SUMMARY OF RELEVANT FACTS
City of Ormond Beach General Employees' Pension Plan
As of September 30, 2016

Distribution of Assets:	
Equity	
Large Cap Value	$9,651,742
Large Cap Growth	$10,705,256
Small/Mid Cap Value	$2,183,888
Small/Mid Cap Growth	$2,292,217
International Value	$2,016,059
International Growth	$1,982,608
Total Equity	$28,831,771
Fixed Income	$14,237,361
Cash (R&D Account)	$413
Total Portfolio	$43,069,546

Distribution by Percentages:	Policy	Current
Equity		
Large Cap Value	22.5%	22.41%
Large Cap Growth	22.5%	24.86%
Small/Mid Cap Value	5.0%	5.07%
Small/Mid Cap Growth	5.0%	5.32%
International Value	5.0%	4.68%
International Growth	5.0%	4.60%
Total Equity	65.0%	66.94%
Fixed Income	35.0%	33.06%
Cash (R&D Account)	0.0%	0.00%
Total	100.0%	100.00%

RECEIPTS & DISBURSEMENT	
Total Assets (Cash)	$413
Gain or (Loss)	$26

Other Important Facts:	
Total Portfolio	$43,069,546
Total Gain or (Loss) - Gross	$1,264,638
Total Gain or (Loss) - Net	$1,221,428
Total Fees	($43,210)

HGK (Large Cap Value)		
Total Assets	100.00%	$9,651,742
Equity	97.02%	$9,363,847
Cash	2.98%	$287,895
Fees		($8,775)
Gain or (Loss)		$449,683

SAWGRASS (Large Cap Growth)		
Total Assets	100.00%	$5,052,845
Equity	97.94%	$4,948,941
Cash	2.06%	$103,904
Fees		($6,843)
Gain or (Loss)		$16,285

POLEN (Large Cap Growth)		
Total Assets	100.00%	$5,652,411
Equity	96.37%	$5,447,011
Cash	3.63%	$205,400
Fees		($8,171)
Gain or (Loss)		$273,749

CAMBIAR (Small/Mid Cap Value)		
Total Assets	100.00%	$2,183,888
Equity	97.26%	$2,124,149
Cash	2.74%	$59,739
Fees		($658)
Gain or (Loss)		$130,189

APEX (Small/Mid Cap Growth)		
Total Assets	100.00%	$2,292,217
Equity	93.73%	$2,148,530
Cash	6.27%	$143,687
Fees		($3,244)
Gain or (Loss)		$149,470

DELAWARE (International Value)		
Total Assets	100.00%	$2,016,059
Equity	96.76%	$1,950,658
Cash	3.24%	$65,401
Fees		($3,637)
Gain or (Loss)		$77,136

RENAISSANCE (International Growth)		
Total Assets	100.00%	$1,982,608
Equity	98.11%	$1,945,119
Cash	1.89%	$37,489
Fees		($3,002)
Gain or (Loss)		$131,282

GARCIA HAMILTON (Fixed Income)		
Total Assets	100.00%	$14,237,361
Fixed Income	94.89%	$13,510,150
Cash	5.11%	$727,212
Fees		($8,880)
Gain or (Loss)		$36,818

BREAKDOWN OF RETURNS
City of Ormond Beach General Employees' Pension Plan
As of September 30, 2016

Actuarial Rate of Return = 6.75%

EQUITY HGK	Your Returns (Gross-of-Fees)	Your Returns (Net-of-Fees)	Russ 1000 Value	PSN Money Mgrs.	S&P 500
Quarter	4.88	4.79	3.48	3.23	3.85
1 Year	15.40	14.98	16.20	14.52	15.43
3 Year	5.76	5.35	9.70	9.18	11.17
5 Year	13.71	13.28	16.15	15.07	16.38
Since 4/30/2009	12.48	12.07	14.98	NA	15.49
Sawgrass			**Russ 1000 Growth**	**PSN Money Mgrs.**	**S&P 500**
Quarter	0.32	0.19	4.58	4.93	3.85
1 Year	11.25	10.65	13.76	11.18	15.43
3 Year	10.85	10.25	11.83	10.50	11.17
Since 4/30/2012	12.52	11.87	12.79	NA	12.87
Saw/Ren - 5 Year	16.61	15.96	16.60	16.06	16.38
Saw/Ren - Since 7/31/2007	6.40	5.81	8.27	NA	6.75
Polen			**Russ 1000 Growth**	**PSN Money Mgrs.**	**S&P 500**
Quarter	5.00	4.85	4.58	4.93	3.85
1 Year	10.69	10.04	13.76	11.18	15.43
3 Year	15.94	15.26	11.83	10.50	11.17
Since 4/30/2012	12.91	12.28	12.79	NA	12.87
Cambiar			**Russ 2500 Value**	**PSN Money Mgrs.**	
Since 6/30/2016	6.34	6.31	6.18	4.30	
Cambiar/ GW Capital - 1 Year	13.08	12.37	17.69	15.46	
Cambiar/ GW Capital - 3 Year	3.13	2.40	8.06	9.27	
Cambiar/ GW Capital - 5 Year	13.84	13.02	16.29	15.88	
Cambiar/ GW Capital - Since 10/31/2008	14.17	13.37	13.30	NA	
APEX			**Russ 2500 Growth**	**PSN Money Mgrs.**	
Quarter	6.97	6.81	6.99	5.50	
1 Year	6.37	5.73	11.03	9.09	
Since 1/31/2015	2.59	2.04	4.96	NA	
APEX/ETF/Perimeter- 3 Year	5.73	5.08	7.42	7.84	
APEX/ETF/Perimeter- 5 Year	14.08	13.33	16.20	15.42	
APEX/ETF/Perimeter- Since 4/30/2009	14.40	13.68	16.50	NA	
Delaware			**MSCI EAFE (Net)**	**MSCI EAFE Val**	
Quarter	3.97	3.78	6.43	7.99	
1 Year	10.13	9.32	6.52	3.52	
3 Year	3.89	3.08	0.48	(1.49)	
5 Year	7.90	7.08	7.39	5.99	
Since 7/31/2005	4.96	4.17	3.87	2.79	

Renaissance			MSCI AC Wd x US	MSCI EAFE Grth	
Quarter	7.08	6.92	6.91	4.96	
1 Year	9.55	8.84	9.26	9.46	
3 Year	3.30	2.63	0.18	2.39	
5 Year	9.78	9.08	6.04	8.72	
Since 4/30/2009	10.18	9.50	7.66	9.51	
FIXED INCOME					
Garcia Hamilton			BC Int. Govt/Credit	BC Int. Aggregate	90-Day T-Bill
Quarter	0.26	0.20	0.16	0.31	0.07
1 Year	3.90	3.64	3.52	3.57	0.20
3 Year	4.04	3.78	2.80	3.08	0.09
5 Year	4.47	4.21	2.45	2.56	0.08
Since 9/30/2003	5.25	4.97	3.79	4.07	1.23
TOTAL RETURN					
Time-Weighted Return			Policy Index		
Quarter	3.02	2.90	3.19		
1 Year	9.27	8.75	10.32		
3 Year	6.78	6.25	6.76		
5 Year	11.03	10.50	10.57		
Since 3/31/2001	6.03	5.54	5.93		
TOTAL RETURN					
Dollar-Weighted Net			Actuarial Rate	CPI +4	
Quarter		2.91	1.65	1.23	
1 Year		8.70	6.75	5.57	
3 Year		6.25	6.75	5.03	
5 Year		10.52	6.75	5.22	
Since 3/31/2001		5.41	6.75	6.09	

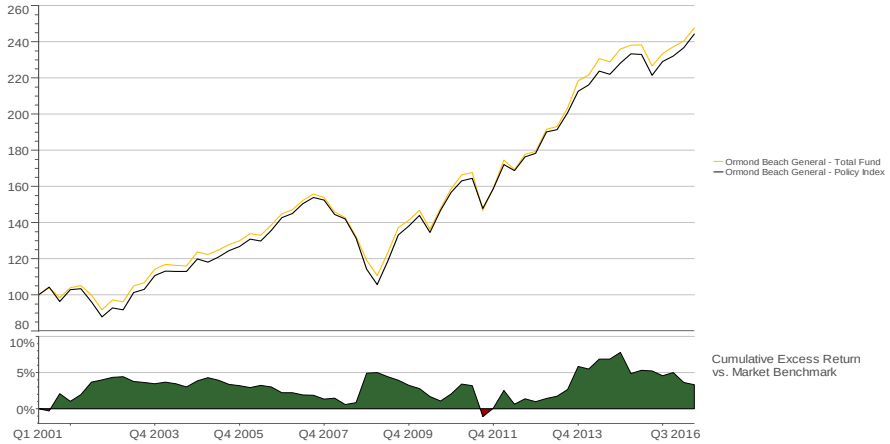
Policy Index = 30% Russell 1000 Value + 30% Russell 1000 Growth + 20% BC Aggregate + 20% BC Intermediate Gov't/Credit Bonds for periods prior to June 30, 2005; 27.5% Russell 1000 Value + 27.5% Russell 1000 Growth + 10% MSCI EAFE (Net) + 17.5% BC Aggregate + 17.5% BC Intermediate Gov't/Credit Bonds for 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

Risk/Return Analysis - Since Inception

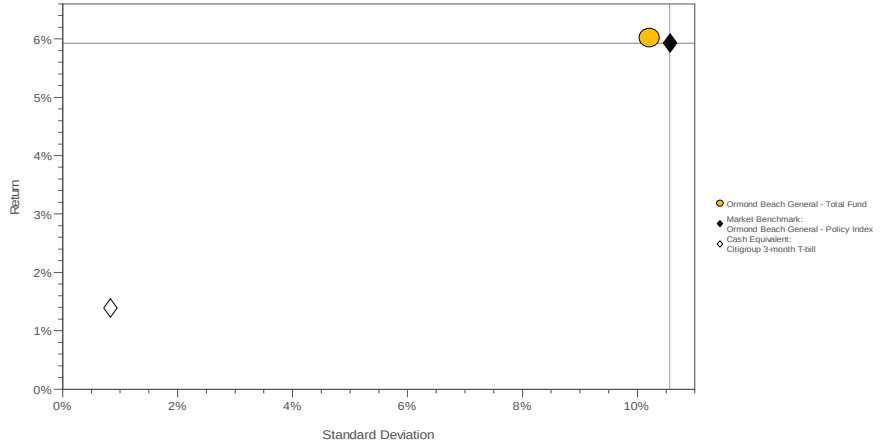
Zephyr StyleADVISOR

Zephyr StyleADVISOR: Graystone Consulting

Manager Performance
April 2001 - September 2016 (Single Computation)



Risk / Return
April 2001 - September 2016 (Single Computation)



Return & Risk Analysis

April 2001 - September 2016: 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 General - Total Fund	6.02%	0.09%	10.21%	0.95	-28.93%	97.83%	95.02%	0.35%	0.45	97.40%
Ormond Beach General - Policy Index	5.93%	0.00%	10.57%	1.00	-31.33%	100.00%	100.00%	0.00%	0.43	100.00%

INVESTMENT POLICY CHECKLIST

Ormond Beach General Employees' Pension Fund ***As of September 30, 2016***

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
Fixed Income Portfolio	
U.S. Government / Agency or U.S. Corporations	Yes
Fixed Income Portfolio < 40% & > 30%	Yes
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 (6.75%) - 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	No
Rank in the Top 50% - Since 4/30/2012	Yes
Polen	
Equities > Russell 1000 Growth - Since 4/30/2012	Yes
Rank in the Top 50% - Since 4/30/2012	Yes
Cambiar	
Equities > Russell 2500 Value - Since 6/30/2016	Yes
Rank in the Top 50% - Since 6/30/2016	Yes
Apex	
Equities > Russell 2500 Growth - Since 1/31/2015	No
Rank in the Top 50% - Since 1/31/2015	No
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
General Employees' Pension Plan

As of September 30, 2016

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  - Apex – 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: 3Q 2016

Introduction

As of 3Q 2016

- Risk markets emerged from June's historic Brexit vote with a vengeance, surging to new highs in the beginning of July and holding those gains through the end of the third quarter. Japanese and emerging market equities were the top performers across asset classes, registering returns more than double that of the S&P 500. The laggards for the quarter included commodities and managed futures. For the one-year period ended September 30, 2016, global REITs and emerging market debt and equities generated the strongest returns.

- With a relatively quiet third quarter, the market is now gearing up for the uncertainty that the US Presidential election and the US Federal Reserve meeting may bring. While there may be some short-term market volatility surrounding these events, the GIC does not believe they will derail the gains risk markets have made year to date. The GIC puts a December Fed rate hike on the table, as they continue to monitor inflation expectations and labor market conditions.

- The Dow Jones Industrial Average increased 2.8% in the third quarter. The NASDAQ Composite Index was up 10.0% for the quarter. The S&P 500 Index increased 3.9% for the quarter.

- Seven of the 10 sectors within the S&P 500 generated positive returns in the third quarter of 2016. The top-performing sector was Technology, which was up 12.9%. Financials rose 4.6% and was also among the top-performing sectors. The biggest laggards were Utilities, which decreased 5.9%, and Telecom, which fell 5.6%.

- The bond market registered positive returns during the third quarter. The Barclays U.S. Aggregate Bond Index, a general measure of the bond market, increased 0.5% for the quarter.

- Morgan Stanley & Co. economists expect U.S. real GDP will be 1.7% in 2016 and 1.5% in 2017. They forecast global GDP growth to be 2.9% in 2016 and 3.2% in 2017.

- After posting strong second quarter returns, Commodities registered negative returns in the third quarter; the Bloomberg Commodity Index decreased 3.9%.

- For the third quarter of 2016, global mergers and acquisitions (M&A) deal volume was $813 billion, compared to $835 billion for the second quarter of 2016. Global M&A activity increased to $4.3 trillion in 2015 from $3.3 trillion in 2014.

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

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Capital Markets Overview: 3Q 2016

The US Economy

As of 3Q 2016

The Department of Commerce estimated that Gross Domestic Product increased at an annual rate of 1.3% in the second quarter of 2016, in comparison to a 1.6% increase in the first quarter of 2016. Morgan Stanley & Co. economists forecast U.S. Real GDP will be 1.7% in 2016 and 1.5% in 2017.

The seasonally adjusted unemployment rate for August 2016 was 4.9%, which has held at that level since June 2016. Employment increased in health care while mining continued to lose jobs. The number of unemployed was essentially unchanged at 7.8 million. The number of long-term unemployed (those jobless for 27 weeks or more) was essentially unchanged as well at 2.0 million. These individuals accounted for 26.1% of the unemployed.

According to the most recent estimate from the Bureau of Economic Analysis, corporate profits decreased 0.6% between the first and second quarter of 2016, and fell 4.3% between the second quarter of 2015 and the second quarter of 2016.

Inflation remained low in the U.S. According to the Bureau of Labor Statistics; the seasonally adjusted Consumer Price Index was 0.0% in July and increased to 0.2% in August. Morgan Stanley & Co. economists forecast a 1.2% inflation rate for 2016 and 1.9% for 2017.

The Census Bureau reported that private-sector housing starts in August 2016 were at a seasonally adjusted annual rate of 1,142,000—0.9% above August 2015 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 decreased 0.3% between July 2016 and August 2016, and increased 1.9% between August 2015 and August 2016.

In September, the Institute for Supply Management's Purchasing Managers' Index (PMI), a manufacturing sector index, increased as the PMI registered 51.5%, a 2.1-percentage-point uptick from the August reading of 49.4%. This index has registered above 50 for 6 out of the 7 last months, indicating an expansion in manufacturing. Overall, PMI has been above 43 for 85 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 decreased 4.1 points to 51.4 between August 2016 and July 2016. The index has now been above 50 for 78 consecutive months.

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

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Capital Markets Overview: 3Q 2016

US Equity Markets

As of 3Q 2016

The Dow Jones Industrial Average increased 2.8% in the third quarter. The NASDAQ Composite Index was up 10.0% for the quarter. The S&P 500 Index increased 3.9% for the quarter.

Seven of the 10 sectors within the S&P 500 generated positive returns in the third quarter of 2016. The top-performing sector was Technology, which was up 12.9%. Financials rose 4.6% and was also among the top-performing sectors. The biggest laggards were Utilities, which decreased 5.9%, and Telecom, which fell 5.6%.

Growth-style stocks of large-cap companies increased during the third quarter. The large-cap Russell 1000 Growth Index rose 4.6%. The Russell 1000 Index, a large-cap index, increased 4.0% for the quarter. The Russell 1000 Value Index, also a large-cap index, increased 3.5% for the quarter.

The Russell Midcap Growth Index rose 4.6% for the quarter. The Russell Midcap Index also increased 4.5% for the quarter. The Russell Midcap Value Index increased 4.5% for the quarter. The Russell 2000 Growth Index, a small-cap index, increased 9.2% for the quarter. The small-cap Russell 2000 Index rose 9.0% for the quarter. The Russell 2000 Value Index, also a small-cap index, increased 8.8% for the quarter.

Key US Stock Market Index Returns (%) for the Period Ending 9/30/2016

INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized
S&P 500	3.9%	15.4%	16.4%	13.2%
Dow Jones	2.8%	15.5%	13.7%	12.3%
Russell 2000	9.0%	15.5%	15.8%	12.5%
Russell Midcap	4.5%	14.2%	16.7%	14.1%
Russell 1000	4.0%	14.9%	16.4%	13.2%

Source: FactSet, Bloomberg, Morgan Stanley Wealth Management GIC

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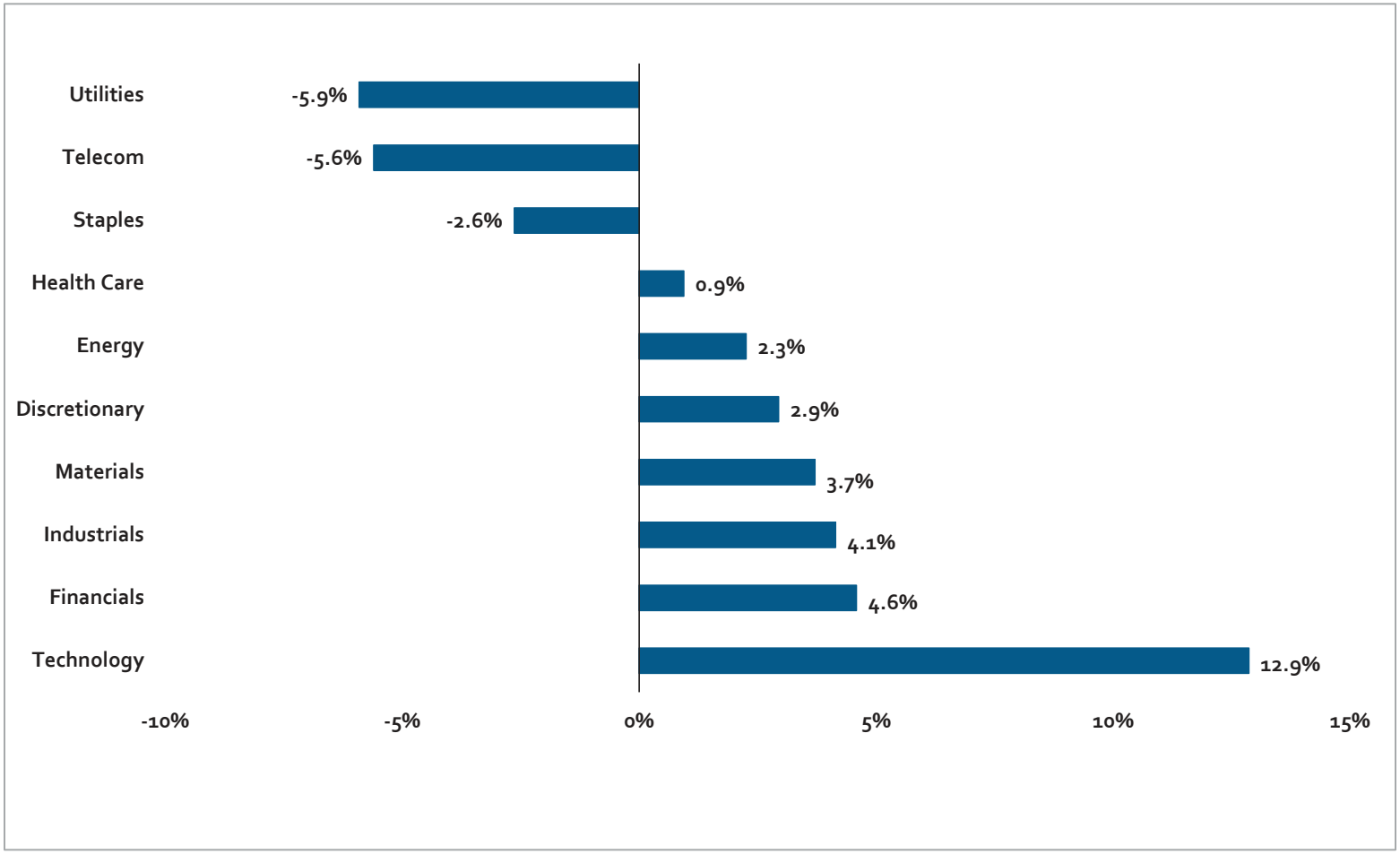
S&P 500 Sectors

3Q 2016 Total Return

As of September 30, 2016



Source: Bloomberg

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Capital Markets Overview: 3Q 2016

Global Equity Markets

As of 3Q 2016

In the third quarter, emerging markets (EM) and international developed regions both delivered positive returns. The MSCI EAFE Index (a benchmark for international developed markets) increased 6.5% for U.S.-currency investors and 6.1% for local-currency investors, as the U.S. dollar slightly strengthened in relation to the currencies of many nations in the index.

For the third quarter, the MSCI Emerging Markets Index increased 9.2% for U.S.-currency investors and 7.7% for local-currency investors, as the U.S. dollar strengthened in relation to the currencies of the nations in the index. The MSCI Europe Index increased 5.4% for U.S.-currency investors and 5.7% for local-currency investors during the third quarter of 2016.

The S&P 500 Index increased 3.9% for the quarter.

Emerging economy equity market indices were also up in the third quarter. The MSCI BRIC (Brazil, Russia, India and China) Index rose 11.6% for the quarter in U.S. dollar terms and 11.5% in terms of local currencies. In comparison, for the third quarter, the MSCI EM Asia Index was up 10.6% in U.S. dollar terms and 8.9% in local terms.

Key Global Equity Market Index Returns (%) for the Period Ending 9/30/2016

INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized)
MSCI EAFE	6.5%	7.1%	7.9%	4.7%
MSCI EAFE Growth	5.0%	9.9%	9.1%	6.4%
MSCI EAFE Value	8.1%	4.2%	6.6%	3.0%
MSCI Europe	5.4%	3.1%	8.1%	4.4%
MSCI Japan	8.8%	12.5%	7.6%	5.4%
S&P 500	3.9%	15.4%	16.4%	13.2%
MSCI Emerging Markets	9.2%	17.2%	3.4%	2.6%

Source: FactSet, Bloomberg, Morgan Stanley Wealth Management GIC

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Capital Markets Overview: 3Q 2016

The US Bond Market

As of 3Q 2016

The bond market registered positive returns during the third quarter. The Barclays U.S. Aggregate Bond Index, a general measure of the bond market, increased 0.5% for the quarter.

Interest rates increased during the third quarter, as the yield on the 10-year U.S. Treasury note rose to a quarter-end 1.59% from 1.47% at the end of the 2Q 2016.

Riskier parts of the bond market such as U.S. high yield debt increased in the third quarter. The Barclays Capital High Yield Index, a measure of lower-rated corporate bonds, rose 5.6%.

Mortgage-backed securities also posted positive returns during the third quarter. The Barclays Capital Mortgage Backed Index increased 0.6% for the quarter. During the third quarter, the municipal bond market decreased. As a result, the Barclays Capital Muni Index generated a negative 0.3% return for the quarter.

Key US Bond Market Index Returns (%) for the Period Ending 9/30/2016

INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized)
Barclays Capital US Aggregate	0.5%	5.2%	3.1%	4.1%
Barclays Capital High Yield	5.6%	12.7%	8.3%	8.7%
Barclays Capital Government/Credit	0.4%	5.8%	3.2%	4.2%
Barclays Capital Government	-0.3%	4.1%	2.2%	3.4%
Barclays Capital Intermediate Govt/Credit	0.2%	3.5%	2.4%	3.3%
Barclays Capital Long Govt/Credit	1.2%	14.7%	6.3%	8.2%
Barclays Capital Mortgage Backed Securities	0.6%	3.6%	2.6%	3.5%
Barclays Capital Muni	-0.3%	5.6%	4.5%	4.6%

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

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This material was not prepared by the research departments of Morgan Stanley & Co. LLC or Morgan Stanley Smith Barney LLC. Some historical figures may be revised due to newly identified programs, firm restatements, etc.**Global Investment Manager Analysis (GIMA) Focus List, Approved List and Tactical Opportunities List; Watch Policy.** GIMA uses two methods to evaluate investment products in applicable advisory programs: **Focus** (and investment products meeting this standard are described as being on the Focus List) and **Approved** (and investment products meeting this standard are described as being on the Approved List). In general, Focus entails a more thorough evaluation of an investment product than Approved. Sometimes an investment product may be evaluated using the Focus List process but then placed on the Approved List instead of the Focus List. Investment products may move from the Focus List to the Approved List, or vice versa. GIMA may also determine that an investment product no longer meets the criteria under either process and will no longer be recommended in investment advisory programs (in which case the investment product is given a "Not Approved" status). GIMA has a '**Watch**" policy and may describe a Focus List or Approved List investment product as being on "Watch" if GIMA identifies specific areas that (a) merit further evaluation by GIMA and (b) may, but are not certain to, result in the investment product becoming "Not Approved." The Watch period depends on the length of time needed for GIMA to conduct its evaluation and for the investment manager or fund to address any concerns. Certain investment products on either the Focus List or Approved List may also be recommended for the **Tactical Opportunities List** based in part on tactical opportunities existing at a given time. The investment products on the Tactical Opportunities List change over time. For more information on the Focus List, Approved List, Tactical Opportunities List and Watch processes, please see the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management. Your Financial Advisor or Private Wealth Advisor can also provide upon request a copy of a publication entitled "Manager Selection Process".The **Global Investment Committee** is a group of seasoned investment professionals who meet regularly to discuss the global economy and markets. The committee determines the investment outlook that guides our advice to clients. They continually monitor developing economic and market conditions, review tactical outlooks and recommend model portfolio weightings, as well as produce a suite of strategy, analysis, commentary, portfolio positioning suggestions and other reports and broadcasts.**The Global Investment Manager Analysis (GIMA) Services Only Apply to Certain Investment Advisory Programs** GIMA evaluates certain investment products for the purposes of some – but not all – of Morgan Stanley Smith Barney LLC's investment advisory programs (as described in more detail in the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management). If you do not invest through one of these investment advisory programs, Morgan Stanley Wealth Management is not obligated to provide you notice of any GIMA Status changes even though it may give notice to clients in other programs.**Strategy May Be Available as a Separately Managed Account or Mutual Fund** Strategies are sometimes available in Morgan Stanley Wealth Management investment advisory programs both in the form of a separately managed account ("SMA") and a mutual fund. These may have different expenses and investment minimums. Your Financial Advisor or Private Wealth Advisor can provide more information on whether any particular strategy is available in more than one form in a particular investment advisory program. In most Morgan Stanley Wealth Management investment advisory accounts, fees are deducted quarterly and have a compounding effect on performance. For example, on an advisory account with a 3% annual fee, if the gross annual performance is 6.00%, the compounding effect of the fees will result in a net performance of approximately 3.93% after one year, 1 after three years, and 21.23% after five years. **Conflicts of Interest:** GIMA's goal is to provide professional, objective evaluations in support of the Morgan Stanley Wealth Management investment advisory programs. We have policies and procedures to help us meet this goal. However, our business is subject to various conflicts of interest. For example, ideas and suggestions for which investment products should be evaluated by GIMA come from a variety of sources, including our Morgan Stanley Wealth Management Financial Advisors and their direct or indirect managers, and other business persons within Morgan Stanley Wealth Management or its affiliates. Such persons may have an ongoing business relationship with certain investment managers or mutual fund companies whereby they, Morgan Stanley Wealth Management or its affiliates receive compensation from, or otherwise related to, those investment managers or mutual funds. For example, a Financial Advisor may suggest that GIMA evaluates an investment manager or fund in which a portion of his or her clients' assets are already invested. While such a recommendation is permissible, GIMA is responsible for the opinions expressed by GIMA. See the conflicts of interest section in the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management for a discussion of other types of conflicts that may be relevant to GIMA's evaluation of managers and funds. In addition, Morgan Stanley Wealth Management, MS & Co., managers and their affiliates provide a variety of services (including research, brokerage, asset management, trading, lending and investment banking services) for each other and for various clients, including issuers of securities that may be recommended for purchase or sale by clients or are otherwise held in client accounts, and managers in various advisory programs. Morgan Stanley Wealth Management, managers, MS & Co., and their affiliates receive compensation and fees in

connection with these services. Morgan Stanley Wealth Management believes that the nature and range of clients to which such services are rendered is such that it would be inadvisable to exclude categorically all of these companies from an account.

Consider Your Own Investment Needs: The model portfolios and strategies discussed in the material are formulated based on general client characteristics including risk tolerance. This material is not intended to be a client-specific suitability analysis or recommendation, or offer to participate in any investment. Therefore, clients should not use this profile as the sole basis for investment decisions. They should consider all relevant information, including their existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon. Such a suitability determination may lead to asset allocation results that are materially different from the asset allocation shown in this profile. Talk to your Financial Advisor about what would be a suitable asset allocation for you, whether CGCM is a suitable program for you.**No obligation to notify** – Morgan Stanley Wealth Management has no obligation to notify you when the model portfolios, strategies, or any other information, in this material changes.

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

KEY ASSET CLASS CONSIDERATIONS AND OTHER RISKS

Investing in the markets entails the risk of market volatility. The value of all types of investments, including stocks, mutual funds, exchange-traded funds ("ETFs"), closed-end funds, and unit investment trusts, may increase or decrease over varying time periods. To the extent the investments depicted herein represent **international securities**, you should be aware that there may be additional risks associated with international investing, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes, and differences in financial and accounting standards. These risks may be magnified in **emerging markets and frontier markets**. **Small- and mid-capitalization companies** may lack the financial resources, product diversification and competitive strengths of larger companies. In addition, the securities of small- and mid-capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies. The value of **fixed income securities** will fluctuate and, upon a sale, may be worth more or less than their original cost or maturity value. Bonds are subject to interest rate risk, call risk, reinvestment risk, liquidity risk, and credit risk of the issuer. **High yield bonds** are subject to additional risks such as increased risk of default and greater volatility because of the lower credit quality of the issues. In the case of **municipal bonds**, income is generally exempt from federal income taxes. Some income may be subject to state and local taxes and to the federal alternative minimum tax. Capital gains, if any, are subject to tax. **Treasury Inflation Protection Securities' (TIPS)** coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI). While the real rate of return is guaranteed, TIPS tend to offer a low return. Because the return of TIPS is linked to inflation, TIPS may significantly underperform versus conventional U.S. Treasuries in times of low inflation. There is no guarantee that investors will receive par if TIPS are sold prior to maturity. The returns on a portfolio consisting primarily of **environmental, social, and governance-aware investments ("ESG")** may be lower or higher than a portfolio that is more diversified or where decisions are based solely on investment considerations. Because ESG criteria exclude some investments, investors may not be able to take advantage of the same opportunities or market trends as investors that do not use such criteria. The companies identified and investment examples are for illustrative purposes only and should not be deemed a recommendation to purchase, hold or sell any securities or investment products. They are intended to demonstrate the approaches taken by managers who focus on ESG criteria in their investment strategy. There can be no guarantee that a client's account will be managed as described herein. As regards **Securities Based Lending**, you need to understand that: (1) Sufficient collateral must be maintained to support your loan(s) and to take future advances; (2) You may have to deposit additional cash or eligible securities on short notice; (3) Some or all of your securities may be sold without prior notice in order to maintain account equity at required maintenance levels. You will not be entitled to choose the securities that will be sold. These actions may interrupt your long-term investment strategy and may result in adverse tax consequences or in additional fees being assessed; (4) Morgan Stanley Bank, N.A., Morgan Stanley Private Bank, National Association or Morgan Stanley Smith Barney LLC (collectively referred to as "Morgan Stanley") reserves the right not to fund any advance request due to insufficient collateral or for any other reason except for any portion of a securities based loan that is identified as a committed facility; (5) Morgan Stanley reserves the right to increase your collateral maintenance requirements at any time without notice; and (6) Morgan Stanley reserves the right to call securities based loans at any time and for any reason. **Options** and margin trading involve substantial risk and are not suitable for all investors. Besides the general investment risk of holding securities that may decline in value and the possible loss of principal invested, **closed-end funds** may have additional risks related to declining market prices relative to net asset values (NAVs), active manager underperformance and potential leverage. Closed-end funds, unlike open-end funds, are not continuously offered. There is a one-time public offering and once issued, shares of closed-end funds are sold in the open market through a stock exchange. NAV is total assets less total liabilities divided by the number of shares outstanding. At the time an investor purchases shares of a closed-end fund, shares may have a market price that is above or below NAV. **Alternative investments** often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. Alternative investments are suitable only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase the volatility and risk of loss. Alternative Investments typically have higher fees than traditional investments. Investors should carefully review and consider potential risks before investing. Certain of these risks may include but are not limited to: Loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices; Lack of liquidity in that there may be no secondary market for a fund; Volatility of returns; Restrictions on transferring interests in a fund; Potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized; Absence of information regarding valuations and pricing; Complex tax structures and delays in tax reporting; Less regulation and higher fees than mutual funds; and Risks associated with the operations, personnel, and processes of the manager. Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Smith Barney LLC and certain of its affiliates. In Consulting Group's advisory

programs, alternative investments are limited to US-registered mutual funds, separate account strategies and exchange-traded funds (ETFs) that seek to pursue alternative investment strategies or returns utilizing publicly traded securities. Investment products in this category may employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. Alternative investments are not suitable for all investors. **Hedge Funds of Funds** and many funds of funds are private investment vehicles restricted to certain qualified private and institutional investors. They are often speculative and include a high degree of risk. Investors can lose all or a substantial amount of their investment. They may be highly illiquid, can engage in leverage and other speculative practices that may increase volatility and the risk of loss, and may be subject to large investment minimums and initial lockups. They involve complex tax structures, tax-inefficient investing and delays in distributing important tax information. Categorically, hedge funds and funds of funds have higher fees and expenses than traditional investments, and such fees and expenses can lower the returns achieved by investors. Funds of funds have an additional layer of fees over and above hedge fund fees that will offset returns. An investment in a **target date portfolio** is subject to the risks attendant to the underlying funds in which it invests, in these portfolios the funds are the Consulting Group Capital Market funds. A target date portfolio is geared to investors who will retire and/or require income at an approximate year. The portfolio is managed to meet the investor's goals by the pre-established year or "target date." A target date portfolio will transition its invested assets from a more aggressive portfolio to a more conservative portfolio as the target date draws closer. An investment in the target date portfolio is not guaranteed at any time, including, before or after the target date is reached. **Managed futures** investments are speculative, involve a high degree of risk, use significant leverage, are generally illiquid, have substantial charges, subject investors to conflicts of interest, and are suitable only for the risk capital portion of an investor's portfolio. Managed futures investments do not replace equities or bonds but rather may act as a complement in a well diversified portfolio. Managed Futures are complex and not appropriate for all investors. **Rebalancing** does not protect against a loss in declining financial markets. There may be a potential tax implication with a rebalancing strategy. **Asset allocation and diversification** do not assure a profit or protect against loss in declining financial markets.

Tax laws are complex and subject to change. Morgan Stanley Smith Barney LLC ("Morgan Stanley"), its affiliates and Morgan Stanley Financial Advisors and private Wealth Advisors do not provide tax or legal advice and are not "fiduciaries" (under ERISA, the Internal Revenue Code or otherwise) with respect to the services or activities described herein except as otherwise provided in writing by Morgan Stanley. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a retirement plan or account, and (b) regarding any potential tax, ERISA and related consequences of any investments made under such plan or account.

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

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

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

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

Investment and services offered through Morgan Stanley Private Wealth Management, a division of Morgan Stanley Smith Barney LLC, Member SIPC.

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

GLOBAL INVESTMENT COMMITTEE (GIC) ASSET ALLOCATION MODELS: The Asset Allocation Models are created by Morgan Stanley Wealth Management's GIC. **HYPOTHETICAL MODEL PERFORMANCE (GROSS):** Hypothetical model performance results do not reflect the investment or performance of an actual portfolio following a GIC Strategy, but simply reflect actual historical performance of selected indices on a real-time basis over the specified period of time representing the GIC's strategic and tactical allocations as of the date of this report. The past performance shown here is simulated performance based on benchmark indices, not investment results from an actual portfolio or actual trading. There can be large differences between hypothetical and actual performance results achieved by a particular asset allocation or trading strategy. Hypothetical performance results do not represent actual trading and are generally designed with the benefit of hindsight. Actual performance results of accounts vary due to, for example, market factors (such as liquidity) and client-specific factors (such as investment vehicle selection, timing of contributions and withdrawals, restrictions and rebalancing schedules). Clients would not necessarily have obtained the performance results shown here if they had invested in accordance with any GIC Asset Allocation Model for the periods indicated. Despite the limitations of hypothetical performance, these hypothetical performance results allow clients and Financial Advisors to obtain a sense of the risk/return trade-off of different asset allocation constructs. The hypothetical performance results in this report are calculated using the returns of benchmark indices for the asset classes, and not the returns of securities, fund or other investment products. Models may contain allocations to Hedge Funds, Private Equity and Private Real Estate. The benchmark indices for these asset classes are not issued on a daily basis. When calculating model performance on a day for which no benchmark index data is issued, we have assumed straight line growth between the index levels issued before and

after that date. **FEES REDUCE THE PERFORMANCE OF ACTUAL ACCOUNTS:** None of the fees or other expenses (e.g. commissions, mark-ups, mark-downs, fees) associated with actual trading or accounts are reflected in the GIC Asset Allocation Models. The GIC Asset Allocation Models and any model performance included in this presentation are intended as educational materials. Were a client to use these models in connection with investing, any investment decisions made would be subject to transaction and other costs which, when compounded over a period of years, would decrease returns. Information regarding Morgan Stanley's standard advisory fees is available in the Form ADV Part 2, which is available at www.morganstanley.com/adv. 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:** 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. **Equity securities** may fluctuate in response to news on companies, industries, market conditions and general economic environment. **Ultrashort-term fixed income** asset class is comprised of fixed income securities with high quality, very short maturities. They are therefore subject to the risks associated with debt securities such as credit and interest rate risk. **Master Limited Partnerships (MLPs): I**ndividual 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.

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

Asset-backed securities generally decrease in value as a result of interest rate increases, but may benefit less than other fixed-income securities from declining interest rates, principally because of prepayments. **Yields** are subject to change with economic conditions. Yield is only one factor that should be considered when making an investment decision. **Credit ratings** are subject to change. **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. Companies paying **dividends** can reduce or cut payouts at any time. **Nondiversification:** For a portfolio that holds a concentrated or limited number of securities, a decline in the value of these investments would cause the portfolio's overall value to decline to a greater degree than a less concentrated portfolio. Portfolios that invest a large percentage of assets in only one industry sector (or in only a few sectors) are more vulnerable to price fluctuation than those that diversify among a broad range of sectors. The **indices selected by Morgan Stanley Wealth Management** to measure performance are representative of broad asset classes. Morgan Stanley Wealth Management retains the right to change representative indices at any time. Because of their narrow focus, **sector investments** tend to be more volatile than investments that diversify across many sectors and companies. **Growth investing** does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a

company with more modest growth expectations. **Value investing** does not guarantee a profit or eliminate risk. Not all companies whose stocks are considered to be value stocks are able to turn their business around or successfully employ corrective strategies which would result in stock prices that do not rise as initially expected. Any type of **continuous or periodic investment plan** does not assure a profit and does not protect against loss in declining markets. Since such a plan involves continuous investment in securities regardless of fluctuating price levels of such securities, the investor should consider his financial ability to continue his purchases through periods of low price levels. **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. 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. This material, or any portion thereof, may not be reprinted, sold or redistributed without the written consent of Morgan Stanley Smith Barney LLC.
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City of Ormond Beach

Asset Allocation & Time Weighted Performance

as of September 30, 2016

	Allocation		Performance(%)								
	Market Value ($)	%	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Ormond Beach General	**43,069,546**	**100.00**	**3.02**	**9.27**	**9.27**	**6.78**	**11.03**	**8.80**	**5.97**	**6.03**	**04/01/2001**
Ormond Beach Policy Index			3.19	10.32	10.32	6.76	10.57	9.05	6.07	5.93	
Domestic Equity											
HGK - Large Cap Value	9,651,742	22.41	4.88	15.40	15.40	5.76	13.71	9.93	N/A	12.48	05/01/2009
Russell 1000 VL			3.48	16.20	16.20	9.70	16.15	12.35	N/A	14.98	
Sawgrass - Large Cap Growth	5,052,845	11.73	0.32	11.25	11.25	10.85	N/A	N/A	N/A	12.52	05/01/2012
Russell 1000 Gr			4.58	13.76	13.76	11.83	N/A	N/A	N/A	12.79	
Polen - Large Cap Growth	5,652,411	13.12	5.00	10.69	10.69	15.94	N/A	N/A	N/A	12.91	05/01/2012
Russell 1000 Gr			4.58	13.76	13.76	11.83	N/A	N/A	N/A	12.79	
Cambiar - Small/Mid Cap Value	2,183,888	5.07	6.34	N/A	N/A	N/A	N/A	N/A	N/A	6.34	07/01/2016
Russell 2500 VL			6.18	N/A	N/A	N/A	N/A	N/A	N/A	6.18	
Apex - Small/Mid Cap Growth	2,292,217	5.32	6.97	6.37	6.37	N/A	N/A	N/A	N/A	2.59	02/01/2015
Russell 2500 GR			6.99	11.03	11.03	N/A	N/A	N/A	N/A	4.96	
International Equity											
Delaware - International Value	2,016,059	4.68	3.97	10.13	10.13	3.89	7.90	5.35	2.96	4.96	08/01/2005
MSCI EAFE Net			6.43	6.52	6.52	0.48	7.39	4.24	1.82	3.87	
Renaissance - International Growth	1,982,608	4.60	7.08	9.55	9.55	3.30	9.78	6.50	N/A	10.18	05/01/2009
MSCI AC World ex US Net			6.91	9.26	9.26	0.18	6.04	3.66	N/A	7.66	
Fixed Income											
Garcia Hamilton - Fixed Income	14,237,361	33.06	0.26	3.90	3.90	4.04	4.47	4.79	5.87	5.25	10/01/2003
BC Gov/Cr Intm			0.16	3.52	3.52	2.80	2.45	3.33	4.17	3.79	

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

Graystone Consulting℠

City of Ormond Beach

Asset Allocation & Net Dollar Weighted Performance (IRR)

as of September 30, 2016

	%	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Ormond Beach General	**100.00**	**2.91**	**8.70**	**8.70**	**6.25**	**10.52**	**8.29**	**5.31**	**5.41**	**03/31/2001**
Domestic Equity										
HGK - Large Cap Value	22.41	4.79	14.93	14.93	5.75	14.12	9.85	N/A	12.68	04/30/2009
Sawgrass - Large Cap Growth	11.73	0.19	10.72	10.72	10.69	N/A	N/A	N/A	12.29	04/30/2012
Polen - Large Cap Growth	13.12	4.87	10.13	10.13	15.41	N/A	N/A	N/A	12.34	04/30/2012
Cambiar - Small/Mid Cap Value	5.07	6.31	N/A	N/A	N/A	N/A	N/A	N/A	6.31	06/30/2016
Apex - Small/Mid Cap Growth	5.32	6.81	5.74	5.74	N/A	N/A	N/A	N/A	2.16	01/31/2015
International Equity										
Delaware - International Value	4.68	3.78	9.30	9.30	3.07	7.07	4.54	0.48	3.64	07/31/2005
Renaissance - International Growth	4.60	6.92	8.82	8.82	2.63	9.07	5.81	N/A	9.94	04/30/2009
Fixed Income										
Garcia Hamilton - Fixed Income	33.06	0.20	3.63	3.63	3.71	4.12	4.45	5.38	4.93	09/30/2003

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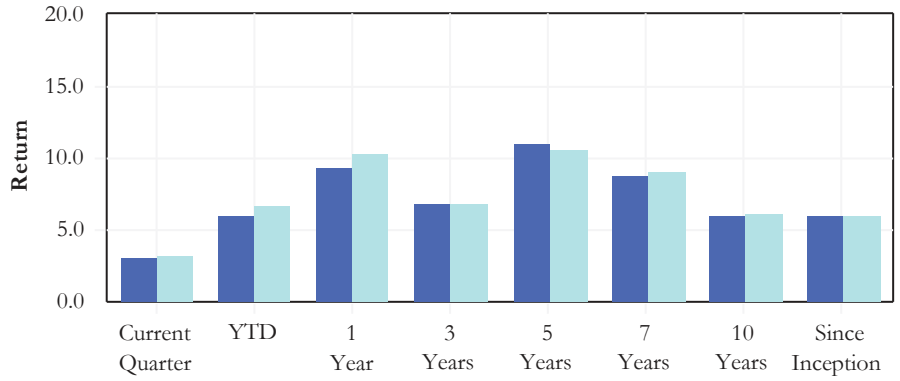
City of Ormond Beach

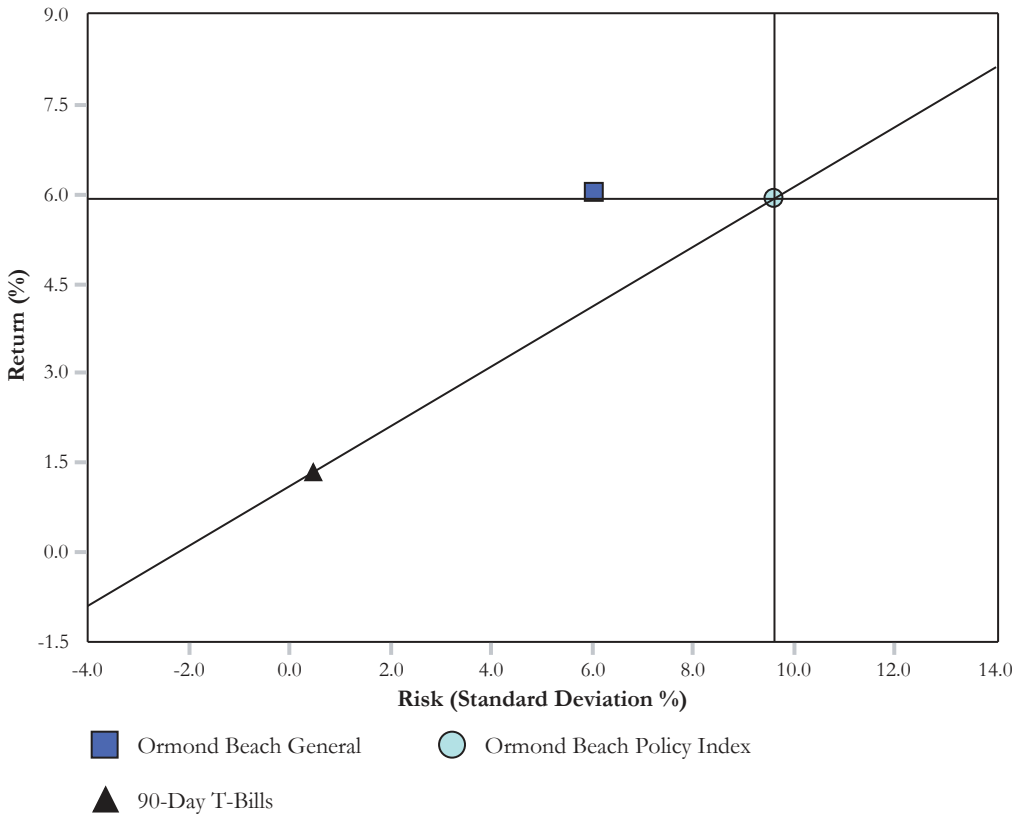
Total Fund - Executive Summary

as of September 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
Ormond Beach General	3.02	9.27	9.27	6.78	11.03	8.80	5.97	6.03
Ormond Beach Policy Index	3.19	10.32	10.32	6.76	10.57	9.05	6.07	5.93
Differences	-0.17	-1.05	-1.05	0.02	0.46	-0.25	-0.10	0.10

Historic Asset Growth

	Current Quarter	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
Ormond Beach General								
Beginning Market Value	41,946	41,176	40,241	36,898	27,175	26,860	28,846	21,941
Net Contributions	-94	-415	-651	-1,144	-1,467	-2,811	-4,069	-4,620
Fees/Expenses	-47	-150	-198	-604	-904	-1,160	-1,525	-2,145
Income	230	768	993	3,037	4,976	6,642	9,592	13,320
Gain/Loss	1,034	1,690	2,685	4,883	13,290	13,538	10,226	14,573
Ending Market Value	43,070	43,070	43,070	43,070	43,070	43,070	43,070	43,070

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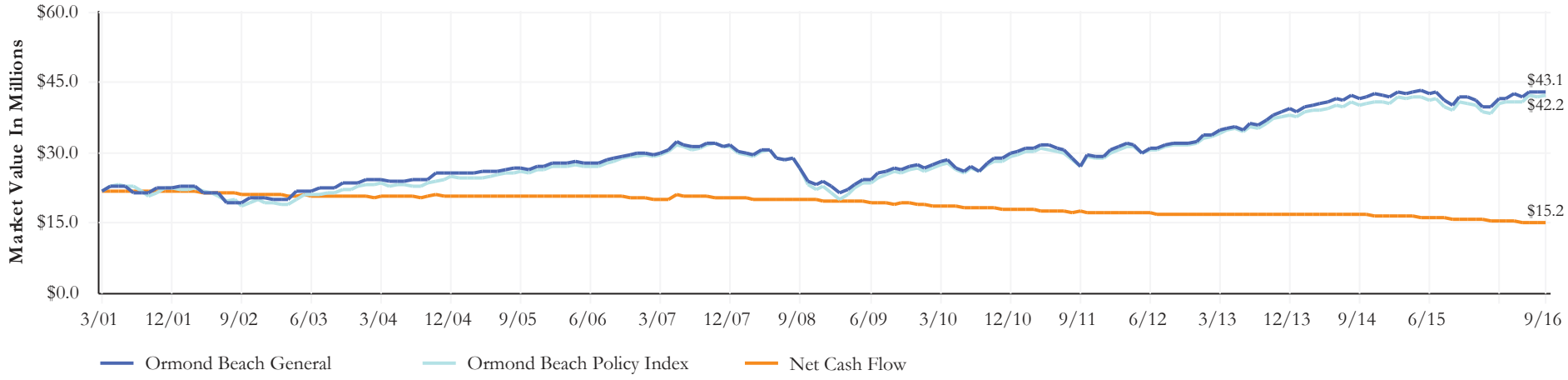
Graystone Consulting

City of Ormond Beach

Total Fund - Change in Assets & Distribution of Returns

as of September 30, 2016

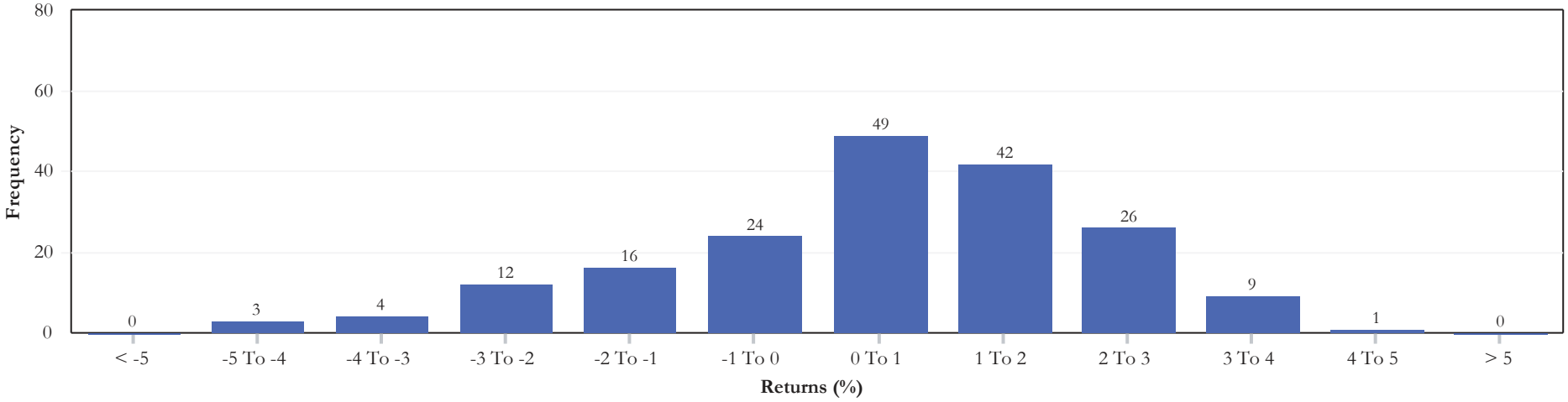
Historic Change in Assets



Quarterly Change in Assets

	Market Value As of 07/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Income	Return On Investment	Market Value As of 09/30/2016
Ormond Beach General	41,946.30	-	12,213.46	-12,307.69	-47.17	-	230.32	1,264.64	43,069.55

Distribution of Returns



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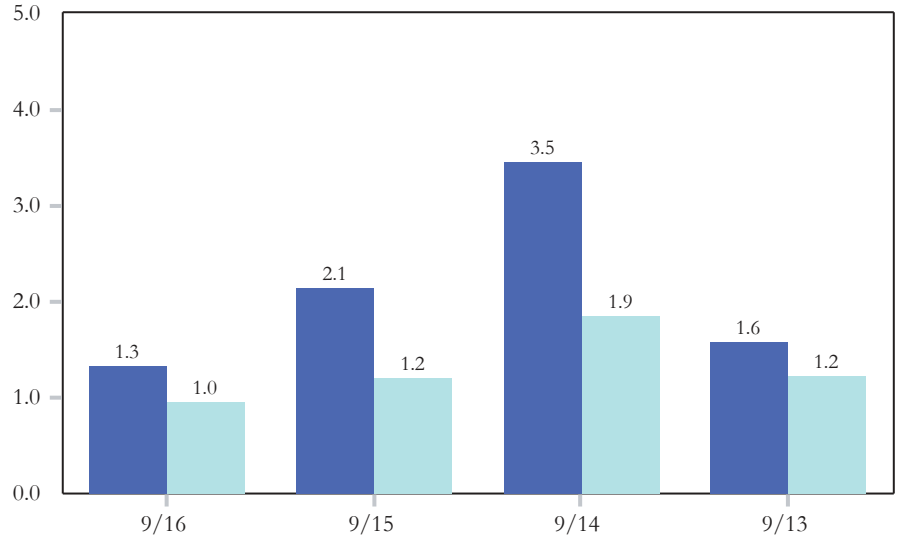
Graystone Consulting

City of Ormond Beach

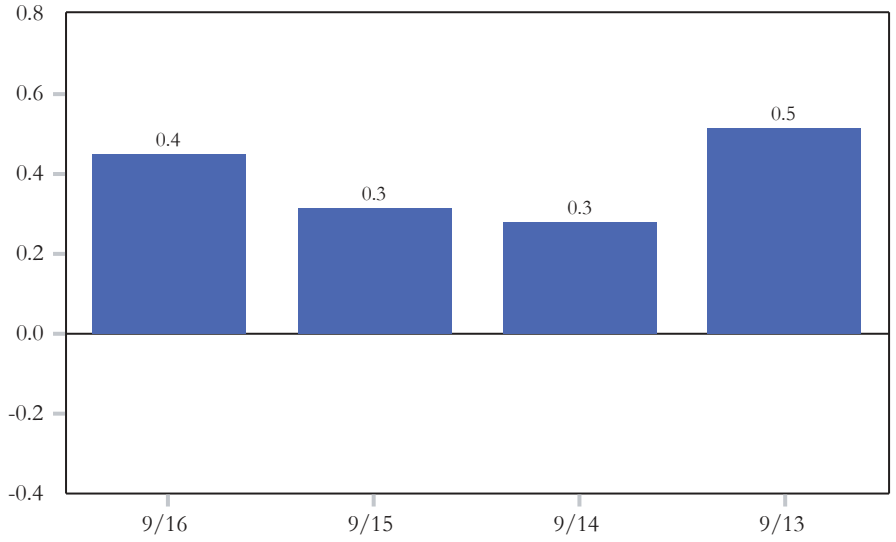
Total Fund - Rolling Three Year MPT Statistics

as of September 30, 2016

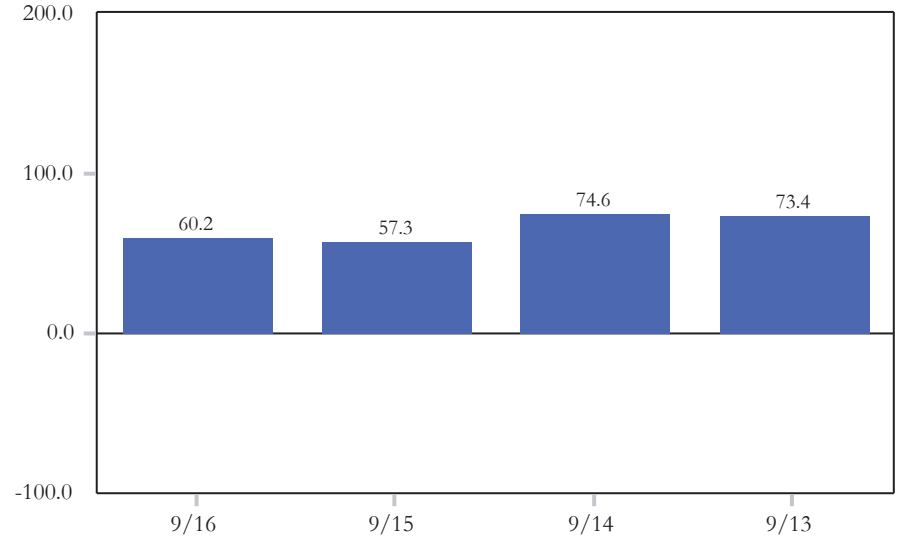
Sharpe Ratio



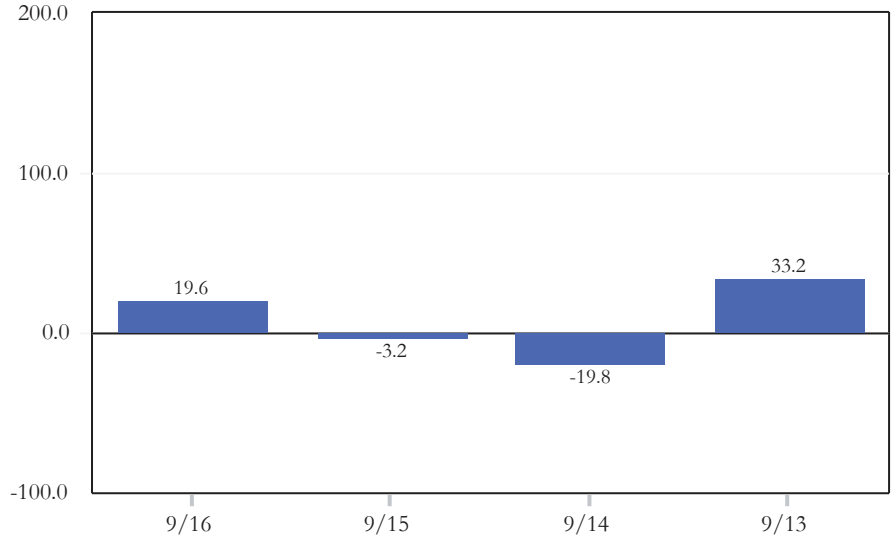
Beta



Up Market Capture



Down Market Capture



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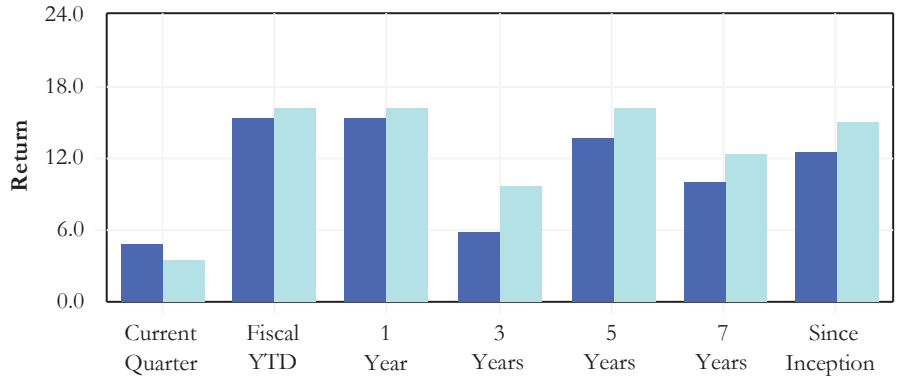
City of Ormond Beach

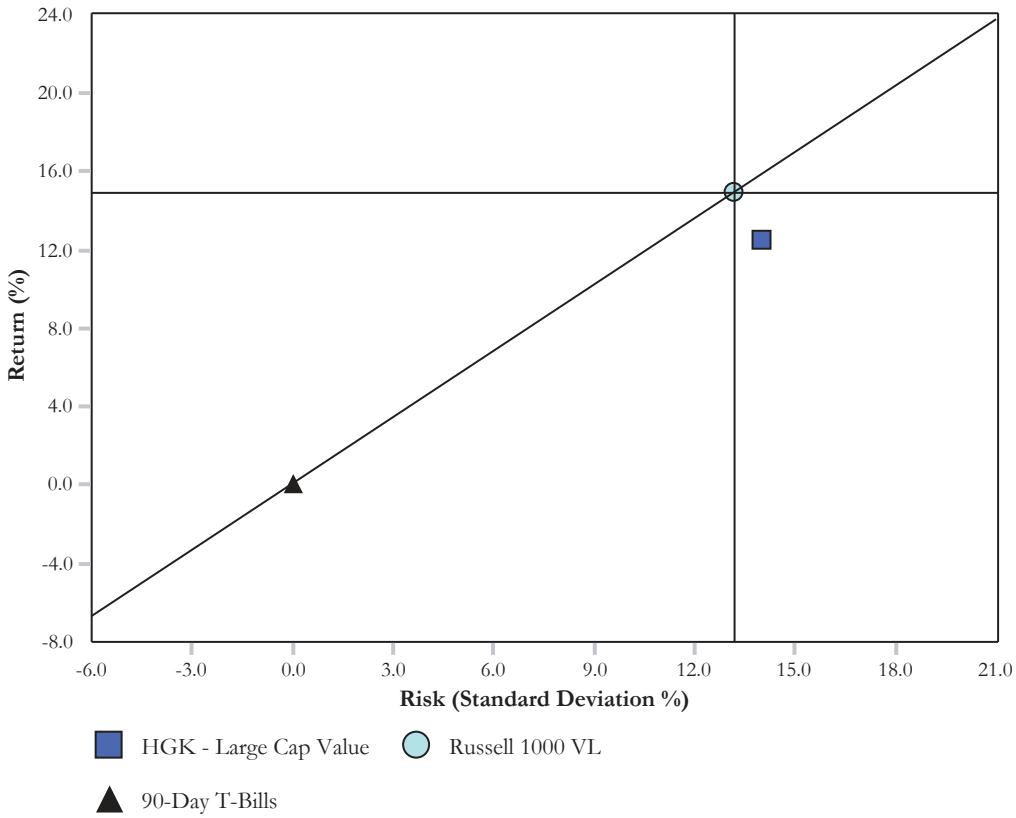
HGK - Large Cap Value - Executive Summary

as of September 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	Since Inception
HGK - Large Cap Value	4.88	15.40	15.40	5.76	13.71	9.93	12.48
Russell 1000 VL	3.48	16.20	16.20	9.70	16.15	12.35	14.98
Differences	1.40	-0.80	-0.80	-3.94	-2.44	-2.42	-2.50

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	Since Inception
HGK - Large Cap Value							
Beginning Market Value	9,212	8,434	8,434	9,214	5,994	6,191	5,080
Net Contributions	-1	-43	-43	-1,098	-1,373	-1,687	-1,756
Fees/Expenses	-9	-33	-33	-109	-166	-216	-219
Income	61	241	241	730	1,161	1,474	1,532
Gain/Loss	389	1,053	1,053	915	4,036	3,889	5,014
Ending Market Value	9,652	9,652	9,652	9,652	9,652	9,652	9,652

Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
HGK - Large Cap Value	12.48	14.03	1.04	-18.91	97.85	112.66	-2.62	0.91	0.95	05/01/2009
Russell 1000 VL	14.98	13.19	1.00	-18.79	100.00	100.00	0.00	1.12	1.00	05/01/2009

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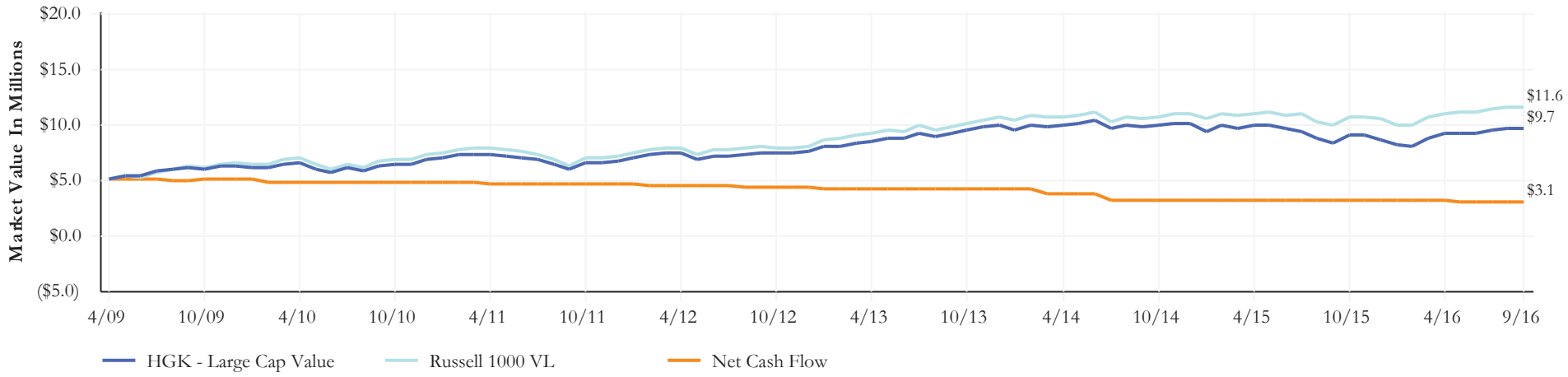
Graystone Consulting

City of Ormond Beach

HGK - Large Cap Value - Change in Assets & Distribution of Returns

as of September 30, 2016

Historic Change in Assets



Quarterly Change in Assets

	Market Value As of 07/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 09/30/2016
HGK - Large Cap Value	9,211,580.95	-	2,395,547.97	-2,396,294.78	-8,775.39	-	449,682.99	9,651,741.74

Distribution of Returns

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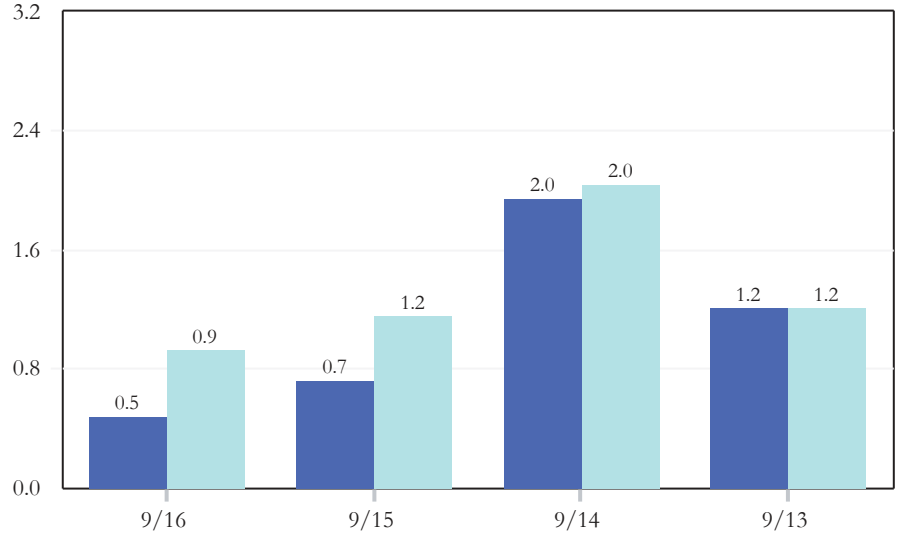
Graystone Consulting

City of Ormond Beach

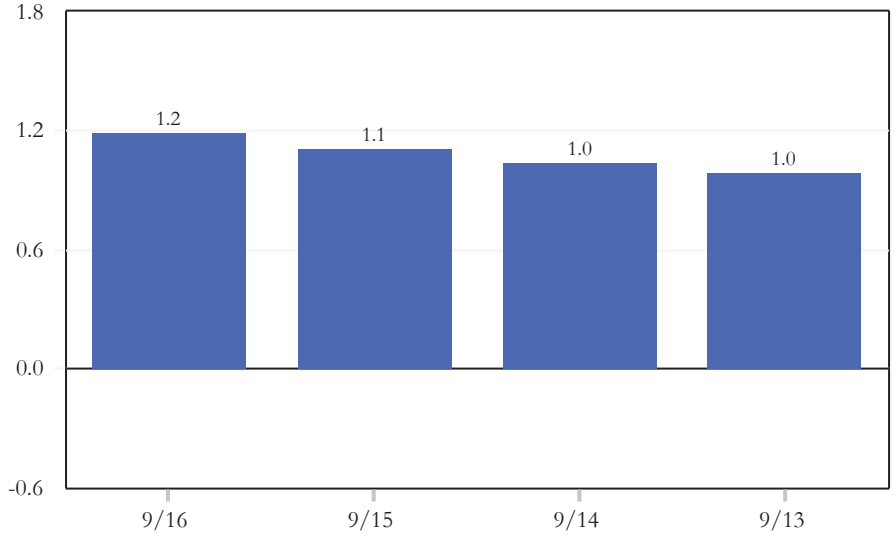
HGK - Large Cap Value - Rolling Three Year MPT Statistics

as of September 30, 2016

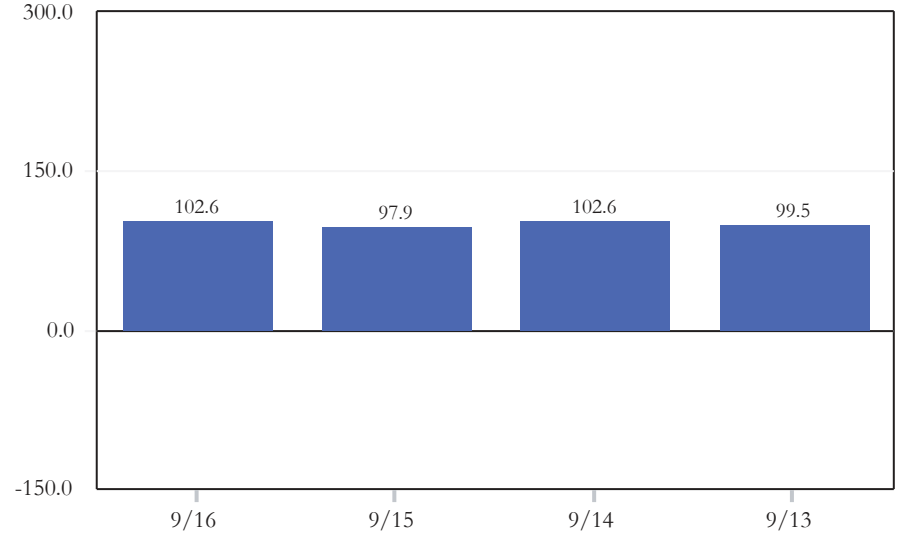
Sharpe Ratio



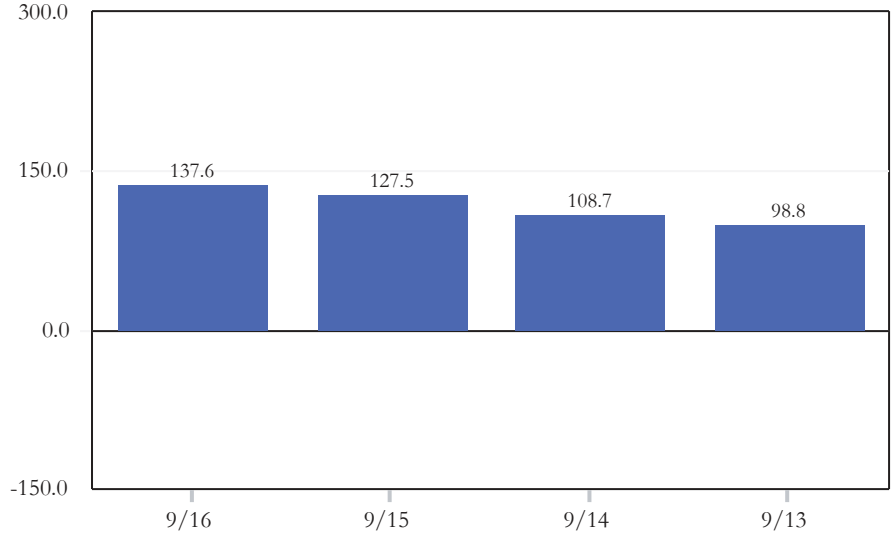
Beta



Up Market Capture



Down Market Capture



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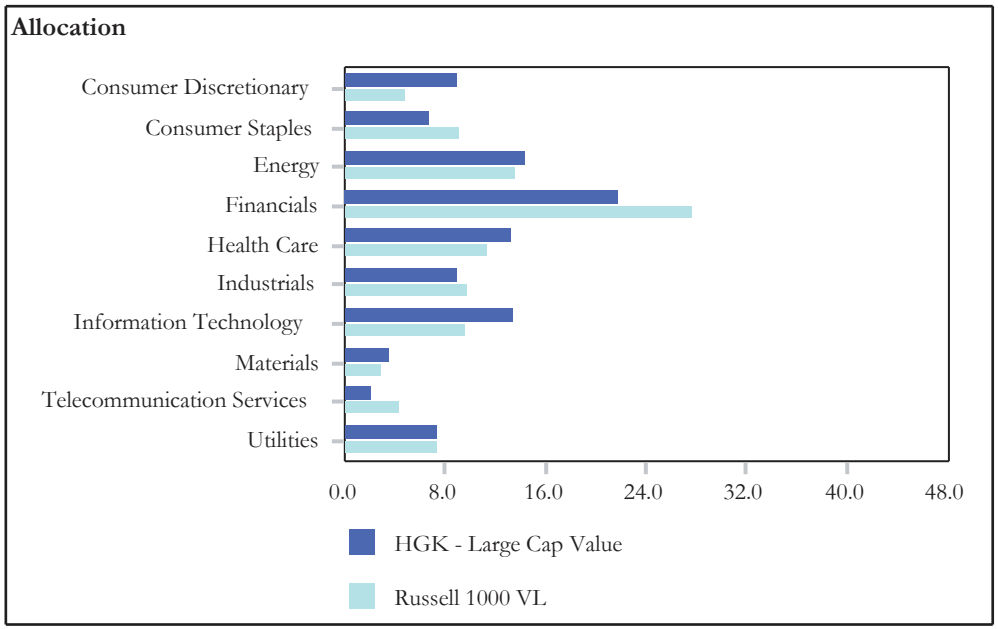
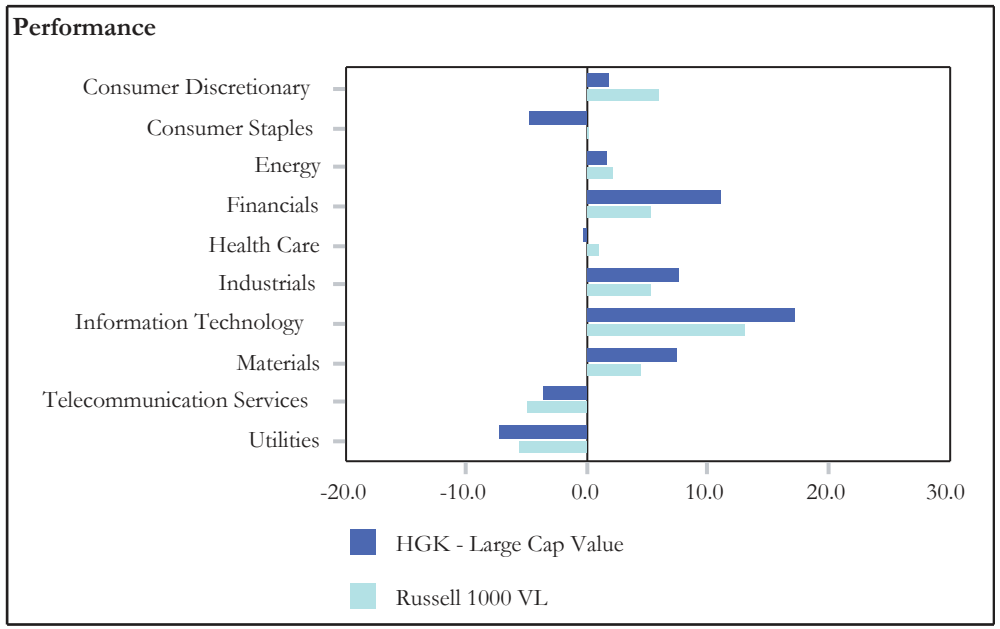
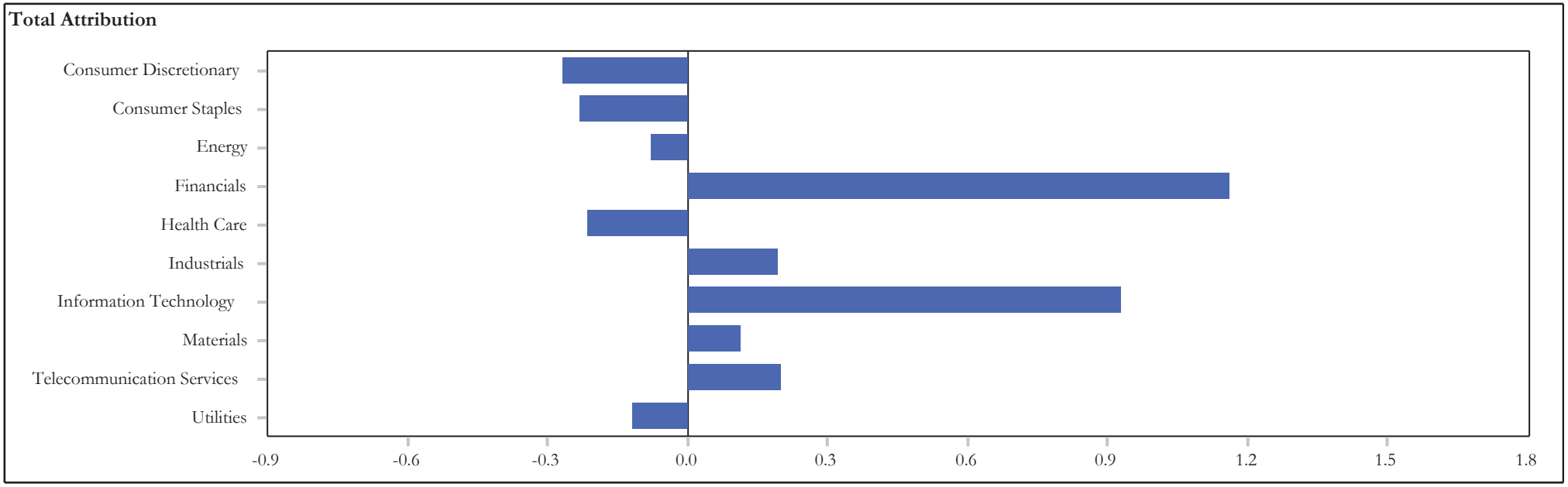
City of Ormond Beach

HGK - Large Cap Value - Quarterly Performance Attributes

as of September 30, 2016







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City of Ormond Beach

HGK - Large Cap Value - Quarterly Performance Attributes

as of September 30, 2016

	Allocation - 07/01/2016		Performance - Quarter Ending September 30, 2016		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Consumer Discretionary	8.84	4.75	1.78	5.96	0.10	-0.20	-0.17	-0.27
Consumer Staples	6.60	9.11	-4.70	0.10	0.08	-0.44	0.12	-0.23
Energy	14.35	13.56	1.75	2.22	-0.01	-0.06	0.00	-0.08
Financials	21.76	27.69	11.16	5.31	-0.11	1.62	-0.35	1.16
Health Care	13.20	11.33	-0.22	1.06	-0.04	-0.15	-0.02	-0.21
Industrials	8.90	9.75	7.73	5.36	-0.02	0.23	-0.02	0.19
Information Technology	13.39	9.49	17.19	13.04	0.37	0.39	0.16	0.93
Materials	3.55	2.80	7.49	4.51	0.01	0.08	0.02	0.11
Telecommunication Services	2.14	4.24	-3.66	-4.85	0.18	0.05	-0.03	0.20
Utilities	7.28	7.27	-7.21	-5.61	0.00	-0.12	0.00	-0.12
Total	100.00	100.00	5.15	3.46	0.56	1.42	-0.29	1.69

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City of Ormond Beach

HGK - Large Cap Value - Portfolio Characteristics

as of September 30, 2016

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($000)	94,250,847.83	112,504,866.08
Median Mkt. Cap ($000)	37,635,808.50	8,043,688.25
Price/Earnings ratio	17.14	17.03
Price/Book ratio	2.19	2.11
5 Yr. EPS Growth Rate (%)	3.29	3.84
Current Yield (%)	2.50	2.61
Beta (5 Years, Monthly)	1.12	1.00
Number of Stocks	51	687
Debt to Equity	1.54	0.84

Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Chevron Corp	3.51	1.86	1.65	-0.79
Metlife Inc.	2.68	0.40	2.28	12.68
American Int'l Group Inc	2.62	0.63	1.99	12.81
Citigroup Inc	2.57	1.33	1.24	11.82
State Street Corp	2.49	0.26	2.23	29.85
Micron Technology Inc.	2.48	0.18	2.30	29.22
Cisco Systems Inc	2.48	1.53	0.95	11.58
Archer-Daniels-Midland Co	2.46	0.23	2.23	-1.00
Intel Corp	2.45	1.56	0.89	15.96
Applied Materials Inc.	2.38	0.09	2.29	26.20
% of Portfolio	26.12	8.07		

Ten Best Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
State Street Corp	2.49	0.26	2.23	29.85
Micron Technology Inc.	2.48	0.18	2.30	29.22
Applied Materials Inc.	2.38	0.09	2.29	26.20
Devon Energy Corp	2.22	0.20	2.02	21.86
Apple Inc	2.05	0.50	1.55	18.89
Bank of America Corp	2.14	1.54	0.60	18.48
Parker-Hannifin Corp	1.61	0.16	1.45	16.77
Kohl's Corp	1.96	0.08	1.88	16.70
Intel Corp	2.45	1.56	0.89	15.96
Cummins Inc.	1.92	0.19	1.73	14.90
% of Portfolio	21.70	4.76		

Ten Worst Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Bristol-Myers Squibb Co	1.90	0.00	1.90	-26.69
ENSCO Plc	0.76	0.02	0.74	-12.35
McKesson Corp	1.96	0.00	1.96	-10.52
Public Service Ent. Group	2.15	0.20	1.95	-9.30
V.F. Corp	1.67	0.00	1.67	-8.29
American Electric Power Co Inc	2.04	0.30	1.74	-7.63
Kimberly-Clark Corp	1.81	0.06	1.75	-7.58
CVS Health Corp	1.99	0.05	1.94	-6.64
General Electric Co	1.01	2.11	-1.10	-5.18
Entergy Corp.	2.20	0.13	2.07	-4.66
% of Portfolio	17.49	2.87		

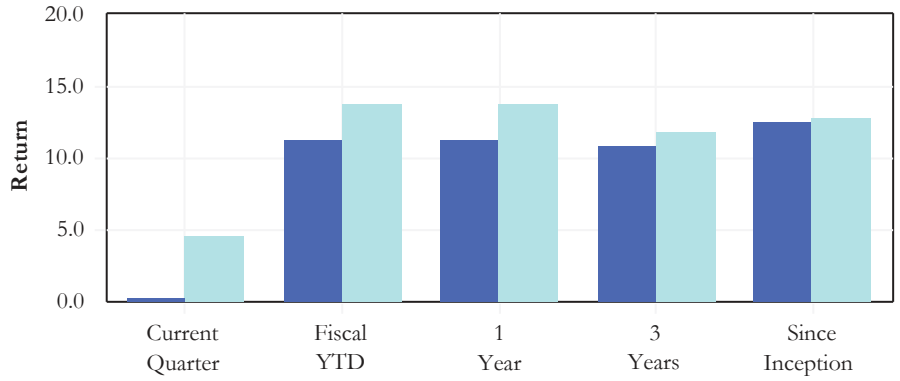
Graystone Consulting

City of Ormond Beach

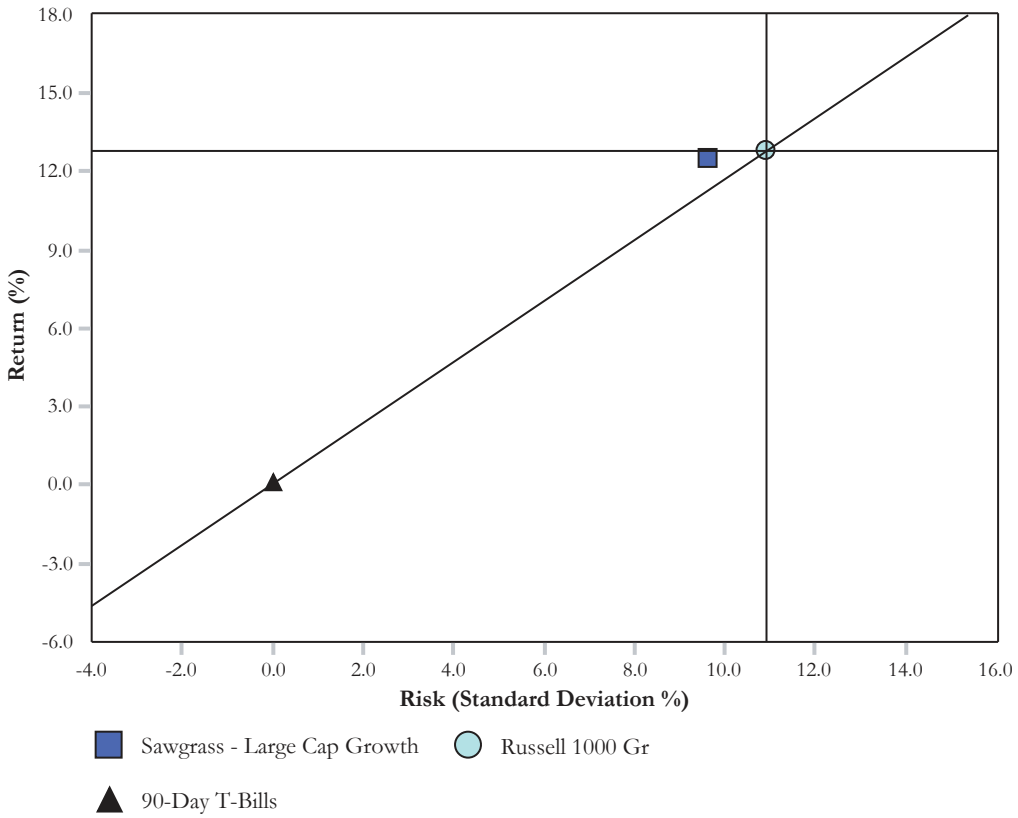
Sawgrass - Large Cap Growth - Executive Summary

as of September 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	Since Inception	Inception Date
Sawgrass - Large Cap Growth	0.32	11.25	11.25	10.85	12.52	05/01/2012
Russell 1000 Gr	4.58	13.76	13.76	11.83	12.79	
Differences	-4.26	-2.51	-2.51	-0.98	-0.27	

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	3 Years	Since Inception	Inception Date
Sawgrass - Large Cap Growth						05/01/2012
Beginning Market Value	5,044	4,797	4,797	4,528	3,698	
Net Contributions	-	-244	-244	-899	-901	
Fees/Expenses	-7	-27	-27	-81	-117	
Income	21	80	80	234	331	
Gain/Loss	-5	446	446	1,271	2,042	
Ending Market Value	5,053	5,053	5,053	5,053	5,053	

Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Sawgrass - Large Cap Growth	12.52	9.65	0.85	-7.26	89.13	78.70	1.60	1.27	0.91	05/01/2012
Russell 1000 Gr	12.79	10.92	1.00	-8.39	100.00	100.00	0.00	1.15	1.00	05/01/2012

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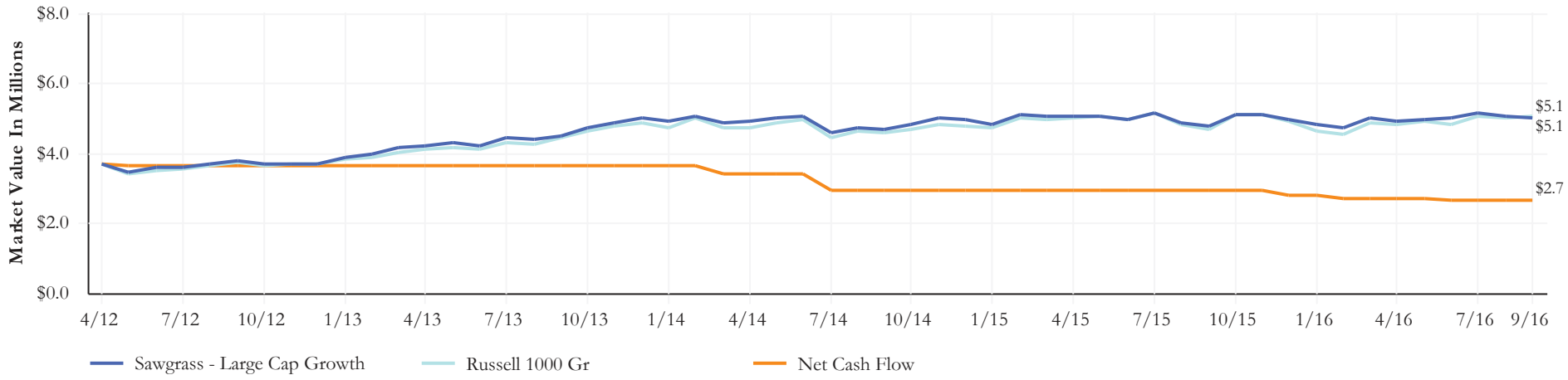
Graystone Consulting

City of Ormond Beach

Sawgrass - Large Cap Growth - Change in Assets & Distribution of Returns

as of September 30, 2016

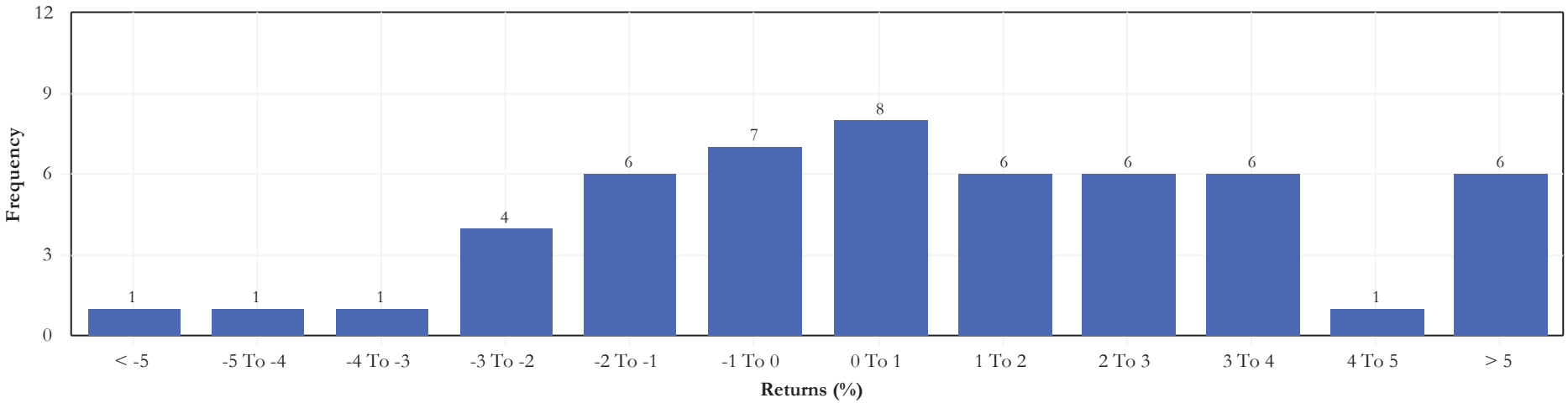
Historic Change in Assets



Quarterly Change in Assets

	Market Value As of 07/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 09/30/2016
Sawgrass - Large Cap Growth	5,043,855.03	-	1,451,819.50	-1,452,271.28	-6,842.83	-	16,284.86	5,052,845.28

Distribution of Returns



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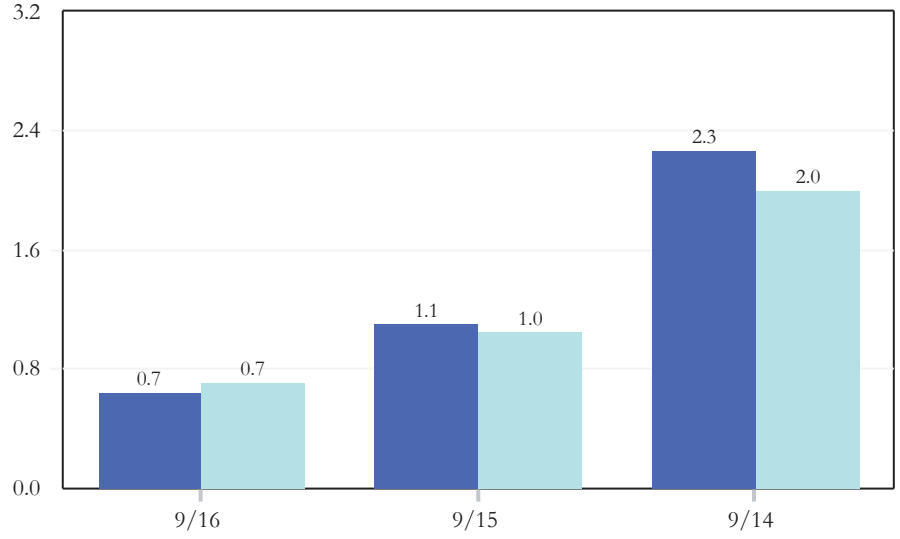
Graystone Consulting

City of Ormond Beach

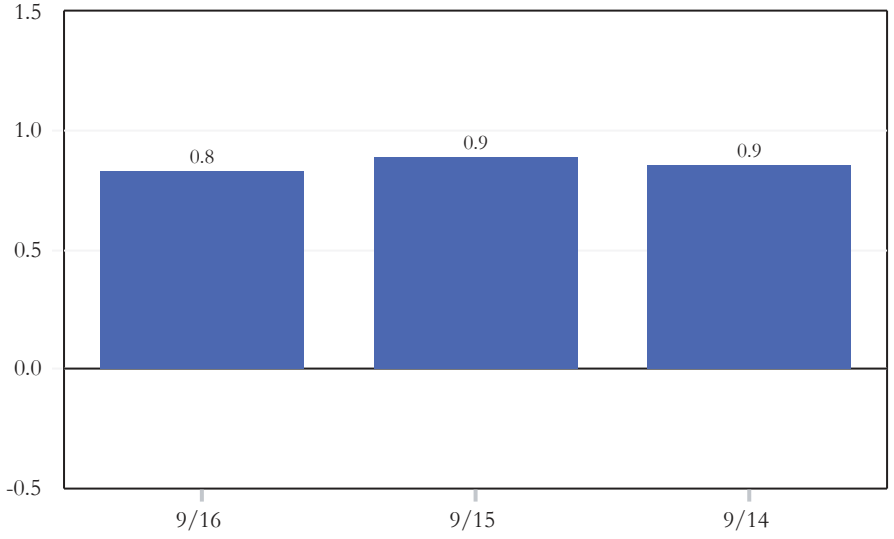
Sawgrass - Large Cap Growth - Rolling Two Year MPT Statistics

as of September 30, 2016

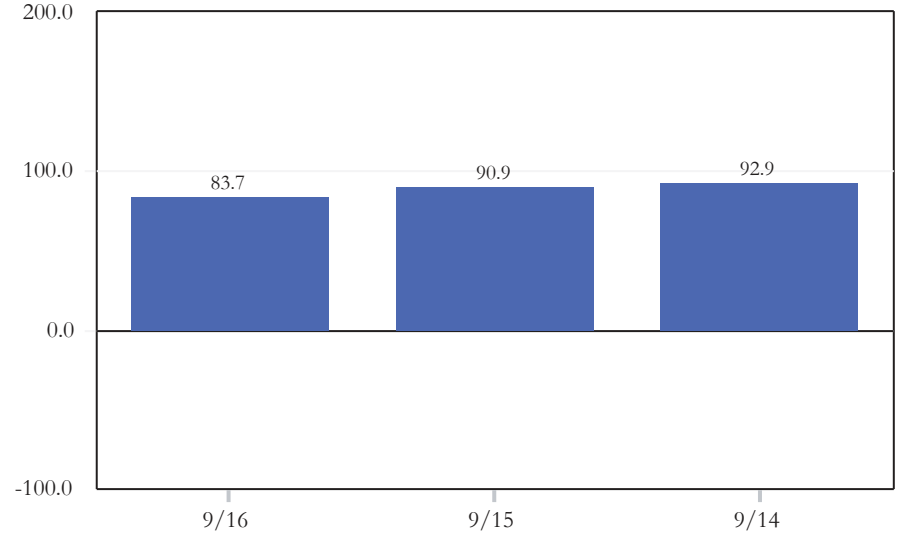
Sharpe Ratio



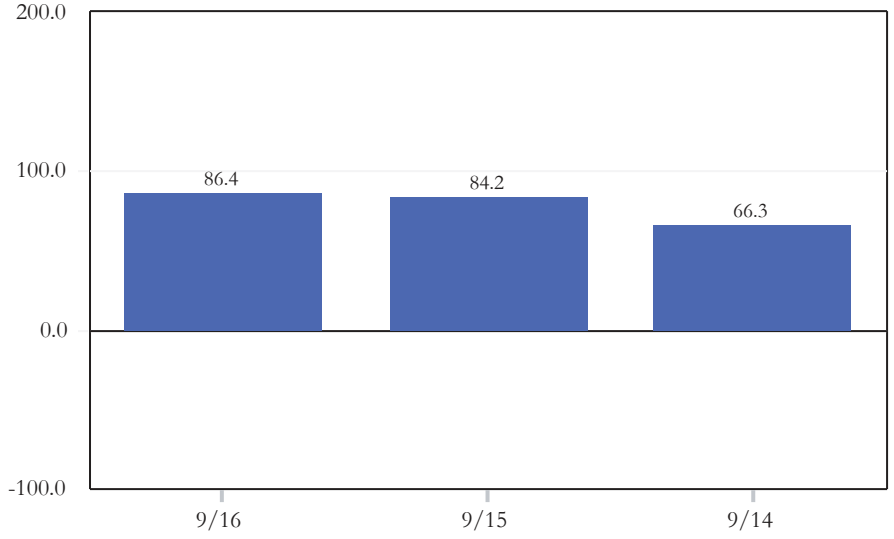
Beta



Up Market Capture



Down Market Capture



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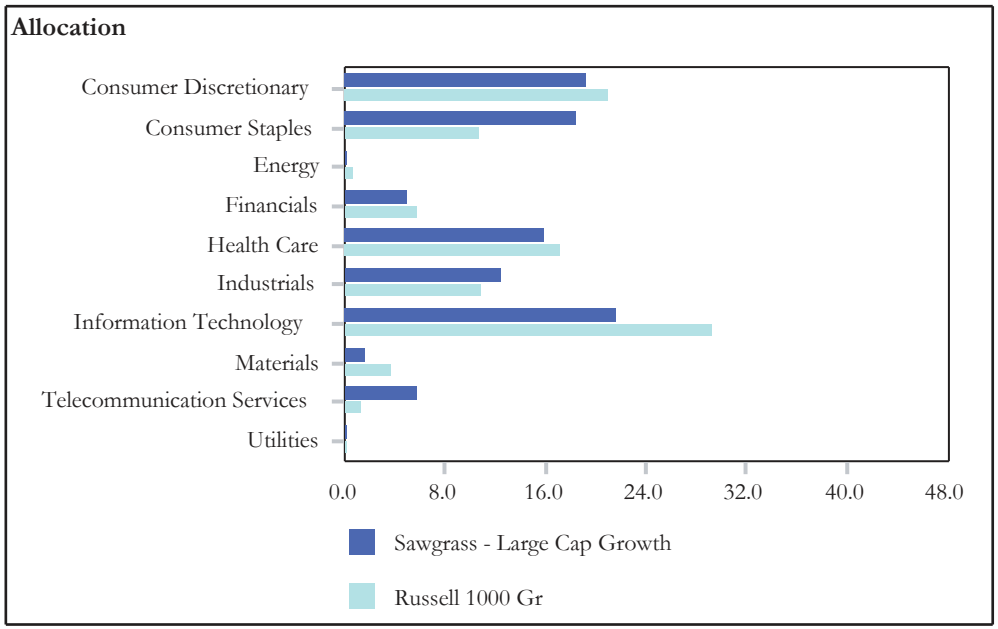
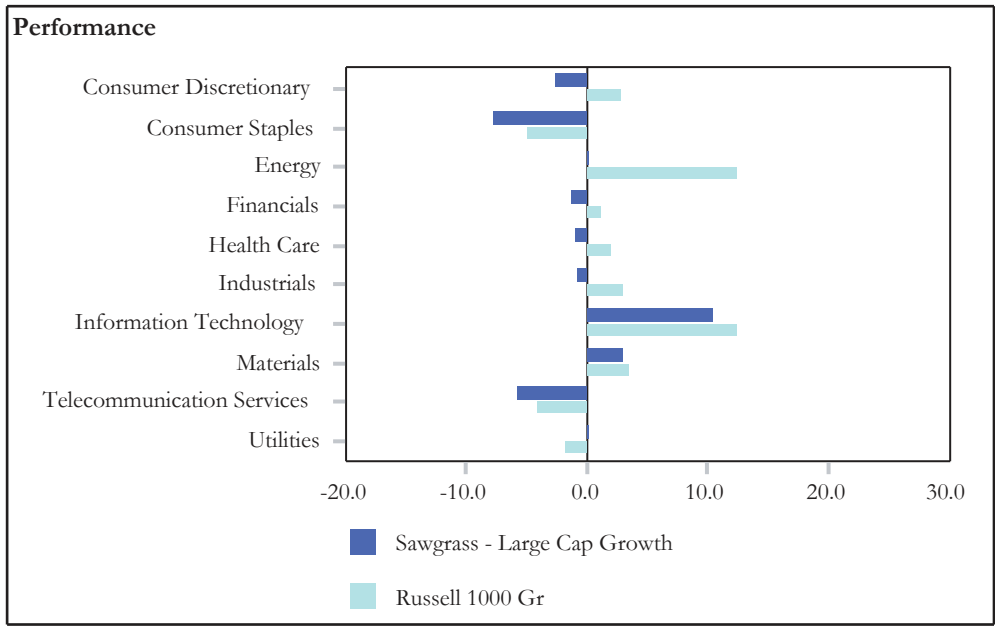
Graystone Consulting℠

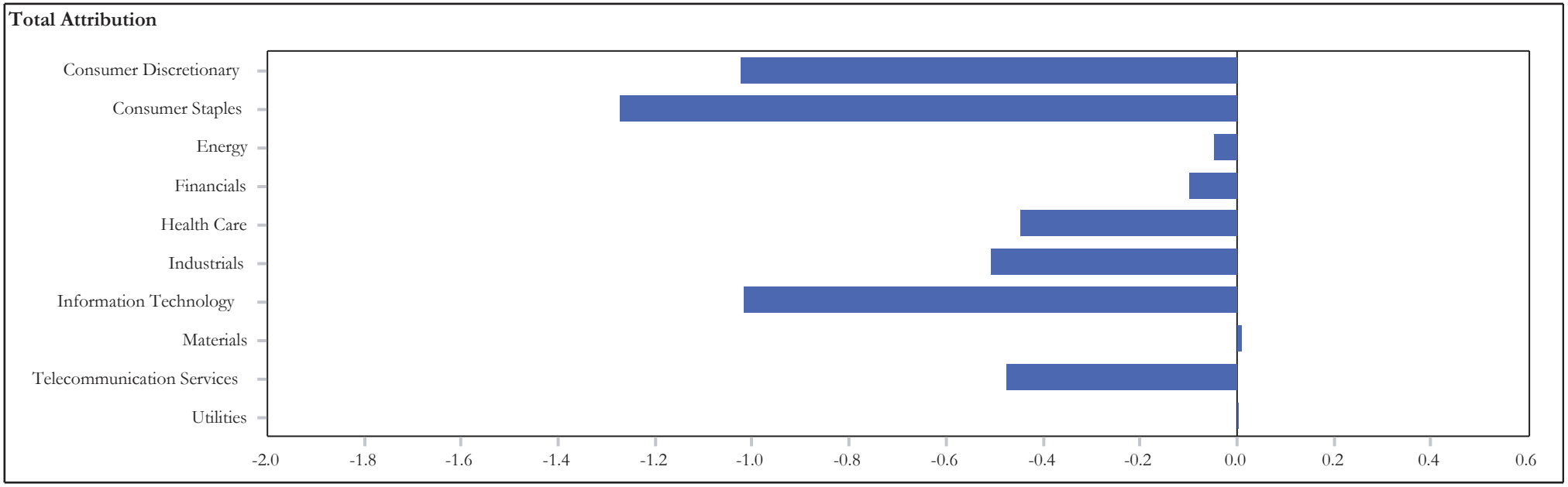
City of Ormond Beach

Sawgrass - Large Cap Growth - Quarterly Performance Attributes

as of September 30, 2016







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Graystone Consulting

City of Ormond Beach

Sawgrass - Large Cap Growth - Quarterly Performance Attributes

as of September 30, 2016

	Allocation - 07/01/2016		Performance - Quarter Ending September 30, 2016		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Consumer Discretionary	19.27	20.92	-2.65	2.80	0.03	-1.14	0.09	-1.02
Consumer Staples	18.49	10.61	-7.73	-4.88	-0.75	-0.30	-0.23	-1.27
Energy	0.00	0.58	0.00	12.47	-0.05	0.00	0.00	-0.05
Financials	4.97	5.74	-1.26	1.25	0.03	-0.14	0.02	-0.10
Health Care	15.92	17.12	-0.91	2.08	0.03	-0.51	0.04	-0.45
Industrials	12.47	10.77	-0.87	2.96	-0.03	-0.41	-0.07	-0.51
Information Technology	21.55	29.26	10.45	12.38	-0.60	-0.56	0.15	-1.02
Materials	1.64	3.61	2.94	3.56	0.02	-0.02	0.01	0.01
Telecommunication Services	5.69	1.33	-5.82	-4.15	-0.38	-0.02	-0.07	-0.48
Utilities	0.00	0.07	0.00	-1.77	0.00	0.00	0.00	0.00
Total	100.00	100.00	-0.29	4.58	-1.69	-3.12	-0.06	-4.87

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Graystone Consulting℠

City of Ormond Beach

Sawgrass - Large Cap Growth - Portfolio Characteristics

as of September 30, 2016

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($000)	157,946,255.36	147,012,431.35
Median Mkt. Cap ($000)	51,617,593.46	9,004,537.73
Price/Earnings ratio	21.63	23.31
Price/Book ratio	4.97	5.49
5 Yr. EPS Growth Rate (%)	9.73	11.74
Current Yield (%)	1.60	1.54
Beta (5 Years, Monthly)	0.98	1.00
Number of Stocks	48	599
Debt to Equity	2.21	1.69

Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Apple Inc	5.46	5.40	0.06	18.89
Microsoft Corp	5.28	4.15	1.13	13.27
Alphabet Inc	4.88	2.25	2.63	14.29
Verizon Communications Inc	3.78	1.01	2.77	-5.98
Comcast Corp	3.07	1.41	1.66	2.19
Laboratory Corporation of America Holdings	2.97	0.06	2.91	5.54
McDonald's Corp	2.94	0.96	1.98	-3.40
CVS Health Corp	2.88	0.86	2.02	-6.64
Coca-Cola Co (The)	2.87	1.17	1.70	-5.87
Costco Wholesale Corp	2.74	0.63	2.11	-2.63
% of Portfolio	36.87	17.90		

Ten Best Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Varian Medical Systems Inc	1.23	0.09	1.14	21.04
Apple Inc	5.46	5.40	0.06	18.89
Intel Corp	2.18	0.15	2.03	15.96
Mastercard Inc	2.61	0.93	1.68	15.82
FedEx Corp.	1.13	0.41	0.72	15.37
Alphabet Inc	4.88	2.25	2.63	14.29
Microsoft Corp	5.28	4.15	1.13	13.27
Abbott Laboratories	0.83	0.00	0.83	8.25
Citrix Systems Inc.	2.29	0.13	2.16	6.41
Celgene Corp	1.78	0.76	1.02	5.98
% of Portfolio	27.67	14.27		

Ten Worst Performers

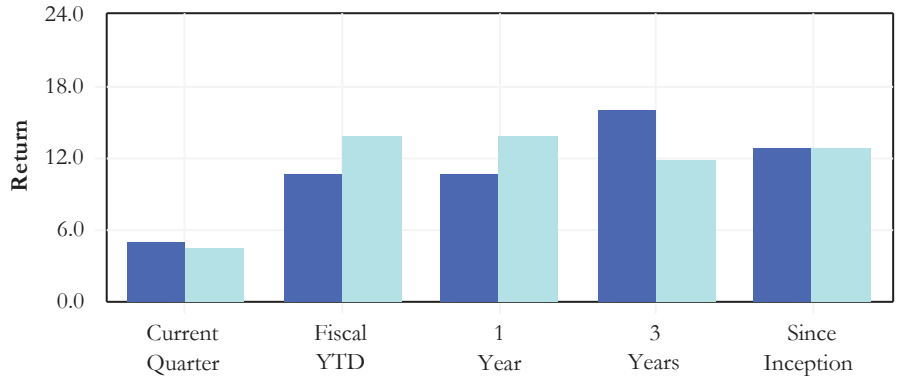
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Kroger Co. (The)	0.95	0.27	0.68	-19.03
Dollar Tree Inc	2.55	0.17	2.38	-16.25
McKesson Corp	1.89	0.36	1.53	-10.52
General Mills Inc.	1.36	0.36	1.00	-9.83
Henry Schein Inc	0.99	0.13	0.86	-7.82
Express Scripts Holding Co	0.71	0.37	0.34	-6.95
CVS Health Corp	2.88	0.86	2.02	-6.64
Verizon Communications Inc	3.78	1.01	2.77	-5.98
McCormick & Co Inc	1.43	0.11	1.32	-5.95
Coca-Cola Co (The)	2.87	1.17	1.70	-5.87
% of Portfolio	19.41	4.81		

City of Ormond Beach

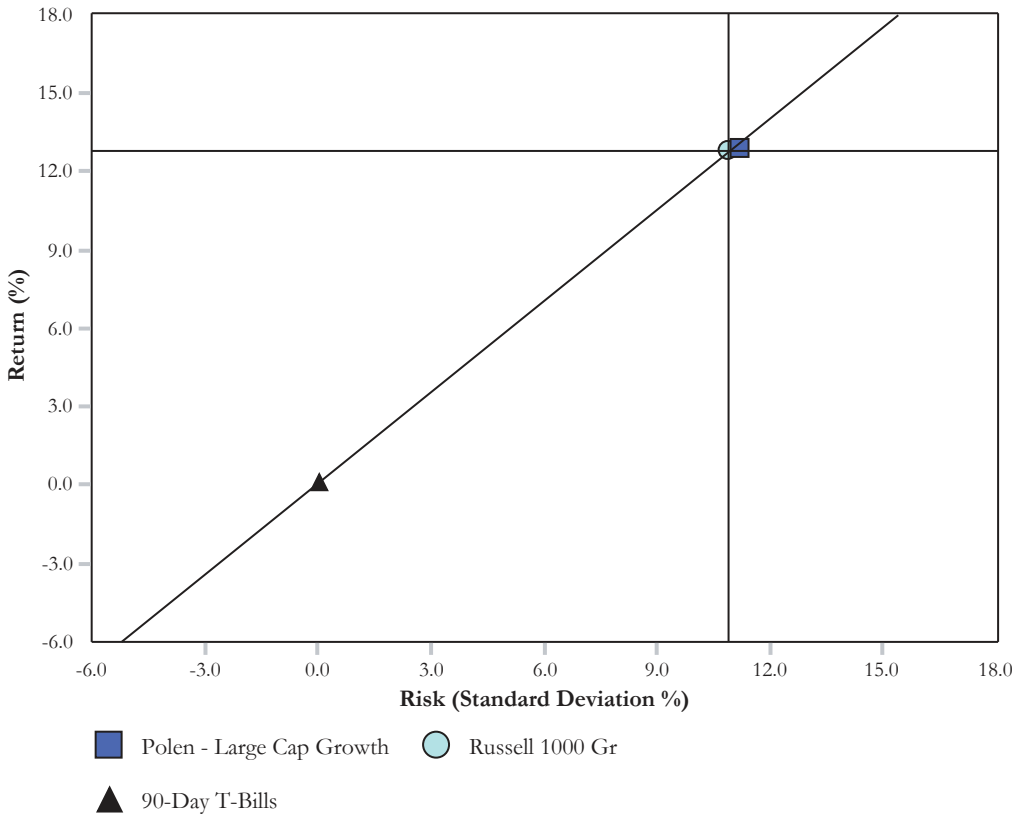
Polen - Large Cap Growth - Executive Summary

as of September 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	Since Inception	Inception Date
Polen - Large Cap Growth	5.00	10.69	10.69	15.94	12.91	05/01/2012
Russell 1000 Gr	4.58	13.76	13.76	11.83	12.79	
Differences	0.42	-3.07	-3.07	4.11	0.12	

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	3 Years	Since Inception	Inception Date
Polen - Large Cap Growth						05/01/2012
Beginning Market Value	5,477	5,408	5,408	4,010	3,683	
Net Contributions	-90	-292	-292	-465	-466	
Fees/Expenses	-8	-33	-33	-92	-118	
Income	9	53	53	156	217	
Gain/Loss	265	516	516	2,042	2,337	
Ending Market Value	5,652	5,652	5,652	5,652	5,652	

Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Polen - Large Cap Growth	12.91	11.20	0.93	-8.16	94.38	85.63	1.04	1.14	0.82	05/01/2012
Russell 1000 Gr	12.79	10.92	1.00	-8.39	100.00	100.00	0.00	1.15	1.00	05/01/2012

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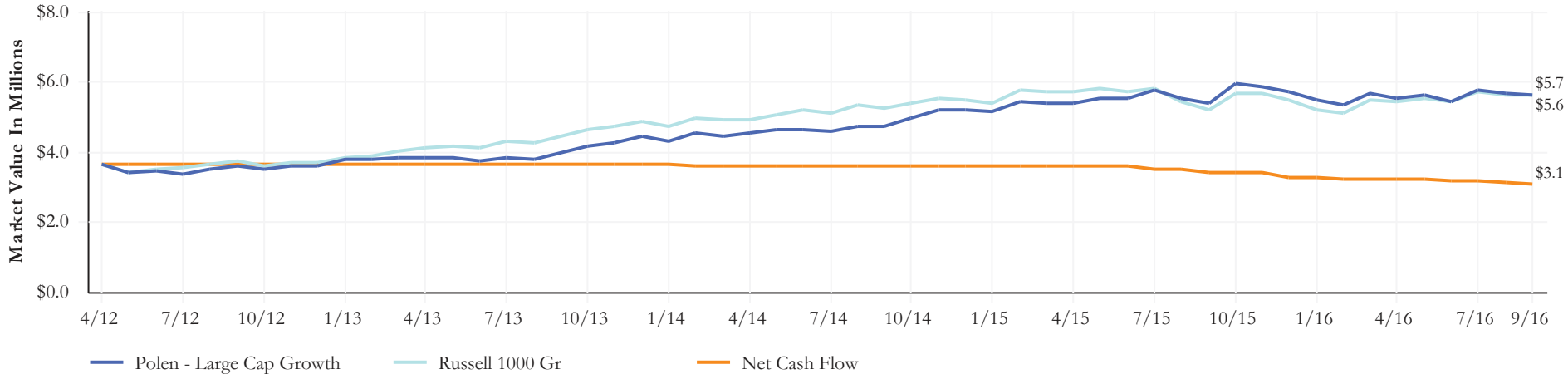
Graystone Consulting

City of Ormond Beach

Polen - Large Cap Growth - Change in Assets & Distribution of Returns

as of September 30, 2016

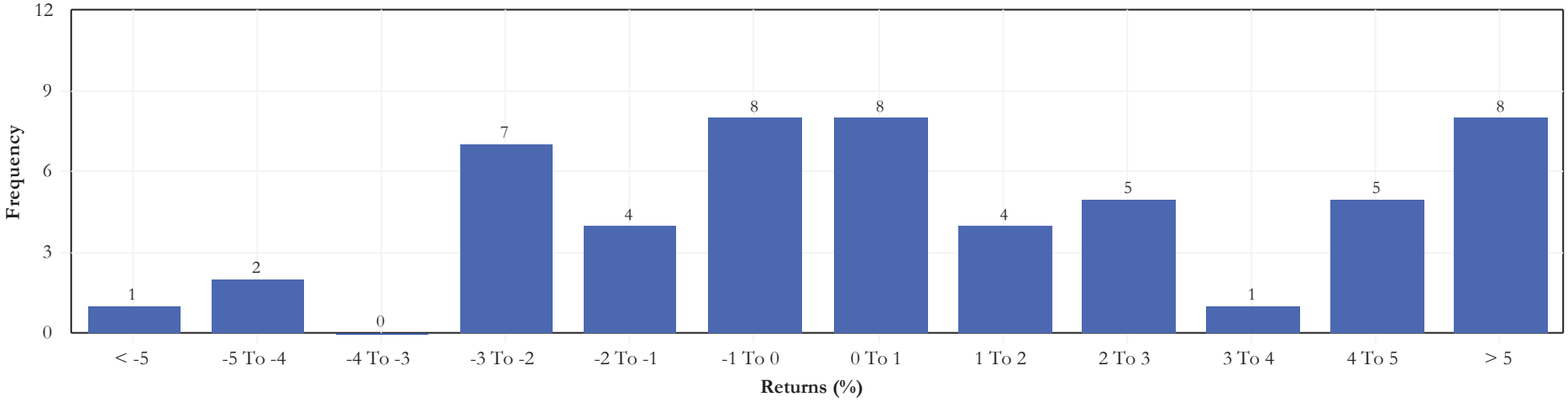
Historic Change in Assets



Quarterly Change in Assets

	Market Value As of 07/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 09/30/2016
Polen - Large Cap Growth	5,477,277.84	-	432,229.97	-522,674.79	-8,171.01	-	273,749.16	5,652,411.17

Distribution of Returns



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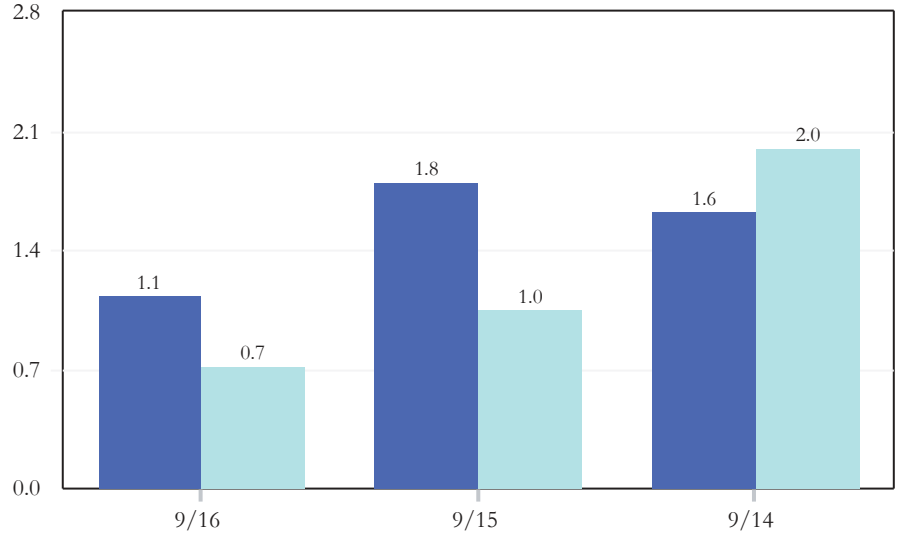
City of Ormond Beach

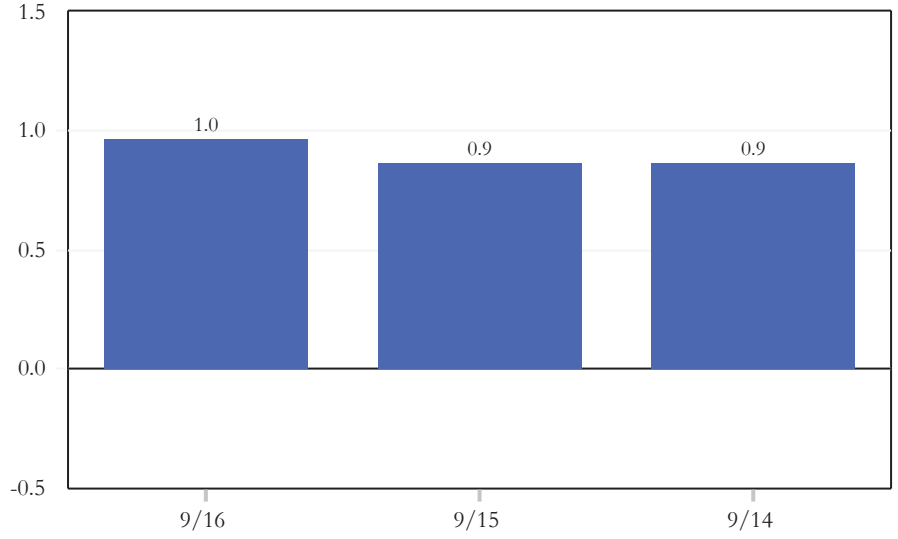
Polen - Large Cap Growth - Rolling Two Year MPT Statistics

as of September 30, 2016

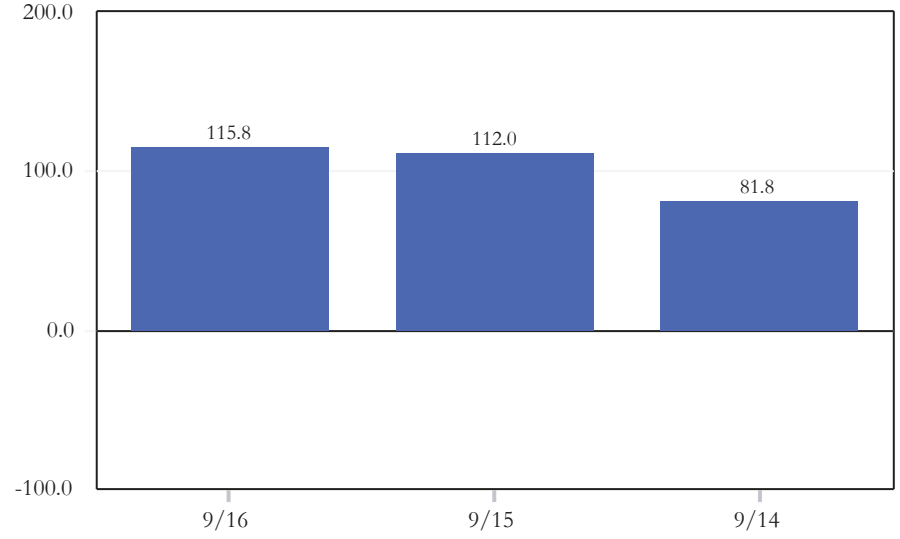
Sharpe Ratio



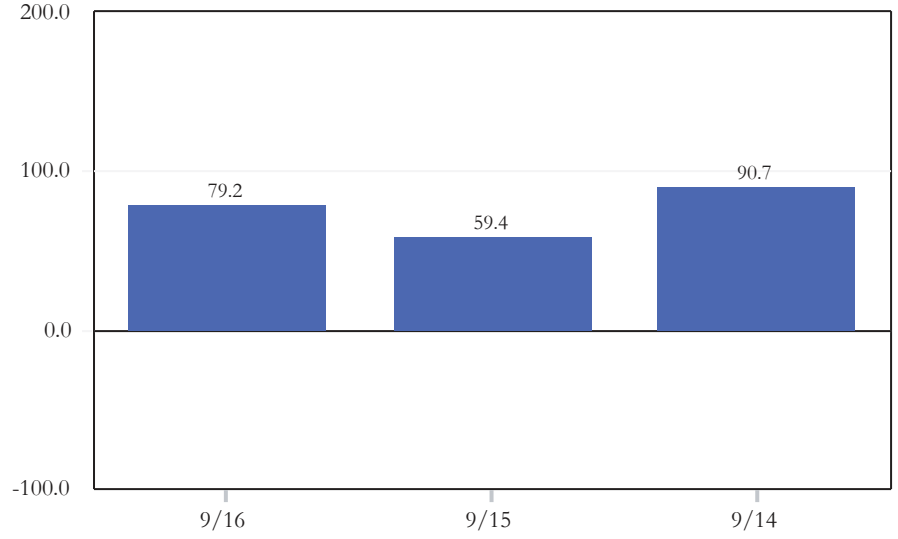
Beta



Up Market Capture



Down Market Capture



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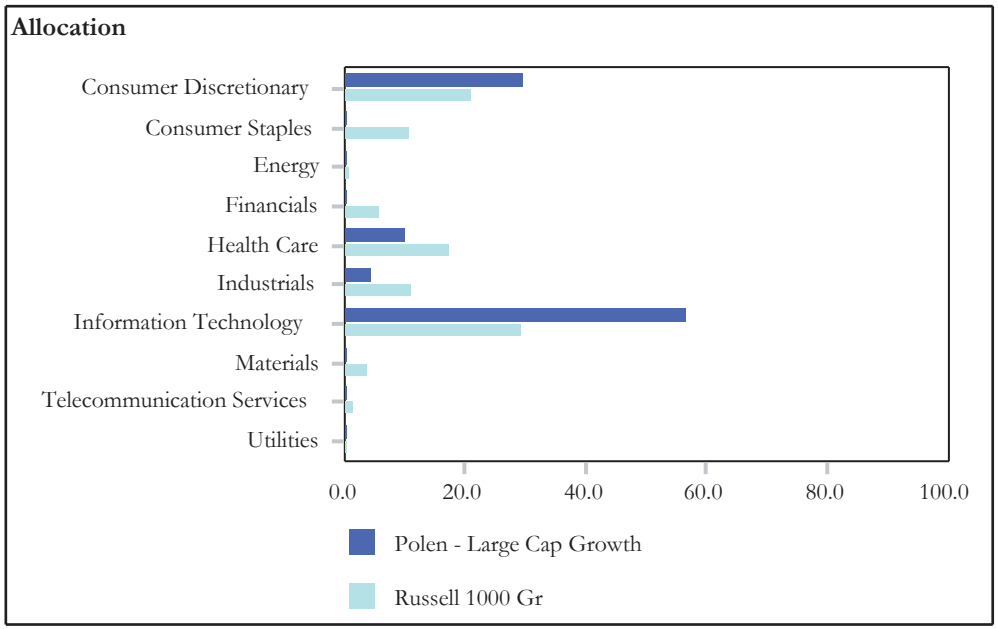
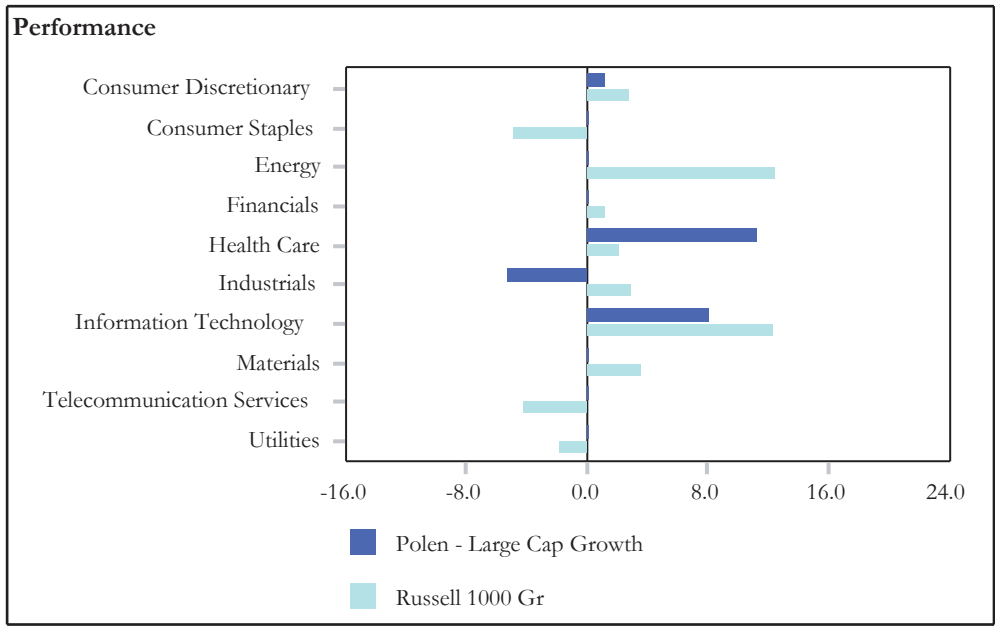
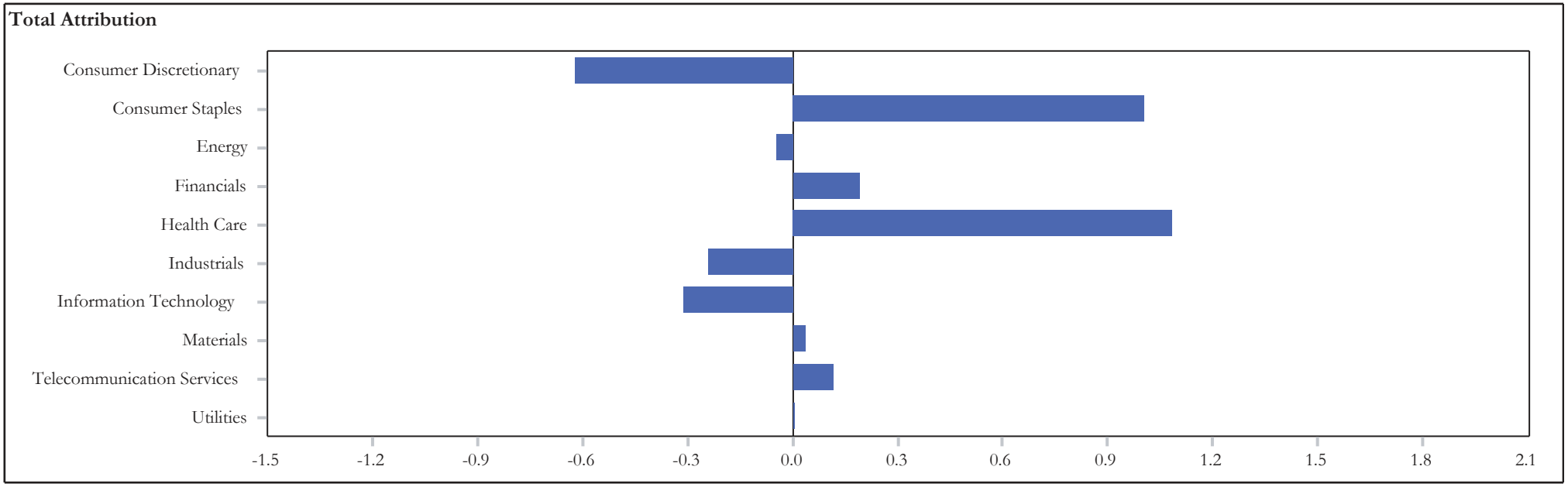
City of Ormond Beach

Polen - Large Cap Growth - Quarterly Performance Attributes

as of September 30, 2016







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City of Ormond Beach

Polen - Large Cap Growth - Quarterly Performance Attributes

as of September 30, 2016

	Allocation - 07/01/2016		Performance - Quarter Ending September 30, 2016		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Consumer Discretionary	29.36	20.92	1.21	2.80	-0.15	-0.33	-0.13	-0.62
Consumer Staples	0.00	10.61	0.00	-4.88	1.00	0.00	0.00	1.00
Energy	0.00	0.58	0.00	12.47	-0.05	0.00	0.00	-0.05
Financials	0.00	5.74	0.00	1.25	0.19	0.00	0.00	0.19
Health Care	9.82	17.12	11.28	2.08	0.18	1.57	-0.67	1.09
Industrials	4.22	10.77	-5.21	2.96	0.11	-0.88	0.53	-0.24
Information Technology	56.60	29.26	8.06	12.38	2.13	-1.26	-1.18	-0.31
Materials	0.00	3.61	0.00	3.56	0.04	0.00	0.00	0.04
Telecommunication Services	0.00	1.33	0.00	-4.15	0.12	0.00	0.00	0.12
Utilities	0.00	0.07	0.00	-1.77	0.00	0.00	0.00	0.00
Total	100.00	100.00	5.80	4.58	3.58	-0.90	-1.45	1.22

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City of Ormond Beach

Polen - Large Cap Growth - Portfolio Characteristics

as of September 30, 2016

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($000)	165,737,549.91	147,012,431.35
Median Mkt. Cap ($000)	74,393,646.19	9,004,537.73
Price/Earnings ratio	28.54	23.31
Price/Book ratio	6.94	5.49
5 Yr. EPS Growth Rate (%)	16.68	11.74
Current Yield (%)	0.74	1.54
Beta (3 Years, Monthly)	0.94	1.00
Number of Stocks	21	599
Debt to Equity	-0.06	1.69

Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Visa Inc	8.58	1.50	7.08	11.69
Facebook Inc	7.42	2.74	4.68	12.24
Alphabet Inc	7.05	2.19	4.86	12.31
Nike Inc	6.45	0.66	5.79	-4.36
Priceline Group Inc (The)	6.35	0.69	5.66	17.87
Starbucks Corp	6.06	0.73	5.33	-4.88
Accenture PLC	5.81	0.72	5.09	7.84
Adobe Systems Inc	5.41	0.50	4.91	13.31
TJX Companies Inc (The)	5.35	0.47	4.88	-2.86
Alphabet Inc	5.04	2.25	2.79	14.29
% of Portfolio	63.52	12.45		

Ten Best Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Apple Inc	4.21	5.40	-1.19	18.89
Priceline Group Inc (The)	6.35	0.69	5.66	17.87
Align Technology Inc	2.01	0.06	1.95	16.39
Mastercard Inc	2.21	0.93	1.28	15.82
Regeneron Pharma	4.02	0.30	3.72	15.12
Alphabet Inc	5.04	2.25	2.79	14.29
Adobe Systems Inc	5.41	0.50	4.91	13.31
Alphabet Inc	7.05	2.19	4.86	12.31
Facebook Inc	7.42	2.74	4.68	12.24
Visa Inc	8.58	1.50	7.08	11.69
% of Portfolio	52.30	16.56		

Ten Worst Performers

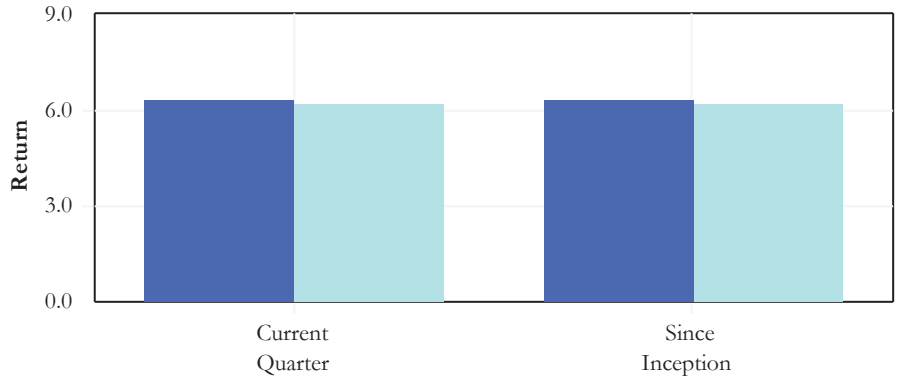
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Dollar General Corp	1.57	0.19	1.38	-25.28
Gartner Inc	3.47	0.07	3.40	-9.20
Starbucks Corp	6.06	0.73	5.33	-4.88
Nike Inc	6.45	0.66	5.79	-4.36
Oracle Corp	4.99	0.11	4.88	-3.68
Automatic Data Processing Inc.	4.98	0.38	4.60	-3.43
TJX Companies Inc (The)	5.35	0.47	4.88	-2.86
O'Reilly Automotive Inc	4.52	0.25	4.27	3.32
Celgene Corp	4.49	0.76	3.73	5.98
Accenture PLC	5.81	0.72	5.09	7.84
% of Portfolio	47.69	4.34		

City of Ormond Beach

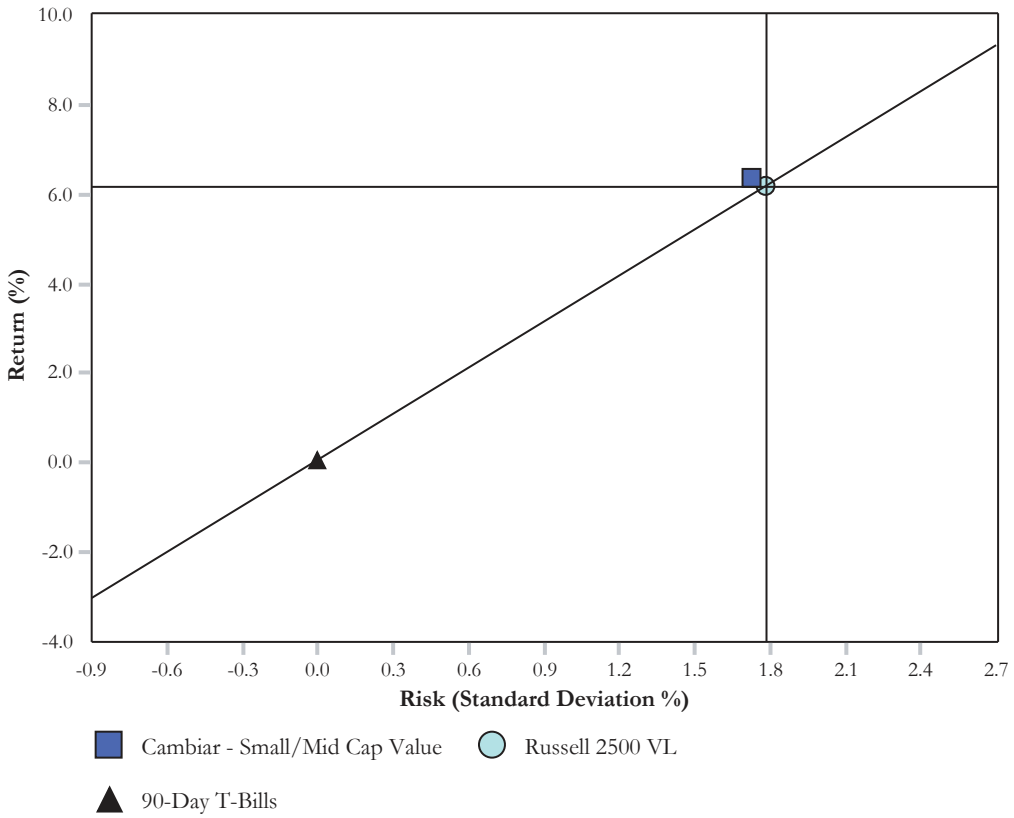
Cambiar - SMID Value - Executive Summary

as of September 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Since Inception
Cambiar - Small/Mid Cap Value	6.34	6.34
Russell 2500 VL	6.18	6.18
Differences	0.16	0.16

Historic Asset Growth

	Current Quarter	Since Inception
Cambiar - SMID Cap Value		
Beginning Market Value	2,051	2,051
Net Contributions	3	3
Fees/Expenses	-1	-1
Income	8	8
Gain/Loss	123	123
Ending Market Value	2,184	2,184

Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Cambiar / GW Capital - Small/Mid Cap Value	6.34	1.73	0.75	-0.24	102.56	N/A	0.55	1.19	0.61	07/01/2016
Russell 2500 VL	6.18	1.78	1.00	0.00	100.00	N/A	0.00	1.13	1.00	07/01/2016

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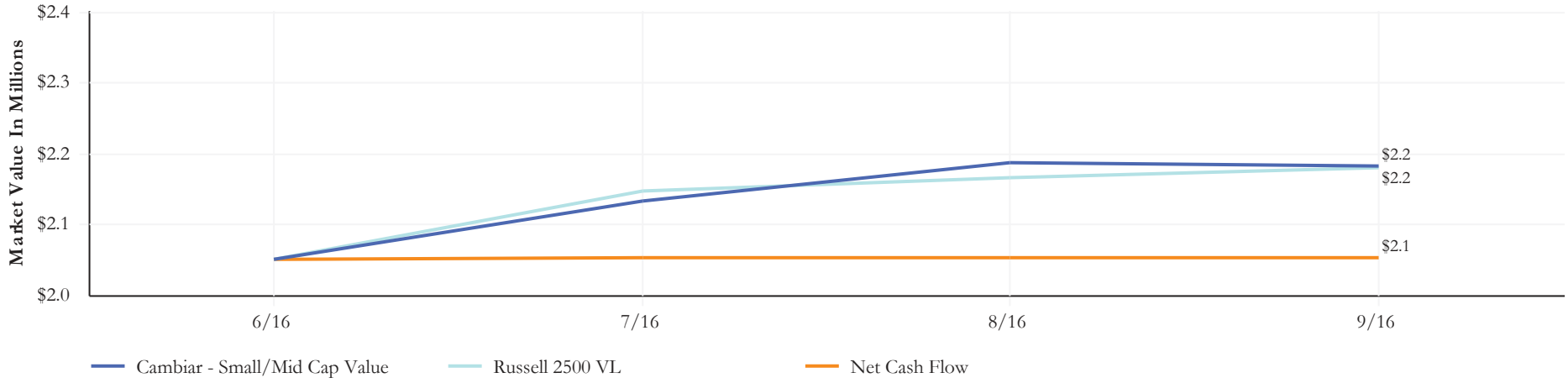
Graystone Consulting

City of Ormond Beach

Cambiar - SMID Value - Change in Assets & Distribution of Returns

as of September 30, 2016

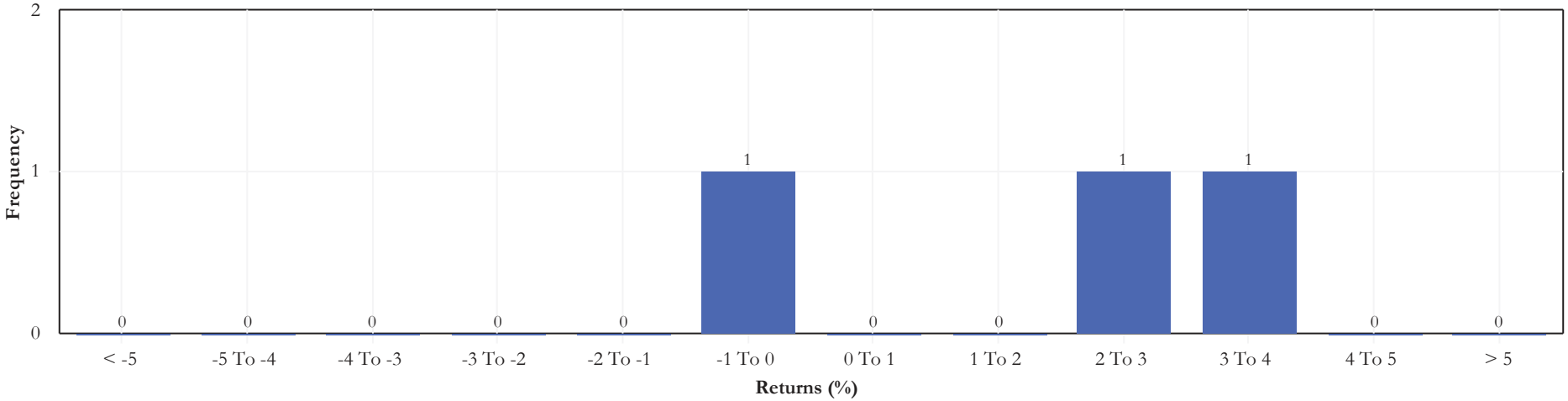
Historic Change in Assets



Quarterly Change in Assets

	Market Value As of 07/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 09/30/2016
Cambiar - Small/Mid Cap Value	2,051,087.58	-	552,826.94	-549,557.50	-658.17	-	130,189.42	2,183,888.27

Distribution of Returns



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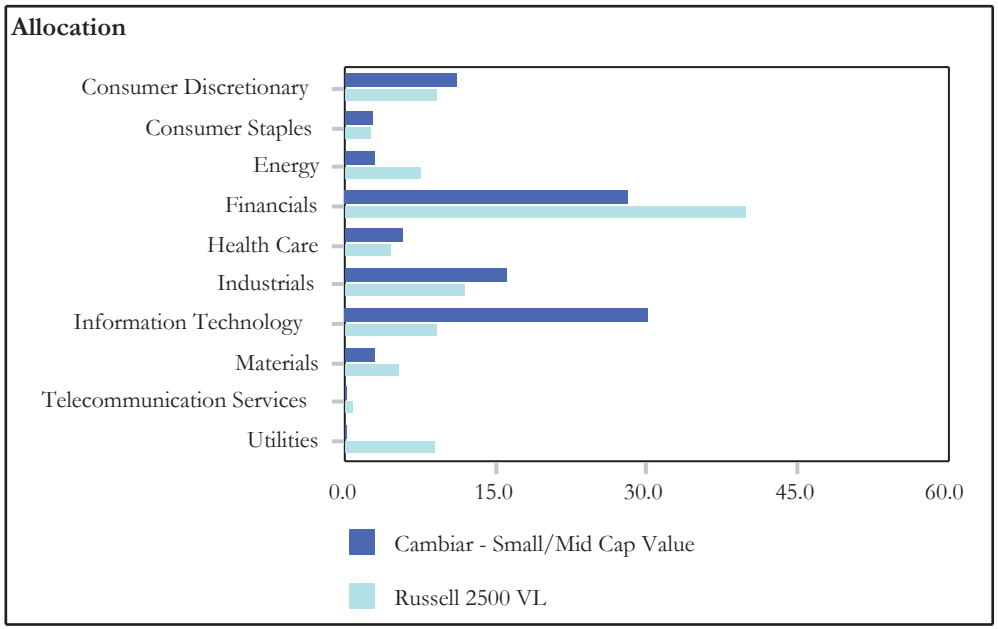
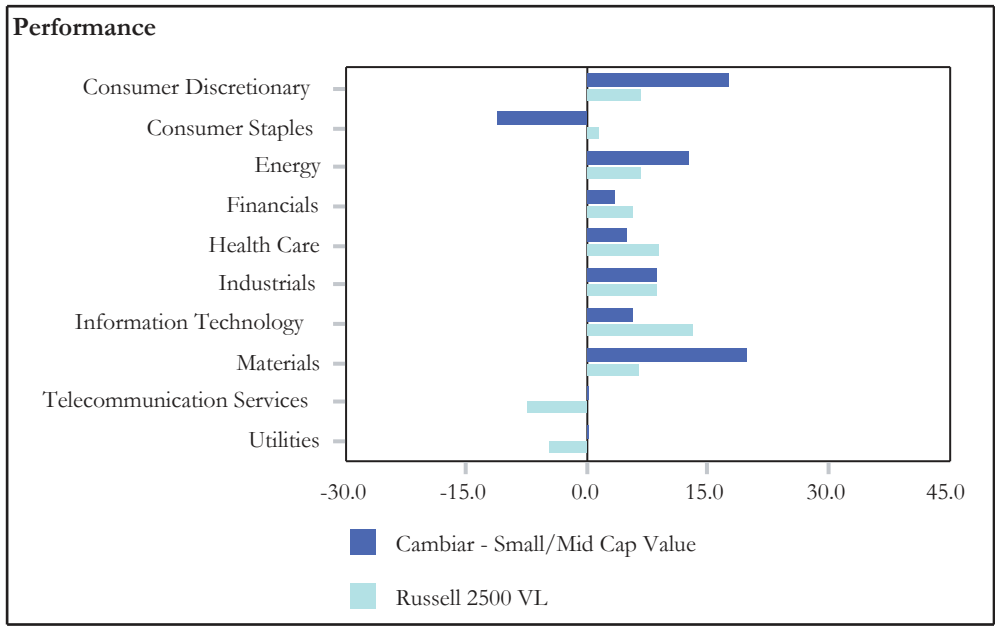
Graystone Consulting

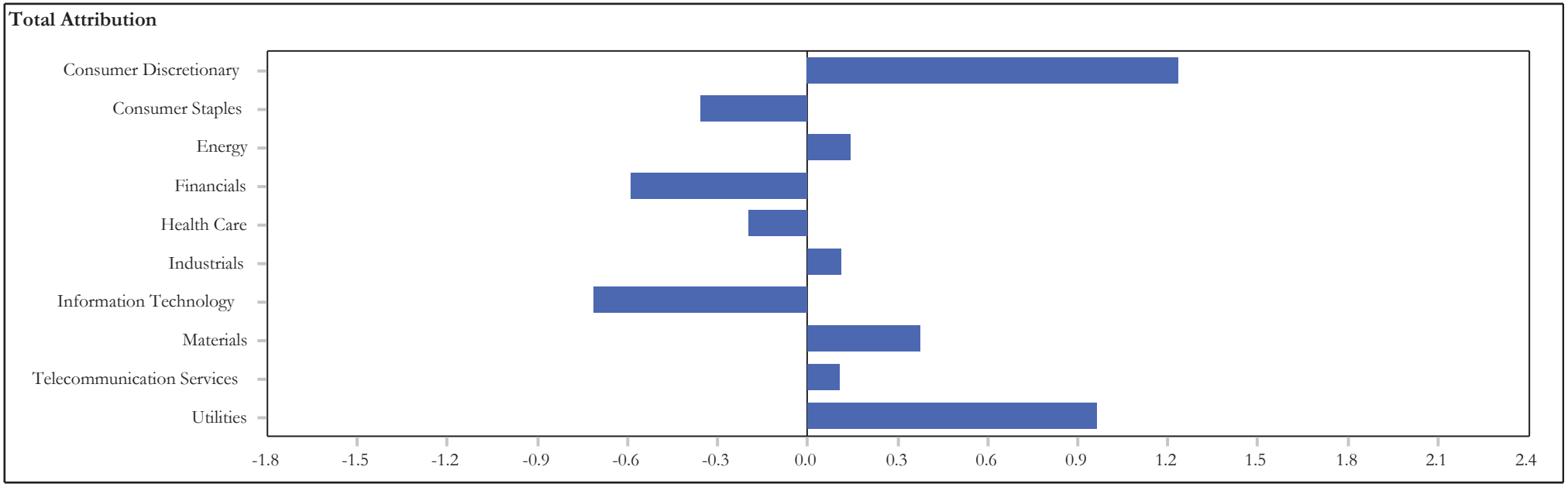
City of Ormond Beach

Cambiar - Small/Mid Cap Value - Quarterly Performance Attributes

as of September 30, 2016







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Graystone Consulting

City of Ormond Beach

Cambiar - Small/Mid Cap Value - Quarterly Performance Attributes

as of September 30, 2016

	Allocation - 07/01/2016		Performance - Quarter Ending September 30, 2016		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Consumer Discretionary	11.09	9.18	17.72	6.70	0.01	1.01	0.21	1.24
Consumer Staples	2.75	2.58	-11.03	1.63	-0.01	-0.33	-0.02	-0.36
Energy	2.89	7.54	12.68	6.66	-0.03	0.45	-0.28	0.14
Financials	28.22	39.94	3.64	5.81	0.02	-0.87	0.25	-0.59
Health Care	5.70	4.58	4.98	9.07	0.03	-0.19	-0.05	-0.20
Industrials	16.12	12.01	8.69	8.65	0.11	0.00	0.00	0.11
Information Technology	30.29	9.04	5.84	13.32	1.55	-0.68	-1.59	-0.71
Materials	2.93	5.34	19.84	6.63	-0.01	0.71	-0.32	0.37
Telecommunication Services	0.00	0.80	0.00	-7.28	0.11	0.00	0.00	0.11
Utilities	0.00	9.00	0.00	-4.64	0.96	0.00	0.00	0.96
Total	100.00	100.00	7.09	6.02	2.74	0.12	-1.79	1.08

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City of Ormond Beach

Cambiar - Small/Mid Cap Value - Portfolio Characteristics

as of September 30, 2016

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($000)	6,049,667.23	3,896,424.03
Median Mkt. Cap ($000)	5,093,700.36	926,356.86
Price/Earnings ratio	17.57	17.84
Price/Book ratio	2.53	1.78
5 Yr. EPS Growth Rate (%)	11.15	9.40
Current Yield (%)	1.71	2.13
Beta (5 Years, Monthly)	1.03	1.00
Number of Stocks	39	1,691
Debt to Equity	0.88	0.79

Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Microsemi Corp	3.02	0.00	3.02	28.46
News Corp	2.99	0.00	2.99	24.06
Harley-Davidson Inc.	2.94	0.00	2.94	16.90
Leidos Holdings Inc	2.93	0.14	2.79	23.39
Cimarex Energy Co.	2.85	0.00	2.85	12.68
Zions Bancorporation	2.83	0.31	2.52	23.78
Reinsurance Group of Amer.	2.81	0.34	2.47	11.74
IAC/InterActiveCorp	2.77	0.05	2.72	10.96
Harman International	2.76	0.16	2.60	18.07
LKQ Corp	2.70	0.00	2.70	11.86
% of Portfolio	28.60	1.00		

Ten Best Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Microsemi Corp	3.02	0.00	3.02	28.46
News Corp	2.99	0.00	2.99	24.06
Zions Bancorporation	2.83	0.31	2.52	23.78
Leidos Holdings Inc	2.93	0.14	2.79	23.39
Harman International	2.76	0.16	2.60	18.07
PTC Inc	2.64	0.14	2.50	17.91
Harley-Davidson Inc.	2.94	0.00	2.94	16.90
Wabtec Corp	2.69	0.00	2.69	16.42
Maxim Integrated Products Inc.	2.62	0.00	2.62	12.80
Cimarex Energy Co.	2.85	0.00	2.85	12.68
% of Portfolio	28.27	0.75		

Ten Worst Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Verifone Systems Inc	2.13	0.00	2.13	-15.10
Whole Foods Market Inc	2.13	0.00	2.13	-11.03
Norwegian Cruise Line Holdings Ltd	2.45	0.00	2.45	-5.37
Colony Starwood Homes	2.40	0.09	2.31	-4.95
New York Community Bancorp Inc.	2.34	0.00	2.34	-3.95
Endurance Specialty Ltd	2.44	0.21	2.23	-1.97
Umpqua Holdings Corp	2.44	0.16	2.28	-1.68
Williams-Sonoma Inc.	2.58	0.00	2.58	-1.34
Premier Inc	2.61	0.05	2.56	-1.10
BankUnited Inc	2.46	0.15	2.31	-1.04
% of Portfolio	23.98	0.66		

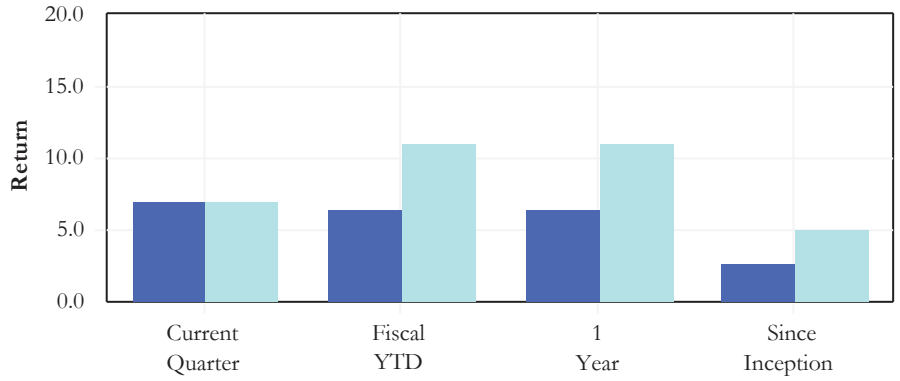
Graystone Consulting℠

City of Ormond Beach

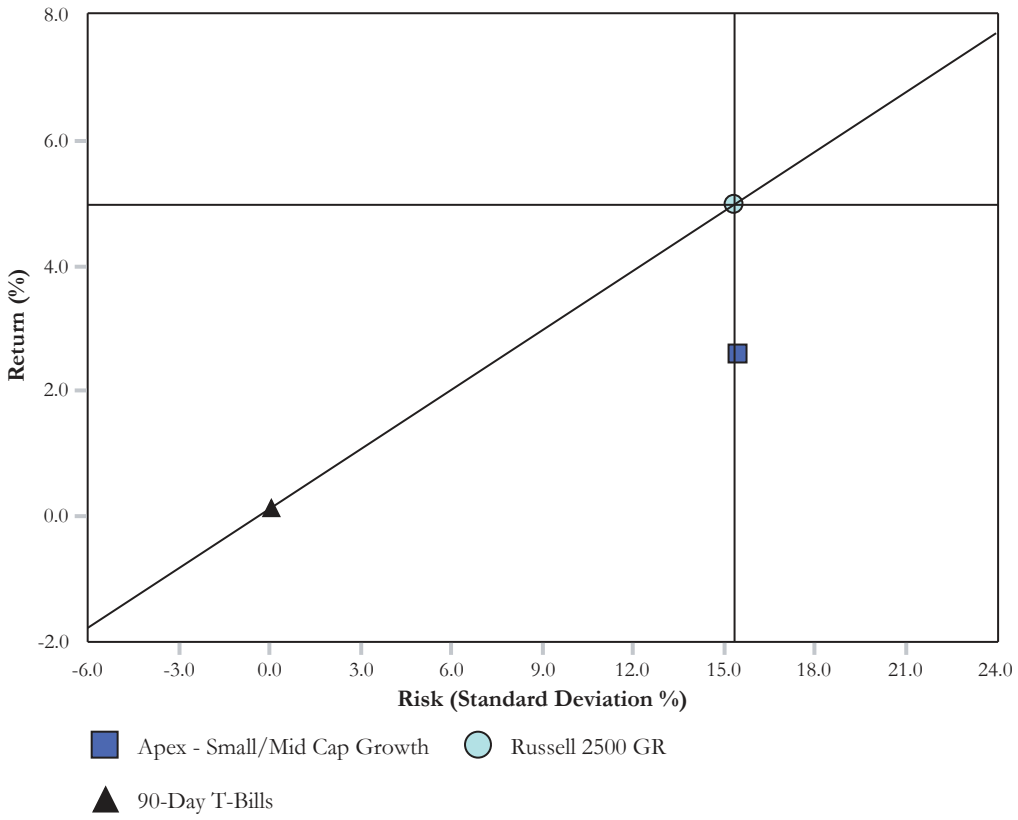
Apex - Small/Mid Cap Growth - Executive Summary

as of September 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Since Inception	Inception Date
Apex - Small/Mid Cap Growth	6.97	6.37	6.37	2.59	02/01/2015
Russell 2500 GR	6.99	11.03	11.03	4.96	
Differences	-0.02	-4.66	-4.66	-2.37	

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Since Inception	Inception Date
Apex - Small/Mid Cap Growth					02/01/2015
Beginning Market Value	2,146	2,242	2,242	2,341	
Net Contributions	-	-76	-76	-131	
Fees/Expenses	-3	-13	-13	-21	
Income	3	14	14	22	
Gain/Loss	147	126	126	81	
Ending Market Value	2,292	2,292	2,292	2,292	

Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Apex - Small/Mid Cap Growth	2.59	15.52	1.00	-20.24	92.54	102.84	-2.20	0.24	0.97	02/01/2015
Russell 2500 GR	4.96	15.33	1.00	-17.77	100.00	100.00	0.00	0.39	1.00	02/01/2015

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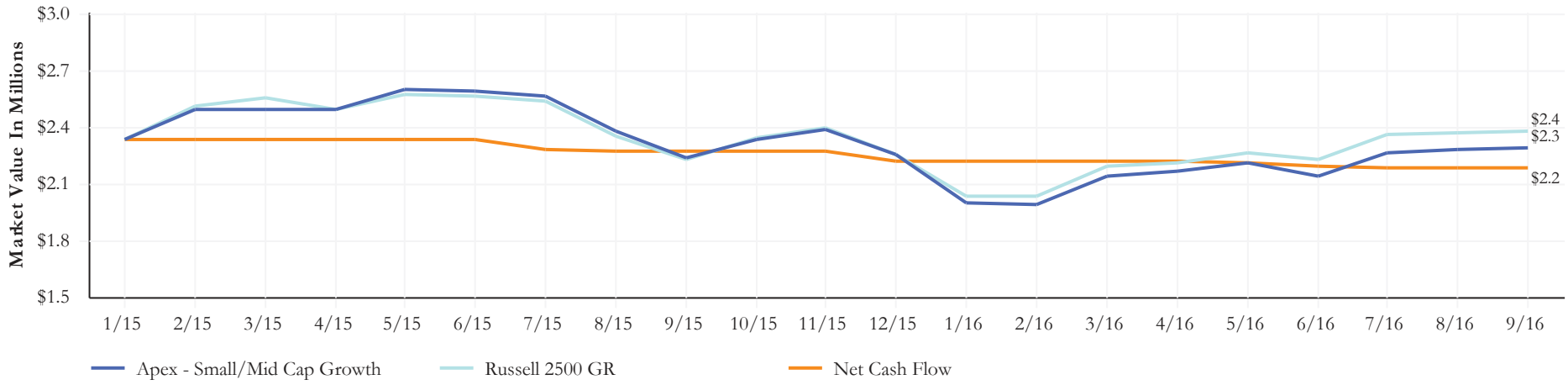
Graystone Consulting

City of Ormond Beach

Apex - Small Growth - Change in Assets & Distribution of Returns

as of September 30, 2016

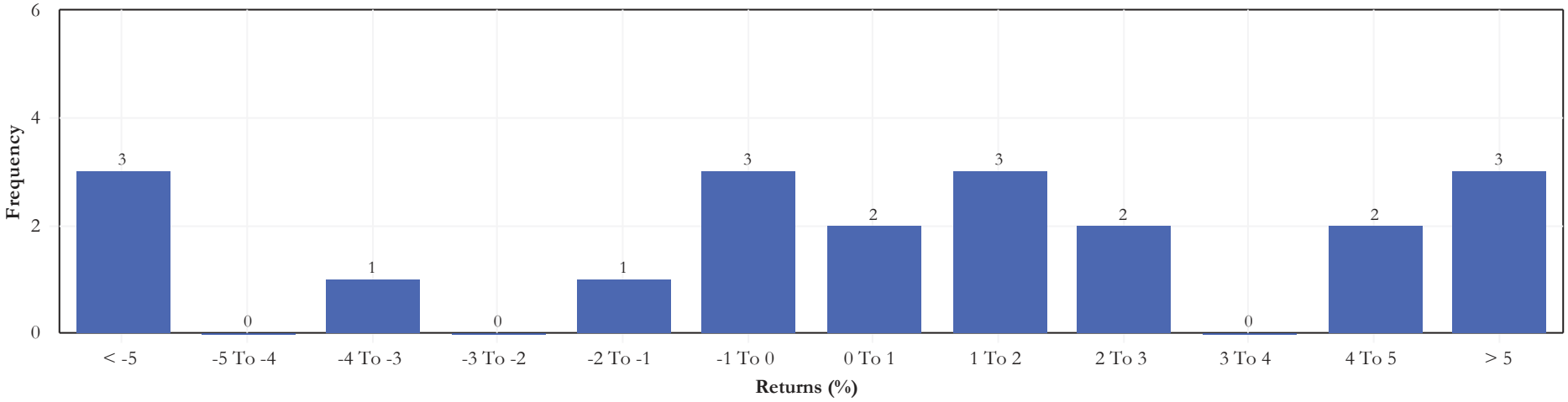
Historic Change in Assets



Quarterly Change in Assets

	Market Value As of 07/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 09/30/2016
Apex - Small/Mid Cap Growth	2,146,166.43	-	374,224.99	-374,399.33	-3,244.39	-	149,469.78	2,292,217.48

Distribution of Returns



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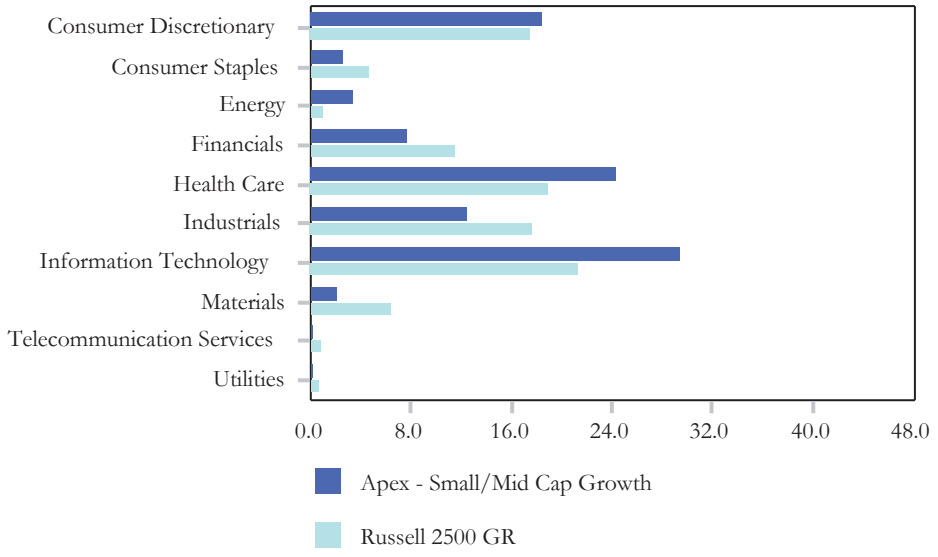
City of Ormond Beach

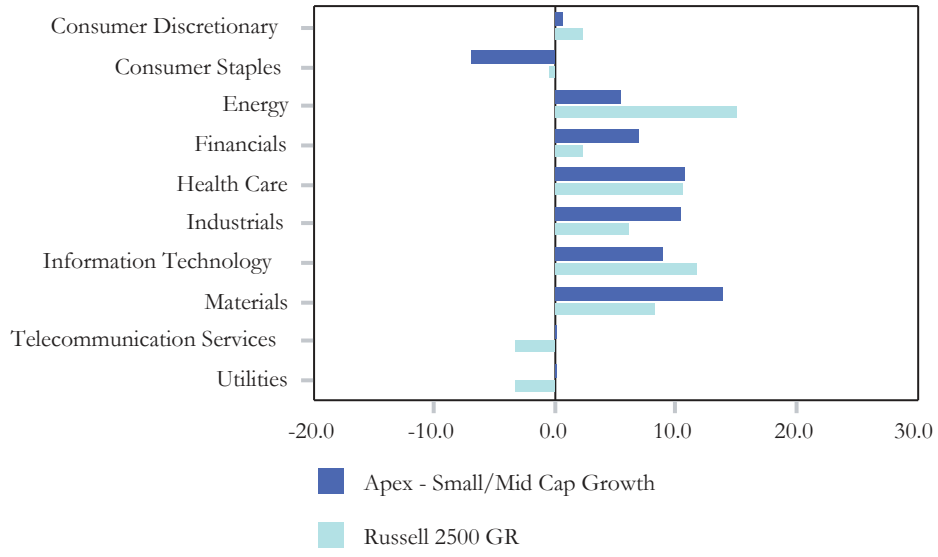
Apex - Small/Mid Cap Growth - Quarterly Performance Attributes

as of September 30, 2016

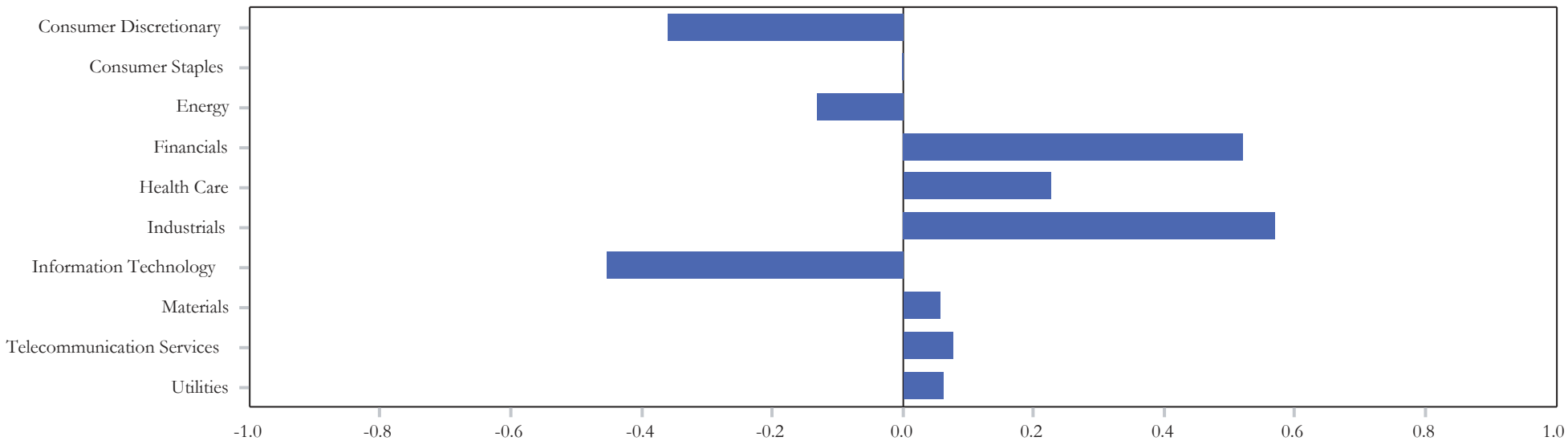
Allocation



Performance



Total Attribution



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City of Ormond Beach

Apex - Small/Mid Cap Growth - Quarterly Performance Attributes

as of September 30, 2016

	Allocation - 07/01/2016		Performance - Quarter Ending September 30, 2016		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Consumer Discretionary	18.51	17.49	0.71	2.41	-0.05	-0.30	-0.02	-0.36
Consumer Staples	2.46	4.61	-6.87	-0.43	0.16	-0.30	0.14	0.00
Energy	3.26	1.02	5.47	15.12	0.18	-0.10	-0.22	-0.13
Financials	7.58	11.39	7.03	2.40	0.17	0.53	-0.18	0.52
Health Care	24.39	18.91	10.74	10.66	0.20	0.02	0.00	0.23
Industrials	12.37	17.59	10.45	6.15	0.04	0.75	-0.22	0.57
Information Technology	29.37	21.25	8.93	11.83	0.40	-0.62	-0.24	-0.45
Materials	2.06	6.39	13.98	8.31	-0.06	0.36	-0.25	0.06
Telecommunication Services	0.00	0.75	0.00	-3.34	0.08	0.00	0.00	0.08
Utilities	0.00	0.61	0.00	-3.29	0.06	0.00	0.00	0.06
Total	100.00	100.00	7.50	6.92	1.19	0.35	-0.97	0.57

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City of Ormond Beach

Apex - Small/Mid Cap Growth - Portfolio Characteristics

as of September 30, 2016

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($000)	5,976,615.44	4,175,149.92
Median Mkt. Cap ($000)	4,959,571.12	1,201,523.53
Price/Earnings ratio	24.03	24.69
Price/Book ratio	4.54	4.27
5 Yr. EPS Growth Rate (%)	13.05	12.80
Current Yield (%)	0.50	0.96
Beta (5 Years, Monthly)	0.95	1.00
Number of Stocks	74	1,442
Debt to Equity	-1.64	0.54

Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
MercadoLibre Inc	3.19	0.00	3.19	31.60
Foot Locker Inc.	2.66	0.44	2.22	24.03
First Republic Bank	2.45	0.00	2.45	10.42
Align Technology Inc	2.35	0.36	1.99	16.39
F5 Networks Inc	2.00	0.00	2.00	9.49
Sabre Corp	1.97	0.31	1.66	5.70
DexCom Inc	1.95	0.39	1.56	10.50
Centene Corp	1.85	0.00	1.85	-6.18
CBRE Group Inc	1.85	0.00	1.85	5.67
Middleby Corp (The)	1.83	0.38	1.45	7.26
% of Portfolio	22.10	1.88		

Ten Best Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Ionis Pharmaceuticals Inc	1.14	0.24	0.90	57.32
Radius Health Inc	0.90	0.09	0.81	47.18
KapStone Paper & Packaging Corp	0.94	0.01	0.93	46.20
Arista Networks Inc	1.23	0.18	1.05	32.15
MercadoLibre Inc	3.19	0.00	3.19	31.60
Hawaiian Holdings Inc.	1.42	0.14	1.28	28.03
Power Integrations Inc	1.24	0.09	1.15	26.16
Advanced Energy Industries Inc.	1.05	0.09	0.96	24.66
Foot Locker Inc.	2.66	0.44	2.22	24.03
China Lodging Group Ltd	0.92	0.00	0.92	23.77
% of Portfolio	14.69	1.28		

Ten Worst Performers

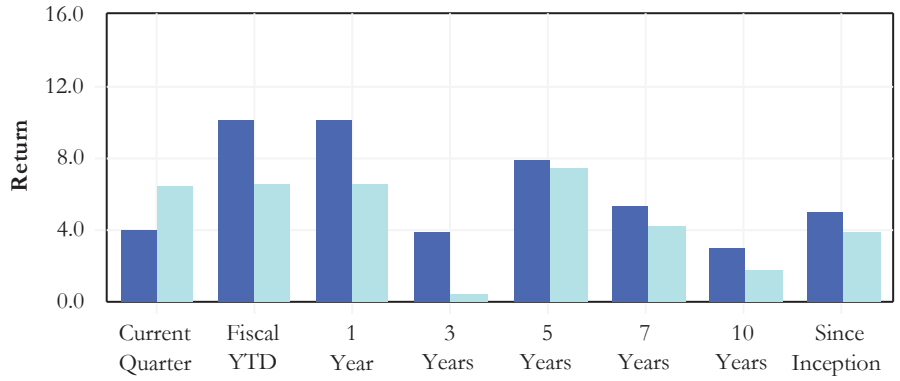
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Carter's Inc.	1.28	0.23	1.05	-18.28
Dave & Buster's Entertainment Inc	0.98	0.08	0.90	-16.26
Michaels Companies Inc (The)	1.14	0.09	1.05	-15.02
Jazz Pharmaceuticals Plc	1.32	0.00	1.32	-14.03
Prestige Brands Holdings Inc	0.86	0.14	0.72	-12.87
Total System Services Inc.	1.67	0.00	1.67	-11.03
Genpact Ltd	0.89	0.19	0.70	-10.77
Manhattan Associates Inc	0.99	0.22	0.77	-10.15
Ophthotech Corp	0.86	0.07	0.79	-9.60
Boston Beer Co Inc. (The)	0.92	0.07	0.85	-9.22
% of Portfolio	10.91	1.09		

City of Ormond Beach

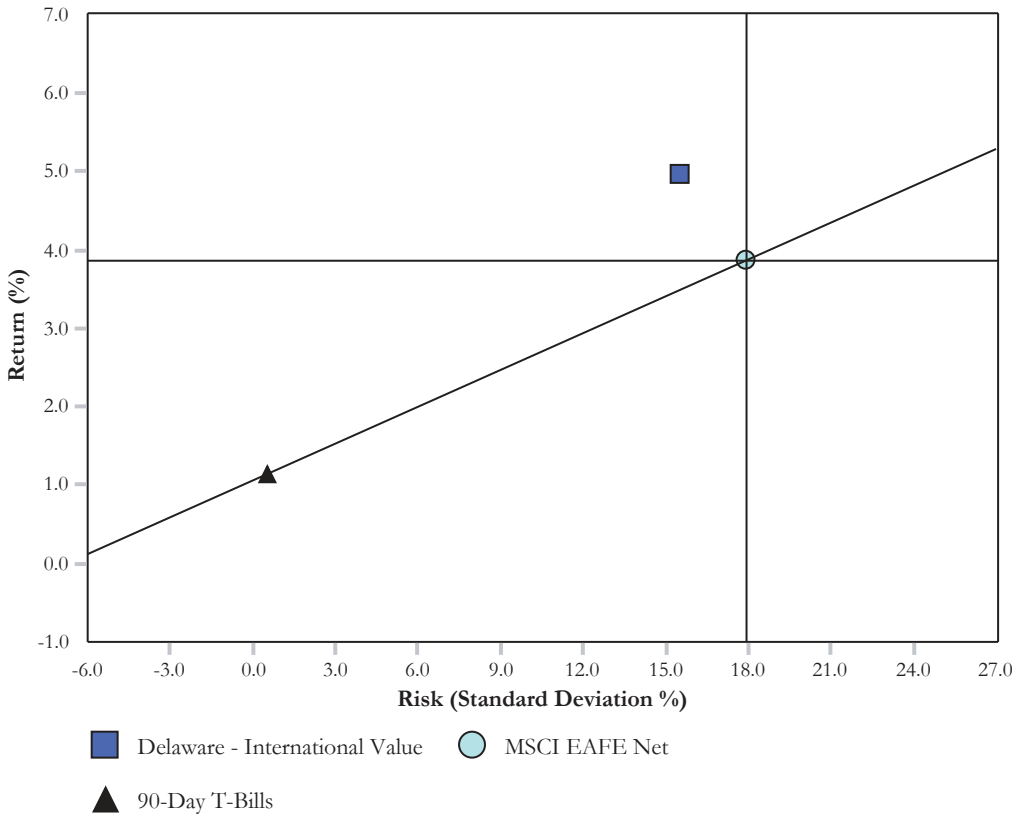
Delaware - International Value - Executive Summary

as of September 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
Delaware - International Value	3.97	10.13	10.13	3.89	7.90	5.35	2.96	4.96
MSCI EAFE Net	6.43	6.52	6.52	0.48	7.39	4.24	1.82	3.87
Differences	-2.46	3.61	3.61	3.41	0.51	1.11	1.14	1.09

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
Delaware - Intl Value								
Beginning Market Value	1,943	1,845	1,845	1,841	1,434	1,478	2,878	2,675
Net Contributions	-	-1	-1	-	-2	-	-965	-1,434
Fees/Expenses	-4	-14	-14	-47	-70	-93	-153	-174
Income	21	69	69	232	358	482	798	926
Gain/Loss	56	118	118	-10	296	150	-542	23
Ending Market Value	2,016	2,016	2,016	2,016	2,016	2,016	2,016	2,016

Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Delaware - International Value	4.96	15.54	0.83	-48.35	88.33	82.33	1.54	0.32	0.92	08/01/2005
MSCI EAFE Net	3.87	17.92	1.00	-56.68	100.00	100.00	0.00	0.24	1.00	08/01/2005

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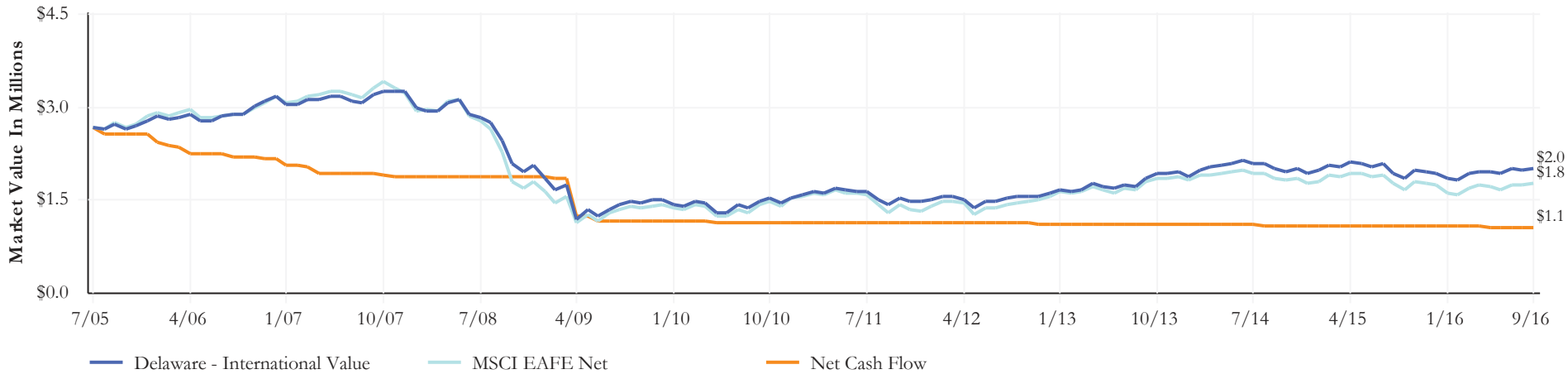
Graystone Consulting

City of Ormond Beach

Delaware - International Value - Change in Assets & Distribution of Returns

as of September 30, 2016

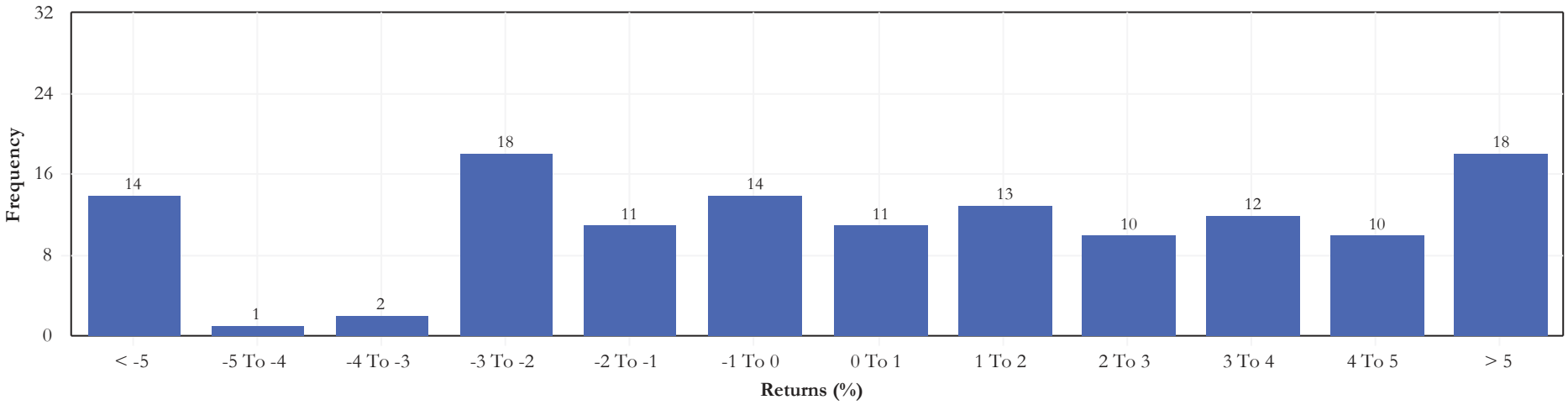
Historic Change in Assets



Quarterly Change in Assets

	Market Value As of 07/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 09/30/2016
Delaware - International Value	1,942,770.17	-	98,265.21	-98,475.54	-3,636.55	-	77,136.12	2,016,059.41

Distribution of Returns



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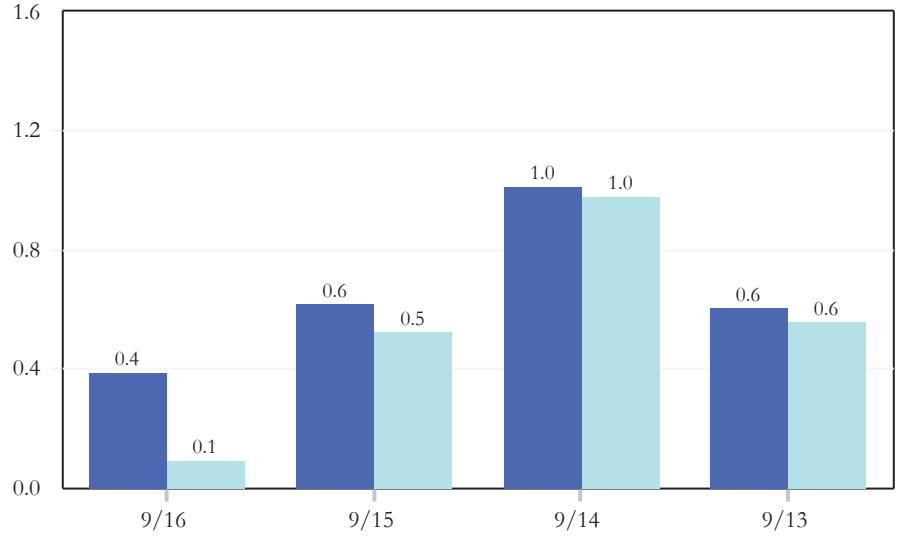
City of Ormond Beach

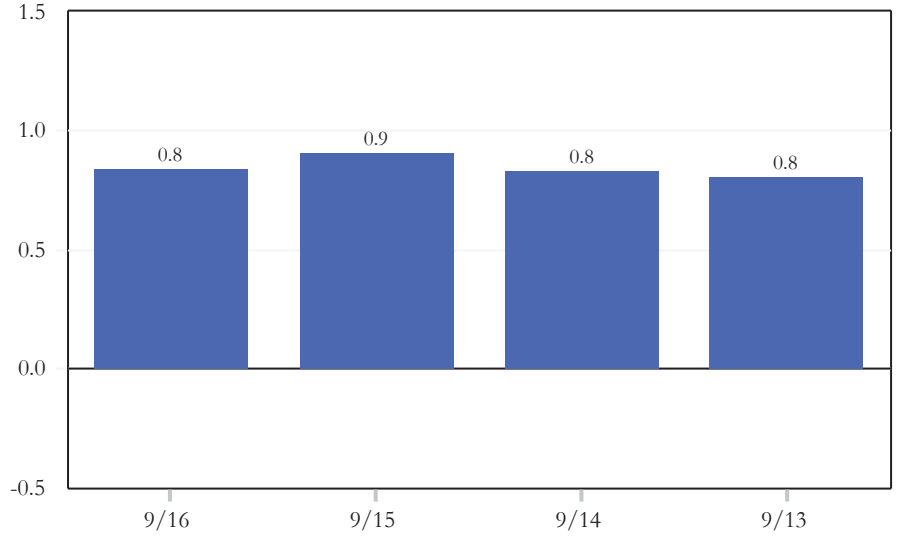
Delaware - International Value - Rolling Three Year MPT Statistics

as of September 30, 2016

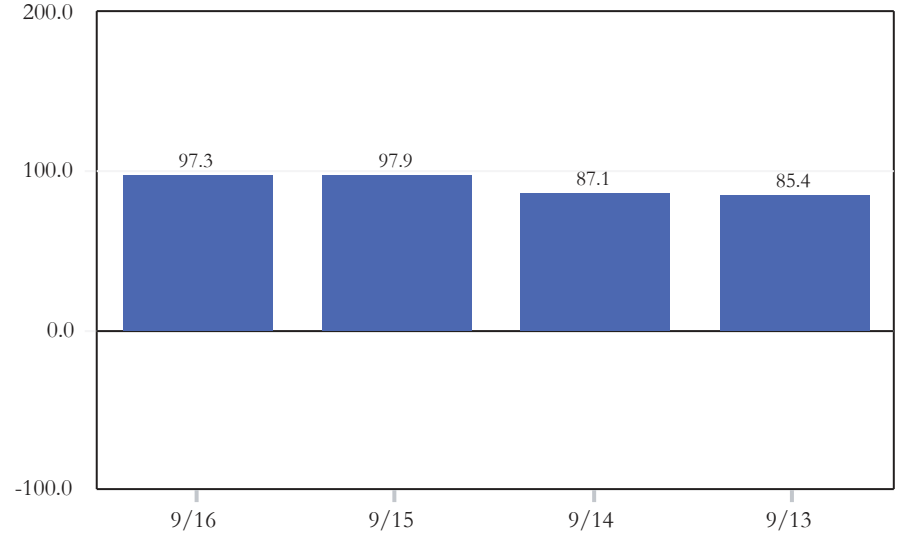
Sharpe Ratio



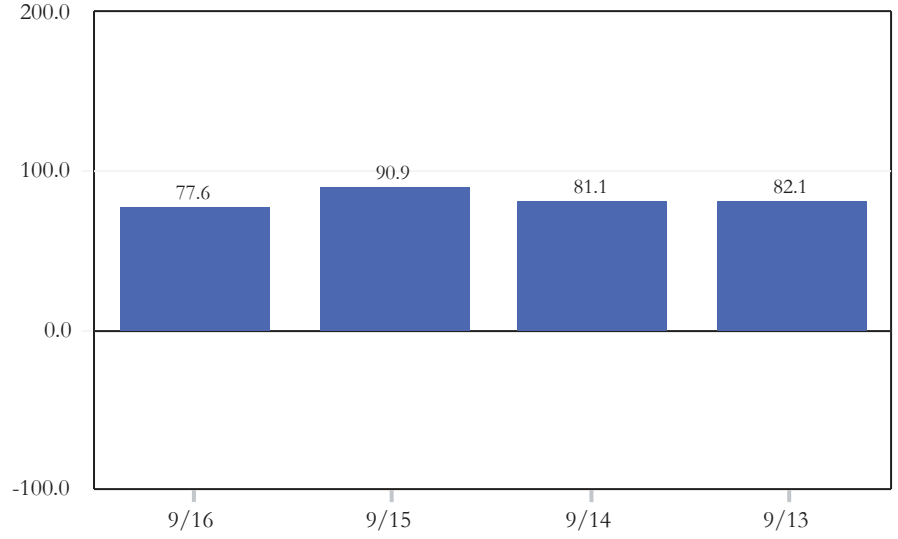
Beta



Up Market Capture



Down Market Capture



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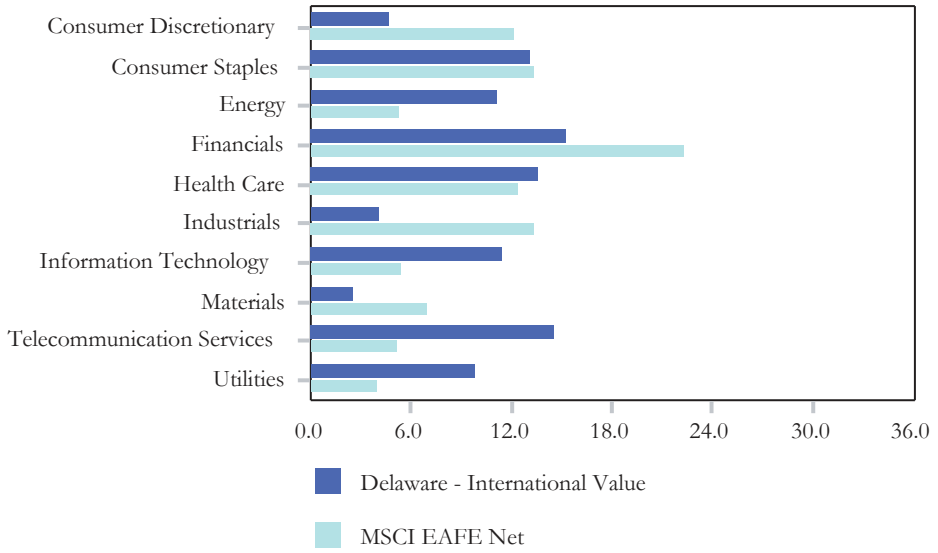
City of Ormond Beach

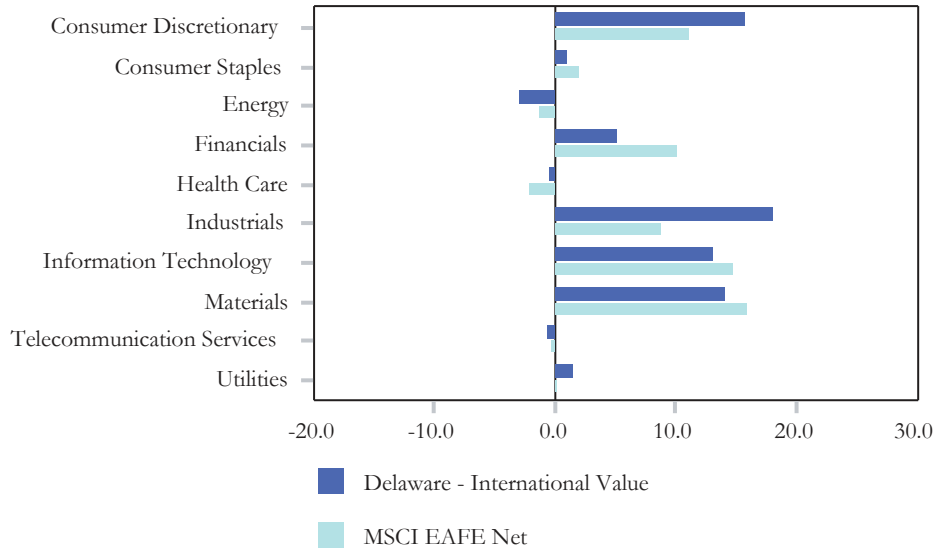
Delaware - International Value - Quarterly Performance Attributes

as of September 30, 2016

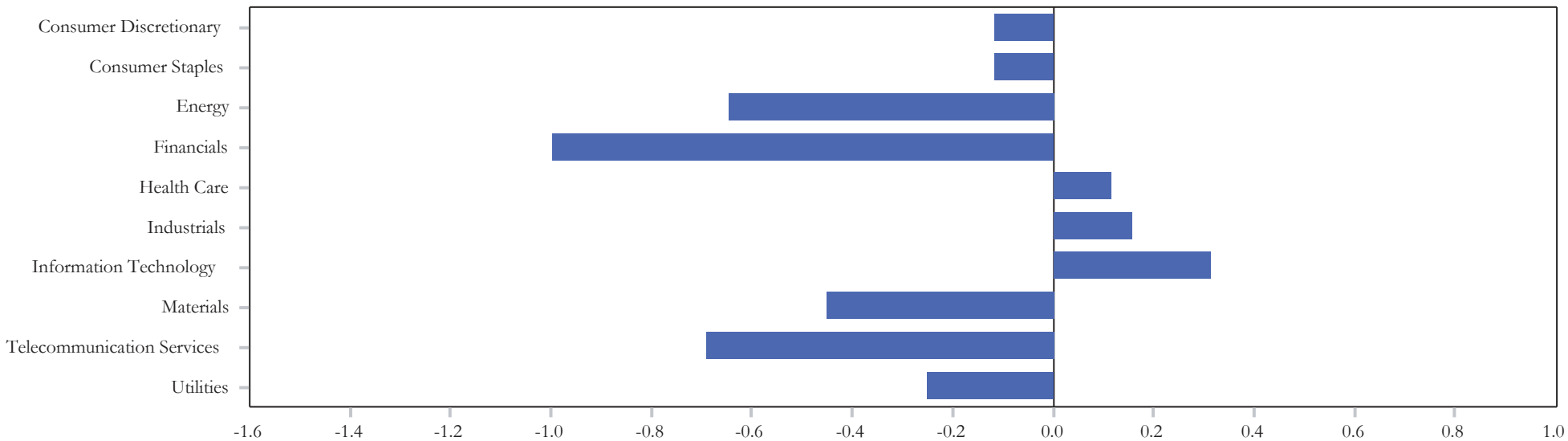
Allocation



Performance



Total Attribution



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Graystone Consulting

City of Ormond Beach

Delaware - International Value - Quarterly Performance Attributes

as of September 30, 2016

	Allocation - 07/01/2016		Performance - Quarter Ending September 30, 2016		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Consumer Discretionary	4.66	12.11	15.71	11.06	-0.33	0.56	-0.35	-0.12
Consumer Staples	13.07	13.33	1.05	2.02	0.01	-0.13	0.00	-0.12
Energy	11.11	5.21	-2.89	-1.21	-0.46	-0.09	-0.10	-0.65
Financials	15.25	22.34	5.15	10.08	-0.25	-1.10	0.35	-1.00
Health Care	13.63	12.39	-0.50	-2.15	-0.11	0.20	0.02	0.12
Industrials	4.02	13.32	18.09	8.87	-0.21	1.23	-0.86	0.16
Information Technology	11.40	5.34	13.15	14.71	0.49	-0.08	-0.09	0.31
Materials	2.51	6.88	14.08	15.90	-0.41	-0.13	0.08	-0.45
Telecommunication Services	14.58	5.15	-0.55	-0.22	-0.64	-0.02	-0.03	-0.69
Utilities	9.76	3.92	1.46	0.17	-0.37	0.05	0.07	-0.25
Total	100.00	100.00	3.91	6.59	-2.28	0.50	-0.90	-2.68

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City of Ormond Beach

Delaware - International Value - Portfolio Characteristics

as of September 30, 2016

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($000)	77,160,281.98	54,719,315.29
Median Mkt. Cap ($000)	52,386,497.76	9,133,682.91
Price/Earnings ratio	18.18	16.80
Price/Book ratio	2.35	2.25
5 Yr. EPS Growth Rate (%)	-1.93	3.48
Current Yield (%)	4.13	3.38
Beta (5 Years, Monthly)	0.82	1.00
Number of Stocks	39	927
Debt to Equity	2.54	1.08

Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
SAP AG	4.37	0.72	3.65	21.85
ABB Ltd	4.34	0.36	3.98	18.09
Unilever PLC	4.10	0.49	3.61	-0.30
Takeda Pharmaceutical Co	4.02	0.27	3.75	10.44
Iberdrola SA, Bilbao	3.85	0.30	3.55	3.25
Glaxosmithkline PLC	3.71	0.84	2.87	0.64
Koninklijke Ahold Delhaize NV	3.64	0.24	3.40	2.67
Taiwan Semiconductor	3.61	0.00	3.61	16.62
National Grid	3.52	0.43	3.09	-4.33
Sanofi	3.49	0.71	2.78	-8.75
% of Portfolio	38.65	4.36		

Ten Best Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
SAP AG	4.37	0.72	3.65	21.85
Daimler AG	1.85	0.55	1.30	18.53
ABB Ltd	4.34	0.36	3.98	18.09
Taiwan Semiconductor	3.61	0.00	3.61	16.62
Tokio Marine Holdings Inc	3.12	0.21	2.91	15.36
Honda Motor Co Ltd	3.28	0.38	2.90	14.17
Banco Santander SA	1.26	0.52	0.74	14.12
Syngenta AG, Basel	2.73	0.33	2.40	14.08
Takeda Pharmaceutical Co	4.02	0.27	3.75	10.44
Rwe AG	2.03	0.07	1.96	9.32
% of Portfolio	30.61	3.41		

Ten Worst Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Sanofi	3.49	0.71	2.78	-8.75
Eni SpA	2.34	0.30	2.04	-7.90
Qbe Insurance Group Ltd	1.36	0.08	1.28	-6.51
Ntt Docomo Inc	1.64	0.28	1.36	-5.92
Vodafone Group PLC	0.79	0.62	0.17	-5.63
Telia Company AB	2.40	0.09	2.31	-4.34
National Grid	3.52	0.43	3.09	-4.33
Novartis AG	2.90	1.42	1.48	-4.30
Royal Dutch Shell PLC	3.20	0.86	2.34	-3.93
Kao Corp	1.32	0.23	1.09	-2.76
% of Portfolio	22.96	5.02		

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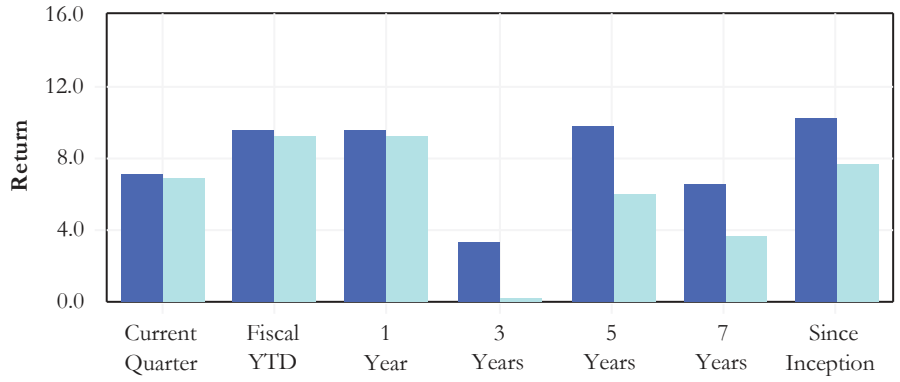
City of Ormond Beach

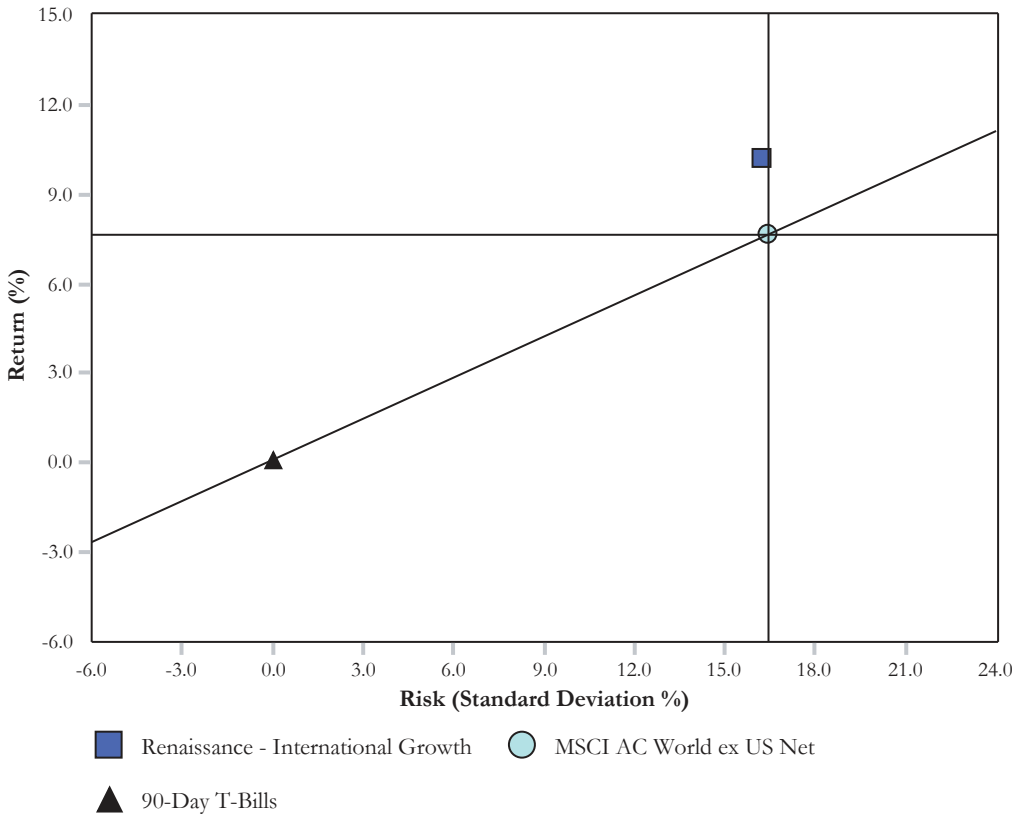
Renaissance - International Growth - Executive Summary

as of September 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	Since Inception
Renaissance - International Growth	7.08	9.55	9.55	3.30	9.78	6.50	10.18
MSCI AC World ex US Net	6.91	9.26	9.26	0.18	6.04	3.66	7.66
Differences	0.17	0.29	0.29	3.12	3.74	2.84	2.52

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	Since Inception
Renaissance - Intl Growth							
Beginning Market Value	1,854	1,823	1,823	1,836	1,286	1,336	1,145
Net Contributions	-	-1	-1	-2	-3	-2	-171
Fees/Expenses	-3	-12	-12	-39	-58	-77	-78
Income	9	40	40	126	211	273	290
Gain/Loss	122	133	133	61	547	452	797
Ending Market Value	1,983	1,983	1,983	1,983	1,983	1,983	1,983

Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Renaissance - International Growth	10.18	16.24	0.94	-22.38	98.91	85.32	2.88	0.67	0.90	05/01/2009
MSCI AC World ex US Net	7.66	16.45	1.00	-23.29	100.00	100.00	0.00	0.53	1.00	05/01/2009

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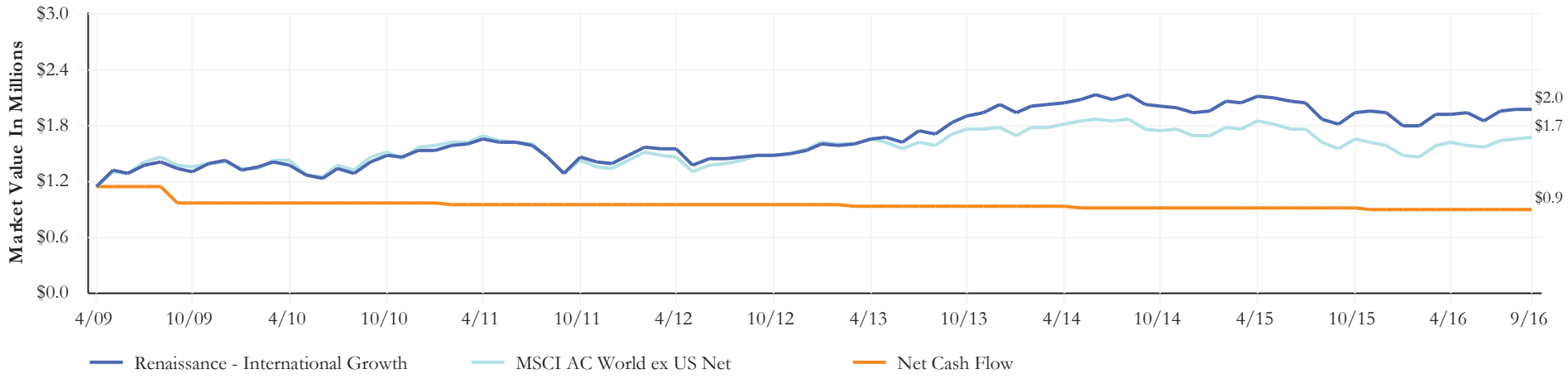
City of Ormond Beach

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

as of September 30, 2016

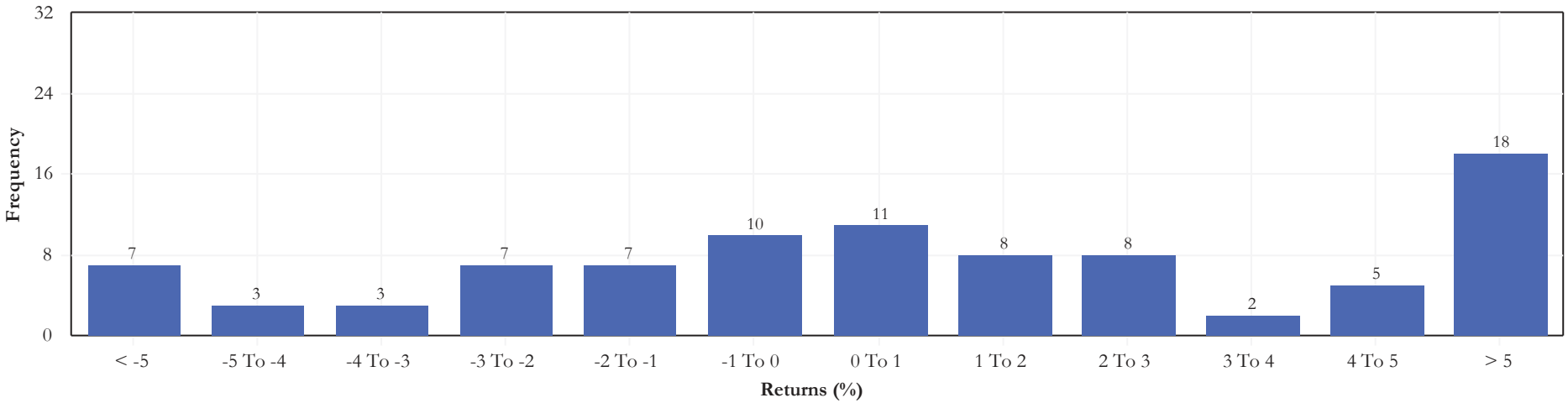
Historic Change in Assets



Quarterly Change in Assets

	Market Value As of 07/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 09/30/2016
Renaissance - International Growth	1,854,478.05	-	357,323.70	-357,474.39	-3,001.74	-	131,282.27	1,982,607.89

Distribution of Returns



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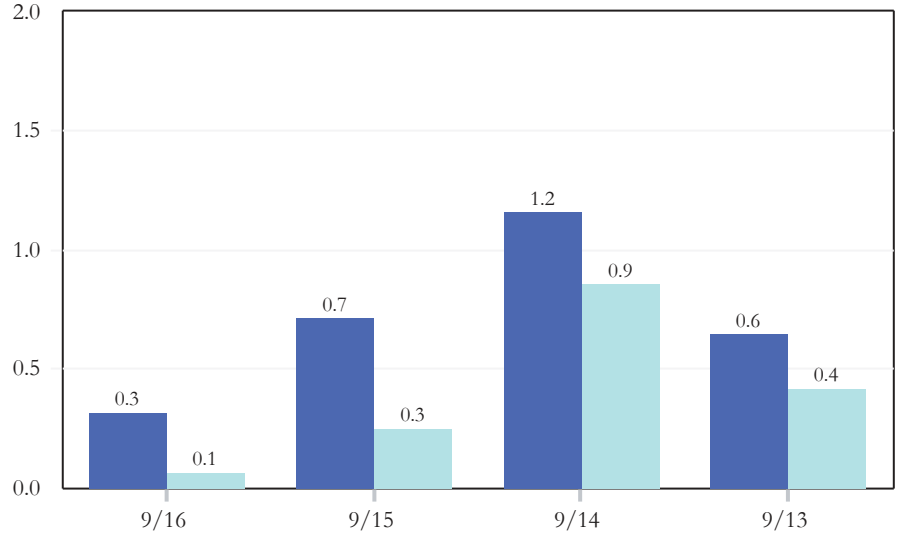
City of Ormond Beach

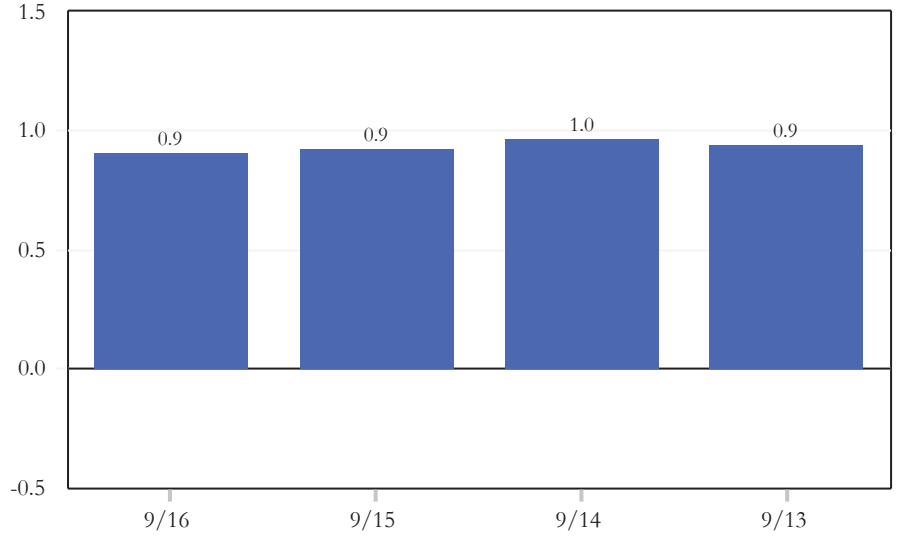
Renaissance - International Growth - Rolling Three Year MPT Statistics

as of September 30, 2016

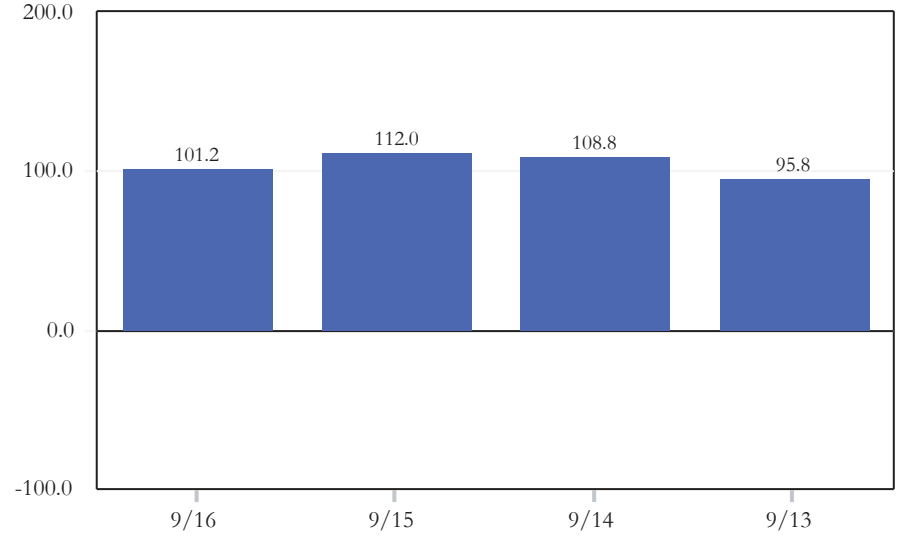
Sharpe Ratio



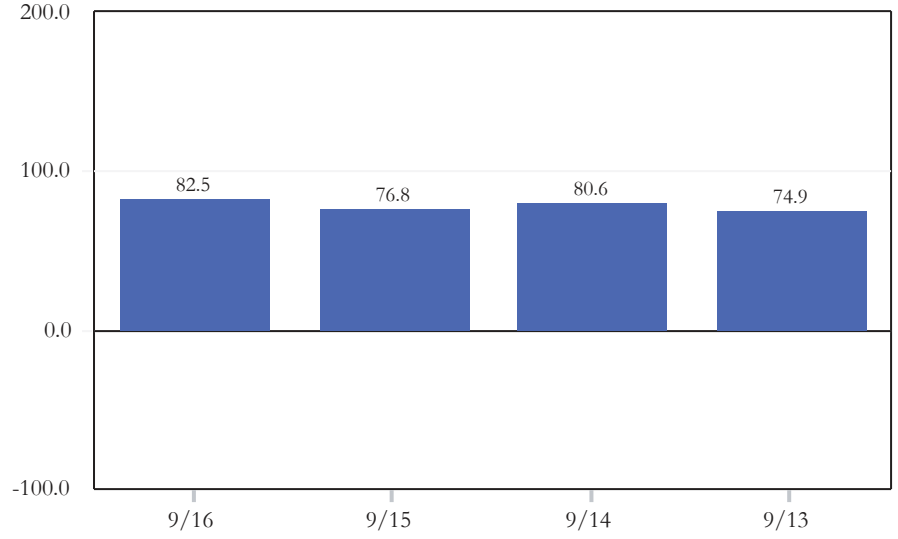
Beta



Up Market Capture



Down Market Capture



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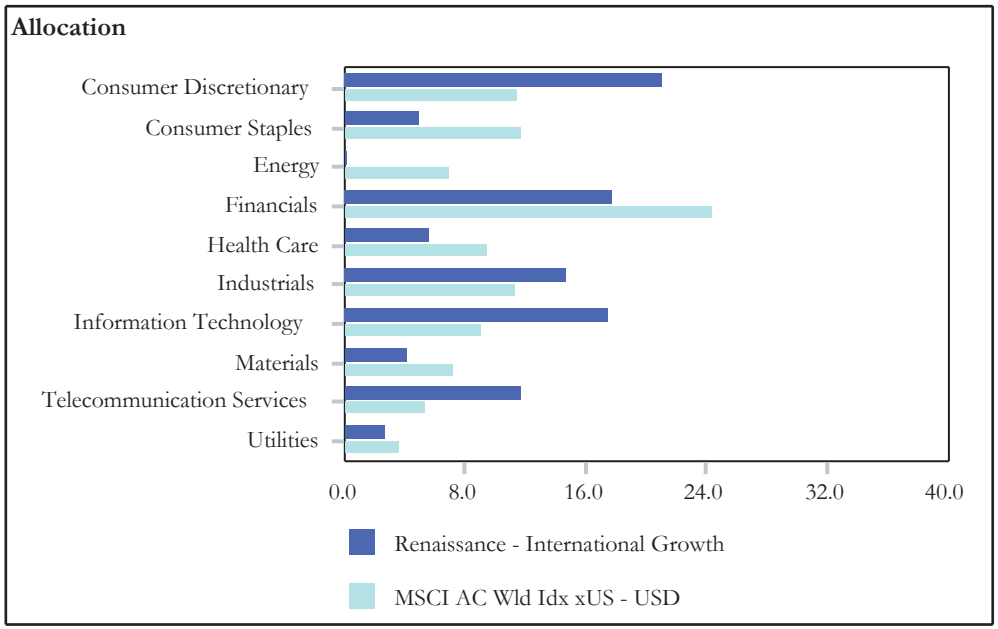
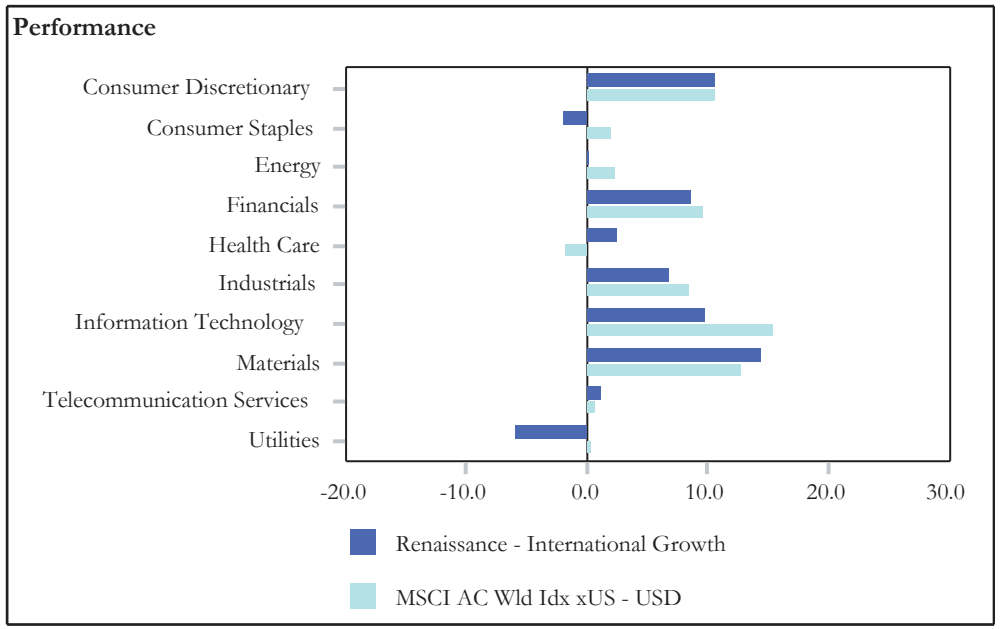
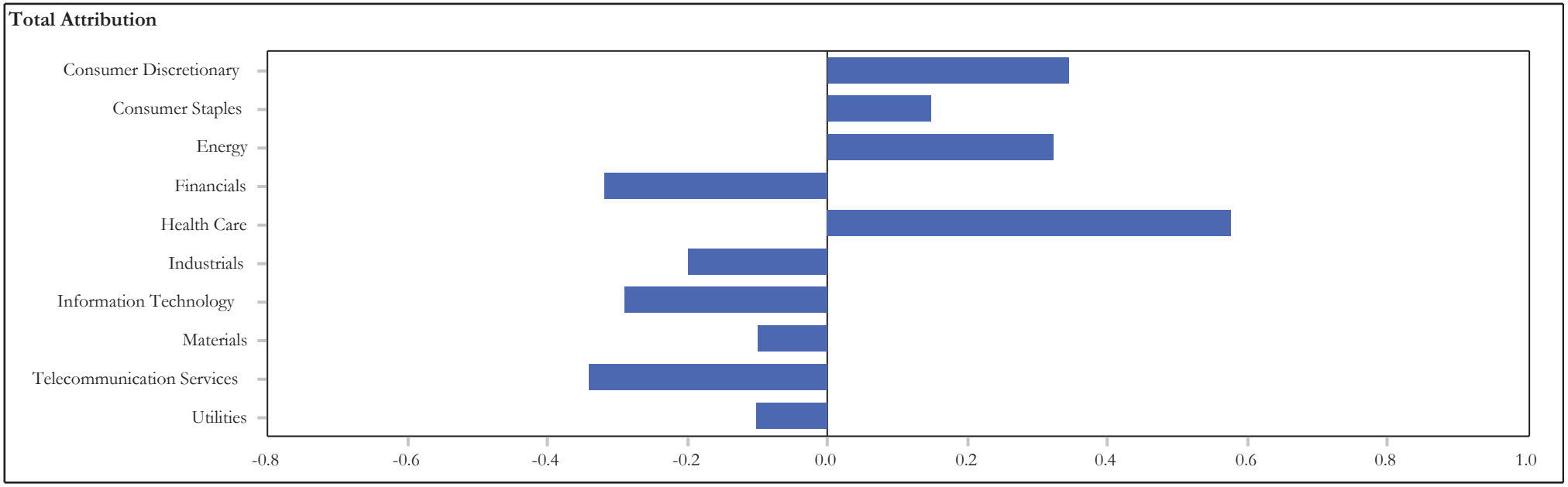
City of Ormond Beach

Renaissance - International Growth - Quarterly Performance Attributes

as of September 30, 2016







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Graystone Consulting

City of Ormond Beach

Renaissance - International Growth - Quarterly Performance Attributes

as of September 30, 2016

	Allocation - 07/01/2016		Performance - Quarter Ending September 30, 2016		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Consumer Discretionary	21.12	11.34	10.65	10.67	0.35	0.00	0.00	0.34
Consumer Staples	4.94	11.65	-1.87	2.02	0.34	-0.45	0.26	0.15
Energy	0.00	6.87	0.00	2.42	0.32	0.00	0.00	0.32
Financials	17.81	24.41	8.70	9.57	-0.16	-0.21	0.06	-0.32
Health Care	5.56	9.39	2.52	-1.75	0.34	0.40	-0.16	0.58
Industrials	14.72	11.28	6.82	8.52	0.05	-0.19	-0.06	-0.20
Information Technology	17.47	9.03	9.76	15.47	0.71	-0.52	-0.48	-0.29
Materials	4.07	7.14	14.49	12.71	-0.17	0.13	-0.05	-0.10
Telecommunication Services	11.66	5.30	1.24	0.62	-0.41	0.03	0.04	-0.34
Utilities	2.65	3.60	-5.98	0.29	0.06	-0.23	0.06	-0.10
Total	100.00	100.00	7.13	7.09	1.42	-1.04	-0.34	0.04

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City of Ormond Beach

Renaissance - International Growth - Portfolio Characteristics

as of September 30, 2016

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($000)	31,361,824.78	53,164,006.88
Median Mkt. Cap ($000)	19,429,409.39	6,996,530.16
Price/Earnings ratio	12.96	15.91
Price/Book ratio	2.69	2.26
5 Yr. EPS Growth Rate (%)	9.30	4.31
Current Yield (%)	2.29	3.15
Beta	N/A	1.00
Number of Stocks	54	1,853
Debt to Equity	0.77	0.99

Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Valeo SA	2.37	0.08	2.29	30.90
Mitsubishi Electric Corp	2.35	0.14	2.21	7.56
Netease Inc	2.32	0.11	2.21	25.07
Taiwan Semiconductor	2.32	0.81	1.51	16.62
Magna International Inc.	2.30	0.10	2.20	23.23
Vestas Wind Systems A/S	2.29	0.10	2.19	21.84
Unilever PLC	2.28	0.35	1.93	-0.30
Validus Holdings Ltd	2.25	0.00	2.25	3.25
Cap Gemini SA, Paris	2.24	0.09	2.15	12.77
Colliers International Group Inc	2.24	0.00	2.24	23.23
% of Portfolio	22.96	1.78		

Ten Best Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Valeo SA	2.37	0.08	2.29	30.90
NXP Semiconductors NV	2.04	0.17	1.87	30.22
Netease Inc	2.32	0.11	2.21	25.07
Infineon Technologies	2.15	0.11	2.04	23.80
China Lodging Group Ltd	2.24	0.00	2.24	23.77
Magna International Inc.	2.30	0.10	2.20	23.23
Colliers International Group Inc	2.24	0.00	2.24	23.23
Persimmon PLC	2.13	0.04	2.09	21.88
Vestas Wind Systems A/S	2.29	0.10	2.19	21.84
Arkema	2.16	0.04	2.12	20.68
% of Portfolio	22.24	0.75		

Ten Worst Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Wipro Ltd	1.45	0.03	1.42	-21.34
Jazz Pharmaceuticals Plc	1.61	0.00	1.61	-14.03
Pandora AS	1.89	0.08	1.81	-10.74
China Eastern Airlines Corp Ltd	1.57	0.00	1.57	-8.56
Teva Pharmaceutical	1.55	0.25	1.30	-7.81
Controladora Vuela Compania de Aviacion SA de CV	1.77	0.00	1.77	-6.96
Korea Electric Power Corp	2.17	0.07	2.10	-5.98
Heineken NV	1.92	0.12	1.80	-3.68
Grupo Financiero Banorte	1.85	0.07	1.78	-2.97
Nippon T&T	1.82	0.18	1.64	-2.70
% of Portfolio	17.60	0.80		

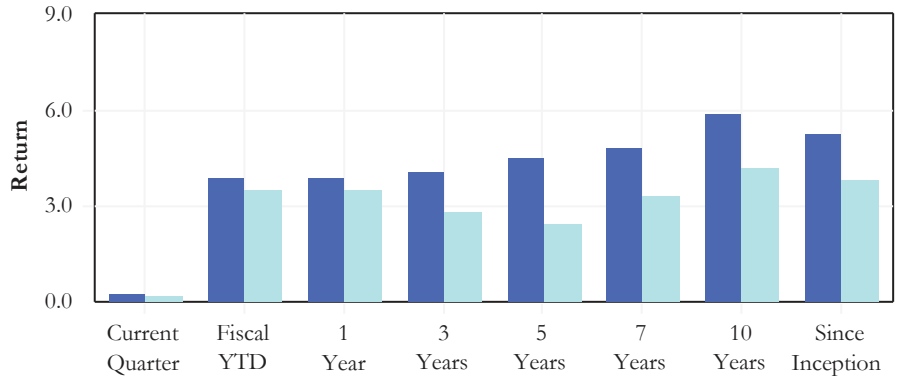
Graystone Consulting

City of Ormond Beach

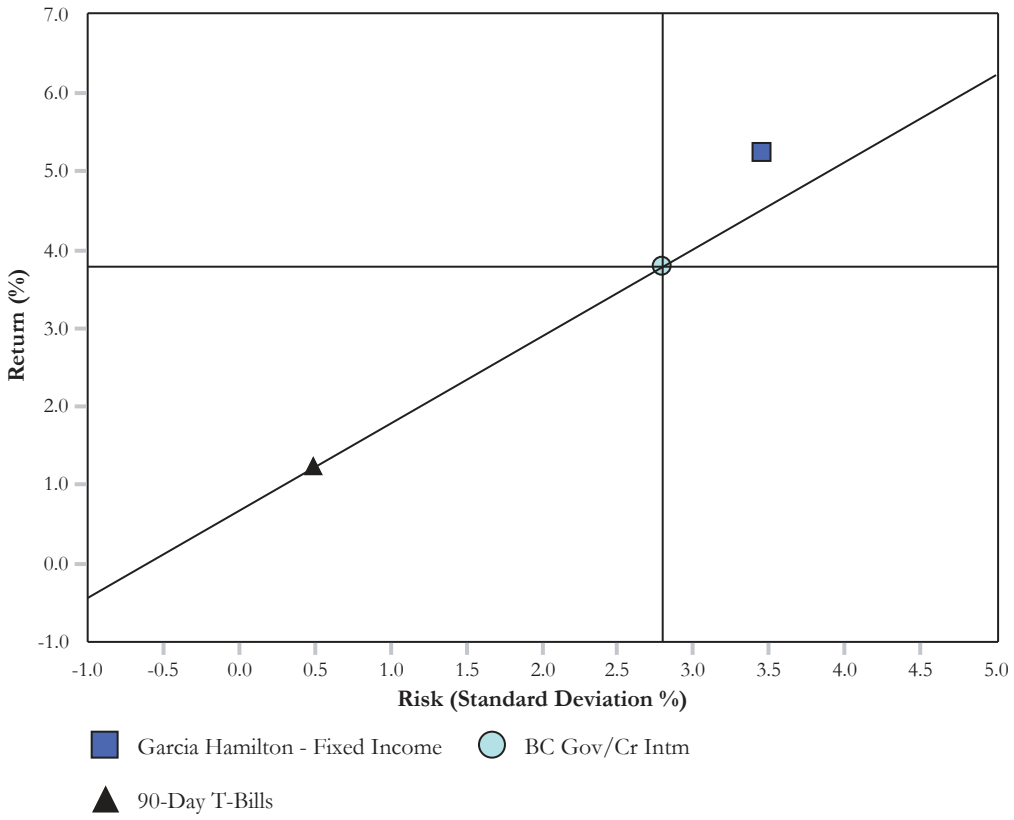
Garcia Hamilton - Fixed Income - Executive Summary

as of September 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
Garcia Hamilton - FI	0.26	3.90	3.90	4.04	4.47	4.79	5.87	5.25
BC Gov/Cr Intm	0.16	3.52	3.52	2.80	2.45	3.33	4.17	3.79
Differences	0.10	0.38	0.38	1.24	2.02	1.46	1.70	1.46

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
Garcia Hamilton - FI								
Beginning Market Value	14,211	13,742	13,742	10,484	9,515	8,745	5,041	4,397
Net Contributions	-1	-4	-4	2,332	2,350	2,167	4,348	4,579
Fees/Expenses	-9	-35	-35	-98	-148	-195	-239	-288
Income	99	461	461	1,383	2,386	3,313	4,313	4,996
Gain/Loss	-62	73	73	136	134	208	775	554
Ending Market Value	14,237	14,237	14,237	14,237	14,237	14,237	14,237	14,237

Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Garcia Hamilton - Fixed Income	5.25	3.46	0.93	-3.72	112.75	68.90	1.69	1.13	0.57	10/01/2003
BC Gov/Cr Intm	3.79	2.80	1.00	-4.05	100.00	100.00	0.00	0.90	1.00	10/01/2003

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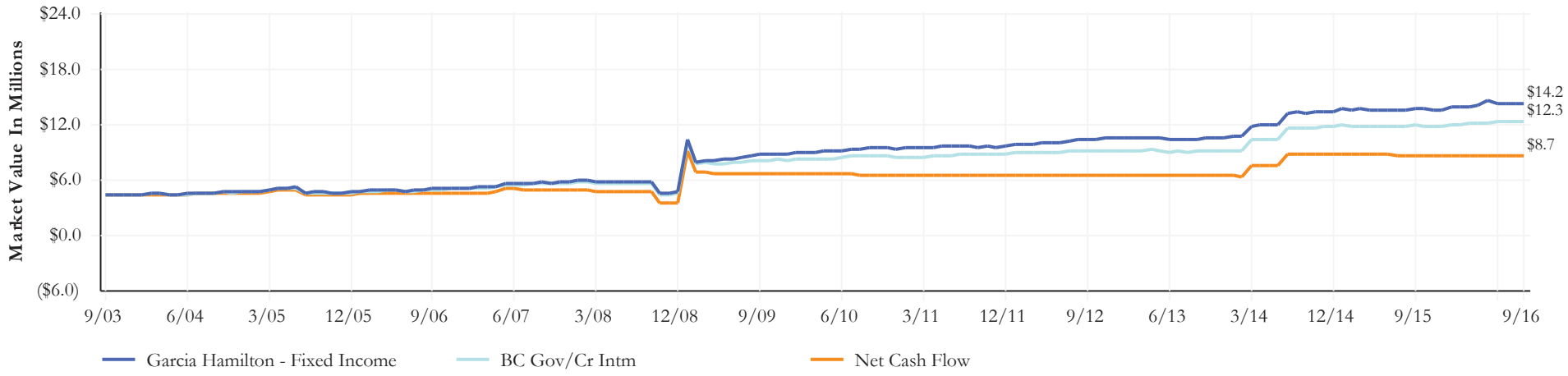
City of Ormond Beach

Garcia Hamilton - Fixed Income - Change in Assets & Distribution of Returns

as of September 30, 2016

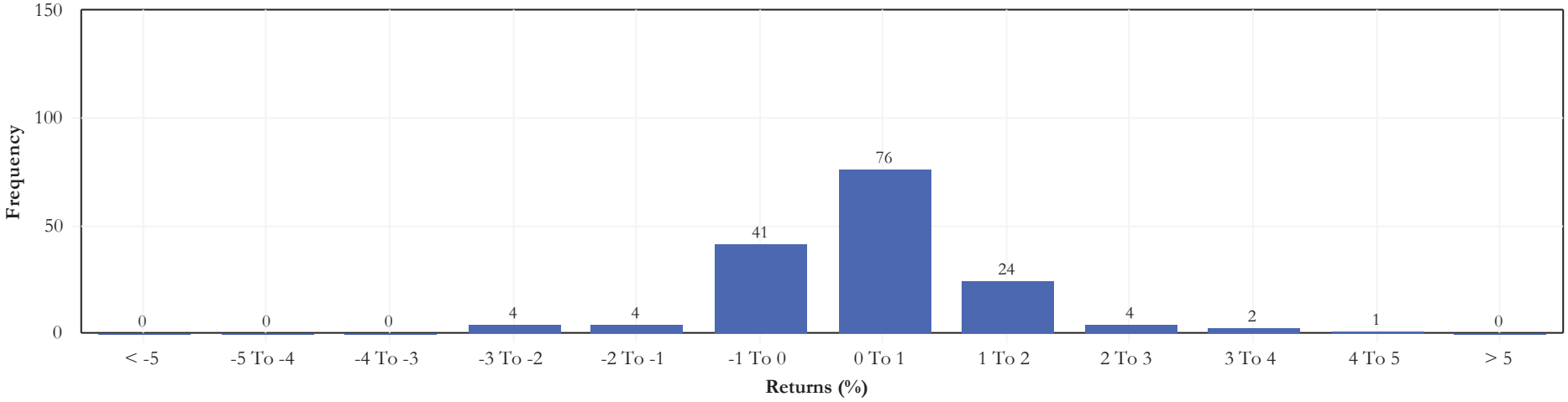
Historic Change in Assets



Quarterly Change in Assets

	Market Value As of 07/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 09/30/2016
Garcia Hamilton - Fixed Income	14,210,573.67	-	5,912,525.46	-5,913,675.28	-8,880.30	-	36,817.88	14,237,361.43

Distribution of Returns



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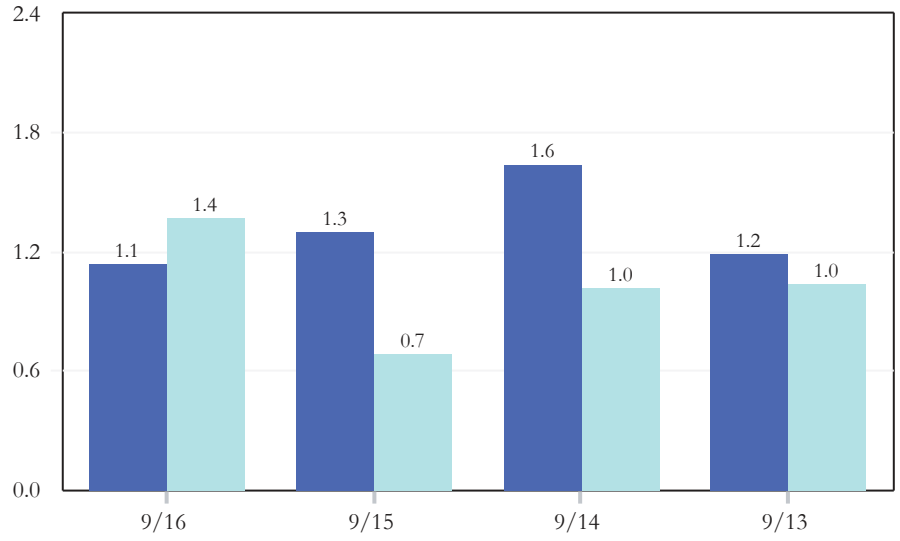
City of Ormond Beach

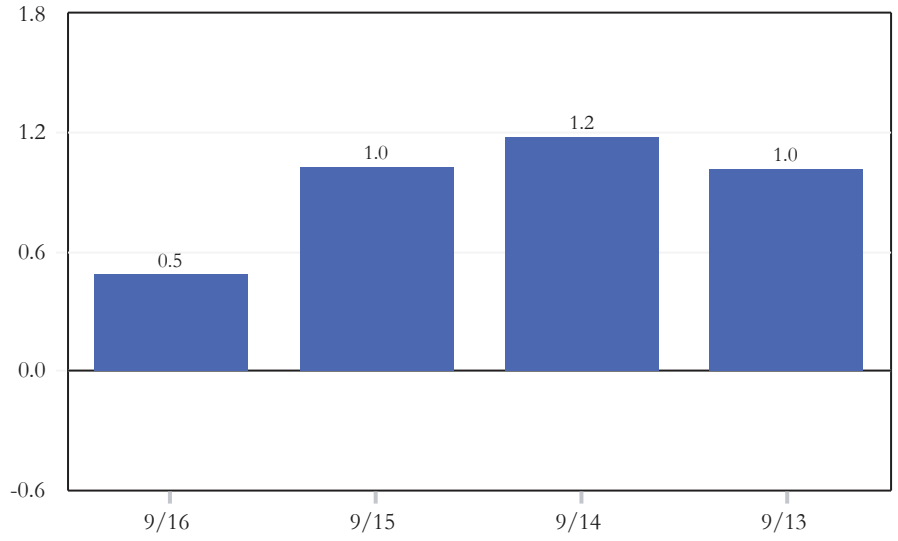
Garcia Hamilton - Fixed Income - Rolling Three Year MPT Statistics

as of September 30, 2016

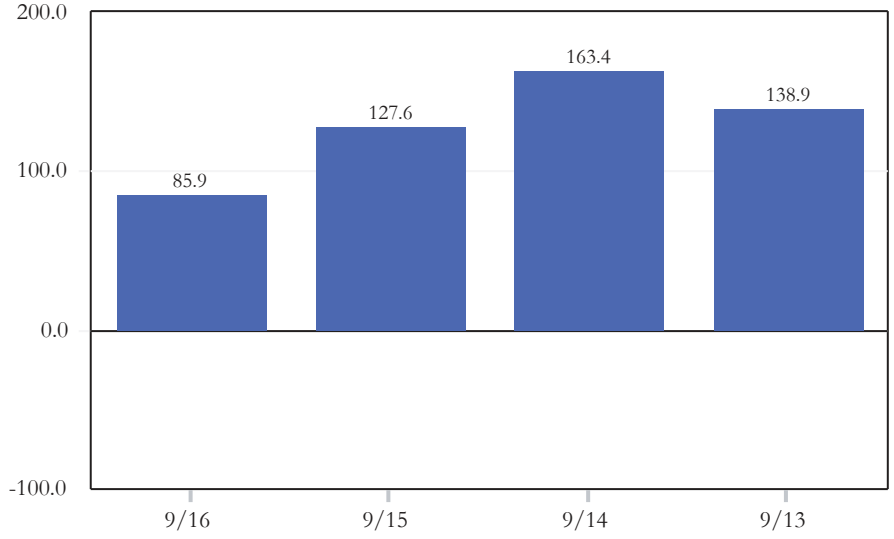
Sharpe Ratio



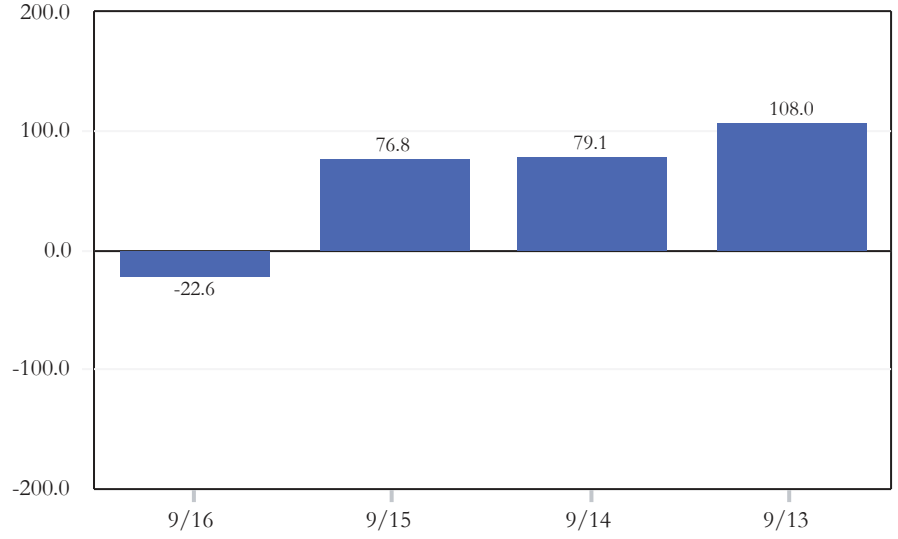
Beta



Up Market Capture



Down Market Capture



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

Past performance is no guarantee of future results.

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

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

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

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

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

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

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

Alternatives

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Alternative Investments are illiquid and may not be valued daily. The estimated valuation provided will be as of the most recent date available and will be included in summaries of your assets. Such valuation may not be the most recent provided by the fund in which you are invested. No representation is made that the valuation is a market value or that the interest could be liquidated at this value. We are not required to take any action with respect to your investment unless valid instructions are received from you in a timely manner. Some positions reflected herein may not represent interests in the fund, but rather redemption proceeds withheld by the issuer pending final valuations which are not subject to the investment performance of the fund and may or may not accrue interest for the length of the withholding.

Alternative investments often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. Alternative investments are suitable only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase the

volatility and risk of loss. Alternative Investments typically have higher fees than traditional investments. Investors should carefully review and consider potential risks before investing. Certain of these risks may include but are not limited to:• Loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices;• Lack of liquidity in that there may be no secondary market for a fund;• Volatility of returns;• Restrictions on transferring interests in a fund;• Potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized;• Absence of information regarding valuations and pricing;• Complex tax structures and delays in tax reporting;• Less regulation and higher fees than mutual funds; and• Risks associated with the operations, personnel, and processes of the manager. As a diversified global financial services firm, Morgan Stanley Wealth Management engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley Wealth Management therefore engages in activities where Morgan Stanley Wealth Management's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley Wealth Management can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund.

Indices are unmanaged and investors cannot directly invest in them. Composite index results are shown for illustrative purposes and do not represent the performance of a specific investment.
Past performance is no guarantee of future results. Actual results may vary. Diversification does not assure a profit or protect against loss in a declining market.

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

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

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

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

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

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

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