

Southfield Fire&Police Retirement System

Investment Performance Analysis

December 31, 2014



**Asset
Strategies**
Portfolio Services, Inc.

Independent, Professional Investment Consultants Since 1992.

2635 Lapeer Rd.
Auburn Hills, MI 48326

Phone: (248) 373-9900
Email: gvitta@assetstrategie.com

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GLOBAL CAPITAL MARKETS REVIEW

Periods Ending - 12/31/2014

Quarterly Market Review

The U.S. economy produced signs of sustained growth, with GDP up strongly in the third quarter by 5.0%. The strongest rate since 2003. The unemployment rate continued to decline, ending the year at 5.6%. A significant fall in oil prices was the primary contributor to the inflation decline of 1.4% in the third quarter, and contributing to the 0.8% increase for all of 2014.

U.S. equities (S&P 500, +4.9%) finished the year strong, despite flat December returns. Micro cap (Russell Micro Cap, +11.2%) and small cap (Russell 2000, +9.7%) equities significantly outperformed large cap equities (Russell 1000, +4.9%) during the quarter. Most sectors' returns were positive for the quarter with the exception of Telecom and Energy. The strongest performing sectors were Utilities (+13.1%) and Consumer Discretionary (+8.8%). The weakest performer was the Energy (-12.4%) sector.

The U.S. Treasury yield curve ended the year considerably flatter with 5-year and beyond securities' yields falling sharply. Longer dated bonds (Barclays U.S. Treasury Long, +8.6%) outperformed shorter-term bonds by a wide margin (Barclays U.S. Treasury 1-3 Years, 0.3%). Investment-grade bonds (Barclays U.S. Aggregate, +1.8%) outperformed lower credit quality High yield bonds (Barclays U.S. High Yield Corporate, -1.0%) as high yield spreads widened.

Global equity markets (MSCI ACWI x-U.S., -3.8%) finished lower as economic growth slowed markedly relative to the U.S. economy. A strengthening U.S. dollar against the Euro and Yen continued to negatively impact U.S. investors in the Euro-Pacific region equities (MSCI Pacific net, -2.1% and MSCI Europe net, -4.4%). Developed markets (MSCI EAFE, -3.5%) outperformed Emerging Markets (MSCI EM, -4.4%), which were impacted by China's slowing growth and Russia's struggles with a falling currency and lower oil prices.

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	4.93	13.69	20.41	15.45	7.67
Russell 1000	4.88	13.25	20.62	15.64	7.96
Russell Mid Cap	5.94	13.21	21.40	17.19	9.56
Russell 2000	9.73	4.89	19.21	15.54	7.77
Russell Micro Cap	11.19	3.65	21.81	16.15	5.96

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	-3.53	-4.48	11.56	5.80	4.91
MSCI ACWI x-US	-3.81	-3.44	9.46	4.87	5.59
MSCI Emerging Markets	-4.44	-1.82	4.41	2.11	8.78

Global Fixed Income Indices

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
Barclays U.S. Aggregate	1.79	5.97	2.66	4.45	4.71
Barclays Corporate H-Y	-1.00	2.45	8.43	9.03	7.74
Barclays Global Agg x-US	-2.99	-3.08	-0.75	1.38	2.80

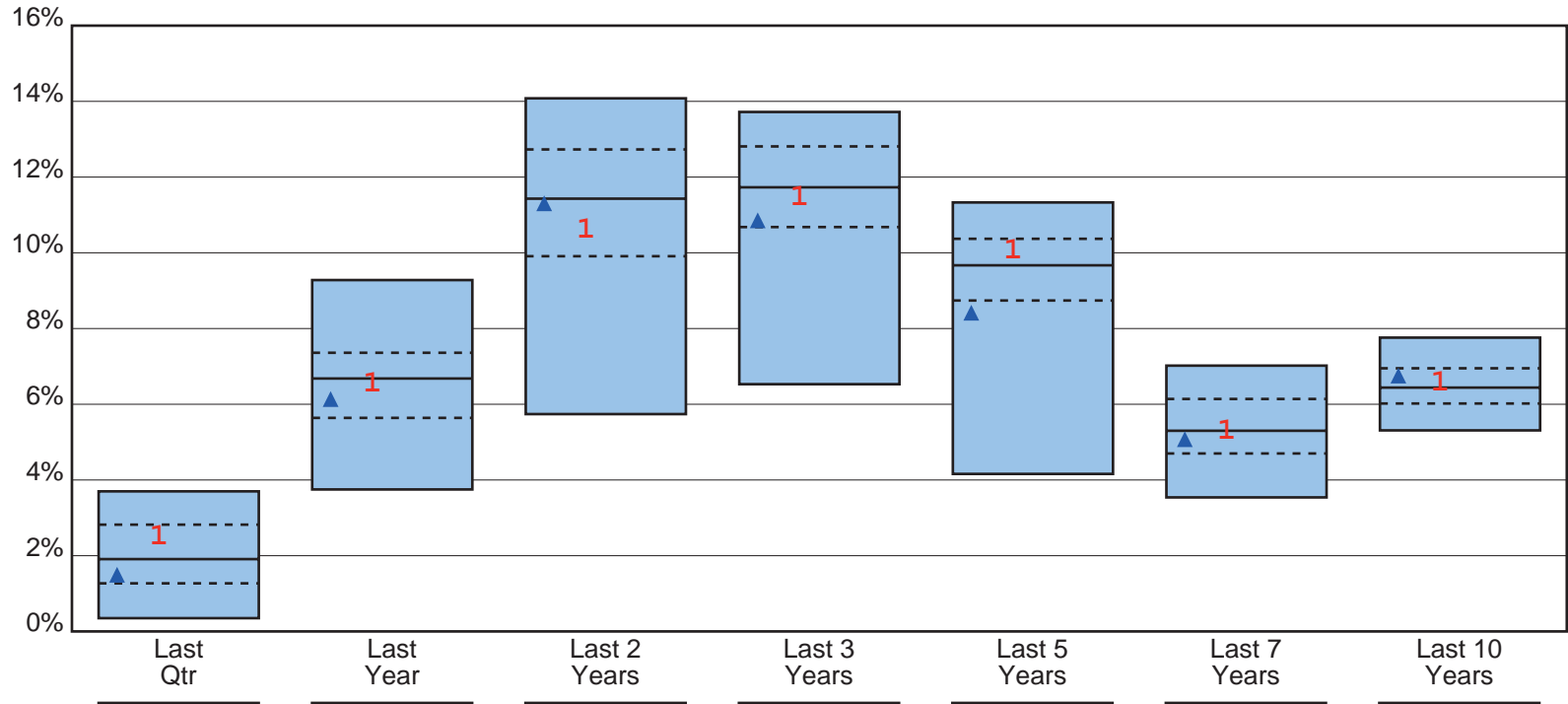
Other Indices

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
NAREIT - Composite	12.44	27.15	16.39	16.63	7.50
NCREIF Property Index	3.04	11.81	11.11	12.13	8.38
ML Convertible Bond	1.62	9.44	16.28	11.71	7.10
Broad Consumer Price	-1.35	0.76	1.33	1.69	2.12
U.S. 91 Day Treasury Bill	0.00	0.04	0.07	0.09	1.54
HFRI FoF Composite	0.93	3.15	5.60	3.25	3.01

Southfield Fire&Police Retirement System Cumulative Performance Comparison Total Returns of Total Fund Public Sponsors Periods Ending 12/14

Policy Index
(effective 2Q14)

U.S. Equity	34%
Non-U.S. Equity	17%
U.S. Fixed Income	25%
Alternative Investments	10%
Real Estate	14%
Cash Equivalents	0%



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

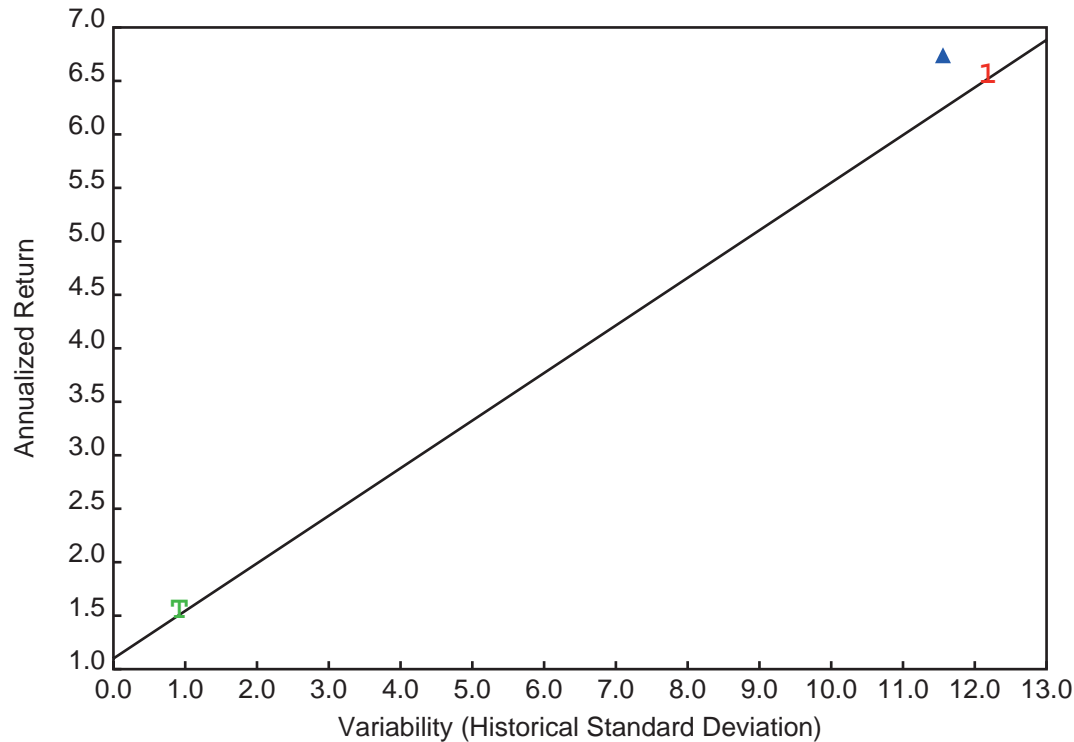
	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
5th Percentile	3.70	9.28	14.08	13.72	11.33	7.02	7.76
25th Percentile	2.82	7.36	12.73	12.81	10.37	6.14	6.95
Median	1.91	6.68	11.43	11.73	9.67	5.30	6.44
75th Percentile	1.27	5.64	9.91	10.68	8.74	4.70	6.02
95th Percentile	0.35	3.75	5.74	6.53	4.16	3.54	5.31
▲ Total Fund	1.47 (66)	6.11 (65)	11.28 (51)	10.83 (72)	8.39 (79)	5.05 (61)	6.73 (36)
1 Policy Index	2.47 (35)	6.52 (54)	10.59 (63)	11.43 (60)	10.04 (34)	5.27 (51)	6.55 (41)

Quarterly Variance Analysis:
Overall, Total Fund results were negatively impacted by the decline in oil prices and in international equities.

(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 12/14

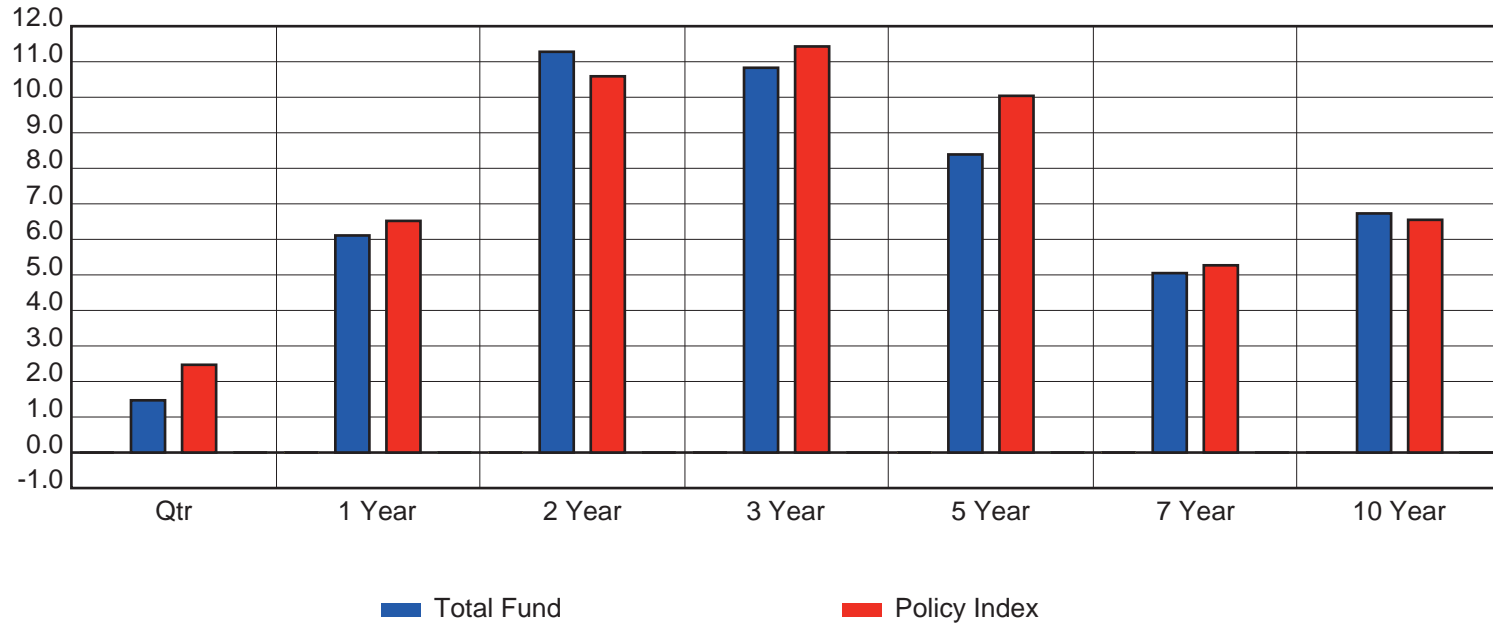


	Annualized Return	Variability	Reward	Sharpe Ratio
▲ Total Fund	6.73	11.65	5.19	0.45
1 Policy Index	6.55	12.25	5.01	0.41
T 91-Day Treasury Bill	1.54	0.99	0.00	0.00

Longer-term Fund Performance vs. Objectives:
Total Fund results exceed expectations over the past 10 years.

Sharpe Ratio = Reward / Variability

Southfield Fire&Police Retirement System Performance Bar Chart Total Fund Periods Ending 12/31/14



	Qtr	1 Year	2 Year	3 Year	5 Year	7 Year	10 Year
Total Return	1.47	6.11	11.28	10.83	8.39	5.05	6.73
Policy Index	2.47	6.52	10.59	11.43	10.04	5.27	6.55
Asset Growth (\$000)							
Beginning Market Value	197,922	196,215	176,823	174,880	187,459	236,837	204,412
Net Contributions & Withdrawals	-3,409	-10,498	-19,517	-32,158	-58,836	-88,566	-122,004
Gain/Loss + Income	2,892	11,688	40,099	54,683	68,782	49,134	114,998
Ending Market Value	197,405	197,405	197,405	197,405	197,405	197,405	197,405

Southfield Fire&Police Retirement System
 Asset Allocation vs Target & Policy
 Total Fund
 As of 12/31/14

Manager	Market Value	Actual %	Target %	Policy %	Policy Range %
Loomis Sayles LC Value	15,531,955.40	7.87	8.00		
Orleans Capital Mgmt - Energy Opport	3,574,994.10	1.81	2.00		
NTGI S&P Midcap 400 - Lending	18,163,788.36	9.20	9.00		
LSIA Dividend Aristocrats	22,910,635.86	11.61	10.00		
Morgan Dempsey	9,592,199.65	4.86	5.00		
Total Domestic Equity	69,773,573.37	35.35	34.00	34.00	30.00 - 70.00
1607 Capital Partners	13,426,511.63	6.80	7.00		
WHV Investment Mgmt	8,699,764.96	4.41	5.00		
Invesco International REIT	3,940,668.31	2.00	2.00		
Brandes Emerging Mkts	5,425,318.28	2.75	3.00		
Total International Equity	31,492,263.18	15.95	17.00	17.00	10.00 - 20.00
Avignon - Mortgage Loan	3,420,000.00	1.73	0.00		
Loomis Sayles Full Discretion	24,459,976.33	12.39	12.50		
Bradford & Marzec	23,895,920.05	12.11	12.50		
Total Domestic Fixed Income	51,775,896.38	26.23	25.00	25.00	20.00 - 50.00
Cash Reserve Acct	3,605,741.06	1.83	0.00		
Total Short Term	3,605,741.06	1.83	0.00	0.00	0.00 - 1.00
PRISA I	6,032,860.32	3.06	2.67		
PRISA II	4,108,898.08	2.08	2.67		
PRISA III	2,309,468.94	1.17	2.67		
JCR Capital Fund 2	3,312,395.25	1.68	3.00		
JCR Capital Fund 3	4,252,233.46	2.15	3.00		
Total Real Estate	20,015,856.05	10.14	14.00	14.00	0.00 - 20.00

Note: the Cash Reserve Account (#2679236) includes \$111,542.33 received from PRISA (I, II, III) on 1/02 and the cash balance of \$1,001,051.47 in the Loomis Sayles Full Discretion account (#2697855).

Southfield Fire&Police Retirement System
 Asset Allocation vs Target & Policy
 Total Fund
 As of 12/31/14

Manager	Market Value	Actual %	Target %	Policy %	Policy Range %
Nantucket Institutional	20,741,927.84	10.51	10.00		
Total Hedge Fund	20,741,927.84	10.51	10.00	10.00	0.00 - 20.00
Total Fund	197,405,257.88	100.00	100.00		

CONCLUSIONS AND RECOMMENDATIONS

Investment Performance Evaluation, Fourth Quarter 2014

1. Total Fund return of +1.47% trailed the Policy Index primarily due to the decline in oil prices and in international equities.
2. Long-term results (10 years) remain ahead of objectives, and continue to rank favorably among U.S. public employee retirement plans.
3. After the fourth quarter of extended probation (1/01/2014 - 12/31/2014), Orleans Capital does not meet expectations. The manager is invited to the March meeting, after which discussion of their tenure should resume.
4. Loomis Sayles (LCV equity), Bradford & Marzec (fixed income), and Nantucket (hedge fund) are on administrative probation due to loss of key personnel. Bradford & Marzec completed the terms of probation satisfactorily, while the other two managers remain on probation through 3/31/2015.
5. Both Brandes (emerging market equities) and Morgan Dempsey (U.S. micro-cap equities) are behind their benchmarks after less than one year.
6. Both the commercial real estate and alternatives investment strategies contributed significantly to the Plan's risk diversification in the past quarter and year.
7. We did not detect any violations of investment policy or guidelines.
8. As of 2/12/2015, asset allocations are close to policy targets.

FUNDamental Facts

1. In 2014, the S&P 500 Index did not have one period of four consecutive negative days. The last time this occurred was 1928!
2. 2014 was a year of low volatility. S&P 500 30-day realized volatility averaged 10.1% compared to 17.1% over the past 10-years. Only 2006 was lower at 9.8%.
3. The current bull market for U.S. equities is now 70 months old, making it the longest bull market since the Great Depression.
4. This bull market is about twice the average duration of previous bull markets. Since the market bottom in March 2009, the S&P 500 Index gained 203%.
5. Foreign investors owned 16% of U.S. stocks in 2014, the highest in 69 years (since records have been kept). Britons and Canadians were the largest foreign investors, owning 12% each with Japanese investors representing 6% of foreign ownership.

Commission Recapture Program

<u>Broker</u>	<u>2002 thru 2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	Current Quarter: <u>4Q2014</u>
Bank of New York *	\$83,102	\$9,820	\$9,338	\$6,458	\$5,200	\$2,796	\$2,501	\$451
Income to Fund	\$83,102	\$9,820	\$9,338	\$6,458	\$5,200	\$2,796	\$2,501	\$451

* (formerly L, J&R)

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

Securities Lending Program (Northern Trust)

	<u>2002 thru 2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	Current Quarter: <u>4Q2014</u>
Gross Income	\$391,093	\$69,727	\$62,080	\$97,838	\$98,488	\$110,349	\$131,990	\$40,821
Less: Program Fees	\$161,404	\$23,496	\$24,795	\$39,093	\$39,342	\$44,072	\$52,698	\$16,302
Income To Fund	\$229,689	\$46,231	\$37,285	\$58,745	\$59,146	\$66,277	\$79,292	\$24,519

Southfield Fire&Police Retirement System Performance Summary Table Periods Ending 12/31/14

Manager	1 Qtr	1 Year	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
LSIA Dividend Aristocrats									
Total Return	8.73	15.78	23.78					6/30/12	22.03
S&P 500 Dividends Aristocrats	8.68	15.76	23.74					6/30/12	22.29
Variance	0.05	0.02	0.04					6/30/12	-0.26
Rank	1	6	22						
Loomis Sayles LC Value									
Total Return	4.44	12.06	23.88	22.28	15.02	7.12	9.55	6/30/95	9.97
Russell 1000 Value	4.98	13.45	22.63	20.89	15.43	6.45	7.30	6/30/95	10.21
Variance	-0.54	-1.39	1.26	1.38	-0.41	0.67	2.25	6/30/95	-0.24
Rank	56	52	33	24	48	60	13		
NTGI S&P Midcap 400 - Lending									
Total Return	6.36	9.52	21.09	19.43	16.28			6/30/09	19.80
S&P MidCap 400	6.35	9.77	21.06	19.99	16.54			6/30/09	19.98
Variance	0.01	-0.25	0.03	-0.56	-0.26			6/30/09	-0.18
Rank	22	35	45	60	50				
Morgan Dempsey									
Total Return	2.55							3/31/14	-6.29
40/60 R-2000-V / Russ-Micro	10.47							3/31/14	1.35
Variance	-7.93							3/31/14	-7.64
Rank	94								96

Southfield Fire&Police Retirement System Performance Summary Table Periods Ending 12/31/14

Manager	1 Qtr	1 Year	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
Orleans Capital Mgmt - Energy Opport									
Total Return	-17.41	-18.64	1.53	0.57	4.33			9/30/08	11.69
S&P 500 Energy	-10.68	-7.79	7.38	6.45	8.76			9/30/08	5.23
Variance	-6.73	-10.85	-5.86	-5.88	-4.43			9/30/08	6.46
Rank	99	99	99	99	99				
1607 Capital Partners									
Total Return	-2.76	-0.82	7.85	11.93	8.63	2.82		6/30/06	6.42
MSCI ACWI x-US	-3.81	-3.44	5.69	9.46	4.87	-0.18		6/30/06	3.48
Variance	1.06	2.62	2.16	2.47	3.76	3.00		6/30/06	2.94
Rank	51	37	53	46	33	33			
WHV Investment Mgmt									
Total Return	-9.82	-7.39	2.75	6.87	4.03	0.19		6/30/06	5.70
MSCI ACWI x-US	-3.81	-3.44	5.69	9.46	4.87	-0.18		6/30/06	3.48
Variance	-6.01	-3.95	-2.94	-2.59	-0.84	0.37		6/30/06	2.22
Rank	96	91	81	84	87	73			
Brandes Emerging Mkts									
Total Return	-11.75							6/30/14	-14.48
MSCI Emerging Markets	-4.44							6/30/14	-7.65
Variance	-7.31							6/30/14	-6.83
Rank	96								95

Southfield Fire&Police Retirement System Performance Summary Table Periods Ending 12/31/14

Manager	1 Qtr	1 Year	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
Invesco International REIT									
Total Return	0.94	2.80	4.12	15.52	8.08			12/31/08	12.74
FTSE EPRA/NAREIT Global x-US	1.75	3.22	4.67	14.93	8.31			12/31/08	13.65
Variance	-0.81	-0.41	-0.54	0.59	-0.23			12/31/08	-0.91
Rank	76	84	86	20	68				12
Bradford & Marzec									
Total Return	1.05	5.30						9/30/13	4.72
Barclays Intm Aggregate	1.20	4.12						9/30/13	3.17
Variance	-0.15	1.19						9/30/13	1.55
Rank	56	44							
Loomis Sayles Full Discretion									
Total Return	0.54	6.15						9/30/13	6.64
Barclays U.S. Aggregate	1.79	5.97						9/30/13	4.63
Variance	-1.25	0.18						9/30/13	2.01
Rank	81	53							
Avignon - Mortgage Loan									
Total Return	0.00	0.00	0.00	-17.09	-7.96	-3.57		12/31/07	-3.57
Citi 2yr Treasury +4%/yr	1.16	4.69	4.50	4.43	5.00	5.97		12/31/07	5.97
Variance	-1.16	-4.69	-4.50	-21.51	-12.97	-9.55		12/31/07	-9.55
Rank	91	95	96	100	100	100			100

Southfield Fire&Police Retirement System Performance Summary Table Periods Ending 12/31/14

Manager	1 Qtr	1 Year	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
Nantucket Institutional									
Total Return	2.94	9.93	11.82	11.26	8.40			6/30/08	5.30
HFRI Diversified FoF Index	0.83	3.22	6.09	5.65	3.39			6/30/08	0.99
Variance	2.11	6.72	5.73	5.60	5.01			6/30/08	4.30
Rank	25	8	5	6	5				
PRISA Real Estate Composite									
Total Return	3.89	14.20	14.56	13.29	15.52	1.85	6.47	6/30/93	7.63
NFI-ODCE	3.26	12.49	13.22	12.45	13.93	2.80	6.93	6/30/93	7.95
Variance	0.63	1.70	1.35	0.83	1.59	-0.95	-0.46	6/30/93	-0.32
Rank	33	32	24	37	12	50	45		
PRISA I									
Total Return	3.82	13.34	14.02	12.55	14.99	2.30		12/31/05	5.37
NFI-ODCE	3.26	12.49	13.22	12.45	13.93	2.80		12/31/05	5.56
Variance	0.56	0.85	0.80	0.10	1.06	-0.50		12/31/05	-0.19
Rank	34	40	28	45	18	43			40
PRISA II									
Total Return	3.32	14.22	14.70	14.59	17.80	0.68		12/31/05	4.35
NFI-ODCE	3.26	12.49	13.22	12.45	13.93	2.80		12/31/05	5.56
Variance	0.06	1.73	1.48	2.14	3.87	-2.12		12/31/05	-1.22
Rank	45	32	23	29	7	64			61

Southfield Fire&Police Retirement System Performance Summary Table Periods Ending 12/31/14

Manager	1 Qtr	1 Year	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
PRISA III									
Total Return	6.39	18.89						3/31/13	17.52
NFI-ODCE	3.26	12.49						3/31/13	13.51
Variance	3.13	6.40						3/31/13	4.00
Rank	22	12							
Total Fund									
Total Return	1.47	6.11	11.28	10.83	8.39	5.05	6.73	12/31/88	7.77
Policy Index	2.47	6.52	10.59	11.43	10.04	5.27	6.55	12/31/88	8.74
Variance	-1.00	-0.42	0.68	-0.60	-1.64	-0.22	0.18	12/31/88	-0.97
Rank	66	65	51	72	79	61	36		
Total Return (Net of Fees)	1.26	5.33							

Southfield Fire&Police Retirement System Risk Statistic Summary Quarterly 3 Year Ending 12/31/14

Manager	Return	Standard Deviation	Tracking Error	R-Squared	Historical Beta	Historical Alpha	Information Ratio	Sharpe Ratio
LSIA Dividend Aristocrats S&P 500 Dividends Aristocrats	NA NA	NA NA	NA	NA	NA	NA	NA	NA
Loomis Sayles LC Value Russell 1000 Value	22.28 20.89	10.02 8.89	2.06	0.97	1.10	-0.19	0.62	2.22
NTGI S&P Midcap 400 - Lending S&P MidCap 400	19.43 19.99	11.67 11.51	0.98	0.99	1.01	-0.16	-0.49	1.66
Morgan Dempsey 40/60 R-2000-V / Russ-Micro	NA NA	NA NA	NA	NA	NA	NA	NA	NA
Orleans Capital Mgmt - Energy Opport S&P 500 Energy	0.57 6.45	20.55 15.44	8.06	0.88	1.24	-1.65	-0.62	0.02
1607 Capital Partners MSCI ACWI x-US	11.93 9.46	12.78 12.30	1.52	0.99	1.04	0.50	1.54	0.93
WHV Investment Mgmt MSCI ACWI x-US	6.87 9.46	13.70 12.30	4.59	0.89	1.05	-0.68	-0.51	0.50
Brandes Emerging Mkts MSCI Emerging Markets	NA NA	NA NA	NA	NA	NA	NA	NA	NA
Invesco International REIT FTSE EPRA/NAREIT Global x-US	15.52 14.93	13.17 12.90	1.70	0.98	1.01	0.09	0.32	1.17

Southfield Fire&Police Retirement System Risk Statistic Summary Quarterly 3 Year Ending 12/31/14

Manager	Return	Standard Deviation	Tracking Error	R-Squared	Historical Beta	Historical Alpha	Information Ratio	Sharpe Ratio
Bradford & Marzec	NA	NA	NA	NA	NA	NA	NA	NA
Barclays Intm Aggregate	NA	NA						
Loomis Sayles Full Discretion	NA	NA	NA	NA	NA	NA	NA	NA
Barclays U.S. Aggregate	NA	NA						
Avignon - Mortgage Loan	-17.09	24.83	24.89	0.06	-26.83	-1.25	-0.70	-0.69
Citi 2yr Treasury +4%/yr	4.43	0.22						
Nantucket Institutional	11.26	2.98	1.38	0.79	0.91	1.43	3.88	3.76
HFRI Diversified FoF Index	5.65	3.18						
PRISA Real Estate Composite	13.29	1.37	0.95	0.84	1.08	-0.04	0.81	9.65
NFI-ODCE	12.45	0.90						
PRISA I	12.55	1.39	0.99	0.81	1.03	-0.05	0.09	8.99
NFI-ODCE	12.45	0.90						
PRISA II	14.59	1.53	1.43	0.69	1.07	0.28	1.37	9.48
NFI-ODCE	12.45	0.90						
PRISA III	NA	NA	NA	NA	NA	NA	NA	NA
NFI-ODCE	NA	NA						
Total Fund	10.83	6.36	1.51	0.95	1.05	-0.27	-0.36	1.69
Policy Index	11.43	5.85						

Southfield Fire&Police Retirement System

Large Neutral Cumulative Performance Comparisons

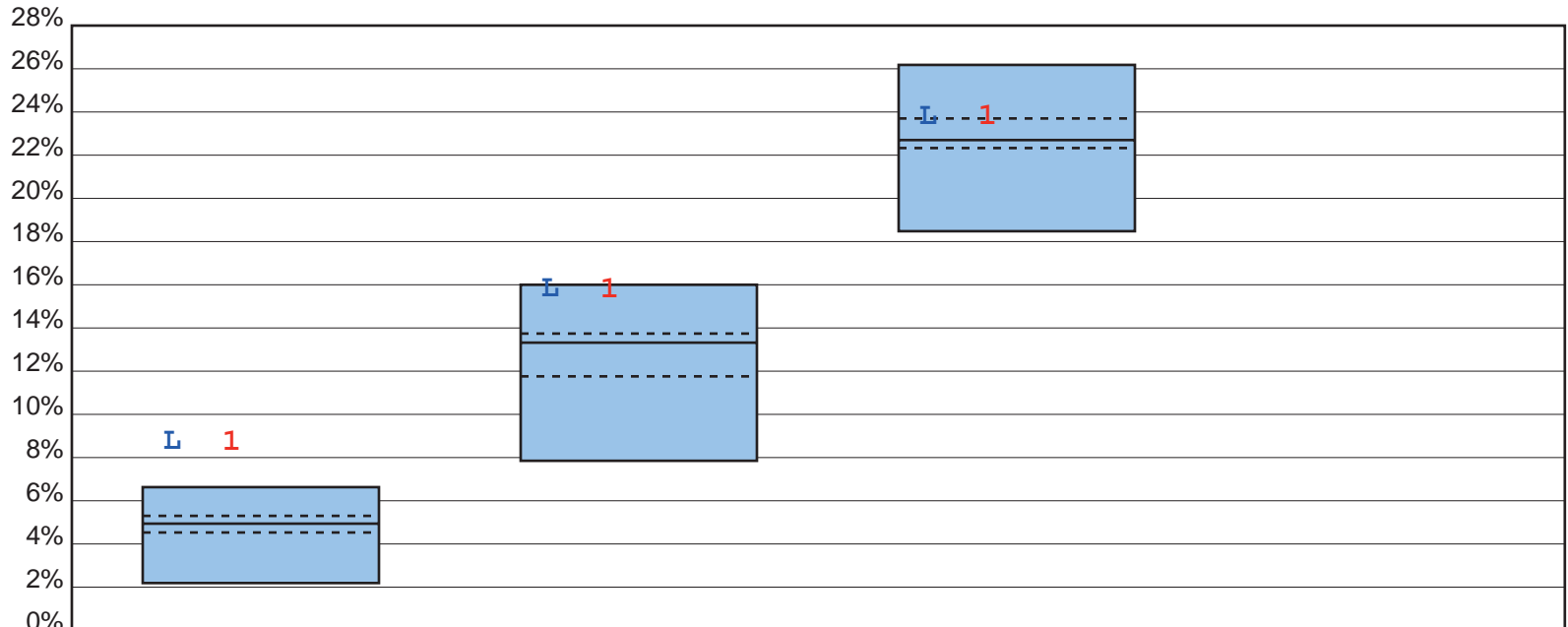
Total Returns of Equity Portfolios

Periods Ending 12/14

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



	Last Qtr	Last Year	Last 2 Years
5th Percentile	6.63	16.00	26.18
25th Percentile	5.30	13.74	23.70
Median	4.94	13.32	22.70
75th Percentile	4.53	11.76	22.33
95th Percentile	2.19	7.85	18.48

L LSIA Dividend Aristocrats	8.73	(1)	15.78	(6)	23.78	(22)
1 S&P 500 Dividends Aristocrats	8.68	(1)	15.76	(6)	23.74	(24)

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

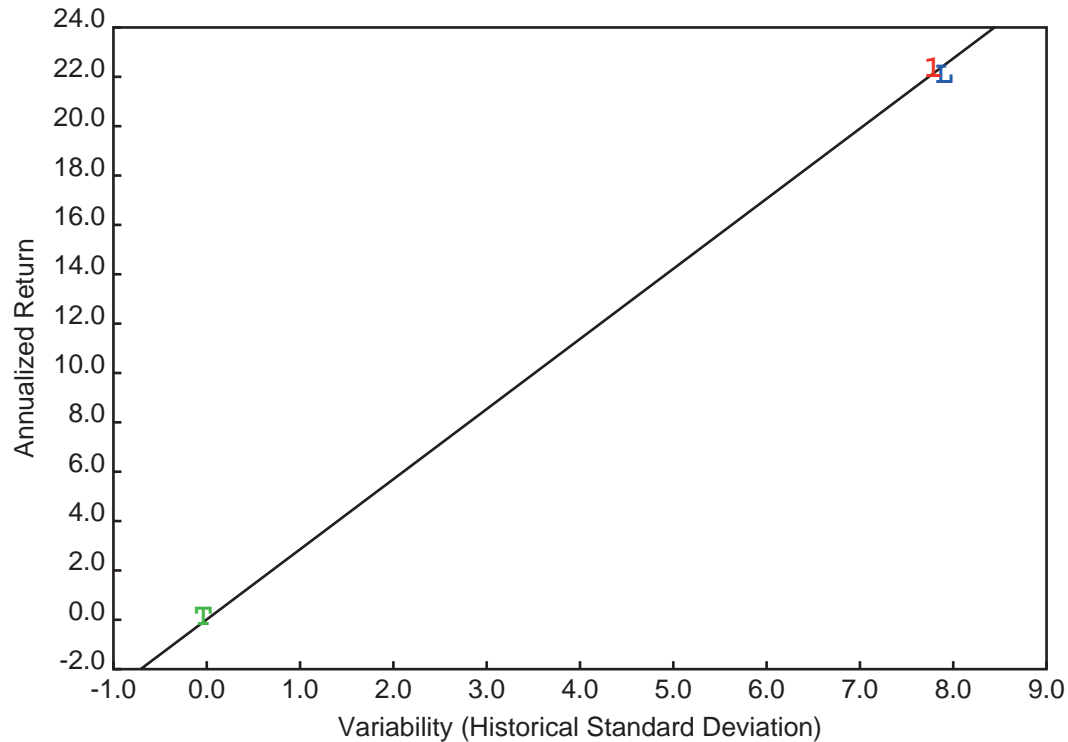
Southfield Fire&Police Retirement System Quarterly Total Return Market Line Analysis Periods from 6/12 to 12/14

Manager Annual Return: +22.03
 Less: Annual Fee -0.09

 +21.94

 Less: Benchmark Return -22.29

 Net Value-added Result -0.35



	Annualized Return	Variability	Reward	Sharpe Ratio
L LSIA Dividend Aristocrats	22.03	7.96	21.95	2.76
1 S&P 500 Dividends Aristocrats	22.29	7.84	22.21	2.83
T 91-Day Treasury Bill	0.07	0.02	0.00	0.00

Manager Performance vs. Objectives:
 Index strategy meets expectations after 2.5 years.

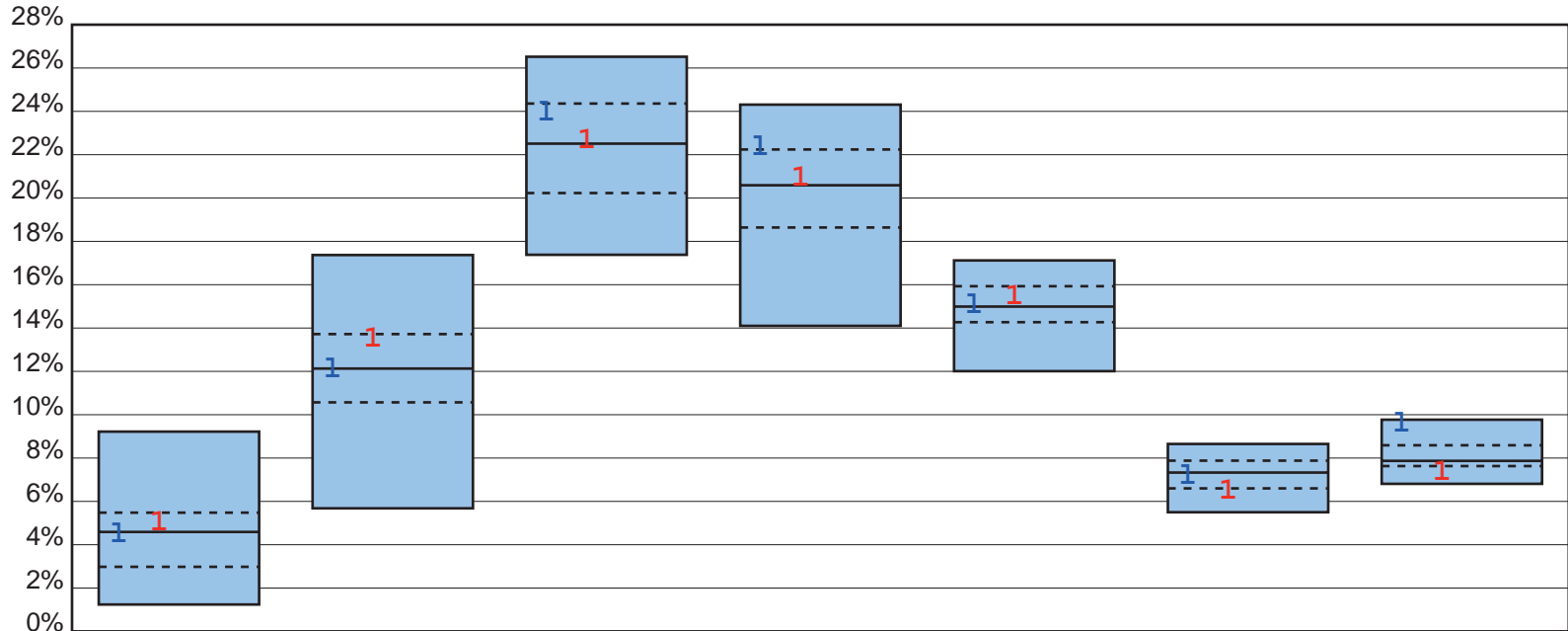
Sharpe Ratio = Reward / Variability

Southfield Fire&Police Retirement System

Large Value Cumulative Performance Comparisons

Total Returns of Equity Portfolios

Periods Ending 12/14



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

	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
5th Percentile	9.22	17.37	26.52	24.31	17.12	8.65	9.77
25th Percentile	5.48	13.72	24.36	22.24	15.93	7.88	8.59
Median	4.59	12.13	22.51	20.59	14.99	7.33	7.87
75th Percentile	2.98	10.57	20.23	18.64	14.27	6.60	7.63
95th Percentile	1.24	5.68	17.38	14.10	12.01	5.50	6.81
1 Loomis Sayles LC Value	4.44 (56)	12.06 (52)	23.88 (33)	22.28 (24)	15.02 (48)	7.12 (60)	9.55 (13)
1 Russell 1000 Value	4.98 (37)	13.45 (35)	22.63 (47)	20.89 (41)	15.43 (37)	6.45 (82)	7.30 (91)

Quarterly Variance Analysis:
 Underperformance is primarily attributed to poor stock selection in the Energy sector.

Underperformance in 2Q12, 2Q11, and 3Q11, combined with poor results in 2010 are impacting 5-years results.
 (Note: numbers in parentheses reflect the actual peer group rankings. 1 = high; 99 = low)

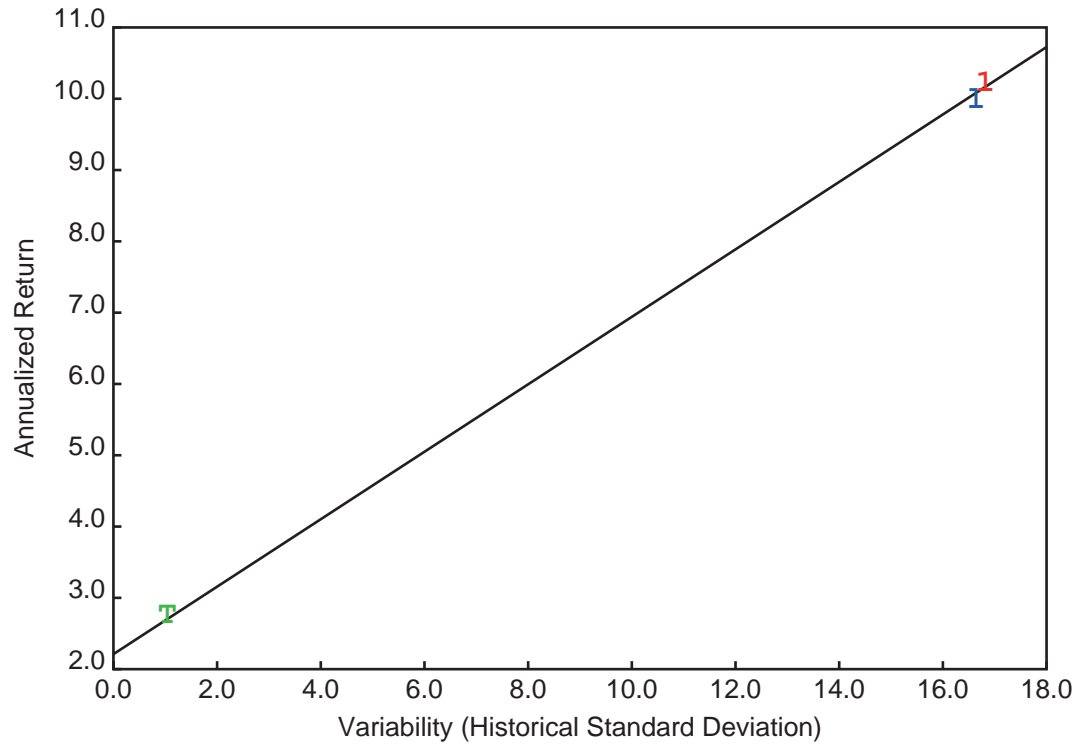
Southfield Fire&Police Retirement System Quarterly Total Return Market Line Analysis Periods from 6/95 to 12/14

Manager Annual Return: +9.97
 Less: Annual Fee -0.50

 +9.47

 Less: Benchmark Return -10.21

 Net Value-added Result -0.74



	Annualized Return	Variability	Reward	Sharpe Ratio
1 Loomis Sayles LC Value	9.97	16.74	7.22	0.43
1 Russell 1000 Value	10.21	16.91	7.46	0.44
T 91-Day Treasury Bill	2.75	1.14	0.00	0.00

Manager Performance vs. Objectives:
 While portfolio manager trails expectations after 19.5 years, results for the past 10 years exceed expectations.

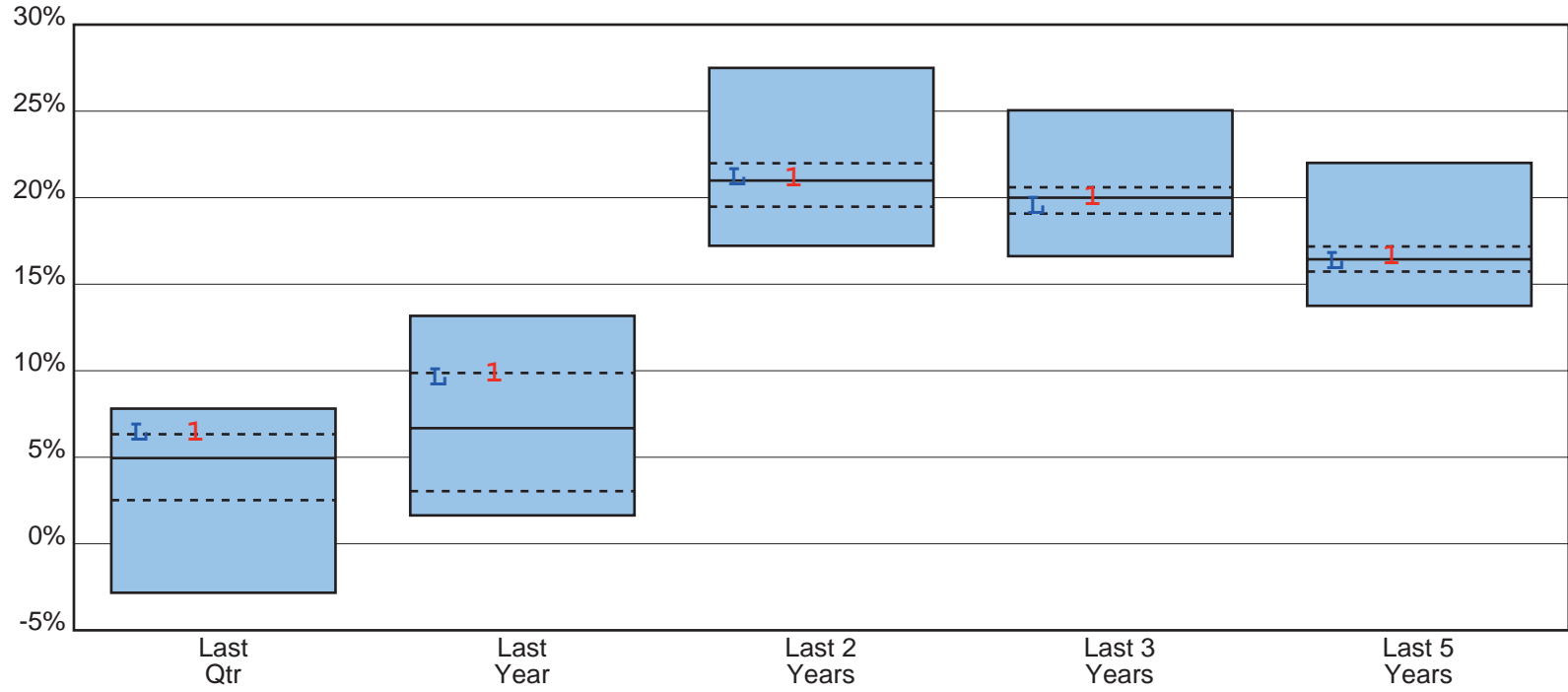
Sharpe Ratio = Reward / Variability

Southfield Fire&Police Retirement System

Midcap Neutral Cumulative Performance Comparisons

Total Returns of Equity Portfolios

Periods Ending 12/14



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

	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 5 Years
5th Percentile	7.81	13.17	27.50	25.05	22.01
25th Percentile	6.33	9.87	21.99	20.60	17.18
Median	4.95	6.68	20.99	20.00	16.44
75th Percentile	2.52	3.04	19.48	19.08	15.73
95th Percentile	-2.83	1.64	17.22	16.62	13.75

L NTGI S&P Midcap 400 - Lending	6.36 (22)	9.52 (35)	21.09 (45)	19.43 (60)	16.28 (50)
1 S&P MidCap 400	6.35 (22)	9.77 (29)	21.06 (45)	19.99 (50)	16.54 (42)

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.

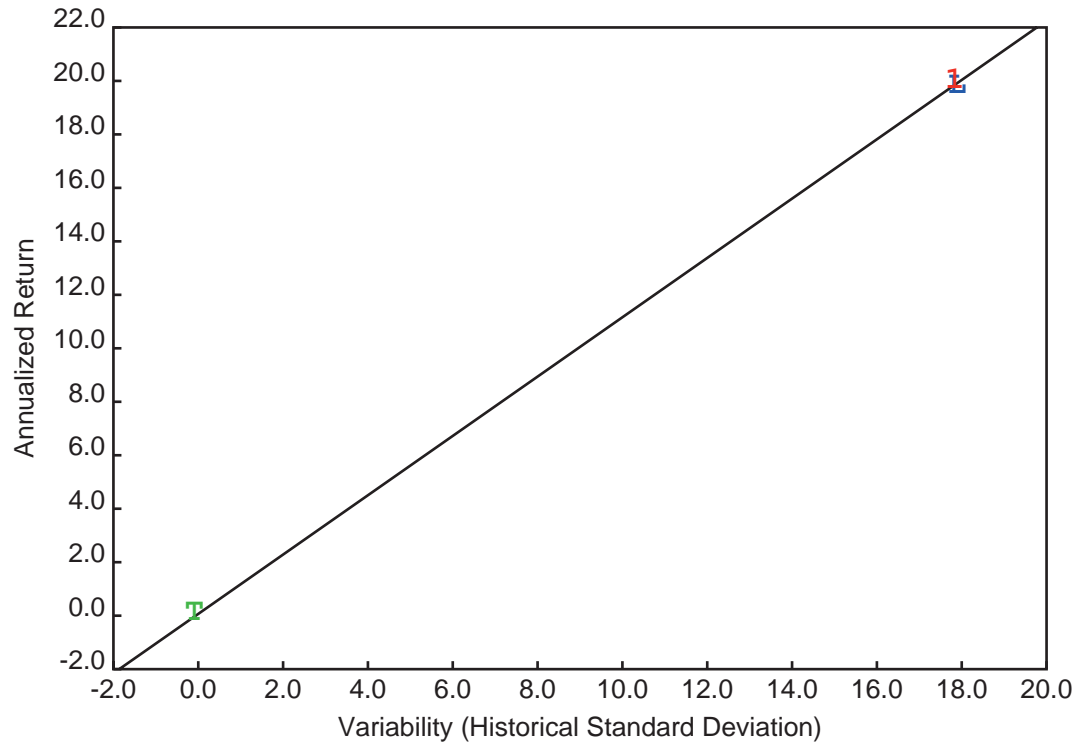
Southfield Fire&Police Retirement System Quarterly Total Return Market Line Analysis Periods from 6/09 to 12/14

Manager Annual Return: +19.80
 Less: Annual Fee -0.04

 +19.76

 Less: Benchmark Return -19.98

 Net Value-added Result -0.22



	Annualized Return	Variability	Reward	Sharpe Ratio
L NTGI S&P Midcap 400 - Lending	19.80	18.02	19.70	1.09
1 S&P MidCap 400	19.98	17.95	19.88	1.11
T 91-Day Treasury Bill	0.10	0.03	0.00	0.00

Manager Performance vs. Objectives:
 This index fund strategy meets expectations after 5.5 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

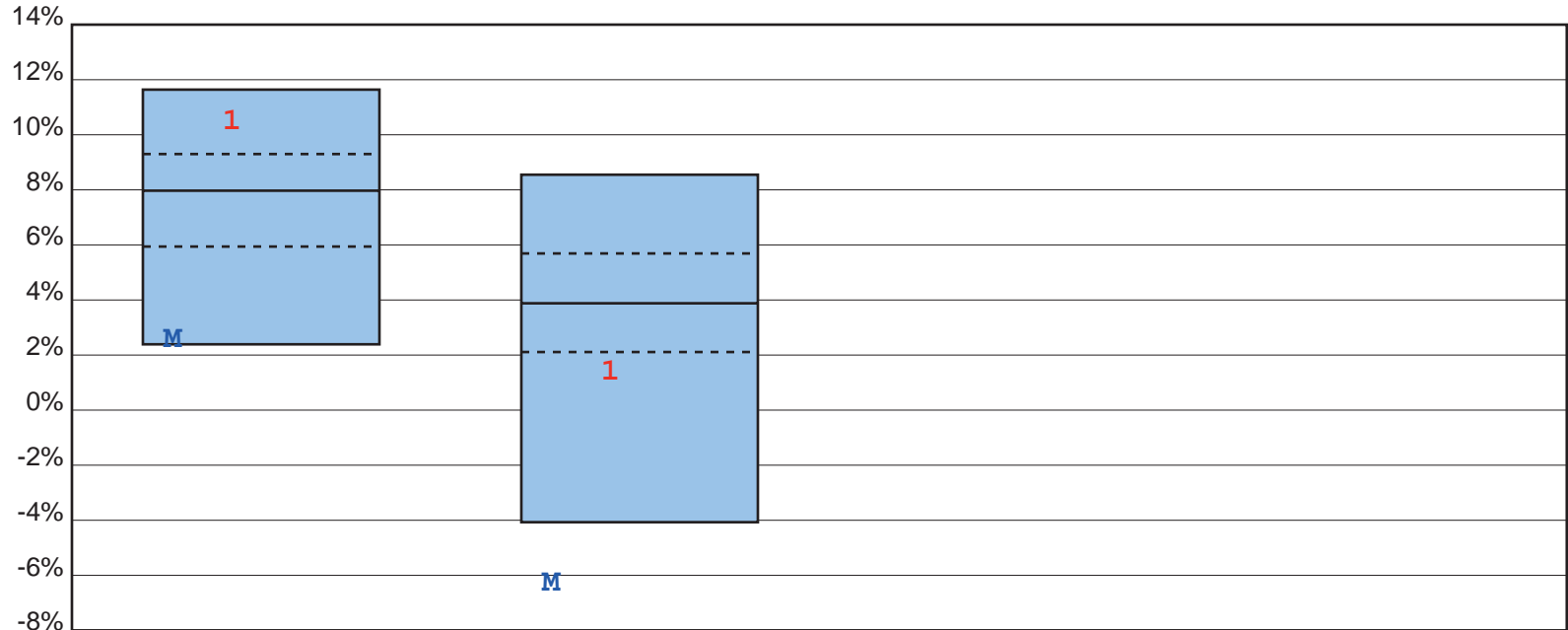
Total Returns of Equity Portfolios

Periods Ending 12/14

Manager Biography:
Replaced Fiduciary Mgmt
in March 2014 with funding
of about \$10.8mm.

Fee schedule:
First \$25 million 110 bps
Next \$25 million 100 bps
Next \$30 million 95 bps

Current Fee is 110 bps



	Last Qtr	Last 3 Qtrs
5th Percentile	11.64	8.55
25th Percentile	9.30	5.69
Median	7.97	3.88
75th Percentile	5.94	2.11
95th Percentile	2.39	-4.07

M Morgan Dempsey	2.55 (94)	-6.29 (96)
1 40/60 R-2000-V / Russ-Micro	10.47 (7)	1.35 (77)

Quarterly Variance Analysis:

Significant underperformance is primarily attributed to a sizable overweight in the poorly-performing Energy sector. An underweight in the Financials sector, as well as poor stock selection in the Consumer Discretionary and Industrials sectors further detracted from results.

(Note: the numbers in parentheses reflect actual peer group rankings. 1=high; 99 low; however, there is no micro-cap stock manager universe)

Southfield Fire&Police Retirement System

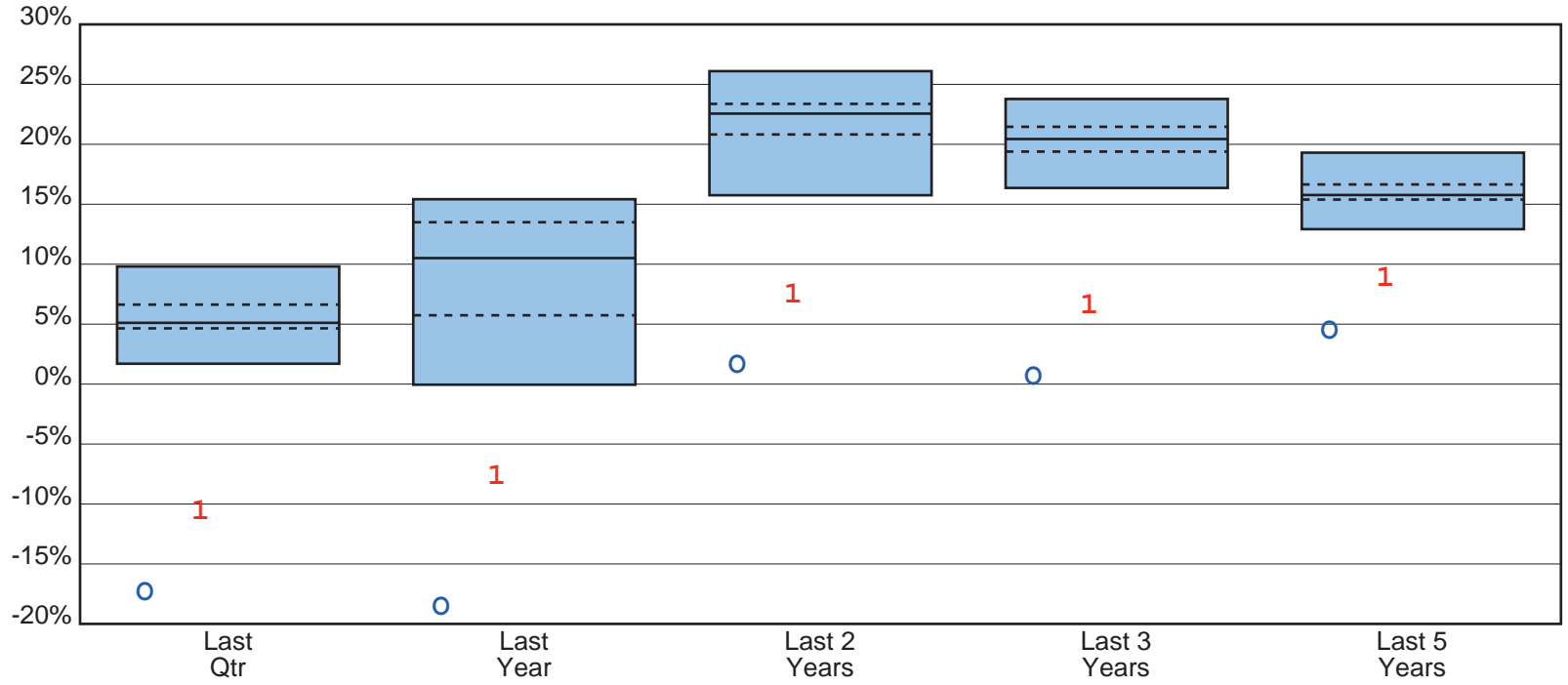
All Neutral Cumulative Performance Comparisons

Total Returns of Equity Portfolios

Periods Ending 12/14

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	9.81	15.42	26.10	23.78	19.30
25th Percentile	6.63	13.50	23.37	21.46	16.65
Median	5.11	10.51	22.56	20.44	15.77
75th Percentile	4.65	5.74	20.82	19.39	15.39
95th Percentile	1.70	-0.05	15.75	16.36	12.92

○ Orleans Capital Mgmt - Energy Opp	-17.41 (99)	-18.64 (99)	1.53 (99)	0.57 (99)	4.33 (99)
1 S&P 500 Energy	-10.68 (99)	-7.79 (99)	7.38 (99)	6.45 (99)	8.76 (99)

Quarterly Variance Analysis:

Underperformance is primarily attributed to poor stock selection among deepwater oil exploration and producers, as well as natural gas producers in North America.

Halliburton (-38.76%) and Cameron International (-24.75%) were leading detractors from results.

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

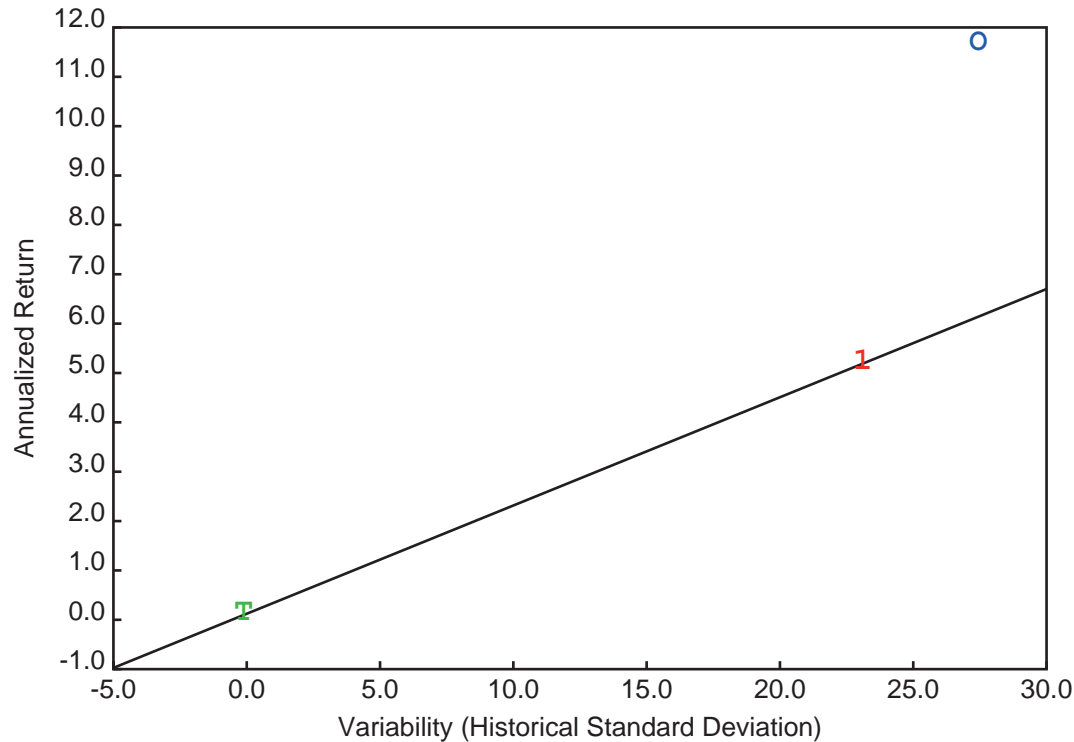
Southfield Fire&Police Retirement System Quarterly Total Return Market Line Analysis Periods from 9/08 to 12/14

Manager Annual Return: +11.69
 Less: Annual Fee -1.00

 +10.69

 Less: Benchmark Return -5.23

 Net Value-added Result +5.46

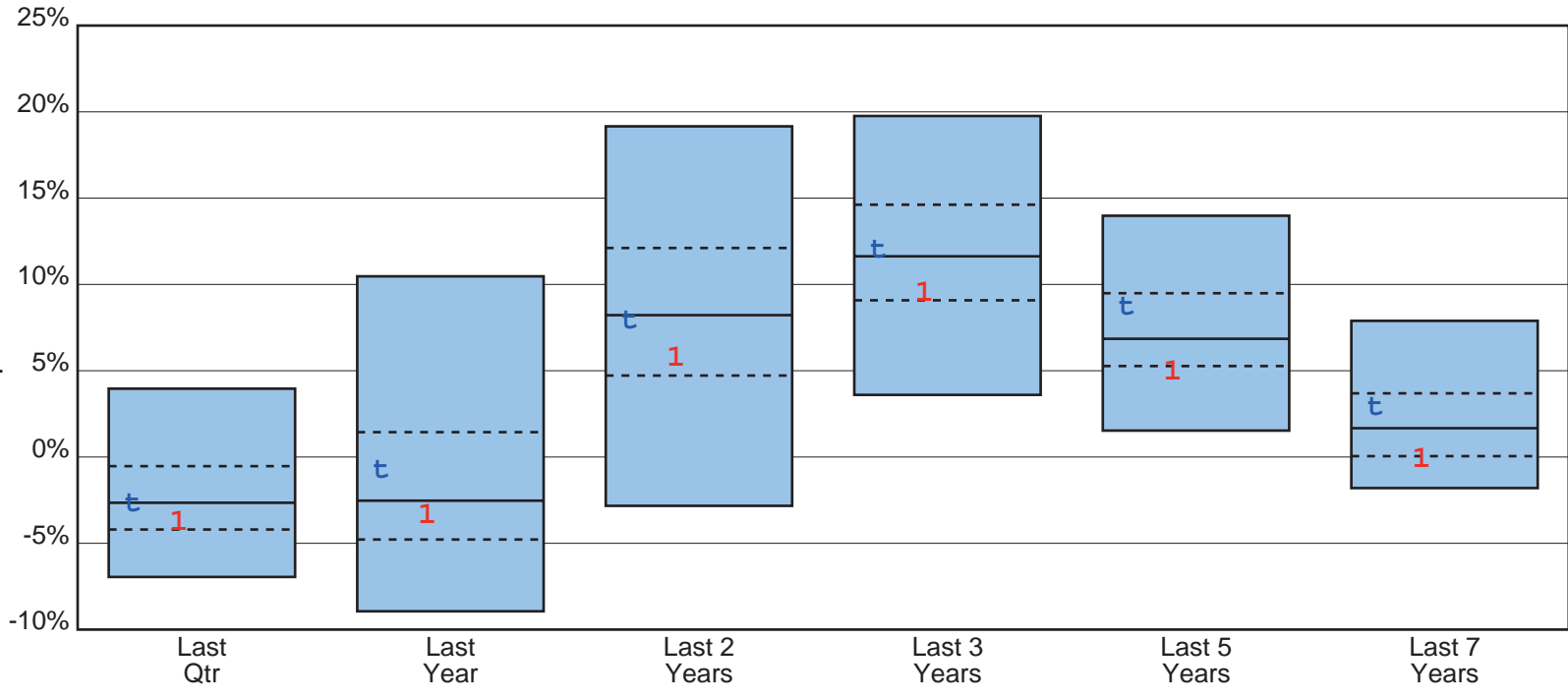


	Annualized Return	Variability	Reward	Sharpe Ratio
○ Orleans Capital Mgmt - Energy Opport	11.69	27.63	11.55	0.42
1 S&P 500 Energy	5.23	23.29	5.09	0.22
T 91-Day Treasury Bill	0.14	0.08	0.00	0.00

Manager Performance vs. Objectives:
 Despite poor performance the last few years, portfolio manager exceeds expectations since inception (10/01/2008).

Sharpe Ratio = Reward / Variability

Southfield Fire&Police Retirement System Cumulative Performance Comparison Total Returns of International Equity Portfolios Periods Ending 12/14



Manager Biography:
Tattersall Advisory was hired to replace the Morgan Stanley Integrated Intn'l Equity Fund on July 14, 2006 with approximately \$10.6 million.

1607 replaced Tattersall in April 2008 because the portfolio management team went to 1607.

An additional \$5 million was transferred in at the end of 1Q07

Fee schedule: 75 bps.
(and internal expenses)

	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years
5th Percentile	3.96	10.47	19.16	19.76	13.98	7.89
25th Percentile	-0.53	1.44	12.11	14.62	9.49	3.69
Median	-2.65	-2.53	8.22	11.63	6.85	1.67
75th Percentile	-4.20	-4.78	4.72	9.08	5.27	0.05
95th Percentile	-6.95	-8.94	-2.83	3.60	1.53	-1.80
t 1607 Capital Partners	-2.76 (51)	-0.82 (37)	7.85 (53)	11.93 (46)	8.63 (33)	2.82 (33)
1 MSCI ACWI x-US	-3.81 (65)	-3.44 (57)	5.69 (68)	9.46 (70)	4.87 (79)	-0.18 (79)

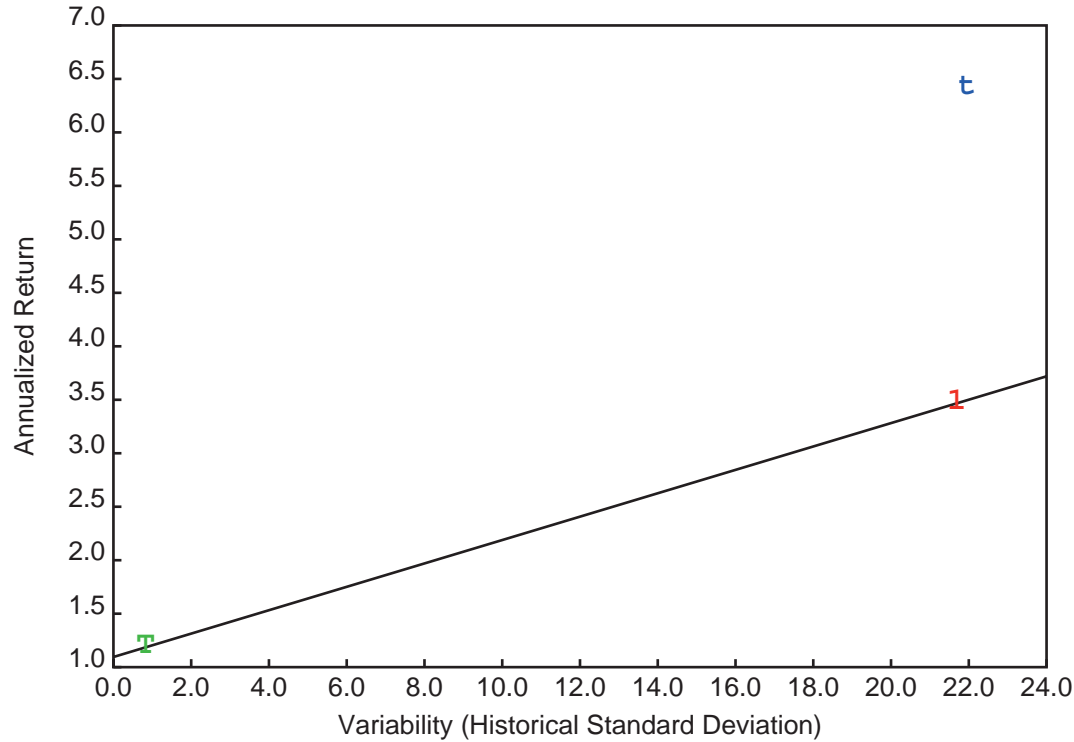
Quarterly Variance Analysis:
 Outperformance is due to an underweight allocation to funds invested in Europe (France, Italy, and Spain) and an overweight allocation to funds invested in emerging markets (China and India).
 The manager acknowledges differences in total portfolio valuation with the custodian on a quarter-to-quarter basis.
 Exposure to emerging markets was approximately 22.4% of the portfolio.
 At the end of the quarter, 1607 held 108 closed-end funds. The universe consists of about 315 funds.
 (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 6/06 to 12/14

Manager Annual Return: +6.42
 Less: Annual Fee -0.75
 Less: Global C/T Fees -0.10
 (Custody/Transaction) -----
 +5.57

 Less: Benchmark Return -3.48

 Net Value-added Result +2.09

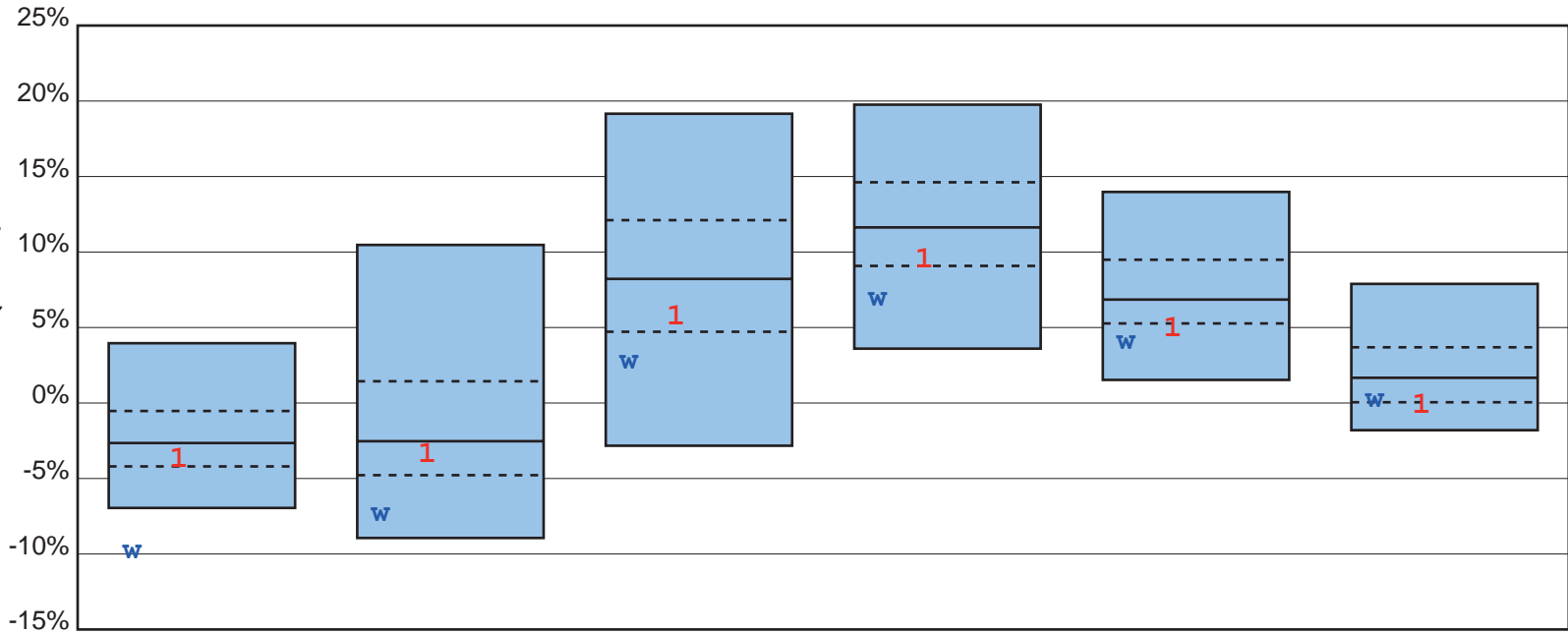


	Annualized Return	Variability	Reward	Sharpe Ratio
t 1607 Capital Partners	6.42	22.06	5.22	0.24
1 MSCI ACWI x-US	3.48	21.81	2.28	0.10
T 91-Day Treasury Bill	1.20	0.96	0.00	0.00

Manager Performance vs. Objectives:
 Portfolio manager exceeds expectations after 8.5 years.

Sharpe Ratio = Reward / Variability

Southfield Fire&Police Retirement System Cumulative Performance Comparison Total Returns of International Equity Portfolios Periods Ending 12/14



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years
5th Percentile	3.96	10.47	19.16	19.76	13.98	7.89
25th Percentile	-0.53	1.44	12.11	14.62	9.49	3.69
Median	-2.65	-2.53	8.22	11.63	6.85	1.67
75th Percentile	-4.20	-4.78	4.72	9.08	5.27	0.05
95th Percentile	-6.95	-8.94	-2.83	3.60	1.53	-1.80
w WHV Investment Mgmt	-9.82 (96)	-7.39 (91)	2.75 (81)	6.87 (84)	4.03 (87)	0.19 (73)
1 MSCI ACWI x-US	-3.81 (65)	-3.44 (57)	5.69 (68)	9.46 (70)	4.87 (79)	-0.18 (79)

Quarterly Variance Analysis:
Underperformance is primarily attributed to the manager's strategy which emphasizes an overweight position in the Energy sector, which performed poorly during the quarter.

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

Manager Biography:
Wentworth, Hauser & Violich was hired to replace the Morgan Stanley Integrated International Equity Fund on July 14, 2006 with approximately \$10.6 million.

An additional \$5 million was transferred in at the end of 1Q07

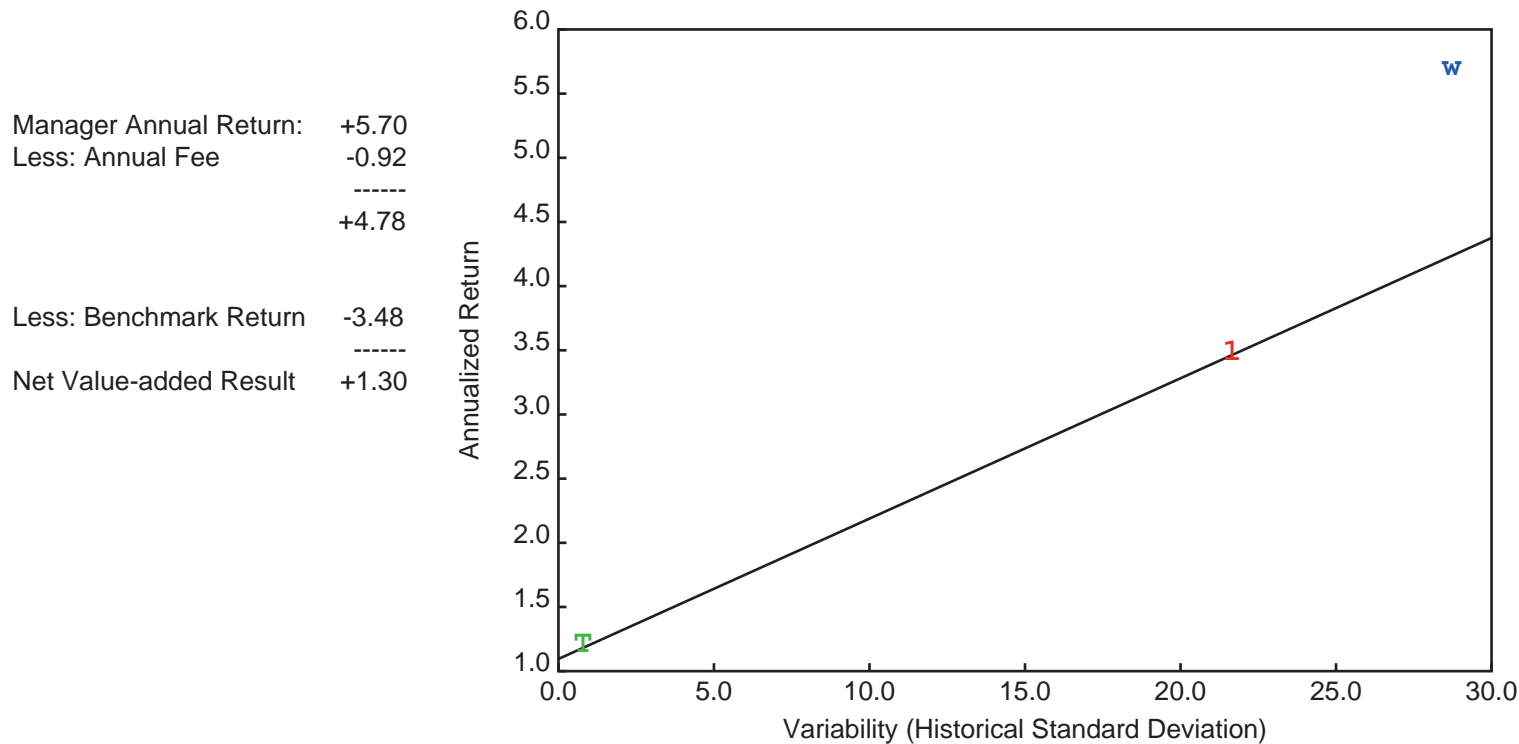
Fee schedule:
100 bps first \$10 million
80 bps thereafter

Current Fee: 92 bps

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 12/14



Manager Annual Return: +5.70
 Less: Annual Fee -0.92

 +4.78

 Less: Benchmark Return -3.48

 Net Value-added Result +1.30

	Annualized Return	Variability	Reward	Sharpe Ratio
w WHV Investment Mgmt	5.70	28.88	4.50	0.16
1 MSCI ACWI x-US	3.48	21.81	2.28	0.10
T 91-Day Treasury Bill	1.20	0.96	0.00	0.00

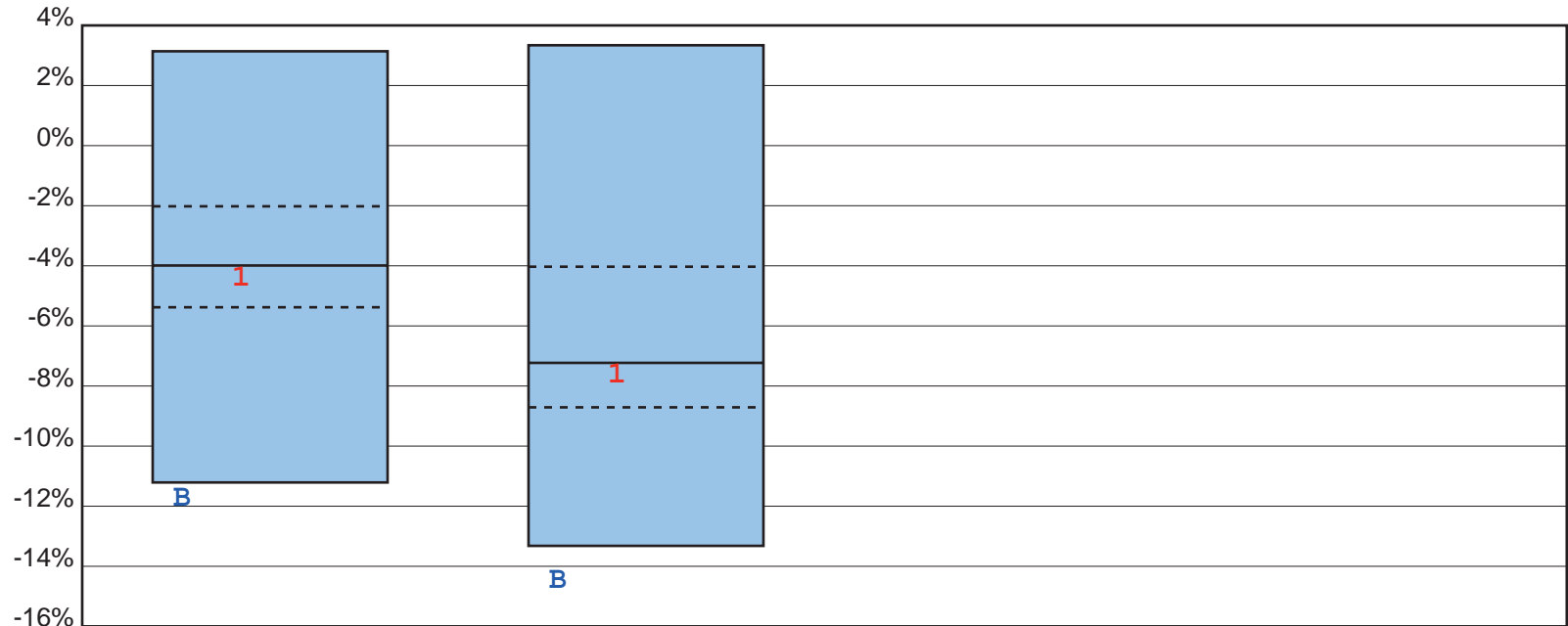
Manager Performance vs. Objectives:
 Despite poor short-term results, portfolio manager exceeds expectations after 8.5 years.

Sharpe Ratio = Reward / Variability

Southfield Fire&Police Retirement System Cumulative Performance Comparison Total Returns of Emerging Markets Portfolios Periods Ending 12/14

Manager Biography:
Hired in May 2014 with
funding of \$6 million.

Current Fee is 95 bps



	Last Qtr	Last 2 Qtrs
5th Percentile	3.14	3.34
25th Percentile	-2.02	-4.03
Median	-3.99	-7.23
75th Percentile	-5.38	-8.71
95th Percentile	-11.21	-13.32

B Brandes Emerging Mkts	-11.75 (96)	-14.48 (95)
1 MSCI Emerging Markets	-4.44 (58)	-7.65 (53)

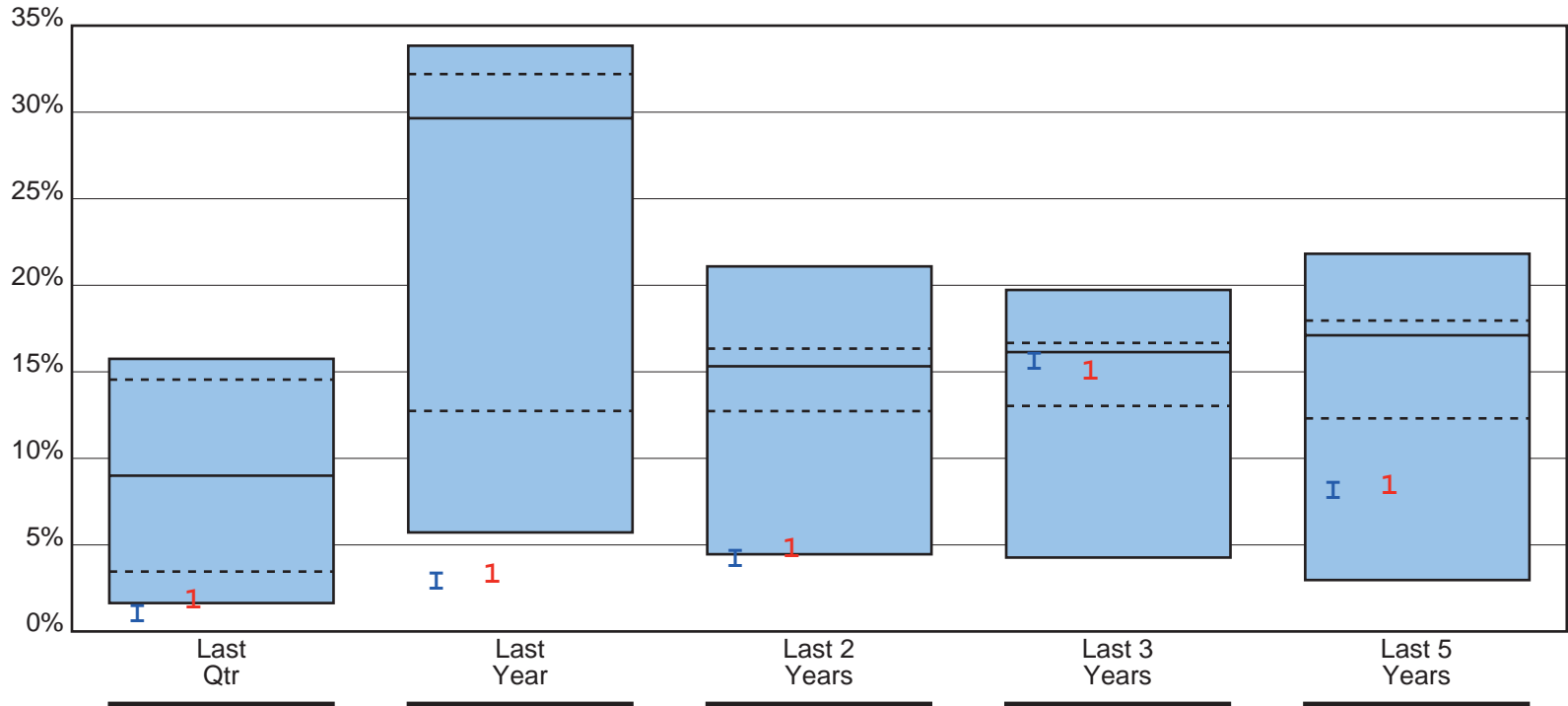
Quarterly Variance Analysis:
Significant underperformance is primarily due to poor stock selection across multiple sectors and countries.

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

Southfield Fire&Police Retirement System Cumulative Performance Comparison Total Returns of Public REIT Portfolios Periods Ending 12/14

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

Fee Schedule:
80 bps on first \$100mm



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 5 Years
5th Percentile	15.75	33.84	21.09	19.73	21.82
25th Percentile	14.55	32.20	16.34	16.67	17.96
Median	9.00	29.65	15.32	16.14	17.11
75th Percentile	3.46	12.74	12.73	13.03	12.31
95th Percentile	1.64	5.72	4.46	4.27	2.97

I Invesco International REIT	0.94 (100)	2.80 (100)	4.12 (100)	15.52 (60)	8.08 (90)
1 FTSE EPRA/NAREIT Global x-US	1.75 (93)	3.22 (96)	4.67 (94)	14.93 (65)	8.31 (84)

Quarterly Variance Analysis:
Underperformance is primarily attributed to weak stock selection in Japan, Australia, and Sweden.

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

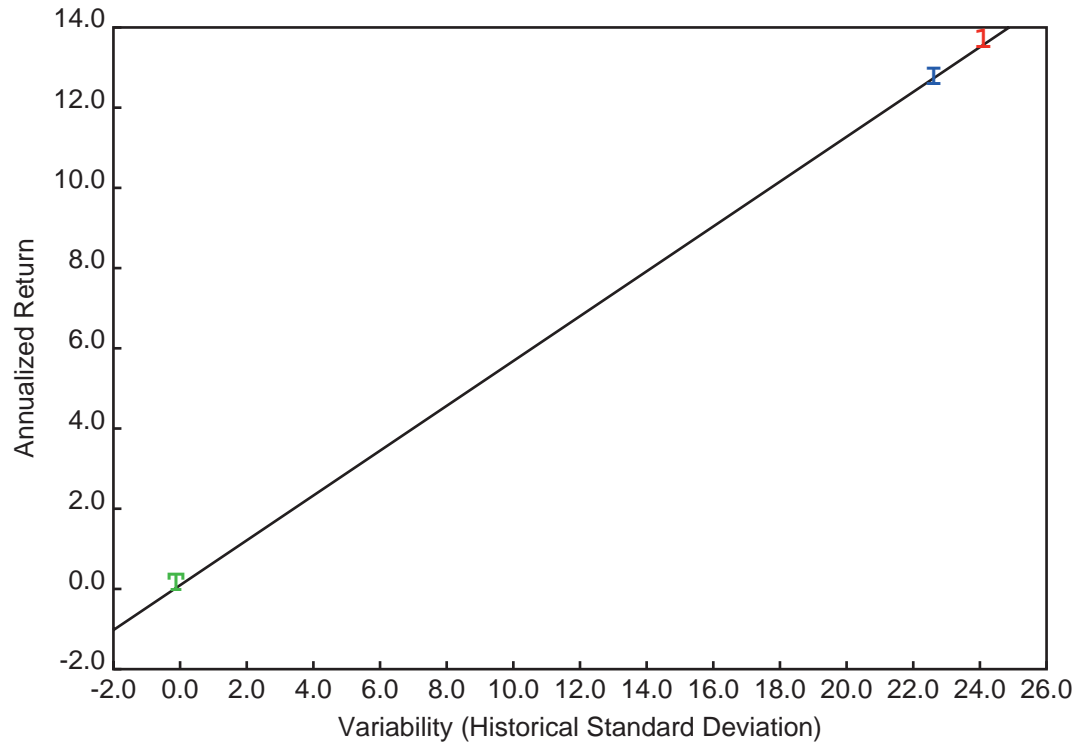
Southfield Fire&Police Retirement System Quarterly Total Return Market Line Analysis Periods from 12/08 to 12/14

Manager Annual Return: +12.74
 Less: Annual Fee -0.80

 +11.94

 Less: Benchmark Return -13.65

 Net Value-added Result -1.71



	Annualized Return	Variability	Reward	Sharpe Ratio
I Invesco International REIT	12.74	22.77	12.63	0.55
1 FTSE EPRA/NAREIT Global	13.65	24.25	13.54	0.56
T 91-Day Treasury Bill	0.11	0.03	0.00	0.00

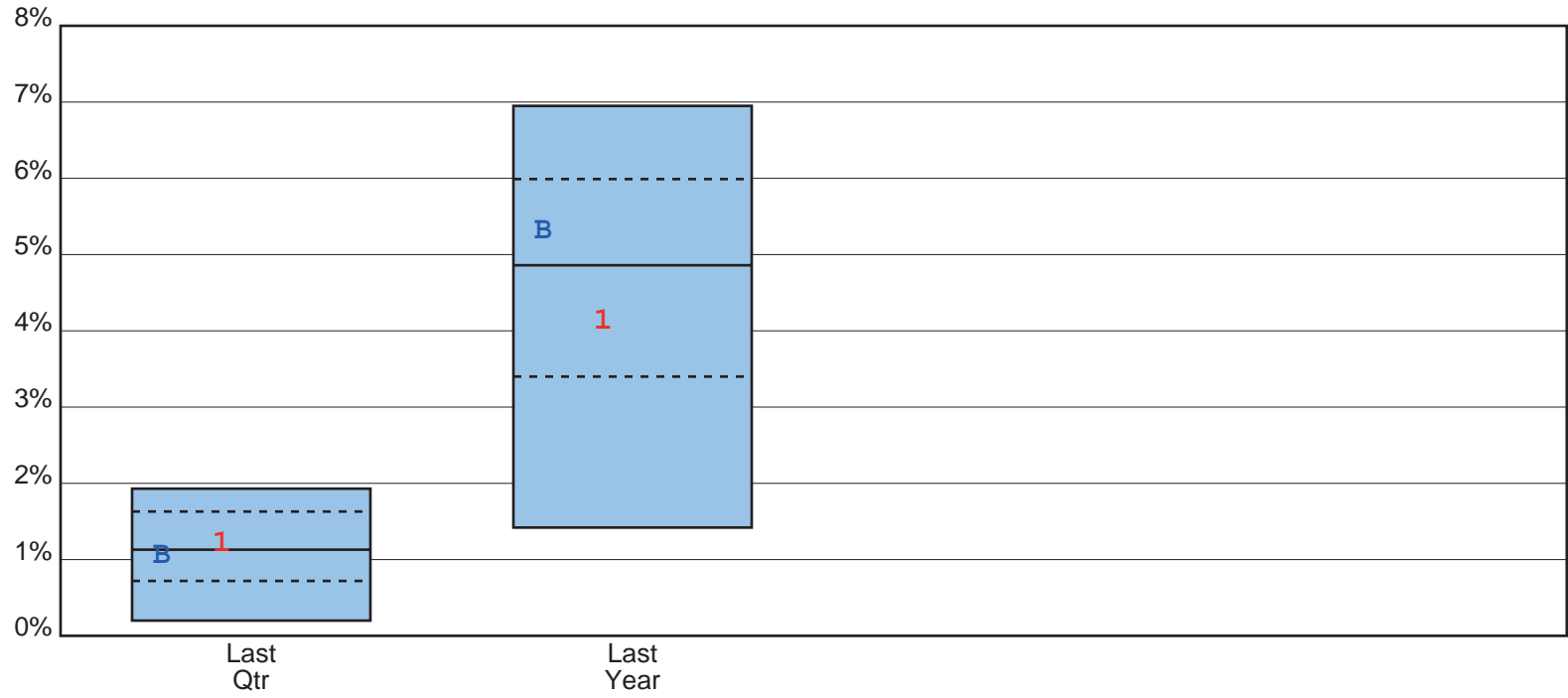
Manager Performance vs. Objectives:
 Portfolio manager is close to expectations after 6 years.

Sharpe Ratio = Reward / Variability

Southfield Fire&Police Retirement System Intermediate Term Cumulative Performance Comparisons Total Returns of Fixed Income Portfolios Periods Ending 12/14

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

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



	Last Qtr	Last Year
5th Percentile	1.93	6.95
25th Percentile	1.63	5.99
Median	1.13	4.86
75th Percentile	0.72	3.40
95th Percentile	0.20	1.42

B Bradford & Marzec	1.05 (56)	5.30 (44)
1 Barclays Intm Aggregate	1.20 (46)	4.12 (63)

Quarterly Variance Analysis:
Underperformance is attributed to securities selection among investment-grade corporate bonds.
Exposure to high-yield bonds further detracted from results.

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

Returns for periods greater than one year are annualized.

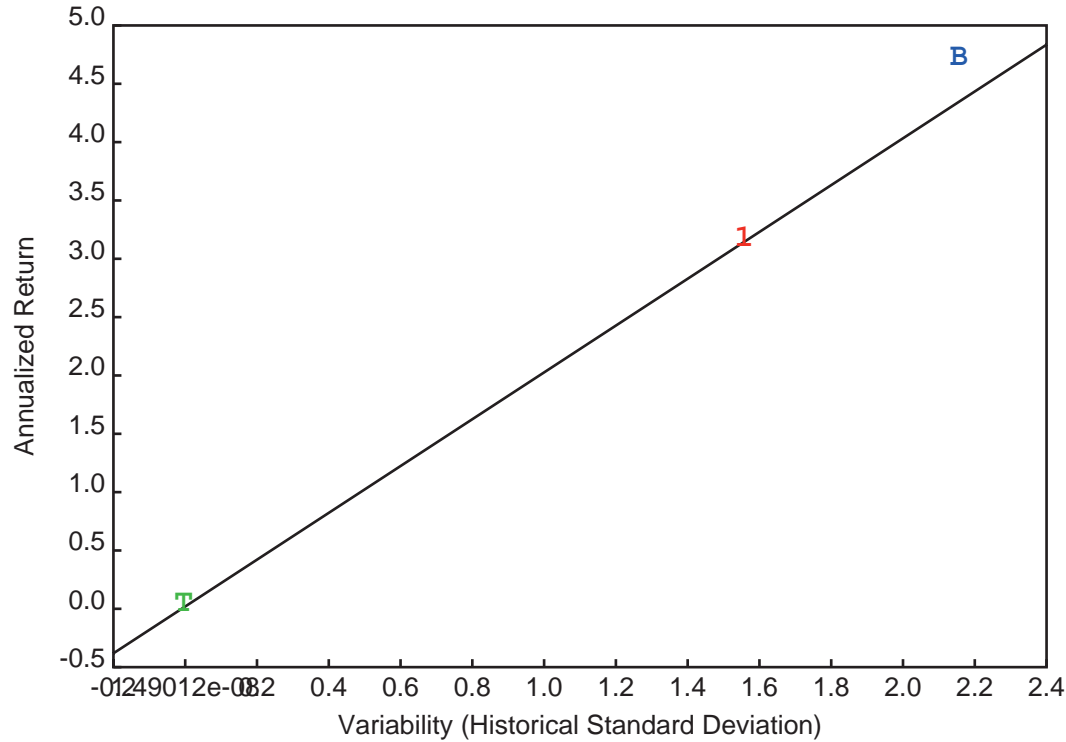
Southfield Fire&Police Retirement System Quarterly Total Return Market Line Analysis Periods from 9/13 to 12/14

Manager Annual Return: +4.72
 Less: Annual Fee -0.32

 +4.40

 Less: Benchmark Return -3.17

 Net Value-added Result +1.23



	Annualized Return	Variability	Reward	Sharpe Ratio
B Bradford & Marzec	4.72	2.17	4.68	2.15
1 Barclays Intm Aggregate	3.17	1.57	3.13	1.99
T 91-Day Treasury Bill	0.04	0.01	0.00	0.00

Manager Performance vs. Objectives:
 Portfolio manager exceeds expectations after 1.25 years.

Sharpe Ratio = Reward / Variability

Southfield Fire&Police Retirement System

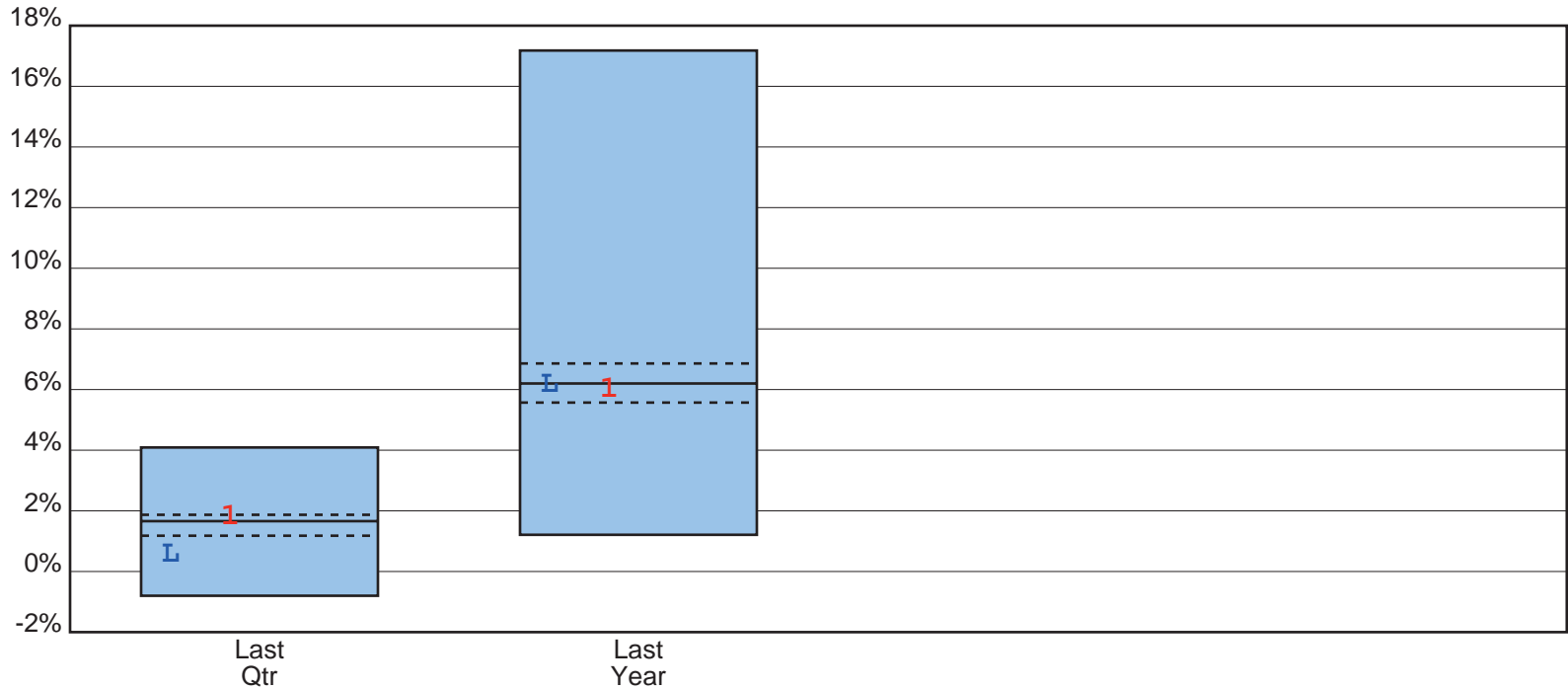
Fixed Income Core Cumulative Performance Comparisons

Total Returns of Fixed Income Portfolios

Periods Ending 12/14

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

Internal expense ratio
is 42 bps.



	Last Qtr	Last Year
5th Percentile	4.09	17.18
25th Percentile	1.87	6.86
Median	1.66	6.20
75th Percentile	1.18	5.57
95th Percentile	-0.80	1.21

L Loomis Sayles Full Discretion	0.54 (81)	6.15 (53)
1 Barclays U.S. Aggregate	1.79 (39)	5.97 (57)

Quarterly Variance Analysis:

Underperformance is primarily attributed to the fund's overweight exposure to investment-grade bonds which were negatively impacted by investors' flight to quality. An underweight exposure to securitized agency bonds further detracted from relative results.

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

Returns for periods greater than one year are annualized.

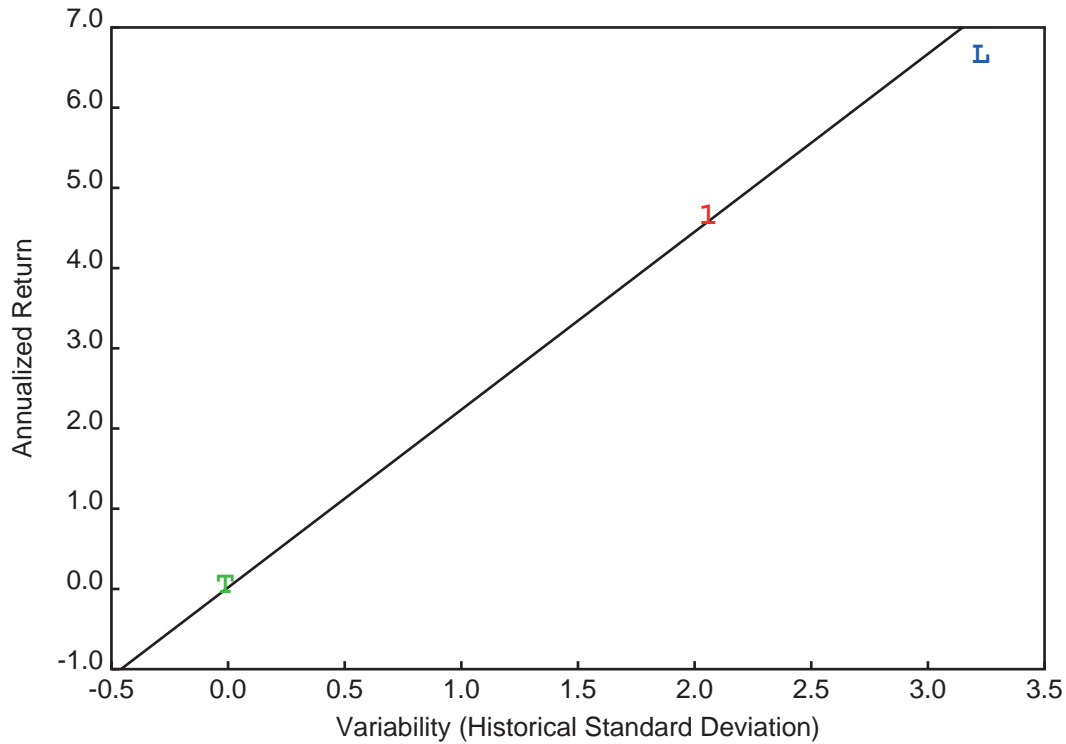
Southfield Fire&Police Retirement System Quarterly Total Return Market Line Analysis Periods from 9/13 to 12/14

Manager Annual Return: +6.64
 Less: Annual Fee -0.42

 +6.22

 Less: Benchmark Return -4.63

 Net Value-added Result +1.59



	Annualized Return	Variability	Reward	Sharpe Ratio
L Loomis Sayles Full Discretion	6.64	3.25	6.60	2.03
1 Barclays U.S. Aggregate	4.63	2.08	4.59	2.21
T 91-Day Treasury Bill	0.04	0.01	0.00	0.00

Manager Performance vs. Objectives:
 Portfolio manager exceeds expectations after 1.25 years.

Sharpe Ratio = Reward / Variability

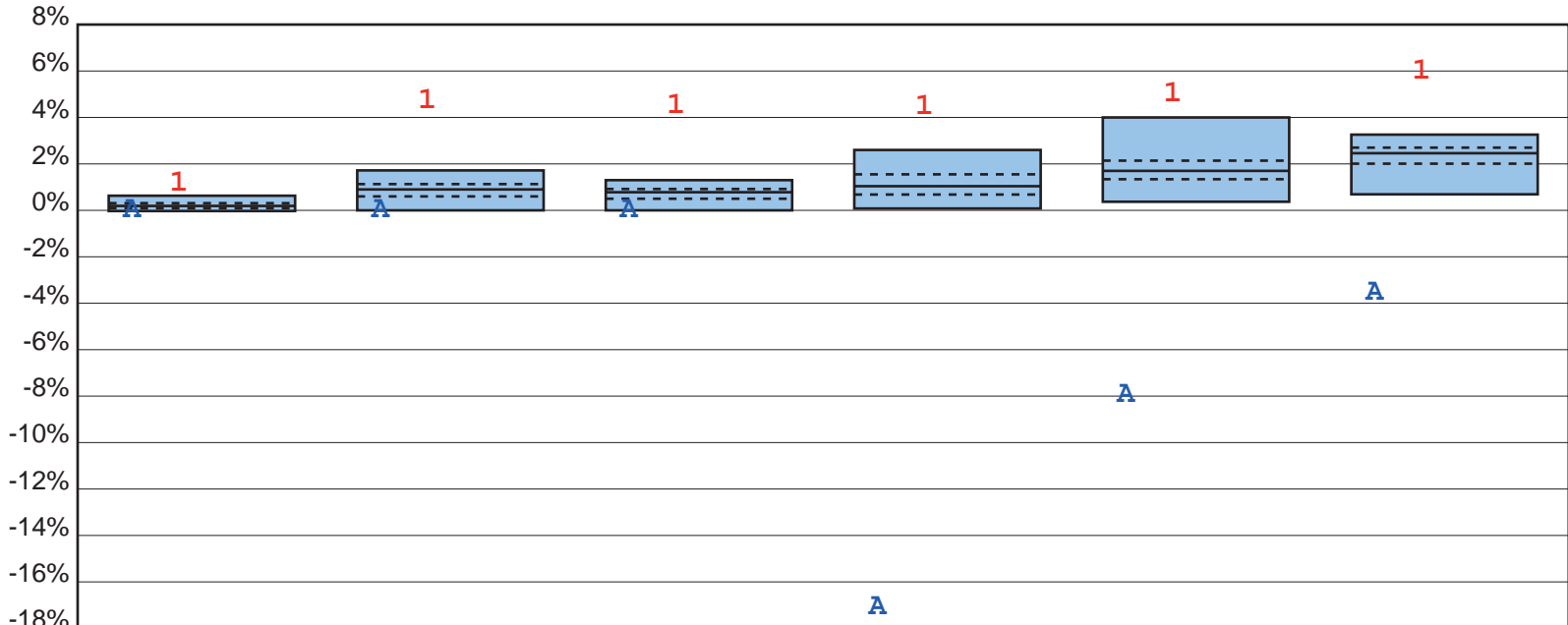


Southfield Fire&Police Retirement System

Short Term Cumulative Performance Comparisons

Total Returns of Fixed Income Portfolios

Periods Ending 12/14



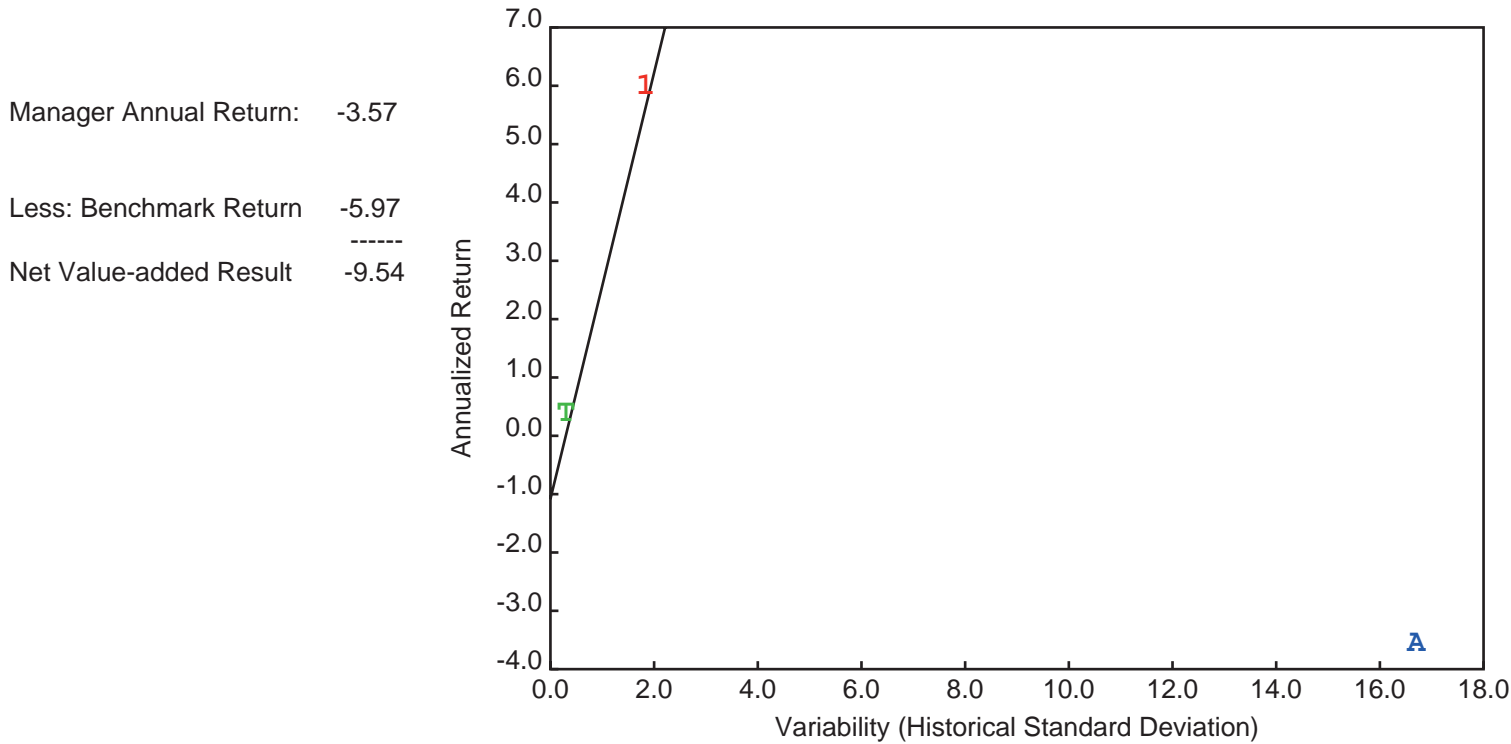
\$6 million loan to Avignon was made in October 2007.

	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years
5th Percentile	0.63	1.72	1.30	2.60	4.00	3.26
25th Percentile	0.31	1.13	0.92	1.55	2.14	2.70
Median	0.19	0.90	0.78	1.04	1.70	2.46
75th Percentile	0.09	0.60	0.50	0.68	1.34	2.01
95th Percentile	-0.03	0.00	0.00	0.08	0.37	0.69
A Avignon - Mortgage Loan	0.00 (91)	0.00 (95)	0.00 (96)	-17.09 (100)	-7.96 (100)	-3.57 (100)
1 Citi 2yr Treasury +4%/yr	1.16 (1)	4.69 (1)	4.50 (1)	4.43 (1)	5.00 (1)	5.97 (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.
 (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 12/14



	Annualized Return	Variability	Reward	Sharpe Ratio
A Avignon - Mortgage Loan	-3.57	16.80	-3.95	-0.24
1 Citi 2yr Treasury +4%/yr	5.97	1.93	5.59	2.90
T 91-Day Treasury Bill	0.38	0.40	0.00	0.00

Manager Performance vs. Objectives:

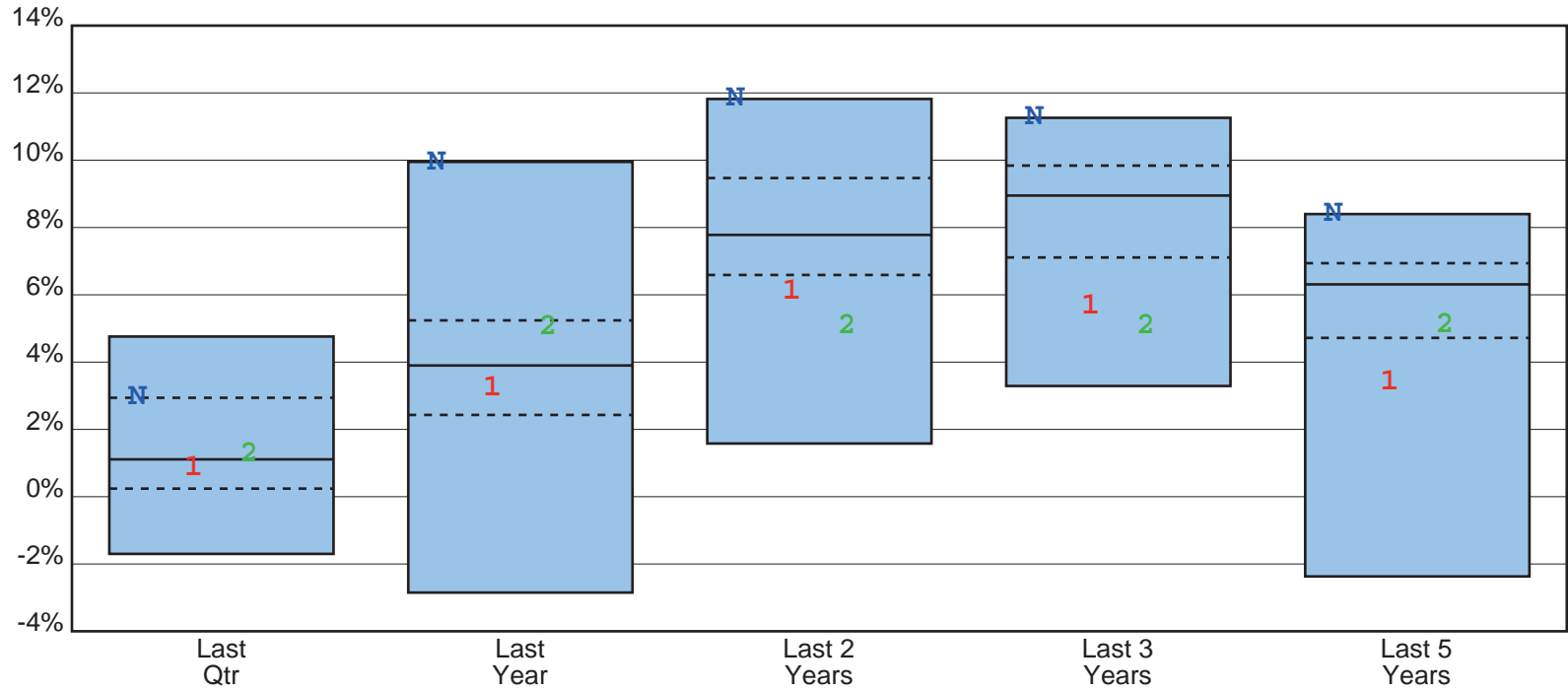
Sharpe Ratio = Reward / Variability

Southfield Fire&Police Retirement System Cumulative Performance Comparison Total Returns of Fund of Funds Hedge Funds Periods Ending 12/14

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

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

Fee Schedule: 100 bps
10% incentive fee;
subject to high water mark,
and investors receiving
10% return first



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 5 Years
5th Percentile	4.76	9.95	11.82	11.26	8.40
25th Percentile	2.94	5.24	9.47	9.84	6.94
Median	1.11	3.90	7.78	8.95	6.31
75th Percentile	0.24	2.43	6.59	7.11	4.72
95th Percentile	-1.70	-2.85	1.58	3.29	-2.37

N Nantucket Institutional	2.94 (25)	9.93 (8)	11.82 (5)	11.26 (6)	8.40 (5)
1 HFRI Diversified FoF Index	0.83 (63)	3.22 (61)	6.09 (76)	5.65 (84)	3.39 (94)
2 91-Day Treasury Bill +5%/yr	1.25 (45)	5.04 (26)	5.05 (83)	5.07 (87)	5.09 (72)

Quarterly Variance Analysis:
 The manager's full 4Q14 performance attribution report is expected to be available at the end of February.
 Preliminary attribution indicates that managers in the Long/Short Equity strategy contributed the most to results.
 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.

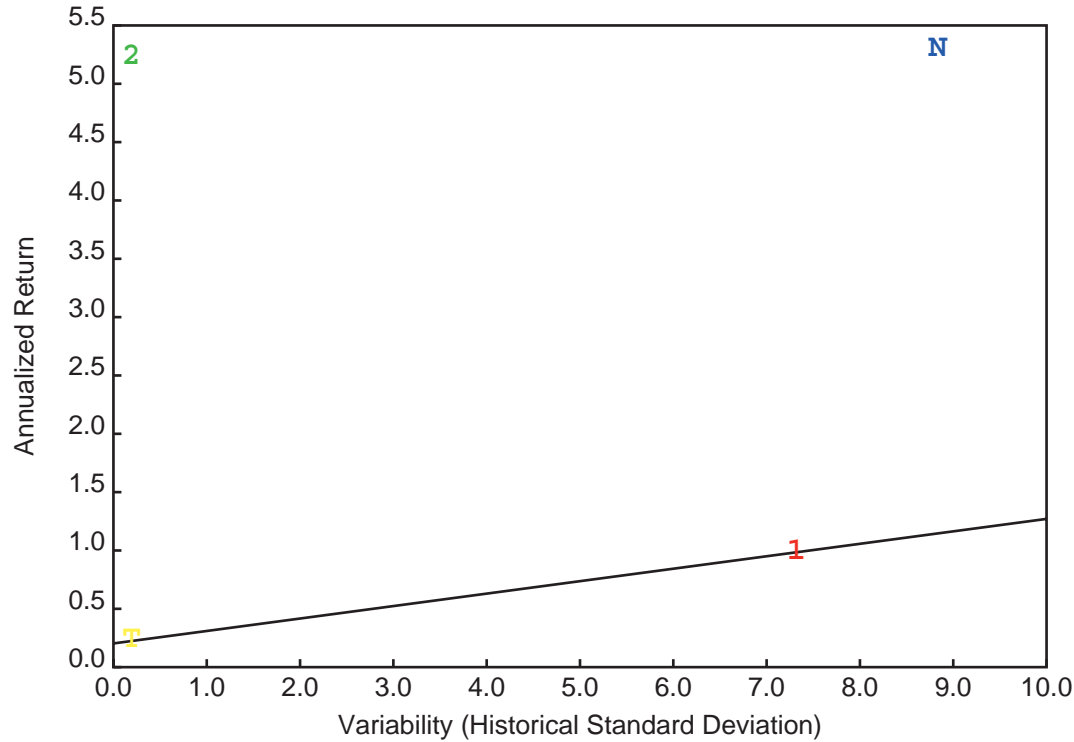
Southfield Fire&Police Retirement System Quarterly Total Return Market Line Analysis Periods from 6/08 to 12/14

Manager Annual Return: +5.30
 Less: Annual Fee -1.00

 +4.30

 Less: Benchmark Return -0.90

 Net Value-added Result +3.40



	Annualized Return	Variability	Reward	Sharpe Ratio
N Nantucket Institutional	5.30	8.89	5.07	0.57
1 HFRI Diversified FoF Index	0.99	7.37	0.77	0.10
2 91-Day Treasury Bill +5%/yr	5.23	0.25	5.00	20.26
T 91-Day Treasury Bill	0.23	0.25	0.00	0.00

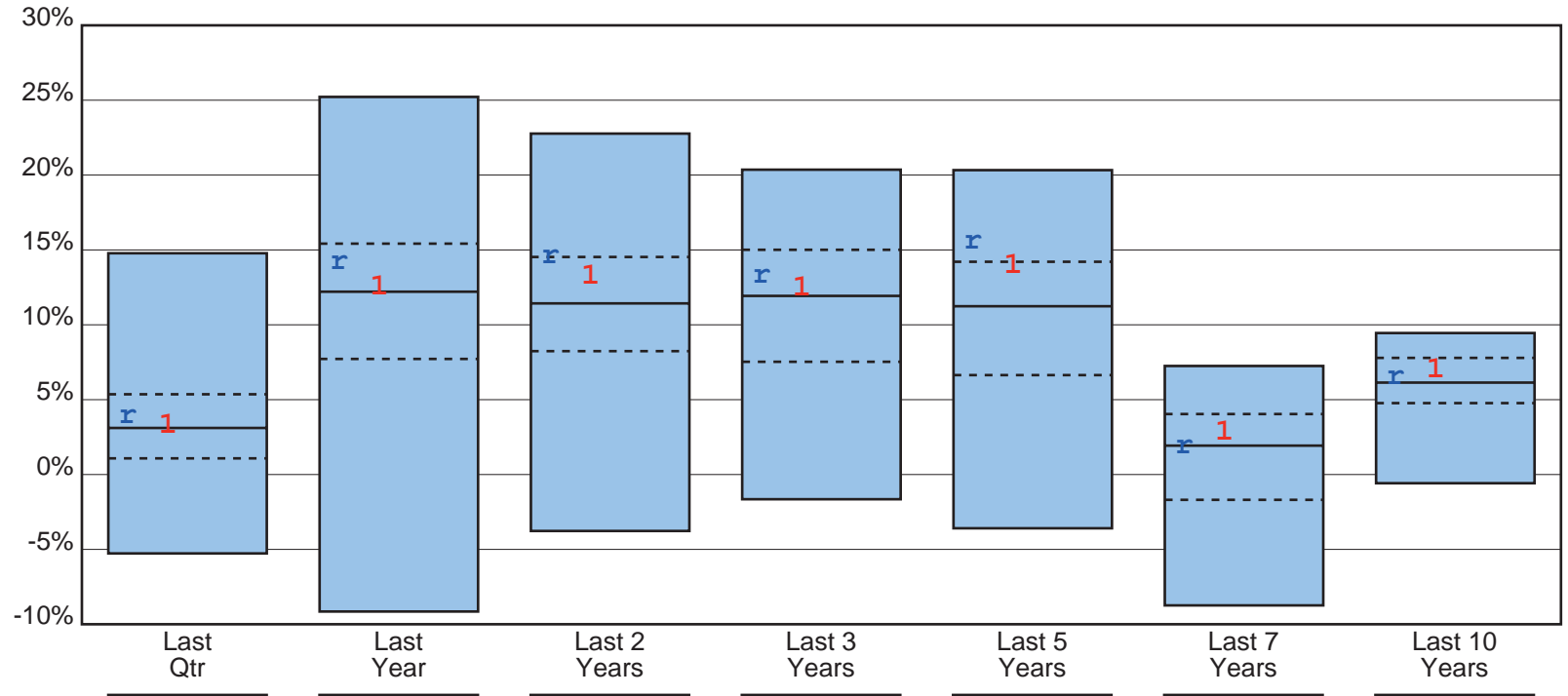
Manager Performance vs. Objectives:
 Portfolio manager exceeds expectations after 6.5 years.

Sharpe Ratio = Reward / Variability

Southfield Fire&Police Retirement System Cumulative Performance Comparison Total Returns of Real Estate Portfolios Periods Ending 12/14

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

Benchmark transitioned to
the NFI-ODCE in 3Q07



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
5th Percentile	14.78	25.22	22.77	20.36	20.33	7.25	9.45
25th Percentile	5.36	15.42	14.53	15.01	14.21	4.04	7.79
Median	3.11	12.21	11.43	11.93	11.24	1.93	6.14
75th Percentile	1.08	7.72	8.24	7.53	6.64	-1.69	4.77
95th Percentile	-5.27	-9.15	-3.77	-1.65	-3.59	-8.74	-0.58
r PRISA Real Estate Composite	3.89 (33)	14.20 (32)	14.56 (24)	13.29 (37)	15.52 (12)	1.85 (50)	6.47 (45)
1 NFI-ODCE	3.26 (46)	12.49 (48)	13.22 (35)	12.45 (46)	13.93 (26)	2.80 (41)	6.93 (38)

Returns for periods greater than one year are annualized.

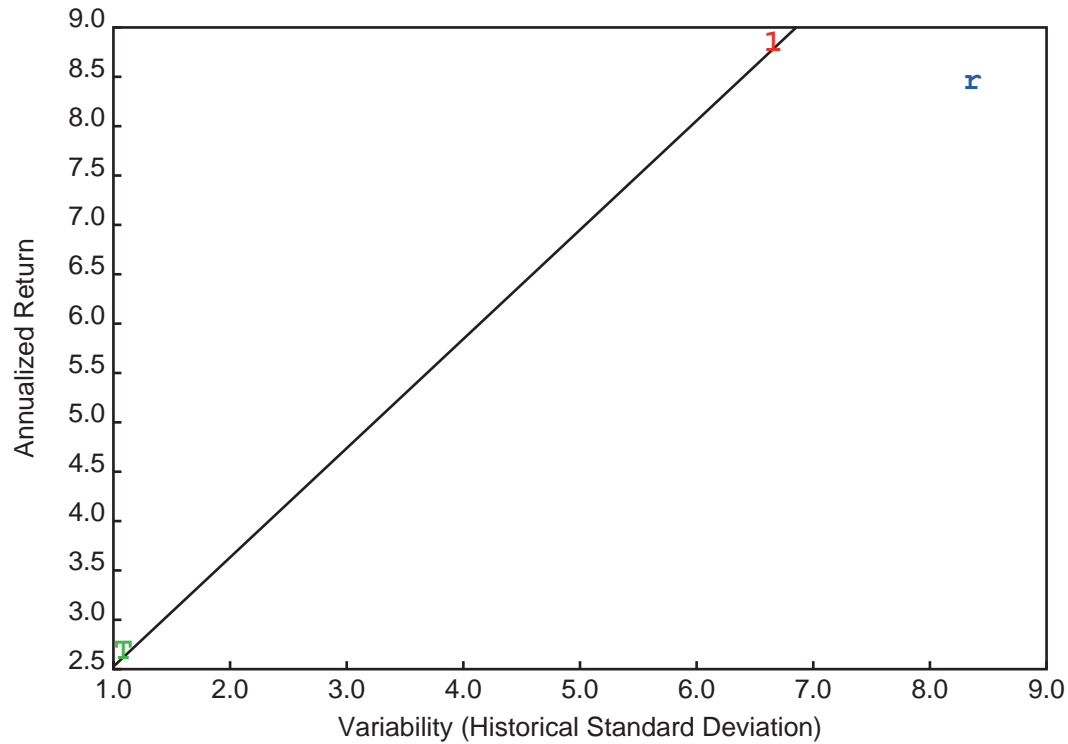
Southfield Fire&Police Retirement System Quarterly Total Return Market Line Analysis Periods from 12/95 to 12/14

Managers Annual Return: +8.45
 Less: (approx) Annual Fee -0.82

 +7.63

Less: Benchmark Return -8.83

 Net Value-added Result -1.20



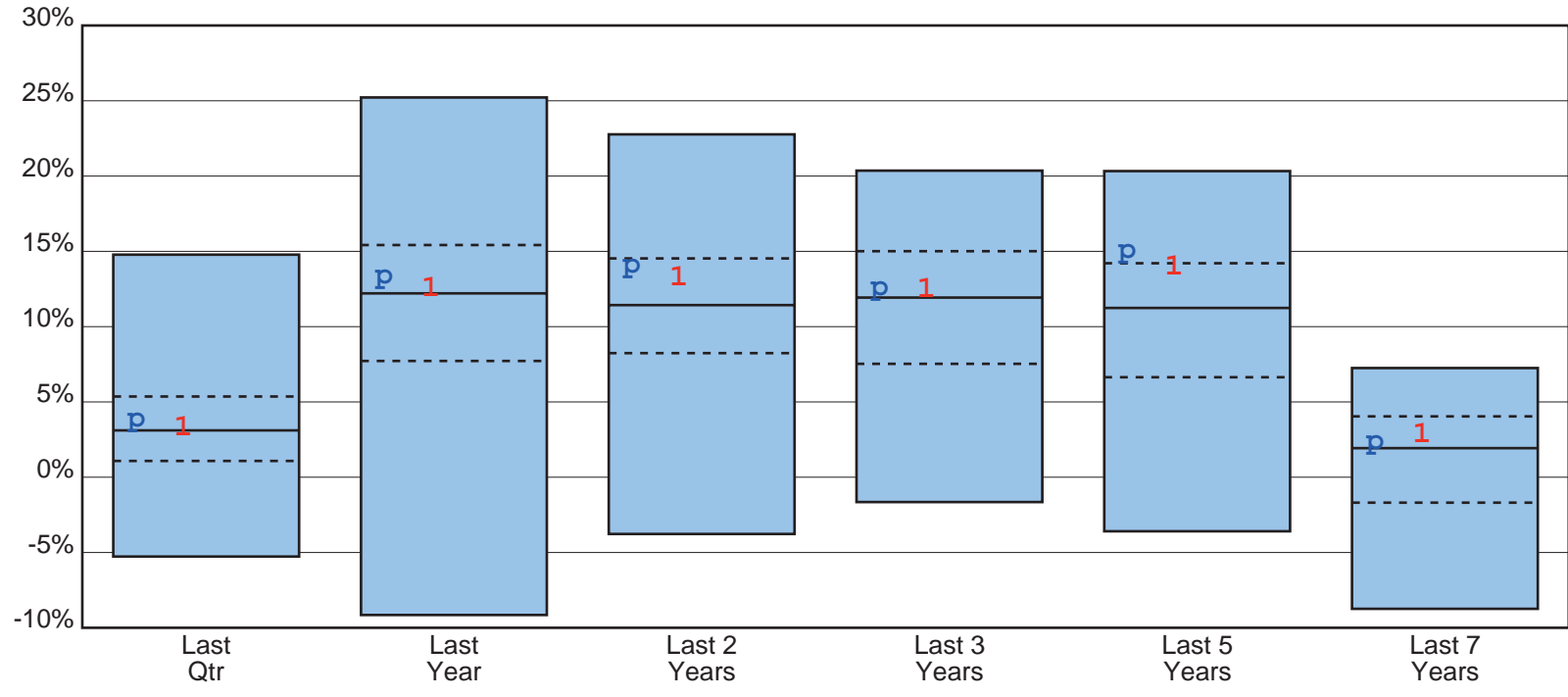
	Annualized Return	Variability	Reward	Sharpe Ratio
r PRISA Real Estate Composite	8.45	8.41	5.77	0.69
1 NFI-ODCE	8.83	6.70	6.16	0.92
T 91-Day Treasury Bill	2.67	1.13	0.00	0.00

Sharpe Ratio = Reward / Variability

Southfield Fire&Police Retirement System Cumulative Performance Comparison Total Returns of Real Estate Portfolios Periods Ending 12/14

Fee Schedule:
75 bps first \$10mm
65 bps next \$15mm
6% incentive fee of distributed cash flow;
Max Fee of 120 bps

Current Fee is 75 bps



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years
5th Percentile	14.78	25.22	22.77	20.36	20.33	7.25
25th Percentile	5.36	15.42	14.53	15.01	14.21	4.04
Median	3.11	12.21	11.43	11.93	11.24	1.93
75th Percentile	1.08	7.72	8.24	7.53	6.64	-1.69
95th Percentile	-5.27	-9.15	-3.77	-1.65	-3.59	-8.74
p PRISA I	3.82 (34)	13.34 (40)	14.02 (28)	12.55 (45)	14.99 (18)	2.30 (43)
1 NFI-ODCE	3.26 (46)	12.49 (48)	13.22 (35)	12.45 (46)	13.93 (26)	2.80 (41)

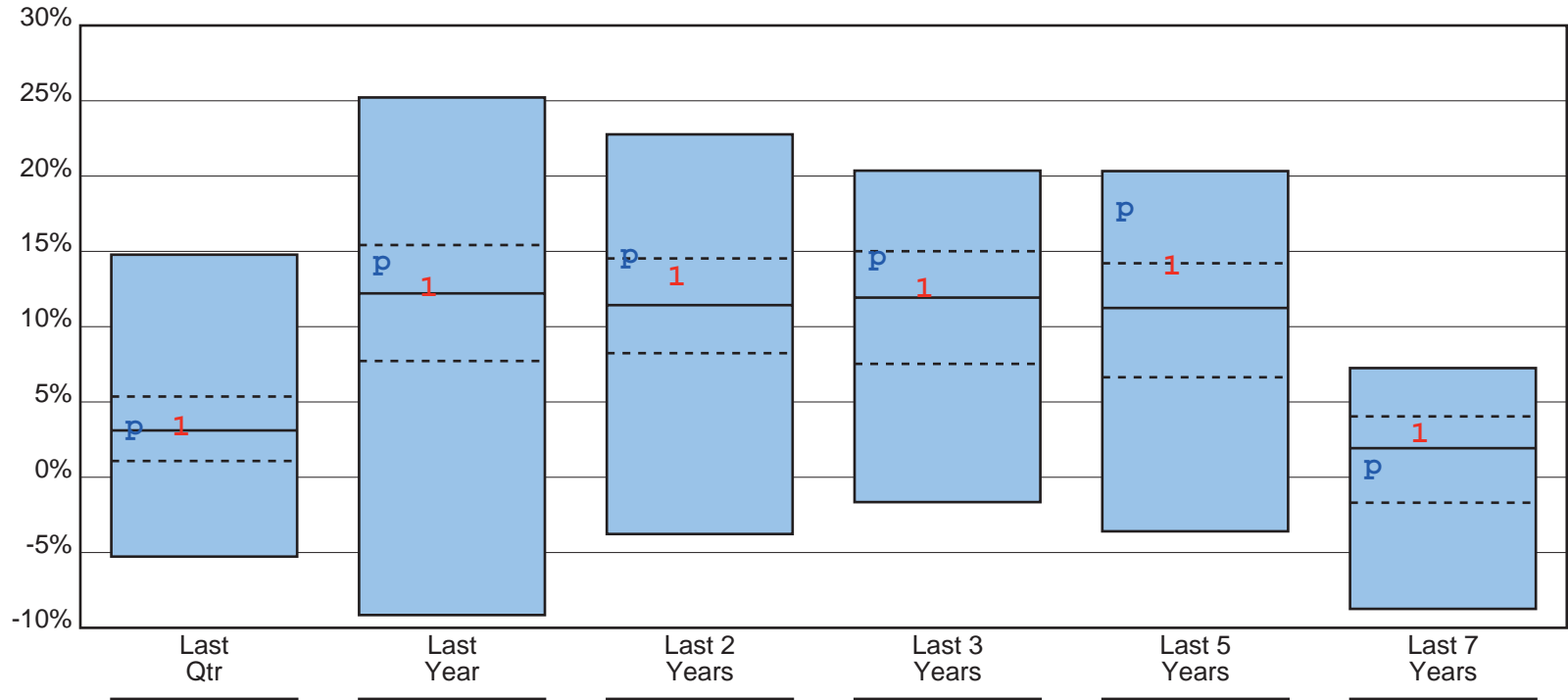
Quarterly Variance Analysis:
PRISA I provided a 1.24% income return and 2.58% appreciation return.
Office, Industrial, and Storage properties were the primary contributors.

(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 12/14

Fee Schedule: 85 bps
6% incentive fee of distributed cash flow;
Max Fee of 130 bps

Current Fee is 85 bps



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	14.78	25.22	22.77	20.36	20.33	7.25
25th Percentile	5.36	15.42	14.53	15.01	14.21	4.04
Median	3.11	12.21	11.43	11.93	11.24	1.93
75th Percentile	1.08	7.72	8.24	7.53	6.64	-1.69
95th Percentile	-5.27	-9.15	-3.77	-1.65	-3.59	-8.74
p PRISA II	3.32 (45)	14.22 (32)	14.70 (23)	14.59 (29)	17.80 (7)	0.68 (64)
1 NFI-ODCE	3.26 (46)	12.49 (48)	13.22 (35)	12.45 (46)	13.93 (26)	2.80 (41)

Quarterly Variance Analysis:

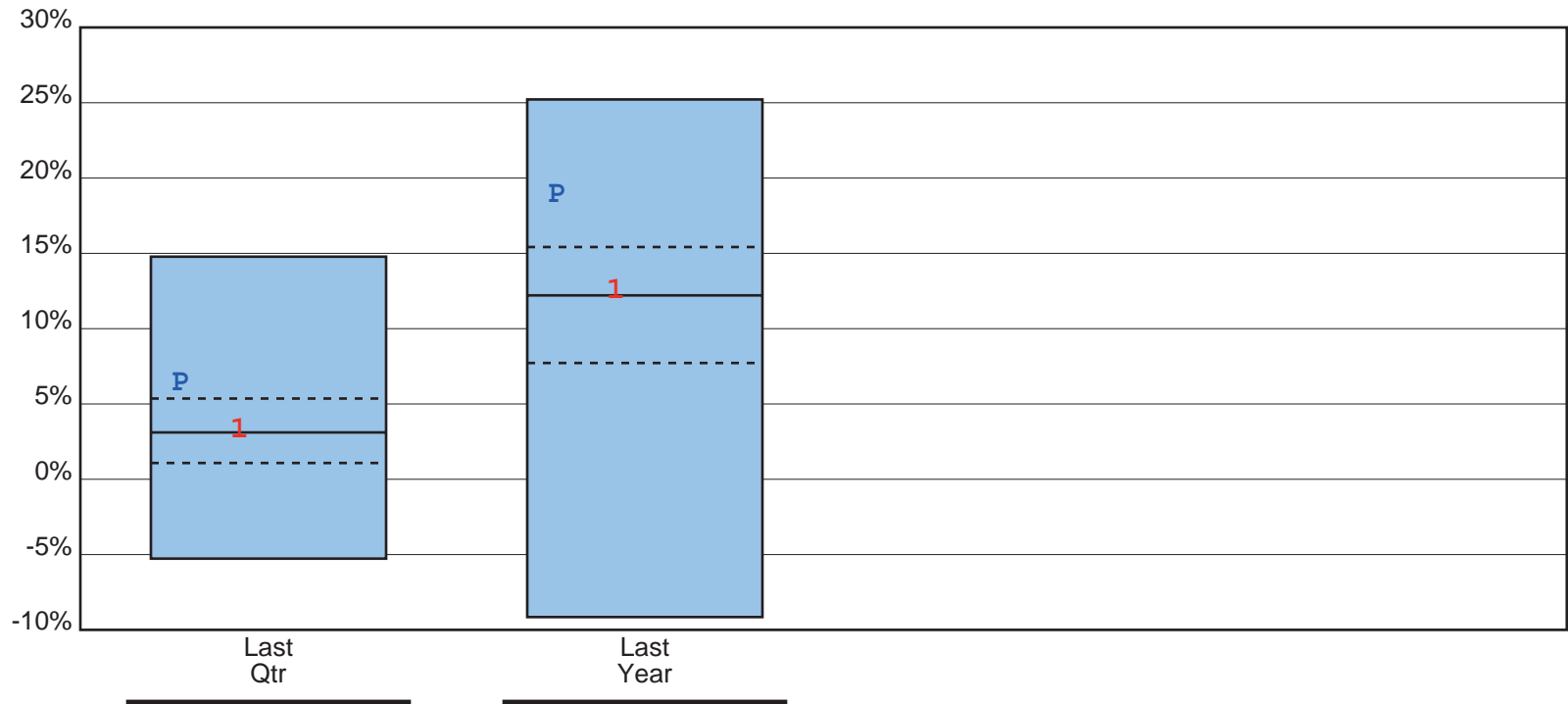
PRISA II provided a 1.18% income return and 2.14% appreciation return.
Appreciation was strongest in Office, Storage, and Apartment properties.

(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 12/14

Fee Schedule: 110 bps
7.5% incentive fee of distributed cash flow;
Max Fee of 180 bps

Current Fee is 110 bps



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

14.78
5.36
3.11
1.08
-5.27

25.22
15.42
12.21
7.72
-9.15

P PRISA III
1 NFI-ODCE

6.39 (22)
3.26 (46)

18.89 (12)
12.49 (48)

Quarterly Variance Analysis:

PRISA III provided a 1.17% income return and 5.22% appreciation return.

Apartment properties and the pending disposition of a portion of Hospitality properties were the strongest contributors to results for the quarter.

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

Southfield Fire & Police Retirement System
Summary of Alternative Investments
Period Ending: September 30, 2014
(One Quarter in Arrears)

	Vintage Year	Committed Capital	Called Capital	% Called	Distributions			Fair Mkt Value ¹	Total Mkt Value ²	Dist. Multiple ³	MoCC ⁴	IRR ⁵
					Return of Capital	Income	Total					
JCR Capital - JCR Fund II	2012	\$5,000,000	\$4,623,848	92%	\$955,290	\$612,572	\$1,567,862	\$3,775,489	\$5,343,351	0.33	1.12	13.83%
JCR Capital - JCR Fund III	2014	\$10,000,000	\$2,244,874	22%	\$0	\$0	\$0	\$2,290,107	\$2,290,107	0.00	1.02	N/A
Total		\$15,000,000	\$6,868,723	46%	\$955,290	\$612,572	\$1,567,862	\$6,065,596	\$7,633,459	0.22	1.09	13.23%

Quarterly Analysis:

Target IRR (net) for the life of JCR CRE Finance Fund II is 15%. The expected life for JCR Fund II is through February 2017. \$379,377.18 of capital was called during the quarter. A distribution of \$141,929.36 was made during the quarter. JCR Fund II has made 20 investments. 8 investments have been fully realized with the following IRR and multiple for each (beginning with most recent realization): 27.4% and 1.33x; 101.2% and 1.80x; 25.7% and 1.13x; 29.4% and 1.29x; 28.4% and 1.33x; 50.4% and 1.47x; 23.9% and 1.27x; 17.6% and 1.17x. The remaining investments are currently meeting or exceeding JCR's pro forma business plans.

Target IRR (net) for the life of JCR CRE Finance Fund III is 15%. The expected life for JCR Fund III is 5 years from the Final Closing, which is anticipated to occur in 2015. \$814,309.44 of capital was called during the quarter. No distributions were made during the quarter. JCR Fund III has made 6 investments. All investments are currently meeting or exceeding JCR's pro forma business plans.

Fees

JCR CRE Finance Fund II

Management Fee: 1.5% per annum on Committed Capital during the investment period. 1.5% per annum on unreturned, Called Capital thereafter.

Incentive Fee: 20% after a 9% annual non-compounding Preferred Return and return of all Called Capital.

JCR CRE Finance Fund III

Management Fee: 1.5% per annum on Committed Capital during the investment period. 1.5% per annum on unreturned, Called Capital thereafter.

Incentive Fee: 20% after a 9% annual non-compounding Preferred Return and return of all Called Capital.

¹Fair Market Value represents all Called Capital plus Net Income or Loss less Capital Distributions and is net of management fees, partnership expenses and carried interest.

²Total Market Value is the sum of Total Distributions and Fair Market Value of unrealized investments

³Distribution Multiple - measure of Total Distributions paid to the investor relative to the total Called Capital (Realized Return)

⁴Multiple of Called Capital - measure of the Total Distributions paid to investors plus the Fair Market Value of the unrealized investments relative to total Called Capital (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, Multiple of Called Capital and IRR are net of all fees and expenses

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, Loomis Sayles & Company, Morgan Dempsey, Orleans Capital, 1607 Capital, Brandes, INVESCO, WHV Investment Management, Bradford & Marzec, Nantucket, Prudential Real Estate Investors, and JCR Capital 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 March 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	25%	20-50%
Real Estate	14%	0-20%
Alternative 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 x the market index returns
Manager Peer Group:	a relative performance benchmark consisting of a group of managers with similar investment styles, philosophies, and processes
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 prices and earnings fluctuate with the business cycle examples include automotive manufacturers, steel producers, and textile operations
"Large Cap" Stocks: (Large-Capitalization)	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, the S&P 500, and the Russell 1000
"Mid Cap" Stocks: (Medium-Capitalization)	stocks of companies with a market capitalization (the total value of a company's outstanding stock) of between \$2 and 12 billion generally stocks that make up the S&P 400 and the Russell 2500
"Small Cap" Stocks: (Small-Capitalization)	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 S&P 600 and the Russell 2000
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 (dividend) yields
<u>Equity Sector Composition:</u>	
Energy:	energy equipment and services and oil/gas explorations, 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
Healthcare:	healthcare 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:	diversified hard-wire and wireless telecommunications and services industries
Utilities:	electric, gas, water, nuclear, and multi-utilities industries
<u>Fixed Income Sector Composition:</u>	
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
Maturity:	date when the principal or stated value of a fixed income security becomes due and payable in full to the bondholder(s)
Yield:	the return to a bondholder who holds a bond security under it matures
Yield-to-Maturity:	the internal rate of return on a bond bought at the current price and held to maturity ... this assumes that coupon income is reinvested at the Y-t-M

GLOSSARY (continued)

Risk Measure and Risk Statistics Summary Exhibits:

Historical Beta:	a measure of the volatility of the portfolio in comparison to its benchmark ... also considered to be a measure of the systematic risk of a portfolio
Historical Alpha:	the excess return of the portfolio relative to the return of its benchmark (due to the manager's security and/or sector selections)
R-Squared:	a measure that represents the percentage of a portfolio's movement that can be explained by movement in its benchmark index
Standard Deviation:	a statistical measure of portfolio risk ... it reflects the average deviation of the observations from their historical mean
Tracking Error:	the divergence between the price behavior of the portfolio and the price behavior of its benchmark
Sharpe Ratio:	a risk-adjusted measure of performance ... the higher, the better the portfolio's return gained per unit of risk taken
Treynor Ratio:	measures the excess return per unit of systematic "market" risk taken in a portfolio
Information Ratio:	measures the excess return per unit of residual "non-market" (specific to the manager) risk in a portfolio
Residual Risk:	the unsystematic, firm-specific, or diversifiable risk of a security or portfolio
Downside Risk:	differentiates between "good" risk (upside volatility) and "bad" risk (downside volatility)
Up Market Capture Ratio:	the percentage of the total market movement achieved by the manager during a period in which the benchmark performance increases
Down Market Capture Ratio:	the percentage of the total market movement achieved by the manager during a period in which the benchmark performance decreases
Batting Average:	a measure that represents an investment manager's ability to meet or beat an index