

**SUMMARY OF RELEVANT FACTS**  
**Town of Longboat Key Consolidated Retirement Plans**  
**As of September 30, 2018**

Distribution of Assets:	
<b>Equity</b>	
-Large Cap. Value	\$5,658,081.40
-Large Cap. Growth	\$5,664,903.91
-Large Cap. Core	\$1,723,561.22
-Mid Cap. Value	\$916,549.79
-Mid Cap. Growth	\$989,588.57
-Small Cap. Value	\$964,678.59
-Small Cap. Growth	\$1,029,890.51
-International Value	\$2,614,654.63
-International Growth	<u>\$2,502,004.38</u>
<b>Total Equity</b>	<b>\$22,063,913.00</b>
-Fixed Income	<u>\$8,705,805.94</u>
<b>Total Traditional Assets</b>	<b>\$30,769,718.94</b>
<b>Alternative Investments</b>	
-Core Private Real Estate	\$3,271,096.73
-Master Limited Partnerships	<u>\$1,600,746.46</u>
<b>Total Alternative Investments</b>	<b>\$4,871,843.19</b>
Cash (Deposit & Disbursement Acc't)	<u>\$143.88</u>
<b>Total Portfolio</b>	<b>\$35,641,706.01</b>

Distribution by Percentages:	Current	Policy	Range
<b>Equity</b>			
-Large Cap. Value	15.87%	15.00%	12.5 - 17.5%
-Large Cap. Growth	15.89%	15.00%	12.5 - 17.5%
-Large Cap. Core	4.84%	5.00%	2.5 - 7.5%
-Mid Cap. Value	2.57%	2.50%	0.0 - 5.0%
-Mid Cap. Growth	2.78%	2.50%	0.0 - 5.0%
-Small Cap. Value	2.71%	2.50%	0.0 - 5.0%
-Small Cap. Growth	2.89%	2.50%	0.0 - 5.0%
-International Value	7.34%	7.50%	5.0 - 10.0%
-International Growth	<u>7.02%</u>	<u>7.50%</u>	5.0 - 10.0%
<b>Total Equity</b>	<b>61.90%</b>	<b>60.00%</b>	<b>50.0 - 70.0%</b>
-Fixed Income	<u>24.43%</u>	<u>25.00%</u>	15.0 - 35.0%
<b>Total Traditional Assets</b>	<b>86.33%</b>	<b>85.00%</b>	
<b>Alternative Investments</b>			
-Core Private Real Estate	9.18%	10.00%	0.0 - 12.5%
-Master Limited Partnerships	<u>4.49%</u>	<u>5.00%</u>	0.0 - 7.5%
<b>Total Alternative Investments</b>	<b>13.67%</b>	<b>15.00%</b>	<b>0.0 - 20.0%</b>
Cash (Deposit & Disbursement Acc't)	<u>0.00%</u>	<u>0.00%</u>	
<b>Total Portfolio</b>	<b>100.00%</b>	<b>100.00%</b>	

**Deposit & Disbursement**

Total Assets	100.00%	\$144
Equity	0.00%	\$0
Cash	<u>100.00%</u>	<u>\$144</u>
Fees		\$0
Gain or (Loss) - Gross-of-Fees		\$327
Gain or (Loss) - Net-of-Fees		\$327

**Other Important Facts:**

Total Portfolio	\$35,641,706
Fees	(\$48,637)
Total Gain or (Loss) - Gross-of-Fees	\$1,389,429
Total Gain or (Loss) - Net-of-Fees	\$1,340,791

**Vanguard - Large Cap Value ETF**

Total Assets	100.00%	\$5,658,081	100.00%	\$1,029,891
Equity	99.34%	\$5,620,884	99.29%	\$1,022,615
Cash	<u>0.66%</u>	<u>\$37,198</u>	<u>0.71%</u>	<u>\$7,276</u>
Fees		(\$3,615)		(\$1,703)
Gain or (Loss) - Gross-of-Fees		\$388,335		\$76,182
Gain or (Loss) - Net-of-Fees		\$384,720		\$74,480

**RBC - Small Cap Growth**

**Vanguard - Large Cap Growth ETF**

Total Assets	100.00%	\$5,664,904	100.00%	\$2,614,655
Equity	100.00%	\$5,664,743	99.02%	\$2,588,922
Cash	<u>0.00%</u>	<u>\$161</u>	<u>0.98%</u>	<u>\$25,733</u>
Fees		(\$3,768)		(\$3,784)
Gain or (Loss) - Gross-of-Fees		\$419,685		\$33,154
Gain or (Loss) - Net-of-Fees		\$415,918		\$29,370

**Lazard - International Value**

**Connors - Large Cap Core**

Total Assets	100.00%	\$1,723,561	100.00%	\$2,502,004
Equity	96.61%	\$1,665,054	99.44%	\$2,487,878
Cash	<u>3.39%</u>	<u>\$58,508</u>	<u>0.56%</u>	<u>\$14,126</u>
Fees		(\$2,624)		(\$3,592)
Gain or (Loss) - Gross-of-Fees		\$93,743		\$17,950
Gain or (Loss) - Net-of-Fees		\$91,119		\$14,359

**Renaissance - International Growth**

**Kennedy - Mid Cap Value**

Total Assets	100.00%	\$916,550	100.00%	\$8,705,806
Equity	99.52%	\$912,133	99.16%	\$8,632,268
Cash	<u>0.48%</u>	<u>\$4,416</u>	<u>0.84%</u>	<u>\$73,538</u>
Fees		(\$1,443)		(\$11,527)
Gain or (Loss) - Gross-of-Fees		\$20,648		\$29,978
Gain or (Loss) - Net-of-Fees		\$19,205		\$18,451

**Pacific - Fixed Income**

**Congress - Mid Cap Growth**

Total Assets	100.00%	\$989,589	100.00%	\$1,600,746
Equity	99.21%	\$981,756	99.40%	\$1,591,216
Cash	<u>0.79%</u>	<u>\$7,832</u>	<u>0.60%</u>	<u>\$9,530</u>
Fees		(\$1,352)		(\$2,464)
Gain or (Loss) - Gross-of-Fees		\$71,728		\$108,105
Gain or (Loss) - Net-of-Fees		\$70,377		\$105,641

**Center Coast - MLP**

**Kayne Anderson - Small Cap Value**

Total Assets	100.00%	\$964,679	100.00%	\$3,271,097
Equity	99.38%	\$958,701	100.00%	\$3,271,097
Cash	<u>0.62%</u>	<u>\$5,977</u>	<u>0.00%</u>	<u>\$0</u>
Fees		(\$1,440)		(\$11,327)
Gain or (Loss) - Gross-of-Fees		\$58,376		\$71,216
Gain or (Loss) - Net-of-Fees		\$56,936		\$59,890

**American Core Realty - Private Real Estate**

**Breakdown of Returns**  
**Town of Longboat Key Consolidated Retirement Plans**  
**As of September 30, 2018**

<b>EQUITY</b>		<b>Gross-of-Fees</b>		<b>Net-of-Fees</b>			
<b>Vanguard ETF (15.87%)</b>		<b>Return</b>	<b>Return</b>	<b>CRSP Large Value</b>	<b>Russell 1000 Value</b>		
<b>Large Cap. Value</b>							
	Quarter	7.31	7.24	7.32	5.70		
	Fiscal Year to Date	13.61	13.31	13.59	9.45		
	1 Year	13.61	13.31	13.59	9.45		
	Since 6/30/2016	15.33	15.02	15.33	12.52		
<b>Vanguard ETF (15.89%)</b>				<b>CRSP Large Growth</b>	<b>Russell 1000 Growth</b>		
<b>Large Cap. Growth</b>							
	Quarter	7.56	7.49	7.78	9.17		
	Fiscal Year to Date	22.36	22.04	22.70	26.30		
	1 Year	22.36	22.04	22.70	26.30		
	Since 6/30/2016	21.13	20.81	21.38	23.60		
<b>Connors (4.84%)</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>	
<b>Large Cap. Core</b>							
	Quarter	5.04	4.89	7.71	6.59	4.91	
	Fiscal Year to Date	13.67	13.04	17.91	14.63	9.76	
	1 Year	13.67	13.04	17.91	14.63	9.76	
	Since 6/30/2016	16.24	15.68	18.04	15.16	10.86	
<b>Kennedy (2.57%)</b>				<b>Russell Mid Cap Value</b>			
<b>Mid Cap. Value</b>							
	Quarter	2.21	2.05	3.30			
	Fiscal Year to Date	9.89	9.22	8.81			
	1 Year	9.89	9.22	8.81			
	Since 6/30/2016	16.61	15.90	11.92			
<b>Congress (2.78%)</b>				<b>Russell Mid Cap Growth</b>			
<b>Mid Cap. Growth</b>							
	Quarter	7.59	7.45	7.58			
	Fiscal Year to Date	13.87	13.24	21.10			
	1 Year	13.87	13.24	21.10			
	Since 6/30/2016	15.19	14.54	19.47			
<b>Kayne Anderson (2.71%)</b>				<b>Russell 2000 Value</b>			
<b>Small Cap. Value</b>							
	Quarter	6.30	6.14	1.61			
	Fiscal Year to Date	12.07	11.39	9.33			
	1 Year	12.07	11.39	9.33			
	Since 6/30/2016	17.62	16.90	17.40			

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<b>RBC (2.89%) Small Cap. Growth</b>	<b>Gross-of-Fees</b>	<b>Net-of-Fees</b>		
	<b>Return</b>	<b>Return</b>	<b>Russell 2000 Growth</b>	
Quarter	7.72	7.54	5.52	
Fiscal Year to Date	23.44	22.61	21.06	
1 Year	23.44	22.61	21.06	
Since 8/31/2017	28.54	27.75	25.28	
RBC/Fiera Since 6/30/2016	19.47	18.71	23.26	
<b>Lazard (7.34%) International Value</b>			<b>MSCI EAFE (Net)</b>	
Quarter	1.24	1.10	1.36	
Fiscal Year to Date	5.34	4.75	2.74	
1 Year	5.34	4.75	2.74	
Since 6/30/2016	10.56	9.94	12.46	
<b>Renaissance (7.02%) International Growth</b>			<b>MSCI ACWI ex US (Net)</b>	
Quarter	0.72	0.58	0.71	
Fiscal Year to Date	(2.30)	(2.85)	1.76	
1 Year	(2.30)	(2.85)	1.76	
Since 6/30/2016	10.63	10.01	12.42	
<b>FIXED INCOME Pacific Income Advisors (24.43%)</b>			<b>BC Gov/Credit Intm</b>	
Quarter	0.34	0.21	0.21	
Fiscal Year to Date	(0.86)	(1.37)	(0.96)	
1 Year	(0.86)	(1.37)	(0.96)	
Since 6/30/2016	(0.16)	(0.67)	(0.26)	
<b>ALTERNATIVE - MLPs Center Coast (4.49%)</b>			<b>Alerian MLP</b>	
Quarter	7.20	7.03	6.57	
Fiscal Year to Date	(0.12)	(0.76)	4.89	
1 Year	(0.12)	(0.76)	4.89	
Since 6/30/2016	0.68	0.02	0.93	
<b>ALTERNATIVE - Private Real Estate American Core Reality (9.18%)</b>			<b>NCREIF Property Index</b>	<b>BC Agg</b>
Quarter	2.21	1.85	1.67	0.02
Fiscal Year to Date	8.58	7.08	7.16	(1.22)
1 Year	8.58	7.08	7.16	(1.22)
Since 6/30/2017	8.41	6.92	7.13	(0.30)

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Time-Weighted Returns (TWR)	Gross-of-Fees	Net-of-Fees	Policy Index
	Return	Return	
Quarter	3.92	3.78	3.80
Fiscal Year to Date	8.40	7.82	8.70
1 Year	8.40	7.82	8.70
Since 6/30/2016	10.21	9.67	10.24
Dollar-Weighted Net (IRR)			Actuary Assumption
Quarter		3.80	1.75
Fiscal Year to Date		7.87	5.25
1 Year		7.87	7.00
Since 6/30/2016		9.67	7.00

Policy Index Date	12/31/2017	9/30/2017	6/30/2017	6/30/2016
CRSP Large Value	15.00%	15.00%	15.00%	15.00%
CRSP Large Growth	15.00%	15.00%	15.00%	15.00%
S&P 500	5.00%	5.00%	5.00%	5.00%
Russell Mid Cap Value	2.50%	2.50%	2.50%	2.50%
Russell Mid Cap Growth	2.50%	2.50%	2.50%	2.50%
Russell 2000 Value	2.50%	2.50%	2.50%	2.50%
Russell 2000 Growth	2.50%	2.50%	2.50%	2.50%
MSCI EAFE (Net)	7.50%	7.50%	7.50%	7.50%
MSCI ACWI ex US (Net)	7.50%	7.50%	7.50%	7.50%
BC Gov/Credit Intrm	25.00%	30.00%	32.50%	35.00%
Alerian MLP	5.00%	5.00%	5.00%	5.00%
NCREIF Property Index	<u>10.00%</u>	<u>5.00%</u>	<u>2.50%</u>	<u>0.00%</u>
Total	100.00%	100.00%	100.00%	100.00%

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# COMPLIANCE CHECKLIST

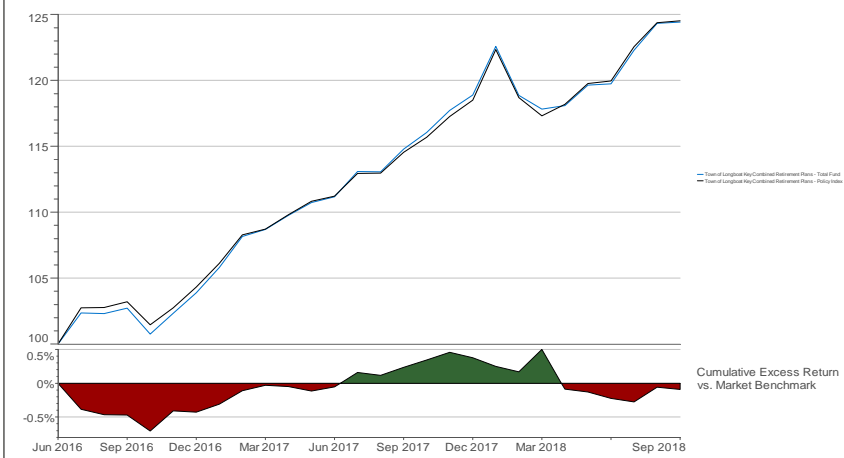
## Town of Longboat Key Consolidated Retirement Plans

As of September 30, 2018

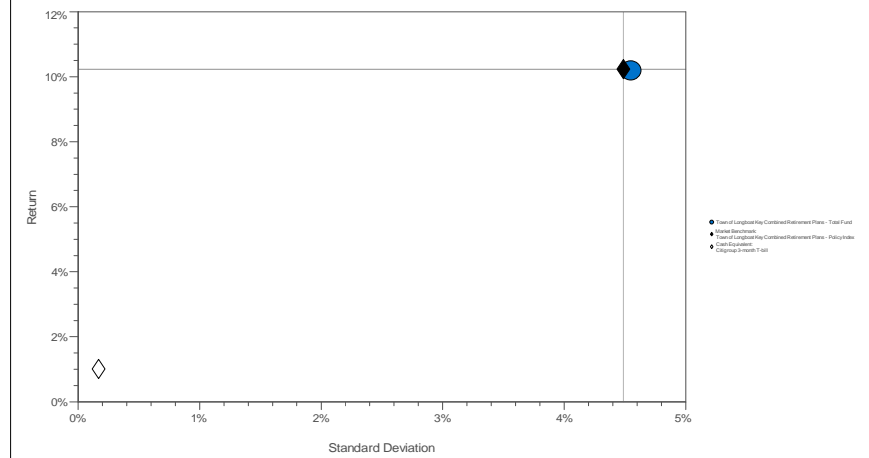
GUIDELINES		In Compliance		OBJECTIVES		In Compliance	
<b>Equity Portfolio</b>							
Listed on recognized exchange		Yes		<b>Total Portfolio</b>	<u>3 years</u>	<u>Since Inception</u>	
Single issue not to exceed 10% at market value for each equity in each separately managed portfolio		Yes		Exceed Target Index	N/A	No	
Total equity portfolio < 50.0% & > 70.0% of total fund at market value		Yes		Exceed Target Rate of Return (7.0%)*	N/A	Yes	
				<i>*Performance compared to dollar-weighted net returns</i>			
<b>Vanguard ETF (15.87%)</b>							
<u>Large Capitalization Value Equity Portfolio</u>							
Market Value < 12.5% & > 17.5% of total fund		Yes		<b>RBC (2.58%)</b>			
Performance (Inception 6/2016)	<u>3 years</u>	<u>Since Inception</u>		<u>Small Capitalization Growth Equity Portfolio</u>			
Return > CRSP Large Value	N/A	No		Market Value < 0.0% & > 5.0 of total fund		Yes	
Return > Russell 1000 Value	N/A	Yes		Performance (Inception 8/2017)	<u>3 years</u>	<u>Since Inception</u>	
				Return > Russell 2000 Growth	N/A	Yes	
<b>Vanguard ETF (15.89%)</b>							
<u>Large Capitalization Growth Equity Portfolio</u>							
Market Value < 12.5% & > 17.5% of total fund		Yes		<b>Lazard (7.34%)</b>			
Performance (Inception 6/2016)	<u>3 years</u>	<u>Since Inception</u>		<u>International Value Equity Portfolio</u>			
Return > CRSP Large Growth	N/A	No		Market Value < 5.0% & > 10.0 of total fund		Yes	
Return > Russell 1000 Value	N/A	No		Performance (Inception 6/2016)	<u>3 years</u>	<u>Since Inception</u>	
				Return > MSCI EAFE (Net)	N/A	No	
<b>Connors (4.84%)</b>							
<u>Large Capitalization Core Equity Portfolio</u>							
Market Value < 2.5% & > 7.5% of total fund		Yes		<b>Renaissance (7.02%)</b>			
Performance (Inception 6/2016)	<u>3 years</u>	<u>Since Inception</u>		<u>International Growth Equity Portfolio</u>			
Return > S&P 500	N/A	No		Market Value < 5.0% & > 10.0 of total fund		Yes	
Return > 60% S&P/40% S&P CBOE	N/A	Yes		Performance (Inception 6/2016)	<u>3 years</u>	<u>Since Inception</u>	
Return > S&P CBOE Buy Write	N/A	Yes		Return > MSCI ACWI ex US (Net)	N/A	No	
<b>Kennedy (2.57%)</b>							
<u>Mid Capitalization Value Equity Portfolio</u>							
Market Value < 0.0% & > 5.0% of total fund		Yes		<b>Pacific Income Advisors (24.43%)</b>			
Performance (Inception 6/2016)	<u>3 years</u>	<u>Since Inception</u>		<u>Fixed Income Portfolio</u>			
Return > Russell Midcap Value	N/A	Yes		Market Value < 15.0% & > 35.0% of total fund		Yes	
				Performance (Inception 6/2016)	<u>3 years</u>	<u>Since Inception</u>	
				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 (2.78%)</b>							
<u>Mid Capitalization Growth Equity Portfolio</u>							
Market Value < 0.0% & > 5.0 of total fund		Yes		<b>Center Coast (4.49%)</b>			
Performance (Inception 6/2016)	<u>3 years</u>	<u>Since Inception</u>		<u>Master Limited Partnerships</u>			
Return > Russell Midcap Growth	N/A	No		Market Value < 0.0% & > 7.50 of total fund		Yes	
				Performance (Inception 6/2016)	<u>3 years</u>	<u>Since Inception</u>	
				Return > Alerian MLP	N/A	No	
<b>Kayne Anderson (2.71%)</b>							
<u>Small Capitalization Value Equity Portfolio</u>							
Market Value < 0.0% & > 5.0 of total fund		Yes		<b>American Core Reality (9.18%)</b>			
Performance (Inception 6/2016)	<u>3 years</u>	<u>Since Inception</u>		<u>Private Real Estate</u>			
Return > Russell 2000 Value	N/A	Yes		Market Value < 0.0% & > 12.5 of total fund		Yes	
				Performance (Inception 6/2017)	<u>3 years</u>	<u>Since Inception</u>	
				Return > NCREIF Property Index	N/A	Yes	

# Risk/Return Analysis -Since Inception

**Manager Performance**  
July 2016 - September 2018 (Single Computation)



**Risk / Return**  
July 2016 - September 2018 (Single Computation)



## Return & Risk Analysis

July 2016 - September 2018: Summary Statistics

	Return	Excess Return vs. Market	Standard Deviation	Beta vs. Market	Maximum Drawdown	Up Capture vs. Market	Down Capture vs. Market	Alpha vs. Market	Sharpe Ratio	R-Squared vs. Market
Town of Longboat Key Combined Retirement Plans - Total Fund	10.20%	-0.04%	4.55%	1.00	-3.88%	99.79%	100.33%	-0.07%	2.02	98.16%
Town of Longboat Key Combined Retirement Plans - Policy Index	10.24%	0.00%	4.49%	1.00	-4.09%	100.00%	100.00%	0.00%	2.06	100.00%

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**Consulting & Management Fee Billing Summary**  
**Town of Longboat Key Consolidated Retirement Plans**  
**As of September 30, 2018**

<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>	
7/16/2018	\$5,314,778.28	7/1/2018	9/30/2018	\$3,615.07	0.27%	\$0.00	0.00%	\$3,615.07	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>
9/7/2018	\$312,000.00	9/6/2018	9/30/2018	(\$53.44)	-0.25%	\$0.00	0.00%	(\$53.44)	-0.25%
7/16/2018	\$5,617,523.75	7/1/2018	9/30/2018	\$3,820.99	0.27%	\$0.00	0.00%	\$3,820.99	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>
9/27/2018	\$100,000.00	9/26/2018	9/30/2018	(\$3.42)	-0.25%	\$0.00	0.00%	(\$3.42)	-0.25%
9/25/2018	\$54,000.00	9/24/2018	9/30/2018	(\$2.59)	-0.25%	\$0.00	0.00%	(\$2.59)	-0.25%
8/29/2018	\$60,000.00	8/28/2018	9/30/2018	(\$13.97)	-0.25%	\$0.00	0.00%	(\$13.97)	-0.25%
7/16/2018	\$1,848,921.87	7/1/2018	9/30/2018	\$1,257.62	0.27%	\$1,385.93	0.30%	\$2,643.55	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>
9/27/2018	\$15,000.00	9/26/2018	9/30/2018	(\$0.51)	-0.25%	(\$0.72)	-0.35%	(\$1.23)	-0.60%
8/29/2018	\$13,000.00	8/28/2018	9/30/2018	(\$3.03)	-0.25%	(\$4.24)	-0.35%	(\$7.27)	-0.60%
7/16/2018	\$929,209.92	7/1/2018	9/30/2018	\$632.04	0.27%	\$819.74	0.35%	\$1,451.78	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>
9/27/2018	\$5,000.00	9/26/2018	9/30/2018	(\$0.17)	-0.25%	(\$0.21)	-0.31%	(\$0.38)	-0.55%
9/25/2018	\$10,000.00	9/24/2018	9/30/2018	(\$0.48)	-0.25%	(\$0.58)	-0.30%	(\$1.06)	-0.55%
8/29/2018	\$8,000.00	8/28/2018	9/30/2018	(\$1.86)	-0.25%	(\$2.24)	-0.30%	(\$4.10)	-0.55%
7/16/2018	\$944,775.06	7/1/2018	9/30/2018	\$642.63	0.27%	\$714.41	0.30%	\$1,357.04	0.57%

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Kayne Anderson		745-054088							
<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>
9/27/2018	\$5,000.00	9/26/2018	9/30/2018	(\$0.17)	-0.25%	(\$0.24)	-0.35%	(\$0.41)	-0.60%
8/29/2018	\$5,000.00	8/28/2018	9/30/2018	(\$1.16)	-0.25%	(\$1.63)	-0.35%	(\$2.79)	-0.60%
7/16/2018	\$923,723.52	7/1/2018	9/30/2018	\$628.30	0.27%	\$814.90	0.35%	\$1,443.20	0.62%

RBC Capital		745-054087							
<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>
9/27/2018	\$10,000.00	9/26/2018	9/30/2018	(\$0.34)	-0.25%	(\$0.58)	-0.42%	(\$0.92)	-0.67%
9/25/2018	\$8,000.00	9/24/2018	9/30/2018	(\$0.39)	-0.25%	(\$0.64)	-0.42%	(\$1.03)	-0.67%
8/29/2018	\$8,000.00	8/28/2018	9/30/2018	(\$1.86)	-0.25%	(\$3.13)	-0.42%	(\$4.99)	-0.67%
7/16/2018	\$983,283.81	7/1/2018	9/30/2018	\$668.82	0.27%	\$1,040.93	0.42%	\$1,709.75	0.69%

Lazard		745-054086							
<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>
9/27/2018	\$50,000.00	9/26/2018	9/30/2018	(\$1.71)	-0.25%	(\$2.05)	-0.30%	(\$3.76)	-0.55%
9/7/2018	\$10,000.00	9/6/2018	9/30/2018	(\$1.71)	-0.25%	(\$2.05)	-0.30%	(\$3.76)	-0.55%
7/16/2018	\$2,639,725.04	7/1/2018	9/30/2018	\$1,795.52	0.27%	\$1,996.07	0.30%	\$3,791.59	0.57%

Renaissance		745-054085							
<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>
9/27/2018	\$10,000.00	9/26/2018	9/30/2018	(\$0.34)	-0.25%	(\$0.41)	-0.30%	(\$0.75)	-0.55%
9/7/2018	\$5,000.00	9/6/2018	9/30/2018	(\$0.85)	-0.25%	(\$1.03)	-0.30%	(\$1.88)	-0.55%
8/29/2018	\$15,000.00	8/28/2018	9/30/2018	(\$3.49)	-0.25%	(\$4.19)	-0.30%	(\$7.68)	-0.55%
7/16/2018	\$2,507,839.91	7/1/2018	9/30/2018	\$1,705.81	0.27%	\$1,896.34	0.30%	\$3,602.15	0.57%

Pacific		745-054084							
<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>
9/25/2018	\$110,000.00	9/24/2018	9/30/2018	(\$5.27)	-0.25%	(\$5.27)	-0.25%	(\$10.54)	-0.50%
7/16/2018	\$8,805,354.93	7/1/2018	9/30/2018	\$5,989.33	0.27%	\$5,548.58	0.25%	\$11,537.91	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>
9/27/2018	\$10,000.00	9/26/2018	9/30/2018	(\$0.34)	-0.25%	(\$0.52)	-0.38%	(\$0.86)	-0.63%
7/16/2018	\$1,504,612.33	7/1/2018	9/30/2018	\$1,023.42	0.27%	\$1,441.13	0.38%	\$2,464.55	0.65%

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**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>
9/30/2018	\$3,271,096.73	7/1/2018	9/30/2018	\$0.00	0.00%	\$9,130.02	1.11%	\$9,130.02	1.11%
7/16/2018	\$3,229,558.30	7/1/2018	9/30/2018	\$2,196.71	0.27%	\$0.00	0.00%	\$2,196.71	0.27%
6/30/2018	\$3,248,608.40	4/1/2018	6/30/2018	\$0.00	0.00%	\$9,066.89	1.12%	\$9,066.89	1.12%

**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>
9/30/2018	\$3,271,096.73	7/1/2018	9/30/2018	\$0.00	0.00%	\$9,130.02	1.11%	\$9,130.02	1.11%
9/27/2018	\$205,000.00	9/26/2018	9/30/2018	(\$7.00)	-0.25%	(\$4.73)	-0.17%	(\$11.73)	-0.42%
9/7/2018	\$327,000.00	9/6/2018	9/30/2018	(\$56.00)	-0.25%	(\$3.08)	-0.01%	(\$59.08)	-0.26%
9/25/2018	\$182,000.00	9/24/2018	9/30/2018	(\$8.73)	-0.25%	(\$6.49)	-0.19%	(\$15.22)	-0.44%
8/29/2018	\$109,000.00	8/28/2018	9/30/2018	(\$25.37)	-0.25%	(\$15.43)	-0.15%	(\$40.80)	-0.40%
7/16/2018	\$35,249,306.72	7/1/2018	9/30/2018	\$23,976.26	0.27%	\$15,658.03	0.18%	\$39,634.29	0.45%

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# QUARTERLY PERFORMANCE EVALUATION

Prepared for:

## Town of Longboat Key Consolidated Retirement Plan

As of September 30, 2018

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# Capital Markets Overview: 3Q 2018

## Introduction

As of 3Q 2018

- The summer of 2018 generally passed quietly in financial markets, with the S&P 500 not registering a single 1% move in the third quarter as the index reached new all-time highs. U.S. and international markets performance continued to diverge, especially in emerging markets. This was driven, in part, by geopolitical tensions and partly by increasingly positive economic data coming out of the US, epitomized by the 4.2% GDP growth in 2Q 2018. CIO and MS & Co.'s Chief US Equity Strategist, Mike Wilson, maintains his price target of 2,750 for the S&P 500 and expects limited upside for equities in the near term, emphasizing recent defensive leadership will likely continue into year end.
- US equities generated positive returns in the third quarter, as the S&P 500 rose 7.71% and all 11 sectors finished in the black. Health Care led the way, jumping 14.53% as investors rotated into the traditionally defensive sector. It was followed by Industrials and Communication Services (formerly Telecoms), which increased by 10.0% and 9.94%, respectively. Materials were the greatest laggards, gaining only 0.36%. They were followed closely by Energy, which gained only 0.61%. Other major US indices were positive on the quarter; the Dow Jones rose 9.63% and the NASDAQ returned 7.42%.
- International underperformance continued in the third quarter, as divergences in US and world economic data widened. Emerging markets currencies remained under pressure, and the sell-off in China deepened. The MSCI EAFE Index (a benchmark for international developed markets) rose just 1.42% for US-currency investors. In the third quarter, the MSCI Emerging Markets Index dropped 0.95% for US-currency investors as weaknesses in China, Turkey, and Argentina were amplified by the continued strength of the dollar. The MSCI Europe Index rose 0.84% for US-currency investors, while MSCI Japan rose 3.81%. Japanese equity indices such as the Nikkei and TOPIX have now returned to highs not seen since 1991.
- The bond market registered basically flat returns during the third quarter. The Bloomberg Barclays US Aggregate Bond Index, a general measure of the bond market, rose 0.02%.
- Morgan Stanley & Co. economists expect US real GDP will be 2.9% in 2018, amid an environment of 3.8% global GDP growth.
- Commodities were down in the third quarter; the Bloomberg Commodity Index lost 2.53%.

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

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# Capital Markets Overview: 3Q 2018

## The US Economy

As of 3Q 2018 (with most recent data available)

The Bureau of Economic Analysis estimated that real Gross Domestic Product increased at an annual rate of 4.2% in 2Q18, in comparison to a 2.2% increase in 1Q18. Morgan Stanley & Co. economists forecast US Real GDP growth will be 2.9% in 2018 and 2.4% in 2019.

The seasonally adjusted unemployment rate for August 2018 was 3.9%. Job gains occurred in construction, professional and business services, health care, and retail. The number of unemployed was 6.2 million in August, up slightly from 6.1 million in May of this year. The number of long-term unemployed (those jobless for 27 weeks or more) was 1.3 million, an increase of around 100,000 from May. These individuals accounted for 21.5% of the unemployed vs. 19.4% at the end of last quarter.

According to the most recent data from the Federal Reserve Bank of St. Louis, corporate profits increased 2.4% quarter over quarter and are up 16.1% year over year as of Q2 2018.

Inflation increased in the US, according to the Bureau of Labor Statistics. The year-over-year Consumer Price Index was 2.7% in August, up from the 2.2% figure in February. Morgan Stanley & Co. economists forecast a 2.5% annual inflation rate for 2018 and 2.1% for 2019.

The Census Bureau reported that the number of new private-sector housing starts in August 2018 was at a seasonally adjusted annual rate of 1,282,000—5.5% below housing starts this time last year.

The Census Bureau also reported that seasonally adjusted retail and food services sales increased at 6.6% year over year in August. Consumer confidence increased in 3Q18, with Conference Board Consumer Confidence reading 138.4 in August, the highest level it has been since 2000.

In August, the Institute for Supply Management's (ISM) Purchasing Managers Index (PMI), a manufacturing sector index, arrived at 61.3, up 1.8% from June's reading of 60.2, and its highest reading since 1987. 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 29 out of the last 32 months, indicating an expansion in manufacturing since March 2016. Overall, PMI has been above 43 for 110 consecutive months, indicating overall economic recovery and expansion since June 2009.

The ISM's Non-Manufacturing Index (NMI) for August was 58.5—0.1 points lower than in May 2018. The index has now been above 50 for 103 consecutive months, indicating non-manufacturing expansion since February 2010.

Source: FactSet, Bloomberg, Morgan Stanley & Co. Research, Federal Reserve Bank of St. Louis, Morgan Stanley Wealth Management GIC

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# Capital Markets Overview: 3Q 2018

## US Equity Markets

As of 3Q 2018

The Dow Jones Industrial Average gained 9.63% in the second quarter, while the NASDAQ Composite Index was up 7.42%. The S&P 500 Index rose 7.71% over the same period.

Every sector was up on a total return basis in 3Q18. Health Care led the way, jumping 14.53% as investors rotated into the traditionally defensive sector. It was followed by Industrials and Communication Services (formerly Telecoms), which increased by 10.0% and 9.94%, respectively. Materials were the greatest laggards, gaining only 0.36%. They were followed closely by Energy, which gained only 0.61%.

The Russell 1000, a large-cap index, increased 7.42% for the quarter, with large-cap growth (+9.17%) outperforming large-cap value (+5.70%).

The Russell Midcap gained 5.00% on the quarter, with mid-cap growth (+7.57%) outperforming mid-cap value (+3.30%).

The Russell 2000, a small-cap index, appreciated 3.58% for the quarter, with small-cap growth (+5.50%) outperforming small-cap value (+1.60%).

### Key US Stock Market Index Returns (%) for the Period Ending 9/28/2018

INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized)
S&P 500	7.71%	18.35%	13.80%	16.61%
Dow Jones	9.63%	20.89%	14.37%	16.19%
Russell 2000	3.58%	15.41%	11.06%	16.22%
Russell Midcap	5.00%	14.41%	11.58%	15.70%
Russell 1000	7.42%	18.19%	13.53%	16.59%

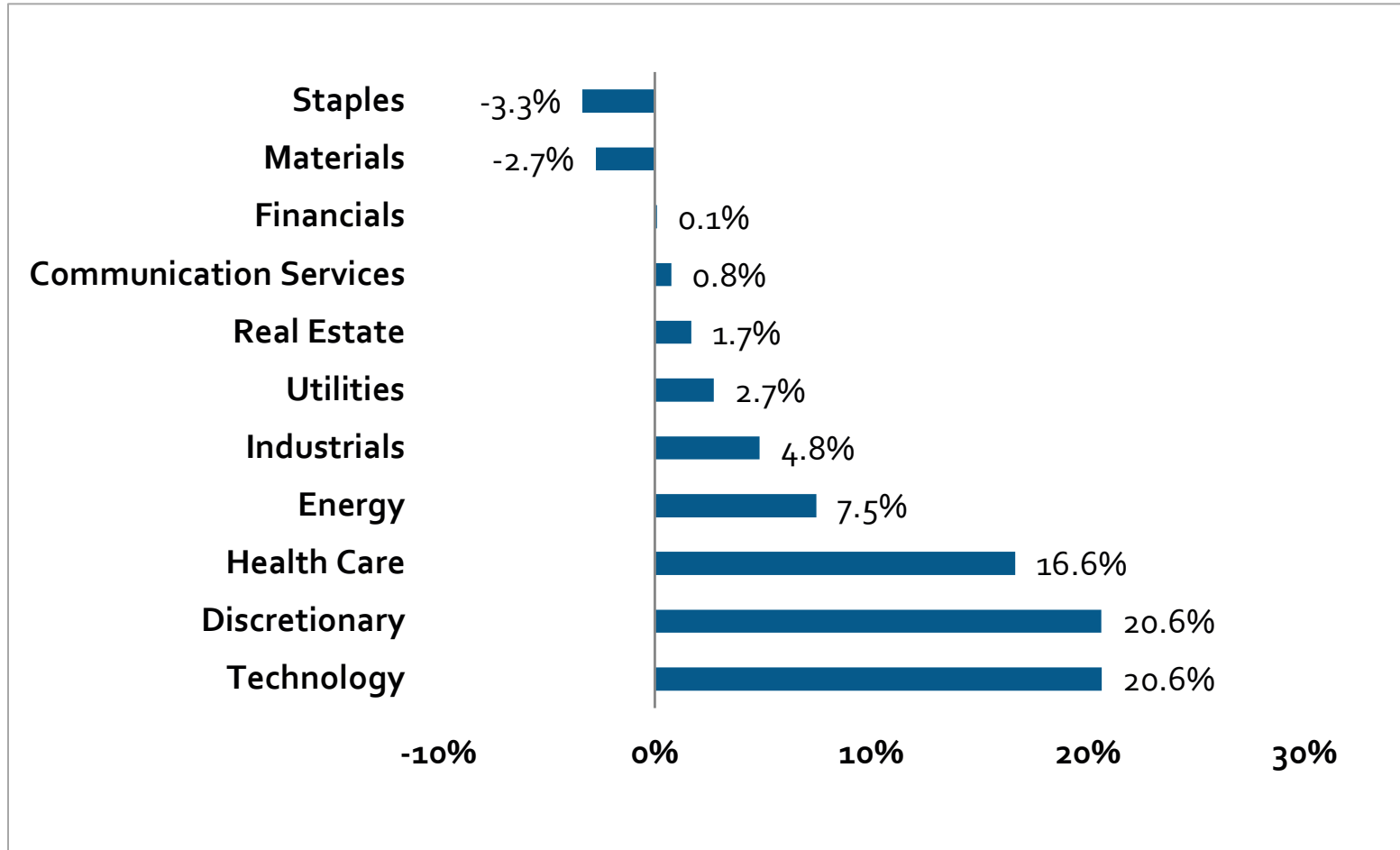
Source: FactSet, Bloomberg, Morgan Stanley Wealth Management GIC

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# S&P 500 Sectors

YTD 2018 Total Return

As of September 28, 2018



Source: Bloomberg

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# Capital Markets Overview: 3Q 2018

## Global Equity Markets

As of 3Q 2018

International underperformance continued in the third quarter, as divergences in US and world economic data widened. Emerging markets currencies remained under pressure, and the sell-off in China deepened. The MSCI EAFE Index (a benchmark for international developed markets) rose just 1.42% for US-currency investors.

In the third quarter, the MSCI Emerging Markets Index dropped 0.95% for US-currency investors as weaknesses in China, Turkey, and Argentina were amplified by the continued strength of the dollar. The MSCI Europe Index rose 0.84% for US-currency investors, while MSCI Japan rose 3.81%. Japanese equity indices such as the Nikkei and TOPIX have now returned to highs not seen since 1991.

The S&P 500 Index gained 7.71% for the quarter.

Emerging economy equity market indices were down further in the third quarter. The MSCI BRIC (Brazil, Russia, India and China) Index fell 4.02% in US dollar terms, while the MSCI EM Asia Index was down 2.74%.

### Key Global Stock Market Index Returns (%) for the Period Ending 9/28/2018

INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized)
MSCI EAFE	1.42%	3.80%	4.70%	8.56%
MSCI EAFE Growth	1.57%	6.80%	5.84%	9.36%
MSCI EAFE Value	1.26%	0.79%	3.49%	7.69%
MSCI Europe	0.84%	1.10%	4.17%	8.64%
MSCI Japan	3.81%	10.57%	6.69%	8.98%
S&P 500	7.71%	18.35%	13.80%	16.61%
MSCI Emerging Markets	-0.95%	0.43%	3.73%	5.22%

Source: FactSet, Bloomberg, Morgan Stanley Wealth Management GIC

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# Capital Markets Overview: 3Q 2018

## The US Bond Market

As of 3Q 2018

The bond market registered basically flat returns during the third quarter. The Bloomberg Barclays US Aggregate Bond Index, a general measure of the bond market, rose 0.02%.

Interest rates increased during the third quarter, as the yield on the 10-year US Treasury note increased to a quarter-end 3.06% from 2.86% at the end of June. During the final week of the quarter, the yield approached 3.10%, challenging the cycle-high of 3.11% before fading slightly.

Riskier parts of the bond market such as US high yield debt fared better in the third quarter. The Bloomberg Barclays Capital High Yield Index, a measure of lower-rated corporate bonds, gained 2.40%.

Mortgage-backed had slight losses in the third quarter. The Bloomberg Barclays Capital Mortgage-Backed Securities Index fell 0.12%. Municipal bonds were also down slightly; the Bloomberg Barclays Capital Muni Index saw losses of 0.15%.

### Key US Bond Market Index Returns (%) for the Period Ending 9/28/2018

INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized)
Bloomberg Barclays Capital US Aggregate	0.02%	-1.22%	2.16%	2.07%
Bloomberg Barclays Capital High Yield	2.40%	3.12%	5.50%	7.44%
Bloomberg Barclays Capital Government/Credit	0.03%	-1.41%	2.17%	2.11%
Bloomberg Barclays Capital Government	-0.59%	-1.66%	1.34%	1.14%
Bloomberg Barclays Capital Intermediate Govt/Credit	0.20%	-1.06%	1.51%	1.64%
Bloomberg Barclays Capital Long Govt/Credit	-0.47%	-2.46%	5.14%	4.21%
Bloomberg Barclays Capital Mortgage Backed Securities	-0.12%	-0.95%	2.02%	1.80%
Bloomberg Barclays Capital Muni	-0.15%	0.34%	3.54%	3.35%

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

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**Adverse Active Alpha (AAA)** is a patented screening and scoring process designed to help identify high-quality equity and fixed income managers with characteristics that may lead to future outperformance relative to index and peers. While highly ranked managers performed well as a group in our Adverse Active Alpha model back tests, not all of the managers will outperform. Please note that this data may be derived from back-testing, which has the benefit of hindsight. In addition, highly ranked managers can have differing risk profiles that might not be suitable for all investors. Our view is that Adverse Active Alpha is a good starting point and should be used in conjunction with other information. Morgan Stanley Wealth Management's qualitative and quantitative investment manager due diligence process are equally important factors for investors when considering managers for use through an investment advisory program. Factors including, but not limited to, manager turnover and changes to investment process can partially or fully negate a positive Adverse Active Alpha ranking. Additionally, highly ranked managers can have differing risk profiles that might not be

suitable for all investors. For more information on AAA, please see the Adverse Active Alpha Ranking Model and Selecting Managers with Adverse Active Alpha whitepapers. The whitepaper are available from your Financial Advisor or Private Wealth Advisor. ADVERSE ACTIVE ALPHA is a registered service mark of Morgan Stanley and/or its affiliates. U.S. Pat. No. 8,756,098 applies to the Adverse Active Alpha system and/or methodology.

**The Global Investment Manager Analysis (GIMA) Services Only Apply to Certain Investment Advisory Programs** GIMA evaluates certain investment products for the purposes of some – but not all – of Morgan Stanley Smith Barney LLC's investment advisory programs (as described in more detail in the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management). If you do not invest through one of these investment advisory programs, Morgan Stanley Wealth Management is not obligated to provide you notice of any GIMA Status changes even though it may give notice to clients in other programs.

**Strategy May Be Available as a Separately Managed Account or Mutual Fund** Strategies are sometimes available in Morgan Stanley Wealth Management investment advisory programs both in the form of a separately managed account ("SMA") and a mutual fund. These may have different expenses and investment minimums. Your Financial Advisor or Private Wealth Advisor can provide more information on whether any particular strategy is available in more than one form in a particular investment advisory program. In most Morgan Stanley Wealth Management investment advisory accounts, fees are deducted quarterly and have a compounding effect on performance. For example, on an advisory account with a 3% annual fee, if the gross annual performance is 6.00%, the compounding effect of the fees will result in a net performance of approximately 3.93% after one year, 1 after three years, and 21.23% after five years. **Conflicts of Interest:** GIMA's goal is to provide professional, objective evaluations in support of the Morgan Stanley Wealth Management investment advisory programs. We have policies and procedures to help us meet this goal. However, our business is subject to various conflicts of interest. For example, ideas and suggestions for which investment products should be evaluated by GIMA come from a variety of sources, including our Morgan Stanley Wealth Management Financial Advisors and their direct or indirect managers, and other business persons within Morgan Stanley Wealth Management or its affiliates. Such persons may have an ongoing business relationship with certain investment managers or mutual fund companies whereby they, Morgan Stanley Wealth Management or its affiliates receive compensation from, or otherwise related to, those investment managers or mutual funds. For example, a Financial Advisor may suggest that GIMA evaluates an investment manager or fund in which a portion of his or her clients' assets are already invested. While such a recommendation is permissible, GIMA is responsible for the opinions expressed by GIMA. See the conflicts of interest section in the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management for a discussion of other types of conflicts that may be relevant to GIMA's evaluation of managers and funds. In addition, Morgan Stanley Wealth Management, MS & Co., managers and their affiliates provide a variety of services (including research, brokerage, asset management, trading, lending and investment banking services) for each other and for various clients, including issuers of securities that may be recommended for purchase or sale by clients or are otherwise held in client accounts, and managers in various advisory programs. Morgan Stanley Wealth Management, managers, MS & Co., and their affiliates receive compensation and fees in connection with these services. Morgan Stanley Wealth Management believes that the nature and range of clients to which such services are rendered is such that it would be inadvisable to exclude categorically all of these companies from an account.

**Consider Your Own Investment Needs:** The model portfolios and strategies discussed in the material are formulated based on general client characteristics including risk tolerance. This material is not intended to be a client-specific suitability analysis or recommendation, or offer to participate in any investment. Therefore, clients should not use this profile as the sole basis for investment decisions. They should consider all relevant information, including their existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon. Such a suitability determination may lead to asset allocation results that are materially different from the asset allocation shown in this profile. Talk to your Financial Advisor about what would be a suitable asset allocation for you, whether CGCM is a suitable program for you.

**No obligation to notify** – Morgan Stanley Wealth Management has no obligation to notify you when the model portfolios, strategies, or any other information, in this material changes.

**Please consider the investment objectives, risks, fees, and charges and expenses of mutual funds, ETFs, closed end funds, unit investment trusts, and variable insurance products carefully before investing. The prospectus contains this and other information about each fund. To obtain a prospectus, contact your Financial Advisor or Private Wealth Advisor or visit the Morgan Stanley website at [www.morganstanley.com](http://www.morganstanley.com). Please read it carefully before investing.**

***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."

### 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. 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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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**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.

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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 September 30, 2018

	Allocation		Performance(%)				
	Market Value (\$)	%	Current Quarter	Fiscal YTD	1 Year	Since Inception	Inception Date
<b>Total Fund</b>	<b>35,641,706</b>	<b>100.00</b>	<b>3.92</b>	<b>8.40</b>	<b>8.40</b>	<b>10.21</b>	<b>07/01/2016</b>
Policy Index			3.80	8.70	8.70	10.24	
<b>Domestic Equity</b>							
Vanguard - Large Cap Value	5,658,081	15.87	7.31	13.61	13.61	15.33	07/01/2016
CRSP Lg VL			7.32	13.59	13.59	15.36	
Vanguard - Large Cap Growth	5,664,904	15.89	7.56	22.36	22.36	21.13	07/01/2016
CRSP Lg Cap Gr			7.78	22.70	22.70	21.41	
Connors - Covered Calls	1,723,561	4.84	5.04	13.67	13.67	16.24	07/01/2016
S&P 500 Total Return			7.71	17.91	17.91	18.07	
Kennedy - Mid Cap Value	916,550	2.57	2.21	9.89	9.89	16.61	07/01/2016
Russell Midcap Value			3.30	8.81	8.81	11.94	
Congress - Mid Cap Growth	989,589	2.78	7.59	13.87	13.87	15.19	07/01/2016
Russell Midcap Growth			7.58	21.10	21.10	19.51	
Kayne Anderson - Small Cap Value	964,679	2.71	6.30	12.07	12.07	17.62	07/01/2016
Russell 2000 VL			1.61	9.33	9.33	17.43	
RBC - Small Cap Growth	1,029,891	2.89	7.72	23.44	23.44	28.54	09/01/2017
Russell 2000 Gr			5.52	21.06	21.06	25.46	
<b>International Equity</b>							
Lazard - International Value	2,614,655	7.34	1.24	5.34	5.34	10.56	07/01/2016
MSCI EAFE Net			1.36	2.74	2.74	12.48	
Renaissance - International Growth	2,502,004	7.02	0.72	-2.30	-2.30	10.63	07/01/2016
MSCI AC World ex US Net			0.71	1.76	1.76	12.44	

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# Town of Longboat Key Consolidated Retirement Plan

## Asset Allocation & Time Weighted Performance

as of September 30, 2018

	Allocation		Performance(%)				
	Market Value (\$)	%	Current Quarter	Fiscal YTD	1 Year	Since Inception	Inception Date
<b>Fixed Income</b>							
Pacific Income - Fixed Income	8,705,806	24.43	0.34	-0.86	-0.86	-0.16	07/01/2016
BC Gov/Cr Intm			0.21	-0.96	-0.96	-0.26	
<b>Alternatives</b>							
Center Coast - MLPs	1,600,746	4.49	7.20	-0.12	-0.12	0.68	07/01/2016
Alerian MLP Index			6.57	4.89	4.89	0.93	
American Core Realty - Private Real Estate	3,271,097	9.18	2.21	8.58	8.58	8.41	07/01/2017
NCREIF Property Idx			1.67	7.16	7.16	7.13	

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**Town of Longboat Key Consolidated Retirement Plan**  
**Asset Allocation & Net Dollar Weighted Performance (IRR)**  
**as of September 30, 2018**

	<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>3.80</b>	<b>7.87</b>	<b>7.87</b>	<b>9.67</b>	<b>06/30/2016</b>
<b>Domestic Equity</b>						
Vanguard - Large Cap Value	15.88	7.24	13.77	13.77	15.34	06/30/2016
Vanguard - Large Cap Growth	15.89	7.48	22.30	22.30	20.74	06/30/2016
Connors - Covered Calls	4.84	5.07	13.18	13.18	16.16	06/30/2016
Kennedy - Mid Cap Value	2.57	2.09	9.76	9.76	16.64	06/30/2016
Congress - Mid Cap Growth	2.78	7.50	13.30	13.30	14.62	06/30/2016
Kayne Anderson - Small Cap Value	2.71	6.19	11.65	11.65	17.37	06/30/2016
RBC - Small Cap Growth	2.89	7.63	22.65	22.65	18.72	06/30/2016
<b>International Equity</b>						
Lazard - International Value	7.34	1.11	4.83	4.83	10.01	06/30/2016
Renaissance - International Growth	7.02	0.57	-2.84	-2.84	10.83	06/30/2016
<b>Fixed Income</b>						
Pacific Income - Fixed Income	24.43	0.21	-1.38	-1.38	-0.68	06/30/2016
<b>Alternatives</b>						
Center Coast - MLPs	4.49	7.03	-0.77	-0.77	0.07	06/30/2016
American Core Realty - Private Real Estate	9.18	1.85	7.43	7.43	7.26	06/30/2017
<b>Cash &amp; Equivalents</b>						
Cash	0.00	0.20	0.32	0.32	0.15	06/30/2016

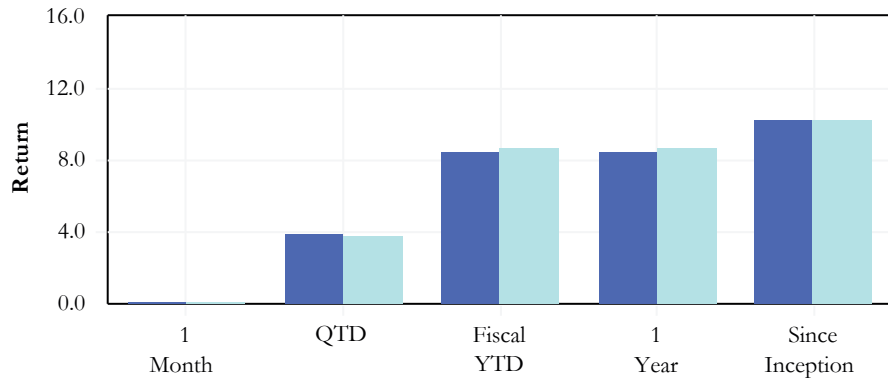
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# Town of Longboat Key Consolidated Retirement Plan

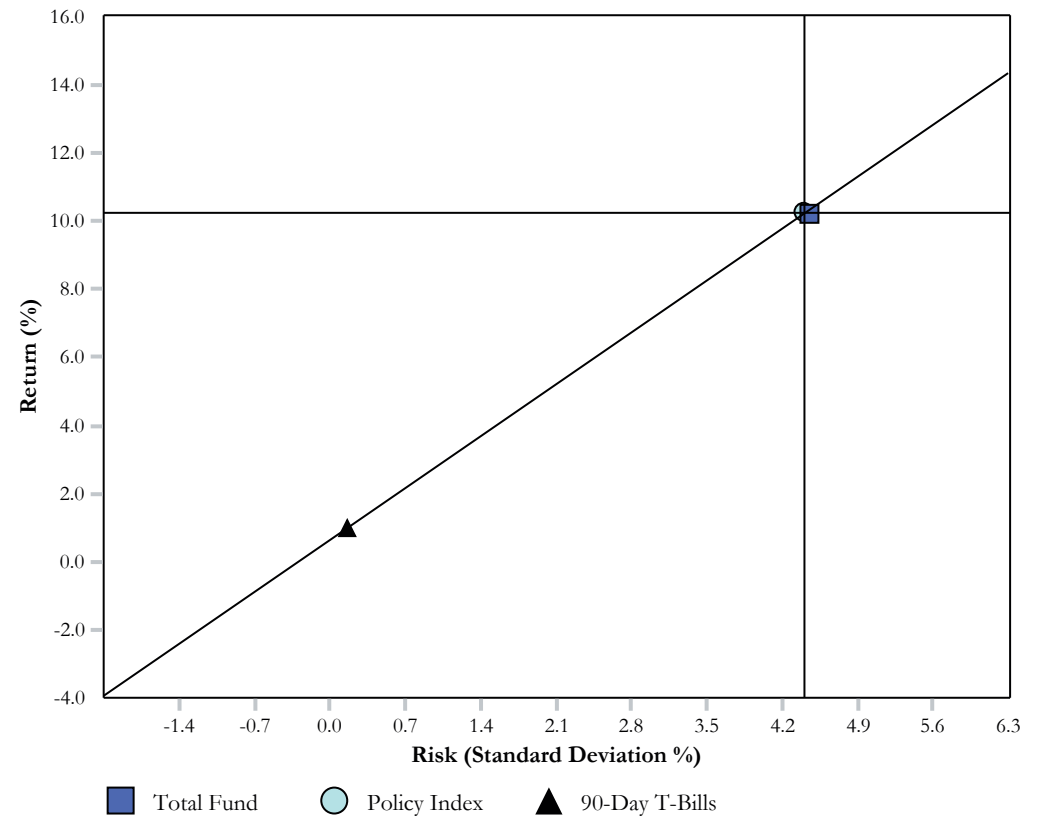
## Total Fund - Executive Summary

as of September 30, 2018

### Manager Performance Chart



### Manager Risk & Return



### Manager Annualized Performance

	1 Month	QTD	Fiscal YTD	1 Year	Inception 07/01/2016
Total Fund	0.08	3.92	8.40	8.40	10.21
Policy Index	0.11	3.80	8.70	8.70	10.24
Differences	-0.03	0.12	-0.30	-0.30	-0.03

### Historic Asset Growth

	1 Month	QTD	Fiscal YTD	1 Year	Inception 07/01/2016
Total Fund					
Beginning Market Value	36,510	35,802	34,845	34,845	32,898
Net Contributions	-889	-1,501	-1,901	-1,901	-4,299
Fees/Expenses	-9	-49	-189	-189	-376
Income	69	193	727	727	1,612
Gain/Loss	-39	1,196	2,160	2,160	5,808
Ending Market Value	35,642	35,642	35,642	35,642	35,642

### Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Total Fund	10.21	4.46	1.00	-3.88	99.85	100.28	-0.06	1.98	0.98	07/01/2016
Policy Index	10.24	4.40	1.00	-4.09	100.00	100.00	0.00	2.01	1.00	07/01/2016

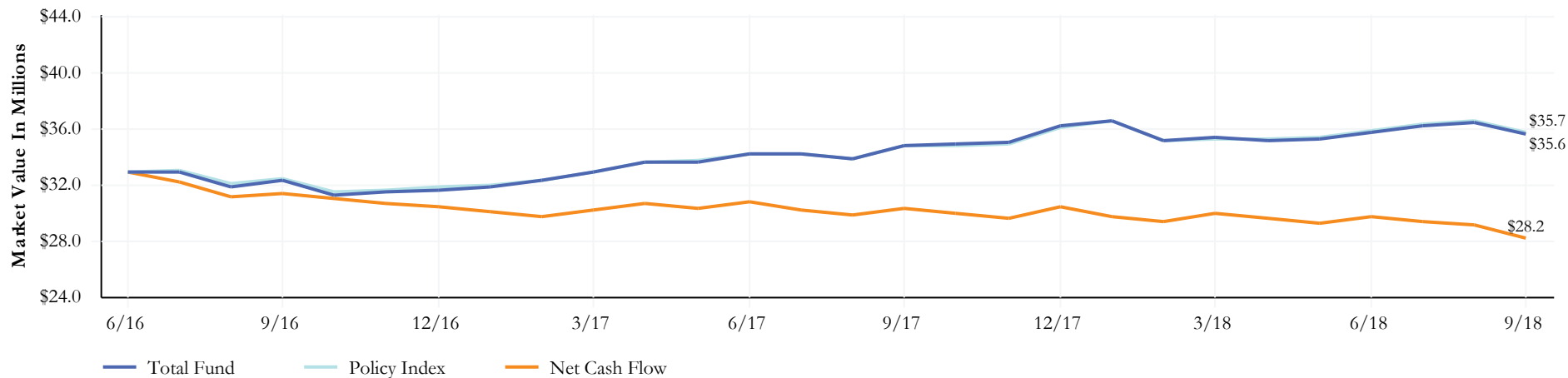
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# Town of Longboat Key Consolidated Retirement Plan

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

as of September 30, 2018

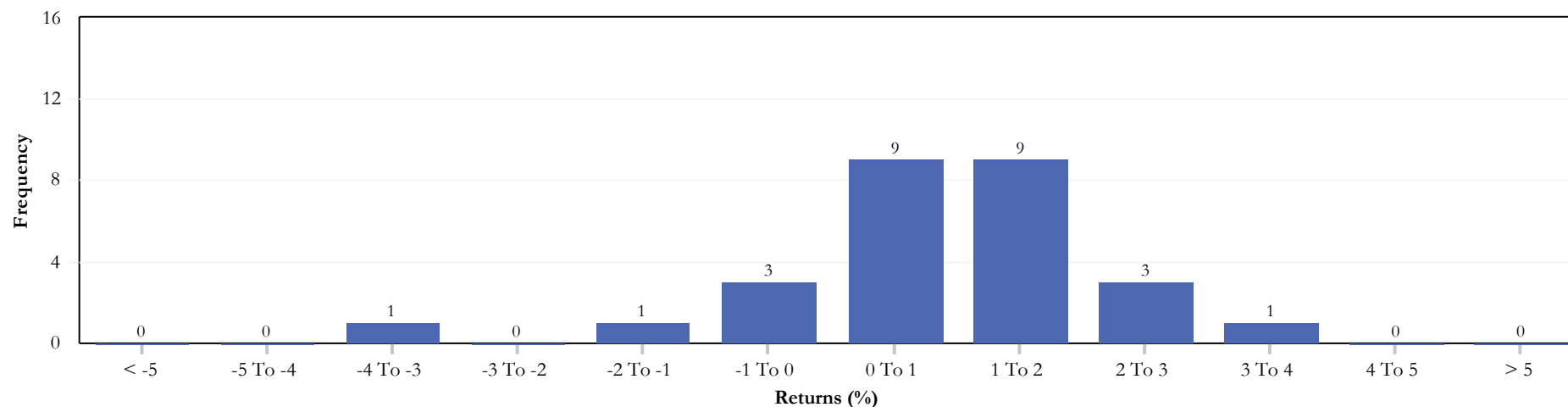
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 07/01/2018	Net Transfers	Contributions	Distributions	Fees	Expenses	Income	Return On Investment	Market Value As of 09/30/2018
Total Fund	35,801.68	-	1,212.15	-2,712.92	-48.64	-	193.17	1,389.43	35,641.71

### Distribution of Returns



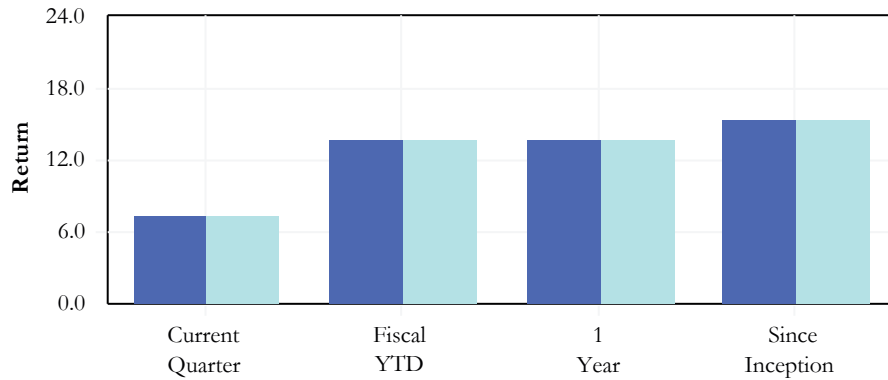
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# Town of Longboat Key Consolidated Retirement Plan

## Vanguard Large Cap Value - Executive Summary

as of September 30, 2018

### Manager Performance Chart



### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Vanguard - Large Cap Value	7.31	13.61	13.61	15.33
CRSP Lg VL	7.32	13.59	13.59	15.33
Differences	-0.01	0.02	0.02	0.00

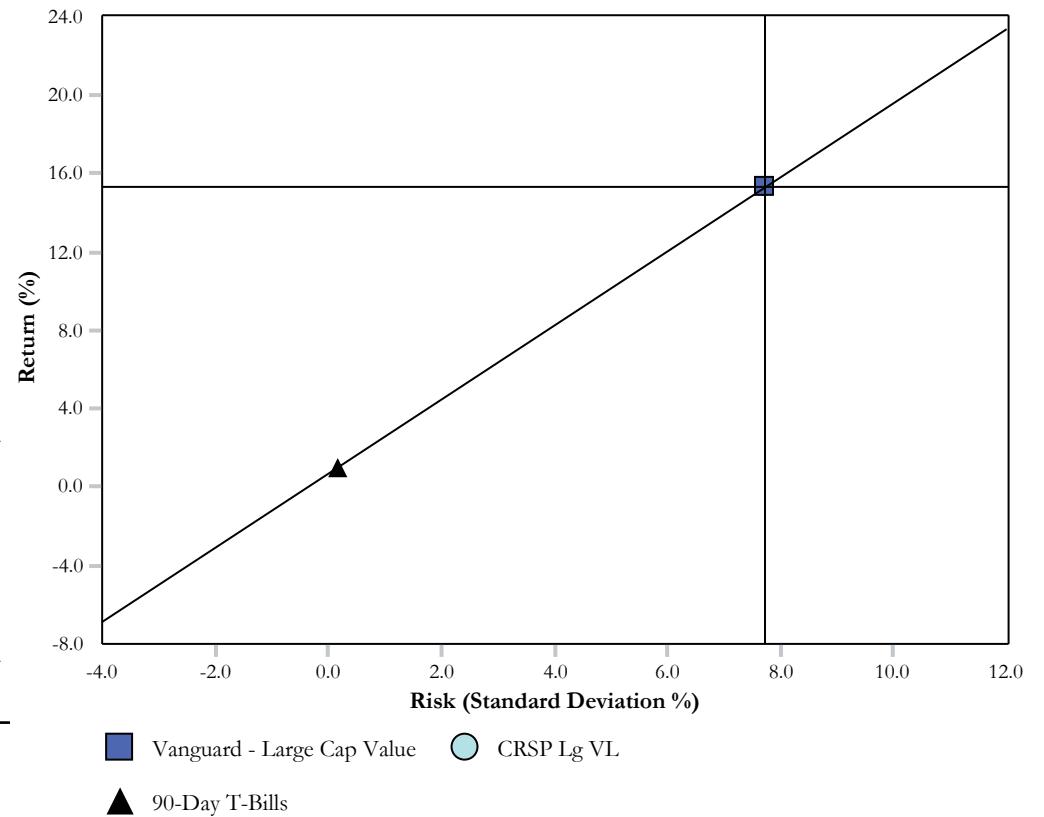
### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Vanguard - Large Cap Value				
Beginning Market Value	5,315	5,624	5,624	4,180
Net Contributions	-41	-679	-679	-222
Fees/Expenses	-4	-15	-15	-32
Income	37	136	136	308
Gain/Loss	351	592	592	1,425
Ending Market Value	5,658	5,658	5,658	5,658

### 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	15.33	7.72	1.00	-6.77	100.03	100.19	0.02	1.76	1.00	07/01/2016
CRSP Lg VL	15.33	7.73	1.00	-6.76	100.00	100.00	0.00	1.76	1.00	07/01/2016

### Manager Risk & Return



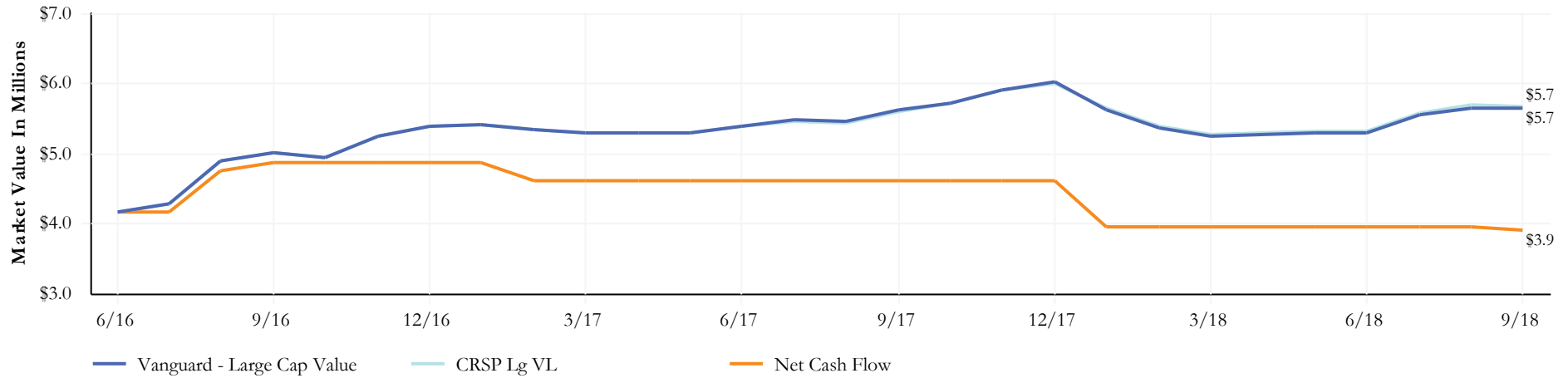
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# Town of Longboat Key Consolidated Retirement Plan

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

as of September 30, 2018

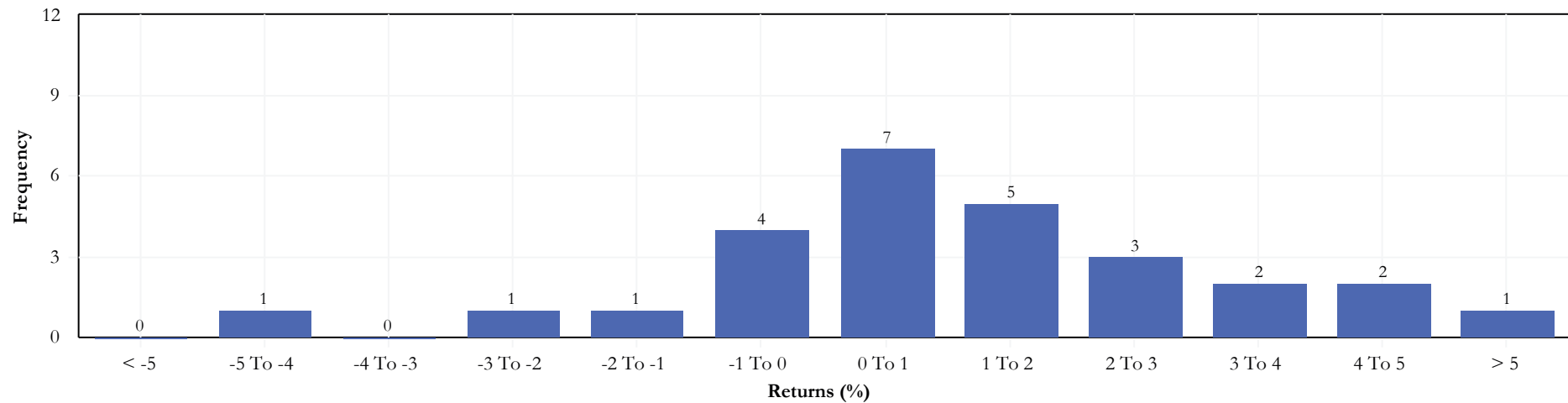
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 07/01/2018	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 09/30/2018
Vanguard - Large Cap Value	5,314,778.29	-	3,582.99	-45,000.00	-3,615.07	-	388,335.19	5,658,081.40

### Distribution of Returns



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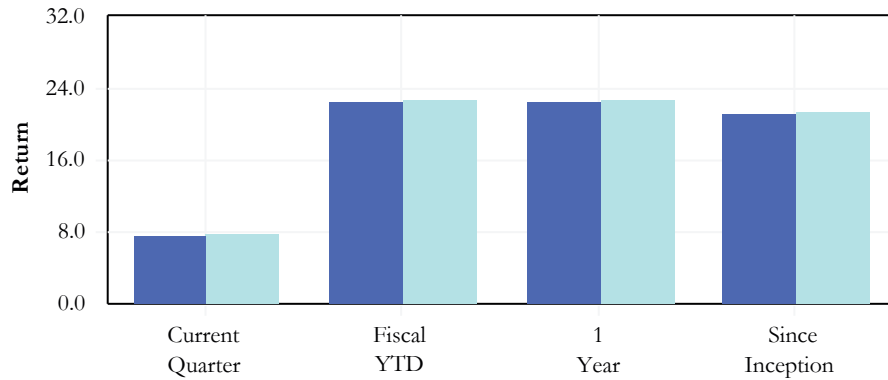


# Town of Longboat Key Consolidated Retirement Plan

## Vanguard Large Cap Growth - Executive Summary

as of September 30, 2018

### Manager Performance Chart



### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Vanguard - Large Cap Growth	7.56	22.36	22.36	21.13
CRSP Lg Cap Gr	7.78	22.70	22.70	21.38
Differences	-0.22	-0.34	-0.34	-0.25

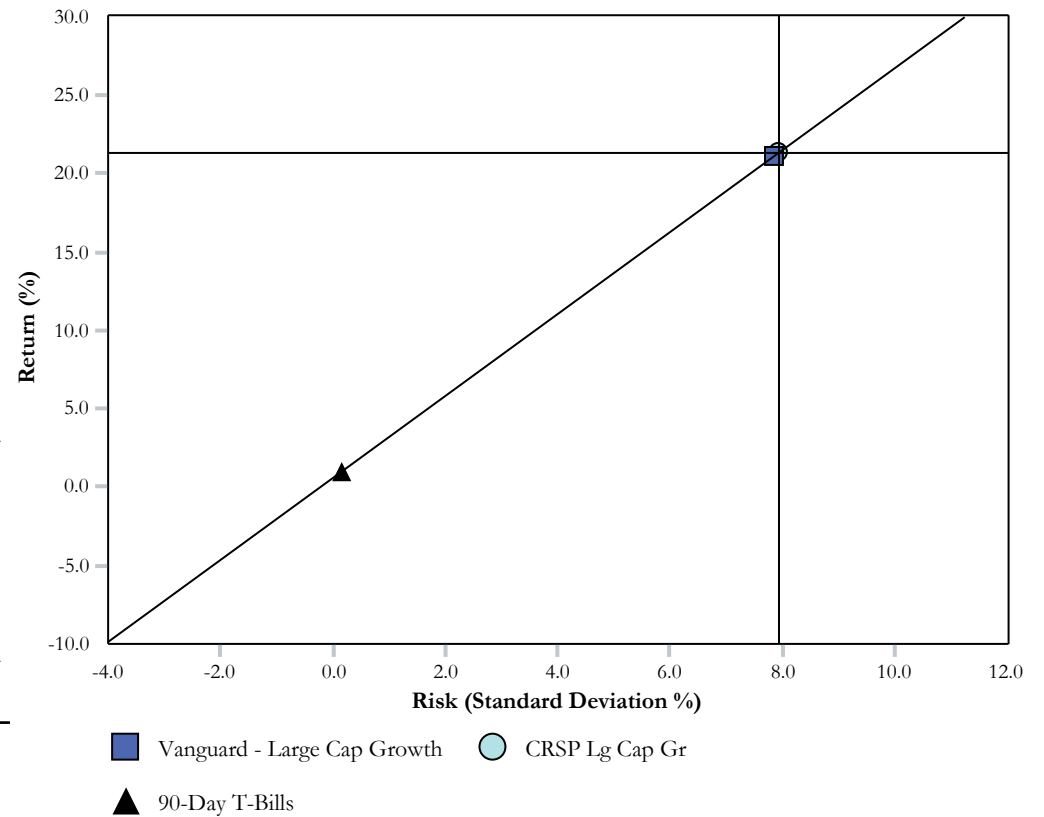
### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Vanguard - Large Cap Growth				
Beginning Market Value	5,618	5,644	5,644	4,145
Net Contributions	-369	-1,117	-1,117	-796
Fees/Expenses	-4	-15	-15	-32
Income	-	49	49	138
Gain/Loss	420	1,104	1,104	2,210
Ending Market Value	5,665	5,665	5,665	5,665

### 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	21.13	7.88	0.99	-5.33	98.95	99.05	-0.04	2.36	1.00	07/01/2016
CRSP Lg Cap Gr	21.38	7.95	1.00	-5.32	100.00	100.00	0.00	2.37	1.00	07/01/2016

### Manager Risk & Return



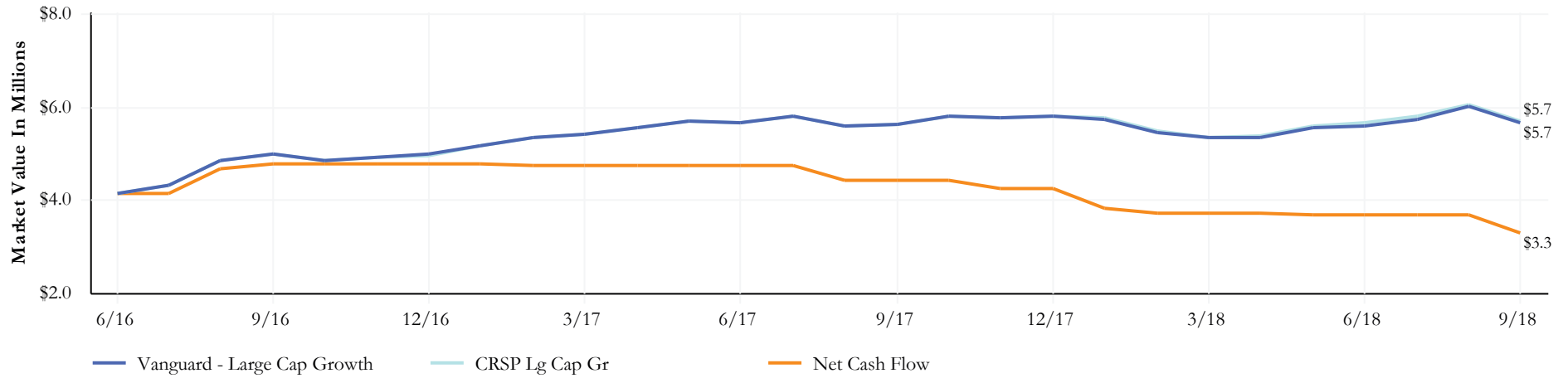
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# Town of Longboat Key Consolidated Retirement Plan

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

as of September 30, 2018

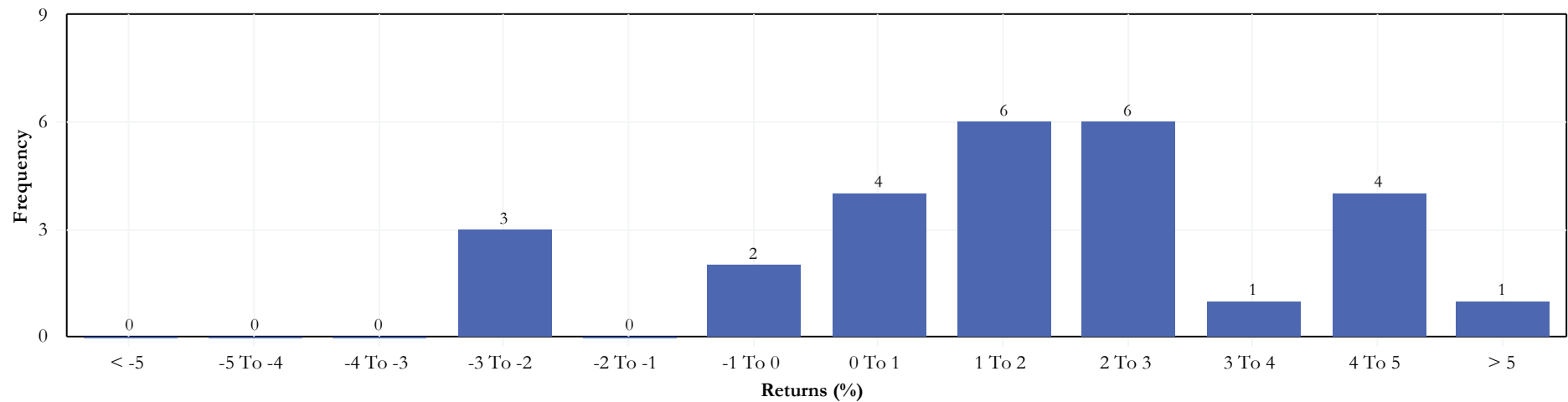
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 07/01/2018	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 09/30/2018
Vanguard - Large Cap Growth	5,617,523.76	-	3,572.97	-372,110.52	-3,767.55	-	419,685.25	5,664,903.91

### Distribution of Returns



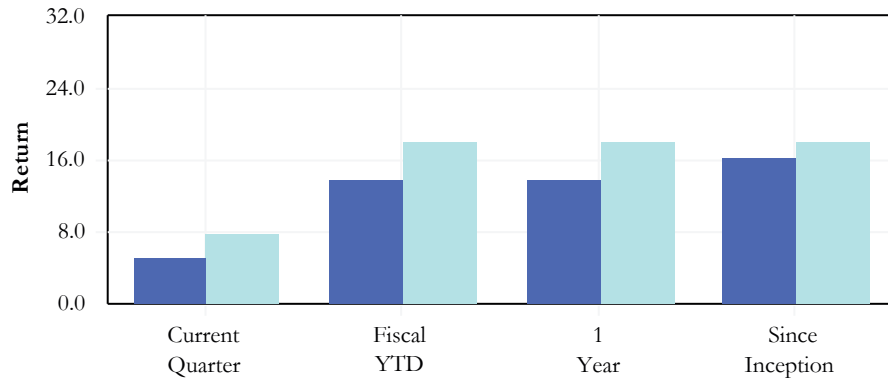
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# Town of Longboat Key Consolidated Retirement Plan

## Connors Covered Call Strategy - Executive Summary

as of September 30, 2018

### Manager Performance Chart



### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Connors - Covered Calls	5.04	13.67	13.67	16.24
S&P 500 Total Return	7.71	17.91	17.91	18.04
Differences	-2.67	-4.24	-4.24	-1.80

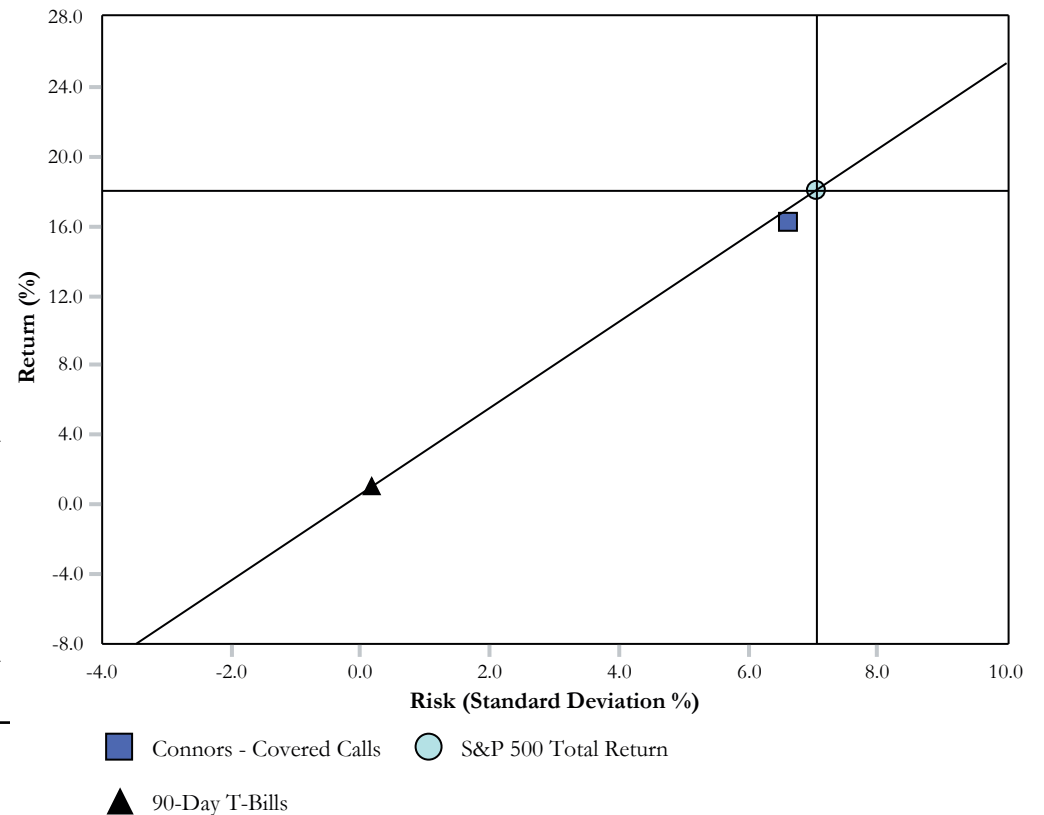
### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Connors - Covered Calls				
Beginning Market Value	1,850	1,726	1,726	3,314
Net Contributions	-218	-228	-228	-2,198
Fees/Expenses	-3	-10	-10	-20
Income	9	35	35	84
Gain/Loss	84	201	201	543
Ending Market Value	1,724	1,724	1,724	1,724

### 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	16.24	6.64	0.83	-3.93	85.06	58.82	1.33	2.15	0.78	07/01/2016
S&P 500 Total Return	18.04	7.06	1.00	-6.13	100.00	100.00	0.00	2.26	1.00	07/01/2016

### Manager Risk & Return



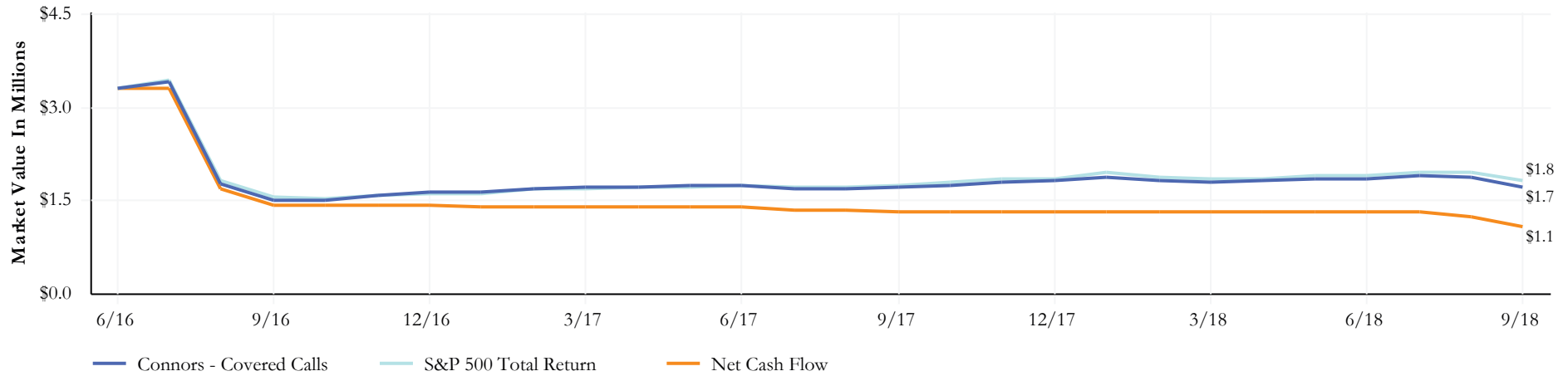
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# Town of Longboat Key Consolidated Retirement Plan

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

as of September 30, 2018

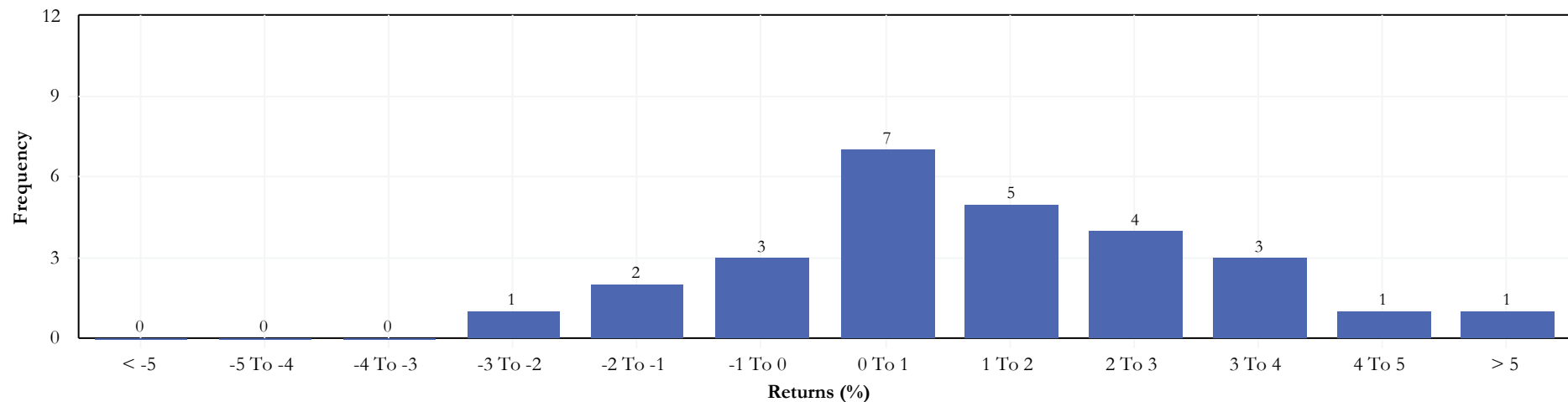
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 07/01/2018	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 09/30/2018
Connors - Covered Calls	1,850,442.06	-	-	-218,000.00	-2,623.57	-	93,742.73	1,723,561.22

### Distribution of Returns

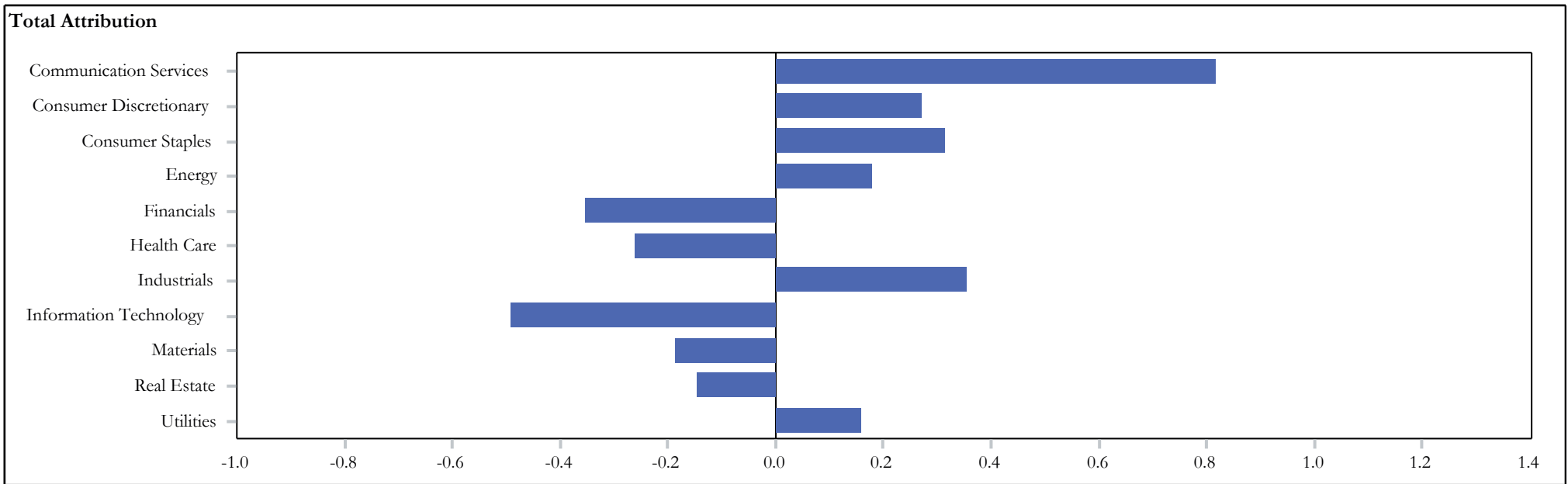
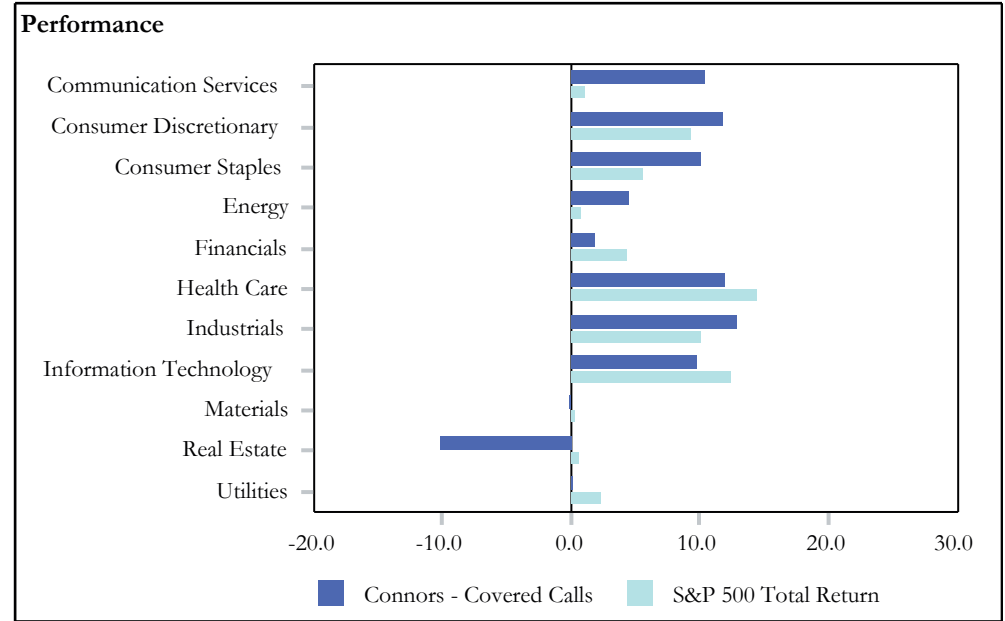
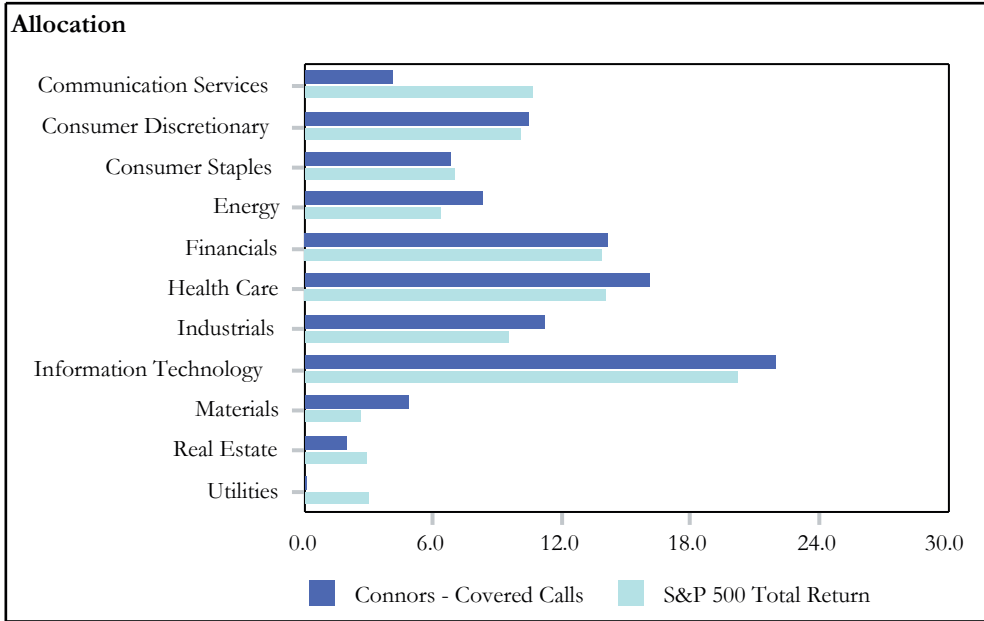


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# Town of Longboat Key Consolidated Retirement Plan

## Connors - Covered Calls - Quarterly Performance Attributes

as of September 30, 2018



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# Town of Longboat Key Consolidated Retirement Plan

## Connors - Covered Calls - Quarterly Performance Attributes

as of September 30, 2018

	Allocation - 07/01/2018		Performance - Quarter Ending September 30, 2018		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Communication Services	4.14	10.59	10.47	1.08	0.43	1.00	-0.61	0.82
Consumer Discretionary	10.46	10.04	11.85	9.32	0.01	0.25	0.01	0.27
Consumer Staples	6.81	6.96	10.18	5.62	0.00	0.32	-0.01	0.31
Energy	8.33	6.34	4.54	0.73	-0.14	0.24	0.08	0.18
Financials	14.17	13.84	1.94	4.36	-0.01	-0.33	-0.01	-0.35
Health Care	16.11	14.07	11.97	14.45	0.14	-0.35	-0.05	-0.26
Industrials	11.22	9.51	12.89	10.10	0.04	0.27	0.05	0.35
Information Technology	21.95	20.23	9.88	12.49	0.08	-0.53	-0.05	-0.49
Materials	4.88	2.60	-0.05	0.33	-0.17	-0.01	-0.01	-0.19
Real Estate	1.93	2.86	-10.27	0.65	0.07	-0.31	0.10	-0.15
Utilities	0.00	2.95	0.00	2.38	0.16	0.00	0.00	0.16
Total	100.00	100.00	8.36	7.71	0.60	0.54	-0.49	0.65

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 September 30, 2018

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$000)	192,515,274.90	244,411,521.05
Median Mkt. Cap (\$000)	106,228,432.20	21,788,922.88
Price/Earnings ratio	21.95	21.51
Price/Book ratio	3.58	3.55
5 Yr. EPS Growth Rate (%)	8.85	11.20
Beta	N/A	1.00
Number of Stocks	76	505
Debt to Equity	-0.73	0.76

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Apple Inc	5.59	4.21	1.38	22.38
Lowe's Cos Inc.	3.85	0.38	3.47	20.72
JPMorgan Chase & Co	3.29	1.54	1.75	8.88
Walt Disney Co (The)	3.24	0.71	2.53	12.47
Emerson Electric Co.	3.17	0.20	2.97	11.49
Adobe Inc	3.15	0.54	2.61	10.72
Stryker Corp	3.11	0.22	2.89	5.51
Abbott Laboratories	2.99	0.52	2.47	20.28
Cisco Systems Inc	2.98	0.90	2.08	13.94
CSX Corp	2.81	0.25	2.56	16.45
% of Portfolio	34.18	9.47	24.71	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Eli Lilly and Co	2.60	0.42	2.18	26.45
Pfizer Inc	2.08	1.05	1.03	22.51
Apple Inc	5.59	4.21	1.38	22.38
Lowe's Cos Inc.	3.85	0.38	3.47	20.72
Abbott Laboratories	2.99	0.52	2.47	20.28
Energen Corp.	2.01	0.00	2.01	18.33
Lockheed Martin Corp	2.02	0.35	1.67	17.83
Merck & Co Inc.	1.03	0.77	0.26	17.67
CSX Corp	2.81	0.25	2.56	16.45
Microsoft Corp	1.50	3.57	-2.07	16.43
% of Portfolio	26.48	11.52	14.96	

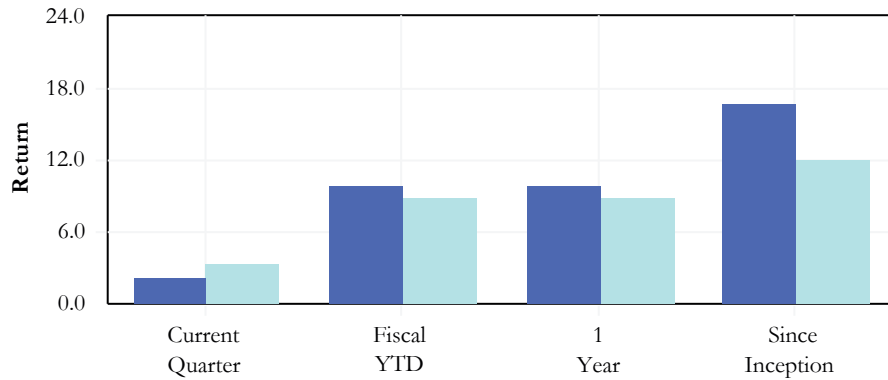
Ten Worst Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Facebook Inc	2.16	1.61	0.55	-15.37
Public Storage	1.76	0.12	1.64	-10.27
Schlumberger Ltd	2.22	0.34	1.88	-8.38
Skyworks Solutions Inc	1.32	0.07	1.25	-5.77
Wells Fargo & Co	2.64	0.93	1.71	-4.50
M&T Bank Corp	1.92	0.10	1.82	-2.75
Chevron Corp	2.14	0.95	1.19	-2.36
DowDuPont Inc	2.64	0.60	2.04	-1.91
PNC Financial Services Inc.	2.38	0.26	2.12	1.49
Penske Automotive Group Inc	2.42	0.00	2.42	1.86
% of Portfolio	21.60	4.98	16.62	

# Town of Longboat Key Consolidated Retirement Plan

## Kennedy Mid Cap Value - Executive Summary

as of September 30, 2018

### Manager Performance Chart



### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Kennedy - Mid Cap Value	2.21	9.89	9.89	16.61
Russell Midcap Value	3.30	8.81	8.81	11.92
Differences	-1.09	1.08	1.08	4.69

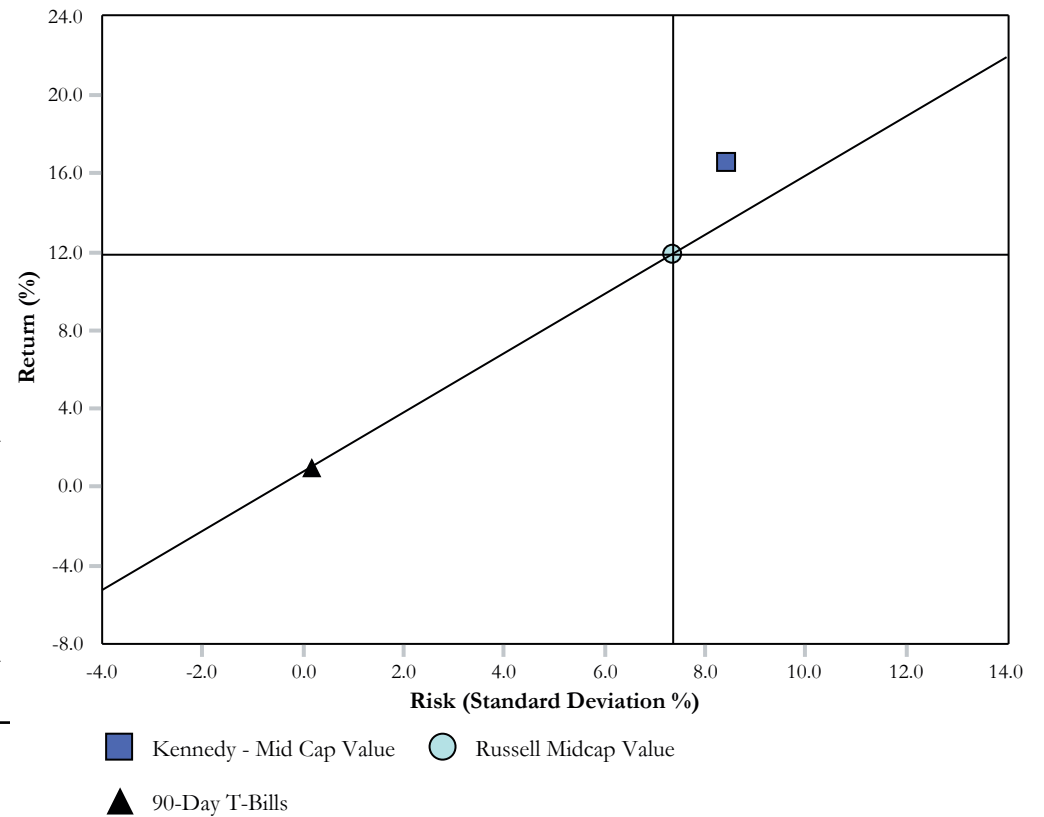
### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Kennedy - Mid Cap Value				
Beginning Market Value	930	956	956	843
Net Contributions	-33	-126	-126	-229
Fees/Expenses	-1	-6	-6	-13
Income	4	18	18	37
Gain/Loss	16	75	75	278
Ending Market Value	917	917	917	917

### 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	16.61	8.43	1.07	-5.04	119.90	81.53	3.51	1.75	0.87	07/01/2016
Russell Midcap Value	11.92	7.38	1.00	-4.93	100.00	100.00	0.00	1.43	1.00	07/01/2016

### Manager Risk & Return



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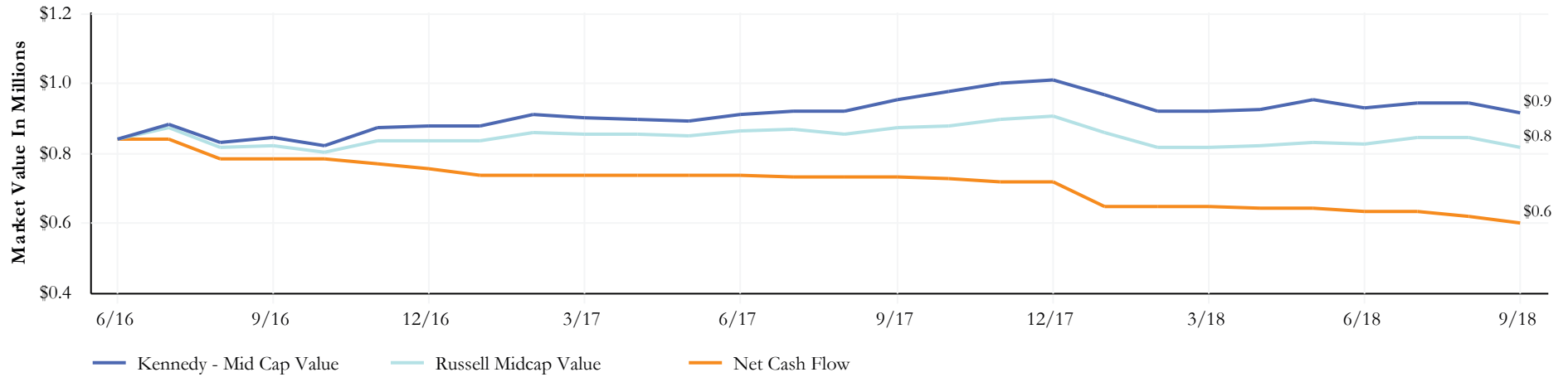


# Town of Longboat Key Consolidated Retirement Plan

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

as of September 30, 2018

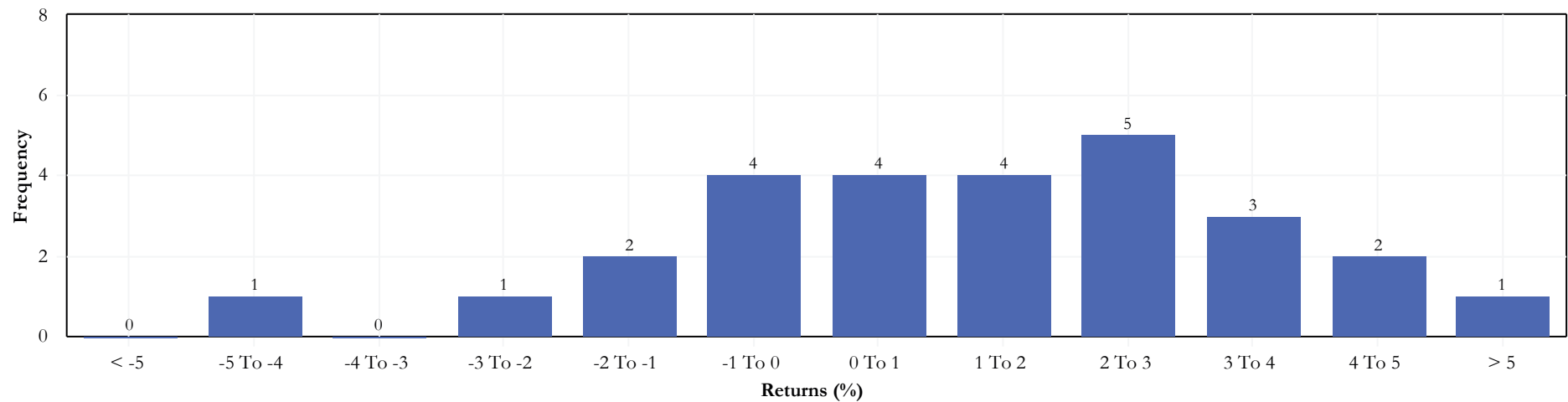
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 07/01/2018	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 09/30/2018
Kennedy - Mid Cap Value	930,344.61	-	-	-33,000.00	-1,443.28	-	20,648.45	916,549.78

### Distribution of Returns

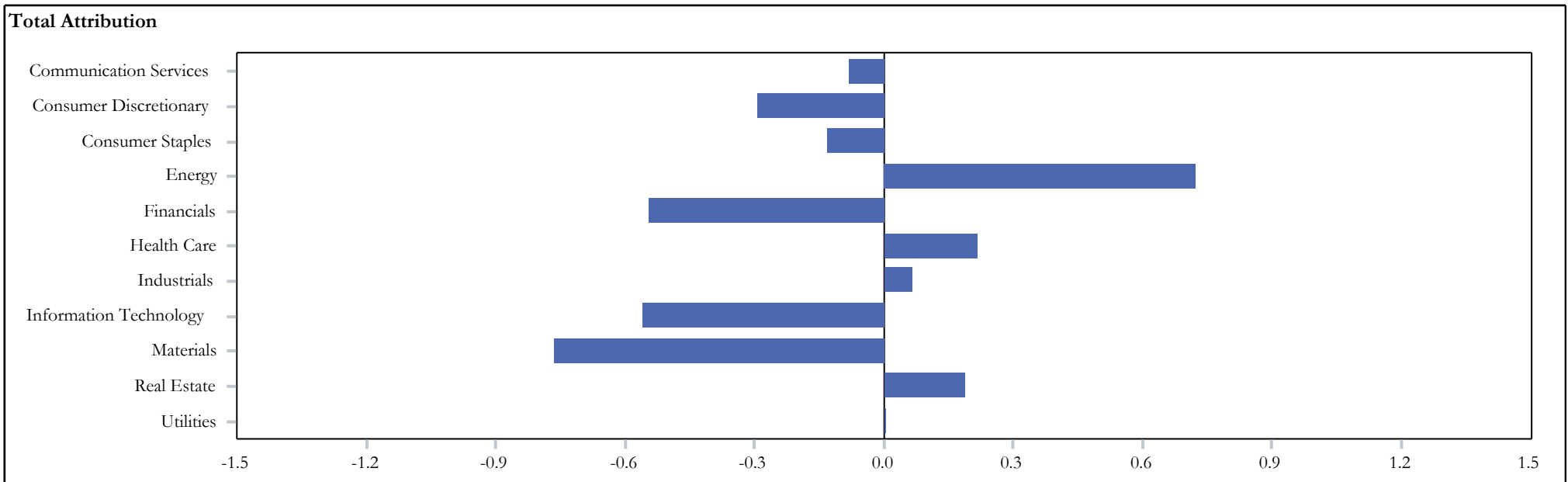
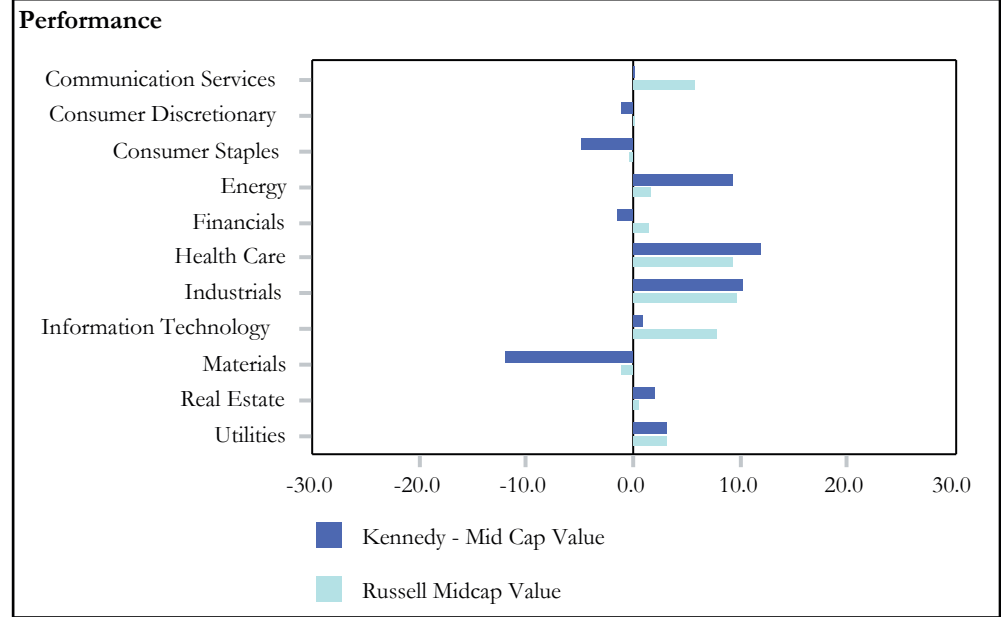
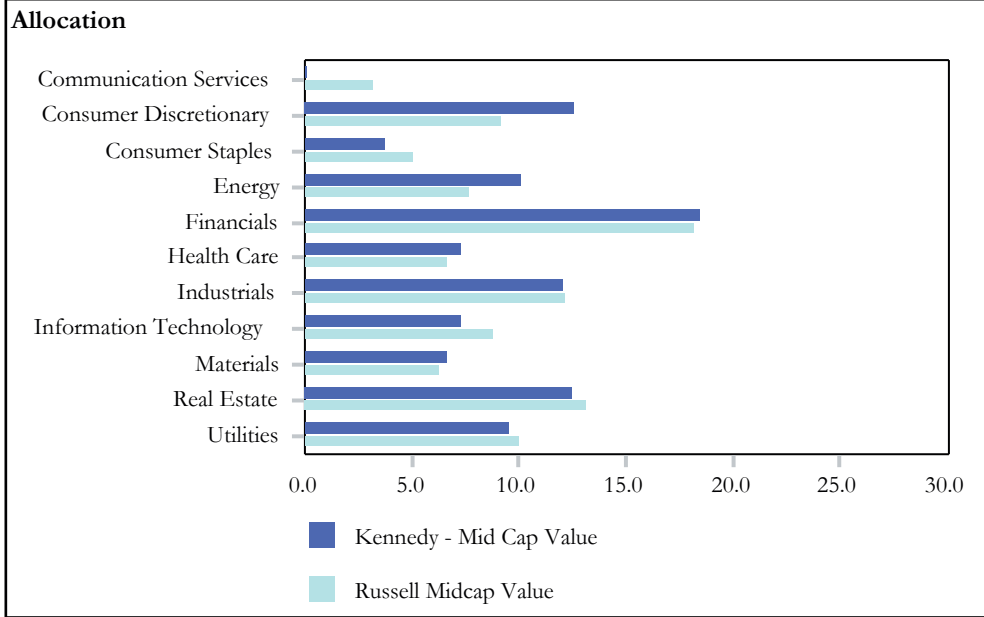


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# Town of Longboat Key Consolidated Retirement Plan

## Kennedy - Mid Cap Value - Quarterly Performance Attributes

### as of September 30, 2018



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 - Quarterly Performance Attributes

as of September 30, 2018

	Allocation - 07/01/2018		Performance - Quarter Ending September 30, 2018		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Communication Services	0.00	3.14	0.00	5.85	-0.08	0.00	0.00	-0.08
Consumer Discretionary	12.57	9.15	-1.18	0.13	-0.11	-0.12	-0.06	-0.29
Consumer Staples	3.74	5.00	-4.78	-0.46	0.04	-0.21	0.04	-0.13
Energy	10.03	7.68	9.31	1.61	-0.04	0.59	0.18	0.73
Financials	18.48	18.15	-1.45	1.44	0.00	-0.53	-0.01	-0.54
Health Care	7.28	6.58	11.99	9.23	0.04	0.18	-0.01	0.22
Industrials	12.04	12.16	10.24	9.60	0.00	0.07	0.00	0.07
Information Technology	7.24	8.80	0.90	7.77	-0.07	-0.60	0.11	-0.56
Materials	6.61	6.26	-11.84	-1.07	-0.01	-0.71	-0.04	-0.76
Real Estate	12.48	13.11	1.97	0.56	0.01	0.18	-0.01	0.19
Utilities	9.51	9.98	3.11	3.14	0.03	0.00	-0.02	0.00
Total	100.00	100.00	2.13	3.30	-0.20	-1.15	0.18	-1.17

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

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# Town of Longboat Key Consolidated Retirement Plan

## Kennedy - Mid Cap Value - Portfolio Characteristics

as of September 30, 2018

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$000)	12,344,724.19	14,887,151.15
Median Mkt. Cap (\$000)	9,415,857.56	8,009,187.52
Price/Earnings ratio	15.97	16.91
Price/Book ratio	2.25	2.17
5 Yr. EPS Growth Rate (%)	15.99	10.45
Beta	N/A	1.00
Number of Stocks	59	594
Debt to Equity	0.70	0.65

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Centene Corp	2.64	0.08	2.56	17.51
Reinsurance Group of Amer.	2.40	0.20	2.20	8.76
Brixmor Property Group Inc	2.31	0.12	2.19	2.04
Torchmark Corp	2.27	0.20	2.07	6.69
Roper Technologies Inc	2.24	0.54	1.70	7.52
AvalonBay Communities Inc.	2.19	0.55	1.64	6.26
Brunswick Corp	2.16	0.12	2.04	4.24
Aqua America Inc	2.15	0.15	2.00	5.50
Evergy Inc	2.13	0.33	1.80	-1.40
Gaming and Leisure Properties Inc	2.12	0.10	2.02	0.25
% of Portfolio	22.61	2.39	20.22	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Trimble Inc	2.09	0.24	1.85	32.34
Teledyne Technologies Inc.	1.90	0.19	1.71	23.92
Casey's General Stores Inc.	1.06	0.10	0.96	23.19
Centene Corp	2.64	0.08	2.56	17.51
Garmin Ltd	1.98	0.18	1.80	15.72
Bruker Corp	2.05	0.04	2.01	15.31
Snap-On Inc	1.85	0.23	1.62	14.77
Hasbro Inc.	1.78	0.06	1.72	14.60
United Therapeutics Corp	1.17	0.12	1.05	13.02
Carlisle Companies Inc	1.38	0.16	1.22	12.81
% of Portfolio	17.90	1.40	16.50	

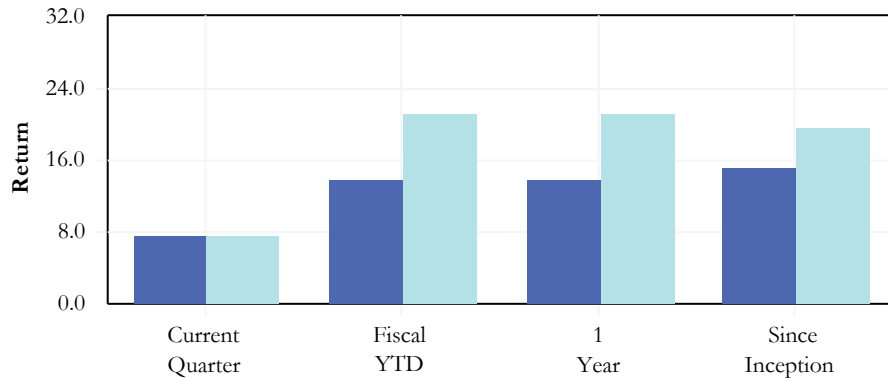
Ten Worst Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Westlake Chemical Corp	1.24	0.01	1.23	-22.58
Lear Corp	1.53	0.19	1.34	-21.64
Eagle Materials Inc	1.69	0.01	1.68	-18.80
US Foods Holding Corp	1.45	0.14	1.31	-18.51
Mohawk Industries Inc.	1.94	0.24	1.70	-18.16
Whirlpool Corp	0.73	0.17	0.56	-18.05
ON Semiconductor Corp	0.99	0.00	0.99	-17.11
Bank OZK	1.62	0.10	1.52	-15.72
E*TRADE Financial Corporation	1.00	0.23	0.77	-14.34
Marvell Technology Group Ltd	1.67	0.17	1.50	-9.73
% of Portfolio	13.86	1.26	12.60	

# Town of Longboat Key Consolidated Retirement Plan

## Congress Mid Cap Growth - Executive Summary

as of September 30, 2018

### Manager Performance Chart



### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Congress - Mid Cap Growth	7.59	13.87	13.87	15.19
Russell Midcap Growth	7.58	21.10	21.10	19.47
Differences	0.01	-7.23	-7.23	-4.28

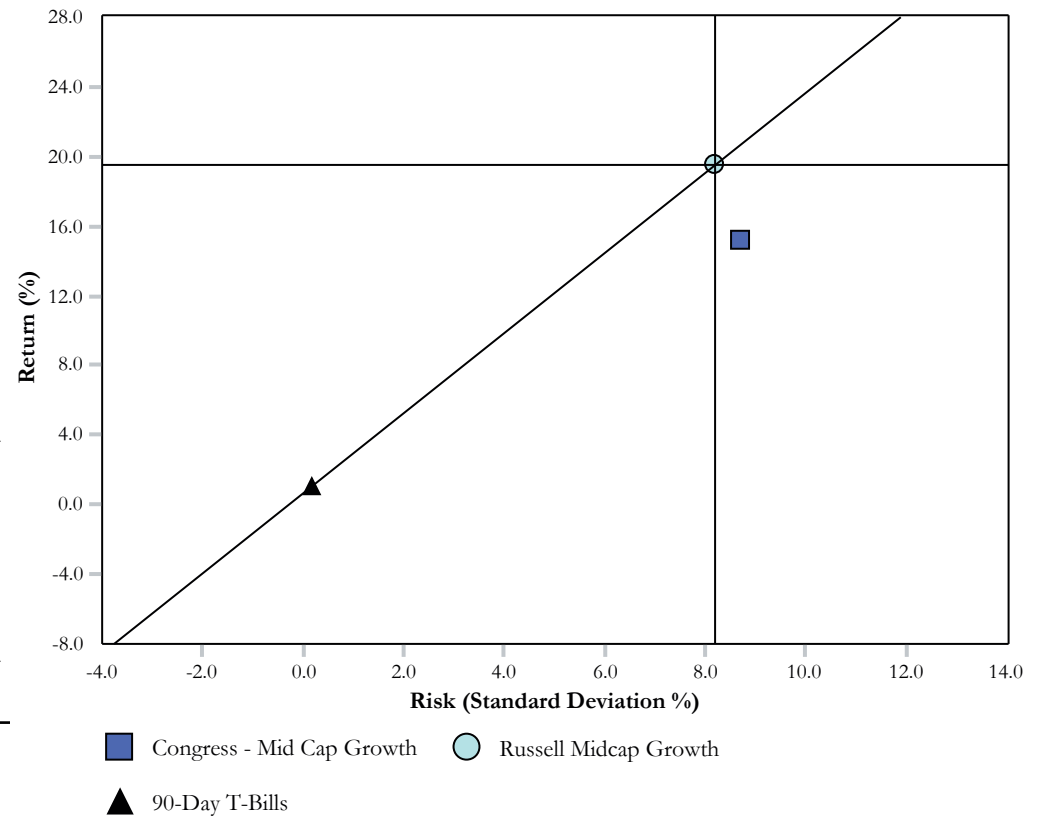
### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Congress - Mid Cap Growth				
Beginning Market Value	945	940	940	846
Net Contributions	-26	-71	-71	-137
Fees/Expenses	-1	-5	-5	-12
Income	2	9	9	19
Gain/Loss	70	118	118	273
Ending Market Value	990	990	990	990

### 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	15.19	8.72	0.93	-5.32	87.43	121.18	-2.43	1.56	0.77	07/01/2016
Russell Midcap Growth	19.47	8.19	1.00	-4.39	100.00	100.00	0.00	2.11	1.00	07/01/2016

### Manager Risk & Return



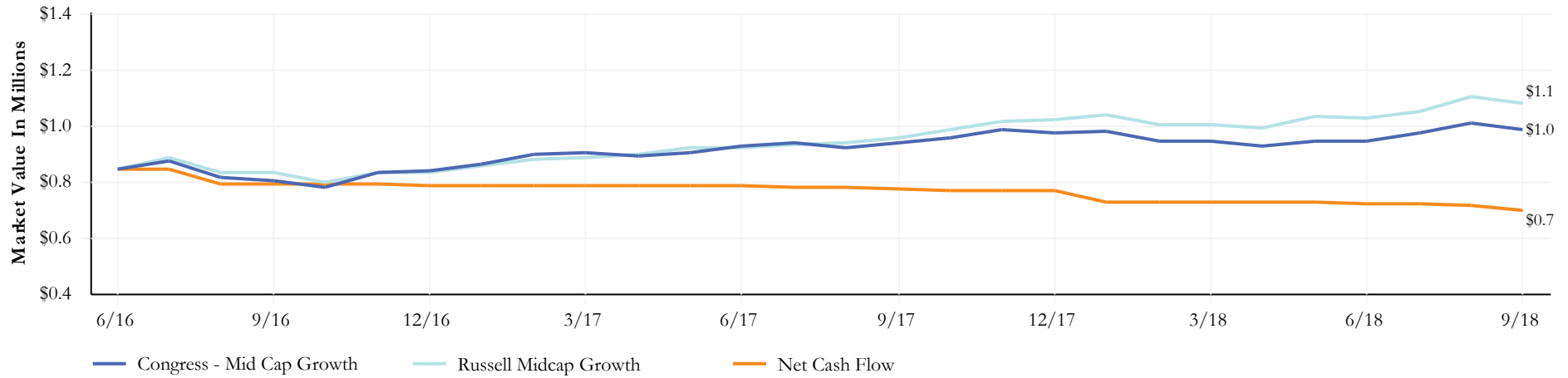
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# Town of Longboat Key Consolidated Retirement Plan

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

### as of September 30, 2018

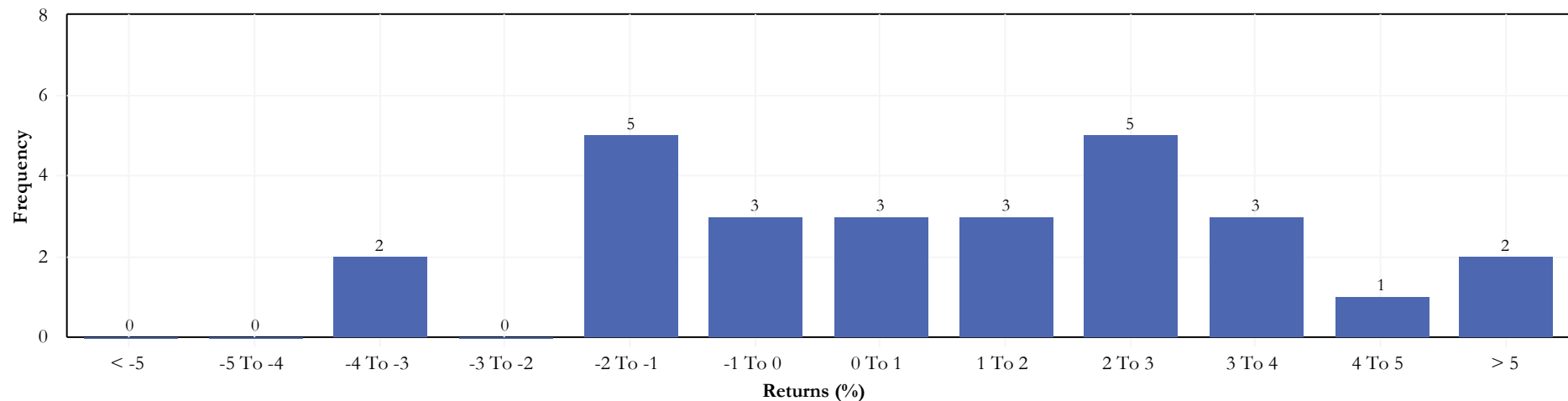
#### Historic Change in Assets



#### Quarterly Change in Assets

	Market Value As of 07/01/2018	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 09/30/2018
Congress - Mid Cap Growth	945,211.83	-	-	-26,000.00	-1,351.50	-	71,728.24	989,588.57

#### Distribution of Returns

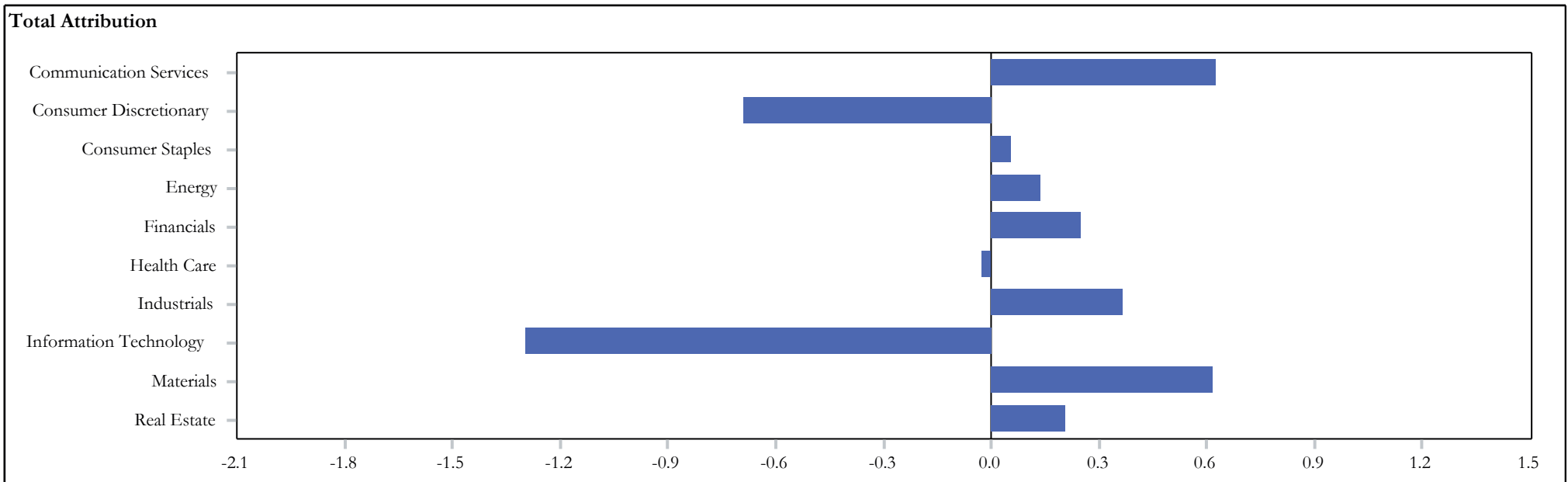
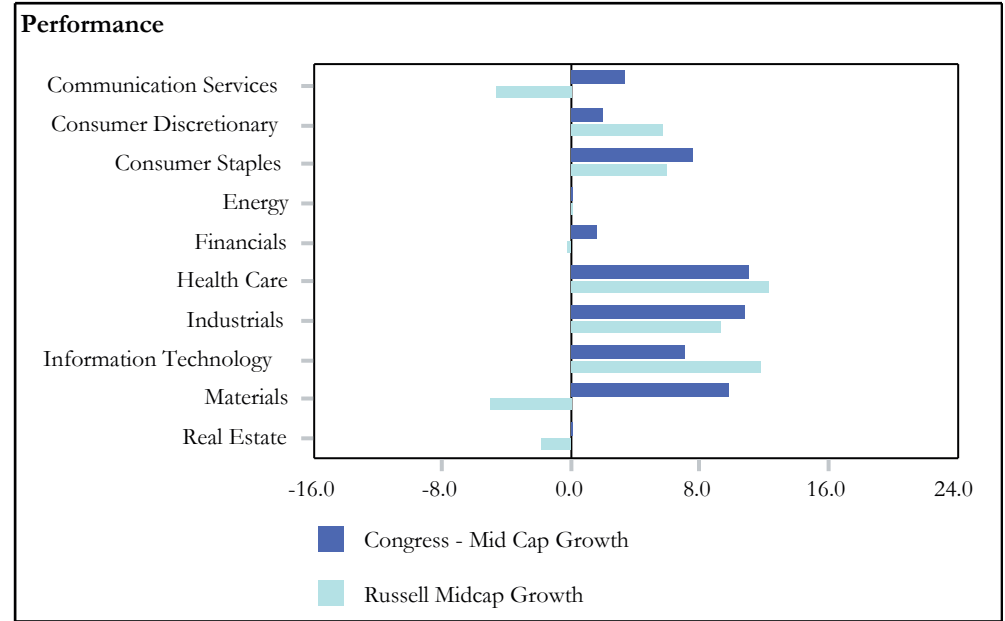
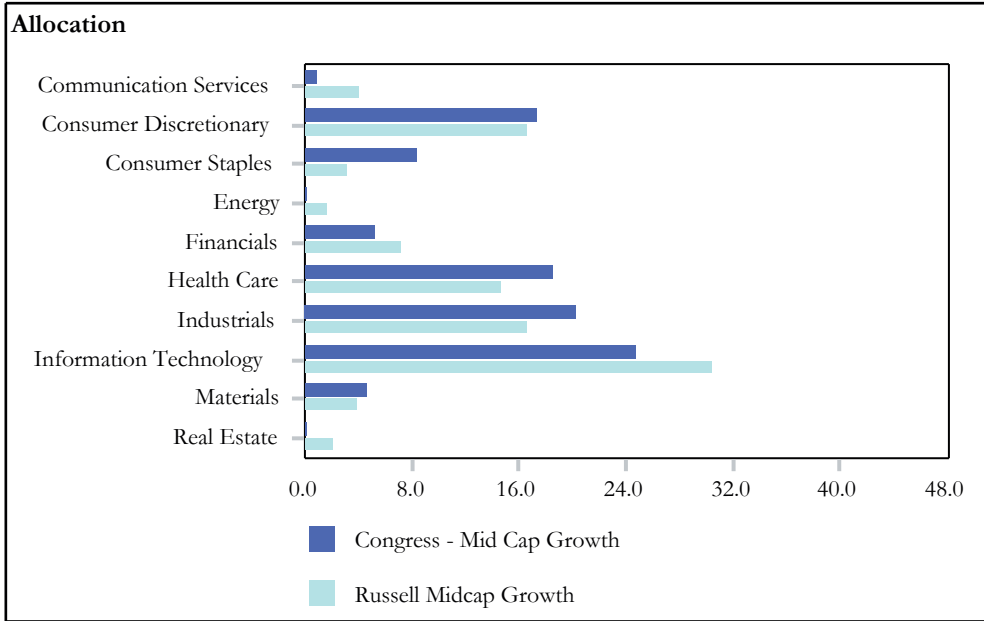


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# Town of Longboat Key Consolidated Retirement Plan

## Congress - Mid Cap Growth - Quarterly Performance Attributes

### as of September 30, 2018



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**Town of Longboat Key Consolidated Retirement Plan**  
**Congress - Mid Cap Growth - Quarterly Performance Attributes**  
**as of September 30, 2018**

	Allocation - 07/01/2018		Performance - Quarter Ending September 30, 2018		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Communication Services	0.84	3.99	3.32	-4.75	0.49	0.21	-0.07	0.63
Consumer Discretionary	17.36	16.51	2.02	5.78	-0.01	-0.63	-0.04	-0.69
Consumer Staples	8.41	3.12	7.66	5.99	-0.09	0.05	0.09	0.06
Energy	0.00	1.71	0.00	-0.02	0.14	0.00	0.00	0.14
Financials	5.29	7.21	1.61	-0.16	0.15	0.14	-0.04	0.25
Health Care	18.52	14.61	11.14	12.29	0.19	-0.12	-0.10	-0.03
Industrials	20.28	16.50	10.85	9.39	0.08	0.24	0.04	0.36
Information Technology	24.68	30.41	7.13	11.82	-0.22	-1.36	0.28	-1.30
Materials	4.61	3.82	9.85	-5.05	-0.11	0.62	0.11	0.62
Real Estate	0.00	2.12	0.00	-1.78	0.21	0.00	0.00	0.21
Total	100.00	100.00	7.78	7.54	0.82	-0.86	0.28	0.24

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 September 30, 2018

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$000)	10,988,409.53	16,585,164.47
Median Mkt. Cap (\$000)	10,680,408.06	8,810,139.87
Price/Earnings ratio	31.51	27.12
Price/Book ratio	5.04	6.30
5 Yr. EPS Growth Rate (%)	19.05	18.32
Beta	N/A	1.00
Number of Stocks	41	415
Debt to Equity	0.44	0.54

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Resmed Inc	3.19	0.52	2.67	11.74
Texas Roadhouse Inc	3.18	0.00	3.18	6.13
McCormick & Co Inc	3.16	0.03	3.13	13.98
PVH Corp	3.05	0.00	3.05	-3.53
Steris Plc	3.03	0.00	3.03	9.27
Lennox International Inc.	2.96	0.23	2.73	9.44
Raymond James Fin. Inc.	2.95	0.11	2.84	3.36
Monolithic Power Systems Inc	2.83	0.16	2.67	-5.87
Lamb Weston Holdings Inc	2.74	0.00	2.74	-2.52
Paycom Software Inc	2.74	0.25	2.49	57.25
% of Portfolio	29.83	1.30	28.53	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Paycom Software Inc	2.74	0.25	2.49	57.25
Cognex Corp	2.02	0.30	1.72	25.24
Henry (Jack) & Associates Inc	2.53	0.39	2.14	23.08
Etsy Inc	2.57	0.00	2.57	21.78
Barnes Group Inc	2.63	0.00	2.63	20.88
Charles River Laboratories International Inc	2.62	0.15	2.47	19.85
Xylem Inc	2.68	0.26	2.42	18.86
Cooper Companies Inc. (The)	2.74	0.07	2.67	17.73
Allegion Plc	2.51	0.23	2.28	17.36
Henry Schein Inc	2.27	0.06	2.21	17.06
% of Portfolio	25.31	1.71	23.60	

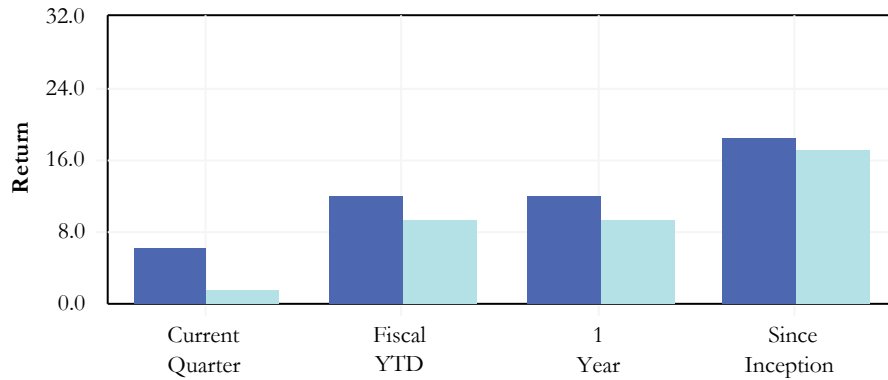
Ten Worst Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
IPG Photonics Corp	1.73	0.18	1.55	-29.26
Littelfuse Inc	1.92	0.13	1.79	-13.10
Copart Inc	1.88	0.33	1.55	-8.89
Monolithic Power Systems Inc	2.83	0.16	2.67	-5.87
PVH Corp	3.05	0.00	3.05	-3.53
Lamb Weston Holdings Inc	2.74	0.00	2.74	-2.52
Jazz Pharmaceuticals Plc	2.33	0.29	2.04	-2.42
First Republic Bank	2.21	0.00	2.21	-0.64
Raymond James Fin. Inc.	2.95	0.11	2.84	3.36
Hyatt Hotels Corp	2.45	0.00	2.45	3.37
% of Portfolio	24.09	1.20	22.89	

# Town of Longboat Key Consolidated Retirement Plan

## Kayne Anderson Small Cap Value - Executive Summary

as of September 30, 2018

### Manager Performance Chart



### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Kayne Anderson - Small Cap Value	6.30	12.07	12.07	17.62
Russell 2000 VL	1.61	9.33	9.33	17.40
Differences	4.69	2.74	2.74	0.22

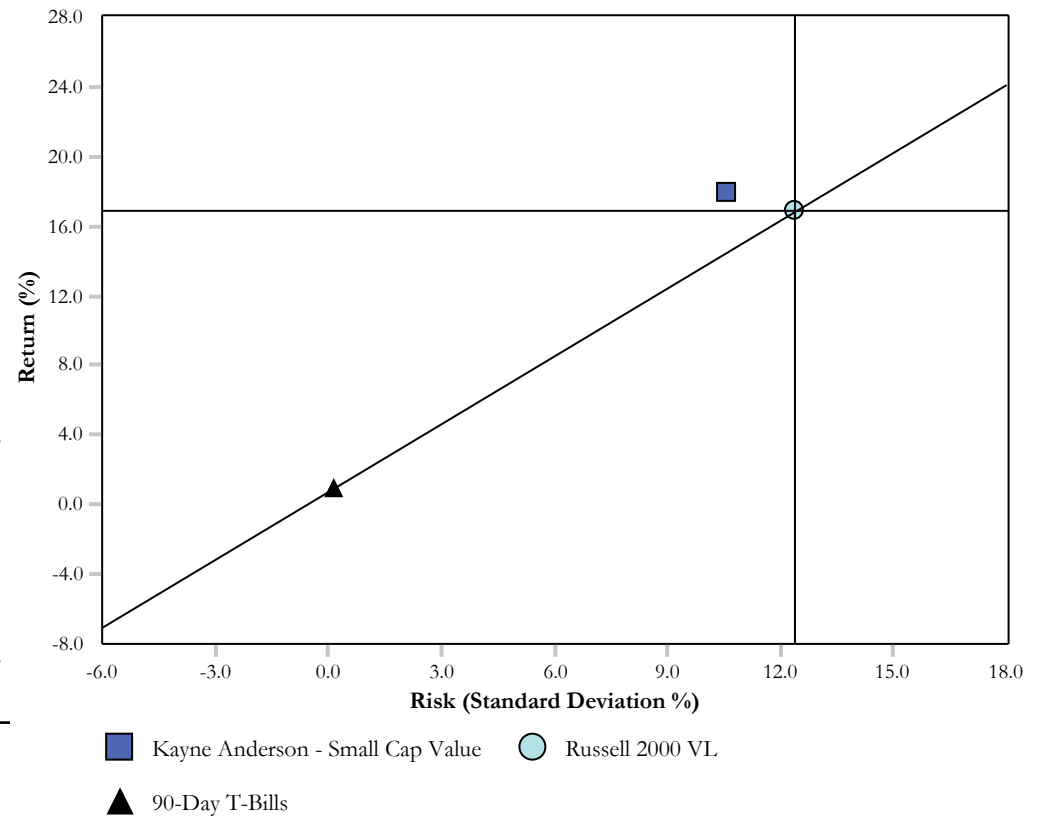
### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Kayne Anderson - Small Cap Value				
Beginning Market Value	925	957	957	847
Net Contributions	-17	-97	-97	-204
Fees/Expenses	-1	-6	-6	-13
Income	4	19	19	51
Gain/Loss	54	92	92	283
Ending Market Value	965	965	965	965

### 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	17.62	10.77	0.72	-6.64	86.30	58.74	4.78	1.47	0.72	07/01/2016
Russell 2000 VL	17.40	12.61	1.00	-5.00	100.00	100.00	0.00	1.26	1.00	07/01/2016

### Manager Risk & Return



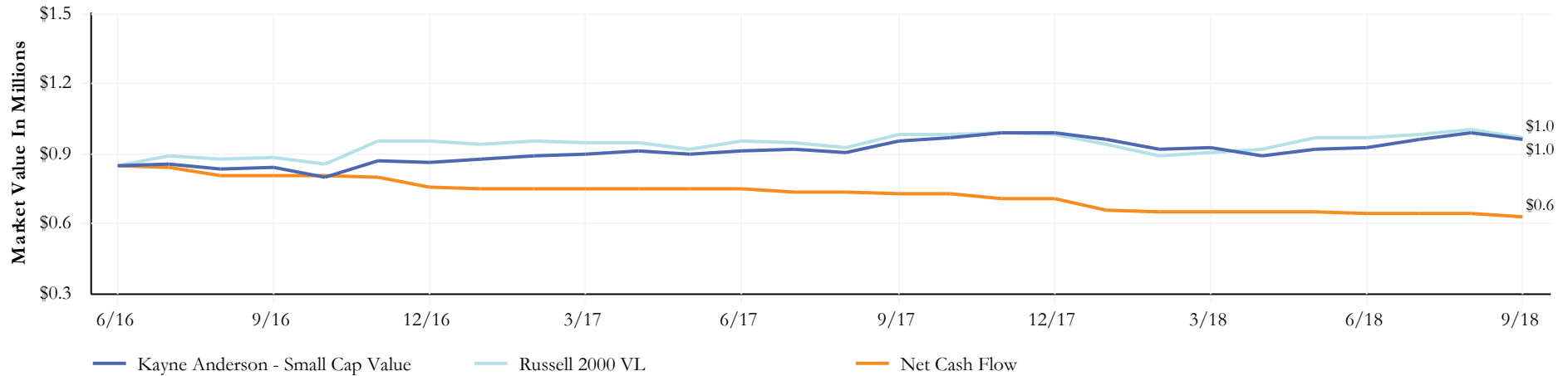
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# Town of Longboat Key Consolidated Retirement Plan

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

as of September 30, 2018

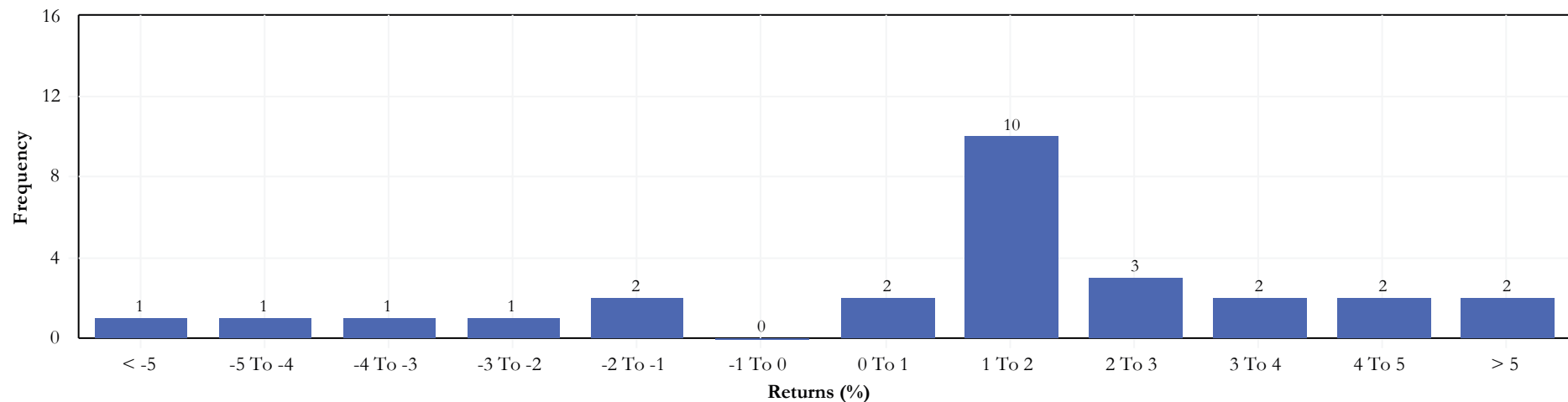
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 07/01/2018	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 09/30/2018
Kayne Anderson - Small Cap Value	924,742.97	-	-	-17,000.00	-1,440.00	-	58,375.61	964,678.58

### Distribution of Returns

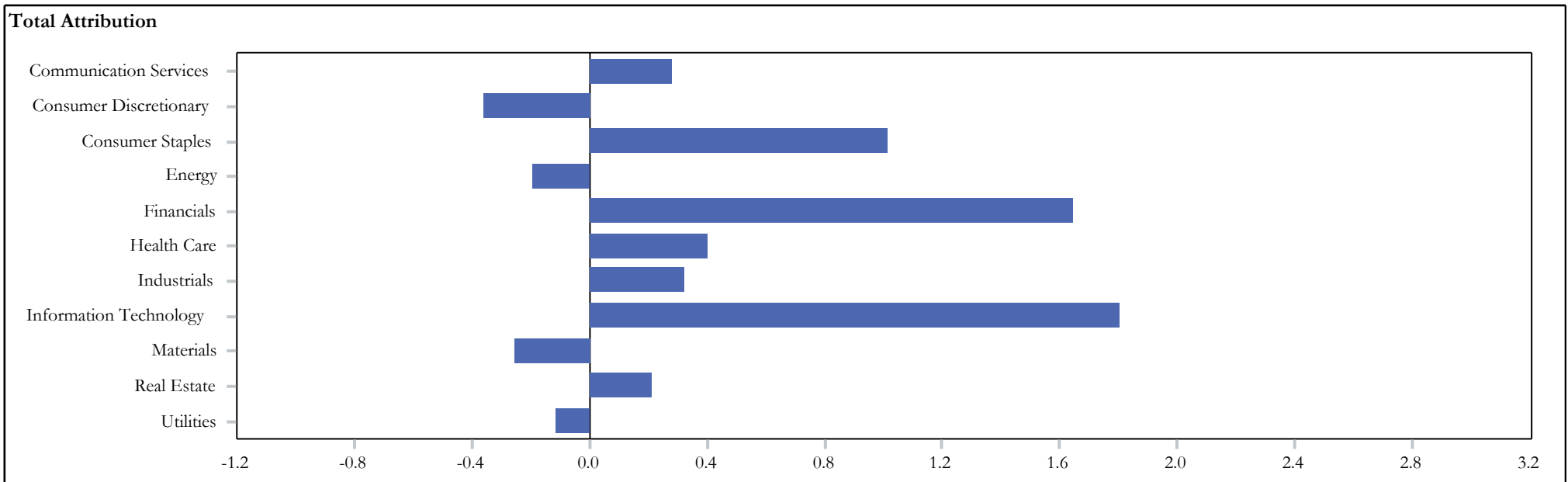
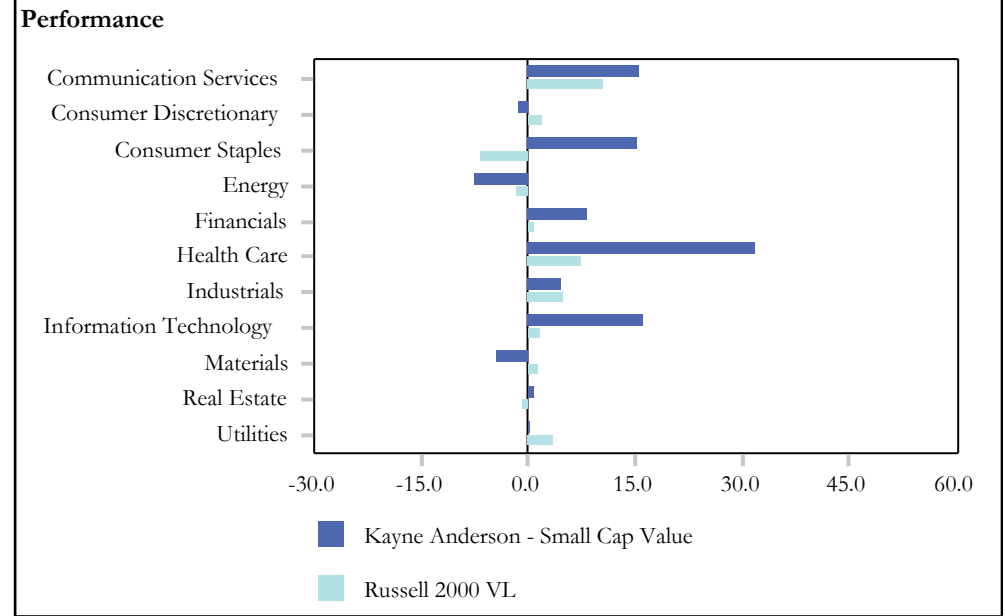
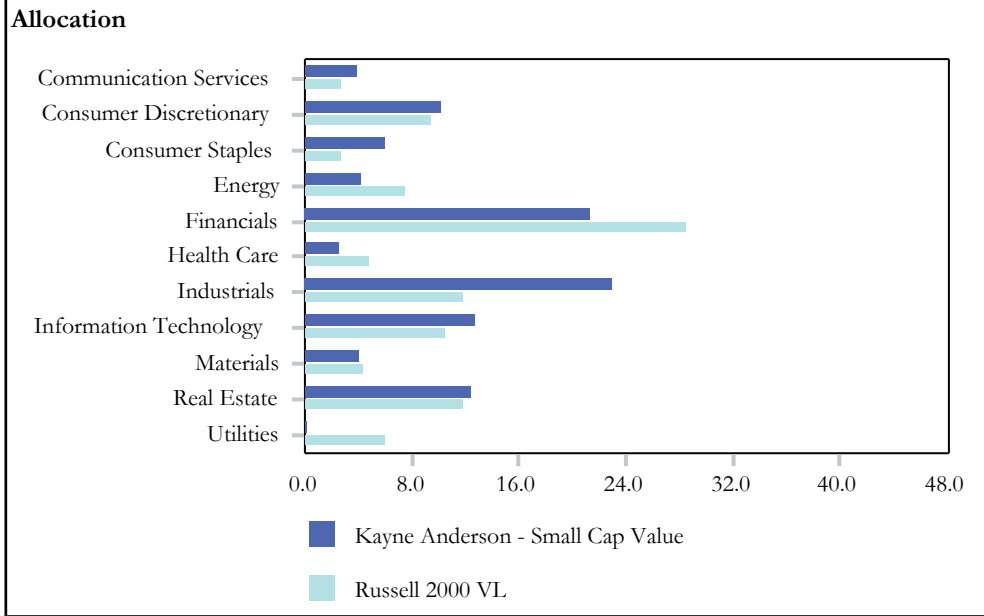


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# Town of Longboat Key Consolidated Retirement Plan

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

### as of September 30, 2018



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**Town of Longboat Key Consolidated Retirement Plan**  
**Kayne Anderson - Small Cap Value - Quarterly Performance Attributes**  
**as of September 30, 2018**

	Allocation - 07/01/2018		Performance - Quarter Ending September 30, 2018		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Communication Services	3.83	2.76	15.58	10.43	0.09	0.13	0.05	0.28
Consumer Discretionary	10.14	9.44	-1.58	1.84	0.00	-0.30	-0.06	-0.36
Consumer Staples	6.01	2.65	15.20	-6.80	-0.30	0.59	0.72	1.02
Energy	4.24	7.39	-7.78	-1.80	0.10	-0.44	0.15	-0.19
Financials	21.28	28.50	8.18	0.70	0.06	2.13	-0.55	1.65
Health Care	2.54	4.83	31.81	7.49	-0.13	1.10	-0.57	0.40
Industrials	23.00	11.81	4.72	5.05	0.40	-0.04	-0.04	0.32
Information Technology	12.66	10.46	16.23	1.52	-0.02	1.53	0.30	1.81
Materials	3.99	4.39	-4.62	1.19	0.00	-0.24	-0.01	-0.26
Real Estate	12.31	11.82	0.72	-0.90	0.00	0.24	-0.02	0.21
Utilities	0.00	5.96	0.00	3.55	-0.12	0.00	0.00	-0.12
Total	100.00	100.00	6.35	1.59	0.08	4.70	-0.03	4.75

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 September 30, 2018

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$000)	4,096,202.00	2,150,162.54
Median Mkt. Cap (\$000)	3,591,245.88	820,325.84
Price/Earnings ratio	24.00	15.46
Price/Book ratio	4.25	1.71
5 Yr. EPS Growth Rate (%)	9.19	7.14
Beta	N/A	1.00
Number of Stocks	29	1,387
Debt to Equity	0.70	0.86

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Landstar System Inc	5.54	0.00	5.54	11.88
RBC Bearings Inc	5.13	0.00	5.13	16.73
MGM Growth Properties LLC	4.86	0.00	4.86	-1.72
SiteOne Landscape Supply Inc	4.47	0.00	4.47	-10.28
WD-40 Co	4.44	0.00	4.44	18.07
Henry (Jack) & Associates Inc	4.43	0.00	4.43	23.08
First Financial Bankshares Inc	4.27	0.00	4.27	16.51
Primerica Inc	4.17	0.00	4.17	21.29
Core Laboratories NV	4.15	0.00	4.15	-7.78
Bank of Hawaii Corp	4.14	0.00	4.14	-4.72
% of Portfolio	45.60	0.00	45.60	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Anika Therapeutics Inc	2.83	0.05	2.78	31.81
HFF Inc	3.77	0.00	3.77	23.67
Henry (Jack) & Associates Inc	4.43	0.00	4.43	23.08
Primerica Inc	4.17	0.00	4.17	21.29
RLI Corp	3.49	0.04	3.45	19.06
Badger Meter Inc.	3.92	0.00	3.92	18.78
WD-40 Co	4.44	0.00	4.44	18.07
RBC Bearings Inc	5.13	0.00	5.13	16.73
First Financial Bankshares Inc	4.27	0.00	4.27	16.51
Cinemark Holdings Inc	3.73	0.00	3.73	15.58
% of Portfolio	40.18	0.09	40.09	

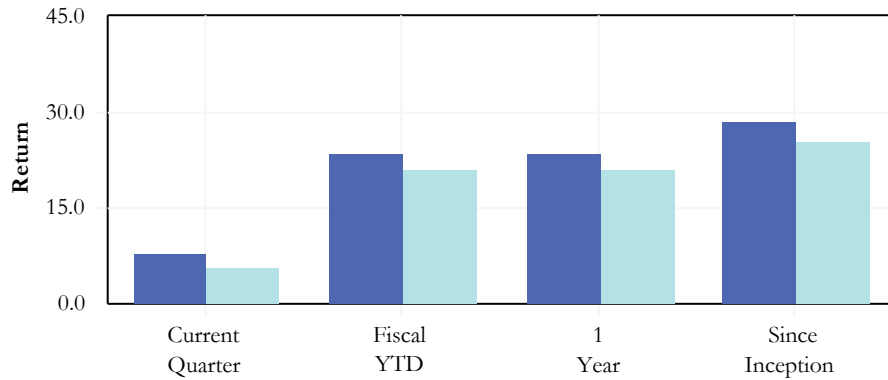
Ten Worst Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
RE/MAX Holdings Inc	3.09	0.07	3.02	-15.10
Thor Industries Inc.	2.81	0.00	2.81	-14.06
Houlihan Lokey Inc	2.62	0.00	2.62	-11.78
SiteOne Landscape Supply Inc	4.47	0.00	4.47	-10.28
Core Laboratories NV	4.15	0.00	4.15	-7.78
Bank of Hawaii Corp	4.14	0.00	4.14	-4.72
Scotts Miracle-Gro	3.95	0.00	3.95	-4.62
Cheesecake Factory Inc. (The)	4.13	0.00	4.13	-2.12
MGM Growth Properties LLC	4.86	0.00	4.86	-1.72
Watsco Inc.	2.38	0.00	2.38	0.70
% of Portfolio	36.60	0.07	36.53	

# Town of Longboat Key Consolidated Retirement Plan

## RBC Capital Small Cap Growth - Executive Summary

as of September 30, 2018

### Manager Performance Chart



### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 09/01/2017
RBC - Small Cap Growth	7.72	23.44	23.44	28.54
Russell 2000 Gr	5.52	21.06	21.06	25.28
Differences	2.20	2.38	2.38	3.26

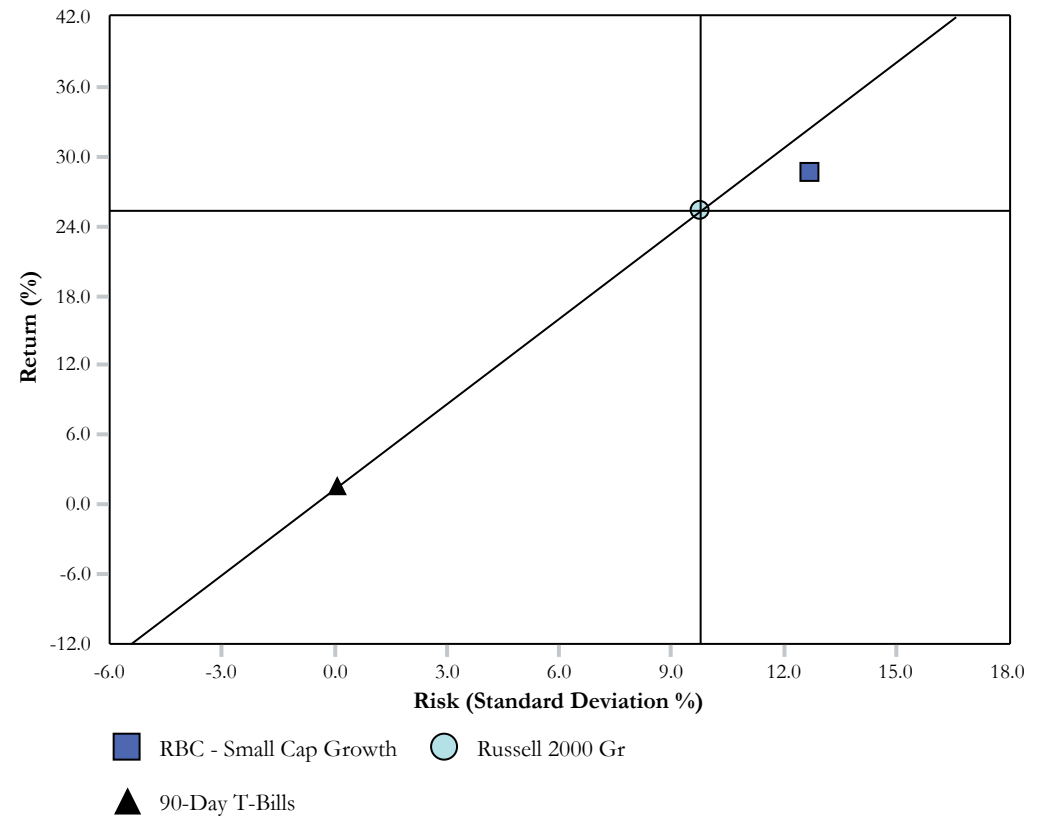
### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 09/01/2017
RBC - Small Cap Growth				
Beginning Market Value	983	899	899	855
Net Contributions	-28	-66	-66	-76
Fees/Expenses	-2	-6	-6	-6
Income	1	5	5	6
Gain/Loss	75	198	198	251
Ending Market Value	1,030	1,030	1,030	1,030

### 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	28.54	12.71	1.25	-3.61	117.09	138.62	-2.76	1.94	0.92	09/01/2017
Russell 2000 Gr	25.28	9.81	1.00	-2.85	100.00	100.00	0.00	2.21	1.00	09/01/2017

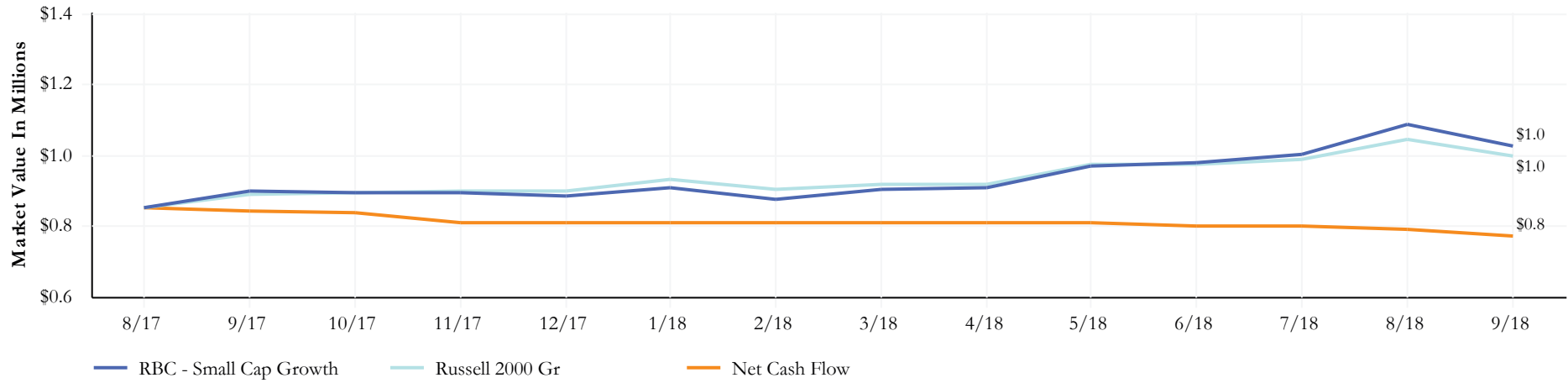
### Manager Risk & Return



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**Town of Longboat Key Consolidated Retirement Plan**  
**RBC Capital Small Cap Growth - Change in Assets & Distribution of Returns**  
as of September 30, 2018

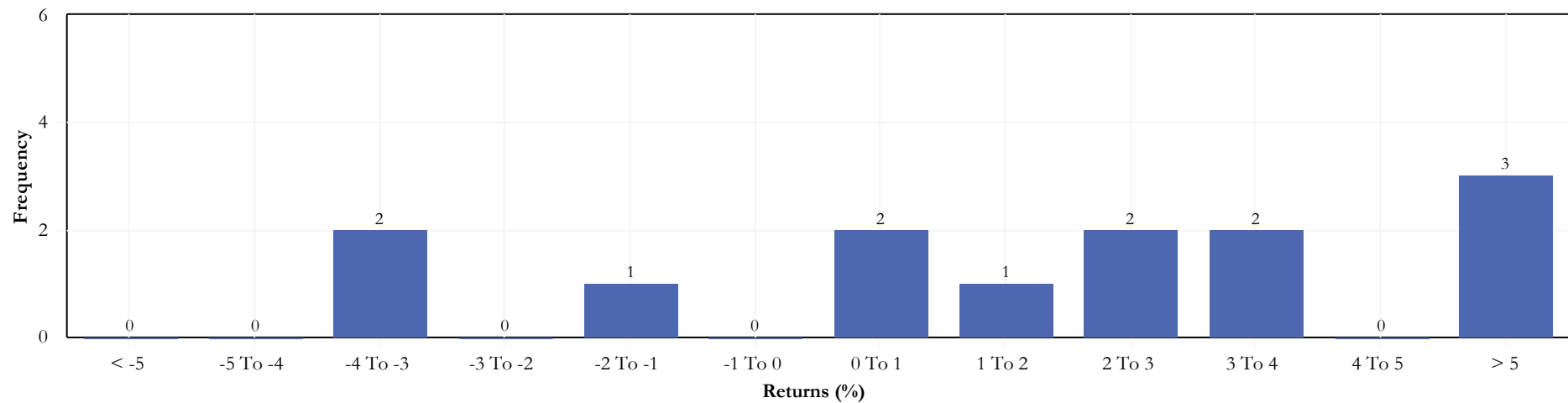
**Historic Change in Assets**



**Quarterly Change in Assets**

	Market Value As of 07/01/2018	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 09/30/2018
RBC - Small Cap Growth	983,410.99	-	-	-28,000.00	-1,702.81	-	76,182.33	1,029,890.51

**Distribution of Returns**



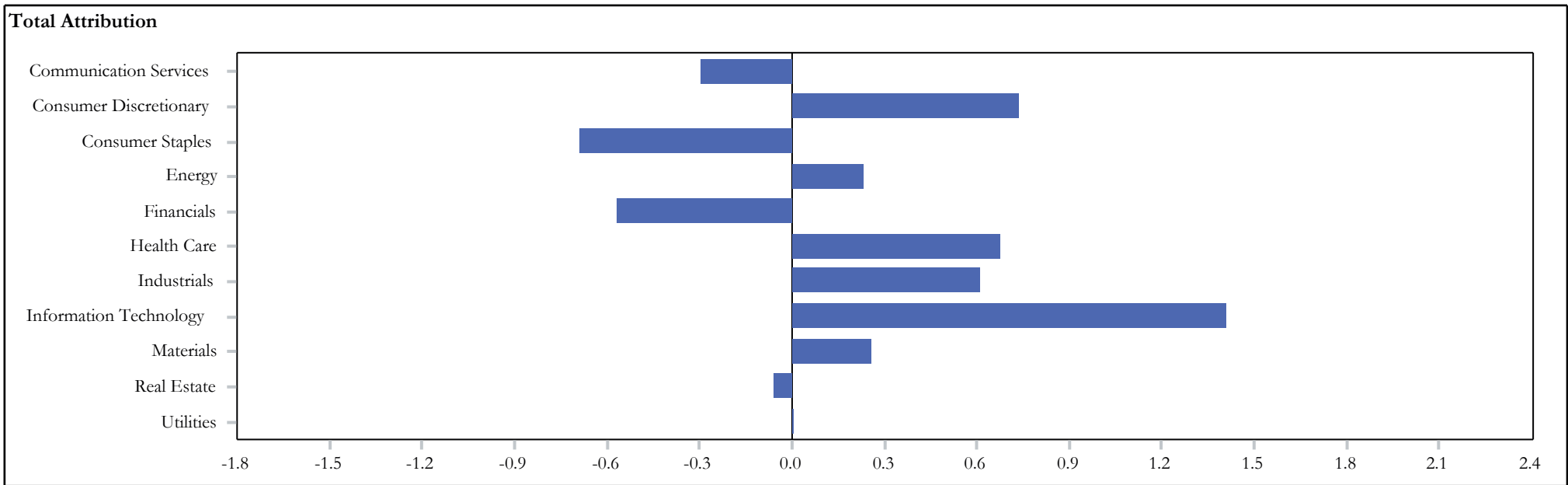
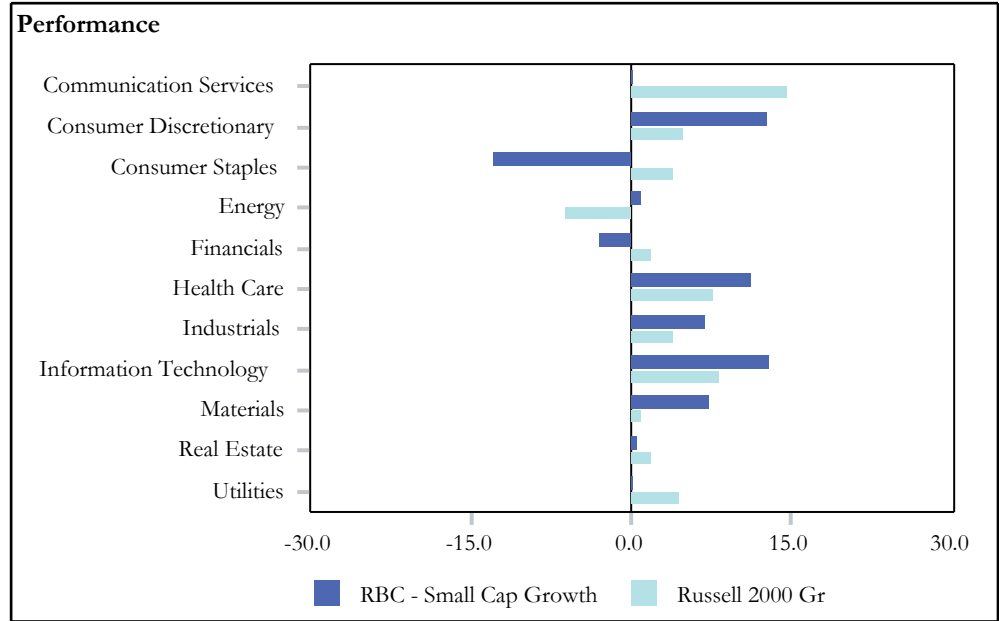
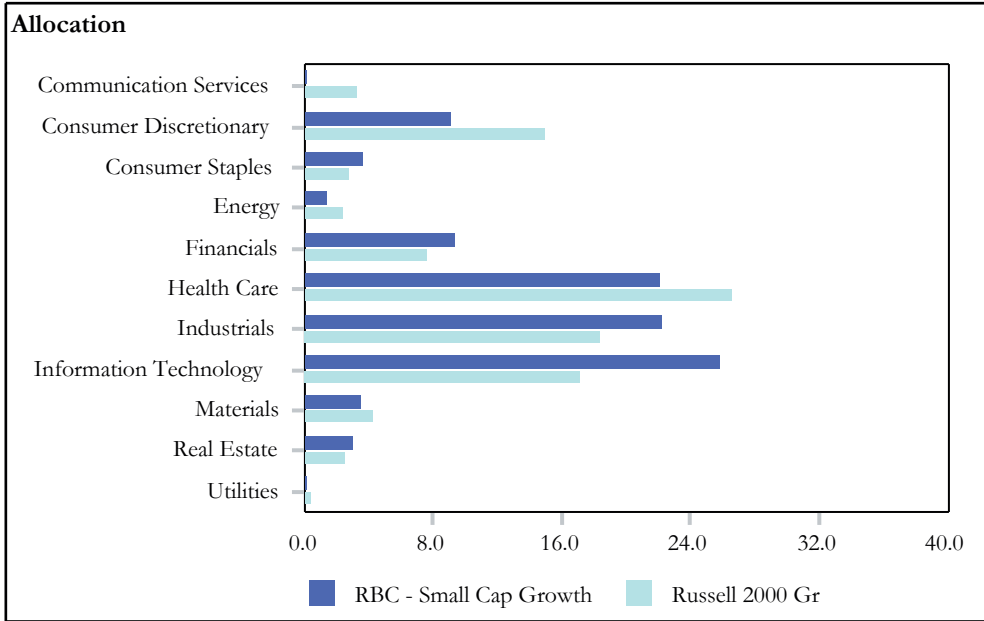
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# Town of Longboat Key Consolidated Retirement Plan

## RBC - Small Cap Growth - Quarterly Performance Attributes

as of September 30, 2018



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# Town of Longboat Key Consolidated Retirement Plan

## RBC - Small Cap Growth - Quarterly Performance Attributes

as of September 30, 2018

	Allocation - 07/01/2018		Performance - Quarter Ending September 30, 2018		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Communication Services	0.00	3.22	0.00	14.54	-0.29	0.00	0.00	-0.29
Consumer Discretionary	9.07	14.88	12.74	4.83	0.05	1.16	-0.47	0.74
Consumer Staples	3.61	2.78	-12.88	3.86	-0.02	-0.50	-0.17	-0.69
Energy	1.32	2.38	1.01	-6.13	0.13	0.20	-0.09	0.23
Financials	9.35	7.53	-3.02	1.91	-0.06	-0.39	-0.12	-0.57
Health Care	22.12	26.62	11.09	7.62	-0.09	0.92	-0.15	0.67
Industrials	22.23	18.36	6.94	3.94	-0.06	0.55	0.11	0.61
Information Technology	25.81	17.11	12.90	8.14	0.22	0.81	0.38	1.41
Materials	3.51	4.20	7.20	0.94	0.04	0.27	-0.05	0.26
Real Estate	2.98	2.50	0.64	1.85	-0.02	-0.03	-0.01	-0.06
Utilities	0.00	0.41	0.00	4.47	0.00	0.00	0.00	0.00
Total	100.00	100.00	7.84	5.53	-0.11	3.00	-0.58	2.31

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 September 30, 2018

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$000)	2,921,625.50	2,645,563.15
Median Mkt. Cap (\$000)	2,464,937.09	1,042,920.07
Price/Earnings ratio	33.42	25.36
Price/Book ratio	3.68	4.49
5 Yr. EPS Growth Rate (%)	21.23	17.52
Beta	N/A	1.00
Number of Stocks	76	1,253
Debt to Equity	0.60	118.98

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Bottomline Technologies Inc	2.81	0.25	2.56	45.92
Integer Holdings Corp	2.30	0.16	2.14	28.31
Balchem Corp	2.24	0.31	1.93	14.21
HealthEquity Inc	2.20	0.44	1.76	25.71
Omnicell Inc	2.18	0.24	1.94	37.08
Woodward Inc	2.12	0.37	1.75	5.39
RBC Bearings Inc	2.06	0.31	1.75	16.73
Neogen Corp	2.06	0.31	1.75	-10.80
FirstCash Inc	2.03	0.30	1.73	-8.49
Texas Roadhouse Inc	1.97	0.40	1.57	6.13
% of Portfolio	21.97	3.09	18.88	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Core Mark Holding Co Inc	1.08	0.01	1.07	50.03
PetIQ Inc	0.98	0.04	0.94	46.35
Bottomline Technologies Inc	2.81	0.25	2.56	45.92
Omnicell Inc	2.18	0.24	1.94	37.08
Paylocity Holding Corp	1.89	0.20	1.69	36.46
NuVasive Inc	1.39	0.31	1.08	36.19
Proto Labs Inc	1.61	0.37	1.24	35.98
SPS Commerce Inc	1.75	0.14	1.61	35.06
Inogen Inc	0.86	0.37	0.49	31.02
Cardtronics plc	0.90	0.09	0.81	30.85
% of Portfolio	15.45	2.02	13.43	

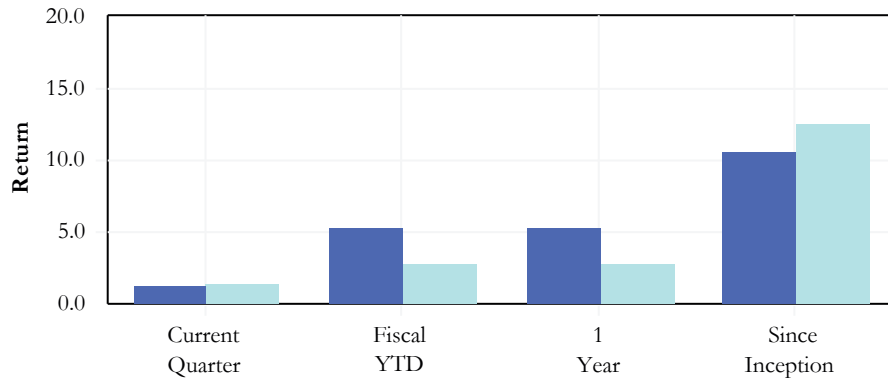
Ten Worst Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
USA Technologies Inc	0.54	0.03	0.51	-48.57
United Natural Foods Inc	0.71	0.00	0.71	-29.79
Eagle Bancorp Inc	1.16	0.11	1.05	-17.45
Forum Energy Technologies Inc	0.34	0.00	0.34	-16.19
Beacon Roofing Supply Inc	0.93	0.16	0.77	-15.09
Neogen Corp	2.06	0.31	1.75	-10.80
Virtus Investment Partners Inc	1.06	0.01	1.05	-10.79
SiteOne Landscape Supply Inc	1.51	0.26	1.25	-10.28
PriceSmart Inc	0.93	0.15	0.78	-10.18
Medidata Solutions Inc	1.56	0.36	1.20	-9.00
% of Portfolio	10.80	1.39	9.41	

# Town of Longboat Key Consolidated Retirement Plan

## Lazard International Value - Executive Summary

as of September 30, 2018

### Manager Performance Chart



### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Lazard - International Value	1.24	5.34	5.34	10.56
MSCI EAFE Net	1.36	2.74	2.74	12.46
Differences	-0.12	2.60	2.60	-1.90

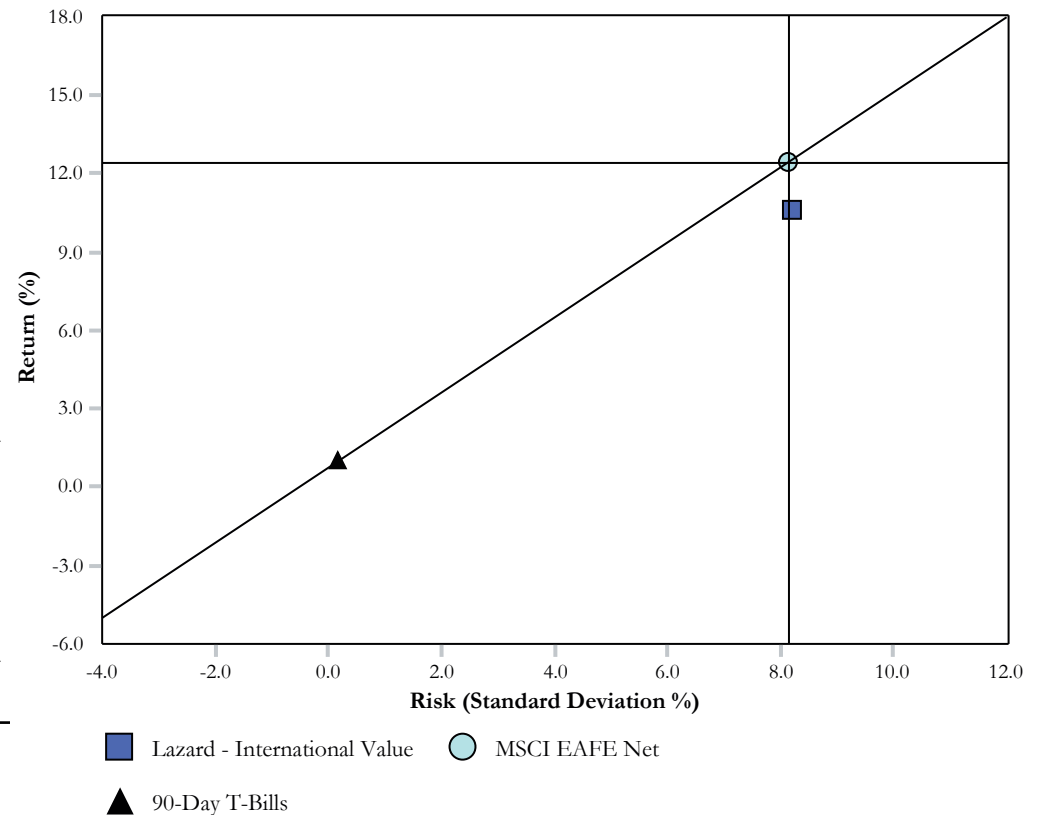
### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Lazard - International Value				
Beginning Market Value	2,645	2,622	2,622	2,499
Net Contributions	-60	-131	-131	-425
Fees/Expenses	-4	-15	-15	-32
Income	14	62	62	123
Gain/Loss	19	76	76	450
Ending Market Value	2,615	2,615	2,615	2,615

### 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	10.56	8.23	0.89	-6.65	88.75	93.61	-0.34	1.14	0.77	07/01/2016
MSCI EAFE Net	12.46	8.14	1.00	-7.40	100.00	100.00	0.00	1.36	1.00	07/01/2016

### Manager Risk & Return



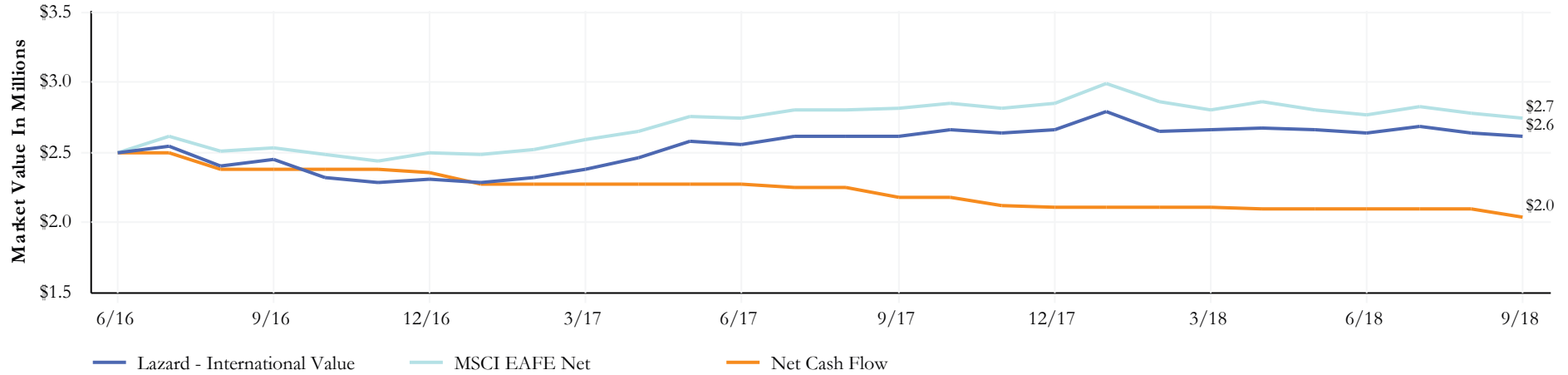
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# Town of Longboat Key Consolidated Retirement Plan

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

as of September 30, 2018

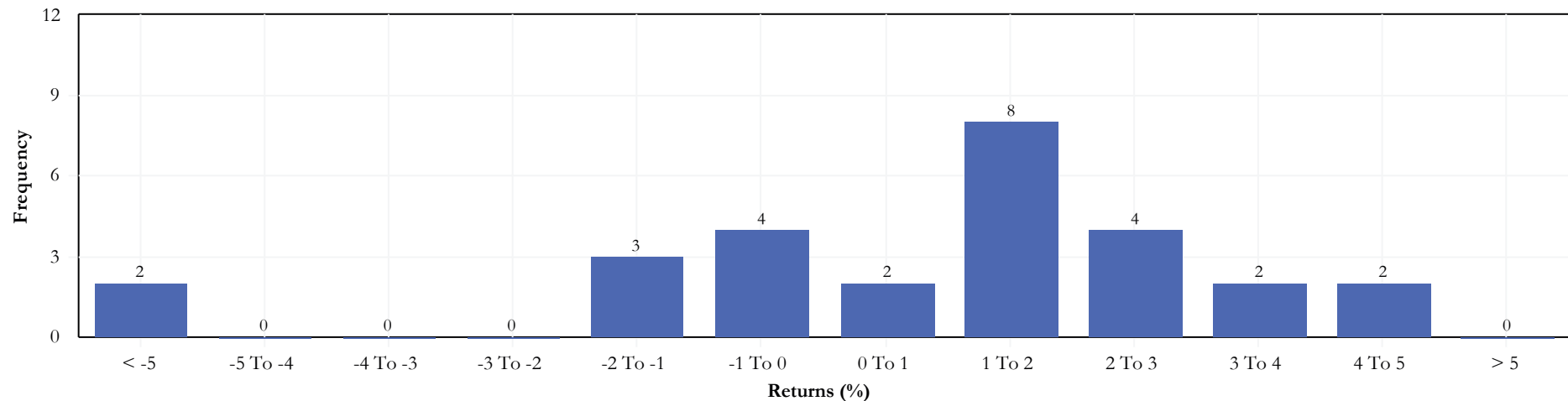
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 07/01/2018	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 09/30/2018
Lazard - International Value	2,645,284.78	-	-	-60,000.00	-3,784.07	-	33,153.93	2,614,654.64

### Distribution of Returns

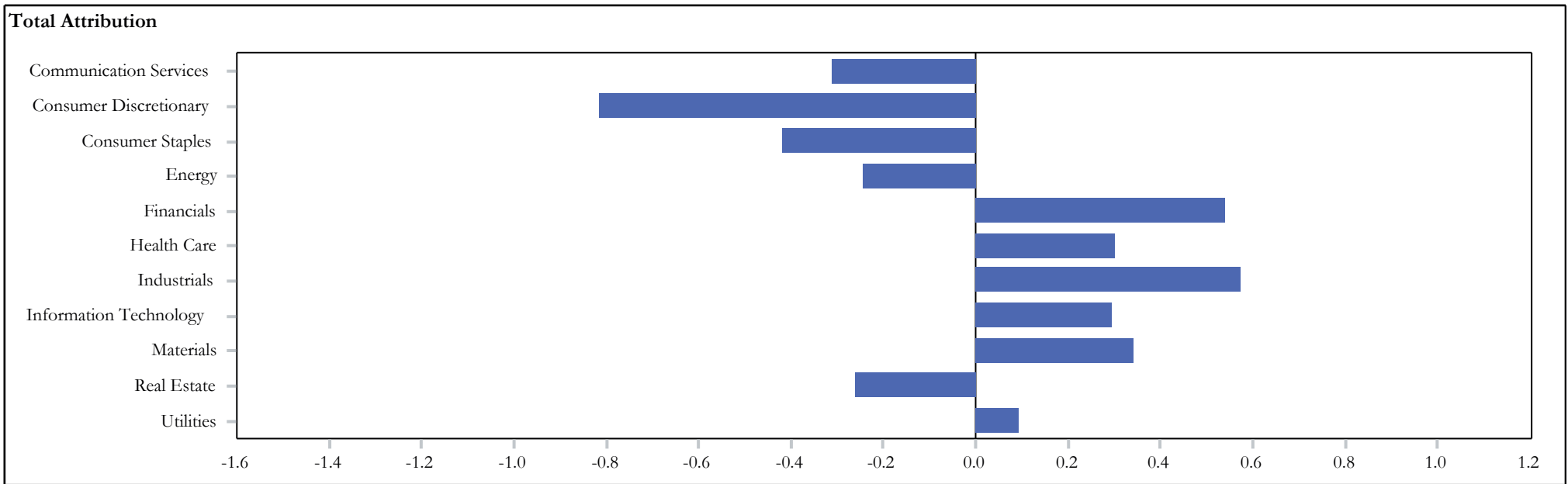
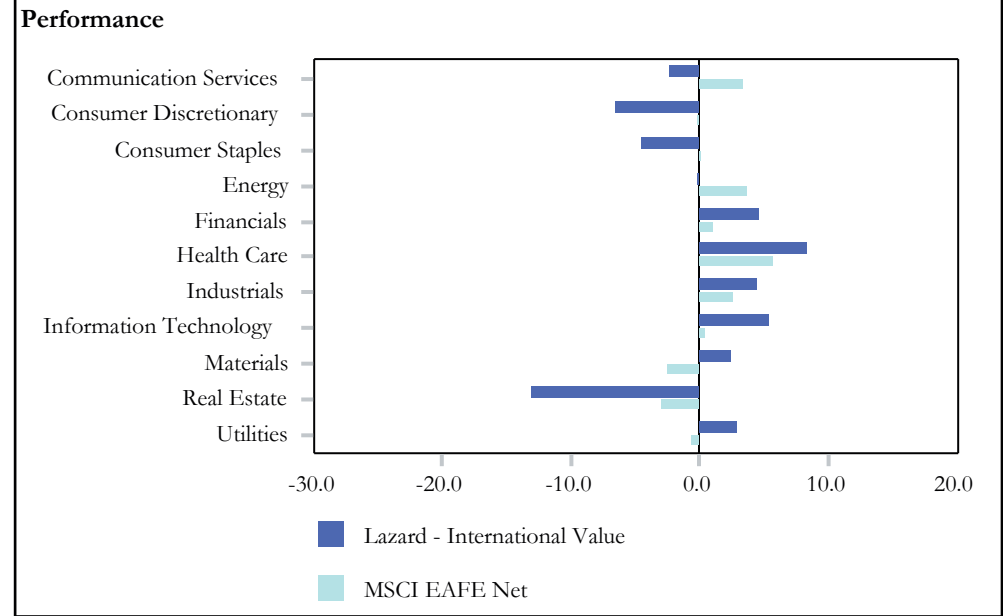
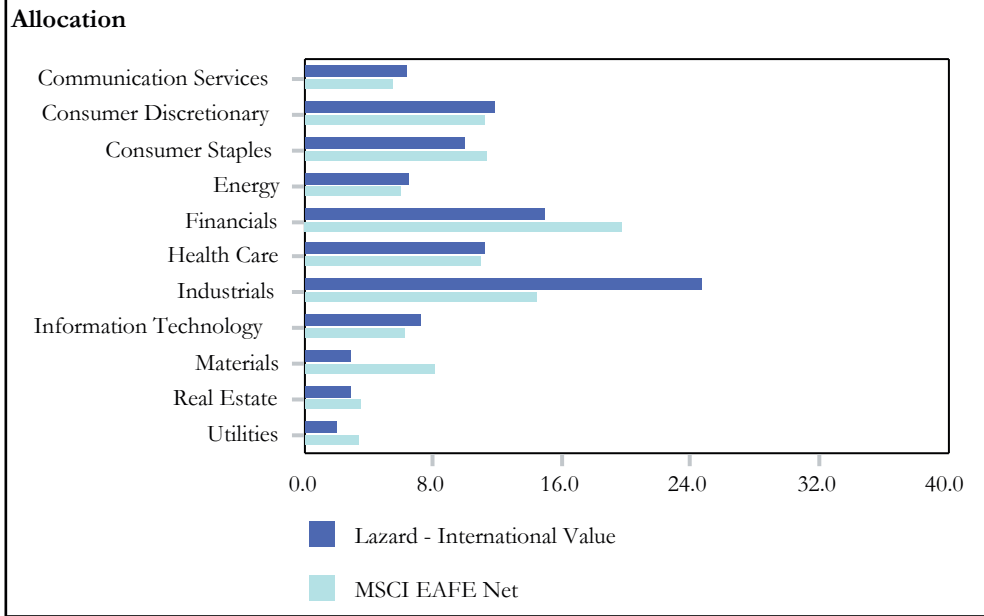


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# Town of Longboat Key Consolidated Retirement Plan

## Lazard - International Value - Quarterly Performance Attributes

### as of September 30, 2018



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# Town of Longboat Key Consolidated Retirement Plan

## Lazard - International Value - Quarterly Performance Attributes

as of September 30, 2018

	Allocation - 07/01/2018		Performance - Quarter Ending September 30, 2018		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Communication Services	6.35	5.43	-2.41	3.38	0.02	-0.31	-0.02	-0.31
Consumer Discretionary	11.85	11.13	-6.54	-0.25	-0.01	-0.72	-0.08	-0.81
Consumer Staples	9.89	11.29	-4.47	0.02	0.02	-0.51	0.06	-0.42
Energy	6.40	5.99	-0.22	3.72	0.01	-0.24	-0.01	-0.24
Financials	14.92	19.77	4.68	1.10	0.02	0.70	-0.18	0.54
Health Care	11.12	10.93	8.40	5.73	0.01	0.29	0.00	0.30
Industrials	24.67	14.35	4.41	2.66	0.14	0.25	0.18	0.57
Information Technology	7.19	6.23	5.36	0.44	-0.02	0.31	0.00	0.30
Materials	2.86	8.08	2.45	-2.59	0.19	0.43	-0.28	0.34
Real Estate	2.81	3.50	-13.02	-2.91	0.03	-0.34	0.04	-0.26
Utilities	1.95	3.29	2.91	-0.72	0.03	0.12	-0.06	0.09
Total	100.00	100.00	1.37	1.28	0.44	-0.02	-0.34	0.09

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 September 30, 2018

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$000)	73,268,610.45	61,248,915.24
Median Mkt. Cap (\$000)	40,340,451.26	11,018,051.19
Price/Earnings ratio	14.29	14.43
Price/Book ratio	2.71	2.19
5 Yr. EPS Growth Rate (%)	5.47	10.83
Beta	N/A	1.00
Number of Stocks	51	924
Debt to Equity	1.01	1.12

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
SAP AG	3.73	0.84	2.89	6.35
Wolters Kluwer NV	3.43	0.13	3.30	11.34
Prudential PLC	3.33	0.41	2.92	1.34
Medtronic PLC	3.29	0.00	3.29	16.16
Accenture PLC	3.27	0.00	3.27	4.04
Royal Dutch Shell PLC	3.14	1.09	2.05	-0.17
Novartis AG	2.89	1.30	1.59	14.06
BHP Billiton Group	2.79	0.56	2.23	2.45
Safran SA	2.78	0.32	2.46	15.40
Aon plc	2.76	0.00	2.76	12.74
% of Portfolio	31.41	4.65	26.76	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Medtronic PLC	3.29	0.00	3.29	16.16
Safran SA	2.78	0.32	2.46	15.40
Novartis AG	2.89	1.30	1.59	14.06
Nordea Bank Abp	1.96	0.23	1.73	12.93
Aon plc	2.76	0.00	2.76	12.74
Makita Corp	2.49	0.08	2.41	11.76
Sonova Holding AG	0.77	0.08	0.69	11.63
Wolters Kluwer NV	3.43	0.13	3.30	11.34
Canadian National Railway	1.51	0.00	1.51	10.29
Rogers Communications Inc	1.51	0.00	1.51	9.09
% of Portfolio	23.39	2.14	21.25	

Ten Worst Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Valeo SA	1.52	0.07	1.45	-20.54
Ryanair Holdings PLC	1.21	0.02	1.19	-15.92
Ryohin Keikaku Co Ltd	2.71	0.05	2.66	-15.48
Anheuser-Busch InBev SA/NV	1.77	0.46	1.31	-13.09
Daiwa House Industry Co Ltd	2.43	0.12	2.31	-13.02
Informa Plc	1.06	0.09	0.97	-9.03
Fresenius SE & Co KGAA	1.68	0.21	1.47	-8.56
British American Tobacco	2.42	0.74	1.68	-7.57
Assa Abloy AB	2.49	0.14	2.35	-5.87
Suncor Energy Inc.	1.99	0.00	1.99	-4.25
% of Portfolio	19.28	1.90	17.38	

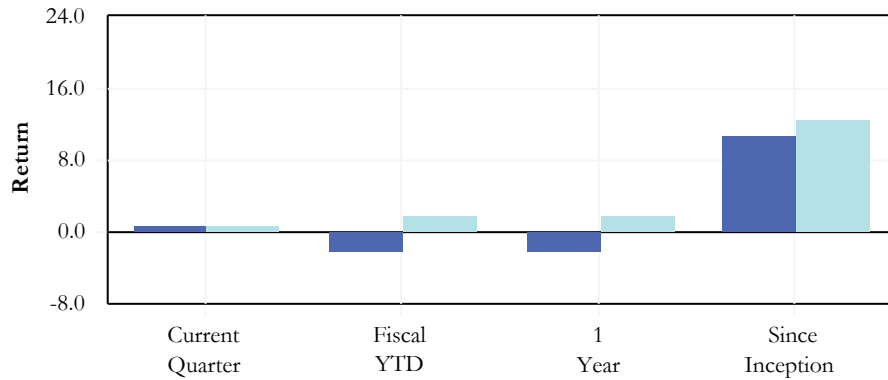


# Town of Longboat Key Consolidated Retirement Plan

## Renaissance International Growth - Executive Summary

as of September 30, 2018

### Manager Performance Chart



### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Renaissance - International Growth	0.72	-2.30	-2.30	10.63
MSCI AC World ex US Net	0.71	1.76	1.76	12.42
Differences	0.01	-4.06	-4.06	-1.79

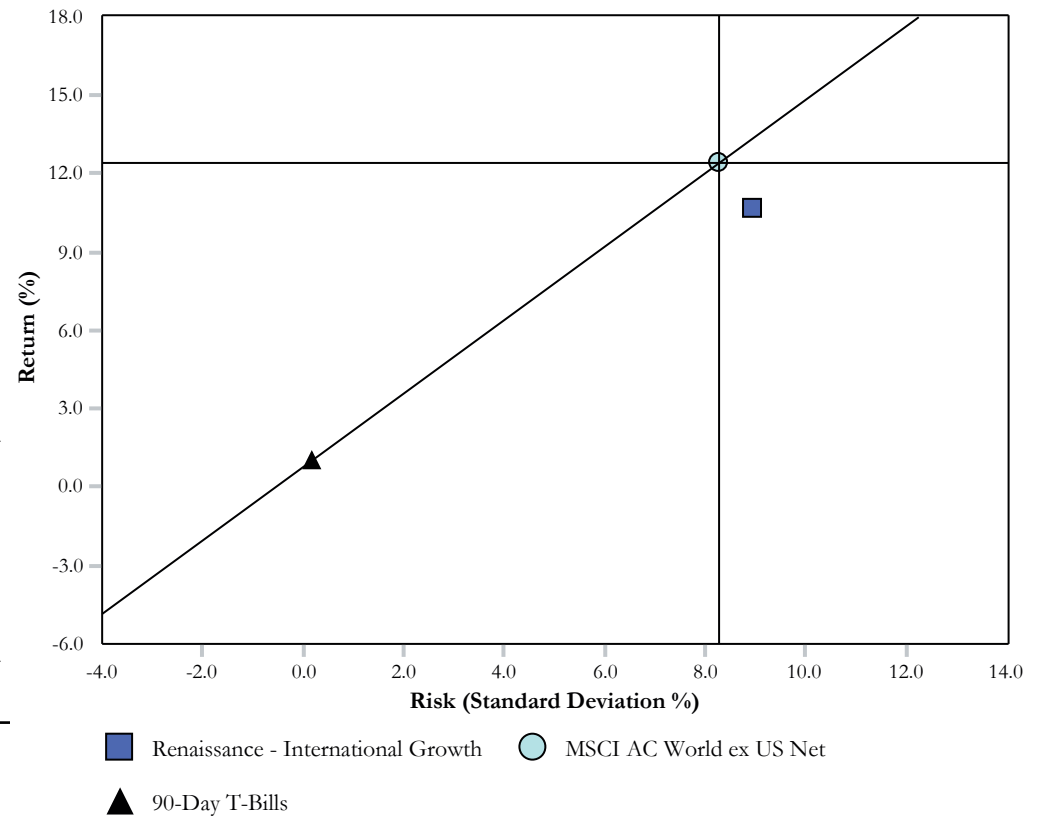
### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Renaissance - International Growth				
Beginning Market Value	2,518	2,628	2,628	2,485
Net Contributions	-30	-52	-52	-541
Fees/Expenses	-4	-15	-15	-33
Income	19	65	65	119
Gain/Loss	-1	-124	-124	472
Ending Market Value	2,502	2,502	2,502	2,502

### 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	10.63	8.95	1.02	-11.32	95.77	110.12	-1.84	1.06	0.90	07/01/2016
MSCI AC World ex US Net	12.42	8.28	1.00	-8.84	100.00	100.00	0.00	1.33	1.00	07/01/2016

### Manager Risk & Return



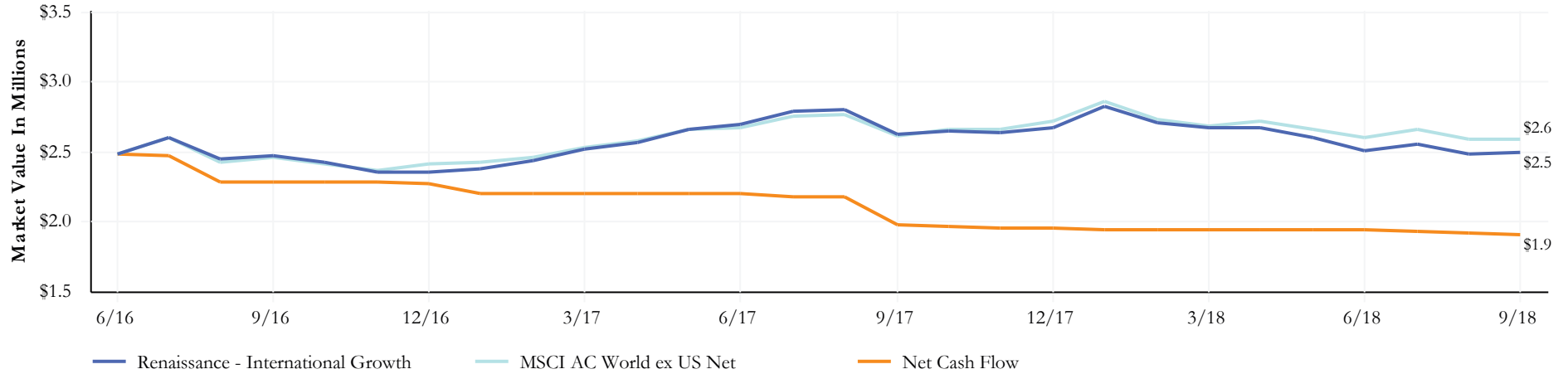
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# Town of Longboat Key Consolidated Retirement Plan

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

as of September 30, 2018

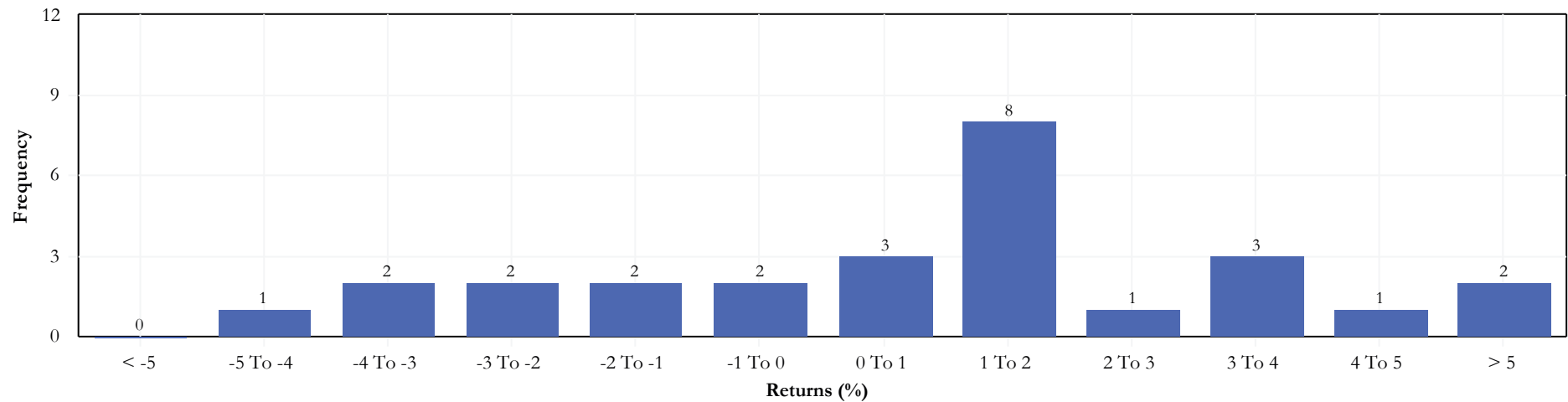
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 07/01/2018	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 09/30/2018
Renaissance - International Growth	2,517,645.78	-	-	-30,000.00	-3,591.84	-	17,950.43	2,502,004.37

### Distribution of Returns

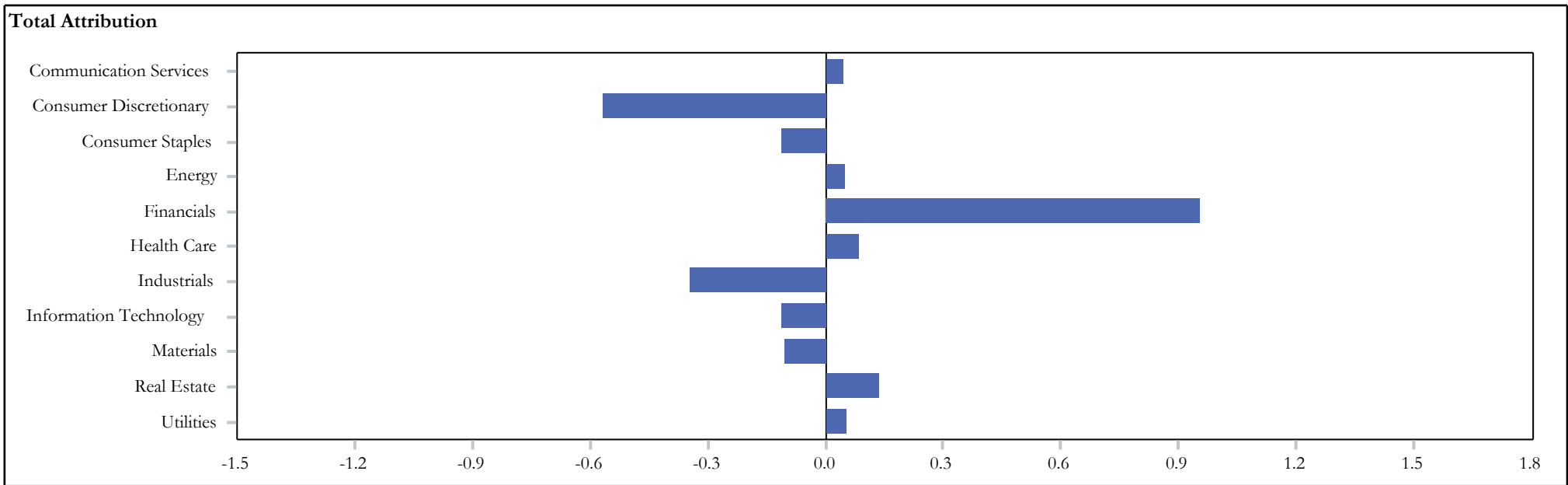
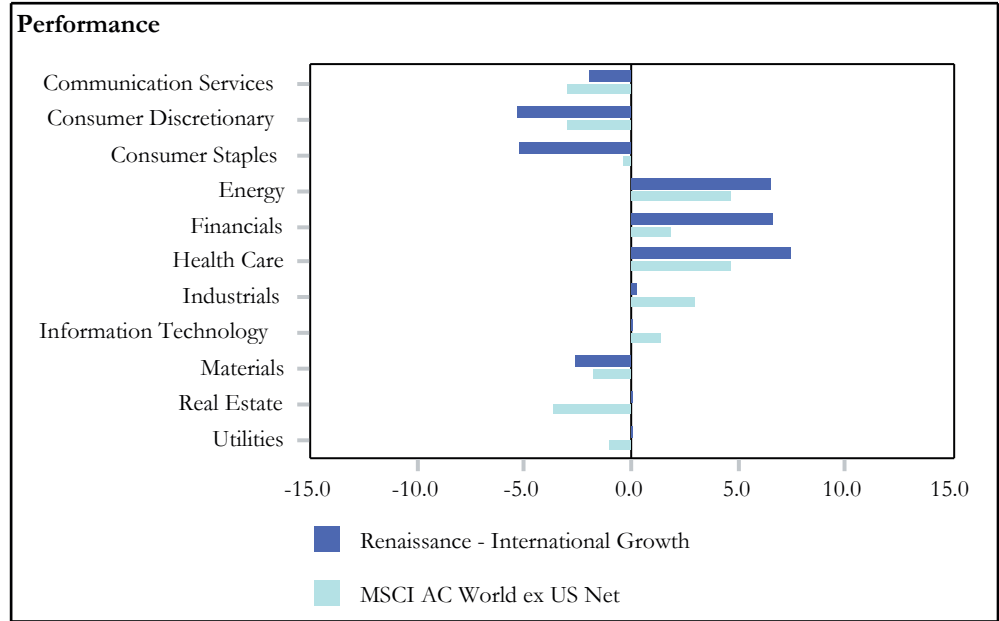
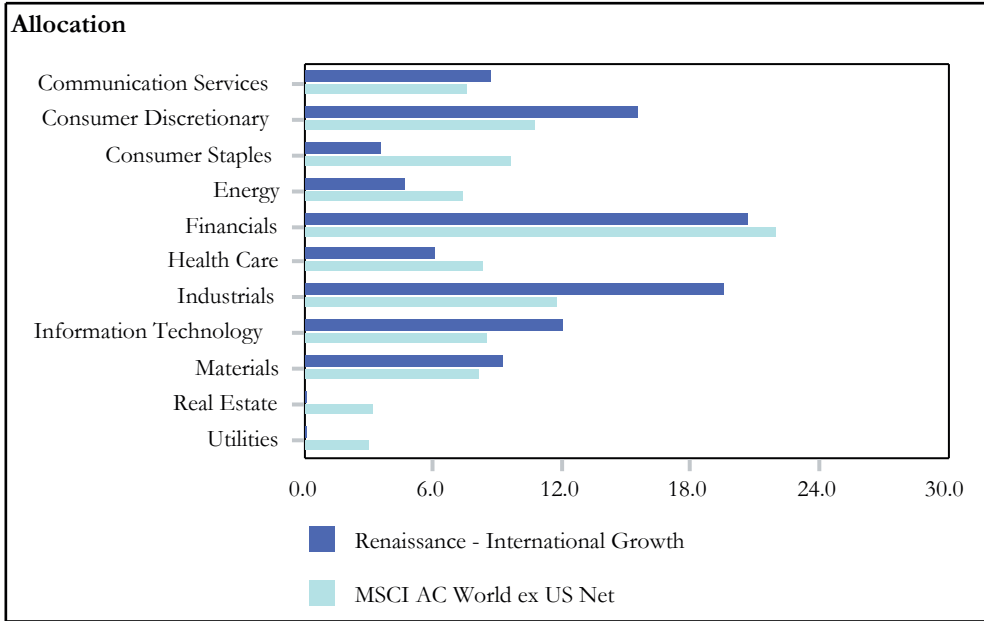


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# Town of Longboat Key Consolidated Retirement Plan

## Renaissance - International Growth - Quarterly Performance Attributes

as of September 30, 2018



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**Town of Longboat Key Consolidated Retirement Plan**  
**Renaissance - International Growth - Quarterly Performance Attributes**  
**as of September 30, 2018**

	Allocation - 07/01/2018		Performance - Quarter Ending September 30, 2018		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Communication Services	8.66	7.56	-2.00	-2.95	-0.04	0.08	0.01	0.05
Consumer Discretionary	15.52	10.67	-5.34	-2.98	-0.18	-0.26	-0.13	-0.57
Consumer Staples	3.57	9.63	-5.19	-0.39	0.07	-0.46	0.29	-0.11
Energy	4.66	7.40	6.52	4.63	-0.06	0.14	-0.03	0.05
Financials	20.69	21.98	6.62	1.82	-0.02	1.03	-0.06	0.95
Health Care	6.10	8.30	7.47	4.64	-0.08	0.23	-0.06	0.08
Industrials	19.54	11.71	0.25	2.96	0.17	-0.31	-0.21	-0.35
Information Technology	12.03	8.45	0.04	1.44	0.05	-0.12	-0.05	-0.11
Materials	9.22	8.12	-2.60	-1.80	-0.01	-0.07	-0.02	-0.10
Real Estate	0.00	3.18	0.00	-3.60	0.14	0.00	0.00	0.14
Utilities	0.00	3.00	0.00	-1.06	0.05	0.00	0.00	0.05
Total	100.00	100.00	0.78	0.70	0.09	0.26	-0.27	0.08

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 September 30, 2018

Portfolio Characteristics		
	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$000)	43,361,574.94	64,560,338.57
Median Mkt. Cap (\$000)	23,698,198.48	8,008,619.92
Price/Earnings ratio	12.50	14.09
Price/Book ratio	2.01	2.20
5 Yr. EPS Growth Rate (%)	15.41	11.33
Beta	N/A	1.00
Number of Stocks	54	2,166
Debt to Equity	0.65	1.06

Top Ten Equity Holdings				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Oil Co LUKOIL PJSC	2.70	0.16	2.54	13.78
Sony Corp	2.46	0.37	2.09	18.32
Scor SE	2.41	0.04	2.37	25.06
DBS Group Holdings Ltd	2.38	0.16	2.22	0.15
Canadian National Railway	2.29	0.31	1.98	10.29
Jazz Pharmaceuticals Plc	2.26	0.00	2.26	-2.42
Arkema	2.23	0.04	2.19	4.68
Taiwan Semiconductor	2.20	1.01	1.19	20.79
SK Telecom Co Ltd	2.20	0.02	2.18	19.55
Safran SA	2.19	0.22	1.97	15.40
% of Portfolio	23.32	2.33	20.99	

Ten Best Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Scor SE	2.41	0.04	2.37	25.06
Taiwan Semiconductor	2.20	1.01	1.19	20.79
Check Point Software	2.10	0.07	2.03	20.46
SK Telecom Co Ltd	2.20	0.02	2.18	19.55
Sony Corp	2.46	0.37	2.09	18.32
Icon PLC	2.04	0.00	2.04	16.01
Banco Santander Mexico SA	1.72	0.01	1.71	16.00
Safran SA	2.19	0.22	1.97	15.40
Astellas Pharma Inc	1.86	0.16	1.70	14.43
Oil Co LUKOIL PJSC	2.70	0.16	2.54	13.78
% of Portfolio	21.88	2.06	19.82	

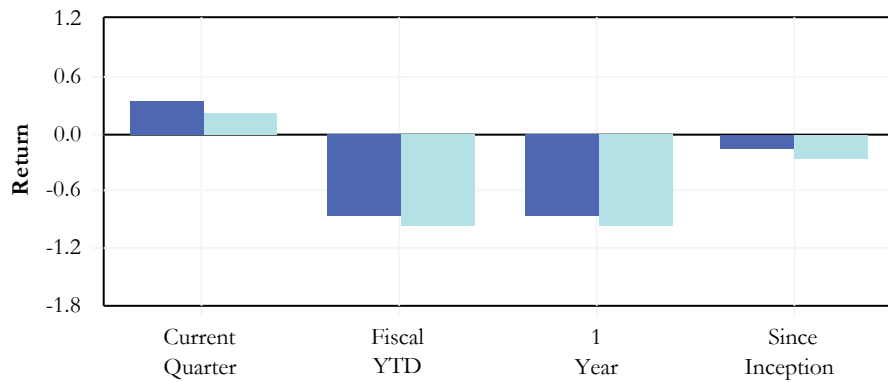
Ten Worst Performers				
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Stars Group Inc	1.28	0.00	1.28	-31.41
YY Inc	1.34	0.02	1.32	-25.43
NXP Semiconductors NV	1.80	0.14	1.66	-21.54
Valeo SA	1.49	0.05	1.44	-20.54
Ryanair Holdings PLC	1.70	0.01	1.69	-15.92
WH Group Ltd	1.61	0.03	1.58	-12.84
Smc Corp	1.73	0.09	1.64	-12.73
Infineon Technologies	1.73	0.12	1.61	-10.82
Magna International Inc.	2.05	0.08	1.97	-9.10
Persimmon PLC	1.76	0.05	1.71	-7.78
% of Portfolio	16.49	0.59	15.90	

# Town of Longboat Key Consolidated Retirement Plan

## Pacific Income Advisors - Executive Summary

as of September 30, 2018

### Manager Performance Chart



### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Pacific Income - Fixed Income	0.34	-0.86	-0.86	-0.16
BC Gov/Cr Intm	0.21	-0.96	-0.96	-0.26
Differences	0.13	0.10	0.10	0.10

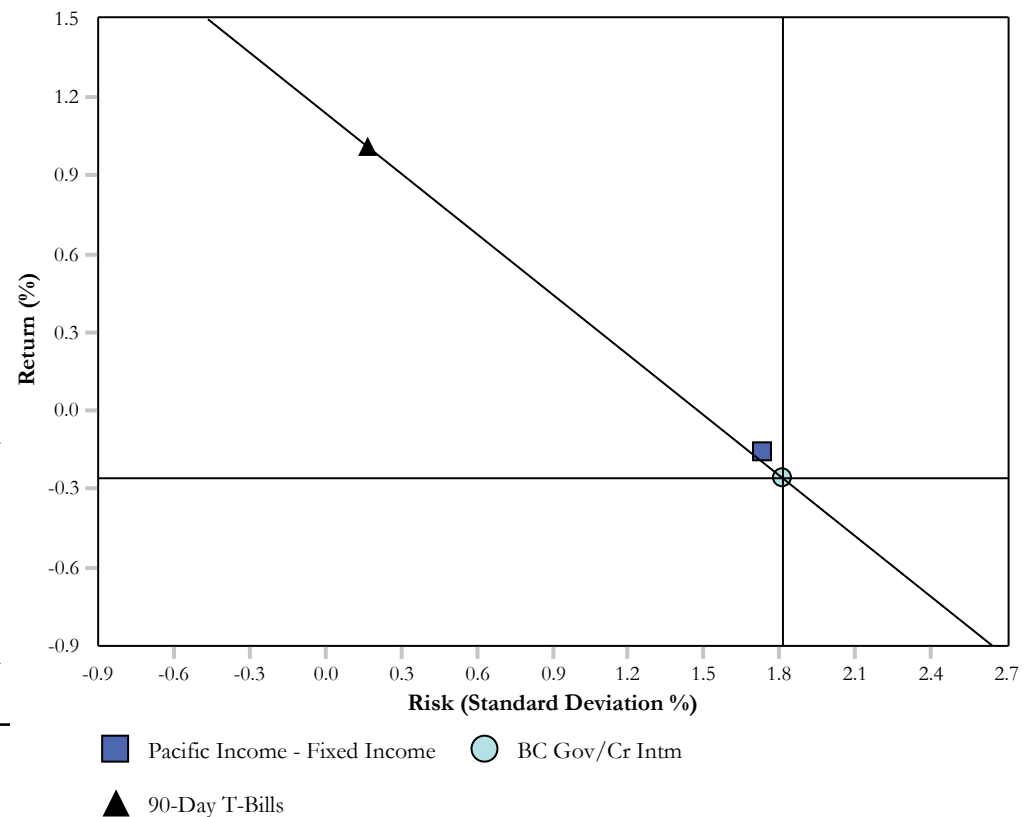
### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Pacific Income - Fixed Income				
Beginning Market Value	8,805	9,623	9,623	10,409
Net Contributions	-118	-793	-793	-1,556
Fees/Expenses	-12	-47	-47	-112
Income	71	213	213	473
Gain/Loss	-41	-291	-291	-508
Ending Market Value	8,706	8,706	8,706	8,706

### 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	-0.16	1.74	0.95	-2.13	99.06	95.23	0.09	-0.66	0.99	07/01/2016
BC Gov/Cr Intm	-0.26	1.82	1.00	-2.26	100.00	100.00	0.00	-0.69	1.00	07/01/2016

### Manager Risk & Return



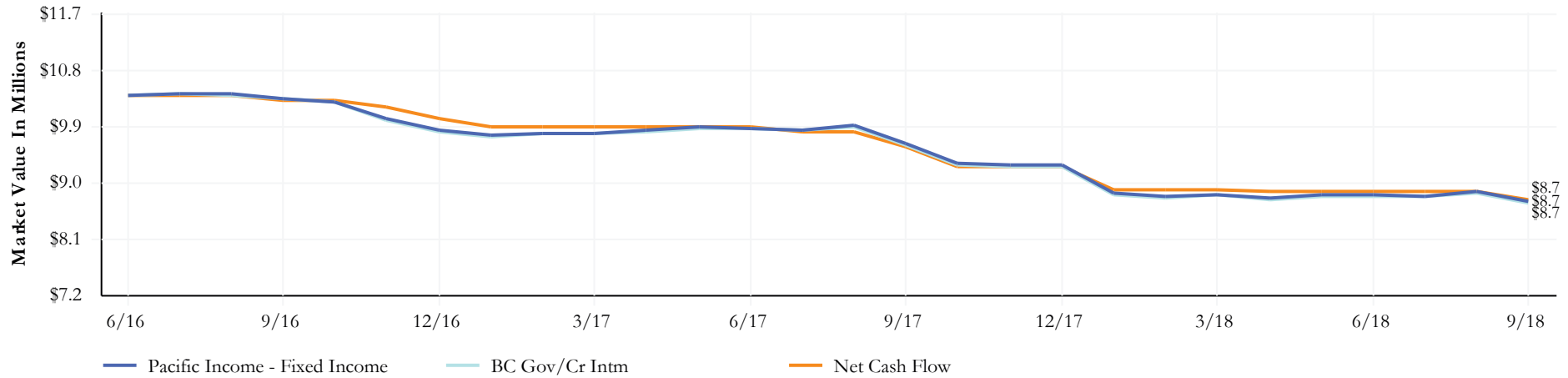
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# Town of Longboat Key Consolidated Retirement Plan

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

as of September 30, 2018

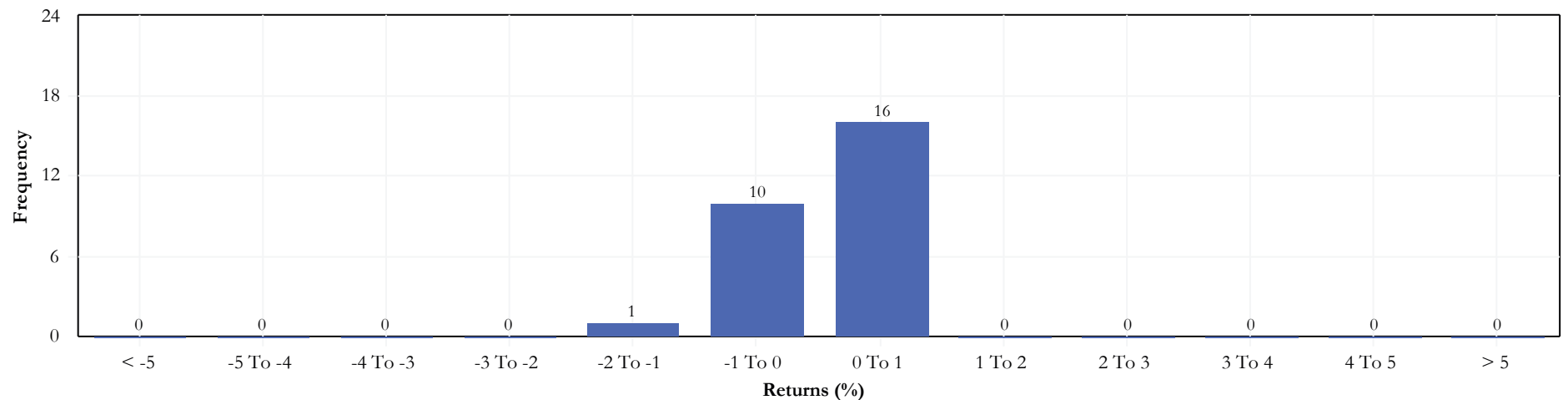
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 07/01/2018	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 09/30/2018
Pacific Income - Fixed Income	8,805,354.92	-	-	-118,000.00	-11,527.37	-	29,978.39	8,705,805.94

### Distribution of Returns



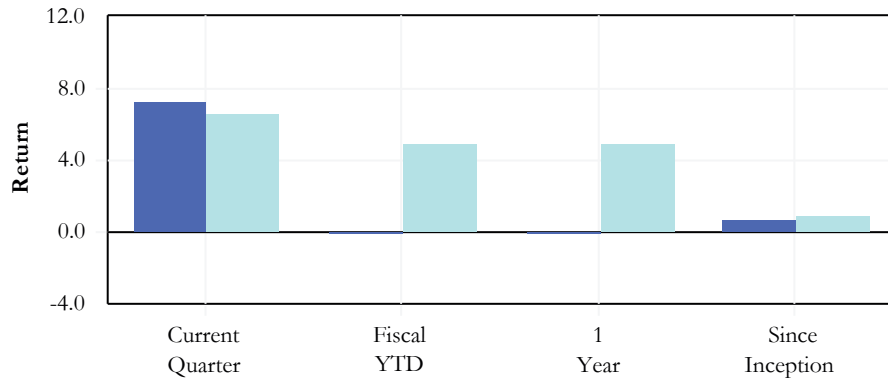
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# Town of Longboat Key Consolidated Retirement Plan

## Center Coast MLP - Executive Summary

as of September 30, 2018

### Manager Performance Chart



### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Center Coast - MLPs	7.20	-0.12	-0.12	0.68
Alerian MLP Index	6.57	4.89	4.89	0.93
Differences	0.63	-5.01	-5.01	-0.25

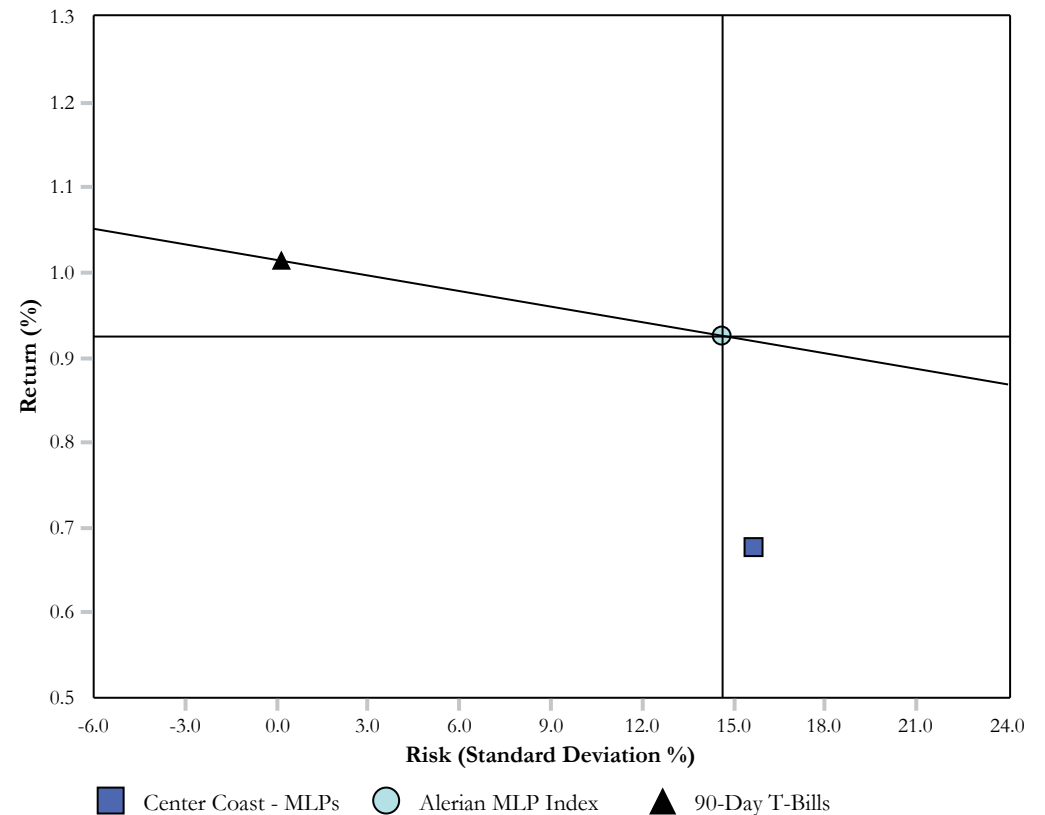
### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 07/01/2016
Center Coast - MLPs				
Beginning Market Value	1,505	1,623	1,623	1,686
Net Contributions	-10	-10	-10	-88
Fees/Expenses	-2	-10	-10	-24
Income	31	116	116	248
Gain/Loss	77	-119	-119	-221
Ending Market Value	1,601	1,601	1,601	1,601

### 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	0.68	15.68	1.04	-22.28	106.67	107.78	-0.17	0.06	0.95	07/01/2016
Alerian MLP Index	0.93	14.64	1.00	-21.11	100.00	100.00	0.00	0.07	1.00	07/01/2016

### Manager Risk & Return



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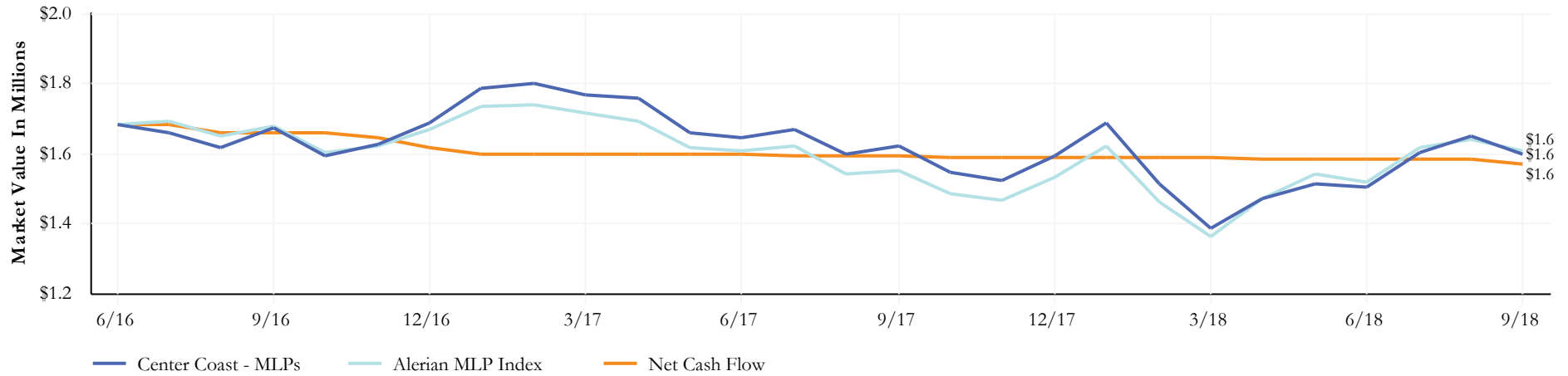


# Town of Longboat Key Consolidated Retirement Plan

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

as of September 30, 2018

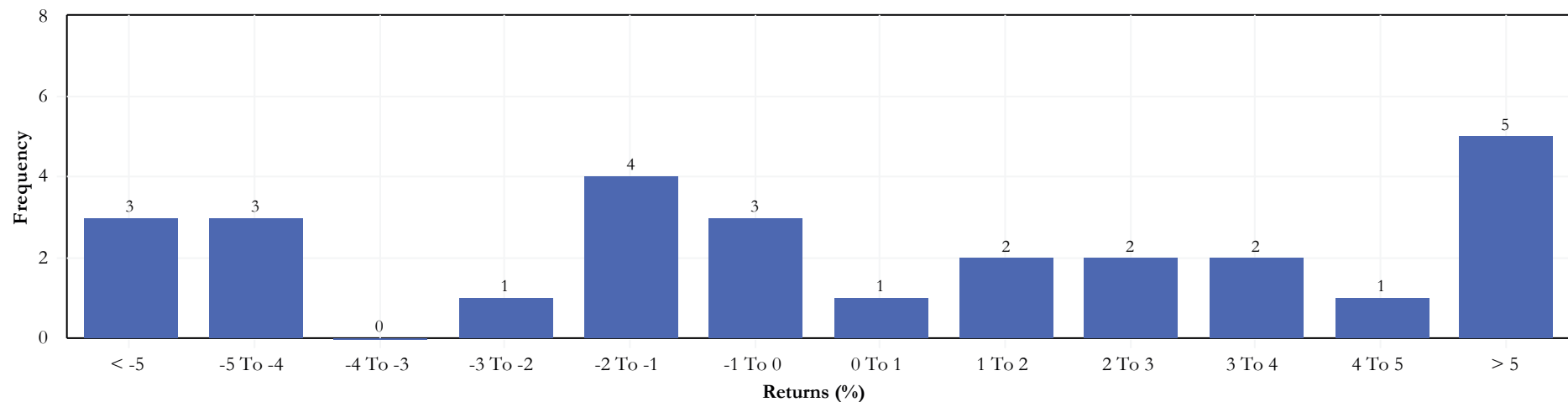
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 07/01/2018	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 09/30/2018
Center Coast - MLPs	1,505,105.44	-	206,252.25	-216,252.25	-2,463.69	-	108,104.71	1,600,746.46

### Distribution of Returns



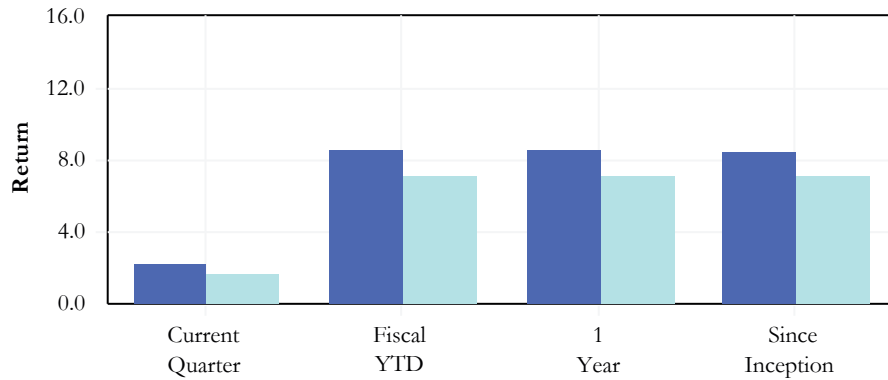
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# Town of Longboat Key Consolidated Retirement Plan

## American Core Realty - Private Real Estate - Executive Summary

### as of September 30, 2018

#### Manager Performance Chart



#### Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Since Inception	Inception Date
American Core Realty - Private Real Estate	2.21	8.58	8.58	8.41	07/01/2017
NCREIF Property Idx	1.67	7.16	7.16	7.13	
Differences	0.54	1.42	1.42	1.28	

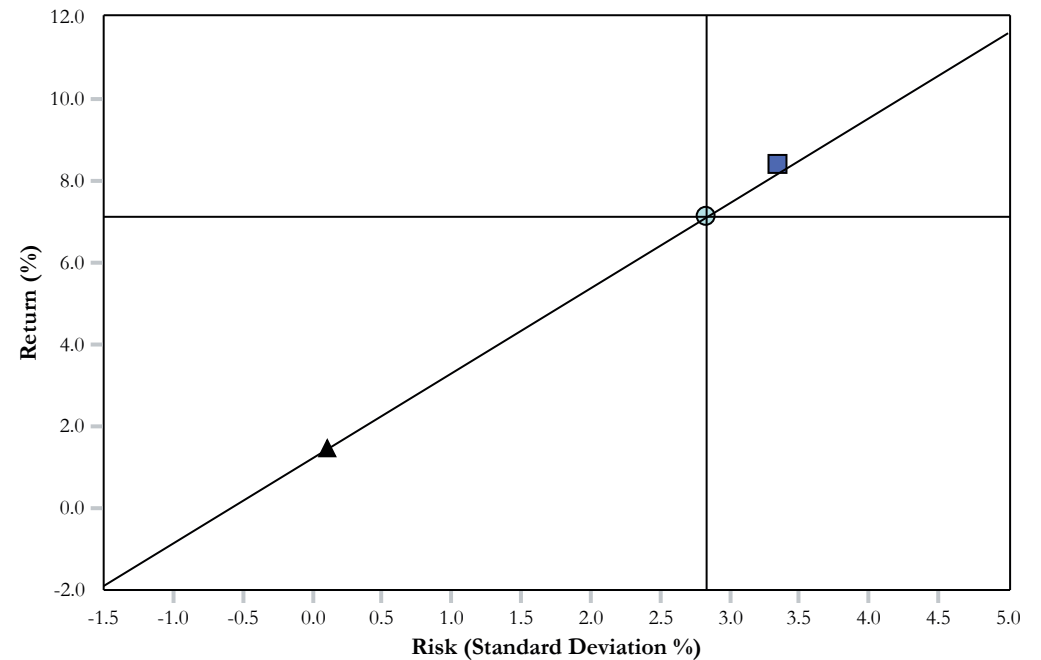
#### Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Since Inception	Inception Date
American Core Realty - Private Real Estate					07/01/2017
Beginning Market Value	3,249	1,602	1,602	640	
Net Contributions	-37	1,470	1,470	2,422	
Fees/Expenses	-11	-39	-39	-41	
Income	-	-	-	-	
Gain/Loss	71	238	238	250	
Ending Market Value	3,271	3,271	3,271	3,271	

#### Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Periods	Alpha	Sharpe Ratio	R-Squared	Inception Date
American Core Realty - Private Real Estate	8.41	3.35	1.17	0.00	117.50	0	0.03	2.01	0.98	07/01/2017
NCREIF Property Idx	7.13	2.84	1.00	0.00	100.00	0	0.00	1.94	1.00	07/01/2017

#### Manager Risk & Return



- American Core Realty - Private Real Estate
- NCREIF Property Idx
- ▲ 90-Day T-Bills

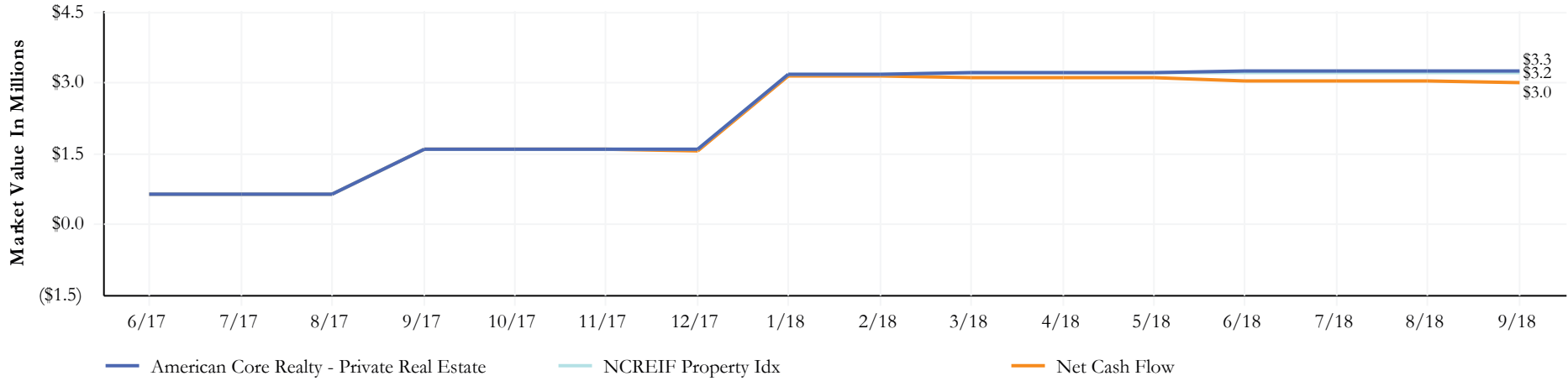
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# Town of Longboat Key Consolidated Retirement Plan

## American Core Realty - Private Real Estate - Change in Assets & Distribution of Returns

as of September 30, 2018

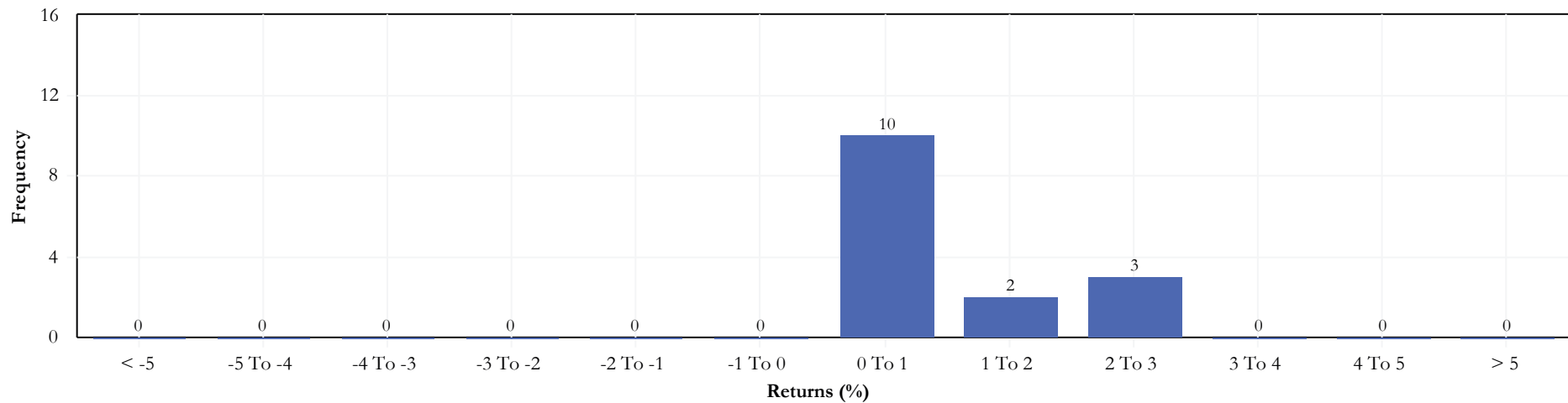
### Historic Change in Assets



### Quarterly Change in Assets

	Market Value As of 07/01/2018	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 09/30/2018
American Core Realty - Private Real Estate	3,248,608.40	-	2,196.71	-39,597.98	-11,326.73	-	71,216.33	3,271,096.73

### Distribution of Returns



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## Performance Appendix

Portfolio Name	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
American Core Realty - Private Real Estate	1.85	5.60	7.08	--	--	--	6.47	06/01/2017
Cash	13.60	122.09	122.10	--	--	--	42.92	07/01/2016
Center Coast - MLPs	7.03	0.88	-0.76	--	--	--	0.32	06/01/2016
Congress - Mid Cap Growth	7.45	9.24	13.24	--	--	--	14.54	06/01/2016
Connors - Covered Calls	4.89	6.90	13.04	--	--	--	15.77	06/01/2016
Kayne Anderson - Small Cap Value	6.14	4.72	11.39	--	--	--	17.24	06/01/2016
Kennedy - Mid Cap Value	2.05	1.96	9.22	--	--	--	14.62	06/01/2016
Lazard - International Value	1.10	0.25	4.75	--	--	--	8.23	06/01/2016
Pacific Income - Fixed Income	0.21	-1.19	-1.37	--	--	--	-0.48	06/01/2016
RBC - Small Cap Growth	7.54	20.25	22.61	--	--	--	17.99	06/01/2016
Renaissance - International Growth	0.58	-5.15	-2.85	--	--	--	7.77	06/01/2016
Vanguard - Large Cap Growth	7.49	14.87	22.04	--	--	--	19.80	06/01/2016
Vanguard - Large Cap Value	7.24	5.81	13.31	--	--	--	14.58	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 Commingled 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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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.

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### Money Market Funds

You could lose money in Money Market Funds. Although MMFs classified as government funds (i.e., MMFs that invest 99.5% of total assets in cash and/or securities backed by the U.S government) and retail funds (i.e., MMFs open to natural person investors only) seek to preserve value at \$1.00 per share, they cannot guarantee they will do so. The price of other MMFs will fluctuate and when you sell shares they may be worth more or less than originally paid. MMFs may impose a fee upon sale or temporarily suspend sales if liquidity falls below required minimums. During suspensions, shares would not be available for purchases, withdrawals, check writing or ATM debits. A MMF investment is not insured or guaranteed by the Federal Deposit Insurance Corporation or other government agency.