IRR)**  
**as of December 31, 2017**

	<b>%</b>	<b>Current Quarter</b>	<b>Fiscal YTD</b>	<b>1 Year</b>	<b>Since Inception</b>	<b>Inception Date</b>
<b>Total Fund</b>	<b>100.00</b>	<b>3.43</b>	<b>3.43</b>	<b>13.95</b>	<b>11.63</b>	<b>06/30/2016</b>
<b>Domestic Equity</b>						
Vanguard - Large Cap Value	16.65	7.09	7.09	16.95	18.83	06/30/2016
Vanguard - Large Cap Growth	16.06	6.32	6.32	27.53	20.90	06/30/2016
Connors - Covered Calls	5.04	5.75	5.75	17.75	19.13	06/30/2016
Kennedy - Mid Cap Value	2.79	7.13	7.13	18.87	23.37	06/30/2016
Congress - Mid Cap Growth	2.69	3.67	3.67	17.02	15.58	06/30/2016
Kayne Anderson - Small Cap Value	2.75	6.36	6.36	19.99	22.60	06/30/2016
RBC - Small Cap Growth	2.45	1.97	1.97	12.81	14.57	06/30/2016
<b>International Equity</b>						
Lazard - International Value	7.37	4.50	4.50	26.60	14.81	06/30/2016
Renaissance - International Growth	7.38	2.42	2.42	28.03	19.84	06/30/2016
<b>Fixed Income</b>						
Pacific Income - Fixed Income	25.69	-0.19	-0.19	1.62	-0.27	06/30/2016
<b>Alternatives</b>						
Center Coast - MLPs	4.41	-1.63	-1.63	-4.55	-0.46	06/30/2016
American Core Realty - Private Real Estate	4.44	1.39	1.39	N/A	2.69	06/30/2017
<b>Cash &amp; Equivalents</b>						
Cash	2.27	0.01	0.01	0.03	0.03	06/30/2016

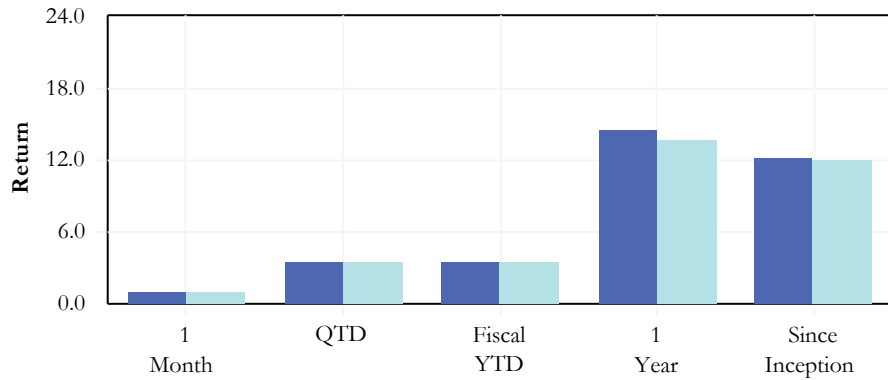
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# Town of Longboat Key Consolidated Retirement Plan

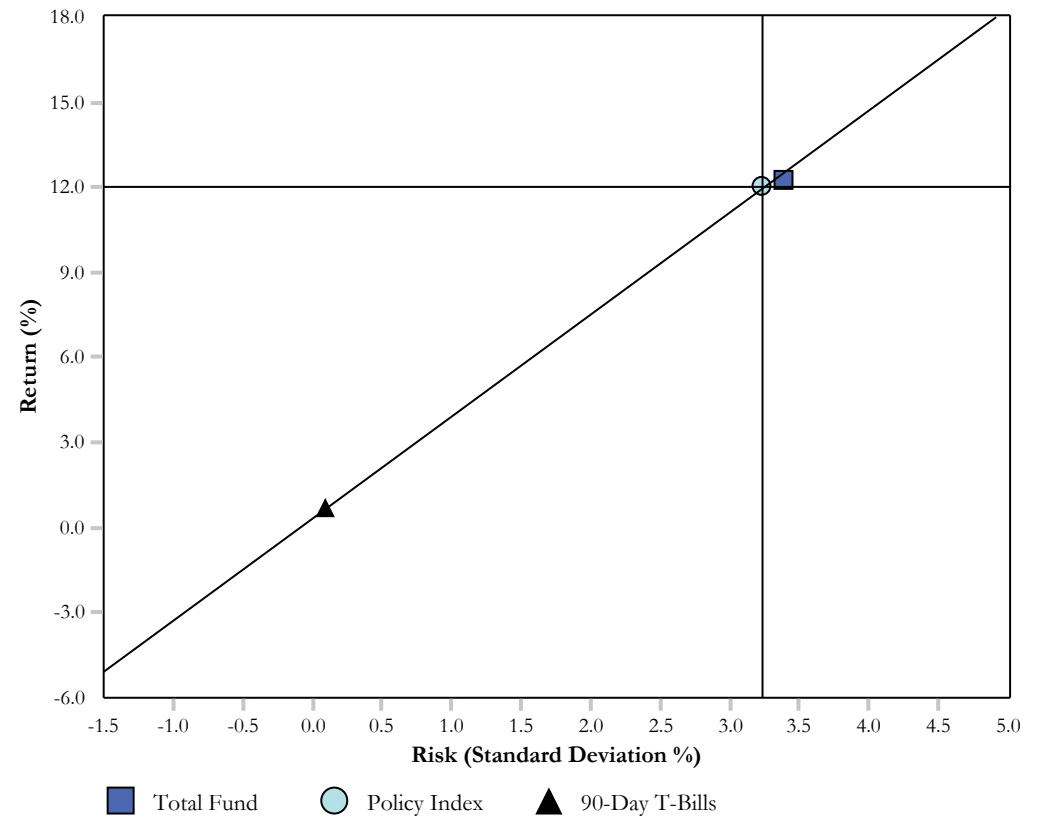
## Total Fund - Executive Summary

as of December 31, 2017

### Manager Performance Chart



### Manager Risk & Return



### Manager Annualized Performance

	1 Month	QTD	Fiscal YTD	1 Year	Inception 07/01/2016
Total Fund	0.99	3.57	3.57	14.42	12.22
Policy Index	1.06	3.45	3.45	13.59	11.98
Differences	-0.07	0.12	0.12	0.83	0.24

### Historic Asset Growth

	1 Month	QTD	Fiscal YTD	1 Year	Inception 07/01/2016
Total Fund					
Beginning Market Value	35,071	34,845	34,845	31,655	32,898
Net Contributions	772	158	158	140	-2,241
Fees/Expenses	-4	-44	-44	-159	-232
Income	89	170	170	701	1,054
Gain/Loss	261	1,061	1,061	3,852	4,710
Ending Market Value	36,189	36,189	36,189	36,189	36,189

### Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Total Fund	12.22	3.40	1.04	-1.92	103.00	114.00	-0.18	3.24	0.98	07/01/2016
Policy Index	11.98	3.24	1.00	-1.69	100.00	100.00	0.00	3.32	1.00	07/01/2016

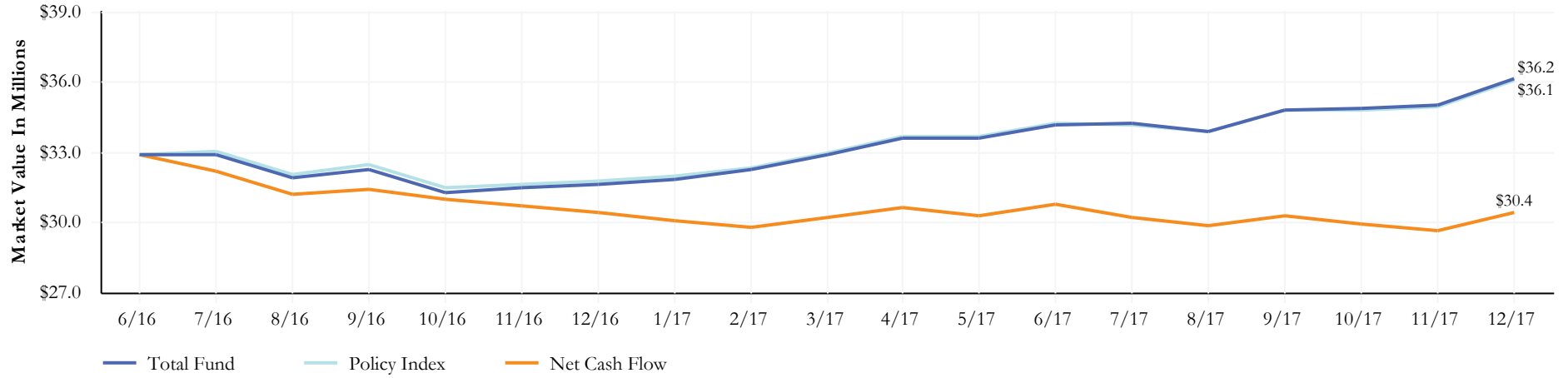
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# Town of Longboat Key Consolidated Retirement Plan

## Total Fund - Change in Assets & Distribution of Returns

as of December 31, 2017

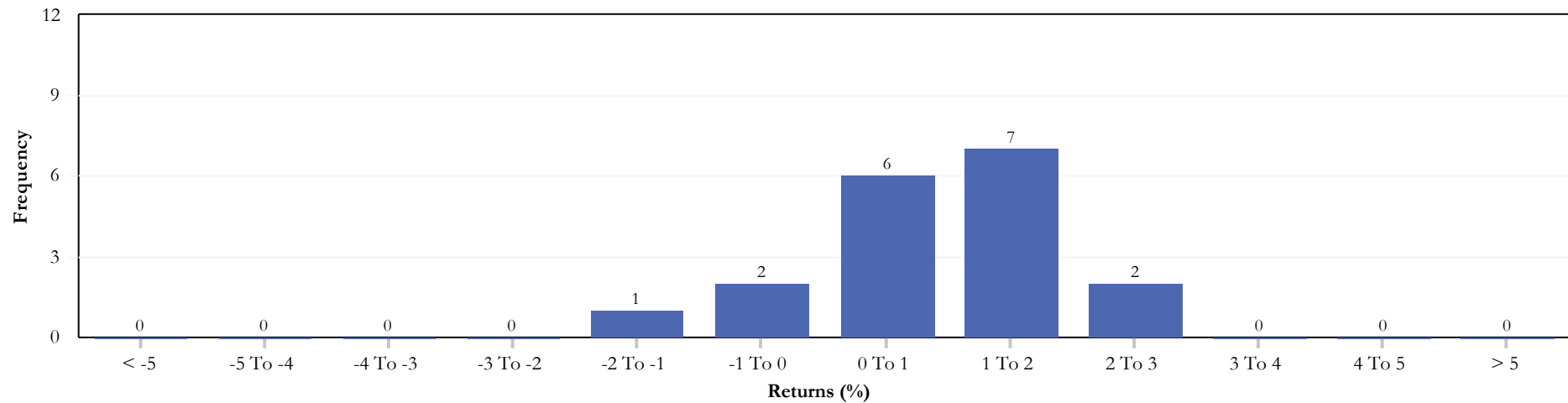
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 10/01/2017	Net Transfers	Contributions	Distributions	Fees	Expenses	Income	Return On Investment	Market Value As of 12/31/2017
Total Fund	34,844.58	-	2,450.98	-2,293.33	-44.10	-	169.72	1,230.78	36,188.90

### Distribution of Returns



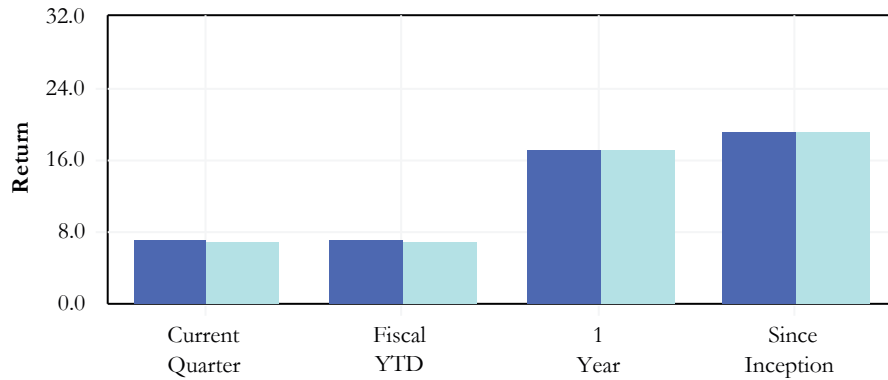
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# Town of Longboat Key Consolidated Retirement Plan

## Vanguard Large Cap Value - Executive Summary

as of December 31, 2017

### Manager Performance Chart



### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Vanguard - Large Cap Value	7.16	7.16	17.14	19.12
CRSP Lg VL	6.97	6.97	17.16	19.00
Differences	0.19	0.19	-0.02	0.12

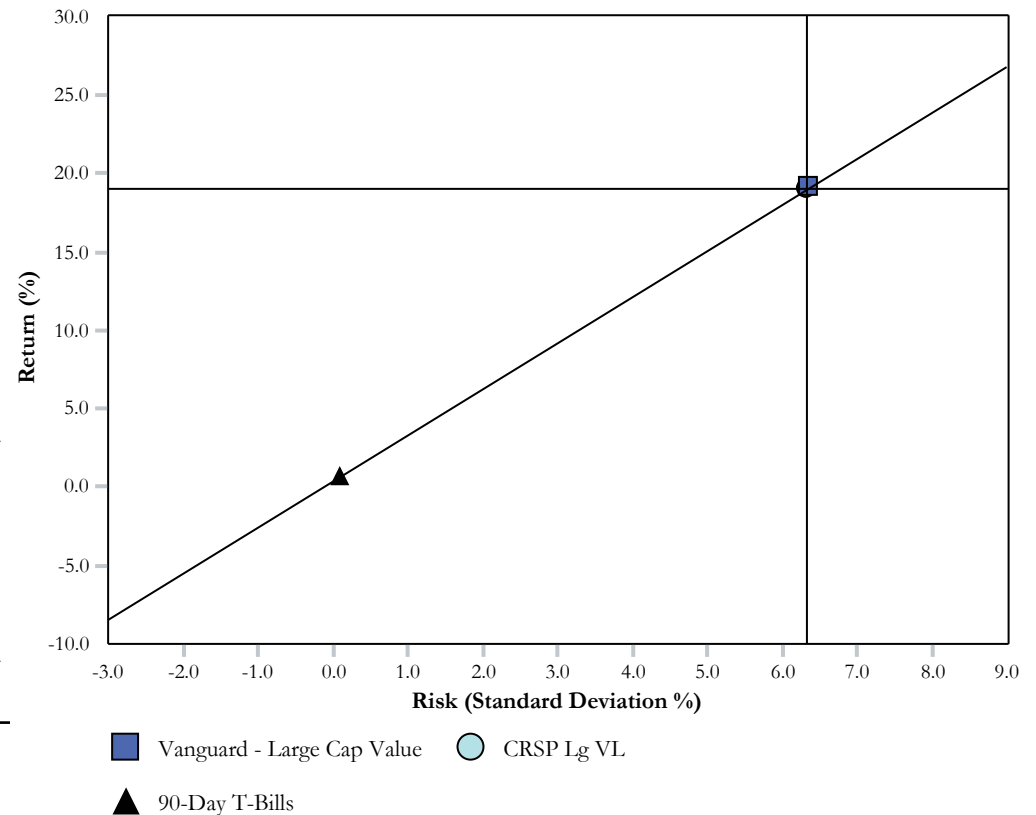
### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Vanguard - Large Cap Value				
Beginning Market Value	5,624	5,624	5,405	4,180
Net Contributions	4	4	-256	461
Fees/Expenses	-4	-4	-15	-21
Income	36	36	136	208
Gain/Loss	366	366	756	1,199
Ending Market Value	6,026	6,026	6,026	6,026

### Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Vanguard - Large Cap Value	19.12	6.37	1.00	-1.57	100.56	100.27	0.03	2.70	1.00	07/01/2016
CRSP Lg VL	19.00	6.34	1.00	-1.58	100.00	100.00	0.00	2.69	1.00	07/01/2016

### Manager Risk & Return



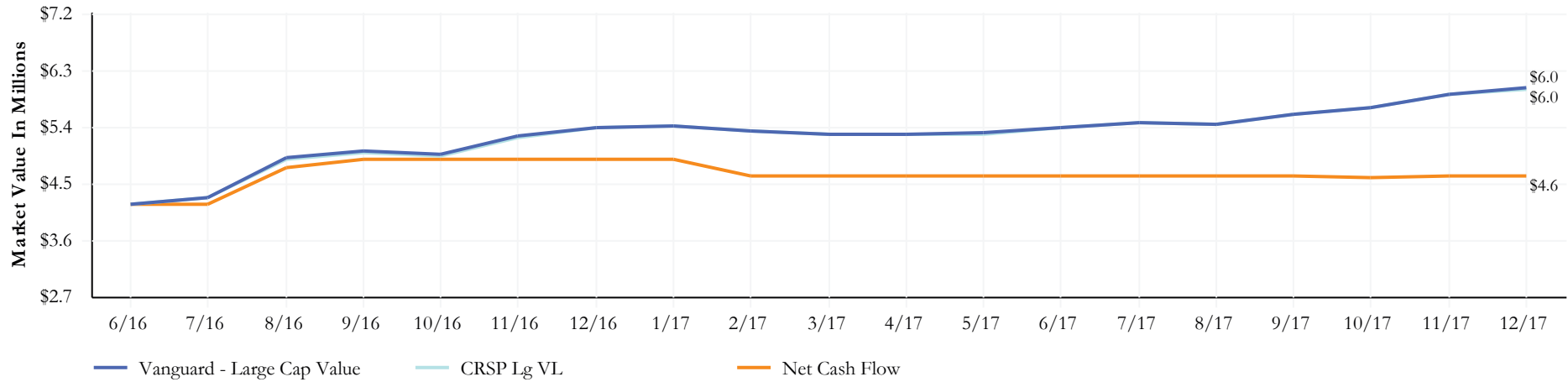
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# Town of Longboat Key Consolidated Retirement Plan

## Vanguard Large Cap Value - Change in Assets & Distribution of Returns

as of December 31, 2017

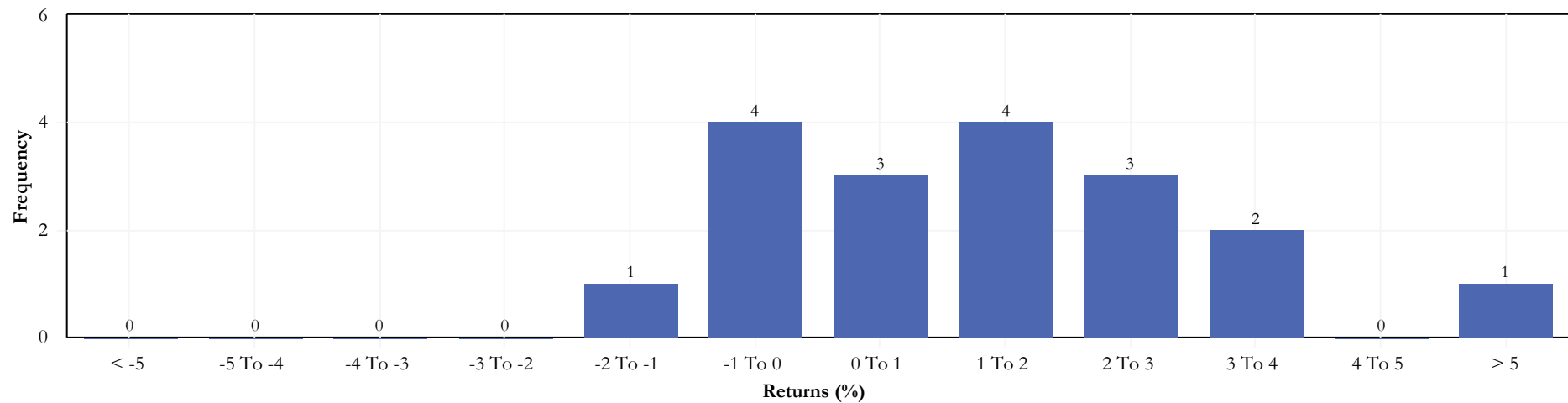
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 10/01/2017	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 12/31/2017
Vanguard - Large Cap Value	5,623,773.11	-	3,822.56	-	-3,836.69	-	402,600.72	6,026,359.70

### Distribution of Returns



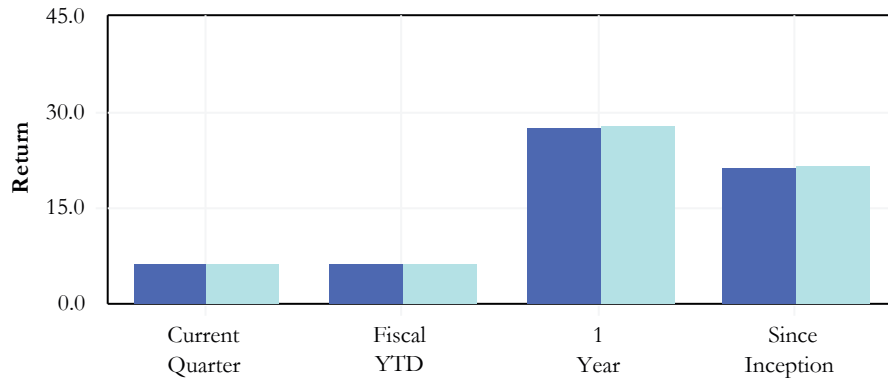
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# Town of Longboat Key Consolidated Retirement Plan

## Vanguard Large Cap Growth - Executive Summary

as of December 31, 2017

### Manager Performance Chart



### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Vanguard - Large Cap Growth	6.32	6.32	27.61	21.39
CRSP Lg Cap Gr	6.22	6.22	27.86	21.47
Differences	0.10	0.10	-0.25	-0.08

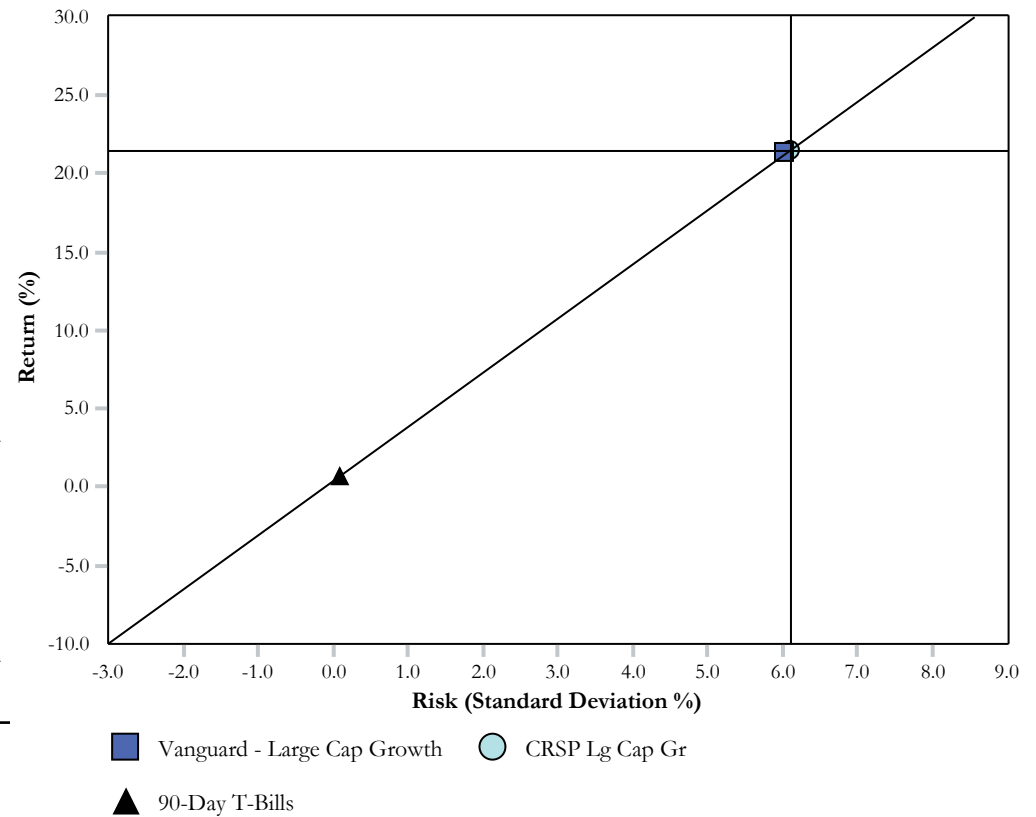
### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Vanguard - Large Cap Growth				
Beginning Market Value	5,644	5,644	4,987	4,145
Net Contributions	-181	-181	-506	139
Fees/Expenses	-4	-4	-15	-21
Income	20	20	69	109
Gain/Loss	335	335	1,278	1,441
Ending Market Value	5,813	5,813	5,813	5,813

### Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Vanguard - Large Cap Growth	21.39	6.03	0.99	-2.59	99.39	97.18	0.21	3.16	1.00	07/01/2016
CRSP Lg Cap Gr	21.47	6.11	1.00	-2.65	100.00	100.00	0.00	3.13	1.00	07/01/2016

### Manager Risk & Return



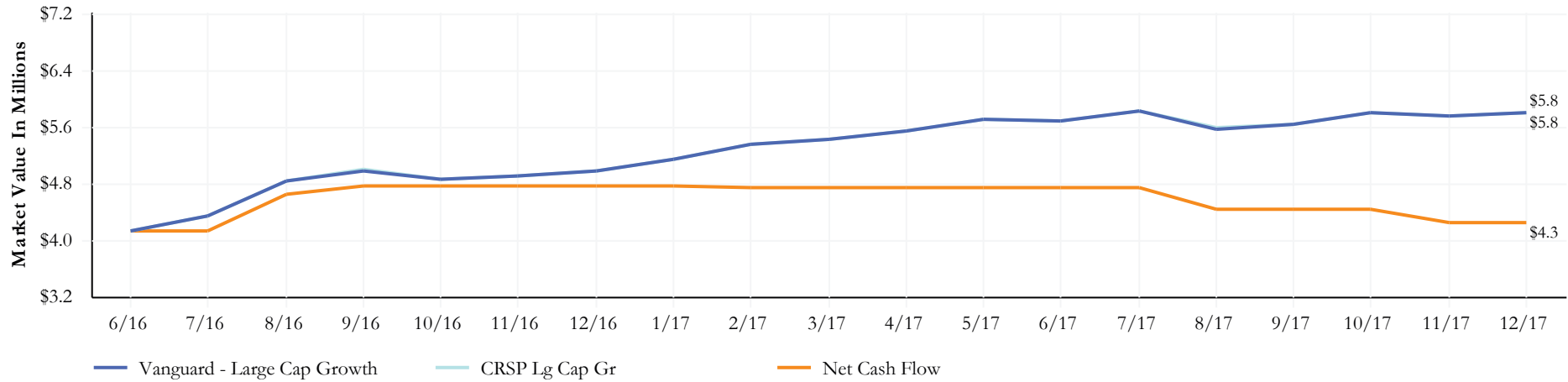
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# Town of Longboat Key Consolidated Retirement Plan

## Vanguard Large Cap Growth - Change in Assets & Distribution of Returns

as of December 31, 2017

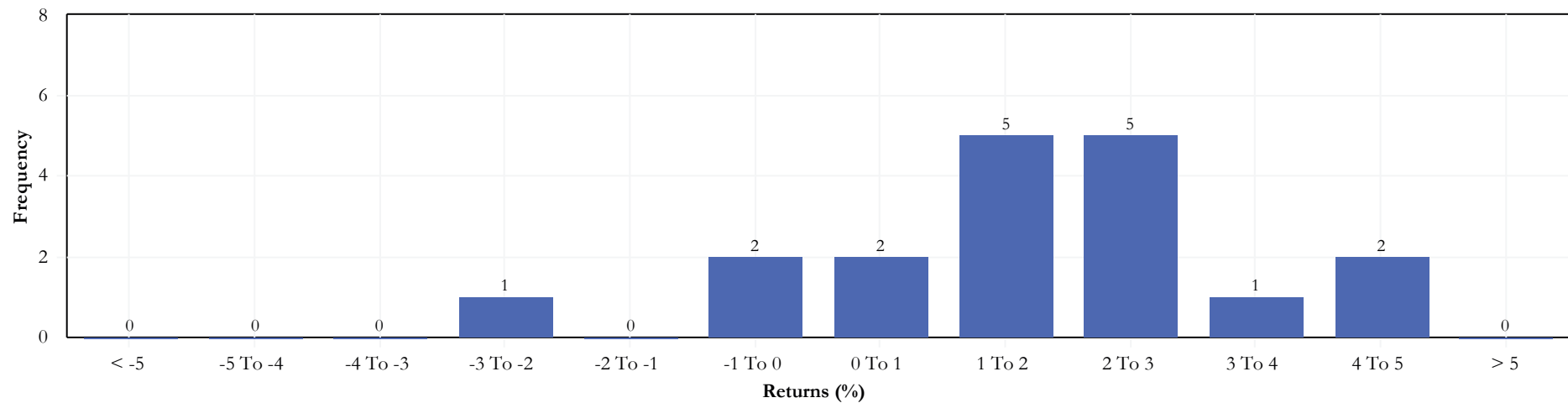
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 10/01/2017	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 12/31/2017
Vanguard - Large Cap Growth	5,643,628.38	-	3,689.86	-185,000.00	-3,809.69	-	354,862.48	5,813,371.03

### Distribution of Returns



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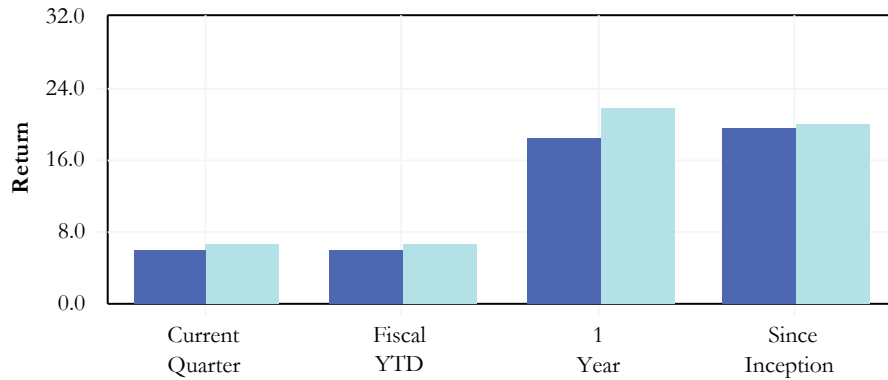


# Town of Longboat Key Consolidated Retirement Plan

## Connors Covered Call Strategy - Executive Summary

as of December 31, 2017

### Manager Performance Chart



### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Connors - Covered Calls	5.89	5.89	18.39	19.54
S&P 500 Total Return	6.65	6.65	21.83	19.95
Differences	-0.76	-0.76	-3.44	-0.41

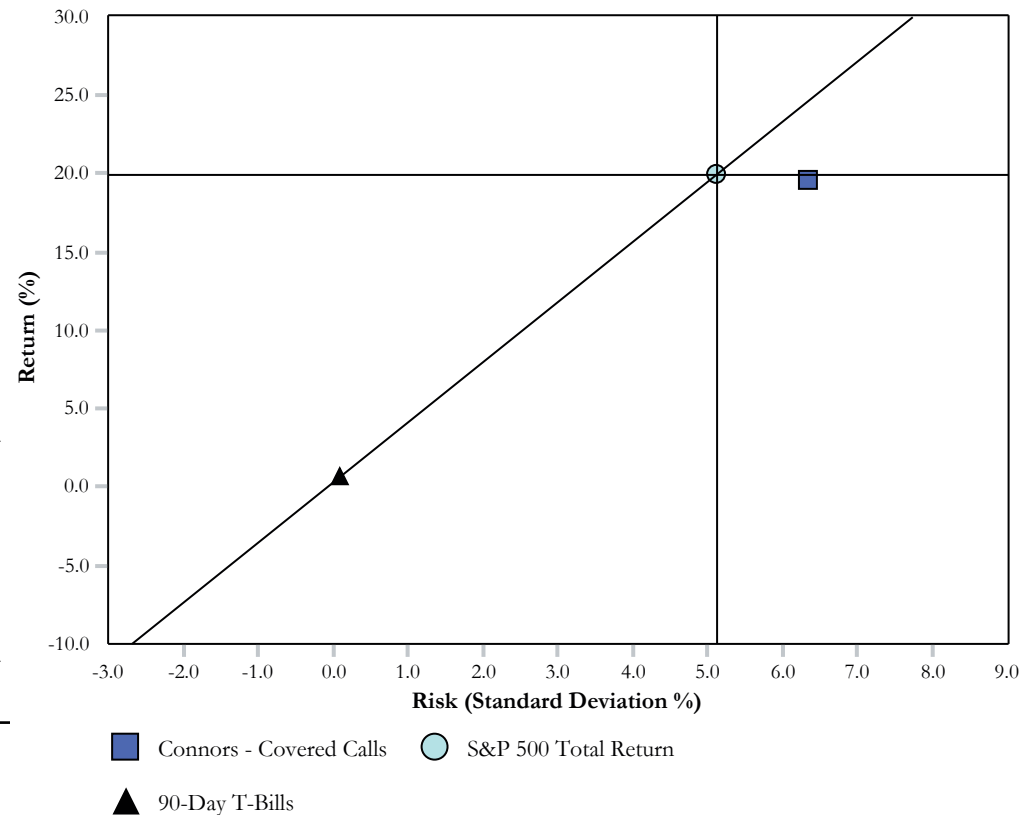
### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Connors - Covered Calls				
Beginning Market Value	1,726	1,726	1,629	3,314
Net Contributions	-	-	-85	-1,970
Fees/Expenses	-2	-2	-9	-13
Income	8	8	36	57
Gain/Loss	94	94	255	436
Ending Market Value	1,825	1,825	1,825	1,825

### Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Connors - Covered Calls	19.54	6.36	1.08	-1.83	95.02	42.38	-1.70	2.75	0.75	07/01/2016
S&P 500 Total Return	19.95	5.13	1.00	-1.82	100.00	100.00	0.00	3.47	1.00	07/01/2016

### Manager Risk & Return



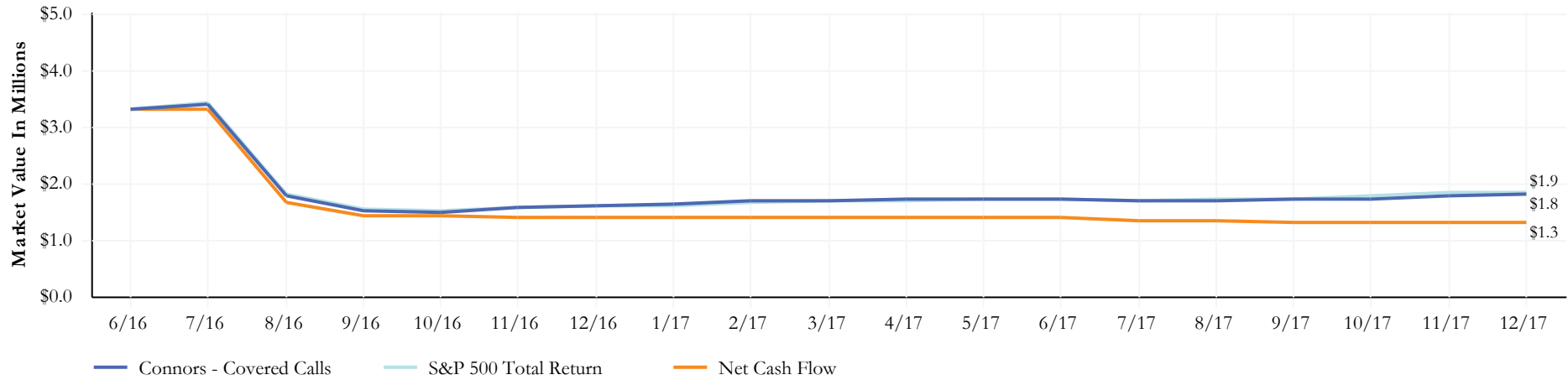
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# Town of Longboat Key Consolidated Retirement Plan

## Connors Covered Call Strategy - Change in Assets & Distribution of Returns

as of December 31, 2017

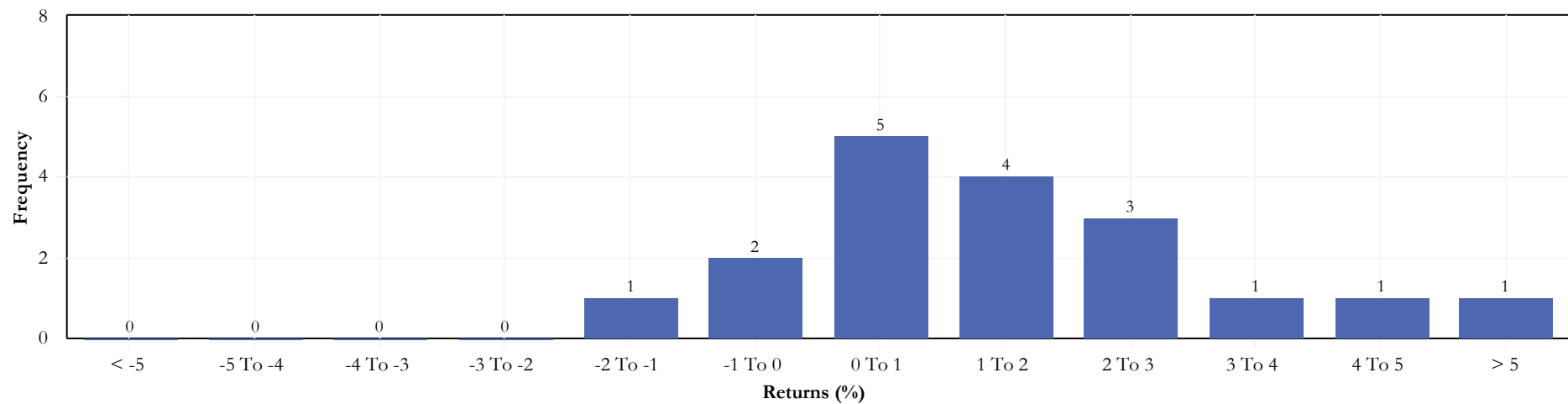
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 10/01/2017	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 12/31/2017
Connors - Covered Calls	1,726,220.33	-	-	-	-2,469.87	-	101,660.32	1,825,410.78

### Distribution of Returns

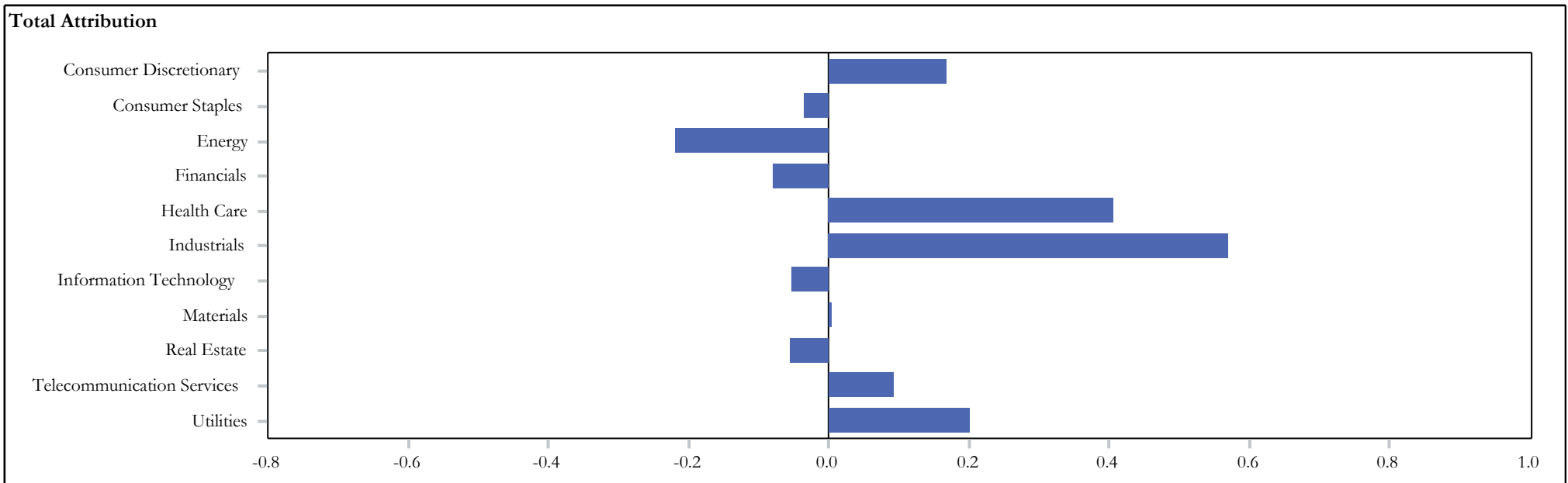
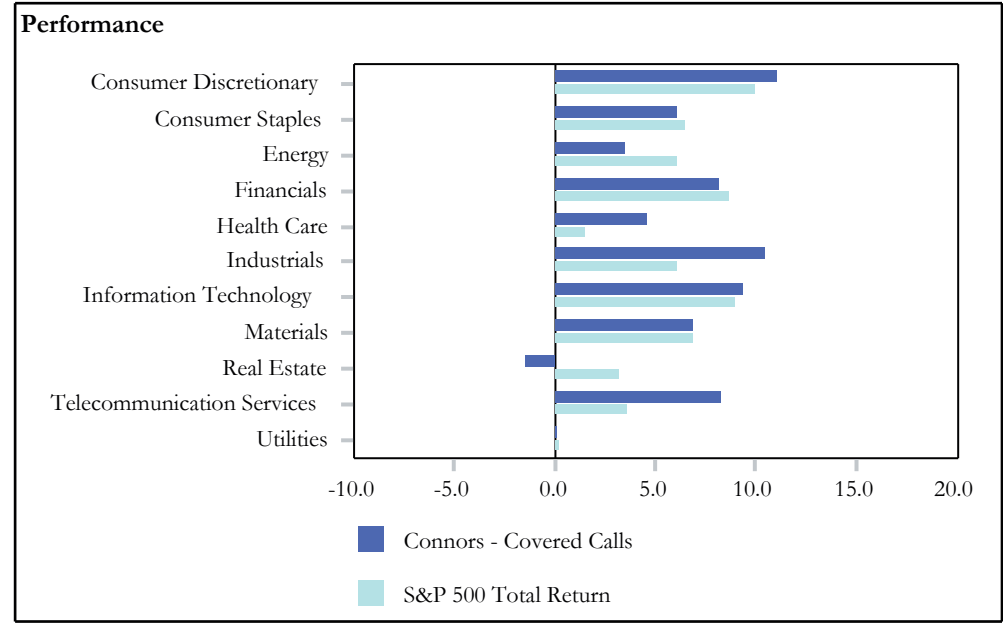
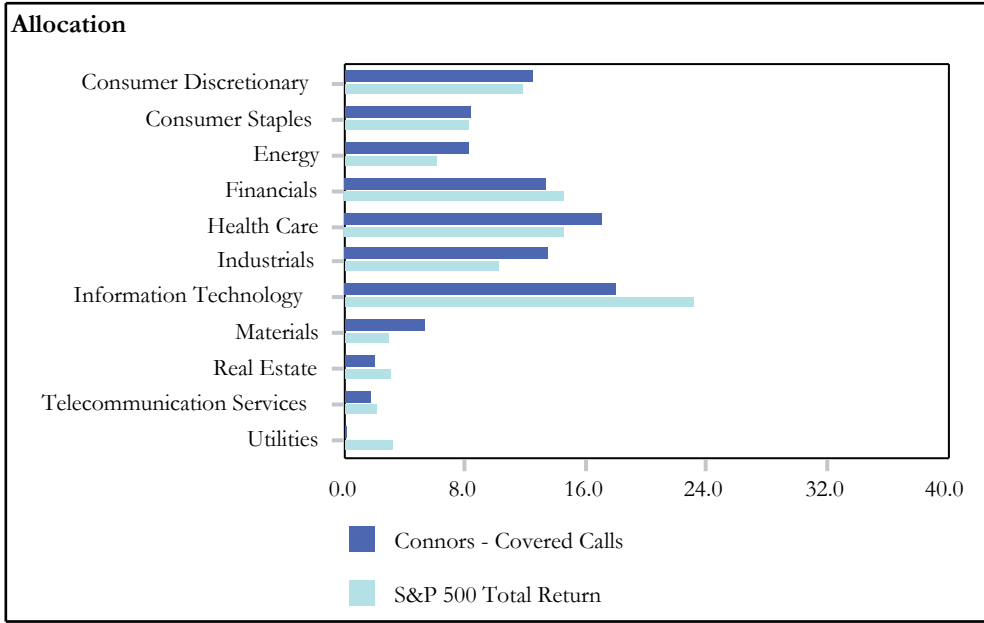


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# Town of Longboat Key Consolidated Retirement Plan

## Connors - Covered Calls - Quarterly Performance Attributes

as of December 31, 2017



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# Town of Longboat Key Consolidated Retirement Plan

## Connors - Covered Calls - Quarterly Performance Attributes

as of December 31, 2017

	Allocation - 10/01/2017		Performance - Quarter Ending December 31, 2017		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Consumer Discretionary	12.50	11.85	11.09	9.92	0.02	0.14	0.01	0.17
Consumer Staples	8.29	8.23	6.05	6.49	0.00	-0.04	0.00	-0.04
Energy	8.19	6.09	3.55	6.08	-0.01	-0.15	-0.05	-0.22
Financials	13.38	14.61	8.21	8.63	-0.02	-0.06	0.01	-0.08
Health Care	17.04	14.51	4.62	1.47	-0.13	0.46	0.08	0.40
Industrials	13.48	10.23	10.44	6.08	-0.02	0.45	0.14	0.57
Information Technology	18.07	23.23	9.38	9.01	-0.12	0.09	-0.02	-0.05
Materials	5.36	2.98	6.89	6.94	0.01	0.00	0.00	0.00
Real Estate	1.97	2.99	-1.41	3.23	0.03	-0.14	0.05	-0.06
Telecommunication Services	1.72	2.17	8.24	3.64	0.01	0.10	-0.02	0.09
Utilities	0.00	3.12	0.00	0.21	0.20	0.00	0.00	0.20
Total	100.00	100.00	7.65	6.66	-0.03	0.84	0.19	0.99

All the values for Allocation, Performance and Attribution are expressed in Percentage(%) terms

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# Town of Longboat Key Consolidated Retirement Plan

## Connors - Covered Calls - Portfolio Characteristics

as of December 31, 2017

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$000)	162,882,850.41	194,087,677.48
Median Mkt. Cap (\$000)	81,900,633.06	22,213,742.28
Price/Earnings ratio	23.63	23.31
Price/Book ratio	3.35	3.41
5 Yr. EPS Growth Rate (%)	6.87	13.47
Beta	N/A	1.00
Number of Stocks	80	505
Debt to Equity	1.61	1.08

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Apple Inc	4.28	3.81	0.47	10.20
Tyler Technologies Inc.	3.95	0.00	3.95	1.57
Microsoft Corp	3.69	2.89	0.80	15.42
Cisco Systems Inc	3.65	0.83	2.82	14.87
JPMorgan Chase & Co	3.18	1.63	1.55	12.61
Lowe's Cos Inc.	3.18	0.34	2.84	16.85
Wells Fargo & Co	3.10	1.18	1.92	10.77
Chubb Ltd	3.04	0.30	2.74	3.01
DowDuPont Inc	2.99	0.73	2.26	3.44
Emerson Electric Co.	2.94	0.20	2.74	11.81
% of Portfolio	34.00	11.91	22.09	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Nike Inc	2.42	0.36	2.06	21.04
Snap-On Inc	2.07	0.04	2.03	17.58
Adobe Systems Inc	2.08	0.38	1.70	17.47
Lowe's Cos Inc.	3.18	0.34	2.84	16.85
Microsoft Corp	3.69	2.89	0.80	15.42
Cisco Systems Inc	3.65	0.83	2.82	14.87
Costco Wholesale Corp	2.66	0.36	2.30	13.62
3M Co	0.60	0.62	-0.02	12.70
JPMorgan Chase & Co	3.18	1.63	1.55	12.61
Emerson Electric Co.	2.94	0.20	2.74	11.81
% of Portfolio	26.47	7.65	18.82	

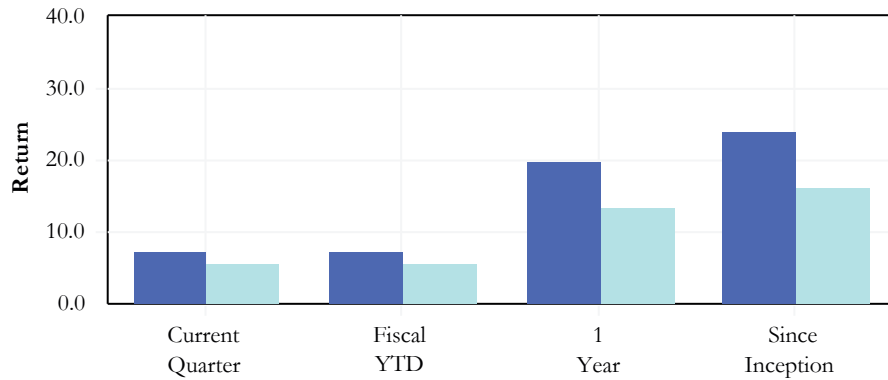
Ten Worst Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Merck & Co Inc.	1.84	0.67	1.17	-11.37
Skyworks Solutions Inc	1.41	0.08	1.33	-6.55
Walgreens Boots Alliance Inc	1.51	0.28	1.23	-5.43
Schlumberger Ltd	1.70	0.41	1.29	-2.64
Public Storage	1.86	0.14	1.72	-1.41
Eli Lilly and Co	2.08	0.36	1.72	-0.64
Palo Alto Networks Inc	1.25	0.00	1.25	0.58
Raytheon Co.	0.45	0.24	0.21	1.11
Penske Automotive Group Inc	2.49	0.00	2.49	1.32
Tyler Technologies Inc.	3.95	0.00	3.95	1.57
% of Portfolio	18.54	2.18	16.36	

# Town of Longboat Key Consolidated Retirement Plan

## Kennedy Mid Cap Value - Executive Summary

as of December 31, 2017

### Manager Performance Chart



### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Kennedy - Mid Cap Value	7.29	7.29	19.61	23.92
Russell Midcap Value	5.50	5.50	13.35	16.00
Differences	1.79	1.79	6.26	7.92

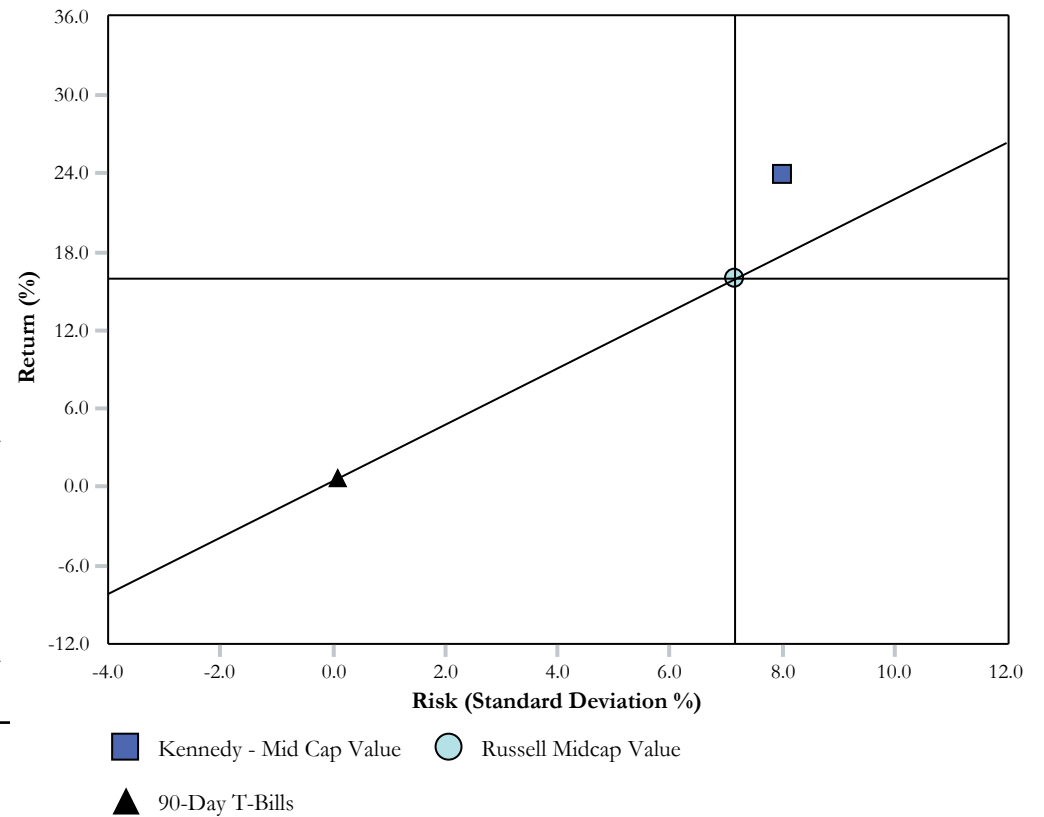
### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Kennedy - Mid Cap Value				
Beginning Market Value	956	956	879	843
Net Contributions	-13	-13	-31	-116
Fees/Expenses	-1	-1	-6	-8
Income	5	5	17	24
Gain/Loss	64	64	151	267
Ending Market Value	1,010	1,010	1,010	1,010

### Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Kennedy - Mid Cap Value	23.92	8.02	1.07	-2.38	128.66	63.14	5.89	2.65	0.91	07/01/2016
Russell Midcap Value	16.00	7.18	1.00	-2.42	100.00	100.00	0.00	2.02	1.00	07/01/2016

### Manager Risk & Return



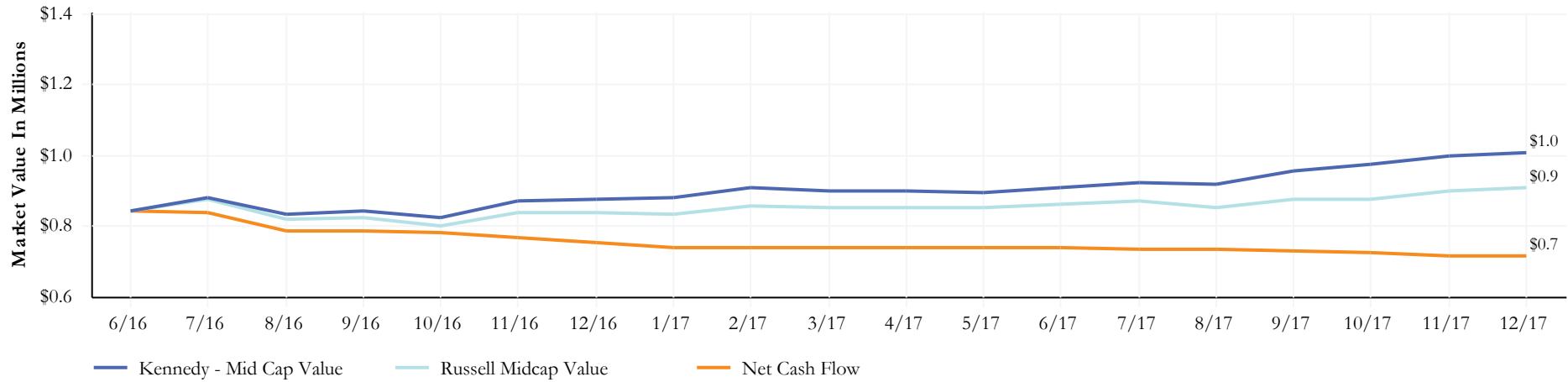
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# Town of Longboat Key Consolidated Retirement Plan

## Kennedy Mid Cap Value - Change in Assets & Distribution of Returns

as of December 31, 2017

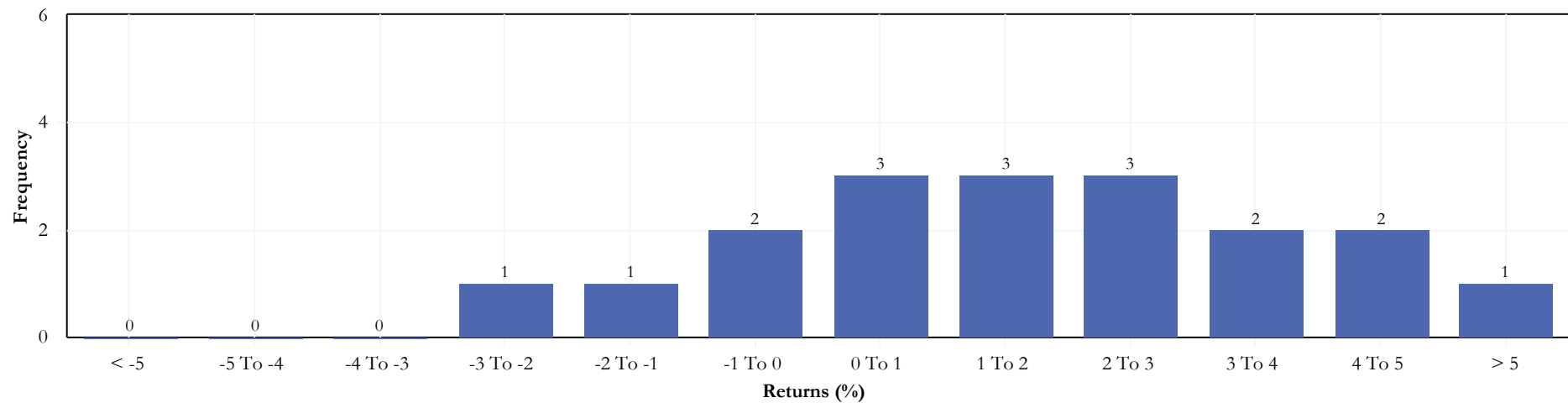
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 10/01/2017	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 12/31/2017
Kennedy - Mid Cap Value	955,680.77	-	-	-13,000.00	-1,487.10	-	69,097.09	1,010,290.76

### Distribution of Returns

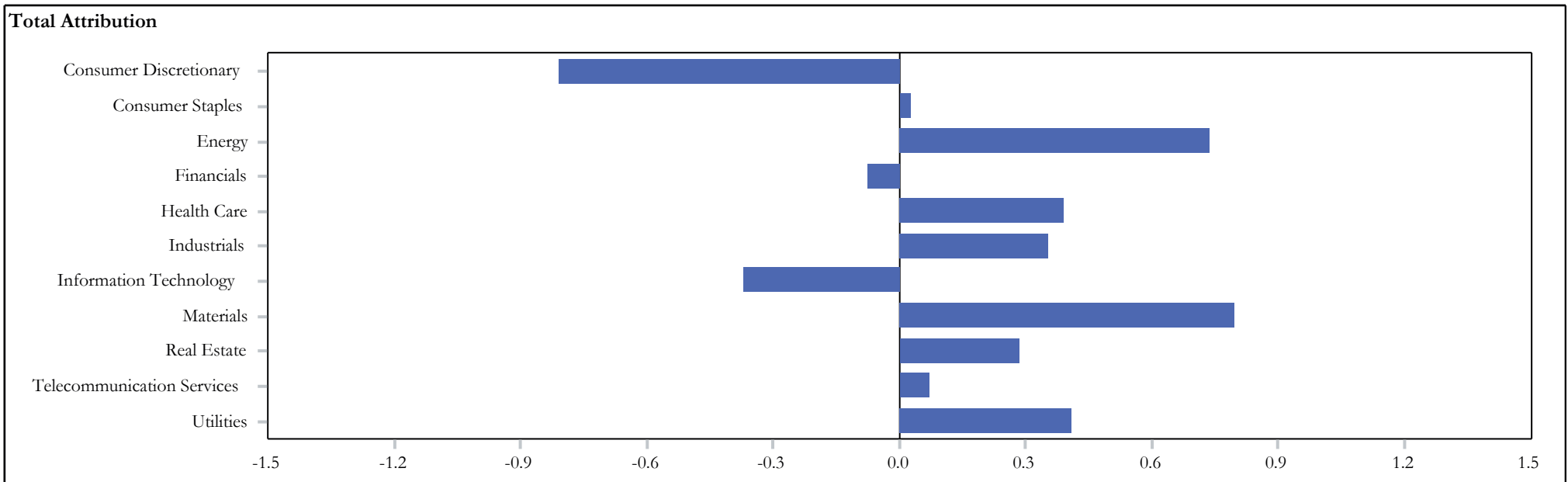
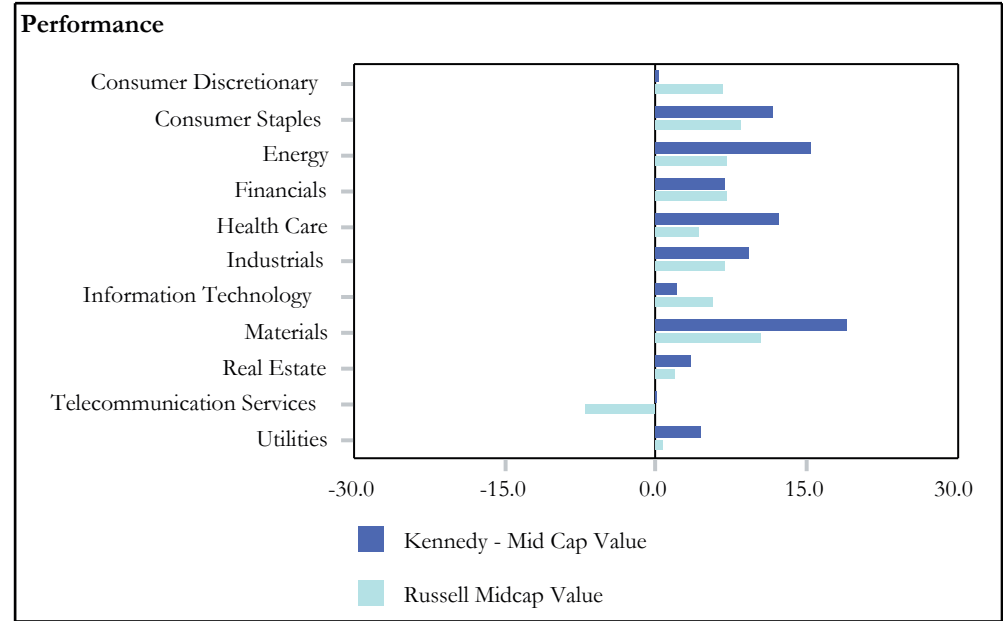
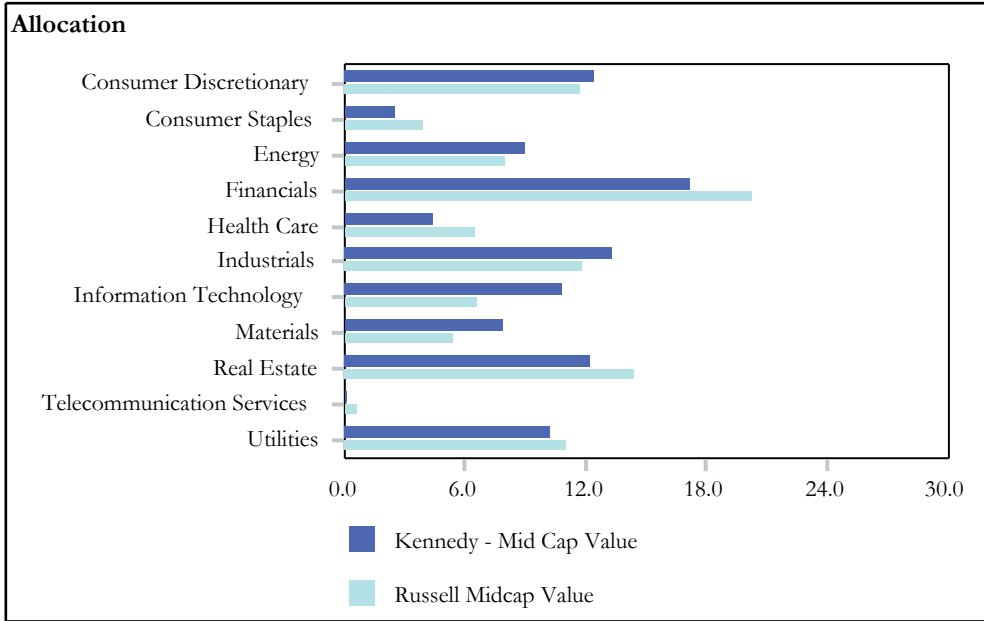


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# Town of Longboat Key Consolidated Retirement Plan

## Kennedy - Mid Cap Value - Quarterly Performance Attributes

### as of December 31, 2017



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**Town of Longboat Key Consolidated Retirement Plan**  
**Kennedy - Mid Cap Value - Quarterly Performance Attributes**  
as of December 31, 2017

	Allocation - 10/01/2017		Performance - Quarter Ending December 31, 2017		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Consumer Discretionary	12.42	11.77	0.39	6.78	0.00	-0.77	-0.04	-0.81
Consumer Staples	2.49	3.86	11.64	8.61	-0.04	0.11	-0.05	0.03
Energy	8.97	7.95	15.46	7.24	0.03	0.64	0.07	0.74
Financials	17.22	20.26	7.01	7.17	-0.05	-0.03	0.01	-0.08
Health Care	4.37	6.50	12.39	4.30	0.02	0.52	-0.15	0.39
Industrials	13.32	11.78	9.40	6.86	0.02	0.30	0.04	0.36
Information Technology	10.87	6.54	2.20	5.68	0.00	-0.22	-0.16	-0.37
Materials	7.83	5.38	19.05	10.51	0.14	0.44	0.22	0.80
Real Estate	12.25	14.38	3.55	1.89	0.08	0.25	-0.04	0.29
Telecommunication Services	0.00	0.58	0.00	-7.01	0.07	0.00	0.00	0.07
Utilities	10.25	11.00	4.55	0.88	0.04	0.40	-0.03	0.41
Total	100.00	100.00	7.34	5.52	0.32	1.64	-0.14	1.83

All the values for Allocation, Performance and Attribution are expressed in Percentage(%) terms

The prices, quotes, or statistics contained herein have been obtained from sources believed to be reliable, however, its accuracy cannot be guaranteed. Past performance is not a guarantee of future results.

# Town of Longboat Key Consolidated Retirement Plan

## Kennedy - Mid Cap Value - Portfolio Characteristics

as of December 31, 2017

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$000)	11,459,188.86	14,253,877.21
Median Mkt. Cap (\$000)	10,042,515.72	7,406,984.66
Price/Earnings ratio	20.86	20.69
Price/Book ratio	2.46	2.14
5 Yr. EPS Growth Rate (%)	14.78	10.00
Beta	N/A	1.00
Number of Stocks	60	584
Debt to Equity	0.79	1.01

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Teledyne Technologies Inc.	2.76	0.16	2.60	13.80
Reinsurance Group of Amer.	2.52	0.25	2.27	12.12
Westlake Chemical Corp	2.51	0.05	2.46	28.49
East West Bancorp Inc.	2.44	0.20	2.24	2.10
ON Semiconductor Corp	2.39	0.01	2.38	13.37
Torchmark Corp	2.32	0.26	2.06	13.47
Aqua America Inc	2.23	0.17	2.06	18.86
Eagle Materials Inc	2.20	0.00	2.20	6.38
Huntington Bancshares Inc	2.19	0.39	1.80	5.09
Reliance Steel & Aluminum Co	2.08	0.15	1.93	13.31
% of Portfolio	23.64	1.64	22.00	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Akamai Technologies Inc	1.03	0.27	0.76	33.50
Westlake Chemical Corp	2.51	0.05	2.46	28.49
Diamond Offshore Drilling Inc.	0.61	0.00	0.61	28.21
United Therapeutics Corp	1.32	0.16	1.16	26.25
Steel Dynamics Inc	1.49	0.21	1.28	25.57
Helmerich & Payne Inc.	1.68	0.17	1.51	25.54
Marathon Oil Corp	1.48	0.36	1.12	25.27
Marvell Technology Group Ltd	1.81	0.21	1.60	20.67
US Foods Holding Corp	1.09	0.16	0.93	19.59
Old Dominion Freight Line Inc	1.85	0.08	1.77	19.56
% of Portfolio	14.87	1.67	13.20	

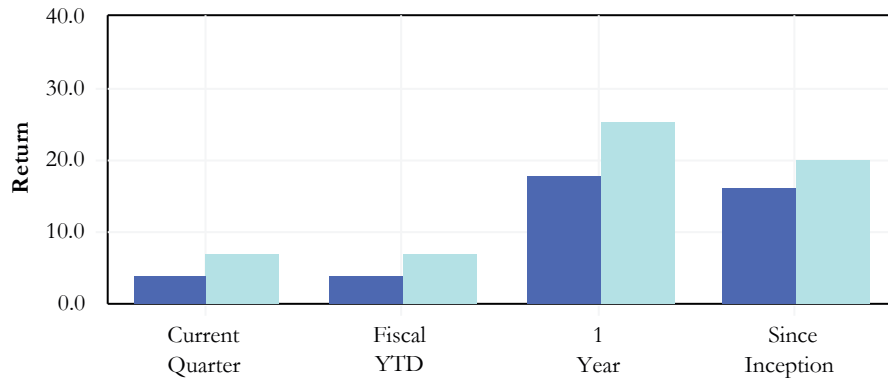
Ten Worst Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Whirlpool Corp	1.01	0.27	0.74	-7.95
CSRA Inc	1.38	0.00	1.38	-7.28
Skyworks Solutions Inc	1.30	0.00	1.30	-6.55
Hasbro Inc.	1.50	0.06	1.44	-6.37
Goodyear Tire & Rubber Co	1.57	0.20	1.37	-2.38
Duke Realty Corp	1.86	0.24	1.62	-2.06
CenterPoint Energy Inc.	1.54	0.31	1.23	-2.02
Norwegian Cruise Line Holdings Ltd	1.57	0.25	1.32	-1.48
Brunswick Corp	1.73	0.02	1.71	-0.98
STERIS plc	1.17	0.18	0.99	-0.71
% of Portfolio	14.63	1.53	13.10	

# Town of Longboat Key Consolidated Retirement Plan

## Congress Mid Cap Growth - Executive Summary

as of December 31, 2017

### Manager Performance Chart



### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Congress - Mid Cap Growth	3.81	3.81	17.68	16.23
Russell Midcap Growth	6.81	6.81	25.27	20.10
Differences	-3.00	-3.00	-7.59	-3.87

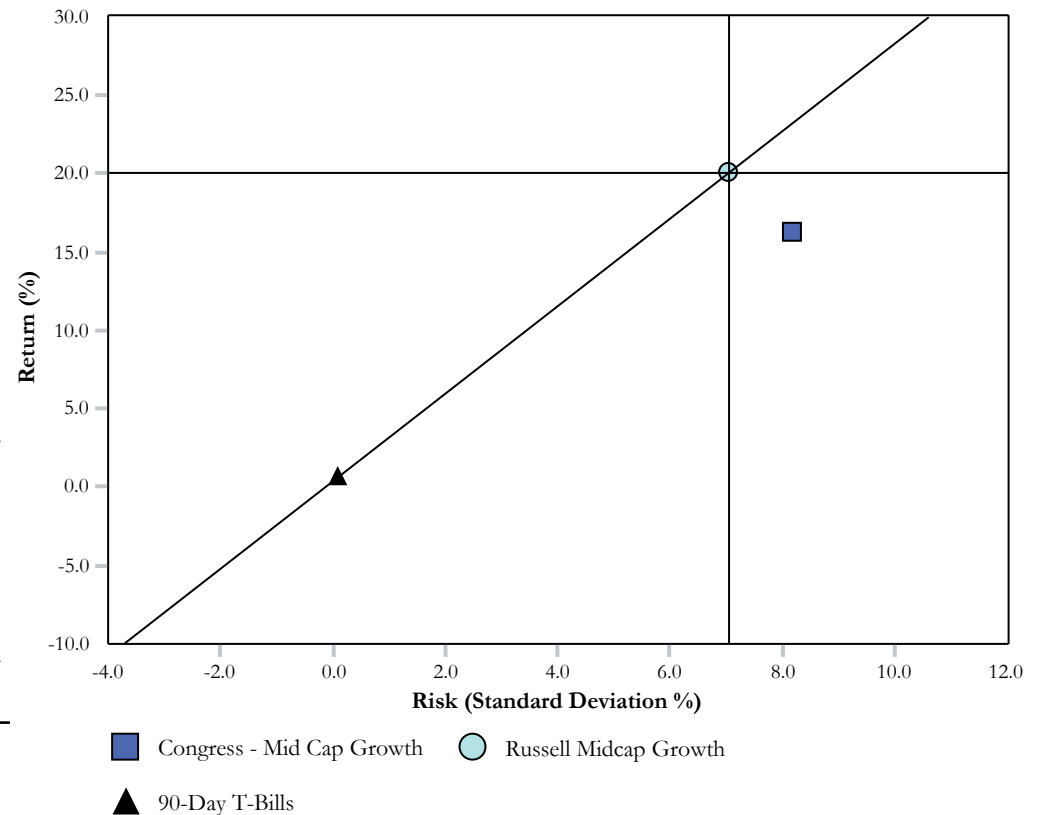
### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Congress - Mid Cap Growth				
Beginning Market Value	940	940	844	846
Net Contributions	-	-	-13	-66
Fees/Expenses	-1	-1	-5	-8
Income	2	2	8	13
Gain/Loss	33	33	140	188
Ending Market Value	974	974	974	974

### Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Congress - Mid Cap Growth	16.23	8.21	0.95	-5.32	88.14	122.67	-2.32	1.80	0.67	07/01/2016
Russell Midcap Growth	20.10	7.06	1.00	-4.39	100.00	100.00	0.00	2.56	1.00	07/01/2016

### Manager Risk & Return



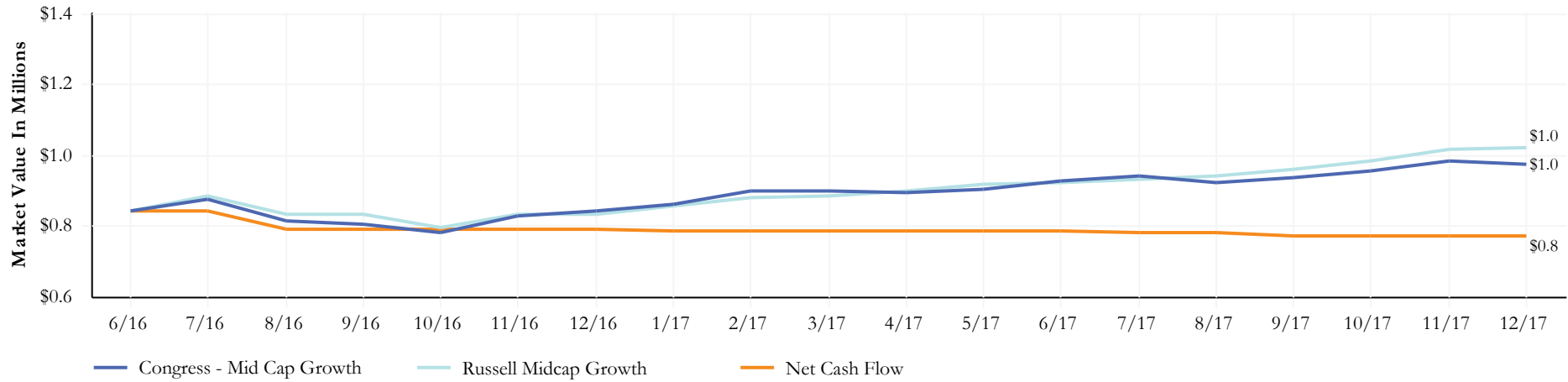
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# Town of Longboat Key Consolidated Retirement Plan

## Congress Mid Cap Growth - Change in Assets & Distribution of Returns

as of December 31, 2017

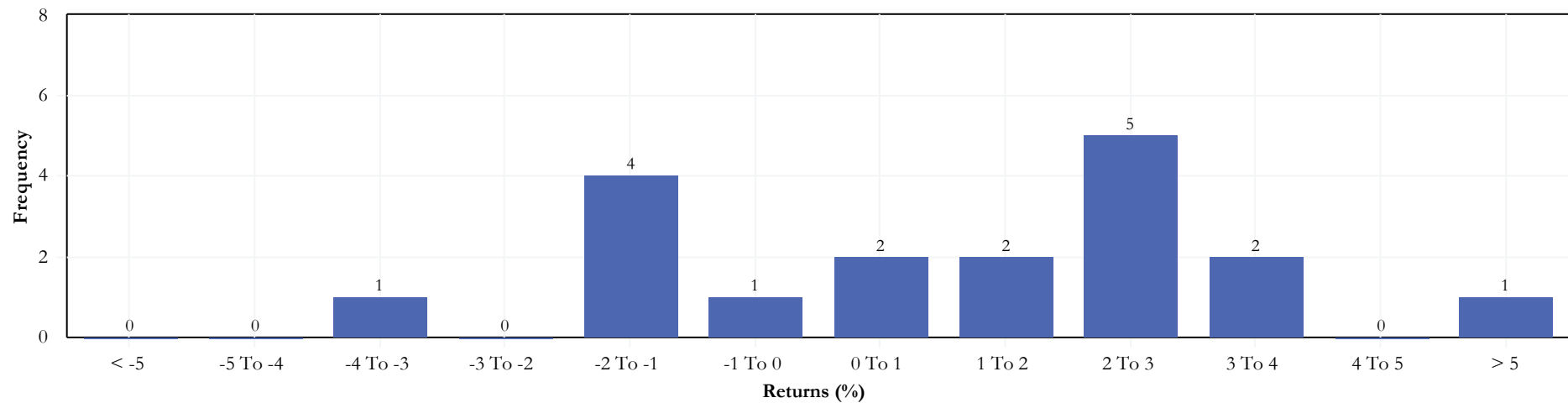
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 10/01/2017	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 12/31/2017
Congress - Mid Cap Growth	939,702.04	-	-	-	-1,350.88	-	35,806.91	974,158.07

### Distribution of Returns

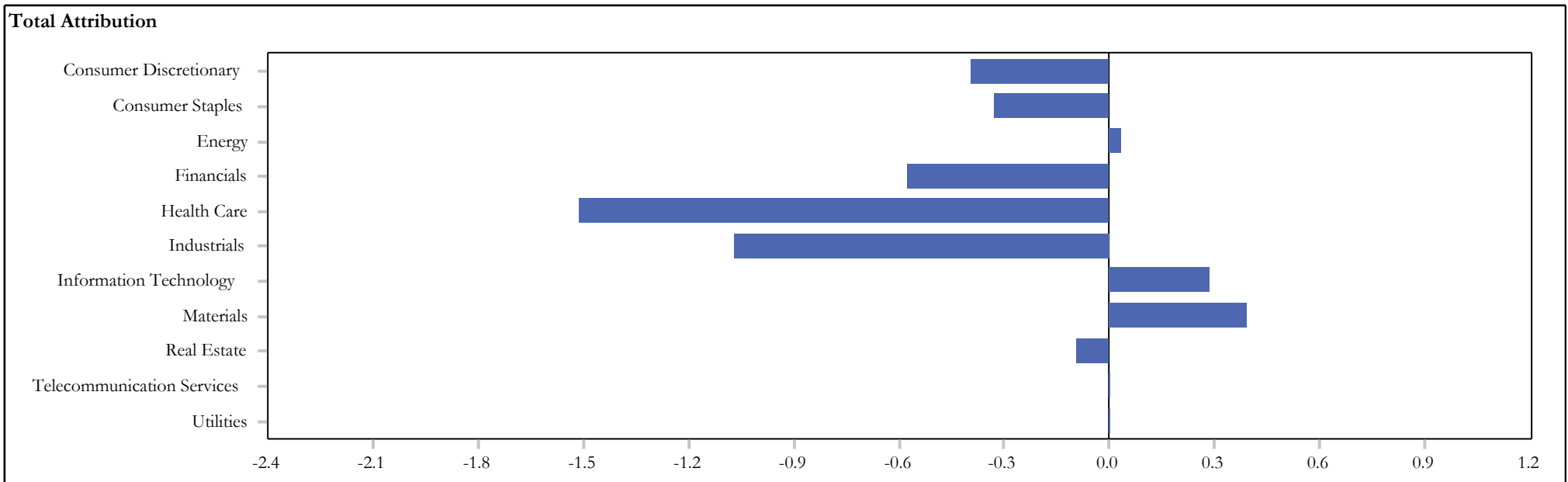
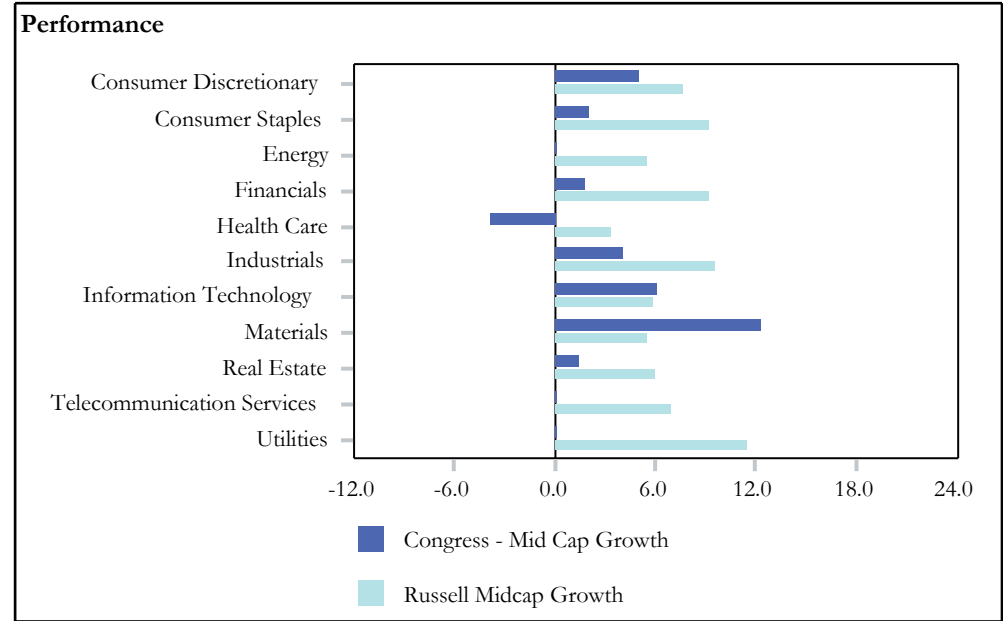
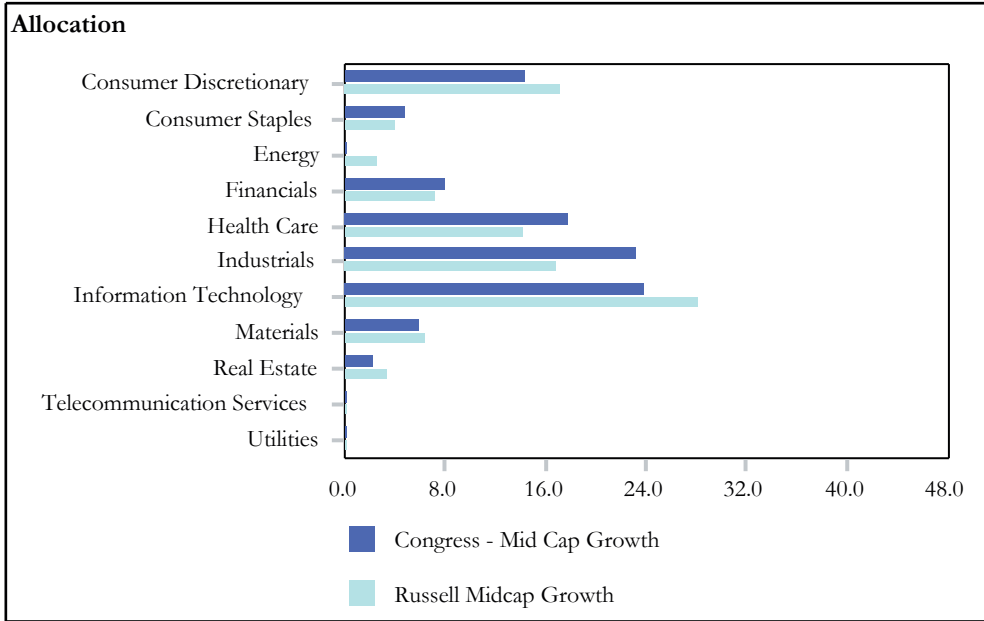


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# Town of Longboat Key Consolidated Retirement Plan

## Congress - Mid Cap Growth - Quarterly Performance Attributes

### as of December 31, 2017



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**Town of Longboat Key Consolidated Retirement Plan**  
**Congress - Mid Cap Growth - Quarterly Performance Attributes**  
**as of December 31, 2017**

	Allocation - 10/01/2017		Performance - Quarter Ending December 31, 2017		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Consumer Discretionary	14.33	17.17	5.06	7.71	-0.01	-0.46	0.07	-0.39
Consumer Staples	4.80	4.05	2.06	9.16	0.01	-0.28	-0.05	-0.33
Energy	0.00	2.52	0.00	5.56	0.03	0.00	0.00	0.03
Financials	8.01	7.10	1.77	9.22	0.02	-0.53	-0.07	-0.57
Health Care	17.75	14.18	-3.88	3.43	-0.12	-1.06	-0.33	-1.51
Industrials	23.18	16.80	4.12	9.53	0.17	-0.89	-0.35	-1.07
Information Technology	23.85	28.17	6.13	5.91	0.12	0.13	0.03	0.28
Materials	5.82	6.43	12.36	5.48	0.01	0.44	-0.06	0.39
Real Estate	2.25	3.32	1.49	5.98	0.01	-0.15	0.04	-0.09
Telecommunication Services	0.00	0.22	0.00	6.91	0.00	0.00	0.00	0.00
Utilities	0.00	0.05	0.00	11.43	0.00	0.00	0.00	0.00
Total	100.00	100.00	3.54	6.81	0.25	-2.81	-0.71	-3.27

All the values for Allocation, Performance and Attribution are expressed in Percentage(%) terms

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# Town of Longboat Key Consolidated Retirement Plan

## Congress - Mid Cap Growth - Portfolio Characteristics

as of December 31, 2017

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$000)	9,448,195.99	15,443,835.70
Median Mkt. Cap (\$000)	9,936,320.10	8,585,275.29
Price/Earnings ratio	27.63	28.98
Price/Book ratio	4.76	5.57
5 Yr. EPS Growth Rate (%)	13.16	13.79
Beta	N/A	1.00
Number of Stocks	40	421
Debt to Equity	0.94	0.99

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Cognex Corp	3.46	0.33	3.13	10.99
Avery Dennison Corp	3.34	0.31	3.03	17.26
Cintas Corp	3.19	0.43	2.76	9.21
JB Hunt Transport	3.16	0.32	2.84	3.73
Monolithic Power Systems Inc	3.09	0.00	3.09	5.64
PVH Corp	3.06	0.00	3.06	8.88
Raymond James Fin. Inc.	3.03	0.10	2.93	5.89
Masco Corp	3.00	0.29	2.71	12.94
Lennox International Inc.	2.98	0.24	2.74	16.65
Henry (Jack) & Associates Inc	2.95	0.29	2.66	14.10
% of Portfolio	31.26	2.31	28.95	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Burlington Stores Inc	2.46	0.15	2.31	28.88
Copart Inc	1.67	0.28	1.39	25.66
Pool Corp	2.02	0.16	1.86	20.23
Carter's Inc.	2.48	0.18	2.30	19.40
Snap-On Inc	2.44	0.04	2.40	17.58
Avery Dennison Corp	3.34	0.31	3.03	17.26
Lennox International Inc.	2.98	0.24	2.74	16.65
IPG Photonics Corp	2.51	0.25	2.26	15.71
Henry (Jack) & Associates Inc	2.95	0.29	2.66	14.10
Masco Corp	3.00	0.29	2.71	12.94
% of Portfolio	25.85	2.19	23.66	

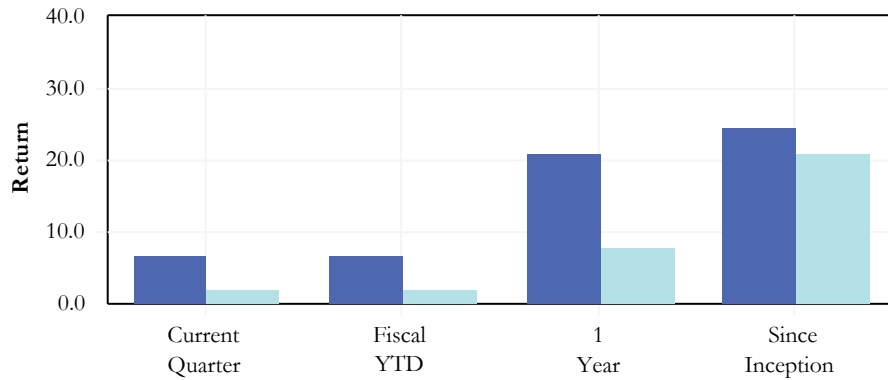
Ten Worst Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Fabrinet	1.58	0.00	1.58	-22.56
First Republic Bank	2.11	0.36	1.75	-16.92
Henry Schein Inc	1.97	0.36	1.61	-14.77
Cambrex Corp	2.04	0.00	2.04	-12.73
Barnes Group Inc	2.47	0.00	2.47	-9.98
Cooper Companies Inc. (The)	2.77	0.26	2.51	-8.11
Allegion Plc	2.33	0.24	2.09	-7.81
Hasbro Inc.	2.50	0.25	2.25	-6.37
WABCO Holdings Inc	2.84	0.23	2.61	-3.04
Mettler-Toledo International Inc	2.54	0.51	2.03	-1.06
% of Portfolio	23.15	2.21	20.94	

# Town of Longboat Key Consolidated Retirement Plan

## Kayne Anderson Small Cap Value - Executive Summary

as of December 31, 2017

### Manager Performance Chart



### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Kayne Anderson - Small Cap Value	6.53	6.53	20.83	23.33
Russell 2000 VL	2.05	2.05	7.84	21.50
Differences	4.48	4.48	12.99	1.83

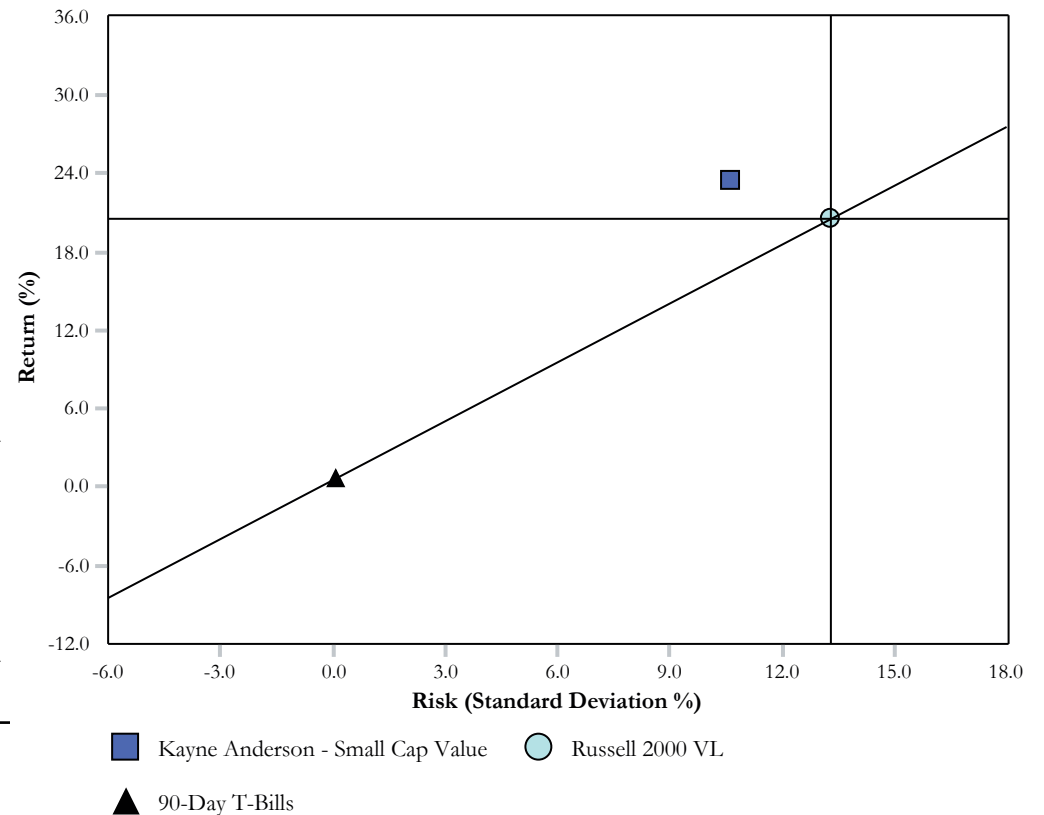
### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Kayne Anderson - Small Cap Value				
Beginning Market Value	957	957	866	847
Net Contributions	-22	-22	-42	-130
Fees/Expenses	-1	-1	-6	-8
Income	5	5	16	36
Gain/Loss	57	57	160	249
Ending Market Value	995	995	995	995

### Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Kayne Anderson - Small Cap Value	23.33	10.92	0.72	-5.09	89.87	46.43	7.14	1.93	0.81	07/01/2016
Russell 2000 VL	21.50	13.63	1.00	-3.56	100.00	100.00	0.00	1.45	1.00	07/01/2016

### Manager Risk & Return



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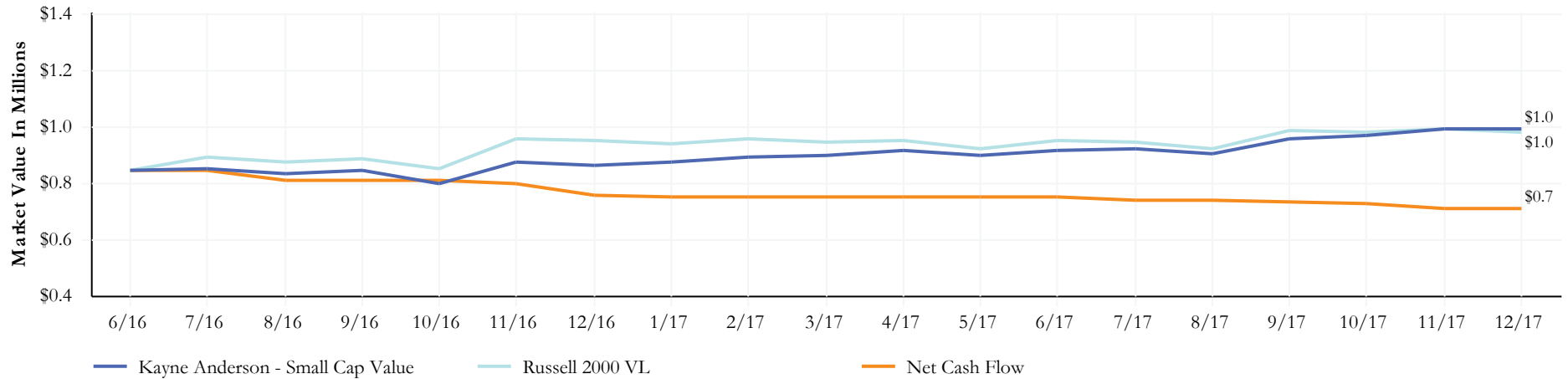


# Town of Longboat Key Consolidated Retirement Plan

## Kayne Anderson Small Cap Value - Change in Assets & Distribution of Returns

as of December 31, 2017

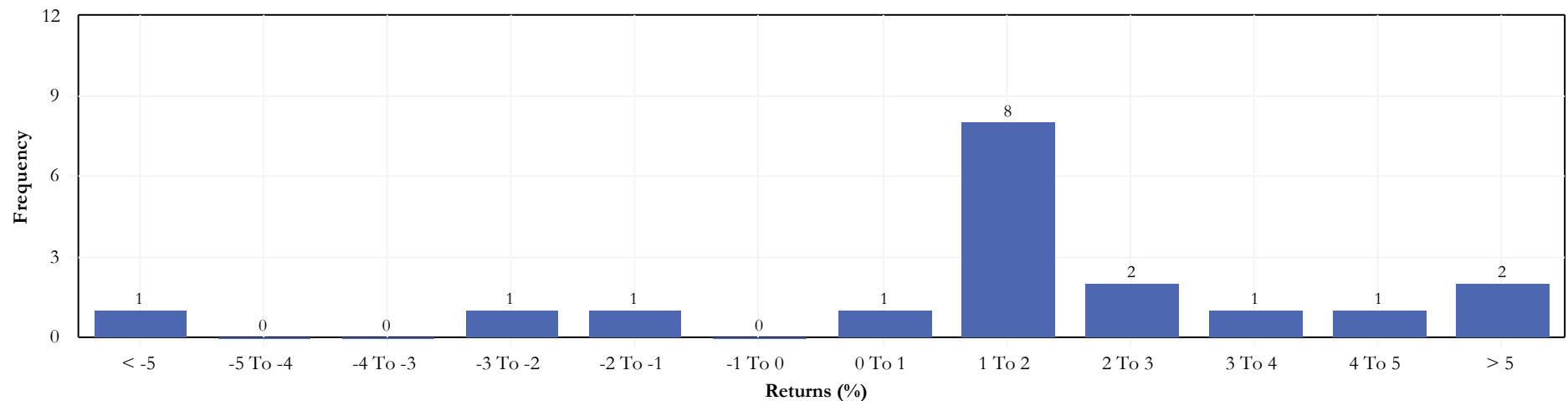
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 10/01/2017	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 12/31/2017
Kayne Anderson - Small Cap Value	956,879.69	-	-	-22,000.00	-1,484.14	-	61,566.12	994,961.67

### Distribution of Returns

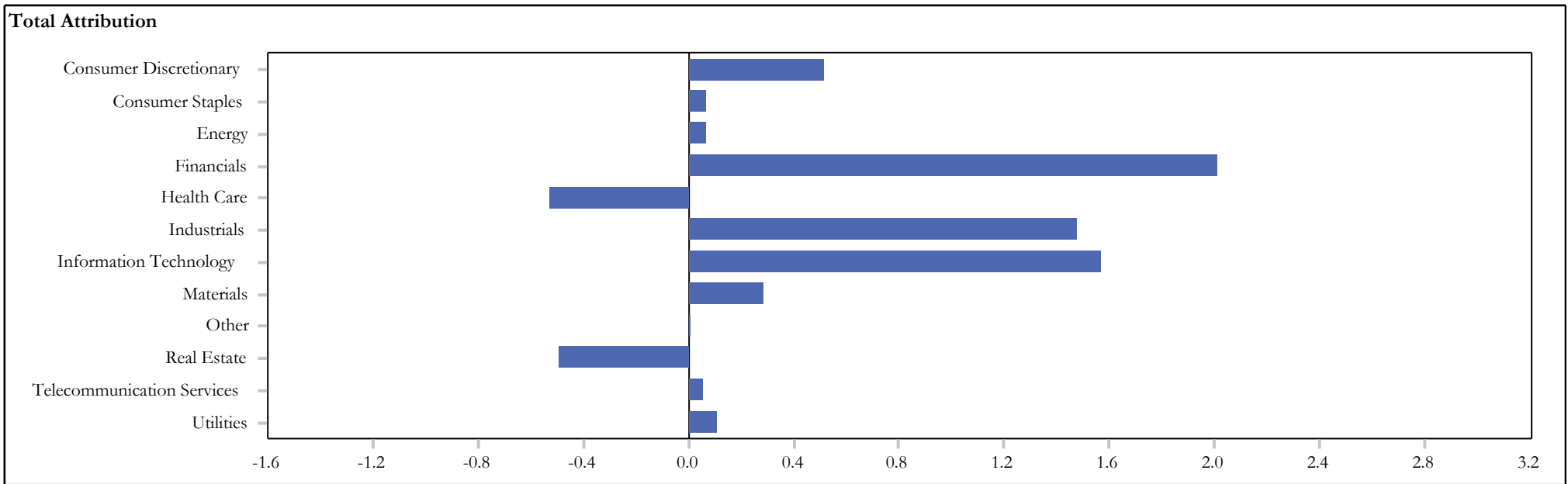
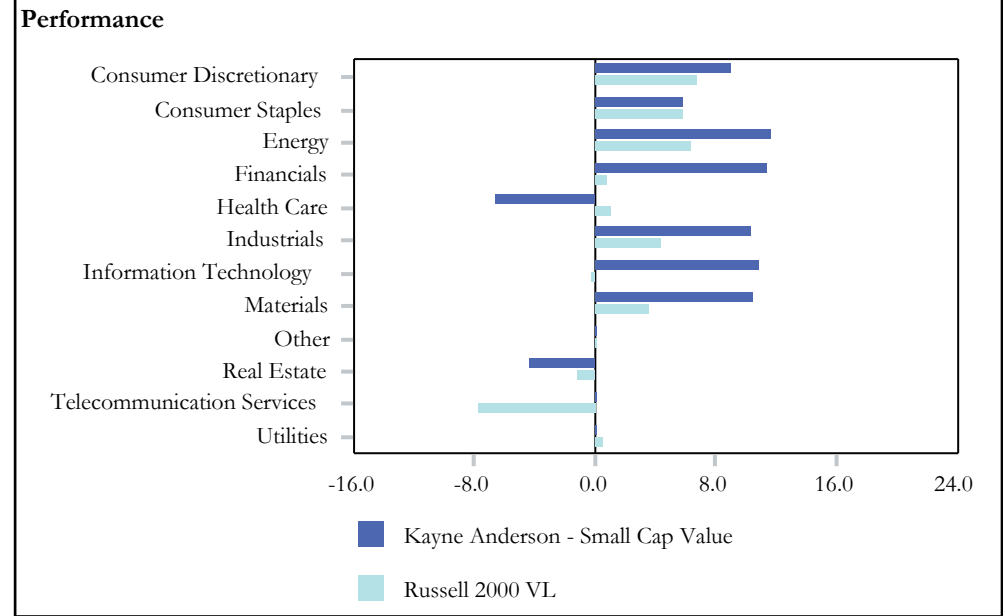
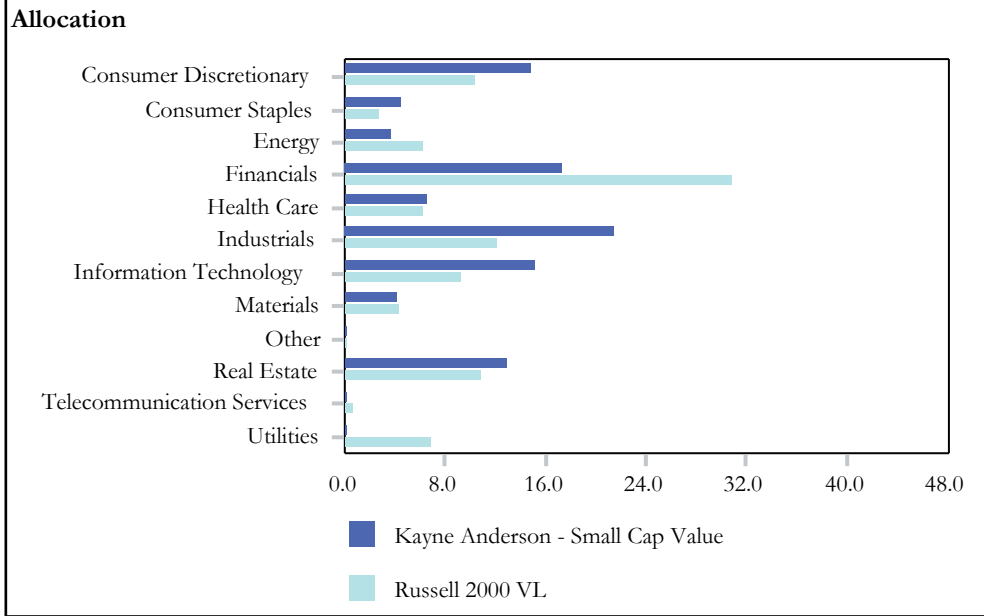


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# Town of Longboat Key Consolidated Retirement Plan

## Kayne Anderson - Small Cap Value - Quarterly Performance Attributes

### as of December 31, 2017



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**Town of Longboat Key Consolidated Retirement Plan**  
**Kayne Anderson - Small Cap Value - Quarterly Performance Attributes**  
**as of December 31, 2017**

	Allocation - 10/01/2017		Performance - Quarter Ending December 31, 2017		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Consumer Discretionary	14.79	10.37	8.99	6.75	0.24	0.21	0.07	0.51
Consumer Staples	4.43	2.71	5.91	5.90	0.07	0.00	0.00	0.07
Energy	3.59	6.25	11.68	6.33	-0.12	0.34	-0.15	0.06
Financials	17.27	30.89	11.45	0.78	0.17	3.30	-1.46	2.01
Health Care	6.46	6.13	-6.56	1.05	-0.01	-0.49	-0.03	-0.53
Industrials	21.38	12.00	10.40	4.37	0.21	0.71	0.55	1.47
Information Technology	15.05	9.18	10.93	-0.20	-0.09	1.02	0.63	1.57
Materials	4.18	4.23	10.51	3.65	-0.01	0.29	-0.01	0.28
Other	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00
Real Estate	12.84	10.87	-4.29	-1.17	-0.07	-0.29	-0.13	-0.49
Telecommunication Services	0.00	0.56	0.00	-7.84	0.06	0.00	0.00	0.06
Utilities	0.00	6.78	0.00	0.50	0.11	0.00	0.00	0.11
Total	100.00	100.00	7.22	2.10	0.56	5.09	-0.53	5.12

All the values for Allocation, Performance and Attribution are expressed in Percentage(%) terms

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# Town of Longboat Key Consolidated Retirement Plan

## Kayne Anderson - Small Cap Value - Portfolio Characteristics

as of December 31, 2017

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$000)	4,078,533.53	2,112,102.68
Median Mkt. Cap (\$000)	3,420,465.97	741,890.10
Price/Earnings ratio	27.55	19.32
Price/Book ratio	4.51	1.75
5 Yr. EPS Growth Rate (%)	9.32	5.85
Beta	N/A	1.00
Number of Stocks	29	1,387
Debt to Equity	0.82	0.81

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
SiteOne Landscape Supply Inc	5.94	0.00	5.94	32.01
Thor Industries Inc.	5.17	0.00	5.17	20.34
Landstar System Inc	4.82	0.00	4.82	4.57
WD-40 Co	4.65	0.00	4.65	5.91
Scotts Miracle-Gro	4.61	0.00	4.61	10.51
Bank of Hawaii Corp	4.58	0.00	4.58	3.43
HFF Inc	4.40	0.00	4.40	22.95
RBC Bearings Inc	4.40	0.00	4.40	1.00
Primerica Inc	4.01	0.00	4.01	24.78
Core Laboratories NV	4.00	0.00	4.00	11.68
% of Portfolio	46.58	0.00	46.58	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
SiteOne Landscape Supply Inc	5.94	0.00	5.94	32.01
Primerica Inc	4.01	0.00	4.01	24.78
Artisan Partners Asset Management Inc	2.95	0.00	2.95	23.17
HFF Inc	4.40	0.00	4.40	22.95
Thor Industries Inc.	5.17	0.00	5.17	20.34
Manhattan Associates Inc	2.04	0.00	2.04	19.17
Cheesecake Factory Inc. (The)	3.79	0.00	3.79	15.13
Henry (Jack) & Associates Inc	3.30	0.00	3.30	14.10
Core Laboratories NV	4.00	0.00	4.00	11.68
Cognex Corp	2.85	0.00	2.85	10.99
% of Portfolio	38.45	0.00	38.45	

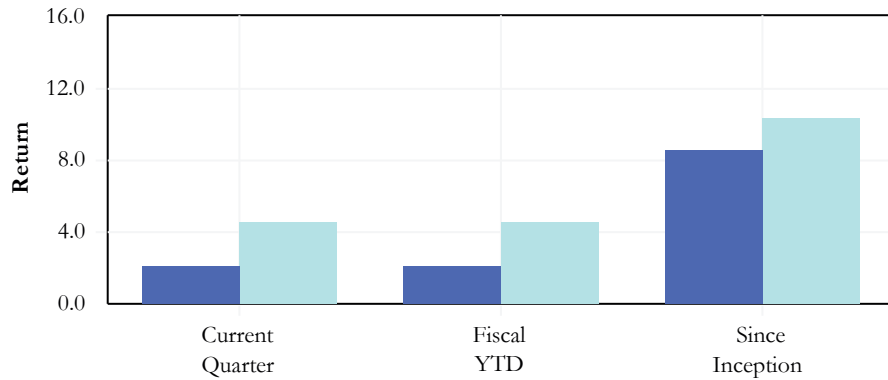
Ten Worst Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
RE/MAX Holdings Inc	3.45	0.09	3.36	-23.42
Anika Therapeutics Inc	3.69	0.01	3.68	-7.05
Patterson Companies Inc	2.64	0.00	2.64	-5.87
Sally Beauty Holdings Inc	2.17	0.00	2.17	-4.19
Cinemark Holdings Inc	3.75	0.00	3.75	-3.07
Badger Meter Inc.	3.61	0.00	3.61	-2.17
MGM Growth Properties LLC	3.74	0.00	3.74	-2.11
First Financial Bankshares Inc	3.32	0.10	3.22	0.09
Lincoln Electric Holdings Inc	1.91	0.00	1.91	0.31
RBC Bearings Inc	4.40	0.00	4.40	1.00
% of Portfolio	32.68	0.20	32.48	

# Town of Longboat Key Consolidated Retirement Plan

## RBC Capital Small Cap Growth - Executive Summary

as of December 31, 2017

### Manager Performance Chart



### Manager Annualized Performance

	Current Quarter	Fiscal YTD
RBC - Small Cap Growth	2.14	2.14
Russell 2000 Gr	4.58	4.58
Differences	-2.44	-2.44

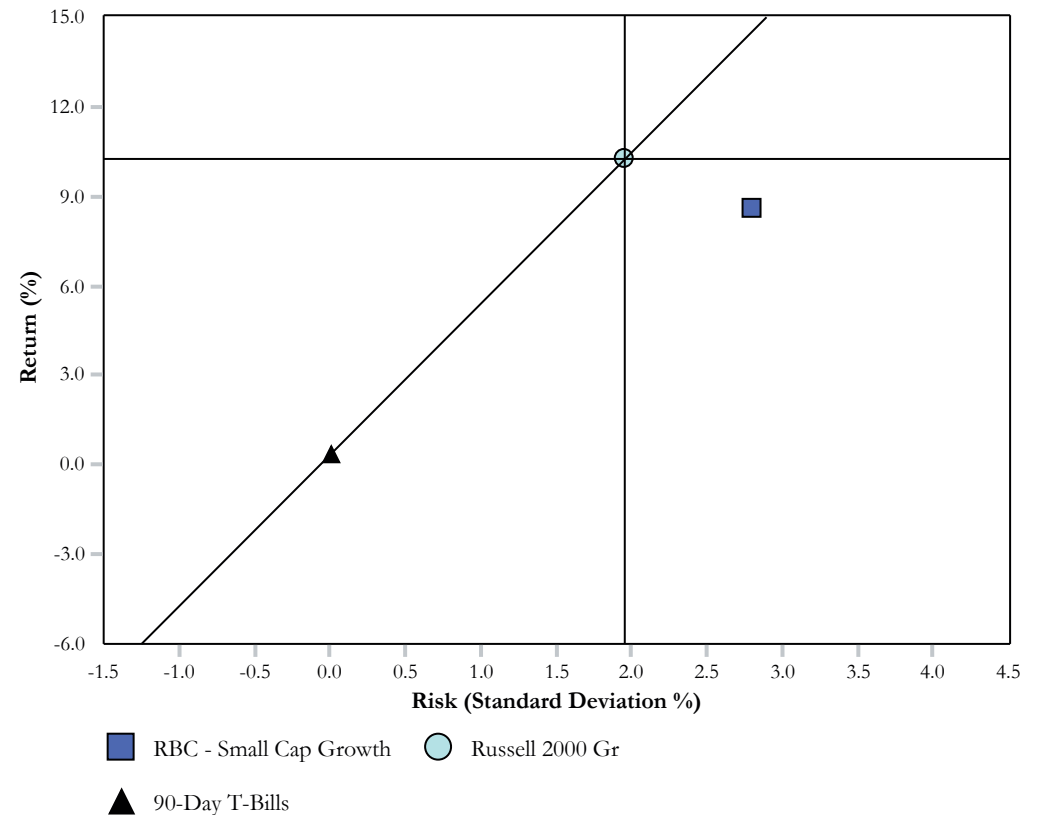
### Historic Asset Growth

	Current Quarter	Fiscal YTD
RBC - Small Cap Growth		
Beginning Market Value	899	899
Net Contributions	-31	-31
Fees/Expenses	-2	-2
Income	1	1
Gain/Loss	18	18
Ending Market Value	886	886

### Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
RBC - Small Cap Growth	8.61	2.81	1.43	-1.21	85.16	N/A	-1.44	0.72	1.00	09/01/2017
Russell 2000 Gr	10.28	1.96	1.00	0.00	100.00	N/A	0.00	1.22	1.00	09/01/2017

### Manager Risk & Return



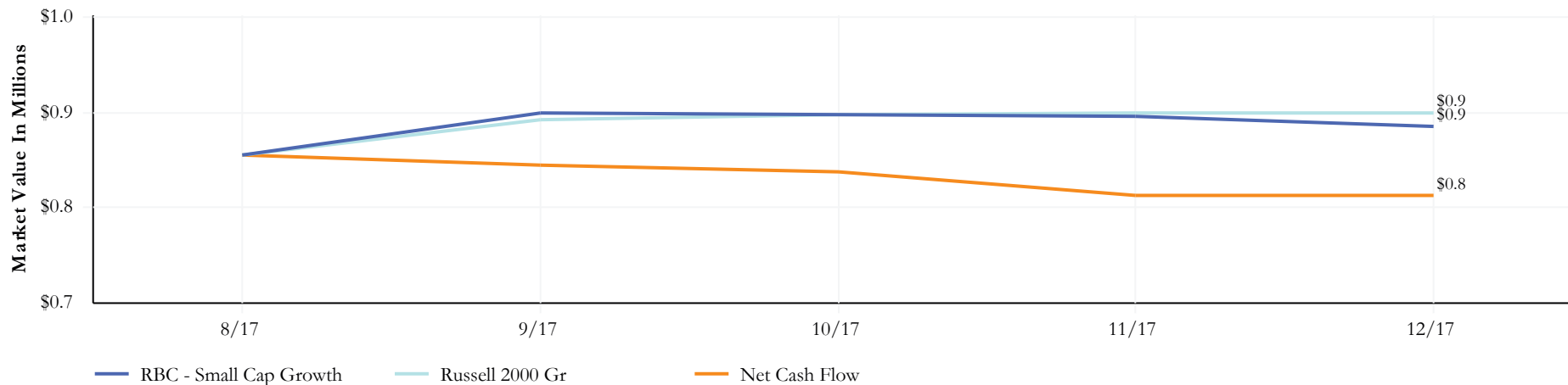
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# Town of Longboat Key Consolidated Retirement Plan

## RBC Capital Small Cap Growth - Change in Assets & Distribution of Returns

as of December 31, 2017

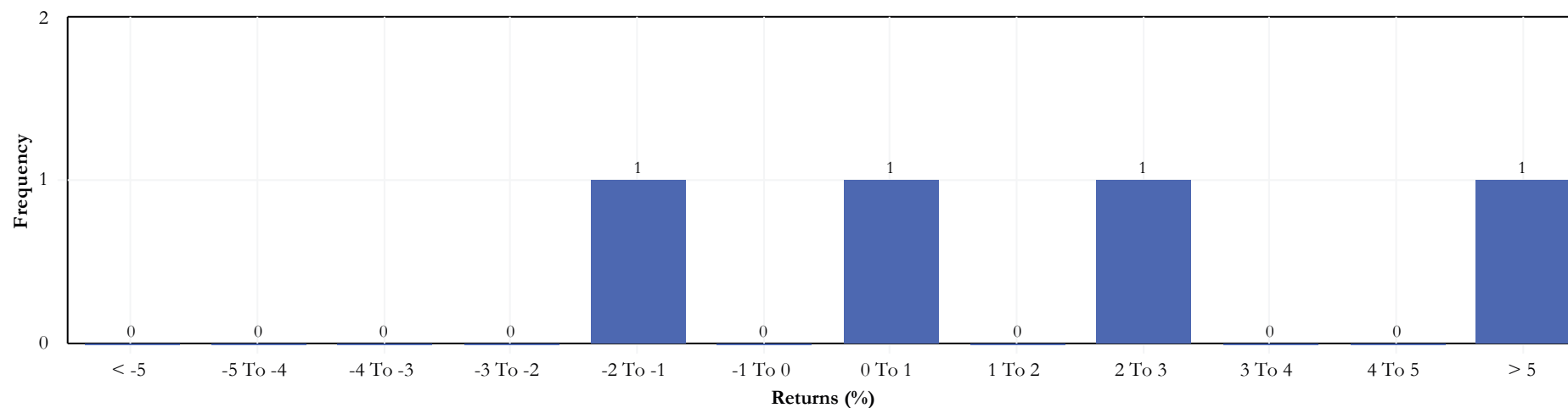
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 10/01/2017	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 12/31/2017
RBC - Small Cap Growth	899,209.66	-	-	-31,000.00	-1,549.09	-	18,933.88	885,594.45

### Distribution of Returns

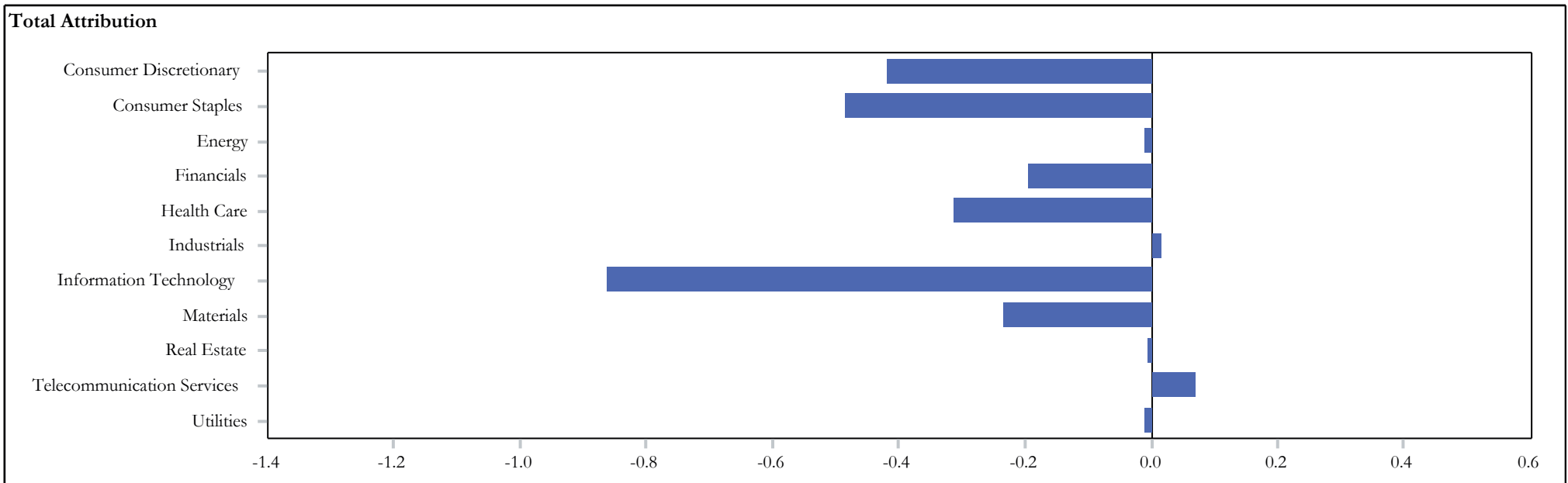
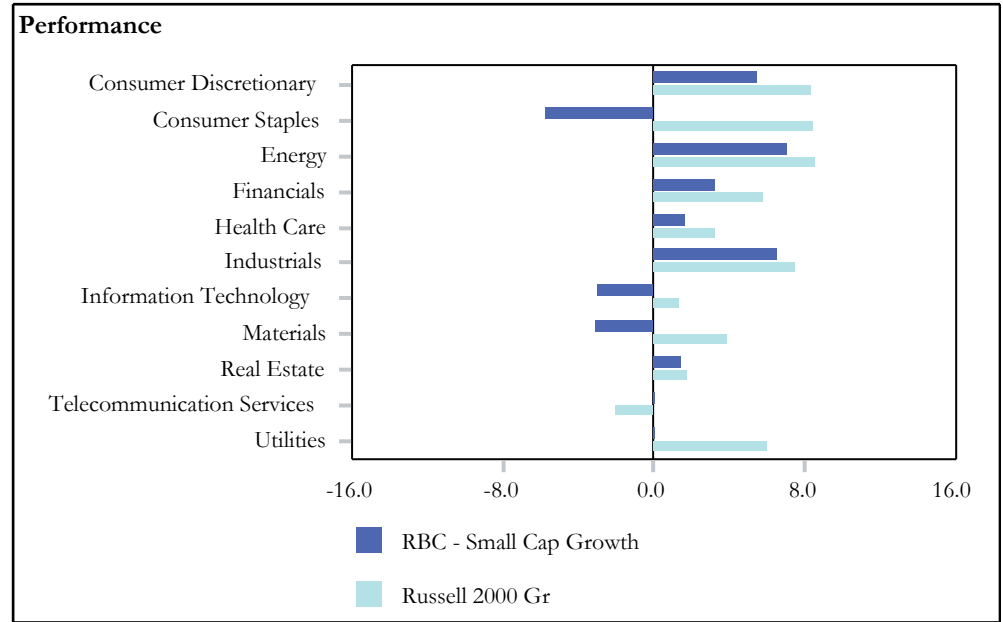
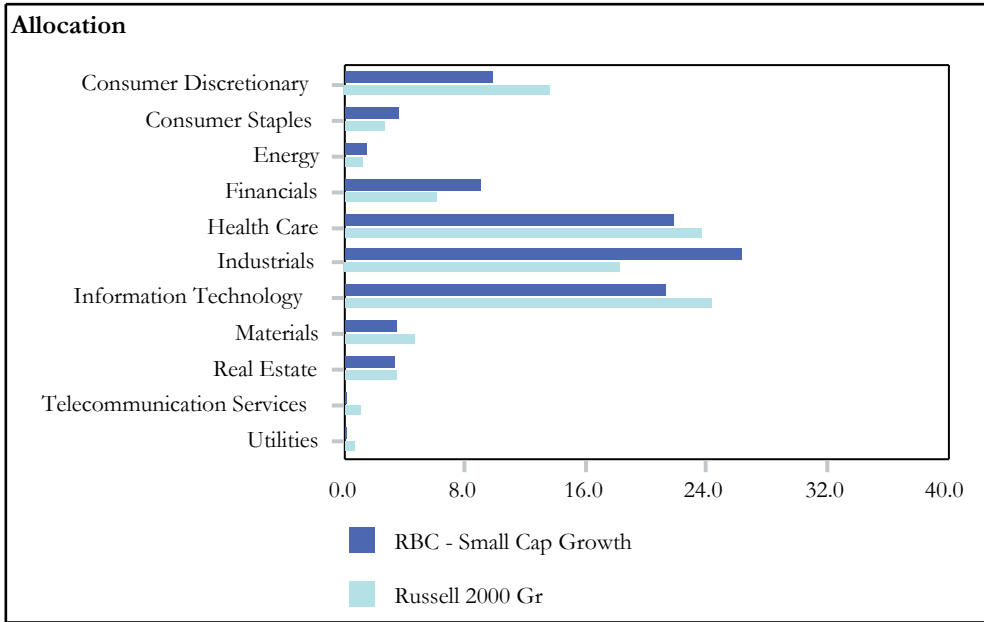


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# Town of Longboat Key Consolidated Retirement Plan

## RBC - Small Cap Growth - Quarterly Performance Attributes

as of December 31, 2017



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# Town of Longboat Key Consolidated Retirement Plan

## RBC - Small Cap Growth - Quarterly Performance Attributes

as of December 31, 2017

	Allocation - 10/01/2017		Performance - Quarter Ending December 31, 2017		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Consumer Discretionary	9.82	13.67	5.52	8.39	-0.15	-0.38	0.11	-0.42
Consumer Staples	3.54	2.64	-5.75	8.49	0.03	-0.36	-0.15	-0.48
Energy	1.39	1.22	7.11	8.62	0.00	-0.01	0.00	-0.01
Financials	8.99	6.14	3.29	5.87	0.03	-0.15	-0.07	-0.19
Health Care	21.79	23.75	1.72	3.28	0.00	-0.35	0.03	-0.31
Industrials	26.42	18.23	6.59	7.48	0.24	-0.16	-0.06	0.02
Information Technology	21.38	24.42	-2.96	1.37	0.09	-1.10	0.14	-0.86
Materials	3.43	4.69	-3.04	3.90	0.01	-0.33	0.09	-0.23
Real Estate	3.25	3.42	1.46	1.80	0.00	-0.01	0.00	-0.01
Telecommunication Services	0.00	1.09	0.00	-2.07	0.07	0.00	0.00	0.07
Utilities	0.00	0.73	0.00	6.08	-0.01	0.00	0.00	-0.01
Total	100.00	100.00	2.10	4.54	0.32	-2.85	0.08	-2.44

All the values for Allocation, Performance and Attribution are expressed in Percentage(%) terms

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# Town of Longboat Key Consolidated Retirement Plan

## RBC - Small Cap Growth - Portfolio Characteristics

as of December 31, 2017

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$000)	2,551,004.30	2,627,479.22
Median Mkt. Cap (\$000)	2,282,058.05	1,002,723.15
Price/Earnings ratio	34.55	26.22
Price/Book ratio	3.16	4.15
5 Yr. EPS Growth Rate (%)	7.03	14.02
Beta	N/A	1.00
Number of Stocks	75	1,175
Debt to Equity	0.58	1.81

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Neogen Corp	2.45	0.28	2.17	6.13
Woodward Inc	2.38	0.37	2.01	-1.22
Cantel Medical Corp.	2.23	0.34	1.89	9.24
FirstCash Inc	2.12	0.05	2.07	7.15
Pegasystems Inc	2.08	0.16	1.92	-18.16
RBC Bearings Inc	2.05	0.27	1.78	1.00
Balchem Corp	2.00	0.23	1.77	-0.33
Healthcare Services Group Inc	1.97	0.34	1.63	-1.94
SiteOne Landscape Supply Inc	1.83	0.24	1.59	32.01
Cavium Inc	1.82	0.00	1.82	27.13
% of Portfolio	20.93	2.28	18.65	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Buffalo Wild Wings Inc	1.05	0.22	0.83	47.92
SiteOne Landscape Supply Inc	1.83	0.24	1.59	32.01
Haemonetics Corp	1.61	0.23	1.38	29.44
Proto Labs Inc	1.22	0.23	0.99	28.27
Cavium Inc	1.82	0.00	1.82	27.13
G III Apparel Group Ltd	1.54	0.00	1.54	27.12
Inogen Inc	1.23	0.19	1.04	25.22
Beacon Roofing Supply Inc	1.70	0.29	1.41	24.41
Manhattan Associates Inc	1.52	0.00	1.52	19.17
United Natural Foods Inc	1.39	0.00	1.39	18.47
% of Portfolio	14.91	1.40	13.51	

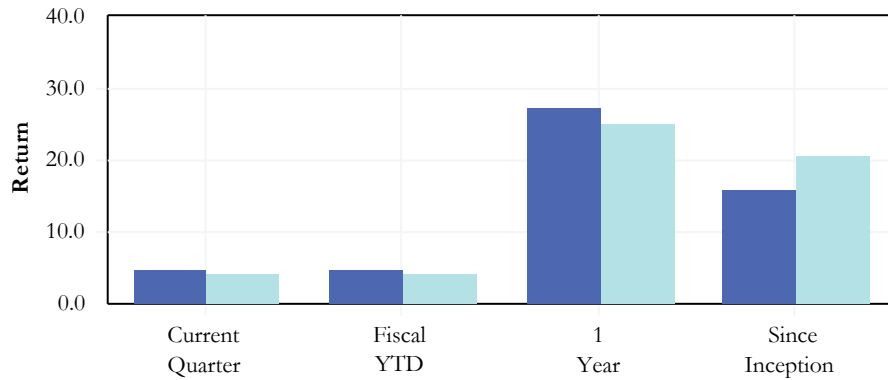
Ten Worst Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
TreeHouse Foods Inc	1.06	0.00	1.06	-26.97
Cardtronics plc	0.66	0.08	0.58	-19.51
Medidata Solutions Inc	1.60	0.33	1.27	-18.82
ePlus Inc	1.27	0.09	1.18	-18.66
Pegasystems Inc	2.08	0.16	1.92	-18.16
ScanSource Inc	0.90	0.00	0.90	-17.98
Dorman Products Inc	1.24	0.15	1.09	-14.63
Gentherm Inc	1.02	0.08	0.94	-14.54
SPS Commerce Inc	1.02	0.08	0.94	-14.32
CommVault Systems Inc	1.20	0.19	1.01	-13.65
% of Portfolio	12.05	1.16	10.89	

# Town of Longboat Key Consolidated Retirement Plan

## Lazard International Value - Executive Summary

as of December 31, 2017

### Manager Performance Chart



### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Lazard - International Value	4.64	4.64	27.10	15.73
MSCI EAFE Net	4.23	4.23	25.03	20.41
Differences	0.41	0.41	2.07	-4.68

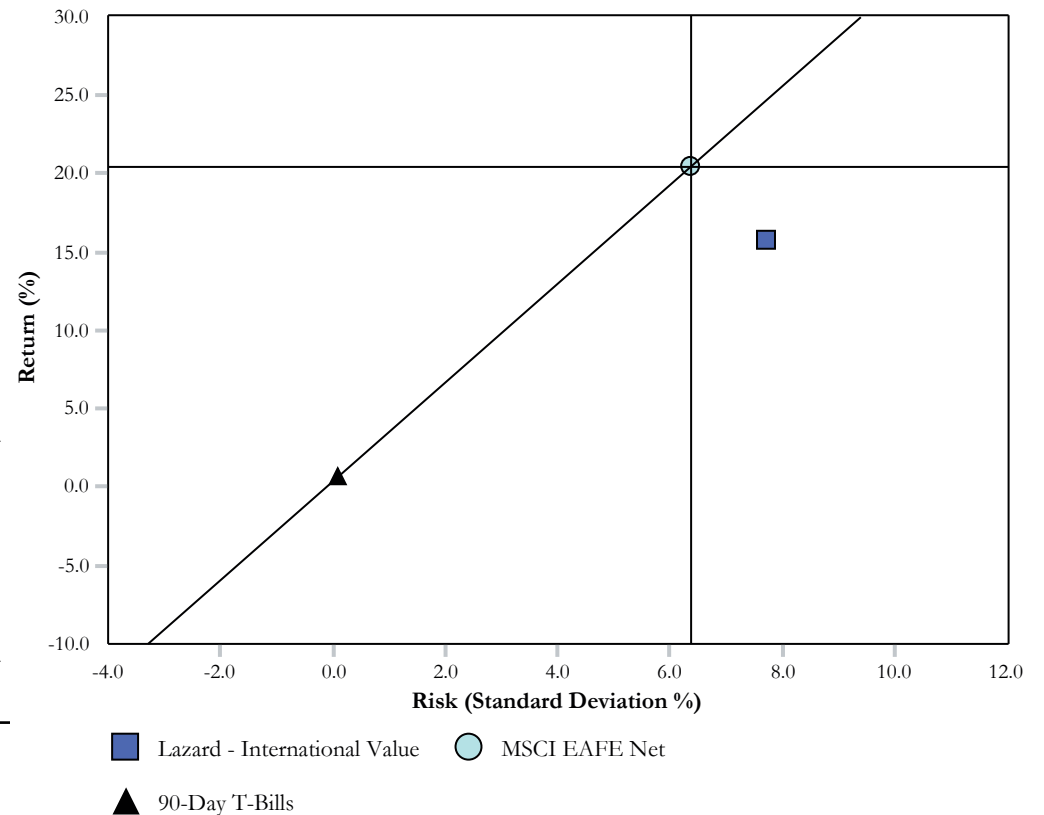
### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Lazard - International Value				
Beginning Market Value	2,622	2,622	2,312	2,499
Net Contributions	-71	-71	-231	-365
Fees/Expenses	-4	-4	-14	-21
Income	12	12	53	73
Gain/Loss	108	108	548	482
Ending Market Value	2,668	2,668	2,668	2,668

### Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Lazard - International Value	15.73	7.72	1.04	-6.65	92.50	180.67	-4.58	1.86	0.74	07/01/2016
MSCI EAFE Net	20.41	6.37	1.00	-4.00	100.00	100.00	0.00	2.87	1.00	07/01/2016

### Manager Risk & Return



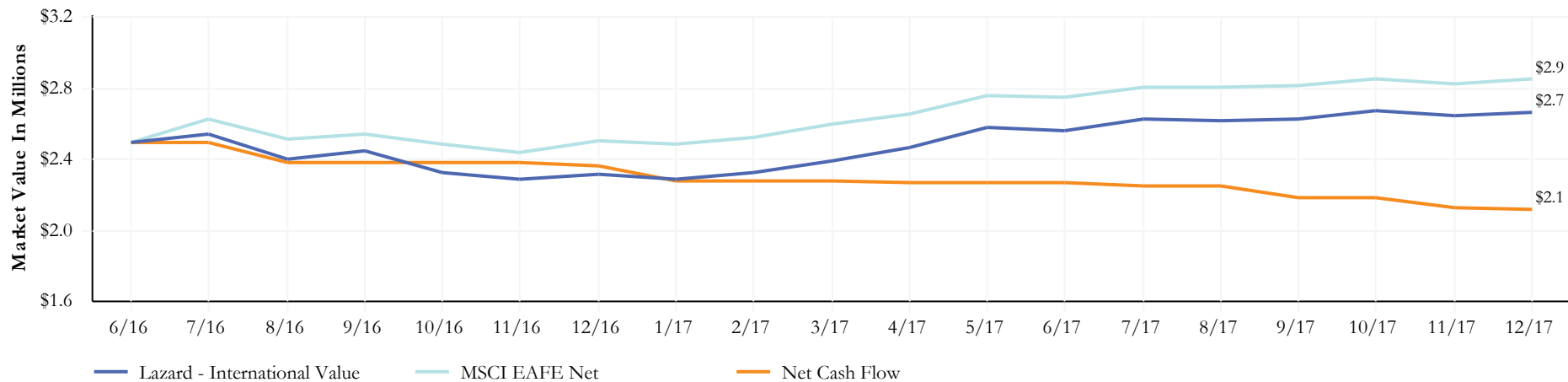
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# Town of Longboat Key Consolidated Retirement Plan

## Lazard International Value - Change in Assets & Distribution of Returns

as of December 31, 2017

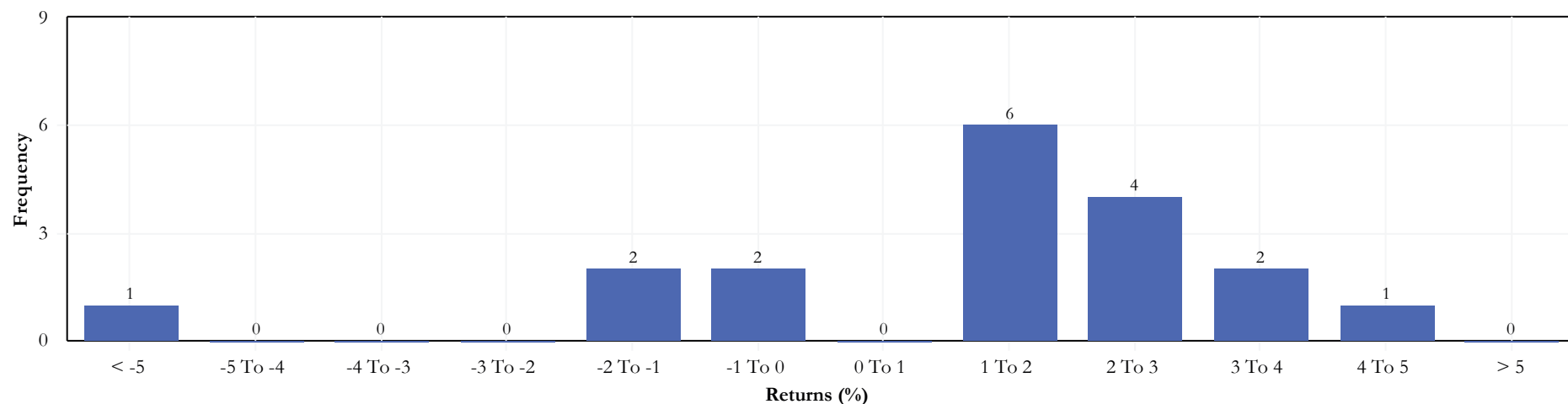
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 10/01/2017	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 12/31/2017
Lazard - International Value	2,622,065.04	-	-	-71,000.00	-3,731.85	-	120,354.98	2,667,688.17

### Distribution of Returns

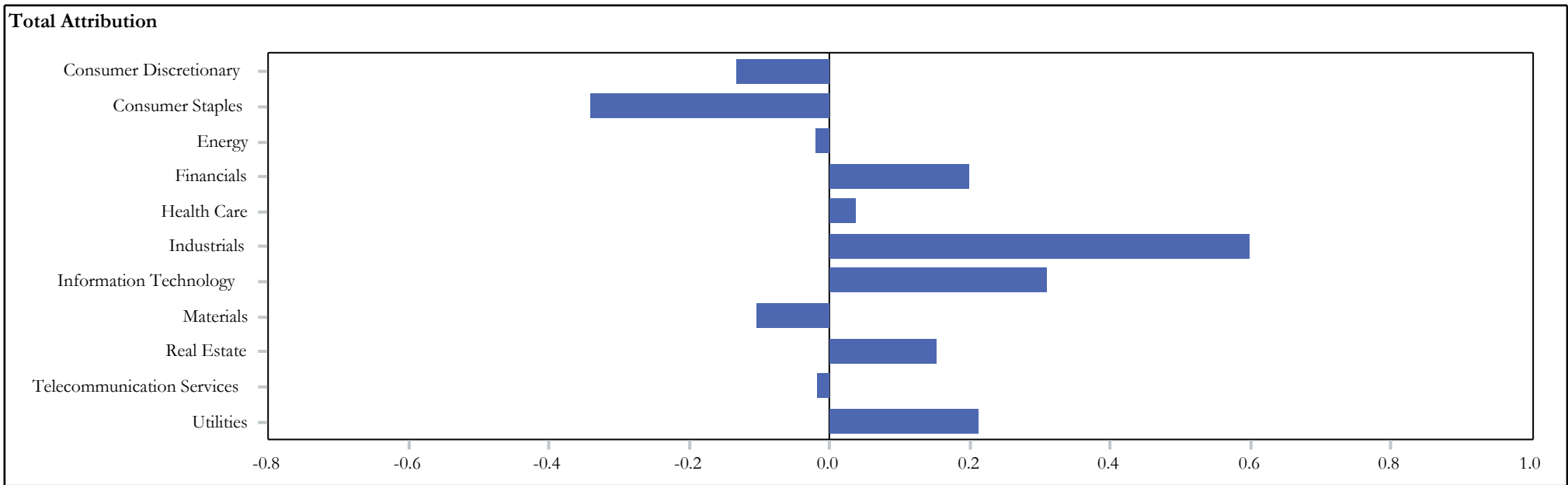
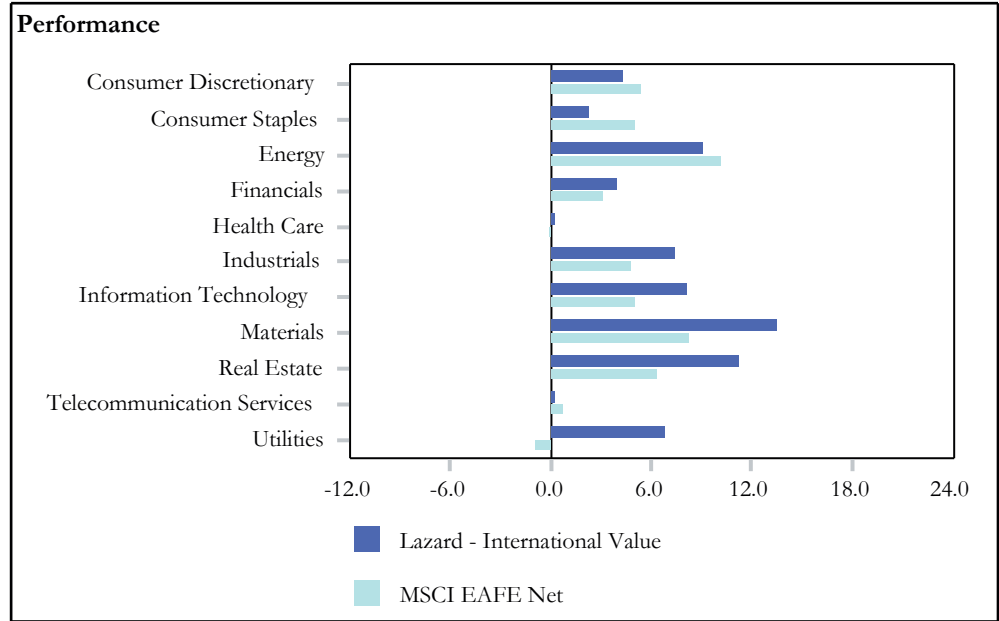
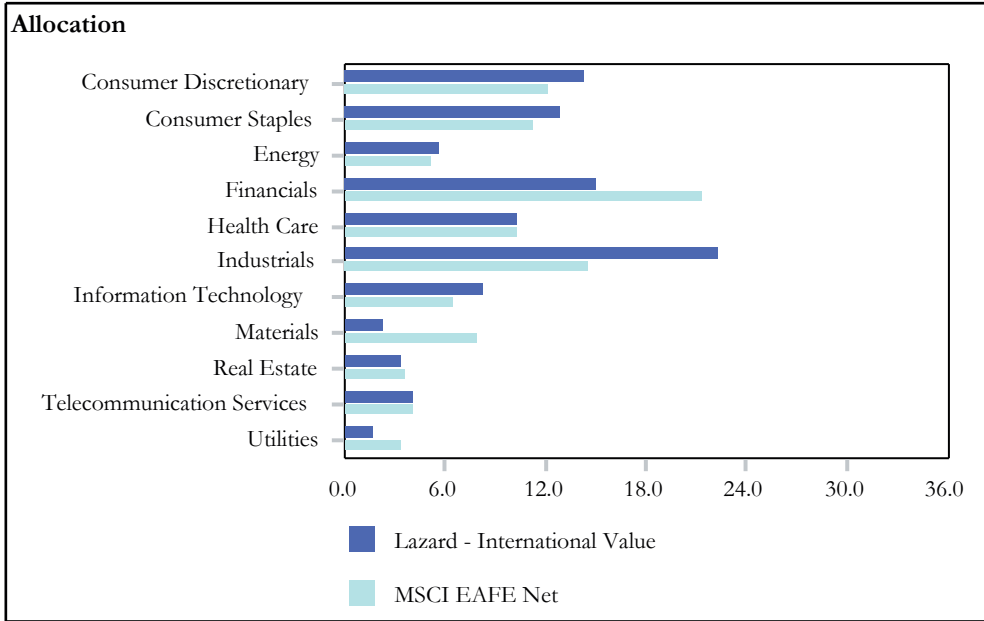


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# Town of Longboat Key Consolidated Retirement Plan

## Lazard - International Value - Quarterly Performance Attributes

as of December 31, 2017



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# Town of Longboat Key Consolidated Retirement Plan

## Lazard - International Value - Quarterly Performance Attributes

as of December 31, 2017

	Allocation - 10/01/2017		Performance - Quarter Ending December 31, 2017		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Consumer Discretionary	14.30	12.22	4.30	5.38	0.02	-0.13	-0.03	-0.13
Consumer Staples	12.89	11.22	2.28	4.99	0.01	-0.30	-0.05	-0.34
Energy	5.61	5.16	9.14	10.18	0.03	-0.05	0.00	-0.02
Financials	15.04	21.30	3.92	3.10	0.07	0.17	-0.05	0.20
Health Care	10.28	10.30	0.22	-0.08	0.00	0.03	0.00	0.04
Industrials	22.33	14.52	7.43	4.80	0.03	0.38	0.19	0.60
Information Technology	8.27	6.41	8.17	5.05	0.06	0.20	0.05	0.31
Materials	2.30	7.93	13.47	8.31	-0.23	0.42	-0.30	-0.10
Real Estate	3.32	3.54	11.29	6.39	0.00	0.17	-0.02	0.15
Telecommunication Services	4.02	4.06	0.32	0.79	0.00	0.00	-0.01	-0.02
Utilities	1.64	3.34	6.89	-0.95	0.08	0.27	-0.14	0.21
Total	100.00	100.00	5.17	4.28	0.08	1.16	-0.35	0.89

All the values for Allocation, Performance and Attribution are expressed in Percentage(%) terms

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# Town of Longboat Key Consolidated Retirement Plan

## Lazard - International Value - Portfolio Characteristics

as of December 31, 2017

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$000)	74,480,231.34	63,327,179.26
Median Mkt. Cap (\$000)	43,339,460.71	11,855,956.23
Price/Earnings ratio	22.87	17.11
Price/Book ratio	3.03	2.22
5 Yr. EPS Growth Rate (%)	1.38	7.68
Beta	N/A	1.00
Number of Stocks	52	928
Debt to Equity	0.94	1.15

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Prudential PLC	3.60	0.44	3.16	5.99
Daiwa House Industry Co Ltd	3.48	0.14	3.34	11.29
British American Tobacco	3.40	1.03	2.37	8.21
SAP AG	3.34	0.73	2.61	2.47
Royal Dutch Shell PLC	3.02	1.00	2.02	11.80
Unilever PLC	2.96	0.47	2.49	-3.81
Accenture PLC	2.88	0.00	2.88	14.44
Wolters Kluwer NV	2.81	0.10	2.71	12.97
Ryohin Keikaku Co Ltd	2.78	0.05	2.73	5.80
Novartis AG	2.76	1.25	1.51	-2.20
% of Portfolio	31.03	5.21	25.82	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Komatsu Ltd	1.95	0.22	1.73	27.30
DBS Group Holdings Ltd	1.92	0.22	1.70	21.28
Sony Corp	1.61	0.38	1.23	20.38
Fanuc Corp	1.09	0.31	0.78	18.65
Tokyo Electron Ltd	1.56	0.19	1.37	17.97
Kao Corp	1.10	0.22	0.88	15.00
Accenture PLC	2.88	0.00	2.88	14.44
BHP Billiton Ltd	2.52	0.49	2.03	13.47
Wolters Kluwer NV	2.81	0.10	2.71	12.97
Sumitomo Mitsui Fin Gp	2.22	0.39	1.83	12.71
% of Portfolio	19.66	2.52	17.14	

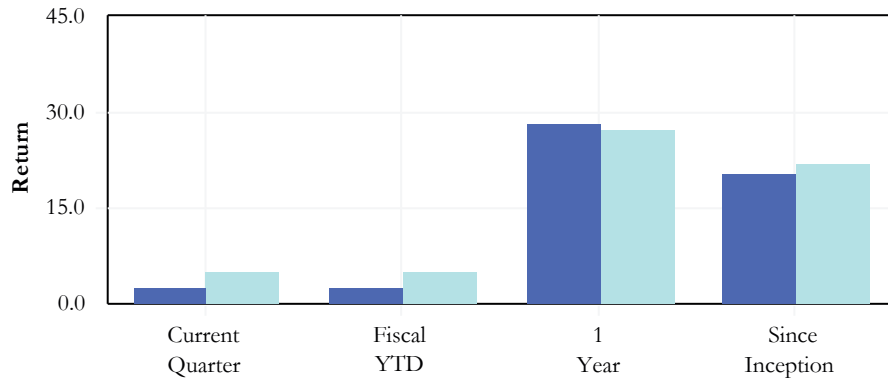
Ten Worst Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Nordea Bank AB	1.01	0.24	0.77	-10.33
Assa Abloy AB	2.53	0.14	2.39	-8.67
Aon PLC	2.36	0.00	2.36	-8.05
Kddi Corp	1.15	0.30	0.85	-5.55
Anheuser-Busch InBev SA/NV	2.21	0.57	1.64	-4.98
Unilever PLC	2.96	0.47	2.49	-3.81
Fresenius SE & Co KGAA	1.56	0.22	1.34	-3.16
Novartis AG	2.76	1.25	1.51	-2.20
CIE Gen Des Etablis Michelin	1.64	0.16	1.48	-1.67
Ryanair Holdings PLC	1.28	0.02	1.26	-1.17
% of Portfolio	19.46	3.37	16.09	

# Town of Longboat Key Consolidated Retirement Plan

## Renaissance International Growth - Executive Summary

as of December 31, 2017

### Manager Performance Chart



### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Renaissance - International Growth	2.57	2.57	28.12	20.19
MSCI AC World ex US Net	5.00	5.00	27.19	21.71
Differences	-2.43	-2.43	0.93	-1.52

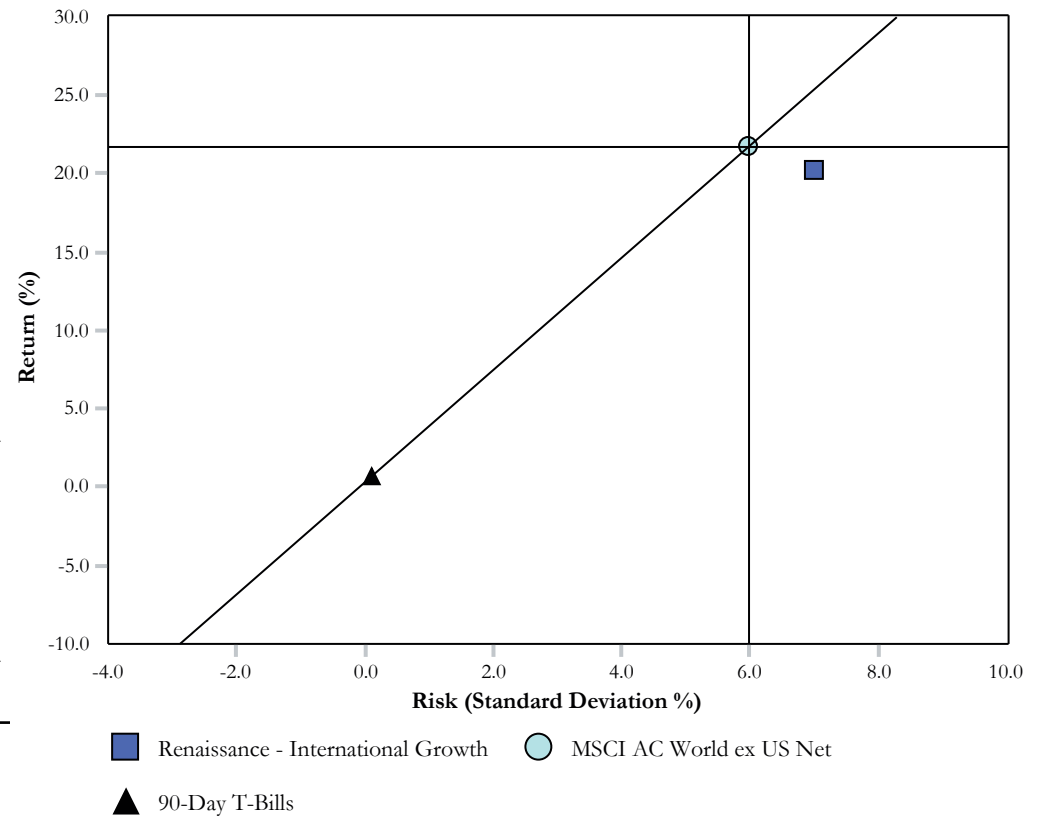
### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Renaissance - International Growth				
Beginning Market Value	2,628	2,628	2,357	2,485
Net Contributions	-20	-20	-310	-509
Fees/Expenses	-4	-4	-14	-21
Income	12	12	52	67
Gain/Loss	55	55	587	651
Ending Market Value	2,671	2,671	2,671	2,671

### Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Renaissance - International Growth	20.19	7.00	1.08	-4.62	97.35	124.55	-2.68	2.59	0.84	07/01/2016
MSCI AC World ex US Net	21.71	5.98	1.00	-3.72	100.00	100.00	0.00	3.24	1.00	07/01/2016

### Manager Risk & Return



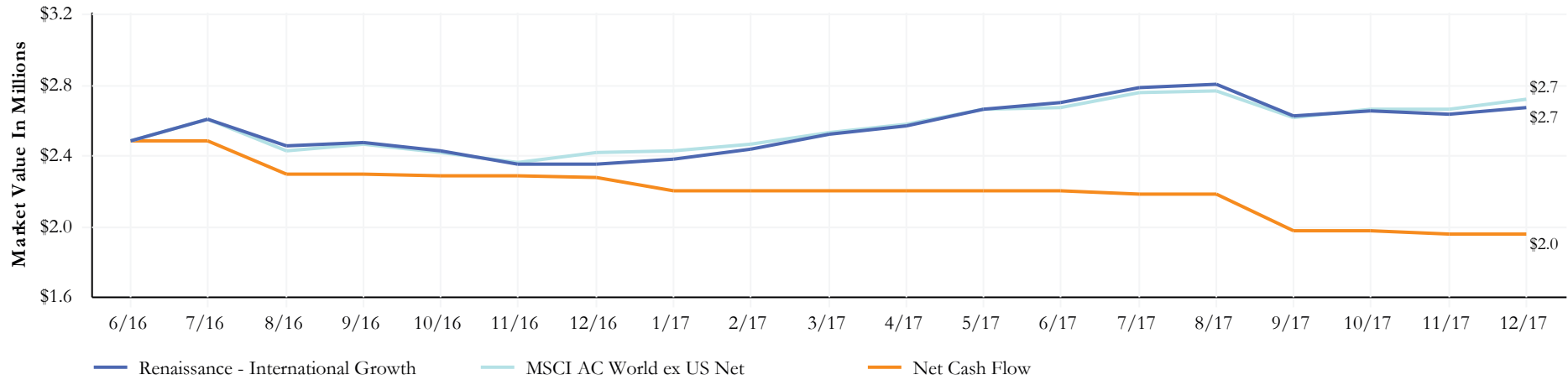
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# Town of Longboat Key Consolidated Retirement Plan

## Renaissance International Growth - Change in Assets & Distribution of Returns

as of December 31, 2017

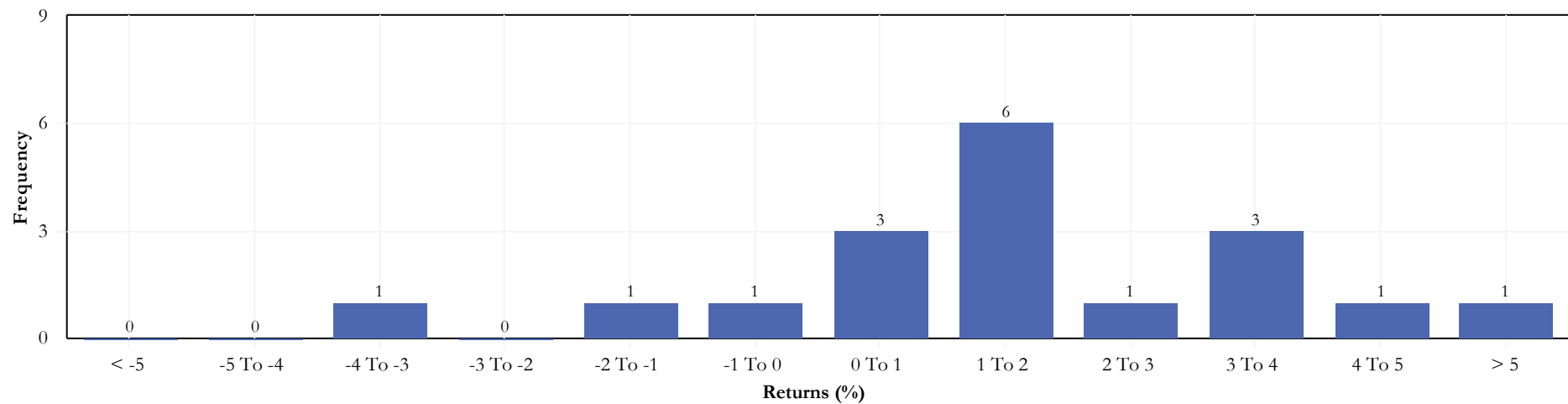
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 10/01/2017	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 12/31/2017
Renaissance - International Growth	2,628,012.57	-	-	-20,000.00	-3,767.09	-	67,198.06	2,671,443.54

### Distribution of Returns



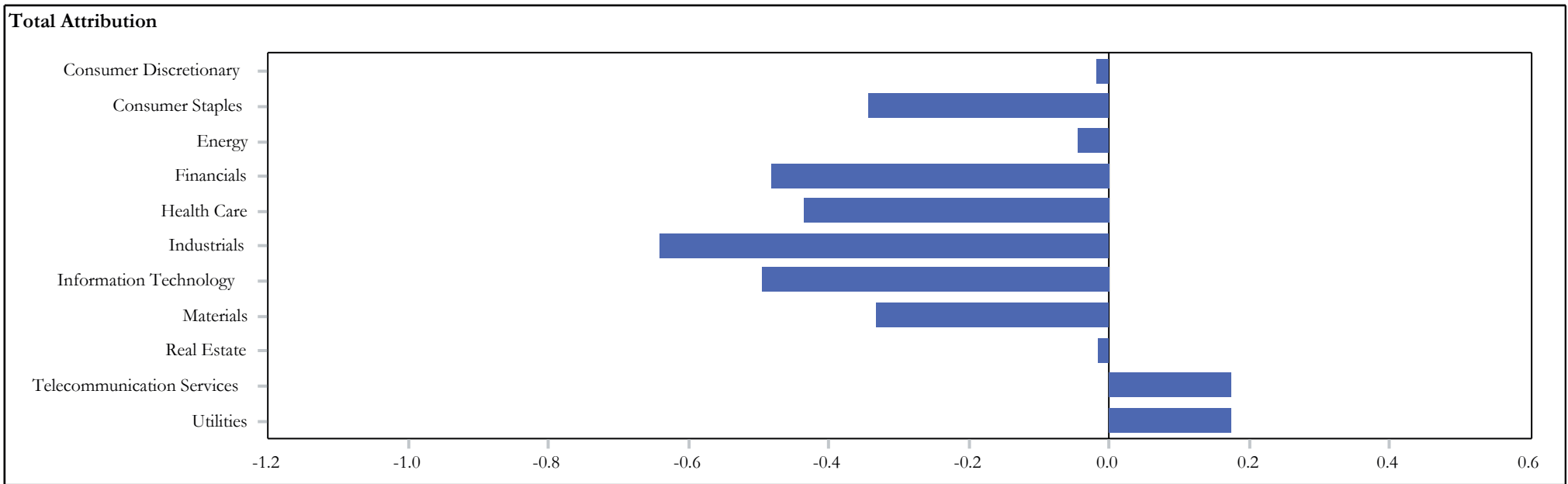
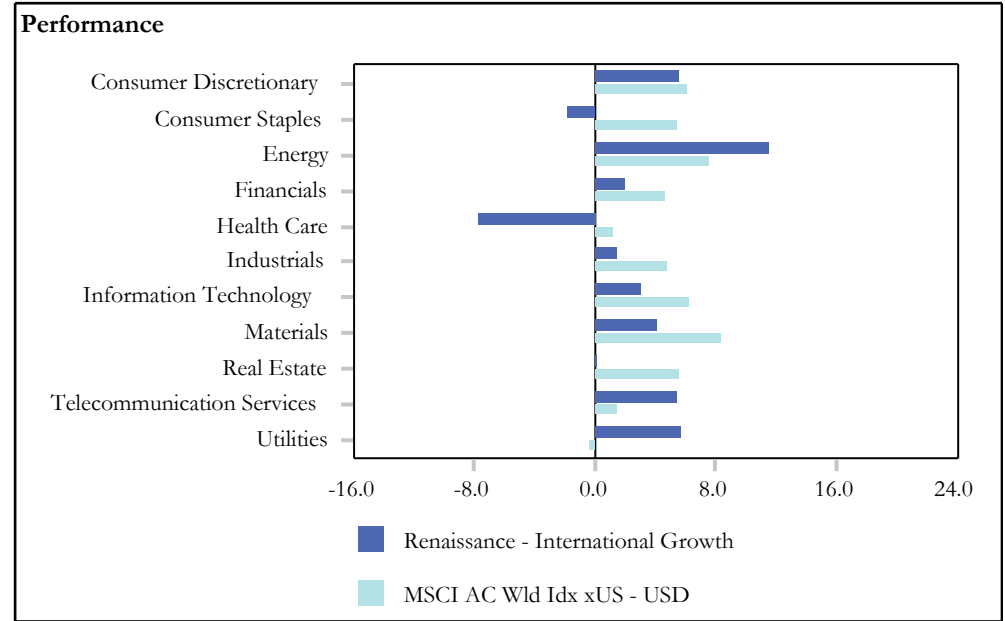
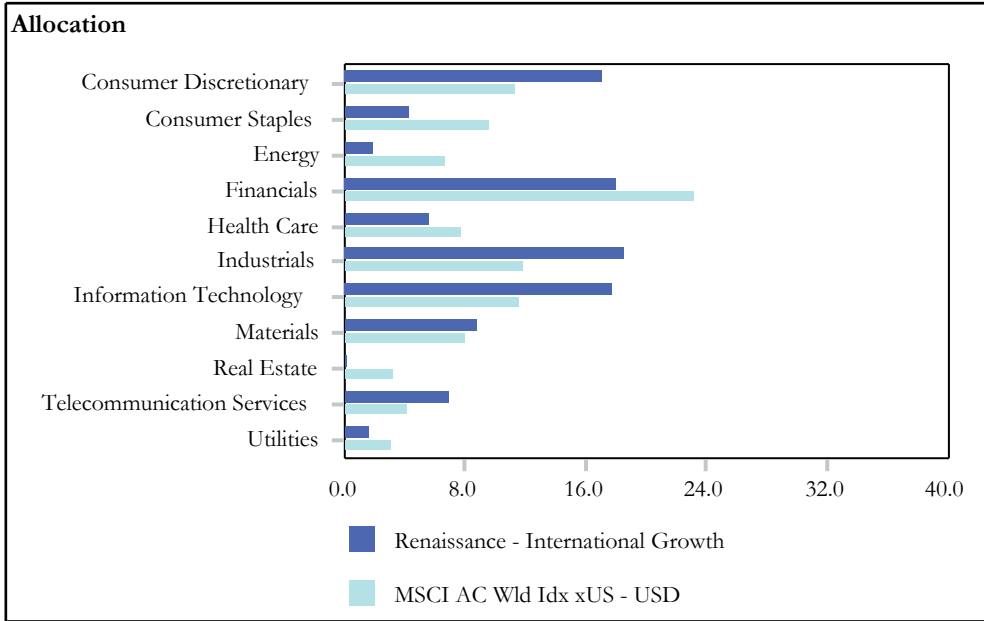
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# Town of Longboat Key Consolidated Retirement Plan

## Renaissance - International Growth - Quarterly Performance Attributes

### as of December 31, 2017



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**Town of Longboat Key Consolidated Retirement Plan**  
**Renaissance - International Growth - Quarterly Performance Attributes**  
as of December 31, 2017

	Allocation - 10/01/2017		Performance - Quarter Ending December 31, 2017		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Consumer Discretionary	17.11	11.31	5.60	6.13	0.06	-0.04	-0.04	-0.02
Consumer Staples	4.23	9.56	-1.89	5.50	-0.03	-0.71	0.40	-0.34
Energy	1.82	6.67	11.57	7.53	-0.12	0.27	-0.20	-0.05
Financials	17.95	23.14	1.95	4.64	0.00	-0.61	0.13	-0.48
Health Care	5.53	7.71	-7.83	1.27	0.08	-0.73	0.21	-0.44
Industrials	18.48	11.84	1.45	4.85	-0.01	-0.40	-0.23	-0.64
Information Technology	17.72	11.49	3.05	6.20	0.04	-0.36	-0.17	-0.49
Materials	8.69	7.88	4.07	8.31	0.03	-0.33	-0.03	-0.33
Real Estate	0.00	3.18	0.00	5.57	-0.02	0.00	0.00	-0.02
Telecommunication Services	6.92	4.16	5.51	1.55	-0.10	0.18	0.10	0.17
Utilities	1.55	3.06	5.67	-0.37	0.08	0.19	-0.09	0.17
Total	100.00	100.00	2.59	5.05	0.03	-2.56	0.06	-2.46

All the values for Allocation, Performance and Attribution are expressed in Percentage(%) terms

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# Town of Longboat Key Consolidated Retirement Plan

## Renaissance - International Growth - Portfolio Characteristics

as of December 31, 2017

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$000)	34,484,966.91	68,861,015.72
Median Mkt. Cap (\$000)	22,596,190.90	8,753,932.20
Price/Earnings ratio	14.26	16.33
Price/Book ratio	2.17	2.26
5 Yr. EPS Growth Rate (%)	12.59	8.70
Beta	N/A	1.00
Number of Stocks	53	1,866
Debt to Equity	0.69	1.04

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
China Lodging Group Ltd	2.40	0.00	2.40	22.28
Deutsche Post AG	2.39	0.21	2.18	7.20
NXP Semiconductors NV	2.34	0.18	2.16	3.54
AerCap Holdings NV	2.33	0.03	2.30	2.93
China Eastern Airlines Corp Ltd	2.30	0.00	2.30	47.87
WH GROUP LTD	2.28	0.00	2.28	N/A
DBS Group Holdings Ltd	2.20	0.15	2.05	21.28
KB Financial Group Inc	2.19	0.11	2.08	19.34
Valeo SA	2.14	0.08	2.06	0.75
Netease Inc	2.14	0.12	2.02	31.09
% of Portfolio	22.71	0.88	21.83	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
China Eastern Airlines Corp Ltd	2.30	0.00	2.30	47.87
Netease Inc	2.14	0.12	2.02	31.09
Teck Resources Ltd	2.07	0.07	2.00	26.73
China Lodging Group Ltd	2.40	0.00	2.40	22.28
DBS Group Holdings Ltd	2.20	0.15	2.05	21.28
KB Financial Group Inc	2.19	0.11	2.08	19.34
Turkcell Iletisim Hizmet AS	1.54	0.02	1.52	19.19
Smc Corp	2.06	0.11	1.95	16.77
Kasikornbank Public Co Ltd	2.12	0.02	2.10	14.69
SK Telecom Co Ltd	2.09	0.02	2.07	13.50
% of Portfolio	21.11	0.62	20.49	

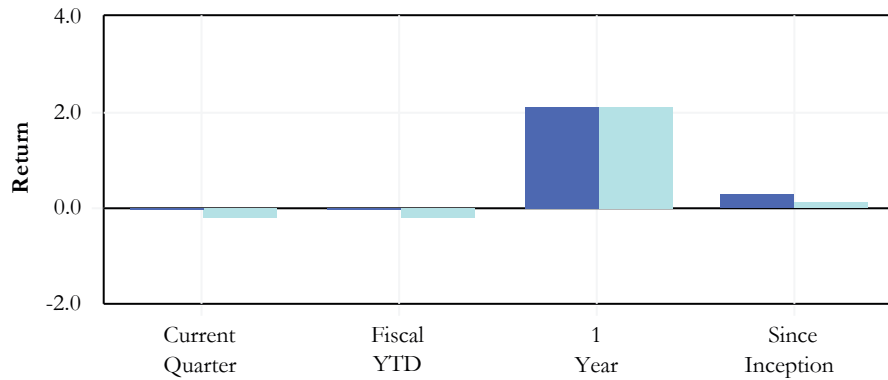
Ten Worst Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Banco Santander Mexico SA	1.36	0.01	1.35	-25.79
Sanofi	1.67	0.45	1.22	-13.64
Check Point Software	1.75	0.06	1.69	-9.12
Murata Manufacturing Co Ltd	1.83	0.12	1.71	-8.65
Jazz Pharmaceuticals Plc	1.72	0.00	1.72	-7.93
GKN PLC	1.75	0.03	1.72	-6.91
Kddi Corp	1.56	0.21	1.35	-5.55
Baidu Inc	1.48	0.29	1.19	-5.44
CRH PLC	1.76	0.14	1.62	-4.68
Scor SE	1.98	0.03	1.95	-3.96
% of Portfolio	16.86	1.34	15.52	

# Town of Longboat Key Consolidated Retirement Plan

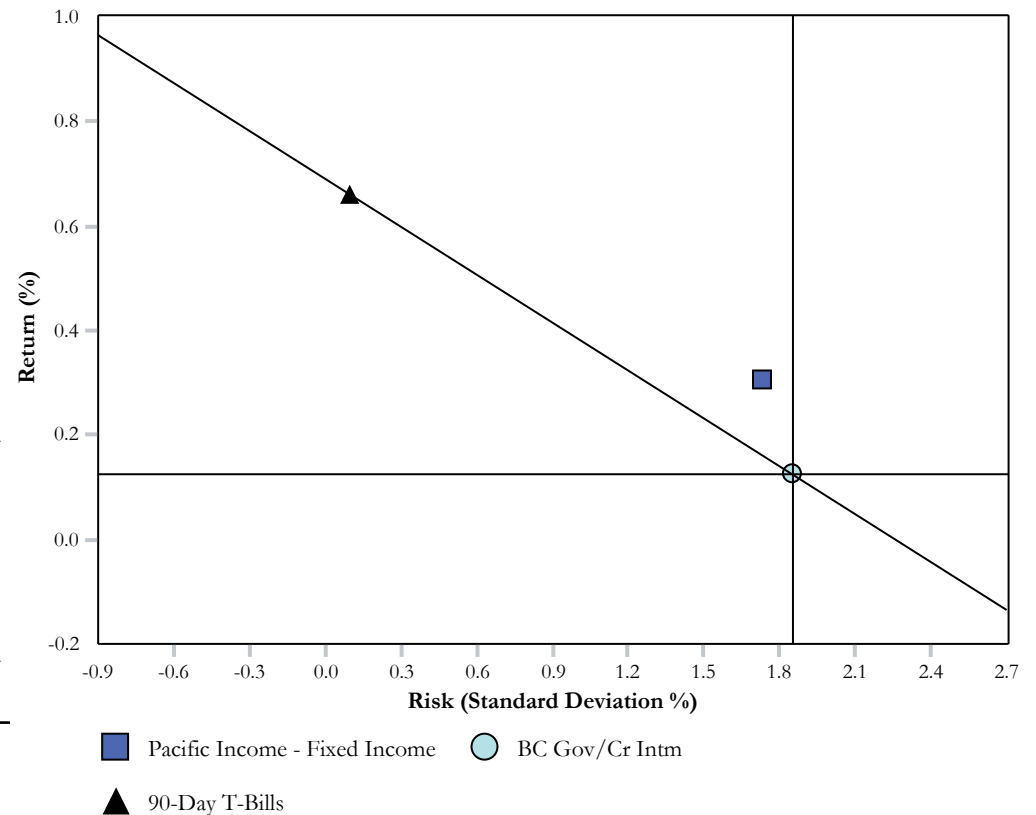
## Pacific Income Advisors - Executive Summary

as of December 31, 2017

### Manager Performance Chart



### Manager Risk & Return



### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Pacific Income - Fixed Income	-0.05	-0.05	2.12	0.30
BC Gov/Cr Intm	-0.20	-0.20	2.14	0.12
Differences	0.15	0.15	-0.02	0.18

### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Pacific Income - Fixed Income				
Beginning Market Value	9,623	9,623	9,852	10,409
Net Contributions	-310	-310	-712	-1,073
Fees/Expenses	-12	-12	-51	-78
Income	39	39	197	299
Gain/Loss	-44	-44	9	-262
Ending Market Value	9,296	9,296	9,296	9,296

### Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Pacific Income - Fixed Income	0.30	1.73	0.93	-2.13	98.54	90.53	0.19	-0.20	0.99	07/01/2016
BC Gov/Cr Intm	0.12	1.86	1.00	-2.26	100.00	100.00	0.00	-0.28	1.00	07/01/2016

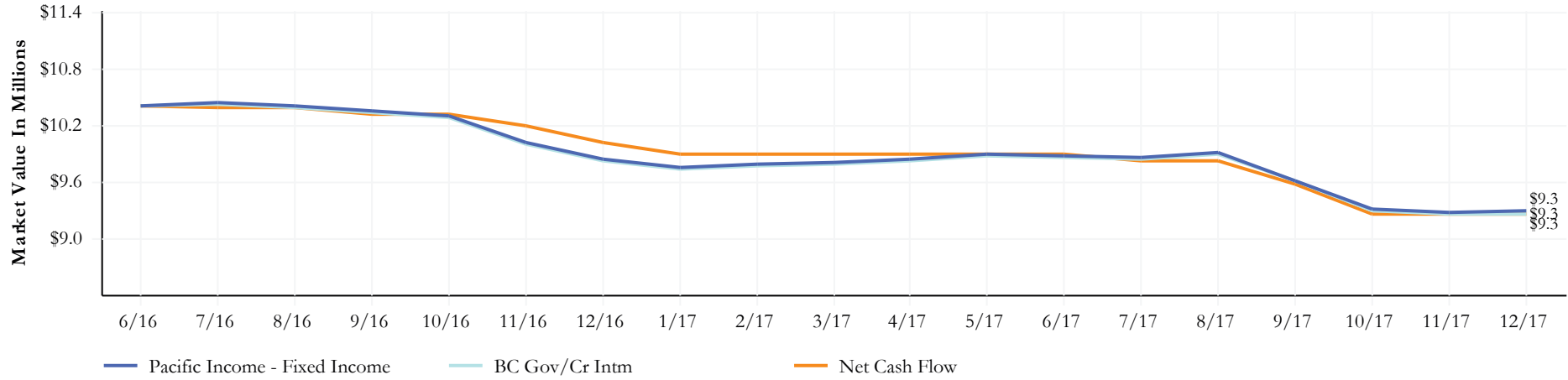
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# Town of Longboat Key Consolidated Retirement Plan

## Pacific Income Advisors - Change in Assets & Distribution of Returns

as of December 31, 2017

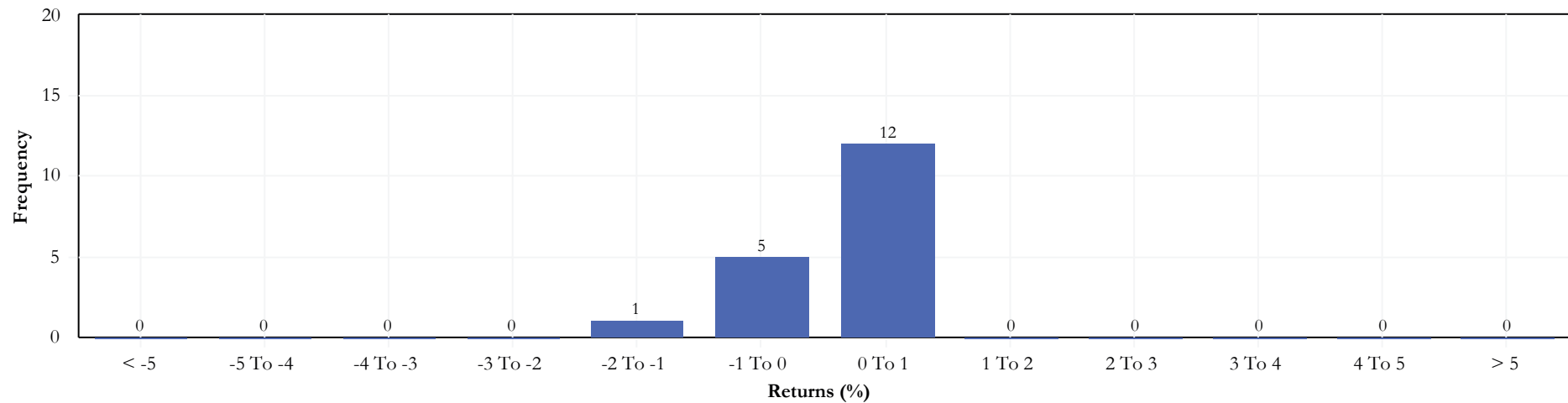
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 10/01/2017	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 12/31/2017
Pacific Income - Fixed Income	9,623,458.19	-	-	-310,000.00	-12,355.79	-	-5,303.02	9,295,799.38

### Distribution of Returns



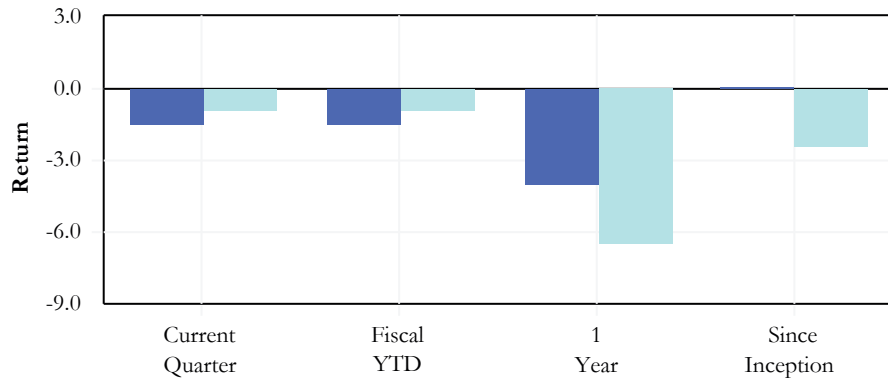
The prices, quotes, or statistics contained herein have been obtained from sources believed to be reliable, however, its accuracy cannot be guaranteed. Past performance is not a guarantee of future results.

# Town of Longboat Key Consolidated Retirement Plan

## Center Coast MLP - Executive Summary

as of December 31, 2017

### Manager Performance Chart



### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Center Coast - MLPs	-1.46	-1.46	-3.98	0.11
Alerian MLP Index	-0.95	-0.95	-6.52	-2.41
Differences	-0.51	-0.51	2.54	2.52

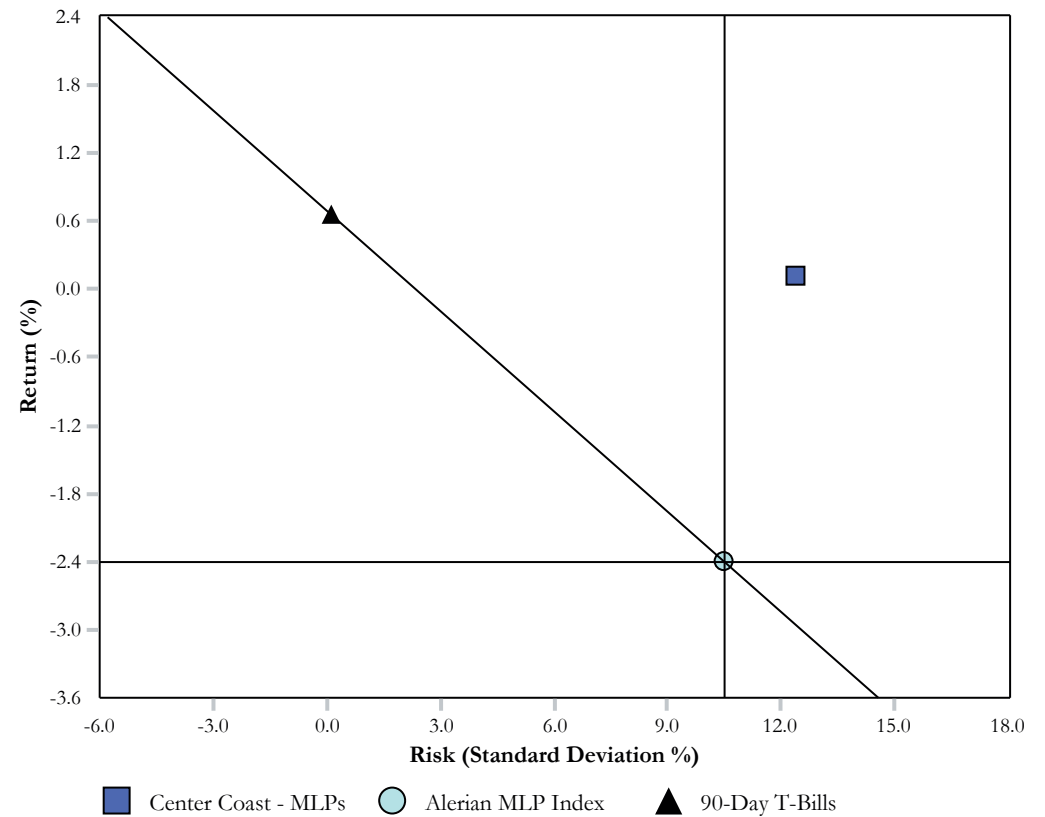
### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Center Coast - MLPs				
Beginning Market Value	1,623	1,623	1,691	1,686
Net Contributions	-	-	-18	-78
Fees/Expenses	-3	-3	-11	-17
Income	29	29	110	160
Gain/Loss	-52	-52	-175	-154
Ending Market Value	1,597	1,597	1,597	1,597

### Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Center Coast - MLPs	0.11	12.43	1.15	-14.83	125.65	105.33	3.09	0.02	0.95	07/01/2016
Alerian MLP Index	-2.41	10.51	1.00	-15.26	100.00	100.00	0.00	-0.24	1.00	07/01/2016

### Manager Risk & Return



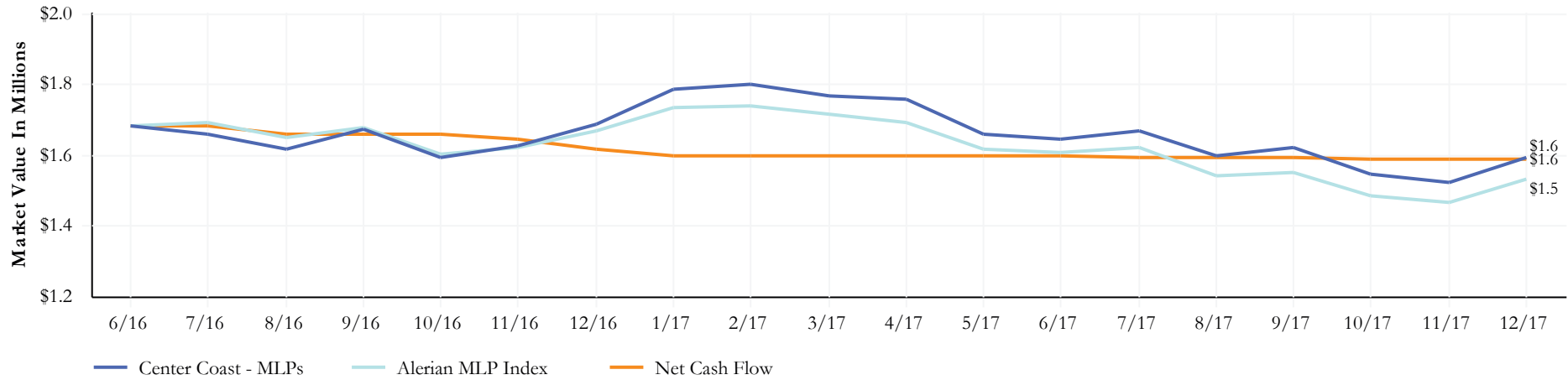
The prices, quotes, or statistics contained herein have been obtained from sources believed to be reliable, however, its accuracy cannot be guaranteed. Past performance is not a guarantee of future results.

# Town of Longboat Key Consolidated Retirement Plan

## Center Coast MLP - Change in Assets & Distribution of Returns

as of December 31, 2017

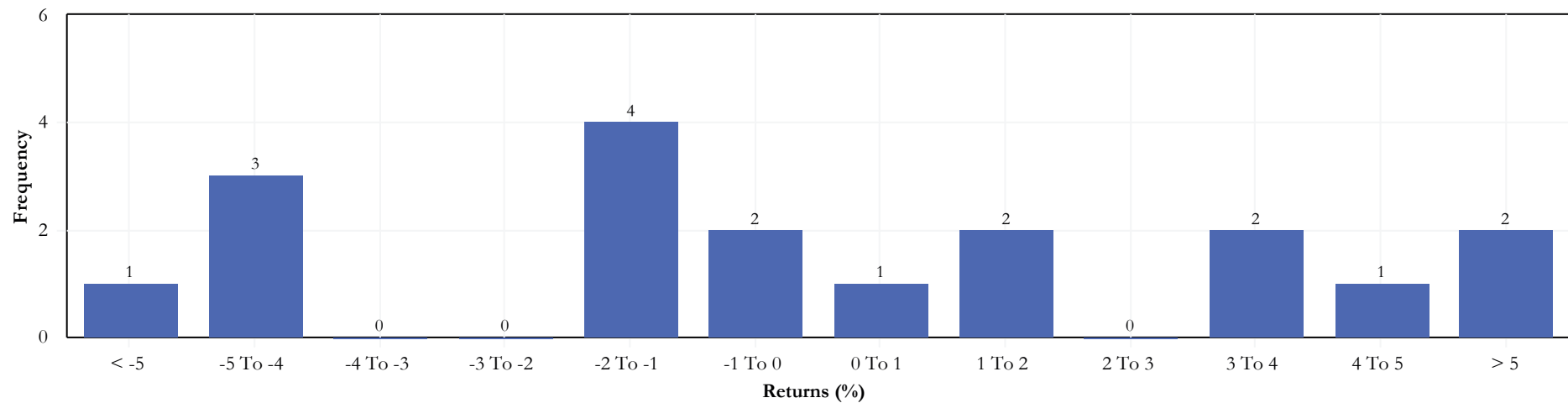
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 10/01/2017	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 12/31/2017
Center Coast - MLPs	1,623,191.65	-	-	-	-2,743.92	-	-23,702.36	1,596,745.37

### Distribution of Returns



The prices, quotes, or statistics contained herein have been obtained from sources believed to be reliable, however, its accuracy cannot be guaranteed. Past performance is not a guarantee of future results.

## Performance Appendix

Portfolio Name	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
American Core Realty - Private Real Estate	1.40	--	--	--	--	--	2.95	06/01/2017
Cash	0.01	0.41	0.41	--	--	--	0.38	07/01/2016
Center Coast - MLPs	-1.63	-4.61	-4.61	--	--	--	-0.08	06/01/2016
Congress - Mid Cap Growth	3.67	17.01	17.01	--	--	--	15.52	06/01/2016
Connors - Covered Calls	5.75	17.74	17.74	--	--	--	18.97	06/01/2016
Kayne Anderson - Small Cap Value	6.37	20.08	20.08	--	--	--	22.78	06/01/2016
Kennedy - Mid Cap Value	7.13	18.88	18.88	--	--	--	20.79	06/01/2016
Lazard - International Value	4.49	26.40	26.40	--	--	--	12.18	06/01/2016
Pacific Income - Fixed Income	-0.18	1.59	1.59	--	--	--	0.05	06/01/2016
RBC - Small Cap Growth	1.97	12.81	12.81	--	--	--	13.58	06/01/2016
Renaissance - International Growth	2.42	27.41	27.41	--	--	--	15.44	06/01/2016
Vanguard - Large Cap Growth	6.25	27.27	27.27	--	--	--	19.56	06/01/2016
Vanguard - Large Cap Value	7.09	16.83	16.83	--	--	--	17.93	06/01/2016



## Glossary of Terms

**Active Contribution Return:** The gain or loss percentage of an investment relative to the performance of the investment benchmark.

**Active Exposure:** The percentage difference in weight of the portfolio compared to its policy benchmark.

**Active Return:** Arithmetic difference between the manager's return and the benchmark's return over a specified time period.

**Actual Correlation:** A measure of the correlation (linear dependence) between two variables X and Y, with a value between +1 and -1 inclusive. This is also referred to as coefficient of correlation.

**Alpha:** A measure of a portfolio's time weighted return in excess of the market's return, both adjusted for risk. A positive alpha indicates that the portfolio outperformed the market on a risk-adjusted basis, and a negative alpha indicates the portfolio did worse than the market.

**Best Quarter:** The highest quarterly return for a certain time period.

**Beta:** A measure of the sensitivity of a portfolio's time weighted return (net of fees) against that of the market. A beta greater than 1.00 indicates volatility greater than the market.

**Consistency:** The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance.

**Core:** Refers to an investment strategy mandate that is blend of growth and value styles without a pronounced tilt toward either style.

**Cumulative Selection Return (*Cumulative Return*):** Cumulative investment performance over a specified period of time.

**Distribution Rate:** The most recent distribution paid, annualized, and then divided by the current market price. Distribution rate may consist of investment income, short-term capital gains, long-term capital gains, and/or return of capital.

**Down Market Capture:** The ratio of average portfolio returns over the benchmark during periods of negative benchmark return. Lower values indicate better product performance.

**Downside Risk:** A measure similar to standard deviation, but focuses only on the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. The higher the value, the more risk the product has.

**Downside Semi Deviation:** A statistical calculation that measures the volatility of returns below a minimum acceptable return. This return measure isolates the negative portion of volatility: the larger the number, the greater the volatility.

**Drawdown:** A drawdown is the peak-to-trough decline during a specific period of an investment, fund or commodity.

**Excess over Benchmark:** The percentage gain or loss of an investment relative to the investment's benchmark.

**Excess Return:** Arithmetic difference between the manager's return and the risk-free return over a specified time period.

**Growth:** A diversified investment strategy which includes investment selections that have capital appreciation as the primary goal, with little or no dividend payouts. These strategies can include reinvestment in expansion, acquisitions, and/or research and development opportunities.

**Growth of Dollar:** The aggregate amount an investment has gained or lost over a certain time period, also referred to as Cumulative Return, stated in terms of the amount to which an initial dollar investment would have grown over the given time period.

**Investment Decision Process (IDP):** A model for structuring the investment process and implementing the correct attribution methodologies. The IDP includes every decision made concerning the division of the assets under management over the various asset categories. To analyze each decision's contribution to the total return, a modeling approach must measure the marginal value of every individual decision. In this respect, the hierarchy of the decisions becomes very important. We therefore use the IDP model, which serves as a proper foundation for registering the decisions and relating them to each other.

**Information Ratio:** Measured by dividing the active rate of return by the tracking error. The higher the Information Ratio, the more value-added contribution by the manager.

**Jensen's Alpha:** The Jensen's alpha measure is a risk-adjusted performance measure that represents the average return on a portfolio or investment above or below that predicted by the capital asset pricing model (CAPM) given the portfolio's or investment's beta and the average market return. This metric is also commonly referred to as alpha.

**Kurtosis:** A statistical measure that is used to describe the distribution, or skewness, of observed data around the mean, sometimes referred to as the volatility of volatility.

**Maximum Drawdown:** The drawdown is defined as the percent retrenchment from a fund's peak to the fund's trough value. It is in effect from the time the fund's retrenchment begins until a new fund high is reached. The maximum drawdown encompasses both the period from the fund's peak to the fund's valley (length), and the time from the fund's valley to a new fund high (recovery). It measures the largest percentage drawdown that has occurred in any fund's data record.

**Modern Portfolio Theory (MPT):** An investment analysis theory on how risk-averse investors can construct portfolios to optimize or maximize expected return based on a given level of market risk, emphasizing that risk is an inherent part of higher reward.

**Mutual Fund (MF):** An investment program funded by shareholders that trade in diversified holdings and is professionally managed.

**Peer Group:** A combination of funds that share the same investment style combined as a group for comparison purposes.

**Peer/ Plan Sponsor Universe:** A combination of asset pools of total plan investments by specific sponsor and plan types for comparison purposes.

**Performance Ineligible Assets:** Performance returns are not calculated for certain assets because accurate valuations and transaction data for these assets are not processed or maintained by us. Common examples of

these include life insurance, some annuities and some assets held externally.

**Performance Statistics:** A generic term for various measures of investment performance measurement terms.

**Portfolio Characteristics:** A generic term for various measures of investment portfolio characteristics.

**Preferred Return:** A term used in the private equity (PE) world, and also referred to as a “Hurdle Rate.” It refers to the threshold return that the limited partners of a private equity fund must receive, prior to the PE firm receiving its carried interest or "carry."

**Ratio of Cumulative Wealth:** A defined ratio of the Cumulative Return of the portfolio divided by the Cumulative Return of the benchmark for a certain time period.

**Regression Based Analysis:** A statistical process for estimating the relationships among variables. It includes many techniques for modeling and analyzing several variables, when the focus is on the relationship between a dependent variable and one or more independent variables

**Residual Correlation:** Within returns-based style analysis, residual correlation refers to the portion of a strategy’s return pattern that cannot be explained by its correlation to the asset-class benchmarks to which it is being compared.

**Return:** A rate of investment performance for the specified period.

**Rolling Percentile Ranking:** A measure of an investment portfolio’s ranking versus a peer group for a specific rolling time period (i.e. Last 3 Years, Last 5 years, etc.).

**R-Squared:** The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. High R-Squared means a higher correlation of the portfolio's performance to the appropriate benchmark.

**SA/CF (Separate Account/Comingled Fund):** Represents an acronym for Separate Account and Comingled Fund investment vehicles.

**Sector Benchmark:** A market index that serves as a proxy for a sector within an asset class.

**Sharpe Ratio:** Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product’s historical risk-adjusted performance results in.

**Standard Deviation:** A statistical measure of the range of a portfolio's performance; the variability of a return around its average return over a specified time period.

**Total Fund Benchmark:** The policy benchmark for a complete asset pool that could consist of multiple investment mandates.

**Total Fund Composite:** The aggregate of multiple portfolios within an asset pool or household.

**Tracking Error:** A measure of standard deviation for a portfolio's investment performance, relative to the performance of an appropriate market benchmark.

**Treynor Ratio:** A ratio that divides the excess return (above the risk free rate) by the portfolio’s beta to arrive at a unified measure of risk adjusted return. It is generally used to rank portfolios, funds and benchmarks. A higher ratio is indicative of higher returns per unit of market risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing market risk.

**Up Market Capture:** The ratio of average portfolio returns over the benchmark during periods of positive benchmark return. Higher values indicate better product performance.

**Upside Semi Deviation:** A statistical calculation that measures the volatility of returns above an acceptable return. This return measure isolates the positive portion of volatility: the larger the number, the greater the volatility.

**Value:** A diversified investment strategy that includes investment selections which tend to trade at a lower price relative to its dividends, earnings, and sales. Common attributes are stocks that include high dividend, low price-to-book ratio, and/or low price-to-earnings ratio.

**Worst Quarter:** The lowest rolling quarterly return for a certain time period.

## Information Disclosures

*The performance data shown reflects past performance, which does not guarantee future results. Investment return and principal will fluctuate so that an investor’s shares when redeemed may be worth more or less than original cost. Please note, current performance may be higher or lower than the performance data shown. For up to date month-end performance information, please contact your Financial Advisor or visit the funds’ company website.*

*Investors should carefully consider the fund’s investment objectives, risks, charges and expenses before investing. The prospectus and, if available the summary prospectus, contains this and other information that should be read carefully before investing. Investors should review the information in the prospectus carefully. To obtain a prospectus, please contact your Financial Advisor or visit the funds’ company website.*

Past performance is no guarantee of future results.

Investing involves market risk, including possible loss of principal. **Growth investing** does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations. **Value investing** involves the risk that the market may not recognize that securities are undervalued and they may not appreciate as anticipated. **Small and mid-capitalization companies** may lack the financial resources, product diversification and competitive strengths of larger companies. The securities of small capitalization companies may not trade as readily as, and be subject to higher volatility than those of larger, more established companies. **Bond funds** and bond holdings have the same interest rate, inflation and credit risks that are associated with the underlying bonds owned by the funds. The return of principal in bond funds, and in funds with significant bond holdings, is not guaranteed. **International securities’** prices may carry additional risks, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. International investing may not be for everyone. These risks may be magnified in emerging markets. **Alternative investments**, including private equity funds, real estate funds, hedge funds, managed futures funds, and funds of hedge funds, private equity, and managed futures funds, are speculative and entail significant risks that can include losses due to leveraging or other speculative investment practices, lack of liquidity, volatility of returns, restrictions on transferring interests in a fund, potential lack of diversification, absence and/or delay of information regarding valuations and pricing, complex tax structures and delays in tax reporting, less regulation and higher fees than mutual funds and risks associated with the operations, personnel and processes of the advisor. **Master Limited Partnerships (MLPs)** are limited partnerships or limited liability companies that are taxed as partnerships and whose interests (limited partnership units or limited liability company units) are traded on securities exchanges like shares of common stock. Currently, most MLPs operate in the energy, natural resources or real estate

sectors. Investments in MLP interests are subject to the risks generally applicable to companies in the energy and natural resources sectors, including commodity pricing risk, supply and demand risk, depletion risk and exploration risk; and MLP interests in the real estate sector are subject to special risks, including interest rate and property value fluctuations, as well as risks related to general and economic conditions. Because of their narrow focus, MLPs maintain exposure to price volatility of commodities and/or underlying assets and tend to be more volatile than investments that diversify across many sectors and companies. MLPs are also subject to additional risks including: investors having limited control and rights to vote on matters affecting the MLP, limited access to capital, cash flow risk, lack of liquidity, dilution risk, conflict of interests, and limited call rights related to acquisitions.

**Mortgage backed securities** also involve prepayment risk, in that faster or slower prepayments than expected on underlying mortgage loans can dramatically alter the yield-to-maturity of a mortgage-backed security and prepayment risk includes the possibility that a fund may invest the proceeds at generally lower interest rates.

**Tax managed funds** may not meet their objective of being tax-efficient.

**Real estate** investments are subject to special risks, including interest rate and property value fluctuations, as well as risks related to general and economic conditions. **High yield** fixed income securities, also known as “junk bonds”, are considered speculative, involve greater risk of default and tend to be more volatile than investment grade fixed income securities.

Credit quality is a measure of a bond issuer’s creditworthiness, or ability to repay interest and principal to bondholders in a timely manner. The credit ratings shown are based on security rating as provided by Standard & Poor’s, Moody’s and/or Fitch, as applicable. Credit ratings are issued by the rating agencies for the underlying securities in the fund and not the fund itself, and the credit quality of the securities in the fund does not represent the stability or safety of the fund. Credit ratings shown range from AAA, being the highest, to D, being the lowest based on S&P and Fitch’s classification (the equivalent of Aaa and C, respectively, by Moody’s). Ratings of BBB or higher by S&P and Fitch (Baa or higher by Moody’s) are considered to be investment grade-quality securities. If two or more of the agencies have assigned different ratings to a security, the highest rating is applied. Securities that are not rated by all three agencies are listed as “NR”.

“**Alpha tilt strategies** comprise a core holding of stocks that mimic a benchmark type index such as the S&P 500 to which additional securities are added to help tilt the fund toward potentially outperforming the market in an effort to enhance overall investment returns. Tilt strategies are subject to significant timing risk and could potentially expose investors to extended periods of underperformance.”

**Custom Account Index:** The Custom Account Index is an investment benchmark based on your historical target allocations and/or manager selection that you may use to evaluate the performance of your account. The Custom Account index does take into consideration certain changes that may have occurred in your portfolio since the inception of your account, i.e., asset class and/or manager changes. However, in some circumstances, it may not be an appropriate benchmark for use with your specific account composition. For detailed report of the historical composition of this blend please contact your Financial Advisor.

## Peer Groups

Peer Groups are a collection of similar investment strategies that essentially group investment products that share the same investment approach. Peer Groups are used for comparison purposes to compare and illustrate a client’s investment portfolio versus its peer across various quantitative metrics like performance and risk. Peer Group comparison is conceptually another form of benchmark comparison whereby the

actual investment can be ranked versus its peer across various quantitative metrics.

All Peer Group data are provided by Investment Metrics, LLC.

The URL below provides all the definitions and methodology about the various Peer Groups

<https://www.invmetrics.com/style-peer-groups>

## Peer Group Ranking Methodology

A percentile rank denotes the value of a product in which a certain percent of observations fall within a peer group. The range of percentile rankings is between 1 and 100, where 1 represents a high statistical value and 100 represents a low statistical value.

The 30th percentile, for example, is the value in which 30% of the highest observations may be found, the 65th percentile is the value in which 65% of the highest observations may be found, and so on.

Percentile rankings are calculated based on a normalized distribution ranging from 1 to 100 for all products in each peer group, where a ranking of 1 denotes a high statistical value and a ranking of 100 denotes a low statistical value. It is important to note that the same ranking methodology applies to all statistics, implying that a ranking of 1 will always mean highest value across all statistics.

For example, consider a risk/return assessment using standard deviation as a measure of risk. A percentile ranking equal to 1 for return denotes highest return, whereas a percentile ranking of 1 for standard deviation denotes highest risk among peers.

In addition, values may be used to demonstrate quartile rankings. For example, the third quartile is also known as the 75th percentile, and the median is the 50th percentile.

## Alternatives

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Past performance is no guarantee of future results. Actual results may vary. Diversification does not assure a profit or protect against loss in a declining market.

Any performance or related information presented has not been adjusted to reflect the impact of the additional fees paid to a placement agent by an investor (for Morgan Stanley placement clients, a one-time upfront Placement Fee of up to 3%, and for Morgan Stanley investment advisory clients, an annual advisory fee of up to 2.5%), which would result in a substantial reduction in the returns if such fees were incorporated.

For most investment advisory clients, the program account will be charged an asset-based wrap fee every quarter ("the Fee"). In general, the Fee covers investment advisory services and reporting. In addition to the Fee, clients will pay the fees and expenses of any funds in which their account is invested. Fund fees and expenses are charged directly to the pool of assets the fund invests in and impact the valuations. Clients must understand that these fees and expenses are an additional cost and will not be included in the Fee amount in the account statements.

As fees are deducted quarterly, the compounding effect will be to increase the impact of the fees by an amount directly related to the gross account performance. For example, for an account with an initial value of \$100,000 and a 2.5% annual fee, if the gross performance is 5% per year over a three year period, the compounding effect of the fees will result in a net annual compound rate of return of approximately 2.40% per year over a three year period, and the total value of the client's portfolio at the end of the three year period would be approximately \$115,762.50 without the fees and \$107,372.63 with the fees.

Please see the applicable Morgan Stanley Smith Barney LLC Form ADV Part 2A for more information including a description of the fee schedule. It is available at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV) <<http://www.morganstanley.com/ADV>> or from your Financial Advisor/Private Wealth Advisor.

Alternative investments involve complex tax structures, tax inefficient investing, and delays in distributing important tax information. Individual funds have specific risks related to their investment programs that will vary from fund to fund. Clients should consult their own tax and legal advisors as Morgan Stanley does not provide tax or legal advice. Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Smith Barney LLC and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley or any of its affiliates, (3) are not guaranteed by Morgan Stanley and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Smith Barney LLC is a registered broker-dealer, not a bank.

SIPC insurance does not apply to precious metals, other commodities, or traditional alternative investments.

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