

Investment Performance Review
Period Ending June 30, 2018

Southfield Employees' Retirement System

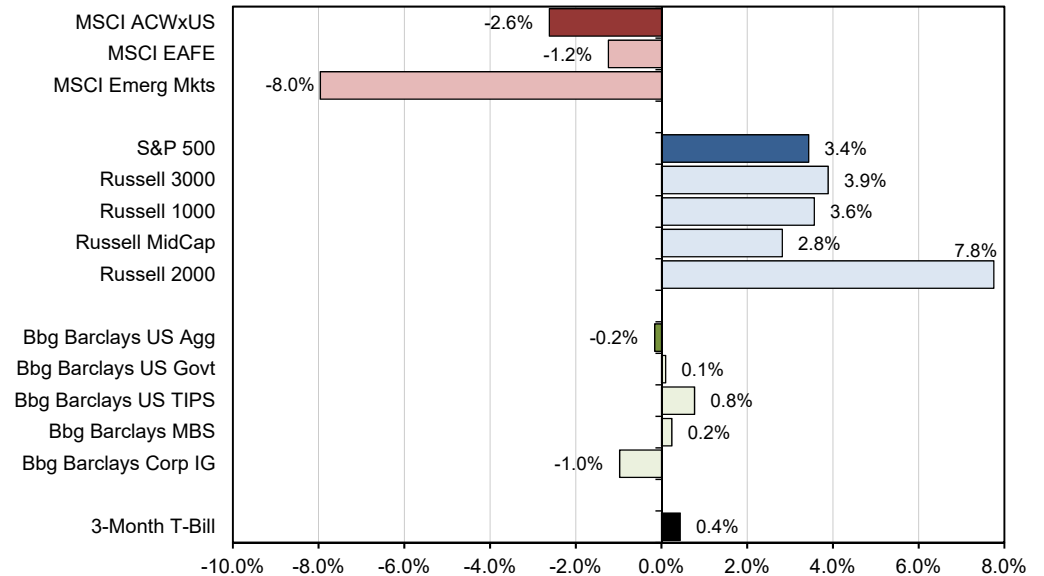


2nd Quarter 2018 Market Environment

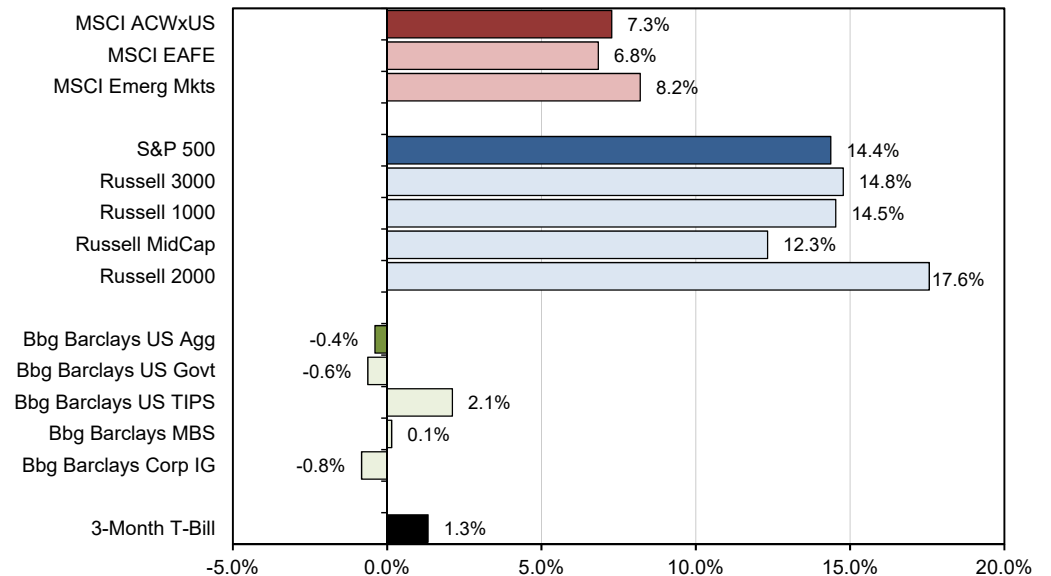


- Market returns were mixed across major equity and fixed income indices for the 2nd quarter of 2018. Broad domestic equity indices had healthy gains as supportive economic and corporate earnings data, helped by a fiscal stimulus tailwind resulting from the Republican Party led tax reform passed in late 2017, continued to push domestic stocks higher. International indices did not fare as well during the period, posting negative returns in US dollar (USD) terms, as markets were hurt by relatively soft economic data, geopolitical concerns and a strengthening USD. Fixed income returns were somewhat flat for the quarter with the various sector segments producing minor gains or losses. Despite the Federal Reserve's (Fed) ongoing tightening of monetary policy and the potential for global trade disruptions resulting from Trump administration protectionist trade policies, economic momentum in the US continued to fuel investor demand for domestic equities. The US stock market represented by the Russell 3000 Index returned 3.9% and 14.8% for the quarter and 1-year period respectively.
- International equity posted negative returns for the quarter with emerging markets stocks falling the greatest degree. The developed market MSCI EAFE Index lost -1.2% as macroeconomic data abroad, while still signaling a continuation in global growth, appeared to slow throughout the quarter. International markets were also affected by investor concerns surrounding ongoing political developments in various countries and continued uncertainty around the outlook for global trade relations. International market returns also faced a currency effect headwind as the USD appreciated against most other currencies during the period. This combination of factors had the greatest influence on emerging market equities with the MSCI Emerging Markets Index posting a sharp decline of -8.0%. One-year returns remain broadly positive with the MSCI EAFE and MSCI Emerging Markets indices returning 6.8% and 8.2% respectively.
- Interest rates on the US Treasury Yield Curve rose across all maturities during the 2nd quarter. The increase in interest rates was most pronounced in short-term maturities resulting in further flattening of the yield curve. The relatively large increase at the short-end of the curve was partially due to the Fed's decision to tighten monetary policy by increasing short-term interest rates for the second time this year during their June meeting. Also significant was the change in the Fed's forecasted schedule for interest rate increases, which now projects two potential additional rate increases in 2018, where it had previously forecast just one. The broad market Bloomberg Barclays US Aggregate Index was modestly negative for both the 2nd quarter and the 1-year time period, returning -0.2% and -0.4% respectively. Corporate issues were the worst performing investment grade sector during the quarter, returning -1.0% as credit spreads continued to widen through 2018.

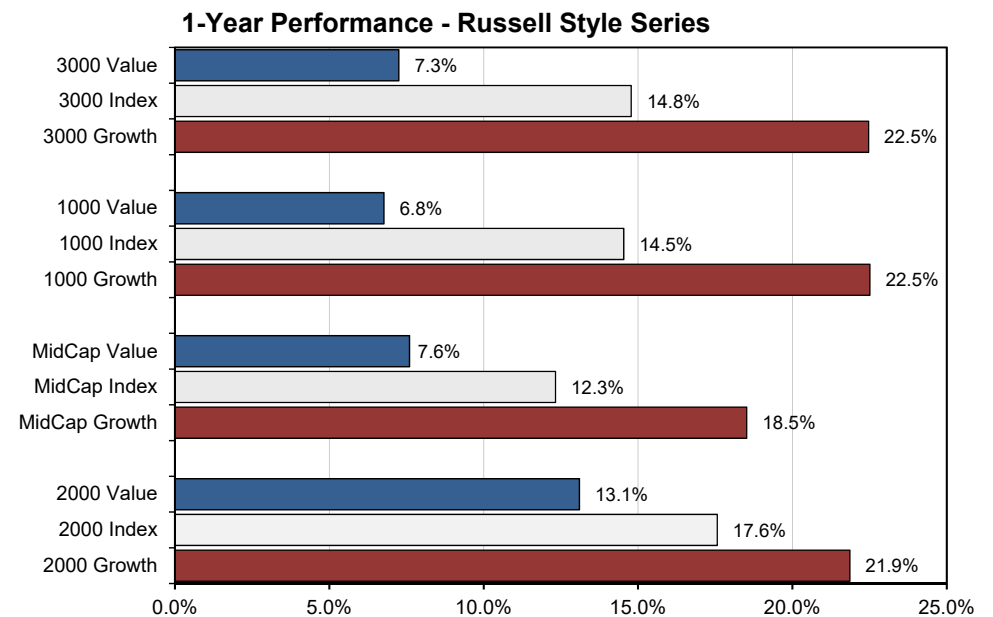
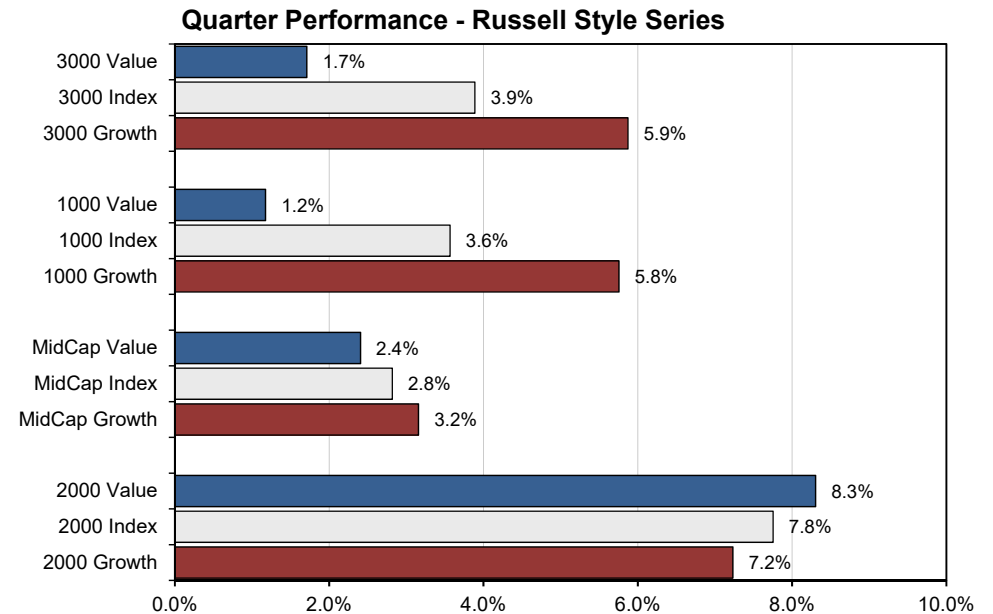
Quarter Performance



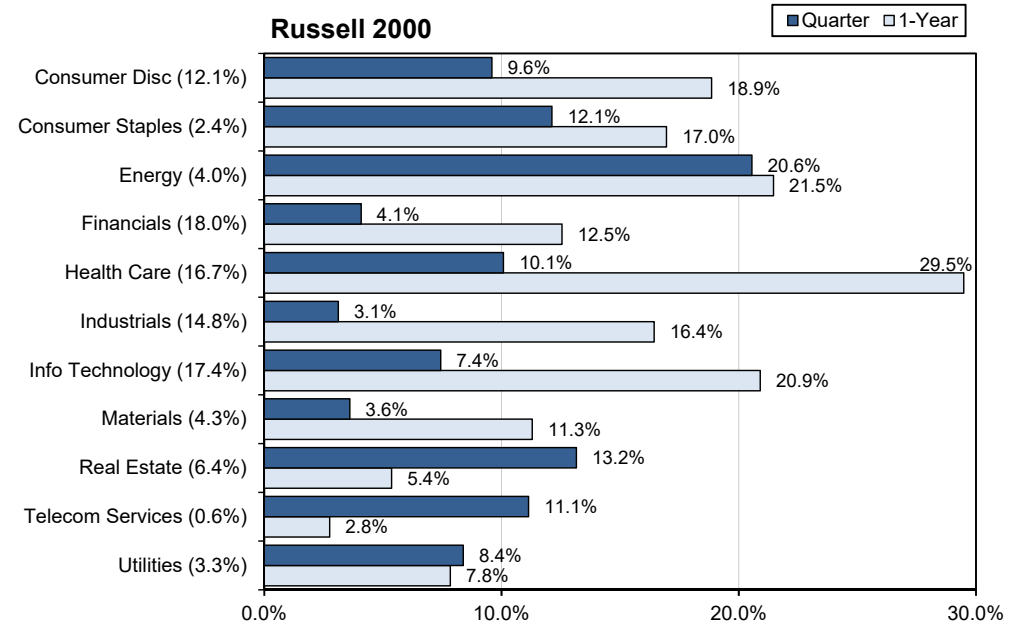
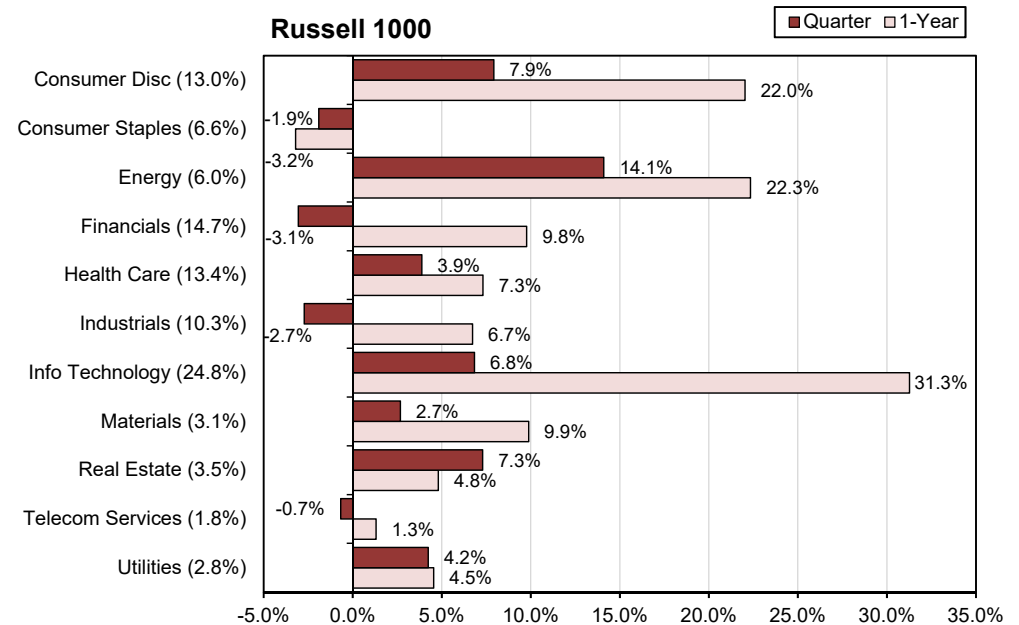
1-Year Performance



- US equity index returns were positive across the style and capitalization spectrum during the 2nd quarter of 2018. Markets were encouraged by the ongoing strength in US economic data and corporate earnings. Positive data releases in unemployment, retail sales, consumer consumption, GDP and investor sentiment highlighted the continued health of the US economy. Additionally, Q1 2018 corporate earnings announced throughout the period grew at an impressive rate as corporate profits were beneficiaries of the late 2017 Republican Party tax reforms. Returns for the period were tempered by global trade uncertainty as tariffs on steel and aluminum imported from Canada, Mexico and the European Union took effect with the possibility of additional tariffs aimed at China and foreign auto producers being considered. The Trump administration also announced the US withdrawal from the Iran nuclear accord, proposing new sanctions, which could disrupt oil markets in the future, and made progress toward a denuclearization deal with North Korea.
- During the quarter, small cap stocks outperformed mid and large cap equities for style and core indices. This is partially due to the increased tax reform benefit small cap companies will receive relative to large caps. Small cap stocks have historically paid higher taxes relative to large cap companies since they typically generate more of their revenue in the US. More globally oriented large caps also faced a considerable headwind from the recent USD strength. Large cap companies generate more revenue outside of the US and an appreciating USD makes US exports more expensive to foreign consumers. The small cap Russell 2000 Index returned 7.8% during the period, while the large cap Russell 1000 Index returned 3.6%. Small caps also outperformed over the 1-year period with the Russell 2000 returning 17.6% over the trailing year while the Russell 1000 posted a return of 14.5%.
- Style index performance was mixed during the quarter with growth companies outperforming in large- and mid-cap, but value stocks outperforming in the small-cap space. The Russell 2000 Value Index was the best performing style index for the period returning a notable 8.3% for the quarter. Returns over the trailing year continue to show significant outperformance of growth indices relative to their value counterparts with the return of the Russell 1000 Growth Index more than tripling the return of the Russell 1000 Value Index. Growth benchmarks benefitted from larger exposures to more cyclical names within the information technology, consumer discretionary, health care and industrials sectors. They also benefitted from underweights to more defensive sectors such as REITs, utilities and telecom.



- Sector performance was mixed across large cap sectors for the 2nd quarter of 2018. Seven of eleven sectors had positive returns for the quarter and six of eleven economic sectors outpaced the Russell 1000 Index return. Energy was the best performing sector during the quarter, returning 14.1%, as an OPEC announced increase in crude oil production was overshadowed by supply concerns in Iran, Venezuela and Libya, resulting in considerably higher oil prices. The consumer discretionary sector also performed well on the back of strong retail sales and increased consumer spending, gaining 7.9% for the period. Technology stocks continued their climb, returning 6.8% over the quarter. Technology names now account for nearly 25% of the market cap of the Russell 1000 Index. The largest detractors for the quarter were the financials, industrials and consumer staples sectors which returned -3.1%, -2.7% and -1.9% respectively. Over the trailing 1-year period, technology was the best performing sector by a relatively wide margin returning an impressive 31.3% and the consumer discretionary and energy sectors also posted returns greater than 20%. Ten of eleven large cap economic sectors posted positive returns for the 1-year period with consumer staples being the only sector to post negative performance, returning -3.2%.
- Quarterly results for small cap sectors were higher relative to their large capitalization counterparts. All sectors had positive returns during the period with seven of eleven economic sectors outpacing the Russell 2000 Index return for the quarter. Like the large cap index sector performance, industrials and financials were relative underperformers for the 2nd quarter. Financials were hurt by a flattening yield curve and concerns over global trade weighed on industrials. Quarterly performance on industrials and financials was 3.1% and 4.1% respectively. Energy was the best performing sector in the Russell 2000 as well, returning a notable 20.6%. However, there were several differences, particularly in consumer staples and telecom where there was significant outperformance relative to their large cap counterparts. Small cap sectors beat large cap sectors in those two categorizations by over 10.0% during the quarter. Over the trailing 1-year period, all eleven sectors posted gains. Health care stocks were the best performers within the Russell 2000 for the trailing year returning a solid 29.5%. Energy and technology also posted returns over 20% for the 1-year period.
- Using S&P 500 sector valuations as a proxy for the market, forward P/E ratios for six of the eleven GICS sectors were higher than their long-term averages at quarter-end. Using these historical P/E measures, the utilities, consumer discretionary and real estate sectors appear the most extended. In contrast the telecommunications, technology and health care sectors were trading at a discount to their long-term average P/E ratios.



The Market Environment
Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000
As of June 30, 2018

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	3.53%	10.8%	30.5%	Information Technology
Microsoft Corp	2.89%	8.5%	45.8%	Information Technology
Amazon.com Inc	2.68%	17.4%	75.6%	Consumer Discretionary
Facebook Inc A	1.79%	21.6%	28.7%	Information Technology
Berkshire Hathaway Inc B	1.40%	-6.4%	10.2%	Financials
JPMorgan Chase & Co	1.37%	-4.8%	16.5%	Financials
Exxon Mobil Corp	1.36%	12.0%	6.6%	Energy
Alphabet Inc C	1.32%	8.1%	22.8%	Information Technology
Alphabet Inc A	1.31%	8.9%	21.5%	Information Technology
Johnson & Johnson	1.26%	-4.6%	-5.8%	Health Care

Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Five Below Inc	0.24%	33.2%	97.9%	Consumer Discretionary
Etsy Inc	0.23%	50.4%	181.3%	Information Technology
Blackbaud Inc	0.22%	0.8%	20.1%	Information Technology
LivaNova PLC	0.22%	12.8%	63.1%	Health Care
Haemonetics Corp	0.22%	22.6%	127.1%	Health Care
Entegris Inc	0.22%	-2.4%	55.4%	Information Technology
FibroGen Inc	0.21%	35.5%	93.8%	Health Care
Idacorp Inc	0.21%	5.2%	10.9%	Utilities
Medidata Solutions Inc	0.21%	28.3%	3.0%	Health Care
Loxo Oncology Inc	0.21%	50.4%	116.3%	Health Care

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Sarepta Therapeutics Inc	0.03%	78.4%	292.1%	Health Care
Wayfair Inc Class A	0.03%	75.9%	54.5%	Consumer Discretionary
Chesapeake Energy Corp	0.02%	73.5%	5.4%	Energy
Whiting Petroleum Corp	0.02%	55.8%	139.2%	Energy
Twitter Inc	0.12%	50.5%	144.4%	Information Technology
Advanced Micro Devices Inc	0.05%	49.2%	20.1%	Information Technology
Exact Sciences Corp	0.03%	48.3%	69.0%	Health Care
Under Armour Inc C	0.02%	46.9%	4.6%	Consumer Discretionary
Twilio Inc A	0.02%	46.7%	92.4%	Information Technology
Weatherford International PLC	0.01%	43.7%	-15.0%	Energy

Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Turtle Beach Corp	0.01%	746.8%	625.7%	Consumer Discretionary
Solid Biosciences Inc	0.01%	375.1%	N/A	Health Care
Tandem Diabetes Care Inc	0.04%	344.0%	175.2%	Health Care
Intelsat SA	0.03%	343.1%	444.4%	Telecommunication Services
Evolus Inc	0.01%	210.0%	N/A	Health Care
California Resources Corp	0.09%	165.0%	431.5%	Energy
TransEnterix Inc	0.03%	156.5%	514.1%	Health Care
Penn Virginia Corp	0.05%	142.3%	131.0%	Energy
Regenxbio Inc	0.09%	140.4%	263.3%	Health Care
Madrigal Pharmaceuticals Inc	0.07%	139.5%	1620.1%	Health Care

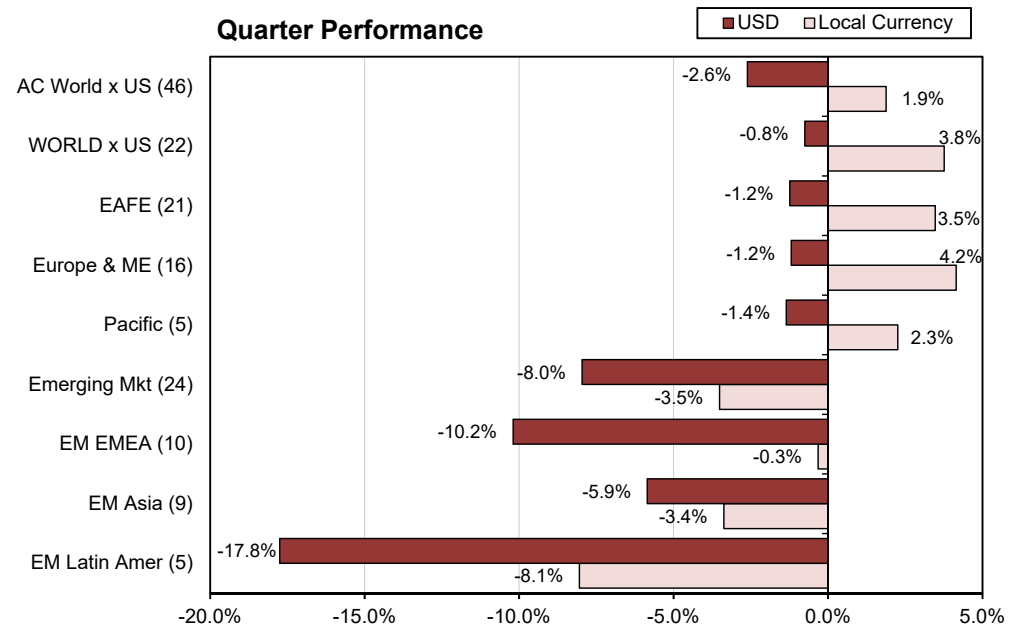
Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Nektar Therapeutics Inc	0.03%	-54.0%	149.8%	Health Care
Alkermes PLC	0.02%	-29.0%	-29.0%	Health Care
CommScope Holding Co Inc	0.02%	-26.9%	-23.2%	Information Technology
American Airlines Group Inc	0.06%	-26.8%	-23.9%	Industrials
Arconic Inc	0.03%	-25.9%	-24.1%	Industrials
Copa Holdings SA Class A	0.01%	-25.9%	-17.0%	Industrials
First Solar Inc	0.02%	-25.8%	32.0%	Information Technology
ManpowerGroup Inc	0.02%	-24.4%	-21.5%	Industrials
Switch Inc Class A	0.00%	-23.3%	N/A	Information Technology
Skechers USA Inc	0.02%	-22.8%	1.7%	Consumer Discretionary

Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Arsanis Inc	0.00%	-84.1%	N/A	Health Care
Menlo Therapeutics Inc	0.00%	-78.4%	N/A	Health Care
Jounce Therapeutics Inc	0.01%	-65.7%	-45.4%	Health Care
Prothena Corp PLC	0.03%	-60.3%	-73.1%	Health Care
Biglari Holdings Inc	0.01%	-55.1%	-54.1%	Consumer Discretionary
Catalyst Biosciences Inc	0.01%	-54.8%	151.0%	Health Care
Recro Pharma Inc	0.00%	-54.4%	-28.6%	Health Care
scPharmaceuticals Inc	0.00%	-54.4%	N/A	Health Care
Agenus Inc	0.01%	-51.8%	-41.9%	Health Care
Syndax Pharmaceuticals Inc	0.00%	-50.7%	-49.7%	Health Care

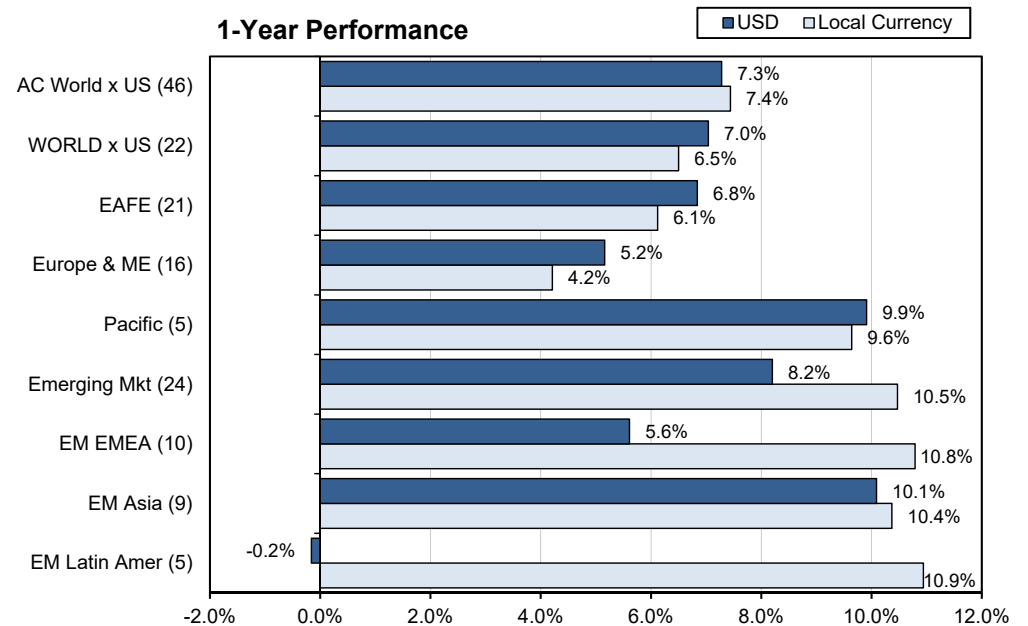


- Broad international equity returns were mixed for the quarter. Many developed markets were positive in local currency terms, but negative in USD terms whereas emerging markets posted negative returns in both local currency and USD. Performance was largely driven by the same catalysts as the US equity markets with global macroeconomic data remaining generally positive, but returns being tempered by global trade tensions and ongoing political uncertainty. A strengthening USD caused by relatively strong US economic fundamentals and the continued divergence in global monetary policy hurt US investors in international markets. The MSCI ACWI ex US Index gained 1.9% in local currency terms, but lost -2.6% in USD terms during the second quarter. Returns over the 1-year period remain positive in both local currency and USD terms with the MSCI ACWI ex US returning 7.4% and 7.3% respectively.
- Second quarter results for developed market international indices were generally positive in local currency terms with the MSCI EAFE Index returning 3.5%. However, an appreciating USD pushed returns for US investors into negative territory, with the index returning -1.2% in USD terms. Developed markets were pushed higher by broadly positive, but slowing, global economic and earnings data despite several significant political events in Europe during the quarter. There was considerable volatility surrounding the formation of a coalition government in Italy which called into question Italy's future as part of the European Union. Spain also had a change in leadership after a political fundraising scandal led to a vote of no-confidence in Prime Minister Rajoy, forcing him to step down. World markets also reacted to the implementation of new tariffs on US imports of steel and aluminum and the possibility of new tariffs in the future, including tariffs on auto imports, which would negatively affect producers in Europe and Japan. The MSCI EAFE Index returned 6.1% and 6.8% for the last twelve months in local currency and USD terms respectively.
- Emerging markets trailed developed markets for the 2nd quarter, posting losses in local currency terms that were then intensified by the strengthening USD. The MSCI Emerging Markets Index returned -3.5% and -8.0% in local currency and USD terms respectively. The main factors affecting emerging markets were the threat of continued protectionist trade policies from the US creating uncertainty for export focused economies and rising US interest rates coupled with an appreciating USD. Many emerging market countries and companies issue debt denominated in USD and the combination of higher interest rates and a relatively weaker local currency can put stress on the balance sheets of these borrowers, especially those heavily dependent on external capital. One year returns for the MSCI Emerging Market Index were 10.5% in local currency terms and 8.2% in USD terms.

Quarter Performance



1-Year Performance



The Market Environment
US Dollar International Index Attribution & Country Detail
As of June 30, 2018

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	12.4%	-2.6%	10.9%
Consumer Staples	11.3%	0.4%	3.1%
Energy	6.1%	11.2%	35.8%
Financials	19.8%	-6.2%	-0.5%
Health Care	10.7%	1.9%	1.7%
Industrials	14.3%	-2.2%	7.3%
Information Technology	6.8%	-0.2%	15.0%
Materials	8.2%	0.7%	16.7%
Real Estate	3.5%	-0.4%	7.8%
Telecommunication Services	3.6%	-4.8%	-6.3%
Utilities	3.3%	0.5%	5.2%
Total	100.0%	-1.2%	6.8%

MSCI - ACWixUS	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	11.2%	-3.5%	8.4%
Consumer Staples	9.7%	-0.7%	2.9%
Energy	7.4%	7.3%	27.5%
Financials	21.9%	-7.3%	1.7%
Health Care	8.1%	1.4%	3.2%
Industrials	11.7%	-2.7%	5.9%
Information Technology	11.9%	-2.9%	15.5%
Materials	8.2%	-0.4%	16.1%
Real Estate	3.2%	-3.0%	6.9%
Telecommunication Services	3.7%	-6.0%	-6.3%
Utilities	3.0%	-1.5%	3.8%
Total	100.0%	-2.6%	7.3%

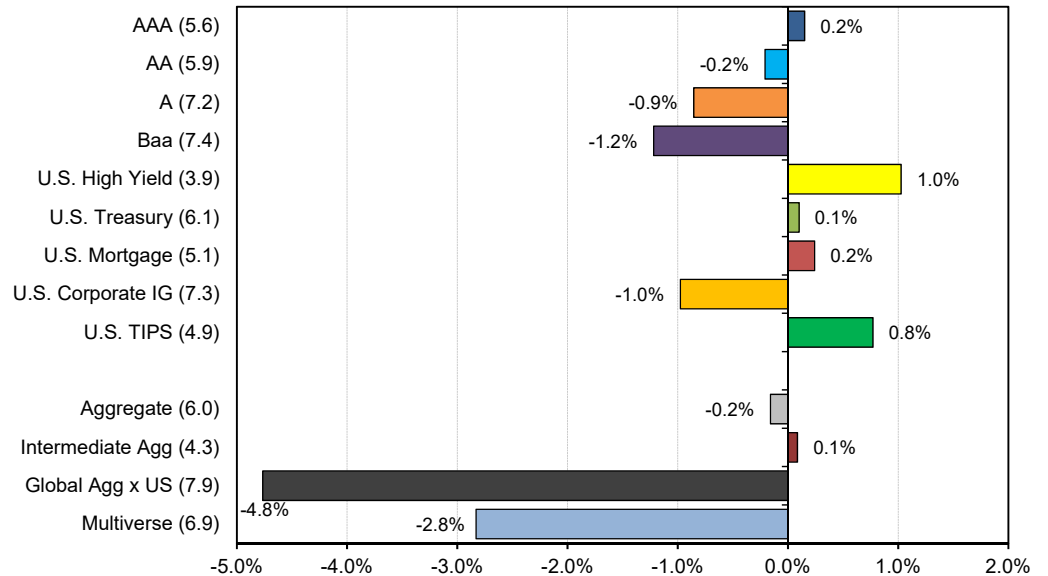
MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	9.8%	-7.1%	-0.2%
Consumer Staples	6.7%	-6.2%	3.3%
Energy	7.2%	-4.7%	24.9%
Financials	22.8%	-12.7%	5.5%
Health Care	3.2%	-5.0%	22.4%
Industrials	5.2%	-11.2%	-5.9%
Information Technology	27.9%	-5.1%	15.2%
Materials	7.6%	-5.5%	14.0%
Real Estate	3.0%	-11.2%	5.6%
Telecommunication Services	4.3%	-9.7%	-7.5%
Utilities	2.4%	-8.1%	2.2%
Total	100.0%	-8.0%	8.2%

Country	MSCI-EAFE Weight	MSCI-ACWixUS Weight	Quarter Return	1-Year Return
Japan	24.0%	16.4%	-2.8%	10.5%
United Kingdom	18.0%	12.3%	3.0%	10.0%
France	11.0%	7.5%	-0.5%	9.9%
Germany	9.5%	6.5%	-4.0%	2.6%
Switzerland	7.8%	5.3%	-2.7%	-3.4%
Australia	7.0%	4.8%	5.2%	8.7%
Hong Kong	3.6%	2.5%	-1.2%	9.2%
Netherlands	3.6%	2.5%	-1.8%	9.2%
Spain	3.1%	2.1%	-4.4%	-3.6%
Sweden	2.6%	1.8%	-3.7%	-4.6%
Italy	2.4%	1.7%	-7.3%	8.4%
Denmark	1.7%	1.1%	-7.0%	0.9%
Singapore	1.3%	0.9%	-7.5%	7.9%
Belgium	1.1%	0.7%	-6.0%	1.7%
Finland	1.0%	0.7%	1.3%	10.4%
Norway	0.7%	0.5%	2.3%	27.1%
Ireland	0.6%	0.4%	2.0%	5.3%
Israel	0.5%	0.4%	10.9%	-4.6%
Austria	0.2%	0.2%	-10.6%	8.9%
New Zealand	0.2%	0.2%	5.8%	1.7%
Portugal	0.2%	0.1%	1.2%	15.8%
Total EAFE Countries	100.0%	68.4%	-1.2%	6.8%
Canada		6.6%	4.7%	9.1%
Total Developed Countries		75.0%	-0.8%	7.0%
China		8.2%	-3.5%	21.2%
Korea		3.7%	-9.2%	3.4%
Taiwan		2.9%	-6.3%	3.9%
India		2.2%	-0.6%	6.5%
South Africa		1.6%	-11.9%	6.4%
Brazil		1.5%	-26.4%	-0.3%
Russia		0.9%	-6.0%	26.0%
Mexico		0.7%	-3.6%	-9.3%
Malaysia		0.6%	-11.4%	5.6%
Thailand		0.5%	-15.0%	12.0%
Indonesia		0.5%	-12.5%	-13.1%
Chile		0.3%	-11.5%	12.5%
Poland		0.3%	-11.6%	-6.2%
Philippines		0.2%	-11.2%	-13.9%
Qatar		0.2%	3.5%	3.5%
Turkey		0.2%	-25.9%	-26.3%
United Arab Emirates		0.2%	-4.4%	-6.0%
Colombia		0.1%	6.7%	20.1%
Peru		0.1%	-3.2%	30.7%
Greece		0.1%	-2.2%	-9.2%
Hungary		0.1%	-14.4%	-0.6%
Czech Republic		0.0%	-5.4%	19.4%
Egypt		0.0%	-8.1%	1.9%
Pakistan		0.0%	-20.8%	-30.3%
Total Emerging Countries		25.0%	-8.0%	8.2%
Total ACWixUS Countries		100.0%	-2.6%	7.3%

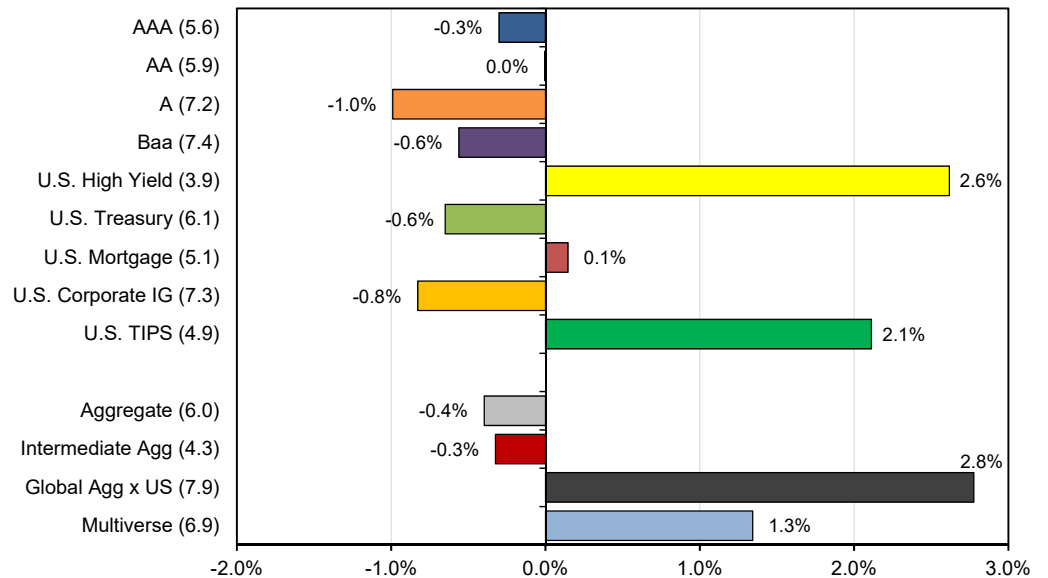


- Broad fixed income benchmarks had mixed results during the 2nd quarter. Interest rates rose across all maturities on the US Treasury Yield Curve. Early in the quarter, rates rose as positive economic data and signs of higher inflation increased investor expectations for another Fed interest rate hike. However, volatility caused by ongoing geopolitical developments later in the quarter led to an increase in risk aversion and demand for relatively safe assets, driving rates lower through the rest of the quarter. Interest rates on the 10-year Treasury reached a near-term high of 3.11% in mid-May before falling to end the quarter at 2.87%. As expected, the Federal Open Market Committee (FOMC), decided to increase short-term interest rates by 25 basis points at their June meeting. This is the second rate hike of 2018. The current Fed Funds Rate target range sits at 1.75%-2.00%. The FOMC also updated their forecast for future rate increases, now expecting two potential additional hikes in 2018 and three in 2019. The yield curve continued to flatten through the quarter as short-term yields rose at a greater rate than longer-term yields. The difference in yields between the 2-year and 10-year Treasury now sits at just 0.3%. The Fed is also continuing to reduce the size of its balance sheet by slowing its pace of reinvestment as the securities it holds mature. The Bloomberg Barclays US Aggregate Index was relatively flat during the quarter, falling -0.2%. It was also negative for the 1-year period returning -0.4%.
- Within investment grade credit, higher quality corporate issues outperformed lower quality issues for the quarter as credit spreads widened and investors looked for safety amid increased financial market volatility. On an absolute basis, without negating the duration differences in the sub-indices, AAA rated credit was the best performing investment grade credit quality segment returning 0.2% for the quarter. High yield debt outperformed relative to investment grade credit, returning 1.0%, as spreads widened to a lesser degree for these issues and the index benefitted from its lower duration. Part of the reason for the increased spread widening for investment grade issues relative to high yield issues was continued selling pressure from companies repatriating foreign cash reserves in response to the new tax code and lower demand from foreign investors due to increased hedging costs and a stronger USD.
- Of the Bloomberg Barclays US Aggregate Index's three broad sectors, US mortgage backed securities (MBS) were the best performing investment grade sector through the quarter, narrowly outperforming US Treasuries. Corporate credit underperformed as credit spreads widened and investors reacted to market volatility by moving into higher quality issues. Higher durations relative to other index sectors also acted as a headwind to these issues. The Bloomberg Barclays US Corporate IG Index returned -1.0%. While TIPS were also positive, it is important to note these Treasury issues are not part of the Bloomberg Barclays US Aggregate Index.

Quarter Performance

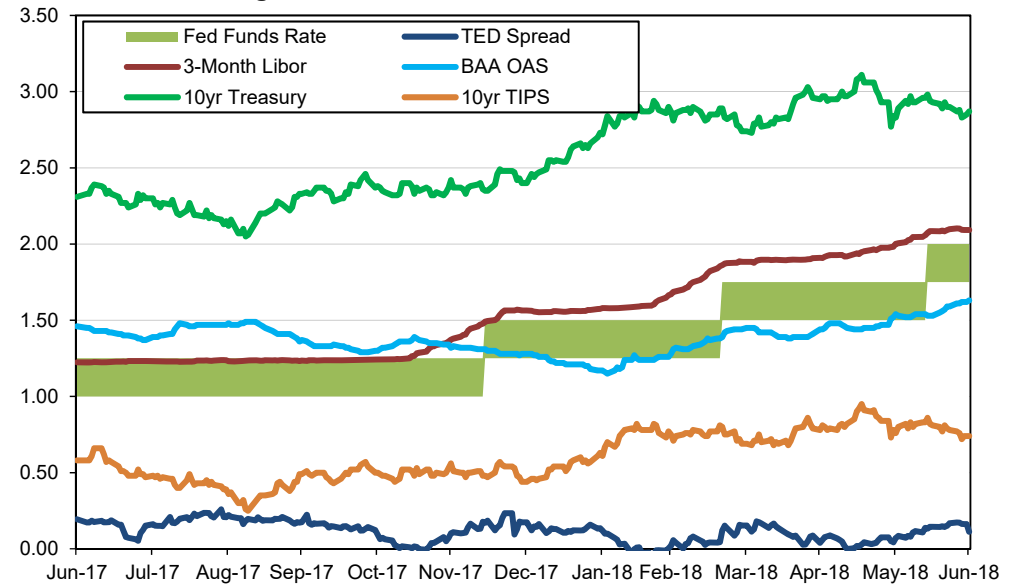


1-Year Performance

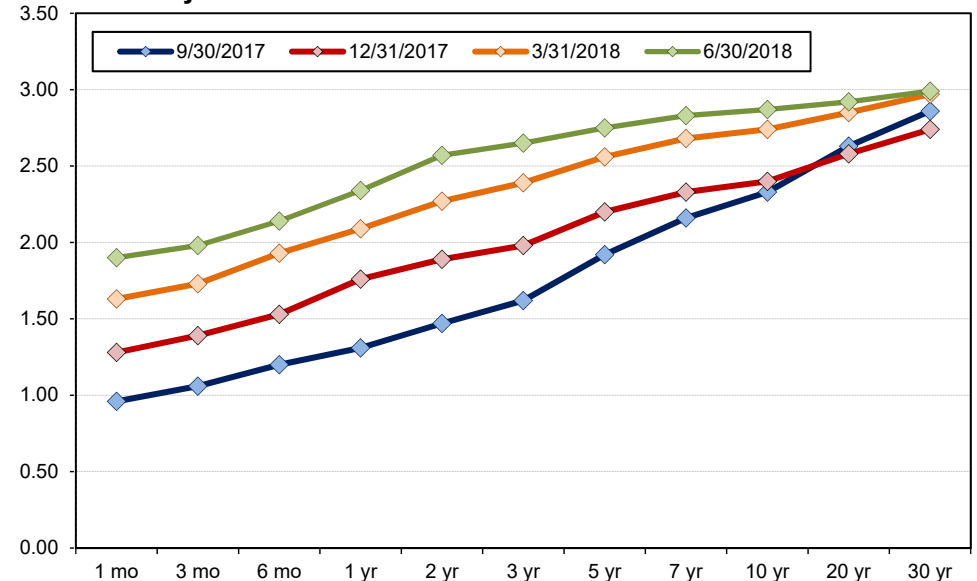


- Relative to their domestic counterparts, global fixed income indices underperformed during the quarter. The relatively high duration of these indices acted as a headwind to performance in the current quarter as interest rates increased. The returns of these indices are also significantly influenced by fluctuations in their currency denomination relative to the USD. During the 2nd quarter the USD strengthened against most other currencies, negatively impacting the returns on global bond indices. The return on global bonds, as represented by the Bloomberg Barclays Global Aggregate ex US Index, was -4.8% for the quarter. However, when viewed over the trailing year, global issues have outperformed domestic securities, returning 2.8%. As the global economy continues to recover, several international central banks have started to move toward less accommodative postures. Notably, the ECB, is planning to slow its monthly bond purchase program in September, reducing new purchases to 15 billion euro per month from 30 billion euro per month, as well as forecasting an end to the program by the end of the year assuming the eurozone recovery continues to flourish. However, they have indicated a continuation of reinvestment in maturing securities and would likely not raise interest rates from current levels until summer 2019. In contrast, the Bank of Japan will continue current stimulus programs and the Bank of England backed away from a telegraphed interest rate hike after disappointing economic data led them to lower their forecasts for future growth.
- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the line graphs to the right. The '1-Year Trailing Market Rates' chart illustrates that the 10-year Treasury yield (green line) rose significantly during the first half of the 2nd quarter, rising to a near-term high of 3.11% before falling to 2.87% to end the period. The blue line illustrates changes in the BAA OAS (Option Adjusted Spread). This measure quantifies the additional yield premium that investors require to purchase and hold non-Treasury issues. This line illustrates a steady increase in credit spreads through the first two quarters of 2018. This increase is equivalent to an interest rate increase on corporate bonds, which produces an additional headwind for corporate bond index returns. These credit spreads have widened by about 17 basis points over the last 3-months. The green band across the graph illustrates the gradual increase in the Federal Funds Rate (three in the last twelve months) due to the continued unwinding of accommodative US monetary policy.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four calendar quarters. As mentioned, the yield curve continues to flatten as yields on shorter-term maturities have risen more than interest rates on the long end of the curve. The upward momentum of interest rates as well as a general flattening of the yield curve are clearly visible over both the 2nd quarter and the last twelve months.

1-Year Trailing Market Rates



Treasury Yield Curve



**Southfield Fire and Police Retirement System
Total Fund Asset Allocation Compliance Summary**

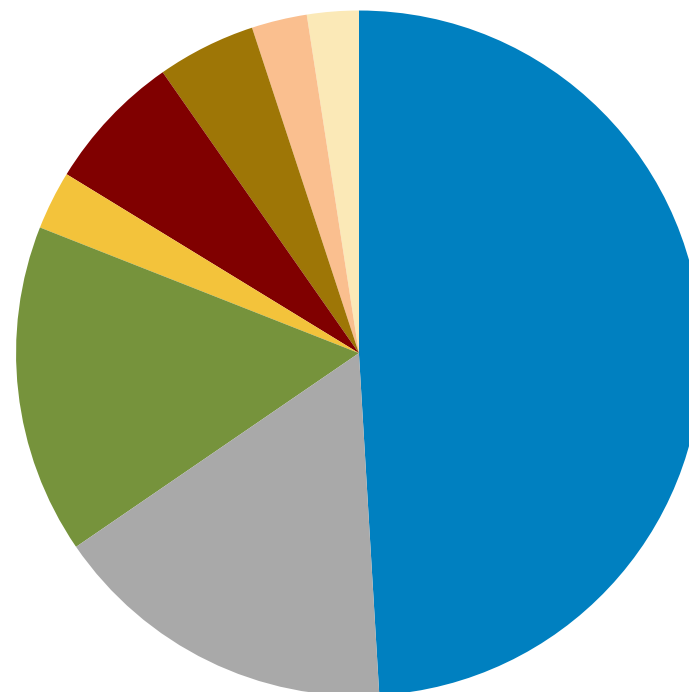
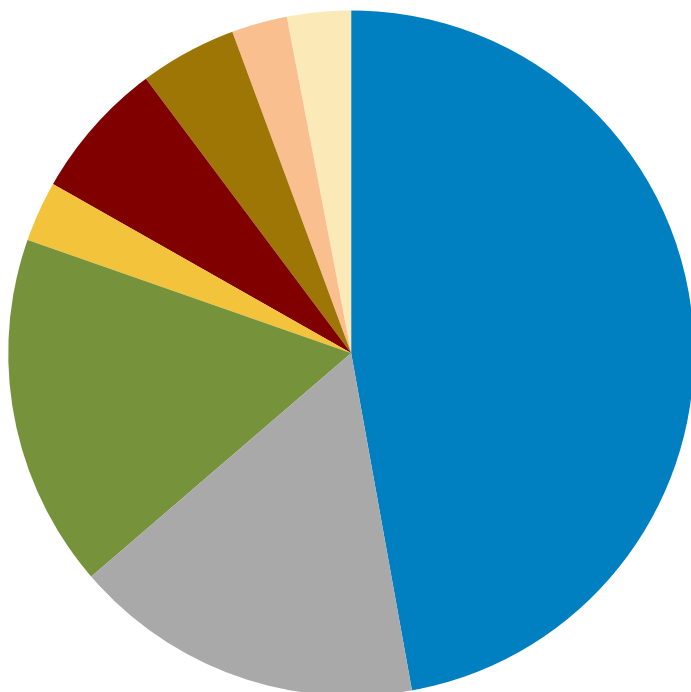
June 30, 2018

Total Portfolio Compliance Summary							
	June 30, 2018 Market Value \$	Current Allocation %	Target Allocation %	Range Allocation %	Act 314 Limit %	Compliance within Ranges	Compliance w/314 Limits
Total Portfolio (excluding Unfunded Commitments)	115,054,637.27	100.0%	100.0%				
Total Equity (14)	76,912,950.36	66.8%	63.5%	53.0% - 70.0%	70.0%	YES	YES
Domestic Equity (14)	57,690,370.09	50.1%	48.0%	43.0% - 53.0%	70.0%	YES	YES
International Equity (14)	19,222,580.27	16.7%	15.5%	10.0% - 20.0%	70.0%	YES	YES
Total US Fixed Income (17 & 17.1.a.iii)	17,992,871.19	15.6%	22.0%	15.0% - 30.0%	100.0%	YES	YES
US Investment Grade Fixed Income (17)	11,727,743.14	10.2%	15.0%	10.0% - 25.0%	100.0%	YES	YES
US Non-Investment Grade Fixed Income (17.1.a.iii)	6,265,128.05	5.4%	5.0%	0.0% - 10.0%	100.0%	YES	YES
Total Non US Fixed Income (20k)	3,185,148.44	2.8%	2.0%	0.0% - 10.0%	20.0%	YES	YES
Total Real Estate (18 & 19)	7,603,995.72	6.6%	6.0%	0.0% - 10.0%	20.0%	YES	YES
Alternative Investments (20d)	8,358,253.35	7.3%	8.5%	0.0% - 10.0%	20.0%	YES	YES
Short Term/Cash Reserves	1,001,418.21	0.9%	0.0%	0.0% - 5.0%	N/A	YES	YES



Asset Allocation By Segment as of
 March 31, 2018 : \$114,623,612

Asset Allocation By Segment as of
 June 30, 2018 : \$115,054,637



Allocation			Allocation		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
Domestic Equity	54,062,122	47.2	Domestic Equity	56,441,070	49.1
International Equity	18,947,325	16.5	International Equity	18,848,817	16.4
Domestic Fixed Income	19,105,176	16.7	Domestic Fixed Income	17,877,534	15.5
Global Fixed Income	3,268,201	2.9	Global Fixed Income	3,185,148	2.8
Real Estate	7,528,499	6.6	Real Estate	7,542,786	6.6
Hedge Fund	5,253,392	4.6	Hedge Fund	5,351,338	4.7
Other Illiquid Asset	3,006,915	2.6	Other Illiquid Asset	3,006,915	2.6
Cash Equivalent	3,451,982	3.0	Cash Equivalent	2,801,029	2.4



Financial Reconciliation
Total Fund
1 Quarter Ending June 30, 2018

Financial Reconciliation								
	Market Value 04/01/2018	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Return On Investment	Market Value 06/30/2018
Total Domestic Equity	55,826,963	-	-	-	-55,032	-6,686	1,925,125	57,690,370
Comerica S&P 500 Index Fund	22,997,358	-	-	-	-	-3,275	787,821	23,781,904
Champlain MC Equity	7,675,371	-	-	-	-	-1,019	303,505	7,977,857
QMA US MC Equity	7,399,856	-	-	-	-8,385	-	159,558	7,551,028
SouthernSun SC	11,941,953	-	-	-	-32,116	-1,592	406,122	12,314,366
Walhausen & Co. SMID Value	5,812,425	-	-	-	-14,530	-799	268,119	6,065,215
Total International Equity	19,378,686	-	17,607	-	-35,215	-1,251	-137,247	19,222,580
LSV International LCV	10,094,098	-	-	-	-	-	-387,854	9,706,244
WCM Focused Growth International	9,284,588	-	17,607	-	-35,215	-1,251	250,606	9,516,336
Total Fixed Income	22,647,124	-1,472,812	-	-	-89,758	-26,285	119,750	21,178,020
Pacific Fixed Income	12,974,807	-1,197,000	-	-	-19,450	-1,579	-29,035	11,727,743
Bloomfield Capital Income Fund II	2,269,936	-196,031	-	-	-11,000	-10,756	70,477	2,122,626
Bloomfield Capital Income Fund III	4,134,180	-79,781	-	-	-59,308	-13,950	161,361	4,142,502
Templeton Global Bond R6 (FBNRX)	3,268,201	-	-	-	-	-	-83,053	3,185,148
Total Real Estate	7,587,904	-116,010	-	-	-18,356	-	150,458	7,603,996
AEW Core Property Trust	6,524,558	-	-	-	-18,356	-	150,458	6,656,660
Metropolitan Real Estate V	1,063,346	-116,010	-	-	-	-	-	947,336
Total Timber Funds	3,006,915	-	-	-	-	-	-	3,006,915
RMK Timberland US Fund	1,935,346	-	-	-	-	-	-	1,935,346
RMK Timberland Intl Fund	1,071,569	-	-	-	-	-	-	1,071,569
Total Hedge Fund of Funds	5,253,392	19,164	-	-	-19,164	-	97,946	5,351,338
Magnitude Institutional	2,737,060	19,164	-	-	-19,164	-	10,524	2,747,585
Titan Masters Int'l Fund	2,516,332	-	-	-	-	-	87,421	2,603,753
Cash Account	922,627	1,569,658	1,199,283	-2,686,571	-	-18,662	15,082	1,001,418
Total Fund	114,623,612	-	1,216,890	-2,686,571	-217,524	-52,884	2,171,113	115,054,637



Comparative Performance
Trailing Returns
As of June 30, 2018

Comparative Performance																		
	QTR		FYTD		1 YR		3 YR		5 YR		7 YR		10 YR		Inception		Inception Date	
Total Fund	1.90	(24)	9.69	(20)	9.69	(20)	7.41	(30)	8.81	(25)	9.08	(7)	8.74	(1)	7.84	(9)	06/01/1997	
Total Fund Policy	2.06	(19)	8.87	(41)	8.87	(41)	7.62	(23)	8.82	(24)	8.60	(14)	7.60	(17)	8.06	(6)		
Difference	-0.16		0.82		0.82		-0.21		-0.01		0.48		1.14		-0.22			
All Public Plans-Total Fund Median	1.28		8.50		8.50		6.91		8.16		7.67		6.90		6.99			
Total Domestic Equity	3.45	(52)	12.36	(55)	12.36	(55)	8.81	(60)	11.09	(59)	11.57	(49)	10.12	(42)	9.01	(73)	02/01/1992	
Total Domestic Equity Policy	4.91	(36)	15.05	(38)	15.05	(38)	11.40	(29)	13.00	(33)	12.55	(34)	10.57	(33)	10.49	(36)		
Difference	-1.46		-2.69		-2.69		-2.59		-1.91		-0.98		-0.45		-1.48			
IM U.S. Equity (SA+CF+MF) Median	3.57		13.10		13.10		9.64		11.72		11.51		9.67		9.89			
Total International Equity	-0.71	(17)	10.05	(28)	10.05	(28)	8.66	(16)	9.56	(16)	6.92	(21)	4.48	(35)	2.77	(37)	12/01/2007	
Total International Equity Policy	-1.24	(23)	6.84	(53)	6.84	(53)	4.90	(58)	6.44	(51)	4.89	(47)	2.84	(63)	1.35	(64)		
Difference	0.53		3.21		3.21		3.76		3.12		2.03		1.64		1.42			
IM International Equity (SA+CF+MF) Median	-3.19		7.11		7.11		5.39		6.46		4.69		3.51		2.03			
Total Fixed Income	0.56	(1)	4.40	(1)	4.40	(1)	5.38	(1)	4.73	(1)	4.34	(3)	N/A		5.46	(20)	03/01/2009	
Total Fixed Income Policy	-0.16	(73)	-0.40	(83)	-0.40	(83)	1.72	(87)	2.27	(87)	2.57	(92)	3.72	(93)	3.69	(90)		
Difference	0.72		4.80		4.80		3.66		2.46		1.77		N/A		1.77			
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-0.09		0.00		0.00		2.09		2.67		3.07		4.39		4.63			
Total Real Estate	2.01	(70)	7.94	(82)	7.94	(82)	9.11	(76)	10.60	(80)	N/A		N/A		5.37	(100)	01/01/2012	
Total Real Estate Policy	1.81	(86)	7.19	(93)	7.19	(93)	8.25	(87)	9.77	(91)	10.23	(92)	6.22	(12)	10.01	(92)		
Difference	0.20		0.75		0.75		0.86		0.83		N/A		N/A		-4.64			
IM U.S. Open End Private Real Estate (SA+CF) Median	2.20		8.87		8.87		9.83		11.66		11.91		5.61		11.85			
Total Hedge Fund of Funds	1.86		9.10		9.10		N/A		N/A		N/A		N/A		2.52		08/01/2015	
HFRI FOF: Diversified Index	0.60		5.19		5.19		1.75		3.30		2.79		1.44		1.63			
Difference	1.26		3.91		3.91		N/A		N/A		N/A		N/A		0.89			
Total Timber Funds	0.00		-2.52		-2.52		-2.21		-0.73		N/A		N/A		-0.58		08/01/2012	
Total Timber Policy	0.48		3.57		3.57		3.43		6.00		5.76		4.01		6.55			
Difference	-0.48		-6.09		-6.09		-5.64		-6.73		N/A		N/A		-7.13			

** All History prior to 3/31/2015, obtained from prior consultant.**

LP Real Estate and Timber Funds separate accounts are presented on the IRR page.



Comparative Performance
Trailing Returns
As of June 30, 2018

	QTR		FYTD		1 YR		3 YR		5 YR		7 YR		10 YR		Inception	Inception Date	
Total Domestic Equity	3.45	(52)	12.36	(55)	12.36	(55)	8.81	(60)	11.09	(59)	11.57	(49)	10.12	(42)	9.01	(73)	02/01/1992
Total Domestic Equity Policy	4.91	(36)	15.05	(38)	15.05	(38)	11.40	(29)	13.00	(33)	12.55	(34)	10.57	(33)	10.49	(36)	
Difference	-1.46		-2.69		-2.69		-2.59		-1.91		-0.98		-0.45		-1.48		
IM U.S. Equity (SA+CF+MF) Median	3.57		13.10		13.10		9.64		11.72		11.51		9.67		9.89		
Comerica S&P 500 Index Fund	3.43	(33)	14.33	(49)	14.33	(49)	11.92	(34)	13.39	(49)	13.23	(48)	10.19	(50)	8.54	(64)	04/01/2006
S&P 500 Index	3.43	(33)	14.37	(48)	14.37	(48)	11.93	(33)	13.42	(48)	13.23	(48)	10.17	(51)	8.51	(66)	
Difference	0.00		-0.04		-0.04		-0.01		-0.03		0.00		0.02		0.03		
IM U.S. Large Cap Core Equity (SA+CF) Median	2.89		14.24		14.24		11.12		13.35		13.12		10.18		8.77		
Champlain MC Equity	3.95	(40)	N/A		N/A		N/A		N/A		N/A		N/A		18.00	(11)	08/01/2017
Russell Midcap Index	2.82	(58)	12.33	(65)	12.33	(65)	9.58	(64)	12.22	(75)	11.89	(75)	10.23	(75)	10.70	(74)	
Difference	1.13		N/A		N/A		N/A		N/A		N/A		N/A		7.30		
IM U.S. Mid Cap Core Equity (SA+CF) Median	3.51		13.51		13.51		10.57		12.94		12.32		10.82		12.46		
QMA US MC Equity	2.16	(76)	N/A		N/A		N/A		N/A		N/A		N/A		10.34	(77)	08/01/2017
Russell Midcap Index	2.82	(58)	12.33	(65)	12.33	(65)	9.58	(64)	12.22	(75)	11.89	(75)	10.23	(75)	10.70	(74)	
Difference	-0.66		N/A		N/A		N/A		N/A		N/A		N/A		-0.36		
IM U.S. Mid Cap Core Equity (SA+CF) Median	3.51		13.51		13.51		10.57		12.94		12.32		10.82		12.46		
SouthernSun SC	3.41	(97)	5.12	(100)	5.12	(100)	2.48	(100)	5.21	(100)	8.37	(100)	9.93	(90)	10.05	(87)	04/01/2008
Russell 2000 Index	7.75	(29)	17.57	(43)	17.57	(43)	10.96	(63)	12.46	(76)	11.83	(77)	10.60	(76)	10.39	(81)	
Difference	-4.34		-12.45		-12.45		-8.48		-7.25		-3.46		-0.67		-0.34		
IM U.S. Small Cap Core Equity (SA+CF) Median	6.61		16.94		16.94		11.79		13.66		12.82		11.32		11.27		
Walthausen & Co. SMID Value	4.62	(22)	13.86	(29)	13.86	(29)	N/A		N/A		N/A		N/A		14.51	(47)	10/01/2015
Russell 2500 Value Index	5.80	(12)	11.49	(52)	11.49	(52)	9.76	(44)	10.78	(66)	11.07	(66)	10.10	(72)	14.83	(44)	
Difference	-1.18		2.37		2.37		N/A		N/A		N/A		N/A		-0.32		
IM U.S. SMID Cap Value Equity (SA+CF) Median	3.03		11.51		11.51		9.38		11.40		11.66		11.18		13.93		

** All History prior to 3/31/2015, obtained from prior consultant.**

LP Real Estate and Timber Funds separate accounts are presented on the IRR page.



Comparative Performance
Trailing Returns
As of June 30, 2018

	QTR		FYTD		1 YR		3 YR		5 YR		7 YR		10 YR		Inception	Inception Date	
Total International Equity	-0.71	(17)	10.05	(28)	10.05	(28)	8.66	(16)	9.56	(16)	6.92	(21)	4.48	(35)	2.77	(37)	12/01/2007
Total International Equity Policy	-1.24	(23)	6.84	(53)	6.84	(53)	4.90	(58)	6.44	(51)	4.89	(47)	2.84	(63)	1.35	(64)	
Difference	0.53		3.21		3.21		3.76		3.12		2.03		1.64		1.42		
IM International Equity (SA+CF+MF) Median	-3.19		7.11		7.11		5.39		6.46		4.69		3.51		2.03		
LSV International LCV	-3.84	(84)	5.41	(63)	5.41	(63)	6.03	(34)	8.00	(25)	6.15	(38)	3.95	(57)	4.94	(69)	01/01/2006
MSCI EAFE Index	-0.97	(17)	7.37	(34)	7.37	(34)	5.41	(45)	6.93	(49)	5.37	(54)	3.33	(79)	4.61	(83)	
Difference	-2.87		-1.96		-1.96		0.62		1.07		0.78		0.62		0.33		
IM International Large Cap Value Equity (SA+CF) Median	-2.18		6.29		6.29		5.19		6.86		5.63		4.37		5.34		
WCM Focused Growth International	2.70	(8)	15.27	(28)	15.27	(28)	12.05	(15)	11.55	(19)	N/A		N/A		11.25	(23)	11/01/2011
MSCI EAFE (Net) Index	-1.24	(58)	6.84	(90)	6.84	(90)	4.90	(88)	6.44	(94)	4.89	(96)	2.84	(88)	7.03	(96)	
Difference	3.94		8.43		8.43		7.15		5.11		N/A		N/A		4.22		
IM International Growth Equity (SA+CF) Median	-1.03		11.34		11.34		8.35		8.89		7.26		5.53		9.41		

** All History prior to 3/31/2015, obtained from prior consultant.**

LP Real Estate and Timber Funds separate accounts are presented on the IRR page.



Comparative Performance
Trailing Returns
As of June 30, 2018

	QTR		FYTD		1 YR		3 YR		5 YR		7 YR		10 YR		Inception	Inception Date
Total Fixed Income	0.56	(1)	4.40	(1)	4.40	(1)	5.38	(1)	4.73	(1)	4.34	(3)	N/A	5.46	(20)	03/01/2009
Total Fixed Income Policy	-0.16	(73)	-0.40	(83)	-0.40	(83)	1.72	(87)	2.27	(87)	2.57	(92)	3.72	(93)	3.69	(90)
Difference	0.72		4.80		4.80		3.66		2.46		1.77		N/A		1.77	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-0.09		0.00		0.00		2.09		2.67		3.07		4.39		4.63	
Pacific Fixed Income	-0.22	(88)	-0.01	(51)	-0.01	(51)	2.17	(44)	2.66	(51)	2.76	(77)	4.17	(63)	5.29	(64)
Blmbg. Barc. U.S. Aggregate Index	-0.16	(73)	-0.40	(83)	-0.40	(83)	1.72	(87)	2.27	(87)	2.57	(92)	3.72	(93)	5.01	(92)
Difference	-0.06		0.39		0.39		0.45		0.39		0.19		0.45		0.28	
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-0.09		0.00		0.00		2.09		2.67		3.07		4.39		5.42	
Templeton Global Bond R6 (FBNRX)	-2.54	(53)	-1.74	(98)	-1.74	(98)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	-2.61	(100)	04/01/2017
Blmbg. Barc. Global Multiverse	-2.83	(54)	1.35	(25)	1.35	(25)	2.78	(31)	1.67	(54)	1.34	(63)	2.78	(60)	3.20	(16)
Difference	0.29		-3.09		-3.09		N/A		N/A		N/A		N/A		-5.81	
IM Global Fixed Income (MF) Median	-2.21		0.44		0.44		2.27		1.76		1.88		3.13		2.10	
Total Real Estate	2.01	(70)	7.94	(82)	7.94	(82)	9.11	(76)	10.60	(80)	N/A	N/A	N/A	5.37	(100)	01/01/2012
Total Real Estate Policy	1.81	(86)	7.19	(93)	7.19	(93)	8.25	(87)	9.77	(91)	10.23	(92)	6.22	(12)	10.01	(92)
Difference	0.20		0.75		0.75		0.86		0.83		N/A		N/A		-4.64	
IM U.S. Open End Private Real Estate (SA+CF) Median	2.20		8.87		8.87		9.83		11.66		11.91		5.61		11.85	
AEW Core Property Trust	2.31	(40)	8.16	(77)	8.16	(77)	9.16	(75)	10.49	(83)	N/A	N/A	N/A	10.49	(85)	10/01/2012
NCREIF Fund Index-ODCE (VW)	2.05	(67)	8.44	(65)	8.44	(65)	9.37	(73)	11.04	(64)	11.39	(71)	5.29	(69)	11.21	(66)
Difference	0.26		-0.28		-0.28		-0.21		-0.55		N/A		N/A		-0.72	
IM U.S. Open End Private Real Estate (SA+CF) Median	2.20		8.87		8.87		9.83		11.66		11.91		5.61		11.92	
Total Hedge Fund of Funds	1.86		9.10		9.10		N/A		N/A		N/A		N/A	2.52		08/01/2015
HFRI FOF: Diversified Index	0.60		5.19		5.19		1.75		3.30		2.79		1.44		1.63	
Difference	1.26		3.91		3.91		N/A		N/A		N/A		N/A		0.89	
Magnitude Institutional	0.38		7.07		7.07		N/A		N/A		N/A		N/A	3.29		08/01/2015
HFRI FOF: Diversified Index	0.60		5.19		5.19		1.75		3.30		2.79		1.44		1.63	
Difference	-0.22		1.88		1.88		N/A		N/A		N/A		N/A		1.66	
Titan Masters Int'l Fund	3.47		11.34		11.34		N/A		N/A		N/A		N/A	1.40		08/01/2015
HFRI FOF: Diversified Index	0.60		5.19		5.19		1.75		3.30		2.79		1.44		1.63	
Difference	2.87		6.15		6.15		N/A		N/A		N/A		N/A		-0.23	

** All History prior to 3/31/2015, obtained from prior consultant.**

LP Real Estate and Timber Funds separate accounts are presented on the IRR page.



As of June 30, 2018

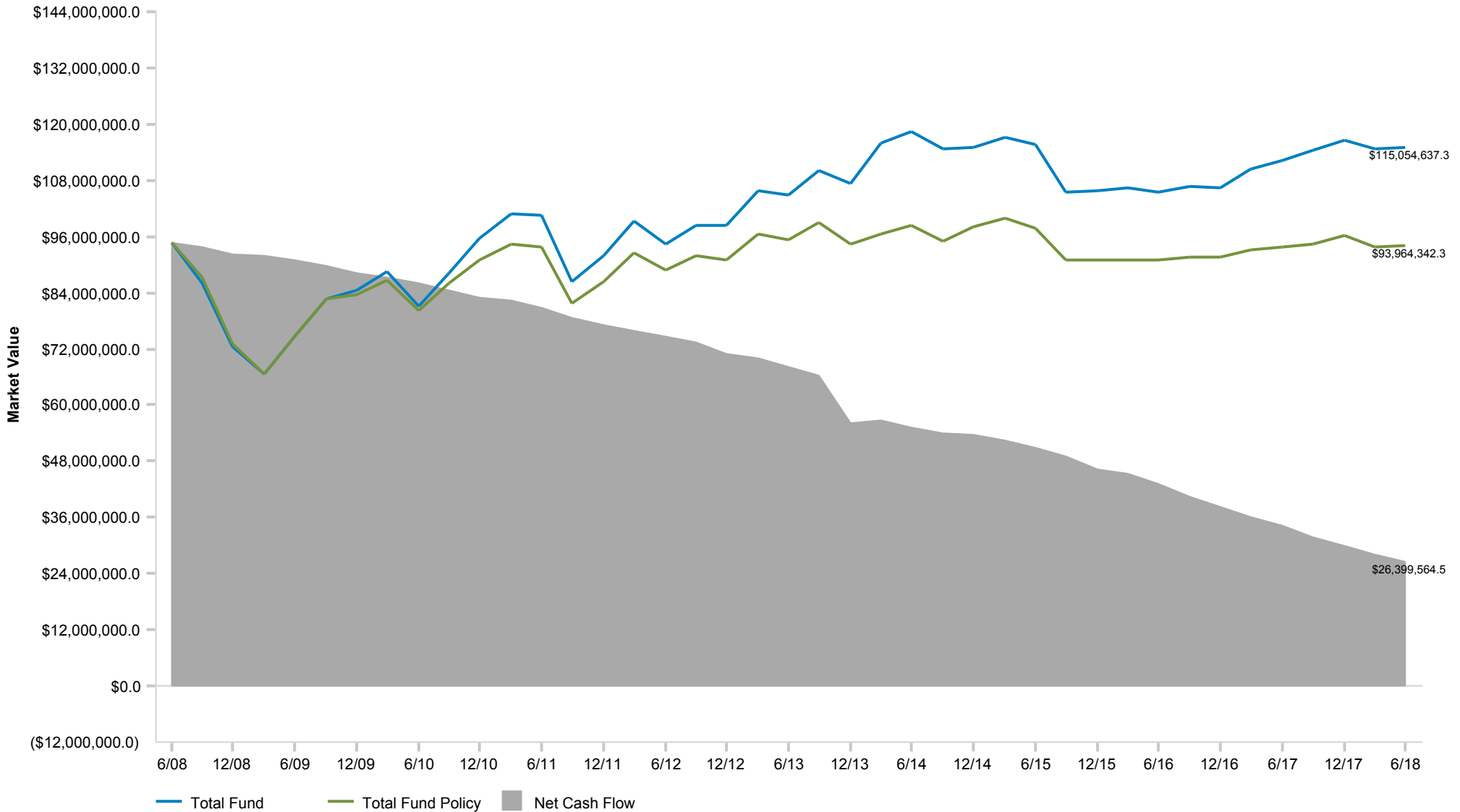
Comparative Performance - IRR

	QTR	FYTD	1 YR	3 YR	5 YR	7 YR	Since Inception Ending Jun-2018	Inception Date
Bloomfield Capital Income Fund II	2.15	9.25	9.25	10.34	N/A	N/A	10.02	12/22/2014
Bloomfield Capital Income Fund III	2.13	9.99	9.99	N/A	N/A	N/A	10.81	12/31/2016
Metropolitan Real Estate V	0.00	6.41	6.41	8.94	11.30	N/A	9.48	11/30/2011
RMK Timberland US Fund	0.00	3.29	3.29	-0.14	2.22	N/A	2.70	10/31/2012
RMK Timberland Intl Fund	0.00	-11.52	-11.52	-5.14	-5.54	N/A	-5.96	11/21/2012



Schedule of Investable Assets
Total Fund
10 Years Ending June 30, 2018

Schedule of Investable Assets

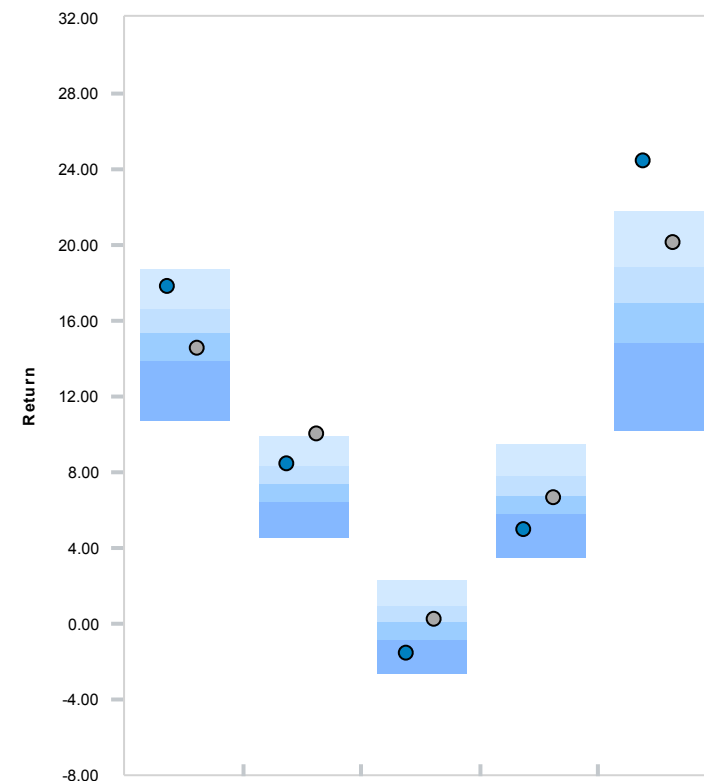
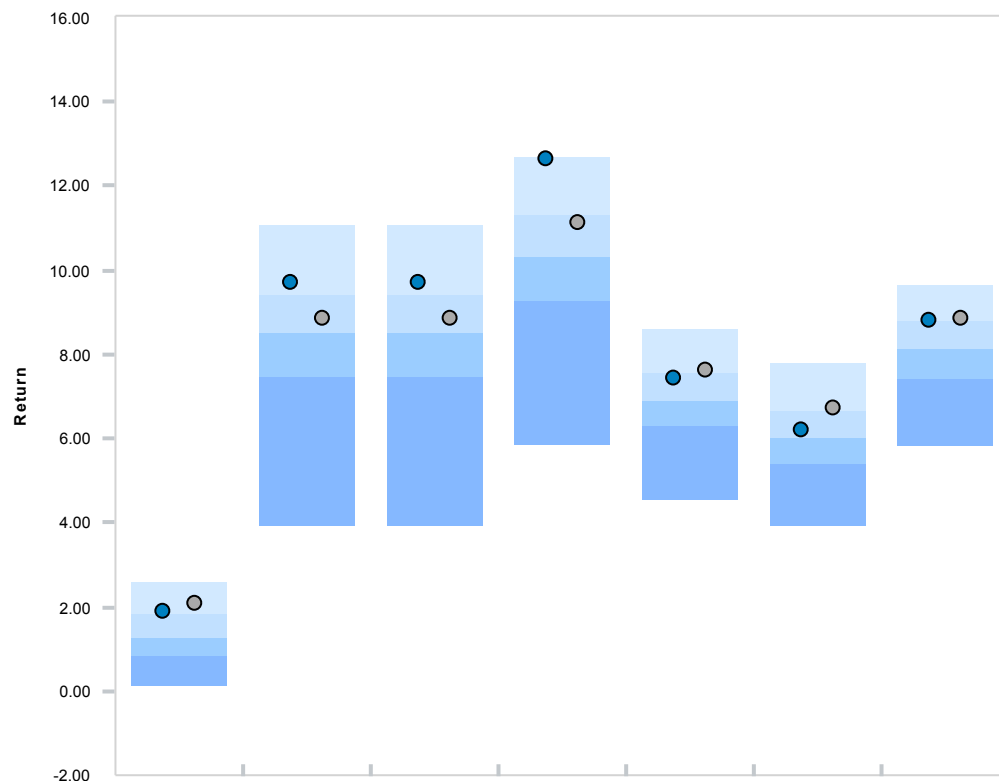


Schedule of Investable Assets

Periods Ending	Beginning Market Value \$	Contributions \$	Withdrawals \$	Gain/Loss \$	Net Cash Flow \$	Ending Market Value \$
10 YR	94,702,763	96,707,249	165,010,448	88,655,073	-68,303,199	115,054,637



Plan Sponsor Peer Group Analysis - All Public Plans-Total Fund



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Total Fund	1.90 (24)	9.69 (20)	9.69 (20)	12.63 (6)	7.41 (30)	6.17 (45)	8.81 (25)
● Total Fund Policy	2.06 (19)	8.87 (41)	8.87 (41)	11.13 (29)	7.62 (23)	6.73 (23)	8.82 (24)
Median	1.28	8.50	8.50	10.29	6.91	6.02	8.16

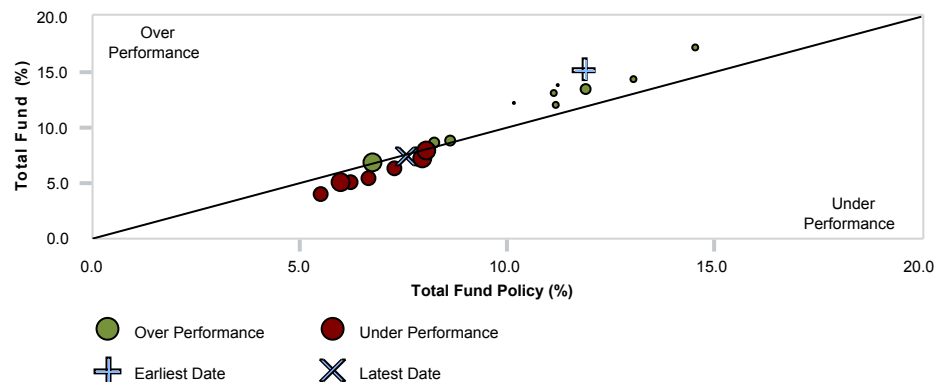
	2017	2016	2015	2014	2013
● Total Fund	17.76 (10)	8.43 (24)	-1.58 (86)	4.92 (86)	24.38 (1)
● Total Fund Policy	14.48 (68)	9.99 (5)	0.18 (48)	6.66 (53)	20.12 (13)
Median	15.41	7.32	0.07	6.76	16.90

Comparative Performance

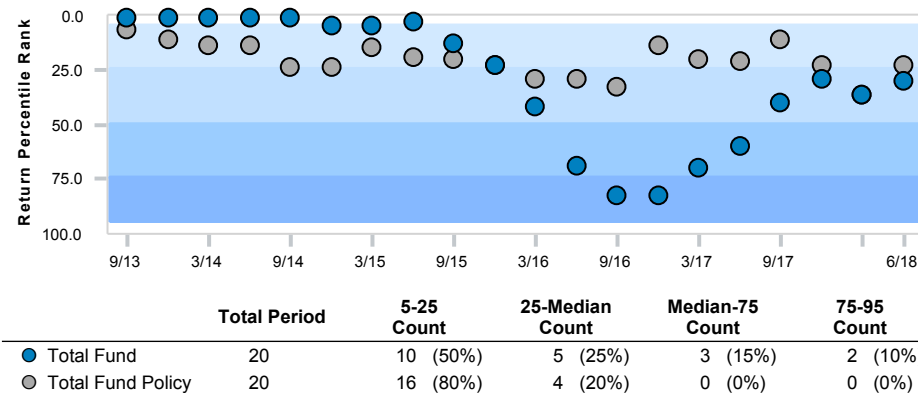
	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017	1 Qtr Ending Dec-2016
Total Fund	-0.19 (43)	3.68 (55)	4.02 (13)	3.36 (21)	5.64 (3)	1.93 (12)
Total Fund Policy	-0.56 (72)	3.68 (55)	3.47 (47)	2.78 (64)	3.83 (80)	2.30 (7)
All Public Plans-Total Fund Median	-0.28	3.74	3.45	2.97	4.40	0.85



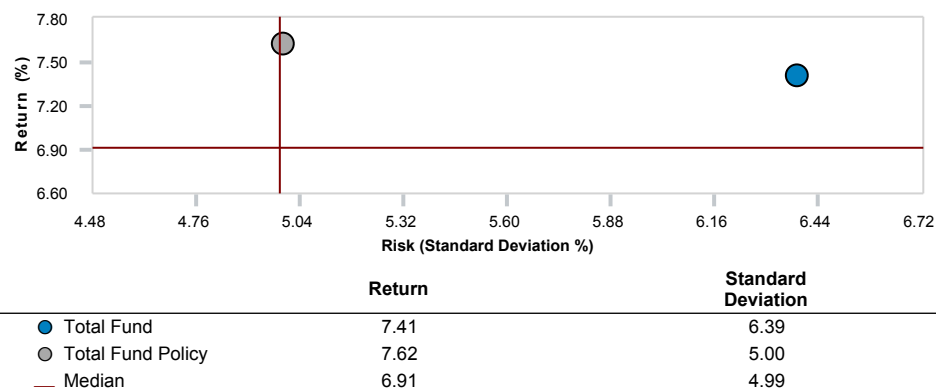
3 Yr Rolling Under/Over Performance - 5 Years



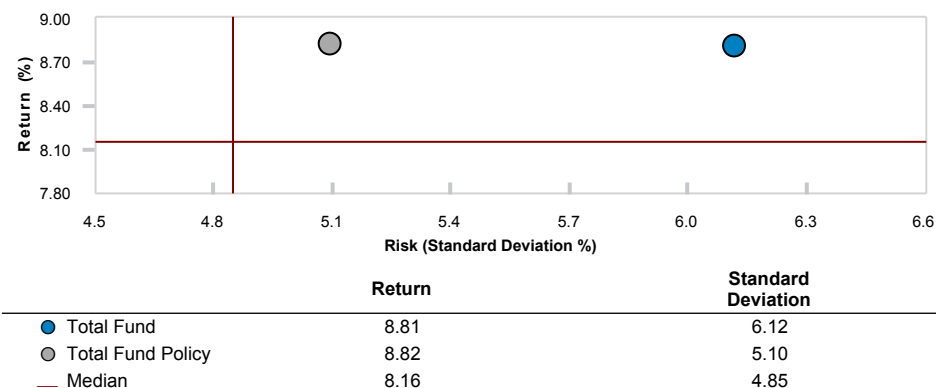
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Historical Statistics - 3 Years

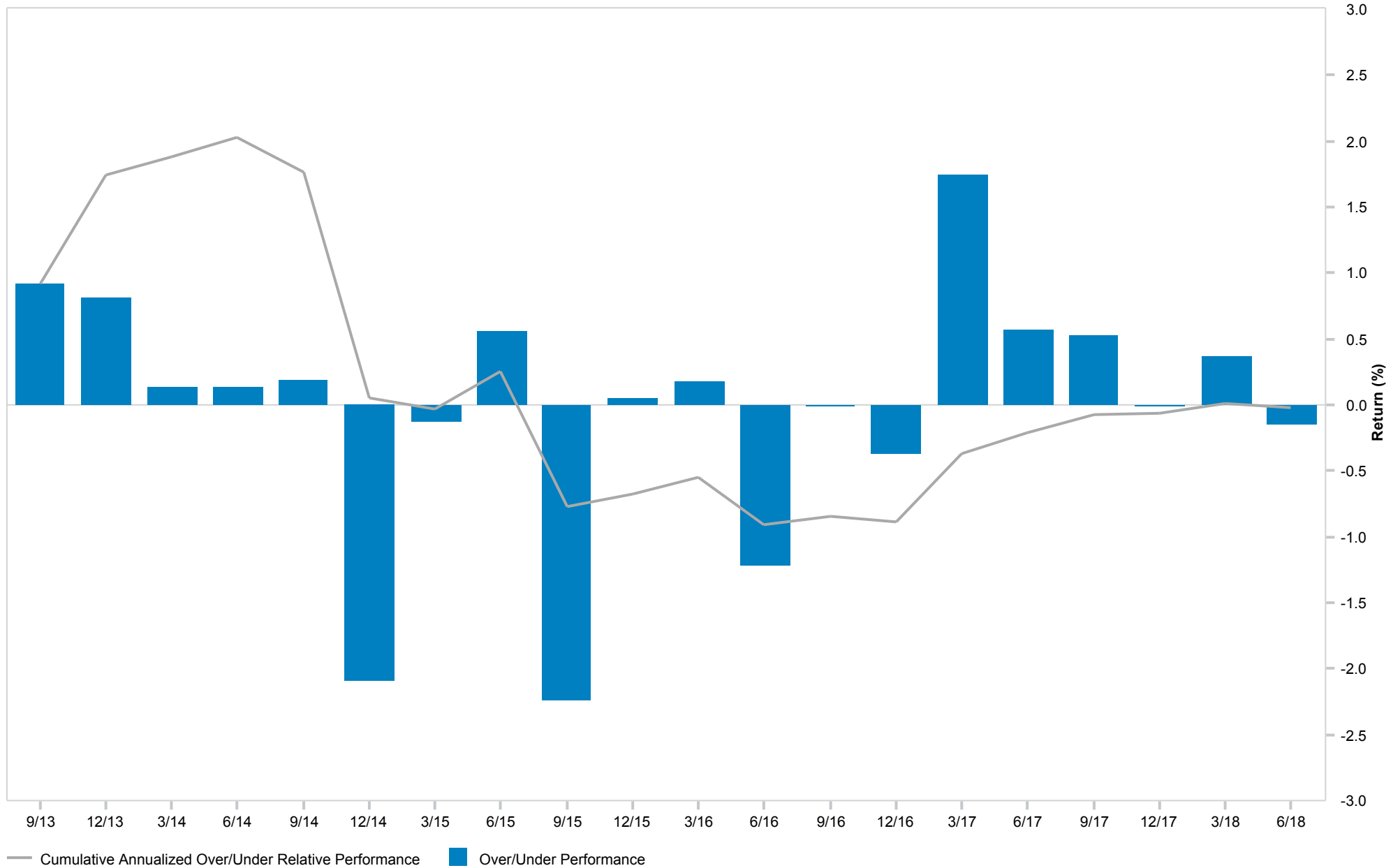
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.85	104.86	129.51	-1.98	-0.06	1.07	1.25	4.31
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	1.39	1.00	3.10

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	1.85	102.34	112.01	-1.30	0.02	1.36	1.16	3.45
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	1.62	1.00	2.59



Relative Performance



Calculation based on quarterly periodicity.
 Benchmark: 65% MSCI ACWi / 35% Barclays Global Agg



Comerica S&P 500 - Portfolio Description

- Strategy: S&P 500 Index Fund
- Vehicle: Commingled Fund
- Objective: To replicate the S&P 500
- Annual fees: .10% on first \$5M
.08% on next \$20M
.06% on next \$25M
- Benchmark: S&P 500 Index

Comerica S&P 500 - Strategy Details

The 500 Index Strategy seeks to provide investment results generally corresponding to the aggregate price and dividend performance of the publicly traded common stocks in the large- capitalization sector of the U.S. equity market. The fund pursues this objective by investing primarily in the 500 common stocks that compose the S&P 500 Index.

Champlain MidCap Equity - Portfolio Description

- Strategy: Mid Cap Equity
- Vehicle: Separately Managed Account
- Objective: To outperform the Russell Midcap Index
- Annual fees: .85% on first \$50MM
.75% on next \$50MM
.65% over \$100M
- Benchmark: Russell Midcap Index

Champlain MidCap Equity - Strategy Details

Champlain's mid cap strategy invests in a broadly diversified portfolio of approximately 50 to 75 common stocks of medium sized companies, and to a lesser extent small and large sized companies, which have attractive long-term fundamentals, appreciation potential, and valuations. They believe that investing in companies with sustainable competitive advantages, durable business models, sound balance sheets, credible and sincere management, and that are trading at valuations deemed reasonable by the team, can, over time, provide attractive returns with less risk than the overall market. Their investment processes are focused on absolute returns and avoiding large losses, which they believe is critical to wealth creation.

QMA Midcap Equity - Portfolio Description

- Strategy: US Mid Cap Fore Equity
- Vehicle: Commingled Account
- Objective: To outperform the Russell Midcap Index
- Annual fees: .45% on first \$50MM
.40% over \$50M
- Benchmark: Russell Midcap Index

QMA Midcap Equity - Strategy Details

At QMA, they believe that an adaptive, bottom-up, systematic investment process based on fundamental insights is the most efficient way to exploit market inefficiencies and add value. On a daily basis they assess the relative attractiveness of their universe, scoring stocks according to fundamentals most relevant to their growth characteristics-more emphasis on valuation for slowly growing companies and indicators of future growth prospects for faster growing companies. These scores form the basis of the construction process whereby they focus risk on a breadth of exposures most likely to produce alpha and limit exposures to uncompensated off-benchmark risk. Rebalancing is done with experienced judgment to maintain desired portfolio alpha exposures and risk limits and with careful attention to trading costs.



SouthernSun Smallcap Equity - Portfolio Description

- Strategy: Small Cap
- Vehicle: Separately Managed Account
- Objective: To outperform the Russell 2000 Index
- Annual fees: 1.00% on first \$15M
- 0.85% over \$15M
- Benchmark: Russell 2000 Index

SouthernSun Smallcap Equity - Strategy Details

The Small Cap strategy targets companies with market caps of \$500 million to \$3.5 billion at time of initial purchase. While idea generation may come from traditional screening, new names are often sourced through research on existing portfolio holdings, industry trade publications, and industry conferences. The Investment Team relies almost solely on internally conducted research for idea generation. This strategy is generally closed to new investors.

Walthausen SMID Value Equity - Portfolio Description

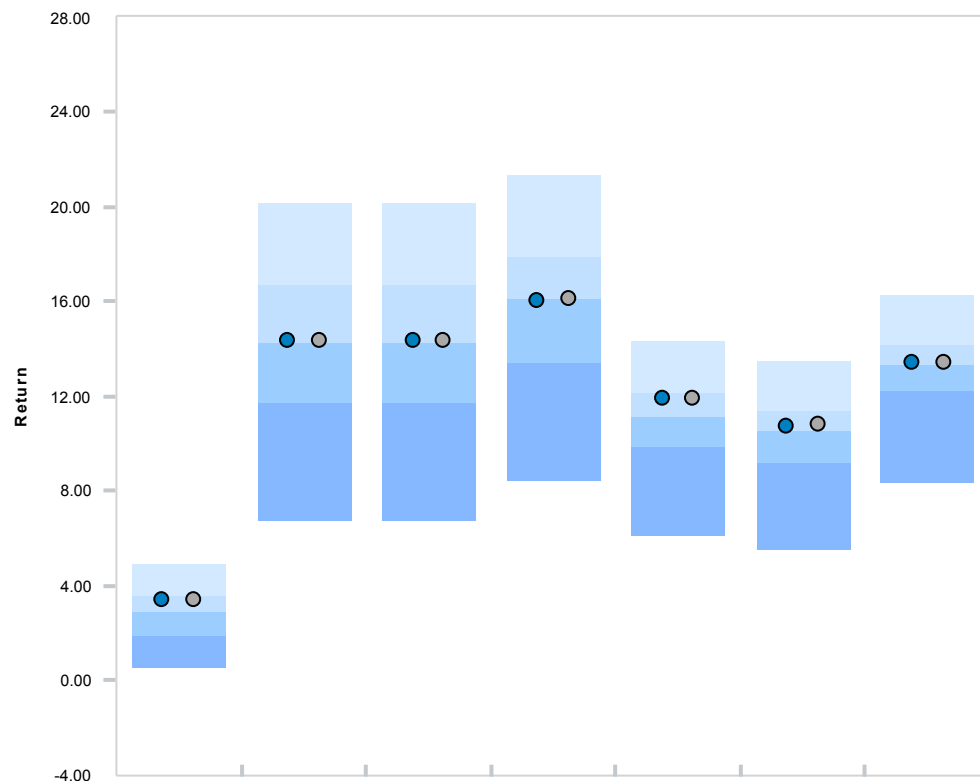
- Strategy: Select Value (SMID)
- Vehicle: Separately Managed Account
- Objective: To outperform the Russell 2500 Index
- Annual fees: 1.00% of Assets
- Benchmark: Russell 2500 Index

Walthausen SMID Value Equity - Strategy Details

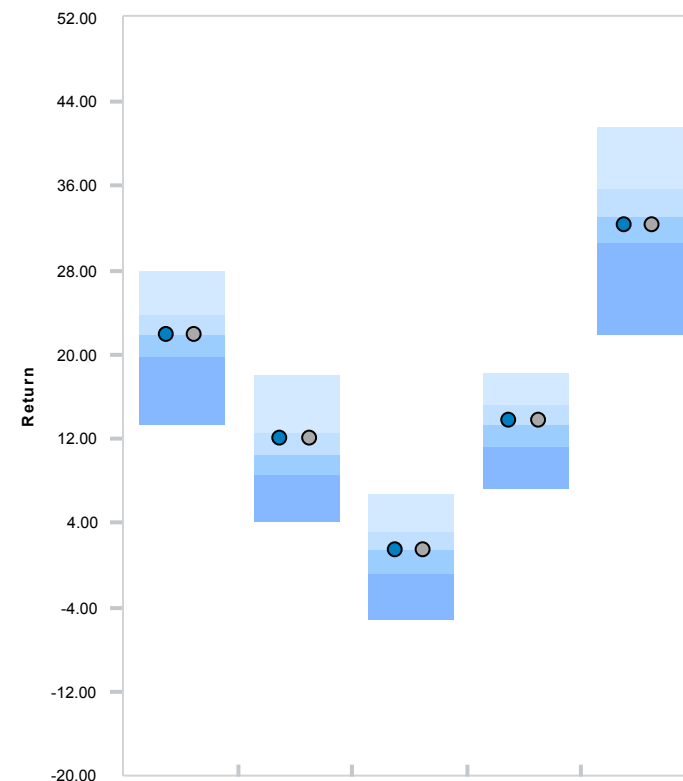
This portfolio is constructed to provide strong returns with moderate volatility. It incorporates 40-50 equally weighted holdings, broadly diversified across industry sectors. Positions are reduced when they begin to exceed 3.0% of the portfolio. Companies included in the portfolio have a market capitalization between \$700 million and \$7.0 billion. The majority (about 80%) of the portfolio is with companies which have consistently high returns on capital, ample free cash flow, well proven management and sell at moderate valuations. Many of these stocks are frequently too dull to attract much "Wall Street" attention and thus have carried low valuations and lower volatility. The remaining 20% of the fund is invested in "Special Situations." For these stocks a focused approach is utilized to find 8-10 names with unusual potential returns. The goal is for both parts of the strategy to outperform over the market cycle, and to deliver annualized returns 200 basis points above the Russell 2500 Value index.



Peer Group Analysis - IM U.S. Large Cap Core Equity (SA+CF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Comerica S&P 500	3.43 (33)	14.33 (49)	14.33 (49)	16.08 (51)	11.92 (34)	10.78 (43)	13.39 (49)
● S&P 500 Index	3.43 (33)	14.37 (48)	14.37 (48)	16.12 (50)	11.93 (33)	10.79 (43)	13.42 (48)
Median	2.89	14.24	14.24	16.12	11.12	10.56	13.35



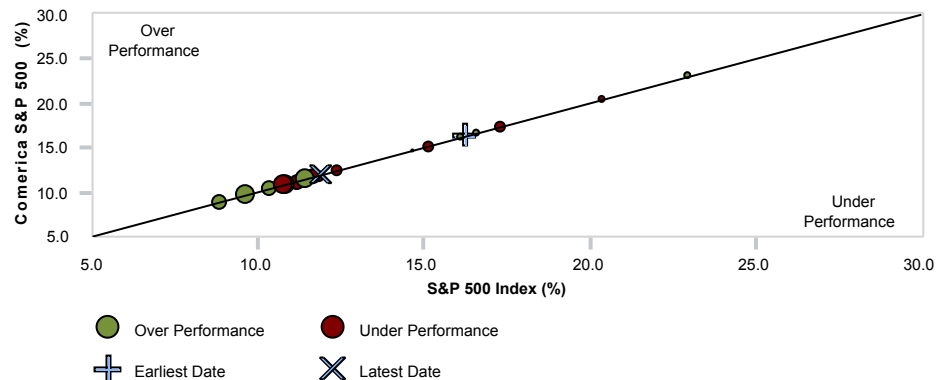
	2017	2016	2015	2014	2013
● Comerica S&P 500	21.80 (51)	11.94 (33)	1.44 (49)	13.66 (45)	32.30 (61)
● S&P 500 Index	21.83 (50)	11.96 (33)	1.38 (51)	13.69 (44)	32.39 (60)
Median	21.82	10.51	1.39	13.43	32.98

Comparative Performance

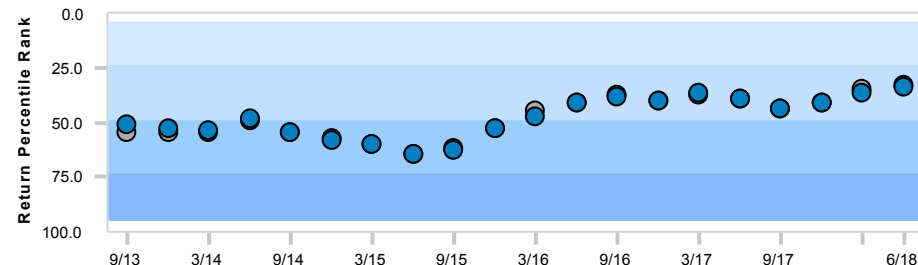
	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017	1 Qtr Ending Dec-2016
Comerica S&P 500	-0.77 (68)	6.63 (54)	4.48 (58)	3.08 (45)	6.06 (45)	3.80 (55)
S&P 500 Index	-0.76 (67)	6.64 (52)	4.48 (58)	3.09 (44)	6.07 (45)	3.82 (53)
IM U.S. Large Cap Core Equity (SA+CF) Median	-0.40	6.67	4.61	2.96	5.95	3.94



3 Yr Rolling Under/Over Performance - 5 Years

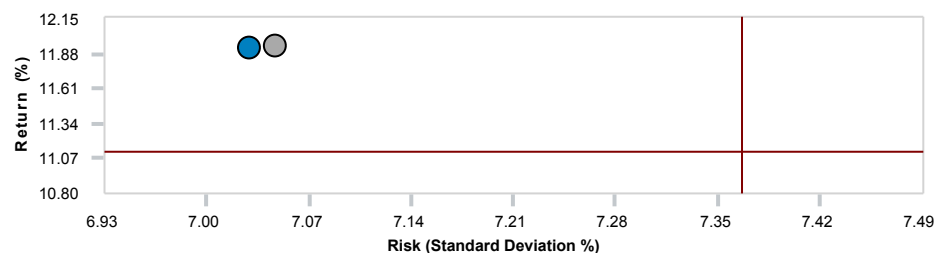


3 Yr Rolling Percentile Ranking - 5 Years



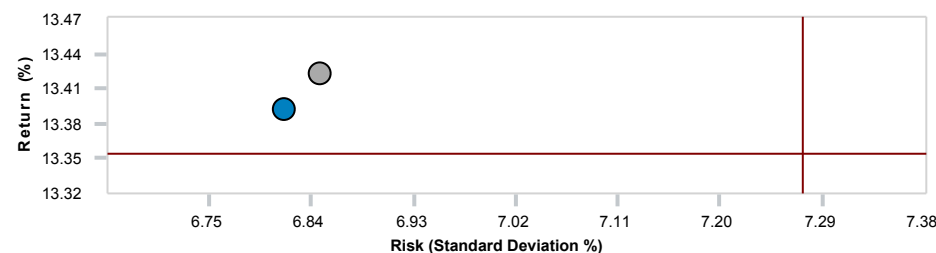
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● Comerica S&P 500	20	0 (0%)	11 (55%)	9 (45%)	0 (0%)
● S&P 500 Index	20	0 (0%)	11 (55%)	9 (45%)	0 (0%)

Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● Comerica S&P 500	11.92	7.03
● S&P 500 Index	11.93	7.05
— Median	11.12	7.37

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● Comerica S&P 500	13.39	6.82
● S&P 500 Index	13.42	6.85
— Median	13.35	7.27

Historical Statistics - 3 Years

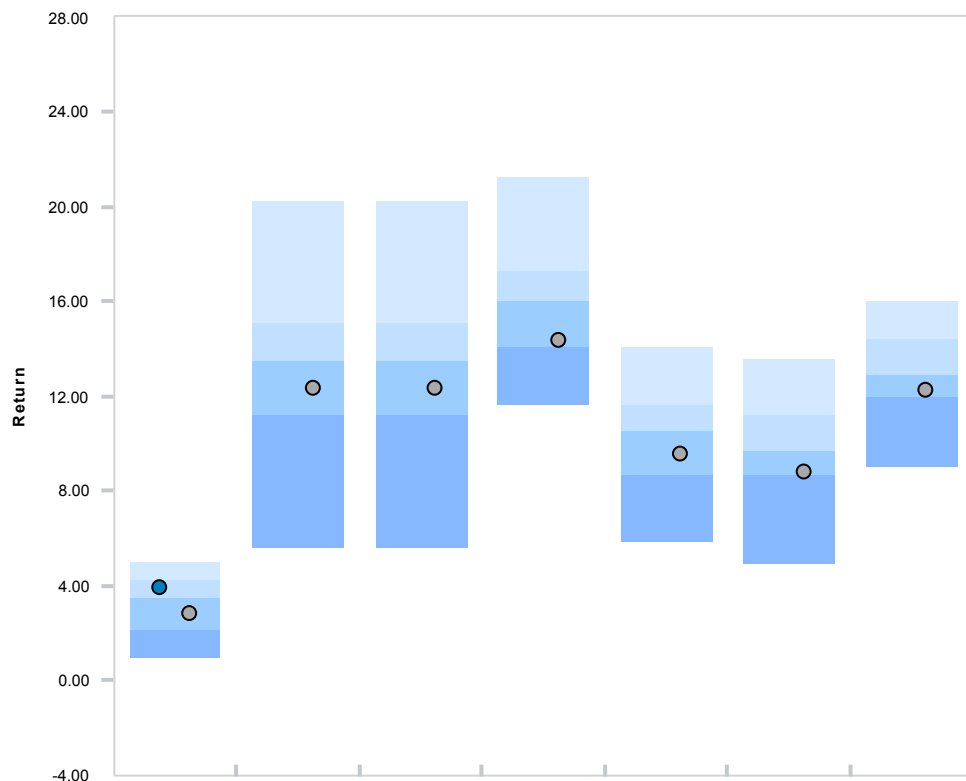
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Comerica S&P 500	0.03	99.98	100.05	-0.01	-0.32	1.12	1.00	5.57
S&P 500 Index	0.00	100.00	100.00	0.00	N/A	1.12	1.00	5.57

Historical Statistics - 5 Years

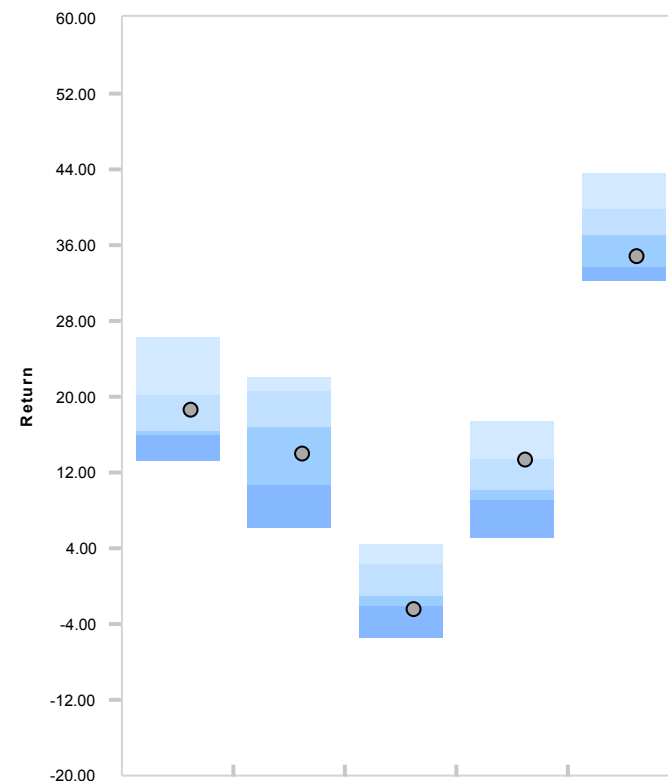
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Comerica S&P 500	0.04	99.88	100.03	-0.02	-0.74	1.31	1.00	5.15
S&P 500 Index	0.00	100.00	100.00	0.00	N/A	1.31	1.00	5.15



Peer Group Analysis - IM U.S. Mid Cap Core Equity (SA+CF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Champlain MC Equity	3.95 (40)	N/A	N/A	N/A	N/A	N/A	N/A
● Russell Midcap Index	2.82 (58)	12.33 (65)	12.33 (65)	14.39 (73)	9.58 (64)	8.83 (72)	12.22 (75)
Median	3.51	13.51	13.51	16.03	10.57	9.75	12.94



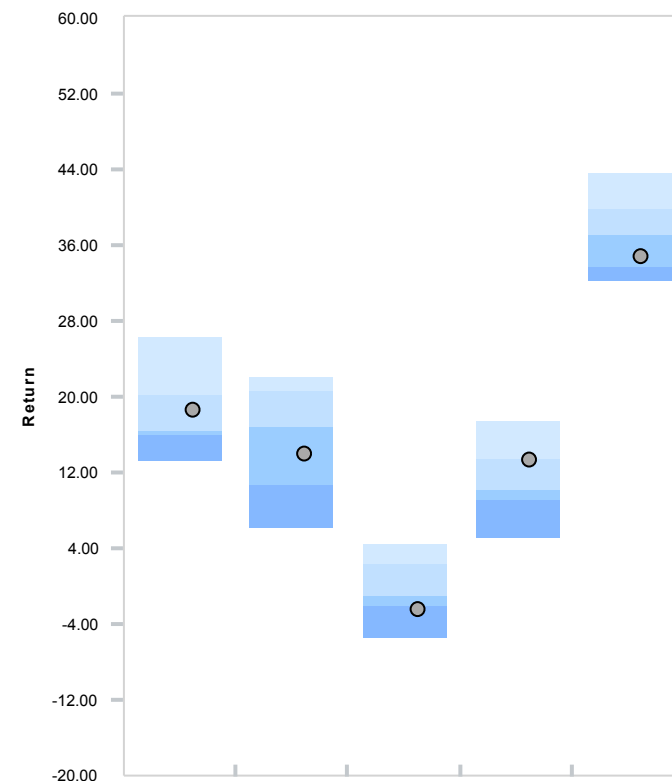
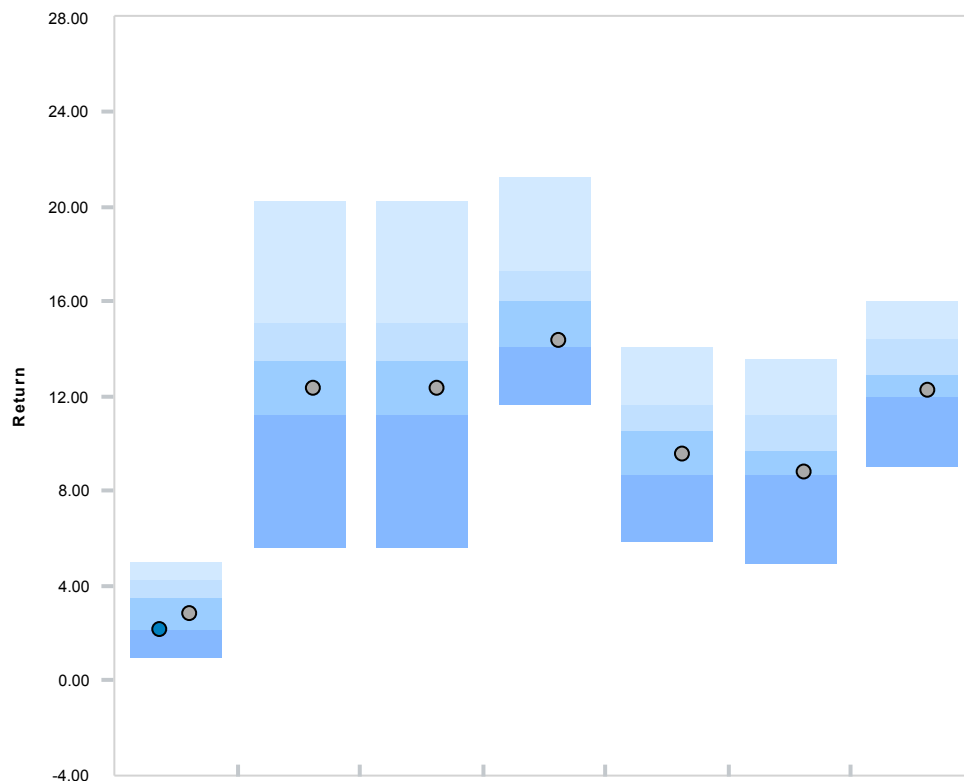
	2017	2016	2015	2014	2013
● Champlain MC Equity	N/A	N/A	N/A	N/A	N/A
● Russell Midcap Index	18.52 (35)	13.80 (62)	-2.44 (82)	13.22 (27)	34.76 (68)
Median	16.49	16.80	-0.98	10.17	37.10

Comparative Performance

	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017	1 Qtr Ending Dec-2016
Champlain MC Equity	4.77 (5)	6.35 (43)	N/A	N/A	N/A	N/A
Russell Midcap Index	-0.46 (40)	6.07 (66)	3.47 (50)	2.70 (34)	5.15 (36)	3.21 (75)
IM U.S. Mid Cap Core Equity (SA+CF) Median	-0.76	6.27	3.47	1.98	4.70	6.82



Peer Group Analysis - IM U.S. Mid Cap Core Equity (SA+CF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● QMA US MC Equity	2.16 (76)	N/A	N/A	N/A	N/A	N/A	N/A
● Russell Midcap Index	2.82 (58)	12.33 (65)	12.33 (65)	14.39 (73)	9.58 (64)	8.83 (72)	12.22 (75)
Median	3.51	13.51	13.51	16.03	10.57	9.75	12.94

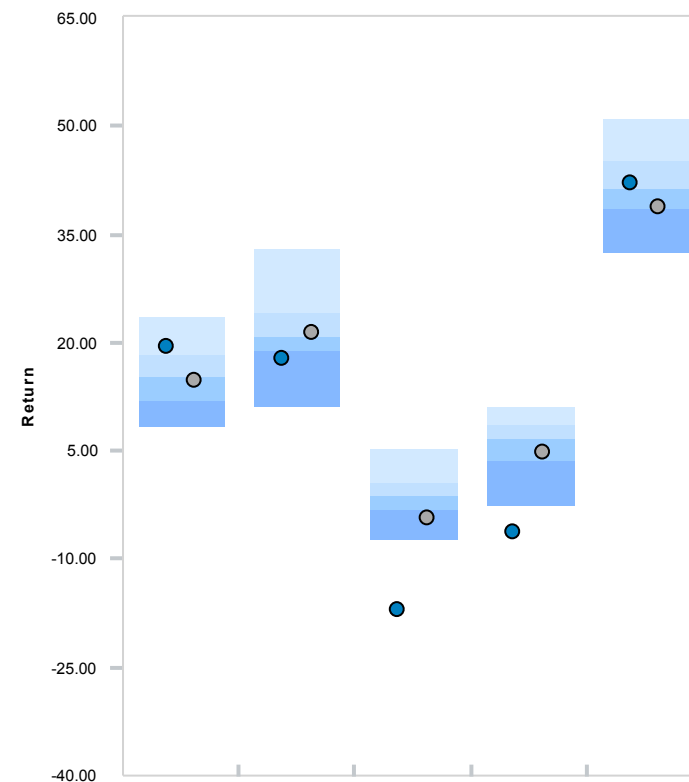
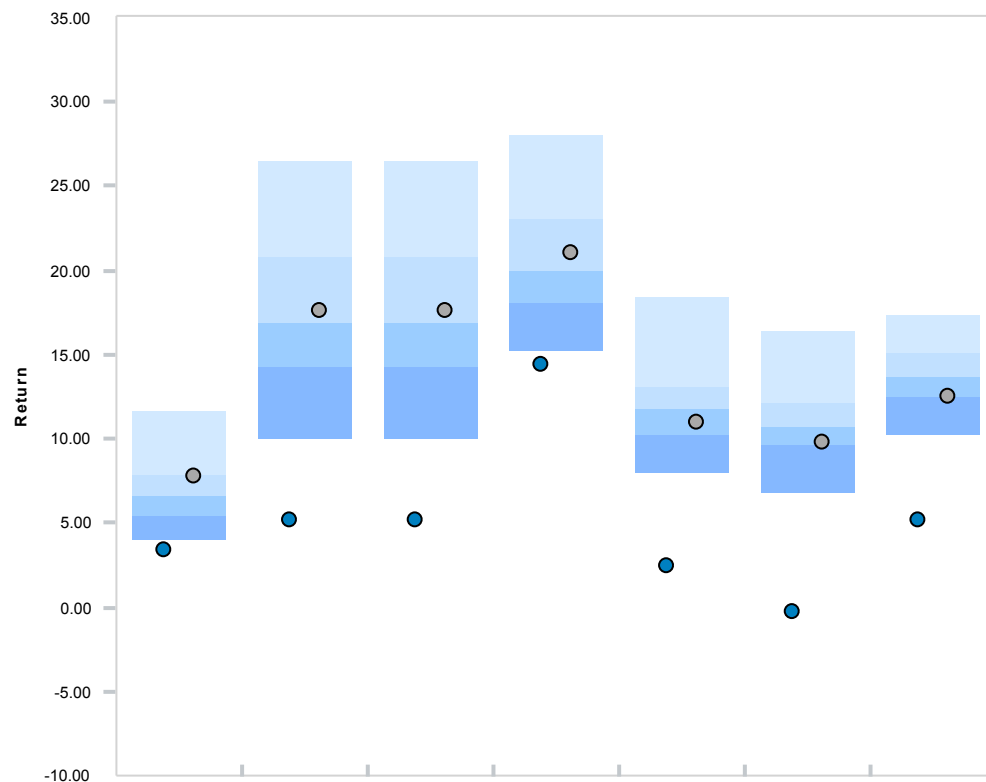
	2017	2016	2015	2014	2013
● QMA US MC Equity	N/A	N/A	N/A	N/A	N/A
● Russell Midcap Index	18.52 (35)	13.80 (62)	-2.44 (82)	13.22 (27)	34.76 (68)
Median	16.49	16.80	-0.98	10.17	37.10

Comparative Performance

	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017	1 Qtr Ending Dec-2016
QMA US MC Equity	-1.08 (69)	6.18 (65)	N/A	N/A	N/A	N/A
Russell Midcap Index	-0.46 (40)	6.07 (66)	3.47 (50)	2.70 (34)	5.15 (36)	3.21 (75)
IM U.S. Mid Cap Core Equity (SA+CF) Median	-0.76	6.27	3.47	1.98	4.70	6.82



Peer Group Analysis - IM U.S. Small Cap Core Equity (SA+CF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● SouthernSun SC	3.41 (97)	5.12 (100)	5.12 (100)	14.35 (98)	2.48 (100)	-0.28 (100)	5.21 (100)
● Russell 2000 Index	7.75 (29)	17.57 (43)	17.57 (43)	21.03 (41)	10.96 (63)	9.83 (69)	12.46 (76)
Median	6.61	16.94	16.94	19.92	11.79	10.73	13.66

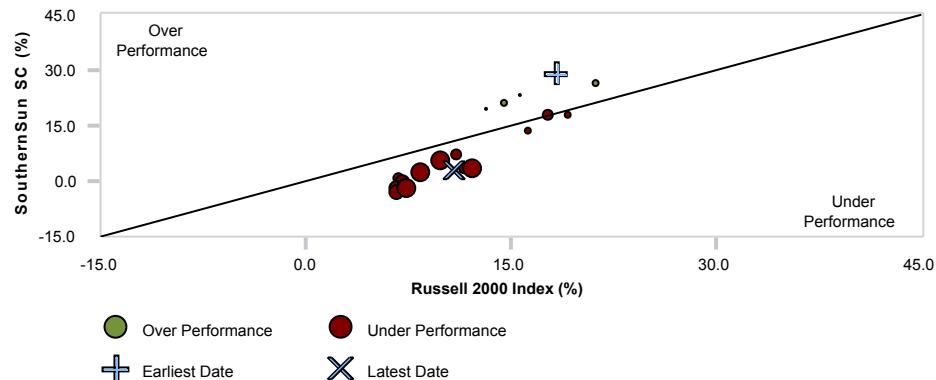
	2017	2016	2015	2014	2013
● SouthernSun SC	19.53 (21)	17.63 (82)	-17.16 (100)	-6.30 (99)	42.13 (45)
● Russell 2000 Index	14.65 (57)	21.31 (46)	-4.41 (82)	4.89 (65)	38.82 (73)
Median	15.13	20.73	-1.35	6.65	41.28

Comparative Performance

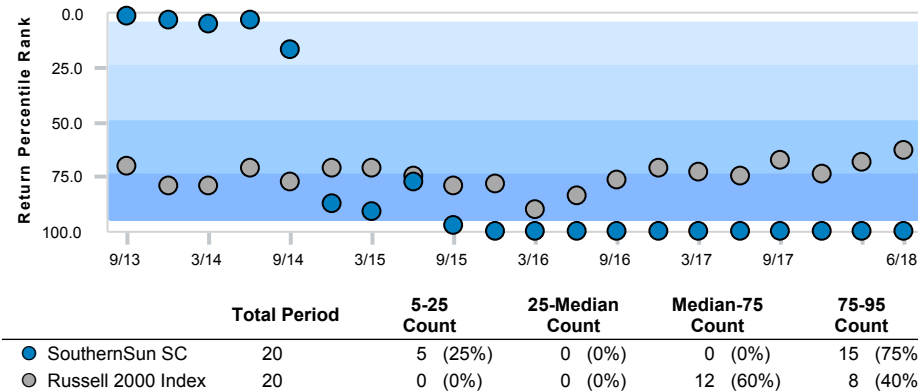
	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017	1 Qtr Ending Dec-2016
SouthernSun SC	-6.14 (100)	1.52 (94)	6.67 (26)	1.93 (56)	8.29 (1)	6.65 (86)
Russell 2000 Index	-0.08 (49)	3.34 (60)	5.67 (46)	2.46 (47)	2.47 (57)	8.83 (63)
IM U.S. Small Cap Core Equity (SA+CF) Median	-0.20	3.72	5.50	2.28	2.82	9.74



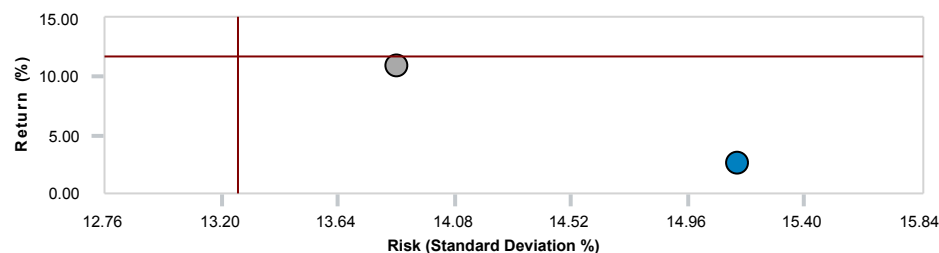
3 Yr Rolling Under/Over Performance - 5 Years



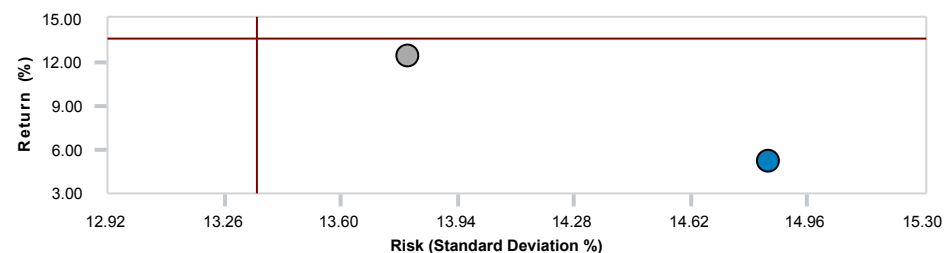
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Historical Statistics - 3 Years

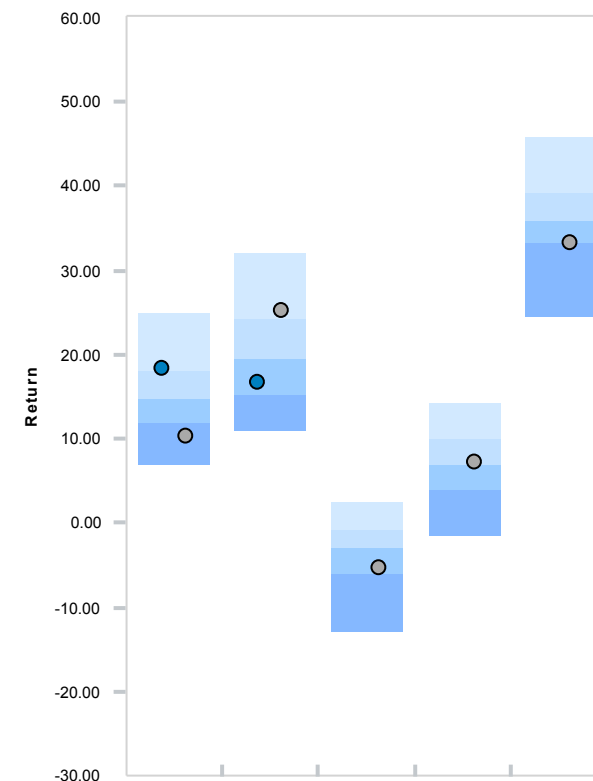
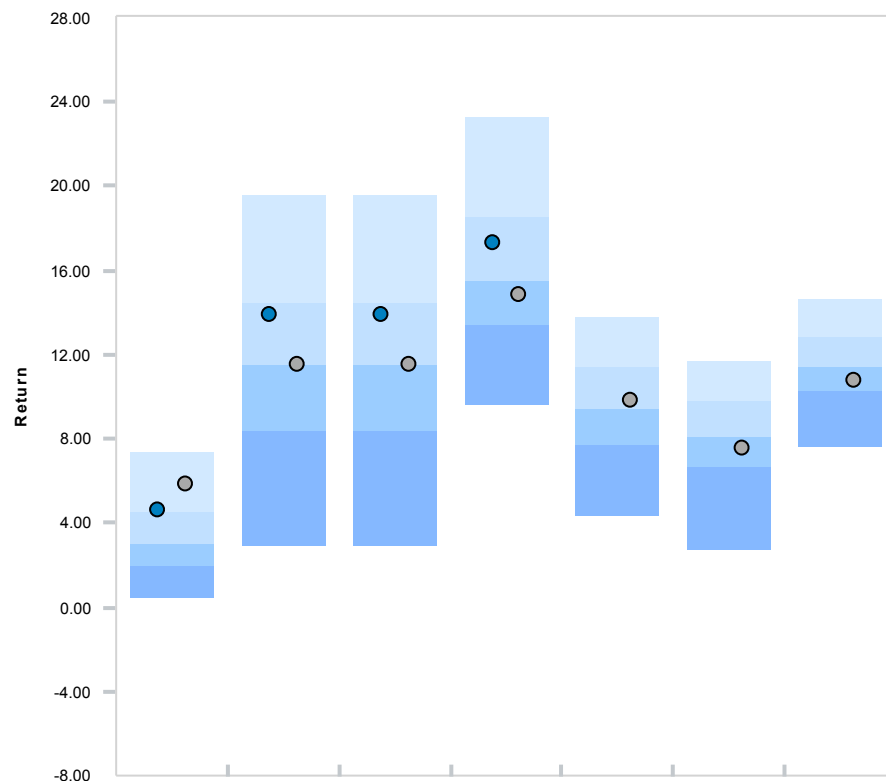
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
SouthernSun SC	7.22	82.22	127.15	-7.12	-1.08	0.20	0.96	10.20
Russell 2000 Index	0.00	100.00	100.00	0.00	N/A	0.78	1.00	8.39

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
SouthernSun SC	8.33	78.55	107.12	-5.12	-0.79	0.39	0.90	9.49
Russell 2000 Index	0.00	100.00	100.00	0.00	N/A	0.90	1.00	8.18



Peer Group Analysis - IM U.S. SMID Cap Value Equity (SA+CF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Walthausen & Co. SMID Value	4.62 (22)	13.86 (29)	13.86 (29)	17.30 (43)	N/A	N/A	N/A
● Russell 2500 Value Index	5.80 (12)	11.49 (52)	11.49 (52)	14.87 (56)	9.76 (44)	7.50 (64)	10.78 (66)
Median	3.03	11.51	11.51	15.51	9.38	8.06	11.40

	2017	2016	2015	2014	2013
● Walthausen & Co. SMID Value	18.43 (21)	16.63 (68)	N/A	N/A	N/A
● Russell 2500 Value Index	10.36 (85)	25.20 (24)	-5.49 (69)	7.11 (50)	33.32 (74)
Median	14.78	19.40	-3.01	7.06	35.78

Comparative Performance

	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017	1 Qtr Ending Dec-2016
Walthausen & Co. SMID Value	-0.75 (36)	5.08 (51)	4.35 (40)	3.74 (10)	4.11 (38)	8.56 (44)
Russell 2500 Value Index	-2.65 (81)	4.25 (67)	3.83 (58)	0.32 (71)	1.62 (80)	9.34 (37)
IM U.S. SMID Cap Value Equity (SA+CF) Median	-1.32	5.19	4.01	1.61	3.78	8.22



LSV International - Portfolio Description

- Strategy: International Large Cap Value Equity
- Vehicle: Commingled Fund
- Objective: To outperform the MSCI EAFE Index
- Annual fees: .75% on first \$25M
.65% on next \$25M
- Benchmark: MSCI EAFE Index

LSV International - Strategy Details

The International Large Cap Value Equity strategy's primary emphasis is the use of quantitative techniques to select individual securities in what would be considered a bottom-up approach. A risk control discipline limits the over- or under-exposure of the portfolio to industry concentrations. Value factors and security selection dominate sector/industry factors as explanators of performance. The portfolio decision making process is strictly quantitative and driven by (1) a proprietary model which ranks securities based on fundamental measures of value and indicators of near-term appreciation potential and, (2) a risk control process that controls for residual benchmark risk while maximizing the expected return of the portfolio. There is no subjective modification applied to the results of the process. This leads to a high degree of consistency in the practical application of our investment philosophy.

WCM Intl Growth - Portfolio Description

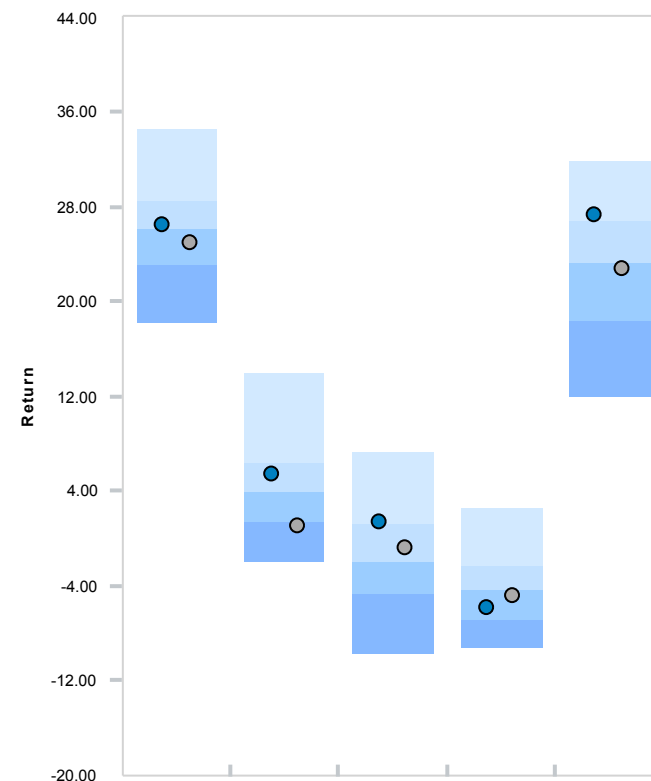
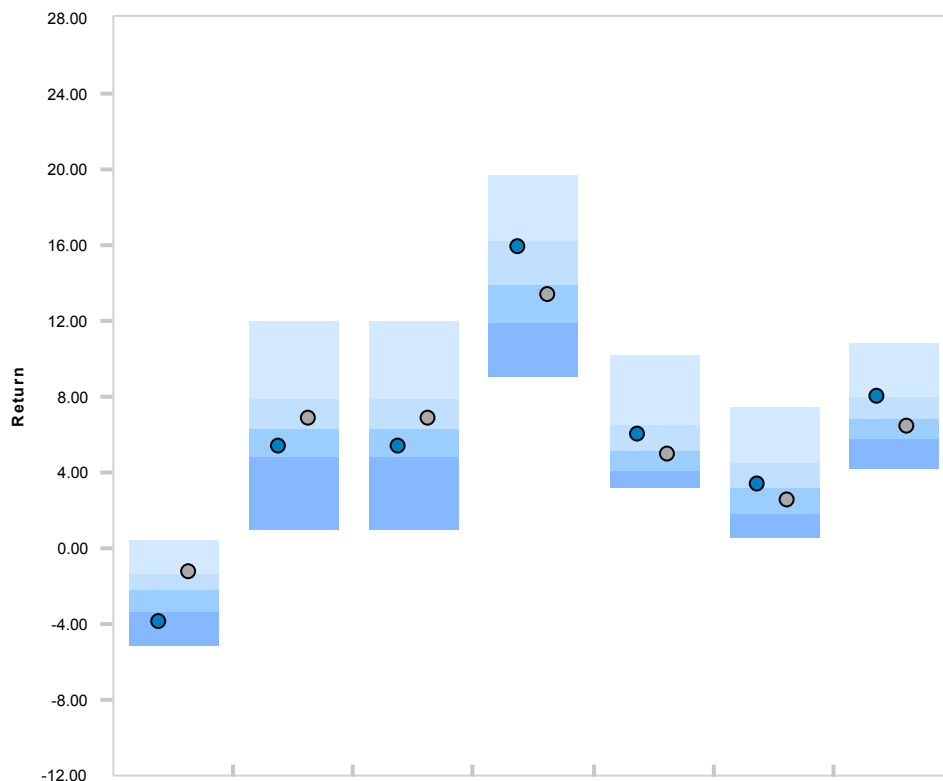
- Strategy: Focused Growth International
- Vehicle: Separately Managed Account
- Objective: To outperform the MSCI EAFE Index
- Annual fees: 1.00% on all assets
- Benchmark: MSCI EAFE Index

WCM Intl Growth - Strategy Details

This is a concentrated, large cap, quality, international growth product. They are distinct from the broad international indices with a traditional growth bias, seeking select quality growth businesses from conventional growth sectors. That combined with a concentrated focus (between 25-40) means the product will have investment characteristics distinct from any broad international benchmark. The product includes mega-, large- and mid-cap international shares from developed and emerging markets. The investment process includes top-down thematic analysis and bottom-up fundamental stock selection. They focus on each company's business model (economic moat), corporate culture, management, and valuation (using conservative DCF models). Currency hedging is not utilized in this strategy but careful attention is paid to region, country, and currency exposures. The projected annual turnover is 15-35%, suggesting tax efficiency for tax-sensitive clients.



Peer Group Analysis - IM International Large Cap Value Equity (SA+CF)



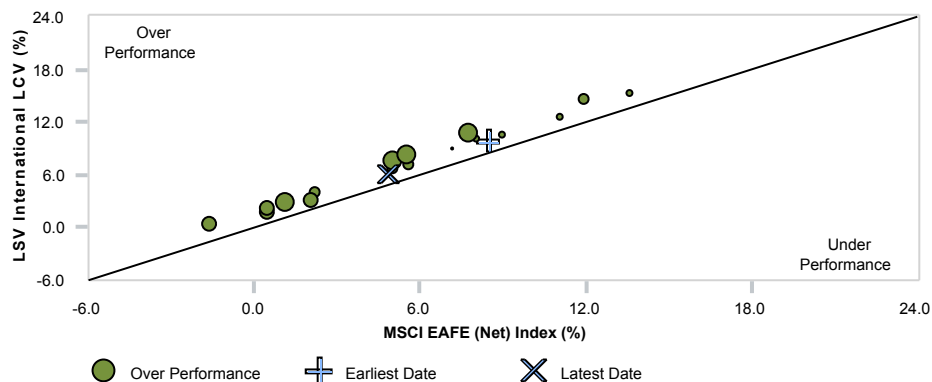
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR	2017	2016	2015	2014	2013
● LSV International LCV	-3.84 (84)	5.41 (63)	5.41 (63)	15.87 (28)	6.03 (34)	3.38 (45)	8.00 (25)	26.52 (44)	5.49 (33)	1.32 (24)	-5.80 (66)	27.30 (20)
● MSCI EAFE (Net) Index	-1.24 (22)	6.84 (39)	6.84 (39)	13.36 (58)	4.90 (60)	2.54 (63)	6.44 (66)	25.03 (58)	1.00 (80)	-0.81 (39)	-4.90 (60)	22.78 (55)
Median	-2.18	6.29	6.29	13.89	5.19	3.15	6.86	26.13	3.92	-1.91	-4.28	23.25

Comparative Performance

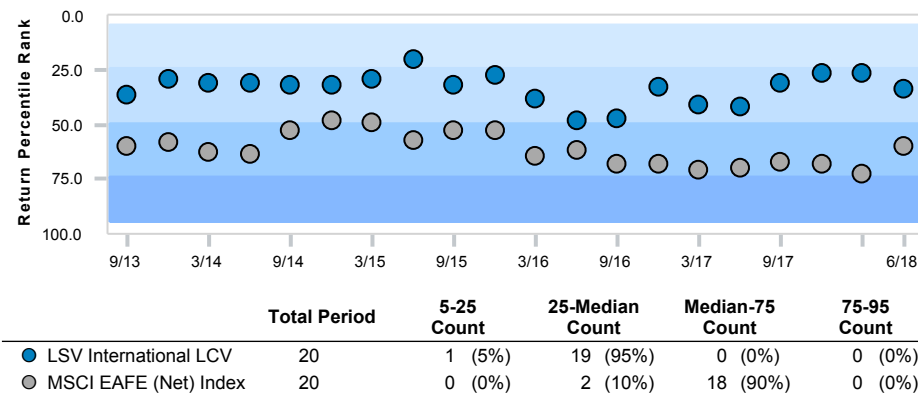
	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017	1 Qtr Ending Dec-2016
LSV International LCV	-1.16 (48)	3.38 (74)	7.29 (18)	6.70 (33)	6.92 (76)	2.54 (14)
MSCI EAFE (Net) Index	-1.53 (62)	4.23 (50)	5.40 (59)	6.12 (47)	7.25 (68)	-0.71 (59)
IM International Large Cap Value Equity (SA+CF) Median	-1.26	4.22	5.65	6.01	7.73	-0.28



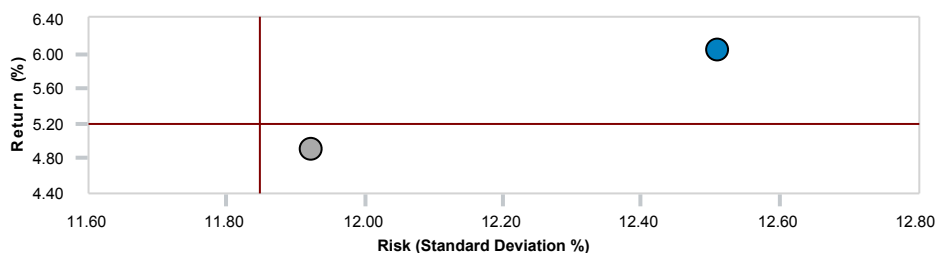
3 Yr Rolling Under/Over Performance - 5 Years



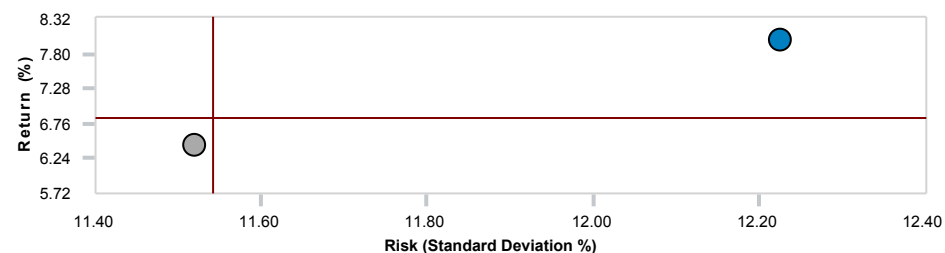
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Historical Statistics - 3 Years

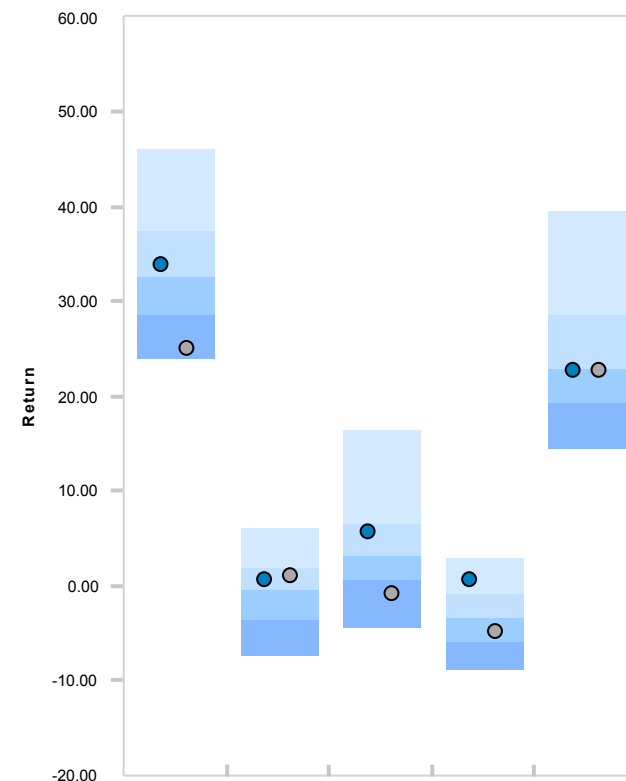
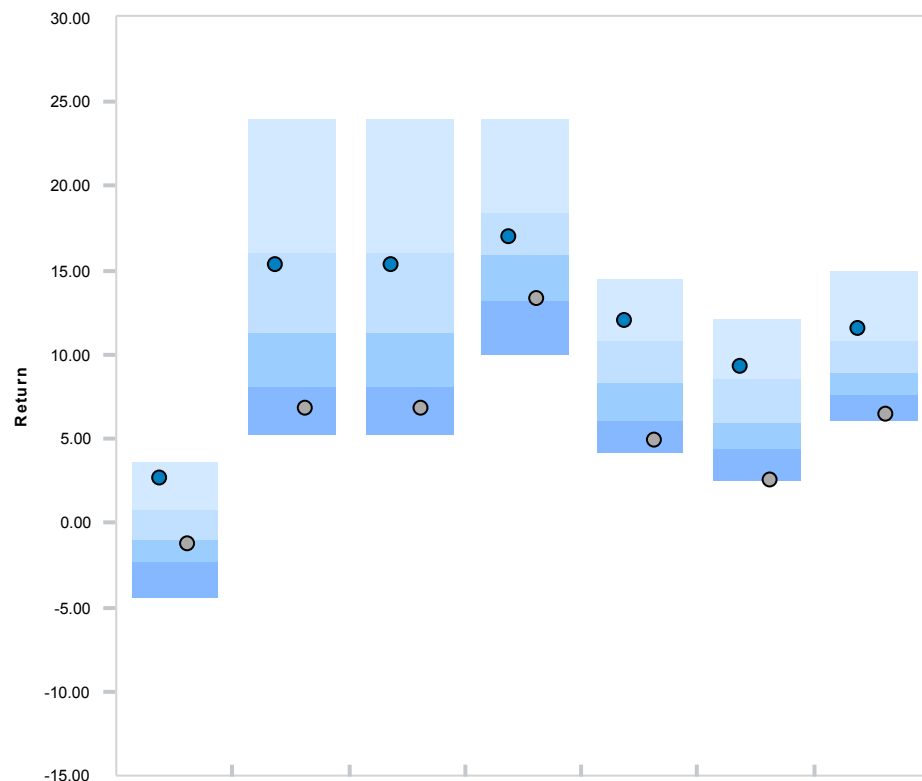
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
LSV International LCV	2.60	105.06	98.99	1.00	0.44	0.48	1.03	8.40
MSCI EAFE (Net) Index	0.00	100.00	100.00	0.00	N/A	0.41	1.00	7.96

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
LSV International LCV	2.49	106.32	97.72	1.28	0.62	0.66	1.04	7.35
MSCI EAFE (Net) Index	0.00	100.00	100.00	0.00	N/A	0.57	1.00	7.10



Peer Group Analysis - IM International Growth Equity (SA+CF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● WCM Focused Growth Int'l	2.70 (8)	15.27 (28)	15.27 (28)	16.94 (38)	12.05 (15)	9.28 (19)	11.55 (19)
● MSCI EAFE (Net) Index	-1.24 (58)	6.84 (90)	6.84 (90)	13.36 (75)	4.90 (88)	2.54 (95)	6.44 (94)
Median	-1.03	11.34	11.34	15.92	8.35	5.94	8.89

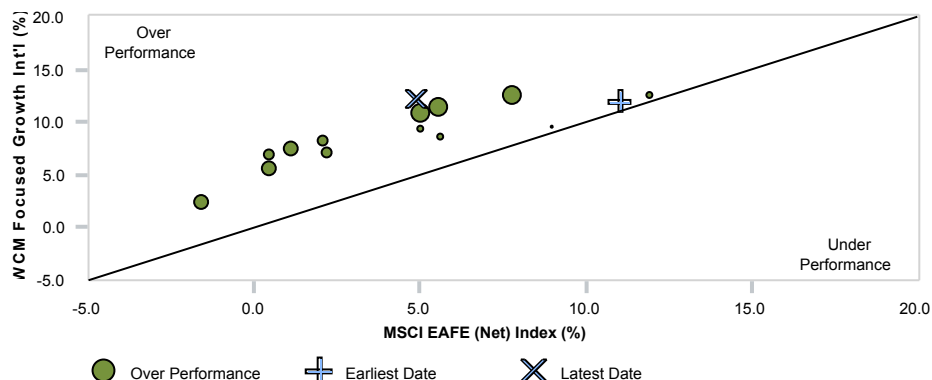
	2017	2016	2015	2014	2013
● WCM Focused Growth Int'l	33.97 (42)	0.70 (40)	5.67 (30)	0.67 (17)	22.74 (51)
● MSCI EAFE (Net) Index	25.03 (93)	1.00 (34)	-0.81 (86)	-4.90 (66)	22.78 (51)
Median	32.53	-0.40	3.26	-3.37	22.87

Comparative Performance

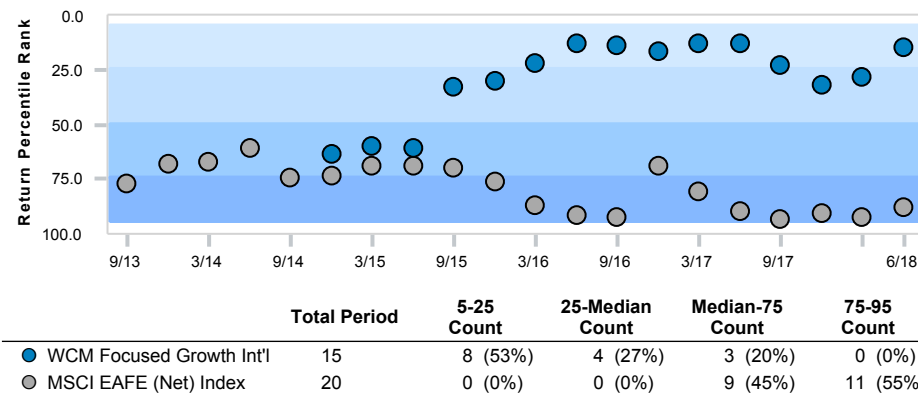
	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017	1 Qtr Ending Dec-2016
WCM Focused Growth Int'l	1.35 (27)	5.20 (54)	5.26 (81)	9.08 (29)	10.91 (13)	-6.74 (83)
MSCI EAFE (Net) Index	-1.53 (85)	4.23 (74)	5.40 (79)	6.12 (89)	7.25 (86)	-0.71 (9)
IM International Growth Equity (SA+CF) Median	0.11	5.27	7.29	7.81	8.86	-4.22



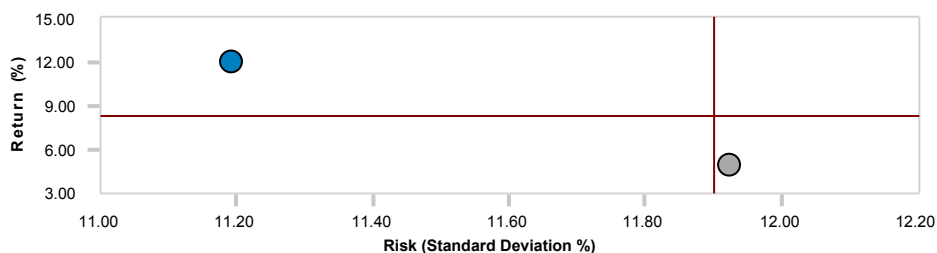
3 Yr Rolling Under/Over Performance - 5 Years



3 Yr Rolling Percentile Ranking - 5 Years

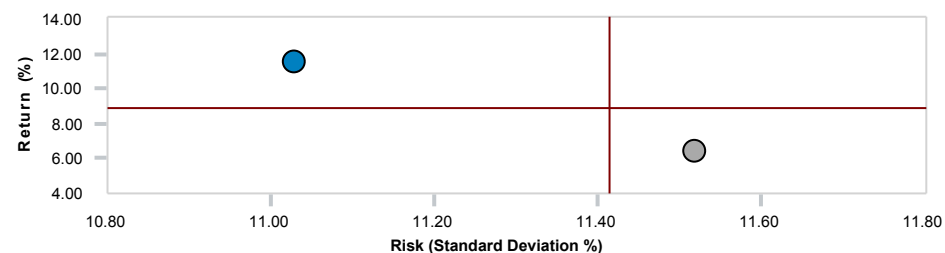


Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● WCM Focused Growth Int'l	12.05	11.19
● MSCI EAFE (Net) Index	4.90	11.92
— Median	8.35	11.90

Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● WCM Focused Growth Int'l	11.55	11.03
● MSCI EAFE (Net) Index	6.44	11.52
— Median	8.89	11.41

Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
WCM Focused Growth Int'l	6.03	95.72	48.05	7.85	1.09	1.02	0.81	6.94
MSCI EAFE (Net) Index	0.00	100.00	100.00	0.00	N/A	0.41	1.00	7.96

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
WCM Focused Growth Int'l	5.43	93.67	54.05	5.88	0.86	1.02	0.85	6.35
MSCI EAFE (Net) Index	0.00	100.00	100.00	0.00	N/A	0.57	1.00	7.10



Pacific Moderate Duration - Portfolio Description

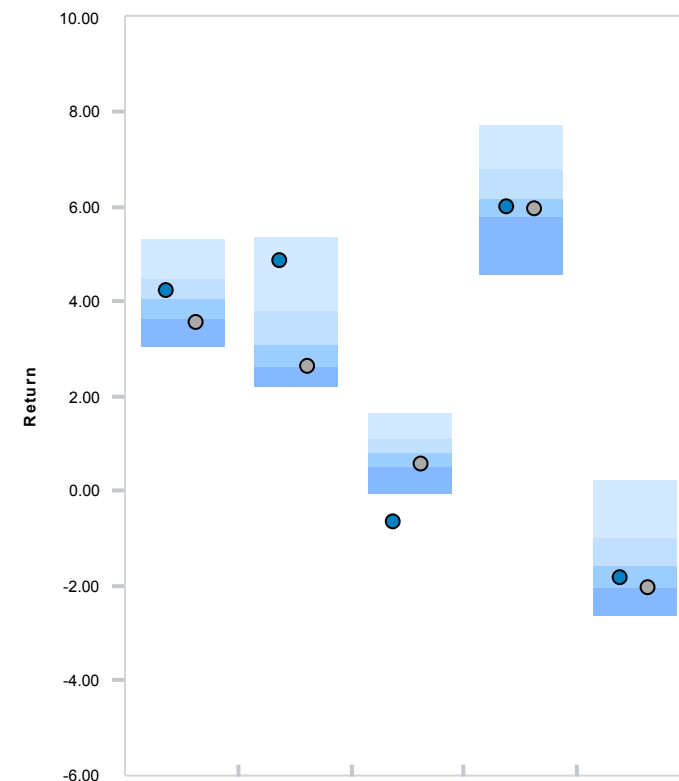
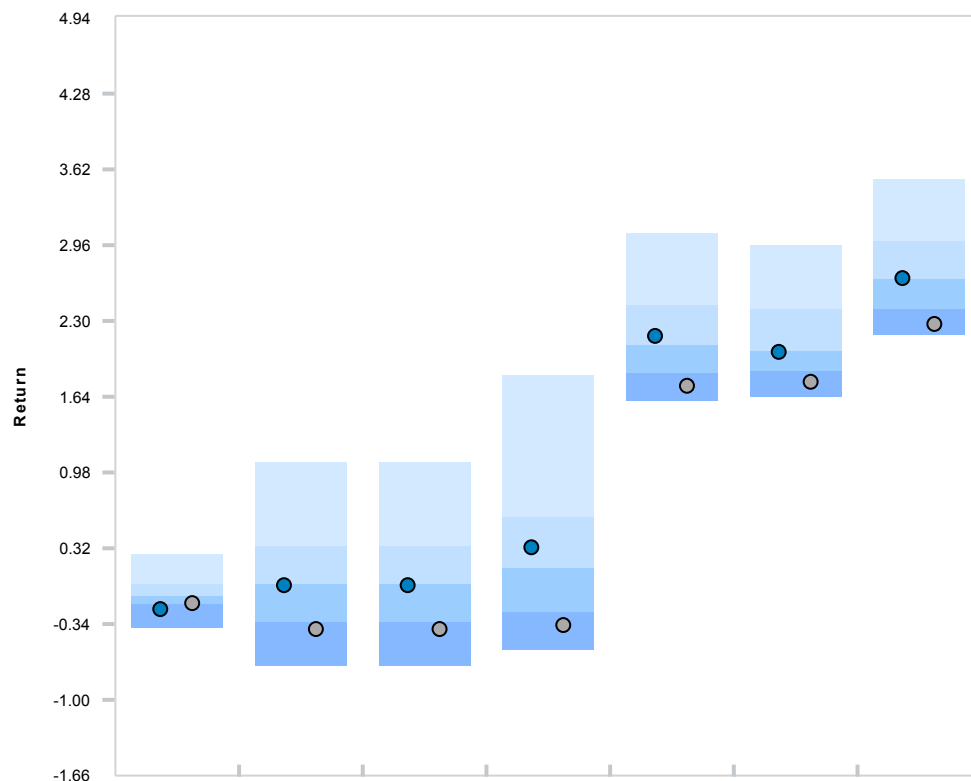
- Strategy: Moderate Duration
- Vehicle: Separately Managed Account
- Objective: To outperform the Bloomberg Barclays US Aggregate Index
- Annual fees: .30% on all assets
- Benchmark: Bloomberg Barclays US Aggregate Index

Pacific Moderate Duration - Strategy Details

The Moderate Duration product is a core bond strategy that seeks to outperform the Barclays Capital Aggregate Index on both an absolute and risk-adjusted basis over a full market cycle. The Moderate Duration product invests in U.S. Government securities, mortgage-backed securities, corporate debt securities and asset-backed securities. The product maintains duration of between 3.0 to 7.0 years and is generally within one year of the index.



Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)



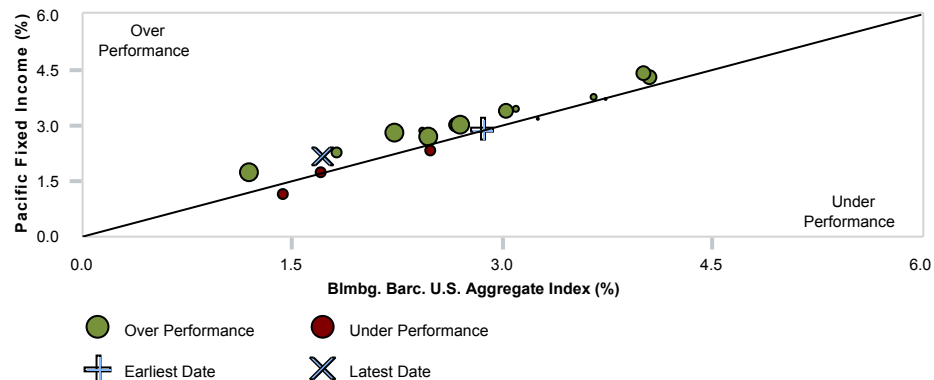
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR	2017	2016	2015	2014	2013
● Pacific Fixed Income	-0.22 (88)	-0.01 (51)	-0.01 (51)	0.31 (41)	2.17 (44)	2.02 (53)	2.66 (51)	4.24 (34)	4.86 (9)	-0.65 (99)	6.02 (64)	-1.84 (65)
● Blmbg Barc US Agg	-0.16 (73)	-0.40 (83)	-0.40 (83)	-0.36 (86)	1.72 (87)	1.75 (86)	2.27 (87)	3.54 (85)	2.65 (77)	0.55 (74)	5.97 (67)	-2.02 (74)
Median	-0.09	0.00	0.00	0.14	2.09	2.05	2.67	4.05	3.10	0.82	6.17	-1.56

Comparative Performance

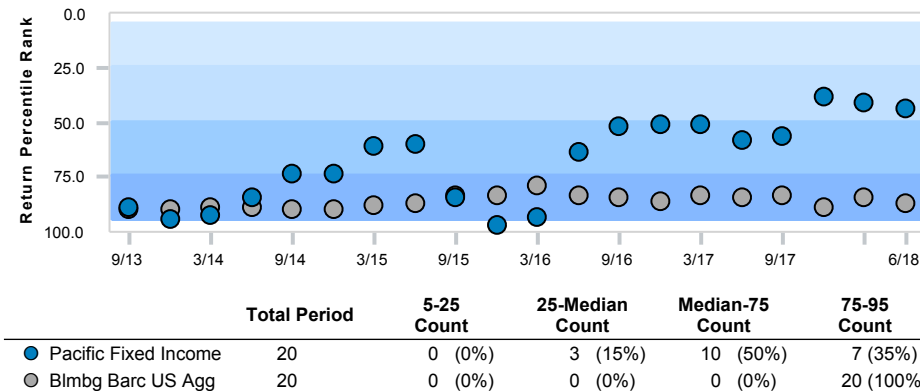
	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017	1 Qtr Ending Dec-2016
Pacific Fixed Income	-1.42 (60)	0.64 (20)	1.00 (34)	1.45 (75)	1.08 (31)	-2.67 (35)
Blmbg. Barc. U.S. Aggregate Index	-1.46 (67)	0.39 (80)	0.85 (77)	1.45 (76)	0.82 (78)	-2.98 (76)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	-1.38	0.51	0.93	1.54	0.94	-2.80



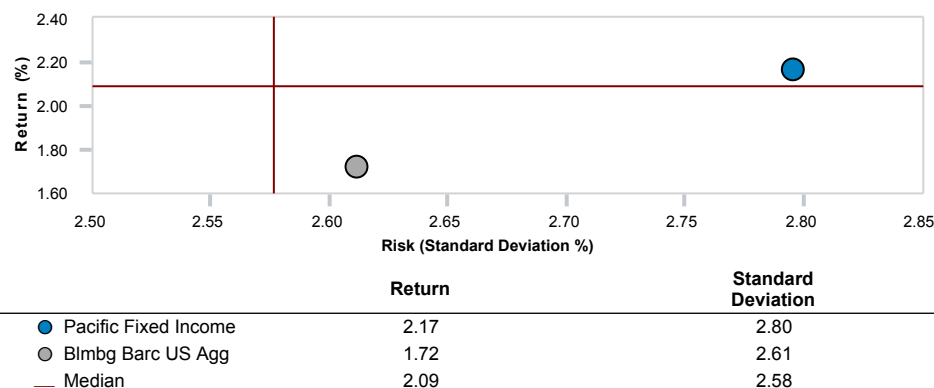
3 Yr Rolling Under/Over Performance - 5 Years



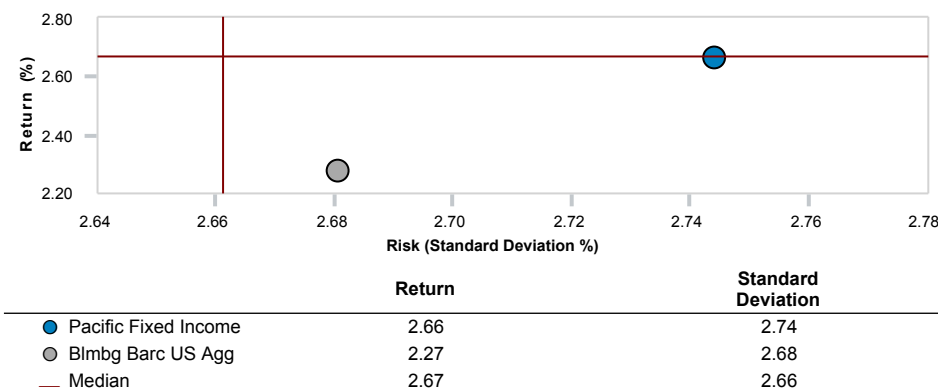
3 Yr Rolling Percentile Ranking - 5 Years



Peer Group Scattergram - 3 Years



Peer Group Scattergram - 5 Years



Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Pacific Fixed Income	1.15	112.32	103.49	0.49	0.38	0.55	0.98	1.77
Blmbg. Barc. U.S. Aggregate Index	0.00	100.00	100.00	0.00	N/A	0.42	1.00	1.77

Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Pacific Fixed Income	0.95	105.75	96.00	0.47	0.40	0.82	0.96	1.58
Blmbg. Barc. U.S. Aggregate Index	0.00	100.00	100.00	0.00	N/A	0.70	1.00	1.61



AEW Core Property - Portfolio Description

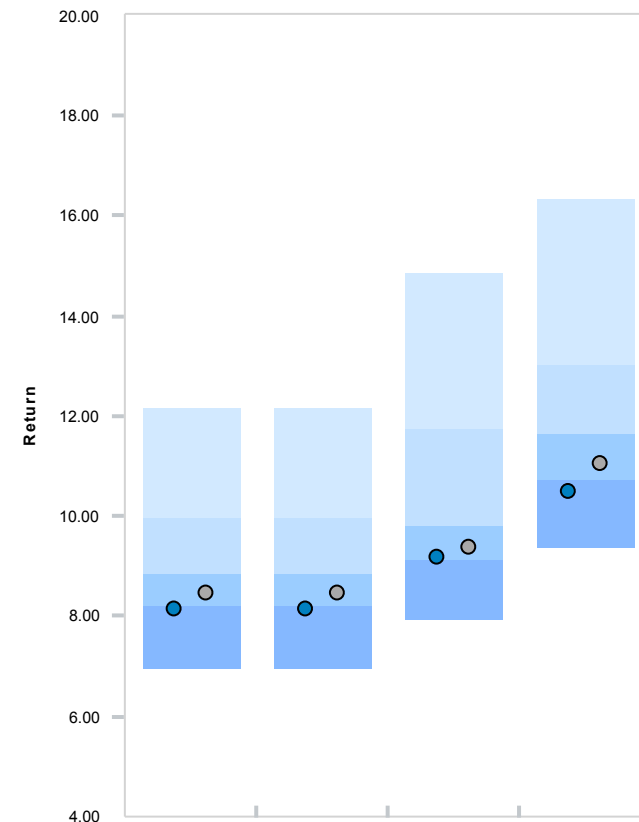
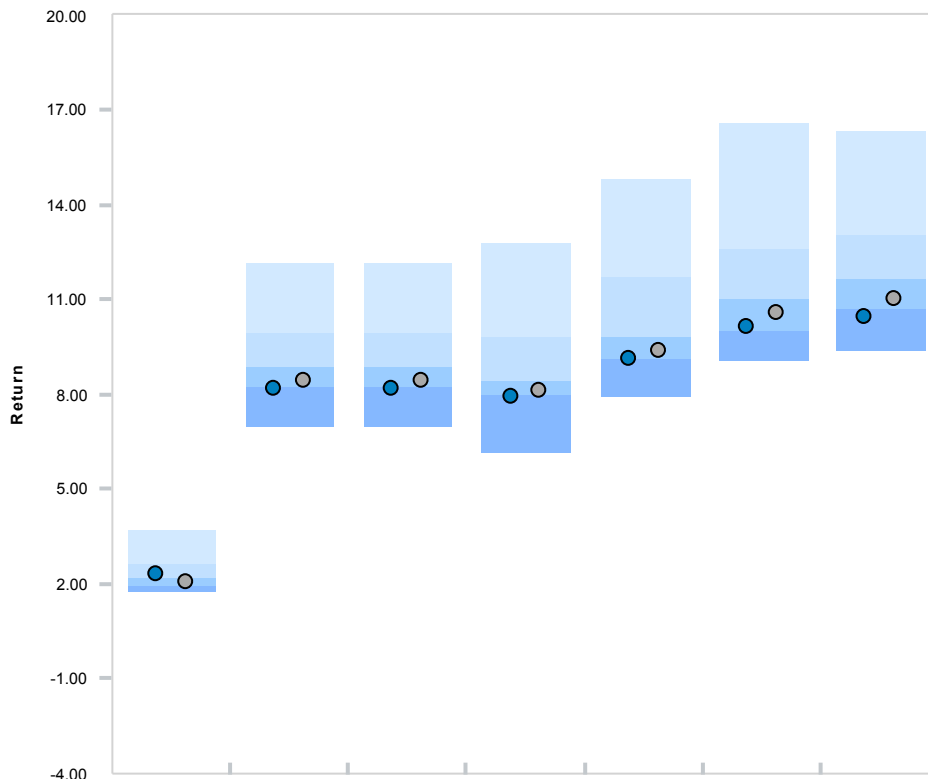
- Strategy: Core Property Trust
- Vehicle: Open Ended Commingled Real Estate Fund
- Objective: To outperform the NCREIF ODCE Index
- Annual fees: 1.10% on all assets
- Benchmark: NCREIF ODCE Index

AEW Core Property - Strategy Details

The AEW Core Property Trust combines research-driven strategies with on-the-ground market knowledge and experience to construct a diversified portfolio of multifamily, retail, office, industrial and, to a lesser extent, hotel properties. The Fund seeks to acquire primarily well-located, institutional-quality assets in markets throughout the U.S. - investments that are designed to provide durable income streams and appreciation over the mid- to long-term. AEW expects to invest primarily in major metropolitan markets that feature barriers to new supply - whether physical, governmental or economic - as well as solid population and job growth. With limited supply and increasing demand, these markets should provide an opportunity for peak-to-peak rent growth and thus, long-term value creation. The Fund also seeks to exploit America's changing demographics, and the impact they will have on economic growth and demand for real estate. The Fund also focuses on markets and properties that are positively influenced by globalization as it continues to change the nature of U.S. jobs and affect the movement of goods and services and consumer spending. Finally, the Fund's target markets also exhibit economic diversity in terms of the underlying industries that are driving the demand in the marketplace; providing both growth and diversification to the Fund.



Peer Group Analysis - IM U.S. Open End Private Real Estate (SA+CF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● AEW Core Property Trust	2.31 (40)	8.16 (77)	8.16 (77)	7.96 (76)	9.16 (75)	10.15 (68)	10.49 (83)
● NCREIF-ODCE (VW)	2.05 (67)	8.44 (65)	8.44 (65)	8.16 (69)	9.37 (73)	10.61 (59)	11.04 (64)
Median	2.20	8.87	8.87	8.47	9.83	11.03	11.66

	FYTD	1 YR	3 YR	5 YR
● AEW Core Property Trust	8.16 (77)	8.16 (77)	9.16 (75)	10.49 (83)
● NCREIF-ODCE (VW)	8.44 (65)	8.44 (65)	9.37 (73)	11.04 (64)
Median	8.87	8.87	9.83	11.66

Comparative Performance

	1 Qtr Ending Mar-2018	1 Qtr Ending Dec-2017	1 Qtr Ending Sep-2017	1 Qtr Ending Jun-2017	1 Qtr Ending Mar-2017	1 Qtr Ending Dec-2016
AEW Core Property Trust	1.66 (90)	2.16 (57)	1.79 (47)	1.77 (67)	2.02 (44)	2.00 (63)
NCREIF Fund Index-ODCE (VW)	2.20 (54)	2.07 (69)	1.87 (44)	1.70 (70)	1.77 (54)	2.11 (61)
IM U.S. Open End Private Real Estate (SA+CF) Median	2.22	2.25	1.75	1.91	1.91	2.26



Bloomfield Income Fund - Portfolio Description

- Strategy: Bloomfield Capital Income Fund II
- Objective: To provide an absolute return in excess of 9%
- Annual fees: 2.00% on Committed Capital

Bloomfield Income Fund - Strategy Details

The Bloomfield Capital Income Fund II is a real estate opportunity fund focused on two primary strategies. 1. Originating senior secured, high yield, interim and bridge loans on income producing real estate in the U.S. and 2. Acquiring a diverse portfolio of commercial mortgage loans, deeds of trust, and other real estate related opportunistic investments. The Fund's objective is to build a diverse portfolio of senior, secured mortgages providing investors with consistent income and superior risk adjusted returns. Bloomfield Capital targets a double-digit yield on secure, risk-mitigated investments. The portfolio management team implements conservative underwriting techniques to provide a margin of safety.

Metropolitan MREP VI - Portfolio Description

- Strategy: Metropolitan Real Estate MREP VI Fund
- Vehicle: Real Estate Fund of Funds
- Objective: To outperform the NCREIF Property Index
- Annual fees: 1.35% on first \$5M
- 1.00% on the next \$20M
- Benchmark: NCREIF Property Index

Metropolitan MREP VI - Strategy Details

Invest in a diversified portfolio of private real estate funds or other investment vehicles with direct or indirect exposure to real estate. The manager invests in funds with exposure to office, retail, industrials, multi-family, and other types of properties located primarily in the United States. The manager selects value added and opportunistic funds with superior performance track records. The manager diversifies the strategy across property types, geographic markets, managers, and strategies.

RMK Timber - Portfolio Description

- Strategy: RMK Global Timberland Resources US Fund
RMK Global Timberland Resources Intl Alternative Investment
- Objective: To outperform the NCREIF Timberland Index
- Management fees: US Fund: 1.00%
Intl Fund: 1.25%
- Performance Fee: US Fund: 20% (6% Hurdle)
Intl Fund: 20% (10% Hurdle)

RMK Timber - Strategy Details

The portfolio team develops an investment strategy for the Fund based on the current environment and market forecasts for timberlands, and related end products. RMK utilizes industry contacts to identify attractive acquisition targets that achieve the Fund's investment strategy. Prior to purchasing a tract of land, the team performs rigorous due diligence and develops an asset management plan. The portfolio is actively managed, evaluating the benefits of harvesting the forests, letting the trees further mature, or selling the timberland. The manager will diversify the portfolio by growth stage/maturity of the forests, geographic locations (50% US exposure / 50% International exposure), and species.



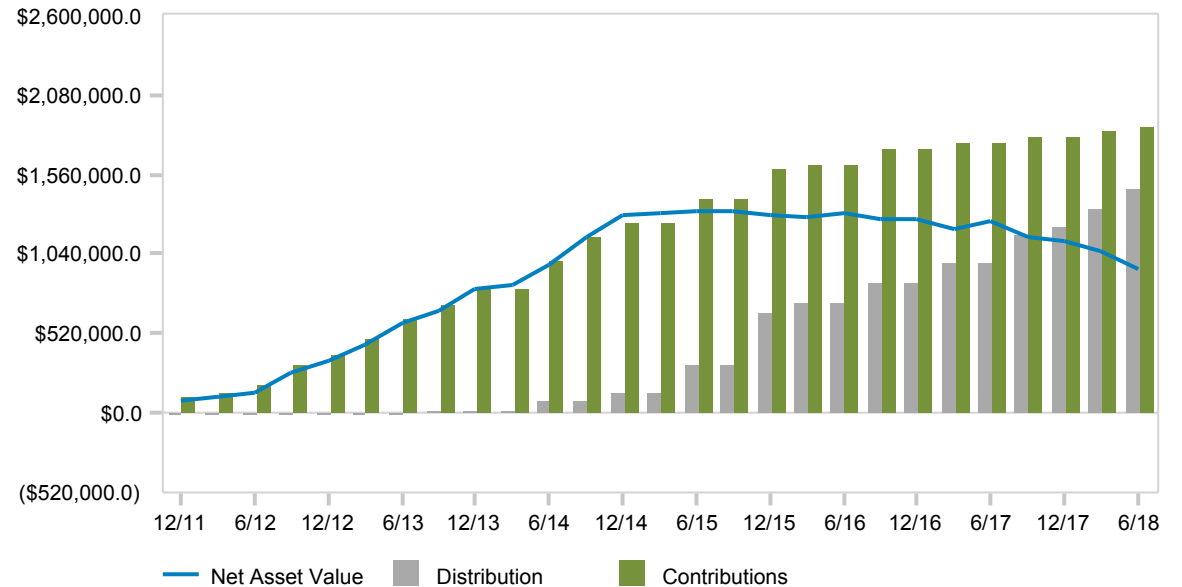
Fund Information

Type of Fund:	Fund Of Funds	Vintage Year:	2008
Strategy Type:	Real Estate	Management Fee:	1%
Target IRR:	9%	Inception:	03/19/2008
General Partner:	MREP6, LLC		
Investment Strategy:	Private Equity Real Estate value add/opportunistic multi-manager		

Cash Flow Summary

Capital Committed:	\$2,000,000
Capital Invested:	\$1,861,711
Management Fees:	-
Expenses:	-
Interest:	\$1,188
Total Contributions:	\$1,862,899
Remaining Capital Commitment:	\$138,289
Total Distributions:	\$1,465,907
Market Value:	\$947,336
Inception Date:	11/30/2011
Inception IRR:	9.5
TVPI:	1.3

Cash Flow Analysis



Fund Information

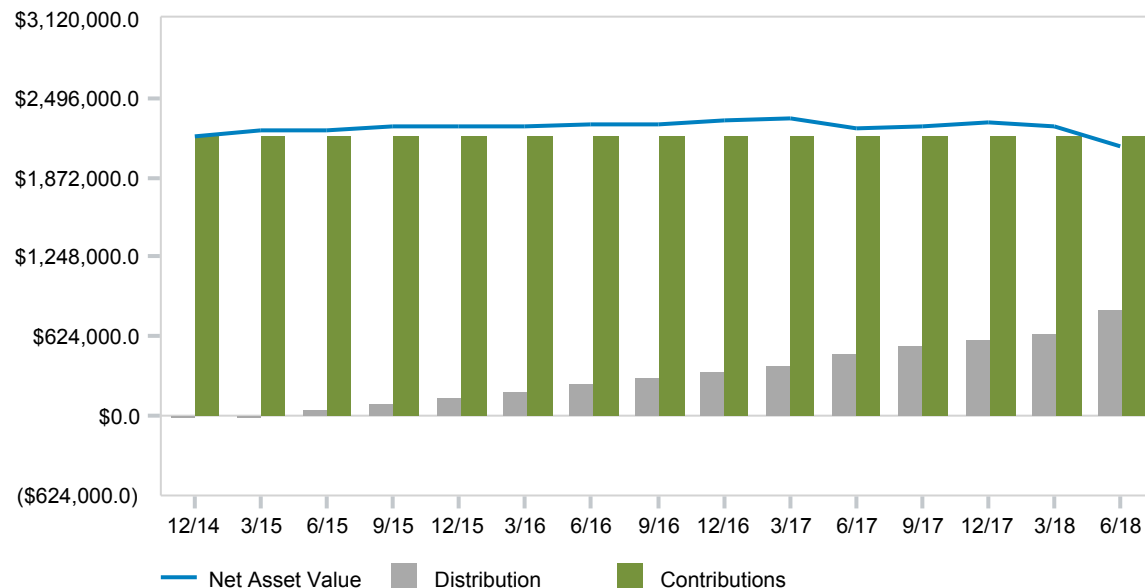
Type of Fund:	Direct	Vintage Year:	2011
Strategy Type:	Other	Management Fee:	2.00%
Target IRR:	9.00%	Inception:	11/13/2011
General Partner:	Bloomfield Capital Partners, LLC		
Investment Strategy:	Bloomfield Capital Income Fund II invests primarily in debt obligations consisting of commercial mortgage loans, deeds of trust and other real estate and/or debt-related investments, with the objective of creating a diversified portfolio producing strong and consistent returns while providing considerable downside protection.		

The Fund's investment strategy has a primary focus on commercial real estate loans and investments collateralized by significant margins of protective collateral such as real estate and other assets including but not limited to cash, marketable securities, equity interests, corporate interests and personal/corporate guarantees.

Cash Flow Summary

Capital Committed:	\$2,200,000
Capital Invested:	\$2,200,000
Management Fees:	\$306,000
Expenses:	\$127,326
Interest:	-
Total Contributions:	\$2,200,000
Remaining Capital Commitment:	\$146,667
Total Distributions:	\$839,395
Market Value:	\$2,122,626
Inception Date:	12/22/2014
Inception IRR:	10.0
TVPI:	1.3

Cash Flow Analysis



Fund Information

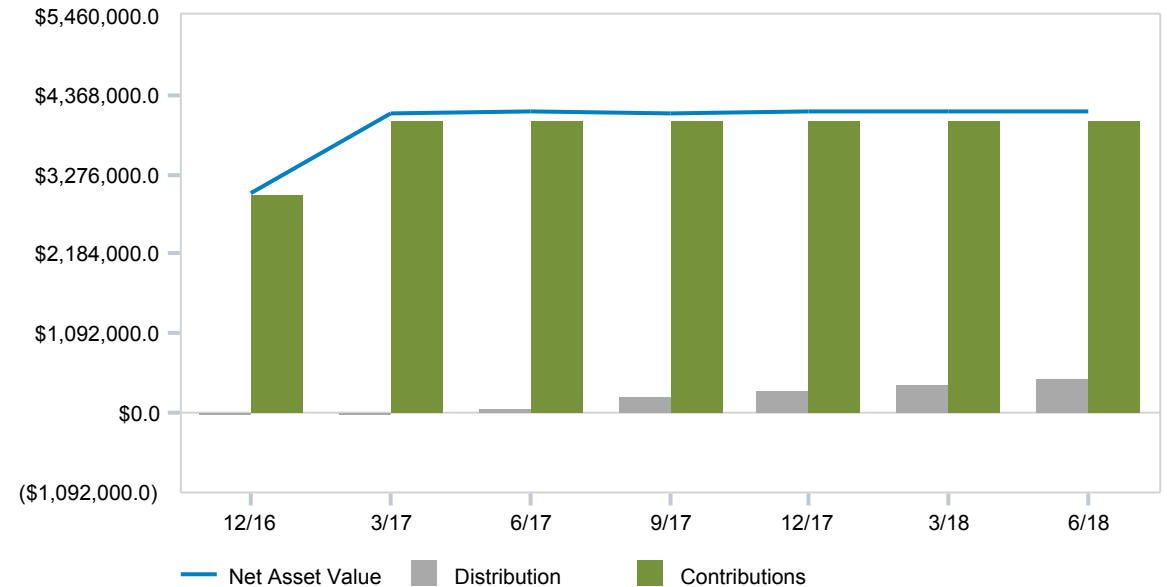
Type of Fund:	Direct	Vintage Year:	2015
Strategy Type:	Other	Management Fee:	2.00%
Target IRR:	8.00%	Inception:	11/01/2015
General Partner:	Bloomfield Capital Partners, LLC		
Investment Strategy:	Bloomfield Capital Income Fund III invests primarily in debt obligations consisting of commercial mortgage loans, deeds of trust and other real estate and/or debt-related investments, with the objective of creating a diversified portfolio producing strong and consistent returns while providing considerable downside protection.		

The Fund's investment strategy has a primary focus on commercial real estate loans and investments collateralized by significant margins of protective collateral such as real estate and other assets including but not limited to cash, marketable securities, equity interests, corporate interests and personal/corporate guarantees.

Cash Flow Summary

Capital Committed:	\$4,000,000
Capital Invested:	\$4,000,000
Management Fees:	\$229,427
Expenses:	\$71,946
Interest:	-
Total Contributions:	\$4,000,000
Remaining Capital Commitment:	-
Total Distributions:	\$472,110
Market Value:	\$4,142,502
Inception Date:	12/31/2016
Inception IRR:	10.8
TVPI:	1.2

Cash Flow Analysis



Benchmark History
Investment Policy Benchmarks

As of June 30, 2018

Total Fund Policy

Allocation Mandate	Weight (%)
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Jan-1985

S&P 500 Index	20.50
S&P MidCap 400 Index	16.00
Russell 2000 Index	14.00
MSCI EAFE (Net) Index	15.00
Blmbg. Barc. U.S. Aggregate Index	30.00
NCREIF Fund Index-ODCE (VW)	4.50

Jan-2017

S&P 500 Index	20.00
Russell Midcap Index	14.00
Russell 2000 Index	14.00
MSCI EAFE (Net) Index	15.50
Blmbg. Barc. U.S. Aggregate Index	20.00
Blmbg. Barc. Global Multiverse	2.00
NCREIF Fund Index-ODCE (VW)	6.00
HFRI FOF: Diversified Index	5.00
NCREIF Timberland Index	3.50

Total Fixed Income Policy

Allocation Mandate	Weight (%)
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Jan-1976

Blmbg. Barc. U.S. Aggregate Index	100.00
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Total Real Estate Policy

Allocation Mandate	Weight (%)
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Jan-1978

NCREIF Property Index	100.00
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Total Domestic Equity Policy

Allocation Mandate	Weight (%)
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Jan-1985

S&P 500 Index	40.00
S&P MidCap 400 Index	32.00
Russell 2000 Index	28.00

Total International Equity Policy

Allocation Mandate	Weight (%)
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Jan-1970

MSCI EAFE (Net) Index	100.00
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Total Timber Policy

Allocation Mandate	Weight (%)
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Apr-1987

NCREIF Timberland Index	100.00
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Plan Disclosures:

- All composite returns (except Timber and Real Estate) prior to March 31, 2015 was obtained from prior consultant.
- Though there was no changes made to any of the composites (except Timber and Real Estate) from 3/31/2015 and back to inception, and are shown as reported by prior consultant, there are changes made to individual portfolios.
- AEW Core Property- obtained all historical statements and built history.
- Bloomfield Capital Income Fund- obtained all historical statements and built history.
- Metropolitan Real Estate VI- obtained all historical statements and built history.
- RMK Timberland Intl Fund- obtained all historical statements and built history.
- RMK Timberland US Fund- obtained all historical statements and built history.
- After rebuilding history for all Real Estate Funds and all Timber funds, recalculated composite returns for each composite.

Southfield Employees Retirement System

Fee Analysis

As of June 30, 2018

	Estimated Annual Fee (%)	Market Value (\$)	Estimated Annual Fee (\$)	Fee Schedule
Comerica S&P 500 Index Fund	0.09	23,781,904	20,426	0.12 % of First \$2 M 0.10 % of Next \$3 M 0.08 % of Next \$20 M 0.06 % of Next \$25 M 0.04 % of Next \$50 M 0.02 % Thereafter
Champlain MC Equity	0.85	7,977,857	67,812	0.85 % of Assets
QMA US MC Equity	0.00	7,551,028	340	0.00 % of Assets
SouthernSun SC	1.00	12,314,366	123,144	1.00 % of First \$15 M 0.85 % Thereafter
Walhausen & Co. SMID Value	1.00	6,065,215	60,652	1.00 % of Assets
Total Domestic Equity	0.47	57,690,370	272,373	
WCM Focused Growth International	0.75	9,516,336	71,373	0.75 % of Assets
LSV International LCV	0.75	9,706,244	72,797	0.75 % of First \$25 M 0.65 % of Next \$25 M 0.55 % of Next \$50 M 0.45 % Thereafter
Total International Equity	0.75	19,222,580	144,169	
Pacific Fixed Income	0.30	11,727,743	35,183	0.30 % of Assets
Templeton Global Bond R6 (FBNRX)	0.51	3,185,148	16,244	0.51 % of Assets
Bloomfield Capital Income Fund II	2.00	2,122,626	42,453	2.00 % of Assets
Bloomfield Capital Income Fund III	2.00	4,142,502	82,850	2.00 % of Assets
Total Fixed Income	0.83	21,178,020	176,730	
AEW Core Property Trust	1.25	6,656,660	83,208	1.25 % of Assets
Metropolitan Real Estate V	1.00	947,336	9,473	1.00 % of Assets
Total Real Estate	1.22	7,603,996	92,682	
Magnitude Institutional	1.00	2,747,585	27,476	1.00 % of Assets
Titan Masters Int'l Fund	0.75	2,603,753	19,528	0.75 % of Assets
Total Hedge Fund of Funds	0.88	5,351,338	47,004	
RMK Timberland US Fund	1.00	1,935,346	19,353	1.00 % of Assets
RMK Timberland Intl Fund	1.25	1,071,569	13,395	1.25 % of Assets
Total Timber Funds	1.09	3,006,915	32,748	
Cash		1,001,418	-	
Total Fund	0.67	115,054,637	765,706	



Active Return	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
Alpha	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
Beta	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
Consistency	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
Distributed to Paid In (DPI)	- The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.
Down Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
Downside Risk	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
Excess Return	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
Excess Risk	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
Information Ratio	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
Public Market Equivalent (PME)	- Designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.
R-Squared	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
Return	- Compounded rate of return for the period.
Sharpe Ratio	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
Standard Deviation	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
Total Value to Paid In (TVPI)	- The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life
Tracking Error	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
Treynor Ratio	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
Up Market Capture	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.



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AndCo uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. AndCo analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides AndCo with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides AndCo with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause AndCo to believe that the information presented is significantly misstated.

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