

**CITY OF HOLLY HILL, FLORIDA**  
**POLICE PENSION FUND BOARD OF TRUSTEES**  
**AGENDA • FEBRUARY 15, 2019**

---

**Holly Hill Police Dept.  
Training Room**

**Police Pension Fund Board of Trustees**

**12:00 PM**

---

**CITY HALL  
1065 RIDGEWOOD AVENUE  
HOLLY HILL, FL 32117**

City Clerk's office: (386) 248-9441 - Fax: (386) 248-9448



Holly Hill Police Dept. Training Room  
City Hall  
Holly Hill, FL 32117

**BOARD MEMBERS**

**Chairman**

Chief Steve Aldrich

---

Officer Thomas Bentley  
Sergeant Chris Yates  
Robert W. Taylor  
Charlie Sharp

---

**CITY CLERK**

Valerie Manning

**1. CALL TO ORDER****2. ROLL CALL****3. APPROVAL OF MINUTES**

1. Minutes - Police Pension Retirement Trust Fund Board Meeting - December 14, 2018  
(Requested by Valerie Manning, City Clerk)

**4. CHAIRPERSON'S REPORT****5. OLD BUSINESS**

- A. RFP progress

**6. NEW BUSINESS**

1. 4Th Quarter Report - December 31, 2018  
(Requested by Valerie Manning, City Clerk)
2. Quarterly Performance Summary - December 31, 2018  
(Requested by Valerie Manning, City Clerk)
3. Meeting Dates for 2019

**7. OTHER BUSINESS****8. ADJOURNMENT**

**Website Address – [www.hollyhillfl.org](http://www.hollyhillfl.org) (City Clerk)**

**NOTICE** – If any person decides to appeal any decision of the Police Pension Board, he/she will need a record of the proceedings and, for that purpose, he/she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. The City does not prepare or provide such a record.



For special accommodations, please notify the City Clerk's Office at least 72 hours in advance. (386) 248-9441



Help for the hearing impaired is available through the Assistive Listening System. Receivers can be obtained from the City Clerk's Office.

In accordance with the Americans with Disabilities Act (ADA), persons needing a special accommodation to participate in the Police Pension Board proceedings should contact the City Clerk's Office no later than three (3) days prior to the proceedings.



**STAFF REPORT  
CITY OF HOLLY HILL, FLORIDA**

3.1

**Police Pension Board  
Agenda Item**

---

**MEETING DATE:** February 15, 2019  
**FROM:** Valerie Manning  
**SUBJECT:** Minutes - Police Pension Retirement Trust Fund Board Meeting -  
December 14, 2018  
**NUMBER:** (ID # 2394)  
**APPLICANT:**  
**PLANNER:**

---

**DISCUSSION:**

Minutes from the December 14, 2018 Police Pension Retirement Trust Fund board meeting.

**MOTION:**

Approve minutes as submitted by staff.

- Minutes - December 14, 2018 (PDF)

# HOLLY HILL POLICE OFFICERS' RETIREMENT TRUST FUND

Friday December 14, 2018

1:40 PM

Holly Hill Police Department Training Room

## Minutes

### 1. Call to Order

Meeting was called to order at 12:00 PM

### 2. Roll Call

#### Members Present

Stephen Aldrich

Christopher Yates

Charlie Sharp

Robert Taylor

#### Guests

Charles Mulfinger II – Graystone

Andy McLivaine - Graystone

Thomas Bentley

Heidi He

### 3. Approval of last meetings minutes:

August 10, 2018

Motion was made by Sharp and seconded by Yates to approve minutes;

All in favor, no opposed. Motion carries

August 23, 2018

Motion was made by Sharp and seconded by Taylor to approve minutes;

All in favor, no opposed. Motion carries

### 4. Chairperson's Report:

#### a. Pension Board – City Appointments for 2019 – 2020

1. Charlie Sharp

2. Robert Taylor

#### b. Pension Board – Police Department Voted Appointments 2019 – 2020

1. Stephen Aldrich

2. Christopher Yates

## c. Fifth Board Member Selection

1. Michael Shaffer (Wished to leave board)
2. Thomas Bentley (Accepted nomination)

Motion was made by Yates and seconded by Sharp to approve minutes;  
All in favor, no opposed. Motion carries

## d. Pension Board Member Assignments

1. Charlie Sharp made a motion to keep Stephen Aldrich as Chairman and Chris Yates as Secretary. Robert Taylor seconded the motion. All in favor, no opposed. Motion carries

## e. Retired Officer Keith Pendleton has sent a notification that he will be turning 50 years old next March. He has elected to begin his pension payments.

## f. Former Officer Misty Howey has requested a calculation of her expected benefits vs. payout. (During this process the Finance Department has determined that when her original figures were calculated for her final payout that there was a failure to collect her pension payment portion of her leave bank payouts when she left the agency. Therefore, she is submitting a payment check to the city for the funds that are owed.)((\$186.09)

## g. Former Officer Richard Wallis whom resigned to work for Flagler County SO has requested a refund of his monies (\$7,186.75). His monies have been refunded to him.

## h. Former Officer Seth Green received his final pension payout of \$19,720.55, sent October 18, 2018.

## 5. Old Business

- a. The city is working on the RFP for combining certain services for both the Fire Department Pension Board and Police Department Pension Board explore the possibility of combining Plan services to achieve additional savings due to the combined asset valuation.

## 6. New Business

- a. Charlie Mulfinger II and Andy McLivaine (Graystone) gave the Third Quarter Report. We had a great gain for the quarter of over \$395,000.00.

## 7. Other business

- a. Meeting dates for 2019 is February 1, May 10, August 9, and December 13, 2019. Meetings will be held in the Holly Hill Police Department's Training Room, at 12 noon.

Adjournment

2:50 PM

Chairman – Stephen Aldrich

Secretary – Christopher Yates

Minutes – Christopher Yates





**STAFF REPORT  
CITY OF HOLLY HILL, FLORIDA**

6.1

**Police Pension Board  
Agenda Item**

---

**MEETING DATE:** February 15, 2019  
**FROM:** Valerie Manning  
**SUBJECT:** 4Th Quarter Report - December 31, 2018  
**NUMBER:** (ID # 2400)  
**APPLICANT:**  
**PLANNER:**

---

**DISCUSSION:**

Summary of Relevant Facts for Holly Hill Police Officers' Retirement Trust Fund as of December 31, 2018.

- Holly Hill Police 4Q 2018 (PDF)

**SUMMARY OF RELEVANT FACTS**  
**Holly Hill Police Officers' Retirement Trust Fund**  
**As of December 31, 2018**

**Distribution of Assets:**

|                                       |                |
|---------------------------------------|----------------|
| Equity                                |                |
| - Large Cap Value                     | \$1,568,992.78 |
| - Large Cap Growth                    | \$1,578,136.01 |
| - Large Cap Core                      | \$1,000,870.29 |
| - Small Cap Value                     | \$625,960.79   |
| - Small Cap Growth                    | \$723,108.45   |
| - International Value                 | \$579,025.21   |
| - International Growth                | \$514,790.68   |
| Total Equity                          | \$6,590,884.21 |
| Fixed Income                          | \$2,080,919.77 |
| Private Real Estate                   | \$982,407.00   |
| Cash (Deposit & Disbursement Account) | \$79,776.89    |
| Total Portfolio                       | \$9,733,987.87 |

**Distribution by Percentages:**

|                                       | Policy  | Current |
|---------------------------------------|---------|---------|
| Equity Breakdown                      |         |         |
| - Large Cap Value                     | 17.50%  | 16.12%  |
| - Large Cap Growth                    | 17.50%  | 16.21%  |
| - Large Cap Core                      | 10.00%  | 10.28%  |
| - Small Cap Value                     | 7.50%   | 6.43%   |
| - Small Cap Growth                    | 7.50%   | 7.43%   |
| - International Value                 | 5.00%   | 5.95%   |
| - International Growth                | 5.00%   | 5.29%   |
| Total Equity                          | 70.00%  | 67.71%  |
| Fixed Income                          | 20.00%  | 21.38%  |
| Private Real Estate                   | 10.00%  | 10.09%  |
| Cash (Deposit & Disbursement Account) | 0.00%   | 0.82%   |
| Total                                 | 100.00% | 100.00% |

**Other Important Facts:**

|                              |               |
|------------------------------|---------------|
| Total Portfolio              | \$9,733,988   |
| Total Gain or (Loss) - Gross | (\$1,022,659) |
| Total Gain or (Loss) - Net   | (\$1,048,543) |
| Total Fees                   | (\$25,885)    |

**BLACKROCK**

|                |         |
|----------------|---------|
| Total Assets   | 100.00% |
| Equity         | 94.27%  |
| Cash           | 5.73%   |
| Fees           |         |
| Gain or (Loss) |         |

**CLEARBRIDGE**

|                |         |
|----------------|---------|
| Total Assets   | 100.00% |
| Equity         | 98.80%  |
| Cash           | 1.20%   |
| Fees           |         |
| Gain or (Loss) |         |

**CONNORS**

|                |         |
|----------------|---------|
| Total Assets   | 100.00% |
| Equity         | 91.92%  |
| Cash           | 8.08%   |
| Fees           |         |
| Gain or (Loss) |         |

**BOSTON**

|                |         |
|----------------|---------|
| Total Assets   | 100.00% |
| Equity         | 98.19%  |
| Cash           | 1.81%   |
| Fees           |         |
| Gain or (Loss) |         |

**DEPOSIT & DISBURSEMENT**

|                |         |
|----------------|---------|
| Cash           | 100.00% |
| Gain or (Loss) |         |

**RBC**

|                |         |                |
|----------------|---------|----------------|
| Total Assets   | 100.00% | \$723,108.45   |
| Equity         | 98.56%  | \$712,700.00   |
| Cash           | 1.44%   | \$10,308.45    |
| Fees           |         | (\$2,300.00)   |
| Gain or (Loss) |         | (\$185,100.00) |

**DELAWARE**

|                |         |               |
|----------------|---------|---------------|
| Total Assets   | 100.00% | \$579,025.21  |
| Equity         | 98.05%  | \$567,700.00  |
| Cash           | 1.95%   | \$11,200.00   |
| Fees           |         | (\$1,500.00)  |
| Gain or (Loss) |         | (\$54,800.00) |

**RENAISSANCE**

|                |         |               |
|----------------|---------|---------------|
| Total Assets   | 100.00% | \$514,790.68  |
| Equity         | 98.68%  | \$507,900.00  |
| Cash           | 1.32%   | \$6,800.00    |
| Fees           |         | (\$1,300.00)  |
| Gain or (Loss) |         | (\$99,400.00) |

**MADISON**

|                |         |                |
|----------------|---------|----------------|
| Total Assets   | 100.00% | \$2,080,919.77 |
| Fixed          | 96.25%  | \$2,002,900.00 |
| Cash           | 3.75%   | \$78,000.00    |
| Fees           |         | (\$4,200.00)   |
| Gain or (Loss) |         | \$34,600.00    |

**INTERCONTINENTAL**

|                |         |              |
|----------------|---------|--------------|
| Total Assets   | 100.00% | \$982,407.00 |
| Equity         | 100.00% | \$982,400.00 |
| Cash           | 0.00%   | \$0.00       |
| Fees           |         | (\$3,900.00) |
| Gain or (Loss) |         | \$24,900.00  |

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

**Holly Hill Police Officers' Retirement Trust Fund**  
**As of December 31, 2018**

**ACTUARIAL ASSUMPTION = 7.40%**

| EQUITY<br>BlackRock<br>Large Cap. Value             |         | Gross-of-Fees<br>Returns | Net-of-Fees<br>Returns | Russ 1000 Value                     | PSN Money Managers                  | S&P 500            |
|-----------------------------------------------------|---------|--------------------------|------------------------|-------------------------------------|-------------------------------------|--------------------|
| Quarter                                             | (12.74) | (12.94)                  | (11.72)                | (12.70)                             | (13.52)                             |                    |
| 1 year                                              | (6.99)  | (7.81)                   | (8.27)                 | (7.95)                              | (4.38)                              |                    |
| 3 year                                              | 8.00    | 7.04                     | 6.95                   | 7.42                                | 9.26                                |                    |
| 5 year                                              | 6.68    | 5.69                     | 5.95                   | 6.23                                | 8.49                                |                    |
| Since 8/31/12                                       | 9.65    | 8.63                     | 10.23                  | NA                                  | 11.86                               |                    |
| Blackrock/Lord Abbett Since 6/30/97                 | 7.08    | 6.05                     | 7.12                   | 8.15                                | 6.95                                |                    |
| Combined Managers - Since 11/30/95                  | 8.27    | 7.21                     | 8.40                   | NA                                  | 8.38                                |                    |
| Clearbridge<br>Large Cap. Growth                    |         |                          |                        | Russ 1000 Growth                    | PSN Money Managers                  |                    |
| Quarter                                             | (13.39) | (13.59)                  | (15.89)                | (15.14)                             |                                     |                    |
| 1 year                                              | 0.28    | (0.59)                   | (1.51)                 | (2.19)                              |                                     |                    |
| Since 8/31/17                                       | 7.11    | 6.24                     | 5.66                   | NA                                  |                                     |                    |
| CB/WW - 3 year                                      | 8.02    | 7.05                     | 11.15                  | 9.55                                |                                     |                    |
| CB/WW - 5 year                                      | 5.64    | 4.65                     | 10.41                  | 8.84                                |                                     |                    |
| CB/WW - Since 12/31/12                              | 9.56    | 8.54                     | 13.95                  | 12.80                               |                                     |                    |
| CB/Wedgewood/Sands/Alliance/Sirach - Since 11/30/95 | 7.43    | 6.40                     | 8.08                   | NA                                  |                                     |                    |
| Connors<br>Large Cap. Core                          |         |                          |                        | S&P 500                             | 60% S&P 500 /<br>40% CBOE Buy Write | S&P CBOE Buy Write |
| Quarter                                             | (10.48) | (10.69)                  | (13.52)                | (12.44)                             | (10.81)                             |                    |
| 1 year                                              | (4.08)  | (4.94)                   | (4.38)                 | (4.50)                              | (4.77)                              |                    |
| 3 year                                              | 7.26    | 6.29                     | 9.26                   | 7.51                                | 4.84                                |                    |
| 5 year                                              | 7.13    | 6.14                     | 8.49                   | 7.16                                | 5.08                                |                    |
| Since 8/31/13                                       | 8.57    | 7.63                     | 10.62                  | 8.91                                | 6.27                                |                    |
| Boston<br>Small/Mid Cap. Value                      |         |                          |                        | Russell 2500 Value<br>Dynamic Index | PSN Money Managers                  |                    |
| Quarter                                             | (19.58) | (19.80)                  | (17.12)                | (19.38)                             |                                     |                    |
| 1 year                                              | (18.24) | (19.06)                  | (12.36)                | (13.61)                             |                                     |                    |
| Since 3/31/2016                                     | 4.92    | 3.89                     | 5.94                   | 5.97                                |                                     |                    |
| Boston/GW - 3 year                                  | 4.04    | 3.00                     | 6.03                   | 6.43                                |                                     |                    |
| Boston/GW - 5 year                                  | 0.32    | (0.71)                   | 2.82                   | 4.28                                |                                     |                    |
| Boston/GW - Since 5/31/06                           | 6.50    | 5.44                     | 5.14                   | NA                                  |                                     |                    |
| Boston/GW/Babson/Harris - Since 1/31/05             | 6.93    | 5.87                     | 5.94                   | NA                                  |                                     |                    |
| RBC<br>Small Cap. Growth                            |         |                          |                        | Russ 2000 Growth                    | PSN Money Managers                  |                    |
| Quarter                                             | (20.36) | (20.59)                  | (21.65)                | (20.96)                             |                                     |                    |
| 1 year                                              | (3.93)  | (4.92)                   | (9.31)                 | (4.69)                              |                                     |                    |
| 3 year                                              | 7.37    | 6.27                     | 7.24                   | 9.61                                |                                     |                    |
| 5 year                                              | 4.86    | 3.77                     | 5.13                   | 6.33                                |                                     |                    |
| Since 5/31/06                                       | 8.65    | 7.54                     | 7.56                   | NA                                  |                                     |                    |
| RBC/Kayne/ING Furman - Since 11/30/95               | 7.82    | 6.73                     | 6.50                   | NA                                  |                                     |                    |

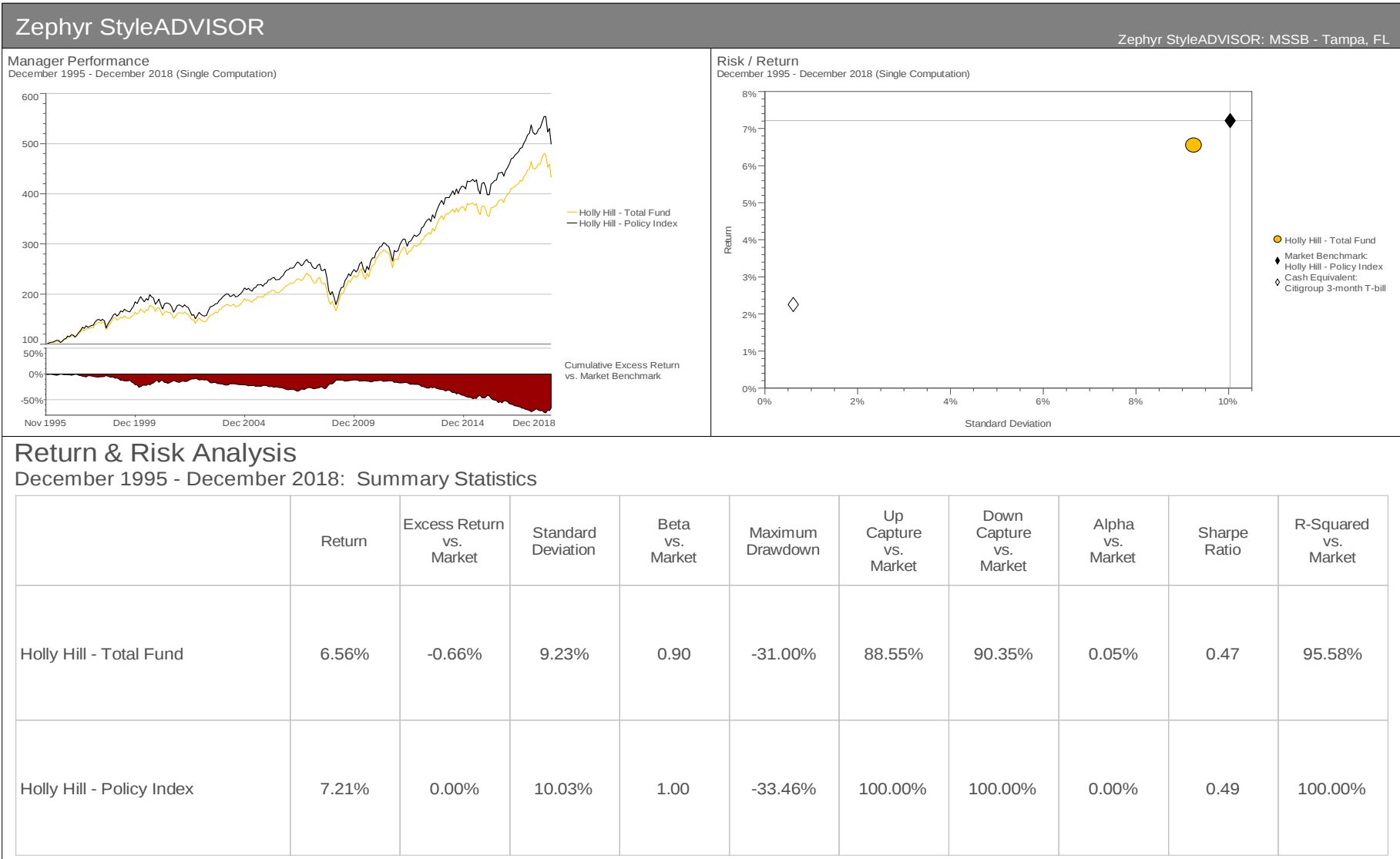
Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

| Delaware International Value             |         |         |         | MSCI EAFE (Net)   | MSCI EAFE Value  |               |
|------------------------------------------|---------|---------|---------|-------------------|------------------|---------------|
| Quarter                                  | (8.65)  | (8.88)  | (12.54) | (11.70)           |                  |               |
| 1 year                                   | (10.67) | (11.53) | (13.79) | (14.78)           |                  |               |
| 3 year                                   | 4.14    | 3.13    | 2.87    | 2.82              |                  |               |
| 5 year                                   | 2.17    | 1.16    | 0.53    | (0.61)            |                  |               |
| Since 9/30/04                            | 5.60    | 4.54    | 4.69    | 3.94              |                  |               |
| Renaissance International Growth         |         |         |         | MSCI AC Wrld x US | MSCI EAFE Growth |               |
| Quarter                                  | (16.17) | (16.37) | (11.46) | (13.33)           |                  |               |
| 1 year                                   | (19.95) | (20.67) | (14.19) | (12.83)           |                  |               |
| 3 year                                   | 0.73    | (0.18)  | 4.48    | 2.89              |                  |               |
| 5 year                                   | (0.67)  | (1.61)  | 0.68    | 1.62              |                  |               |
| Since 1/31/09                            | 7.56    | 6.56    | 7.63    | 8.10              |                  |               |
| FIXED INCOME Madison                     |         |         |         | BC Int. G/C Bond  | BC G/C Bond      | 90-Day T-Bill |
| Quarter                                  | 1.69    | 1.48    | 1.65    | 1.46              | 0.57             |               |
| 1 year                                   | 1.35    | 0.46    | 0.88    | (0.42)            | 1.86             |               |
| 3 year                                   | 1.30    | 0.44    | 1.70    | 2.19              | 0.99             |               |
| 5 year                                   | 1.39    | 0.53    | 1.86    | 2.53              | 0.60             |               |
| Since 11/30/95                           | 4.27    | 3.29    | 4.52    | 4.95              | 2.26             |               |
| PRIVATE REAL ESTATE Intercontinental     |         |         |         | NCREIF Prop Idx   |                  |               |
| Quarter                                  | 2.60    | 2.18    | 1.37    |                   |                  |               |
| Since 12/31/17                           | 11.35   | 9.73    | 6.71    |                   |                  |               |
| TOTAL RETURN Time-Weighted Returns (TWR) |         |         |         | Policy Index      |                  |               |
| Quarter                                  | (9.52)  | (9.74)  | (9.95)  |                   |                  |               |
| 1 year                                   | (3.72)  | (4.63)  | (4.16)  |                   |                  |               |
| 3 year                                   | 5.47    | 4.51    | 6.37    |                   |                  |               |
| 5 year                                   | 3.97    | 3.00    | 5.24    |                   |                  |               |
| Since 11/30/95                           | 6.56    | 5.55    | 7.23    |                   |                  |               |
| TOTAL RETURN Dollar-Weighted Net (IRR)   |         |         |         | Actuarial Rate    | CPI +4           |               |
| Quarter                                  |         | (9.74)  | 1.85    | 1.22              |                  |               |
| 1 year                                   |         | (4.50)  | 7.40    | 5.99              |                  |               |
| 3 year                                   |         | 4.59    | 7.40    | 6.03              |                  |               |
| 5 year                                   |         | 3.07    | 7.40    | 5.53              |                  |               |
| Since 11/30/95                           |         | 5.74    | 7.40    | 6.22              |                  |               |

#### -Policy Index

- 17.5% Russ 1000 Value / 17.5% Russ 1000 Growth / 10% S&P 500 / 7.5% Russ 2500 Value / 7.5% Russ 2000 Growth / 5% MSCI EAFE (net) / 5% MSCI AC Wd ex US (net) / 20% BC Int G/C / 10% NCREIF Prop Idx for periods since 12/31/2017
- 17.5% Russ 1000 Value / 17.5% Russ 1000 Growth / 10% S&P 500 / 7.5% Russ 2500 Value / 7.5% Russ 2000 Growth / 5% MSCI EAFE (net) / 5% MSCI AC Wd ex US (net) / 30% BC Int G/C for periods since 3/31/2016
- 17.5% Russ 1000 Value / 17.5% Russ 1000 Growth / 10% S&P 500 / 7.5% Russ 2000 Value / 7.5% Russ 2000 Growth / 5% MSCI EAFE (net) / 5% MSCI AC Wd ex US (net) / 30% BC Int G/C for periods from 8/31/2013 to 3/31/2016
- 20% Russ 1000 Value / 20% Russ 1000 Growth / 7.5% Russ 2000 Value / 7.5% Russ 2000 Growth / 5% MSCI EAFE (net) / 5% MSCI AC Wd ex US (gross) / 35% BC Int G/C for periods from 1/31/2009 to 8/31/2013
- 22.5% Russ 1000 Value / 17.5% Russ 1000 Growth / 7.5% Russ 2000 / 7.5% Russ 2000 Growth / 5% MSCI EAFE (net) / 40% BC Int G/C for periods from 1/31/2005 to 1/31/2009
- 22.5% Russ 1000 Value / 17.5% Russ 1000 Growth / 15% Russ 2500 Growth / 5% MSCI EAFE (net) / 40% BC Int G/C for periods from 9/30/2004 to 1/31/2005
- 24% Russ 1000 Value / 18% Russ 1000 Growth / 18% Russ 2500 Growth / 40% BC Int G/C for periods prior to 9/30/2004

## Risk/Return Analysis- Since Inception



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

**COMPLIANCE CHECKLIST****City of Holly Hill Municipal Police Officers' Retirement Trust Fund**

As of December 31, 2018

**GUIDELINES**

In Compliance

**Equity Portfolio**

|                                                                                                     |     |
|-----------------------------------------------------------------------------------------------------|-----|
| Listed on recognized exchange                                                                       | Yes |
| Single issue not to exceed 10% at market value for each equity in each separately managed portfolio | Yes |
| Total equity portfolio < 72.5% & > 67.5% of total fund at market                                    | Yes |
| Single issue not to exceed 5% at market value for the total portfolio                               | Yes |
| Foreign equities < 25% of total portfolio at market                                                 | Yes |
| No scrutinized companies (Sudan/Iran) held per Protecting Florida's Investments Act requirement     | Yes |

**BlackRock**Large Capitalization Value Equity Portfolio

|                                              |                |                        |
|----------------------------------------------|----------------|------------------------|
| Market Value < 20.0% & > 15.0% of total fund | Yes            |                        |
| Performance (Inception 8/31/2012)            | <u>3 years</u> | <u>Since Inception</u> |
| Rank in the Top 50% of manager universe      | Yes            | No                     |
| Return > Russell 1000 Value                  | Yes            | No                     |

**Clearbridge**Large Capitalization Growth Equity Portfolio

|                                              |                |                        |
|----------------------------------------------|----------------|------------------------|
| Market Value < 20.0% & > 15.0% of total fund | Yes            |                        |
| Performance (Inception 8/31/2017)            | <u>3 years</u> | <u>Since Inception</u> |
| Rank in the Top 50% of manager universe      | N/A            | Yes                    |
| Return > Russell 1000 Growth                 | N/A            | Yes                    |

**Connors**Large Capitalization Core Equity Portfolio

|                                              |                |                        |
|----------------------------------------------|----------------|------------------------|
| Market Value < 12.5% & > 7.50% of total fund | Yes            |                        |
| Performance (Inception 8/31/2013)            | <u>3 years</u> | <u>Since Inception</u> |
| Return > S&P 500                             | No             | No                     |
| Return > 60% S&P 500 / 40% CBOE Buy Write    | No             | No                     |
| Return > S&P CBOE Buy Write                  | Yes            | Yes                    |

**Boston**Small/Mid Capitalization Value Equity Portfolio

|                                         |                |                        |
|-----------------------------------------|----------------|------------------------|
| Market Value < 10% & > 5% of total fund | Yes            |                        |
| Performance (Inception 3/31/2016)       | <u>3 years</u> | <u>Since Inception</u> |
| Rank in the Top 50% of manager universe | N/A            | No                     |
| Return > Russell 2500 Value             | N/A            | No                     |

**RBC**Small Capitalization Growth Equity Portfolio

|                                         |                |                        |
|-----------------------------------------|----------------|------------------------|
| Market Value < 10% & > 5% of total fund | Yes            |                        |
| Performance (Inception 5/31/2006)       | <u>5 years</u> | <u>Since Inception</u> |
| Rank in the Top 50% of manager universe | No             | Yes                    |
| Return > Russell 2000 Growth            | No             | Yes                    |

**OBJECTIVES**

In Compliance

**Total Portfolio**

|                                     |                 |                        |
|-------------------------------------|-----------------|------------------------|
|                                     | <u>10 years</u> | <u>Since Inception</u> |
| Exceed Target Index                 | No              | No                     |
| Exceed actuarial assumption (7.4%)* | Yes             | No                     |
| Exceed CPI + 4%*                    | Yes             | No                     |

\* Measured using Net Dollar-Weighted Rate of Return

**Delaware Investments**International Value Equity Portfolio

|                                              |                |                        |
|----------------------------------------------|----------------|------------------------|
| Market Value < 6.25% & > 3.75% of total fund | Yes            |                        |
| Performance (Inception 9/30/2004)            | <u>5 years</u> | <u>Since Inception</u> |
| Return > MSCI EAFE (Net)                     | Yes            | Yes                    |

**Renaissance**International Growth Equity Portfolio

|                                              |                |                        |
|----------------------------------------------|----------------|------------------------|
| Market Value < 6.25% & > 3.75% of total fund | Yes            |                        |
| Performance (Inception 1/31/2009)            | <u>5 years</u> | <u>Since Inception</u> |
| Return > MSCI AC World ex US                 | No             | No                     |

**Madison Investment Advisors**Fixed Income Portfolio

|                                                                                          |                 |                        |
|------------------------------------------------------------------------------------------|-----------------|------------------------|
| Market Value < 22.5% & > 17.5% of total fund                                             | Yes             |                        |
| Performance (Inception 11/30/1995)                                                       | <u>10 years</u> | <u>Since Inception</u> |
| Return > Barclays Cap Interm. Gov't/Credit                                               | No              | No                     |
| U.S. Government / Agency or U.S. Corporations                                            |                 | Yes                    |
| Bonds rated "A" or better                                                                |                 | Yes                    |
| Single corporate issuer not exceed 10% of bond portfolio (except U.S. Government/Agency) |                 | Yes                    |

**Intercontinental**Private Real Estate Equity Portfolio

|                                           |                |                        |
|-------------------------------------------|----------------|------------------------|
| Market Value < 12.5% & > 0% of total fund | Yes            |                        |
| Performance (Inception 12/31/2017)        | <u>5 years</u> | <u>Since Inception</u> |
| Return > NCREIF Prop Idx                  | N/A            | Yes                    |

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

**Holly Hill Police Officers' Retirement Trust Fund**  
**Consulting & Management Fee Billing Summary**  
**As of December 31, 2018**

|                    |                     |                   |           |                  |                        |                    |                          |                     |                           |  |
|--------------------|---------------------|-------------------|-----------|------------------|------------------------|--------------------|--------------------------|---------------------|---------------------------|--|
| <b>BlackRock</b>   |                     | <b>745-106969</b> |           |                  |                        |                    |                          |                     |                           |  |
| <u>Date Billed</u> | <u>Market Value</u> | <u>From</u>       | <u>To</u> | <u>\$ GC Fee</u> | <u>% Annual GC Fee</u> | <u>\$ Mgr. Fee</u> | <u>% Annual Mgr. Fee</u> | <u>\$ Total Fee</u> | <u>% Annual Total Fee</u> |  |
| 10/12/2018         | \$1,800,331.78      | 7/1/2018          | 9/30/2018 | \$2,695.60       | 0.59%                  | \$1,270.59         | 0.28%                    | \$3,966.19          | 0.87%                     |  |
| <b>Clearbridge</b> |                     | <b>745-106970</b> |           |                  |                        |                    |                          |                     |                           |  |
| <u>Date Billed</u> | <u>Market Value</u> | <u>From</u>       | <u>To</u> | <u>\$ GC Fee</u> | <u>% Annual GC Fee</u> | <u>\$ Mgr. Fee</u> | <u>% Annual Mgr. Fee</u> | <u>\$ Total Fee</u> | <u>% Annual Total Fee</u> |  |
| 10/12/2018         | \$1,825,692.90      | 7/1/2018          | 9/30/2018 | \$2,733.58       | 0.59%                  | \$1,288.49         | 0.28%                    | \$4,022.07          | 0.87%                     |  |
| <b>Connors</b>     |                     | <b>745-040115</b> |           |                  |                        |                    |                          |                     |                           |  |
| <u>Date Billed</u> | <u>Market Value</u> | <u>From</u>       | <u>To</u> | <u>\$ GC Fee</u> | <u>% Annual GC Fee</u> | <u>\$ Mgr. Fee</u> | <u>% Annual Mgr. Fee</u> | <u>\$ Total Fee</u> | <u>% Annual Total Fee</u> |  |
| 10/12/2018         | \$1,119,945.90      | 7/1/2018          | 9/30/2018 | \$1,676.87       | 0.59%                  | \$838.98           | 0.30%                    | \$2,515.85          | 0.89%                     |  |
| <b>Boston</b>      |                     | <b>745-125096</b> |           |                  |                        |                    |                          |                     |                           |  |
| <u>Date Billed</u> | <u>Market Value</u> | <u>From</u>       | <u>To</u> | <u>\$ GC Fee</u> | <u>% Annual GC Fee</u> | <u>\$ Mgr. Fee</u> | <u>% Annual Mgr. Fee</u> | <u>\$ Total Fee</u> | <u>% Annual Total Fee</u> |  |
| 10/12/2018         | \$779,423.86        | 7/1/2018          | 9/30/2018 | \$1,167.02       | 0.59%                  | \$785.83           | 0.40%                    | \$1,952.85          | 0.99%                     |  |
| <b>RBC</b>         |                     | <b>745-106971</b> |           |                  |                        |                    |                          |                     |                           |  |
| <u>Date Billed</u> | <u>Market Value</u> | <u>From</u>       | <u>To</u> | <u>\$ GC Fee</u> | <u>% Annual GC Fee</u> | <u>\$ Mgr. Fee</u> | <u>% Annual Mgr. Fee</u> | <u>\$ Total Fee</u> | <u>% Annual Total Fee</u> |  |
| 10/12/2018         | \$910,451.69        | 7/1/2018          | 9/30/2018 | \$1,363.20       | 0.59%                  | \$963.83           | 0.42%                    | \$2,327.03          | 1.01%                     |  |
| <b>Delaware</b>    |                     | <b>745-125072</b> |           |                  |                        |                    |                          |                     |                           |  |
| <u>Date Billed</u> | <u>Market Value</u> | <u>From</u>       | <u>To</u> | <u>\$ GC Fee</u> | <u>% Annual GC Fee</u> | <u>\$ Mgr. Fee</u> | <u>% Annual Mgr. Fee</u> | <u>\$ Total Fee</u> | <u>% Annual Total Fee</u> |  |
| 10/12/2018         | \$633,359.78        | 7/1/2018          | 9/30/2018 | \$948.32         | 0.59%                  | \$606.64           | 0.38%                    | \$1,554.96          | 0.97%                     |  |

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

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

| Renaissance          |                     | 745-125543  |           |                  |                        |                    |                          |                     |                           |
|----------------------|---------------------|-------------|-----------|------------------|------------------------|--------------------|--------------------------|---------------------|---------------------------|
| <u>Date Billed</u>   | <u>Market Value</u> | <u>From</u> | <u>To</u> | <u>\$ GC Fee</u> | <u>% Annual GC Fee</u> | <u>\$ Mgr. Fee</u> | <u>% Annual Mgr. Fee</u> | <u>\$ Total Fee</u> | <u>% Annual Total Fee</u> |
| 10/12/2018           | \$615,186.06        | 7/1/2018    | 9/30/2018 | \$921.11         | 0.59%                  | \$465.18           | 0.30%                    | \$1,386.29          | 0.89%                     |
| Madison              |                     | 745-106968  |           |                  |                        |                    |                          |                     |                           |
| <u>Date Billed</u>   | <u>Market Value</u> | <u>From</u> | <u>To</u> | <u>\$ GC Fee</u> | <u>% Annual GC Fee</u> | <u>\$ Mgr. Fee</u> | <u>% Annual Mgr. Fee</u> | <u>\$ Total Fee</u> | <u>% Annual Total Fee</u> |
| 10/12/2018           | \$2,050,465.49      | 7/1/2018    | 9/30/2018 | \$3,070.12       | 0.59%                  | \$1,188.71         | 0.23%                    | \$4,258.83          | 0.82%                     |
| Intercontinental     |                     | 745-055570  |           |                  |                        |                    |                          |                     |                           |
| <u>Date Billed</u>   | <u>Market Value</u> | <u>From</u> | <u>To</u> | <u>\$ GC Fee</u> | <u>% Annual GC Fee</u> | <u>\$ Mgr. Fee</u> | <u>% Annual Mgr. Fee</u> | <u>\$ Total Fee</u> | <u>% Annual Total Fee</u> |
| 10/12/2018           | \$900,000.00        | 7/1/2018    | 9/30/2018 | \$1,347.55       | 0.59%                  | \$2,553.00         | 1.13%                    | \$3,900.55          | 1.72%                     |
| Total - All Managers |                     |             |           |                  |                        |                    |                          |                     |                           |
| <u>Date Billed</u>   | <u>Market Value</u> | <u>From</u> | <u>To</u> | <u>\$ GC Fee</u> | <u>% Annual GC Fee</u> | <u>\$ Mgr. Fee</u> | <u>% Annual Mgr. Fee</u> | <u>\$ Total Fee</u> | <u>% Annual Total Fee</u> |
| 10/12/2018           | \$10,634,857.46     | 7/1/2018    | 9/30/2018 | \$15,923.37      | 0.59%                  | \$9,961.25         | 0.37%                    | \$25,884.62         | 0.97%                     |

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

# QUARTERLY PERFORMANCE EVALUATION

Prepared for:

**Holly Hill Police Officers' Retirement Trust Fund**

**As of December 31, 2018**

## **Graystone Consulting Tampa**

Charles H. Mulfinger, II, CIMA®  
Managing Director, Wealth Management  
Institutional Consulting Director  
Alternative Investment Director

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

Scott Owens, CFA®, CIMA®  
Associate Vice President  
Institutional Consultant

David A. Wheeler, CFP®, CIMA®  
Senior Vice President  
Institutional Consulting Director  
Institutional Consultant

# Table of Contents

---

|                                                      |       |
|------------------------------------------------------|-------|
| ▪ Capital Markets Overview                           | Tab 1 |
| ▪ Performance Reports                                | Tab 2 |
| ▪ Total Fund Reports                                 |       |
| ▪ BlackRock (Large Cap. Value) Account Reports       |       |
| ▪ Clearbridge (Large Cap. Growth) Account Reports    |       |
| ▪ Connors (Large Cap. Core) Account Reports          |       |
| ▪ Boston Partners (SMID Cap. Value) Account Reports  |       |
| ▪ RBC (Small Cap. Growth) Account Reports            |       |
| ▪ Delaware (International Value) Account Reports     |       |
| ▪ Renaissance (International Growth) Account Reports |       |
| ▪ Madison (Fixed Income) Account Reports             |       |

# Capital Markets Overview: 4Q 2018

## Introduction

As of 4Q 2018

- To close out 2018, the S&P 500 recorded its worst quarter since 2011, and in December, its worst month since February 2009. From its peak close of 2930 on September 20, the index fell as much as 19.78%, nearly ending the historic bull market that began in 2009. International markets fared slightly better than the US, but overall it was a dismal quarter for markets. CIO and MS & Co.'s Chief US Equity Strategist, Mike Wilson, has maintained his price target of 2,750 for the S&P 500 into 2019 and expects range-bound trading over the next year, as financial conditions continue to tighten and corporate earnings growth decelerates.
- US equities fell significantly in the fourth quarter, as the S&P 500 dropped 13.52% and all but one of the 11 sectors finished in the red. Utilities was the exception, gaining 1.36% as defensive leadership prevailed in difficult market conditions. Other outperformers included Real Estate and Consumer Staples, which fell 3.84% and 5.22%, respectively. Energy was hit the hardest, falling 23.78%. Tech, Industrials, and Consumer Discretionary all underperformed significantly as well, falling 17.34%, 17.32%, and 16.42%, respectively. Other major US indices were negative on the quarter; the Dow Jones lost 11.31% and the NASDAQ erased 17.28%.
- International outperformed slightly in the fourth quarter, as divergences in US and world faded in the face of US poor performance. However, international markets remain under pressure as investors weigh weakening economic data in China, Europe, and Japan. The MSCI EAFE Index (a benchmark for international developed markets) fell 12.50% for US-currency investors. The MSCI Europe Index fell 12.68% for US-currency investors, while the MSCI Japan dropped 14.20%. Japanese equity indices, the Nikkei and TOPIX, both dropped more than 20% during the quarter in local currency terms.
- The bond market posted mild gains in the fourth quarter during an equity market rout. The Bloomberg Barclays US Aggregate Bond Index, a general measure of the bond market, rose 1.64%.
- Morgan Stanley & Co. economists expect US real GDP will be 2.9% in 2018 amid an environment of 3.8% global GDP growth, though they expect that pace to taper slightly in 2019 to rates of 1.9% and 3.6%, respectively.
- Commodities were down in the fourth quarter; the Bloomberg Commodity Index lost 12.99%.

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

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

# Capital Markets Overview: 4Q 2018

## The US Economy

As of 4Q 2018 (with most recent data available)

The Bureau of Economic Analysis estimated that real Gross Domestic Product increased at an annualized rate of 3.4% in 3Q18, in comparison to a 4.2% increase in 2Q18. Morgan Stanley & Co. economists forecast US Real GDP growth will be 2.9% in 2018 and 2.3% in 2019.

The seasonally adjusted unemployment rate for November 2018 was 3.7%. Job gains occurred in professional and business services, health care, accommodation and food services, and retail. The number of unemployed was 6.0 million in November, down slightly from 6.2 million in August of this year. The number of long-term unemployed (those jobless for 27 weeks or more) was 1.3 million, a decrease of around 79,000 from August. These individuals accounted for 21.0% of the unemployed vs. 21.5% at the end of last quarter.

According to the most recent data from the Federal Reserve Bank of St. Louis, corporate profits increased 3.5% quarter over quarter and are up 19.6% year over year as of Q3 2018.

Inflation was generally steady in the US, according to the Bureau of Labor Statistics. The year-over-year Consumer Price Index was 2.2% in November, down from the 2.7% figure in August. Morgan Stanley & Co. economists forecast a 2.4% annual inflation rate for 2018 and 1.8% for 2019.

The Census Bureau reported that the number of new private-sector housing starts in November 2018 was at a seasonally adjusted annual rate of 1,256,000—3.6% below housing starts this time last year.

The Census Bureau also reported that seasonally adjusted retail and food services sales increased at 4.2% year over year in November. Consumer confidence fell in 4Q18, with Conference Board Consumer Confidence reading 128.1 in December, down from October's peak of 137.9 but still historically elevated.

In November, the Institute for Supply Management's (ISM) Purchasing Managers Index (PMI), a manufacturing sector index, came in at 59.3, down from August's reading of 61.3. Generally speaking, a PMI or NMI (ISM Non-Manufacturing Index) over 50 indicates that the sector is expanding, and a PMI below 50 but over 43 indicates that the sector is shrinking but the overall economy is expanding. PMI has registered above 50 for 32 out of the last 35 months, indicating an expansion in manufacturing since March 2016. Overall, PMI has been above 43 for 113 consecutive months, indicating overall economic recovery and expansion since June 2009.

The ISM's Non-Manufacturing Index (NMI) for August was 60.7—2.2 points higher than in August 2018. The index has now been above 50 for 103 consecutive months, indicating non-manufacturing expansion since February 2010.

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

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

# Capital Markets Overview: 4Q 2018

## US Equity Markets

As of 4Q 2018

The Dow Jones Industrial Average lost 11.31% in the fourth quarter, while the NASDAQ Composite Index was down 17.28%. The S&P 500 Index fell 13.52% over the same period.

Most sectors fell on a total return basis in 4Q18. Utilities was the exception, gaining 1.36% as defensive leadership prevailed in difficult market conditions. Other outperformers included Real Estate and Consumer Staples, which fell 3.84% and 5.22%, respectively. Energy was hit the hardest, falling 23.78%. Tech, Industrials, and Consumer Discretionary all underperformed significantly as well, falling 17.34%, 17.32%, and 16.42%, respectively.

The Russell 1000, a large-cap index, fell 13.82% for the quarter, as large-cap value (-11.72% ) outperformed large-cap growth (-15.89%).

The Russell Midcap lost 15.37% on the quarter, with mid-cap value (-14.95%) mildly outperforming mid-cap growth (-15.99%).

The Russell 2000, a small-cap index, dropped 20.20% for the quarter, with small-cap value (-18.67%) outperforming small-cap growth (-21.65%).

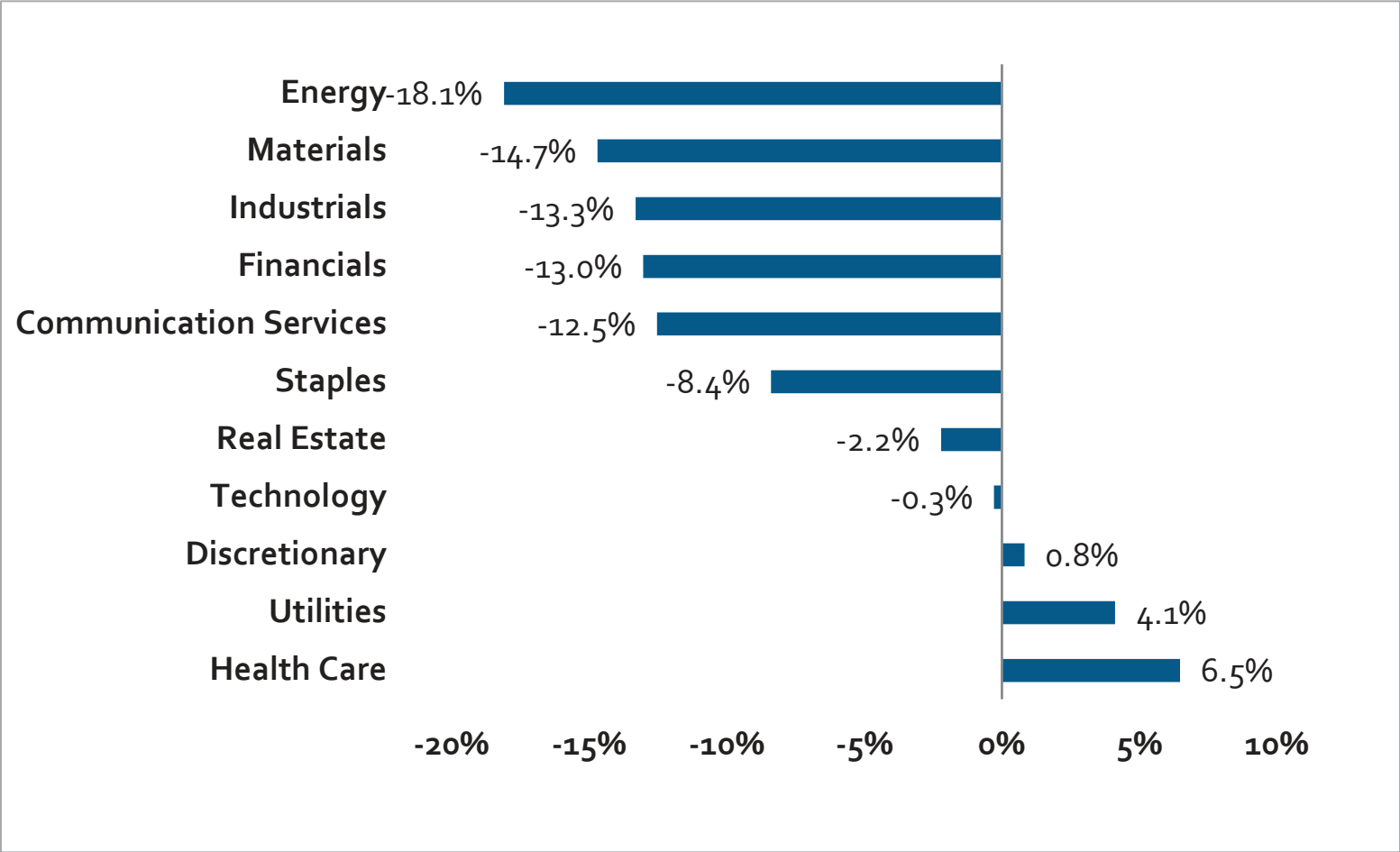
| Key US Stock Market Index Returns (%) for the Period Ending 12/31/2018 |         |           |                         |                         |
|------------------------------------------------------------------------|---------|-----------|-------------------------|-------------------------|
| INDEX IN USD                                                           | Quarter | 12 Months | 5-Years<br>(Annualized) | 7-Years<br>(Annualized) |
| S&P 500                                                                | -13.52% | -4.38%    | 8.58%                   | 12.70%                  |
| Dow Jones                                                              | -11.31% | -3.48%    | 9.79%                   | 12.43%                  |
| Russell 2000                                                           | -20.20% | -11.01%   | 4.46%                   | 10.44%                  |
| Russell Midcap                                                         | -15.37% | -9.06%    | 6.33%                   | 11.49%                  |
| Russell 1000                                                           | -13.82% | -4.78%    | 8.29%                   | 12.63%                  |

Source: FactSet, Bloomberg, Morgan Stanley Wealth Management GIC

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

# S&P 500 Sectors

YTD 2018 Total Return  
As of December 31, 2018



# Capital Markets Overview: 4Q 2018

## Global Equity Markets

As of 4Q 2018

International outperformed slightly in the fourth quarter, as divergences in US and world faded in the face of US poor performance. However, international markets remain under pressure as investors weigh weakening economic data in China, Europe, and Japan. The MSCI EAFE Index (a benchmark for international developed markets) fell 12.50% for US-currency investors.

In the fourth quarter, the MSCI Emerging Markets Index fell 7.40% for US-currency investors as risk-off sentiment and continued weakness in China was reinforced by the further strengthening of the dollar. The MSCI Europe Index fell 12.68% for US-currency investors, while the MSCI Japan dropped 14.20%. Japanese equity indices the Nikkei and TOPIX both dropped more than 20% during the quarter in local currency terms.

The S&P 500 Index lost 13.52% for the quarter.

Emerging economy equity market indices were down further in the fourth quarter. The MSCI BRIC (Brazil, Russia, India and China) Index fell 5.28% in US dollar terms, while the MSCI EM Asia Index was down 9.50%.

| Key Global Stock Market Index Returns (%) for the Period Ending 12/31/2018 |         |           |                         |                         |
|----------------------------------------------------------------------------|---------|-----------|-------------------------|-------------------------|
| INDEX IN USD                                                               | Quarter | 12 Months | 5-Years<br>(Annualized) | 7-Years<br>(Annualized) |
| MSCI EAFE                                                                  | -12.50% | -13.36%   | 1.02%                   | 6.14%                   |
| MSCI EAFE Growth                                                           | -13.30% | -12.48%   | 2.02%                   | 6.78%                   |
| MSCI EAFE Value                                                            | -11.65% | -14.26%   | -0.03%                  | 5.43%                   |
| MSCI Europe                                                                | -12.68% | -14.32%   | -0.01%                  | 5.89%                   |
| MSCI Japan                                                                 | -14.20% | -12.58%   | 3.38%                   | 7.24%                   |
| S&P 500                                                                    | -13.52% | -4.38%    | 8.58%                   | 12.70%                  |
| MSCI Emerging Markets                                                      | -7.40%  | -14.25%   | 2.04%                   | 3.60%                   |

# Capital Markets Overview: 4Q 2018

## The US Bond Market

As of 4Q 2018

The bond market posted mild gains in the fourth quarter during an equity market rout. The Bloomberg Barclays US Aggregate Bond Index, a general measure of the bond market, rose 1.64%.

Interest rates fell during the fourth quarter, as the yield on the 10-year US Treasury note dropped to a quarter-end 2.68% from 3.06% at the end of September. This sharp move downward in yields followed brief cycle peaks in October and November, during which the yield touched 3.23%, the highest levels seen since 2011.

Riskier parts of the bond market such as US high yield debt were harder hit in the fourth quarter. The Bloomberg Barclays Capital High Yield Index, a measure of lower-rated corporate bonds, lost 4.53%.

Mortgage-backed showed modest gains in the fourth quarter. The Bloomberg Barclays Capital Mortgage-Backed Securities Index rose 2.08%. Municipal bonds were also up; the Bloomberg Barclays Capital Muni Index saw gains of 1.69%.

| Key US Bond Market Index Returns (%) for the Period Ending 12/31/2018 |         |           |                         |                         |
|-----------------------------------------------------------------------|---------|-----------|-------------------------|-------------------------|
| INDEX IN USD                                                          | Quarter | 12 Months | 5-Years<br>(Annualized) | 7-Years<br>(Annualized) |
| Bloomberg Barclays Capital US Aggregate                               | 1.64%   | 0.01%     | 2.50%                   | 2.10%                   |
| Bloomberg Barclays Capital High Yield                                 | -4.53%  | -2.08%    | 3.84%                   | 5.98%                   |
| Bloomberg Barclays Capital Government/Credit                          | 1.49%   | -0.45%    | 2.46%                   | 2.10%                   |
| Bloomberg Barclays Capital Government                                 | 2.57%   | 0.86%     | 1.98%                   | 1.31%                   |
| Bloomberg Barclays Capital Intermediate Govt/Credit                   | 1.66%   | 0.86%     | 1.84%                   | 1.74%                   |
| Bloomberg Barclays Capital Long Govt/Credit                           | 0.78%   | -4.68%    | 5.26%                   | 3.68%                   |
| Bloomberg Barclays Capital Mortgage Backed Securities                 | 2.08%   | 0.99%     | 2.52%                   | 1.96%                   |
| Bloomberg Barclays Capital Muni                                       | 1.69%   | 1.28%     | 3.82%                   | 3.30%                   |

Morgan Stanley Wealth Management is the trade name of Morgan Stanley Smith Barney LLC, a registered broker-dealer in the United States.

The sole purpose of this material is to inform, and it in no way is intended to be an offer or solicitation to purchase or sell any security, other investment or service, or to attract any funds or deposits. Investments mentioned may not be suitable for all clients. Any product discussed herein may be purchased only after a client has carefully reviewed the offering memorandum and executed the subscription documents. Morgan Stanley Wealth Management has not considered the actual or desired investment objectives, goals, strategies, guidelines, or factual circumstances of any investor in any fund(s). Before making any investment, each investor should carefully consider the risks associated with the investment, as discussed in the applicable offering memorandum, and make a determination based upon their own particular circumstances, that the investment is consistent with their investment objectives and risk tolerance. Morgan Stanley Smith Barney LLC offers investment program services through a variety of investment programs, which are opened pursuant to written client agreements. Each program offers investment managers, funds and features that are not available in other programs; conversely, some investment managers, funds or investment strategies may be available in more than one program.

Morgan Stanley's investment advisory programs may require a minimum asset level and, depending on your specific investment objectives and financial position, may not be suitable for you. Please see the Morgan Stanley Smith Barney LLC program disclosure brochure (the "Morgan Stanley ADV") for more information in the investment advisory programs available. The Morgan Stanley ADV is available at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV). **Sources of Data.** Information in this material in this report has been obtained from sources that we believe to be reliable, but we do not guarantee its accuracy, completeness or timeliness. Third-party data providers make no warranties or representations relating to the accuracy, completeness or timeliness of the data they provide and are not liable for any damages relating to this data. All opinions included in this material constitute the Firm's judgment as of the date of this material and are subject to change without notice. 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 GIC Asset Allocation Models are not available to be directly implemented as part of an investment advisory service and should not be regarded as a recommendation of any Morgan Stanley investment advisory service. The GIC Asset Allocation Models do not represent actual trading or any type of account or any type of investment strategies and none of the fees or other expenses (e.g. commissions, mark-ups, mark-downs, advisory fees, fund expenses) associated with actual trading or accounts are reflected in the GIC Asset Allocation Models which, when compounded over a period of years, would decrease returns.

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

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

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

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

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

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

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

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

The type of mutual funds and ETFs discussed in this presentation utilizes nontraditional or complex investment strategies and/or derivatives. Examples of these types of funds include those that utilize one or more of the below noted investment strategies or categories or which seek exposure to the following markets: (1) commodities (e.g., agricultural, energy and metals), currency, precious metals, (2) managed futures; (3) leveraged, inverse or inverse leveraged; (4) bear market, hedging, long-short equity, market neutral; (5) real estate; (6) volatility (seeking exposure to the CBOE VIX Index). Investors should keep in mind that while mutual funds and ETFs may, at times, utilize nontraditional investment options and strategies, they should not be equated with unregistered privately offered

alternative investments. Because of regulatory limitations, mutual funds and ETFs that seek alternative-like investment exposure must utilize a more limited investment universe. As a result, investment returns and portfolio characteristics of alternative mutual funds and ETFs may vary from traditional hedge funds pursuing similar investment objectives. Moreover, traditional hedge funds have limited liquidity with long "lock-up" periods allowing them to pursue investment strategies without having to factor in the need to meet client redemptions and ETFs trade on an exchange. On the other hand, mutual funds typically must meet daily client redemptions. This differing liquidity profile can have a material impact on the investment returns generated by a mutual or ETF pursuing an alternative investing strategy compared with a traditional hedge fund pursuing the same strategy.

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

### KEY ASSET CLASS CONSIDERATIONS AND OTHER RISKS

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

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

subject to change without notice and are not intended to be a forecast of future events or results. Further, opinions expressed herein may differ from the opinions expressed by Morgan Stanley Wealth Management and/or other businesses/affiliates of Morgan Stanley Wealth Management. This is not a "research report" as defined by FINRA Rule 2241 or a "debt research report" as defined by FINRA Rule 2242 and was not prepared by the Research Departments of Morgan Stanley Smith Barney LLC or Morgan Stanley & Co. LLC or its affiliates. Certain information contained herein may constitute forward-looking statements. Due to various risks and uncertainties, actual events, results or the performance of a fund may differ materially from those reflected or contemplated in such forward-looking statements. Clients should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing. While the HFRI indices are frequently used, they have limitations (some of which are typical of other widely used indices). These limitations include survivorship bias (the returns of the indices may not be representative of all the hedge funds in the universe because of the tendency of lower performing funds to leave the index); heterogeneity (not all hedge funds are alike or comparable to one another, and the index may not accurately reflect the performance of a described style); and limited data (many hedge funds do not report to indices, and the index may omit funds, the inclusion of which might significantly affect the performance shown). The HFRI indices are based on information self-reported by hedge fund managers that decide on their own, at any time, whether or not they want to provide, or continue to provide, information to HF Asset Management, L.L.C. Results for funds that go out of business are included in the index until the date that they cease operations. Therefore, these indices may not be complete or accurate representations of the hedge fund universe, and may be biased in several ways. Composite index results are shown for illustrative purposes and do not represent the performance of a specific investment. Individual funds have specific tax risks related to their investment programs that will vary from fund to fund. Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice. Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Wealth Management and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley Wealth Management or any of its affiliates, (3) are not guaranteed by Morgan Stanley Wealth Management and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Wealth Management is a registered broker-dealer, not a bank. This material is not to be reproduced or distributed to any other persons (other than professional advisors of the investors or prospective investors, as applicable, receiving this material) and is intended solely for the use of the persons to whom it has been delivered. This material is not for distribution to the general public. Past performance is no guarantee of future results. Actual results may vary. SIPC insurance does not apply to precious metals, other commodities, or traditional alternative investments. In Consulting Group's advisory programs, alternative investments are limited to US-registered mutual funds, separate account strategies and exchange-traded funds (ETFs) that seek to pursue alternative investment strategies or returns utilizing publicly traded securities. Investment products in this category may employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. Alternative investments are not suitable for all investors. As a diversified global financial services firm, Morgan Stanley Wealth Management engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley Wealth Management therefore engages in activities where Morgan Stanley Wealth Management's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley Wealth Management can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund. Alternative investments involve complex tax structures, tax inefficient investing, and delays in distributing important tax information. Individual funds have specific risks related to their investment programs that will vary from fund to fund. Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice.

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

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

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

**Hedge Funds of Funds** and many funds of funds are private investment vehicles restricted to certain qualified private and institutional investors. They are often speculative and include a high degree of risk. Investors can lose all or a substantial amount of their investment. They may be highly illiquid, can engage in leverage and other speculative practices that may increase volatility and the risk of loss,

and may be subject to large investment minimums and initial lockups. They involve complex tax structures, tax-inefficient investing and delays in distributing important tax information. Categorically, hedge funds and funds of funds have higher fees and expenses than traditional investments, and such fees and expenses can lower the returns achieved by investors. Funds of funds have an additional layer of fees over and above hedge fund fees that will offset returns. An investment in an **exchange-traded fund** involves risks similar to those of investing in a broadly based portfolio of equity securities traded on an exchange in the relevant securities market, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock and bond prices. An investment in a **target date portfolio** is subject to the risks attendant to the underlying funds in which it invests, in these portfolios the funds are the Consulting Group Capital Market funds. A target date portfolio is geared to investors who will retire and/or require income at an approximate year. The portfolio is managed to meet the investor's goals by the pre-established year or "target date." A target date portfolio will transition its invested assets from a more aggressive portfolio to a more conservative portfolio as the target date draws closer. An investment in the target date portfolio is not guaranteed at any time, including, before or after the target date is reached. **Managed futures** investments are speculative, involve a high degree of risk, use significant leverage, are generally illiquid, have substantial charges, subject investors to conflicts of interest, and are suitable only for the risk capital portion of an investor's portfolio. Managed futures investments do not replace equities or bonds but rather may act as a complement in a well diversified portfolio. Managed Futures are complex and not appropriate for all investors. **Rebalancing** does not protect against a loss in declining financial markets. There may be a potential tax implication with a rebalancing strategy.

**Asset allocation and diversification** do not assure a profit or protect against loss in declining financial markets. Past performance is no guarantee of future results. Actual results may vary.

**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 and/or as described at [www.morganstanley.com/disclosures/dol](http://www.morganstanley.com/disclosures/dol). 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.

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

Indices are unmanaged and investors cannot directly invest in them. They are not subject to expenses or fees and are often comprised of securities and other investment instruments the liquidity of which is not restricted. A particular investment product may consist of securities significantly different than those in any index referred to herein. Composite index results are shown for illustrative purposes only, generally do not represent the performance of a specific investment, may not, for a variety of reasons, be a suitable comparison or benchmark for a particular investment and may not necessarily reflect the actual investment strategy or objective of a particular investment. Consequently, comparing an investment to a particular index may be of limited use.

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**

**Morgan Stanley Smith Barney LLC** is a registered Broker/Dealer, Member SIPC, and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking related products and services.

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

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

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

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

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

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

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

**Investing in commodities** entails significant risks. Commodity prices may be affected by a variety of factors at any time, including but not limited to, (i) changes in supply and demand relationships, (ii)

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

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

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

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

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

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

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

© 2019 Morgan Stanley Smith Barney LLC. Member SIPC.

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Asset Allocation & Time Weighted Performance

as of December 31, 2018

|                                     | Allocation        |               | Performance(%)  |              |              |             |             |             |             |                 |                 |
|-------------------------------------|-------------------|---------------|-----------------|--------------|--------------|-------------|-------------|-------------|-------------|-----------------|-----------------|
|                                     | Market Value (\$) | %             | Current Quarter | Fiscal YTD   | 1 Year       | 3 Years     | 5 Years     | 7 Years     | 10 Years    | Since Inception | Inception Date  |
| <b>Total Fund</b>                   | <b>9,733,988</b>  | <b>100.00</b> | <b>-9.52</b>    | <b>-9.52</b> | <b>-3.72</b> | <b>5.47</b> | <b>3.97</b> | <b>7.02</b> | <b>8.83</b> | <b>6.56</b>     | <b>12/01/19</b> |
| Policy Index                        |                   |               | -9.95           | -9.95        | -4.16        | 6.37        | 5.24        | 8.26        | 9.31        | 7.23            |                 |
| <b>Domestic Equity</b>              |                   |               |                 |              |              |             |             |             |             |                 |                 |
| BlackRock - Large Cap Value         | 1,568,993         | 16.12         | -12.74          | -12.74       | -6.99        | 8.00        | 6.68        | N/A         | N/A         | 9.65            | 09/01/20        |
| Russell 1000 VL                     |                   |               | -11.72          | -11.72       | -8.27        | 6.95        | 5.95        | N/A         | N/A         | 10.22           |                 |
| Clearbridge - Large Cap Growth      | 1,578,136         | 16.21         | -13.39          | -13.39       | 0.28         | N/A         | N/A         | N/A         | N/A         | 7.11            | 09/01/20        |
| Russell 1000 Gr                     |                   |               | -15.89          | -15.89       | -1.51        | N/A         | N/A         | N/A         | N/A         | 5.65            |                 |
| Connors - Large Cap Core            | 1,000,870         | 10.28         | -10.48          | -10.48       | -4.08        | 7.26        | 7.13        | N/A         | N/A         | 8.57            | 09/01/20        |
| S&P 500 Total Return                |                   |               | -13.52          | -13.52       | -4.38        | 9.26        | 8.49        | N/A         | N/A         | 10.61           |                 |
| Boston - SMID Cap Value             | 625,961           | 6.43          | -19.58          | -19.58       | -18.24       | N/A         | N/A         | N/A         | N/A         | 4.92            | 04/01/20        |
| Russell 2500 VL                     |                   |               | -17.12          | -17.12       | -12.36       | N/A         | N/A         | N/A         | N/A         | 5.93            |                 |
| RBC - Small Cap Growth              | 723,108           | 7.43          | -20.36          | -20.36       | -3.93        | 7.37        | 4.86        | 11.96       | 14.77       | 8.65            | 06/01/20        |
| Russell 2000 Gr                     |                   |               | -21.65          | -21.65       | -9.31        | 7.24        | 5.13        | 11.25       | 13.52       | 7.55            |                 |
| <b>International Equity</b>         |                   |               |                 |              |              |             |             |             |             |                 |                 |
| Delaware - International Value      | 579,025           | 5.95          | -8.65           | -8.65        | -10.67       | 4.14        | 2.17        | 6.12        | 6.14        | 5.60            | 10/01/20        |
| MSCI EAFE Net                       |                   |               | -12.54          | -12.54       | -13.79       | 2.87        | 0.53        | 5.75        | 6.32        | 4.69            |                 |
| Renaissance - International Growth  | 514,791           | 5.29          | -16.17          | -16.17       | -19.95       | 0.73        | -0.67       | 5.09        | N/A         | 7.56            | 02/01/20        |
| MSCI AC World ex US Net             |                   |               | -11.46          | -11.46       | -14.19       | 4.48        | 0.68        | 4.85        | N/A         | 7.62            |                 |
| <b>Fixed Income</b>                 |                   |               |                 |              |              |             |             |             |             |                 |                 |
| Madison - Intermediate Fixed Income | 2,080,920         | 21.38         | 1.69            | 1.69         | 1.35         | 1.30        | 1.39        | 1.21        | 2.14        | 4.27            | 12/01/19        |
| BC Gov/Cr Intm                      |                   |               | 1.65            | 1.65         | 0.88         | 1.70        | 1.86        | 1.75        | 2.90        | 4.52            |                 |

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

Packet Pg. 30

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Asset Allocation & Time Weighted Performance

as of December 31, 2018

|                                  |     |         | Allocation        |      | Performance(%)  |            |        |         |         |         |          |                 |
|----------------------------------|-----|---------|-------------------|------|-----------------|------------|--------|---------|---------|---------|----------|-----------------|
|                                  |     |         | Market Value (\$) | %    | Current Quarter | Fiscal YTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Since Inception |
|                                  |     |         |                   |      |                 |            |        |         |         |         |          | Inception Date  |
| <b>Private Real Estate</b>       |     |         |                   |      |                 |            |        |         |         |         |          |                 |
| Intercontinental Wealth Advisors | IMS | 982,407 | 10.09             | 2.60 | 2.60            | 11.35      | N/A    | N/A     | N/A     | N/A     | 11.35    | 01/01/2018      |
| NCREIF Property Idx              |     |         |                   | 1.37 | 1.37            | 6.71       | N/A    | N/A     | N/A     | N/A     | 6.71     |                 |
| <b>Cash &amp; Equivalents</b>    |     |         |                   |      |                 |            |        |         |         |         |          |                 |
| Cash                             |     | 79,777  | 0.82              | 0.64 | 0.64            | 2.49       | 0.85   | 0.53    | 0.38    | 0.32    | 2.58     | 03/01/19        |
| 90-Day T-Bills                   |     |         |                   | 0.57 | 0.57            | 1.86       | 0.99   | 0.60    | 0.45    | 0.35    | 2.22     |                 |

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

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

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Asset Allocation & Net Dollar Weighted Performance (IRR)

as of As of December 31, 2018

|                                         | %             | Current<br>Quarter | Fiscal<br>YTD | 1<br>Year    | 3<br>Years  | 5<br>Years  | 7<br>Years  | 10<br>Years | Since<br>Inception | Inception<br>Date |
|-----------------------------------------|---------------|--------------------|---------------|--------------|-------------|-------------|-------------|-------------|--------------------|-------------------|
| <b>Total Fund</b>                       | <b>100.00</b> | <b>-9.74</b>       | <b>-9.74</b>  | <b>-4.50</b> | <b>4.59</b> | <b>3.07</b> | <b>6.21</b> | <b>8.10</b> | <b>5.74</b>        | <b>11/30/1995</b> |
| <b>Domestic Equity</b>                  |               |                    |               |              |             |             |             |             |                    |                   |
| BlackRock - Large Cap Value             | 16.12         | -12.94             | -12.94        | -7.29        | 7.96        | 6.21        | N/A         | N/A         | 9.58               | 08/31/2012        |
| Clearbridge - Large Cap Growth          | 16.21         | -13.59             | -13.59        | 0.47         | N/A         | N/A         | N/A         | N/A         | 7.49               | 08/31/2017        |
| Connors - Large Cap Core                | 10.28         | -10.69             | -10.69        | -4.83        | 6.65        | 6.39        | N/A         | N/A         | 8.03               | 08/31/2013        |
| Boston - SMID Cap Value                 | 6.43          | -19.80             | -19.80        | -18.85       | N/A         | N/A         | N/A         | N/A         | 4.71               | 03/31/2016        |
| RBC - Small Cap Growth                  | 7.43          | -20.59             | -20.59        | -4.75        | 6.52        | 3.87        | 12.17       | 15.98       | 8.17               | 05/31/2006        |
| <b>International Equity</b>             |               |                    |               |              |             |             |             |             |                    |                   |
| Delaware - International Value          | 5.95          | -8.88              | -8.88         | -11.98       | 2.12        | 0.63        | 4.73        | 4.61        | 2.46               | 09/30/2004        |
| Renaissance - International Growth      | 5.29          | -16.37             | -16.37        | -21.94       | -1.65       | -2.43       | 3.46        | N/A         | 6.25               | 01/31/2009        |
| <b>Fixed Income</b>                     |               |                    |               |              |             |             |             |             |                    |                   |
| Madison - Intermediate Fixed Income     | 21.38         | 1.48               | 1.48          | 0.43         | 0.42        | 0.52        | 0.31        | 1.13        | 3.47               | 11/30/1995        |
| <b>Private Real Estate</b>              |               |                    |               |              |             |             |             |             |                    |                   |
| Intercontinental Wealth Advisors    IMS | 10.09         | 2.18               | 2.18          | 9.73         | N/A         | N/A         | N/A         | N/A         | 9.73               | 12/31/2017        |

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

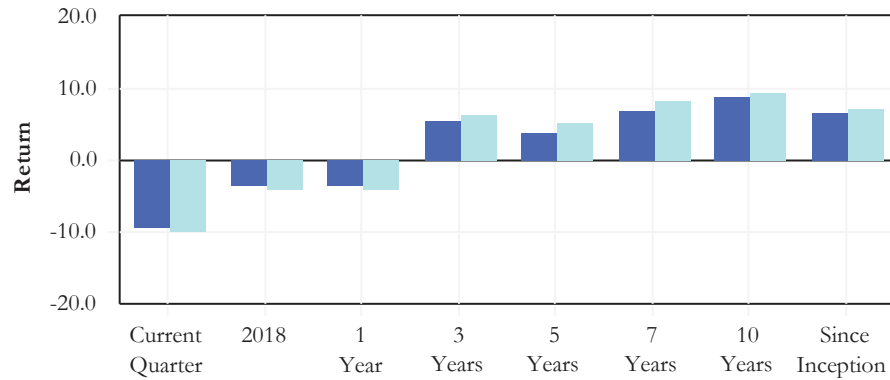
The prices, quotes, or statistics contained herein have been obtained from sources believed to be reliable, however, its accuracy cannot be guaranteed. Past performance is not a guarantee of future results.

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Total Fund - Executive Summary

as of December 31, 2018

### Manager Performance Chart



### Manager Annualized Performance

|              | Current Quarter | Fiscal YTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Inception 12/01/1995 |
|--------------|-----------------|------------|--------|---------|---------|---------|----------|----------------------|
| Total Fund   | -9.52           | -9.52      | -3.72  | 5.47    | 3.97    | 7.02    | 8.83     | 6.56                 |
| Policy Index | -9.95           | -9.95      | -4.16  | 6.37    | 5.24    | 8.26    | 9.31     | 7.23                 |
| Differences  | 0.43            | 0.43       | 0.44   | -0.90   | -1.27   | -1.24   | -0.48    | -0.67                |

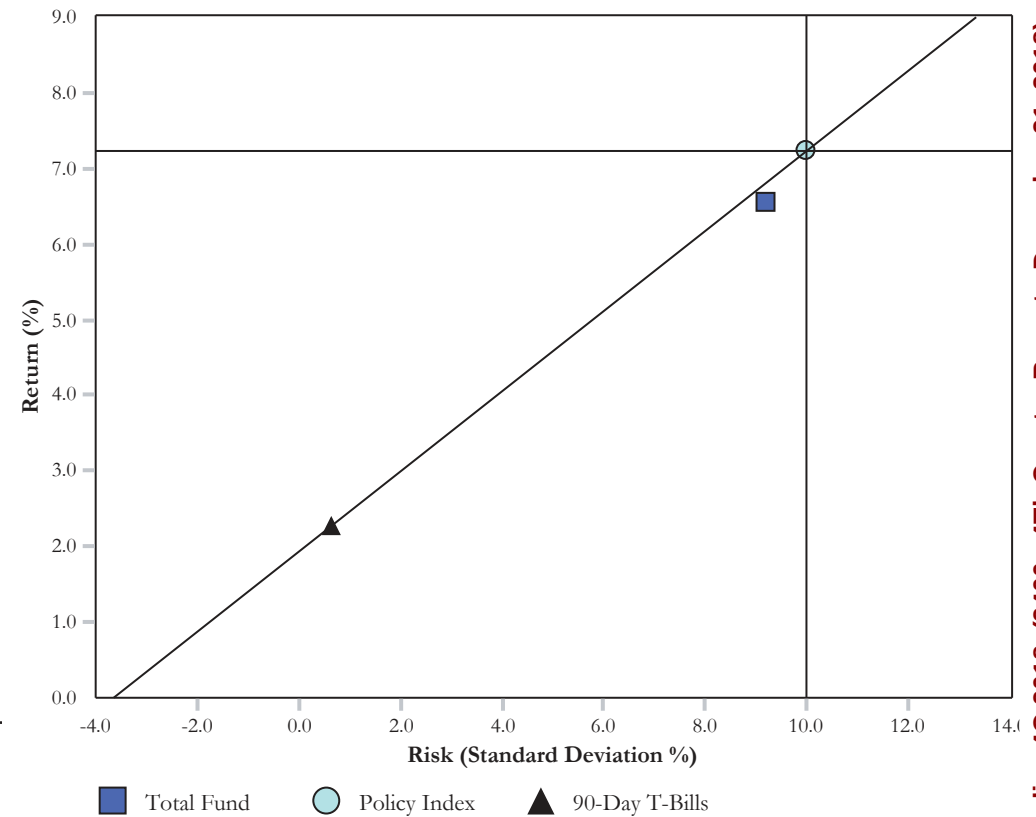
### Historic Asset Growth

|                        | Current Quarter | YTD    | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Inception 12/01/1995 |
|------------------------|-----------------|--------|--------|---------|---------|---------|----------|----------------------|
| Total Fund             |                 |        |        |         |         |         |          |                      |
| Beginning Market Value | 10,736          | 11,181 | 11,181 | 8,740   | 8,738   | 6,964   | 4,981    | 2,810                |
| Net Contributions      | 46              | -987   | -987   | -244    | -388    | -667    | -770     | -677                 |
| Fees/Expenses          | -26             | -100   | -100   | -265    | -434    | -580    | -768     | -1,378               |
| Income                 | 46              | 198    | 198    | 558     | 918     | 1,273   | 1,703    | 3,675                |
| Gain/Loss              | -1,069          | -558   | -558   | 945     | 900     | 2,744   | 4,588    | 5,303                |
| Ending Market Value    | 9,734           | 9,734  | 9,734  | 9,734   | 9,734   | 9,734   | 9,734    | 9,734                |

### Modern Portfolio Statistics

|              | Return | Standard Deviation | Beta | Maximum Drawdown | Up Market Capture | Down Market Capture | Alpha | Sharpe Ratio | R-Squared | Inception Date |
|--------------|--------|--------------------|------|------------------|-------------------|---------------------|-------|--------------|-----------|----------------|
| Total Fund   | 6.56   | 9.22               | 0.90 | -31.00           | 89.76             | 89.24               | 0.03  | 0.49         | 0.96      | 12/01/1995     |
| Policy Index | 7.23   | 10.01              | 1.00 | -33.46           | 100.00            | 100.00              | 0.00  | 0.53         | 1.00      | 12/01/1995     |

### Manager Risk & Return



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

Graystone

Packet Pg. 33

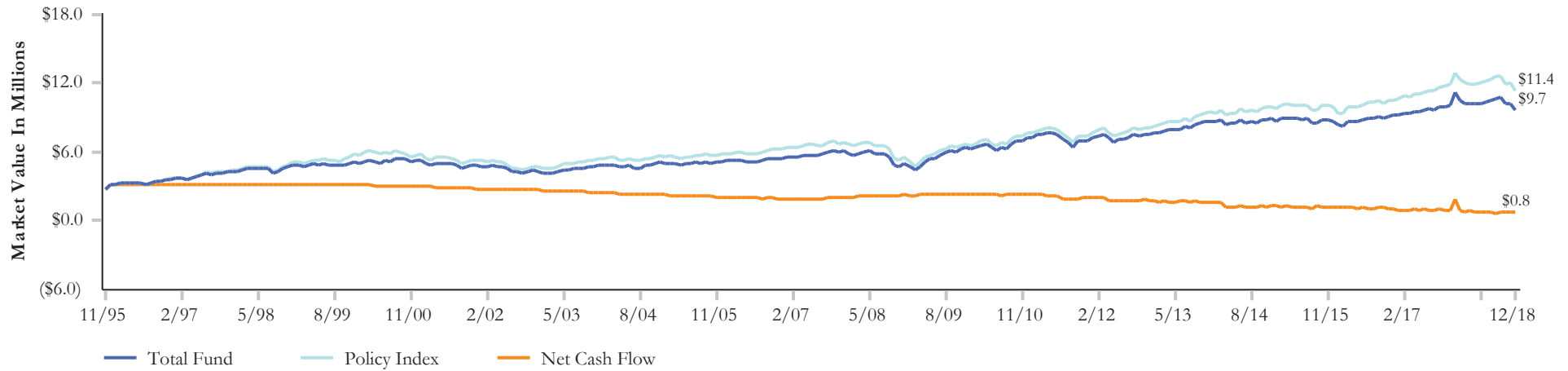
Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

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

as of December 31, 2018

### Historic Change in Assets

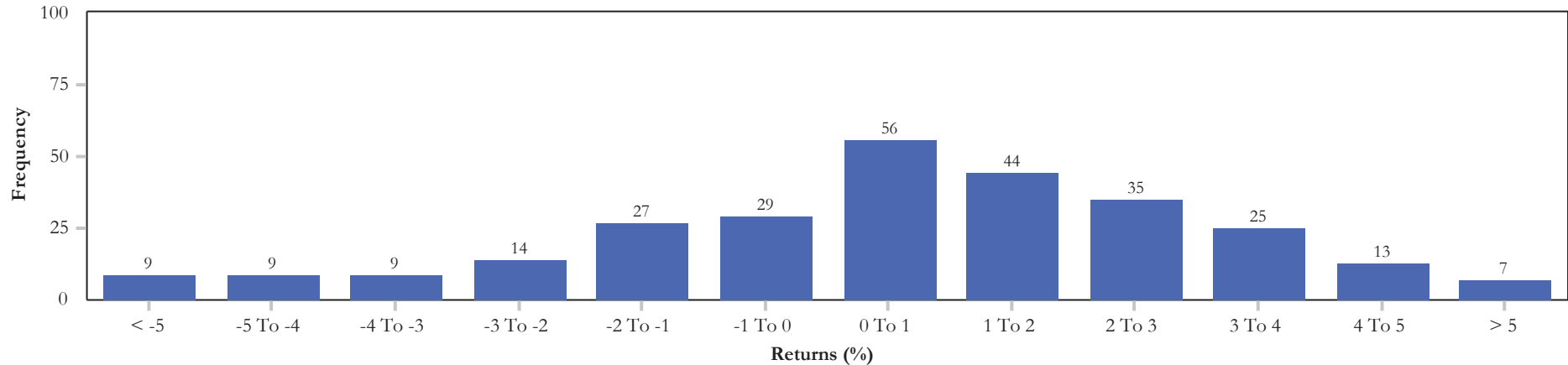


### Quarterly Change in Assets

|            | Market Value<br>As of<br>10/01/2018 | Net<br>Transfers | Contributions | Distributions | Fees   | Expenses | Income | Return On<br>Investment | Market Value<br>As of<br>12/31/2018 |
|------------|-------------------------------------|------------------|---------------|---------------|--------|----------|--------|-------------------------|-------------------------------------|
| Total Fund | 10,736.25                           | -                | 309.76        | -263.48       | -25.88 | -        | 45.98  | -1,022.66               | 9,733.99                            |

### Distribution of Returns

#### Distribution of Returns



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

Graystone

Packet Pg. 34

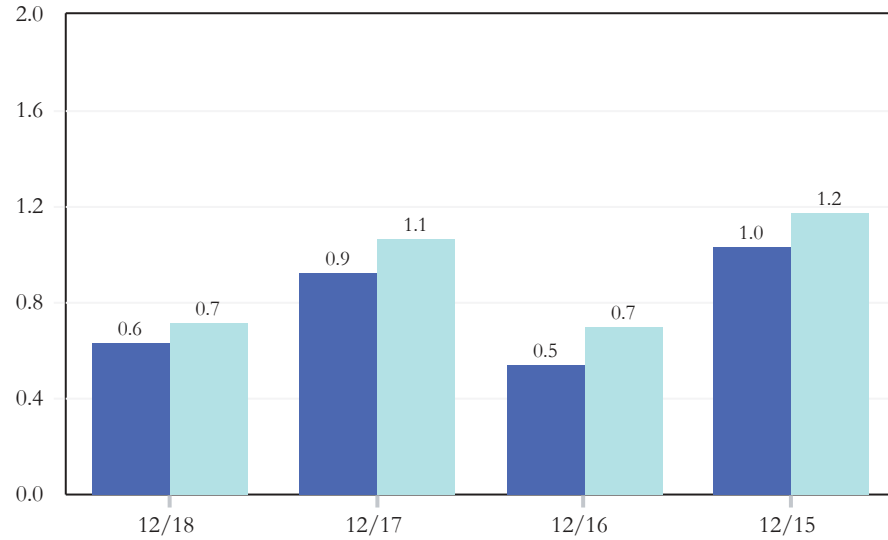
Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

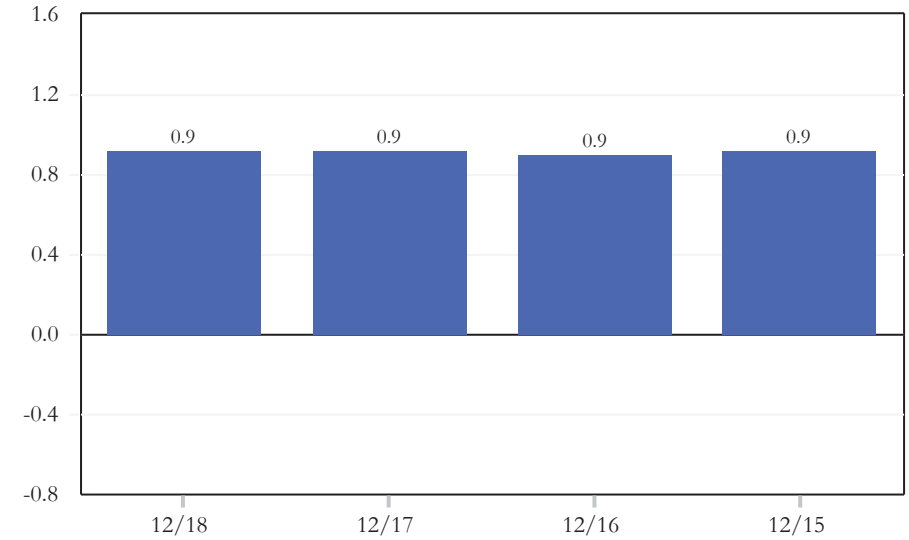
## Total Fund - Rolling Three Year MPT Statistics

as of December 31, 2018

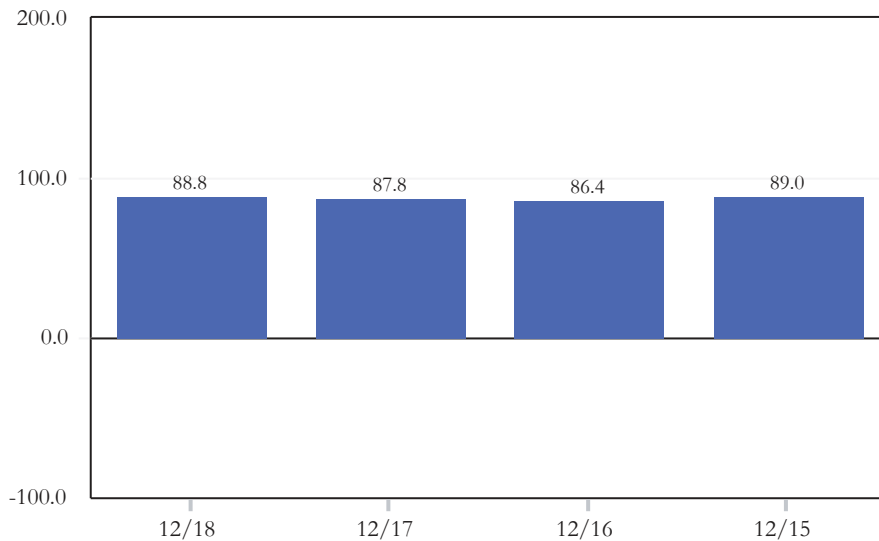
Sharpe Ratio



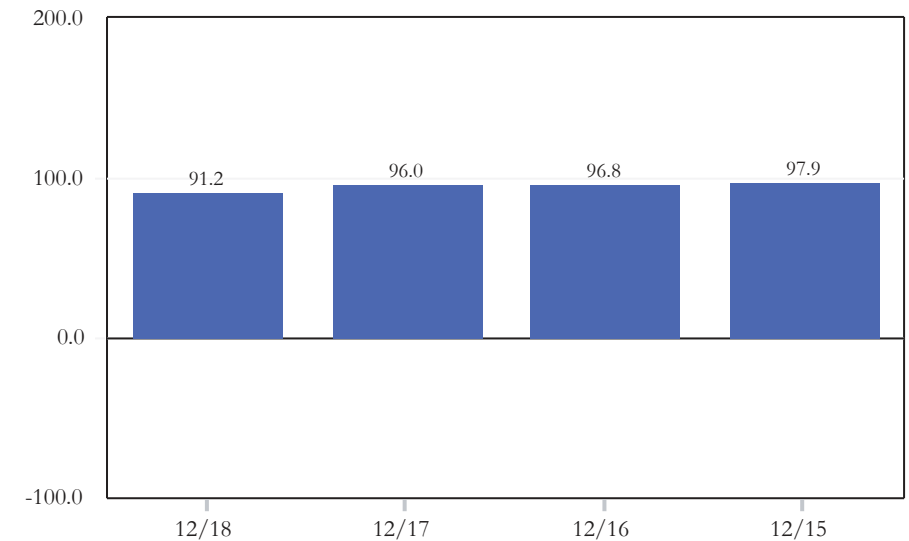
Beta



Up Market Capture



Down Market Capture



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

Packet Pg. 35

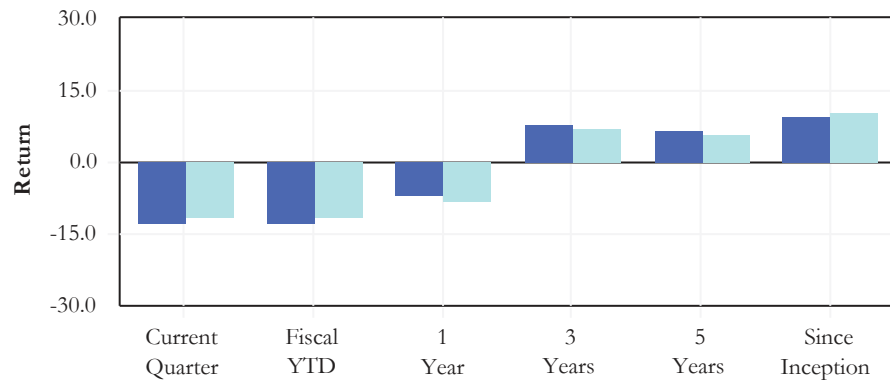
Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## BlackRock Large Cap Value - Executive Summary

as of December 31, 2018

### Manager Performance Chart



### Manager Annualized Performance

|                             | Current Quarter | Fiscal YTD | 1 Year | 3 Years | 5 Years | Inception 09/01/2012 |
|-----------------------------|-----------------|------------|--------|---------|---------|----------------------|
| BlackRock - Large Cap Value | -12.74          | -12.74     | -6.99  | 8.00    | 6.68    | 9.65                 |
| Russell 1000 VL             | -11.72          | -11.72     | -8.27  | 6.95    | 5.95    | 10.23                |
| Differences                 | -1.02           | -1.02      | 1.28   | 1.05    | 0.73    | -0.58                |

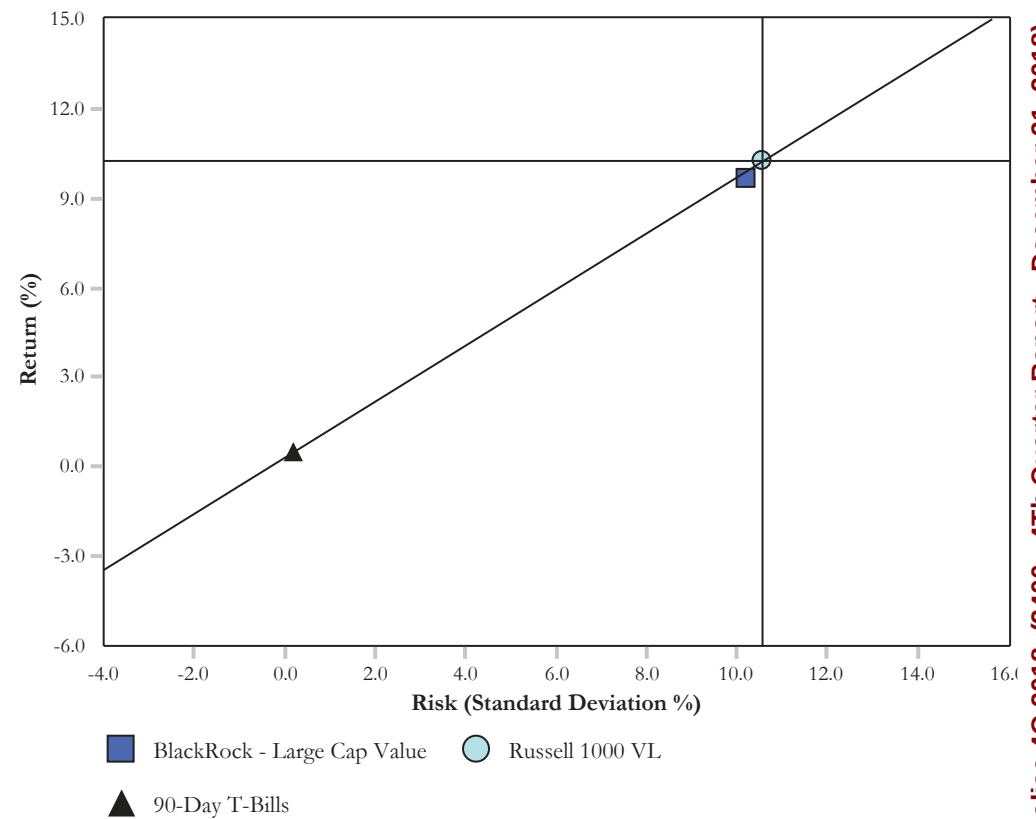
### Historic Asset Growth

|                             | Current Quarter | Fiscal YTD | 1 Year | 3 Years | 5 Years | Inception 09/01/2012 |
|-----------------------------|-----------------|------------|--------|---------|---------|----------------------|
| BlackRock - Large Cap Value |                 |            |        |         |         |                      |
| Beginning Market Value      | 1,802           | 1,802      | 1,974  | 1,577   | 1,514   | 1,449                |
| Net Contributions           | -               | -          | -277   | -380    | -430    | -742                 |
| Fees/Expenses               | -4              | -4         | -16    | -46     | -76     | -95                  |
| Income                      | 11              | 11         | 59     | 150     | 229     | 292                  |
| Gain/Loss                   | -240            | -240       | -171   | 268     | 332     | 664                  |
| Ending Market Value         | 1,569           | 1,569      | 1,569  | 1,569   | 1,569   | 1,569                |

### Modern Portfolio Statistics

|                             | Return | Standard Deviation | Beta | Maximum Drawdown | Up Market Capture | Down Market Capture | Alpha | Sharpe Ratio | R-Squared | Inception Date |
|-----------------------------|--------|--------------------|------|------------------|-------------------|---------------------|-------|--------------|-----------|----------------|
| BlackRock - Large Cap Value | 9.65   | 10.20              | 0.94 | -12.77           | 93.64             | 92.78               | 0.09  | 0.91         | 0.94      | 09/01/2012     |
| Russell 1000 VL             | 10.23  | 10.57              | 1.00 | -11.72           | 100.00            | 100.00              | 0.00  | 0.93         | 1.00      | 09/01/2012     |

### Manager Risk & Return



Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

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

Graystone

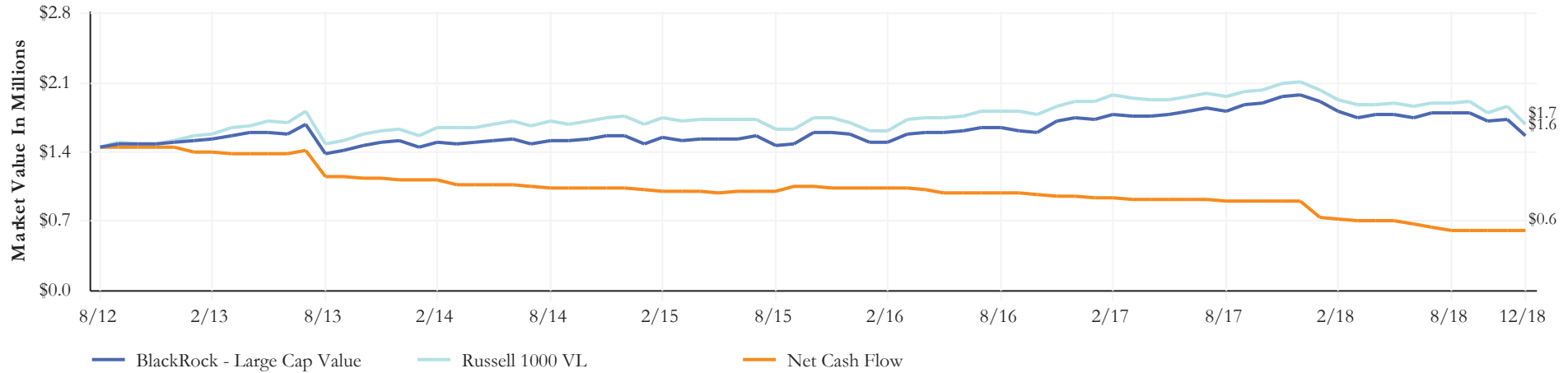
Packet Pg. 36

# Holly Hill Municipal Police Officers' Retirement Trust Fund

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

as of December 31, 2018

### Historic Change in Assets



### Quarterly Change in Assets

|                             | Market Value<br>As of<br>10/01/2018 | Net<br>Transfers | Contributions | Distributions | Fees      | Expenses | Return On<br>Investment | Market Value<br>As of<br>12/31/2018 |
|-----------------------------|-------------------------------------|------------------|---------------|---------------|-----------|----------|-------------------------|-------------------------------------|
| BlackRock - Large Cap Value | 1,802,104.47                        | -                | 9,621.41      | -9,621.41     | -3,966.19 | -        | -229,145.50             | 1,568,992.78                        |

### Distribution of Returns

#### Distribution of Returns



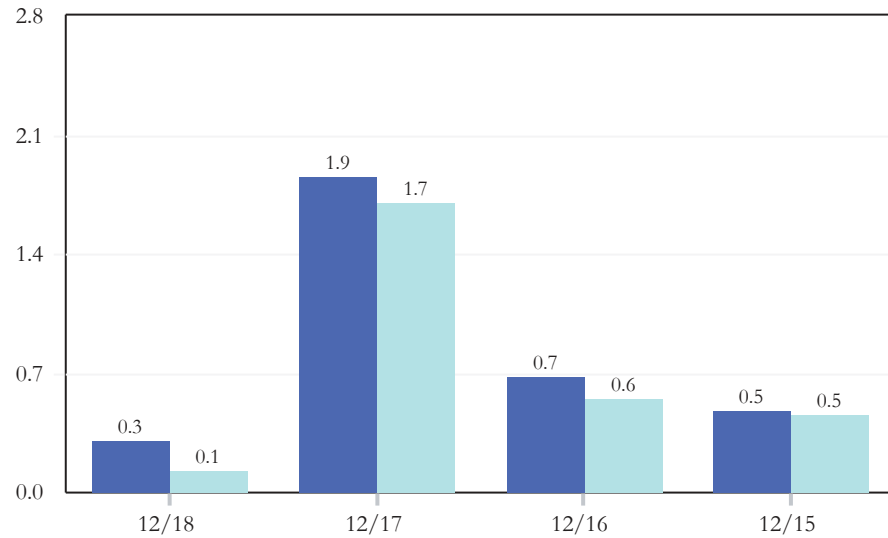
The prices, quotes, or statistics contained herein have been obtained from sources believed to be reliable, however, its accuracy cannot be guaranteed. Past performance is not a guarantee of future results.

Graystone

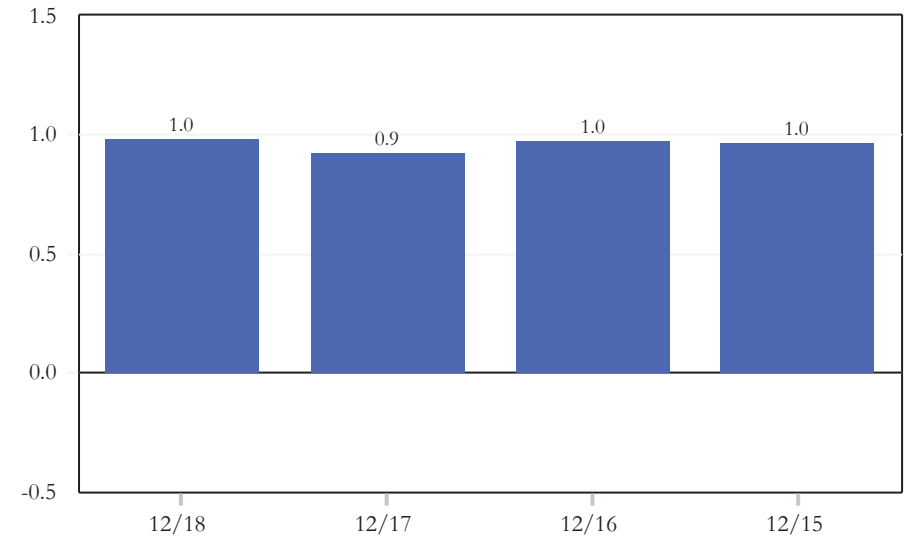
Packet Pg. 37

**Holly Hill Municipal Police Officers' Retirement Trust Fund**  
**BlackRock - Large Cap Value - Rolling Two Year MPT Statistics**  
as of December 31, 2018

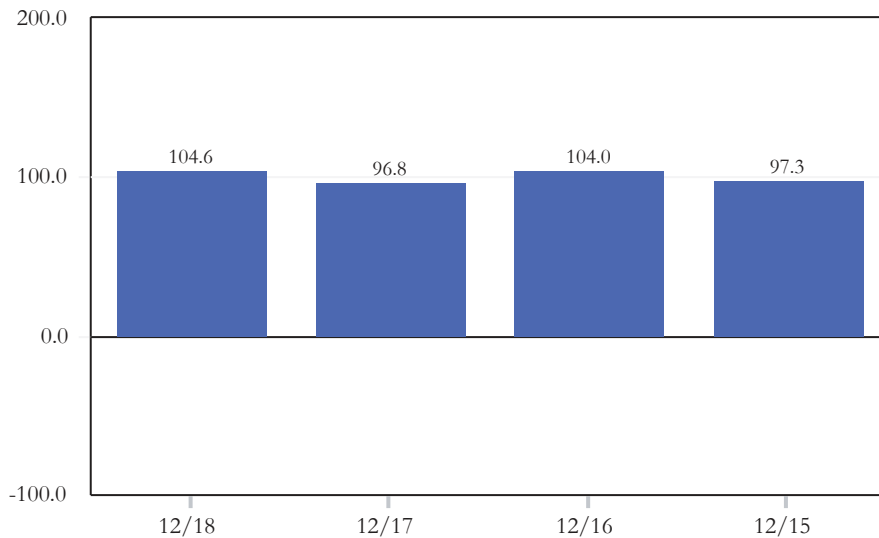
Sharpe Ratio



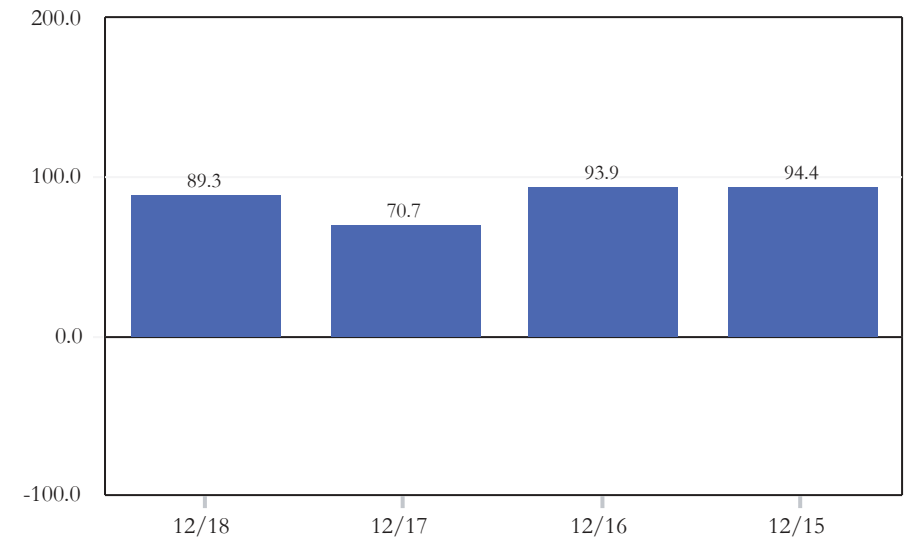
Beta



Up Market Capture



Down Market Capture



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**

**Packet Pg. 38**

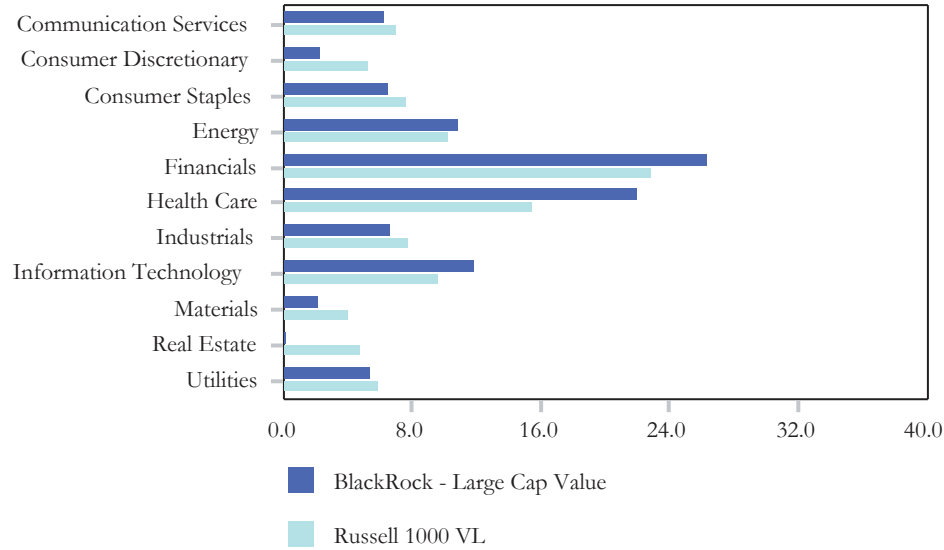
Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

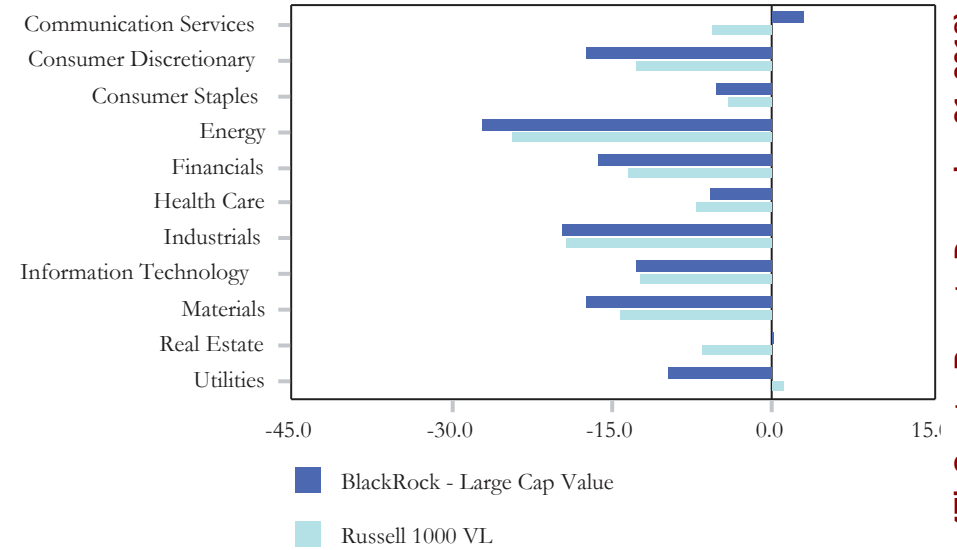
## BlackRock - Large Cap Value - Quarterly Performance Attributes

as of December 31, 2018

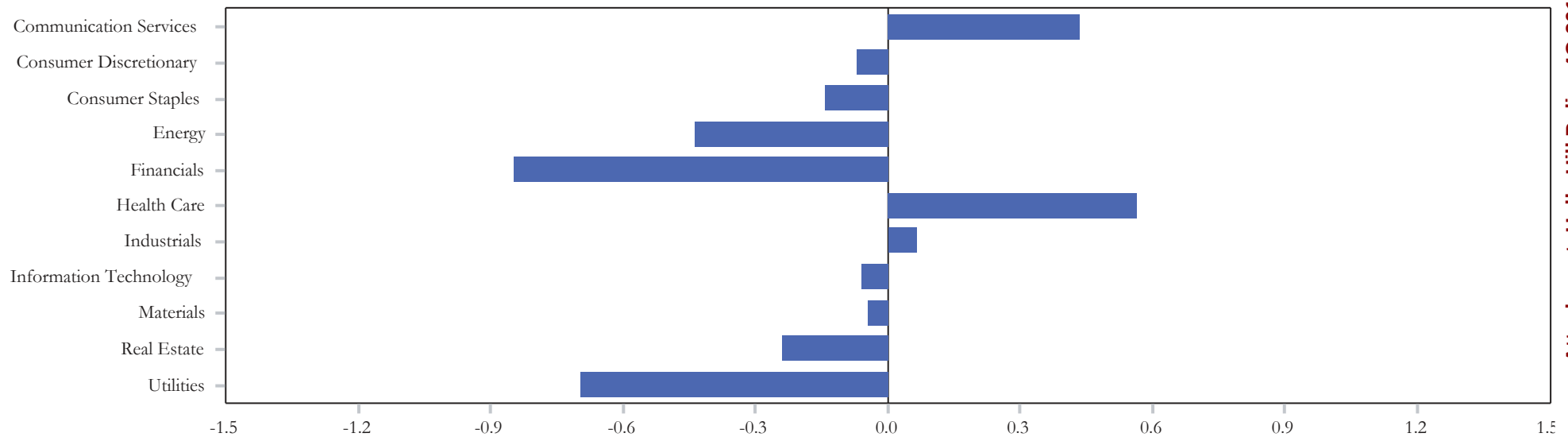
### Allocation



### Performance



### Total Attribution



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

Packet Pg. 39

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## BlackRock - Large Cap Value - Quarterly Performance Attributes

as of December 31, 2018

|                        | Allocation - 10/01/2018 |           | Performance - Quarter Ending<br>December 31, 2018 |           | Attribution |       |             |       |
|------------------------|-------------------------|-----------|---------------------------------------------------|-----------|-------------|-------|-------------|-------|
|                        | Portfolio               | Benchmark | Portfolio                                         | Benchmark | Sector      | Stock | Interaction | Total |
| Communication Services | 6.19                    | 6.99      | 2.92                                              | -5.66     | -0.05       | 0.56  | -0.08       | 0.44  |
| Consumer Discretionary | 2.23                    | 5.24      | -17.35                                            | -12.80    | 0.03        | -0.24 | 0.13        | -0.07 |
| Consumer Staples       | 6.44                    | 7.59      | -5.26                                             | -4.15     | -0.08       | -0.08 | 0.01        | -0.14 |
| Energy                 | 10.87                   | 10.13     | -27.09                                            | -24.36    | -0.10       | -0.32 | -0.02       | -0.43 |
| Financials             | 26.36                   | 22.89     | -16.32                                            | -13.45    | -0.07       | -0.67 | -0.11       | -0.85 |
| Health Care            | 21.97                   | 15.38     | -5.88                                             | -7.11     | 0.30        | 0.18  | 0.09        | 0.56  |
| Industrials            | 6.62                    | 7.69      | -19.61                                            | -19.37    | 0.08        | -0.02 | 0.00        | 0.07  |
| Information Technology | 11.85                   | 9.56      | -12.85                                            | -12.45    | -0.01       | -0.04 | -0.01       | -0.06 |
| Materials              | 2.12                    | 3.93      | -17.48                                            | -14.23    | 0.03        | -0.13 | 0.06        | -0.05 |
| Real Estate            | 0.00                    | 4.74      | 0.00                                              | -6.53     | -0.24       | 0.00  | 0.00        | -0.24 |
| Utilities              | 5.35                    | 5.85      | -9.84                                             | 1.09      | -0.09       | -0.57 | -0.03       | -0.69 |
| Total                  | 100.00                  | 100.00    | -13.17                                            | -11.70    | -0.20       | -1.31 | 0.04        | -1.47 |

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

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

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

Graystone

Packet Pg. 40

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## BlackRock - Large Cap Value - Portfolio Characteristics

as of December 31, 2018

| Portfolio Characteristics  |                |                |
|----------------------------|----------------|----------------|
|                            | Portfolio      | Benchmark      |
| Wtd. Avg. Mkt. Cap (\$000) | 138,672,788.50 | 119,165,529.28 |
| Median Mkt. Cap (\$000)    | 67,927,148.46  | 8,313,076.20   |
| Price/Earnings ratio       | 14.30          | 13.70          |
| Price/Book ratio           | 2.58           | 2.06           |
| 5 Yr. EPS Growth Rate (%)  | 10.15          | 8.60           |
| Beta (5 Years, Monthly)    | 0.97           | 1.00           |
| Number of Stocks           | 72             | 725            |
| Debt to Equity             | 1.64           | 0.87           |

| Top Ten Equity Holdings    |                      |                      |                   |                      |
|----------------------------|----------------------|----------------------|-------------------|----------------------|
|                            | Portfolio Weight (%) | Benchmark Weight (%) | Active Weight (%) | Quarterly Return (%) |
| Verizon Communications Inc | 4.76                 | 1.97                 | 2.79              | 6.46                 |
| Pfizer Inc                 | 4.66                 | 2.15                 | 2.51              | -0.19                |
| Wells Fargo & Co           | 4.49                 | 1.66                 | 2.83              | -11.62               |
| JPMorgan Chase & Co        | 4.41                 | 2.74                 | 1.67              | -12.89               |
| Citigroup Inc              | 3.46                 | 1.08                 | 2.38              | -26.94               |
| Anthem Inc                 | 2.79                 | 0.58                 | 2.21              | -3.92                |
| Oracle Corp                | 2.77                 | 0.88                 | 1.89              | -12.08               |
| Microsoft Corp             | 2.72                 | 0.35                 | 2.37              | -10.80               |
| Merck & Co Inc.            | 2.63                 | 1.57                 | 1.06              | 8.49                 |
| Astrazeneca PLC            | 2.42                 | 0.00                 | 2.42              | -4.02                |
| % of Portfolio             | 35.11                | 12.98                | 22.13             |                      |

| Ten Best Performers        |                      |                      |                   |                      |
|----------------------------|----------------------|----------------------|-------------------|----------------------|
|                            | Portfolio Weight (%) | Benchmark Weight (%) | Active Weight (%) | Quarterly Return (%) |
| Procter & Gamble Co (The)  | 0.84                 | 1.94                 | -1.10             | 11.43                |
| Merck & Co Inc.            | 2.63                 | 1.57                 | 1.06              | 8.49                 |
| Verizon Communications Inc | 4.76                 | 1.97                 | 2.79              | 6.46                 |
| NextEra Energy Inc         | 1.07                 | 0.70                 | 0.37              | 4.36                 |
| FirstEnergy Corp.          | 1.86                 | 0.15                 | 1.71              | 1.99                 |
| Diageo PLC                 | 1.12                 | 0.00                 | 1.12              | 0.09                 |
| Pfizer Inc                 | 4.66                 | 2.15                 | 2.51              | -0.19                |
| PepsiCo Inc                | 0.94                 | 0.15                 | 0.79              | -0.40                |
| Novartis AG                | 1.46                 | 0.00                 | 1.46              | -0.41                |
| Arthur J. Gallagher & Co.  | 0.62                 | 0.11                 | 0.51              | -0.45                |
| % of Portfolio             | 19.96                | 8.74                 | 11.22             |                      |

| Ten Worst Performers     |                      |                      |                   |                      |
|--------------------------|----------------------|----------------------|-------------------|----------------------|
|                          | Portfolio Weight (%) | Benchmark Weight (%) | Active Weight (%) | Quarterly Return (%) |
| Devon Energy Corp        | 0.59                 | 0.09                 | 0.50              | -43.40               |
| Hess Corp                | 0.67                 | 0.09                 | 0.58              | -43.14               |
| Marathon Oil Corp        | 0.42                 | 0.10                 | 0.32              | -38.21               |
| Mattel Inc.              | 0.36                 | 0.02                 | 0.34              | -36.37               |
| Anadarko Petroleum Corp  | 0.38                 | 0.12                 | 0.26              | -34.59               |
| Apple Inc                | 0.51                 | 0.00                 | 0.51              | -29.88               |
| Suncor Energy Inc.       | 2.24                 | 0.00                 | 2.24              | -27.10               |
| Citigroup Inc            | 3.46                 | 1.08                 | 2.38              | -26.94               |
| Marathon Petroleum Corp  | 1.06                 | 0.34                 | 0.72              | -25.66               |
| American Int'l Group Inc | 1.99                 | 0.25                 | 1.74              | -25.33               |
| % of Portfolio           | 11.68                | 2.09                 | 9.59              |                      |

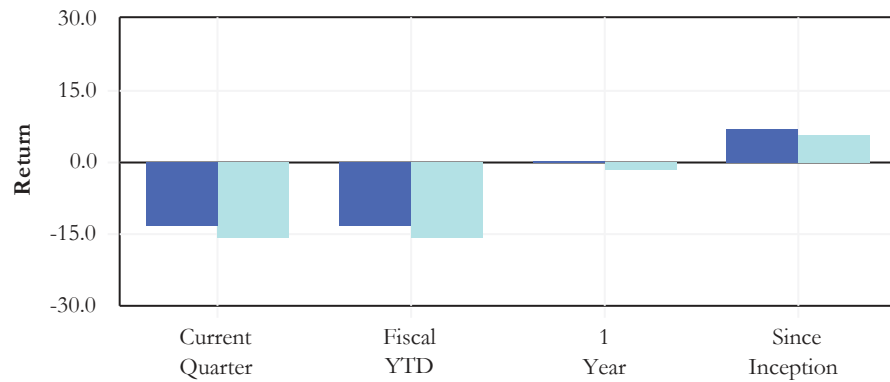
Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Clearbridge - Large Cap Growth - Executive Summary

as of December 31, 2018

### Manager Performance Chart



### Manager Annualized Performance

|                                | Current Quarter | Fiscal YTD | 1 Year | Inception 09/01/2017 |
|--------------------------------|-----------------|------------|--------|----------------------|
| Clearbridge - Large Cap Growth | -13.39          | -13.39     | 0.28   | 7.11                 |
| Russell 1000 Gr                | -15.89          | -15.89     | -1.51  | 5.66                 |
| Differences                    | 2.50            | 2.50       | 1.79   | 1.45                 |

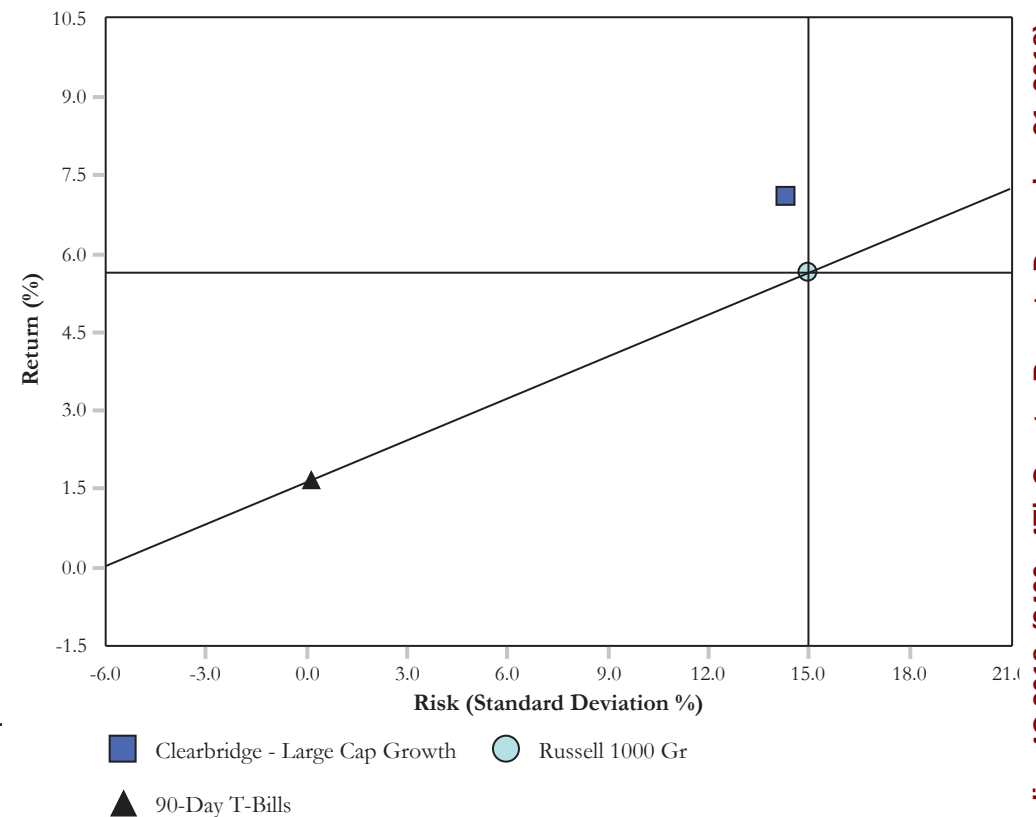
### Historic Asset Growth

|                                | Current Quarter | Fiscal YTD | 1 Year | Inception 09/01/2017 |
|--------------------------------|-----------------|------------|--------|----------------------|
| Clearbridge - Large Cap Growth |                 |            |        |                      |
| Beginning Market Value         | 1,826           | 1,826      | 1,796  | 1,647                |
| Net Contributions              | -               | -          | -226   | -226                 |
| Fees/Expenses                  | -4              | -4         | -16    | -19                  |
| Income                         | 8               | 8          | 22     | 28                   |
| Gain/Loss                      | -252            | -252       | 1      | 148                  |
| Ending Market Value            | 1,578           | 1,578      | 1,578  | 1,578                |

### Modern Portfolio Statistics

|                                | Return | Standard Deviation | Beta | Maximum Drawdown | Up Market Capture | Down Market Capture | Alpha | Sharpe Ratio | R-Squared | Inception Date |
|--------------------------------|--------|--------------------|------|------------------|-------------------|---------------------|-------|--------------|-----------|----------------|
| Clearbridge - Large Cap Growth | 7.11   | 14.31              | 0.91 | -13.67           | 101.42            | 94.62               | 1.86  | 0.44         | 0.92      | 09/01/2017     |
| Russell 1000 Gr                | 5.66   | 15.01              | 1.00 | -15.89           | 100.00            | 100.00              | 0.00  | 0.33         | 1.00      | 09/01/2017     |

### Manager Risk & Return



Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

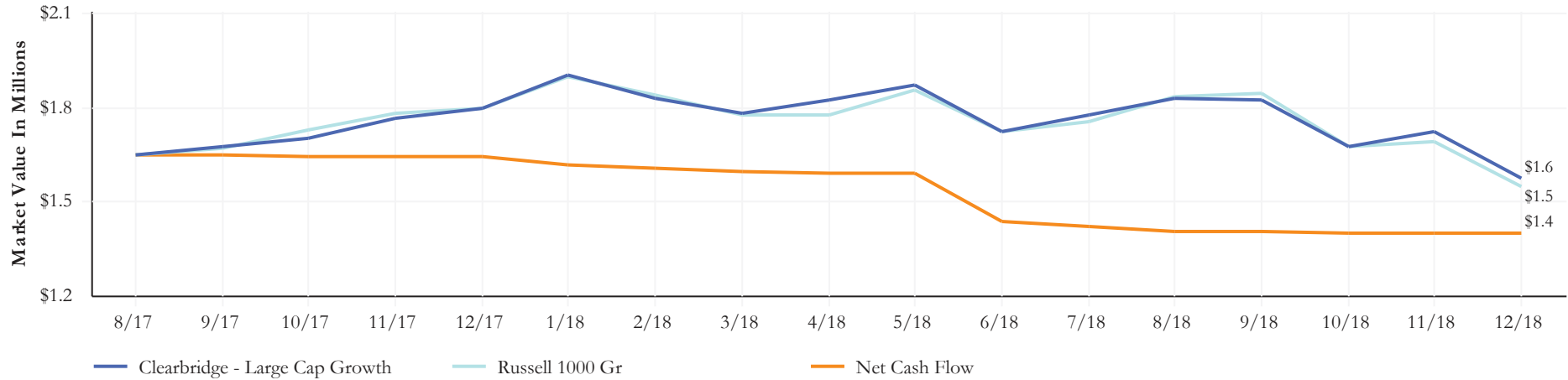
The prices, quotes, or statistics contained herein have been obtained from sources believed to be reliable, however, its accuracy cannot be guaranteed. Past performance is not a guarantee of future results.

# Holly Hill Municipal Police Officers' Retirement Trust Fund

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

as of December 31, 2018

### Historic Change in Assets

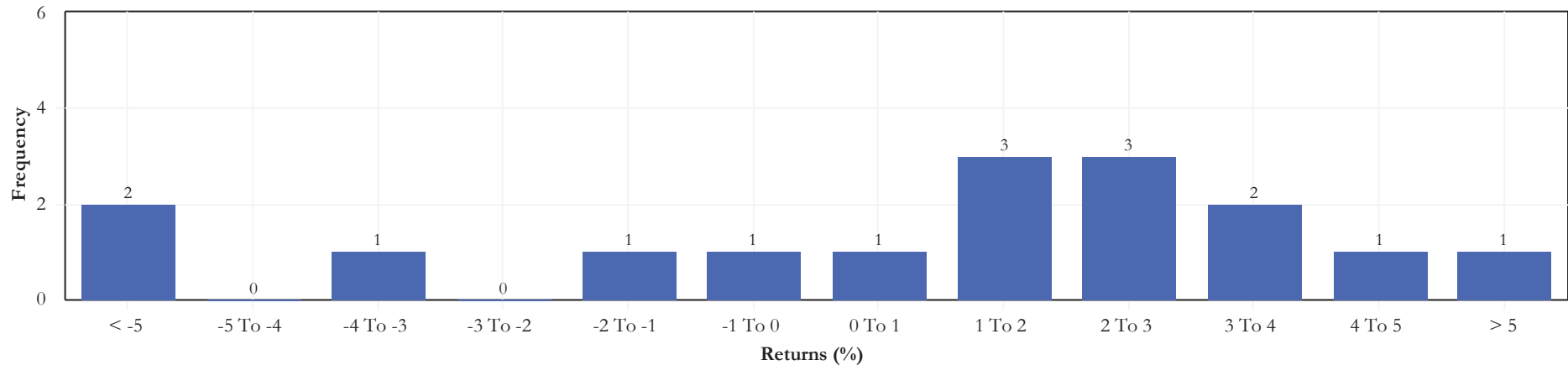


### Quarterly Change in Assets

|                                | Market Value<br>As of<br>10/01/2018 | Net<br>Transfers | Contributions | Distributions | Fees      | Expenses | Return On<br>Investment | Market Value<br>As of<br>12/31/2018 |
|--------------------------------|-------------------------------------|------------------|---------------|---------------|-----------|----------|-------------------------|-------------------------------------|
| Clearbridge - Large Cap Growth | 1,826,322.14                        | -                | 29,423.20     | -29,423.20    | -4,022.07 | -        | -244,164.06             | 1,578,136.01                        |

### Distribution of Returns

#### Distribution of Returns



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

Graystone

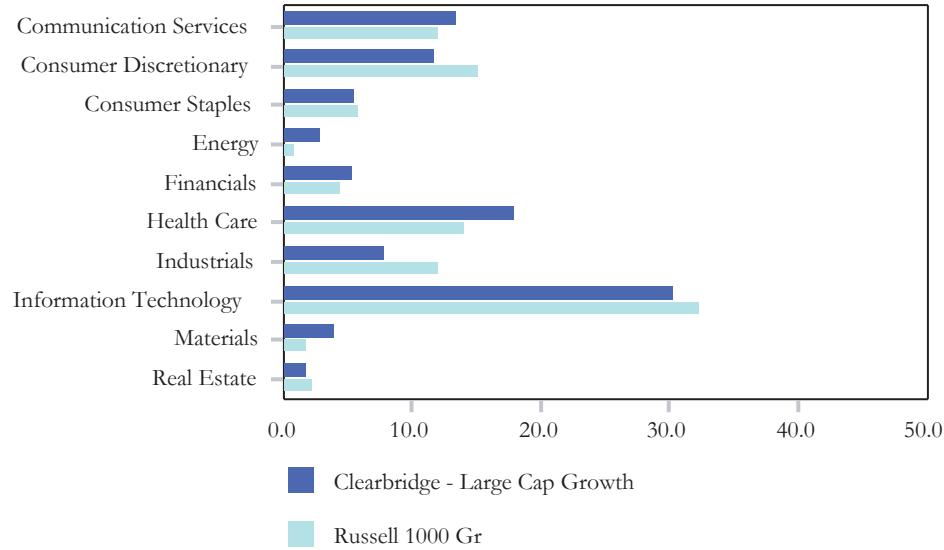
Packet Pg. 43

# Holly Hill Municipal Police Officers' Retirement Trust Fund

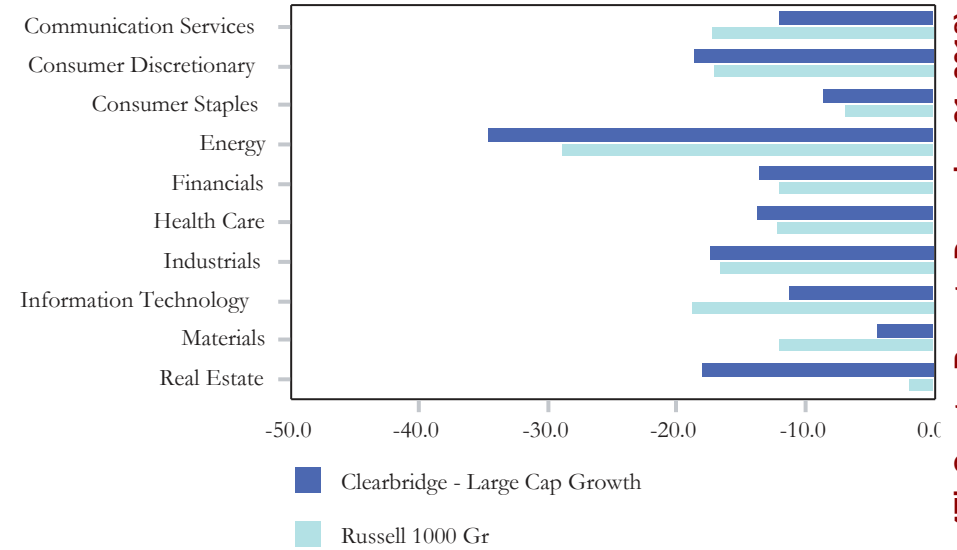
## Clearbridge - Large Cap Growth - Quarterly Performance Attributes

as of December 31, 2018

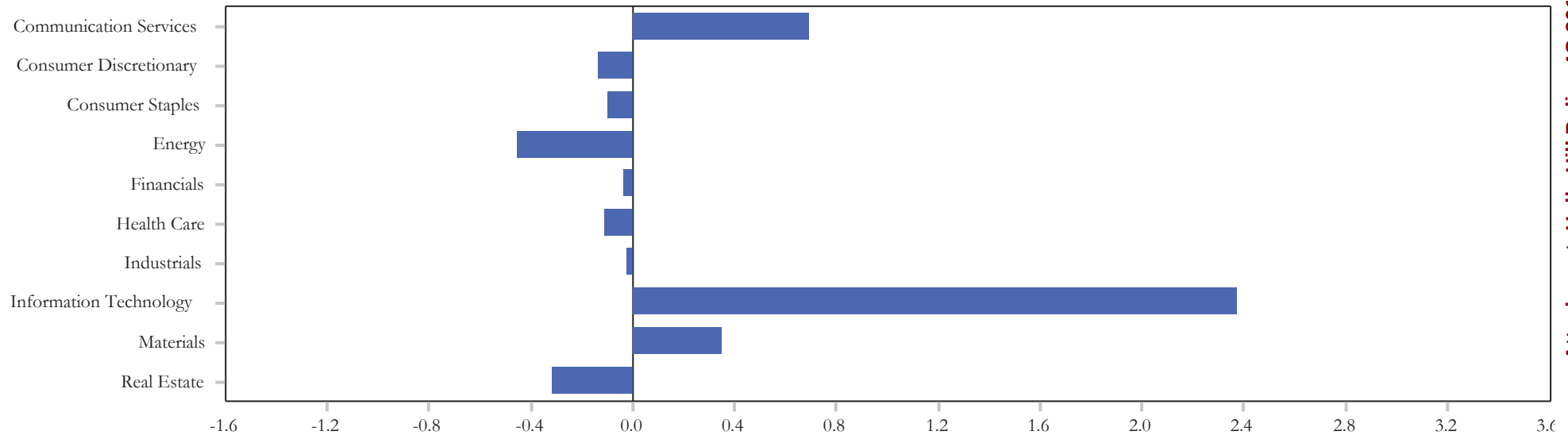
### Allocation



### Performance



### Total Attribution



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

Packet Pg. 44

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Clearbridge - Large Cap Growth - Quarterly Performance Attributes

as of December 31, 2018

|                        | Allocation - 10/01/2018 |           | Performance - Quarter Ending<br>December 31, 2018 |           | Attribution |       |             |       |
|------------------------|-------------------------|-----------|---------------------------------------------------|-----------|-------------|-------|-------------|-------|
|                        | Portfolio               | Benchmark | Portfolio                                         | Benchmark | Sector      | Stock | Interaction | Total |
| Communication Services | 13.28                   | 11.88     | -11.96                                            | -17.30    | -0.01       | 0.64  | 0.06        | 0.69  |
| Consumer Discretionary | 11.61                   | 15.07     | -18.61                                            | -17.14    | 0.04        | -0.22 | 0.05        | -0.14 |
| Consumer Staples       | 5.42                    | 5.81      | -8.48                                             | -6.81     | -0.01       | -0.09 | 0.00        | -0.10 |
| Energy                 | 2.81                    | 0.85      | -34.65                                            | -28.84    | -0.27       | -0.06 | -0.13       | -0.46 |
| Financials             | 5.33                    | 4.33      | -13.58                                            | -11.93    | 0.05        | -0.07 | -0.02       | -0.04 |
| Health Care            | 17.90                   | 13.93     | -13.63                                            | -12.17    | 0.15        | -0.21 | -0.05       | -0.11 |
| Industrials            | 7.83                    | 11.93     | -17.36                                            | -16.57    | 0.02        | -0.07 | 0.03        | -0.02 |
| Information Technology | 30.35                   | 32.31     | -11.18                                            | -18.84    | 0.04        | 2.48  | -0.15       | 2.37  |
| Materials              | 3.82                    | 1.75      | -4.36                                             | -11.94    | 0.08        | 0.12  | 0.14        | 0.35  |
| Real Estate            | 1.65                    | 2.14      | -18.07                                            | -1.83     | -0.06       | -0.32 | 0.06        | -0.32 |
| Total                  | 100.00                  | 100.00    | -13.67                                            | -15.89    | 0.03        | 2.20  | -0.01       | 2.22  |

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

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

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

Graystone

Packet Pg. 45

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Clearbridge - Large Cap Growth - Portfolio Characteristics

as of December 31, 2018

| Portfolio Characteristics  |                |                |
|----------------------------|----------------|----------------|
|                            | Portfolio      | Benchmark      |
| Wtd. Avg. Mkt. Cap (\$000) | 221,047,656.60 | 241,404,618.08 |
| Median Mkt. Cap (\$000)    | 74,984,896.49  | 10,324,998.70  |
| Price/Earnings ratio       | 25.87          | 22.71          |
| Price/Book ratio           | 5.24           | 6.12           |
| 5 Yr. EPS Growth Rate (%)  | 21.35          | 23.58          |
| Beta (5 Years, Monthly)    | 0.89           | 1.00           |
| Number of Stocks           | 52             | 546            |
| Debt to Equity             | 1.70           | 0.10           |

| Top Ten Equity Holdings |                      |                      |                   |                      |
|-------------------------|----------------------|----------------------|-------------------|----------------------|
|                         | Portfolio Weight (%) | Benchmark Weight (%) | Active Weight (%) | Quarterly Return (%) |
| Amazon.com Inc          | 5.88                 | 5.28                 | 0.60              | -25.01               |
| Microsoft Corp          | 4.55                 | 6.31                 | -1.76             | -10.80               |
| Visa Inc                | 3.54                 | 2.01                 | 1.53              | -11.94               |
| Alphabet Inc            | 3.52                 | 2.73                 | 0.79              | -13.23               |
| Facebook Inc            | 3.10                 | 2.70                 | 0.40              | -20.29               |
| Unitedhealth Group Inc  | 3.09                 | 2.06                 | 1.03              | -6.06                |
| Alphabet Inc            | 2.62                 | 2.70                 | -0.08             | -13.43               |
| Adobe Inc               | 2.53                 | 0.96                 | 1.57              | -16.19               |
| Biogen Inc              | 2.43                 | 0.50                 | 1.93              | -14.83               |
| Walt Disney Co (The)    | 2.42                 | 1.01                 | 1.41              | -5.50                |
| % of Portfolio          | 33.68                | 26.26                | 7.42              |                      |

| Ten Best Performers        |                      |                      |                   |                      |
|----------------------------|----------------------|----------------------|-------------------|----------------------|
|                            | Portfolio Weight (%) | Benchmark Weight (%) | Active Weight (%) | Quarterly Return (%) |
| Red Hat Inc                | 1.84                 | 0.27                 | 1.57              | 28.88                |
| McCormick & Co Inc         | 1.03                 | 0.01                 | 1.02              | 6.53                 |
| VMware Inc                 | 1.04                 | 0.08                 | 0.96              | 5.05                 |
| Coca-Cola Co (The)         | 1.31                 | 1.22                 | 0.09              | 3.33                 |
| Linde Plc                  | 1.68                 | 0.44                 | 1.24              | -2.41                |
| Nutanix Inc                | 1.09                 | 0.05                 | 1.04              | -2.64                |
| Comcast Corp               | 2.08                 | 0.00                 | 2.08              | -2.79                |
| Yum China Holdings Inc     | 1.62                 | 0.01                 | 1.61              | -4.17                |
| PayPal Holdings Inc        | 2.10                 | 0.86                 | 1.24              | -4.27                |
| Chipotle Mexican Grill Inc | 1.19                 | 0.09                 | 1.10              | -5.00                |
| % of Portfolio             | 14.98                | 3.03                 | 11.95             |                      |

| Ten Worst Performers        |                      |                      |                   |                      |
|-----------------------------|----------------------|----------------------|-------------------|----------------------|
|                             | Portfolio Weight (%) | Benchmark Weight (%) | Active Weight (%) | Quarterly Return (%) |
| NVIDIA Corp                 | 0.71                 | 0.67                 | 0.04              | -52.45               |
| Schlumberger Ltd            | 0.98                 | 0.00                 | 0.98              | -40.10               |
| Alexion Pharmaceuticals Inc | 1.46                 | 0.15                 | 1.31              | -29.96               |
| Apple Inc                   | 2.09                 | 6.48                 | -4.39             | -29.88               |
| Celgene Corp                | 1.94                 | 0.39                 | 1.55              | -28.38               |
| Amazon.com Inc              | 5.88                 | 5.28                 | 0.60              | -25.01               |
| Pioneer Natural Resources   | 0.91                 | 0.11                 | 0.80              | -24.50               |
| Anheuser-Busch InBev SA/NV  | 1.36                 | 0.00                 | 1.36              | -23.95               |
| Grainger (W.W.) Inc         | 2.23                 | 0.11                 | 2.12              | -20.63               |
| Facebook Inc                | 3.10                 | 2.70                 | 0.40              | -20.29               |
| % of Portfolio              | 20.66                | 15.89                | 4.77              |                      |

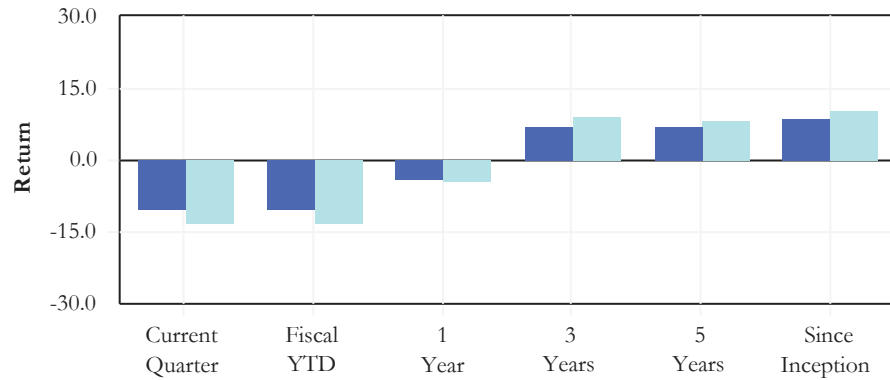
Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Connors Large Cap Core - Executive Summary

as of December 31, 2018

### Manager Performance Chart



### Manager Annualized Performance

|                          | Current Quarter | Fiscal YTD | 1 Year | 3 Years | 5 Years | Inception 09/01/2013 |
|--------------------------|-----------------|------------|--------|---------|---------|----------------------|
| Connors - Large Cap Core | -10.48          | -10.48     | -4.08  | 7.26    | 7.13    | 8.57                 |
| S&P 500 Total Return     | -13.52          | -13.52     | -4.38  | 9.26    | 8.49    | 10.62                |
| Differences              | 3.04            | 3.04       | 0.30   | -2.00   | -1.36   | -2.05                |

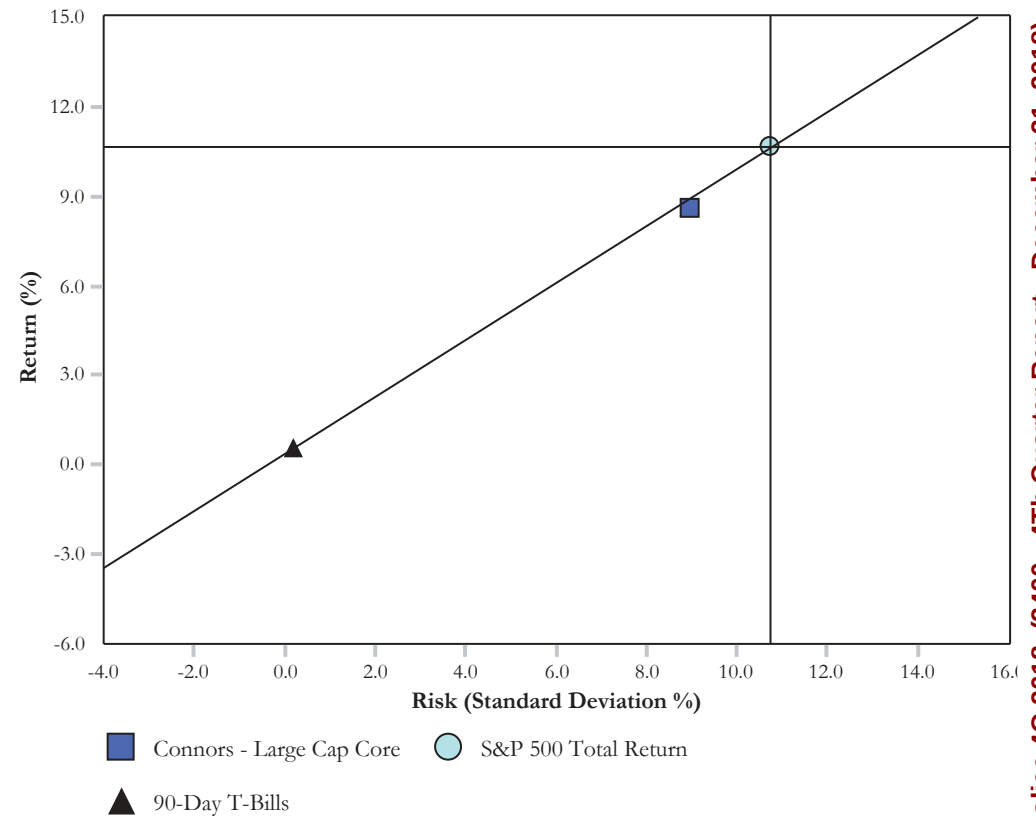
### Historic Asset Growth

|                          | Current Quarter | Fiscal YTD | 1 Year | 3 Years | 5 Years | Inception 09/01/2013 |
|--------------------------|-----------------|------------|--------|---------|---------|----------------------|
| Connors - Large Cap Core |                 |            |        |         |         |                      |
| Beginning Market Value   | 1,121           | 1,121      | 1,141  | 907     | 893     | 813                  |
| Net Contributions        | -               | -          | -89    | -94     | -181    | -181                 |
| Fees/Expenses            | -3              | -3         | -10    | -28     | -45     | -45                  |
| Income                   | 6               | 6          | 22     | 62      | 102     | 109                  |
| Gain/Loss                | -123            | -123       | -63    | 153     | 232     | 305                  |
| Ending Market Value      | 1,001           | 1,001      | 1,001  | 1,001   | 1,001   | 1,001                |

### Modern Portfolio Statistics

|                          | Return | Standard Deviation | Beta | Maximum Drawdown | Up Market Capture | Down Market Capture | Alpha | Sharpe Ratio | R-Squared | Inception Date |
|--------------------------|--------|--------------------|------|------------------|-------------------|---------------------|-------|--------------|-----------|----------------|
| Connors - Large Cap Core | 8.57   | 8.99               | 0.81 | -10.60           | 82.24             | 83.88               | -0.05 | 0.90         | 0.94      | 09/01/2013     |
| S&P 500 Total Return     | 10.62  | 10.75              | 1.00 | -13.52           | 100.00            | 100.00              | 0.00  | 0.94         | 1.00      | 09/01/2013     |

### Manager Risk & Return



Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

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

Graystone

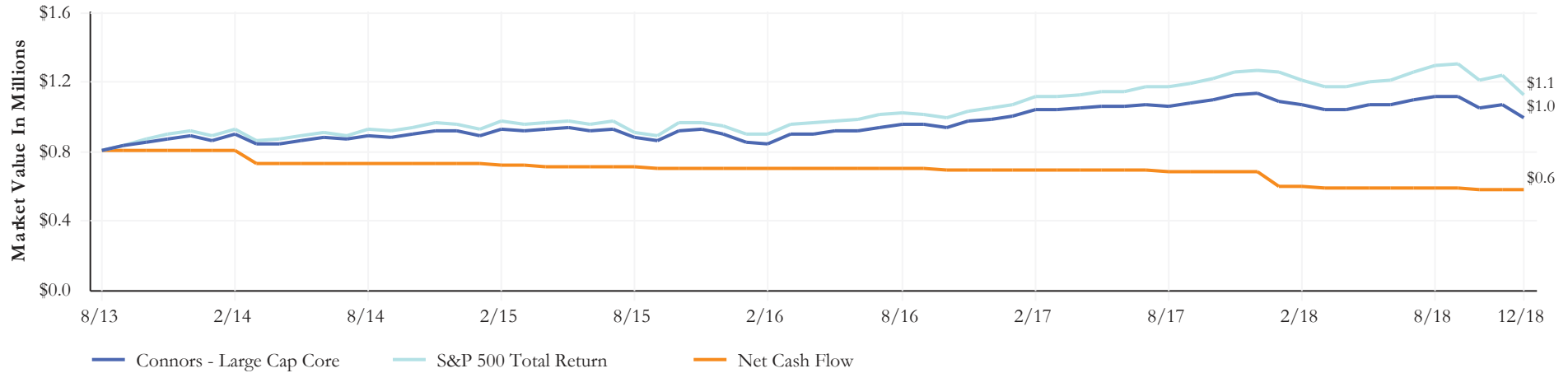
Packet Pg. 47

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Connors Large Cap Core - Change in Assets & Distribution of Returns

as of December 31, 2018

### Historic Change in Assets

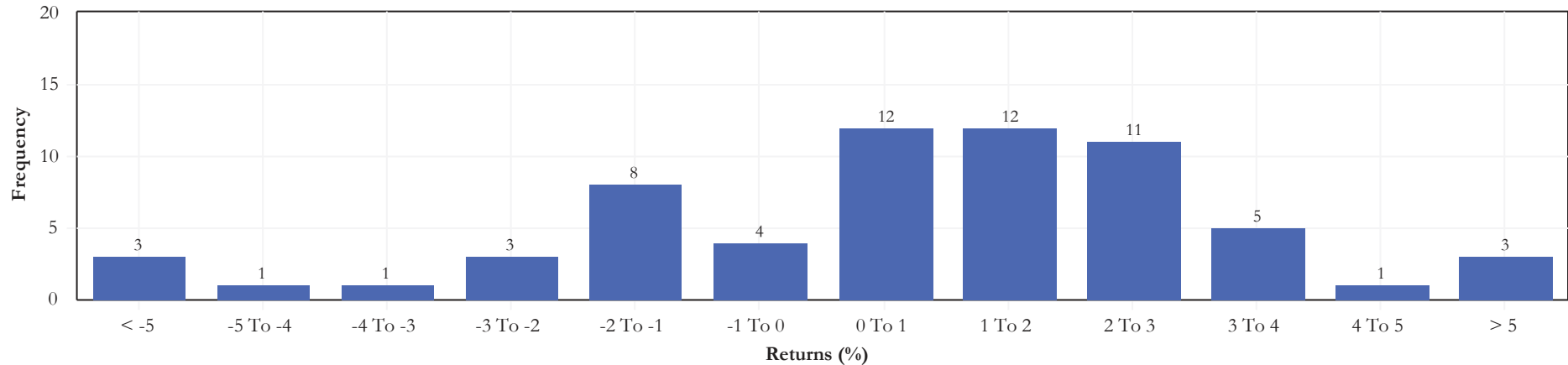


### Quarterly Change in Assets

|                          | Market Value<br>As of<br>10/01/2018 | Net<br>Transfers | Contributions | Distributions | Fees      | Expenses | Return On<br>Investment | Market Value<br>As of<br>12/31/2018 |
|--------------------------|-------------------------------------|------------------|---------------|---------------|-----------|----------|-------------------------|-------------------------------------|
| Connors - Large Cap Core | 1,120,669.18                        | -                | 24,820.50     | -24,820.50    | -2,515.85 | -        | -117,283.04             | 1,000,870.29                        |

### Distribution of Returns

#### Distribution of Returns



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

Graystone

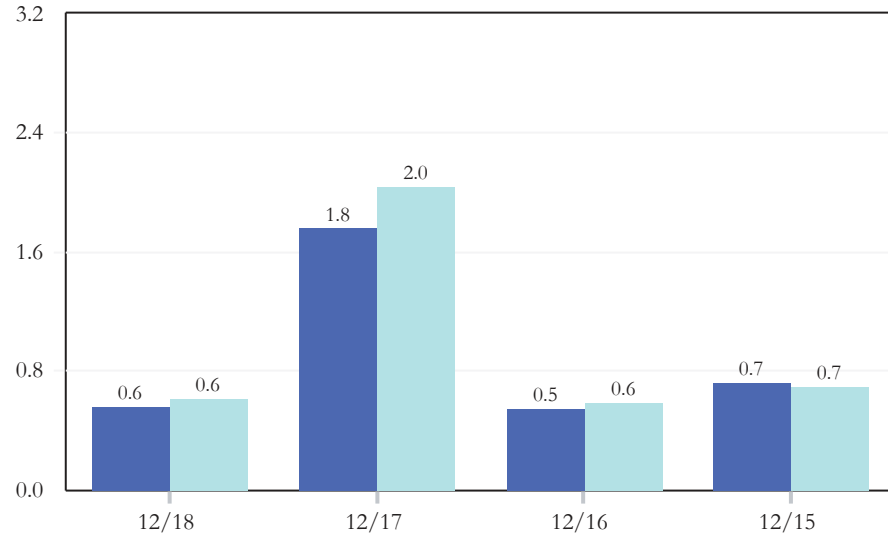
Packet Pg. 48

# Holly Hill Municipal Police Officers' Retirement Trust Fund

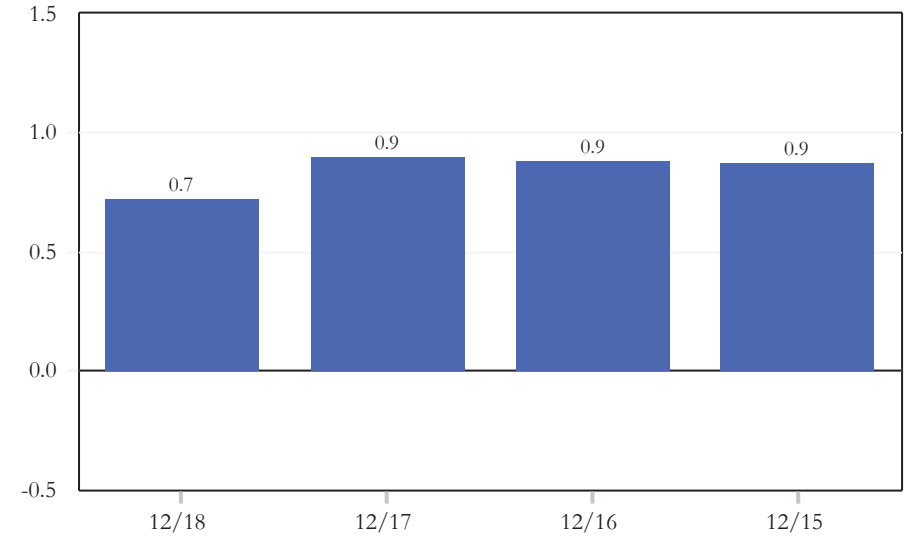
## Connors - Large Cap Core - Rolling Two Year MPT Statistics

as of December 31, 2018

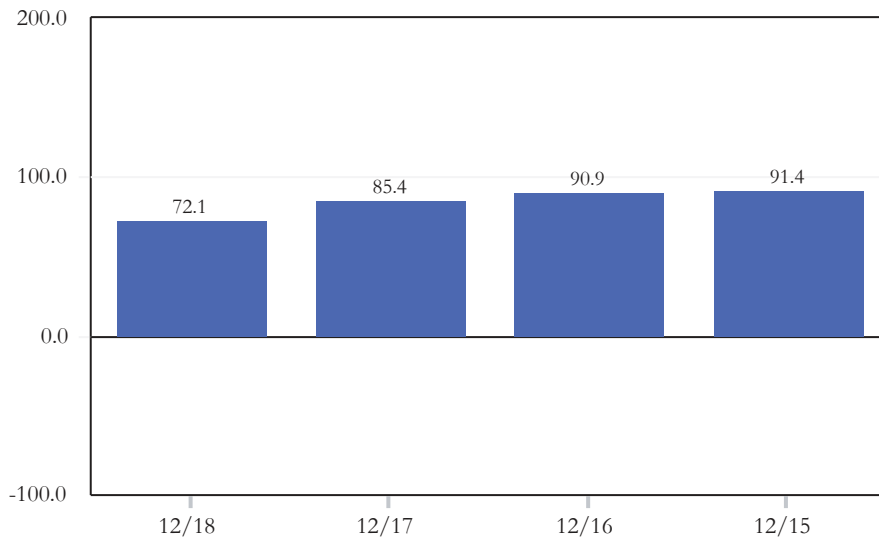
Sharpe Ratio



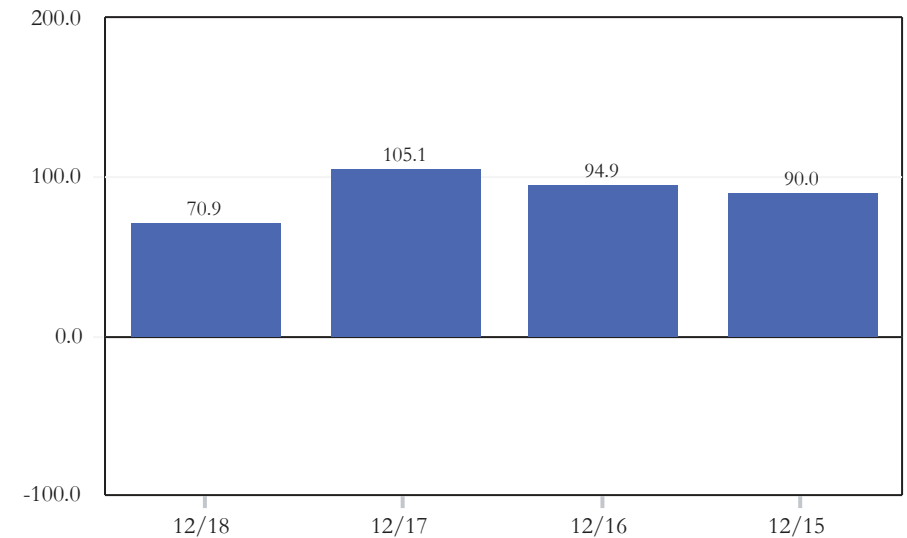
Beta



Up Market Capture



Down Market Capture



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

Packet Pg. 49

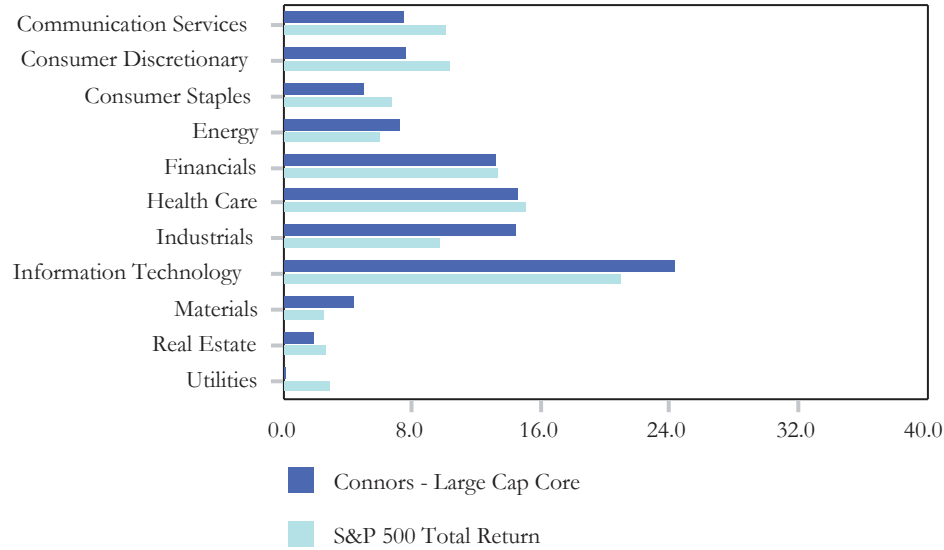
Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

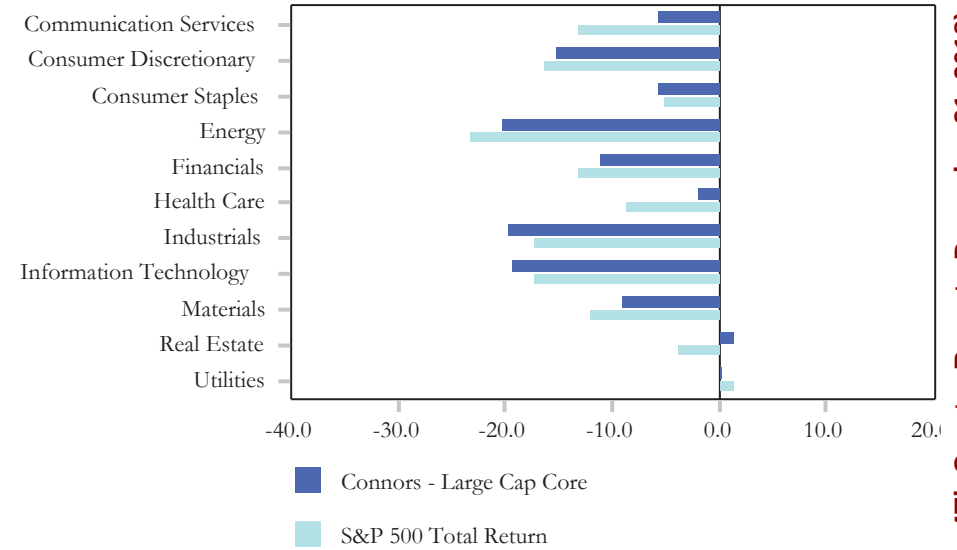
## Connors - Large Cap Core - Quarterly Performance Attributes

as of December 31, 2018

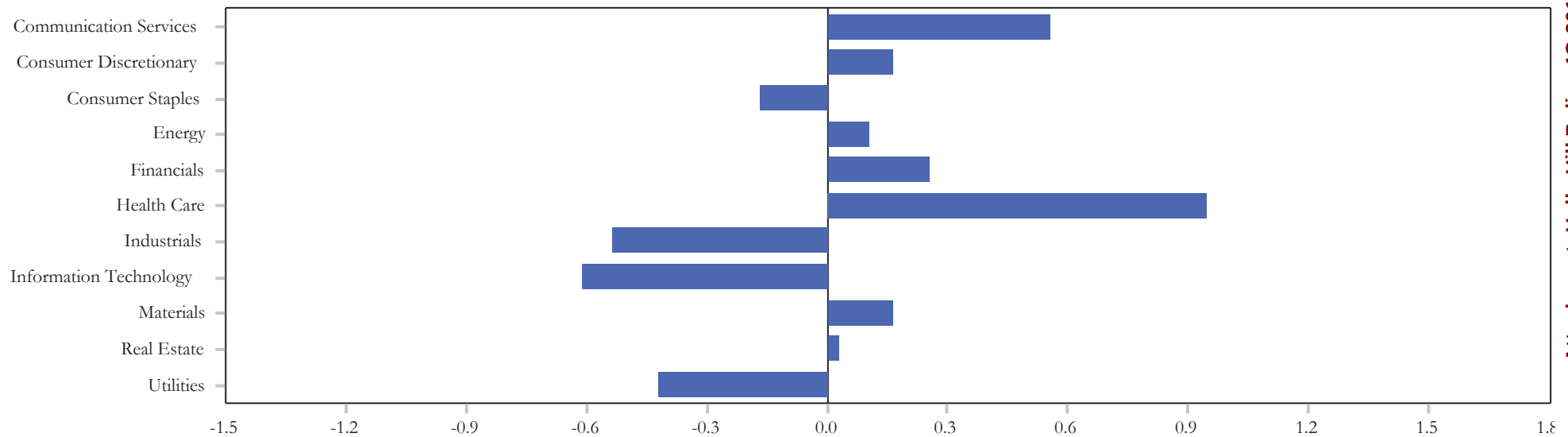
### Allocation



### Performance



### Total Attribution



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

Packet Pg. 50

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Connors - Large Cap Core - Quarterly Performance Attributes

as of December 31, 2018

|                        | Allocation - 10/01/2018 |           | Performance - Quarter Ending<br>December 31, 2018 |           | Attribution |       |             |       |
|------------------------|-------------------------|-----------|---------------------------------------------------|-----------|-------------|-------|-------------|-------|
|                        | Portfolio               | Benchmark | Portfolio                                         | Benchmark | Sector      | Stock | Interaction | Total |
| Communication Services | 7.51                    | 10.03     | -5.70                                             | -13.18    | -0.01       | 0.75  | -0.19       | 0.55  |
| Consumer Discretionary | 7.54                    | 10.30     | -15.31                                            | -16.40    | 0.08        | 0.11  | -0.03       | 0.16  |
| Consumer Staples       | 4.94                    | 6.71      | -5.64                                             | -5.17     | -0.15       | -0.03 | 0.01        | -0.17 |
| Energy                 | 7.19                    | 6.00      | -20.19                                            | -23.29    | -0.12       | 0.19  | 0.04        | 0.11  |
| Financials             | 13.23                   | 13.31     | -11.20                                            | -13.13    | 0.00        | 0.26  | 0.00        | 0.26  |
| Health Care            | 14.53                   | 15.05     | -1.94                                             | -8.64     | -0.03       | 1.01  | -0.03       | 0.95  |
| Industrials            | 14.37                   | 9.70      | -19.72                                            | -17.20    | -0.17       | -0.24 | -0.12       | -0.54 |
| Information Technology | 24.38                   | 20.99     | -19.28                                            | -17.31    | -0.13       | -0.41 | -0.07       | -0.61 |
| Materials              | 4.39                    | 2.43      | -9.02                                             | -12.14    | 0.03        | 0.08  | 0.06        | 0.16  |
| Real Estate            | 1.92                    | 2.65      | 1.34                                              | -3.83     | -0.07       | 0.14  | -0.04       | 0.03  |
| Utilities              | 0.00                    | 2.83      | 0.00                                              | 1.36      | -0.42       | 0.00  | 0.00        | -0.42 |
| Total                  | 100.00                  | 100.00    | -12.98                                            | -13.46    | -0.98       | 1.84  | -0.37       | 0.48  |

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

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

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

Graystone

Packet Pg. 51

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Connors - Large Cap Core - Portfolio Characteristics

as of December 31, 2018

| Portfolio Characteristics  |                |                |
|----------------------------|----------------|----------------|
|                            | Portfolio      | Benchmark      |
| Wtd. Avg. Mkt. Cap (\$000) | 162,473,895.76 | 198,164,868.75 |
| Median Mkt. Cap (\$000)    | 94,385,187.38  | 18,449,053.22  |
| Price/Earnings ratio       | 17.07          | 17.38          |
| Price/Book ratio           | 3.04           | 3.16           |
| 5 Yr. EPS Growth Rate (%)  | 8.77           | 16.00          |
| Beta (5 Years, Monthly)    | 0.82           | 1.00           |
| Number of Stocks           | 69             | 505            |
| Debt to Equity             | -0.06          | 0.46           |

| Top Ten Equity Holdings    |                      |                      |                   |                      |
|----------------------------|----------------------|----------------------|-------------------|----------------------|
|                            | Portfolio Weight (%) | Benchmark Weight (%) | Active Weight (%) | Quarterly Return (%) |
| Apple Inc                  | 4.27                 | 3.38                 | 0.89              | -29.88               |
| JPMorgan Chase & Co        | 4.07                 | 1.54                 | 2.53              | -12.89               |
| Abbott Laboratories        | 3.37                 | 0.60                 | 2.77              | -1.01                |
| Palo Alto Networks Inc     | 3.36                 | 0.00                 | 3.36              | -16.39               |
| Walt Disney Co (The)       | 3.26                 | 0.78                 | 2.48              | -5.50                |
| Cisco Systems Inc          | 3.05                 | 0.93                 | 2.12              | -10.33               |
| Tyler Technologies Inc.    | 3.02                 | 0.00                 | 3.02              | -24.17               |
| Verizon Communications Inc | 2.86                 | 1.10                 | 1.76              | 6.46                 |
| Lockheed Martin Corp       | 2.83                 | 0.31                 | 2.52              | -23.76               |
| AbbVie Inc                 | 2.79                 | 0.66                 | 2.13              | -1.49                |
| % of Portfolio             | 32.88                | 9.30                 | 23.58             |                      |

| Ten Best Performers        |                      |                      |                   |                      |
|----------------------------|----------------------|----------------------|-------------------|----------------------|
|                            | Portfolio Weight (%) | Benchmark Weight (%) | Active Weight (%) | Quarterly Return (%) |
| Dollar Tree Inc            | 2.64                 | 0.10                 | 2.54              | 10.75                |
| Merck & Co Inc.            | 2.48                 | 0.94                 | 1.54              | 8.49                 |
| Eli Lilly and Co           | 0.63                 | 0.52                 | 0.11              | 8.39                 |
| Verizon Communications Inc | 2.86                 | 1.10                 | 1.76              | 6.46                 |
| Public Storage             | 2.19                 | 0.14                 | 2.05              | 1.34                 |
| Kimberly-Clark Corp        | 1.85                 | 0.19                 | 1.66              | 1.15                 |
| Pfizer Inc                 | 2.69                 | 1.20                 | 1.49              | -0.19                |
| PepsiCo Inc                | 2.39                 | 0.74                 | 1.65              | -0.40                |
| Abbott Laboratories        | 3.37                 | 0.60                 | 2.77              | -1.01                |
| AbbVie Inc                 | 2.79                 | 0.66                 | 2.13              | -1.49                |
| % of Portfolio             | 23.89                | 6.19                 | 17.70             |                      |

| Ten Worst Performers       |                      |                      |                   |                      |
|----------------------------|----------------------|----------------------|-------------------|----------------------|
|                            | Portfolio Weight (%) | Benchmark Weight (%) | Active Weight (%) | Quarterly Return (%) |
| Apple Inc                  | 4.27                 | 3.38                 | 0.89              | -29.88               |
| Raytheon Co.               | 0.66                 | 0.21                 | 0.45              | -25.06               |
| Tyler Technologies Inc.    | 3.02                 | 0.00                 | 3.02              | -24.17               |
| Lockheed Martin Corp       | 2.83                 | 0.31                 | 2.52              | -23.76               |
| United Technologies Corp   | 2.07                 | 0.41                 | 1.66              | -23.41               |
| Emerson Electric Co.       | 1.94                 | 0.18                 | 1.76              | -21.42               |
| Lowe's Cos Inc.            | 2.40                 | 0.35                 | 2.05              | -19.17               |
| Exxon Mobil Corp           | 1.73                 | 1.37                 | 0.36              | -18.98               |
| Stanley Black & Decker Inc | 2.07                 | 0.09                 | 1.98              | -17.81               |
| Palo Alto Networks Inc     | 3.36                 | 0.00                 | 3.36              | -16.39               |
| % of Portfolio             | 24.35                | 6.30                 | 18.05             |                      |

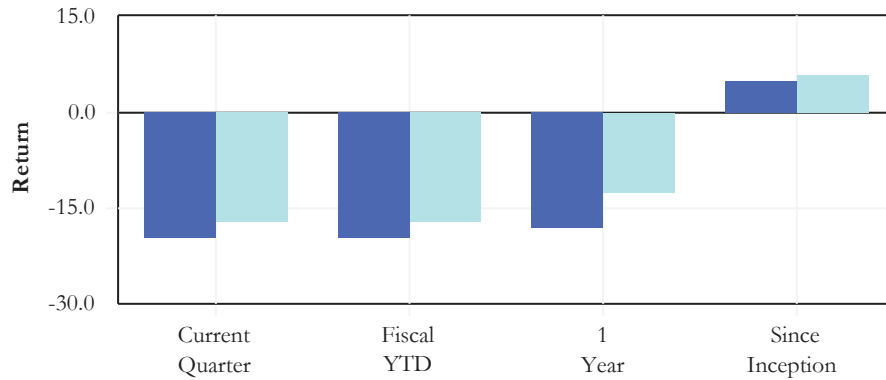
Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Boston SMID Cap Value - Executive Summary

as of December 31, 2018

### Manager Performance Chart



### Manager Annualized Performance

|                         | Current Quarter | Fiscal YTD | 1 Year | Inception 04/01/2016 |
|-------------------------|-----------------|------------|--------|----------------------|
| Boston - SMID Cap Value | -19.58          | -19.58     | -18.24 | 4.92                 |
| Russell 2500 VL         | -17.12          | -17.12     | -12.36 | 5.94                 |
| Differences             | -2.46           | -2.46      | -5.88  | -1.02                |

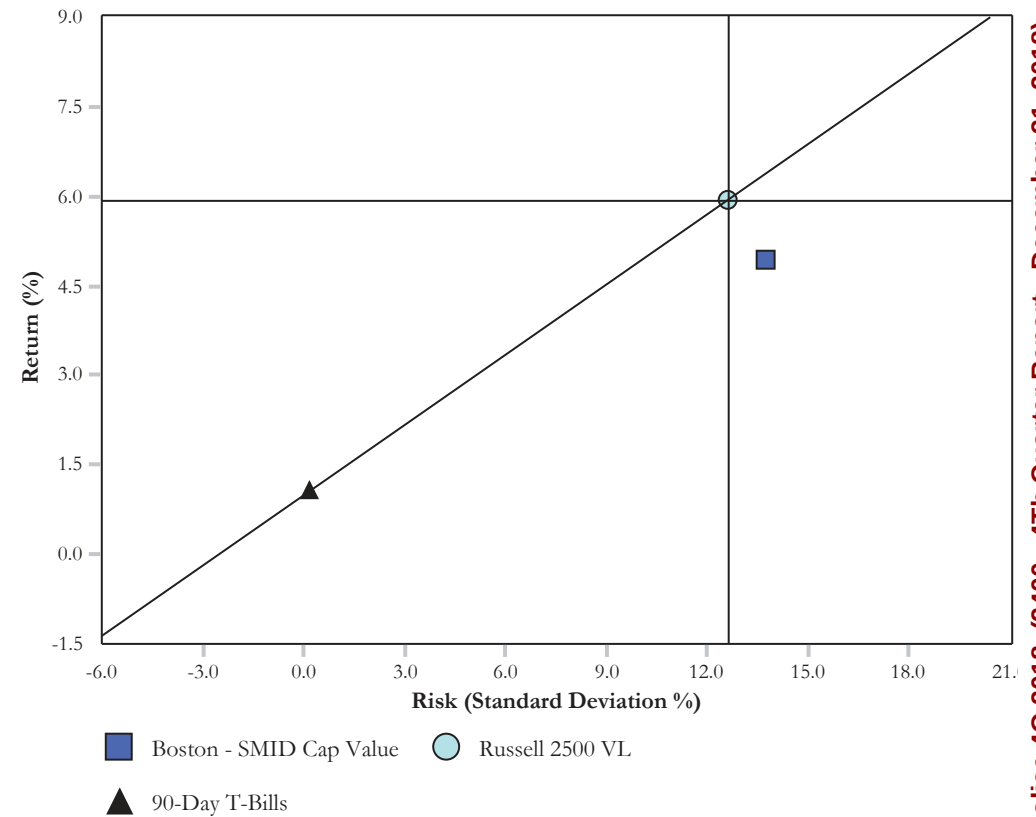
### Historic Asset Growth

|                         | Current Quarter | Fiscal YTD | 1 Year | Inception 04/01/2016 |
|-------------------------|-----------------|------------|--------|----------------------|
| Boston - SMID Cap Value |                 |            |        |                      |
| Beginning Market Value  | 781             | 781        | 808    | 621                  |
| Net Contributions       | -               | -          | -35    | -74                  |
| Fees/Expenses           | -2              | -2         | -8     | -20                  |
| Income                  | 3               | 3          | 12     | 34                   |
| Gain/Loss               | -156            | -156       | -151   | 65                   |
| Ending Market Value     | 626             | 626        | 626    | 626                  |

### Modern Portfolio Statistics

|                         | Return | Standard Deviation | Beta | Maximum Drawdown | Up Market Capture | Down Market Capture | Alpha | Sharpe Ratio | R-Squared | Inception Date |
|-------------------------|--------|--------------------|------|------------------|-------------------|---------------------|-------|--------------|-----------|----------------|
| Boston - SMID Cap Value | 4.92   | 13.75              | 1.06 | -21.22           | 97.73             | 103.15              | -1.21 | 0.34         | 0.95      | 04/01/2016     |
| Russell 2500 VL         | 5.94   | 12.63              | 1.00 | -18.42           | 100.00            | 100.00              | 0.00  | 0.44         | 1.00      | 04/01/2016     |

### Manager Risk & Return



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

Graystone

Packet Pg. 53

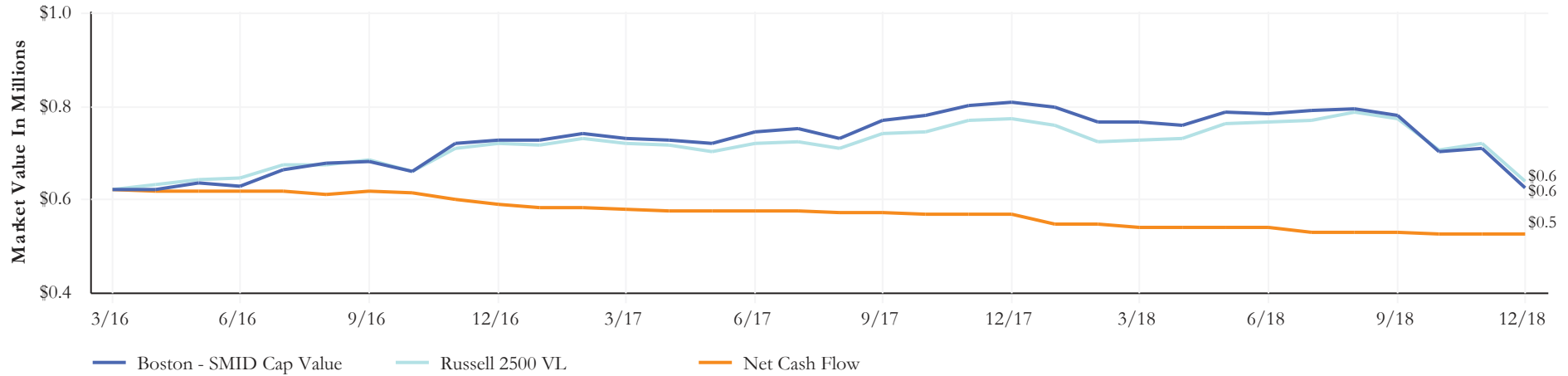
Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Boston SMID Cap Value - Change in Assets & Distribution of Returns

as of December 31, 2018

### Historic Change in Assets

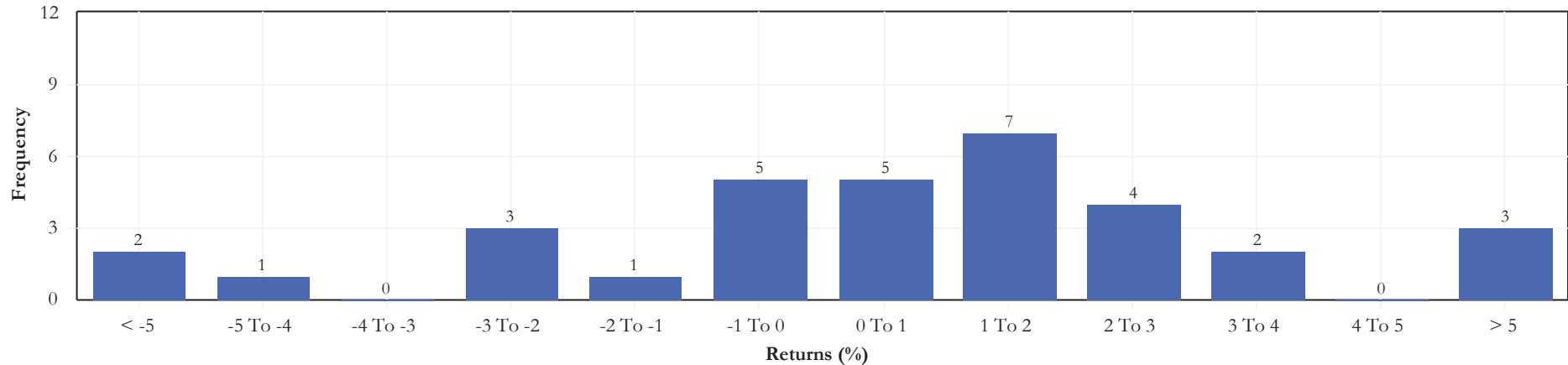


### Quarterly Change in Assets

|                         | Market Value<br>As of<br>10/01/2018 | Net<br>Transfers | Contributions | Distributions | Fees      | Expenses | Return On<br>Investment | Market Value<br>As of<br>12/31/2018 |
|-------------------------|-------------------------------------|------------------|---------------|---------------|-----------|----------|-------------------------|-------------------------------------|
| Boston - SMID Cap Value | 780,543.56                          | -                | 4,559.77      | -4,559.77     | -1,952.85 | -        | -152,629.92             | 625,960.79                          |

### Distribution of Returns

#### Distribution of Returns



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

Graystone

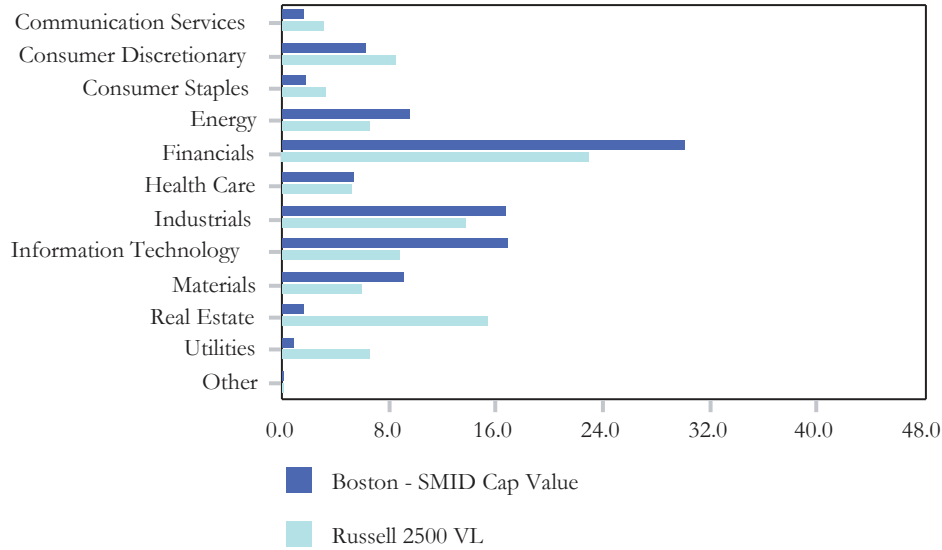
Packet Pg. 54

# Holly Hill Municipal Police Officers' Retirement Trust Fund

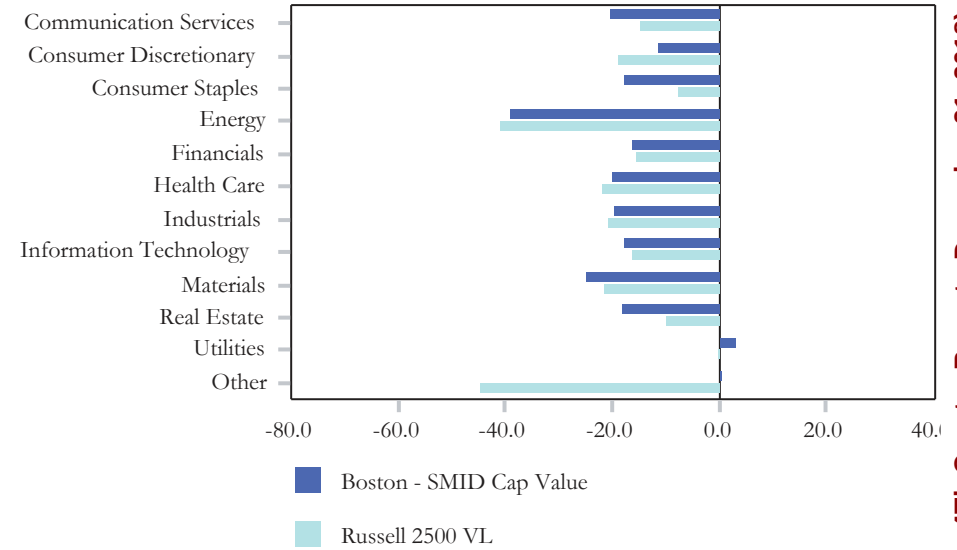
## Boston - SMID Cap Value - Quarterly Performance Attributes

as of December 31, 2018

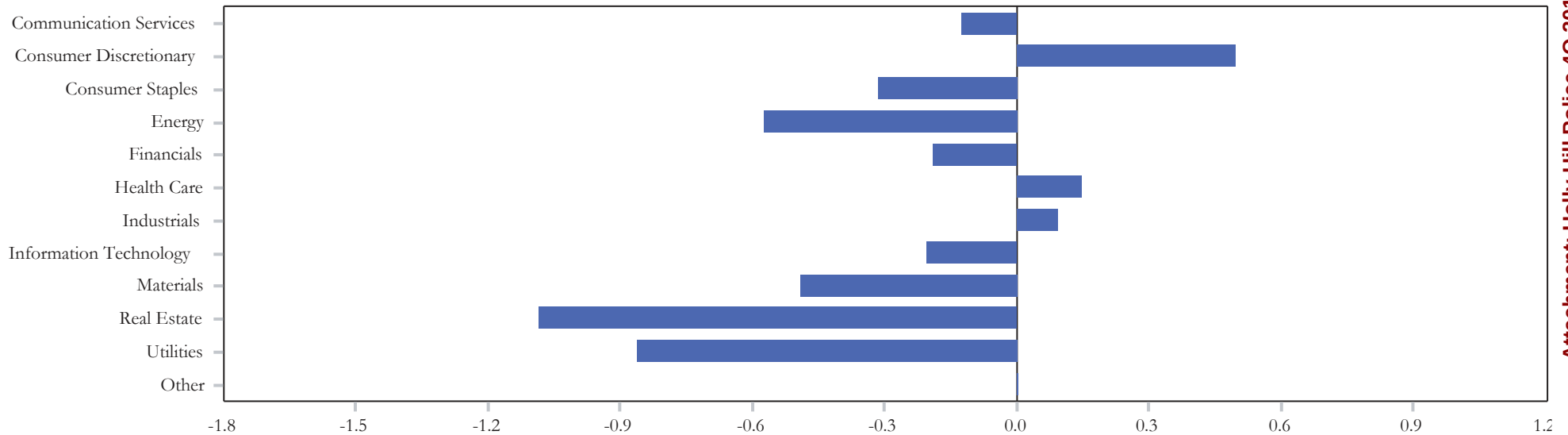
### Allocation



### Performance



### Total Attribution



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

Packet Pg. 55

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Boston - SMID Cap Value - Quarterly Performance Attributes

as of December 31, 2018

|                        | Allocation - 10/01/2018 |           | Performance - Quarter Ending<br>December 31, 2018 |           | Attribution |       |             |       |
|------------------------|-------------------------|-----------|---------------------------------------------------|-----------|-------------|-------|-------------|-------|
|                        | Portfolio               | Benchmark | Portfolio                                         | Benchmark | Sector      | Stock | Interaction | Total |
| Communication Services | 1.59                    | 3.11      | -20.53                                            | -14.67    | -0.03       | -0.17 | 0.08        | -0.13 |
| Consumer Discretionary | 6.21                    | 8.49      | -11.46                                            | -18.99    | 0.04        | 0.63  | -0.17       | 0.50  |
| Consumer Staples       | 1.78                    | 3.23      | -17.89                                            | -7.63     | -0.14       | -0.29 | 0.12        | -0.31 |
| Energy                 | 9.60                    | 6.59      | -39.13                                            | -40.98    | -0.79       | 0.15  | 0.07        | -0.57 |
| Financials             | 30.15                   | 22.92     | -16.37                                            | -15.36    | 0.10        | -0.23 | -0.06       | -0.19 |
| Health Care            | 5.42                    | 5.26      | -19.89                                            | -21.72    | 0.00        | 0.11  | 0.03        | 0.15  |
| Industrials            | 16.76                   | 13.73     | -19.67                                            | -20.76    | -0.08       | 0.15  | 0.03        | 0.09  |
| Information Technology | 16.81                   | 8.83      | -17.86                                            | -16.31    | 0.05        | -0.14 | -0.12       | -0.21 |
| Materials              | 9.15                    | 5.94      | -24.96                                            | -21.31    | -0.15       | -0.22 | -0.12       | -0.49 |
| Real Estate            | 1.60                    | 15.37     | -18.32                                            | -9.78     | -0.95       | -1.26 | 1.13        | -1.09 |
| Utilities              | 0.91                    | 6.52      | 3.19                                              | -0.15     | -0.88       | 0.17  | -0.15       | -0.86 |
| Other                  | 0.00                    | 0.00      | 0.00                                              | -44.63    | 0.00        | 0.00  | 0.00        | 0.00  |
| Total                  | 100.00                  | 100.00    | -20.15                                            | -17.04    | -2.84       | -1.09 | 0.82        | -3.12 |

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

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

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

Graystone

Packet Pg. 56

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Boston - SMID Cap Value - Portfolio Characteristics

as of December 31, 2018

| Portfolio Characteristics  |              |              |
|----------------------------|--------------|--------------|
|                            | Portfolio    | Benchmark    |
| Wtd. Avg. Mkt. Cap (\$000) | 4,060,837.61 | 4,351,919.01 |
| Median Mkt. Cap (\$000)    | 3,085,825.98 | 914,063.88   |
| Price/Earnings ratio       | 10.71        | 13.13        |
| Price/Book ratio           | 1.72         | 1.73         |
| 5 Yr. EPS Growth Rate (%)  | 10.43        | 10.87        |
| Beta (5 Years, Monthly)    | 1.05         | 1.00         |
| Number of Stocks           | 158          | 1,748        |
| Debt to Equity             | 2.21         | 0.71         |

| Top Ten Equity Holdings        |                      |                      |                   |                      |
|--------------------------------|----------------------|----------------------|-------------------|----------------------|
|                                | Portfolio Weight (%) | Benchmark Weight (%) | Active Weight (%) | Quarterly Return (%) |
| Graphic Packaging Holding Co   | 1.91                 | 0.13                 | 1.78              | -23.53               |
| Two Harbors Investment Corp    | 1.62                 | 0.14                 | 1.48              | -10.91               |
| SLM Corp                       | 1.61                 | 0.17                 | 1.44              | -25.47               |
| KAR Auction Services Inc       | 1.56                 | 0.02                 | 1.54              | -19.47               |
| Walker & Dunlop Inc            | 1.56                 | 0.05                 | 1.51              | -17.77               |
| EnerSys                        | 1.51                 | 0.05                 | 1.46              | -10.73               |
| World Fuel Services Corp       | 1.46                 | 0.07                 | 1.39              | -22.45               |
| Arrow Electronics Inc          | 1.41                 | 0.28                 | 1.13              | -6.47                |
| National General Holdings Corp | 1.39                 | 0.03                 | 1.36              | -9.65                |
| Ciena Corp                     | 1.34                 | 0.22                 | 1.12              | 8.55                 |
| % of Portfolio                 | 15.37                | 1.16                 | 14.21             |                      |

| Ten Best Performers          |                      |                      |                   |                      |
|------------------------------|----------------------|----------------------|-------------------|----------------------|
|                              | Portfolio Weight (%) | Benchmark Weight (%) | Active Weight (%) | Quarterly Return (%) |
| EVERTEC Inc                  | 0.37                 | 0.01                 | 0.36              | 19.30                |
| Cooper Tire & Rubber Co      | 0.44                 | 0.07                 | 0.37              | 14.59                |
| TTEC Holdings Inc            | 0.97                 | 0.00                 | 0.97              | 11.51                |
| Ciena Corp                   | 1.34                 | 0.22                 | 1.12              | 8.55                 |
| Navigant Consulting Inc.     | 0.57                 | 0.05                 | 0.52              | 4.50                 |
| AES Corporation (The)        | 0.68                 | 0.00                 | 0.68              | 4.21                 |
| Huron Consulting Group Inc   | 0.84                 | 0.05                 | 0.79              | 3.87                 |
| Portland General Electric Co | 0.37                 | 0.19                 | 0.18              | 1.35                 |
| Aspen Insurance              | 0.32                 | 0.11                 | 0.21              | 0.45                 |
| MAXIMUS Inc.                 | 0.25                 | 0.00                 | 0.25              | 0.43                 |
| % of Portfolio               | 6.15                 | 0.70                 | 5.45              |                      |

| Ten Worst Performers          |                      |                      |                   |                      |
|-------------------------------|----------------------|----------------------|-------------------|----------------------|
|                               | Portfolio Weight (%) | Benchmark Weight (%) | Active Weight (%) | Quarterly Return (%) |
| Ferroglobe PLC                | 0.07                 | 0.00                 | 0.07              | -80.54               |
| Superior Energy Services Inc. | 0.18                 | 0.02                 | 0.16              | -65.61               |
| Extraction Oil & Gas Inc      | 0.21                 | 0.02                 | 0.19              | -62.00               |
| Forum Energy Technologies Inc | 0.19                 | 0.02                 | 0.17              | -60.10               |
| Kosmos Energy Ltd             | 0.51                 | 0.04                 | 0.47              | -56.47               |
| QEP Resources Inc             | 0.32                 | 0.06                 | 0.26              | -50.27               |
| Newfield Exploration Co       | 0.51                 | 0.09                 | 0.42              | -49.15               |
| CommScope Holding Co Inc      | 0.26                 | 0.14                 | 0.12              | -46.72               |
| Parsley Energy Inc            | 0.82                 | 0.06                 | 0.76              | -45.37               |
| Cambrex Corp                  | 0.23                 | 0.03                 | 0.20              | -44.80               |
| % of Portfolio                | 3.30                 | 0.48                 | 2.82              |                      |

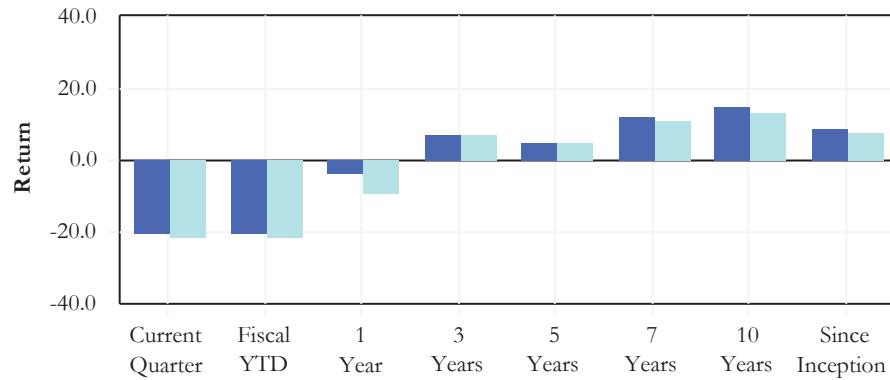
Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## RBC Small Cap Growth - Executive Summary

as of December 31, 2018

### Manager Performance Chart



### Manager Annualized Performance

|                        | Current Quarter | Fiscal YTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Inception 06/01/2006 |
|------------------------|-----------------|------------|--------|---------|---------|---------|----------|----------------------|
| RBC - Small Cap Growth | -20.36          | -20.36     | -3.93  | 7.37    | 4.86    | 11.96   | 14.77    | 8.65                 |
| Russell 2000 Gr        | -21.65          | -21.65     | -9.31  | 7.24    | 5.13    | 11.25   | 13.52    | 7.56                 |
| Differences            | 1.29            | 1.29       | 5.38   | 0.13    | -0.27   | 0.71    | 1.25     | 1.09                 |

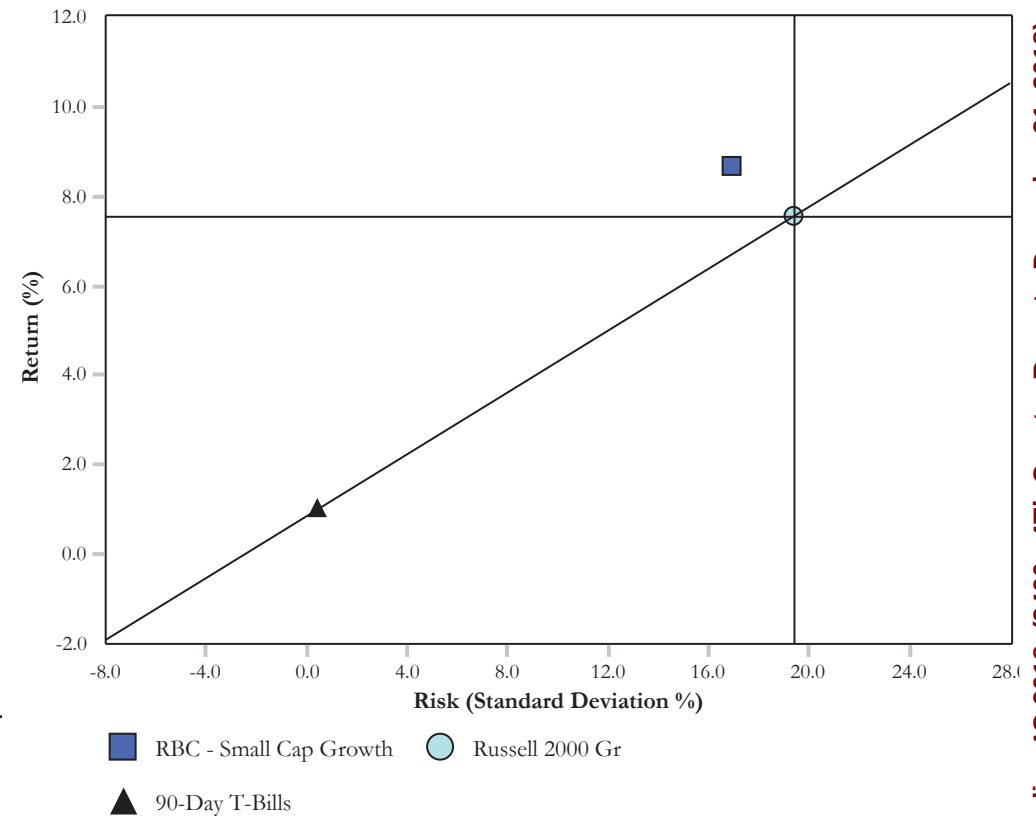
### Historic Asset Growth

|                        | Current Quarter | Fiscal YTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Inception 06/01/2006 |
|------------------------|-----------------|------------|--------|---------|---------|---------|----------|----------------------|
| RBC - Small Cap Growth |                 |            |        |         |         |         |          |                      |
| Beginning Market Value | 911             | 911        | 784    | 663     | 679     | 544     | 356      | 458                  |
| Net Contributions      | -               | -          | -25    | -70     | -90     | -277    | -366     | -337                 |
| Fees/Expenses          | -2              | -2         | -8     | -23     | -37     | -49     | -64      | -75                  |
| Income                 | 1               | 1          | 4      | 12      | 18      | 23      | 30       | 38                   |
| Gain/Loss              | -186            | -186       | -32    | 141     | 153     | 483     | 768      | 640                  |
| Ending Market Value    | 723             | 723        | 723    | 723     | 723     | 723     | 723      | 723                  |

### Modern Portfolio Statistics

|                        | Return | Standard Deviation | Beta | Maximum Drawdown | Up Market Capture | Down Market Capture | Alpha | Sharpe Ratio | R-Squared | Inception Date |
|------------------------|--------|--------------------|------|------------------|-------------------|---------------------|-------|--------------|-----------|----------------|
| RBC - Small Cap Growth | 8.65   | 16.98              | 0.84 | -47.35           | 87.10             | 78.99               | 2.04  | 0.52         | 0.93      | 06/01/2006     |
| Russell 2000 Gr        | 7.56   | 19.41              | 1.00 | -52.31           | 100.00            | 100.00              | 0.00  | 0.42         | 1.00      | 06/01/2006     |

### Manager Risk & Return



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

Graystone

Packet Pg. 58

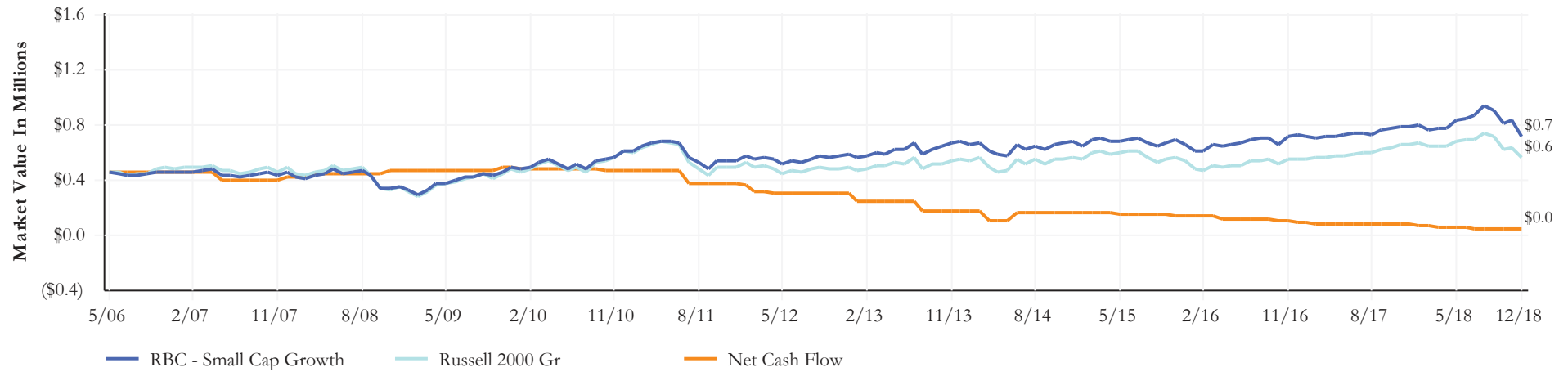
Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

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

as of December 31, 2018

### Historic Change in Assets

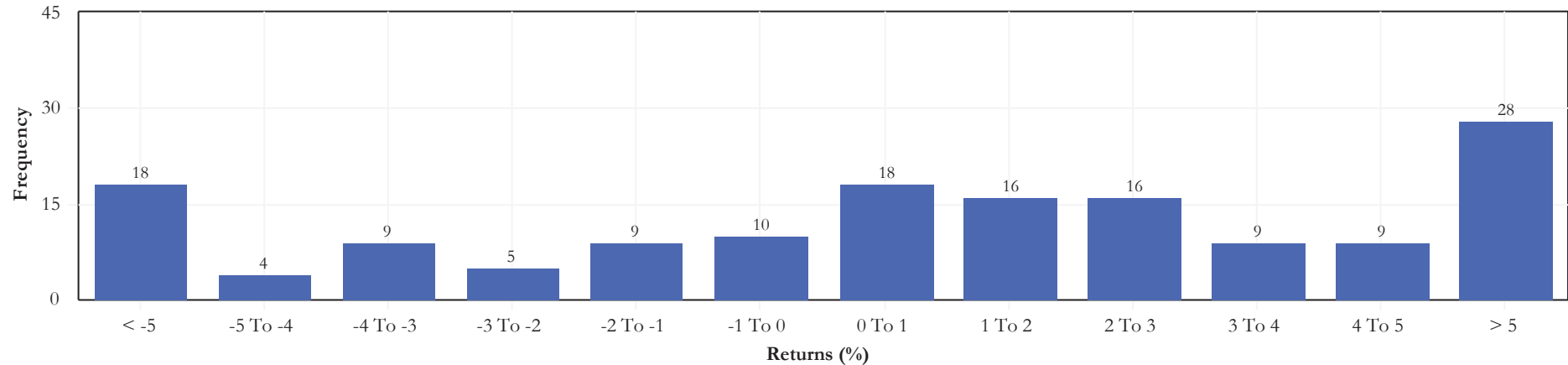


### Quarterly Change in Assets

|                        | Market Value<br>As of<br>10/01/2018 | Net<br>Transfers | Contributions | Distributions | Fees      | Expenses | Return On<br>Investment | Market Value<br>As of<br>12/31/2018 |
|------------------------|-------------------------------------|------------------|---------------|---------------|-----------|----------|-------------------------|-------------------------------------|
| RBC - Small Cap Growth | 910,586.21                          | -                | -             | -             | -2,327.03 | -        | -185,150.73             | 723,108.45                          |

### Distribution of Returns

#### Distribution of Returns



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

Graystone

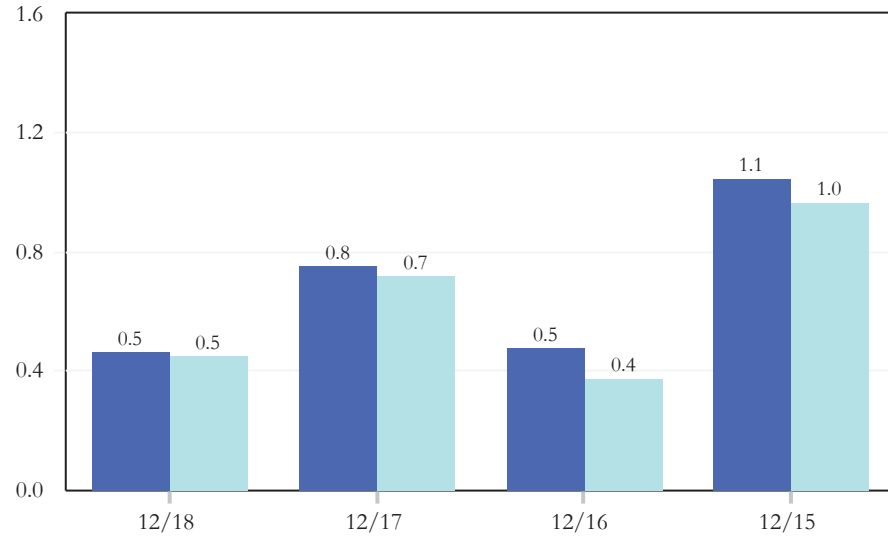
Packet Pg. 59

# Holly Hill Municipal Police Officers' Retirement Trust Fund

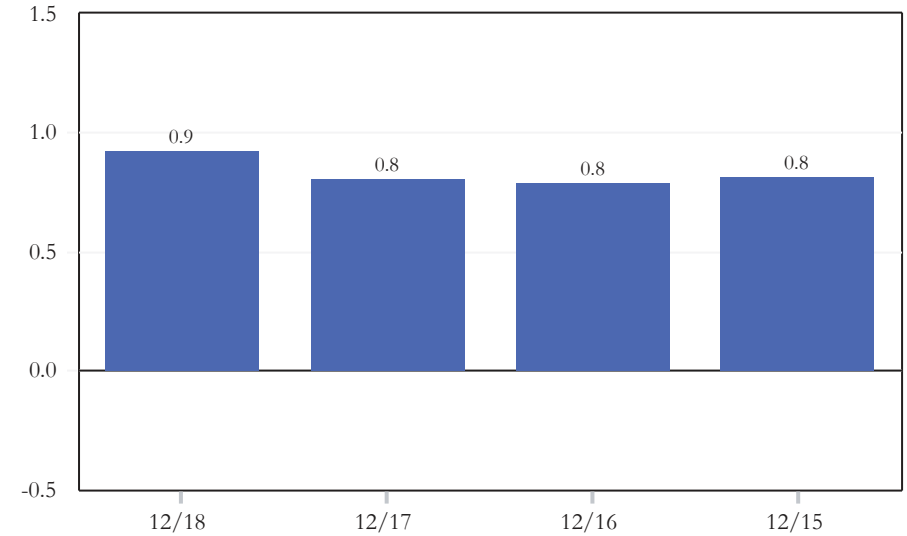
## RBC - Small Cap Growth - Rolling Three Year MPT Statistics

as of December 31, 2018

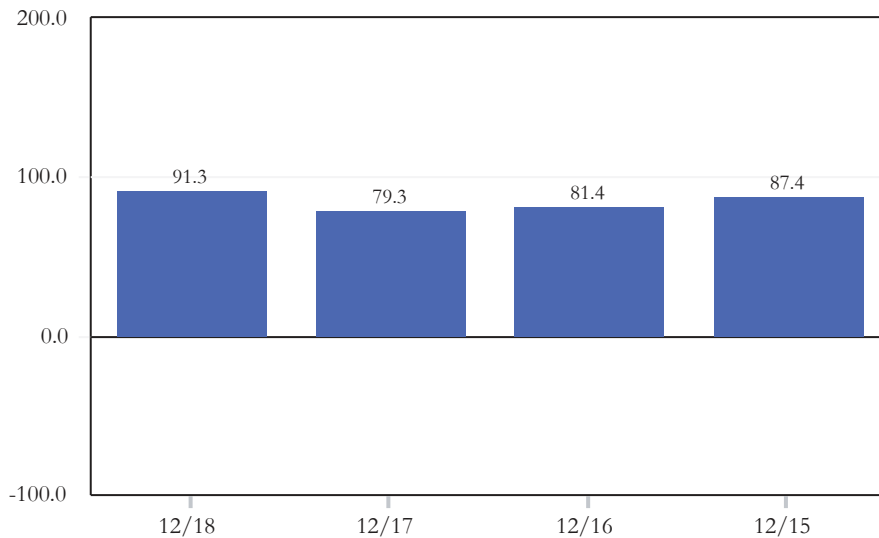
Sharpe Ratio



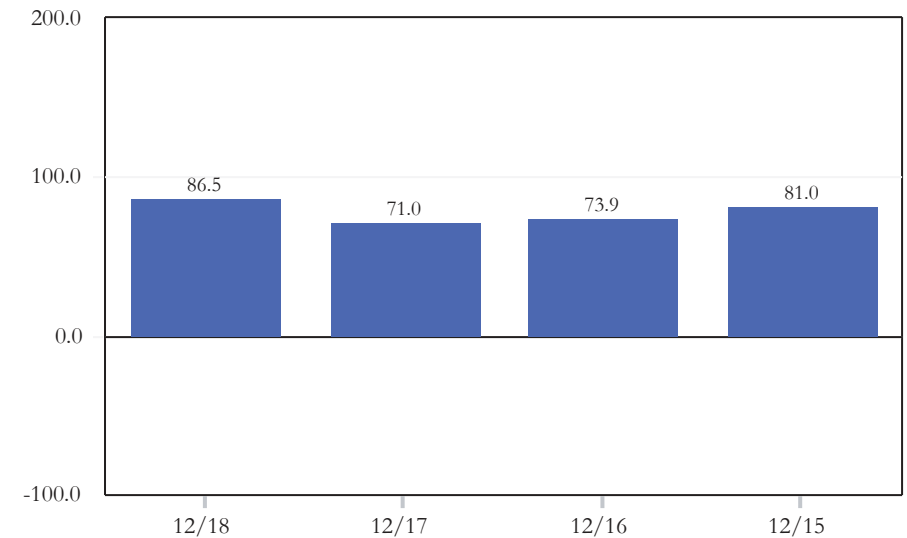
Beta



Up Market Capture



Down Market Capture



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

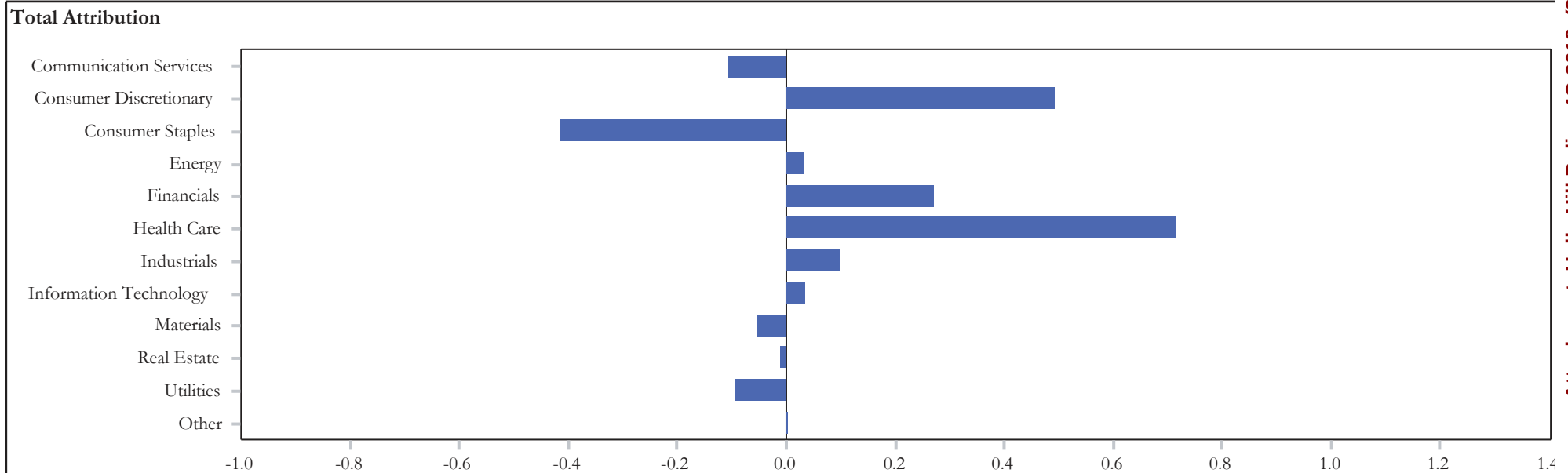
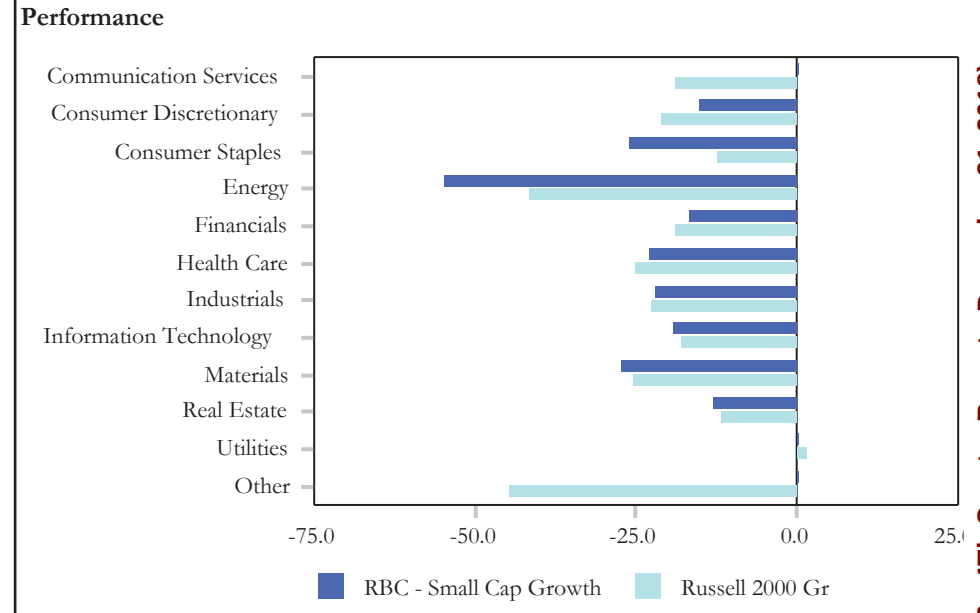
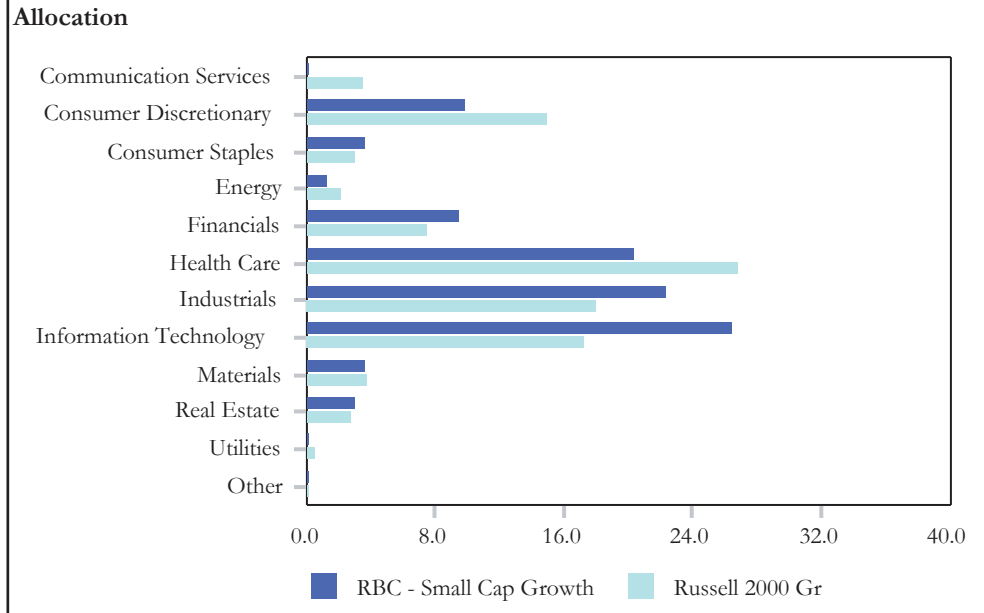
Packet Pg. 60

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## RBC - Small Cap Growth - Quarterly Performance Attributes

as of December 31, 2018



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

Graystone

Packet Pg. 61

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## RBC - Small Cap Growth - Quarterly Performance Attributes

as of December 31, 2018

|                        | Allocation - 10/01/2018 |           | Performance - Quarter Ending<br>December 31, 2018 |           | Attribution |       |             |       |
|------------------------|-------------------------|-----------|---------------------------------------------------|-----------|-------------|-------|-------------|-------|
|                        | Portfolio               | Benchmark | Portfolio                                         | Benchmark | Sector      | Stock | Interaction | Total |
| Communication Services | 0.00                    | 3.52      | 0.00                                              | -18.64    | -0.11       | 0.00  | 0.00        | -0.11 |
| Consumer Discretionary | 9.85                    | 14.96     | -15.05                                            | -20.81    | -0.05       | 0.85  | -0.31       | 0.49  |
| Consumer Staples       | 3.65                    | 2.95      | -26.02                                            | -12.32    | 0.08        | -0.39 | -0.10       | -0.41 |
| Energy                 | 1.18                    | 2.14      | -54.81                                            | -41.36    | 0.21        | -0.33 | 0.15        | 0.03  |
| Financials             | 9.48                    | 7.49      | -16.52                                            | -18.91    | 0.05        | 0.18  | 0.05        | 0.27  |
| Health Care            | 20.39                   | 26.79     | -22.75                                            | -25.08    | 0.23        | 0.67  | -0.18       | 0.71  |
| Industrials            | 22.37                   | 17.97     | -21.88                                            | -22.46    | -0.03       | 0.10  | 0.03        | 0.10  |
| Information Technology | 26.45                   | 17.32     | -18.97                                            | -17.88    | 0.31        | -0.19 | -0.08       | 0.04  |
| Materials              | 3.61                    | 3.72      | -27.29                                            | -25.31    | 0.01        | -0.08 | 0.01        | -0.06 |
| Real Estate            | 3.01                    | 2.70      | -13.01                                            | -11.61    | 0.03        | -0.04 | 0.00        | -0.01 |
| Utilities              | 0.00                    | 0.44      | 0.00                                              | 1.74      | -0.10       | 0.00  | 0.00        | -0.10 |
| Other                  | 0.00                    | 0.00      | 0.00                                              | -44.63    | 0.00        | 0.00  | 0.00        | 0.00  |
| Total                  | 100.00                  | 100.00    | -20.67                                            | -21.63    | 0.63        | 0.77  | -0.43       | 0.97  |

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

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

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

Graystone

Packet Pg. 62

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## RBC - Small Cap Growth - Portfolio Characteristics

as of December 31, 2018

| Portfolio Characteristics  |              |              |
|----------------------------|--------------|--------------|
|                            | Portfolio    | Benchmark    |
| Wtd. Avg. Mkt. Cap (\$000) | 2,319,846.77 | 2,178,504.41 |
| Median Mkt. Cap (\$000)    | 2,045,152.00 | 787,045.40   |
| Price/Earnings ratio       | 25.65        | 19.19        |
| Price/Book ratio           | 2.90         | 3.50         |
| 5 Yr. EPS Growth Rate (%)  | 14.30        | 16.24        |
| Beta (5 Years, Monthly)    | 0.87         | 1.00         |
| Number of Stocks           | 75           | 1,257        |
| Debt to Equity             | 0.58         | 0.83         |

| Top Ten Equity Holdings |                      |                      |                   |                      |
|-------------------------|----------------------|----------------------|-------------------|----------------------|
|                         | Portfolio Weight (%) | Benchmark Weight (%) | Active Weight (%) | Quarterly Return (%) |
| Woodward Inc            | 2.42                 | 0.43                 | 1.99              | -7.97                |
| Integer Holdings Corp   | 2.42                 | 0.19                 | 2.23              | -8.06                |
| RBC Bearings Inc        | 2.26                 | 0.34                 | 1.92              | -12.81               |
| Omnicell Inc            | 2.26                 | 0.26                 | 2.00              | -14.83               |
| FirstCash Inc           | 2.23                 | 0.34                 | 1.89              | -11.51               |
| Texas Roadhouse Inc     | 2.11                 | 0.44                 | 1.67              | -13.49               |
| Neogen Corp             | 2.04                 | 0.31                 | 1.73              | -20.31               |
| Balchem Corp            | 1.94                 | 0.27                 | 1.67              | -29.65               |
| SPS Commerce Inc        | 1.85                 | 0.15                 | 1.70              | -16.99               |
| Dorman Products Inc     | 1.81                 | 0.26                 | 1.55              | 17.03                |
| % of Portfolio          | 21.34                | 2.99                 | 18.35             |                      |

| Ten Best Performers           |                      |                      |                   |                      |
|-------------------------------|----------------------|----------------------|-------------------|----------------------|
|                               | Portfolio Weight (%) | Benchmark Weight (%) | Active Weight (%) | Quarterly Return (%) |
| Dorman Products Inc           | 1.81                 | 0.26                 | 1.55              | 17.03                |
| TreeHouse Foods Inc           | 1.12                 | 0.00                 | 1.12              | 5.98                 |
| Huron Consulting Group Inc    | 0.68                 | 0.00                 | 0.68              | 3.87                 |
| Five9 Inc                     | 1.77                 | 0.27                 | 1.50              | 0.07                 |
| Healthcare Services Group Inc | 1.49                 | 0.32                 | 1.17              | -0.65                |
| Monro Inc                     | 1.60                 | 0.24                 | 1.36              | -0.97                |
| Diodes Inc                    | 1.41                 | 0.04                 | 1.37              | -3.09                |
| Eagle Bancorp Inc             | 1.54                 | 0.14                 | 1.40              | -3.74                |
| Globant SA                    | 1.49                 | 0.00                 | 1.49              | -4.53                |
| Terreno Realty Corp           | 1.44                 | 0.00                 | 1.44              | -5.48                |
| % of Portfolio                | 14.35                | 1.27                 | 13.08             |                      |

| Ten Worst Performers        |                      |                      |                   |                      |
|-----------------------------|----------------------|----------------------|-------------------|----------------------|
|                             | Portfolio Weight (%) | Benchmark Weight (%) | Active Weight (%) | Quarterly Return (%) |
| Matador Resources Co        | 0.58                 | 0.16                 | 0.42              | -53.01               |
| Inogen Inc                  | 0.56                 | 0.24                 | 0.32              | -49.14               |
| Multi-Color Corp            | 0.89                 | 0.00                 | 0.89              | -43.57               |
| G III Apparel Group Ltd     | 1.25                 | 0.04                 | 1.21              | -42.12               |
| PetIQ Inc                   | 1.01                 | 0.04                 | 0.97              | -40.30               |
| Sun Hydraulics Corp         | 1.22                 | 0.10                 | 1.12              | -39.31               |
| HealthEquity Inc            | 1.72                 | 0.35                 | 1.37              | -36.82               |
| Altair Engineering Inc      | 1.11                 | 0.08                 | 1.03              | -36.52               |
| Bottomline Technologies Inc | 1.44                 | 0.22                 | 1.22              | -33.98               |
| Mistras Group Inc           | 0.69                 | 0.02                 | 0.67              | -33.64               |
| % of Portfolio              | 10.47                | 1.25                 | 9.22              |                      |

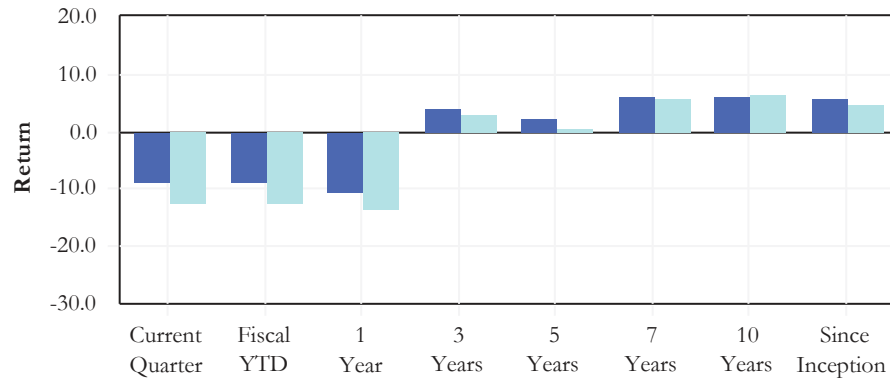
Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Delaware International Value - Executive Summary

as of December 31, 2018

### Manager Performance Chart



### Manager Annualized Performance

|                                | Current Quarter | Fiscal YTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Inception 10/01/2004 |
|--------------------------------|-----------------|------------|--------|---------|---------|---------|----------|----------------------|
| Delaware - International Value | -8.65           | -8.65      | -10.67 | 4.14    | 2.17    | 6.12    | 6.14     | 5.60                 |
| MSCI EAFE Net                  | -12.54          | -12.54     | -13.79 | 2.87    | 0.53    | 5.75    | 6.32     | 4.69                 |
| Differences                    | 3.89            | 3.89       | 3.12   | 1.27    | 1.64    | 0.37    | -0.18    | 0.91                 |

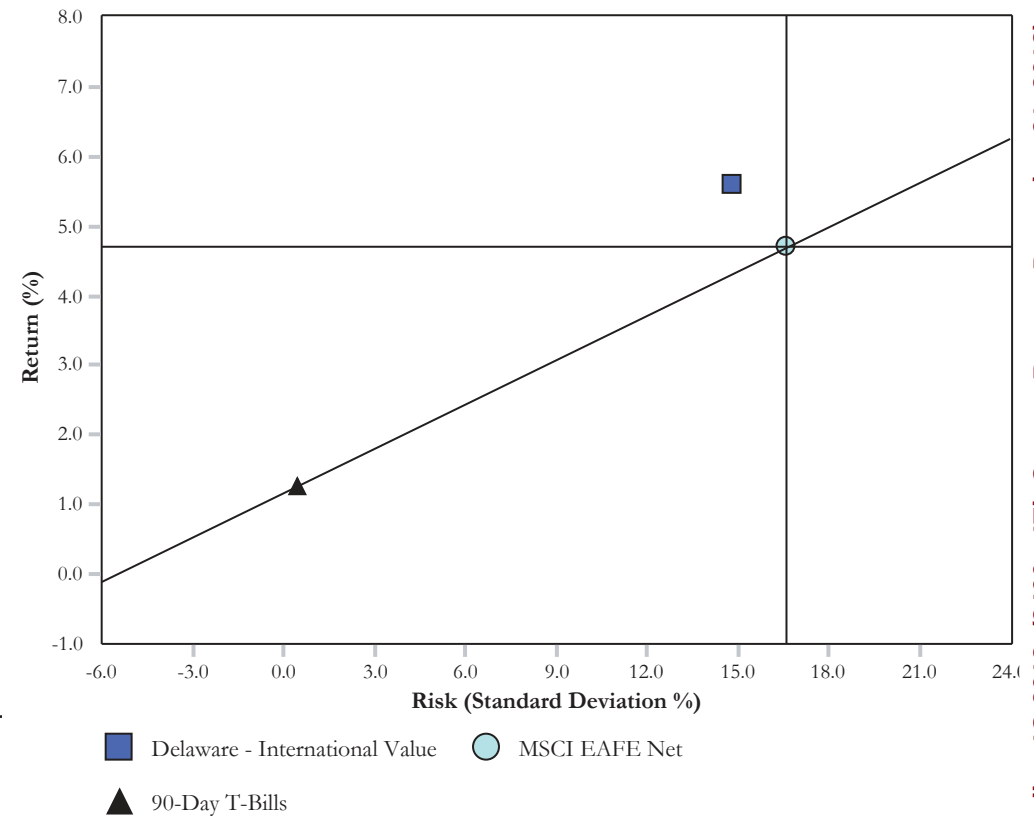
### Historic Asset Growth

|                                | Current Quarter | Fiscal YTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Inception 10/01/2004 |
|--------------------------------|-----------------|------------|--------|---------|---------|---------|----------|----------------------|
| Delaware - International Value | 635             | 635        | 514    | 424     | 446     | 305     | 471      | 237                  |
| Beginning Market Value         | -               | -          | 136    | 126     | 119     | 146     | -55      | 217                  |
| Net Contributions              | -2              | -2         | -6     | -14     | -23     | -31     | -40      | -54                  |
| Fees/Expenses                  | 4               | 4          | 18     | 46      | 73      | 103     | 136      | 191                  |
| Income                         | -59             | -59        | -83    | -3      | -35     | 57      | 68       | -13                  |
| Gain/Loss                      | 579             | 579        | 579    | 579     | 579     | 579     | 579      | 579                  |
| Ending Market Value            |                 |            |        |         |         |         |          |                      |

### 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 | 5.60   | 14.82              | 0.86 | -49.52           | 92.12             | 86.60               | 1.44  | 0.36         | 0.92      | 10/01/2004     |
| MSCI EAFE Net                  | 4.69   | 16.60              | 1.00 | -56.68           | 100.00            | 100.00              | 0.00  | 0.29         | 1.00      | 10/01/2004     |

### Manager Risk & Return



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

Graystone

Packet Pg. 64

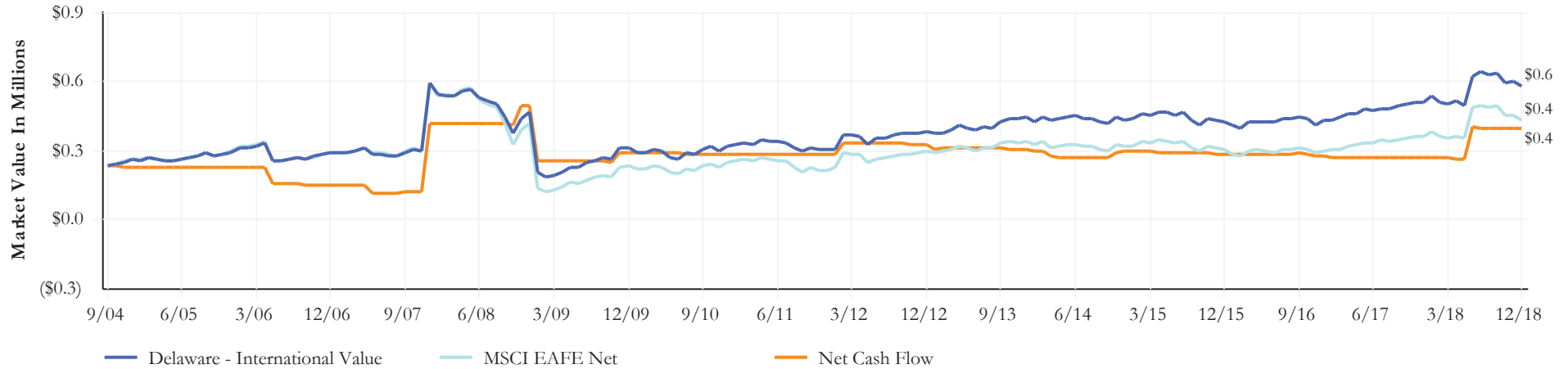
Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

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

as of December 31, 2018

### Historic Change in Assets



### Quarterly Change in Assets

|                                | Market Value<br>As of<br>10/01/2018 | Net<br>Transfers | Contributions | Distributions | Fees      | Expenses | Return On<br>Investment | Market Value<br>As of<br>12/31/2018 |
|--------------------------------|-------------------------------------|------------------|---------------|---------------|-----------|----------|-------------------------|-------------------------------------|
| Delaware - International Value | 635,465.04                          | -                | -             | -             | -1,554.96 | -        | -54,884.87              | 579,025.21                          |

### Distribution of Returns

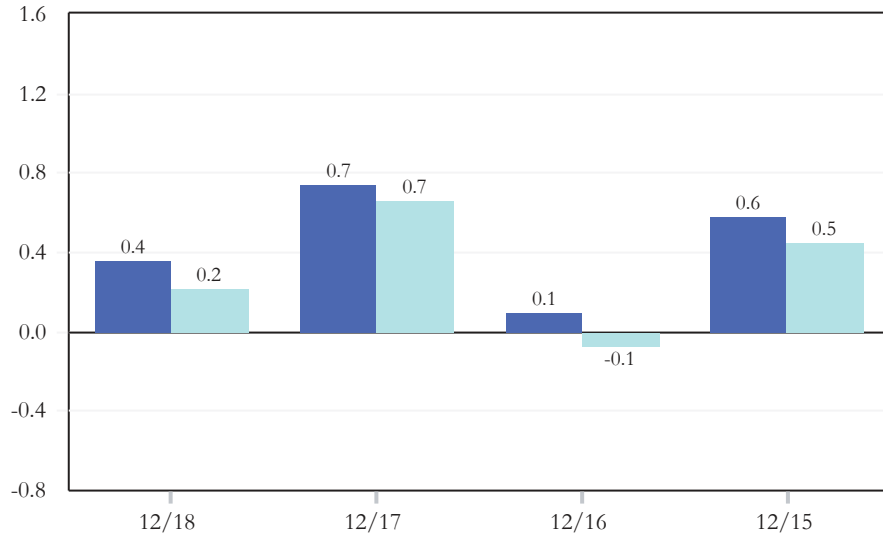
#### Distribution of Returns



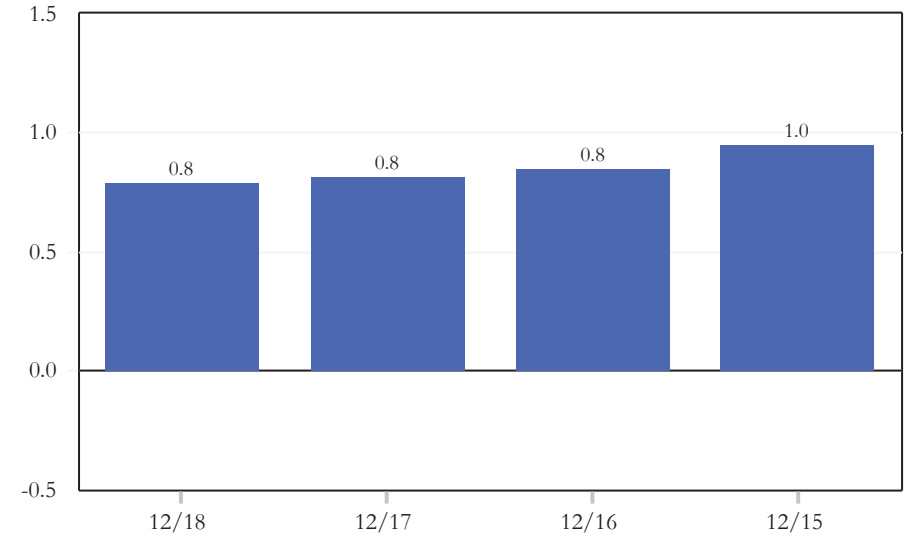
The prices, quotes, or statistics contained herein have been obtained from sources believed to be reliable, however, its accuracy cannot be guaranteed. Past performance is not a guarantee of future results.

**Holly Hill Municipal Police Officers' Retirement Trust Fund**  
**Delaware - International Value - Rolling Three Year MPT Statistics**  
as of December 31, 2018

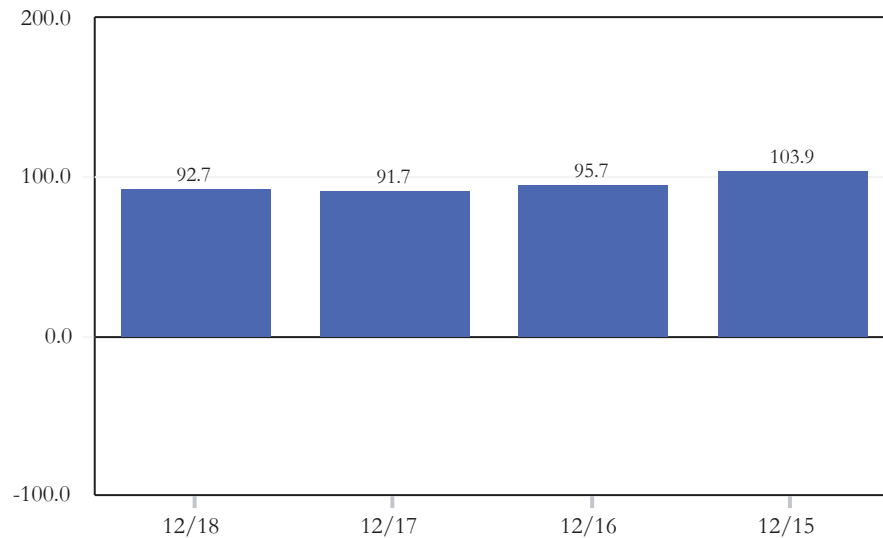
Sharpe Ratio



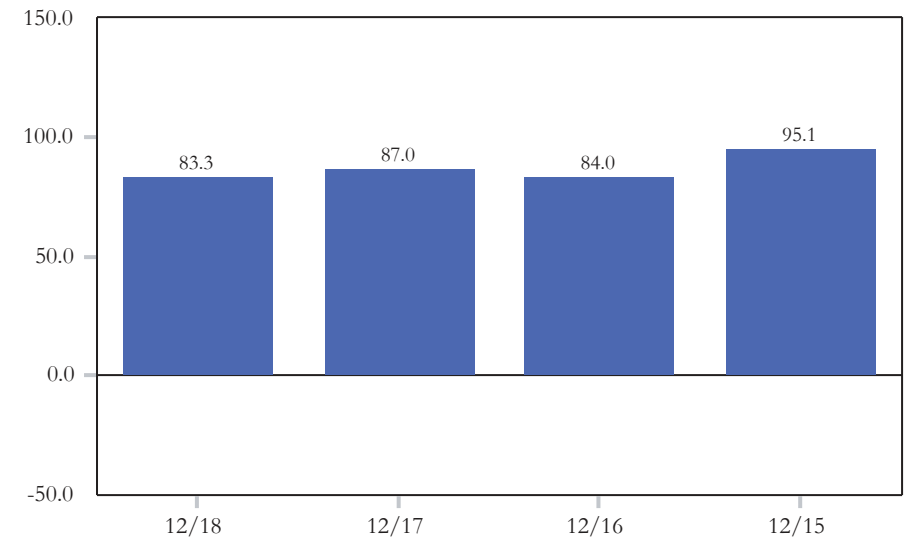
Beta



Up Market Capture



Down Market Capture



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**

**Packet Pg. 66**

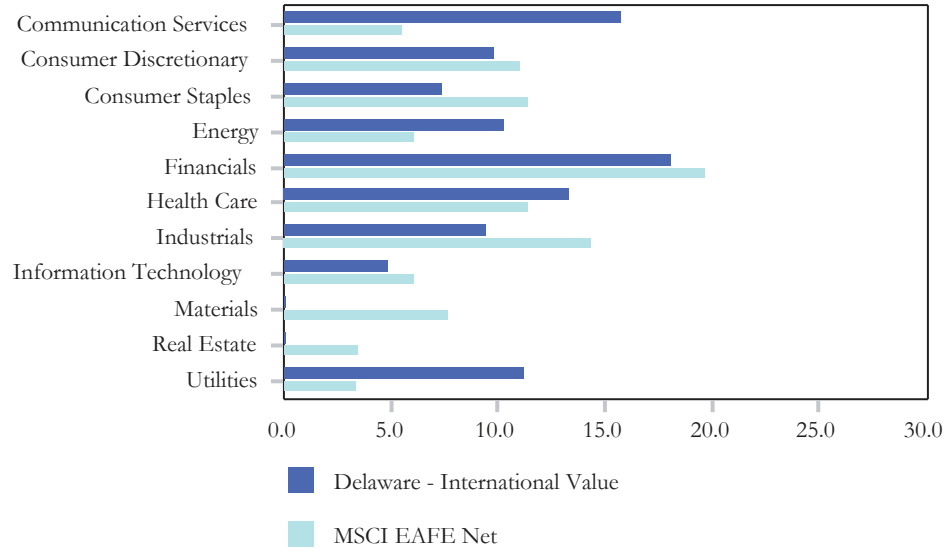
Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

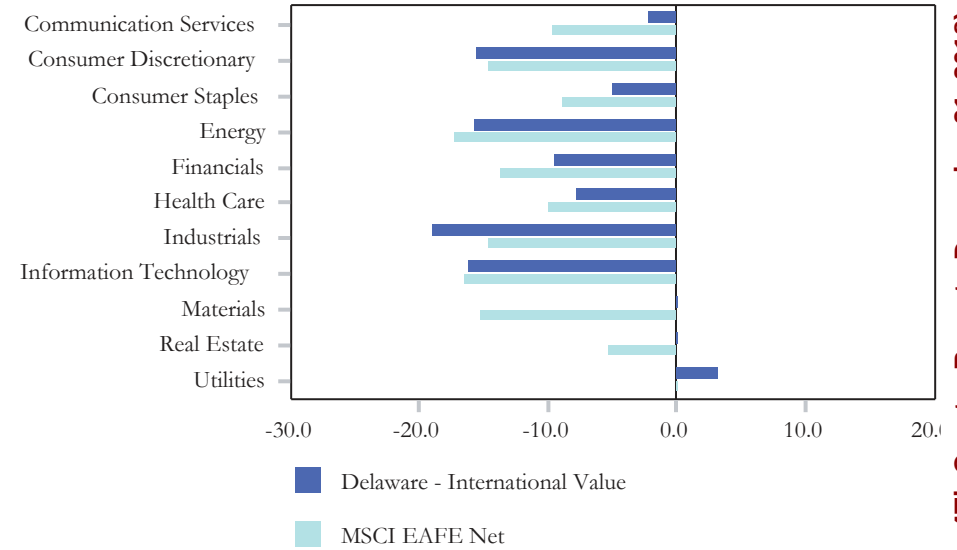
## Delaware - International Value - Quarterly Performance Attributes

as of December 31, 2018

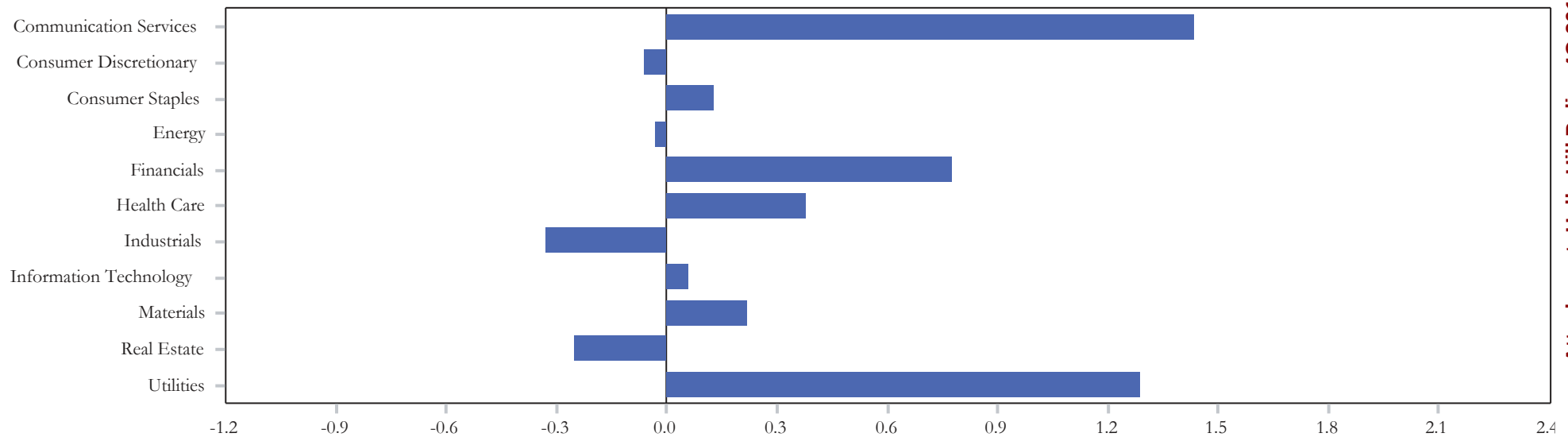
### Allocation



### Performance



### Total Attribution



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

Packet Pg. 67

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Delaware - International Value - Quarterly Performance Attributes

as of December 31, 2018

|                        | Allocation - 10/01/2018 |           | Performance - Quarter Ending<br>December 31, 2018 |           | Attribution |       |             |       |
|------------------------|-------------------------|-----------|---------------------------------------------------|-----------|-------------|-------|-------------|-------|
|                        | Portfolio               | Benchmark | Portfolio                                         | Benchmark | Sector      | Stock | Interaction | Total |
| Communication Services | 15.78                   | 5.51      | -2.18                                             | -9.69     | 0.28        | 0.40  | 0.75        | 1.43  |
| Consumer Discretionary | 9.82                    | 10.97     | -15.60                                            | -14.63    | 0.02        | -0.10 | 0.02        | -0.06 |
| Consumer Staples       | 7.37                    | 11.40     | -5.05                                             | -8.85     | -0.15       | 0.43  | -0.15       | 0.13  |
| Energy                 | 10.26                   | 6.06      | -15.79                                            | -17.33    | -0.20       | 0.10  | 0.07        | -0.03 |
| Financials             | 18.10                   | 19.67     | -9.46                                             | -13.67    | 0.01        | 0.84  | -0.08       | 0.77  |
| Health Care            | 13.29                   | 11.41     | -7.79                                             | -10.01    | 0.07        | 0.25  | 0.06        | 0.38  |
| Industrials            | 9.44                    | 14.38     | -18.91                                            | -14.66    | 0.10        | -0.62 | 0.19        | -0.33 |
| Information Technology | 4.81                    | 6.06      | -16.13                                            | -16.48    | 0.05        | 0.03  | -0.02       | 0.06  |
| Materials              | 0.00                    | 7.68      | 0.00                                              | -15.25    | 0.22        | 0.00  | 0.00        | 0.22  |
| Real Estate            | 0.00                    | 3.48      | 0.00                                              | -5.25     | -0.25       | 0.00  | 0.00        | -0.25 |
| Utilities              | 11.14                   | 3.38      | 3.30                                              | 0.05      | 0.95        | 0.10  | 0.24        | 1.29  |
| Total                  | 100.00                  | 100.00    | -8.95                                             | -12.55    | 1.10        | 1.42  | 1.08        | 3.60  |

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

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

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

Graystone

Packet Pg. 68

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Delaware - International Value - Portfolio Characteristics

as of December 31, 2018

| Portfolio Characteristics  |               |               |
|----------------------------|---------------|---------------|
|                            | Portfolio     | Benchmark     |
| Wtd. Avg. Mkt. Cap (\$000) | 75,661,923.62 | 55,193,733.25 |
| Median Mkt. Cap (\$000)    | 43,925,436.72 | 9,371,617.18  |
| Price/Earnings ratio       | 8.68          | 12.27         |
| Price/Book ratio           | 1.65          | 2.12          |
| 5 Yr. EPS Growth Rate (%)  | 3.82          | 9.78          |
| Beta (5 Years, Monthly)    | 0.87          | 1.00          |
| Number of Stocks           | 39            | 920           |
| Debt to Equity             | 1.17          | 1.08          |

| Top Ten Equity Holdings                               |                      |                      |                   |                      |
|-------------------------------------------------------|----------------------|----------------------|-------------------|----------------------|
|                                                       | Portfolio Weight (%) | Benchmark Weight (%) | Active Weight (%) | Quarterly Return (%) |
| Enel Ente Nazionale Per L'Energia Elettrica SPA, Roma | 3.92                 | 0.38                 | 3.54              | 12.51                |
| Iberdrola SA, Bilbao                                  | 3.92                 | 0.39                 | 3.53              | 8.98                 |
| Telia Company AB                                      | 3.69                 | 0.11                 | 3.58              | 6.11                 |
| Eni SpA                                               | 3.36                 | 0.32                 | 3.04              | -16.36               |
| Honda Motor Co Ltd                                    | 3.36                 | 0.34                 | 3.02              | -12.07               |
| Sanofi                                                | 3.33                 | 0.78                 | 2.55              | -2.82                |
| CK Hutchison Holdings Ltd                             | 3.30                 | 0.21                 | 3.09              | -17.10               |
| Tokio Marine Holdings Inc                             | 3.26                 | 0.26                 | 3.00              | -3.84                |
| China Mobile Ltd                                      | 3.22                 | 0.00                 | 3.22              | -1.90                |
| Glaxosmithkline PLC                                   | 3.15                 | 0.75                 | 2.40              | -3.72                |
| % of Portfolio                                        | 34.51                | 3.54                 | 30.97             |                      |

| Ten Best Performers                                   |                      |                      |                   |                      |
|-------------------------------------------------------|----------------------|----------------------|-------------------|----------------------|
|                                                       | Portfolio Weight (%) | Benchmark Weight (%) | Active Weight (%) | Quarterly Return (%) |
| Enel Ente Nazionale Per L'Energia Elettrica SPA, Roma | 3.92                 | 0.38                 | 3.54              | 12.51                |
| Telefonica SA                                         | 2.67                 | 0.31                 | 2.36              | 10.53                |
| Koninklijke Ahold Delhaize NV                         | 2.80                 | 0.25                 | 2.55              | 10.00                |
| WH Group Ltd                                          | 1.45                 | 0.05                 | 1.40              | 9.38                 |
| Iberdrola SA, Bilbao                                  | 3.92                 | 0.39                 | 3.53              | 8.98                 |
| Telia Company AB                                      | 3.69                 | 0.11                 | 3.58              | 6.11                 |
| Deutsche Telekom AG                                   | 2.26                 | 0.45                 | 1.81              | 5.05                 |
| Novartis AG                                           | 2.89                 | 1.48                 | 1.41              | -0.41                |
| China Mobile Ltd                                      | 3.22                 | 0.00                 | 3.22              | -1.90                |
| Sanofi                                                | 3.33                 | 0.78                 | 2.55              | -2.82                |
| % of Portfolio                                        | 30.15                | 4.20                 | 25.95             |                      |

| Ten Worst Performers         |                      |                      |                   |                      |
|------------------------------|----------------------|----------------------|-------------------|----------------------|
|                              | Portfolio Weight (%) | Benchmark Weight (%) | Active Weight (%) | Quarterly Return (%) |
| WPP PLC                      | 2.34                 | 0.11                 | 2.23              | -23.69               |
| Compagnie de Saint Gobain SA | 2.45                 | 0.13                 | 2.32              | -22.73               |
| Tesco PLC                    | 3.03                 | 0.19                 | 2.84              | -21.99               |
| Takeda Pharmaceutical Co     | 3.11                 | 0.40                 | 2.71              | -21.39               |
| Kingfisher PLC               | 2.30                 | 0.05                 | 2.25              | -20.43               |
| ABB Ltd                      | 2.64                 | 0.28                 | 2.36              | -19.55               |
| Mitsubishi Electric Corp     | 2.29                 | 0.16                 | 2.13              | -19.09               |
| CK Hutchison Holdings Ltd    | 3.30                 | 0.21                 | 3.09              | -17.10               |
| BP PLC                       | 2.95                 | 1.01                 | 1.94              | -16.52               |
| Daimler AG                   | 2.91                 | 0.38                 | 2.53              | -16.50               |
| % of Portfolio               | 27.32                | 2.92                 | 24.40             |                      |

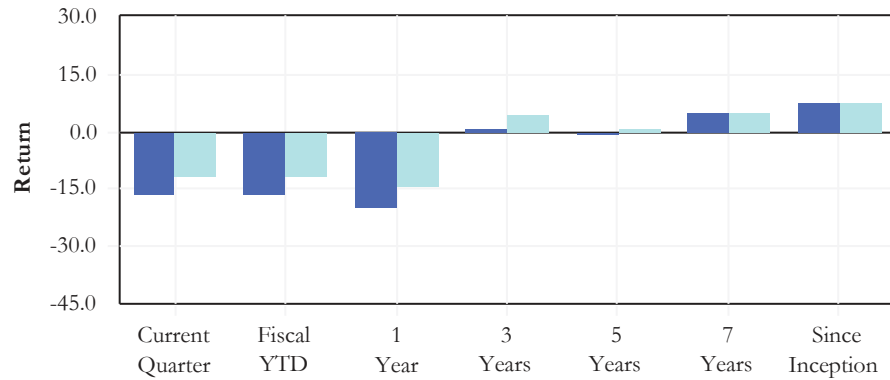
Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Renaissance International Growth - Executive Summary

as of December 31, 2018

### Manager Performance Chart



### Manager Annualized Performance

|                                    | Current Quarter | Fiscal YTD | 1 Year | 3 Years | 5 Years | 7 Years | Inception 02/01/2009 |
|------------------------------------|-----------------|------------|--------|---------|---------|---------|----------------------|
| Renaissance - International Growth | -16.17          | -16.17     | -19.95 | 0.73    | -0.67   | 5.09    | 7.56                 |
| MSCI AC World ex US Net            | -11.46          | -11.46     | -14.19 | 4.48    | 0.68    | 4.85    | 7.63                 |
| Differences                        | -4.71           | -4.71      | -5.76  | -3.75   | -1.35   | 0.24    | -0.07                |

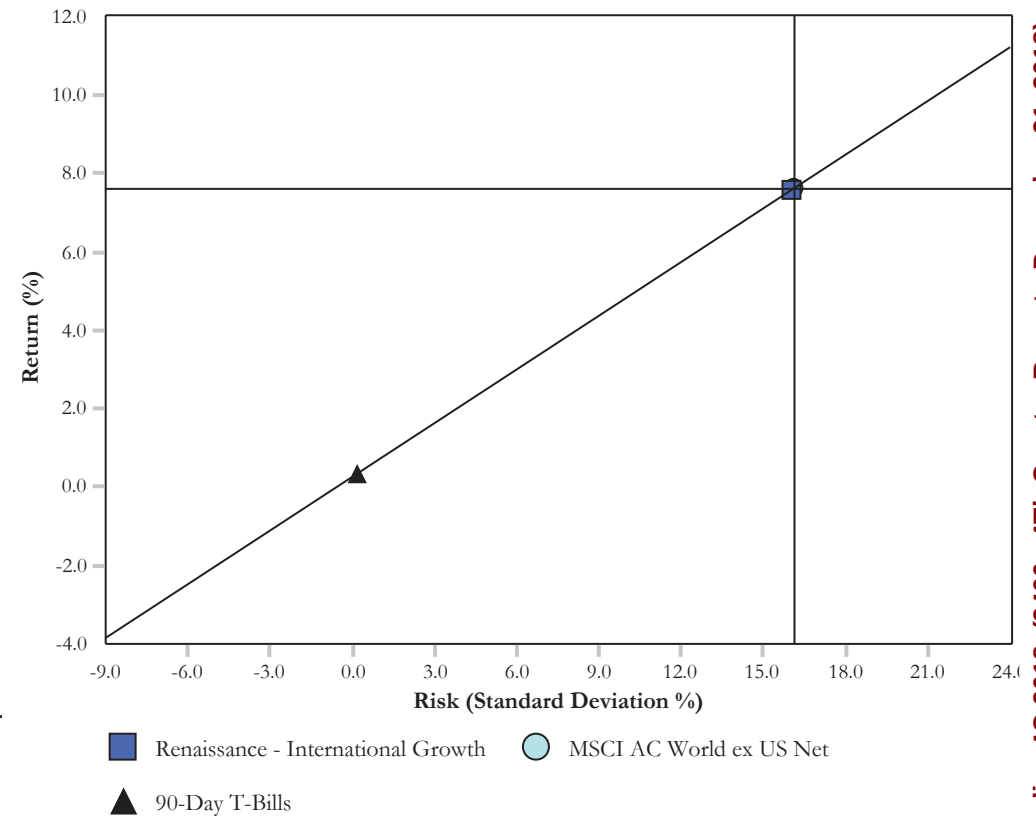
### Historic Asset Growth

|                                    | Current Quarter | Fiscal YTD | 1 Year | 3 Years | 5 Years | 7 Years | Inception 02/01/2009 |
|------------------------------------|-----------------|------------|--------|---------|---------|---------|----------------------|
| Renaissance - International Growth |                 |            |        |         |         |         |                      |
| Beginning Market Value             | 616             | 616        | 536    | 440     | 472     | 309     | 233                  |
| Net Contributions                  | -               | -          | 110    | 97      | 97      | 117     | 95                   |
| Fees/Expenses                      | -1              | -1         | -5     | -14     | -23     | -30     | -38                  |
| Income                             | 2               | 2          | 13     | 31      | 50      | 73      | 93                   |
| Gain/Loss                          | -101            | -101       | -139   | -40     | -82     | 46      | 132                  |
| Ending Market Value                | 515             | 515        | 515    | 515     | 515     | 515     | 515                  |

### 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 | 7.56   | 16.04              | 0.94 | -24.52           | 95.76             | 94.03               | 0.43  | 0.51         | 0.90      | 02/01/2009     |
| MSCI AC World ex US Net            | 7.63   | 16.11              | 1.00 | -23.29           | 100.00            | 100.00              | 0.00  | 0.52         | 1.00      | 02/01/2009     |

### Manager Risk & Return



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

Graystone

Packet Pg. 70

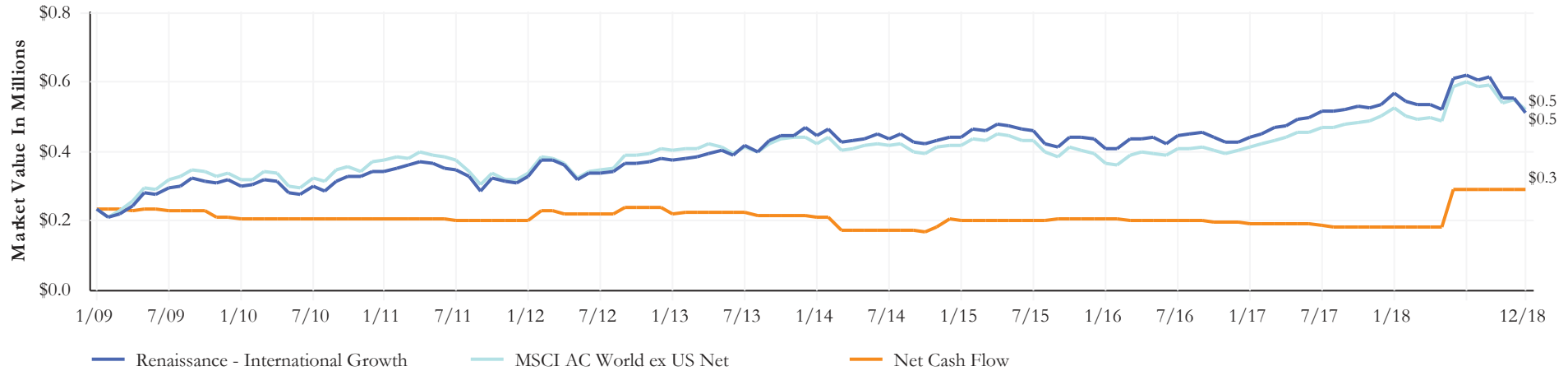
Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

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

as of December 31, 2018

### Historic Change in Assets

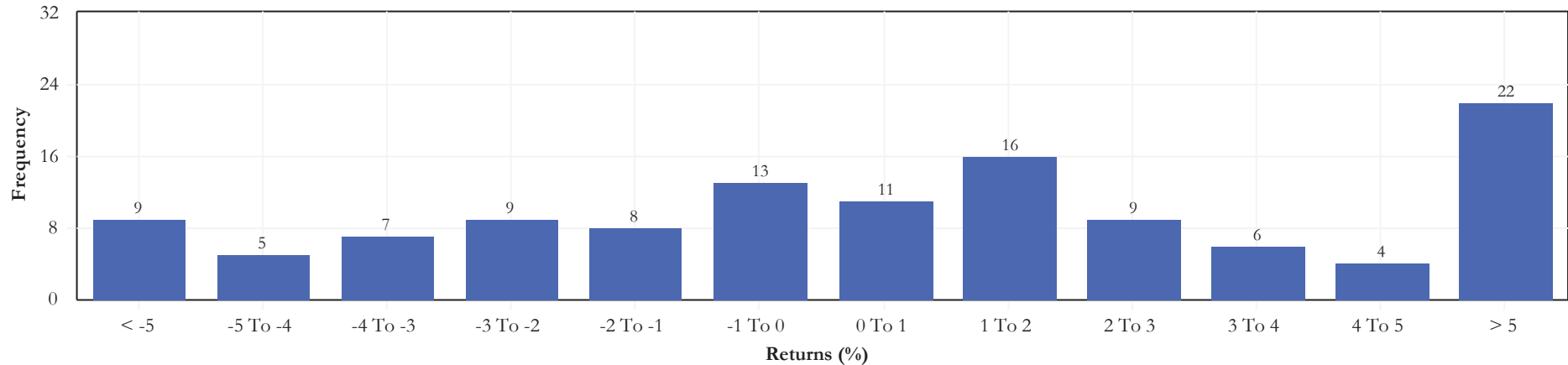


### Quarterly Change in Assets

|                                    | Market Value<br>As of<br>10/01/2018 | Net<br>Transfers | Contributions | Distributions | Fees      | Expenses | Return On<br>Investment | Market Value<br>As of<br>12/31/2018 |
|------------------------------------|-------------------------------------|------------------|---------------|---------------|-----------|----------|-------------------------|-------------------------------------|
| Renaissance - International Growth | 615,580.94                          | -                | -             | -             | -1,386.29 | -        | -99,403.97              | 514,790.68                          |

### Distribution of Returns

#### Distribution of Returns



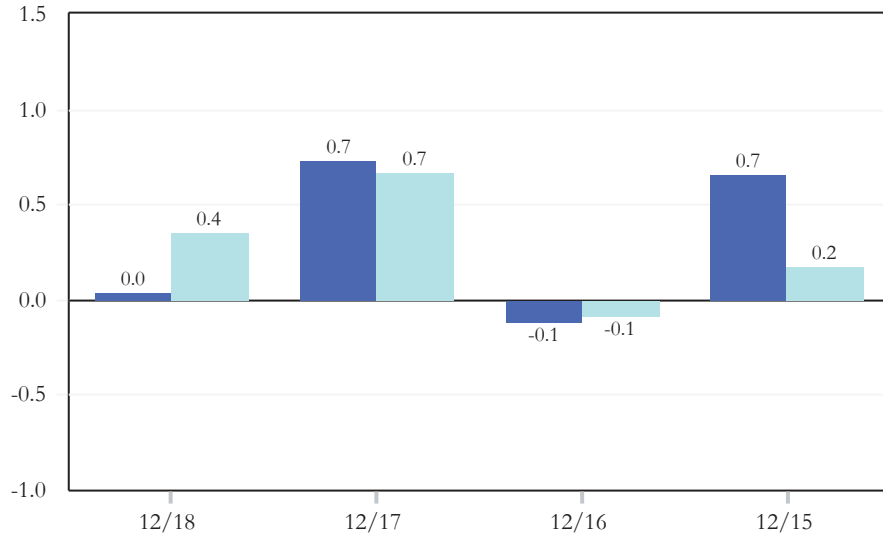
The prices, quotes, or statistics contained herein have been obtained from sources believed to be reliable, however, its accuracy cannot be guaranteed. Past performance is not a guarantee of future results.

Graystone

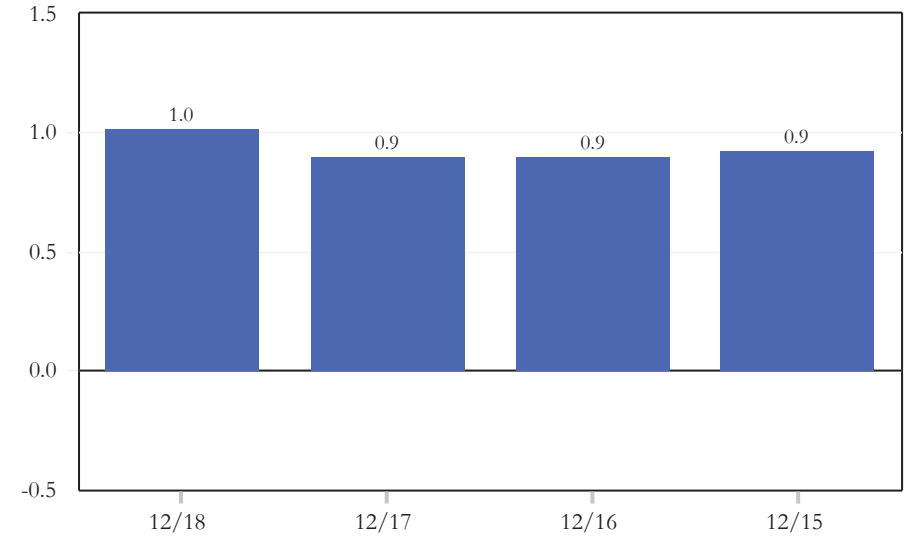
Packet Pg. 71

**Holly Hill Municipal Police Officers' Retirement Trust Fund**  
**Renaissance - International Growth - Rolling Three Year MPT Statistics**  
as of December 31, 2018

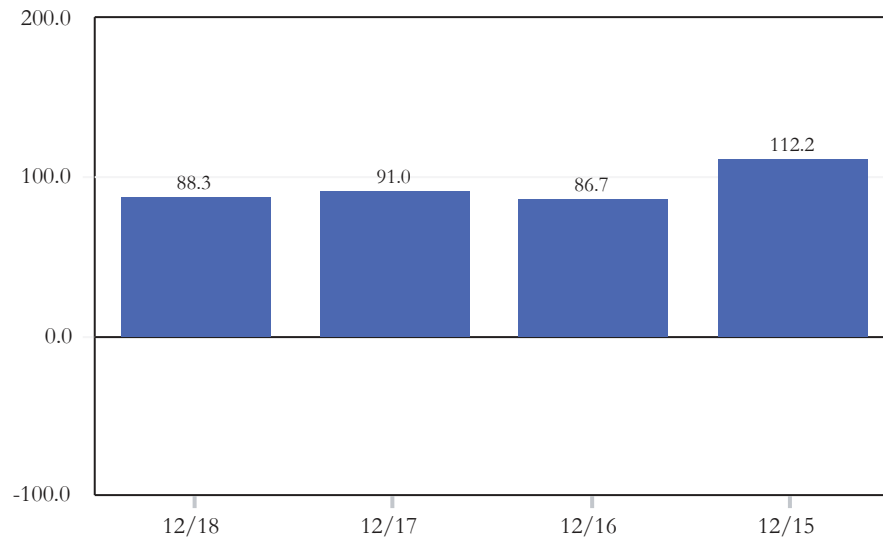
Sharpe Ratio



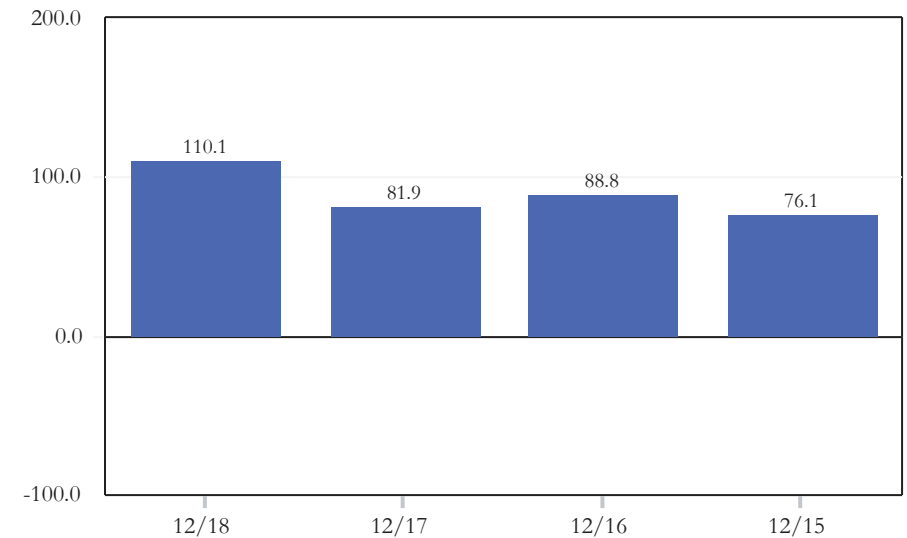
Beta



Up Market Capture



Down Market Capture



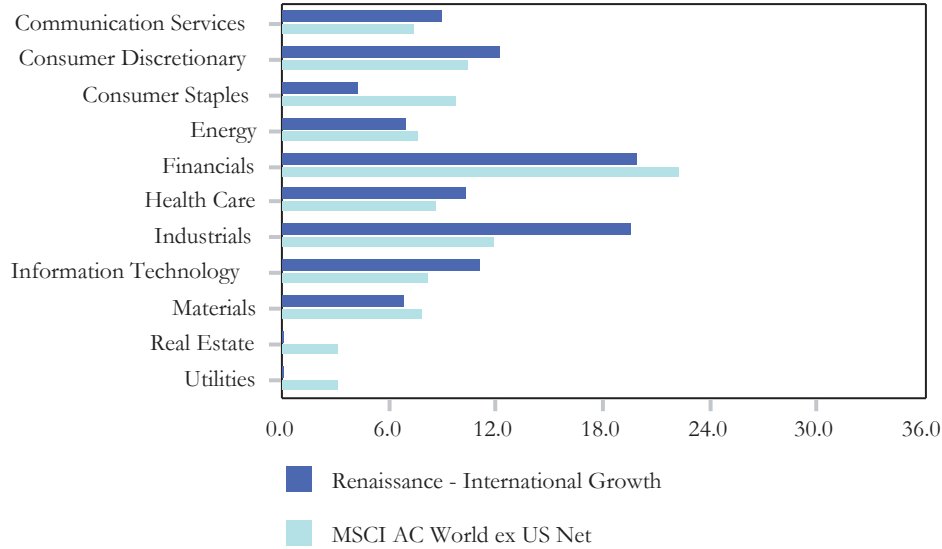
The prices, quotes, or statistics contained herein have been obtained from sources believed to be reliable, however, its accuracy cannot be guaranteed. Past performance is not a guarantee of future results.

# Holly Hill Municipal Police Officers' Retirement Trust Fund

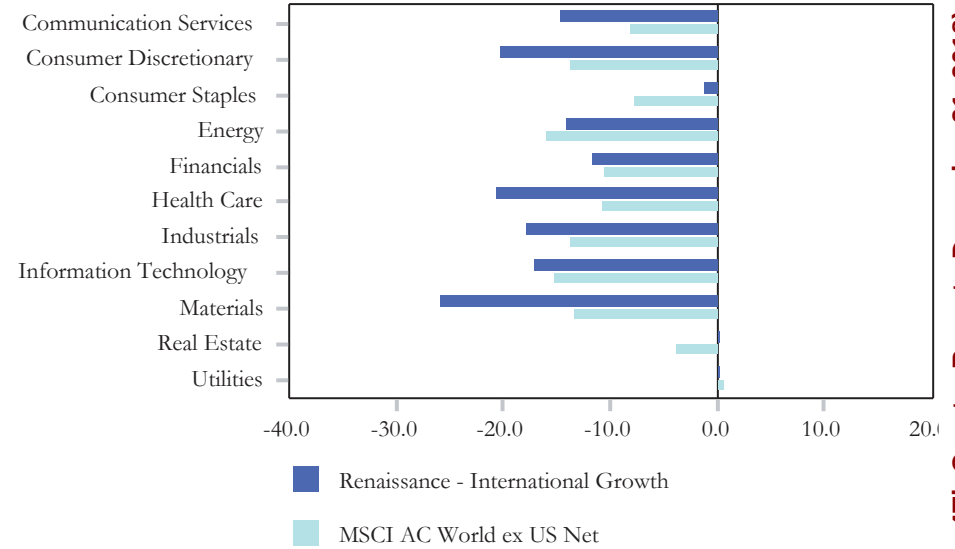
## Renaissance - International Growth - Quarterly Performance Attributes

as of December 31, 2018

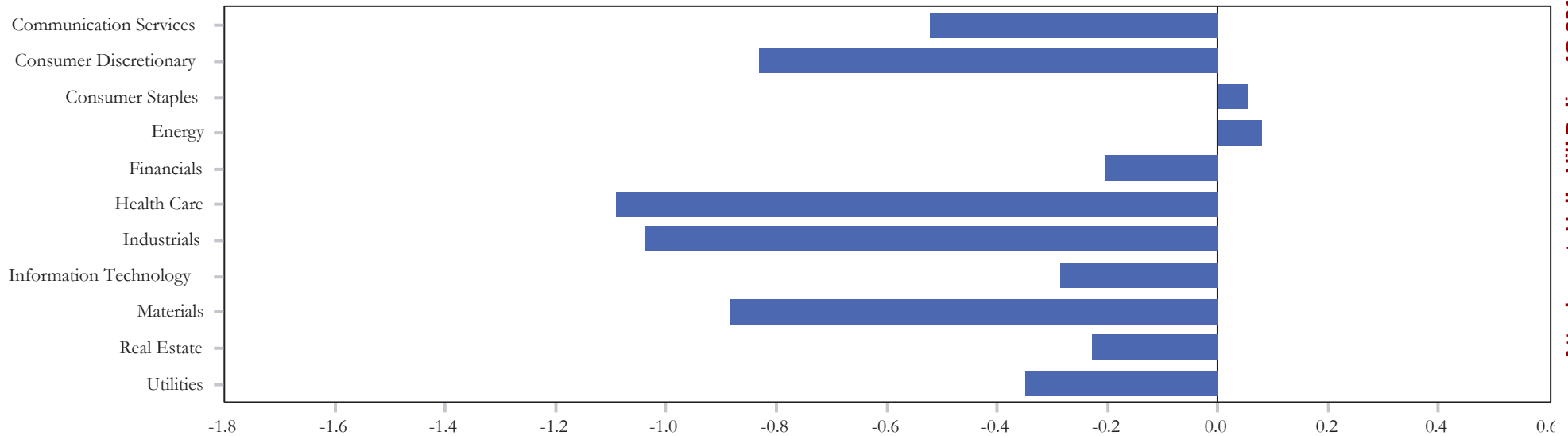
### Allocation



### Performance



### Total Attribution



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

Packet Pg. 73

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Renaissance - International Growth - Quarterly Performance Attributes

as of December 31, 2018

|                        | Allocation - 10/01/2018 |           | Performance - Quarter Ending<br>December 31, 2018 |           | Attribution |       |             |       |
|------------------------|-------------------------|-----------|---------------------------------------------------|-----------|-------------|-------|-------------|-------|
|                        | Portfolio               | Benchmark | Portfolio                                         | Benchmark | Sector      | Stock | Interaction | Total |
| Communication Services | 8.96                    | 7.43      | -14.64                                            | -8.10     | 0.06        | -0.48 | -0.10       | -0.52 |
| Consumer Discretionary | 12.13                   | 10.38     | -20.28                                            | -13.77    | -0.06       | -0.69 | -0.08       | -0.83 |
| Consumer Staples       | 4.28                    | 9.70      | -1.32                                             | -7.78     | -0.19       | 0.59  | -0.34       | 0.05  |
| Energy                 | 6.95                    | 7.58      | -14.16                                            | -16.03    | -0.02       | 0.15  | -0.05       | 0.08  |
| Financials             | 19.88                   | 22.24     | -11.64                                            | -10.65    | -0.01       | -0.21 | 0.02        | -0.21 |
| Health Care            | 10.32                   | 8.61      | -20.56                                            | -10.79    | -0.03       | -0.85 | -0.22       | -1.09 |
| Industrials            | 19.59                   | 11.81     | -17.77                                            | -13.65    | -0.18       | -0.48 | -0.37       | -1.04 |
| Information Technology | 11.02                   | 8.22      | -17.06                                            | -15.28    | -0.12       | -0.14 | -0.02       | -0.29 |
| Materials              | 6.87                    | 7.80      | -25.78                                            | -13.35    | 0.01        | -1.01 | 0.12        | -0.88 |
| Real Estate            | 0.00                    | 3.14      | 0.00                                              | -3.76     | -0.23       | 0.00  | 0.00        | -0.23 |
| Utilities              | 0.00                    | 3.10      | 0.00                                              | 0.61      | -0.35       | 0.00  | 0.00        | -0.35 |
| Total                  | 100.00                  | 100.00    | -16.66                                            | -11.36    | -1.12       | -3.13 | -1.05       | -5.30 |

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

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

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

Graystone

Packet Pg. 74

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Renaissance - International Growth - Portfolio Characteristics

as of December 31, 2018

| Portfolio Characteristics  |               |               |
|----------------------------|---------------|---------------|
|                            | Portfolio     | Benchmark     |
| Wtd. Avg. Mkt. Cap (\$000) | 36,291,091.21 | 58,116,104.70 |
| Median Mkt. Cap (\$000)    | 20,177,256.93 | 7,297,808.30  |
| Price/Earnings ratio       | 10.48         | 12.03         |
| Price/Book ratio           | 1.90          | 2.15          |
| 5 Yr. EPS Growth Rate (%)  | 15.12         | 10.64         |
| Beta (5 Years, Monthly)    | 0.97          | 1.00          |
| Number of Stocks           | 54            | 2,136         |
| Debt to Equity             | 0.62          | 1.06          |

| Top Ten Equity Holdings                         |                      |                      |                   |                      |
|-------------------------------------------------|----------------------|----------------------|-------------------|----------------------|
|                                                 | Portfolio Weight (%) | Benchmark Weight (%) | Active Weight (%) | Quarterly Return (%) |
| Taiwan Semiconductor                            | 2.32                 | 0.98                 | 1.34              | -16.44               |
| Check Point Software                            | 2.32                 | 0.07                 | 2.25              | -12.70               |
| Sony Corp                                       | 2.21                 | 0.33                 | 1.88              | -20.40               |
| Allianz SE                                      | 2.16                 | 0.47                 | 1.69              | -10.22               |
| DBS Group Holdings Ltd                          | 2.16                 | 0.17                 | 1.99              | -8.98                |
| Bridgestone Corp                                | 2.15                 | 0.13                 | 2.02              | 2.15                 |
| Credicorp Ltd                                   | 2.14                 | 0.08                 | 2.06              | -0.63                |
| Banco Santander Mexico SA                       | 2.11                 | 0.01                 | 2.10              | -18.20               |
| Acs, Actividades De Construccion Y Servicios SA | 2.10                 | 0.05                 | 2.05              | -9.22                |
| WH Group Ltd                                    | 2.10                 | 0.04                 | 2.06              | 9.38                 |
| % of Portfolio                                  | 21.77                | 2.33                 | 19.44             |                      |

| Ten Best Performers       |                      |                      |                   |                      |
|---------------------------|----------------------|----------------------|-------------------|----------------------|
|                           | Portfolio Weight (%) | Benchmark Weight (%) | Active Weight (%) | Quarterly Return (%) |
| Petrobras                 | 1.74                 | 0.12                 | 1.62              | 14.73                |
| WH Group Ltd              | 2.10                 | 0.04                 | 2.06              | 9.38                 |
| Bridgestone Corp          | 2.15                 | 0.13                 | 2.02              | 2.15                 |
| Credicorp Ltd             | 2.14                 | 0.08                 | 2.06              | -0.63                |
| Seven & I Holdings Co Ltd | 1.92                 | 0.18                 | 1.74              | -2.14                |
| Scor SE                   | 1.84                 | 0.04                 | 1.80              | -3.06                |
| SK Telecom Co Ltd         | 1.93                 | 0.03                 | 1.90              | -3.87                |
| Oil Co LUKOIL PJSC        | 1.93                 | 0.19                 | 1.74              | -4.17                |
| CGI Inc                   | 1.34                 | 0.08                 | 1.26              | -5.10                |
| Smc Corp                  | 1.95                 | 0.09                 | 1.86              | -5.36                |
| % of Portfolio            | 19.04                | 0.98                 | 18.06             |                      |

| Ten Worst Performers     |                      |                      |                   |                      |
|--------------------------|----------------------|----------------------|-------------------|----------------------|
|                          | Portfolio Weight (%) | Benchmark Weight (%) | Active Weight (%) | Quarterly Return (%) |
| Stora Enso OYJ, Helsinki | 1.75                 | 0.03                 | 1.72              | -39.75               |
| Fresenius Medical Care   | 1.75                 | 0.08                 | 1.67              | -37.01               |
| AerCap Holdings NV       | 1.75                 | 0.03                 | 1.72              | -31.15               |
| Arkema                   | 1.74                 | 0.03                 | 1.71              | -30.86               |
| Baidu Inc                | 1.72                 | 0.24                 | 1.48              | -30.65               |
| Astellas Pharma Inc      | 1.76                 | 0.13                 | 1.63              | -26.80               |
| Jazz Pharmaceuticals Plc | 1.76                 | 0.00                 | 1.76              | -26.27               |
| Ryanair Holdings PLC     | 1.75                 | 0.01                 | 1.74              | -25.72               |
| olseley PLC              | 1.78                 | 0.08                 | 1.70              | -23.29               |
| Carnival PLC             | 1.75                 | 0.04                 | 1.71              | -22.10               |
| % of Portfolio           | 17.51                | 0.67                 | 16.84             |                      |

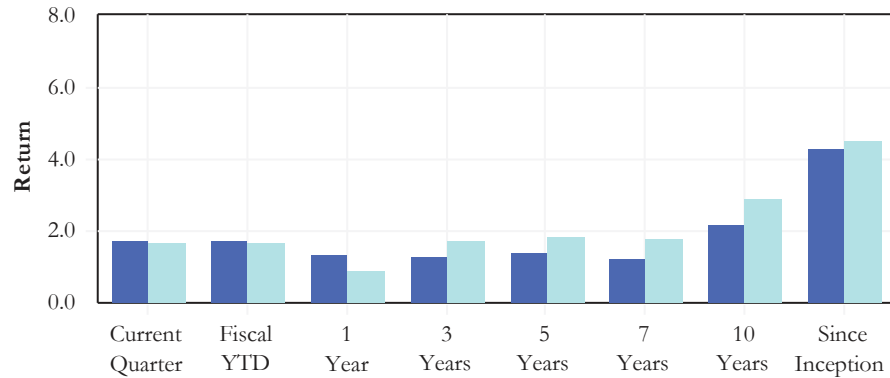
Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Madison Fixed Income - Executive Summary

as of December 31, 2018

### Manager Performance Chart



### Manager Annualized Performance

|                        | Current Quarter | Fiscal YTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Inception 12/01/1995 |
|------------------------|-----------------|------------|--------|---------|---------|---------|----------|----------------------|
| Madison - Fixed Income | 1.69            | 1.69       | 1.35   | 1.30    | 1.39    | 1.21    | 2.14     | 4.27                 |
| BC Gov/Cr Intm         | 1.65            | 1.65       | 0.88   | 1.70    | 1.86    | 1.75    | 2.90     | 4.52                 |
| Differences            | 0.04            | 0.04       | 0.47   | -0.40   | -0.47   | -0.54   | -0.76    | -0.25                |

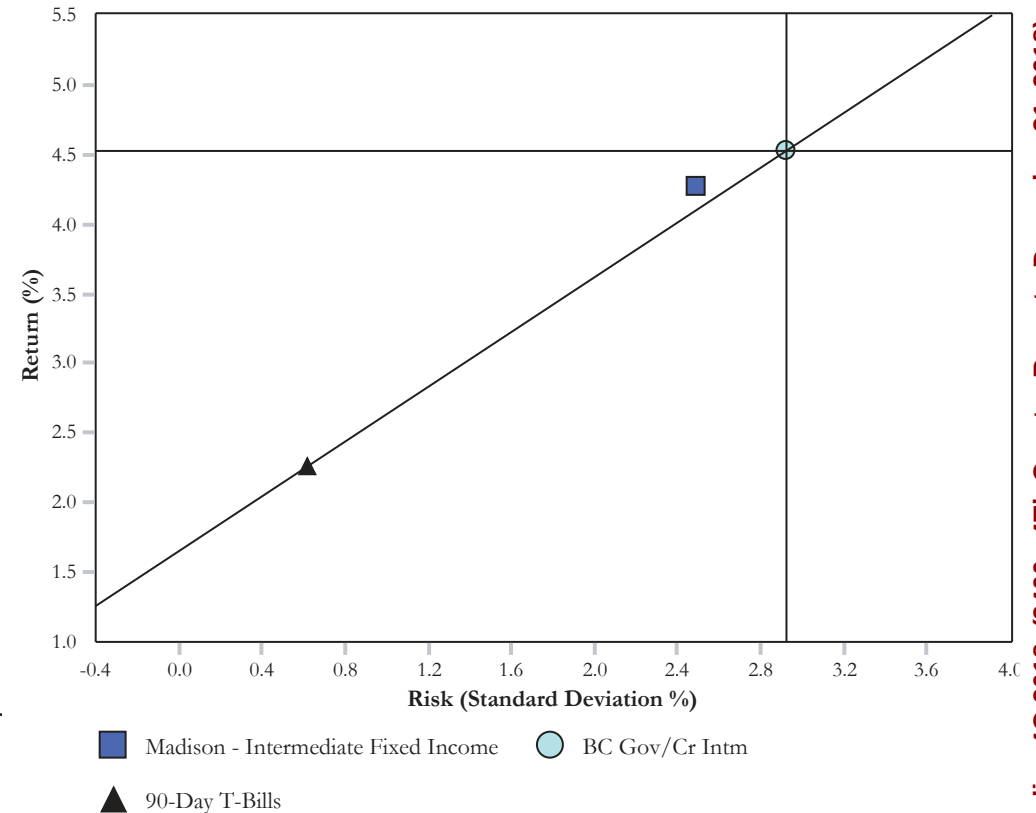
### Historic Asset Growth

|                        | Current Quarter | Fiscal YTD | 1 Year | 3 Years | 5 Years | 7 Years | 10 Years | Inception 12/01/1995 |
|------------------------|-----------------|------------|--------|---------|---------|---------|----------|----------------------|
| Madison - Fixed Income |                 |            |        |         |         |         |          |                      |
| Beginning Market Value | 2,050           | 2,050      | 2,586  | 2,557   | 2,511   | 2,529   | 1,721    | 1,537                |
| Net Contributions      | -               | -          | -514   | -506    | -493    | -501    | 98       | -923                 |
| Fees/Expenses          | -4              | -4         | -18    | -61     | -106    | -152    | -216     | -458                 |
| Income                 | 11              | 11         | 47     | 168     | 302     | 455     | 693      | 2,098                |
| Gain/Loss              | 24              | 24         | -21    | -77     | -134    | -249    | -215     | -173                 |
| Ending Market Value    | 2,081           | 2,081      | 2,081  | 2,081   | 2,081   | 2,081   | 2,081    | 2,081                |

### Modern Portfolio Statistics

|                                     | Return | Standard Deviation | Beta | Maximum Drawdown | Up Market Capture | Down Market Capture | Alpha | Sharpe Ratio | R-Squared | Inception Date |
|-------------------------------------|--------|--------------------|------|------------------|-------------------|---------------------|-------|--------------|-----------|----------------|
| Madison - Intermediate Fixed Income | 4.27   | 2.49               | 0.82 | -2.42            | 86.67             | 69.98               | 0.57  | 0.82         | 0.92      | 12/01/1995     |
| BC Gov/Cr Intm                      | 4.52   | 2.93               | 1.00 | -4.05            | 100.00            | 100.00              | 0.00  | 0.77         | 1.00      | 12/01/1995     |

### Manager Risk & Return



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

Graystone

Packet Pg. 76

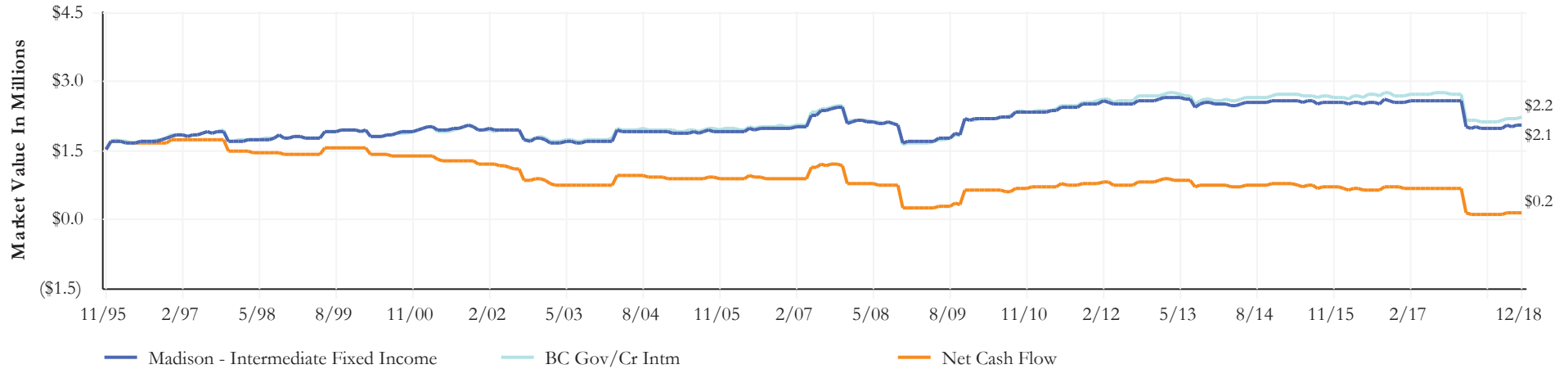
Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Madison Fixed Income - Change in Assets & Distribution of Returns

as of December 31, 2018

### Historic Change in Assets

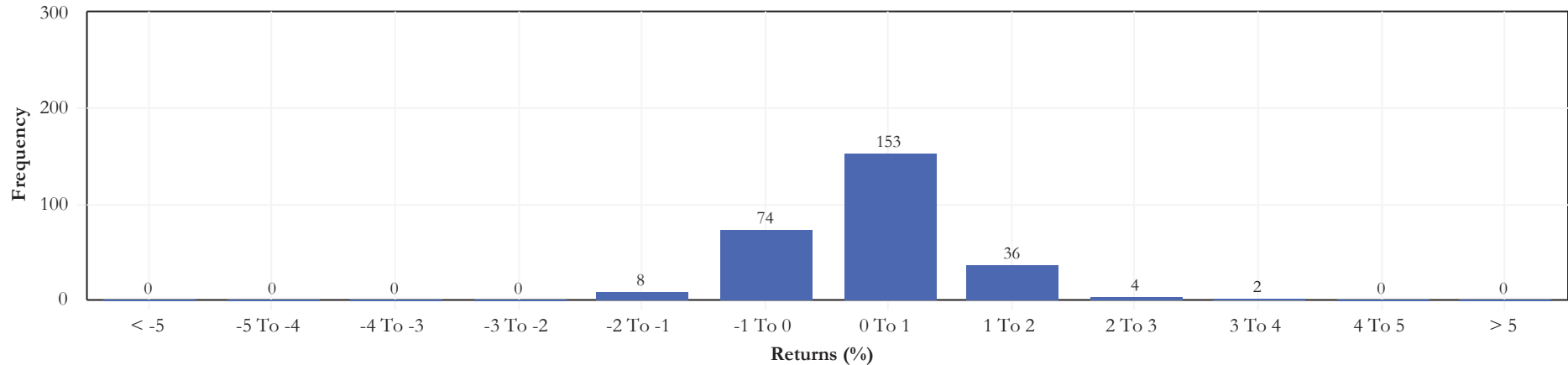


### Quarterly Change in Assets

|                                     | Market Value<br>As of<br>10/01/2018 | Net<br>Transfers | Contributions | Distributions | Fees      | Expenses | Return On<br>Investment | Market Value<br>As of<br>12/31/2018 |
|-------------------------------------|-------------------------------------|------------------|---------------|---------------|-----------|----------|-------------------------|-------------------------------------|
| Madison - Intermediate Fixed Income | 2,050,497.89                        | -                | -             | -             | -4,258.83 | -        | 34,680.71               | 2,080,919.77                        |

### Distribution of Returns

#### Distribution of Returns



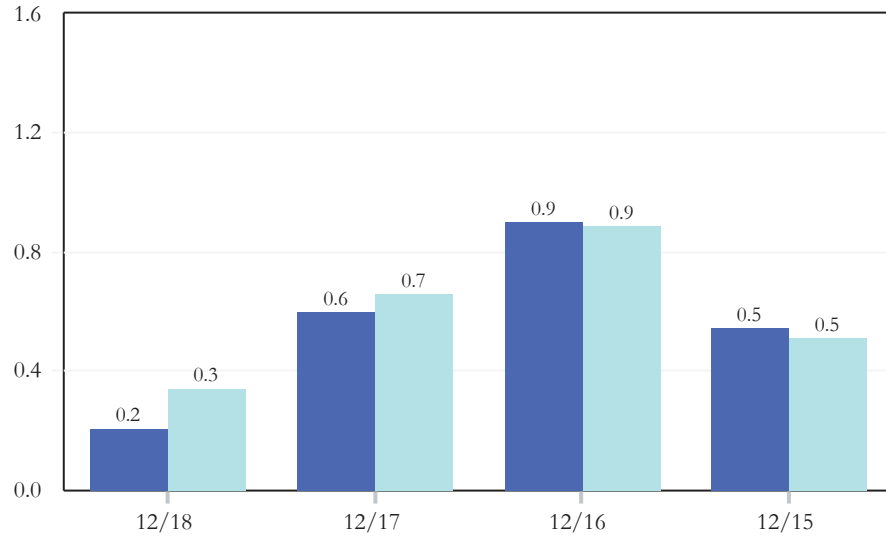
The prices, quotes, or statistics contained herein have been obtained from sources believed to be reliable, however, its accuracy cannot be guaranteed. Past performance is not a guarantee of future results.

Graystone

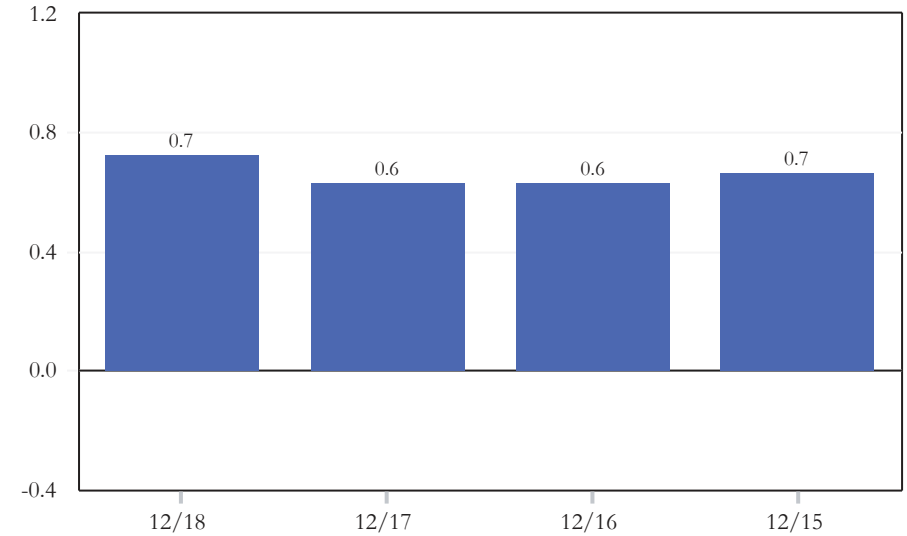
Packet Pg. 77

**Holly Hill Municipal Police Officers' Retirement Trust Fund**  
**Madison - Intermediate Fixed Income - Rolling Three Year MPT Statistics**  
as of December 31, 2018

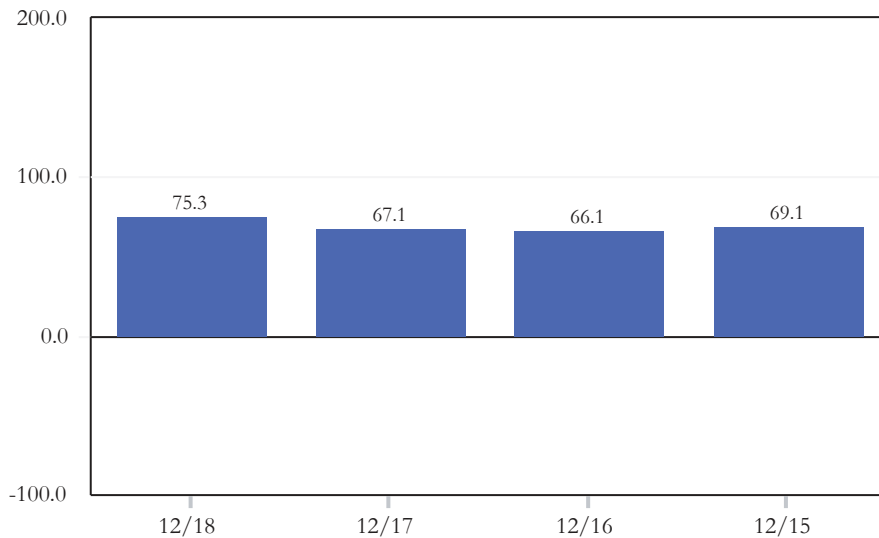
Sharpe Ratio



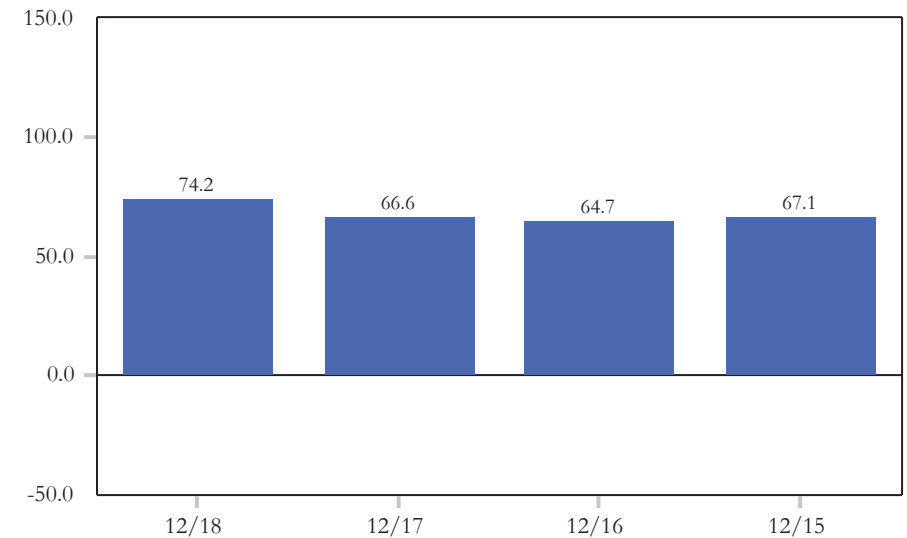
Beta



Up Market Capture



Down Market Capture



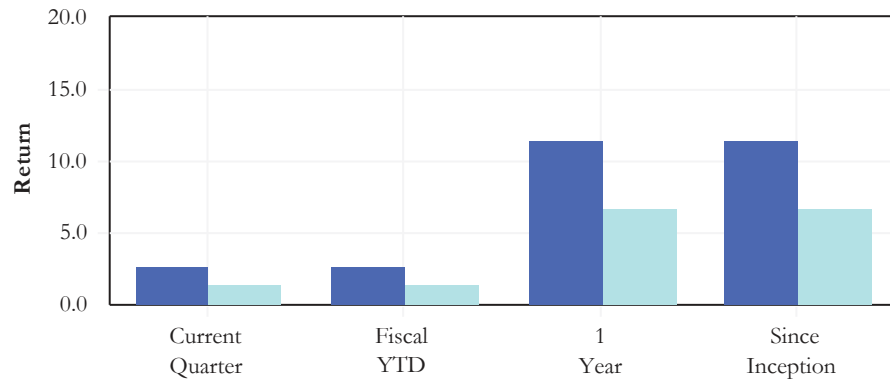
The prices, quotes, or statistics contained herein have been obtained from sources believed to be reliable, however, its accuracy cannot be guaranteed. Past performance is not a guarantee of future results.

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Intercontinental - Executive Summary

as of December 31, 2018

### Manager Performance Chart



### Manager Annualized Performance

|                                  |     | Current Quarter | Fiscal YTD | 1 Year | Since Inception | Inception Date |
|----------------------------------|-----|-----------------|------------|--------|-----------------|----------------|
| Intercontinental Wealth Advisors | IMS | 2.60            | 2.60       | 11.35  | 11.35           | 01/01/2018     |
| NCREIF Property Idx              |     | 1.37            | 1.37       | 6.71   | 6.71            |                |
| Differences                      |     | 1.23            | 1.23       | 4.64   | 4.64            |                |

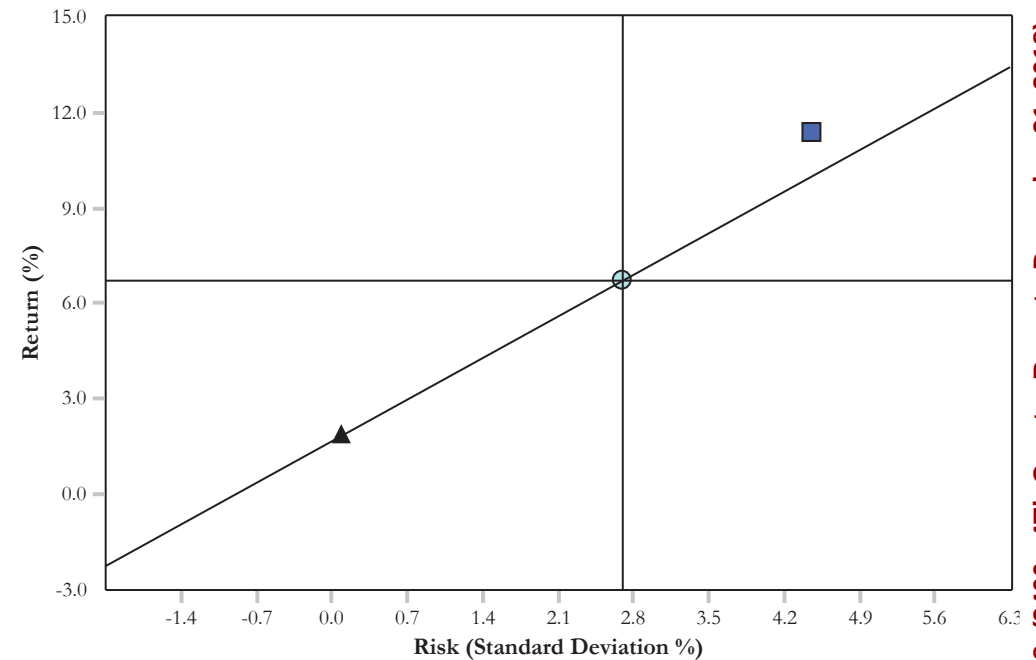
### Historic Asset Growth

|                                  |     | Current Quarter | Fiscal YTD | 1 Year | Since Inception | Inception Date |
|----------------------------------|-----|-----------------|------------|--------|-----------------|----------------|
| Intercontinental Wealth Advisors | IMS |                 |            |        |                 | 01/01/2018     |
| Beginning Market Value           |     | 969             | 969        | 900    | 900             |                |
| Net Contributions                |     | -8              | -8         | -5     | -5              |                |
| Fees/Expenses                    |     | -4              | -4         | -14    | -14             |                |
| Income                           |     | -               | -          | -      | -               |                |
| Gain/Loss                        |     | 25              | 25         | 101    | 101             |                |
| Ending Market Value              |     | 982             | 982        | 982    | 982             |                |

### Modern Portfolio Statistics

|                                  |     | Return | Standard Deviation | Beta | Maximum Drawdown | Up Market Capture | Down Market Capture | Alpha | Sharpe Ratio | R-Squared | Inception Date |
|----------------------------------|-----|--------|--------------------|------|------------------|-------------------|---------------------|-------|--------------|-----------|----------------|
| Intercontinental Wealth Advisors | IMS | 11.35  | 4.46               | 1.65 | 0.00             | 166.41            | N/A                 | 0.10  | 2.04         | 0.99      | 01/01/201      |
| NCREIF Property Idx              |     | 6.71   | 2.69               | 1.00 | 0.00             | 100.00            | N/A                 | 0.00  | 1.75         | 1.00      | 01/01/201      |

### Manager Risk & Return



- Intercontinental Wealth Advisors IMS
- NCREIF Property Idx
- ▲ 90-Day T-Bills

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

Packet Pg. 79

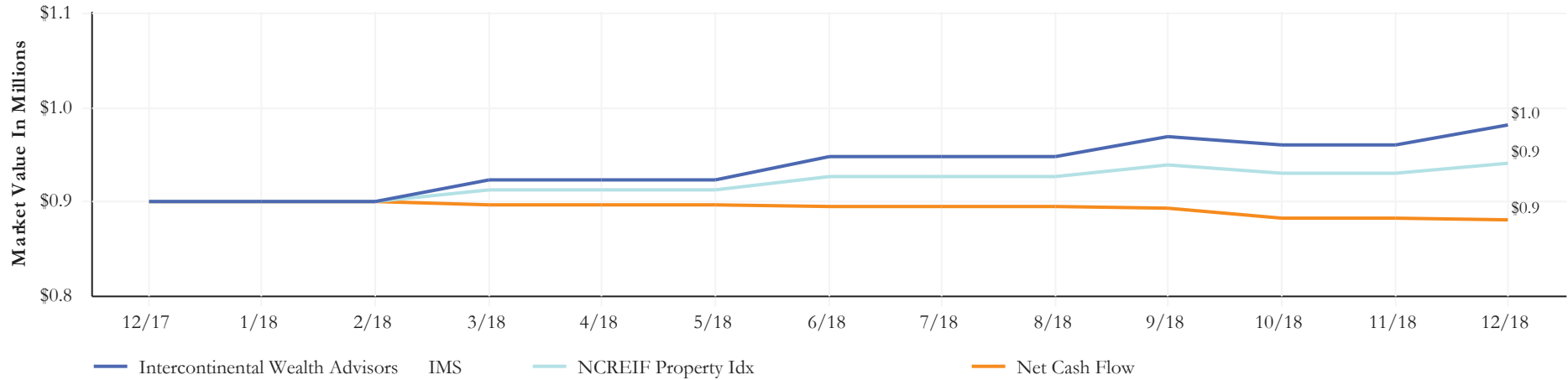
Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

# Holly Hill Municipal Police Officers' Retirement Trust Fund

## Intercontinental - Change in Assets & Distribution of Returns

as of December 31, 2018

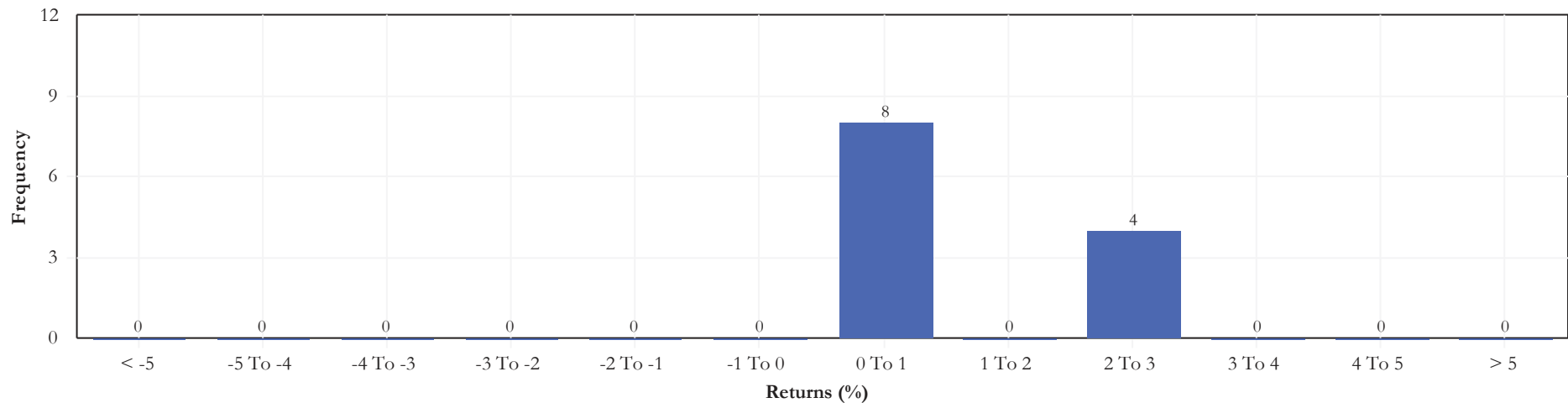
### Historic Change in Assets



### Quarterly Change in Assets

|                                  |     | Market Value<br>As of<br>10/01/2018 | Net<br>Transfers | Contributions | Distributions | Fees      | Expenses | Return On<br>Investment | Market Value<br>As of<br>12/31/2018 |
|----------------------------------|-----|-------------------------------------|------------------|---------------|---------------|-----------|----------|-------------------------|-------------------------------------|
| Intercontinental Wealth Advisors | IMS | 969,194.00                          | -                | 1,347.55      | -9,136.00     | -3,900.55 | -        | 24,902.00               | 982,407.00                          |

### Distribution of Returns



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

Graystone

Packet Pg. 80

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

## Performance Appendix

| Portfolio Name                          | QTD    | YTD    | 1<br>Year | 3<br>Years | 5<br>Years | 10<br>Years | Since<br>Inception | Inception<br>Date |
|-----------------------------------------|--------|--------|-----------|------------|------------|-------------|--------------------|-------------------|
| BlackRock - Large Cap Value             | -12.94 | -7.81  | -7.81     | 7.04       | 5.69       | 9.02        | 7.23               | 11/01/1995        |
| Boston - Small/Mid Cap Value            | -19.80 | -19.06 | -19.06    | 3.00       | -0.71      | 9.36        | 6.01               | 01/01/2005        |
| Cash                                    | 0.64   | 2.49   | 2.49      | 0.85       | 0.53       | 0.28        | 2.51               | 02/01/1996        |
| Clearbridge - Large Cap Growth          | -13.59 | -0.59  | -0.59     | 7.05       | 4.65       | 16.02       | 6.43               | 11/01/1995        |
| Connors - Large Cap Core                | -10.69 | -4.94  | -4.94     | 6.29       | 6.14       | --          | 7.33               | 08/01/2013        |
| Delaware - International Value          | -8.88  | -11.53 | -11.53    | 3.13       | 1.16       | 5.06        | 4.59               | 09/01/2004        |
| Intercontinental Wealth Advisors    IMS | 2.18   | 9.73   | 9.73      | --         | --         | --          | 8.95               | 12/01/2017        |
| Madison - Intermediate Fixed Income     | 1.48   | 0.46   | 0.46      | 0.44       | 0.53       | 1.22        | 3.37               | 11/01/1995        |
| RBC - Small Cap Growth                  | -20.59 | -4.92  | -4.92     | 6.27       | 3.77       | 13.59       | 6.62               | 11/01/1995        |
| Renaissance - International Growth      | -16.37 | -20.67 | -20.67    | -0.18      | -1.61      | 6.22        | 6.22               | 01/01/2009        |

Attachment: Holly Hill Police 4Q 2018 (2400 : 4Th Quarter Report - December 31, 2018)

## Glossary of Terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### Information Disclosures

*Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, and dividends, interest and income. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Past performance is not a guarantee of future results.*

*Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.*

*Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and/or investment objective(s) associated with the account(s). Indices are unmanaged and not available for direct investment. Index returns do not take into account fees or other charges. Such fees and charges would reduce performance.*

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

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

Past performance is no guarantee of future results.

Investing involves market risk, including possible loss of principal. **Growth investing** does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations. **Value investing** involves the risk that the market may not recognize that securities are undervalued and they may not appreciate as anticipated. **Small and mid-capitalization companies** may lack the financial resources, product diversification and competitive strengths of larger

companies. The securities of small capitalization companies may not trade as readily as, and be subject to higher volatility than those of larger, more established companies. **Bond funds** and bond holdings have the same interest rate, inflation and credit risks that are associated with the underlying bonds owned by the funds. The return of principal in bond funds, and in funds with significant bond holdings, is not guaranteed. **International securities'** prices may carry additional risks, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. International investing may not be for everyone. These risks may be magnified in emerging markets. **Alternative investments**, including private equity funds, real estate funds, hedge funds, managed futures funds, and funds of hedge funds, private equity, and managed futures funds, are speculative and entail significant risks that can include losses due to leveraging or other speculative investment practices, lack of liquidity, volatility of returns, restrictions on transferring interests in a fund, potential lack of diversification, absence and/or delay of information regarding valuations and pricing, complex tax structures and delays in tax reporting, less regulation and higher fees than mutual funds and risks associated with the operations, personnel and processes of the advisor. **Master Limited Partnerships (MLPs)** are limited partnerships or limited liability companies that are taxed as partnerships and whose interests (limited partnership units or limited liability company units) are traded on securities exchanges like shares of common stock. Currently, most MLPs operate in the energy, natural resources or real estate sectors. Investments in MLP interests are subject to the risks generally applicable to companies in the energy and natural resources sectors, including commodity pricing risk, supply and demand risk, depletion risk and exploration risk; and MLP interests in the real estate sector are subject to special risks, including interest rate and property value fluctuations, as well as risks related to general and economic conditions. Because of their narrow focus, MLPs maintain exposure to price volatility of commodities and/or underlying assets and tend to be more volatile than investments that diversify across many sectors and companies. MLPs are also subject to additional risks including: investors having limited control and rights to vote on matters affecting the MLP, limited access to capital, cash flow risk, lack of liquidity, dilution risk, conflict of interests, and limited call rights related to acquisitions.

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

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

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

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

"**Alpha tilt strategies** comprise a core holding of stocks that mimic a benchmark type index such as the

S&P 500 to which additional securities are added to help tilt the fund toward potentially outperforming the market in an effort to enhance overall investment returns. Tilt strategies are subject to significant timing risk and could potentially expose investors to extended periods of underperformance."

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

### Peer Groups

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

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

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

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

### Peer Group Ranking Methodology

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

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

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

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

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

### Alternatives

Graystone Consulting is a business of Morgan Stanley Smith Barney LLC. ("Morgan Stanley") This material is not to be reproduced or distributed to any other persons (other than professional advisors of the investors) and is intended solely for the use of the persons to whom it has been delivered. This material is not for distribution to the general public.

The sole purpose of this material is to inform, and it in no way is intended to be an offer or solicitation to purchase or sell any security, other investment or service, or to attract any funds or deposits. Investments mentioned may not be suitable for all clients. Any product discussed herein may be purchased only after a client has carefully reviewed the offering memorandum and executed the subscription documents. Morgan Stanley has not considered the actual or desired investment objectives, goals, strategies, guidelines, or factual circumstances of any investor in any fund(s). Before making any investment, each investor should carefully consider the risks associated with the investment, as discussed in the applicable offering memorandum, and make a determination based upon their own particular circumstances, that the investment is consistent with their investment objectives and risk tolerance.

This information is being provided as a service of your Graystone Institutional Consultant and does not supersede or replace your Morgan Stanley customer statement. The information is as of the date(s) noted and subject to daily market fluctuation. Your interests in Alternative Investments, which may have been purchased through us, are generally not held here, and are generally not covered by SIPC. The information provided to you: 1) is included as a service to you, valuations for certain Alternative Investments may not be available; 2) is derived from you or another external source for which we are not responsible, and may have been modified to take into consideration capital calls or distributions to the extent applicable; 3) may not reflect actual shares, share prices or values; 4) may include invested or distributed amounts in addition to a fair value estimate; and 5) should not be relied upon for tax reporting purposes. Notwithstanding the foregoing, 1) to the extent this report displays Alternative Investment positions within a Morgan Stanley Individual Retirement Account ("IRA"), such positions are held by Morgan Stanley Smith Barney LLC as the custodian of your Morgan Stanley IRA; and 2) if your Alternative Investment position(s) is held by us and is registered pursuant to the Securities Act of 1933, as amended, your Alternative Investment position (s) is covered by SIPC.

Alternatives may be either traditional alternative investment vehicles or non-traditional alternative strategy vehicles. Traditional alternative investment vehicles may include, but are not limited to, Hedge Funds, Fund of Funds (both registered and unregistered), Exchange Funds, Private Equity Funds, Private Credit Funds, Real Estate Funds, and Managed Futures Funds. Non-traditional alternative strategy vehicles may include, but are not limited to, Open or Closed End Mutual Funds, Exchange-Traded and Closed-End Funds, Unit Investment Trusts, exchange listed Real Estate Investment Trusts (REITs), and Master Limited Partnerships (MLPs). These non-traditional alternative strategy vehicles also seek alternative-like exposure but have significant differences from traditional alternative investment vehicles. Non-traditional alternative strategy vehicles may behave like, have characteristics of, or 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. Characteristics such as correlation to traditional markets, investment strategy, and market sector exposure can play a role in the classification of a traditional security being classified as alternative.

Traditional alternative investment vehicles are illiquid and usually are not 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. Morgan Stanley does not engage in an independent valuation of your alternative investment assets. Morgan Stanley provides periodic information to you including the market value of an alternative investment vehicle based on information received from the management entity of the alternative investment vehicle or another service provider.

Traditional alternative investment vehicles often are speculative and include a high degree of risk. 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) <<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.

© 2018 Morgan Stanley Smith Barney LLC. Member SIPC.

### Money Market Funds

You could lose money in Money Market Funds. Although MMFs classified as government funds (i.e.,

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



**STAFF REPORT  
CITY OF HOLLY HILL, FLORIDA**

6.2

**Police Pension Board  
Agenda Item**

---

**MEETING DATE:** February 15, 2019  
**FROM:** Valerie Manning  
**SUBJECT:** Quarterly Performance Summary - December 31, 2018  
**NUMBER:** (ID # 2401)  
**APPLICANT:**  
**PLANNER:**

---

**DISCUSSION:**

Quarterly Performance Summary prepared for the Holly Hill Police Officers' Retirement Trust Fund as of December 31, 2018.

- Holly Hill Police Summary 4Q 2018 (PDF)

# QUARTERLY PERFORMANCE SUMMARY

Prepared for:

**Holly Hill Police Officers' Retirement Trust Fund**

**As of December 31, 2018**

## **Graystone Consulting Tampa**

Charles H. Mulfinger, II, CIMA®  
Managing Director, Wealth Management  
Institutional Consulting Director  
Alternative Investment Director

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

Scott Owens, CFA®, CIMA®  
Associate Vice President  
Institutional Consultant

David A. Wheeler, CFP®, CIMA®  
Senior Vice President  
Institutional Consulting Director  
Institutional Consultant

| U.S. Equity Market % Returns for the Period Ending December 31, 2018                                    |         |           |                             |                            |                             |
|---------------------------------------------------------------------------------------------------------|---------|-----------|-----------------------------|----------------------------|-----------------------------|
|                                                                                                         | Quarter | 12 Months | Three Years<br>(annualized) | Five Years<br>(annualized) | Seven Years<br>(annualized) |
| S&P 500 Index                                                                                           | (13.52) | (4.38)    | 9.26                        | 8.49                       | 12.70                       |
| Dow Jones Industrial Average                                                                            | (11.32) | (3.48)    | 12.94                       | 9.70                       | 12.43                       |
| Russell 1000 Index                                                                                      | (13.82) | (4.78)    | 9.09                        | 8.21                       | 12.63                       |
| Russell 1000 Growth Index                                                                               | (15.89) | (1.51)    | 11.15                       | 10.41                      | 14.14                       |
| Russell 1000 Value Index                                                                                | (11.72) | (8.27)    | 6.95                        | 5.95                       | 11.02                       |
| Russell 2000 Index                                                                                      | (20.20) | (11.01)   | 7.36                        | 4.41                       | 10.44                       |
| Russell 2000 Growth Index                                                                               | (21.65) | (9.31)    | 7.24                        | 5.13                       | 11.25                       |
| Russell 2000 Value Index                                                                                | (18.67) | (12.86)   | 7.37                        | 3.61                       | 9.57                        |
| Russell 3000 Index                                                                                      | (14.30) | (5.24)    | 8.97                        | 7.91                       | 12.46                       |
| Russell 3000 Growth Index                                                                               | (16.33) | (2.12)    | 10.85                       | 9.99                       | 13.92                       |
| Russell 3000 Value Index                                                                                | (12.24) | (8.58)    | 7.01                        | 5.77                       | 10.91                       |
| Russell Midcap Index                                                                                    | (15.37) | (9.06)    | 7.04                        | 6.26                       | 11.49                       |
| Russell Midcap Growth Index                                                                             | (15.99) | (4.75)    | 8.59                        | 7.42                       | 12.27                       |
| Russell Midcap Value Index                                                                              | (14.95) | (12.29)   | 6.06                        | 5.44                       | 10.89                       |
| Past Performance is not a guarantee of future results. Indices are not available for direct investment. |         |           |                             |                            |                             |
| Source: MAX                                                                                             |         |           |                             |                            |                             |

| S&P 500 Sector % Returns for the Period Ending December 31, 2018                                        |         |
|---------------------------------------------------------------------------------------------------------|---------|
|                                                                                                         | Quarter |
| Utilities                                                                                               | 1.40    |
| Real Estate                                                                                             | (3.80)  |
| Consumer Staples                                                                                        | (5.20)  |
| Health Care                                                                                             | (8.70)  |
| Materials                                                                                               | (12.30) |
| Financials                                                                                              | (13.10) |
| Communication Services                                                                                  | (13.20) |
| Consumer Discretionary                                                                                  | (16.40) |
| Industrials                                                                                             | (17.30) |
| Technology                                                                                              | (17.30) |
| Energy                                                                                                  | (23.80) |
| Past Performance is not a guarantee of future results. Indices are not available for direct investment. |         |
| Source: MAX                                                                                             |         |

| Developed Markets Equity % Returns for the Period Ending December 31, 2018                              |             |           |                |           |
|---------------------------------------------------------------------------------------------------------|-------------|-----------|----------------|-----------|
|                                                                                                         | U.S. Dollar |           | Local Currency |           |
|                                                                                                         | Quarter     | 12 Months | Quarter        | 12 Months |
| <i>Regional and Other Multi Country Indices</i>                                                         |             |           |                |           |
| MSCI EAFE                                                                                               | (12.54)     | (13.79)   | (12.16)        | (10.54)   |
| MSCI Europe                                                                                             | (12.72)     | (14.86)   | (11.20)        | (10.02)   |
| MSCI Far East                                                                                           | (12.72)     | (11.83)   | (15.18)        | (13.64)   |
| MSCI Pacific ex. Japan                                                                                  | (7.94)      | (10.30)   | (6.53)         | (4.35)    |
| MSCI The World                                                                                          | (13.31)     | (8.20)    | N/A            | N/A       |
| MSCI World ex. U.S.                                                                                     | (12.78)     | (14.09)   | (11.99)        | (10.41)   |
| <i>National Indices</i>                                                                                 |             |           |                |           |
| MSCI Hong Kong                                                                                          | (4.53)      | (7.83)    | (4.48)         | (7.70)    |
| MSCI Ireland                                                                                            | (17.72)     | (25.02)   | N/A            | N/A       |
| MSCI Japan                                                                                              | (14.20)     | (12.58)   | (17.13)        | (14.85)   |
| MSCI Singapore                                                                                          | (6.71)      | (9.37)    | (6.94)         | (7.58)    |
| Past Performance is not a guarantee of future results. Indices are not available for direct investment. |             |           |                |           |
| Source: MAX                                                                                             |             |           |                |           |

| Emerging Markets Equity % Returns for the Period Ending December 31, 2018                               |             |           |                |           |
|---------------------------------------------------------------------------------------------------------|-------------|-----------|----------------|-----------|
|                                                                                                         | U.S. Dollar |           | Local Currency |           |
|                                                                                                         | Quarter     | 12 Months | Quarter        | 12 Months |
| <i>Regional and Other Multi Country Indices</i>                                                         |             |           |                |           |
| MSCI EM                                                                                                 | (7.40)      | (14.25)   | (7.36)         | (9.74)    |
| <i>National Indices</i>                                                                                 |             |           |                |           |
| MSCI China                                                                                              | (10.73)     | (18.75)   | (10.69)        | (18.58)   |
| MSCI Malaysia                                                                                           | (5.81)      | (6.03)    | (10.69)        | (18.58)   |
| MSCI Taiwan                                                                                             | (13.67)     | (8.16)    | (13.09)        | (5.14)    |
| MSCI Thailand                                                                                           | (10.20)     | (5.26)    | (10.20)        | (5.26)    |
| Past Performance is not a guarantee of future results. Indices are not available for direct investment. |             |           |                |           |
| Source: MAX                                                                                             |             |           |                |           |

| Fixed Income % Returns for the Period Ending December 31, 2018                                          |         |           |                             |                            |                          |
|---------------------------------------------------------------------------------------------------------|---------|-----------|-----------------------------|----------------------------|--------------------------|
|                                                                                                         | Quarter | 12 Months | Three Years<br>(annualized) | Five Years<br>(annualized) | 10 Years<br>(annualized) |
| <i>U.S. Fixed Income</i>                                                                                |         |           |                             |                            |                          |
| 90-Day Treasury Bill                                                                                    | 0.57    | 1.86      | 0.99                        | 0.60                       | 0.35                     |
| Bloomberg Barclays Capital Aggregate                                                                    | 1.64    | 0.01      | 2.06                        | 2.52                       | 3.48                     |
| Bloomberg Barclays Capital Credit                                                                       | 0.01    | (2.11)    | 3.16                        | 3.21                       | 5.52                     |
| Bloomberg Barclays Capital Govt/Credit                                                                  | 1.46    | (0.42)    | 2.19                        | 2.53                       | 3.46                     |
| Bloomberg Barclays Capital Government                                                                   | 2.54    | 0.89      | 1.41                        | 1.99                       | 2.12                     |
| Bloomberg Barclays Capital High Yield                                                                   | (4.54)  | (2.08)    | 7.23                        | 3.84                       | 11.14                    |
| Bloomberg Barclays Capital Intermediate Govt/Credit                                                     | 1.65    | 0.88      | 1.70                        | 1.86                       | 2.90                     |
| Bloomberg Barclays Capital Long Govt/Credit                                                             | 0.78    | (4.68)    | 4.03                        | 5.37                       | 5.88                     |
| Bloomberg Barclays Capital Mortgage Backed                                                              | 2.08    | 0.99      | 1.71                        | 2.53                       | 3.11                     |
| Bloomberg Barclays Capital Municipal                                                                    | 1.69    | 1.28      | 2.30                        | 3.82                       | 4.85                     |
| <i>Global Fixed Income</i>                                                                              |         |           |                             |                            |                          |
| Merrill Lynch Global High Yield                                                                         | (3.79)  | (3.33)    | 6.92                        | 3.20                       | 11.06                    |
| Bloomberg Barclays Global Treasury ex. U.S.                                                             | 1.01    | (1.88)    | 3.44                        | 0.06                       | 1.92                     |
| Bloomberg Barclays Capital Majors ex. U.S.                                                              | 2.15    | (0.77)    | 3.29                        | 0.43                       | 1.32                     |
| Past Performance is not a guarantee of future results. Indices are not available for direct investment. |         |           |                             |                            |                          |
| Source: MAX                                                                                             |         |           |                             |                            |                          |

**SUMMARY OF RELEVANT FACTS**  
**Holly Hill Police Officers' Retirement Trust Fund**  
**As of December 31, 2018**

**Distribution of Assets:**

|                                       |                |
|---------------------------------------|----------------|
| Equity                                |                |
| - Large Cap Value                     | \$1,568,992.78 |
| - Large Cap Growth                    | \$1,578,136.01 |
| - Large Cap Core                      | \$1,000,870.29 |
| - Small Cap Value                     | \$625,960.79   |
| - Small Cap Growth                    | \$723,108.45   |
| - International Value                 | \$579,025.21   |
| - International Growth                | \$514,790.68   |
| Total Equity                          | \$6,590,884.21 |
| Fixed Income                          | \$2,080,919.77 |
| Private Real Estate                   | \$982,407.00   |
| Cash (Deposit & Disbursement Account) | \$79,776.89    |
| Total Portfolio                       | \$9,733,987.87 |

**Distribution by Percentages:**

|                                       | Policy  | Current |
|---------------------------------------|---------|---------|
| Equity Breakdown                      |         |         |
| - Large Cap Value                     | 17.50%  | 16.12%  |
| - Large Cap Growth                    | 17.50%  | 16.21%  |
| - Large Cap Core                      | 10.00%  | 10.28%  |
| - Small Cap Value                     | 7.50%   | 6.43%   |
| - Small Cap Growth                    | 7.50%   | 7.43%   |
| - International Value                 | 5.00%   | 5.95%   |
| - International Growth                | 5.00%   | 5.29%   |
| Total Equity                          | 70.00%  | 67.71%  |
| Fixed Income                          | 20.00%  | 21.38%  |
| Private Real Estate                   | 10.00%  | 10.09%  |
| Cash (Deposit & Disbursement Account) | 0.00%   | 0.82%   |
| Total                                 | 100.00% | 100.00% |

**Other Important Facts:**

|                              |               |
|------------------------------|---------------|
| Total Portfolio              | \$9,733,988   |
| Total Gain or (Loss) - Gross | (\$1,022,659) |
| Total Gain or (Loss) - Net   | (\$1,048,543) |
| Total Fees                   | (\$25,885)    |

**BLACKROCK**

|                |         |
|----------------|---------|
| Total Assets   | 100.00% |
| Equity         | 94.27%  |
| Cash           | 5.73%   |
| Fees           |         |
| Gain or (Loss) |         |

**CLEARBRIDGE**

|                |         |
|----------------|---------|
| Total Assets   | 100.00% |
| Equity         | 98.80%  |
| Cash           | 1.20%   |
| Fees           |         |
| Gain or (Loss) |         |

**CONNORS**

|                |         |
|----------------|---------|
| Total Assets   | 100.00% |
| Equity         | 91.92%  |
| Cash           | 8.08%   |
| Fees           |         |
| Gain or (Loss) |         |

**BOSTON**

|                |         |
|----------------|---------|
| Total Assets   | 100.00% |
| Equity         | 98.19%  |
| Cash           | 1.81%   |
| Fees           |         |
| Gain or (Loss) |         |

**DEPOSIT & DISBURSEMENT**

|                |         |
|----------------|---------|
| Cash           | 100.00% |
| Gain or (Loss) |         |

**RBC**

|                |         |                |
|----------------|---------|----------------|
| Total Assets   | 100.00% | \$723,108.45   |
| Equity         | 98.56%  | \$712,700.00   |
| Cash           | 1.44%   | \$10,308.45    |
| Fees           |         | (\$2,300.00)   |
| Gain or (Loss) |         | (\$185,100.00) |

**DELAWARE**

|                |         |               |
|----------------|---------|---------------|
| Total Assets   | 100.00% | \$579,025.21  |
| Equity         | 98.05%  | \$567,700.00  |
| Cash           | 1.95%   | \$11,200.00   |
| Fees           |         | (\$1,500.00)  |
| Gain or (Loss) |         | (\$54,800.00) |

**RENAISSANCE**

|                |         |               |
|----------------|---------|---------------|
| Total Assets   | 100.00% | \$514,790.68  |
| Equity         | 98.68%  | \$507,900.00  |
| Cash           | 1.32%   | \$6,800.00    |
| Fees           |         | (\$1,300.00)  |
| Gain or (Loss) |         | (\$99,400.00) |

**MADISON**

|                |         |                |
|----------------|---------|----------------|
| Total Assets   | 100.00% | \$2,080,919.77 |
| Fixed          | 96.25%  | \$2,002,900.00 |
| Cash           | 3.75%   | \$78,000.00    |
| Fees           |         | (\$4,200.00)   |
| Gain or (Loss) |         | \$34,600.00    |

**INTERCONTINENTAL**

|                |         |              |
|----------------|---------|--------------|
| Total Assets   | 100.00% | \$982,407.00 |
| Equity         | 100.00% | \$982,400.00 |
| Cash           | 0.00%   | \$0.00       |
| Fees           |         | (\$3,900.00) |
| Gain or (Loss) |         | \$24,900.00  |

**Holly Hill Police Officers' Retirement Trust Fund**  
**As of December 31, 2018**

**ACTUARIAL ASSUMPTION = 7.40%**

| <b>EQUITY</b>               |                                                     | <b>Gross-of-Fees</b> |  | <b>Net-of-Fees</b> |                           |                           |                               |
|-----------------------------|-----------------------------------------------------|----------------------|--|--------------------|---------------------------|---------------------------|-------------------------------|
| <b>BlackRock</b>            |                                                     | <b>Returns</b>       |  | <b>Returns</b>     | <b>Russ 1000 Value</b>    | <b>PSN Money Managers</b> | <b>S&amp;P 500</b>            |
| <b>Large Cap. Value</b>     |                                                     |                      |  |                    |                           |                           |                               |
|                             | Quarter                                             | (12.74)              |  | (12.94)            | (11.72)                   | (12.70)                   | (13.52)                       |
|                             | 1 year                                              | (6.99)               |  | (7.81)             | (8.27)                    | (7.95)                    | (4.38)                        |
|                             | 3 year                                              | 8.00                 |  | 7.04               | 6.95                      | 7.42                      | 9.26                          |
|                             | 5 year                                              | 6.68                 |  | 5.69               | 5.95                      | 6.23                      | 8.49                          |
|                             | Since 8/31/12                                       | 9.65                 |  | 8.63               | 10.23                     | NA                        | 11.86                         |
|                             | Blackrock/Lord Abbett Since 6/30/97                 | 7.08                 |  | 6.05               | 7.12                      | 8.15                      | 6.95                          |
|                             | Combined Managers - Since 11/30/95                  | 8.27                 |  | 7.21               | 8.40                      | NA                        | 8.38                          |
| <b>Clearbridge</b>          |                                                     |                      |  |                    | <b>Russ 1000 Growth</b>   | <b>PSN Money Managers</b> |                               |
| <b>Large Cap. Growth</b>    |                                                     |                      |  |                    |                           |                           |                               |
|                             | Quarter                                             | (13.39)              |  | (13.59)            | (15.89)                   | (15.14)                   |                               |
|                             | 1 year                                              | 0.28                 |  | (0.59)             | (1.51)                    | (2.19)                    |                               |
|                             | Since 8/31/17                                       | 7.11                 |  | 6.24               | 5.66                      | NA                        |                               |
|                             | CB/WW - 3 year                                      | 8.02                 |  | 7.05               | 11.15                     | 9.55                      |                               |
|                             | CB/WW - 5 year                                      | 5.64                 |  | 4.65               | 10.41                     | 8.84                      |                               |
|                             | CB/WW - Since 12/31/12                              | 9.56                 |  | 8.54               | 13.95                     | 12.80                     |                               |
|                             | CB/Wedgewood/Sands/Alliance/Sirach - Since 11/30/95 | 7.43                 |  | 6.40               | 8.08                      | NA                        |                               |
| <b>Connors</b>              |                                                     |                      |  |                    | <b>60% S&amp;P 500 /</b>  |                           |                               |
| <b>Large Cap. Core</b>      |                                                     |                      |  |                    | <b>S&amp;P 500</b>        | <b>40% CBOE Buy Write</b> | <b>S&amp;P CBOE Buy Write</b> |
|                             | Quarter                                             | (10.48)              |  | (10.69)            | (13.52)                   | (12.44)                   | (10.81)                       |
|                             | 1 year                                              | (4.08)               |  | (4.94)             | (4.38)                    | (4.50)                    | (4.77)                        |
|                             | 3 year                                              | 7.26                 |  | 6.29               | 9.26                      | 7.51                      | 4.84                          |
|                             | 5 year                                              | 7.13                 |  | 6.14               | 8.49                      | 7.16                      | 5.08                          |
|                             | Since 8/31/13                                       | 8.57                 |  | 7.63               | 10.62                     | 8.91                      | 6.27                          |
| <b>Boston</b>               |                                                     |                      |  |                    | <b>Russell 2500 Value</b> |                           |                               |
| <b>Small/Mid Cap. Value</b> |                                                     |                      |  |                    | <b>Dynamic Index</b>      | <b>PSN Money Managers</b> |                               |
|                             | Quarter                                             | (19.58)              |  | (19.80)            | (17.12)                   | (19.38)                   |                               |
|                             | 1 year                                              | (18.24)              |  | (19.06)            | (12.36)                   | (13.61)                   |                               |
|                             | Since 3/31/2016                                     | 4.92                 |  | 3.89               | 5.94                      | 5.97                      |                               |
|                             | Boston/GW - 3 year                                  | 4.04                 |  | 3.00               | 6.03                      | 6.43                      |                               |
|                             | Boston/GW - 5 year                                  | 0.32                 |  | (0.71)             | 2.82                      | 4.28                      |                               |
|                             | Boston/GW - Since 5/31/06                           | 6.50                 |  | 5.44               | 5.14                      | NA                        |                               |
|                             | Boston/GW/Babson/Harris - Since 1/31/05             | 6.93                 |  | 5.87               | 5.94                      | NA                        |                               |
| <b>RBC</b>                  |                                                     |                      |  |                    | <b>Russ 2000 Growth</b>   | <b>PSN Money Managers</b> |                               |
| <b>Small Cap. Growth</b>    |                                                     |                      |  |                    |                           |                           |                               |
|                             | Quarter                                             | (20.36)              |  | (20.59)            | (21.65)                   | (20.96)                   |                               |
|                             | 1 year                                              | (3.93)               |  | (4.92)             | (9.31)                    | (4.69)                    |                               |
|                             | 3 year                                              | 7.37                 |  | 6.27               | 7.24                      | 9.61                      |                               |
|                             | 5 year                                              | 4.86                 |  | 3.77               | 5.13                      | 6.33                      |                               |
|                             | Since 5/31/06                                       | 8.65                 |  | 7.54               | 7.56                      | NA                        |                               |
|                             | RBC/Kayne/ING Furman - Since 11/30/95               | 7.82                 |  | 6.73               | 6.50                      | NA                        |                               |

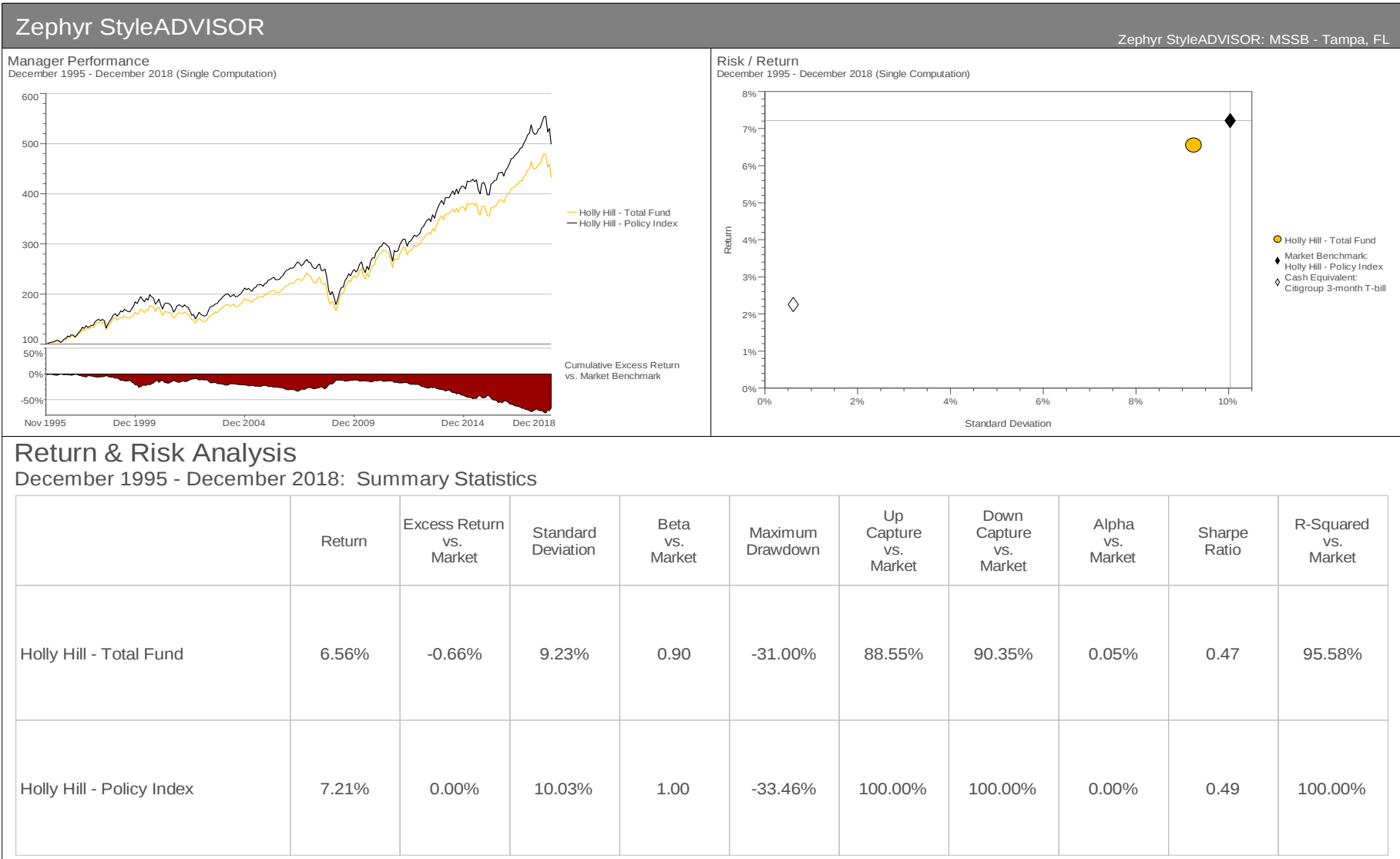
Attachment: Holly Hill Police Summary 4Q 2018 (2401 : Quarterly Performance Summary - December 31,

| Delaware International Value             |         |         |         | MSCI EAFE (Net)   | MSCI EAFE Value  |               |
|------------------------------------------|---------|---------|---------|-------------------|------------------|---------------|
| Quarter                                  | (8.65)  | (8.88)  | (12.54) | (11.70)           |                  |               |
| 1 year                                   | (10.67) | (11.53) | (13.79) | (14.78)           |                  |               |
| 3 year                                   | 4.14    | 3.13    | 2.87    | 2.82              |                  |               |
| 5 year                                   | 2.17    | 1.16    | 0.53    | (0.61)            |                  |               |
| Since 9/30/04                            | 5.60    | 4.54    | 4.69    | 3.94              |                  |               |
| Renaissance International Growth         |         |         |         | MSCI AC Wrld x US | MSCI EAFE Growth |               |
| Quarter                                  | (16.17) | (16.37) | (11.46) | (13.33)           |                  |               |
| 1 year                                   | (19.95) | (20.67) | (14.19) | (12.83)           |                  |               |
| 3 year                                   | 0.73    | (0.18)  | 4.48    | 2.89              |                  |               |
| 5 year                                   | (0.67)  | (1.61)  | 0.68    | 1.62              |                  |               |
| Since 1/31/09                            | 7.56    | 6.56    | 7.63    | 8.10              |                  |               |
| FIXED INCOME Madison                     |         |         |         | BC Int. G/C Bond  | BC G/C Bond      | 90-Day T-Bill |
| Quarter                                  | 1.69    | 1.48    | 1.65    | 1.46              | 0.57             |               |
| 1 year                                   | 1.35    | 0.46    | 0.88    | (0.42)            | 1.86             |               |
| 3 year                                   | 1.30    | 0.44    | 1.70    | 2.19              | 0.99             |               |
| 5 year                                   | 1.39    | 0.53    | 1.86    | 2.53              | 0.60             |               |
| Since 11/30/95                           | 4.27    | 3.29    | 4.52    | 4.95              | 2.26             |               |
| PRIVATE REAL ESTATE Intercontinental     |         |         |         | NCREIF Prop Idx   |                  |               |
| Quarter                                  | 2.60    | 2.18    | 1.37    |                   |                  |               |
| Since 12/31/17                           | 11.35   | 9.73    | 6.71    |                   |                  |               |
| TOTAL RETURN Time-Weighted Returns (TWR) |         |         |         | Policy Index      |                  |               |
| Quarter                                  | (9.52)  | (9.74)  | (9.95)  |                   |                  |               |
| 1 year                                   | (3.72)  | (4.63)  | (4.16)  |                   |                  |               |
| 3 year                                   | 5.47    | 4.51    | 6.37    |                   |                  |               |
| 5 year                                   | 3.97    | 3.00    | 5.24    |                   |                  |               |
| Since 11/30/95                           | 6.56    | 5.55    | 7.23    |                   |                  |               |
| TOTAL RETURN Dollar-Weighted Net (IRR)   |         |         |         | Actuarial Rate    | CPI +4           |               |
| Quarter                                  |         | (9.74)  | 1.85    | 1.22              |                  |               |
| 1 year                                   |         | (4.50)  | 7.40    | 5.99              |                  |               |
| 3 year                                   |         | 4.59    | 7.40    | 6.03              |                  |               |
| 5 year                                   |         | 3.07    | 7.40    | 5.53              |                  |               |
| Since 11/30/95                           |         | 5.74    | 7.40    | 6.22              |                  |               |

#### -Policy Index

- 17.5% Russ 1000 Value / 17.5% Russ 1000 Growth / 10% S&P 500 / 7.5% Russ 2500 Value / 7.5% Russ 2000 Growth / 5% MSCI EAFE (net) / 5% MSCI AC Wd ex US (net) / 20% BC Int G/C / 10% NCREIF Prop Idx for periods since 12/31/2017
- 17.5% Russ 1000 Value / 17.5% Russ 1000 Growth / 10% S&P 500 / 7.5% Russ 2500 Value / 7.5% Russ 2000 Growth / 5% MSCI EAFE (net) / 5% MSCI AC Wd ex US (net) / 30% BC Int G/C for periods since 3/31/2016
- 17.5% Russ 1000 Value / 17.5% Russ 1000 Growth / 10% S&P 500 / 7.5% Russ 2000 Value / 7.5% Russ 2000 Growth / 5% MSCI EAFE (net) / 5% MSCI AC Wd ex US (net) / 30% BC Int G/C for periods from 8/31/2013 to 3/31/2016
- 20% Russ 1000 Value / 20% Russ 1000 Growth / 7.5% Russ 2000 Value / 7.5% Russ 2000 Growth / 5% MSCI EAFE (net) / 5% MSCI AC Wd ex US (gross) / 35% BC Int G/C for periods from 1/31/2009 to 8/31/2013
- 22.5% Russ 1000 Value / 17.5% Russ 1000 Growth / 7.5% Russ 2000 / 7.5% Russ 2000 Growth / 5% MSCI EAFE (net) / 40% BC Int G/C for periods from 1/31/2005 to 1/31/2009
- 22.5% Russ 1000 Value / 17.5% Russ 1000 Growth / 15% Russ 2500 Growth / 5% MSCI EAFE (net) / 40% BC Int G/C for periods from 9/30/2004 to 1/31/2005
- 24% Russ 1000 Value / 18% Russ 1000 Growth / 18% Russ 2500 Growth / 40% BC Int G/C for periods prior to 9/30/2004

## Risk/Return Analysis- Since Inception



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

**COMPLIANCE CHECKLIST****City of Holly Hill Municipal Police Officers' Retirement Trust Fund**

As of December 31, 2018

| <b><u>GUIDELINES</u></b>                                                                            | <b>In Compliance</b> |
|-----------------------------------------------------------------------------------------------------|----------------------|
| <b><u>Equity Portfolio</u></b>                                                                      |                      |
| Listed on recognized exchange                                                                       | Yes                  |
| Single issue not to exceed 10% at market value for each equity in each separately managed portfolio | Yes                  |
| Total equity portfolio < 72.5% & > 67.5% of total fund at market                                    | Yes                  |
| Single issue not to exceed 5% at market value for the total portfolio                               | Yes                  |
| Foreign equities < 25% of total portfolio at market                                                 | Yes                  |
| No scrutinized companies (Sudan/Iran) held per Protecting Florida's Investments Act requirement     | Yes                  |

**BlackRock****Large Capitalization Value Equity Portfolio**

|                                              |                |                        |
|----------------------------------------------|----------------|------------------------|
| Market Value < 20.0% & > 15.0% of total fund | Yes            |                        |
| Performance (Inception 8/31/2012)            | <u>3 years</u> | <u>Since Inception</u> |
| Rank in the Top 50% of manager universe      | Yes            | No                     |
| Return > Russell 1000 Value                  | Yes            | No                     |

**Clearbridge****Large Capitalization Growth Equity Portfolio**

|                                              |                |                        |
|----------------------------------------------|----------------|------------------------|
| Market Value < 20.0% & > 15.0% of total fund | Yes            |                        |
| Performance (Inception 8/31/2017)            | <u>3 years</u> | <u>Since Inception</u> |
| Rank in the Top 50% of manager universe      | N/A            | Yes                    |
| Return > Russell 1000 Growth                 | N/A            | Yes                    |

**Connors****Large Capitalization Core Equity Portfolio**

|                                              |                |                        |
|----------------------------------------------|----------------|------------------------|
| Market Value < 12.5% & > 7.50% of total fund | Yes            |                        |
| Performance (Inception 8/31/2013)            | <u>3 years</u> | <u>Since Inception</u> |
| Return > S&P 500                             | No             | No                     |
| Return > 60% S&P 500 / 40% CBOE Buy Write    | No             | No                     |
| Return > S&P CBOE Buy Write                  | Yes            | Yes                    |

**Boston****Small/Mid Capitalization Value Equity Portfolio**

|                                         |                |                        |
|-----------------------------------------|----------------|------------------------|
| Market Value < 10% & > 5% of total fund | Yes            |                        |
| Performance (Inception 3/31/2016)       | <u>3 years</u> | <u>Since Inception</u> |
| Rank in the Top 50% of manager universe | N/A            | No                     |
| Return > Russell 2500 Value             | N/A            | No                     |

**RBC****Small Capitalization Growth Equity Portfolio**

|                                         |                |                        |
|-----------------------------------------|----------------|------------------------|
| Market Value < 10% & > 5% of total fund | Yes            |                        |
| Performance (Inception 5/31/2006)       | <u>5 years</u> | <u>Since Inception</u> |
| Rank in the Top 50% of manager universe | No             | Yes                    |
| Return > Russell 2000 Growth            | No             | Yes                    |

**OBJECTIVES****Total Portfolio**

|                                     | <u>10 years</u> | <u>Since Inception</u> |
|-------------------------------------|-----------------|------------------------|
| Exceed Target Index                 | No              | No                     |
| Exceed actuarial assumption (7.4%)* | Yes             | No                     |
| Exceed CPI + 4%*                    | Yes             | No                     |

\* Measured using Net Dollar-Weighted Rate of Return

**Delaware Investments****International Value Equity Portfolio**

|                                              |                |                        |
|----------------------------------------------|----------------|------------------------|
| Market Value < 6.25% & > 3.75% of total fund | Yes            |                        |
| Performance (Inception 9/30/2004)            | <u>5 years</u> | <u>Since Inception</u> |
| Return > MSCI EAFE (Net)                     | Yes            | Yes                    |

**Renaissance****International Growth Equity Portfolio**

|                                              |                |                        |
|----------------------------------------------|----------------|------------------------|
| Market Value < 6.25% & > 3.75% of total fund | Yes            |                        |
| Performance (Inception 1/31/2009)            | <u>5 years</u> | <u>Since Inception</u> |
| Return > MSCI AC World ex US                 | No             | No                     |

**Madison Investment Advisors****Fixed Income Portfolio**

|                                                                                          |                 |                        |
|------------------------------------------------------------------------------------------|-----------------|------------------------|
| Market Value < 22.5% & > 17.5% of total fund                                             | Yes             |                        |
| Performance (Inception 11/30/1995)                                                       | <u>10 years</u> | <u>Since Inception</u> |
| Return > Barclays Cap Interm. Gov't/Credit                                               | No              | No                     |
| U.S. Government / Agency or U.S. Corporations                                            |                 | Yes                    |
| Bonds rated "A" or better                                                                |                 | Yes                    |
| Single corporate issuer not exceed 10% of bond portfolio (except U.S. Government/Agency) |                 | Yes                    |

**Intercontinental****Private Real Estate Equity Portfolio**

|                                           |                |                        |
|-------------------------------------------|----------------|------------------------|
| Market Value < 12.5% & > 0% of total fund | Yes            |                        |
| Performance (Inception 12/31/2017)        | <u>5 years</u> | <u>Since Inception</u> |
| Return > NCREIF Prop Idx                  | N/A            | Yes                    |

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

**Holly Hill Police Officers' Retirement Trust Fund**  
**Valuation & Performance**  
**As of February 7, 2019**

6.2.a

|                        | Value               | % of Total    | Current Policy Target | Current Policy Range  | Fiscal YTD Return<br>Since 9/30/2018<br>Dollar Weighted |
|------------------------|---------------------|---------------|-----------------------|-----------------------|---------------------------------------------------------|
| BlackRock              | \$1,694,025         | 16.51%        | 17.50%                | 15.00 - 20.00%        | -7.1%                                                   |
| Clearbridge            | \$1,726,487         | 16.82%        | 17.50%                | 15.00 - 20.00%        | -5.5%                                                   |
| Connors                | \$1,053,942         | 10.27%        | 10.00%                | 7.50 - 12.50%         | -6.0%                                                   |
| Boston                 | \$703,956           | 6.86%         | 7.50%                 | 5.00 - 10.00%         | -9.8%                                                   |
| RBC                    | \$792,297           | 7.72%         | 7.50%                 | 5.00 - 10.00%         | -13.0%                                                  |
| Delaware               | \$611,774           | 5.96%         | 5.00%                 | 3.75 - 6.25%          | -3.7%                                                   |
| Renaissance            | \$556,772           | 5.43%         | 5.00%                 | 3.75 - 6.25%          | -9.6%                                                   |
| <b>Total Equity</b>    | <b>\$7,139,251</b>  | <b>69.57%</b> | <b>70.00%</b>         | <b>67.50 - 72.50%</b> |                                                         |
| Madison                | \$2,090,201         | 20.37%        | 20.00%                | 17.50 - 22.50%        | 1.9%                                                    |
| *Intercontinental      | \$982,407           | 9.57%         | 10.00%                | 0.00 - 12.50%         | 2.2%                                                    |
| Deposit & Disbursement | \$50,222            | 0.49%         |                       |                       | 0.0%                                                    |
| <b>Total Fund</b>      | <b>\$10,262,081</b> |               |                       |                       | <b>-4.7%</b>                                            |

\*Market Value as of 12/31/2018

**Dollar-Weighted Returns**

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

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

Attachment: Holly Hill Police Summary 4Q 2018 (2401 : Quarterly Performance Summary - December 31,

**Holly Hill Police Officers' Retirement Trust Fund**  
**Consulting & Management Fee Billing Summary**  
**As of December 31, 2018**

|                    |                     |                   |           |                  |                        |                    |                          |                     |                           |  |
|--------------------|---------------------|-------------------|-----------|------------------|------------------------|--------------------|--------------------------|---------------------|---------------------------|--|
| <b>BlackRock</b>   |                     | <b>745-106969</b> |           |                  |                        |                    |                          |                     |                           |  |
| <u>Date Billed</u> | <u>Market Value</u> | <u>From</u>       | <u>To</u> | <u>\$ GC Fee</u> | <u>% Annual GC Fee</u> | <u>\$ Mgr. Fee</u> | <u>% Annual Mgr. Fee</u> | <u>\$ Total Fee</u> | <u>% Annual Total Fee</u> |  |
| 10/12/2018         | \$1,800,331.78      | 7/1/2018          | 9/30/2018 | \$2,695.60       | 0.59%                  | \$1,270.59         | 0.28%                    | \$3,966.19          | 0.87%                     |  |
| <b>Clearbridge</b> |                     | <b>745-106970</b> |           |                  |                        |                    |                          |                     |                           |  |
| <u>Date Billed</u> | <u>Market Value</u> | <u>From</u>       | <u>To</u> | <u>\$ GC Fee</u> | <u>% Annual GC Fee</u> | <u>\$ Mgr. Fee</u> | <u>% Annual Mgr. Fee</u> | <u>\$ Total Fee</u> | <u>% Annual Total Fee</u> |  |
| 10/12/2018         | \$1,825,692.90      | 7/1/2018          | 9/30/2018 | \$2,733.58       | 0.59%                  | \$1,288.49         | 0.28%                    | \$4,022.07          | 0.87%                     |  |
| <b>Connors</b>     |                     | <b>745-040115</b> |           |                  |                        |                    |                          |                     |                           |  |
| <u>Date Billed</u> | <u>Market Value</u> | <u>From</u>       | <u>To</u> | <u>\$ GC Fee</u> | <u>% Annual GC Fee</u> | <u>\$ Mgr. Fee</u> | <u>% Annual Mgr. Fee</u> | <u>\$ Total Fee</u> | <u>% Annual Total Fee</u> |  |
| 10/12/2018         | \$1,119,945.90      | 7/1/2018          | 9/30/2018 | \$1,676.87       | 0.59%                  | \$838.98           | 0.30%                    | \$2,515.85          | 0.89%                     |  |
| <b>Boston</b>      |                     | <b>745-125096</b> |           |                  |                        |                    |                          |                     |                           |  |
| <u>Date Billed</u> | <u>Market Value</u> | <u>From</u>       | <u>To</u> | <u>\$ GC Fee</u> | <u>% Annual GC Fee</u> | <u>\$ Mgr. Fee</u> | <u>% Annual Mgr. Fee</u> | <u>\$ Total Fee</u> | <u>% Annual Total Fee</u> |  |
| 10/12/2018         | \$779,423.86        | 7/1/2018          | 9/30/2018 | \$1,167.02       | 0.59%                  | \$785.83           | 0.40%                    | \$1,952.85          | 0.99%                     |  |
| <b>RBC</b>         |                     | <b>745-106971</b> |           |                  |                        |                    |                          |                     |                           |  |
| <u>Date Billed</u> | <u>Market Value</u> | <u>From</u>       | <u>To</u> | <u>\$ GC Fee</u> | <u>% Annual GC Fee</u> | <u>\$ Mgr. Fee</u> | <u>% Annual Mgr. Fee</u> | <u>\$ Total Fee</u> | <u>% Annual Total Fee</u> |  |
| 10/12/2018         | \$910,451.69        | 7/1/2018          | 9/30/2018 | \$1,363.20       | 0.59%                  | \$963.83           | 0.42%                    | \$2,327.03          | 1.01%                     |  |
| <b>Delaware</b>    |                     | <b>745-125072</b> |           |                  |                        |                    |                          |                     |                           |  |
| <u>Date Billed</u> | <u>Market Value</u> | <u>From</u>       | <u>To</u> | <u>\$ GC Fee</u> | <u>% Annual GC Fee</u> | <u>\$ Mgr. Fee</u> | <u>% Annual Mgr. Fee</u> | <u>\$ Total Fee</u> | <u>% Annual Total Fee</u> |  |
| 10/12/2018         | \$633,359.78        | 7/1/2018          | 9/30/2018 | \$948.32         | 0.59%                  | \$606.64           | 0.38%                    | \$1,554.96          | 0.97%                     |  |

Attachment: Holly Hill Police Summary 4Q 2018 (2401 : Quarterly Performance Summary - December 31,

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

| Renaissance          |                     | 745-125543  |           |                  |                        |                    |                          |                     |                           |
|----------------------|---------------------|-------------|-----------|------------------|------------------------|--------------------|--------------------------|---------------------|---------------------------|
| <u>Date Billed</u>   | <u>Market Value</u> | <u>From</u> | <u>To</u> | <u>\$ GC Fee</u> | <u>% Annual GC Fee</u> | <u>\$ Mgr. Fee</u> | <u>% Annual Mgr. Fee</u> | <u>\$ Total Fee</u> | <u>% Annual Total Fee</u> |
| 10/12/2018           | \$615,186.06        | 7/1/2018    | 9/30/2018 | \$921.11         | 0.59%                  | \$465.18           | 0.30%                    | \$1,386.29          | 0.89%                     |
| Madison              |                     | 745-106968  |           |                  |                        |                    |                          |                     |                           |
| <u>Date Billed</u>   | <u>Market Value</u> | <u>From</u> | <u>To</u> | <u>\$ GC Fee</u> | <u>% Annual GC Fee</u> | <u>\$ Mgr. Fee</u> | <u>% Annual Mgr. Fee</u> | <u>\$ Total Fee</u> | <u>% Annual Total Fee</u> |
| 10/12/2018           | \$2,050,465.49      | 7/1/2018    | 9/30/2018 | \$3,070.12       | 0.59%                  | \$1,188.71         | 0.23%                    | \$4,258.83          | 0.82%                     |
| Intercontinental     |                     | 745-055570  |           |                  |                        |                    |                          |                     |                           |
| <u>Date Billed</u>   | <u>Market Value</u> | <u>From</u> | <u>To</u> | <u>\$ GC Fee</u> | <u>% Annual GC Fee</u> | <u>\$ Mgr. Fee</u> | <u>% Annual Mgr. Fee</u> | <u>\$ Total Fee</u> | <u>% Annual Total Fee</u> |
| 10/12/2018           | \$900,000.00        | 7/1/2018    | 9/30/2018 | \$1,347.55       | 0.59%                  | \$2,553.00         | 1.13%                    | \$3,900.55          | 1.72%                     |
| Total - All Managers |                     |             |           |                  |                        |                    |                          |                     |                           |
| <u>Date Billed</u>   | <u>Market Value</u> | <u>From</u> | <u>To</u> | <u>\$ GC Fee</u> | <u>% Annual GC Fee</u> | <u>\$ Mgr. Fee</u> | <u>% Annual Mgr. Fee</u> | <u>\$ Total Fee</u> | <u>% Annual Total Fee</u> |
| 10/12/2018           | \$10,634,857.46     | 7/1/2018    | 9/30/2018 | \$15,923.37      | 0.59%                  | \$9,961.25         | 0.37%                    | \$25,884.62         | 0.97%                     |

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

**Tactical Asset Allocation Reasoning**

| <b>Global Equities</b>                     |              | Relative Weights                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| US                                         | Equal Weight | US equities have done exceptionally well since the global financial crisis, but they are now in the latter stages of a cyclical bull market. While the acceleration of the Trump/Republican progrowth agenda has created a booming economy and earnings outlook, it may also be sowing the seeds for the end of the cycle as the Fed is forced to raise rates and tighten policy in a more deliberate manner. With the exceptional run in growth and small-cap stocks, we reduced positions in both and favor large-cap value stocks back in July and that has worked well. We would be aggressive buyers of the S&P 500 at 2,500 or lower. |
| International Equities (Developed Markets) | Overweight   | We maintain constructive on Japanese and European equity markets in the long term. The populist movements around the world are now spreading to Italy, which may spur further fiscal support from Germany and France. This would be a potential positive catalyst. Japan is in a secular bull market.                                                                                                                                                                                                                                                                                                                                       |
| Emerging Markets                           | Overweight   | Emerging market (EM) equities are underperforming in 2018. Some of this is simply the result of a market that needs to consolidate strong gains the past few years. However, it is also directly related to the Fed's tightening campaign. We expect EM to find support not far from current levels and believe 2019 will be a better year.                                                                                                                                                                                                                                                                                                 |

**Global Fixed Income**

|                                |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| US Investment Grade            | Underweight | We have recommended shorter-duration (maturities) since March 2013, given the extremely low yields and potential capital losses associated with rising interest rates from such low levels. While interest rates have remained exceptionally low, US economic data have been very strong recently and the Fed is now raising rates at an accelerating pace. Adding some longer duration when 10-year US Treasury yields are above 3% makes sense. |
| International Investment Grade | Underweight | Yields are even lower outside the US, leaving very little value in international fixed income, particularly as the global economy begins to recover more broadly. While interest rates are likely to stay low, the offsetting diversification benefits do not warrant much, if any, position, in our view.                                                                                                                                        |
| Inflation-Protected Securities | Overweight  | With deflationary fears having become extreme in 2015 and early 2016, these securities still offer relative value in the context of our forecasted acceleration in global growth and our expectations for oil prices and the US dollar's year-over- year rate of change to revert toward 0%. That view played out in 2016 and 2017 but has not yet run its course.                                                                                |
| High Yield                     | Underweight | We have zero exposure to high yield having reduced it completely in January. While credit spreads have likely reached a low for this cycle, they have been slow to rise. We think the risk of spreads widening have increased significantly with the rising risk of an earnings recession next year.                                                                                                                                              |

**Alternative Investments**

|                                                     |              |                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------------------------------|--------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Real Estate/REITS                                   | Underweight  | Real estate investment trusts (REITs) have underperformed global equities since mid-2016 when interest rates bottomed. We think it is still too early to reconsider our underweight zero allocation given the further rise in rates we expect and deteriorating fundamentals for the industry. Non-US REITs should be favored relative to domestic REITs. |
| Master Limited Partnerships/Energy Infrastructure   | Overweight   | Master limited partnerships (MLPs) have traded better since their capitulation in March around the FERC regulatory announcement. However, recent price action has been much worse than expected given their 8% to 10% yields. We stick with this group as a hybrid cyclical with defensive characteristics.                                               |
| Hedged Strategies (Hedge Funds and Managed Futures) | Equal Weight | This asset category can provide uncorrelated exposure to traditional risk-asset markets. It tends to outperform when traditional asset categories are challenged by growth scares and/or interest rate volatility spikes. As volatility becomes more persistent in 2018, these strategies should do better than in recent years.                          |