

Southfield Fire & Police Retirement System

Investment Performance Analysis

March 31, 2014



**Asset
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Southfield Fire & Police Retirement System

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GLOBAL CAPITAL MARKETS REVIEW

Periods Ending - 3/31/2014

Quarterly Market Review

U.S. economic strength improved, although at a slower pace than the third quarter, as the final GDP number for the fourth quarter came in at a 2.6% annual rate. Inflation rose by 1.39% in the first quarter. Janet Yellen began her term as chairperson of the Federal Reserve at the March meeting; her initial comments suggested a possible rate hike in 2015, although subsequent comments softened that stance.

U.S. equities continued their advance in the first quarter marking the seventh consecutive quarter with positive performance. Value stocks outperformed growth stocks across all capitalization ranges. Mid cap stocks (Russell Mid Cap, +3.53%) were the best performing capitalization size for the quarter. The Consumer Discretionary sector was the sole economic sector of the S&P 500 with negative returns for the quarter. The best performing sectors were Utilities (+9.41%), Health Care (+5.89%) and Financials (+3.17%). The weakest performers were the Consumer Discretionary (-2.14%), Telecommunication Services (+0.30%) and Consumer Staples (+0.47%) sectors.

Bond yields moved lower in January, then remained range bound in February and March with the 10-Year U.S. Treasury yield ending the quarter at 2.73%. Long-term bonds (Barclays U.S. Treasury Long, +7.10%) outperformed shorter-term bonds by a wide margin (Barclays U.S. Treasury 1-3 Years, +0.14%). High yield bonds (Barclays U.S. High Yield Corporate, +2.98%) continued to outperform investment-grade bonds (Barclays U.S. Aggregate, +2.94%).

Non-U.S. stocks (MSCI ACWI x-U.S., +0.61%) gave positive returns despite political and economic uncertainty in emerging markets and turmoil between Russia and the Ukraine. European stocks (MSCI Europe, net, +2.10%) outperformed Pacific region stocks (MSCI Pacific, net, -2.51%). Emerging Markets (MSCI EM net, -0.43%) posted only a slight loss despite events in Eastern Europe and sluggish growth in China. Developed markets (MSCI EAFE net, +0.66%) continued their outperformance over emerging markets.

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	1.80	21.86	14.65	21.15	7.42
Russell 1000	2.06	22.44	14.75	21.73	7.80
Russell Mid Cap	3.53	23.51	14.37	25.55	10.05
Russell 2000	1.12	24.90	13.19	24.31	8.53
Russell Micro Cap	3.01	33.26	15.13	25.86	6.63

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	0.77	18.07	7.71	16.55	7.03
MSCI ACWI x-US	0.61	12.81	4.60	16.02	7.59
MSCI Emerging Markets	-0.37	-1.07	-2.54	14.83	10.45

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	1.84	-0.10	3.75	4.80	4.46
Barclays Corporate H-Y	2.98	7.54	9.00	18.25	8.69
Barclays Global Agg x-US	2.79	3.24	2.06	5.24	4.47

Other Indices

	<u>Quarter</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>
NAREIT - Composite	8.57	2.70	10.59	27.31	7.38
NCREIF Property Index	2.74	11.17	11.69	7.89	8.65
ML Convertible Bond	4.32	21.16	10.58	19.20	7.13
Broad Consumer Price	1.39	1.51	1.88	2.12	2.35
U.S. 91 Day Treasury Bill	0.01	0.07	0.08	0.11	1.65
HFRI FoF Composite	0.38	5.85	2.31	4.87	3.09

CONCLUSIONS AND RECOMMENDATIONS

Investment Performance Evaluation, First Quarter 2014

1. Strong Total Fund return of +2.04% exceeded the Policy Index by 57 basis points 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. Fiduciary Management was replaced by Morgan Dempsey in March 2014. The full quarter result for both managers combined was +2.82% (+2.23% from Morgan Dempsey for the month of March), which exceeded the Russell 2000 Index return of +1.12%.
4. 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.
5. In the first quarter of probation (1/01 - 6/30/2014), both WHV Investment Management and Orleans Capital exceeded their benchmarks, by 0.73% and 1.75% respectively.
6. We did not detect any violations of investment policy or guidelines.
7. As of 5/08/2014, asset allocations are close to new policy targets.

FUNdamental Facts

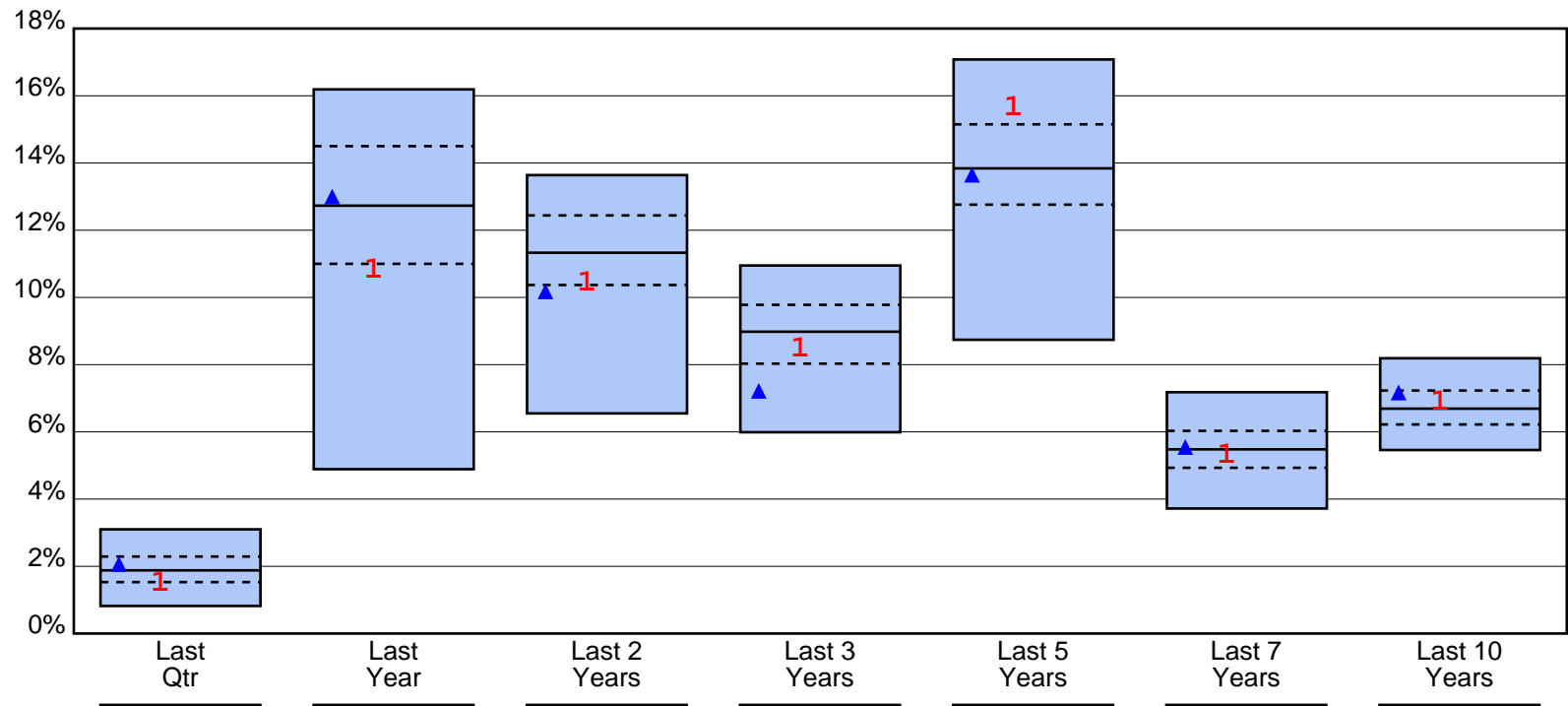
1. The U.S. economy lost a total of 8.7 million jobs in 2008 and 2009. Since that time 8.2 million jobs have been recovered. At the current pace of job creation the economy should recoup the remaining jobs lost by the 2nd quarter. – Babson Capital
2. Corporations are returning cash to shareholders at a record pace. Share repurchases plus dividends paid reached \$214.4 billion in the 4th quarter, the second highest total on record after \$233.2 billion in 2007's 4th quarter. – Howard Silverblatt, S&P Dow Jones Indices
3. Analyst consensus first-quarter earnings per share growth projections for S&P 500 companies have dropped to 1-2% from 6-7% at the beginning of the year. – Jack Ablin, CIO, BMO Private Bank
4. Health Care IPOs have outnumbered Technology IPOs 32 to 8 through the first quarter. The highest number of first quarter health care IPOs since 1996. – Barron's
5. Volatility returned in the first quarter. In the Russell 1000 alone, there were 22 stocks that fell more than 10% in March, but managed to post gains for the first quarter. – Bespoke Investment Group

Southfield Fire & Police Retirement System

Cumulative Performance Comparison

Total Returns of Total Fund Public Sponsors

Periods Ending 3/14



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
5th Percentile	3.10	16.19	13.64	10.95	17.08	7.18	8.19
25th Percentile	2.29	14.50	12.44	9.78	15.15	6.03	7.23
Median	1.88	12.73	11.33	8.98	13.84	5.48	6.69
75th Percentile	1.53	11.00	10.37	8.03	12.76	4.93	6.22
95th Percentile	0.82	4.89	6.55	5.99	8.74	3.72	5.46
▲ Total Fund Composite	2.04 (38)	12.97 (45)	10.15 (77)	7.19 (88)	13.62 (55)	5.52 (46)	7.14 (30)
1 Policy Index	1.47 (77)	10.80 (77)	10.40 (73)	8.46 (63)	15.63 (15)	5.28 (58)	6.87 (43)

Quarterly Variance Analysis:

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

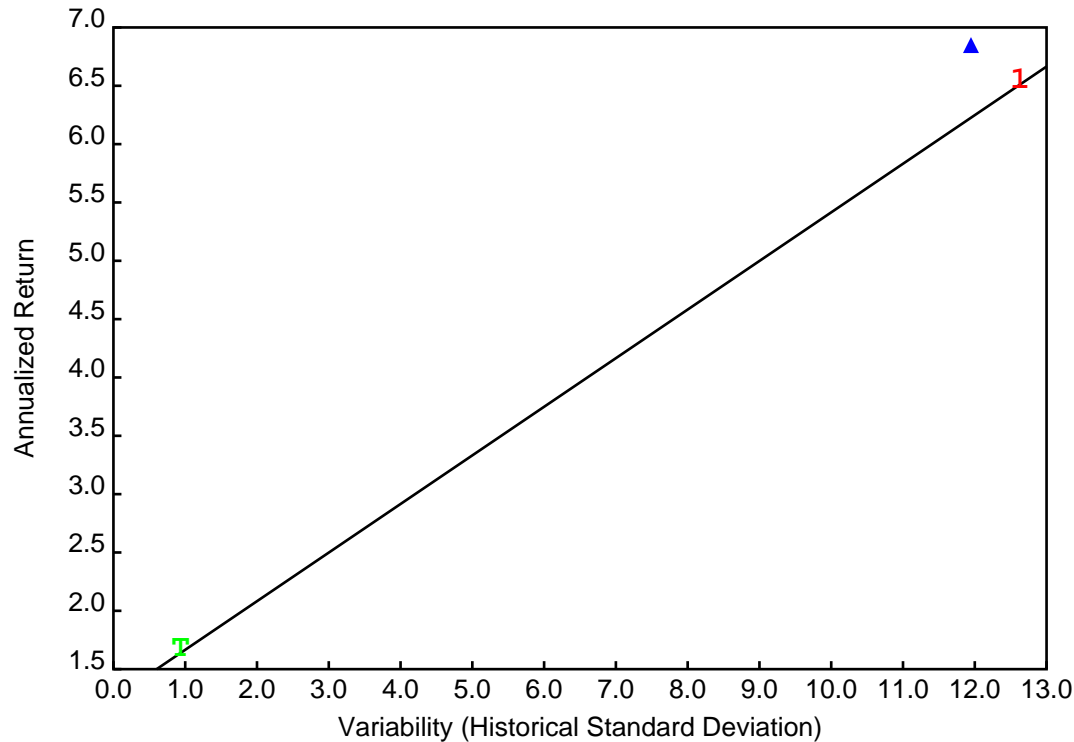
(Note: numbers in parentheses reflect the actual peer group rankings. 1 = high; 99 = low)

Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 12/04 to 3/14

Total Fund Annual Return: +6.84
Less: Annual Fee -0.54

+6.30

(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	6.84	12.04	5.17	0.43
1 Policy Index	6.54	12.70	4.87	0.38
T 91-Day Treasury Bill	1.67	1.01	0.00	0.00

Longer-term Fund Performance vs. Objectives:
Total Fund results exceed expectations over the past 9.25 years.

Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System
Asset Allocation vs Target & Policy
Total Fund Composite
As of 3/31/14

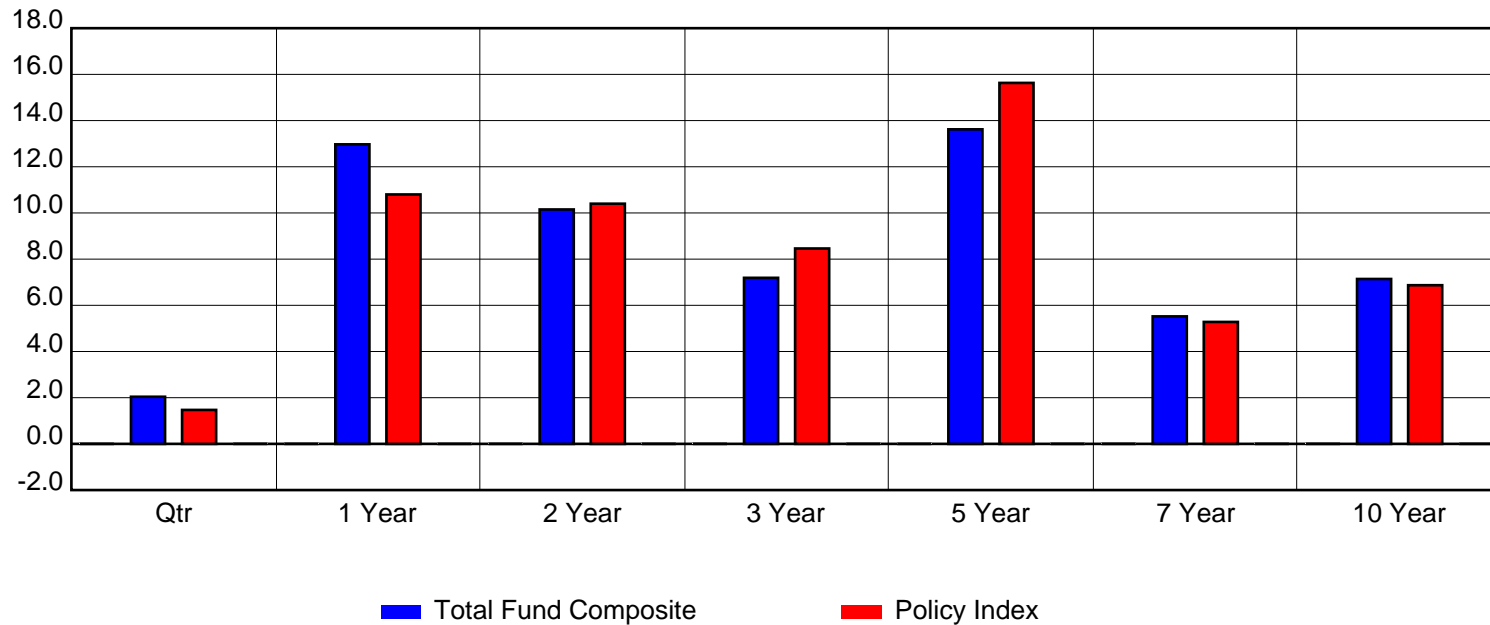
Manager	Market Value	Actual %	Target %	Policy %	Policy Range %
Loomis Sayles LC Value	16,447,667.67	8.31	8.00		
Fiduciary Management	0.00	0.00	0.00		
Orleans Capital Mgmt - Energy Opport	4,543,710.55	2.29	2.00		
NTGI S&P Midcap 400 - Lending	19,395,525.49	9.79	9.00		
LSIA Dividend Aristocrats	25,077,928.09	12.66	10.00		
Morgan Dempsey	11,028,721.79	5.57	5.00		
Total Domestic Equity	76,493,553.59	38.63	34.00	34.00	30.00 - 70.00
1607 Capital Partners	14,280,572.89	7.21	7.00		
WHV Investment Mgmt	13,514,742.44	6.82	5.00		
Invesco International REIT	3,801,491.17	1.92	5.00		
Total International Equity	31,596,806.50	15.96	17.00	17.00	10.00 - 20.00
Avignon - Mortgage Loan	3,420,000.00	1.73	0.00		
Loomis Sayles Full Discretion	25,723,876.80	12.99	14.00		
Bradford & Marzec	25,935,968.65	13.10	14.00		
Total Domestic Fixed Income	55,079,845.45	27.81	28.00	28.00	20.00 - 50.00
Cash Reserve Acct	3,494,367.94	1.76	0.00		
Total Short Term	3,494,367.94	1.76	0.00	0.00	0.00 - 1.00
PRISA I	5,636,877.01	2.85	2.67		
PRISA II	3,830,218.46	1.93	2.67		
PRISA III	434,714.76	0.22	2.67		
JCR Capital Fund 2	2,006,022.00	1.01	3.00		
Total Real Estate	11,907,832.23	6.01	11.00	11.00	0.00 - 20.00
Nantucket Institutional	19,453,002.22	9.82	10.00		
Total Hedge Fund	19,453,002.22	9.82	10.00	10.00	0.00 - 20.00
Total Fund Composite	198,025,407.93	100.00	100.00		

Southfield Fire & Police Retirement System

Performance Bar Chart

Total Fund Composite

Periods Ending 3/31/14



	Qtr	1 Year	2 Year	3 Year	5 Year	7 Year	10 Year
Total Return	2.04	12.97	10.15	7.19	13.62	5.52	7.14
Policy Index	1.47	10.80	10.40	8.46	15.63	5.28	6.87
Asset Growth (\$000)							
Beginning Market Value	196,215	184,277	184,738	196,824	152,593	230,151	197,711
Net Contributions & Withdrawals	-2,190	-9,239	-20,427	-33,456	-62,809	-89,848	-122,425
Gain/Loss + Income	4,000	22,987	33,715	34,658	108,242	57,723	122,740
Ending Market Value	198,025	198,025	198,025	198,025	198,025	198,025	198,025

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>1Q2014</u>
Bank of New York *	\$69,018	\$14,084	\$9,820	\$9,338	\$6,458	\$5,200	\$2,796	\$399
Income to Fund	\$69,018	\$14,084	\$9,820	\$9,338	\$6,458	\$5,200	\$2,796	\$399

* (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>1Q2014</u>
Gross Income	\$235,557	\$155,536	\$69,727	\$62,080	\$97,838	\$98,488	\$110,349	\$29,591
Less: Program Fees	\$102,114	\$59,290	\$23,496	\$24,795	\$39,093	\$39,342	\$44,072	\$11,816
Income To Fund	\$133,443	\$96,246	\$46,231	\$37,285	\$58,745	\$59,146	\$66,277	\$17,775

Southfield Fire & Police Retirement System

Performance Summary Table

Periods Ending 3/31/14

Manager	1 Qtr	1 Year	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
LSIA Dividend Aristocrats									
Total Return	0.97	18.82						6/30/12	22.90
S&P 500 Dividends Aristocrats	0.99	18.72						6/30/12	23.30
Variance	-0.02	0.10						6/30/12	-0.40
Rank	90	92							
Loomis Sayles LC Value									
Total Return	2.55	24.82	22.08	15.10	20.68	6.52	9.82	6/30/95	9.87
Russell 1000 Value	3.02	21.58	20.16	14.80	21.75	4.78	7.58	6/30/95	10.07
Variance	-0.47	3.24	1.92	0.30	-1.08	1.74	2.24	6/30/95	-0.20
Rank	53	27	25	42	74	39	12		
NTGI S&P Midcap 400 - Lending									
Total Return	2.82	21.32	18.64	12.87				6/30/09	21.64
S&P MidCap 400	3.04	21.25	19.53	13.37				6/30/09	21.84
Variance	-0.21	0.07	-0.88	-0.50				6/30/09	-0.20
Rank	46	75	89	86					
Fiduciary Management									
Total Return	0.58	21.06	15.71	13.14	23.75	9.99		9/30/05	11.87
Russell 2000	1.12	24.90	20.52	13.19	24.31	7.08		9/30/05	8.30
Variance	-0.54	-3.84	-4.81	-0.05	-0.56	2.91		9/30/05	3.57
Rank	84	88	94	75	78	17			

Southfield Fire & Police Retirement System

Performance Summary Table

Periods Ending 3/31/14

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	2.60	14.56	10.74	1.16	20.06			9/30/08	18.27
S&P 500 Energy Index	0.85	14.60	12.00	5.22	16.02			9/30/08	7.48
Variance	1.75	-0.03	-1.27	-4.06	4.05			9/30/08	10.79
Rank	23	98	99	99	90				
1607 Capital Partners									
Total Return	0.95	13.08	12.05	6.47	19.70	4.50		6/30/06	7.30
MSCI ACWI x-US	0.61	12.81	10.77	4.60	16.02	2.15		6/30/06	4.37
Variance	0.33	0.27	1.28	1.87	3.68	2.35		6/30/06	2.93
Rank	46	59	57	61	26	38			
WHV Investment Mgmt									
Total Return	1.34	12.01	9.97	1.95	17.73	5.96		6/30/06	7.51
MSCI ACWI x-US	0.61	12.81	10.77	4.60	16.02	2.15		6/30/06	4.37
Variance	0.73	-0.80	-0.81	-2.64	1.71	3.81		6/30/06	3.14
Rank	36	67	72	84	48	20			
Invesco International REIT									
Total Return	-1.42	-0.31	13.29	7.36	17.51			9/30/08	12.22
FTSE EPRA/NAREIT Global x-US	-1.20	-0.04	12.56	6.86	19.37			9/30/08	7.89
Variance	-0.22	-0.27	0.72	0.50	-1.86			9/30/08	4.33
Rank	92	90	17	72	20				

Southfield Fire & Police Retirement System

Performance Summary Table

Periods Ending 3/31/14

Manager	1 Qtr	1 Year	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
Bradford & Marzec									
Total Return	2.05							9/30/13	2.66
Barclays Intm Aggregate	1.20							9/30/13	1.07
Variance	0.84							9/30/13	1.59
Rank	18								10
Loomis Sayles Full Discretion									
Total Return	2.93							9/30/13	5.09
Barclays U.S. Aggregate	1.84							9/30/13	1.70
Variance	1.09							9/30/13	3.39
Rank	15								8
Avignon - Mortgage Loan									
Total Return	0.00	0.00	-24.50	-15.78	-6.85			9/30/07	-3.69
Citi 2yr Treasury +4%/yr	1.18	4.41	4.44	4.75	5.06				
Variance	-1.18	-4.41	-28.94	-20.54	-11.91				
Rank	100	96	100	100	100				
Nantucket Institutional									
Total Return	2.49	12.19	10.59	7.94	10.55			6/30/08	4.72
HFRI Diversified FoF Index	0.36	5.96	5.49	2.52	4.87			6/30/08	0.63
Variance	2.13	6.22	5.10	5.42	5.68			6/30/08	4.09
Rank	9	8	12	6	14				

Southfield Fire & Police Retirement System

Performance Summary Table

Periods Ending 3/31/14

Manager	1 Qtr	1 Year	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
Real Estate Composite									
Total Return	2.77	14.82	12.40	13.96	7.35	2.10	6.64	6/30/93	7.37
NFI-ODCE	2.47	13.71	12.24	13.04	7.31	2.97	7.11	6/30/93	7.76
Variance	0.30	1.11	0.16	0.91	0.04	-0.87	-0.47	6/30/93	-0.39
Rank	54	14	22	16	42	50	63		
PRISA I									
Total Return	2.45	13.76	11.70	13.28	7.18	2.61		12/31/05	4.58
NFI-ODCE	2.47	13.71	12.24	13.04	7.31	2.97		12/31/05	4.89
Variance	-0.02	0.06	-0.54	0.23	-0.13	-0.36		12/31/05	-0.31
Rank	62	24	30	20	45	44			
PRISA II									
Total Return	3.30	16.56	14.07	15.90	8.54	1.02		12/31/05	3.48
NFI-ODCE	2.47	13.71	12.24	13.04	7.31	2.97		12/31/05	4.89
Variance	0.83	2.85	1.83	2.86	1.24	-1.95		12/31/05	-1.41
Rank	43	10	12	8	33	71			
PRISA III									
Total Return	2.21	14.03						3/31/13	14.03
NFI-ODCE	2.47	13.71						3/31/13	13.71
Variance	-0.26	0.32						3/31/13	0.32
Rank	70	19							19

Southfield Fire & Police Retirement System

Performance Summary Table

Periods Ending 3/31/14

Manager	1 Qtr	1 Year	2 Yrs	3 Yrs	5 Yrs	7 Yrs	10 Yrs	Incept Date	Incept Ret
Total Fund Composite									
Total Return	2.04	12.97	10.15	7.19	13.62	5.52	7.14	12/31/88	7.84
Policy Index	1.47	10.80	10.40	8.46	15.63	5.28	6.87	12/31/88	8.80
Variance	0.57	2.17	-0.24	-1.27	-2.02	0.24	0.27	12/31/88	-0.96
Rank	38	45	77	88	55	46	30		

Southfield Fire & Police Retirement System

Risk Statistic Summary

Quarterly 3 Year Ending 3/31/14

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	15.10 14.80	17.96 16.17	2.49	0.99	1.10	-0.25	0.22	0.84
NTGI S&P Midcap 400 - Lending S&P MidCap 400	12.87 13.37	18.85 18.82	0.98	1.00	1.00	-0.11	-0.47	0.68
Fiduciary Management Russell 2000	13.14 13.19	16.99 20.04	5.27	0.95	0.83	0.46	-0.15	0.77
Orleans Capital Mgmt - Energy Opport S&P 500 Energy Index	1.16 5.22	24.72 19.88	7.66	0.93	1.20	-1.04	-0.40	0.04
1607 Capital Partners MSCI ACWI x-US	6.47 4.60	16.48 17.04	2.60	0.98	0.96	0.48	0.63	0.39
WHV Investment Mgmt MSCI ACWI x-US	1.95 4.60	20.49 17.04	6.47	0.92	1.15	-0.68	-0.31	0.09
Invesco International REIT FTSE EPRA/NAREIT Global x-US	7.36 6.86	18.53 17.41	1.99	0.99	1.06	0.05	0.34	0.39
Bradford & Marzec Barclays Intm Aggregate	NA NA	NA NA	NA	NA	NA	NA	NA	NA

Southfield Fire & Police Retirement System

Risk Statistic Summary

Quarterly 3 Year Ending 3/31/14

Manager	Return	Standard Deviation	Tracking Error	R-Squared	Historical Beta	Historical Alpha	Information Ratio	Sharpe Ratio
Loomis Sayles Full Discretion	NA	NA	NA	NA	NA	NA	NA	NA
Barclays U.S. Aggregate	NA	NA						
Avignon - Mortgage Loan	-15.78	25.12	25.11	0.00	1.61	-3.48	-0.66	-0.63
Citi 2yr Treasury +4%/yr	4.75	0.54						
Nantucket Institutional	7.94	4.69	1.28	0.91	0.95	1.33	4.16	1.68
HFRI Diversified FoF Index	2.52	4.81						
Real Estate Composite	13.96	1.81	0.99	0.87	1.10	-0.09	0.85	7.66
NFI-ODCE	13.04	1.33						
PRISA I	13.28	1.81	1.00	0.86	1.06	-0.14	0.21	7.27
NFI-ODCE	13.04	1.33						
PRISA II	15.90	2.14	1.56	0.75	1.18	0.10	1.68	7.39
NFI-ODCE	13.04	1.33						
PRISA III	NA	NA	NA	NA	NA	NA	NA	NA
NFI-ODCE	NA	NA						
Total Fund Composite	7.19	10.48	1.58	0.98	1.06	-0.40	-0.72	0.68
Policy Index	8.46	9.79						

Southfield Fire & Police Retirement System

Large Neutral Cumulative Performance Comparisons

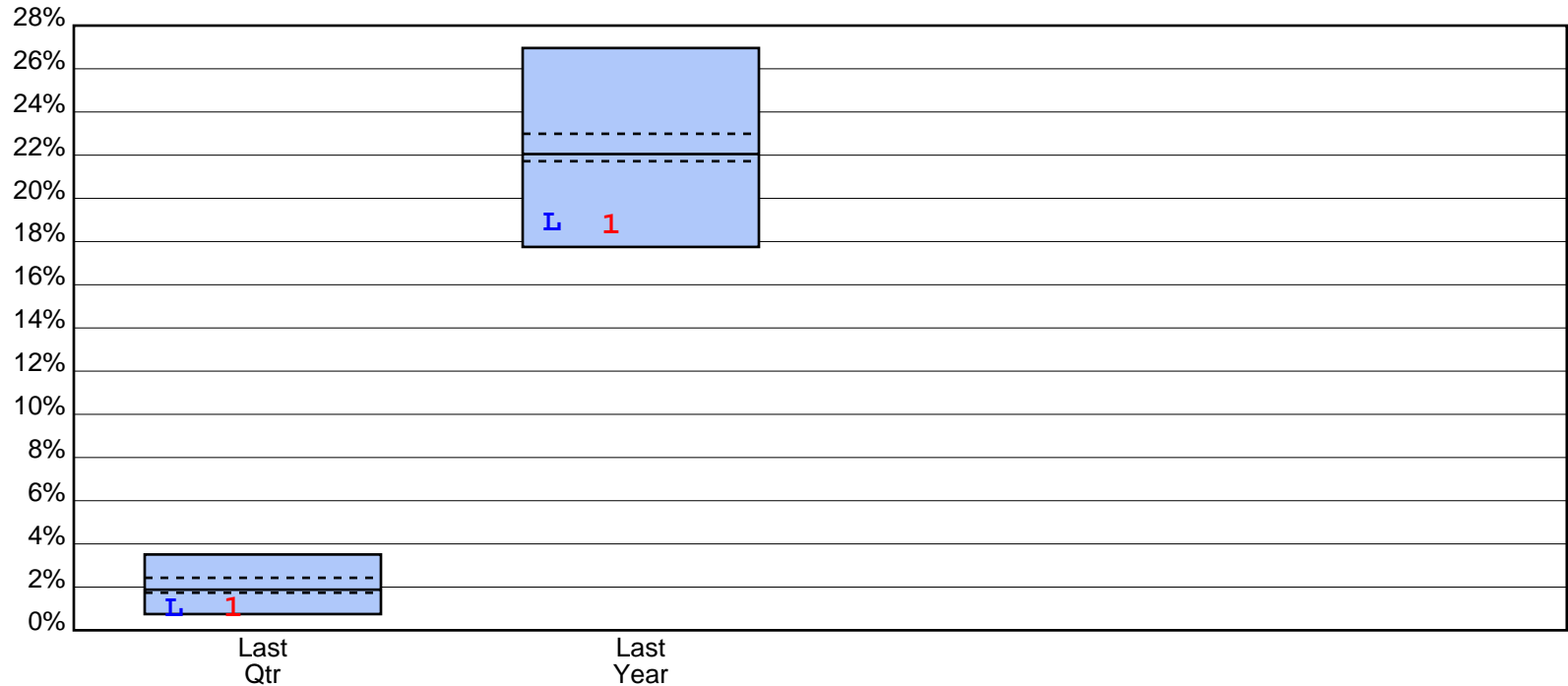
Total Returns of Equity Portfolios

Periods Ending 3/14

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
5th Percentile	3.51	26.96
25th Percentile	2.43	22.99
Median	1.88	22.05
75th Percentile	1.74	21.72
95th Percentile	0.75	17.75
L LSIA Dividend Aristocrats	0.97 (90)	18.82 (92)
1 S&P 500 Dividends Aristocrats	0.99 (90)	18.72 (93)

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.

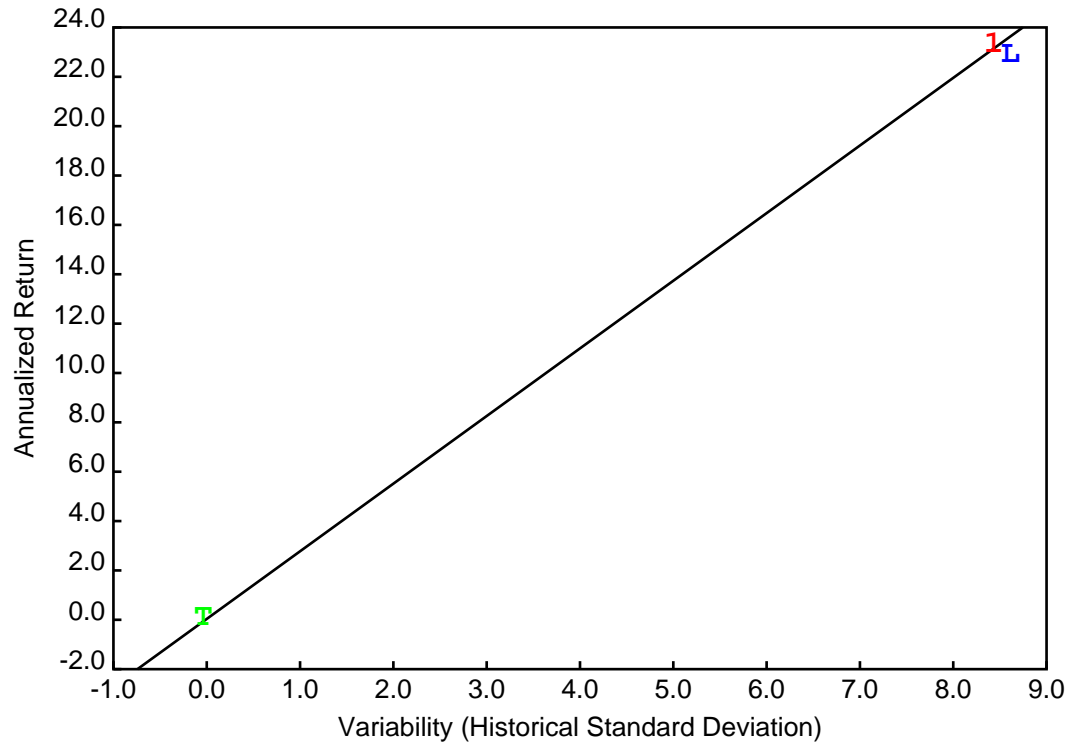
Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 6/12 to 3/14

Manager Annual Return: +22.90
Less: Annual Fee -0.09

+22.81

Less: Benchmark Return -23.30

Net Value-added Result -0.49



	Annualized Return	Variability	Reward	Sharpe Ratio
L LSIA Dividend Aristocrats	22.90	8.67	22.81	2.63
1 S&P 500 Dividends Aristocrats	23.30	8.49	23.21	2.73
T 91-Day Treasury Bill	0.09	0.02	0.00	0.00

Manager Performance vs. Objectives:
Index strategy meets expectations after 1.75 years.

Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

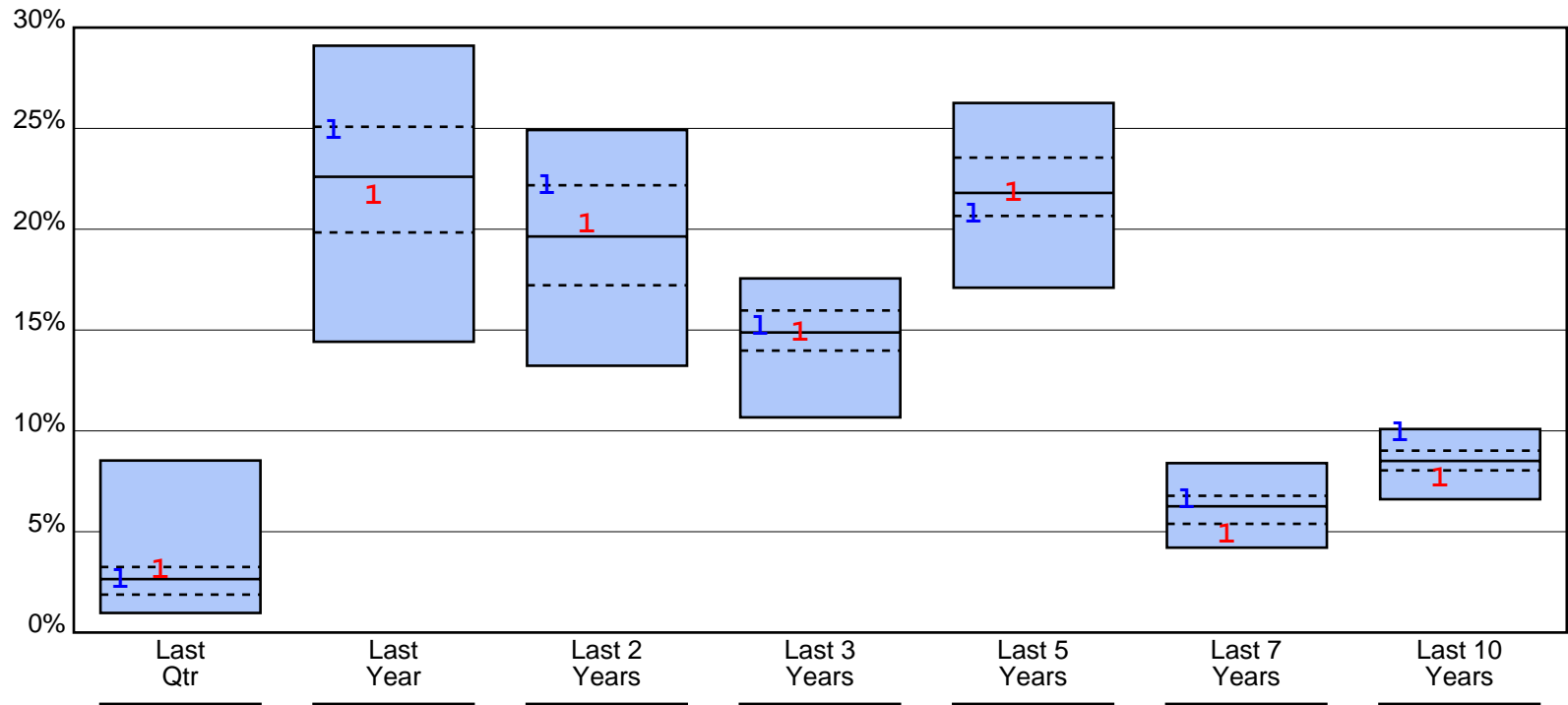
Large Value Cumulative Performance Comparisons

Total Returns of Equity Portfolios

Periods Ending 3/14

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



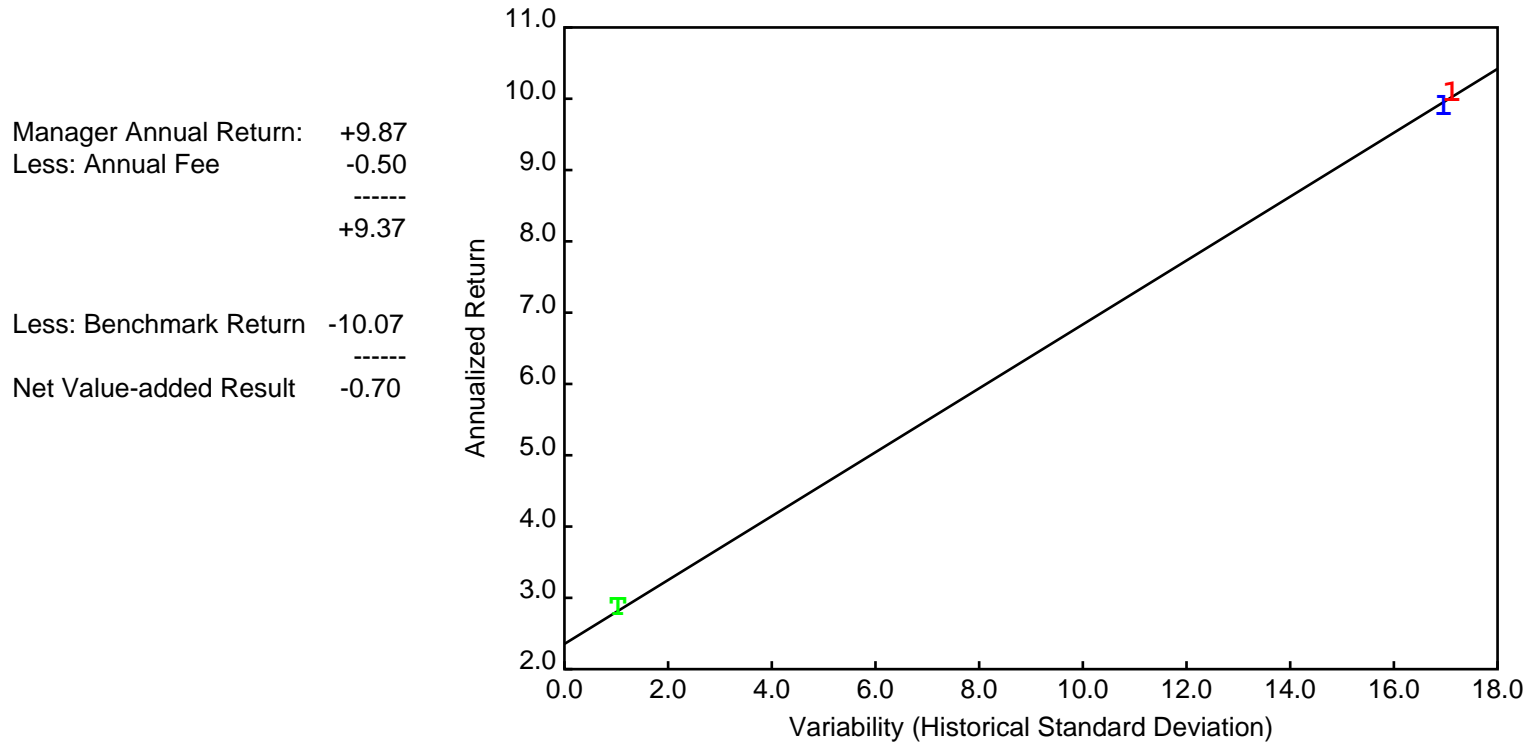
	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
5th Percentile	8.53	29.10	24.92	17.56	26.26	8.40	10.09
25th Percentile	3.25	25.08	22.18	15.97	23.55	6.78	9.02
Median	2.65	22.60	19.64	14.88	21.80	6.26	8.51
75th Percentile	1.88	19.84	17.22	13.98	20.66	5.39	8.04
95th Percentile	0.97	14.42	13.23	10.67	17.10	4.21	6.61
1 Loomis Sayles LC Value	2.55 (53)	24.82 (27)	22.08 (25)	15.10 (42)	20.68 (74)	6.52 (39)	9.82 (12)
1 Russell 1000 Value	3.02 (31)	21.58 (58)	20.16 (45)	14.80 (59)	21.75 (51)	4.78 (92)	7.58 (89)

Quarterly Variance Analysis:

Underperformance is primarily attributed to the combination of stock selection and an overweight position in the poorly-performing Consumer Discretionary 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 3/14



	Annualized Return	Variability	Reward	Sharpe Ratio
1 Loomis Sayles LC Value	9.87	17.06	7.00	0.41
1 Russell 1000 Value	10.07	17.22	7.21	0.42
T 91-Day Treasury Bill	2.86	1.13	0.00	0.00

Manager Performance vs. Objectives:
While portfolio manager trails expectations after 18.75 years, results for the past 10 years exceed expectations.

Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

Midcap Neutral Cumulative Performance Comparisons

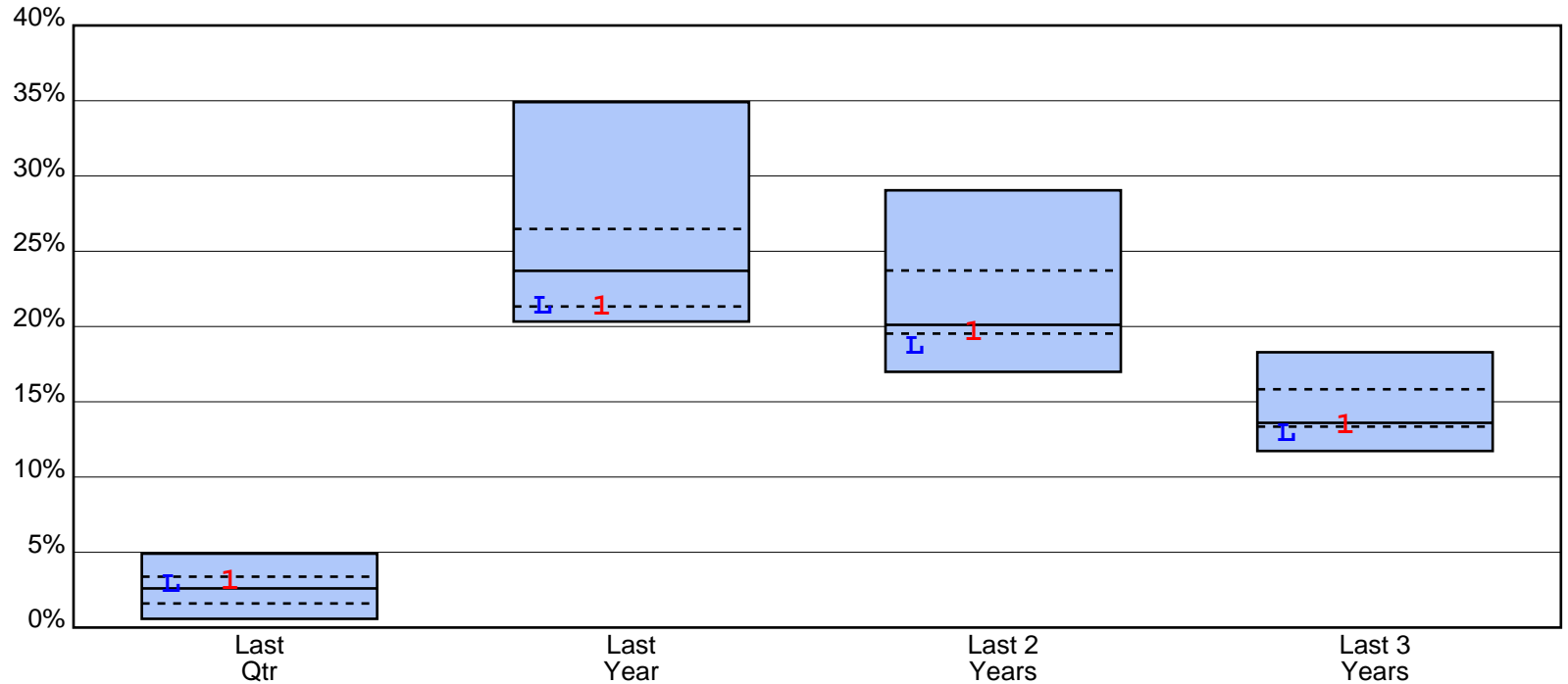
Total Returns of Equity Portfolios

Periods Ending 3/14

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
5th Percentile	4.91	34.91	29.05	18.29
25th Percentile	3.38	26.48	23.72	15.83
Median	2.60	23.70	20.11	13.60
75th Percentile	1.60	21.33	19.53	13.35
95th Percentile	0.58	20.33	16.99	11.73

L NTGI S&P Midcap 400 - Lending	2.82 (46)	21.32 (75)	18.64 (89)	12.87 (86)
1 S&P MidCap 400	3.04 (34)	21.25 (78)	19.53 (75)	13.37 (68)

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.

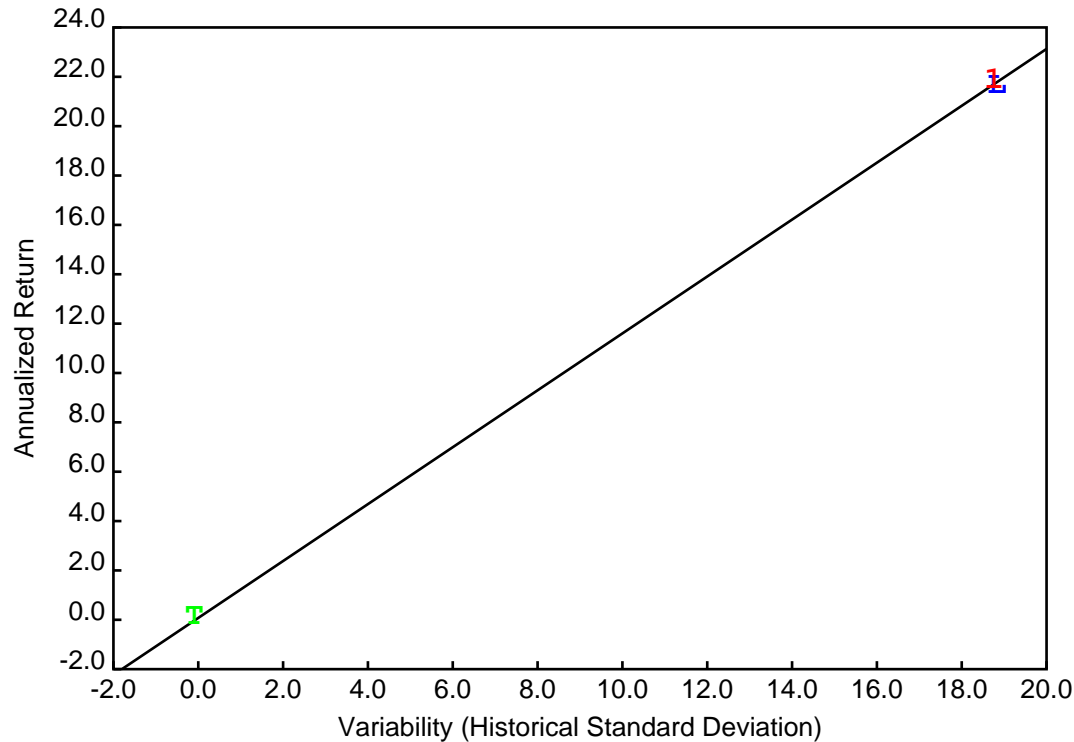
Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 6/09 to 3/14

Manager Annual Return: +21.64
Less: Annual Fee -0.04

+21.60

Less: Benchmark Return -21.84

Net Value-added Result -0.24



	Annualized Return	Variability	Reward	Sharpe Ratio
L NTGI S&P Midcap 400 - Lending	21.64	18.96	21.53	1.14
1 S&P MidCap 400	21.84	18.88	21.73	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 4.75 years, excluding the 4Q12 variance due to rebalancing the total fund.

Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

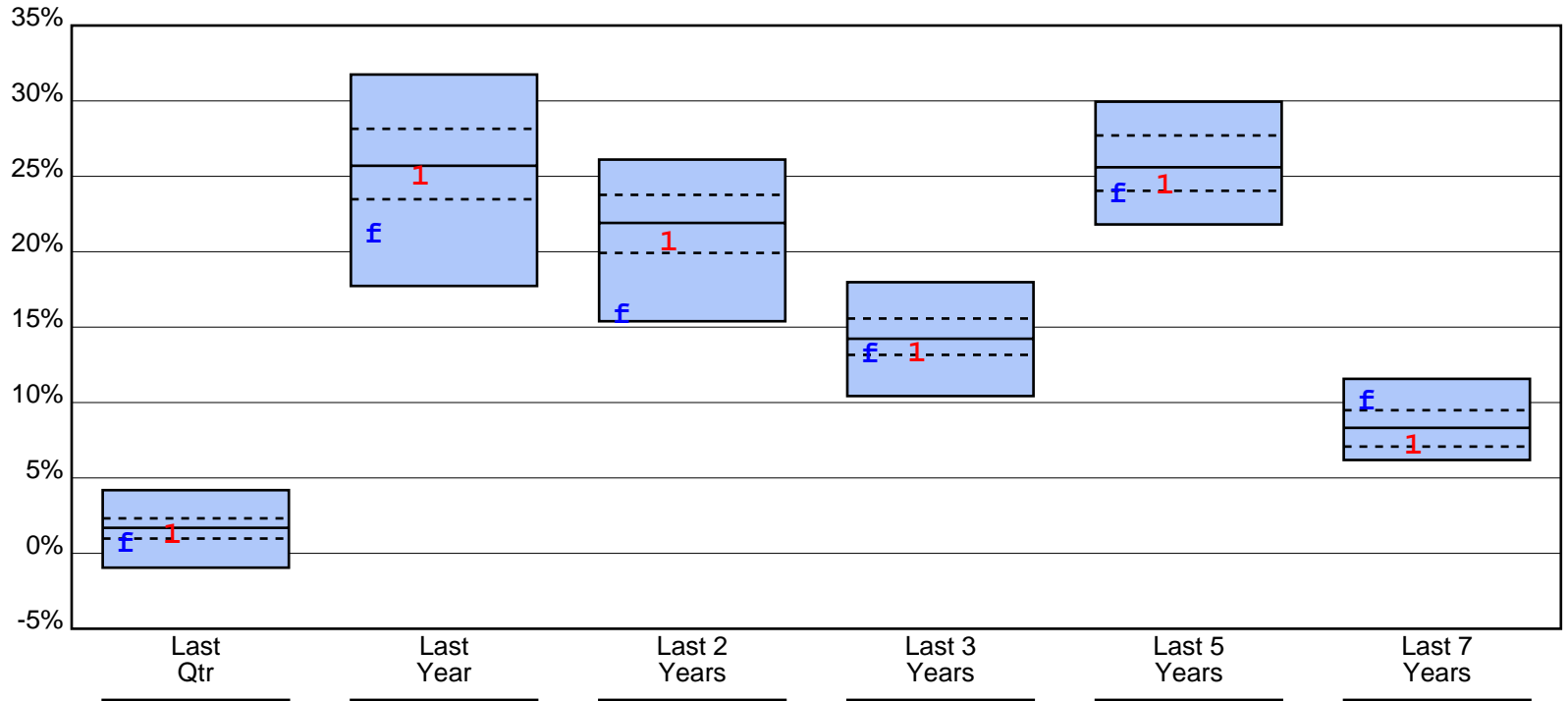
Small Neutral Cumulative Performance Comparisons

Total Returns of Equity Portfolios

Periods Ending 3/14

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
25th Percentile
Median
75th Percentile
95th Percentile

f Fiduciary Management
1 Russell 2000

Period	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years
Fiduciary Management	0.58 (84)	21.06 (88)	15.71 (94)	13.14 (75)	23.75 (78)	9.99 (17)
Russell 2000	1.12 (70)	24.90 (65)	20.52 (71)	13.19 (74)	24.31 (69)	7.08 (75)

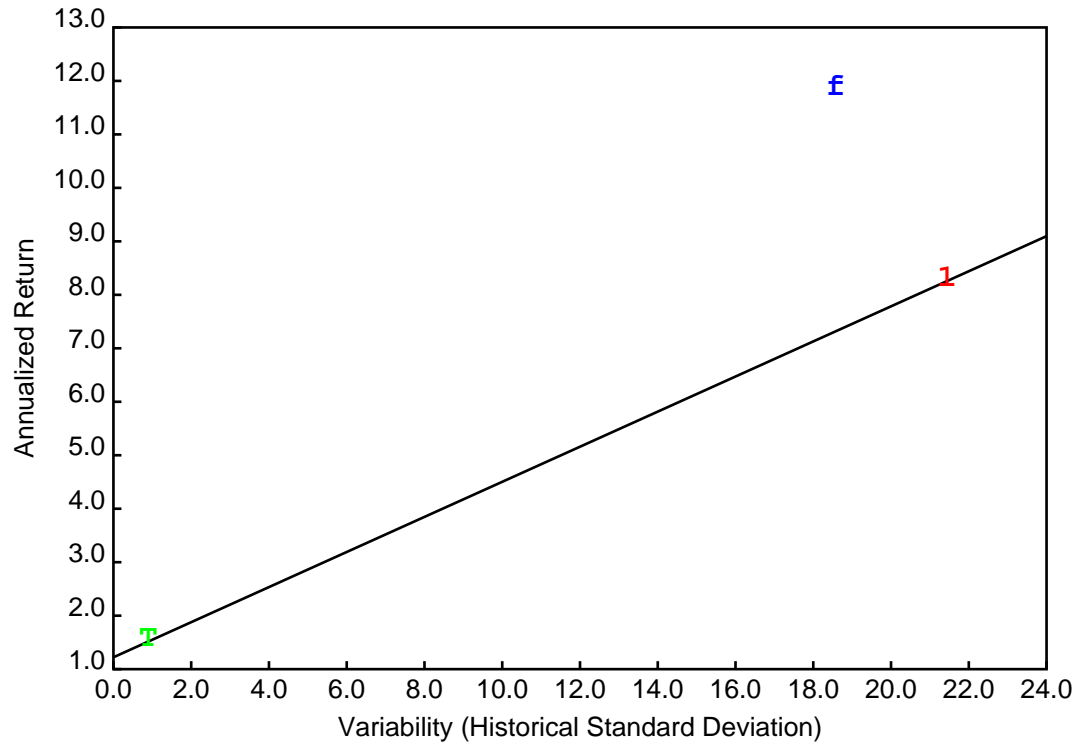
Quarterly Variance Analysis:

Manager was replaced by Morgan Dempsey in March 2014.

The full quarter result for both managers combined was +2.82%, which exceeded the Russell 2000 Index.

(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 9/05 to 3/14



	Annualized Return	Variability	Reward	Sharpe Ratio
f Fiduciary Management	11.87	18.72	10.31	0.55
1 Russell 2000	8.30	21.57	6.74	0.31
T 91-Day Treasury Bill	1.56	1.03	0.00	0.00

Manager Performance vs. Objectives:
Manager was replaced in March 2014 by Morgan Dempsey.

Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

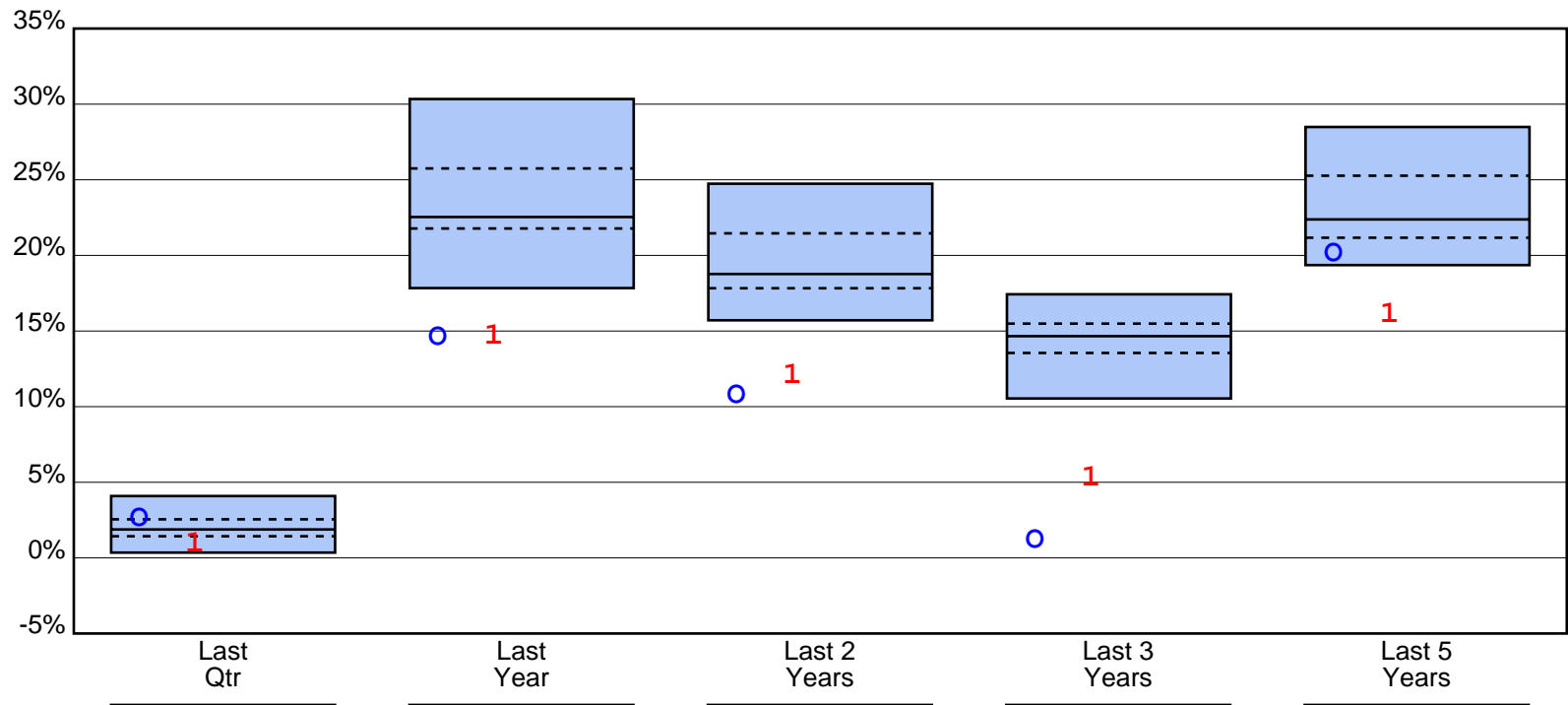
All Neutral Cumulative Performance Comparisons

Total Returns of Equity Portfolios

Periods Ending 3/14

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

Fee schedule: 100 bps



	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 5 Years
5th Percentile	4.09	30.34	24.74	17.43	28.49
25th Percentile	2.55	25.75	21.46	15.49	25.27
Median	1.88	22.54	18.77	14.66	22.38
75th Percentile	1.43	21.78	17.83	13.55	21.17
95th Percentile	0.35	17.84	15.71	10.54	19.36
Orleans Capital Mgmt - Energy Opp	2.60 (23)	14.56 (98)	10.74 (99)	1.16 (99)	20.06 (90)
S&P 500 Energy Index	0.85 (87)	14.60 (98)	12.00 (99)	5.22 (99)	16.02 (99)

Quarterly Variance Analysis:

Outperformance is primarily attributed to strong selection among stocks of Oil exploration and producers. Halliburton (+16.35%) and Baker Hughes (+17.97%) were leading contributors to results.

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

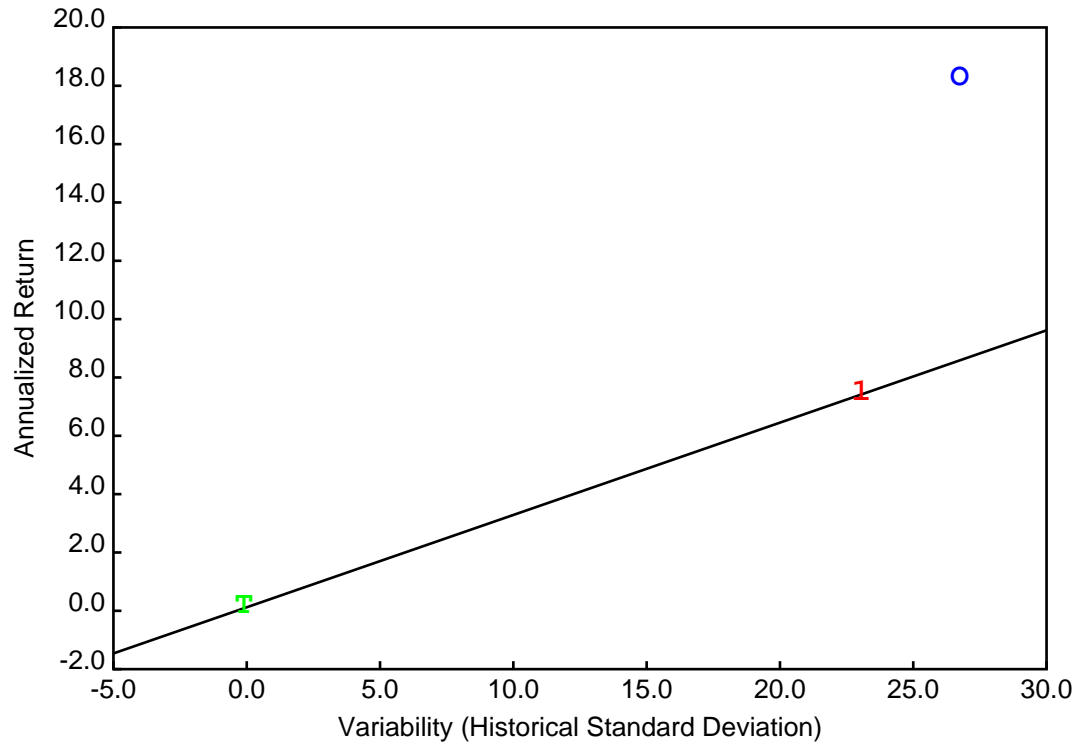
Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 9/08 to 3/14

Manager Annual Return: +18.27
Less: Annual Fee -1.00

+17.27

Less: Benchmark Return -7.48

Net Value-added Result +9.79

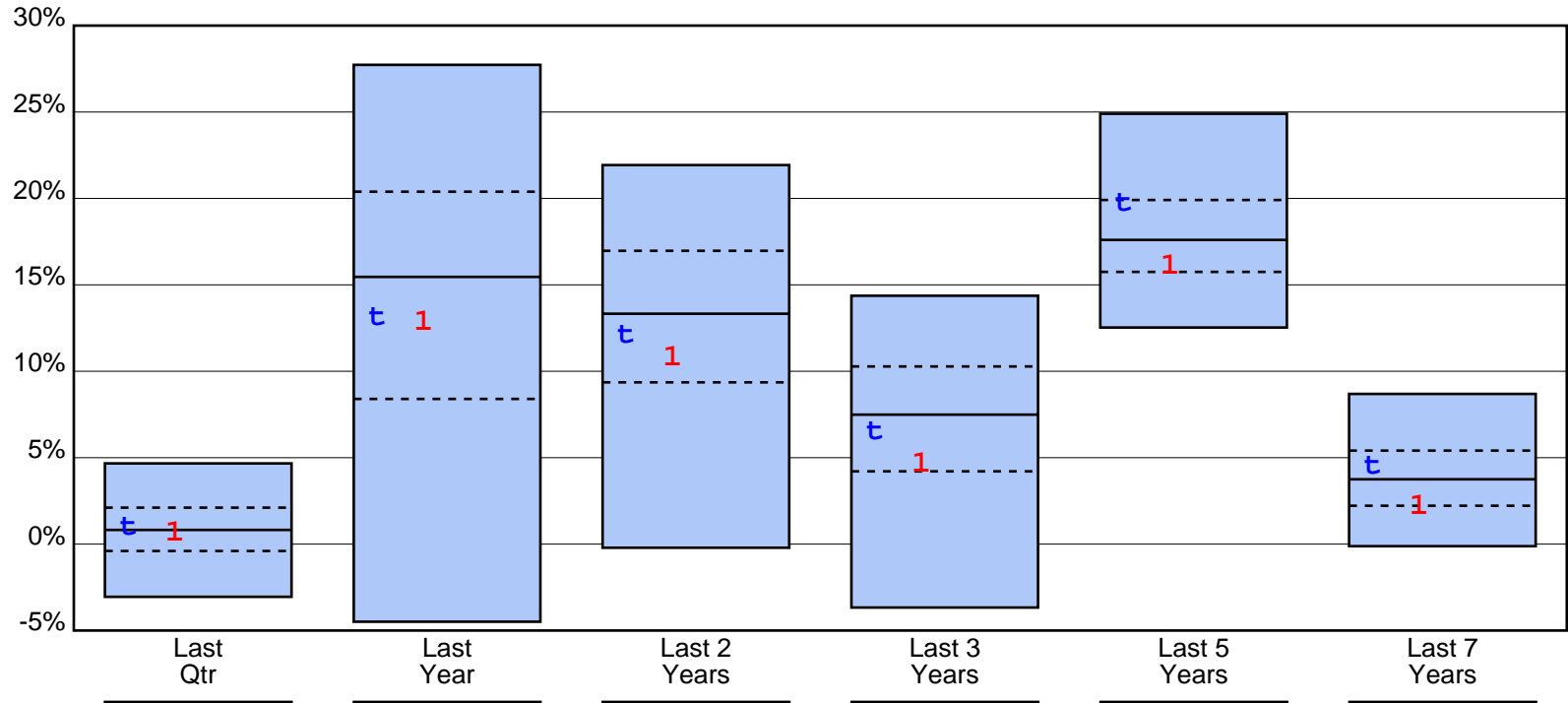


	Annualized Return	Variability	Reward	Sharpe Ratio
Orleans Capital Mgmt - Energy Opp	18.27	26.94	18.12	0.67
S&P 500 Energy Index	7.48	23.25	7.33	0.32
91-Day Treasury Bill	0.15	0.09	0.00	0.00

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 International Equity Portfolios Periods Ending 3/14



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

Last Qtr	4.67	27.73	21.93	14.37	24.90	8.69
Last Year	2.11	20.39	16.97	10.28	19.91	5.41
Last 2 Years	0.82	15.46	13.33	7.49	17.60	3.75
Last 3 Years	-0.40	8.40	9.36	4.21	15.75	2.22
Last 5 Years	-3.05	-4.49	-0.21	-3.67	12.53	-0.12
Last 7 Years						
1607 Capital Partners (t)	0.95 (46)	13.08 (59)	12.05 (57)	6.47 (61)	19.70 (26)	4.50 (38)
MSCI ACWI x-US (1)	0.61 (57)	12.81 (61)	10.77 (66)	4.60 (71)	16.02 (70)	2.15 (76)

Quarterly Variance Analysis:

Slight outperformance is due to good results from funds invested in the U.K. and Europe within small/mid-cap companies. The manager acknowledges differences in total portfolio valuation with the custodian on a quarter-to-quarter basis. Exposure to emerging markets was approximately 24.4% of the portfolio. At the end of the quarter, 1607 held 104 closed-end funds. The universe consists of about 315 funds. (Note: numbers in parentheses reflect the actual peer group rankings. 1 = high; 99 = low)

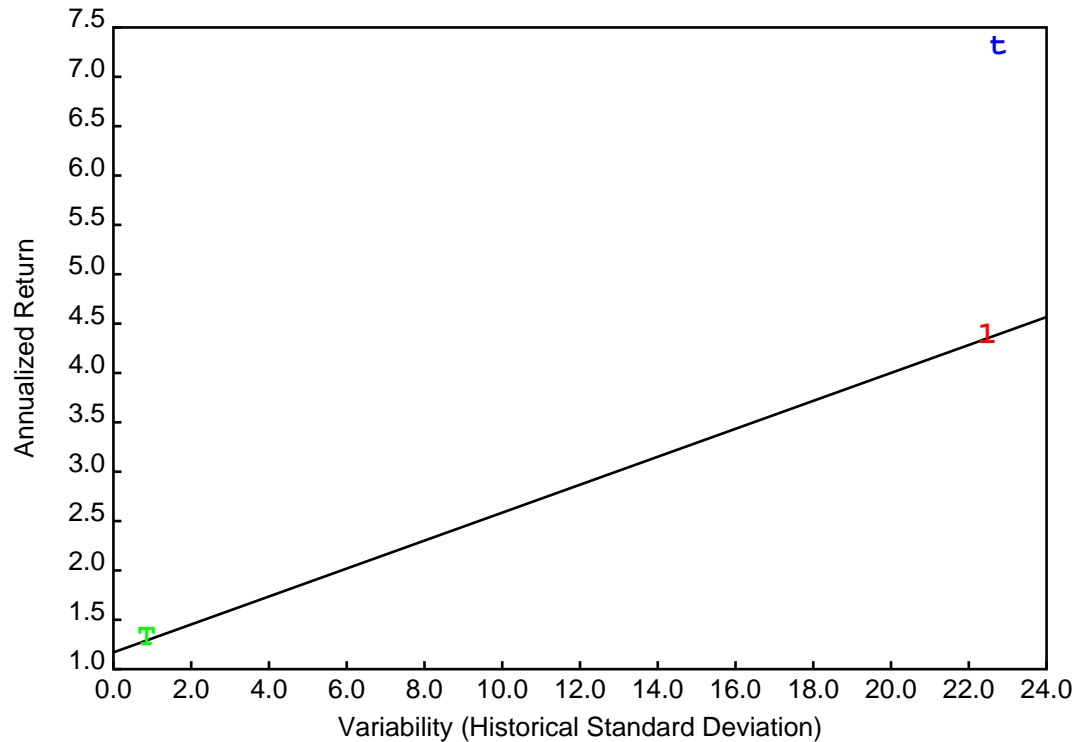
Returns for periods greater than one year are annualized.

Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 6/06 to 3/14

Manager Annual Return: +7.30
 Less: Annual Fee -0.75
 Less: Global C/T Fees -0.10
 (Custody/Transaction) -----
 +6.45

 Less: Benchmark Return -4.37

 Net Value-added Result +2.08



	Annualized Return	Variability	Reward	Sharpe Ratio
t 1607 Capital Partners	7.30	22.89	5.99	0.26
1 MSCI ACWI x-US	4.37	22.61	3.06	0.14
T 91-Day Treasury Bill	1.31	0.99	0.00	0.00

Manager Performance vs. Objectives:
 Portfolio manager exceeds expectations after 7.75 years.

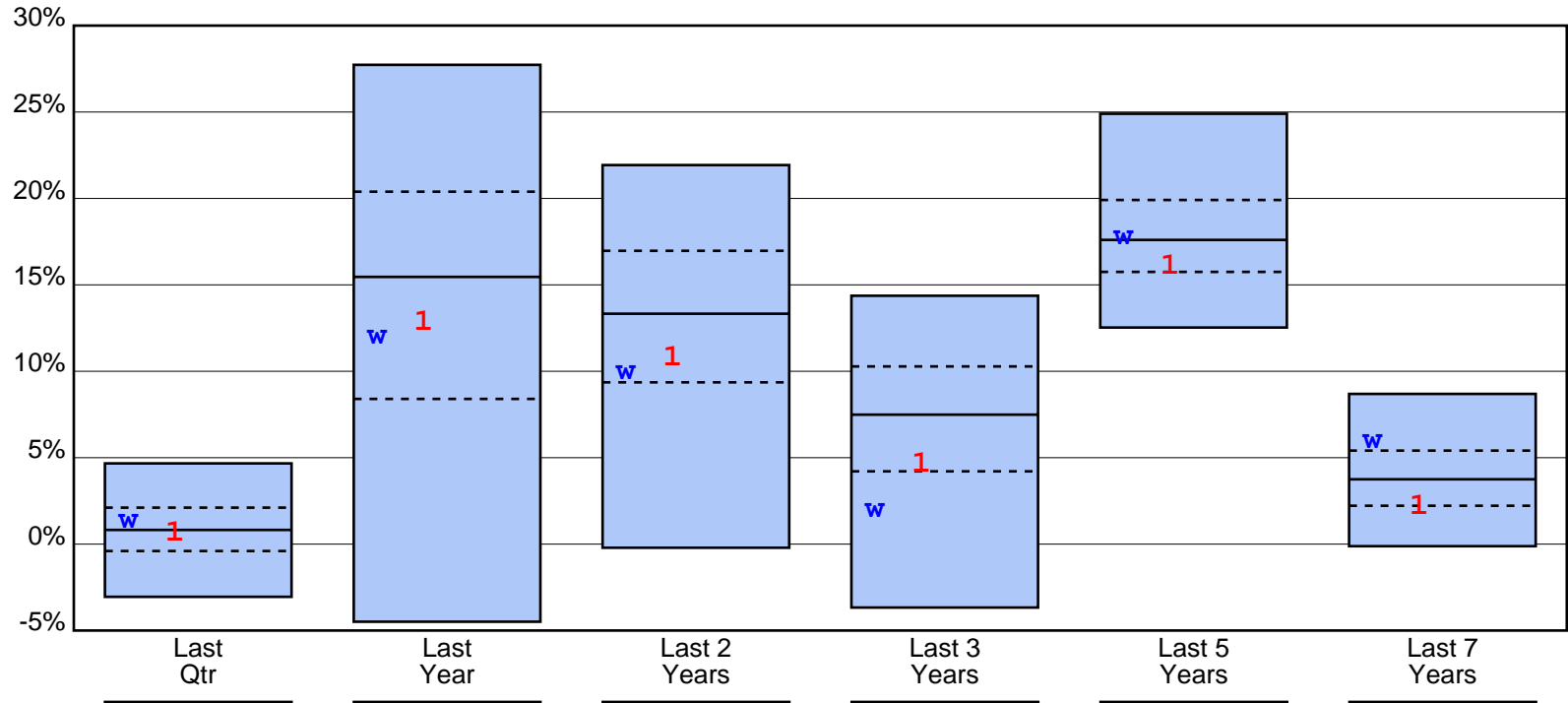
Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

Cumulative Performance Comparison

Total Returns of International Equity Portfolios

Periods Ending 3/14



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

5th Percentile	4.67	27.73	21.93	14.37	24.90	8.69
25th Percentile	2.11	20.39	16.97	10.28	19.91	5.41
Median	0.82	15.46	13.33	7.49	17.60	3.75
75th Percentile	-0.40	8.40	9.36	4.21	15.75	2.22
95th Percentile	-3.05	-4.49	-0.21	-3.67	12.53	-0.12
WHV Investment Mgmt (w)	1.34 (36)	12.01 (67)	9.97 (72)	1.95 (84)	17.73 (48)	5.96 (20)
MSCI ACWI x-US (1)	0.61 (57)	12.81 (61)	10.77 (66)	4.60 (71)	16.02 (70)	2.15 (76)

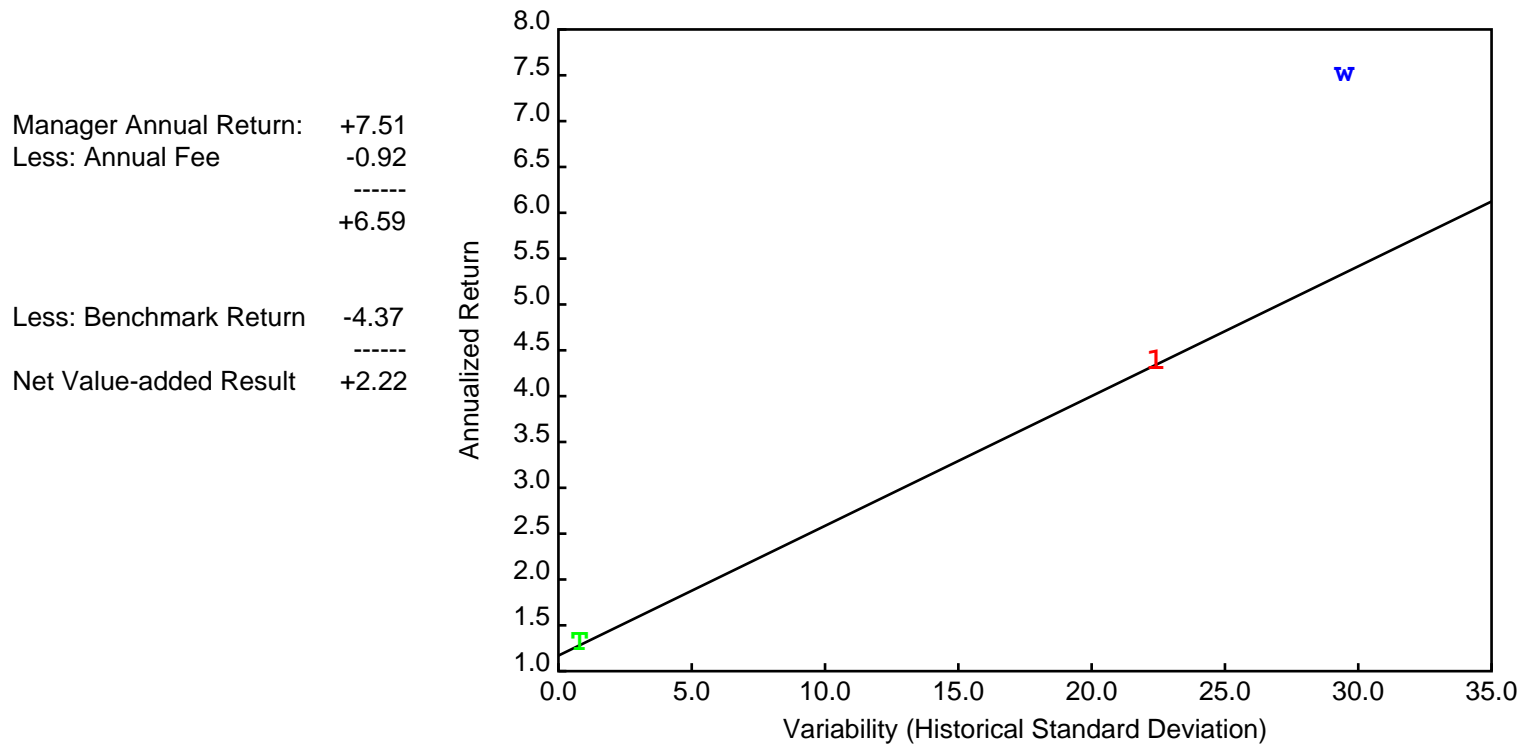
Quarterly Variance Analysis:

Outperformance is primarily attributed to strong stock selection in the Energy sector.

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)

Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 6/06 to 3/14



	Annualized Return	Variability	Reward	Sharpe Ratio
W WHV Investment Mgmt	7.51	29.67	6.20	0.21
1 MSCI ACWI x-US	4.37	22.61	3.06	0.14
T 91-Day Treasury Bill	1.31	0.99	0.00	0.00

Manager Performance vs. Objectives:
Despite poor short-term results, portfolio manager exceeds expectations after 7.75 years.

Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

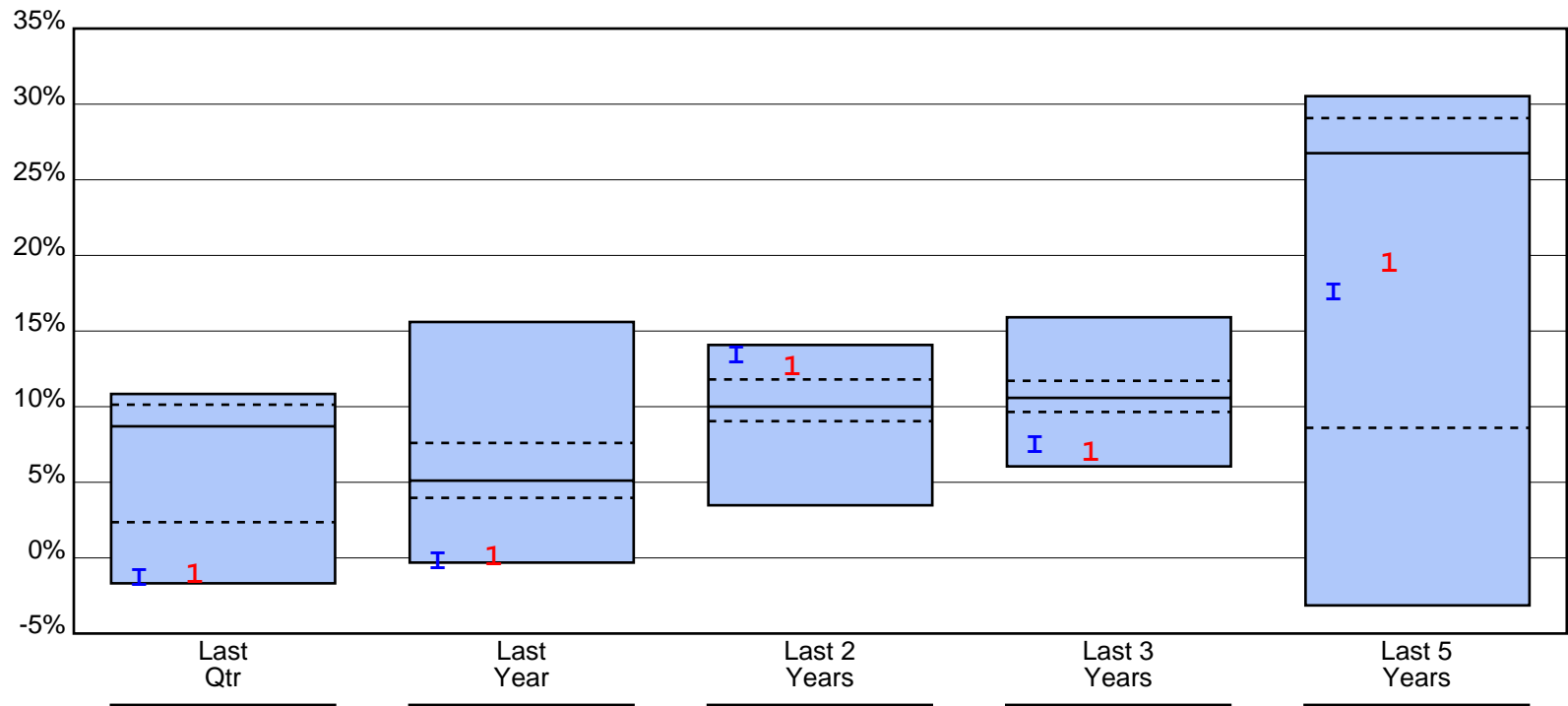
Cumulative Performance Comparison

Total Returns of Public REIT Portfolios

Periods Ending 3/14

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

Fee Schedule:
80 bps on first \$100mm



5th Percentile	10.84	15.60	14.08	15.91	30.53
25th Percentile	10.13	7.60	11.80	11.71	29.08
Median	8.70	5.11	10.00	10.58	26.76
75th Percentile	2.36	3.97	9.04	9.65	8.60
95th Percentile	-1.68	-0.31	3.48	6.05	-3.14

I Invesco International REIT	-1.42 (93)	-0.31 (95)	13.29 (15)	7.36 (87)	17.51 (68)
1 FTSE EPRA/NAREIT Global x-US	-1.20 (90)	-0.04 (92)	12.56 (21)	6.86 (89)	19.37 (61)

Quarterly Variance Analysis:

Slight underperformance is attributed to market allocation decisions, particularly the underweighting of Europe, which performed well during the quarter.

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

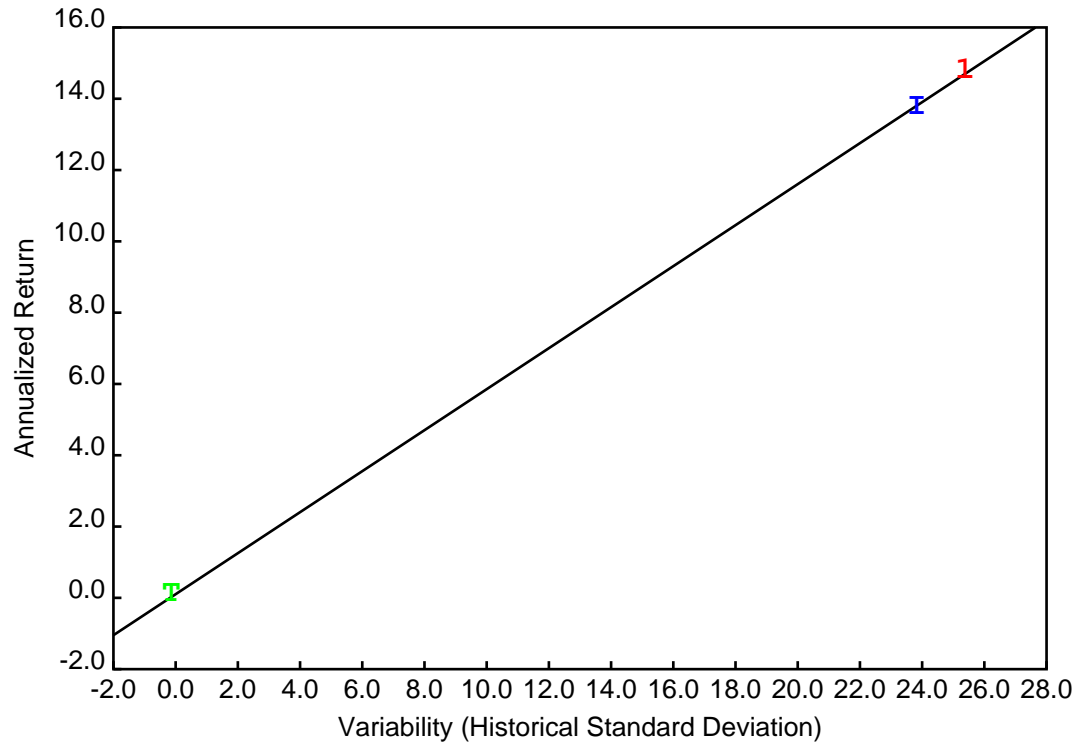
Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 12/08 to 3/14

Manager Annual Return: +13.77
 Less: Annual Fee -0.80

 +12.97

 Less: Benchmark Return -14.79

 Net Value-added Result -1.82



	Annualized Return	Variability	Reward	Sharpe Ratio
I Invesco International REIT	13.77	23.99	13.65	0.57
1 FTSE EPRA/NAREIT Global	14.79	25.54	14.67	0.57
T 91-Day Treasury Bill	0.12	0.03	0.00	0.00

Manager Performance vs. Objectives:
 Portfolio manager is close to expectations after 5.25 years.

Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

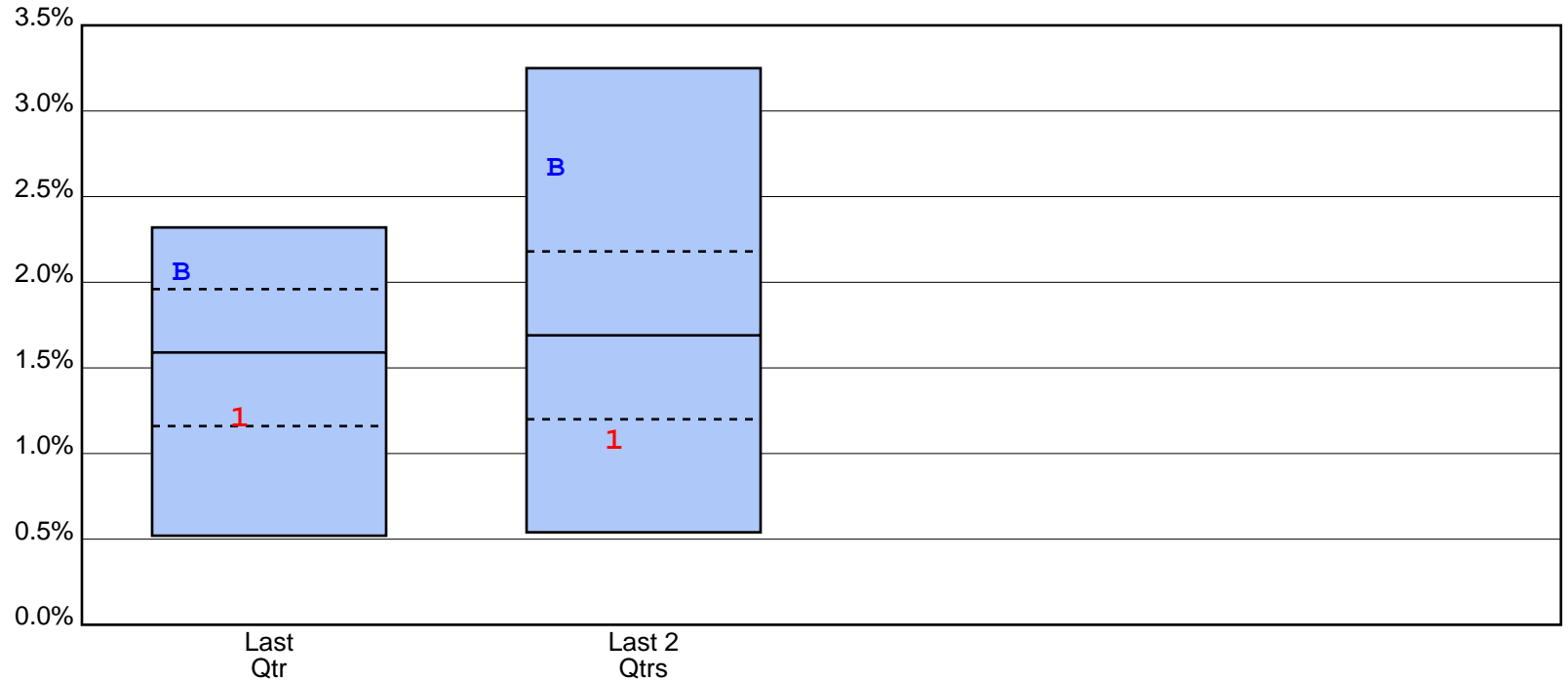
Intermediate Term Cumulative Performance Comparisons

Total Returns of Fixed Income Portfolios

Periods Ending 3/14

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

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



5th Percentile	2.32	3.25
25th Percentile	1.96	2.18
Median	1.59	1.69
75th Percentile	1.16	1.20
95th Percentile	0.52	0.54
B Bradford & Marzec	2.05 (18)	2.66 (10)
1 Barclays Intm Aggregate	1.20 (73)	1.07 (81)

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)

Returns for periods greater than one year are annualized.

Southfield Fire & Police Retirement System

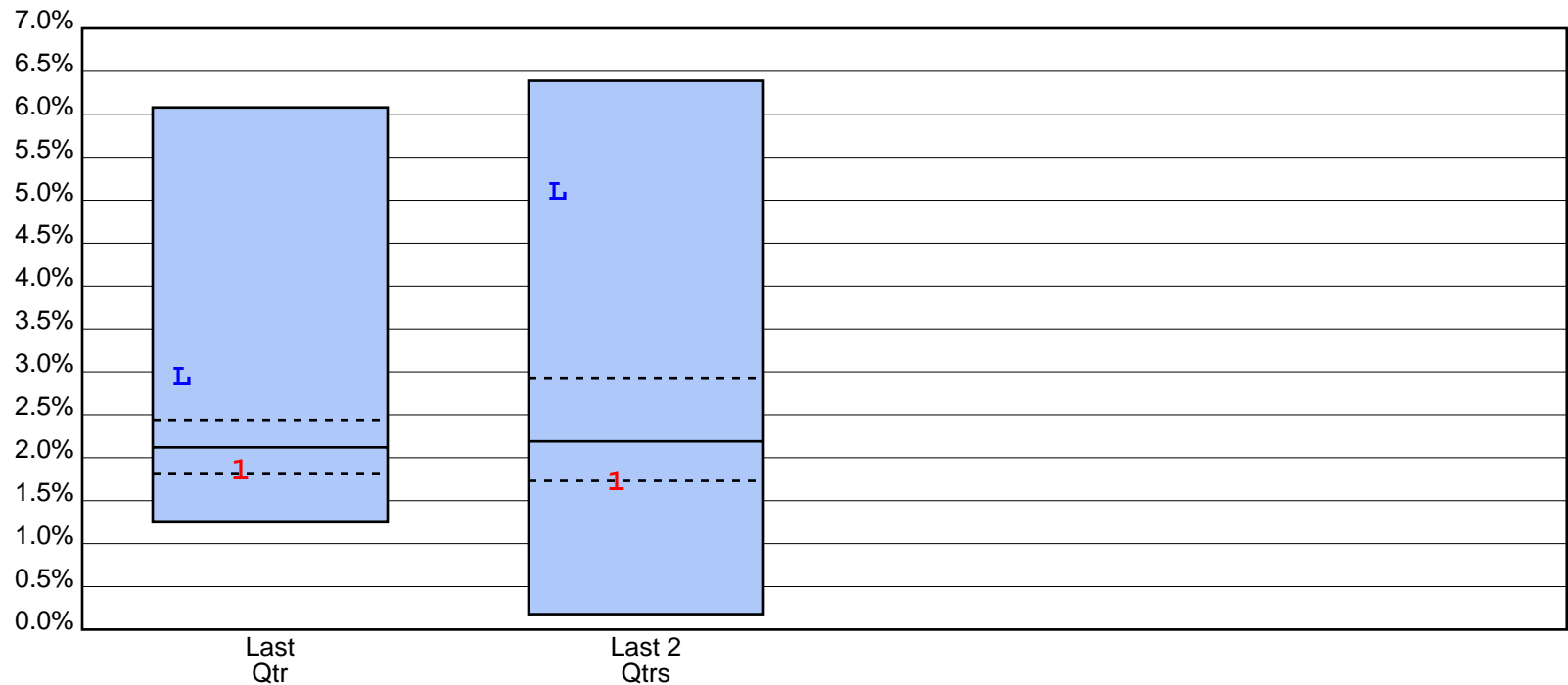
Fixed Income Core Cumulative Performance Comparisons

Total Returns of Fixed Income Portfolios

Periods Ending 3/14

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

Internal expense ratio
is 42 bps.



5th Percentile	6.08	6.39
25th Percentile	2.44	2.93
Median	2.12	2.19
75th Percentile	1.82	1.73
95th Percentile	1.26	0.18
L Loomis Sayles Full Discretion	2.93 (15)	5.09 (8)
1 Barclays U.S. Aggregate	1.84 (74)	1.70 (81)

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 non-U.S. bonds.

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

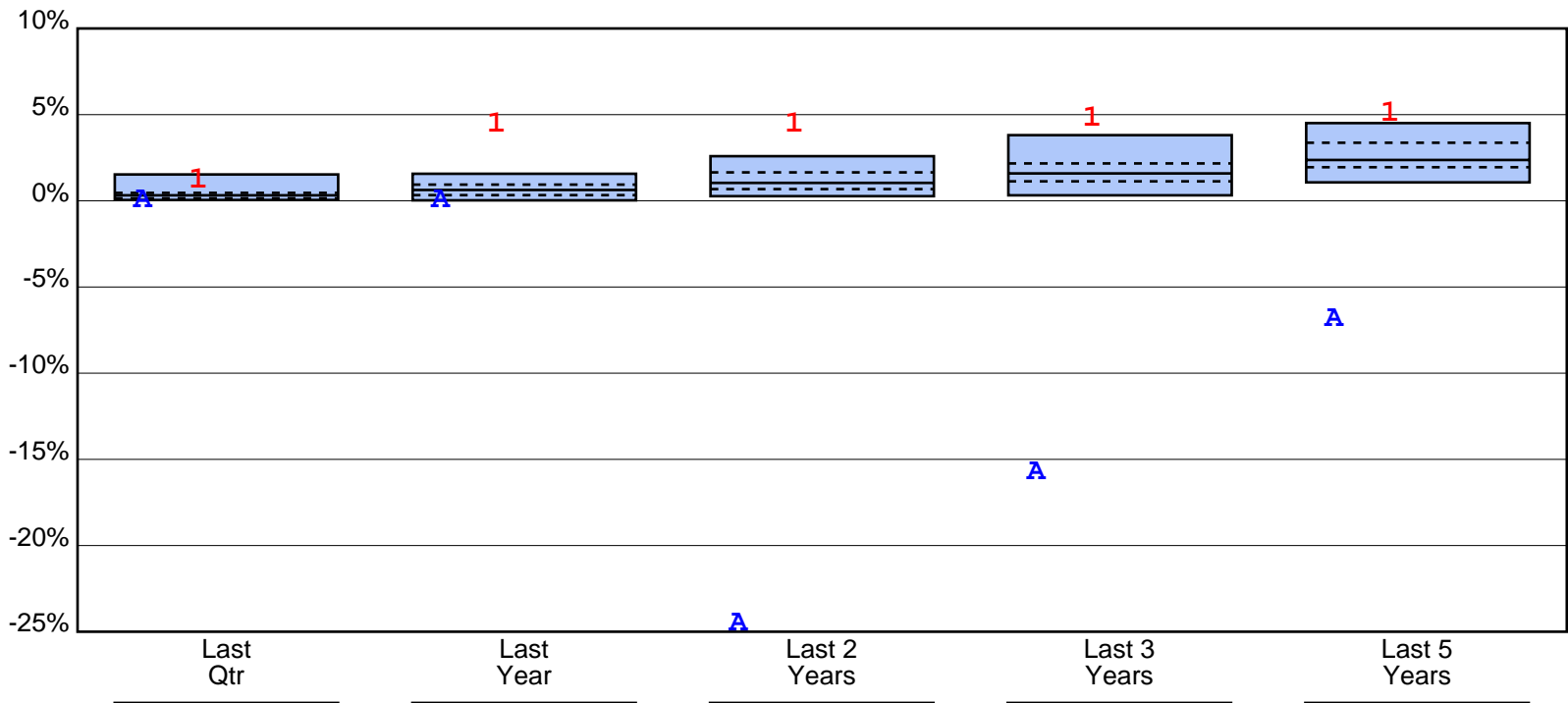
Returns for periods greater than one year are annualized.

Southfield Fire & Police Retirement System

Short Term Cumulative Performance Comparisons

Total Returns of Fixed Income Portfolios

Periods Ending 3/14



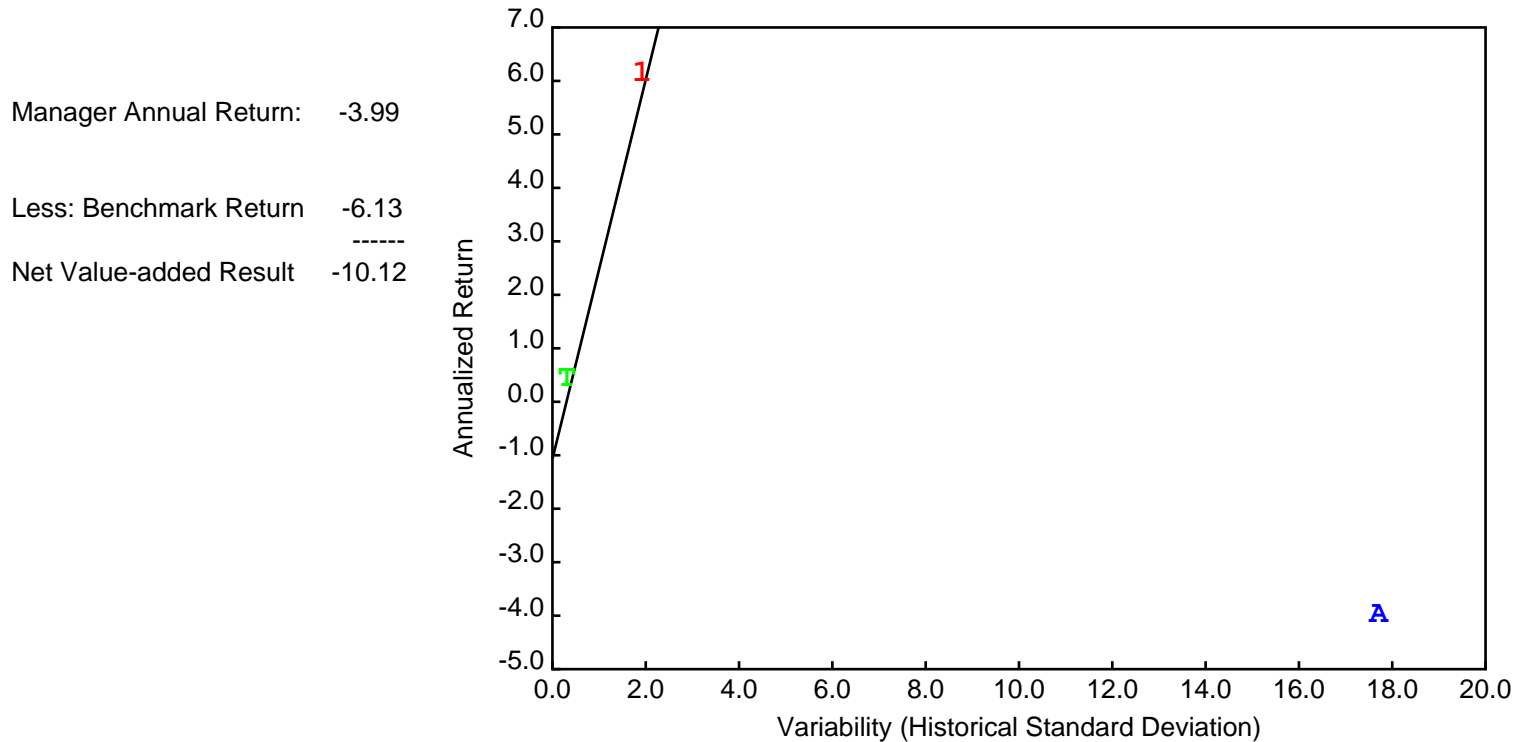
5th Percentile
25th Percentile
Median
75th Percentile
95th Percentile

	Last Qtr	Last Year	Last 2 Years	Last 3 Years	Last 5 Years
5th Percentile	1.53	1.57	2.59	3.81	4.51
25th Percentile	0.46	0.94	1.65	2.17	3.37
Median	0.32	0.63	1.04	1.59	2.37
75th Percentile	0.15	0.33	0.68	1.13	1.95
95th Percentile	0.05	0.03	0.27	0.32	1.07
A Avignon - Mortgage Loan	0.00 (100)	0.00 (96)	-24.50 (100)	-15.78 (100)	-6.85 (100)
1 Citi 2yr Treasury +4%/yr	1.18 (6)	4.41 (1)	4.44 (1)	4.75 (1)	5.06 (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 3/14



	Annualized Return	Variability	Reward	Sharpe Ratio
A Avignon - Mortgage Loan	-3.99	17.82	-4.42	-0.25
1 Citi 2yr Treasury +4%/yr	6.13	2.03	5.71	2.81
T 91-Day Treasury Bill	0.42	0.42	0.00	0.00

Manager Performance vs. Objectives:

Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

Cumulative Performance Comparison

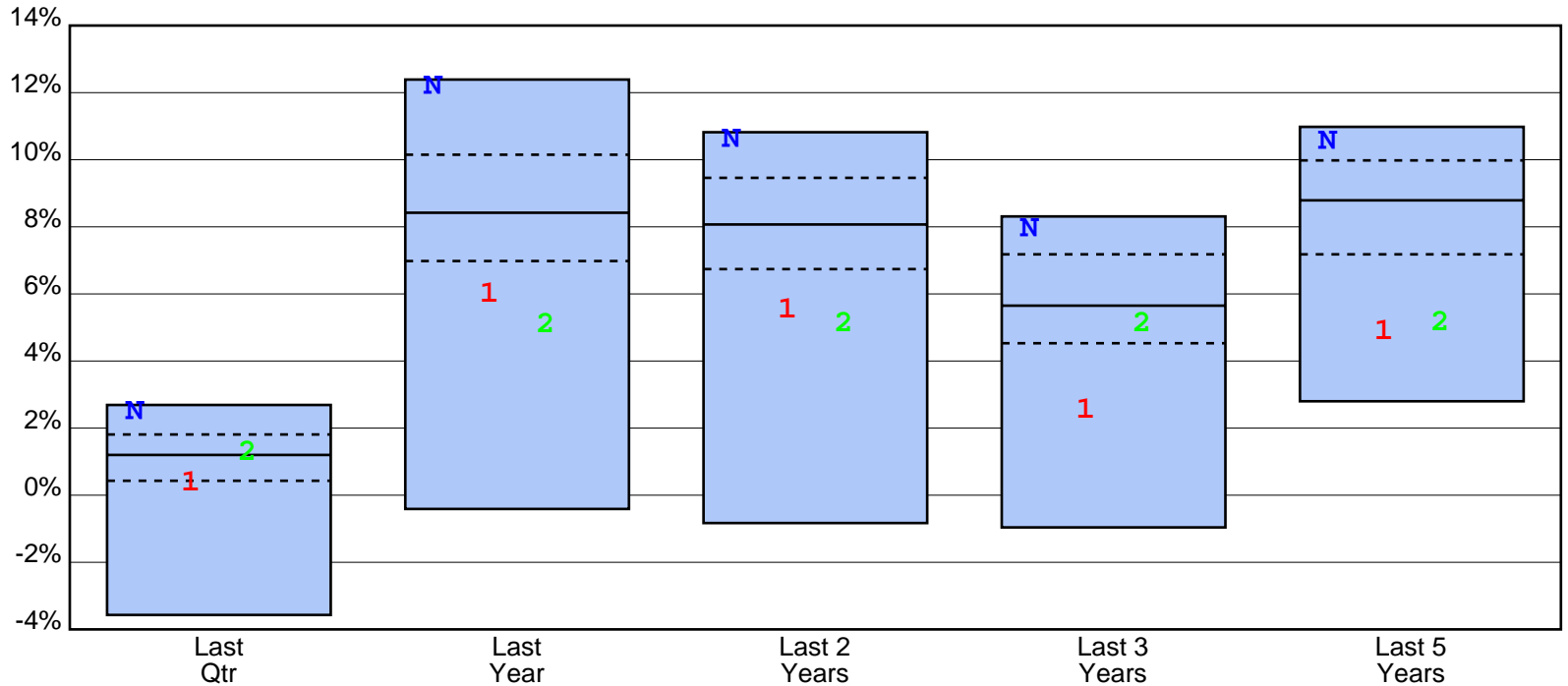
Total Returns of Fund of Funds Hedge Funds

Periods Ending 3/14

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

2.69
1.81
1.20
0.43
-3.57

12.39
10.15
8.42
6.98
-0.41

10.82
9.46
8.07
6.74
-0.83

8.31
7.18
5.65
4.53
-0.96

10.98
9.98
8.79
7.18
2.80

N Nantucket Institutional

2.49 (9)

12.19 (8)

10.59 (12)

7.94 (6)

10.55 (14)

1 HFRI Diversified FoF Index

0.36 (79)

5.96 (79)

5.49 (88)

2.52 (91)

4.87 (94)

2 91-Day Treasury Bill +5%/yr

1.26 (49)

5.07 (82)

5.09 (90)

5.08 (57)

5.11 (94)

Quarterly Variance Analysis:

Outperformance is primarily attributed to strong results from Long/Short Equity, Credit/Distressed, 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.

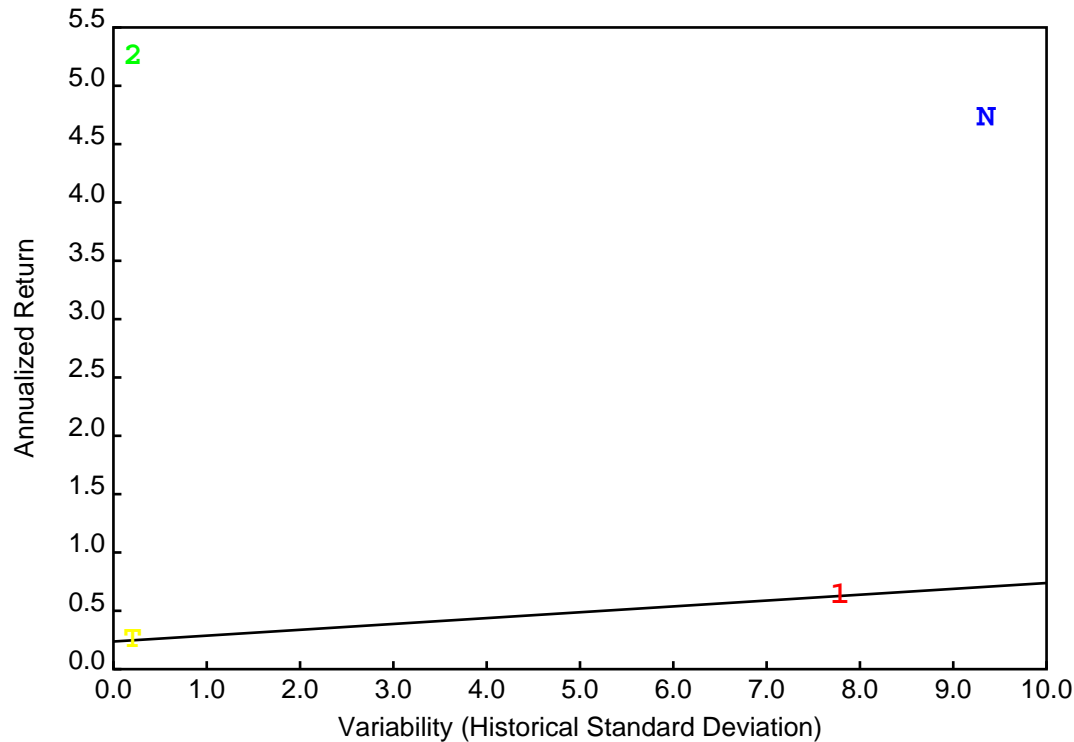
Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 6/08 to 3/14

Manager Annual Return: +4.72
Less: Annual Fee -1.00

+3.72

Less: Benchmark Return -0.63

Net Value-added Result +3.09



	Annualized Return	Variability	Reward	Sharpe Ratio
N Nantucket Institutional	4.72	9.41	4.47	0.48
1 HFRI Diversified FoF Index	0.63	7.84	0.38	0.05
2 91-Day Treasury Bill +5%/yr	5.25	0.26	5.00	19.21
T 91-Day Treasury Bill	0.25	0.26	0.00	0.00

Manager Performance vs. Objectives:
Portfolio manager exceeds expectations after 5.75 years.

Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

Cumulative Performance Comparison

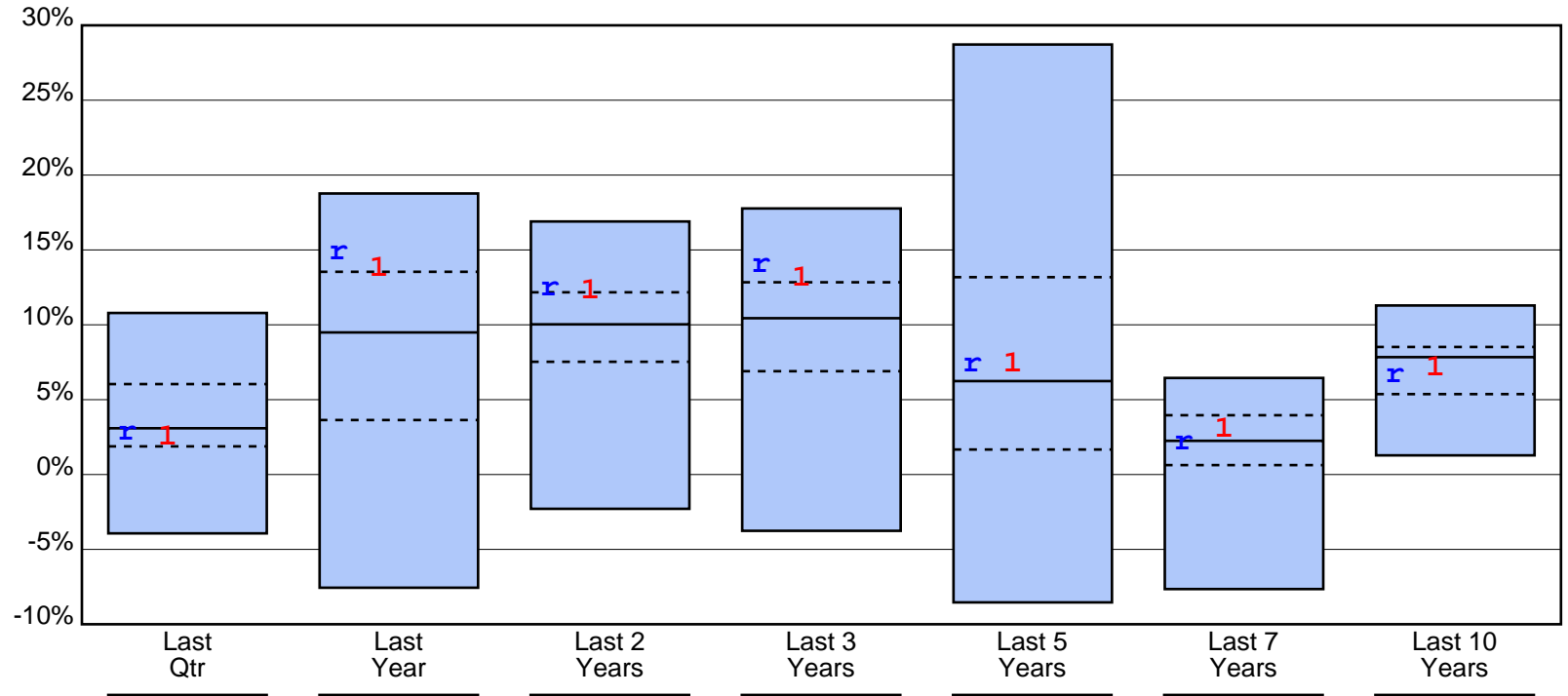
Total Returns of Real Estate Portfolios

Periods Ending 3/14

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

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

10.79	18.77	16.90	17.77	28.72	6.45	11.29
6.04	13.54	12.17	12.84	13.18	3.96	8.52
3.09	9.49	10.03	10.44	6.24	2.25	7.84
1.88	3.64	7.53	6.90	1.67	0.63	5.37
-3.93	-7.56	-2.29	-3.76	-8.54	-7.65	1.28
2.77 (54)	14.82 (14)	12.40 (22)	13.96 (16)	7.35 (42)	2.10 (50)	6.64 (63)
2.47 (60)	13.71 (24)	12.24 (24)	13.04 (23)	7.31 (43)	2.97 (38)	7.11 (57)

r Real Estate Composite
1 NFI-ODCE

Returns for periods greater than one year are annualized.

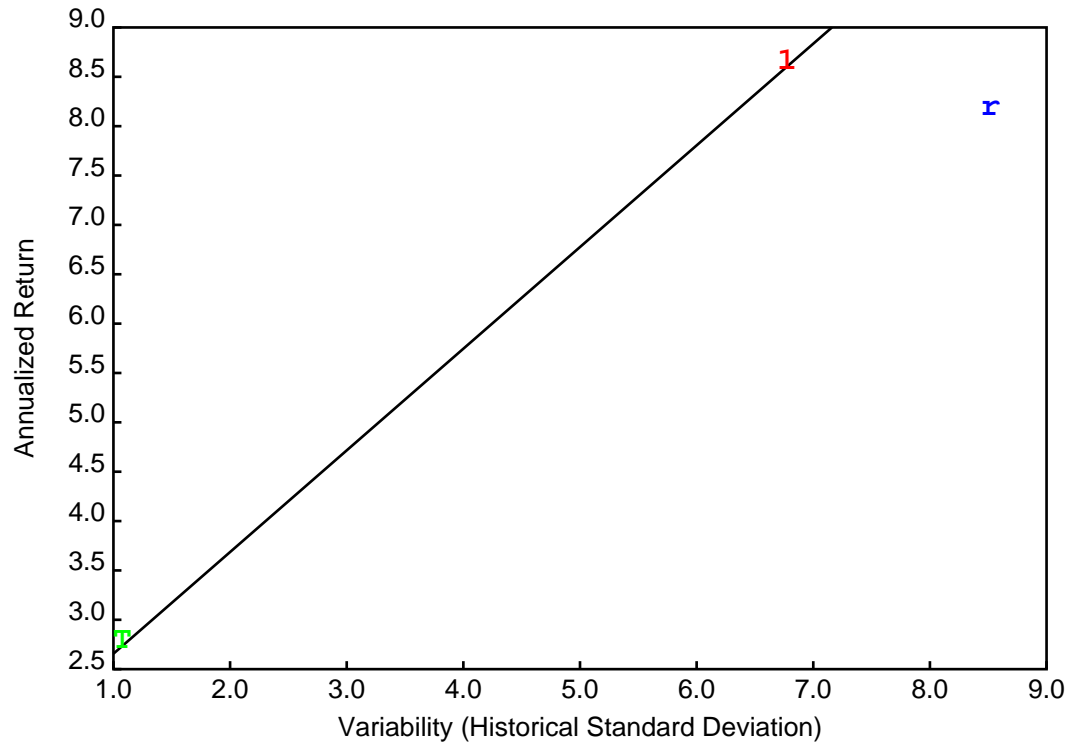
Southfield Fire & Police Retirement System Quarterly Total Return Market Line Analysis Periods from 12/95 to 3/14

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	8.18	8.57	5.40	0.63
1 NFI-ODCE	8.65	6.82	5.87	0.86
T 91-Day Treasury Bill	2.78	1.12	0.00	0.00

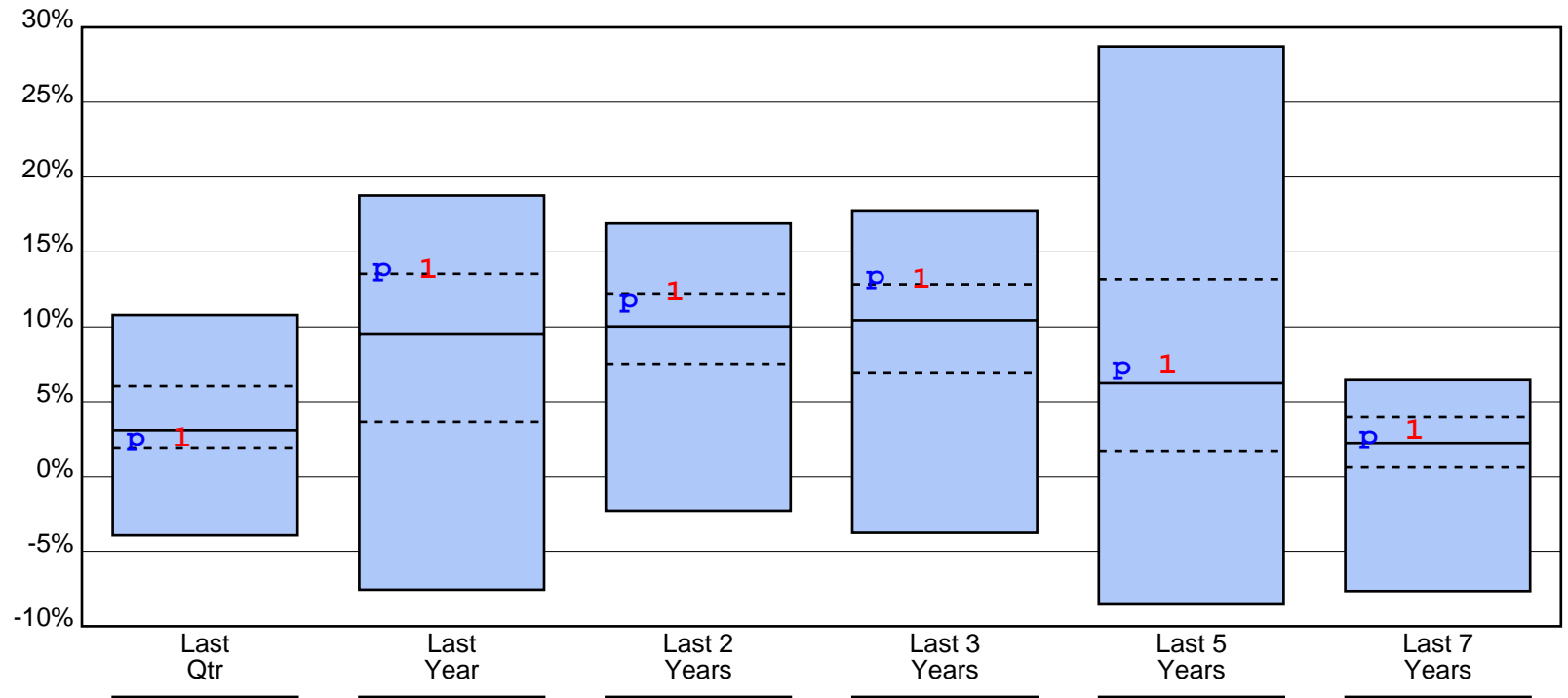
Sharpe Ratio = Reward / Variability

Southfield Fire & Police Retirement System

Cumulative Performance Comparison

Total Returns of Real Estate Portfolios

Periods Ending 3/14



5th Percentile	10.79	18.77	16.90	17.77	28.72	6.45
25th Percentile	6.04	13.54	12.17	12.84	13.18	3.96
Median	3.09	9.49	10.03	10.44	6.24	2.25
75th Percentile	1.88	3.64	7.53	6.90	1.67	0.63
95th Percentile	-3.93	-7.56	-2.29	-3.76	-8.54	-7.65
p PRISA I	2.45 (62)	13.76 (24)	11.70 (30)	13.28 (20)	7.18 (45)	2.61 (44)
1 NFI-ODCE	2.47 (60)	13.71 (24)	12.24 (24)	13.04 (23)	7.31 (43)	2.97 (38)

Quarterly Variance Analysis:

PRISA I provided a 1.18% income return and 1.27% appreciation return (total of +2.45% before fees). Appreciation was strongest in office and industrial properties.

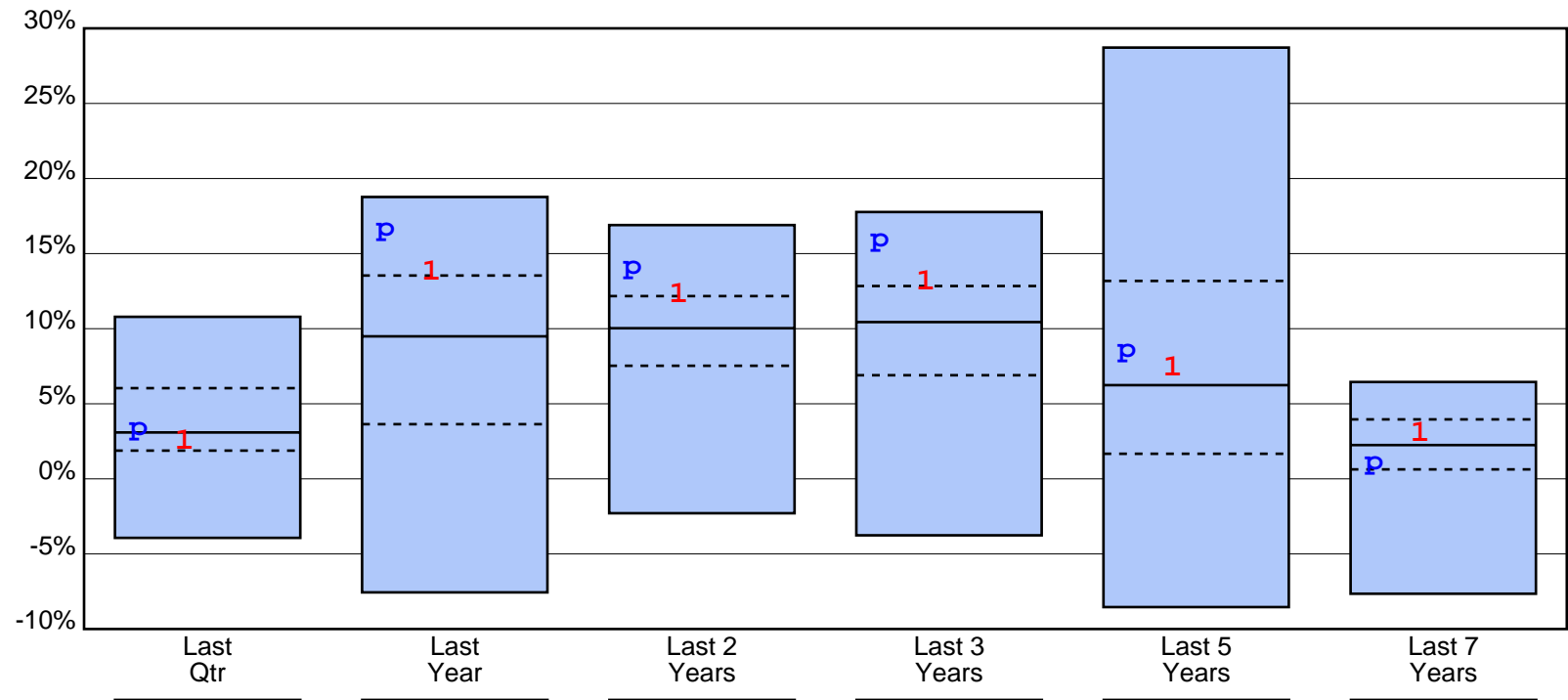
(Note: numbers in parentheses reflect the actual peer group rankings. 1 = high; 99 = low)

Southfield Fire & Police Retirement System

Cumulative Performance Comparison

Total Returns of Real Estate Portfolios

Periods Ending 3/14



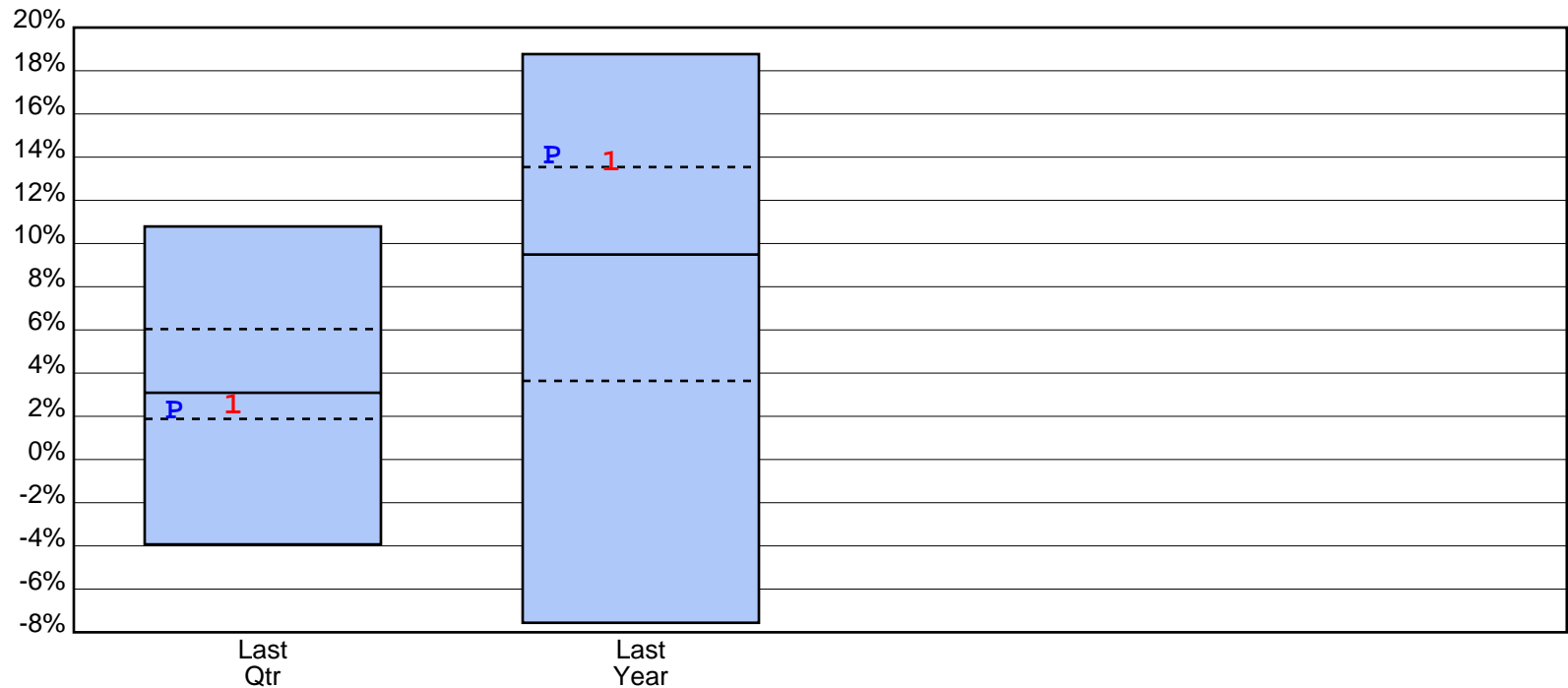
5th Percentile	10.79	18.77	16.90	17.77	28.72	6.45
25th Percentile	6.04	13.54	12.17	12.84	13.18	3.96
Median	3.09	9.49	10.03	10.44	6.24	2.25
75th Percentile	1.88	3.64	7.53	6.90	1.67	0.63
95th Percentile	-3.93	-7.56	-2.29	-3.76	-8.54	-7.65
P PRISA II	3.30 (43)	16.56 (10)	14.07 (12)	15.90 (8)	8.54 (33)	1.02 (71)
1 NFI-ODCE	2.47 (60)	13.71 (24)	12.24 (24)	13.04 (23)	7.31 (43)	2.97 (38)

Quarterly Variance Analysis:

PRISA II provided a 1.04% income return and 2.26% appreciation return (total of +3.30% before fees). Appreciation was strongest in apartment properties (+6.50%), accounting for half of the Fund's appreciation. Appreciation was driven by developments nearing completion or in lease-up as well as a reduction in real estate taxes. (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 3/14



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

P PRISA III
1 NFI-ODCE

Quarterly Variance Analysis:
PRISA III provided a 1.20% income return and 1.01% appreciation return (total of +2.21% before fees).
Appreciation was strongest in apartment and office properties due to positive leasing activity.

(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: December 31, 2013
(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	\$3,098,287	62%	\$955,290	\$470,643	\$1,425,933	\$2,006,022	\$3,431,955	0.46	1.11	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 through February 2017. \$704,072 of capital was called during the quarter. A distribution of \$706,661 was 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 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 and Multiple of Called Capital 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, Fiduciary Management, Morgan Dempsey, Orleans Capital, 1607 Capital, INVESCO, WHV Investment Management, Bradford & Marzec, JCR Capital, Prudential Real Estate Investors, and Nantucket 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	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 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