BAL HARBOUR

- VILLAGE -

Police Officers' Retirement Board

Regular Meeting Agenda
February 2, 2026
At 3:00 PM

Bal Harbour Village Hall • 655 - 96th Street • Bal Harbour • Florida 33154

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1. CALL TO ORDER

2. BOARD MINUTES FOR APPROVAL

2.A Board Minutes November 17, 2025

PRB_Minutes_Nov_17_2025.pdf

3. INVESTMENT CONSULTANT'S QUARTERLY PRESENTATION

3.A Investment Consultant Package

BHVP Asset Allocation 11 2025.pdf
Blackstone Infra Fact Card.pdf
Bal Harbour Police_IPS 1 2026 .pdf
Bal Harbour Police_IPS 1 2026 Marked.pdf
BHVP Infrastructure Search 1 2026.pdf
BHVP Asset Allocation 1 2026.pdf
BHV Police Summary 4Q 2025.pdf

4. OCTOBER 1, 2025 ACTUARIAL VALUATION PRESENTATION

4.A 10/1/2025 Valuation Report

Bal Harbour Police Actuarial Valuation as of 10-1-2025 (1).pdf

5. SEPTEMBER 30, 2025 AUDITED FINANCIAL STATEMENTS PRESENTATION

5.A Draft Audited Financial Statements - 09/30/2025

BAL HARBOUR VILLAGE POLICE OFFICERS PENSION PLAN 9-30-25 AUDITED FS [DRAFT].pdf

6. ADMINISTRATIVE DROP POLICY FOR BOARD REVIEW

6.A Administrative DROP Policy

Administrative DROP Policy.pdf

7. APPROVAL OF WARRANT #134

7.A Warrant #134

W 134.pdf

8. ADMINISTRATOR'S REPORT

9. LEGAL COUNSEL'S REPORT

10. PUBLIC COMMENT

11. ADJOURNMENT

One or more members of any Village Committee/Board may attend this meeting of the Board and may discuss matters which may later come before their respective Boards/Committees.

The New Business and Board Discussion Section includes a section for Public Comment. On public comment matters, any person is entitled to be heard by this Board on any matter; however, no action shall be taken by the Board on a matter of public comment, unless the item is specifically listed on the agenda, or is added to the agenda by Board action.

Any person who acts as a lobbyist, pursuant to Village Code Section 2-301 (Lobbyists), must register with the Village Clerk, prior to engaging in lobbying activities before Village staff, boards, committees, and/or the Village Council. A copy of the Ordinance is available in the Village Clerk's Office at Village Hall.

If a person decides to appeal any decision made by the Board with respect to any matter considered at a meeting or hearing, that person will need a record of the proceedings and, for such purpose, may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based (F.S. 286.0105).

In accordance with the Americans with Disabilities Act of 1990, all persons who are disabled and who need special accommodations to participate in this proceeding because of that disability should contact the Village Clerk's Office (305-866-4633), not later than two business days prior to such proceeding.

All meeting attendees, including Village staff and consultants, are subject to security screening utilizing a metal detector and/or wand, prior to entering the Council Chamber, Conference Room, or other meeting area located within Village Hall. This is for the safety of everyone. Thanks for your cooperation.

Police Officers' Retirement Board

Regular Meeting Minutes
November 17, 2025
At 3:30 PM

Bal Harbour Village Hall • 655 - 96th Street • Bal Harbour • Florida 33154

The following were present:

Chairman, Mitchell Lieberman
Detective Hector Gonzalez
Todd Dagres
Joel Mesznik

The following were absent:

Sergeant Ronald Smith

Also Present:

Rick Rivera, Pension Administrator
Lindsey Garber, Board Counsel
Scott Owens, Fund Consultant
Dwight Danie, Village Clerk
*Piotr Krekora, Fund Actuary
Christopher DeStefano, Active member

*Attended remote via Zoom

1 Call to Order

Chairman Lieberman called the meeting to order at 3:00 p.m.

2 Approval of Board Minutes

MOTION: **A Motion to approve the Board Minutes of July 28, 2025, was moved by Trustee Mesznik and seconded by Trustee Gonzalez.**

VOTE: **The Motion passed by unanimous voice vote (4-0).**

3 New Business – Appointment of 5th Trustee

Chairman Lieberman stated that Mr. Dagres' name was submitted to the Board by the Village Council as a recommendation to be the 5th Trustee. He said that he had reviewed his resume and had a conversation with Mr. Dagres. He stated that he was happy to nominate Mr. Todd Dagres for the 5th Board seat. A discussion ensued.

MOTION: A Motion to approve Mr. Todd Dagres as the 5th Board member was moved by Chairman Lieberman and seconded by Trustee Mesznik.

4 September 30, 2025 Quarterly Investment Presentation

Fund Consultant, Scott Owens, and the Trustees provided Mr. Dagres a brief history of the investment philosophy and history of the Plan. Mr. Owens reviewed the performance of the Plan. He stated that the investment goal of the Plan was to meet or exceed the actuarial assumption rate of the Plan while taking less risk than most public plans. Mr. Owens reviewed the asset allocation of the Plan. He reviewed the individual investment strategies of the Plan.

Mr. Owens went over the large cap value manager search and historical performance of the Plan's current large cap value manager, Aristotle. Mr. Mesznik asked the Fund Consultant if he had a recommendation for a new large cap value manager. Mr. Owens recommended BNYM Newton Dynamic Value. Chairman Lieberman agreed with the consultant's recommendation.

MOTION: A Motion to move the Plan's large cap value position from Aristotle Value Equity to BNYM Newton Dynamic Value was moved by Chairman Lieberman and seconded by Trustee Mesznik.

VOTE: The Motion passed by unanimous vote (4-0).

Mr. Owens went over the Asset Allocation Analysis that he prepared for the Board. A discussion ensued regarding the current asset mix and the three (3) mixes included in the study. Mr. Owens stated that he recommended Mix 1 because it increased the liquidity of the Plan and introduced Infrastructure to the asset mix. A discussion ensued regarding a prospective real estate manager search when more funds would be available from the real estate manager, Intercontinental. It was determined that a vote to approve Mix 1 of the asset allocation study would not be required until the January 26, 2026 board meeting after the Investment Policy Statement was approved to include Infrastructure investments.

Mr. Owens stated that the total 'all-in' fees for the Plan was 42 basis points. Mr. Owens provided the duration for the Blackrock fixed income product. He stated the duration of the fund was 3.8 years. The Board agreed that this was an appropriate duration period for the fixed income product.

Mr. Owens stated that he had a comparison between the Village's pension plans. He said that during the last three (3) years the General Employees' Plan had outperformed the Police Plan as markets had done extremely well and that during the long-term the Police Plan had outperformed the General Employees' Plan because the Police Plan performed better during down markets and corrections.

5 Discussion Regarding Whether to Accrue Interest to Retirement & DROP Applications

The Administrator stated that a current retired member had exited the DROP on 9/30/24 and had not taken a distribution of his DROP funds. He said that the funds totaled approximately $58,000 and that the member had earned a 4% rate of return prior to their separation of service. He said that this was the first time that a member had left his DROP funds in the Plan for a long period of time after terminating employment. Ms. Garber said that the pension ordinance did not address whether a terminated member could leave DROP funds in the Plan after termination and if so, should they continue to accrue interest. She asked the Board to make an administrative decision on this matter. A discussion ensued.

Chairman Lieberman said that it was his opinion that the member withdrawal his funds from the Plan after separation from service. He said that he was okay awarding the member a 4% annual interest rate while his monies had remained in the Plan after separation of service. A discussion ensued. It was decided that the member would be entitled to an annual 4% interest on his DROP funds until the maximum date of 12/31/2025. The administrator was instructed to contact the member to make arrangements to withdrawal his DROP monies. The Board decided that going forward any member that terminated the DROP would have up to ninety (90) days to take a distribution of their DROP balance. Ms. Garber stated that she would draft an administrative policy regarding this matter and that this policy would be placed on the next meeting agenda.

MOTION: A Motion that former DROP member, Andrew Kuncas, have until December 31, 2025 to request a distribution of his DROP monies and that he be granted a 4% annual rate of return on the DROP monies not to exceed December 31, 2025 was moved by Trustee Mesznik and seconded by Chairman Lieberman.

VOTE: The Motion passed by unanimous vote (4-0).

6 Draft Summary Plan Description for Board Review

Ms. Garber went over the draft Summary Plan Description (SPD). She stated that the SPD should be updated every two (2) years and provided to the membership. Mr. Krekora, the fund actuary, said that he had updated the last page of the SPD and had a minor change on page 8, item #2. A discussion ensued.

MOTION: A Motion to approve the draft Summary Plan Description with the requested additions and changes provided by the Plan's actuary was moved by Trustee Mesznik and seconded by Chairman Lieberman.

7 DROP Account Distribution Request

The Administrator reviewed a DROP distribution request for former active member Jack Young in the amount of $$52,801.13.

MOTION: A Motion to approve the DROP distribution for former active member Jack Young in the amount of $52,801.13 was moved by Chairman Lieberman and seconded by Trustee Gonzalez.

VOTE: The Motion passed by unanimous vote (4-0).

8 Warrant #133

The Administrator reviewed Warrant # 133.

MOTION: A Motion to approve Warrant #133 was moved by Trustee Mesznik and seconded by Chairman Lieberman.

VOTE: The Motion passed by unanimous vote (4-0).

9 Draft Fiscal Year 2025-2026 Administrative Budget

The Administrator reviewed the proposed budget in the amount of $321,070. The Board recommended changes to line items; Plan Actuary, Miscellaneous and Plan Administration. The new proposed budget for the fiscal year 2025-2026 was $326,350. A discussion ensued.

MOTION: <u>A Motion to approve the proposed fiscal year 2025-2026 budget in the amount of $326,350 was moved by Chairman Lieberman and seconded by Trustee Mesznik.</u>

VOTE: <u>The Motion passed by unanimous vote (4-0).</u>

10 Administrator's Report

Mr. Mesznik requested that the Administrator gather information regarding cyber insurance and present it to the Board at a future meeting.

11 Legal Counsel's Report

Ms. Garber presented a legal counsel's report

12 Public Forum - None

13 Motion to Adjourn

Motion: <u>A Motion to adjourn the meeting was made by Chairman Lieberman and seconded by Trustee Mesznik.</u>

The meeting was adjourned at 5:10 p.m.

Mitchell Lieberman
Chair of the Board of Trustees

Asset Allocation Analysis

Prepared on November 12th, 2025
for BAL HARBOUR VLG POL OFF PEN PL & TR

Graystone Consulting Tampa
TAMPA, FL

Scott Owens, CFA
Managing Director - Wealth Management
scott.owens@msgraystone.com
Tel: 813-227-2061

Asset Allocations

BAL HARBOUR VLG POL OFF PEN PL & TR

Summary

Asset class	%	%	%	%	%
TOTAL	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**
Cash	**-**	**0.8**	**-**	**-**	**-**
Equities	**65.0**	**67.0**	**65.0**	**65.0**	**62.5**
US Equities	**55.0**	**57.0**	**55.0**	**55.0**	**52.5**
US Large Cap Growth	21.5	23.6	21.5	21.5	20.3
US Large Cap Value	21.5	21.2	21.5	21.5	20.3
US Mid Cap Growth	3.0	2.9	3.0	3.0	3.0
US Mid Cap Value	3.0	2.9	3.0	3.0	3.0
US Small Cap Growth	3.0	3.1	3.0	3.0	3.0
US Small Cap Value	3.0	3.3	3.0	3.0	3.0
International Equities	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**
Fixed Income & Preferreds	**25.0**	**28.4**	**25.0**	**25.0**	**22.5**
US Fixed Income Taxable	**25.0**	**28.4**	**25.0**	**25.0**	**22.5**
Alternatives	**10.0**	**3.8**	**10.0**	**10.0**	**15.0**
Real Assets	**-**	**-**	**5.0**	**5.0**	**5.0**
Infrastructure	-	-	5.0	5.0	5.0
Private Investments	**10.0**	**3.8**	**5.0**	**5.0**	**10.0**
Private Real Estate	10.0	3.8	5.0	-	-
Private Equity	-	-	-	2.5	5.0
Private Credit	-	-	-	2.5	5.0

The portfolios above are constructed using indices as proxies. Indices are unmanaged. It is not possible to invest directly in an index. Asset allocation does not assure a profit or protect against loss. This analysis assumes that the Strategic Assumptions apply for the first 7 years and the Secular Assumptions apply thereafter. Annual returns are shown gross of cash inflows, cash outflows, taxes and advisory fees. Please refer to the Return Assumptions page of the appendix to view an important and relevant disclosure regarding return rates and fees. For use only in one-on-one presentations.

Asset Allocations | As of November 2025 | Reporting Currency: USD ID : 16561395 GRAYSTONE CONSULTING 1 of 18

Asset Allocations

Summary

	IPS Target		9/30/2025 Allocation		Mix 1		Mix 2		Mix 3	
Assumptions	Strategic	Secular	Strategic	Secular	Strategic	Secular	Strategic	Secular	Strategic	Secular
Annual Return	7.5%	7.9%	7.4%	7.8%	7.5%	7.8%	7.6%	8.0%	7.8%	8.2%
Standard Deviation	11.3%	10.9%	11.1%	10.6%	11.4%	10.9%	11.3%	10.8%	11.3%	10.9%
Sharpe Ratio	0.33	0.44	0.32	0.43	0.33	0.43	0.34	0.44	0.36	0.46
Annual Yield	3.1%	2.9%	2.9%	2.7%	3.0%	2.8%	2.9%	2.6%	3.0%	2.7%
Probability of Positive Return	75.1%	77.6%	75.4%	77.6%	75.4%	77.2%	75.6%	77.7%	76.0%	78.2%

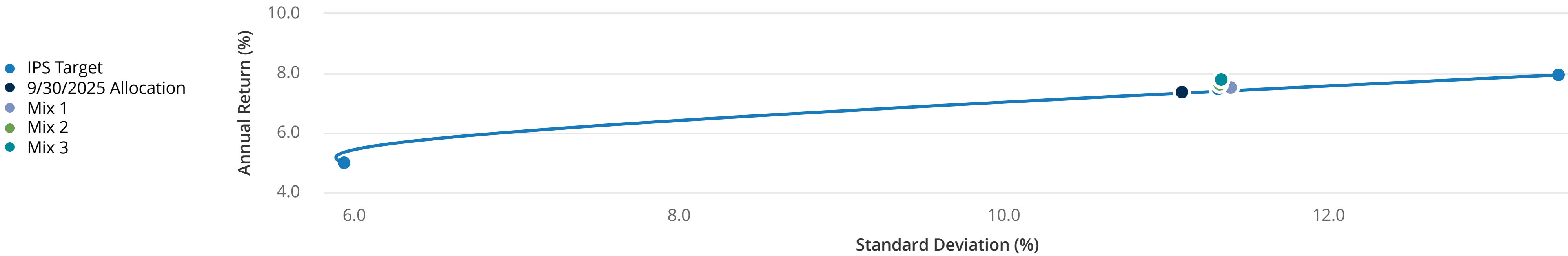
The portfolios above are constructed using indices as proxies. Indices are unmanaged. It is not possible to invest directly in an index. Asset allocation does not assure a profit or protect against loss. This analysis assumes that the Strategic Assumptions apply for the first 7 years and the Secular Assumptions apply thereafter. Annual returns are shown gross of cash inflows, cash outflows, taxes and advisory fees. Please refer to the Return Assumptions page of the appendix to view an important and relevant disclosure regarding return rates and fees. For use only in one-on-one presentations.

Asset Allocations | As of November 2025 | Reporting Currency: USD ID : 16561395 GRAYSTONE CONSULTING 2 of 18

Efficient Frontier

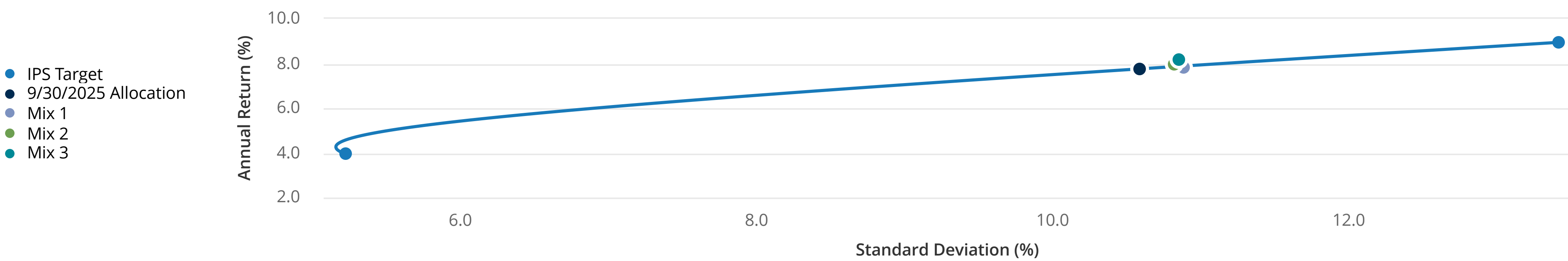
Summary

Strategic Assumptions



	IPS Target	9/30/2025 Allocation	Mix 1	Mix 2	Mix 3
Annual Return	7.5%	7.4%	7.5%	7.6%	7.8%
Standard Deviation	11.3%	11.1%	11.4%	11.3%	11.3%
Sharpe Ratio	0.33	0.32	0.33	0.34	0.36
Annual Yield	3.1%	2.9%	3.0%	2.9%	3.0%

Secular Assumptions



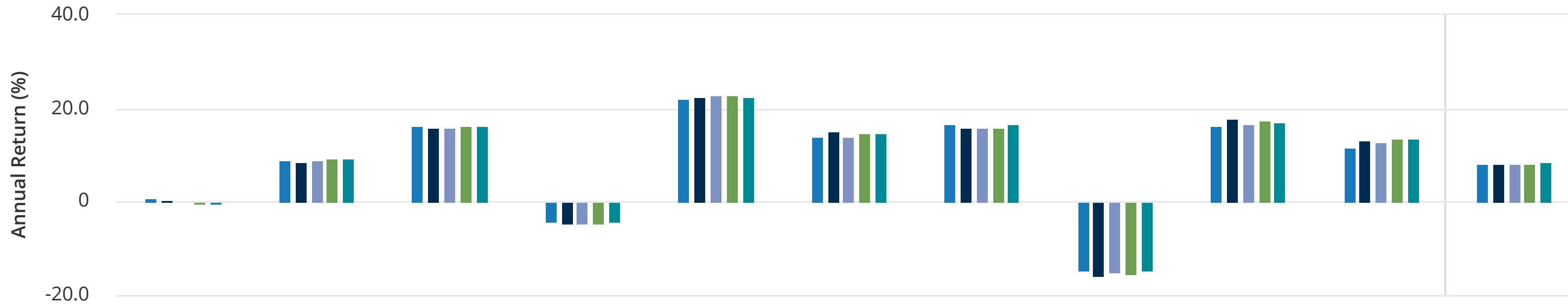
	IPS Target	9/30/2025 Allocation	Mix 1	Mix 2	Mix 3
Annual Return	7.9%	7.8%	7.8%	8.0%	8.2%
Standard Deviation	10.9%	10.6%	10.9%	10.8%	10.9%
Sharpe Ratio	0.44	0.43	0.43	0.44	0.46
Annual Yield	2.9%	2.7%	2.8%	2.6%	2.7%

This analysis assumes that the Strategic Assumptions apply for the first 7 years and Secular Assumptions apply thereafter. Please refer to the Return Assumptions page of the appendix to view an important and relevant disclosure regarding return rates and fees. For use only in one-on-one presentations.

Efficient Frontier | As of November 2025 | Reporting Currency: USD ID : 16561395 GRAYSTONE CONSULTING 3 of 18

Historical Performance (Last 10 Years)

Summary



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Last 10 Yrs. Annualized
IPS Target	0.8%	9.0%	16.3%	-4.0%	22.3%	14.1%	16.9%	-14.7%	16.5%	11.8%	8.3%
9/30/2025 Allocation	0.3%	8.8%	16.1%	-4.4%	22.8%	15.0%	15.9%	-15.9%	17.9%	13.2%	8.3%
Mix 1	-0.1%	9.0%	16.1%	-4.6%	22.8%	14.0%	15.9%	-15.1%	16.9%	13.0%	8.2%
Mix 2	-0.4%	9.2%	16.2%	-4.7%	22.9%	14.7%	16.0%	-15.2%	17.6%	13.8%	8.4%
Mix 3	-0.2%	9.4%	16.5%	-4.2%	22.5%	14.8%	16.7%	-14.5%	17.2%	13.5%	8.6%

This section reflects the performance of the portfolio on an asset class basis in each of the last 10 years. Historical returns are shown gross of cash inflows, cash outflows, taxes and advisory fees. Past performance is no guarantee of future results. Please refer to the Return Assumptions page of the appendix to view an important and relevant disclosure regarding return rates and fees. For use only in one-on-one presentations.

Historical Performance | As of November 2025 | Reporting Currency: USD ID : 16561395 GRAYSTONE CONSULTING 4 of 18

Return Assumptions

	Strategic Assumptions				Secular Assumptions			
	Annual Return	Standard Deviation	Sharpe Ratio	Yield	Annual Return	Standard Deviation	Sharpe Ratio	Yield
Cash	**3.8%**	**0.8%**	**0.00**	**3.8%**	**3.2%**	**0.7%**	**0.00**	**3.2%**
Equities	**7.9%**	**13.4%**	**0.31**	**2.0%**	**8.9%**	**13.4%**	**0.43**	**2.0%**
US Equities	**7.6%**	**15.4%**	**0.25**	**2.0%**	**9.5%**	**14.8%**	**0.43**	**2.0%**
US Large Cap Growth	7.5%	16.9%	0.22	1.2%	9.8%	16.1%	0.41	1.2%
US Large Cap Value	8.8%	14.9%	0.34	2.5%	9.3%	14.4%	0.42	2.5%
US Mid Cap Growth	8.7%	18.6%	0.27	0.9%	10.0%	17.9%	0.38	0.9%
US Mid Cap Value	9.5%	16.4%	0.35	2.3%	9.7%	15.7%	0.42	2.3%
US Small Cap Growth	9.2%	23.3%	0.23	0.6%	9.2%	21.8%	0.28	0.6%
US Small Cap Value	9.4%	20.8%	0.27	2.2%	10.0%	19.1%	0.36	2.2%
International Equities	**8.4%**	**15.6%**	**0.30**	**2.8%**	**8.4%**	**15.3%**	**0.35**	**2.8%**
Fixed Income & Preferreds	**5.0%**	**5.9%**	**0.21**	**5.0%**	**3.9%**	**5.2%**	**0.15**	**3.9%**
US Fixed Income Taxable	**5.0%**	**5.9%**	**0.21**	**5.0%**	**3.9%**	**5.2%**	**0.15**	**3.9%**
Alternatives	**6.7%**	**8.0%**	**0.37**	**0.0%**	**6.5%**	**7.8%**	**0.43**	**0.0%**
Real Assets	**7.2%**	**12.7%**	**0.28**	**3.0%**	**6.7%**	**12.2%**	**0.29**	**3.0%**
Infrastructure	8.6%	14.3%	0.34	4.0%	6.8%	13.5%	0.27	4.0%
Private Investments	**9.1%**	**10.7%**	**0.50**	**4.6%**	**9.4%**	**10.3%**	**0.60**	**3.3%**
Private Real Estate	7.9%	16.6%	0.25	6.4%	8.2%	16.5%	0.31	6.6%
Private Equity	11.2%	16.5%	0.45	0.0%	13.0%	15.9%	0.62	0.0%
Private Credit	8.7%	9.5%	0.52	8.7%	8.5%	10.2%	0.52	8.5%

The Strategic Assumptions represent a time horizon of 7 years while the Secular Assumptions represent a time horizon of 20+ years. In the Linear Growth and Monte Carlo analyses the Strategic Assumptions apply for the first 7 years and the Secular Assumptions for each year thereafter. These assumptions are used for modeling purposes only. They are not guarantees of future returns.

1) The returns for Private Investments have been adjusted to account for infrequent pricing.

The assumed return rates in the Wealth Strategies Analysis are not reflective of any specific investment, do not include any fees or expenses that may be incurred by investing in specific products, nor all costs that you will incur when you implement your investment strategy. The return assumptions and hypothetical illustrations herein may be impacted after applying such costs, which may include investment advisory program fees up to a maximum of 2.0%, sub-manager fees, brokerage commissions, sales load or other expenses, which will depend on whether you choose a brokerage or an advisory relationship. The actual returns of a specific investment may be more or less than the asset class return assumptions used in the Wealth Strategies Analysis. It is not possible to invest directly in an index. The index performance shown does not reflect the impact of any taxes, transaction costs, management fees or other expenses that may be associated with certain investments. Indices are unmanaged. The Capital Market Assumptions applied in this analysis were defined by the firm's Global Investment Committee and were published in the "Inputs for GIC Asset Allocation: Annual Update of GIC Capital Market Assumptions" on March 27th, 2025. For use only in one-on-one presentations.

Return Assumptions | As of November 2025 | Reporting Currency: USD ID : 16561395 GRAYSTONE CONSULTING 5 of 18

Correlation Assumptions

	US Equities	International Equities	US Fixed Income Taxable	Real Assets	Private Investments
US Equities	1.00	0.55	0.31	0.69	0.64
International Equities		1.00	0.23	0.50	0.31
US Fixed Income Taxable			1.00	0.25	0.18
Real Assets				1.00	0.56
Private Investments					1.00

The strategic and secular assumptions have the same correlations.

Correlation Assumptions | As of November 2025 | Reporting Currency: USD ID : 16561395 GRAYSTONE CONSULTING 6 of 18

Fee Assumptions

IPS Target

	IPS Target
Equities	**0.0%**
US Equities	**0.0%**
US Large Cap Growth	0.0%
US Large Cap Value	0.0%
US Mid Cap Growth	0.0%
US Mid Cap Value	0.0%
US Small Cap Growth	0.0%
US Small Cap Value	0.0%
International Equities	**0.0%**
Fixed Income & Preferreds	**0.0%**
US Fixed Income Taxable	**0.0%**
Alternatives	**0.0%**
Private Investments	**0.0%**
Private Real Estate	0.0%

The assumed return rates in the Wealth Strategies Analysis are not reflective of any specific investment, do not include any fees or expenses that may be incurred by investing in specific products, nor all costs that you will incur when you implement your investment strategy. The return assumptions and hypothetical illustrations herein may be impacted after applying such costs, which may include investment advisory program fees up to a maximum of 2.0%, sub-manager fees, brokerage commissions, sales load or other expenses, which will depend on whether you choose a brokerage or an advisory relationship. The actual returns of a specific investment may be more or less than the asset class return assumptions used in the Wealth Strategies Analysis. If included in this analysis, annual fees are hypothetical in nature and do not reflect any specific expenses or fees that might actually be incurred in your portfolio. We include them here to reflect that expenses and fees may impact portfolio Indices are unmanaged. The Capital Market Assumptions applied in this analysis were defined by the firm's Global Investment Committee and were published in the "Inputs for GIC Asset Allocation: Annual Update of GIC Capital Market Assumptions" on March 27th, 2025. For use only in one-on-one presentations.

Fee Assumptions | As of November 2025 | Reporting Currency: USD ID : 16561395 GRAYSTONE CONSULTING 7 of 18

Fee Assumptions

9/30/2025 Allocation

	IPS Target
Cash	**0.0%**
Equities	**0.0%**
US Equities	**0.0%**
US Large Cap Growth	0.0%
US Large Cap Value	0.0%
US Mid Cap Growth	0.0%
US Mid Cap Value	0.0%
US Small Cap Growth	0.0%
US Small Cap Value	0.0%
International Equities	**0.0%**
Fixed Income & Preferreds	**0.0%**
US Fixed Income Taxable	**0.0%**
Alternatives	**0.0%**
Private Investments	**0.0%**
Private Real Estate	0.0%

The assumed return rates in the Wealth Strategies Analysis are not reflective of any specific investment, do not include any fees or expenses that may be incurred by investing in specific products, nor all costs that you will incur when you implement your investment strategy. The return assumptions and hypothetical illustrations herein may be impacted after applying such costs, which may include investment advisory program fees up to a maximum of 2.0%, sub-manager fees, brokerage commissions, sales load or other expenses, which will depend on whether you choose a brokerage or an advisory relationship. The actual returns of a specific investment may be more or less than the asset class return assumptions used in the Wealth Strategies Analysis. If included in this analysis, annual fees are hypothetical in nature and do not reflect any specific expenses or fees that might actually be incurred in your portfolio. We include them here to reflect that expenses and fees may impact portfolio Indices are unmanaged. The Capital Market Assumptions applied in this analysis were defined by the firm's Global Investment Committee and were published in the "Inputs for GIC Asset Allocation: Annual Update of GIC Capital Market Assumptions" on March 27th, 2025. For use only in one-on-one presentations.

Fee Assumptions | As of November 2025 | Reporting Currency: USD ID : 16561395 GRAYSTONE CONSULTING 8 of 18

Fee Assumptions

Mix 1

	IPS Target
Equities	**0.0%**
US Equities	**0.0%**
US Large Cap Growth	0.0%
US Large Cap Value	0.0%
US Mid Cap Growth	0.0%
US Mid Cap Value	0.0%
US Small Cap Growth	0.0%
US Small Cap Value	0.0%
International Equities	**0.0%**
Fixed Income & Preferreds	**0.0%**
US Fixed Income Taxable	**0.0%**
Alternatives	**0.0%**
Real Assets	**0.0%**
Infrastructure	0.0%
Private Investments	**0.0%**
Private Real Estate	0.0%

The assumed return rates in the Wealth Strategies Analysis are not reflective of any specific investment, do not include any fees or expenses that may be incurred by investing in specific products, nor all costs that you will incur when you implement your investment strategy. The return assumptions and hypothetical illustrations herein may be impacted after applying such costs, which may include investment advisory program fees up to a maximum of 2.0%, sub-manager fees, brokerage commissions, sales load or other expenses, which will depend on whether you choose a brokerage or an advisory relationship. The actual returns of a specific investment may be more or less than the asset class return assumptions used in the Wealth Strategies Analysis. If included in this analysis, annual fees are hypothetical in nature and do not reflect any specific expenses or fees that might actually be incurred in your portfolio. We include them here to reflect that expenses and fees may impact portfolio Indices are unmanaged. The Capital Market Assumptions applied in this analysis were defined by the firm's Global Investment Committee and were published in the "Inputs for GIC Asset Allocation: Annual Update of GIC Capital Market Assumptions" on March 27th, 2025. For use only in one-on-one presentations.

Fee Assumptions | As of November 2025 | Reporting Currency: USD ID : 16561395 GRAYSTONE CONSULTING 9 of 18

Fee Assumptions

Mix 2

	IPS Target
Equities	**0.0%**
US Equities	**0.0%**
US Large Cap Growth	0.0%
US Large Cap Value	0.0%
US Mid Cap Growth	0.0%
US Mid Cap Value	0.0%
US Small Cap Growth	0.0%
US Small Cap Value	0.0%
International Equities	**0.0%**
Fixed Income & Preferreds	**0.0%**
US Fixed Income Taxable	**0.0%**
Alternatives	**0.0%**
Real Assets	**0.0%**
Infrastructure	0.0%
Private Investments	**0.0%**
Private Equity	0.0%
Private Credit	0.0%

The assumed return rates in the Wealth Strategies Analysis are not reflective of any specific investment, do not include any fees or expenses that may be incurred by investing in specific products, nor all costs that you will incur when you implement your investment strategy. The return assumptions and hypothetical illustrations herein may be impacted after applying such costs, which may include investment advisory program fees up to a maximum of 2.0%, sub-manager fees, brokerage commissions, sales load or other expenses, which will depend on whether you choose a brokerage or an advisory relationship. The actual returns of a specific investment may be more or less than the asset class return assumptions used in the Wealth Strategies Analysis. If included in this analysis, annual fees are hypothetical in nature and do not reflect any specific expenses or fees that might actually be incurred in your portfolio. We include them here to reflect that expenses and fees may impact portfolio Indices are unmanaged. The Capital Market Assumptions applied in this analysis were defined by the firm's Global Investment Committee and were published in the "Inputs for GIC Asset Allocation: Annual Update of GIC Capital Market Assumptions" on March 27th, 2025. For use only in one-on-one presentations.

Fee Assumptions | As of November 2025 | Reporting Currency: USD ID : 16561395 GRAYSTONE CONSULTING 10 of 18

Fee Assumptions

Mix 3

	IPS Target
Equities	**0.0%**
US Equities	**0.0%**
US Large Cap Growth	0.0%
US Large Cap Value	0.0%
US Mid Cap Growth	0.0%
US Mid Cap Value	0.0%
US Small Cap Growth	0.0%
US Small Cap Value	0.0%
International Equities	**0.0%**
Fixed Income & Preferreds	**0.0%**
US Fixed Income Taxable	**0.0%**
Alternatives	**0.0%**
Real Assets	**0.0%**
Infrastructure	0.0%
Private Investments	**0.0%**
Private Equity	0.0%
Private Credit	0.0%

The assumed return rates in the Wealth Strategies Analysis are not reflective of any specific investment, do not include any fees or expenses that may be incurred by investing in specific products, nor all costs that you will incur when you implement your investment strategy. The return assumptions and hypothetical illustrations herein may be impacted after applying such costs, which may include investment advisory program fees up to a maximum of 2.0%, sub-manager fees, brokerage commissions, sales load or other expenses, which will depend on whether you choose a brokerage or an advisory relationship. The actual returns of a specific investment may be more or less than the asset class return assumptions used in the Wealth Strategies Analysis. If included in this analysis, annual fees are hypothetical in nature and do not reflect any specific expenses or fees that might actually be incurred in your portfolio. We include them here to reflect that expenses and fees may impact portfolio Indices are unmanaged. The Capital Market Assumptions applied in this analysis were defined by the firm's Global Investment Committee and were published in the "Inputs for GIC Asset Allocation: Annual Update of GIC Capital Market Assumptions" on March 27th, 2025. For use only in one-on-one presentations.

Fee Assumptions | As of November 2025 | Reporting Currency: USD ID : 16561395 GRAYSTONE CONSULTING 11 of 18

Asset Class Assumptions

	Benchmark	Data History
Cash	**FTSE US Three-Month T-Bill**	**1997 - 2024**
Equities	**MSCI All-Country World (USD, Net)**	**1979 - 2024**
US Equities	**Russell 3000**	**1979 - 2024**
US Large Cap Growth	Russell 1000 Growth	1979 - 2024
US Large Cap Value	Russell 1000 Value	1979 - 2024
US Mid Cap Growth	Russell Midcap Growth	1979 - 2024
US Mid Cap Value	Russell Midcap Value	1979 - 2024
US Small Cap Growth	Russell 2000 Growth	1986 - 2024
US Small Cap Value	Russell 2000 Value	1986 - 2024
International Equities	**MSCI World ex-US (USD, Net)**	**1971 - 2024**
Fixed Income & Preferreds	**Bloomberg US Aggregate**	**1970 - 2024**
US Fixed Income Taxable	**Bloomberg US Aggregate**	**1970 - 2024**
Alternatives	**HFRI Fund-Weighted Composite**	**1970 - 2024**
Real Assets	**Equal-Weighted Blend: Bloomberg Commodity; Alerian Midstream Energy Select; FTSE EPRA/NAREIT Global (USD)**	**1970 - 2024**
Infrastructure	MSCI All-Country World Infrastructure (USD, Net)	1972 - 2024
Private Investments	**Equal-Weighted Blend: NCREIF Property; Cambridge Associates Private Equity**	**1990 - 2024**
Private Real Estate	Cambridge Associates Real Estate	1970 - 2024
Private Equity	Cambridge Associates Private Equity	1970 - 2024
Private Credit	Cambridge Associates Private Credit	1970 - 2024

It is not possible to invest directly in an index. The index performance shown does not reflect the impact of any taxes, transaction costs, management fees or other expenses that may be associated with certain investments. Indices are unmanaged. Past performance is no guarantee of future results. For use only in one-on-one presentations.

Asset Class Assumptions | As of November 2025 | Reporting Currency: USD ID : 16561395 GRAYSTONE CONSULTING 12 of 18

Methodology

Morgan Stanley Wealth Management, in conjunction with your Financial Advisor as well as other resources across Morgan Stanley, has prepared this presentation. The presentation was designed to illustrate the risk and return characteristics of various portfolios when taking into account cash considerations. Each analysis is unique and although no individual analysis can completely describe the risk and return characteristics of a portfolio, the combination of these analyses can assist clients in arriving at an appropriate wealth strategy.

Expected Returns, Standard Deviations and Correlations: Return assumptions are established by the Morgan Stanley Global Investment Committee. The Global Investment Committee utilizes an equilibrium approach to generate expected returns, standard deviations and correlations for each asset class. We believe that by analyzing current and historical economic conditions and market trends, and then making projections of future economic growth, inflation, real yields for each country, we can estimate the equilibrium performance for an asset class. The equilibrium return is simply the central tendency around which market returns tend to fluctuate over a very long period of time. It is possible that actual returns will vary considerably from this equilibrium, even for a number of years, but we believe that market returns will eventually return to their equilibrium trend.

Monte Carlo Analysis: Monte Carlo simulation is an analytical technique which uses several iterations of hypothetical events. Statistics on the distribution of results can help infer which simulated variables are more likely. When simulating hypothetical asset class performance, we utilize Morgan Stanley’s expected returns, standard deviations and correlations for each asset class. Small changes in these assumptions may have a sizable impact on the results. As such, the analysis is provided only for general guidance about asset allocation. There can be no assurances that the Monte Carlo-simulated results will be achieved or sustained. Your actual results will surely vary. For example, our simulations don’t account for fees or transaction costs, which may be charged when you invest in an actual portfolio of securities. However, the goal of the Monte Carlo analysis is not 100% accurate forecasting, but rather to allow investors to make better, more informed decisions.

Asset Allocations: Unless otherwise stated, this analysis assumes that asset allocations remain constants and achieve the return and standard deviation assumptions over the period in which they are invested.

Glossary

Annual Return: The arithmetic average return that is expected to be achieved in a given year.

Expected Performance: Performance assuming that portfolios achieve their annual return assumption each year in which they are invested.

Expected Tail Loss: The average expected 1-year portfolio loss, at a 95% confidence level, if an extraordinarily bad event does occur.

Sharpe Ratio: This calculation measures a ratio of return above the risk free rate to volatility.

Standard Deviation: A statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution.

Value at Risk: The maximum expected 1-year portfolio loss, at a 95% confidence level, if an extraordinarily bad event does not occur.

Worst Trial: This is defined as the worst hypothetical performance of the portfolio in a given year. While it's always possible, albeit with an infinitely small chance, that a portfolio could lose all its money in a year, this is the most the portfolio lost in all the iterations of the first year of the Monte Carlo simulation.

Max Drawdown: Similar to the worst trial, this is the worst hypothetical performance of the portfolio, but not limited to a single year - it's a potential total loss over the course of the plan.

Risk of Different Investments

Different security types and asset classes carry different risks of investment.

Small/Mid Caps U.S. Equity: Investing in smaller companies involves greater risks not associated with investing in more established companies, such as business risk, significant stock price fluctuations and illiquidity.

International/Emerging Markets: International investing entails greater risk, as well as greater potential rewards compared to U.S. investing. These risks include potential and economic uncertainties of foreign countries as well as the risk of currency fluctuations. These risks are magnified in countries with emerging markets, since these countries may have relatively unstable governments and less established markets and economics.

Fixed Income: Fixed Income Securities are subject to interest rate risk, credit risk, prepayment risk, market risk, and reinvestment risk. Fixed Income Securities, if held to maturity, may provide a fixed rate of return and a fixed principal value. Fixed Income Securities prices fluctuate and when redeemed, may be worth more or less than their original cost.

High Yield Bonds: High Yield Fixed Income Investments, also known as junk bonds, are considered speculative, involve greater risk of default and tend to be more volatile than investment grade fixed income securities.

Hedge Funds: Hedge funds are appropriate only for long-term, qualified investors. They are generally illiquid, not tax efficient, and have higher fees than many traditional investments. They may also be highly leveraged and engage in speculative investment techniques which can magnify the potential for investment loss or gain.

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

Private Equity: Private equity interests may be highly illiquid, involve a high degree of risk and be subject to transfer restrictions.

TIPS: Because the return of TIPS is linked to inflation, TIPS may significantly underperform vs. fixed return treasuries in times of low inflation.

Managed Futures: 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. Before investing in any partnership and in order to make an informed decision, investors should read the applicable prospectus and/or offering documents carefully for additional information, including charges, expenses and risks. Investors should read the prospectus and/or offering documents carefully for additional information, including charges, expenses and risks. Managed futures investments do not replace equities or bonds but rather may act as a complement in a well diversified portfolio.

Commodities: Investing in commodities entails significant risks. Commodity prices may be affected by a variety of factors at any time, including but not limited to, 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.

MLPs: Investment in MLPs entails different risks, including tax risks, than is the case for other types of investments. 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 these sectors (including commodity pricing risk, supply and demand risk, depletion risk and exploration risk).

Alternative Investments: Any allocation containing alternative investments should note that they are highly illiquid and are only appropriate for investors willing to put capital at risk for an indefinite period of time. Alternative investments often engage in leverage and other speculative investment practices, may involve complex tax structures, typically have higher fees, and generally are not subject to the same regulatory requirements as traditional asset classes.

Historical Scenario Definitions

Global Financial Crisis (11/2007 - 02/2009): The U.S. subprime mortgage crisis was a set of events and conditions that led to a financial crisis and subsequent recession that began in 2008. It was characterized by a rise in subprime mortgage delinquencies and foreclosures, and the resulting decline of securities backed by said mortgages. While elements of the crisis first became more visible during 2007, several major financial institutions collapsed in September 2008, with significant disruption in the flow of credit to businesses and consumers and the onset of a severe global recession.

Tech Bubble Burst (03/2000 - 09/2002): The dot-com bubble was a historic speculative bubble covering roughly 1997-2000 (with a climax on March 10, 2000, with the NASDAQ peaking at 5,408.60 in intraday trading before closing at 5,048.62) during which stock markets in industrialized nations saw their equity value rise rapidly from growth in the Internet sector and related fields.

2011 US Credit Downgrade (08/2011 - 09/2011): The 2011 US Credit Rating Downgrade by Standard and Poor was the first time in history the United States was downgraded. S&P cited mounting budget deficits and the lack of planning done to address the government's debt dynamics as the catalyst for the downgrade.

2015 Chinese Market Crash (06/2015 - 09/2015): Between June 2014 and June 2015, China’s Shanghai Composite index rose by 150 percent. A large portion of this acceleration in stock prices was due to retail investors' ability to invest on margin. Given this sensitivity to asset prices, when investors were met with margin calls in June of 2015, many were forced to sell. This wave of selling snowballed, leading to a ~30% decrease in the value of A-shares on the Shanghai Stock Exchange.

2009 Greek Debt Crisis (10/2009 - 05/2010): In 2009, the Greek government revealed it had underreported its budget deficit. As a result, borrowing costs skyrocketed and the countries credit rating was downgraded, leading to a loss of confidence in the Greek economy. The economic crisis in Greece exposed problems with the institutional architecture of the Eurozone and lead to increased uncertainty throughout financial markets.

Disclosures

These materials are provided for general informational and educational purposes based in part upon publicly available information from sources believed to be reliable. While we have taken great care in the preparation of these materials, we cannot be responsible for clerical, computational, or other errors. While we have relied on sources we believe to be reliable, the values reflected in this request may differ from their reported values due to varying reporting methods and valuation methods used by custodians other than those affiliated with us. We cannot assure the accuracy of these reports, nor of the information provided to us and reflected in this report.

Important: **The projections or other information generated by the Wealth Strategies Analysis Tool regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Results generated by a Monte Carlo analysis will vary with each use and over time because each portfolio simulation is randomly generated.**

Any samples included in this analysis are not recommendations to pursue any estate planning or asset allocation strategy. They are shown for illustration purposes only. Since the future cannot be forecast, actual results will vary from the information shown for the future, including estimates and assumptions. The results may vary with each use and over time. It is possible that these variations may be material. The degree of uncertainty normally increases with the length of the future period covered. As a result, Morgan Stanley Wealth Management cannot give any assurances that any estimates, assumptions or other aspects of the following analyses will prove correct. They are subject to actual known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those shown.

Investing in financial instruments carries with it the possibility of losses and that a focus on above-market returns exposes the portfolio to above-average risk. Hypothetical performance illustrations are not guaranteed and are subject to market conditions. High volatility investments may be subject to sudden and large falls in value, and there could be a large loss on realization which could be equal to the amount invested.

Asset allocation does not assure profit or protect against loss in declining financial markets. Certain assumptions may have been made in the analyses that have resulted in the estimated return contained herein. Any change in these assumptions may have a material impact on any estimated returns.

Many of the views and opinions contained herein regarding asset allocation were prepared by Morgan Stanley Wealth Management and may differ materially from that of others at the Company. Nothing in this allocation is designed to constitute an individual investment plan which should only be devised after discussion with your Financial Advisor.

This Wealth Strategies Analysis Tool may contain historical asset class return data and statistically generated data from 1990-2017 which are not used to forecast potential return but rather to identify relative patterns of behavior among asset classes which when put in different combinations assume various levels of risk.

Blended index portfolio performance is shown for illustration purposes only. Hypothetical performance has inherent limitations and does not reflect actual performance, trading or decision making. The results vary and reflect material economic or market factors such as liquidity constraints or volatility, which have an important impact on decision making and actual performance.

Annualized return performance shown in this presentation does not reflect deduction of investment advisory fees; had they and other fees incurred in the management of the account been reflected the performance would have been lower; the investment advisory fees are described in Part II of the Morgan Stanley Form ADV; For example, for an account with an annual advisory fee of 2% deducted monthly, if the annual gross performance is 10%, the compounding effect of the fee will result in a net annual compound rate of return of approximately 7.93%. After a three-year period with an initial investment of $100,000, the total value of the client’s account would be approximately $133,100 without the fee and $125,716 with the fee.

Past performance is no guarantee of future results. These materials do not constitute an offer to either buy or sell securities or to participate in any trading strategy.

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

Disclosures (Continued)

This report was prepared using a brokerage tool and not an advisory tool. This report is not a financial plan and does not create an investment advisory relationship between you and your Morgan Stanley Wealth Management 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 Wealth Management will only prepare a financial plan at your specific request using Wealth Management approved financial planning software.

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 Financial 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 Financial Advisor, may vary by product and over time.

Morgan Stanley Investment Advisory Programs -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 a client's specific investment objectives and financial position, may not be appropriate for the client.

Generally, investment advisory accounts are subject to an annual asset-based fee (the "Fee") which is payable monthly in advance (some account types may be billed differently). In general, the Fee covers Morgan Stanley investment advisory services, custody of securities with Morgan Stanley, trade execution with or through Morgan Stanley or its affiliates, as well as compensation to any Morgan Stanley Financial Advisor.

In addition, each account that is invested in a program that is eligible to purchase certain investment products, such as mutual funds, will also pay a Platform Fee (which is subject to a Platform Fee offset) as described in the applicable ADV brochure. Accounts invested in the Select UMA program may also pay a separate Sub-Manager fee, if applicable.

If your account is invested in mutual funds or exchange traded funds (collectively "funds"), you will pay the fees and expenses of any funds in which your account is invested. Fees and expenses are charged directly to the pool of assets the fund invests in and are reflected in each fund's share price. These fees and expenses are an additional cost to you and would not be included in the Fee amount in your account statements. The advisory program you choose is described in the applicable Morgan Stanley Smith Barney LLC ADV Brochure, available at www.morganstanley.com/ADV.

Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's Separately Managed Account ("SMA") programs may effect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instance, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-Managers concerning trade execution away from Morgan Stanley is summarized at: http://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, or contact your Financial Advisor / Private Wealth Advisor.

The investment management services of Morgan Stanley Smith Barney LLC and investment vehicles managed by Morgan Stanley Smith Barney LLC or its affiliates are not guaranteed and could result in the loss of value to your account. You should note that investing in financial instruments carries with it the possibility of losses and that a focus on above-market returns exposes the portfolio to above-average risk. Performance aspirations are not guaranteed and are subject to market conditions.

Morgan Stanley Smith Barney LLC does not provide tax or legal advice. We strongly recommend that you consult your own legal and tax adviser to determine whether the analyses in these materials apply to your personal circumstances. Particular, legal, accounting and tax implications applicable to you, as well as margin requirements and transaction costs may significantly affect the structure discussed and we do not represent that the results indicated will be achieved by you.

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

CRC 3863025 02/2024

Blackstone

NOVEMBER 2025

Blackstone Infrastructure Strategies (BXINFRA)

BXINFRA is a perpetual solution that offers eligible individual investors access to Blackstone's premier infrastructure platform with leading "pure-play" investments across our high-conviction themes.(1)

$3.6B net asset value (NAV)

11.5% Class I YTD performance

$27.34 Class I NAV per share

3.1% Class I annualized distribution rate(2)

Digital

Largest Data Center Operator in APAC(3)(4)

Energy

Largest Independent Renewables Developer in North America(3)(5)

Transportation

Largest US Marinas Platform(3)(6)

Performance Summary(7)

(total return as % net of fees)

Share Class	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	YTD/ITD
Class I	1.5%	0.7%	0.6%	0.1%	0.9%	0.9%	0.5%	1.5%	1.4%	1.1%	1.9%	11.5%
Class S	1.5%	0.6%	0.5%	0.0%	0.7%	0.9%	0.4%	1.4%	1.3%	1.0%	1.8%	10.6%

Past performance does not predict future returns. No up-front sales load will be paid with respect to Class S shares; however, if you buy Class S shares through certain financial intermediaries, they may directly charge you upfront selling commissions or placement fees, subscription fees, or similar fees, in such amount as they may determine, provided that selling agents limit such charges up to 3.5% of NAV on Class S Units sold in the offering. Selling agents will not charge such fees on Class I shares. Investors are advised that actual returns could vary significantly from those shown herein. See "Additional Detail on Performance Methodology" at the back of this material for further information on the Fund's determination of NAV. See "Summary of Risk Factors" including "Leverage; Use of Leverage." Not all Unit classes are available through all intermediaries.

Note: Financial information is approximate and as of November 30, 2025, and is latest available. When used in this document, and unless otherwise specified or unless the context otherwise requires, references to "BXINFRA" should be read as references to Blackstone Infrastructure Strategies L.P. (the "Fund"), Blackstone Infrastructure Strategies Fund (TE) L.P., Blackstone Infrastructure Strategies Fund (CYM) SPC, and its consolidated subsidiaries and any parallel entities. BXINFRA has only recently commenced operations and has limited operating history. Please refer to page 4 for additional sourcing and disclosure information. There can be no assurance that pending or future initiatives will occur as expected or at all. See "Summary of Risk Factors" and "Important Disclosure Information," including "Opinions," "Logos," "Estimates / Targets," "Forward-Looking Statements," and "Case Studies." INVESTMENT PRODUCTS | NOT FDIC INSURED | NO BANK GUARANTEE | MAY LOSE VALUE

Transaction Spotlight[8]

NIPSCO

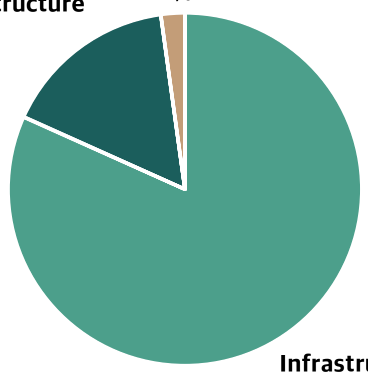
#1
fastest-growing utility in the US[9]

In December 2023, Blackstone invested in NIPSCO, a fully-regulated utility providing essential electric and natural gas services in Northern Indiana.

In November 2025, NIPSCO announced the construction of natural gas power generation and battery storage to power local Amazon data centers – an arrangement expected to help NIPSCO deliver reliable power to Amazon while generating ~$1 billion in electricity bill savings for other customers.

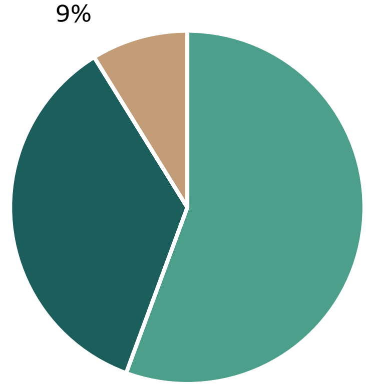
Strategy Breakdown[10]

(% of FMV excluding liquid investments)



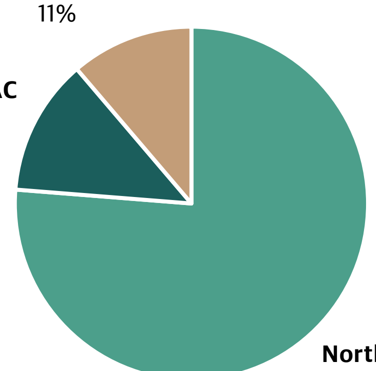
Theme Breakdown[11]

(% of FMV excluding liquid investments)



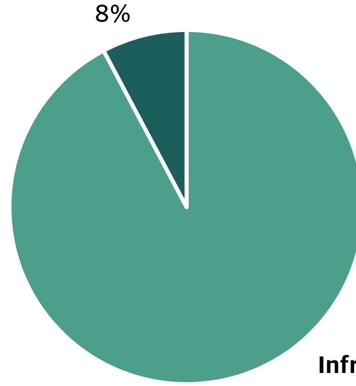
Regional Breakdown[11]

(% of FMV excluding liquid investments)



Portfolio Breakdown[12]

(% of FMV)



Note: FMV represents the fair market value of BXINFRA's portfolio, excluding any gain or loss on currency hedges and other look-through assets and liabilities pertaining to BIP and BIP-Europe fund positions. Totals may not sum due to rounding. There can be no assurance that pending or future transactions will close as expected or at all. See "Summary of Risk Factors" and "Important Disclosure Information," including "Opinions," "Logos," and "Case Studies."

Summary of Key Terms[13]

Key Terms	Description	
Product	▪ BXINFRA is a private partnership focused on privately negotiated infrastructure assets diversified across geographies and sectors[15]	
Structure	▪ Delaware limited partnership available to investors that qualify as Qualified Purchasers and Accredited Investors ▪ Registered under '34 Act with public filing requirements (e.g., 10-Ks, 10-Qs)	
Base Currency	▪ USD	
Initial Investment	▪ $10,000	
Subscriptions	▪ Monthly purchases at NAV as of the first calendar day of each month, fully funded; subscription requests must be received at least five business days prior to the first calendar day of the month[16]	
Distributions	▪ Quarterly[17]	
Unit Redemption Plan	▪ Quarterly redemptions will be made at a redemption price equal to the NAV per unit of the applicable class as of the last calendar day of the immediately preceding calendar quarter ▪ Units not held for at least two years will be redeemed at 95% of that calendar quarter's redemption price ▪ BXINFRA will redeem up to 3% of outstanding units (by number of units), effective as of the first calendar day of the first month of the applicable calendar quarter ▪ Redemption requests and required documentation may be submitted beginning the 15th calendar day of the first month in the particular calendar quarter and until 4pm on the 10th business day of the second month of the calendar quarter[18] ▪ BXINFRA's General Partner may choose to redeem fewer units than have been requested in any particular quarter, or none at all, in its discretion at any time ▪ Any unit redemptions will be made in accordance with, and subject to the conditions of, BXINFRA's unit redemption plan and its limited partnership agreement, each as amended or amended and restated from time to time	
Leverage	▪ Below 30% of total assets[19]	
Advisor Fees		
Management Fee	▪ 1.25% per annum of NAV, payable monthly; early investors will benefit from a management fee holiday through the first six months following the initial closing date	
Performance Fee	▪ 12.5% of the annual total return, subject to a 5% annual hurdle amount and a high-water mark, with a 100% catch-up, payable quarterly[20]	
Administration Fee	▪ 0.10% per annum of NAV, payable monthly	
Unit Class Fees	**Class S**	**Class I**
Availability	▪ Through transactional / brokerage accounts	▪ Through fee-based (wrap) programs, registered investment advisers and other institutional and fiduciary accounts
Initial Investment	▪ $10,000	▪ $10,000
Add-On Investments	▪ $1,000	▪ $1,000
Subscription Fee	▪ Up to 3.5%	▪ None
Servicing Fee	▪ 0.85%	▪ None

Note: The information above is presented as a summary of certain principal terms only. Organizational and Offering Expenses will be advanced by Blackstone through the first year. After BXINFRA's first anniversary, the Fund will reimburse the Organizational and Offering Expenses incurred ratably over the following five years. BXINFRA bears all expenses of its operations. See Endnotes 13–19 for more information on the Offering Terms. Bonus units may not be declined, which will decrease the per-unit cost basis for first-closers who should be aware that taxes, where applicable, will apply to all units issued. Investors and their advisors should consider each investor's individual circumstances prior to making an investment decision. No data provided should be considered investment, tax, accounting, or legal advice.

Endnotes

1. There can be no assurance that pending or future transactions will close as expected or at all. Future results are inherently uncertain and subject to many factors, including market conditions and general economic conditions and actual results may vary materially from the estimated information set forth herein. There can be no assurance that BXINFRA will source or execute transactions relating to the themes and opportunities noted herein.
2. Annualized Distribution Rate reflects the distribution declared in September annualized and divided by last reported NAV from June. Past performance does not predict future returns. Distributions have been and may in the future be funded through sources other than net investment income. See BXINFRA's PPM. Please visit the Shareholders page on BXINFRA's website for notices regarding distributions subject to Section 19(a) of the Investment Company Act of 1940. We cannot guarantee that we will make distributions, and if we do we may fund such distributions from sources other than cash flow from operations, including the sale of assets, borrowings, return of capital, or offering proceeds, and although we generally expect to fund distributions from cash flow from operations, we have not established limits on the amounts we may pay from such sources. As of November 30, 2025, 100% of inception to date distributions were funded from net investment income or realized short-term capital gains, rather than a return of capital. A return of capital (1) is a return of the original amount invested, (2) does not constitute earnings or profits and (3) will have the effect of reducing the basis such that when a shareholder sells its shares the sale may be subject to taxes even if the shares are sold for less than the original purchase price. Distributions may also be funded in significant part, directly or indirectly, from temporary waivers or expense reimbursements borne by the Adviser or its affiliates, that may be subject to reimbursement to the Adviser or its affiliates. The repayment of any amounts owed to our affiliates will reduce future distributions to which you would otherwise be entitled.
3. The examples are presented for illustrative purposes only and may not be representative of all investments. There is no assurance that: (i) BXINFRA will make comparable investments in the future, or that any Blackstone fund or investment will achieve its objectives or avoid significant losses; or (ii) pending or future transactions, including closing BXINFRA's remaining commitments, will occur as expected or at all. The investment examples presented reflect an objective, non-performance-based standard of showing deals that illustrate BXINFRA's high-conviction themes and represent the types of investments that may be made by BXINFRA. Represents Blackstone's view of the current market environment as of the date of these materials only.
4. Source: DC Byte (September 2024). Largest in terms of contracted capacity and land bank size. Excludes platforms with single market exposure.
5. Source: BNEF (April 2023). #1 independent renewables developer by total developed capacity.
6. Source: Company reporting (December 2024).
7. Represents BXINFRA. Returns shown reflect the percentage change in the NAV per unit from the beginning of the applicable period, plus the amount of any distribution per unit declared in the period. Returns shown are reflective of each unit class and not of an individual investor. Return information is not a measure used under GAAP. All returns shown assume reinvestment of distributions pursuant to BXINFRA's distribution reinvestment plan, are derived from unaudited financial information, and are net of all BXINFRA expenses, including general and administrative expenses, transaction-related expenses, management fees, performance participation allocation, and unit class-specific fees. Returns exclude the impact of early repurchase deductions on the repurchase of units that have been outstanding for less than two years. Class S performance excludes upfront subscription fees and dealer manager fees which will reduce returns. **Past performance does not predict future returns.** There can be no assurance that any Blackstone fund or investment will achieve its objectives or avoid substantial losses. The returns have been prepared using unaudited data and valuations of the underlying investments in BXINFRA's portfolio, which are estimates of fair value and form the basis for BXINFRA's NAV. Valuations based upon unaudited reports from the underlying investments may be subject to later adjustments, may not correspond to realized value and may not accurately reflect the price at which assets could be liquidated. As return information is calculated based on NAV, return information presented will be impacted should the assumptions on which NAV was determined prove to be incorrect. See "Additional Detail on Performance Methodology" for further information on BXINFRA's determination of NAV.
8. The example is presented for illustrative purposes only and may not be representative of all investments. There is no assurance that: (i) BXINFRA will make comparable investments in the future, or that any Blackstone fund or investment will achieve its objectives or avoid significant losses; or (ii) pending or future transactions, including closing BXINFRA's remaining commitments, will occur as expected or at all. The investment example presented reflects an objective, non-performance-based standard of showing deals in the last twelve months that illustrate BXINFRA's high-conviction themes and represent the types of investments that may be made by BXINFRA. Represents Blackstone's view of the current market environment as of the date of these materials only.
9. Per Company and peers' investor presentations; excludes utilities with less than 700,000 customers.
10. "Strategy Breakdown" is calculated as the value of each asset type divided by the asset value of all BXINFRA investments, excluding liquid investments (defined as "Debt and Other Securities" in the PPM).
11. "Theme Breakdown" and "Regional Breakdown" are calculated as the value of each asset type divided by the asset value of all BXINFRA investments, excluding multi-asset credit & secondaries and liquid investments (defined as "Debt and Other Securities" in the PPM).
12. "Portfolio Breakdown" is calculated as the value of each asset type divided by the asset value of all BXINFRA investments.
13. This information is presented as a summary of certain principal terms only and is qualified in its entirety by the more detailed "Summary of Terms" in BXINFRA's PPM. In the event of a discrepancy between the terms presented above and those set forth in the PPM, the PPM shall control.
14. There is no guarantee BXINFRA will be diversified. Diversification does not assure a profit or protect against losses in a declining market.
15. NAV per unit will generally be available within 20 days of month-end.
16. There is no assurance we will pay distributions in any particular amount, if at all. Any distributions we make will be at the discretion of our general partners. We may fund distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds and we have no limits on the amounts we may pay from such sources.

Endnotes

17. Quarterly repurchase offers are expected but not guaranteed. Settlements of redemptions will generally be made within three business days of the redemption window close pursuant to a binding, non-interest bearing, non-transferable promissory note issued by BXINFRA and held by the transfer agent for the benefit of all redeeming unitholders. Pursuant to the terms of the promissory note, BXINFRA will pay the cash amount due under the promissory note to redeeming unitholders on or before 65 calendar days after the redemption window close. See BXINFRA's website at www.bxinfra.com for the 2025 Redemption Calendar.

18. From time to time, the leverage limit may be exceeded, subject to independent Board approval and certain other conditions.

19. Such allocation will be measured on a calendar year basis, be paid quarterly and accrue monthly (subject to pro-rating for partial periods). For the first calendar year of BXINFRA's operations, the allocation will be paid at the end of such first calendar year, and thereafter, the allocation will be paid quarterly.

Additional Detail on Performance Methodology

This material contains references to our net asset value ("NAV") and NAV-based calculations, which involve significant professional judgment. Our NAV is generally equal to the fair value of our assets less outstanding liabilities, calculated in accordance with BXINFRA valuation policy. The calculated value of our assets and liabilities may differ from our actual realizable value or future value which would affect the NAV as well as any returns derived from that NAV, and ultimately the value of your investment. As return information is calculated based on NAV, return information presented will be impacted should the assumptions on which NAV was determined prove to be incorrect. NAV in accordance with our valuation policy may differ from the Fund's net asset value as determined in accordance with accounting principles generally accepted in the United States of America.

Summary of Risk Factors

BXINFRA is an investment program designed to offer eligible individual and other investors access to Blackstone's infrastructure platform (the "Infrastructure Platform"). BXINFRA seeks to meet its investment objectives by investing primarily in infrastructure equity, secondaries and credit strategies leveraging the talent and investment capabilities of Blackstone's Infrastructure Platform to create an attractive portfolio of alternative infrastructure investments. Investing in our limited partnership units ("Units") involves a high degree of risk. If we are unable to effectively manage the impact of these risks, we may not meet our investment objectives and, therefore, you should purchase our Units only if you can afford a complete loss of your investment. You should carefully review our private placement memorandum and other Fund documents (the "Offering Documents") for a description of the risks associated with an investment in BXINFRA. Anything stated herein is qualified in its entirety by the Offering Documents. These risks include, but are not limited to, the following:

- Although the investment professionals of the Sponsor and Blackstone have extensive investment experience generally, including extensive experience operating and investing for the Infrastructure Platform, BXINFRA has limited operating history. Therefore, prospective investors will have a limited track record or history upon which to base their investment decision. The Sponsor cannot provide assurance that it will be able to successfully implement BXINFRA's investment strategy, or that investments made by BXINFRA will generate expected returns.
- Our continuous private offering is a "blind pool" offering and thus you will not have the opportunity to evaluate our future investments before we make them.
- We do not intend to list our Units on any securities exchange, and we do not expect a secondary market in our Units to develop. In addition, there are limits on the ownership and transferability of our Units. For example, we may restrict transfers that would violate the Securities Act of 1933, as amended, any state securities laws or other applicable laws, cause us to lose our status as a partnership under the U.S. Internal Revenue Code of 1986, as amended, or become required to register under the Investment Company Act of 1940, as amended. As such, BXINFRA can be described as illiquid in nature.
- We have implemented a Unit repurchase program, but there is no guarantee we will be able to make such repurchases and if we do only a limited number of Units will be eligible for repurchase and repurchases will be subject to available liquidity and other significant restrictions. This means that an investment in our Units will be more illiquid than other investment products or portfolios. In addition, and subject to limited exceptions, any repurchase request of Units that have not been outstanding for at least two years will be subject to the Early Repurchase Deduction.
- An investment in our Units is not suitable for you if you need ready access to the money you invest.
- Unitholders are not entitled to nominate or vote in the election of BXINFRA's directors. Further, Unitholders are not able to bring matters before meetings of Unitholders or nominate directors at such meeting, nor are they generally able to submit Unitholder proposals under Rule 14a-8 of the Securities Exchange Act of 1934. Overall responsibility for BXINFRA's oversight rests with the General Partner, subject to certain oversight rights held by each of the Fund's and the Feeder's Board of Directors.
- BXINFRA's partnership agreements designate courts in the State of Delaware or, to the extent subject matter jurisdiction exists, the federal district courts of the United States in the States of Delaware as the exclusive forum for actions or proceedings related to BXINFRA's partnership agreements or federal securities laws and the rules and regulations thereunder, which could limit our Unitholders' ability to obtain a favorable judicial forum.
- The purchase and repurchase price for our Units are based on our net asset value ("NAV") and are not based on any public trading market. While there will be independent valuations of our direct investments from time to time, the valuation of infrastructure investments is inherently subjective and our NAV may not accurately reflect the actual price at which our investments could be liquidated on any given day.
- The acquisition of our investments may be financed in substantial part by borrowing, which increases our exposure to loss. The use of leverage involves a high degree of financial risk and will increase the exposure of the investments to adverse economic factors.
- The infrastructure industry generally, and BXINFRA's investment activities in particular, are affected by general economic and market conditions, such as interest rates, availability and spreads of credit, credit defaults, inflation rates, economic uncertainty, changes in tax, currency control and other applicable laws and regulations, trade barriers, technological developments and national and international political, environmental and socioeconomic circumstances. Identifying, closing and realizing attractive infrastructure investments that fall within BXINFRA's investment mandate is highly competitive and involves a high degree of uncertainty.
- BXINFRA's investments may be concentrated at any time in a limited number of sectors, geographies or investments, and, as a consequence, may be more substantially affected by the unfavorable performance of even a single investment as compared to a more diversified portfolio.
- We are dependent on the Sponsor to conduct our operations, as well as the persons and firms the Sponsor retains to provide services on our behalf. The Sponsor will face conflicts of interest as a result of, among other things, the allocation of investment opportunities among us and Other Blackstone Accounts, the allocation of time of its investment professionals and the substantial fees that we will pay to the Sponsor.

Financial information is approximate and as of November 30, 2025, unless otherwise indicated. The words "BXINFRA," "we," "us," and "our" refer to Blackstone Infrastructure Strategies L.P. ("BXINFRA U.S."), Blackstone Infrastructure Strategies (TE) L.P. (the "Feeder"), BXINFRA Aggregator (CYM) L.P (the "Aggregator") and its consolidated subsidiaries and any Parallel Funds (as defined in the Offering Documents), as the context requires.

Conflicts of Interest. There may be occasions when BXINFRA's investment manager, and its affiliates will encounter potential conflicts of interest in connection with BXINFRA's activities, including, without limitation, the allocation of investment opportunities, relationships with Blackstone's and its affiliates' investment banking and advisory clients, and the diverse interests of BXINFRA's investor group. There can be no

Summary of Risk Factors (cont'd)

assurance that Blackstone will identify, mitigate, or resolve all conflicts of interest in a manner that is favorable to BXINFRA.

Diversification; Potential Lack Thereof. Diversification is not a guarantee of either a return or protection against loss in declining markets. The number of investments which BXINFRA makes may be limited, which would cause BXINFRA's investments to be more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect thereto. There is no assurance that any of BXINFRA's investments will perform well or even return capital; if certain investments perform unfavorably, for BXINFRA to achieve above-average returns, one or a few of its investments must perform very well. There is no assurance that this will be the case. In addition, certain geographic regions and/or industries in which BXINFRA is heavily invested may be more adversely affected from economic pressures when compared to other geographic regions and/or industries.

Exchange Currency Risk. BXINFRA is denominated in US dollars (USD). Unitholders holding units with a functional currency other than USD should acknowledge that they are exposed to fluctuations of the USD foreign exchange rate and/or hedging costs, which may lead to variations on the amount to be distributed. This risk is not considered in the indicator shown above. BXINFRA will incur expenses in multiple currencies, meaning that payments may increase or decrease as a result of currency exchange fluctuations.

Highly Competitive Market for Investment Opportunities. The activity of identifying, completing and realizing attractive investments is highly competitive, and involves a high degree of uncertainty. There can be no assurance that BXINFRA will be able to locate, consummate and exit investments that satisfy its objectives or realize upon their values or that BXINFRA will be able to fully invest its available capital. There is no guarantee that investment opportunities will be allocated to BXINFRA and/or that the activities of Blackstone's other funds will not adversely affect the interests of BXINFRA.

Lack of Liquidity. There is no current public trading market for the shares, and Blackstone does not expect that such a market will ever develop. Therefore, repurchase of shares by BXINFRA will likely be the only way for you to dispose of your units. BXINFRA expects to repurchase units at a price equal to the applicable net asset value as of the redemption date and not based on the price at which you initially purchased your units. Units redeemed within two years of the date of issuance will be redeemed at 95% of the applicable net asset value as of the redemption date, unless such deduction is waived by BXINFRA in its discretion, including without limitation in case of redemptions resulting from death, qualifying disability or divorce. As a result, you may receive less than the price you paid for your units when you sell them to BXINFRA pursuant to BXINFRA's Unit repurchase program. The vast majority of BXINFRA's assets are expected to consist of private infrastructure investments and other investments that cannot generally be readily liquidated without impacting BXINFRA's ability to realize full value upon their disposition. Therefore, BXINFRA may not always have a sufficient amount of cash to immediately satisfy redemption requests. As a result, your ability to have your units redeemed by BXINFRA may be limited and at times you may not be able to liquidate your investment.

Leverage; Borrowings Under a Subscription Facility. A Fund may use leverage, and a Fund may utilize borrowings from Blackstone Inc. or under its subscription-based credit facility in advance of or in lieu of receiving investors' capital contributions. The use of leverage or borrowings magnifies investment, market and certain other risks and may be significant. A Fund's performance will be affected by the availability and terms of any leverage as such leverage will enhance returns from investments to the extent such returns exceed the costs of borrowings by such Fund. The leveraged capital structure of such assets will increase their exposure to certain factors such as rising interest rates, downturns in the economy, or deterioration in the financial condition of such assets or industry. In the event an investment cannot generate adequate cash flow to meet its debt service, a Fund may suffer a partial or total loss of capital invested in the investment, which may adversely affect the returns of such Fund. In the case of borrowings used in advance of or in lieu of receiving investors' capital contributions, such use will result in higher or lower reported returns than if investors' capital had been contributed at the inception of an investment because calculations of returns to investors are based on the payment date of investors' capital contributions. In addition, because a Fund will pay all expenses, including interest, associated with the use of leverage or borrowings, investors will indirectly bear such costs.

Leverage; Use of Leverage. BXINFRA intends to borrow money. If returns on such investment exceed the costs of borrowing, investor returns will be enhanced. However, if returns do not exceed the costs of borrowing, BXINFRA performance will be depressed. This includes the potential for BXINFRA to suffer greater losses than it otherwise would have. The effect of leverage is that any losses will be magnified. The use of leverage involves a high degree of financial risk and will increase BXINFRA's exposure to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of the Investments. This leverage may also subject BXINFRA and its Investments to restrictive financial and operating covenants, which may limit flexibility in responding to changing business and economic conditions. For example, leveraged entities may be subject to restrictions on making interest payments and other distributions.

No Assurance of Investment Return. Prospective investors should be aware that an investment in BXINFRA is speculative and involves a high degree of risk. There can be no assurance that BXINFRA will achieve comparable results, implement its investment strategy, achieve its objectives or avoid substantial losses or that any expected returns will be met (or that the returns will be commensurate with the risks of investing in the type of transactions described herein).

The portfolio companies in which BXINFRA may invest (directly or indirectly) are speculative investments and will be subject to significant business and financial risks. BXINFRA's performance may be volatile. An investment should only be considered by eligible investors who can afford to lose all or a substantial amount of their investment. A Fund will incur costs which will impact on the investment return throughout the life of such Fund. Fund costs may include, for example: fund management; fund administration and servicing; legal; compliance; record-keeping; certain kinds of distribution charges; and other operating costs. A Fund's fees and expenses may offset or exceed its profits. A more detailed description of relevant fund costs and expenses is included in a Fund's offering documents.

Recent Market Events Risk. Local, regional, or global events such as war (e.g., Russia / Ukraine), acts of terrorism, public health issues like pandemics or epidemics (e.g., COVID-19), recessions, or other economic, political and global macro factors and events could lead to a substantial economic downturn or recession in the US and global economies and have a significant impact on BXINFRA and its investments. The recovery from such downturns is uncertain and may last for an extended period of time or result in significant volatility, and many of the risks discussed herein associated with an investment in BXINFRA may be increased.

Reliance on Key Management Personnel. The success of BXINFRA will depend, in large part, upon the skill and expertise of certain Blackstone professionals. In the event of the death, disability or departure of any key Blackstone professionals, the business and the performance of BXINFRA may be adversely affected. Some Blackstone professionals may have other responsibilities, including senior management responsibilities, throughout Blackstone and, therefore, conflicts are expected to arise in the allocation of such personnel's time (including as a result of such personnel deriving financial benefit from these other activities, including fees and performance-based compensation).

Risk of Capital Loss. BXINFRA offers no capital protection guarantee. This investment involves a significant risk of capital loss and should only be made if an investor can afford the loss of its entire investment. There

Summary of Risk Factors (cont'd)

Risks of Secondary Investing. The funds managed by Strategic Partners (the "SP Funds") expect to invest primarily in third-party-sponsored private investment funds ("Underlying Funds") and, indirectly, in investments selected by such unrelated sponsors. The interests in which the SP Funds seek to invest are highly illiquid and typically subject to significant restrictions on transfer, including a requirement for approval of the transfer by the general partner or the investment manager of the Underlying Funds. The SP Funds will not have an active role in the management of the Underlying Funds or their portfolio investments. The overall performance of the SP Funds will depend in large part on the acquisition price paid by the SP Funds for secondary investments and on the structure of the acquisitions. The performance of the SP Funds will be adversely affected in the event the valuations assumed by Strategic Partners in the course of negotiating acquisitions of investments prove to be too high. The activity of identifying and completing attractive secondary investments is highly competitive and involves a high degree of uncertainty. There can be no assurance that the SP Funds will be able to identify and complete investments which satisfy their rate of return objectives, or that they will be able to invest fully their committed capital. In many cases, the SP Funds expect to have the opportunity to acquire portfolios of Underlying Funds from sellers on an 'all or nothing' basis. It may be more difficult for Strategic Partners to successfully value and close on investments being sold on such basis. In addition, the SP Funds may invest with third parties through joint ventures, structured transactions and similar arrangements. These arrangements may expose the SP Funds to risks associated with counterparties in addition to the risks associated with the Underlying Funds and their managers and portfolio companies.

Sustainability Risks. BXINFRA may be exposed to an environmental, social or governance event or condition that, if it occurs, could have a material adverse effect, actual or potential, on the value of the investments made by BXINFRA. Blackstone seeks to identify material sustainability risks as part of its investment process.

Target Allocations. There can be no assurance that BXINFRA will achieve its objectives or avoid substantial losses. Allocation strategies and targets depend on a variety of factors, including prevailing market conditions and investment availability. There is no guarantee that such strategies and targets will be achieved and any particular investment may not meet the target criteria.

Important Disclosure Information

This document (together with any attachments, appendices, and related materials, the "Materials") is provided on a confidential basis for informational due diligence purposes only and is not, and may not be relied on in any manner as legal, tax, investment, accounting or other advice or as an offer to sell, or a solicitation of an offer to buy, any security or instrument in or to participate in any trading strategy with any Blackstone fund, account or other investment vehicle (each a "Fund"), nor shall it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. If such offer is made, it will only be made by means of an offering memorandum (collectively with additional offering documents, the "Offering Documents"), which would contain material information (including certain risks of investing in such Fund) not contained in the Materials and which would supersede and qualify in its entirety the information set forth in the Materials. Any decision to invest in a Fund should be made after reviewing the Offering Documents of such Fund, conducting such investigations as the investor deems necessary and consulting the investor's own legal, accounting and tax advisers to make an independent determination of the suitability and consequences of an investment in such Fund. In the event that the descriptions or terms described herein are inconsistent with or contrary to the descriptions in or terms of the Offering Documents, the Offering Documents shall control. None of Blackstone, its funds, nor any of their affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein and nothing contained herein should be relied upon as a promise or representation as to past or future performance of a Fund or any other entity, transaction, or investment. All information is as November 30, 2025 ("Reporting Date"), unless otherwise indicated and may change materially in the future. Capitalized terms used herein but not otherwise defined have the meanings set forth in the Offering Documents.

The Materials contain highly confidential information regarding Blackstone and a Fund's investments, strategy and organization. Your acceptance of the Materials constitutes your agreement that the Materials are designated as "trade secret" and "highly confidential" by Blackstone and are neither publicly available nor do they constitute a public record and that you shall (i) keep confidential all the information contained in the Materials, as well as any information derived by you from the information contained in the Materials (collectively, "Confidential Information") and not disclose any such Confidential Information to any other person (including in response to any Freedom of Information Act, public records statute, or similar request), (ii) not use any of the Confidential Information for any purpose other than to evaluate or monitor investments in a Fund, (iii) not use the Confidential Information for purposes of trading securities, including, without limitation, securities of Blackstone or its portfolio companies, (iv) except to download the Materials from BXAccess, not copy the Materials without the prior consent of Blackstone, and (v) promptly return any or all of the Materials and copies hereof to Blackstone upon Blackstone's request, in each case subject to the confidentiality provisions more fully set forth in a Fund's Offering Documents and any other written agreement(s) between the recipient and Blackstone, a current or potential portfolio company, or a third-party service provider engaged by Blackstone in connection with evaluation of a potential investment opportunity.

Blackstone Securities Partners L.P. ("BSP") is a broker dealer whose purpose is to distribute Blackstone managed or affiliated products. BSP provides services to its Blackstone affiliates, not to investors in its funds, strategies or other products. BSP does not make any recommendation regarding, and will not monitor, any investment. As such, when BSP presents an investment strategy or product to an investor, BSP does not collect the information necessary to determine and BSP does not engage in a determination regarding whether an investment in the strategy or product is in the best interests of, or is suitable for, the investor. You should exercise your own judgment and/or consult with a professional advisor to determine whether it is advisable for you to invest in any Blackstone strategy or product. Please note that BSP may not provide the kinds of financial services that you might expect from another financial intermediary, such as overseeing any brokerage or similar account. For financial advice relating to an investment in any Blackstone strategy or product, contact your own professional advisor.

Access to Information from Underlying Funds. Strategic Partners may not always receive full information from Underlying Funds because certain of this information may be considered proprietary by an Underlying Fund. An Underlying Fund's use of proprietary investment strategies that are not fully disclosed to Strategic Partners may involve risks under some market conditions that are not anticipated by Strategic Partners. Furthermore, this lack of access to information may make it more difficult for Strategic Partners to select and evaluate Underlying Funds.

Aggregated Returns. The calculation of combined or composite net IRR / net returns takes the aggregate limited partner cash flows by actual date from inception of the strategy through the current quarter end and uses the terminal value (including unrealized investments) as of the current quarter end to comprise an overall return for the strategy. This calculation is hypothetical in nature. The actual realized returns on the unrealized investments used in this calculation may differ materially from the returns indicated herein. In addition, the actual returns of each Blackstone fund, account or investment vehicle included in such combined or composite returns may be higher or lower than the Aggregated Returns presented. Furthermore, no limited partner has necessarily achieved the combined or composite returns presented in such performance information, because a limited partner's participation in the applicable funds, accounts and/or investment vehicles may have varied. Hypothetical performance has certain inherent risks and limitations. These results do not represent the performance of any single fund, account or portfolio, the investments were not made by a single fund with coordinated objectives, guidelines and restrictions and did not in all cases involve the same Blackstone professionals who will be involved in the management of any such strategy in the future. Such hypothetical performance is not an indication of future results, and no representation is being made that any fund, account or portfolio will or is likely to achieve profits or losses similar to these being shown. Results of an actual portfolio may be materially lower.

Blackstone Proprietary Data. Certain information and data provided herein is based on Blackstone proprietary knowledge and data. Portfolio companies may provide proprietary market data to Blackstone, including about local market supply and demand conditions, current market rents and operating expenses, capital expenditures, and valuations for multiple assets. Such proprietary market data is used by Blackstone to evaluate market trends as well as to underwrite potential and existing investments. While Blackstone currently believes that such information is reliable for purposes used herein, it is subject to change, and reflects Blackstone's opinion as to whether the amount, nature and quality of the data is sufficient for the applicable conclusion, and no representations are made as to the accuracy or completeness thereof.

Case Studies. The selected investment examples, case studies and/or transaction summaries presented or referred to herein may not be representative of all transactions of a given type or of investments generally and are intended to be illustrative of the types of investments that have been made or may be made by a Fund in employing such Fund's investment strategies. It should not be assumed that a Fund will make equally successful or comparable investments in the future. Moreover, the actual investments to be made by a Fund or any other future fund will be made under different market conditions from those investments presented or referenced in the Materials and may differ substantially from the investments presented herein as a result of various factors. Prospective investors should also note that the selected investment examples, case studies and/or transaction summaries presented or referred to herein have involved Blackstone professionals who will be involved with the management and operations of a Fund as well as other Blackstone personnel who will not be involved in the

Important Disclosure Information (cont'd)

management and operations of such Fund. Certain investment examples described herein may be owned by investment vehicles managed by Blackstone and by certain other third-party equity partners, and in connection therewith Blackstone may own less than a majority of the equity securities of such investment. Further investment details are available upon request.

ERISA Fiduciary Disclosure. The foregoing information has not been provided in a fiduciary capacity under ERISA, and it is not intended to be, and should not be considered as, impartial investment advice.

Estimates / Targets. Any estimates, targets, forecasts, or similar predictions or returns set forth herein are based on assumptions and assessments made by Blackstone that it considers reasonable under the circumstances as of the date hereof. They are necessarily speculative, hypothetical, and inherently uncertain in nature, and it can be expected that some or all of the assumptions underlying such estimates, targets, forecasts, or similar predictions or returns contained herein will not materialize and/or that actual events and consequences thereof will vary materially from the assumptions upon which such estimates, targets, forecasts, or similar predictions or returns have been based. Among the assumptions to be made by Blackstone in performing its analysis are (i) the amount and frequency of current income from an investment, (ii) the holding period length, (iii) EBITDA growth and cost savings over time, (iv) the manner and timing of sale, (v) exit multiples reflecting long-term averages for the relevant asset type, (vi) customer growth and other business initiatives, (vii) availability of financing, (viii) potential investment opportunities Blackstone is currently or has recently reviewed, and (ix) overall macroeconomic conditions such as GDP growth, unemployment and interest rate levels. Inclusion of estimates, targets, forecasts, or similar predictions or returns herein should not be regarded as a representation or guarantee regarding the reliability, accuracy or completeness of such information, and neither Blackstone nor a Fund is under any obligation to revise such returns after the date provided to reflect the occurrence of future events, even in the event that any or all of the assumptions underlying such returns are later shown to be incorrect.

None of Blackstone, a Fund, their affiliates or any of the respective directors, officers, employees, partners, shareholders, advisers and agents of any of the foregoing makes any assurance, representation or warranty as to the accuracy of such assumptions. Investors and clients are cautioned not to place undue reliance on these forward-looking statements. Recipients of the Materials are encouraged to contact Fund representatives to discuss the procedures and methodologies used to make the estimates, targets, forecasts, and/or similar predictions or returns and other information contained herein.

Exchange Rate. Currency fluctuations may have an adverse effect on the value, price, income or costs of the product which may increase or decrease as a result of changes in exchange rates.

Forward-Looking Statements. Certain information contained in this material constitutes "forward-looking statements," within the meaning of the federal securities laws and the Private Securities Litigation Reform Act of 1995. These forward-looking statements can be identified by the use of forward-looking terminology, such as "outlook," "indicator," "believes," "expects," "potential," "continues," "identified," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates," "confident," "conviction" or the negative versions of these words or other comparable words thereof. These may include BXINFRA's financial estimates and their underlying assumptions, statements about plans, objectives and expectations with respect to future operations, statements with respect to acquisitions, statements regarding future performance, and statements regarding identified but not yet closed acquisitions. Such forward-looking statements are inherently uncertain and there are or may be important factors that could cause actual outcomes or results to differ materially from those indicated in such statements. BXINFRA believes these factors also include but are not limited to those described under the section entitled "Risk Factors, Potential Conflicts of Interests and Other Considerations" in its Offering Documents and, when available, the annual report for the most recent fiscal year, and any such updated factors included in its periodic filings with the SEC, which are accessible on the SEC's website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this document (or BXINFRA's Offering Documents and public filings). Except as otherwise required by federal securities.

Logos. The logos presented herein were not selected based on performance of the applicable company or sponsor to which they pertain. Logos were selected to illustrate managers and/or portfolio companies that are indicative representations of the thesis, theme or trend discussed on the slide(s) where they appear. In Blackstone's opinion, the logos selected were generally the most applicable examples of the given thesis, theme or trend discussed on the relevant slide(s). All rights to the trademarks and/or logos presented herein belong to their respective owners and Blackstone's use hereof does not imply an affiliation with, or endorsement by, the owners of these logos.

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Tax. Investments mentioned herein may not be suitable for any or all recipients of this document, and potential investors are advised not to make any investment decision unless they have taken independent advice from an appropriately authorized advisor. An investment in the Fund may involve complex tax structures, which may result in delays in the distribution of important tax information and the requirement that investors obtain an extension on their income tax returns. Notwithstanding anything in this document to the contrary, to comply with US Treasury Regulations Section 1.6011-4(b)(3)(i), each investor or prospective investor in the Fund (and any employee, representative or other agent of such investor or prospective investor) may disclose to any and all persons, without limitation of any kind, the US federal, state or local income tax treatment and tax structure of the Fund or any transactions contemplated by this document, it being understood and agreed, for this purpose, (i) the name of, or any other identifying information regarding (A) the Fund or any existing or future investor (or any affiliate thereof) in the Fund, or (B) any investment or transaction entered into by the Fund, (ii) any performance information relating to the Fund or its investments, and (iii) any performance or other information relating to previous funds or investments sponsored by Blackstone, do not constitute such tax treatment or tax structure information.

Third-Party Information. Certain information contained in the Materials has been obtained from sources outside Blackstone, which in certain cases have not been updated through the date hereof. While such information is believed to be reliable for purposes used herein, no representations are made as to the accuracy or completeness thereof and none of Blackstone, its funds, nor any of their affiliates takes any responsibility for, and has not independently verified, any such information.

Trends. There can be no assurances that any of the trends described herein will continue or will not reverse. Past events and trends do not imply, predict or guarantee, and are not necessarily indicative of, future events or results.

Summary Of Key Terms – Morgan Stanley Wealth Management Clients

Investment Vehicle	Blackstone Infrastructure Strategies ("BXINFRA")
eDocs Enabled	Yes
Client Type	US Taxable Investors, US Tax-Exempt Investors (including IRAs) and Non-US Investors residing in the following jurisdictions[1]: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Israel, Mexico, Nicaragua, Panama, Peru, Taiwan, Uruguay
ERISA / IRA Availability	ERISA – YES IRA – YES
Investor Eligibility	▪ Clients must be Qualified Purchasers ($5 million in total net worth for an individual; $25 million total net worth for an entity) and Accredited Investors ($1 million in total net worth for an individual; $5 million total net worth for an entity) (excluding primary residence for all tests) ▪ In addition, investors must have net investment assets of at least 20x the commitment amount.
Minimum Investment	**Class S: U.S. Taxable** $25,000 ($10,000 for subsequent investments): **Class I: U.S. Taxable** **Class S and I: U.S. Tax Exempt & Non-U.S. Investors** $10,000 ($10,000 for subsequent investments):
Available Share Classes	Placement (Class S); Advisory (Class I)
Upfront Placement Fee	One-time Upfront Placement Fee (Class S) paid to MSWM by an investor will be in addition to such investor's subscription amount and is calculated on the subscription amount: ▪ Less than $250,000: 3.00% ▪ $250,000 but less than $1,000,000: 2.00% ▪ $1,000,000 or greater: 1.00%
Subscription Deadline	Monthly Document Deadline is T-8

Note: The information above is presented as a summary of certain principal terms only and is qualified in its entirety by the more detailed "Summary of Terms" in BXINFRA's PPM. In the event of a discrepancy between the terms presented above and those set forth in the PPM, the PPM shall control. Capitalized terms used but not defined have the meanings set forth in the PPM. Organizational and Offering Expenses will be advanced by Blackstone through the first year.

(1) Only permitted for direct marketing of Units via Morgan Stanley Wealth Management's offshore model, which means all offers and sales must be undertaken in a manner that does not require a local license or registration.

Morgan Stanley Smith Barney LLC ("Morgan Stanley Wealth Management", "MSWM") IMPORTANT DISCLOSURES

Morgan Stanley Wealth Management acts as a placement agent in connection with the offering and sale of the securities of the Fund to current and prospective clients of Morgan Stanley Wealth Management or its affiliates. Morgan Stanley Wealth Management will receive cash compensation for its activities as placement agent from the Fund's manager, as described in Morgan Stanley Wealth Management's point of sale letter, if applicable. In addition, Morgan Stanley Wealth Management, its affiliates or employees, may have additional relationships with the Fund's manager, including as an investor in the Fund or other investment vehicles managed by the Fund's manager or as a client of the Fund's manager. The payment of cash compensation to Morgan Stanley Wealth Management, and any additional relationships that Morgan Stanley Wealth Management or its affiliates may have with the Fund's manager or other investment vehicles managed by the Fund's manager, create material conflicts of interest for Morgan Stanley Wealth Management in its role as placement agent.

This material was not created by Morgan Stanley Wealth Management. Morgan Stanley Wealth Management has made no independent verification of the information provided and does not guarantee the accuracy or completeness of such information.

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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, 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.

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. Alternative investments 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 and/or absence of a secondary market;
- Volatility of returns;
- Restrictions on the transfer of interests;
- Potential lack of diversification and resulting higher risk due to concentration of trading authority when a single advisor is utilized;
- Absence of information regarding valuation 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's interests may conflict with the interests of its clients, including the private investment funds it manages. Morgan Stanley 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

Indices are unmanaged and investors cannot directly invest in them. Indices 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 investments or objectives of a particular investment. Consequently, comparing an investment to a particular index may be of limited use.

Morgan Stanley Smith Barney LLC ("Morgan Stanley Wealth Management", "MSWM") IMPORTANT DISCLOSURES

Past performance is no guarantee of future results. Actual results may vary. Certain assumptions have been made regarding the historical performance information included herein, and such performance information is presented by way of example only. Statements in this material are made as of the dates specified herein. No representation or warranty (express or implied) is made or can be given with respect to the accuracy or completeness of the information in this material. No representation is made that the performance presented will be achieved as a result of implementing investments substantially identical or similar to those described herein or that every assumption made in achieving, calculating, or presenting the historical performance information has been considered or stated. Any changes to assumptions could have a material impact on the investment returns that are presented by way of example. Returns for any period may be attributable to certain market conditions, fund size, and timing of transaction, which may not be repeated. Diversification does not assure a profit or protect against loss in a declining market.

Diversification does not assure a profit or protect against loss in a declining market. Past performance is no guarantee of future results. Actual results may vary.

Unless otherwise stated herein, neither performance or related information, nor any investment terms presented herein have been adjusted to reflect the impact of the additional fees paid to a placement agent by an investor (for Morgan Stanley Wealth Management placement clients, a one-time upfront Placement Fee of up to 3% on committed capital, and for Morgan Stanley Wealth Management investment advisory clients, an annual advisory fee of up to 2%, generally on amount invested) which, if such fees were incorporated, would result in a substantial reduction in any returns presented herein and may impact any information related to investment terms presented herein, as applicable. In addition to such fees, clients will pay the fees and expenses of any funds in which their account is invested. These fees and expenses are an additional cost and will not be included in the fee amount in the account statements.

For most investment advisory clients, the program account will be charged an asset-based advisory fee every month (the "Advisory Fee"). In general, the Advisory Fee covers investment advisory services and reporting. In addition to the Advisory Fee, clients will pay the fees and expenses of any funds in which their account is invested. These fees and expenses are an additional cost and will not be included in the Advisory Fee amount in their account statements. Additionally, unless stated otherwise herein, neither performance or related information, nor any investment terms presented herein have been adjusted to reflect the impact of the Advisory Fee which, if incorporated, would result in a substantial reduction in any returns presented herein and may impact any information related to investment terms presented herein, as applicable.

As Advisory Fees are deducted monthly, the compounding effect will increase the impact of the Advisory Fees by an amount directly related to the gross account performance. For example, for an account with an initial value of $100,000 and a 2.0% annual Advisory Fee, if the gross performance is 5% per year over a three-year period, the compounding effect of the Advisory Fee will result in a net annual compound rate of return of approximately 2.40% per year over a three-year period, and the total value of the client's portfolio at the end of the three-year period would be approximately $115,762.50 without the Advisory Fee and $107,389.50 with the Advisory Fee.

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

Alternative investments involve complex tax structures, tax inefficient investing, and delays in distributing important tax information. Individual funds have specific risks related to their investment programs that will vary from fund to fund. Clients should consult their own tax and legal advisors as Morgan Stanley Wealth Management does not provide tax or legal advice.

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

 Alternative investment securities discussed herein are not covered by the protections provided by the Securities Investor Protection Corporation, unless such securities are registered under the Securities Act of 1933, as amended, and are held in a Morgan Stanley Wealth Management Individual Retirement Account.

Village of Bal Harbour Police Officers' Pension Plan

STATEMENT OF INVESTMENT POLICY

January 2026

I. Introduction.

The Village of Bal Harbour Police Officers' Pension Plan (the "Fund") is a defined benefit plan established by Ordinance of the Village of Bal Harbour to provide retirement benefits for its employees. The Village of Bal Harbour is the "plan sponsor". The Fund is administered by the Village of Bal Harbour Police Officers' Pension Plan Board of Trustees, which has the fiduciary responsibility for the Fund's administration, investment of its assets, and the management of its operations. The purpose of the Fund is to provide retirement, disability, termination, and death benefits to participants in accordance with the express provisions of the Plan. In recognition of its responsibility, the Board has adopted this Statement of Investment Policy (the "Policy").

II. Purpose.

A. The purpose of this Policy is to establish and communicate a clear understanding of the objectives and guidelines established by the Board regarding the investment and administration of the Fund's assets. It is intended to provide the Board, the Fund's Treasurer, the Fund Administrator and investment staff, the investment consultant, the investment managers, and the custodian bank a clear and accurate understanding of all investment objectives, investment policies, guidelines and limitations.

B. It is the intention of the Board that this Policy be designed to allow sufficient flexibility in the investment oversight process in order to capture appropriate investment opportunities, ensure adequate capital and liquidity is available to pay benefits and expenses when due, establish a meaningful basis to evaluate effectiveness of investment strategy, and set reasonable parameters to manage risk in the investment of Fund assets.

C. This Policy shall be adhered to by the Board, the Fund's staff and the Fund's service providers unless otherwise approved in writing by the Board.

D. The Board shall review this Policy with the Investment Consultant and others as needed and may periodically amend this Policy to assure its provisions remain relevant and accurately guides the Fund's investment process.

III. Governing Law and Fiduciary Standards.

A. Investment in the Fund's assets is subject to Chapter 18615, Laws of Florida, Acts of 1937, as amended; Sections 185.06, 112.661, 112.662, 215.47, 215.855 and 518.11 of the Florida Statutes, any judicial rulings pertaining to any of the above, and any ordinances or rules promulgated thereunder.

B. Funding of the Fund is subject to Section 112.64(6) of the Florida Statutes. Section 112.64(6) authorized the application of proceeds of a Pension Liability Surtax to reduce the unfunded liability of the Fund.

C. This Policy is intended to complement applicable governing law; if at any time this Policy is found to be in conflict with such governing law, the applicable governing law shall prevail.

D. The Board acknowledges its fiduciary responsibilities as articulated in Section 112.656, Florida Statutes. Further, although the Board acknowledges that the Employee Retirement Income Security Act of 1974, as amended, ("ERISA") does not apply to the Fund as a governmental retirement plan, in accordance with F.S. 112.661(4), it hereby also incorporates the fiduciary provisions of the Employee Retirement Income Security Act ("ERISA"), as amended, at 29 U.S.C. s. 1104(a)(1)(A)-(C), such that the Board, the Fund's staff and the Fund's service providers shall discharge their responsibilities in the same manner as if the Fund were governed by the aforementioned fiduciary responsibilities of ERISA.

E. The Board is governed by the "Prudent Investor Rule," which is codified in Section 518.11, Florida Statutes.

F. The plan shall comply with the Protecting Florida's Investments Act (PFIA). The investment managers are prohibited from purchases and are required to divest any investments in those companies with certain business operations in the countries of Sudan and Iran or that participate in a boycott of Israel and are designated as "scrutinized companies" as defined in Chapter 215.473 and 215.4725, Florida Statutes. Each manager shall be responsible for keeping current as to the companies listed as "scrutinized companies" by the Florida State Board of Administration. The consultant shall report quarterly on each manager's compliance.

G. The Board and its investment managers shall comply with the applicable requirements of Chapter 2023-28, Laws of Florida, including Section 112.662.

   1. <u>Definition of pecuniary factor</u>: The term "pecuniary factor" is defined as a factor that an investment fiduciary "prudently determines is expected to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with the investment objectives and funding policy of the retirement system. The term does not include the consideration of the furtherance of any social, political, or ideological interests." [112.662(1)]

2. Exclusive consideration of pecuniary factors: Only pecuniary factors may be considered and the interests of the participants and beneficiaries of the system may not be subordinated to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor. The weight given to any pecuniary factor must appropriately reflect a prudent assessment of its impact on risk or returns. [112.662(2)]

3. Proxy voting: Only pecuniary factors may be considered when voting proxies. [112.662(3)]

IV. Responsibilities and Duties.

A. The Board, the Fund's staff and the Fund's service providers under contract to the Fund shall exercise judgment with the care, skill, and diligence under the circumstances then prevailing which an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of institutional investment portfolios entrusted to it; not in regard to speculation but in regard to the permanent disposition of funds considering probable safety of capital as well as probable income.

B. Board. The Board has responsibility for the administration and management of the Fund. In addition, the Board has sole authority and responsibility for the investment of Fund assets. Members of the Board are fiduciaries of the Fund. Board duties include, but not limited to:

1. Comply with all applicable fiduciary and ethical training requirements;

2. Comply with all applicable periodic public disclosure requirements;

3. Approve a Statement of Investment Policy and provide direction in the implementation of such Policy; however, the Board delegates to the Fund's Administrator the responsibility for the implementation and administrative oversight of such Policy;

4. Nothing shall prohibit the Board from immediately removing any investment manager, custodian, investment consultant or other financial advisor when, in the opinion of the Board, such action is necessary to safeguard the Fund from loss.

5. Approve permitted asset classes, target asset allocation and permissible ranges, manager allocations, and asset rebalancing after consideration of advice and recommendations related thereto;

6. Monitor the Fund's investment program including regular review of investment performance, effectiveness of investment strategy in the achievement of objectives, investment costs, and regulatory compliance;

7. Review and approve as necessary any actuarial valuation, assumptions, funding, liability projections, or other actuarial-related information;

8. Review and approve as necessary any audits;

9. Establish general administrative rules and procedures for the effective and efficient administration of the Fund's operations; and

10. Periodically review this Policy.

C. Fund Administrator. The Fund Administrator is responsible for implementation of the Policy along with all other Board guidance and directives. The Administrator's duties include, but not limited to:

   1. Manage and direct all administrative, personnel, budgeting and support functions;

   2. Provide the Board with monthly and quarterly reports regarding administration of the Fund and investment of Fund assets including those of the investment consultant;

   3. Develop a system of internal controls to safeguard Fund assets; and

   4. All other duties as directed by the Board.

D. Investment Consultant. The investment consultant's responsibility is to provide investment advice and recommendations to the Board and assist the Fund Administrator and staff in the implementation of this Policy, Board directives, and management of the investment process. This includes meeting regularly with the Board to provide information, market perspective, and evaluation as to the Fund's objectives, investment policies, investment structure and investment performance as part of the overall development, implementation and monitoring of a diversified investment portfolio. The investment consultant shall be a Registered Investment Adviser under the Investment Advisers act of 1940, as amended, and shall be a fiduciary with regard to its investment advice and recommendations. Investment consultant duties include, but are not limited to:

   1. Recommend appropriate actions which will enhance the probability of achieving Fund objectives and mitigate risk, including use of various asset classes, implementation of investment strategy, changes in investment policy, and changes in investment managers or other service providers;

   2. Assist the Board in developing appropriate asset mixes through the development of regular asset-liability studies and asset allocation reviews;

   3. Assist the Board in deploying an appropriate asset mix through the development of specific investment strategies and supporting policies;

   4. Recommend to the Board rebalancing actions necessary to meet liquidity needs, take advantage of market opportunities or to protect capital;

5. Provide comprehensive and regular evaluations of the investment results of the Fund and its individual asset managers in light of this Policy;

6. Notify the Board of changes in the structure, personnel, ownership, or process of managers serving the Fund and recommend corrective action when necessary;

7. Conduct searches for investment managers and other service providers as necessary and making recommendations for such positions;

8. Disclosing potential conflicts of interest as they become known;

9. Providing ad hoc investment research and other support as may be necessary to support the board's educational and informational needs;

10. Monitor compliance with this Policy by all investment managers;

11. Provide advice with respect to transitions from terminated investment managers to replacement managers;

12. Monitor the custodian with respect to its functions and make recommendations with respect to custodial services;

13. Monitor any securities lending program implemented by the Board and make recommendations as necessary;

14. Negotiate, monitor and report investment management fees to the Board and offer recommendations for improvement thereon; and

15. Review annually this Policy and recommend any necessary changes to the Board.

16. The Investment Consultant will provide Investment Managers for consideration who invest only based on pecuniary factors as defined by Florida Statutes § 112.662.

E. Investment Managers. The Board shall select with the assistance and advice of the Investment Consultant competent, experienced professional investment managers to manage Fund assets. All investment managers shall be Registered Investment Advisers under the Investment Advisers Act of 1940, as amended, unless exempt from such registration and specifically permitted by the Board. The Board delegates to its investment manager's full investment discretion regarding all assets placed under their control. Subject to this Policy, investment managers have full authority to manage assets, including the purchase, retention, and sale of securities in amounts and proportions that are reflective of the investment manager's respective investment strategies. The investment managers' acceptance of responsibility to manage Fund assets will constitute an acceptance of this Policy. The duties of investment managers include but are not limited to:

1. Invest Fund assets according to this Policy, and the investment discipline, mandate or style for which the manager was retained;

2. Inform the Board and investment consultant on a timely basis of: significant changes in investment strategy or asset allocation; significant changes in ownership, organizational structure, financial condition or professional staffing of the firm or investment product utilized; deviations from this Policy or the need therefore; and any regulatory actions, investigations, significant trading errors, or lawsuits alleging breach of fiduciary duty.

3. Meet with the Board, or investment consultant as needed in person or via teleconference to review: firm developments, investment performance, performance attribution, portfolio structure and investment/market outlook;

F. Custodian. The Board shall retain a qualified, third-party, custodian bank or trust company responsible for the custody, trade settlement, valuation, and accounting of Fund assets. The duties of the custodian include but are not limited to:

1. Custody of all Fund assets under a trust or custodial arrangement; collect all income, dividends and principal realizable and properly reporting same;

2. Provide the Fund, investment consultant and investment manager monthly reports of all Fund assets based on fair market value, a listing of all transactions, and accounting of all assets along with consolidated annual reports;

3. Settle all purchases and sales of securities and other related transaction by investment managers;

4. Sweep all investment manager and Fund accounts daily into a cash management account and manage such account in safe, liquid, interest-bearing investments in accordance with this Policy;

5. Reconcile cash balances with investment managers and make cash disbursements as directed by the Fund Administrator;

6. Distribute proxies to investment managers; and provide all other custodial services not listed above that are necessary for the efficient custody, valuation or administration of Fund assets.

V. Investment Objectives:

A. General Investment Objectives.

1. The general investment objective of the Fund is to preserve the purchasing power of the Fund's assets and earn a reasonable real rate of return over the long-term while minimizing, to the extent reasonable, the short-term volatility or losses. In broad terms, the board seeks to ensure over the life of the Fund that an adequate level of assets are available to fund benefit payments payable to the Fund's participants and beneficiaries at the time they become due. In meeting this objective, the Board seeks to achieve a high level of investment return consistent with a prudent level of risk.

2. To achieve these general objectives, the Board seeks to create a well-diversified portfolio of equity, fixed income, money market and other permissible investments including liquid and illiquid alternative asset-class funds.

B. Specific Investment Objectives and Return Goals.

1. The primary investment objective of the Board is to maximize the probability of achieving an investment return that satisfies the actuarial rate of return assumption for the Fund's investment portfolio, net of fees, subject to a prudent level of risk. As this is a long-term objective and investments are subject to volatility within a market cycle, the main investment focus of the Board is the expected long-term return and associated expected volatility of the Fund as a whole over a long-term investment time horizon.

2. In addition to the absolute investment objective, relative return goals are described as follows:

   a. To earn a total risk adjusted rate of return at the total Fund level, net of fees, over a market cycle which exceeds the risk adjusted return of a Policy Index. The Policy Index for the Fund is defined as an index constructed of the returns of the broad market indices representing each asset class in which the Fund is invested, each weighted to reflect the Fund's target asset allocation as adopted by the Board. The Policy index may change from time to time as the asset allocation target or permissible asset classes change, as periodically approved by the Board.

   b. The investment goals of each active investment manager are to achieve an annualized total risk adjusted rate of return, net of fees, over a market cycle that exceeds an appropriate market index and rank above median in a comparative performance universe reflecting the manager's investment style.

   c. The investment goal of each passive investment fund is to achieve an annualized total rate of return, net of fees, over a market cycle that is comparable to the underlying broad market index minus its internal expenses while minimizing tracking error to that index.

VI. Authorized Investments.

A. Under the applicable elements of Section 215.47 (1)-(6), (8), (9), (11) and (17), Fund assets may be invested:

1. Without limitation in U.S. government and agency securities, various full faith and selected state and municipal securities, various savings accounts and CD's of banks and S&L's, prime quality commercial paper and bankers acceptances, prime quality negotiable CD's issued by domestic or foreign financial institutions denominated in U.S. dollars, various short-term investment funds, various mutual funds and similar investment products comprised of U.S. government, agency and instrumentality securities, and repurchase agreements collateralized by U.S. government securities.

2. With no more than 25% in various investment grade state and municipal securities, certain FHA and VA notes, certain CMO's, certain group annuity contracts, certain interests in real property and related personal property with provision for equity and income participation, investment grade foreign fixed income obligations, fixed income obligations of the government of Israel, dollar-denominated obligations issued by foreign governments and corporations, and asset-backed securities not otherwise described herein.

3. With no more than 80% in domestic equities (common stock, preferred stock, and convertible bonds) listed under major exchanges, and domestic corporate bonds.

4. With no more than 25% in corporate obligations and securities of foreign corporations and entities, not including US dollar-denominated securities listed and traded on US exchanges.

5. Transactions involving the purchase and sale of certain futures and options.

B. Investments not listed in this Policy are expressly prohibited. Should the Fund have investments that either exceed the applicable limit or do not satisfy the applicable investment standards, such excess or investment not in compliance with this Policy may be continued until such time as it is economically feasible to dispose of such investment. However, no additional investment may be made in the investment category which exceeds the applicable limit, unless specifically authorized by law or local ordinance.

VII. Asset Allocation

A. General.

1. The Board believes that the level of risk assumed in the Fund is a function, in large part, of the Fund's asset allocation. The proportion of assets allocated for equity investments is the most important determinant of the volatility of future returns. As indicated by long-term historical data, the risk of equity ownership has been rewarded with a higher rate of return and is necessary in the current market environment to fully fund future liabilities.

2. The Fund's investments shall be invested in a diversified portfolio which may be composed of equity securities (both domestic and international), fixed income securities (both domestic and international), diversifying assets (such as real estate or alternative assets, as permitted by statute or ordinance) and cash equivalent securities.

3. Based on its determination of the appropriate risk posture for the Fund, and its long-term return expectations, the Board has established asset-mix guidelines for the Fund based on market values. The asset allocation is a strategic asset allocation. The long-term target allocation percentage and permitted range for each asset class shall be based upon the most recent asset allocation study performed by the investment consultant or periodic asset allocation review, as adopted by the Board. Both the target allocations and permitted ranges should be adhered to under normal circumstances. However, because the target allocations and permitted ranges are long-term in nature, periodically the asset mix may fall outside the target or range. Dollar-cost-averaging, portfolio transition or other cases where the Board determines deviation from the target or range is in the best interest of the Fund are permitted exceptions. This in no way should be considered tactical asset allocation or market timing and is not viewed as such by the Board.

4. The Board is responsible for broad asset allocation decisions. A manager's cash holdings can disrupt this position and therefore under normal circumstances should be kept to a minimum of its portfolio market value.

5. Until such time as the Board changes the asset class targets, a routine rebalancing of the various portfolios back within permitted allocation range shall be implemented as necessary. Managers considered to be underperforming their benchmarks, undergoing personnel or ownership change or for other reasons in the best interests of the Fund, may be excluded from receiving additional assets in any rebalancing.

6. The investments of the Fund shall be diversified so as to minimize the impact of large losses under any individual asset class or investment style.

B. Target Asset Allocation, Permitted Allocation Ranges, and the Policy Index.

   1. The Fund's objectives, current target asset allocation, permitted allocation ranges and Policy Index are shown in Appendix A.

VIII. Investment Guidelines.

A. General.

1. The Fund Administrator, in consultation with the investment consultant, is responsible for developing periodic recommendations for consideration by the Board regarding the various asset classes, investment styles and individual portfolio policies and guidelines which are to be formally reflected in the goals and objectives of this Policy. Once adopted by the Board, the Administrator shall manage the implementation of the Policy and the guidelines reflected therein. The Administrator shall manage any guidelines for the selection and retention of investment managers as well as all external contractual relationships in discharging the fiduciary responsibilities of the Board. All asset classes and investment styles shall be invested to achieve or exceed, on a net of fee basis, the risk adjusted return for their respective benchmarks over a market cycle measured over rolling three to five year periods of time.

2. No investment manager shall be permitted to purchase the securities of the investment management organization for inclusion in the portfolio of the Fund. This prohibition shall additionally extend to the securities of the parent organization or subsidiaries of the investment management firm.

B. Cash Equivalents Guidelines/Restrictions.

1. Permissible Cash Equivalent Securities for the Fund include:

   a. Savings accounts in, or certificates of deposit of, any bank, savings bank, or savings and loan association incorporated under the laws of this state or organized under the laws of the United States doing business and situated in this state, the accounts of which are insured by the Federal Government or an agency thereof and having a prime quality of the highest letter and numerical ratings as provided for by at least one nationally recognized statistical rating organization.

   b. Bonds issued by the Florida State Improvement Commission, Florida Development Commission, Division of Bond Finance of the Department of General Services, or Division of Bond Finance of the State Board of Administration.

   c. Notes, bonds, and other obligations of agencies of the United States.

   d. Commercial paper of prime quality of the highest letter and numerical rating as provided for by at least one nationally recognized rating service.

   e. Time drafts or bills of exchange drawn on and accepted by a commercial bank, otherwise known as banker's acceptances, which are accepted by a member bank of the Federal

Reserve System and are of prime quality of the highest letter and numerical ratings as provided for by at least one nationally recognized statistical rating organization.

f. Negotiable certificates of deposit issued by domestic or foreign financial institutions in United States dollars of prime quality of the highest letter and numerical ratings as provided for by at least one nationally recognized statistical rating organization.

g. Short-term obligations not authorized elsewhere in this section to be purchased individually or in pooled accounts or other collective investment funds, for the purpose of providing liquidity to any fund or portfolio.

h. Securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

2. Notwithstanding the above list of securities that are eligible for investment by the custodian bank, the investment managers may invest only in the following short-term investment vehicles:

    a. The money market or STIF provided by the custodian bank.

    b. MSILF Government securities portfolio.

    c. Direct obligations of the United States Government or its agencies with a maturity of one year or less.

    d. Repurchase agreements which are fully collateralized by direct obligations of the United States Government.

    e. Commercial Paper issued by United States corporations which has a maturity of 270 days or less and that is rated A-1 or higher by Standard & Poor’s or P-1 or higher by Moody’s, subject to a limit of no more than $5 million by any single issuer.

    f. Bankers Acceptances issued by prime money center banks, subject to a limit of no more than $5 million in any single bank.

C. Equity Guidelines/Restrictions.

1. Domestic common stock and preferred stocks are permitted for domestic equity portfolios.

2. No equity holding of any one company in the Fund's portfolio shall represent more than 5% of the assets of the Fund measured on the basis of market value.

3. Exchange Traded Funds (ETF's) may be used and held in domestic equity portfolios for passive investing exposure.

4. American Depository Receipts (ADR's) and foreign-domiciled companies that are traded on United States exchanges are permitted investments for domestic equity managers; however, the combined amount of such securities shall be limited to 15% of a domestic equity manager's portfolio. This authorization is subject to the collective use of foreign-domiciled companies and international securities (through international equity managers) operating within the overall 25% limitation of the total Fund assets measured on the basis of market value. Notwithstanding these guidelines with respect to individual domestic equity managers, the Board shall issue directives to such individual domestic equity managers for the liquidation of a portion of their holdings in foreign domiciled companies in the event that the Trustees conclude that the overall limitation of 25% is in peril of being exceeded.

5. There shall be no investment in foreign securities within the portfolios of investment managers who are hired and assigned to manage domestic portfolios (except within the constraints described above). There shall be no: investment in venture capital, commodities, financial futures or options (other than covered call options), letter stocks, private placements (except those issued under Rule 144a with such securities being limited to 15% of a manager's portfolio measured at market value), short selling, purchases on margin, puts, calls, or hedging, or other specialized investment activity without the prior approval of the Board.

6. Corporate obligations and securities of a foreign corporation or a foreign commercial entity are permissible in international equity portfolios but shall not exceed 25% of the Fund, not including US dollar-denominated securities listed and traded on a US exchange. American Depository Receipts and Global Depository Receipts are also permissible in international equity portfolios.

7. Convertible preferred stocks may be purchased so long as the common stocks underlying them meet the required equity standards.

8. Convertible bonds shall not be considered as an appropriate equity substitute.

9. The equity investment managers are permitted to sell covered call options.

10. All securities purchased shall be fully negotiable and marketable unless prior approval is secured by the Board. An illiquid investment is generally recognized as an investment for

which a recognized market is not available or for which there is no consistent or generally accepted pricing mechanism.

11. In order to achieve the desired level of quality and liquidity of the portfolio, all domestic equity purchases (other than private equity mandates) are limited to stocks registered or listed on a United States national exchange, (i.e. New York Stock Exchange and the NASDAQ Over the Counter Market) and whose corporation conforms to the periodic reporting requirements under the Securities Exchange Act of 1934.

12. Permissible equity investment vehicles shall include equity separate accounts, commingled vehicles, index funds, and mutual funds consisting of those common stocks, preferred stocks, and convertible securities described above.

D. Fixed Income Guidelines/Restrictions.

1. The following are permissible investments:

   a. Bonds, notes, or other obligations of the United States or those guaranteed by the United States or for which the credit of the United States is pledged for the payment of the principal and interest or dividends thereof.

   b. State bonds pledging the full faith and credit of the state and revenue bonds additionally secured by the full faith and credit of the state.

   c. Notes, bonds, and other obligations of agencies of the United States.

   d. The following are limited to 25% or less of the Fund:

      i. Bonds, notes, or obligations of any municipality or political subdivision or any agency or authority of this state, if the obligations are rated investment grade by at least one nationally recognized statistical rating organization.

      ii. Notes secured by first mortgages, insured or guaranteed by the Federal Housing Administration or the United States Department of Veterans Affairs.

      iii. Mortgage securities which represent participation in or are collateralized by mortgage loans secured by real property. Such securities must be issued by an agency of or enterprise sponsored by the United States Government, including, but not limited to, the Government National Mortgage Association, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation.

      iv. Fixed-income obligations not otherwise authorized by this section issued by foreign governments or political subdivisions or agencies thereof, supranational agencies, foreign corporations, or foreign commercial entities, if the obligations are rated investment grade by at least one nationally recognized rating service.

v. A portion of the funds available for investment pursuant to this subsection may be invested in rated or unrated bonds, notes, or instruments backed by the full faith and credit of the government of Israel.

vi. Obligations of agencies of the government of the United States, provided such obligations have been included in and authorized by the Florida Retirement System Defined Benefit Plan Investment Policy Statement established in Section 215.475, Florida Statutes.

vii. United States dollar-denominated obligations issued by foreign governments, or political subdivisions or agencies thereof, supranational agencies, foreign corporations, or foreign commercial entities.

viii. Asset-backed securities not otherwise authorized by this section.

e. Not more than 80% of the Fund may be invested in interest-bearing obligations with a fixed maturity of any corporation or commercial entity within the United States.

f. Not more than 25% of the Fund may be invested in corporate obligations and securities of any kind of a foreign corporation or a foreign commercial entity having its principal office located in any country other than the United States of America or its possessions or territories, not including United States dollar-denominated securities listed and traded on a United States exchange which are a part of the ordinary investment strategy of the Board.

i. Unless permitted by the Board, all securities purchased for the portfolio must have an investment grade rating of BBB- or better (investment grade) from a nationally recognized rating service (i.e. Moody's, Standard & Poor's, or Fitch), subject to the limitations below. For an issue with a split rating, the lower quality designation will govern. In the event of a downgrade below BBB- or its equivalent after the time of purchase, the Investment Manager shall be required to dispose of the security at the earliest beneficial opportunity. Any purchase of below investment grade rated debt securities may only be made with the prior written permission of the Board.

ii. No purchase may be made which would cause a holding to exceed 5% of the issuer's outstanding fixed income securities.

iii. No more than 5% of the Fund's portfolio shall be invested in the securities of any single issuer, with the exception of the United States Government and its agencies and instrumentalities, which carry no limit.

iv. Convertible bonds may be purchased up to 10% of the value of the manager' fixed income portfolio; however, such investments should be liquidated at the time of conversion so as to avoid a fixed-income Investment Manager from carrying equity securities in the fixed-income portfolio.

v. There shall be no investment in foreign bonds (with the possible exception of bonds issued by the State of Israel were contractually authorized) within the portfolios of investment managers who are hired and assigned to manage domestic core portfolios, without the prior written permission by the Board. In addition, there shall be no short selling or other specialized investment activity or investments in futures or options without the prior approval of the Board.

vi. Yankee Bonds are permitted investments; however, such securities shall be limited to 5% of an investment manager's portfolio unless permitted in writing by the Board.

vii. Closed-end bond funds may be purchased; however, such purchases shall be limited to 10% of an investment manager's portfolio. In addition, the investment manager's holdings in any single closed-end bond fund may not exceed 10% of the amount of such closed-end bond fund.

viii. Collateralized Mortgage Obligations (CMO's) are acceptable provided they meet the following criteria unless otherwise permitted by the Board in writing:

a) Backing by the full faith of the U.S. Government or an Agency thereof, or that are rated AAA by a major rating service.

b) A volatility rating by Fitch Investors Services in the low to moderate category (VI, V2, or V3) or characteristics consistent with such ratings.

c) Limited to PAC (Planned Amortization Class), NAC (Non-Accelerated Securities), VADM (Very Accurately Defined Maturity) securities, or sequential CMO's.

ix. Investments in Commercial Mortgage Backed Securities (CMBS) are permitted, provided they are rated AAA by a major rating service and the total value of all CMBS investments shall not exceed 15% of the market value of the total fixed income portfolio unless permitted by the Board.

x. All securities purchased shall be fully negotiable and marketable. An illiquid investment is generally recognized as an investment for which a recognized market is not available or for which there is no consistent or generally accepted pricing mechanism.

xi. Structured notes may not be held in the fixed income portfolio without the written permission of the Board.

xii. Permissible investment vehicles shall include fixed income separate accounts, commingled vehicles, index funds and mutual funds consisting of those fixed income securities listed above.

E. Alternative Asset Class Investments Guidelines/Restrictions.

The Board of Trustees is authorized to invest and reinvest the assets of the Pension Fund in any lawful investment as provided in applicable provisions of s.112.661, 185.06, 215.47, and 112.662, Florida Statutes, and, is further authorized to invest in alternative investments through a mutual fund, Evergreen fund, Interval fund, or limited partnership vehicle. The long-term role of alternative investments is to provide additional assets classes and active strategies whose risk and return profiles are meaningfully different than those held in traditional assets, thus providing diversification benefits along with the potential for higher returns and inflation protection. Alternative asset class investments may include: real estate, infrastructure, commodities, hedge funds, funds of hedge funds, private equity, and private credit.

F. Commingled and Mutual Fund Guidelines / Restrictions:

The Board recognizes and accepts that commingled and mutual fund investments will be dictated by the investment policies and guidelines of those funds and that no additional constraints may be imposed on them. The decision to invest Fund assets in any commingled or mutual fund will only be made by the Board of Trustees after a thorough review of the policies and/or prospectuses or other governing documents of those funds and after it has been determined that those policies are appropriate and generally consistent with the investment objectives of the Fund.

G. Investment Management Fees

The Board shall review investment management fees with the assistance of the Investment Consultant. As part of such fee review, the investment consultant shall provide perspective and opinion as to the reasonableness of such fees. Where investment managers are retained by more than one city entity the Board shall make every effort to aggregate assets between the entities for purposes of corresponding fee calculation.

IX. Performance Measurement.

A. The investment performance of Fund assets will be measured by an independent performance measurement firm, usually the investment consultant and evaluated on a monthly or quarterly basis to determine whether:

1. The Total Fund, asset classes and investment managers performed in adherence to the investment policy guidelines set forth herein.

2. The investment managers have employed the investment philosophy or style of investing that they were hired to perform.

3. The Total Fund, asset classes, and investment managers performed satisfactorily when compared to the objectives identified in this Statement, in addition to the returns generated by similarly managed funds.

B. Long-Term Evaluation.

The measurement period for the long-term evaluation of investment performance will be rolling three to five year periods and thereby approximating a complete market cycle.

C. Benchmark Comparisons.

The absolute and risk adjusted investment returns generated on the various categories of pension assets shall be compared against the appropriate benchmarks, indicators and peer groups as indicated in Exhibit A. In addition to the evaluation of absolute investment returns, the level of risk assumed by the total Fund and the individual portfolios will be examined.

X. Reporting Requirements.

A. Quarterly Investment Performance Evaluation.

1. The Board shall review the investment activities and investment performance of the Fund, asset classes, and each portfolio manager on a regular basis to assure compliance with the goals, objectives, and guidelines contained in this Statement of Investment Policy. The Fund's investment consultant shall assist in interpreting investment results and assessing investment manager performance.

2. The investment consultant shall be available to attend meeting of the Board each quarter and shall prepare and present at such meetings a performance report, in writing, analyzing the performance of each investment manager. Such presentations may be accomplished by conference call or video conferencing. Reports of quarterly, annual and multi-year performance shall also be compiled by the investment consultant as appropriate. Within such reports, the investment consultant shall advise the Board as to the relative performance of the Fund as a whole, each asset class composite, and each investment manager as compared to the various benchmarks which are generally accepted in the investment marketplace.

3. While the Board intends to fairly evaluate the portfolio performance, it reserves the right to change investment managers, without liability except for the payment of current charges, for any reason which in the exercise of the Board's discretion is deemed sufficient, including but not limited to those stated below.

a. Change of Board's investment philosophy;

b. Poor results;

c. Failure to meet stated performance goals;

d. Failure to meet Board's communication and reporting requirements;

e. Deviation from the stated investment philosophy or style for which the investment management firm was hired;

f. Change of decision-making personnel or ownership of the investment management firm; or

g. Regulatory action or litigation.

B. <u>State Filing Requirements</u>:

1. The Board shall timely comply with the reporting requirement of Section 112.662 by filing a comprehensive report by December 15 of each odd-numbered year. [112.662(4)]. Investment managers and the Board's investment consultant shall assist in the preparation of required reports and shall annually confirm to the Board their compliance with Chapter 2023-28, if applicable.

XI. Other.

A. Annual Audit.

It is the policy of the Board of Trustees to retain an independent Certified Public Accountant for the preparation of an annual financial report.

B. Asset Values.

The market value of the assets for accounting purposes, actuarial purposes, payment of investment managers, and for purposes of measuring investment performance shall be based upon the market value assigned by the custodian bank.

C. Continuing Education

Pursuant to Section 112.661, Florida Statutes, all Board of Trustee members are encouraged to perform continuing education in matters relating to investments and the Board's responsibilities to the Fund.

D. Contracting and External Communications.

1. Manager contracts shall comply with Section 215.855 as follows:

> Any written communication made by an investment manager to a company in which such manager invests public funds on behalf of the Board must include the following disclaimer in a conspicuous location if such communication discusses social, political, or ideological interests; subordinates the interests of the company's shareholders to the interest of another entity; or advocates for the interest of an entity other than the company's shareholders:
>
> The views and opinions expressed in this communication are those of the sender and do not reflect the views and opinions of the people of the State of Florida.

2. If a Request for Proposals document is issued for Investment Manager services, the solicitation document must include the following:

> "The Board of Trustees may not request documentation of or consider a vendor's social, political, or ideological interests when determining if the vendor is a responsible vendor. Additionally, the Board of Trustees may not give preference to a vendor based on vendor's social, political, or ideological interests."

Adopted on this _____ day of _________________ 2026.

____

____

Exhibit A: Executive Summary

Market Value of Assets (12/31/2025):	$40,771,675
Investment Time Horizon:	Greater than 25 years (perpetual)
Actuarial Return Assumption:	6.50%
Risk Tolerance:	Moderate

Policy Asset Allocation:	**Index**	**Target Allocation**	**Range**
EQUITIES			
Domestic Equity: Large Cap Value	Russell 1000 Value	21.5%	15 – 27%
Domestic Equity: Large Cap Growth	Russell 1000 Growth	21.5%	15 – 27%
Domestic Equity: Mid Cap Value	Russell Mid Value	3.0%	0 – 6%
Domestic Equity: Mid Cap Growth	Russell Mid Growth	3.0%	0 – 6%
Domestic Equity: Small Cap Value	Russell 2000 Value	3.0%	0 – 6%
Domestic Equity: Small Cap Growth	Russell 2000 Growth	3.0%	0 – 6%
Total Domestic Equity		**55.0%**	**45 – 65%**
International Value Equity:	MSCI ACWI ex USA (Net)	5.0%	0 – 10%
International Value Equity:	MSCI ACWI ex USA (Net)	5.0%	0 – 10%
Total International		**10.0%**	**5 – 15%**
Total Equities		**65.0%**	**50 – 75%**
FIXED INCOME			
Domestic Fixed Income	Appropriate Bloomberg Fixed Income Index	25.0%	10 – 35%
Total Fixed Income		**25.0%**	**10 – 35%**
ALTERNATIVES			
Absolute Return Assets	Appropriate Index TBD	0.0%	0 – 15%
Infrastructure	DJ Brookfield Glb Infra or Cambridge Infrastructure	5.0%	0 – 10%
Private Real Estate	NCREIF Property or ODCE	5.0%	0 – 10%
Total Alternatives		**10.0%**	**0 – 20%**
CASH & EQUIVALENTS			
Cash & Equivalents	90-Day T-Bill	0.0%	0 – 5%
Total Cash & Equivalents			
TOTAL		**100.00%**	

Exhibit A: Executive Summary

Market Value of Assets (12/31/2025): $40,771,675

Investment Time Horizon: Greater than 25 years (perpetual)

Actuarial Return Assumption: 6.50%

Risk Tolerance: Moderate

Policy Asset Allocation:	**Index**	**Target Allocation**	**Range**
EQUITIES			
Domestic Equity: Large Cap Value	Russell 1000 Value	21.5%	15 – 27%
Domestic Equity: Large Cap Growth	Russell 1000 Growth	21.5%	15 – 27%
Domestic Equity: Mid Cap Value	Russell Mid Value	3.0%	0 – 6%
Domestic Equity: Mid Cap Growth	Russell Mid Growth	3.0%	0 – 6%
Domestic Equity: Small Cap Value	Russell 2000 Value	3.0%	0 – 6%
Domestic Equity: Small Cap Growth	Russell 2000 Growth	3.0%	0 – 6%
Total Domestic Equity		**55.0%**	**45 – 65%**
International Value Equity:	MSCI ACWI ex USA (Net)	5.0%	0 – 10%
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Total International		**10.0%**	**5 – 15%**
Total Equities		**65.0%**	**50 – 75%**
FIXED INCOME			
Domestic Fixed Income	Appropriate Bloomberg Fixed Income Index	25.0%	10 – 35%
Total Fixed Income		**25.0%**	**10 – 35%**
ALTERNATIVES			
Absolute Return Assets	Appropriate Index TBD	0.0%	0 – 15%
Infrastructure	DJ Brookfield Glb Infra or Cambridge Infrastructure	10.0%	0 – 15%
Private Real Estate	NCREIF Property or ODCE	0.0%	0 – 10%
Total Alternatives		**10.0%**	**0 – 20%**
CASH & EQUIVALENTS			
Cash & Equivalents	90-Day T-Bill	0.0%	0 – 5%
Total Cash & Equivalents			
TOTAL		**100.00%**	

Village of Bal Harbour Police Officers' Pension Plan

STATEMENT OF INVESTMENT POLICY

~~November 2023~~ January 2026

I. Introduction.

The Village of Bal Harbour Police Officers' Pension Plan (the "Fund") is a defined benefit plan established by Ordinance of the Village of Bal Harbour to provide retirement benefits for its employees. The Village of Bal Harbour is the "plan sponsor". The Fund is administered by the Village of Bal Harbour Police Officers' Pension Plan Board of Trustees, which has the fiduciary responsibility for the Fund's administration, investment of its assets, and the management of its operations. The purpose of the Fund is to provide retirement, disability, termination, and death benefits to participants in accordance with the express provisions of the Plan. In recognition of its responsibility, the Board has adopted this Statement of Investment Policy (the "Policy").

II. Purpose.

A. The purpose of this Policy is to establish and communicate a clear understanding of the objectives and guidelines established by the Board regarding the investment and administration of the Fund's assets. It is intended to provide the Board, the Fund's Treasurer, the Fund Administrator and investment staff, the investment consultant, the investment managers, and the custodian bank a clear and accurate understanding of all investment objectives, investment policies, guidelines and limitations.

B. It is the intention of the Board that this Policy be designed to allow sufficient flexibility in the investment oversight process in order to capture appropriate investment opportunities, ensure adequate capital and liquidity is available to pay benefits and expenses when due, establish a meaningful basis to evaluate effectiveness of investment strategy, and set reasonable parameters to manage risk in the investment of Fund assets.

C. This Policy shall be adhered to by the Board, the Fund's staff and the Fund's service providers unless otherwise approved in writing by the Board.

D. The Board shall review this Policy with the Investment Consultant and others as needed and may periodically amend this Policy to assure its provisions remain relevant and accurately guides the Fund's investment process.

III. Governing Law and Fiduciary Standards.

A. Investment in the Fund's assets is subject to Chapter 18615, Laws of Florida, Acts of 1937, as amended; Sections 185.06, 112.661, 112.662, 215.47, 215.855 and 518.11 of the Florida Statutes, any judicial rulings pertaining to any of the above, and any ordinances or rules promulgated thereunder.

B. Funding of the Fund is subject to Section 112.64(6) of the Florida Statutes. Section 112.64(6) authorized the application of proceeds of a Pension Liability Surtax to reduce the unfunded liability of the Fund.

C. This Policy is intended to complement applicable governing law; if at any time this Policy is found to be in conflict with such governing law, the applicable governing law shall prevail.

D. The Board acknowledges its fiduciary responsibilities as articulated in Section 112.656, Florida Statutes. Further, although the Board acknowledges that the Employee Retirement Income Security Act of 1974, as amended, ("ERISA") does not apply to the Fund as a governmental retirement plan, in accordance with F.S. 112.661(4), it hereby also incorporates the fiduciary provisions of the Employee Retirement Income Security Act ("ERISA"), as amended, at 29 U.S.C. s. 1104(a)(1)(A)-(C), such that the Board, the Fund's staff and the Fund's service providers shall discharge their responsibilities in the same manner as if the Fund were governed by the aforementioned fiduciary responsibilities of ERISA.

E. The Board is governed by the "Prudent Investor Rule," which is codified in Section 518.11, Florida Statutes.

F. The plan shall comply with the Protecting Florida's Investments Act (PFIA). The investment managers are prohibited from purchases and are required to divest any investments in those companies with certain business operations in the countries of Sudan and Iran or that participate in a boycott of Israel and are designated as "scrutinized companies" ~~under the PFIA~~ as defined in Chapter 215.473 and 215.4725, Florida Statutes. Each manager shall be responsible for keeping current as to the companies listed as "scrutinized companies" by the Florida State Board of Administration. The consultant shall report quarterly on each manager's compliance.

G. The Board and its investment managers shall comply with the applicable requirements of Chapter 2023-28, Laws of Florida, including Section 112.662.

   1. Definition of pecuniary factor: The term "pecuniary factor" is defined as a factor that an investment fiduciary "prudently determines is expected to have a material effect on the risk or returns of an investment based on appropriate investment horizons consistent with the investment objectives and funding policy of the retirement system. The term does not include the consideration of the furtherance of any social, political, or ideological interests." [112.662(1)]

2. Exclusive consideration of pecuniary factors: Only pecuniary factors may be considered and the interests of the participants and beneficiaries of the system may not be subordinated to other objectives, including sacrificing investment return or undertaking additional investment risk to promote any nonpecuniary factor. The weight given to any pecuniary factor must appropriately reflect a prudent assessment of its impact on risk or returns. [112.662(2)]

3. Proxy voting: Only pecuniary factors may be considered when voting proxies. [112.662(3)]

IV. Responsibilities and Duties.

A. The Board, the Fund's staff and the Fund's service providers under contract to the Fund shall exercise judgment with the care, skill, and diligence under the circumstances then prevailing which an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of institutional investment portfolios entrusted to it; not in regard to speculation but in regard to the permanent disposition of funds considering probable safety of capital as well as probable income.

B. Board. The Board has responsibility for the administration and management of the Fund. In addition, the Board has sole authority and responsibility for the investment of Fund assets. Members of the Board are fiduciaries of the Fund. Board duties include, but not limited to:

1. Comply with all applicable fiduciary and ethical training requirements;

2. Comply with all applicable periodic public disclosure requirements;

3. Approve a Statement of Investment Policy and provide direction in the implementation of such Policy; however, the Board delegates to the Fund's Administrator the responsibility for the implementation and administrative oversight of such Policy;

4. Nothing shall prohibit the Board from immediately removing any investment manager, custodian, investment consultant or other financial advisor when, in the opinion of the Board, such action is necessary to safeguard the Fund from loss.

5. Approve permitted asset classes, target asset allocation and permissible ranges, manager allocations, and asset rebalancing after consideration of advice and recommendations related thereto;

6. Monitor the Fund's investment program including regular review of investment performance, effectiveness of investment strategy in the achievement of objectives, investment costs, and regulatory compliance;

7. Review and approve as necessary any actuarial valuation, assumptions, funding, liability projections, or other actuarial-related information;

8. Review and approve as necessary any audits;

9. Establish general administrative rules and procedures for the effective and efficient administration of the Fund's operations; and

10. Periodically review this Policy.

C. Fund Administrator. The Fund Administrator is responsible for implementation of the Policy along with all other Board guidance and directives. The Administrator's duties include, but not limited to:

1. Manage and direct all administrative, personnel, budgeting and support functions;

2. Provide the Board with monthly and quarterly reports regarding administration of the Fund and investment of Fund assets including those of the investment consultant;

3. Develop a system of internal controls to safeguard Fund assets; and

4. All other duties as directed by the Board.

D. Investment Consultant. The investment consultant's responsibility is to provide investment advice and recommendations to the Board and assist the Fund Administrator and staff in the implementation of this Policy, Board directives, and management of the investment process. This includes meeting regularly with the Board to provide information, market perspective, and evaluation as to the Fund's objectives, investment policies, investment structure and investment performance as part of the overall development, implementation and monitoring of a diversified investment portfolio. The investment consultant shall be a Registered Investment Adviser under the Investment Advisers act of 1940, as amended, and shall be a fiduciary with regard to its investment advice and recommendations. Investment consultant duties include, but are not limited to:

1. Recommend appropriate actions which will enhance the probability of achieving Fund objectives and mitigate risk, including use of various asset classes, implementation of investment strategy, changes in investment policy, and changes in investment managers or other service providers;

2. Assist the Board in developing appropriate asset mixes through the development of regular asset-liability studies and asset allocation reviews;

3. Assist the Board in deploying an appropriate asset mix through the development of specific investment strategies and supporting policies;

4. Recommend to the Board rebalancing actions necessary to meet liquidity needs, take advantage of market opportunities or to protect capital;

5. Provide comprehensive and regular evaluations of the investment results of the Fund and its individual asset managers in light of this Policy;

6. Notify the Board of changes in the structure, personnel, ownership, or process of managers serving the Fund and recommend corrective action when necessary;

7. Conduct searches for investment managers and other service providers as necessary and making recommendations for such positions;

8. Disclosing potential conflicts of interest as they become known;

9. Providing ad hoc investment research and other support as may be necessary to support the board's educational and informational needs;

10. Monitor compliance with this Policy by all investment managers;

11. Provide advice with respect to transitions from terminated investment managers to replacement managers;

12. Monitor the custodian with respect to its functions and make recommendations with respect to custodial services;

13. Monitor any securities lending program implemented by the Board and make recommendations as necessary;

14. Negotiate, monitor and report investment management fees to the Board and offer recommendations for improvement thereon; and

15. Review annually this Policy and recommend any necessary changes to the Board.

16. The Investment Consultant will provide Investment Managers for consideration who invest only based on pecuniary factors as defined by Florida Statutes § 112.662.

E. Investment Managers. The Board shall select with the assistance and advice of the Investment Consultant competent, experienced professional investment managers to manage Fund assets. All investment managers shall be Registered Investment Advisers under the Investment Advisers Act of 1940, as amended, unless exempt from such registration and specifically permitted by the Board. The Board delegates to its investment manager's full investment discretion regarding all assets placed under their control. Subject to this Policy, investment managers have full authority to manage assets, including the purchase, retention, and sale of securities in amounts and proportions that are reflective of the investment manager's respective investment strategies. The investment managers' acceptance of responsibility to manage Fund assets will constitute an acceptance of this Policy. The duties of investment managers include but are not limited to:

1. Invest Fund assets according to this Policy, and the investment discipline, mandate or style for which the manager was retained;

2. Inform the Board and investment consultant on a timely basis of: significant changes in investment strategy or asset allocation; significant changes in ownership, organizational structure, financial condition or professional staffing of the firm or investment product utilized; deviations from this Policy or the need therefore; and any regulatory actions, investigations, significant trading errors, or lawsuits alleging breach of fiduciary duty.

3. Meet with the Board, or investment consultant as needed in person or via teleconference to review: firm developments, investment performance, performance attribution, portfolio structure and investment/market outlook;

F. Custodian. The Board shall retain a qualified, third-party, custodian bank or trust company responsible for the custody, trade settlement, valuation, and accounting of Fund assets. The duties of the custodian include but are not limited to:

1. Custody of all Fund assets under a trust or custodial arrangement; collect all income, dividends and principal realizable and properly reporting same;

2. Provide the Fund, investment consultant and investment manager monthly reports of all Fund assets based on fair market value, a listing of all transactions, and accounting of all assets along with consolidated annual reports;

3. Settle all purchases and sales of securities and other related transaction by investment managers;

4. Sweep all investment manager and Fund accounts daily into a cash management account and manage such account in safe, liquid, interest-bearing investments in accordance with this Policy;

5. Reconcile cash balances with investment managers and make cash disbursements as directed by the Fund Administrator;

6. Distribute proxies to investment managers; and provide all other custodial services not listed above that are necessary for the efficient custody, valuation or administration of Fund assets.

V. Investment Objectives:

A. General Investment Objectives.

1. The general investment objective of the Fund is to preserve the purchasing power of the Fund's assets and earn a reasonable real rate of return over the long-term while minimizing, to the extent reasonable, the short-term volatility or losses. In broad terms, the board seeks to ensure over the life of the Fund that an adequate level of assets are available to fund benefit payments payable to the Fund's participants and beneficiaries at the time they become due. In meeting this objective, the Board seeks to achieve a high level of investment return consistent with a prudent level of risk.

2. To achieve these general objectives, the Board seeks to create a well-diversified portfolio of equity, fixed income, money market and other permissible investments including liquid and illiquid alternative asset-class funds.

B. Specific Investment Objectives and Return Goals.

1. The primary investment objective of the Board is to maximize the probability of achieving an investment return that satisfies the actuarial rate of return assumption for the Fund's investment portfolio, net of fees, subject to a prudent level of risk. As this is a long-term objective and investments are subject to volatility within a market cycle, the main investment focus of the Board is the expected long-term return and associated expected volatility of the Fund as a whole over a long-term investment time horizon.

2. In addition to the absolute investment objective, relative return goals are described as follows:

   a. To earn a total risk adjusted rate of return at the total Fund level, net of fees, over a market cycle which exceeds the risk adjusted return of a Policy Index. The Policy Index for the Fund is defined as an index constructed of the returns of the broad market indices representing each asset class in which the Fund is invested, each weighted to reflect the Fund's target asset allocation as adopted by the Board. The Policy index may change from time to time as the asset allocation target or permissible asset classes change, as periodically approved by the Board.

   b. The investment goals of each active investment manager are to achieve an annualized total risk adjusted rate of return, net of fees, over a market cycle that exceeds an appropriate market index and rank above median in a comparative performance universe reflecting the manager's investment style.

   c. The investment goal of each passive investment fund is to achieve an annualized total rate of return, net of fees, over a market cycle that is comparable to the underlying broad market index minus its internal expenses while minimizing tracking error to that index.

VI. Authorized Investments.

A. Under the applicable elements of Section 215.47 (1)-(6), (8), (9), (11) and (17), Fund assets may be invested:

1. Without limitation in U.S. government and agency securities, various full faith and selected state and municipal securities, various savings accounts and CD's of banks and S&L's, prime quality commercial paper and bankers acceptances, prime quality negotiable CD's issued by domestic or foreign financial institutions denominated in U.S. dollars, various short-term investment funds, various mutual funds and similar investment products comprised of U.S. government, agency and instrumentality securities, and repurchase agreements collateralized by U.S. government securities.

2. With no more than 25% in various investment grade state and municipal securities, certain FHA and VA notes, certain CMO's, certain group annuity contracts, certain interests in real property and related personal property with provision for equity and income participation, investment grade foreign fixed income obligations, fixed income obligations of the government of Israel, dollar-denominated obligations issued by foreign governments and corporations, and asset-backed securities not otherwise described herein.

3. With no more than 80% in domestic equities (common stock, preferred stock, and convertible bonds) listed under major exchanges, and domestic corporate bonds.

4. With no more than 25% in corporate obligations and securities of foreign corporations and entities, not including US dollar-denominated securities listed and traded on US exchanges.

5. Transactions involving the purchase and sale of certain futures and options.

B. Investments not listed in this Policy are expressly prohibited. Should the Fund have investments that either exceed the applicable limit or do not satisfy the applicable investment standards, such excess or investment not in compliance with this Policy may be continued until such time as it is economically feasible to dispose of such investment. However, no additional investment may be made in the investment category which exceeds the applicable limit, unless specifically authorized by law or local ordinance.

VII. Asset Allocation

A. General.

1. The Board believes that the level of risk assumed in the Fund is a function, in large part, of the Fund's asset allocation. The proportion of assets allocated for equity investments is the most important determinant of the volatility of future returns. As indicated by long-term historical data, the risk of equity ownership has been rewarded with a higher rate of return and is necessary in the current market environment to fully fund future liabilities.

2. The Fund’s investments shall be invested in a diversified portfolio which may be composed of equity securities (both domestic and international), fixed income securities (both domestic and international), diversifying assets (such as real estate or alternative assets, as permitted by statute or ordinance) and cash equivalent securities.

3. Based on its determination of the appropriate risk posture for the Fund, and its long-term return expectations, the Board has established asset-mix guidelines for the Fund based on market values. The asset allocation is a strategic asset allocation. The long-term target allocation percentage and permitted range for each asset class shall be based upon the most recent asset allocation study performed by the investment consultant or periodic asset allocation review, as adopted by the Board. Both the target allocations and permitted ranges should be adhered to under normal circumstances. However, because the target allocations and permitted ranges are long-term in nature, periodically the asset mix may fall outside the target or range. Dollar-cost-averaging, portfolio transition or other cases where the Board determines deviation from the target or range is in the best interest of the Fund are permitted exceptions. This in no way should be considered tactical asset allocation or market timing and is not viewed as such by the Board.

4. The Board is responsible for broad asset allocation decisions. A manager’s cash holdings can disrupt this position and therefore under normal circumstances should be kept to a minimum of its portfolio market value.

5. Until such time as the Board changes the asset class targets, a routine rebalancing of the various portfolios back within permitted allocation range shall be implemented as necessary. Managers considered to be underperforming their benchmarks, undergoing personnel or ownership change or for other reasons in the best interests of the Fund, may be excluded from receiving additional assets in any rebalancing.

6. The investments of the Fund shall be diversified so as to minimize the impact of large losses under any individual asset class or investment style.

B. Target Asset Allocation, Permitted Allocation Ranges, and the Policy Index.

   1. The Fund’s objectives, current target asset allocation, permitted allocation ranges and Policy Index are shown in Appendix A.

VIII. Investment Guidelines.

A. General.

1. The Fund Administrator, in consultation with the investment consultant, is responsible for developing periodic recommendations for consideration by the Board regarding the various asset classes, investment styles and individual portfolio policies and guidelines which are to be formally reflected in the goals and objectives of this Policy. Once adopted by the Board, the Administrator shall manage the implementation of the Policy and the guidelines reflected therein. The Administrator shall manage any guidelines for the selection and retention of investment managers as well as all external contractual relationships in discharging the fiduciary responsibilities of the Board. All asset classes and investment styles shall be invested to achieve or exceed, on a net of fee basis, the risk adjusted return for their respective benchmarks over a market cycle measured over rolling three to five year periods of time.

2. No investment manager shall be permitted to purchase the securities of the investment management organization for inclusion in the portfolio of the Fund. This prohibition shall additionally extend to the securities of the parent organization or subsidiaries of the investment management firm.

B. Cash Equivalents Guidelines/Restrictions.

1. Permissible Cash Equivalent Securities for the Fund include:

   a. Savings accounts in, or certificates of deposit of, any bank, savings bank, or savings and loan association incorporated under the laws of this state or organized under the laws of the United States doing business and situated in this state, the accounts of which are insured by the Federal Government or an agency thereof and having a prime quality of the highest letter and numerical ratings as provided for by at least one nationally recognized statistical rating organization.

   b. Bonds issued by the Florida State Improvement Commission, Florida Development Commission, Division of Bond Finance of the Department of General Services, or Division of Bond Finance of the State Board of Administration.

   c. Notes, bonds, and other obligations of agencies of the United States.

   d. Commercial paper of prime quality of the highest letter and numerical rating as provided for by at least one nationally recognized rating service.

   e. Time drafts or bills of exchange drawn on and accepted by a commercial bank, otherwise known as banker’s acceptances, which are accepted by a member bank of the Federal

Reserve System and are of prime quality of the highest letter and numerical ratings as provided for by at least one nationally recognized statistical rating organization.

f. Negotiable certificates of deposit issued by domestic or foreign financial institutions in United States dollars of prime quality of the highest letter and numerical ratings as provided for by at least one nationally recognized statistical rating organization.

g. Short-term obligations not authorized elsewhere in this section to be purchased individually or in pooled accounts or other collective investment funds, for the purpose of providing liquidity to any fund or portfolio.

h. Securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, 15 U.S.C. ss. 80a-1 et seq., as amended from time to time, provided that the portfolio of such investment company or investment trust is limited to obligations of the United States Government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such United States Government obligations and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

2. Notwithstanding the above list of securities that are eligible for investment by the custodian bank, the investment managers may invest only in the following short-term investment vehicles:

   a. The money market or STIF provided by the custodian bank.

   b. MSILF Government securities portfolio.

   c. Direct obligations of the United States Government or its agencies with a maturity of one year or less.

   d. Repurchase agreements which are fully collateralized by direct obligations of the United States Government.

   e. Commercial Paper issued by United States corporations which has a maturity of 270 days or less and that is rated A-1 or higher by Standard & Poor’s or P-1 or higher by Moody’s, subject to a limit of no more than $5 million by any single issuer.

   f. Bankers Acceptances issued by prime money center banks, subject to a limit of no more than $5 million in any single bank.

C. Equity Guidelines/Restrictions.

1. Domestic common stock and preferred stocks are permitted for domestic equity portfolios.

2. No equity holding of any one company in the Fund's portfolio shall represent more than 5% of the assets of the Fund measured on the basis of market value.

3. Exchange Traded Funds (ETF's) may be used and held in domestic equity portfolios for passive investing exposure.

4. American Depository Receipts (ADR's) and foreign-domiciled companies that are traded on United States exchanges are permitted investments for domestic equity managers; however, the combined amount of such securities shall be limited to 15% of a domestic equity manager's portfolio. This authorization is subject to the collective use of foreign-domiciled companies and international securities (through international equity managers) operating within the overall 25% limitation of the total Fund assets measured on the basis of market value. Notwithstanding these guidelines with respect to individual domestic equity managers, the Board shall issue directives to such individual domestic equity managers for the liquidation of a portion of their holdings in foreign domiciled companies in the event that the Trustees conclude that the overall limitation of 25% is in peril of being exceeded.

5. There shall be no investment in foreign securities within the portfolios of investment managers who are hired and assigned to manage domestic portfolios (except within the constraints described above). There shall be no: investment in venture capital, commodities, financial futures or options (other than covered call options), letter stocks, private placements (except those issued under Rule 144a with such securities being limited to 15% of a manager's portfolio measured at market value), short selling, purchases on margin, puts, calls, or hedging, or other specialized investment activity without the prior approval of the Board.

6. Corporate obligations and securities of a foreign corporation or a foreign commercial entity are permissible in international equity portfolios but shall not exceed 25% of the Fund, not including US dollar-denominated securities listed and traded on a US exchange. American Depository Receipts and Global Depository Receipts are also permissible in international equity portfolios.

7. Convertible preferred stocks may be purchased so long as the common stocks underlying them meet the required equity standards.

8. Convertible bonds shall not be considered as an appropriate equity substitute.

9. The equity investment managers are permitted to sell covered call options.

10. All securities purchased shall be fully negotiable and marketable unless prior approval is secured by the Board. An illiquid investment is generally recognized as an investment for

which a recognized market is not available or for which there is no consistent or generally accepted pricing mechanism.

11. In order to achieve the desired level of quality and liquidity of the portfolio, all domestic equity purchases (other than private equity mandates) are limited to stocks registered or listed on a United States national exchange, (i.e. New York Stock Exchange and the NASDAQ Over the Counter Market) and whose corporation conforms to the periodic reporting requirements under the Securities Exchange Act of 1934.

12. Permissible equity investment vehicles shall include equity separate accounts, commingled vehicles, index funds, and mutual funds consisting of those common stocks, preferred stocks, and convertible securities described above.

D. Fixed Income Guidelines/Restrictions.

1. The following are permissible investments:

    a. Bonds, notes, or other obligations of the United States or those guaranteed by the United States or for which the credit of the United States is pledged for the payment of the principal and interest or dividends thereof.

    b. State bonds pledging the full faith and credit of the state and revenue bonds additionally secured by the full faith and credit of the state.

    c. Notes, bonds, and other obligations of agencies of the United States.

    d. The following are limited to 25% or less of the Fund:

        i. Bonds, notes, or obligations of any municipality or political subdivision or any agency or authority of this state, if the obligations are rated investment grade by at least one nationally recognized statistical rating organization.

        ii. Notes secured by first mortgages, insured or guaranteed by the Federal Housing Administration or the United States Department of Veterans Affairs.

        iii. Mortgage securities which represent participation in or are collateralized by mortgage loans secured by real property. Such securities must be issued by an agency of or enterprise sponsored by the United States Government, including, but not limited to, the Government National Mortgage Association, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation.

        iv. Fixed-income obligations not otherwise authorized by this section issued by foreign governments or political subdivisions or agencies thereof, supranational agencies, foreign corporations, or foreign commercial entities, if the obligations are rated investment grade by at least one nationally recognized rating service.

v. A portion of the funds available for investment pursuant to this subsection may be invested in rated or unrated bonds, notes, or instruments backed by the full faith and credit of the government of Israel.

vi. Obligations of agencies of the government of the United States, provided such obligations have been included in and authorized by the Florida Retirement System Defined Benefit Plan Investment Policy Statement established in Section 215.475, Florida Statutes.

vii. United States dollar-denominated obligations issued by foreign governments, or political subdivisions or agencies thereof, supranational agencies, foreign corporations, or foreign commercial entities.

viii. Asset-backed securities not otherwise authorized by this section.

e. Not more than 80% of the Fund may be invested in interest-bearing obligations with a fixed maturity of any corporation or commercial entity within the United States.

f. Not more than 25% of the Fund may be invested in corporate obligations and securities of any kind of a foreign corporation or a foreign commercial entity having its principal office located in any country other than the United States of America or its possessions or territories, not including United States dollar-denominated securities listed and traded on a United States exchange which are a part of the ordinary investment strategy of the Board.

i. Unless permitted by the Board, all securities purchased for the portfolio must have an investment grade rating of BBB- or better (investment grade) from a nationally recognized rating service (i.e. Moody's, Standard & Poor's, or Fitch), subject to the limitations below. For an issue with a split rating, the lower quality designation will govern. In the event of a downgrade below BBB- or its equivalent after the time of purchase, the Investment Manager shall be required to dispose of the security at the earliest beneficial opportunity. Any purchase of below investment grade rated debt securities may only be made with the prior written permission of the Board.

ii. No purchase may be made which would cause a holding to exceed 5% of the issuer's outstanding fixed income securities.

iii. No more than 5% of the Fund's portfolio shall be invested in the securities of any single issuer, with the exception of the United States Government and its agencies and instrumentalities, which carry no limit.

iv. Convertible bonds may be purchased up to 10% of the value of the manager' fixed income portfolio; however, such investments should be liquidated at the time of conversion so as to avoid a fixed-income Investment Manager from carrying equity securities in the fixed-income portfolio.

v. There shall be no investment in foreign bonds (with the possible exception of bonds issued by the State of Israel were contractually authorized) within the portfolios of investment managers who are hired and assigned to manage domestic core portfolios, without the prior written permission by the Board. In addition, there shall be no short selling or other specialized investment activity or investments in futures or options without the prior approval of the Board.

vi. Yankee Bonds are permitted investments; however, such securities shall be limited to 5% of an investment manager's portfolio unless permitted in writing by the Board.

vii. Closed-end bond funds may be purchased; however, such purchases shall be limited to 10% of an investment manager's portfolio. In addition, the investment manager's holdings in any single closed-end bond fund may not exceed 10% of the amount of such closed-end bond fund.

viii. Collateralized Mortgage Obligations (CMO's) are acceptable provided they meet the following criteria unless otherwise permitted by the Board in writing:

a) Backing by the full faith of the U.S. Government or an Agency thereof, or that are rated AAA by a major rating service.

b) A volatility rating by Fitch Investors Services in the low to moderate category (VI, V2, or V3) or characteristics consistent with such ratings.

c) Limited to PAC (Planned Amortization Class), NAC (Non-Accelerated Securities), VADM (Very Accurately Defined Maturity) securities, or sequential CMO's.

ix. Investments in Commercial Mortgage Backed Securities (CMBS) are permitted, provided they are rated AAA by a major rating service and the total value of all CMBS investments shall not exceed 15% of the market value of the total fixed income portfolio unless permitted by the Board.

x. All securities purchased shall be fully negotiable and marketable. An illiquid investment is generally recognized as an investment for which a recognized market is not available or for which there is no consistent or generally accepted pricing mechanism.

xi. Structured notes may not be held in the fixed income portfolio without the written permission of the Board.

xii. Permissible investment vehicles shall include fixed income separate accounts, commingled vehicles, index funds and mutual funds consisting of those fixed income securities listed above.

E. Alternative Asset Class Investments Guidelines/Restrictions.

The Board of Trustees is authorized to invest and reinvest the assets of the Pension Fund in any lawful investment as provided in applicable provisions of s.112.661, 185.06, 215.47, and 112.662, Florida Statutes, and, is further authorized to invest in alternative investments through a mutual fund, Evergreen fund, Interval fund, or limited partnership vehicle. The long-term role of alternative investments is to provide additional assets classes and active strategies whose risk and return profiles are meaningfully different than those held in traditional assets, thus providing diversification benefits along with the potential for higher returns and inflation protection. Alternative asset class investments may include: real estate, infrastructure, commodities, hedge funds, funds of hedge funds, private equity, and private credit.

F. Commingled and Mutual Fund Guidelines / Restrictions:

The Board recognizes and accepts that commingled and mutual fund investments will be dictated by the investment policies and guidelines of those funds and that no additional constraints may be imposed on them. The decision to invest Fund assets in any commingled or mutual fund will only be made by the Board of Trustees after a thorough review of the policies and/or prospectuses or other governing documents of those funds and after it has been determined that those policies are appropriate and generally consistent with the investment objectives of the Fund.

G. Investment Management Fees

The Board shall review investment management fees with the assistance of the Investment Consultant. As part of such fee review, the investment consultant shall provide perspective and opinion as to the reasonableness of such fees. Where investment managers are retained by more than one city entity the Board shall make every effort to aggregate assets between the entities for purposes of corresponding fee calculation.

IX. Performance Measurement.

A. The investment performance of Fund assets will be measured by an independent performance measurement firm, usually the investment consultant and evaluated on a monthly or quarterly basis to determine whether:

1. The Total Fund, asset classes and investment managers performed in adherence to the investment policy guidelines set forth herein.

2. The investment managers have employed the investment philosophy or style of investing that they were hired to perform.

3. The Total Fund, asset classes, and investment managers performed satisfactorily when compared to the objectives identified in this Statement, in addition to the returns generated by similarly managed funds.

B. Long-Term Evaluation.

The measurement period for the long-term evaluation of investment performance will be rolling three to five year periods and thereby approximating a complete market cycle.

C. Benchmark Comparisons.

The absolute and risk adjusted investment returns generated on the various categories of pension assets shall be compared against the appropriate benchmarks, indicators and peer groups as indicated in Exhibit A. In addition to the evaluation of absolute investment returns, the level of risk assumed by the total Fund and the individual portfolios will be examined.

X. Reporting Requirements.

A. Quarterly Investment Performance Evaluation.

1. The Board shall review the investment activities and investment performance of the Fund, asset classes, and each portfolio manager on a regular basis to assure compliance with the goals, objectives, and guidelines contained in this Statement of Investment Policy. The Fund's investment consultant shall assist in interpreting investment results and assessing investment manager performance.

2. The investment consultant shall be available to attend meeting of the Board each quarter and shall prepare and present at such meetings a performance report, in writing, analyzing the performance of each investment manager. Such presentations may be accomplished by conference call or video conferencing. Reports of quarterly, annual and multi-year performance shall also be compiled by the investment consultant as appropriate. Within such reports, the investment consultant shall advise the Board as to the relative performance of the Fund as a whole, each asset class composite, and each investment manager as compared to the various benchmarks which are generally accepted in the investment marketplace.

3. While the Board intends to fairly evaluate the portfolio performance, it reserves the right to change investment managers, without liability except for the payment of current charges, for any reason which in the exercise of the Board's discretion is deemed sufficient, including but not limited to those stated below.

a. Change of Board's investment philosophy;

b. Poor results;

c. Failure to meet stated performance goals;

d. Failure to meet Board's communication and reporting requirements;

e. Deviation from the stated investment philosophy or style for which the investment management firm was hired;

f. Change of decision-making personnel or ownership of the investment management firm; or

g. Regulatory action or litigation.

B. <u>State Filing Requirements</u>:

1. The Board shall timely comply with the reporting requirement of Section 112.662 by filing a comprehensive report by December 15 of each odd-numbered year. [112.662(4)]. Investment managers and the Board's investment consultant shall assist in the preparation of required reports and shall annually confirm to the Board their compliance with Chapter 2023-28, if applicable.

XI. Other.

A. Annual Audit.

It is the policy of the Board of Trustees to retain an independent Certified Public Accountant for the preparation of an annual financial report.

B. Asset Values.

The market value of the assets for accounting purposes, actuarial purposes, payment of investment managers, and for purposes of measuring investment performance shall be based upon the market value assigned by the custodian bank.

C. Continuing Education

Pursuant to Section 112.661, Florida Statutes, all Board of Trustee members are encouraged to perform continuing education in matters relating to investments and the Board's responsibilities to the Fund.

D. Contracting and External Communications.

1. Manager contracts shall comply with Section 215.855 as follows:

   Any written communication made by an investment manager to a company in which such manager invests public funds on behalf of the Board must include the following disclaimer in a conspicuous location if such communication discusses social, political, or ideological interests; subordinates the interests of the company's shareholders to the interest of another entity; or advocates for the interest of an entity other than the company's shareholders:

   The views and opinions expressed in this communication are those of the sender and do not reflect the views and opinions of the people of the State of Florida.

2. If a Request for Proposals document is issued for Investment Manager services, the solicitation document must include the following:

   "The Board of Trustees may not request documentation of or consider a vendor's social, political, or ideological interests when determining if the vendor is a responsible vendor. Additionally, the Board of Trustees may not give preference to a vendor based on vendor's social, political, or ideological interests."

Adopted on this _____ day of _________________ 202~~3~~6.

____

____

Exhibit A: Executive Summary

Market Value of Assets (~~6/30/2023~~ 12/31/2025): ~~$31,558,652~~ $40,771,675

Investment Time Horizon: Greater than 25 years (perpetual)

Actuarial Return Assumption: ~~7.25%~~ 6.50%

Risk Tolerance: Moderate

Policy Asset Allocation:	**Index**	**Target Allocation**	**Range**
EQUITIES			
Domestic Equity: Large Cap Value	Russell 1000 Value	21.5%	15 – 27%
Domestic Equity: Large Cap Growth	Russell 1000 Growth	21.5%	15 – 27%
Domestic Equity: Mid Cap Value	Russell Mid Value	3.0%	0 – 6%
Domestic Equity: Mid Cap Growth	Russell Mid Growth	3.0%	0 – 6%
Domestic Equity: Small Cap Value	Russell 2000 Value	3.0%	0 – 6%
Domestic Equity: Small Cap Growth	Russell 2000 Growth	3.0%	0 – 6%
Total Domestic Equity		**55.0%**	**45 – 65%**
International Value Equity:	MSCI ACWI ex USA (Net)	5.0%	0 – 10%
International Value Equity:	MSCI ACWI ex USA (Net)	5.0%	0 – 10%
Total International		**10.0%**	**5 – 15%**
Total Equities		**65.0%**	**50 – 75%**
FIXED INCOME			
Domestic Fixed Income	Appropriate Bloomberg Fixed Income Index	25.0%	10 – 35%
Total Fixed Income		**25.0%**	**10 – 35%**
ALTERNATIVES			
Absolute Return Assets	Appropriate Index TBD	0.0%	0 – 15%
Infrastructure	DJ Brookfield Glb Infra or Cambridge Infrastructure	5.0%	0 – 10%
Private Real Estate	NCREIF Property or ODCE	~~10.0%~~ 5.0%	~~0 – 15%~~ 0 – 10%
Total Alternatives		**10.0%**	**0 – 20%**
CASH & EQUIVALENTS			
Cash & Equivalents	90-Day T-Bill	0.0%	0 – 5%
Total Cash & Equivalents			
TOTAL		**100.00%**	

Exhibit A: Executive Summary

Market Value of Assets (~~6/30/2023~~ 12/31/2025): ~~$31,558,652~~ $40,771,675

Investment Time Horizon: Greater than 25 years (perpetual)

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Policy Asset Allocation:	**Index**	**Target Allocation**	**Range**
EQUITIES			
Domestic Equity: Large Cap Value	Russell 1000 Value	21.5%	15 – 27%
Domestic Equity: Large Cap Growth	Russell 1000 Growth	21.5%	15 – 27%
Domestic Equity: Mid Cap Value	Russell Mid Value	3.0%	0 – 6%
Domestic Equity: Mid Cap Growth	Russell Mid Growth	3.0%	0 – 6%
Domestic Equity: Small Cap Value	Russell 2000 Value	3.0%	0 – 6%
Domestic Equity: Small Cap Growth	Russell 2000 Growth	3.0%	0 – 6%
Total Domestic Equity		**55.0%**	**45 – 65%**
International Value Equity:	MSCI ACWI ex USA (Net)	5.0%	0 – 10%
International Value Equity:	MSCI ACWI ex USA (Net)	5.0%	0 – 10%
Total International		**10.0%**	**5 – 15%**
Total Equities		**65.0%**	**50 – 75%**
FIXED INCOME			
Domestic Fixed Income	Appropriate Bloomberg Fixed Income Index	25.0%	10 – 35%
Total Fixed Income		**25.0%**	**10 – 35%**
ALTERNATIVES			
Absolute Return Assets	Appropriate Index TBD	0.0%	0 – 15%
Infrastructure	DJ Brookfield Glb Infra or Cambridge Infrastructure	10.0%	0 – 15%
Private Real Estate	NCREIF Property or ODCE	~~10.0%~~ 0.0%	~~0 – 15%~~ 0 – 10%
Total Alternatives		**10.0%**	**0 – 20%**
CASH & EQUIVALENTS			
Cash & Equivalents	90-Day T-Bill	0.0%	0 – 5%
Total Cash & Equivalents			
TOTAL		**100.00%**	

Bal Harbour Village Police Officers' Pension Plan & Trust

Global Infrastructure Fund Search Summary

Information as of December 31, 2025

	Cohen & Steers Glb Infrastructure	Clearbridge Glb Infrastructure	DWS RREEF Glb Infrastructure	Lazard List Infrastructure	DJ Brookfield Glb Infra Comp
GIMA Status	*Approved*	*Approved*	*Approved*	*Focus*	
# of Securities	76	40	50	35	
Turnover (%)	110% (12/31/24)	73% (9/30/24)	30% (12/31/24)	36% (12/31/24)	
Asset Breakdown (%)					
U.S. Equity	59%	36%	51%	21%	51%
Non-U.S. Equity	39%	62%	49%	76%	49%
Fixed Income	0%	0%	0%	0%	0%
Other	0%	0%	0%	0%	0%
Cash	1%	2%	0%	3%	0%
NET EXPENSE RATIO	CIT = 0.75% /MF = 0.87%	0.95%	1.02%	0.97%	
RISK **(5 year)**					
Standard Deviation	13.95	15.06	15.24	11.66	14.51
NET PERFORMANCE					
1 year	14.70	25.87	12.66	23.86	14.05
3 year	9.47	9.98	8.82	13.59	10.47
5 year	7.81	6.98	7.44	11.64	9.04
7 year	8.70	10.25	8.88	10.61	8.45
10 year	8.31	N/A	7.10	9.92	7.35
Since Inception	7.89	8.30	7.02	10.86	
OTHER IMPORTANT CONSIDERATIONS					
Fund Inception Date	5/3/2004	3/31/2016	6/24/2008	12/31/2009	
Number of Portfolio Mgrs	3	4	3	4	
Commitment	Owners/Well Paid	Well Paid	Well Paid	Well Paid	
Total Fund Assets	$986.8 Million	$146.6 Million	$807.5 Million	$11.3 Billion	

Sources: Morgan Stanley Global Investment Manager Analysis team, Informa PSN, Morningstar, and Zephyr StyleADVISOR

This summary contains select data for each investment manager and index listed and should not be considered inclusive of all material information available for each investment. Please refer to additional information provided in the complete manager search analysis for each manager.

Graystone Consulting
from Morgan Stanley

Bal Harbour Village Police Officers' Pension Plan & Trust

Investment Manager Search Analysis

As of December 31, 2025

Scott Owens, CFA®, CIMA®
Managing Director - Wealth Management
Institutional Consulting Director
Alternative Investments Director
Scott.Owens@msgraystone.com
(813) 227-2027

Theodore J. (TJ) Loew, CFA®
Vice President
Institutional Consultant
Corporate Retirement Director
Theodore.Loew@msgraystone.com
(813) 227-2088

Important Disclosures

This report must be accompanied by a separate profile document or other report for each mutual fund and exchange-traded fund (ETF), referred to herein as "fund" or "funds", shown in this report, and for each investment manager shown in this report and approved by Morgan Stanley to be offered to investors in any investment advisory program in which you may invest. These separate documents show, for each manager and fund, various information which may include both gross and net performance (which may be more up-to-date than the performance shown in this report).

Morgan Stanley has prepared this report for your personal use, at your request, to help you evaluate the investment disciplines and investment managers/funds shown in this report. It is for informational purposes only. It is not a recommendation of a particular portfolio, investment manager or fund. It is not tax or legal advice. The report is based on information you gave Morgan Stanley about your financial situation, investment objectives, risk tolerance and investment time horizon.

IT IS TO BE PRESENTED TO YOU IN A ONE-ON-ONE PRESENTATION WITH YOUR MORGAN STANLEY FINANCIAL ADVISOR OR PRIVATE WEALTH ADVISOR SO THAT YOU HAVE AN OPPORTUNITY TO ASK QUESTIONS.

If you asked us to do so, we have included one or more investment managers/funds that have not been approved by Morgan Stanley to be offered to investors in any investment advisory program in which you may invest. Morgan Stanley does not and will not recommend any such manager/fund for investment in these programs, and has included the manager/fund in the report solely at your request and for your information. The performance shown in this report for any such managers or funds could differ materially from their performance in investment advisory programs offered by firms other than Morgan Stanley. If you have invested with any such manager/fund through another firm, we recommend that you seek information from that firm on the manager’s or fund's gross and net performance in its programs.

This report is not complete unless it contains all pages (as indicated in the page numbering below). Please see "Important Notes About Performance" and "Important Notes About this Report" for other important information (including the effect of fees and a summary of the risks associated with particular investment disciplines).

Important Notes About Performance

The performance data in this report is historical. Past performance does not guarantee future results.

NET PERFORMANCE

See the accompanying Select UMA Manager Profiles for each investment manager in this report for net performance information on the manager. See the accompanying Morningstar profiles for each fund in the report for standardized fund performance (i.e. returns net of any maximum sales charges that apply if you purchase the Mutual Fund or ETF outside of our investment advisory programs) and also returns net of the maximum annual investment advisory fees that apply if you purchase the fund in one of our investment advisory programs. You should carefully read the manager/fund profiles, which may contain more up-to-date performance information than in this report.

NOTE ABOUT ETF PERFORMANCE

For ETFs, performance shown may be based on net asset value (NAV), market price (MKT) or both. The Morningstar profile that must accompany this report shows performance based on both NAV and market price.

Important Notes About Performance (Cont'd)

GENERAL DISCLOSURE

The investment return and principal value of an investment will fluctuate so that an investor's shares in a fund, when redeemed, may be worth more or less than their original cost, and investments in separately managed accounts may be worth more or less than the original amount. Current performance may be lower or higher than the performance quoted. For performance data for a fund current to the most recent month end, please either contact the fund (at the toll-free number or website address specified in that fund's profile given to you with this report) or call your Financial Advisor or Private Wealth Advisor at the toll-free number on the cover page of this report.

You would not necessarily have obtained the performance results shown in this report if you had invested with these managers or funds for the periods indicated. Actual performance results of accounts vary due to factors such as the timing of contributions and withdrawals, client restrictions, rebalancing schedules, and fees and costs. THE SELECTION OF MANAGERS/FUNDS IN THIS REPORT MAY REFLECT THE BENEFIT OF HINDSIGHT BASED ON HISTORICAL RATES OF RETURN.

See the applicable Morgan Stanley ADV brochure for an explanation of the fees and charges that would apply if you invest with an investment manager or in a fund through a Morgan Stanley investment advisory program. See "Important Notes About This Report" for information on the sources of performance information in this report.

Manager and Fund Designations

Managers shown in this report may be approved managers offered in some or all of Morgan Stanley's Consulting and Evaluation Services program or Select UMA program. Please ask your Financial Advisor or Private Wealth Advisor about availability in particular programs. See "Important Notes About This Report" for more information on how Morgan Stanley approves managers for these programs.

E*Trade Capital Management LLC is an affiliate of Morgan Stanley Smith Barney LLC ("MSSB"). Certain SMA strategies, ETFs and Mutual Funds that are sponsored, managed or sub advised by, or receive other services from, MSSB or our affiliates, including but not limited to Morgan Stanley Investment Management ("MSIM") and Eaton Vance Management ("EVM"), Boston Management and Research, Calvert Research and Management, Atlanta Capital Management Company and Parametric Portfolio Associates, may be included in a client's account. Morgan Stanley Global Investment Manager Analysis ("GIMA") evaluates certain investment products for the purposes of some - but not all - of Morgan Stanley Smith Barney LLC's investment advisory programs. Please see the applicable Form ADV, which can be accessed at www.morganstanley.com/adv, for information about affiliated investment products that are not reviewed or evaluated by GIMA, as well as additional disclosures and conflicts of interest applicable to affiliated products, that could be included in a strategy. In this report, all performance returns for periods of more than one year are annualized returns and for periods of less than one year are not annualized.

Terms have the following meanings:

- (S) Manager participates in the Select UMA program, performance is Gross of advisory fees
- (n) Manager participates in the Select UMA program, performance is Net of advisory fees
- (C) Manager participates in the Consulting and Evaluation Services program, performance is Gross of advisory fees
- (Cn) Manager participates in the Consulting and Evaluation Services program, performance is Net of advisory fees

The "Inception Date" is, for separately managed accounts, the date when the investment manager began managing the applicable investment discipline and, for funds, the date the fund was established. In either case, this date may be before the investment discipline or fund became available in any applicable Morgan Stanley investment advisory program.

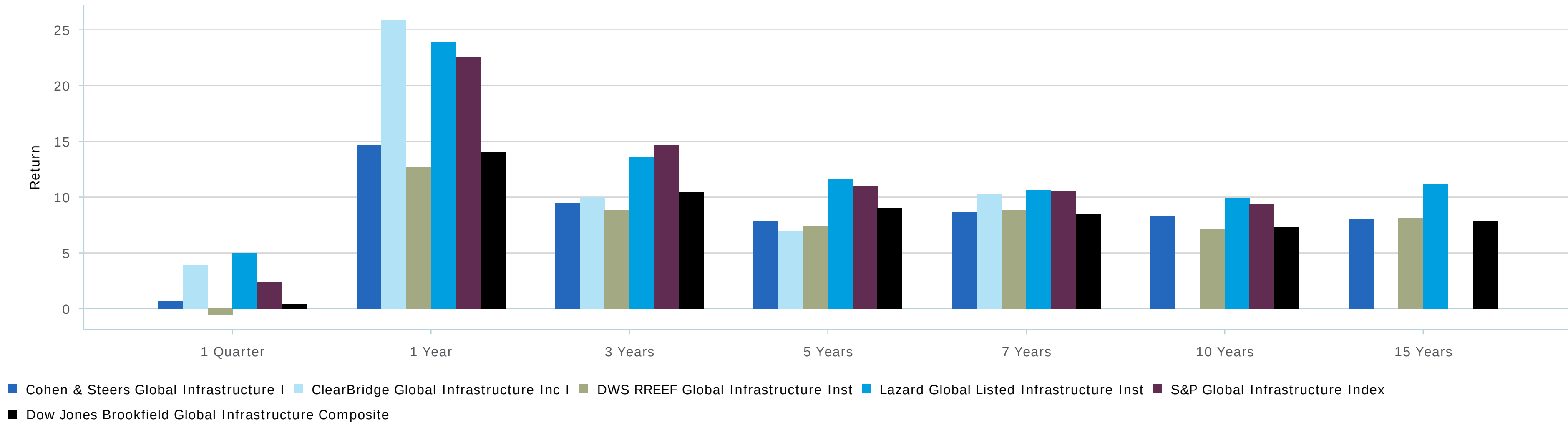
Bal Harbour Village Police Officers' Pension Plan & Trust

Trailing Period Returns Analysis

as of December 31, 2025

Manager vs Benchmark: Return

As of Dec 2025



Manager vs Benchmark: Return

As of Dec 2025

	1 QUARTER	1 YEAR	3 YEARS	5 YEARS	7 YEARS	10 YEARS	15 YEARS	SINCE INCEPTION
Cohen & Steers Global Infrastructure I	0.69	14.70	9.47	7.81	8.70	8.31	8.04	7.89
ClearBridge Global Infrastructure Inc I	3.90	25.87	9.98	6.98	10.25	N/A	N/A	8.30
DWS RREEF Global Infrastructure Inst	(0.55)	12.66	8.82	7.44	8.88	7.10	8.11	7.02
Lazard Global Listed Infrastructure Inst	4.97	23.86	13.59	11.64	10.61	9.92	11.15	10.86
S&P Global Infrastructure Index	2.37	22.58	14.64	10.97	10.52	9.42	N/A	7.74
Dow Jones Brookfield Global Infrastructure Composite	0.42	14.05	10.47	9.04	8.45	7.35	7.84	10.16

Calendar Year Return

As of Dec 2025

	YTD	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Cohen & Steers Global Infrastructure I	14.70	14.70	11.66	2.44	(4.90)	16.73	(1.30)	24.71	(4.10)	19.30	8.32	(7.79)	11.82	18.69	14.44
ClearBridge Global Infrastructure Inc I	25.87	25.87	2.10	3.51	(5.96)	12.03	12.16	25.99	(7.94)	18.01	N/A	N/A	N/A	N/A	N/A
DWS RREEF Global Infrastructure Inst	12.66	12.66	12.19	1.95	(7.73)	20.42	(1.95)	29.21	(11.06)	13.61	8.38	(14.09)	18.26	18.52	16.46
Lazard Global Listed Infrastructure Inst	23.86	23.86	6.71	10.89	(1.30)	19.87	(4.48)	22.26	(3.73)	20.80	9.30	9.30	17.95	26.56	18.05
S&P Global Infrastructure Index	22.58	22.58	15.10	6.79	(0.17)	11.87	(5.76)	26.99	(9.50)	20.13	12.43	(11.46)	12.98	N/A	N/A
Dow Jones Brookfield Global Infrastructure Composite	14.05	14.05	11.26	6.23	(4.91)	20.23	(9.51)	26.53	(8.54)	12.73	11.68	(14.54)	15.63	18.77	13.77

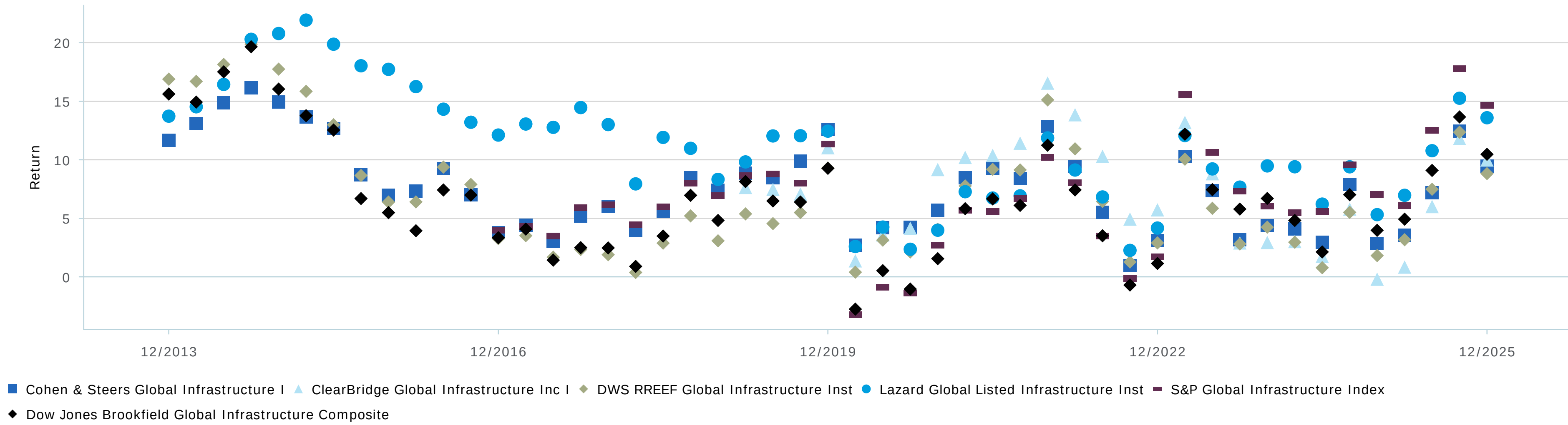
Bal Harbour Village Police Officers' Pension Plan & Trust

3-Year Rolling Period Returns

as of December 31, 2025

Rolling Manager vs Benchmark: Return

36-Month Moving Windows, Computed Quarterly, January 2011 - December 2025



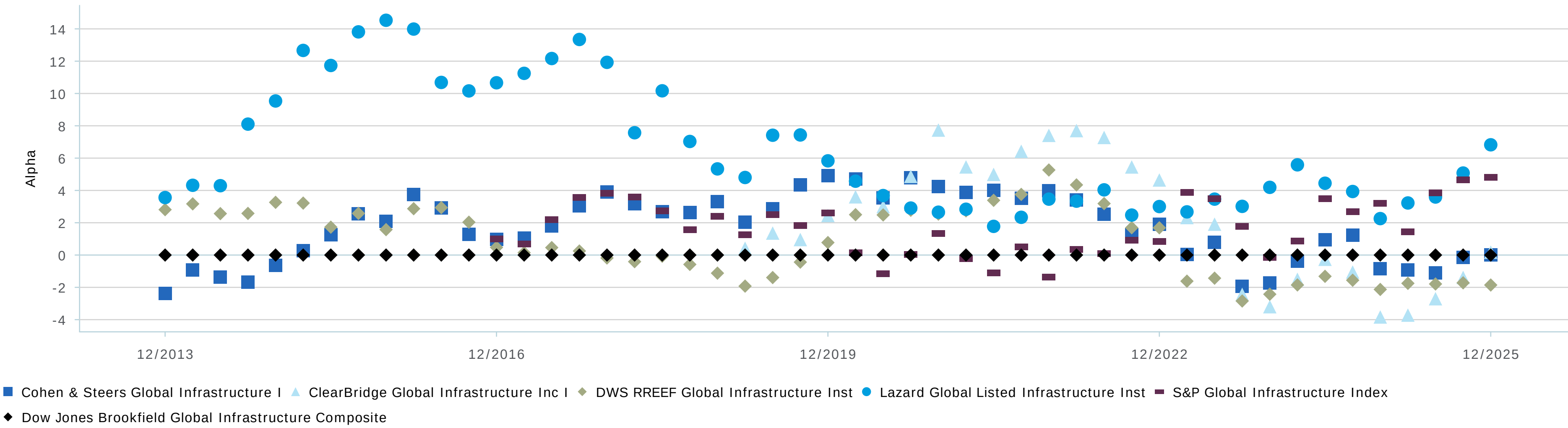
Manager vs Benchmark: Return

As of Dec 2025

	01/2023 - 12/2025	01/2022 - 12/2024	01/2021 - 12/2023	01/2020 - 12/2022	01/2019 - 12/2021	01/2018 - 12/2020	01/2017 - 12/2019
Cohen & Steers Global Infrastructure I	9.47	2.84	4.38	3.09	12.84	5.69	12.58
ClearBridge Global Infrastructure Inc I	9.98	(0.21)	2.93	5.72	16.55	9.17	11.03
DWS RREEF Global Infrastructure Inst	8.82	1.81	4.24	2.90	15.12	4.06	9.29
Lazard Global Listed Infrastructure Inst	13.59	5.31	9.48	4.17	11.87	3.98	12.45
S&P Global Infrastructure Index	14.64	7.06	6.05	1.72	10.21	2.69	11.35
Dow Jones Brookfield Global Infrastructure Composite	10.47	3.97	6.69	1.14	11.24	1.55	9.27

Rolling Manager vs Benchmark: Alpha

36-Month Moving Windows, Computed Quarterly, January 2011 - December 2025



Manager vs Benchmark: Alpha

As of Dec 2025

	01/2023 - 12/2025	01/2022 - 12/2024	01/2021 - 12/2023	01/2020 - 12/2022	01/2019 - 12/2021	01/2018 - 12/2020	01/2017 - 12/2019
Cohen & Steers Global Infrastructure I	0.01	(0.83)	(1.72)	1.91	3.99	4.24	4.91
ClearBridge Global Infrastructure Inc I	0.18	(3.84)	(3.20)	4.64	7.41	7.73	2.45
DWS RREEF Global Infrastructure Inst	(1.86)	(2.13)	(2.43)	1.69	5.26	2.54	0.77
Lazard Global Listed Infrastructure Inst	6.82	2.26	4.19	3.00	3.46	2.65	5.83
S&P Global Infrastructure Index	4.81	3.21	(0.15)	0.84	(1.38)	1.34	2.61
Dow Jones Brookfield Global Infrastructure Composite	0.00	0.00	0.00	0.00	0.00	0.00	0.00

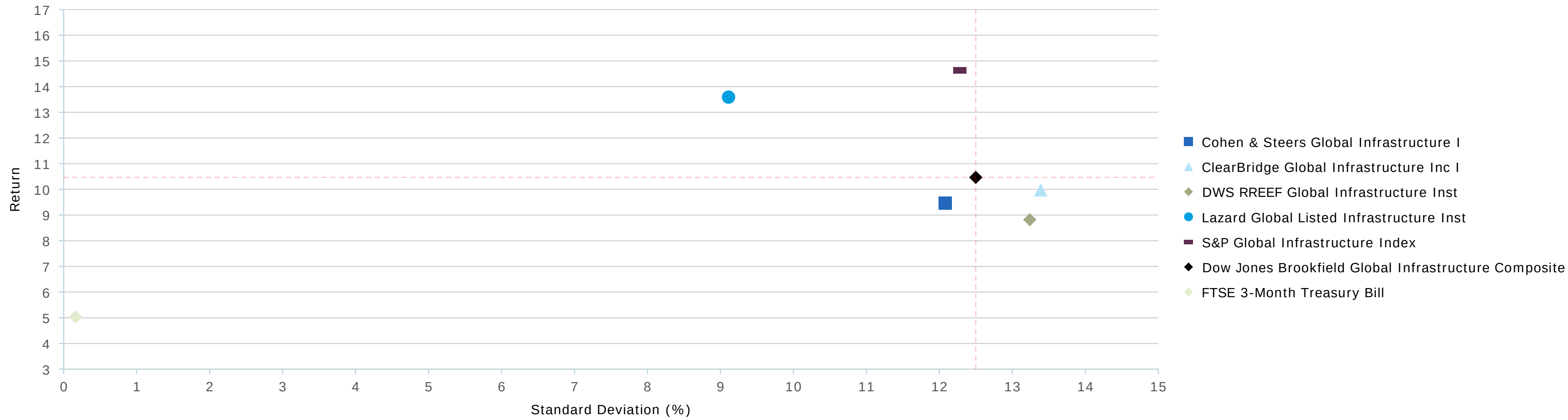
Bal Harbour Village Police Officers' Pension Plan & Trust

3-Year Risk/Return Analysis

as of December 31, 2025

Risk / Return

January 2023 - December 2025



Risk & Return Analysis

January 2023 - December 2025

	RETURN	EXCESS RETURN	STANDARD DEVIATION	BETA	MAXIMUM DRAWDOWN	UP CAPTURE	DOWN CAPTURE	ALPHA	SHARPE RATIO	R-SQUARED
Cohen & Steers Global Infrastructure I	9.47	(1.00)	12.08	0.91	(11.80)	92.08	95.89	0.01	0.37	88.72
ClearBridge Global Infrastructure Inc I	9.98	(0.49)	13.39	0.95	(12.72)	103.88	107.36	0.18	0.37	79.20
DWS RREEF Global Infrastructure Inst	8.82	(1.65)	13.24	1.04	(12.77)	98.19	107.14	(1.86)	0.29	96.82
Lazard Global Listed Infrastructure Inst	13.59	3.12	9.11	0.61	(7.26)	76.74	48.23	6.82	0.94	70.75
S&P Global Infrastructure Index	14.64	4.17	12.28	0.91	(12.46)	110.88	89.48	4.81	0.78	85.47
Dow Jones Brookfield Global Infrastructure Composite	10.47	0.00	12.50	1.00	(10.74)	100.00	100.00	0.00	0.43	100.00

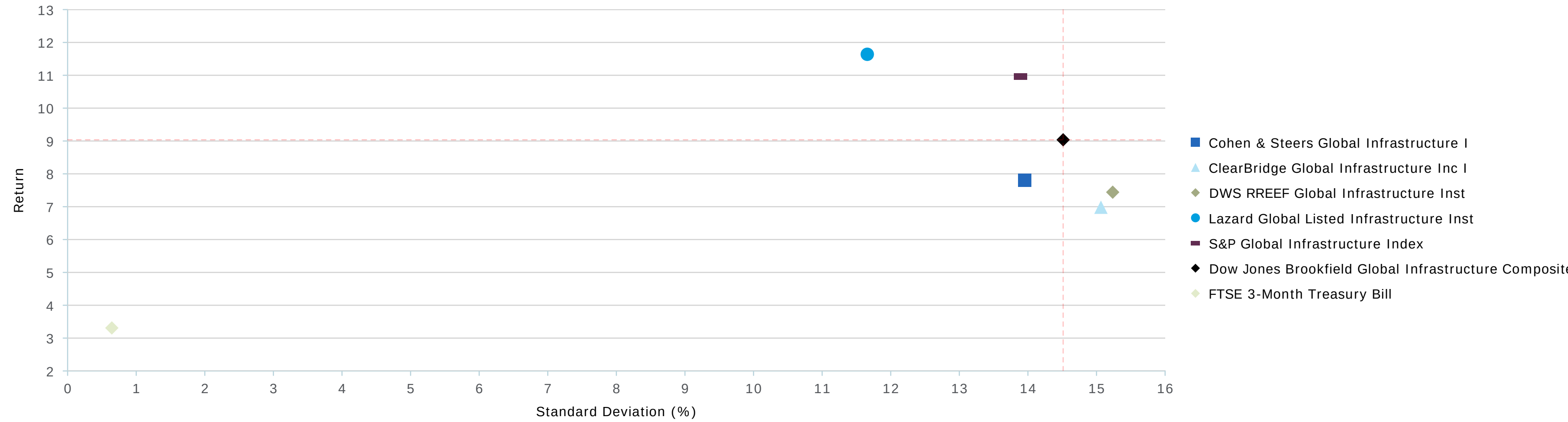
Bal Harbour Village Police Officers' Pension Plan & Trust

5-Year Risk/Return Analysis

as of December 31, 2025

Risk / Return

January 2021 - December 2025



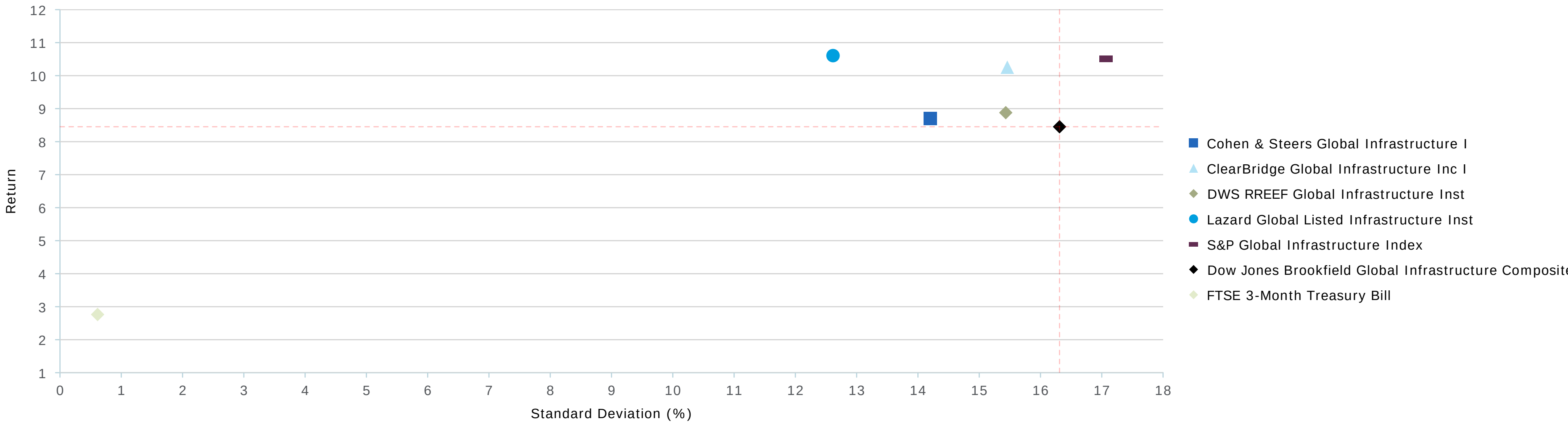
Risk & Return Analysis

January 2021 - December 2025

	RETURN	EXCESS RETURN	STANDARD DEVIATION	BETA	MAXIMUM DRAWDOWN	UP CAPTURE	DOWN CAPTURE	ALPHA	SHARPE RATIO	R-SQUARED
Cohen & Steers Global Infrastructure I	7.81	(1.23)	13.95	0.92	(15.61)	92.56	97.99	(0.46)	0.32	91.89
ClearBridge Global Infrastructure Inc I	6.98	(2.05)	15.06	0.96	(19.44)	99.70	109.01	(1.44)	0.24	85.76
DWS RREEF Global Infrastructure Inst	7.44	(1.60)	15.24	1.04	(18.23)	100.05	107.31	(1.72)	0.27	97.50
Lazard Global Listed Infrastructure Inst	11.64	2.60	11.66	0.71	(12.82)	79.34	63.34	4.90	0.71	78.90
S&P Global Infrastructure Index	10.97	1.93	13.89	0.90	(16.62)	99.76	90.75	2.65	0.55	89.24
Dow Jones Brookfield Global Infrastructure Composite	9.04	0.00	14.51	1.00	(17.18)	100.00	100.00	0.00	0.39	100.00

Risk / Return

January 2019 - December 2025



Risk & Return Analysis

January 2019 - December 2025

	RETURN	EXCESS RETURN	STANDARD DEVIATION	BETA	MAXIMUM DRAWDOWN	UP CAPTURE	DOWN CAPTURE	ALPHA	SHARPE RATIO	R-SQUARED
Cohen & Steers Global Infrastructure I	8.70	0.24	14.20	0.83	(19.33)	90.08	88.85	1.51	0.42	91.08
ClearBridge Global Infrastructure Inc I	10.25	1.80	15.46	0.87	(19.44)	100.52	92.57	2.81	0.48	83.75
DWS RREEF Global Infrastructure Inst	8.88	0.43	15.43	0.93	(18.94)	99.33	97.47	0.94	0.40	95.84
Lazard Global Listed Infrastructure Inst	10.61	2.16	12.61	0.71	(18.75)	77.24	64.92	4.30	0.62	83.40
S&P Global Infrastructure Index	10.52	2.06	17.07	1.00	(30.31)	103.44	94.31	2.08	0.45	91.33
Dow Jones Brookfield Global Infrastructure Composite	8.45	0.00	16.31	1.00	(25.04)	100.00	100.00	0.00	0.35	100.00

Graystone Consulting from Morgan Stanley

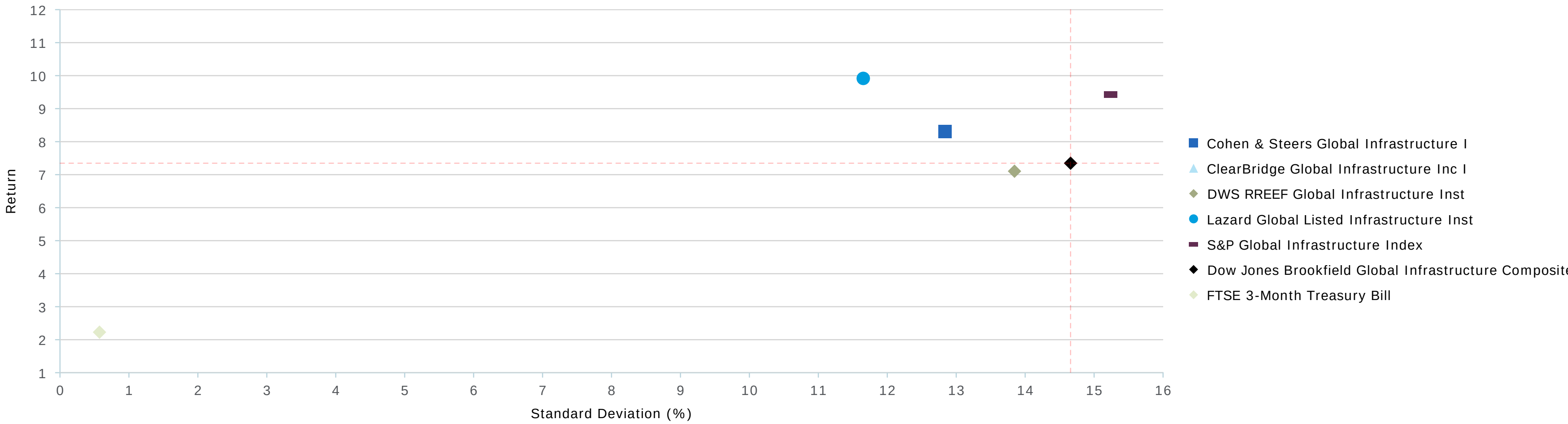
Bal Harbour Village Police Officers' Pension Plan & Trust

10-Year Risk/Return Analysis

as of December 31, 2025

Risk / Return

January 2016 - December 2025



Risk & Return Analysis

January 2016 - December 2025

	RETURN	EXCESS RETURN	STANDARD DEVIATION	BETA	MAXIMUM DRAWDOWN	UP CAPTURE	DOWN CAPTURE	ALPHA	SHARPE RATIO	R-SQUARED
Cohen & Steers Global Infrastructure I	8.31	0.96	12.84	0.83	(19.33)	90.87	85.39	2.05	0.47	89.84
ClearBridge Global Infrastructure Inc I	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DWS RREEF Global Infrastructure Inst	7.10	(0.24)	13.85	0.92	(18.94)	95.13	96.25	0.29	0.35	95.09
Lazard Global Listed Infrastructure Inst	9.92	2.57	11.65	0.69	(18.75)	78.71	62.10	4.57	0.66	76.34
S&P Global Infrastructure Index	9.42	2.08	15.24	0.99	(30.31)	103.68	93.21	2.14	0.47	90.72
Dow Jones Brookfield Global Infrastructure Composite	7.35	0.00	14.66	1.00	(25.04)	100.00	100.00	0.00	0.35	100.00

Important Notes About This Report

PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. ACTUAL INDIVIDUAL ACCOUNT RESULTS WILL DIFFER FROM THE PERFORMANCE SHOWN IN THIS REPORT.

INVESTMENT DECISIONS: Do not use this report as the sole basis for investment decisions. Do not select an allocation, investment disciplines or investment managers/funds based on performance alone. Consider, in addition to performance results, other relevant information about each investment manager or fund, as well as matters such as your investment objectives, risk tolerance and investment time horizon.

SOURCE OF PERFORMANCE INFORMATION FOR INVESTMENT MANAGERS AVAILABLE IN CONSULTING AND EVALUATION SERVICES OR SELECT UMA: Each investment manager included in this report that participates in one or more of the Consulting and Evaluation Services or Select UMA programs ("Programs") has a track record of investing assets in the relevant investment discipline. The investment manager's gross performance track record shown in this report consists of its gross performance in either the Morgan Stanley or the Smith Barney form of the Select UMA program (if that investment manager was in the Select UMA program) for periods for which sufficient data is available. If the strategy or similar strategies are available in both the Morgan Stanley and Smith Barney forms of the program, this profile presents the composite for the strategy that is closest to the strategy currently offered in the Select UMA program. If both strategies are equally close, the profile shows the longer of the two composites. For other periods, the gross performance track record is provided by the investment manager and consists of accounts managed by the investment manager in the same or a similar investment discipline, whether at Morgan Stanley or elsewhere (and may include institutional accounts, retail accounts and/or pooled investment vehicles such as mutual funds).

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 a client’s specific investment objectives and financial position, may not be appropriate for the client. Please see the applicable program disclosure document for more information, available at www.morganstanley.com/ADV or from your Financial Advisor.

The investment management services of Morgan Stanley Smith Barney LLC and investment vehicles managed by Morgan Stanley Smith Barney LLC or its affiliates are not guaranteed and could result in the loss of value to your account. You should note that investing in financial instruments carries with it the possibility of losses and that a focus on above-market returns exposes the portfolio to above-average risk. Performance aspirations are not guaranteed and are subject to market conditions.

CRC 5082012 11/4/2022

Important Notes About This Report (Cont'd)

Generally, investment advisory accounts are subject to an annual asset-based fee (the "Fee") which is payable monthly in advance (some account types may be billed differently). In general, the Fee covers Morgan Stanley investment advisory services, custody of securities with Morgan Stanley, trade execution with or through Morgan Stanley or its affiliates, as well as compensation to any Morgan Stanley Financial Advisor.

In addition, each account that is invested in a program that is eligible to purchase certain investment products, such as mutual funds, will also pay a Platform Fee (which is subject to a Platform Fee offset) as described in the applicable ADV brochure. Accounts invested in the Select UMA program may also pay a separate Sub-Manager fee, if applicable.

If your account is invested in mutual funds or exchange traded funds (collectively "funds"), you will pay the fees and expenses of any funds in which your account is invested. Fees and expenses are charged directly to the pool of assets the fund invests in and are reflected in each fund's share price. These fees and expenses are an additional cost to you and would not be included in the Fee amount in your account statements. The advisory program you choose is described in the applicable Morgan Stanley Smith Barney LLC ADV Brochure, available at www.morganstanley.com/ADV.

Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's Separately Managed Account ("SMA") programs may effect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instance, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-Managers concerning trade execution away from Morgan Stanley is summarized at:
http://www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf
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, or contact your Financial Advisor / Private Wealth Advisor.

Important Notes About This Report (Cont'd)

There may be differences between the performance in the different forms of the Select UMA program, in different Programs, and between the performance in Programs and performance outside the Programs, due to, among other things, investment and operational differences. For example:

- Institutional accounts included in related performance may hold more securities than the Program accounts, participate in initial public offerings (IPOs) and invest directly in foreign securities (rather than in ADRs).
- Mutual funds included in related performance may hold more securities than the Program accounts, may participate in IPOs, may engage in options and futures transactions, and are subject to certain regulatory limitations.
- Performance results in Select UMA accounts could differ from that in Consulting and Evaluation Services accounts because Select UMA accounts may hold fewer securities, and have automatic rebalancing, wash sale loss and tax harvesting features.

You should read the investment manager profile accompanying this report for each investment manager. The investment manager profile gives further details on the sources of performance information for a particular investment manager, as well as other calculations of the manager's performance returns (such as performance net of fees and expenses).

SOURCE OF PERFORMANCE INFORMATION FOR OTHER INVESTMENT MANAGERS: For any investment managers shown in this report that are not available in the Consulting and Evaluation Services or Select UMA programs, the performance data is obtained from databases maintained by parties outside Morgan Stanley. This data has been included for your information, and has not been verified by Morgan Stanley in any way. See "Sources of Information" below. The gross performance shown in this report for these managers could differ materially from their gross performance in investment advisory programs offered by firms other than Morgan Stanley. If you have invested with any such manager through another firm, we recommend that you seek information from that firm on the manager's gross and net performance in its programs.

Important Notes About This Report (Cont'd)

SOURCE OF PERFORMANCE INFORMATION FOR FUNDS: For any fund shown in this report, the performance data is obtained from databases maintained by parties outside Morgan Stanley. This data has been included for your information, and has not been verified by Morgan Stanley in any way. See "Sources of Information" below.

BENCHMARK INDICES: Depending on the composition of your account and your investment objectives, the indices shown in this report may not be appropriate measures for comparison purposes and are therefore presented for illustration only. The indices used in this report may not be the same indices used for comparative purposes in the profile for each investment manager, mutual fund and/or ETF that accompanies this report. Indices are unmanaged. They do not reflect any management, custody, transaction or other expenses, and generally assume reinvestment of dividends, accrued income and capital gains. Performance of selected indices may be more or less volatile than that of any investment manager/fund shown in this report. Past performance of indices does not guarantee future results. You cannot invest directly in an index.

MANAGERS AND FUNDS APPROVED IN MORGAN STANLEY WEALTH MANAGEMENT PROGRAMS: Morgan Stanley Wealth Management approves certain managers and funds offered in its investment advisory programs:

- Morgan Stanley Wealth Management's Global Investment Manager Analysis ("GIMA") team approves managers and funds offered in Consulting and Evaluation Services and Select UMA.
- Managers and funds offered in Institutional Consulting Group and Graystone Consulting programs may be approved by GIMA, approved by Morgan Stanley Wealth Management using another process, or not approved by Morgan Stanley Wealth Management.
- Morgan Stanley Wealth Management does not approve managers in the Investment Management Services consulting program.

CRC 5082012 11/4/2022

Important Notes About This Report (Cont'd)

If you invest in a manager or fund that is not approved by Morgan Stanley Wealth Management, you are responsible for selecting and/or retaining that manager or fund, and Morgan Stanley Wealth Management does not recommend or monitor that manager or fund. For more information on the approval process in any program, see the applicable ADV brochure, available at www.MorganStanley.com/ADV or from your Financial Advisor or Private Wealth Advisor. If you have any questions about whether or how Morgan Stanley Wealth Management has approved a manager or fund shown in this report, please ask our Financial Advisor or Private Wealth Advisor.

SHARE CLASSES OF FUNDS SHOWN IN THIS REPORT: The share class of a fund shown in this report may differ from the share class available in any Morgan Stanley Wealth Management investment advisory program in which you invest. The performance of the share class in which you invest may differ from that of the share class shown in this report.

REINVESTMENT: The performance results shown in this report assume that all dividends, accrued income and capital gains were reinvested.

SOURCES OF INFORMATION: Although the statements of fact in this report have been obtained from, and are based on, sources that Morgan Stanley believes to be reliable, Morgan Stanley makes no representation as to the accuracy or completeness of the information from sources outside Morgan Stanley. Any such information may be incomplete and you should not use it as the sole basis for investment decisions.

It is important to consider a fund's investment objectives, risks, charges and expenses carefully before investing. The prospectus contains this and other information about the fund. A copy of the prospectus may be obtained from your Financial Advisor or Private Wealth Advisor. Please read the prospectus carefully before investing in the fund.

CRC 5082012 11/4/2022

Important Notes About This Report (Cont'd)

KEY ASSET CLASS RISK CONSIDERATIONS: Investing in securities entails risk including the risk of losing principal. There is no assurance that the investment disciplines and investment managers/funds selected will meet their intended objectives.

Commodities – Diversified: The commodities markets may fluctuate widely based on a variety of factors including changes in supply and demand relationships; governmental programs and policies; national and international political and economic events; war and terrorist events; changes in interest and exchange rates; trading activities in commodities and related contracts; pestilence; weather; technological change; and the price volatility of a commodity. In addition to commodity risk, commodity-linked notes may be subject to special risks, such as risk of loss of interest and principal, lack of a secondary market and risk of greater volatility that do not affect traditional equity and debt securities.

Commodities - Precious Metals: The prices of Commodities - Precious Metals tend to fluctuate widely and in an unpredictable manner, and have historically experienced extended periods of flat or declining prices. The prices of Commodities - Precious Metals are affected by several factors, including global supply and demand, investors' expectations with respect to the rate of inflation, currency exchange rates, interest rates, investment and trading activities of hedge funds and commodity funds, and global or regional political, economic or financial events and situations.

Fixed Income: Fixed income securities are subject to certain inherent risks such as credit risk, reinvestment risk, call risk, and interest rate risk. Fixed income securities are sensitive to changes in prevailing interest rates. When interest rates rise, the value of fixed income securities generally declines. Accordingly, managers or funds that invest in fixed income securities are subject to interest rate risk and portfolio values can decline in value as interest rates rise and an investor can lose principal.

High Yield Fixed Income: As well as being subject to risks relating to fixed income generally (see "Fixed Income"), high yield or "junk" bonds are considered speculative, have significantly higher credit and default risks (including loss of principal), and may be less liquid and more volatile than investment grade bonds. Clients should only invest in high yield strategies if this is consistent with their risk tolerance, and high yield investments should comprise only a limited part of a balanced portfolio.

Important Notes About This Report (Cont'd)

International/Emerging Market: International investing (including investing in particular countries or groups of countries) should be considered only one component of a complete and diversified investment program. Investing in foreign markets may entail greater risks than those normally associated with domestic markets, such as foreign political, currency, economic and market risks. In addition, the securities markets of many emerging markets are substantially smaller, less developed, less liquid and more volatile than the securities markets of the U.S. and other more developed countries. Further, a portfolio that focuses on a single country may be subject to higher volatility than one that is more diversified.

Preferred Securities: Preferred securities are generally subject to the same risks as apply to fixed income securities. (See "Fixed Income.") However, preferred securities (especially equity preferred securities) may rank below traditional forms of debt for the purposes of repayment in the event of bankruptcy. Many preferred securities are "callable" meaning that the issuer may retire the securities at specific prices and dates prior to maturity. If a preferred security is called, the investor bears the risk of reinvesting proceeds at a potentially lower return. Investors may not receive regular distributions on preferred securities. For example, dividends on equity preferred securities may only be declarable in the discretion of the issuer's board and may not be cumulative. Similarly, interest payments on certain debt preferred securities may be deferred by the issuer for periods of up to 10 years or more, in which case the investor would still have income tax liability even though payments would not have been received.

Real Estate: Real estate investments are subject to special risks, including interest rate and property value fluctuations as well as risks related to general and local conditions.

Small and Mid Cap: Investments in small-to medium-sized corporations are generally more vulnerable to financial risks and other risks than larger corporations and may involve a higher degree of price volatility than investments in the broad equity market.

Hedged and Alternatives Strategies: In most Consulting Group investment advisory program, alternative investments are limited to US registered open-end mutual funds, separate account strategies, and ETFs that seek to pursue alternative investment strategies or returns utilizing publicly traded securities. Investment products in this category may employ various investment strategies and techniques for both hedging and more speculative purposes such as short selling, leverage, derivatives, and options, which can increase volatility and the risk of investment loss. Alternative Investments are not suitable for all investors.

Important Notes About This Report (Cont'd)

Managed Futures: Involve a high degree of risk, often involve leveraging and other speculative investment practices that may increase the risk of investment loss, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, may involve complex tax structures and delays in distributing important tax information, are not subject to the same regulatory requirements as mutual funds, often charge high fees which may offset any trading profits, and in many cases the underlying investments are not transparent and are known only to the investment manager.

Master Limited Partnerships (MLPs) are limited partnerships or limited liability companies whose interests (limited partnership or limited liability company units) are generally traded on securities exchanges like shares of common stock. Investment in MLPs entails different risks, including tax risks, than is the case for other types of investments. Currently, most MLPs operate in the energy, natural resources or real estate sectors and are subject to the risks generally applicable to companies in those sectors, including commodity pricing risk, supply and demand risk, depletion risk and exploration risk. Depending on the ownership vehicle, MLP interests are subject to varying tax treatment.

Glossary

ALPHA: Synonym of 'value added', linearly similar to the way beta is computed, alpha is the incremental return on a portfolio when the market is stationary. In other words, it is the extra expected return due to non-market factors. This risk-adjusted measurement takes into account both the performance of the market as a whole and the volatility of the portfolio. A positive alpha indicates that a portfolio has produced returns above the expected level at that level of risk, and vice versa for a negative alpha.

ANNUALIZED RETURN: The constant rate of return that, compounded annually, would yield the same overall return for a period of more than one year as the actual return observed for that period.

ANNUALIZED EXCESS RETURN: Excess return represents the difference between the manager's return and the return of a benchmark for that manager. Annualized excess return is calculated by taking the annualized return of the original series and forming the difference between the two. A positive annualized excess return implies that the manager outperformed the benchmark over the time period shown.

BEST AND WORST PERIOD RETURNS: The best period return for a time window is simply the maximum of the returns for that period inside this window. Similarly, the worst period return for a time window is the minimum of the returns for that period inside this window. To calculate the best one-year return for a return series, the program moves a one-year time window along the series and calculates the compound return for each of these windows. The best one-year return is the maximum of the returns thus found. Similarly, the worst one-year return is the minimum of the returns thus found. Therefore, best and worst one-year returns do not refer to calendar years.

BETA: The measure of a portfolio's risk in relation to the market (for example, the S&P 500) or to an alternative benchmark or factors. Roughly speaking, a portfolio with a beta of 1.5 will have moved, on average, 1.5 times the market return. According to asset pricing theory, beta represents the type of risk, systematic risk, which cannot be diversified away. When using beta, there are a number of issues that you need to be aware of: (1) betas may change through time; (2) betas may be different depending on the direction of the market (i.e. betas may be greater for down moves in the market rather than up moves); (3) the estimated beta will be biased if the portfolio does not frequently trade; and (4) the beta is not necessarily a complete measure of risk (you may need multiple betas). Also, note that the beta is a measure of co movement, not volatility. It is possible for a security to have a zero beta and higher volatility than the market.

Glossary (Cont'd)

CORRELATION: Statistical method to measure how closely related the variances of two series are. Assets that are highly correlated would be expected to react in similar ways to changing market conditions.

CUMULATIVE RETURN: The total return on an investment over a specified time period.

CUMULATIVE EXCESS RETURN: Excess return represents the difference between the manager's return and the return of a benchmark for that manager. Cumulative excess return is calculated by taking the cumulative return of the original series and forming the difference between the two. A positive cumulative excess return implies that the manager outperformed the benchmark over the time period shown.

DOWNSIDE CAPTURE RATIO: For each portfolio, this is calculated by (1) identifying the calendar quarters in which the portfolio's benchmark index had negative returns and then (2) for those quarters, dividing the portfolio's annualized net performance by the benchmark index's performance. For investors, the lower the downside capture ratio, the better. For example, a downside capture ratio of 90% means that the portfolio's losses were only 90% of the market's losses (as represented by the benchmark index).

DOWNSIDE DEVIATION: Similar to Standard Deviation, but Downside Deviation captures the range of expected returns only on the down side [when the returns fall below the minimum acceptable return (MAR)].

DRAWDOWN (MAXIMUM DRAWDOWN): The Maximum loss (compounded, not annualized) that the manager incurred during any sub-period of the time period shown.

- DRAWDOWN BEGIN DATE: the first date of the sub-period used to calculate the maximum drawdown
- DRAWDOWN END DATE: The last date of the sub period used to calculate the maximum drawdown
- DRAWDOWN LENGTH: The number of periods (months or quarters depending on the periodicity of the data) the sub-period used to calculate the maximum drawdown
- DRAWDOWN RECOVERY DATE: Date at which the compounded returns regain the peak level that was reached before the drawdown began
- DRAWDOWN RECOVERY LENGTH: Number of periods it takes to reach the recovery level from maximum drawdown end date

Glossary (Cont'd)

EXCESS RETURN: The difference between the returns of two portfolios. Usually excess return is the difference between a portfolio's return and the return of a benchmark for that portfolio.

GAIN TO LOSS RATIO: Divides the average gain in an up period by the average loss in a down period. A higher Gain to Loss Ratio is more favorable.

HIGH WATER MARK: The High Water Mark represents the peak level of the manager's return, as represented by the peak of the cumulative return series.

- HIGH WATER MARK DATE: The date which the High Water Mark was reached.
- UNDER WATER LOSS: Loss incurred between the high water mark date and the end of the period analyzed
- UNDER WATER LENGTH: Length of the time interval that begins with the high water mark and ends with the analysis period
- TO HIGH WATER MARK: The percentage of gain that the manager/fund needs to regain the peak level of the cumulative return series

INFORMATION RATIO: Measures the active return of the manager divided by the manager's active risk. Active return is the annualized differences of the manager and the benchmark index, while active risk is measured by tracking error. The higher the information ratio, the better. An information ratio of 0 implies that a manager/fund (or benchmark index, if applicable) has provided a return that is equivalent to the risk of the benchmark return.

MAR: Stands for "Minimum Acceptable Return." This represents the lowest return possible that could be considered a successful result of the investment. In most cases, the MAR will either be defined as 0 (meaning no negative return) or as the return of a cash benchmark (meaning the investment had a higher return that simply keeping the investment amount in the relatively safe investment of money market funds). Please refer to the specific chart/statistic to see the specific MAR used in the illustration.

Glossary (Cont'd)

MANAGER STYLE (RETURNS BASED STYLE ANALYSIS): A measure for analyzing the style of a portfolio's returns when compared with the quarterly returns on a number of selected style indices (the "Style Basis"). These style indices represent distinct investment styles or asset classes such as large cap value, large cap growth, small cap growth, small cap value, government bonds, or cash equivalents asset classes. Style analysis uses a calculation procedure that finds the combination of selected indices that best tracks (i.e. that has the highest correlation to) a given manager's return series. This allows the advisor to capture an accurate picture of the investment style of the manager without viewing the underlying holdings.

OMEGA: A measure of volatility designed to capture the entire return distribution (useful for investments that do not have normal return distributions), the Omega is tied to a MAR (see above) and shows the ratio of the entire upside performance to the entire downside, with the MAR representing the dividing line between upside and downside. (e.g. If MAR = 0.00%, any positive return is captured in the upside and any negative return is captured in the downside).

PAIN INDEX: Represents the frequency, the depth, and the width of the manager/fund's drawdowns. The Pain Index captures the information for every period in which the manager/fund is negative. A higher Pain Index indicates that the manager/fund had a more negative result when considering not just the depth (lowest return) but also the frequency of negative returns (frequency) and the amount of time that the return remained negative (width).

PAIN RATIO: A risk/return ratio which uses the Pain Index as the measure of risk. The higher the Pain Ratio, the better the risk-adjusted return of the portfolio.

ROLLING WINDOW: Indicates that the chart or statistic was evaluated using periodic smaller windows of data on a rolling basis. As an example, a 20 Quarter Rolling Window (Annual Roll) over a 10 year period indicates that 5 year (20 quarter) periods of time were evaluated from the start date, moving forward one year at a time, for the duration of the 10 year period, resulting in 5 "windows". Evaluating data this way allows us to remove end point bias and determine a measure of consistency in performance.

R-SQUARED: Used to show how much of a portfolio's variability can be accounted for by the market. For example, if a portfolio's R-Squared is 0.79, then 79% of the portfolio's variability is due to market conditions. As R-Squared approaches 100%, the portfolio is more closely correlated with the market.

Glossary (Cont’d)

SHARPE RATIO: Developed by William F. Sharpe, this calculation measures a ratio of return to volatility. It is useful in comparing two portfolios or stocks in terms of risk-adjusted return. The higher the Sharpe Ratio, the better the risk-adjusted return of the portfolio. It is calculated by first subtracting the risk free rate (Citigroup 3-month T-bill) from the return of the portfolio, then dividing by the standard deviation of the portfolio. Using Sharpe ratios to compare and select among investment alternatives can be difficult because the measure of risk (standard deviation) penalizes portfolios for positive upside returns as much as the undesirable downside returns.

SINGLE COMPUTATION: For a single computation chart, StyleADVISOR calculates the information over the entire time period shown as a single data point. AS an example, in a chart showing 10 years of performance, a “Single Computation” would represent the statistic shown over the entire 10 year window.

STANDARD DEVIATION: A statistical measure of the degree to which the performance of a portfolio varies from its average performance during a specified period. The higher the standard deviation, the greater the volatility of the portfolio’s performance returns relative to its average return. A portfolio’s returns can be expected to fall within plus or minus one standard deviation, relative to its average return, two-thirds of the time, and fall within plus or minus two standard deviations relative to its average return, 95% of the time. For example, if a portfolio had a return of 5% and a standard deviation of 13% then, if future volatility of returns is similar to historical volatility (which may not be the case):

- About two-thirds of the time, the future returns could be expected to fall between -8% and 18% (being 5% +/- 13%)
- About 95% of the time, the future returns could be expected to fall between -21% and 31% (being 5% +/- 26%).

In performance measurement, it is generally assumed that a larger standard deviation means that great risk was taken to achieve the return.

Glossary (Cont'd)

STYLE BASIS: A set of indices that represent the broad asset category being utilized. The Style Basis is used in the equation that calculates the Manager Style (see definition). The "Manager Style" chart shows the specific benchmarks utilized in the Style Basis. The following Style Bases would be appropriate for the asset classes shown below:

- Domestic Equity: Russell Generic Corners; Russell 6 Way Style basis; S&P Pure Style Basis
- International Equity: MSCI Regional Style Basis; MSCI World Ex USA Style Basis; MSCI International Equity Style Basis; S&P Regional International Indexes, S&P International 4 Way Style Basis
- Global Equity: MSCI World Style Basis; MSCI World Regional Indexes; MSCI Global Equity Style Basis
- Fixed income: Citigroup Corporate Bond Indexes; BofA Merrill Lynch Fixed Income Indexes; Citigroup Govt Fixed Income Indexes; Global Bond Indexes

STYLE BENCHMARK: A unique benchmark calculated for each manager/fund based on the Returns Based Style Analysis described above. The "Asset Allocation" chart in Zephyr shows the specific weightings used for the Style Benchmark for each manager or fund.

TRACKING ERROR: A measurement that indicates the standard deviation of the difference between a selected market index and a portfolio's returns. The portfolio's returns are then compared to the index's returns to determine the amount of excess return, which produces a tracking error. A low tracking error indicates that the portfolio is tracking the selected index closely or has roughly the same returns as the index.

UPSIDE CAPTURE RATIO: For each portfolio, this is calculated by (1) identifying the calendar quarters in which the portfolio's benchmark index had positive returns and then (2) for those quarters, dividing the portfolio's annualized net performance by the benchmark index's performance. A percentage less than 100% indicates that the portfolio "captured" less performance than the benchmark index, while a percentage greater than 100% indicates the portfolio captured more performance than the benchmark index. For investors, the higher the upside capture ratio, the better. For example, if the annualized performance of an benchmark index during "up" markets (when its returns were zero or positive) is 20.8% and the portfolio's annualized performance during the same period is 16.8%, then the portfolio's upside capture ratio is 16.8%/20.8% = 80.7%, meaning the portfolio "captured" 80.7% of the upside performance of the index. Stated another way, the portfolio in this example performed almost 20% worse than the market during up periods.

VARIANCE: A measure of how spread out a distribution is. It is computed as the average squared deviation of each number from its mean.

QUALITATIVE DUE DILIGENCE ANALYSIS

Morgan Stanley

WEALTH MANAGEMENT

Global Investment Manager Analysis | November 07, 2024

Approved List Report

Cohen & Steers Global Infrastructure Fund

Kevin Nunez
Investment Analyst
Kevin.Nunez@morganstanley.com

Highlights

- Cohen & Steers Global Infrastructure Strategy (the Strategy) seeks to achieve total return through investments in equity securities of U.S. and international infrastructure companies, including transportation, utilities, communications, and energy companies. The Strategy is available through a mutual fund (the Fund) and Collective Investment Trust (CIT), which GIMA views as significantly similar offerings.
- The Fund has a stable and experienced portfolio management (PM) team consisting of Quynh Dang, Ben Morton, and Tyler Rosenlicht. The PMs each have over 15 years of infrastructure investment experience. Global Investment Manager Analysis (GIMA) has a positive view of the collective investment acumen of the PM team and the firm's overall resources.
- In January 2021, the Fund moved from a focused strategy to a more diversified strategy, broadening the number of holdings. This change was in line with what is allowed by the Fund's prospectus. With this change, the performance of the Fund and the CIT became further aligned. The performance of the Fund and the CIT now effectively mirror each other. The only difference in returns would result from difference in fees. GIMA refers to the performance of the Fund due to its longer track record, having been incepted in 2004, versus the CIT which was incepted in 2017.
- As of September 30, 2024, the Fund has consistently outperformed its benchmark, the Dow Jones Brookfield Global Infrastructure Composite Index, in the 1-, 3-, 5-, 7-, and 10-year trailing periods. Compared to peers in the infrastructure universe, the Fund ranked in the first quartile over multiple trailing periods (1-, 3-, 5-, 7-, and 10-years).

Performance Expectations

- The Strategy offers equity-like returns with strong downside defense. GIMA expects the Strategy to perform strongly on a relative basis in down markets, and participate in (but possibly lag) during market rallies.

Strategy Details

Investment Style:
Infrastructure

Benchmark:
Dow Jones Brookfield Global Infrastructure Composite Index

GIMA Status:
Approved List

Product Type:
Mutual Fund and Collective Investment Trust* (*for qualified retirement plans only)

Ticker Symbol:
CSUIX (UMA)
http://www.cohenandsteers.com/

Strategy Description

The Strategy seeks to achieve total return through investments in U.S. and non-U.S. equity securities issued by infrastructure companies.

Legal/Compliance

- A Collective Investment Trust (CIT) is a tax-exempt, pooled investment vehicle sponsored and maintained by a bank or trust company for the collective investment of qualified retirement plans. Unlike a mutual fund, a CIT investment vehicle is not registered under the Investment Company Act of 1940. CITs are subject to different reporting and disclosure requirements than mutual funds, a prospectus is not available for the funds, and their shares are not publicly traded or listed on exchanges
- CITs are only for eligible investors and not for everyone. CITs are not bank deposits, not FDIC insured, and are subject to investment risks, including loss of principal. The CIT offering documents include information regarding investment objectives, risks, charges and expenses that investors should read and carefully consider before investing. This and other important information is available from your Financial Advisor or Private Wealth Advisor, and should be read carefully before investing.

PORTFOLIO TRAITS

Range of Holdings	50-70 positions
Typical Annual Turnover	40-60%
Invests in Derivatives	Allowed by prospectus
Max. Position Size	10% of the portfolio
Econ Sector Constraints	No established sector constraints. The Fund typically invests at least 80% of its total assets in U.S. and non-U.S. common stocks and other equity securities issued by infrastructure companies
Country Constraints	No established limits, but will typically allocate at least 10% to each major region in the index – North America, Europe and Asia
Emerging Mkts Constraints	No more than 15% of the Fund
Currency Hedging	Allowed by prospectus
Invests in ADRs	Allowed by prospectus
Invests in ETFs	Allowed by prospectus
Invests in IPOs	Allowed by prospectus
Max. Cash	Typically less than 5% of the portfolios
Typical Cash Position	0-5%

Source: Cohen & Steers

OWNERSHIP & PARENT COMPANY

Name of Owner	Martin Cohen
Percentage Owned	17.91%
Publicly Traded	
Name of Owner	Robert Steers
Percentage Owned	23.29%
Publicly Traded	
Name of Owner	Public Shareholders
Percentage Owned	58.80%
Publicly Traded	NYSE
Ticker Symbol	CNS

Source: Cohen & Steers

ASSETS UNDER MANAGEMENT ($ MILLIONS)

YEAR	FIRM	STRATEGY	FUND	CIT
3Q 2024	91,780	9,074	4,356	414
2023	83,135	7,987	4,013	321
2022	80,424	8,309	4,242	364
2021	107	8,414	4,506	440
2020	79,907	6,729	429	302
2019	72,182	8,076	377	203
2018	54,821	6,483	271	123
2017	62,106	6,932	275	111
2016	57,198	5,697	210	64
2015	52,594	5,147	217	68
2014	53,137	5,698	251	45
2013	45,908	4,716	145	43
2012	45,797	3,509	108	-

Source: Cohen & Steers

Disclosure Section

Definitions

Dow Jones Brookfield Global Infrastructure Composite Index - measures the stock performance of companies worldwide whose primary business is the ownership and operation of (rather than service of) infrastructure assets. Companies are required to have more than 70% of estimated cash flows derived from the following infrastructure sectors: Airports, Toll Roads, Ports, Communications, Electricity Transmission & Distribution, Oil & Gas Storage & Transportation, Water, Diversified (multiple sectors)..

Glossary of Terms

Active Share – is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index; Active Share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the manager's portfolio versus the weight of each holding in the benchmark index and dividing by two.

ADRs – American Depositary Receipts are U.S. dollar denominated forms of equity ownership in non-U.S. companies. These shares are issued against the local market shares held in the home market. ADRs are typically listed on U.S. exchanges such as NYSE, AMEX and NASDAQ.

Alpha – measures the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by Beta. A positive Alpha figure indicates the portfolio has performed better than its Beta would predict. A negative Alpha indicates the portfolio's underperformance given the expectations established by the Beta. The accuracy of the Alpha is therefore dependent on the accuracy of the Beta. Alpha is often viewed as a measurement of the value added or subtracted by a portfolio's manager.

Beta – measures a portfolio's volatility relative to its benchmark. A portfolio with a Beta higher than 1.0 has historically been more volatile than the benchmark, while a portfolio with a Beta lower than 1.0 has been less volatile. The accuracy of the Beta is dependent on R-Squared.

Correlation – measures the degree to which the returns of two securities or indices are related. The range of possible correlations is between 1.0 and -1.0. Positive correlation indicates that returns tend to move in the same direction. Negative correlation indicates that returns tend to move in opposite directions. Zero correlation implies that there is no relationship between the securities' returns.

EPS Growth – 5 Year Historical – The weighted average annualized earnings per share growth for a portfolio over the past five years.

EPS Growth – Forecast – a measure of one year earnings (cash flow or dividends) per share growth from the prior fiscal year (FY0) to the current fiscal year (FY1) using analyst consensus forecasts. Growth is expressed as a percent. The FY1 EPS (earnings per share) growth rate for the portfolio is a weighted average of the forecasts for the individual stocks in the portfolio.

Excess Return – represents the average quarterly total return of the portfolio relative to its benchmark. A portfolio with a positive Excess Return has on average outperformed its benchmark on a quarterly basis. This statistic is obtained by subtracting the benchmark return from the portfolio's return.

Historical EPS Growth - calculated by regressing over time the quarterly earnings per share for the past 20 quarters to determine the share's historical growth rate in earnings. The quarterly historical growth rate for each share is then annualized and the Historical EPS Growth shown in this report is the weighted average of these results.

Information Ratio – represents the Excess Return divided by the Tracking Error. It provides a measure of the historical consistency of the portfolio's outperformance or underperformance relative to its benchmark. A higher, positive Information Ratio suggests that the portfolio's excess returns may have been the result of making measured or moderate bets against the relevant benchmark's risk exposures.

Long Term EPS Growth Rate – analyst consensus of expected annual increase in operating earnings per share over the company's next full business cycle - usually three to five years. The Long Term EPS Growth Rate for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Net asset value (NAV) performance data is net of the fund's internal fees and expenses (such as the investment management fee that the fund pays to the fund's investment advisor, and any 12b-1 fees). It does not reflect any sales charges that could apply if you bought fund shares outside an investment advisory program, nor the program fees you would pay if you bought fund shares in an advisory program.

P/E - Forecast 12-Mo. – The price/earnings ratio for the stock based on the most recent closing price divided by the annual mean expected earnings for the current fiscal year (FY1 EPS forecast). P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

P/E – Trailing 12-Mo. – the current price of a stock divided by the most recent 12 months trailing earnings per share. P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Price-to-Book – price per share divided by book value per share. Price-to-Book for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Return on Equity (ROE) – is another profitability ratio which gauges return on investment by measuring how effectually stockholder money is being employed by the company. ROE is calculated by dividing a company's net income by average total equity. Unlike Return on Assets (ROA), ROE considers the degree to which a company uses leveraging, as interest expense paid to creditors is generally deducted from earnings to arrive at net income. ROE for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

R-Squared (R2) – represents the percentage of the volatility of returns that is attributable to movements of the benchmark. It is a measure of "co-movement" between portfolio returns and benchmark returns. The closer the portfolio's R2 is to 100%, the more closely the portfolio correlates to, or follows, the benchmark. Generally, highly diversified portfolios have higher R2 percentages.

Sharpe Ratio – measures a portfolio's rate of return based on the risk it assumed and is often referred to as its risk-adjusted performance. Using Standard Deviation and returns in excess of the returns of T-bills, it determines reward per unit of risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing risk.

Standard Deviation – quantifies the volatility associated with a portfolio's returns. The statistic measures the variation in returns around the mean return. Unlike Beta, which measures volatility relative to the aggregate market, Standard Deviation measures the absolute volatility of a portfolio's return.

Tracking Error – represents the Standard Deviation of the Excess Return. This provides a historical measure of the variability of the portfolio's returns relative to its benchmark. A portfolio with a low Tracking Error would have quarterly Excess Returns that have exhibited very low volatility.

Important Disclosures

The summary at the beginning of the report may have been generated with the assistance of artificial intelligence (AI).

Report for Use Only in Investment Advisory Programs

This report is only to be used in Morgan Stanley Wealth Management investment advisory programs and not in connection with brokerage accounts.

This report relates to one of the share classes that is offered in the investment advisory programs and may not be the share class that you own or that is currently available in the investment advisory programs you have or in which you may invest. Typically, GIMA will select the share class with the longest performance track record. Mutual fund fees, expenses and performance may differ for different share classes. More information regarding the fees, expenses and performance (but not including the Morgan Stanley Wealth Management program fee) is available on the fund's website.

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.

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. GIMA may, but is not obligated to, note the Watch status in this report with a "W" or "Watch" next to the "Status" on the cover page.

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.

No Obligation to Update

Morgan Stanley Wealth Management has no obligation to update you when any information or opinion in this report changes.

Strategy May Be Available as a Separately Managed Account, Mutual Fund or Exchange-Traded Fund

Strategies are sometimes available in Morgan Stanley Wealth Management investment advisory programs in the form of a separately managed account ("SMA"), a mutual fund and an exchange-traded 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.

Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's Separately Managed Account ("SMA") programs may effect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instance, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-Managers concerning trade execution away from Morgan Stanley is summarized at: 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, or contact your Financial Advisor / Private Wealth Advisor.

Consider Your Own Investment Needs

This report is not intended to be a client-specific appropriateness analysis or recommendation, an offer to participate in any investment, or a recommendation to buy, hold or sell securities (includes securities of Morgan Stanley, and/or their affiliates if shown in this report). Do not use this report as the sole basis for investment decisions. Do not select an asset class or investment product based on performance alone. Consider all relevant information, including your existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon.

Performance and Other Portfolio Information

General

Past performance does not guarantee future results. There is no guarantee that this investment strategy will work under all market conditions. As a result of recent market activity, current performance may vary from the performance referenced in this report.

For mutual funds and exchange-traded funds, the investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. To obtain performance information, current to the most recent month-end, please contact the fund directly.

Benchmark index

Depending on the composition of your account and your investment objectives, any indices shown in this report may not be an appropriate measure for comparison purposes and are therefore presented for illustration only.

Indices are unmanaged. They do not reflect any management, custody, transaction or other expenses, and generally assume reinvestment of dividends, accrued income and capital gains. Past performance of indices does not guarantee future results. You cannot invest directly in an index.

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

Other Data

Portfolio analysis may be based on information on less than all of the securities held in the portfolio. For equity portfolios, the analysis typically reflects securities representing at least 95% of portfolio assets. This may differ for other strategies, including those in the fixed income and specialty asset classes, due to availability of portfolio information.

Other data in this report is accurate as of the date this report was prepared unless stated otherwise. Data in this report may be calculated by the investment manager, Morgan Stanley Wealth Management or a third party service provider, and may be based on a representative account or a composite of accounts.

Securities holdings

Holdings are subject to change daily, so any securities discussed in this report may or may not be included in the fund's holdings if you invest in this investment product. The fund may also hold other securities in addition to or instead of any securities discussed in this report. Do not assume that any holdings mentioned were, or will be, profitable.

Sources of Data

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. Ownership information, if present, is provided to GIMA by asset managers.

Asset Class and Other Risks

Investing in ***stocks, mutual funds*** and ***exchange-traded funds ("ETFs")*** entails the risks of market volatility. The value of all types of investments may increase or decrease over varying time periods.

Like any investment, ETFs have risks. These include, but are not limited to, the general risks associated with investing in securities, potential tracking error, and the possibility that particular indexes may lag other market segments or active managers.

ETFs include index-linked funds regulated under the Investment Company Act of 1940 that trade on US Securities exchanges under exceptive relief from the Securities and Exchange Commission (SEC). US-listed, open-end fund ETFs must be offered under and sold only pursuant to a Prospectus. US-listed ETFs may not be marketed or sold in a number of jurisdictions and may not be appropriate for all investors.

Morgan Stanley Wealth Management and others associated with it may have positions in and effect transactions in securities of ETFs mentioned and may also perform or seek to perform certain services for those ETFs and may enter into transactions with them. Affiliates of Morgan Stanley Wealth Management may participate in the creation and redemption of the securities covered in this report and as an authorized participant or otherwise, and may acquire such securities from the issuers for the purpose of resale.

Investors should consider the investment objectives, risks, charges and expenses of each investment company carefully before investing. The prospectuses and product descriptions contain this and other information about the investment company and should be read carefully before investing. Investors may obtain product descriptions and prospectuses for the ETFs mentioned in this report from the ETF distributor or the exchange upon which the particular ETF is listed.

Value and ***growth investing*** also carry risks. Value investing involves the risk that the market may not recognize that securities are undervalued and they may not appreciate as anticipated. 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.

Small- and mid-capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. The securities of small-capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies.

International securities may carry additional risks, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. International investing may not be for everyone. These risks may be magnified in ***emerging markets and frontier markets***.

Environmental, Social and Governance ("ESG") investments in a portfolio may experience performance that is lower or higher than a portfolio not employing such practices. Portfolios with ESG restrictions and strategies as well as ESG investments may not be able to take advantage of the same opportunities or market trends as portfolios where ESG criteria is not applied. There are inconsistent ESG definitions and criteria within the industry, as well as multiple ESG ratings providers that provide ESG ratings of the same subject companies and/or securities that vary among the providers. Certain issuers of investments may have differing and inconsistent views concerning ESG criteria where the ESG claims made in offering documents or other literature may overstate ESG impact. ESG designations are as of the date of this material, and no assurance is provided that the underlying assets have maintained or will maintain and such designation or any stated ESG compliance. As a result, it is difficult to compare ESG investment products or to evaluate an ESG investment product in comparison to one that does not focus on ESG. Investors should also independently consider whether the ESG investment product meets their own ESG objectives or criteria. There is no assurance that an ESG investing strategy or techniques employed will be successful. Past performance is not a guarantee or a dependable measure of future results.

Because of their narrow focus, ***sector investments*** tend to be more volatile than investments that diversify across many sectors and companies. Risks applicable to companies in the ***energy and natural resources*** sectors include commodity pricing risk, supply and demand risk, depletion risk and exploration risk.

IPO securities - Investment in initial public offerings (IPO) exposes the portfolio to additional risks associated with companies that have little operating history as public companies, as well as to the risks inherent in those sectors of the market where these new issuers operate.

Investing in currency involves additional special risks such as credit, interest rate fluctuations, derivative investment risk, and domestic and foreign inflation rates, which can be volatile and may be less liquid than other securities and more sensitive to the effect of varied economic conditions. In addition, international investing entails greater risk, as well as greater potential rewards compared to U.S. investing. These risks include political and economic uncertainties of foreign countries as well as the risk of currency fluctuations. These risks are magnified in countries with emerging markets and frontier markets, since these countries may have relatively unstable governments and less established markets and economies.

***Derivatives*,** in general, involve special risks and costs that may result in losses. The successful use of derivatives requires sophisticated management, in order to manage and analyze derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. In addition, correlation between the particular derivative and an asset or liability of the manager may not be what the investment manager expected. Some derivatives are "leveraged" and therefore may magnify or otherwise increase investment losses. Other risks include the potential inability to terminate or sell derivative positions, as a result of counterparty failure to settle or other reasons.

No Tax Advice

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. 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.

If any investments in this report are described as "tax free", the income from these investments may be subject to state and local taxes and (if applicable) the federal Alternative Minimum Tax. Realized capital gains on these investments may be subject to federal, state and local capital gains tax.

Hyperlinks

This material may provide the addresses of, or contain hyperlinks to, websites. Except to the extent to which the material refers to website material of Morgan Stanley Wealth Management, the firm has not reviewed the linked site. Equally, except to the extent to which the material refers to website material of Morgan Stanley Wealth Management, the firm takes no responsibility for, and makes no representations or warranties whatsoever as to, the data and information contained therein. Such address or hyperlink (including addresses or hyperlinks to website material of Morgan Stanley Wealth Management) is provided solely for your convenience and information and the content of the linked site does not in any way form part of this document. Accessing such website or following such link through the material or the website of the firm shall be at your own risk and we shall have no liability arising out of, or in connection with, any such referenced website.

By providing links to third-party websites or online publication(s) or article(s), Morgan Stanley Smith Barney LLC ("Morgan Stanley") is not implying an affiliation, sponsorship, endorsement, approval, investigation, verification with the third parties or that any monitoring is being done by Morgan Stanley of any information contained within the articles or websites. Morgan Stanley is not responsible for the information contained on the third-party websites or your use of or inability to use such site. Nor do we guarantee their accuracy and completeness. The terms, conditions, and privacy policy of any third-party website may be different from those applicable to your use of any Morgan Stanley website. The information and data provided by the third-party websites or publications are as of the date when they were written and subject to change without notice.

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, we also believe that investors are entitled to full disclosure of conflicts of interests which could affect the objectivity of our Manager Profiles. 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. Separately, certain strategies managed or sub-advised by us or our affiliates, including but not limited to MSIM and Eaton Vance Management ("EVM") and its investment affiliates, may be included in your account. 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.

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Global Investment Manager Analysis | December 18, 2023

Approved List Report

ClearBridge Global Infrastructure Income Fund

Kevin Nunez
Investment Analyst
Kevin.Nunez@morganstanley.com

Highlights

- ClearBridge Global Infrastructure Income Fund (the Fund) seeks to invest in listed infrastructure companies that can provide sustainable income distributions. The Fund will invest in companies involved in the construction, ownership, management, or operation of infrastructure assets, including those related to transportation, energy, water and sewage, communications, and social service.
- The Fund is managed by a robust portfolio management (PM) team consisting of Daniel Chu, Charles Hamieh, Shane Hurst, and Nick Langley.
- The Fund may invest in any country, with at least 40% of its investments tied to countries outside of the US. The Fund may have up to a 20% allocation in emerging markets. Investors should be aware of the risks associated with investing in emerging markets.
- The mutual fund vehicle was incepted in April 2016, but the broader Infrastructure Income Strategy (the Strategy) has been investing since 2010.
- As of September 30, 2023, the Fund has underperformed its benchmark, the S&P Global Infrastructure Index, over the short term (year-to-date, 1-, and 3-year trailing periods), but outperformed the benchmark over the longer term (5- and 7-year trailing periods). Compared to peers in the infrastructure universe, the Fund ranked in third quartile in the 1-year, second quartile in the 3-year, and first quartile in the 5- and 7-year trailing periods.

Performance Expectations

- The Fund is an income-oriented strategy, and may have a higher distribution rate relative to peers investing in the global listed infrastructure space.

Strategy Details

Investment Style:
Infrastructure

Sub-Style:
Infrastructure

Benchmark:
S&P Global Infrastructure Index

GIMA Status:
Approved List

Product Type:
Mutual Fund

Ticker Symbol:
RGIVX (UMA)
https://www.franklintempleton.com/

Strategy Description

ClearBridge Global Infrastructure Income Fund seeks to invest in listed infrastructure companies that can provide sustainable income distributions.

PORTFOLIO TRAITS

Range of Holdings	30-60
Typical Annual Turnover	Name turnover averages 30-35% per annum. By Value the fund has averaged 66% over the last 5 years
Invests in Derivatives	Yes
Max. Position Size	Approximately 6% at cost
Econ Sector Constraints	Regulated Utilities: 50-90%, Renewables: 0-40%, Transport: 0-40%, Energy Infrastructure: 0-20%, Communications: 0-20%, Community/Social: 0-10%
Country Constraints	UK/Europe: 20-70%, North America: 20-70%, Asia/Pacific: 0-40%, Developing: 0-20%
Emerging Mkts Constraints	Max 20% in emerging markets
Currency Hedging	Not anticipated
Invests in ADRs	Yes
Invests in ETFs	Yes
Invests in IPOs	Yes
Max. Cash	Cash parameters are 0-20%. The target of the Fund is to be fully invested
Typical Cash Position	Typically, cash is lower than 5%

Source: Franklin Templeton Investments

OWNERSHIP & PARENT COMPANY

Name of Owner	Franklin Resources, Inc.
Percentage Owned	100%
Publicly Traded	NYSE
Ticker Symbol	BEN

Source: Franklin Templeton Investments

ASSETS UNDER MANAGEMENT ($ BILLIONS)

YEAR	FIRM	SMA	FUND
3Q 2023	155,224	4,850	138
2022	151,274	4,290	162
2021	208,338	3,475	81
2020	177,009	2,062	48
2019	154,585	1,708	25
2018	125,457	862	27

Source: Franklin Templeton Investments

Disclosure Section

Definitions

S&P Global Infrastructure Index is designed to track 75 companies from around the world chosen to represent the listed infrastructure industry while maintaining liquidity and tradability. To create diversified exposure, the index includes three distinct infrastructure clusters: energy, transportation, and utilities.

Sub-Styles - Subjective classifications designed to assist with manager selection and performance evaluation based on GIMA's understanding of a manager's long-term investment philosophy and portfolio structuring biases and techniques. At points in time managers may display attributes of other sub-style classifications, and these classifications may change due to changes in the capital markets, evolution of performance benchmarks, industry trends, or changes involving a manager's personnel or process.

Infrastructure - Will generally invest the majority of assets in companies that derive the majority of operating cash flows from ownership and/or operation of infrastructure assets. Infrastructure assets can generally include airports, communications facilities, midstream energy infrastructure, seaports, power transmission and distribution, gas distribution, toll roads, and water infrastructure.

Glossary of Terms

Active Share – is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index; Active Share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the manager's portfolio versus the weight of each holding in the benchmark index and dividing by two.

ADRs – American Depositary Receipts are U.S. dollar denominated forms of equity ownership in non-U.S. companies. These shares are issued against the local market shares held in the home market. ADRs are typically listed on U.S. exchanges such as NYSE, AMEX and NASDAQ.

Alpha – measures the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by Beta. A positive Alpha figure indicates the portfolio has performed better than its Beta would predict. A negative Alpha indicates the portfolio's underperformance given the expectations established by the Beta. The accuracy of the Alpha is therefore dependent on the accuracy of the Beta. Alpha is often viewed as a measurement of the value added or subtracted by a portfolio's manager.

Beta – measures a portfolio's volatility relative to its benchmark. A portfolio with a Beta higher than 1.0 has historically been more volatile than the benchmark, while a portfolio with a Beta lower than 1.0 has been less volatile. The accuracy of the Beta is dependent on R-Squared.

Correlation – measures the degree to which the returns of two securities or indices are related. The range of possible correlations is between 1.0 and -1.0. Positive correlation indicates that returns tend to move in the same direction. Negative correlation indicates that returns tend to move in opposite directions. Zero correlation implies that there is no relationship between the securities' returns.

EPS Growth – 5 Year Historical – The weighted average annualized earnings per share growth for a portfolio over the past five years.

EPS Growth – Forecast – a measure of one year earnings (cash flow or dividends) per share growth from the prior fiscal year (FY0) to the current fiscal year (FY1) using analyst consensus forecasts. Growth is expressed as a percent. The FY1 EPS (earnings per share) growth rate for the portfolio is a weighted average of the forecasts for the individual stocks in the portfolio.

Excess Return – represents the average quarterly total return of the portfolio relative to its benchmark. A portfolio with a positive Excess Return has on average outperformed its benchmark on a quarterly basis. This statistic is obtained by subtracting the benchmark return from the portfolio's return.

Historical EPS Growth - calculated by regressing over time the quarterly earnings per share for the past 20 quarters to determine the share's historical growth rate in earnings. The quarterly historical growth rate for each share is then annualized and the Historical EPS Growth shown in this report is the weighted average of these results.

Information Ratio – represents the Excess Return divided by the Tracking Error. It provides a measure of the historical consistency of the portfolio's outperformance or underperformance relative to its benchmark. A higher, positive Information Ratio suggests that the portfolio's excess returns may have been the result of making measured or moderate bets against the relevant benchmark's risk exposures.

Long Term EPS Growth Rate – analyst consensus of expected annual increase in operating earnings per share over the company's next full business cycle - usually three to five years. The Long Term EPS Growth Rate for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

P/E - Forecast 12-Mo. – The price/earnings ratio for the stock based on the most recent closing price divided by the annual mean expected earnings for the current fiscal year (FY1 EPS forecast). P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

P/E – Trailing 12-Mo. – the current price of a stock divided by the most recent 12 months trailing earnings per share. P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Price-to-Book – price per share divided by book value per share. Price-to-Book for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Return on Equity (ROE) – is another profitability ratio which gauges return on investment by measuring how effectually stockholder money is being employed by the company. ROE is calculated by dividing a company's net income by average total equity. Unlike Return on Assets (ROA), ROE considers the degree to which a company uses leveraging, as interest expense paid to creditors is generally deducted from earnings to arrive at net income. ROE for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

R-Squared (R2) – represents the percentage of the volatility of returns that is attributable to movements of the benchmark. It is a measure of "co-movement" between portfolio returns and benchmark returns. The closer the portfolio's R2 is to 100%, the more closely the portfolio correlates to, or follows, the benchmark. Generally, highly diversified portfolios have higher R2 percentages.

Sharpe Ratio – measures a portfolio's rate of return based on the risk it assumed and is often referred to as its risk-adjusted performance. Using Standard Deviation and returns in excess of the returns of T-bills, it determines reward per unit of risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing risk.

Standard Deviation – quantifies the volatility associated with a portfolio's returns. The statistic measures the variation in returns around the mean return. Unlike Beta, which measures volatility relative to the aggregate market, Standard Deviation measures the absolute volatility of a portfolio's return.

Tracking Error – represents the Standard Deviation of the Excess Return. This provides a historical measure of the variability of the portfolio's returns relative to its benchmark. A portfolio with a low Tracking Error would have quarterly Excess Returns that have exhibited very low volatility.

Important Disclosures

The summary at the beginning of the report may have been generated with the assistance of artificial intelligence (AI).

Report for Use Only in Investment Advisory Programs

This report is only to be used in Morgan Stanley Wealth Management investment advisory programs and not in connection with brokerage accounts.

This report relates to one of the share classes that is offered in the investment advisory programs and may not be the share class that you own or that is currently available in the investment advisory programs you have or in which you may invest. Typically, GIMA will select the share class with the longest performance track record. Mutual fund fees, expenses and performance may differ for different share classes. More information regarding the fees, expenses and performance (but not including the Morgan Stanley Wealth Management program fee) is available at the website set out on the cover of the report.

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.

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. GIMA may, but is not obligated to, note the Watch status in this report with a "W" or "Watch" next to the "Status" on the cover page.

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 "GIMA at a Glance."

No Obligation to Update

Morgan Stanley Wealth Management has no obligation to update you when any information or opinion in this report changes.

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.

Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's Separately Managed Account ("SMA") programs may effect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instance, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-Managers concerning trade execution away from Morgan Stanley is summarized at: 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, or contact your Financial Advisor / Private Wealth Advisor.

Consider Your Own Investment Needs

This report is not intended to be a client-specific appropriateness analysis or recommendation, an offer to participate in any investment, or a recommendation to buy, hold or sell securities (includes securities of Morgan Stanley, and/or their affiliates if shown in this report). Do not use this report as the sole basis for investment decisions. Do not select an asset class or investment product based on performance alone. Consider all relevant information, including your existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon.

Performance and Other Portfolio Information

General

Past performance does not guarantee future results. There is no guarantee that this investment strategy will work under all market conditions. As a result of recent market activity, current performance may vary from the performance referenced in this report.

For mutual funds, the investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. To obtain performance information, current to the most recent month-end, please contact the fund directly at the website set out on the cover page of this report.

Performance results are time weighted and include all cash and cash equivalents, realized and unrealized capital gains and losses, and reinvestment of dividends, interest and other income. From time to time, the fund's investment manager may waive some fees and/or reimburse some expenses. Without these waivers and reimbursements, performance would be lower. Waivers and/or reimbursements are subject to change.

Fund performance since inception begins with the first full month of fund's operation. Performance results are annualized for periods greater than one year. Returns for periods of less than a calendar year show the total return for the period and are not annualized.

Performance results may be presented in a currency other than the currency of the country in which you live. Your actual return on this investment product may increase or decrease with fluctuations between currencies.

Return (NAV)

Net asset value (NAV) performance data is net of the fund's internal fees and expenses (such as the investment management fee that the fund pays to the fund's investment advisor, and any 12b-1 fees). It does not reflect any sales charges that could apply if you bought fund shares outside an investment advisory program, nor the program fees you would pay if you bought fund shares in an advisory program.

Returns net of program fees

You will pay a Morgan Stanley Wealth Management program fee if you invest in this fund through a Morgan Stanley Wealth Management investment advisory program. See applicable Form ADV brochure for Morgan Stanley Wealth Management for an explanation of the applicable fees and charges. The net performance shown in this report reflects a deduction of a 0.50% quarterly fee (equivalent to a 2.00% annual fee). Fees are deducted quarterly in many Morgan Stanley Wealth Management investment advisory programs. The quarterly deduction has a compounding effect on performance. Actual client performance may differ from investment returns detailed in this report.

Net performance does not reflect the deduction of any sales load

Benchmark index

Depending on the composition of your account and your investment objectives, any indices shown in this report may not be an appropriate measure for comparison purposes and are therefore presented for illustration only.

Indices are unmanaged. They do not reflect any management, custody, transaction or other expenses, and generally assume reinvestment of dividends, accrued income and capital gains. Past performance of indices does not guarantee future results. You cannot invest directly in an index.

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

Other Data

Portfolio analysis may be based on information on less than all of the securities held in the portfolio. For equity portfolios, the analysis typically reflects securities representing at least 95% of portfolio assets. This may differ for other strategies, including those in the fixed income and specialty asset classes, due to availability of portfolio information.

Other data in this report is accurate as of the date this report was prepared unless stated otherwise. Data in this report may be calculated by the investment manager, Morgan Stanley Wealth Management or a third party service provider, and may be based on a representative account or a composite of accounts.

Economic Sector Allocations and Largest Holdings are accurate as of the most recent quarter end for which information was available when this report was prepared, and are subject to change at any time. The Largest Holdings lists indicate the largest security holdings in the index, and Economic Sector Allocations are based on industry standard sector identification codes. Both are measured as a percentage of the total portfolio in terms of asset value as of the date indicated above.

Securities holdings

Holdings are subject to change daily, so any securities discussed in this report may or may not be included in the fund's holdings if you invest in this investment product. The fund may also hold other securities in addition to or instead of any securities discussed in this report. Do not assume that any holdings mentioned were, or will be, profitable.

Sources of Data

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.

Asset Class and Other Risks

Investing in ***stocks, mutual funds*** and ***exchange-traded funds ("ETFs")*** entails the risks of market volatility. The value of all types of investments may increase or decrease over varying time periods.

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

Value and ***growth investing*** also carry risks. Value investing involves the risk that the market may not recognize that securities are undervalued and they may not appreciate as anticipated. 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.

Small- and mid-capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. The securities of small capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies.

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

International securities may carry additional risks, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. International investing may not be for everyone. These risks may be magnified in ***emerging markets and frontier markets***.

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 Impact Investing 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.

Because of their narrow focus, ***sector investments*** tend to be more volatile than investments that diversify across many sectors and companies. Risks applicable to companies in the ***energy and natural resources*** sectors include commodity pricing risk, supply and demand risk, depletion risk and exploration risk.

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.

Investing in currency involves additional special risks such as credit, interest rate fluctuations, derivative investment risk, and domestic and foreign inflation rates, which can be volatile and may be less liquid than other securities and more sensitive to the effect of varied economic conditions. In addition, international investing entails greater risk, as well as greater potential rewards compared to U.S. investing. These risks include political and economic uncertainties of foreign countries as well as the risk of currency fluctuations. These risks are magnified in countries with emerging markets and frontier markets, since these countries may have relatively unstable governments and less established markets and economies.

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Hyperlinks

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By providing links to third-party websites or online publication(s) or article(s), Morgan Stanley Smith Barney LLC ("Morgan Stanley") is not implying an affiliation, sponsorship, endorsement, approval, investigation, verification with the third parties or that any monitoring is being done by Morgan Stanley of any information contained within the articles or websites. Morgan Stanley is not responsible for the information contained on the third-party websites or your use of or inability to use such site. Nor do we guarantee their accuracy and completeness. The terms, conditions, and privacy policy of any third-party website may be different from those applicable to your use of any Morgan Stanley website. The information and data provided by the third-party websites or publications are as of the date when they were written and subject to change without notice.

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, we also believe that investors are entitled to full disclosure of conflicts of interests which could affect the objectivity of our Manager Profiles. 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. Separately, certain strategies managed or sub-advised by us or our affiliates, including but not limited to MSIM and Eaton Vance Management ("EVM") and its investment affiliates, may be included in your account. 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.

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Morgan Stanley

WEALTH MANAGEMENT

Global Investment Manager Analysis | February 12, 2024

Approved List Report

DWS RREEF Global Infrastructure Fund

Kevin Nunez
Investment Analyst
Kevin.Nunez@morganstanley.com

Highlights

- The DWS RREEF Global Infrastructure Fund (the Fund) seeks to invest in pure-play listed infrastructure equity securities, including communications (towers/satellites), transportation, power transmission, midstream, and water.
- The Fund has a stable, experienced portfolio management (PM) team consisting of John Vojticek, Frank Greywitt, and Manoj Patel. Mr. Vojticek has 28 years of investment experience, and serves as the Head of Listed Real Assets. Mr. Greywitt has 24 years of investment experience and has been managing the Fund since its inception in 2008. Mr. Patel has 21 years of investment experience, and has been managing the Fund since 2011.
- As of December 31, 2023, the Fund underperformed its benchmark, the Dow Jones Brookfield Global Infrastructure Composite Index, in the short term (year-to-date, 1-, and 3-trailing periods) but outperformed over the longer term (5-, 7-, and 10-years). Compared to peers in the infrastructure universe, the Fund ranked in the third quartile in the 1-year, first quartile in the 3-year, second quartile in the 5-year, and third quartile in the 7- and 10-year trailing periods.
- From an attribution standpoint, the primary driver of underperformance has been a combination of sector allocation and stock selection decisions. As of December 31, 2023, the Fund's portfolio is overweight power transmission and communications.

Performance Expectations

- The Fund can allocate up to 25% in MLPs; however, the Fund's MLP exposure has historically been less than 10%.
- The Fund's performance has been somewhat volatile historically, driven by stock selection and sector allocation as opposed to upside/downside market capture. From a positioning standpoint, the Fund's exposures are primarily driven by stock-specific catalysts, though there are some segments where the PM team has a stronger directional view.

Strategy Details

Investment Style:
Infrastructure

Sub-Style:
Infrastructure

Benchmark:
Dow Jones Brookfield Global Infrastructure Composite Index

GIMA Status:
Approved List

Product Type:
Mutual Fund

Ticker Symbol:
TOLIX (UMA)
https://www.dws.com

Strategy Description

The Fund seeks to maximize risk-adjusted performance relative to the benchmark through a portfolio of listed infrastructure equity securities. The Fund employs a systematic valuation approach to identify infrastructure companies that exhibit stable, predictable cash flows from the ownership or operation of infrastructure assets.

PORTFOLIO TRAITS

Range of Holdings	35-55
Typical Annual Turnover	50-100%
Invests in Derivatives	Derivatives are permitted on a limited basis for currency hedging. The use of derivatives for leverage purposes is not allowed.
Max. Position Size	10-15% in absolute, or +/- 5% active relative to the Dow Jones Brookfield Global Infrastructure Index
Econ Sector Constraints	Target sector allocation weight less than +/- 5% vs Dow Jones Brookfield Global Infrastructure Index
Country Constraints	Fund focuses on developed markets (US, Canada, Europe, Australia, and Asia) with a max regional allocation weight of +/- 20% vs. Dow Jones Brookfield Infrastructure Index
Emerging Mkts Constraints	No constraints, but typical weight of 5% or less
Currency Hedging	Yes
Invests in ADRs	Yes
Invests in ETFs	No
Invests in IPOs	Yes
Max. Cash	10%
Typical Cash Position	1% - 2%

Source: DWS

OWNERSHIP & PARENT COMPANY

Name of Owner	Deutsche Bank AG
Percentage Owned	79%
Publicly Traded	
Name of Owner	Nippon Life
Percentage Owned	5%
Publicly Traded	
Name of Owner	Public Shareholders
Percentage Owned	16%
Publicly Traded	Frankfurt Stock Exchange
Ticker Symbol	DWS

Source: DWS

ASSETS UNDER MANAGEMENT ($MILLIONS)

YEAR	FIRM	FUND
2023	990,336	935
2022	876,790	1,220
2021	1,054,813	1,514
2020	969,423	1,292
2019	860,945	1,532
2018	757,920	1,548

Source: DWS

Disclosure Section

Definitions

Dow Jones Brookfield Global Infrastructure Composite Index - measures the stock performance of companies worldwide whose primary business is the ownership and operation of (rather than service of) infrastructure assets. Companies are required to have more than 70% of estimated cash flows derived from the following infrastructure sectors: Airports, Toll Roads, Ports, Communications, Electricity Transmission & Distribution, Oil & Gas Storage & Transportation, Water, Diversified (multiple sectors)..

Sub-Styles - Subjective classifications designed to assist with manager selection and performance evaluation based on GIMA's understanding of a manager's long-term investment philosophy and portfolio structuring biases and techniques. At points in time managers may display attributes of other sub-style classifications, and these classifications may change due to changes in the capital markets, evolution of performance benchmarks, industry trends, or changes involving a manager's personnel or process.

Infrastructure - Will generally invest the majority of assets in companies that derive the majority of operating cash flows from ownership and/or operation of infrastructure assets. Infrastructure assets can generally include airports, communications facilities, midstream energy infrastructure, seaports, power transmission and distribution, gas distribution, toll roads, and water infrastructure.

Glossary of Terms

Active Share – is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index; Active Share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the manager's portfolio versus the weight of each holding in the benchmark index and dividing by two.

ADRs – American Depositary Receipts are U.S. dollar denominated forms of equity ownership in non-U.S. companies. These shares are issued against the local market shares held in the home market. ADRs are typically listed on U.S. exchanges such as NYSE, AMEX and NASDAQ.

Alpha – measures the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by Beta. A positive Alpha figure indicates the portfolio has performed better than its Beta would predict. A negative Alpha indicates the portfolio's underperformance given the expectations established by the Beta. The accuracy of the Alpha is therefore dependent on the accuracy of the Beta. Alpha is often viewed as a measurement of the value added or subtracted by a portfolio's manager.

Beta – measures a portfolio's volatility relative to its benchmark. A portfolio with a Beta higher than 1.0 has historically been more volatile than the benchmark, while a portfolio with a Beta lower than 1.0 has been less volatile. The accuracy of the Beta is dependent on R-Squared.

Correlation – measures the degree to which the returns of two securities or indices are related. The range of possible correlations is between 1.0 and -1.0. Positive correlation indicates that returns tend to move in the same direction. Negative correlation indicates that returns tend to move in opposite directions. Zero correlation implies that there is no relationship between the securities' returns.

EPS Growth – 5 Year Historical – The weighted average annualized earnings per share growth for a portfolio over the past five years.

EPS Growth – Forecast – a measure of one year earnings (cash flow or dividends) per share growth from the prior fiscal year (FY0) to the current fiscal year (FY1) using analyst consensus forecasts. Growth is expressed as a percent. The FY1 EPS (earnings per share) growth rate for the portfolio is a weighted average of the forecasts for the individual stocks in the portfolio.

Excess Return – represents the average quarterly total return of the portfolio relative to its benchmark. A portfolio with a positive Excess Return has on average outperformed its benchmark on a quarterly basis. This statistic is obtained by subtracting the benchmark return from the portfolio's return.

Historical EPS Growth - calculated by regressing over time the quarterly earnings per share for the past 20 quarters to determine the share's historical growth rate in earnings. The quarterly historical growth rate for each share is then annualized and the Historical EPS Growth shown in this report is the weighted average of these results.

Information Ratio – represents the Excess Return divided by the Tracking Error. It provides a measure of the historical consistency of the portfolio's outperformance or underperformance relative to its benchmark. A higher, positive Information Ratio suggests that the portfolio's excess returns may have been the result of making measured or moderate bets against the relevant benchmark's risk exposures.

Long Term EPS Growth Rate – analyst consensus of expected annual increase in operating earnings per share over the company's next full business cycle - usually three to five years. The Long Term EPS Growth Rate for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

P/E - Forecast 12-Mo. – The price/earnings ratio for the stock based on the most recent closing price divided by the annual mean expected earnings for the current fiscal year (FY1 EPS forecast). P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

P/E – Trailing 12-Mo. – the current price of a stock divided by the most recent 12 months trailing earnings per share. P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Price-to-Book – price per share divided by book value per share. Price-to-Book for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Return on Equity (ROE) – is another profitability ratio which gauges return on investment by measuring how effectually stockholder money is being employed by the company. ROE is calculated by dividing a company's net income by average total equity. Unlike Return on Assets (ROA), ROE considers the degree to which a company uses leveraging, as interest expense paid to creditors is generally deducted from earnings to arrive at net income. ROE for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

R-Squared (R2) – represents the percentage of the volatility of returns that is attributable to movements of the benchmark. It is a measure of "co-movement" between portfolio returns and benchmark returns. The closer the portfolio's R2 is to 100%, the more closely the portfolio correlates to, or follows, the benchmark. Generally, highly diversified portfolios have higher R2 percentages.

Sharpe Ratio – measures a portfolio's rate of return based on the risk it assumed and is often referred to as its risk-adjusted performance. Using Standard Deviation and returns in excess of the returns of T-bills, it determines reward per unit of risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing risk.

Standard Deviation – quantifies the volatility associated with a portfolio's returns. The statistic measures the variation in returns around the mean return. Unlike Beta, which measures volatility relative to the aggregate market, Standard Deviation measures the absolute volatility of a portfolio's return.

Tracking Error – represents the Standard Deviation of the Excess Return. This provides a historical measure of the variability of the portfolio's returns relative to its benchmark. A portfolio with a low Tracking Error would have quarterly Excess Returns that have exhibited very low volatility.

Important Disclosures

The summary at the beginning of the report may have been generated with the assistance of artificial intelligence (AI).

Report for Use Only in Investment Advisory Programs

This report is only to be used in Morgan Stanley Wealth Management investment advisory programs and not in connection with brokerage accounts.

This report relates to one of the share classes that is offered in the investment advisory programs and may not be the share class that you own or that is currently available in the investment advisory programs you have or in which you may invest. Typically, GIMA will select the share class with the longest performance track record. Mutual fund fees, expenses and performance may differ for different share classes. More information regarding the fees, expenses and performance (but not including the Morgan Stanley Wealth Management program fee) is available at the website set out on the cover of the report.

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.

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. GIMA may, but is not obligated to, note the Watch status in this report with a "W" or "Watch" next to the "Status" on the cover page.

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 "GIMA at a Glance."

No Obligation to Update

Morgan Stanley Wealth Management has no obligation to update you when any information or opinion in this report changes.

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.

Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's Separately Managed Account ("SMA") programs may effect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instance, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-Managers concerning trade execution away from Morgan Stanley is summarized at: 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, or contact your Financial Advisor / Private Wealth Advisor.

Consider Your Own Investment Needs

This report is not intended to be a client-specific appropriateness analysis or recommendation, an offer to participate in any investment, or a recommendation to buy, hold or sell securities (includes securities of Morgan Stanley, and/or their affiliates if shown in this report). Do not use this report as the sole basis for investment decisions. Do not select an asset class or investment product based on performance alone. Consider all relevant information, including your existing portfolio, investment objectives, risk tolerance, liquidity needs and investment time horizon.

Performance and Other Portfolio Information

General

Past performance does not guarantee future results. There is no guarantee that this investment strategy will work under all market conditions. As a result of recent market activity, current performance may vary from the performance referenced in this report.

For mutual funds, the investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. To obtain performance information, current to the most recent month-end, please contact the fund directly at the website set out on the cover page of this report.

Performance results are time weighted and include all cash and cash equivalents, realized and unrealized capital gains and losses, and reinvestment of dividends, interest and other income. From time to time, the fund's investment manager may waive some fees and/or reimburse some expenses. Without these waivers and reimbursements, performance would be lower. Waivers and/or reimbursements are subject to change.

Fund performance since inception begins with the first full month of fund's operation. Performance results are annualized for periods greater than one year. Returns for periods of less than a calendar year show the total return for the period and are not annualized.

Performance results may be presented in a currency other than the currency of the country in which you live. Your actual return on this investment product may increase or decrease with fluctuations between currencies.

Return (NAV)

Net asset value (NAV) performance data is net of the fund's internal fees and expenses (such as the investment management fee that the fund pays to the fund's investment advisor, and any 12b-1 fees). It does not reflect any sales charges that could apply if you bought fund shares outside an investment advisory program, nor the program fees you would pay if you bought fund shares in an advisory program.

Returns net of program fees

You will pay a Morgan Stanley Wealth Management program fee if you invest in this fund through a Morgan Stanley Wealth Management investment advisory program. See applicable Form ADV brochure for Morgan Stanley Wealth Management for an explanation of the applicable fees and charges. The net performance shown in this report reflects a deduction of a 0.50% quarterly fee (equivalent to a 2.00% annual fee). Fees are deducted quarterly in many Morgan Stanley Wealth Management investment advisory programs. The quarterly deduction has a compounding effect on performance. Actual client performance may differ from investment returns detailed in this report.

Net performance does not reflect the deduction of any sales load

Benchmark index

Depending on the composition of your account and your investment objectives, any indices shown in this report may not be an appropriate measure for comparison purposes and are therefore presented for illustration only.

Indices are unmanaged. They do not reflect any management, custody, transaction or other expenses, and generally assume reinvestment of dividends, accrued income and capital gains. Past performance of indices does not guarantee future results. You cannot invest directly in an index.

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

Other Data

Portfolio analysis may be based on information on less than all of the securities held in the portfolio. For equity portfolios, the analysis typically reflects securities representing at least 95% of portfolio assets. This may differ for other strategies, including those in the fixed income and specialty asset classes, due to availability of portfolio information.

Other data in this report is accurate as of the date this report was prepared unless stated otherwise. Data in this report may be calculated by the investment manager, Morgan Stanley Wealth Management or a third party service provider, and may be based on a representative account or a composite of accounts.

Economic Sector Allocations and Largest Holdings are accurate as of the most recent quarter end for which information was available when this report was prepared, and are subject to change at any time. The Largest Holdings lists indicate the largest security holdings in the index, and Economic Sector Allocations are based on industry standard sector identification codes. Both are measured as a percentage of the total portfolio in terms of asset value as of the date indicated above.

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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.

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

Derivatives, in general, involve special risks and costs that may result in losses. The successful use of derivatives requires sophisticated management, in order to manage and analyze derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. In addition, correlation between the particular derivative and an asset or liability of the manager may not be what the investment manager expected. Some derivatives are "leveraged" and therefore may magnify or otherwise increase investment losses. Other risks include the potential inability to terminate or sell derivative positions, as a result of counterparty failure to settle or other reasons.

No Tax Advice

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Global Investment Manager Analysis | March 10, 2025

Focus List Report

Lazard Global Listed Infrastructure Fund

Kevin Nunez
Investment Analyst
Kevin.Nunez@morganstanley.com

Highlights

- Lazard Global Listed Infrastructure Fund (the Fund) seeks to generate attractive long-term returns that exceed inflation by investing in publicly listed infrastructure companies. The Fund invests in a preferred universe of infrastructure companies with monopoly-like assets and revenues that exhibit inflation pass-through characteristics.
- The Fund is managed by a stable and experienced portfolio management (PM) team consisting of Bertrand Cliquet, John Mulquiney, Matthew Landy, and Warryn Robertson. The Fund is part of one of the largest and longest-running global listed infrastructure strategies in the industry, with Lazard initially launching the strategy in 2005.
- As of December 31, 2024, the Fund has underperformed its benchmark, the Dow Jones Brookfield Global Infrastructure Composite Index, in the short term (1-year trailing period), but outperformed over the longer term (3-, 5-, 7-, and 10-years). Relative to peers in the infrastructure universe, the Fund has ranked in the third quartile over the short term (1-year period), and ranked in the first quartile over the longer term (3-, 5-, 7-, and 10-years trailing periods).
- GIMA would note that the Fund has significant exposure to European equities, which accounts for over 50% of the Fund's holdings as of December 31, 2024. Despite the overarching geopolitical risks associated with investing in Europe, the PM team identifies pockets of appealing value opportunities within the region.

Performance Expectations

- The Fund seeks to generate a meaningful annualized return premium to inflation over a five-year market cycle.
- The Fund's value investing approach to a preferred infrastructure universe has generally led to a tendency to outperform during stable or declining markets, keep pace in rising markets, and lag during bull markets where asset values significantly diverge from fundamental values.

Strategy Details

Investment Style:
Infrastructure

Sub-Style:
Infrastructure

Benchmark:
Dow Jones Brookfield Global Infrastructure Composite Index

GIMA Status:
Focus List

Product Type:
Mutual Fund

Ticker Symbol:
GLIFX (UMA)
https://www.lazardassetmanagement.com/

Strategy Description

Lazard Global Listed Infrastructure Fund seeks to generate stable income and returns that exceed inflation through a bottom-up, value-oriented process. The Fund invests in a preferred infrastructure universe of companies with long duration assets and lower risk of capital loss.

Positive Attributes

- The Fund is managed by a stable and experienced PM team consisting of Bertrand Cliquet, John Mulquiney, Matthew Landy, and Warryn Robertson. The team has extensive experience covering infrastructure and related companies.
- The Fund is part of one of the largest and longest-running global listed infrastructure strategies in the industry, with Lazard initially launching the strategy in 2005.
- The Fund employs a repeatable investment process which is anchored by a preferred infrastructure investment universe. The Fund's investment universe is approximately $2 trillion in market capitalization, across roughly 90 companies (as of December 31, 2024).

Points to Consider

- As of December 31, 2024, the Fund has underperformed its benchmark, the Dow Jones Brookfield Global Infrastructure Composite Index, in the short term (1-year trailing period), but outperformed over the longer term (3-, 5-, 7-, and 10-years). Relative to peers in the infrastructure universe, the Fund has ranked in the third quartile over the short term (1-year period), and ranked in the first quartile over the longer term (3-, 5-, 7-, and 10-years trailing periods).
- In terms of its geographical focus, the Fund has a significant allocation outside of the US, with approximately 50% of the portfolio invested in Europe as of December 31, 2024. Key allocations include the United Kingdom (18.3%), Italy (16.8%), Spain (12.1%), and France (5.8%). As of December 31, 2024, the Fund had a 17.8% allocation to the United States and 2.2% allocation to Canada.
- As of December 31, 2024, the Fund had 26 holdings, which is on the lower end of the 25-50 range of portfolio holdings. GIMA notes that despite the concentration, there is significant diversification at the asset level, with more than 400 underlying assets held by the 26 portfolio companies.
- Lazard has adopted a passive currency hedging policy for the Fund, with foreign currency exposure substantially hedged back to the investor's local currency using forward contracts. The objective of the hedging strategy is to hold rolling three-month forward currency contracts to hedge 95% - 105% of aggregate foreign currency exposure.

Portfolio Management Team & Investment Process

Portfolio Management Team & Decision Making

- The Fund is managed by a senior investment team that consists of PMs John Mulquiney (Sydney), Warryn Robertson (Sydney), Bertrand Cliquet (London) and Matthew Landy (New York). Coverage responsibilities generally fall in line with the team's respective regions.
- Investment decisions are based on a consensus approach. Any decisions to adjust the model portfolio require the approval of all members of the portfolio management team.

Investment Process & Portfolio Construction

- The investment approach is predicated on identifying infrastructure assets with long duration, lower risk of capital loss and inflation-linked return characteristics. The team seeks to capitalize on opportunities through objective, independent fundamental research and disciplined execution.
- The investment process starts with an initial filtering stage, which identifies an investable universe of approximately 400 companies that can be broadly categorized as infrastructure. This broader universe is then reduced to a subset of approximately 150 companies that meet a set of qualitative and quantitative criteria, including:
    - Ownership of physical infrastructure assets
    - Assets predominantly invested in member countries of the Organization of Economic Corporation and Development (OECD)
    - Market capitalization of at least $250 million
    - Monopolistic characteristics and/or pricing power
- The universe is then further reduced by applying a scoring system based on a number of factors, including:
    - Revenue factors: demand volatility, competition, rate volatility and term.
    - Cost factors: operating margin, cost volatility and gearing.
- The resulting preferred infrastructure universe typically comprises 90 to 100 companies, which are further ranked based on bottom-up fundamental and valuation analysis that incorporates a three-year holding period forecast. Principles of mean reversion and projecting dividends play a key role in forecasting returns.
- The investment team leverages three valuation models, with the model choice driven by the characteristics of the company as well as the regulatory environment:
    - Perpetuity assets with stable income streams can be capitalized using an appropriate yield model (earnings, dividends, cash flow).
    - Discounted cash flow models may be used for contracted revenues generated over a finite concession period.
    - Businesses with regulated returns can be valued with reference to their regulatory asset base.

- Lazard's Counter Risk Management Group is responsible for the monitoring of counterparty risk. The group is comprised of the chief executive officer, chief operating officer, general counsel, chief compliance officer, chief business officer, heads of trading, heads of risk management, as well as certain investment personnel. The group meets at least on a quarterly basis to assess risk and resolve any specific issues.

PORTFOLIO TRAITS

Range of Holdings	25 to 50
Typical Annual Turnover	40% to 60%
Invests in Derivatives	With the exception of currency forward contracts, derivatives are generally not used
Max. Position Size	Generally 8% at purchase
Econ Sector Constraints	Yes: Diversified Utilities 0–50%; Electricity Utilities 0-40%; Gas Utilities 0-40%; Water Utilities 0-40%; Airports 0-40%; Toll Roads 0-40%; Oil & Gas Pipelines 0-30%; Railways 0-30%; Communications Infrastructure 0-30%; Marine Ports 0-40%
Country Constraints	Yes: United States 0-50%; Japan 0-30%; Germany 0-30%; UK 0-30%; France 0-30%; Italy 0-30%; Canada 0-30%; Spain 0-30%; Australia 0-30%; Mexico 0-15%; South Korea 0-15%; Belgium 0-15%; Austria 0-15%; New Zealand 0-15%; Portugal 0-15%; Switzerland 0-15%; All other OECD Countries 0-15%
Emerging Mkts Constraints	No formal constraint; however EM allocation has historically been low
Currency Hedging	Yes
Invests in ADRs	Yes, but rarely used
Invests in ETFs	No
Invests in IPOs	Yes
Max. Cash	Generally 0% to 5% although cash may be higher for short periods of time
Typical Cash Position	Generally 0% to 5%

Source: Lazard

OWNERSHIP & PARENT COMPANY

Name of Owner	Lazard Freres & Co.
Percentage Owned	100%
Publicly Traded	Yes
Ticker Symbol	LAZ

Source: Lazard

ASSETS UNDER MANAGEMENT ($MILLIONS)

YEAR	FIRM	FUND
2024	187,000	8,431
2023	206,957	8,669
2022	183,886	8,087
2021	240,343	7,591
2020	229,652	7,582
2019	222,947	7,700
2018	192,800	5,400

Source: Lazard

Disclosure Section

Definitions

Dow Jones Brookfield Global Infrastructure Composite Index - measures the stock performance of companies worldwide whose primary business is the ownership and operation of (rather than service of) infrastructure assets. Companies are required to have more than 70% of estimated cash flows derived from the following infrastructure sectors: Airports, Toll Roads, Ports, Communications, Electricity Transmission & Distribution, Oil & Gas Storage & Transportation, Water, Diversified (multiple sectors)..

Sub-Styles - Subjective classifications designed to assist with manager selection and performance evaluation based on GIMA's understanding of a manager's long-term investment philosophy and portfolio structuring biases and techniques. At points in time managers may display attributes of other sub-style classifications, and these classifications may change due to changes in the capital markets, evolution of performance benchmarks, industry trends, or changes involving a manager's personnel or process.

Infrastructure - Will generally invest the majority of assets in companies that derive the majority of operating cash flows from ownership and/or operation of infrastructure assets. Infrastructure assets can generally include airports, communications facilities, midstream energy infrastructure, seaports, power transmission and distribution, gas distribution, toll roads, and water infrastructure.

Glossary of Terms

Active Share – is a measure of the percentage of stock holdings in a manager's portfolio that differ from the benchmark index; Active Share is calculated by taking the sum of the absolute value of the differences of the weight of each holding in the manager's portfolio versus the weight of each holding in the benchmark index and dividing by two.

ADRs – American Depositary Receipts are U.S. dollar denominated forms of equity ownership in non-U.S. companies. These shares are issued against the local market shares held in the home market. ADRs are typically listed on U.S. exchanges such as NYSE, AMEX and NASDAQ.

Alpha – measures the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by Beta. A positive Alpha figure indicates the portfolio has performed better than its Beta would predict. A negative Alpha indicates the portfolio's underperformance given the expectations established by the Beta. The accuracy of the Alpha is therefore dependent on the accuracy of the Beta. Alpha is often viewed as a measurement of the value added or subtracted by a portfolio's manager.

Beta – measures a portfolio's volatility relative to its benchmark. A portfolio with a Beta higher than 1.0 has historically been more volatile than the benchmark, while a portfolio with a Beta lower than 1.0 has been less volatile. The accuracy of the Beta is dependent on R-Squared.

Correlation – measures the degree to which the returns of two securities or indices are related. The range of possible correlations is between 1.0 and -1.0. Positive correlation indicates that returns tend to move in the same direction. Negative correlation indicates that returns tend to move in opposite directions. Zero correlation implies that there is no relationship between the securities' returns.

EPS Growth – 5 Year Historical – The weighted average annualized earnings per share growth for a portfolio over the past five years.

EPS Growth – Forecast – a measure of one year earnings (cash flow or dividends) per share growth from the prior fiscal year (FY0) to the current fiscal year (FY1) using analyst consensus forecasts. Growth is expressed as a percent. The FY1 EPS (earnings per share) growth rate for the portfolio is a weighted average of the forecasts for the individual stocks in the portfolio.

Excess Return – represents the average quarterly total return of the portfolio relative to its benchmark. A portfolio with a positive Excess Return has on average outperformed its benchmark on a quarterly basis. This statistic is obtained by subtracting the benchmark return from the portfolio's return.

Historical EPS Growth - calculated by regressing over time the quarterly earnings per share for the past 20 quarters to determine the share's historical growth rate in earnings. The quarterly historical growth rate for each share is then annualized and the Historical EPS Growth shown in this report is the weighted average of these results.

Information Ratio – represents the Excess Return divided by the Tracking Error. It provides a measure of the historical consistency of the portfolio's outperformance or underperformance relative to its benchmark. A higher, positive Information Ratio suggests that the portfolio's excess returns may have been the result of making measured or moderate bets against the relevant benchmark's risk exposures.

Long Term EPS Growth Rate – analyst consensus of expected annual increase in operating earnings per share over the company's next full business cycle - usually three to five years. The Long Term EPS Growth Rate for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Net asset value (NAV) performance data is net of the fund's internal fees and expenses (such as the investment management fee that the fund pays to the fund's investment advisor, and any 12b-1 fees). It does not reflect any sales charges that could apply if you bought fund shares outside an investment advisory program, nor the program fees you would pay if you bought fund shares in an advisory program.

P/E - Forecast 12-Mo. – The price/earnings ratio for the stock based on the most recent closing price divided by the annual mean expected earnings for the current fiscal year (FY1 EPS forecast). P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

P/E – Trailing 12-Mo. – the current price of a stock divided by the most recent 12 months trailing earnings per share. P/E for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Price-to-Book – price per share divided by book value per share. Price-to-Book for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

Return on Equity (ROE) – is another profitability ratio which gauges return on investment by measuring how effectually stockholder money is being employed by the company. ROE is calculated by dividing a company's net income by average total equity. Unlike Return on Assets (ROA), ROE considers the degree to which a company uses leveraging, as interest expense paid to creditors is generally deducted from earnings to arrive at net income. ROE for the portfolio is a weighted average of the results for the individual stocks in the portfolio.

R-Squared (R2) – represents the percentage of the volatility of returns that is attributable to movements of the benchmark. It is a measure of "co-movement" between portfolio returns and benchmark returns. The closer the portfolio's R2 is to 100%, the more closely the portfolio correlates to, or follows, the benchmark. Generally, highly diversified portfolios have higher R2 percentages.

Sharpe Ratio – measures a portfolio's rate of return based on the risk it assumed and is often referred to as its risk-adjusted performance. Using Standard Deviation and returns in excess of the returns of T-bills, it determines reward per unit of risk. This measurement can help determine if the portfolio is reaching its goal of increasing returns while managing risk.

Standard Deviation – quantifies the volatility associated with a portfolio's returns. The statistic measures the variation in returns around the mean return. Unlike Beta, which measures volatility relative to the aggregate market, Standard Deviation measures the absolute volatility of a portfolio's return.

Tracking Error – represents the Standard Deviation of the Excess Return. This provides a historical measure of the variability of the portfolio's returns relative to its benchmark. A portfolio with a low Tracking Error would have quarterly Excess Returns that have exhibited very low volatility.

Important Disclosures

The summary at the beginning of the report may have been generated with the assistance of artificial intelligence (AI).

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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.

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Consider Your Own Investment Needs

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Performance and Other Portfolio Information

General

Past performance does not guarantee future results. There is no guarantee that this investment strategy will work under all market conditions. As a result of recent market activity, current performance may vary from the performance referenced in this report.

For mutual funds and exchange-traded funds, the investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. To obtain performance information, current to the most recent month-end, please contact the fund directly.

Benchmark index

Depending on the composition of your account and your investment objectives, any indices shown in this report may not be an appropriate measure for comparison purposes and are therefore presented for illustration only.

Indices are unmanaged. They do not reflect any management, custody, transaction or other expenses, and generally assume reinvestment of dividends, accrued income and capital gains. Past performance of indices does not guarantee future results. You cannot invest directly in an index.

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

Other Data

Portfolio analysis may be based on information on less than all of the securities held in the portfolio. For equity portfolios, the analysis typically reflects securities representing at least 95% of portfolio assets. This may differ for other strategies, including those in the fixed income and specialty asset classes, due to availability of portfolio information.

Other data in this report is accurate as of the date this report was prepared unless stated otherwise. Data in this report may be calculated by the investment manager, Morgan Stanley Wealth Management or a third party service provider, and may be based on a representative account or a composite of accounts.

Securities holdings

Holdings are subject to change daily, so any securities discussed in this report may or may not be included in the fund's holdings if you invest in this investment product. The fund may also hold other securities in addition to or instead of any securities discussed in this report. Do not assume that any holdings mentioned were, or will be, profitable.

Sources of Data

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Asset Class and Other Risks

Investing in ***stocks*** and ***mutual funds*** entails the risks of market volatility. The value of all types of investments may increase or decrease over varying time periods.

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

Value and ***growth investing*** also carry risks. Value investing involves the risk that the market may not recognize that securities are undervalued and they may not appreciate as anticipated. 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.

Small- and mid-capitalization companies may lack the financial resources, product diversification and competitive strengths of larger companies. The securities of small-capitalization companies may not trade as readily as, and be subject to higher volatility than, those of larger, more established companies.

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

International securities may carry additional risks, including foreign economic, political, monetary and/or legal factors, changing currency exchange rates, foreign taxes and differences in financial and accounting standards. International investing may not be for everyone. These risks may be magnified in ***emerging markets and frontier markets***.

Environmental, Social and Governance ("ESG") investments in a portfolio may experience performance that is lower or higher than a portfolio not employing such practices. Portfolios with ESG restrictions and strategies as well as ESG investments may not be able to take advantage of the same opportunities or market trends as portfolios where ESG criteria is not applied. There are inconsistent ESG definitions and criteria within the industry, as well as multiple ESG ratings providers that provide ESG ratings of the same subject companies and/or securities that vary among the providers. Certain issuers of investments may have differing and inconsistent views concerning ESG criteria where the ESG claims made in offering documents or other literature may overstate ESG impact. ESG designations are as of the date of this material, and no assurance is provided that the underlying assets have maintained or will maintain and such designation or any stated ESG compliance. As a result, it is difficult to compare ESG investment products or to evaluate an ESG investment product in comparison to one that does not focus on ESG. Investors should also independently consider whether the ESG investment product meets their own ESG objectives or criteria. There is no assurance that an ESG investing strategy or techniques employed will be successful. Past performance is not a guarantee or a dependable measure of future results.

IPO securities - Investment in initial public offerings (IPO) exposes the portfolio to additional risks associated with companies that have little operating history as public companies, as well as to the risks inherent in those sectors of the market where these new issuers operate.

Investing in currency involves additional special risks such as credit, interest rate fluctuations, derivative investment risk, and domestic and foreign inflation rates, which can be volatile and may be less liquid than other securities and more sensitive to the effect of varied economic conditions. In addition, international investing entails greater risk, as well as greater potential rewards compared to U.S. investing. These risks include political and economic uncertainties of foreign countries as well as the risk of currency fluctuations. These risks are magnified in countries with emerging markets and frontier markets, since these countries may have relatively unstable governments and less established markets and economies.

The current yield of ***preferred securities*** is calculated by multiplying the coupon by par value divided by the market price. 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. The initial rate on a floating rate or index-linked preferred 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/linked index. However, there can be no assurance that these increases will occur.

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

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

Derivatives, in general, involve special risks and costs that may result in losses. The successful use of derivatives requires sophisticated management, in order to manage and analyze derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. In addition, correlation between the particular derivative and an asset or liability of the manager may not be what the investment manager expected. Some derivatives are "leveraged" and therefore may magnify or otherwise increase investment losses. Other risks include the potential inability to terminate or sell derivative positions, as a result of counterparty failure to settle or other reasons.

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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, we also believe that investors are entitled to full disclosure of conflicts of interests which could affect the objectivity of our Manager Profiles. 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. Separately, certain strategies managed or sub-advised by us or our affiliates, including but not limited to MSIM and Eaton Vance Management ("EVM") and its investment affiliates, may be included in your account. 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.

RSI1741618682720 03/2025

Asset Allocation Analysis

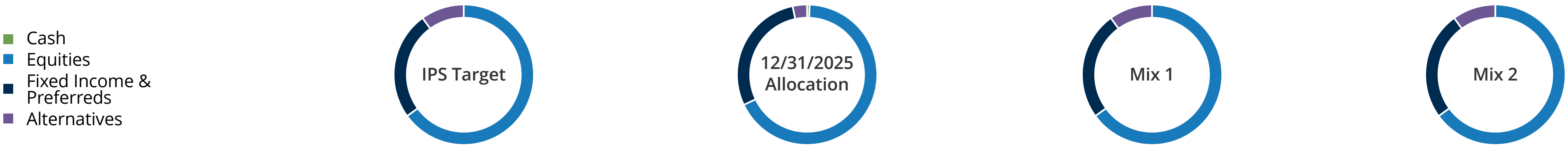
Prepared on January 15th, 2026
for BAL HARBOUR VLG POL OFF PEN PL & TR

Graystone Consulting Tampa
TAMPA, FL

Scott Owens, CFA
Managing Director - Wealth Management
scott.owens@msgraystone.com
Tel: 813-227-2061

Asset Allocations

Summary



Asset class	%	%	%	%
TOTAL	**100.0**	**100.0**	**100.0**	**100.0**
Cash	**-**	**0.6**	**-**	**-**
Equities	**65.0**	**67.4**	**65.0**	**65.0**
US Equities	**55.0**	**57.5**	**55.0**	**55.0**
US Large Cap Growth	21.5	23.1	21.5	21.5
US Large Cap Value	21.5	22.3	21.5	21.5
US Mid Cap Growth	3.0	2.9	3.0	3.0
US Mid Cap Value	3.0	3.1	3.0	3.0
US Small Cap Growth	3.0	2.9	3.0	3.0
US Small Cap Value	3.0	3.2	3.0	3.0
International Equities	**10.0**	**9.9**	**10.0**	**10.0**
Fixed Income & Preferreds	**25.0**	**28.7**	**25.0**	**25.0**
US Fixed Income Taxable	**25.0**	**28.7**	**25.0**	**25.0**
Alternatives	**10.0**	**3.3**	**10.0**	**10.0**
Real Assets	**-**	**-**	**5.0**	**10.0**
Infrastructure	-	-	5.0	10.0
Private Investments	**10.0**	**3.3**	**5.0**	**-**
Private Real Estate	10.0	3.3	5.0	-

The portfolios above are constructed using indices as proxies. Indices are unmanaged. It is not possible to invest directly in an index. Asset allocation does not assure a profit or protect against loss. This analysis assumes that the Strategic Assumptions apply for the first 7 years and the Secular Assumptions apply thereafter. Annual returns are shown gross of cash inflows, cash outflows, taxes and advisory fees. Please refer to the Return Assumptions page of the appendix to view an important and relevant disclosure regarding return rates and fees. For use only in one-on-one presentations.

Asset Allocations | As of January 2026 | Reporting Currency: USD ID : 17273777 GRAYSTONE CONSULTING 1 of 13

Asset Allocations

Summary

	IPS Target		12/31/2025 Allocation		Mix 1		Mix 2	
Assumptions	Strategic	Secular	Strategic	Secular	Strategic	Secular	Strategic	Secular
Annual Return	7.5%	7.9%	7.4%	7.8%	7.5%	7.8%	7.6%	7.8%
Standard Deviation	11.3%	10.9%	11.1%	10.6%	11.4%	10.9%	11.5%	11.0%
Sharpe Ratio	0.33	0.44	0.33	0.43	0.33	0.43	0.33	0.42
Annual Yield	3.1%	2.9%	2.9%	2.7%	3.0%	2.8%	2.9%	2.6%
Probability of Positive Return	75.1%	77.6%	75.4%	77.6%	75.4%	77.2%	75.3%	76.6%

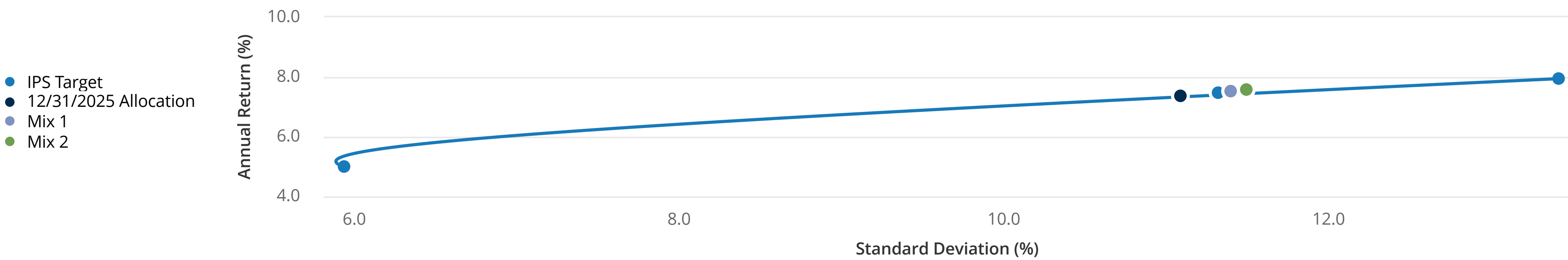
The portfolios above are constructed using indices as proxies. Indices are unmanaged. It is not possible to invest directly in an index. Asset allocation does not assure a profit or protect against loss. This analysis assumes that the Strategic Assumptions apply for the first 7 years and the Secular Assumptions apply thereafter. Annual returns are shown gross of cash inflows, cash outflows, taxes and advisory fees. Please refer to the Return Assumptions page of the appendix to view an important and relevant disclosure regarding return rates and fees. For use only in one-on-one presentations.

Asset Allocations | As of January 2026 | Reporting Currency: USD ID : 17273777 GRAYSTONE CONSULTING 2 of 13

Efficient Frontier

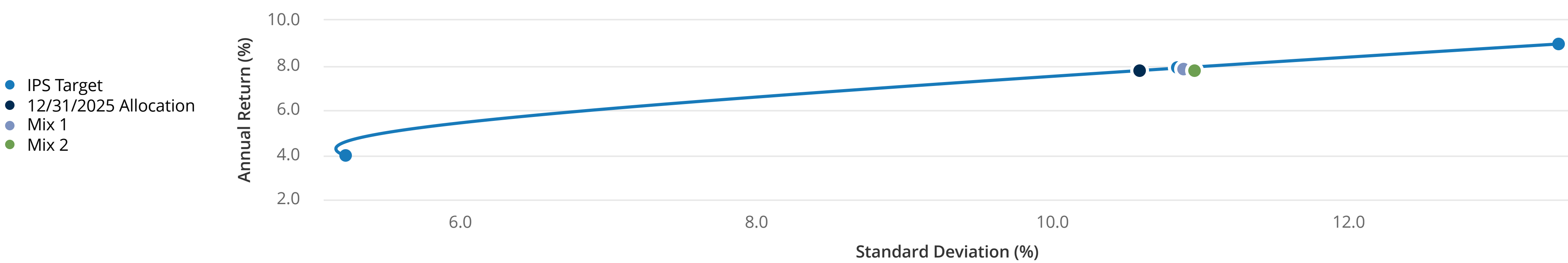
Summary

Strategic Assumptions



	IPS Target	12/31/2025 Allocation	Mix 1	Mix 2
Annual Return	7.5%	7.4%	7.5%	7.6%
Standard Deviation	11.3%	11.1%	11.4%	11.5%
Sharpe Ratio	0.33	0.33	0.33	0.33
Annual Yield	3.1%	2.9%	3.0%	2.9%

Secular Assumptions



	IPS Target	12/31/2025 Allocation	Mix 1	Mix 2
Annual Return	7.9%	7.8%	7.8%	7.8%
Standard Deviation	10.9%	10.6%	10.9%	11.0%
Sharpe Ratio	0.44	0.43	0.43	0.42
Annual Yield	2.9%	2.7%	2.8%	2.6%

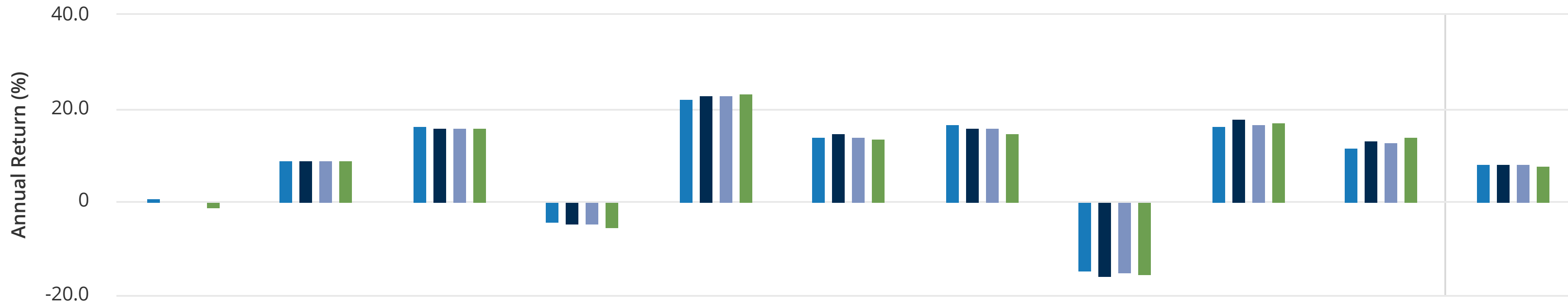
This analysis assumes that the Strategic Assumptions apply for the first 7 years and Secular Assumptions apply thereafter. Please refer to the Return Assumptions page of the appendix to view an important and relevant disclosure regarding return rates and fees. For use only in one-on-one presentations.

Efficient Frontier | As of January 2026 | Reporting Currency: USD ID : 17273777 GRAYSTONE CONSULTING 3 of 13

Historical Performance (Last 10 Years)

BAL HARBOUR VLG POL OFF PEN PL & TR

Summary



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Last 10 Yrs. Annualized
IPS Target	0.8%	9.0%	16.3%	-4.0%	22.3%	14.1%	16.9%	-14.7%	16.5%	11.8%	8.3%
12/31/2025 Allocation	0.2%	8.9%	16.0%	-4.5%	22.8%	14.8%	15.9%	-15.8%	17.8%	13.2%	8.3%
Mix 1	-0.1%	9.0%	16.1%	-4.6%	22.8%	14.0%	15.9%	-15.1%	16.9%	13.0%	8.2%
Mix 2	-1.0%	9.0%	15.9%	-5.3%	23.4%	13.8%	14.9%	-15.5%	17.4%	14.2%	8.0%

This section reflects the performance of the portfolio on an asset class basis in each of the last 10 years. Historical returns are shown gross of cash inflows, cash outflows, taxes and advisory fees. Past performance is no guarantee of future results. Please refer to the Return Assumptions page of the appendix to view an important and relevant disclosure regarding return rates and fees. For use only in one-on-one presentations.

Historical Performance | As of January 2026 | Reporting Currency: USD ID : 17273777 GRAYSTONE CONSULTING 4 of 13

Return Assumptions

	Strategic Assumptions				Secular Assumptions			
	Annual Return	Standard Deviation	Sharpe Ratio	Yield	Annual Return	Standard Deviation	Sharpe Ratio	Yield
Cash	**3.8%**	**0.8%**	**0.00**	**3.8%**	**3.2%**	**0.7%**	**0.00**	**3.2%**
Equities	**7.9%**	**13.4%**	**0.31**	**2.0%**	**8.9%**	**13.4%**	**0.43**	**2.0%**
US Equities	**7.6%**	**15.4%**	**0.25**	**2.0%**	**9.5%**	**14.8%**	**0.43**	**2.0%**
US Large Cap Growth	7.5%	16.9%	0.22	1.2%	9.8%	16.1%	0.41	1.2%
US Large Cap Value	8.8%	14.9%	0.34	2.5%	9.3%	14.4%	0.42	2.5%
US Mid Cap Growth	8.7%	18.6%	0.27	0.9%	10.0%	17.9%	0.38	0.9%
US Mid Cap Value	9.5%	16.4%	0.35	2.3%	9.7%	15.7%	0.42	2.3%
US Small Cap Growth	9.2%	23.3%	0.23	0.6%	9.2%	21.8%	0.28	0.6%
US Small Cap Value	9.4%	20.8%	0.27	2.2%	10.0%	19.1%	0.36	2.2%
International Equities	**8.4%**	**15.6%**	**0.30**	**2.8%**	**8.4%**	**15.3%**	**0.35**	**2.8%**
Fixed Income & Preferreds	**5.0%**	**5.9%**	**0.21**	**5.0%**	**3.9%**	**5.2%**	**0.15**	**3.9%**
US Fixed Income Taxable	**5.0%**	**5.9%**	**0.21**	**5.0%**	**3.9%**	**5.2%**	**0.15**	**3.9%**
Alternatives	**6.7%**	**8.0%**	**0.37**	**0.0%**	**6.5%**	**7.8%**	**0.43**	**0.0%**
Real Assets	**7.2%**	**12.7%**	**0.28**	**3.0%**	**6.7%**	**12.2%**	**0.29**	**3.0%**
Infrastructure	8.6%	14.3%	0.34	4.0%	6.8%	13.5%	0.27	4.0%
Private Investments	**9.1%**	**10.7%**	**0.50**	**4.6%**	**9.4%**	**10.3%**	**0.60**	**3.3%**
Private Real Estate	7.9%	16.6%	0.25	6.4%	8.2%	16.5%	0.31	6.6%

The Strategic Assumptions represent a time horizon of 7 years while the Secular Assumptions represent a time horizon of 20+ years. In the Linear Growth and Monte Carlo analyses the Strategic Assumptions apply for the first 7 years and the Secular Assumptions for each year thereafter. These assumptions are used for modeling purposes only. They are not guarantees of future returns.

1) The returns for Private Investments have been adjusted to account for infrequent pricing.

Return Assumptions | As of January 2026 | Reporting Currency: USD ID : 17273777 GRAYSTONE CONSULTING 5 of 13

Correlation Assumptions

	US Equities	International Equities	US Fixed Income Taxable	Real Assets	Private Investments
US Equities	1.00	0.55	0.31	0.69	0.64
International Equities		1.00	0.23	0.50	0.31
US Fixed Income Taxable			1.00	0.25	0.18
Real Assets				1.00	0.56
Private Investments					1.00

The strategic and secular assumptions have the same correlations.

It is not possible to invest directly in an index. The index performance shown does not reflect the impact of any taxes, transaction costs, management fees or other expenses that may be associated with certain investments. Indices are unmanaged. For use only in one-on-one presentations.

Correlation Assumptions | As of January 2026 | Reporting Currency: USD ID : 17273777 GRAYSTONE CONSULTING 6 of 13

Asset Class Assumptions

	Benchmark	Data History
Cash	**FTSE US Three-Month T-Bill**	**1997 - 2024**
Equities	**MSCI All-Country World (USD, Net)**	**1979 - 2024**
US Equities	**Russell 3000**	**1979 - 2024**
US Large Cap Growth	Russell 1000 Growth	1979 - 2024
US Large Cap Value	Russell 1000 Value	1979 - 2024
US Mid Cap Growth	Russell Midcap Growth	1979 - 2024
US Mid Cap Value	Russell Midcap Value	1979 - 2024
US Small Cap Growth	Russell 2000 Growth	1986 - 2024
US Small Cap Value	Russell 2000 Value	1986 - 2024
International Equities	**MSCI World ex-US (USD, Net)**	**1971 - 2024**
Fixed Income & Preferreds	**Bloomberg US Aggregate**	**1970 - 2024**
US Fixed Income Taxable	**Bloomberg US Aggregate**	**1970 - 2024**
Alternatives	**HFRI Fund-Weighted Composite**	**1970 - 2024**
Real Assets	**Equal-Weighted Blend: Bloomberg Commodity; Alerian Midstream Energy Select; FTSE EPRA/NAREIT Global (USD)**	**1970 - 2024**
Infrastructure	MSCI All-Country World Infrastructure (USD, Net)	1972 - 2024
Private Investments	**Equal-Weighted Blend: NCREIF Property; Cambridge Associates Private Equity**	**1990 - 2024**
Private Real Estate	Cambridge Associates Real Estate	1970 - 2024

It is not possible to invest directly in an index. The index performance shown does not reflect the impact of any taxes, transaction costs, management fees or other expenses that may be associated with certain investments. Indices are unmanaged. Past performance is no guarantee of future results. For use only in one-on-one presentations.

Asset Class Assumptions | As of January 2026 | Reporting Currency: USD ID : 17273777 GRAYSTONE CONSULTING 7 of 13

Methodology

Morgan Stanley Wealth Management, in conjunction with your Financial Advisor as well as other resources across Morgan Stanley, has prepared this presentation. The presentation was designed to illustrate the risk and return characteristics of various portfolios when taking into account cash considerations. Each analysis is unique and although no individual analysis can completely describe the risk and return characteristics of a portfolio, the combination of these analyses can assist clients in arriving at an appropriate wealth strategy.

Expected Returns, Standard Deviations and Correlations: Return assumptions are established by the Morgan Stanley Global Investment Committee. The Global Investment Committee utilizes an equilibrium approach to generate expected returns, standard deviations and correlations for each asset class. We believe that by analyzing current and historical economic conditions and market trends, and then making projections of future economic growth, inflation, real yields for each country, we can estimate the equilibrium performance for an asset class. The equilibrium return is simply the central tendency around which market returns tend to fluctuate over a very long period of time. It is possible that actual returns will vary considerably from this equilibrium, even for a number of years, but we believe that market returns will eventually return to their equilibrium trend.

Monte Carlo Analysis: Monte Carlo simulation is an analytical technique which uses several iterations of hypothetical events. Statistics on the distribution of results can help infer which simulated variables are more likely. When simulating hypothetical asset class performance, we utilize Morgan Stanley's expected returns, standard deviations and correlations for each asset class. Small changes in these assumptions may have a sizable impact on the results. As such, the analysis is provided only for general guidance about asset allocation. There can be no assurances that the Monte Carlo-simulated results will be achieved or sustained. Your actual results will surely vary. For example, our simulations don't account for fees or transaction costs, which may be charged when you invest in an actual portfolio of securities. However, the goal of the Monte Carlo analysis is not 100% accurate forecasting, but rather to allow investors to make better, more informed decisions.

Asset Allocations: Unless otherwise stated, this analysis assumes that asset allocations remain constants and achieve the return and standard deviation assumptions over the period in which they are invested.

Glossary

Annual Return: The arithmetic average return that is expected to be achieved in a given year.

Expected Performance: Performance assuming that portfolios achieve their annual return assumption each year in which they are invested.

Expected Tail Loss: The average expected 1-year portfolio loss, at a 95% confidence level, if an extraordinarily bad event does occur.

Sharpe Ratio: This calculation measures a ratio of return above the risk free rate to volatility.

Standard Deviation: A statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution.

Value at Risk: The maximum expected 1-year portfolio loss, at a 95% confidence level, if an extraordinarily bad event does not occur.

Worst Trial: This is defined as the worst hypothetical performance of the portfolio in a given year. While it's always possible, albeit with an infinitely small chance, that a portfolio could lose all its money in a year, this is the most the portfolio lost in all the iterations of the first year of the Monte Carlo simulation.

Max Drawdown: Similar to the worst trial, this is the worst hypothetical performance of the portfolio, but not limited to a single year - it's a potential total loss over the course of the plan.

Risk of Different Investments

Different security types and asset classes carry different risks of investment.

Small/Mid Caps U.S. Equity: Investing in smaller companies involves greater risks not associated with investing in more established companies, such as business risk, significant stock price fluctuations and illiquidity.

International/Emerging Markets: International investing entails greater risk, as well as greater potential rewards compared to U.S. investing. These risks include potential and economic uncertainties of foreign countries as well as the risk of currency fluctuations. These risks are magnified in countries with emerging markets, since these countries may have relatively unstable governments and less established markets and economics.

Fixed Income: Fixed Income Securities are subject to interest rate risk, credit risk, prepayment risk, market risk, and reinvestment risk. Fixed Income Securities, if held to maturity, may provide a fixed rate of return and a fixed principal value. Fixed Income Securities prices fluctuate and when redeemed, may be worth more or less than their original cost.

High Yield Bonds: High Yield Fixed Income Investments, also known as junk bonds, are considered speculative, involve greater risk of default and tend to be more volatile than investment grade fixed income securities.

Hedge Funds: Hedge funds are appropriate only for long-term, qualified investors. They are generally illiquid, not tax efficient, and have higher fees than many traditional investments. They may also be highly leveraged and engage in speculative investment techniques which can magnify the potential for investment loss or gain.

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

Private Equity: Private equity interests may be highly illiquid, involve a high degree of risk and be subject to transfer restrictions.

TIPS: Because the return of TIPS is linked to inflation, TIPS may significantly underperform vs. fixed return treasuries in times of low inflation.

Managed Futures: 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. Before investing in any partnership and in order to make an informed decision, investors should read the applicable prospectus and/or offering documents carefully for additional information, including charges, expenses and risks. Investors should read the prospectus and/or offering documents carefully for additional information, including charges, expenses and risks. Managed futures investments do not replace equities or bonds but rather may act as a complement in a well diversified portfolio.

Commodities: Investing in commodities entails significant risks. Commodity prices may be affected by a variety of factors at any time, including but not limited to, 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.

MLPs: Investment in MLPs entails different risks, including tax risks, than is the case for other types of investments. 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 these sectors (including commodity pricing risk, supply and demand risk, depletion risk and exploration risk).

Alternative Investments: Any allocation containing alternative investments should note that they are highly illiquid and are only appropriate for investors willing to put capital at risk for an indefinite period of time. Alternative investments often engage in leverage and other speculative investment practices, may involve complex tax structures, typically have higher fees, and generally are not subject to the same regulatory requirements as traditional asset classes.

Historical Scenario Definitions

Global Financial Crisis (11/2007 - 02/2009): The U.S. subprime mortgage crisis was a set of events and conditions that led to a financial crisis and subsequent recession that began in 2008. It was characterized by a rise in subprime mortgage delinquencies and foreclosures, and the resulting decline of securities backed by said mortgages. While elements of the crisis first became more visible during 2007, several major financial institutions collapsed in September 2008, with significant disruption in the flow of credit to businesses and consumers and the onset of a severe global recession.

Tech Bubble Burst (03/2000 - 09/2002): The dot-com bubble was a historic speculative bubble covering roughly 1997-2000 (with a climax on March 10, 2000, with the NASDAQ peaking at 5,408.60 in intraday trading before closing at 5,048.62) during which stock markets in industrialized nations saw their equity value rise rapidly from growth in the Internet sector and related fields.

2011 US Credit Downgrade (08/2011 - 09/2011): The 2011 US Credit Rating Downgrade by Standard and Poor was the first time in history the United States was downgraded. S&P cited mounting budget deficits and the lack of planning done to address the government's debt dynamics as the catalyst for the downgrade.

2015 Chinese Market Crash (06/2015 - 09/2015): Between June 2014 and June 2015, China’s Shanghai Composite index rose by 150 percent. A large portion of this acceleration in stock prices was due to retail investors' ability to invest on margin. Given this sensitivity to asset prices, when investors were met with margin calls in June of 2015, many were forced to sell. This wave of selling snowballed, leading to a ~30% decrease in the value of A-shares on the Shanghai Stock Exchange.

2009 Greek Debt Crisis (10/2009 - 05/2010): In 2009, the Greek government revealed it had underreported its budget deficit. As a result, borrowing costs skyrocketed and the countries credit rating was downgraded, leading to a loss of confidence in the Greek economy. The economic crisis in Greece exposed problems with the institutional architecture of the Eurozone and lead to increased uncertainty throughout financial markets.

Disclosures

These materials are provided for general informational and educational purposes based in part upon publicly available information from sources believed to be reliable. While we have taken great care in the preparation of these materials, we cannot be responsible for clerical, computational, or other errors. While we have relied on sources we believe to be reliable, the values reflected in this request may differ from their reported values due to varying reporting methods and valuation methods used by custodians other than those affiliated with us. We cannot assure the accuracy of these reports, nor of the information provided to us and reflected in this report.

Important: **The projections or other information generated by the Wealth Strategies Analysis Tool regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. Results generated by a Monte Carlo analysis will vary with each use and over time because each portfolio simulation is randomly generated.**

Any samples included in this analysis are not recommendations to pursue any estate planning or asset allocation strategy. They are shown for illustration purposes only. Since the future cannot be forecast, actual results will vary from the information shown for the future, including estimates and assumptions. The results may vary with each use and over time. It is possible that these variations may be material. The degree of uncertainty normally increases with the length of the future period covered. As a result, Morgan Stanley Wealth Management cannot give any assurances that any estimates, assumptions or other aspects of the following analyses will prove correct. They are subject to actual known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those shown.

Investing in financial instruments carries with it the possibility of losses and that a focus on above-market returns exposes the portfolio to above-average risk. Hypothetical performance illustrations are not guaranteed and are subject to market conditions. High volatility investments may be subject to sudden and large falls in value, and there could be a large loss on realization which could be equal to the amount invested.

Asset allocation does not assure profit or protect against loss in declining financial markets. Certain assumptions may have been made in the analyses that have resulted in the estimated return contained herein. Any change in these assumptions may have a material impact on any estimated returns.

Many of the views and opinions contained herein regarding asset allocation were prepared by Morgan Stanley Wealth Management and may differ materially from that of others at the Company. Nothing in this allocation is designed to constitute an individual investment plan which should only be devised after discussion with your Financial Advisor.

This Wealth Strategies Analysis Tool may contain historical asset class return data and statistically generated data from 1990-2017 which are not used to forecast potential return but rather to identify relative patterns of behavior among asset classes which when put in different combinations assume various levels of risk.

Blended index portfolio performance is shown for illustration purposes only. Hypothetical performance has inherent limitations and does not reflect actual performance, trading or decision making. The results vary and reflect material economic or market factors such as liquidity constraints or volatility, which have an important impact on decision making and actual performance.

Annualized return performance shown in this presentation does not reflect deduction of investment advisory fees; had they and other fees incurred in the management of the account been reflected the performance would have been lower; the investment advisory fees are described in Part II of the Morgan Stanley Form ADV; For example, for an account with an annual advisory fee of 2% deducted monthly, if the annual gross performance is 10%, the compounding effect of the fee will result in a net annual compound rate of return of approximately 7.93%. After a three-year period with an initial investment of $100,000, the total value of the client's account would be approximately $133,100 without the fee and $125,716 with the fee.

Past performance is no guarantee of future results. These materials do not constitute an offer to either buy or sell securities or to participate in any trading strategy.

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

Disclosures (Continued)

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Generally, investment advisory accounts are subject to an annual asset-based fee (the "Fee") which is payable monthly in advance (some account types may be billed differently). In general, the Fee covers Morgan Stanley investment advisory services, custody of securities with Morgan Stanley, trade execution with or through Morgan Stanley or its affiliates, as well as compensation to any Morgan Stanley Financial Advisor.

In addition, each account that is invested in a program that is eligible to purchase certain investment products, such as mutual funds, will also pay a Platform Fee (which is subject to a Platform Fee offset) as described in the applicable ADV brochure. Accounts invested in the Select UMA program may also pay a separate Sub-Manager fee, if applicable.

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If your account is invested in mutual funds or exchange traded funds (collectively "funds"), you will pay the fees and expenses of any funds in which your account is invested. Fees and expenses are charged directly to the pool of assets the fund invests in and are reflected in each fund's share price. These fees and expenses are an additional cost to you and would not be included in the Fee amount in your account statements. The advisory program you choose is described in the applicable Morgan Stanley Smith Barney LLC ADV Brochure, available at www.morganstanley.com/ADV.

Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's Separately Managed Account ("SMA") programs may effect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instance, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-Managers concerning trade execution away from Morgan Stanley is summarized at: http://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, or contact your Financial Advisor / Private Wealth Advisor.

The investment management services of Morgan Stanley Smith Barney LLC and investment vehicles managed by Morgan Stanley Smith Barney LLC or its affiliates are not guaranteed and could result in the loss of value to your account. You should note that investing in financial instruments carries with it the possibility of losses and that a focus on above-market returns exposes the portfolio to above-average risk. Performance aspirations are not guaranteed and are subject to market conditions.

Morgan Stanley Smith Barney LLC does not provide tax or legal advice. We strongly recommend that you consult your own legal and tax adviser to determine whether the analyses in these materials apply to your personal circumstances. Particular, legal, accounting and tax implications applicable to you, as well as margin requirements and transaction costs may significantly affect the structure discussed and we do not represent that the results indicated will be achieved by you.

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CRC 3863025 02/2024

Village of Bal Harbour Police

Quarterly Performance Summary

As of December 31, 2025

Scott Owens, CFA®, CIMA®
Managing Director - Wealth Management
Institutional Consulting Director
Impact Investing Director
Alternative Investment Director
Scott.Owens@msgraystone.com
(813) 227-2027

Village of Bal Harbour Police

Capital Markets Returns

as of December 31, 2025

U.S. Equity Market % Returns for the Period Ending December 31, 2025	Quarter to Date	Year to Date	12 Months	Three Years (annualized)	Five Years (annualized)	Seven Years (annualized)	Ten Years (annualized)
S&P 500 Index	2.65	17.88	17.88	23.01	14.42	17.29	14.82
Dow Jones Industrial Average	4.03	14.92	14.92	15.36	11.58	13.18	13.11
Russell 3000 Index	2.40	17.15	17.15	22.25	13.15	16.64	14.29
Russell 3000 Value Index	3.78	15.71	15.71	13.77	11.18	11.97	10.46
Russell 3000 Growth Index	1.14	18.15	18.15	30.25	14.59	20.60	17.59
Russell 1000 Index	2.41	17.37	17.37	22.74	13.59	17.03	14.59
Russell 1000 Value Index	3.81	15.91	15.91	13.90	11.32	12.10	10.53
Russell 1000 Growth Index	1.12	18.56	18.56	31.15	15.32	21.25	18.13
Russell Midcap Index	0.16	10.60	10.60	14.36	8.67	12.76	11.01
Russell Midcap Value Index	1.42	11.05	11.05	12.27	9.82	11.41	9.78
Russell Midcap Growth Index	(3.70)	8.66	8.66	18.64	6.65	14.20	12.49
Russell 2000 Index	2.19	12.81	12.81	13.73	6.09	10.60	9.62
Russell 2000 Value Index	3.26	12.60	12.60	11.73	8.88	10.09	9.27
Russell 2000 Growth Index	1.22	13.01	13.01	15.58	3.18	10.59	9.57

S&P 500 Sector % Returns for the Period Ending December 31, 2025	Quarter to Date
Health Care	11.68
Communication Services	7.26
Financials	2.02
Energy	1.53
Technology	1.42
Materials	1.12
Industrials	0.88
Consumer Discretionary	0.71
Consumer Staples	0.01
Utilities	(1.40)
Real Estate	(2.86)

Past Performance is not a guarantee of future results. Indices are not available for direct investment. Source: PARis

Village of Bal Harbour Police

Capital Markets Returns

as of December 31, 2025

Developed Markets Equity % Returns for the Period Ending December 31, 2025

	U.S. Dollar					Local Currency				
	Quarter to Date	Year to Date	12 Months	3 Years	5 Years	Quarter to Date	Year to Date	12 Months	3 Years	5 Years
Regional and Other Multi-Country Indices										
MSCI EAFE	4.86	31.22	31.22	17.22	8.92	6.18	21.21	21.21	16.54	12.03
MSCI Europe	6.20	35.41	35.41	18.23	10.30	6.16	21.32	21.32	14.81	11.42
MSCI Far East	3.03	26.23	26.23	16.87	6.64	8.39	25.50	25.50	22.58	14.37
MSCI Pacific ex. Japan	(0.05)	20.62	20.62	10.32	5.74	(0.41)	14.15	14.15	10.69	7.80
MSCI The World	3.20	21.60	21.60	21.72	12.66	3.45	18.94	18.94	22.45	14.07
MSCI World ex. U.S.	5.20	31.85	31.85	17.64	9.46	6.19	22.30	22.30	17.18	12.52
National Indices										
MSCI Hong Kong	2.25	34.83	34.83	4.77	1.04	2.28	35.11	35.11	4.68	1.11
MSCI Ireland	14.23	58.65	58.65	31.60	12.94	14.29	39.88	39.88	27.47	13.87
MSCI Japan	3.26	25.05	25.05	17.96	6.99	9.59	24.73	24.73	24.93	16.31
MSCI Singapore	1.04	N/A	N/A	N/A	N/A	0.78	26.32	26.32	21.26	11.25

Emerging Markets Equity % Returns for the Period Ending December 31, 2025

	U.S. Dollar					Local Currency				
	Quarter to Date	Year to Date	12 Months	3 Years	5 Years	Quarter to Date	Year to Date	12 Months	3 Years	5 Years
Regional and Other Multi-Country Indices										
MSCI EM	4.78	34.36	34.36	16.98	4.67	5.68	32.06	32.06	18.31	7.06
National Indices										
MSCI China	(7.35)	31.43	31.43	11.85	(3.03)	(7.58)	30.72	30.72	11.87	(2.70)
MSCI Malaysia	8.19	15.45	15.45	10.39	3.51	4.32	4.77	4.77	7.41	3.70
MSCI Taiwan	10.45	39.83	39.83	35.37	17.39	13.86	34.02	34.02	36.36	20.04
MSCI Thailand	4.97	7.25	7.25	(0.74)	0.35	4.97	7.25	7.25	(0.74)	0.35

Past Performance is not a guarantee of future results. Indices are not available for direct investment. Source: PARis

Graystone Consulting from Morgan Stanley

Village of Bal Harbour Police

Capital Markets Returns

as of December 31, 2025

Fixed Income % Returns for the Period Ending December 31, 2025	Quarter to Date	Year to Date	12 Months	Three Years (annualized)	Five Years (annualized)	Seven Years (annualized)	Ten Years (annualized)
U.S. Fixed Income							
90-Day T-Bills	1.02	4.40	4.40	5.03	3.31	2.76	2.23
Bloomberg US Aggregate	1.10	7.30	7.30	4.66	(0.36)	1.99	2.01
Bloomberg Credit	0.87	7.83	7.83	5.98	(0.04)	3.14	3.15
Bloomberg Govt/Credit	0.90	6.88	6.88	4.56	(0.59)	2.14	2.16
Bloomberg Government	0.91	6.31	6.31	3.65	(0.94)	1.37	1.38
Bloomberg High Yield	1.31	8.62	8.62	10.06	4.50	6.22	6.52
Bloomberg Intermediate Govt/Credit	1.19	6.97	6.97	5.06	0.96	2.54	2.29
Bloomberg Long Govt/Credit	(0.02)	6.62	6.62	3.06	(4.89)	1.11	1.98
Bloomberg Mortgage Backed	1.71	8.58	8.58	4.90	0.15	1.54	1.59
Bloomberg Municipal	1.56	4.24	4.24	3.88	0.80	2.36	2.34
Global Fixed Income							
Merrill Lynch Global High Yield	1.16	10.78	10.78	10.53	3.50	5.55	5.96
Bloomberg Global Treasury ex. US	(1.54)	9.21	9.21	2.77	(5.03)	(1.45)	(0.01)
Bloomberg Capital Majors ex. U.S.	(2.23)	6.15	6.15	0.17	(6.59)	(2.88)	(1.07)

Past Performance is not a guarantee of future results. Indices are not available for direct investment. Source: PARis

Graystone Consulting from Morgan Stanley

Village of Bal Harbour Police

Asset Allocation & Time Weighted Performance

as of December 31, 2025

	Allocation		Performance(%)										
	Market Value ($)	%	1 Month	Quarter To Date	Fiscal YTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Total Fund (Gross)	**40,769,672**	**100.00**	**0.28**	**1.31**	**1.31**	**12.03**	**12.03**	**12.83**	**8.61**	**10.74**	**9.73**	**8.39**	**10/01/2003**
Total Fund (net)			0.27	1.24	1.24	11.73	11.73	12.55	8.20	10.27	9.23	7.84	
Total Fund Policy			0.36	2.07	2.07	14.32	14.32	14.06	7.73	12.04	10.79	8.53	
All Public Plans-Total Fund Median			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Domestic Equity													
BNYM Newton - Dynamic Large Value	9,076,365	22.26	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	01/01/2026
BNYM Newton - Dynamic Large Value (net)			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Russell 1000 Value			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Vanguard - Russell 1000 Growth ETF	9,401,170	23.06	-0.63	1.15	1.15	18.62	18.62	31.25	N/A	N/A	N/A	24.68	09/01/2022
Vanguard - Russell 1000 Growth ETF (Net)			-0.63	1.15	1.15	18.62	18.62	31.25	N/A	N/A	N/A	24.68	
Russell 1000 Growth			-0.62	1.12	1.12	18.56	18.56	31.15	N/A	N/A	N/A	24.59	
Earnest Partners - Mid Cap Value (Gross)	1,263,454	3.10	1.77	2.18	2.18	8.10	8.10	12.01	N/A	N/A	N/A	10.81	09/01/2022
Earnest Partners - Mid Cap Value (Net)			1.77	2.04	2.04	7.53	7.53	11.51	N/A	N/A	N/A	10.33	
Russell Midcap Value			0.06	1.42	1.42	11.05	11.05	12.27	N/A	N/A	N/A	10.89	
Federated MDT - Mid Cap Growth (Gross)	1,184,212	2.90	-0.48	-2.99	-2.99	9.42	9.42	N/A	N/A	N/A	N/A	9.42	01/01/2025
Federated MDT - Mid Cap Growth (Net)			-0.48	-3.11	-3.11	9.00	9.00	N/A	N/A	N/A	N/A	9.00	
Russell Midcap Growth			-1.34	-3.70	-3.70	8.66	8.66	N/A	N/A	N/A	N/A	8.66	
Neuberger Berman - Small Cap Value (Gross)	1,312,256	3.22	1.74	5.02	5.02	21.74	21.74	15.25	N/A	N/A	N/A	12.84	09/01/2022
Neuberger Berman - Small Cap Value (Net)			1.74	4.86	4.86	21.00	21.00	14.68	N/A	N/A	N/A	12.29	
Russell 2000 VL			0.18	3.26	3.26	12.60	12.60	11.73	N/A	N/A	N/A	9.62	
Congress - Small Cap Growth (Gross)	1,189,962	2.92	-2.88	-3.53	-3.53	10.65	10.65	18.65	N/A	N/A	N/A	15.09	09/01/2022
Congress - Small Cap Growth (Net)			-2.88	-3.66	-3.66	9.99	9.99	18.12	N/A	N/A	N/A	14.56	
Russell 2000 Growth			-1.28	1.22	1.22	13.01	13.01	15.58	N/A	N/A	N/A	12.10	
International Equity													
Aristotle - International Value (Gross)	2,107,159	5.17	2.52	5.94	5.94	23.81	23.81	16.12	N/A	N/A	N/A	16.03	09/01/2022
Aristotle - International Value (Net)			2.52	5.82	5.82	23.03	23.03	15.64	N/A	N/A	N/A	15.54	
MSCI ACWI Ex USA NR USD			3.00	5.05	5.05	32.39	32.39	17.33	N/A	N/A	N/A	16.45	

Village of Bal Harbour Police

Asset Allocation & Time Weighted Performance

as of December 31, 2025

	Allocation		Performance(%)										
	Market Value ($)	%	1 Month	Quarter To Date	Fiscal YTD	YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
Jennison - International Growth (Gross)	1,928,264	4.73	0.27	-4.29	-4.29	15.29	15.29	16.50	N/A	N/A	N/A	14.84	09/01/2022
Jennison - International Growth (Net)			0.27	-4.41	-4.41	14.50	14.50	15.98	N/A	N/A	N/A	14.30	
MSCI ACWI Ex USA NR USD			3.00	5.05	5.05	32.39	32.39	17.33	N/A	N/A	N/A	16.45	
Fixed Income													
BlackRock - Short Term / Intermediate (Gross)	11,723,162	28.75	0.06	1.22	1.22	7.07	7.07	N/A	N/A	N/A	N/A	5.04	02/01/2023
BlackRock - Short Term / Intermediate (Net)			0.06	1.20	1.20	6.97	6.97	N/A	N/A	N/A	N/A	4.94	
BB US Agg Gov/Cr 1-3Y/ BB US Interm Agg TR(Mar '24)			0.13	1.35	1.35	7.46	7.46	N/A	N/A	N/A	N/A	5.12	
Alternative Investments													
Intercontinental - Private Real Estate (Gross)	1,348,554	3.31	0.13	0.13	0.13	2.91	2.91	-6.16	2.20	3.16	N/A	3.35	10/01/2018
Intercontinental - Private Real Estate (Net)			-0.15	-0.15	-0.15	1.81	1.81	-6.77	0.83	1.81	N/A	1.97	
NCREIF NFI ODCE Value Weighted			0.90	0.90	0.90	3.77	3.77	-3.46	3.39	3.35	N/A	3.48	
Cash & Equivalents													
US Bank - Cash	227,470	0.56	4.24	5.07	5.07	7.48	7.48	5.86	N/A	N/A	N/A	5.27	06/01/2022

Village of Bal Harbour Police

Asset Allocation & Net Dollar Weighted Performance (IRR)

as of December 31, 2025

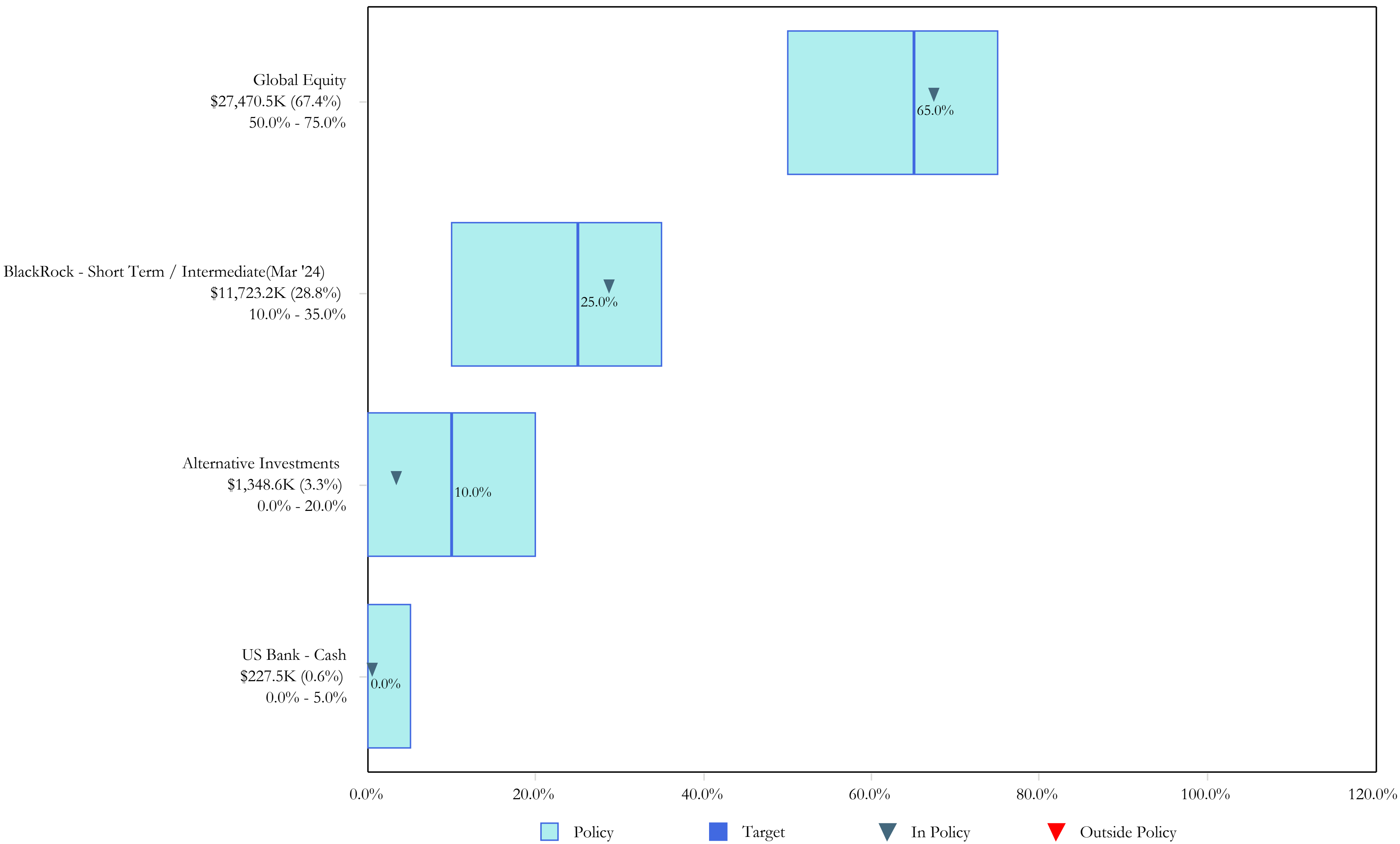
	%	Quarter To Date	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years
Total Fund	**100.00**	**1.24**	**1.24**	**11.66**	**12.60**	**8.07**	**10.06**	**8.90**
Domestic Equity								
BNYM Newton - Dynamic Large Value	22.26	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Vanguard - Russell 1000 Growth ETF	23.06	1.15	1.15	18.91	27.11	N/A	N/A	N/A
Earnest Partners - Mid Cap Value	3.10	2.19	2.19	7.38	12.00	N/A	N/A	N/A
Federated MDT - Mid Cap Growth	2.91	-3.12	-3.12	9.27	N/A	N/A	N/A	N/A
Neuberger Berman - Small Cap Value	3.22	4.93	4.93	16.22	14.09	N/A	N/A	N/A
Congress - Small Cap Growth	2.92	-3.66	-3.66	9.89	19.23	N/A	N/A	N/A
International Equity								
Aristotle - International Value	5.17	5.84	5.84	21.33	14.71	N/A	N/A	N/A
Jennison - International Growth	4.73	-4.42	-4.42	8.77	13.46	N/A	N/A	N/A
Fixed Income								
BlackRock - Short Term / Intermediate(Mar '24)	28.76	1.19	1.19	6.81	N/A	N/A	N/A	N/A
Alternative Investments								
Intercontinental - Private Real Estate	3.31	-0.15	-0.15	1.84	-7.51	0.93	1.93	N/A

Village of Bal Harbour Police

Asset Allocation Compliance

as of December 31, 2025

Executive Summary



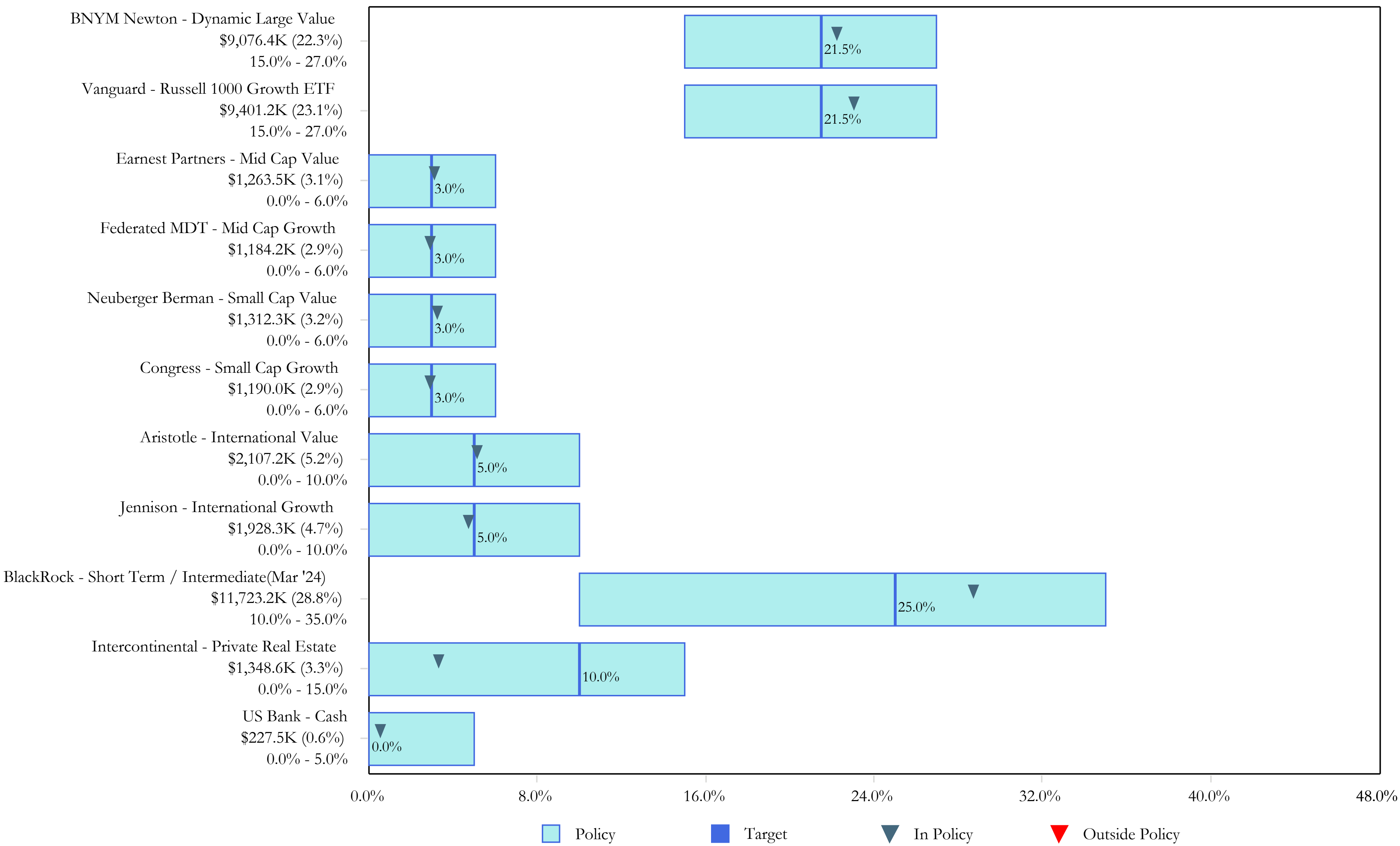
The prices, quotes, or statistics contained herein have been obtained from sources believed to be reliable, however, its accuracy cannot be guaranteed. Past performance is not a guarantee of future results.

Village of Bal Harbour Police

Asset Allocation Compliance

as of December 31, 2025

Executive Summary



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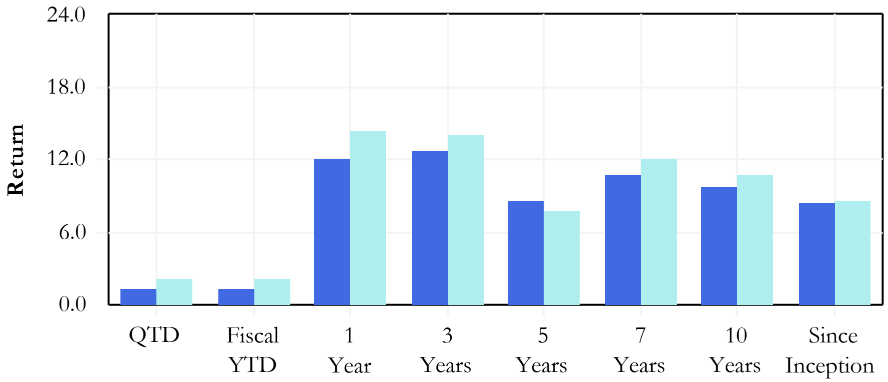
Graystone Consulting from Morgan Stanley

Village of Bal Harbour Police

Total Fund - Executive Summary

as of December 31, 2025

Manager Performance Chart



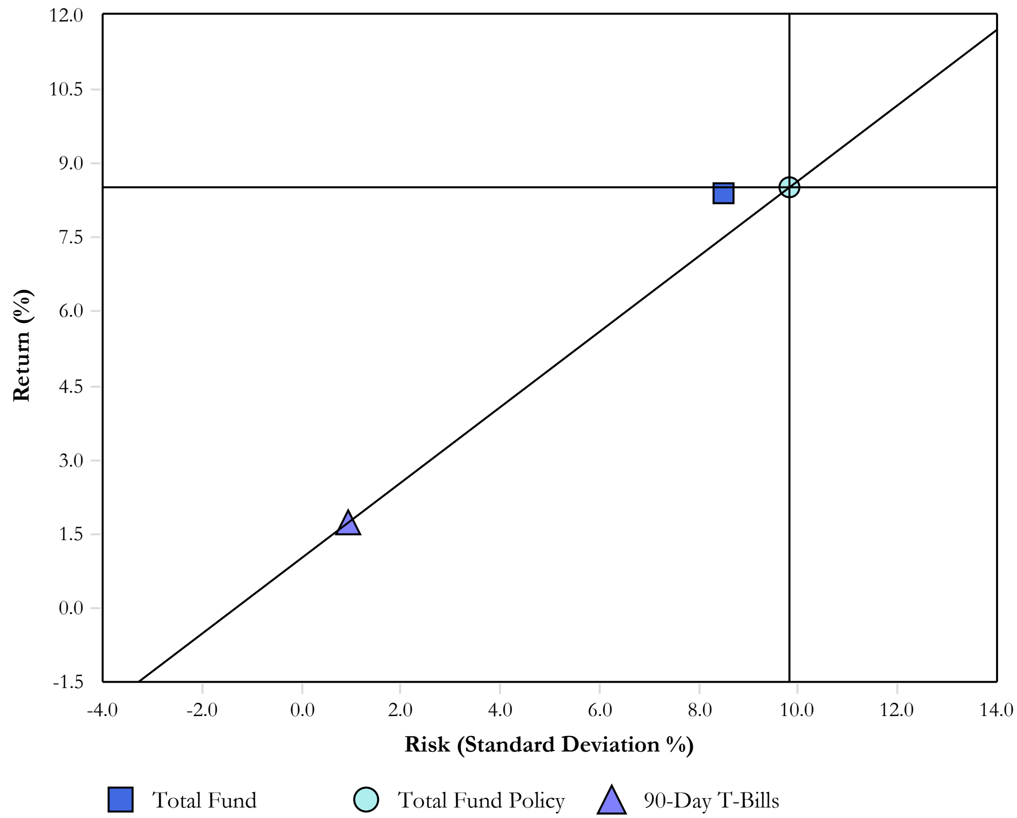
Manager Annualized Performance

	QTD	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Inception 10/01/2003
Total Fund	1.31	1.31	12.03	12.83	8.61	10.74	9.73	8.39
Total Fund Policy	2.07	2.07	14.32	14.06	7.73	12.04	10.79	8.53
Differences	-0.76	-0.76	-2.30	-1.24	0.87	-1.30	-1.06	-0.14

Historic Asset Growth

	QTD	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	10 Years	Inception 10/01/2003
Total Fund								
Beginning Market Value	39,464	39,464	37,411	30,095	29,674	22,238	18,805	6,306
Net Contributions	804	804	-915	-1,782	-2,431	-2,120	-2,487	-389
Fees/Expenses	-28	-28	-101	-255	-727	-1,237	-1,863	-1,888
Income	216	216	758	1,931	2,645	3,616	5,049	5,136
Gain/Loss	313	313	3,617	10,781	11,608	18,273	21,267	31,604
Ending Market Value	40,770	40,770	40,770	40,770	40,770	40,770	40,770	40,770

Manager Risk & Return



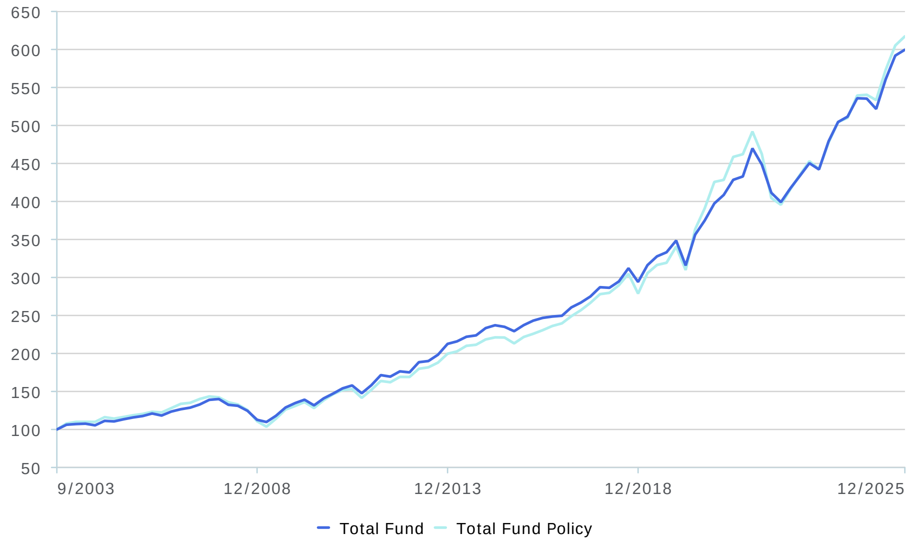
Village of Bal Harbour Police

Total Fund - Risk / Return Analysis

as of December 31, 2025

Manager Performance

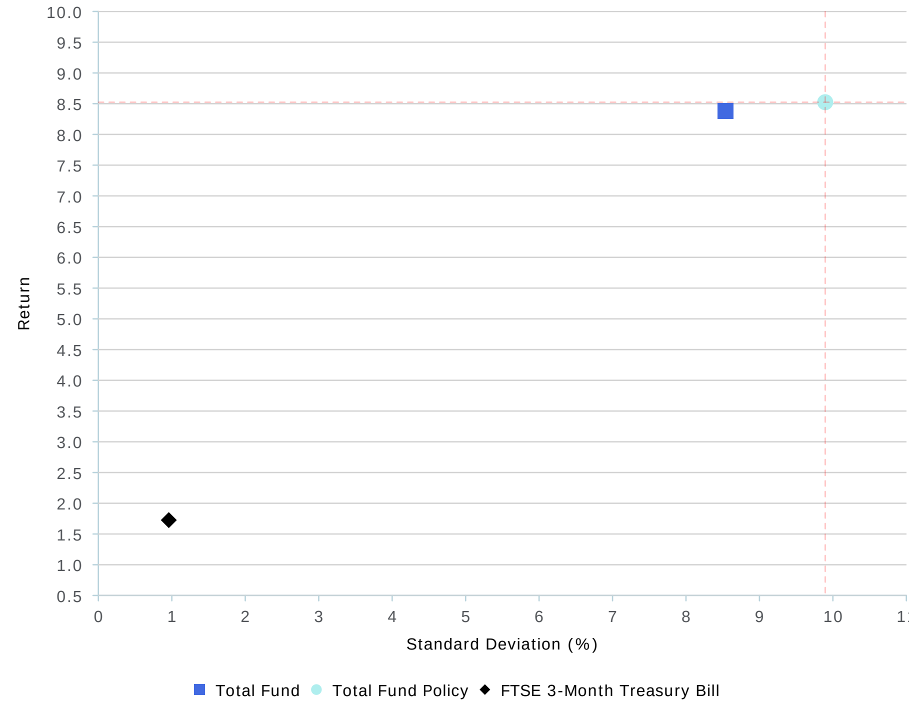
October 2003 - December 2025



Cumulative Excess Return vs. Benchmark

Risk / Return

October 2003 - December 2025



Risk & Return Measurements

October 2003 - December 2025

	RETURN	EXCESS RETURN	STANDARD DEVIATION	BETA	MAXIMUM DRAWDOWN	UP CAPTURE	DOWN CAPTURE	ALPHA	SHARPE RATIO	R-SQUARED
Total Fund	8.38	(0.14)	8.54	0.83	(21.58)	93.21	86.02	1.21	0.78	93.20
Total Fund Policy	8.52	0.00	9.90	1.00	(27.76)	100.00	100.00	0.00	0.69	100.00

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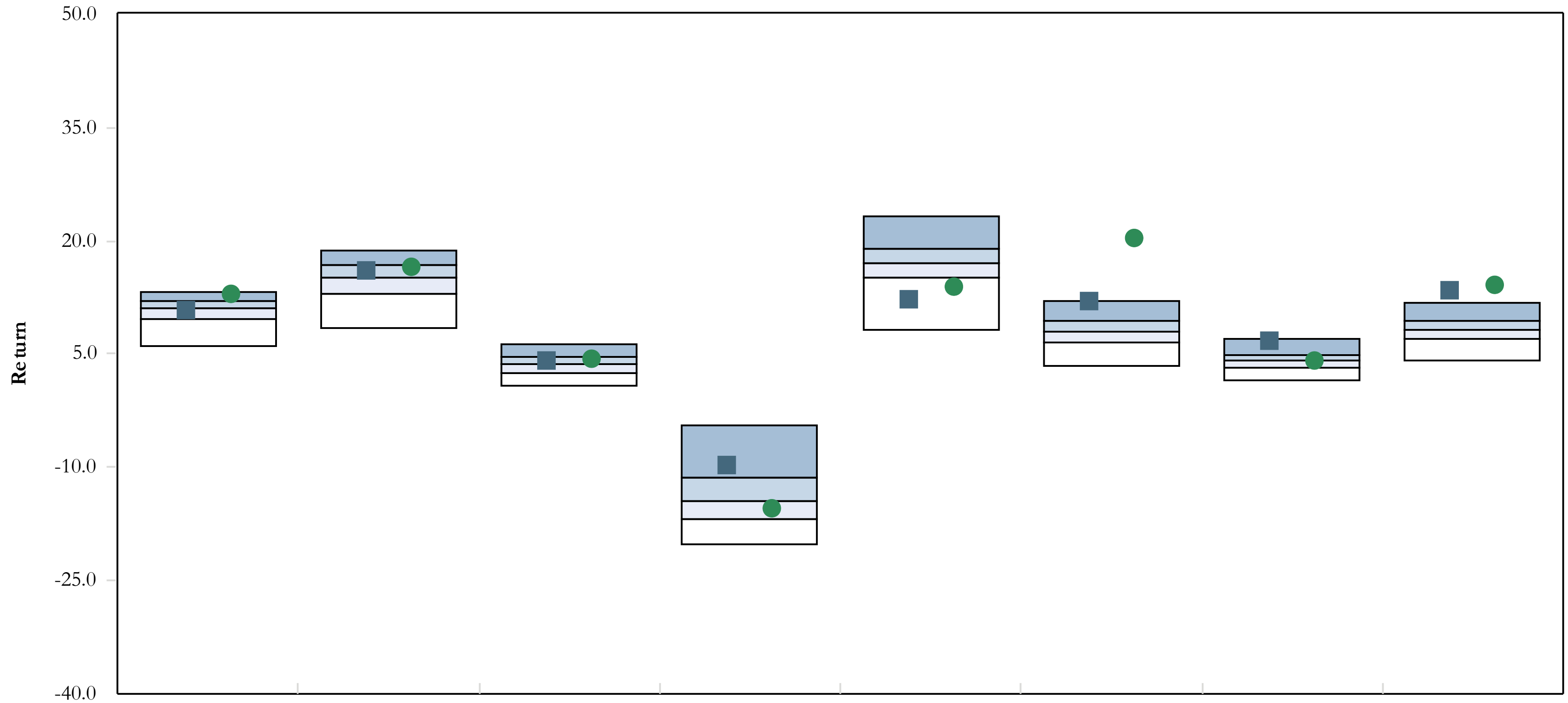
Village of Bal Harbour Police

All Public Plans-Total Fund - Return

as of December 31, 2025



	Sep-2024 To Sep-2025	Sep-2023 To Sep-2024	Sep-2022 To Sep-2023	Sep-2021 To Sep-2022	Sep-2020 To Sep-2021	Sep-2019 To Sep-2020	Sep-2018 To Sep-2019	Sep-2017 To Sep-2018
■ Total Fund	10.85 (56)	16.00 (37)	4.18 (37)	-9.72 (19)	12.31 (92)	11.93 (6)	6.71 (6)	13.57 (2)
● Total Fund Policy	12.94 (10)	16.52 (31)	4.37 (32)	-15.52 (60)	13.92 (86)	20.50 (1)	4.28 (41)	14.20 (2)
5th Percentile	13.36	18.62	6.21	-4.36	23.38	12.14	6.93	11.83
1st Quartile	12.08	16.85	4.68	-11.42	19.03	9.45	4.94	9.48
Median	11.08	15.04	3.62	-14.41	17.11	7.91	4.05	8.33
3rd Quartile	9.62	13.00	2.61	-16.93	15.06	6.55	3.21	7.10
95th Percentile	6.10	8.46	0.74	-20.12	8.25	3.46	1.52	4.10
Population	561	764	804	837	948	830	962	644

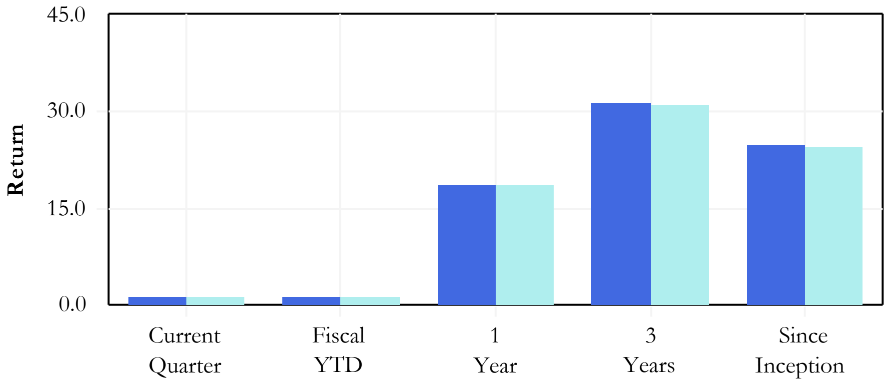
Parentheses contain percentile rankings.
Calculation based on monthly periodicity.

Village of Bal Harbour Police

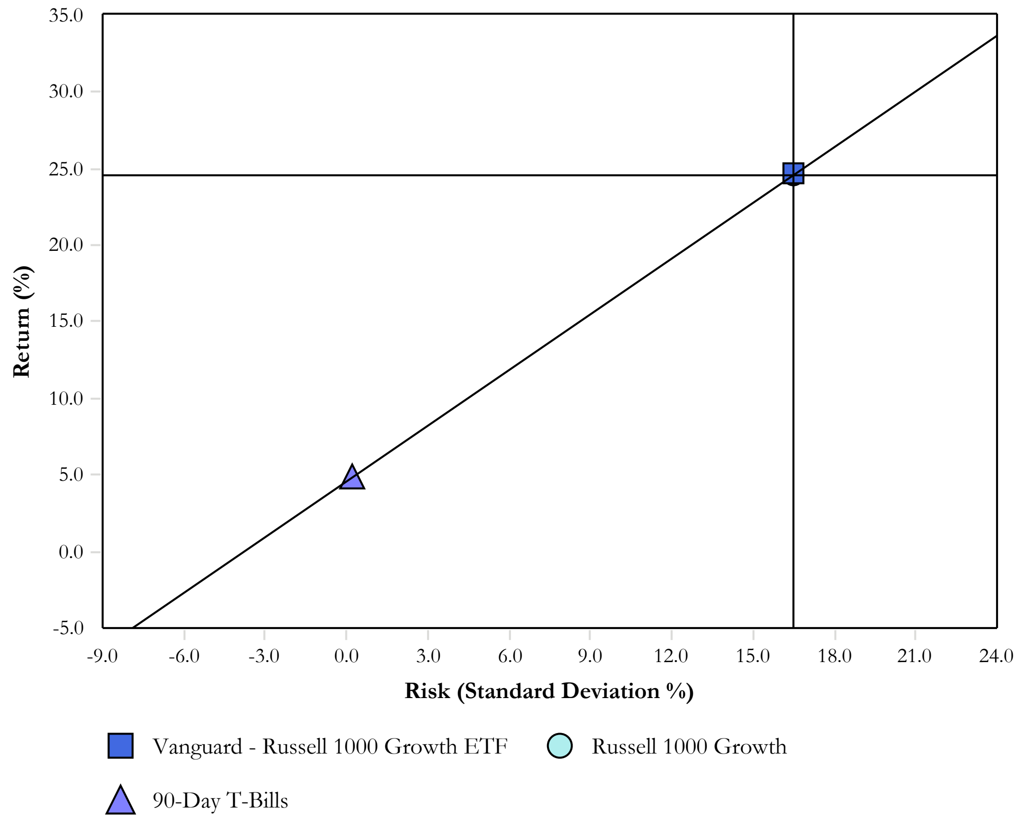
Vanguard - Russell 1000 Growth ETF - Executive Summary

as of December 31, 2025

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	Inception 9/1/2022
Vanguard - Russell 1000 Growth ETF	1.15	1.15	18.62	31.25	24.68
Russell 1000 Growth	1.12	1.12	18.56	31.15	24.59
Differences	0.03	0.03	0.06	0.10	0.08

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	3 Years	Inception 9/1/2022
Vanguard - Russell 1000 Growth ETF					
Beginning Market Value	9,305	9,305	9,251	1,324	1,442
Net Contributions	-11	-11	-1,440	3,807	3,800
Fees/Expenses	-	-	-	-	-
Income	11	11	45	111	118
Gain/Loss	97	97	1,545	4,159	4,041
Ending Market Value	9,401	9,401	9,401	9,401	9,401

Modern Portfolio Statistics

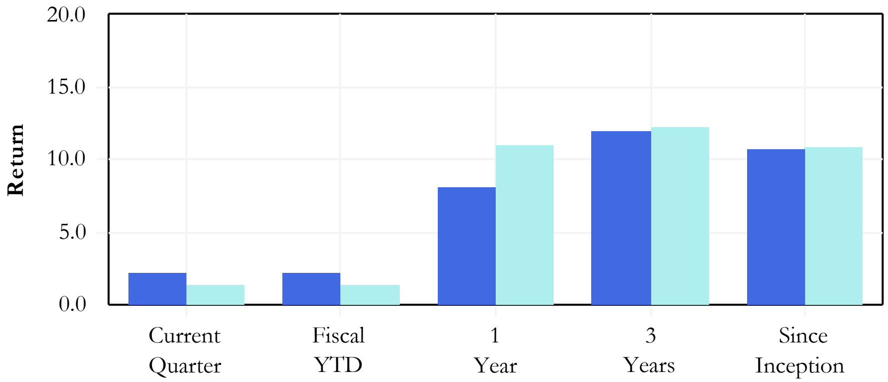
	Return	Standard Deviation	Beta	Maximum Drawdown	Up Capture	Down Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Vanguard - Russell 1000 Growth ETF	24.68	16.47	1.00	-11.76	100.15	99.96	0.09	1.15	1.00	09/01/2022
Russell 1000 Growth	24.59	16.49	1.00	-11.71	100.00	100.00	0.00	1.14	1.00	09/01/2022

Village of Bal Harbour Police

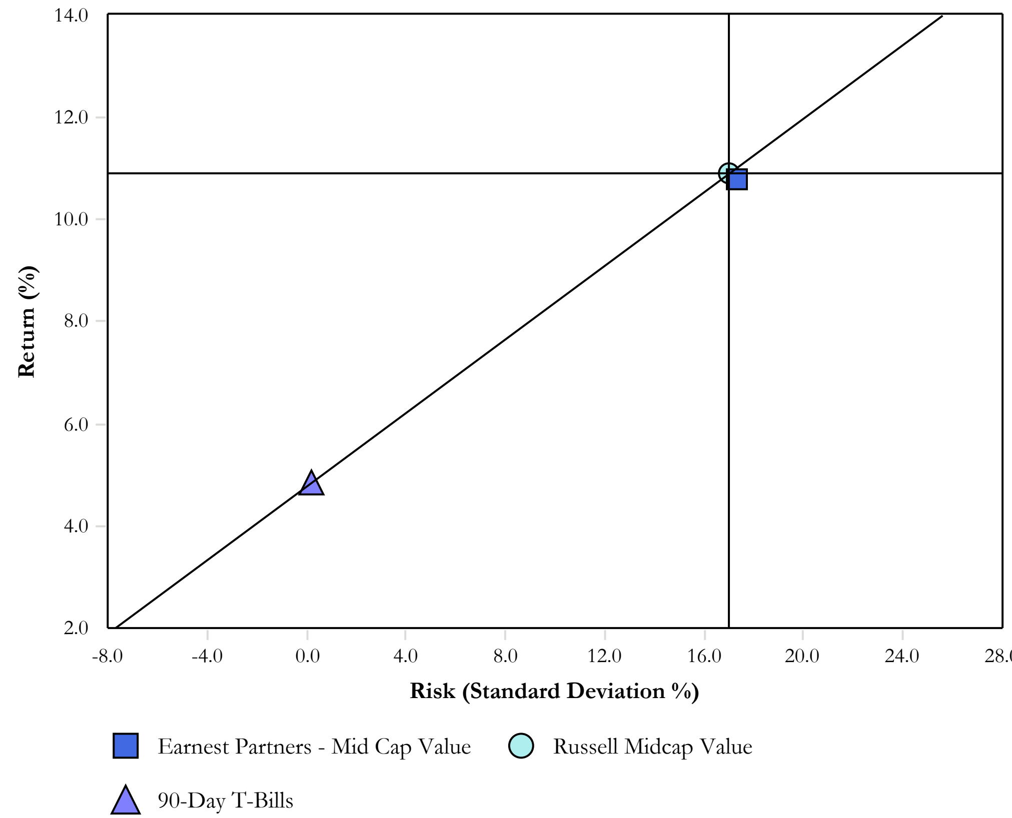
Earnest Partners - Mid Cap Value - Executive Summary

as of December 31, 2025

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	Inception 9/1/2022
Earnest Partners - Mid Cap Value	2.18	2.18	8.10	12.01	10.81
Russell Midcap Value	1.42	1.42	11.05	12.27	10.89
Differences	0.76	0.76	-2.95	-0.27	-0.09

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	3 Years	Inception 9/1/2022
Earnest Partners - Mid Cap Value					
Beginning Market Value	1,155	1,155	1,219	1,151	1,150
Net Contributions	82	82	-44	-269	-269
Fees/Expenses	-2	-2	-6	-15	-16
Income	6	6	22	61	67
Gain/Loss	23	23	72	335	331
Ending Market Value	1,263	1,263	1,263	1,263	1,263

Modern Portfolio Statistics

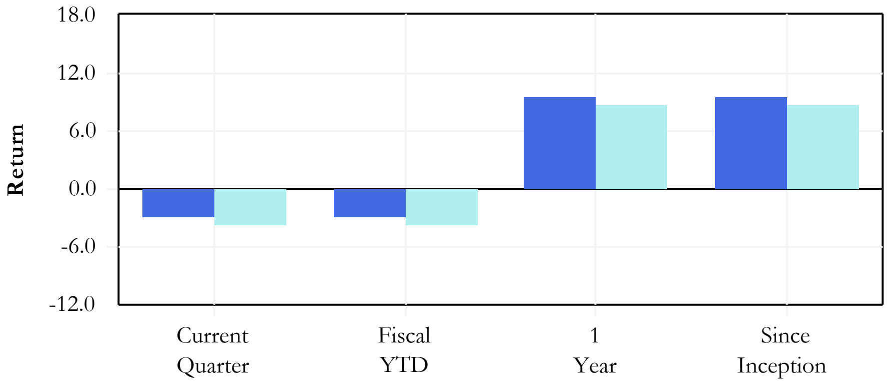
	Return	Standard Deviation	Beta	Maximum Drawdown	Up Capture	Down Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Earnest Partners - Mid Cap Value	10.81	17.33	1.00	-14.60	100.86	101.48	-0.01	0.41	0.95	09/01/2022
Russell Midcap Value	10.89	16.95	1.00	-12.98	100.00	100.00	0.00	0.42	1.00	09/01/2022

Village of Bal Harbour Police

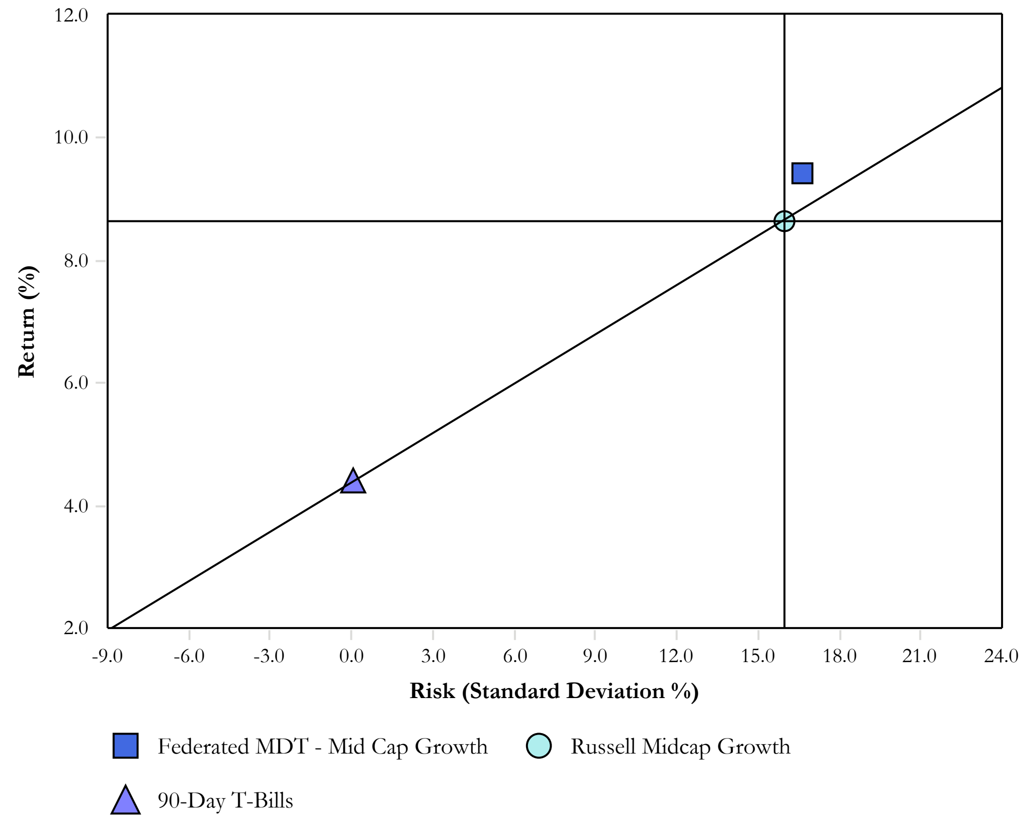
Federated MDT - Mid Cap Growth - Executive Summary

as of December 31, 2025

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 1/1/2025
Federated MDT - Mid Cap Growth	-2.99	-2.99	9.42	9.42
Russell Midcap Growth	-3.70	-3.70	8.66	8.66
Differences	0.71	0.71	0.76	0.76

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 1/1/2025
Federated MDT - Mid Cap Growth				
Beginning Market Value	1,161	1,161	1,180	1,180
Net Contributions	61	61	-101	-101
Fees/Expenses	-1	-1	-4	-4
Income	1	1	7	7
Gain/Loss	-38	-38	103	103
Ending Market Value	1,184	1,184	1,184	1,184

Modern Portfolio Statistics

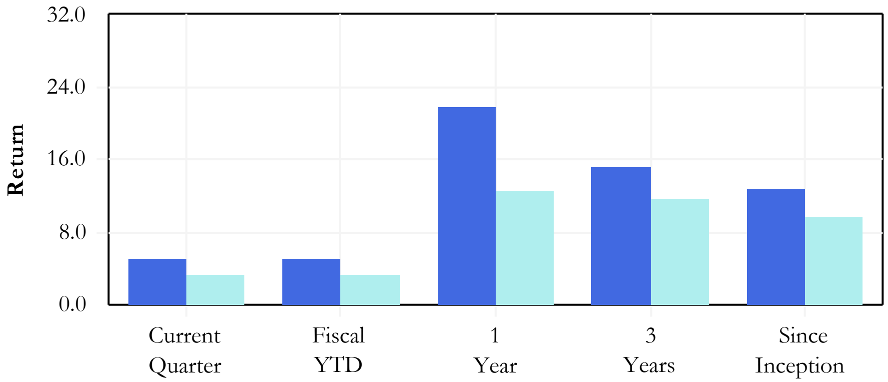
	Return	Standard Deviation	Beta	Maximum Drawdown	Up Capture	Down Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Federated MDT - Mid Cap Growth	9.42	16.67	1.04	-13.36	99.28	94.08	0.48	0.37	0.98	01/01/2025
Russell Midcap Growth	8.66	15.94	1.00	-12.69	100.00	100.00	0.00	0.33	1.00	01/01/2025

Village of Bal Harbour Police

Neuberger Berman - Small Cap Value - Executive Summary

as of December 31, 2025

Manager Performance Chart



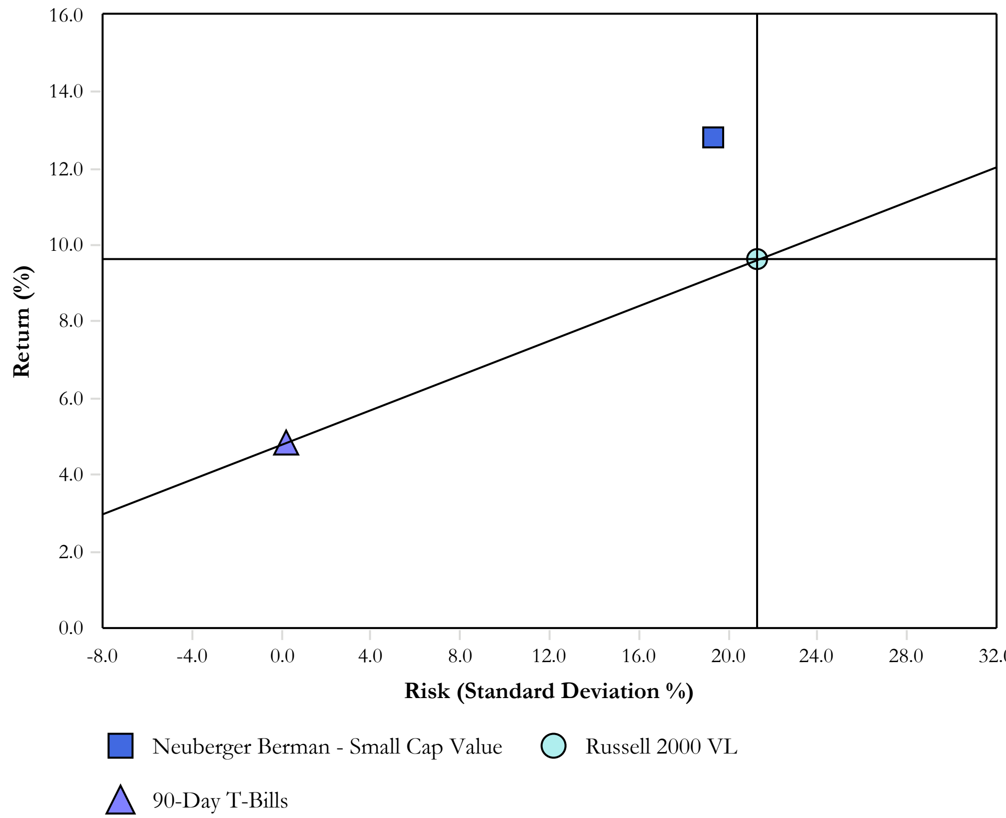
Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	Inception 9/1/2022
Neuberger Berman - Small Cap Value	5.02	5.02	21.74	15.25	12.84
Russell 2000 VL	3.26	3.26	12.60	11.73	9.62
Differences	1.76	1.76	9.15	3.52	3.22

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	3 Years	Inception 9/1/2022
Neuberger Berman - Small Cap Value					
Beginning Market Value	1,297	1,297	1,620	1,121	1,147
Net Contributions	-48	-48	-542	-367	-366
Fees/Expenses	-2	-2	-8	-19	-21
Income	3	3	21	44	49
Gain/Loss	62	62	221	533	503
Ending Market Value	1,312	1,312	1,312	1,312	1,312

Manager Risk & Return



Modern Portfolio Statistics

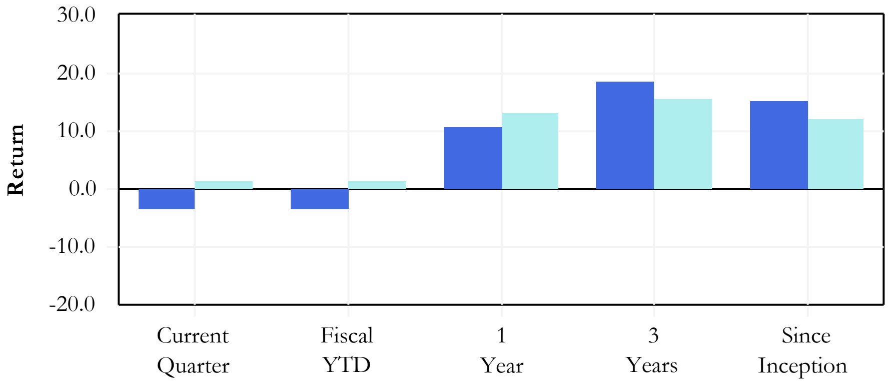
	Return	Standard Deviation	Beta	Maximum Drawdown	Up Capture	Down Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Neuberger Berman - Small Cap Value	12.84	19.33	0.87	-16.06	96.96	85.64	4.11	0.48	0.92	09/01/2022
Russell 2000 VL	9.62	21.29	1.00	-18.83	100.00	100.00	0.00	0.31	1.00	09/01/2022

Village of Bal Harbour Police

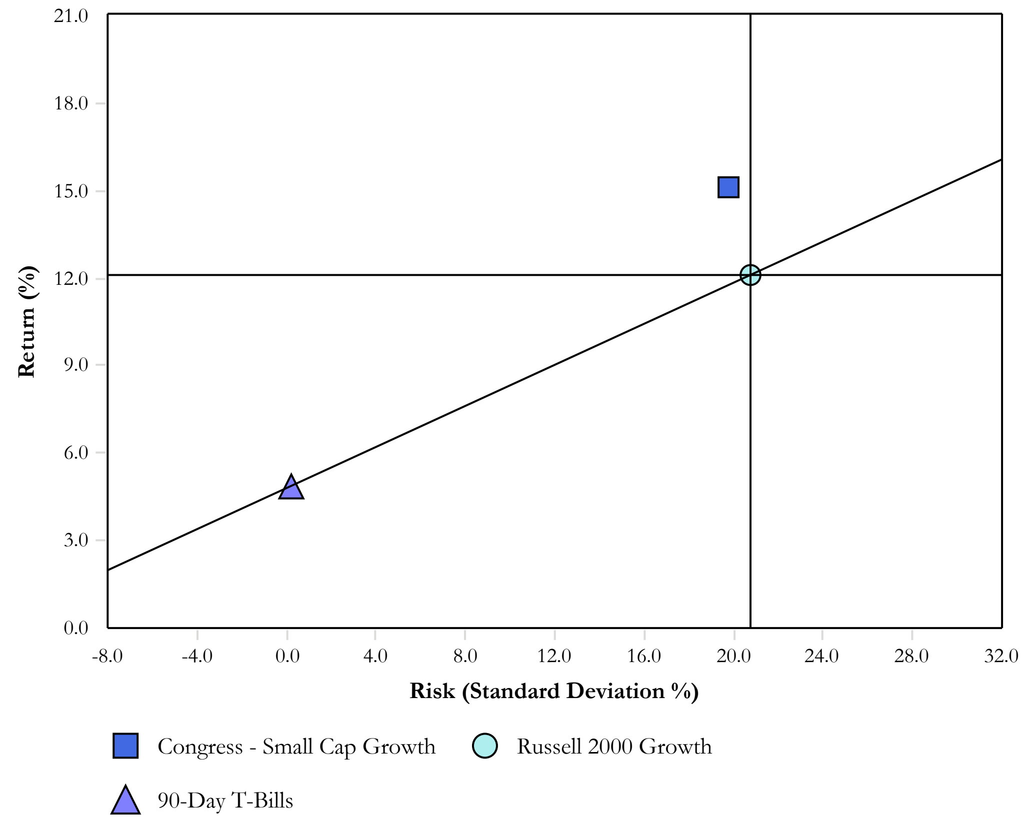
Congress - Small Cap Growth - Executive Summary

as of December 31, 2025

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	Inception 9/1/2022
Congress - Small Cap Growth	-3.53	-3.53	10.65	18.65	15.09
Russell 2000 Growth	1.22	1.22	13.01	15.58	12.10
Differences	-4.74	-4.74	-2.37	3.06	2.99

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	3 Years	Inception 9/1/2022
Congress - Small Cap Growth					
Beginning Market Value	1,233	1,233	1,740	562	589
Net Contributions	2	2	-697	-48	-48
Fees/Expenses	-2	-2	-8	-17	-18
Income	1	1	6	17	17
Gain/Loss	-45	-45	149	676	650
Ending Market Value	1,190	1,190	1,190	1,190	1,190

Modern Portfolio Statistics

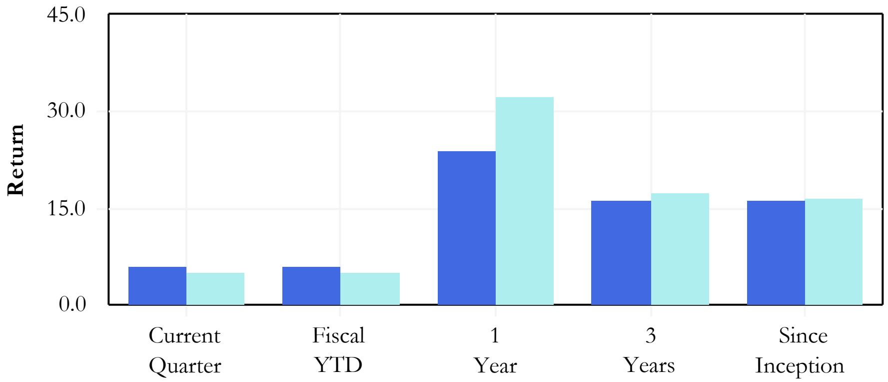
	Return	Standard Deviation	Beta	Maximum Drawdown	Up Capture	Down Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Congress - Small Cap Growth	15.09	19.77	0.90	-15.68	93.15	78.70	3.83	0.57	0.90	09/01/2022
Russell 2000 Growth	12.10	20.76	1.00	-18.91	100.00	100.00	0.00	0.43	1.00	09/01/2022

Village of Bal Harbour Police

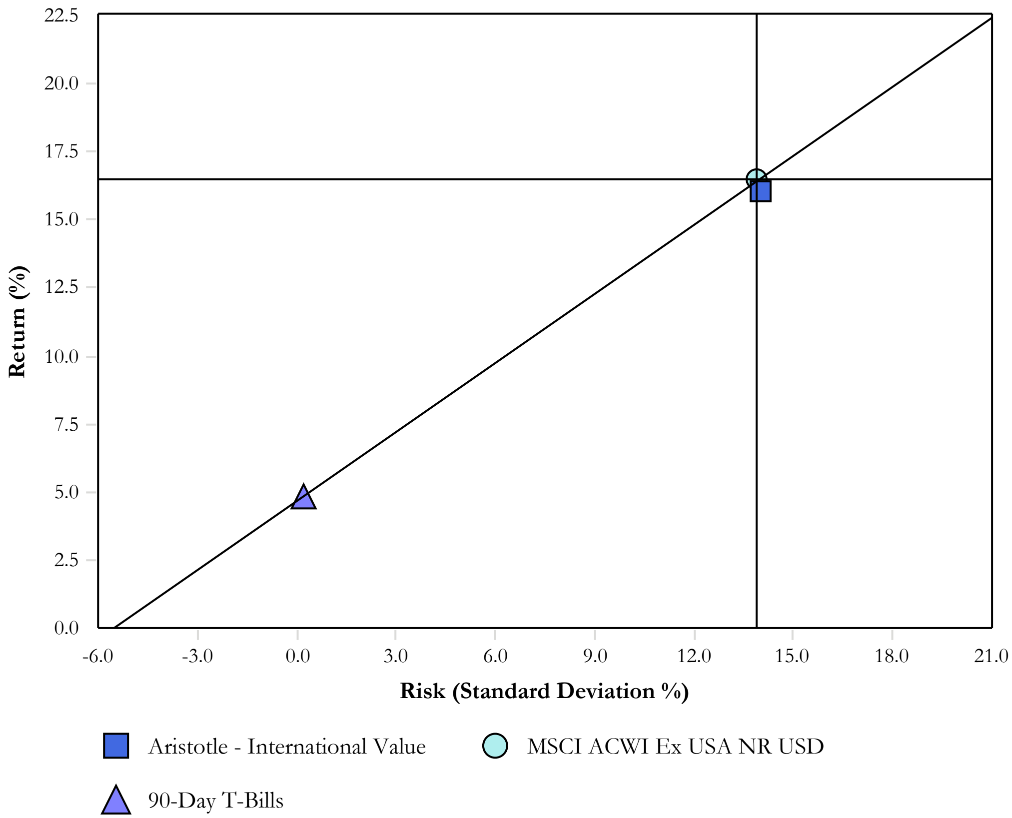
Aristotle - International Value - Executive Summary

as of December 31, 2025

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	Inception 9/1/2022
Aristotle - International Value	5.94	5.94	23.81	16.12	16.03
MSCI ACWI Ex USA NR USD	5.05	5.05	32.39	17.33	16.45
Differences	0.89	0.89	-8.57	-1.21	-0.42

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	3 Years	Inception 9/1/2022
Aristotle - International Value					
Beginning Market Value	1,939	1,939	1,145	1,209	1,146
Net Contributions	52	52	725	353	362
Fees/Expenses	-2	-2	-5	-14	-16
Income	8	8	23	78	85
Gain/Loss	110	110	218	481	529
Ending Market Value	2,107	2,107	2,107	2,107	2,107

Modern Portfolio Statistics

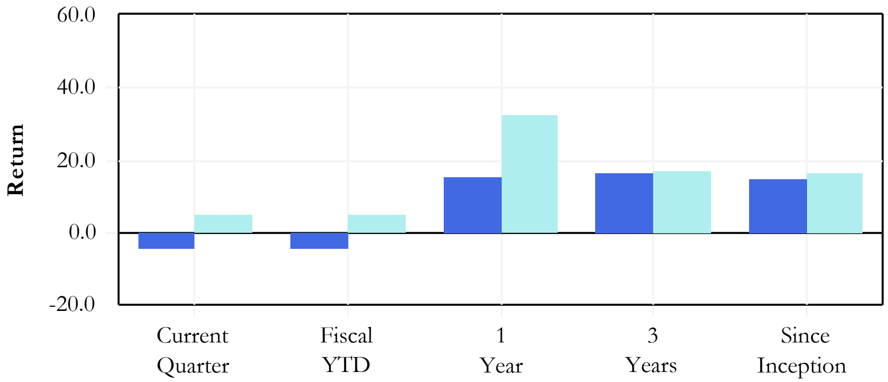
	Return	Standard Deviation	Beta	Maximum Drawdown	Up Capture	Down Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Aristotle - International Value	16.03	14.03	0.95	-10.83	98.02	98.30	0.53	0.80	0.88	09/01/2022
MSCI ACWI Ex USA NR USD	16.45	13.92	1.00	-11.35	100.00	100.00	0.00	0.83	1.00	09/01/2022

Village of Bal Harbour Police

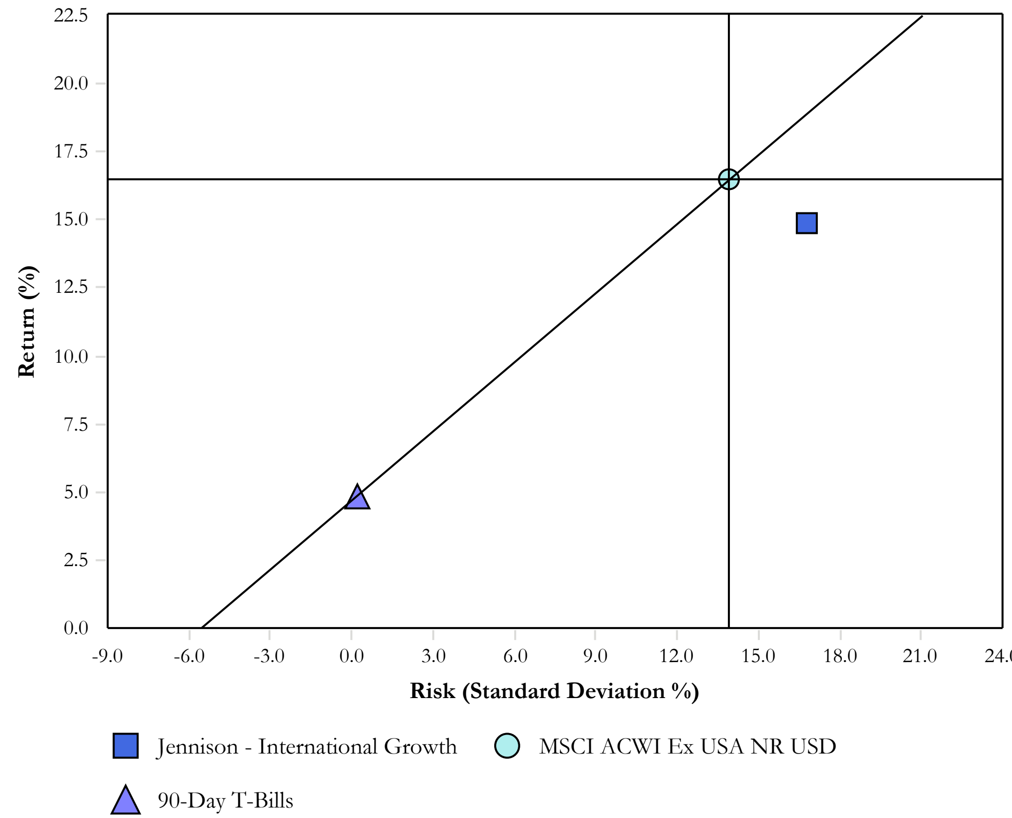
Jennison - International Growth - Executive Summary

as of December 31, 2025

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	3 Years	Inception 9/1/2022
Jennison - International Growth	-4.29	-4.29	15.29	16.50	14.84
MSCI ACWI Ex USA NR USD	5.05	5.05	32.39	17.33	16.45
Differences	-9.34	-9.34	-17.10	-0.83	-1.61

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	3 Years	Inception 9/1/2022
Jennison - International Growth					
Beginning Market Value	2,015	2,015	1,149	571	570
Net Contributions	3	3	681	918	918
Fees/Expenses	-3	-3	-6	-14	-15
Income	2	2	7	26	30
Gain/Loss	-88	-88	97	427	425
Ending Market Value	1,928	1,928	1,928	1,928	1,928

Modern Portfolio Statistics

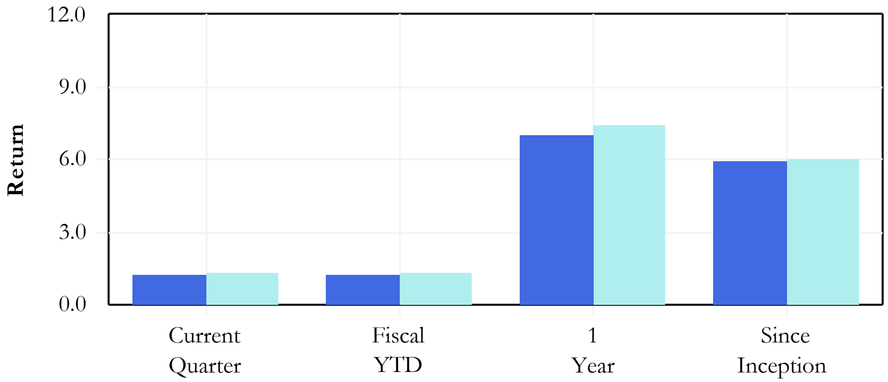
	Return	Standard Deviation	Beta	Maximum Drawdown	Up Capture	Down Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Jennison - International Growth	14.84	16.80	0.98	-11.30	101.92	112.50	-0.65	0.63	0.66	09/01/2022
MSCI ACWI Ex USA NR USD	16.45	13.92	1.00	-11.35	100.00	100.00	0.00	0.83	1.00	09/01/2022

Village of Bal Harbour Police

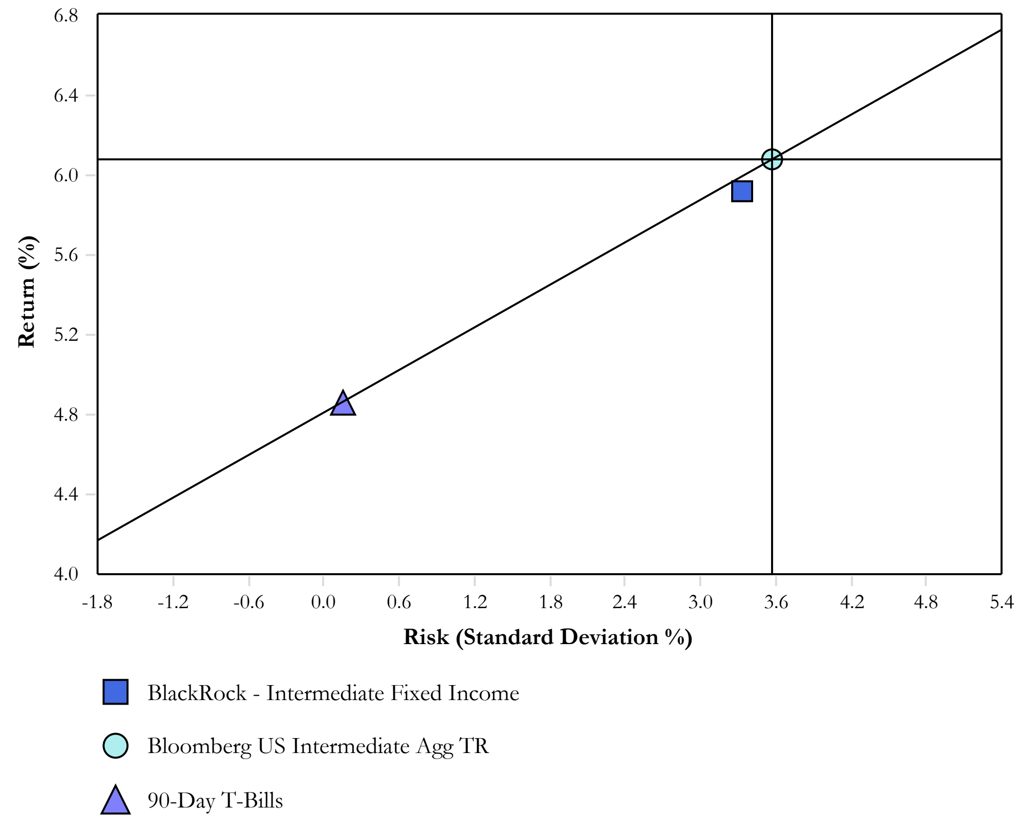
BlackRock - Intermediate Fixed Income - Executive Summary

as of December 31, 2025

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	Current Quarter	Fiscal YTD	1 Year	Inception 3/1/2024
BlackRock - Intermediate Fixed Income	1.22	1.22	7.07	5.92
Bloomberg US Intermediate Agg TR	1.35	1.35	7.46	6.08
Differences	-0.13	-0.13	-0.38	-0.16

Historic Asset Growth

	Current Quarter	Fiscal YTD	1 Year	Inception 3/1/2024
BlackRock - Intermediate Fixed Income				
Beginning Market Value	11,203	11,203	9,398	7,999
Net Contributions	383	383	1,620	2,702
Fees/Expenses	-3	-3	-10	-17
Income	123	123	409	686
Gain/Loss	18	18	307	353
Ending Market Value	11,723	11,723	11,723	11,723

Modern Portfolio Statistics

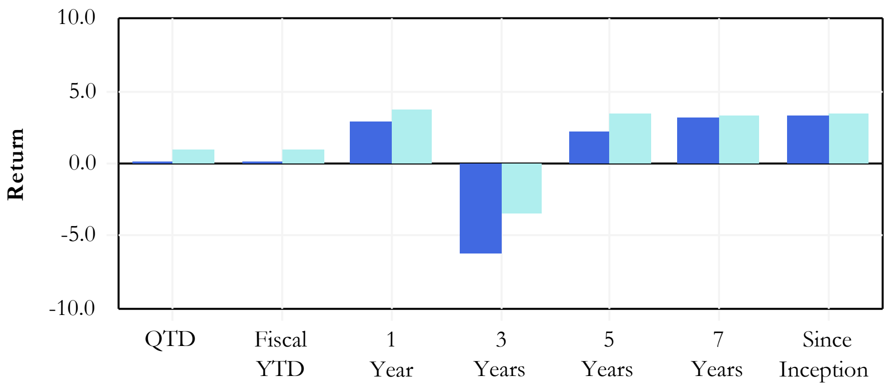
	Return	Standard Deviation	Beta	Maximum Drawdown	Up Capture	Down Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
BlackRock - Intermediate Fixed Income	5.92	3.34	0.93	-1.95	94.73	89.57	0.25	0.32	1.00	03/01/2024
Bloomberg US Intermediate Agg TR	6.08	3.58	1.00	-2.07	100.00	100.00	0.00	0.34	1.00	03/01/2024

Village of Bal Harbour Police

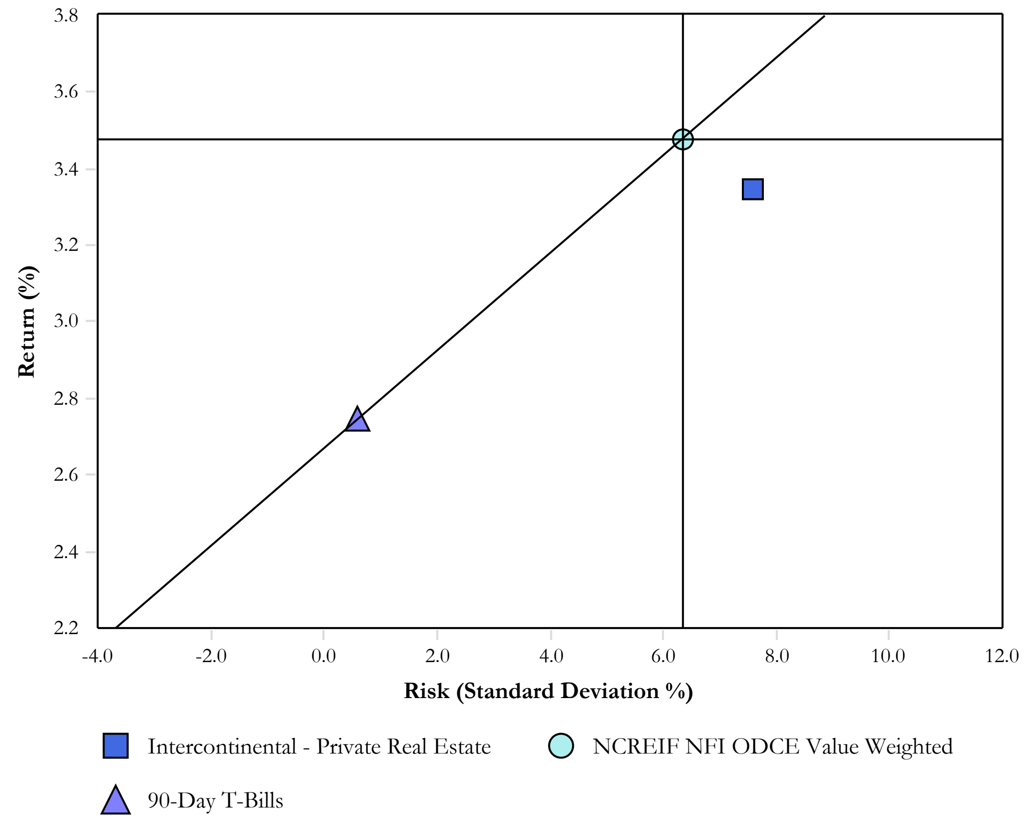
Intercontinental - Private Real Estate - Executive Summary

as of December 31, 2025

Manager Performance Chart



Manager Risk & Return



Manager Annualized Performance

	QTD	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	Inception 10/01/2018
Intercontinental - Private Real Estate	0.13	0.13	2.91	-6.16	2.20	3.16	3.35
NCREIF NFI ODCE Value Weighted	0.90	0.90	3.77	-3.46	3.39	3.35	3.48
Differences	-0.77	-0.77	-0.86	-2.70	-1.19	-0.19	-0.13

Historic Asset Growth

	QTD	Fiscal YTD	1 Year	3 Years	5 Years	7 Years	Inception 10/01/2018
Intercontinental - Private Real Estate							
Beginning Market Value	1,508	1,508	2,312	3,127	2,433	2,236	2,200
Net Contributions	-157	-157	-997	-1,191	-1,191	-1,191	-1,191
Fees/Expenses	-4	-4	-19	-41	-179	-236	-248
Income	-	-	-	-	-	66	66
Gain/Loss	2	2	53	-546	286	474	522
Ending Market Value	1,349	1,349	1,349	1,349	1,349	1,349	1,349

Modern Portfolio Statistics

	Return	Standard Deviation	Beta	Maximum Drawdown	Up Capture	Down Capture	Alpha	Sharpe Ratio	R-Squared	Inception Date
Intercontinental - Private Real Estate	3.35	7.58	1.14	-24.96	109.89	123.04	-0.53	0.11	0.90	10/01/2018
NCREIF NFI ODCE Value Weighted	3.48	6.34	1.00	-18.74	100.00	100.00	0.00	0.14	1.00	10/01/2018

Village of Bal Harbour Police
Compliance Checklist
as of December 31, 2025

GUIDELINES	In Compliance
Concentration	
Foreign Securities Concentration Limit	Yes
Issuer Concentration in Common and Preferred Stock (% of Shares Outstanding)	Yes
Maximum Issuer Concentration for Common/Preferred, Corp, Yankees, and CP	Yes
Total Domestic Equity Concentration Limit	Yes
Maximum Issuer Concentration for Fixed Income Securities (Excl. US Gov) (% of amount outstanding)	Yes
Maximum Concentration in Municipal Bonds, ABS/MBS (including GSE securities)	Yes
Maximum Issuer Concentration for Commercial Paper Limit	Yes
Manager Concentration	
Max Concentration of ADRs and Foreign Domiciled Companies Stocks in a US Equity Manager Portfolio	Yes
Max Concentration of Convertible Bonds in a US Equity Manager Portfolio	Yes
Closed End Bond Funds in a Fixed Income Manager Portfolio	Yes
Max Closed End Bond Fund Issuer Concentration (of outstanding) in a Fixed Income Manager Portfolio	Yes
Maximum Concentration of Yankee Bonds in a Fixed Income Manger Portfolio	Yes
Credit Rating	
Commercial Paper Minimum Rating A-1/P-1/F1 (1 of 3 NRSROs)	Yes
Min LT rating for Corp, Yankee, Muni, Sov/Supranational BBB-/Baa3	Yes
Allocation	
Total Equity Allocation within specified range	Yes
Total Domestic Equity within specified range	Yes
Large Cap Value Allocation within specified range	Yes
Large Cap Growth Allocation within specified range	Yes
Mid Cap Value Allocation within specified range	Yes
Mid Cap Growth Allocation within specified range	Yes
Small Cap Value Allocation within specified range	Yes
Small Cap Growth Allocation within specified range	Yes
Total International Equity Allocation within specified range	Yes
International Value Allocation within specified range	Yes
International Growth Allocation within specified range	Yes
Fixed Income Allocation within specified range	Yes
Total Alternatives Allocation within specified range	Yes
Absolute returns of Alternatives within specified range	Yes
Private Real Estate Allocation within specified range	Yes
Cash and Equivalents within specified range	Yes
Prohibited Investments	
Is the portfolio compliant with the list of prohibited investments?	Yes
Permitted Investments	
Is the portfolio compliant with the list of permitted investments?	Yes

The prices, quotes, and statistics contained herein have been obtained from sources believed to be reliable, however, the accuracy cannot be guaranteed.

Important Notes About This Report

PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. ACTUAL INDIVIDUAL ACCOUNT RESULTS WILL DIFFER FROM THE PERFORMANCE SHOWN IN THIS REPORT.

INVESTMENT DECISIONS: Do not use this report as the sole basis for investment decisions. Do not select an allocation, investment disciplines or investment managers/funds based on performance alone. Consider, in addition to performance results, other relevant information about each investment manager or fund, as well as matters such as your investment objectives, risk tolerance and investment time horizon.

SOURCE OF PERFORMANCE INFORMATION FOR INVESTMENT MANAGERS AVAILABLE IN CONSULTING AND EVALUATION SERVICES OR SELECT UMA: Each investment manager included in this report that participates in one or more of the Consulting and Evaluation Services or Select UMA programs ("Programs") has a track record of investing assets in the relevant investment discipline. The investment manager's gross performance track record shown in this report consists of its gross performance in either the Morgan Stanley or the Smith Barney form of the Select UMA program (if that investment manager was in the Select UMA program) for periods for which sufficient data is available. If the strategy or similar strategies are available in both the Morgan Stanley and Smith Barney forms of the program, this profile presents the composite for the strategy that is closest to the strategy currently offered in the Select UMA program. If both strategies are equally close, the profile shows the longer of the two composites. For other periods, the gross performance track record is provided by the investment manager and consists of accounts managed by the investment manager in the same or a similar investment discipline, whether at Morgan Stanley or elsewhere (and may include institutional accounts, retail accounts and/or pooled investment vehicles such as mutual funds).

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 a client's specific investment objectives and financial position, may not be appropriate for the client. Please see the applicable program disclosure document for more information, available at www.morganstanley.com/ADV or from your Financial Advisor.

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Important Notes About This Report (Cont'd)

Generally, investment advisory accounts are subject to an annual asset-based fee (the "Fee") which is payable monthly in advance (some account types may be billed differently). In general, the Fee covers Morgan Stanley investment advisory services, custody of securities with Morgan Stanley, trade execution with or through Morgan Stanley or its affiliates, as well as compensation to any Morgan Stanley Financial Advisor.

In addition, each account that is invested in a program that is eligible to purchase certain investment products, such as mutual funds, will also pay a Platform Fee (which is subject to a Platform Fee offset) as described in the applicable ADV brochure. Accounts invested in the Select UMA program may also pay a separate Sub-Manager fee, if applicable.

If your account is invested in mutual funds or exchange traded funds (collectively "funds"), you will pay the fees and expenses of any funds in which your account is invested. Fees and expenses are charged directly to the pool of assets the fund invests in and are reflected in each fund's share price. These fees and expenses are an additional cost to you and would not be included in the Fee amount in your account statements. The advisory program you choose is described in the applicable Morgan Stanley Smith Barney LLC ADV Brochure, available at www.morganstanley.com/ADV.

Morgan Stanley or Executing Sub-Managers, as applicable, in some of Morgan Stanley's Separately Managed Account ("SMA") programs may effect transactions through broker-dealers other than Morgan Stanley or our affiliates. In such instance, you may be assessed additional costs by the other firm in addition to the Morgan Stanley and Sub-Manager fees. Those costs will be included in the net price of the security, not separately reported on trade confirmations or account statements. Certain Sub-Managers have historically directed most, if not all, of their trades to outside firms. Information provided by Sub-Managers concerning trade execution away from Morgan Stanley is summarized at:
http://www.morganstanley.com/wealth/investmentsolutions/pdfs/adv/sotresponse.pdf
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, or contact your Financial Advisor / Private Wealth Advisor.

Important Notes About This Report (Cont'd)

There may be differences between the performance in the different forms of the Select UMA program, in different Programs, and between the performance in Programs and performance outside the Programs, due to, among other things, investment and operational differences. For example:

- Institutional accounts included in related performance may hold more securities than the Program accounts, participate in initial public offerings (IPOs) and invest directly in foreign securities (rather than in ADRs).
- Mutual funds included in related performance may hold more securities than the Program accounts, may participate in IPOs, may engage in options and futures transactions, and are subject to certain regulatory limitations.
- Performance results in Select UMA accounts could differ from that in Consulting and Evaluation Services accounts because Select UMA accounts may hold fewer securities, and have automatic rebalancing, wash sale loss and tax harvesting features.

You should read the investment manager profile accompanying this report for each investment manager. The investment manager profile gives further details on the sources of performance information for a particular investment manager, as well as other calculations of the manager's performance returns (such as performance net of fees and expenses).

SOURCE OF PERFORMANCE INFORMATION FOR OTHER INVESTMENT MANAGERS: For any investment managers shown in this report that are not available in the Consulting and Evaluation Services or Select UMA programs, the performance data is obtained from databases maintained by parties outside Morgan Stanley. This data has been included for your information, and has not been verified by Morgan Stanley in any way. See "Sources of Information" below. The gross performance shown in this report for these managers could differ materially from their gross performance in investment advisory programs offered by firms other than Morgan Stanley. If you have invested with any such manager through another firm, we recommend that you seek information from that firm on the manager's gross and net performance in its programs.

Important Notes About This Report (Cont'd)

SOURCE OF PERFORMANCE INFORMATION FOR FUNDS: For any fund shown in this report, the performance data is obtained from databases maintained by parties outside Morgan Stanley. This data has been included for your information, and has not been verified by Morgan Stanley in any way. See "Sources of Information" below.

BENCHMARK INDICES: Depending on the composition of your account and your investment objectives, the indices shown in this report may not be appropriate measures for comparison purposes and are therefore presented for illustration only. The indices used in this report may not be the same indices used for comparative purposes in the profile for each investment manager, mutual fund and/or ETF that accompanies this report. Indices are unmanaged. They do not reflect any management, custody, transaction or other expenses, and generally assume reinvestment of dividends, accrued income and capital gains. Performance of selected indices may be more or less volatile than that of any investment manager/fund shown in this report. Past performance of indices does not guarantee future results. You cannot invest directly in an index.

MANAGERS AND FUNDS APPROVED IN MORGAN STANLEY WEALTH MANAGEMENT PROGRAMS: Morgan Stanley Wealth Management approves certain managers and funds offered in its investment advisory programs:

- Morgan Stanley Wealth Management's Global Investment Manager Analysis ("GIMA") team approves managers and funds offered in Consulting and Evaluation Services and Select UMA.
- Managers and funds offered in Institutional Consulting Group and Graystone Consulting programs may be approved by GIMA, approved by Morgan Stanley Wealth Management using another process, or not approved by Morgan Stanley Wealth Management.
- Morgan Stanley Wealth Management does not approve managers in the Investment Management Services consulting program.

Important Notes About This Report (Cont'd)

If you invest in a manager or fund that is not approved by Morgan Stanley Wealth Management, you are responsible for selecting and/or retaining that manager or fund, and Morgan Stanley Wealth Management does not recommend or monitor that manager or fund. For more information on the approval process in any program, see the applicable ADV brochure, available at www.MorganStanley.com/ADV or from your Financial Advisor or Private Wealth Advisor. If you have any questions about whether or how Morgan Stanley Wealth Management has approved a manager or fund shown in this report, please ask our Financial Advisor or Private Wealth Advisor.

SHARE CLASSES OF FUNDS SHOWN IN THIS REPORT: The share class of a fund shown in this report may differ from the share class available in any Morgan Stanley Wealth Management investment advisory program in which you invest. The performance of the share class in which you invest may differ from that of the share class shown in this report.

REINVESTMENT: The performance results shown in this report assume that all dividends, accrued income and capital gains were reinvested.

SOURCES OF INFORMATION: Although the statements of fact in this report have been obtained from, and are based on, sources that Morgan Stanley believes to be reliable, Morgan Stanley makes no representation as to the accuracy or completeness of the information from sources outside Morgan Stanley. Any such information may be incomplete and you should not use it as the sole basis for investment decisions.

It is important to consider a fund's investment objectives, risks, charges and expenses carefully before investing. The prospectus contains this and other information about the fund. A copy of the prospectus may be obtained from your Financial Advisor or Private Wealth Advisor. Please read the prospectus carefully before investing in the fund.

Important Notes About This Report (Cont'd)

KEY ASSET CLASS RISK CONSIDERATIONS: Investing in securities entails risk including the risk of losing principal. There is no assurance that the investment disciplines and investment managers/funds selected will meet their intended objectives.

Commodities – Diversified: The commodities markets may fluctuate widely based on a variety of factors including changes in supply and demand relationships; governmental programs and policies; national and international political and economic events; war and terrorist events; changes in interest and exchange rates; trading activities in commodities and related contracts; pestilence; weather; technological change; and the price volatility of a commodity. In addition to commodity risk, commodity-linked notes may be subject to special risks, such as risk of loss of interest and principal, lack of a secondary market and risk of greater volatility that do not affect traditional equity and debt securities.

Commodities - Precious Metals: The prices of Commodities - Precious Metals tend to fluctuate widely and in an unpredictable manner, and have historically experienced extended periods of flat or declining prices. The prices of Commodities - Precious Metals are affected by several factors, including global supply and demand, investors' expectations with respect to the rate of inflation, currency exchange rates, interest rates, investment and trading activities of hedge funds and commodity funds, and global or regional political, economic or financial events and situations.

Fixed Income: Fixed income securities are subject to certain inherent risks such as credit risk, reinvestment risk, call risk, and interest rate risk. Fixed income securities are sensitive to changes in prevailing interest rates. When interest rates rise, the value of fixed income securities generally declines. Accordingly, managers or funds that invest in fixed income securities are subject to interest rate risk and portfolio values can decline in value as interest rates rise and an investor can lose principal.

High Yield Fixed Income: As well as being subject to risks relating to fixed income generally (see "Fixed Income"), high yield or "junk" bonds are considered speculative, have significantly higher credit and default risks (including loss of principal), and may be less liquid and more volatile than investment grade bonds. Clients should only invest in high yield strategies if this is consistent with their risk tolerance, and high yield investments should comprise only a limited part of a balanced portfolio.

Important Notes About This Report (Cont'd)

International/Emerging Market: International investing (including investing in particular countries or groups of countries) should be considered only one component of a complete and diversified investment program. Investing in foreign markets may entail greater risks than those normally associated with domestic markets, such as foreign political, currency, economic and market risks. In addition, the securities markets of many emerging markets are substantially smaller, less developed, less liquid and more volatile than the securities markets of the U.S. and other more developed countries. Further, a portfolio that focuses on a single country may be subject to higher volatility than one that is more diversified.

Preferred Securities: Preferred securities are generally subject to the same risks as apply to fixed income securities. (See "Fixed Income.") However, preferred securities (especially equity preferred securities) may rank below traditional forms of debt for the purposes of repayment in the event of bankruptcy. Many preferred securities are "callable" meaning that the issuer may retire the securities at specific prices and dates prior to maturity. If a preferred security is called, the investor bears the risk of reinvesting proceeds at a potentially lower return. Investors may not receive regular distributions on preferred securities. For example, dividends on equity preferred securities may only be declarable in the discretion of the issuer's board and may not be cumulative. Similarly, interest payments on certain debt preferred securities may be deferred by the issuer for periods of up to 10 years or more, in which case the investor would still have income tax liability even though payments would not have been received.

Real Estate: Real estate investments are subject to special risks, including interest rate and property value fluctuations as well as risks related to general and local conditions.

Small and Mid Cap: Investments in small-to medium-sized corporations are generally more vulnerable to financial risks and other risks than larger corporations and may involve a higher degree of price volatility than investments in the broad equity market.

Hedged and Alternatives Strategies: In most Consulting Group investment advisory program, alternative investments are limited to US registered open-end mutual funds, separate account strategies, and ETFs that seek to pursue alternative investment strategies or returns utilizing publicly traded securities. Investment products in this category may employ various investment strategies and techniques for both hedging and more speculative purposes such as short selling, leverage, derivatives, and options, which can increase volatility and the risk of investment loss. Alternative Investments are not suitable for all investors.

Important Notes About This Report (Cont'd)

Managed Futures: Involve a high degree of risk, often involve leveraging and other speculative investment practices that may increase the risk of investment loss, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, may involve complex tax structures and delays in distributing important tax information, are not subject to the same regulatory requirements as mutual funds, often charge high fees which may offset any trading profits, and in many cases the underlying investments are not transparent and are known only to the investment manager.

Master Limited Partnerships (MLPs) are limited partnerships or limited liability companies whose interests (limited partnership or limited liability company units) are generally traded on securities exchanges like shares of common stock. Investment in MLPs entails different risks, including tax risks, than is the case for other types of investments. Currently, most MLPs operate in the energy, natural resources or real estate sectors and are subject to the risks generally applicable to companies in those sectors, including commodity pricing risk, supply and demand risk, depletion risk and exploration risk. Depending on the ownership vehicle, MLP interests are subject to varying tax treatment.

Glossary

ALPHA: Synonym of 'value added', linearly similar to the way beta is computed, alpha is the incremental return on a portfolio when the market is stationary. In other words, it is the extra expected return due to non-market factors. This risk-adjusted measurement takes into account both the performance of the market as a whole and the volatility of the portfolio. A positive alpha indicates that a portfolio has produced returns above the expected level at that level of risk, and vice versa for a negative alpha.

ANNUALIZED RETURN: The constant rate of return that, compounded annually, would yield the same overall return for a period of more than one year as the actual return observed for that period.

ANNUALIZED EXCESS RETURN: Excess return represents the difference between the manager’s return and the return of a benchmark for that manager. Annualized excess return is calculated by taking the annualized return of the original series and forming the difference between the two. A positive annualized excess return implies that the manager outperformed the benchmark over the time period shown.

BEST AND WORST PERIOD RETURNS: The best period return for a time window is simply the maximum of the returns for that period inside this window. Similarly, the worst period return for a time window is the minimum of the returns for that period inside this window. To calculate the best one-year return for a return series, the program moves a one-year time window along the series and calculates the compound return for each of these windows. The best one-year return is the maximum of the returns thus found. Similarly, the worst one-year return is the minimum of the returns thus found. Therefore, best and worst one-year returns do not refer to calendar years.

BETA: The measure of a portfolio's risk in relation to the market (for example, the S&P 500) or to an alternative benchmark or factors. Roughly speaking, a portfolio with a beta of 1.5 will have moved, on average, 1.5 times the market return. According to asset pricing theory, beta represents the type of risk, systematic risk, which cannot be diversified away. When using beta, there are a number of issues that you need to be aware of: (1) betas may change through time; (2) betas may be different depending on the direction of the market (i.e. betas may be greater for down moves in the market rather than up moves); (3) the estimated beta will be biased if the portfolio does not frequently trade; and (4) the beta is not necessarily a complete measure of risk (you may need multiple betas). Also, note that the beta is a measure of co movement, not volatility. It is possible for a security to have a zero beta and higher volatility than the market.

Glossary (Cont'd)

CORRELATION: Statistical method to measure how closely related the variances of two series are. Assets that are highly correlated would be expected to react in similar ways to changing market conditions.

CUMULATIVE RETURN: The total return on an investment over a specified time period.

CUMULATIVE EXCESS RETURN: Excess return represents the difference between the manager's return and the return of a benchmark for that manager. Cumulative excess return is calculated by taking the cumulative return of the original series and forming the difference between the two. A positive cumulative excess return implies that the manager outperformed the benchmark over the time period shown.

DOWNSIDE CAPTURE RATIO: For each portfolio, this is calculated by (1) identifying the calendar quarters in which the portfolio's benchmark index had negative returns and then (2) for those quarters, dividing the portfolio's annualized net performance by the benchmark index's performance. For investors, the lower the downside capture ratio, the better. For example, a downside capture ratio of 90% means that the portfolio's losses were only 90% of the market's losses (as represented by the benchmark index).

DOWNSIDE DEVIATION: Similar to Standard Deviation, but Downside Deviation captures the range of expected returns only on the down side [when the returns fall below the minimum acceptable return (MAR)].

DRAWDOWN (MAXIMUM DRAWDOWN): The Maximum loss (compounded, not annualized) that the manager incurred during any sub-period of the time period shown.

- DRAWDOWN BEGIN DATE: the first date of the sub-period used to calculate the maximum drawdown
- DRAWDOWN END DATE: The last date of the sub period used to calculate the maximum drawdown
- DRAWDOWN LENGTH: The number of periods (months or quarters depending on the periodicity of the data) the sub-period used to calculate the maximum drawdown
- DRAWDOWN RECOVERY DATE: Date at which the compounded returns regain the peak level that was reached before the drawdown began
- DRAWDOWN RECOVERY LENGTH: Number of periods it takes to reach the recovery level from maximum drawdown end date

Glossary (Cont'd)

EXCESS RETURN: The difference between the returns of two portfolios. Usually excess return is the difference between a portfolio's return and the return of a benchmark for that portfolio.

GAIN TO LOSS RATIO: Divides the average gain in an up period by the average loss in a down period. A higher Gain to Loss Ratio is more favorable.

HIGH WATER MARK: The High Water Mark represents the peak level of the manager's return, as represented by the peak of the cumulative return series.

- HIGH WATER MARK DATE: The date which the High Water Mark was reached.
- UNDER WATER LOSS: Loss incurred between the high water mark date and the end of the period analyzed
- UNDER WATER LENGTH: Length of the time interval that begins with the high water mark and ends with the analysis period
- TO HIGH WATER MARK: The percentage of gain that the manager/fund needs to regain the peak level of the cumulative return series

INFORMATION RATIO: Measures the active return of the manager divided by the manager's active risk. Active return is the annualized differences of the manager and the benchmark index, while active risk is measured by tracking error. The higher the information ratio, the better. An information ratio of 0 implies that a manager/fund (or benchmark index, if applicable) has provided a return that is equivalent to the risk of the benchmark return.

MAR: Stands for "Minimum Acceptable Return." This represents the lowest return possible that could be considered a successful result of the investment. In most cases, the MAR will either be defined as 0 (meaning no negative return) or as the return of a cash benchmark (meaning the investment had a higher return that simply keeping the investment amount in the relatively safe investment of money market funds). Please refer to the specific chart/statistic to see the specific MAR used in the illustration.

Glossary (Cont'd)

MANAGER STYLE (RETURNS BASED STYLE ANALYSIS): A measure for analyzing the style of a portfolio's returns when compared with the quarterly returns on a number of selected style indices (the "Style Basis"). These style indices represent distinct investment styles or asset classes such as large cap value, large cap growth, small cap growth, small cap value, government bonds, or cash equivalents asset classes. Style analysis uses a calculation procedure that finds the combination of selected indices that best tracks (i.e. that has the highest correlation to) a given manager's return series. This allows the advisor to capture an accurate picture of the investment style of the manager without viewing the underlying holdings.

OMEGA: A measure of volatility designed to capture the entire return distribution (useful for investments that do not have normal return distributions), the Omega is tied to a MAR (see above) and shows the ratio of the entire upside performance to the entire downside, with the MAR representing the dividing line between upside and downside. (e.g. If MAR = 0.00%, any positive return is captured in the upside and any negative return is captured in the downside).

PAIN INDEX: Represents the frequency, the depth, and the width of the manager/fund's drawdowns. The Pain Index captures the information for every period in which the manager/fund is negative. A higher Pain Index indicates that the manager/fund had a more negative result when considering not just the depth (lowest return) but also the frequency of negative returns (frequency) and the amount of time that the return remained negative (width).

PAIN RATIO: A risk/return ratio which uses the Pain Index as the measure of risk. The higher the Pain Ratio, the better the risk-adjusted return of the portfolio.

ROLLING WINDOW: Indicates that the chart or statistic was evaluated using periodic smaller windows of data on a rolling basis. As an example, a 20 Quarter Rolling Window (Annual Roll) over a 10 year period indicates that 5 year (20 quarter) periods of time were evaluated from the start date, moving forward one year at a time, for the duration of the 10 year period, resulting in 5 "windows". Evaluating data this way allows us to remove end point bias and determine a measure of consistency in performance.

R-SQUARED: Used to show how much of a portfolio's variability can be accounted for by the market. For example, if a portfolio's R-Squared is 0.79, then 79% of the portfolio's variability is due to market conditions. As R-Squared approaches 100%, the portfolio is more closely correlated with the market.

Glossary (Cont'd)

SHARPE RATIO: Developed by William F. Sharpe, this calculation measures a ratio of return to volatility. It is useful in comparing two portfolios or stocks in terms of risk-adjusted return. The higher the Sharpe Ratio, the better the risk-adjusted return of the portfolio. It is calculated by first subtracting the risk free rate (Citigroup 3-month T-bill) from the return of the portfolio, then dividing by the standard deviation of the portfolio. Using Sharpe ratios to compare and select among investment alternatives can be difficult because the measure of risk (standard deviation) penalizes portfolios for positive upside returns as much as the undesirable downside returns.

SINGLE COMPUTATION: For a single computation chart, StyleADVISOR calculates the information over the entire time period shown as a single data point. AS an example, in a chart showing 10 years of performance, a "Single Computation" would represent the statistic shown over the entire 10 year window.

STANDARD DEVIATION: A statistical measure of the degree to which the performance of a portfolio varies from its average performance during a specified period. The higher the standard deviation, the greater the volatility of the portfolio's performance returns relative to its average return. A portfolio's returns can be expected to fall within plus or minus one standard deviation, relative to its average return, two-thirds of the time, and fall within plus or minus two standard deviations relative to its average return, 95% of the time. For example, if a portfolio had a return of 5% and a standard deviation of 13% then, if future volatility of returns is similar to historical volatility (which may not be the case):

- About two-thirds of the time, the future returns could be expected to fall between -8% and 18% (being 5% +/- 13%)
- About 95% of the time, the future returns could be expected to fall between -21% and 31% (being 5% +/- 26%).

In performance measurement, it is generally assumed that a larger standard deviation means that great risk was taken to achieve the return.

Glossary (Cont'd)

STYLE BASIS: A set of indices that represent the broad asset category being utilized. The Style Basis is used in the equation that calculates the Manager Style (see definition). The "Manager Style" chart shows the specific benchmarks utilized in the Style Basis. The following Style Bases would be appropriate for the asset classes shown below:

– Domestic Equity: Russell Generic Corners; Russell 6 Way Style basis; S&P Pure Style Basis
– International Equity: MSCI Regional Style Basis; MSCI World Ex USA Style Basis; MSCI International Equity Style Basis; S&P Regional International Indexes, S&P International 4 Way Style Basis
– Global Equity: MSCI World Style Basis; MSCI World Regional Indexes; MSCI Global Equity Style Basis
– Fixed income: Citigroup Corporate Bond Indexes; BofA Merrill Lynch Fixed Income Indexes; Citigroup Govt Fixed Income Indexes; Global Bond Indexes

STYLE BENCHMARK: A unique benchmark calculated for each manager/fund based on the Returns Based Style Analysis described above. The "Asset Allocation" chart in Zephyr shows the specific weightings used for the Style Benchmark for each manager or fund.

TRACKING ERROR: A measurement that indicates the standard deviation of the difference between a selected market index and a portfolio's returns. The portfolio's returns are then compared to the index's returns to determine the amount of excess return, which produces a tracking error. A low tracking error indicates that the portfolio is tracking the selected index closely or has roughly the same returns as the index.

UPSIDE CAPTURE RATIO: For each portfolio, this is calculated by (1) identifying the calendar quarters in which the portfolio's benchmark index had positive returns and then (2) for those quarters, dividing the portfolio's annualized net performance by the benchmark index's performance. A percentage less than 100% indicates that the portfolio "captured" less performance than the benchmark index, while a percentage greater than 100% indicates the portfolio captured more performance than the benchmark index. For investors, the higher the upside capture ratio, the better. For example, if the annualized performance of an benchmark index during "up" markets (when its returns were zero or positive) is 20.8% and the portfolio's annualized performance during the same period is 16.8%, then the portfolio's upside capture ratio is 16.8%/20.8% = 80.7%, meaning the portfolio "captured" 80.7% of the upside performance of the index. Stated another way, the portfolio in this example performed almost 20% worse than the market during up periods.

VARIANCE: A measure of how spread out a distribution is. It is computed as the average squared deviation of each number from its mean.

Performance Appendix

Performance Data below is net of fees. 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.

Account Name	QTD	YTD	1 Year	3 Years	5 Years	10 Years	Since Inception	Inception Date
Aristotle - International Value	5.82	23.03	23.03	15.64	--	--	11.77	08/24/2022
BNYM Newton - Dynamic Large Value	--	--	--	--	--	--	0.00	12/04/2025
BlackRock - Short Term / Intermediate(Mar '24)	1.20	6.97	6.97	5.10	--	--	5.10	01/10/2023
Congress - Small Cap Growth	-3.66	9.99	9.99	18.12	--	--	12.22	08/24/2022
Earnest Partners - Mid Cap Value	2.04	7.53	7.53	11.51	--	--	7.67	08/24/2022
Federated MDT - Mid Cap Growth	-3.11	9.00	9.00	--	--	--	2.75	12/12/2024
Jennison - International Growth	-4.41	14.50	14.50	15.98	--	--	11.00	08/24/2022
Neuberger Berman - Small Cap Value	4.86	21.00	21.00	14.68	--	--	9.58	08/24/2022
US Bank - Cash	5.07	7.48	7.48	5.86	--	--	5.27	06/01/2022
Vanguard - Russell 1000 Growth ETF	1.15	18.62	18.62	31.25	--	--	22.28	08/24/2022

All performance above are Time Weighted(TWR) performance

Information Disclosures

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

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

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

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

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

The information and data contained therein are from sources considered reliable, but their accuracy and completeness is not guaranteed; that the report has been prepared for illustrative purposes only and is not intended to be used as a substitute for account statements provided on a regular basis from Morgan Stanley Smith Barney LLC; that data in this report should be compared carefully with account statements to verify its accuracy; and that the Firm strongly encourages clients to consult with their own accountants or other advisors with respect to any tax questions. This report is being provided as a courtesy. By providing this report, we do not represent or agree that we will monitor the investments in your account(s) or deliver future reports.

If Morgan Stanley Smith Barney LLC, its affiliates and Morgan Stanley Financial Advisors and Private Wealth Advisors (collectively, "Morgan Stanley") provide "investment advice" as defined under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"),and/or the Internal Revenue Code of 1986 (the "Code"), as applicable, regarding a retirement or welfare benefit plan account, an individual retirement account or a Coverdell education savings account (collectively, "Retirement Account"), Morgan Stanley is a "fiduciary" under ERISA and/or the Code. When Morgan Stanley provides investment education (including historical performance and asset allocation models), takes orders on an unsolicited basis or otherwise does not provide "investment advice", Morgan Stanley will not be considered a "fiduciary" under ERISA and/or the Code. For more information regarding Morgan Stanley's role with respect to a Retirement Account, please visit www.morganstanley.com/disclosures/dol. Tax laws are complex and subject to change. Morgan Stanley does not provide tax or legal advice. Individuals are encouraged to consult their tax and legal advisors (a) before establishing a Retirement Account, and (b) regarding any potential tax, ERISA and related consequences of any investments or other transactions made with respect to a Retirement Account.

Composites are the aggregate of multiple portfolios within an asset pool.

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

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

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

Real estate investments are subject to special risks, including interest rate and property value fluctuations, as well as risks related to general and economic conditions.

High yield fixed income securities, also known as "junk bonds", are considered speculative, involve greater risk of default and tend to be more volatile than investment grade fixed income securities.

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

Money Market Funds

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

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

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

Peer Groups

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

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

The URL below provides all the definitions and methodology about the various Peer Groups https://www.invmetrics.com/style-peer-groups

Peer Group Ranking Methodology

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

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

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

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

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

Your interests in Alternative Investments, which may have been purchased through us, are generally not held here, and are generally not covered by SIPC. The information provided to you: 1) is included as a service to you, valuations for certain products may not be available; 2) is derived from you or another external source for which we are not responsible, and may have been modified to take into consideration capital calls or distributions to the extent applicable; 3) may not reflect actual shares, share prices or values; 4) may include invested or distributed amounts in addition to a fair value estimate; and 5) should not be relied upon for tax reporting purposes. Notwithstanding the foregoing,

1) to the extent this report displays Alternative Investment positions within a Morgan Stanley Individual Retirement Account ("IRA"), such positions are held by Morgan Stanley Smith Barney LLC as the custodian of your Morgan Stanley IRA; and 2) if your Alternative Investment position(s) is held by us and is registered pursuant to the Securities Act of 1933, as amended, your Alternative Investment position(s) is covered by SIPC.

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

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

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

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

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

Indices are unmanaged and investors cannot directly invest in them. Composite index results are shown for illustrative purposes and do not represent the performance of a specific investment. Diversification does not assure a profit or protect against loss in a declining market. Any performance or related information presented has not been adjusted to reflect the impact of any the additional fees paid to a placement agent by an investor (for Morgan Stanley placement clients, a one-time upfront Placement Fee of up to 3%, and for Morgan Stanley investment advisory clients, an annual advisory fee of up to 2.5%), which would result in a substantial reduction in the returns if such fees were incorporated.

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

As fees are deducted quarterly, the compounding effect will be to increase the impact of the fees by an amount directly related to the gross account performance. For example, for an account with an initial value of $100,000 and a 2.5% annual fee, if the gross performance is 5% per year over a three year period, the compounding effect of the fees will result in a net annual compound rate of return of approximately 2.40% per year over a three year period, and the total value of the client's portfolio at the end of the three year period would be approximately $115,762.50 without the fees and $107,372.63 with the fees. Please see the applicable Morgan Stanley Smith Barney LLC Form ADV Part 2A for more information including a description of the fee schedule. It is available at <www.morganstanley.com/ADV or from your Financial Advisor/Private> Wealth Advisor.

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BAL HARBOUR VILLAGE POLICE OFFICERS' PENSION PLAN AND TRUST FUND

Actuarial Valuation Report as of October 1, 2025
Annual Employer Contribution for the Fiscal Year Ending
September 30, 2027

GRS

P: 954.527.1616 | F: 954.525.0083 | www.grsconsulting.com

December 19, 2025

Bal Harbour Pension Board/Committee
Bal Harbour Village
655 96th Street
Bal Harbour Village, FL 33154

RE: Bal Harbour Village Police Officers' Pension Plan Actuarial Valuation as of October 1, 2025 and Actuarial Disclosures

Dear Board Members:

The results of the October 1, 2025 Annual Actuarial Valuation of the Bal Harbour Village Police Officers' Pension Plan are presented in this report.

This report was prepared at the request of the Board and is intended for use by the Pension Fund (Plan) and those designated or approved by the Board. This report may be provided to parties other than the Plan only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

The purposes of the valuation are to measure the Plan's funding progress, to determine the employer contribution for the fiscal year ending September 30, 2027, and to present the actuarial information for Governmental Accounting Standards Board (GASB) Statement No. 67. This report also includes actuarial information necessary or reporting under GASB Statement No. 67 for the fiscal year ending September 30, 2025 and an estimate for the year ending September 30, 2026. This report should not be relied on for any purpose other than the purposes described herein. Determinations of financial results associated with the benefits described in this report, for purposes other than those identified above may be significantly different.

The computed contribution amount shown on page 1 may be considered a minimum contribution that complies with the Board's funding policy. Users of this report should be aware that contributions made at that level do not guarantee benefit security. Given the importance of benefit security to any retirement system, we suggest that contributions to the Plan in excess of those presented in this report be considered.

The contribution in this report is determined using the actuarial assumptions and methods disclosed in Section B of this report. This report includes risk metrics in Section A but does not include a robust assessment of the risks of future experience not meeting the actuarial assumptions. A robust assessment of these risks was outside the scope of this assignment. We encourage a review and assessment of investment and other significant risks that may have a material effect on the Plan's financial condition.

This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

The findings in this report are based on data or other information through September 30, 2025. The valuation was based upon information furnished by the Plan Administrator concerning Plan benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability and year-to-year consistency, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the Plan Administrator.

This report was prepared using certain assumptions approved by the Board and prescribed by the Florida Statutes as described in the section of this report entitled Actuarial Assumptions and Cost Methods. The prescribed assumptions are the assumed mortality rates detailed in the Actuarial Assumptions and Cost Methods section in accordance with Florida Statutes Chapter 112.63. All actuarial assumptions used in this report are reasonable for purposes of this valuation. The combined effect of assumptions is expected to have no significant bias (i.e., it is not significantly optimistic or pessimistic). The contribution amount presented in this report meets criteria for the Reasonable Actuarially Determined Contribution.

This report was prepared using our proprietary valuation model and related software which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Bal Harbour Village Police Officers' Pension Fund as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

Piotr Krekora and Israel Bichachi are members of the American Academy of Actuaries. These actuaries meet the Academy's Qualification Standards to render the actuarial opinions contained herein. The signing actuaries are independent of the plan sponsor.

This actuarial valuation and/or cost determination was prepared and completed by us or under our direct supervision, and we acknowledge responsibility for the results. To the best of our knowledge, the results are complete and accurate. In our opinion, the techniques and assumptions used are reasonable, meet the requirements and intent of Part VII, Chapter 112, Florida Statutes, and are based on generally accepted actuarial principles and practices. There is no benefit or expense to be provided by the plan and/or paid from the plan's assets for which liabilities or current costs have not been established or otherwise taken into account in the valuation. All known events or trends which may require a material increase in plan costs or required contributions have been taken into account in the valuation.

Gabriel, Roeder, Smith & Company will be pleased to review this valuation report with the Board of Trustees and to answer any questions pertaining to the valuation.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

By ______________________________
Piotr Krekora, ASA, FCA, MAAA
Senior Consultant & Actuary
Enrolled Actuary No. 23-08432

By ______________________________
Israel Bichachi, ASA, MAAA
Consultant & Actuary

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SECTION A

DISCUSSION OF VALUATION RESULTS

DISCUSSION OF VALUATION RESULTS

Preliminary Note

Effective September 21, 2015, this Plan has been closed to new participants. All Police Officers hired after that date become members of the Florida Retirement System. One consequence of these actions is that the annual required contribution is expected to increase as a percentage of covered payroll as such payroll decreases from year to year. Contribution expressed as a percentage of covered payroll are presented for illustrative purposes, contribution requirements are based on dollar amounts. Another consequence of the plan closure is that contributions may continue to be required after the retirement of the last active member.

The Plan continues receiving Chapter 185 revenue and the proceeds are applied according to the agreement in place at the time the Plan's closure. Accordingly, all funds can be used to satisfy a portion of the gross employer contribution.

The total chapter revenue during fiscal year 2025 was $108,434 and was applied towards the contribution required for the year ending September 30, 2025.

The Village contributed $1,409,333, for a total employer contribution of $1,517,767 fully satisfying Village/State contribution requirements for that year of $1,490,266 as determined in the October 1, 2023 valuation.

Comparison of Required Employer Contributions

A comparison of the required employer contribution developed in this year's actuarial valuation and the previous valuation is as follows.

	For FYE 9/30/2027 Based on 10/1/2025 Valuation	For FYE 9/30/2026* Based on 10/1/2024 Valuation	Increase (Decrease)
Required Village/State Contribution	$ 1,382,658	$ 1,480,799	$ (98,141)
As % of Covered Payroll	174.29 %	176.69 %	(2.40) %
Estimated Credit for State Contribution	$ 108,434	$ 108,434	$ 0
Required Village Contribution	$ 1,274,224	$ 1,378,983	$ (104,759)

*Amounts applicable to FY 2026 have been updated from amounts shown in the October 1, 2024 Actuarial Valuation Report to reflect the actual Chapter 185 receipts for fiscal year ending September 30, 2025 and timing adjustments to reflect revisions to expected deposit dates. Village Contributions will need to be adjusted should the State contributions drop below $108,434.

Minimum Required Contribution

The combined Village and State contribution necessary to support the current benefits for the Police Officers is $1,382,658 for the fiscal year beginning October 1, 2026. Please note that the Actuarially Determined Contribution for that fiscal year is assumed to be deposited at the beginning of the contribution year. The contribution shown above may be considered as a minimum contribution that complies with the Board's funding policy and the State Statute. Users of this report should be aware that contributions made at that level do not guarantee benefit security.

Revisions in Benefits

There have been no changes in benefits since the last valuation.

Revisions in Actuarial Assumptions or Methods

The mortality tables and improvement scales were updated to reflect the updated mortality assumptions used in the July 1, 2024 Florida Retirement System (FRS) Actuarial Valuation. Florida Statutes Chapter 112.63 mandates that local municipal pension plans use the mortality rates in either of the last two published FRS valuation reports. Please see the Actuarial Assumptions and Cost Method subsection of this report for additional information on the revised assumptions. The change in the mortality assumption increased the required employer contribution by $132,156.

Furthermore, we have changed the asset smoothing method. The new asset valuation method recognizes each year's excess/shortfall experience over a fixed period of five years. This is in contrast to the prior method which blended newly emerging experience with all unrecognized past excess/shortfall earnings to be phased asymptotically over an undefined period. We had discussed this method revision in the past intending to time it to minimize the impact. However, this year's change in the assumed mortality rates offered an opportunity to partially offset its impact by implementing the new asset valuation method at the same time. The combined impact on the employer contribution is an increase of $68,623, (approximately a half of mortality change alone).

Actuarial Experience

There was a net actuarial experience gain of $141,642 for the year, which means that the actual net experience was more favorable than expected. Gains resulting from the 9.1% recognized return on investments (prior to the method change) which was higher than the assumed 6.5%. This smoothed return reflects phase-in of prior years' investment returns. The actual investment return was 10.1% based on market value of assets. The gain was partially offset by higher than expected salary increases (13.2% actual versus 4.8% expected) and lower mortality.

Funded Ratio

This year's funded ratio is 85.5% compared to 83.8% last year. The funded ratio was 86.7% before recognizing the assumption changes. The ratio is equal to the actuarial value of assets divided by the actuarial accrued (past service) liability.

Chapter Revenue

The Plan continues receiving Chapter 185 revenue and the proceeds are applied according to the agreement in place at the time the Plan's closure. Accordingly, all funds disbursed by the State can be used to satisfy a portion of the gross employer contribution.

The total chapter revenue during fiscal year 2025 was $108,434 and it was applied in full towards the contribution required for the year ending September 30, 2025.

Analysis of Change in Employer Contribution

The components of change in the Village/State contribution are as follows:

Contribution last year	$ 1,480,799
Payment on UAAL prior to changes (if any)	(144,660)
Experience (gain)/loss	(12,855)
Change in administrative expense	2,603
Change in ER normal cost before expenses	(11,852)
Revision in benefits	-
Revision in assumptions/methods	68,623
Contribution this year	1,382,658

Variability of Future Contributions

The Actuarial Cost Method used to determine the contribution is intended to produce contributions which are generally level. Even so, when experience differs from the assumptions, as it often does, the employer's contribution amount can vary significantly from year-to-year.

Over time, if the year-to-year gains and losses offset each other, the contribution would be expected to return to the current level, but this does not always happen.

The Market Value of Assets exceeds the Actuarial Value of Assets by approximately $3.6 million as of the valuation date (see Section C). This difference will be gradually recognized in the future.

Absent any assumption changes or significant losses, contributions are expected to decrease in the following year by more than $200,000 due to the expiration of older bases.

Relationship to Market Value

If Market Value had been the basis for the valuation, the required Village and State contribution would have been lower by approximately $330,000 than when using smoothed assets and future contribution will move in that direction. The funded ratio would have been 94.3% (97.5% before recognizing the assumption change). The market value-based funded ratio was 94.4% last year.

Conclusion

The remainder of this Report includes detailed actuarial valuation results, financial information, miscellaneous information and statistics, and a summary of plan provisions.

RISKS ASSOCIATED WITH THE MEASURING THE ACCRUED LIABILITY AND ACTUARIALLY DETERMINED CONTRIBUTION

The determination of the accrued liability and the actuarially determined contribution requires the use of assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the actuarially determined contribution that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the plan's future financial condition include:

1. Investment risk – actual investment returns may differ from the expected returns;
2. Contribution risk – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the plan's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
3. Salary and Payroll risk – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
4. Longevity risk – members may live longer or shorter than expected and receive pensions for a period of time other than assumed;
5. Other demographic risks – members may terminate, retire or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example, if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise, if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The computed contribution shown on page 1 may be considered as a minimum contribution that complies with the Board's funding policy. The timely receipt of the actuarially determined contributions is critical to support the financial health of the plan. Users of this report should be aware that contributions made at the actuarially determined amounts do not necessarily guarantee benefit security.

Plan Maturity Measures

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

	2025	2024	2023	2022
Ratio of the market value of assets to total payroll	49.2	43.0	26.8	22.29
Ratio of actuarial accrued liability to payroll	52.2	46.1	32.3	27.38
Ratio of actives to retirees and beneficiaries	0.3	0.4	0.4	0.54
Ratio of net cash flow to market value of assets	-1.90%	-1.46%	-1.70%	0.03%

Ratio of Market Value of Assets to Payroll

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 2.0 times the payroll, a return on assets 5% different than assumed would equal 10% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

Ratio of Actuarial Accrued Liability to Payroll

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100% is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 2.5 times the payroll, a change in liability 2% other than assumed would equal 5% of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

Ratio of Actives to Retirees and Beneficiaries

A young plan with many active members and few retirees will have a high ratio of active to retirees. A mature open plan may have close to the same number of actives to retirees resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives resulting in a ratio below 1.0.

Ratio of Net Cash Flow to Market Value of Assets

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

Additional Risk Assessment

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.

LOW-DEFAULT-RISK OBLIGATION MEASURE

Actuarial Standards of Practice No. 4 (ASOP No. 4) was revised and reissued in December 2021 by the Actuarial Standards Board (ASB). It includes a calculation called a low-default-risk obligation measure (LDROM) to be prepared and issued annually for defined benefit pension plans. The transmittal memorandum for ASOP No. 4 includes the following explanation:

"The ASB believes that the calculation and disclosure of this measure provides appropriate, useful information for the intended user regarding the funded status of a pension plan. The calculation and disclosure of this additional measure is not intended to suggest that this is the "right" liability measure for a pension plan. However, the ASB does believe that this additional disclosure provides a more complete assessment of a plan's funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date."

The following information has been prepared in compliance with this requirement. Unless otherwise noted, the measurement date, actuarial cost methods, and assumptions used are the same as for the funding valuation covered in this actuarial valuation report.

A. Low-default-risk Obligation Measure of benefits earned as of the measurement date: $49,803,853 (compared to AAL of $41,413,020 developed using funding assumptions.)

B. Discount rate used to calculate the LDROM: 4.90% based on Bond Buyer "20-Bond GO Index" as of September 30, 2025

C. Other significant assumptions that differ from those used for the funding valuation: none

D. Actuarial cost method used to calculate the LDROM: Entry Age Normal

E. Valuation procedures to value any significant plan provisions that are difficult to measure using traditional valuation procedures, and that differ from the procedures used in the funding valuation: none

F. Commentary to help the intended user understand the significance of the LDROM with respect to the funded status of the plan, plan contributions, and the security of participant benefits: The LDROM is a market-based measurement of the pension obligation. It estimates the amount the plan would need to invest in low risk securities to provide the benefits with greater certainty. This measure may not be appropriate for assessing the need for or amount of future contributions. This measure may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligation.

The difference between the two measures (Valuation and LDROM) is one illustration of the savings the sponsor anticipates by taking on the risk in a diversified portfolio.

SECTION B

VALUATION RESULTS

PARTICIPANT DATA		
	October 1, 2025	October 1, 2024
ACTIVE MEMBERS		
Number	9	11
Covered Annual Payroll	$ 793,309	$ 841,370
Average Annual Payroll	$ 88,145	$ 76,488
Average Age	52.4	51.4
Average Past Service	14.2	13.6
Average Age at Hire	38.2	37.8
RETIREES, BENEFICIARIES & DROP		
Number	30	28
Annual Benefits	$ 2,397,387	$ 2,216,803
Average Annual Benefit	$ 79,913	$ 79,172
Average Age	62.8	62.5
DISABILITY RETIREES		
Number	1	1
Annual Benefits	$ 14,988	$ 14,988
Average Annual Benefit	$ 14,988	$ 14,988
Average Age	74.1	73.1
TERMINATED VESTED MEMBERS		
Number	0	0
Annual Benefits	$ 0	$ 0
Average Annual Benefit	$ 0	$ 0
Average Age	0.0	0.0

ACTUARIALLY DETERMINED EMPLOYER CONTRIBUTION (ADEC)			
A. Valuation Date	October 1, 2025 *After Change*	October 1, 2025 *Before Change*	October 1, 2024
B. ADEC to Be Paid During Fiscal Year Ending	9/30/2027	9/30/2027	9/30/2026
C. Assumed Dates of Employer Contributions	10/1/2026	10/1/2026	10/1/2025
D. Annual Payment to Amortize Unfunded Actuarial Liability	$ 970,050	$ 913,236	$ 1,061,137
E. Employer Normal Cost	322,006	314,386	329,285
F. ADEC if Paid on the Valuation Date: D+E	1,292,056	1,227,622	1,390,422
G. ADEC Adjusted for Frequency of Payments	1,382,658	1,314,035	1,480,799
H. ADEC as % of Covered Payroll	174.29 %	165.70 %	176.00 %
I. Assumed Rate of Increase in Covered Payroll to Contribution Year	0.00 %	0.00 %	0.00 %
J. Covered Payroll for Contribution Year	793,309	793,006	841,370
K. ADEC for Contribution Year: H x J (made at beginning of contribution year)	1,382,658	1,314,035	1,480,799
L. Estimated Credit for State Revenue in Contribution Year (end of year)	108,434	108,434	108,434
M. Required Employer Contribution (REC) in Contribution Year: K - L	1,274,224	1,205,601	1,378,983
N. REC as % of Covered Payroll in Contribution Year: M ÷ J	160.62 %	152.03 %	163.90 %

ACTUARIAL VALUE OF BENEFITS AND ASSETS			
A. Valuation Date	October 1, 2025 *After Change*	October 1, 2025 *Before Change*	October 1, 2024
B. Actuarial Present Value of All Projected Benefits for			
1. Active Members			
a. Service Retirement Benefits	$ 8,716,063	$ 8,445,122	$ 9,234,777
b. Vesting Benefits	-	-	-
c. Disability Benefits	107,899	105,669	111,169
d. Preretirement Death Benefits	20,354	25,567	29,180
e. Return of Member Contributions	871	1,116	5,463
f. Total	8,845,187	8,577,474	9,380,589
2. Inactive Members			
a. Service Retirees & Beneficiaries	33,597,964	32,474,985	30,506,054
b. Disability Retirees	109,508	104,086	107,449
c. Terminated Vested Members	-	-	-
d. Total	33,707,472	32,579,071	30,613,503
3. Total for All Members	42,552,659	41,156,545	39,994,092
C. Actuarial Accrued (Past Service) Liability	41,413,020	40,046,276	38,828,399
D. Actuarial Value of Accumulated Plan Benefits per FASB No. 35	40,513,925	39,178,565	38,104,546
E. Plan Assets			
1. Market Value	39,048,912	39,048,912	36,174,684
2. Actuarial Value	35,416,648	34,716,602	32,548,848
F. Unfunded Actuarial Accrued Liability: C - E2	5,996,372	5,329,674	6,279,551
G. Actuarial Present Value of Projected Covered Payroll	3,114,661	3,111,928	3,273,041
H. Actuarial Present Value of Projected Member Contributions	311,466	311,193	327,304
I. Accumulated Value of Contributions for Active Members	1,317,861	1,317,861	1,473,994
J. Funded Ratio: E2 ÷ C	85.5%	86.7%	83.8%

CALCULATION OF EMPLOYER NORMAL COST			
A. Valuation Date	October 1, 2025 *After Change*	October 1, 2025 *Before Change*	October 1, 2024
B. Normal Cost for			
1. Service Retirement Benefits	$ 264,837	$ 256,789	$ 270,172
2. Vesting Benefits	404	389	316
3. Disability Benefits	18,544	17,811	24,981
4. Preretirement Death Benefits	4,296	5,401	6,600
5. Return of Member Contributions	3,818	3,859	4,359
6. Total for Future Benefits	291,899	284,249	306,428
7. Assumed Amount for Administrative Expenses	109,438	109,438	106,994
8. Total Normal Cost	401,337	393,687	413,422
9. Total as a % of Covered Payroll	50.59%	49.64%	49.14%
C. Expected Member Contribution	79,331	79,301	84,137
D. Employer Normal Cost: B8-C	322,006	314,386	329,285
E. Employer Normal Cost as a % of Covered Payroll	40.59%	39.64%	39.14%

LIQUIDATION OF THE UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)

A. UAAL Amortization Period and Payments

Original UAAL				Current UAAL			
Date Established	Source	Amortization Period (Years)	Amount	Years Remaining	Amount	Payment After Change	Payment Before Change
10/1/2004	Original UAAL	30	N/A	9	697,923	98,455	98,455
10/1/2004	Plan Amendment	30	N/A	9	1,032,724	145,685	145,685
10/1/2006	Actuarial Loss	20	N/A	1	70,038	70,038	70,038
10/1/2006	Plan Amendment	20	N/A	1	245,847	245,847	245,847
10/1/2007	Actuarial Gain	20	N/A	2	(184,916)	(95,368)	(95,368)
10/1/2007	Assumption Change	20	N/A	2	5,490	2,831	2,831
10/1/2008	Actuarial Loss	20	N/A	3	257,022	91,122	91,122
10/1/2008	Method Change	20	N/A	3	(256,420)	(90,909)	(90,909)
10/1/2009	Actuarial Loss	20	N/A	4	272,129	74,587	74,587
10/1/2010	Actuarial Loss	20	N/A	5	457,840	103,448	103,448
10/1/2010	Assumption Change	20	N/A	5	134,164	30,314	30,314
10/1/2011	Actuarial Loss	20	N/A	6	287,432	55,751	55,751
10/1/2012	Actuarial Loss	20	N/A	7	410,150	70,219	70,219
10/1/2012	Benefit Change	20	N/A	7	(543,086)	(92,978)	(92,978)
10/1/2013	Actuarial Gain	20	N/A	8	(372,796)	(57,490)	(57,490)
10/1/2014	Benefit Change	20	N/A	9	(386,934)	(54,584)	(54,584)
10/1/2014	Actuarial Gain	20	N/A	9	(233,807)	(32,983)	(32,983)
10/1/2015	Actuarial Loss	20	N/A	10	135,565	17,707	17,707
10/1/2016	Assumption Change	20	N/A	11	652,393	79,669	79,669
10/1/2016	Actuarial Gain	20	N/A	11	(235,430)	(28,750)	(28,750)
10/1/2017	Actuarial Loss	20	N/A	12	522,597	60,144	60,144
10/1/2018	Actuarial Gain	20	N/A	13	(446,758)	(48,779)	(48,779)
10/1/2018	Assumption Change	20	N/A	13	570,494	62,290	62,290
10/1/2019	Actuarial Loss	20	N/A	14	133,687	13,926	13,926
10/1/2019	Assumption Change	20	N/A	14	649,940	67,704	67,704
10/1/2020	Benefit Change	20	N/A	15	93,132	9,300	9,300
10/1/2020	Actuarial Gain	20	N/A	15	(410,389)	(40,982)	(40,982)
10/1/2020	Assumption Change	20	N/A	15	(36,144)	(3,609)	(3,609)
10/1/2021	Actuarial Gain	20	(1,143,767)	16	(988,833)	(95,056)	(95,056)
10/1/2021	Assumption Change	20	761,962	16	658,746	63,325	63,325
10/1/2022	Actuarial Loss	20	291,729	17	267,521	24,845	24,845
10/1/2023	Actuarial Gain	20	541,726	18	512,695	46,145	46,145
10/1/2023	Assumption Change	20	958,251	18	906,900	81,625	81,625
10/1/2024	Actuarial Gain	20	(402,502)	19	(389,046)	(34,030)	(34,030)
10/1/2024	Assumption Change	20	1,015,392	19	981,447	85,847	85,847
10/1/2025	Actuarial Gain	20	(141,642)	20	(141,642)	(12,070)	(12,070)
10/1/2025	Assumption Change	20	666,698	20	666,698	56,814	N/A
			$ 2,547,847		$ 5,996,372	$ 970,050	$ 913,236

B. Amortization Schedule

The UAAL is being amortized as a level dollar amount. The expected amortization schedule is as follows:

Amortization Schedule	
Year	**Expected UAAL**
2025	$ 5,996,372
2026	5,353,055
2027	5,004,318
2028	4,534,361
2029	4,034,083
2030	3,580,723
2035	1,867,215
2040	763,915
2045	0

ACTUARIAL GAINS AND LOSSES

The assumptions used to anticipate mortality, employment turnover, investment income, expenses, salary increases, and other factors have been based on long range trends and expectations. Actual experience can vary from these expectations. The variance is measured by the gain and loss for the period involved. If significant long-term experience reveals consistent deviation from what has been expected and that deviation is expected to continue, the assumptions should be modified. The net actuarial gain (loss) for the past year is computed as follows:

1.	Last Year's UAAL	$ 6,279,551
2.	Last Year's Employer Normal Cost	329,285
3.	Last Year's Employer Contributions	1,517,767
4.	Interest at the Assumed Rate on:	
	a. 1 and 2 for one year	429,574
	b. 3 from dates paid	49,327
	c. a - b	380,247
5.	This Year's Expected UAAL Prior to Revision: 1 + 2 - 3 + 4c	5,471,316
6.	Change in UAAL Due to Plan Amendments and/or Changes in Actuarial Assumptions	666,698
7.	This Year's Expected UAAL: 5 + 6	6,138,014
8.	This Year's Actual UAAL	5,996,372
9.	Net Actuarial Gain (Loss): 7 - 8	141,642
10.	Gain (Loss) Due to Investments (Net AVA basis)	1,355,183
11.	Gain (Loss) from Other Sources	(1,213,541)

Experience gains/losses for the past few years are as follows:

Year Ending September 30	Gain (Loss)
2021	1,143,767
2022	(291,729)
2023	(541,726)
2024	402,502
2025	141,642

Cumulative Actuarial Gains (Losses)			
Year Ending 9/30	Balance at Beginning of Year	Gain (Loss) for Year	Balance at End of Year
2021	N/A	1,143,767	1,143,767
2022	1,143,767	(291,729)	852,038
2023	852,038	(541,726)	310,312
2024	310,312	402,502	712,814
2025	712,814	141,642	854,456

The fund earnings and salary increase assumptions have considerable impact on the cost of the Plan so it is important that they are in line with the actual experience. The following table shows the actual fund earnings and salary increase rates compared to the assumed rates for the last several years:

Year Ending	Investment Return		Salary Increases	
	Actual	Assumed	Actual	Assumed
9/30/2017	8.6 %	8.0 %	9.1 %	7.0 %
9/30/2018	8.7	8.0	5.1	7.0
9/30/2019	7.5	7.8	7.7	7.0
9/30/2020	9.5	7.5	2.7	7.0
9/30/2021	10.9	7.3	3.1	7.0
9/30/2022	6.8	7.0	4.0	5.1
9/30/2023	6.3	7.0	3.8	5.1
9/30/2024	9.3	6.75	6.3	5.1
9/30/2025	9.1	6.5	13.2	4.8
Average for Years Shown	8.5 %	7.3 %	6.1 %	6.1 %

The actual investment return rates shown above are based on the actuarial value of assets. The actual salary increase rates shown above are the increases received by those active members who were included in the actuarial valuations both at the beginning and the end of each year.

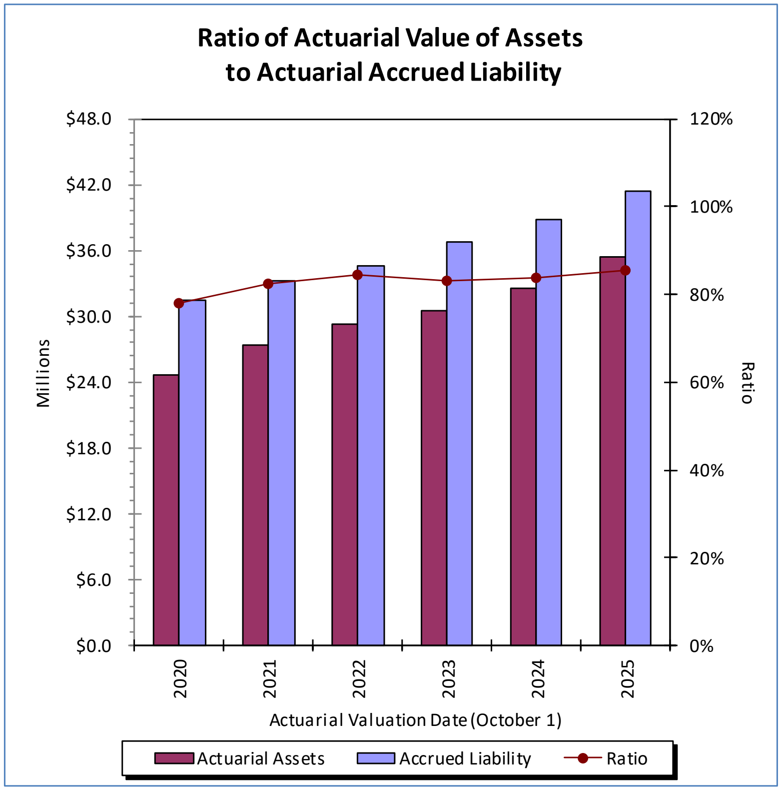
Actual (A) Compared to Expected (E) Decrements Among Active Employees													
Year Ended	Number Added During Year		Service & DROP Retirement		Disability Retirement		Death		Terminations				Active Members End of Year
									Vested	Other	Totals		
	A	E	A	E	A	E	A	E	A	A	A	E	
9/30/2021	0	0	0	4	0	0	0	0	0	0	0	0	**18**
9/30/2022	0	0	4	4	0	0	0	0	0	0	0	0	**14**
9/30/2023	0	0	2	4	0	0	0	0	0	0	0	1	**12**
9/30/2024	0	0	1	3	0	0	0	0	0	0	0	2	**11**
9/30/2025	0	0	2	5	0	0	0	0	0	0	0	2	**9**
9/30/2026				4		0		0				0	
5 Yr Totals *	0	0	9	20	0	0	0	0	0	0	0	5	

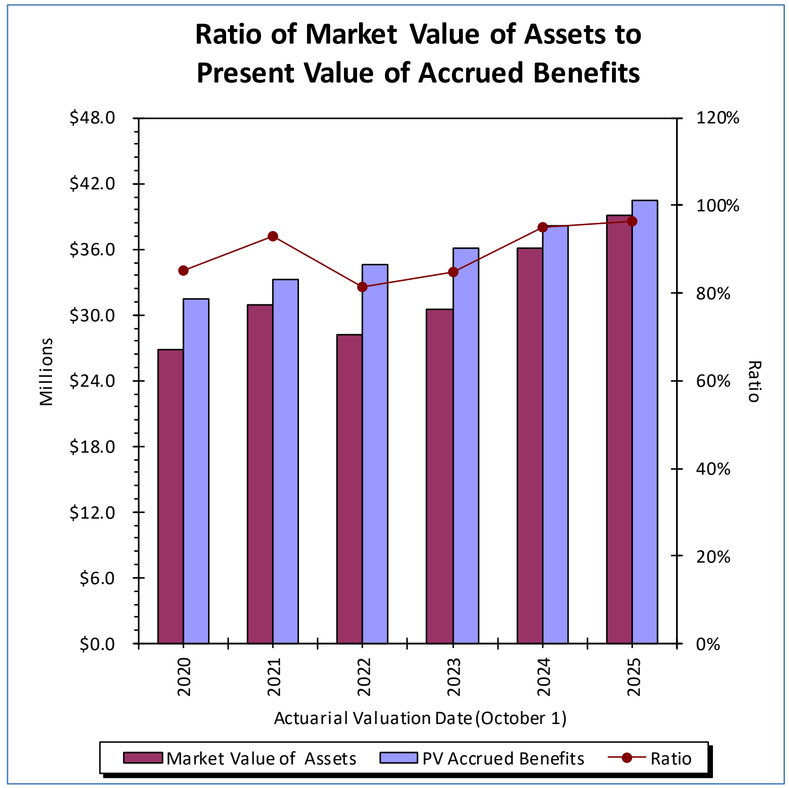
* Totals are through current Plan Year only.

RECENT HISTORY OF REQUIRED AND ACTUAL CONTRIBUTIONS										
	End of Year To Which	Required Contributions								
		Employer & State		Estimated State		Net Employer		Actual Contributions		
Valuation Date	Valuation Applies	Amount	% of Payroll	Amount	% of Payroll	Amount	% of Payroll	Employer	State	Total
10/1/2020	9/30/2022	1,591,232	70.93	67,689	3.02	1,523,543	67.92	1,517,945	136,446	1,654,391
10/1/2021	9/30/2023	1,322,134	58.18	86,396	3.80	1,235,738	54.38	1,235,738	86,396	1,322,134
10/1/2022	9/30/2024	1,380,084	109.21	86,396	6.84	1,293,688	102.37	1,299,340	95,154	1,394,494
10/1/2023	9/30/2025	1,490,266	130.84	95,154	8.35	1,395,112	122.49	1,409,333	108,434	1,517,767
10/1/2024	9/30/2026	1,480,799	176.00	108,434	12.89	1,372,365	163.11	---	---	---
10/1/2025	9/30/2027	1,382,658	174.29	108,434	13.67	1,274,224	160.62	---	---	---

RECENT HISTORY OF UAAL AND FUNDED RATIO

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL As % of Covered Payroll (b - a) / c	Market Value of Assets (d)	Present Value of Accrued Benefits (e)	MVA as a % of PVAB (d) / (e)
10/1/2020	24,636,579	31,524,243	6,887,664	78.2	2,243,293	307.0	26,816,781	31,524,243	85.1
10/1/2021	27,439,711	33,276,898	5,837,187	82.5	2,272,569	256.9	30,974,265	33,276,898	93.1
10/1/2022	29,277,768	34,595,897	5,318,129	84.6	1,263,676	420.8	28,169,871	34,595,897	81.4
10/1/2023	30,484,294	36,749,804	6,265,510	83.0	1,138,976	550.1	30,525,088	36,050,791	84.7
10/1/2024	32,548,848	38,828,399	6,279,551	83.8	841,370	746.3	36,174,684	38,104,546	94.9
10/1/2025	35,416,648	41,413,020	5,996,372	85.5	793,309	755.9	39,048,912	40,513,925	96.4





ACTUARIAL ASSUMPTIONS AND COST METHOD

The actuarial methods used to determine the Reasonable Actuarially Determined Contribution have been selected to balance benefit security, intergenerational equity, and stability of contributions. The selection of the actuarial methods accounts for the closed nature of the plan, the funding goals and objectives of the Plan sponsor, and the need to achieve and maintain asset level necessary to make benefit payments when due.

Valuation Methods

Actuarial Cost Method - Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an **Individual Entry-Age Actuarial Cost Method** having the following characteristics:

(i) the annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement;

(ii) each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial gains/(losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

Financing of Unfunded Actuarial Accrued Liabilities - Unfunded Actuarial Accrued Liabilities (full funding credit if assets exceed liabilities) are being amortized by level (principal & interest combined) percent-of-payroll contributions over a reasonable period of future years. New amortization bases are amortized over 20 years.

Actuarial Value of Assets - The Actuarial Value of Assets phase in the difference between the expected market value and actual market value of assets at the rate of 20% per year. The Actuarial Value of Assets will be further adjusted to the extent necessary to fall within the corridor whose lower limit is 80% of the Market Value of plan assets and whose upper limit is 120% of the Market Value of plan assets. During periods when investment performance exceeds the assumed rate, Actuarial Value of Assets will tend to be less than Market Value. Conversely, during periods when investment performance is less than assumed rate, Actuarial Value of Assets will tend to be greater than Market Value.

Valuation Assumptions

The actuarial assumptions used in the valuation are shown in this Section.

Economic Assumptions

The investment return rate assumed in the valuation is 6.50% per year, compounded annually (net after investment expenses).

The **Inflation Rate** assumed in this valuation was 2.50% per year. The Inflation Rate is defined to be the portion of total pay increases for an individual that are due to general price inflation.

The assumed **real rate of return** over inflation is defined to be the portion of total investment return that is more than the assumed inflation rate. Considering other economic assumptions, the 6.50% investment return rate translates to an assumed real rate of return over inflation of 4.00%.

The rate of salary increase for individual active members is shown in the table below.

Years of Service	% Increase in Salary (Including Inflation)
<2	15.0 %
2-9	6.0
10+	4.5

Demographic Assumptions (Current Assumptions)

The mortality tables used in the valuation are based on the PUB-2010 Headcount Weighted Mortality Tables described below, with mortality improvements projected for healthy lives to all future years after 2010 using Scale MP-2021. No mortality improvement is projected for disabled lives.

	Pre-Retirement PUB-2010 Table	Post-Retirement PUB-2010 Table
Female Healthy	Benefits Weighted Safety Employee Female Table	Benefits Weighted Safety Healthy Retiree Female Table
Male Healthy	Benefits Weighted Safety Employee Male Table, set forward 1 year	Benefits Weighted Safety Healthy Retiree Male Table, set forward 1 year
Female Disabled	N/A	Headcount Weighted General Disabled Retiree Female Table, set forward 1 year
Male Disabled	N/A	Headcount Weighted General Disabled Retiree Male Table

These are the same rates as used for Special Risk Class members in the July 1, 2024 Actuarial Valuation of the Florida Retirement System (FRS). Florida Statutes Chapter 112.63(1)(f) mandates the use of the mortality tables used in either of the two most recently published actuarial valuation reports of FRS.

The following table presents post-retirement mortality rates and life expectancies at illustrative ages. These assumptions are used to measure the probabilities of each benefit payment being made after retirement.

FRS Healthy Post-Retirement Mortality for Special Risk Class Members

Sample Attained Ages (in 2025)	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.20 %	0.13 %	34.83	37.81
55	0.32	0.25	29.78	32.70
60	0.57	0.45	24.92	27.78
65	0.98	0.72	20.34	23.11
70	1.61	1.15	16.10	18.70
75	2.77	1.97	12.26	14.61
80	5.02	3.53	8.93	10.98

The following tables present pre-retirement mortality rates and life expectancies at illustrative ages. These assumptions are used to measure the probabilities of active members dying prior to retirement.

FRS Healthy Pre-Retirement Mortality for Special Risk Class Members

Sample Attained Ages (in 2025)	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	0.12 %	0.08 %	37.31	40.61
55	0.18	0.12	32.21	35.50
60	0.29	0.17	27.20	30.44
65	0.46	0.21	22.32	25.42
70	0.79	0.39	17.61	20.48
75	1.41	0.77	13.13	15.70
80	5.02	1.60	8.93	11.19

For disabled retirees, the mortality table used was the PUB-2010 Headcount-Weighted General Disabled Retiree Tables with ages set forward 3 years for males and females.

FRS Disabled Mortality for Special Risk Class Members

Sample Attained Ages (in 2025)	Probability of Dying Next Year		Future Life Expectancy (years)	
	Men	Women	Men	Women
50	1.61 %	1.38 %	25.55	28.20
55	2.09	1.73	22.07	24.57
60	2.73	2.14	18.92	21.18
65	3.36	2.41	16.06	17.92
70	3.96	2.88	13.35	14.66
75	4.99	4.01	10.70	11.51
80	7.06	6.23	8.23	8.71

The rates of retirement used to measure the probability of eligible members retiring during the next year are as follows:

Normal Retirement Rates

Age	Service	Rate
Any	20+	100%
55+	10+	100%
57-64	<5	0%
	5-9	25%
	10+	100%
65+	Any	100%

Rates of separation from active membership are as shown below (rates do not apply to members eligible to retire and do not include separation on account of death or disability). This assumption measures the probabilities of members separating from employment for reasons other than retirement, death or disability.

Years of Service	% of Active Members Separating Within Next Year
<2	5.0 %
2-9	2.0
10+	0.0

Rates of disability among active members (75% of disabilities are assumed to be service-connected) are as follows:

Sample Ages	% Becoming Disabled within Next Year
20	0.14 %
25	0.15
30	0.18
35	0.23
40	0.30
45	0.51
50	1.00
55	1.55
59	2.09

Changes from the Previous Valuation:

- The mortality tables and improvement scales were updated to reflect the updated mortality assumptions used in the July 1, 2024 Florida Retirement System (FRS) Actuarial Valuation.
- Asset smoothing method was changed from averaging past rates of return to a 5-year phase-in of gains/losses in market value.

Miscellaneous and Technical Assumptions

Administrative & Investment Expenses	The investment return assumption is intended to be the return net of investment expenses. Annual administrative expenses are assumed to be equal to the average of the prior two years' expenses. Assumed administrative expenses are added to the Normal Cost.
Benefit Service	Exact fractional service is used to determine the amount of benefit payable.
Decrement Operation	Disability and mortality decrements operate during retirement eligibility.
Decrement Timing	Decrements of all types are assumed to occur at the beginning of the year.
Eligibility Testing	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.
Forfeitures	For vested separations from service, it is assumed that 0% of members separating will withdraw their contributions and forfeit an employer financed benefit. It was further assumed that the liability at termination is the greater of the vested deferred benefit (if any) or the member's accumulated contributions.
Incidence of Contributions	Employer contributions are assumed to be made at the beginning of the contribution year. Member contributions are assumed to be received continuously throughout the year based upon the computed percent of payroll shown in this report, and the actual payroll payable at the time contributions are made.
Marriage Assumption	100% of males and 100% of females are assumed to be married for purposes of death-in-service benefits. Male spouses are assumed to be three years older than female spouses for active member valuation purposes.
Normal Form of Benefit	A 10-year certain and life annuity is the normal form of benefit.
Pay Increase Timing	Middle of fiscal year. This is equivalent to assuming that reported pays represent amounts paid to members during the year ended on the valuation date.
Service Credit Accruals	It is assumed that members accrue one year of service credit per year.

GLOSSARY

Actuarial Accrued Liability (AAL)	The difference between the Actuarial Present Value of Future Benefits, and the Actuarial Present Value of Future Normal Costs.
Actuarial Assumptions	Assumptions about future plan experience that affect costs or liabilities, such as: mortality, withdrawal, disablement, and retirement; future increases in salary; future rates of investment earnings; future investment and administrative expenses; characteristics of members not specified in the data, such as marital status; characteristics of future members; future elections made by members; and other items.
Actuarial Cost Method	A procedure for allocating the Actuarial Present Value of Future Benefits between the Actuarial Present Value of Future Normal Costs and the Actuarial Accrued Liability.
Actuarial Equivalent	Of equal Actuarial Present Value, determined as of a given date and based on a given set of Actuarial Assumptions.
Actuarial Present Value (APV)	The amount of funds required to provide a payment or series of payments in the future. It is determined by discounting the future payments with an assumed interest rate and with the assumed probability each payment will be made.
Actuarial Present Value of Future Benefits (APVFB)	The Actuarial Present Value of amounts which are expected to be paid at various future times to active members, retired members, beneficiaries receiving benefits, and inactive, nonretired members entitled to either a refund or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
Actuarial Valuation	The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a plan. An Actuarial Valuation for a governmental retirement system typically also includes calculations of items needed for compliance with GASB, such as the Funded Ratio and the Actuarially Determined Employer Contribution (ADEC).
Actuarial Value of Assets	The value of the assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets or a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the Actuarially Determined Employer Contribution (ADEC).

Actuarially Determined Employer Contribution (ADEC)	The employer's periodic required contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under GASB. The ADEC consists of the Employer Normal Cost and Amortization Payment.
Amortization Method	A method for determining the Amortization Payment. The most common methods used are level dollar and level percentage of payroll. Under the Level Dollar method, the Amortization Payment is one of a stream of payments, all equal, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the Amortization Payment is one of a stream of increasing payments, whose Actuarial Present Value is equal to the UAAL. Under the Level Percentage of Pay method, the stream of payments increases at the rate at which total covered payroll of all active members is assumed to increase.
Amortization Payment	That portion of the plan contribution or ADEC which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
Amortization Period	The period used in calculating the Amortization Payment.
Closed Amortization Period	A specific number of years that is reduced by one each year, and declines to zero with the passage of time. For example if the amortization period is initially set at 30 years, it is 29 years at the end of one year, 28 years at the end of two years, etc.
Employer Normal Cost	The portion of the Normal Cost to be paid by the employer. This is equal to the Normal Cost less expected member contributions.
Equivalent Single Amortization Period	For plans that do not establish separate amortization bases (separate components of the UAAL), this is the same as the Amortization Period. For plans that do establish separate amortization bases, this is the period over which the UAAL would be amortized if all amortization bases were combined upon the current UAAL payment.
Experience Gain/Loss	A measure of the difference between actual experience and that expected based upon a set of Actuarial Assumptions, during the period between two actuarial valuations. To the extent that actual experience differs from that assumed, Unfunded Actuarial Accrued Liabilities emerge which may be larger or smaller than projected. Gains are due to favorable experience, e.g., the assets earn more than projected, salaries do not increase as fast as assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as

	projected by the actuarial assumptions. On the other hand, losses are the result of unfavorable experience, i.e., actual results that produce Unfunded Actuarial Accrued Liabilities which are larger than projected.
Funded Ratio	The ratio of the Actuarial Value of Assets to the Actuarial Accrued Liability.
GASB	Governmental Accounting Standards Board.
GASB No. 67 and GASB No. 68	These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.
Normal Cost	The annual cost assigned, under the Actuarial Cost Method, to the current plan year.
Open Amortization Period	An open amortization period is one which is used to determine the Amortization Payment but which does not change over time. In other words, if the initial period is set as 30 years, the same 30-year period is used in determining the Amortization Period each year. In theory, if an Open Amortization Period is used to amortize the Unfunded Actuarial Accrued Liability, the UAAL will never completely disappear, but will become smaller each year, either as a dollar amount or in relation to covered payroll.
Unfunded Actuarial Accrued Liability	The difference between the Actuarial Accrued Liability and Actuarial Value of Assets.
Valuation Date	The date as of which the Actuarial Present Value of Future Benefits are determined. The benefits expected to be paid in the future are discounted to this date.

SECTION C

PENSION FUND INFORMATION

Statement of Plan Assets at Market Value

Item	September 30 2025		September 30 2024	
A. Cash and Cash Equivalents (Operating Cash)	$	552,043	$	734,530
B. Receivables:				
1. Member Contributions	$	-	$	-
2. Employer Contributions		-		95,154
3. State Contributions		-		-
4. Investment Income and Other Receivables		136,044		104,928
5. Total Receivables	$	136,044	$	200,082
C. Investments				
1. Short Term Investments	$	-	$	-
2. Domestic Equities		21,183,678		20,824,270
3. International Equities		5,095,837		3,754,096
4. Domestic Fixed Income		10,938,425		8,809,916
5. International Fixed Income		78,286		-
6. Real Estate		1,507,559		2,334,284
7. Infrastructure		-		-
8. Total Investments	$	38,803,785	$	35,722,566
D. Liabilities				
1. Benefits Payable	$	-	$	-
2. Prepaid Contribution		-		-
3. Accrued Expenses and Other Payables		(37,014)		(110,713)
4. Total Liabilities	$	(37,014)	$	(110,713)
E. Total Market Value of Assets Available for Benefits	$	39,454,858	$	36,546,465
F. Reserves				
1. State Contribution Reserve	$	-	$	-
2. Share Plan Accounts		-		-
3. DROP Accounts		(405,946)		(371,781)
4. Total Reserves	$	(405,946)	$	(371,781)
G. Market Value Net of Reserves	$	39,048,912	$	36,174,684
H. Allocation of Investments				
1. Short Term Investments		0.0%		0.0%
2. Domestic Equities		54.6%		58.3%
3. International Equities		13.1%		10.5%
4. Domestic Fixed Income		28.2%		24.7%
5. International Fixed Income		0.2%		0.0%
6. Real Estate		3.9%		6.5%
7. Infrastructure		0.0%		0.0%
8. Total Investments		100.0%		100.0%

Reconciliation of Plan Assets

Item		September 30	
		2025	2024
A.	Market Value of Assets at Beginning of Year	$ 36,546,465	$ 30,654,218
B.	Revenues and Expenditures		
	1. Contributions		
	a. Member Contributions	$ 153,243	$ 152,111
	b. Employer Contributions	1,409,333	1,299,340
	c. State Contributions	108,434	95,154
	d. Total	$ 1,671,010	$ 1,546,605
	2. Investment Income		
	a. Interest, Dividends, and Other Income	$ 786,327	$ 753,732
	b. Unrealized Gains/(Losses)	2,197,977	3,804,338
	c. Realized Gains/(Losses)	849,935	2,041,993
	d. Investment Expenses	(174,609)	(173,700)
	e. Net Investment Income	$ 3,659,630	$ 6,426,363
	3. Benefits and Refunds		
	a. Regular Monthly Benefits	$ (2,100,511)	$ (1,969,877)
	b. Refunds	-	-
	c. Lump Sum Benefits	-	-
	d. DROP Distributions	(213,704)	-
	e. Total	$ (2,314,215)	$ (1,969,877)
	4. Administrative and Miscellaneous Expenses	$ (108,032)	$ (110,844)
	5. Transfers	$ -	$ -
C.	Market Value of Assets at End of Year	$ 39,454,858	$ 36,546,465
D.	Reserves		
	1. State Contribution Reserve	$ -	$ -
	2. Share Plan Accounts	-	-
	3. DROP Accounts	(405,946)	(371,781)
	4. Total Reserves	$ (405,946)	$ (371,781)
E.	Market Value Net of Reserves	$ 39,048,912	$ 36,174,684

Reconciliation of DROP Accounts

Year Ended 9/30	Balance at Beginning of Year	Credits	Interest	Distributions	Adjustments	Balance at End of Year
2022	0	22,266	183	-	-	22,449
2023	22,449	104,112	2,569	-	-	129,130
2024	129,130	232,471	10,171	-	9	371,781
2025	371,781	213,679	34,190	213,704	-	405,946

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Development of Actuarial Value of Assets

	Valuation Date – September 30	2024	2025	2026	2027	2028	2029
A.	Actuarial Value of Assets Beginning of Year (Net of Reserves)	$ 30,525,088	$32,667,876				
B.	Market Value End of Year (Net of Reserves)	36,174,684	39,048,912				
C.	Market Value Beginning of Year (Net of Reserves)	30,525,088	36,174,684				
D.	Non-Investment/Administrative Net Cash Flow	(766,587)	(751,212)				
E.	Investment Income						
	E1. Actual Market Total	6,416,183	3,625,440				
	E2. Assumed Rate of Return	6.75%	6.50%	6.50%	6.50%	6.50%	6.50%
	E3. Assumed Amount of Return	2,032,673	2,372,743				
	E4. Amount Subject to Phase-In: E1–E3	4,383,510	1,252,697				
F.	Phased-In Recognition of Investment Income						
	F1. Current Year: 0.20 x E4	876,702	250,539				
	F2. First Prior Year		876,702	250,539			
	F3. Second Prior Year			876,702	250,539		
	F4. Third Prior Year				876,702	250,539	
	F5. Fourth Prior Year					876,702	250,541
	F6. Total Phase-Ins	876,702	1,127,241	1,127,241	1,127,241	1,127,241	250,541
G.	**Actuarial Value of Assets End of Year**						
	G1. Preliminary Actuarial Value of Assets End of Year: A+D+E3+F6	32,667,876	35,416,648				
	G2. Upper Corridor Limit: 120% x B	43,409,621	46,858,694				
	G3. Lower Corridor Limit: 80% x B	28,939,747	31,239,130				
	G4. Actuarial Value of Assets End of Year	32,667,876	35,416,648				
	G5. Reserves	-	-				
	G6. Final Actuarial Value of Assets End of Year	32,667,876	35,416,648				
H.	Difference between Market and Actuarial Value of Assets	3,506,808	3,632,264				
I.	**Actuarial Rate of Return**	9.63%	10.61%				
J.	**Market Value Rate of Return**	21.15%	10.13%				
K.	**Ratio of Actuarial Value of Assets to Market Value**	90.42%	90.70%				

Year Ending September 30	Market Value	Actuarial Value
2017	10.0	8.6
2018	12.6	8.7
2019	5.8	7.5
2020	11.6	9.5
2021	14.7	10.9
2022	(9.0)	6.8
2023	10.7	6.3
2024	21.3	9.3
2025	10.1	9.1
Average Returns:		
Last 5 Years	9.1 %	8.5 %
All Years	9.5 %	8.5 %

The above rates are based on the retirement system's financial information reported to the actuary. They may differ from figures that the investment consultant reports, in part because of differences in the handling of administrative and investment expenses, and in part because of differences in the handling of cash flows.

SECTION D

FINANCIAL ACCOUNTING INFORMATION

FASB NO. 35 INFORMATION		
A. Valuation Date	October 1, 2025	October 1, 2024
B. Actuarial Present Value of Accumulated Plan Benefits		
1. Vested Benefits		
a. Members Currently Receiving Payments	$ 33,707,472	$ 30,613,503
b. Terminated Vested Members	0	0
c. Other Members	6,774,505	7,378,331
d. Total	40,481,977	37,991,834
2. Non-Vested Benefits	31,948	112,712
3. Total Actuarial Present Value of Accumulated Plan Benefits: 1d + 2	40,513,925	38,104,546
4. Accumulated Contributions of Active Members	1,317,861	1,473,994
C. Changes in the Actuarial Present Value of Accumulated Plan Benefits		
1. Total Value at Beginning of Year	38,104,546	36,050,791
2. Increase (Decrease) During the Period Attributable to:		
a. Plan Amendment and Change in Actuarial Assumptions	1,335,360	1,000,711
c. Latest Member Data, Benefits Accumulated and Decrease in the Discount Period	3,388,209	3,255,392
d. Benefits Paid (net basis)	(2,314,190)	(2,202,348)
e. Net Increase	2,409,379	2,053,755
3. Total Value at End of Period	40,513,925	38,104,546
D. Market Value of Assets	39,048,912	36,174,684
E. Actuarial Assumptions - See page entitled Actuarial Assumptions and Methods		

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS
GASB Statement No. 67

Fiscal year ending September 30,	2026*	2025	2024	2023	2022	2021	2020
Total pension liability							
Service Cost	$ 284,249	$ 292,479	$ 387,212	$ 433,577	$ 576,273	$ 714,032	$ 667,911
Interest	2,511,566	2,490,612	2,452,033	2,373,566	2,312,493	2,279,678	2,246,668
Benefit Changes	-	-	-	-	-	143,457	-
Difference between actual & expected experience	816,973	450,708	314,490	304,282	(39,233)	(157,031)	55,771
Assumption Changes	1,463,730	1,002,948	951,954	-	-	589,671	(47,199)
Benefit Payments	(2,658,917)	(2,314,215)	(1,969,877)	(1,918,330)	(1,750,406)	(1,643,202)	(1,647,433)
Refunds	(864)	-	-	-	-	-	-
Other (Net Change in Share Plan Reserve)	-	-	-	-	-	-	25,667
Net Change in Total Pension Liability	2,416,737	1,922,532	2,135,812	1,193,095	1,099,127	1,926,605	1,301,385
Total Pension Liability - Beginning	39,685,111	37,762,579	35,626,767	34,433,672	33,334,545	31,407,940	30,106,555
Total Pension Liability - Ending (a)	$ 42,101,848	$ 39,685,111	$ 37,762,579	$ 35,626,767	$ 34,433,672	$ 33,334,545	$ 31,407,940
Plan Fiduciary Net Position							
Contributions - Employer (from Village)	$ 1,378,983	$ 1,409,333	$ 1,299,340	$ 1,299,340	$ 1,235,738	$ 1,517,945	$ 1,546,824
Contributions - Employer (from State)	108,434	108,434	95,154	95,154	86,396	138,864	67,689
Contributions - Non-Employer Contributing Entity	-	-	-	-	-	-	-
Contributions - Member	79,331	153,243	152,111	177,542	207,133	216,191	209,654
Net Investment Income	2,570,302	3,807,823	6,426,363	2,981,280	(2,770,068)	4,064,363	2,858,469
Benefit Payments	(2,658,917)	(2,314,215)	(1,969,877)	(1,918,330)	(1,750,406)	(1,643,202)	(1,647,433)
Refunds	(864)	-	-	-	-	-	-
Administrative Expense	(109,438)	(256,225)	(110,844)	(103,144)	(122,997)	(110,388)	(97,786)
Other	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	1,367,831	2,908,393	5,892,247	2,459,482	(2,779,529)	4,141,477	2,819,618
Plan Fiduciary Net Position - Beginning	39,454,858	36,546,465	30,654,218	28,194,736	30,974,265	26,832,788	24,013,170
Plan Fiduciary Net Position - Ending (b)	$ 40,822,689	$ 39,454,858	$ 36,546,465	$ 30,654,218	$ 28,194,736	$ 30,974,265	$ 26,832,788
Net Pension Liability - Ending (a) - (b)	1,279,159	230,253	1,216,114	4,972,549	6,238,936	2,360,280	4,575,152
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.96 %	99.42 %	96.78 %	86.04 %	81.88 %	92.92 %	85.43 %
Covered Payroll	$ 793,310	$ 1,532,433	$ 1,521,103	$ 1,775,415	$ 2,071,335	$ 2,161,913	$ 2,096,536
Net Pension Liability as a Percentage of Covered Payroll	161.24 %	15.03 %	79.95 %	280.08 %	301.20 %	109.18 %	218.22 %

*** Figures for the upcoming fiscal year are provided as estimates only. Actual amounts will be provided after the end of the fiscal year. Note that ten years will need to be shown in plan financials.**

SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY
GASB Statement No. 67

FY Ending September 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2020	31,407,940	26,832,788	4,575,152	85.43%	2,096,536	218.22%
2021	33,334,545	30,974,265	2,360,280	92.92%	2,161,913	109.18 %
2022	34,433,672	28,194,736	6,238,936	81.88%	2,071,335	301.20 %
2023	35,626,768	30,654,218	4,972,550	86.04%	1,775,415	280.08 %
2024	37,762,579	36,546,465	1,216,114	96.78%	1,521,103	79.95 %
2025	39,685,111	39,454,858	230,253	99.42%	1,532,433	15.03 %
2026*	42,101,848	40,822,689	1,279,159	96.96%	793,310	161.24 %

*** Figures for the upcoming fiscal year are provided as estimates only. Actual amounts will be provided after the end of the fiscal year.**

NOTES TO SCHEDULE OF THE EMPLOYER'S NET PENSION LIABILITY
GASB Statement No. 67

Valuation Date:	October 1, 2025
Measurement Date:	September 30, 2026

Methods and Assumptions Used to Determine Net Pension Liability:

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Salary Increases	4.5% to 15% depending on service, including inflation.
Investment Rate of Return	6.50%
Retirement Age	100% when first eligible for Normal Retirement or DROP entry
Mortality	The same versions of Pub-2010 mortality tables as used by the Florida Retirement System (FRS) for Special Risk Class members in their July 1, 2024 actuarial valuation (with mortality improvements projected for all lives to all future years after 2010 using Scale MP-2021). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

Other Information:

Notes	See Discussion of Valuation Results on page 1.

SCHEDULE OF CONTRIBUTIONS
GASB Statement No. 67

FY Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2020	1,484,107	1,496,714	(12,607)	2,096,536	71.39%
2021	1,616,888	1,614,513	2,375	2,161,913	74.68%
2022	1,591,232	1,656,809	(65,577)	2,071,335	79.99%
2023	1,322,134	1,322,134	-	1,775,415	74.47%
2024	1,380,084	1,394,494	(14,410)	1,521,103	91.68%
2025	1,490,266	1,517,767	(27,501)	1,532,433	99.04%
2026*	1,480,799	1,480,799	-	793,310	186.66%

*** Figures for the upcoming fiscal year are provided as estimates only. Actual amounts will be provided after the end of the fiscal year.**

NOTES TO SCHEDULE OF CONTRIBUTIONS
GASB Statement No. 67

Valuation Date:	October 1, 2024
Notes	Actuarially determined contributions are calculated as of the October 1st which is two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	20 Years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary Increases	4.5% to 15% depending on service, including inflation.
Investment Rate of Return	6.50%
Retirement Age	100% when first eligible for Normal Retirement or DROP entry
Mortality	The same versions of Pub-2010 Headcount-Weighted Mortality Tables as used by the Florida Retirement System (FRS) for Special Risk Class members in their July 1, 2023 actuarial valuation (with mortality improvements projected for non-disabled lives to all future years after 2010 using Scale MP-2018). Florida Statutes Chapter 112.63(1)(f) mandates the use of mortality tables from one of the two most recently published FRS actuarial valuation reports.

Other Information:

Notes	See Discussion of Valuation Results in the October 1, 2024 Actuarial Valuation Report dated January 22, 2025.

SINGLE DISCOUNT RATE
GASB Statement No. 67

A single discount rate of 6.50% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.50%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution levels and that employer contributions will be made at rates equal to the difference between the total actuarially determined contribution and the member contributions. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments (6.50%) was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.50%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption*

1% Decrease 5.50%	Current Single Discount Rate Assumption 6.50%	1% Increase 7.50%
$6,147,611	$1,279,159	($2,767,391)

*** These figures are estimates only. Actual figures will be provided after the end of the fiscal year.**

SECTION E

MISCELLANEOUS INFORMATION

RECONCILIATION OF MEMBERSHIP DATA		
	From 10/1/24 To 10/1/25	**From 10/1/23 To 10/1/24**
A. Active Members		
1. Number Included in Last Valuation	11	12
2. New Members	0	0
3. Non-Vested Employment Terminations	0	0
4. Vested Employment Terminations	0	0
5. Service Retirements	(1)	0
6. DROP Retirement	(1)	(1)
7. Disability Retirements	0	0
8. Deaths	0	0
9. Other -- Rehires	0	0
10. Number Included in This Valuation	9	11
B. Terminated Vested Members		
1. Number Included in Last Valuation	0	0
2. Additions from Active Members	0	0
3. Lump Sum Payments/Refund of Contributions	0	0
4. Payments Commenced	0	0
5. Deaths	0	0
6. Other -- Rehires	0	0
7. Number Included in This Valuation	0	0
C. DROP Plan Members		
1. Number Included in Last Valuation	3	3
2. Additions from Active Members	1	1
3. Retirements	(2)	(1)
4. Deaths Resulting in No Further Payments	0	0
5. Other	0	0
6. Number Included in This Valuation	2	3
D. Service Retirees, Disability Retirees and Beneficiaries		
1. Number Included in Last Valuation	26	25
2. Additions from Active Members	1	0
3. Additions from Terminated Vested Members	0	0
4. Additions from DROP	2	1
5. Deaths Resulting in No Further Payments	0	0
6. Deaths Resulting in New Survivor Benefits	0	0
7. End of Certain Period - No Further Payments	0	0
8. Other	0	0
9. Number Included in This Valuation	29	26

ACTIVE PARTICIPANT DISTRIBUTION

Years of Service to Valuation Date											
Age Group	0-1	1-2	2-3	3-4	4-5	5-9	10-14	15-19	20-24	25 & Up	Totals
15-24 NO.	0	0	0	0	0	0	0	0	0	0	0
TOT PAY	0	0	0	0	0	0	0	0	0	0	0
AVG PAY	0	0	0	0	0	0	0	0	0	0	0
25-29 NO.	0	0	0	0	0	0	0	0	0	0	0
TOT PAY	0	0	0	0	0	0	0	0	0	0	0
AVG PAY	0	0	0	0	0	0	0	0	0	0	0
30-34 NO.	0	0	0	0	0	0	0	0	0	0	0
TOT PAY	0	0	0	0	0	0	0	0	0	0	0
AVG PAY	0	0	0	0	0	0	0	0	0	0	0
35-39 NO.	0	0	0	0	0	1	0	0	0	0	1
TOT PAY	0	0	0	0	0	166,420	0	0	0	0	166,420
AVG PAY	0	0	0	0	0	166,420	0	0	0	0	166,420
40-44 NO.	0	0	0	0	0	0	1	0	0	0	1
TOT PAY	0	0	0	0	0	0	156,101	0	0	0	156,101
AVG PAY	0	0	0	0	0	0	156,101	0	0	0	156,101
45-49 NO.	0	0	0	0	0	0	0	0	0	0	0
TOT PAY	0	0	0	0	0	0	0	0	0	0	0
AVG PAY	0	0	0	0	0	0	0	0	0	0	0
50-54 NO.	0	0	0	0	0	0	0	3	0	0	3
TOT PAY	0	0	0	0	0	0	0	443,698	0	0	443,698
AVG PAY	0	0	0	0	0	0	0	147,899	0	0	147,899
55-59 NO.	0	0	0	0	0	1	1	0	0	0	2
TOT PAY	0	0	0	0	0	112,497	189,562	0	0	0	302,059
AVG PAY	0	0	0	0	0	112,497	189,562	0	0	0	151,030
60-64 NO.	0	0	0	0	0	0	1	0	1	0	2
TOT PAY	0	0	0	0	0	0	139,674	0	172,888	0	312,562
AVG PAY	0	0	0	0	0	0	139,674	0	172,888	0	156,281
65-69 NO.	0	0	0	0	0	0	0	0	0	0	0
TOT PAY	0	0	0	0	0	0	0	0	0	0	0
AVG PAY	0	0	0	0	0	0	0	0	0	0	0
TOT NO.	0	0	0	0	0	2	3	3	1	0	9
TOT AMT	0	0	0	0	0	278,917	485,337	443,698	172,888	0	1,380,840
AVG AMT	0	0	0	0	0	139,459	161,779	147,899	172,888	0	153,427

INACTIVE PARTICIPANT DISTRIBUTION

	Terminated Vested		Disabled		Retired		Deceased with Beneficiary	
Age Group	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits	Number	Total Benefits
Under 20	-	-	-	-	-	-	-	-
20-24	-	-	-	-	-	-	-	-
25-29	-	-	-	-	-	-	-	-
30-34	-	-	-	-	-	-	-	-
35-39	-	-	-	-	-	-	-	-
40-44	-	-	-	-	1	104,399	-	-
45-49	-	-	-	-	2	128,680	-	-
50-54	-	-	-	-	4	377,924	-	-
55-59	-	-	-	-	-	-	2	107,548
60-64	-	-	-	-	9	741,465	-	-
65-69	-	-	-	-	6	524,376	-	-
70-74	-	-	1	14,988	4	284,153	-	-
75-79	-	-	-	-	1	109,960	-	-
80-84	-	-	-	-	1	18,882	-	-
85-89	-	-	-	-	-	-	-	-
90-94	-	-	-	-	-	-	-	-
95-99	-	-	-	-	-	-	-	-
100 & Over	-	-	-	-	-	-	-	-
Total	-	-	1	14,988	28	2,289,839	2	107,548
Average Age		-		74		63		59

SECTION F

SUMMARY OF PLAN PROVISIONS

SUMMARY OF PLAN PROVISIONS

A. Ordinances:

Plan established under the Code of Ordinances for the Village of Bal Harbour, Florida, Part II, Chapter 13, Article II, and was most recently amended and restated on April 11, 2022. The Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes (F.S.) and the Internal Revenue Code.

B. Effective Date

October 1, 1955

C. Plan Year

October 1 through September 30

D. Type of Plan

Qualified, governmental defined benefit retirement plan; for GASB purposes it is a single employer plan.

E. Eligibility Requirements

Any Person other than a Police Officer who is employed by the Village as a regular, full-time employee will become a participant on October 1st following the completion of at least one (1) year of continuous employment with the Village.

F. Credited Service

Service is measured as the total number of years and completed months of Continuous Employment with the Village beginning on the date of employment and ending on the date of termination or retirement. No service will be credited for any periods of employment for which the participant received a refund of their employee contributions.

G. Compensation

Basic compensation, defined as compensation actually paid to a participant including up to 150 hours per year (300 hours per year for Participants who had not reached the normal retirement date on September 21, 2015), but excluding shift differentials, bonuses and all other extraordinary pay.

H. Final Average Compensation (FAC)

For those who reached their normal retirement date before September 21, 2015
Average of Compensation during the highest 3 years out of the last 10 years preceding the date of termination or retirement.

For those who reached their normal retirement date on or after September 21, 2015:
Average of Compensation during the highest 4 complete years.

I. Normal Retirement

Eligibility: *A participant may retire on the first day of the month coincident with or next following the earlier of:*

(1) age 57 regardless of Credited Service, or
(2) age 55 with 10 years of Credited Service, or
(3) 20 years of Credited Service regardless of age.

Benefit: *For those who reached their normal retirement date before September 21, 2015:*
3.5% of FAC times Credited Service.

For those who reached their normal retirement date on or after September 21, 2015:
3.5% of FAC times Credited Service for each year before September 21, 2015, plus 3.0% for each year on or after September 21, 2015

Normal Form of Benefit: 10 Years Certain and Life thereafter

COLA: *For those who reached their normal retirement date before September 21, 2015:*
2.5% compounded COLA commencing on the one-year anniversary of the retirement date and each year thereafter.

For those who reached their normal retirement date on or after September 21, 2015:
1.25% compounded COLA commencing on the fifth-year anniversary of the retirement date and each year thereafter.

J. Early Retirement

Eligibility: A participant may elect to retire earlier than the Normal Retirement Eligibility upon attainment of age 50 with 10 years of Credited Service.

Benefit: The Normal Retirement Benefit is reduced by 3% for each year by which the Early Retirement date precedes the Normal Retirement date.

Normal Form of Benefit: Same as for Normal Retirement.

COLA: Same as for Normal Retirement.

K. Delayed Retirement

Same as Normal Retirement taking into account compensation earned and service credited until the date of actual retirement.

L. Service Connected Disability

Eligibility:	Any participant who becomes totally and permanently disabled and unable to render useful and efficient service to the Village.
Benefit	The participant becomes fully vested on the date of disability. The benefit is calculated as if the participant was eligible for Early Retirement and retired on the date of disability, but not less than 42% of average compensation on date of disability.
Normal Form of Benefit:	Same as for Normal Retirement.
COLA:	Same as for Normal Retirement.

M. Non-Service Connected Disability

Eligibility:	Any participant who becomes totally and permanently disabled and unable to render useful and efficient service to the Village.
Benefit	The participant becomes fully vested on the date of disability. The benefit is calculated as if the participant was eligible for Early Retirement and retired on the date of disability, but not less than 25% of average compensation on date of disability.
Normal Form of Benefit:	Same as for Normal Retirement.
COLA:	Same as for Normal Retirement.

N. Death in the Line of Duty

Eligibility:	Any participant that dies as a direct result of an occurrence arising in the performance of service to the Village.
Benefit:	50% of the participant's base rate of pay in effect at the time of death payable to the designated beneficiary.
Normal Form of Benefit:	10 Years Certain; minimum amount shall be equal to the deceased participant's own contributions.
COLA:	Same as for Normal Retirement.

O. Other Pre-Retirement Death

Eligibility: Any participant that dies not as a direct result of an occurrence arising in the performance of service to the Village.

Benefit: Calculated as if the participant was eligible for Early Retirement and retired immediately preceding the participant's death.

Normal Form of Benefit: 10 Years Certain; minimum amount shall be equal to the deceased participant's own contributions.

COLA: Same as for Normal Retirement.

P. Post Retirement Death

Benefit determined by the form of benefit elected upon retirement.

Q. Optional Forms

In lieu of electing the Normal Form of benefit, the following options are available.

1. Joint and last survivor
2. Life annuity
3. Other: Determined as actuarial equivalent benefit.
4. Lump sum: Participants hired on or before January 29, 1985 may request payment of their retirement benefit in a lump sum benefit. A lump sum payment exceeding $50,000 may be delayed for up to six months by the Board. Participants hired after January 29, 1985 may request payment of their retirement benefit in a lump sum as long as it does not exceed $5,000.

Optional forms (other than lump sums) are calculated using 7% interest and the UP-1984 Mortality Table, with ages set ahead five years in the case of disability retirees.

R. Vested Termination

Eligibility: A participant has earned a non-forfeitable right to Plan benefits after the completion of 1 year of Credited Service (see vesting table below). In addition, any participant who is eligible for Early, Normal or Disability Retirement is automatically 100% vested.

Years of Credited Service	Vested %
Under 1	0%
1	10
2	20
3	30
4	40
5	50
6	60
7	70
8	80
9	90
10 or more	100

Benefit: The benefit is the member's vested portion of the accrued Normal Retirement Benefit as of the date of termination. Benefit begins on the Normal Retirement date.

Normal Form of Benefit: Same as for Normal Retirement.

COLA: Same as for Normal Retirement.

Participants terminating employment with less than 1 year of Credited Service will receive a refund of their own accumulated contributions with interest.

S. Refunds

Eligibility: All participants leaving covered employment are eligible. Optionally, vested participant may withdraw their contributions plus interest in lieu of the deferred benefits otherwise due.

Benefit: The participant who terminates employment receives a lump-sum payment of their employee contributions plus interest. Interest is currently credited at 5% compounded annually.

T. Member Contributions

10% of Compensation

U. Employer Contributions

The amount determined by the actuary needed to fund the plan properly according to State laws.

V. Cost of Living Increases

COLA: *For those who reached their normal retirement date before September 21, 2015:* 2.5% compounded COLA commencing on the one-year anniversary of the retirement date and each year thereafter.

For those who reached their normal retirement date on or after September 21, 2015: 1.25% compounded COLA commencing on the fifth-year anniversary of the retirement date and each year thereafter.

W. Changes from Previous Valuation

None.

X. 13th Check

Not applicable.

Y. Deferred Retirement Option Plan

Eligibility: Plan members are eligible for the DROP the same time they are eligible for Normal Retirement. Members must make a written election to participate in the DROP.

Benefit: The member's Credited Service and FAC are frozen upon entry into the DROP. The monthly retirement benefit as described under Normal Retirement is calculated based upon the frozen Credited Service and FAC.

Maximum DROP Period: 5 years

Interest Credited: Upon entering the DROP and annually (calendar year basis) thereafter, the participant elects to receive earnings based upon one of the following options:

(1) the actual quarterly net investment return realized by the Fund, or
(2) 4% per annum.

Normal Form of Benefit: Lump Sum

COLA: Same as for Normal Retirement.

Z. Other Ancillary Benefits

There are no ancillary benefits-retirement type benefits not required by statutes but which might be deemed a Bal Harbour Village Employees' Pension Plan liability if continued beyond the availability of funding by the current funding source.

BAL HARBOUR VILLAGE POLICE OFFICERS' PENSION PLAN

FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2025

BAL HARBOUR VILLAGE POLICE OFFICERS' PENSION PLAN

YEAR ENDED SEPTEMBER 30, 2025

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KSDT

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Bal Harbour Village Police Officers' Pension Plan

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Bal Harbour Village Police Officers' Pension Plan, which comprise the statement of fiduciary net position as of September 30, 2025, and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Bal Harbour Village Police Officers' Pension Plan as of September 30, 2025, and the changes in its fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Bal Harbour Village Police Officers' Pension Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bal Harbour Village Police Officers' Pension Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

<u>INDEPENDENT AUDITOR'S REPORT</u> (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bal Harbour Village Police Officers' Pension Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bal Harbour Village Police Officers' Pension Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

INDEPENDENT AUDITOR'S REPORT (Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-8 and the schedules of contributions from employers and other contributors, schedule of investment returns and schedules of changes in the employer's net pension liability and related ratios on pages 26-29 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Bal Harbour Village Police Officers' Pension Plan's basic financial statements. The accompanying schedule of administrative expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Prior Year Comparative Information

We have previously audited the Bal Harbour Village Police Officers' Pension Plan's 2024 financial statements, and our report dated March 3, 2025, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2026, on our consideration of the Bal Harbour Village Police Officers' Pension Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Bal Harbour Village Police Officers' Pension Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bal Harbour Village Police Officers' Pension Plan's internal control over financial reporting and compliance.

KSDT CPA LLP

Boca Raton, Florida
February 2, 2026

BAL HARBOUR VILLAGE POLICE OFFICERS' PENSION PLAN

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual financial report presents Management's Discussion and Analysis (MD&A) of the Bal Harbour Village Police Officers' Pension Plan's (the Plan) financial performance. This analysis provides an overview of the financial activities and funding conditions for fiscal year ended September 30, 2025. Please read it in conjunction with the Plan's financial statements, which immediately follow.

Overview of the Financial Statements

The financial section of this annual report consists of five parts: MD&A, the basic financial statements, notes to the financial statements, supplementary information and required supplementary information.

The financial statements provide both long-term and short-term information about the Plan's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of other and required supplementary information that further explains and supports the information in the financial statements.

The Plan's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). Under GAAP, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred and appreciation (depreciation) of assets is recognized in the statement of changes in fiduciary net position. All assets and liabilities associated with the operation of the Plan are included in the statement of fiduciary net position.

The statement of fiduciary net position reports fiduciary net position and how it has changed. Net position is the difference between assets and any related liabilities. It is one measurement of the financial health or current position of the Plan.

Financial Highlights

The Plan's net results from operations for fiscal year 2025 reflected the following financial activities:

- Net position restricted for pension was $39,454,858, which was 8% greater than the 2024 net position with the increase due primarily to favorable market conditions.

- Total contributions for the year were $1,671,010, which was 8% greater than the 2024 contributions. The amount of employer contributions varies from year to year and is actuarially determined. Member contributions were 10% of compensation. The increase was primarily due to more employer contributions being actuarily calculated to properly fund the Plan.

- Total interest and dividend income was $786,328, which was 4% greater than the 2024 income.

- Net investment income was $3,658,630, which was 43% lower than the 2024 net investment income with the decrease primarily due to not as favorable market conditions.

- Benefits paid directly to retirees were $2,100,511, which was 7% greater than the benefits paid directly to retirees during 2024 with the increase due primarily to current year new retirees.

Statement of Fiduciary Net Position

The following condensed comparative statement of fiduciary net position is a snapshot of account balances at the fiscal year end of the Plan. It reports the assets available for future payments to retirees and any current liabilities that are owed as of the financial statement date. The resulting net position, or assets minus liabilities, represents the value of assets held in trust for pension benefits.

The Plan continues to be evaluated for actuarial soundness by the actuary of the Plan. It should be noted that retirement system funding is based on a long-term perspective and that temporary fluctuations in the market are to be expected.

- Net position restricted for pension as of September 30, 2025 was $39,454,858, an 8% increase from net position as of September 30, 2024.
- Total investments as of September 30, 2025 were $39,355,828, an 8% increase from the investments as of September 30, 2024.

The table below presents condensed comparative statements of fiduciary net position as of September 30:

	2025	2024	% Change
Receivables	$ 136,044	$ 200,082	(32%)
Investments	39,355,828	36,457,096	8%
Total assets	39,491,872	36,657,178	8%
Accounts payable	37,014	110,713	(67%)
Net position restricted for pensions	$ 39,454,858	$ 36,546,465	8%

Statement of Changes in Fiduciary Net Position

The statement of changes in fiduciary net position presents the effect of Plan transactions that occurred during the fiscal year. On the statement, additions to the Plan minus deductions from the Plan equal net increase or decrease in fiduciary net position.

The funding objective is to meet long-term obligations and fund all pension benefits.

- Revenues (additions to the fiduciary net position) for the Plan were $5,329,640, which was made up of total contributions of $1,671,010 plus net investment income of $3,658,630.
- Expenses (deductions from the fiduciary net position) increased from $2,080,721 during 2024 to $2,421,247 during 2025.

Statement of Changes in Fiduciary Net Position (Continued)

The table below presents a condensed comparative of the changes in fiduciary net position for the years ended September 30:

	2025	2024	% Change
Total contributions	$ 1,671,010	$ 1,546,605	8%
Net investment income	3,658,630	6,426,363	(43%)
Total additions	5,329,640	7,972,968	(33%)
Total deductions	2,421,247	2,080,721	16%
Net change	2,908,393	5,892,247	(51%)
Net position restricted for pensions – beginning	36,546,465	30,654,218	19%
Net position restricted for pensions – ending	$ 39,454,858	$ 36,546,465	8%

Asset Allocation

The table below indicates the Plan investment policy limitations and actual asset allocations as of September 30, 2025:

Type of Investment	Investment Policy	Actual Allocation
Domestic equities	45%-65%	53.83%
International equities	5%-15%	12.95%
Fixed income	10%-35%	27.99%
Real estate	0%-15%	3.83%
Cash and cash equivalents	0%-5%	1.40%

The investment guidelines provide for the appropriate diversification of the portfolio. Investments have been diversified to the extent practicable to control the risk of loss resulting from over-concentration of a specific maturity, issuer, instrument, dealer or bank through which financial instruments are bought and sold.

The Plan's Board of Trustees (the Board) recognizes that some risk must be assumed to achieve the Plan's long-term investment objectives. In establishing risk tolerances, the Plan's ability to withstand short and intermediate term variability has been considered. However, the Plan's financial condition enables the Board to adopt a long-term investment perspective.

Investment Activities

Investment income is vital to the Plan for current and future financial stability. Therefore, the Board has a fiduciary responsibility to act prudently when making Plan investment decisions. To assist the Board in this area, the Board retains investment managers who supervise and direct the investment of the assets. The Board also retains an investment monitor to evaluate and report on a quarterly basis compliance by the investment managers with the investment policy of the Board and investment performance of the Plan. The investment policy statement was last amended in November 2023.

The Board and its investment consultant review portfolio performance in compliance with the investment policy statement quarterly. Performance is evaluated both individually by money manager style, and collectively by investment type and for the aggregate portfolio.

Financial Analysis Summary

The investment activities for the fiscal year ended September 30, 2025 are a function of the underlying market, money managers' performance and the investment policy's asset allocation model. The Plan has consistently implemented a high quality, conservative approach.

Contacting the Plan's Financial Management

This financial analysis is designed to provide the Board, Plan participants, and the marketplace credit analysts with an overview of the Plan's finances and the prudent exercise of the Board's oversight. If you have any questions regarding this report or you need additional financial information, please contact the administrator of the Plan:

Rick Rivera - Pension Consultants of Florida
655 96th Street
Bal Harbour, FL 33154

BAL HARBOUR VILLAGE POLICE OFFICERS' PENSION PLAN

STATEMENT OF FIDUCIARY NET POSITION

SEPTEMBER 30, 2025
(WITH COMPARATIVE TOTALS AS OF SEPTEMBER 30, 2024)

	2025	2024
ASSETS		
RECEIVABLES:		
Chapter 185 contributions	$ -	$ 95,154
Accrued investment income	126,285	104,928
Accounts receivable - employee	9,759	-
TOTAL RECEIVABLES	136,044	200,082
INVESTMENTS:		
Equity securities	26,279,515	24,499,705
Government securities	7,687,289	6,148,961
Corporate bonds	3,329,422	2,739,616
Real estate fund	1,507,559	2,334,284
Money market funds	552,043	734,530
TOTAL INVESTMENTS	39,355,828	36,457,096
TOTAL ASSETS	39,491,872	36,657,178
LIABILITIES		
ACCOUNTS PAYABLE	37,014	110,713
NET POSITION RESTRICTED FOR PENSIONS		
NET POSITION RESTRICTED FOR DEFINED BENEFITS	39,048,912	36,174,684
NET POSITION RESTRICTED FOR DROP BENEFITS	405,946	371,781
TOTAL NET POSITION RESTRICTED FOR PENSIONS	$ 39,454,858	$ 36,546,465

The accompanying notes are an integral part of these financial statements.

BAL HARBOUR VILLAGE POLICE OFFICERS' PENSION PLAN

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2024)

	2025	2024
ADDITIONS:		
Contributions:		
Employer	$ 1,409,333	$ 1,299,340
Employee	153,243	152,111
Chapter 185	108,434	95,154
Total contributions	1,671,010	1,546,605
Investment income:		
Net appreciation in fair value of investments	3,047,911	5,846,331
Interest and dividend income	786,328	753,732
Total investment income	3,834,239	6,600,063
Less: investment expenses	175,609	173,700
Net investment income	3,658,630	6,426,363
TOTAL ADDITIONS	5,329,640	7,972,968
DEDUCTIONS:		
Benefit payments	2,100,511	1,969,877
DROP distributions	213,704	-
Administrative expenses	107,032	110,844
TOTAL DEDUCTIONS	2,421,247	2,080,721
NET CHANGE IN NET POSITION RESTRICTED FOR PENSIONS	2,908,393	5,892,247
NET POSITION RESTRICTED FOR PENSIONS - BEGINNING	36,546,465	30,654,218
NET POSITION RESTRICTED FOR PENSIONS - ENDING	$ 39,454,858	$ 36,546,465

The accompanying notes are an integral part of these financial statements.

BAL HARBOUR VILLAGE POLICE OFFICERS' PENSION PLAN

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED SEPTEMBER 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation and Income Recognition

Investments are reported at fair value except for certain investments measured at net asset value (see Note 3). Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants (see Note 5 for discussion of fair value measurements).

Purchase and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net (depreciation) appreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Basis of Accounting and Use of Estimates

The accompanying financial statements have been prepared using the accrual basis of accounting. The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments which potentially expose the Plan to concentration of credit risk, as defined by GAAP, consist primarily of contribution receivables and accrued investment income.

The Plan's investments consist of common stocks, mutual funds, government securities, corporate bonds, real estate fund, and money market funds, which inherit in the fair market value determination, include the risk factor of credit worthiness for each individual security.

Comparative Information

The financial statements include certain prior-year comparative information. Such summarized information does not include sufficient detail in the notes to the financial statements to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Plan's financial statements for the year ended September 30, 2024, from which the information was derived.

NOTE 2. DESCRIPTION OF THE PLAN

The following description of the Bal Harbour Village Police Officers' Pension Plan (the Plan) provides only general information. Participants should refer to the Bal Harbour Village, Florida's (the Village) ordinance for more detailed and comprehensive information.

NOTE 2. DESCRIPTION OF THE PLAN (Continued)

General

The Plan is a single employer defined benefit plan covering all full-time sworn police officers of the Village. The Plan was established by the Village on October 1, 1955. The Village passed Ordinance No. 584 on October 20, 2015, which closed the Plan to new participants, effective December 1, 2016, the date the Village was accepted to participate in the Florida Retirement System. The most recent Plan amendment recognized and restated on April 11, 2022. As the Plan is sponsored by the Village, the Plan is reported as a component unit of the Village and included as a pension trust fund in the Village's annual comprehensive financial report.

The Plan, in accordance with the above statute, is governed by a five-member pension board. Two police officers who are elected by a majority of police officers, two are appointed by the Village Council and must be legal residents of the Village and a fifth member who is elected by the Board and appointed (as a ministerial duty) by the Village council.

The Plan is also governed by certain provisions of Part VII, Chapter 112, Florida Statutes and the Internal Revenue Code.

Plan Membership

As of September 30, 2025, Plan membership consisted of the following:

Inactive Plan members or beneficiaries currently receiving benefits	31
Active Plan members	9
Total	40

Eligibility

The Plan is available to full-time sworn Police Officers from date of employment, including probationary period. Participation is mandatory as a condition of employment, except for the Police Chief, who may opt out. Service is measured as the total number of years and completed months of continuous employment with the Village beginning on the date of employment and ending on the date of termination or retirement. No service will be credited for any periods of employment for which the participant received a refund of their employee contributions.

Basic Compensation

Basic compensation, defined as compensation actually paid to a participant, including up to 150 hours per year (300 hours per year for participants who had not reached the normal retirement date on September 21, 2015), but excluding shift differentials, bonuses and all other extraordinary pay.

NOTE 2. DESCRIPTION OF THE PLAN (Continued)

Final Average Earnings (FAE)

For those who reached their normal retirement date before September 21, 2015, average of compensation during the highest 3 years out of the last 10 years preceding the date of termination or retirement. For those who reached their normal retirement date on or after September 21, 2015, average of compensation during the highest 4 complete years.

Benefits

The Plan provides retirement, termination, death and disability benefits. The benefit provisions are established and may be amended under the authority of Village Ordinance.

➢ ***Normal Retirement***

Eligibility: A participant may retire on the first day of the month coincident with or next following the earlier of:

(1) age 57 regardless of credited service, or
(2) age 55 with 10 years of credited service, or
(3) 20 years of credited service regardless of age.

Benefit: For those who reached their normal retirement date before September 21, 2015: 3.5% of FAC times credited service. For those who reached their normal retirement date on or after September 21, 2015: 3.5% of FAC times credited service for each year before September 21, 2015, plus 3.0% for each year on or after September 21, 2015. Normal form of benefit is 10 Years certain and life thereafter and COLA is for those who reached their normal retirement date before September 21, 2015: 2.5% compounded, COLA commencing on the one-year anniversary of the retirement date and each year thereafter. For those who reached their normal retirement date on or after September 21, 2015: 1.25% compounded COLA commencing on the fifth-year anniversary of the retirement date and each year thereafter.

➢ ***Early Retirement***

Eligibility: A participant may elect to retire earlier than normal retirement eligibility upon attainment of age 50 with 10 years of credited service.

Benefit: The normal retirement benefit is reduced by 3% for each year by which the early retirement date precedes the normal retirement date. Normal form of benefit is same as for normal retirement and COLA is same as for normal retirement.

➢ ***Delayed Retirement***

Same as normal retirement taking into account compensation earned and service credited until the date of actual retirement.

NOTE 2. DESCRIPTION OF THE PLAN (Continued)

Benefits (Continued)

➢ ***Death Benefits***

Death in the line of duty eligibility: Any participant that dies as a direct result of an occurrence arising in the performance of service to the Village.

Benefit: 50% of the participant's base rate of pay in effect at the time of death payable to the designated beneficiary. Normal form of benefit is 10 years certain; minimum amount shall be equal to the deceased participant's own contributions and COLA is same as for normal retirement.

Other pre-retirement death eligibility: Any participant that dies not as a direct result of an occurrence arising in the performance of service to the Village.

Benefit: Calculated as if the participant was eligible for Early Retirement and retired immediately preceding the participant's death. Normal form of benefit is 10 years certain; minimum amount shall be equal to the deceased participant's own contributions and COLA is same as for normal retirement.

Post retirement death benefit determined by the form of benefit elected upon retirement.

➢ ***Disability Benefit***

Service-connected disability eligibility: Any participant who becomes totally and permanently disabled and unable to render useful and efficient service to the Village.

Benefit The participant becomes fully vested on the date of disability. The benefit is calculated as if the participant was eligible for Early Retirement and retired on the date of disability, but not less than 42% of average compensation on date of disability. Normal form of benefit is same as for normal retirement and COLA is same as for normal retirement.

Non-service-connected disability eligibility: Any participant who becomes totally and permanently disabled and unable to render useful and efficient service to the Village.

Benefit The participant becomes fully vested on the date of disability. The benefit is calculated as if the participant was eligible for Early Retirement and retired on the date of disability, but not less than 25% of average compensation on date of disability. Normal Form of benefit is same as for normal retirement and COLA is same as for normal retirement.

➢ ***Vested Termination***

Eligibility: A participant has earned a non-forfeitable right to Plan benefits after the completion of 1 year of credited service. Less than 1 year, refund of member contribution, with 5% interest. 1-9 years, 10% of accrued pension for each complete year of service, payable at normal retirement, or a refund of contribution. 10 years or more, 100% of accrued pension payable at normal retirement date. In addition, any participant who is eligible for early, normal or disability retirement is automatically 100% vested.

NOTE 2. DESCRIPTION OF THE PLAN (Continued)

Benefits (Continued)

- ***Vested Termination*** (Continued)

Benefit: The benefit is the member's vested portion of the accrued normal retirement benefit as of the date of termination. Benefit begins on the normal retirement date. Normal Form of benefit is same as for normal retirement and COLA is same as for normal retirement.

- ***Refunds***

Eligibility: All participants leaving covered employment are eligible. Optionally, vested participant may withdraw their contributions plus interest in lieu of the deferred benefits otherwise due.

Benefit: The participant who terminates employment receives a lump-sum payment of their employee contributions plus interest. Interest is currently credited at 5% compounded annually.

- ***Deferred Retirement Option Plan***

Eligibility: Plan members are eligible for the DROP the same time they are eligible for normal retirement. Members must make a written election to participate in the DROP.

Benefit: The member's credited service and FAC are frozen upon entry into the DROP. The monthly retirement benefit as described under normal retirement is calculated based upon the frozen credited service and FAC. Maximum DROP Period is 5 years and interest credited is upon entering the DROP and annually (calendar year basis) thereafter, the participant elects to receive earnings based upon one of the following options:

(1) the actual quarterly net investment return realized by the Plan, or
(2) 4% per annum.

- ***Cost of Living Adjustments (COLA)***

For those who reached their normal retirement date before September 21, 2015: 2.5% compounded COLA commencing on the one-year anniversary of the retirement date and each year thereafter.

For those who reached their normal retirement date on or after September 21, 2015: 1.25% compounded COLA commencing on the fifth-year anniversary of the retirement date and each year thereafter.

NOTE 2. DESCRIPTION OF THE PLAN (Continued)

Funding

All participants are required to contribute 10% of pretax earnings, which the Village pays as a pickup contribution pursuant to Internal Revenue Code (IRC) Section 414(h)(2).

Pursuant to Florida Statutes, Chapter 185, the Village imposes a 0.85% tax on casualty insurance premiums paid to insure property within its corporate limits. The proceeds of this tax are contributed to the Plan.

Pursuant to Florida law, the Village is ultimately responsible for the actuarial soundness of the Plan. Therefore, each year, the Village must contribute an amount determined by the Board in conjunction with the Plan's actuary to be sufficient, along with the employee's contribution, to fund the defined benefits under the Plan.

Rate of Return

For the year ended September 30, 2025, the annual money-weighted rate of return on Plan investments, net of Plan investment expense, was 10.11%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

NOTE 3. INVESTMENTS

The Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the Plan. The investment policy statement was last amended in November 2023. The following was the Board's adopted asset allocation policy as of September 30, 2025:

Type of Investment	Target Allocation
Domestic equities	45%-65%
International equities	5%-15%
Fixed income	10%-35%
Absolute return assets	0%-15%
Real estate	0%-15%
Cash and cash equivalents	0%-5%

During the year ended September 30, 2025 the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated in value by $3,047,911 (reported as net appreciation in fair value of investments in the accompanying statement of changes in fiduciary net position).

The term "interest rate risk" refers to the portfolio's exposure to fair value losses arising from increasing interest rates. Interest rate risk disclosures are required for all debt investments, as well as investments in mutual funds, external investment pools and other pooled investments that do not meet the definition of a 2a7-like pool.

NOTE 3. INVESTMENTS (Continued)

The Plan's investment policy does not currently set a parameter on the duration of its fixed income securities. The Plan's investments in government securities and corporate bonds had maturities as follows:

Investment Type	Fair Value	Less than 1	1 to 5	6 to 10	More than 10
U.S. Treasury securities	$ 4,906,505	$ 1,400,849	$ 2,626,434	$ 879,222	$ -
U.S. Agency securities	2,780,784	-	-	-	2,780,784
Corporate bonds	3,329,422	150,211	1,790,747	1,388,464	-
Totals	$ 11,016,711	$ 1,551,060	$ 4,417,181	$ 2,267,686	$ 2,780,784

The term "credit risk" is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The Plan limits its credit risk by limiting its investments in fixed income securities to U.S. Government and agency securities or corporate bonds which meet or exceed a credit rating of "BBB" or higher. The Plan's fixed income securities were rated as follows:

Rating	Fair Value
AA+	$ 7,687,289
A+	524,424
A	442,186
A-	753,708
BBB+	673,331
BBB	800,641
BBB-	135,132
Total	$ 11,016,711

"Concentration of credit risk" is the risk of losses that may occur from having a large portion of the Plan's holding in a particular investment relative to the overall portfolio. GASB Statement 40 and GASB Statement 67, require disclosure of investments (other than those issued or guaranteed by the U.S. Government) in any one organization that represent 5% or more of total investments or fiduciary net position. As of September 30, 2025, investment in the following mutual fund represented more than 5% of the Plan's net position: Vanguard Russell 1000 Growth (23.6%).

"Custodial risk" is the risk that, in the event of the failure of a counterparty, the Plan will not be able to recover the value of its investments or collateral securities in possession of an outside party. To avoid this risk, the Plan registers all securities in its own name.

NOTE 3. INVESTMENTS (Continued)

"Foreign currency risk" is the risk that fluctuations in currency exchange rate may affect transactions conducted in currencies other than U.S. Dollars as well as the carrying value of foreign investments. The Plan's potential exposure to foreign currency risk would be derived mainly from investments in international equity funds. The Plan is invested with international equity managers that hold investments in individual securities of foreign companies through American Depository Receipts (ADRs) or other dollar denominated securities. The Plan's domestic equity managers also take small positions in foreign companies through ADRs. The investment policy limits the foreign investments to no more than 15% of the Plan's investment balance. As of September 30, 2025, there were 12.95% of foreign investments.

NOTE 4. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statement of fiduciary net position held in trust for Plan benefits.

Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE 5. FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market as follows:

Level 1- Inputs to the valuation methodology are based upon quoted prices for identical assets in active markets.

Level 2- Inputs to the valuation methodology are based upon observable inputs for the assets either directly or indirectly, other than those considered Level 1 inputs, which may include quoted prices for identical assets in markets that are not considered to be active, and quoted prices of similar assets in active or inactive markets.

Level 3- Inputs to the valuation methodology are based upon unobservable inputs.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

NOTE 5. FAIR VALUE MEASUREMENTS (Continued)

The following is a description of the valuation methodologies used for investments measured at fair value.

Common stocks: Valued at the closing price reported on the New York Stock Exchange.

Mutual funds: Valued at the daily closing price as reported by the Plan. Mutual funds held by the Plan are open-ended mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Government securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

Corporate bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing the value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yield of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote, if available.

The Plan has investments in alternative asset classes which consists of a real estate fund which does not have readily available market quotations. This investment is measured at net asset value based on its proportionate share of the value of the investments as determined by the fund managers and is valued according to methodologies which include pricing models, discounted cash flow models and similar techniques.

Money market funds are valued at the floating net asset value of shares held by the Plan at year end.

NOTE 5. FAIR VALUE MEASUREMENTS (Continued)

The following table presents the Plan's fair value hierarchy for investments at fair value as of September 30, 2025:

		Fair Value Measurements Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Equity securities:				
Common stocks	$ 11,764,533	$ 11,764,533	$ -	$ -
International equities	5,095,837	5,095,837	-	-
Mutual fund	9,419,145	9,419,145	-	-
Total equity securities	26,279,515	26,279,515	-	-
Debt securities:				
U.S. Treasury securities	4,906,505	4,906,505	-	-
U.S. Agency securities	2,780,784	-	2,780,784	-
Corporate bonds	3,329,422	-	3,329,422	-
Total debt securities	11,016,711	4,906,505	6,110,206	-
Total investments by fair value level	37,296,226	$ 31,186,020	$ 6,110,206	$ -
Investments measured at the net asset value (NAV) [(a)]				
Real estate fund	1,507,559			
Total investments measured at the NAV	1,507,559			
Money market funds (exempt)	552,043			
Total investments	$ 39,355,828			

(a) As required by GAAP, certain investments have not been classified in the fair value hierarchy. The fair value amounts presented in the table above were intended to permit reconciliation of the fair value hierarchy to the total investment line item in the statement of fiduciary net position.

NOTE 5. FAIR VALUE MEASUREMENTS (Continued)

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient, including their related unfunded commitments and redemption restrictions.

Investments Measured at the NAV	Fair Value	Unfunded Commitment	Redemption Frequency	Redemption Notice Period
Real estate fund [1]	$ 1,507,559	$ -	Quarterly	60 Days
Investments measured at the NAV	$ 1,507,559	$ -		

(1) Real estate fund: The fund is open-end, commingled private equity real estate portfolios. These funds are structured as limited partnerships. Their primary focus is to invest in well-based income producing properties within major U.S. markets. The investments are valued at NAV and redemption requests must be received by the fund 60 days prior to quarter end.

NOTE 6. NET PENSION LIABILITY

The components of the net pension liability as of September 30, 2025 were as follows:

Total pension liability	$ 39,685,111
Plan fiduciary net position	39,454,858
Net pension liability	$ 230,253
Plan fiduciary net position as a percentage of the total pension liability	99.42%

The total pension liability was determined by an actuarial valuation as of October 1, 2024, and rolled forward to the measurement date of September 30, 2025, using the following most significant actuarial assumptions, 6.50% for the investment rate of return, 4.50% to 15% for projected salary increases and 2.50% for inflation.

Sex distinct PUB-2010 Headcount Weighted Below Median Safety Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Employee Safety Female Table (pre-retirement), the PUB-2010 Headcount Weighted Below Median Healthy Safety Retiree Male Table (postretirement) and the PUB-2010 Healthy Safety Retiree Female Table (postretirement). Rates are generationally projected from 2010 using improvement scale MP 2018. These are the same rates as used by the Florida Retirement System (FRS) in their actuarial valuation as of July 1, 2023 for Special Risk Class members.

For disabled retirees, the mortality tables used were 80% of the PUB-2010 Headcount Weighted General Disabled Retiree Male Table and 20% of the Headcount Weighted Safety Disabled Retiree Male Table, and 80% of the PUB-2010 Headcount Weighted General Disabled Retiree Female Table and 20% Headcount Weighted Safety Disabled Retiree Female Table, both with no provision being made for future mortality improvements. These tables were adopted following an experience study published in 2019 covering the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on Plan investments was determined using the best estimate of ranges of expected future real rates of return (expected returns, net of Plan investment expense and inflation), and are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

NOTE 6. NET PENSION LIABILITY (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2025 are summarized in the following table:

Asset Class	Long-term expected real rate of return
Domestic equity	6.97%
International equities	5.68%
Real estate	4.70%
Fixed income	1.40%
Cash equivalents	0.60%

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that Plan participant contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the participant rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan participants. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The sensitivity of the net pension liability to changes in the discount rate was measured as follows. The net pension liability of the Plan was calculated using the discount rate of 6.50%. It was also calculated using a discount rate that was 1-percentage-point lower (5.50%) and 1-percentage-point higher (7.50%) and the different computations were compared.

	1% decrease (5.50%)	Current discount rate (6.50%)	1% increase (7.50%)
Net pension liability (asset)	$ 4,746,449	$ 230,253	$ (3,524,326)

NOTE 7. INCOME TAXES

The Plan is exempt from federal income taxes under the IRC and, accordingly, no provision for federal income taxes has been made.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by a taxing authority. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

NOTE 8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 2, 2026, the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

YEAR ENDED SEPTEMBER 30, 2025

BAL HARBOUR VILLAGE POLICE OFFICERS' PENSION PLAN

SCHEDULE OF ADMINISTRATIVE EXPENSES

YEAR ENDED SEPTEMBER 30, 2025
(WITH COMPARATIVE TOTALS FOR YEAR ENDED SEPTEMBER 30, 2024)

	2025	2024
ADMINISTRATIVE EXPENSES:		
Actuarial	$ 25,600	$ 26,784
Administrative fees	21,600	23,270
Accounting	29,500	30,000
Insurance	4,757	4,790
Legal	22,000	26,000
Conferences	3,575	-
TOTAL ADMINISTRATIVE EXPENSES	$ 107,032	$ 110,844

The accompanying independent auditor's report should be read with this supplementary schedule.

REQUIRED SUPPLEMENTARY INFORMATION

YEAR ENDED SEPTEMBER 30, 2025

BAL HARBOUR VILLAGE POLICE OFFICERS' PENSION PLAN

SCHEDULES OF CONTRIBUTIONS FROM EMPLOYER AND OTHER CONTRIBUTORS
(UNAUDITED)

	2025	2024	2023	2022	2021
Actuarially determined employer contribution	$ 1,490,266	$ 1,380,084	$ 1,322,134	$ 1,591,232	$ 1,616,888
Actual employer and state contribution	1,517,767	1,394,494	1,322,134	1,656,809	1,614,513
Annual contribution deficiency (excess)	$ (27,501)	$ (14,410)	$ -	$ (65,577)	$ 2,375
Covered-employee payroll	$ 1,532,433	$ 1,521,103	$ 1,775,415	$ 2,071,335	$ 2,161,913
Actual contributions as a percentage of covered-employee payroll	99.04%	91.68%	74.47%	79.99%	74.68%

	2020	2019	2018	2017	2016
Actuarially determined employer contribution	$ 1,484,107	$ 1,489,108	$ 1,388,921	$ 1,340,039	$ 1,231,003
Actual employer and state contribution	1,496,714	1,501,157	1,388,921	1,090,340	1,460,365
Annual contribution deficiency (excess)	$ (12,607)	$ (12,049)	$ -	$ 249,699	$ (229,362)
Covered-employee payroll	$ 2,096,536	$ 2,040,801	$ 1,979,108	$ 2,090,649	$ 2,077,194
Actual contributions as a percentage of covered-employee payroll	71.39%	73.56%	70.18%	52.15%	70.30%

Notes to Schedules of Contributions from Employer and Other Contributors

Actuarial cost method	Entry Age Normal
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	20 Years
Asset Valuation Method	5-year smoothed market
Inflation	2.50%
Salary increases	4.5% to 15% depending on service, including inflation
Investment rate of return	6.75%
Mortality	Sex distinct PUB-2010 Headcount Weighted Below Median Safety Employee Male Table (pre-retirement), the PUB-2010 Headcount Weighted Employee Safety Female Table (pre-retirement), the PUB-2010 Headcount Weighted Below Median Healthy Safety Retiree Male Table (post-retirement) and the PUB-2010 Healthy Safety Retiree Female Table (post-retirement). Rates are generationally projected from 2010 using improvement scale MP 2018. These are the same rates as used by the Florida Retirement System (FRS) in their actuarial valuation as of July 1, 2023 for Special Risk Class members.

The accompanying independent auditor's report should be read with this required supplementary schedule.

BAL HARBOUR VILLAGE POLICE OFFICERS' PENSION PLAN

SCHEDULE OF INVESTMENT RETURNS
(UNAUDITED)

Year Ended September 30,	Annual money - weighted rate of return net of investment expense
2025	10.11%
2024	21.02%
2023	10.59%
2022	(8.85%)
2021	14.73%
2020	11.58%
2019	5.76%
2018	12.55%
2017	9.99%
2016	7.65%

The accompanying independent auditor's report should be read with this required supplementary schedule.

BAL HARBOUR VILLAGE POLICE OFFICERS' PENSION PLAN

SCHEDULES OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS (UNAUDITED)

	2025	2024	2023	2022	2021
TOTAL PENSION LIABILITY:					
Service cost	$ 292,479	$ 387,212	$ 433,577	$ 576,273	$ 714,032
Interest	2,490,612	2,452,033	2,373,566	2,312,493	2,279,678
Benefit Changes	-	-	-	-	143,457
Difference between actual and expected experience	450,708	314,490	304,282	(39,233)	(157,031)
Assumption changes	1,002,948	951,954	-	-	589,671
Benefit payments	(2,314,215)	(1,969,877)	(1,918,330)	(1,750,406)	(1,643,202)
NET CHANGE IN TOTAL PENSION LIABILITY	1,922,532	2,135,812	1,192,095	1,099,127	1,926,605
TOTAL PENSION LIABILITY - BEGINNING	37,762,579	35,626,767	34,433,672	33,334,545	31,407,940
TOTAL PENSION LIABILITY - ENDING	$ 39,685,111	$ 37,762,579	$ 35,626,767	$ 34,433,672	$ 33,334,545
PLAN FIDUCIARY NET POSITION:					
Contributions - town	$ 1,409,333	$ 1,299,340	$ 1,235,738	$ 1,517,945	$ 1,546,824
Contributions - state	108,434	96,154	86,396	138,864	67,689
Contributions - member	153,243	152,111	177,542	207,133	216,191
Net investment income (loss)	3,807,823	6,426,363	2,981,280	(2,770,068)	4,064,363
Benefit payments	(2,314,215)	(1,969,877)	(1,918,330)	(1,750,406)	(1,643,202)
Administrative expenses	(256,225)	(110,844)	(103,144)	(122,997)	(110,388)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	2,908,393	5,892,247	2,459,482	(2,779,529)	4,141,477
PLAN FIDUCIARY NET POSITION - BEGINNING	36,546,465	30,654,218	28,194,736	30,974,265	26,832,788
PLAN FIDUCIARY NET POSITION - ENDING	39,454,858	36,546,465	30,654,218	28,194,736	30,974,265
NET PENSION LIABILITY - ENDING	$ 230,253	$ 1,216,114	$ 4,972,549	$ 6,238,936	$ 2,360,280
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY	99.42%	96.78%	86.04%	81.88%	92.92%
COVERED EMPLOYEE PAYROLL	$ 1,532,433	$ 1,521,103	$ 1,775,415	$ 2,071,335	$ 2,161,913
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	15.03%	79.95%	280.08%	301.20%	109.18%

BAL HARBOUR VILLAGE POLICE OFFICERS' PENSION PLAN

SCHEDULES OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

(Continued)

	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY:					
Service cost	$ 667,911	$ 592,730	$ 613,120	$ 627,129	$ 553,182
Interest	2,246,668	2,210,418	2,097,099	2,041,709	1,860,042
Change in excess state money	-	-	-	-	(20,337)
Difference between actual and expected experience	55,771	(597,774)	864,085	71,973	474,826
Assumption changes	(47,199)	818,183	801,021	-	935,656
Benefit payments	(1,647,433)	(1,681,923)	(2,402,714)	(1,666,151)	(1,587,483)
Other	25,667	(9,660)	-	-	-
NET CHANGE IN TOTAL PENSION LIABILITY	1,301,385	1,331,974	1,972,611	1,074,660	2,215,886
TOTAL PENSION LIABILITY - BEGINNING	30,106,555	28,774,581	26,801,970	25,727,310	23,511,424
TOTAL PENSION LIABILITY - ENDING	$ 31,407,940	$ 30,106,555	$ 28,774,581	$ 26,801,970	$ 25,727,310
PLAN FIDUCIARY NET POSITION:					
Contributions - town	$ 1,429,097	$ 1,440,569	$ 1,283,722	$ 1,090,340	$ 1,412,053
Contributions - state	67,617	60,588	105,199	-	48,312
Contributions - member	209,654	204,080	197,911	209,065	207,719
Net investment income	2,858,469	1,355,299	2,655,694	1,967,324	1,378,398
Benefit payments	(1,647,433)	(1,681,923)	(2,402,714)	(1,666,151)	(1,587,483)
Administrative expenses	(97,786)	(86,303)	(76,694)	(82,083)	(86,139)
NET CHANGE IN PLAN FIDUCIARY NET POSITION	2,819,618	1,292,310	1,763,118	1,518,495	1,372,860
PLAN FIDUCIARY NET POSITION - BEGINNING	24,013,170	22,720,860	20,957,742	19,439,247	18,066,387
PLAN FIDUCIARY NET POSITION - ENDING	26,832,788	24,013,170	22,720,860	20,957,742	19,439,247
NET PENSION LIABILITY - ENDING	$ 4,575,152	$ 6,093,385	$ 6,053,721	$ 5,844,228	$ 6,288,063
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF TOTAL PENSION LIABILITY	85.43%	79.76%	78.96%	78.19%	75.56%
COVERED EMPLOYEE PAYROLL	$ 2,096,536	$ 2,040,801	$ 1,979,108	$ 2,090,649	$ 2,077,194
NET PENSION LIABILITY AS A PERCENTAGE OF COVERED EMPLOYEE PAYROLL	218.22%	298.58%	305.88%	279.54%	302.72%

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The accompanying independent auditor's report should be read with this required supplementary schedule.

COMPLIANCE REPORT

SEPTEMBER 30, 2025

KSDT

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees of the
Bal Harbour Village Police Officers' Pension Plan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Bal Harbour Village Police Officers' Pension Plan, as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Bal Harbour Village Police Officers' Pension Plan's basic financial statements, and have issued our report thereon dated February 2, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bal Harbour Village Police Officers' Pension Plan's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bal Harbour Village Police Officers' Pension Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bal Harbour Village Police Officers' Pension Plan's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Plan's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bal Harbour Village Police Officers' Pension Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KSDT CPA LLP

Boca Raton, Florida
February 2, 2026

BAL HARBOUR VILLAGE POLICE OFFICERS' PENSION PLAN AND TRUST

STATEMENT OF POLICY REGARDING THE DEFERRED RETIREMENT OPTION PLAN

WHEREAS, the Board of Trustees ("Board") of the Bal Harbour Village Police Officers' Pension plan and Trust ("Plan") has an interest in ensuring the integrity of the Plan;

WHEREAS, the Code of Bal Harbour Village, under Chapter 13, Article 2, Section 13-48(i) vests control of the operation of the Plan in the Board;

WHEREAS, Section 13-48(i)(7) provides the Board with authority "to establish uniform rules and regulations for the administration of the Plan and Fund created and for the transaction of its business."

WHEREAS, Section 13-53 provides for a Deferred Retirement Option Plan ("DROP"), which vests the Board with development of "such other terms and conditions as the Retirement Board deems necessary and appropriate for proper administration of the DROP."

Administrative Policy

A. DROP ENTRY

1. Upon eligibility for normal retirement, a participant may make a written election to enter the Deferred Retirement Option Plan ("DROP"). The participant electing to participate in the DROP must complete and execute the proper forms supplied by the Plan Administrator in a time and manner determined by the Board.
2. An employee's participation in DROP shall not exceed five (5) years.
3. As a condition of participation in the DROP, employees agree to tender an irrevocable resignation. The resignation shall take effect not more than sixty (60) months after commencement of DROP participation.
4. Within 30 days of entry into the DROP, the member shall make a written election regarding earnings credited to the member's DROP account. The member may either elect the actual net investment return (determined quarterly) realized by the Plan or elect four (4) percent per annum.
5. Thereafter, before December 1st of each year, the member shall make an irrevocable investment election for the following calendar between the actual net investment return or four percent per annum.
6. If the participant fails to submit a written investment election prior to December 1st of each year, the default investment election for the participant's DROP account will be four percent per annum.
7. For the avoidance of doubt, a new DROP participant may make two elections in any given calendar year. For example, if a member enters the DROP effective January 1st, the member must elect an earnings option within 30 days of entry, and may change their earnings option for the following year by electing as such by December 1st.

B. DROP EXIT

1. Upon termination and within ninety (90) days after the end of any calendar quarter following the termination of a member's employment, the balance of the member's DROP account shall be payable to the member in a lump sum, either by direct distribution, subject to tax withholding or a rollover distribution paid directly to another qualified retirement plan.
    i. Within ninety (90) days, the participant must make the distribution election by completing and executing the proper forms supplied by the Plan Administrator in a time and manner determined by the Board.
2. In the event that a participant fails to make a written election with the Plan Administrator within ninety (90) days of termination, the Board will consider that the participant consented to a direct cash distribution subject to 20% withholding and have knowingly waived the opportunity to roll over their DROP account to another qualified retirement plan.

The Board reserves the right to amend this Administrative Policy from time to time as it deems appropriate. The Board shall retain the right to exercise its discretion in interpreting this rule and in resolving any disputes that may arise hereunder. Nothing in this Administrative Rule creates a contractual or substantive right for benefits from the Plan.

This Administrative Policy was adopted by the Board of Trustees at a public meeting, on ________________________, 2026.

____
Chair

____
Secretary

Requests for Payment - Warrant #134

Requests for Payment:	Description	Amount
Legal Fees		
Klausner, Kaufman, Et al.	Retainer: Nov. 2025 - January 2026	
Invoice #39528	Dated: December 31, 2025	$ 6,000.00
Investment Manager Fees		
BlackRock	For Quarter ending: 3/31/2026	
Invoice #2025-1231-9371-205613-A	Dated: January 8, 2026	$ 2,907.87
Custodial Fees		
U.S. Bank	For Custody Services 10012025-12312025	
Invoice# 15110712	Dated: 1/22/2026	$ 2,146.62
Actuary Fees		
Gabriel Roeder Smith & Co.	For Actuarial Services	
Invoice # 498800	Dated: 1/7/2026	$ 16,616.00
Pension Administration		
Pension Consultants of Florida	For services Oct 1, 2025 to 12/31/2025	
Invoice # 2511, 2512, 2601	Dated: 02/02/2026	$ 6,000.00
Total		$ 33,670.49