

Southfield Fire & Police Retirement System

Investment Performance Analysis

December 31, 2013



**Asset
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GLOBAL CAPITAL MARKETS REVIEW

Periods Ending - 12/31/2013

Quarterly Market Review

U.S. economic strength improved, as the final GDP number for the third quarter came in at a 4.1% annual rate. This compares to solid first quarter growth of 2.5%. Inflation remained mild at 1.50% for 2013 with prices actually falling in the fourth quarter. The Federal Reserve announced, beginning in January 2014, a plan to reduce its monthly U.S. treasury and mortgage bond buying program by \$10 billion or just 12%. The Fed cited lower unemployment, lack of inflation and stable economic growth as reasons to reduce its extended economic stimulus program.

U.S. equities continued their advance in the fourth quarter with all market capitalizations posting unusually strong gains. Growth stocks outperformed value stocks in the large capitalization range, while value stocks outperformed in the mid- and small-capitalization ranges. Micro cap stocks (Wilshire U.S. Micro Cap, +10.51%) were the best performing capitalization size for the quarter. All economic sectors of the S&P 500 posted positive returns for the quarter. The best performing sectors were Information Technology (+12.34%) and Industrials (+12.95%). The interest-rate-sensitive Utilities sector posted the weakest return (+3.1%).

Bond yields moved lower in October, then rose in November and December with the 10-Year U.S. Treasury yield ending 2013 at 3.04%. This is 1.26% higher than year-end 2012. Short-term bonds (Barclays U.S. Treasury 1-3 Years, +.06%) outperformed longer-term bonds by a wide margin (Barclays U.S. Treasury Long, -3.08%). High yield bonds (Barclays U.S. High Yield Corporate, +3.58%) continued to outperform investment-grade bonds (Barclays U.S. Aggregate, -.14%).

Non-U.S. stocks (MSCI ACWI x-U.S., +4.81%) posted positive returns despite sluggish economic growth in several countries. European stocks (MSCI Europe, net, +7.88%) outperformed Pacific region stocks (MSCI Pacific, net, +1.56%). Emerging Markets (MSCI EM net, +1.83%) posted gains on improving economic indicators from China, but continued to underperform developed markets (MSCI EAFE net, +5.71%).

U.S. Equity Market Indices

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
Standard & Poor's 500	10.52	32.41	16.18	17.93	7.40
Russell 2500	8.67	36.82	16.28	21.77	9.81
Russell 1000 Growth	10.44	33.49	16.45	20.39	7.83
Russell 1000 Value	10.01	32.54	16.06	16.67	7.58
Russell Mid Cap Growth	8.23	35.76	15.63	23.38	9.77
Russell Mid Cap Value	8.55	33.45	15.96	21.16	10.25
Russell 2000 Growth	8.18	43.29	16.81	22.57	9.40
Russell 2000 Value	9.29	34.50	14.48	17.63	8.60

International Equity Market Indices

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
MSCI EAFE (net)	5.71	22.78	8.16	12.43	6.91
MSCI EAFE x-Japan (net)	6.65	21.69	8.81	13.89	7.70
MSCI Europe (net)	7.88	25.24	9.89	13.36	7.28
MSCI ACWI x-US	4.81	15.68	5.59	13.31	8.03
IFC Inv. Global Comp.	2.14	-0.58	-1.45	15.89	12.47

Global Fixed Income Indices

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
Barclays Aggregate	-0.14	-2.02	3.26	4.44	4.55
Barclays. Gov't/Credit	-0.03	-2.35	3.63	4.40	4.52
SB High Yield Cash Pay	3.43	7.12	9.18	17.89	8.21
SB Non-U.S. Gov't Bond	-1.24	-4.56	0.62	2.27	4.10

Other Indices

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
NAREIT - Composite	0.31	3.20	9.98	16.69	7.77
NCREIF Property Index	2.53	10.99	11.92	5.68	8.63
ML Convertible Bond	6.02	24.96	10.84	18.85	7.12
Broad Consumer Price	-0.47	1.50	2.06	2.08	2.37
U.S. 91 Day Treasury Bill	0.02	0.07	0.10	0.12	1.67
HFRI Fund Composite	3.57	9.24	3.25	7.81	5.72

Southfield Fire & Police Retirement System

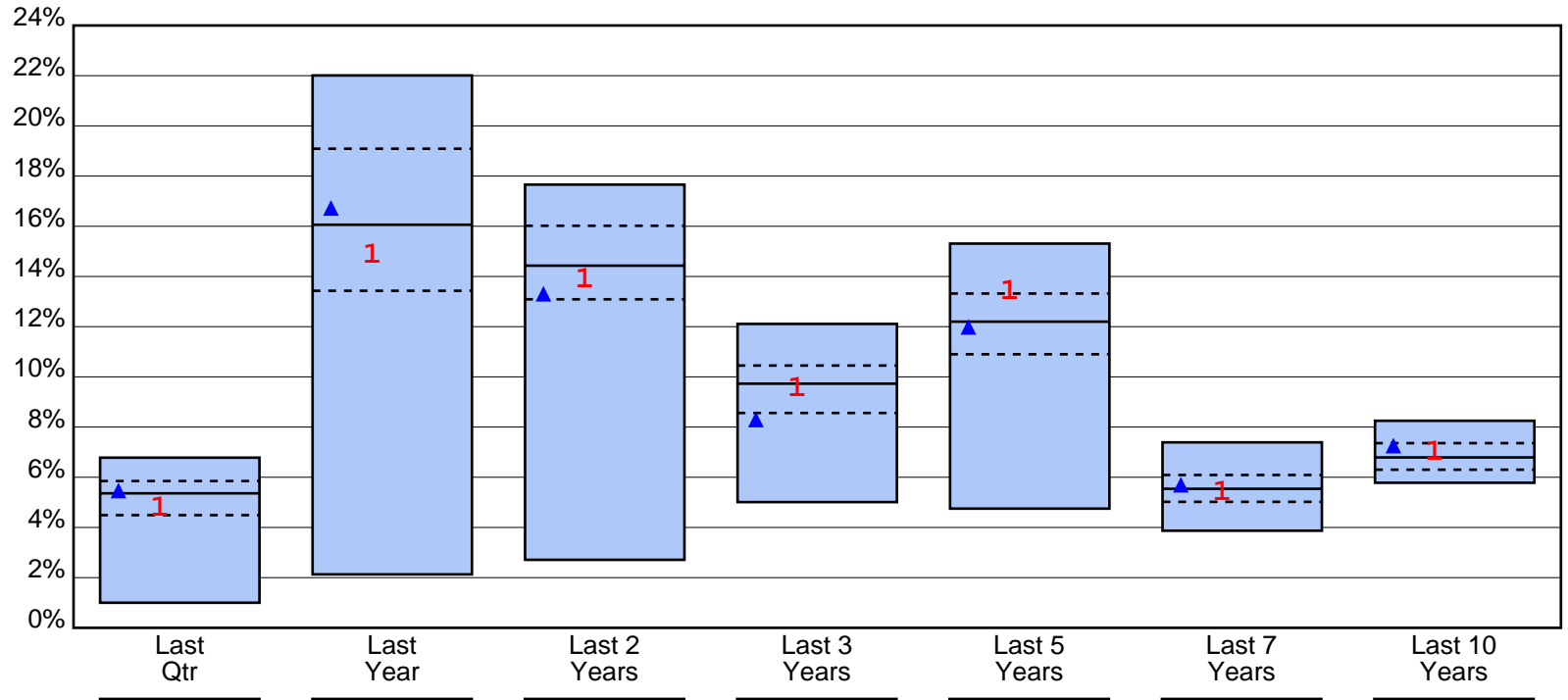
Cumulative Performance Comparison

Total Returns of Total Fund Public Sponsors

Periods Ending 12/13

Policy Index
(effective 3Q12)

U.S. Equity 35%
Non-U.S. Equity 16%
U.S. Fixed Income 28%
Alternative Investments 10%
Real Estate 11%
Cash Equivalents 0%



5th Percentile
25th Percentile
Median
75th Percentile
95th Percentile

▲ Total Fund Composite
1 Policy Index

Quarterly Variance Analysis:

Strong Total Fund results exceeded the Policy Index due to outperformance from multiple managers.

(Note: numbers in parentheses reflect the actual peer group rankings. 1 = high; 99 = low)

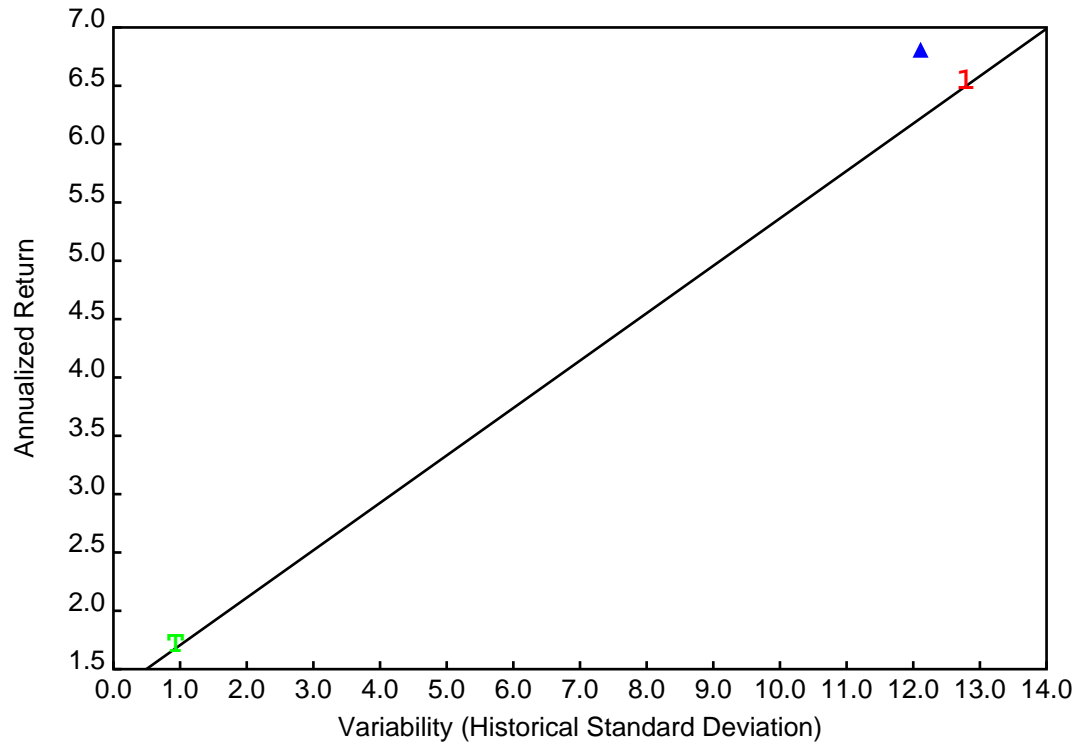
Returns for periods greater than one year are annualized.

Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 12/04 to 12/13

Total Fund Annual Return: +6.80
Less: Annual Fee -0.53

+6.27

(Note: Annual Fee is an estimate that reflects only the custodial fees and the investment manager fees which are based upon their current target allocations. Does not include actuary, or other Plan-related fees)



	Annualized Return	Variability	Reward	Sharpe Ratio
▲ Total Fund Composite	6.80	12.21	5.09	0.42
1 Policy Index	6.53	12.87	4.82	0.37
T 91-Day Treasury Bill	1.71	1.01	0.00	0.00

Longer-term Fund Performance vs. Objectives:
Total Fund results exceed expectations over the past 9 years.

Sharpe Ratio = Reward / Variability

Commission Recapture Program

<u>Broker</u>	<u>2002 thru 2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	Current Quarter: <u>4Q2013</u>
Bank of New York *	\$69,018	\$14,084	\$9,820	\$9,338	\$6,458	\$5,200	\$2,796	\$160
Income to Fund	\$69,018	\$14,084	\$9,820	\$9,338	\$6,458	\$5,200	\$2,796	\$160

* (formerly L, J&R)

* Participants may include: Loomis Sayles, Fiduciary, WHV, and 1607 Capital

Securities Lending Program (Northern Trust)

	<u>2002 thru 2006</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	Current Quarter: <u>4Q2013</u>
Gross Income	\$235,557	\$155,536	\$69,727	\$62,080	\$97,838	\$98,488	\$110,349	\$27,297
Less: Program Fees	\$102,114	\$59,290	\$23,496	\$24,795	\$39,093	\$39,342	\$44,072	\$10,901
Income To Fund	\$133,443	\$96,246	\$46,231	\$37,285	\$58,745	\$59,146	\$66,277	\$16,396

Southfield Fire & Police Retirement System
Asset Allocation vs Target & Policy
Total Fund Composite
As of 12/31/13

Manager	Market Value	Actual %	Target %	Policy %	Policy Range %
NTGI Citigroup/S&P Growth Index	7,493,419.97	3.82	5.00		
Loomis Sayles LC Value	17,045,098.99	8.69	8.00		
Fiduciary Management	10,744,034.54	5.48	5.00		
Orleans Capital Mgmt - Energy Opport	4,440,111.11	2.26	2.00		
NTGI S&P Midcap 400 - Lending	17,389,003.55	8.86	7.00		
LSIA Dividend Aristocrats	21,044,282.88	10.73	8.00		
Total Domestic Equity	78,155,951.04	39.83	35.00	34.00	30.00 - 70.00
1607 Capital Partners	14,174,006.25	7.22	7.00		
WHV Investment Mgmt	13,368,185.56	6.81	7.00		
Invesco International REIT	3,863,956.79	1.97	2.00		
Total International Equity	31,406,148.60	16.01	16.00	17.00	10.00 - 20.00
Avignon - Mortgage Loan	3,420,000.00	1.74	0.00		
Loomis Sayles Full Discretion	25,013,221.03	12.75	14.00		
Bradford & Marzec Core Plus	25,435,925.56	12.96	14.00		
Total Domestic Fixed Income	53,869,146.59	27.45	28.00	28.00	20.00 - 50.00
Cash Reserve Acct	1,930,864.80	0.98	0.00		
Total Short Term	1,930,864.80	0.98	0.00	0.00	0.00 - 1.00
PRISA I	5,569,001.86	2.84	2.67		
PRISA II	3,736,969.14	1.90	2.67		
PRISA III	429,205.50	0.22	2.67		
JCR Capital Fund 2	2,090,059.00	1.07	3.00		
Total Real Estate	11,825,235.50	6.03	11.00	11.00	0.00 - 20.00
Nantucket Institutional	19,028,102.58	9.70	10.00		
Total Hedge Fund	19,028,102.58	9.70	10.00	10.00	0.00 - 20.00
Total Fund Composite	196,215,449.11	100.00	100.00		

Southfield Fire & Police Retirement System

Performance Summary Table

Periods Ending 12/31/13

Manager	1 Qtr	1 Year	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
LSIA Dividend Aristocrats									
Total Return	9.46	32.33						6/30/12	26.38
Standard & Poors 500	10.52	32.41						6/30/12	25.31
Variance	-1.06	-0.07						6/30/12	1.07
Rank	77	64							
NTGI Citigroup/S&P Growth Index									
Total Return	10.37	31.85	22.01	15.92	18.78	7.67	7.50	3/31/00	1.86
S&P 500/Citigroup Growth Index	11.15	32.76	23.36	16.78	19.24	7.98	7.63	3/31/00	1.98
Variance	-0.78	-0.91	-1.35	-0.86	-0.46	-0.31	-0.14	3/31/00	-0.12
Rank	50	72	82	61	74	71	88		
Loomis Sayles LC Value									
Total Return	11.22	36.95	27.73	16.80	16.74	6.41	9.92	6/30/95	9.86
Russell 1000 Value	10.01	32.54	24.80	16.06	16.67	4.52	7.58	6/30/95	10.04
Variance	1.22	4.41	2.93	0.74	0.07	1.89	2.34	6/30/95	-0.18
Rank	16	22	18	33	70	38	10		
NTGI S&P Midcap 400 - Lending									
Total Return	8.53	33.87	24.71	15.22				6/30/09	22.21
S&P MidCap 400	8.34	33.51	25.45	15.64				6/30/09	22.37
Variance	0.19	0.37	-0.74	-0.42				6/30/09	-0.16
Rank	73	64	76	76					

Southfield Fire & Police Retirement System

Performance Summary Table

Periods Ending 12/31/13

Manager	1 Qtr	1 Year	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
Fiduciary Management									
Total Return	8.76	32.50	21.24	15.60	21.22	10.76		9/30/05	12.18
Russell 2000	8.72	38.82	27.09	15.67	20.08	7.21		9/30/05	8.42
Variance	0.04	-6.33	-5.85	-0.07	1.13	3.55		9/30/05	3.76
Rank	64	84	95	67	59	13			
Orleans Capital Mgmt - Energy Opport									
Total Return	2.54	26.69	11.81	5.49	20.29			9/30/08	18.64
S&P 500 Energy Index	8.38	25.32	13.98	10.68	13.12			9/30/08	7.76
Variance	-5.84	1.38	-2.17	-5.18	7.17			9/30/08	10.87
Rank	98	92	99	99	38				
1607 Capital Partners									
Total Return	5.19	17.27	18.90	7.50	17.88	4.92		6/30/06	7.42
MSCI ACWI x-US	4.81	15.68	16.54	5.59	13.31	2.61		6/30/06	4.43
Variance	0.38	1.59	2.36	1.91	4.58	2.31		6/30/06	2.99
Rank	57	68	61	66	21	35			
WHV Investment Mgmt									
Total Return	6.66	14.00	14.80	3.21	17.03	6.73		6/30/06	7.58
MSCI ACWI x-US	4.81	15.68	16.54	5.59	13.31	2.61		6/30/06	4.43
Variance	1.84	-1.68	-1.73	-2.38	3.73	4.11		6/30/06	3.14
Rank	36	84	83	90	27	16			

Southfield Fire & Police Retirement System

Performance Summary Table

Periods Ending 12/31/13

Manager	1 Qtr	1 Year	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
Invesco International REIT									
Total Return	-0.16	5.46	22.45	7.76	14.84			9/30/08	13.15
FTSE EPRA/NAREIT Global x-US	-0.32	6.14	21.27	7.58	15.86			9/30/08	8.53
Variance	0.16	-0.67	1.18	0.18	-1.03			9/30/08	4.62
Rank	79	61	2	68	20				
Bradford & Marzec Core Plus									
Total Return	0.60							9/30/13	0.60
Barclays U.S. Aggregate	-0.14							9/30/13	-0.14
Variance	0.73							9/30/13	0.73
Rank	18								18
Loomis Sayles Full Discretion									
Total Return	2.10							9/30/13	2.10
Barclays U.S. Aggregate	-0.14							9/30/13	-0.14
Variance	2.23							9/30/13	2.23
Rank	1								1
Avignon - Mortgage Loan									
Total Return	0.00	0.00	-24.50	-15.22	-6.48			9/30/07	-3.83
Citi 2yr Treasury +4%/yr	1.10	4.32	4.29	4.68	5.10				
Variance	-1.10	-4.32	-28.80	-19.90	-11.58				
Rank	87	90	100	100	100				

Southfield Fire & Police Retirement System

Performance Summary Table

Periods Ending 12/31/13

Manager	1 Qtr	1 Year	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
Nantucket Institutional									
Total Return	4.03	13.73	11.93	7.89	10.21			6/30/08	4.48
HFRI Diversified FoF Index	3.63	8.67	6.72	2.65	4.92			6/30/08	0.53
Variance	0.40	5.06	5.21	5.25	5.29			6/30/08	3.94
Rank	38	35	29	9	11				
Real Estate Composite									
Total Return	4.04	14.93	12.83	14.81	2.62	2.28	6.68	6/30/93	7.32
NFI-ODCE	3.21	13.99	12.45	13.62	3.69	3.14	7.13	6/30/93	7.73
Variance	0.83	0.94	0.38	1.19	-1.07	-0.86	-0.44	6/30/93	-0.41
Rank	17	13	27	12	59	47	65		
PRISA I									
Total Return	3.62	14.69	12.15	14.42	3.13	2.84		12/31/05	4.41
NFI-ODCE	3.21	13.99	12.45	13.62	3.69	3.14		12/31/05	4.73
Variance	0.41	0.71	-0.30	0.80	-0.57	-0.30		12/31/05	-0.32
Rank	22	15	35	16	53	37			49
PRISA II									
Total Return	4.77	15.17	14.78	16.72	1.82	1.13		12/31/05	3.17
NFI-ODCE	3.21	13.99	12.45	13.62	3.69	3.14		12/31/05	4.73
Variance	1.56	1.19	2.32	3.10	-1.87	-2.01		12/31/05	-1.56
Rank	13	13	15	7	64	70			69

Southfield Fire & Police Retirement System

Performance Summary Table

Periods Ending 12/31/13

Manager	1 Qtr	1 Year	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
PRISA III									
Total Return	3.26							3/31/13	11.56
NFI-ODCE	3.21							3/31/13	11.01
Variance	0.05							3/31/13	0.55
Rank	29								16
Total Fund Composite									
Total Return	5.43	16.69	13.27	8.26	11.95	5.66	7.22	12/31/88	7.84
Policy Index	4.73	14.80	13.84	9.49	13.38	5.38	6.97	12/31/88	8.82
Variance	0.70	1.89	-0.57	-1.23	-1.43	0.28	0.25	12/31/88	-0.98
Rank	46	43	72	78	53	43	31		

CONCLUSIONS AND RECOMMENDATIONS

Investment Performance Evaluation, Fourth Quarter 2013

1. Strong Total Fund return of +5.43% exceeded the Policy Index due to outperformance from multiple managers.
2. Long-term results (10 years) remain ahead of objectives, and continue to rank favorably among U.S. public employee retirement plans.
3. In their fifth quarter of extended probation (10/01/12 through 12/31/13), Fiduciary Management performed in-line with their benchmark.
4. Avignon Holdings LLC is included among Plan total assets, at a value of \$3.42 million.
5. JCR Capital Fund 2 made a cash flow distribution of \$706,661 on 11/8/2013. A new capital call for \$704,072 was met on 11/15/2013.
6. Effective 1/01/2014, the investment policy mandate for the Bradford & Marzec portfolio transitioned to intermediate duration and will be measured against the Barclays Intermediate Aggregate index.
7. We did not detect any violations of investment policy or guidelines.
8. As of 2/05/2014, asset allocations are close to new policy targets.
9. We recommend probation (1/01 - 6/30/2014) for WHV Investment Management and Orleans Capital for failure to meet investment objectives for the three years period ending 12/31/2013.

FUNDamental Facts

1. Risk Off - the standard deviation of monthly returns for the S&P 500 in 2013, 8.6% is less than one-half the historical average deviation of 19%.
2. Financial Repression - U.S. T-bills yielded less than inflation in 2013, earning .09% in a 1.4% inflationary environment. The 10-year return for T-bills was 1.67% versus inflation of 2.37%.
3. Slow but steady - in 2013 the Dow Jones Industrial Average price index of 30 U.S. stocks, moved 1% or greater on just 26 days. 2006 was the last time there was a year with such a small number of 1% moves.
4. Positive expectations - over the last 68 years, the S&P 500 Index posted a return of 20% or greater on a price basis, 18 times. The year following a 20%+ return, returns were positive in 14 of the 18 years. The average return for the S&P 500 for the 18 years following a 20%+ year, is 9.95%.
5. Not likely to continue - for just the third time in 53 years, the S&P 500 Index never finished one trading day below the level, where it started the 2013.
6. Make the call – U.S. equity markets typically have a price correction of 10% or more every 11 months. There has not been a correction in 27 months through 12/31/13.

Southfield Fire & Police Retirement System

Large Neutral Cumulative Performance Comparisons

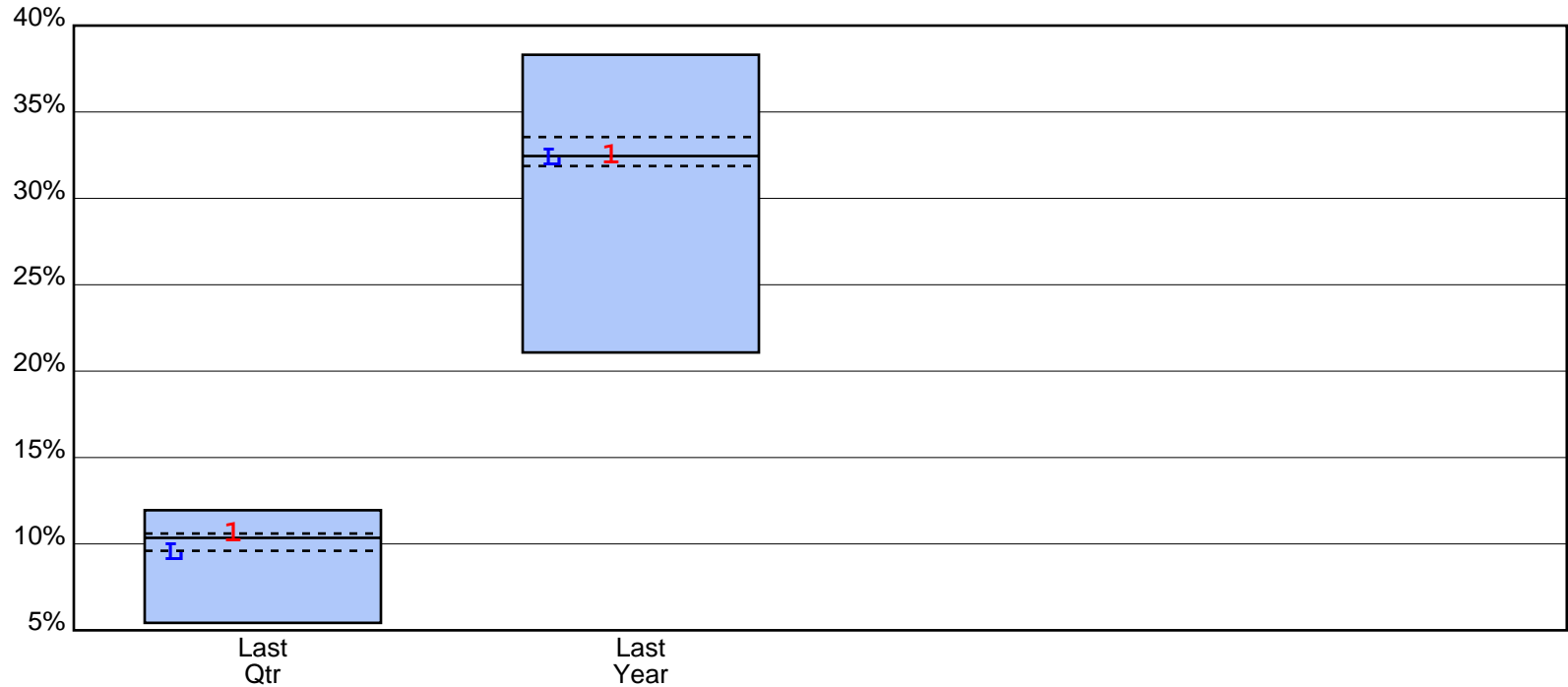
Total Returns of Equity Portfolios

Periods Ending 12/13

Manager Biography:
Hired in April 2012 with
funding of \$14 million.

Fee schedule:
First \$10mm 10 bps
Next \$40mm 8 bps
Next \$50mm 6 bps

Current Fee: 9 bps



5th Percentile
25th Percentile
Median
75th Percentile
95th Percentile

11.95
10.60
10.35
9.60
5.43

38.31
33.55
32.45
31.87
21.08

L LSIA Dividend Aristocrats
1 Standard & Poors 500

Quarterly Variance Analysis:

Underperformance is primarily attributed to index allocations among the Consumer Discretionary and Industrials sectors. This index normally contains about 50 stocks.

(Note: numbers in parentheses reflect actual peer group rankings. 1 = high; 99 = low)

Returns for periods greater than one year are annualized.

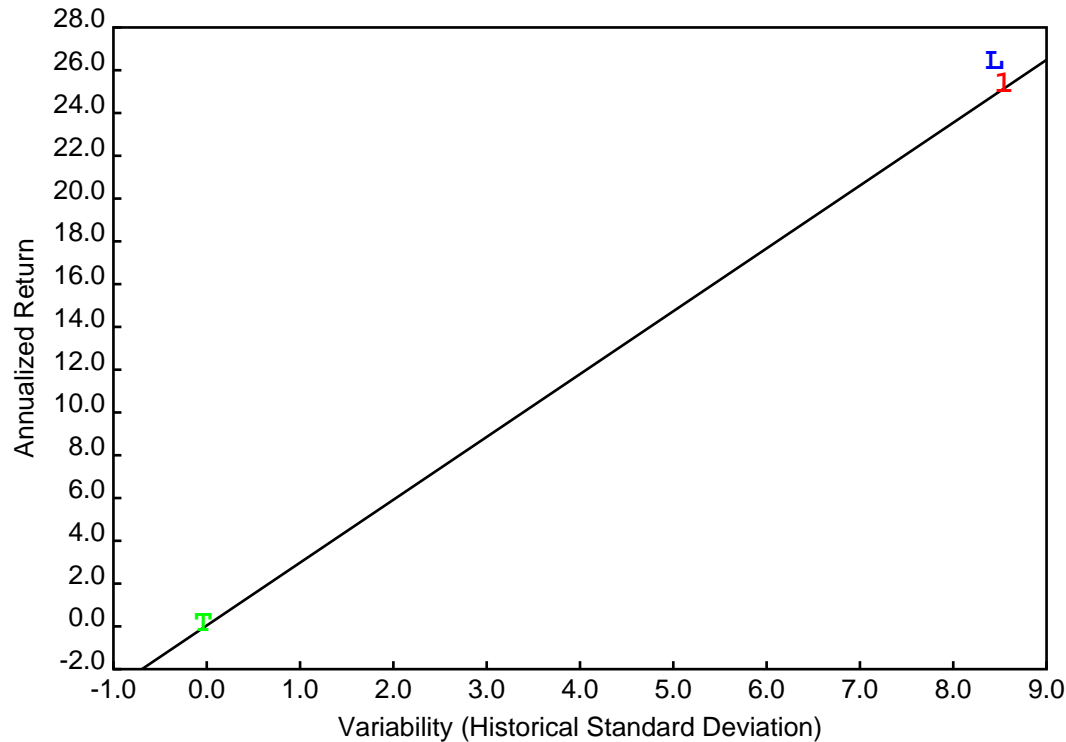
Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 6/12 to 12/13

Manager Annual Return: +26.38
Less: Annual Fee -0.09

+26.29

Less: Benchmark Return -25.31

Net Value-added Result +0.98



	Annualized Return	Variability	Reward	Sharpe Ratio
L LSIA Dividend Aristocrats	26.38	8.50	26.28	3.09
1 Standard & Poors 500	25.31	8.60	25.21	2.93
T 91-Day Treasury Bill	0.10	0.02	0.00	0.00

Manager Performance vs. Objectives:
Index strategy exceeds expectations after 1.5 years.

Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

Large Growth Cumulative Performance Comparisons

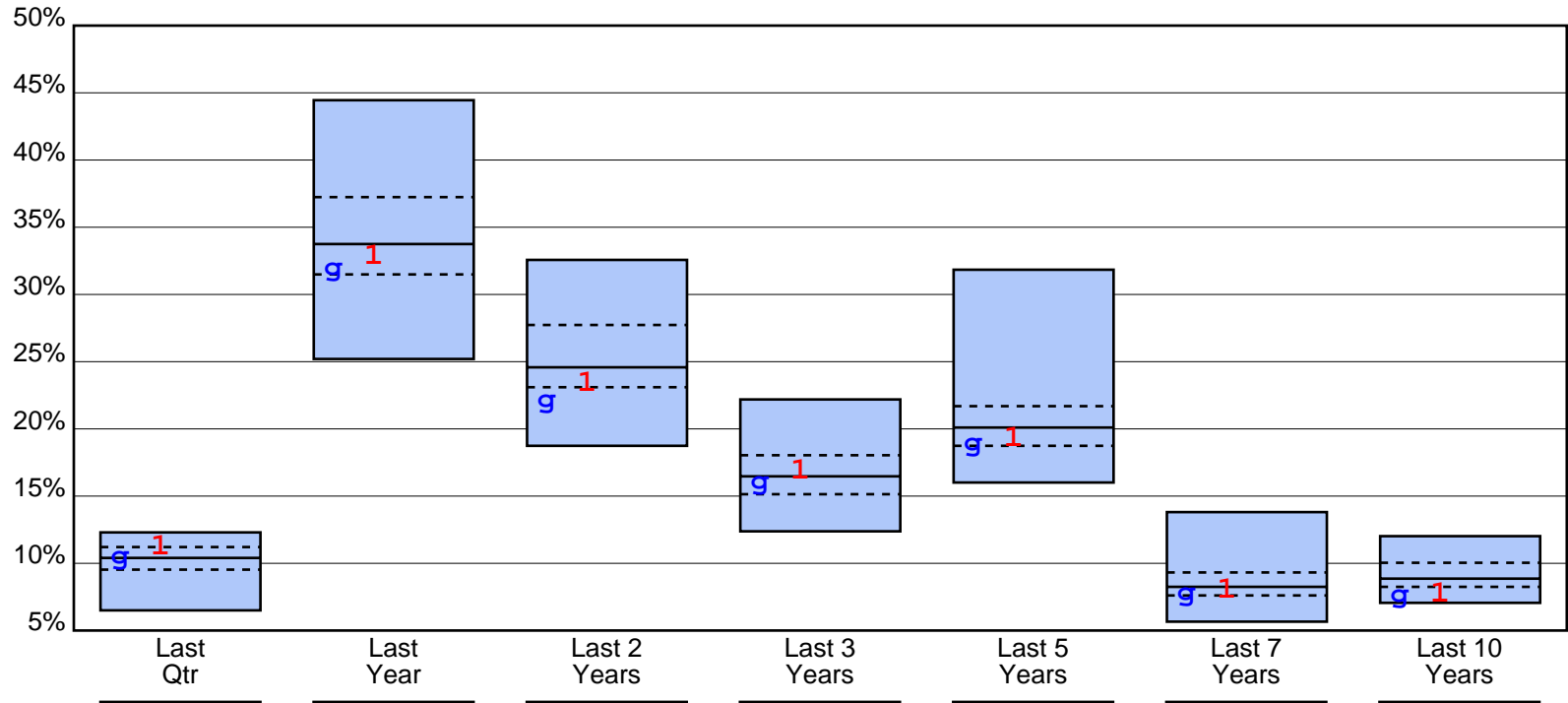
Total Returns of Equity Portfolios

Periods Ending 12/13

Manager Biography:
NTGI Barra/S&P Growth replaced Alpha Capital in March 2000. An additional \$21.3mm was invested in Oct 2000.

Fee schedule:
Northern Trust Index funds-
assets aggregated and the
following schedule applied:

First \$100 million 4bps
Balance at 3bps

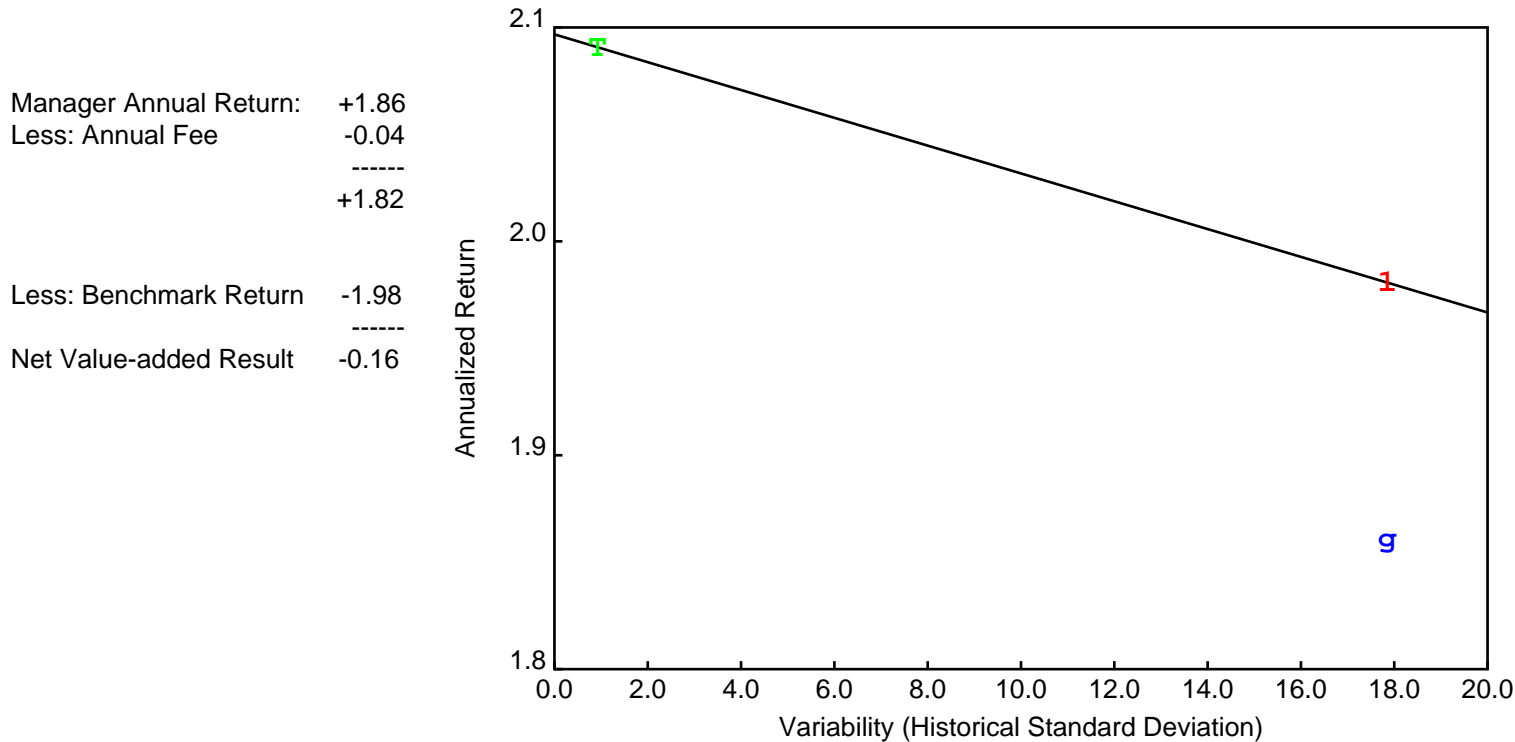


	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
5th Percentile	12.30	44.45	32.57	22.19	31.84	13.81	12.02
25th Percentile	11.21	37.24	27.73	18.04	21.69	9.32	10.04
Median	10.40	33.75	24.58	16.47	20.10	8.25	8.86
75th Percentile	9.53	31.49	23.10	15.14	18.74	7.61	8.25
95th Percentile	6.50	25.20	18.74	12.38	16.01	5.66	7.06
g NTGI Citigroup/S&P Growth Index	10.37 (50)	31.85 (72)	22.01 (82)	15.92 (61)	18.78 (74)	7.67 (71)	7.50 (88)
1 S&P 500/Citigroup Growth Index	11.15 (26)	32.76 (64)	23.36 (70)	16.78 (40)	19.24 (65)	7.98 (60)	7.63 (87)

This is a non-proprietary fund consisting of approximately 310 large cap growth stocks. Variance is due to the withdrawal of \$3.6 million on 12/19/13 at the price of \$16.131 versus the 12/31/13 closing price of \$16.479 as part of rebalancing the Total Fund. Any performance difference is generally the result of trading costs, and should be minimal. The fund and benchmark are rebalanced every December.
(Note: the numbers in parentheses reflect the actual peer group rankings. 1 = high; 99 = low)

Returns for periods greater than one year are annualized.

Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 3/00 to 12/13



	Annualized Return	Variability	Reward	Sharpe Ratio
g NTGI Citigroup/S&P Growth Index	1.86	17.97	-0.23	-0.01
1 S&P 500/Citigroup Growth	1.98	17.96	-0.11	-0.01
T 91-Day Treasury Bill	2.09	1.04	0.00	0.00

Manager Performance vs. Objectives:

This index fund strategy meets expectations after 13.75 years, excluding the 4Q12 and 4Q13 variances due to rebalancing the total fund.

Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

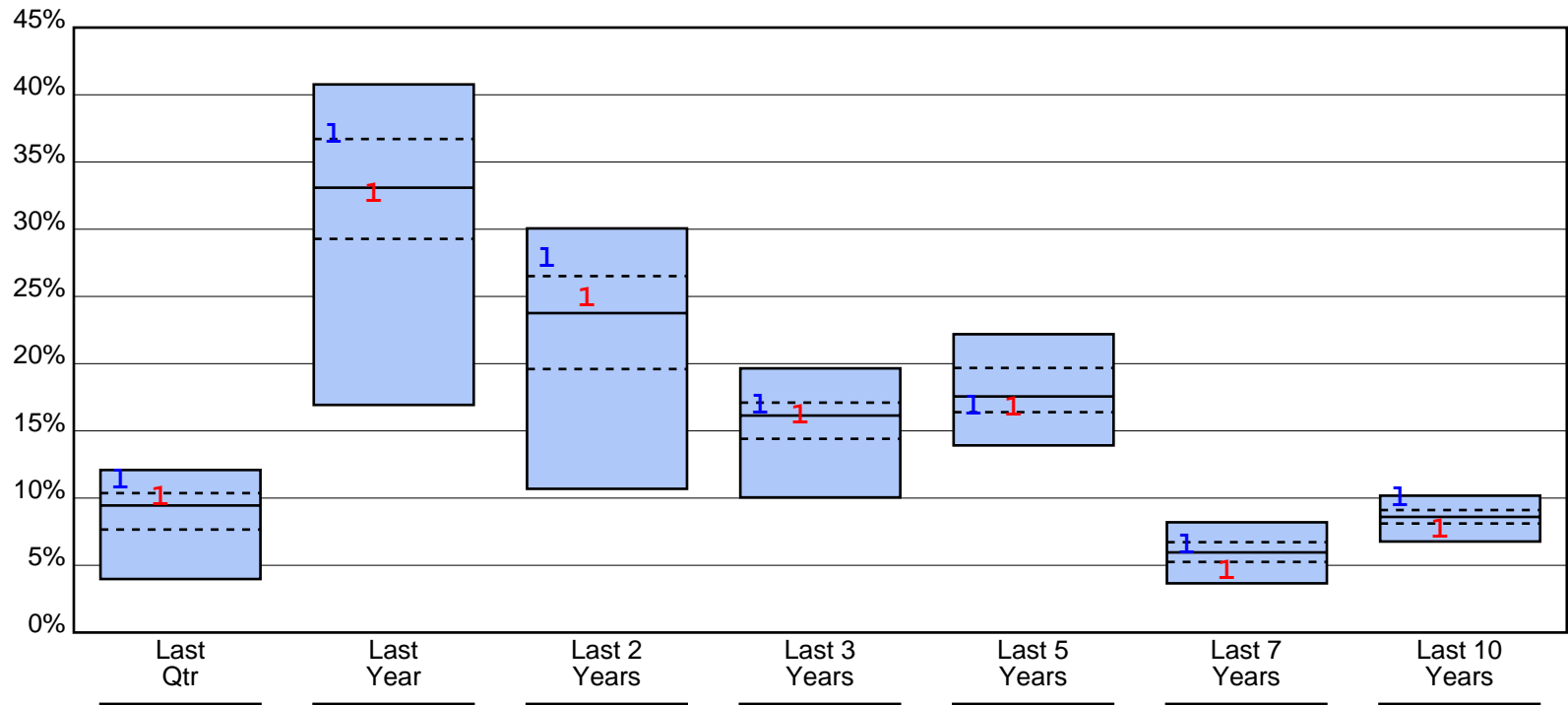
Large Value Cumulative Performance Comparisons

Total Returns of Equity Portfolios

Periods Ending 12/13

Manager Biography:
 Loomis, Sayles hired in April 1995, with funding of \$12 mm. Added \$2.5mm in June 1998, and \$6.6mm in Dec. 1998. In Nov. 2000, \$18.3mm was transferred to NTGI Barra/S&P Value. In May 2002, \$15 mm was returned.

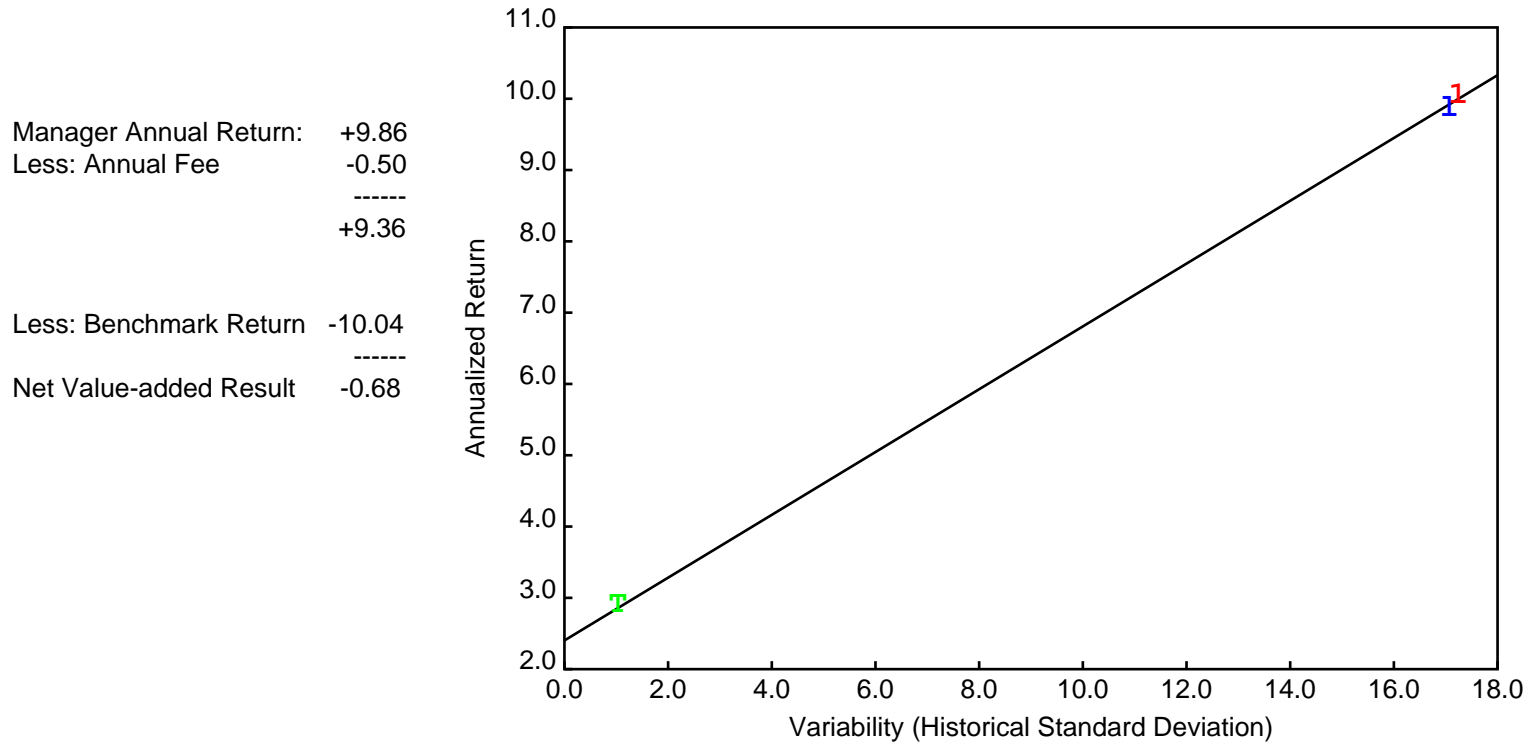
Fee schedule:
 First \$2 million 60bps
 Next \$20 million 50bps
 Next \$28 million 45bps
 Over \$50 million 40bps
 Minimum fee is \$10,000



5th Percentile	12.09	40.77	30.06	19.65	22.19	8.20	10.18
25th Percentile	10.37	36.71	26.51	17.10	19.68	6.72	9.11
Median	9.45	33.09	23.76	16.14	17.56	5.96	8.60
75th Percentile	7.66	29.28	19.60	14.41	16.39	5.25	8.11
95th Percentile	3.98	16.93	10.69	10.05	13.92	3.66	6.77
1 Loomis Sayles LC Value	11.22 (16)	36.95 (22)	27.73 (18)	16.80 (33)	16.74 (70)	6.41 (38)	9.92 (10)
1 Russell 1000 Value	10.01 (33)	32.54 (54)	24.80 (42)	16.06 (53)	16.67 (71)	4.52 (90)	7.58 (88)

Quarterly Variance Analysis:
 Outperformance is primarily attributed to strong stock selection in the Financials sector.
 Underperformance in 2Q12, 2Q11, and 3Q11, combined with poor results in 2010 are impacting 3- and 5-years results.
 (Note: numbers in parentheses reflect the actual peer group rankings. 1 = high; 99 = low)

Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 6/95 to 12/13



	Annualized Return	Variability	Reward	Sharpe Ratio
1 Loomis Sayles LC Value	9.86	17.17	6.96	0.41
1 Russell 1000 Value	10.04	17.34	7.14	0.41
T 91-Day Treasury Bill	2.90	1.13	0.00	0.00

Manager Performance vs. Objectives:
While portfolio manager trails expectations after 18.5 years, results for the past 10 years exceed expectations.

Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

Midcap Neutral Cumulative Performance Comparisons

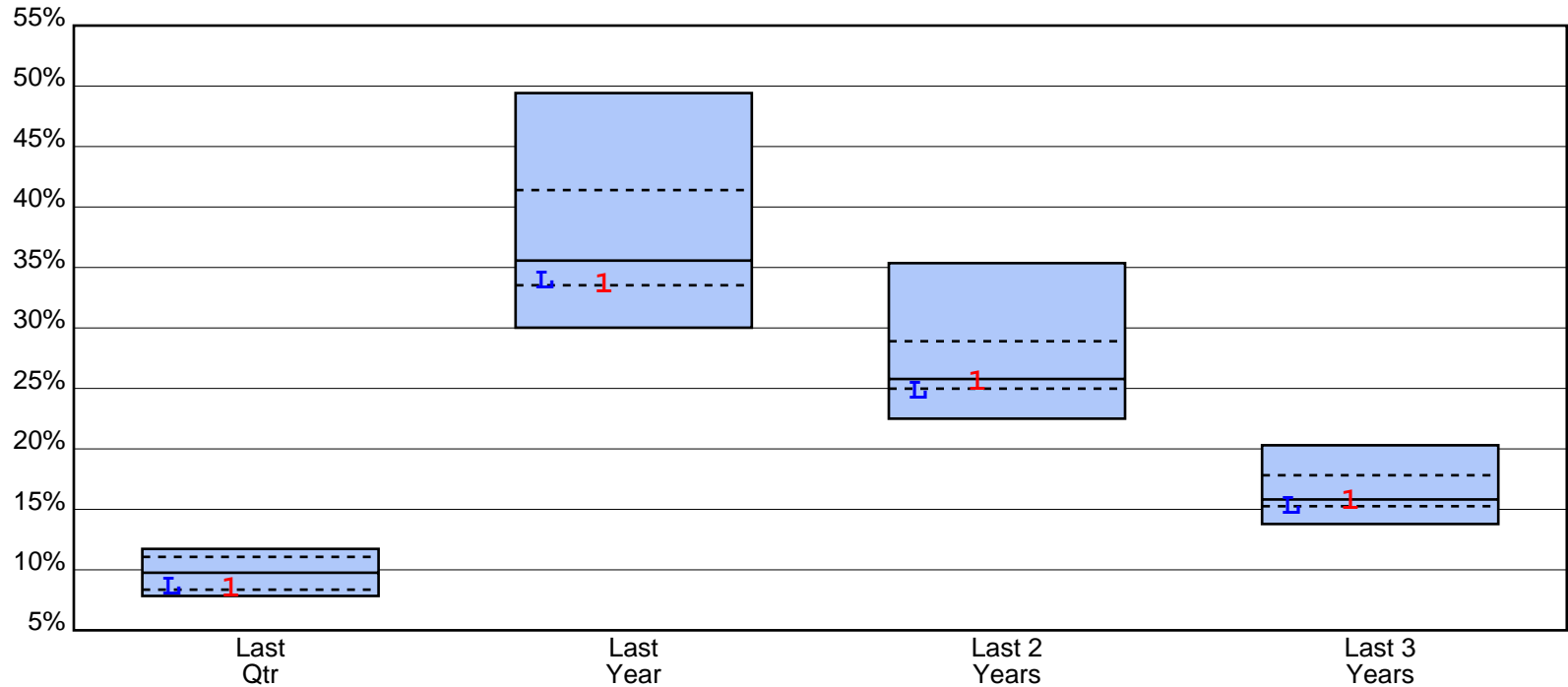
Total Returns of Equity Portfolios

Periods Ending 12/13

Manager Biography:
Replaced the NTGI S&P
Midcap 400 Enhanced Index
on 4/09/2009.

The Enhanced Index fund
was funded in October 2003
with approximately \$19mm.

Fee schedule:
First \$100 million 4bps
Balance at 3bps



5th Percentile
25th Percentile
Median
75th Percentile
95th Percentile

11.73
11.07
9.76
8.36
7.84

49.42
41.40
35.57
33.53
30.02

35.36
28.90
25.78
24.98
22.50

20.30
17.82
15.82
15.26
13.79

NTGI S&P Midcap 400 - Lending
S&P MidCap 400

8.53 (73)
8.34 (79)

33.87 (64)
33.51 (75)

24.71 (76)
25.45 (63)

15.22 (76)
15.64 (63)

This is a non-proprietary fund designed to approximate the risk and return of the S&P 400 Index. Any performance difference is generally the result of trading costs, and should be minimal. The fund and benchmark are rebalanced every December. The universe is comprised of equity managers classified as medium capitalization with yield and earnings characteristics tending to market-like levels. (Note: the numbers in parentheses reflect the actual peer group rankings. 1 = high; 99 = low)

Returns for periods greater than one year are annualized.

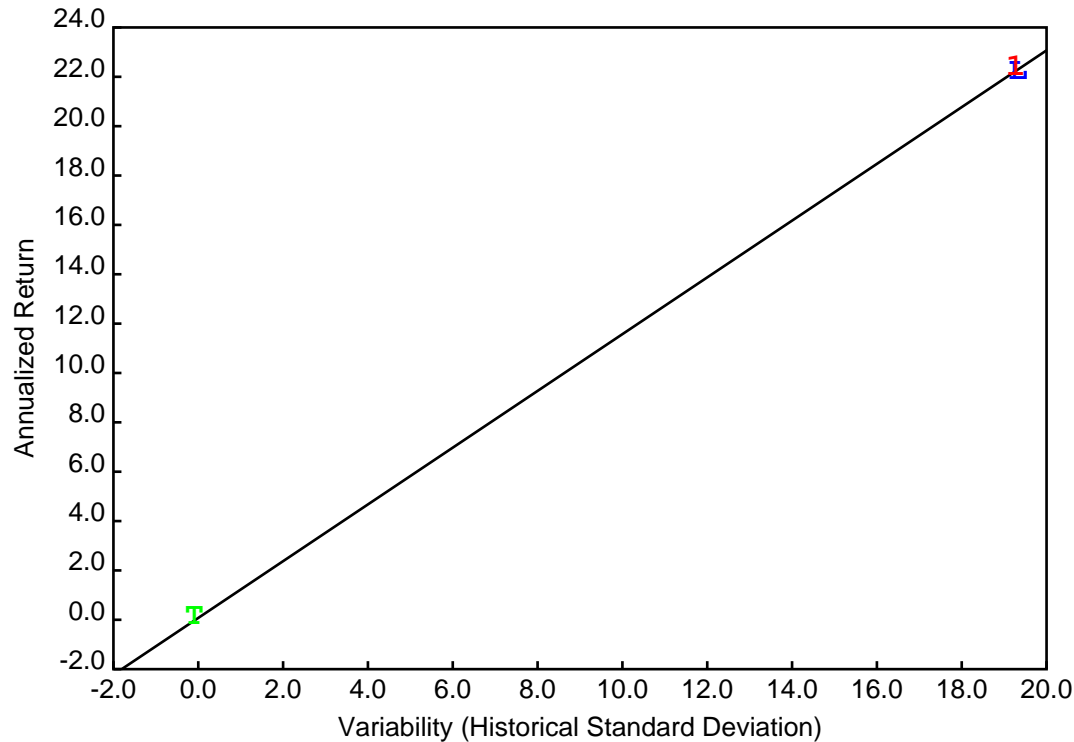
Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 6/09 to 12/13

Manager Annual Return: +22.21
Less: Annual Fee -0.04

+22.17

Less: Benchmark Return -22.37

Net Value-added Result -0.20



	Annualized Return	Variability	Reward	Sharpe Ratio
L NTGI S&P Midcap 400 - Lending	22.21	19.46	22.10	1.14
1 S&P MidCap 400	22.37	19.39	22.26	1.15
T 91-Day Treasury Bill	0.11	0.03	0.00	0.00

Manager Performance vs. Objectives:

This index fund strategy meets expectations after 4.5 years, excluding the 4Q12 variance due to rebalancing the total fund.

Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

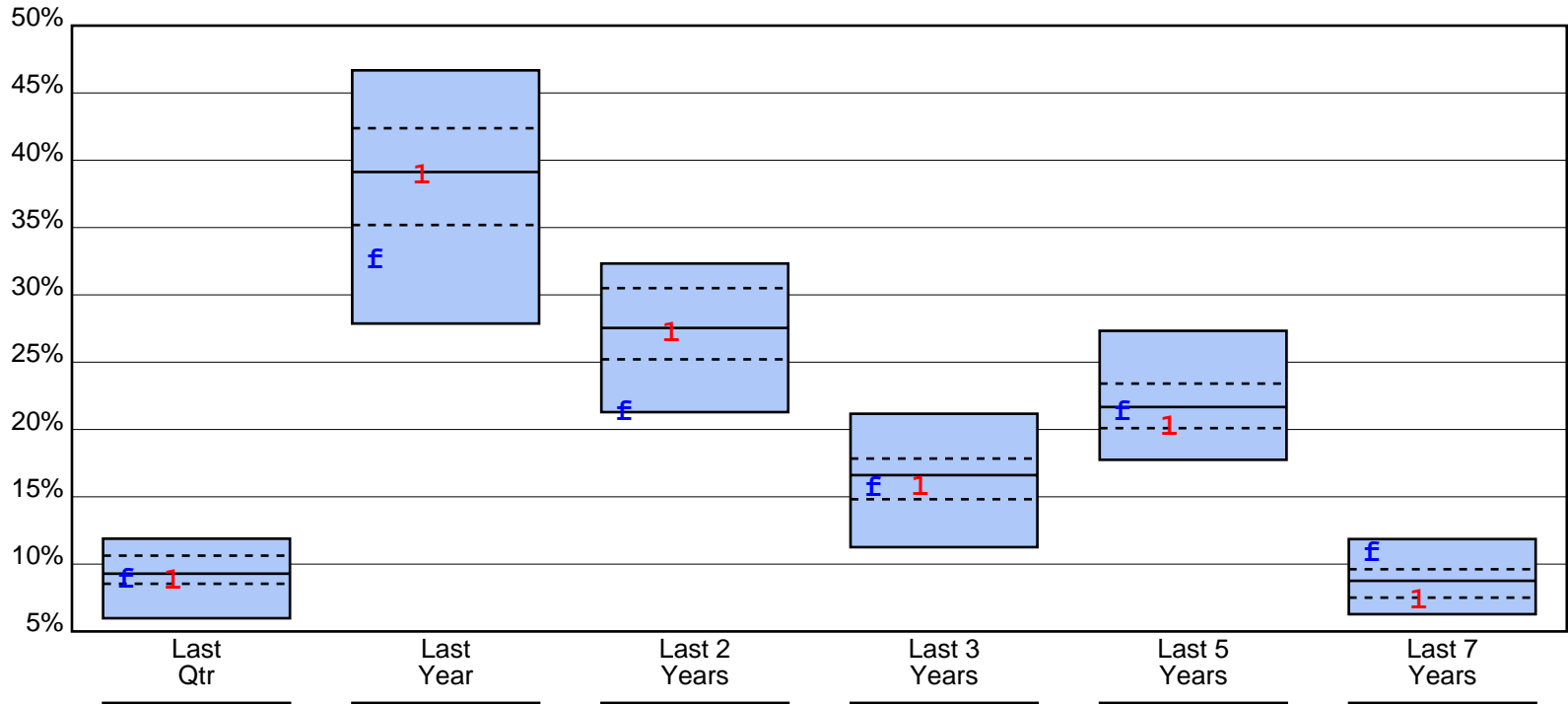
Small Neutral Cumulative Performance Comparisons

Total Returns of Equity Portfolios

Periods Ending 12/13

Manager Biography:
Fiduciary Management replaced Dreyfus in Oct 2005 with funding of approximately \$12.7mm

Fee schedule:
First \$25 million 90bps
Next \$25 million 85bps
Next \$50 million 75bps
Over \$100 million 65bps



5th Percentile	11.89	46.68	32.33	21.17	27.33	11.86
25th Percentile	10.63	42.38	30.50	17.84	23.41	9.62
Median	9.29	39.13	27.54	16.61	21.67	8.76
75th Percentile	8.54	35.19	25.21	14.82	20.10	7.51
95th Percentile	5.98	27.87	21.29	11.26	17.75	6.28
f Fiduciary Management	8.76 (64)	32.50 (84)	21.24 (95)	15.60 (67)	21.22 (59)	10.76 (13)
1 Russell 2000	8.72 (67)	38.82 (52)	27.09 (56)	15.67 (67)	20.08 (75)	7.21 (82)

Quarterly Variance Analysis:
Performance was in-line with the benchmark.

(Note: numbers in parentheses reflect the actual peer group rankings. 1 = high; 99 = low)

Returns for periods greater than one year are annualized.

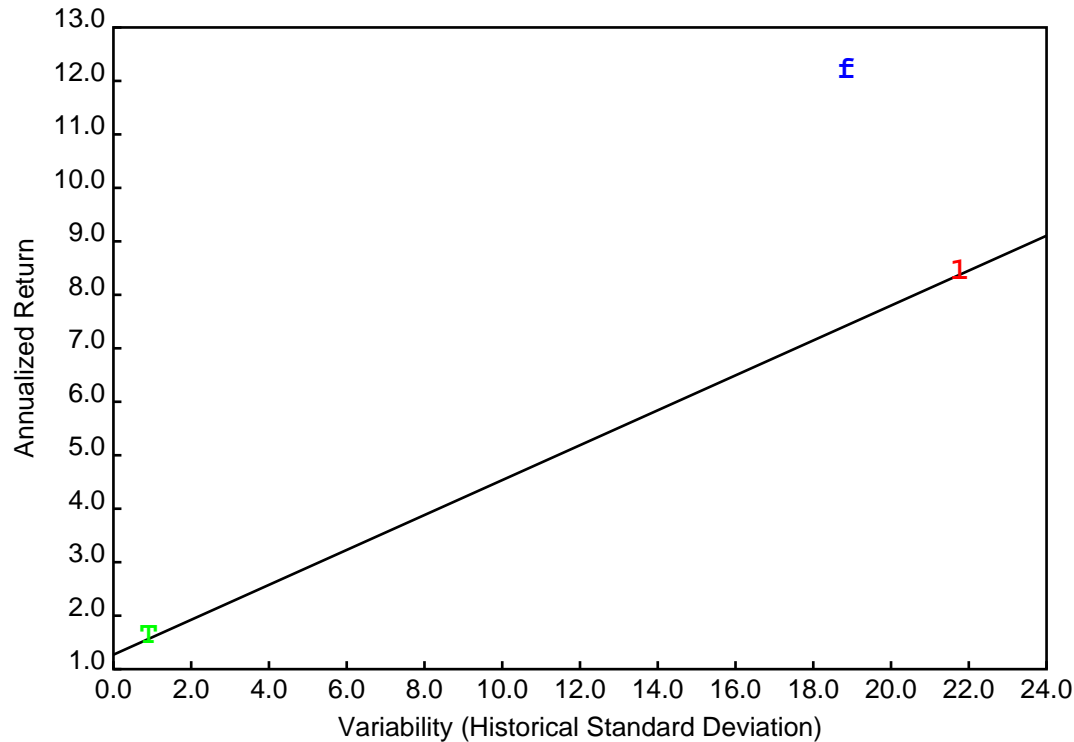
Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 9/05 to 12/13

Manager Annual Return: +12.18
Less: Annual Fee -0.90

+11.28

Less: Benchmark Return -8.42

Net Value-added Result +2.86



	Annualized Return	Variability	Reward	Sharpe Ratio
f Fiduciary Management	12.18	18.99	10.57	0.56
1 Russell 2000	8.42	21.90	6.81	0.31
T 91-Day Treasury Bill	1.61	1.04	0.00	0.00

Manager Performance vs. Objectives:
Despite poor short-term results, portfolio manager exceeds expectations after 8.25 years.

Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

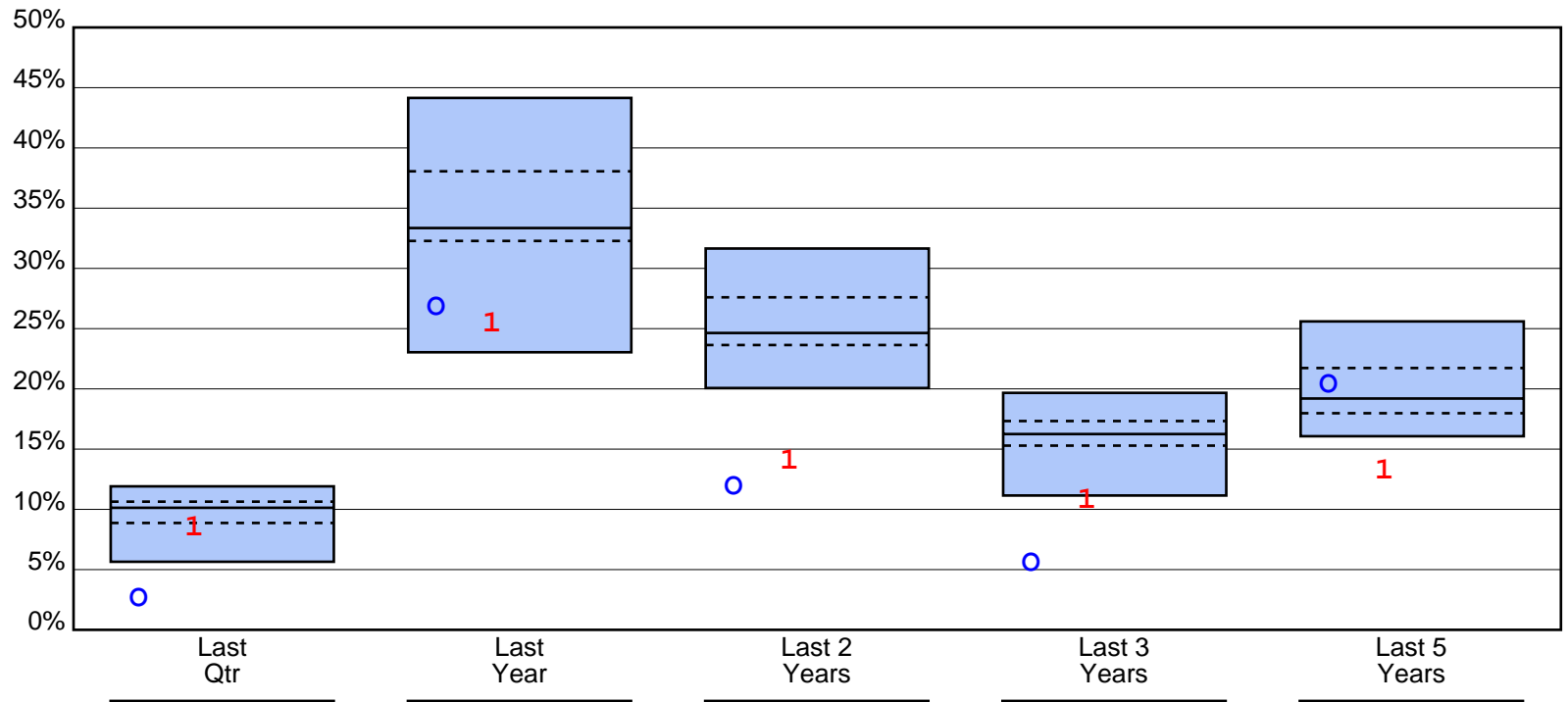
All Neutral Cumulative Performance Comparisons

Total Returns of Equity Portfolios

Periods Ending 12/13

Manager Biography:
Orleans Capital funded
with \$1mm on 10/1, 11/1,
and 12/1/2008.

Fee schedule: 100 bps



5th Percentile
25th Percentile
Median
75th Percentile
95th Percentile

	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 5 Years
5th Percentile	11.91	44.15	31.65	19.67	25.60
25th Percentile	10.64	38.06	27.60	17.33	21.73
Median	10.13	33.35	24.64	16.25	19.20
75th Percentile	8.87	32.28	23.64	15.29	17.98
95th Percentile	5.65	23.04	20.07	11.15	16.07
Orleans Capital Mgmt - Energy Opp	2.54 (98)	26.69 (92)	11.81 (99)	5.49 (99)	20.29 (38)
S&P 500 Energy Index	8.38 (84)	25.32 (93)	13.98 (99)	10.68 (96)	13.12 (99)

Quarterly Variance Analysis:

Underperformance is primarily attributed to weak selection among stocks of Oil exploration and producers. Cobalt International Energy (-33.83%) was a leading detractor from results.

(Note: numbers in parentheses reflect the actual peer group rankings. 1 = high; 99 = low)

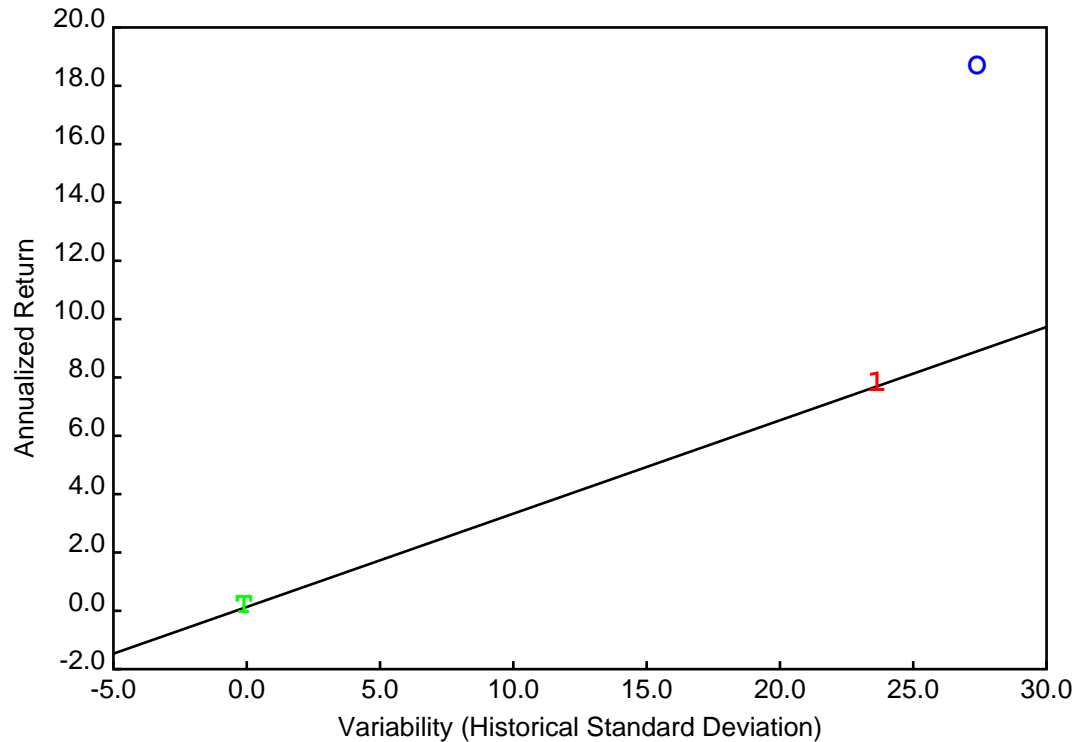
Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 9/08 to 12/13

Manager Annual Return: +18.64
Less: Annual Fee -1.00

+17.64

Less: Benchmark Return -7.76

Net Value-added Result +9.88



	Annualized Return	Variability	Reward	Sharpe Ratio
Orleans Capital Mgmt - Energy Opport	18.64	27.58	18.48	0.67
S&P 500 Energy Index	7.76	23.84	7.61	0.32
91-Day Treasury Bill	0.16	0.09	0.00	0.00

Manager Performance vs. Objectives:
Portfolio manager exceeds expectations after 5.25 years.

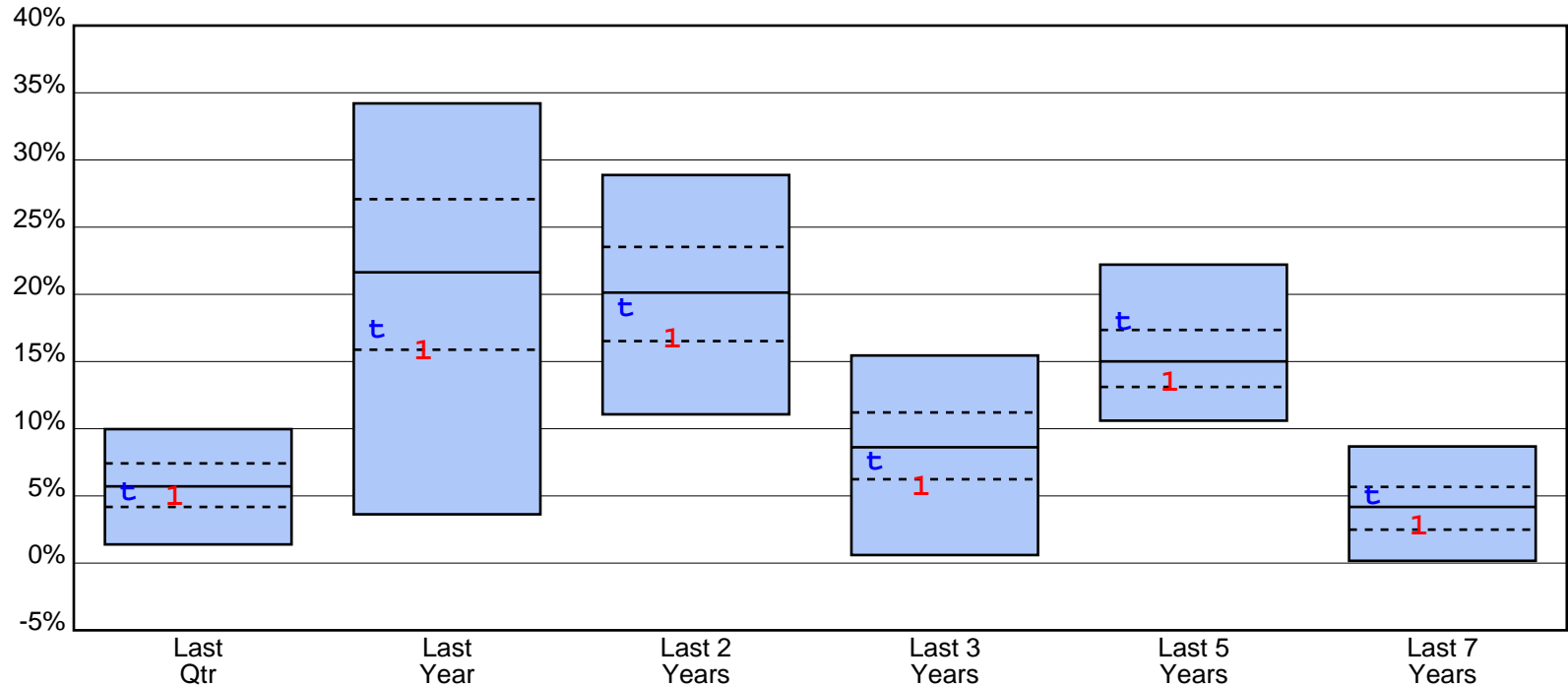
Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

Cumulative Performance Comparison

Total Returns of International Equity Portfolios

Periods Ending 12/13



5th Percentile
25th Percentile
Median
75th Percentile
95th Percentile

Period	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years
5th Percentile	9.97	34.21	28.88	15.45	22.21	8.68
25th Percentile	7.42	27.08	23.53	11.21	17.35	5.67
Median	5.71	21.64	20.13	8.62	15.01	4.18
75th Percentile	4.18	15.88	16.52	6.24	13.11	2.49
95th Percentile	1.39	3.63	11.07	0.60	10.60	0.17
1607 Capital Partners (t)	5.19 (57)	17.27 (68)	18.90 (61)	7.50 (66)	17.88 (21)	4.92 (35)
MSCI ACWI x-US (1)	4.81 (64)	15.68 (75)	16.54 (74)	5.59 (79)	13.31 (73)	2.61 (72)

Quarterly Variance Analysis:

Slight outperformance is due to the widening gaps between close-end fund NAVs and their underlying securities prices. The manager acknowledges differences in total portfolio valuation with the custodian on a quarter-to-quarter basis. Exposure to emerging markets was approximately 23.8% of the portfolio. At the end of the quarter, 1607 held 100 closed-end funds. The universe consists of about 315 funds. (Note: numbers in parentheses reflect the actual peer group rankings. 1 = high; 99 = low)

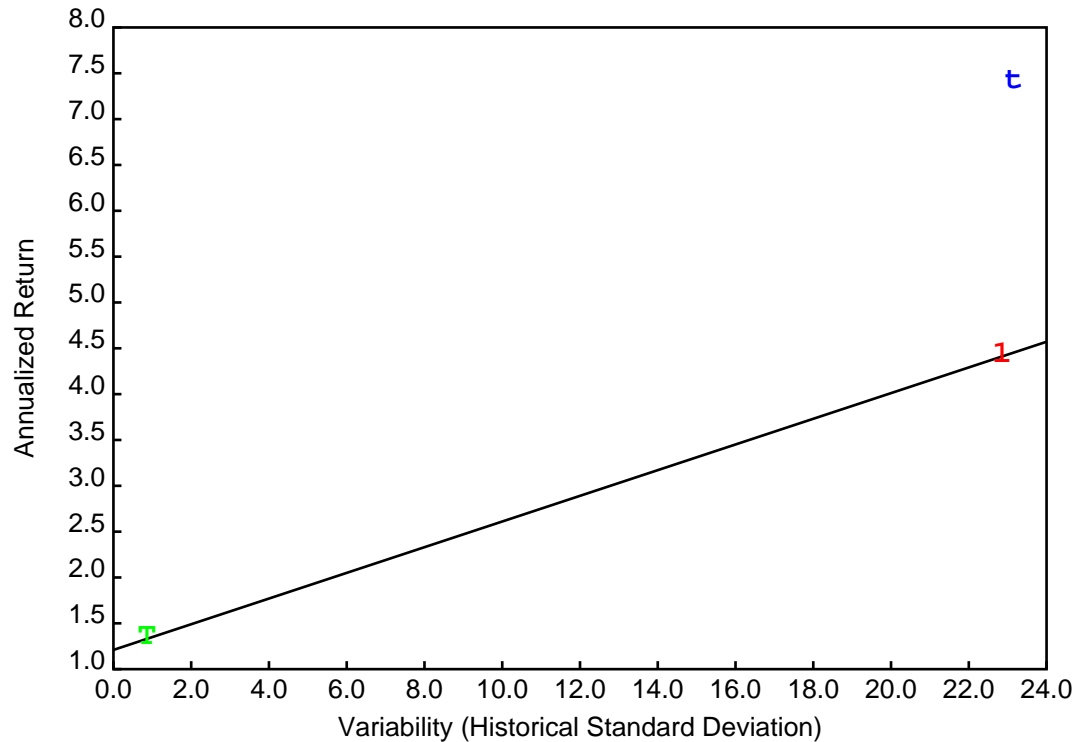
Returns for periods greater than one year are annualized.

Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 6/06 to 12/13

Manager Annual Return: +7.42
 Less: Annual Fee -0.75
 Less: Global C/T Fees -0.10
 (Custody/Transaction) -----
 +6.57

Less: Benchmark Return -4.43

 Net Value-added Result +2.14



	Annualized Return	Variability	Reward	Sharpe Ratio
t 1607 Capital Partners	7.42	23.28	6.07	0.26
1 MSCI ACWI x-US	4.43	22.99	3.08	0.13
T 91-Day Treasury Bill	1.35	1.00	0.00	0.00

Manager Performance vs. Objectives:
 Portfolio manager exceeds expectations after 7.5 years.

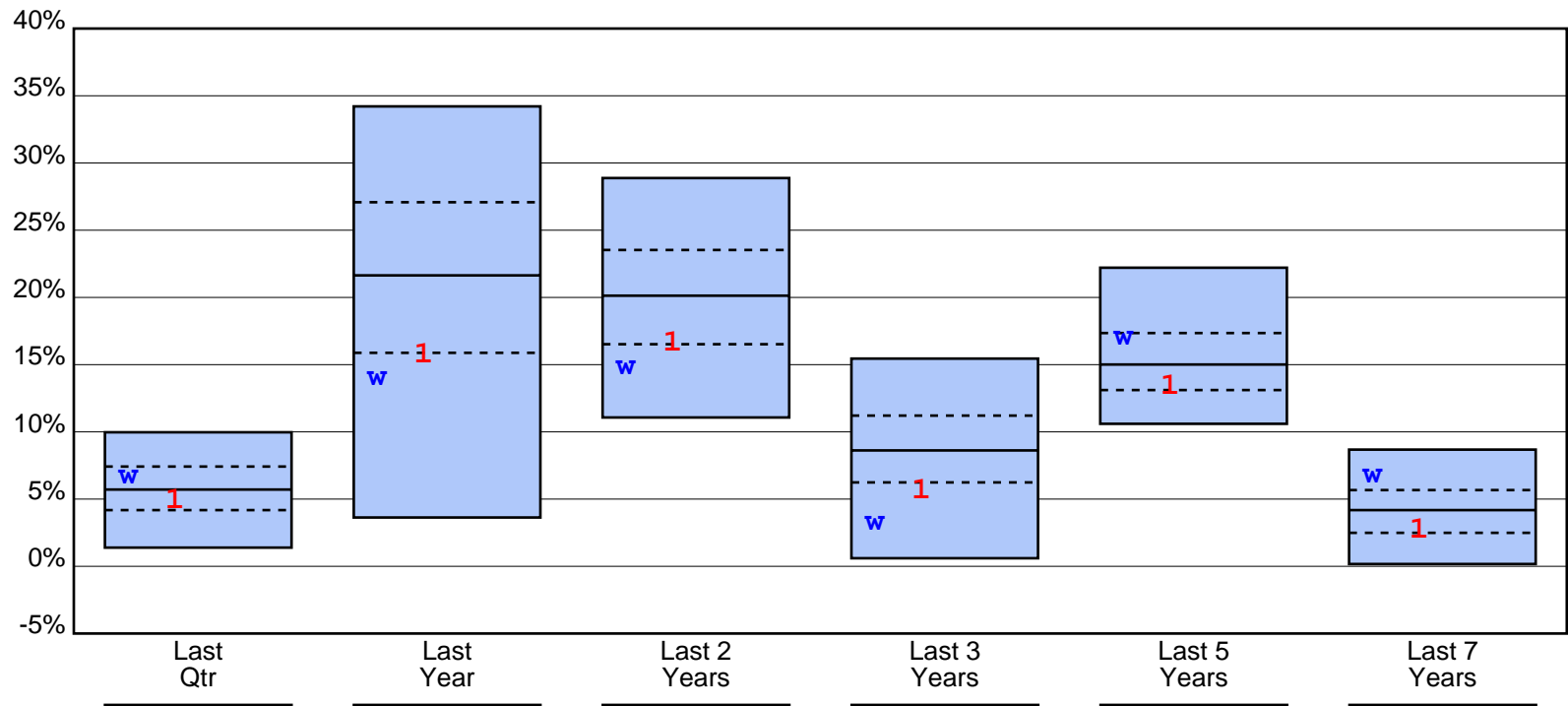
Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

Cumulative Performance Comparison

Total Returns of International Equity Portfolios

Periods Ending 12/13



5th Percentile
25th Percentile
Median
75th Percentile
95th Percentile

Last Qtr	9.97	34.21	28.88	15.45	22.21	8.68
Last Year	7.42	27.08	23.53	11.21	17.35	5.67
Last 2 Years	5.71	21.64	20.13	8.62	15.01	4.18
Last 3 Years	4.18	15.88	16.52	6.24	13.11	2.49
Last 5 Years	1.39	3.63	11.07	0.60	10.60	0.17
Last 7 Years						
WHV Investment Mgmt	6.66 (36)	14.00 (84)	14.80 (83)	3.21 (90)	17.03 (27)	6.73 (16)
MSCI ACWI x-US	4.81 (64)	15.68 (75)	16.54 (74)	5.59 (79)	13.31 (73)	2.61 (72)

Quarterly Variance Analysis:

Significant outperformance is primarily attributed to strong stock selection in the Industrials sectors.

Good stock selection in the Materials sector further strengthened results.

The manager is consistent with their longer-term global investment themes and stock selection strategy, while acknowledging the slow-down in global growth will hurt performance for awhile.

(Note: numbers in parentheses reflect the actual peer group rankings. 1 = high; 99 = low)

Returns for periods greater than one year are annualized.

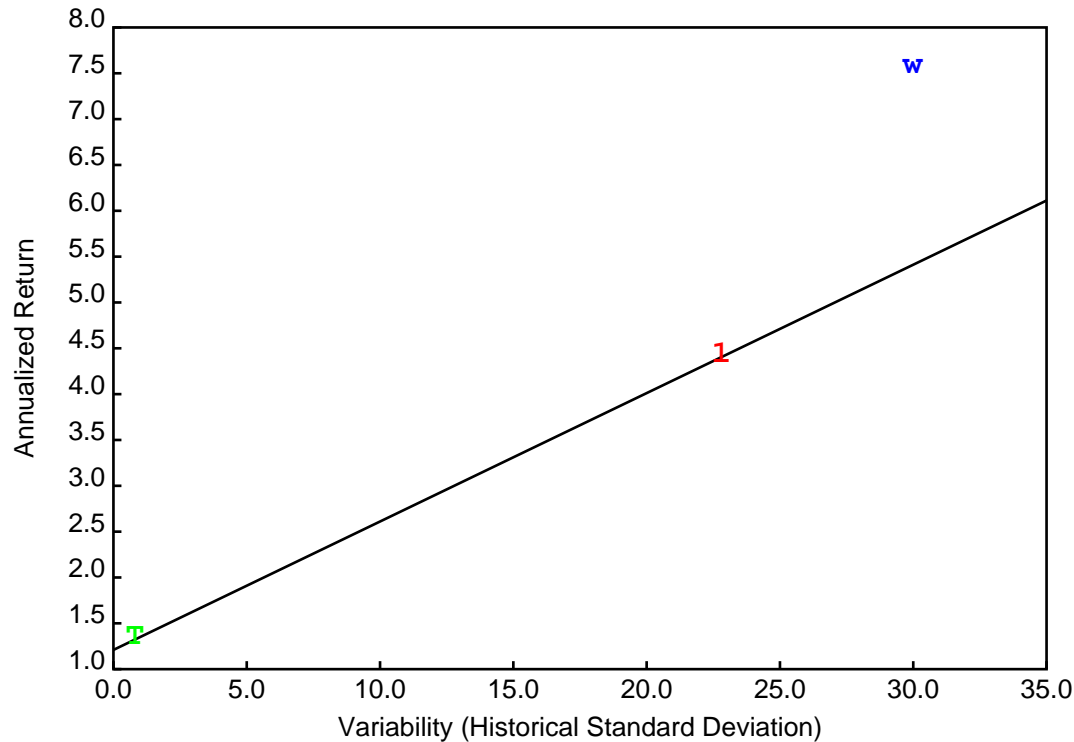
Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 6/06 to 12/13

Manager Annual Return: +7.58
Less: Annual Fee -0.92

+6.66

Less: Benchmark Return -4.43

Net Value-added Result +2.23



	Annualized Return	Variability	Reward	Sharpe Ratio
W WHV Investment Mgmt	7.58	30.17	6.23	0.21
1 MSCI ACWI x-US	4.43	22.99	3.08	0.13
T 91-Day Treasury Bill	1.35	1.00	0.00	0.00

Manager Performance vs. Objectives:
Despite poor short-term results, portfolio manager exceeds expectations after 7.5 years.

Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

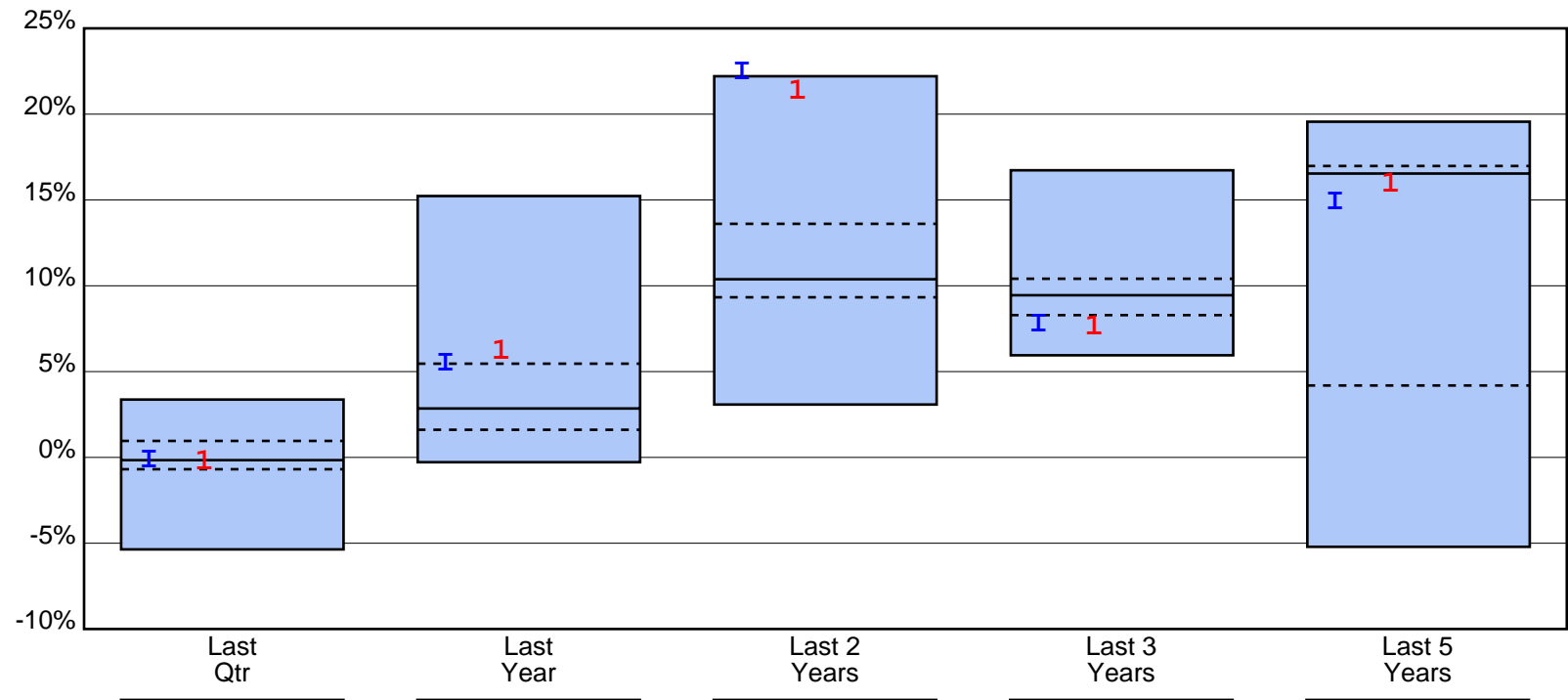
Cumulative Performance Comparison

Total Returns of Public REIT Portfolios

Periods Ending 12/13

Manager Biography:
INVESCO International REIT
funded with \$1mm on 10/1,
11/1, and 12/1/2008.

Fee Schedule:
80 bps on first \$100mm



5th Percentile
25th Percentile
Median
75th Percentile
95th Percentile

	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 5 Years
5th Percentile	3.37	15.23	22.21	16.73	19.56
25th Percentile	0.96	5.46	13.61	10.41	16.98
Median	-0.16	2.85	10.38	9.45	16.54
75th Percentile	-0.69	1.61	9.33	8.29	4.19
95th Percentile	-5.36	-0.28	3.08	5.95	-5.21
I Invesco International REIT	-0.16 (50)	5.46 (25)	22.45 (4)	7.76 (85)	14.84 (68)
1 FTSE EPRA/NAREIT Global x-US	-0.32 (64)	6.14 (22)	21.27 (5)	7.58 (85)	15.86 (60)

Quarterly Variance Analysis:

Slight outperformance is attributed to good REIT selection in Australia, Germany, and Japan.

(Note: numbers in parentheses reflect the actual peer group rankings. 1 = high; 99 = low)

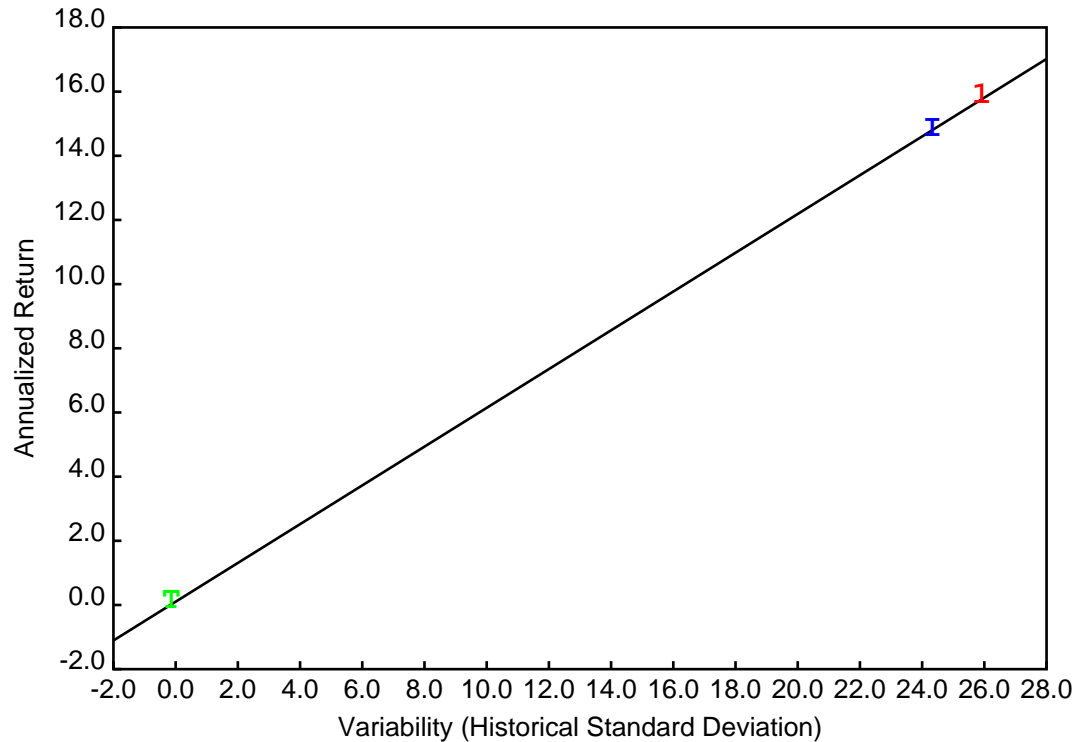
Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 12/08 to 12/13

Manager Annual Return: +14.84
Less: Annual Fee -0.80

+14.04

Less: Benchmark Return -15.86

Net Value-added Result -1.82



	Annualized Return	Variability	Reward	Sharpe Ratio
I Invesco International REIT	14.84	24.49	14.71	0.60
1 FTSE EPRA/NAREIT Global	15.86	26.08	15.74	0.60
T 91-Day Treasury Bill	0.12	0.03	0.00	0.00

Manager Performance vs. Objectives:
Portfolio manager is close to expectations after 5 years.

Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

Fixed Income Core Cumulative Performance Comparisons

Total Returns of Fixed Income Portfolios

Periods Ending 12/13

Manager Biography:
Hired in August 2013 with
funding of about \$25 million.

Current fee is 32 bps
(for first \$50mm)



5th Percentile	1.33
25th Percentile	0.46
Median	0.13
75th Percentile	-0.19
95th Percentile	-1.07

B Bradford & Marzec Core Plus	0.60 (18)
1 Barclays U.S. Aggregate	-0.14 (65)

Quarterly Variance Analysis:

Outperformance is primarily attributed to good securities selection among investment-grade corporate bonds. Exposure to high-yield bonds further strengthened results.

(Note: numbers in parentheses reflect actual peer rankings. 1 = high: 99 = low)

Southfield Fire & Police Retirement System

Fixed Income Core Cumulative Performance Comparisons

Total Returns of Fixed Income Portfolios

Periods Ending 12/13

Manager Biography:
Hired in August 2013 with
funding of about \$15mm.

Internal expense ratio
is 42 bps.



5th Percentile	1.33
25th Percentile	0.46
Median	0.13
75th Percentile	-0.19
95th Percentile	-1.07

L Loomis Sayles Full Discretion	2.10 (1)
1 Barclays U.S. Aggregate	-0.14 (65)

Quarterly Variance Analysis:

Significant outperformance is primarily attributed to good security selection in investment-grade bonds and the outside-of-benchmark exposure to high-yield and convertible bonds.

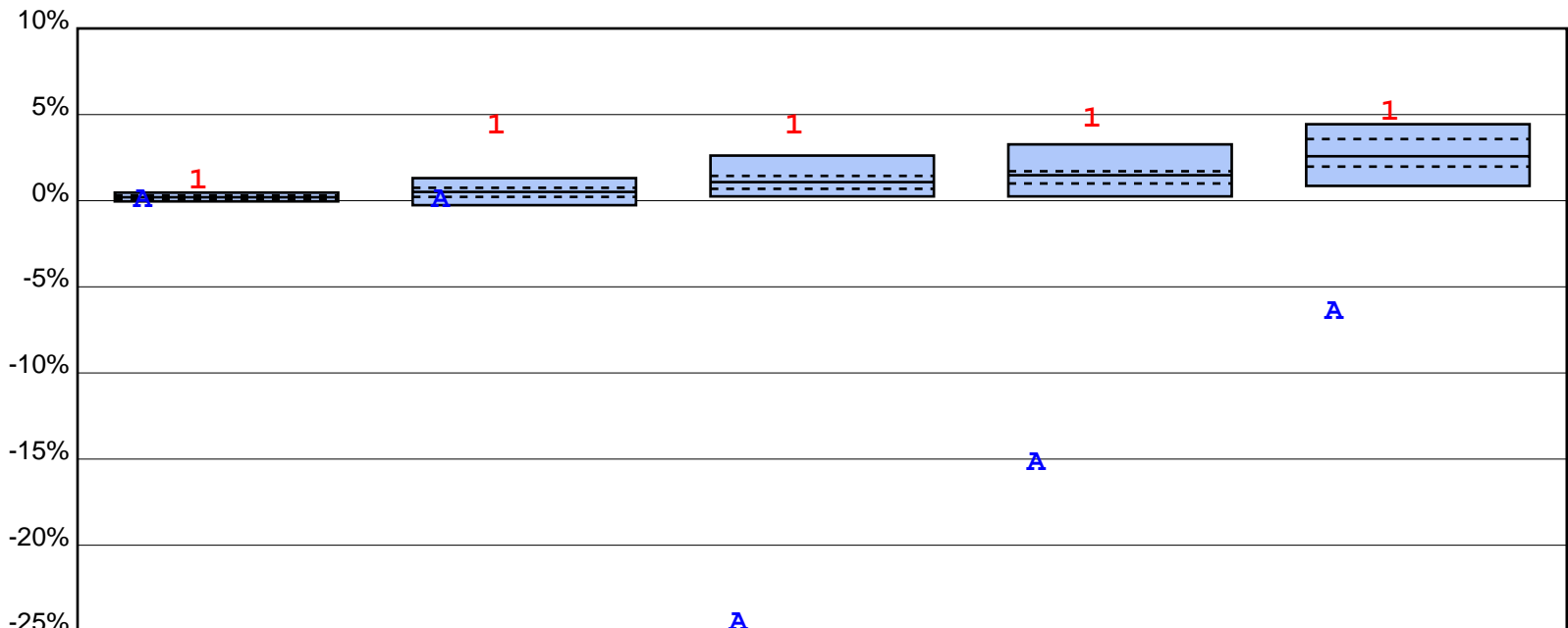
(Note: the numbers in parentheses reflect the actual peer group rankings. 1 = high; 99 = low)

Southfield Fire & Police Retirement System

Short Term Cumulative Performance Comparisons

Total Returns of Fixed Income Portfolios

Periods Ending 12/13



\$6 million loan to Avignon was made in October 2007.

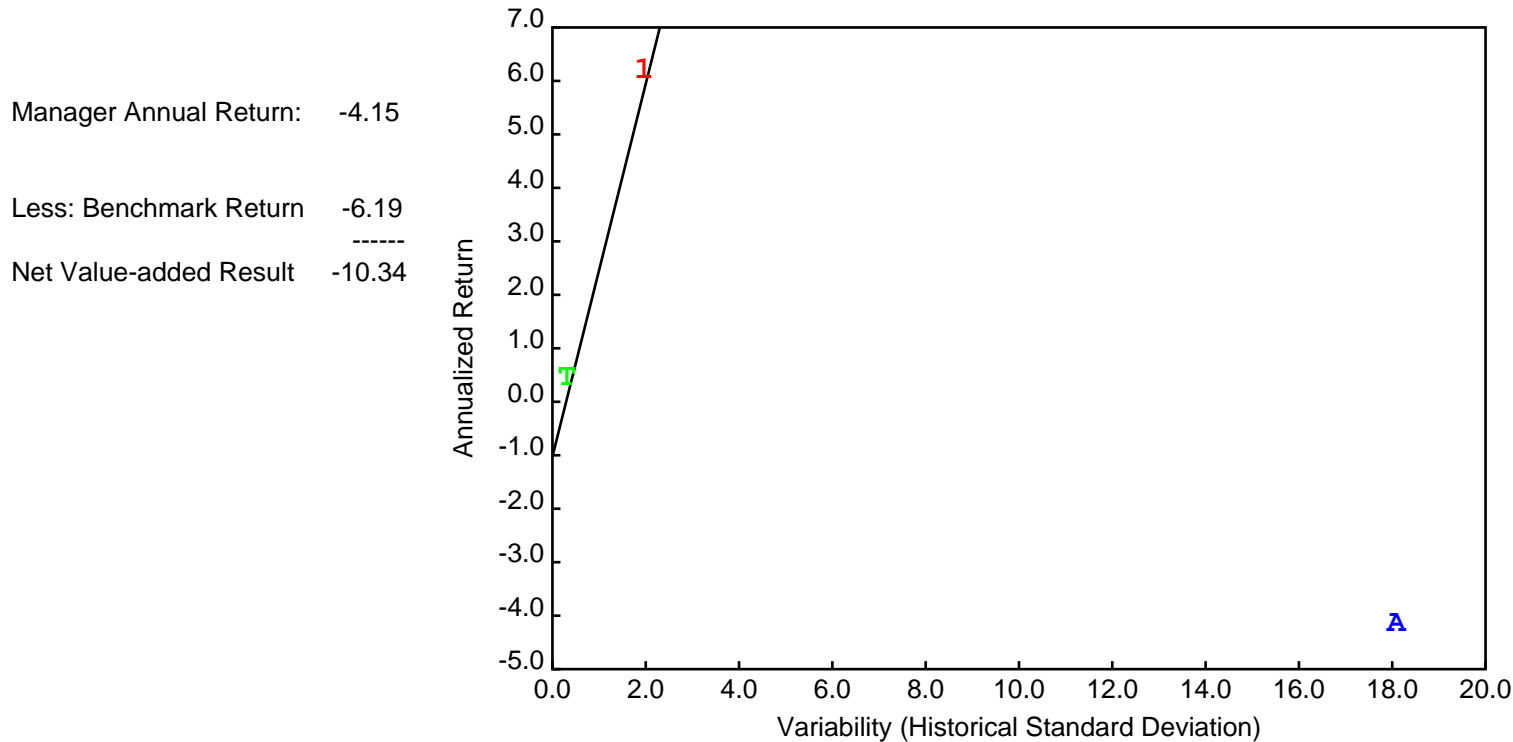
5th Percentile
25th Percentile
Median
75th Percentile
95th Percentile

	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 5 Years
5th Percentile	0.47	1.31	2.62	3.27	4.44
25th Percentile	0.31	0.75	1.44	1.71	3.58
Median	0.20	0.51	1.08	1.48	2.58
75th Percentile	0.07	0.22	0.69	1.00	1.98
95th Percentile	-0.04	-0.26	0.25	0.25	0.86
A Avignon - Mortgage Loan	0.00 (87)	0.00 (90)	-24.50 (100)	-15.22 (100)	-6.48 (100)
1 Citi 2yr Treasury +4%/yr	1.10 (1)	4.32 (1)	4.29 (1)	4.68 (1)	5.10 (1)

Quarterly Variance Analysis:
Loan generated no income during the quarter, with the last payment made on 10/01/2011, and \$1,901,333.33 of interest payments since inception (November 2007).
A write-down of \$2.58 million was taken on 9/30/2012.
Book value is \$3.42 million. The properties are listed for sale.
(Note: numbers in parentheses reflect the actual peer group rankings. 1 = high; 99 = low)

Returns for periods greater than one year are annualized.

Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 12/07 to 12/13



	Annualized Return	Variability	Reward	Sharpe Ratio
A Avignon - Mortgage Loan	-4.15	18.20	-4.59	-0.25
1 Citi 2yr Treasury +4%/yr	6.19	2.07	5.75	2.78
T 91-Day Treasury Bill	0.44	0.42	0.00	0.00

Manager Performance vs. Objectives:

Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

Cumulative Performance Comparison

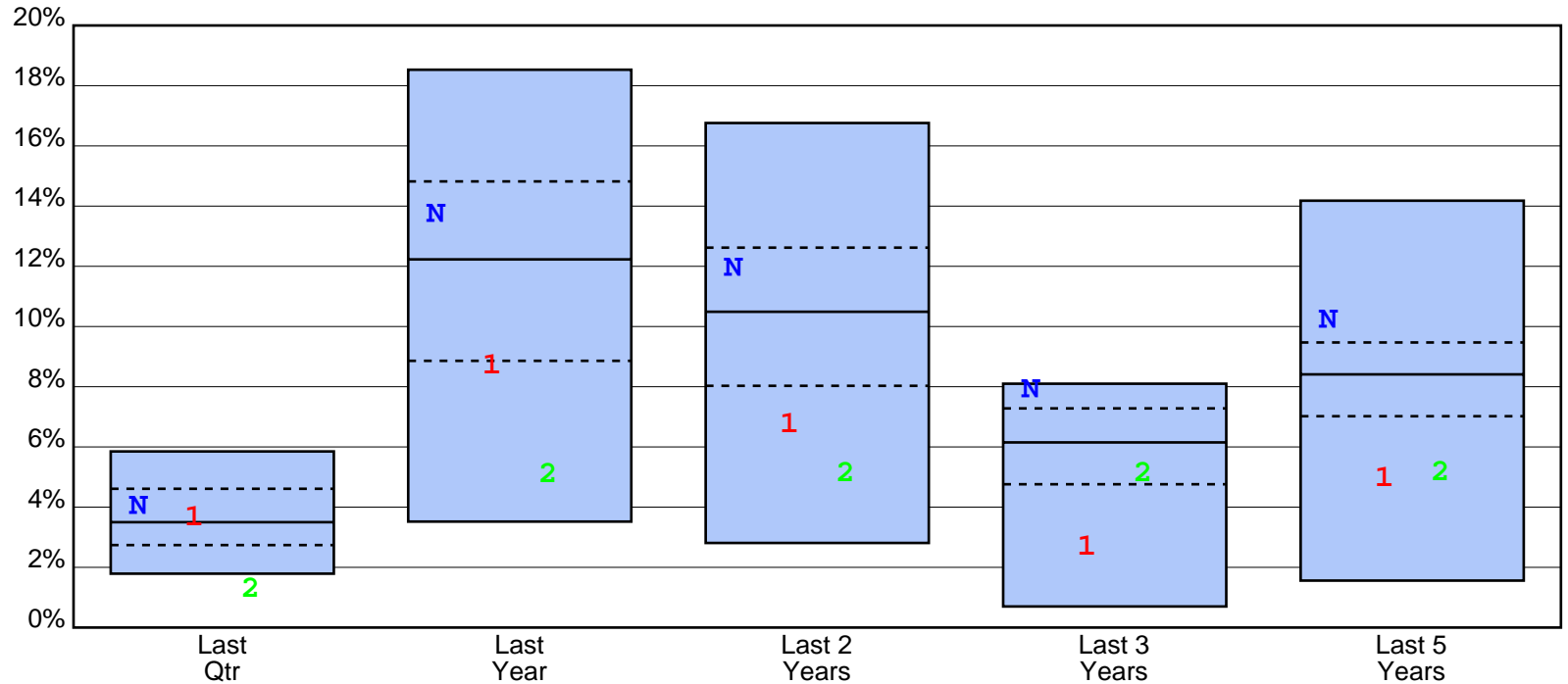
Total Returns of Fund of Funds Hedge Funds

Periods Ending 12/13

Manager Biography:
Funded with \$2 million
in June 2008.

An additional \$670,000 was
invested on 4/01/2010.

Fee Schedule: 100 bps



5th Percentile
25th Percentile
Median
75th Percentile
95th Percentile

5.85
4.61
3.50
2.74
1.79

18.53
14.82
12.23
8.86
3.52

16.76
12.62
10.49
8.03
2.81

8.10
7.28
6.15
4.76
0.70

14.18
9.47
8.41
7.02
1.56

N Nantucket Institutional

4.03 (38)

13.73 (35)

11.93 (29)

7.89 (9)

10.21 (11)

1 HFRI Diversified FoF Index

3.63 (44)

8.67 (78)

6.72 (84)

2.65 (92)

4.92 (93)

2 91-Day Treasury Bill +5%/yr

1.27 (96)

5.07 (90)

5.09 (93)

5.10 (59)

5.12 (92)

Quarterly Variance Analysis:

Outperformance is primarily attributed to strong results from Long/Short Equity and Multi-Strategy managers.

The peer group rankings should not be emphasized as the peer group is new and still evolving.

(Note: numbers in parentheses reflect actual peer rankings. 1 = high: 99 = low)

Returns for periods greater than one year are annualized.

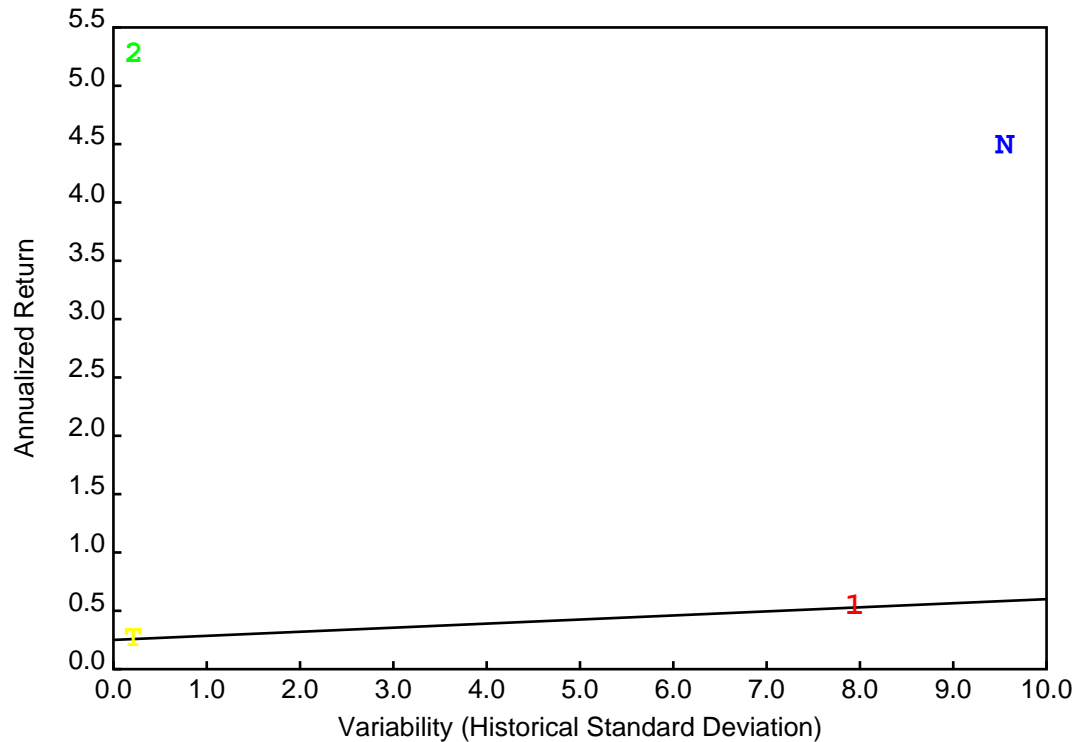
Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 6/08 to 12/13

Manager Annual Return: +4.48
Less: Annual Fee -1.00

+3.48

Less: Benchmark Return -0.53

Net Value-added Result +2.95



	Annualized Return	Variability	Reward	Sharpe Ratio
N Nantucket Institutional	4.48	9.61	4.21	0.44
1 HFRI Diversified FoF Index	0.53	8.00	0.27	0.03
2 91-Day Treasury Bill +5%/yr	5.26	0.27	5.00	18.84
T 91-Day Treasury Bill	0.26	0.27	0.00	0.00

Manager Performance vs. Objectives:
Portfolio manager exceeds expectations after 5.5 years.

Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

Cumulative Performance Comparison

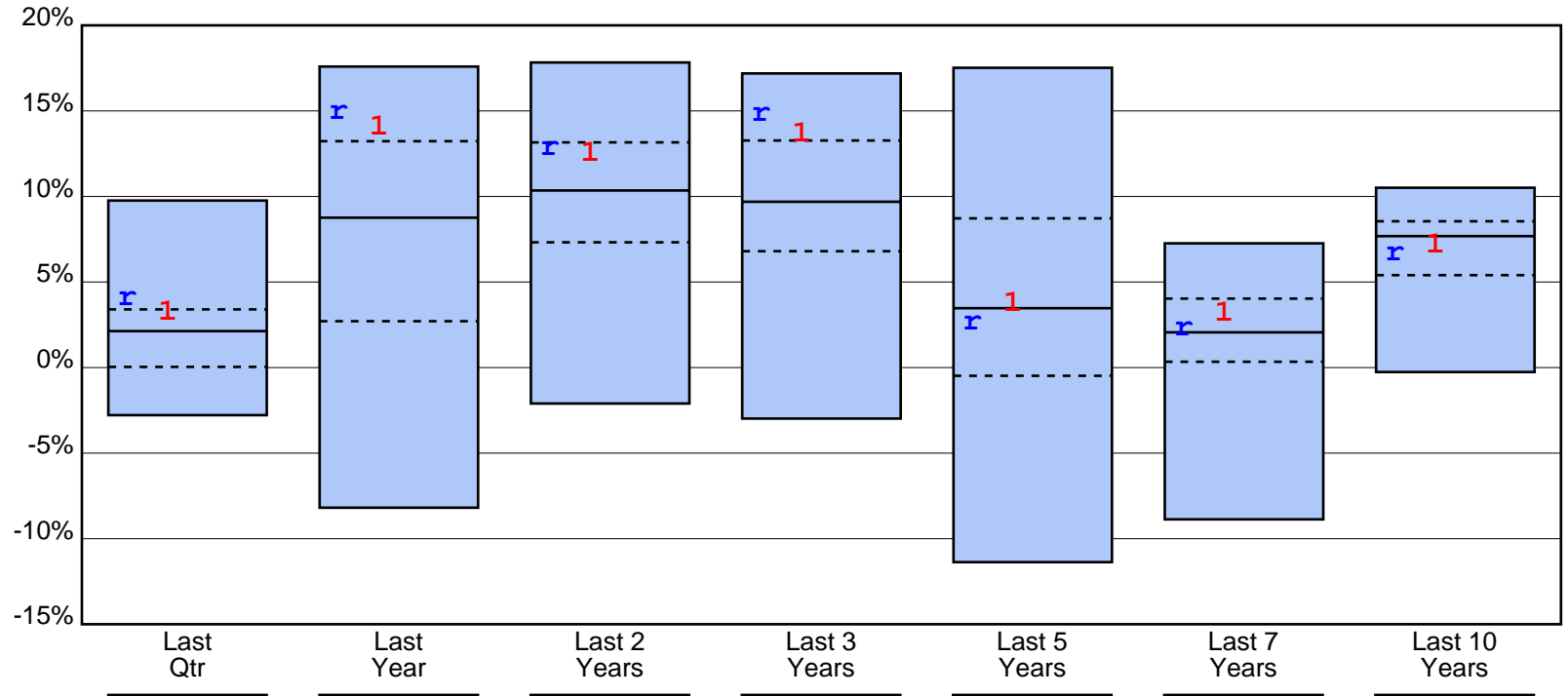
Total Returns of Real Estate Portfolios

Periods Ending 12/13

Manager Biography:
Equity Line (12/87)
\$0.1 mm
PRISA I (12/90 & 12/98)
\$7.5 mm
PRISA II (02/05)
\$2.2mm from PRISA I

Fee Schedule:
PRISA I : 107 bps
PRISA II : 131 bps
PRISA III : 110 bps

Benchmark transitioned to
the NFI-ODCE in 3Q07



5th Percentile
25th Percentile
Median
75th Percentile
95th Percentile

Period	5th Percentile	25th Percentile	Median	75th Percentile	95th Percentile
Last Qtr	9.76	3.40	2.13	0.04	-2.78
Last Year	17.59	13.23	8.76	2.71	-8.19
Last 2 Years	17.83	13.16	10.35	7.32	-2.10
Last 3 Years	17.19	13.27	9.69	6.80	-2.98
Last 5 Years	17.52	8.72	3.47	-0.48	-11.37
Last 7 Years	7.26	4.03	2.06	0.34	-8.87
Last 10 Years	10.51	8.55	7.68	5.40	-0.26

r Real Estate Composite
1 NFI-ODCE

Period	Real Estate Composite (r)	NFI-ODCE (1)
Last Qtr	4.04 (17)	3.21 (30)
Last Year	14.93 (13)	13.99 (19)
Last 2 Years	12.83 (27)	12.45 (30)
Last 3 Years	14.81 (12)	13.62 (21)
Last 5 Years	2.62 (59)	3.69 (49)
Last 7 Years	2.28 (47)	3.14 (32)
Last 10 Years	6.68 (65)	7.13 (57)

Returns for periods greater than one year are annualized.

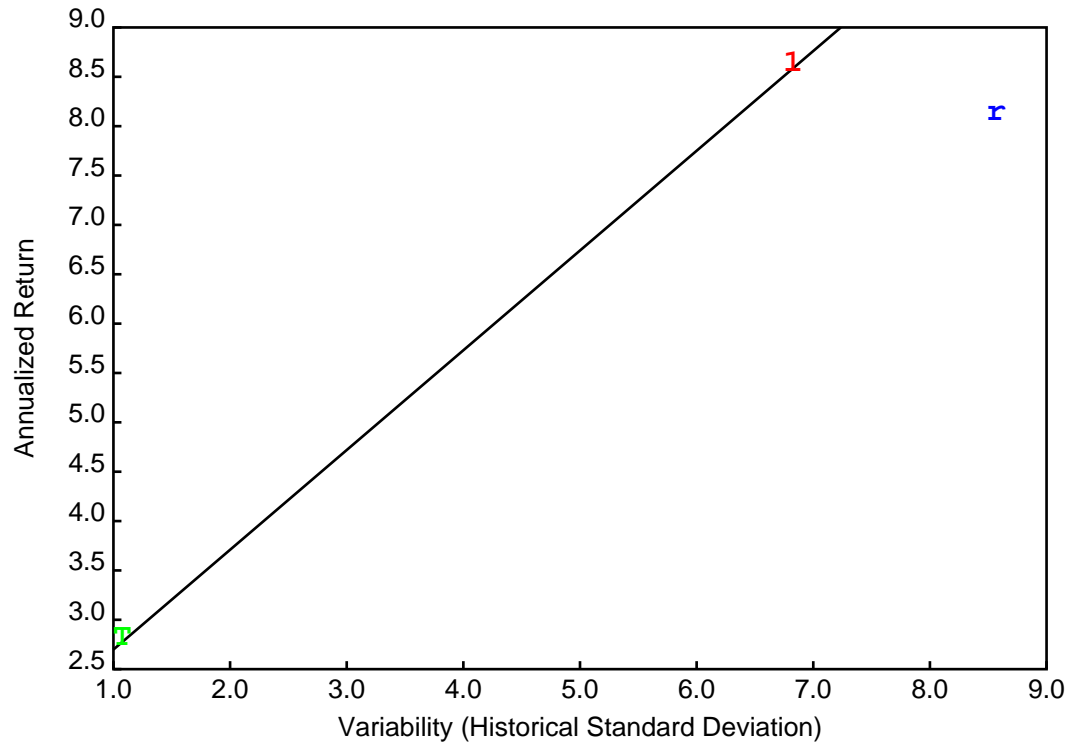
Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 12/95 to 12/13

Managers Annual Return: +8.13
Less: (approx) Annual Fee -1.10

+7.03

Less: Benchmark Return -8.63

Net Value-added Result -1.60



	Annualized Return	Variability	Reward	Sharpe Ratio
r Real Estate Composite	8.13	8.62	5.31	0.62
1 NFI-ODCE	8.63	6.87	5.81	0.85
T 91-Day Treasury Bill	2.82	1.12	0.00	0.00

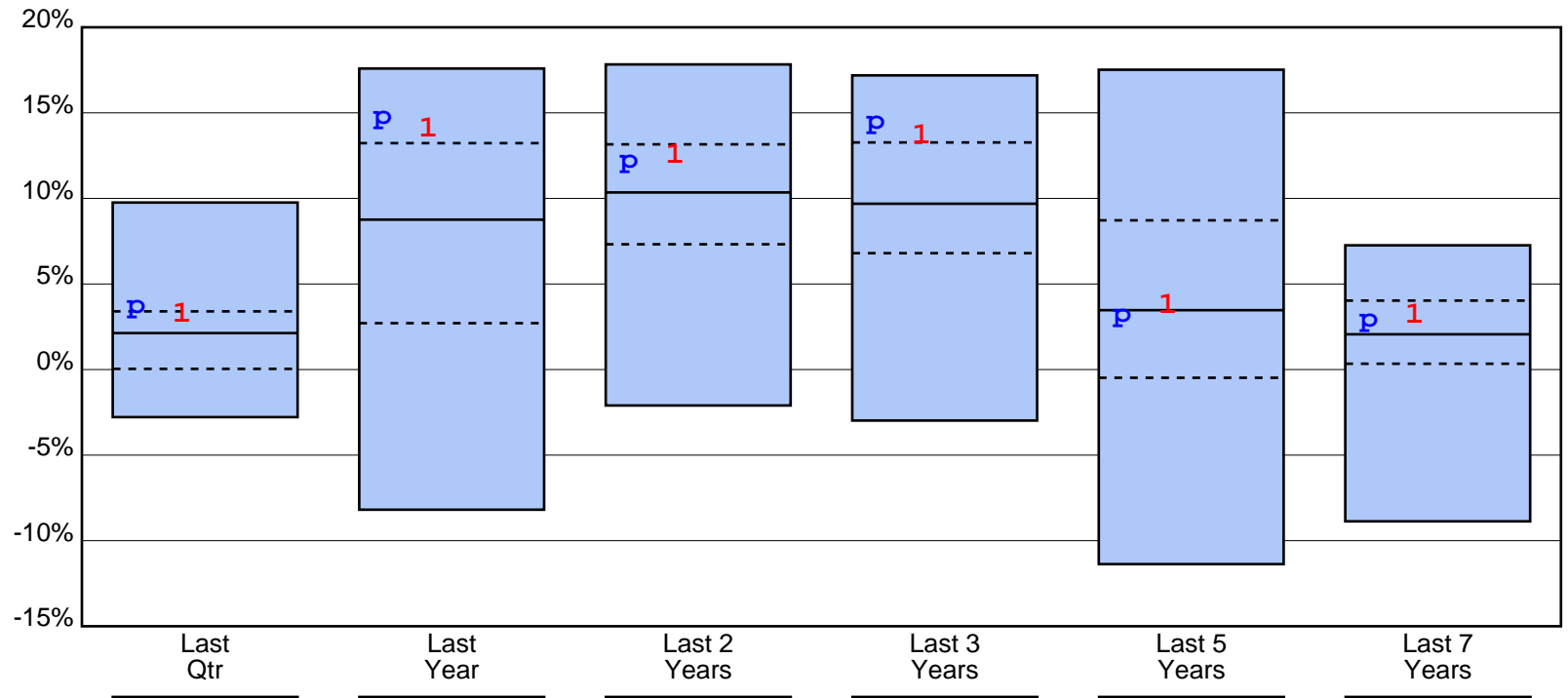
Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

Cumulative Performance Comparison

Total Returns of Real Estate Portfolios

Periods Ending 12/13



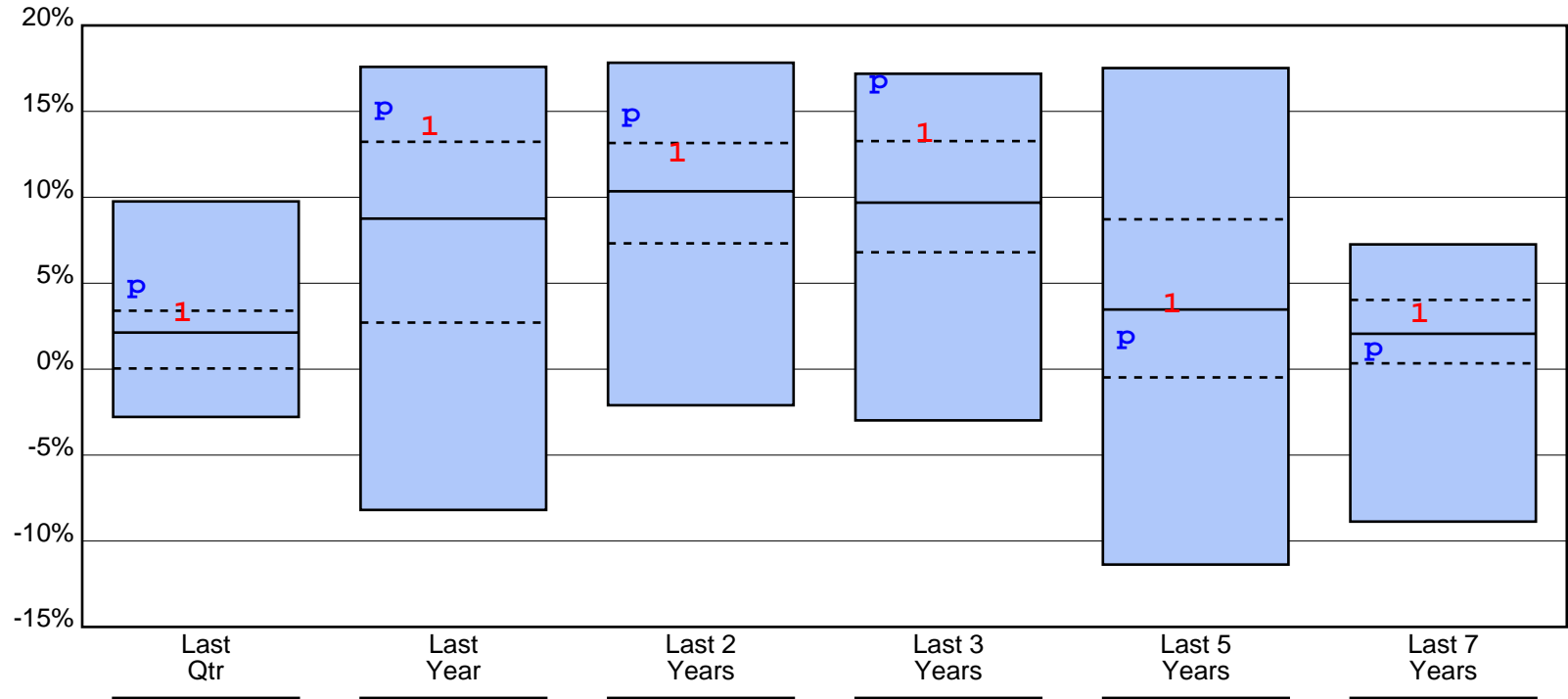
5th Percentile	9.76	17.59	17.83	17.19	17.52	7.26
25th Percentile	3.40	13.23	13.16	13.27	8.72	4.03
Median	2.13	8.76	10.35	9.69	3.47	2.06
75th Percentile	0.04	2.71	7.32	6.80	-0.48	0.34
95th Percentile	-2.78	-8.19	-2.10	-2.98	-11.37	-8.87
P PRISA I	3.62 (22)	14.69 (15)	12.15 (35)	14.42 (16)	3.13 (53)	2.84 (37)
1 NFI-ODCE	3.21 (30)	13.99 (19)	12.45 (30)	13.62 (21)	3.69 (49)	3.14 (32)

Quarterly Variance Analysis:

PRISA I provided a 1.34% income return and 2.28% appreciation return (total of +3.62% before fees). Appreciation was positive across all property types, with strongest in the office and industrial properties.

(Note: numbers in parentheses reflect the actual peer group rankings. 1 = high; 99 = low)

Southfield Fire & Police Retirement System Cumulative Performance Comparison Total Returns of Real Estate Portfolios Periods Ending 12/13



5th Percentile
25th Percentile
Median
75th Percentile
95th Percentile

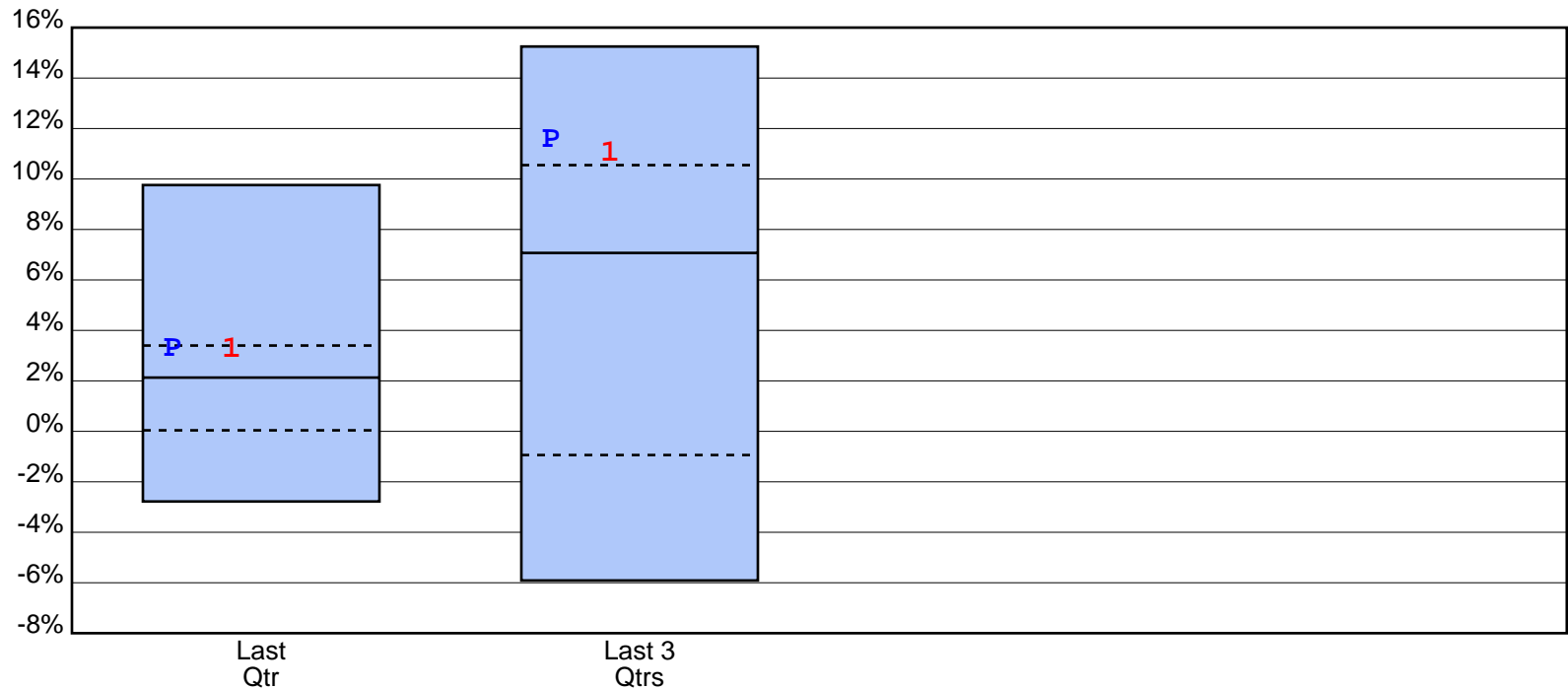
	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years
5th Percentile	9.76	17.59	17.83	17.19	17.52	7.26
25th Percentile	3.40	13.23	13.16	13.27	8.72	4.03
Median	2.13	8.76	10.35	9.69	3.47	2.06
75th Percentile	0.04	2.71	7.32	6.80	-0.48	0.34
95th Percentile	-2.78	-8.19	-2.10	-2.98	-11.37	-8.87
P PRISA II	4.77 (13)	15.17 (13)	14.78 (15)	16.72 (7)	1.82 (64)	1.13 (70)
1 NFI-ODCE	3.21 (30)	13.99 (19)	12.45 (30)	13.62 (21)	3.69 (49)	3.14 (32)

Quarterly Variance Analysis:

PRISA II provided a 1.14% income return and 3.63% appreciation return (total of +4.77% before fees). Appreciation was positive across all property types. The Land sector (non-developed properties) contributed significantly to appreciation with a pending sale in California and a completed sale in Florida. (Note: numbers in parentheses reflect the actual peer group rankings. 1 = high; 99 = low)

Returns for periods greater than one year are annualized.

Southfield Fire & Police Retirement System Cumulative Performance Comparison Total Returns of Real Estate Portfolios Periods Ending 12/13



5th Percentile
25th Percentile
Median
75th Percentile
95th Percentile

9.76
3.40
2.13
0.04
-2.78

15.25
10.55
7.07
-0.94
-5.91

P PRISA III
1 NFI-ODCE

3.26 (29)
3.21 (30)

11.56 (16)
11.01 (20)

Quarterly Variance Analysis:
PRISA III provided a 0.94% income return and 2.32% appreciation return (total of +3.26% before fees). Appreciation was strongest in apartment properties, with one benefiting from leasing stabilization and another from receiving its first appraisal.
(Note: numbers in parentheses reflect the actual peer group rankings. 1 = high; 99 = low)

Returns for periods greater than one year are annualized.

Southfield Fire & Police Retirement System
Summary of Alternative Investments
Period Ending: September 30, 2013

	Vintage Year	Committed Capital	Called Capital	% Called	Capital Distributions	Fair Market Value ¹	Total Market Value ²	Distribution Multiple ³	Multiple of Called Capital ⁴	IRR ⁵
JCR Capital - JCR Fund II	2012	\$5,000,000	\$2,394,215	48%	\$719,272	\$2,092,649	\$2,811,921	0.30	1.17	N/A

Quarterly Analysis:

Target IRR (net) for the life of JCR CRE Finance Fund II is 15%. The expected life for JCR Fund II is 4 years from the final close that occurred in 1Q 2013. \$344,215 of capital was called during the quarter. No distributions were made during the quarter. JCR Fund II has made 17 investments. 5 investments have been fully realized with the following IRR and multiple for each (in order of realization date): 17.6% and 1.17x; 23.9% and 1.27x; 50.4% and 1.47x; 28.4% and 1.33x; 29.4% and 1.29x. The remaining investments are currently meeting or exceeding JCR's expectations established prior to investing.

¹Fair Market Value represents all Called Capital plus Net Income or Loss less Capital Distributions

²Total Market Value is Capital Distributions plus Fair Market Value

³Measure of cumulative distributions paid to the investor relative to the total capital called (Realized Return)

⁴Measure of the cumulative distributions paid to investors plus the total value of the unrealized investments relative to total capital called (Total Return)

⁵Internal Rate of Return (IRR) will not be calculated until the conclusion of the investment period (typically 2-3 years from the vintage year) for each fund

Note: Distribution Multiple and Multiple of Called Capital are net of all fees and expenses

Southfield Fire & Police Retirement System

Risk Statistic Summary

Quarterly 3 Year Ending 12/31/13

Manager	Return	Standard Deviation	Tracking Error	R-Squared	Historical Beta	Historical Alpha	Information Ratio	Sharpe Ratio
LSIA Dividend Aristocrats	NA	NA	NA	NA	NA	NA	NA	NA
Standard & Poors 500	NA	NA						
NTGI Citigroup/S&P Growth Index	15.92	14.05	0.92	1.00	1.01	-0.22	-0.81	1.13
S&P 500/Citigroup Growth Index	16.78	13.89						
Loomis Sayles LC Value	16.80	18.03	2.48	0.99	1.10	-0.18	0.38	0.93
Russell 1000 Value	16.06	16.23						
NTGI S&P Midcap 400 - Lending	15.22	19.14	0.98	1.00	1.00	-0.10	-0.39	0.79
S&P MidCap 400	15.64	19.11						
Fiduciary Management	15.60	17.02	5.27	0.95	0.83	0.56	-0.15	0.91
Russell 2000	15.67	20.11						
Orleans Capital Mgmt - Energy Opport	5.49	26.26	7.61	0.93	1.17	-1.44	-0.52	0.21
S&P 500 Energy Index	10.68	21.72						
1607 Capital Partners	7.50	16.50	2.60	0.98	0.96	0.49	0.64	0.45
MSCI ACWI x-US	5.59	17.07						
WHV Investment Mgmt	3.21	20.63	6.55	0.92	1.16	-0.65	-0.26	0.15
MSCI ACWI x-US	5.59	17.07						
Invesco International REIT	7.76	18.47	2.12	0.99	1.06	-0.04	0.17	0.42
FTSE EPRA/NAREIT Global x-US	7.58	17.31						

Southfield Fire & Police Retirement System

Risk Statistic Summary

Quarterly 3 Year Ending 12/31/13

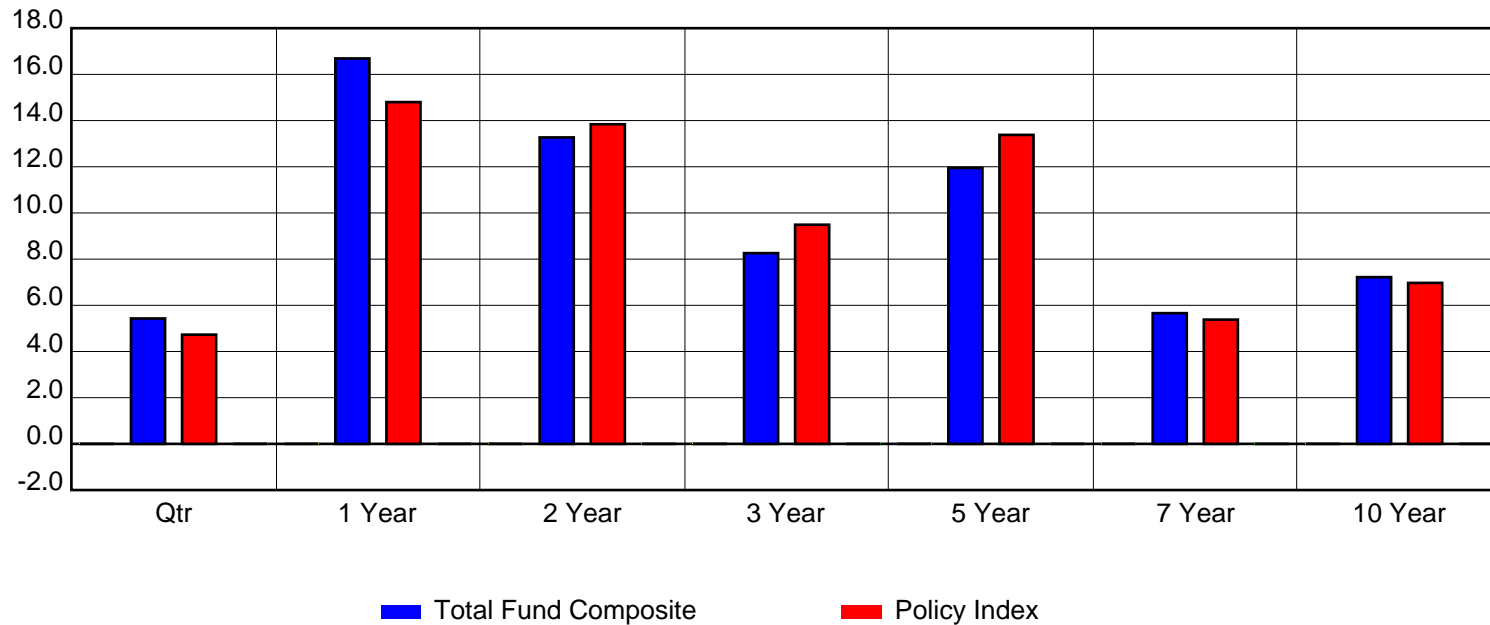
Manager	Return	Standard Deviation	Tracking Error	R-Squared	Historical Beta	Historical Alpha	Information Ratio	Sharpe Ratio
Bradford & Marzec Core Plus	NA	NA	NA	NA	NA	NA	NA	NA
Barclays U.S. Aggregate	NA	NA						
Loomis Sayles Full Discretion	NA	NA	NA	NA	NA	NA	NA	NA
Barclays U.S. Aggregate	NA	NA						
Avignon - Mortgage Loan	-15.22	25.24	25.25	0.00	0.19	-3.07	-0.63	-0.61
Citi 2yr Treasury +4%/yr	4.68	0.55						
Nantucket Institutional	7.89	4.69	1.07	0.93	0.98	1.28	4.78	1.66
HFRI Diversified FoF Index	2.65	4.74						
Real Estate Composite	14.81	2.04	1.10	0.87	1.16	-0.23	0.99	7.23
NFI-ODCE	13.62	1.36						
PRISA I	14.42	2.22	1.32	0.82	1.16	-0.32	0.55	6.46
NFI-ODCE	13.62	1.36						
PRISA II	16.72	2.34	1.63	0.77	1.23	-0.05	1.74	7.11
NFI-ODCE	13.62	1.36						
PRISA III	NA	NA	NA	NA	NA	NA	NA	NA
NFI-ODCE	NA	NA						
Total Fund Composite	8.26	10.65	1.59	0.98	1.07	-0.43	-0.68	0.77
Policy Index	9.49	9.86						

Southfield Fire & Police Retirement System

Performance Bar Chart

Total Fund Composite

Periods Ending 12/31/13



	Qtr	1 Year	2 Year	3 Year	5 Year	7 Year	10 Year
Total Return	5.43	16.69	13.27	8.26	11.95	5.66	7.22
Policy Index	4.73	14.80	13.84	9.49	13.38	5.38	6.97
Asset Growth (\$000)							
Beginning Market Value	188,240	176,823	174,880	190,854	165,629	226,044	194,383
Net Contributions & Withdrawals	-2,166	-9,019	-21,660	-34,900	-64,718	-89,991	-122,299
Gain/Loss + Income	10,141	28,412	42,995	40,261	95,305	60,162	124,131
Ending Market Value	196,215	196,215	196,215	196,215	196,215	196,215	196,215

Southfield Fire & Police Retirement System

About This Report

The Board of Trustees of the Southfield Fire and Police Retirement System retained Asset Strategies Portfolio Services, Inc. to evaluate the performance of the external investment managers. LS Investment Advisors, Northern Trust Global Advisors, Fiduciary Management, Loomis Sayles & Company, Orleans Capital, 1607 Capital, WHV Investment Management, Bradford & Marzec, JCR Capital, Prudential Real Estate Investors, Nantucket, and INVESCO are the investment managers.

Northern Trust invests the Plan's cash and holds various commingled investment funds.

This report was prepared using data compiled from the monthly custodial statements provided by the Northern Trust Company. Asset Strategies does not warrant the accuracy of data provided to us by others, but does attempt to obtain and utilize reliable information.

This report contains analysis of both the total fund and the individual managers' performance over various time periods. The returns calculated by investment managers will occasionally differ (albeit slightly) from the returns calculated by Asset Strategies. This difference is generally explained by any one or a combination of the following: a) managers account for securities purchases, sales, and cash flows on a mid-month basis, while Asset Strategies accounts for transactions on the date of occurrence, b) the pricing sources used by the managers are different from the sources used by the custodian, c) managers report purchases and sales on a trade date basis, while custodial banks generally report on a settlement date basis, d) managers and custodians differ in their method and timing in accounting for accrued income.

Performance for periods greater than one year is annualized and gross-of-fees, unless stated otherwise. Prior investment results are not a guarantee of future performance.

Southfield Fire & Police Retirement System

Investment Policy Summary

(Amended January 2014)

Investment Objectives:

- *To earn an average annual return of 7.75% over rolling five-year periods.
- *To earn an average annual, real return of 3.75% after inflation over rolling five-year periods.
- *To meet the assumed actuarial rate of return with a high-degree of probability.
- *To rank in the 50th percentile over twelve month rolling periods and in the 40th percentile over rolling five-year periods, among public employee retirement funds.

Managers' Objectives:

- *To exceed their performance return standard with equal or less risk over all three-year periods.

Asset Allocation Policy:

<u>Asset Class</u>	<u>Target</u>	<u>Ranges</u>
U.S. Equities	34%	35-70%
Non-U.S. Equities	17%	10-20%
Global Fixed Income	28%	20-50%
Real Estate	11%	0-20%
Alternate Investments	10%	0-20%
Cash Equivalents	0%	0-1%

Equity Portfolios:

- *No more than 5% of the portfolio may be invested in the stock of any one company.
- *No more than 10% of the portfolio may be invested in ADRs.

Fixed Income Portfolios:

- *No more than 5% of the portfolio may be invested with one issuer, except for U.S. Treasury and Agency securities.
- *No more than 15% of the portfolio in below investment grade.
- *No more than 30% of total assets in non-U.S. dollar denominated securities. At least 75% of any non-U.S. currency exposure must be hedged. May invest beyond the 30% limit in Yankee and Euro issues.

Other Portfolio Guidelines:

- *Managers are expected to be fully invested at all times. However, they may raise cash if this is deemed appropriate under the circumstances.
- *Leveraging the portfolio is prohibited.
- *Derivative contracts only as permitted
- *Additional investment policies and guidelines are contained in the formal Statement Investment Policies, Procedures, and Objectives.
- *All investment managers should follow State of Michigan laws governing the investment of public retirement plan assets.

GLOSSARY

Policy Index: the expected performance result each period, calculated using the asset mix targets time the market index returns.

Manager Peer Group: a relative performance benchmark consisting of a group of managers with similar investment styles, philosophies, and processes.

Sharpe Ratio: a risk-adjusted measure of performance. The higher the Sharpe ratio, the better the portfolio's historical risk-adjusted performance.

Risk: the variation of a portfolio's returns around its average return over the specified period (standard deviation).

Blue-Chip Stocks: generally large stable companies that have consistent earnings and usually have long-term growth potential.

The Dow Jones Industrial Average of 30 stocks is considered a blue chip index.

Cyclical Stocks: generally stocks whose price and earnings fluctuate with the business cycle.

Examples include automotive manufactures, steel producers, and textile operators.

Large-Capitalization ("Large-Cap") Stocks: stocks of companies with a market capitalization (the total value of a company's outstanding stock) of more than \$12 billion. Generally stocks that make up the Dow Jones Industrial Average and the S&P 500.

Medium-Capitalization ("Mid-Cap") Stocks: stocks of companies with a market capitalization (the total value of a company's outstanding stock) of between \$2 billion and \$12 billion. Generally stocks that make up the S&P 400.

Small-Capitalization ("Small-Cap") Stocks: stocks of companies with a market capitalization (the total value of a company's outstanding stock) of less than \$2 billion. Generally stocks that make up the Russell 2000 Index.

Growth Stocks: stocks of companies that have experienced above-average earnings growth and are expected to continue such growth.

These stocks often sell at high P/E ratios. Examples include high-tech, healthcare, and financial services companies.

Value Stocks: Stocks that are undervalued on a historical basis. Typically characterized by low P/E ratios and higher than average yields.

Risk Statistics Summary Exhibit:

Historical Beta: a measure of the volatility of the portfolio in comparison to its benchmark.

Historical Alpha: the excess return of the portfolio relative to the return of its benchmark.

Information Ratio: measures a portfolio manager's ability to generate excess returns relative to their benchmark and the consistency of doing so.

R-Squared: a measure that represents the percentage of a portfolio's movement that can be explained by movement in its benchmark index.

Tracking Error: the divergence between the price behavior of the portfolio and the price behavior of its benchmark.

GLOSSARY - continued

Equity Sector Composition:

Energy: energy equipment and services and oil/gas exploration, manufacture, and distribution industries.

Materials: chemicals, construction materials, containers & packaging, metals & mining, and paper & forest products industries.

Consumer Discretionary: automobiles and components, consumer durables and apparel, hotels/restaurants and leisure, media, and retail industries.

Consumer Staples: food and drug retailing, food/beverage and tobacco, and household/personal products industries.

Health Care: health care equipment and services, pharmaceuticals, and biotech industries.

Financials: banks, diversified financials, insurance, and real estate industries.

Information Technology: software and services, computer hardware, and networking equipment industries.

Telecommunications Services: diversified hard-wire and wireless telecommunications and services industries.

Utilities: electric, gas, water, nuclear, and multi-utilities industries.

Fixed Income Sector Composition:

Corporate: debt obligations of corporations secured by collateral and/or the creditworthiness of the issuing corporation.

Sub-sectors include Finance, Industrial, Transportation, Utilities, CBO's, and Asset-backed.

Mortgage-backed: securities backed by public and private mortgage pools. Investors receive the monthly mortgage payments less any administrative fees, including interest, principal, and prepayments on the mortgage pool. These instruments are typically issued by a federal or governmental agency.

Treasuries: debt obligations of the U.S. government secured by its full faith and credit issued at various schedules and maturities.