

Investment Performance Review
Period Ending September 30, 2023

Southfield Employee Retirement System



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3Q 2023 EXECUTIVE SUMMARY

Market Summary:

The Federal Reserve's persistent reframe of "high for longer" has caused investors to continually reassess their outlook for interest rates and the possibility of a recession. Eighteen months into the Fed's monetary tightening policies, the economy is showing meaningful shifts – moderating inflation and weakening consumers. Expectations became increasingly more pessimistic as the quarter came to an end with interest rates rising sharply and losses mounting across asset classes. Strong performance for equities in July was erased by negative returns in August and September. The S&P 500 Index fell by 3.3% during the quarter (up 13.1% YTD). Small cap stocks struggled even more in the 3rd quarter (Russell 2000 Index: -5.1%), particularly small cap growth. Oil prices rose by close to \$20/barrel during the quarter, generating strong returns for Energy (up over 10% for the quarter); however, higher oil prices are generally not a positive for the markets or economy. The international markets also declined by low single digits with the emerging markets slightly out performing the developed markets. The sharp uptick in interest rates, especially along the back end of the yield curve, caused losses in July, August, and September (Bloomberg US Aggregate Index: -3.2%). The poor returns from investment grade bonds this quarter caused year-to-date returns to fall into negative territory. High yield out performed and posted a positive return for the quarter (Bloomberg US Corporate High Yield: 0.5%). Investors have experienced volatile swings in expectations and market performance in 2023.

Conclusions/Recommendations:

1. The Total Fund declined 2.47% for the quarter, out performing the Policy Index by 0.97% and ranking in the top third of the Public Fund Universe. The Fund benefited from relatively strong results from the fixed income allocations. (Note: Marathon, Metropolitan, PCCP, TerraCap, PA/Apogem, and Sturbridge have not yet reported their 3Q 2023 results - about 8% of the portfolio.)
2. The Total Fund returned 14.00% over the past year, exceeding the Policy Index by 320 basis points and ranking near the top of the peer group. Longer-term, the Fund has performed very well, exceeding return and peer group expectations.
3. Champlain Mid Cap trailed the Russell Mid Cap Index and ranked near the bottom of their universe. The manager's under performance is partially attributed to poor stock selection within the Industrials and Consumer Discretionary sectors. Longer-term, Champlain exceeds performance expectations.
4. LSV generated a positive return and ranked in the top quartile of their universe this quarter; the manager benefited from an overweight to Energy and Financials. Longer-term, the manager meets performance expectations.
5. WCM struggled this quarter, trailing the MSCI ACWI ex US Index and ranking near the bottom of the peer group. The manager's weak results are partially attributed to an underweight to Energy and poor stock selection within the Technology and Consumer Discretionary sectors. Longer-term, WCM exceeds performance expectations.
6. As of 9/30/23, the Plan has outstanding investment commitments with Bloomfield Capital V, Marathon, PA/Apogem, PCCP, and Sturbridge.
7. At quarter end, the Fund was underweight core fixed income and overweight non-core fixed income; all allocations fall within investment guidelines (target allocations were updated in October 2022). We did not detect any violations of investment policies. (See additional comments and recommendations on the Asset/Manager Summary handout.)

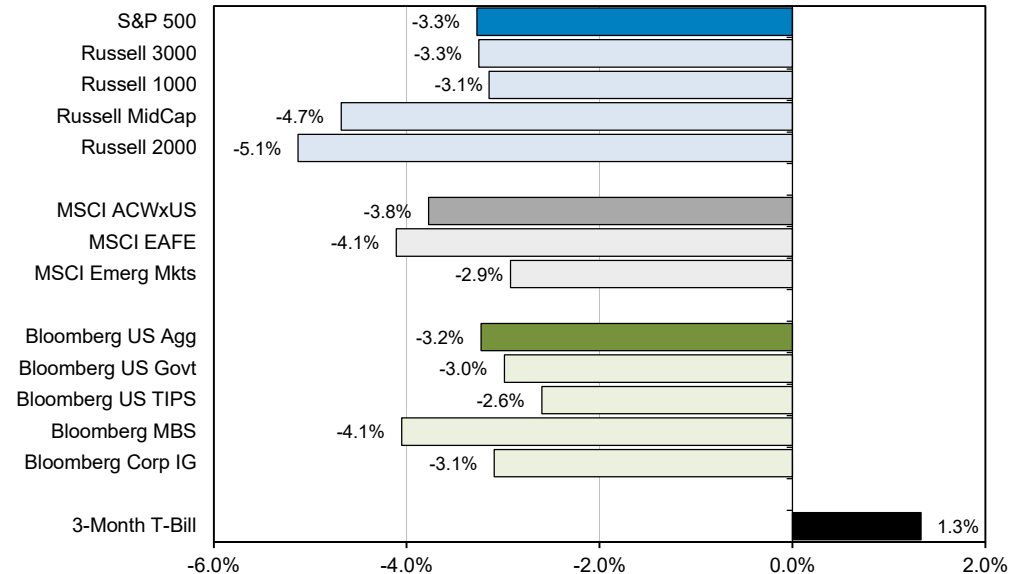


3rd Quarter 2023 Market Environment

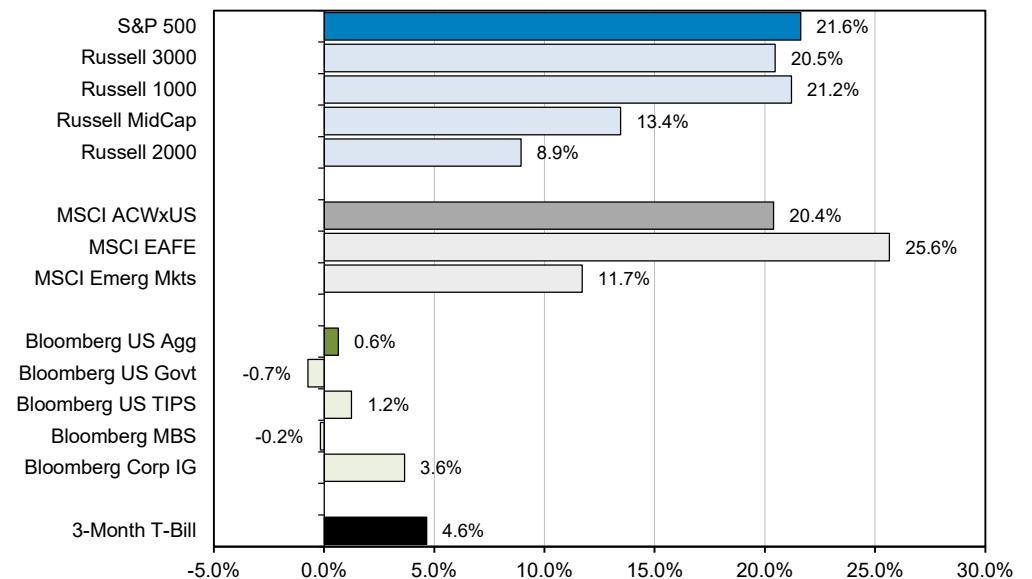


- Domestic equity markets struggled in the third quarter, reverting from the performance posted in the first half of 2023. Strong performance from domestic equities markets earlier in the year was enough to overshadow the third quarter's negative returns, leading to positive results for most domestic equity benchmarks on a trailing one-year basis. Macroeconomic challenges faced by the US economy for the past several quarters finally weighed on market participants, leading to dismal market returns. For the period, the Russell 1000 large-cap benchmark returned -3.1 % versus -4.7% for the Russell Mid Cap Index and -5.1% for the Russell 2000 small-cap index.
- International developed and emerging market equities also delivered disappointing results, in line with their domestic counterparts. Europe continues to face geopolitical risks related to the conflict in Ukraine and rising interest rates. However, inflation has eased somewhat due to higher rates and more manageable energy prices. The developed-market MSCI EAFE Index returned -4.1% for the quarter and the MSCI Emerging Markets Index fell by -2.9%.
- The domestic bond market continued its decline during the quarter due to the Fed's decision to hike policy rates an additional 0.25% and a re-shaping of the Treasury yield curve. The Bloomberg US Aggregate Index returned -3.2% for the quarter and investment-grade corporate bonds returned a similar -3.1%.
- Over the one-year trailing period, US equity markets were positive as the disappointing performance from much of 2022 rolled off. The S&P 500 Index climbed 21.6% for the trailing 12 months. The weakest relative performance for the year was the Russell 2000 Index, which still rose 8.9% over the last 12 months.
- International markets also shook off their poor 2022 performance. Over the trailing one-year period, the MSCI EAFE Index was the best-performing equity benchmark, returning 25.6% while the MSCI Emerging Markets Index posted a more modest 11.7%.
- Bond markets were generally flat over the previous 12 months. Investment-grade corporate bonds were the best-performing sector, posting a return of 3.6%. Meanwhile, Treasuries were negative, returning -0.7% over the previous 12 months. The bellwether fixed-income benchmark, the Bloomberg US Aggregate Index, returned a small, positive 0.6%.

Quarter Performance



1-Year Performance

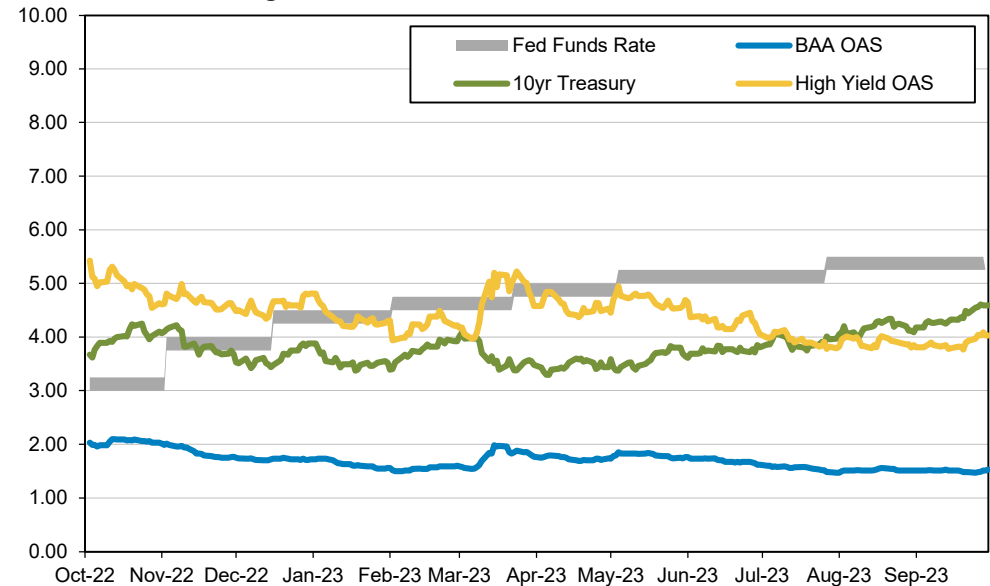


Source: Investment Metrics

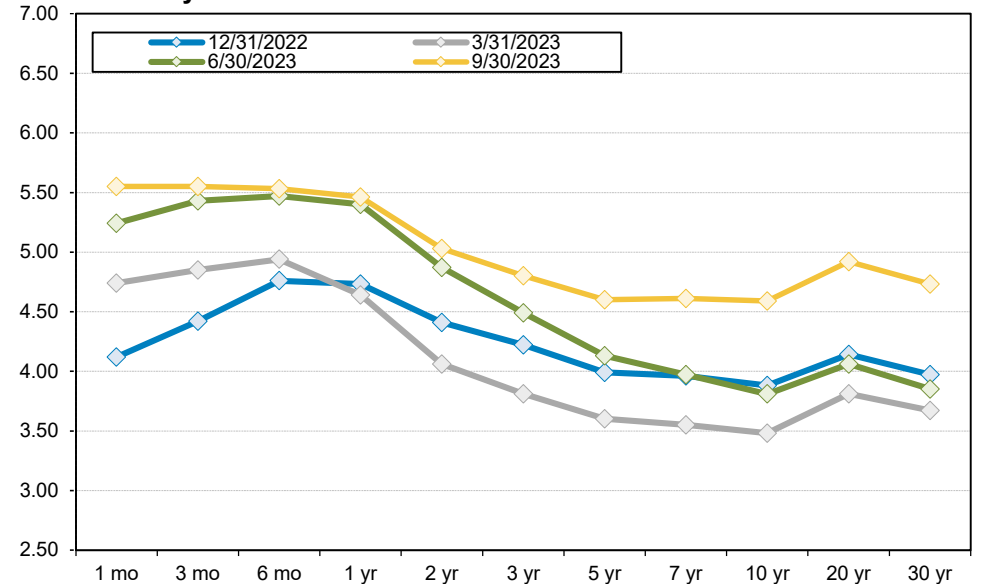


- The gray band across the graph illustrates the range of the current Fed Funds target rate. During the third quarter, the FOMC raised the lower end of its target rate range from 5.00% to 5.25% at their July meeting. While the FOMC paused further rate increases at their September meeting, several speeches and public comments since that meeting have made it clear that additional rate hikes should not be ruled out. While the overwhelming consensus has been that the Fed is moving towards the end of its rate hiking cycle, several statements and key macroeconomic statistics have shed doubt on timing of these expectations.
- The yield on the US 10-Year Treasury (green line) rose 0.78% largely due to increases in the policy rate and the potential for expected future inflationary pressure. The closing yield on the 10-Year Treasury was 4.59% as of September 29, 2023, and is up 71 basis points from its 3.88% yield at 2022 year-end. Capital market rates have now reached their highest levels in 16 years.
- The blue line illustrates changes in the BAA (Option Adjusted Spread) OAS for BAA-rated corporate bonds. This measure quantifies the additional yield premium that investors require to purchase and hold non-US Treasury investment grade issues with the lowest investment grade rating. For the full year, the spread narrowed from 2.05% to 1.53%, signaling a lower premium for credit risk than was the case a year prior. High-yield OAS spreads have narrowed from 5.92% in July 2022 to 4.03% as of the end of the quarter. Spikes in both the BAA OAS and High Yield spread measures were visible in the first quarter of 2023 following a short-lived crisis of confidence in the banking sector, which has since been addressed. Both spread measures traded lower on the news of the government's intervention, and as fears of possible contagion waned, credit spreads returned to their levels prior to February.
- The lower graph provides a snapshot of the US Treasury yield curve at the end of each of the last four quarters. Short-term rates continued to rise during the third quarter as the FOMC increased policy interest rates to continue combatting inflation. The Treasury yield curve has quickly exhibited a re-steepening with longer-term yields increasing at a faster pace than shorter-term yields. During the quarter, the 30-year yield jumped from 3.85% to 4.73% (an increase of 0.88%). Historically, a persistent inversion of the yield curve has been a precursor of an economic recession within six to 24 months.

1-Year Trailing Market Rates



Treasury Yield Curve



Source: US Department of Treasury, FRED (Federal Reserve of St. Louis)



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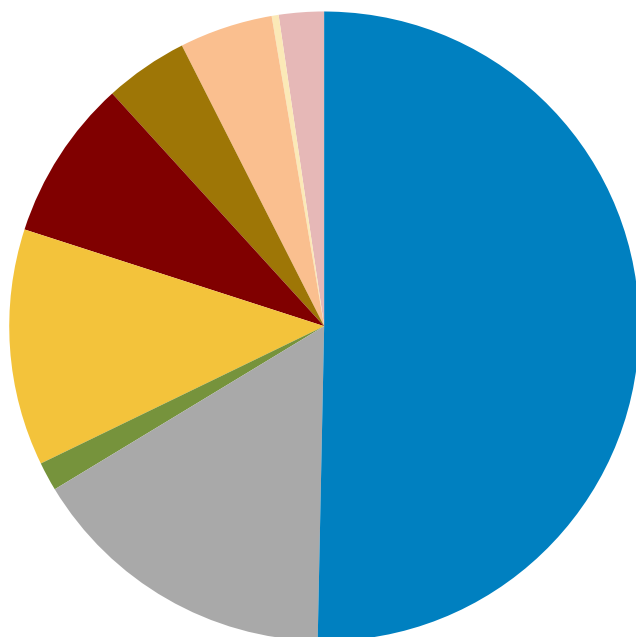
**Southfield Employees Retirement System
Total Fund Asset Allocation Compliance Summary**

September 30, 2023

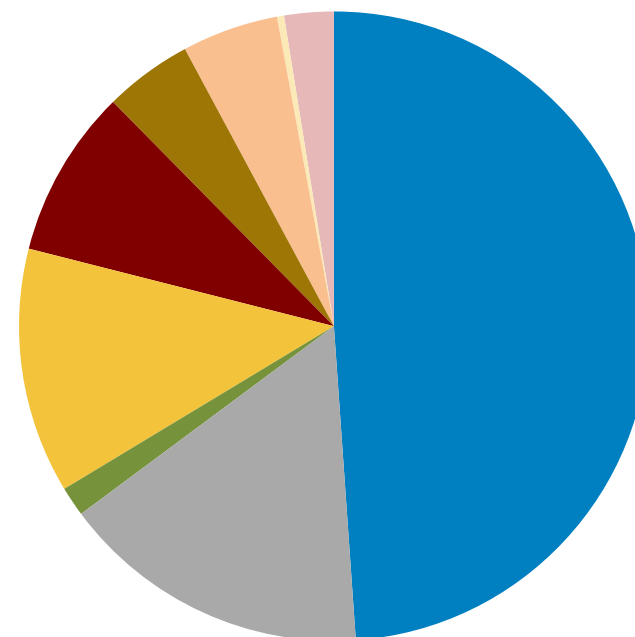
Total Portfolio Compliance Summary							
	September 30, 2023 Market Value \$	Current Allocation %	Target Allocation %	Range Allocation %	Act 314 Limit %	Compliance within Ranges	Compliance w/314 Limits
Total Portfolio (excluding Unfunded Commitments)	115,127,871.80	100.0%	100.0%				
Total Equity (14)	76,373,529.78	66.3%	65.0%	40.0% - 80.0%	70.0%	YES	YES
Domestic Equity (14)	57,622,477.37	50.1%	50.0%	40.0% - 60.0%	70.0%	YES	YES
International Equity (14)	18,751,052.41	16.3%	15.0%	0.0% - 20.0%	70.0%	YES	YES
Total US Fixed Income (17 & 17.1.a.iii)	19,560,973.27	17.0%	17.0%	15.0% - 30.0%	100.0%	YES	YES
US Investment Grade Fixed Income (17)	13,156,811.39	11.4%	17.0%	7.0% - 27.0%	100.0%	YES	YES
US Non-Investment Grade Fixed Income (17.1.a.iii)	6,404,161.88	5.6%	0.0%	0.0% - 10.0%	100.0%	YES	YES
Total Real Estate (18 & 19)	9,728,638.27	8.5%	8.0%	0.0% - 15.0%	20.0%	YES	YES
Alternative Investments (20d)	8,577,452.65	7.5%	10.0%	0.0% - 15.0%	20.0%	YES	YES
Short Term/Cash Reserves	887,277.83	0.8%	0.0%	0.0% - 10.0%	N/A	YES	YES



Asset Allocation By Segment as of
June 30, 2023 : \$118,881,530



Asset Allocation By Segment as of
September 30, 2023 : \$115,127,872



Allocation			Allocation		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
Domestic Equity	59,829,839	50.3	Domestic Equity	56,291,015	48.9
International Equity	19,031,382	16.0	International Equity	18,343,706	15.9
Canadian Equity	1,759,441	1.5	Canadian Equity	1,759,441	1.5
Domestic Fixed Income	14,455,651	12.2	Domestic Fixed Income	14,520,330	12.6
Real Estate	9,838,128	8.3	Real Estate	9,969,976	8.7
Hedge Fund	5,092,256	4.3	Hedge Fund	5,208,185	4.5
Private Equity	5,697,302	4.8	Private Equity	5,697,302	4.9
Other Illiquid Asset	428,137	0.4	Other Illiquid Asset	416,113	0.4
Cash Equivalent	2,749,393	2.3	Cash Equivalent	2,921,804	2.5



Financial Reconciliation
Total Fund
1 Quarter Ending September 30, 2023

Financial Reconciliation								
	Market Value 07/01/2023	Net Transfers	Contributions	Distributions	Management Fees	Other Expenses	Return On Investment	Market Value 09/30/2023
Total Domestic Equity	61,258,460	-1,200,000	-	-	-64,184	-2,749	-2,369,051	57,622,477
Comerica S&P 500 Index Fund	27,335,453	-1,200,000	-	-	-	-	-874,697	25,260,756
Champlain MC Equity	10,854,192	-	-	-	-23,059	-905	-663,912	10,166,316
Reinhart Sm/Mid Cap PMV	12,534,579	-	-	-	-23,504	-998	-315,339	12,194,738
Deroy & Devereaux SMID Cap Value	10,534,236	-	-	-	-17,621	-845	-515,104	10,000,667
Total International Equity	19,506,635	18,655	-	-	-35,802	-870	-737,566	18,751,052
LSV International LCV	10,136,980	18,655	-	-	-18,655	-	106,551	10,243,531
WCM Focused Growth International	9,369,655	-	-	-	-17,147	-870	-844,117	8,507,521
Total Fixed Income	19,311,840	90,391	49,331	-	-10,212	-1,043	120,667	19,560,973
Pacific Fixed Income	13,558,416	-	49,331	-	-10,212	-1,043	-439,681	13,156,811
Bloomfield Capital Income Fund II	66,071	-	-	-	-	-	-52,709	13,362
Bloomfield Capital Income Fund III	1,055,547	-70,371	-	-	-	-	576,696	1,561,872
Bloomfield Fund V Series A	292,236	-17,624	-	-	-	-	-11,738	262,874
Bloomfield Fund V Series B	1,501,904	-28,553	-	-	-	-	39,141	1,512,492
Bloomfield Fund V Series C	93,517	206,938	-	-	-	-	8,959	309,414
Marathon Distressed Credit Fund LP	2,744,148	-	-	-	-	-	-	2,744,148
Total Real Estate	9,791,678	-	-	-	-15,548	-	-47,492	9,728,638
AEW Core Property Trust	5,703,247	-	-	-	-15,548	-	-47,492	5,640,207
Metropolitan Real Estate V	629,282	-	-	-	-	-	-	629,282
PCCP Equity VIII	1,699,708	-	-	-	-	-	-	1,699,708
TerraCap Partners IV	1,759,441	-	-	-	-	-	-	1,759,441
Total Timber Funds	428,137	-	-	-	-	-	-12,024	416,113
RMK Timberland Intl Fund	428,137	-	-	-	-	-	-12,024	416,113
Total Hedge Fund of Funds	5,092,256	-	-	-	-	-	115,930	5,208,185
Magnitude Institutional	3,934,143	-	-	-	-	-	96,226	4,030,370
Titan Masters Int'l Fund	1,158,113	-	-	-	-	-	19,703	1,177,816
Total Other Assets	2,953,154	-	-	-	-	-	-	2,953,154
PA/Apogem Sec Fund VI	1,871,836	-	-	-	-	-	-	1,871,836
Sturbridge Diversified III	1,081,318	-	-	-	-	-	-	1,081,318
Cash Account	539,369	1,090,954	2,588,265	-3,317,253	-	-26,295	12,237	887,278
Total Fund	118,881,530	-	2,637,596	-3,317,253	-125,745	-30,956	-2,917,299	115,127,872

*Other expenses represent any professional fees outside of the management fee (custody, consultant, attorney, and admin).



Asset Allocation & Performance
Southfield Employees Retirement System
As of September 30, 2023

Asset Allocation & Performance	Allocation		Performance(%)				
	Market Value \$	%	QTR	1 YR	3 YR	5 YR	10 YR
Total Fund	115,127,872	100.0	-2.47 (33)	14.00 (8)	8.28 (2)	6.47 (7)	7.26 (10)
Total Fund Policy			-3.44	10.80	5.02	4.85	6.56
Difference			0.97	3.20	3.26	1.62	0.70
All Public Plans-Total Fund Median			-2.94	10.75	4.40	5.07	6.25
Total Domestic Equity	57,622,477	50.1	-3.92 (60)	18.51 (41)	11.15 (37)	7.57 (46)	9.00 (59)
Total Domestic Equity Policy			-4.04	16.41	10.14	6.72	9.60
Difference			0.12	2.10	1.01	0.85	-0.60
IM U.S. Equity (SA+CF+MF) Median			-3.41	16.41	9.51	7.26	9.56
Total International Equity	18,751,052	16.3	-3.78 (43)	25.84 (27)	6.65 (27)	5.93 (13)	6.87 (9)
Total International Equity Policy			-3.68	21.02	4.44	2.47	3.44
Difference			-0.10	4.82	2.21	3.46	3.43
IM International Equity (SA+CF+MF) Median			-4.17	20.63	3.45	3.38	4.53
Total Fixed Income	19,560,973	17.0	0.62 (1)	5.49 (1)	-0.44 (2)	1.91 (4)	3.33 (2)
Total Fixed Income Policy			-3.23	0.64	-5.21	0.10	1.13
Difference			3.85	4.85	4.77	1.81	2.20
IM U.S. Broad Market Core Fixed Income (SA+CF) Median			-3.14	1.06	-4.84	0.54	1.58
Total Real Estate	9,728,638	8.5	-0.49 (11)	-9.24 (22)	8.50 (12)	7.22 (11)	8.72 (38)
Total Real Estate Policy			-1.99	-12.22	4.55	4.37	6.94
Difference			1.50	2.98	3.95	2.85	1.78
IM U.S. Open End Private Real Estate (SA+CF) Median			-3.09	-12.83	6.81	5.72	8.59
Total Hedge Fund of Funds	5,208,185	4.5	2.28	6.95	7.76	6.30	N/A
HFRI FOF: Diversified Index			0.87	4.19	4.32	3.79	3.47
Difference			1.41	2.76	3.44	2.51	N/A
Total Timber Funds	416,113	0.4	0.15	-6.37	-9.99	-4.44	-1.98
Total Timber Policy			4.46	1.81	12.98	7.86	8.57
Difference			-4.31	-8.18	-22.97	-12.30	-10.55



Asset Allocation & Performance
Southfield Employees Retirement System
As of September 30, 2023

	Allocation		Performance(%)					
	Market Value \$	%	QTR	1 YR	3 YR	5 YR	10 YR	
Total Domestic Equity	57,622,477	50.1	-3.92 (60)	18.51 (41)	11.15 (37)	7.57 (46)	9.00 (59)	
Total Domestic Equity Policy			-4.04	16.41	10.14	6.72	9.60	
Difference			0.12	2.10	1.01	0.85	-0.60	
IM U.S. Equity (SA+CF+MF) Median			-3.41	16.41	9.51	7.26	9.56	
Comerica S&P 500 Index Fund	25,260,756	21.9	-3.27 (71)	21.56 (38)	10.11 (47)	9.89 (35)	11.89 (38)	
S&P 500 Index			-3.27	21.62	10.15	9.92	11.91	
Difference			0.00	-0.06	-0.04	-0.03	-0.02	
IM U.S. Large Cap Core Equity (SA+CF) Median			-2.89	20.76	9.77	9.22	11.67	
Champlain MC Equity	10,166,316	8.8	-6.13 (98)	11.67 (85)	4.91 (85)	7.44 (32)	N/A	
Russell Midcap Index			-4.68	13.45	8.09	6.38	8.98	
Difference			-1.45	-1.78	-3.18	1.06	N/A	
IM U.S. Mid Cap Core Equity (SA+CF) Median			-4.19	15.47	10.82	6.31	9.02	
Reinhart Sm/Mid Cap PMV	12,194,738	10.6	-2.53 (19)	25.35 (5)	N/A	N/A	N/A	
Russell 2500 Index			-4.78	11.28	8.39	4.55	7.90	
Difference			2.25	14.07	N/A	N/A	N/A	
IM U.S. SMID Cap Equity (SA+CF) Median			-4.63	13.76	10.42	6.33	8.95	
Deroy & Devereaux SMID Cap Value	10,000,667	8.7	-4.90 (72)	N/A	N/A	N/A	N/A	
Russell 2500 Value Index			-3.66	11.34	13.32	3.99	6.95	
Difference			-1.24	N/A	N/A	N/A	N/A	
IM U.S. SMID Cap Value Equity (SA+CF) Median			-3.28	15.30	14.39	6.40	8.58	
Total International Equity	18,751,052	16.3	-3.78 (43)	25.84 (27)	6.65 (27)	5.93 (13)	6.87 (9)	
Total International Equity Policy			-3.68	21.02	4.44	2.47	3.44	
Difference			-0.10	4.82	2.21	3.46	3.43	
IM International Equity (SA+CF+MF) Median			-4.17	20.63	3.45	3.38	4.53	
LSV International LCV	10,243,531	8.9	1.05 (11)	32.72 (26)	11.22 (32)	3.61 (57)	4.65 (50)	
MSCI EAFE Index			-4.05	26.31	6.28	3.74	4.32	
Difference			5.10	6.41	4.94	-0.13	0.33	
IM International Large Cap Value Equity (SA+CF) Median			-2.19	28.88	8.98	3.98	4.64	
WCM Focused Growth International	8,507,521	7.4	-9.02 (75)	18.28 (54)	1.66 (41)	8.08 (3)	9.29 (4)	
MSCI EAFE (Net) Index			-4.11	25.65	5.75	3.24	3.82	
Difference			-4.91	-7.37	-4.09	4.84	5.47	
IM International Growth Equity (SA+CF) Median			-7.27	18.52	0.48	4.03	5.54	



Asset Allocation & Performance
Southfield Employees Retirement System
As of September 30, 2023

	Allocation		Performance(%)				
	Market Value \$	%	QTR	1 YR	3 YR	5 YR	10 YR
Total Fixed Income	19,560,973	17.0	0.62 (1)	5.49 (1)	-0.44 (2)	1.91 (4)	3.33 (2)
Total Fixed Income Policy			-3.23	0.64	-5.21	0.10	1.13
Difference			3.85	4.85	4.77	1.81	2.20
IM U.S. Broad Market Core Fixed Income (SA+CF) Median			-3.14	1.06	-4.84	0.54	1.58
Pacific Fixed Income	13,156,811	11.4	-3.25 (76)	1.08 (45)	-4.88 (56)	0.45 (60)	1.50 (59)
Blmbg. U.S. Aggregate Index			-3.23	0.64	-5.21	0.10	1.13
Difference			-0.02	0.44	0.33	0.35	0.37
IM U.S. Broad Market Core Fixed Income (SA+CF) Median			-3.14	1.06	-4.84	0.54	1.58
Total Real Estate	9,728,638	8.5	-0.49 (11)	-9.24 (22)	8.50 (12)	7.22 (11)	8.72 (38)
Total Real Estate Policy			-1.99	-12.22	4.55	4.37	6.94
Difference			1.50	2.98	3.95	2.85	1.78
IM U.S. Open End Private Real Estate (SA+CF) Median			-3.09	-12.83	6.81	5.72	8.59
AEW Core Property Trust	5,640,207	4.9	-0.83 (12)	-12.24 (37)	7.78 (13)	6.18 (30)	8.12 (62)
NCREIF Fund Index-ODCE (VW)			-1.90	-12.14	7.13	5.65	8.16
Difference			1.07	-0.10	0.65	0.53	-0.04
IM U.S. Open End Private Real Estate (SA+CF) Median			-3.09	-12.83	6.81	5.72	8.59
Total Hedge Fund of Funds	5,208,185	4.5	2.28	6.95	7.76	6.30	N/A
HFRI FOF: Diversified Index			0.87	4.19	4.32	3.79	3.47
Difference			1.41	2.76	3.44	2.51	N/A
Magnitude Institutional	4,030,370	3.5	2.45	9.13	10.01	7.74	N/A
HFRI FOF: Diversified Index			0.87	4.19	4.32	3.79	3.47
Difference			1.58	4.94	5.69	3.95	N/A
Titan Masters Int'l Fund	1,177,816	1.0	1.70	2.12	4.46	4.22	N/A
HFRI FOF: Diversified Index			0.87	4.19	4.32	3.79	3.47
Difference			0.83	-2.07	0.14	0.43	N/A
Cash/Sec Lit	887,278	0.8					



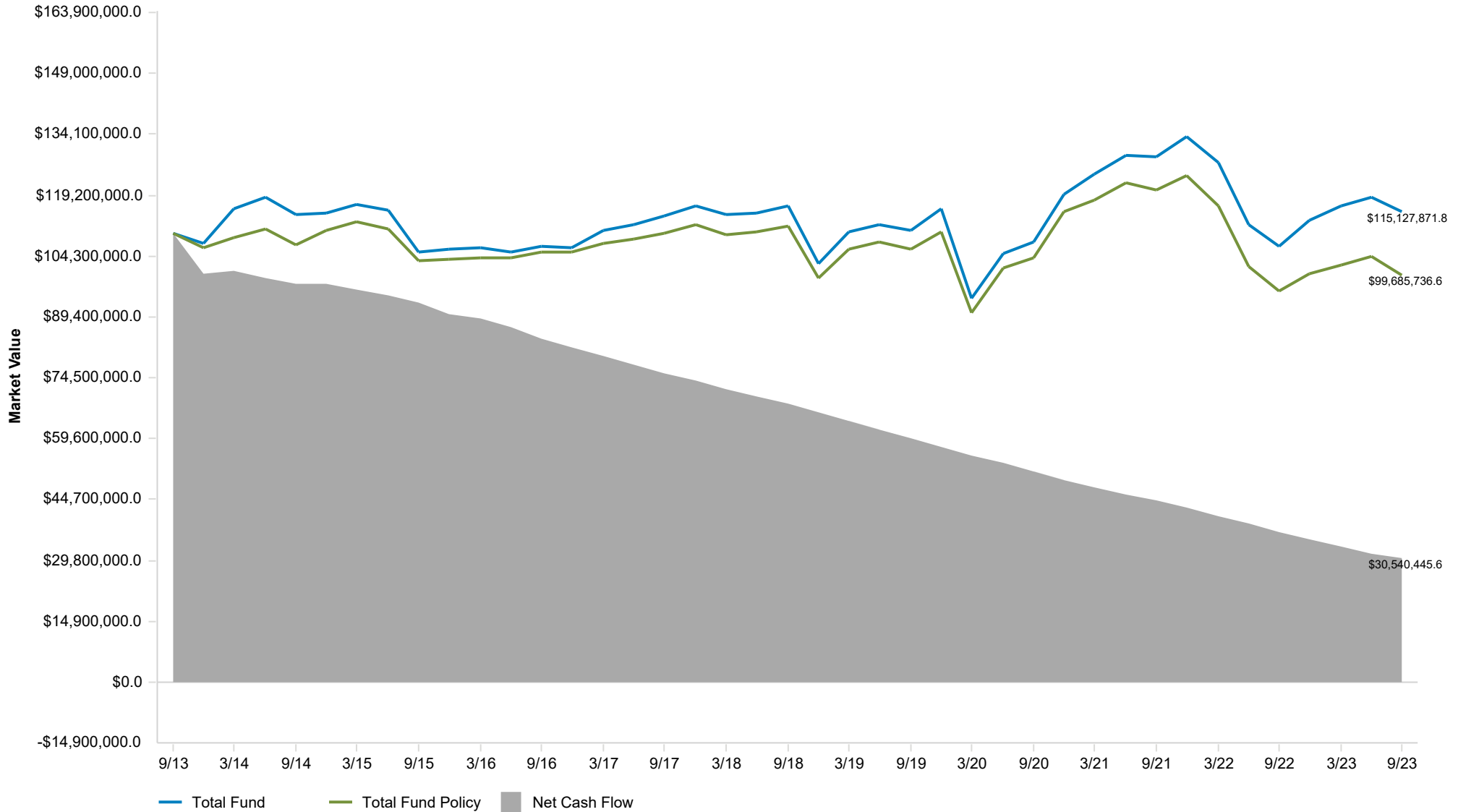
As of September 30, 2023

Comparative Performance - IRR

	QTR	FYTD	1 YR	3 YR	5 YR	7 YR	Since Inception Ending Sep-2023	Inception Date
Bloomfield Capital Income Fund II	-79.78	-79.78	-82.57	-6.30	-13.30	1.38	5.20	12/22/2014
Bloomfield Capital Income Fund III	55.72	55.72	58.08	15.18	9.75	N/A	9.98	12/31/2016
Bloomfield Fund V Series A	-4.06	-4.06	0.84	11.13	N/A	N/A	10.22	02/14/2019
Bloomfield Fund V Series B	2.64	2.64	8.95	N/A	N/A	N/A	8.33	04/22/2021
Bloomfield Fund V Series C	4.48	4.48	N/A	N/A	N/A	N/A	6.40	03/31/2023
Marathon Distressed Credit Fund LP	0.00	0.00	6.02	N/A	N/A	N/A	8.65	01/04/2021
Metropolitan Real Estate V	0.00	0.00	-1.26	3.53	2.18	4.25	7.22	11/30/2011
PCCP Equity VIII	0.00	0.00	-9.10	13.31	N/A	N/A	12.10	07/23/2019
RMK Timberland Intl Fund	-2.81	-2.81	1.19	-11.72	-8.19	-10.56	-9.51	11/21/2012
TerraCap Partners IV	0.00	0.00	-1.32	7.97	N/A	N/A	9.40	07/03/2019
PA/Apogem Sec Fund VI	0.00	0.00	21.53	N/A	N/A	N/A	81.35	08/02/2022
Sturbridge Diversified III	0.00	0.00	N/A	N/A	N/A	N/A	47.51	12/27/2022



Schedule of Investable Assets

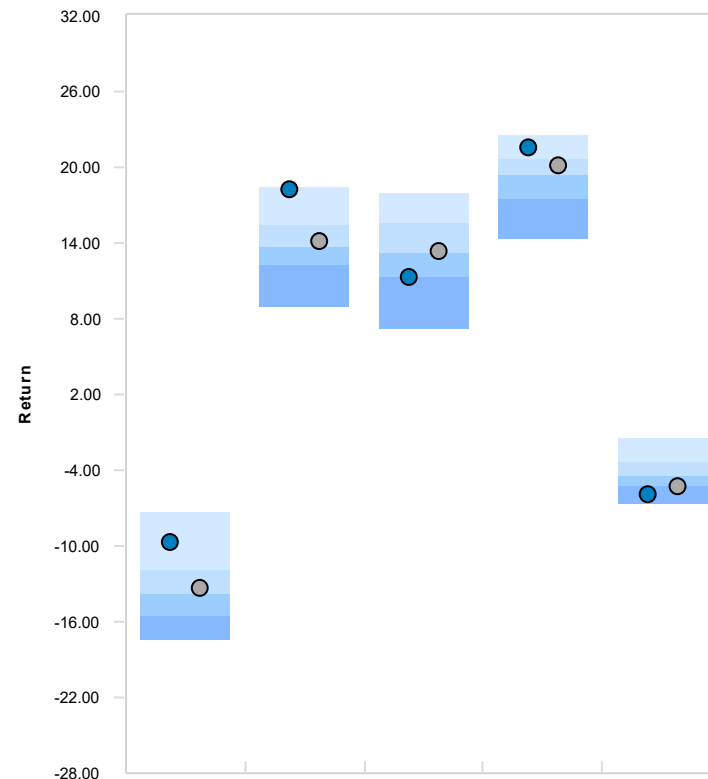
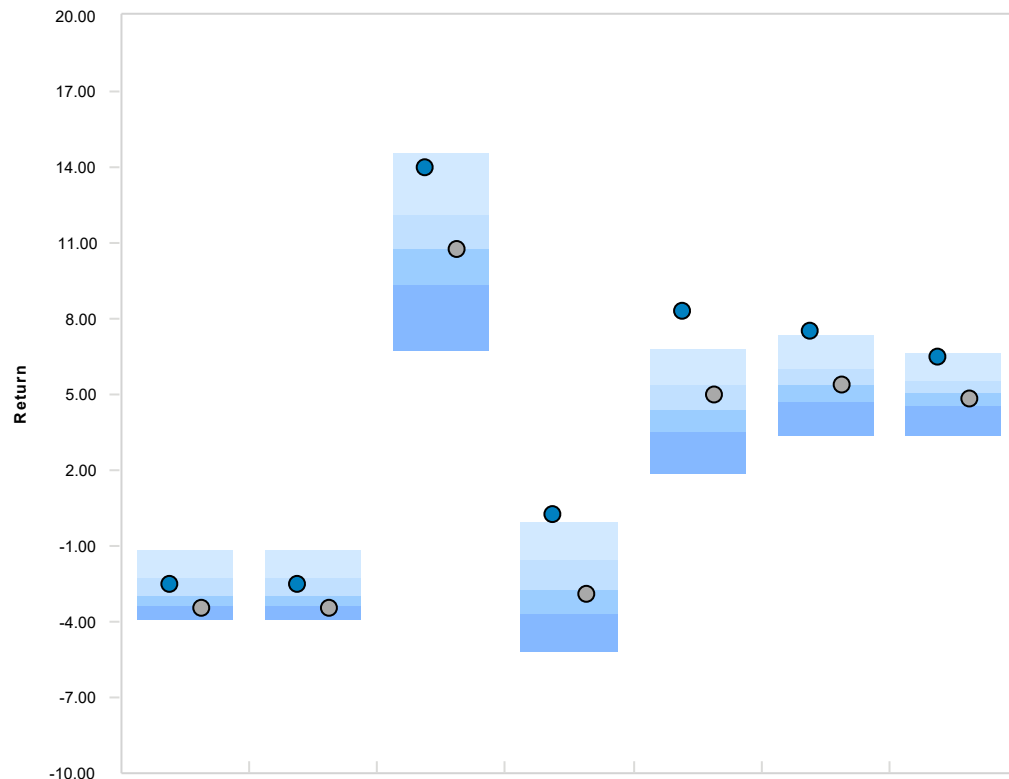


Schedule of Investable Assets

Periods Ending	Beginning Market Value \$	Contributions \$	Distributions \$	Gain/Loss \$	Net Cash Flow \$	Ending Market Value \$
10 YR	110,052,639	262,977,960	-342,490,153	84,587,426	-79,512,193	115,127,872



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



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Total Fund	-2.47 (33)	-2.47 (33)	14.00 (8)	0.28 (4)	8.28 (2)	7.56 (4)	6.47 (7)
● Total Fund Policy	-3.44 (79)	-3.44 (79)	10.80 (50)	-2.92 (55)	5.02 (33)	5.37 (52)	4.85 (60)
Median	-2.94	-2.94	10.75	-2.74	4.40	5.40	5.07

	2022	2021	2020	2019	2018
● Total Fund	-9.70 (11)	18.20 (6)	11.31 (75)	21.54 (13)	-5.93 (88)
● Total Fund Policy	-13.37 (44)	14.10 (43)	13.32 (50)	20.11 (39)	-5.25 (74)
Median	-13.82	13.63	13.29	19.36	-4.45

Comparative Performance

	1 Qtr Ending Jun-2023	1 Qtr Ending Mar-2023	1 Qtr Ending Dec-2022	1 Qtr Ending Sep-2022	1 Qtr Ending Jun-2022	1 Qtr Ending Mar-2022
Total Fund	3.54 (38)	4.62 (36)	7.91 (3)	-3.15 (11)	-10.54 (46)	-3.43 (15)
Total Fund Policy	3.63 (33)	4.05 (62)	6.43 (27)	-4.03 (36)	-11.19 (65)	-4.49 (37)
All Public Plans-Total Fund Median	3.30	4.30	5.67	-4.31	-10.64	-4.92



Total Fund Policy	
Allocation Mandate	Weight (%)
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. 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. U.S. Aggregate Index	20.00
Blmbg. Global Multiverse	2.00
NCREIF Fund Index-ODCE (VW)	6.00
HFRI FOF: Diversified Index	5.00
NCREIF Timberland Index (Monthly)	3.50
Nov-2020	
S&P 500 Index	20.00
Russell Midcap Index	14.00
Russell 2000 Index	14.00
MSCI EAFE (Net) Index	15.50
Blmbg. U.S. Aggregate Index	22.00
NCREIF Fund Index-ODCE (VW)	6.00
HFRI FOF: Diversified Index	5.00
NCREIF Timberland Index (Monthly)	3.50
Oct-2022	
S&P 500 Index	22.00
Russell Midcap Index	14.00
Russell 2000 Index	14.00
MSCI AC World ex USA	15.00
Blmbg. U.S. Aggregate Index	17.00
NCREIF Fund Index-ODCE (VW)	8.00
HFRI FOF: Diversified Index	4.00
Blmbg. Global High Yield	4.00
Russell Microcap Index	2.00

Total Domestic Equity Policy	
Allocation Mandate	Weight (%)
Jan-1985	
S&P 500 Index	40.00
S&P MidCap 400 Index	32.00
Russell 2000 Index	28.00
Oct-2022	
S&P 500 Index	44.00
S&P MidCap 400 Index	28.00
Russell 2000 Index	28.00

Total Fixed Income Policy	
Allocation Mandate	Weight (%)
Jan-1976	
Blmbg. U.S. Aggregate Index	100.00

Total Real Estate Policy	
Allocation Mandate	Weight (%)
Jan-1978	
NCREIF Property Index	100.00
Oct-2022	
NCREIF Fund Index-ODCE (VW)	100.00

Total Timber Policy	
Allocation Mandate	Weight (%)
Apr-1987	
NCREIF Timberland Index	100.00

Total International Equity Policy	
Allocation Mandate	Weight (%)
Jan-1970	
MSCI EAFE (Net) Index	100.00
Oct-2022	
MSCI AC World ex USA	100.00



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.
- 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 September 30, 2023

	Estimated Annual Fee (%)	Market Value (\$)	Estimated Annual Fee (\$)	Fee Schedule
Comerica S&P 500 Index Fund	0.03	25,260,756	6,315	0.03 % of Assets
Champlain MC Equity	0.85	10,166,316	86,414	0.85 % of Assets
Reinhart Sm/Mid Cap PMV	0.75	12,194,738	91,461	0.75 % of Assets
Deroy & Devereaux SMID Cap Value	1.00	10,000,667	100,005	1.00 % of First \$10 M 0.80 % of Next \$15 M 0.65 % Thereafter
Total Domestic Equity	0.49	57,622,477	284,195	
WCM Focused Growth International	0.75	8,507,521	63,806	0.75 % of Assets
LSV International LCV	0.75	10,243,531	76,826	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	18,751,052	140,633	
Pacific Fixed Income	0.30	13,156,811	39,470	0.30 % of Assets
Bloomfield Capital Income Fund II	2.00	13,362	267	2.00 % of Assets
Bloomfield Capital Income Fund III	2.00	1,561,872	31,237	2.00 % of Assets
Bloomfield Fund V Series A	1.50	262,874	3,943	1.50 % of Assets
Bloomfield Fund V Series B	1.50	1,512,492	22,687	1.50 % of Assets
Bloomfield Fund V Series C	1.50	309,414	4,641	1.50 % of Assets
Marathon Distressed Credit Fund LP	1.00	2,744,148	27,441	1.00 % of Assets
Total Fixed Income	0.66	19,560,973	129,688	
AEW Core Property Trust	1.25	5,640,207	70,503	1.25 % of Assets
Metropolitan Real Estate V	1.00	629,282	6,293	1.00 % of Assets
PCCP Equity VIII	1.00	1,699,708	16,997	1.00 % of Assets
TerraCap Partners IV	1.50	1,759,441	26,392	1.50 % of Assets
Total Real Estate	1.24	9,728,638	120,184	
Magnitude Institutional	1.00	4,030,370	40,304	1.00 % of Assets
Titan Masters Int'l Fund	0.70	1,177,816	8,245	0.70 % of Assets
Total Hedge Fund of Funds	0.93	5,208,185	48,548	
RMK Timberland Intl Fund	1.25	416,113	5,201	1.25 % of Assets
Total Timber Funds	1.25	416,113	5,201	

Fee information on this page is an illustrative estimate of management fees based on current reported portfolio values. Fee estimates do not reflect actual calculation methodologies or applicable carried interest.



	Estimated Annual Fee (%)	Market Value (\$)	Estimated Annual Fee (\$)	Fee Schedule
PA/Apogem Sec Fund VI	1.25	1,871,836	23,398	1.25 % of Assets
Sturbridge Diversified III	1.25	1,081,318	13,516	1.25 % of Assets
Total Other Assets	1.25	2,953,154	36,914	
Cash/Sec Lit		887,278	-	
Total Fund	0.66	115,127,872	765,364	

Fee information on this page is an illustrative estimate of management fees based on current reported portfolio values. Fee estimates do not reflect actual calculation methodologies or applicable carried interest.



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.



AndCo compiled this report for the sole use of the client for which it was prepared. AndCo is responsible for evaluating the performance results of the Total Fund along with the investment advisors by comparing their performance with indices and other related peer universe data that is deemed appropriate. AndCo uses the results from this evaluation to make observations and recommendations to the client.

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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