SUMMARY OF RELEVANT FACTS
City of Ormond Beach Police Officers' Pension Plan
As of June 30, 2015

Distribution of Assets:	
Equity	
Large Cap Value	$7,157,480
Large Cap Growth	$7,409,388
Small/Mid Cap Value	$1,493,750
Small/Mid Cap Growth	$1,723,024
International Value	$1,408,036
International Growth	$1,482,067
Total Equity	$20,673,746
Fixed Income	$8,782,787
Cash (R&D Account)	$183,604
Total Portfolio	$29,640,137

Distribution by Percentages:	Policy	Current
Equity		
Large Cap Value	22.5%	24.15%
Large Cap Growth	22.5%	25.00%
Small/Mid Cap Value	5.0%	5.04%
Small/Mid Cap Growth	5.0%	5.81%
International Value	5.0%	4.75%
International Growth	5.0%	5.00%
Total Equity	65.0%	69.75%
Fixed Income	35.0%	29.63%
Cash (R&D Account)	0.0%	0.62%
Total	100.0%	100.00%

RECEIPTS & DISBURSEMENT	
Total Assets (Cash)	$183,604
Gain or (Loss)	$133

Other Important Facts:	
Total Portfolio	$29,640,137
Total Gain or (Loss) - Gross	$31,685
Total Gain or (Loss) - Net	($1,360)
Total Fees	($33,045)

HGK (Large Cap Value)		
Total Assets	100.00%	$7,157,480
Equity	97.70%	$6,992,839
Cash	2.30%	$164,641
Fees		($6,778)
Gain or (Loss)		$19,100

SAWGRASS (Large Cap Growth)		
Total Assets	100.00%	$3,576,308
Equity	97.49%	$3,486,680
Cash	2.51%	$89,628
Fees		($4,908)
Gain or (Loss)		($38,166)

POLEN (Large Cap Growth)		
Total Assets	100.00%	$3,833,080
Equity	96.21%	$3,687,681
Cash	3.79%	$145,399
Fees		($5,622)
Gain or (Loss)		$90,120

GW CAPITAL (Small/Mid Cap Value)		
Total Assets	100.00%	$1,493,750
Equity	95.01%	$1,419,174
Cash	4.99%	$74,576
Fees		($2,877)
Gain or (Loss)		($37,493)

APEX (Small/Mid Cap Growth)		
Total Assets	100.00%	$1,723,024
Equity	96.45%	$1,661,889
Cash	3.55%	$61,135
Fees		($2,326)
Gain or (Loss)		$63,711

DELAWARE (International Value)		
Total Assets	100.00%	$1,408,036
Equity	97.15%	$1,367,892
Cash	2.85%	$40,145
Fees		($2,638)
Gain or (Loss)		$3,063

RENAISSANCE (International Growth)		
Total Assets	100.00%	$1,482,067
Equity	98.57%	$1,460,911
Cash	1.43%	$21,157
Fees		($2,346)
Gain or (Loss)		$20,922

GARCIA HAMILTON (Fixed Income)		
Total Assets	100.00%	$8,782,787
Fixed Income	98.65%	$8,664,013
Cash	1.35%	$118,774
Fees		($5,549)
Gain or (Loss)		($89,706)

BREAKDOWN OF RETURNS
City of Ormond Beach Police Officers' Pension Plan
As of June 30, 2015

Actuarial Rate of Return = 7.00%

EQUITY HGK	Your Returns (Gross-of-Fees)	Your Returns (Net-of-Fees)	Russ 1000 Value	PSN Money Mgrs.	S&P 500
Quarter	0.26	0.17	0.10	(0.15)	0.28
1 Year	(1.46)	(1.84)	4.14	4.58	7.43
3 Year	15.59	15.16	17.35	17.21	17.31
5 Year	15.22	14.79	16.50	16.62	17.35
Since 4/30/2009	15.00	14.58	17.08	NA	17.43
Sawgrass			**Russ 1000 Growth**	**PSN Money Mgrs.**	**S&P 500**
Quarter	(1.06)	(1.19)	0.12	0.63	0.28
1 Year	8.39	7.79	10.57	10.41	7.43
3 Year	17.27	16.65	17.99	18.22	17.31
Since 4/30/2012	15.55	14.87	15.52	NA	15.54
Saw/Ren - 5 Year	17.20	16.53	18.59	17.96	17.35
Saw/Ren - Since 7/31/2007	6.58	5.98	8.60	NA	6.81
Polen			**Russ 1000 Growth**	**PSN Money Mgrs.**	**S&P 500**
Quarter	2.41	2.25	0.12	0.63	0.28
1 Year	19.27	18.56	10.57	10.41	7.43
3 Year	17.37	16.70	17.99	18.22	17.31
Since 4/30/2012	14.37	13.74	15.52	NA	15.54
GW Capital			**Russ 2500 Value**	**PSN Money Mgrs.**	
Quarter	(2.45)	(2.63)	(1.28)	(0.95)	
1 Year	(9.09)	(9.78)	1.00	3.95	
3 Year	13.87	13.03	16.99	17.40	
5 Year	15.09	14.24	16.24	17.00	
Since 10/31/2008	16.68	15.85	14.91	NA	
APEX			**Russ 2500 Growth**	**PSN Money Mgrs.**	
Quarter	3.84	3.69	0.60	0.67	
Since 1/31/2015	10.84	10.68	9.78	NA	
APEX/ETF/Perimeter- 1 Year	13.22	12.65	11.28	10.58	
APEX/ETF/Perimeter- 3 Year	19.19	18.41	20.33	18.70	
APEX/ETF/Perimeter- 5 Year	18.76	17.95	19.54	18.18	
APEX/ETF/Perimeter- Since 4/30/2009	18.85	18.06	20.41	NA	
Delaware			**MSCI EAFE (Net)**	**MSCI EAFE Val**	
Quarter	0.21	0.03	0.62	0.21	
1 Year	(4.27)	(4.99)	(4.21)	(7.09)	
3 Year	12.15	11.33	11.98	11.81	
5 Year	10.43	9.61	9.54	8.93	
Since 7/31/2005	5.59	4.81	4.85	4.09	

Renaissance			MSCI AC Wd x US	MSCI EAFE Grth	
Quarter	1.43	1.27	0.53	1.00	
1 Year	(2.50)	(3.13)	(5.27)	(1.34)	
3 Year	13.23	12.51	9.44	12.11	
5 Year	11.43	10.76	7.76	10.09	
Since 4/30/2009	13.10	12.43	10.01	11.56	
FIXED INCOME					
Garcia Hamilton			BC Int. Govt/Credit	BC Int. Aggregate	90-Day T-Bill
Quarter	(1.01)	(1.07)	(0.62)	(0.67)	0.00
1 Year	2.19	1.93	1.68	1.89	0.02
3 Year	3.72	3.46	1.60	1.74	0.05
5 Year	4.50	4.24	2.79	2.89	0.06
Since 9/30/2003	5.35	5.07	3.82	4.10	1.34
TOTAL RETURN					
Combined Managers			Policy Index	Composite Index	
Quarter	0.11	(0.02)	(0.13)	(0.11)	
1 Year	3.21	2.69	4.09	4.22	
3 Year	11.92	11.37	11.36	11.92	
5 Year	11.72	11.19	11.59	12.01	
Since 3/31/2001	6.18	5.69	6.11	6.58	
TOTAL RETURN					
Dollar-Weighted Net			Actuarial Rate	CPI +4	
Quarter		(0.02)	1.71	1.85	
1 Year		2.70	7.00	3.98	
3 Year		11.38	7.00	5.30	
5 Year		11.25	7.00	5.84	
Since 3/31/2001		5.59	7.00	6.16	

Policy Index = 30% Russell 1000 Value + 30% Russell 1000 Growth + 20% BC Aggregate + 20% BC Intermediate Gov't/Credit Bonds for periods prior to June 30, 2005; 27.5% Russell 1000 Value + 27.5% Russell 1000 Growth + 10% MSCI EAFE (Net) + 17.5% BC Aggregate + 17.5% BC Intermediate Gov't/Credit Bonds for periods from June 30, 2005 to October 31, 2008; 25% Russell 1000 Value + 25% Russell 1000 Growth + 5% Russell 2500 Value + 10% MSCI EAFE (Net) + 17.5% BC Aggregate + 17.5 BC Intermediate Gov't/Credit Bonds for periods October 31, 2008 to April 30, 2009; & 22.5% Russell 1000 Value + 22.5% Russell 1000 Growth + 5% Russell 2500 Value + 5% Russell 2500 Growth + 5% MSCI EAFE (Net) + 5% MSCI AC World ex US + 35% BC Intermediate Gov't/Credit Bonds for periods since April 30, 2009

INVESTMENT POLICY CHECKLIST

Ormond Beach Police Officers' Pension Fund ***As of June 30, 2015***

GUIDELINES	In Compliance
Equity Portfolio	
Listed on recognized exchange	Yes
Single issue not to exceed 10% at market value for each equity separately managed portfolio	Yes
Each equity portfolio < 70% & > 60% of total fund at market value	Yes
No scrutinized companies (Sudan/Iran) held per Protecting Florida's Investments Act requirement	Yes
Fixed Income Portfolio	
U.S. Government / Agency or U.S. Corporations	Yes
Fixed Income Portfolio < 40% & > 30%	No (29.63%)
Corporate Bonds rated "A" or better	Yes*
CMOs < 15% of fixed Income portfolio at market	Yes
Single corporate issuer not exceed 5% of bond portfolio	Yes
Single corporate issuer not exceed 5% of total fund	Yes

* A couple of securities contain "A" or better rating by another major rating service

OBJECTIVES	Met
Total Portfolio	
Exceed Target Index - Since 3/31/2001	Yes
Exceed actuarial assumption (7.00%) - Since 3/31/2001	No
HGK	
Equities > Russell 1000 Value - Since 4/30/2009	No
Rank in the Top 50% - Since 4/30/2009	No
Sawgrass	
Equities > Russell 1000 Growth - Since 4/30/2012	Yes
Rank in the Top 50% - Since 4/30/2012	Yes
Polen	
Equities > Russell 1000 Growth - Since 4/30/2012	No
Rank in the Top 50% - Since 4/30/2012	No
GW Capital	
Equities > Russell 2500 Value - Since 10/31/2008	Yes
Rank in the Top 50% - Since 10/31/2008	Yes
APEX	
Equities > Russell 2500 Growth - Since 1/31/2015	Yes
Rank in the Top 50% - Since 1/31/2015	Yes
Delaware	
Equities > MSCI EAFE (Net) - Since 7/31/2005	Yes
Renaissance	
Equities > MSCI AC World ex US - Since 4/30/2009	Yes
Garcia Hamilton & Associates	
Bonds > BC Intermediate Gov't/Credit - Since 3/31/2001	Yes

Graystone Consulting

QUARTERLY PERFORMANCE EVALUATION

Prepared for:

City of Ormond Beach
Police Officers' Pension Plan

As of June 30, 2015

Graystone Consulting Tampa

Charles H. Mulfinger, II, CIMA®
Managing Director
Institutional Consulting Director

David A. Wheeler, CFP®, CIMA®
Senior Vice President
Senior Investment Management Consultant

Scott Owens, CFA®, CIMA®
Institutional Consultant

100 North Tampa Street, Suite 3000
Tampa, FL 33602
800-282-0655, ext. 2061 / 813-227-2061

Table of Contents

Performance Evaluation

- Capital Markets Overview Tab 1
- Performance Reports Tab 2
  - Total Fund Reports
  - HGK – Large Cap Value Equity Reports
  - Sawgrass – Large Cap Growth Equity Reports
  - Polen – Large Cap Growth Equity Reports
  - GW Capital – Small/Mid Cap Value Equity Reports
  - ETF – Small/Mid Cap Growth Equity Reports
  - Delaware – International Value Equity Reports
  - Renaissance – International Growth Equity Reports
  - Garcia Hamilton– Fixed Income Reports

Graystone Consulting

Capital Markets Overview: 2Q 2015

Introduction

As of 2Q 2015

- During the second quarter of 2015, the primary concerns among investors were the timing of Fed interest rate hikes along with economic woes in Greece, China and Puerto Rico. For the quarter, Japanese equities and diversified commodities were the top-performing asset classes, while MLPs and global REITs trailed the field. For the one-year period ended June 30, 2015, Japanese equities also were one of the strongest asset classes, in addition to US equities.

- The Dow Jones Industrial Average decreased 0.3% in the second quarter. The NASDAQ Composite Index advanced 2.1% for the quarter. The S&P 500 Index rose 0.3% for the quarter, its tenth consecutive quarterly increase.

- Five of the 10 sectors of the S&P 500 Index advanced in the second quarter. Health Care fared the best, with a 2.8% uptick. Consumer Discretionary rose 1.9% and Financials advanced 1.7%. The laggards were Utilities, which declined 5.8%, Industrials, which fell 2.2%, and Energy, which declined 1.9%.

- Morgan Stanley & Co. economists expect U.S. real GDP will be 2.5% in 2015 and 2.7% in 2016. They forecast global GDP growth to be 3.4% in 2015 and 3.9% 2016.

- Commodities were one of the top performing asset classes in the second quarter; the Bloomberg Commodity Index rose 4.7%. For the quarter, gold was down 1.1%.

- For the second quarter of 2015, global mergers and acquisitions (M&A) deal volume was $1 trillion, compared to $936 billion for the second quarter of 2014. Global M&A activity increased to $3.3 trillion in 2014 from $2.3 trillion in 2013.

Source: FactSet, Bloomberg, Morgan Stanley & Co. Research

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

Capital Markets Overview: 2Q 2015

The US Economy

As of 2Q 2015

The Department of Commerce estimated that Gross Domestic Product decreased at an annual rate of 0.2% in the first quarter of 2015, in comparison to a 2.2% increase in the fourth quarter of 2014. Morgan Stanley & Co. economists forecast U.S. Real GDP will be 2.5% in 2015 and 2.7% in 2016.

The seasonally adjusted unemployment rate fell from 5.6% for March 2015 to 5.3% for June 2015. Job gains took place in professional and business services, health care, retail trade, financial activities, and in transportation and warehousing. The unemployment rate (5.3%) and the number of unemployed persons (8.3million) decreased in June. The number of long-term unemployed declined by 381,000 to 2.1 million in June 2015.

According to the most recent estimate from the Bureau of Economic Analysis, corporate profits fell 5.2% between the first quarter of 2015 and the fourth quarter of 2014, and decreased 4.5% between the first quarter of 2015 and the first quarter of 2014.

Inflation remained low in the U.S. According to the Bureau of Labor Statistics, the seasonally adjusted Consumer Price Index increased 0.1% in April and 0.4% in May. Morgan Stanley & Co. economists forecast a 1.6% inflation rate for 2014 and 0.1% for 2015.

The Census Bureau reported that private-sector housing starts in May 2015 were at a seasonally adjusted annual rate of 1,036,000—5.1% above May 2014 housing starts. The rise in housing starts over the past several years indicates that despite some intermittent setbacks, the housing market is rebounding.

The Census Bureau also reported that seasonally adjusted retail and food services sales increased 1.2% between April 2015 and May 2015, and increased 2.7% between May 2014 and May 2015.

In June, the Institute for Supply Management's Purchasing Managers' Index (PMI), a manufacturing sector index, was 53.5, up 0.7 from May, and up from April's 51.5. The latest PMI data indicates an expansion in the manufacturing sector for 26 consecutive months. Overall, PMI has been above 43 for 74 consecutive months. 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.

The NMI declined 2.1 points to 55.7 between April 2015 and May 2015, and rose 0.3 to 56.0 between May and June of 2015. The index has now been above 50 for 64 consecutive months.

Source: FactSet, Bloomberg, Morgan Stanley & Co. Research

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

Capital Markets Overview: 2Q 2015

US Equity Markets

As of 2Q 2015

The Dow Jones Industrial Average decreased 0.3% in the second quarter. The NASDAQ Composite Index advanced 2.1% for the quarter. The S&P 500 Index rose 0.3% for the quarter, its tenth consecutive quarterly increase.

Five of the 10 sectors of the S&P 500 Index advanced in the second quarter. Health Care fared the best, with a 2.8% uptick. Consumer Discretionary rose 1.9% and Financials advanced 1.7%. The laggards were Utilities, which declined 5.8%, Industrials, which fell 2.2%, and Energy, which declined 1.9%.

Growth-style stocks of large-cap companies rose modestly during the second quarter. The large-cap Russell 1000 Growth Index advanced 0.1%. The Russell 1000 Index, a large-cap index, also rose 0.1% for the quarter.

The Russell 1000 Value Index, also a large-cap index, increased 0.1% for the quarter. The Russell Midcap Growth Index fell 1.1% for the quarter. The Russell Midcap Index decreased 1.5% for the quarter. The Russell Midcap Value Index decreased 2.0% for the quarter. The Russell 2000 Growth Index, a small-cap index, increased 2.0% for the quarter. The small-cap Russell 2000 Index rose 0.4% for the quarter. The Russell 2000 Value Index, also a small-cap index, declined 1.2% for the quarter.

Key US Stock Market Index Returns (%) for the Period Ending 6/30/2015

INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized
S&P 500	0.3%	7.4%	17.3%	9.4%
Dow Jones	-0.3%	7.2%	15.4%	9.4%
Russell 2000	0.4%	6.5%	17.1%	10.4%
Russell Midcap	-1.5%	6.6%	18.2%	10.5%
Russell 1000	0.1%	7.4%	17.6%	9.6%

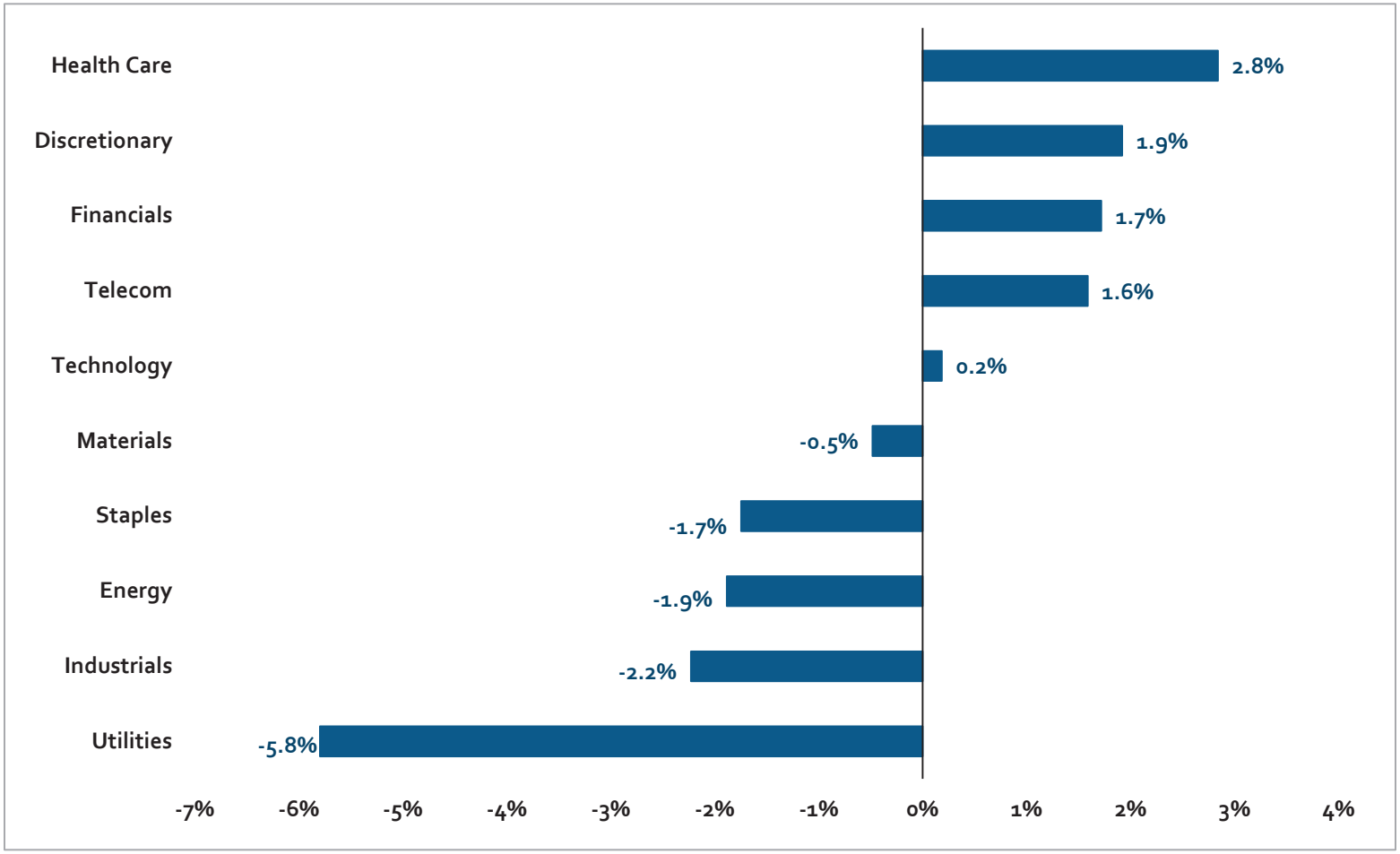
Source: FactSet, Bloomberg

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

S&P 500 Sectors

2Q 2015 Total Return

As of June 30, 2015



Source: Bloomberg

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

Capital Markets Overview: 2Q 2015

Global Equity Markets

As of 2Q 2015

In the second quarter, emerging markets (EM) and global equities had positive results. The MSCI EAFE Index (a benchmark for developed markets) rose 0.8% for U.S.-currency investors and fell 1.6% for local-currency investors, as the U.S. dollar depreciated in relation to the currencies of many nations in the index. In the first quarter of 2015, the MSCI EAFE Index increased 5.0% in U.S. dollar terms and rose 11.0% in local currency terms.

For the second quarter, the MSCI Emerging Markets Index increased 0.8% for U.S.-currency investors and also rose 0.8% for local-currency investors, as the U.S. dollar maintained parity to emerging-market currencies. In the previous quarter, the MSCI Emerging Markets Index increased 2.3% for U.S.-dollar-based investors and rose 4.9% for local-currency investors.

The MSCI Europe Index increased 0.7% for U.S.-currency investors and fell 3.6% for local-currency investors during the second quarter of 2015. In the previous quarter, the MSCI Europe Index increased 3.6% for U.S.-dollar-based investors and decreased 11.7% for local-currency investors.

The S&P 500 Index rose 0.3% for the quarter, its tenth consecutive quarterly increase.

More specific emerging economy equity market indices were mixed in the second quarter. The MSCI BRIC (Brazil, Russia, India and China) Index rose 4.7% for the quarter in U.S. dollar terms and advanced 4.0% in terms of local currencies. In comparison, for the second quarter, the MSCI EM Asia Index was flat in U.S. dollar terms and rose 0.2% in local terms.

Key Global Equity Market Index Returns (%) for the Period Ending 6/30/2015

INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized)
MSCI EAFE	0.8%	-3.8%	10.0%	2.4%
MSCI EAFE Growth	1.2%	-1.0%	10.5%	2.6%
MSCI EAFE Value	0.5%	-6.6%	9.5%	2.3%
MSCI Europe	0.7%	-7.2%	10.7%	2.2%
MSCI Japan	3.1%	8.6%	9.0%	2.6%
S&P 500	0.3%	7.4%	17.3%	9.4%
MSCI Emerging Markets	0.8%	-4.8%	4.0%	1.2%

Source: FactSet, Bloomberg

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

Capital Markets Overview: 2Q 2015

The US Bond Market

As of 2Q 2015

In the second quarter, bond market returns decreased—the Barclays U.S. Aggregate Bond Index, a general measure of the bond market, decreased 1.7% for the quarter. Interest rates increased during the second quarter, as the yield on the 10-Year U.S. Treasury note rose to a quarter-end 2.35% from 1.92% at the end of the first quarter of 2015.

Also in the second quarter, riskier parts of the bond market such as U.S. High Yield debt fell flat. The Barclays Capital High Yield Index, a measure of lower-rated corporate bonds, returned 0.0%.

Investors were negative on mortgage-backed securities in the second quarter. Consequently, the Barclays Capital Mortgage Backed Index fell 0.7% for the quarter. During the second quarter, the municipal bond market also declined modestly. As a result, the Barclays Capital Muni Index decreased 0.9% for the quarter.

Key US Bond Market Index Returns (%) for the Period Ending 6/30/2015

INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized)
Barclays Capital US Aggregate	-1.7%	1.9%	3.3%	4.6%
Barclays Capital High Yield	0.0%	-0.4%	8.6%	9.3%
Barclays Capital Government/Credit	-2.1%	1.7%	3.4%	4.6%
Barclays Capital Government	-1.6%	2.3%	2.7%	3.8%
Barclays Capital Intermediate Govt/Credit	-0.6%	1.7%	2.8%	3.9%
Barclays Capital Long Govt/Credit	-7.6%	1.9%	6.7%	7.9%
Barclays Capital Mortgage Backed Securities	-0.7%	2.3%	2.9%	4.5%
Barclays Capital Muni	-0.9%	3.0%	4.5%	5.1%

Source: FactSet, Bloomberg, Morgan Stanley & Co. Research

Past performance is no guarantee of future results. Estimates of future performance are based on assumptions that may not be realized. This material is not a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Please refer to important information, disclosures and qualifications at the end of this material.

Asset Allocation Models & Insurance Products Disclosures

GLOBAL INVESTMENT COMMITTEE (GIC) ASSET ALLOCATION MODELS

The Asset Allocation Models are created by Morgan Stanley Wealth Management's GIC.

CLIENTS TO CONSIDER THEIR OWN INVESTMENT NEEDS

The GIC Asset Allocation Models are formulated based on general client characteristics such as investable assets and risk tolerance. This report is not intended to be a client-specific suitability analysis or recommendation, or offer to participate in any investment. Therefore, do not use this report as the sole basis for investment decisions.

Clients 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(s) results that are materially different from the asset allocation shown in this report. Clients should talk to their Financial Advisor about what would be a suitable asset allocation for them.

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.

Performance of indices may be more or less volatile than any investment product. The risk of loss in value of a specific investment is not the same as the risk of loss in a broad market index. Therefore, the historical returns of an index will not be the same as the historical returns of a particular investment a client selects.

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. 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.

INSURANCE PRODUCTS AND ETF DISCLOSURES

Morgan Stanley Smith Barney LLC offers **insurance products** in conjunction with its licensed insurance agency affiliates.

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.

Variable annuities, mutual funds and ETFs are sold by prospectus only. The prospectus contains the investment objectives, risks, fees, charges and expenses, and other information regarding the variable annuity contract and the underlying investments, or the ETF, which should be considered carefully before investing. Prospectuses for both the variable annuity contract and the underlying investments, or the ETF, are available from your Financial Advisor. Please read the prospectus carefully before you invest.

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.

Asset Class Risk Considerations

For index definitions to the indices referenced in this report please visit the following: http://www.morganstanleyfa.com/public/projectfiles/id.pdf

Equity securities may fluctuate in response to news on companies, industries, market conditions and general economic environment.

Investing in foreign markets entails risks not typically associated with domestic markets, such as currency fluctuations and controls, restrictions on foreign investments, less governmental supervision and regulation, and the potential for political instability. These risks may be magnified in countries with **emerging markets and frontier markets**, since these countries may have relatively unstable governments and less established markets and economies.

Investing in small- to medium-sized companies entails special risks, such as limited product lines, markets and financial resources, and greater volatility than securities 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 (bonds rated below investment grade) may have speculative characteristics and present significant risks beyond those of other securities, including greater credit risk, price volatility, and limited liquidity in the secondary market. High yield bonds should comprise only a limited portion of a balanced portfolio.

Interest on **municipal bonds** is generally exempt from federal income tax; however, some bonds may be subject to the alternative minimum tax (AMT). Typically, state tax-exemption applies if securities are issued within one's state of residence and, if applicable, local tax-exemption applies if securities are issued within one's city of residence.

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.

Alternative investments may be either traditional alternative investment vehicles, such as hedge funds, fund of hedge funds, private equity, private real estate and managed futures or, non-traditional products such as mutual funds and exchange-traded funds that also seek alternative-like exposure but have significant differences from traditional alternative investments. The risks of traditional alternative investments may include: can be highly illiquid, speculative and not suitable for all investors, loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices, 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 open-end mutual funds, and risks associated with the operations, personnel and processes of the manager. Non-traditional alternative strategy products may employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. **Master Limited Partnerships (MLPs)** 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. **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.

Floating-rate securities 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.

Asset Class Risk Considerations (cont'd)

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.

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

Asset allocation and diversification do not assure a profit or protect against loss in declining financial markets.

The **indices** are unmanaged. An investor cannot invest directly in an index. They are shown for illustrative purposes only and do not represent the performance of any specific investment.

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.

Rebalancing does not protect against a loss in declining financial markets. There may be a potential tax implication with a rebalancing strategy. Investors should consult with their tax advisor before implementing such a strategy.

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.

Besides the general risk of holding securities that may decline in value, **closed-end funds** may have additional risks related to declining market prices relative to net asset values (NAVs), active manager underperformance, and potential leverage. Some funds also invest in foreign securities, which may involve currency risk.

Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States. This material has been prepared for informational purposes only and is not an offer to buy or sell or a solicitation of any offer to buy or sell any security or other financial instrument or to participate in any trading strategy. Past performance is not necessarily a guide to future performance.

The securities/instruments discussed in this material may not be suitable for all investors. The appropriateness of a particular investment or strategy will depend on an investor's individual circumstances and objectives. Morgan Stanley Wealth Management recommends that investors independently evaluate specific investments and strategies, and encourages investors to seek the advice of a financial advisor.

This material is based on public information as of the specified date, and may be stale thereafter. We have no obligation to tell you when information herein may change. We and our third-party data providers make no representation or warranty with respect to the accuracy or completeness of this material. Past performance is no guarantee of future results.

This material should not be viewed as advice or recommendations with respect to asset allocation or any particular investment. This information is not intended to, and should not, form a primary basis for any investment decisions that you may make. Morgan Stanley Wealth Management is not acting as a fiduciary under either the Employee Retirement Income Security Act of 1974, as amended or under section 4975 of the Internal Revenue Code of 1986 as amended in providing this material.

Morgan Stanley Smith Barney LLC, its affiliates and Morgan Stanley Financial Advisors do not provide legal or tax advice. Each client should always consult his/her personal tax and/or legal advisor for information concerning his/her individual situation and to learn about any potential tax or other implications that may result from acting on a particular recommendation.

This material is disseminated in the United States of America by Morgan Stanley Smith Barney LLC.

Morgan Stanley Wealth Management is not acting as a municipal advisor to any municipal entity or obligated person within the meaning of Section 15B of the Securities Exchange Act (the "Municipal Advisor Rule") and the opinions or views contained herein are not intended to be, and do not constitute, advice within the meaning of the Municipal Advisor Rule.

Third-party data providers make no warranties or representations of any kind relating to the accuracy, completeness, or timeliness of the data they provide and shall not have liability for any damages of any kind relating to such data.

This material, or any portion thereof, may not be reprinted, sold or redistributed without the written consent of Morgan Stanley Smith Barney LLC.

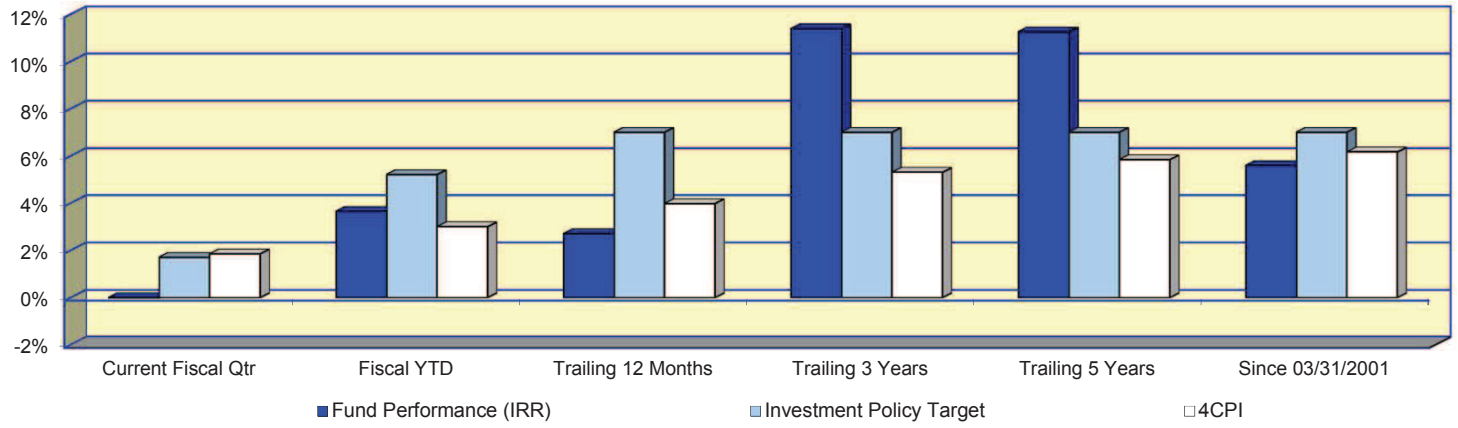
© 2015 Morgan Stanley Smith Barney LLC. Member SIPC.

Graystone Consulting℠

INVESTMENT POLICY MONITOR (DOLLAR WEIGHTED IRR)

Ormond Beach Police

AS OF 06/30/2015



Asset Class Investment Manager	*Current Fiscal Qtr*	*Fiscal YTD*	*Trailing 12 Months*	*Trailing 3 Years*	*Trailing 5 Years*	*Since 03/31/2001*
Fund Performance (IRR)	**-0.02**	**3.65**	**2.70**	**11.38**	**11.25**	**5.59**
Investment Policy Objectives						
Investment Policy Target	1.71	5.21	7.00	7.00	7.00	7.00
4CPI	1.85	3.00	3.98	5.30	5.84	6.16

Investment Policy Objective

Primary investment emphasis must be placed upon the consistent protection of the funds and growth performance.

Dollar–Weighted Returns

(Internal Rate of Return)

The investment policy monitor is calculated on a dollar-weighted basis, accounting for deposits and cash flows upon receipt. The dollar-weighted or “internal rate of return - IRR” is the actual rate earned by the Fund. The dollar–weighted return is the appropriate measurement to evaluate the fund’s performance in relation to the statement of investment policy and guidelines.

Report Created: 8/4/2015

INVESTMENT PRODUCTS: NOT FDIC INSURED · NO BANK GUARANTEE · MAY LOSE VALUE

Graystone Consulting℠

INVESTMENT PERFORMANCE SUMMARY (TIME WEIGHTED)

Ormond Beach Police

AS OF 06/30/2015

Investment Returns are Annualized and Time Weighted (%)	Current Fiscal Qtr	Fiscal YTD	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 03/31/2001	Since Inc Period End	Account Number
TOTAL FUND	***+0.11***	***+4.02***	***+3.21***	***+11.92***	***+11.72***	***+6.18***	***03/31/2001***	
Composite	-0.11	+5.11	+4.22	+11.92	+12.01	+6.58		
Equity Investments								
HGK Asset Management	0.26	-1.16	-1.46	15.59	15.22	15.00	04/30/2009	001-063119
Russell 1000 Vl	0.10	4.33	4.14	17.35	16.50	17.08		
Sawgrass Asset Management	-1.06	6.60	8.39	17.27	17.20	6.58	07/31/2007	001-053637
Russell 1000 Gr	0.12	8.95	10.57	17.99	18.59	8.60		
Polen Capital Management	2.41	17.18	19.27	17.37	N/A	14.37	04/30/2012	002-000742
Russell 1000 Gr	0.12	8.95	10.57	17.99		15.52		
GW Capital Inc	-2.45	-0.34	-9.09	13.87	15.09	16.68	10/31/2008	001-060289
Russell 2500 Vl	-1.28	7.90	1.00	16.99	16.24	14.91		
Apex Capital - Small-Mid Cap Growth	3.84	15.29	13.22	19.19	18.76	18.85	04/30/2009	001-063122
Russell 2500 Gr	0.60	16.18	11.28	20.33	19.54	20.41		
International Equtiy								
Delaware Investments	0.21	2.02	-4.27	12.15	10.43	5.59	07/31/2005	001-040254
MSCI EAFE Net	0.62	1.77	-4.21	11.98	9.54	4.85		
Renaissance Investment Management	1.43	2.04	-2.50	13.23	11.43	13.10	04/30/2009	001-063125
MSCI AC Wld xUS Nt	0.53	0.00	-5.27	9.44	7.76	10.01		
Fixed Income Investments								
Garcia Hamilton & Asscs - Houston	-1.01	2.01	2.19	3.72	4.50	5.35	09/30/2003	001-029026
BC Gov/Cr Intm	-0.62	1.71	1.68	1.60	2.79	3.82		

Report Created: 8/4/2015

Graystone Consulting℠

INVESTMENT PERFORMANCE SUMMARY (DOLLAR WEIGHTED)

Ormond Beach Police

AS OF 06/30/2015

Investment Returns are Annualized and Dollar Weighted (%)	Current Fiscal Qtr	Fiscal YTD	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 03/31/2001	Since Inc Period End	Account Number
Total Fund	***-0.02***	***3.65***	***2.70***	***11.38***	***11.25***	***5.59***	***03/31/2001***	
Equity Investments								
HGK Asset Management	0.17	-1.45	-1.84	15.36	15.00	14.83	04/30/2009	001-063119
Sawgrass Asset Management	-1.19	6.18	7.73	16.93	17.75	3.13	07/31/2007	001-053637
Polen Capital Management	2.26	16.71	18.56	16.70	N/A	13.74	04/30/2012	002-000742
GW Capital Inc	-2.64	-0.90	-9.78	13.68	15.07	17.39	10/31/2008	001-060289
Apex Capital - Small-Mid Cap Growth	3.70	14.97	12.65	18.71	18.66	18.68	04/30/2009	001-063122
International Equity								
Delaware Investments	0.03	1.45	-4.99	11.33	9.74	4.22	07/31/2005	001-040254
Renaissance Investment Management	1.27	1.54	-3.13	12.74	10.93	12.68	04/30/2009	001-063125
Fixed Income Investments								
Garcia Hamilton & Asscs - Houston	-1.08	1.82	1.94	3.43	4.19	5.09	09/30/2003	001-029026

Report Created: 8/4/2015

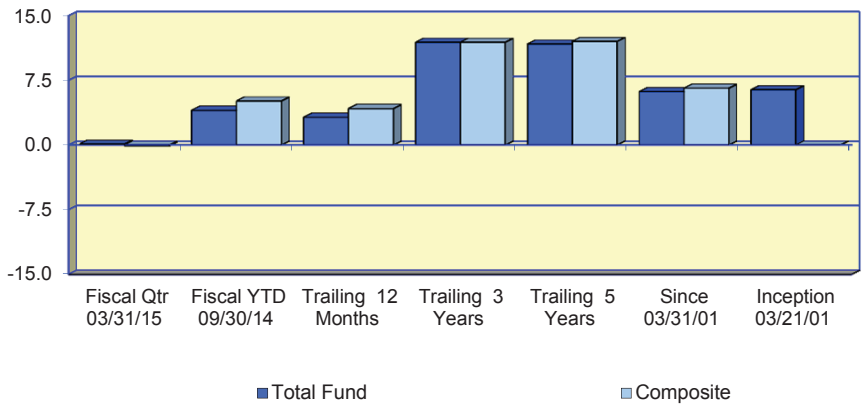
Graystone Consulting℠

TOTAL FUND

Ormond Beach Police

AS OF 06/30/2015

Portfolio Performance (%)

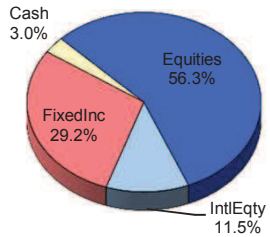


Investment Returns (%) Since:	Fiscal Qtr 03/31/15	Fiscal YTD 09/30/14	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 03/31/01	Inception 03/21/01
Total Fund	**0.11**	**4.02**	**3.21**	**11.92**	**11.72**	**6.18**	**6.40**
Composite	-0.11	5.11	4.22	11.92	12.01	6.58	N/A
Ormond Beach Total Index	-0.13	4.93	4.09	11.36	11.59	6.11	N/A

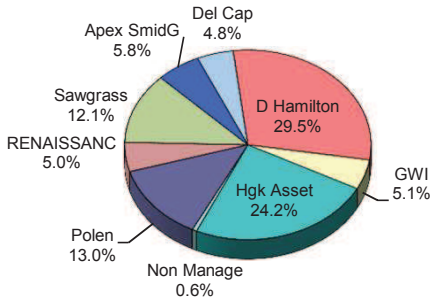
Asset Growth ($000)							
Beginning Market Value	29,774	28,866	28,829	21,639	18,358	15,199	14,729
Net Contributions & Withdrawals	-165	-385	-121	-629	-1,774	-3,967	-3,967
Gain/Loss + Income	31	1,159	932	8,630	13,056	18,408	18,878
Ending Market Value	29,640	29,640	29,640	29,640	29,640	29,640	29,640

Asset Allocation ($000)

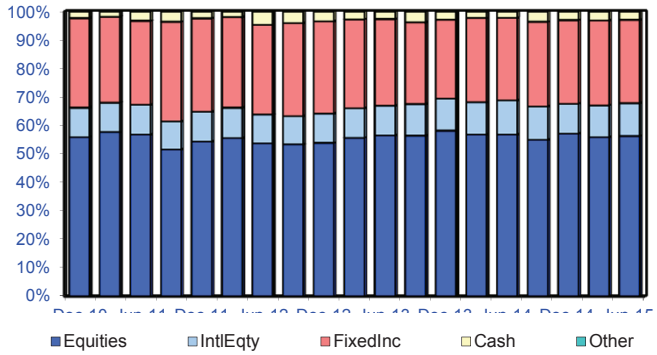
Equities	IntlEqty	FixedInc	Cash	Total
16,677	3,400	8,664	899	29,640



Asset Allocation By Manager



Allocation Over Time



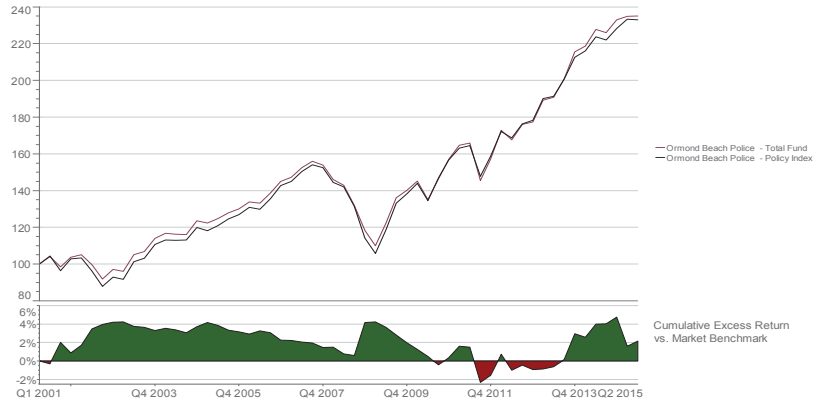
Report Created: 8/4/2015

Risk/Return Analysis - Since Inception

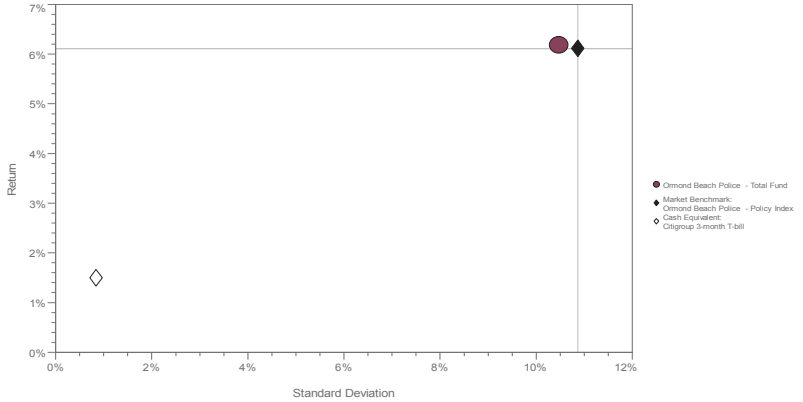
Zephyr StyleADVISOR

Zephyr StyleADVISOR: Graystone Consulting

Manager Performance
April 2001 - June 2015 (Single Computation)



Risk / Return
April 2001 - June 2015 (Single Computation)



Return & Risk Analysis

April 2001 - June 2015: 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
Ormond Beach Police - Total Fund	6.18%	0.07%	10.47%	0.95	-29.47%	97.56%	94.96%	0.34%	0.45	97.63%
Ormond Beach Police - Policy Index	6.11%	0.00%	10.87%	1.00	-31.33%	100.00%	100.00%	0.00%	0.42	100.00%

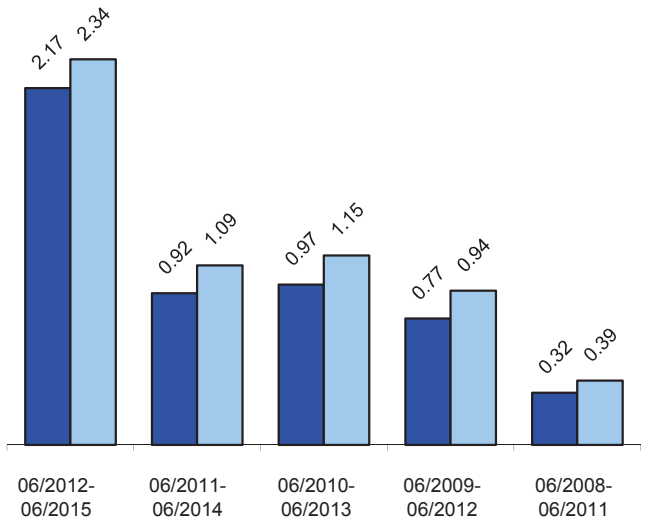
Graystone Consulting℠

TOTAL FUND RISK ANALYSIS

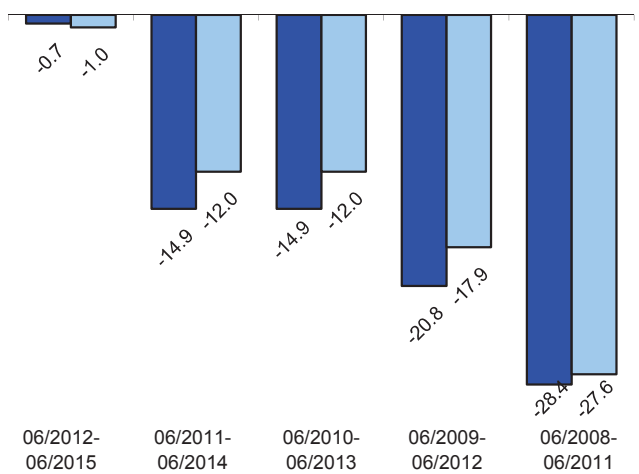
Ormond Beach Police

AS OF 06/30/2015

Sharpe Ratios 3-Year Rolling Periods



Down Capture Returns (%) 3-Year Rolling Periods



Ormond Beach Police

Composite Index

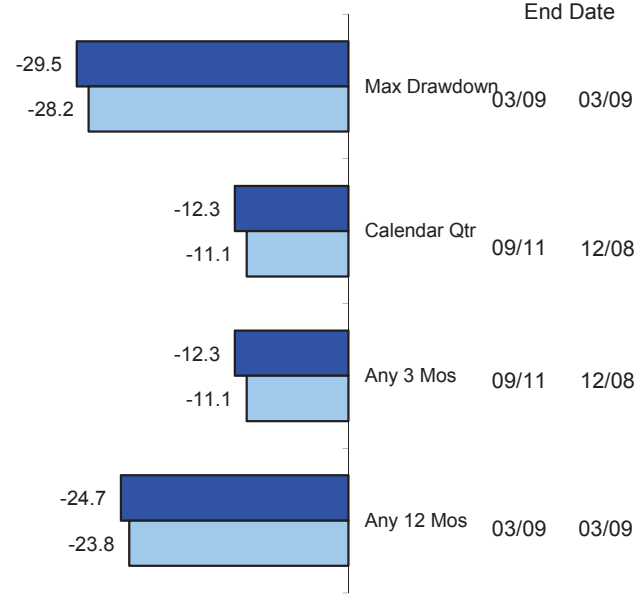
Sharpe Ratio divides excess return by standard deviation to arrive at a unified measure of risk adjusted return. In most cases where risk is a consideration, it is desirable to have a value higher than the index.

Loss in Varying Time Periods measures the greatest loss experienced in each of five different historical time periods. Maximum Drawdown in the longest sustained loss since the inception of the account (The fund and index may have different begin and end dates.) *No presentation is made that these amounts represent maximum future loss.*

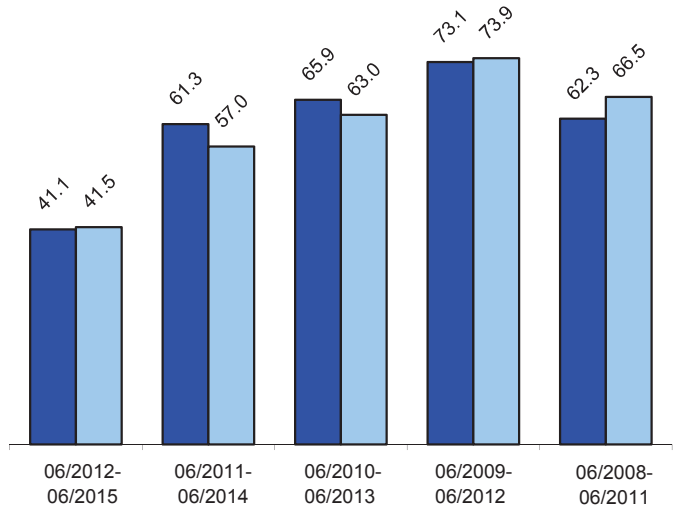
Down Capture is the measure of the fund`s total return whenever the index returns are negative.

Up Capture is the measure of the fund`s total return whenever the index returns are positive.

Loss in Varying Time Periods (%)



Up Capture Returns (%) 3-Year Rolling Periods



Report Created: 8/4/2015

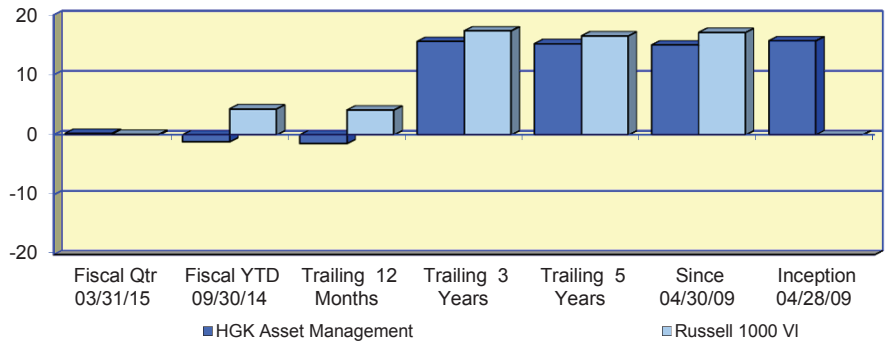
Please refer to the attached Disclosures for important information.

Graystone Consulting℠

EXECUTIVE SUMMARY

Ormond Beach Police Officers HGK Asset Management AS OF 06/30/2015

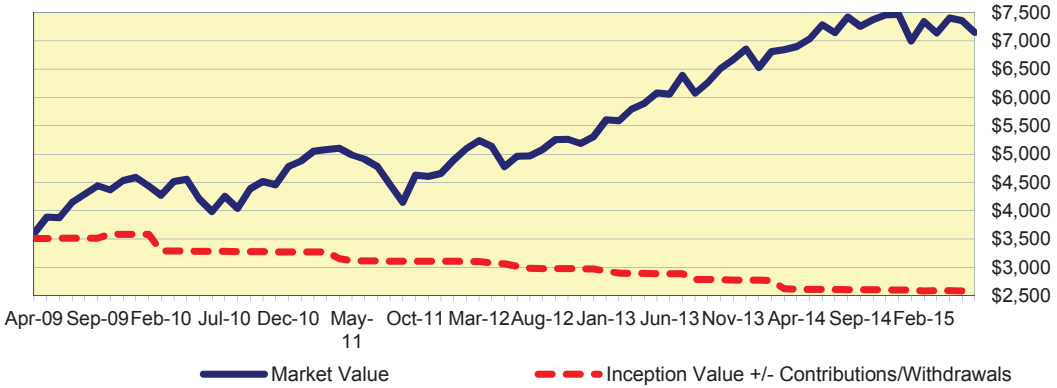
Portfolio Performance(%)



Investment Returns (%) Since:	Fiscal Qtr 03/31/15	Fiscal YTD 09/30/14	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 04/30/09	Inception 04/28/09
HGK Asset Management	***0.26***	***-1.16***	***-1.46***	***15.59***	***15.22***	***15.00***	***15.69***
Russell 1000 VI	0.10	4.33	4.14	17.35	16.50	17.08	N/A

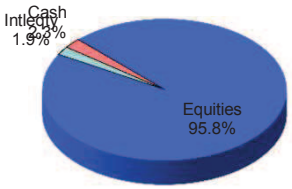
Asset Growth ($000)							
Beginning Market Value	7,146	7,264	7,293	4,969	3,987	3,603	0
Net Contributions & Withdrawals	-7	-23	-30	-434	-701	-929	2,583
Gain/Loss + Income	18	-84	-106	2,622	3,871	4,483	4,574
Ending Market Value	7,157	7,157	7,157	7,157	7,157	7,157	7,157

Value-Added Analysis ($000)



Asset Allocation ($000)

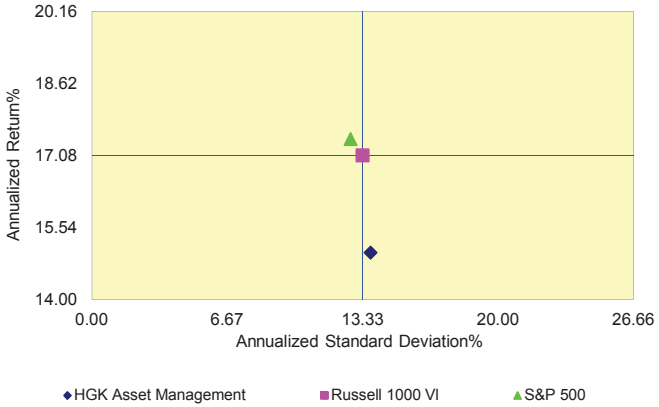
Equities	Intlegty	Cash	Total
6,855	138	165	7,157



Portfolio Characteristics

Yield	N/A	Account Sharpe Ratio	1.08
Beta	1.00	Index Sharpe Ratio	1.27
Alpha	-1.87%		
R^2	95%		

Risk / Return Analysis Since 04/30/2009

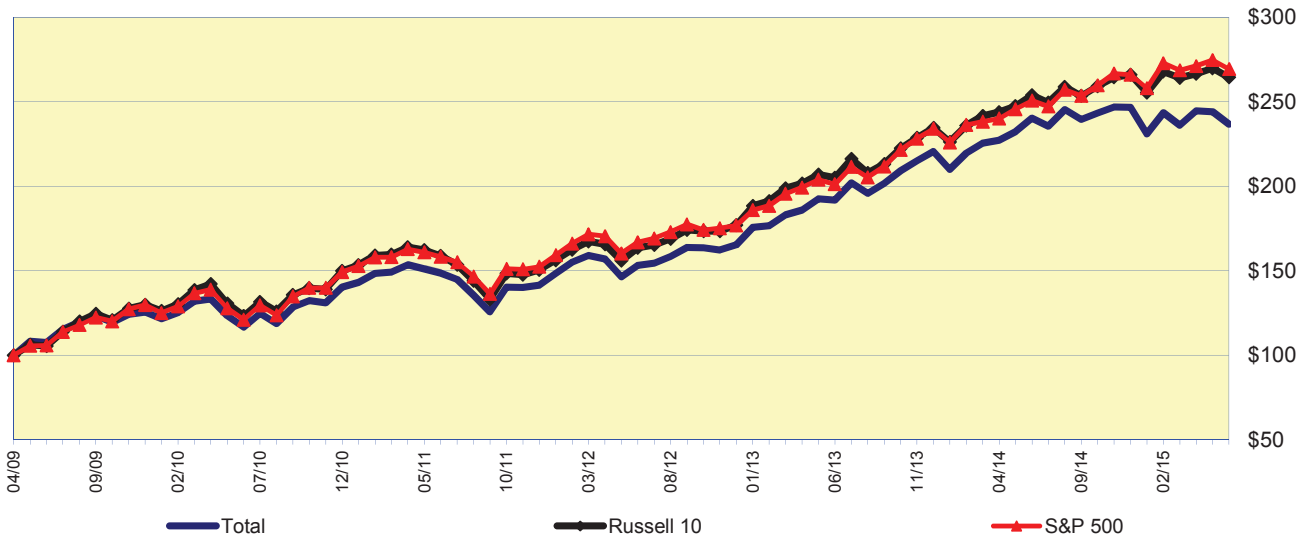


Annualized %	Return	Std. Dev.
HGK Asset Management	***15.00***	***13.73***
Russell 1000 VI	17.08	13.33
S&P 500	17.43	12.75

Report Created: 8/4/2015

Growth of $100 Graph

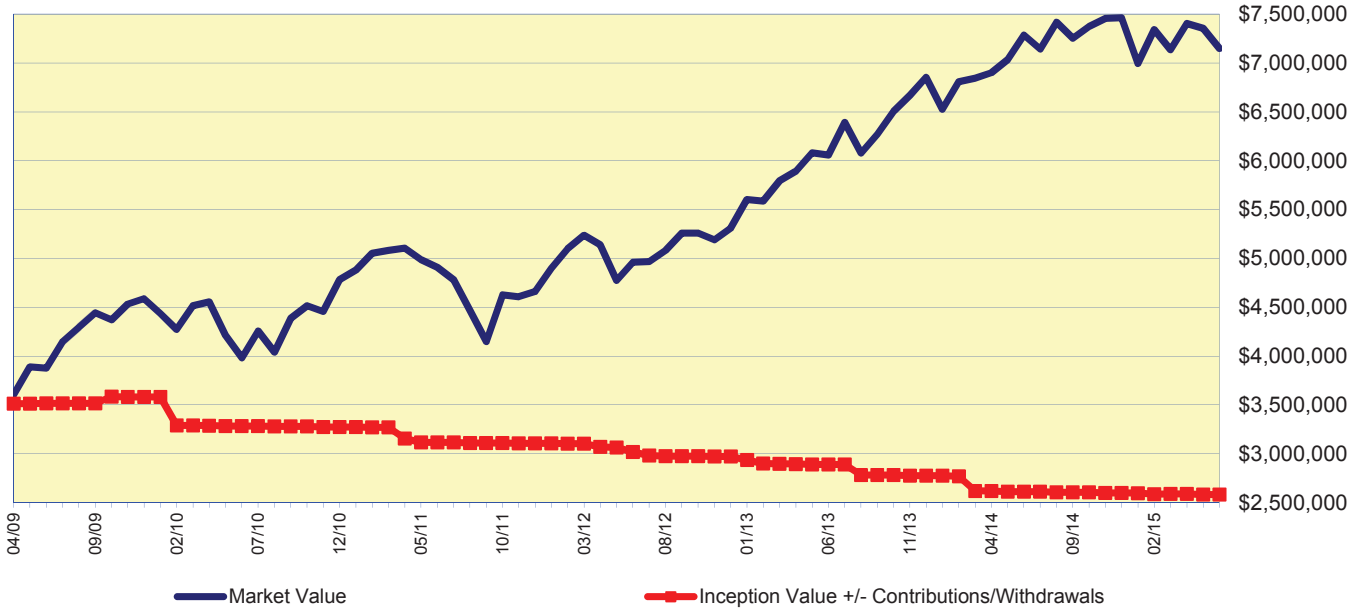
This graph depicts how **$100**, invested at the beginning of the time period, would have grown based on both the portfolio's performance and the index's.



Value Added Graph

This exhibit is useful in determining how the portfolio has been affected by the investment process.

One of the graph lines denotes the period-end market values of the portfolio over time. This is simply a visual representation of the ebb and flow of the portfolio's market value period-to-period. The other line represents the original dollars invested adjusted for contributions or withdrawals.

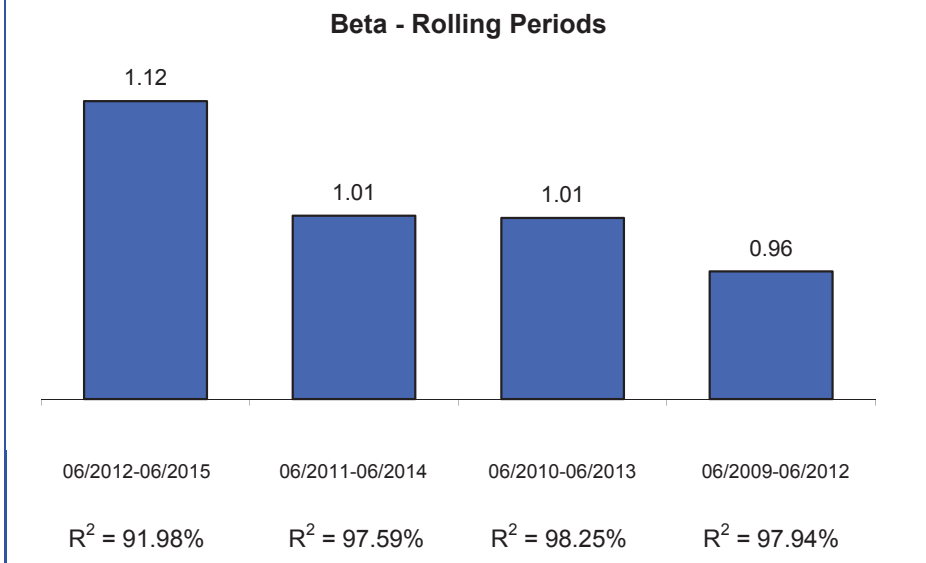


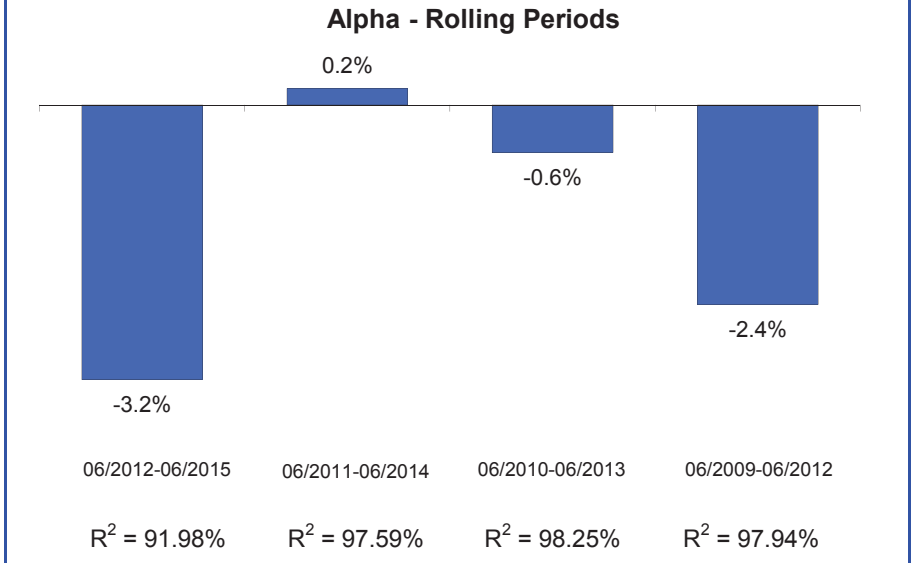
Report Created: 8/4/2015

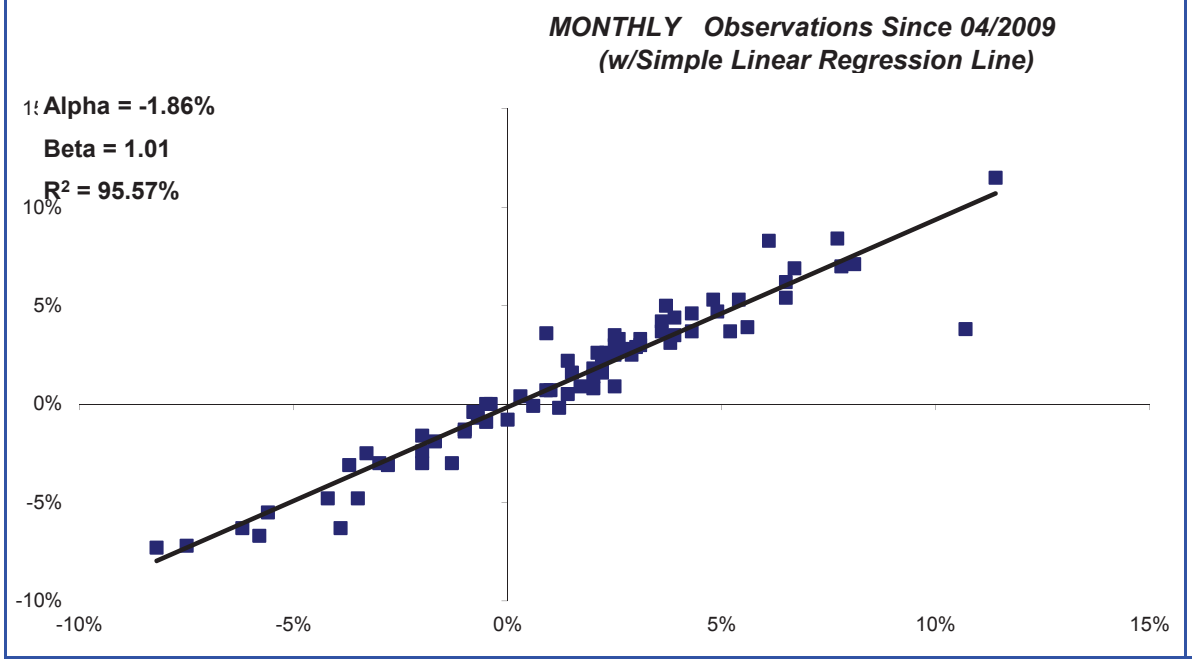
Graystone Consulting℠

MODERN PORTFOLIO THEORY

Ormond Beach Police Officers HGK Asset Management AS OF 06/30/2015







Modern Portfolio Theory seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk. **Alpha** is a measure of a portfolio's return in excess of the market 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. **Beta** is a measure of the sensitivity of a portfolio's rate of return against that of the market. A beta greater than 1.00 indicates volatility greater than the market. **R2** is a measure that indicates the extent to which fluctuations in portfolio returns are correlated with those of the general market. An R-squared of 0.80 implies that 80% of the fluctuation of a portfolio's return is explained by the fluctuation in the market.

Graph Notes: The Index is represented on the horizontal (X) axis, and the Fund is represented on the vertical (Y) axis. Both the Index and Fund are adjusted by 90-day Treasury Bills.

Report Created: 8/4/2015

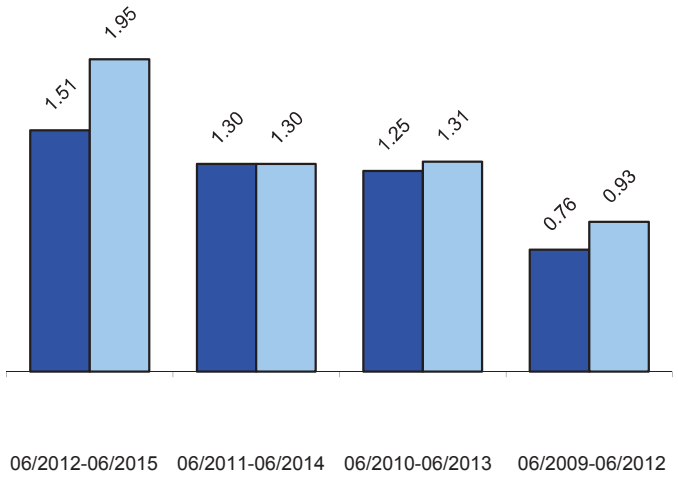
Graystone Consulting℠

MANAGER RISK ANALYSIS

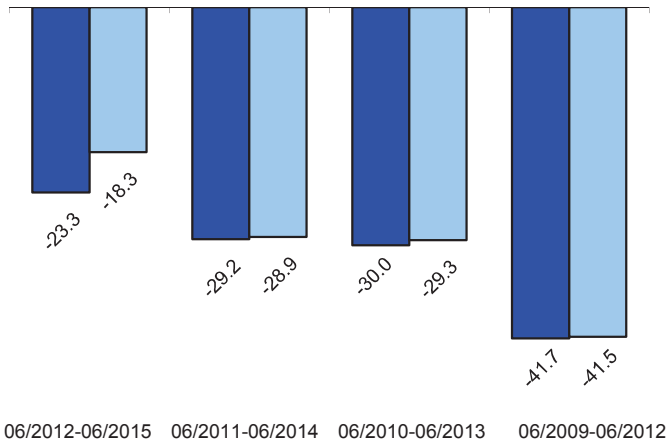
Ormond Beach Police Officers

AS OF 06/30/2015

Sharpe Ratios 3-Year Rolling Periods



Down Capture Returns (%) 3-Year Rolling Periods



1.28	1.01	1.02	1.01
		Down Capture Ratios	

HGK Asset Management

Russell 1000 VI

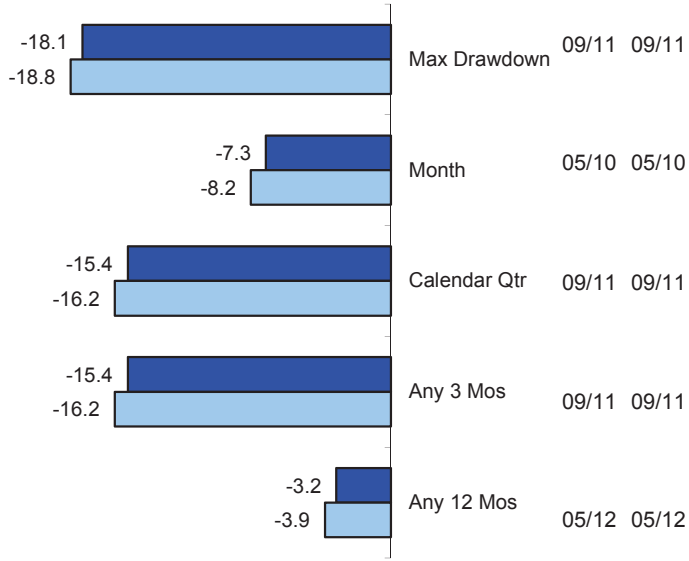
Sharpe Ratio divides excess return by standard deviation to arrive at a unified measure of risk adjusted return. In most cases where risk is a consideration, it is desirable to have a value higher than the index

Loss in Varying Time Periods measures the greatest loss experienced in each of five different historical time periods. Maximum Drawdown in the longest sustained loss since the inception of the account (The fund and index may have different begin and end dates.) *No representation is made that these amounts represent maximum future loss.*

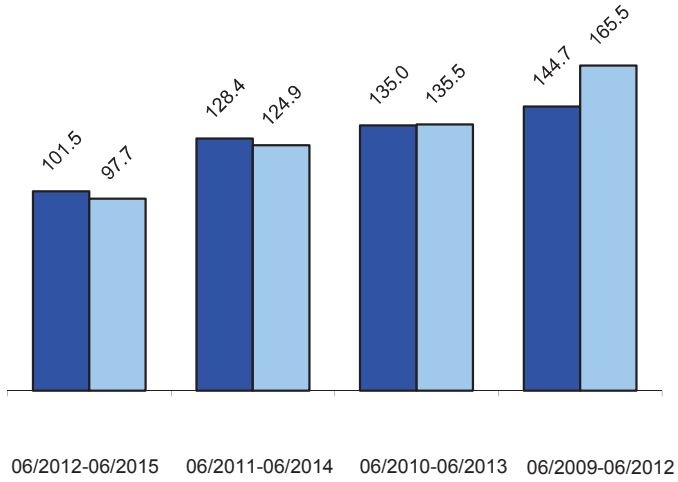
Down Capture is the measure of the fund`s total return whenever the index returns are negative.

Up Capture is the measure of the fund`s total return whenever the

Loss in Varying Time Periods (%)



Up Capture Returns (%) 3-Year Rolling Periods



1.04	1.03	1.00	0.87
		Up Capture Ratios	

Report Created: 8/4/2015

Ormond Beach Police - HGK

Composition		
Summary	ORMOND POLICE HGK	RU1000-V
No of Securities	48	684
% Bmrk Holdings	96.37	100.00
% Active Share	76.74	0.00
% Top 25 Holdings	58.87	39.57
% Top 15 Holdings	37.32	30.48

Characteristics		
Characteristic	ORMOND POLICE HGK	RU1000-V
Market Cap - Weighted Median	31,245,172,213.00	53,889,373,635.65
Price / Book	1.66	1.80
P/E NTM	14.93	15.63
Dividend Yield	2.64	2.49
EPS Growth NTM	-3.54	3.39
Ret Eq	15.41	12.90

Sector Allocation		
Sector Name	ORMOND POLICE HGK	RU1000-V
Energy	16.36	14.22
Materials	5.93	3.01
Industrials	12.55	10.16
Consumer Discretionary	9.39	5.39
Consumer Staples	6.40	6.65
Health Care	7.93	11.83
Financials	22.06	29.57
Information Technology	12.12	11.00
Telecomm Service	1.96	2.49
Utilities	5.31	5.68

Top Equity Holdings	
Name	ORMOND POLICE HGK
METLIFE INC	2.76
CHEVRON CORP	2.72
CONOCOPHILLIPS	2.67
GENERAL DYNAMICS CORP	2.67
AMERICAN INTERNATIONAL GROUP INC	2.60
	Total: 13.41

Disclaimer

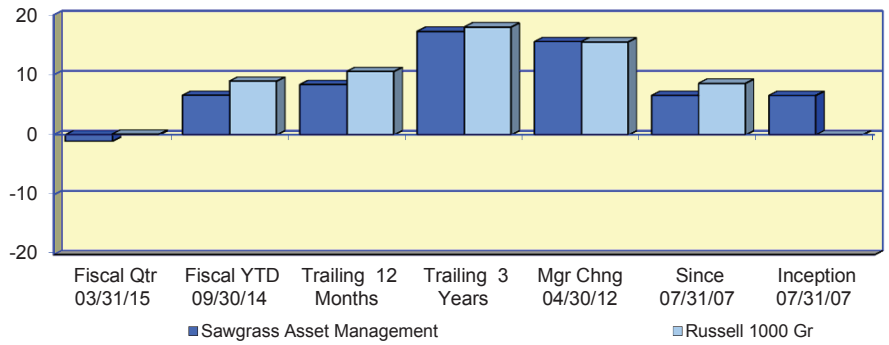
This analysis is based upon information supplied by the Client or its custodian and software developed by Thomson Portfolio Analytics. The underlying data is believed to be reliable but accuracy and completeness cannot be assured. While the characteristics described in this report are believed to accurately reflect the overall nature of the portfolio, all of the constituent securities may not have been considered. This evaluation is for informational purposes only and is not intended to be an offer, solicitation or recommendation with respect to the purchase or sale of any security or a recommendation of the services of any money manaPolicement organization. Past results are not necessarily indicative of future performance.

Graystone Consulting℠

EXECUTIVE SUMMARY

Ormond Beach Police Officers Sawgrass Asset Management AS OF 06/30/2015

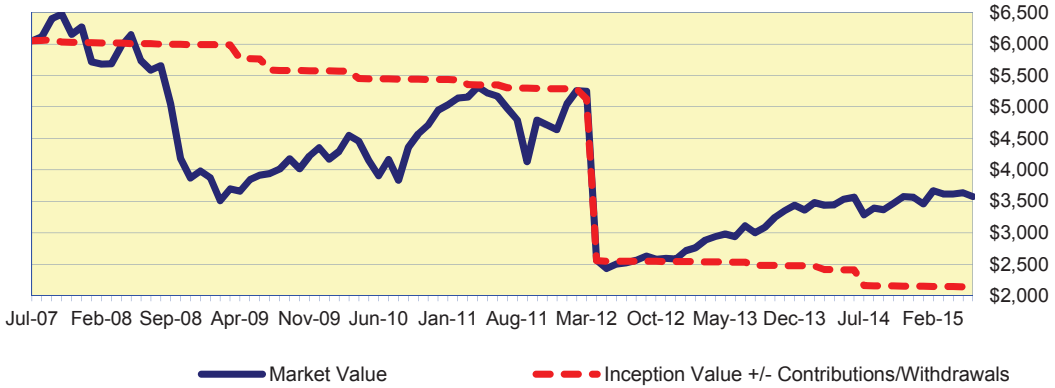
Portfolio Performance(%)



Investment Returns (%) Since:	Fiscal Qtr 03/31/15	Fiscal YTD 09/30/14	Trailing 12 Months	Trailing 3 Years	Mgr Chng 04/30/12	Since 07/31/07	Inception 07/31/07
Sawgrass Asset Management	***-1.06***	***6.60***	***8.39***	***17.27***	***15.55***	***6.58***	***6.57***
Russell 1000 Gr	0.12	8.95	10.57	17.99	15.52	8.60	N/A

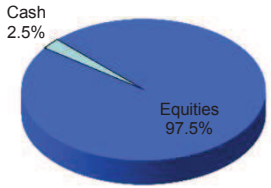
Asset Growth ($000)							
Beginning Market Value	3,620	3,369	3,570	2,505	2,563	6,054	6,054
Net Contributions & Withdrawals	-5	-15	-270	-409	-416	-3,914	-3,914
Gain/Loss + Income	-39	222	276	1,480	1,429	1,436	1,436
Ending Market Value	3,576	3,576	3,576	3,576	3,576	3,576	3,576

Value-Added Analysis ($000)



Asset Allocation ($000)

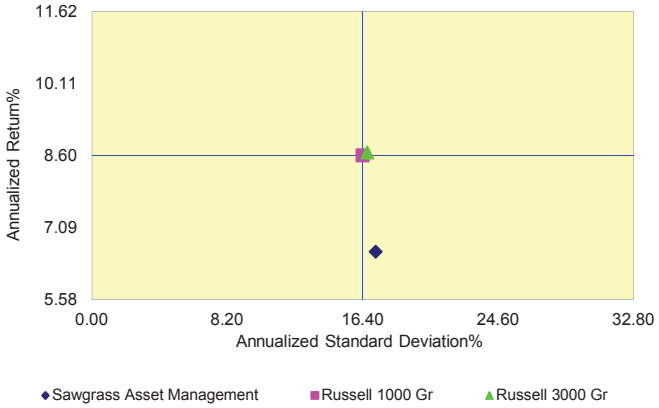
Equities	Cash	Total
3,487	90	3,576



Portfolio Characteristics

Yield	N/A	Account Sharpe Ratio	0.35
Beta	0.99	Index Sharpe Ratio	0.49
Alpha	-1.75%		
R^2	90%		

Risk / Return Analysis Since 07/31/2007



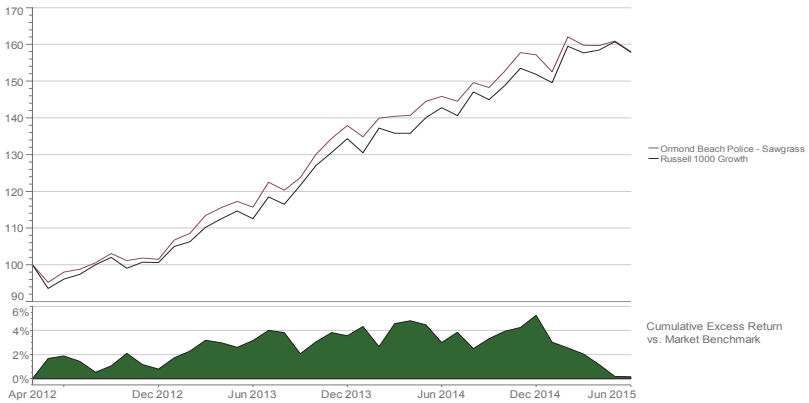
Annualized %	Return	Std. Dev.
Sawgrass Asset Management	***6.58***	***17.20***
Russell 1000 Gr	8.60	16.40
Russell 3000 Gr	8.66	16.68

Report Created: 8/4/2015

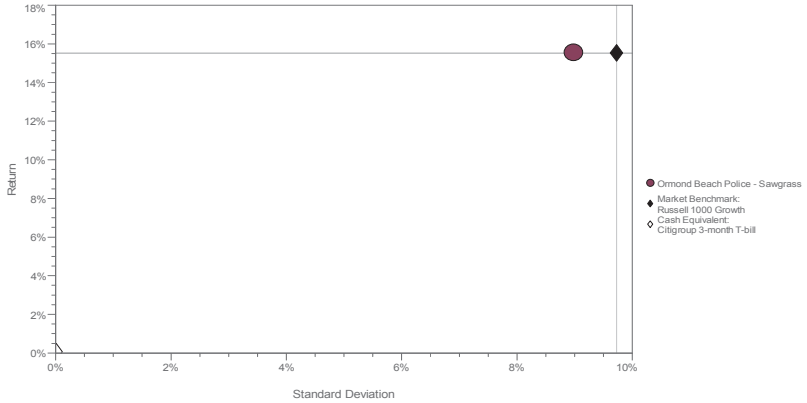
Zephyr StyleADVISOR

Zephyr StyleADVISOR: Graystone Consulting

Manager Performance
May 2012 - June 2015 (Single Computation)



Risk / Return
May 2012 - June 2015 (Single Computation)



Return & Risk Analysis

May 2012 - June 2015: 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
Ormond Beach Police - Sawgrass	15.55%	0.04%	8.98%	0.89	-4.73%	91.81%	81.94%	1.68%	1.73	92.22%
Russell 1000 Growth	15.52%	0.00%	9.73%	1.00	-6.42%	100.00%	100.00%	0.00%	1.59	100.00%

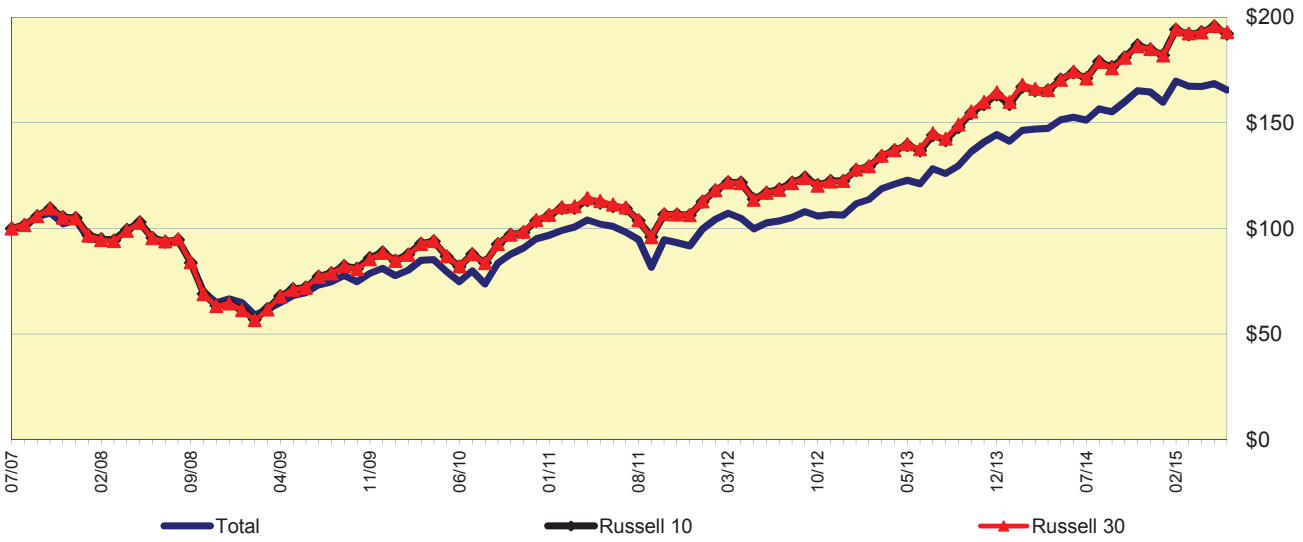
MANAGER PERFORMANCE ANALYSIS

Ormond Beach Police Officers Sawgrass Asset Management

As Of 06/30/2015

Growth of $100 Graph

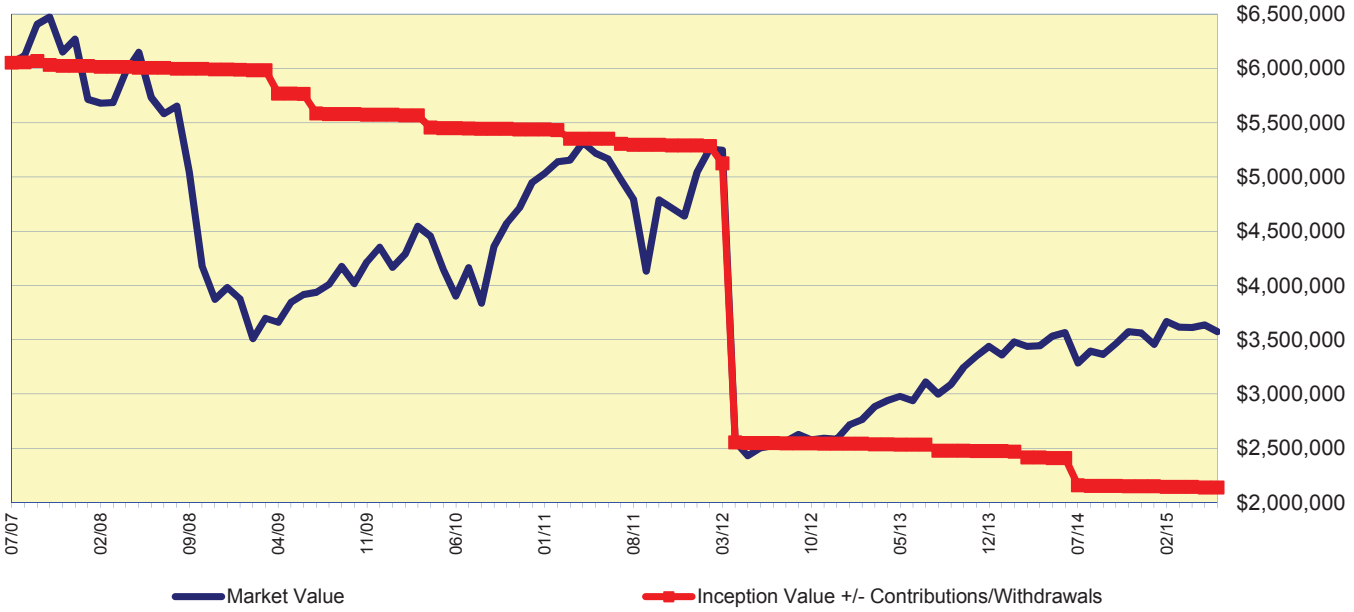
This graph depicts how **$100**, invested at the beginning of the time period, would have grown based on both the portfolio's performance and the index's.



Value Added Graph

This exhibit is useful in determining how the portfolio has been affected by the investment process.

One of the graph lines denotes the period-end market values of the portfolio over time. This is simply a visual representation of the ebb and flow of the portfolio's market value period-to-period. The other line represents the original dollars invested adjusted for contributions or withdrawals.



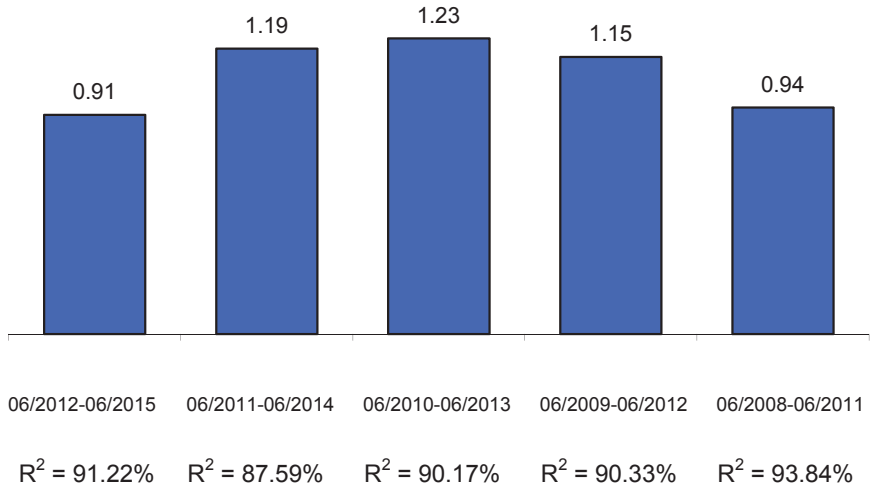
Report Created: 8/4/2015

Graystone Consulting℠

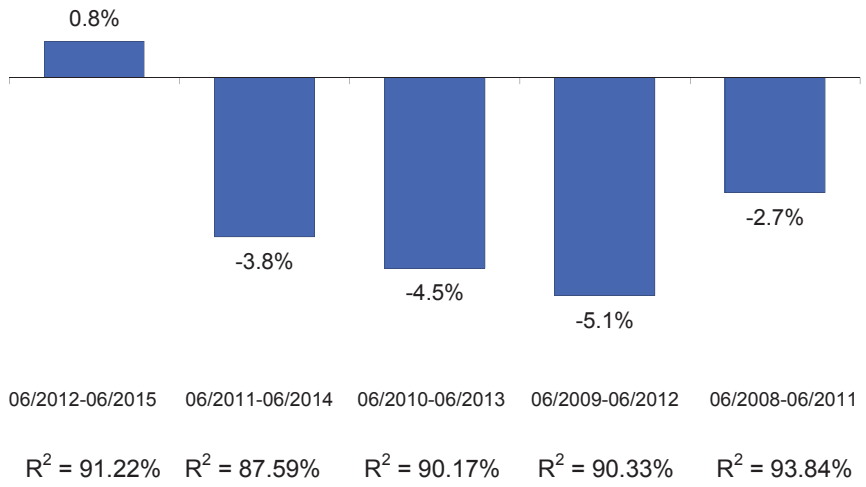
MODERN PORTFOLIO THEORY

Ormond Beach Police Officers Sawgrass Asset Management AS OF 06/30/2015

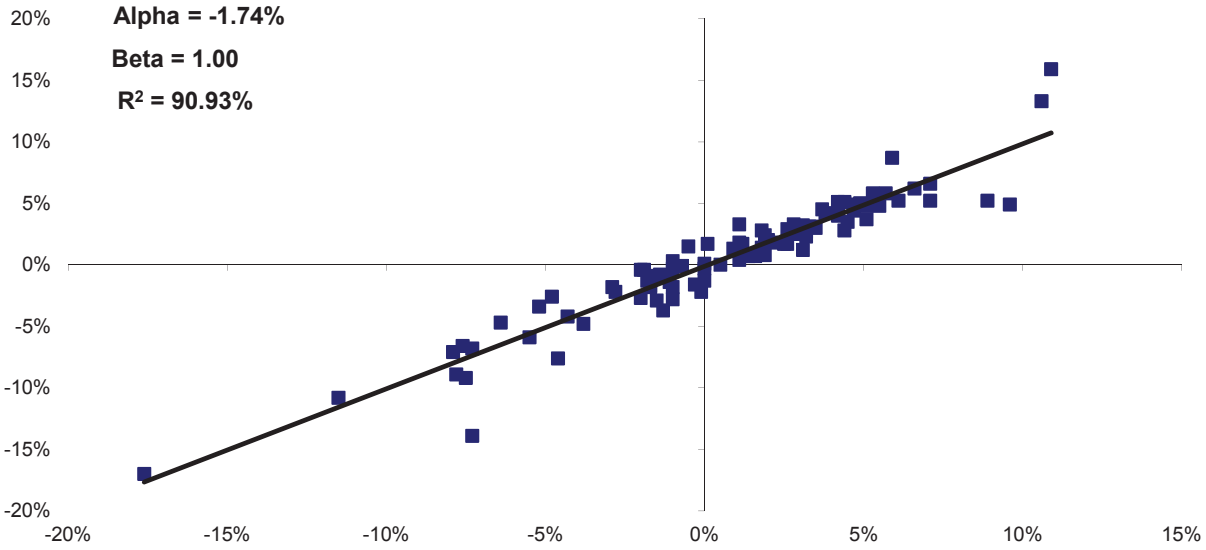
Beta - Rolling Periods



Alpha - Rolling Periods



MONTHLY Observations Since 07/2007
(w/Simple Linear Regression Line)



Modern Portfolio Theory seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk. **Alpha** is a measure of a portfolio's return in excess of the market 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. **Beta** is a measure of the sensitivity of a portfolio's rate of return against that of the market. A beta greater than 1.00 indicates volatility greater than the market. **R2** is a measure that indicates the extent to which fluctuations in portfolio returns are correlated with those of the general market. An R-squared of 0.80 implies that 80% of the fluctuation of a portfolio's return is explained by the fluctuation in the market.

Graph Notes: The Index is represented on the horizontal (X) axis, and the Fund is represented on the vertical (Y) axis. Both the Index and Fund are adjusted by 90-day Treasury Bills.

Report Created: 8/4/2015

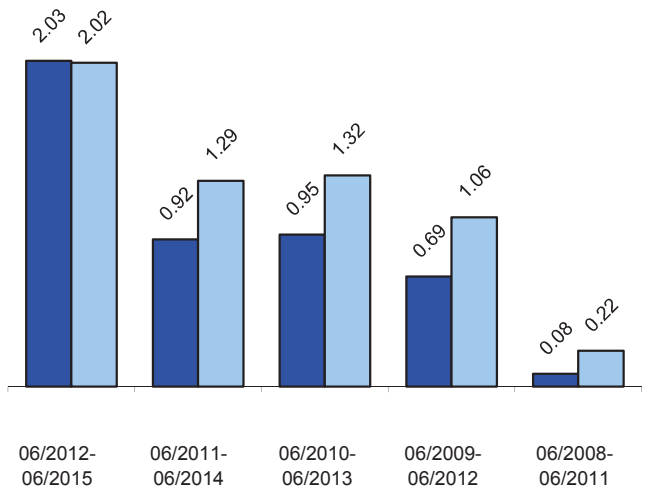
Graystone Consulting℠

MANAGER RISK ANALYSIS

Ormond Beach Police Officers

AS OF 06/30/2015

Sharpe Ratios 3-Year Rolling Periods



Sawgrass Asset Management

Russell 1000 Gr

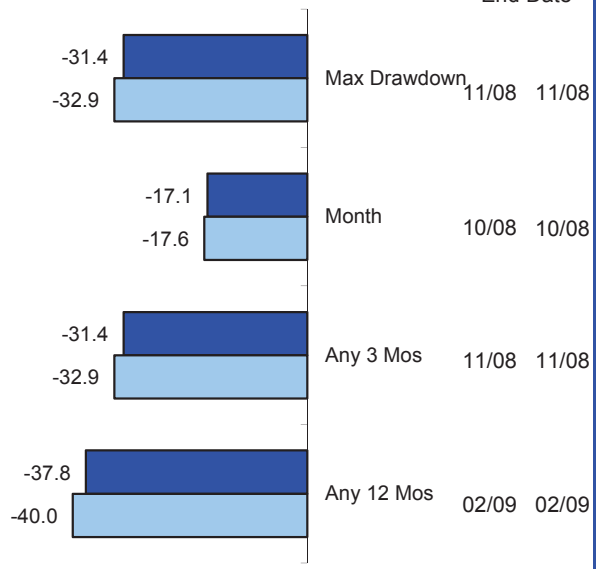
Sharpe Ratio divides excess return by standard deviation to arrive at a unified measure of risk adjusted return. In most cases where risk is a consideration, it is desirable to have a value higher than the index

Loss in Varying Time Periods measures the greatest loss experienced in each of five different historical time periods. Maximum Drawdown in the longest sustained loss since the inception of the account (The fund and index may have different begin and end dates.) *No representation is made that these amounts represent maximum future loss.*

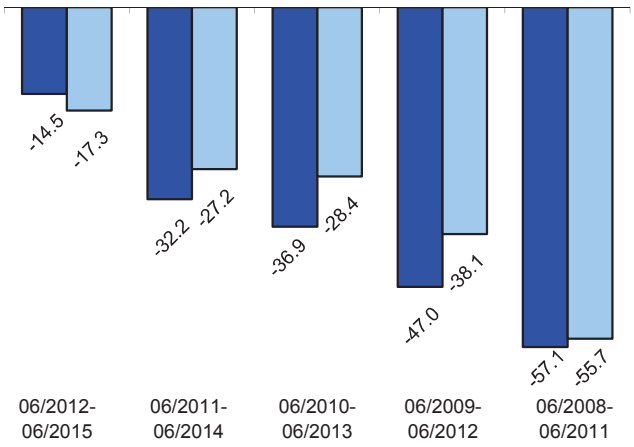
Down Capture is the measure of the fund`s total return whenever the index returns are negative.

Up Capture is the measure of the fund`s total return whenever the

Loss in Varying Time Periods (%)



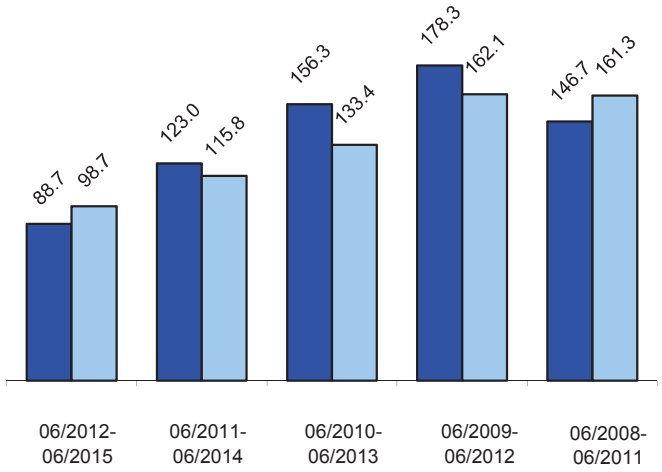
Down Capture Returns (%) 3-Year Rolling Periods



06/2012-06/2015	06/2011-06/2014	06/2010-06/2013	06/2009-06/2012	06/2008-06/2011
0.84	1.19	1.30	1.23	1.03

Down Capture Ratios

Up Capture Returns (%) 3-Year Rolling Periods



06/2012-06/2015	06/2011-06/2014	06/2010-06/2013	06/2009-06/2012	06/2008-06/2011
0.90	1.06	1.17	1.10	0.91

Up Capture Ratios

Report Created: 8/4/2015

Ormond Beach Police - Sawgrass

Composition		
Summary	ORMOND POLICE - SAW	RU1000-G
No of Securities	42	644
% Bmrk Holdings	94.42	100.00
% Active Share	70.67	0.00
% Top 25 Holdings	72.08	37.19
% Top 15 Holdings	49.34	27.64

Characteristics		
Characteristic	ORMOND POLICE - SAW	RU1000-G
Market Cap - Weighted Median	100,404,999,403.07	59,262,560,545.17
Price / Book	5.00	5.68
P/E NTM	16.41	18.73
Dividend Yield	1.64	1.51
EPS Growth NTM	7.82	12.31
Ret Eq	33.42	35.09

Sector Allocation		
Sector Name	ORMOND POLICE - SAW	RU1000-G
Energy	2.60	0.96
Materials	4.08	3.87
Industrials	14.96	11.15
Consumer Discretionary	17.02	21.03
Consumer Staples	12.43	10.50
Health Care	15.37	18.30
Financials	2.03	5.22
Information Technology	27.50	27.15
Telecomm Service	4.01	1.78
Utilities		0.04

Top Equity Holdings	
Name	ORMOND POLICE - SAW
APPLE INC	5.44
COMCAST CORP	4.30
VERIZON COMMUNICATIONS INC	4.01
ORACLE CORP	3.70
EXPRESS SCRIPTS HOLDING CO	3.52
	Total: 20.97

Disclaimer

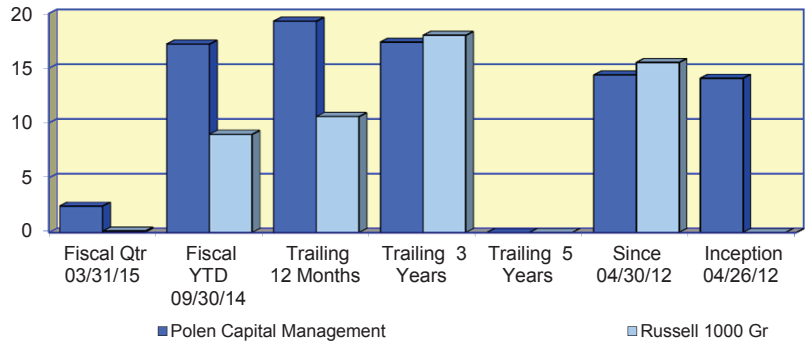
This analysis is based upon information supplied by the Client or its custodian and software developed by Thomson Portfolio Analytics. The underlying data is believed to be reliable but accuracy and completeness cannot be assured. While the characteristics described in this report are believed to accurately reflect the overall nature of the portfolio, all of the constituent securities may not have been considered. This evaluation is for informational purposes only and is not intended to be an offer, solicitation or recommendation with respect to the purchase or sale of any security or a recommendation of the services of any money manaPOLICEment organization. Past results are not necessarily indicative of future performance.

Graystone Consulting℠

EXECUTIVE SUMMARY

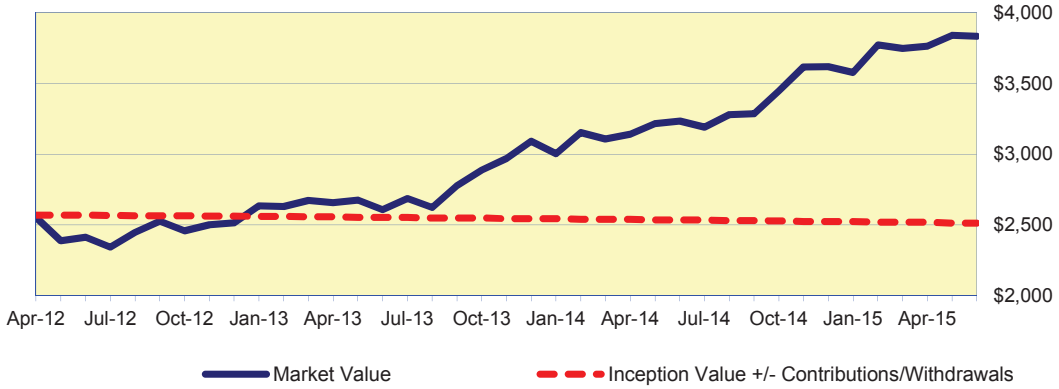
Ormond Beach Police Officers Polen Capital Management AS OF 06/30/2015

Portfolio Performance(%)



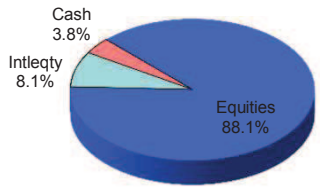
Investment Returns (%) Since:	Fiscal Qtr 03/31/15	Fiscal YTD 09/30/14	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 04/30/12	Inception 04/26/12
Polen Capital Management	***2.41***	***17.18***	***19.27***	***17.37***	N/A	***14.37***	***14.08***
Russell 1000 Gr	0.12	8.95	10.57	17.99		15.52	N/A
Asset Growth ($000)							
Beginning Market Value	3,749	3,286	3,234	2,414	N/A	2,552	2,311
Net Contributions & Withdrawals	-6	-17	-22	-55	N/A	-55	201
Gain/Loss + Income	90	564	621	1,474	N/A	1,336	1,321
Ending Market Value	3,833	3,833	3,833	3,833	N/A	3,833	3,833

Value-Added Analysis ($000)



Asset Allocation ($000)

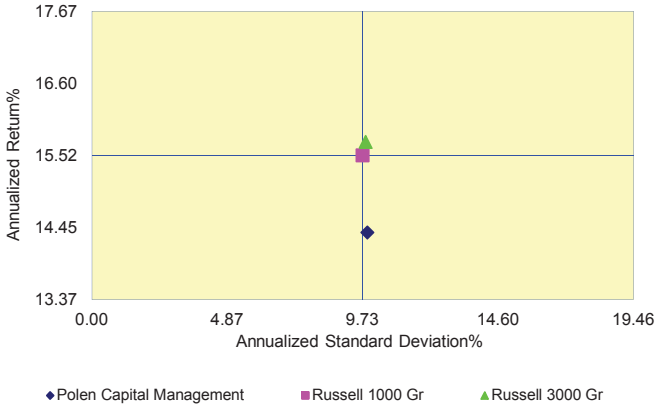
Equities	Intleqty	Cash	Total
3,377	311	145	3,833



Portfolio Characteristics

Yield	N/A	Account Sharpe Ratio	1.44
Beta	0.89	Index Sharpe Ratio	1.59
Alpha	0.62%		
R^2	76%		

Risk / Return Analysis Since 04/30/2012



Annualized %	Return	Std. Dev.
Polen Capital Management	***14.37***	***9.90***
Russell 1000 Gr	15.52	9.73
Russell 3000 Gr	15.72	9.84

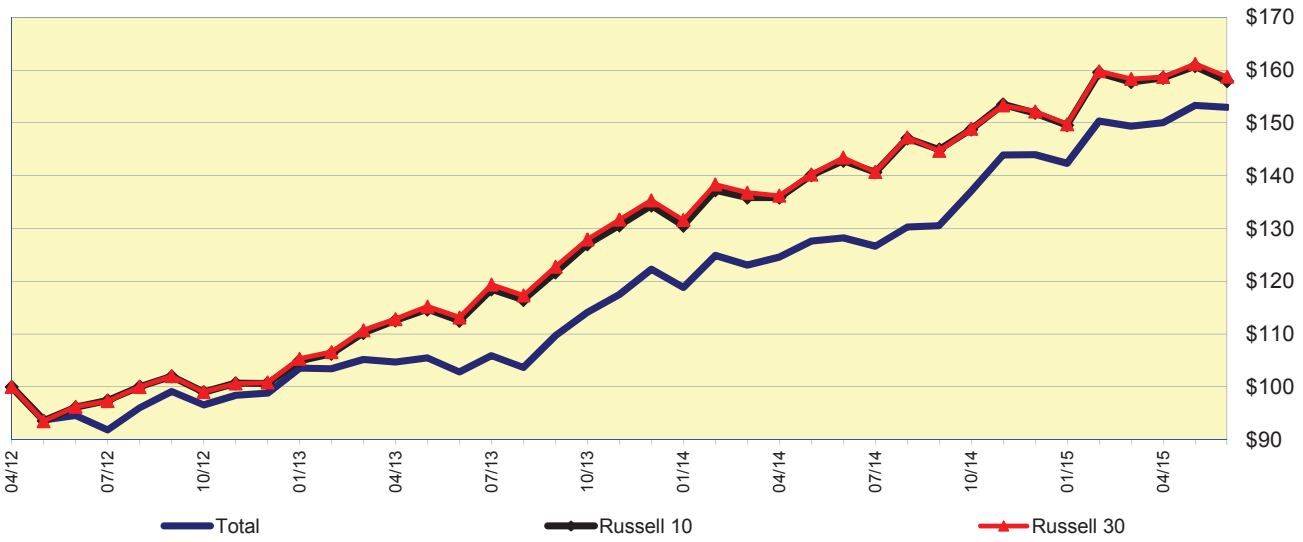
Report Created: 8/4/2015

MANAGER PERFORMANCE ANALYSIS

Ormond Beach Police Officers Polen Capital Management | As Of 06/30/2015

Growth of $100 Graph

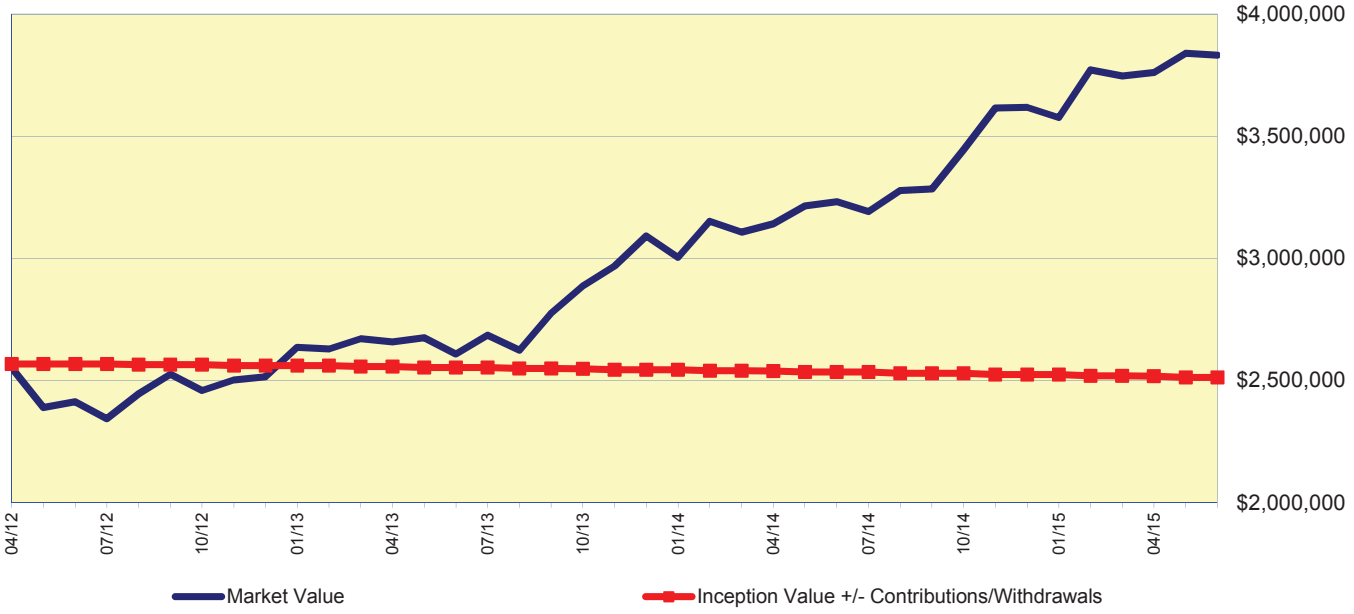
This graph depicts how **$100**, invested at the beginning of the time period, would have grown based on both the portfolio's performance and the index's.



Value Added Graph

This exhibit is useful in determining how the portfolio has been affected by the investment process.

One of the graph lines denotes the period-end market values of the portfolio over time. This is simply a visual representation of the ebb and flow of the portfolio's market value period-to-period. The other line represents the original dollars invested adjusted for contributions or withdrawals.

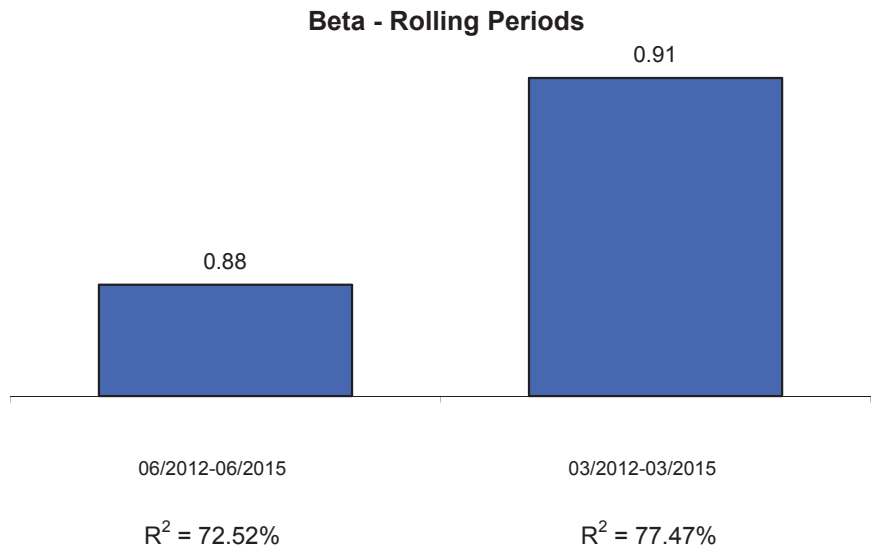


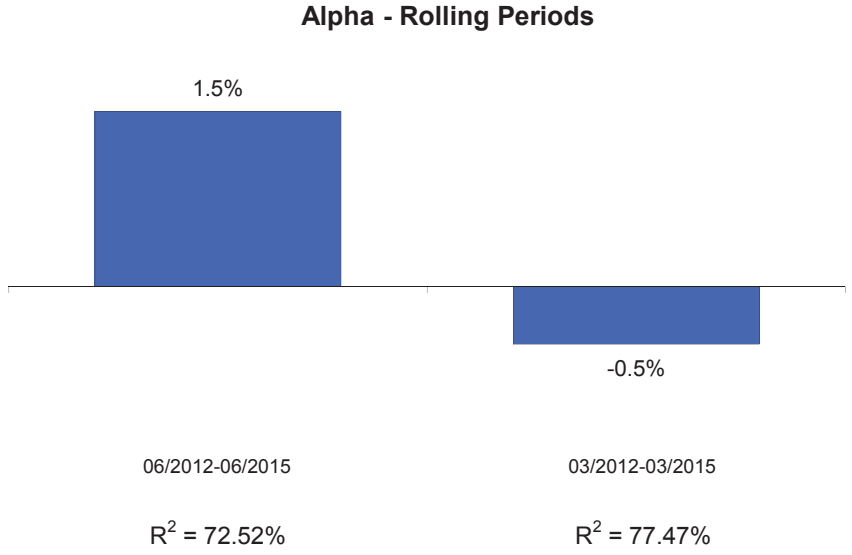
Report Created: 8/4/2015

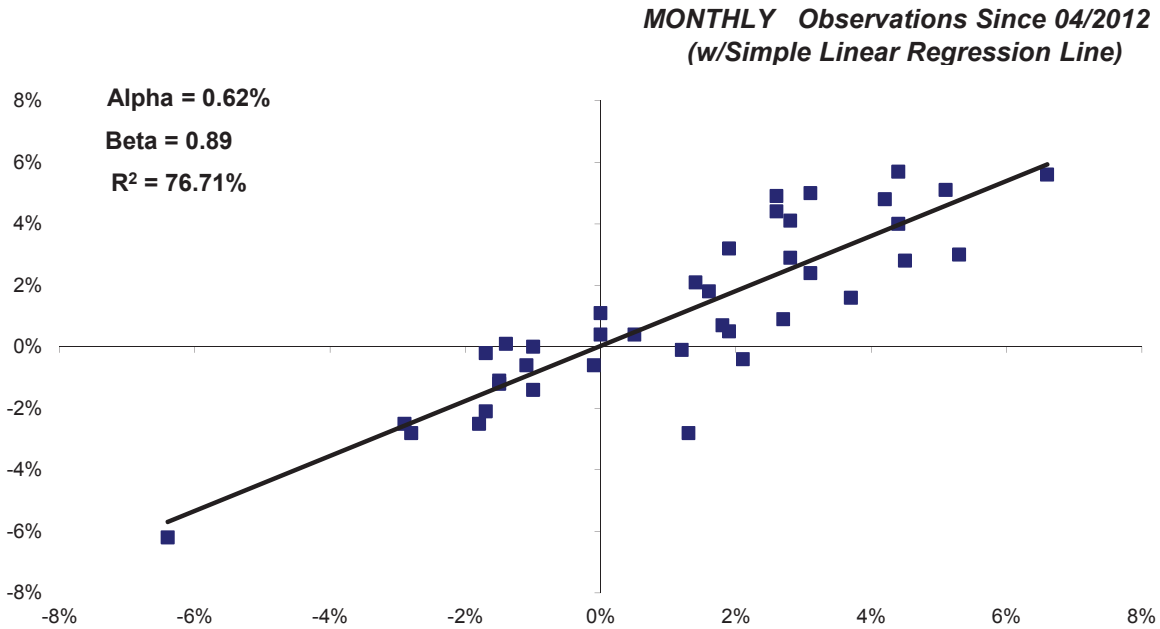
Graystone Consulting℠

MODERN PORTFOLIO THEORY

Ormond Beach Police Officers Polen Capital Management AS OF 06/30/2015







Modern Portfolio Theory seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk. **Alpha** is a measure of a portfolio's return in excess of the market 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. **Beta** is a measure of the sensitivity of a portfolio's rate of return against that of the market. A beta greater than 1.00 indicates volatility greater than the market. **R2** is a measure that indicates the extent to which fluctuations in portfolio returns are correlated with those of the general market. An R-squared of 0.80 implies that 80% of the fluctuation of a portfolio's return is explained by the fluctuation in the market.

Graph Notes: The Index is represented on the horizontal (X) axis, and the Fund is represented on the vertical (Y) axis. Both the Index and Fund are adjusted by 90-day Treasury Bills.

Report Created: 8/4/2015

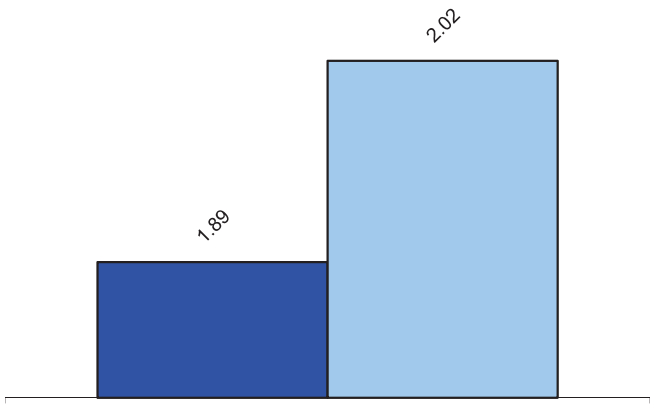
Graystone Consulting℠

MANAGER RISK ANALYSIS

Ormond Beach Police Officers

AS OF 06/30/2015

Sharpe Ratios 3-Year Rolling Periods



06/2012-06/2015

Polen Capital Management

Russell 1000 Gr

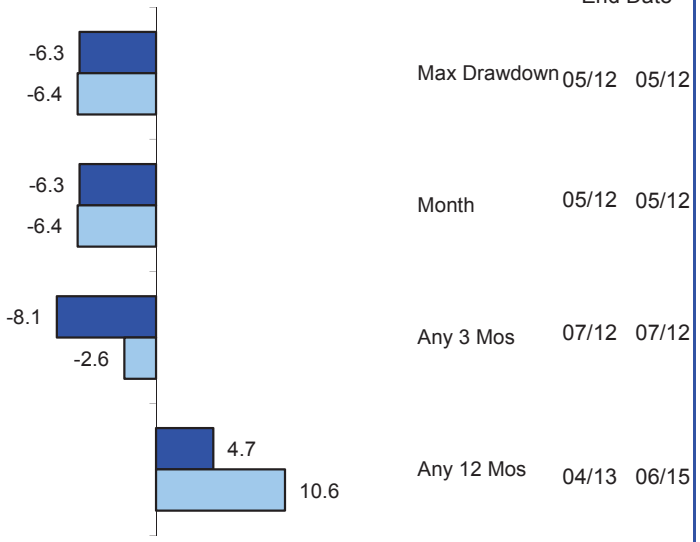
Sharpe Ratio divides excess return by standard deviation to arrive at a unified measure of risk adjusted return. In most cases where risk is a consideration, it is desirable to have a value higher than the index

Loss in Varying Time Periods measures the greatest loss experienced in each of five different historical time periods. Maximum Drawdown in the longest sustained loss since the inception of the account (The fund and index may have different begin and end dates.) *No representation is made that these amounts represent maximum future loss.*

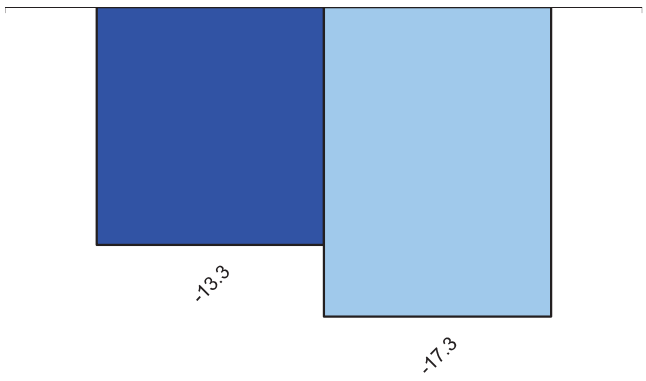
Down Capture is the measure of the fund`s total return whenever the index returns are negative.

Up Capture is the measure of the fund`s total return whenever the

Loss in Varying Time Periods (%)



Down Capture Returns (%) 3-Year Rolling Periods

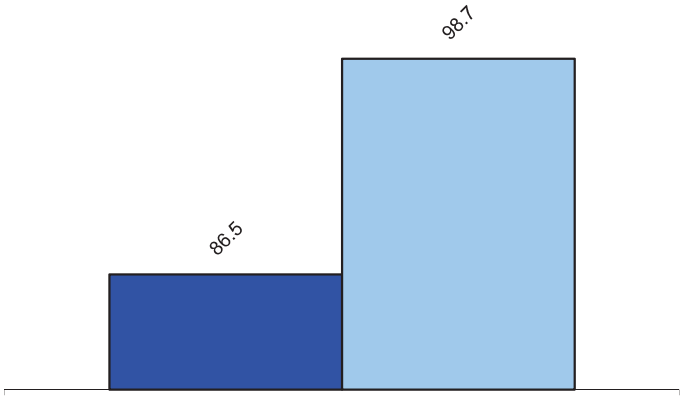


06/2012-06/2015

0.77

Down Capture Ratios

Up Capture Returns (%) 3-Year Rolling Periods



06/2012-06/2015

0.88

Up Capture Ratios

Report Created: 8/4/2015

Ormond Beach Police - Polen

Composition		
Summary	ORMOND POLICE - POL	RU1000-G
No of Securities	22	644
% Bmrk Holdings	89.86	100.00
% Active Share	82.01	0.00
% Top 25 Holdings	100.00	37.19
% Top 15 Holdings	79.12	27.64

Characteristics		
Characteristic	ORMOND POLICE - POL	RU1000-G
Market Cap - Weighted Median	76,758,758,333.72	59,262,560,545.17
Price / Book	5.16	5.68
P/E NTM	21.47	18.73
Dividend Yield	1.04	1.51
EPS Growth NTM	10.72	12.31
Ret Eq	28.59	35.09

Sector Allocation		
Sector Name	ORMOND POLICE - POL	RU1000-G
Energy		0.96
Materials		3.87
Industrials	6.85	11.15
Consumer Discretionary	27.64	21.03
Consumer Staples	3.55	10.50
Health Care	15.90	18.30
Financials		5.22
Information Technology	46.06	27.15
Telecomm Service		1.78
Utilities		0.04

Top Equity Holdings	
Name	ORMOND POLICE - POL
VISA INC	7.46
NIKE INC	7.02
ABBOTT LABORATORIES	6.59
STARBUCKS CORP	6.45
REGENERON PHARMACEUTICALS INC	5.49
	Total: 33.02

Disclaimer

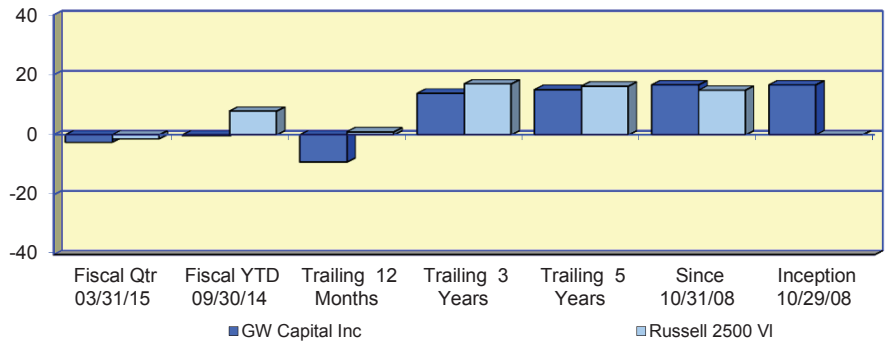
This analysis is based upon information supplied by the Client or its custodian and software developed by Thomson Portfolio Analytics. The underlying data is believed to be reliable but accuracy and completeness cannot be assured. While the characteristics described in this report are believed to accurately reflect the overall nature of the portfolio, all of the constituent securities may not have been considered. This evaluation is for informational purposes only and is not intended to be an offer, solicitation or recommendation with respect to the purchase or sale of any security or a recommendation of the services of any money manaPOLICEment organization. Past results are not necessarily indicative of future performance.

Graystone Consulting℠

EXECUTIVE SUMMARY

Ormond Beach Police Officers GW Capital Inc AS OF 06/30/2015

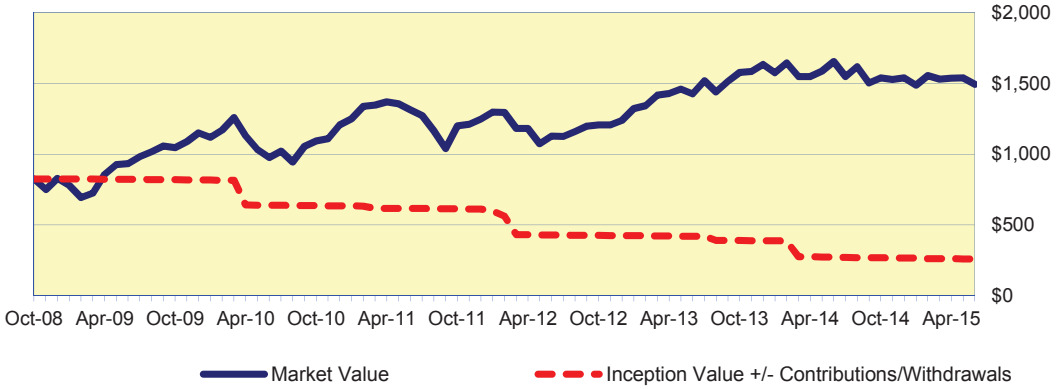
Portfolio Performance(%)



Investment Returns (%) Since:	Fiscal Qtr 03/31/15	Fiscal YTD 09/30/14	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 10/31/08	Inception 10/29/08
GW Capital Inc	**-2.45**	**-0.34**	**-9.09**	**13.87**	**15.09**	**16.68**	**16.67**
Russell 2500 VI	-1.28	7.90	1.00	16.99	16.24	14.91	N/A

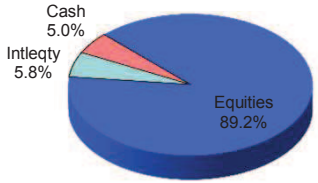
Asset Growth ($000)							
Beginning Market Value	1,534	1,508	1,656	1,128	976	825	825
Net Contributions & Withdrawals	-3	-9	-12	-169	-379	-566	-566
Gain/Loss + Income	-37	-5	-150	535	897	1,235	1,235
Ending Market Value	1,494	1,494	1,494	1,494	1,494	1,494	1,494

Value-Added Analysis ($000)



Asset Allocation ($000)

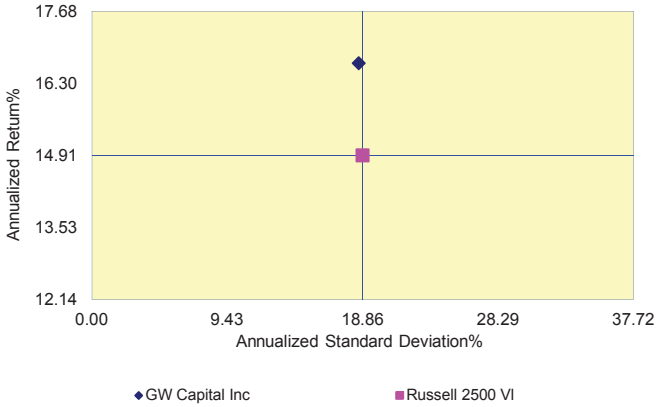
Equities	Intleqty	Cash	Total
1,333	86	75	1,494



Portfolio Characteristics

Yield	N/A	Account Sharpe Ratio	0.89
Beta	0.92	Index Sharpe Ratio	0.78
Alpha	2.62%		
R^2	88%		

Risk / Return Analysis Since 10/31/2008

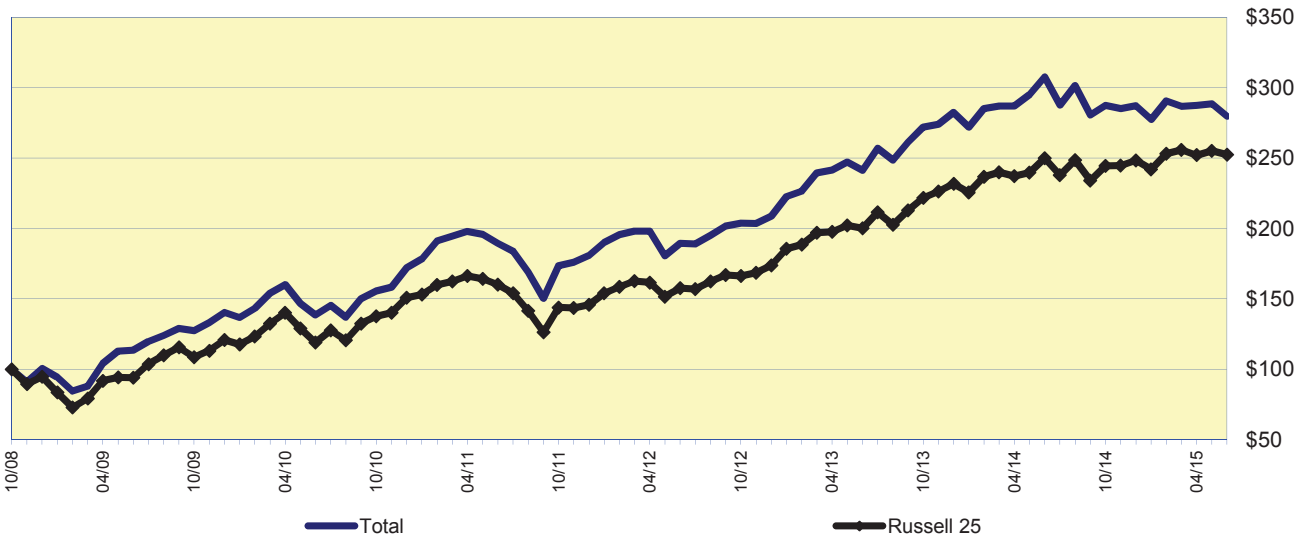


Annualized %	Return	Std. Dev.
GW Capital Inc	**16.68**	**18.60**
Russell 2500 VI	14.91	18.86

Report Created: 8/4/2015

Growth of $100 Graph

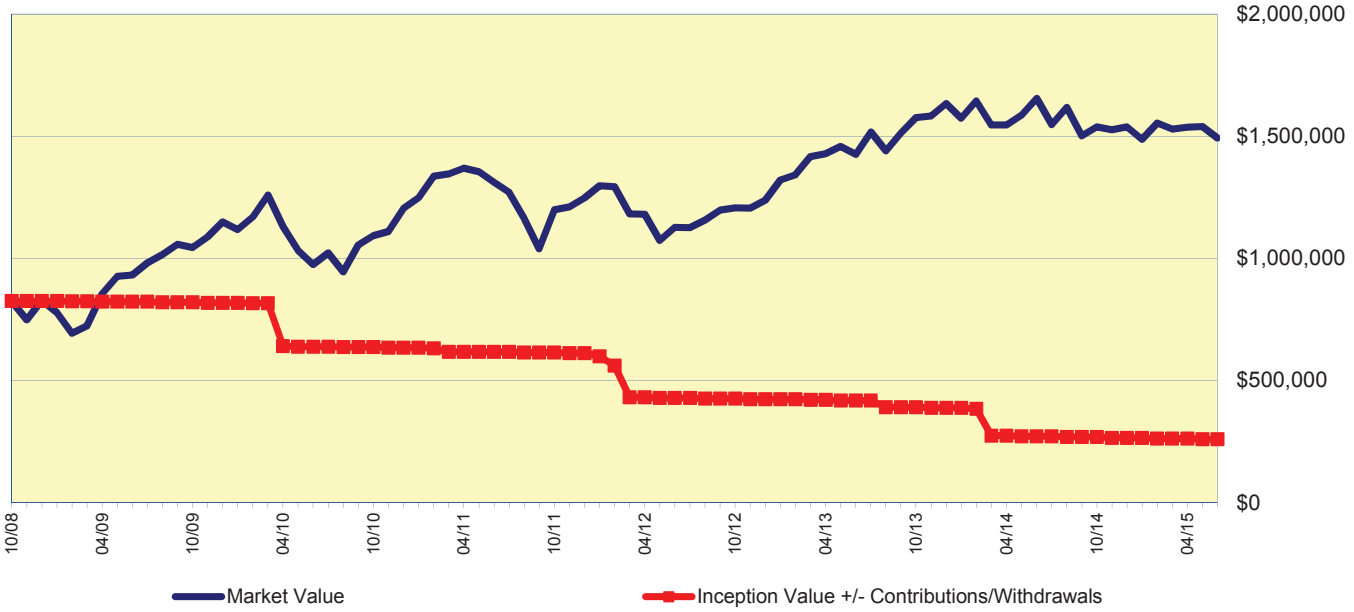
This graph depicts how **$100**, invested at the beginning of the time period, would have grown based on both the portfolio's performance and the index's.



Value Added Graph

This exhibit is useful in determining how the portfolio has been affected by the investment process.

One of the graph lines denotes the period-end market values of the portfolio over time. This is simply a visual representation of the ebb and flow of the portfolio's market value period-to-period. The other line represents the original dollars invested adjusted for contributions or withdrawals.



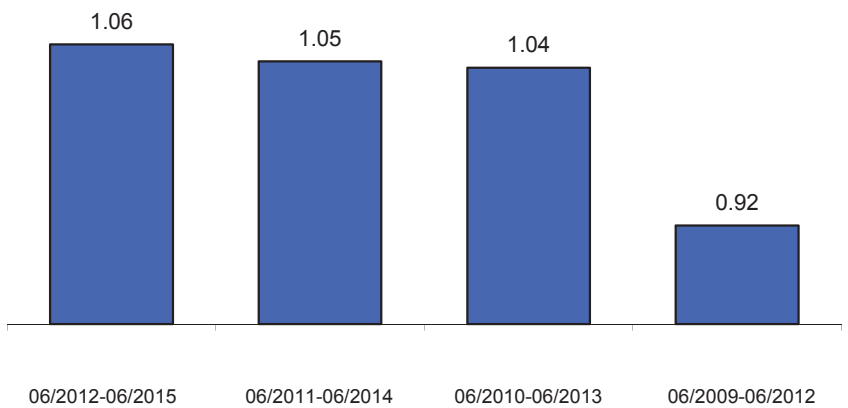
Report Created: 8/4/2015

Graystone Consulting℠

MODERN PORTFOLIO THEORY

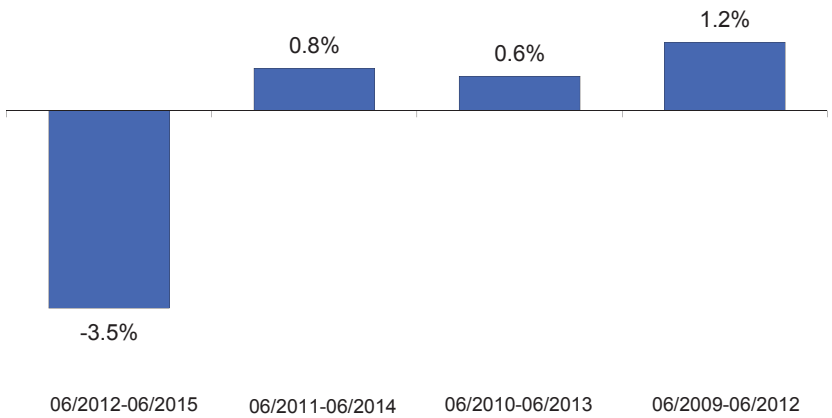
Ormond Beach Police Officers GW Capital Inc AS OF 06/30/2015

Beta - Rolling Periods



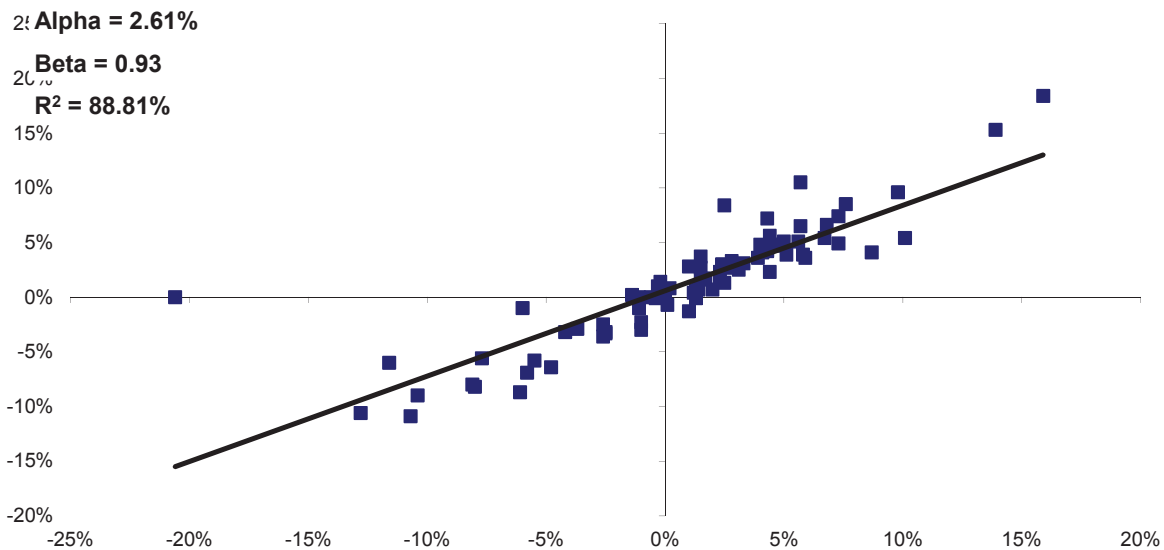
R^2 = 90.34% R^2 = 95.82% R^2 = 95.21% R^2 = 91.68%

Alpha - Rolling Periods



R^2 = 90.34% R^2 = 95.82% R^2 = 95.21% R^2 = 91.68%

MONTHLY Observations Since 10/2008
(w/Simple Linear Regression Line)



Modern Portfolio Theory seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk. **Alpha** is a measure of a portfolio's return in excess of the market 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. **Beta** is a measure of the sensitivity of a portfolio's rate of return against that of the market. A beta greater than 1.00 indicates volatility greater than the market. **R2** is a measure that indicates the extent to which fluctuations in portfolio returns are correlated with those of the general market. An R-squared of 0.80 implies that 80% of the fluctuation of a portfolio's return is explained by the fluctuation in the market.

Graph Notes: The Index is represented on the horizontal (X) axis, and the Fund is represented on the vertical (Y) axis. Both the Index and Fund are adjusted by 90-day Treasury Bills.

Report Created: 8/4/2015

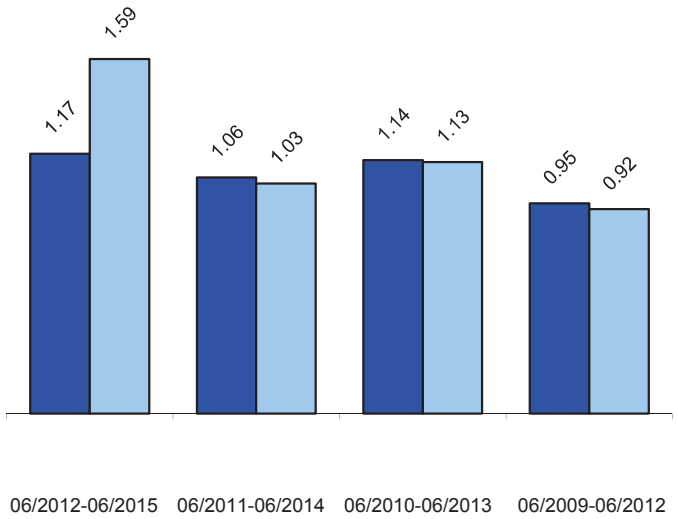
Graystone Consulting℠

MANAGER RISK ANALYSIS

Ormond Beach Police Officers

AS OF 06/30/2015

Sharpe Ratios 3-Year Rolling Periods



GW Capital Inc

Russell 2500 VI

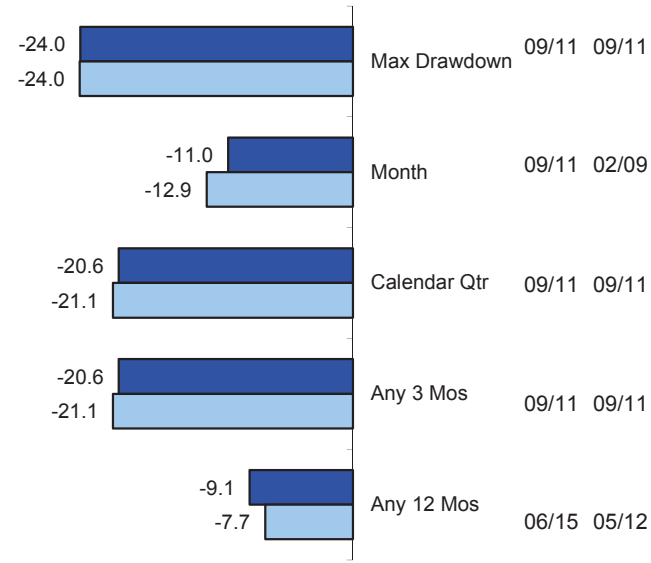
Sharpe Ratio divides excess return by standard deviation to arrive at a unified measure of risk adjusted return. In most cases where risk is a consideration, it is desirable to have a value higher than the index

Loss in Varying Time Periods measures the greatest loss experienced in each of five different historical time periods. Maximum Drawdown in the longest sustained loss since the inception of the account (The fund and index may have different begin and end dates.) *No representation is made that these amounts represent maximum future loss.*

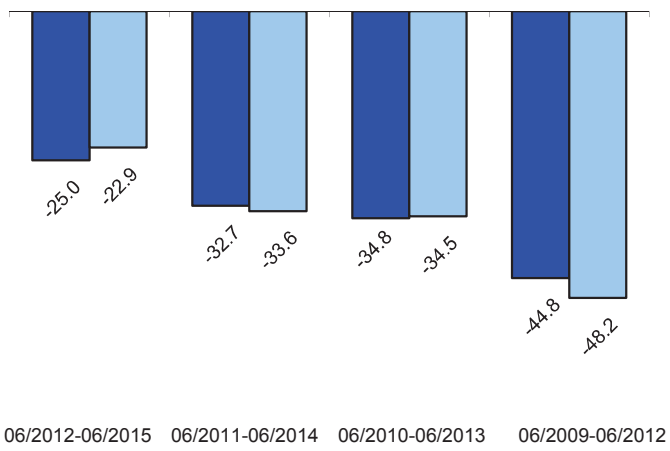
Down Capture is the measure of the fund`s total return whenever the index returns are negative.

Up Capture is the measure of the fund`s total return whenever the

Loss in Varying Time Periods (%)



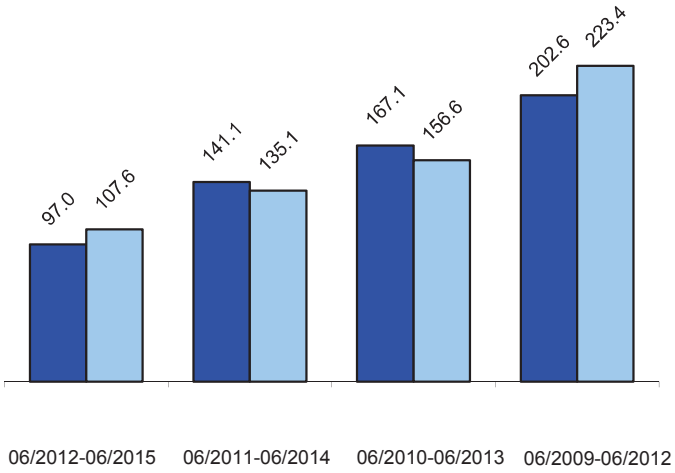
Down Capture Returns (%) 3-Year Rolling Periods



1.09	0.97	1.01	0.93

Down Capture Ratios

Up Capture Returns (%) 3-Year Rolling Periods



0.90	1.04	1.07	0.91

Up Capture Ratios

Report Created: 8/4/2015

Ormond Beach Police - GW

Composition		
Summary	ORMOND POLICE GW	RU2500-V
No of Securities	35	1,669
% Bmrk Holdings	68.69	100.00
% Active Share	96.13	0.00
% Top 25 Holdings	80.08	8.91
% Top 15 Holdings	53.58	5.64

Characteristics		
Characteristic	ORMOND POLICE GW	RU2500-V
Market Cap - Weighted Median	4,062,822,980.08	3,471,075,410.78
Price / Book	1.61	1.61
P/E NTM	14.75	18.29
Dividend Yield	1.48	2.21
EPS Growth NTM	6.06	6.22
Ret Eq	35.33	9.90

Sector Allocation		
Sector Name	ORMOND POLICE GW	RU2500-V
Energy	3.38	7.40
Materials	13.73	5.54
Industrials	19.75	13.88
Consumer Discretionary	8.04	9.22
Consumer Staples	7.42	2.62
Health Care	10.35	4.89
Financials	25.34	38.49
Information Technology	9.00	9.47
Telecomm Service		0.77
Utilities	3.00	7.72
N/A		0.00

Top Equity Holdings	
Name	ORMOND POLICE GW
VERISK ANALYTICS INC	4.71
CASEYS GENERAL STORES INC	4.58
CROWN HOLDINGS INC	4.23
BROOKDALE SENIOR LIVING INC	3.97
BANKUNITED INC	3.67
	Total: 21.17

Disclaimer

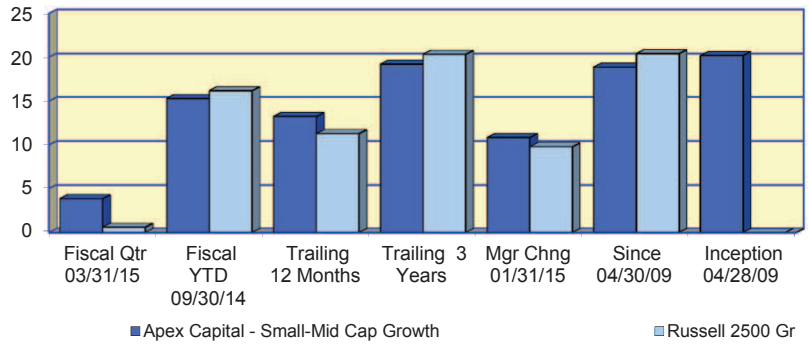
This analysis is based upon information supplied by the Client or its custodian and software developed by Thomson Portfolio Analytics. The underlying data is believed to be reliable but accuracy and completeness cannot be assured. While the characteristics described in this report are believed to accurately reflect the overall nature of the portfolio, all of the constituent securities may not have been considered. This evaluation is for informational purposes only and is not intended to be an offer, solicitation or recommendation with respect to the purchase or sale of any security or a recommendation of the services of any money manaPOLICEment organization. Past results are not necessarily indicative of future performance.

Graystone Consulting℠

EXECUTIVE SUMMARY

Ormond Beach Police Officers Apex Capital - Small-Mid Cap Growth AS OF 06/30/2015

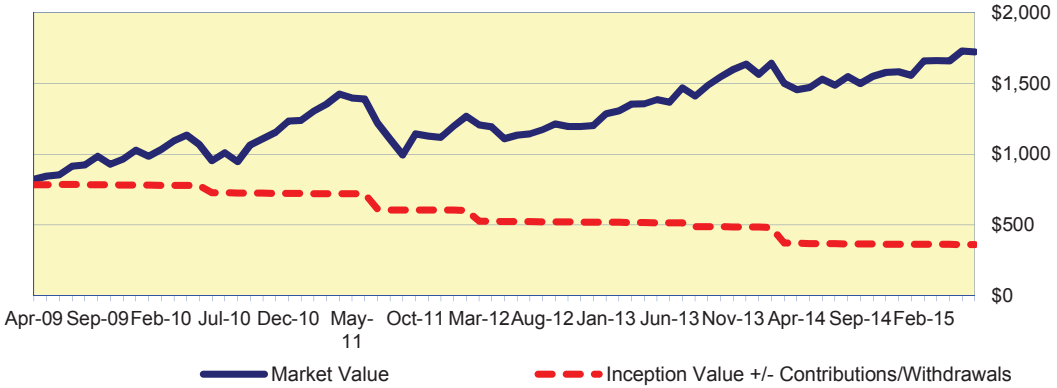
Portfolio Performance(%)



Investment Returns (%) Since:	Fiscal Qtr 03/31/15	Fiscal YTD 09/30/14	Trailing 12 Months	Trailing 3 Years	Mgr Chng 01/31/15	Since 04/30/09	Inception 04/28/09
Apex Capital - Small-Mid Cap Growth	***3.84***	***15.29***	***13.22***	***19.19***	***10.83***	***18.85***	***20.17***
Russell 2500 Gr	0.60	16.18	11.28	20.33	9.78	20.41	N/A

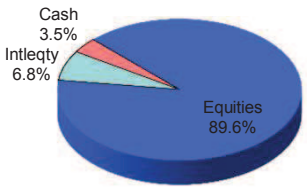
Asset Growth ($000)							
Beginning Market Value	1,662	1,499	1,530	1,134	1,557	822	0
Net Contributions & Withdrawals	-2	-5	-8	-165	-2	-425	360
Gain/Loss + Income	63	229	201	754	168	1,326	1,363
Ending Market Value	1,723	1,723	1,723	1,723	1,723	1,723	1,723

Value-Added Analysis ($000)



Asset Allocation ($000)

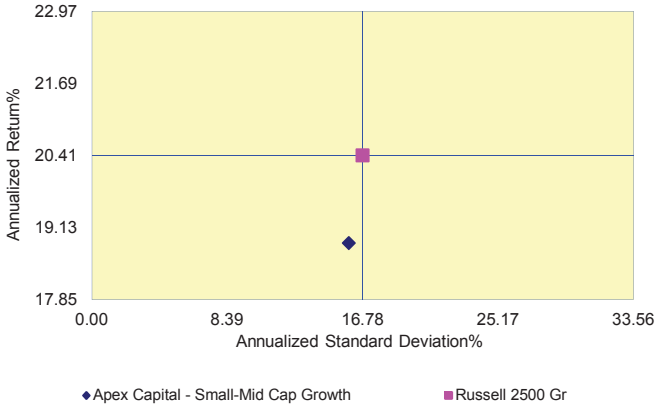
Equities	Intleqty	Cash	Total
1,544	118	61	1,723



Portfolio Characteristics

Yield	N/A	Account Sharpe Ratio	1.17
Beta	0.93	Index Sharpe Ratio	1.21
Alpha	-0.05%		
R^2	95%		

Risk / Return Analysis Since 04/30/2009



Annualized %	Return	Std. Dev.
Apex Capital - Small-Mid Cap Growth	***18.85***	***15.93***
Russell 2500 Gr	20.41	16.78

Report Created: 8/4/2015

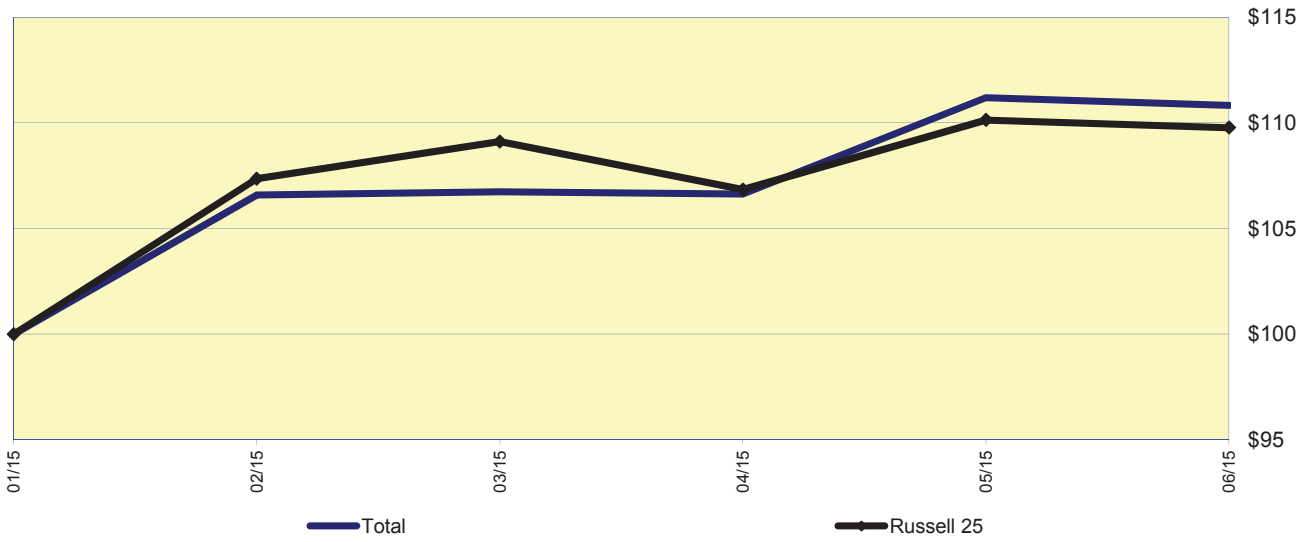
MANAGER PERFORMANCE ANALYSIS

Ormond Beach Police Officers Apex Capital - Small-Mid Cap Growth

As Of 06/30/2015

Growth of $100 Graph

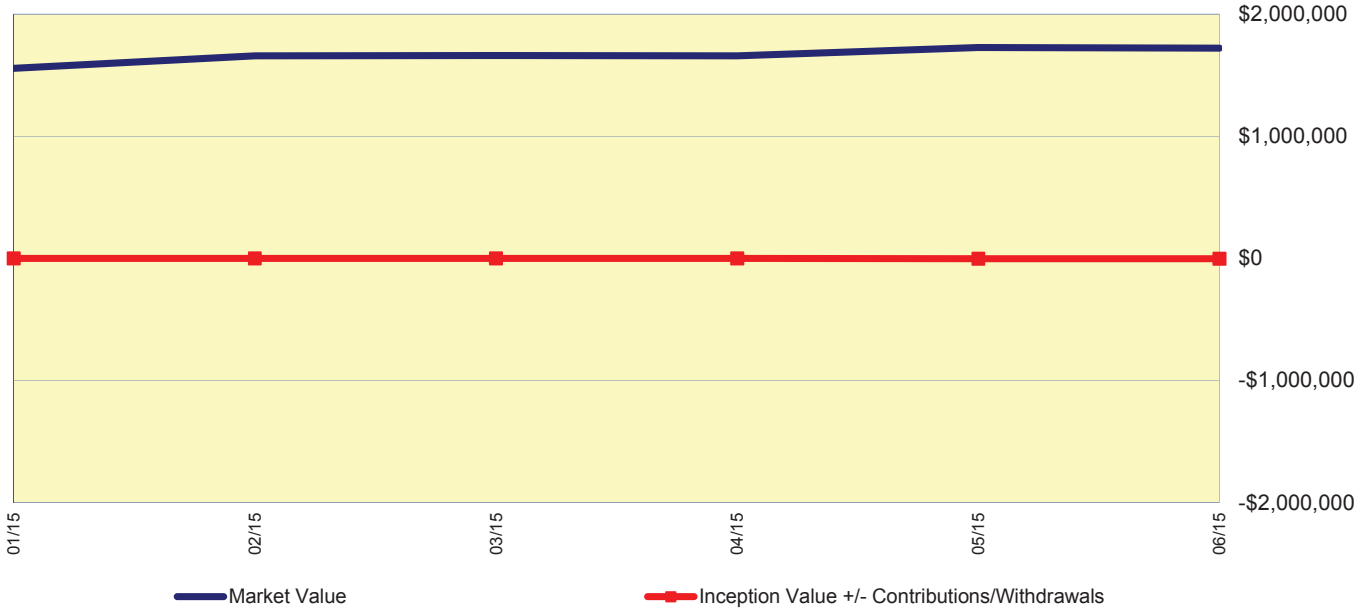
This graph depicts how **$100**, invested at the beginning of the time period, would have grown based on both the portfolio's performance and the index's.



Value Added Graph

This exhibit is useful in determining how the portfolio has been affected by the investment process.

One of the graph lines denotes the period-end market values of the portfolio over time. This is simply a visual representation of the ebb and flow of the portfolio's market value period-to-period. The other line represents the original dollars invested adjusted for contributions or withdrawals.



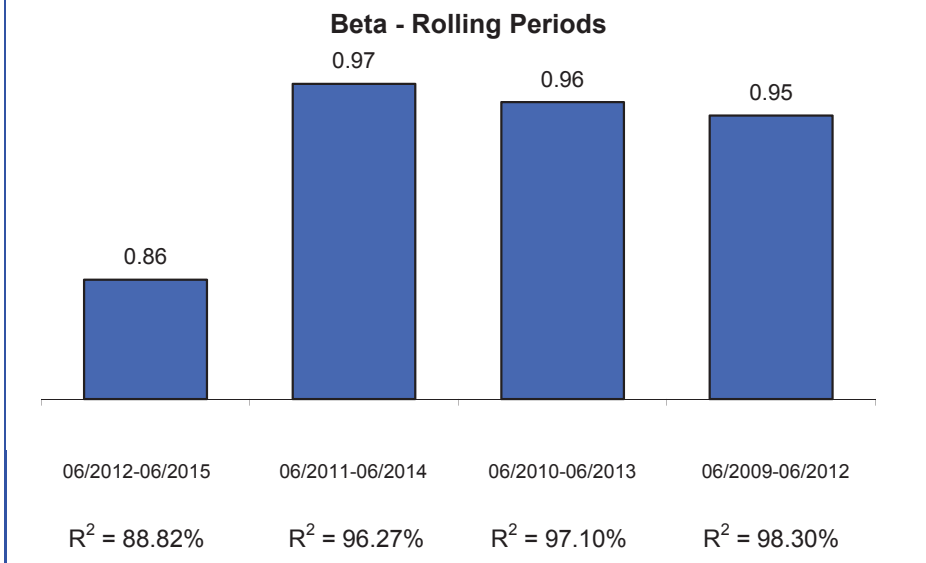
Report Created: 8/4/2015

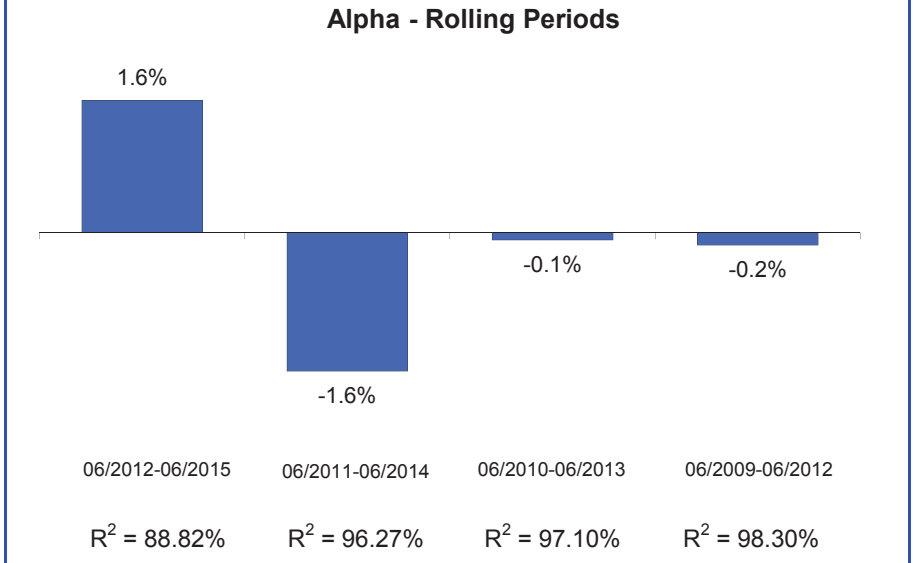
INVESTMENT PRODUCTS: NOT FDIC INSURED · NO BANK GUARANTEE · MAY LOSE VALUE

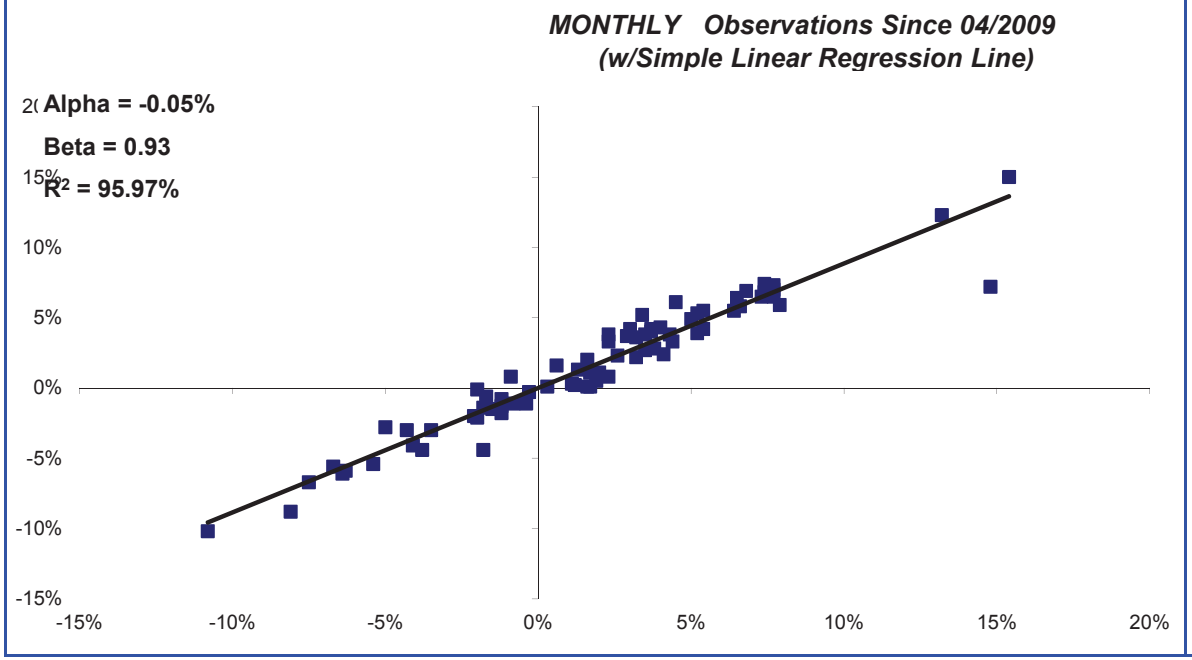
Graystone Consulting℠

MODERN PORTFOLIO THEORY

Ormond Beach Police Officers Apex Capital - Small-Mid Cap Growth AS OF 06/30/2015







Modern Portfolio Theory seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk. **Alpha** is a measure of a portfolio's return in excess of the market 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. **Beta** is a measure of the sensitivity of a portfolio's rate of return against that of the market. A beta greater than 1.00 indicates volatility greater than the market. **R2** is a measure that indicates the extent to which fluctuations in portfolio returns are correlated with those of the general market. An R-squared of 0.80 implies that 80% of the fluctuation of a portfolio's return is explained by the fluctuation in the market.

Graph Notes: The Index is represented on the horizontal (X) axis, and the Fund is represented on the vertical (Y) axis. Both the Index and Fund are adjusted by 90-day Treasury Bills.

Report Created: 8/4/2015

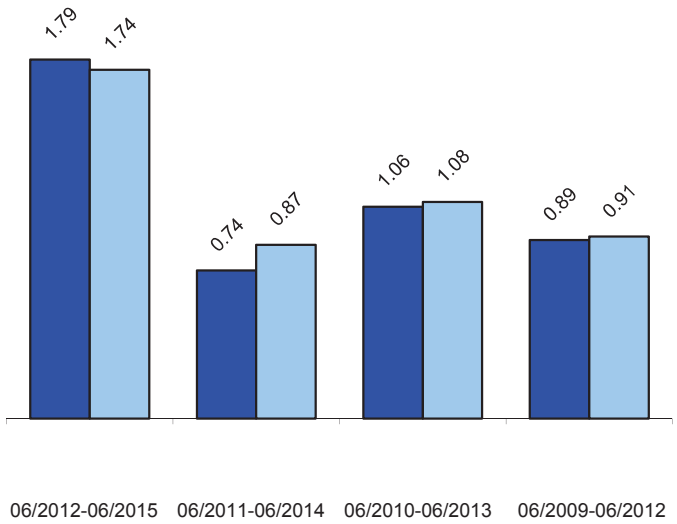
Graystone Consulting℠

MANAGER RISK ANALYSIS

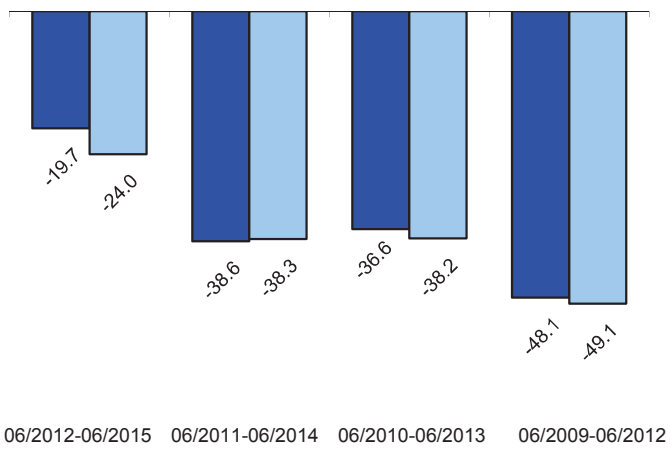
Ormond Beach Police Officers

AS OF 06/30/2015

Sharpe Ratios 3-Year Rolling Periods



Down Capture Returns (%) 3-Year Rolling Periods



0.82	1.01	0.96	0.98
	Down Capture Ratios		

Apex Capital - Small-Mid Cap G

Russell 2500 Gr

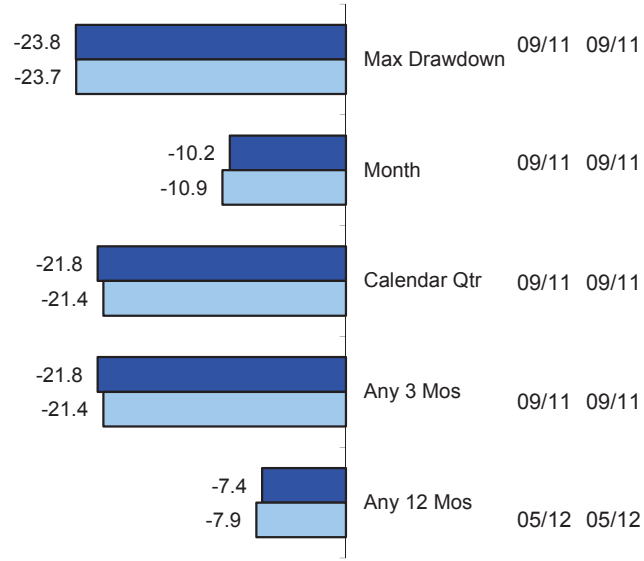
Sharpe Ratio divides excess return by standard deviation to arrive at a unified measure of risk adjusted return. In most cases where risk is a consideration, it is desirable to have a value higher than the index

Loss in Varying Time Periods measures the greatest loss experienced in each of five different historical time periods. Maximum Drawdown in the longest sustained loss since the inception of the account (The fund and index may have different begin and end dates.) *No representation is made that these amounts represent maximum future loss.*

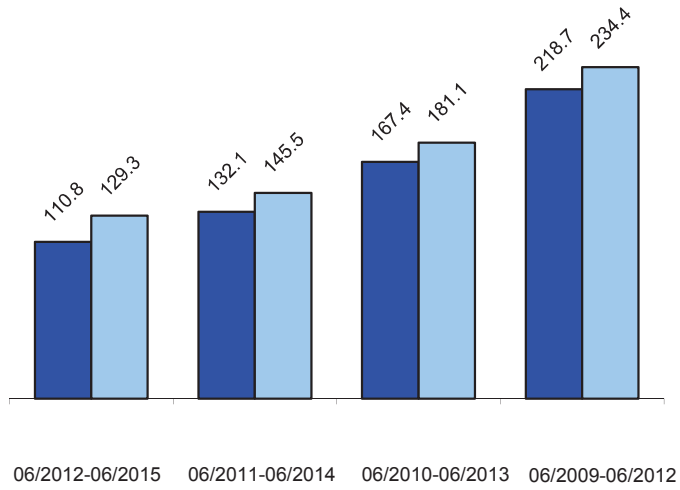
Down Capture is the measure of the fund`s total return whenever the index returns are negative.

Up Capture is the measure of the fund`s total return whenever the

Loss in Varying Time Periods (%)



Up Capture Returns (%) 3-Year Rolling Periods



0.86	0.91	0.92	0.93
	Up Capture Ratios		

Report Created: 8/4/2015

Ormond Beach Police - Apex

Composition		
Summary	ORMOND BEACH POLICE - APEX	RU2500-G
No of Securities	76	1,472
% Bmrk Holdings	72.14	100.00
% Active Share	88.60	0.00
% Top 25 Holdings	48.86	10.64
% Top 15 Holdings	32.12	6.78

Characteristics		
Characteristic	ORMOND BEACH POLICE - APEX	RU2500-G
Market Cap - Weighted Median	6,438,510,053.31	4,030,848,807.31
Price / Book	5.52	5.21
P/E NTM	24.09	26.80
Dividend Yield	0.45	0.78
EPS Growth NTM	18.71	20.93
Ret Eq	21.04	17.51

Sector Allocation		
Sector Name	ORMOND BEACH POLICE - APEX	RU2500-G
Energy	2.94	1.33
Materials	2.26	6.48
Industrials	12.92	15.62
Consumer Discretionary	18.42	20.61
Consumer Staples	1.45	3.31
Health Care	23.64	21.65
Financials	5.24	9.15
Information Technology	33.13	21.14
Telecomm Service		0.54
Utilities		0.14
N/A		0.03

Top Equity Holdings	
Name	ORMOND BEACH POLICE - APEX
IAC/INTERACTIVECORP	2.47
TABLEAU SOFTWARE INC	2.40
FOOT LOCKER INC	2.32
WILLIAMS-SONOMA INC	2.30
WABTEC CORP	2.30
	Total: 11.78

Disclaimer

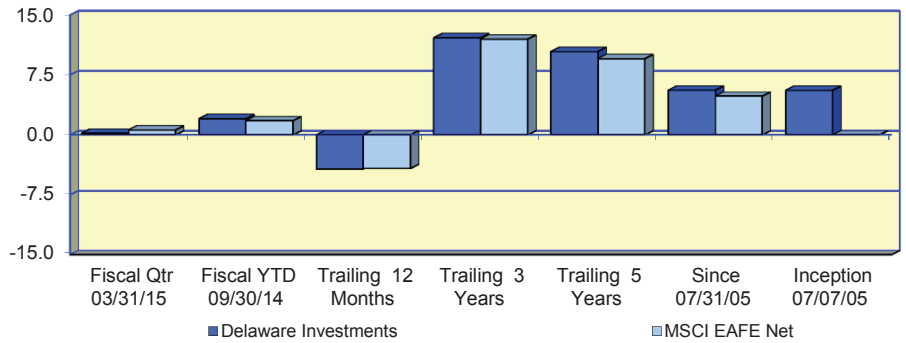
This analysis is based upon information supplied by the Client or its custodian and software developed by Thomson Portfolio Analytics. The underlying data is believed to be reliable but accuracy and completeness cannot be assured. While the characteristics described in this report are believed to accurately reflect the overall nature of the portfolio, all of the constituent securities may not have been considered. This evaluation is for informational purposes only and is not intended to be an offer, solicitation or recommendation with respect to the purchase or sale of any security or a recommendation of the services of any money manaPOLICEment organization. Past results are not necessarily indicative of future performance.

Graystone Consulting℠

EXECUTIVE SUMMARY

Ormond Beach Police Officers Delaware Investments AS OF 06/30/2015

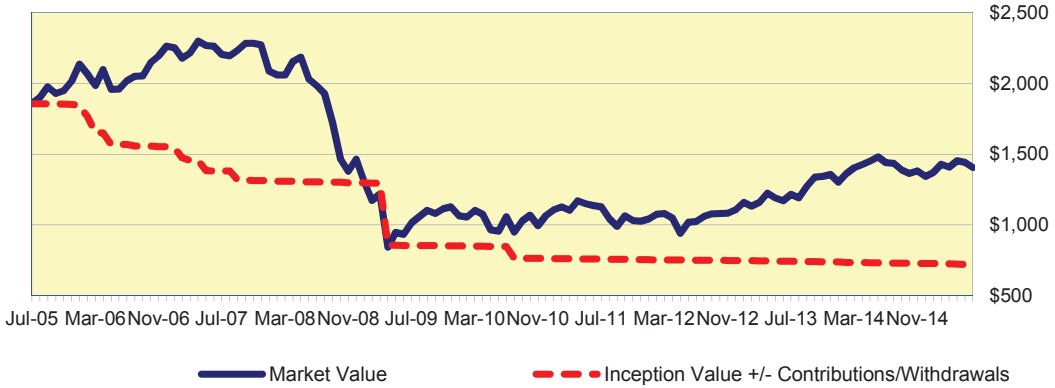
Portfolio Performance(%)



Investment Returns (%) Since:	Fiscal Qtr 03/31/15	Fiscal YTD 09/30/14	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 07/31/05	Inception 07/07/05
Delaware Investments	***0.21***	***2.02***	***-4.27***	***12.15***	***10.43***	***5.59***	***5.58***
MSCI EAFE Net	0.62	1.77	-4.21	11.98	9.54	4.85	N/A

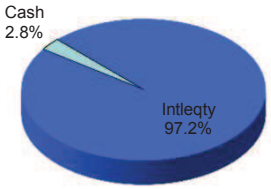
Asset Growth ($000)							
Beginning Market Value	1,408	1,388	1,482	1,021	964	1,859	1,830
Net Contributions & Withdrawals	-3	-8	-11	-30	-125	-1,134	-1,109
Gain/Loss + Income	3	28	-63	417	569	683	687
Ending Market Value	1,408	1,408	1,408	1,408	1,408	1,408	1,408

Value-Added Analysis ($000)



Asset Allocation ($000)

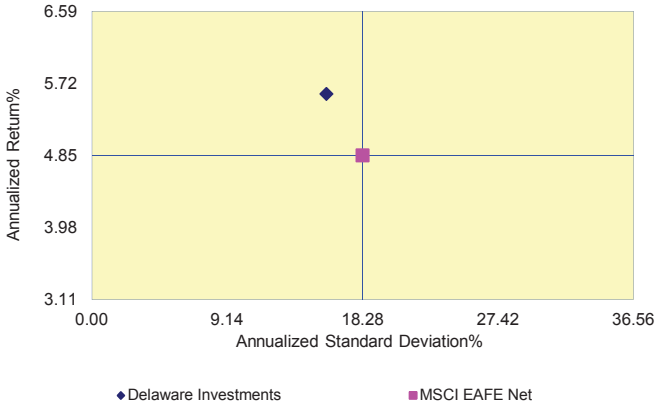
Intleqty	Cash	Total
1,368	40	1,408



Portfolio Characteristics

Yield	N/A	Account Sharpe Ratio	0.27
Beta	0.83	Index Sharpe Ratio	0.19
Alpha	1.15%		
R^2	92%		

Risk / Return Analysis Since 07/31/2005



Annualized %	Return	Std. Dev.
Delaware Investments	***5.59***	***15.83***
MSCI EAFE Net	4.85	18.28

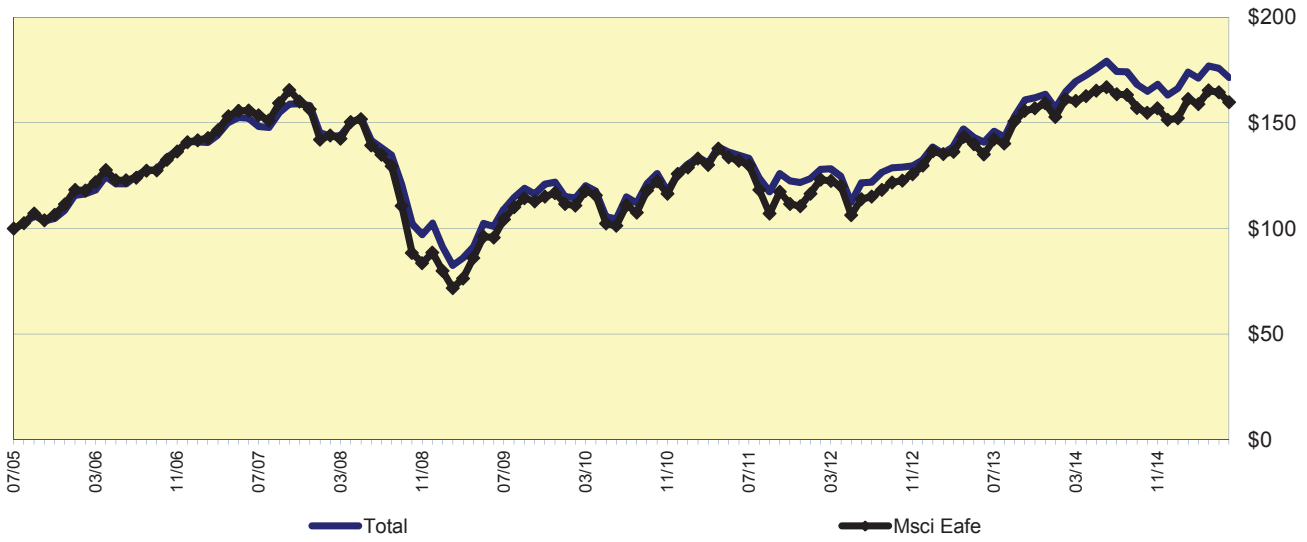
Report Created: 8/4/2015

MANAGER PERFORMANCE ANALYSIS

Ormond Beach Police Officers Delaware Investments | As Of 06/30/2015

Growth of $100 Graph

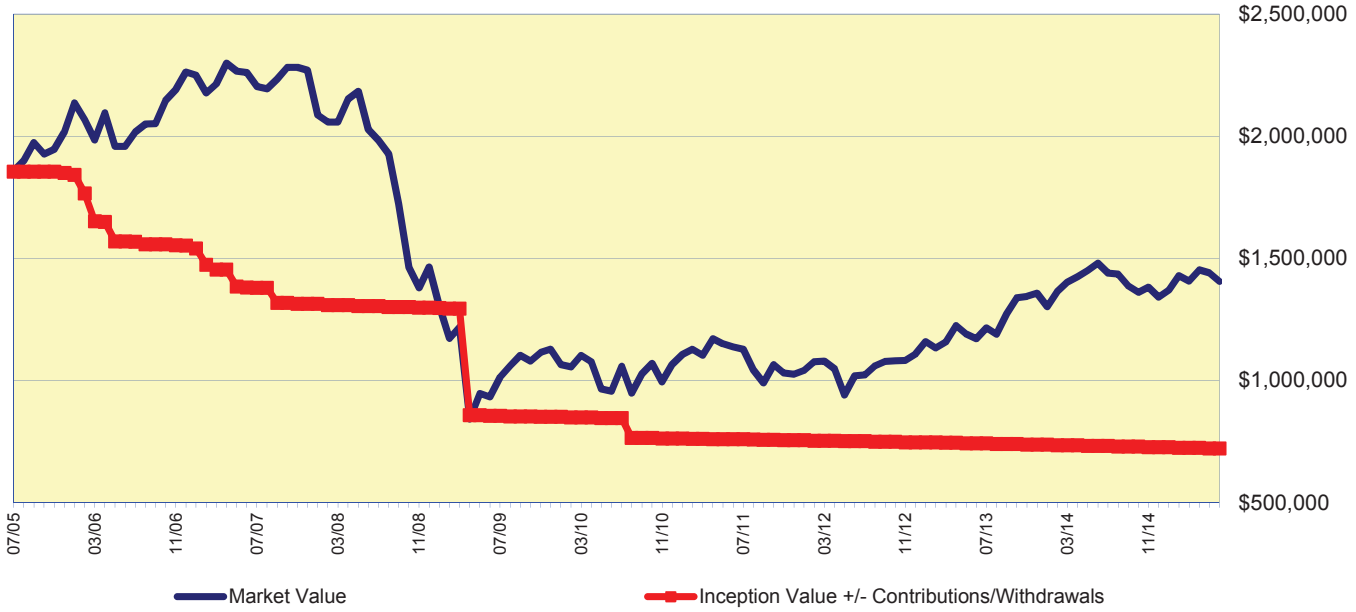
This graph depicts how **$100**, invested at the beginning of the time period, would have grown based on both the portfolio's performance and the index's.



Value Added Graph

This exhibit is useful in determining how the portfolio has been affected by the investment process.

One of the graph lines denotes the period-end market values of the portfolio over time. This is simply a visual representation of the ebb and flow of the portfolio's market value period-to-period. The other line represents the original dollars invested adjusted for contributions or withdrawals.



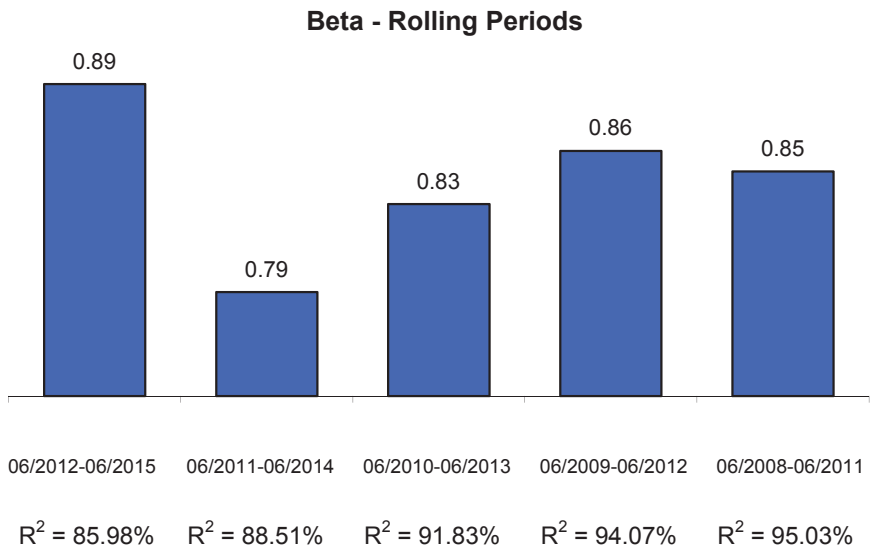
Report Created: 8/4/2015

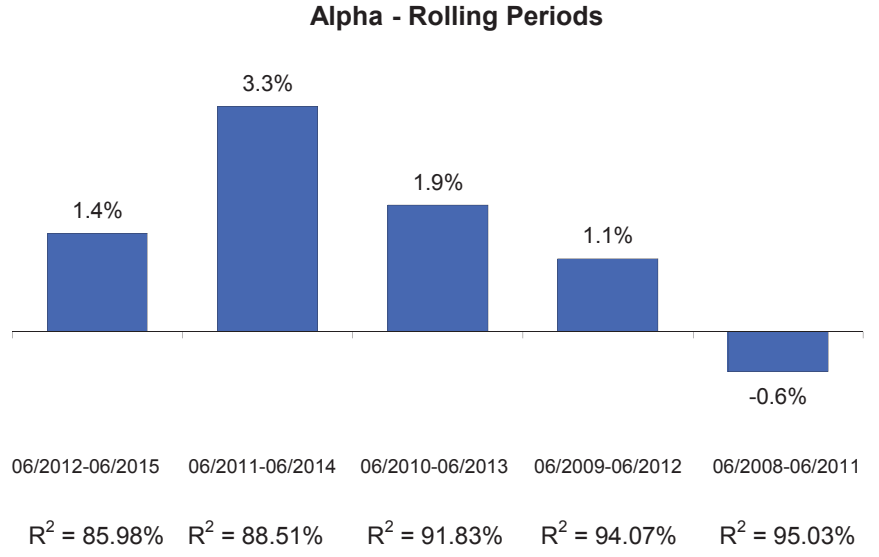
INVESTMENT PRODUCTS: NOT FDIC INSURED · NO BANK GUARANTEE · MAY LOSE VALUE

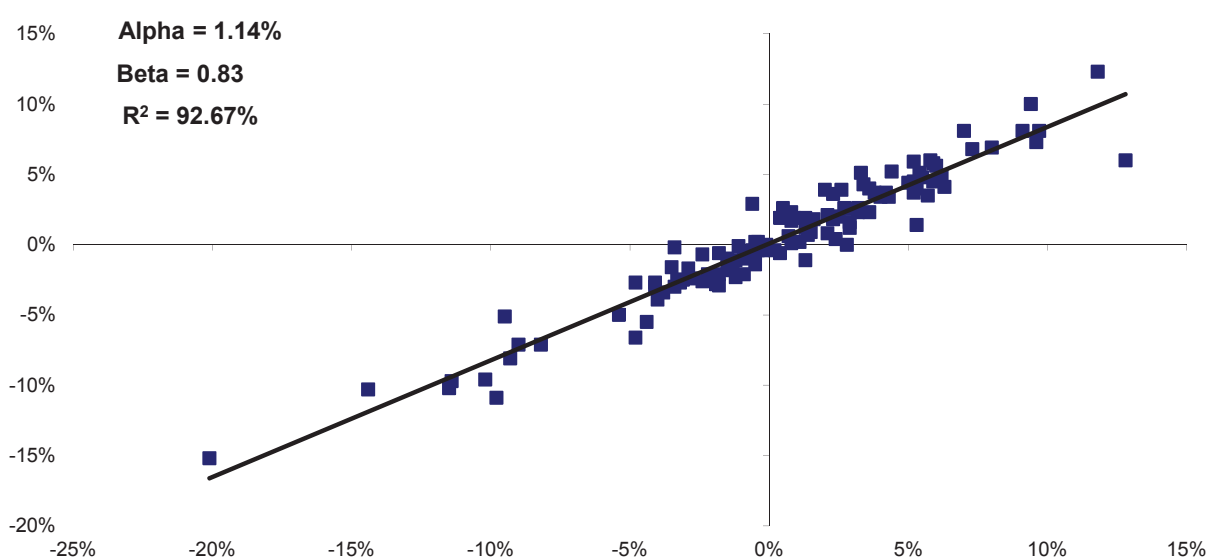
Graystone Consulting℠

MODERN PORTFOLIO THEORY

Ormond Beach Police Officers Delaware Investments AS OF 06/30/2015







Modern Portfolio Theory seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk. **Alpha** is a measure of a portfolio's return in excess of the market 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. **Beta** is a measure of the sensitivity of a portfolio's rate of return against that of the market. A beta greater than 1.00 indicates volatility greater than the market. **R2** is a measure that indicates the extent to which fluctuations in portfolio returns are correlated with those of the general market. An R-squared of 0.80 implies that 80% of the fluctuation of a portfolio's return is explained by the fluctuation in the market.

Graph Notes: The Index is represented on the horizontal (X) axis, and the Fund is represented on the vertical (Y) axis. Both the Index and Fund are adjusted by 90-day Treasury Bills.

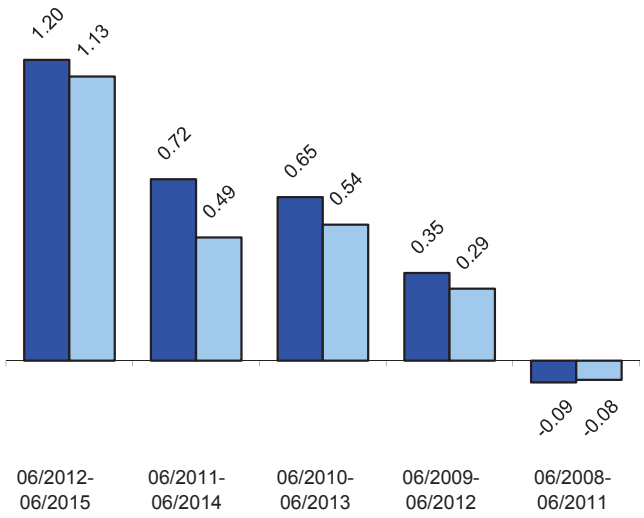
Report Created: 8/4/2015

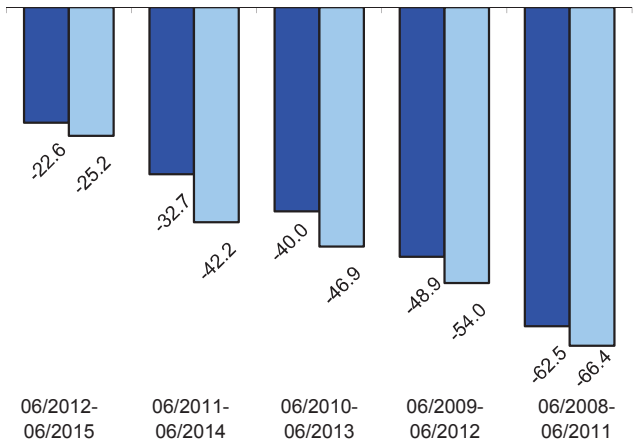
Graystone Consulting℠

MANAGER RISK ANALYSIS

Ormond Beach Police Officers

AS OF 06/30/2015





06/2012-06/2015	06/2011-06/2014	06/2010-06/2013	06/2009-06/2012	06/2008-06/2011
0.90	0.78	0.85	0.90	0.94

Down Capture Ratios

Delaware Investments

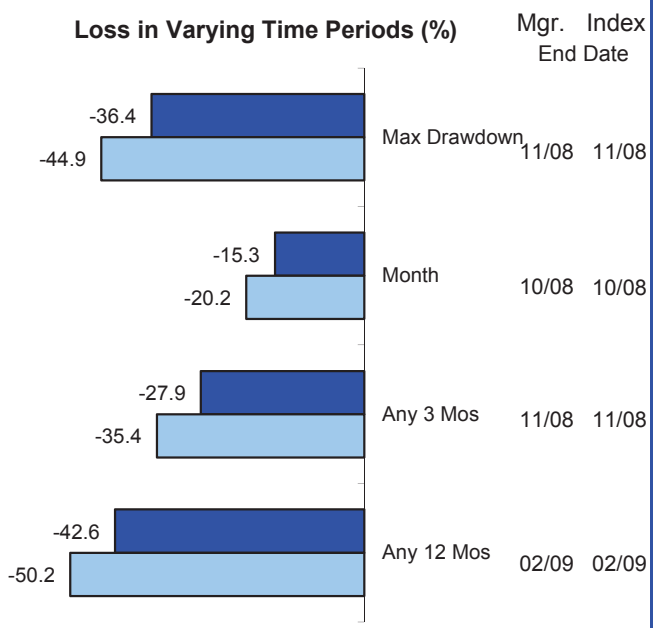
MSCI EAFE Net

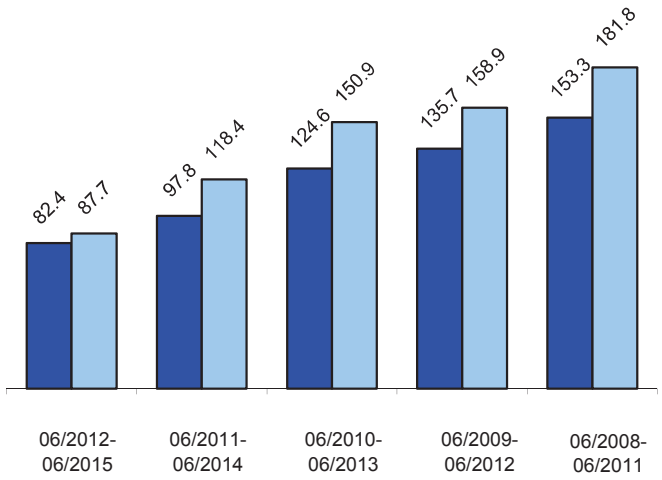
Sharpe Ratio divides excess return by standard deviation to arrive at a unified measure of risk adjusted return. In most cases where risk is a consideration, it is desirable to have a value higher than the index

Loss in Varying Time Periods measures the greatest loss experienced in each of five different historical time periods. Maximum Drawdown in the longest sustained loss since the inception of the account (The fund and index may have different begin and end dates.) *No representation is made that these amounts represent maximum future loss.*

Down Capture is the measure of the fund`s total return whenever the index returns are negative.

Up Capture is the measure of the fund`s total return whenever the





06/2012-06/2015	06/2011-06/2014	06/2010-06/2013	06/2009-06/2012	06/2008-06/2011
0.94	0.83	0.83	0.85	0.84

Up Capture Ratios

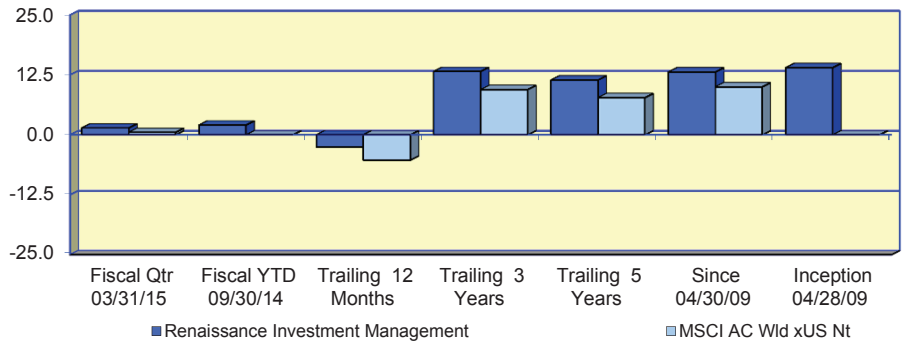
Report Created: 8/4/2015

Graystone Consulting℠

EXECUTIVE SUMMARY

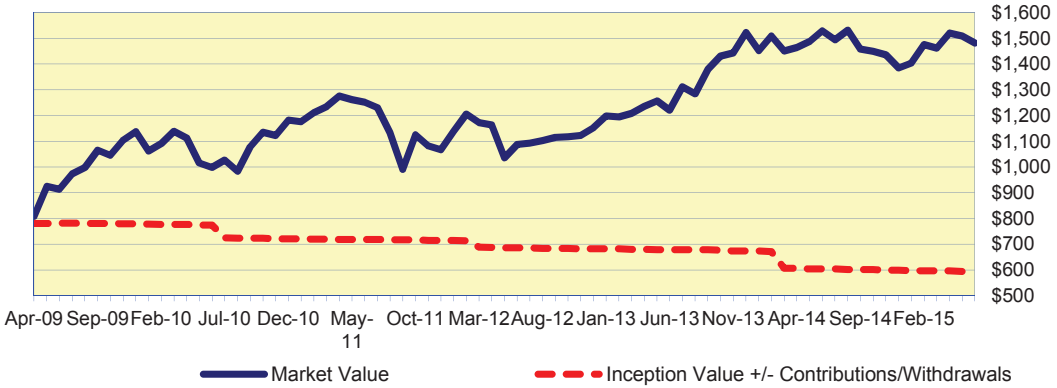
Ormond Beach Police Officers Renaissance Investment Management AS OF 06/30/2015

Portfolio Performance(%)



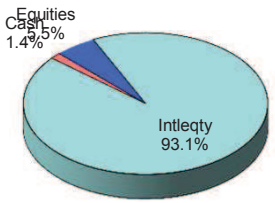
Investment Returns (%) Since:	Fiscal Qtr 03/31/15	Fiscal YTD 09/30/14	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 04/30/09	Inception 04/28/09
Renaissance Investment Managemen	***1.43***	***2.04***	***-2.50***	***13.23***	***11.43***	***13.10***	***14.01***
MSCI AC Wld xUS Nt	0.53	0.00	-5.27	9.44	7.76	10.01	N/A
Asset Growth ($000)							
Beginning Market Value	1,463	1,460	1,530	1,088	998	808	0
Net Contributions & Withdrawals	-2	-7	-10	-92	-181	-187	594
Gain/Loss + Income	21	29	-38	486	665	861	888
Ending Market Value	1,482	1,482	1,482	1,482	1,482	1,482	1,482

Value-Added Analysis ($000)



Asset Allocation ($000)

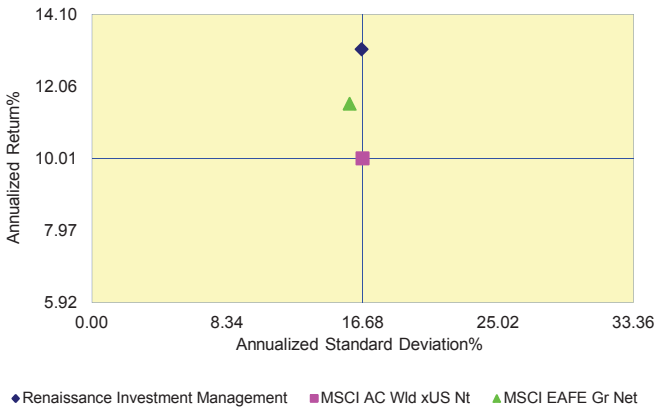
Equities	Intleqty	Cash	Total
81	1,380	21	1,482



Portfolio Characteristics

Yield	N/A	Account Sharpe Ratio	0.78
Beta	0.94	Index Sharpe Ratio	0.59
Alpha	3.45%		
R^2	89%		

Risk / Return Analysis Since 04/30/2009

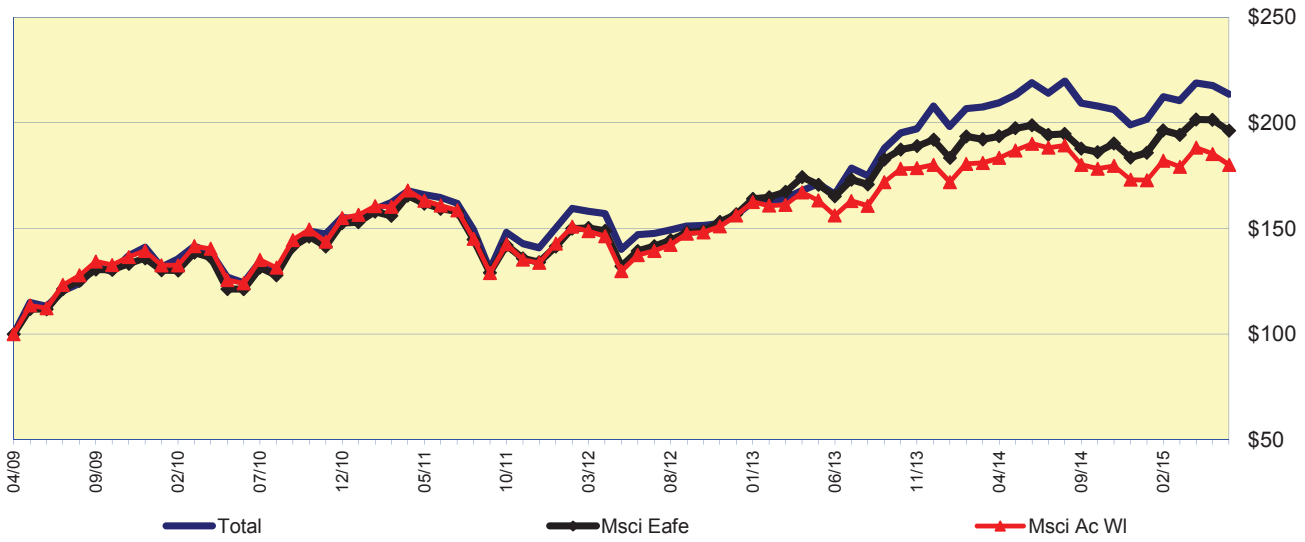


Annualized %	Return	Std. Dev.
Renaissance Investment Management	***13.10***	***16.61***
MSCI AC Wld xUS Nt	10.01	16.68
MSCI EAFE Gr Net	11.56	15.90

Report Created: 8/4/2015

Growth of $100 Graph

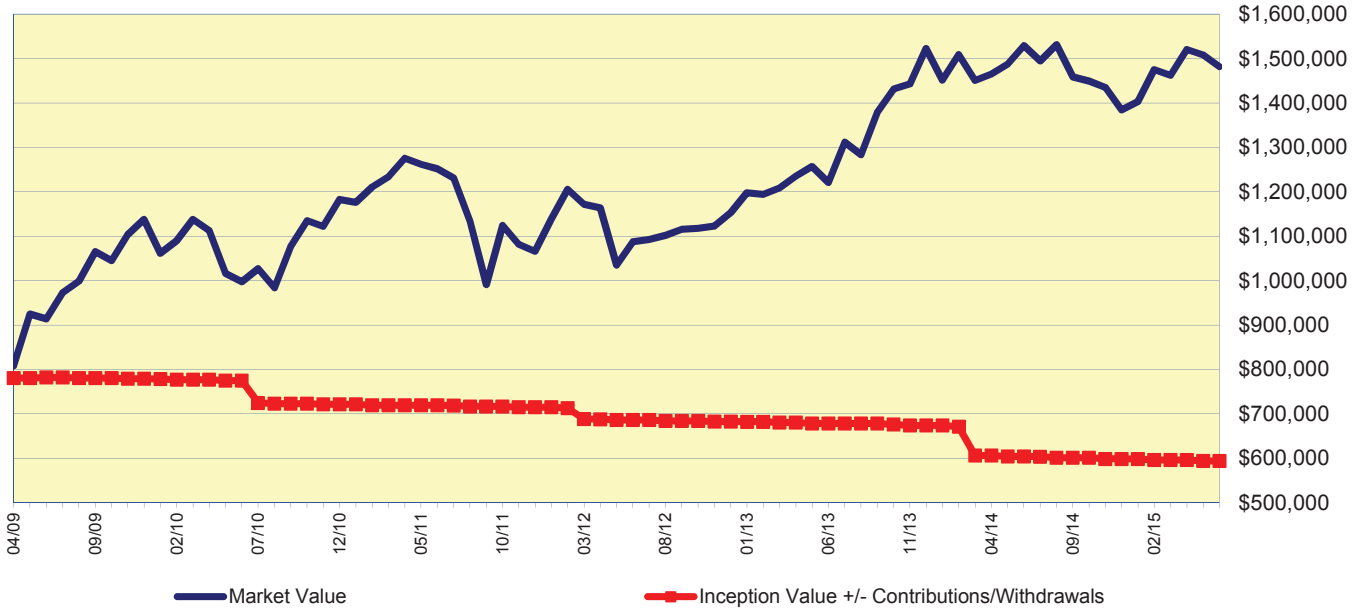
This graph depicts how **$100**, invested at the beginning of the time period, would have grown based on both the portfolio's performance and the index's.



Value Added Graph

This exhibit is useful in determining how the portfolio has been affected by the investment process.

One of the graph lines denotes the period-end market values of the portfolio over time. This is simply a visual representation of the ebb and flow of the portfolio's market value period-to-period. The other line represents the original dollars invested adjusted for contributions or withdrawals.

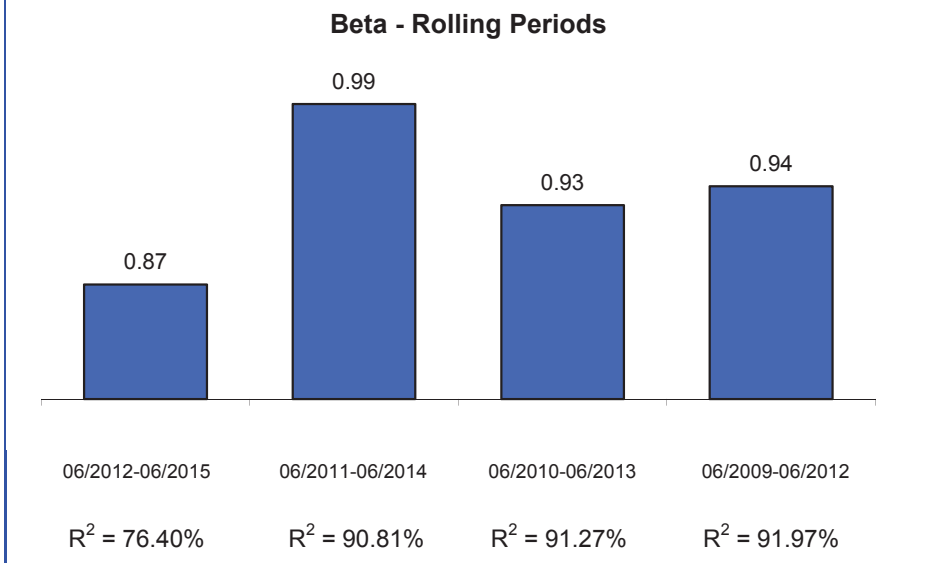


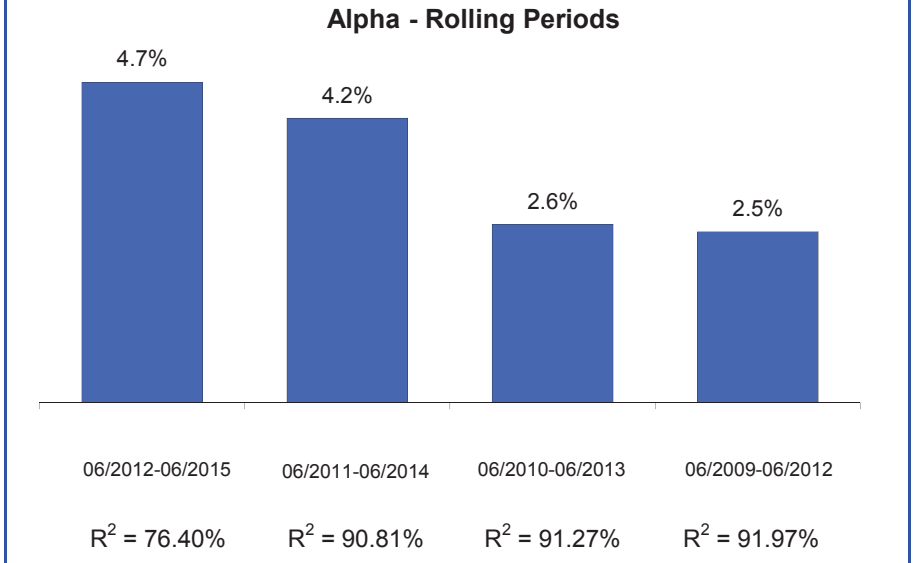
Report Created: 8/4/2015

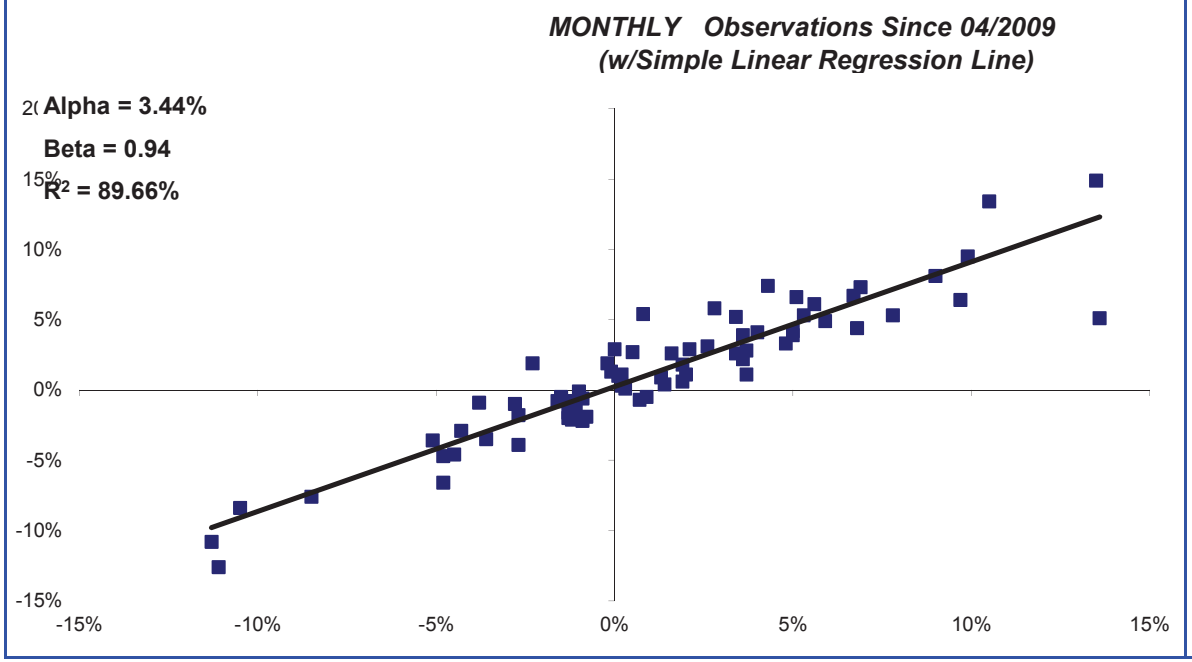
Graystone Consulting℠

MODERN PORTFOLIO THEORY

Ormond Beach Police Officers Renaissance Investment Management AS OF 06/30/2015







Modern Portfolio Theory seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk. **Alpha** is a measure of a portfolio's return in excess of the market 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. **Beta** is a measure of the sensitivity of a portfolio's rate of return against that of the market. A beta greater than 1.00 indicates volatility greater than the market. **R2** is a measure that indicates the extent to which fluctuations in portfolio returns are correlated with those of the general market. An R-squared of 0.80 implies that 80% of the fluctuation of a portfolio's return is explained by the fluctuation in the market.

Graph Notes: The Index is represented on the horizontal (X) axis, and the Fund is represented on the vertical (Y) axis. Both the Index and Fund are adjusted by 90-day Treasury Bills.

Report Created: 8/4/2015

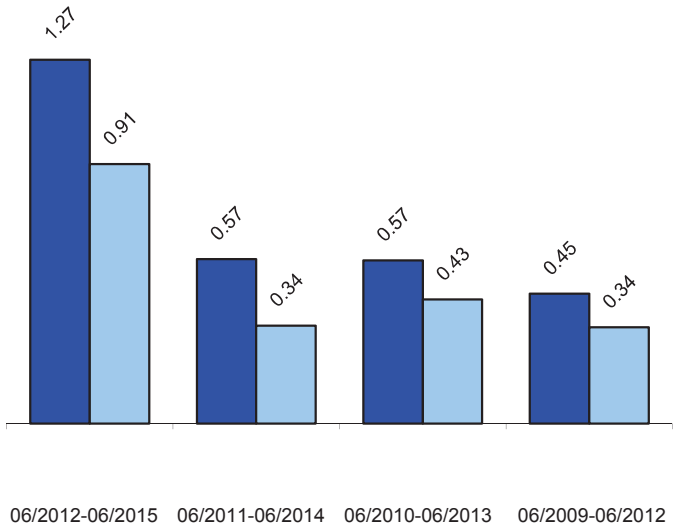
Graystone Consulting℠

MANAGER RISK ANALYSIS

Ormond Beach Police Officers

AS OF 06/30/2015

Sharpe Ratios 3-Year Rolling Periods



Renaissance Investment

MSCI AC Wld xUS Nt

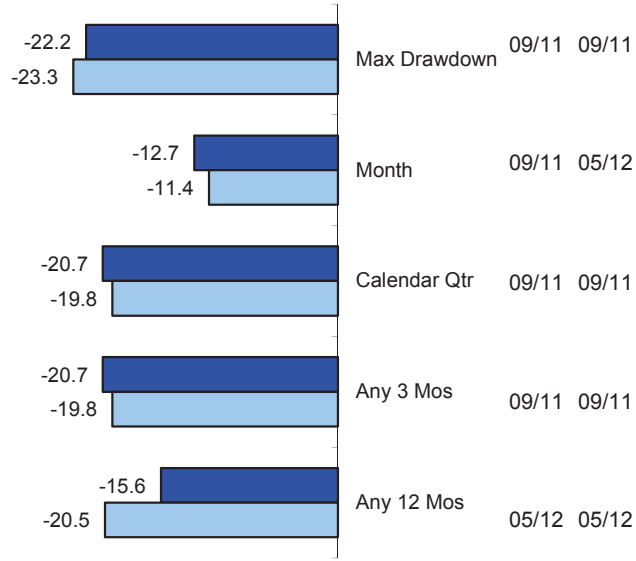
Sharpe Ratio divides excess return by standard deviation to arrive at a unified measure of risk adjusted return. In most cases where risk is a consideration, it is desirable to have a value higher than the index

Loss in Varying Time Periods measures the greatest loss experienced in each of five different historical time periods. Maximum Drawdown in the longest sustained loss since the inception of the account (The fund and index may have different begin and end dates.) *No representation is made that these amounts represent maximum future loss.*

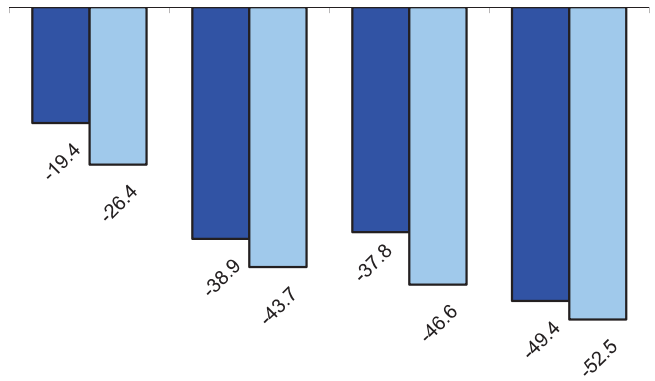
Down Capture is the measure of the fund`s total return whenever the index returns are negative.

Up Capture is the measure of the fund`s total return whenever the

Loss in Varying Time Periods (%)



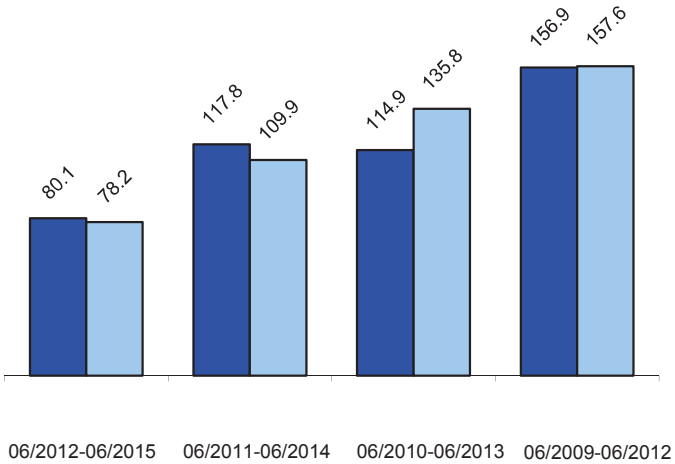
Down Capture Returns (%) 3-Year Rolling Periods



0.73	0.89	0.81	0.94

Down Capture Ratios

Up Capture Returns (%) 3-Year Rolling Periods



1.03	1.07	0.85	1.00

Up Capture Ratios

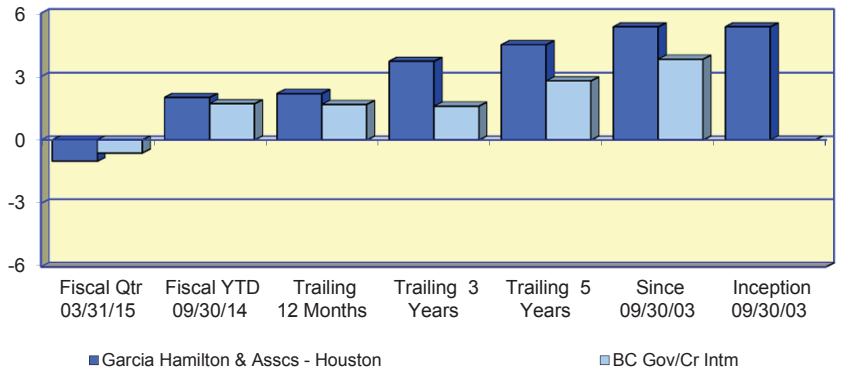
Report Created: 8/4/2015

Graystone Consulting℠

EXECUTIVE SUMMARY

Ormond Beach Police Officers Garcia Hamilton & Asscs - Houston AS OF 06/30/2015

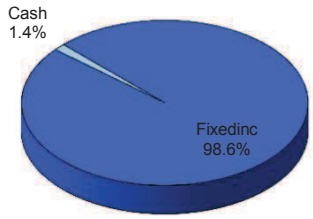
Portfolio Performance (%)



Investment Returns (%) Since:	Fiscal Qtr 03/31/15	Fiscal YTD 09/30/14	Trailing 12 Months	Trailing 3 Years	Trailing 5 Years	Since 09/30/03	Inception 09/30/03
Garcia Hamilton & Asscs - Houston	***-1.01***	***2.01***	***2.19***	***3.72***	***4.50***	***5.35***	***5.35***
BC Gov/Cr Intm	-0.62	1.71	1.68	1.60	2.79	3.82	N/A
Asset Growth ($000)							
Beginning Market Value	8,879	8,628	8,368	7,249	6,449	3,193	0
Net Contributions & Withdrawals	-6	-19	226	673	716	2,182	5,375
Gain/Loss + Income	-90	174	189	861	1,618	3,408	3,408
Ending Market Value	8,783	8,783	8,783	8,783	8,783	8,783	8,783

Asset Allocation ($000)

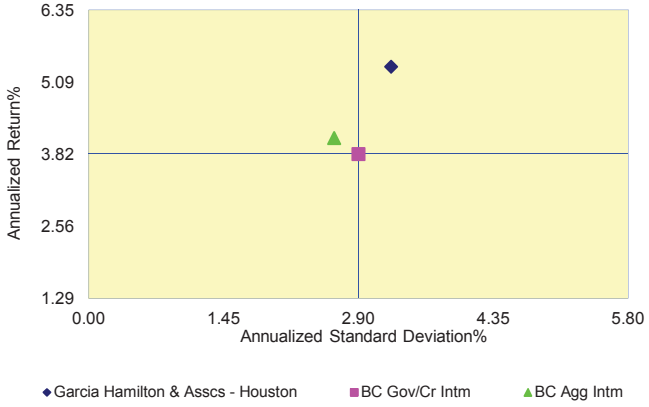
Fixedinc	Cash	Total
8,664	119	8,783



Portfolio Characteristics

	Portfolio	Index
Duration	4.7 years	3.6 years
Yield-to-Maturity	2.12%	1.63%

Risk / Return Analysis Since 09/30/2003



Annualized %	Return	Std. Dev.
Garcia Hamilton & Asscs - Houston	***5.35***	***3.25***
BC Gov/Cr Intm	3.82	2.90
BC Agg Intm	4.10	2.64

Quality Ratings

	Portfolio	Index
AAA/Gov't/Agency	90%	68%
AA	2%	5%
A	6%	13%
BAA	2%	14%
Other	0%	0%

Asset Breakdown

	Portfolio	Index
U.S. Obligations	59%	63%
Government Agencies	9%	7%
Mortgages & Asset Backed	22%	0%
Corporates	10%	30%

Report Created: 8/4/2015

INVESTMENT PRODUCTS: NOT FDIC INSURED · NO BANK GUARANTEE · MAY LOSE VALUE

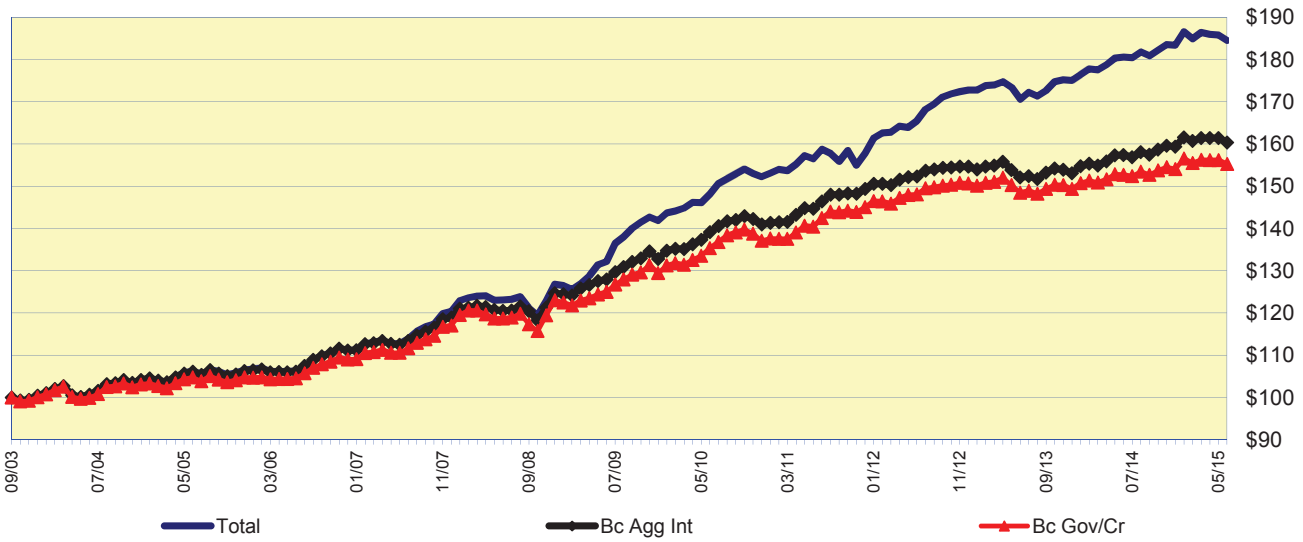
MANAGER PERFORMANCE ANALYSIS

Ormond Beach Police Officers Garcia Hamilton & Asscs - Houston

As Of 06/30/2015

Growth of $100 Graph

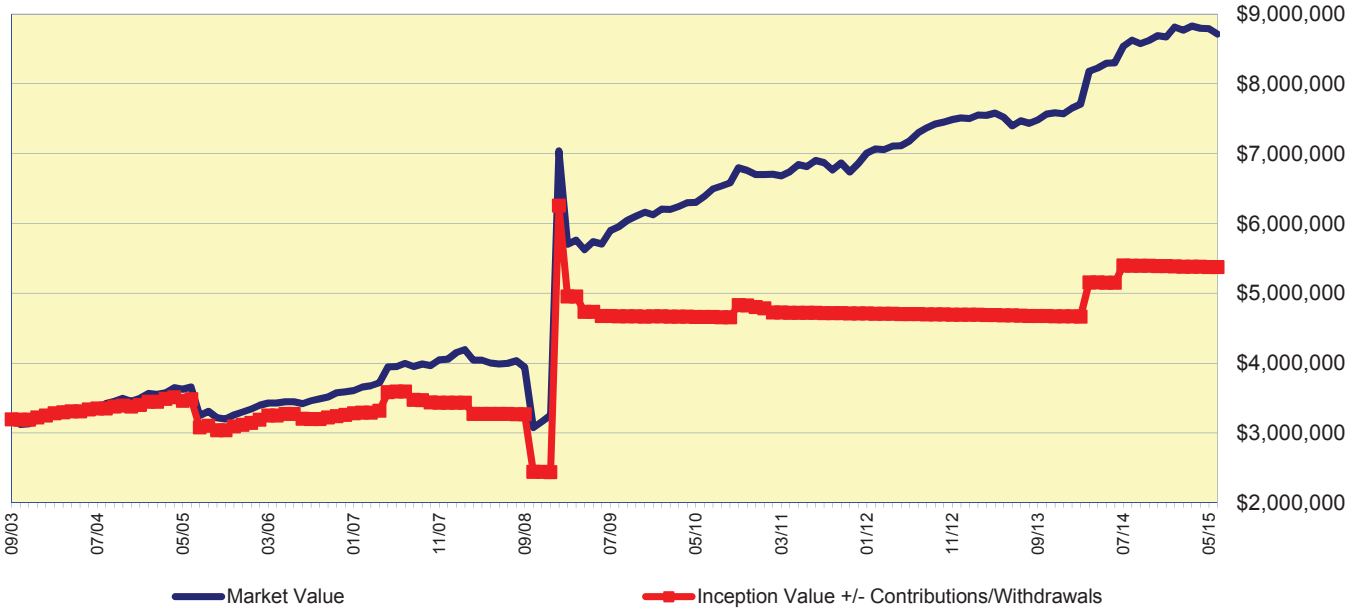
This graph depicts how **$100**, invested at the beginning of the time period, would have grown based on both the portfolio's performance and the index's.



Value Added Graph

This exhibit is useful in determining how the portfolio has been affected by the investment process.

One of the graph lines denotes the period-end market values of the portfolio over time. This is simply a visual representation of the ebb and flow of the portfolio's market value period-to-period. The other line represents the original dollars invested adjusted for contributions or withdrawals.



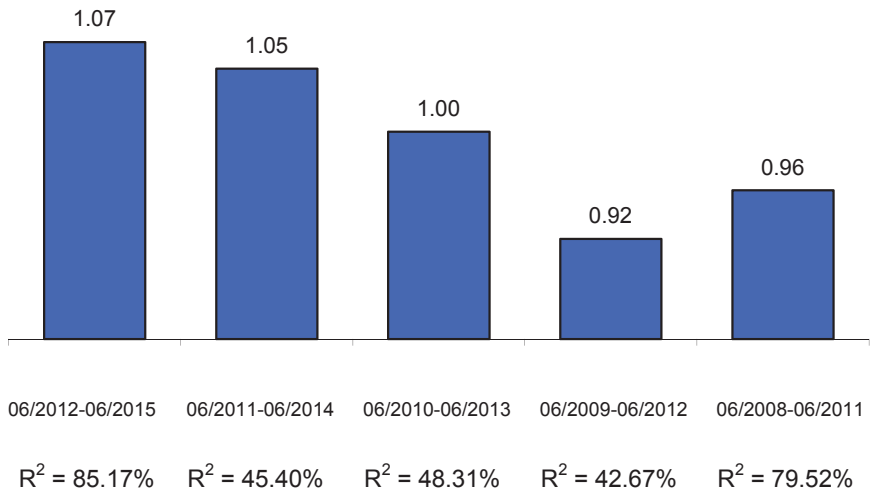
Report Created: 8/4/2015

Graystone Consulting℠

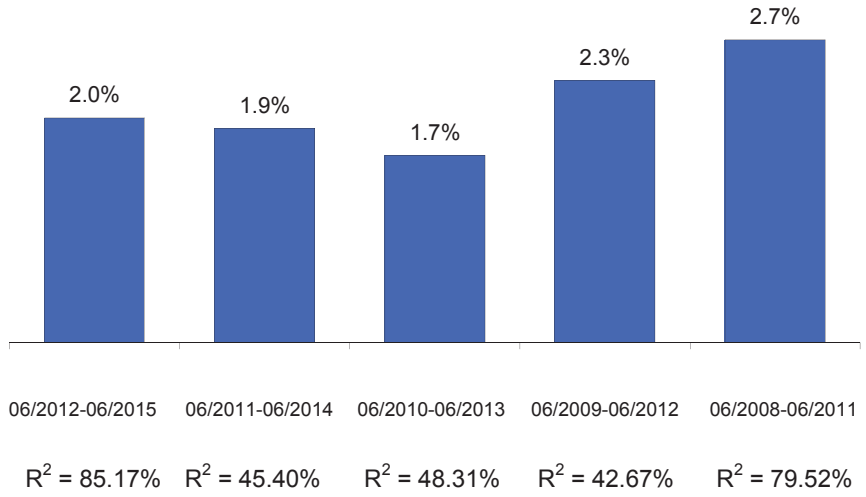
MODERN PORTFOLIO THEORY

Ormond Beach Police Officers Garcia Hamilton & Asscs - Houston AS OF 06/30/2015

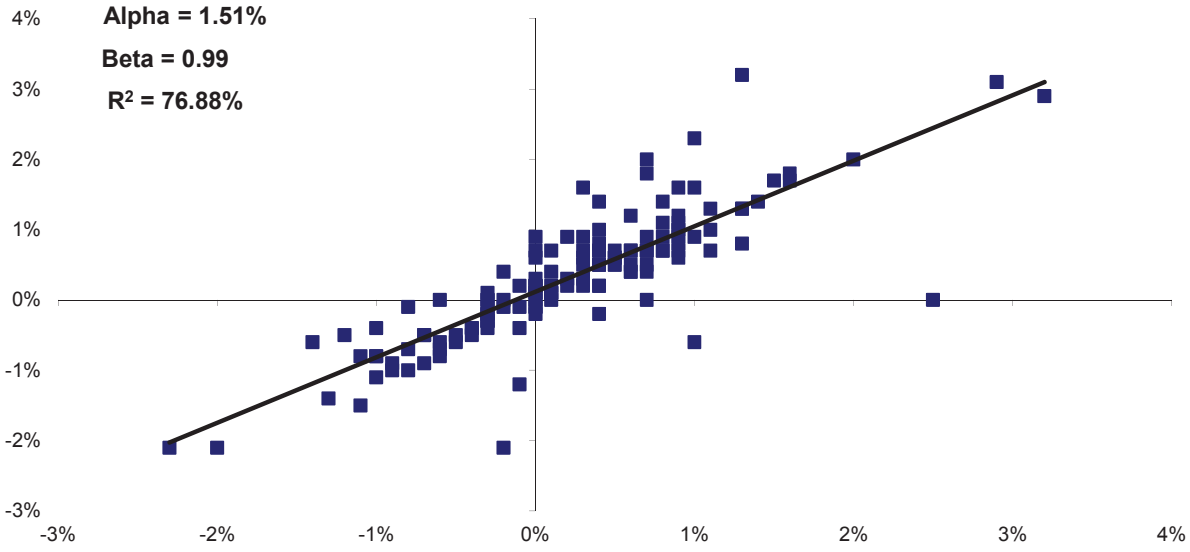
Beta - Rolling Periods



Alpha - Rolling Periods



MONTHLY Observations Since 09/2003 (w/Simple Linear Regression Line)



Modern Portfolio Theory seeks to quantify the relationship between risk and return and operates under the assumption that an investor must be compensated for assuming risk. **Alpha** is a measure of a portfolio's return in excess of the market 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. **Beta** is a measure of the sensitivity of a portfolio's rate of return against that of the market. A beta greater than 1.00 indicates volatility greater than the market. **R2** is a measure that indicates the extent to which fluctuations in portfolio returns are correlated with those of the general market. An R-squared of 0.80 implies that 80% of the fluctuation of a portfolio's return is explained by the fluctuation in the market.

Graph Notes: The Index is represented on the horizontal (X) axis, and the Fund is represented on the vertical (Y) axis. Both the Index and Fund are adjusted by 90-day Treasury Bills.

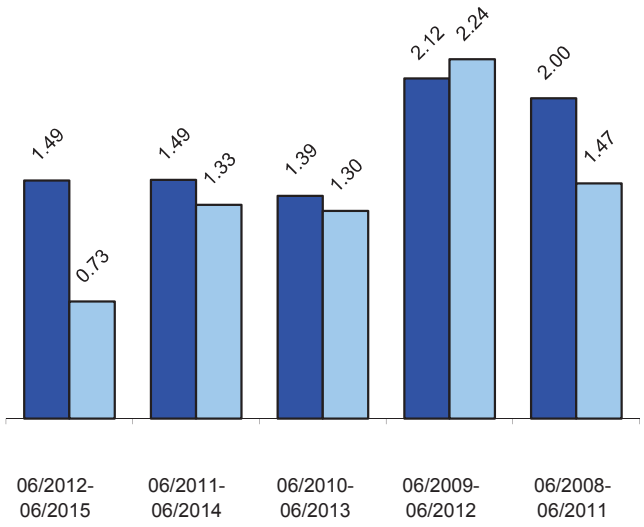
Report Created: 8/4/2015

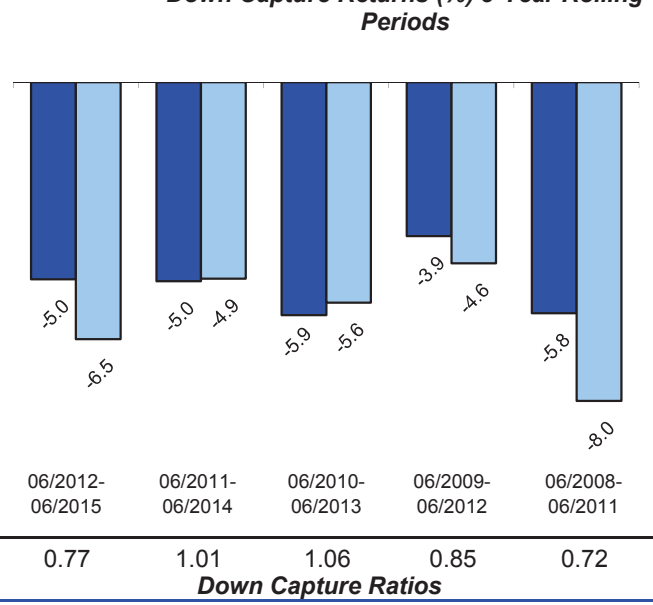
Graystone Consulting℠

MANAGER RISK ANALYSIS

Ormond Beach Police Officers

AS OF 06/30/2015





Garcia Hamilton & Asscs - Hous

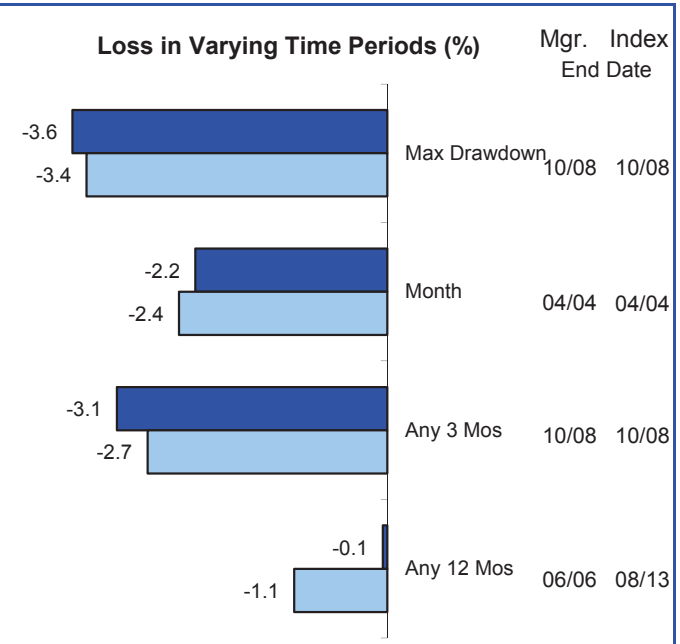
BC Gov/Cr Intm

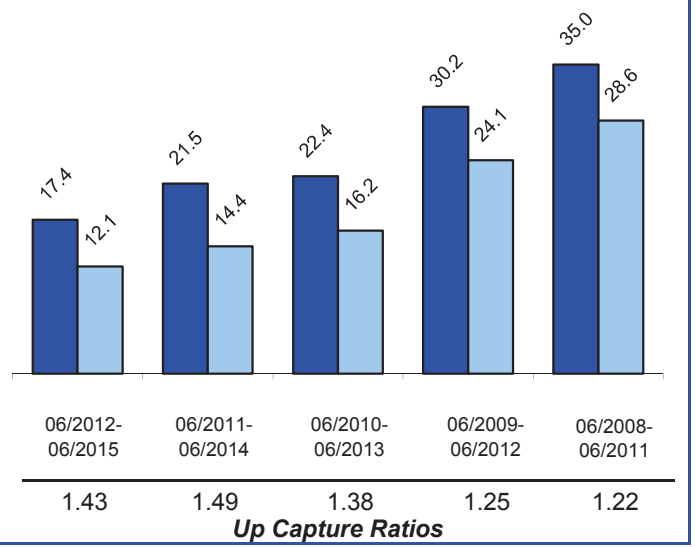
Sharpe Ratio divides excess return by standard deviation to arrive at a unified measure of risk adjusted return. In most cases where risk is a consideration, it is desirable to have a value higher than the index

Loss in Varying Time Periods measures the greatest loss experienced in each of five different historical time periods. Maximum Drawdown in the longest sustained loss since the inception of the account (The fund and index may have different begin and end dates.) *No representation is made that these amounts represent maximum future loss.*

Down Capture is the measure of the fund`s total return whenever the index returns are negative.

Up Capture is the measure of the fund`s total return whenever the





Report Created: 8/4/2015

Information Disclosures

Please notify your Financial Advisor if there have been any changes in your financial situation or investment objectives, or if you wish to impose any reasonable restrictions on the management of your Investment Advisory accounts, or to reasonably modify existing restrictions.

For a copy of the applicable Form ADV Disclosure Document for Morgan Stanley Smith Barney LLC, or for any Investment Adviser with whom we contract to manage your investment advisory account, please contact your Financial Advisor. These Disclosure Documents contain important information about advisory programs.

Sources and Intent

This investment evaluation is directed only to the client for whom the evaluation was performed. The underlying data has been obtained from sources the Firm believes to be reliable but we do not guarantee their accuracy, and any such information may be incomplete or condensed. This evaluation is for informational purposes only and is not intended to be an offer, solicitation, or recommendation with respect to the purchase or sale of any security or a recommendation of the services supplied by any money management organization. Past performance is not a guarantee of future results. Performance for periods greater than one year is annualized. The information contained herein was prepared by your Financial Advisor and does not represent an official statement of your account at the Firm (or other outside custodians, if applicable.) Please refer to your monthly statement for a complete record of your transactions, holdings and balances.

This Performance Report may show the consolidated performance of some, but not necessarily all, of your Morgan Stanley accounts. In addition, it may show the full performance history of your accounts or just the performance of your accounts since inception in their current Morgan Stanley programs. In some cases, it may show the combined performance of brokerage accounts and advisory accounts. It is important that you understand the combination of accounts and account histories that are included in this Performance Report. Upon your request, performance information can be obtained for other accounts you may have with us, but which are not shown here.

Accounts included in this Performance Report may have had different investment objectives, been subject to different rules and restrictions, and incurred different types of fees, mark-ups, commissions, and other charges. Accordingly, the performance results for this portfolio may blend the performance of assets and strategies that may not have been available in all of your accounts at all times during the reporting period. Please consult your Financial Advisor for more information about the fees and expenses applicable to the accounts included in this Performance Report.

Gross Rates of Return

The investment returns in this report are your gross returns before deducting investment management fees and any Select Retirement fees. For more details on fees, please see your client contract, the applicable Morgan Stanley ADV brochure and any applicable Select Retirement prospectus. Your actual returns are lower, after deducting expenses that may include, for example, investment management fees and trade commissions. As fees are deducted quarterly, the compounding effect increases the impact of the fees by an amount directly related to the gross account performance. For example, on an account with a 2% fee, if the gross performance is 10%, the compounding effect of the fees results in a net performance of approximately 7.81%. Returns in excess of one year are annualized.

Advisory Notice

The Fiduciary Services-Affiliated Program and the Fiduciary Services-Unaffiliated Manager Program are separate and distinct advisory programs. Absent your written authorization, assets may only be transferred among managers within the particular program.

List of Composite Accounts
The Composite account presentation includes the following accounts: Total Fund, 001-029026, 001-040254, 001-053637, 001-060289, 001-062128, 001-063122, 001-063119, 001-063125, 002-000742.

Composite Index Definition
The Composite account's benchmark comprises the BC Gov/Cr Intm, MSCI EAFE Net, Russell 1000 Gr, Russell 2500 Vl, 90-Day T-Bills, Russell 2500 Gr, Russell 1000 Vl, MSCI AC Wld xUS Nt, Russell 1000 Gr, indices in the same asset mix as your portfolio. The mix is adjusted monthly based on changes in your portfolio.

International History:
Until 4th quarter 1997, International equities were included within the Domestic equity category for performance presentation. For asset allocation purposes, they are reflected beginning Jan.1, 1998.

Bond Average
Please note that all averages calculated are weighted averages meaning that the calculation takes into account the par value of each position. CMO's and Asset Backed securities are excluded from the calculation. Any bonds that are non-rated by both Moody's and S&P are excluded from the average rating calculation.

Fiscal Year
Total Fund's fiscal year ends on 2015/09
Acct# 001-029026's fiscal year ends on 2015/09
Acct# 001-040254's fiscal year ends on 2015/09
Acct# 001-053637's fiscal year ends on 2015/09
Acct# 001-060289's fiscal year ends on 2015/09
Acct# 001-062128's fiscal year ends on 2015/09
Acct# 001-063122's fiscal year ends on 2015/09
Acct# 001-063119's fiscal year ends on 2015/09
Acct# 001-063125's fiscal year ends on 2015/09
Acct# 002-000742's fiscal year ends on 2015/09

International and Small Capitalization Securities
To the extent the investments depicted herein represent international securities, you should be aware that there may be additional risks associated with international investing involving foreign, economic, political, and/or legal factors. International investing may not be for everyone. In addition, small capitalization securities may be more volatile than those of larger companies, but these companies may present greater growth potential.

© 2011 Morgan Stanley Smith Barney LLC. Member SIPC. Consulting Group is a business of Morgan Stanley Smith Barney LLC. Graystone Consulting is a business of Morgan Stanley.

Additional Information about your Floating Rate Notes
For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

Alpha
Alpha is the value added by active management of the portfolio's assets, given the risk of that portfolio. In other words, alpha is equal to the incremental return earned by the manager when the market is flat or stationary. An alpha of zero indicates that the manager earned the exact return dictated by the level of market risk (i.e., beta) of the portfolio. A positive alpha indicates that the manager has earned, on average, more than the portfolio's level of market risk would have dictated. A negative alpha indicates that the manager has earned, on average, less than the portfolio's level of market risk would have dictated. Alpha is the Y-intercept of the least squares regression line.

Beta
Beta is the systematic risk of the portfolio. Measured by the slope of the least squares regression, beta is the measure of portfolio risk which cannot be removed through diversification. Beta is also known as market risk. Beta is a statistical estimate of the average change in the portfolio's performance with a corresponding 1.0 percent change in the risk index. A beta of 1.0 indicates that the portfolio moves, on average, lock step with the risk index. A beta in excess of 1.0 indicates that the portfolio is highly sensitive to movements in the risk index. A beta of 1.5, for example, indicates that the portfolio tends to move 1.5 percent with every 1.0 percent movement in the risk index. A beta of less than 1.0 indicates that the portfolio is not as sensitive to movements in the risk index. A beta of 0.5, for example, indicates that the portfolio moves only 0.5 percent for every 1.0 percent movement in the risk index.

R-Squared
R-squared, or the coefficient of determination, measures the strength of the least squares regression relationship between the portfolio (the dependent variable) and the risk index (the independent variable). The statistic reveals the extent to which the variability in the dependent variable is due to the variability in the independent variable. As such, R-squared measures how well the portfolio returns move in tandem with the returns of the risk benchmark. Though it is true that the higher the R-squared the better, an R-squared of less than 0.9 (i.e., 90 percent), indicates that the total fund does not track closely with the risk benchmark. The strength of the R-squared statistic will reflect on the strength of alpha and beta. A weak R-squared, for example, would indicate that alpha and beta cannot be strictly interpreted.

Brokerage Account
In a brokerage relationship, your Financial Advisor will work with you to facilitate the execution of securities transactions on your behalf. Your Financial Advisor also provides investor education and professional, personalized information about financial products and services in connection with these brokerage services. You can choose how you want to pay for these services and you will receive the same services regardless of which pricing option you choose. There are important differences in your relationship with your Financial Advisor and Morgan Stanley in brokerage accounts and in advisory accounts.

Asset classifications and performance calculation methodologies can differ among the various supplemental performance reports available through us. For example, some reports calculate Time Weighted performance using a weighted or Modified Dietz approach while others use a daily approach. In addition, some reports may display Dollar Weighted Returns. These differences can generate meaningful dispersions in the performance numbers displayed on different reports.

INVESTMENT PRODUCTS: NOT FDIC INSURED · NO BANK GUARANTEE · MAY LOSE VALUE