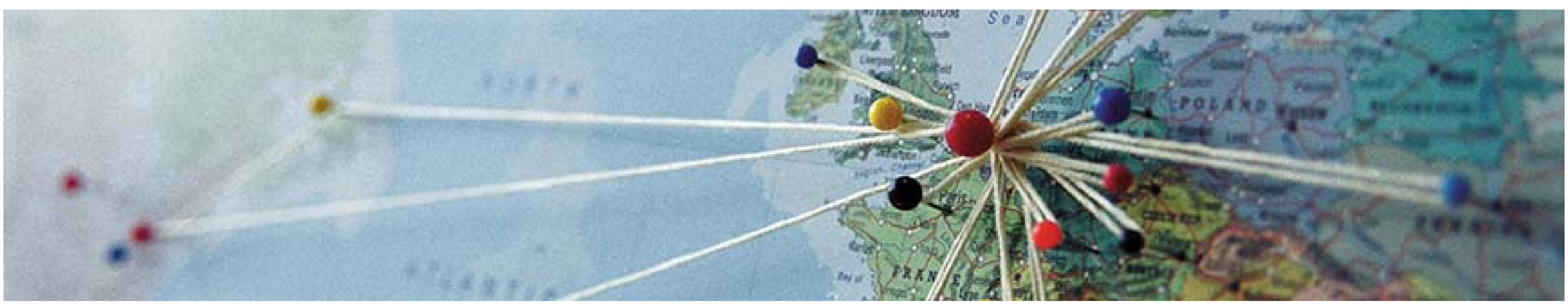
Morgan Stanley

INVESTMENT MANAGEMENT

City of Fort Pierce Retirement and Benefit System

November 17, 2016

1398305.EXP.1/31/2017



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Morgan Stanley

INVESTMENT MANAGEMENT

SECTION 1

International Equity Investment Summary

The information presented represents how the portfolio management team generally applies their investment processes under normal market conditions.

Pooled International Equity Trust Portfolio

Data as of September 30, 2016

Original Investment (September 1, 1991)	$ 2,767,286.72
+ Contributions	3,295,000.00
-Withdrawals	(14,881,563.00)
- Investment Management Fees	(2,261,781.51)
+ Interest Income	265,.694.60
+ Dividend Income	6,640,190.07
+ Realized Gain/(Loss)	12,598,901.83
- Other Expenses	(14,397.64)
+/- Market Appreciation/(Depreciation)	5,066,160.17
Market Value	$11,912,994.60[1]

1. State Street custodial accounting information reflects time period beginning January 1993. Data not available for client inception of September 1, 1991. Fund Accounting Systems changed effective August 1, 2001. All cumulative numbers past July 31, 2001 should be considered estimates. Our figures represent investments in the Morgan Stanley Investment Management International Equity Trust.

Morgan Stanley

INVESTMENT MANAGEMENT

SECTION 2

Team and Process Review

The information presented represents how the portfolio management team generally applies their investment processes under normal market conditions.

2016 Marks an Important Milestone for Our Team's Strategies

INTERNATIONAL EQUITY STRATEGY

Inception Date:
September 30, 1986

- Excess return since inception:
  Gross Excess Return: 5.33% (1)
  Net Excess Return: 4.39% (1)

GLOBAL FRANCHISE STRATEGY

Inception date:
March 31, 1996

- Excess return since inception:
  Gross Excess Return: 8.03% (1)
  Net Excess Return: 7.30% (1)

GLOBAL QUALITY STRATEGY

Inception date:
June 30, 2013

- Excess return since inception:
  Gross Excess Return: 1.83% (1)
  Net Excess Return: 1.30% (1)

1. Data as of September 30, 2016 for the International Equity, Global Franchise and Global Quality Composite Strategy accounts. The composite excess results shown are ANNUALIZED, GROSS and NET of investment advisory fees and are quoted in USD. This data is supplemented by the Global Franchise, International Equity and Global Quality Composite GIPS® disclosure featured in the Appendix. The International Equity, Global Franchise and Global Quality strategies presented are managed by the same portfolio management team, the strategies have fundamental differences and past performance of one is not necessarily indicative of the performance (past or future) of the other. The Global Franchise and Global Quality Composite performance returns are compared to those of the MSCI World Index with Net dividends reinvested, the International Strategy Composite is compared to those of the MSCI EAFE Index with Net dividends reinvested. These indices are unmanaged market indices and are considered to be a relevant comparison to the portfolios. The indices do not include any expenses, fees or sales charges. Comparisons of performance assume the reinvestment of all dividends and income. It is not possible to invest directly in an index. **Past performance is not a guarantee of future performance.** For illustrative purposes only.

Investment Philosophy

WE BELIEVE

- The best route to attractive long-term returns is through compounding and capital preservation
- Superior companies may generate attractive returns over the long-term
- Valuation is important; we look to buy companies at a discount to their long-term intrinsic value

OUR GOAL (1)

- To outperform the MSCI EAFE Index over a full market cycle while providing:
  - Attractive absolute returns in rising markets
  - A measure of downside protection in challenging markets

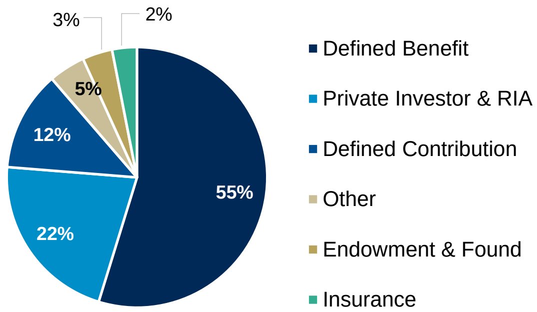
Source: Morgan Stanley Investment Management

1. This goal is a target only and no guarantee is made that it will be achieved. A full market cycle is generally 3 – 5 years. MSCI EAFE Index is a reporting benchmark. It is not possible to invest directly in any Index. There is no assurance that a portfolio will achieve its investment objective or an investment strategy will work under all market conditions.

International Equity – Our Clients

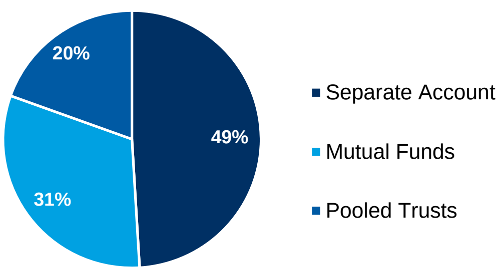
INTERNATIONAL EQUITY AUM: $14.0BN [1]

By Plan Type



Other includes Bank Trust, Broker Dealer, Corporate Assets, Insurance, Government Agency and Investment Managers

By Vehicle



We Are Fortunate to Have Long-term Relationships:

88% of our 47 Pooled Trust clients have been with us for **more than 10 years**

- This includes 5 since 1990 and 3 since 1989

Our Clients Are Among the Largest U.S. Retirement Funds [2]

We manage money for:

- **Five** of the **Top Fifty Largest Retirement Funds**
- **Fourteen** clients rank in the **Top 200 Largest Retirement Funds**
- **Three** of the **Top Ten Largest Corporate Funds**
- **Three** of the **Top Ten Largest Defined Contribution Plans**

Consultants Believe Our Strategy Helps Meet Their Clients' Needs

We manage over **$9Bn** in assets where **investment consultants are involved,** including investment consultant retirement plans

Source: MSIM, Pension and Investments
Data as September 30, 2016
1. The assets under management figure include assets managed globally under this strategy within a number of separate products, jurisdictions and mandates.
2. Pensions and Investments Top 1,000 Largest Retirement Funds, February 2016. Retirement Fund rankings based on total assets as of September 30, 2015.

International Equity Team

- Boutique within Morgan Stanley Investment Management
- Incentives aligned with those of our clients
- Access to and long-term relationships with company managements

ASSETS UNDER MANAGEMENT[5]:

International Equity
$14.0 billion

Global Franchise
$13.6 billion

Global Quality
$7.2 billion

Total: $34.8 billion

PORTFOLIO MANAGEMENT TEAM[1]

William Lock - Head
Managing Director
(24/22 years)

Christian Derold
Managing Director
(24/10 years)

Bruno Paulson[2]
Managing Director
(22/7 years)

Dirk Hoffmann-Becking[3]
Executive Director
(18/3 years)

Nic Sochovsky
Executive Director
(18/1 year)

Vladimir Demine
Executive Director
(14/7 years)

Marcus Watson
Vice President
(8/8 years)

Alex Gabriele
Vice President
(7/4 years)

Richard Perrott
Vice President
(10/1 year)

PORTFOLIO SPECIALIST TEAM[4]

INTERNATIONAL EQUITY

Cathy Colecchi
Managing Director
(33/33 years)

Jill Ytuarte
Executive Director
(18/12 years)

Sean McDermott
Vice President
(12/4 years)

GLOBAL FRANCHISE & GLOBAL QUALITY

Laura Bottega
Managing Director
(18/10 years)

Jill Ytuarte
Executive Director
(18/12 years)

Alistair Corden-Lloyd
Executive Director
(24/19 years)

Munenori Yoshimi
Executive Director
(22/17 years)

Monica Carta
Vice President
(14/14 years)

Anna Baron
Vice President
(26/15 years)

1. Data as of October 3, 2016. Years of investment experience / years on International Equity Team.
2. Years of investment experience (7 years as a consultant, 15 years in financial services)/years on International Equity Team.
3. Years of investment experience (5 years as a consultant, 13 years in financial services)/years on International Equity Team.
4. As of October 3, 2016. Years of industry experience / years with the Firm.
5. AUM as of September 30, 2016. Figures quoted in USD. The assets under management figures include assets managed globally under this strategy within a number of separate products, jurisdictions and mandates.

Team members may change from time to time.

Primary Research Responsibilities

William Lock	Christian Derold	Bruno Paulson	Vladimir Demine	Dirk Hoffmann-Becking	Nic Sochovsky	Marcus Watson	Alex Gabriele	Richard Perrott
Consumer Staples	Industrials / Materials	Financials	Consumer Staples	Financials	Consumer Staples	Health Care	Media and Telecoms	Specialty Financials
Media and Telecoms	Autos	Technology	Retailing & Luxury	Building Materials	Energy	Other Discretionary	Technology	Technology
		Health Care		Travel & Leisure			Other Discretionary	Industrials

External Resources	Internal Resources
Valuation Screens Sell-Side Analysts Industry Consultants	Trading Global Fixed Income Morgan Stanley Offices

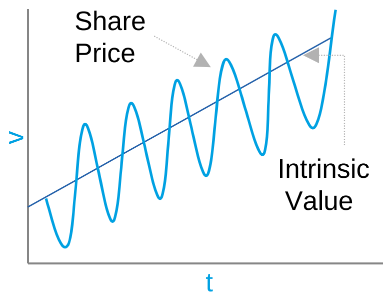
- Generalist stock pickers with sector responsibilities
- High degree of cross coverage and overlapping responsibility

The primary research responsibilities may change from time to time, without prior notice.

How We Categorize Businesses

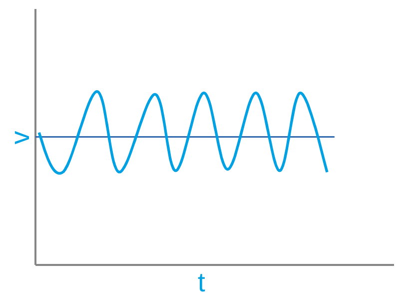
- Ideally buy “Compounders” at a discount to intrinsic value but true “Compounders” are scarce and rarely cheap
- “Cash Cows” at discount to intrinsic value are next best
- Avoid “Value Traps” or “Cash Cows” transitioning to “Value Traps”
- In reality, most companies contain a mix of all three. It is important to identify the hand of cards correctly

Compounder



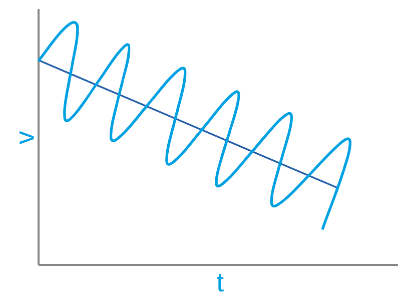
- High unlevered returns on operating capital, opportunities to grow capital base at high returns
- High barriers to entry, preferably intangible assets
- Strong market structure, few competitors
- Disciplined use of free cash flow

Cyclical “Cash Cow”



- Returns on capital close to cost of capital, regulated returns or high degree of cyclicality
- Mature business, few new investment opportunities
- Competitive market structures

Value Trap



- Low and structurally declining returns on capital
- High capital intensity, high fixed cost base
- Many competitors, new entrants
- Technology or IP risk, product obsolescence

v = Intrinsic Value   t = Time

For illustrative purposes only. There is no guarantee any security within each category will perform as outlined above.

Investment Process: A Disciplined Bottom-Up Approach

1 QUANTITATIVE SCREENS	**Initial Liquidity, Valuation and Quality Metrics** • Is free float > $2Bn? • Is stock attractively priced on absolute basis and relative to global peers? • Does stock possess desirable economic characteristics?	**(~ 1000 stocks)**
2 KICKING THE TYRES	**Assess Franchise, Financial Strength and Management** • Look for attractive market shares and effective barriers to entry • Are Returns on Operating Capital Employed improving, stable or fading? • How does management allocate capital? How are management paid?	**(~ 300 – 400 stocks)**
3 ASSESS FAIR VALUE	**Determine Long-Term Fair Value** • Focus on free cash flow, not accounting numbers • Why may the market be wrong? • Is there a catalyst to realize value?	
4 PORTFOLIO CONSTRUCTION & MAINTENANCE	**Meet Weekly to Review Portfolio & Stock Candidates** • Does new idea offer better risk / reward tradeoff? • Stock weighting influenced by level of conviction, risk / reward tradeoff, liquidity • Continuous re-evaluation and maintenance research • No prescribed industry or country limits; 5% max in any one security	**(~ 55 – 85 stocks)**

The information presented represents how the portfolio management team applies their investment process under normal market conditions.

Risk Management: We Worry About Permanent Loss of Capital

- We believe we are fallible and stress-test our assumptions about individual stocks accordingly
- We believe that cap-weighted benchmarks are inherently risky
- We worry about quality and price while indices do not
- We do not care about tracking error!

RISKS WE WORRY ABOUT

Company Risk
- Understand the specific risks facing the company we are buying
- Look for resilient franchises
- Understand motivations of management

Valuation Risk
- Aim to avoid overpaying by emphasizing free cash-flow yields vs. local bond yields

Financial Risk
- Prefer strong balance sheets with the ability to cover interest and other fixed charges

Portfolio Risk
- Seek to maintain broad diversification by country, sector and number of holdings

RISKS WE DON'T

- **Tracking error**
- **Missing out on latest investment trend**
- **Short-term macro noise**

The views and opinions expressed herein are those of the portfolio management team as of the date of the presentation.

Historically Attractive Risk Return Profile

Long-term investment record:

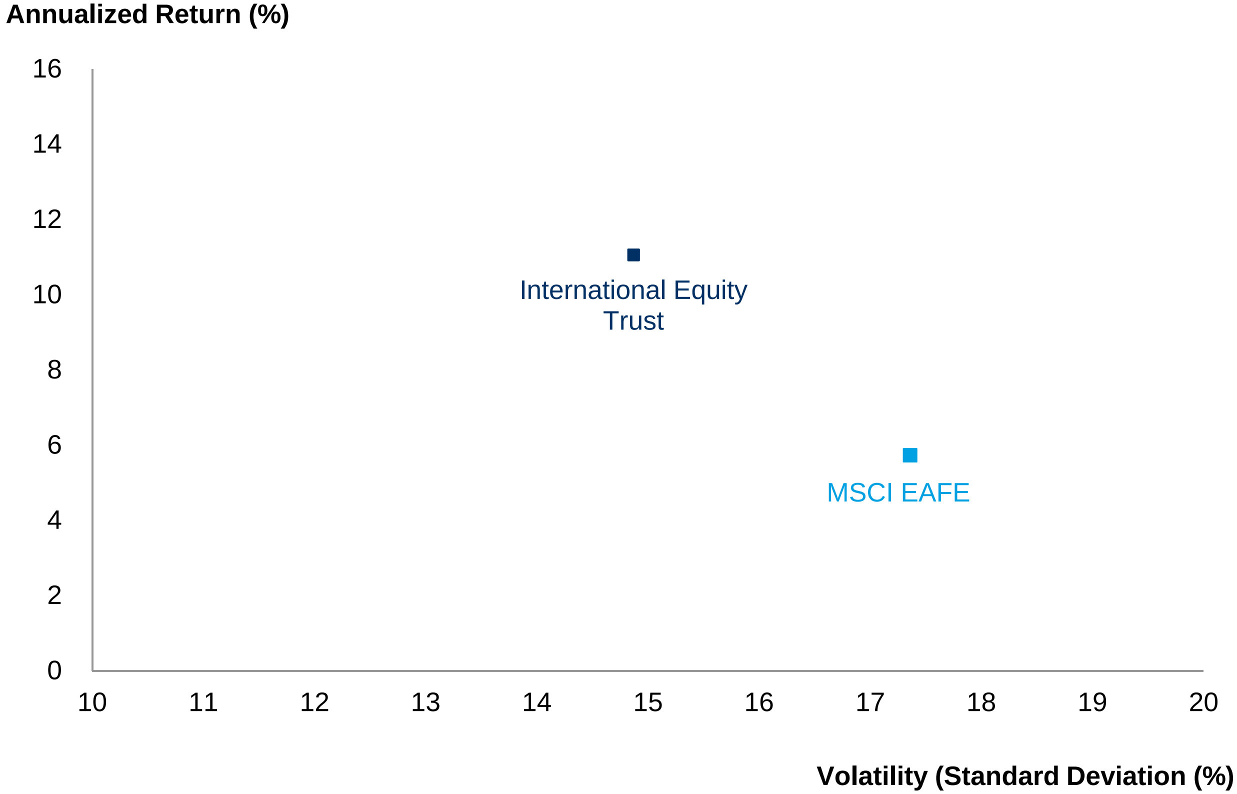
- International Equity, 30 Years

Performance History:

- Attractive upside capture
- Strong downside protection
- Lower volatility

Volatility vs. Return - Since Inception to September 30, 2016 [1] - USD

The Inception Date of the International Equity Trust Is September 30, 1986



Source: Morgan Stanley Investment Management

1. Chart data is shown from September 30, 1986 to September 30, 2016 and includes the comparison index MSCI EAFE Index. Data updated quarterly. **Past performance is no guarantee of future results.** Performance returns reflect the average annual rates of return. Returns are shown GROSS of investment advisory/management fees, are quoted in USD and include the reinvestment of dividends and income. Had fees been included, returns would have been lower. Each portfolio may differ due to specific investment restrictions and guidelines. Individual results will vary.

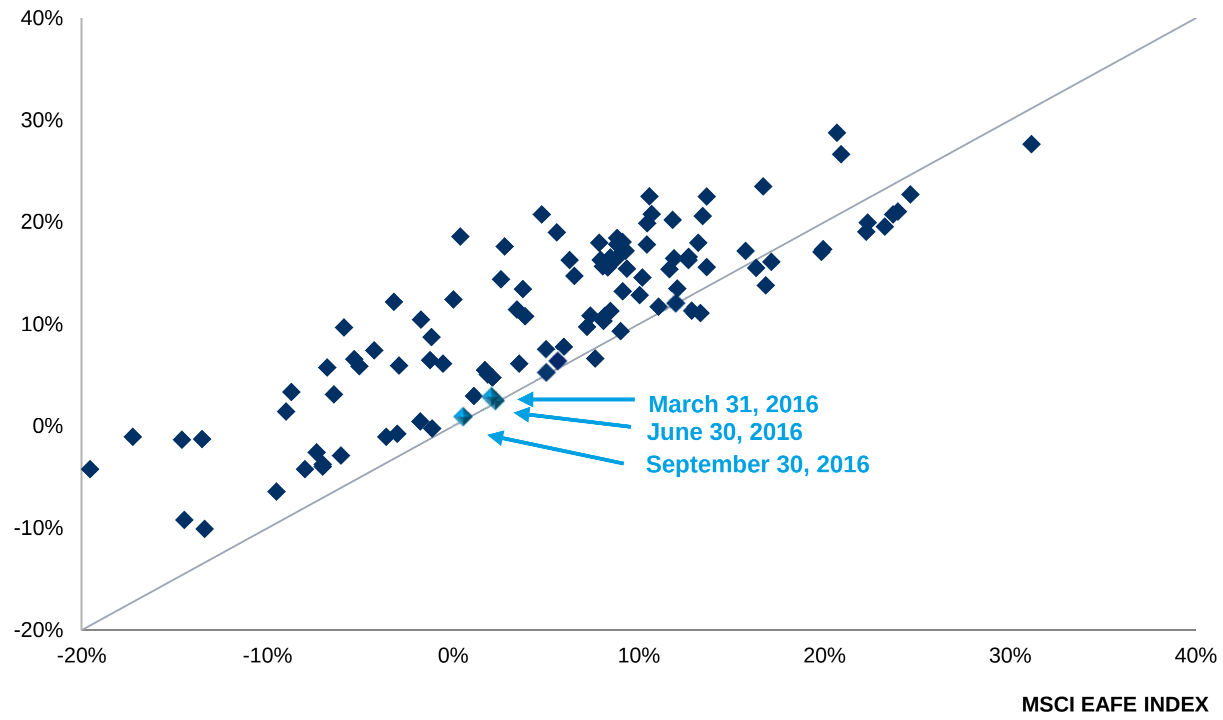
Asymmetric Return Profile

This strategy has exhibited:

- Asymmetrical performance
- Strong capital preservation characteristics
- Strongest outperformance in down periods
- Weakest relative performance in concentrated, momentum-driven "up" markets

Rolling 3 Year Periods Since Inception Through September 30, 2016 – Quarterly Data-USD

The inception date of the International Equity Trust Is September 30, 1986

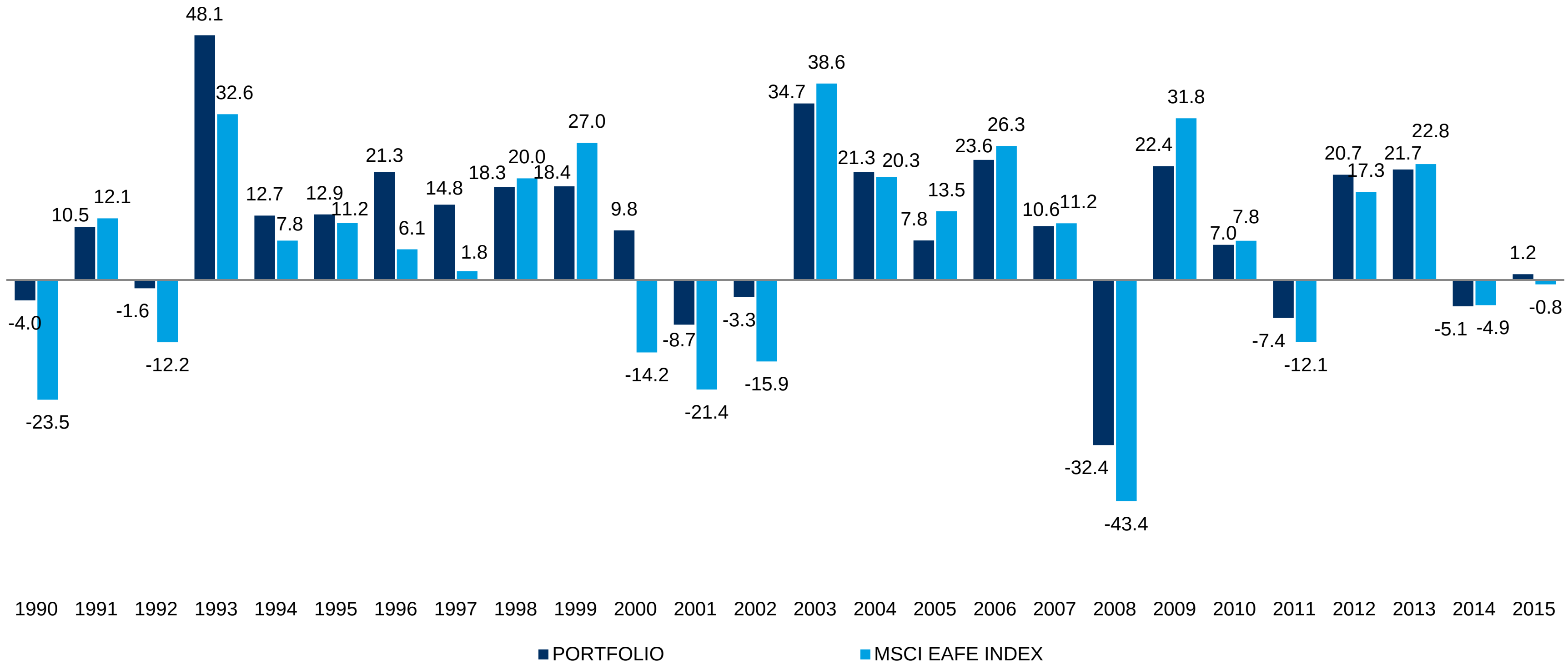


Past performance should not be construed as a guarantee of future performance. Performance returns reflect the average annual rates of return. The Morgan Stanley International Equity Trust investment returns are GROSS of custody as well as investment management fees, in USD terms, and assume the reinvestment of all dividends and income. If expenses were deducted returns would have been lower. Investment returns and principal value will fluctuate and an investor's shares, when redeemed, may be worth more or less than their original cost. Performance returns are compared to those of an unmanaged index and are considered to be a relevant comparison to the portfolio. Comparisons of performance assume the reinvestment of all dividends and income.

Calendar Year Performance Returns

The Inception Date of the Morgan Stanley International Equity Trust is September 30, 1986

Percent (%)



Source: Morgan Stanley Investment Management

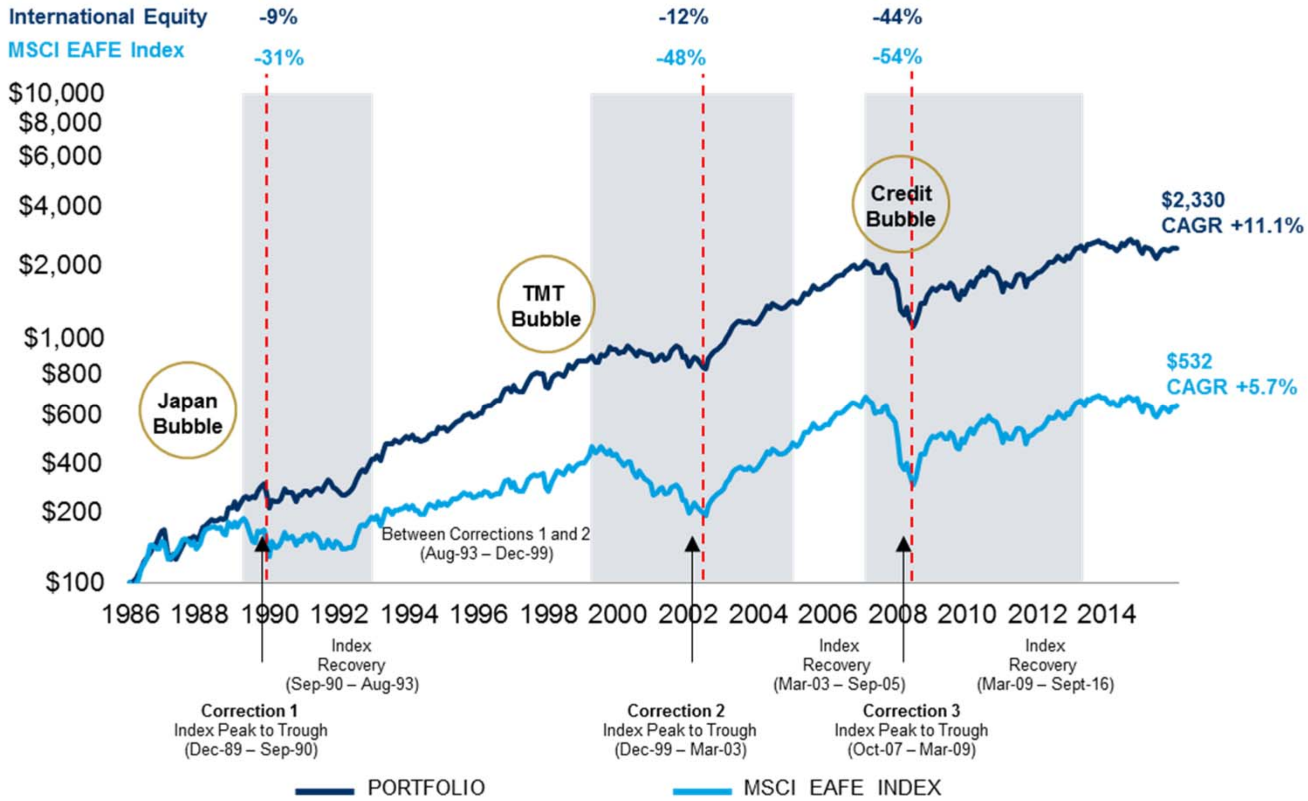
Past performance should not be construed as a guarantee of future performance. Performance returns reflect the average annual rates of return. The Morgan Stanley International Equity Trust investment returns are GROSS of custody as well as investment management fees, in USD terms, and assume the reinvestment of all dividends and income. If expenses were deducted, returns would have been lower. Investment returns and principal value will fluctuate and an investor's shares, when redeemed, may be worth more or less than their original cost. Performance returns are compared to those of an unmanaged index and are considered to be a relevant comparison to the portfolio. Comparisons of performance assume the reinvestment of all dividends and income.

The Power Of Compounding

- $100 invested in the portfolio worth $2,330 vs. $532 invested in the index as of September 30, 2016
- Our value discipline has identified and helped avoid the 3 great asset bubbles of the last 26 years

Since Inception Through September 30, 2016

The Inception Date of the Morgan Stanley International Equity Trust Is September 30, 1986



Source: MSCI, Morgan Stanley Investment Management;
Data as of September 30, 2016. **Past performance is no guarantee of future results.** The returns represent the Morgan Stanley International Equity Trust and are presented GROSS of custody as well as investment management fees. Had fees been included, returns would be lower and results may be less favorable. Returns are quoted in USD terms and include the reinvestment of all dividends and income. The inception date of the Morgan Stanley International Equity Trust is September 30, 1986. Please refer to section 2 of the presentation for the Trust's annualized investment performance.

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INVESTMENT MANAGEMENT

SECTION 3

Performance and Portfolio Positioning

City of Fort Pierce Retirement and Benefit System

Annualized Returns – USD

	FOR PERIODS ENDING SEPTEMBER 30, 2016							
	YTD (%)	3Q (%)	1 YEAR (%)	3 YEARS (%)	5 YEARS (%)	10 YEARS (%)	20 YEARS (%)	SINCE INCEPTION (%)
International Equity Trust (Gross)	1.32	2.73	4.56	0.97	8.50	3.45	8.07	9.71
International Equity Trust (Net)	0.79	2.55	3.84	0.29	7.77	2.77	7.35	8.92
MSCI EAFE Index	1.73	6.43	6.52	0.48	7.39	1.82	4.29	5.27
Excess Gross Returns (bps)	**-41**	**-370**	**-196**	**49**	**111**	**163**	**378**	**444**

City of Fort Pierce Retirement and Benefit System

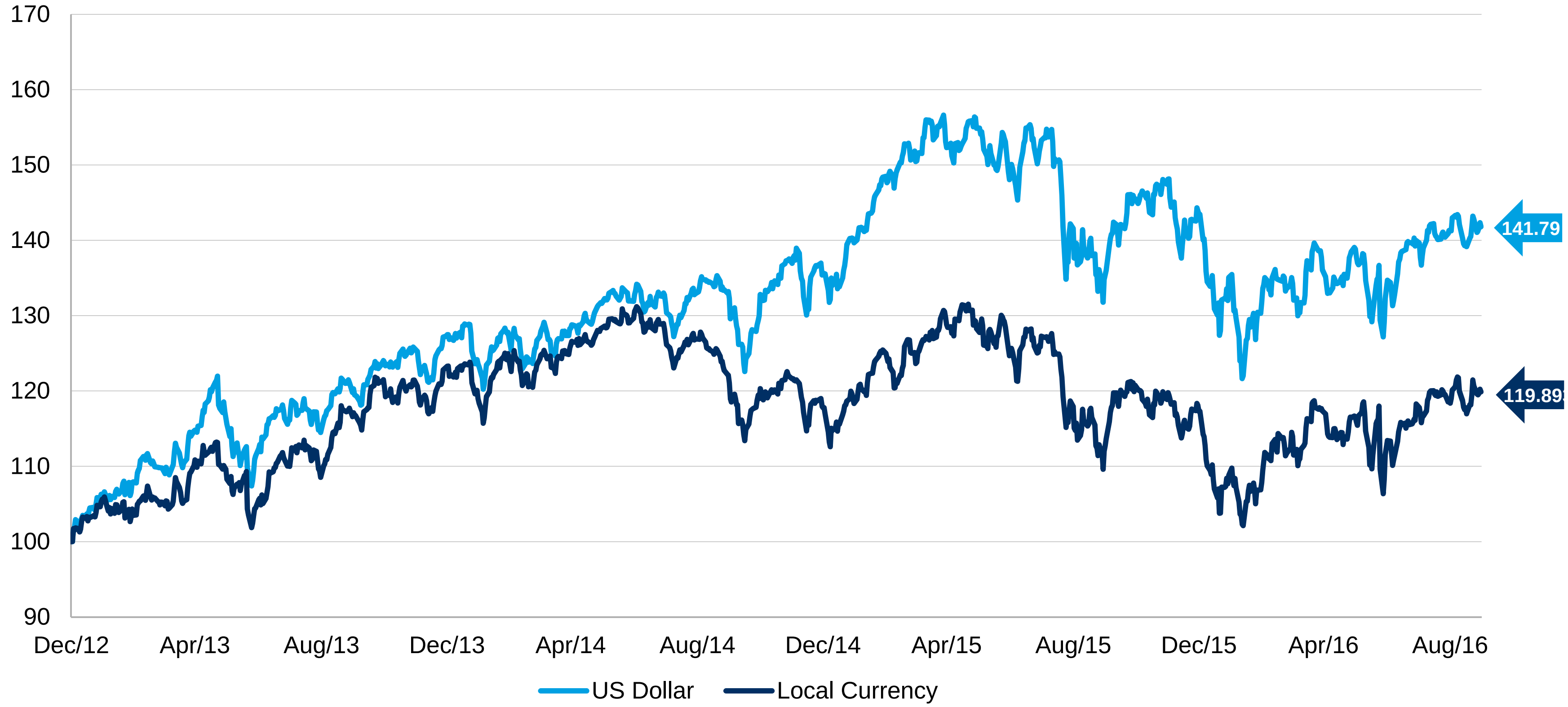
- Market Value as of September 30, 2016: $11, 912,994.60
- Inception Date: September 1, 1991

Source: Morgan Stanley Investment Management
Past performance should not be construed as a guarantee of future performance. Performance returns reflect the average annual rates of return. Returns less than one year are not annualized. The Morgan Stanley International Equity Trust investment returns are shown gross and net of investment management fees, in USD terms and assume the reinvestment of all dividends and income and would be lower if expenses were deducted. Investment returns and principal value will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Performance returns are compared to those of an unmanaged index and are considered to be a relevant comparison to the portfolio. The comparison index is the MSCI EAFE Net Index with Net Dividends reinvested. Investments in foreign markets entail special risks such as currency, political, economic, and market risks. The risks of investing in emerging-market countries are greater than the risks generally associated with foreign investments.

Index Performance Looks Healthy in Local Currency, Less So in Dollars

MSCI EAFE Net Index Total Returns

Net Official Index – Daily

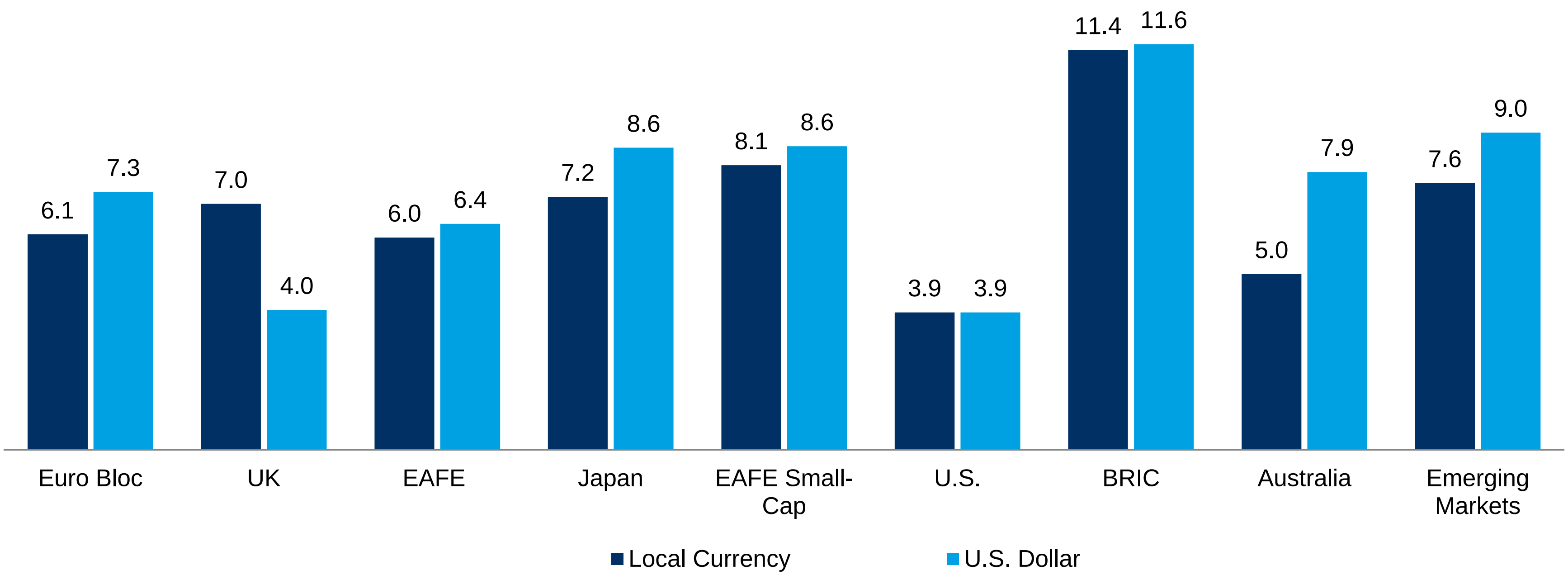


Source: MSCI
Data as of September 30, 2016. **Past performance should not be construed as a guarantee of future performance.** Provided for informational purposes only. MSCI EAFE Index is an unmanaged index and it is not possible to invest directly in an index.

Index Regional Returns – 3Q 2016

MSCI Official Indices

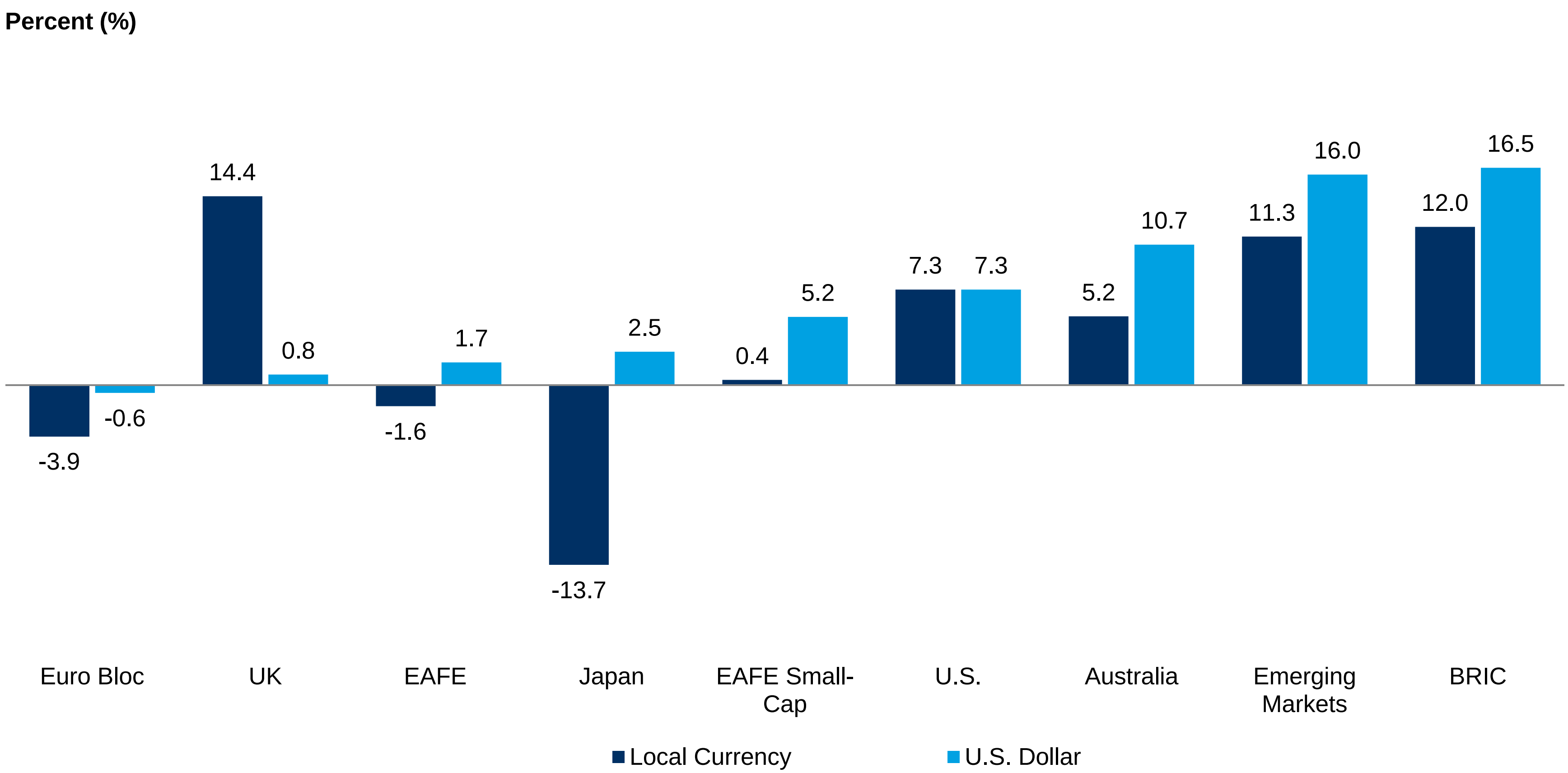
Percent (%)



Source: FactSet
Data as of September 30, 2016. **Past performance is no guarantee of future results.** For illustrative purposes only and should not be deemed as a recommendation to buy or sell securities in the countries or regions shown above. MSCI indices are unmanaged and it is not possible to invest directly in an index.

Index Regional Returns – Year to Date

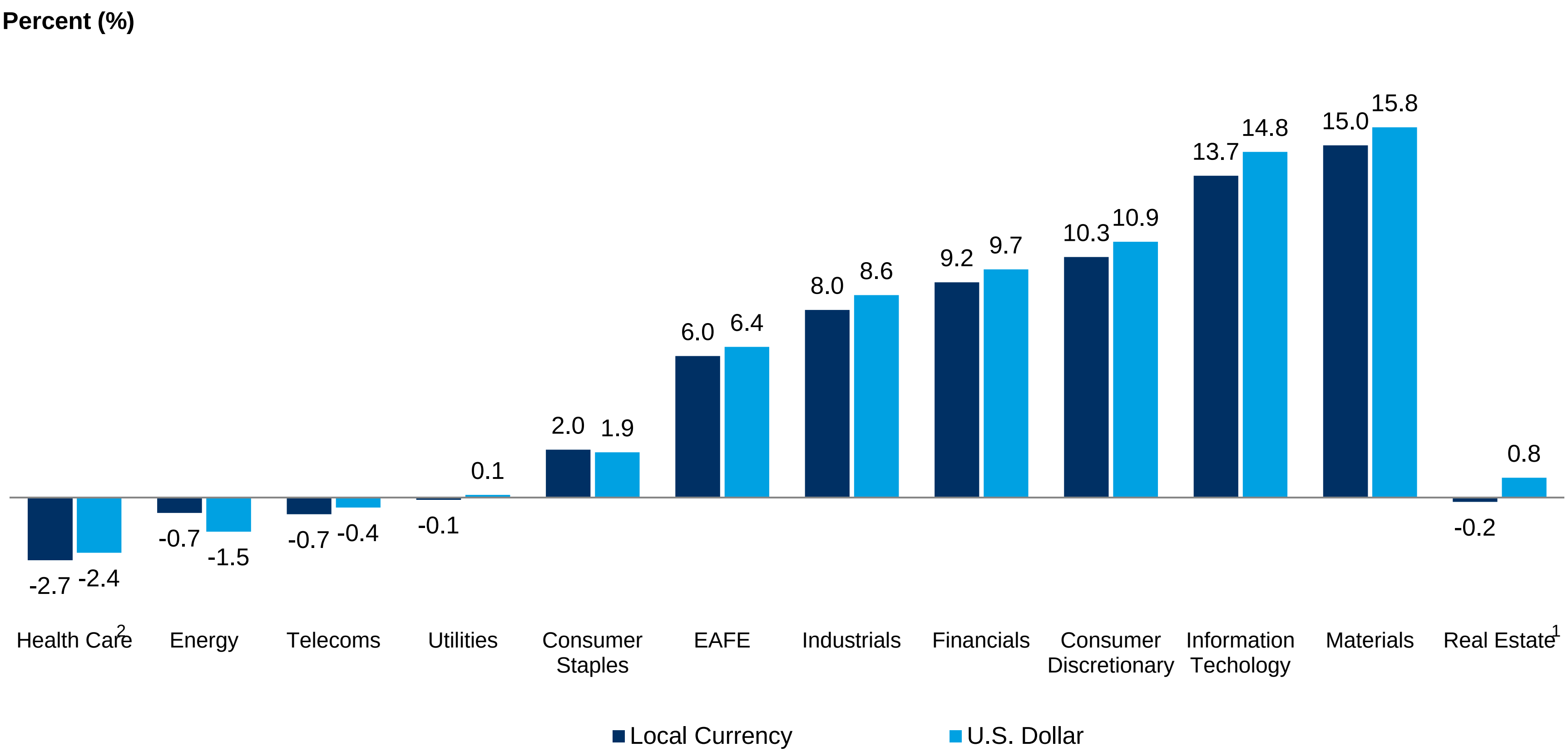
MSCI Official Indices



Source: FactSet
Data as of September 30, 2016. **Past performance is no guarantee of future results.** For illustrative purposes only and should not be deemed as a recommendation to buy or sell securities in the countries or regions shown above. MSCI indices are unmanaged and it is not possible to invest directly in an index.

Index Sector Returns – 3Q 2016

MSCI EAFE Official Index

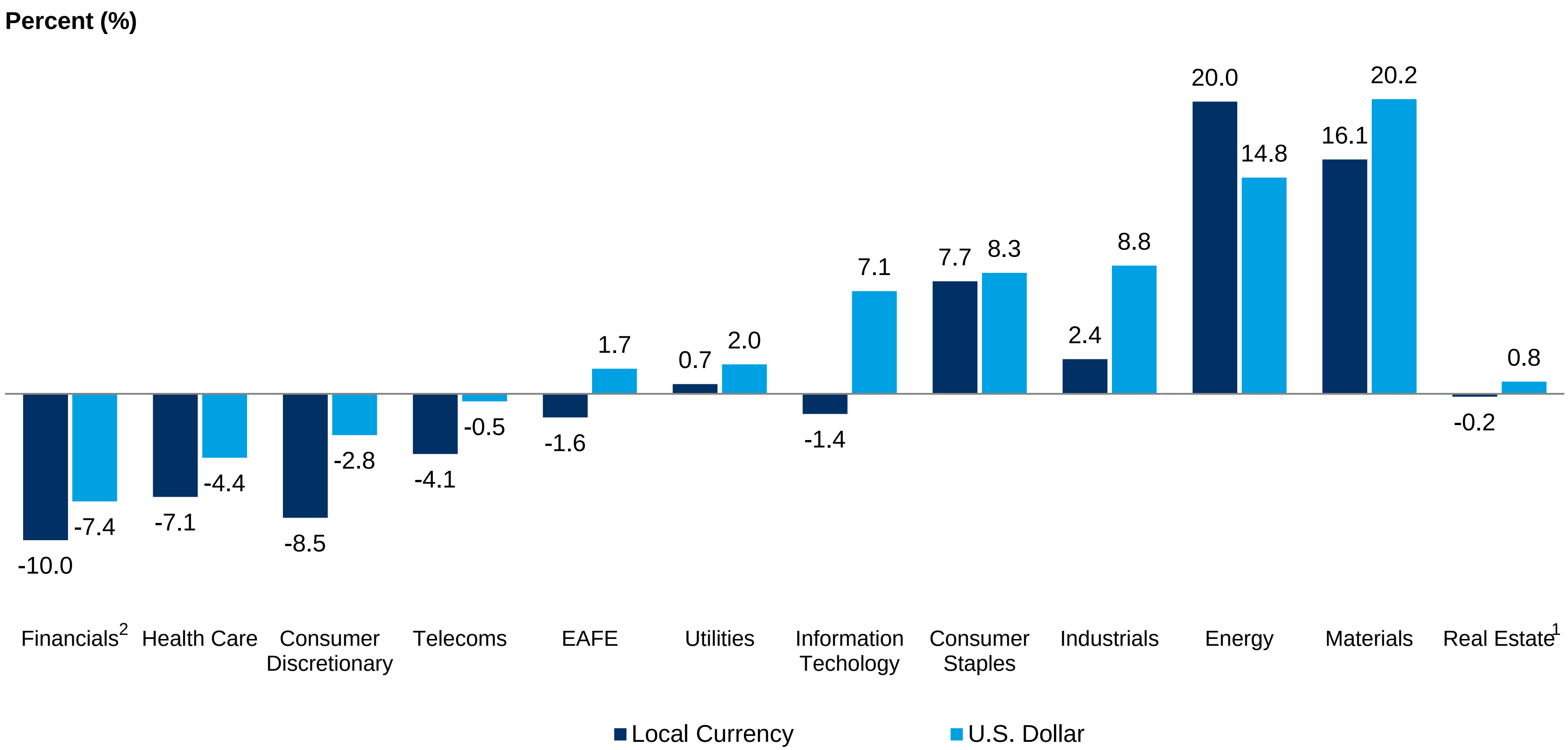


1. Real Estate was moved out of the MSCI Financials sector effective September 1, 2016 and promoted to a standalone sector. Therefore, returns shown for Real Estate are for the period September 1, 2016 though September 30, 2016 only.
2. Returns shown for the Financials sector includes Real Estate from July 1, 2016 through August 31, 2016.

Data as of September 30, 2016**. Past performance is no guarantee of future results.** For illustrative purposes only and should not be deemed as a recommendation to buy or sell securities in the sectors shown. MSCI EAFE Net Index is an unmanaged index and it is not possible to invest directly in an index.

Index Sector Returns – Year to Date

MSCI EAFE Official Index



1. Real Estate was moved out of the MSCI Financials sector effective September 1, 2016 and promoted to a standalone sector. Therefore, returns shown for Real Estate are for the period September 1, 2016 though September 30, 2016 only.
2. Returns shown for the Financials sector includes Real Estate from January 1, 2016 through August 31, 2016.

Data as of September 30, 2016**. Past performance is no guarantee of future results.** For illustrative purposes only and should not be deemed as a recommendation to buy or sell securities in the sectors shown. MSCI EAFE Net Index is an unmanaged index and it is not possible to invest directly in an index.

Sector Attribution – 3Q 2016

Top Five Relative Contributors[3]

ARM Holdings	+62 bps
Novo Nordisk	*+23 bps*
CRH	+18 bps
SAP	+17 bps
Royal Dutch Shell	*+13 bps*

Top Five Relative Detractors[3]

Reckitt Benckiser	-47 bps
Barrick Gold	-46 bps
Imperial Brands	-29 bps
Novartis	-26 bps
Unilever	-26 bps

Data as of September 30, 2016[1] - USD

	SECTOR PERFORMANCE		AVERAGE SECTOR WEIGHTING		PERFORMANCE ATTRIBUTION		
	PORTFOLIO (%)	INDEX (%)	PORTFOLIO (%)	INDEX (%)	SELECTION (%)	ALLOCATION (%)	TOTAL (%)
Information Technology	24.30	14.76	7.05	5.53	0.64	0.11	0.74
Energy	6.58	-1.46	2.22	4.88	0.16	0.22	0.38
Utilities	0.00	0.11	0.00	3.76	0.00	0.23	0.23
Telecoms	-4.97	-0.43	2.67	4.95	-0.14	0.15	0.02
Real Estate[4]	-0.90	0.31	0.19	1.27	-0.01	0.01	0.00
Consumer Discretionary	9.47	10.93	6.09	12.32	-0.07	-0.19	-0.27
Industrials	4.95	8.64	11.86	13.78	-0.41	-0.04	-0.45
Health Care	-3.17	-2.36	16.27	11.87	-0.14	-0.39	-0.53
Financials[5]	8.05	9.65	10.23	21.60	-0.18	-0.49	-0.67
Materials	2.16	15.81	7.74	7.16	-1.00	0.06	-0.94
Consumer Staples	-0.29	1.93	32.74	12.87	-0.72	-0.90	-1.63
Cash[2]	0.07	0.00	3.00	0.00	0.00	-0.18	-0.18
Hedging	0.07	0.00	-0.06	0.00	0.00	-0.04	-0.04
Total	**3.11**	**6.43**	**100.00**	**100.00**	**-1.88**	**-1.45**	**-3.33**
Other[2]	-0.38	0.00					-0.38
Total Returns	**2.73**	**6.43**					**-3.70**

Source: Morgan Stanley Investment Management and FactSet

1. Portfolio and index weights are an average for the period from July 1, 2016 through September 30, 2016. Index MSCI EAFE. Attribution total return may differ from reported total return due to differing methodologies. Total returns are calculated Net of fees. Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the industries shown above. Morgan Stanley is a full-service securities firm engaged in securities trading and brokerage activities, investment banking, research and analysis, financing and financial advisory services. Past performance is no guarantee of future results.
2. "Other" is the difference between the buy-and-hold attribution and official portfolio returns Net of Fees. It reflects the net impact of cash flows and security transactions. Additional contributors can include differences in pricing sources and fair valuation practices between systems used to calculate these returns. In volatile or illiquid markets and for high turnover portfolios, these differences can become increasingly significant. Attribution considers the total return of each security (price appreciation and dividend income). Management Fees and expenses are not considered by the attribution. The 'Cash' line in the attribution includes cash balances as well as other cash instruments.
3. To obtain the methodology of the return attribution analysis, a list showing every holding's contribution to the overall performance during the measurement periods, and/or if you have any questions, please contact your Morgan Stanley representative. The holdings identified do not represent all of the securities purchased, sold, or recommended for advisory clients. Holdings attribution is calculated NET of fees. Had fees been included, returns would have been lower. We do not own companies listed in italics.
4. Real Estate was moved out of the MSCI Financials sector effective September 1, 2016 and promoted to a standalone sector. Therefore, performance shown for Real Estate is for the period September 1, 2016 through September 30, 2016 only.
5. Performance shown for the Financials sector includes Real Estate from July 1, 2016 through August 31, 2016.

Sector Attribution – Year to Date

Top Five Relative Contributors(3)

Barrick Gold	+129 bps
ARM Holdings	+70 bps
British American Tobacco	+67 bps
Keyence	+34 bps
AAC Technologies	+33 bps

Top Five Relative Detractors(3)

Credit Suisse	-79 bps
NGK Spark Plug	-62 bps
Prudential	-45 bps
BT Group	-44 bps
Lloyds Banking Group	-43 bps

Data as of September 30, 2016(1) - USD

	SECTOR PERFORMANCE		AVERAGE SECTOR WEIGHTING		PERFORMANCE ATTRIBUTION		
	PORTFOLIO (%)	INDEX (%)	PORTFOLIO (%)	INDEX (%)	SELECTION (%)	ALLOCATION (%)	TOTAL (%)
Consumer Staples	8.93	8.30	31.36	12.71	0.27	1.09	1.37
Information Technology	23.06	7.05	6.39	5.33	1.07	0.10	1.17
Materials	33.65	20.20	6.98	6.81	0.52	0.09	0.61
Real Estate[4]	-0.90	0.31	0.06	0.43	-0.02	0.00	-0.01
Utilities	0.00	2.03	0.00	3.83	0.00	-0.03	-0.03
Consumer Discretionary	-5.06	-2.81	7.69	12.72	-0.24	0.19	-0.04
Health Care	-4.48	-4.37	16.00	11.84	-0.01	-0.31	-0.32
Industrials	8.07	8.78	9.16	13.34	-0.12	-0.29	-0.41
Telecoms	-16.46	-0.51	2.97	5.06	-0.50	0.06	-0.44
Energy	8.14	14.83	2.41	4.78	-0.32	-0.26	-0.58
Financials[5]	-17.53	-7.44	14.31	23.15	-1.74	0.52	-1.23
Cash[2]	0.19	0.00	2.75	0.00	0.00	0.02	0.02
Hedging	0.19	0.00	-0.07	0.00	0.00	-1.09	-1.09
Total	**0.74**	**1.73**	**100.00**	**100.00**	**-1.09**	**0.10**	**-0.98**
Other[2]	0.58	0.00					0.58
Total Returns	**1.32**	**1.73**					**-0.41**

Source: Morgan Stanley Investment Management and FactSet

1. Portfolio and index weights are an average for the period from January 1, 2016 through September 30, 2016. Index MSCI EAFE. Attribution total return may differ from reported total return due to differing methodologies. Total returns are calculated Net of fees. Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the industries shown above. Morgan Stanley is a full-service securities firm engaged in securities trading and brokerage activities, investment banking, research and analysis, financing and financial advisory services. Past performance is no guarantee of future results.
2. "Other" is the difference between the buy-and-hold attribution and official portfolio returns Net of Fees. It reflects the net impact of cash flows and security transactions. Additional contributors can include differences in pricing sources and fair valuation practices between systems used to calculate these returns. In volatile or illiquid markets and for high turnover portfolios, these differences can become increasingly significant. Attribution considers the total return of each security (price appreciation and dividend income). Management Fees and expenses are not considered by the attribution. The 'Cash' line in the attribution includes cash balances as well as other cash instruments.
3. To obtain the methodology of the return attribution analysis, a list showing every holding's contribution to the overall performance during the measurement periods, and/or if you have any questions, please contact your Morgan Stanley representative. The holdings identified do not represent all of the securities purchased, sold, or recommended for advisory clients. Holdings attribution is calculated NET of fees. Had fees been included, returns would have been lower. We do not own companies listed in italics.
4. Real Estate was moved out of the MSCI Financials sector effective September 1, 2016 and promoted to a standalone sector. Therefore, performance shown for Real Estate is for the period September 1, 2016 through September 30, 2016 only.
5. Performance shown for the Financials sector includes Real Estate from January 1, 2016 through August 31, 2016.

Morgan Stanley

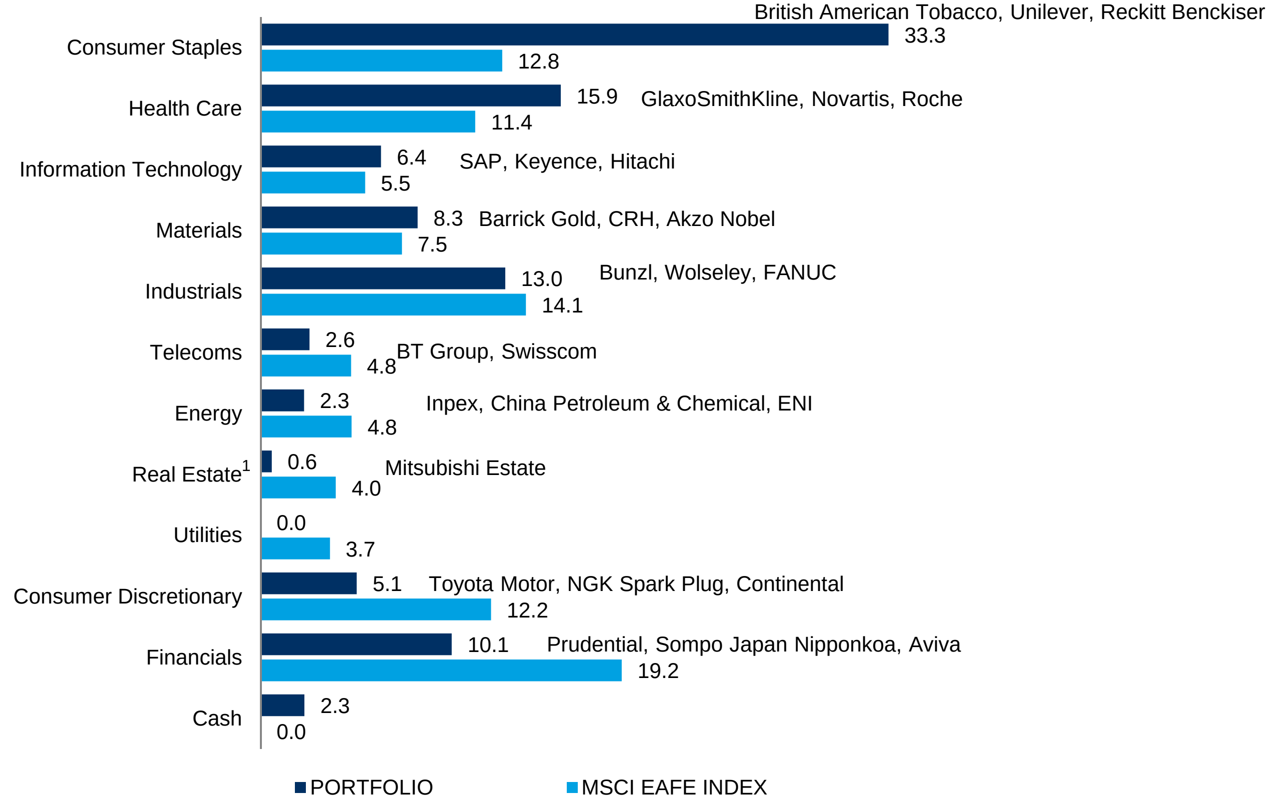
INVESTMENT MANAGEMENT

Current Portfolio

Sector Weightings

- Sector weights result from bottom-up stock selection process
- Overweight defensive sectors (54.2% vs. 32.7%)
- Underweight cyclical sectors (45.8% vs.67.3%)

Data as of September 30, 2016



Source: Morgan Stanley Investment Management
Data as of September 30, 2016. Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the industries shown above. Up to the three largest holdings are stated for each sector.

1. Real Estate was moved out of the MSCI Financials sector effective September 1, 2016 and promoted to a standalone sector.

Financials and Real Estate Underweight Dissected

- Remain heavily underweight banks with no direct exposure to PIIGS banks. Our strategy remains choosy and opportunistic. Few bank franchises can beat their cost of capital – de-levering and forced alterations to the business model require a heavy discount to account for the considerable risks
- Strongly overweight insurers given their limited solvency, liquidity and regulatory risks. Wary of exposure to vulnerable sovereigns and low long-run interest rates

FINANCIALS WEIGHTING	MSCI EAFE INDEX	PORTFOLIO
Banks	11.1	2.5
Capital Markets	2.1	0.0
Diversified	0.8	0.0
Insurance	5.2	7.6
Financials	**19.2**	**10.1**

REAL ESTATE WEIGHTING[1]	MSCI EAFE INDEX	PORTFOLIO
Real Estate	4.0	0.6

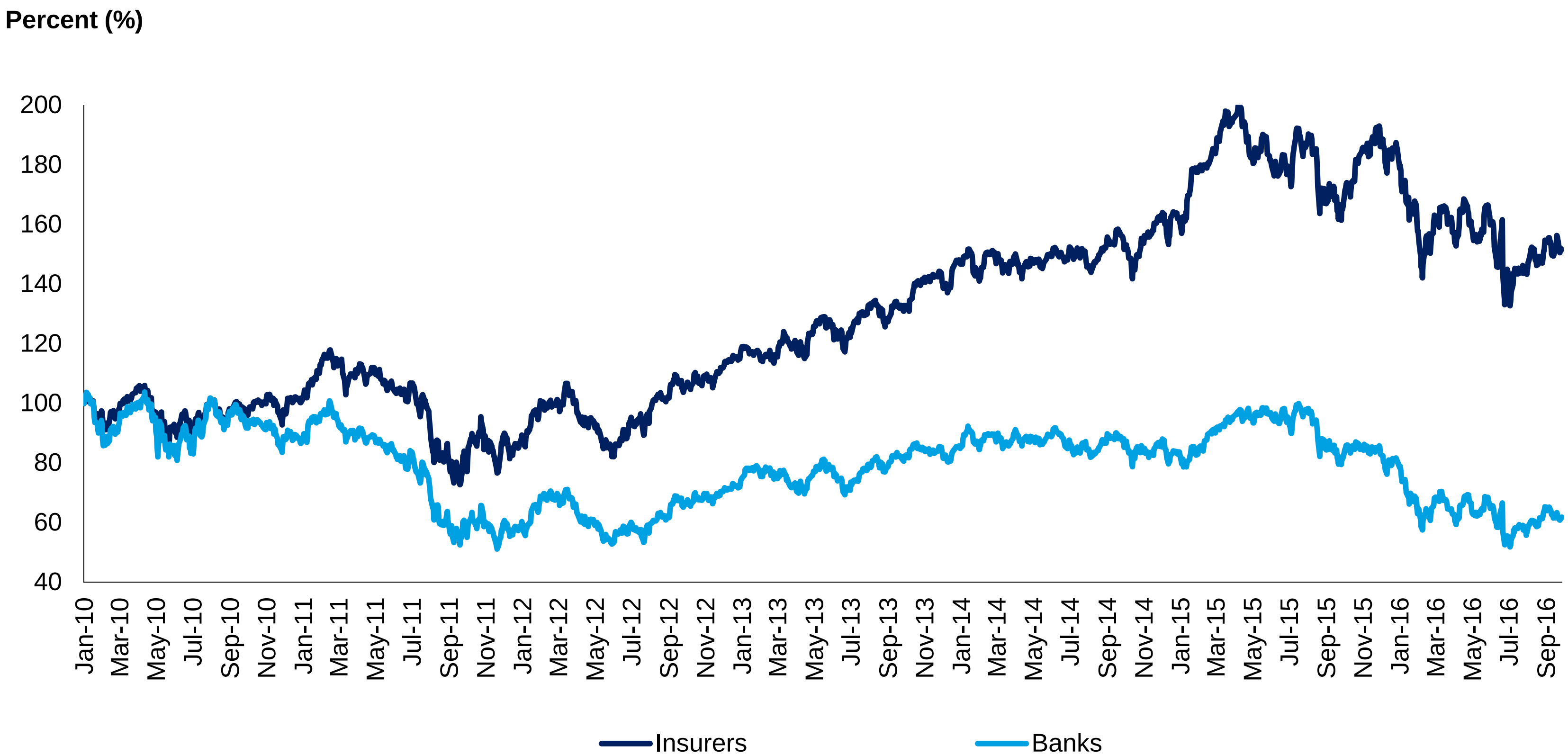
BANKS WEIGHTING	MSCI EAFE INDEX	PORTFOLIO	MAIN HOLDINGS
Japan	1.8	1.0	SMFG, Sumitomo Mitsui Trust Holdings
Australia	2.4	0.0	
U.K.	2.0	0.0	
Spain	1.0	0.0	
France	0.7	0.0	
Italy	0.4	0.0	
Other	2.4	1.5	Nordea (Sweden), Bank of Ireland (Ireland),

INSURANCE WEIGHTING	MSCI EAFE INDEX	PORTFOLIO	MAIN HOLDINGS
U.K.	1.1	4.3	Prudential, Aviva Admiral
Japan	0.7	2.0	Sompo Japan Nipponkoa, MS&AD Insurance
Switzerland	0.6	0.6	Zurich Insurance Group
France	0.4	0.7	AXA
Germany	0.8	0.0	
Australia	0.3	0.0	
Other	1.2	0.0	

REAL ESTATE WEIGHTING[1]	MSCI EAFE INDEX	PORTFOLIO	MAIN HOLDINGS
Japan	1.1	0.6	Mitsubishi Estate
Hong Kong	1.0	0.0	
Australia	0.7	0.0	
France	0.4	0.0	
U.K.	0.3	0.0	
Other	0.5	0.0	

Source: MSCI and FactSet
1. Real Estate was moved out of the MSCI Financials sector effective September 1, 2016 and promoted to a standalone sector.
Data as of September 30 2016. Subject to change daily. Up to three largest holdings, when available, are provided for each weighting. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the countries or industries shown above.
The views and opinions are those of the portfolio management team as of the date of this presentation, are subject to change, and may not be representative of the firm as a whole.

European Insurers vs. Banks



Source: Bloomberg
STOXX600 European Banks (SX7P)
STOXX600 European Insurance (SXIP)
Data of September 30, 2016. Index rebased to 100 in January 2010. Past performance is not indicative of future results. Provided for informational purposes only and is not a recommendation to buy or sell any security.

Materials Dissected

- Wary of industrial metals due to concerns over Chinese demand
- Remain overweight construction materials where earnings are at cyclical lows but offer high operational leverage to any economic recovery

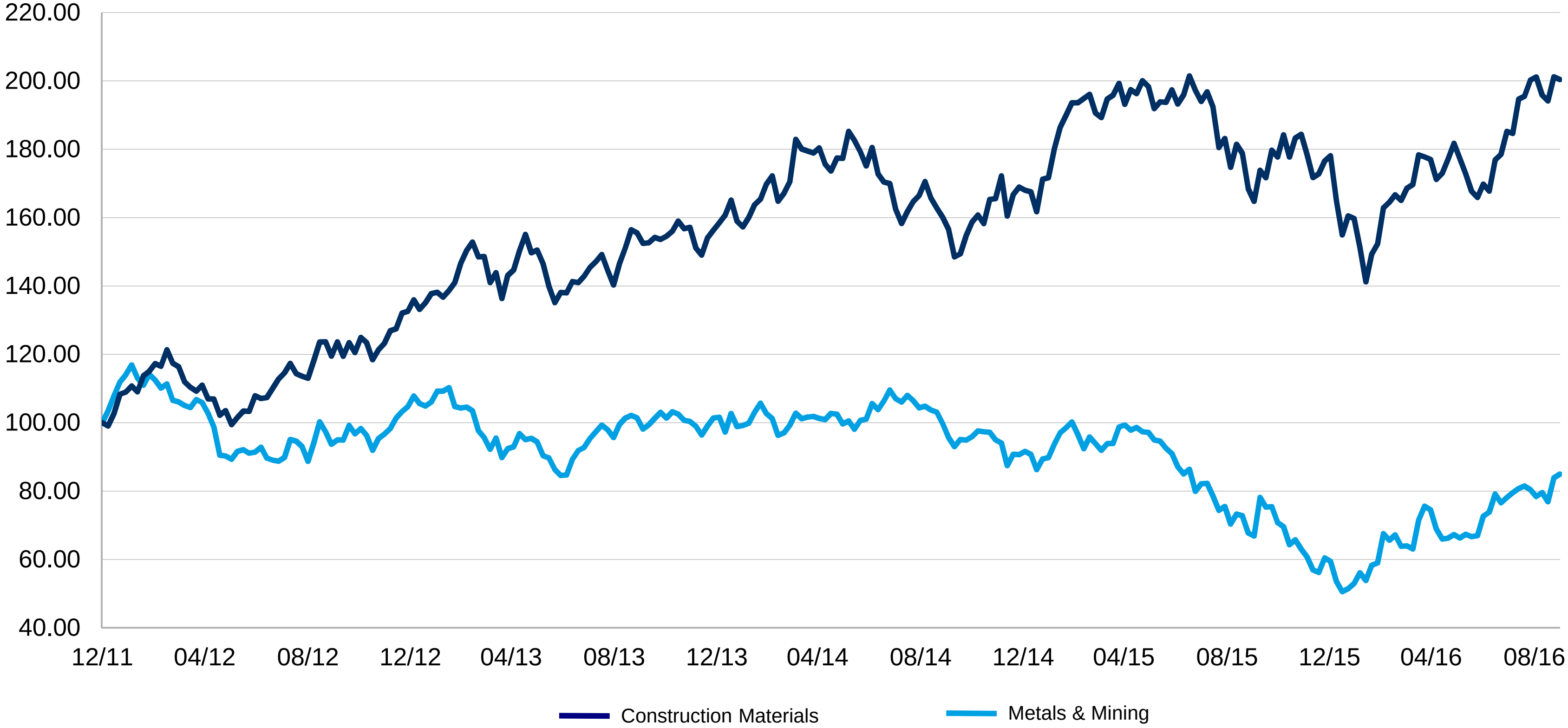
INDUSTRY SUB GROUP	MSCI EAFE INDEX (%)	PORTFOLIO (%)	HOLDINGS
Chemicals	3.8	3.5	Akzo Nobel, Nitto Denko, BASF
Construction Materials	0.7	2.3	CRH, Lafarge Holcim
Metals and Mining	2.7	2.5	Barrick Gold, Turquoise Hill Resources
Paper and Forest Products	0.2	0.0	
Containers and Packaging	0.1	0.0	
	7.5	**8.3**	

Source: MSCI and FactSet
Data as of September 30, 2016. Subject to change daily. Up to three largest holdings, when available, are stated for each sector.
Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the industries shown above.

Metals and Mining vs. Building Materials

MSCI Industry Time Series Performance (Indexed)

EAFE: Net Official Index (Local) – Weekly



Source: MSCI, FactSet
Data as of September 30, 2016. **Past performance is not indicative of future results.** Provided for illustrative purposes only and should not be deemed as a recommendation to buy or sell any securities in the industries shown above.

Industrials Dissected

- Underweight heavy capital goods with preference for distributors

INDUSTRY SUB GROUP	MSCI EAFE INDEX (%)	PORTFOLIO (%)	HOLDINGS
Capital Goods	9.7	8.3	Bunzl, Wolseley, FANUC, Safran. Meggitt, Travis Perkins
Commercial and Professional Services	1.7	4.7	RELX[(1)], Experian
Transportation	2.7	0.0	
	14.1	**13.0**	

Source: MSCI and FactSet
Data as of September 30, 2016. Subject to change daily. Up to six largest holdings, when available, are stated for each sector.
Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the industries shown above.
1. RELX is the renamed Reed Elsevier. This holding is split between U.K. (1.54%) and Netherlands (1.68%) listings.

Energy Dissected

INDUSTRY SUB GROUP	MSCI EAFE INDEX (%)	PORTFOLIO (%)	HOLDINGS
Diversified "Super-Majors"[1]	3.1	0.0	
Other Oil, Gas and Consumable Fuels [2]	1.6	2.3	Inpex, China Petroleum & Chemical, ENI
Energy Equipment and Services	0.1	0.0	
	4.8	**2.3**	

Source: MSCI and FactSet
Data as of September 30, 2016. Subject to change daily. Up to three largest holdings, when available, are stated for each sector. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the industries shown above.

1. Defined as Royal Dutch Shell, Total, BP within EAFE.
2. Oil, Gas and Consumable Fuels ex-Super-Majors.

Consumer Discretionary Dissected

INDUSTRY SUB GROUP	MSCI EAFE INDEX (%)	PORTFOLIO (%)	HOLDINGS
Automobiles and Components	5.0	3.5	Toyota, NGK Spark Plug, Continental
Media	1.4	1.1	Publicis
Consumer Durables and Apparel	2.9	0.0	
Retailing	1.5	0.5	USS
Consumer Services	1.4	0.0	
	12.2	**5.1**	

Source: MSCI and FactSet
Data as of September 30, 2016. Subject to change daily. Up to three largest holdings, when available, are stated for each sector. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the industries shown above.

Country Weightings

- Country weights result from bottom-up stock selection process
- Currency hedging primarily used for defensive purposes

REGION	PORTFOLIO (%)	MSCI EAFE INDEX (%)	CURRENCY HEDGE [1] (%)
EUROPE NON-EURO	**44.9**	**33.1**	
United Kingdom	30.6	18.9	
Switzerland	13.3	9.0	
Sweden	1.0	2.8	
Denmark	0.0	1.8	
Norway	0.0	0.6	
EUROPE EURO	**29.6**	**30.2**	
France	12.2	9.7	
Netherlands	7.7	3.3	
Germany	7.1	9.0	
Ireland	2.2	0.5	
Italy	0.4	1.9	
Spain	0.0	3.0	
Belgium	0.0	1.4	
Finland	0.0	1.0	
Austria	0.0	0.2	
Portugal	0.0	0.1	
FAR EAST	**20.7**	**28.6**	
Japan	18.7	23.8	-5.5
China	2.0	0.0	
Hong Kong	0.0	3.5	
Singapore	0.0	1.3	
NORTH AMERICA	**2.5**	**0.0**	
Canada	2.5	0.0	
United States	0.0	0.0	5.4
AUSTRALASIA / OCEANICA	**0.0**	**7.5**	
Australia	0.0	7.3	
New Zealand	0.0	0.2	
MIDDLE EAST	**0.0**	**0.7**	
Israel	0.0	0.7	
CASH	**2.3**	**0.0**	

Source: Morgan Stanley Investment Management, MSCI and FactSet. Subject to change daily.
Data as of September 30, 2016. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell securities mentioned or securities in the regions shown above.
1. Yen hedged to USD.

Indirect Exposure to the Right Kind of Emerging Market Growth[1]

Focus on Revenue Exposure not Listed Exposure

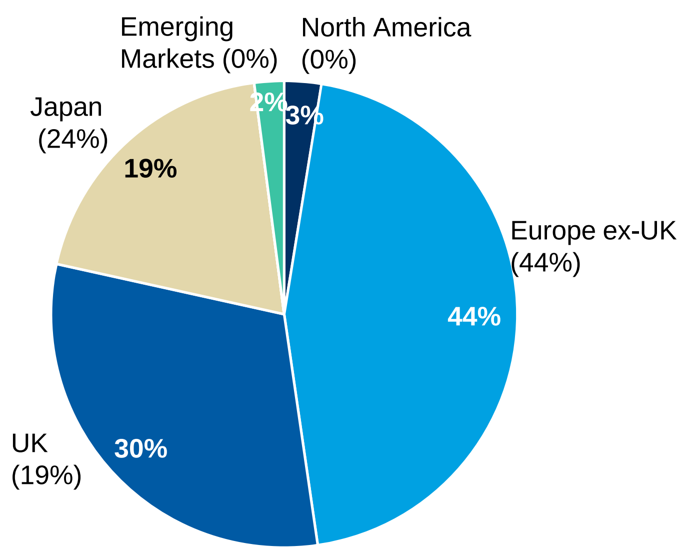
- Where a company does business is more important than where it is listed
- Country weights are a residual of our bottom up stock selection

Selected Company EM Exposure[3]

Sinopec	100%
British American Tobacco	59%
Unilever	60%
Pernod Ricard	45%
Nestlé	42%

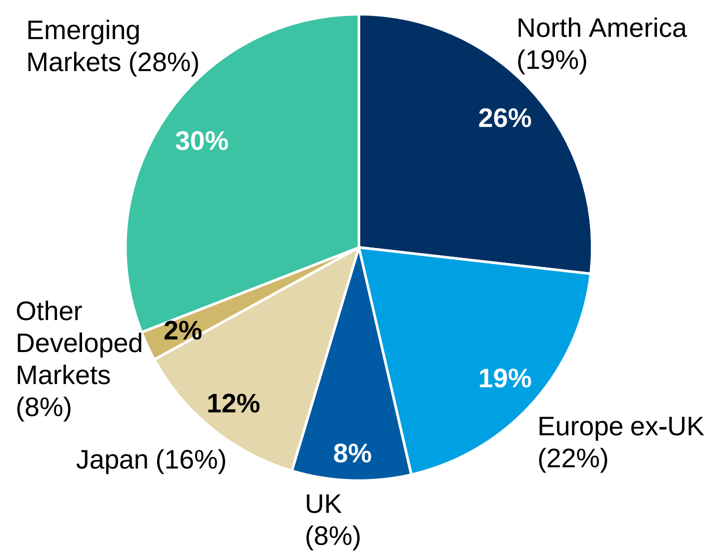
Regional Breakdown: Listed Exposure

International Equity Trust
(Index weight)[4]



Revenue Exposure[2]

International Equity Trust
(Index weight)[4]



Source: MSCI, FactSet and Morgan Stanley Investment Management. The views and opinions expressed herein are those of portfolio management team as of the date herein.
1. Data as of 30 September 2016. Updated quarterly. This portfolio is actively managed, therefore holdings may not be current. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the countries or regions shown above. Holdings are weightings are subject to change. Each portfolio may differ due to specific investment restrictions and guidelines.
2. Weighted Regional Exposure - Percentage of Company Sales.
3. Data as of September 30, 2016. Securities shown are for illustrative purposes only and the percentages represent the weighted average based on revenues from emerging market sales over 40%. Holdings identified do not represent all securities purchased, sold, or recommended to our advisory clients. You should not assume that investments in the securities identified were or will be profitable.
4. Data shown is the MSCI EAFE Index.

Top Ten Holdings

SECURITY	INDUSTRY	COUNTRY	(%)
British American Tobacco	Tobacco	United Kingdom	4.9
Unilever	Personal Products	Netherlands	4.7
Reckitt Benckiser	Household Products	United Kingdom	4.4
Nestlé	Food Products	Switzerland	4.3
GlaxoSmithKline	Pharmaceuticals	United Kingdom	4.1
Novartis	Pharmaceuticals	Switzerland	3.8
Japan Tobacco	Tobacco	Japan	3.7
L'Oréal	Personal Products	France	3.7
Roche	Pharmaceuticals	Switzerland	3.1
Pernod Ricard	Beverages	France	3.1
Total			**39.8**

Source: Morgan Stanley Investment Management.
Data as of September 30, 2016. Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the industries and countries shown above.

Significant Movements in the Portfolio – Year to Date

International Equity Representative Account

Portfolio Turnover

YTD: 19.56%

Major Transactions: January 1, 2016 to September 30, 2016 [1]

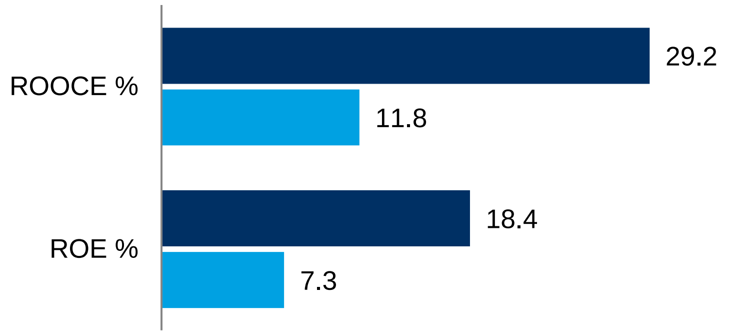
INITIAL PURCHASES	ADDITIONS	REDUCTIONS	FINAL SALES
FANUC[2]	L'Oréal	Toyota	**Lloyds Banking Group**
ARM Holdings	CRH	Barrick Gold	KBC Groupe
Shiseido[3]	Bayer	Keyence	HeidelbergCement
Safran[4]	**Nitto Denko**	Zurich Life	Credit Suisse
ING Groupe	Keyence	**CRH**	Lawson
Bank of Ireland[5]	Japan Tobacco	**Meggitt**	**Smiths Group**
AAC Technologies	Novartis	**Mitsubishi Estate**	ING Groupe
LafargeHolcim	GlaxoSmithKline	Sanofi	**ARM Holdings**
Tencent	**RELX Plc**	Publicis	**Sekisui House**
USS[6]	Pernod Ricard	**AAC Technologies**	**Kyocera**
	Prudential	British American Tobacco	NTT DoCoMo
	Sumitomo Mitsui Financial Group	**Sompo Japan Nipponkoa**	Hoya
	SAP	Admiral	Weir Group
	Sanofi	Nestlé	Aggreko
	Imperial Brands	Travis Perkins	WorleyParsons
	Sompo Japan Nipponkoa	Reckitt Benckiser	Vallourec
	BT Group		
	Barrick Gold		
	Meggitt		
	British American Tobacco		
	Wolseley		

Source: Morgan Stanley Investment Management
1. All information is provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned. There is no guarantee that the securities shown, or holdings in general, will perform well. Holdings are subject to change. Significant movement is based on at least 25 basis point weight changes for the period shown.

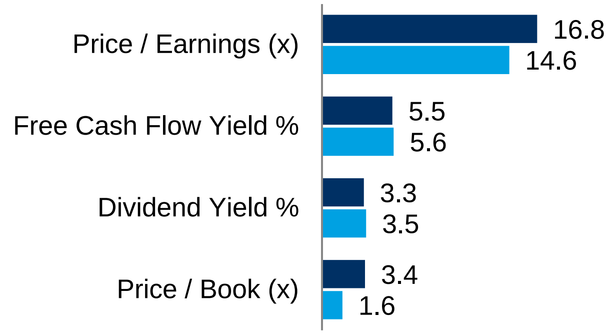
Companies listed in bold font represent activities that have taken place from July 1, 2016 to September 30, 2016
2. Fanuc was initially purchased in June 2016 with additional investment being made in July 2016
3. Shiseido was initially purchased at the end of June 2016 with additional investment being made in August and September 2016
4. Safran was initially purchased in May 2016 with additional investment being made in July and September 2016
5. Bank of Ireland was initially purchased in April with additional investment being made in July and August 2016
6. USS was initially purchased in June 2016 with additional investment being made in July 2016

Portfolio Characteristics

Quality Ratios (1) (2)



Valuation Ratios (1)(2)



PORTFOLIO MSCI EAFE INDEX

Market Cap Weights

	PORTFOLIO %	MSCI EAFE INDEX %
Mega Cap > $100Bn	29	14
Large Cap $50 – 100Bn	22	18
Mid Cap $10 – 50 Bn	42	44
Small / Mid Cap $1 – 10Bn	7	24
Weighted Average Market Cap ($Bn)	74	47

Source: Morgan Stanley Investment Management, FactSet/Worldscope, MSCI. Data as of September 30, 2016

1. ROOCE (Return on Operating Capital Employed) = EBITA(Earnings Before Interest, Taxes and Amortization / PPE (Property, Plant, Equipment) +trade working capital ex Financials (excludes goodwill). ROOCE, ROE, Price/Book ratio are last reported. Price/Earnings ratio, Free Cash Flow (operating cash flow minus capex), and Dividend Yield are calculated using an average of the FactSet Consensus forecasted earnings per share, free cash flow, and dividend yield for the next 12 months for the underlying companies in the International Equity Portfolio as of September 30, 2016. Forecasted yields are not representative of the fund's yield. There is no guarantee that any International Equity portfolio will necessarily yield similar results over the next year.
2. Ratio methodology: Index names (sum of numerator/sum of denominator). Portfolio names (weighted sum of numerator/weighted sum of denominator).

Information shown is for illustrative purposes only and is subject to change daily. Past performance is no guarantee of future results. There is no guarantee that forecasts and estimates will come to pass due to changing market and economic conditions.

Morgan Stanley

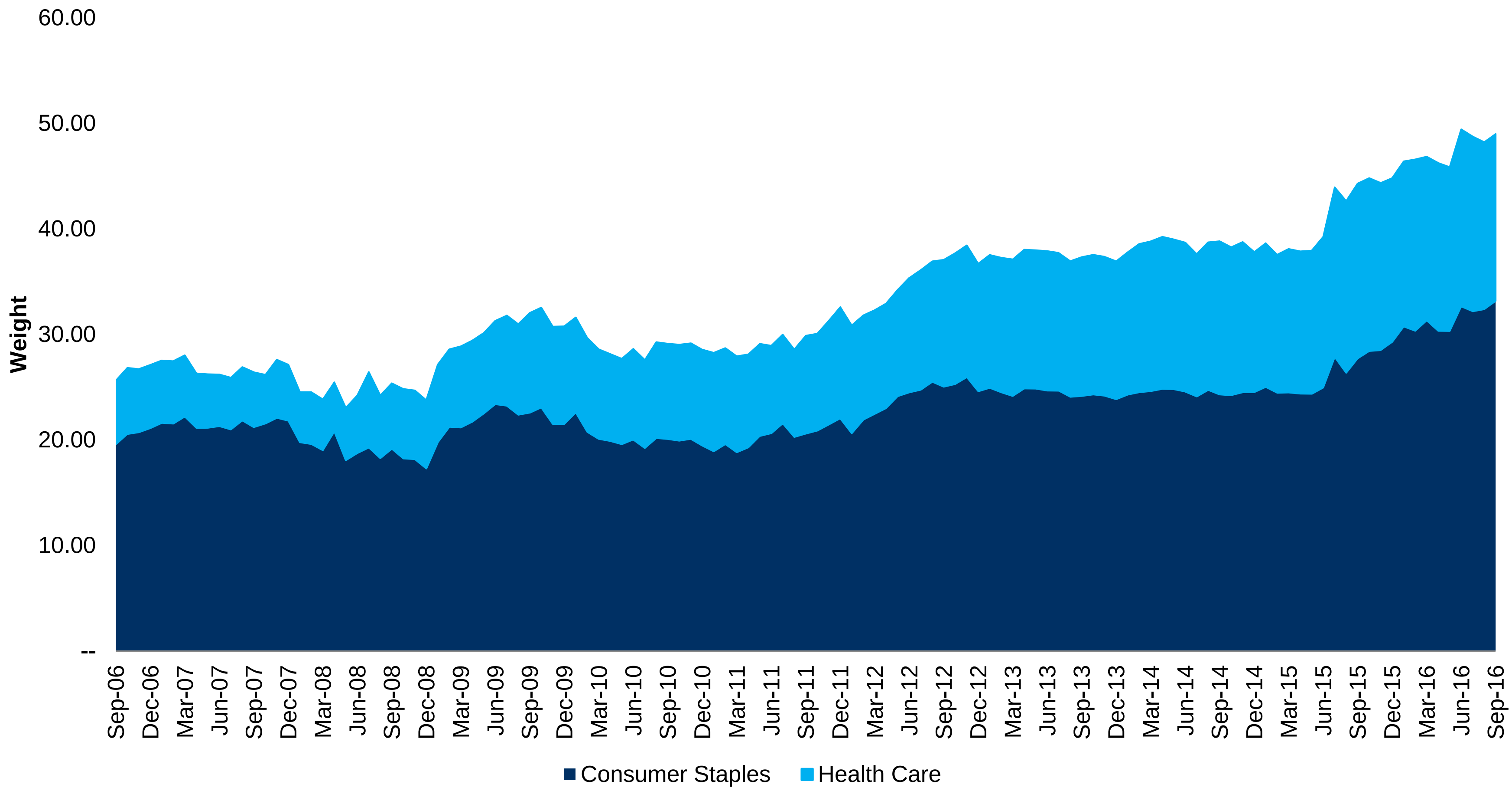
INVESTMENT MANAGEMENT

SECTION 4

Outlook and Strategy

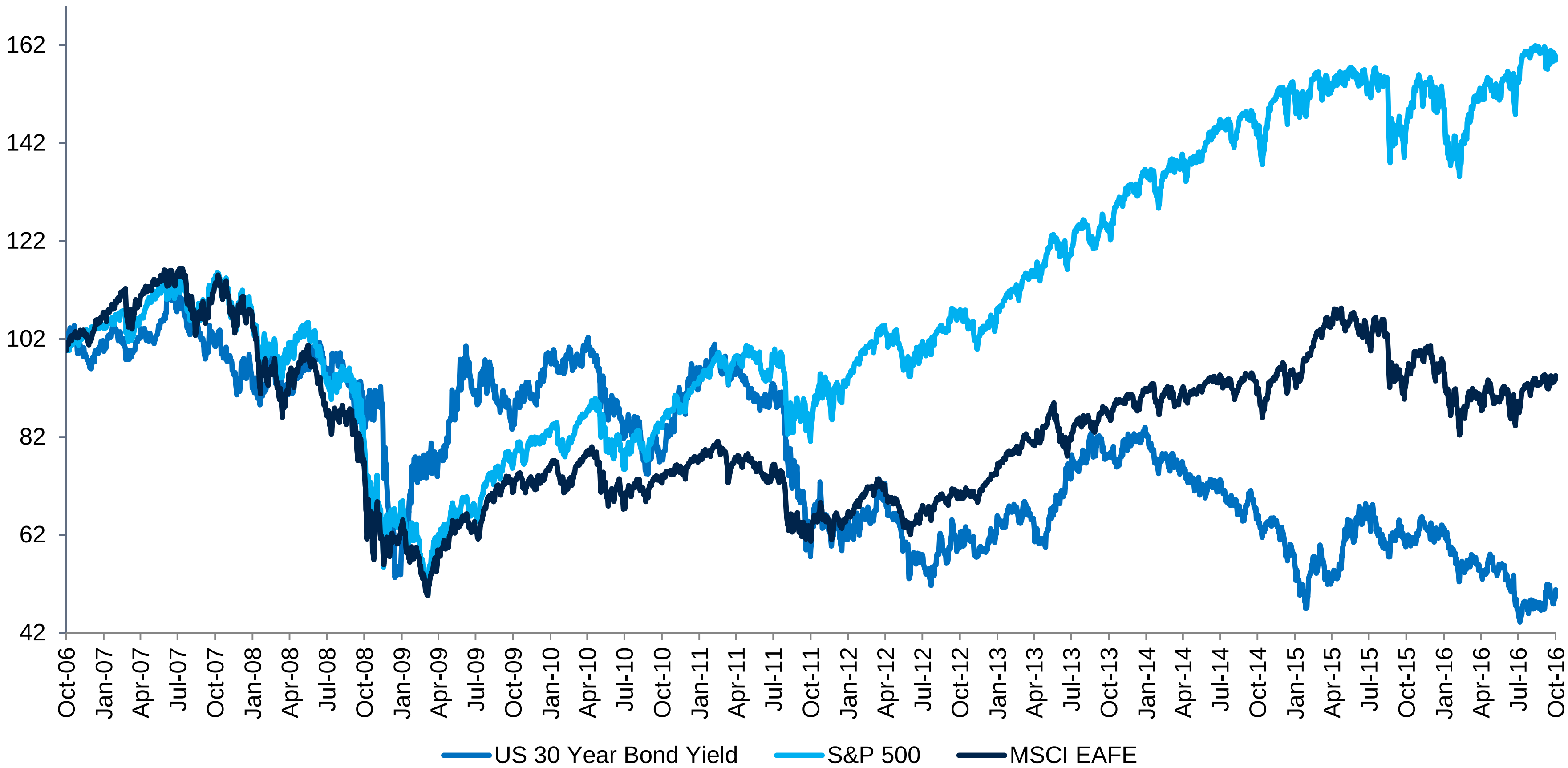
The portfolio is defensively positioned

International Equity Representative Account



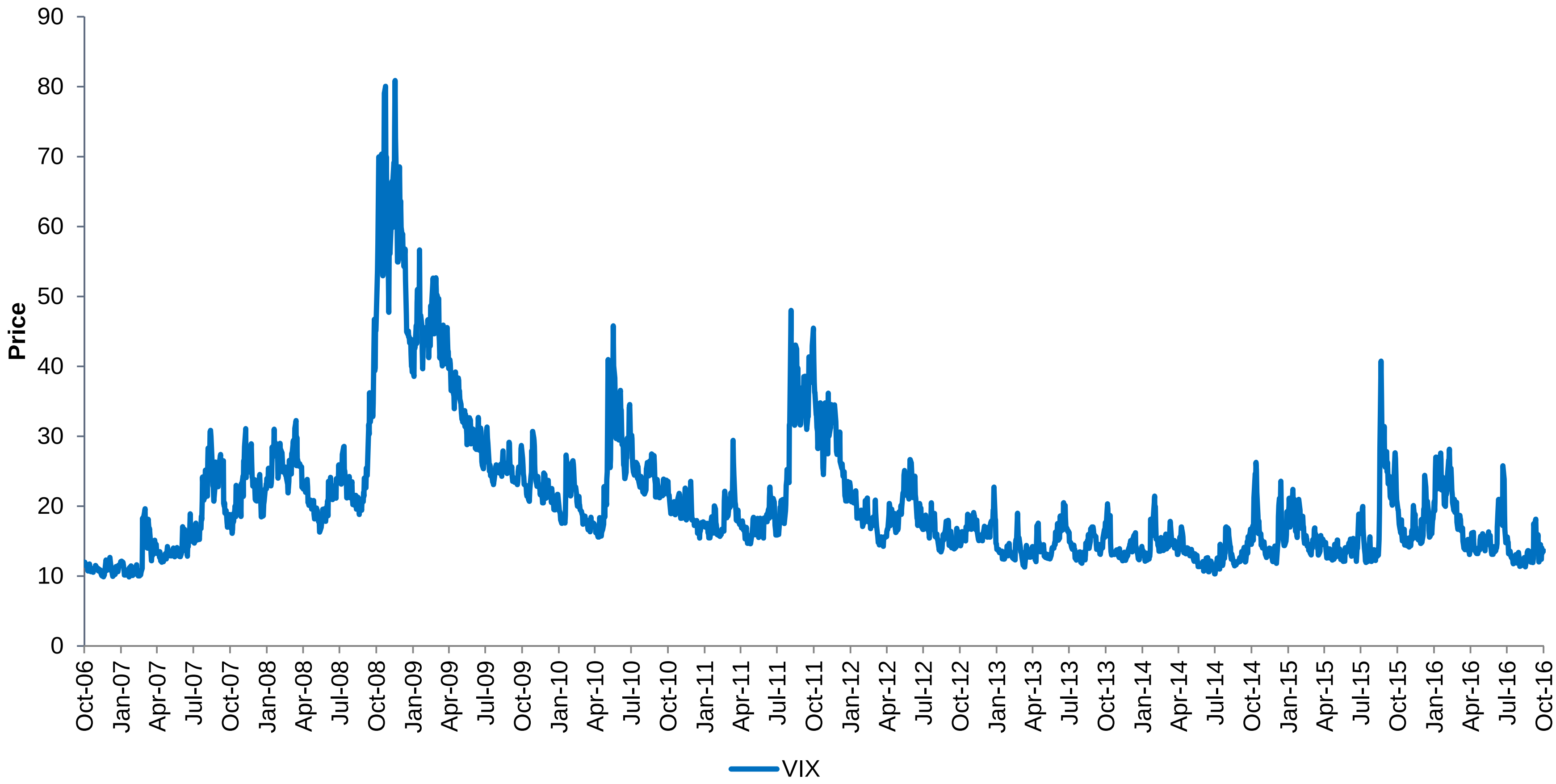
Source: MSIM
Data as of September 30 2016

All asset prices are high



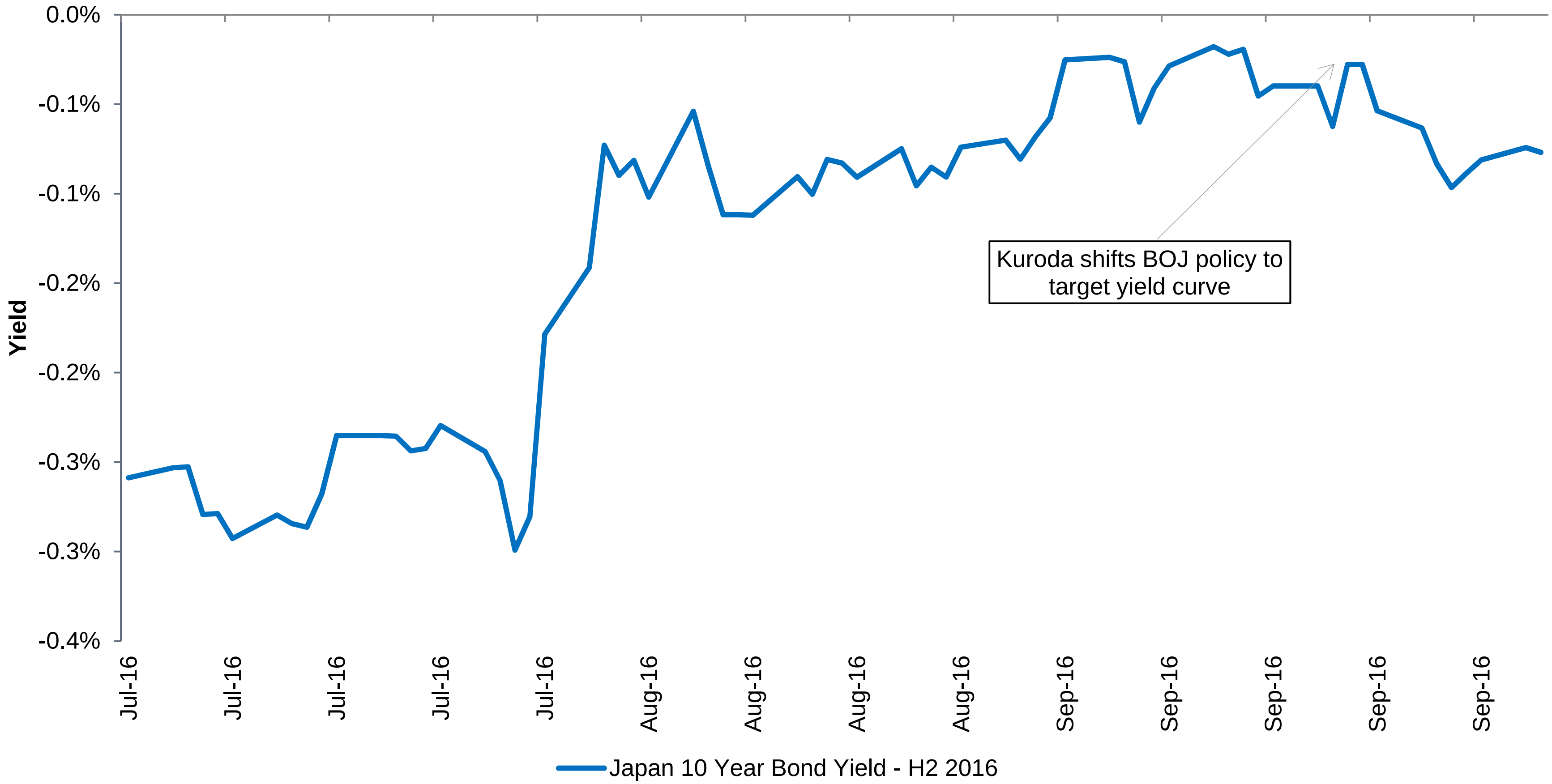
Source: Factset
Data as of: October 4, 2016

And no-one is looking down



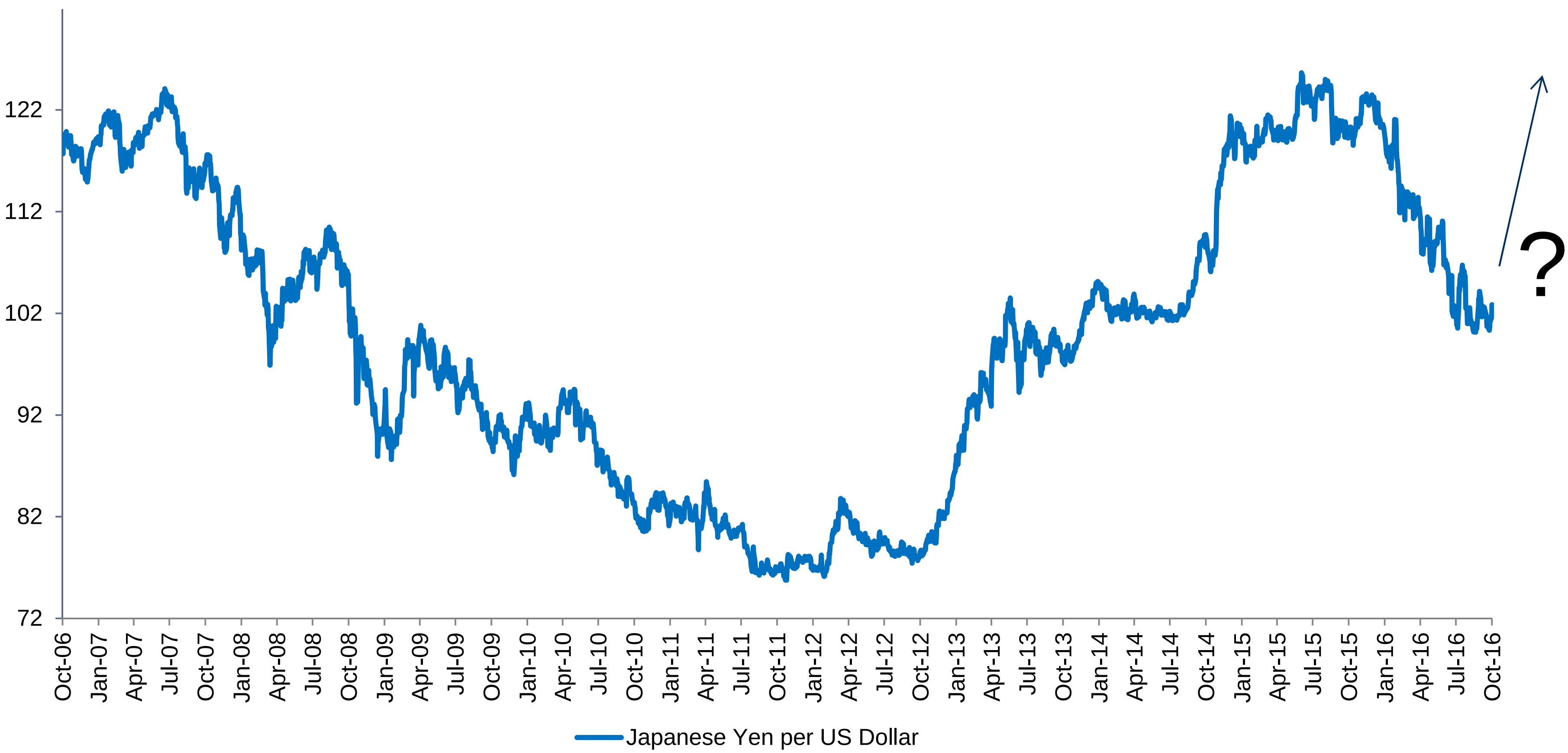
Source: Factset
Data as of: October 4, 2016

Kuroda's new policy could be a game changer



Source: Factset
Data as of: October 4, 2016

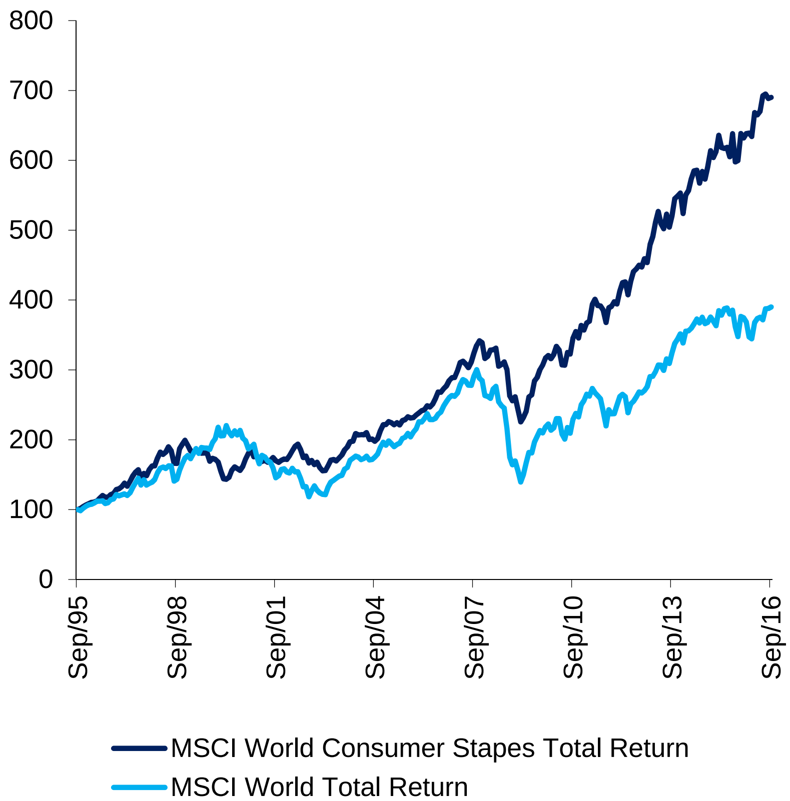
If so, watch out for the Yen



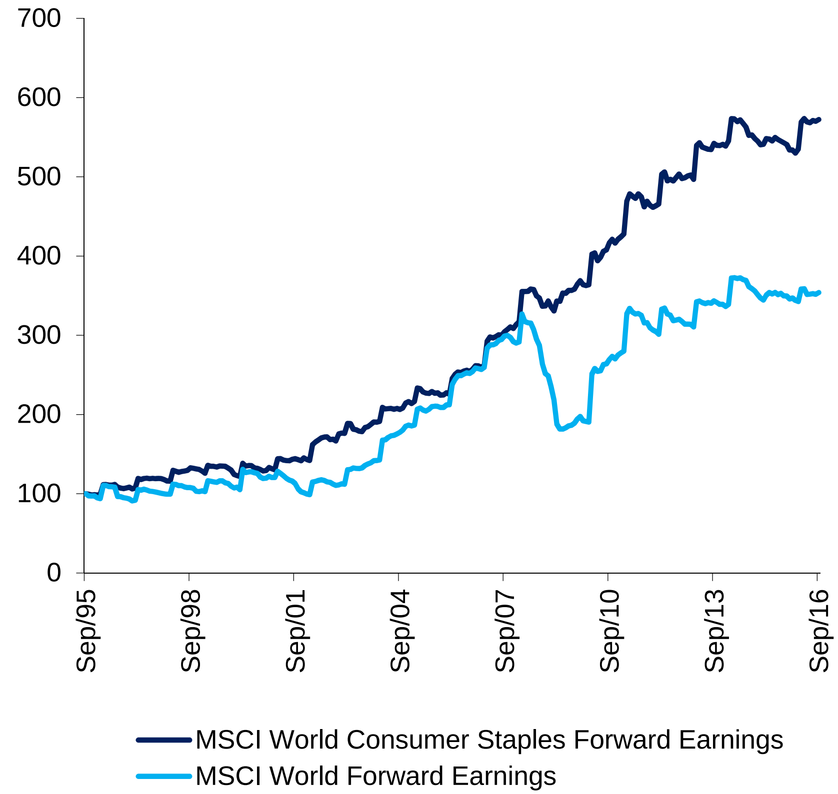
Source: Factset
Data as of October 4, 2016

Consumer Staples Have Outperformed the Market, Driven by Historically More Resilient Earnings…

Total Return: Staples vs. MSCI World [1]



Earnings Growth: Staples vs. MSCI World [1]

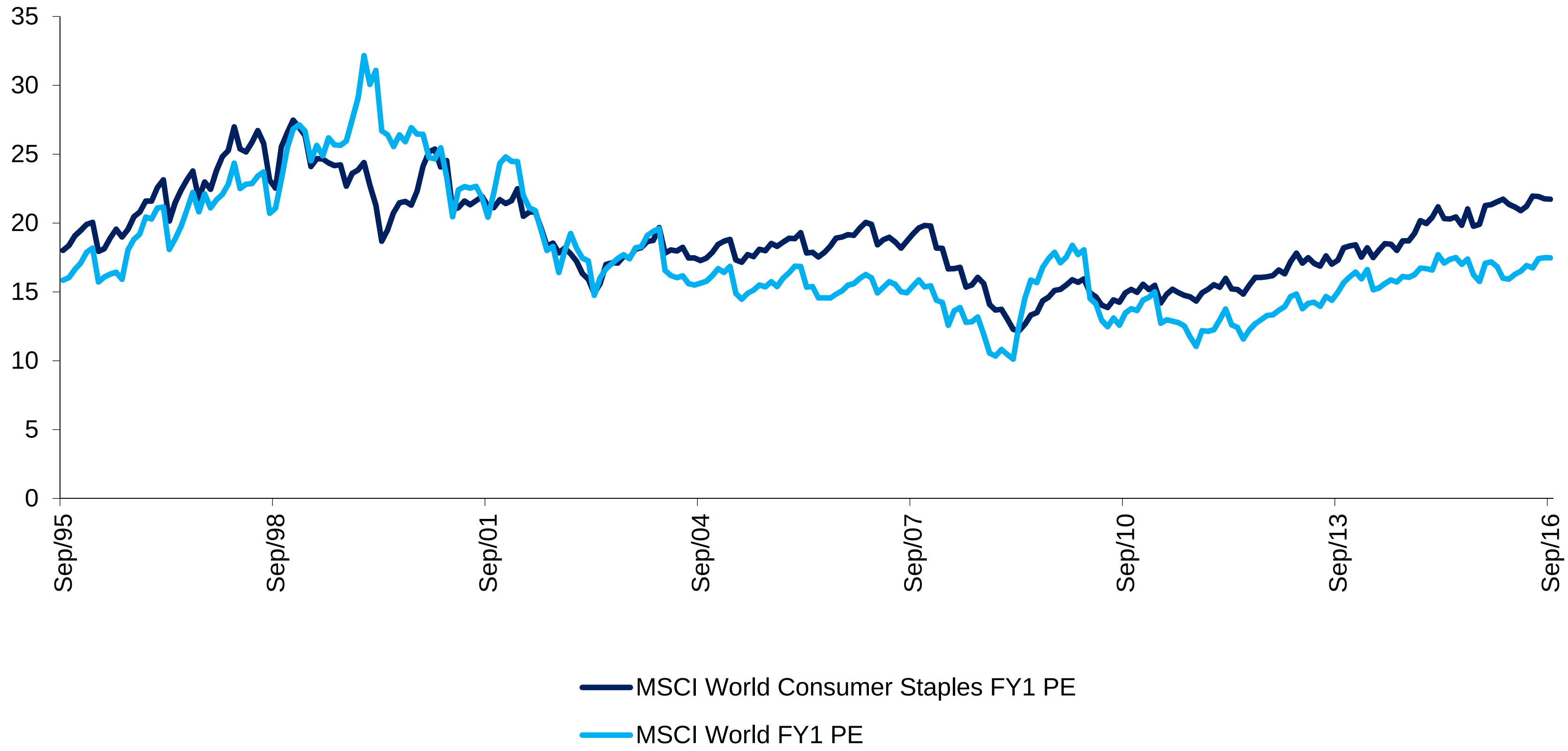


Source: FactSet, MSIM analysis. Data as at September 30, 2016. Dividends reinvested for both series

1. The MSCI World Consumer Staples Index was launched on September 15, 1999. **Past performance is no indication or guarantee of future performance.** This is provided for informational purposes only and is not meant to depict the performance of a specific investment. It is not possible to invest directly in an index. Data prior to the launch date is back-tested data (i.e. calculations of how the index might have performed over that time period had the index existed, based on the MSCI Global Investable Market Indexes (GIMI) Methodology). Past performance -- whether actual or back-tested -- is no indication or guarantee of future performance.

…Rather Than Any Major Relative PE Shift

FY1 Forward PEs: Staples versus MSCI World



Source: Factset, MSIM analysis. Data as at September 30, 2016.

1. Past performance is not indicative of future results. It is not possible to invest directly in an index. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell any security. Data prior to the launch date is back-tested data (i.e. calculations of how the index might have performed over that time period had the index existed, based on the MSCI Global Investable Market Indexes (GIMI) Methodology). Past performance -- whether actual or back-tested -- is no indication or guarantee of future performance.

Outlook

- Valuations ever higher after recent market bounce, despite absence of any earnings growth
- The world has continued to lever up
- Global growth continues to disappoint
- Any bounce in commodity prices unlikely to overwhelm structural deflationary forces. Significant "normalization" of interest rates may well continue to be delayed, particularly outside the US
- Yen at risk given aggressive Japanese monetary policy
- Political and policy risk remains high globally.

As of September 30, 2016. The information reflects the views of the Portfolio Management Team at the time of this writing. These views may change in response to changing economic and market conditions.

2016 Strategy

- Both earnings growth expectations and valuations still look uncomfortably high
- Some value has re-emerged in Pharma. Very limited opportunities in Financials and Japan
- Case for commodities still weak: many hard commodities still well above cost, and both supply and demand problematic
- Pricing power crucial in deflationary world… and under threat in several areas, notably Industrials
- We believe, global, high quality, steady compounders with rock solid balance sheets and sustainable dividends still offer the best potential risk/reward trade-off

As of September 30, 2016. The information reflects the views of the Portfolio Management Team at the time of this writing. These views may change in response to changing economic and market conditions.

Important Disclosures

Morgan Stanley Investment Management International Equity Trust (the "Trust") is a privately offered unregistered fund whose units are offered for investment only to qualified employee benefit plans and certain governmental plans pursuant to a confidential offering memorandum. The Trust is not currently registered, and does not propose in the future to be, registered as an investment company under the U.S. Investment Company Act of 1940, as amended. Morgan Stanley Investment Management Inc. is the sponsor of the Trust and Morgan Stanley Investment Management Limited is the investment manager of the Trust; both of which are registered with the U.S. Securities and Exchange Commission as investment advisers under the U.S. Investment Advisers Act of 1940, as amended.

Past performance is no guarantee of future results. Returns are gross of fees and assume the reinvestment of all dividends and income. Periods less than one year are not annualized. Returns are compared to an unmanaged market index and assumes the reinvestment of dividends and income. The index shown is not meant to depict the performance of any specific investment, should not be considered an investment, and does not include any expenses, fees or sales charges, which would lower performance. An investor can not invest directly in an index.

Any views and opinions herein are those of the team only as of September 30, 2016 are not necessarily those of Morgan Stanley, and are subject to change at any time due to market or economic conditions. All information provided is for informational purposes only. Any forecasts or estimates herein are not necessarily those of Morgan Stanley, and may not actually come to pass.

This material has been prepared solely for informational purposes and is not an offer, or a solicitation of an offer, to buy or sell any security or instrument or to participate in any trading strategy. Sector and Country allocation data was generated from Morgan Stanley Investment Management's internal accounting records and is preliminary. The Trust has fair valuation policies and procedures to value foreign equity securities held by the Trust that become stale as a result of events that occur after the foreign markets close but before the Trust calculates its net asset value. These fair value adjustments are reflected in the net asset value of the Trust but are not reflected in MSIM's internal accounting records. The values of securities used to calculate the net asset value of the Trust could therefore differ from the information contained in this report. Using security values that do not reflect such fair value adjustments increases the comparability of the information to the stated benchmark.

Risk Factors

Equity Securities. In general, prices of equity securities are more volatile than those of fixed income securities. **Risks of International Investing.** Any investment in foreign equity securities may involve a greater degree of risk than an investment in domestic equity securities. Among other things, foreign securities investments may carry the risks of less publicly available information, more volatile markets, less strict securities regulation, less favorable tax provisions, and a greater likelihood of war and expropriation of personal property than investments in domestic securities. **Liquidity.** A withdrawing subscriber may, at the discretion of MSIM, receive securities owned by the Trust in lieu of cash. The risk of loss and delay in liquidating these securities will be borne by the subscriber, with the result that such subscriber may receive less cash than it would have received on the date of withdrawal. **ERISA Issues.** MSIM anticipates that most or all of the subscribers will be entities subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and their participation will require special consideration of certain factors that are described in more detail in the Memorandum. **Federal Income Taxation**. The Trust has received a determination letter from the Internal Revenue Service as to the tax-exempt status of the Trust. MSIM, and the Trustee intend to comply with the provisions of ERISA and the Internal Revenue Code at all times. However, if for any reason the Trust should lose its tax-exempt status as a group trust, it would terminate pursuant to the terms of the Agreement of Trust.

Morgan Stanley

INVESTMENT MANAGEMENT

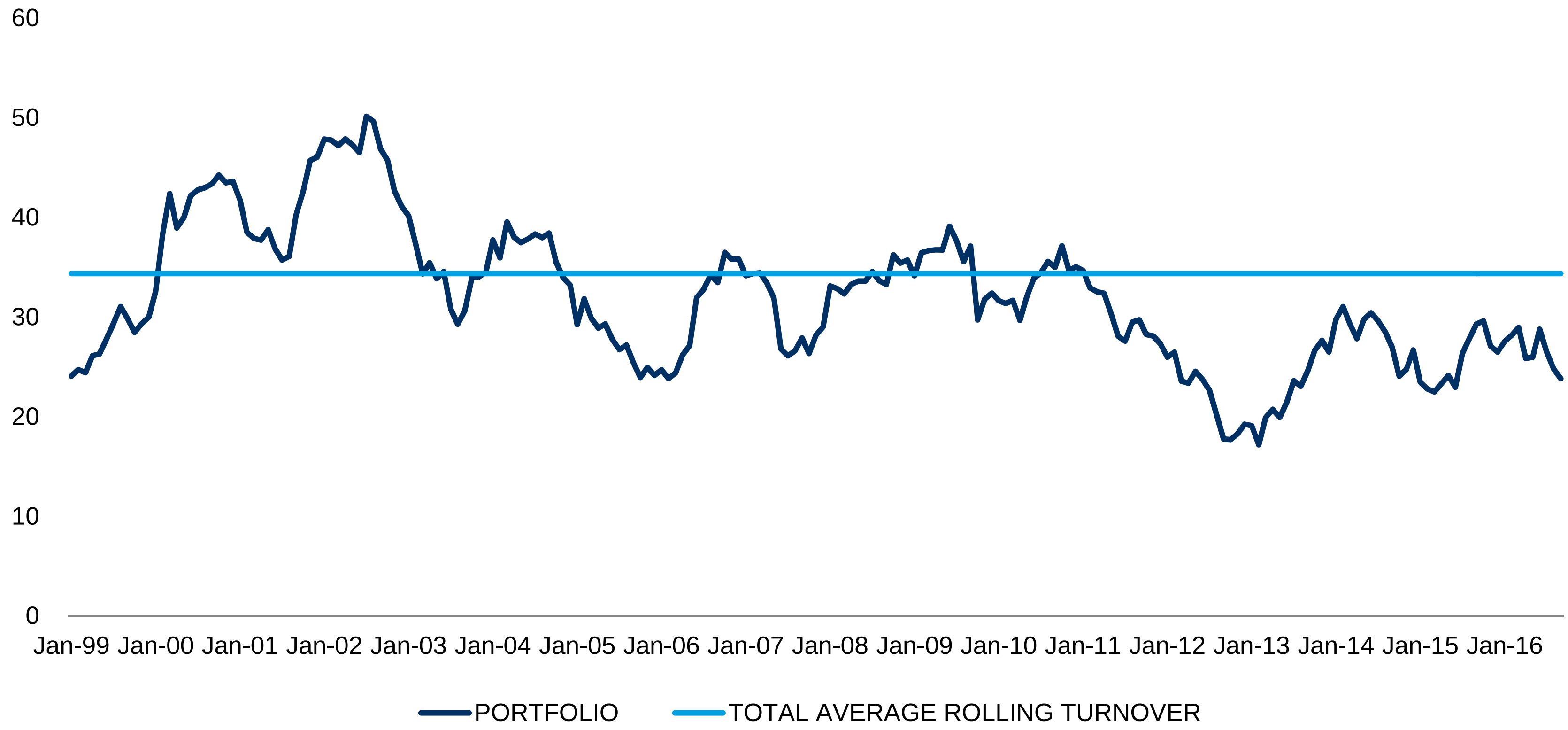
SECTION 5

Appendix A

12 Month Rolling Turnover

Turnover

Percent (%)



Source: Morgan Stanley Investment Management
Data from January 1, 1999 to September 30, 2016. **Past Performance is not indicative of future results.** Subject to change daily. Provided for informational purposes only.
Turnover calculated as: (Total of the lesser of buys or sales over 12 month period / Averaged market values over period) x 100.

Country Attribution – 3Q 2016

Data as of September 30, 2016[1]

	COUNTRY PERFORMANCE		COUNTRY WEIGHTINGS		ATTRIBUTION		
	PORTFOLIO (%)	INDEX (%)	PORTFOLIO (%)	INDEX (%)	SELECTION (%)	ALLOCATION (%)	TOTAL (%)
Denmark	0.00	-6.27	0.00	1.88	0.00	0.23	0.23
Ireland	13.72	7.42	2.52	0.47	0.16	0.04	0.20
Singapore	0.00	-0.15	0.00	1.30	0.00	0.08	0.08
Sweden	18.77	7.48	0.93	2.77	0.09	-0.02	0.07
China	10.72	0.00	1.72	0.00	0.00	0.06	0.06
Israel	0.00	-1.97	0.00	0.76	0.00	0.06	0.06
Belgium	0.00	5.00	0.00	1.37	0.00	0.02	0.02
Italy	-7.87	2.21	0.40	1.93	-0.05	0.06	0.01
Norway	0.00	6.28	0.00	0.63	0.00	0.00	0.00
Portugal	0.00	6.28	0.00	0.15	0.00	0.00	0.00
Finland	0.00	7.42	0.00	0.98	0.00	-0.01	-0.01
New Zealand	0.00	12.44	0.00	0.20	0.00	-0.01	-0.01
Austria	0.00	16.66	0.00	0.17	0.00	-0.02	-0.02
Germany	9.94	10.01	6.79	8.90	-0.02	-0.07	-0.09
Spain	0.00	9.32	0.00	3.00	0.00	-0.09	-0.09
Australia	0.00	7.91	0.00	7.33	0.00	-0.12	-0.12
Hong Kong	0.00	11.92	0.00	3.42	0.00	-0.17	-0.17
Japan	7.77	8.60	17.31	23.67	-0.15	-0.15	-0.30
Netherlands	2.20	9.11	7.61	3.26	-0.51	0.11	-0.41
France	1.59	6.36	11.65	9.64	-0.56	0.00	-0.55
Canada	-15.46	0.00	2.58	0.00	0.00	-0.58	-0.58
United Kingdom	2.62	3.98	32.26	19.11	-0.42	-0.32	-0.74
Switzerland	-1.70	2.62	13.30	9.08	-0.58	-0.17	-0.76
Cash[2]	0.07	0.00	2.94	0.00	0.00	-0.21	-0.21
Total	**3.11**	**6.43**	**100.00**	**100.00**	**-2.04**	**-1.29**	**-3.33**
Other[2]	-0.38	0.00					-0.38
Total Returns	**2.73**	**6.43**					**-3.70**

Source: Morgan Stanley Investment Management, Factset

1. Portfolio weight is an average for the period from July 1, 2016 through September 30, 2016. Index MSCI EAFE Net. **Past performance is not indicative of future results.** Attribution total return may differ from reported total return due to differing methodologies. Returns are Gross of fees, quoted in USD terms, and include the reinvestment of all dividends and income. Had fees been included, returns would be lower and results may differ. Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities in the countries shown above.
2. "Other" is the difference between the buy-and-hold attribution and official portfolio returns Gross of Fees. It reflects the Net impact of cash flows and security transactions. Additional contributors can include differences in pricing sources and fair valuation practices between systems used to calculate these returns. In volatile or illiquid markets and for high turnover portfolios, these differences can become increasingly significant. Attribution considers the total return of each security (price appreciation and dividend income). Management Fees and expenses are not considered by the attribution. The 'Cash' line in the attribution includes cash balances as well as other cash instruments.

Country Attribution – Year to Date

Data as of September 30, 2016(1)

	COUNTRY PERFORMANCE		COUNTRY WEIGHTINGS		ATTRIBUTION		
	PORTFOLIO (%)	INDEX (%)	PORTFOLIO (%)	INDEX (%)	SELECTION (%)	ALLOCATION (%)	TOTAL (%)
Canada	99.42	0.00	2.34	0.00	0.00	1.37	1.37
United Kingdom	2.89	0.80	33.63	19.32	0.78	0.08	0.86
China	36.22	0.00	1.47	0.00	0.00	0.49	0.49
Italy	2.19	-19.15	0.40	2.08	0.09	0.40	0.48
Netherlands	5.99	7.06	7.94	3.12	-0.05	0.23	0.19
Ireland	6.28	-7.19	1.71	0.48	0.26	-0.08	0.18
Denmark	0.00	-7.71	0.00	1.94	0.00	0.17	0.17
Israel	0.00	-15.27	0.00	0.75	0.00	0.14	0.14
Spain	0.00	-3.19	0.00	3.09	0.00	0.13	0.13
Finland	0.00	-0.32	0.00	0.99	0.00	0.02	0.02
United States[3]	0.00	0.23	0.00	0.00	0.00	-0.01	-0.01
Austria	0.00	4.46	0.00	0.18	0.00	-0.01	-0.01
Portugal	0.00	6.70	0.00	0.15	0.00	-0.01	-0.01
Singapore	0.00	5.25	0.00	1.30	0.00	-0.05	-0.05
New Zealand	0.00	32.82	0.00	0.18	0.00	-0.05	-0.05
France	2.13	1.90	10.62	9.79	-0.04	-0.02	-0.06
Norway	0.00	10.65	0.00	0.60	0.00	-0.06	-0.06
Sweden	-3.78	1.47	0.99	2.84	-0.07	0.00	-0.07
Germany	-2.17	1.28	7.14	8.93	-0.29	0.02	-0.28
Belgium	-22.11	4.80	0.69	1.43	-0.27	-0.02	-0.29
Hong Kong	0.00	12.34	0.00	3.26	0.00	-0.32	-0.32
Australia	-9.29	10.69	0.00	7.12	0.00	-0.63	-0.64
Switzerland	-6.14	-1.06	14.09	9.18	-0.76	-0.13	-0.88
Japan	-4.04	2.54	16.28	23.27	-1.12	-0.08	-1.21
Cash(2)	0.19	0.00	2.69	0.00	0.00	-1.06	-1.06
Total	**0.74**	**1.73**	**100.00**	**100.00**	**-1.47**	**0.49**	**-0.98**
Other(2)	0.58	0.00					0.58
Total Returns	**1.32**	**1.73**					**-0.41**

Source: Morgan Stanley Investment Management, Factset

1. Portfolio weight is an average for the period from January 1, 2016 through September 30, 2016. Index MSCI EAFE Net. **Past performance is not indicative of future results.** Attribution total return may differ from reported total return due to differing methodologies. Returns are Gross of fees, quoted in USD terms, and include the reinvestment of all dividends and income. Had fees been included, returns would be lower and results may differ. Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities in the countries shown above.
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3. Coca-Cola European Partners was classified as United States from May 31, 2016-June 1, 2016 and then re-classified to Netherlands from June 2, 2016.

Long-Term Sector Attribution

- Stock selection has accounted for 80% of the strategy's long-term performance

Cumulative Returns for January 1, 1999 – December 31, 2015 (1)

	SECTOR PERFORMANCE		AVERAGE SECTOR WEIGHTINGS		PERFORMANCE ATTRIBUTION		
	PORTFOLIO (%)	INDEX (%)	PORTFOLIO (%)	INDEX (%)	SELECTION (%)	ALLOCATION (%)	TOTAL (%)
Consumer Staples	538.9	213.8	20.4	9.1	30.0	13.3	43.3
Financials	69.2	29.7	16.5	25.4	15.0	3.7	18.8
Information Technology	232.7	8.5	5.8	6.1	17.7	0.7	18.4
Health Care	292.8	163.1	8.4	7.8	8.5	6.0	14.5
Materials	334.8	168.6	9.2	9.0	11.1	3.3	14.4
Consumer Discretionary	197.6	103.6	8.8	12.0	9.4	2.4	11.8
Industrials	167.1	138.7	8.4	11.1	7.5	1.7	9.1
Utilities	103.8	41.3	7.3	7.0	5.6	0.1	5.7
Energy	127.7	72.7	4.2	4.9	1.5	3.3	4.8
Telecoms	91.6	86.5	7.7	7.6	2.4	1.7	4.1
Cash (2)	22.7	0.0	3.4	0.0	0.0	-3.8	-3.8
Hedging	-2.5	0.0	-0.0	0.0	0.0	0.9	0.9
Total	**223.8**	**81.8**	**100.0**	**100.0**	**108.6**	**33.4**	**142.0**
Other (2)	-4.2	1.7					-5.9
Total Returns	**219.6**	**83.5**					**136.1**

Source: Morgan Stanley Investment Management and FactSet

1. Portfolio weight is an average for the period January 1, 1999 through December 31, 2015. Index MSCI EAFE Index. **Past performance is not indicative of future results.** Attribution total return may differ from reported total return due to differing methodologies. Returns are Gross of fees, quoted in USD terms, and include the reinvestment of all dividends and income. Had fees been included, returns would be lower and results may differ. Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities in the sectors shown above.
2. Other" is the difference between the buy-and-hold attribution and official portfolio returns Gross of Fees . It reflects the Net impact of cash flows and security transactions. Additional contributors can include differences in pricing sources and fair valuation practices between systems used to calculate these returns. In volatile or illiquid markets and for high turnover portfolios, these differences can become increasingly significant. Attribution considers the total return of each security (price appreciation and dividend income). Management Fees and expenses are not considered by the attribution. The 'Cash' line in the attribution includes cash balances as well as other cash instruments and derivatives (e.g., currency forwards) that can be held by the portfolio for hedging purposes.

To obtain the methodology of the return attribution analysis, a list showing every holding's contribution to the overall performance during the measurement periods, and/or if you have any questions, please contact your Morgan Stanley representative. The holdings identified do not represent all of the securities purchased, sold, or recommended for advisory clients. Holdings attribution is calculated NET of fees. Had fees been included, returns would have been lower.

Portfolio Management Team

William Lock

Managing Director

william.lock@morganstanley.com

William is a portfolio manager and head of the London-based International Equity team. He joined Morgan Stanley in 1994 and has 24 years of investment experience. Prior to joining the firm, he worked at Credit Suisse First Boston's Corporate Finance Group, and was a management consultant with Arthur D. Little. William received a B.A. in modern history from Keble College, Oxford.

Bruno Paulson

Managing Director

bruno.paulson@morganstanley.com

Bruno is a portfolio manager for the London-based International Equity team. He joined Morgan Stanley in 2009. Prior to joining the firm, Bruno worked for Sanford Bernstein in London, where he was a Senior Analyst covering the financial sector, particularly banks and insurers, for eight years. Previously, he was a manager at the Boston Consulting Group where he focused on the financial services industry. Bruno has an MBA from INSEAD where he received the Ford Prize for graduating top of class. He was also a Research Fellow in Political Economy at Nuffield College, Oxford, and received a B.A. in Politics, Philosophy and Economics with 1st Class Honors from Keble College, Oxford.

Christian Derold

Managing Director

christian.derold@morganstanley.com

Christian is a portfolio manager for the London-based International Equity team. He joined Morgan Stanley in 2006 and has 24 years of investment experience. Prior to joining the firm, Christian was director of research at Millgate Capital, a long short equity hedge fund. Prior to this, he worked at the State of Wisconsin Investment Board where he managed the Board's international equity portfolio. Christian received an M.A. in business administration from the University of Economics and Business Administration in Vienna, Austria.

Team members may change from time to time.

Portfolio Management Team

Vladimir Demine, CFA

Executive Director

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Vladimir is a portfolio manager for the London-based International Equity team. He joined Morgan Stanley in 2009 and has 14 years of investment management experience. Prior to joining the firm, Vladimir worked for UBS Global Asset Management in London, where he was an analyst responsible for stock selection of consumer staples holdings in key client mandates. Vladimir received an M.Sc. in investment management with Distinction from City University (CASS) Business School and a Master's in finance with Distinction from St Petersburg State University of Economics and Finance.

Dirk Hoffmann-Becking

Executive Director

dirk.hoffmann-becking@morganstanley.com

Dirk is a portfolio manager for the London-based International Equity team. He joined Morgan Stanley in 2013 and has 18 years of investment experience. Prior to joining the firm, Dirk worked for Société Générale as Global Head of Bank Sector Research. Previously, was a senior research analyst covering European Banks at Sanford Bernstein. Prior to that, Dirk spent five years as a consultant for McKinsey & Company and three years as a strategy manager at ABN Amro. Dirk has a Ph.D. in Law (magna cum laude) from Christian Albrechts University of Kiel, Germany and trained and worked as a lawyer at Freshfields Bruckhaus Deringer.

Nic Sochovsky

Executive Director

nic.sochovsky@morganstanley.com

Nic is a portfolio manager for the London-based International Equity team. He joined Morgan Stanley in 2015 and has 18 years of industry experience. Prior to joining the team, Nic worked for Credit Suisse within a top industry ranked consumer staples team covering Food manufacturing, HPC, beverages and tobacco. Before that he headed the consumer research team at Unicredit and was a senior analyst at Merrill Lynch and Lehman Brothers covering pan-European Food manufacturing and HPC. Nic received a B.A. in Economics from Sheffield University.

Team members may change from time to time.

Portfolio Management Team

Marcus Watson

Vice President

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Marcus is a portfolio manager for the London-based International Equity team. He joined Morgan Stanley in 2008 and has 8 years of investment experience. He received a B.Sc in psychology from the University of Newcastle Upon Tyne.

Alex Gabriele, CFA

Vice President

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Alex is a member of the London-based International Equity team. He joined Morgan Stanley from Sloane Robinson LLP in 2012 and has 7 years of investment experience. Prior to joining the team, Alex was responsible for stock selection across the cyclical universe, predominantly in Asia ex-Japan. Alex holds a B.A in Natural Sciences from Trinity College, Cambridge

Richard Perrott, CFA

Vice President

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Richard is a member of the London-based International Equity team. He joined Morgan Stanley in 2015 and has 10 years of industry experience. Prior to joining the team, Richard was an equity research analyst at Autonomous Research covering specialty financials. Before that Richard covered financials at Berenberg Bank and financials and healthcare at Sanford Bernstein. Richard received an M.A in Mathematics and Philosophy from St Edmund Hall, Oxford.

Team members may change from time to time.

Portfolio Specialist Team

Catherine M. Colecchi

Managing Director

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Catherine is a portfolio specialist for the International Equity and Global Franchise products managed from London and works with clients based in the Americas. She joined Morgan Stanley in 1983 and MSIM in 1997, and has 19 years of investment experience. Previously she was a foreign exchange trader with assignments in Morgan Stanley's New York and London offices. Catherine received a BA from Vassar College and is a member of Phi Beta Kappa.

Jill Ytuarte

Executive Director

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Jill is a portfolio specialist for the London-based International Equity team and works with North America based clients. She joined Morgan Stanley Investment Management in 2004 and has 18 years of investment industry experience. Prior to joining the firm, Jill served as a management consultant at Kasina and before that was an assistant vice president of Institutional Marketing at AllianceBernstein. Jill received a B.A., magna cum laude, from Adelphi University Honors College, studied English Literature at St. Anne's College, Oxford University, and earned an M.B.A. from Columbia Business School.

Sean McDermott

Vice President

sean.mcdermott1@morganstanley.com

Sean is a portfolio specialist for the International Equity products managed from London and works with North American-based clients. He joined Morgan Stanley in 2012 and has 12 years of investment experience. Prior to joining the firm, Sean was a Vice President and Relationship Manager at Cohen & Steers Capital Management. Previously, he was a client service and sales associate at Robeco Investment Management and a legal assistant at Office of the Corporation Counsel. Sean received a B.A. from the College of the Holy Cross.

Team members may change from time to time.

International Equity Strategy

Presented in USD Terms

Year	Gross Composite Return (%)	Net Composite Return (%)	Index Return (%)	Composite 3-Yr Ex-post Standard Deviation (%)	Index 3-Yr Ex-post Standard Deviation (%)	Number of Accounts	Composite Market Value (M)	Percent of Firm Assets	Firm Assets (B)	Internal Dispersion (%)
2006	23.62	22.69	26.34	8.34	9.47	6	19,988	4.4	461.8	0.0
2007	10.76	9.93	11.17	8.03	9.56	6	17,341	3.5	504.4	0.1
2008	-32.47	-33.02	-43.38	16.39	19.51	7	8,410	2.7	312.0	0.3
2009	22.57	21.55	31.78	19.79	23.91	8	10,113	4.9	206.2	0.6
2010	7.04	6.13	7.75	22.40	26.61	7	9,806	4.4	223.1	0.1
2011	-7.07	-7.86	-12.14	19.73	22.75	6	7,973	3.4	233.7	0.3
2012	20.72	19.72	17.32	17.89	19.65	4	8,945	3.2	280.1	N/A
2013	21.60	20.59	22.78	14.91	16.48	4	9,646	3.1	310.1	N/A
2014	-5.18	-6.02	-4.90	12.49	13.21	5	8,651	2.6	332.3	N/A
2015	1.23	0.32	-0.81	12.03	12.64	5	7,271	2.2	334.3	N/A

Morgan Stanley Investment Management “MSIM” claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Morgan Stanley Investment Management has been independently verified for the periods January 1, 1994 through December 31, 2014. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Morgan Stanley Investment Management (“MSIM”) is the asset management business of Morgan Stanley. Assets are managed by teams representing different MSIM investment platforms. The GIPS® firm for MSIM (“The Firm”) is defined as the Active Fundamental Equity, Global Fixed Income, and Global Liquidity investment platforms, as well as the Global Listed Real Assets, Global Multi Asset, Applied Equity Advisors and Fundamental Equity Advisors investment strategies. Effective February 26, 2016, the Firm was redefined to reflect a realignment of the legal entities into investment platforms, which did not impact the Firm assets under management.

Prior to January 1, 2002, the Firm was defined as an investment management firm consisting of investment advisory operations within various legal entities. As of January 1, 2002, the Firm definition was expanded to include all investment advisory operations within MSIM excluding wrap fee programs. From January 1, 2007 to May 31, 2010, the Firm definition included wrap fee programs, which were sold May 31, 2010. Due to an acquisition of assets from Morgan Stanley Smith Barney LLC (“MSSB”) business on October 1, 2015, the Firm definition was expanded to include wrap fee programs.

The International Equity Strategy was created on September 30, 1998 and its inception date is September 30, 1986. This composite includes all pooled vehicles managed on a fully discretionary basis according to the International Equity strategy. The strategy seeks long-term capital appreciation by investing primarily in a variety of non-U.S. stocks. With the exception of forward exchange contracts, no derivatives are used in this strategy. Using derivatives involve specific risks, including those related to counterparty, liquidity, valuation, correlation, and market risks. William Lock and Peter Wright were appointed to co-lead the International Equity strategy, after the departure of Dominic Caldecott on February 3, 2006. There was no change to the strategy’s objective or philosophy due to his departure. On December 17, 2014, upon Peter Wright’s retirement from the industry, William Lock became lead portfolio manager. A complete list and description of all composites is available upon request.

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International Equity Strategy

Presented in USD Terms

Performance data quoted represents past performance, which is no guarantee of future results. Please keep in mind that double-digit returns are highly unusual and cannot be sustained. Investors should also be aware that these returns were primarily achieved during favorable market conditions. The composite results shown are GROSS and NET of investment advisory/management fees. Returns are reported in U.S.$. The composite can include portfolios with different currencies which have been converted to the reported currency. The internal dispersion of annual returns is measured by the standard deviation of at least 6 asset-weighted portfolio gross of fees returns included in the composite for the full year. The internal dispersion is not presented because there are not at least 6 asset-weighted portfolio gross of fees returns included in the composite for the full year. The three-year annualized ex-post standard deviation measures the variability of the gross composite and benchmark returns over the preceding 36-month period. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

The MSCI EAFE Index is used as a benchmark. The MSCI EAFE Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. The benchmark is calculated with net dividends reinvested. The index is unmanaged and does not include any expenses, fees or sales charges, which would lower performance. The benchmark is used for comparative purposes only. It is not possible to invest directly in an index.

Gross performance is net of all transaction costs. Net performance is net of all transaction costs, actual investment management/advisory fees and applicable administrative expenses. The firm’s standard investment advisory fee schedule is as follows: 0.80% per annum on first $25 million of assets; 0.60% per annum on next $25 million of assets; 0.50% per annum on next $25 million of assets; 0.40% per annum on assets in excess of $75 million.

CRC 1557075 Exp 07/31/2017

Global Franchise Composite

Presented in USD Terms

Year	Gross Composite Return (%)	Net Composite Return (%)	Index Return (%)	Composite 3-Yr Ex-post Standard Deviation (%)	Index 3-Yr Ex-post Standard Deviation (%)	Number of Accounts	Composite Market Value (M)	Percent of Firm Assets	Firm Assets (B)	Internal Dispersion (%)
2006	22.97	22.37	20.07	6.93	7.75	16	2,103	0.5	461.8	0.3
2007	10.91	10.30	9.04	6.59	8.21	19	3,320	0.7	504.4	0.4
2008	-28.33	-28.83	-40.71	13.15	17.26	16	2,986	1.0	312.0	0.3
2009	31.70	30.79	29.99	16.84	21.70	5	876	0.4	206.2	N/A
2010	15.25	14.65	11.76	18.33	24.05	6	1,073	0.5	223.1	N/A
2011	10.30	9.82	-5.54	15.47	20.44	5	1,594	0.7	233.7	N/A
2012	16.26	15.70	15.83	13.61	16.98	15	2,504	0.9	280.1	N/A
2013	21.09	20.42	26.68	12.09	13.73	21	3,566	1.2	310.1	0.3
2014	5.93	5.33	4.94	11.66	10.37	21	3,769	1.1	332.3	0.2
2015	7.24	6.58	-0.87	12.90	10.96	19	3,224	1.0	334.3	0.2

Morgan Stanley Investment Management "MSIM" claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Morgan Stanley Investment Management has been independently verified for the periods January 1, 1994 through December 31, 2014. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Morgan Stanley Investment Management ("MSIM") is the asset management business of Morgan Stanley. Assets are managed by teams representing different MSIM investment platforms. The GIPS® firm for MSIM ("The Firm") is defined as the Active Fundamental Equity, Global Fixed Income, and Global Liquidity investment platforms, as well as the Global Listed Real Assets, Global Multi Asset, Applied Equity Advisors and Fundamental Equity Advisors investment strategies. Effective February 26, 2016, the Firm was redefined to reflect a realignment of the legal entities into investment platforms, which did not impact the Firm assets under management.

Prior to January 1, 2002, the Firm was defined as an investment management firm consisting of investment advisory operations within various legal entities. As of January 1, 2002, the Firm definition was expanded to include all investment advisory operations within MSIM excluding wrap fee programs. From January 1, 2007 to May 31, 2010, the Firm definition included wrap fee programs, which were sold May 31, 2010. Due to an acquisition of assets from Morgan Stanley Smith Barney LLC ("MSSB") business on October 1, 2015, the Firm definition was expanded to include wrap fee programs.

The Global Franchise Composite was created on July 28, 2000 and its inception date is March 31, 1996. The composite includes all separately managed accounts managed on a fully discretionary basis according to the Global Franchise strategy. The strategy seeks capital appreciation by constructing a concentrated portfolio of high-quality franchise stocks, characterized by dominant intangible assets, high returns on invested capital and strong free cash flow generation. With the exception of forward exchange contracts, no derivatives are used in this strategy. Using derivatives involve specific risks, including those related to counterparty, liquidity, valuation, correlation, and market risks. As of June 15, 2009, William Lock and Peter Wright were named co-heads of the Global Franchise strategy. Peter Wright retired in December 2014. Prior to June 15, 2009, the strategy was managed by Hassan Elmasry and prior to April 12, 2002 the strategy was managed by Andy Brown. Both Hassan and Andy are no longer with the firm. There has been no change to the strategy's objective or philosophy due to their departures. A complete list and description of all composites is available upon request.

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Global Franchise Composite

Presented in USD Terms

Performance data quoted represents past performance, which is no guarantee of future results. Please keep in mind that double-digit returns are highly unusual and cannot be sustained. Investors should also be aware that these returns were primarily achieved during favorable market conditions. The composite results shown are GROSS and NET of investment advisory/management fees. Returns are reported in US$. The composite can include portfolios with different currencies which have been converted to the reported currency. The internal dispersion of annual returns is measured by the standard deviation of at least 6 asset-weighted portfolio gross of fees returns included in the composite for the full year. The internal dispersion is not presented because there are not at least 6 asset-weighted portfolio gross of fees returns included in the composite for the full year. The three-year annualized ex-post standard deviation measures the variability of the gross composite and benchmark returns over the preceding 36-month period. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

The MSCI World Index is used as a benchmark. MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The benchmark is calculated with net dividends reinvested. The index is unmanaged and does not include any expenses, fees or sales charges, which would lower performance. The benchmark is used for comparative purposes only. It is not possible to invest directly in an index.

Gross performance is net of all transaction costs. Net performance is net of all transaction costs and actual investment management/advisory fees. The firm’s standard investment advisory fee schedule is as follows: 0.80% per annum on first U.S.$25 million of assets; 0.75% per annum on next U.S.$25 million of assets; 0.70% per annum on next U.S.$50 million of assets; 0.65% per annum on assets in excess of U.S.$100 million.

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Global Quality Composite

Presented in USD Terms

Year	Gross Composite Return (%)	Net Composite Return (%)	Index Return (%)	Composite 3-Yr Ex-post Standard Deviation (%)	Index 3-Yr Ex-post Standard Deviation (%)	Number of Accounts	Composite Market Value (M)	Percent of Firm Assets	Firm Assets (B)	Internal Dispersion (%)
2013*	13.77	13.56	16.83	N/A	N/A	1	68	0.0	310.1	N/A
2014	4.48	3.94	4.94	N/A	N/A	3	809	0.2	332.3	N/A
2015	6.97	6.42	-0.87	N/A	N/A	5	2064	0.6	334.3	N/A

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The Global Quality Composite was created on July 31, 2013 and its inception date is June 30, 2013. This composite includes all separately managed accounts managed on a fully discretionary basis according to the Global Quality strategy. The strategy seeks to provide an attractive long-term rate of return, measured in US Dollars, through investment principally in equity securities of companies in the world's developed and emerging countries. The investment team creates concentrated portfolios by investing in high quality businesses that the team believes have strong management that can sustain high cross-cycle returns on capital. With the exception of forward exchange contracts, no derivatives are used in this strategy. Using derivatives involve specific risks, including those related to counterparty, liquidity, valuation, correlation, and market risks. Since inception, William Lock and Peter Wright were co-heads of the strategy. Peter Wright retired in December 2014. There has been no change to the strategy's objective or philosophy due to his departure. A complete list and description of all composites is available upon request.

Performance data quoted represents past performance, which is no guarantee of future results. Please keep in mind that double-digit returns are highly unusual and cannot be sustained. Investors should also be aware that these returns were primarily achieved during favorable market conditions. The composite results shown are GROSS and NET of investment advisory/management fees. Returns are reported in U.S.$. The composite can include portfolios with different currencies which have been converted to the reported currency. The internal dispersion of annual returns is measured by the standard deviation of at least 6 asset-weighted portfolio gross of fees returns included in the composite for the full year. The internal dispersion is not presented because there are not at least 6 asset-weighted portfolio gross of fees returns included in the composite for the full year. The three-year annualized ex-post standard deviation measures the variability of the gross composite and benchmark returns over the preceding 36-month period. The three-year ex-post standard deviation is not presented because there are not 36 monthly returns for the composite. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

The MSCI World Index is used as a benchmark. MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The benchmark is calculated with net dividends reinvested. The index is unmanaged and does not include any expenses, fees or sales charges, which would lower performance. The benchmark is used for comparative purposes only. It is not possible to invest directly in an index.

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0.80% per annum on first U.S.$25 million of assets; 0.75% per annum on next U.S.$25 million of assets; 0.70% per annum on next U.S.$50 million of assets; 0.65% per annum on assets in excess of U.S.$100 million.

*Figures are for the period of June 30, 2013 to December 31, 2013.

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