CITY OF PORT ORANGE
POLICE OFFICERS' PENSION BOARD
QUARTERLY MEETING AGENDA

Port Orange City Hall
Second Floor Conference Room #2
1000 City Center Parkway
Port Orange FL 32129
Friday, August 19, 2016
9:00 a.m.

Disability Information: If you are a person with a disability who needs any accommodation in order to participate in this proceeding, you are entitled, at no cost to you, to the provision of certain assistance. Please contact the City Clerk for the City of Port Orange, 1000 City Center Circle, Port Orange, FL 32129, telephone number 386-506-5563, within two working days of your receipt of this notice or five days prior to the meeting date. If you are hearing or voice impaired, contact the relay operator at 1-800-955-8771.
Appeal Notice: Any person who decides to appeal any decision made by the Port Orange Police Officers' Pension Board will need a record of the proceedings, and for such purpose he or she may need to ensure at his or her own expense for the taking and preparation of a verbatim record of all testimony and evidence of the proceedings upon which the appeal is to be based.

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1. **CALL TO ORDER**

2. **DETERMINATION OF A QUORUM**

3. **APPROVAL OF MINUTES**
   A. Approve the minutes of quarterly meeting May 20, 2016

4. **OFFICER AND TRUSTEE REPORTS**

5. **CONSENT AGENDA**
   A. Ratify plan expenditures as follows:
      1. Sugarman & Susskind – monthly retainer for May 2016 - $2,300;
      2. Sugarman & Susskind – monthly retainer for June 2016 - $2,300;
      3. Sugarman & Susskind – monthly retainer for July 2016 - $2,300;
      4. Plan Administrator Karan Rounsavall – monthly fee (May 2016, June 2016, July 2016) - $7,200;
      5. Florida Public Pension Trustees Association (FPPTA) – annual conference registration for Sgt. Braddock and Assistant Chief Proctor - $1,100;
      6. Hyatt Regency Orlando – three nights lodging for FPPTA conference for Sgt. Braddock - $567;
      7. Hyatt Regency Orlando – three nights lodging for FPPTA conference for Assistant Chief Proctor - $567;
      8. Assistant Chief William Proctor – reimbursement of travel expenses for FPPTA annual conference in Orlando - $214.75;

9. Sgt. Steve Braddock – reimbursement of travel expenses for FPPTA annual conference in Orlando - $252.27;
10. Graystone Consulting – Tampa – all-inclusive investment fees (April 1, 2016 through June 30, 2016) - $56,732.61

B. Acknowledge refund of member contributions to the following non-vested members:
1. David Adams (non-vested member) in the amount of $17,513.31;
2. Bryan Roy (non-vested member) in the amount of $1,284.99;
3. Rosanna Bustos (non-vested member) in the amount of $9,551.09.

C. Acknowledge receipt of deferred vested calculation for the following pension plan members:
1. Sean Sheridan (date of separation: May 5, 2014);
2. Charles Stewart (date of separation: October 4, 2015).

6. OLD BUSINESS

A. Review of professional services agreement with Freiman Little Actuaries, LLC per Board policy (as requested at May 20, 2016 meeting).

B. Review and acceptance of formal board policies relating to:
1. Clarifying the context of *"year"* in the definition of average final compensation to mean plan (fiscal) year;
2. Provision to allow an active member to purchase prior service in installments payments up to twice the amount of time purchased.

7. NEW BUSINESS

A. Acceptance of disability retirement application submitted by Detective David Fouts and authorize plan attorney to proceed with acquiring necessary medical information.

B. Approval of administrative expense budget for Plan Year 2016/2017 in accordance with *Florida Statutes 185.05(8).*

C Approval of revised beneficiary designation form to provide for notarization of member's signature and additional information.

D. Proposed ordinance adding a *Defined Contribution Plan Component* to the Port Orange Police Officers' Pension Plan as required by *Florida Statutes.*

E. Discussion regarding taxability of disability retirement benefits.

8. CONSULTANT REPORTS

A. Charles Mulfinger – *Graystone/Morgan Stanley Wealth Management* (Investment Consultant)
1. Performance Report for quarter ended June 30, 2016
2. Revision to Investment Policy Statement in accordance with direction from May 20, 2016 quarterly meeting.

B. Chad Little – *Freiman Little Actuaries, LLC* (Plan Actuary)
1. Notice that 2015 Annual Report was state approved.

C. Ken Harrison – *Sugarman & Susskind* (Attorney)
1. Update on Internal Revenue Service regulations relating to normal retirement age

D. Karan Rounsavall – Plan Administrator
   1. Educational Opportunity: Florida Public Pension Trustees' Association (FPPTA) Fall Trustees School in Bonita Springs (September 25 – 28, 2016).
   2. Educational Opportunity: Florida Division of Retirement Annual Police Officers' & Firefighters' Pension Conference in Kissimmee (November 2-4, 2016).

10. PUBLIC COMMENT

11. ADJOURNMENT

CITY OF PORT ORANGE
POLICE OFFICERS' PENSION BOARD
MAY 20, 2016

The Port Orange Police Officers' Pension Board of Trustees held its quarterly meeting on Friday, May 20, 2016 in the Training Room of the Port Orange Police Department, 4545 Clyde Morris Boulevard, Port Orange, Florida.

MEMBERS PRESENT:	Chairman Steve Braddock (police member) Secretary William Proctor (police member) Warren Carman (fifth member) Drew Bastian (resident member) Brian Cobb (resident member)
CONSULTANTS:	Ken Harrison, Board Attorney – Sugarman & Susskind Dustin Watkins, Associate Attorney – Sugarman & Susskind Charlie Mulfinger, Investment Consultant – Graystone Scott Owens, Investment Consultant - Graystone Chad Little, Actuary – Freiman Little Actuaries Karan Rounsavall, Plan Administrator

Chairman Braddock called the meeting to order at 2:00 p.m. A quorum was in attendance.

APPROVAL OF MINUTES

Member Bastian moved to approve minutes of quarterly meeting February 19, 2016 as submitted. Member Proctor seconded the motion and it carried unanimously.

OFFICER AND TRUSTEE REPORTS

Chairman Braddock asked Pension Board members to support a request to the Florida Public Pension Trustees Association (FPPTA) Relief Fund on behalf of Port Orange Detective David Fouts and his family. Detective Fouts was involved in a serious motorcycle accident on April 24, 2016 and remained hospitalized in very critical condition.

Member Bastian moved to approve the request to the FPPTA Relief Fund on behalf of Detective Fouts and family as well as to authorize a $200 donation from the Port Orange Police Pension Fund to a fund raiser likewise for Detective Fouts. The donation would be channeled through the Coastal Florida Police Benevolent Association. Member Proctor seconded the motion and it carried on an all yes vote.

CONSENT AGENDA

The following items were presented for action as recommended:

A. Approve plan expenditures as follows:
   1. Sugarman & Susskind – monthly retainer for February 2016 - $2,300.
      Recommendation: Ratify payment.
   2. Sugarman & Susskind – monthly retainer for March 2016 - $2,300.
      Recommendation: Ratify payment.
   3. Sugarman & Susskind – monthly retainer for May 2016 - $2,300.

Recommendation: Ratify payment.

4. Plan Administrator Karan Rounsavall – monthly fee (February 2016, March 2016, April 2016) - $7,200. *Recommendation:* Ratify payments.
5. James Moore, CPA – final billing for audit of 9/30/2015 financial statements - $2,500. *Recommendation*: Ratify payment.
6. Freiman Little Actuaries – contractual actuarial services through February 11, 2016 including actuarial valuation, annual report, benefit statements, GASB supplements, benefit calculations, etc. - $22,000.
7. Freiman Little Actuaries – supplemental actuarial services through February 11, 2016 including COLA calculations and impact statements - $2,000.
8. Warren Carman – reimbursement of travel expenses for FPPTA winter school in Orlando - $104.84.
9. Drew Bastian – reimbursement of travel expenses for FPPTA winter school in Orlando - $130.84.
10. Graystone Consulting – Tampa – all-inclusive investment fees (January 1, 2016 through March 31, 2016) - $74,634.85. *Recommendation:* Ratify payment.

Member Bastian moved to approve and ratify payment of all plan expenditures as presented above. Member Proctor seconded the motion and it carried unanimously.

B. Acknowledge refund of employee contributions to the following non-vested members:

1. Althea Kennedy (non-vested member) in the amount of $2,859.65. *Recommendation:* Ratify refund as stated.
2. Bryan Spears (non-vested member) in the amount of $11,971.90. *Recommendation:* Ratify refund as stated.
3. John Mulligan (non-vested member) in the amount of $13,310.59. *Recommendation:* Ratify refund as stated.

Member Bastian moved to ratify refunds to non-vested members as stated. Member Carman seconded the motion and it carried on an all yes vote.

OLD BUSINESS

A. Status of proposed ordinances: (1) providing an installment payment option for the purchase of prior military or law enforcement service; and (2) clarifying the context of *"year"* in the definition of average final compensation to mean plan (fiscal) year

These ordinances were previously submitted to city administration along with the required statements of no impact. City staff opined that these ordinances were subject to the collective bargaining process and accordingly would not take them forward to the Port Orange City Council for consideration. Relative to the changes proposed by these ordinances, Attorney Harrison advised that the Pension Board could interpret its plan document and formally adopt a policy implementing said interpretation.

As to the proposed ordinance providing an installment payment option for the purchase of prior service, Member Carman asked whether the length of time proposed to pay for the prior service could be extended. He certainly had no issue with the purchase being cost neutral to the pension fund but understood that it was quite expensive for a member to purchase prior service and it could be difficult for one to accumulate the funds in a short amount of time. Attorney Harrison suggested that a member be given the option of paying in installments up to twice the amount of time purchased.

Member Warren moved to interpret the plan document such that "plan year" meant "fiscal year" and that an active member could purchase prior service in installments up to twice the amount of time purchased and to direct the attorney to draft formal policies for both these matters for consideration at the next meeting. Member Bastian seconded the motion and it carried unanimously.

NEW BUSINESS

A. Acknowledge legal opinion of pre-retirement death benefits payable to beneficiaries of active and terminated vested members

In an email to Plan Administrator Rounsavall dated April 29, 2016, Attorney Harrison expressed the opinion that Section 54-132 of the plan document addressed this matter. Namely, the only available form of benefit to the survivor/beneficiary of an active or terminated vested member was ten-year certain and life commencing on normal retirement date or an immediate benefit (actuarial equivalent) payable on the first of the month following the participant's death (i.e. no other intervening date). There was no option to elect an optional form of benefit; only the normal form of benefit (ten-year certain) was available. The benefit would only be payable to the survivor for ten years and would cease after 120 payments.

Member Bastian moved to accept the legal opinion as stated above. Member Carman seconded the motion and it carried on an all yes vote.

B. Acknowledge receipt of deferred vested calculation for Christopher Ganem

Board members were in receipt of the *Notification of Deferred Vested Benefit* for Christopher Ganem showing that he was eligible for normal retirement as of January 1, 2021 with a monthly benefit of $2,053.40 payable as a ten-year certain and life form. Plan Administrator Rounsavall would advise Mr. Ganem of his future benefits payable along with directions to apply for retirement at the appropriate time, etc.

Member Bastian moved to acknowledge receipt. Member Proctor seconded the motion and it carried unanimously.

C. Form letter to be sent to terminated vested members with their deferred vested calculation

Member Bastian moved to approve the form letter as written. Member Proctor seconded the motion and it carried.

D. Ratify early retirement benefits for George Oliveira as of April 1, 2016

George Oliveira elected early retirement from the Port Orange Police Pension Plan as of April 1, 2016. He elected the 100 percent joint and survivor annuity option with a monthly benefit in the amount of $1,337.75 payable for his lifetime and upon his death, the same amount payable to his survivor. *Member Bastian moved to ratify early retirement benefits for George Oliveira as stated. Member Cobb seconded the motion and it carried.*

E. Renewal of fiduciary liability insurance policy with Markel American Insurance Company through Ullico Casualty Group

Member Bastian moved to authorize renewal of the Fund's fiduciary liability insurance policy with Markel American Insurance Company and to approve payment of the annual premium in the amount of $4,706 to United Members Insurance. The policy provided coverage in the amount of $1 million from May 31, 2016 through May 31, 2017. Member Carman seconded the motion and it carried unanimously.

F. Periodic review of professional service provider agreements

Pursuant to its adopted policy, the Pension Board routinely reviewed all professional service provider agreements to determine appropriateness and timeliness of the terms contained therein. Board members were in receipt of a listing of all consultants and their agreement dates. In 2015, the Board reviewed its agreement with Graystone/Morgan Stanley for investment consulting services. The next oldest agreement was with Freiman Little Actuaries.

It was the consensus of the Board to review its agreement with Freiman Little Actuaries, LLC at its next quarterly meeting.

CONSULTANT REPORTS

A. Charles Mulfinger and Scott Owens – *Graystone Consulting/Morgan Stanley Wealth Management* (Investment Consultant)

1. Performance Report for quarter ended March 31, 2016

Mr. Mulfinger began with a brief explanation of consulting and investment fees charged to the pension fund as Graystone/Morgan Stanley moved to a new fee platform as of January 1, 2016. The new fee arrangement passed along lower fees to clients. He also advised that Graystone was paid in arrears for its services.

Mr. Owens continued with a brief economic overview. He expected more volatility and more muted returns in financial markets going forward. The Port Orange Police portfolio was continually positioned to provide protection on the downside. Telecommunication and utility stocks generated the most return for the past quarter. If an investment manager was underweight in these sectors, their performance suffered.

Mr. Mulfinger continued with a review of the Investment Performance Report for the quarter ending March 31, 2016. Total fund performance was a negative (0.24) percent on a time-weighted basis (net of fees) which trailed the policy index which was up 0.78 percent. Total market value as of March 31, 2016 was $27,970,601 representing a loss of $31,840 (net of fees) since the previous quarter ended December 31, 2015. The trailing one-year return was negative (1.75) percent (net of fees) which also fell short of the policy index return of a negative (0.54) percent. This return was also less than the 7.65 percent assumed actuarial investment rate of return. As of May 18, 2016 the market value of the fund was $28,039,653 (a gain of 1.8 percent since September 30, 2015).

Quarterly performance results (gross of fees for quarter ending March 31, 2016) for the various investment styles/managers represented in the portfolio were as follows:

BlackRock (large cap value) – positive return of 0.34%
Jennison (large cap growth) – negative return of -6.00%

Wedgewood (large cap growth) – positive return of 0.47%
Connors (large cap core) – negative return of -0.80%
Boston Partners (small cap value) - negative return of -1.26%
RBC (small cap growth) – negative return of -0.18%*
Lazard (international value) – negative return of -2.53%*
Renaissance (international growth) - negative return of -0.57%
Madison Investment Advisors (fixed income) – positive return of 1.46%
Pine Grove (alternative investments – hedge fund) – negative return of -2.41%
Private Advisors (alternative investments – hedge fund) – negative return of -0.91%*
UBS (private real estate) – positive return of 1.63%
* These managers out performed their respective fund index.

Total fees paid to Graystone Consulting for the quarter were $74,634.85 which included consulting, trading, and custody as well as fees charged by the individual managers. Hedge funds and comingled funds were reported net of fees.

Mr. Mulfinger reviewed the compliance checklist which examined the portfolio against the Board's Investment Policy Statement (IPS) for each asset class, concentrating on those managers reporting a "No." There was no need to rebalance the portfolio at this time.

The Pension Board acknowledged receipt of the investment performance report as presented.

2. Notice that Private Advisors (hedge fund) was closing its Stable Value Fund as of June 30, 2016
3. Asset allocation study and discussion on hedge fund investment alternatives

Mr. Mulfinger advised Private Advisors was closing its commingled Stable Value Fund as of June 30, 2016. Funds would be returned to investors according to a pre-determined schedule with the first distribution on June 30, 2016 continuing on six-month interims through December 31, 2018. (Reference April 26, 2016 correspondence from Private Advisors LLC)

With respect to incoming distributions from Private Advisors, Mr. Mulfinger sought the Board's input on where to direct these funds. As fixed income was expected to produce low returns into the foreseeable future, he suggested that the board look to an alternative investment that acted differently than bonds. He distributed an asset allocation analysis that examined the risk/return characteristics of several investment mixes. It was pointed out that the portfolio's exposure to real estate had performed nicely over the past several years.

There was a brief discussion on alternative investments, including two hedge funds that Graystone had vetted and recommended to the Board (i.e. Blackrock Global Long/Short Credit and Blackstone Alternative Multi-Strategy).

Member Bastian moved to increase the fund's real estate exposure from 7.5 percent to ten percent, to decrease its hedge fund exposure from ten percent to 7.5 percent, and to allocate 1.25 percent equally between Blackrock Global Long/Short Credit and Blackstone Alternative Multi-Strategy. While these changes were within policy ranges for these asset classes, the motion included direction to Graystone Consulting to provide a revised Investment Policy Statement for the Board's consideration at its next *quarterly meeting. Member Cobb seconded the motion and it carried with Member Carman voting nay. Member Carman did not support investments in hedge funds.*

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Member Cobb was excused from the meeting at 3:44 p.m.

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B. Chad Little – *Freiman Little Actuaries, LLC* (Plan Actuary)

1. Review of benefit calculation method using fiscal year approach

Mr. Little reviewed a sample benefit calculation using fiscal year salaries and prorating pay periods (and partial pay periods) in a member's terminating year (to capture pensionable accrued leave payouts). Benefit calculations of this fashion were consistent with the Pension Board's earlier direction.

C. Ken Harrison – *Sugarman & Susskind* (Attorney)

1. Report on Internal Revenue Service (IRS) regulations relating to normal retirement age

Attorney Harrison advised that the IRS proposed new regulations relating to normal retirement age and in-service distributions (Reference Sugarman & Susskind's special report dated March 2016). Letters to clients were forthcoming from his law firm to determine whether or not the pension plan might be affected by the new rulings.

D. Karan Rounsavall – Plan Administrator

1. Educational Opportunity: Florida Public Pension Trustees' Association (FPPTA) Annual Conference in Orlando (June 26-29, 2016)

Plan Administrator Rounsavall announced the upcoming conference. If any member wished to attend, they were to contact her at their first opportunity. Chairman Braddock voiced his intent to attend the annual conference.

2. Authorize trustee to cast ballot for FPPTA board of directors election at annual conference

Member Proctor moved to authorize Chairman Braddock to cast the vote for the Port Orange Police Pension Board at his discretion. Member Bastian seconded the motion and it carried unanimously.

3. Annual financial disclosure filing deadline (July 1, 2016)

Mrs. Rounsavall reminded board members of the need to timely file their financial disclosure statements with the Volusia County Supervisor of Elections' Office by the July 1, 2016 deadline in order to avoid penalties.

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Plan Administrator Rounsavall mentioned that she was working with the attorney's office to revise the beneficiary designation form to collect more information and to require notarization of a member's signature.

She also advised that she was experiencing difficulty in having the required actuarial compliance statement posted to the City's web site.

Plan Administrator Rounsavall mentioned that she was working with the attorney's office to revise the beneficiary designation form to collect more information and to require notarization of a member's signature.

She also advised that she was experiencing difficulty in having the required actuarial compliance statement posted to the City's web site.

PUBLIC COMMENT - None

ADJOURNMENT

The meeting adjourned at 4:10 p.m.

____
Steve Braddock, Chairman

____
Karan Rounsavall, Plan Administrator

MEMORANDUM

May 12, 2016

TO: Port Orange Police Officers' Pension Board

FROM: Karan Rounsavall, Plan Administrator Karan Rounsavall

SUBJECT: Periodic Review of Professional Service Provider Agreements

At its February 20, 2015 quarterly meeting, the Port Orange Police Pension Board adopted a policy providing for the periodic review of professional service provider agreements. The review policy is set out below:

REVIEW POLICY

The Port Orange Police Officers' Pension Board of Trustees shall routinely review all professional service provider agreements to determine appropriateness and timeliness of the terms contained therein.

The Port Orange Police Officers' Pension Board of Trustees shall conduct a review of one professional service provider agreement each year based on the date of original execution with the oldest professional relationship being the first agreement subject to review.

The Port Orange Police Officers' Pension Board of Trustees may, in its sole discretion at that time, continue with that service provider, solicit bids or issue a request for proposal (RFP) for the professional services under review.

Attached is a listing of professional service providers and agreement execution dates.

/attachment

Presented to Board
May 20, 2016

Agreed to review contract
with Freiman - Little Actuaries
vkr

CITY OF PORT ORANGE POLICE PENSION FUND

POLICY STATEMENT

PERIODIC REVIEW OF PROFESSIONAL SERVICE PROVIDER AGREEMENTS

WHEREAS, Section 54-134(d) and (e) of the City of Port Orange Police Pension Fund (plan document), as restated in the *City of Port Orange Code of Ordinances,* vests the City of Port Orange Police Pension Fund Board of Trustees with the authority to adopt bylaws, rules and regulations for the administration of the Pension Plan; and

WHEREAS, the City of Port Orange Police Pension Fund Board of Trustees ("Board of Trustees") regularly retains professional service providers to assist in the administration and operation of the Pension Plan/Fund; and

WHEREAS, the City of Port Orange Police Pension Fund Board of Trustees believes it to be in the best interest of the participants and beneficiaries of the Pension Plan/Fund to routinely review all professional service provider agreements; and

WHEREAS, the City of Port Orange Police Pension Fund Board of Trustees desires to adopt a Policy Statement regarding the routine review of professional service provider agreements.

NOW, THEREFORE, it is hereby resolved this 20th day of February, 2015 that the following Policy Statement regarding the routine review of professional service provider agreements is hereby adopted.

GENERAL CONSIDERATIONS

A. The Board of Trustees is vested with the authority and responsibility to administer the operation of the Pension Plan/Fund.

B. The Board of Trustees has the authority to retain professional service providers to assist in such administration of the Pension Plan/Fund.

C. The Board of Trustees retains professional service providers to assist in the administration of Pension Plan/Fund operations, actuarial services, investment of Plan/Fund assets, monitoring/evaluating of such investment activities, custody of Pension Plan/Fund assets, legal services, etc.

REVIEW POLICY

A. The Board of Trustees shall routinely review all professional service provider agreements to determine appropriateness and timeliness of the terms contained therein.

B. The Board of Trustees shall conduct a review of one professional service provider agreement each year based on the date of original execution with the oldest professional relationship being the first agreement subject to review.

C. The Board of Trustees may, in its sole discretion at that time, continue with that service provider, solicit bids or issue a request for proposal (RFP) for the professional services under review.

D. Notwithstanding the foregoing, the Board of Trustees reserves its right to review and terminate any service provider contract at any time and in its sole discretion.

ADOPTED this 20th day of February, 2015, at a meeting of the Port Orange Police Officers' Pension Board of Trustees

City of Port Orange Police Pension Fund

By: SB Braddock
Sgt. Steve Braddock, Chairman

By: Lt. W Proctor
Lt. William Proctor, Secretary

PORT ORANGE POLICE OFFICERS' PENSION PLAN
CONSULTANT LIST – AGREEMENT DATES

Company	Title	Contact	Agreement Dates
Freiman Little Actuaries	**Plan Actuary**	Chad Little Paula Freiman	November 10, 2006 (original agreement) August 22, 2014 (revised fee schedule guaranteed for three years through August 22, 2017)
Sugarman & Susskind	**Plan Attorney**	Ken Harrison Dustin Watkins	December 1, 2006 (original agreement) August 22, 2014 (revised monthly retainer fee to provide for annual increases for three years through October 31, 2017)
Graystone Consulting/ Morgan Stanley (all inclusive fee/WRAP arrangement)	**Investment Advisor**	Charles Mulfinger Tim Haugaard Scott Owens	October 1995 – plan assets transferred to Graystone Consulting November 16, 2012 (Institutional Services Agreement executed) November 20, 2015 (fee addendum effective January 1, 2016)
Karan Rounsavall	**Plan Administrator**	Karan Rounsavall	March 19, 2014 (fee guaranteed for one year through April 1, 2015) August 21, 2015 (fee guaranteed through May 1, 2017)
First State Trust	**Custodian Bank**	James Robinson	August 23, 2012 (Custodian's fees for services paid by Morgan Stanley Smith Barney as primary investment consultant and fiduciary of the plan.)
James Moore, Certified Public Accountants & Consultants	**Auditor**	Zach Chalifour	September 3, 2015 Agreement to audit financial statements of the pension plan for years ended 9/30/2015, 9/30/2016, and 9/30/2017

May 12, 2016

FLA

FREIMAN LITTLE ACTUARIES

July 7, 2014

Approved - 8/22/2014 v/ls
with 3-year guarantee on fees

Board of Trustees
City of Port Orange Police Pension Fund
c/o Karan Rounsavall
1000 City Center Circle
Port Orange, FL 32129

RE: Engagement for Actuarial Services

Dear Trustees:

This will confirm that the Port Orange Police Pension Fund (referred to hereinafter as the "Fund") has retained Freiman Little Actuaries, LLC, (referred to hereinafter as "Freiman Little") to provide actuarial services pursuant to the Agreement between the Fund and Freiman Little that was executed November 10, 2006. Specifically, the Fund has asked Freiman Little to provide the following actuarial services:

1. Annual Actuarial Report/Valuation. Freiman Little will prepare an annual actuarial report that meets all requirements of Chapter 112, Florida Statutes and the Fund's auditors. In addition, said report shall contain analysis of the following:

    (1) Asset Reconciliation.
    (2) Plan Investment Return.
    (3) Development of Plan Contribution Requirements.
    (4) Information Required by Rule 60T of the Florida Administrative Code.
    (5) Outline of Actuarial Assumptions.
    (6) Statistical Information Regarding Members, Retirees and Beneficiaries.
    (7) Reconciliation of Census Data from the Prior Year.
    (8) Exhibit for Summary Plan Description.
    (9) Executive Summary.

    Freiman Little will complete the Annual Actuarial Valuation/Report by January 15 if the required employee and financial information is received from the Fund by the prior November 15.

    In preparing the Annual Actuarial Valuation/Report, Freiman Little will review and analyze data, and will review assumptions consistent with generally accepted actuarial practice as reflected in law and the Actuarial Standards of Practice.

2. Quarterly Meetings. Freiman Little shall meet with the Fund's Board of Trustees in order to review the Annual Actuarial Valuation/Report and meet with the Fund's Board of Trustees at three other quarterly meetings.

3 Originals Signed - Original hand delivered to Chad Little & Ken Harrison

4105 SAVANNAHS TRAIL, MERRITT ISLAND, FL 32953-8607 • OFFICE (321) 453-6542 • FAX (321) 453-6998 • MOBILE (321) 591-8265 • chad@flactuaries.com • www.flactuaries.com

8/22/2014 v/ls

3. Basic Consulting Services. Freiman Little will provide such basic actuarial consulting services as the Fund may request, including recommended strategies for the improvement of plan benefits, performance and funding costs, responding to reasonable auditor inquiries, and responding to questions from staff and Board members through brief telephone conversations, and similar services that do not require meetings, written responses or running actuarial analyses.

4. GASB 67/68. Freiman Little shall provide GASB 67 and 68 compliant statements annually.

5. Chapter 185 Minimum Benefit Compliance. Freiman Little shall provide necessary annual exhibits for Chapter 185 minimum benefit compliance.

6. Benefit Statements. Freiman Little will provide annual benefit statements for active employees by January 15 if the required employee information is received by the prior November 15.

7. Benefit Calculations/Certifications. Freiman Little will perform benefit calculations or certify benefit calculations performed by the Plan administrator.

8. Special Services. Freiman Little will assist the Fund with such special actuarial services including, but not limited to, impact statements, consulting services, etc., as the Fund's duly-authorized representatives may request. Such services shall be identified and agreed upon by Freiman Little and the Fund prior to the commencement of work.

9. Annual State Report. Freiman Little will create and deliver the Annual Report required by the State by March 15 each year if necessary information is received by February 15. Additionally, Freiman Little will answer reasonable questions from the State to gain State acceptance each year.

10. DROP Statements. Freiman Little will create and deliver one DROP Statement for each DROP member upon entry into the DROP. The DROP Statement will contain estimated projected balances for each month until the member's latest projected DROP exit date. Upon the member's termination the final balance will be determined at the time of termination.

Any delay in the delivery of the required employee and financial information, or any material flaws in the information received, may delay or prevent Freiman Little's completion of the Annual Actuarial Valuation/Report and Annual State Report. The Fund will make Karan Rounsavall available to answer questions and to provide any additional information that Freiman Little may request during the course of the engagement. Freiman Little will rely upon the completeness and accuracy of all information furnished by the Fund and may, at its discretion, require the Fund to certify to the completeness and accuracy of information furnished to Freiman Little before issuing the Annual Actuarial Valuation/Report and Annual State Report.

Payment for actuarial services provided to the Fund by Freiman Little will be made in accordance with the attached Fee Schedule (Attachment A). All fees will be due and owing thirty (30) days after the invoice is presented for payment at the next regular meeting.

If you agree to the terms of this engagement as set forth in this letter, please sign the enclosed copy of the letter and return it to me. We look forward to working with you.

Yours Sincerely,

Chad M. Little, ASA, EA
Partner, Consulting Actuary
Freiman Little Actuaries, LLC
4105 Savannahs Trail
Merritt Island, Florida 32953
(321) 453-6542: Office
(321) 591-8265: Mobile
(321) 453-6998: Facsimile
chad@flactuaries.com

Paula C. Freiman, ASA, EA
Partner, Consulting Actuary
Freiman Little Actuaries, LLC
1191 Stoneheath Mews
Marietta, Georgia 30068
(770) 594-8732: Office
(404) 849-7555: Mobile
(770) 594-2551: Facsimile
paula@flactuaries.com

ACCEPTED and AGREED to this 22nd day of August, 2014 on behalf of the Port Orange Police Officers' Pension Board.

Sgt. Steve Braddock, Chairman

ATTACHMENT A

FEE SCHEDULE

Item	Fee Structure 5/2014
Annual Valuation (paragraph 1)	$10,000 per valuation
Quarterly Meetings/Retainer (paragraphs 2 and 3)	$1,500 per quarter
GASB Statements (paragraph 4) If no crossover date. Additional fees for crossover.	$3,000 annually
Chapter 185 Compliance (paragraph 5)	$3,000
Benefit Statements (paragraph 6)	$2,500 per printing
Benefit Calculations (paragraph 7)	$250 each
Annual State Report (paragraph 9)	$3,000 per report
DROP Statements (paragraph 10)	$250 each

Freiman Little will perform consulting services, as directed by the Board. These consulting services shall include, but not be limited to, those referred to in paragraph 6. Prior to undertaking consulting services, Freiman Little will prepare an outline of the project which will include project timing, anticipated fees (which will contain a cap) and what will be delivered at the conclusion of the project. Such fees will be based on hourly rates as follows:

ACTUARIAL STAFF	$250

~~All fees are scheduled to increase 3% annually beginning 10/1/2015.~~

ACCEPTED and AGREED to this 22nd day of August, 2014 on behalf of the Port Orange Police Officers' Pension Board.

Sgt. Steve Braddock, Chairman

City of Port Orange Police Pension Fund

Clarification Policy of the Term "Year"

Pursuant to the City of Port Orange Code of Ordinances section 54-122, *Definitions*, and section 53-134(e)(1), *Duties*, the Board of Trustees of the City of Port Orange Police Pension Fund ("Pension Fund") hereby adopt the following reasonable interpretation consistent with past practice and incorporates this Policy as follows:

The term "year" is stated in the definition of "Average final compensation" as follows:

> *Average final compensation,* for a participant hired on or before January 31, 2011, shall mean one-twelfth of the average annual compensation of the three highest *years* of service prior to the employee's normal retirement date. "Average final compensation" for a participant hired after January 31, 2011 shall mean one-twelfth of the average annual compensation of the five highest *years* of service prior to the employee's normal retirement date. Effective January 31, 2011, annual compensation for all participants shall be as defined below. (emphasis added)

The term "year," as used above, shall have the same meaning as that found in the definition of "Plan year," Section 54-122, City of Port Orange Code of Ordinances, as follows:

> *Plan year* means the 12-month period from October 1 to the following September 30.

Therefore, the definition of the term "year" as used throughout the pertinent Pension Fund provisions of the City of Port Orange Code of Ordinances shall be consistent with the "Plan year" term defined as beginning October 1 and ending September 30 each year.

The Board of Trustees may amend this policy at any time. Any such amendments shall be consistent with the provisions defining the term "year" as set forth in the City of Port Orange Code of Ordinances, Chapter 185, Florida Statutes, and such amendments shall be binding upon all then current and future Pension Fund participants.

The above Policy was adopted by the Board of Trustees at its meeting of ________________, 2016, to take effect starting ________________, 2016.

____
William Proctor, Secretary

____
Steve Braddock, Chairperson

City of Port Orange Police Pension Fund

Purchase of Prior Credited Service Procedure

Pursuant to sections 54-124(e) and 54-134(e) of the City of Port Orange Code of Ordinances, the Board of Trustees of the City of Port Orange Police Pension Fund hereby adopts this Purchase of Prior Credited Service Procedure as follows:

Eligibility: Additional Credited Service may be purchased by a participant of the City of Port Orange Police Pension Fund for full-time employment as a law enforcement officer with any governmental employer and active duty in the military service of the Armed Forces of the United States, voluntarily or involuntarily, prior to the date of first or initial employment with the of City of Port Orange, in accordance with the following provisions:

Purchase of prior service as a Police Officer with any governmental employer prior to employment with the City of Port Orange. A participant of the Fund may purchase Credited Service for prior service as a Police Officer with any governmental employer prior to employment with the City of Port Orange by:

1. Providing certified records from such prior employer stating the date of employment and the date of termination of said employment as a Police Officer, and
2. Providing certification from such prior employer that the participant is not receiving and is not entitled to receive any pension benefit from said prior employment, and
3. Depositing into the Fund the full actuarial cost of such prior Police Officer service, as determined by the Fund's actuary. The participant may pay the full actuarial cost of such prior Police Officer purchase in the form of a lump sum, a pre-tax trustee-to-trustee rollover from another qualified plan or retirement account, or by arranging for installment payments on a schedule approved by the Board of Trustees that shall not exceed twice the number of years purchased.

Years and months of prior Police Officer service that a participant purchases pursuant to the above requirements shall be added to the participant's years of Credited Service, provided that the participant did not receive Credited Service for such years and months from any other governmental pension system. Such prior service shall not count toward vesting within the plan.

Purchase of prior service for service in the armed forces of the United States prior to initial employment with the City of Port Orange. A participant of the

Fund may purchase Credited Service for prior service in the armed forces of the United States prior to initial employment with the City of Port Orange by:

1. Providing a copy of the armed forces form DD-214, stating the date of commencing such military service and the type and date of discharge of said military service, and

2. Depositing into the Fund the full actuarial cost of such prior service in the armed forces of the United States, as determined by the Fund's actuary. The participant may pay the full actuarial cost of such prior service in the armed forces of the United States in the form of a lump sum, a pre-tax trustee-to-trustee rollover from another qualified plan or retirement account, or by arranging for installment payments on a schedule approved by the Board of Trustees that shall not exceed twice the number of years purchased.

Years and months of prior military service that a participant purchases pursuant to the above requirements shall be added to years of Credited Service, provided that the participant did not receive a discharge from the Armed Forces under less than honorable conditions and did not receive Credited Service for such years and months from any other governmental or military retirement or pension system. Such prior service shall not count toward vesting within the plan.

Purchase of prior service for USERRA-qualifying military service. A participant who left the active employ of the City of Port Orange for the purpose of voluntary or involuntary service in the armed forces of the United States and who then returns to employment as a Police Officer with the City of Port Orange within one year of release from such active service shall receive Credited Service for such service pursuant to the provisions of Section 185.02(5)(d) of the Florida Statutes and the requirements of the Uniformed Services Employment and Reemployment Rights Act ("USERRA"), 38 U.S.C. §§ 4301-4335.

Payment for purchase of prior Credited Service. The purchase of any Credited Service under this Procedure shall be paid in a lump sum payment, by a pretax trustee-to-trustee transfer of amounts in a participant's deferred compensation account (Internal Revenue Code § 457) or by installments on a schedule approved by the Board of Trustees that shall not exceed twice the number of years purchased. The purchase must be paid in full prior to retirement or entry into the DROP, whichever is earlier. However such prior service shall not count toward vesting within the plan.

Maximum prior service. The maximum Credited Service that may be purchased by a participant under this subsection for prior military and/or law enforcement service combined shall be four (4) years.

Cost to calculate cost of such purchase of prior Credited Service. All expense to calculate the cost of purchasing prior Credited Service in the Pension Fund shall be bourne by the participant making said purchase.

Credited Service commencement. The Credited Service purchased under this policy shall not take effect until the Police Officer making such purchase becomes vested in the Pension Fund and full payment for said Credited Service has been deposited into the Pension Fund.

Forms: The Board of Trustees shall develop and approve all forms required to implement this policy.

Amendment: The Board of Trustees may amend this procedure at any time. Such amendments shall be consistent with the provisions covering the purchase of prior Credited Service set forth in the City of Port Orange Code of Ordinances, Chapter 185, Florida Statutes, and applicable federal law, and such amendments shall be binding upon all current and future Pension Fund members.

The above was adopted by the Board of Trustees at its ______________, 2016 meeting to take effect starting ______________________, 2016.

______________________________ ______________________________

William Proctor, Secretary Steve Braddock, Chairperson

PORT ORANGE POLICE OFFICERS' PENSION
REQUEST FOR PURCHASE OF PRIOR MILITARY OR LAW ENFORCEMENT SERVICE

The Port Orange Police Pension Plan provides Plan Participants with the opportunity to purchase up to four (4) years of credited service for military or law enforcement service, prior to employment with the City of Port Orange, provided that the participant is not receiving or is entitled to receive a benefit from another governmental or military pension plan and pays the full actuarial cost of such prior service. This benefit does not reduce the retirement vesting requirements and only applies to benefit calculations at retirement. Payment for this benefit may be made in one of three methods:

A) A lump sum payment, or
B) Installment payments (with interest) not to exceed twice the number of years of service you are purchasing, or
C) A pre-tax trustee-to-trustee rollover from another qualified plan or retirement account to the Port Orange Police Officers' Pension Fund.

The full payment must be completed prior to retirement or DROP participation.

If you are interested in knowing what it would cost to purchase such prior credited service, please check the appropriate line below, sign, date and return this form to the Plan Administrator. You are required to pay an actuarial fee for this calculation.

Upon receipt of a calculation to purchase service, your decision to purchase credited service in the Port Orange Police Pension Plan must be made within 60 days, otherwise a new calculation will be necessary.

Should you decide NOT to purchase prior service time, and you request additional calculations at a later date, you will be required to pay the actuarial fee at that time.

______ **YES**, I would like to know the cost of purchasing prior credited service:

☐ for services in the Armed Forces from ____________________ (date of induction) to _______________ (date of discharge) in the following branch:
_____ Army _____Navy _____Air Force _____Marine _____Coast Guard
_____ U.S. Public Health Service _____National Guard
(Copy of your DD-214 form must be provided)

☐ for service as a full-time certified police officer with ________________ ________________(name of district, city or county) from _____________ (start date) to ________________ (termination date).
(Documentation from your previous employer stating employment dates and verifying no entitlement to pension benefits must be provided)

______ **NO**, I would not like to know the cost of purchasing prior credited service.

____________________________________ ____________________

Plan Participant (signature) Date

____

Printed Name

Contact Information:

Address

Contact Phone Number

Contact Email Address

If you have checked YES, the actuarial calculations for all options available under these provisions will be sent to you upon completion for your review and election. If you decide NOT to avail yourself of this option, you must still return the form so your declination can be recorded.

MEMORANDUM

August 10, 2016

TO: **Port Orange Police Officers' Pension Board**

FROM: **Karan Rounsavall, Retirement Plan Administrator** KRounsavall

SUBJECT: **Administrative Expense Budget for Fiscal Year 2016/2017**

Effective July 1, 2015, *Florida Statutes* §185.05(8) requires that the Port Orange Police Officers' Pension Board adopt and operate pursuant to an administrative expense budget each plan/fiscal year. This budget must be provided to the plan sponsor (i.e. City of Port Orange) and made available to retirement plan members before the beginning of the plan's fiscal year (prior to October 1, 2016 and each year thereafter). Additionally, if the Board amends the administrative expense budget, a copy of the amended budget must be sent to the plan sponsor and a copy made available to plan members.

In accordance with the referenced statute, attached is a proposed budget for Fiscal Year 2016/2017 for your review and consideration. It includes the current fiscal year's (2015/2016) actual/estimated administrative expenses. Also attached is the adopted budget for Fiscal Year 2015/2016 for comparative purposes. The Retirement Plan is under budget for Fiscal Year 2015/2016.

In accordance with the Board's input and action, I will prepare the final budget for submittal (by October 1, 2016) to the plan sponsor as well as active plan members.

If there are any questions or if additional information is required, please do not hesitate to contact me.

Attachments

Port Orange Police Officers' Pension Plan
Fiscal Year 2016-17 Budget

Account Description	Prior Year Actual Expense	% Total Admin	Next Fiscal Year Budget	% Total Budget
Plan Expense:				
Service Providers:				
Actuary	$31,250.00	12.2%	$34,500.00	12.0%
Administrator	$28,800.00	11.2%	$31,200.00	10.8%
Auditor/ Accounting	$10,000.00	3.9%	$10,000.00	3.5%
Attorney/ Legal	$27,300.00	10.7%	$27,300.00	9.5%
Investment Consultant	$147,415.00	57.5%	$170,000.00	59.1%
Custodial Services*	$0.00	0.0%	$0.00	0.0%
Subtotal:	**$244,765.00**	**95.5%**	**$273,000.00**	**94.9%**
Other Plan Expenses:				
Dues and Subscriptions	$600.00	0.2%	$600.00	0.2%
Insurance	$4,706.00	1.8%	$5,000.00	1.7%
Miscellaneous Expenses	$200.00	0.1%	$1,000.00	0.3%
Education	$6,010.00	2.3%	$8,000.00	2.8%
Subtotal:	**$11,516.00**	**4.5%**	**$14,600.00**	**5.1%**
TOTAL:	**$256,281.00**	**100.0%**	**$287,600.00**	**100.0%**

Port Orange Police Officers' Pension Plan
Fiscal Year 2015-16 Budget

Account Description	Prior Year Actual Expense	% Total Admin	Next Fiscal Year Budget	% Total Budget
Plan Expense:				
Service Providers:				
Actuary	31,500.00	12.3%	34,000.00	11.9%
Administrator	24,793.00	9.7%	28,800.00	10.1%
Auditor/ Accounting	12,000.00	4.7%	10,000.00	3.5%
Attorney/ Legal	23,600.00	9.2%	27,300.00	9.6%
Investment Consultant	157,677.00	61.4%	170,000.00	59.7%
Custodial Services*	0.00	0.0%	0.00	0.0%
Subtotal:	**249,570.00**	**97.2%**	**270,100.00**	**94.9%**
Other Plan Expenses:				
Dues and Subscriptions	600.00	0.2%	600.00	0.2%
Insurance	4,393.00	1.7%	4,900.00	1.7%
Miscellaneous Expenses	275.00	0.1%	3,000.00	1.1%
Education	1,800.00	0.7%	6,000.00	2.1%
Subtotal:	**7,068.00**	**2.1%**	**14,500.00**	**5.1%**
TOTAL:	**256,638.00**	**99.3%**	**284,600.00**	**100.0%**

PORT ORANGE POLICE OFFICERS' RETIREMENT PLAN
ADMINISTRATIVE EXPENSE BUDGET - PLAN YEAR 2016/2017

FLORIDA STATUTES 185.05(8)(a)

The Board shall operate under an administrative expense budget each fiscal year. A copy of the budget shall be provided to the plan sponsor and made available to plan members before the beginning of the fiscal year. If the Board amends the administrative expense budget, the Board must provide a copy of the amended budget to the plan sponsor and make available a copy of the amended budget to plan members. The administrative expense budget must be prepared and made available prior to October 1, 2016.

	Line Item Description	Actual/Estimated FY 2015/2016	Proposed FY 2016/2017
1	Legal Expenses* (Sugarman & Susskind monthly retainer of $2,300 per 9/8/2015 agreement)	$27,300	$27,300
2	Audit/Accounting (James Moore & Company. Per agreement dated 8/12/2015, annual audit performed for flat fee of $10,000 through FY 2017)	$10,000	$10,000
3	Actuarial Expenses (Freiman Little Actuaries) Fees per July 2014 agreement (guaranteed for three years thru 2017)	$0	$0
	Basic Consulting Services – Quarterly Retainer of $1,500	$6,000	$6,000
	Annual Valuation (increase per agreement)	$10,000	$10,000
	Member Statements	$2,500	$2,500
	Preparation of Annual Report	$3,000	$3,000
	F.S. 112.664 Compliance Disclosures	$3,000	$3,000
	State Monies Determination Calculation (if mutual consent is not reached)	$0	$1,000
	Impact Statements ($) Statements of No Impact ($250 each)	$750	$1,500
	Benefit Calculations, etc. ($250 for retirement calculations, including terminated vested calculations)	$1,500	$2,000
	Other/Supplemental Services (e.g. COLAs payable for ensuing year, special studies, special meetings, etc.)	$1,500	$2,500
	GASB 67/68 Disclosures	$3,000	$3,000
		0.00	0.00
4	Plan Administrator (Rounsavall $2,400 monthly retainer per agreement dated August 2015) *Anticipate fee increase as of May 2017	$28,800	$31,200

5	Investment Consultant & Performance Monitor Graystone Consulting/Morgan Stanley (all-inclusive investment fees (WRAP) are broken down into two parts: (1) consulting fee paid to Graystone Consulting (a blended fee of roughly 51 basis points per fee addendum effective January 1, 2016); and (2) investment fees that are paid to the individual investment managers held within the Fund. Only Graystone's consulting fees are reflected in this budget. Fees paid to individual investment managers in the portfolio are not shown but for informational purposes, these total approximately $92,397 for fiscal year 2016/2017. Note: Some managers report their returns net of fees (i.e. comingled funds, mutual funds, etc.) so while there are fees involved, they are not reported separately. (TOTAL FEES paid in WRAP = $239,812)	$147,415	$170,000
6	Custodial Services (included in Graystone's Fee)	$0	$0
7	Fiduciary Liability Insurance (United Members Insurance)	$4,706	$5,000
8	Memberships (Florida Public Pension Trustees Association – annual dues for Board)	$600	$600
9	Education (One trustee enrolled in CPPT Program) FPPTA schools, lodging, etc. $900+$1,100+$900+$409+$1,100+$567+$567+$215+$252=$6,010	$6,010	$8,000
10	Miscellaneous (e.g. contributions, overnight mail service, independent medical exam, court reporter, etc.)	$200	$1,000
		$256,281.00	$287,600.00

* This is form currently in use.

PORT ORANGE POLICE PENSION FUND
MEMBER'S DESIGNATION OF BENEFICIARY

TO: PENSION BOARD OF TRUSTEES

FROM: ______________________________ (Print Name)

DATE: ______________________________

Pursuant to applicable provisions of the Pension Plan, I hereby make the following Beneficiary designation:

	Name of Beneficiary	Relationship	Date of Birth	Social Security
Principal:	________	________	________	________
Contingent:	________	________	________	________

If any designated Beneficiary shall predecease me, the rights and interests of such Beneficiary shall thereupon automatically terminate. In such event any interest held by the beneficiary by reason of my death and participation herein shall cease and terminate completely.

I reserve the right to change the designated Beneficiaries at any time upon filing a new written request with the Board and which request, when received by the Board, shall revoke any prior selection or designation of Beneficiary. The consent of a Beneficiary shall not be required to effectuate any change.

____
Participant's Signature

____
Street Address

____
City State Zip Code

____
Date

Received this __________ day of ______________________.

By: ______________________________

ORDINANCE NO. 20__-_____

AN ORDINANCE OF THE CITY OF PORT ORANGE, FLORIDA, AMENDING CHAPTER 54, ARTICLE V, CODE OF ORDINANCES, ENTITLED POLICE PENSION FUND; ADDING SUBSECTION 54-126(g) TO CREATE A DEFINED CONTRIBUTION PLAN COMPONENT IN COMPLIANCE WITH CHAPTER 185, FLORIDA STATUTES; PROVIDING FOR CODIFICATION; PROVIDING FOR REPEAL OF CONFLICTING ORDINANCES; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Port Orange ("City") and the City of Port Orange Police Pension Fund ("Pension Fund") wishes to comply with Chapter 185, Florida Statutes; and

WHEREAS, the Florida Legislature amended Chapter 185, Florida Statutes, to require sponsors of local law police retirement plans to implement a defined contribution plan component; and

WHEREAS, amended Chapter 185, Florida Statutes, requires a defined contribution plan component even though it may or may not receive any funding depending on agreements reached in collective bargaining; and

WHEREAS, the City intends to determine the disposition of insurance premium tax revenues through the process of collective bargaining and mutual consent rather than through the default mechanism set forth in the amended statutes; and

WHEREAS, the City Council has received, reviewed, and considered an actuarial impact statement describing the actuarial impact of the amendment provided for herein; and

WHEREAS, the City Council deems it to be in the public interest to make this change to the Pension Fund;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF PORT ORANGE, FLORIDA:

Section 1. Section 54-126 of the City of Port Orange Police Pension Fund is hereby amended by adding a new subsection (g) as follows:

Sec. 54-126. – Pension benefits.

...

(g) *Defined contribution plan component.* There is hereby created a defined contribution plan component that shall operate as an element of the plan and exist in conjunction with the defined benefit plan component that meets minimum benefits and minimum standards within the meaning of Chapter 185, Florida Statutes. The defined contribution plan component shall receive deposits, if any, for the purpose of providing benefits to police officers. The retirement benefits of the defined contribution plan component, if any, shall be provided through individual member accounts in accordance with the applicable provisions of the Internal Revenue Code and related regulations and are limited to the contributions, if any, made into each member's account and the actual accumulated earnings, net of expenses, earned on the member's account.

The defined contribution plan component shall be funded in accordance with Section 185.35(1), Florida Statutes, provided that the defined contribution plan component shall only receive contributions in the event the plan sponsor and the members' collective bargaining representative fail to reach mutual consent on an alternative means of using insurance premium tax revenues. Mutual consent shall be defined in accordance with the Florida Division of Retirement's regulations and administrative guidance.

The defined contribution plan component shall only receive funding in the absence of mutual consent.

Notwithstanding the foregoing establishment of a defined contribution plan component, the City and the members' collective bargaining representative have reached mutual consent that all insurance premium tax revenues shall be used in accordance with Section 54-137(c) of the City Code. The funding and structure of this defined contribution plan component may be modified only by the mutual consent of the collective bargaining parties or by operation of Section 185.35, Florida Statutes. The provisions of this component governing earning rates, distribution rules, and administration shall be negotiated between the City and the members' collective bargaining representative at the time Chapter 185 insurance premium tax revenues are assigned to this component. The Board of Trustees may adopt rules in accordance with this section.

Section 2. Specific authority is hereby granted to codify and incorporate this ordinance in the existing Code of Ordinances of the City of Port Orange.

Section 3. All ordinances or parts of ordinances in conflict with this ordinance are hereby repealed to the extent of such conflict.

Section 4. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid in a court of competent jurisdiction, such invalidity shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provision or application.

Section 5 This ordinance amendment shall take effect upon adoption.

MAYOR ALLEN GREEN

ATTEST:

Robin L. Fenwick, City Clerk

SUGARMAN & SUSSKIND
PROFESSIONAL ASSOCIATION
ATTORNEYS AT LAW

Robert A. Sugarman♦
Howard S. Susskind
Kenneth R. Harrison, Sr.
D. Marcus Braswell, Jr.
Pedro A. Herrera
Noah Scott Warman♦
Ivelisse Berio LeBeau
Dustin L. Watkins
Michael Gillman

♦Board Certified Labor
& Employment Lawyer

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(305) 529-2801
Broward (954) 327-2878
Toll Free 1-800-329-2122
Facsimile (305) 447-8115

March 24, 2016

Board of Trustees
City of Port Orange Police Pension Fund
c/o Karan Rounsavall, Administrator
2695 Indian River Drive
Cocoa, FL 23926

Re: Reporting Disability Benefits on Internal Revenue Service (IRS) Form 1099-R

Dear Trustees:

You have asked that we provide an opinion on the appropriate method of reporting disability benefits granted to participants of your plan on IRS Form 1099-R. After reviewing the Internal Revenue Code and your plan document we have concluded that our answer depends on the type and amount of the disability benefit granted.

Non-service connected disability benefits are always taxable and should be reported as such in box 1, "Gross Distribution," and box 2a, "Taxable Amount," of IRS Form 1099-R. Box 2b should be marked "Total distribution" and box 7, "Distribution code(s)," should be reported as "3 – Disability."

It is well established that service-connected disability pensions established pursuant to a statute or ordinance are excluded from income under section 104(a)(1) of the Code. Section 104(a)(1) allows an exclusion from income for amounts received under a "workman's compensation act." Treasury Regulations section 1.104-1(b) explains that a "workman's compensation act" under this provision of the Code includes traditional workmen's compensation acts as well as "statutes in the nature of a workmen's compensation act." For decades, the IRS has extended this income tax exclusion to service-connected disability benefits under governmental pension plans on the basis that these types of benefits are "statutes in the nature of a workmen's compensation act." A statute is in the nature of a workmen's compensation act "if it provides compensation to employees only for personal injuries or sickness incurred in the course of employment" and if such benefits are not computed by a formula that refers to age, length of service, or prior contributions. Rev. Rul. 85-104; *see also* Rev. Rul. 85-105. The IRS has also applied this reasoning in numerous Private Letter Rulings.

See, e.g., PLR 9644017 (1996); PLR 9805037 (1998). This exclusion also extends to service-connected disability benefits that are paid to surviving spouses. The exclusion continues for life so long as the benefit is based on a service-connected disability and not based on age or years of service factors. Rev. Rul. 80-14. However, service connected disability pension benefits may be partially taxable should the benefit amount exceed the established minimum benefit amount.

The City of Port Orange Police Pension Fund is a defined benefit governmental plan within the meaning of section 414(d) of the Internal Revenue Code. The governing terms of your plan's service-connected disability benefit are specifically set forth in section 54-128 of the City of Port Orange Code of Ordinances.

In order to approve a service-connected disability benefits, the Board of Trustees is required to make an independent determination that a participant "[s]uffered a service-connected injury, illness, disease or disability which wholly prevents the participant, either mentally or physically, from rendering useful and efficient service as a police officer and is likely to remain so disabled continuously and permanently..." Code § 54-128(a)(1)a. Your plan provides for this determination through the independent medical examination procedure provisions.

Before January 2011, a service-connected disability benefit was equal to "the participant's accrued retirement benefit or 50 percent of the participant's average monthly compensation at the time of disability, whichever is greater..." Code § 54-128(c)(1). This percentage was increased to 51% in ordinance amendment 2011-2 effective January 25, 2011. This percentage is considered as the minimum benefit amount a participant may receive regardless of years of service and is always exempt from federal income tax but should be reported in box 1 of IRS Form 1099-R. In the event a participant's "accrued retirement benefit" exceeds the stated minimum percentage (50% or 51%), the amount that exceeds said minimum percentage is considered taxable income and should be reported in boxes 1 (together with the tax exempt amount) and 2a of IRS Form 1099-R. In either case box 2b of IRS Form 1099-R should be marked "Taxable amount not determined" and box 7 should be reported as "3 – Disability."

As an example, if a participant had an accrued retirement benefit of 60% at the time of being granted a service-connected disability benefit, the IRS Form 1099-R would be reported as follows: box 1, the gross (total) benefit amount; box 2a, the amount in excess of the minimum benefit (50% or 51%); box 2b, "Taxable amount not determined;" and box 7 "3 – Disability."

As you specifically inquired about disability retiree we will use him as an example of a participant receiving the minimum benefit amount. Plan records reflect that Mr. was hired as a police officer on July . On May , with less than ten years of credited service, he experienced a motor vehicle accident while performing his duties as a police officer for the City of Port Orange. On January , after reviewing the independent medical evaluation and independently ascertaining that met the criteria for a service-connected disability, the Board of Trustees approved a minimum (50%) service-connected disability benefit because his accrued retirement benefit was less than the required minimum benefit.

Therefore, service-connected disability benefit should be reported on IRS Form 1099-R as follows: box 1, the gross (total) benefit amount; box 2a, "0;" box 2b, "Taxable amount not determined;" and box 7, "3 – Disability."

You may want to share this letter with r as a reference for his tax advisor.

We trust this has answered your questions.

Yours truly,

Kenneth R. Harrison Sr.

KENNETH R. HARRISON, SR.

STATEMENT OF INVESTMENT POLICY AND OBJECTIVES

For The

CITY OF PORT ORANGE POLICE PENSION FUND
~~February 20, 2015~~ August 19, 2016

I. INTRODUCTION AND BACKGROUND

The City of Port Orange Police Pension Fund is a defined benefit plan established by Ordinance of the City of Port Orange to provide retirement benefits for its Police Officers. The City of Port Orange is the "plan sponsor". The Plan is administered by the Police Pension Fund Board of Trustees. The Plan is a pension plan maintained to provide retirement, disability, termination and death benefits~~, as the case may be,~~ to participants in accordance with the express provisions of the Plan.

The Plan and the benefits provided thereunder are funded by contributions by the City of Port Orange, tax rebates from the State of Florida pursuant to Chapter 185, Employees' contributions, interest income and other income in accordance with the underlying Plan documents.

The Board of Trustees is charged by Ordinance with the responsibility of developing a policy for the investment of the assets of the Fund. The trustees are named fiduciaries. The investment of the assets of our retirement plan must be consistent with the written investment policy adopted by the board of trustees. The policies are structured to maximize the financial return to the retirement plan consistent with the risks incumbent in each investment and are structured to establish and maintain an appropriate diversification of the retirement system or plan's assets. To assist the Board in this function, they are authorized to engage the services of investment and actuarial consultants to provide expert assistance. The Board periodically undertakes studies to evaluate the potential consequence of alternative investment strategies on the long term well being of the Plan. In the view of its consultants and the Board, the investment program defined in this Statement will produce a result over the long term consistent with the Plan's primary objective of preserving and enhancing the purchasing power of assets.

In the implementation of the investment program, the Plan will employ investment managers who have demonstrated expertise with particular asset classes. Furthermore, the Plan's investment managers utilize a variety of investment approaches. This diversification of managers and investment approach should reduce the risk of loss and contribute to the attainment of a more consistent positive return. Nonetheless, there will be short term periods when the fund may experience negative returns. Such periods are not inconsistent with achievement of the targeted long term objective.

II. INVESTMENT POLICY AND OBJECTIVES

Based on analysis of the Plan assets and expected investment returns and risks associated with alternative asset mix strategies, the Board adopted the following asset class targets, based on market value:

TRADITIONAL ASSET CLASSES		
EQUITY	**% Range**	**% Target**
Large Capitalization Value Manager	**13.75 – 8.75%**	**11.25%**
Large Capitalization Growth Manager	**13.75 – 8.75%**	**11.25%**
Large Capitalization Core Manager	**12.50 – 7.50%**	**10.00%**
Small Capitalization Value Manager	**7.50 – 5.00%**	**6.25%**
Small Capitalization Growth Manager	**7.50 – 5.00%**	**6.25%**
International Value Manager	**7.50 – 2.50%**	**5.00%**
International Growth Manager	**7.50 – 2.50%**	**5.00%**
Total Equity	**57.50 – 52.50%**	**55.00%**
FIXED INCOME MANAGER	**30.00 – 25.00%**	**27.50%**
ALTERNATIVE ASSET CLASSES	**% Range**	**% Target**
HEDGE FUNDS/ FUNDS OF HEDGE FUNDS	~~12.50 – 0.00%~~	~~10.00%~~
	10.00 – 0.00%	**7.50%**
PRIVATE REAL ESTATE FUND	~~10.00 – 0.00%~~	~~7.50%~~
	12.50 – 0.00%	**10.00%**
TOTAL ALTERNATIVE ASSET CLASSES	**20.00 – 0.00%**	**17.50%**
TOTAL TRADITIONAL & ALTERNATIVE		**100.00%**

These ranges and targets are established as maximum weightings in each respective asset class. If the investment manager determines that a percentage of their allocation should be invested in cash, then they are permitted that flexibility and will be evaluated by their decisions accordingly.

Over time, it is the Board's intention to direct cash flows toward the asset class(es) that are under-represented and away from the class(es) that are over-represented.

The General investment objectives of the Board are as follows:

1. **Establish a Prudent Investment Program**

Although the Pension Fund is not covered by the Employee Retirement Income Security Act of 1974 (ERISA), the assets of this fund shall be invested in a manner consistent with the fiduciary standard set forth in ERISA, as though ERISA applied to the Pension Fund; namely, (1) in accordance with the safeguards and diversity to which a prudent investor would adhere (2) and all transactions undertaken on behalf of the Fund must be for the sole interest of Plan participants and their beneficiaries in order to provide benefits and pay the expenses of the Fund. The pension investment program must operate in compliance with all applicable State and Federal laws and regulations concerning the investment of pension assets.

2. **Achieve Growth in Purchasing Power**

Primary investment emphasis must be placed upon the consistent protection of the funds assets and growth performance, i.e., the achievement of adequate investment growth must not be at the expense of the protection of the assets over the investment horizon.

More specific investment objectives established by the Board include the following:

7.65%

- The Fund should earn a return over time exceeding the assumed actuarial rate of ~~8%~~ ~~7.625%~~. In addition, the Fund should earn a return greater than inflation, as measured by the Consumer Price Index, by 4.0% per year. Meeting this objective indicates that the active management of the various portfolio components has added value over a passively managed fund. It is also consistent with the Board's objective to enhance the purchasing power of the Funds.

- Individual investment managers will not be measured against the aggregate fund objective stated above. They will be compared to appropriate market indices~~,~~ and the performance of other managers who utilize a similar investment style.

III. TRADITIONAL ASSET CLASSES - INVESTMENT GUIDELINES

A. Liquidity Requirements

There is a requirement to maintain liquid reserves for the payment of pension benefits and expenses. The Board will review these projected cash flow requirements at least annually.

B. Compliance & Monitoring

The plan shall comply with the Protecting Florida's Investments Act (PFIA). The investment managers are prohibited from purchases and are required to divest any investments in those companies with certain business operations in the countries of Sudan and Iran that are designated as "scrutinized companies" under the PFIA. Each manager shall be responsible for keeping current as to the companies ~~that are~~ listed as "scrutinized companies" by the Florida State Board of Administration. The consultant shall report quarterly on each manager's compliance.

C. Equities

The investment managers are permitted to invest in equity securities (including convertible bonds) listed on the New York, American and principal regional and foreign (for foreign securities) exchanges. They may also invest in over-the-counter securities for which there is an active market maker regulated by the NASD. The equity position in any one company shall not exceed 5% of the total portfolio at market. For international investing, ADR's that trade over the counter, such as "Pink Sheet" ADR's and Bulletin Board ADR's are permissable. Any investment that does not fall into a category listed above is prohibited.

The equity portion of each portfolio manager shall not:

1. Be more than 12.5% invested in the securities of any one company at market.
2. Make short sales.
3. Use margin or leverage.
4. Be invested in commodities.
5. Be invested in private real estate.
6. Be invested in " investment art objects".
7. Invest in Options, including the purchase, sale or writing of options unless options are "covered" by the corresponding security.

8. Be invested in warrants, although warrants issued in connection with stocks held by the fund may be sold, held, or converted by the investment manager at its discretion.

The total portfolio shall not exceed the 25% maximum limit on foreign securities at market set forth in Section 185, Florida Statutes. The compliance and monitoring of this Section (III.B.) is the responsibility of the consultant and the trustees. The consultant's responsibility is to report any non-compliance to the trustees each quarter.

a.) Large –Capitalization Value, Growth, & Core Stocks

Large capitalization stocks are expected to have the greatest weighting in the Pension Fund. They are expected to provide more consistent returns over time than our other equity styles. The objective is to maximize investment return over a market cycle by investing in large capitalization equities having the potential to generate investment returns exceeding ~~those of~~ a passively managed large stock index.

Large-capitalization equity manager performance parameters include the following:

- Performance within the top half of a Universe of Large Capitalization Value, Growth, or Core Managers.

- Performance comparable to the Russell 1000 Value, Russell 1000 Growth, or S&P 500 Indexes.

- The risk associated with the manager's portfolio as measured by the variability of quarterly returns (standard deviation) should not exceed ~~that of~~ the appropriate index without a corresponding increase in performance above the index.

- Achieve the performance parameters within a time horizon of a minimum of three to five years or a full market cycle.

b.) Mid/Small Capitalization Stocks

Mid/Small capitalization stocks are expected to improve total portfolio diversification and provide opportunities for higher incremental returns in the long run. The objective is to maximize investment return over a market cycle by investing in mid/small capitalization equities having the potential to generate investment returns exceeding ~~those of~~ a passively managed mid/small stock index.

Mid/Small capitalization growth stock managers generally purchase companies with a market capitalization of greater than $500 million.

Mid/Small capitalization equity manager performance parameters include the following:

- Performance within the top half of a Universe of Mid/Small Capitalization Value or Growth Managers

- Performance comparable to the appropriate Russell ~~2000 Value or Russell 2000 Growth~~ Indexes.

- The risk associated with the manager's portfolio as measured by the variability of quarterly returns (standard deviation) should not exceed ~~that of~~ the appropriate index without a corresponding increase in performance above the index.

- Achieve the performance parameters within a time horizon of a minimum of three to five years or a full market cycle for the mid/small capitalization market.

c.) <u>International Stocks</u>

International Stocks are expected to improve total portfolio diversification and provide opportunities for higher incremental returns in the long run. The objective is to maximize investment return over a market cycle by investing in international securities through American Depository Receipts (ADRs) as well as any foreign company that trades directly in a U.S. equity market. These equities should generate investment returns exceeding ~~those of~~ a passively managed international index.

International equity manager performance parameters include the following:

- Exceed the MSCI EAFE – Net Dividend or MSCI All Country World ex USA Indexes.

- The risk associated with the manager's portfolio as measured by the variability of quarterly returns (standard deviation) should not exceed ~~that of~~ the appropriate index without a corresponding increase in performance above the index.

- Achieve the performance parameters within a time horizon of a minimum of three to five years or a full market cycle of the international market.

D. Fixed Income

Fixed income securities shall be invested entirely in marketable debt securities issued or guaranteed by either (a) the United States Government or its agencies, (b) domestic corporations (including industrial and utilities) or Israel Bonds (c) domestic banks and other US financial institutions. All securities must hold a rating in one of the three highest classifications by a major rating service. Such investments shall all be in accordance with the Code of the City of Port Orange. Any investments that do not fall under the criteria listed above are prohibited from being purchased. Securities ratings reduced beneath the three highest classifications after purchase should be sold by the portfolio manager within a reasonable period of time as determined by the manager. It is the manager's responsibility to notify the board in writing immediately after a security is downgraded below the policy guidelines. The written explanation should describe the manager's intentions regarding the disposition of the security being downgraded. Restrictions on fixed income include the following:

1. Except for Treasury and Agency obligations, the debt portion of the Fund shall contain no more than ten percent (10%) of a given issuer irrespective of the number of differing issues. Other diversification standards should be developed and applied by the Investment Manager(s).

2. If commercial paper is used it must be only of the highest quality (A-1 or P-1).

3. Private placement debt is not permissible.

Fixed income manager(s) performance parameters include the following:

- Performance comparable to the Barclays Capital Intermediate Government/Credit Bond Index (BC Int. G/C)

- The risk associated with the manager's portfolio as measured by the variability of quarterly returns (standard deviation) must not exceed ~~that of~~ the Barclays Capital Intermediate Government/Credit Bond Index without a corresponding increase in performance above the index.

- Achieve the above objectives within a time horizon of a minimum of three to five years or a full market cycle.

IV. ALTERNATIVE ASSET CLASSES - INVESTMENT GUIDELINES

Alternative asset classes historically have low to moderate correlation to market indices. Alternative asset classes are expected to improve total portfolio diversification and provide opportunities for higher incremental returns over the long-term. Many of the asset categories are expected to generate absolute returns (positive returns regardless of market environment) versus relative returns (returns comparative to a given benchmark).

Alternative asset classes guidelines differ from traditional asset classes guidelines. Alternative asset managers may use leverage and derivatives, may short securities, generally have higher fees, typically have reduced liquidity, and performance is dependent primarily on advisor skill.

A. Funds of Hedge Funds (FofHFs)

Hedge Funds (HF) and Fund of Hedge Funds (FofHFs) are private investment funds investing primarily in the global equity and fixed income markets typically employing sophisticated trading strategies using leverage and derivative instruments. FofHFs invests in multiple, single manager hedge funds. The strategy designs a diversified portfolio of managers with the objective of significantly lowering the risk (volatility) of investing with an individual manager. The FofHFs manager has discretion in choosing which strategy to invest in for the portfolio. A manager may allocate funds to numerous managers within a single strategy, or with numerous managers in multiples strategies. The investor has the advantage of diversification among managers and styles with significantly less capital than investing with separate managers.

Low Volatility Funds of Hedge Funds (LVFofHFs)
The ~~LVFofHFs~~ manager selects hedge fund investment managers that invest in Relative Value Arbitrage/ Event Driven asset classes. Relative Value Arbitrage/ Event Driven asset class categories consists of hedge fund managers specializing in Convertible Arbitrage, Fixed Income Arbitrage, Distressed, Statistical Arbitrage, and Equity Market Neutral Strategies.

Mid to High Volatility Funds of Hedge Funds (MHVFofHFs)
The ~~MHVFofHFs~~ manager selects hedges fund investment managers that invest in Long/ Short, Global Macro/ Managed Futures, and Manager Futures asset classes.

a.) Low Volatility Funds – Hedge Funds (HFs) & Funds of Hedge Funds (~~LV~~FofHFs)

Low volatility funds ~~LVFofHFs~~ are expected to improve total portfolio diversification and provide opportunities to achieve higher incremental returns in the long-term. The objective is to provide absolute returns over a market cycle.

The standard deviation for the combination of hedge fund managers' strategies are expected to have return volatility in the range of 2-5% over a market cycle.

Low volatility funds ~~LVFofHFs~~ manager performance parameters include the following:

- Exceed appropriate Hedge Fund Research, Inc. index ~~Fund of Funds Conservative Index (HFRI FOF Conservative Index)~~.

- The risk associated with the manager's portfolio as measured by the variability of quarterly returns (standard deviation) must not exceed ~~that of~~ the appropriate index ~~HFRI FOF Conservative Index~~ without a corresponding increase in performance above the index.

- Achieve the performance parameters within a time horizon of a minimum of three to five years or a full market cycle.

- Compare to the Barclays Capital US Aggregate Bond Index for return and risk over a time horizon of three to five years or a full market cycle.

b.) <u>Mid to High Volatility Funds – Hedge Funds (HFs) & Funds of Hedge Funds (~~MHV~~FofHFs)</u>

Mid to high volatility funds ~~MHVFofHFs~~ are expected to improve total portfolio diversification and provide opportunities to achieve higher incremental returns in the long-term. The objective is to provide absolute returns over a market cycle. The standard deviation for the combination of hedge fund managers strategies are expected to have return volatility in the range of 5-15% over a market cycle.

Mid to high volatility funds ~~MHVFofHFs~~ manager performance parameters include the following:

- Exceed appropriate Hedge Fund Research, Inc. ~~Fund of Funds~~ index.

- The risk associated with the manager's portfolio as measured by the variability of quarterly returns (standard deviation) must not exceed ~~that of~~ the appropriate index ~~HFRI FOF~~ without a corresponding increase in performance above the index.

B. <u>Private Real Estate</u>

Private real estate investments are expected to improve total portfolio diversification and provide income and opportunities for higher incremental returns in the long-term. The objective is to maximize investment return over a market cycle by investment in real estate through private ownership. The investment managers are permitted to invest in private real estate. Private real estate will be purchased through an institutional vehicle. The institutional vehicle provides diversification of property type and geographical location and provides a competitive price structure. These private real estate investments should generate investment returns exceeding ~~those of~~ a passively managed private real estate index.

Private real estate investment performance parameters include the following:

- Exceed the National Council of Real Estate Investment Fiduciaries (NCREIF) Property Index or Open-End Diversified Core Index .

- The risk associated with the manager's portfolio as measured by the variability of quarterly returns (standard deviation) must not exceed ~~that of~~ the comparison index without a corresponding increase in performance above the index.

- Achieve the above objectives within a time horizon of five to ten years or a full real estate market cycle.

V. STATE MANDATED REQUIREMENTS

1. EXPECTED ANNUAL RATE OF RETURN. For each actuarial valuation, the board shall determine the total expected annual rate of return for the current year, for each of the next several years, and for the long term thereafter. This determination must be filed promptly with the Department of Management Services and with the plan's sponsor and the consulting actuary.

2. THIRD-PARTY CUSTODIAL AGREEMENTS. The securities should be held with a third party, and all securities purchased by, and all collateral obtained by, the board should be properly designated as an asset of the board. No withdrawal of securities, in whole or in part, shall be made from safekeeping except by an authorized member of the board or the board's designee. Securities transactions between a broker-dealer and the custodian involving purchase or sale of securities by transfer of money or securities must be made on a "delivery vs. payment" basis, if applicable, to ensure that the custodian will have the security or money, as appropriate, in hand at the conclusion of the transaction.

3. MASTER REPURCHASE AGREEMENT. All approved institutions and dealers transacting repurchase agreements shall execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions shall adhere to requirements of the Master Repurchase Agreement (where applicable).

4. BID REQUIREMENT. The board shall determine the approximate maturity date based on cash-flow needs and market conditions, analyze and select one or

more optimal types of investment, and competitively bid the security in question when feasible and appropriate. Except as otherwise required by law, the most economically advantageous bid must be selected.

5. INTERNAL CONTROLS. The board shall establish a system of internal controls which shall be in writing and made a part of the board's operational procedures. The policy shall provide for review of such controls by independent certified public accountants as part of any financial audit periodically required of the board's unit of local government. The internal controls should be designed to prevent losses of funds which might arise from fraud, error, misrepresentation by third parties, or imprudent actions by the board or employees of the unit of local government.

6. CONTINUING EDUCATION. The continuing education of the board members in matters relating to investments and the board's responsibilities is required.

7. REPORTING. Appropriate annual or more frequent periodic reports of the investment activities shall be prepared for submission to the City Council. The reports shall include investments in the portfolio by class or type, book value, income earned, and market value as of the report date. Such reports shall be available to the public.

8. FILING OF INVESTMENT POLICY. Upon adoption by the board, the investment policy shall be promptly filed with the Florida Department of Management Services and the City of Port Orange and consulting actuary. The effective date of the investment policy, and any amendment thereto, shall be the 31st calendar day following the filing date with the City of Port Orange.

9. VALUATION OF ILLIQUID INVESTMENTS. Illiquid investments for which a generally recognized market is not available or for which there is no consistent or generally accepted pricing mechanism shall be valued in accordance with Section 215.47(6), Florida Statutes, when those investments are utilized. Any asset without a fair market value shall be excluded from the determination of annual funding costs. The Board shall notify the Florida Department of Management Services and the City of Port Orange of each such asset.

VI. REVIEW OF INVESTMENT MANAGERS

The Board will meet at least semiannually with the consultants. Additionally, the Board will review investment results quarterly.

These reviews will focus on:

- the managers' adherence to the policy guidelines;
- comparison of managers' results against funds using similar policies (in terms of the diversification, volatility, style, etc.);
- the opportunities available in both equity and debt markets; and
- material changes in the managers' organizations, such as philosophical and personnel changes, acquisitions or losses of major accounts, etc.

VII. PERFORMANCE EXPECTATIONS

The most important performance expectation is the achievement of investment results ~~that are~~ consistent with the Plan's investment policy statement. A 4.0% real return is a reasonable expectation in light of this policy. The Board recognizes that this real return objective may not be attainable during some time periods, it is a long term goal. In order to ensure that investment opportunities available over a specific time period are fairly evaluated, the Board will use comparative performance statistics to evaluate investment results. Performance of the Plan will be compared to other funds utilizing a similar investment policy.

VIII. FIDUCIARY AND OTHER RESPONSIBILITIES

The Investment Manager shall carry out its duties with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims. The Investment Manager shall discharge its duties hereunder solely in the interest of the Pension Fund's participants and beneficiaries for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the Pension Fund's retirement plan. The Investment Manager shall diversify the assets in the account so as to minimize the risk of large losses. The Investment Manager, by execution of this Agreement, acknowledges that it is a fiduciary with respect to the Pension Fund and a named fiduciary within the meaning of Section 112.656(2), Florida Statutes.

IX. POLICY REVIEW

Periodic reviews of the Policy Statement will be made by the Board to evaluate its appropriateness. Any modification of policy guidelines shall be approved by the Board of Trustees and acknowledged in writing by the investment managers.

Adopted ____________ Signed ______________________________
Date Chairman

Investment Manager's Acknowledgment

I, the undersigned, acknowledge ~~that~~ I have received the policy statement for the City of Port Orange Police Pension Fund, dated ~~February 20, 2015~~ August 19, 2016. I affirm ~~that~~ I have read and understand said Policy Statement, and do hereby agree to abide to the guidelines expressed in the Policy Statement.

Name of Firm ______________________________

Signed ______________________________ Date ______________

FLORIDA DEPARTMENT OF MANAGEMENT SERVICES
retirement
We serve those who serve Florida

Bureau Local Retirement Systems
Municipal Police Officers' & Firefighters' Trust Funds' Office
P.O. Box 3010
Tallahassee, FL 32315-3010
Tel: 850-922-0667 | Fax: 850-921-2161 | Toll-Free: 877-738-6737

Rick Scott, Governor

Chad Poppell, Secretary

APPROVED

RECEIVED 8/6/2016

MEMORANDUM

August 2, 2016

To: Mr. Steven M. Braddock, Chairman
Port Orange Police Officers' Pension Fund

From: Office of Municipal Police Officers' and Firefighters' Retirement Trust Funds, Division of Retirement

Subject: 2015 ANNUAL REPORTS

This is to advise that we have **reviewed** and **approved** the 2015 Annual Report (s) for the Port Orange Police Officers' Pension Fund.

The 46th Annual Police Officers' and Firefighters' Pension Conference is scheduled for November 2-4, 2016, sponsored by the Department of Management Services, Division of Retirement. **There is no registration fee to attend.** The program will be held at the Radisson Resort, Orlando Celebration. The hotel is located at 2900 Parkway Boulevard, Kissimmee, FL, 34747. You may make hotel reservations by calling 407-396-7000. If you call to make a reservation, please state you will be attending the conference.

If you have any questions, please contact our office at (850) 922-0667.

mjm

Copy: Paula C. Freiman, Plan Actuary
Karan Rounsavall, Plan Administrator ✓

Approved

Emailed notice to trustees, finance, etc. 8/7/2016
-kr

SUGARMAN & SUSSKIND
PROFESSIONAL ASSOCIATION
ATTORNEYS AT LAW

Robert A. Sugarman♦
Howard S. Susskind
Kenneth R. Harrison, Sr.
D. Marcus Braswell, Jr.
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Broward 327-2878
Toll Free 1-800-329-2122
Facsimile (305) 447-8115

TO: Board of Trustees

FROM: Sugarman & Susskind, P.A.

DATE: May 24, 2016

Re: *IRS Proposed Regulations regarding Normal Retirement Age and In-Service Distributions*

Dear Trustees:

We recently reported to you that the IRS has issued proposed regulations that would set clear standards for governmental plans with regard to Normal Retirement Age and In-Service Distributions.

As we explained in our report, current law permits qualified pension plans to pay pension benefits to a member once that member has attained normal retirement age under the plan, even if the member has not yet separated from employment. Such payments are called "in-service distributions."

The proposed regulations establish "safe harbor" normal retirement ages that the IRS considers to be reasonable for the commencement of in-service distributions. As long as a plan that makes in-service distributions does not set its normal retirement age below the safe harbor age, the plan will be considered to be in compliance with the regulations.

In addition, a qualified plan may only make in-service distributions if such distributions are not inconsistent with the plan document. Therefore, compliance with the regulations depends both upon the language in the plan document, and the administration of the plan.

In order to prepare you for compliance, we have completed a review of your plan document, and have determined that the following additional information is necessary to our evaluation:

1) Whether any retirees under the plan are currently working for the plan sponsor (the contributing employer to the plan);

2) The retiree's former position/job title with the plan sponsor;

3) The retiree's new position/job title with the plan sponsor;

4) The retiree's prior job classification/duties with the plan sponsor;

5) The retiree's new job classification/duties with the plan sponsor;

6) The age of the retiree on the date at which the re-hire was effective;

7) Whether the retiree left on early or normal retirement or disability;

8) The average number of hours per month that the retiree has worked since re-hire.

Once we receive the requested information, we will advise you of any required plan of action, if any, to ensure that the operation of the plan is consistent with the plan document, and that both comply with the new IRS guidelines.

We look forward to discussing this matter with you further once our analysis is complete.

Florida Public Pension Trustees Association

Trustees School Program Agenda

September 25—28, 2016

Hyatt Regency Coconut Point

Bonita Springs, FL

Saturday, September 24, 2016

- 2:00 pm—Board of Directors—Captiva

Sunday, September 25, 2016

- 3:00 pm—7:00 pm—School Registration—Calusa Foyer
- 3:30 pm—5:00 pm—FPPTA New Member Orientation—Great Egret
- 5:00 pm—7:00 pm—Welcome Gathering—Estero Ballroom

Monday, September 26, 2016

7:30 am—8:30 am Continental Breakfast ❧ 7:30 am—3:30 pm School Registration

			Calusa C
8:30 am—9:30 am Attendance scanning must be completed by 8:25 am	**Becoming A Trustee** Ann Thompson, CPPT *FPPTA Board of Directors* Fred Nesbitt *FPPTA Media Consultant* 1	**Equity Investment Practices** Harry Radovich *DePrince, Race & Zollo* Steve Stack *Highland Capital Management* 20	**Modification of Pension Plans Legal Impact** Mark Floyd *Mierzwa & Floyd, P.A.* 4
9:35 am—10:15 am	**Fiduciary Roles of Pension Professionals** Brent Chudachek, CPPT *Rice Pugatch Robinson Storfer & Cohen, PLLC* 2	**Bond Portfolio** Brad Coats *Agincourt Capital Management* 21	**Understanding & Evaluating Alternatives & Benchmarking** Leon Palandjian *Intercontinental Capital* 4
10:40 am—11:20 am	**Pension Fundamentals** **Moderator:** Brad Rinsem *Salem Trust* Mark Boghich, III, CPPT *FPPTA Education Committee* Tyler Grumbles *Bogdahn Group* Tracy Musser *Thompson, Siegel & Walmsley, LLC* 3	**Business Cycles** Randy Kirkland *Kennedy Capital Management* 22	**Impact of Geographic Markets** Steve Roth *Dahab Associates* 4
11:25 am—12:05 pm		**Establishing a Funding Policy** Pete Strong *Gabriel, Roeder, Smith & Co.* 23	**Dealing with a Low Yiel Environment** James Womack *Atlanta Capital Management* 4
1:20 pm—2:00 pm	**Overview Chapter 112** Ron Cohen, CPPT *Rice Pugatch Robinson Storfer & Cohen, PLLC* 4	**Attributes of Rebalancing** Aaron Lally *Meketa Investment Group* 24	**Impact of SB 172—Premium Tax Monies** Bonni Jensen *Klausner, Kaufman, Jensen & Levinson* 4
2:05 pm—2:45 pm	**Capital Markets Equity** Charles Cook *The Boston Company* 5	**ERISA Impact on Public Plans** Tim Bowen *Buck Consultants* 25	**Terminating Service Providers** Ken Harrison, CPPT *Sugarman & Susskind* Tela Thompson, CPPT *FPPTA Education Committee* Grant McMurry, CPPT *Highland Capital Management* 4
3:10 pm—3:50 pm	**Capital Markets—Fixed Income** Paul Lundmark, CPPT *Richmond Capital Management* 6	**Evaluating Service Providers** Chuck Jeroloman *Saxena White* 26	**Implementing Actuarial Assumptions** Chad Little *Freiman Little Actuaries, LLC* 4
3:55 pm—4:25 pm	**Basic Review** Jack Farland, CPPT Ann Thompson, CPPT	**Intermediate Review** Lynn Bernstein, CPPT Warren West, CPPT	**Advanced Review** Grant McMurry, CPPT Rich Grover, CPPT

Tuesday, September 27, 2016

FPPTA
FLORIDA PUBLIC PENSION TRUSTEES ASSOCIATION
SINCE 1984

7:30 am—8:30 am Continental Breakfast & 7:30 am—3:30 pm School Registration

8:30 am—9:10 am Attendance scanning must be completed by 8:25 am	**History of Returns** Brendon Vavrica, CPPT *Bogdahn Group* 7	**Compliance with Chapter 112-175-185** Adam Levinson *Klausner, Kaufman, Jensen & Levinson* 27	**Asset Allocation** Larry Cole *Burgess Chambers & Associates* 47
9:15 am—9:55 am	**So You Are A New Trustee...Now What?** Greg White *Investment Performance Services* 8		**Emerging Markets** Greg Holden *Manning Napier* 48
10:00 am—10:40 am	**Ethics for Trustees** Caroline Klancke *Florida Ethics Commission on Ethics* 9	**Disability Process** Pedro Herrera *Sugarman & Susskind* 28	**Advanced Issues in Real Estate** Jay Butterfield *American Realty Advisors* 49
10:40 am			
11:05 am—11:45 am	**Actuarial Model** Chad Little *Freiman Little Actuaries, LLC* 10	**Alternative Investments** Valerie Sill *DuPont Capital Management* 29	**Global Equity Markets** Kurt Wood *DePrince, Race & Zollo* 50
11:50 am—12:30 pm	**Alternative Investments** John Griffith, Jr., CPPT *CapTrust Advisors, LLC* 11	**International Investment Options** Peter Kenny *JP Morgan Asset Management* 30	**Cash Flow Requirements** Jose Fernandez *Cavanaugh Macdonald Consulting* 51
12:30			
1:50 pm—2:30 pm	**Hiring Service Providers** David Puscher, CPPT *FPPTA Education Committee* 12	**Building a Real Estate Portfolio** Kevin Ryan *Cornerstone Real Estate Advisors* 31	**Ways to Amoritize Unfunded Liability** David Harris *Nyhart Company, Inc.* 52
2:35 pm—3:15 pm	**Responsibilities of a Public Pension Trustee** Steve Corbet, CPPT *FPPTA Education Committee* 13	**Educating Those Who Matter** Susan Marden *FPPTA Public Relations Consultant* Fred Nesbitt *FPPTA Media Consultant* 32	**Ethics Case Study** Ken Harrison, CPPT *Sugarman & Susskind* 53
3:15			
3:40 pm—4:20 pm	**Basic Review** Jack Farland, CPPT Ann Thompson, CPPT	**Intermediate Review** Lynn Bernstein, CPPT Warren West, CPPT	**Advanced Review** Grant McMurry, CPPT Rich Grover, CPPT

CEU Breakout Sessions
Monday, September 26, 2016

7:30 am—8:30 am Continental Breakfast & 7:30 am—3:30 pm School Registration

[illegible]		[illegible]	[illegible] Calusa II
8:30 am—9:30 am Attendance scanning must be completed by 8:25 am	**SMOOTHING OUT EMPLOYER CONTRIBUTIONS** David Harris *Nyhart Company, Inc.* *A1*	**PENSION FUNDING POLICY—BENEFIT SECURITY & CONTRIBUTION STABILITY** Mark Meyer *Aon Hewitt* *B1*	**ADMINISTRATOR'S ROUND TABLE DISCUSSION** Mark Boghich, III, CPPT *FPPTA Education Committee* C
9:35 am—10:15 am	**LITIGATION OUTSIDE THE US** Jonathan Davidson, CPPT *Kessler Topaz Meltzer & Check, LLP* *A2*	**SMALL CAP INVESTING** Randy Kirkland *Kennedy Capital Management* *B2*	**UNDERSTANDING YOUR PLAN'S ACTUARIAL VALUATION REPORT** Melissa Moskovitz *Gabriel, Roeder, Smith & Co.* C
10:1[illegible]	[illegible]		
10:40 am—11:20 am	**DEBUNKING THE MYTHS OF SOCIAL INVESTING** Bruce Kahn *Sustainable Insight Capital Management* *A3*	**CURRENT MARKET CONDITIONS** Dan Veru *Palisade Capital Management* *B3*	**QUADRO'S CHILD SUPPORT & COURT ORDERS** Bonni Jensen *Klausner, Kaufman, Jensen, & Levinson* C
11:25 am—12:05 pm	**VOLATILITY BASED INVESTMENT STRATEGIES** Chris DeMeo *Nu Paradigm Investment Partners, LLC* *A4*	**FLORIDA LEGISLATIVE ISSUES** Lee Dehner *Christiansen & Dehner* *B4*	**PRIVATE CREDIT** Randy Schwimmer Jennifer Pedigo *TIAA Global Asset Managemen* C
12:0[illegible]	[illegible]		
1:20 pm—2:00 pm	**EXECUTION OF PLAN DOCUMENTS** Mark Floyd *Mierzwa & Floyd, P.A.* *A5*	**COMMODITIES INVESTING** Michael McHugh *Invesco* *B5*	**LIQUID ALTERNATIVES** Todd Borton *Southeastern Advisory Service* C5
2:05 pm—2:45 pm	**COMMISSION RECAPTURE & EVENT TRADING** John Seyler *Convergex* *A6*	**ADDING VALUE...WHILE CONTROLLING RISK** Dave Fraley *Virtus Investment Partners* *B6*	**CUSTODIAL OPERATIONS** Brad Rinsem *Salem Trust* C
2:4[illegible]	[illegible]		
3:10 pm—3:50 pm	**TBA** *A7*	**GLOBAL EQUITY INVESTING** Lode Deviaminck *DuPont Capital Management* *B7*	**PENSION FORFEITURES** Dustin Watkins *Sugarman & Susskind* C
3:55 pm—4:25 pm	**TRENDS IN INTERNATIONAL INVESTING** Jack White *Todd Asset Management, LLC*	**INVESTING IN A LOW RATE ENVIRONMENT** John Rochford *Inverness Counsel, LLC* B8	**TELEMEDICINE...SAVINGS T THE HEALTH CARE INDUSTRY** [illegible] C

CEU Breakout Sessions
Tuesday, September 27, 2016

7:30 am—8:30 am Continental Breakfast & 7:30 am—3:30 pm School Registration

[illegible]		[illegible]	[illegible]—Calusa II
8:30 am—9:10 am Attendance scanning must be completed by 8:25 am	**Effects of Rising Interest Rates on Real Estate** Michael Lucci *Bloomfield Capital* *A9*	**Infrastructure Investing** Jane DiGiacomo *Blackrock* *B9*	**Importance of Adopting a Funding Policy** Brad Armstrong *Gabriel, Roeder, Smith & Co.* *C*
9:15 am—9:55 am	**IRS Rules** Robert Sugarman *Sugarman & Susskind* *A10*	**TBA** *B10*	**China's Outlook & Positioning** Doug Jackman *Thomas White International* *C*
10:00 am—10:40 am	**Actuarial Assumption Reviews** Tim Bowen Kevin Spanier *Buck Consultants* *A11*	**Investing in US Farmland** Hunt Stookey *Ceres Partners* *B11*	**Who is Watching the D.C House?** Steve Gordon *Bogdahn Group* *C*
10:4[illegible]	[illegible]	[illegible]	[illegible]
11:05 am—11:45 am	**Asset Allocation** Scott Owens *Graystone Consulting* *A12*	**Evolution of Smart Beta ETF's** Todd Page *Powershares ETF's* *B12*	**State Ethics Law for Public Pension Trustee** Caroline Klancke *Florida Ethics Commission on Ethics* *C*
11:50 am—12:30 pm	**How Central Bank Policy Has Influenced Asset Prices** Kenneth Temple *BTIG, LLC* *A13*	**Review of Online Public Pension Resources** Adam Levinson Sean McKinstry *B13*	
12:[illegible]	[illegible]	[illegible]	[illegible]
1:50 pm—2:30 pm	**TBA** *A14*	**Educating/ Communicating With Members** *B14* Mark Boghich, III, CPPT *FPPTA Education Committee*	**Alternatives for Managing Unfunded Liabilities** Eric Atwater *Aon Hewitt* *C*
2:35 pm—3:15 pm	**What's Driving Interest in Core-Plus Real Estate** Todd White *Principal Real Estate Investors* *A15*	**Maximizing Retirement by Minimizing Healthcare Costs** Travis Smith *Foster & Foster Consulting Actuaries* *B15*	**Recover Planned Asset** Marlon Kimpson *Motley Rice, LLC* *C*
3:[illegible]	[illegible]	[illegible]	[illegible]
3:40 pm—4:20 pm	**Liquid Alternatives** Suny Park	**Recent Securities Fraud** Joshua Ruthizer	*C* **Investing in Latin America**

FPPTA
FLORIDA PUBLIC PENSION TRUSTEES ASSOCIATION
SINCE 1984

Wednesday, September 28, 2016

7:00 am—8:45 am Continental Breakfast ↝ 8:00 am—10:00 am School Registration

	ion	ting —Advance
8:45 am	CERTIFICATE PRESENTATIONS	
9:00 am—10:15 am Attendance scanning must be completed by 8:55 am	CHARTING THE COURSE THROUGH DEMOGRAPHIC CHANGE *John Maketa, Demographer*	**Exams Begin at 8:00 am**

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Special Programs

FPPTA Individual Retirement Program: Featuring the FPPTA's long-time favorite Dee Lee (7th offering). This program will guide you through the process of preparing for retirement. Focusing on what to do … and recommendations on how to accomplish this mission will be shared during this two day program. This program also serves as an opportunity for all trustees and administrators to participant in a Pre-Retirement Planning Program. The FPPTA believes a similar program or some version of this program could be offered to beneficiaries of your pension plans. **Pre-Registration Required…** Participation will be LIMITED to the first 50 (FPPTA members & guests) pre-registered. This program is open to all FPPTA members.

FPPTA Fixed Income Certificate Program: "Understanding Your Fixed Income Allocation" is the third FPPTA certificate offering. This all day program is scheduled for Monday, September 26th and open to all members who have **completed the CPPT Program**. The program will concentrate on searching for yield in a low yield/rising volatility environment, as well as finding the right balance of Traditional and Alternative Fixed Income Investments. **Pre-Registration Required…**Participation will be LIMITED to the first 50 who have pre-registered. Certificates will be presented on Wednesday morning at 8:45 am.

FPPTA Leadership Boot Camp: The FPPTA Education Committee is pleased to announce that all FPPTA members are eligible to participate in the third offering of Don Trone's FPPTA Leadership Boot Camp. This unique and stimulating program is a MUST attend! This all day program will be offered on Tuesday, September 27th.
Pre-Registration Required…Participation will be LIMITED to the first 50 who have pre-registered. Certificates will be presented on Wednesday morning at 8:45 am.

Program Reminders

CEU Sessions: There will be three (3) concurrent sessions along with three (3) Special Programs. As a result of your past program evaluations, the FPPTA Education Committee has created a complete small breakout session agenda. PLEASE remember…all sessions offered have limited room capacity. Your cooperation is truly appreciated.

FPPTA Attendance Policy: We ask all attendees to scan in first thing each morning (no later than 8:25 am) and scan out after the last session of the day. Daily scanning was implemented to preserve the integrity and more efficiently track attendance related to our CPPT Program. Thank you for your support and cooperation.

CEU Credits: You will earn ten (10) CEUs for attending these sessions providing you scan in and out daily. Please review the agenda carefully so that you may attend the session of your choosing.

2017 Upcoming Events

Winter Trustees School
Rosen Center, Orlando
January 29—February 1, 201

17th Annual Wall Street Program
Marriott East Side NYC
New York, NY
March 28—April 1, 2017

13th Annual Fishing Tournament
Tarpon Lodge
Pine Island
May 5—6, 2017

33rd Annual Conference
Omni ChampionsGate
Orlando
June 25—28, 2017

Trustees School
Marriott Waterside
Tampa
October 8—11 , 2017

Special Note: It is the FPPTA's objective to provide the best educatio possible to its membership. Providing education has many variables, so if yc have any suggestions to improve our education programs, please feel free t contact Peter Hapgood, the FPPTA's Education Consultant, at peterhapgood@fppta.org or by calling 508 612 2817

Subject: 46th Annual Police Officers' and Firefighters' Pension Conference
From: DivisionOfRetirement@rol.frs.state.fl.us
Date: 7/27/2016 10:17 AM
To: rounsavall@earthlink.net

TO:	Board of Trustee Members and Other Interested Parties
FROM:	Florida Division of Retirement Municipal Police Officers' and Firefighters' Pension Office
SUBJECT:	46th Annual Police Officers' & Firefighters' Pension Conference November 2-4, 2016 - Orlando, Florida

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Save the Date! Our 46th Annual Police Officers' & Firefighters' Pension Conference is scheduled for November 2-4, 2016, sponsored by the Department of Management Services, Division of Retirement. This program is uniquely designed for pension plans established under Chapters 175 & 185, Florida Statutes.

Wednesday's program, on November 2, is designed specifically for new trustees, for those interested in becoming trustees, or for those who want a basic understanding of the operation of the pension plan. The program will offer a no-nonsense explanation of how the pension plan works and will include lectures from a plan attorney, actuary, and the Division of Retirement on the trustees' responsibilities. Participants will be encouraged to ask questions and participate in group discussions focusing on the fundamentals of pension fund management. If you are a new trustee, we encourage you to participate in this special program.

Thursday and Friday's programs, on November 3 and 4, are designed for both the new and seasoned trustee and will feature presentations on legal, actuarial, investment, administrative, and government in the sunshine issues, as well as an update on any Legislative changes. We will also be discussing new changes to the annual report, so make sure you attend! There will be an opportunity for questions and answers after each speaker to provide you with a chance to address concerns specific to your plan.

Special Announcement: Attendees will be given an opportunity to view the new active online annual report submission process, which will be in effect starting with the upcoming 2016 Annual Reports. This will be an exclusive preview of the online submission reporting process prior to submitting your next annual report.

There is no registration fee to attend! The program will be held at the Radisson Resort, Orlando Celebration, Florida. The Hotel is located at 2900 Parkway Blvd, Kissimmee, Florida 34747. To book your room please click. *here*. It is important to use this link or state that you are attending the Police Officers' and Firefighters' Pension Conference when booking. This helps us to continue getting facilities to host our Fall conference.

Conference materials will be available for free by download on our website prior to the conference. If a participant prefers to have a hard copy of the materials printed, we are making arrangements for conference books to be available for purchase directly from the printer. Contact information for the printer and the cost for book purchase will be posted to our website and emailed soon. The books will be transported to the hotel and distributed to participants that pre-purchased the materials. **Conference materials must be pre-purchased and will not be available to purchase on-site.**

All police officer and firefighter plan participants, board of trustee members, plan sponsors, administrators, accountants, actuaries, investment advisors, legal counselors, other advisors, and anyone interested in the administration and operation of the Chapters 175 and 185 Pension Plans should take advantage of this unique, insightful, and informative program.

Please remember, we are only able to continue providing.these low cost / no cost conferences for our plans based on.satisfactory attendance. *We know that plan participants and board members fulfill a vital role in our communities, and although you may not be. able to attend every program, Florida Statutes require that the plan investment policy provide for continuing education of board members. This program will help to satisfy that requirement and educate the attendees on how the plans may be most effectively administered to ensure .theircontinued health. Please consider our program when making your training plans so that we can continue to offer them to you.*

In the upcoming months, you will be able to access information and updates about the Fall Conference, including a copy of the program when completed, and links to register at the Radisson Resort, Orlando Celebration, on our website. If you have any questions, you may contact our office toll free at (877) 738-6737, or locally at (850) 922-0667.

I look forward to meeting with you in November, in Kissimmee!

PORT ORANGE POLICE PENSION PLAN
DESIGNATION OF BENEFICIARY

PLEASE PRINT CLEARLY:

Participant's Name:____

Social Security # (Last Four Digits)____________________________________

Date of Birth:____

1. Primary Beneficiary

I hereby designate the following person as my beneficiary entitled to receive any benefit due in the event of my death:

a. Name Beneficiary:____

b. Relationship to Participant:___________________________________

c. Beneficiary's Social Security # (Last Four Digits):____________________

d. Date of Birth of Beneficiary:___________________________________

e. Sex of Beneficiary: Male________Female__________

f. Home Address of Beneficiary:_________________________________

____

g. Telephone # of Beneficiary:______________________________

2. Contingent Beneficiary

If the above-named primary beneficiary dies before me, or is not available to receive any benefit due, I designate the following person as the contingent beneficiary entitled to receive any benefit due in the event of my death:

a. Name of Contingent Beneficiary:________________________________

b. Relationship to Participant: ___________________________________

c. Beneficiary's Social Security # (Last Four Digits): ____________________

d. Date of Birth of Beneficiary: ___________________________________

e. Sex of Beneficiary: Male__________Female __________

f. Home Address of Beneficiary: _________________________________

____

g. Telephone Number of Beneficiary: __________________________

The preceding designation of beneficiary revokes any and all prior designations of beneficiaries.

If any designated Beneficiary shall predecease me, the rights and interests of such Beneficiary shall thereupon automatically terminate. In such event any interest held by the Beneficiary by reason of my death and participation herein shall cease and terminate completely.

I reserve the right to change the designated Beneficiaries at any time upon filing a new written request with the Port Orange Police Pension Board and which request, when received by the Board, shall revoke any prior selection or designation of Beneficiary. The consent of a Beneficiary shall not be required to effectuate any change.

BE SURE TO KEEP YOUR BENEFICIARY INFORMATION UPDATED WITH THE PLAN

_________________________________ _______________
Participant's Signature Date

____
Participant's Printed Name

STATE OF FLORIDA
COUNTY OF VOLUSIA

SWORN TO (or AFFIRMED) AND SUBSCRIBED before me this__________day of

_________________, 20____, by____.

______________Personally known to me

______________OR produced identification

Type of identification produced: ____

____
Signature - Notary Public

____
Printed Name of Notary

Received this ___________ day of __________________________

By: ____
On behalf of Port Orange Police Pension Board

SUMMARY OF RELEVANT FACTS
Port Orange Municipal Police Officers' Retirement Plan
As of June 30, 2016

Distribution of Assets		
Equity		
-Lg. Cap. Value	$3,307,641.30	
-Lg. Cap. Growth	$3,087,770.90	
-Large Cap. Core	$3,047,178.34	
-Small Cap. Value	$1,705,556.77	
-Small Cap. Growth	$1,816,443.87	
-International Value	$1,389,637.09	
-International Growth	$1,434,016.53	
Total Equity		$15,788,244.80
Fixed		$7,803,274.62
Hedge Fund of Funds		$2,585,621.37
Private Real Estate		$2,169,990.12
Cash (Deposit/Disbursement Account)		$93,190.08
Total Portfolio		$28,440,320.99

Distribution by Percentages	Policy	Current
Equity Breakdown		
- Large Cap. Value	11.25%	11.63%
- Large Cap. Growth	11.25%	10.86%
- Large Cap. Core	10.00%	10.71%
- Small Cap Value	6.25%	6.00%
- Small Cap Growth	6.25%	6.39%
- International Value	5.00%	4.89%
- International Growth	5.00%	5.04%
Total Equity	55.00%	55.51%
Fixed Income	27.50%	27.44%
Hedge Fund of Funds	10.00%	9.09%
Private Real Estate	7.50%	7.63%
Cash (Deposit/Disbursement)	0.00%	0.33%
Total	100.00%	100.00%

UBS		
Total Assets	100.00%	$2,169,990.12
Equity	100.00%	$2,169,990.12
Cash	0.00%	$0.00
Fees		($9,040.05)
Gain or (Loss) - Gross-of-Fees		$38,048.70
Gain or (Loss) - Net-of-Fees		$29,008.65

DEPOSIT & DISBURSEMENT		
Total Assets	100.00%	$93,190.08
Equity	0.00%	$0.00
Cash	100.00%	$93,190.08
Fees		$0.00
Gain or (Loss) - Gross-of-Fees		$7.75
Gain or (Loss) - Net-of-Fees		$7.75

Other Important Facts:

Total Portfolio	$28,440,320.99
Total Gain or (Loss) - Gross-of-Fees	$322,597.26
Total Gain or (Loss) - Net-of-Fees	$244,805.56
Total Fees	($46,222.42)

BLACKROCK EQ. DIV.			RBC	
Total Assets	100.00%	$3,307,641.30	100.00%	$1,816,443.87
Equity	96.97%	$3,207,370.05	96.35%	$1,750,102.36
Cash	3.03%	$100,271.25	3.65%	$66,341.51
Fees		($4,376.93)		($2,859.53)
Gain or (Loss) - Gross-of-Fees		$134,604.71		$56,257.01
Gain or (Loss) - Net-of-Fees		$130,227.78		$53,397.48

JENNISON			LAZARD	
Total Assets	100.00%	$1,548,244.54	100.00%	$1,389,637.09
Equity	96.68%	$1,496,774.04	96.72%	$1,344,123.78
Cash	3.32%	$51,470.50	3.28%	$45,513.31
Fees		($2,083.10)		($1,903.91)
Gain or (Loss) - Gross-of-Fees		($22,602.49)		$920.30
Gain or (Loss) - Net-of-Fees		($24,685.59)		($983.61)

WEDGEWOOD			RENAISSANCE	
Total Assets	100.00%	$1,539,526.36	100.00%	$1,434,016.53
Equity	93.43%	$1,438,323.69	99.42%	$1,425,667.95
Cash	6.57%	$101,202.67	0.58%	$8,348.58
Fees		($2,327.93)		($1,995.21)
Gain or (Loss) - Gross-of-Fees		($30,273.10)		($40,145.93)
Gain or (Loss) - Net-of-Fees		($32,601.03)		($42,141.14)

CONNORS			PINE GROVE	
Total Assets	100.00%	$3,047,178.34	100.00%	$1,292,333.37
Equity	91.78%	$2,796,670.83	100.00%	$1,292,333.37
Cash	8.22%	$250,507.51	0.00%	$0.00
Fees		($5,990.15)		($1,604.57)
Gain or (Loss) - Gross-of-Fees		$73,370.37		$16,742.87
Gain or (Loss) - Net-of-Fees		$67,380.22		$15,138.30

BOSTON PARTNERS			PRIVATE ADVISORS	
Total Assets	100.00%	$1,705,556.77	100.00%	$1,293,288.00
Equity	96.92%	$1,653,065.55	51.00%	$659,577.00
Cash	3.08%	$52,491.22	49.00%	$633,711.00
Fees		($2,625.20)		($1,610.02)
Gain or (Loss) - Gross-of-Fees		$23,292.00		$18,041.00
Gain or (Loss) - Net-of-Fees		$20,666.80		$16,430.98

MADISON		
Total Assets	100.00%	$7,803,274.62
Fixed	97.70%	$7,624,105.45
Cash	2.30%	$179,169.17
Fees		($9,805.82)
Gain or (Loss) - Gross-of-Fees		$54,334.07
Gain or (Loss) - Net-of-Fees		$44,528.25

BREAKDOWN OF RETURNS
Port Orange Municipal Police Officers' Retirement Plan
As of June 30, 2016

ACTUARIAL ASSUMPTION = 7.625%

EQUITY BlackRock Equity Dividend Large Cap. Value	Your Returns (Gross-of-Fees)	Your Returns (Net-of-Fees)	Russ 1000 Value	PSN Money Mgrs	S&P 500
Quarter	4.24	4.10	4.58	3.59	2.46
1 year	5.77	4.84	2.86	1.80	4.01
3 year	9.83	8.85	9.87	9.41	11.67
Since 8/31/2012	11.29	10.31	13.23	NA	13.41
BlackRock/Lord Abbett 5 year	8.95	7.96	11.35	10.79	12.11
BlackRock/Lord Abbett Since 2/29/00	6.97	5.95	6.93	NA	4.67
BlackRock/LA/Opp -Since 10/31/1995	8.14	7.13	8.95	NA	8.44
Jennison Large Cap. Growth			**Russ 1000 Growth**	**PSN Money Mgrs**	
Quarter	(1.43)	(1.56)	0.62	0.53	
1 year	(4.40)	(5.25)	3.03	(1.13)	
3 year	13.57	12.54	13.08	11.52	
Since 11/30/2012	14.27	13.26	14.34	NA	
Jennison/Sands 5 year	13.81	12.77	12.35	11.12	
Jennison/Sands Since 1/31/2005	10.53	9.48	8.37	NA	
Jennison/Sands/TCW/All/Sir -Since 10/31/1995	8.36	7.35	7.67	NA	
Wedgewood Large Cap. Growth			**Russ 1000 Growth**	**PSN Money Mgrs**	
Quarter	(1.93)	(2.07)	0.62	0.53	
1 year	(5.75)	(6.59)	3.03	(1.13)	
3 year	7.62	6.66	13.08	11.52	
Since 11/30/2012	8.88	7.93	14.34	NA	
Wedgewood/Neuberger Berman 5 year	7.01	6.03	12.35	11.52	
Wedgewood/Neuberger Since 2/28/2010	8.67	7.71	13.71	NA	
Connors Large Cap. Core			**S&P 500**	**60 S&P 500 / 40% S&P CBOE BW**	**S&P CBOE Buy Write**
Quarter	2.46	2.26	2.46	2.76	3.20
1 year	0.63	(0.30)	4.01	4.06	3.99
Since 9/30/2013	8.56	7.72	10.71	9.47	7.50
Boston Partners Small Mid Cap. Value			**Russ 2500 Value Dynamic Index**	**PSN Money Mgrs**	
Since 3/31/2016	1.38	1.23	4.37	3.28	
Boston/GW - 1 year	(7.11)	(8.02)	(2.52)	(0.95)	
Boston/GW - 3 year	1.23	0.24	6.37	9.30	
Boston/GW - 5 year	4.15	3.14	8.16	10.54	
Boston/GW - Since 4/30/2006	6.55	5.55	4.76	NA	
Boston/GW/Babson - Since 7/31/2005	7.36	6.34	5.49	NA	

RBC Small Cap. Growth			**Russ 2000 Growth**	**PSN Money Mgrs**	
Quarter	3.20	3.03	3.24	3.07	
1 year	(0.08)	(1.06)	(10.76)	(8.79)	
3 year	8.99	7.91	7.74	8.17	
5 year	11.45	10.35	8.51	9.26	
Since 11/30/2006	9.08	8.04	6.70	NA	
RBC/Greenv/ING/NicAp - Since 1/31/1996	7.49	6.43	6.13	NA	
Lazard International Value			**MSCI EAFE - Net**	**MSCI EAFE Value- Net**	
Quarter	(0.12)	(0.26)	(1.46)	(2.79)	
1 year	(5.73)	(6.60)	(10.16)	(15.43)	
3 year	5.34	4.36	2.07	(0.10)	
5 year	5.44	4.45	1.68	0.06	
Since 9/30/2000	4.69	3.68	2.89	3.13	
Renaissance International Growth			**MSCI AC Wrld ex US Net**	**MSCI EAFE Growth - Net**	
Quarter	(3.06)	(3.19)	(0.64)	(0.15)	
1 year	(10.29)	(11.13)	(10.24)	(4.81)	
3 year	4.15	3.18	1.16	4.16	
5 year	3.33	2.35	0.10	3.24	
Since 1/31/2009	9.60	8.63	8.24	9.38	
FIXED INCOME Madison Investment Adv.			**BC Int. G/C Bonds**	**BC G/C Bonds**	**90-Day T-Bills**
Quarter	0.70	0.57	1.59	2.67	0.06
1 year	2.89	2.12	4.33	6.70	0.13
3 year	2.03	1.24	2.95	4.20	0.07
5 year	1.96	1.12	2.90	4.11	0.07
Since 10/31/1995	4.75	3.80	5.08	5.61	2.36
ALTERNATIVE INVESTMENTS PINE GROVE			**HFRI FOF Conservative**	**BC Aggregate**	
Quarter	1.31	1.19	0.12	2.21	
1 Year	(5.23)	(5.75)	(3.71)	6.00	
Since 2/28/2014	(1.85)	(2.34)	(0.04)	4.16	
ALTERNATIVE INVESTMENTS PRIVATE ADVISORS			**HFRI FOF Conservative**	**BC Aggregate**	
Quarter	1.41	1.29	0.12	2.21	
1 Year	(4.02)	(4.42)	(3.71)	6.00	
Since 2/28/2014	(1.82)	(2.23)	(0.04)	4.16	
PRIVATE REAL ESTATE UBS			**NCREIF**	**ODCE**	**BC Aggregate**
Quarter	1.78	1.36	2.03	2.13	2.21
1 year	10.69	8.80	10.64	11.81	6.00
3 year	11.25	9.35	11.61	12.99	4.06
Since 7/31/2012	11.13	9.31	11.65	12.79	2.55

TOTAL RETURN **Time-Weighted Return (TWR)**			**Policy Index***	
Quarter	1.15	0.98	1.81	
1 year	(0.07)	(0.95)	0.98	
3 year	5.94	5.00	6.99	
5 year	6.20	5.24	7.28	
Since 10/31/1995	6.82	5.83	7.04	
TOTAL RETURN **Dollar-Weighted Net (IRR)**			**Actuarial Rate**	**CPI +4**
Quarter		0.98	1.85	1.87
1 year		(0.94)	7.625	5.25
3 year		5.04	7.625	5.09
5 year		5.35	7.625	5.43
Since 10/31/1995		5.86	7.625	6.24

Policy Index

For periods since 3/31/2016: 11.25% Russ 1000 Value / 11.25% Russ 1000 Growth / 10% S&P 500 / 6.25% Russ 2500 Value/ 6.25% Russ 2000 Growth / 5% MSCI EAFE (Net) / 5% MSCI AC World ex US (Net) / 27.50% BC Int. Gov/Credit / 7.50% Russell NCREIF / 10.0% HFRI FOF CON

For periods 2/28/2014 to 3/31/2016: 11.25% Russ 1000 Value / 11.25% Russ 1000 Growth / 10% S&P 500 / 6.25% Russ 2000 Value/ 6.25% Russ 2000 Growth / 5% MSCI EAFE (Net) / 5% MSCI AC World ex US (Net) / 27.50% BC Int. Gov/Credit / 7.50% Russell NCREIF / 10.0% HFRI FOF CON

For periods since 8/30/2013: 13.75% Russ 1000 Value / 13.75% Russ 1000 Growth / 10% S&P 500 / 6.25% Russ 2000 Value/ 6.25% Russ 2000 Growth / 5% MSCI EAFE (Net) / 5% MSCI AC World ex US (Net) / 32.50% BC Int. Gov/Credit / 7.50% Russell NCREIF

For periods 1/31/2009 to 8/30/2013: 18.75% Russ 1000 Value / 18.75% Russ 1000 Growth / 6.25% Russ 2000 Value/ 6.25% Russ 2000 Growth / 5% MSCI EAFE (Net) / 5% MSCI AC World ex US (Net) / 40% BC Int. Gov/Credit

For periods 7/31/2005 to 1/31/2009: 18.75% Russ 1000 Value / 18.75% Russ 1000 Growth / 6.25% Russ 2000 Value / 6.25% Russ 2000 Growth / 10% MSCI EAFE(Net) / 40% BC Int. Gov/Credit

For periods 9/30/2000 to 7/31/2005: 20% Russ 1000 Value/ 17.5% Russ 1000 Growth/6.25% Russ 2000 Value/ 6.25% Russ 2000 Growth/ 10% MSCI EAFE(Net)/ 40% BC Int. Gov/Credit

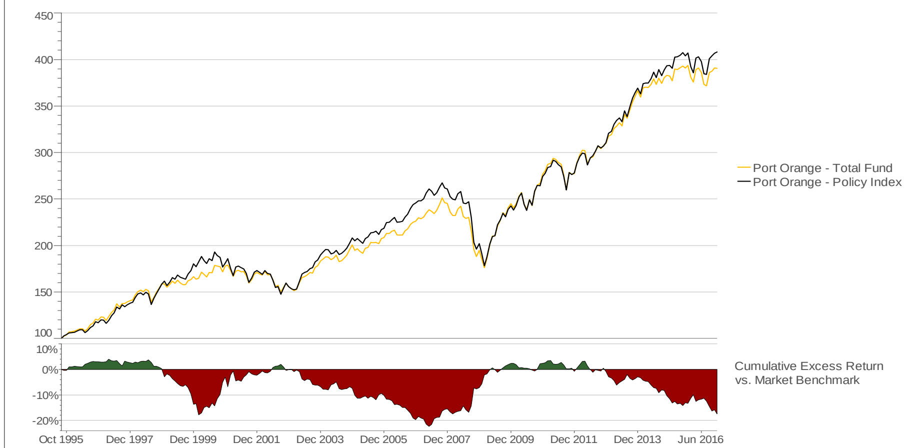
For periods prior to 9/30/2000: 20% Russ 1000 Value/ 17.5% Russ 1000 Growth/ 12.5 % Russ 2500 Growth/ 50% BC Int. Gov/Credit

Risk/ Return Analysis- Since Inception

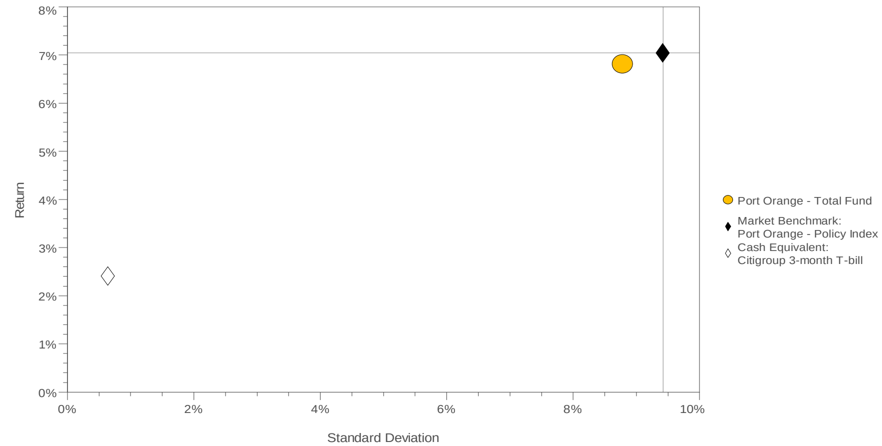
Zephyr StyleADVISOR

Zephyr StyleADVISOR: Graystone Consulting

Manager Performance
November 1995 - June 2016 (Single Computation)



Risk / Return
November 1995 - June 2016 (Single Computation)



Return & Risk Analysis

November 1995 - June 2016: Summary Statistics

	Return	Excess Return vs. Market	Standard Deviation	Beta vs. Market	Maximum Drawdown	Up Capture vs. Market	Down Capture vs. Market	Alpha vs. Market	Sharpe Ratio	R-Squared vs. Market
Port Orange - Total Fund	6.82%	-0.23%	8.78%	0.91	-29.89%	91.76%	90.92%	0.41%	0.50	94.48%
Port Orange - Policy Index	7.04%	0.00%	9.42%	1.00	-33.36%	100.00%	100.00%	0.00%	0.49	100.00%

COMPLIANCE CHECKLIST

Port Orange Municipal Police Officers' Retirement Plan

As of June 30, 2016

GUIDELINES

Equity Portfolio	In Compliance
Listed on recognized exchange	Yes
Single issue not to exceed 12% at market value for each equity in each separately managed portfolio	Yes
Total equity portfolio < 57.5% & > 52.5% 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 Equity Dividend

Large Capitalization Value Equity Portfolio

	3 years	Since Inception
Market Value < 13.75% & > 8.75% of total fund	Yes	
Performance (Inception 8/31/2012)		
Rank in the Top 50% of manager universe	Yes	No
Return > Russell 1000 Value	No	No

Jennison

Large Capitalization Growth Equity Portfolio

	3 years	Since Inception
Market Value < 6.875% & > 4.375% of total fund	Yes	
Performance (Inception 11/30/2012)		
Rank in the Top 50% of manager universe	Yes	Yes
Return > Russell 1000 Growth	Yes	No

Wedgewood

Large Capitalization Growth Equity Portfolio

	3 years	Since Inception
Market Value < 6.875% & > 4.375% of total fund	Yes	
Performance (Inception 11/30/2012)		
Rank in the Top 50% of manager universe	No	No
Return > Russell 1000 Growth	No	No

Connors

Large Capitalization Core Equity Portfolio

	3 years	Since Inception
Market Value < 12.5 % & > 7.5 %of total fund	Yes	
Performance (Inception 9/30/2013)		
Return > S&P 500	N/A	No
Return > 60% S&P / 40% S&P CBOE Buy Write	N/A	No
Return > S&P CBOE Buy Write	N/A	Yes

Boston Partners

Small Mid Capitalization Value Equity Portfolio

	3 years	Since Inception
Market Value < 7.5 % & > 5.0% of total fund	Yes	
Performance (Inception 3/31/2016)		
Rank in the Top 50% of manager universe	N/A	No
Return > Russell 2500 Value	N/A	No

RBC

Small Capitalization Growth Equity Portfolio

	3 years	Since Inception
Market Value < 7.5% & > 5.0% of total fund	Yes	
Performance (Inception 11/30/2006)		
Rank in the Top 50% of manager universe	Yes	Yes
Return > Russell 2000 Growth	Yes	Yes

OBJECTIVES

In Compliance

Total Portfolio	3 years	Since Inception
Exceed Target Index	No	No
Exceed actuarial assumption (7.625%)*	No	No
Exceed CPI + 4%*	No	No

*Performance compared to dollar-weighted net returns

Lazard Asset Management

International Value Equity Portfolio

	3 years	Since Inception
Market Value < 7.50% & > 2.5% of total fund	Yes	
Performance (Inception 9/30/2000)		
Return > MSCI EAFE (Net)	Yes	Yes

Renaissance

International Growth Equity Portfolio

	3 years	Since Inception
Market Value < 7.50% & > 2.5% of total fund	Yes	
Performance (Inception 1/31/2009)		
Return > MSCI AC Wrld ex US	Yes	Yes

Madison Investment Advisors

Fixed Income Portfolio

	3 years	Since Inception
Market Value < 30.0% & > 25.0% of total fund	Yes	
Performance (Inception 10/31/1995)		
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	

Pine Grove

Hedge Fund of Funds

	3 years	Since Inception
Market Value < 6.25% & > 0% of total fund	Yes	
Performance (Inception 2/28/2014)		
Performance > HFRI FOF Conservative	N/A	No
Performance > BC Aggregate	N/A	No

Private Advisors

Hedge Fund of Funds

	3 years	Since Inception
Market Value < 6.25% & > 0% of total fund	Yes	
Performance (Inception 2/28/2014)		
Performance > HFRI FOF Conservative	N/A	No
Performance > BC Aggregate	N/A	No

UBS

Private Real Estate

	3 year	Since Inception
Market Value < 10.0% & > 0.0% of total fund	Yes	
Performance (Inception 7/1/2012)		
Performance > NCREIF Ppty Index	No	No
Performance > NCREIF ODCE	No	No
Performance > BC Aggregate	Yes	Yes

Consulting & Management Fee Billing Summary
Port Orange Municipal Police Officers' Retirement Plan
As of June 30, 2016

BlackRock Eq. Div.	106958								
Date Billed	Market Value	From	To	$ GC Fee	% Annual GC Fee	$ Mgr. Fee	% Annual Mgr. Fee	$ Total Fee	% Annual Total Fee
7/15/2016	$3,303,680.27	4/1/2016	6/30/2016	$4,157.77	0.50%	$2,299.94	0.28%	$6,457.71	0.79%
5/17/2016	$3,177,968.19	1/28/2016	3/31/2016	$2,820.94	0.51%	$1,555.99	0.28%	$4,376.93	0.79%
1/21/2016	$3,166,904.86	1/1/2016	1/21/2016	$1,011.31	0.56%	$617.81	0.34%	$1,629.12	0.90%
1/15/2016	$3,166,904.86	10/1/2015	12/31/2015	$4,441.04	0.56%	$2,713.99	0.34%	$7,155.03	0.90%
10/14/2015	$3,000,460.83	7/1/2015	9/30/2015	$4,189.32	0.55%	$2,571.35	0.34%	$6,760.67	0.89%
				$16,620.38		**$9,759.08**		**$26,379.46**	

Jennison	106957								
Date Billed	Market Value	From	To	$ GC Fee	% Annual GC Fee	$ Mgr. Fee	% Annual Mgr. Fee	$ Total Fee	% Annual Total Fee
7/15/2016	$1,547,654.11	4/1/2016	6/30/2016	$1,947.77	0.50%	$962.00	0.25%	$2,909.77	0.76%
5/17/2016	$1,572,373.28	1/28/2016	3/31/2016	$1,395.72	0.51%	$687.38	0.25%	$2,083.10	0.76%
1/21/2016	$1,672,388.20	1/1/2016	1/21/2016	$534.06	0.56%	$326.25	0.34%	$860.31	0.90%
1/15/2016	$1,672,388.20	10/1/2015	12/31/2015	$2,345.84	0.56%	$1,433.21	0.34%	$3,779.05	0.90%
10/14/2015	$1,527,504.55	7/1/2015	9/30/2015	$2,148.85	0.56%	$1,309.05	0.34%	$3,457.90	0.90%
				$8,372.24		**$4,717.89**		**$13,090.13**	

Wedgewood	125734								
Date Billed	Market Value	From	To	$ GC Fee	% Annual GC Fee	$ Mgr. Fee	% Annual Mgr. Fee	$ Total Fee	% Annual Total Fee
7/15/2016	$1,537,999.54	4/1/2016	6/30/2016	$1,935.62	0.50%	$1,300.16	0.34%	$3,235.78	0.85%
5/17/2016	$1,570,600.57	1/28/2016	3/31/2016	$1,394.15	0.51%	$933.78	0.34%	$2,327.93	0.85%
1/21/2016	$1,563,425.08	1/1/2016	1/21/2016	$499.26	0.56%	$305.00	0.34%	$804.26	0.90%
1/15/2016	$1,563,425.08	10/1/2015	12/31/2015	$2,192.91	0.56%	$1,339.83	0.34%	$3,532.74	0.90%
10/14/2015	$1,492,457.15	7/1/2015	9/30/2015	$2,075.82	0.55%	$1,279.02	0.34%	$3,354.84	0.89%
				$8,097.76		**$5,157.79**		**$13,255.55**	

Connors	040114								
Date Billed	Market Value	From	To	$ GC Fee	% Annual GC Fee	$ Mgr. Fee	% Annual Mgr. Fee	$ Total Fee	% Annual Total Fee
7/15/2016	$3,045,107.36	4/1/2016	6/30/2016	$3,832.35	0.50%	$0.00	0.00%	$3,832.35	0.51%
4/14/2016	$2,977,739.64	1/1/2016	3/31/2016	$3,758.30	0.51%	$2,231.85	0.30%	$5,990.15	0.81%
1/15/2016	$3,000,353.80	10/1/2015	12/31/2015	$4,209.00	0.56%	$2,248.10	0.30%	$6,457.10	0.86%
10/14/2015	$2,861,186.38	7/1/2015	9/30/2015	$4,037.94	0.56%	$2,145.06	0.30%	$6,183.00	0.86%
				$15,837.59		**$6,625.01**		**$22,462.60**	

Boston Partners	125129								
Date Billed	Market Value	From	To	$ GC Fee	% Annual GC Fee	$ Mgr. Fee	% Annual Mgr. Fee	$ Total Fee	% Annual Total Fee
7/15/2016	$1,701,590.58	4/1/2016	6/30/2016	$2,141.50	0.50%	$1,692.29	0.40%	$3,833.79	0.91%
4/14/2016	$1,680,336.15	1/29/2016	3/31/2016	$1,468.25	0.51%	$1,156.95	0.40%	$2,625.20	0.91%
1/21/2016	$1,738,661.24	1/1/2016	1/21/2016	$555.22	0.56%	$418.99	0.42%	$974.21	0.98%
1/15/2016	$1,738,661.24	10/1/2015	12/31/2015	$2,437.85	0.56%	$1,840.60	0.42%	$4,278.45	0.98%
10/14/2015	$1,586,816.43	7/1/2015	9/30/2015	$2,209.56	0.55%	$1,679.85	0.42%	$3,889.41	0.97%
				$8,812.38		**$6,788.68**		**$15,601.06**	

RBC	107017								
Date Billed	Market Value	From	To	$ GC Fee	% Annual GC Fee	$ Mgr. Fee	% Annual Mgr. Fee	$ Total Fee	% Annual Total Fee
7/15/2016	$1,816,275.69	4/1/2016	6/30/2016	$2,285.83	0.50%	$1,896.67	0.42%	$4,182.50	0.93%
5/17/2016	$1,762,878.21	1/28/2016	3/31/2016	$1,564.83	0.51%	$1,294.70	0.42%	$2,859.53	0.93%
1/21/2016	$1,765,439.27	1/1/2016	1/21/2016	$563.77	0.56%	$425.44	0.42%	$989.21	0.98%
1/15/2016	$1,765,439.27	10/1/2015	12/31/2015	$2,475.65	0.56%	$1,868.95	0.42%	$4,344.60	0.98%
10/14/2015	$1,672,943.74	7/1/2015	9/30/2015	$2,343.05	0.56%	$1,771.03	0.42%	$4,114.08	0.98%
				$9,233.13		**$7,256.79**		**$16,489.92**	

Lazard	108866								
Date Billed	Market Value	From	To	$ GC Fee	% Annual GC Fee	$ Mgr. Fee	% Annual Mgr. Fee	$ Total Fee	% Annual Total Fee
7/15/2016	$1,387,655.18	4/1/2016	6/30/2016	$1,746.40	0.50%	$1,035.05	0.30%	$2,781.45	0.81%
5/17/2016	$1,348,142.62	1/28/2016	3/31/2016	$1,196.69	0.51%	$707.22	0.30%	$1,903.91	0.81%
1/21/2016	$1,385,326.79	1/1/2016	1/21/2016	$442.39	0.56%	$302.05	0.38%	$744.44	0.94%
1/15/2016	$1,385,326.79	10/1/2015	12/31/2015	$1,942.69	0.56%	$1,326.88	0.38%	$3,269.57	0.94%
10/14/2015	$1,330,741.57	7/1/2015	9/30/2015	$1,860.91	0.55%	$1,274.60	0.38%	$3,135.51	0.93%
				$7,189.08		**$4,645.80**		**$11,834.88**	

Renaissance	125551								
Date Billed	Market Value	From	To	$ GC Fee	% Annual GC Fee	$ Mgr. Fee	% Annual Mgr. Fee	$ Total Fee	% Annual Total Fee
7/15/2016	$1,430,631.02	4/1/2016	6/30/2016	$1,800.49	0.50%	$1,067.11	0.30%	$2,867.60	0.81%
5/17/2016	$1,412,792.97	1/28/2016	3/31/2016	$1,254.07	0.51%	$741.14	0.30%	$1,995.21	0.81%
1/21/2016	$1,385,326.79	1/1/2016	1/21/2016	$454.76	0.57%	$310.50	0.39%	$765.26	0.96%
1/15/2016	$1,424,083.24	10/1/2015	12/31/2015	$1,997.51	0.56%	$1,364.00	0.38%	$3,361.51	0.94%
10/14/2015	$1,251,106.93	7/1/2015	9/30/2015	$1,755.98	0.56%	$1,198.32	0.38%	$2,954.30	0.94%
				$7,262.81		**$4,681.07**		**$11,943.88**	

Madison	106956								
Date Billed	Market Value	From	To	$ GC Fee	% Annual GC Fee	$ Mgr. Fee	% Annual Mgr. Fee	$ Total Fee	% Annual Total Fee
7/15/2016	$7,757,998.77	4/1/2016	6/30/2016	$9,763.66	0.50%	$4,436.47	0.23%	$14,200.13	0.74%
4/14/2016	$7,723,019.12	1/29/2016	3/31/2016	$6,748.26	0.51%	$3,057.56	0.23%	$9,805.82	0.74%
1/21/2016	$7,722,857.43	1/1/2016	1/21/2016	$2,466.20	0.56%	$1,019.16	0.23%	$3,485.36	0.79%
1/15/2016	$7,722,857.43	10/1/2015	12/31/2015	$10,826.41	0.56%	$4,477.14	0.23%	$15,303.55	0.79%
10/14/2015	$7,918,907.98	7/1/2015	9/30/2015	$11,018.97	0.55%	$4,590.80	0.23%	$15,609.77	0.78%
				$40,823.50		**$17,581.13**		**$58,404.63**	

Total Traditional Managers									
Date Billed	Market Value	From	To	$ GC Fee	% Annual GC Fee	$ Mgr. Fee	% Annual Mgr. Fee	$ Total Fee	% Annual Total Fee
7/15/2016	$23,528,592.52	4/1/2016	6/30/2016	$29,611.39	0.50%	$14,689.69	0.25%	$44,301.08	0.76%
5/17/2016	$10,844,755.84	1/28/2016	3/31/2016	$9,626.40	0.51%	$5,920.21	0.31%	$15,546.61	0.82%
4/14/2016	$12,381,094.91	1/29/2016	3/31/2016	$11,974.81	0.56%	$6,446.36	0.30%	$18,421.17	0.86%
1/21/2016	$20,400,329.66	1/1/2016	1/21/2016	$6,526.97	0.56%	$3,725.20	0.32%	$10,252.17	0.88%
1/15/2016	$23,439,439.91	10/1/2015	12/31/2015	$32,868.90	0.56%	$18,612.70	0.32%	$51,481.60	0.87%
10/14/2015	$22,642,125.56	7/1/2015	9/30/2015	$31,640.40	0.55%	$17,819.08	0.31%	$49,459.48	0.87%
				$122,248.87		**$67,213.24**		**$189,462.11**	

*Pine Grove	040544				
Date Billed	Market Value	From	To	$ GC Fee	% Annual GC Fee
7/15/2016	$1,271,314.37	4/1/2016	6/30/2016	$1,626.92	0.51%
4/14/2016	$1,271,314.37	1/1/2016	3/31/2016	$1,604.57	0.51%
1/15/2016	$1,313,419.85	10/1/2015	12/31/2015	$1,842.51	0.56%
10/14/2015	$1,338,691.53	7/1/2015	9/30/2015	$1,889.27	0.56%
				$6,963.27	

*Private Advisors	041738				
Date Billed	Market Value	From	To	$ GC Fee	% Annual GC Fee
7/15/2016	$1,295,072.00	4/1/2016	6/30/2016	$1,629.88	0.51%
4/14/2016	$1,275,639.00	1/1/2016	3/31/2016	$1,610.02	0.51%
1/15/2016	$1,299,455.00	10/1/2015	12/31/2015	$1,822.92	0.56%
10/12/2015	$1,330,279.00	7/1/2015	9/30/2015	$1,877.40	0.56%
				$6,940.22	

***Performance is net of manager fees. Pine Grove fee is 1%, and Private Advisors fee is 1.25%**

UBS	038519								
Date Billed	Market Value	From	To	$ GC Fee	% Annual GC Fee	$ Mgr. Fee	% Annual Mgr. Fee	$ Total Fee	% Annual Total Fee
7/15/2016	$2,169,990.12	4/1/2016	6/30/2016	$2,730.35	0.50%	$6,444.38	1.19%	$9,174.73	1.70%
5/17/2016	$2,138,282.67	1/1/2016	3/31/2016	$2,698.80	0.51%	$6,341.25	1.19%	$9,040.05	1.70%
1/15/2016	$2,101,097.42	10/1/2015	12/31/2015	$2,947.49	0.56%	$6,288.16	1.19%	$9,235.65	1.74%
10/23/2015	$2,045,688.38	7/1/2015	9/30/2015	$2,885.76	0.56%	$6,110.25	1.19%	$8,996.01	1.74%
				$11,262.40		**$25,184.04**		**$36,446.44**	

Total Managers									
Date Billed	Market Value	From	To	$ GC Fee	% Annual GC Fee	$ Mgr. Fee	% Annual Mgr. Fee	$ Total Fee	% Annual Total Fee
7/15/2016	$28,264,969.01	4/1/2016	6/30/2016	$35,598.54	0.51%	$21,134.07	0.30%	$56,732.61	0.81%
5/17/2016	$2,138,282.67	1/1/2016	3/31/2016	$2,698.80	0.51%	$6,341.25	1.19%	$9,040.05	1.70%
5/17/2016	$10,844,755.84	1/28/2016	3/31/2016	$9,626.40	0.51%	$5,920.21	0.31%	$15,546.61	0.82%
4/14/2016	$14,928,048.28	1/29/2016	3/31/2016	$15,189.40	0.59%	$6,446.36	0.25%	$21,635.76	0.84%
1/21/2016	$20,400,329.66	1/1/2016	1/21/2016	$6,526.97	0.56%	$3,725.20	0.32%	$10,252.17	0.88%
1/15/2016	$28,153,412.18	10/1/2015	12/31/2015	$39,481.82	0.56%	$24,900.86	0.35%	$64,382.68	0.91%
10/23/2015	$2,045,688.38	7/1/2015	9/30/2015	$2,885.76	0.56%	$6,110.25	1.19%	$8,996.01	1.74%
10/14/2015	$23,980,817.09	7/1/2015	9/30/2015	$33,529.67	0.55%	$17,819.08	0.30%	$51,348.75	0.85%
10/12/2015	$1,330,279.00	7/1/2015	9/30/2015	$1,877.40	0.56%	$0.00	0.00%	$1,877.40	0.56%
TOTAL - 10/1/2015 to 9/30/2016				**$147,414.76**		**$92,397.28**		**$239,812.04**	

Graystone Consulting

QUARTERLY PERFORMANCE EVALUATION

Prepared for:

Port Orange Municipal Police Officers' Retirement Plan

As of June 30, 2016

Graystone Consulting Tampa

Charles H. Mulfinger, II, CIMA®
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Capital Markets Overview: 2Q 2016

Introduction

As of 2Q 2016

- During the second quarter of 2016, global stocks and bonds generated modestly positive returns despite increased market turbulence. The historic decision by British voters to exit the European Union shocked global capital markets in June. While equity and currency markets were expected to bear the brunt of the surprise outcome, both have taken the decision in stride thus far, trading above the levels reached in the week leading up to the vote. For the quarter, Master Limited Partnerships and Diversified Commodities were the top-performing asset classes, while Japanese and European equities registered the weakest returns. For the one-year period ended June 30, 2016, Global REITs and Investment Grade bonds generated the strongest returns.

- The Dow Jones Industrial Average increased 2.1% in the second quarter. The NASDAQ Composite Index was down 0.2% for the quarter. The S&P 500 Index increased 2.5% for the quarter.

- Eight of the 10 sectors within the S&P 500 generated positive returns in the second quarter of 2016. The top-performing sector was Energy, which was up 11.6%. Telecom rose 7.1% and was also among the top-performing sectors. The biggest laggards were Technology, which decreased 2.8%, and Consumer Discretionary, which fell 0.9%.

- The bond market registered positive returns during the second quarter. The Barclays U.S. Aggregate Bond Index, a general measure of the bond market, increased 2.2% for the quarter.

- Morgan Stanley & Co. economists expect U.S. real GDP will be 1.7% in 2016 and 1.6% in 2017. They forecast global GDP growth to be 3.0% in 2016 and 3.4% in 2017.

- Commodities registered strong returns in the second quarter; the Bloomberg Commodity Index increased 12.8%. For the quarter, gold posted a total return of 6.7%.

- For the second quarter of 2016, global mergers and acquisitions (M&A) deal volume was $835 billion, compared to $1 trillion for the second quarter of 2015. Global M&A activity increased to $4.3 trillion in 2015 from $3.3 trillion in 2014.

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

Capital Markets Overview: 2Q 2016

The US Economy

As of 2Q 2016

The Department of Commerce estimated that Gross Domestic Product increased at an annual rate of 1.1% in the first quarter of 2016, in comparison to a 1.4% increase in the fourth quarter of 2015. Morgan Stanley & Co. economists forecast U.S. Real GDP will be 1.7% in 2016 and 1.6% in 2017.

The seasonally adjusted unemployment rate for May 2016 was 4.7%, showing a 0.3% decrease from its April level. Employment increased in health care. Mining continued to lose jobs, and employment in information decreased due to a strike.. The number of unemployed declined by 484,000 to 7.4 million. The number of long-term unemployed (those jobless for 27 weeks or more) declined by 178,000 to 1.9 million in May. These individuals accounted for 25.1% of the unemployed.

According to the most recent estimate from the Bureau of Economic Analysis, corporate profits increased 1.8% between the fourth quarter of 2015 and the first quarter of 2016, and fell 4.4% between the first quarter of 2015 and the first quarter of 2016.

Inflation remained low in the U.S. According to the Bureau of Labor Statistics, the seasonally adjusted Consumer Price Index was 0.4% in April and increased 0.2% in May. Morgan Stanley & Co. economists forecast a 1.2% inflation rate for 2016 and 1.9% for 2017.

The Census Bureau reported that private-sector housing starts in May 2016 were at a seasonally adjusted annual rate of 1,164,000—10% above May 2016 housing starts. The rise in housing starts over the past several years indicates that despite some intermittent setbacks, the housing market is rebounding.

The Census Bureau also reported that seasonally adjusted retail and food services sales increased 0.5% between April 2016 and May 2016, and increased 0.2% between May 2015 and May 2017.

In June, the Institute for Supply Management's Purchasing Managers' Index (PMI), a manufacturing sector index, increased as the PMI registered 53.2%, a 1.9-percentage-point uptick from the May reading of 51.3%. This indicates an expansion in manufacturing for the fourth consecutive month, and its highest reading since February 2015 when the PMI registered 53.3%. Overall, PMI has been above 43 for 88 consecutive months. Generally speaking, a PMI or NMI (ISM Non-Manufacturing Index) over 50 indicates that the sector is expanding and a PMI below 50 but over 43 indicates that the sector is shrinking but the overall economy is expanding.

The NMI decreased 2.8 points to 52.9 between April 2016 and May 2016. The index has now been above 50 for 75 consecutive months.

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

Capital Markets Overview: 2Q 2016

US Equity Markets

As of 2Q 2016

The Dow Jones Industrial Average increased 2.1% in the second quarter. The NASDAQ Composite Index was down 0.2% for the quarter. The S&P 500 Index increased 2.5% for the quarter.

Eight of the 10 sectors within the S&P 500 generated positive returns in the second quarter of 2016. The top-performing sector was Energy, which was up 11.6%. Telecom rose 7.1% and was also among the top-performing sectors. The biggest laggards were Technology, which decreased 2.8%, and Consumer Discretionary, which fell 0.9%.

Growth-style stocks of large-cap companies increased during the second quarter. The large-cap Russell 1000 Growth Index rose 0.6%. The Russell 1000 Index, a large-cap index, increased2.5% for the quarter.

The Russell 1000 Value Index, also a large-cap index, increased 4.6% for the quarter. The Russell Midcap Growth Index fell 2.0% for the quarter. The Russell Midcap Index also increased 3.2% for the quarter. The Russell Midcap Value Index increased 4.8% for the quarter. The Russell 2000 Growth Index, a small-cap index, increased 3.2% for the quarter. The small-cap Russell 2000 Index rose 3.8% for the quarter. The Russell 2000 Value Index, also a small-cap index, increased 4.3% for the quarter.

Key US Stock Market Index Returns (%) for the Period Ending 6/30/2016

INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized
S&P 500	2.5%	4.0%	12.1%	14.9%
Dow Jones	2.1%	4.5%	10.4%	14.3%
Russell 2000	3.8%	-6.7%	8.3%	13.9%
Russell Midcap	3.2%	0.6%	10.9%	16.5%
Russell 1000	2.5%	2.9%	11.9%	15.0%

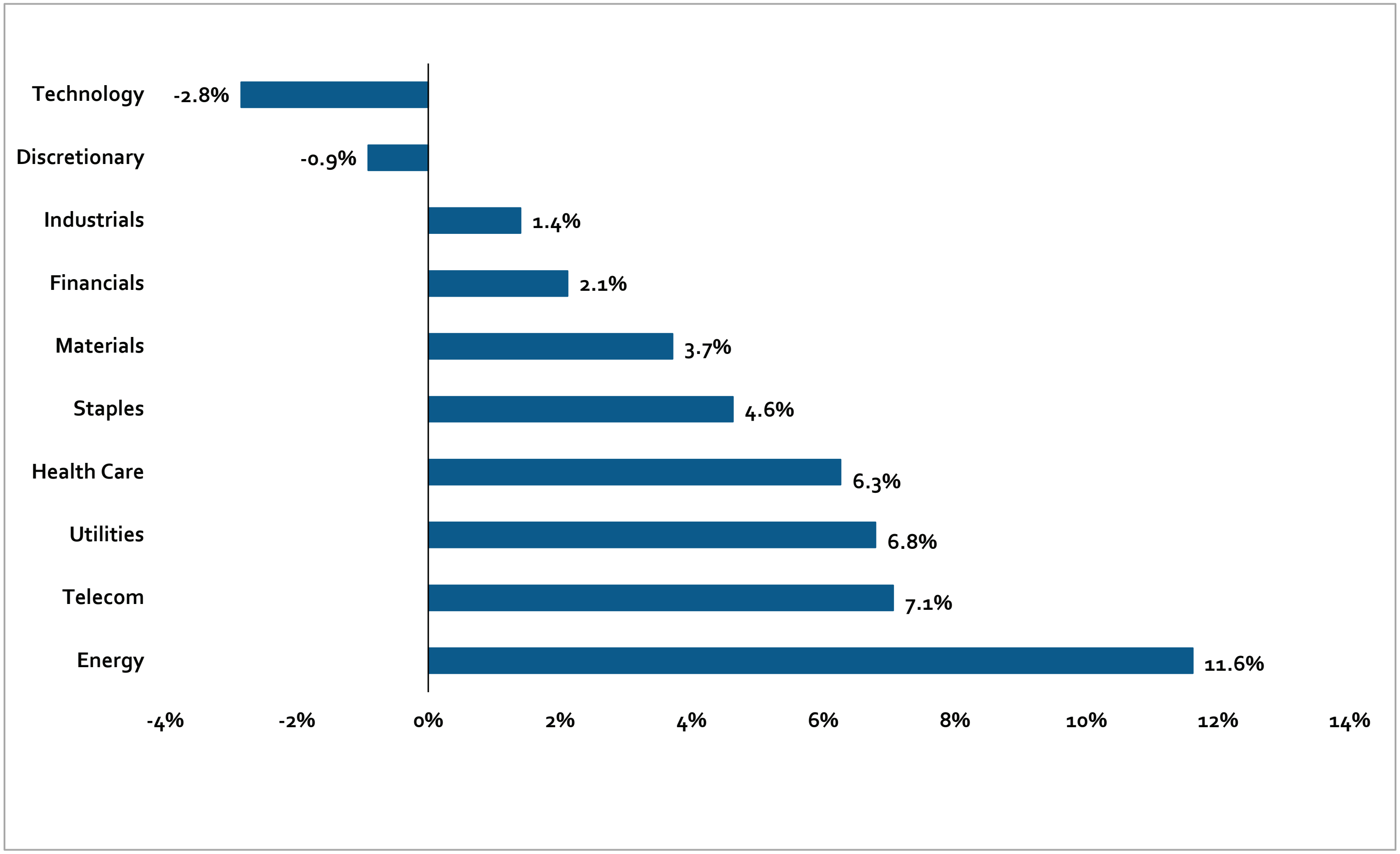
Source: FactSet, Bloomberg, Morgan Stanley Wealth Management GIC

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

2Q 2016 Total Return

As of June 30, 2016



Source: Bloomberg

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

Capital Markets Overview: 2Q 2016

Global Equity Markets

As of 2Q 2016

In the second quarter, emerging markets (EM) generated positive returns while international developed regions were negative. The MSCI EAFE Index (a benchmark for international developed markets) decreased 1.2% for U.S.-currency investors and 0.5% for local-currency investors, as the U.S. dollar strengthened in relation to the currencies of many nations in the index.

For the second quarter, the MSCI Emerging Markets Index increased 0.8% for U.S.-currency investors and 0.8% for local-currency investors, as the U.S. dollar maintained parity with emerging market currencies. The MSCI Europe Index decreased 2.3% for U.S.-currency investors and 1.6% for local-currency investors during the second quarter of 2016.

The S&P 500 Index increased 2.5% for the quarter.

Emerging economy equity market indices were also up in the second quarter. The MSCI BRIC (Brazil, Russia, India and China) Index rose 3.2% for the quarter in U.S. dollar terms and 1.7% in terms of local currencies. In comparison, for the second quarter, the MSCI EM Asia Index was up 0.4% in U.S. dollar terms and 1.2% in local terms.

Key Global Equity Market Index Returns (%) for the Period Ending 6/30/2016

INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized)
MSCI EAFE	-1.2%	-9.7%	2.1%	6.4%
MSCI EAFE Growth	0.0%	-4.4%	3.6%	8.0%
MSCI EAFE Value	-2.4%	-14.9%	0.6%	4.8%
MSCI Europe	-2.3%	-10.7%	1.6%	6.7%
MSCI Japan	1.0%	-8.6%	4.4%	5.1%
S&P 500	2.5%	4.0%	12.1%	14.9%
MSCI Emerging Markets	0.8%	-11.7%	-3.4%	4.1%

Source: FactSet, Bloomberg, Morgan Stanley Wealth Management GIC

Capital Markets Overview: 2Q 2016

The US Bond Market

As of 2Q 2016

The bond market registered positive returns during the second quarter. The Barclays U.S. Aggregate Bond Index, a general measure of the bond market, increased 2.2% for the quarter.

Interest rates declined during the second quarter, as the yield on the 10-year U.S. Treasury note fell to a quarter-end 1.47% from 1.77% at the end of the 1Q 2016.

Riskier parts of the bond market such as U.S. high yield debt increased in the second quarter. The Barclays Capital High Yield Index, a measure of lower-rated corporate bonds, rose 5.5%.

Mortgage-backed securities also posted positive returns during the second quarter. The Barclays Capital Mortgage Backed Index increased 1.1% for the quarter. During the second quarter, the municipal bond market increased. As a result, the Barclays Capital Muni Index generated a 2.6% return for the quarter.

Key US Bond Market Index Returns (%) for the Period Ending 6/30/2016

INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized)
Barclays Capital US Aggregate	2.2%	6.0%	3.8%	4.6%
Barclays Capital High Yield	5.5%	1.6%	5.8%	10.0%
Barclays Capital Government/Credit	2.6%	6.8%	4.1%	4.8%
Barclays Capital Government	2.1%	6.2%	3.5%	3.8%
Barclays Capital Intermediate Govt/Credit	1.6%	4.4%	2.9%	3.8%
Barclays Capital Long Govt/Credit	6.5%	15.7%	9.2%	9.3%
Barclays Capital Mortgage Backed Securities	1.1%	4.3%	3.0%	3.8%
Barclays Capital Muni	2.6%	7.7%	5.3%	5.7%

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

Asset Allocation Models & Insurance Products Disclosures

GLOBAL INVESTMENT COMMITTEE (GIC) ASSET ALLOCATION MODELS

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

CLIENTS TO CONSIDER THEIR OWN INVESTMENT NEEDS

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

Clients should consider all relevant information, including their existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon. Such a suitability determination may lead to asset allocation(s) results that are materially different from the asset allocation shown in this report. Clients should talk to their Financial Advisor about what would be a suitable asset allocation for them.

HYPOTHETICAL MODEL PERFORMANCE (GROSS)

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

Actual performance results of accounts vary due to, for example, market factors (such as liquidity) and client-specific factors (such as investment vehicle selection, timing of contributions and withdrawals, restrictions and rebalancing schedules). Clients would not necessarily have obtained the performance results shown here if they had invested in accordance with any GIC Asset Allocation Model for the periods indicated.

Despite the limitations of hypothetical performance, these hypothetical performance results allow clients and Financial Advisors to obtain a sense of the risk/return trade-off of different asset allocation constructs. The hypothetical performance results in this report are calculated using the returns of benchmark indices for the asset classes, and not the returns of securities, fund or other investment products.

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

Models may contain allocations to Hedge Funds, Private Equity and Private Real Estate. The benchmark indices for these asset classes are not issued on a daily basis. When calculating model performance on a day for which no benchmark index data is issued, we have assumed straight line growth between the index levels issued before and after that date.

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

INSURANCE PRODUCTS AND ETF DISCLOSURES

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

An investment in an **exchange-traded fund** involves risks similar to those of investing in a broadly based portfolio of equity securities traded on an exchange in the relevant securities market, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock and bond prices.

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

Variable annuities are long-term investments designed for retirement purposes and may be subject to market fluctuations, investment risk, and possible loss of principal. All guarantees, including optional benefits, are based on the financial strength and claims-paying ability of the issuing insurance company and do not apply to the underlying investment options.

Optional riders may not be able to be purchased in combination and are available at an additional cost. Some optional riders must be elected at time of purchase. Optional riders may be subject to specific limitations, restrictions, holding periods, costs, and expenses as specified by the insurance company in the annuity contract.

If you are investing in a **variable annuity** through a tax-advantaged retirement plan such as an IRA, you will get no additional tax advantage from the variable annuity. Under these circumstances, you should only consider buying a variable annuity because of its other features, such as lifetime income payments and death benefits protection.

Taxable distributions (and certain deemed distributions) are subject to ordinary income tax and, if taken prior to age 59½, may be subject to a 10% federal income tax penalty. Early withdrawals will reduce the death benefit and cash surrender value.

Asset Class Risk Considerations

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

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

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

Investing in small- to medium-sized companies entails special risks, such as limited product lines, markets and financial resources, and greater volatility than securities of larger, more established companies.

The value of **fixed income securities** will fluctuate and, upon a sale, may be worth more or less than their original cost or maturity value. Bonds are subject to interest rate risk, call risk, reinvestment risk, liquidity risk, and credit risk of the issuer.

High yield bonds (bonds rated below investment grade) may have speculative characteristics and present significant risks beyond those of other securities, including greater credit risk, price volatility, and limited liquidity in the secondary market. High yield bonds should comprise only a limited portion of a balanced portfolio.

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

Treasury Inflation Protection Securities' (TIPS) coupon payments and underlying principal are automatically increased to compensate for inflation by tracking the consumer price index (CPI). While the real rate of return is guaranteed, TIPS tend to offer a low return. Because the return of TIPS is linked to inflation, TIPS may significantly underperform versus conventional U.S. Treasuries in times of low inflation.

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.

Alternative investments may be either traditional alternative investment vehicles, such as hedge funds, fund of hedge funds, private equity, private real estate and managed futures or, non-traditional products such as mutual funds and exchange-traded funds that also seek alternative-like exposure but have significant differences from traditional alternative investments. The risks of traditional alternative investments may include: can be highly illiquid, speculative and not suitable for all investors, loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices, volatility of returns, restrictions on transferring interests in a fund, potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized, absence of information regarding valuations and pricing, complex tax structures and delays in tax reporting, less regulation and higher fees than open-end mutual funds, and risks associated with the operations, personnel and processes of the manager. Non-traditional alternative strategy products may employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives and options, which can increase volatility and the risk of investment loss. **Master Limited Partnerships (MLPs)** Individual MLPs are publicly traded partnerships that have unique risks related to their structure. These include, but are not limited to, their reliance on the capital markets to fund growth, adverse ruling on the current tax treatment of distributions (typically mostly tax deferred), and commodity volume risk. The potential tax benefits from investing in MLPs depend on their being treated as partnerships for federal income tax purposes and, if the MLP is deemed to be a corporation, then its income would be subject to federal taxation at the entity level, reducing the amount of cash available for distribution to the fund which could result in a reduction of the fund's value. MLPs carry interest rate risk and may underperform in a rising interest rate environment. **Investing in commodities** entails significant risks. Commodity prices may be affected by a variety of factors at any time, including but not limited to, (i) changes in supply and demand relationships, (ii) governmental programs and policies, (iii) national and international political and economic events, war and terrorist events, (iv) changes in interest and exchange rates, (v) trading activities in commodities and related contracts, (vi) pestilence, technological change and weather, and (vii) the price volatility of a commodity. In addition, the commodities markets are subject to temporary distortions or other disruptions due to various factors, including lack of liquidity, participation of speculators and government intervention. **Physical precious metals** are non-regulated products. Precious metals are speculative investments, which may experience short-term and long term price volatility. The value of precious metals investments may fluctuate and may appreciate or decline, depending on market conditions. Unlike bonds and stocks, precious metals do not make interest or dividend payments. Therefore, precious metals may not be suitable for investors who require current income. Precious metals are commodities that should be safely stored, which may impose additional costs on the investor. **REITs** investing risks are similar to those associated with direct investments in real estate: property value fluctuations, lack of liquidity, limited diversification and sensitivity to economic factors such as interest rate changes and market recessions.

Before engaging in the purchase or sale of **options,** potential clients should understand the nature of and extent of their rights and obligations and be aware of the risks involved, including, without limitation, the risks pertaining to the business and financial condition of the issuer of the underlying security or instrument. Options investing, like other forms of investing, involves tax considerations, transaction costs and margin requirements that can significantly affect the profit and loss of buying and writing options. The transaction costs of options investing consist primarily of commissions (which are imposed in opening, closing, exercise and assignment transactions), but may also include margin and interest costs in particular transactions. Transaction costs are especially significant in options strategies calling for multiple purchases and sales of options, such as multiple leg strategies, including spreads, straddles and collars. If you are considering options as part of your investment plan, your Morgan Stanley Financial Advisor or Private Wealth Advisor is required to provide you with the "Characteristics and Risks of Standardized Options" booklet from the Options Clearing Corporation. Clients should not enter into options transactions until they have read and understood the Disclosure Document, as options are not suitable for everyone, and discuss transaction costs with their Financial Advisor or Investment Representative. Please ask your Financial Advisor, Private Wealth Advisor for a copy of the Characteristics and Risks of Standardized Options booklet. A copy of the ODD is also available online at: http://theocc.com/publications/risks/riskchap1.jsp.

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 Class Risk Considerations (cont'd)

Asset-backed securities generally decrease in value as a result of interest rate increases, but may benefit less than other fixed-income securities from declining interest rates, principally because of prepayments.

Floating-rate securities The initial interest rate on a floating-rate security may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in the floating security's underlying reference rate. The reference rate could be an index or an interest rate. However, there can be no assurance that the reference rate will increase. Some floating-rate securities may be subject to call risk.

Yields are subject to change with economic conditions. Yield is only one factor that should be considered when making an investment decision.

Credit ratings are subject to change.

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

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

Nondiversification: For a portfolio that holds a concentrated or limited number of securities, a decline in the value of these investments would cause the portfolio's overall value to decline to a greater degree than a less concentrated portfolio. Portfolios that invest a large percentage of assets in only one industry sector (or in only a few sectors) are more vulnerable to price fluctuation than those that diversify among a broad range of sectors.

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

The **indices selected by Morgan Stanley Wealth Management** to measure performance are representative of broad asset classes. Morgan Stanley Wealth Management retains the right to change representative indices at any time.

Because of their narrow focus, **sector investments** tend to be more volatile than investments that diversify across many sectors and companies.

Growth investing does not guarantee a profit or eliminate risk. The stocks of these companies can have relatively high valuations. Because of these high valuations, an investment in a growth stock can be more risky than an investment in a company with more modest growth expectations.

Value investing does not guarantee a profit or eliminate risk. Not all companies whose stocks are considered to be value stocks are able to turn their business around or successfully employ corrective strategies which would result in stock prices that do not rise as initially expected.

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

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

Duration, the most commonly used measure of bond risk, quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates.

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

City of Port Orange Municipal Police Officers' Retirement Plan

Asset Allocation & Time Weighted Performance

as of June 30, 2016

	Allocation		Performance(%)								
	Market Value ($)	%	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Total Fund	**28,440,321**	**100.00**	**1.15**	**3.97**	**-0.07**	**5.94**	**6.20**	**9.25**	**6.33**	**6.82**	**11/01/1995**
Policy Index			1.81	5.77	0.98	6.99	7.28	9.92	6.11	7.04	
Domestic Equity											
BlackRock- Large Cap Value	3,307,641	11.63	4.24	12.71	5.77	9.83	N/A	N/A	N/A	11.29	09/01/2012
Russell 1000 VL			4.58	12.29	2.86	9.87	N/A	N/A	N/A	13.23	
Jennison- Large Cap Growth	1,548,245	5.44	-1.43	1.09	-4.40	13.57	N/A	N/A	N/A	14.27	12/01/2012
Russell 1000 Gr			0.62	8.78	3.03	13.08	N/A	N/A	N/A	14.34	
Wedgewood- Large Cap Growth	1,539,526	5.41	-1.93	1.39	-5.75	7.62	N/A	N/A	N/A	8.88	12/01/2012
Russell 1000 Gr			0.62	8.78	3.03	13.08	N/A	N/A	N/A	14.34	
Connors - Large Cap Core	3,047,178	10.71	2.46	7.10	0.63	N/A	N/A	N/A	N/A	8.56	10/01/2013
S&P 500 Total Return			2.46	11.15	4.01	N/A	N/A	N/A	N/A	10.71	
Boston - Small Mid Cap Value	1,705,557	6.00	1.38	N/A	N/A	N/A	N/A	N/A	N/A	1.38	04/01/2016
Russell 2500 VL			4.37	N/A	N/A	N/A	N/A	N/A	N/A	4.37	
RBC - Small Cap Growth	1,816,444	6.39	3.20	8.39	-0.08	8.99	11.45	16.49	N/A	9.08	12/01/2006
Russell 2000 Gr			3.24	2.66	-10.76	7.74	8.51	14.29	N/A	6.70	
International Equity											
Lazard - International Value	1,389,637	4.89	-0.12	1.45	-5.73	5.34	5.44	8.37	3.95	4.69	10/01/2000
MSCI EAFE Net			-1.46	0.08	-10.16	2.07	1.68	5.97	1.58	2.89	
Renaissance - International Growth	1,434,017	5.04	-3.06	2.69	-10.29	4.15	3.33	7.35	N/A	9.60	02/01/2009
MSCI AC World ex US Net			-0.64	2.20	-10.24	1.16	0.10	5.35	N/A	8.24	
Fixed Income											
Madison - Intermediate Fixed Income	7,803,275	27.44	0.70	2.02	2.89	2.03	1.96	2.62	4.05	4.75	11/01/1995
BC Gov/Cr Intm			1.59	3.35	4.33	2.95	2.90	3.78	4.48	5.08	

City of Port Orange Municipal Police Officers' Retirement Plan

Asset Allocation & Time Weighted Performance

as of June 30, 2016

	Allocation		Performance(%)								
	Market Value ($)	%	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Alternatives											
Pine Grove - HFOF	1,292,333	4.54	1.31	-2.54	-5.23	N/A	N/A	N/A	N/A	-1.85	03/01/2014
HFRI FOF Conservative			0.12	-1.95	-3.71	N/A	N/A	N/A	N/A	-0.04	
Private Advisors - HFOF	1,293,288	4.55	1.41	-1.38	-4.02	N/A	N/A	N/A	N/A	-1.82	03/01/2014
HFRI FOF Conservative			0.12	-1.95	-3.71	N/A	N/A	N/A	N/A	-0.04	
UBS - Private Real Estate	2,169,990	7.63	1.78	7.02	10.69	11.25	N/A	N/A	N/A	11.13	08/01/2012
Russell NCREIF Property I			2.03	7.33	10.64	11.61	N/A	N/A	N/A	11.65	
Cash & Equivalents											
Cash	93,190	0.33	0.01	0.17	0.18	0.37	0.48	0.37	1.40	2.70	02/01/1996
90-Day T-Bills			0.06	0.13	0.13	0.07	0.07	0.08	0.87	2.32	

City of Port Orange Municipal Police Officers' Retirement Plan

Asset Allocation & Net Dollar Weighted Performance (IRR)

as of June 30, 2016

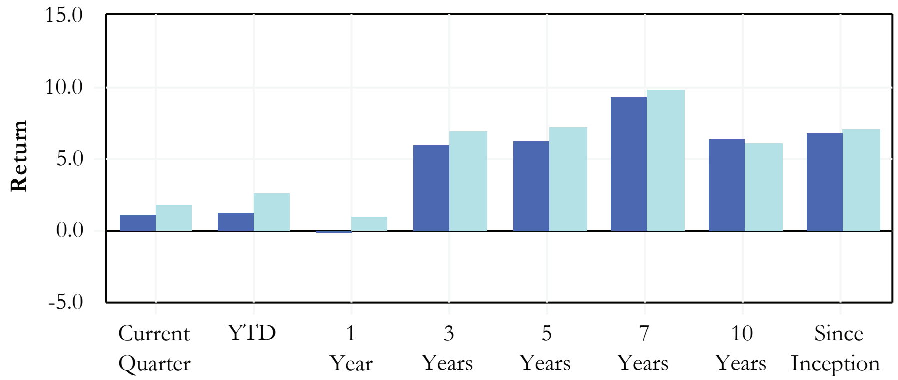
	%	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Total Fund	**100.00**	**0.98**	**3.28**	**-0.94**	**5.04**	**5.35**	**7.86**	**5.62**	**5.86**	**10/31/1995**
Domstic Equity										
BlackRock- Large Cap Value	11.63	4.10	12.07	4.82	9.44	N/A	N/A	N/A	11.33	08/31/2012
Jennison- Large Cap Growth	5.44	-1.57	0.34	-5.27	16.65	N/A	N/A	N/A	16.76	11/30/2012
Wedgewood- Large Cap Growth	5.41	-2.07	0.53	-6.60	8.88	N/A	N/A	N/A	10.27	11/30/2012
Connors - Large Cap Core	10.71	2.26	6.42	-0.30	N/A	N/A	N/A	N/A	7.70	09/30/2013
Boston - Small Mid Cap Value	6.00	1.23	N/A	N/A	N/A	N/A	N/A	N/A	1.23	03/31/2016
RBC - Small Cap Growth	6.39	3.03	7.58	-0.97	8.63	10.76	15.99	N/A	9.43	11/30/2006
International Equity										
Lazard - International Value	4.89	-0.07	0.88	-6.41	4.78	5.34	7.33	1.98	3.21	09/30/2000
Renaissance - International Growth	5.04	-2.95	1.65	-10.70	3.06	2.93	5.94	N/A	7.49	01/31/2009
Fixed Income										
Madison - Intermediate Fixed Income	27.44	0.57	1.42	2.09	1.25	1.13	1.64	2.74	3.34	10/31/1995
Alternatives										
Pine Grove - HFOF	4.54	1.19	-2.93	-5.73	N/A	N/A	N/A	N/A	-2.34	02/28/2014
Private Advisors - HFOF	4.55	1.29	-1.78	-4.40	N/A	N/A	N/A	N/A	-2.23	02/28/2014
UBS - Private Real Estate	7.63	1.36	5.64	8.77	9.35	N/A	N/A	N/A	9.31	07/31/2012
Cash & Equivalents										
Cash	0.33	0.01	0.02	0.02	0.04	0.28	0.26	0.60	2.10	01/31/1996

City of Port Orange Municipal Police Officers' Retirement Plan

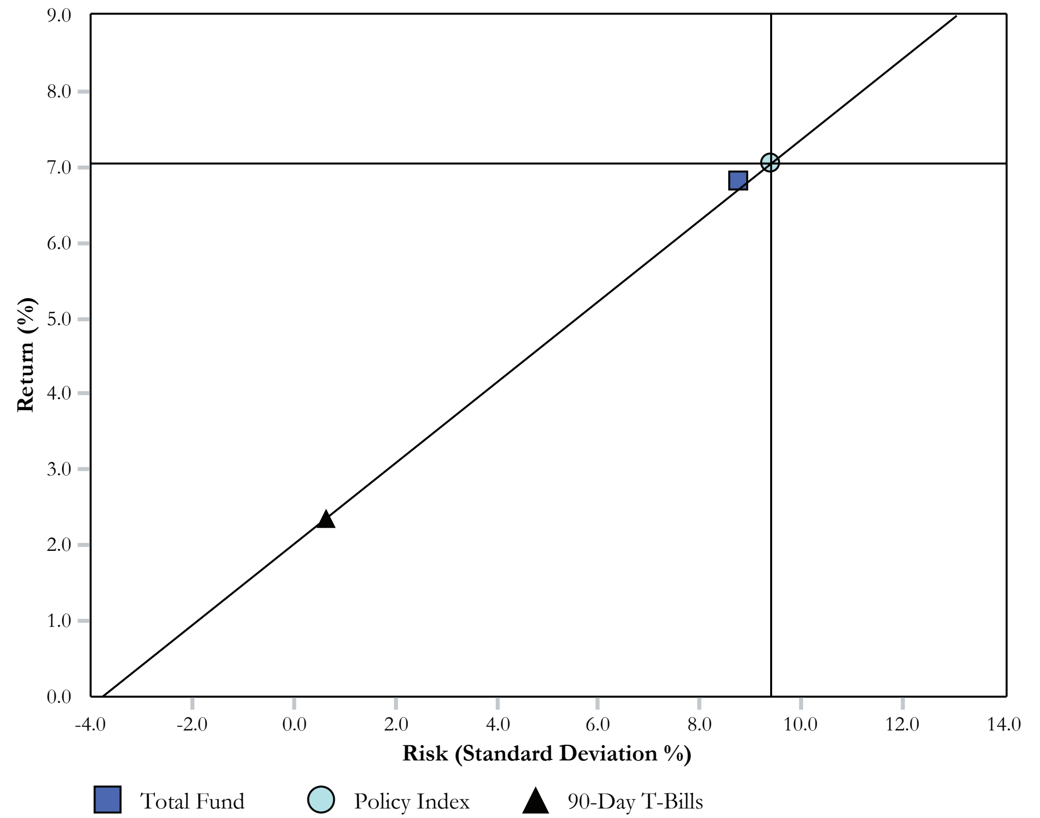
Total Fund - Executive Summary

as of June 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Total Fund	1.15	3.97	-0.07	5.94	6.20	9.25	6.33	6.82	11/01/1995
Policy Index	1.81	5.77	0.98	6.99	7.28	9.92	6.11	7.04	
Differences	-0.66	-1.80	-1.05	-1.05	-1.08	-0.67	0.22	-0.22	

Historic Asset Growth

	Current Quarter	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
Total Fund								
Beginning Market Value	27,971	28,308	28,602	23,508	18,625	11,848	8,997	3,076
Net Contributions	193	-69	109	1,015	3,472	5,767	9,109	11,465
Fees/Expenses	-46	-121	-247	-731	-1,116	-1,407	-1,737	-2,325
Income	139	283	510	1,449	2,361	3,043	4,082	6,130
Gain/Loss	184	39	-534	3,199	5,098	9,189	7,988	10,094
Ending Market Value	28,440	28,440	28,440	28,440	28,440	28,440	28,440	28,440

Modern Portfolio Statistics

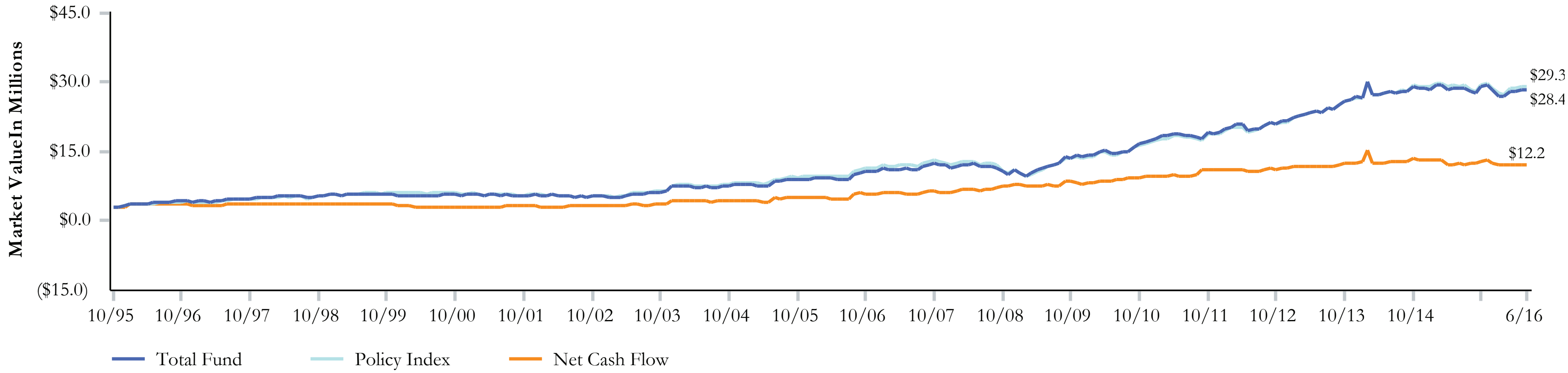
	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Total Fund	6.82	8.76	0.91	-29.89	92.64	89.89	0.41	0.53	0.94	11/01/1995
Policy Index	7.04	9.40	1.00	-33.36	100.00	100.00	0.00	0.52	1.00	11/01/1995

City of Port Orange Municipal Police Officers' Retirement Plan

Total Fund - Change in Assets & Distribution of Returns

as of June 30, 2016

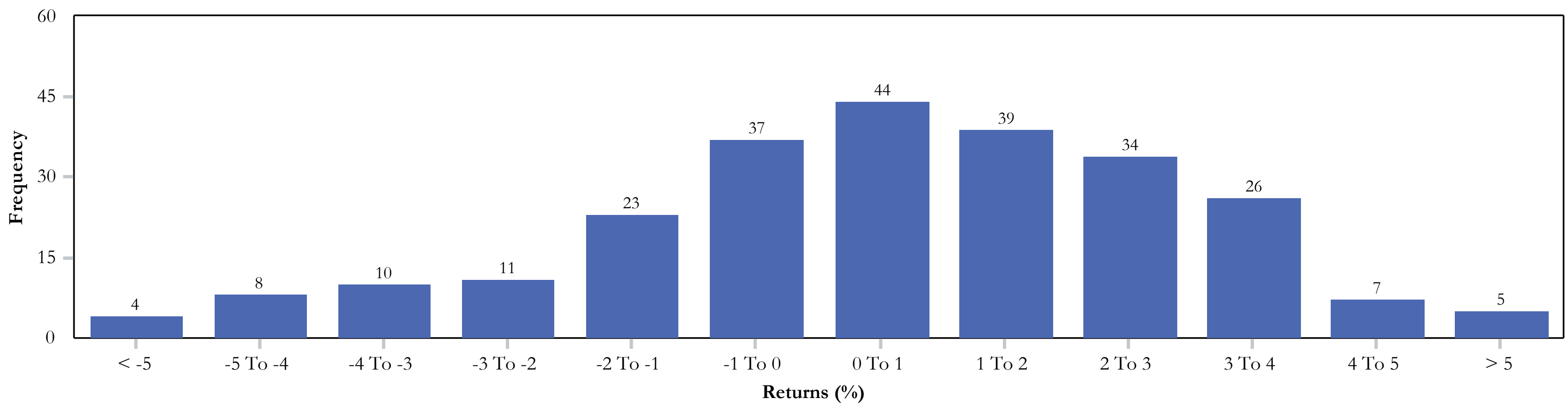
Historic Change in Assets



Quarterly Change in Assets

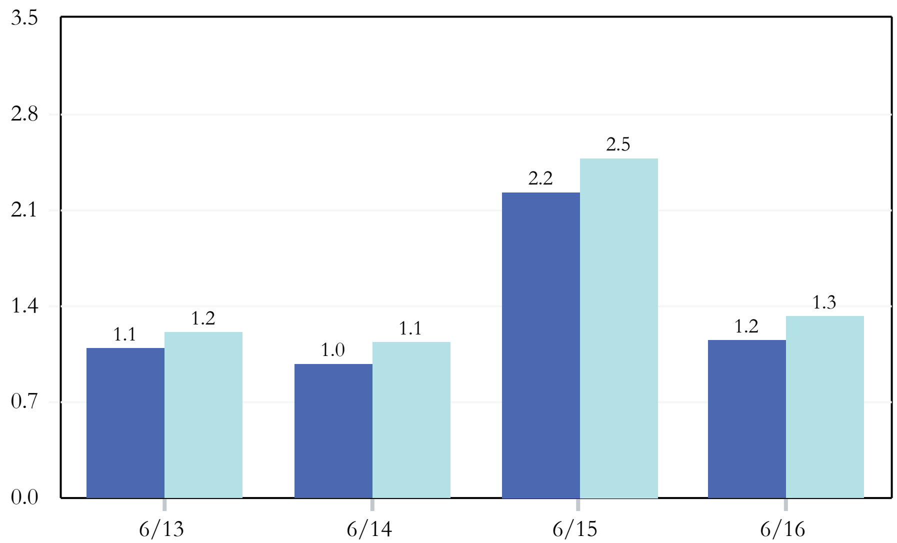
	Market Value As of 04/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Income	Return On Investment	Market Value As of 06/30/2016
Total Fund	27,971.26	-	1,603.31	-1,410.62	-46.22	-	138.88	322.60	28,440.32

Distribution of Returns

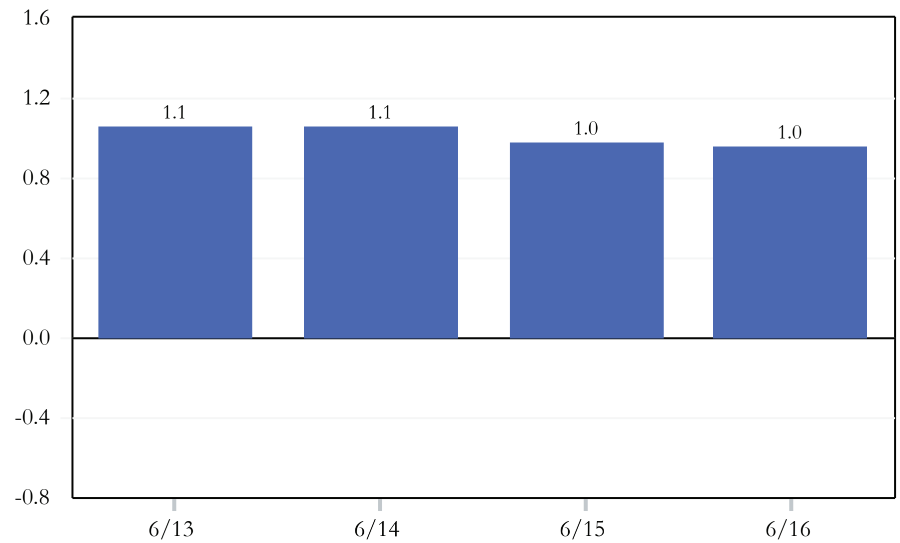


City of Port Orange Municipal Police Officers' Retirement Plan
Total Fund - Rolling Three Year MPT Statistics
as of June 30, 2016

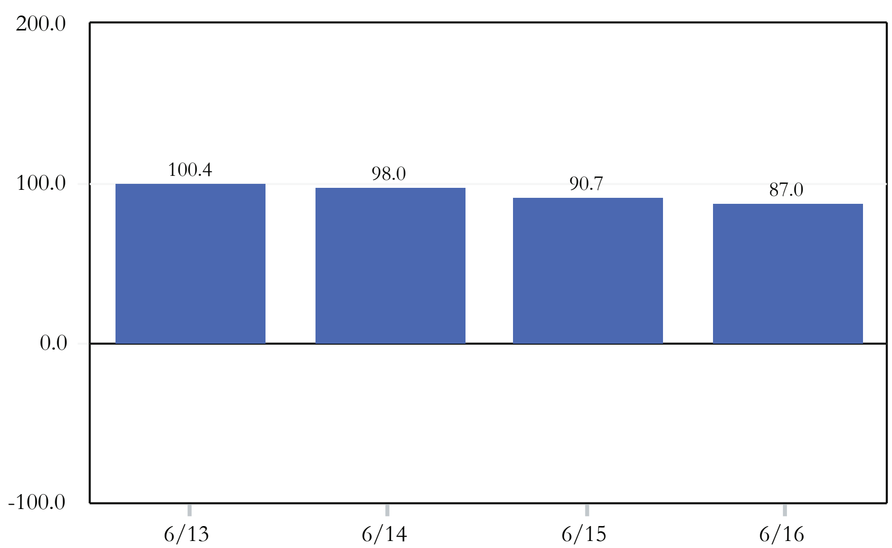
Sharpe Ratio



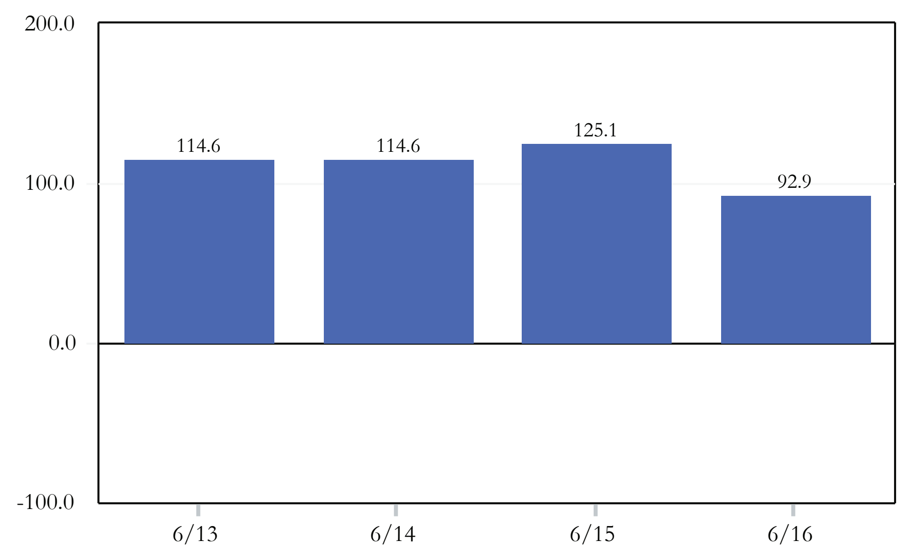
Beta



Up Market Capture



Down Market Capture

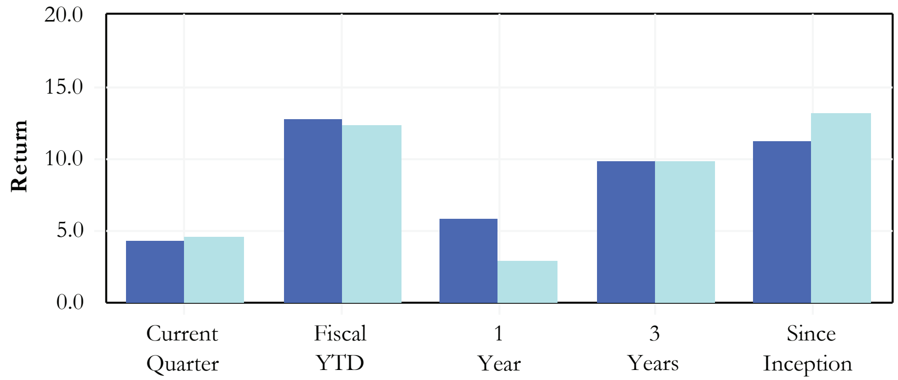


City of Port Orange Municipal Police Officers' Retirement Plan

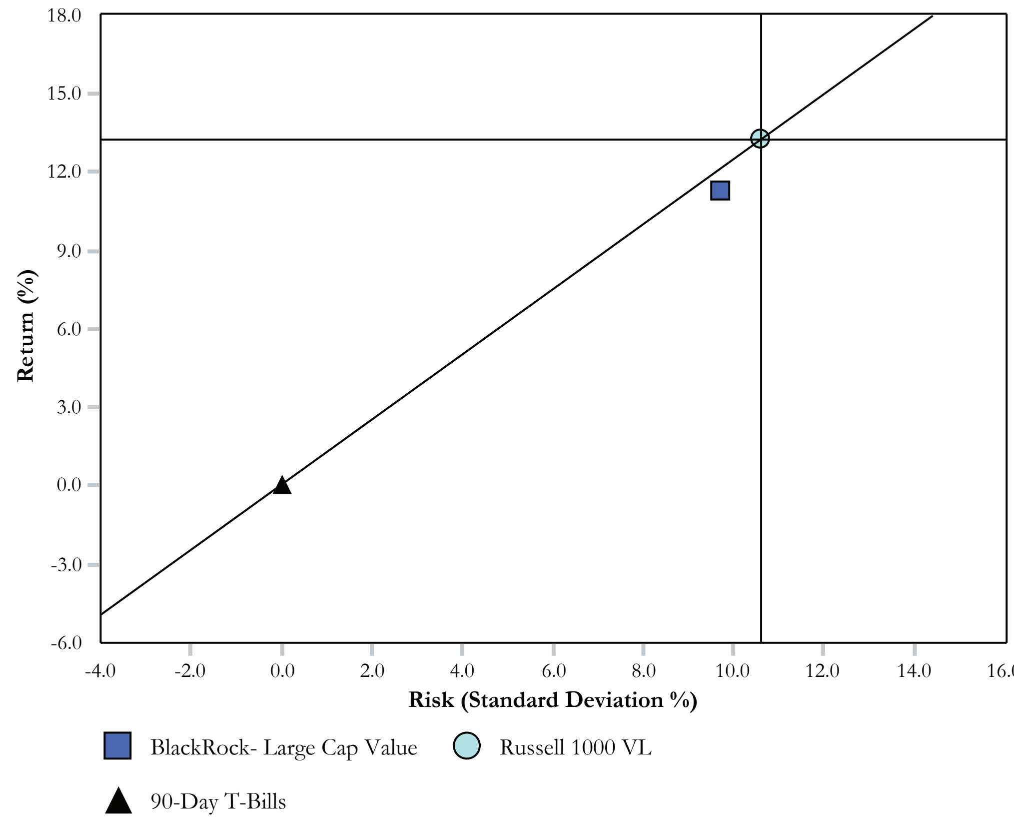
BlackRock - Large Cap Value - Executive Summary

as of June 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	Since Inception	Inception Date
BlackRock- Large Cap Value	4.24	12.71	5.77	9.83	11.29	09/01/2012
Russell 1000 VL	4.58	12.29	2.86	9.87	13.23	
Differences	-0.34	0.42	2.91	-0.04	-1.94	

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	3 Years	Since Inception	Inception Date
BlackRock- Large Cap Value						09/01/2012
Beginning Market Value	3,182	3,005	3,209	4,431	3,859	
Net Contributions	-5	-55	-55	-2,003	-1,939	
Fees/Expenses	-4	-20	-27	-90	-119	
Income	22	65	85	270	381	
Gain/Loss	113	313	95	700	1,125	
Ending Market Value	3,308	3,308	3,308	3,308	3,308	

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	11.29	9.73	0.89	-7.82	88.75	92.60	-0.44	1.15	0.95	09/01/2012
Russell 1000 VL	13.23	10.60	1.00	-10.23	100.00	100.00	0.00	1.23	1.00	09/01/2012

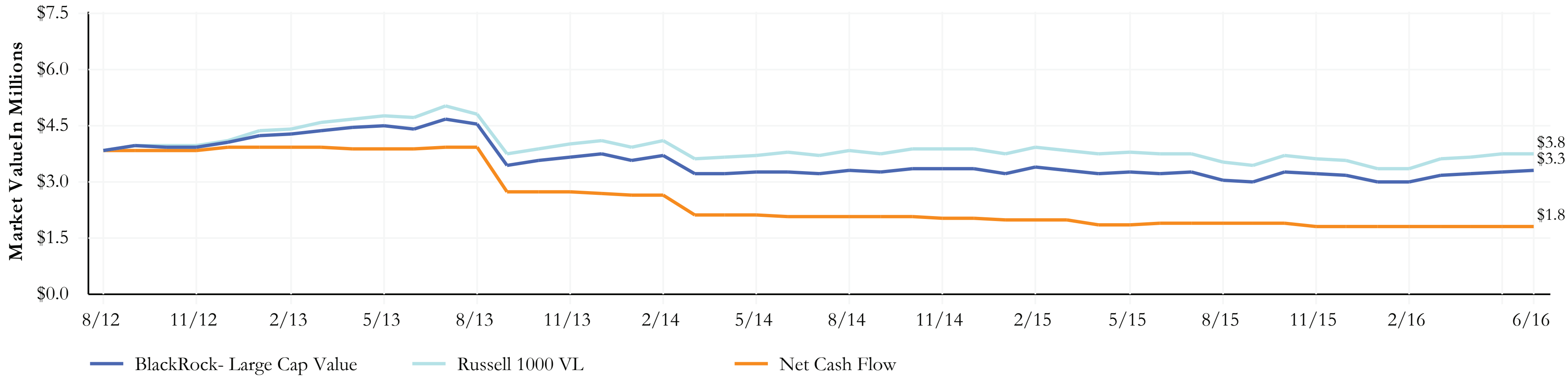
Graystone Consulting

City of Port Orange Municipal Police Officers' Retirement Plan

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

as of June 30, 2016

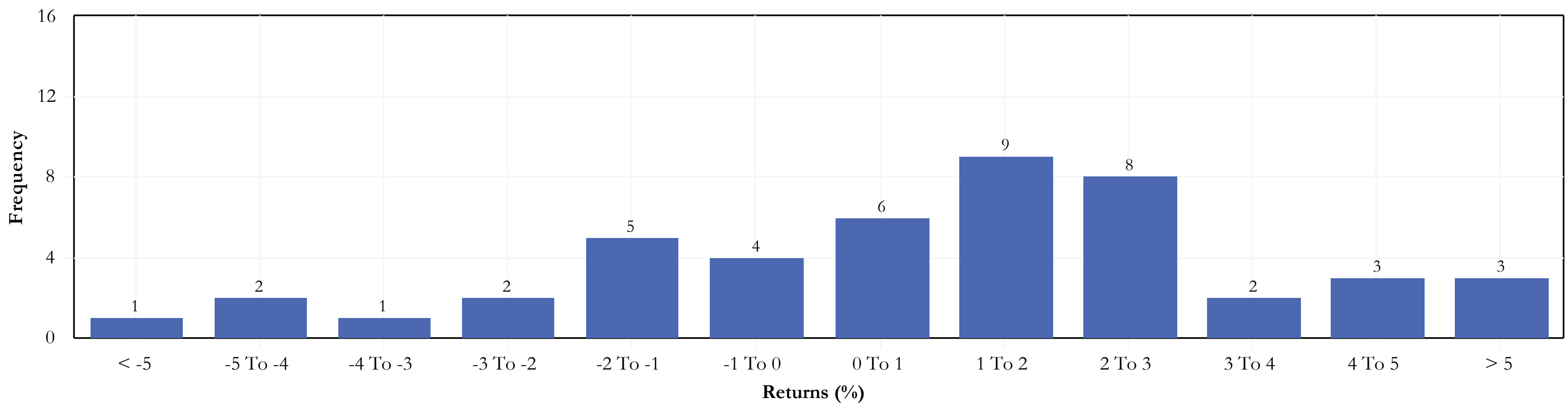
Historic Change in Assets



Quarterly Change in Assets

	Market Value As of 04/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 06/30/2016
BlackRock- Large Cap Value	3,182,413.52	-	-	-5,000.00	-4,376.93	-	134,604.71	3,307,641.30

Distribution of Returns



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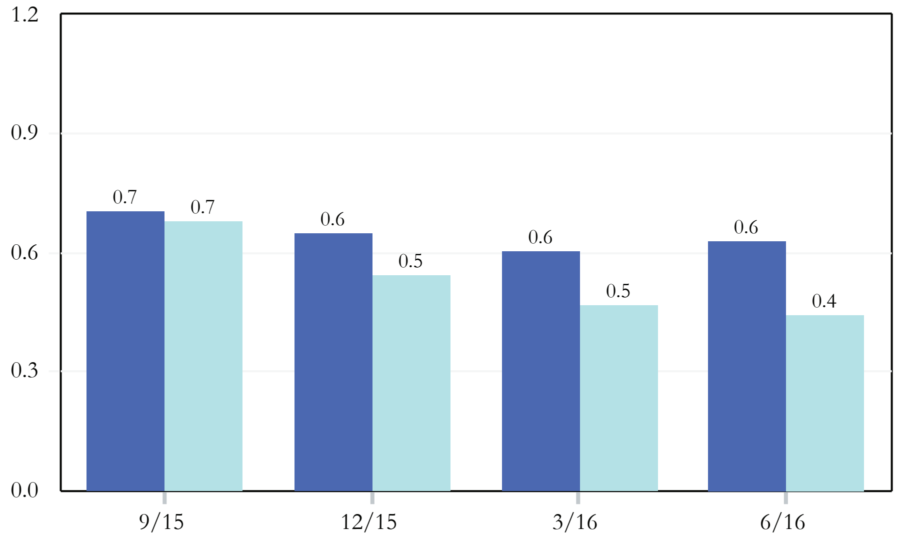
Graystone Consulting

City of Port Orange Municipal Police Officers' Retirement Plan

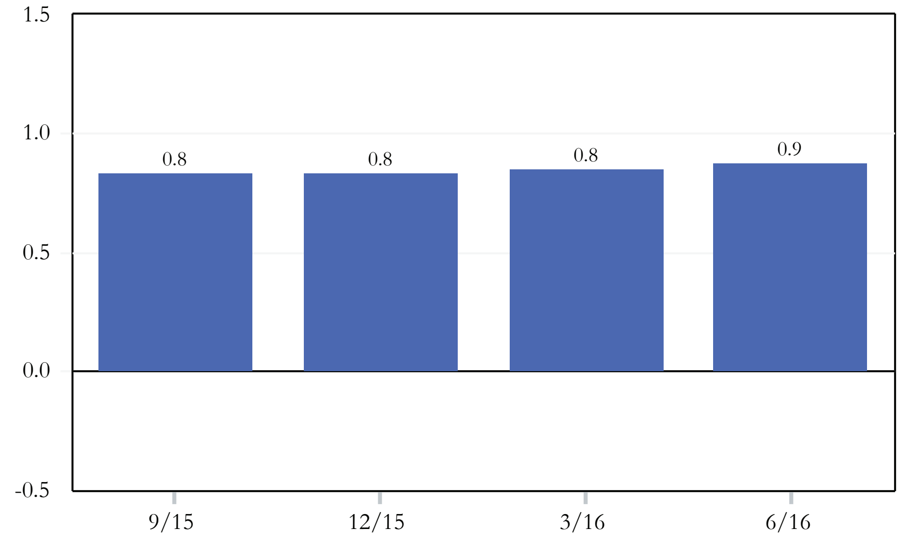
BlackRock- Large Cap Value - Rolling Two Year MPT Statistics

as of June 30, 2016

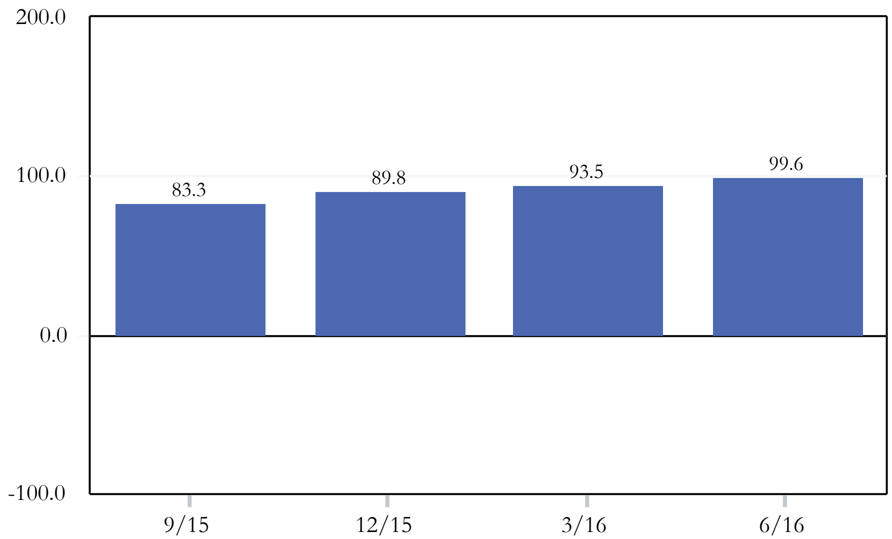
Sharpe Ratio



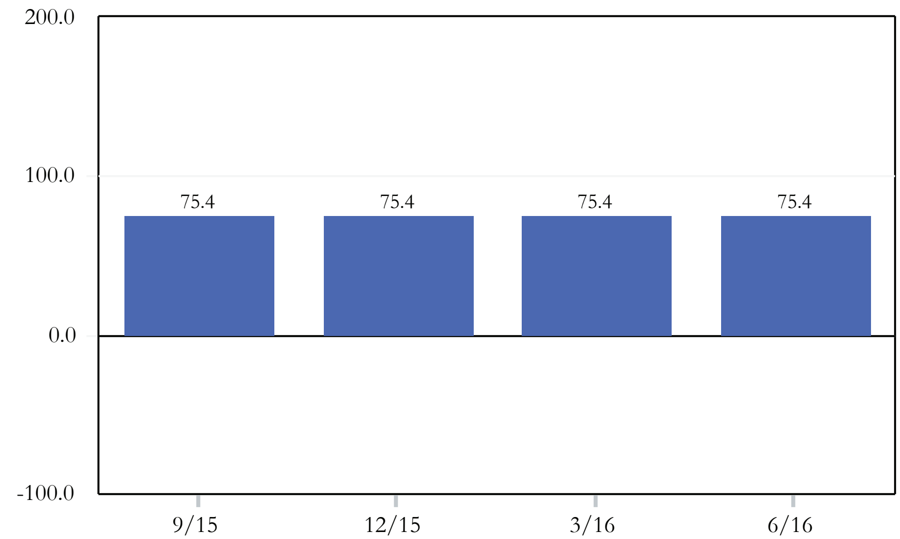
Beta



Up Market Capture



Down Market Capture



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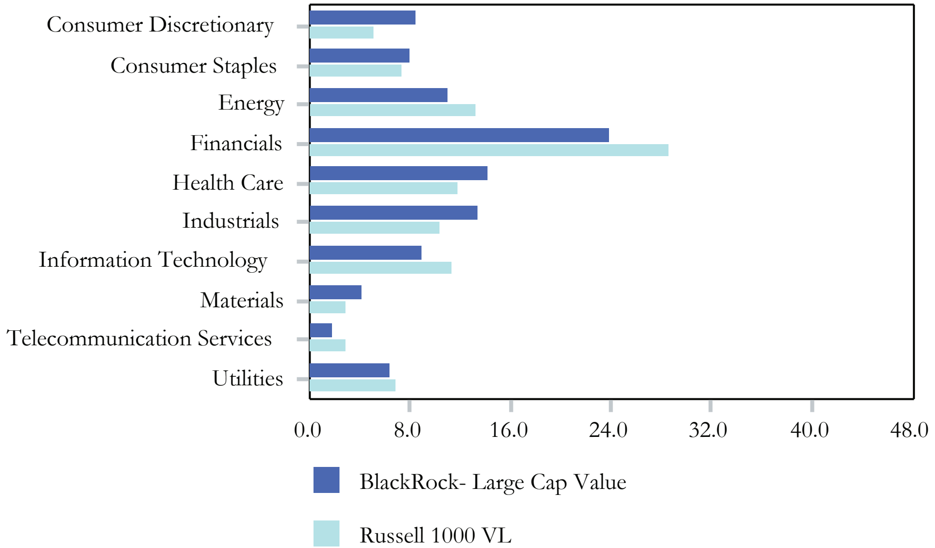
City of Port Orange Municipal Police Officers' Retirement Plan

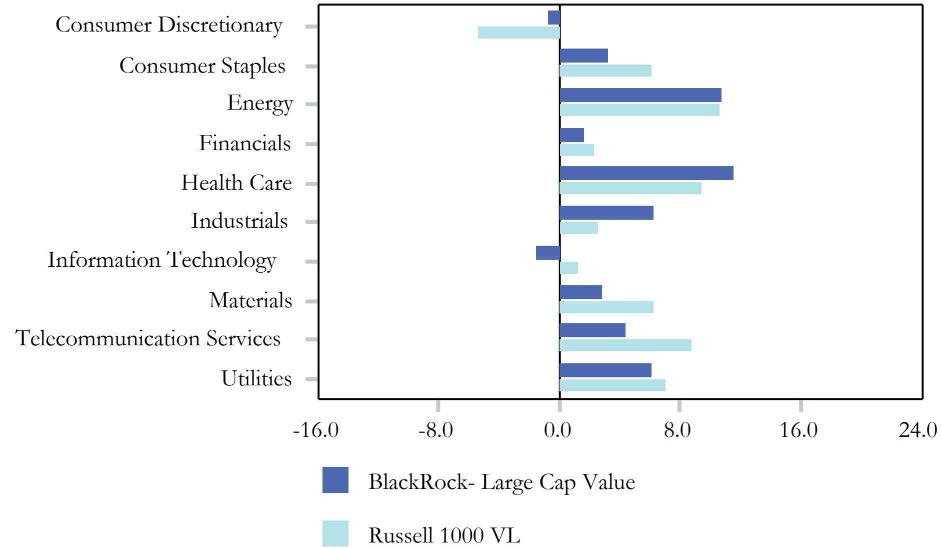
BlackRock- Large Cap Value - Quarterly Performance Attributes

as of June 30, 2016

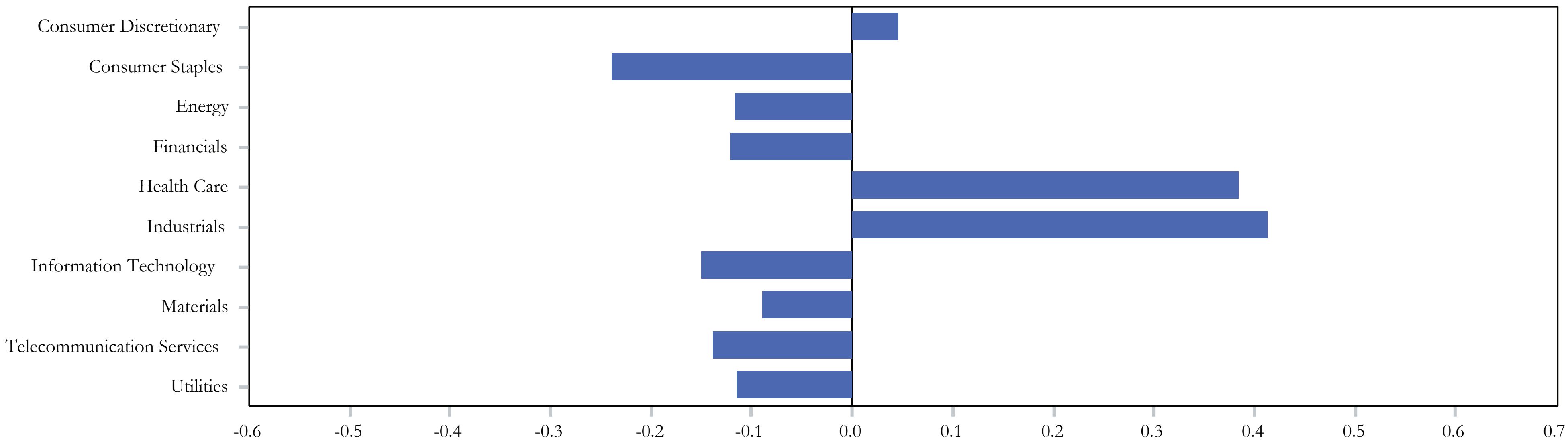
Allocation



Performance



Total Attribution



City of Port Orange Municipal Police Officers' Retirement Plan

BlackRock- Large Cap Value - Quarterly Performance Attributes

as of June 30, 2016

	Allocation-04/01/2016		Performance-1 Quarter Ending June 30, 2016		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Consumer Discretionary	8.41	5.13	-0.71	-5.47	-0.34	0.25	0.13	0.05
Consumer Staples	8.03	7.25	3.14	6.08	0.00	-0.21	-0.02	-0.24
Energy	11.03	13.23	10.74	10.62	-0.13	0.02	0.00	-0.12
Financials	23.91	28.53	1.59	2.25	0.05	-0.13	-0.04	-0.12
Health Care	14.14	11.81	11.52	9.37	0.12	0.24	0.03	0.38
Industrials	13.32	10.26	6.21	2.52	-0.07	0.38	0.10	0.41
Information Technology	8.98	11.23	-1.55	1.18	0.11	-0.32	0.06	-0.15
Materials	4.13	2.89	2.84	6.27	0.07	-0.10	-0.06	-0.09
Telecommunication Services	1.77	2.79	4.34	8.80	-0.06	-0.12	0.03	-0.14
Utilities	6.29	6.86	6.12	7.08	-0.05	-0.06	0.00	-0.11
Total	100.00	100.00	4.44	4.57	-0.31	-0.05	0.24	-0.12

City of Port Orange Municipal Police Officers' Retirement Plan

BlackRock- Large Cap Value - Portfolio Characteristics

as of June 30, 2016

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($000)	126,967,515.62	114,956,534.74
Median Mkt. Cap ($000)	65,177,610.52	7,566,736.93
Price/Earnings ratio	17.29	17.08
Price/Book ratio	2.66	2.12
5 Yr. EPS Growth Rate (%)	4.88	3.05
Current Yield (%)	2.80	2.65
Beta (5 Years, Monthly)	1.01	1.00
Number of Stocks	70	692
Debt to Equity	1.11	0.92

Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
JPMorgan Chase & Co	4.09	2.22	1.87	5.71
Pfizer Inc	3.74	1.93	1.81	19.87
General Electric Co	3.32	2.29	1.03	-0.23
Wells Fargo & Co	3.09	2.12	0.97	-1.37
Exxon Mobil Corp	2.86	3.81	-0.95	13.09
Intel Corp	2.72	1.38	1.34	2.27
Dollar General Corp	2.55	0.00	2.55	10.12
Citigroup Inc	2.48	1.22	1.26	1.64
Microsoft Corp	2.39	0.00	2.39	-6.69
Occidental Petroleum Corp	2.37	0.56	1.81	11.52
% of Portfolio	29.61	15.53		

Ten Best Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Marathon Oil Corp	0.29	0.12	0.17	35.27
Pfizer Inc	3.74	1.93	1.81	19.87
Hess Corp	1.01	0.17	0.84	14.64
Quest Diagnostics Inc	1.14	0.11	1.03	14.57
SunTrust Banks Inc.	2.18	0.20	1.98	14.49
Mondelez International Inc	0.77	0.67	0.10	13.90
Exxon Mobil Corp	2.86	3.81	-0.95	13.09
Johnson & Johnson	1.78	2.70	-0.92	12.90
Lockheed Martin Corp	1.34	0.00	1.34	12.81
Northrop Grumman Corp	1.64	0.00	1.64	12.79
% of Portfolio	16.75	9.71		

Ten Worst Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Gap Inc	0.80	0.04	0.76	-27.26
Invesco Ltd	0.66	0.09	0.57	-16.20
Motorola Solutions Inc	0.72	0.10	0.62	-12.32
Metlife Inc.	0.92	0.36	0.56	-8.51
Microsoft Corp	2.39	0.00	2.39	-6.69
Anthem Inc	1.56	0.25	1.31	-5.05
Goldman Sachs Group Inc	0.80	0.56	0.24	-4.97
Home Depot Inc. (The)	2.11	0.00	2.11	-3.81
McDonald's Corp	1.07	0.00	1.07	-3.55
Kroger Co. (The)	1.32	0.00	1.32	-3.53
% of Portfolio	12.35	1.40		

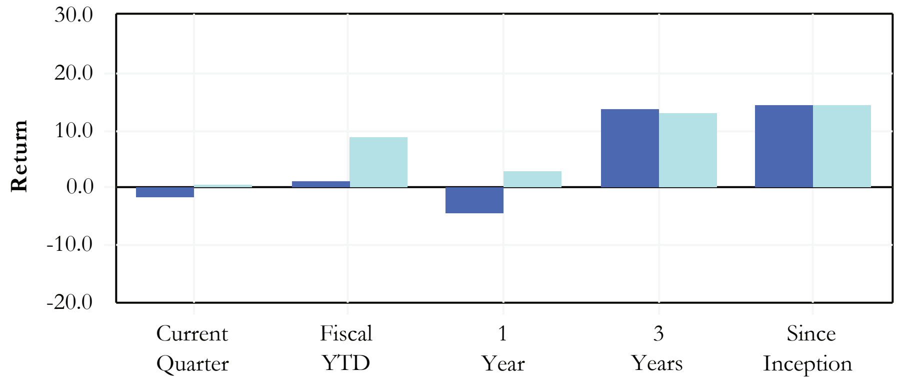
Graystone Consulting

City of Port Orange Municipal Police Officers' Retirement Plan

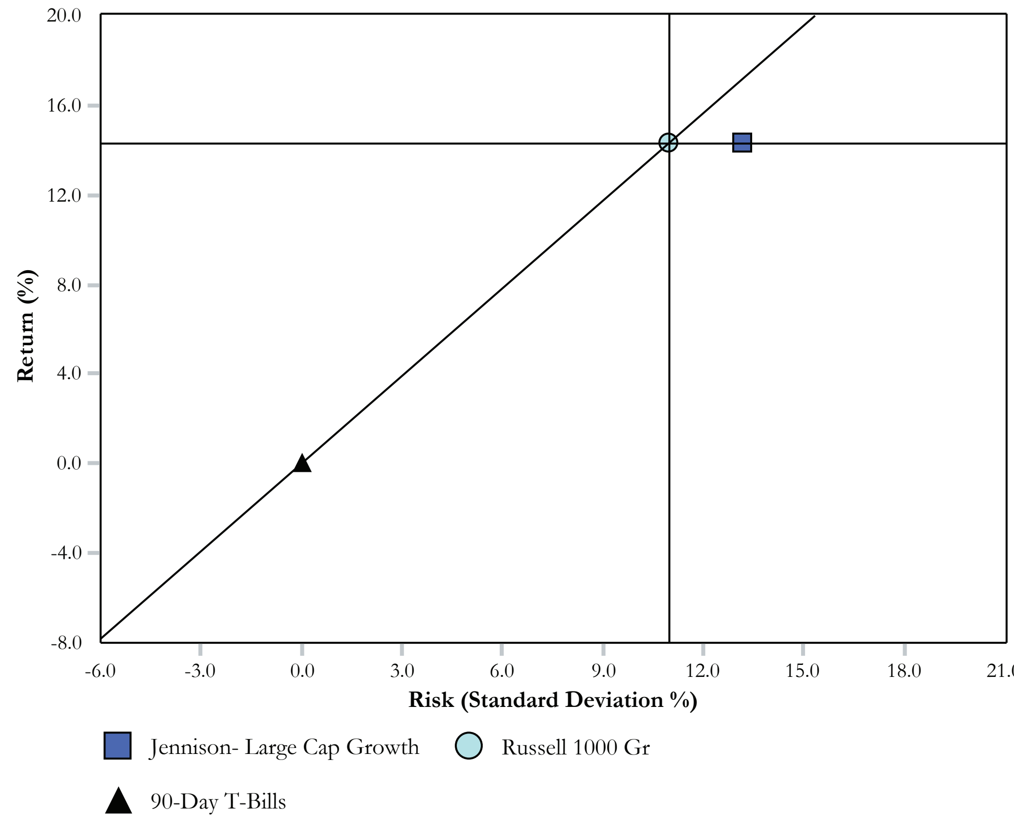
Jennison - Large Cap Growth - Executive Summary

as of June 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	Since Inception	Inception Date
Jennison- Large Cap Growth	-1.43	1.09	-4.40	13.57	14.27	12/01/2012
Russell 1000 Gr	0.62	8.78	3.03	13.08	14.34	
Differences	-2.05	-7.69	-7.43	0.49	-0.07	

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	3 Years	Since Inception	Inception Date
Jennison- Large Cap Growth						12/01/2012
Beginning Market Value	1,573	1,528	1,619	2,171	1,990	
Net Contributions	-	15	15	-1,323	-1,333	
Fees/Expenses	-2	-10	-14	-46	-56	
Income	3	8	11	38	51	
Gain/Loss	-25	7	-83	708	896	
Ending Market Value	1,548	1,548	1,548	1,548	1,548	

Modern Portfolio Statistics

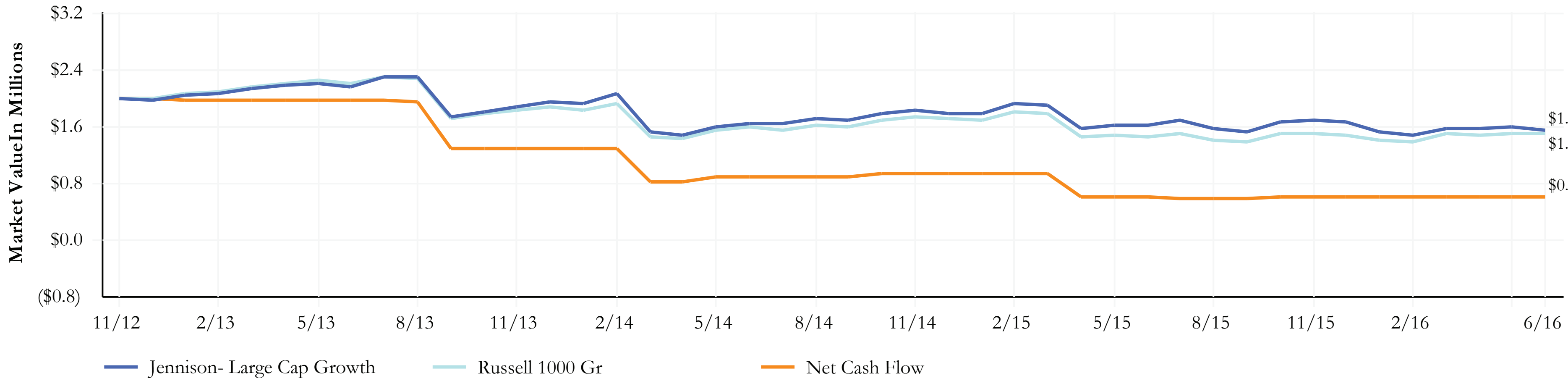
	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Jennison- Large Cap Growth	14.27	13.21	1.12	-12.81	108.60	119.39	-1.46	1.08	0.87	12/01/2012
Russell 1000 Gr	14.34	10.97	1.00	-8.39	100.00	100.00	0.00	1.28	1.00	12/01/2012

City of Port Orange Municipal Police Officers' Retirement Plan

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

as of June 30, 2016

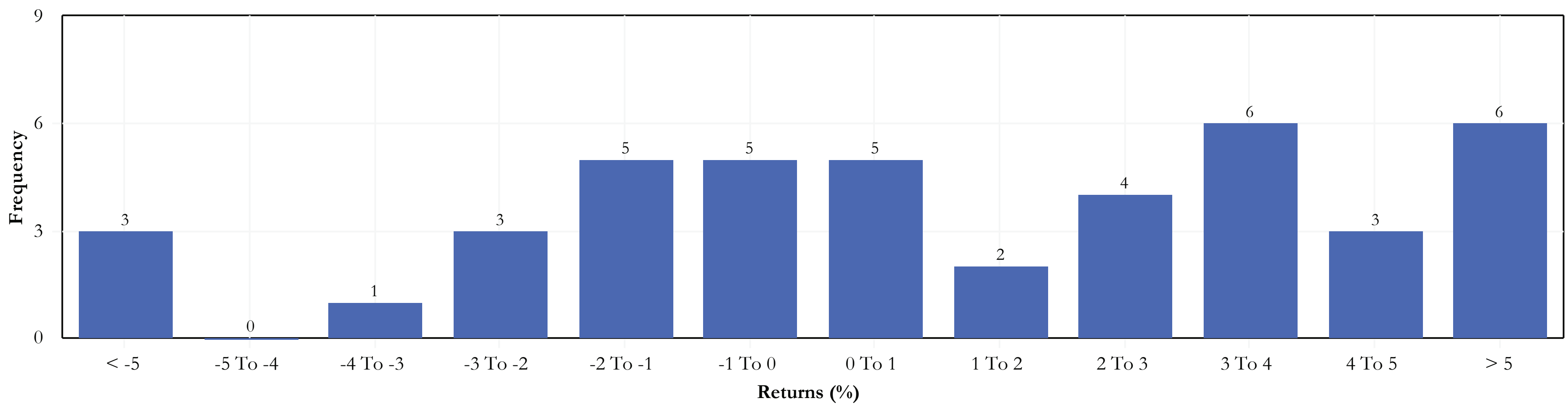
Historic Change in Assets



Quarterly Change in Assets

	Market Value As of 04/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 06/30/2016
Jennison- Large Cap Growth	1,572,930.13	-	14,394.54	-14,394.54	-2,083.10	-	-22,602.49	1,548,244.54

Distribution of Returns



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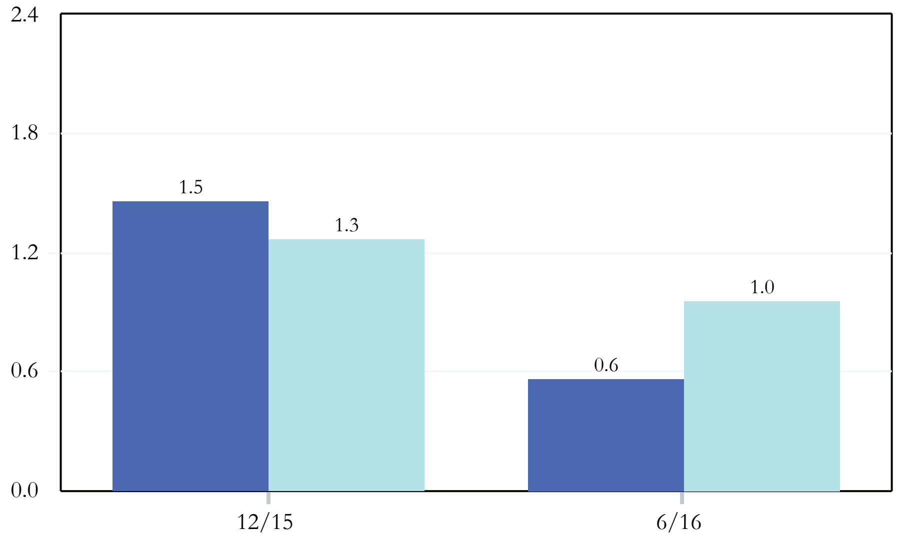
City of Port Orange Municipal Police Officers' Retirement Plan

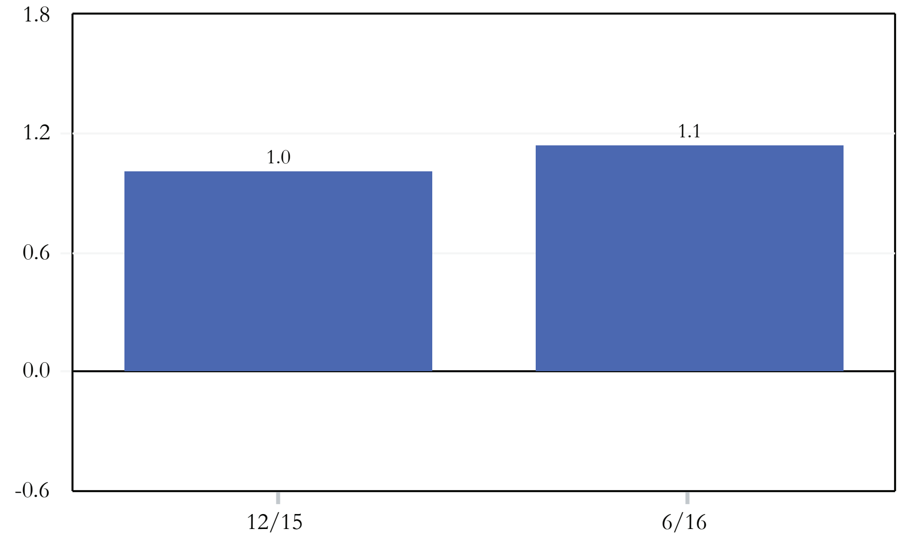
Jennison- Large Cap Growth - Rolling Two Year MPT Statistics

as of June 30, 2016

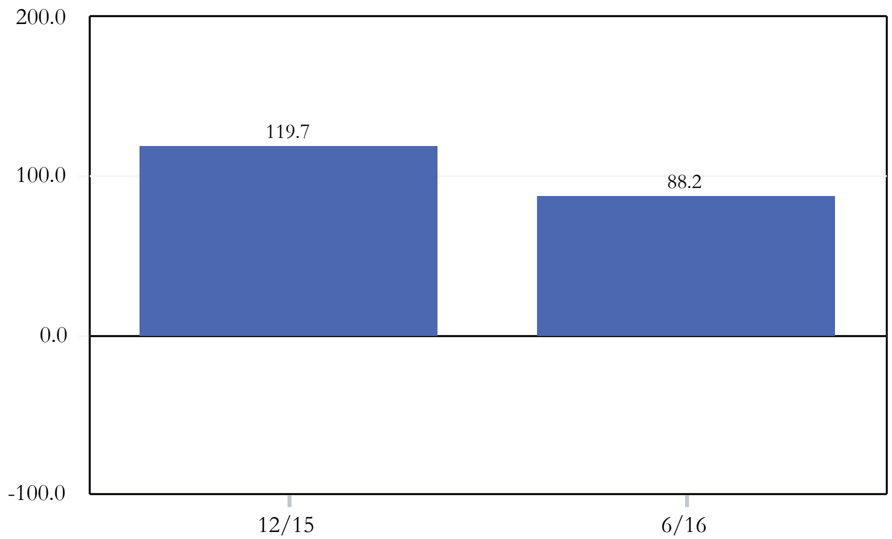
Sharpe Ratio



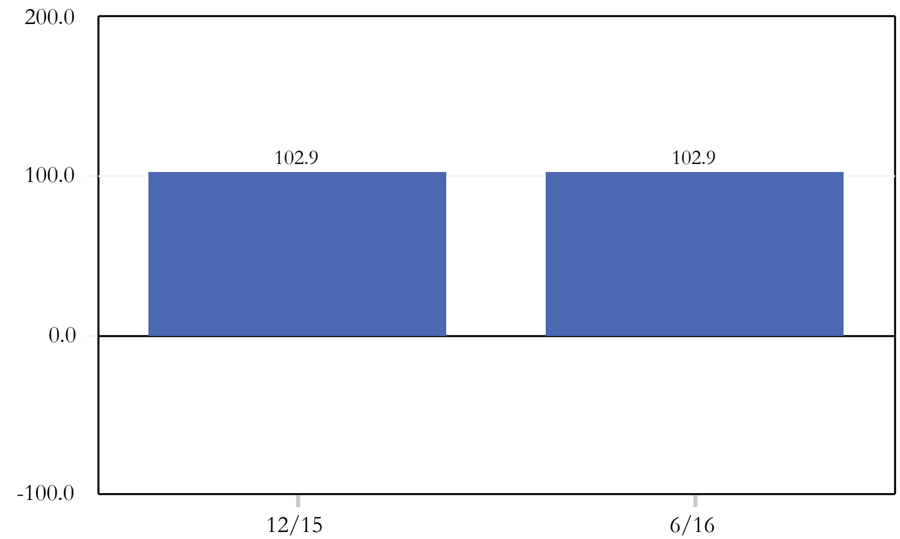
Beta



Up Market Capture



Down Market Capture

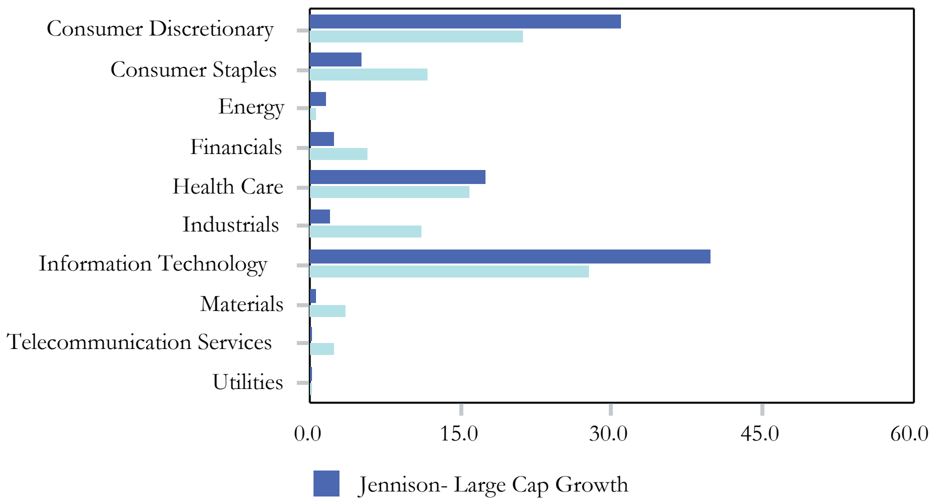


City of Port Orange Municipal Police Officers' Retirement Plan

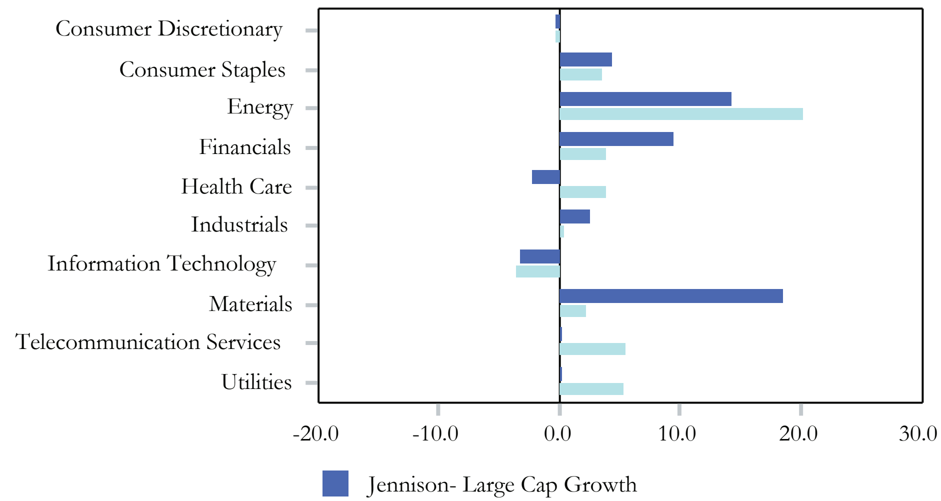
Jennison- Large Cap Growth - Quarterly Performance Attributes

as of June 30, 2016

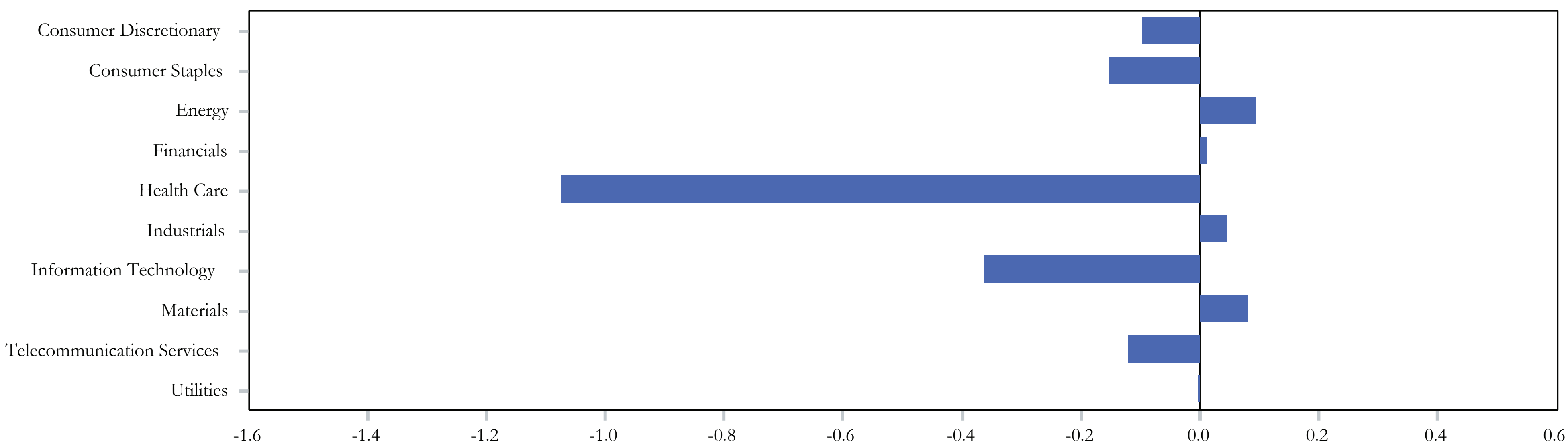
Allocation



Performance



Total Attribution



City of Port Orange Municipal Police Officers' Retirement Plan
Jennison- Large Cap Growth - Quarterly Performance Attributes
as of June 30, 2016

	Allocation-04/01/2016		Performance-1 Quarter Ending June 30, 2016		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Consumer Discretionary	30.95	21.26	-0.37	-0.28	-0.07	-0.02	0.00	-0.10
Consumer Staples	5.17	11.65	4.35	3.48	-0.20	0.10	-0.05	-0.15
Energy	1.53	0.56	14.23	20.22	0.18	-0.03	-0.05	0.09
Financials	2.31	5.71	9.54	3.87	-0.11	0.31	-0.19	0.01
Health Care	17.54	15.97	-2.36	3.90	0.04	-0.98	-0.13	-1.07
Industrials	2.04	11.09	2.59	0.43	0.01	0.27	-0.23	0.05
Information Technology	39.86	27.81	-3.20	-3.58	-0.49	0.11	0.02	-0.36
Materials	0.61	3.59	18.59	2.21	-0.04	0.60	-0.48	0.08
Telecommunication Services	0.00	2.32	0.00	5.53	-0.12	0.00	0.00	-0.12
Utilities	0.00	0.05	0.00	5.40	0.00	0.00	0.00	0.00
Total	100.00	100.00	-1.05	0.53	-0.82	0.36	-1.11	-1.58

City of Port Orange Municipal Police Officers' Retirement Plan

Jennison- Large Cap Growth - Portfolio Characteristics

as of June 30, 2016

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($000)	141,710,040.07	129,409,502.62
Median Mkt. Cap ($000)	52,013,176.46	8,880,234.79
Price/Earnings ratio	29.56	23.32
Price/Book ratio	5.99	5.49
5 Yr. EPS Growth Rate (%)	11.42	9.66
Current Yield (%)	0.79	1.58
Beta (5 Years, Monthly)	1.15	1.00
Number of Stocks	57	600
Debt to Equity	0.97	0.98

Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Amazon.com Inc	6.79	2.75	4.04	20.55
Facebook Inc	4.43	2.53	1.90	0.16
Apple Inc	4.06	4.74	-0.68	-11.75
Visa Inc	3.91	1.40	2.51	-2.84
Bristol-Myers Squibb Co	3.29	1.21	2.08	15.74
MasterCard Inc	3.12	0.84	2.28	-6.63
salesforce.com Inc	2.82	0.50	2.32	7.56
Shire PLC	2.81	0.00	2.81	7.09
Alibaba Group Holding Ltd	2.66	0.00	2.66	0.63
Alphabet Inc	2.64	2.03	0.61	-7.09
% of Portfolio	36.53	16.00		

Ten Best Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
NVIDIA Corp	1.29	0.24	1.05	32.27
Halliburton Co	0.36	0.00	0.36	27.33
Albemarle Corp	0.20	0.00	0.20	24.54
Amazon.com Inc	6.79	2.75	4.04	20.55
Monster Beverage Corp	1.83	0.24	1.59	20.49
Concho Resources Inc	1.08	0.00	1.08	18.04
Bristol-Myers Squibb Co	3.29	1.21	2.08	15.74
American Tower Corp	1.50	0.47	1.03	12.07
Splunk Inc	1.18	0.07	1.11	10.73
Constellation Brands Inc	0.80	0.27	0.53	9.75
% of Portfolio	18.32	5.25		

Ten Worst Performers

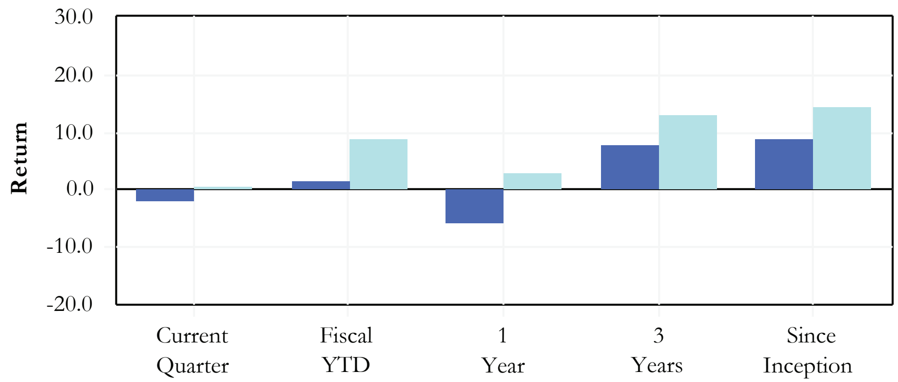
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Palo Alto Networks Inc	1.00	0.11	0.89	-24.82
Alexion Pharmaceuticals Inc	1.62	0.25	1.37	-16.13
Allergan PLC	2.29	0.53	1.76	-13.78
Illumina Inc	0.87	0.20	0.67	-13.40
Apple Inc	4.06	4.74	-0.68	-11.75
Netflix Inc	2.14	0.37	1.77	-10.52
Nike Inc	2.12	0.72	1.40	-9.94
Alphabet Inc	2.63	2.04	0.59	-7.78
Tesla Motors Inc	1.18	0.25	0.93	-7.61
Biogen Inc	0.74	0.52	0.22	-7.11
% of Portfolio	18.65	9.73		

City of Port Orange Municipal Police Officers' Retirement Plan

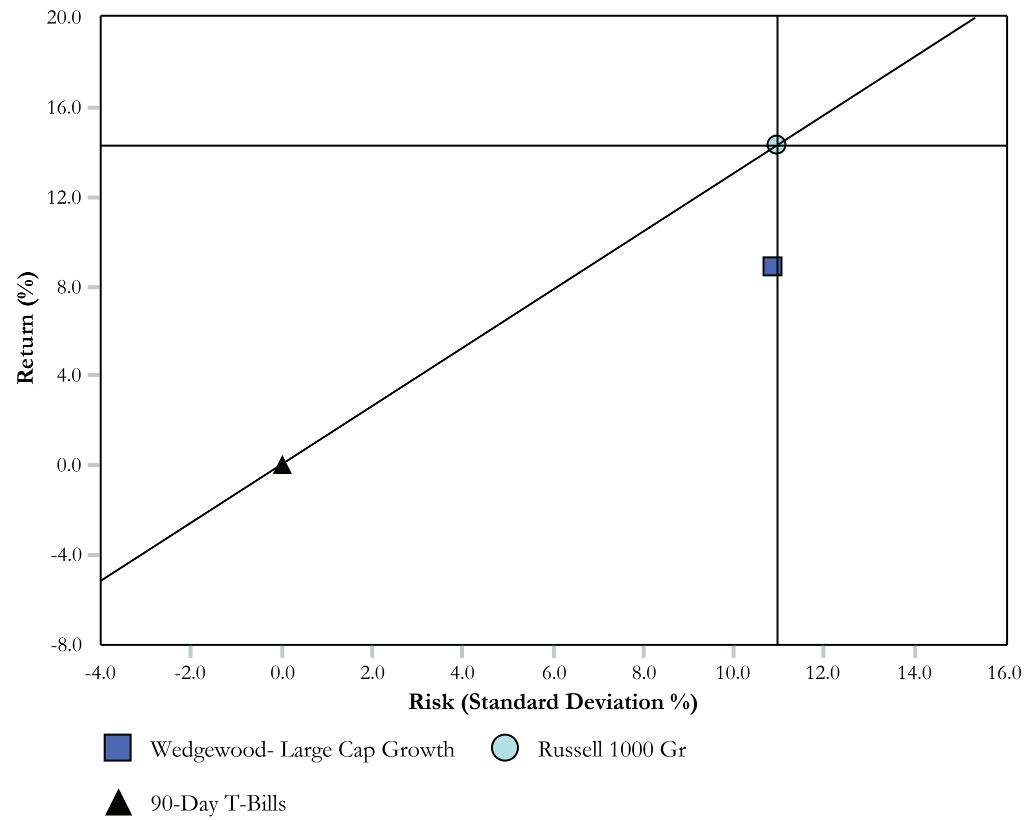
Wedgewood - Large Cap Growth - Executive Summary

as of June 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	Since Inception	Inception Date
Wedgewood- Large Cap Growth	-1.93	1.39	-5.75	7.62	8.88	12/01/2012
Russell 1000 Gr	0.62	8.78	3.03	13.08	14.34	
Differences	-2.55	-7.39	-8.78	-5.46	-5.46	

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	3 Years	Since Inception	Inception Date
Wedgewood- Large Cap Growth						12/01/2012
Beginning Market Value	1,572	1,493	1,610	2,121	1,908	
Net Contributions	-	38	38	-962	-912	
Fees/Expenses	-2	-10	-14	-45	-54	
Income	3	12	17	51	61	
Gain/Loss	-34	6	-112	375	537	
Ending Market Value	1,540	1,540	1,540	1,540	1,540	

Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Wedgewood- Large Cap Growth	8.88	10.90	0.91	-11.85	81.04	105.82	-3.59	0.83	0.84	12/01/2012
Russell 1000 Gr	14.34	10.97	1.00	-8.39	100.00	100.00	0.00	1.28	1.00	12/01/2012

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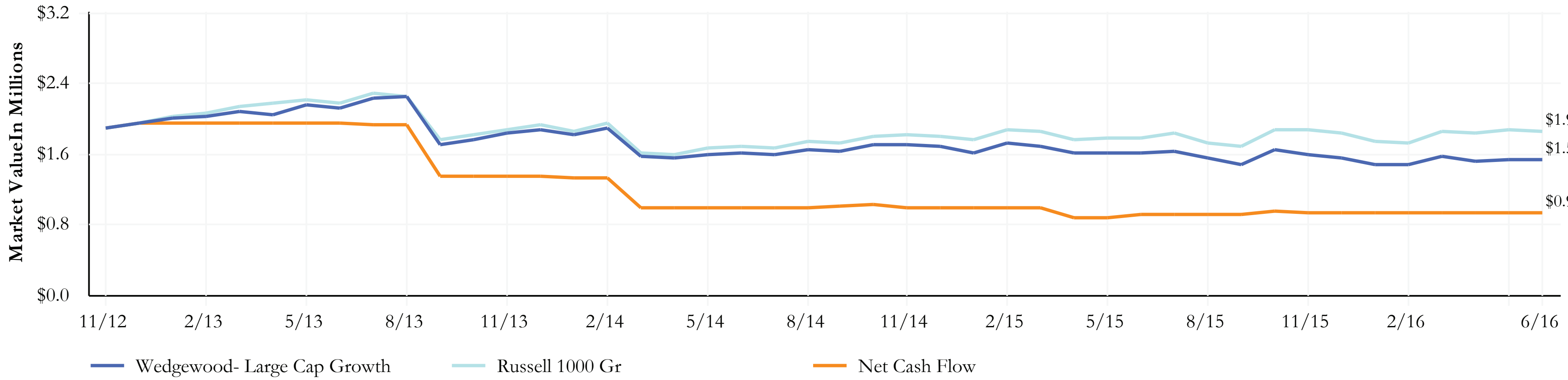
City of Port Orange Municipal Police Officers' Retirement Plan

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

as of June 30, 2016

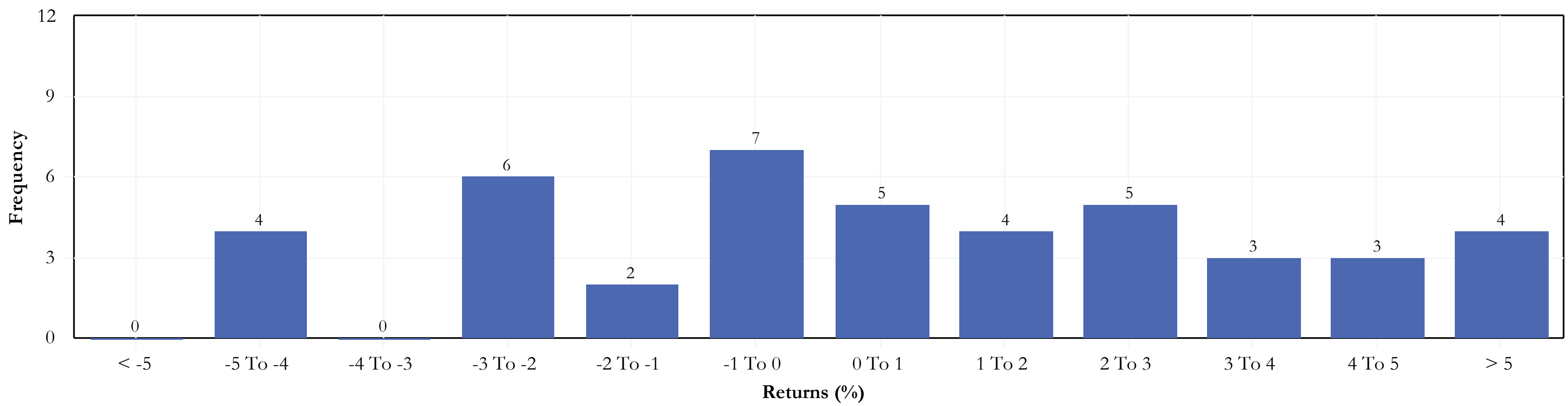
Historic Change in Assets



Quarterly Change in Assets

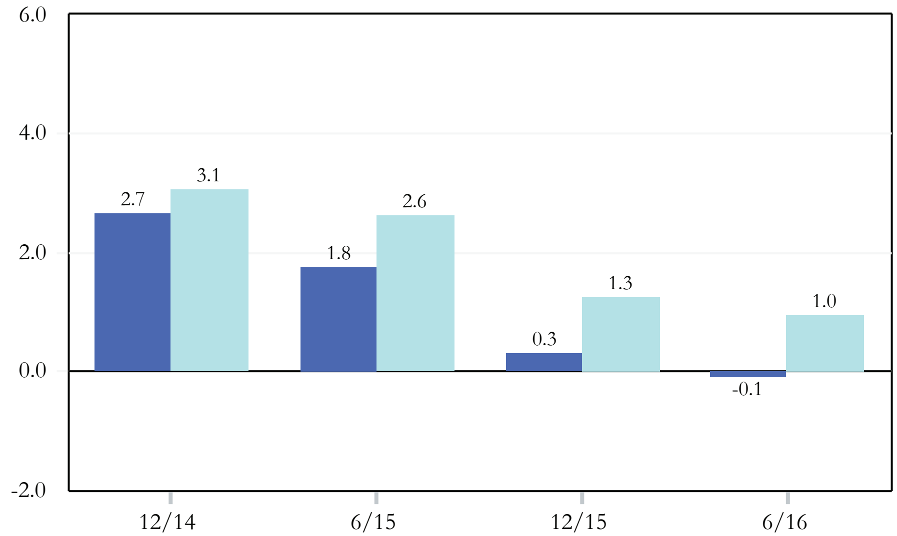
	Market Value As of 04/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 06/30/2016
Wedgewood- Large Cap Growth	1,572,127.40	-	-	-	-2,327.93	-	-30,273.10	1,539,526.37

Distribution of Returns

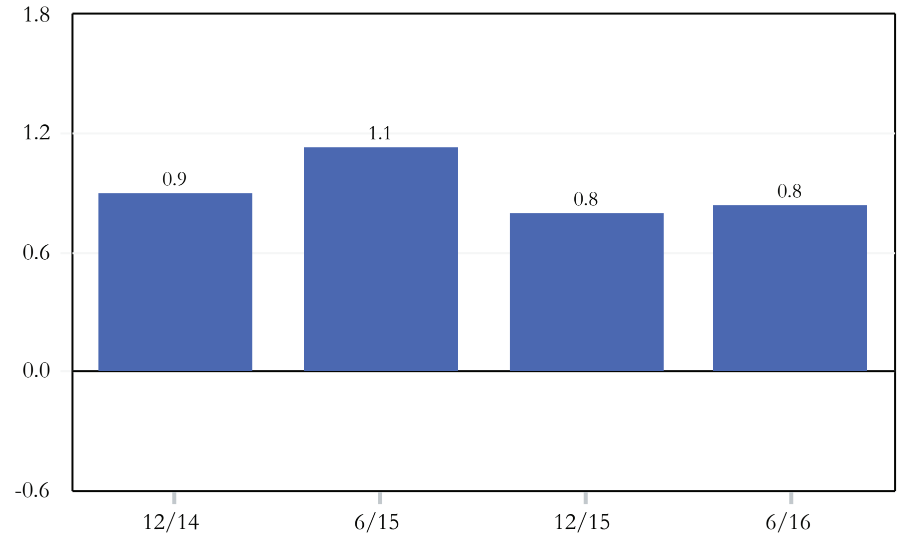


City of Port Orange Municipal Police Officers' Retirement Plan
Wedgewood- Large Cap Growth - Rolling Two Year MPT Statistics
as of June 30, 2016

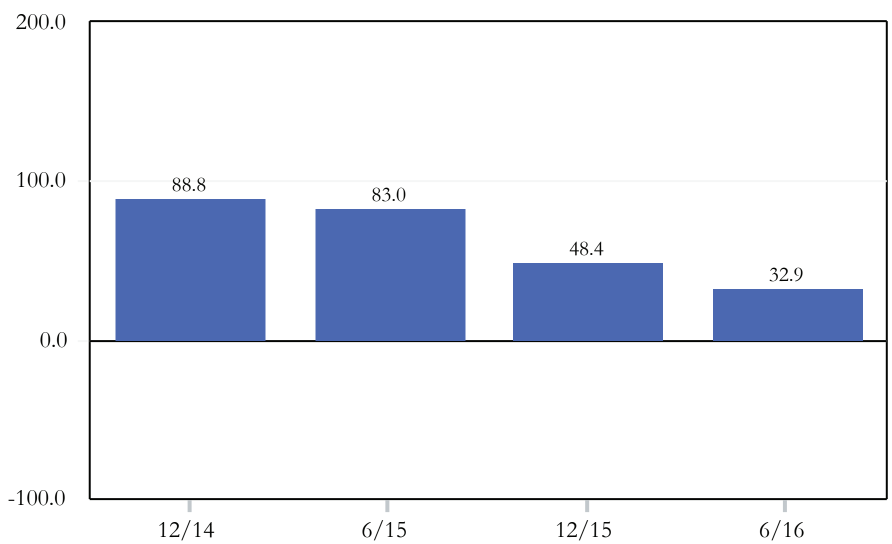
Sharpe Ratio



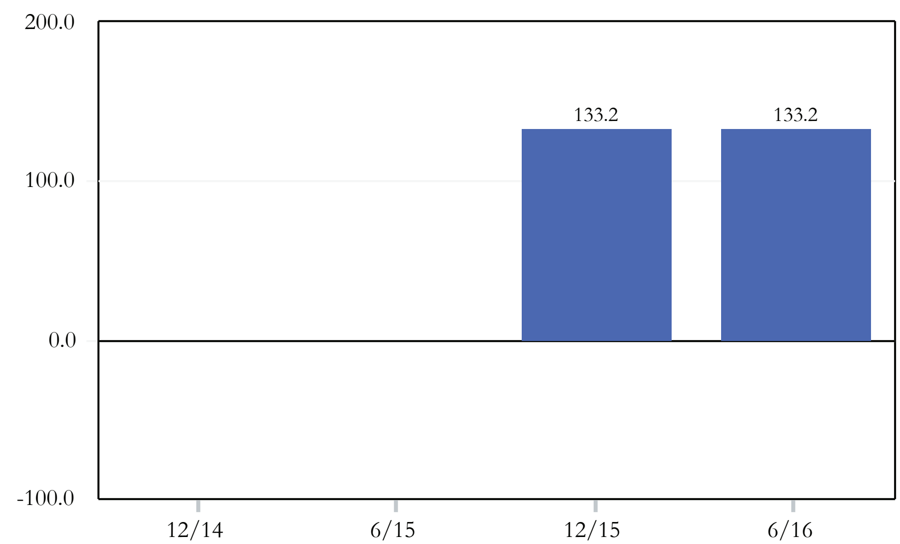
Beta



Up Market Capture



Down Market Capture



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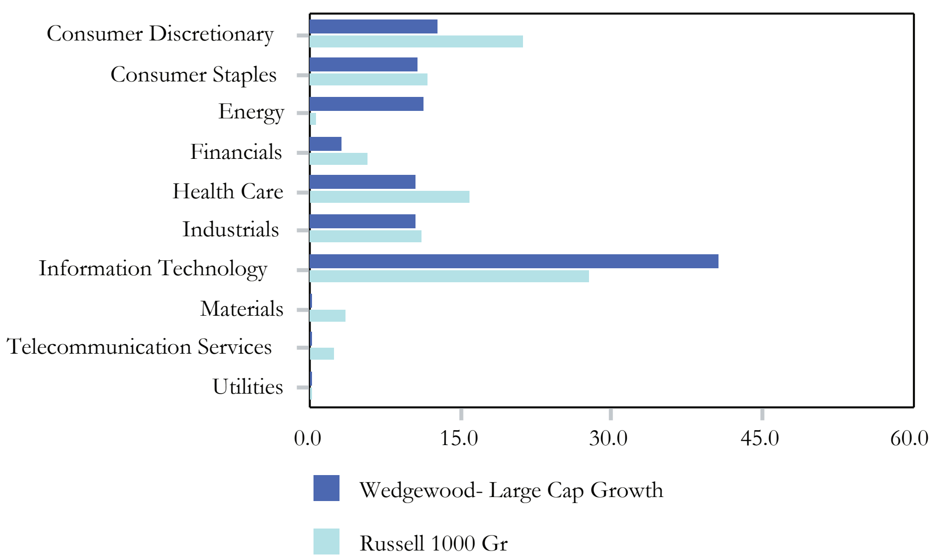
City of Port Orange Municipal Police Officers' Retirement Plan

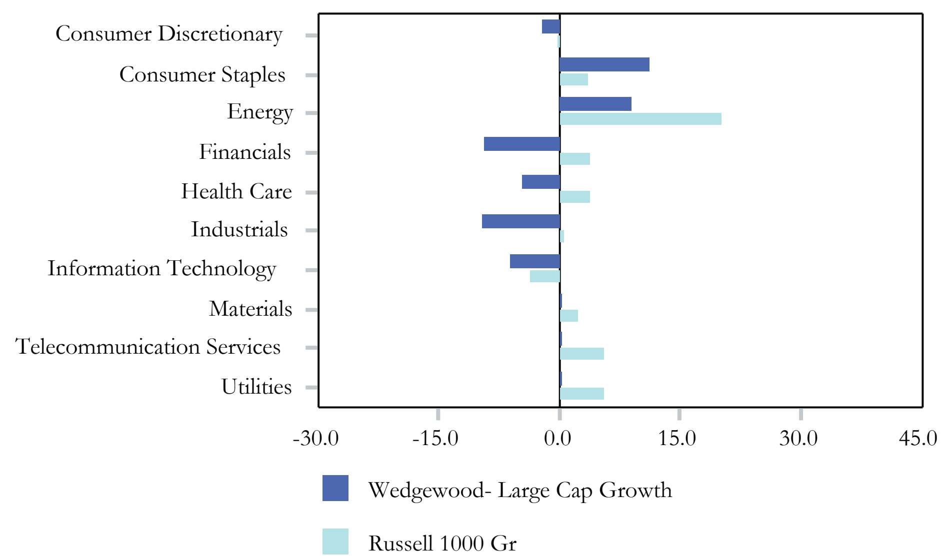
Wedgewood- Large Cap Growth - Quarterly Performance Attributes

as of June 30, 2016

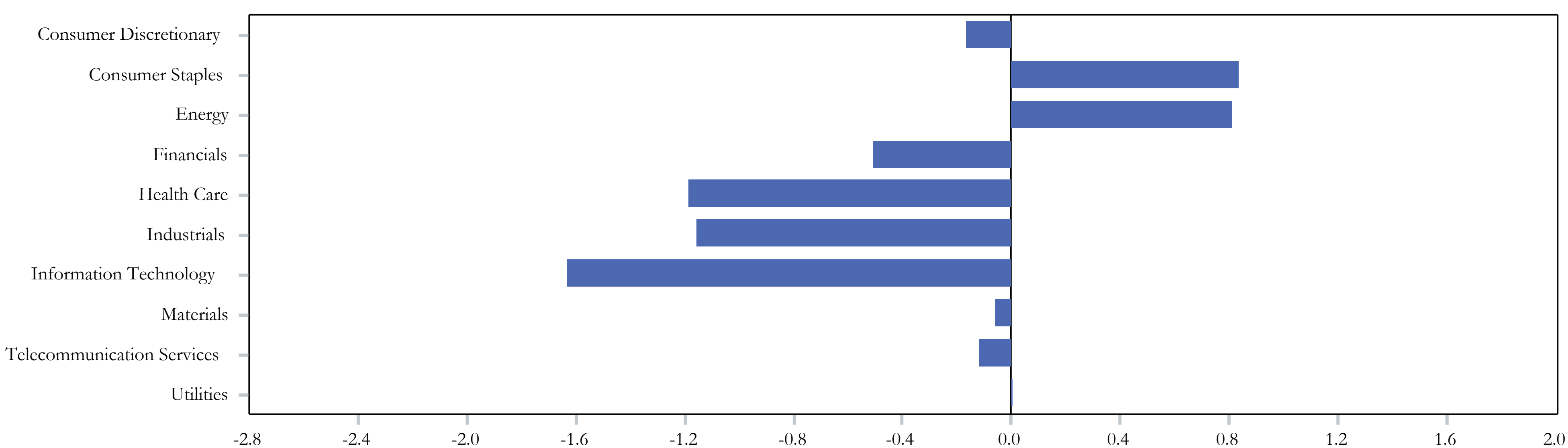
Allocation



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.

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City of Port Orange Municipal Police Officers' Retirement Plan

Wedgewood- Large Cap Growth - Quarterly Performance Attributes

as of June 30, 2016

	Allocation-04/01/2016		Performance-1 Quarter Ending June 30, 2016		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Consumer Discretionary	12.74	21.26	-2.11	-0.28	0.06	-0.35	0.13	-0.17
Consumer Staples	10.82	11.65	11.20	3.48	0.04	0.85	-0.06	0.83
Energy	11.36	0.56	8.99	20.22	1.94	-0.05	-1.08	0.81
Financials	3.18	5.71	-9.44	3.87	-0.08	-0.69	0.27	-0.51
Health Care	10.46	15.97	-4.75	3.90	-0.09	-1.34	0.25	-1.19
Industrials	10.63	11.09	-9.73	0.43	0.03	-1.05	-0.14	-1.16
Information Technology	40.81	27.81	-6.10	-3.58	-0.58	-0.71	-0.35	-1.63
Materials	0.00	3.59	0.00	2.21	-0.06	0.00	0.00	-0.06
Telecommunication Services	0.00	2.32	0.00	5.53	-0.12	0.00	0.00	-0.12
Utilities	0.00	0.05	0.00	5.40	0.00	0.00	0.00	0.00
Total	100.00	100.00	-2.66	0.53	1.13	-3.34	-0.98	-3.18

City of Port Orange Municipal Police Officers' Retirement Plan

Wedgewood- Large Cap Growth - Portfolio Characteristics

as of June 30, 2016

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($000)	130,955,284.11	129,409,502.62
Median Mkt. Cap ($000)	47,946,228.80	8,880,234.79
Price/Earnings ratio	23.24	23.32
Price/Book ratio	3.57	5.49
5 Yr. EPS Growth Rate (%)	11.26	9.66
Current Yield (%)	1.16	1.58
Beta (5 Years, Monthly)	0.95	1.00
Number of Stocks	21	600
Debt to Equity	-0.26	0.98

Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Apple Inc	9.69	4.74	4.95	-11.75
Kraft Heinz Co (The)	7.67	0.07	7.60	13.40
Schlumberger Ltd	7.16	0.00	7.16	7.92
Priceline Group Inc (The)	7.15	0.61	6.54	-3.15
Cognizant Technology	6.95	0.34	6.61	-8.71
Stericycle Inc	5.84	0.08	5.76	-17.49
Visa Inc	5.54	1.40	4.14	-2.84
LKQ Corp	5.43	0.10	5.33	-0.72
Express Scripts Holding Co	5.39	0.42	4.97	10.35
Alphabet Inc	5.28	2.04	3.24	-7.78
% of Portfolio	66.10	9.80		

Ten Best Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Kraft Heinz Co (The)	7.67	0.07	7.60	13.40
Core Laboratories NV	4.68	0.00	4.68	10.67
Express Scripts Holding Co	5.39	0.42	4.97	10.35
Schlumberger Ltd	7.16	0.00	7.16	7.92
Mead Johnson Nutrition Co	5.07	0.06	5.01	7.32
QUALCOMM Inc.	4.85	0.16	4.69	5.76
Verisk Analytics Inc	4.99	0.12	4.87	1.45
LKQ Corp	5.43	0.10	5.33	-0.72
TJX Companies Inc (The)	2.45	0.50	1.95	-1.10
Ross Stores Inc	3.14	0.22	2.92	-1.84
% of Portfolio	50.83	1.65		

Ten Worst Performers

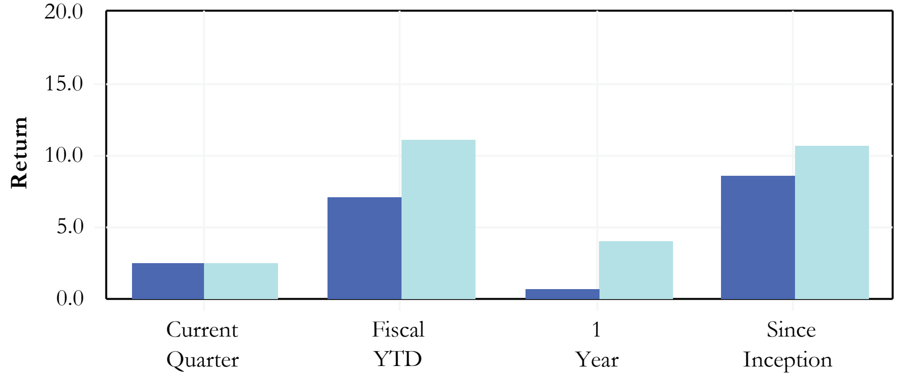
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Stericycle Inc	5.84	0.08	5.76	-17.49
Apple Inc	9.69	4.74	4.95	-11.75
Schwab (Charles) Corp	2.83	0.23	2.60	-9.44
Cognizant Technology	6.95	0.34	6.61	-8.71
Alphabet Inc	5.28	2.04	3.24	-7.78
Alphabet Inc	2.78	2.03	0.75	-7.09
PayPal Holdings Inc	3.13	0.41	2.72	-5.41
Priceline Group Inc (The)	7.15	0.61	6.54	-3.15
Visa Inc	5.54	1.40	4.14	-2.84
Ross Stores Inc	3.14	0.22	2.92	-1.84
% of Portfolio	52.33	12.10		

City of Port Orange Municipal Police Officers' Retirement Plan

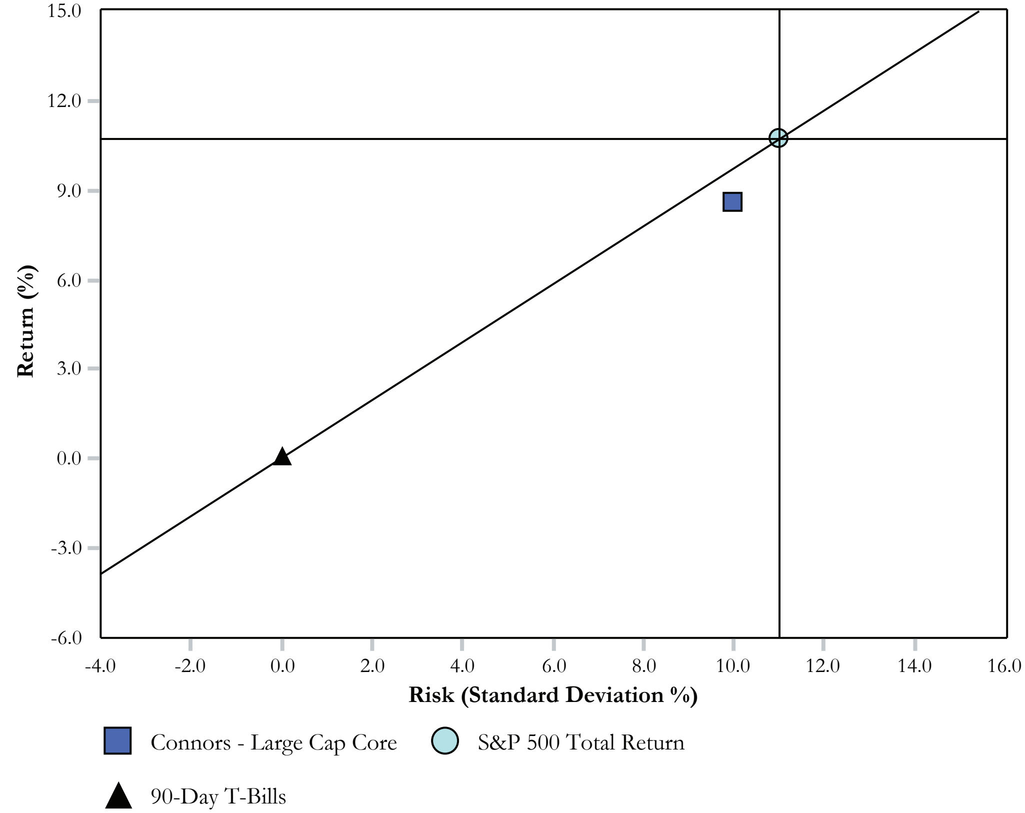
Connors - Large Cap Core - Executive Summary

as of June 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Since Inception	Inception Date
Connors - Large Cap Core	2.46	7.10	0.63	8.56	10/01/2013
S&P 500 Total Return	2.46	11.15	4.01	10.71	
Differences	0.00	-4.05	-3.38	-2.15	

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Since Inception	Inception Date
Connors - Large Cap Core					10/01/2013
Beginning Market Value	2,980	2,863	3,056	2,462	
Net Contributions	-	-	-	25	
Fees/Expenses	-6	-19	-27	-62	
Income	15	53	70	177	
Gain/Loss	58	149	-52	446	
Ending Market Value	3,047	3,047	3,047	3,047	

Modern Portfolio Statistics

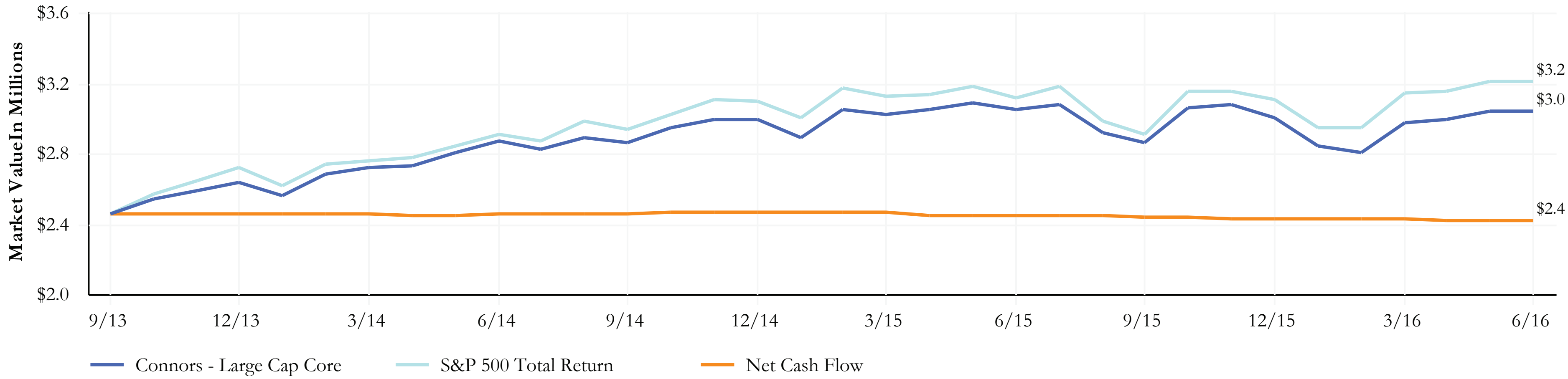
	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Connors - Large Cap Core	8.56	9.99	0.89	-8.71	88.19	96.03	-0.91	0.87	0.96	10/01/2013
S&P 500 Total Return	10.71	11.00	1.00	-8.35	100.00	100.00	0.00	0.98	1.00	10/01/2013

City of Port Orange Municipal Police Officers' Retirement Plan

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

as of June 30, 2016

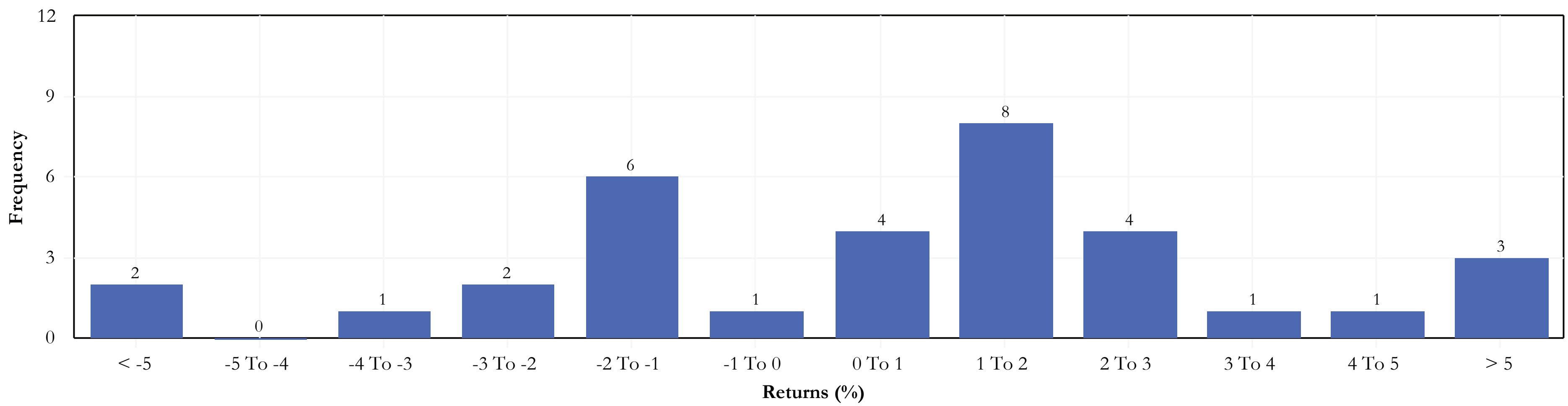
Historic Change in Assets



Quarterly Change in Assets

	Market Value As of 04/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 06/30/2016
Connors - Large Cap Core	2,979,798.11	-	-	-	-5,990.15	-	73,370.37	3,047,178.33

Distribution of Returns

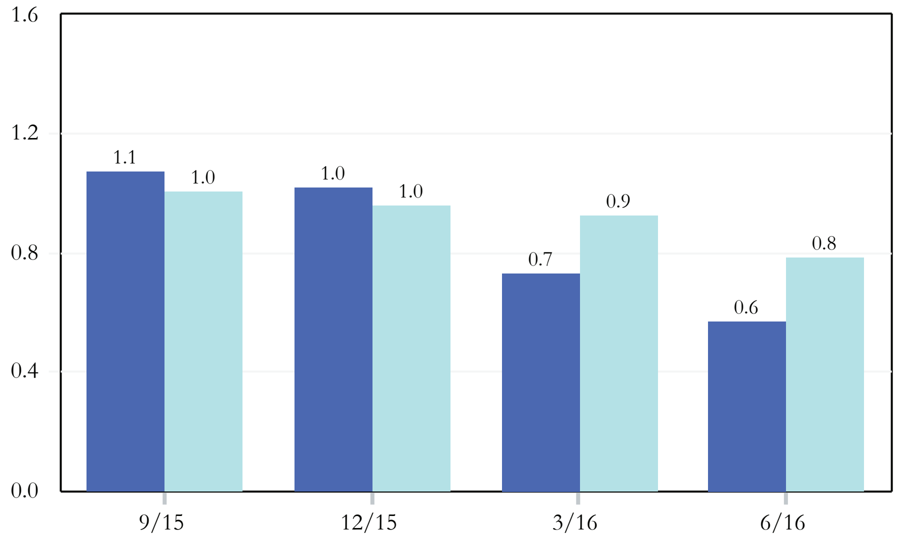


City of Port Orange Municipal Police Officers' Retirement Plan

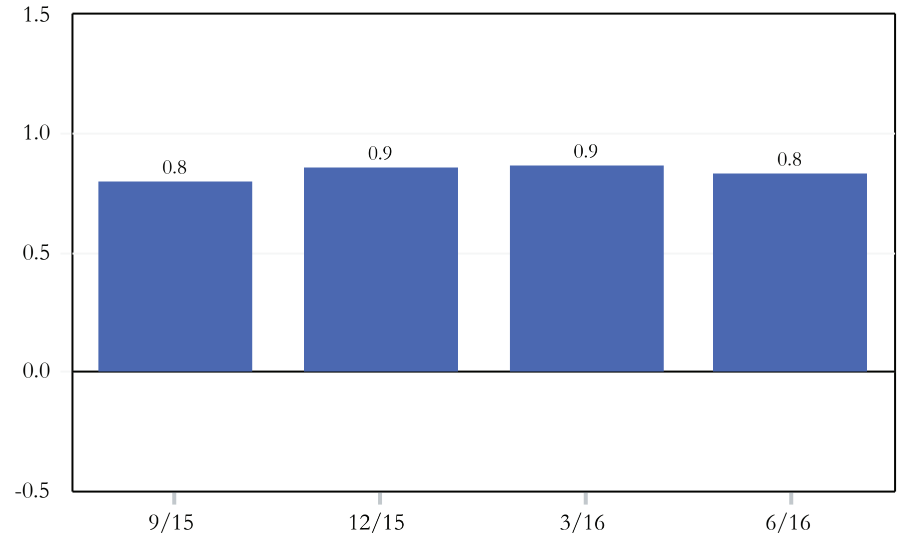
Connors - Large Cap Core - Rolling Two Year MPT Statistics

as of June 30, 2016

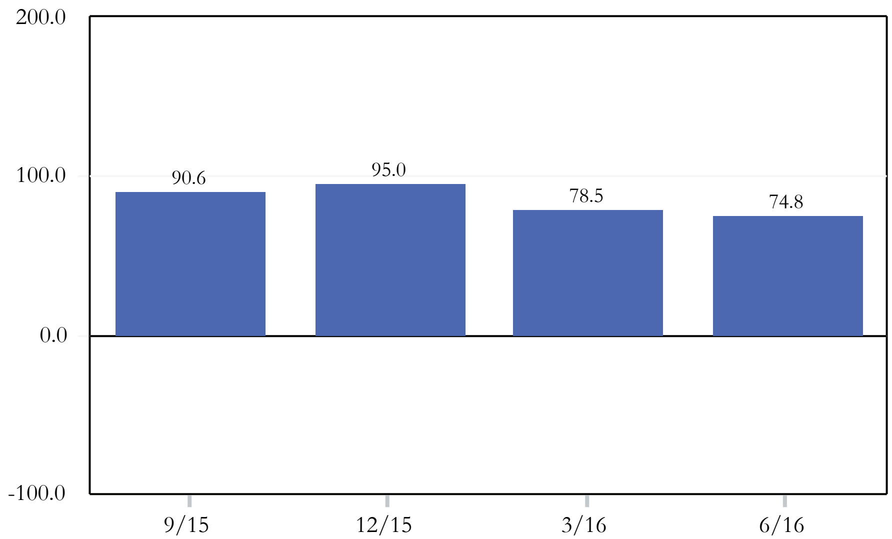
Sharpe Ratio



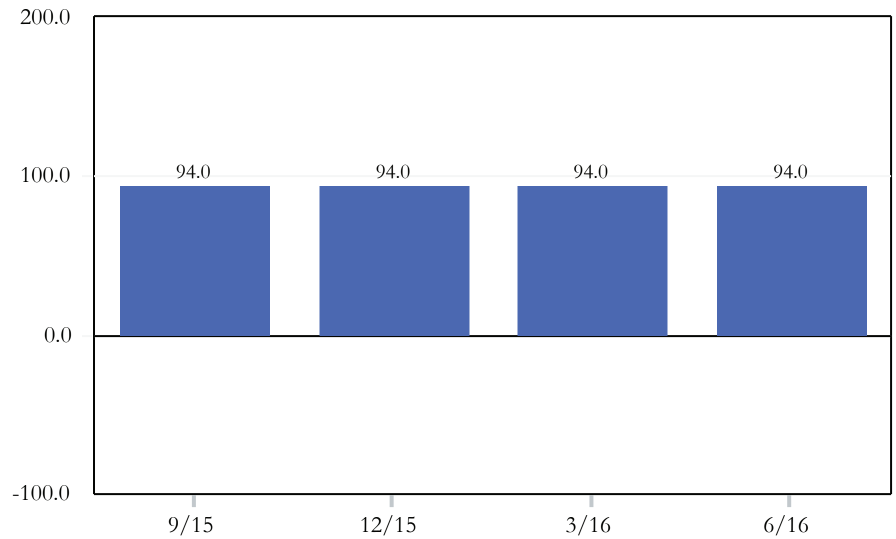
Beta



Up Market Capture



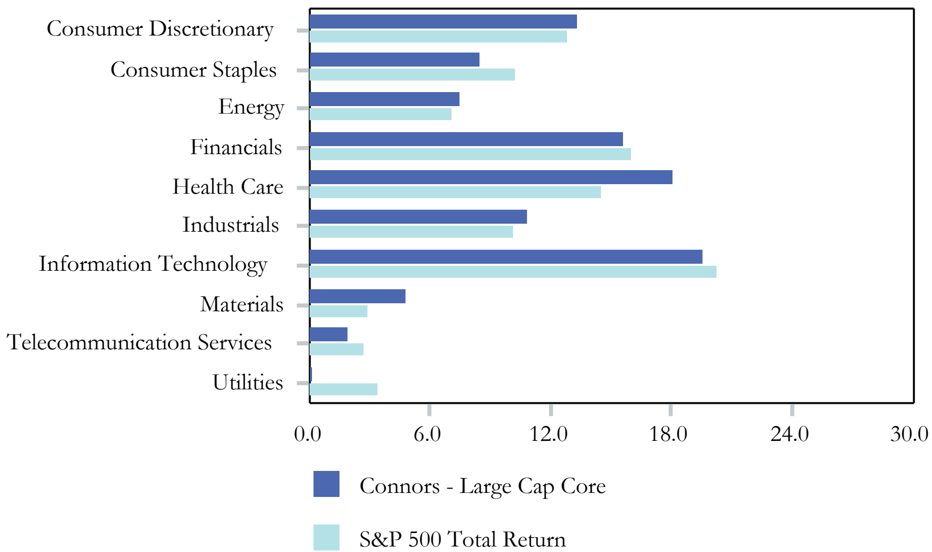
Down Market Capture



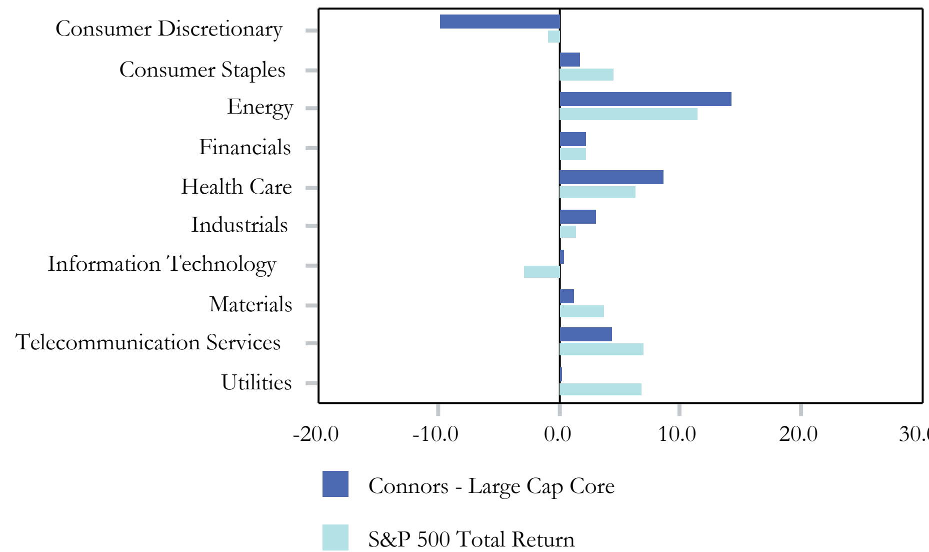
Graystone Consulting

City of Port Orange Municipal Police Officers' Retirement Plan
Connors - Large Cap Core - Quarterly Performance Attributes
as of June 30, 2016

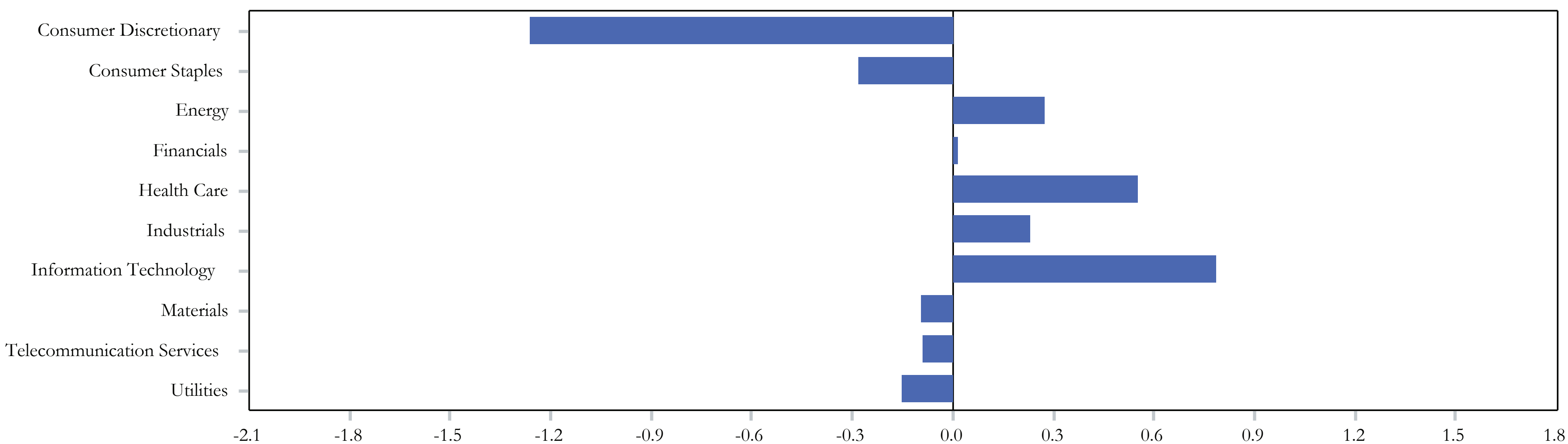
Allocation



Performance



Total Attribution



City of Port Orange Municipal Police Officers' Retirement Plan
Connors - Large Cap Core - Quarterly Performance Attributes
as of June 30, 2016

	Allocation-04/01/2016		Performance-1 Quarter Ending June 30, 2016		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Consumer Discretionary	13.35	12.81	-9.94	-0.98	-0.02	-1.21	-0.03	-1.26
Consumer Staples	8.42	10.23	1.69	4.49	-0.05	-0.27	0.04	-0.28
Energy	7.49	7.06	14.25	11.49	0.06	0.19	0.03	0.27
Financials	15.64	16.00	2.14	2.13	0.01	0.01	0.00	0.01
Health Care	18.07	14.53	8.67	6.29	0.13	0.34	0.08	0.55
Industrials	10.84	10.11	3.02	1.35	0.01	0.17	0.04	0.23
Information Technology	19.53	20.29	0.39	-2.88	0.15	0.67	-0.04	0.79
Materials	4.76	2.88	1.27	3.67	0.02	-0.07	-0.05	-0.10
Telecommunication Services	1.91	2.71	4.34	7.06	-0.04	-0.07	0.02	-0.09
Utilities	0.00	3.38	0.00	6.79	-0.15	0.00	0.00	-0.15
Total	100.00	100.00	2.38	2.41	0.12	-0.25	0.10	-0.03

City of Port Orange Municipal Police Officers' Retirement Plan

Connors - Large Cap Core - Portfolio Characteristics

as of June 30, 2016

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($000)	112,457,466.10	135,963,883.70
Median Mkt. Cap ($000)	69,473,408.75	18,207,853.00
Price/Earnings ratio	21.15	19.64
Price/Book ratio	3.10	3.17
5 Yr. EPS Growth Rate (%)	6.13	5.89
Current Yield (%)	2.25	2.19
Beta	N/A	1.00
Number of Stocks	43	505
Debt to Equity	1.74	1.35

Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Apple Inc	3.93	2.88	1.05	-11.75
Tyler Technologies Inc.	3.54	0.00	3.54	29.62
Adobe Systems Inc	3.53	0.26	3.27	2.12
Starbucks Corp	3.24	0.46	2.78	-3.98
Cisco Systems Inc	3.05	0.79	2.26	1.70
Chubb Ltd	2.89	0.33	2.56	10.31
Lowe's Cos Inc.	2.87	0.39	2.48	4.89
Stryker Corp	2.84	0.21	2.63	12.05
Wells Fargo & Co	2.83	1.20	1.63	-1.37
E. I. du Pont	2.81	0.31	2.50	2.94
% of Portfolio	31.53	6.83		

Ten Best Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Energen Corp.	1.58	0.00	1.58	31.76
Tyler Technologies Inc.	3.54	0.00	3.54	29.62
Pfizer Inc	2.24	1.17	1.07	19.87
Lockheed Martin Corp	2.64	0.36	2.28	12.81
Becton, Dickinson and Co	2.64	0.20	2.44	12.14
Stryker Corp	2.84	0.21	2.63	12.05
Chevron Corp	2.32	1.09	1.23	11.05
Chubb Ltd	2.89	0.33	2.56	10.31
Eli Lilly and Co	2.43	0.42	2.01	10.09
Merck & Co Inc.	2.50	0.88	1.62	9.78
% of Portfolio	25.62	4.66		

Ten Worst Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Skyworks Solutions Inc	1.57	0.07	1.50	-18.44
Penske Automotive Group Inc	1.92	0.00	1.92	-16.36
Apple Inc	3.93	2.88	1.05	-11.75
Nike Inc	2.00	0.40	1.60	-9.94
Microsoft Corp	2.72	2.21	0.51	-6.69
Public Storage	1.86	0.21	1.65	-6.64
Abbott Laboratories	1.93	0.32	1.61	-5.46
Starbucks Corp	3.24	0.46	2.78	-3.98
PNC Financial Services Inc.	2.67	0.22	2.45	-3.18
Walt Disney Co (The)	2.68	0.80	1.88	-1.50
% of Portfolio	24.52	7.57		

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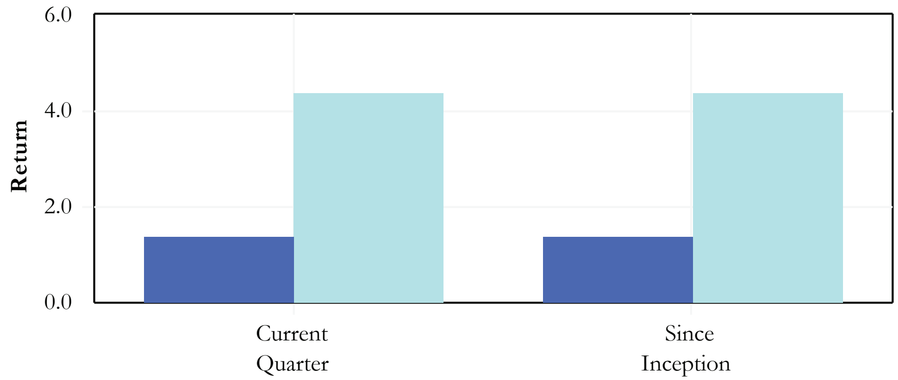
City of Port Orange Municipal Police Officers' Retirement Plan

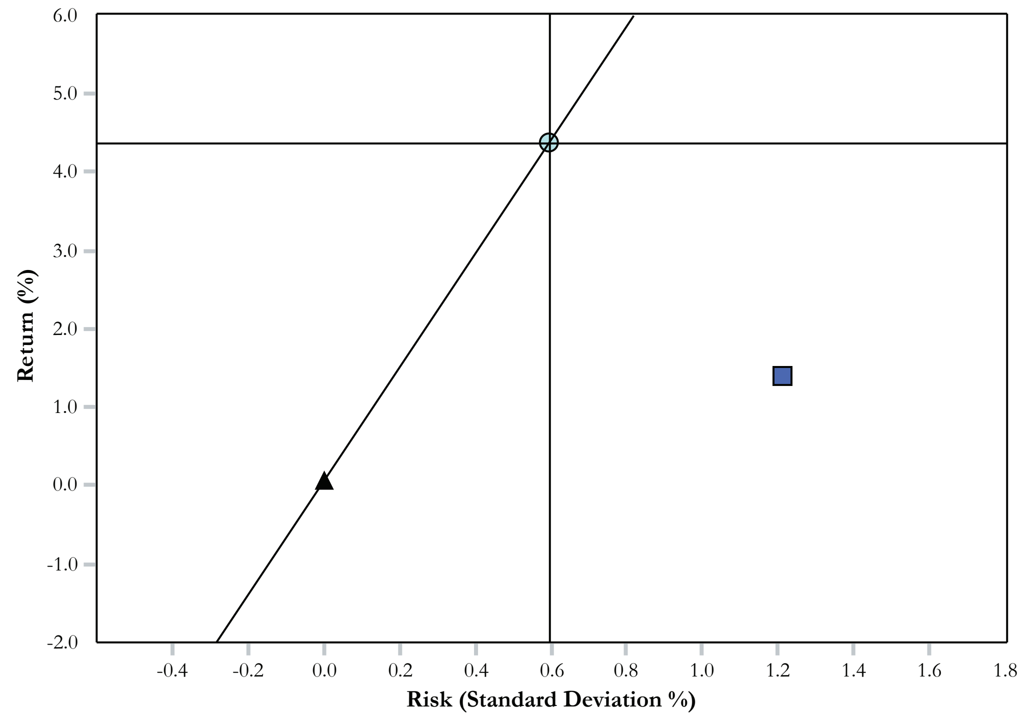
Boston - Small Mid Cap Value - Executive Summary

as of June 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Since Inception
Boston - Small Mid Cap Value	1.38	1.38
Russell 2500 VL	4.37	4.37
Differences	-2.99	-2.99

Historic Asset Growth

	Current Quarter	Since Inception
Boston - Small Mid Cap Value		
Beginning Market Value	1,685	1,685
Net Contributions	-	-
Fees/Expenses	-3	-3
Income	9	9
Gain/Loss	15	15
Ending Market Value	1,706	1,706

Modern Portfolio Statistics

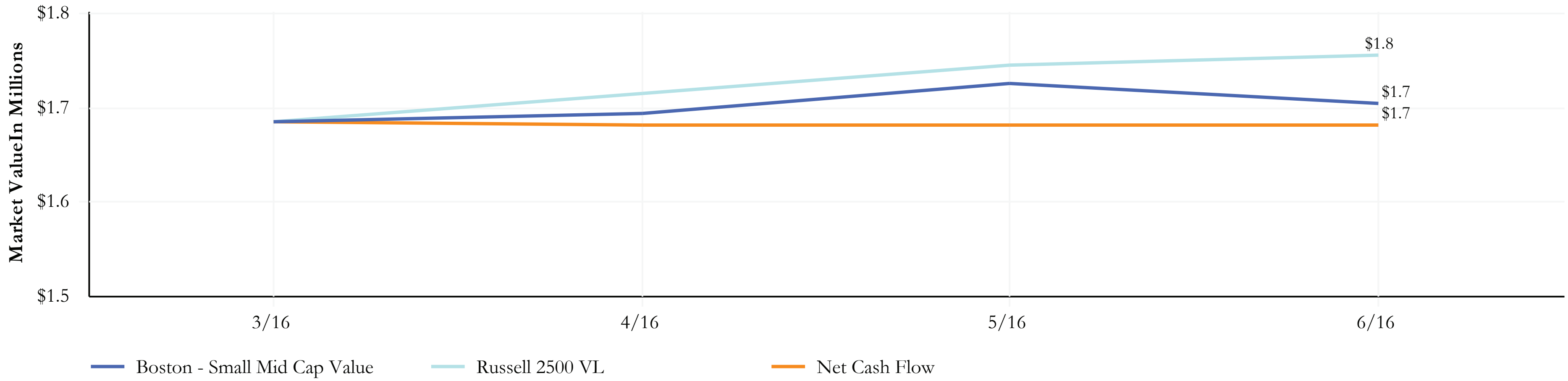
	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Boston - Small Mid Cap Value	1.38	1.21	1.79	-1.13	32.47	N/A	-2.11	0.37	0.77	04/01/2016
Russell 2500 VL	4.37	0.60	1.00	0.00	100.00	N/A	0.00	2.38	1.00	04/01/2016

City of Port Orange Municipal Police Officers' Retirement Plan

Boston - Small Mid Cap Value - Change in Assets & Distribution of Returns

as of June 30, 2016

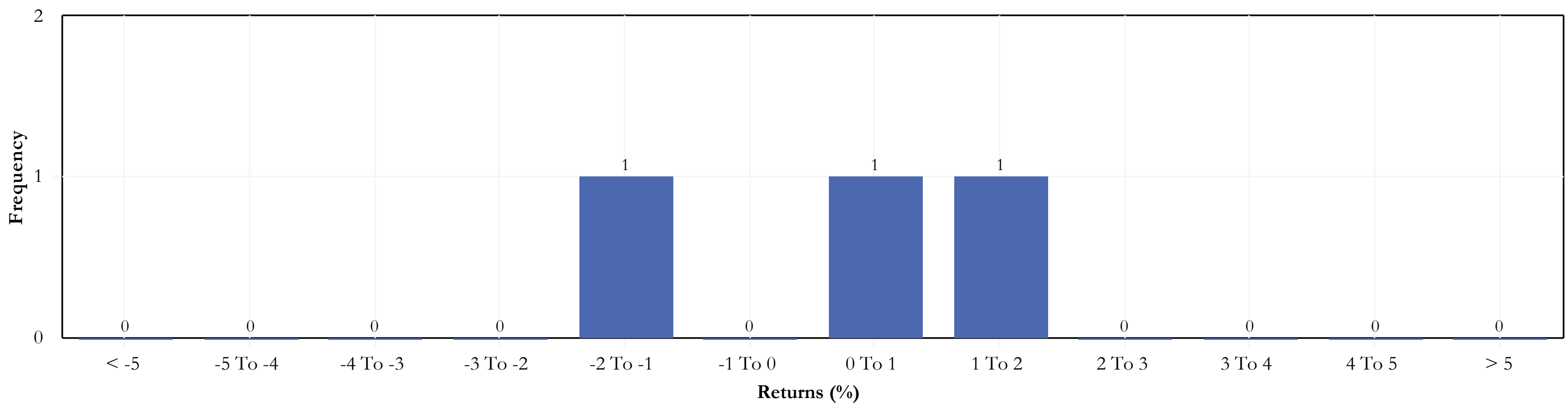
Historic Change in Assets



Quarterly Change in Assets

	Market Value As of 04/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 06/30/2016
Boston - Small Mid Cap Value	1,684,889.95	-	14,778.65	-14,778.65	-2,625.20	-	23,292.00	1,705,556.75

Distribution of Returns



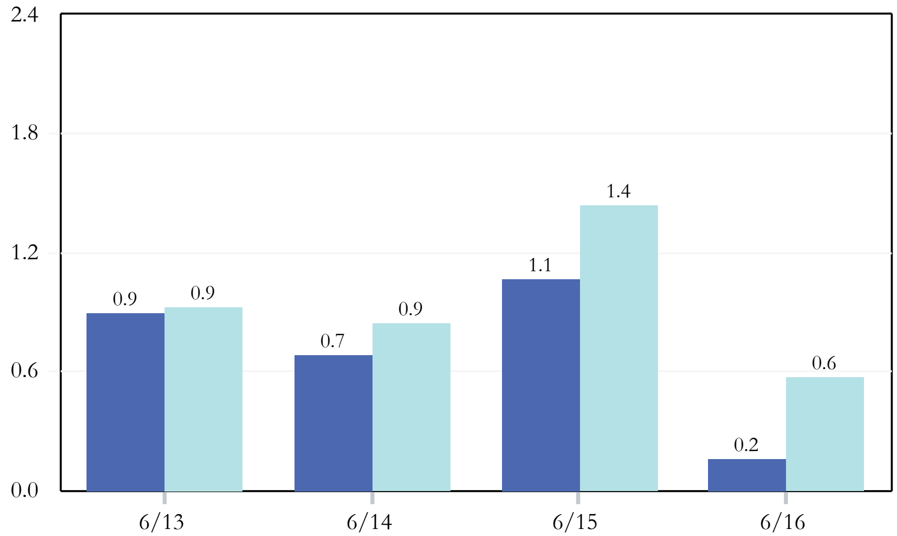
Graystone Consulting

City of Port Orange Municipal Police Officers' Retirement Plan

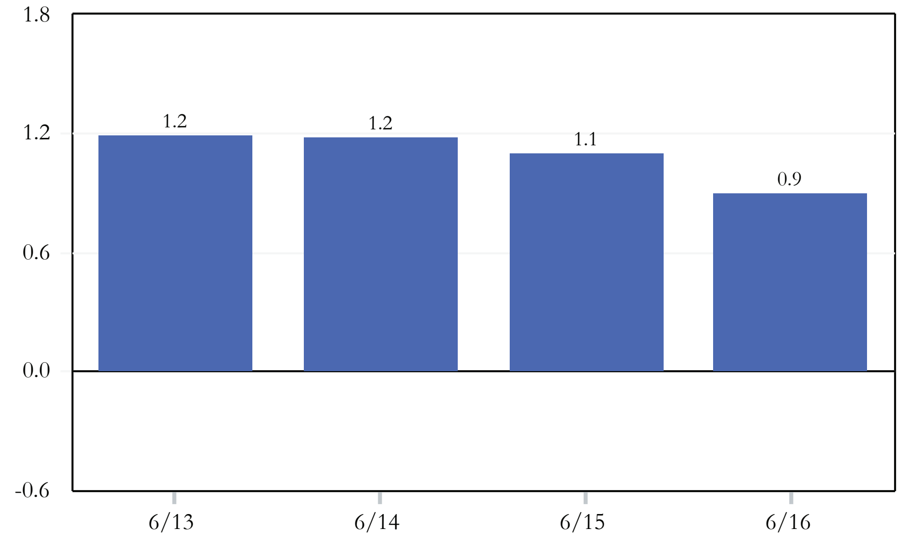
Boston - Small Mid Cap Value - Rolling Three Year MPT Statistics

as of June 30, 2016

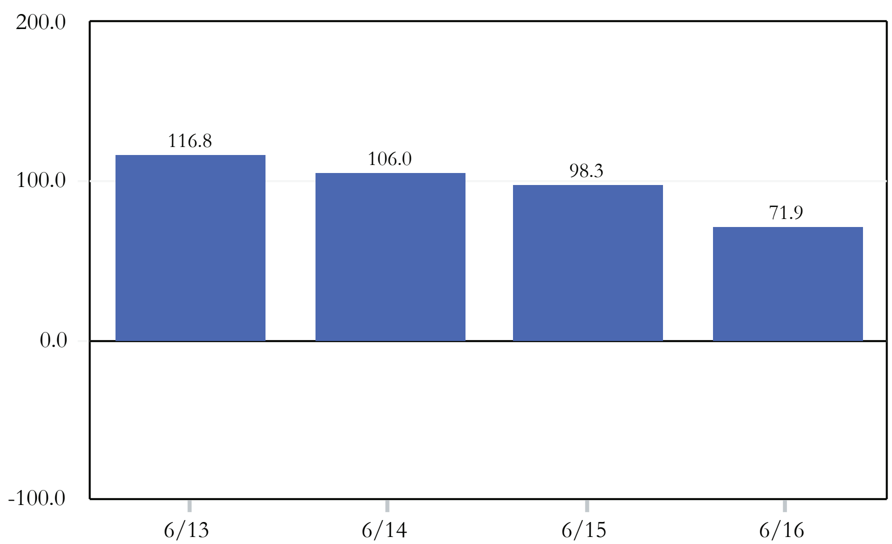
Sharpe Ratio



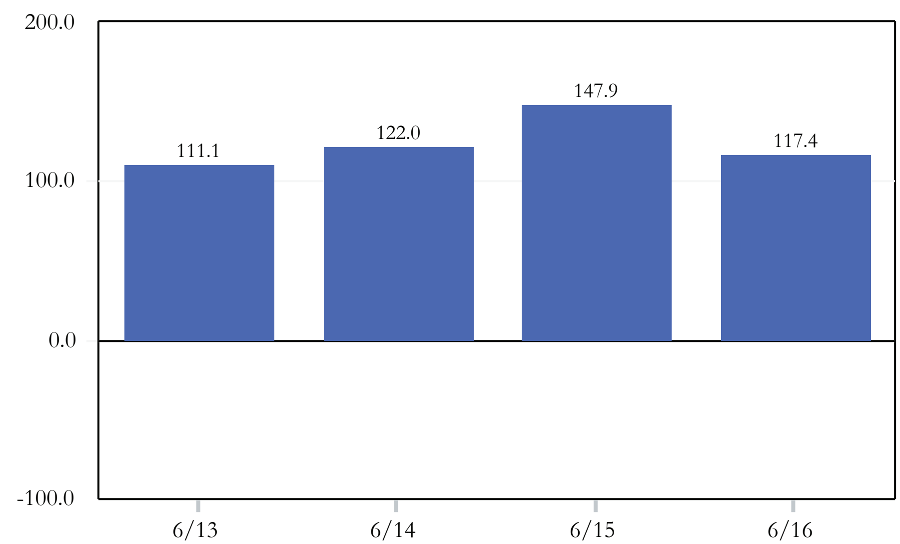
Beta



Up Market Capture



Down Market Capture

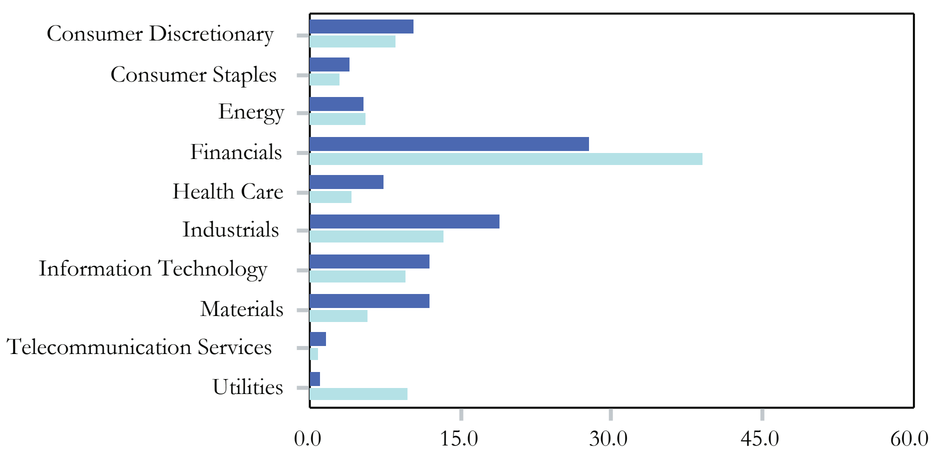


City of Port Orange Municipal Police Officers' Retirement Plan

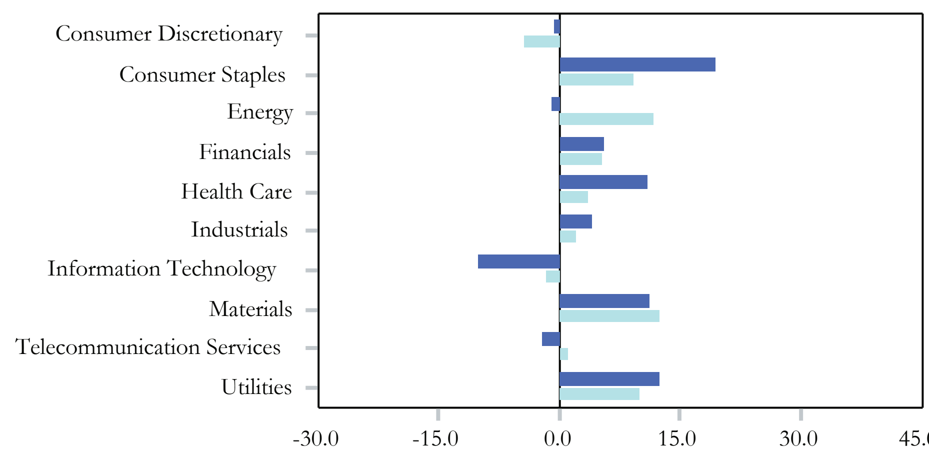
Boston - Small Mid Cap Value - Quarterly Performance Attributes

as of June 30, 2016

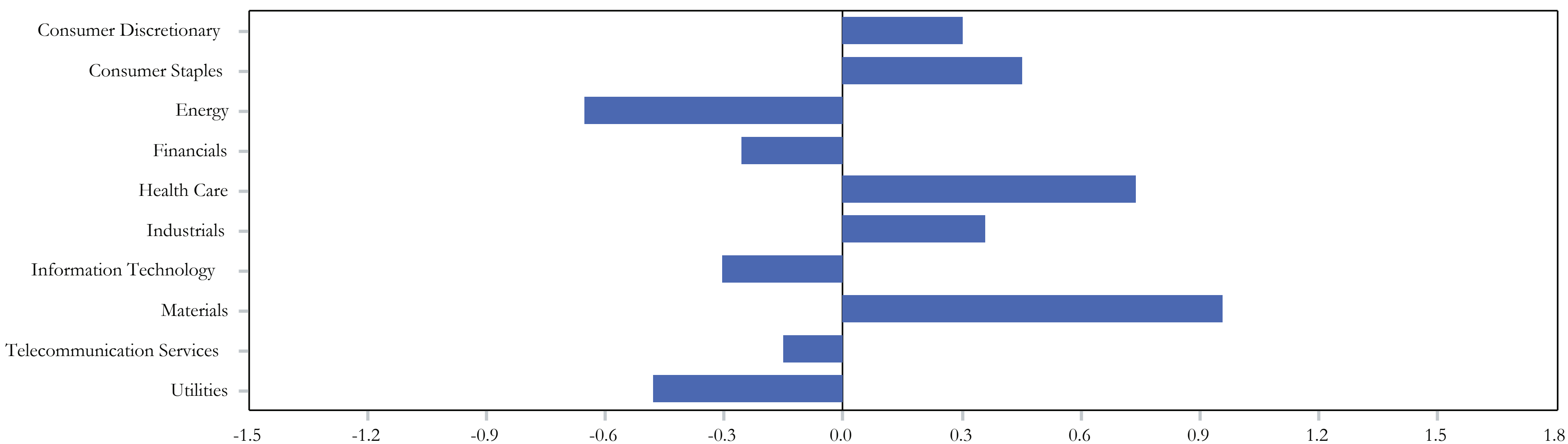
Allocation



Performance



Total Attribution



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City of Port Orange Municipal Police Officers' Retirement Plan

Boston - Small Mid Cap Value - Quarterly Performance Attributes

as of June 30, 2016

	Allocation-04/01/2016		Performance-1 Quarter Ending June 30, 2016		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Consumer Discretionary	10.29	8.61	-0.63	-4.32	-0.11	0.33	0.08	0.30
Consumer Staples	4.07	3.02	19.43	9.12	-0.11	0.31	0.26	0.45
Energy	5.37	5.63	-1.06	11.77	-0.90	0.18	0.06	-0.65
Financials	27.77	39.04	5.58	5.36	-0.05	0.07	-0.28	-0.26
Health Care	7.30	4.27	10.87	3.41	-0.02	0.33	0.43	0.74
Industrials	18.86	13.38	3.98	2.13	-0.04	0.26	0.14	0.36
Information Technology	12.00	9.60	-10.15	-1.72	0.15	-0.83	0.37	-0.31
Materials	11.82	5.77	11.23	12.54	0.71	-0.07	0.32	0.96
Telecommunication Services	1.53	0.88	-2.07	0.94	0.00	-0.03	-0.12	-0.15
Utilities	0.99	9.78	12.49	10.05	-0.50	0.25	-0.23	-0.48
Total	100.00	100.00	5.50	4.53	-0.86	0.79	1.03	0.96

City of Port Orange Municipal Police Officers' Retirement Plan

Boston - Small Mid Cap Value - Portfolio Characteristics

as of June 30, 2016

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($000)	3,647,672.63	3,755,941.23
Median Mkt. Cap ($000)	2,881,657.35	826,716.68
Price/Earnings ratio	15.45	17.03
Price/Book ratio	1.95	1.74
5 Yr. EPS Growth Rate (%)	7.69	9.82
Current Yield (%)	1.94	2.25
Beta (5 Years, Monthly)	1.18	1.00
Number of Stocks	155	1,716
Debt to Equity	2.64	1.08

Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Drew Industries Inc	2.10	0.00	2.10	32.12
Parsley Energy Inc	1.97	0.19	1.78	19.73
Graphic Packaging Holding Co	1.72	0.06	1.66	-2.03
WESCO International Inc	1.70	0.11	1.59	-5.82
Arrow Electronics Inc	1.57	0.29	1.28	-3.90
World Fuel Services Corp	1.55	0.17	1.38	-2.11
Validus Holdings Ltd	1.52	0.19	1.33	3.75
Huntington Ingalls Industries Inc	1.40	0.07	1.33	23.11
Air Lease Corp	1.35	0.07	1.28	-16.48
Maiden Holdings Ltd	1.31	0.03	1.28	-4.30
% of Portfolio	16.19	1.18		

Ten Best Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Rice Energy Inc	0.57	0.13	0.44	57.88
Tutor Perini Corp	0.33	0.04	0.29	51.54
Olin Corp	0.70	0.21	0.49	44.31
Drew Industries Inc	2.10	0.00	2.10	32.12
Forum Energy Technologies Inc	0.38	0.05	0.33	31.14
American Homes 4 Rent	0.93	0.17	0.76	29.17
QEP Resources Inc	0.41	0.20	0.21	24.95
Huntington Ingalls Industries Inc	1.40	0.07	1.33	23.11
Nu Skin Enterprises Inc.	0.66	0.09	0.57	21.85
RSP Permian Inc	0.47	0.14	0.33	20.14
% of Portfolio	7.95	1.10		

Ten Worst Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Office Depot Inc	0.28	0.09	0.19	-53.38
Bristow Group Inc	0.39	0.02	0.37	-39.41
Ascena Retail Group Inc	0.43	0.04	0.39	-36.80
Express Inc	0.42	0.05	0.37	-32.23
Heidrick & Struggles International Inc	0.27	0.02	0.25	-28.28
Tailored Brands Inc	0.74	0.02	0.72	-28.18
Western Refining Inc	0.52	0.07	0.45	-28.10
ManpowerGroup	0.26	0.24	0.02	-20.12
Realogy Holdings Corp	0.30	0.22	0.08	-19.63
RPX Corp	0.49	0.02	0.47	-18.56
% of Portfolio	4.10	0.79		

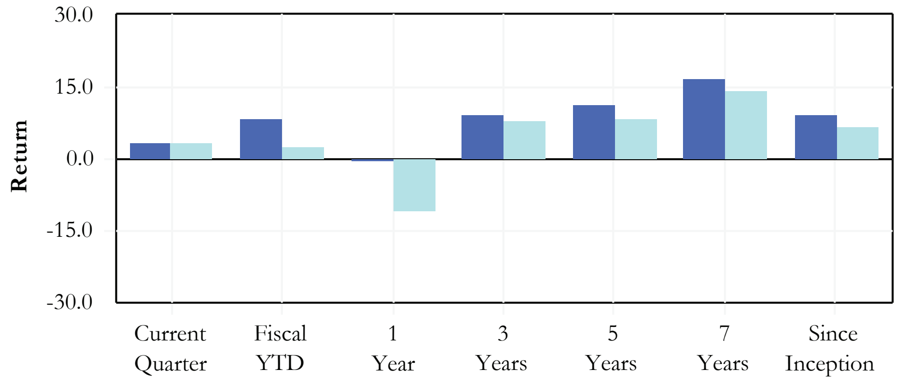
Graystone Consulting

City of Port Orange Municipal Police Officers' Retirement Plan

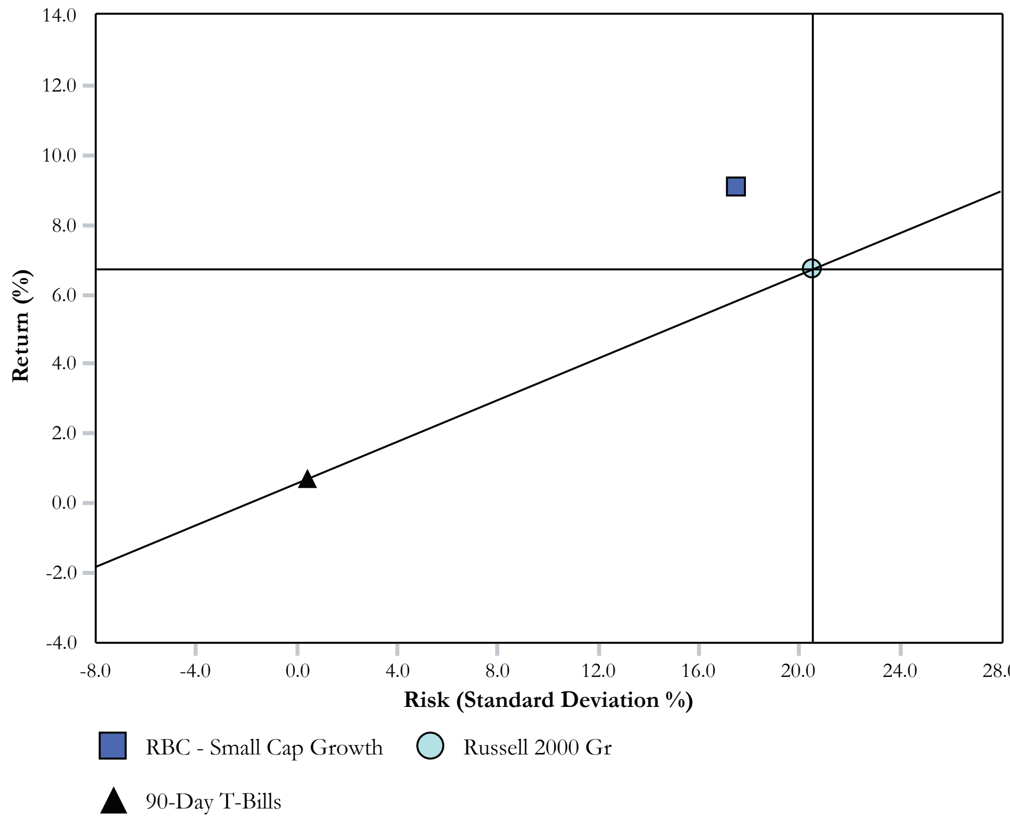
RBC - Small Cap Growth - Executive Summary

as of June 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	Since Inception
RBC - Small Cap Growth	3.20	8.39	-0.08	8.99	11.45	16.49	9.08
Russell 2000 Gr	3.24	2.66	-10.76	7.74	8.51	14.29	6.70
Differences	-0.04	5.73	10.68	1.25	2.94	2.20	2.38

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	Since Inception
RBC - Small Cap Growth							
Beginning Market Value	1,763	1,673	1,819	1,582	1,306	728	699
Net Contributions	-	15	15	-185	-280	-212	-21
Fees/Expenses	-3	-12	-17	-52	-78	-97	-113
Income	2	7	8	23	35	44	57
Gain/Loss	55	134	-9	449	834	1,354	1,195
Ending Market Value	1,816	1,816	1,816	1,816	1,816	1,816	1,816

Modern Portfolio Statistics

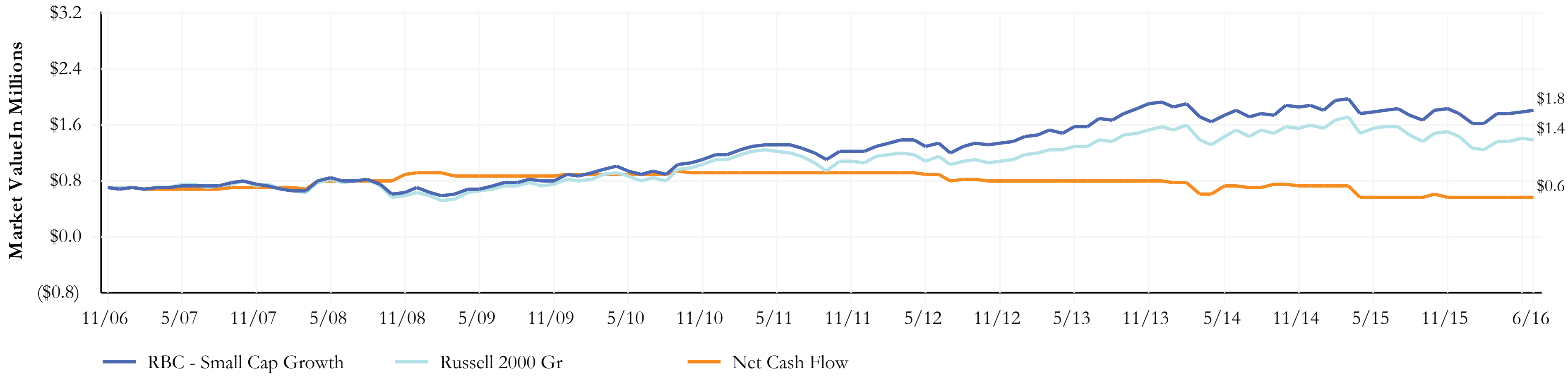
	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
RBC - Small Cap Growth	9.08	17.47	0.83	-47.55	87.70	76.54	3.17	0.55	0.94	12/01/2006
Russell 2000 Gr	6.70	20.53	1.00	-52.31	100.00	100.00	0.00	0.39	1.00	12/01/2006

City of Port Orange Municipal Police Officers' Retirement Plan

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

as of June 30, 2016

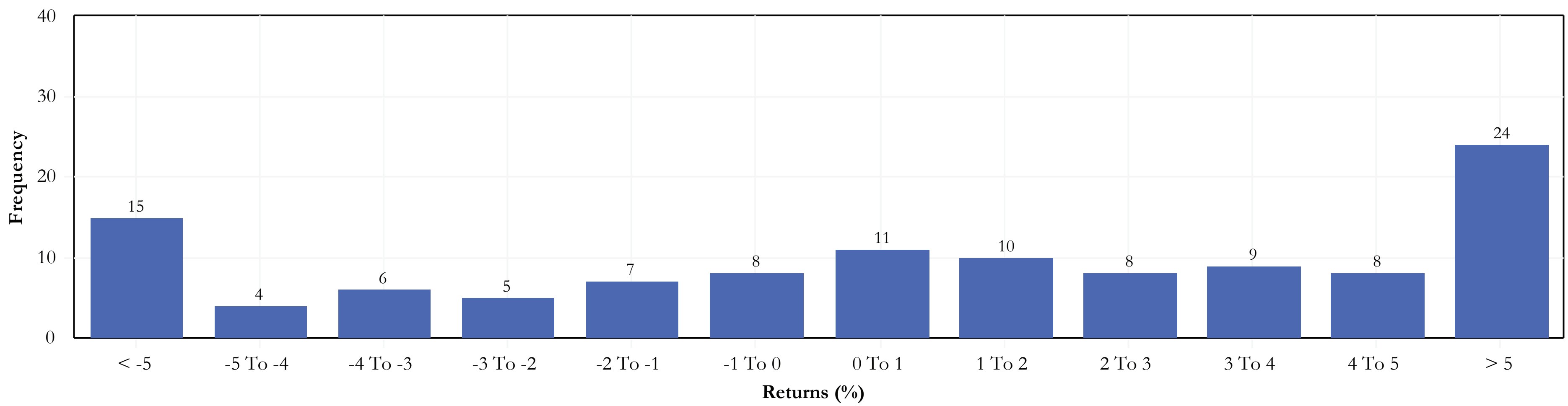
Historic Change in Assets



Quarterly Change in Assets

	Market Value As of 04/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 06/30/2016
RBC - Small Cap Growth	1,763,046.39	-	-	-	-2,859.53	-	56,257.01	1,816,443.87

Distribution of Returns



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

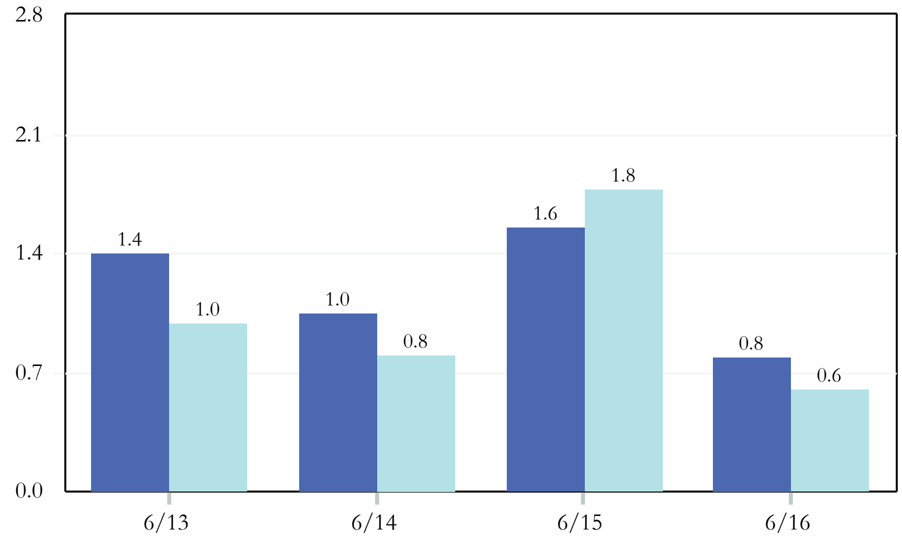
Graystone Consulting

City of Port Orange Municipal Police Officers' Retirement Plan

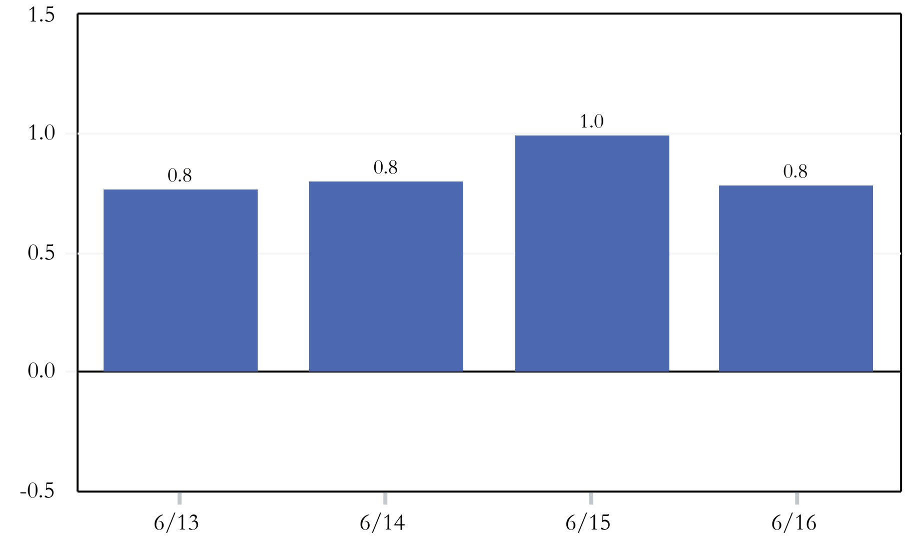
RBC - Small Cap Growth - Rolling Three Year MPT Statistics

as of June 30, 2016

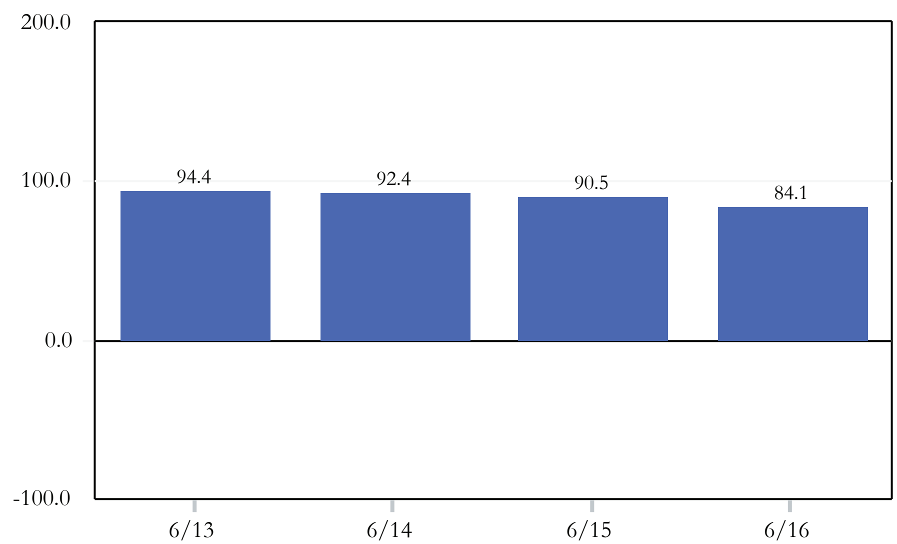
Sharpe Ratio



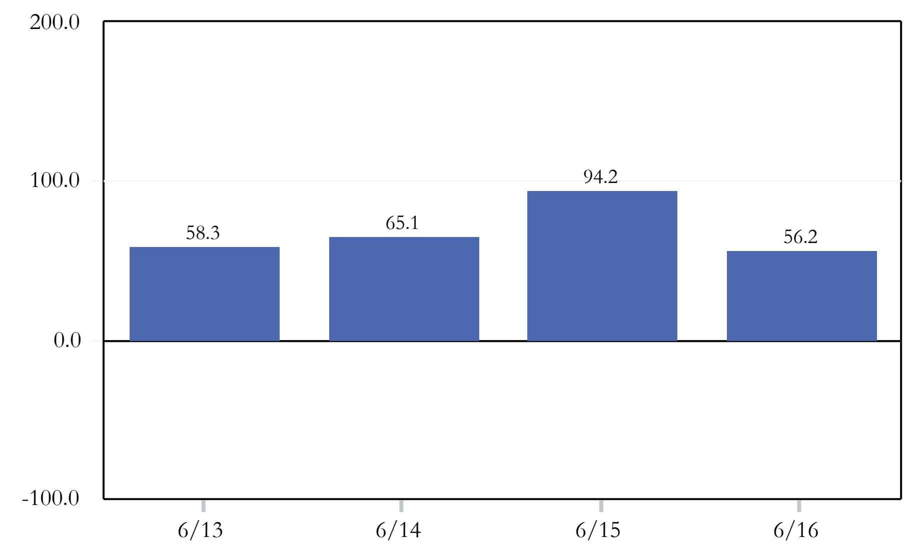
Beta



Up Market Capture



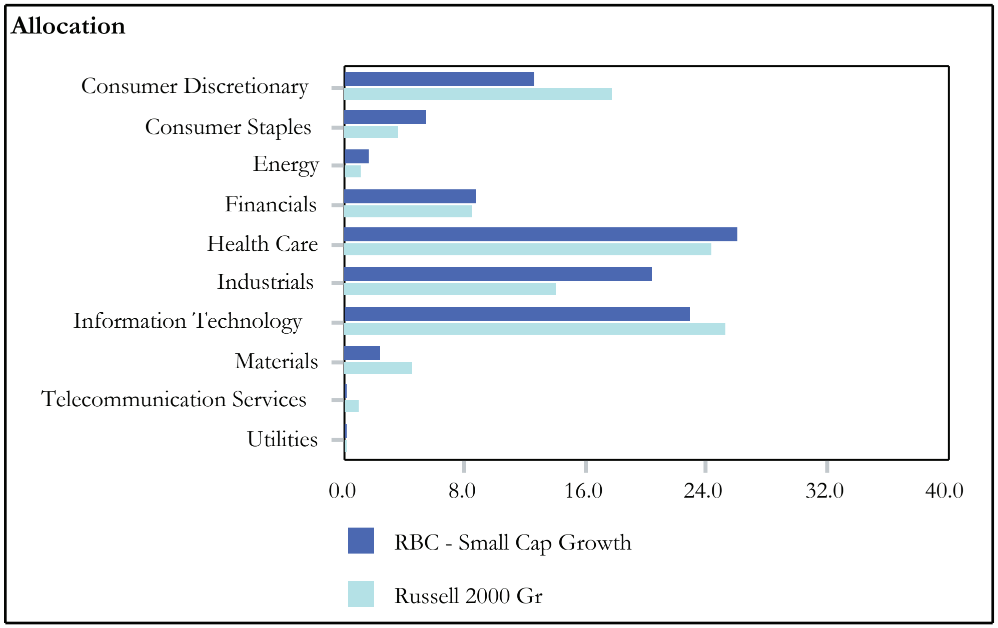
Down Market Capture

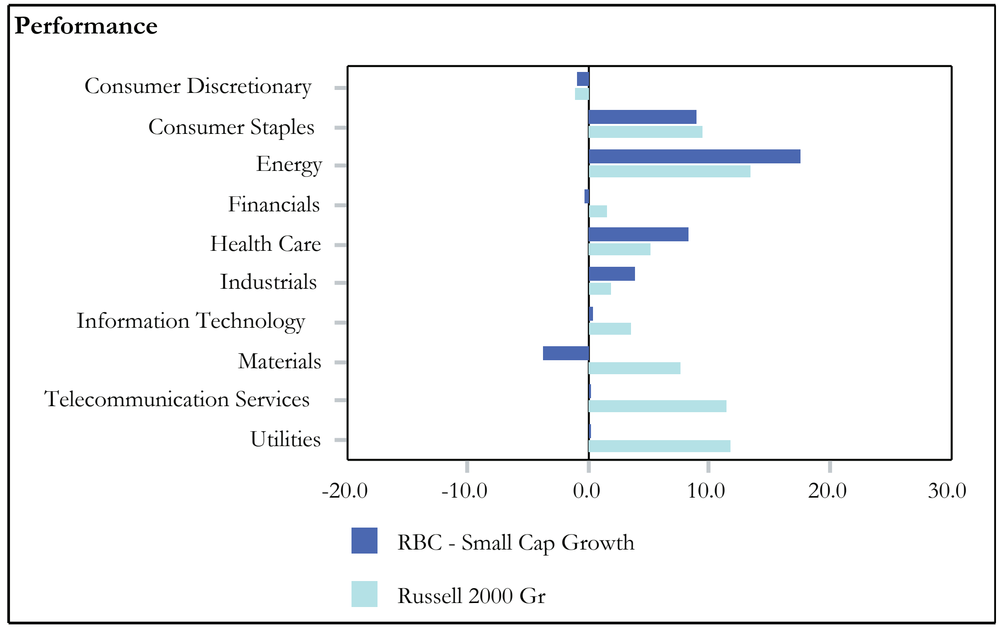


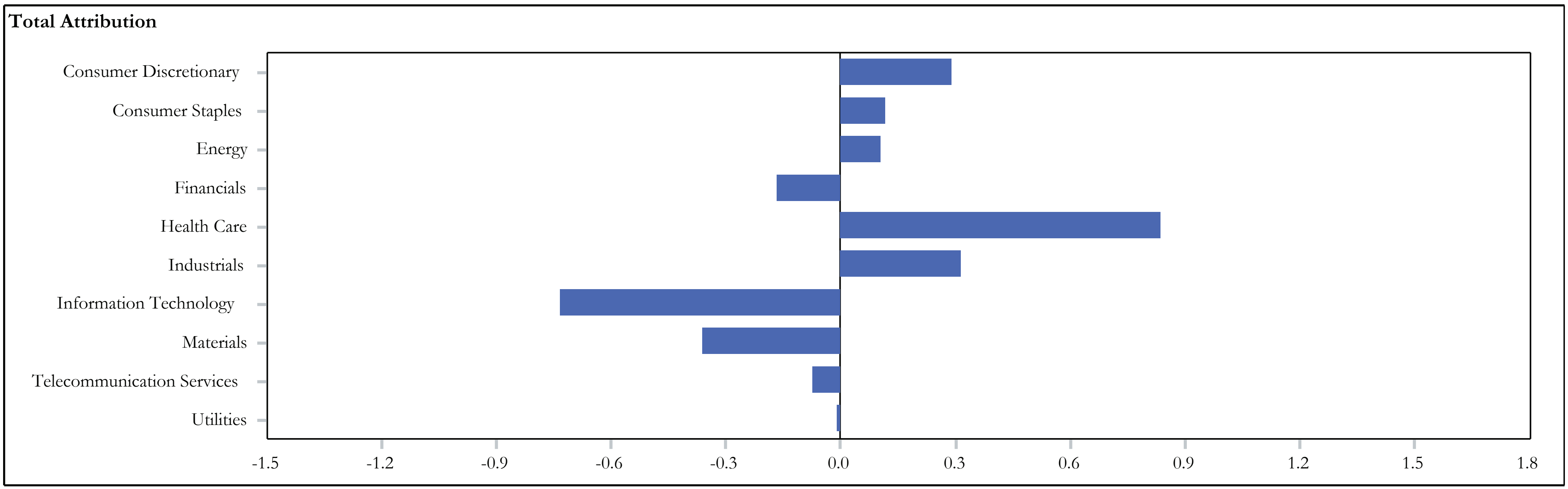
City of Port Orange Municipal Police Officers' Retirement Plan

RBC - Small Cap Growth - Quarterly Performance Attributes

as of June 30, 2016







Graystone Consulting

City of Port Orange Municipal Police Officers' Retirement Plan

RBC - Small Cap Growth - Quarterly Performance Attributes

as of June 30, 2016

	Allocation-04/01/2016		Performance-1 Quarter Ending June 30, 2016		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Consumer Discretionary	12.55	17.69	-0.91	-1.08	0.24	0.02	0.02	0.29
Consumer Staples	5.49	3.52	8.95	9.42	0.13	-0.01	-0.01	0.11
Energy	1.57	1.04	17.64	13.37	0.05	0.05	0.01	0.10
Financials	8.76	8.42	-0.24	1.54	0.00	-0.15	-0.02	-0.17
Health Care	26.06	24.41	8.24	5.23	0.03	0.76	0.04	0.84
Industrials	20.35	14.08	3.77	1.78	-0.09	0.28	0.13	0.32
Information Technology	22.87	25.31	0.42	3.56	-0.04	-0.80	0.11	-0.73
Materials	2.34	4.49	-3.82	7.67	-0.08	-0.52	0.24	-0.36
Telecommunication Services	0.00	0.91	0.00	11.51	-0.07	0.00	0.00	-0.07
Utilities	0.00	0.12	0.00	11.78	-0.01	0.00	0.00	-0.01
Total	100.00	100.00	3.55	3.25	0.16	-0.37	0.52	0.31

City of Port Orange Municipal Police Officers' Retirement Plan

RBC - Small Cap Growth - Portfolio Characteristics

as of June 30, 2016

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($000)	2,279,514.04	1,812,093.94
Median Mkt. Cap ($000)	1,771,368.32	778,565.41
Price/Earnings ratio	30.17	24.86
Price/Book ratio	3.05	3.60
5 Yr. EPS Growth Rate (%)	7.74	9.25
Current Yield (%)	0.50	0.88
Beta (5 Years, Monthly)	0.79	1.00
Number of Stocks	75	1,177
Debt to Equity	0.47	-1.90

Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
ABIOMED Inc	2.99	0.00	2.99	15.27
Cantel Medical Corp.	2.69	0.30	2.39	-3.69
RLI Corp	2.46	0.26	2.20	3.19
TreeHouse Foods Inc	2.43	0.00	2.43	18.33
West Pharmaceutical Services Inc.	2.39	0.00	2.39	9.65
PAREXEL International Corp	2.26	0.40	1.86	0.24
Manhattan Associates Inc	2.22	0.00	2.22	12.77
Balchem Corp	2.21	0.23	1.98	-3.82
Woodward Inc	2.14	0.37	1.77	11.03
Core Mark Holding Co Inc	2.06	0.26	1.80	15.13
% of Portfolio	23.85	1.82		

Ten Best Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
SPS Commerce Inc	1.52	0.12	1.40	41.13
Forum Energy Technologies Inc	0.86	0.00	0.86	31.14
Vascular Solutions Inc	2.02	0.09	1.93	28.07
Omnicell Inc	1.51	0.15	1.36	22.82
NuVasive Inc	1.90	0.36	1.54	22.75
NIC Inc	1.05	0.17	0.88	21.69
DTS Inc	0.40	0.06	0.34	21.44
Medidata Solutions Inc	1.53	0.31	1.22	21.08
Multi-Color Corp	1.09	0.10	0.99	18.94
Integra LifeSciences Holdings Corp	1.87	0.29	1.58	18.44
% of Portfolio	13.75	1.65		

Ten Worst Performers

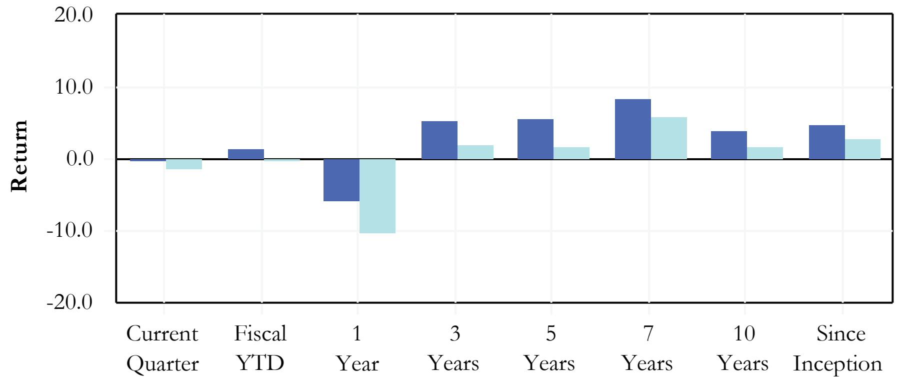
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Natural Grocers by Vitamin Cottage Inc	0.40	0.00	0.40	-38.65
Cavium Inc	1.00	0.26	0.74	-36.89
Bottomline Technologies Inc	1.02	0.09	0.93	-29.39
Zebra Technologies Corp.	1.20	0.00	1.20	-27.39
Proto Labs Inc	0.82	0.17	0.65	-25.33
PRA Group Inc	1.00	0.00	1.00	-17.86
Gentherm Inc	0.94	0.15	0.79	-17.65
Haemonetics Corp	0.97	0.00	0.97	-17.12
Integer Holdings Corp	1.04	0.00	1.04	-13.22
Monro Muffler Brake Inc	1.61	0.24	1.37	-10.82
% of Portfolio	10.00	0.91		

City of Port Orange Municipal Police Officers' Retirement Plan

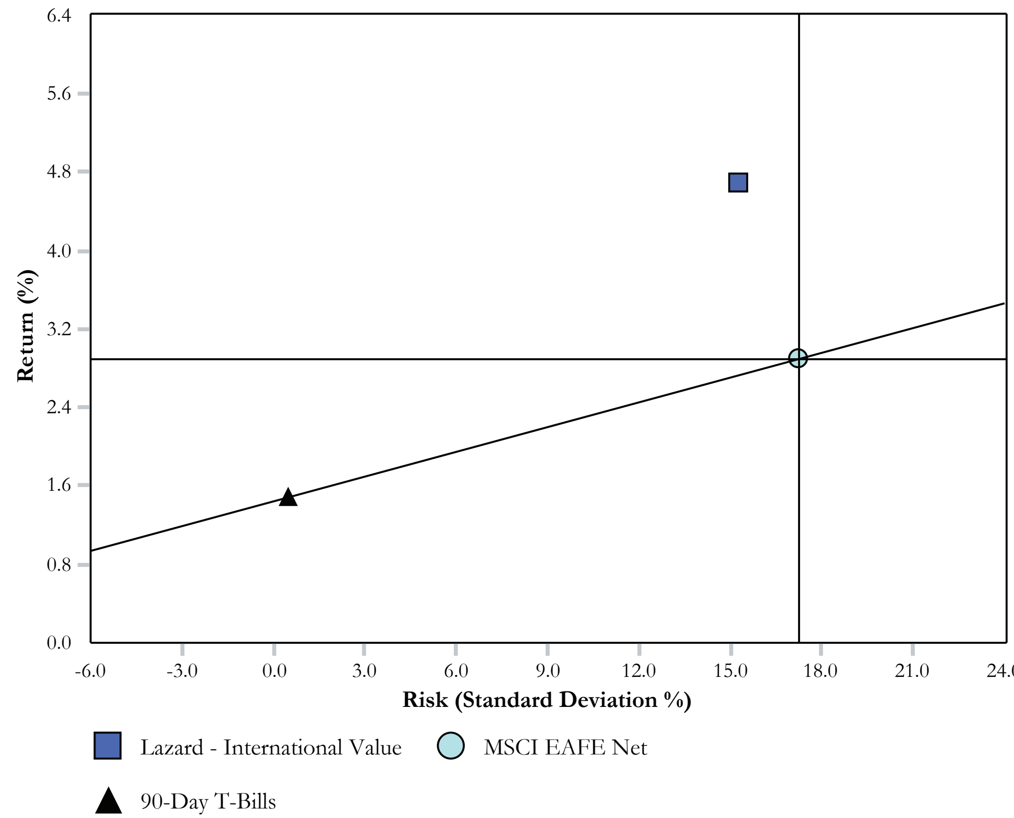
Lazard - International Growth - Executive Summary

as of June 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
Lazard - International Value	-0.12	1.45	-5.73	5.34	5.44	8.37	3.95	4.69
MSCI EAFE Net	-1.46	0.08	-10.16	2.07	1.68	5.97	1.58	2.89
Differences	1.34	1.37	4.43	3.27	3.76	2.40	2.37	1.80

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
Lazard - International Value								
Beginning Market Value	1,351	1,333	1,438	1,190	906	511	754	570
Net Contributions	40	45	45	20	171	374	413	354
Fees/Expenses	-2	-9	-12	-38	-58	-72	-99	-135
Income	14	24	29	93	159	198	283	373
Gain/Loss	-14	-3	-110	126	212	379	39	228
Ending Market Value	1,390	1,390	1,390	1,390	1,390	1,390	1,390	1,390

Modern Portfolio Statistics

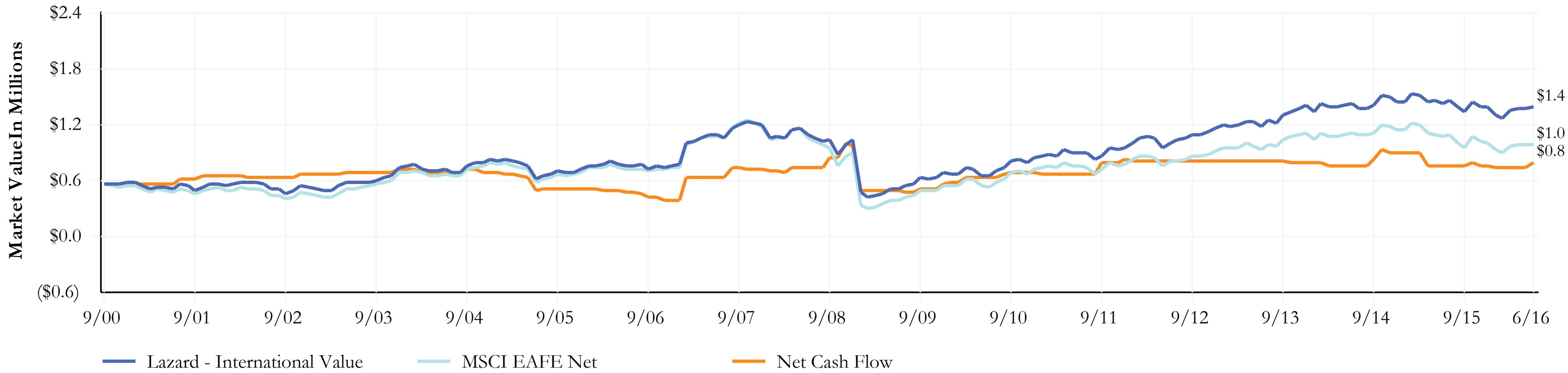
	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Lazard - International Value	4.69	15.30	0.85	-46.20	89.76	80.99	2.06	0.28	0.93	10/01/2000
MSCI EAFE Net	2.89	17.28	1.00	-56.68	100.00	100.00	0.00	0.17	1.00	10/01/2000

City of Port Orange Municipal Police Officers' Retirement Plan

Lazard - Internationl Value - Change in Assets & Distribution of Returns

as of June 30, 2016

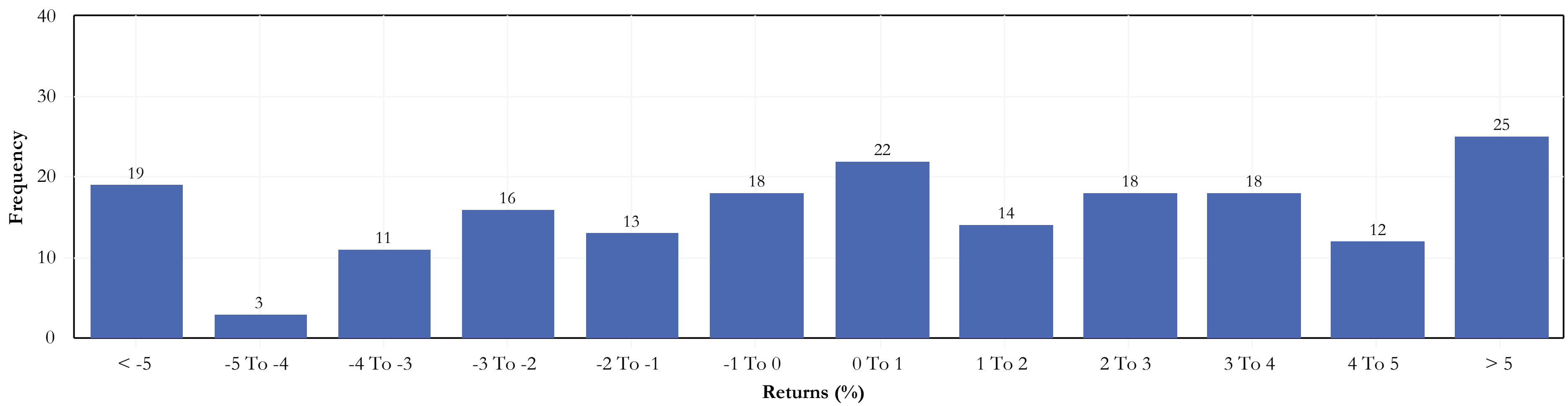
Historic Change in Assets



Quarterly Change in Assets

	Market Value As of 04/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 06/30/2016
Lazard - International Value	1,350,620.70	-	40,000.00	-	-1,903.91	-	920.30	1,389,637.09

Distribution of Returns



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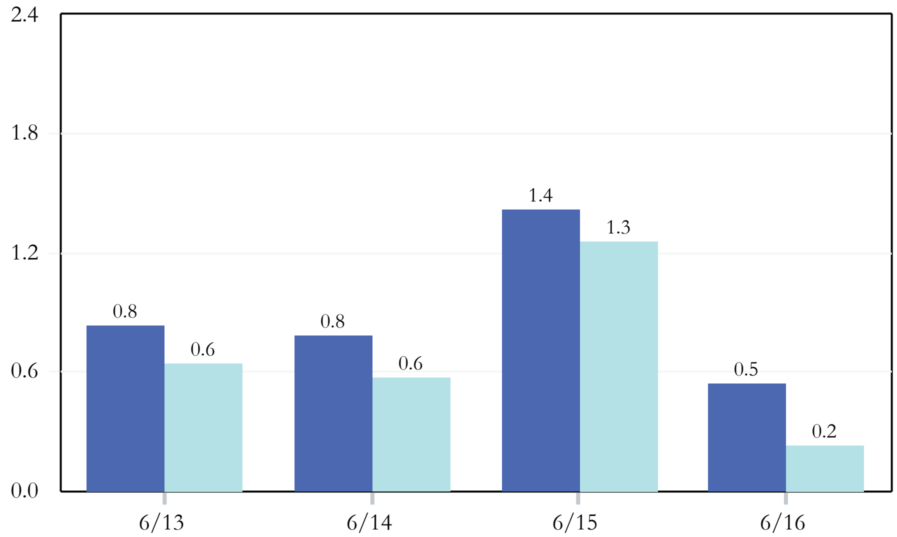
Graystone Consulting

City of Port Orange Municipal Police Officers' Retirement Plan

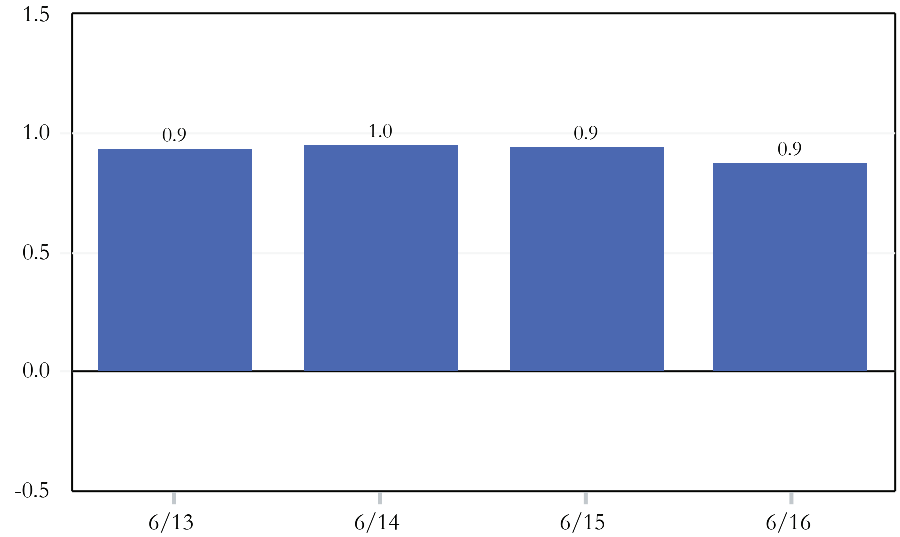
Lazard - International Value - Rolling Three Year MPT Statistics

as of June 30, 2016

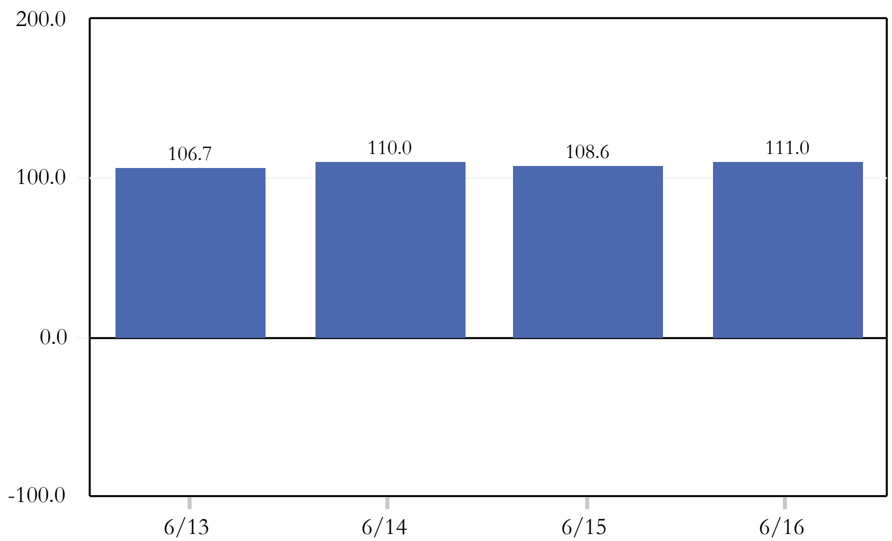
Sharpe Ratio



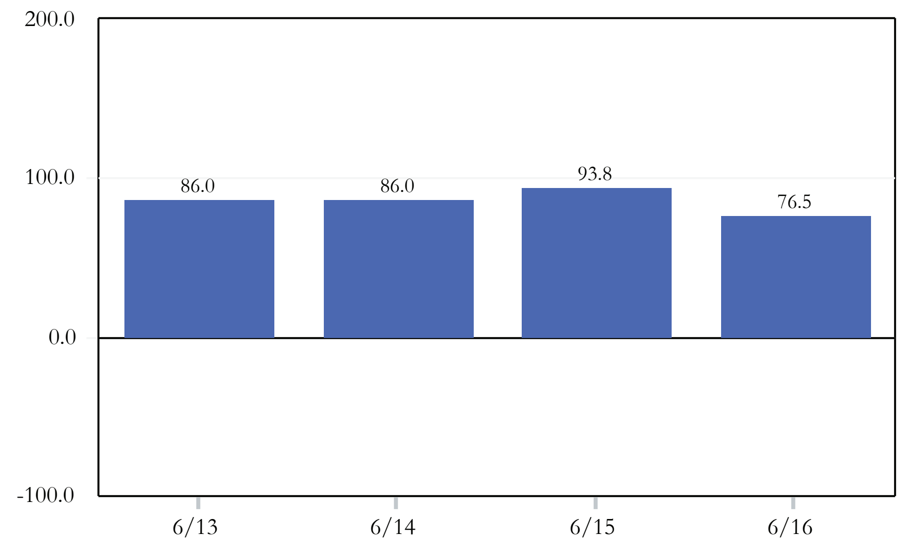
Beta



Up Market Capture



Down Market Capture



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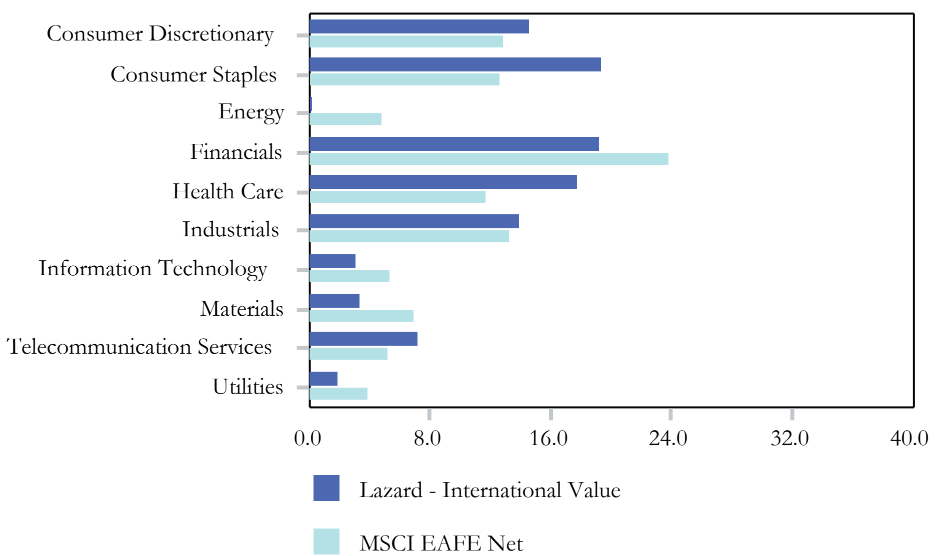
City of Port Orange Municipal Police Officers' Retirement Plan

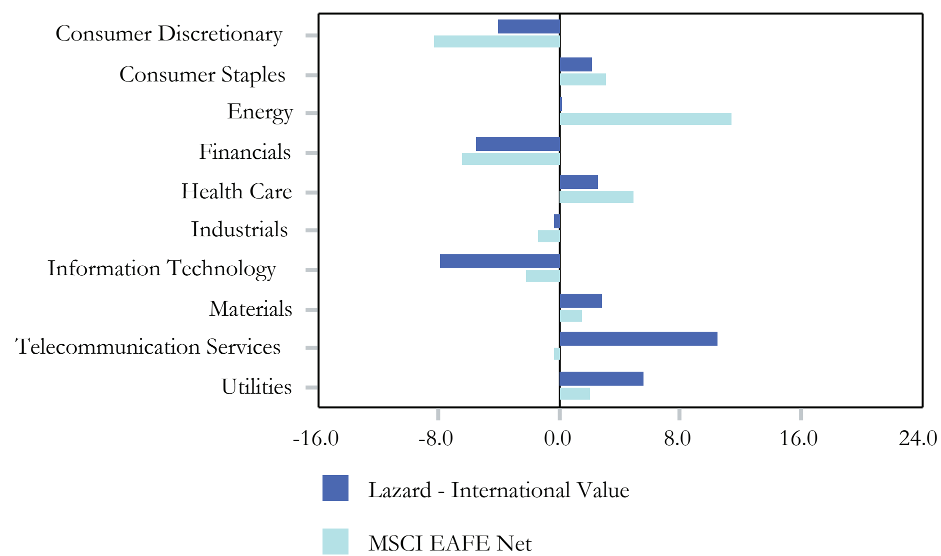
Lazard - International Value - Quarterly Performance Attributes

as of June 30, 2016

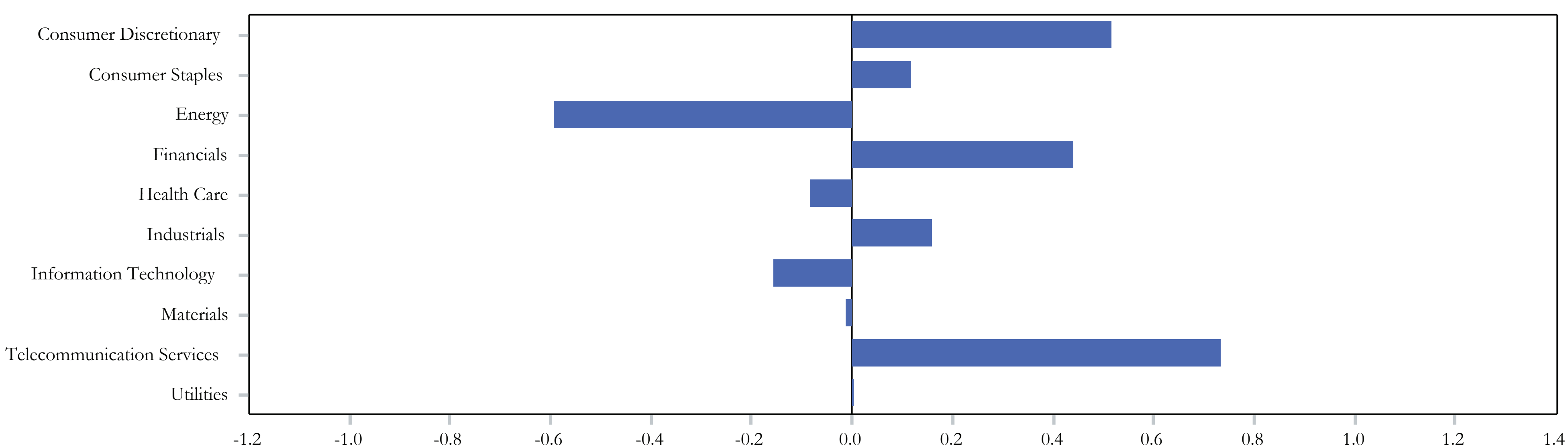
Allocation



Performance



Total Attribution



City of Port Orange Municipal Police Officers' Retirement Plan

Lazard - International Value - Quarterly Performance Attributes

as of June 30, 2016

	Allocation-04/01/2016		Performance-1 Quarter Ending June 30, 2016		Attribution			
	Portfolio	Benchmark	Portfolio	Benchmark	Sector	Stock	Interaction	Total
Consumer Discretionary	14.63	12.84	-4.13	-8.33	-0.18	0.56	0.14	0.51
Consumer Staples	19.35	12.54	2.20	3.10	0.28	-0.10	-0.06	0.12
Energy	0.00	4.77	0.00	11.41	-0.59	0.00	0.00	-0.59
Financials	19.18	23.85	-5.48	-6.41	0.24	0.28	-0.08	0.44
Health Care	17.72	11.59	2.54	4.86	0.31	-0.26	-0.13	-0.08
Industrials	13.92	13.27	-0.42	-1.48	0.00	0.14	0.01	0.16
Information Technology	3.03	5.33	-7.92	-2.21	0.02	-0.30	0.12	-0.16
Materials	3.25	6.86	2.83	1.46	-0.08	0.12	-0.05	-0.01
Telecommunication Services	7.09	5.11	10.49	-0.34	0.04	0.54	0.16	0.73
Utilities	1.81	3.85	5.63	1.95	-0.07	0.14	-0.07	0.00
Total	100.00	100.00	-0.17	-1.28	-0.03	1.10	0.04	1.11

City of Port Orange Municipal Police Officers' Retirement Plan

Lazard - International Value - Portfolio Characteristics

as of June 30, 2016

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($000)	54,004,834.75	54,758,843.58
Median Mkt. Cap ($000)	28,775,452.39	8,615,463.00
Price/Earnings ratio	17.05	15.56
Price/Book ratio	3.00	2.29
5 Yr. EPS Growth Rate (%)	10.06	5.30
Current Yield (%)	2.72	3.57
Beta (5 Years, Monthly)	0.89	1.00
Number of Stocks	54	930
Debt to Equity	1.23	1.22

Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Anheuser-Busch InBev SA/NV	4.53	0.90	3.63	7.54
Novartis AG	4.52	1.60	2.92	13.90
British American Tobacco	4.00	1.03	2.97	10.75
Daiwa House Industry Co Ltd	3.60	0.14	3.46	3.19
Prudential PLC	2.93	0.37	2.56	-8.58
Actelion Ltd., Allschwil	2.85	0.15	2.70	12.73
Japan Tobacco Inc	2.82	0.38	2.44	-4.16
Kddi Corp	2.71	0.49	2.22	13.45
Assa Abloy AB	2.67	0.17	2.50	4.34
Unilever PLC	2.62	0.52	2.10	6.90
% of Portfolio	33.25	5.75		

Ten Best Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Softbank Group Corp	2.46	0.46	2.00	18.19
Ashtead Group PLC	0.84	0.06	0.78	14.54
Sony Corp	1.54	0.31	1.23	14.11
Novartis AG	4.52	1.60	2.92	13.90
Kddi Corp	2.71	0.49	2.22	13.45
Actelion Ltd., Allschwil	2.85	0.15	2.70	12.73
British American Tobacco	4.00	1.03	2.97	10.75
Eni SpA	1.73	0.35	1.38	10.33
BHP Billiton Ltd	1.93	0.38	1.55	10.27
Compass Group PLC	2.40	0.27	2.13	8.56
% of Portfolio	24.98	5.10		

Ten Worst Performers

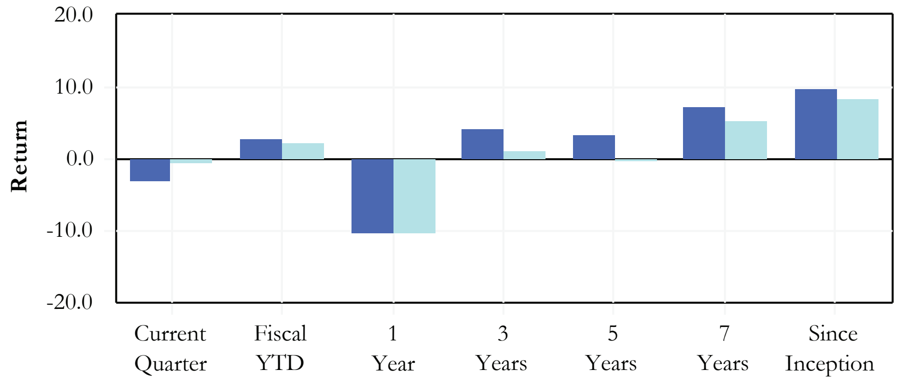
	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Signet Jewelers Ltd	1.17	0.00	1.17	-33.40
Associated British Foods PLC	1.08	0.11	0.97	-24.22
Lloyds Banking Group PLC	1.88	0.40	1.48	-22.62
Ryanair Holdings PLC	1.38	0.02	1.36	-18.97
Continental AG	0.90	0.18	0.72	-15.89
Valeo SA	1.75	0.09	1.66	-12.24
Cie Financiere Richemont AG, Zug	0.91	0.26	0.65	-12.22
Sampo PLC	1.77	0.16	1.61	-10.49
Check Point Software	1.89	0.09	1.80	-8.91
olseley PLC	2.15	0.11	2.04	-8.64
% of Portfolio	14.88	1.42		

City of Port Orange Municipal Police Officers' Retirement Plan

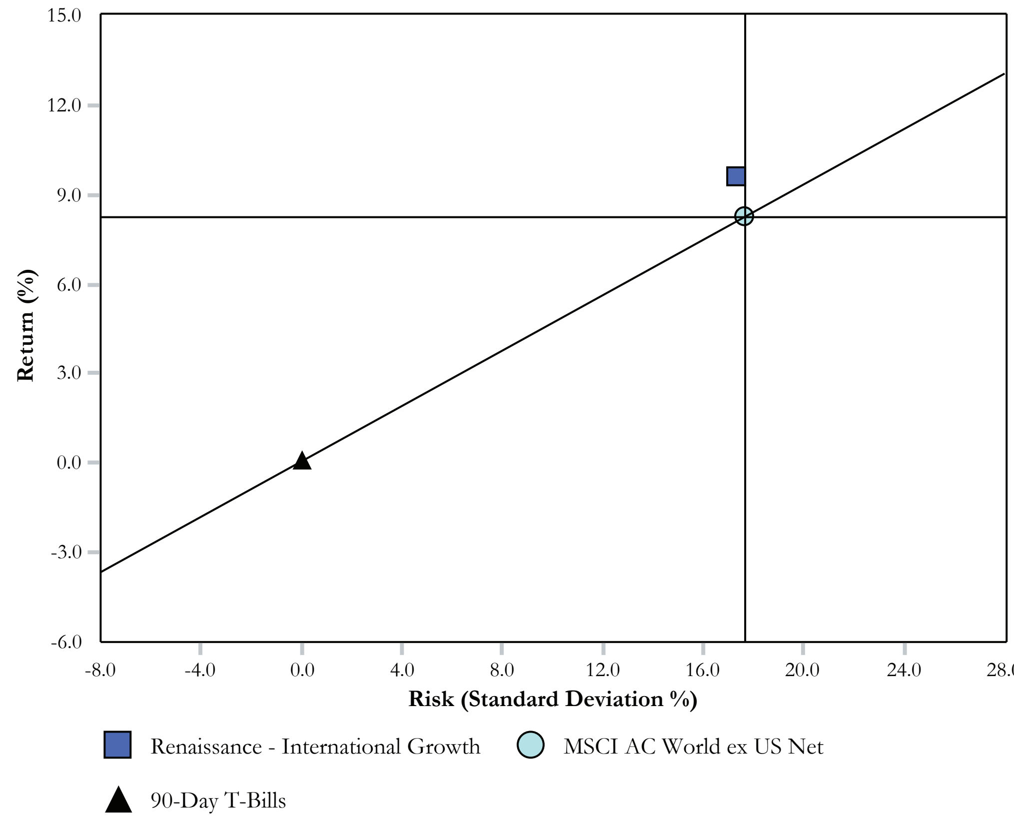
Renaissance - International Growth - Executive Summary

as of June 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	Since Inception
Renaissance - International Growth	-3.06	2.69	-10.29	4.15	3.33	7.35	9.60
MSCI AC World ex US Net	-0.64	2.20	-10.24	1.16	0.10	5.35	8.24
Differences	-2.42	0.49	-0.05	2.99	3.23	2.00	1.36

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	Since Inception
Renaissance - International Growth							
Beginning Market Value	1,416	1,252	1,436	1,119	913	537	451
Net Contributions	60	160	160	204	353	506	504
Fees/Expenses	-2	-9	-12	-38	-57	-72	-72
Income	14	21	28	91	148	179	187
Gain/Loss	-54	11	-178	59	78	283	363
Ending Market Value	1,434	1,434	1,434	1,434	1,434	1,434	1,434

Modern Portfolio Statistics

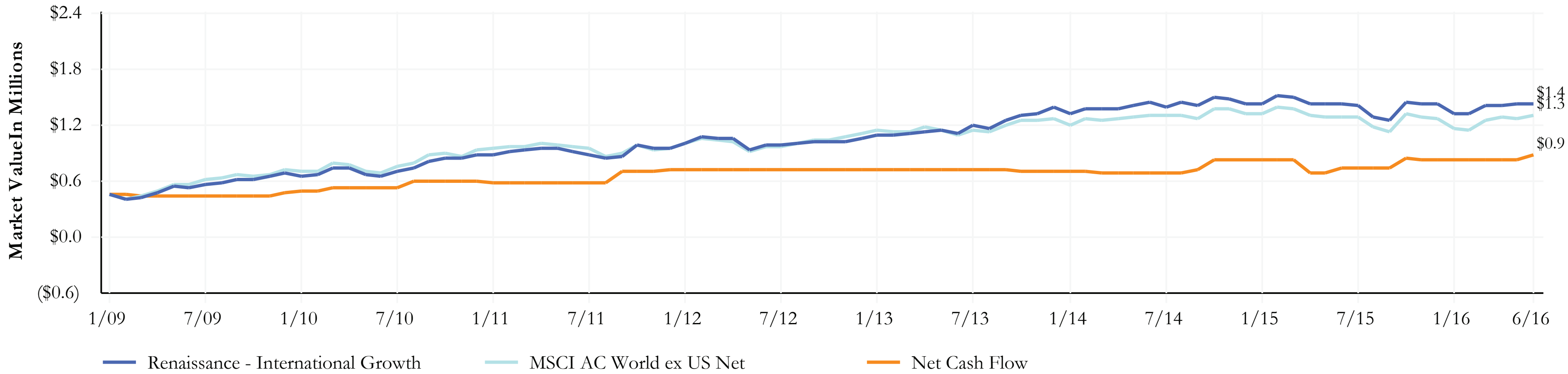
	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	R-Squared	Sharpe Ratio	Inception Date
Renaissance - International Growth	9.60	17.33	0.93	-22.68	97.12	89.28	1.91	0.89	0.61	02/01/2009
MSCI AC World ex US Net	8.24	17.63	1.00	-23.29	100.00	100.00	0.00	1.00	0.53	02/01/2009

City of Port Orange Municipal Police Officers' Retirement Plan

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

as of June 30, 2016

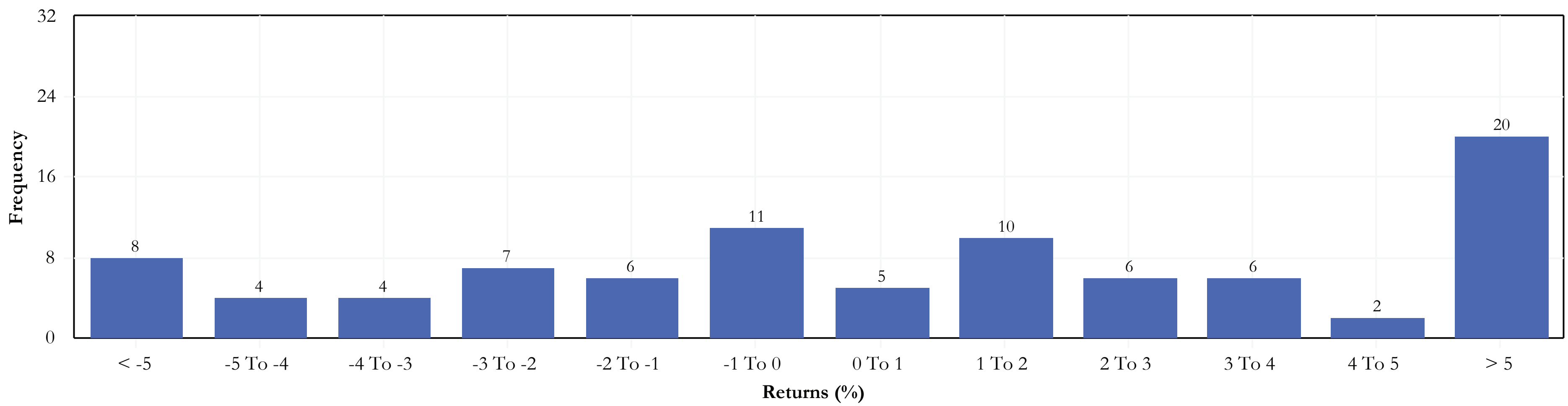
Historic Change in Assets



Quarterly Change in Assets

	Market Value As of 04/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 06/30/2016
Renaissance - International Growth	1,416,157.66	-	60,000.00	-	-1,995.21	-	-40,145.93	1,434,016.52

Distribution of Returns



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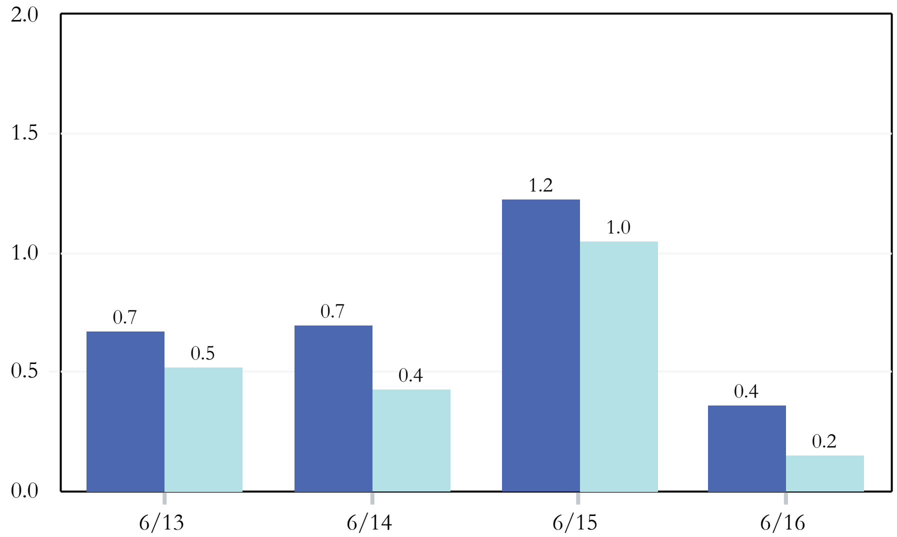
City of Port Orange Municipal Police Officers' Retirement Plan

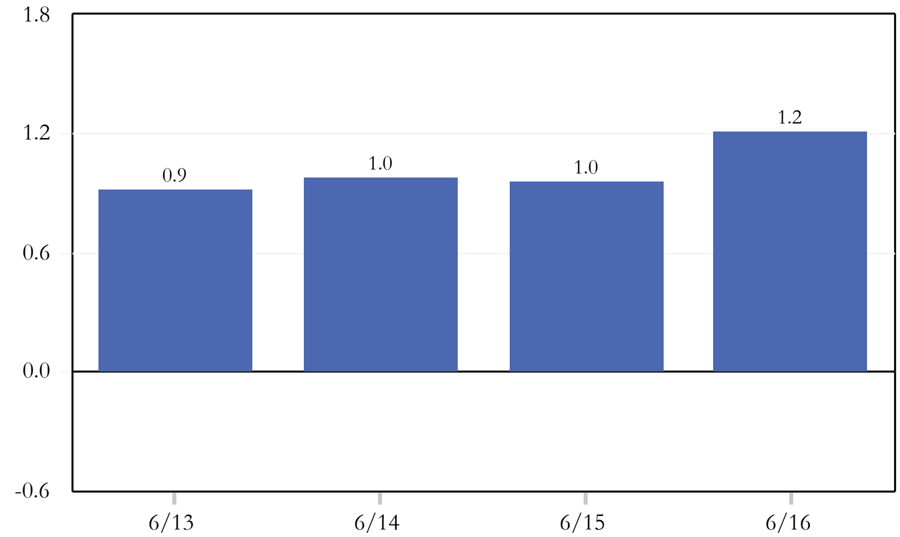
Renaissance - International Growth - Rolling Three Year MPT Statistics

as of June 30, 2016

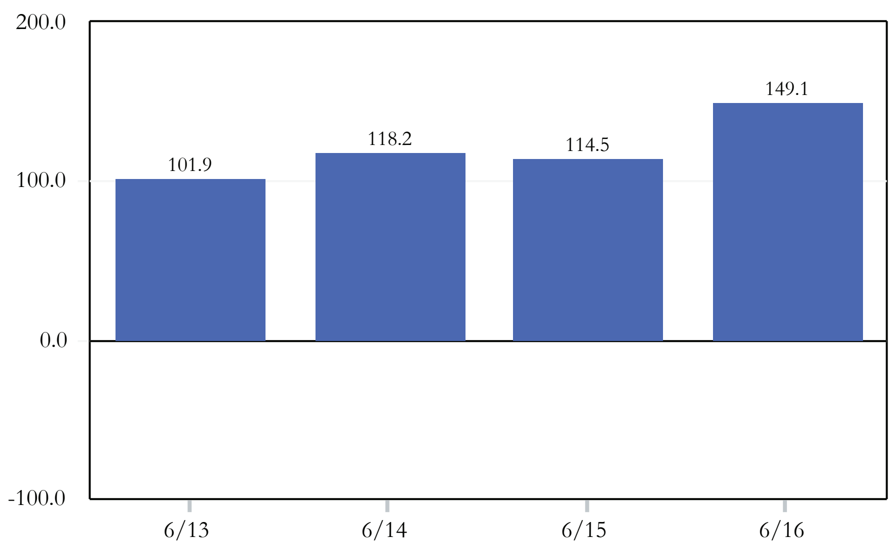
Sharpe Ratio



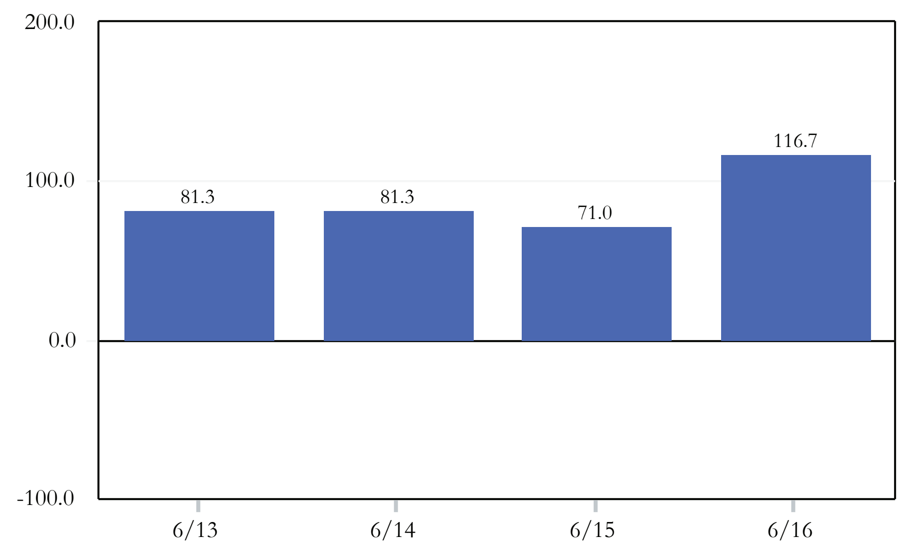
Beta



Up Market Capture



Down Market Capture



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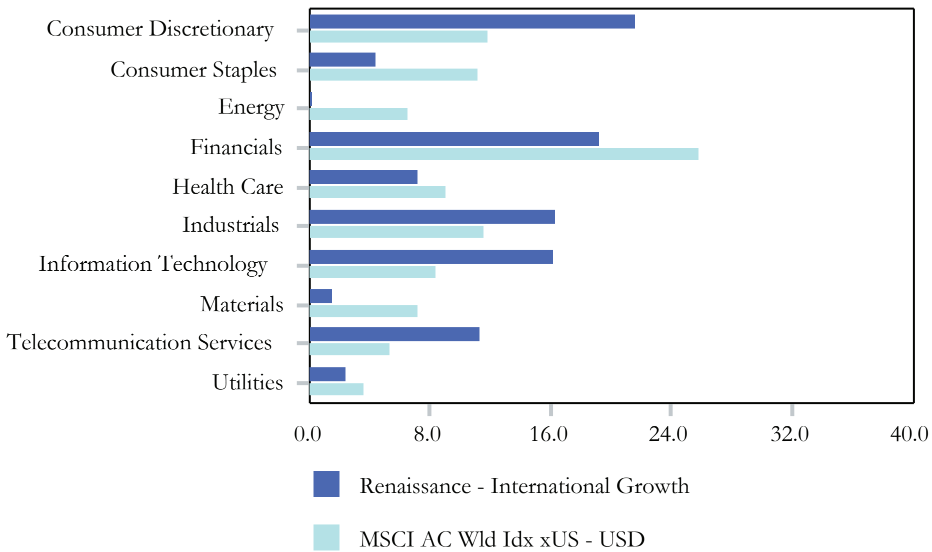
City of Port Orange Municipal Police Officers' Retirement Plan

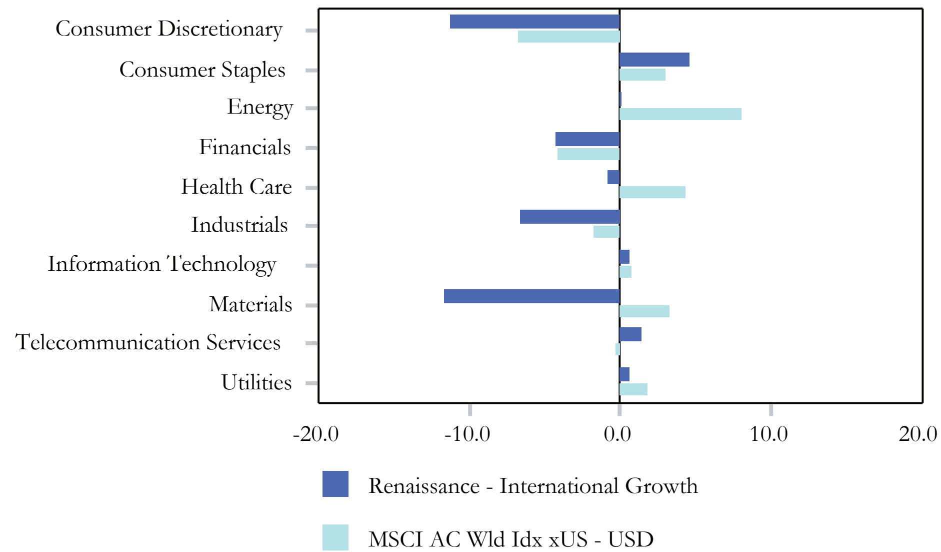
Renaissance - International Growth - Quarterly Performance Attributes

as of June 30, 2016

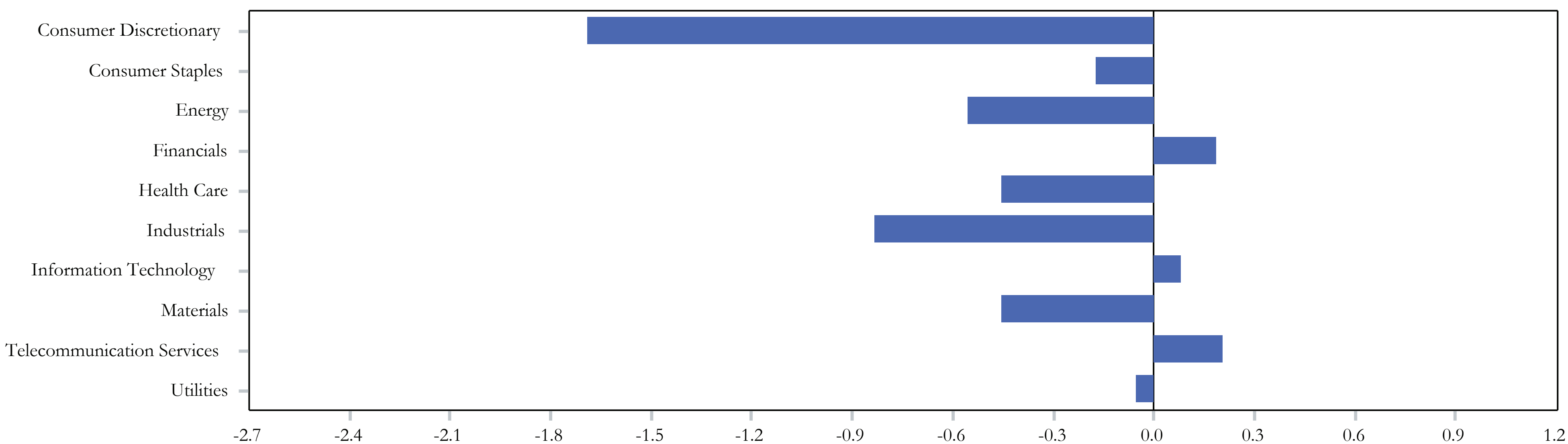
Allocation



Performance



Total Attribution



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City of Port Orange Municipal Police Officers' Retirement Plan

Renaissance - International Growth - Quarterly Performance Attributes

as of June 30, 2016

	Allocation-04/01/2016		Performance-1 Quarter Ending June 30, 2016		Attribution			
	Portfolio	**Benchmark**	**Portfolio**	**Benchmark**	**Sector**	**Stock**	**Interaction**	**Total**
Consumer Discretionary	21.61	11.77	-11.22	-6.77	-0.66	-0.52	-0.51	-1.69
Consumer Staples	4.33	11.16	4.64	3.04	-0.24	0.17	-0.10	-0.17
Energy	0.00	6.55	0.00	8.14	-0.56	0.00	0.00	-0.56
Financials	19.24	25.79	-4.27	-4.06	0.19	-0.06	0.05	0.18
Health Care	7.12	8.96	-0.80	4.42	-0.11	-0.46	0.11	-0.45
Industrials	16.33	11.49	-6.61	-1.75	-0.06	-0.56	-0.22	-0.83
Information Technology	16.22	8.32	0.65	0.75	0.10	-0.01	0.00	0.08
Materials	1.43	7.11	-11.65	3.31	-0.32	-0.46	0.33	-0.46
Telecommunication Services	11.29	5.31	1.52	-0.20	0.01	0.09	0.10	0.20
Utilities	2.44	3.55	0.70	1.83	-0.03	-0.04	0.01	-0.05
Total	100.00	100.00	-4.20	-0.45	-1.67	-1.85	-0.23	-3.75

City of Port Orange Municipal Police Officers' Retirement Plan

Renaissance - International Growth - Portfolio Characteristics

as of June 30, 2016

Portfolio Characteristics

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap ($000)	33,248,038.18	51,174,019.39
Median Mkt. Cap ($000)	16,821,191.58	6,713,996.71
Price/Earnings ratio	10.90	14.66
Price/Book ratio	2.26	2.26
5 Yr. EPS Growth Rate (%)	11.53	6.06
Current Yield (%)	2.42	3.36
Beta	N/A	1.00
Number of Stocks	55	1,859
Debt to Equity	0.81	1.15

Top Ten Equity Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Netease Inc	2.50	0.09	2.41	35.17
Tata Motors Ltd	2.41	0.06	2.35	19.35
AerCap Holdings NV	2.34	0.03	2.31	-13.34
Korea Electric Power Corp	2.30	0.08	2.22	0.70
Mitsubishi Electric Corp	2.26	0.14	2.12	12.20
Validus Holdings Ltd	2.25	0.00	2.25	3.75
Unilever PLC	2.19	0.37	1.82	6.90
Techtronic Industries	2.15	0.03	2.12	6.00
PT Bank Mandiri (Persero) TBK	2.13	0.04	2.09	-7.20
Icon PLC	2.11	0.00	2.11	-6.78
% of Portfolio	22.64	0.84		

Ten Best Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Netease Inc	2.50	0.09	2.41	35.17
Tata Motors Ltd	2.41	0.06	2.35	19.35
Kddi Corp	2.02	0.34	1.68	13.45
Mitsubishi Electric Corp	2.26	0.14	2.12	12.20
Nippon T&T	1.89	0.19	1.70	8.88
Shire PLC	2.08	0.34	1.74	7.09
Unilever PLC	2.19	0.37	1.82	6.90
Techtronic Industries	2.15	0.03	2.12	6.00
China Mobile Ltd	2.01	0.42	1.59	5.86
Arkema	1.99	0.03	1.96	4.67
% of Portfolio	21.50	2.01		

Ten Worst Performers

	Portfolio Weight (%)	Benchmark Weight (%)	Active Weight (%)	Quarterly Return (%)
Persimmon PLC	2.02	0.04	1.98	-35.45
Renault SA	1.94	0.09	1.85	-21.40
Ryanair Holdings PLC	1.96	0.01	1.95	-18.97
Magna International Inc.	1.99	0.08	1.91	-17.86
Carnival PLC	1.94	0.05	1.89	-16.93
Bridgestone Corp	1.95	0.12	1.83	-14.83
AerCap Holdings NV	2.34	0.03	2.31	-13.34
BT Group PLC	1.99	0.28	1.71	-13.19
Valeo SA	1.91	0.06	1.85	-12.24
Controladora Vuela Compania de Aviacion SA de CV	1.99	0.00	1.99	-11.30
% of Portfolio	20.03	0.76		

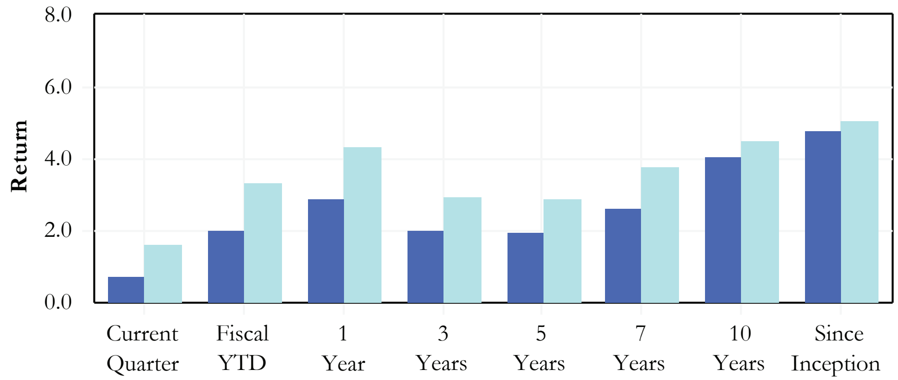
Graystone Consulting

City of Port Orange Municipal Police Officers' Retirement Plan

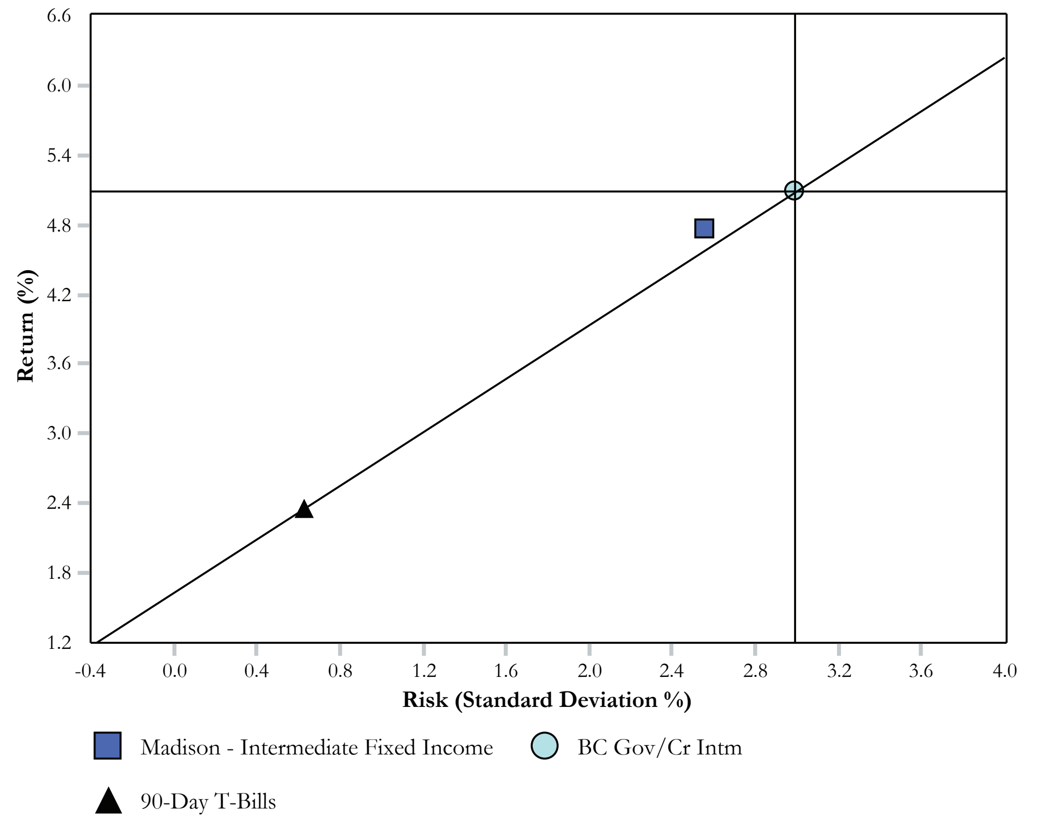
Madison - Intermediate Fixed Income - Executive Summary

as of June 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
Madison - Fixed Income	0.70	2.02	2.89	2.03	1.96	2.62	4.05	4.75
BC Gov/Cr Intm	1.59	3.35	4.33	2.95	2.90	3.78	4.48	5.08
Differences	-0.89	-1.33	-1.44	-0.92	-0.94	-1.16	-0.43	-0.33

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception
Madison - Fixed Income								
Beginning Market Value	7,759	7,919	7,867	7,490	6,974	4,586	3,582	1,776
Net Contributions	-	-226	-226	23	407	2,422	2,604	3,323
Fees/Expenses	-10	-44	-59	-181	-308	-420	-552	-805
Income	31	121	178	573	1,017	1,444	2,108	3,645
Gain/Loss	23	34	43	-102	-286	-229	61	-136
Ending Market Value	7,803	7,803	7,803	7,803	7,803	7,803	7,803	7,803

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	4.75	2.55	0.80	-2.77	85.97	67.22	0.66	0.93	0.89	11/01/1995
BC Gov/Cr Intm	5.08	2.99	1.00	-4.05	100.00	100.00	0.00	0.89	1.00	11/01/1995

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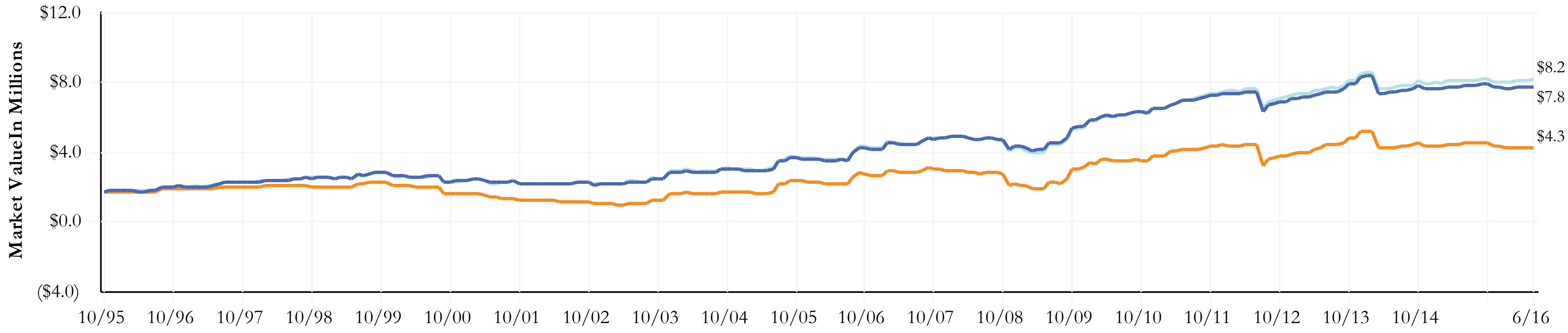
City of Port Orange Municipal Police Officers' Retirement Plan

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

as of June 30, 2016

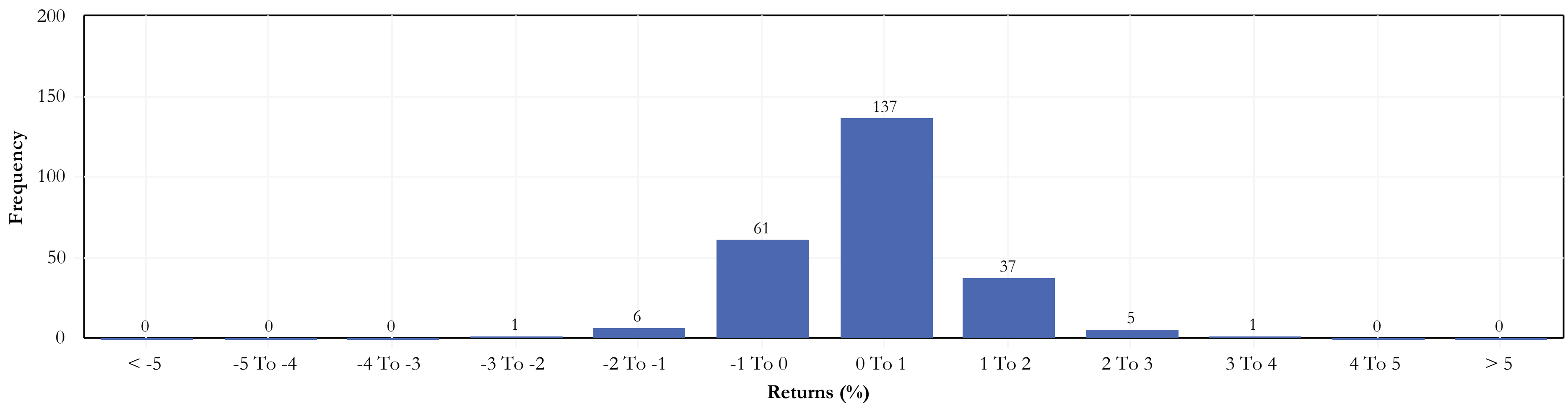
Historic Change in Assets



Quarterly Change in Assets

	Market Value As of 04/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 06/30/2016
Madison - Intermediate Fixed Income	7,758,746.37	-	-	-	-9,805.82	-	54,334.07	7,803,274.62

Distribution of Returns



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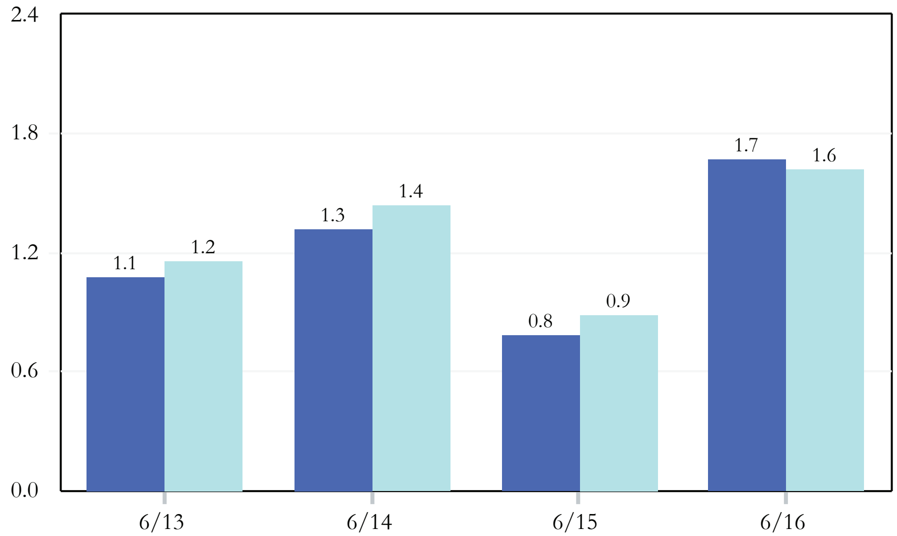
City of Port Orange Municipal Police Officers' Retirement Plan

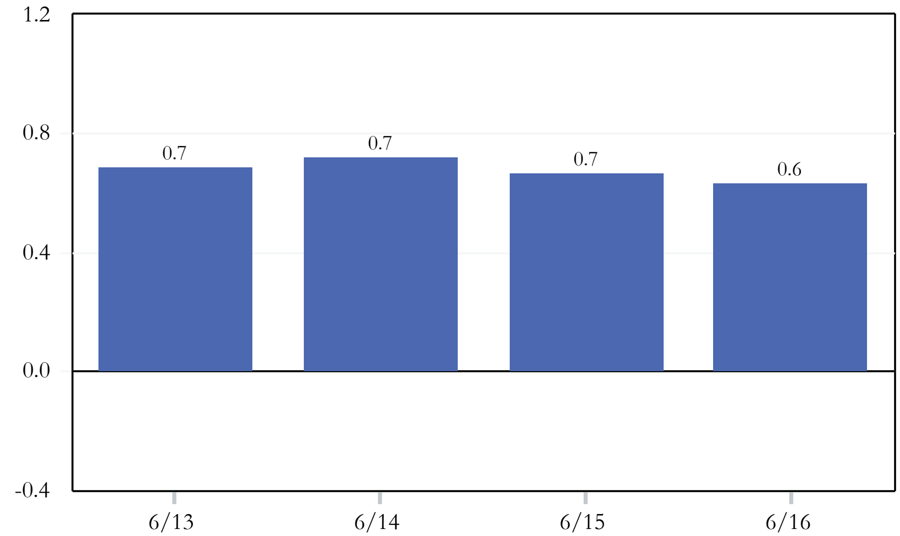
Madison - Intermediate Fixed Income - Rolling Three Year MPT Statistics

as of June 30, 2016

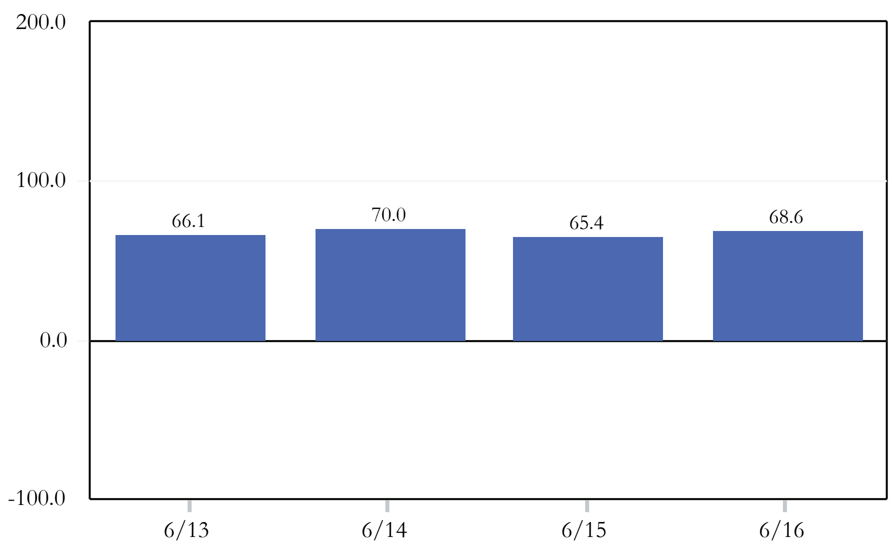
Sharpe Ratio



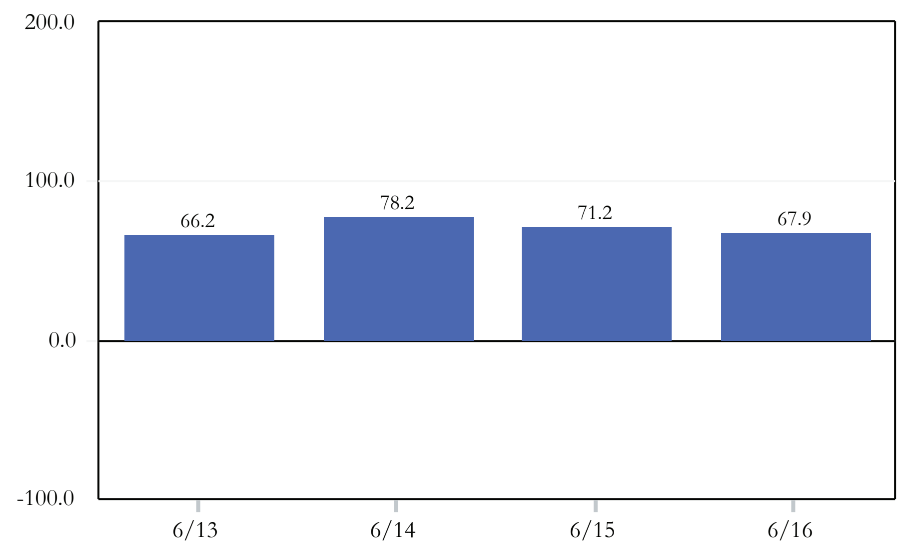
Beta



Up Market Capture



Down Market Capture



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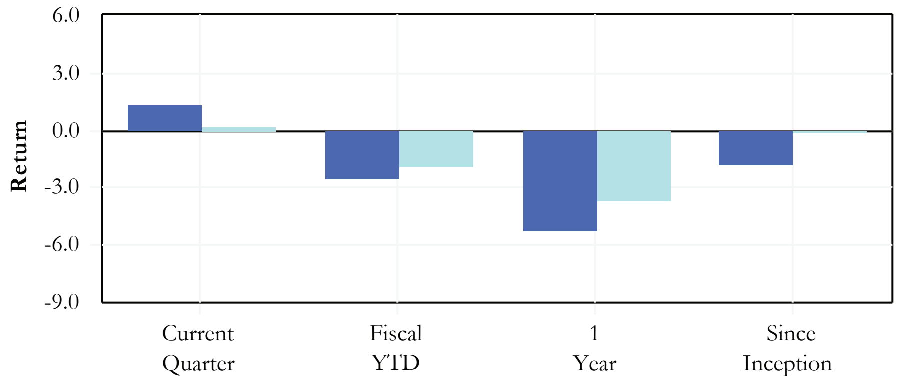
City of Port Orange Municipal Police Officers' Retirement Plan

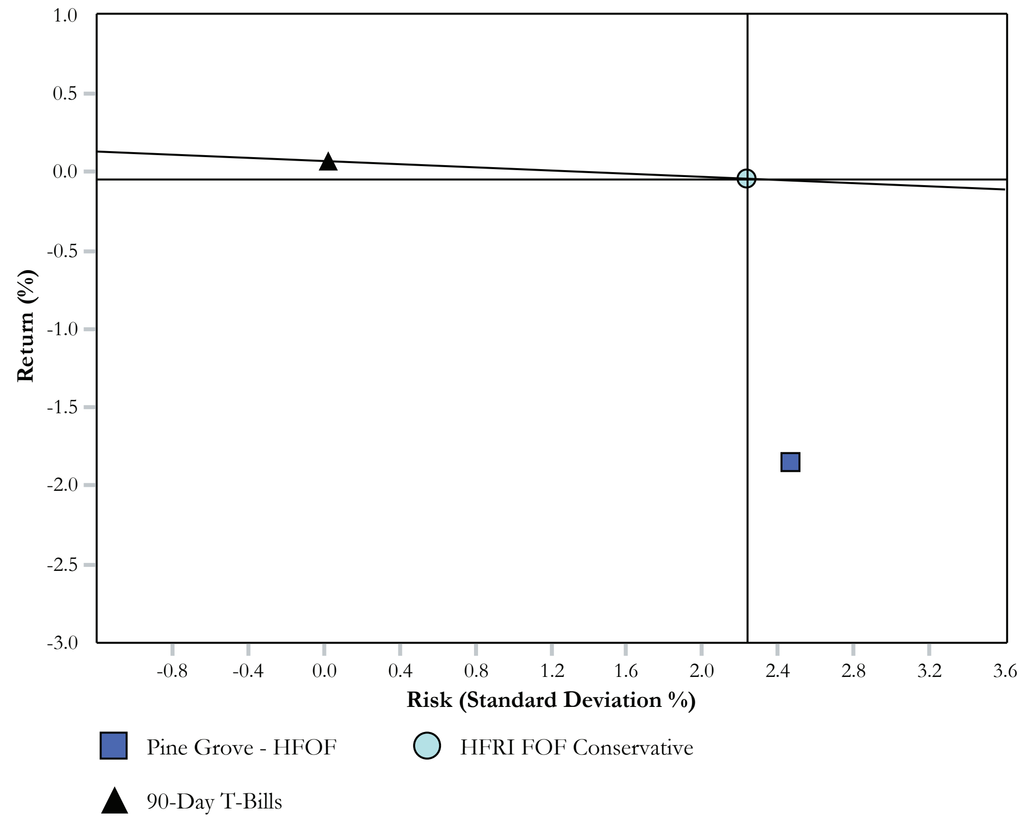
Pine Grove - Hedge Fund of Funds - Executive Summary

as of June 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Since Inception	Inception Date
Pine Grove - HFOF	1.31	-2.54	-5.23	-1.85	03/01/2014
HFRI FOF Conservative	0.12	-1.95	-3.71	-0.04	
Differences	1.19	-0.59	-1.52	-1.81	

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Since Inception	Inception Date
Pine Grove - HFOF					03/01/2014
Beginning Market Value	1,276	1,326	1,364	1,350	
Net Contributions	2	5	7	15	
Fees/Expenses	-2	-5	-7	-15	
Income	-	-	-	-	
Gain/Loss	17	-34	-71	-58	
Ending Market Value	1,292	1,292	1,292	1,292	

Modern Portfolio Statistics

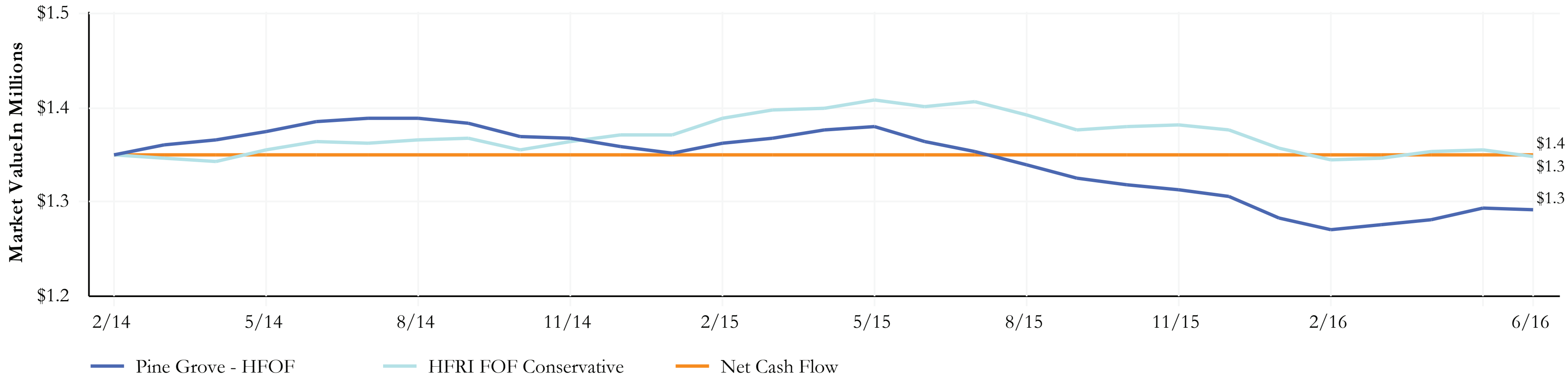
	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Pine Grove - HFOF	-1.85	2.47	0.78	-8.43	33.12	90.66	-1.81	-0.77	0.50	03/01/2014
HFRI FOF Conservative	-0.04	2.24	1.00	-4.55	100.00	100.00	0.00	-0.04	1.00	03/01/2014

City of Port Orange Municipal Police Officers' Retirement Plan

Pine Grove - Hedge Fund of Funds - Change in Assets & Distribution of Returns

as of June 30, 2016

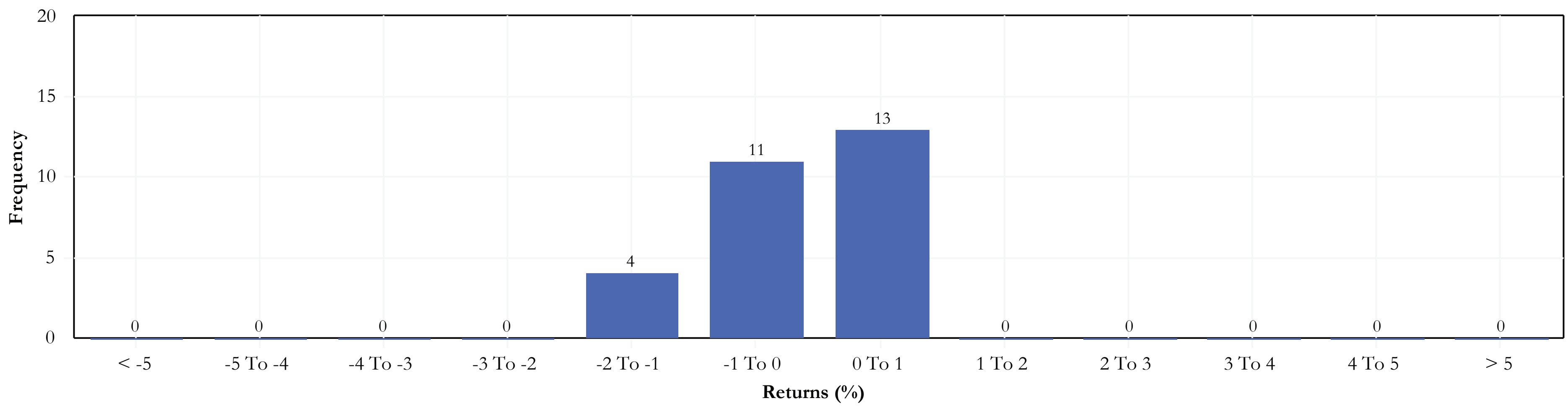
Historic Change in Assets



Quarterly Change in Assets

	Market Value As of 04/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 06/30/2016
Pine Grove - HFOF	1,275,590.50	-	1,604.57	-	-1,604.57	-	16,742.87	1,292,333.37

Distribution of Returns

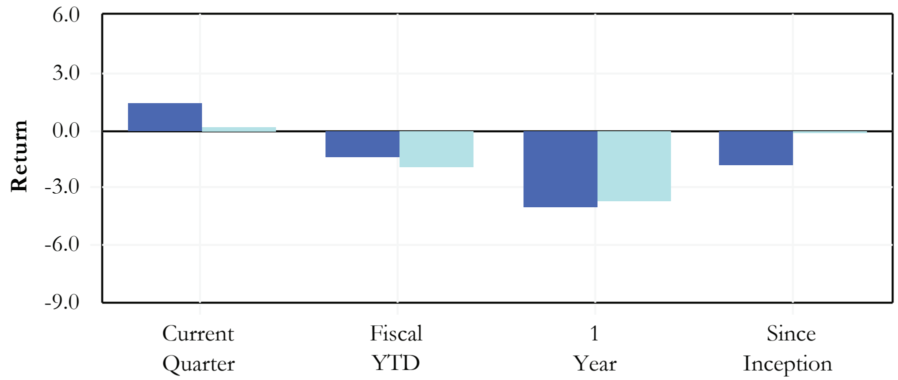


City of Port Orange Municipal Police Officers' Retirement Plan

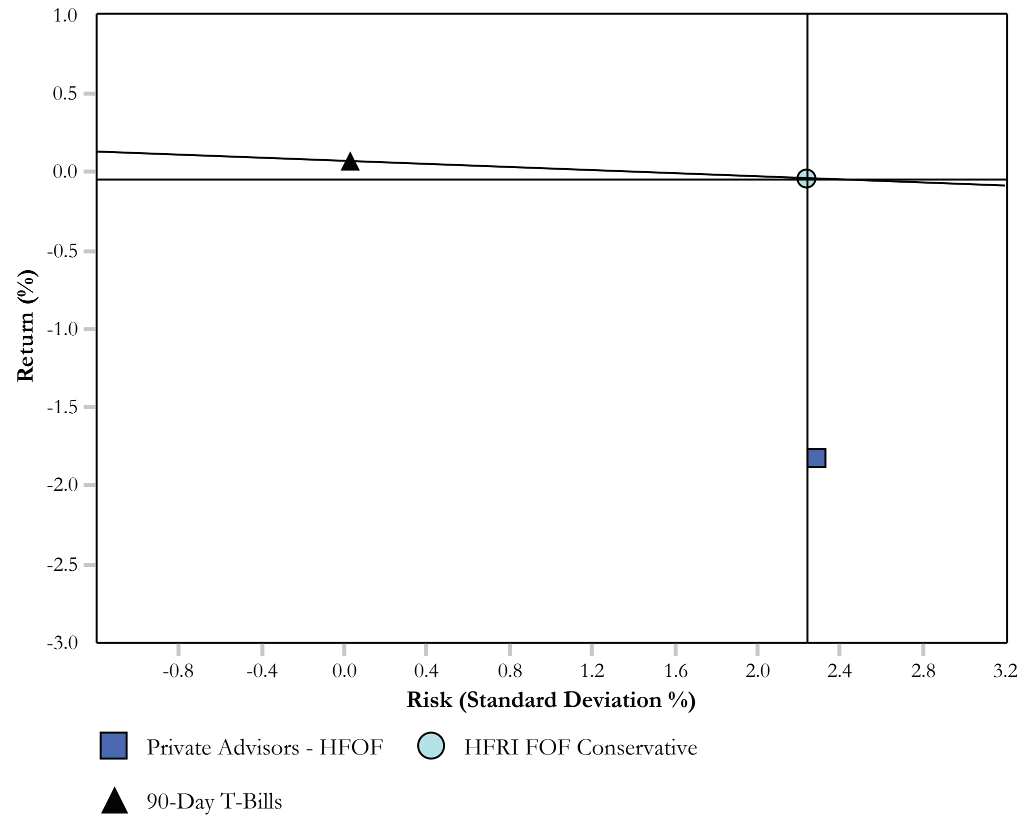
Private Advisors - Hedge Fund of Funds - Executive Summary

as of June 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Since Inception	Inception Date
Private Advisors - HFOF	1.41	-1.38	-4.02	-1.82	03/01/2014
HFRI FOF Conservative	0.12	-1.95	-3.71	-0.04	
Differences	1.29	0.57	-0.31	-1.78	

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Since Inception	Inception Date
Private Advisors - HFOF					03/01/2014
Beginning Market Value	1,275	1,311	1,347	1,350	
Net Contributions	2	5	5	13	
Fees/Expenses	-2	-5	-5	-13	
Income	-	-	-	-	
Gain/Loss	18	-18	-54	-57	
Ending Market Value	1,293	1,293	1,293	1,293	

Modern Portfolio Statistics

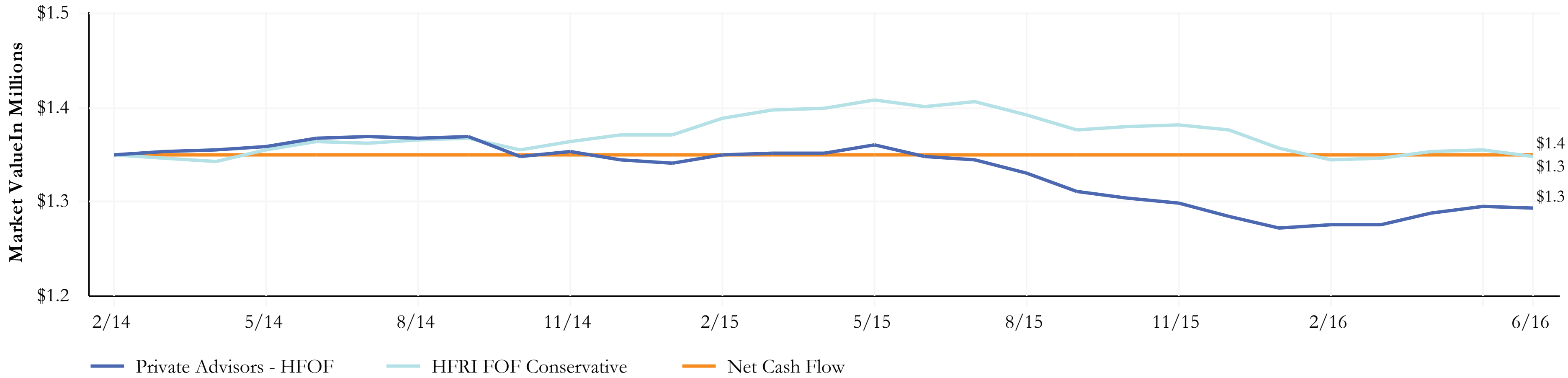
	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Private Advisors - HFOF	-1.82	2.29	0.73	-7.13	34.82	91.52	-1.79	-0.82	0.51	03/01/2014
HFRI FOF Conservative	-0.04	2.24	1.00	-4.55	100.00	100.00	0.00	-0.04	1.00	03/01/2014

City of Port Orange Municipal Police Officers' Retirement Plan

Private Advisors - Hedge Fund of Funds - Change in Assets & Distribution of Returns

as of June 30, 2016

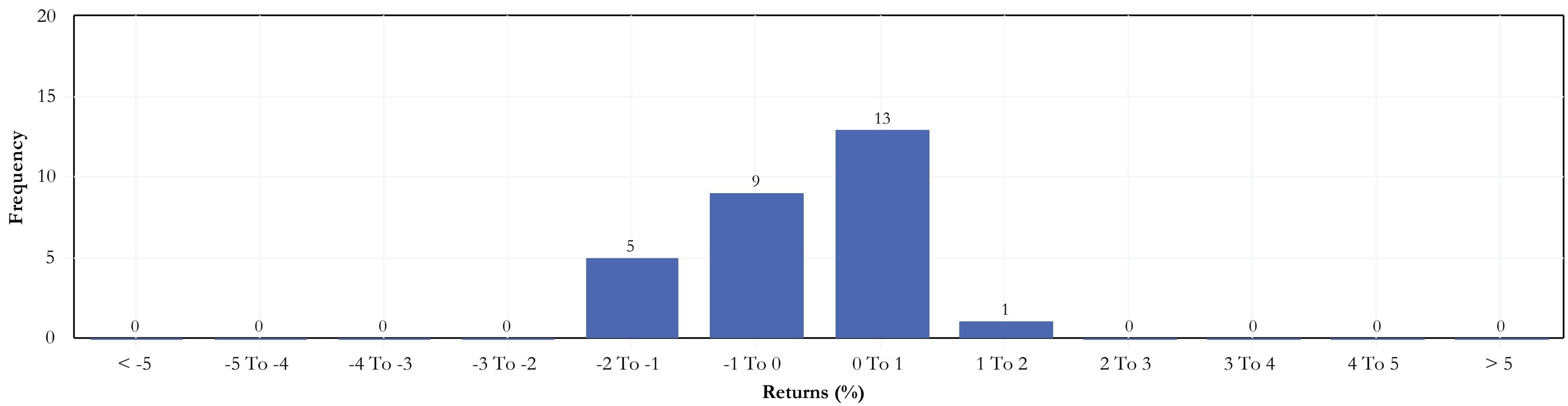
Historic Change in Assets



Quarterly Change in Assets

	Market Value As of 04/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 06/30/2016
Private Advisors - HFOF	1,275,247.00	-	635,321.02	-633,711.00	-1,610.02	-	18,041.00	1,293,288.00

Distribution of Returns



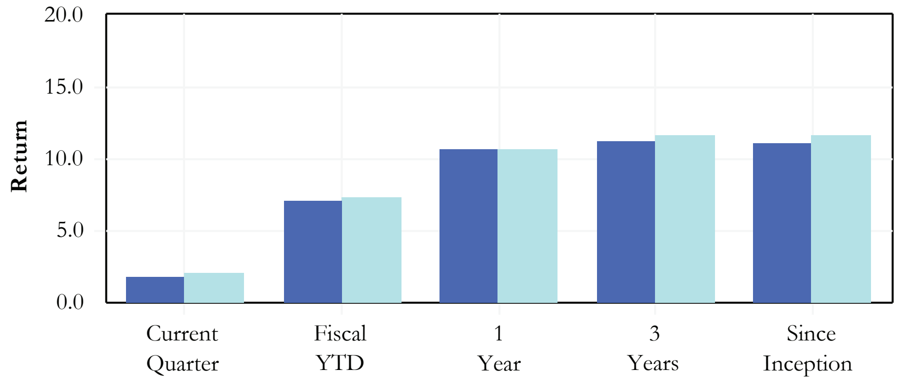
Graystone Consulting

City of Port Orange Municipal Police Officers' Retirement Plan

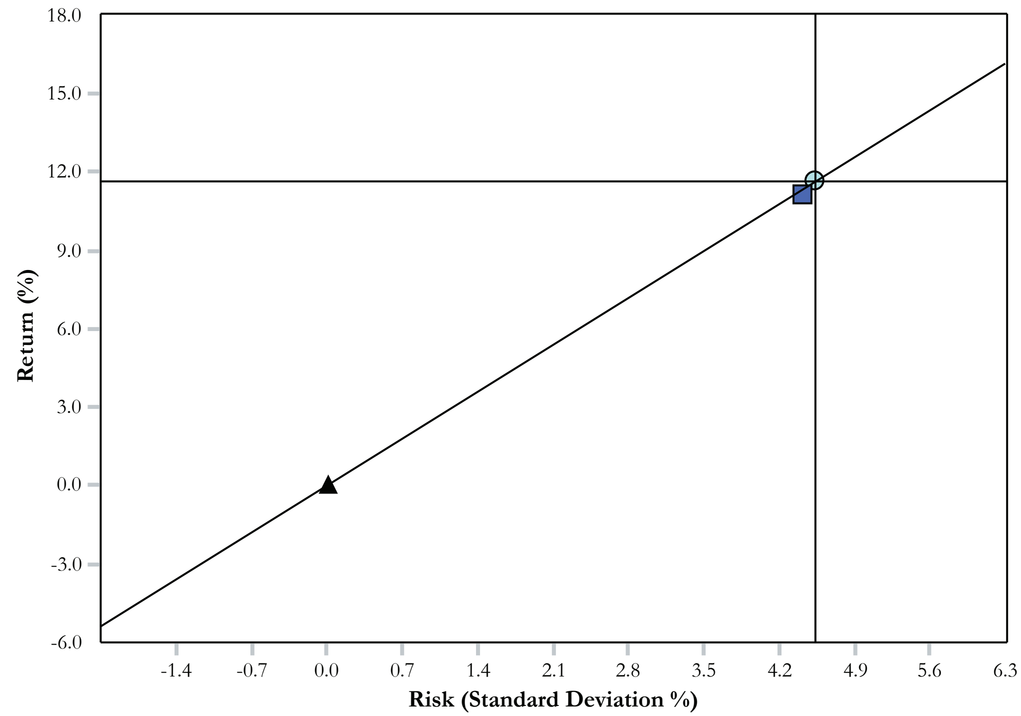
UBS - Private Real Estate - Executive Summary

as of June 30, 2016

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	Since Inception	Inception Date
UBS - Private Real Estate	1.78	7.02	10.69	11.25	11.13	08/01/2012
Russell NCREIF Property I	2.03	7.33	10.64	11.61	11.65	
Differences	-0.25	-0.31	0.05	-0.36	-0.52	

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	3 Years	Since Inception	Inception Date
UBS - Private Real Estate						08/01/2012
Beginning Market Value	2,138	2,046	1,984	1,633	1,500	
Net Contributions	3	9	11	30	37	
Fees/Expenses	-9	-27	-36	-97	-118	
Income	26	51	51	51	51	
Gain/Loss	12	92	160	553	699	
Ending Market Value	2,170	2,170	2,170	2,170	2,170	

Modern Portfolio Statistics

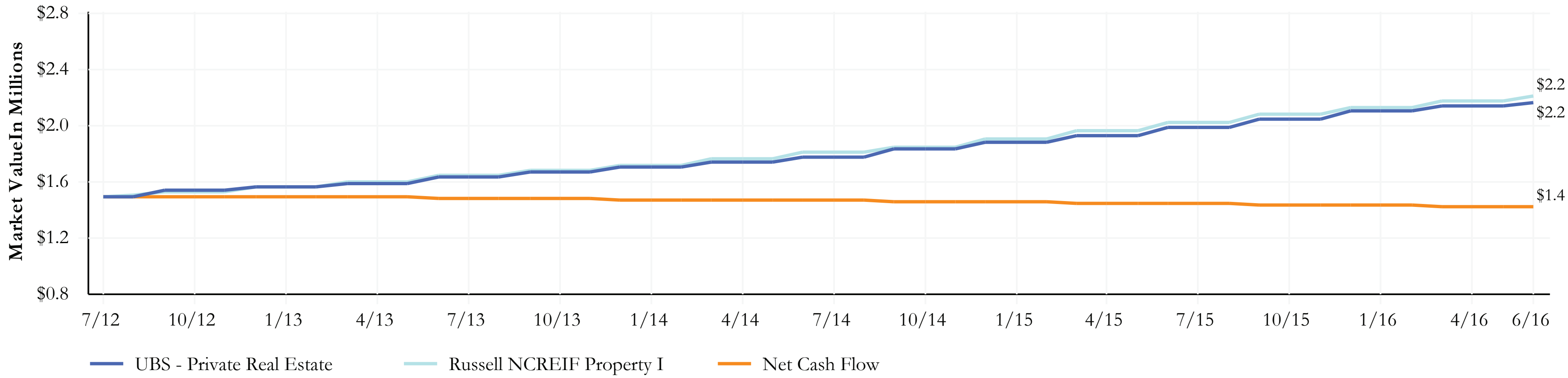
	Return	Standard Deviation	Beta	Maximum Drawdown	Up Market Capture	Down Market Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
UBS - Private Real Estate	11.13	4.43	0.96	0.00	95.79	N/A	-0.02	2.40	0.97	08/01/2012
Russell NCREIF Property I	11.65	4.55	1.00	0.00	100.00	N/A	0.00	2.44	1.00	08/01/2012

City of Port Orange Municipal Police Officers' Retirement Plan

UBS - Private Real Estate - Change in Assets & Distribution of Returns

as of June 30, 2016

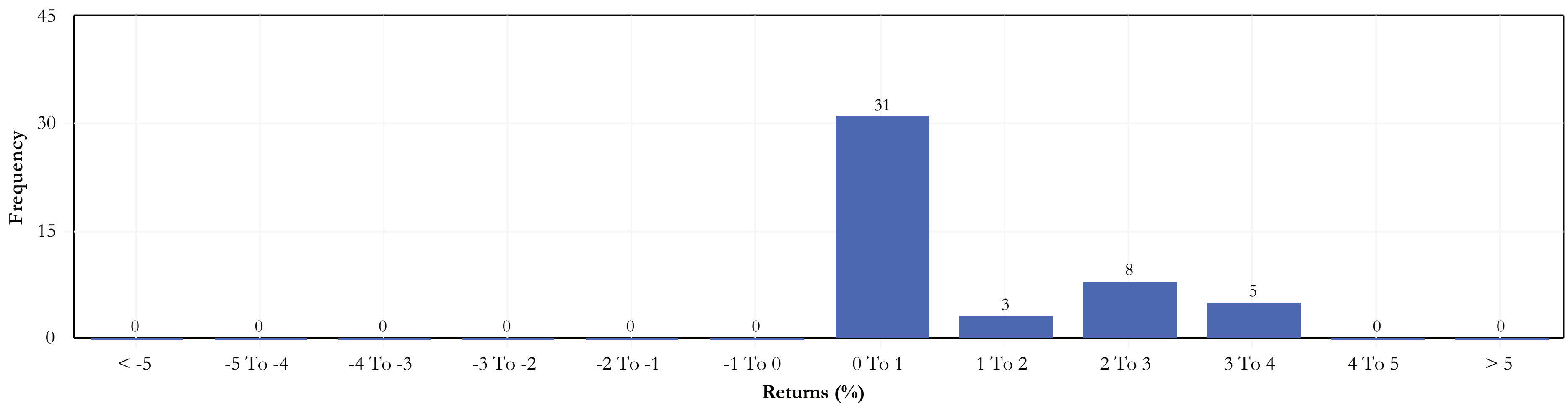
Historic Change in Assets



Quarterly Change in Assets

	Market Value As of 04/01/2016	Net Transfers	Contributions	Distributions	Fees	Expenses	Return On Investment	Market Value As of 06/30/2016
UBS - Private Real Estate	2,138,282.67	-	35,187.61	-32,488.81	-9,040.05	-	38,048.70	2,169,990.12

Distribution of Returns

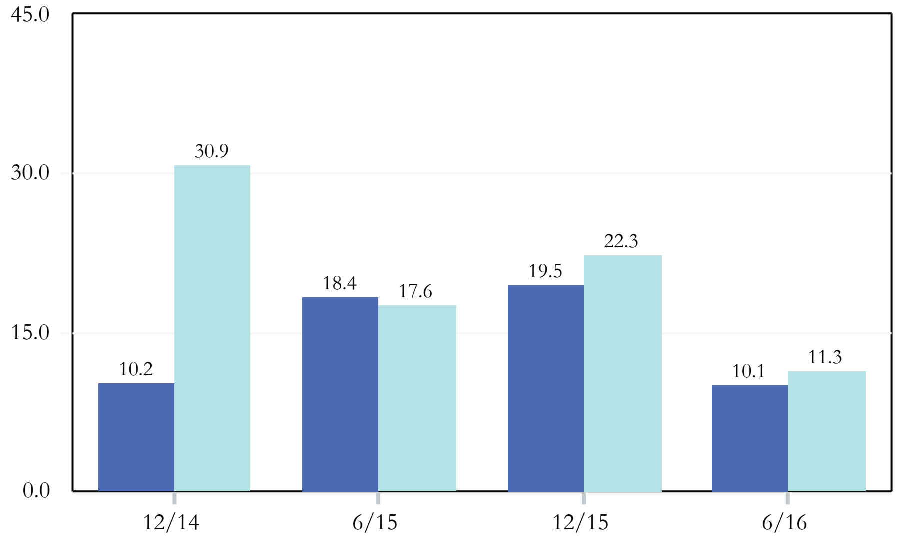


City of Port Orange Municipal Police Officers' Retirement Plan

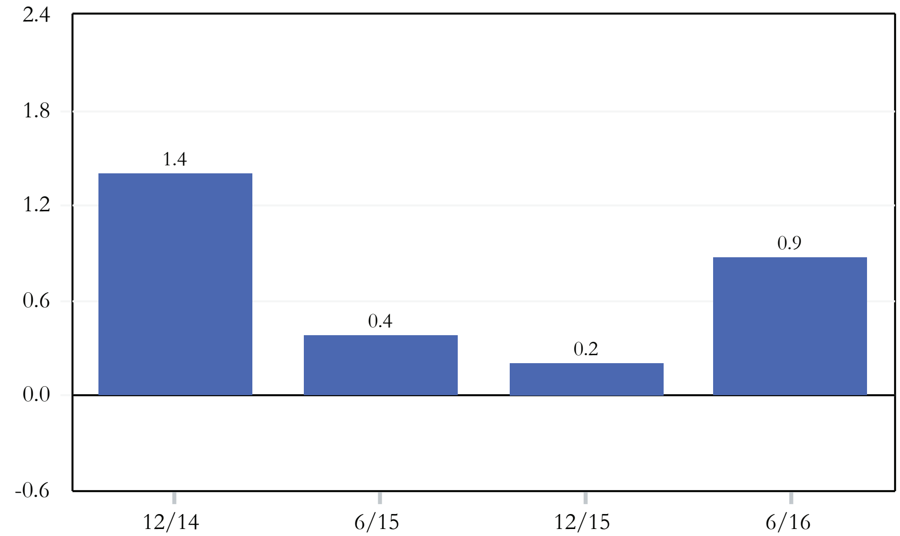
UBS - Private Real Estate - Rolling Two Year MPT Statistics

as of June 30, 2016

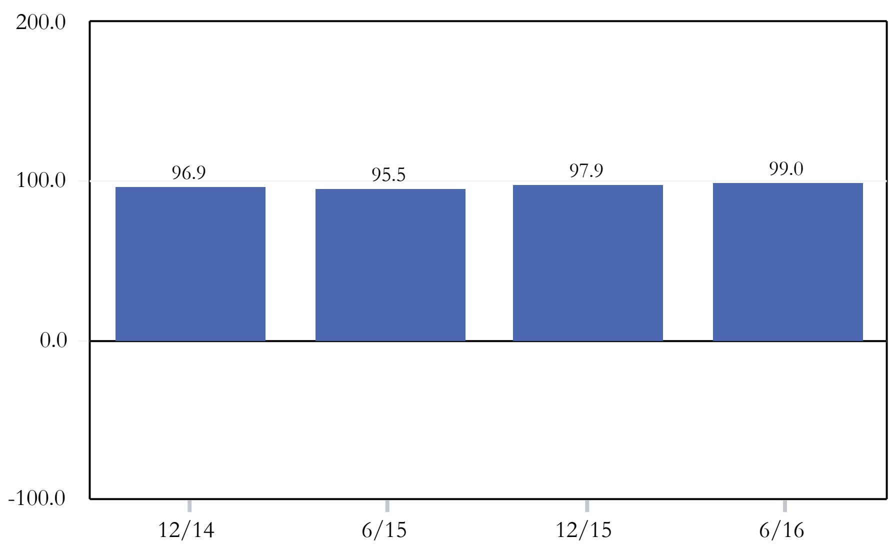
Sharpe Ratio



Beta



Up Market Capture



Down Market Capture

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Information Disclosures

Please notify your Institutional Consultant if there have been any changes in your financial situation, investment objectives, requested restrictions or other instructions which might affect the services to be provided to you or the manner in which your assets should be invested. This Report is for one-on-one client presentations only. The client is referred to the applicable Morgan Stanley Smith Barney LLC ADV Brochure. If you would like a copy, please contact your Graystone Institutional Consultant.

Sources and Intent

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

This Performance Report may show the consolidated performance of some, but not necessarily all, of your Morgan Stanley accounts. It is important that you understand the combination of accounts and account histories that are included in this Performance Report. Upon your request, performance information can be obtained for other accounts you may have with us, but which are not shown here.

International and Small Capitalization Securities

To the extent the investments depicted herein represent international securities; you should be aware that there may be additional risks associated with international investing 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. International investing may not be for everyone. Small and mid-capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. In addition, 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.

Bonds

Bonds are subject to interest rate risk. When interest rates rise bond prices fall; generally the longer a bond's maturity, the more sensitive it is to this risk. Bonds may also be subject to call risk, which allows the issuer to retain the right to redeem the debt, fully or partially, before the scheduled maturity date. Proceeds from sales prior to maturity may be more or less than originally invested due to changes in market conditions or changes in the credit quality of the issuer. With respect to fixed income securities, please note that, in general, as prevailing interest rates rise, fixed income securities prices will fall.

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.

Inflation-protected securities' 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, inflation-protected securities tend to offer a low relative return. Because the return is linked to inflation, inflation-protected securities may significantly underperform versus conventional US Treasuries in times of low inflation.

Commodities

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.

REITs

REITs' investing risks are similar to those associated with direct investments in real estate; lack of liquidity, limited diversification, and sensitivity to economic factors such as interest rate changes and market recessions.

Alternative Investments

Private investment fund performance data is provided for informational purposes only, in many instances based on estimated values. Valuations shown are as of the date indicated and do not include a value for any additional investments in the private investment fund that may have been made following the noted valuation date. These investments are generally illiquid and may not be currently priced, and the assigned values may not be realized upon the sale or ultimate disposition of the securities.
The performance data presented has been prepared by the fund or its sponsor. Graystone Consulting has not independently verified such information and is not responsible or liable for any mistake or miscalculation made by the fund or its sponsor, or for any loss, liability, claim, damage or expense arising out of such mistake or miscalculation.

Presentation of the private investment fund performance data is not an offer to sell or solicitation of an offer to buy any security or other interest in the fund and does not constitute investment advice with respect to investment in any security or other interest in the fund. The information regarding the fund should not be regarded as providing any assurance that the fund will continue to have the features, attributes and qualities described herein as of any subsequent date and may not be predictive of future results.

If you have any questions regarding these investments, please contact your Institutional Consultant.

Bond Average

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

Rates of Return

The information contained in this document is subject to, and does not supersede the confirmations and account statements you receive from us. Values shown in your official account statement may differ from the values shown in this document due to, among other things, different reporting methods, delays, market conditions and interruptions. If there are discrepancies between your official account statement and this document, rely on your official account statement.

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. Please contact your Graystone Institutional Consultant for up to date performance information. Past performance is not a guarantee of future results.

Market values used for performance calculation do not include performance ineligible assets (if any) and thus may differ from asset allocation market values. Common examples of performance ineligible assets include life insurance and some annuities.

Unless otherwise indicated, performance is a composite calculation on the entire portfolio and may include assets for different investment advisory accounts included in this report. Performance results may blend the performance of assets and strategies that may not have been available in all of the accounts at all times during the reporting period. Accounts may also have moved from one advisory program to another (including from a discretionary program to a non-discretionary program).

Performance information may cover the full history of the account(s) or just the performance of an account(s) since the inception of the current program(s). Performance results on individual accounts will vary and may differ from the composite returns. Your Graystone Institutional Consultant can provide you with individual account portfolio composition and performance information.

Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 or applicable disclosure brochure for a full disclosure of fees and expenses. Your Graystone Institutional Consultant will provide those documents to you upon request.

The Inception Date shown is the Performance inception date, which does not necessarily correspond to the account opening date. Where multiple accounts are included in performance calculations, the inception date is the oldest performance inception. Performance data may not be available for all periods as some accounts included in performance may have more recent performance inception dates. Consequently, the actual performance for a group of accounts may differ from reported performance. Please ask your Graystone Institutional Consultant for the performance inception date(s) for each account.

Performance results depicted are net of any mutual fund and exchange traded fund internal management and other expenses, but gross of wrap fees and other investment management fees. Any other fees or expenses associated with the account (such as third party custodian or execution fees) may not have been deducted, for purposes of the performance calculation. Actual returns will be reduced by these fees and expenses.

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% annual fee, if the gross performance is 10% 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 7.81% 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 $133,100 without the fees and $125,307 with the fees.

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