



# Gilberts Police Pension Fund

86 Railroad Street, Gilberts, Illinois 60136



Jason Hernandez  
President

Rachel Roth  
Vice President

Todd Waller  
Secretary

Martin Griffin  
Asst. Secretary

Heather Shelby  
Trustee

## NOTICE OF A REGULAR MEETING OF THE GILBERTS POLICE PENSION FUND BOARD OF TRUSTEES

The Gilberts Police Pension Fund Board of Trustees will conduct a regular meeting in-person and via videoconference in accordance with PA 101-0640 on **Wednesday, November 4, 2020 at 6:00 p.m.** in the Gilberts Police Training Room located at 86 Railroad Street, Gilberts, Illinois 60136, for the purposes set forth in the following agenda:

**In accordance with Public Act 101-0640, this meeting will be conducted at the location indicated above and via videoconference. Members of the public and participants can monitor the meeting by joining the conference call as follows:**

1. Download Zoom application to your wireless device or PC
  2. Select "Join a Meeting"
3. Enter the meeting ID: 813 0659 0780
4. Enter the Password: 101682

### AGENDA

1. Call to Order
2. Roll Call
3. Public Comment
4. Approval of Meeting Minutes
  - a.) May 6, 2020 Regular Meeting
  - b.) June 23, 2020 Special Meeting
  - c.) August 12, 2020 Regular Meeting
5. Accountant's Report – Lauterbach & Amen, LLP
  - a.) Monthly Financial Report
  - b.) Presentation and Approval of Bills
  - c.) Additional Bills, if any
6. Investment Report – Morgan Stanley
  - a.) Quarterly Investment Report
  - b.) Review/Update Investment Policy
7. Communications and Reports
8. Trustee Training Updates
  - a.) Approval of Trustee Training Registration Fees and Reimbursable Expenses
9. Applications for Membership/Withdrawals from Fund
  - a.) Contribution Refund – James Duda
10. Applications for Retirement/Disability Benefits
  - a.) Approve Regular Retirement Benefits - Jack Rood
11. Old Business
  - a.) IDOI Annual Statement
  - b.) Discussion/Possible Action – Creditable Service Purchase – Todd Waller
12. New Business
  - a.) Review/Approve – Actuarial Valuation and Tax Levy Request
  - b.) Review/Adopt – Municipal Compliance Report
  - c.) Discussion/Possible Action – Lauterbach & Amen, LLP Engagement Letter for Records Inventory and Disposal Service
  - d.) Establish 2021 Board Meeting Dates
13. Attorney's Report – Puchalski Goodloe Marzullo
  - a.) Legal Updates
14. Closed Session, if needed
15. Adjournment

Gilberts Police Pension Board Meeting Agenda  
Gilberts Police Training Room  
86 Railroad Street, Gilberts, IL 60136  
Wednesday, May 6, 2020  
6:00pm

- I. Call to Order: 6:00 p.m. by Pres. Joswick  
Attendance: Voting members: Joswick, Hernandez, Rood, Roth, Griffin  
Attorney Marzullo, Financial Advisor Laughlin  
Absent: Trustee Shelby
- II. Approval of Minutes: Motion: Hernandez, 2<sup>nd</sup> Roth. Passed 5-0
- III. Trustee Updates:
  - A. Announcement of Election of New Trustees by GPD officers:
    - a. Ofc. Todd Waller
    - b. Ofc. Marty Griffin
  - B. Election of new officers:
    - a. Motion: Pres. Joswick, 2<sup>nd</sup>: VP Rood:
      - i. President Hernandez
      - ii. VP Roth
      - iii. Secretary Griffin
      - iv. Assistant secretary Waller
      - v. Trustee Shelby
    - b. In favor: Joswick, Rood, Roth, Hernandez (5-0)
  - C. Thanking former members for their service
    - a. Chief Joswick and Sgt. Rood are thanked for their many years of distinguished service as the founding trustees of the Gilberts Police Pension Fund and were excused from the meeting.
- IV.
  - A. Pension Balance Report: As provided
  - D. Expense Report (Approval of Expenses)
    - a. Approval of Invoice for J. Marzullo for quarterly fee. Approved 3-0
  - C. BS&A Quarterly Report: As provided
- V. Old Business:
  - A. Pension Fund Meeting Dates
    - 1. August 5, 2020
    - 2. November 4, 2020
    - 3. February \_\_, 2021
    - 4. May \_\_. 2021
  - B. Pension Conference Attendance Certificates. All received from October meeting attendees.
  - C. Economic Interest Status Filing Update. All trustees present have completed the form.
  - D. Pension Contribution Refund—Completed as of January 2020
  - E. IRS Contribution Refund Tax—Update from VP Roth: payment for taxes can not be made until the IRS opens the portal for online payments for 2020 transactions
- VI. New Business:
  - A. Lauterbach and Amen proposal for services. Motion: VP Roth, 2<sup>nd</sup> VP, Approved 3-0
  - B. Certified Trustee Training for New Trustees—being offered online in October.
  - C. Open Meetings Act Training for New Trustees—Waller and Griffin need to complete online

D. Municipal Compliance Report

VII. Other Business:

- A. Changes to account signers and motion
  - a. Motion to change signers on Investment accounts, VP Roth, 2<sup>nd</sup> Hernandez. Passed 3-0
- B. Quarterly Review of Investment Status, Eric Laughlin
- C. New Investment Proposals
- D. Pension Attorney Report
  - 1. SB 1300 Amendment
  - 2. Retirement Coordinator Class

VIII. Adjournment

**Gilberts Police Department Pension Plan Meeting  
June 23, 2020**

Meeting called to order at 6:03 p.m.

**Attendance:**

President Hernandez  
VP Roth  
Trustee Waller  
Trustee Griffin

Motion: Pres. Hernandez moves that Gilberts Police Pension Board of Trustees approve the hiring of Lauterbach and Amen for Benefits and monthly accounting at \$500/month for the fiscal year ending April 30, 2021, payroll and vendor tax forms at \$260 for the calendar year 2020, audit workpapers at \$600 for the fiscal year ending April 30, 2021 and a one-time set up of \$750.

Second: VP Roth

Vote in favor: Hernandez, Roth, Waller, Griffin

Vote opposed: N/A

Motion carries

Motion: Pres. Hernandez moves the GPB reimburse Trustee Waller in the amount of \$550 for his IPPFA online training course for new pension trustees.

Second: VP Roth

Motion carries 4-0

No other new business or old business.

Meeting adjourned at 6:11 p.m.

**MINUTES OF A REGULAR MEETING OF  
THE GILBERTS POLICE PENSION FUND BOARD OF TRUSTEES  
AUGUST 12, 2020**

A regular meeting of the Gilberts Police Pension Fund Board of Trustees was held at the Gilberts Police Training Room located at 86 Railroad Street, Gilberts, Illinois 60136 and by videoconference in accordance with Executive Orders 2020-07, 2020-10 and 2020-33 issued by Governor Pritzker, guidance issued by the Illinois Attorney General's Office, and Public Act 101-0640, on Wednesday, August 12, 2020 at 6:00 p.m. pursuant to notice.

**CALL TO ORDER:** Trustee Hernandez called the meeting to order at 6:03 p.m.

**ROLL CALL:**

**PRESENT:** Trustees Jason Hernandez, Rachel Roth and Martin Griffin

**ABSENT:** Trustees Heather Shelby and Trustee Todd Waller

**ALSO PRESENT:** Attorney Jerry Marzullo, Puchalski Goodloe Marzullo (PGM); Eric Laughlin, Morgan Stanley; Erika Feldman, Alex Michael, and Stephanie Bay, Lauterbach & Amen, LLP (L&A); Treasurer Taunya Fischer, Village of Gilberts (*arrived at 6:14 p.m. via teleconference*)

**PUBLIC COMMENT:** There was no public comment.

**APPROVAL OF MEETING MINUTES:** *February 5, 2020 Regular Meeting:* The Board noted that the February 5, 2020 regular meeting minutes were previously approved at the May 6, 2020 regular meeting. The May 6, 2020 regular meeting minutes will be sent to L&A upon completion for approval at the next regular meeting.

*Semi-Annual Review of Closed Session Meeting Minutes:* There were no closed session meeting minutes for review.

**ACCOUNTANT'S REPORT – LAUTERBACH & AMEN, LLP:** *Monthly Financial Report:* There was no Accountant's Report presented at this time.

*Presentation and Approval of Bills:* There were no bills presented at this time.

*Taunya Fischer arrived at 6:14 p.m.*

*Additional Bills, if any:* The Board reviewed the following additional bill for approval:

- PGM invoice 0011409 in the amount of \$650.00 for third quarter retainer.

A motion was made by Trustee Roth and seconded by Trustee Hernandez to approve additional bill as presented. Motion carried by roll call vote.

**AYES:** Trustees Hernandez, Roth and Griffin

**NAYS:** None

**ABSENT:** Trustee Waller and Shelby

*Trustee Griffin left the meeting at 6:24 p.m.*

**INVESTMENT REPORT – MORGAN STANLEY:** *Quarterly Investment Report:* Eric Laughlin presented the Quarterly Investment Report as of June 30, 2020. As of June 30, 2020, the ending market value of the portfolio is \$4,008,541. The total account return, net of fees for the second quarter is 9.29%. The total earnings for the quarter is \$339,898. The current asset allocation as of June 30, 2020 is as follows: Equities at 40.6%, Fixed Income & Preferred at 48.4% and Cash at 11.0%. All questions were answered by Eric Laughlin.

Mr. Laughlin discussed transferring a total of \$150,000 from the Board's cash account and reallocating the proceeds as follows: \$40,000 into the American Europacific; \$50,000 into the American WA Mutual; \$10,000 into the Lazard Emerging Markets Equity account; \$25,000 into the Royce Premier account; and \$25,000 into the Artisan Mid Cap Value account. A motion was made by Trustee Roth and seconded by Trustee Hernandez to accept the Quarterly Investment Report as presented and to approve Mr. Laughlin's recommendation of the funds as discussed. Motion carried by roll call vote.

AYES: Trustees Hernandez, Roth and Griffin

NAYS: None

ABSENT: Trustee Waller and Shelby

*Review/Update Investment Policy:* The Board discussed the Investment Policy and determined that there are no changes required at this time.

**COMMUNICATIONS AND REPORTS:** *Affidavits of Continued Eligibility:* The Board noted that there are currently no pensioners in the Gilbert's Police Pension Fund and Affidavits of Continued Eligibility are not necessary for 2020.

*Active Member File Maintenance:* The Board noted that L&A will prepare Active Member File Maintenance letters for distribution to all active members requesting any additional pension file documents.

**TRUSTEE TRAINING UPDATES:** The Board reviewed the Trustee Training Summary and discussed upcoming training opportunities. Trustees were reminded to submit any certificates of completion to L&A for recordkeeping.

*Approval of Trustee Training Registration Fees and Reimbursable Expenses:* There were no trustee training registration fees or reimbursable expenses presented for approval.

*Trustee Griffin re-joined the meeting at 6:49 p.m.*

**APPLICATIONS FOR MEMBERSHIP/WITHDRAWALS FROM PENSION FUND:** *Contribution Refund – Jim Duda:* The Board noted Jim Duda has been provided with a Contribution Refund form, but no response has been received to date. Further discussion will be held at the next regular meeting.

**APPLICATIONS FOR RETIREMENT/DISABILITY BENEFITS:** There were no applications for retirement or disability benefits.

**OLD BUSINESS:** The Board noted that they have received documentation that Todd Waller did in fact have credible service prior to January 1, 2011 with the Cary Police Pension Fund; therefore, he is Tier I participant. A copy of the documentation has been placed in his pension file with the Pension Fund and with L&A.

**NEW BUSINESS:** *Discussion/Possible Action – Purchase of Additional Contribution Service:* The Board discussed the status of Todd Waller's credible service purchase. Further discussion will be held at the next regular meeting.

*Review Preliminary Actuarial Valuation:* The Board reviewed the preliminary Actuarial Valuation prepared by L&A. The final report will be reviewed by the Board at the next regular meeting.

*Board Officer Elections – President, Vice President, Secretary & Assistant Secretary:* The Board noted that this item was previously discussed at the May 6, 2020 regular meeting. No further action is needed at this time.

*FOIA Officer & OMA Designee:* The Board noted that this item was previously discussed at the May 6, 2020 regular meeting. No further action is needed at this time.

*IDOI Annual Statement:* The Board noted that the IDOI Annual Statement is in process and final report will be sent to the Board for review upon completion.

**ATTORNEY’S REPORT – PUCHALSKI GOODLOE MARZULLO (PGM):** *Legal Updates:* Attorney Marzulo provided legislative updates pertaining to Article 4 Pension Funds; including recent court cases and decisions, as well as general pension matters.

**CLOSED SESSION, IF NEEDED:** There was no need for closed session.

**ADJOURNMENT:** A motion was made by Trustee Hernandez and seconded by Trustee Roth to adjourn the meeting at 7:35 p.m. Motion carried unanimously by voice vote.

The next regular meeting is scheduled for November 4, 2020 at 6:00 p.m.

\_\_\_\_\_  
Board President or Secretary

Minutes approved by the Board of Trustees on \_\_\_\_\_.

*Minutes prepared by Erika Feldman, Pension Services Administrator, Lauterbach & Amen, LLP*

## 3rd Quarter 2020

Prepared on October 26, 2020 for:

**GILBERTS POLICE PENSION FUND**

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## ACCOUNT(S) INCLUDED IN THIS REPORT

GILBERTS POLICE PENSION FUND

Reporting Currency: USD

## MORGAN STANLEY WEALTH MANAGEMENT

Account Name	Account Type/ Manager Name	Advisory/ Brokerage	Account Number	Date Opened	Date Closed	Performance (%) Inception - 10/23/20
GILBERTS POLICE PENSION FUND	AAA	Brokerage	694-XXX348	06/25/04	-	2.41
GILBERTS POLICE PENSION FUND	Consulting Group Advisor	Advisory	694-XXX349	06/28/04	-	7.92
GILBERTS POLICE PENSION FUND	Weaver Barksdale - Intermediate CES	Advisory	694-XXX724	03/19/12	-	1.79

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# Capital Markets Overview: 3Q 2020

## Introduction

Quarterly Update as of October 1, 2020 and Forecasts as of September 25, 2020

- The S&P 500 saw continued moderate gains in the third quarter following a sharp rally in the second quarter, despite volatility in September. Equities rallied 8.9% on the quarter, following a quarter in which they gained 20.5%. Equities continued to rally despite a selloff in September and investor uncertainty surrounding the passage of a second fiscal stimulus plan, Fed ambiguity on Quantitative Easing and average inflation targeting details, 2020 presidential election results, and COVID vaccine timing as well as expectations for rising cases as we head into the colder season. International developed equities have underperformed the US on the quarter, while emerging markets have very slightly outperformed US equities. Morgan Stanley & Co. U.S. Equity Strategy has a 3,350 price target on the S&P 500 for 2Q21E.
- After the S&P 500 sectors finished the second quarter posting strong returns, the sectors finished the third quarter with a more moderate performance. While Tech, Energy, and Consumer Discretionary were the top-performing sectors in 2Q20, returning 30.5%, 30.5%, and 32.9%, respectively, Consumer Discretionary, Materials, and Industrials were the top-performing sectors in 3Q20, returning 15.06%, 13.31%, and 12.48%, respectively. Laggards included Energy, Real Estate, and Financials despite still increasing by -19.72%, 1.92%, and 4.45%, respectively. Other major US indices were also up for the quarter: The Dow Jones Industrial Average rose 8.2% and the NASDAQ Composite rose 11.2%.
- The MSCI EAFE Index (a benchmark for international developed markets) rose 4.9% while the MSCI Emerging Markets Index rose 9.7% for the quarter. Although underperforming US equities for the quarter, international developed markets outperformed the month of September by 109 basis points. Emerging markets outperformed US equities for the quarter by 120 basis points.
- The US aggregate bond market was positive for a consecutive quarter and outperformed on an absolute but not on a relative basis as investors took on more risk within pro-recovery trades. The Bloomberg Barclays US Aggregate Bond Index, a general measure of the bond market, rose 0.62%.
- Morgan Stanley & Co. economists expect US real GDP will be -1.5% in Q4 2020, but forecast positive GDP growth for 2021 as economic recovery continues.
- Commodities were up in the second quarter; the Bloomberg Commodity Index rose by 9.0% and Gold rose by 5.9%.

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

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# Capital Markets Overview: 3Q 2020

## The US Economy

Quarterly Update as of October 1, 2020 and Forecasts as of September 25, 2020

The Bureau of Economic Analysis estimated that real Gross Domestic Product decreased at an annualized rate of -31.4% in 2Q20, in comparison to a 1.5% increase a year ago in 2Q19. Morgan Stanley & Co. economists forecast US Real GDP growth will be -3% in Q3 2020 and -1.5% in Q4 2020.

The seasonally adjusted unemployment rate for August 2020 was 8.4%, slowly decreasing each month after peaking in April at 14.7%. Even in August, total nonfarm payrolls remain down by more than 11.5 million since the February 2020 peak in the labor market, equivalent to nearly half a decade worth of job gains lost. The number of long-term unemployed (those jobless for 27 weeks or more) was 1.6 million, an increase of 123,000 over the month.

According to the most recent data from the Federal Reserve Bank of St. Louis, corporate profits dropped 10.7% quarter over quarter and declined 18.8% year over year as of Q2 2020.

Inflation in the US increased since the previous quarter, according to the Bureau of Labor Statistics. The year-over-year Consumer Price Index was 1.4% in August, up from the 0.3% low in April. Morgan Stanley & Co. economists forecast a 1.1% inflation rate for Q3 2020 and 1.1% annual rate for 2020.

The Census Bureau reported that the number of new private-sector housing starts in August was at a seasonally adjusted annual rate of 1,416,000—up 2.8% from August of last year.

The Census Bureau also reported that seasonally adjusted retail and food services sales rose 0.6% from the previous month and 2.6% above August 2019. Consumer confidence increased in 3Q2020, with Conference Board Consumer Confidence reading 101.8 in September, compared to 86.3 in August, which is still below July 2019's peak of 135.8.

In September, the Institute for Supply Management's (ISM) Purchasing Managers Index (PMI), a manufacturing sector index, registered 55.4, down 0.6 from August's 56 reading. Overall, this figure indicates expansion in the overall economy for the fifth month in a row after a contraction in April, which had been the lowest since 2008. Generally speaking, a PMI or NMI (ISM Non-Manufacturing Index) over 50 indicates that the sector is expanding, and a PMI below 50 indicates that the sector is shrinking.

The ISM's Non-Manufacturing Index (NMI) for August was 56.9—this represents the third straight month of growth in the services sector after the April and May contraction.

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

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# Capital Markets Overview: 3Q 2020

## The US Bond Market

As of 3Q 2020

The bond market was positive for a second consecutive quarter, outperforming on an absolute but not relative basis, as investors continued to take on risk in 3Q. The Bloomberg Barclays US Aggregate Bond Index, a general measure of the bond market, rose 0.62%.

Interest rates remained zero-bound, as the yield on the 10-year US Treasury note remained range-bound, closing the quarter at 0.69% from 1.92% at the end of 2019. The shortest end of the curve fell in 1Q as the Fed cut its Fed funds target rate, with the yield on 3-month Treasury bills falling to 0.10% as of Q3, from 1.54% at the start of the year.

Riskier parts of the bond market such as US high yield debt gained the most in the third quarter, buoyed by the market's risk-on sentiment. The Bloomberg Barclays Capital High Yield Index, a measure of lower-rated corporate bonds, rallied 4.6%.

Mortgage-backed continued to show slight gains in the third quarter. The Bloomberg Barclays Capital Mortgage-Backed Securities Index rose 0.11%. Municipal bonds rallied slightly more; the Bloomberg Barclays Capital Muni Index gained 1.2%.

### Key US Bond Market Index Returns (%) for the Period Ending 9/30/2020

INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized)
Bloomberg Barclays Capital US Aggregate	0.62%	6.98%	4.17%	3.97%
Bloomberg Barclays Capital High Yield	4.60%	3.25%	6.79%	5.32%
Bloomberg Barclays Capital Government/Credit	0.74%	8.23%	4.65%	4.29%
Bloomberg Barclays Capital Government	0.17%	8.04%	3.74%	3.54%
Bloomberg Barclays Capital Intermediate Govt/Credit	0.60%	6.41%	3.40%	3.13%
Bloomberg Barclays Capital Long Govt/Credit	1.22%	12.92%	8.77%	8.51%
Bloomberg Barclays Capital Mortgage Backed Securities	0.11%	4.36%	2.98%	3.16%
Bloomberg Barclays Capital Muni	1.23%	4.09%	3.84%	4.32%

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

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# Capital Markets Overview: 3Q 2020

## US Equity Markets

As of 3Q 2020

The Dow Jones Industrial Average gained 8.2% in the third quarter of 2020, while the NASDAQ Composite Index gained 11.02%. The S&P 500 Index climbed 8.9% over the same time period.

Ten out of the 11 sectors of the S&P 500 gained in the third quarter with Energy being the laggard. Consumer Discretionary proved to be resilient in the third quarter with a return of 15.06%. In addition, Materials outperformed amid an uptick in demand for construction materials, leading to a gain of 13.31%. Consumer Discretionary, Materials, and Industrials were the top-performing sectors, returning 15.06%, 13.31%, and 12.48%, respectively. Laggards included Energy, Real Estate, and Financials despite still increasing by -19.72%, 1.92%, and 4.45%, respectively.

The Russell 1000, a large-cap index, increased 9.5% for the quarter, as large-cap growth (13.2%) outperformed large-cap value (5.6%).

The Russell Midcap gained 7.46% on the quarter, with mid-cap growth (9.4%) outperforming mid-cap value (6.4%).

The Russell 2000, a small-cap index, gained 4.93% for the quarter, with small-cap growth (7.16%) outperforming small-cap value (2.56%).

### Key US Stock Market Index Returns (%) for the Period Ending 9/30/2020

INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized)
S&P 500	8.93%	15.15%	14.13%	12.67%
Dow Jones	8.22%	5.70%	14.00%	11.73%
Russell 2000	4.93%	0.39%	7.99%	6.42%
Russell Midcap	7.46%	4.55%	10.12%	9.36%
Russell 1000	9.47%	16.01%	14.08%	12.53%

Source: FactSet, Bloomberg, Morgan Stanley Wealth Management GIC

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# Capital Markets Overview: 3Q 2020

## Global Equity Markets

As of 3Q 2020

International underperformed US equities in the second quarter of 2020 despite still gaining on the back of global stimulus and among choppy progress on the fight against the COVID pandemic. The MSCI EAFE Index (a benchmark for international developed markets) advanced 4.88% for US-currency investors.

In the third quarter, the MSCI Emerging Markets Index also rallied by 9.7% for US-currency investors, as import-heavy countries, especially with heavy exposure to China, fell in recent quarters and then bounced back. The MSCI Europe Index advanced 4.6% for US-currency investors, while the MSCI Japan outperformed, gaining 6.88%.

The S&P 500 Index rallied 8.93% for the quarter.

Emerging economy equity market indices also rallied in the third quarter. The MSCI BRIC (Brazil, Russia, India and China) Index gained 9.57% in US dollar terms, while the MSCI EM Asia Index rose 11.09%.

**Key Global Stock Market Index Returns (%) for the Period Ending 9/30/2020**

INDEX IN USD	Quarter	12 Months	5-Years (Annualized)	7-Years (Annualized)
MSCI EAFE	4.88%	0.93%	5.77%	3.49%
MSCI EAFE Growth	8.48%	13.81%	9.62%	6.60%
MSCI EAFE Value	1.30%	-11.45%	1.74%	0.24%
MSCI Europe	4.58%	-0.27%	4.86%	2.99%
MSCI Japan	6.88%	7.20%	7.82%	5.40%
S&P 500	8.93%	15.15%	14.13%	12.67%
MSCI Emerging Markets	9.70%	10.91%	9.36%	4.12%

Source: FactSet, Bloomberg, Morgan Stanley Wealth Management GIC

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# US Equity Market Capitalization and Style Returns

Return as of September 30, 2020

2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	10-Years ('10-'19) Ann.
Small-Cap Growth 29.1%	Large-Cap Growth 2.6%	Mid-Cap Value 18.5%	Small-Cap Growth 43.3%	Mid-Cap Value 14.7%	Large-Cap Growth 5.7%	Small-Cap Value 31.7%	Large-Cap Growth 30.2%	Large-Cap Growth -1.5%	Large-Cap Growth 36.4%	Large-Cap Growth 24.3%	Large-Cap Growth 18.9%
Mid-Cap Growth 26.4%	S&P 500 2.1%	Small-Cap Value 18.1%	Mid-Cap Growth 35.7%	S&P 500 13.7%	S&P 500 1.4%	Mid-Cap Value 20.0%	Mid-Cap Growth 25.3%	S&P 500 -4.4%	Mid-Cap Growth 35.5%	Mid-Cap Growth 13.9%	Mid-Cap Growth 18.7%
Mid-Cap Value 24.8%	Large-Cap Value 0.4%	Large-Cap Value 17.5%	Small-Cap Value 34.5%	Large-Cap Value 13.5%	Mid-Cap Growth -0.2%	Large-Cap Value 17.3%	Small-Cap Growth 22.2%	Mid-Cap Growth -4.8%	S&P 500 31.5%	S&P 500 5.6%	Small-Cap Growth 16.4%
Small-Cap Value 24.5%	Mid-Cap Value -1.4%	S&P 500 16.0%	Large-Cap Growth 33.5%	Large-Cap Growth 13.0%	Small-Cap Growth -1.4%	S&P 500 12.0%	S&P 500 21.8%	Large-Cap Value -8.3%	Small-Cap Growth 28.5%	Small-Cap Growth 3.9%	S&P 500 16.3%
Large-Cap Growth 16.7%	Mid-Cap Growth -1.7%	Mid-Cap Growth 15.8%	Mid-Cap Value 33.5%	Mid-Cap Growth 11.9%	Large-Cap Value -3.8%	Small-Cap Growth 11.3%	Large-Cap Value 13.7%	Small-Cap Growth -9.3%	Mid-Cap Value 27.1%	Large-Cap Value -11.6%	Mid-Cap Value 15.8%
Large-Cap Value 15.5%	Small-Cap Growth -2.9%	Large-Cap Growth 15.3%	Large-Cap Value 32.5%	Small-Cap Growth 5.6%	Mid-Cap Value -4.8%	Mid-Cap Growth 7.3%	Mid-Cap Value 13.3%	Mid-Cap Value -12.3%	Large-Cap Value 26.5%	Mid-Cap Value -12.8%	Large-Cap Value 13.8%
S&P 500 15.1%	Small-Cap Value -5.5%	Small-Cap Growth 14.6%	S&P 500 32.4%	Small-Cap Value 4.2%	Small-Cap Value -7.5%	Large-Cap Growth 7.1%	Small-Cap Value 7.8%	Small-Cap Value -12.9%	Small-Cap Value 22.4%	Small-Cap Value -21.5%	Small-Cap Value 12.7%

Source: FactSet, Morgan Stanley Wealth Management GIC. Indices used for this analysis include: Russell Midcap Value, Russell 2000 Value, Russell 1000 Value, Russell Midcap Growth, Russell 2000 Growth, Russell 1000 Growth, and S&P 500.

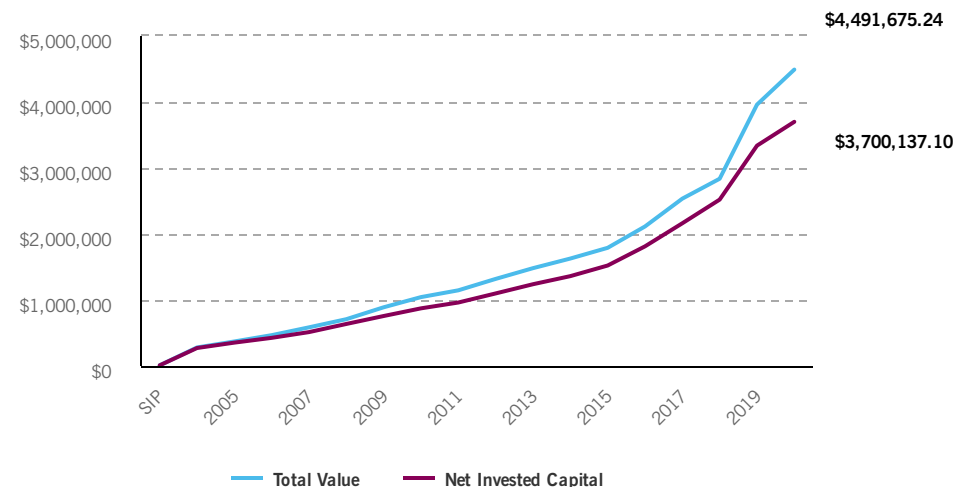
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## DOLLAR-WEIGHTED RETURN % (NET OF FEES)

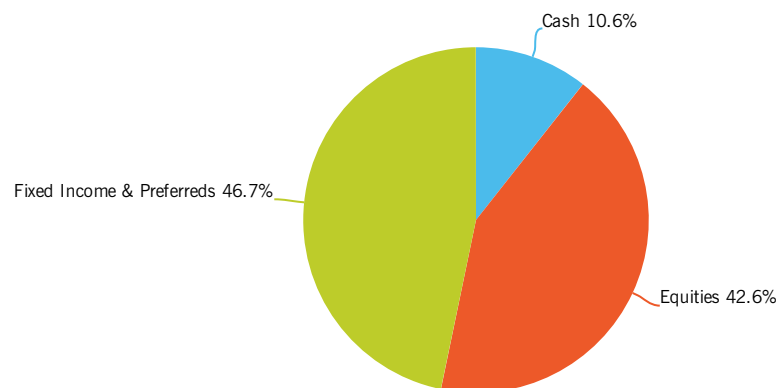
	Quarter to Date (\$) 06/30/20-09/30/20	Year to Date (\$) 12/31/19-09/30/20	Performance Inception (\$) 07/01/04-09/30/20
<b>Beginning Total Value</b>	<b>4,008,541</b>	<b>3,960,389</b>	<b>9,878</b>
Net Contributions/Withdrawals	339,325	361,359	3,690,260
Investment Earnings	143,809	169,927	791,538
<b>Ending Total Value</b>	<b>4,491,675</b>	<b>4,491,675</b>	<b>4,491,675</b>
<b>DOLLAR WEIGHTED RATE OF RETURN (%)</b> (Annualized for periods over 12 months)			
Return % (Net of Fees)	3.44	4.22	3.34

## TOTAL VALUE VS. NET INVESTED CAPITAL



Does not include Performance Ineligible Assets.

## ASSET ALLOCATION

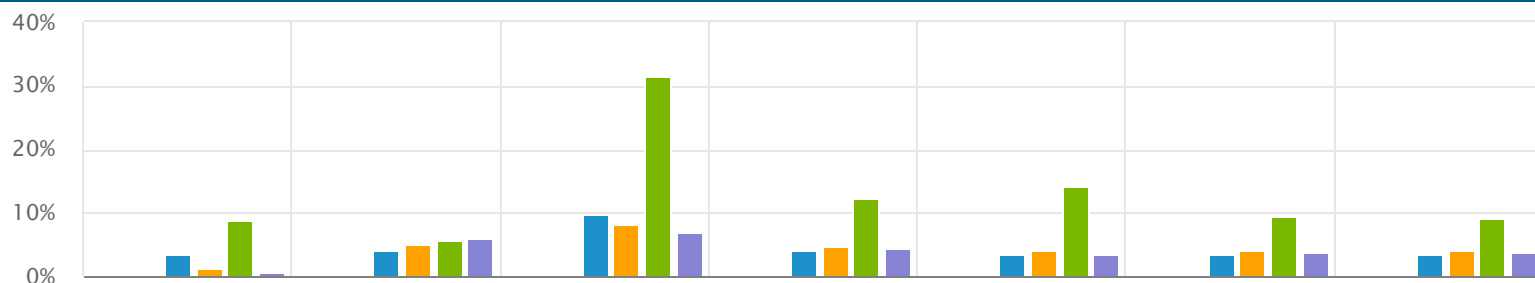


## INCOME AND DISTRIBUTION SUMMARY

	Rolling 12 Months (\$) 10/01/19-09/30/20	Year To Date (\$) 01/01/20-09/30/20
<b>ASSET CLASS</b>		
Cash	6,227.96	2,554.78
Equities	69,822.18	7,336.20
Fixed Income & Preferreds	49,715.35	40,106.43
Other	0.59	-
<b>Total Asset Class</b>	<b>125,766.08</b>	<b>49,997.41</b>
<b>TAX CATEGORY</b>		
Taxable Account(s)		
Taxable	125,766.08	49,997.41
Tax-Exempt	-	-
<b>Total</b>	<b>125,766.08</b>	<b>49,997.41</b>
Tax Qualified Account(s)		
Taxable	-	-
<b>Total Tax Category</b>	<b>125,766.08</b>	<b>49,997.41</b>

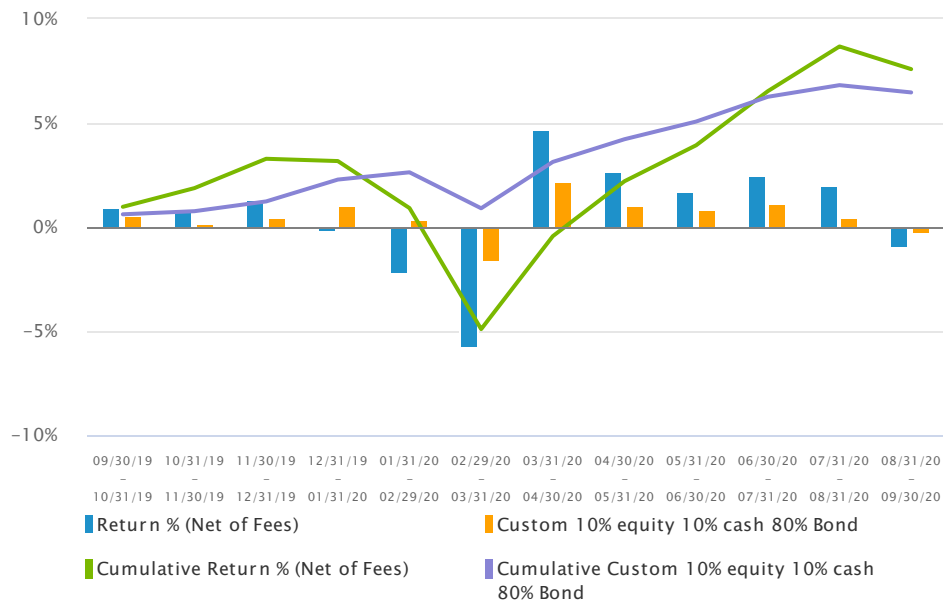
Taxable and tax-exempt income classifications are based on characteristics of the underlying securities and not the taxable status of the account.

## RETURN % (NET OF FEES) VS. BENCHMARKS (ANNUALIZED)

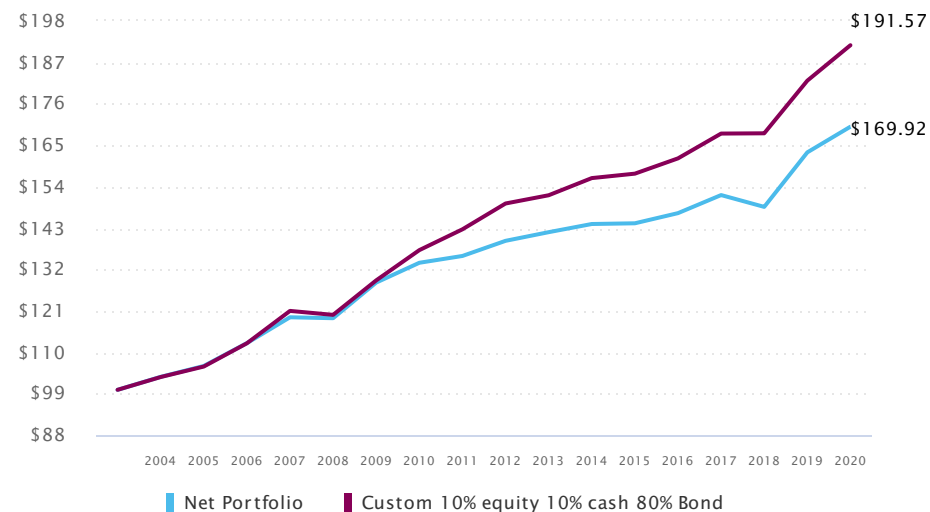


	Quarter to Date 06/30/20 - 09/30/20	Year to Date 12/31/19 - 09/30/20	Previous Year 12/31/18 - 12/31/19	Last 3 Years 09/30/17 - 09/30/20	Last 5 Years 09/30/15 - 09/30/20	Performance Inception Month End 07/31/04 - 09/30/20	Performance Inception 07/01/04 - 09/30/20
Return % (Net of Fees)	3.52	4.18	9.75	3.99	3.33	3.33	3.32
Custom 10% equity 10% cash 80% Bond (%)	1.33	5.17	8.32	4.61	4.00	4.10	4.10
S&P 500 Total Return (%)	8.93	5.57	31.49	12.29	14.15	9.38	9.10
BC Gov/Cr Intm (%)	0.61	5.92	6.80	4.43	3.39	3.84	3.87

## CUMULATIVE NET RETURNS (LAST 12 MONTHS)



## GROWTH OF \$100 (PERFORMANCE INCEPTION MONTH END)



The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals.

## DOLLAR WEIGHTED PERFORMANCE DETAIL

GILBERTS POLICE PENSION FUND

As of September 30, 2020 | Reporting Currency: USD

## RETURN % (NET OF FEES) VS. BENCHMARKS

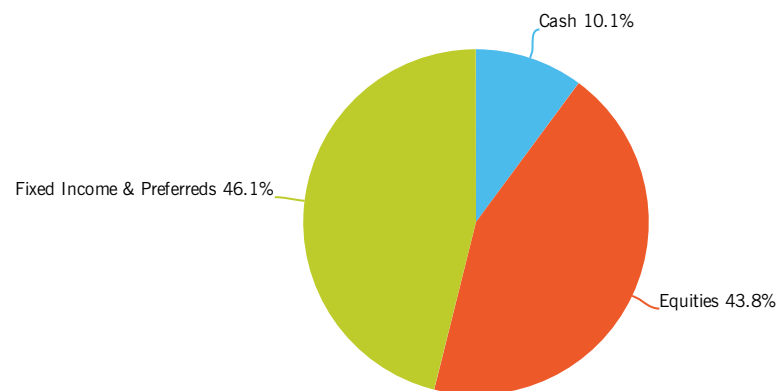
Account Name/ Benchmark	Account Number	Performance Inception Date	Total Value (\$) 09/30/20	% Of Portfolio 09/30/20	Month to Date	Quarter to Date	Year to Date (%)	Last 3 Years (%)	Last 5 Years (%)	Performance	Performance
					(%) 08/31/20 - 09/30/20	(%) 06/30/20 - 09/30/20	12/31/19 - 09/30/20	09/30/17 - 09/30/20	09/30/15 - 09/30/20	Inception Month End (%) to 09/30/20	Inception (%) to 09/30/20
<b>ADVISORY</b>		<b>07/22/04</b>	<b>4,013,894.50</b>	<b>89.36</b>	<b>-1.11</b>	<b>3.86</b>	<b>4.80</b>	<b>5.48</b>	<b>4.73</b>	<b>3.73</b>	<b>3.73</b>
GILBERTS POLICE PENSION FUND (Weaver Barksdale - Intermediate CES)	694-XXX724	03/19/12	2,099,511.58	46.74	-0.06	0.48	6.21	4.21	3.04	2.16	2.15
GILBERTS POLICE PENSION FUND (Consulting Group Advisor)	694-XXX349	07/22/04	1,914,382.92	42.62	-2.24	7.86	3.21	7.57	8.81	8.11	8.12
<b>BROKERAGE</b>		<b>07/01/04</b>	<b>477,780.74</b>	<b>10.64</b>	<b>0.00</b>	<b>0.00</b>	<b>0.31</b>	<b>1.39</b>	<b>1.16</b>	<b>2.70</b>	<b>2.69</b>
GILBERTS POLICE PENSION FUND (AAA)	694-XXX348	07/01/04	477,780.74	10.64	0.00	0.00	0.31	1.39	1.16	2.70	2.69

The investment returns shown on this page are dollar-weighted measurements which are affected by the timing and amount of your contributions and withdrawals. Year to Date(YTD), Quarter to Date(QTD) and Month to Date(MTD): Returns are for the period in which position or account was open.

## RETURN % (NET OF FEES) VS. BENCHMARKS

Period	Beginning Total Value (\$)	Net Contributions/ Withdrawals (\$)	Investment Earnings (\$)	Ending Total Value (\$)	Period Returns%			
					Portfolio (Net Of Fees)	Custom 10% equity 10% cash 80% Bond	S&P 500 Total Return	BC Gov/Cr Intm
2020 (YTD)	3,960,388.96	361,359.33	169,926.95	4,491,675.24	4.18	5.17	5.57	5.92
2019	2,837,377.50	817,650.95	305,360.51	3,960,388.96	9.75	8.32	31.49	6.80
2018	2,535,694.36	358,547.08	-56,863.94	2,837,377.50	-2.07	0.04	-4.38	0.88
2017	2,114,097.93	349,849.41	71,747.02	2,535,694.36	3.27	4.08	21.83	2.14
2016	1,790,548.10	290,236.01	33,313.82	2,114,097.93	1.87	2.58	11.96	2.08
2015	1,628,159.01	160,903.68	1,485.41	1,790,548.10	0.13	0.76	1.38	1.07
2014	1,482,347.48	122,578.18	23,233.35	1,628,159.01	1.53	3.00	13.69	3.13
2013	1,319,589.41	139,499.25	23,258.82	1,482,347.48	1.65	1.47	32.39	-0.86
2012	1,146,747.10	137,616.43	35,225.88	1,319,589.41	2.96	4.81	16.00	3.89
2011	1,043,942.46	88,353.93	14,450.71	1,146,747.10	1.36	4.03	2.11	5.80
2010	889,617.70	116,176.25	38,148.51	1,043,942.46	4.09	6.22	15.06	5.89
2009	709,310.97	120,462.71	59,844.02	889,617.70	7.96	7.65	26.46	5.24
2008	585,821.33	123,359.54	130.10	709,310.97	-0.21	-0.87	-37.00	5.08
2007	467,217.71	87,117.91	31,485.71	585,821.33	6.11	7.65	5.49	7.39
2006	371,535.59	72,350.49	23,331.63	467,217.71	5.71	5.82	15.79	4.08
2005	281,068.34	81,586.40	8,880.85	371,535.59	2.79	2.70	4.91	1.58
2004 Performance Inception: 07/01/2004	9,877.60	262,611.95	8,578.79	281,068.34	3.57	3.78	7.19	3.16

ASSET ALLOCATION - ASSET CLASS



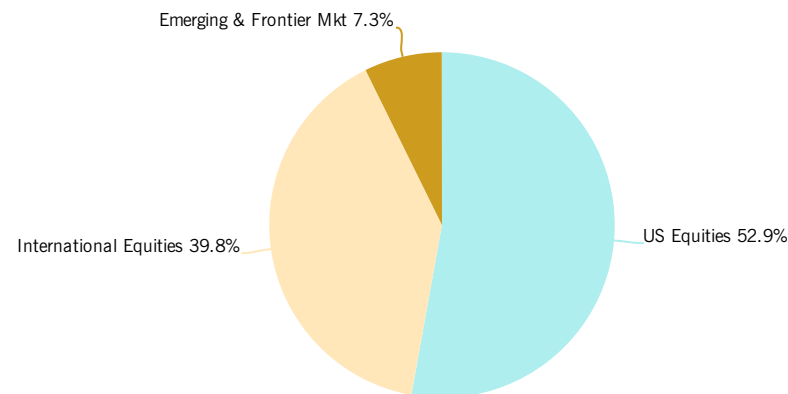
ASSET ALLOCATION

	Total Value (\$) 10/23/2020	% of Portfolio 10/23/2020
<b>Cash</b>	<b>460,656.33</b>	<b>10.1</b>
Global Cash	460,656.33	10.1
<b>Equities</b>	<b>1,987,972.36</b>	<b>43.8</b>
US Equities	1,050,776.81	23.1
International Equities	792,111.84	17.4
Emerging & Frontier Mkt	145,083.71	3.2
<b>Fixed Income &amp; Preferreds</b>	<b>2,093,858.17</b>	<b>46.1</b>
US Fixed Income Taxable	2,093,858.17	46.1
<b>TOTAL PORTFOLIO</b>	<b>4,542,486.86</b>	<b>100.0</b>

TOP EQUITY POSITIONS BASED ON TOTAL VALUE

SECURITY DESCRIPTION	Total Value (\$) 10/23/2020	% of Equities 10/23/2020
AMERICAN EUROPACIFIC GRW F2	792,111.84	39.8
AMERICAN WA MUTUAL F2	415,719.12	20.9
AMERICAN GW FD OF AMERICA F2	346,472.86	17.4
LAZARD EMERGING MKTS EQ I	145,083.71	7.3
IVY MID CAP GROWTH I	74,583.91	3.8
ROYCE PREMIER INV	74,457.45	3.7
ARTISAN MID CAP VALUE ADV	73,388.86	3.7
BARON SMALL CAP INSTL	66,154.61	3.3
<b>Top Equity Positions</b>	<b>1,987,972.36</b>	<b>100.0</b>
<b>Other Equity Positions</b>	-	-
<b>Total Equities</b>	<b>1,987,972.36</b>	<b>100.0</b>

ASSET ALLOCATION - EQUITIES



ASSET ALLOCATION - EQUITIES

	% of Equities 10/23/2020	Total Value (\$) 10/23/2020	% of Portfolio 10/23/2020
US Equities	52.9	1,050,776.81	23.1
International Equities	39.8	792,111.84	17.4
Emerging & Frontier Mkt	7.3	145,083.71	3.2
<b>TOTAL EQUITIES</b>	<b>100.0</b>	<b>1,987,972.36</b>	<b>43.8</b>

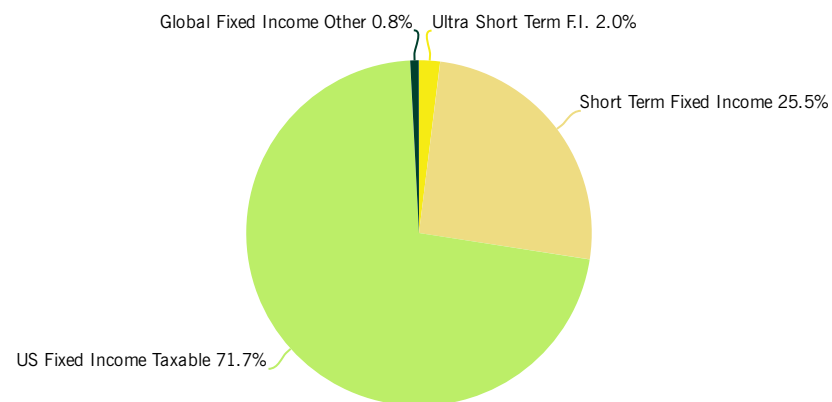
GILBERTS POLICE PENSION FUND

As of October 23, 2020 | Reporting Currency: USD

## TOP FIXED INCOME &amp; PREFERRED POSITIONS BASED ON TOTAL VALUE

SECURITY DESCRIPTION	Total Value (\$) 10/23/2020	% of Fixed Income & Preferreds 10/23/2020
UNITED STATES TREASURY NOTE	205,619.01	9.9
UNITED STATES TREASURY NOTE	129,622.73	6.2
UNITED STATES TREASURY NOTE	76,544.45	3.7
UNITED STATES TREASURY NOTE	68,791.57	3.3
UNITED STATES TREASURY NOTE	59,855.83	2.9
UNITED STATES TREASURY NOTE	53,675.39	2.6
UNITED STATES TREASURY NOTE	51,222.80	2.5
UNITED STATES TREASURY NOTE	47,978.49	2.3
GOLDMAN SACHS GROUP INC/THE	37,805.43	1.8
MCDONALD'S CORP	34,214.42	1.6
<b>Top Fixed Income &amp; Preferred Positions</b>	<b>765,330.12</b>	<b>36.7</b>
<b>Other Fixed Income &amp; Preferred Positions</b>	<b>1,318,215.79</b>	<b>63.3</b>
<b>Total Fixed Income &amp; Preferred</b>	<b>2,083,545.90</b>	<b>100.0</b>

## ASSET ALLOCATION - FIXED INCOME &amp; PREFERRED



## ASSET ALLOCATION - FIXED INCOME &amp; PREFERREDS

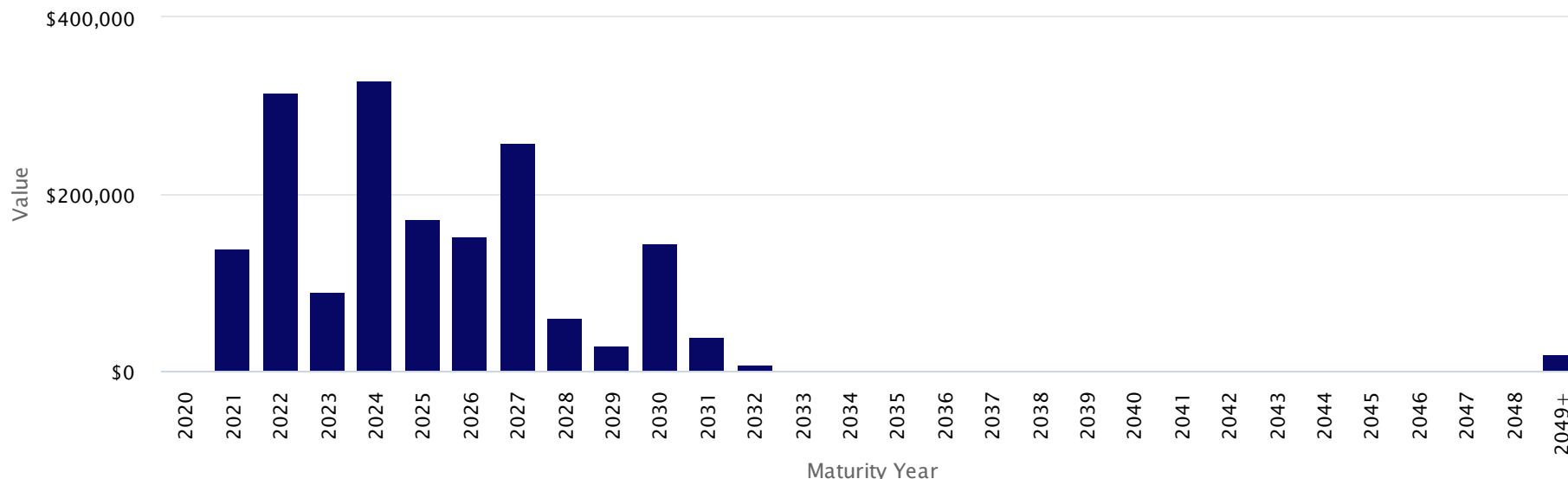
	% of Fixed Income & Preferreds 10/23/2020	Total Value (\$) 10/23/2020	% of Portfolio 10/23/2020
Ultra Short Term F.I.	2.0	41,110.39	0.9
Short Term Fixed Income	25.5	530,697.59	11.7
US Fixed Income Taxable	71.7	1,494,742.51	32.9
Global Fixed Income Other	0.8	16,995.41	0.4
<b>TOTAL FIXED INCOME &amp; PREFERREDS</b>	<b>100.0</b>	<b>2,083,545.90</b>	<b>45.9</b>

# BOND MATURITY DISTRIBUTION GRAPH

GILBERTS POLICE PENSION FUND

As of October 23, 2020 | Reporting Currency: USD

## BOND MATURITY DISTRIBUTION GRAPH



Maturity Values

Year	Maturity Values (\$)	% of Maturity Value	# of Issues	Year	Maturity Values (\$)	% of Maturity Value	# of Issues	Year	Maturity Values (\$)	% of Maturity Value	# of Issues
2020	-	-	0	2030	145,000.00	8.23	11	2040	-	-	0
2021	140,000.00	7.95	4	2031	40,000.00	2.27	2	2041	-	-	0
2022	316,000.00	17.94	8	2032	8,000.00	0.45	1	2042	-	-	0
2023	90,000.00	5.11	5	2033	0.00	0.00	2	2043	-	-	0
2024	329,000.00	18.68	9	2034	-	-	0	2044	-	-	0
2025	172,000.00	9.77	11	2035	0.00	0.00	2	2045	-	-	0
2026	152,000.00	8.63	7	2036	-	-	0	2046	-	-	0
2027	259,000.00	14.71	9	2037	-	-	0	2047	-	-	0
2028	60,000.00	3.41	4	2038	-	-	0	2048	-	-	0
2029	30,000.00	1.70	3	2039	-	-	0	2049+	20,000.00	1.14	7

The Bond Maturity Distribution Graph does not include bonds held in mutual funds or ETFs, or bonds for which this information is not available.



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# The 2020 Elections

As of October 1, 2020

- While the spotlight will be focused on the presidential race in 2020, it's important to remember that a number of Senate and House seats will be contested as well. In a reversal from the 2018 mid-term elections, **nearly twice as many Republican incumbent Senate seats are being contested as Democratic-held seats**. This creates a greater competitive scenario among the two parties.
- In past election years, the S&P 500 has averaged 7% price returns with the market typically rallying post Election Day. Historically, volatility has been higher during primary season earlier in the year as opposed to the period around the election itself.
- Our view is that **the business cycle has more of an impact on stock market returns than political party over the long term**. Fundamentals such as corporate earnings have been a much more powerful driver of equity returns than politics. While presidents are able to influence government spending and public policy, it is also important to remember that the separate branches of government limits the power of any single cohort.
- Regardless of the election outcome, it appears that the trend of deficit spending will continue. We continue to see this as having secular implications, and widening deficits could put pressure on the US dollar, interest rates, and inflation.
- The election season will be long and likely quite contentious. **Investors should remain focused on the fundamentals and the business cycle.**

Source: Morgan Stanley Wealth Management GIC

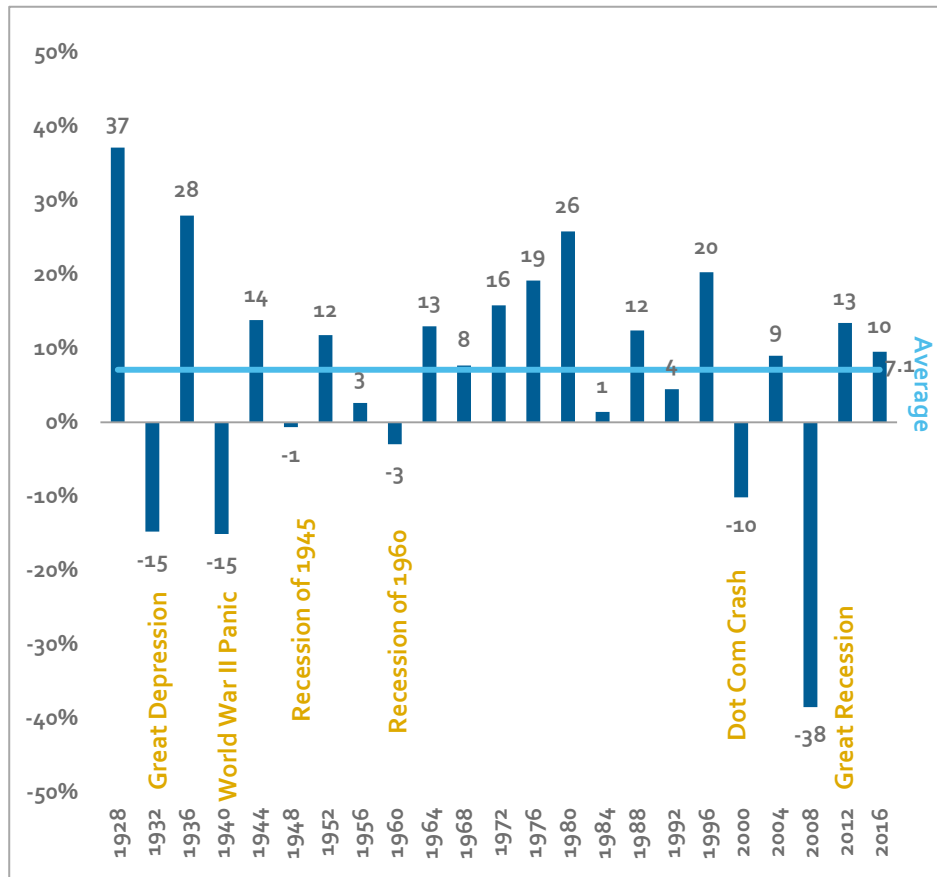
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# Election Year Returns Have Averaged 7% With Gains Concentrated in July and December

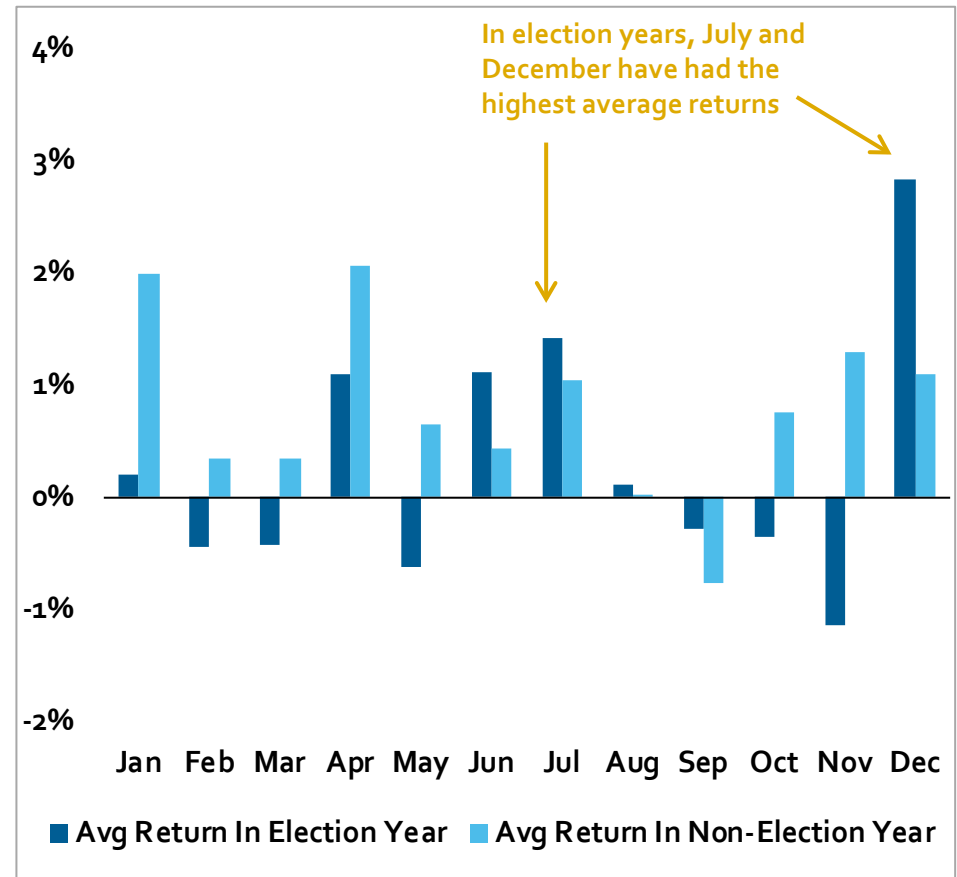
S&P 500 Price Returns During Election Years

December 31, 1928 – December 31, 2016



S&P 500 Price Change by Month During Election Years

January 31, 1928 – December 31, 2016



Source: Bloomberg, FactSet, Morgan Stanley Wealth Management GIC

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Information related to Income, Performance, Tax Lots, Total Cost, Target Asset Allocation, Asset Classification and Gain/Loss may differ from the information provided by your custodian. External information presented herein is subject to, and does not supersede, the confirmations and account statements provided by your custodian. Values shown in an account statement from your custodian may differ from the values shown here due to, among other things, different reporting methods, delays, market conditions and interruptions. If there are discrepancies between your custodian's official account statement and this material, rely on the custodian's official account statement. We are not obligated to notify you or your Financial Advisor/Private Wealth Advisor if information changes. In performance calculations, the inception date referenced will reflect the first date on which Morgan Stanley received account information from the custodian. If information on an External Account cannot be reported, it will be noted.

Assets not custodied with Morgan Stanley are not covered by SIPC protection at Morgan Stanley or by additional protection under Morgan Stanley's excess insurance coverage plans. However, these assets may be subject to SIPC coverage at the entity at which they are custodied.

**Timing of Feeds:** Account and Position data for Morgan Stanley & Co. and External Accounts is obtained from sources that we believe to be reliable. However, Morgan Stanley Wealth management does not guarantee its accuracy or timeliness as such information may be incomplete, condensed, or based on differing points of time. Please refer to the "Last Update Date" for information regarding when the data was last refreshed. You should not take any action relying upon this information without confirming its accuracy and completeness.

**Manually Added assets:** "Manually Added" generally refers to accounts, assets, and/or liabilities, as applicable, that you hold with other financial institutions and/or which may be custodied outside of Morgan Stanley (whose subsidiaries include Morgan Stanley Smith Barney LLC and Morgan Stanley & Co.) ("Manually Added External Accounts"). The Manually Added External Accounts referenced are generally not held with Morgan Stanley and are not under administration or management at Morgan Stanley. Information about such Manually Added External Accounts is manually inputted, updated and maintained solely by you and/or your Financial Advisor/Private Wealth Advisor. Morgan Stanley may include information about these Manually Added External Accounts solely as a service to you and your Financial Advisor/Private Wealth Advisor. We do not independently verify any information related to your Manually Added External Accounts. As such, we do not warrant or guarantee that such information is accurate or timely, and any such information may be incomplete or condensed. Valuations and other information about these assets may be provided by you and/or your Financial Advisor/Private Wealth Advisor and are generally based upon estimates. The information is used for position, asset allocation, and product allocation reporting purposes but is not, however, reflected in your Morgan Stanley account statements. Income values, including Estimated Annual Income and Projected Income, are not calculated for Manually Added External Accounts. The information being reported by Morgan Stanley on Manually Added External Accounts related to Performance, Tax Lots, Total Cost, Target Asset Allocation, Asset Classification and Gain/Loss may differ from the information provided to you by the custodian of those assets. If there are discrepancies between your custodian's official account statement and this material, rely on the custodian's official account statement. The inception date referenced in this view will reflect the date on which information about the Manually Added External Accounts was input by you and/or your Financial Advisor/Private Wealth Advisor. If information on a Manually Added asset cannot be reported, it will be noted.

Assets not custodied with Morgan Stanley are not covered by SIPC protection at Morgan Stanley or by additional protection under Morgan Stanley's excess insurance coverage plans. However, these assets may be subject to SIPC coverage at the entity at which they are custodied.

**Performance:** 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, dividends, interest and income. Depending on the opening or closing date of the account or position, the performance referenced may be for a portion of the time period identified. 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 Financial Advisor for up-to-date performance information. Past performance is not a guarantee of future results. Quotations of performance appearing in this report may include performance experienced in legacy accounts which have been closed and purged, and as such are not included on the Accounts Included in This Report page.

Market values used for performance calculation do not include Performance Ineligible Assets and thus may differ from asset allocation market values. Common examples of Performance Ineligible Assets include life insurance and annuities as well as Manually Added and External accounts, assets and liabilities.

Unless otherwise indicated, performance is a composite calculation of the entire portfolio and may include brokerage and investment advisory accounts as well as assets for different accounts included in this report. The accounts included in the composite may have (or have had) different investment objectives and strategies, been subject to different restrictions, and incurred different types of fees, markups, commissions and other charges. Accordingly, 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. In addition, accounts in the composite may have changed from brokerage to advisory or vice versa. Accounts may also have moved from one advisory program to another (including from a discretionary program to a non-discretionary program).

For Morgan Stanley Smith Barney LLC accounts, 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 Financial Advisor can provide you with individual account portfolio composition and performance information. For investment advisory accounts, please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 or applicable disclosure brochure and any applicable brokerage commission and/or fee schedule for a full disclosure of fees and expenses. Your Financial Advisor will provide those documents to you upon request. For brokerage accounts, please speak to your Financial Advisor for more information on commissions and other account fees and expenses.

Performance inception date 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 Financial Advisor for the performance inception date for each account.

**Indices:** Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and/or investment objective(s) associated with the account(s). In some circumstances, the benchmark index may not be an appropriate benchmark for use with the specific composite portfolio. For instance, an index may not take into consideration certain changes that may have occurred in the portfolio since the inception of the account(s), (e.g., changes from a brokerage to an advisory account or from one advisory program to another, asset class changes, or index changes for individual managers). The volatility of the index used for comparison may be materially different from that of the performance shown. Indices are unmanaged and not available for direct investment. Index returns do not take into account fees or other charges. Such fees and charges would reduce performance. Please see the Benchmark Definitions section of this material for additional information on the indices used for comparison.

**Performance Inception Month End:** Performance Inception Month End refers to performance calculated from the end of the month in which the accounts became eligible for performance. Calculating performance from the Performance Inception Month End allows for a comparison to be made to appropriate benchmarks. Performance Inception Month End does not necessarily correspond to the account opening date.

**Projected 12 Month:** Projected 12 Month Income is based upon cash income from interest, cash dividends, and partnership distributions. It is a hypothetical projection calculated using current yields. The projected income referenced is based upon certain market projections effective as at today's date only and can change at any time. Such projected income is hypothetical, do not reflect actual investment results, and is not a guarantee of future results. The projected income is referenced for illustrative purposes only. Morgan Stanley does not represent or guarantee that the projected income referenced will or can be attained. The actual income may be lower or higher than the projections based upon a variety of factors and assumptions. The projected income shown may under or over compensate for the impact of actual market conditions and other factors. We make no representation or warranty as to the reasonableness of the assumptions made, or that all assumptions used to construct this projected income information have been stated or fully considered. To the extent that the assumptions made do not reflect actual conditions, the illustrative value of the hypothetical projected income will decrease. The projected income referenced may include income from Morgan Stanley & Co. and External Accounts, where data is available. Such information was obtained from third party sources which Morgan Stanley believes to be reliable. However, we make no representation or guarantee that the information is accurate or complete. You should not rely upon this information to make any investment decision. Please refer to the official account statements and performance reports you received from your custodian and/or financial institution for information about projected income in your External Accounts. The projected income referenced does not include income from assets in Manually Added External Accounts.

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

Alternatives may be either traditional alternative investment vehicles or non-traditional alternative strategy vehicles. Traditional alternative investment vehicles may include, but are not limited to,

## GILBERTS POLICE PENSION FUND

Prepared on October 26, 2020 | Reporting Currency: USD

Hedge Funds, Fund of Funds (both registered and unregistered), Exchange Funds, Private Equity Funds, Private Credit Funds, Real Estate Funds, and Managed Futures Funds. Non-traditional alternative strategy vehicles may include, but are not limited to, Open or Closed End Mutual Funds, Exchange-Traded and Closed-End Funds, Unit Investment Trusts, exchange listed Real Estate Investment Trusts (REITs), and Master Limited Partnerships (MLPs). These non-traditional alternative strategy vehicles also seek alternative-like exposure but have significant differences from traditional alternative investment vehicles. Non-traditional alternative strategy vehicles may behave like, have characteristics of, or employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives, and options, which can increase volatility and the risk of investment loss. Characteristics such as correlation to traditional markets, investment strategy, and market sector exposure can play a role in the classification of a traditional security being classified as alternative.

Traditional alternative investment vehicles are illiquid and usually are not valued daily. The estimated valuation provided will be as of the most recent date available and will be included in summaries of your assets. Such valuation may not be the most recent provided by the fund in which you are invested. No representation is made that the valuation is a market value or that the interest could be liquidated at this value. We are not required to take any action with respect to your investment unless valid instructions are received from you in a timely manner. Some positions reflected herein may not represent interests in the fund, but rather redemption proceeds withheld by the issuer pending final valuations which are not subject to the investment performance of the fund and may or may not accrue interest for the length of the withholding. Morgan Stanley does not engage in an independent valuation of your alternative investment assets. Morgan Stanley provides periodic information to you including the market value of an alternative investment vehicle based on information received from the management entity of the alternative investment vehicle or another service provider.

It is important to note in this report that Morgan Stanley makes a distinction between Alternative Investment products, and products classified as Alternatives by their asset class. Morgan Stanley categorizes traditional and non-traditional alternative investment vehicles under the category "Alternatives" in asset classification based view. For product based views, traditional alternative investments vehicles are classified under the category "Other"; this differs from your official Morgan Stanley account statement, which categorizes traditional alternative investment vehicles such as Hedge Funds under the category "Alternative Investments". Non-traditional alternative strategy vehicles are classified based on their investment type, such as Mutual Fund or Exchange-Traded Funds within both this report and your Morgan Stanley account statement.

Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Smith Barney LLC and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley or any of its affiliates, (3) are not guaranteed by Morgan Stanley and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Smith Barney LLC is a registered broker-dealer, not a bank.

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

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

Morgan Stanley's investment advisory programs may require a minimum asset level and, depending on your specific investment objectives and financial position, may not be appropriate for you. Please see the Morgan Stanley Smith Barney LLC program disclosure brochure (the "Morgan Stanley ADV") for more information in the investment advisory programs available. The Morgan Stanley ADV is available at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV) (unsafe: <http://www.morganstanley.com/ADV>). **Sources of Data.** Information in this material in this report has been obtained from sources that we believe to be reliable, but we do not guarantee its accuracy, completeness or timeliness. Third-party data providers make no warranties or representations relating to the accuracy, completeness or timeliness of the data they provide and are not liable for any damages relating to this data. All opinions included in this material constitute the Firm's judgment as of the date of this material and are subject to change without notice. This material was not prepared by the research departments of Morgan Stanley & Co. LLC or Morgan Stanley Smith Barney LLC. Some historical figures may be revised due to newly identified programs, firm restatements, etc.

**Global Investment Manager Analysis (GIMA) Focus List, Approved List and Tactical Opportunities List; Watch Policy.** GIMA uses two methods to evaluate investment products in applicable advisory programs: **Focus** (and investment products meeting this standard are described as being on the Focus List) and **Approved** (and investment products meeting this standard are described as being on the Approved List). In general, Focus entails a more thorough evaluation of an investment product than Approved. Sometimes an investment product may be evaluated using the Focus List process but

then placed on the Approved List instead of the Focus List. Investment products may move from the Focus List to the Approved List, or vice versa. GIMA may also determine that an investment product no longer meets the criteria under either process and will no longer be recommended in investment advisory programs (in which case the investment product is given a "Not Approved" status). GIMA has a "Watch" policy and may describe a Focus List or Approved List investment product as being on "Watch" if GIMA identifies specific areas that (a) merit further evaluation by GIMA and (b) may, but are not certain to, result in the investment product becoming "Not Approved." The Watch period depends on the length of time needed for GIMA to conduct its evaluation and for the investment manager or fund to address any concerns. Certain investment products on either the Focus List or Approved List may also be recommended for the **Tactical Opportunities List** based in part on tactical opportunities existing at a given time. The investment products on the Tactical Opportunities List change over time. For more information on the Focus List, Approved List, Tactical Opportunities List and Watch processes, please see the applicable Form ADV Disclosure Document for Morgan Stanley Wealth Management. Your Financial Advisor or Private Wealth Advisor can also provide upon request a copy of a publication entitled "Manager Selection Process."

The **Global Investment Committee** is a group of seasoned investment professionals who meet regularly to discuss the global economy and markets. The committee determines the investment outlook that guides our advice to clients. They continually monitor developing economic and market conditions, review tactical outlooks and recommend model portfolio weightings, as well as produce a suite of strategy, analysis, commentary, portfolio positioning suggestions and other reports and broadcasts.

The GIC Asset Allocation Models are not available to be directly implemented as part of an investment advisory service and should not be regarded as a recommendation of any Morgan Stanley investment advisory service. The GIC Asset Allocation Models do not represent actual trading or any type of account or any type of investment strategies and none of the fees or other expenses (e.g. commissions, mark-ups, mark-downs, advisory fees, fund expenses) associated with actual trading or accounts are reflected in the GIC Asset Allocation Models which, when compounded over a period of years, would decrease returns.

**Adverse Active Alpha<sup>SM</sup> 2.0** is a patented screening and scoring process designed to help identify high-quality equity and fixed income managers with characteristics that may lead to future outperformance relative to index and peers. While highly ranked managers performed well as a group in our Adverse Active Alpha model back tests, not all of the managers will outperform. Please note that this data may be derived from back-testing, which has the benefit of hindsight. In addition, highly ranked managers can have differing risk profiles that might not be appropriate for all investors. Our view is that Adverse Active Alpha is a good starting point and should be used in conjunction with other information. Morgan Stanley Wealth Management's qualitative and quantitative investment manager due diligence process are equally important factors for investors when considering managers for use through an investment advisory program. Factors including, but not limited to, manager turnover and changes to investment process can partially or fully negate a positive Adverse Active Alpha ranking. Additionally, highly ranked managers can have differing risk profiles that might not be appropriate for all investors.

The proprietary **Value Score** methodology considers an active investment strategies' value proposition relative to its costs. From a historical quantitative study of several quantitative markers, Value Score measures perceived forward-looking benefit and computes (1) "fair value" expense ratios for most traditional investment managers across 40 categories and (2) managers' perceived "excess value" by comparing the fair value expense ratios to actual expense ratios. Managers are then ranked within each category by their excess value to assign a Value Score. Our analysis suggests that greater levels of excess value have historically corresponded to attractive subsequent performance.

For more information on the ranking models, please see *Adverse Active Alpha<sup>SM</sup> 2.0: Scoring Active Managers According to Potential Alpha* and *Value Score: Scoring Fee Efficiency by Comparing Managers' "Fair Value" and Actual Expense Ratios*. The whitepapers are available from your Financial Advisor or Private Wealth Advisor. ADVERSE ACTIVE ALPHA is a registered service mark of Morgan Stanley and/or its affiliates. U.S. Pat. No. 8,756,098 applies to the Adverse Active Alpha system and/or methodology.

Additionally, highly ranked managers can have differing risk profiles that might not be appropriate for all investors. For more information on AAA, please see the Adverse Active Alpha Ranking Model and Selecting Managers with Adverse Active Alpha whitepapers. The whitepaper are available from your Financial Advisor or Private Wealth Advisor. ADVERSE ACTIVE ALPHA is a registered service mark of Morgan Stanley and/or its affiliates. U.S. Pat. No. 8,756,098 applies to the Adverse Active Alpha system and/or methodology.

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

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

Morgan Stanley charges each fund family we offer a mutual fund support fee, also called a “revenue-sharing payment,” on client account holdings in fund families according to a tiered rate that increases along with the management fee of the fund so that lower management fee funds pay lower rates than those with higher management fees.

Overlay Managers or Executing Sub-Managers (“managers”) in some of Morgan Stanley’s Separately Managed Account (“SMA”) programs may affect transactions through broker-dealers other than Morgan Stanley or our affiliates. If your manager trades with another firm, you may be assessed costs by the other firm in addition to Morgan Stanley’s fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain managers have historically directed most, if not all, of their trades to outside firms. Information provided by managers concerning trade execution away from Morgan Stanley is summarized at: [www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf](http://www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf) (unsafe: <span class=link>http://</span><span class=link>www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf). For more information on trading and costs, please refer to the ADV Brochure for your program(s), available at [www.morganstanley.com/ADV](http://www.morganstanley.com/ADV) (unsafe: <span class=link>http://</span><span class=link>www.morganstanley.com/ADV), or contact your Financial Advisor/Private Wealth Advisor.

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

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

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

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



**GILBERTS POLICE PENSION FUND**

Prepared on October 26, 2020 | Reporting Currency: USD

The type of mutual funds and ETFs discussed in this presentation utilizes nontraditional or complex investment strategies and/or derivatives. Examples of these types of funds include those that utilize one or more of the below noted investment strategies or categories or which seek exposure to the following markets: (1) commodities (e.g., agricultural, energy and metals), currency, precious metals; (2) managed futures; (3) leveraged, inverse or inverse leveraged; (4) bear market, hedging, long-short equity, market neutral; (5) real estate; (6) volatility (seeking exposure to the CBOE VIX Index). Investors should keep in mind that while mutual funds and ETFs may, at times, utilize nontraditional investment options and strategies, they should not be equated with unregistered privately offered alternative investments. Because of regulatory limitations, mutual funds and ETFs that seek alternative-like investment exposure must utilize a more limited investment universe. As a result, investment returns and portfolio characteristics of alternative mutual funds and ETFs may vary from traditional hedge funds pursuing similar investment objectives. Moreover, traditional hedge funds have limited liquidity with long "lock-up" periods allowing them to pursue investment strategies without having to factor in the need to meet client redemptions and ETFs trade on an exchange. On the other hand, mutual funds typically must meet daily client redemptions. This differing liquidity profile can have a material impact on the investment returns generated by a mutual fund or ETF pursuing an alternative investing strategy compared with a traditional hedge fund pursuing the same strategy.

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

The Morgan Stanley Mobile App is currently available for iPhone® and iPad® from the App Store® and Android™ on Google Play™. Standard messaging and data rates from your provider may apply. Subject to device connectivity.

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Information related to your external accounts is provided for informational purposes only. It is provided by third parties, including the financial institutions where your external accounts are held. Morgan Stanley does not verify that the information is accurate and makes no representation or warranty as to its accuracy, timeliness, or completeness. Additional information about the features and services offered through Total Wealth View are available on the Total Wealth View site on Morgan Stanley Online and also in the Total Wealth View Terms and Conditions of Use.

Mobile check deposits are subject to certain terms and conditions. Checks must be drawn on a U.S. Bank.

Send Money with Zelle® is available on the Morgan Stanley Mobile App for iPhone and Android and on Morgan Stanley Online. Enrollment is required and dollar and frequency limits may apply. Domestic fund transfers must be made from an eligible account at Morgan Stanley Smith Barney LLC (Morgan Stanley) to a US-based account at another financial institution. Morgan Stanley maintains arrangements with JP Morgan Chase Bank, N.A. and UMB Bank, N.A. as NACHA-participating depository financial institutions for the processing of transfers on Zelle®. Data connection required, and message and data rates may apply, including those from your communications service provider. Must have an eligible account in the U.S. to use Zelle®. Transactions typically occur in minutes when the recipient's email address or U.S. mobile number is already enrolled with Zelle. See the Morgan Stanley Send Money with Zelle® terms for details.

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Electronic payments arrive to the payee within 1-2 business days, check payments arrive to the payee within 5 business days. Same-day and overnight payments are available for an additional fee within the available payment timeframes.

**KEY ASSET CLASS CONSIDERATIONS AND OTHER RISKS**

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

**Alternative investments** often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. Alternative investments are appropriate only for eligible, long-term investors who are willing to forgo liquidity and put capital at risk for an indefinite period of time. They may be highly illiquid and can engage in leverage and other speculative practices that may increase the volatility and risk of loss. Alternative Investments typically have higher fees than traditional investments. Investors should carefully review and consider potential risks before investing. Certain of these risks may include but are not limited to: Loss of all or a substantial portion of the investment due to leveraging, short-selling, or other speculative practices; Lack of liquidity in that there may be no secondary market for a fund; Volatility of returns; Restrictions on transferring interests in a fund; Potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized; Absence of information regarding valuations and pricing; Complex tax structures and delays in tax reporting; Less regulation and higher fees than mutual funds; Risks associated with the operations, personnel, and processes of the manager; and Risks associated with cybersecurity. As a diversified global financial services firm, Morgan Stanley Wealth Management engages in a broad spectrum of activities including financial advisory services, investment management activities, sponsoring and managing private investment funds, engaging in broker-dealer transactions and principal securities, commodities and foreign exchange transactions, research publication, and other activities. In the ordinary course of its business, Morgan Stanley Wealth Management therefore engages in activities where Morgan Stanley Wealth Management's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley Wealth Management can give no assurance that conflicts of interest will be resolved in favor of its clients or any such fund. All expressions of opinion are subject to change without notice and are not intended to be a forecast of future events or results. Further, opinions expressed herein may differ from the opinions expressed by Morgan Stanley Wealth Management and/or other businesses/affiliates of Morgan Stanley Wealth Management. This is not a "research report" as defined by FINRA Rule 2241 or a "debt research report" as defined by FINRA Rule 2242 and was not prepared by the Research Departments of Morgan Stanley Smith Barney LLC or Morgan Stanley & Co. LLC or its affiliates. Certain information contained herein may constitute forward-looking statements. Due to various risks and uncertainties, actual events, results or the performance of a fund may differ materially from those reflected or contemplated in such forward-looking statements. Clients should carefully consider the investment objectives, risks, charges, and expenses of a fund before investing. While the HFRI indices are frequently used, they have limitations (some of which are typical of other widely used indices). These limitations include survivorship bias (the returns of the indices may not be representative of all the hedge funds in the universe because of the tendency of lower performing funds to leave the index); heterogeneity (not all hedge funds are alike or comparable to one another, and the index may not accurately reflect the performance of a described style); and limited data (many hedge funds do not report to indices, and the index may omit funds, the inclusion of which might significantly affect the performance shown). The HFRI indices are based on information self-reported by hedge fund managers that decide on their own, at any time, whether or not they want to provide, or continue to provide, information to HFR Asset Management, L.L.C. Results for funds that go out of business are included in the index until the date that they cease operations. Therefore, these indices may not be complete or accurate representations of the hedge fund universe, and may be biased in several ways. Composite index results are shown for illustrative purposes and do not represent the performance of a specific investment. Individual funds have specific tax risks related to their investment programs that will vary from fund to fund. Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice. Interests in alternative investment products are offered pursuant

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A majority of Alternative Investment managers reviewed and selected by GIMA pay or cause to be paid an ongoing fee for distribution from their management fees to Morgan Stanley Wealth Management in connection with Morgan Stanley Wealth Management clients that purchase an interest in an Alternative Investment and in some instances pay these fees on the investments held by advisory clients. Morgan Stanley Wealth Management rebates such fees that are received and attributable to an investment held by an advisory client and retains the fees paid in connection with investments held by brokerage clients. Morgan Stanley Wealth Management has a conflict of interest in offering alternative investments because Morgan Stanley Wealth Management or our affiliates, in most instances, earn more money in your account from your investments in alternative investments than from other investment options.

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

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

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

**Hedge Funds of Funds** and many funds of funds are private investment vehicles restricted to certain qualified private and institutional investors. They are often speculative and include a high degree of risk. Investors can lose all or a substantial amount of their investment. They may be highly illiquid, can engage in leverage and other speculative practices that may increase volatility and the risk of loss, and may be subject to large investment minimums and initial lockups. They involve complex tax structures, tax-inefficient investing and delays in distributing important tax information. Categorically, hedge funds and funds of funds have higher fees and expenses than traditional investments, and such fees and expenses can lower the returns achieved by investors. Funds of funds have an additional layer of fees over and above hedge fund fees that will offset returns. An investment in an **exchange-traded fund** involves risks similar to those of investing in a broadly based portfolio of equity securities traded on an exchange in the relevant securities market, such as market fluctuations caused by such factors as economic and political developments, changes in interest rates and perceived trends in stock and bond prices. An investment in a **target date portfolio** is subject to the risks attendant to the underlying funds in which it invests, in these portfolios the funds are the Consulting Group Capital Market funds. A target date portfolio is geared to investors who will retire and/or require income at an approximate year. The portfolio is managed to meet the investor's goals by the pre-established year or "target date."

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A target date portfolio will transition its invested assets from a more aggressive portfolio to a more conservative portfolio as the target date draws closer. An investment in the target date portfolio is not guaranteed at any time, including, before or after the target date is reached. **Managed futures** investments are speculative, involve a high degree of risk, use significant leverage, are generally illiquid, have substantial charges, subject investors to conflicts of interest, and are appropriate only for the risk capital portion of an investor's portfolio. Managed futures investments do not replace equities or bonds but rather may act as a complement in a well diversified portfolio. Managed Futures are complex and not appropriate for all investors. **Rebalancing** does not protect against a loss in declining financial markets. There may be a potential tax implication with a rebalancing strategy.

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

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

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

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

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

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

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*For index, indicator and survey definitions referenced in this report please visit the following: <https://www.morganstanley.com/wealth-investmentsolutions/wmir-definitions> (<https://www.morganstanley.com/wealth-investmentsolutions/wmir-definitions>)*

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

**HYPOTHETICAL MODEL PERFORMANCE (GROSS):** Hypothetical model performance results do not reflect the investment or performance of an actual portfolio following a GIC Strategy, but simply reflect actual historical performance of selected indices on a real-time basis over the specified period of time representing the GIC's strategic and tactical allocations as of the date of this report. The past performance shown here is simulated performance based on benchmark indices, not investment results from an actual portfolio or actual trading. There can be large differences between hypothetical and actual performance results achieved by a particular asset allocation or trading strategy. Hypothetical performance results do not represent actual trading and are generally designed with the benefit of hindsight. Actual performance results of accounts vary due to, for example, market factors (such as liquidity) and client-specific factors (such as investment vehicle selection, timing of contributions and withdrawals, restrictions and rebalancing schedules). Clients would not necessarily have obtained the performance results shown here if they had invested in accordance with any GIC Asset Allocation Model for the periods indicated. Despite the limitations of hypothetical performance, these hypothetical performance results allow clients and Financial Advisors to obtain a sense of the risk/return trade-

off of different asset allocation constructs. The hypothetical performance results in this report are calculated using the returns of benchmark indices for the asset classes, and not the returns of securities, fund or other investment products. Models may contain allocations to Hedge Funds, Private Equity and Private Real Estate. The benchmark indices for these asset classes are not issued on a daily basis. When calculating model performance on a day for which no benchmark index data is issued, we have assumed straight line growth between the index levels issued before and after that date.

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

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

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

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

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

**REITs** investing risks are similar to those associated with direct investments in real estate: property value fluctuations, lack of liquidity, limited diversification and sensitivity to economic factors such as interest rate changes and market recessions. Risks of **private real estate** include: illiquidity; a long-term investment horizon with a limited or nonexistent secondary market; lack of transparency; volatility (risk of loss); and leverage. Principal is returned on a monthly basis over the life of a **mortgage-backed security**. Principal prepayment can significantly affect the monthly income stream and the maturity

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of any type of MBS, including standard MBS, CMOs and Lottery Bonds. **Asset-backed securities** generally decrease in value as a result of interest rate increases, but may benefit less than other fixed-income securities from declining interest rates, principally because of prepayments.

**Yields** are subject to change with economic conditions. Yield is only one factor that should be considered when making an investment decision. **Credit ratings** are subject to change. **Duration**, the most commonly used measure of bond risk, quantifies the effect of changes in interest rates on the price of a bond or bond portfolio. The longer the duration, the more sensitive the bond or portfolio would be to changes in interest rates. The majority of \$25 and \$1000 par **preferred securities** are "callable" meaning that the issuer may retire the securities at specific prices and dates prior to maturity. Interest/dividend payments on certain preferred issues may be deferred by the issuer for periods of up to 5 to 10 years, depending on the particular issue. The investor would still have income tax liability even though payments would not have been received. Price quoted is per \$25 or \$1,000 share, unless otherwise specified. Current yield is calculated by multiplying the coupon by par value divided by the market price. The initial interest rate on a **floating-rate security** may be lower than that of a fixed-rate security of the same maturity because investors expect to receive additional income due to future increases in the floating security's underlying reference rate. The reference rate could be an index or an interest rate. However, there can be no assurance that the reference rate will increase. Some floating-rate securities may be subject to call risk. The market value of **convertible bonds** and the underlying common stock(s) will fluctuate and after purchase may be worth more or less than original cost. If sold prior to maturity, investors may receive more or less than their original purchase price or maturity value, depending on market conditions. Callable bonds may be redeemed by the issuer prior to maturity. Additional call features may exist that could affect yield. Some \$25 or \$1000 par **preferred securities** are QDI (Qualified Dividend Income) eligible. Information on QDI eligibility is obtained from third party sources. The dividend income on QDI eligible preferreds qualifies for a reduced tax rate. Many traditional 'dividend paying' perpetual preferred securities (traditional preferreds with no maturity date) are QDI eligible. In order to qualify for the preferential tax treatment all qualifying preferred securities must be held by investors for a minimum period – 91 days during a 180 day window period, beginning 90 days before the ex-dividend date.

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

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

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

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

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## GENERAL DEFINITIONS

**Dollar-Weighted Return (Internal Rate of Return):** A return calculation that measures the actual performance of a portfolio over the reporting period. Since dollar weighted returns include the impact of client contributions and withdrawals, they should not be compared to market indices or used to evaluate the performance of a manager, but can be used to evaluate progress toward investment goals.

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**Investment Earnings:** A combination of the income received and total portfolio value increase or decrease, excluding net contributions and withdrawals, over the reporting period.

**Maturity Value:** The amount that will be received at the time a security is redeemed at its maturity. For most securities, Maturity Value equals Par Value.

**Net Contributions/Withdrawals:** The net value of cash and securities contributed to or withdrawn from the account(s) during the reporting period. Net contributions and withdrawals may include advisory fees for advisory accounts.

**Net of Fees:** Performance results depicted as "net" of fees shall mean that any wrap fee, investment management fees, trade commissions, and/or other account fees have been deducted. Any other fees or expenses associated with the account, such as third party custodian fees, may not have been deducted. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

**Performance ineligible assets:** Performance returns are not calculated for certain assets because accurate valuations and transactions for these assets are not processed or maintained by Morgan Stanley Smith Barney LLC. Common examples include life insurance and annuities as well as Manually Added and External accounts, assets and liabilities.

**Time-Weighted Return:** A return calculation that measures the investment performance of a portfolio over the reporting period. Time weighted returns do not include the impact of client contributions and withdrawals and therefore, may not reflect the actual rate of return the client received. Time weighted returns isolate investment actions and can be compared to benchmarks and used to evaluate the performance of a manager.

**Total Value:** "Total Value" represents the Market Value of the portfolio or Asset Class referenced and includes the accrual of interest and dividends. Total Value in the Asset Allocation view prior to January 2014, does not reflect the accrual of interest and dividends. Total Value for Morgan Stanley & Co. and External accounts also does not include accrued interest and dividends.

## BENCHMARK DEFINITIONS

**Custom 10% equity 10% cash 80% Bond:** The current allocation is comprised of 80.00% BC Gov/Cr Intm, 10.00% FTSE Treasury Bill 3 Month, 10.00% MSCI AC World Index - USD.

**FTSE Treasury Bill 3 Month:** Equal dollar amounts of three-month Treasury bills are purchased at the beginning of each of three consecutive months. As each bill matures, all proceeds are rolled over or reinvested in a new three-month bill. The income used to calculate the monthly return is derived by subtracting the original amount invested from the maturity value. The yield curve average is the basis for calculating the return on the index. The index is rebalanced monthly by market capitalization. The 90-Day Treasury Bill is a short-term obligation issued by the United States government. T-bills are purchased at a discount to the full face value, and the investor receives the full value when they mature. The difference of discount is the interest earned. T-bills are issued in denominations of \$10,000 auction and \$1,000 increments thereafter.

**MSCI AC World Index - USD:** The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes. The developed market country indexes included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market country indexes included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey, and United Arab Emirates (as of June 2014). The MSCI Country and Regional Indices are calculated in local currency as well as in USD. The concept of a local currency calculation excludes the impact of currency fluctuations. Note that for a country index, the local currency index will not be the same as an index calculated with the official currency of that country, if there is more than one currency of listing. The USD calculation includes exchange rates. Therefore, the local currency calculation only represents the price appreciation or depreciation of the securities, whereas the USD calculation also accounts for the performance of the currency or currencies relative to the USD.

**BC Gov/Cr Intm:** The Barclays Government/Credit Bond Index contains bonds that are investment grade and that have at least one year to maturity. The Barclays Intermediate Government/Credit Bond Index is composed primarily of bonds covered by the Barclays Government/Credit Bond Index with maturities between one and 9.99 years.

**S&P 500 Total Return:** The S&P 500 has been widely regarded as the best single gauge of the large cap U.S. equities market since the index was first published in 1957. The index has over \$5.58 trillion benchmarked, with index assets comprising approximately \$1.31 trillion of this total. The index includes 500 leading companies in leading industries of the U.S. economy, capturing 75% coverage of U.S. equities. This index includes dividend reinvestment.

# Certified Trustee Training

Organization: **Gilberts Police**

Year: **2020**

## Jason Hernandez

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	8	2020 MidAmerica Pension Conference - Registered			
2					
3					
4					
5					
6					

## Rachel Roth

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	8	2020 MidAmerica Pension Conference - Registered			
2					
3					
4					
5					
6					

## Todd Waller

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	16	2020 IPPFA Online Training	16	6/21/2020	Y
2	8	2020 MidAmerica Pension Conference - Registered			
3		2020 FOIA Training		6/11/2020	Y
4					
5					
6					

## Martin Griffin

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	16	2020 IPPFA Online Training - Registered	16	10/8/2020	Y
2					
3					
4					
5					
6					

## Heather Shelby

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1	8	2020 IPPFA Online Training - Registered			
2					
3					
4					
5					
6					

	Hours Required	Type of Training	Hours Completed	Date Completed	Cert on File
1					
2					
3					
4					
5					
6					



## 2020 IPPFA Trustee Training Opportunities

### IPPFA ONLINE SEMINAR COURSE

- WHEN:** Ongoing (NEW)
- Online 8 hr seminar (Recorded Spring, 2020)
- WHERE:** IPPFA Website:  
[www.ippfa.org/education/online-classes/](http://www.ippfa.org/education/online-classes/)
- COST:** IPPFA MEMBER: \$250.00/seminar  
IPPFA NON-MEMBER: \$450.00/seminar

This online seminar agenda includes:

- Consolidation Updates
- Retirement Healthcare Funding and Deferred Compensation
- Fiduciary Liability and Cyberliability Landscape
- Economic/Investment Market Review and Update
- Who Wants to Be a Pension Expert?
- Legal and Legislative Updates
- Pre-Consolidation Actuarial Review
- Improving Your Public Pension Knowledge
- Ask Your Attorney Q&A Session (Video)
- Legal Updates and Recent Court Cases (Video)
- Pensions and Collective Bargaining (Video)

*-this online seminar satisfies 8 hours of the required continuing pension trustee training*

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### **16-hour Certified Trustee Programs\* offered through IPPFA**

#### **IPPFA Online Certified Trustee Programs**

Registration is online at the IPPFA website [www.ippfa.org/education/trustee-program/](http://www.ippfa.org/education/trustee-program/)

**Cost:** IPPFA Member: \$ 550.00  
IPPFA Non-Member: \$1050.00

\*On December 18, 2019, Governor J.B. Pritzker signed SB 1300, making it Public Act 101-0610. This act will consolidate all Article 3 and 4 pension fund's investment assets. Under Public Act 101-0610, **training requirements have now been reduced from 32-hours to 16-hours of new trustee training**, however all pension trustees will still need 4-hours of mandatory consolidation transition training.

All Article 3 & 4 Pension Trustees elected or appointed are required to complete the 16-hour trustee certification course within 18 months of election or appointment to the board.

**16-hour Regional Certified Trustee Program \*offered through IPPFA**

**DATE:** Monday, October 19 to Tuesday, October 20, 2020

**WHERE:** NIU Outreach Campus  
5555 Trillium Blvd., Room 104  
Hoffman Estates, IL 60192

**COST:** IPPFA MEMBER: \$500.00  
IPPFA NON-MEMBER: \$1,000.00



## *Need Pension Training? IAFPD Can Help!*

**IAFPD HAS CONVENIENT, AFFORDABLE & TIMELY TOPICS  
AVAILABLE ONLINE 24/7 - VISIT THE ONLINE LEARNING PAGE  
AT [IAFPD.ORG](http://IAFPD.ORG) FOR DETAILS**

<b><i>Fiduciary Responsibility: Duties, Responsibilities &amp; Worse Case Scenarios (2-hours)</i></b>	
<p><b><u>Part One - Fiduciary Duty 101</u></b>  <b>Presented by Ryan R. Morton</b>  <i>In addition to general best practices, the presentation also details specific requirements of the Illinois Pension Code for fiduciaries.</i></p>	<p><b><u>Part Two - When What Can Go Wrong, Goes Wrong: Fiduciary Dilemmas</u></b>  <b>Presented by: John E. Motylinski</b>  <i>This presentation highlights examples of fiduciary breaches in Illinois, focusing on what went wrong and what the consequences were. The presentation also provides advice to avoid similar situations in your pension fund.</i></p>
<b><i>The Fundamentals of Pension Fund Administration (2 Hours)</i></b>	
<p><b><u>Part One - An Overview of the Legal Aspects of Pension Fund Administration</u></b>  <b>Presented by Carolyn Welch Clifford</b>  <i>This webinar presents an overview of the legal authority and State oversight of firefighter pension funds, as well as an introduction to fund membership and legal aspects of the control and management of the fund.</i></p>	<p><b><u>Part Two - The Practical Aspects of Administering a Firefighters' Pension Fund</u></b>  <b>Presented by Lt. J.D. Bruchsaler</b>  <i>A veteran pension fund trustee provides a firsthand account of the responsibilities for administering a pension fund, from learning your role as trustee to what has worked (and not worked) in overseeing responsibilities as a fiduciary to the fund.</i></p>



# ILLINOIS PROFESSIONAL FIREFIGHTERS ASSOCIATION

188 Industrial Drive, Suite 134  
Elmhurst, IL 60126-1608

V 630-833-2405

F 630-833-2412

[ipfa@aol.com](mailto:ipfa@aol.com)

[www.ipfaonline.org](http://www.ipfaonline.org)



## A VIRTUAL EVENT

### Due to COVID-19 Restrictions

**2020 FALL PENSION SEMINAR**

**Friday - November 6<sup>th</sup> - Red Shift**

**LEGAL UPDATES**

Recent court decisions and other legal concerns impacting Article 3 & Article 4 pension boards.

**ACTUARIAL CHANGES DUE PUBLIC ACT 101-0610**

Public Act 101-0610 changes Tier II benefits – maximum salary for retirement purposes and survivor benefits for active participants that may die, not in the line of duty. What happens to the Article 3 & Article 4 employer’s levy, including smoothing, pre & post investment consolidation.

**PERSONNEL POLICIES & BARGAINED AGREEMENTS**

Employer policies and bargained agreement language – how that may impact applications for retirement or disability benefits.

**THE 101<sup>st</sup> GENERAL ASSEMBLY**

IPFA’s Legislative Representative is finalizing arrangements with a member of the General Assembly to present their point of view concerning matters being considered in the State Capitol.

**LEGISLATIVE OBSERVATIONS**

This is the last year of the 101<sup>st</sup> Session of the General Assembly. Mark will comment on activities to date and the potential for any trailer bills or follow-up legislation.

**FIDUCIARY LIABILITY**

Pension Board Liability – Will a Board’s fiduciary liability change after the transfer of investment assets? What other insurance coverages are available for local pension boards? What perils are covered?

**PENSION EXPERT PART V**

The quiz-like discussion continues - creditable service, benefit calculations/transfers, and related topics.

**FIREFIGHTER & POLICE INVESTMENT FUND**

Both funds are being established. Meeting agendas, rules & regulations, staff hirings, and other updates to both investment funds and revised Trustee training requirements.

**IPFA Members: \$150.00**

**Non-Members: \$190.00**

**Walk-Ins: \$200.00**

*(Over for registration information)*

**YOUR PENSION PROTECTORS**

Illinois Professional Firefighters Association has established an on-line training platform.

You only need to complete the registration information once, then you:

- have 24 – 7 access to any training program offered on the platform.
- have multiple payment options:
  - PayPal - credit card payments;
  - Indicate pay by check, then:
    - Zelle pay, using [ipfa@aol.com](mailto:ipfa@aol.com) to transfer your payment; or
    - have your pension fund's administrative services person contact IPFA verifying your fund and IPFA membership status. Once verified, your pension fund or business will be invoiced and you will be given access to the class.
- have immediate access to all training classes and attendance certificates once your class is enabled.
- have the ability to take classes at your own pace. Most IPFA training programs are offered in segments. You can watch individual segments. Should you log off and then return to the website to complete the program, you just log in to the dashboard, select your class, and resume at the point you left off.

## **HOW TO ESTABLISH AN ACCOUNT ON THE IPFA WEB SITE**

1. Go to the Training Dashboard on the IPFA website: <https://ipfaonline.org/dashboard/>
2. You must complete the Registration Section to set up your individual account.
  - a. Keep in mind that accounts are set up on an individual basis.
  - b. Once your individual account is established, you will only need to log in for the current class and any future training classes available on the IPFA website.
3. If you choose to pay via PayPal, you will be immediately enabled into the training program you selected.
4. If you choose the “send a check” payment option, you will need to:
  - a. print the registration and send the registration and payment to IPFA.
  - b. have your administrative services person contact IPFA to establish invoicing for your pension fund. They will need to advise IPFA of each registrant's e-mail address. The class will then be enabled and the fund will be invoiced for the training class fees.

IPFA has been providing educational seminars since 1975.

Thank you for considering IPFA for your trustee training needs.



ELECTION REGARDING PLAN PAYMENTS – POLICE CONTRIBUTION REFUND Request Form

Pension Fund Name: Gilberts Police Pension Fund

Member's Legal Name (include middle initial): James P. Duda



Social Security #: [Redacted]

Date of Birth: 04 / 28 / 1968

TOTAL CONTRIBUTIONS

Table with 2 columns: Contribution Type, Amount. Rows include Pre-Tax Contributions - Payroll (\$ 5174.06), After-Tax Contributions - Payroll (\$), Pre-Tax Contributions/Interest - Service Purchase (\$), After-Tax Contributions/Interest - Service Purchase (\$), and Total Contributions (\$ 5,174.06).

CREDITABLE SERVICE

Date of Hire (Entry Date):

08 / 28 / 2006

Last Day Worked:

03 / 01 / 2008

ELECTION OF CONTRIBUTIONS

Full Refund Paid Directly to Myself

Federal Tax Withholding in the amount of 20% will be withheld from my Pre-Tax Contributions. After-Tax Contributions are not subject to Federal Tax Withholding.

Full Refund Paid in a Direct Rollover - Rollover Distribution should be made payable to:

Trustee Name: Vantagepoint Transfer Agent
Street Address: P.O. Box 64553
City: Baltimore State: MD Zip: 21264
Account Number: 42538001

Split Portions Directly to Myself \$ Amount to Rollover \$

Federal Tax Withholding in the amount of 20% will be withheld from my Pre-Tax Contributions paid directly to me. After-Tax Contributions are not subject to Federal Tax Withholding.

Leave Contributions for Future Decision

At this time, I wish to leave my contributions with the fund for eventual retirement or for the possible future transfer or combination of creditable service. I understand a separate written notification must be submitted to this Pension Fund to inform them of my official request.

TIER I - Eligible for retirement after attaining age 60 and completing 8 years of creditable service.

TIER II - Eligible for retirement after attaining age 55 and completing 10 years of creditable service.

By signing below, I certify that the information above is accurate to the best of my knowledge. I have received from the Pension Fund the "Special Notice Regarding Plan Payments – Contribution Refunds". I understand Federal Tax Withholding in the amount of 20% of any Pre-Tax Contributions refunded directly to me will be withheld from my distribution.

Member's Signature: [Signature] Date: 8/13/2020

Pension Fund Trustee Signature: [Signature] Date: 8/14/2020



## RECORDS INVENTORY DISPOSAL

# RECORDS I.D.

- ✓ Organization and inventory of records
- ✓ Preparation for a Local, State or Federal Audit
- ✓ Convert paper records to electronic format
- ✓ Minimal time requirements from clients
- ✓ Eliminate unnecessary records
- ✓ Disaster preparedness
- ✓ Cost-effective and efficient
- ✓ Outsourced to experts

## HOW CAN RECORDS I.D. HELP?

- Disasters render records lost or damaged beyond use. A State-approved retention schedule provides a registered inventory of records with a confident level of accountability.
- Government audits are difficult to maneuver, especially if documents cannot be located. Records I.D. is a proactive approach to organizing records and simplifying the audit process.
- Historical or sensitive documents need to be kept safe. Technology streamlines recordkeeping with digitized archives and cloud-based platforms.

### Jennifer Flores

630.328.0428

[jflores@lauterbachamen.com](mailto:jflores@lauterbachamen.com)

### Lora Murphy

630.821.0185

[lmurphy@lauterbachamen.com](mailto:lmurphy@lauterbachamen.com)

**Pursuant to the Local Records Act (50 ILCS 205/7) (from Ch. 116, par. 43.107) Sec. 7.**

*“Except as otherwise provided by law, no public record shall be disposed of by any officer or agency unless the written approval of the appropriate Local Records Commission is first obtained.”*



Records  
Inventory  
Disposal

# RECORDS I.D.



STEP 1

## INVENTORY

L&A will conduct an on-site inventory of all records and compile a formal inventory list. This list will be submitted to the State Archivist for review.



STEP 2

## MEET WITH STATE ARCHIVIST

Once the Inventory List is reviewed, the State Archivist will contact the designated Board member to set a meeting where the inventory list will be reviewed and authorized by the designated Board member.



STEP 3

## RETENTION SCHEDULE

The authorized inventory list will go before the Local Records Commission for approval. A retention schedule will be generated and sent to the Board electronically.



STEP 4

## DISPOSAL CERTIFICATE

L&A will complete the disposal certificate by utilizing the retention schedule. This will be reviewed by the Board during a regular Board meeting and sent back to the State Archivist for authorization.



STEP 5

## DISPOSAL OF RECORDS

L&A will organize all eligible records up for disposal, as well as those to be retained. After receipt of the authorized disposal certificate, records may be properly disposed of after 60 days from the date of approval.





September 8, 2020

Gilberts Police Pension Fund  
86 Railroad Street  
Gilberts, Illinois 60136

To the Members of the Pension Board of Trustees,

We are pleased to confirm our understanding of the administrative services we are to provide for the Gilberts Police Pension Fund for one (1) year beginning December 1, 2020 through November 31, 2021.

It is our understanding that Lauterbach & Amen, LLP will assist in coordinating with the Illinois Secretary of State’s Records Management Division to prepare an Inventory of Records, Disposal of Records and perform additional administrative services at the Board’s discretion. Based on the amount and arrangement of the files, we propose that the Gilberts Police Pension Fund shall be billed at a rate of \$60/hour in an amount not to exceed \$1,500.

Please note that the Fund shall be invoiced quarterly and only when work specific to this project is performed. This engagement may be terminated by either party by giving 30 days written notice to the other party.

We are not engaged to, and will not, perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we will not express such an opinion. These services cannot be relied upon to detect errors, irregularities, or illegal acts that may exist. However, we will inform you of any such matters that may come to our attention.

Please indicate your acceptance of the above understanding by signing below.

Cordially,

*Lauterbach & Amen, LLP*

Lauterbach & Amen, LLP

RESPONSE:

This letter correctly sets forth the understanding of the Gilberts Police Pension Fund:

Accepted by: \_\_\_\_\_

Title: \_\_\_\_\_

# 2021 Calendar

January 2021							
W	S	M	T	W	T	F	S
53						1	2
1	3	4	5	6	7	8	9
2	10	11	12	13	14	15	16
3	17	18	19	20	21	22	23
4	24	25	26	27	28	29	30
5	31						

**01:** New Year's Day

**18:** Martin Luther King Day

February 2021							
W	S	M	T	W	T	F	S
5		1	2	3	4	5	6
6	7	8	9	10	11	12	13
7	14	15	16	17	18	19	20
8	21	22	23	24	25	26	27
9	28						

**15:** Presidents Day

March 2021							
W	S	M	T	W	T	F	S
9		1	2	3	4	5	6
10	7	8	9	10	11	12	13
11	14	15	16	17	18	19	20
12	21	22	23	24	25	26	27
13	28	29	30	31			

April 2021							
W	S	M	T	W	T	F	S
13					1	2	3
14	4	5	6	7	8	9	10
15	11	12	13	14	15	16	17
16	18	19	20	21	22	23	24
17	25	26	27	28	29	30	

May 2021							
W	S	M	T	W	T	F	S
17							1
18	2	3	4	5	6	7	8
19	9	10	11	12	13	14	15
20	16	17	18	19	20	21	22
21	23	24	25	26	27	28	29
22	30	31					

**31:** Memorial Day

June 2021							
W	S	M	T	W	T	F	S
22			1	2	3	4	5
23	6	7	8	9	10	11	12
24	13	14	15	16	17	18	19
25	20	21	22	23	24	25	26
26	27	28	29	30			

July 2021							
W	S	M	T	W	T	F	S
26					1	2	3
27	4	5	6	7	8	9	10
28	11	12	13	14	15	16	17
29	18	19	20	21	22	23	24
30	25	26	27	28	29	30	31

**04:** Independence Day

August 2021							
W	S	M	T	W	T	F	S
31	1	2	3	4	5	6	7
32	8	9	10	11	12	13	14
33	15	16	17	18	19	20	21
34	22	23	24	25	26	27	28
35	29	30	31				

September 2021							
W	S	M	T	W	T	F	S
35				1	2	3	4
36	5	6	7	8	9	10	11
37	12	13	14	15	16	17	18
38	19	20	21	22	23	24	25
39	26	27	28	29	30		

**06:** Labor Day

October 2021							
W	S	M	T	W	T	F	S
39						1	2
40	3	4	5	6	7	8	9
41	10	11	12	13	14	15	16
42	17	18	19	20	21	22	23
43	24	25	26	27	28	29	30
44	31						

**11:** Columbus Day

November 2021							
W	S	M	T	W	T	F	S
44		1	2	3	4	5	6
45	7	8	9	10	11	12	13
46	14	15	16	17	18	19	20
47	21	22	23	24	25	26	27
48	28	29	30				

**11:** Veterans' Day

**25:** Thanksgiving

December 2021							
W	S	M	T	W	T	F	S
48				1	2	3	4
49	5	6	7	8	9	10	11
50	12	13	14	15	16	17	18
51	19	20	21	22	23	24	25
52	26	27	28	29	30	31	

**25:** Christmas Day