

# Southfield Employees Retirement System

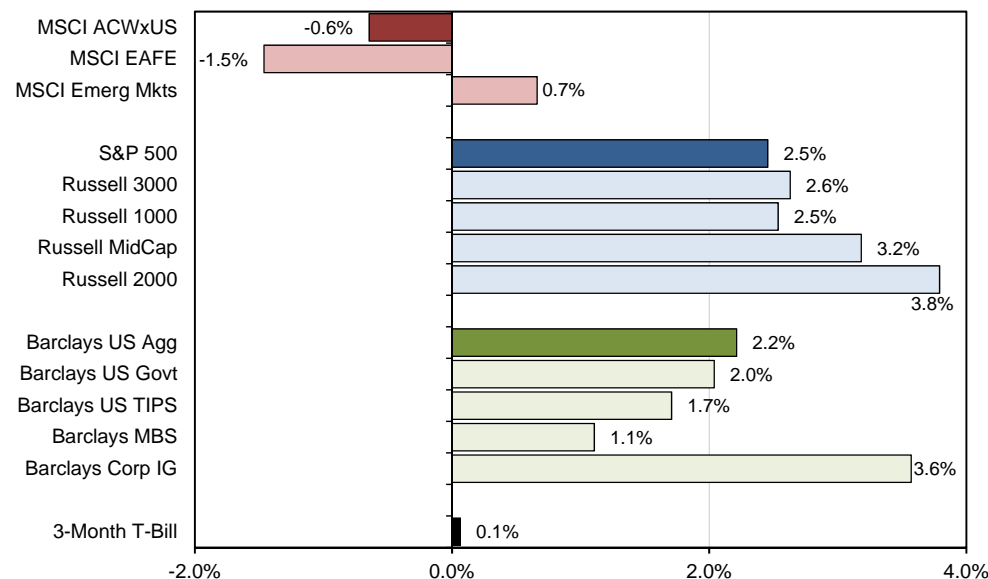
Investment Performance Review  
Period ended June 30, 2016



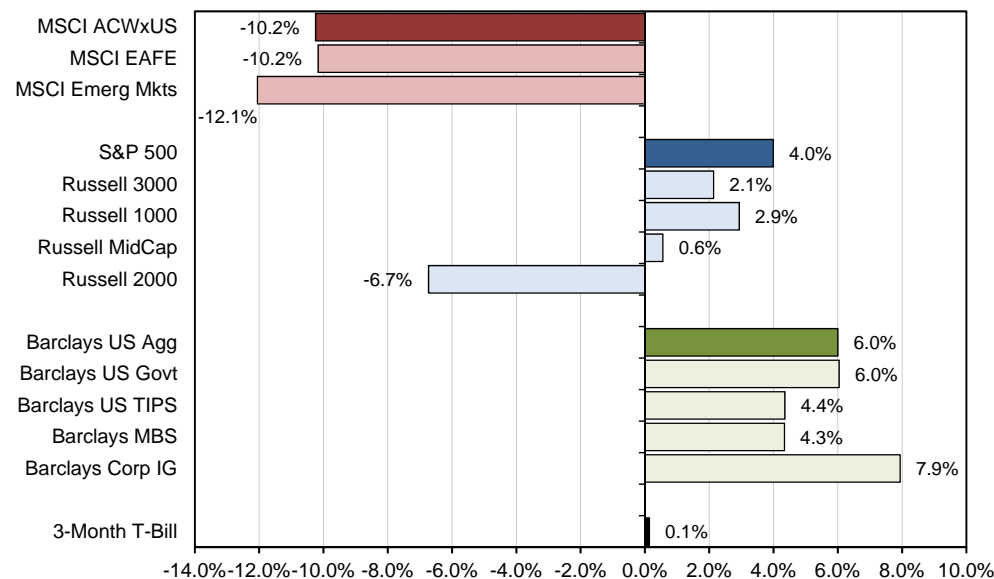
## **2nd Quarter 2016 Market Environment**

- The 2<sup>nd</sup> quarter of 2016 was very volatile as financial market returns were influenced by central bank policy expectations, rising commodity prices, mixed economic data, and increased global political and economic uncertainty caused by the U.K.'s June vote to discontinue its membership in the European Union (EU). Despite this volatility, asset class results for the period were broadly positive with the exception of international developed market returns. Higher risk assets, such as small cap equities, emerging market stocks, and investment grade and high yield corporate bonds, posted the strongest returns throughout the quarter.
- Led by the small cap Russell 2000's return of 3.8%, U.S. stock market indices were positive for the 2<sup>nd</sup> quarter. In contrast, for the 1-year period, domestic large cap stock indices were the best performers, posting moderate gains, while domestic small cap indices posted negative returns. Broad international equity indices trailed domestic stock indices through both the quarter and prior year. In U.S. Dollar (USD) terms, returns for the MSCI Emerging Markets Index (net) were marginally positive for the quarter returning 0.7% while developed market equities, represented by the MSCI EAFE Index (net), returned -1.5%. Both indices have experienced double digit losses over the 1-year period, returning -12.1% and -10.2% respectively..
- The U.S. Treasury yield curve flattened throughout the 2<sup>nd</sup> quarter with near-term rates staying relatively flat and rates at the medium to long end of the yield curve falling near all-time lows. Despite their low yields, investment grade bonds have outperformed broad domestic and international equity indices over the past twelve months with the Barclays Aggregate Index returning 2.2% for the 2<sup>nd</sup> quarter and 6.0% for the trailing 1-year period. Investment grade corporate bonds outperformed the remaining investment grade sectors for both the quarter and 1-year period with the Barclays U.S. Corporate Investment Grade Index returning 3.6% and 7.9% respectively. Corporate issues experienced tailwinds from their higher durations relative to other areas of the fixed income market, as well as tightening credit spreads.

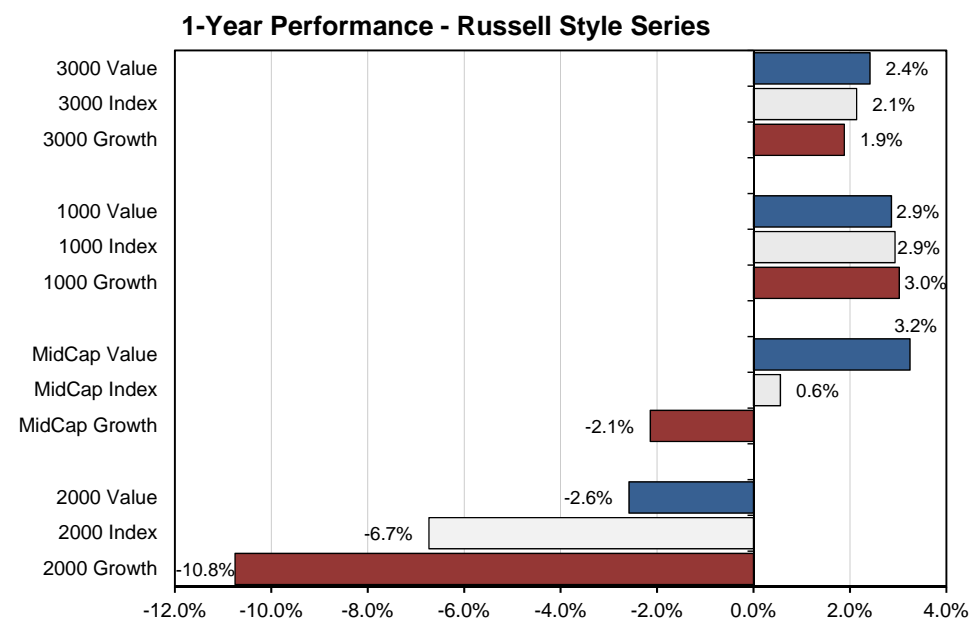
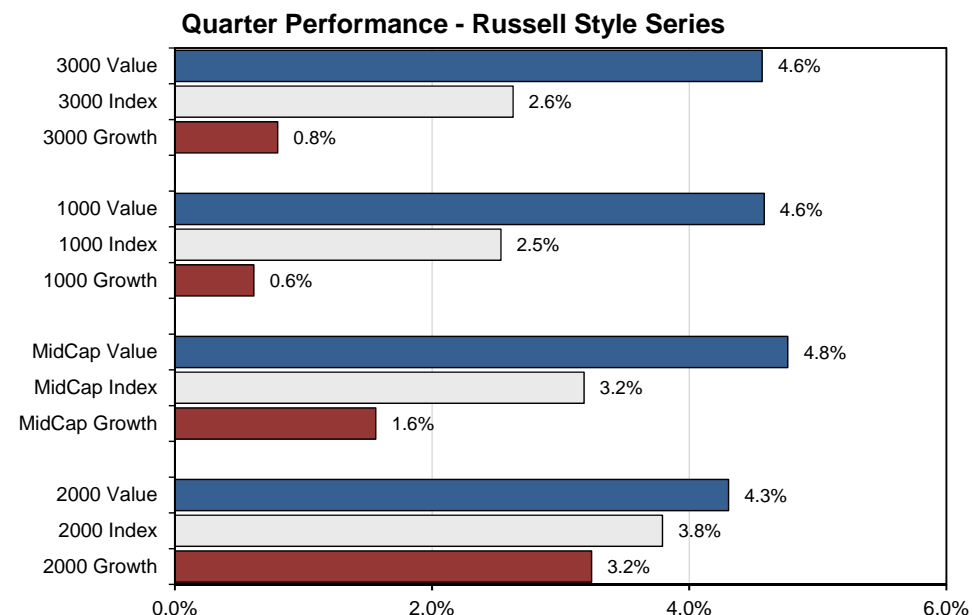
### Quarter Performance



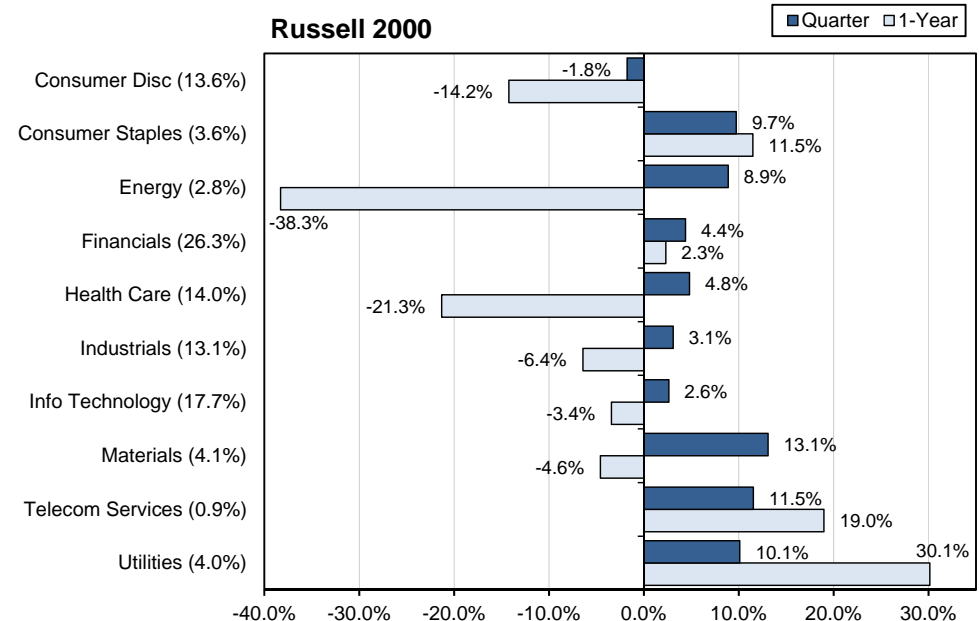
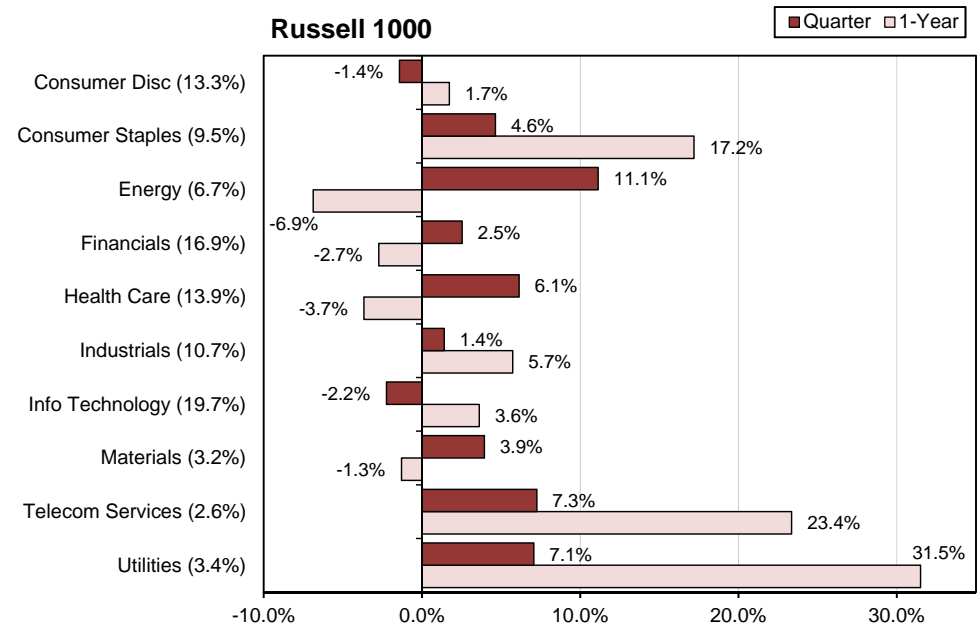
### 1-Year Performance



- U.S. equity index returns were positive across the capitalization spectrum during the 2<sup>nd</sup> quarter. Domestic stock prices increased through April and May, fueled by largely supportive macroeconomic data suggesting that the economic weakness experienced at the beginning of the year had been transitory. The strength in economic data led market participants to consider an increased probability for the U.S. Federal Reserve (Fed) to tighten monetary policy by increasing short-term interest rates as early as June. However, forecasts surrounding the timing of future Fed rate hikes were pushed out after the release of May's non-farm payroll report, which came in much weaker than expected. The possibility of a near-term rate increase became even more remote near the end of the quarter when the U.K. unexpectedly voted to exit the EU, creating political and economic uncertainty throughout global financial markets. Demand for equities remains high as investors struggle to find other sources of portfolio return in the current low interest rate environment.
- Value stocks outperformed growth stocks across the capitalization spectrum for the second straight quarter. This value outperformance was generally due to investors seeking the perceived safety of value stocks given valuation levels and the volatility experienced throughout the period. Value indices were also beneficiaries of rising oil and natural gas prices as value-based benchmarks have higher allocations to the Energy sector. Mid cap value stocks were the best performers across the value spectrum, returning 4.8% during the period, followed by large cap value (4.6%) and small cap value (4.3%) stocks respectively. However, across the growth spectrum, small cap growth stocks (3.2%) were the best performers followed by mid cap growth stocks (1.6%). The Russell 1000 Growth Index, representing large cap stocks, had the weakest performance returning 0.6% for the quarter. Style trends are mixed over the 1-year period. The Russell Midcap Value Index was the best performer (3.2%), and the Russell 2000 Growth Index was the worst performer (-10.8%).
- From a valuation perspective, equity valuations appear stretched relative to historical levels based on their forward Price/Earnings ratios (P/E). The large growth, mid growth, and small value indices have valuation levels close to their respective historical average, while the remaining indices fall between 106% and 114% of their 15-year averages.



- Large cap sector performance was generally positive for the 2<sup>nd</sup> quarter with all but two sectors within the Russell 1000 Index posting gains for the period. The Consumer Discretionary and Technology sectors were the quarter's only laggards returning -1.4% and -2.2% respectively. Defensive and interest rate sensitive sectors of the market continue to perform well as investors attempt to proxy dividend income as a substitute for paltry investment grade bond yields due to the persistent low interest rate environment. Utilities, Telecom Services, and Consumer Staples all posted strong quarterly returns. These three sectors are also the only sectors to post double-digit returns over the past year, outperforming all other sectors in the Russell 1000 Index by a considerable margin. The Energy sector was a notable performer during the quarter, returning 11.1% due to increasing oil and natural gas prices. Supply disruptions in Canada and Nigeria, paired with a decrease in production from U.S. shale producers, contributed to reduced global supply, which drove energy prices higher. Despite a favorable quarter, Energy returns over the 1-year period continue to represent the weakest sector with a return of -6.9%. Materials (-1.3%), Health Care (-3.7%) and Financials (-2.7%) also posted negative results over the prior year.
- Similar to large cap sector results, small cap sector performance was largely positive for the quarter. In addition, small cap sector performance generally outpaced corresponding large cap sector results. Performance in large and small cap sectors also had similar observable trends. Higher yielding, defensive sectors and commodity price sensitive industries were the best performers during the 2<sup>nd</sup> quarter. In contrast, over the 1-year period, all Russell 2000 Index sectors underperformed their corresponding Russell 1000 Index sectors with the exception of the Financials sector. The Energy (-38.3%), Health Care (-21.3%), and Consumer Discretionary (-14.2%) sectors were the largest detractors over the 1-year period. Like the large cap index, Consumer Staples (11.5%), Telecom Services (19.0%), and Utilities (30.1%) significantly outperformed other sectors.
- Using the S&P 500 as a proxy, forward P/E ratios for six GICS sectors were below their long-term (20-year) averages at quarter-end. The Technology and Health Care sectors were trading at the largest discount to their long-term average P/E ratios. In contrast, the Energy and Utilities sector valuations were the most extended relative to their historical P/E ratios.



**The Market Environment**  
**Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000**  
As of June 30, 2016

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	2.58%	-11.7%	-22.2%	Information Technology
Exxon Mobil Corp	1.91%	13.1%	16.8%	Energy
Microsoft Corp	1.91%	-6.7%	19.1%	Information Technology
Johnson & Johnson	1.64%	12.9%	28.2%	Health Care
General Electric Co	1.43%	-0.2%	22.3%	Industrials
Amazon.com Inc	1.37%	20.5%	64.9%	Consumer Discretionary
Berkshire Hathaway Inc B	1.35%	2.1%	6.4%	Financials
AT&T Inc	1.31%	11.7%	28.4%	Telecommunication Services
Facebook Inc A	1.26%	0.2%	33.2%	Information Technology
Verizon Communications Inc	1.12%	4.3%	25.6%	Telecommunication Services

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
LinkedIn Corp Class A	0.11%	65.5%	-8.4%	Information Technology
Denbury Resources Inc	0.00%	61.7%	-42.6%	Energy
ONEOK Inc	0.05%	61.7%	29.8%	Energy
Rice Energy Inc	0.01%	59.8%	11.4%	Energy
Memorial Resource Development Corp	0.01%	56.0%	-16.3%	Energy
Southwestern Energy Co	0.02%	55.9%	-44.7%	Energy
Zillow Group Inc C	0.02%	52.9%	N/A	Information Technology
Yelp Inc Class A	0.01%	52.7%	-29.4%	Information Technology
Continental Resources Inc	0.02%	49.1%	6.8%	Energy
Tahoe Resources Inc	0.02%	48.7%	26.1%	Materials

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
SunEdison Inc	0.00%	-73.8%	-99.5%	Information Technology
Cobalt International Energy Inc	0.00%	-54.9%	-86.2%	Energy
Office Depot Inc	0.00%	-53.4%	-61.8%	Consumer Discretionary
LendingClub Corp	0.00%	-48.2%	-70.8%	Financials
Endo International PLC	0.02%	-44.6%	-80.4%	Health Care
Ionis Pharmaceuticals Inc	0.01%	-42.5%	-59.5%	Health Care
Square Inc A	0.00%	-40.8%	N/A	Information Technology
CVR Energy Inc	0.00%	-39.1%	-55.9%	Energy
Fossil Group Inc	0.00%	-35.8%	-58.9%	Consumer Discretionary
VeriFone Systems Inc	0.01%	-34.3%	-45.4%	Information Technology

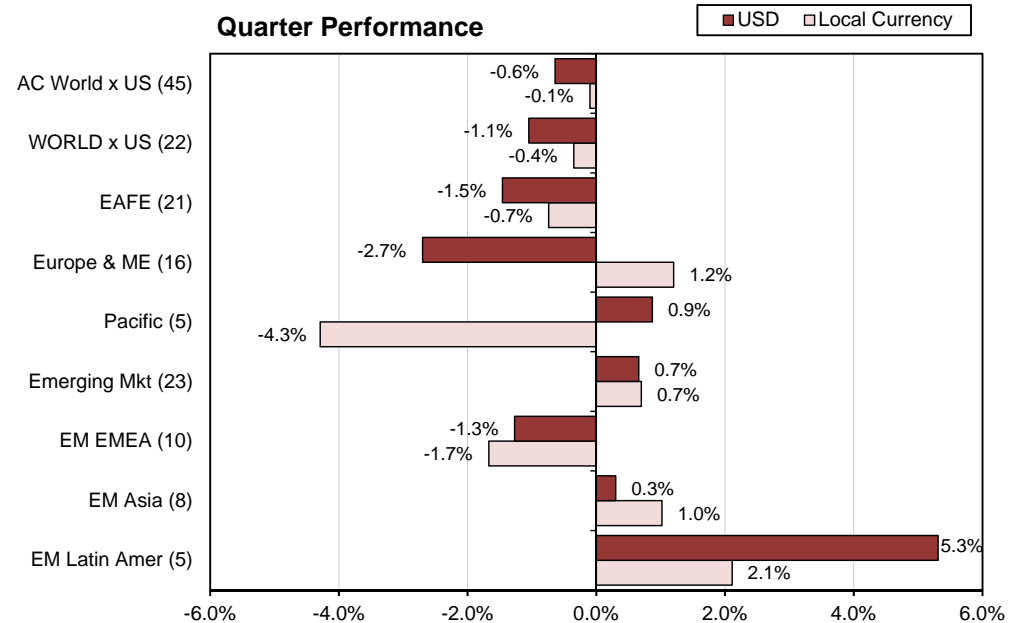
Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Olin Corp	0.25%	44.3%	-3.8%	Materials
Idacorp Inc	0.25%	9.8%	49.2%	Utilities
Portland General Electric Co	0.24%	12.6%	37.4%	Utilities
Gramercy Property Trust	0.24%	9.1%	21.7%	Financials
Curtiss-Wright Corp	0.23%	11.5%	17.1%	Industrials
Southwest Gas Corp	0.23%	20.3%	52.1%	Utilities
Microsemi Corp	0.23%	-14.7%	-6.5%	Information Technology
Healthcare Realty Trust Inc	0.22%	14.4%	57.2%	Financials
Medical Properties Trust Inc	0.22%	19.0%	24.8%	Financials
WGL Holdings Inc	0.22%	-1.5%	34.5%	Utilities

Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Magnum Hunter Resources Corporation	0.00%	309559.2%	628.6%	Energy
Ultra Petroleum Corp	0.00%	253.4%	-85.9%	Energy
Ryerson Holding Corp	0.01%	214.7%	92.3%	Materials
Clayton Williams Energy Inc	0.01%	207.8%	-58.2%	Energy
Fairmount Santrol Holdings Inc	0.03%	207.2%	-5.9%	Energy
Celator Pharmaceuticals Inc	0.06%	173.6%	1247.3%	Health Care
EZCORP Inc	0.02%	154.5%	1.7%	Financials
North Atlantic Drilling Ltd	0.00%	146.0%	-43.4%	Energy
Eclipse Resources Corp	0.01%	131.9%	-36.5%	Energy
Radio One Inc Class D	0.00%	124.6%	0.6%	Consumer Discretionary

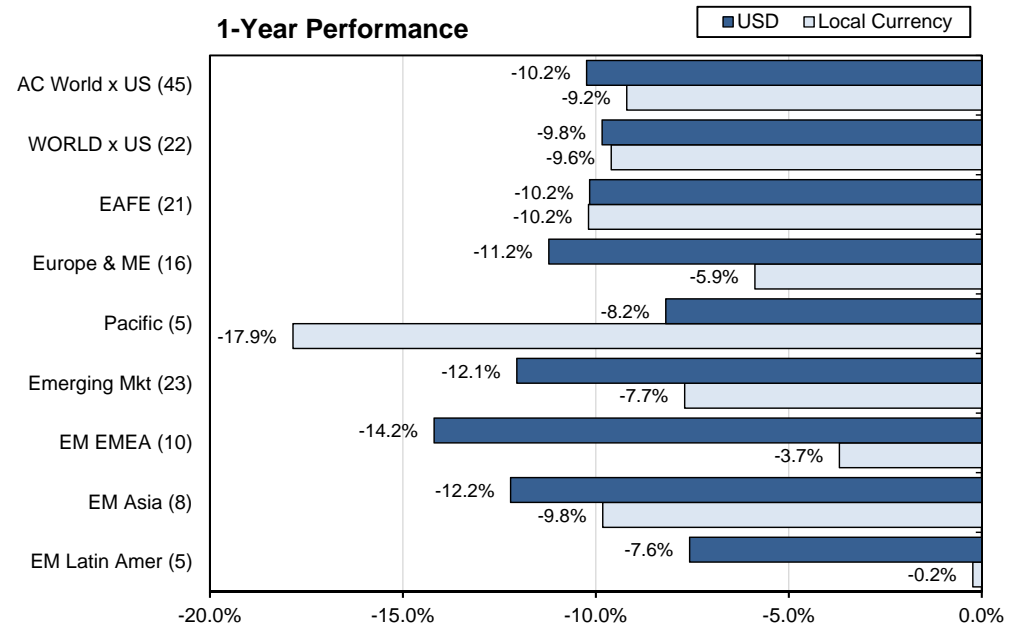
Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Code Rebel Corp	0.00%	-98.9%	-99.8%	Information Technology
Energy XXI Ltd	0.00%	-92.8%	-98.3%	Energy
Seventy Seven Energy Inc	0.00%	-84.1%	-97.9%	Energy
Fairway Group Holdings Corp A	0.00%	-81.5%	-98.2%	Consumer Staples
The JG Wentworth Co Class A	0.00%	-79.1%	-97.2%	Financials
Infinity Pharmaceuticals Inc	0.00%	-74.8%	-87.9%	Health Care
Mirati Therapeutics Inc	0.00%	-74.5%	-82.7%	Health Care
TransEnterix Inc	0.01%	-71.3%	-59.3%	Health Care
Lipocine Inc	0.00%	-70.0%	-64.6%	Health Care
Chiasma Inc	0.00%	-68.4%	N/A	Health Care

- Similar to domestic equity markets, the 2<sup>nd</sup> quarter was volatile for international stocks as broad developed market indices struggled throughout the quarter. Currency impact on returns was mixed during the quarter with the EM Latin America Index benefiting from a weakening USD, and the Europe and Middle East Index suffering from USD strength. For the 1-year period, returns for developed markets were negative in both USD and local currency. While the quarter began positively as markets pushed higher on the back of better than expected economic data and rising commodity prices, the second half of the quarter saw international markets swoon. Much of this was due to uncertainty leading up to the U.K.'s June 23<sup>rd</sup> referendum to remain in or move to leave the EU. British voters surprised investors by voting to discontinue membership in the economic bloc. While the terms and aggregate impact of "Brexit" will remain unknown for some time, the reaction to the vote was immediate. The pound sterling fell sharply (-12%), Standard & Poor's downgraded the U.K.'s AAA credit rating, and U.K. Prime Minister David Cameron resigned. While U.K. equity markets initially suffered sharp losses, markets recovered quickly as investors weighted the benefits of a weakened pound on the country's largely foreign earnings base.
- The U.K.'s decision to leave the EU cast a shadow over European equities for the quarter despite the region's generally positive economic data. While the European Central Bank (ECB) has signaled its intent for continued support, the EU faces concerns surrounding "Brexit's" effect on future growth, as well as a political contagion that could lead other members to leave the economic union. Japanese equities fell sharply through the quarter as the Bank of Japan (BoJ) bucked market expectations when they did not announce an extension to its negative interest rate policy or asset purchase program. The subsequent "Brexit" decision led to a sharp appreciation in the yen, raising additional concerns around future earnings growth potential for Japanese equities.
- Broad emerging market indices were modestly positive throughout the quarter, outperforming developed markets. Latin America was the best performing region on both a USD and local currency basis as the region benefitted from political tailwinds in Brazil and rising commodity prices. Russia, India, and the Philippines were also notable positive performers. Emerging European countries were laggards relative to emerging peers in Asia and Latin America. Performance for the MSCI Emerging Markets Index (net) remains negative in both local (-7.7%) and USD (-12.1%) terms over the trailing 1-year period.

### Quarter Performance



### 1-Year Performance





**The Market Environment**  
**U.S. Dollar International Index Attribution & Country Detail**  
As of June 30, 2016

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	12.1%	-8.4%	-17.7%
Consumer Staples	13.3%	2.9%	10.1%
Energy	5.2%	11.3%	-2.4%
Financials	22.3%	-6.6%	-23.2%
Health Care	12.4%	4.7%	-2.2%
Industrials	13.3%	-1.5%	-5.4%
Information Technology	5.4%	-2.7%	-8.0%
Materials	6.9%	1.2%	-15.7%
Telecommunication Services	5.2%	-0.3%	-3.7%
Utilities	3.9%	1.6%	-0.2%
<b>Total</b>	<b>100.0%</b>	<b>-1.5%</b>	<b>-10.2%</b>

MSCI - ACWIXUS	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	11.3%	-6.9%	-15.9%
Consumer Staples	11.6%	2.8%	7.5%
Energy	6.9%	8.1%	-5.7%
Financials	24.4%	-4.3%	-19.9%
Health Care	9.4%	4.3%	-6.5%
Industrials	11.3%	-1.8%	-7.2%
Information Technology	9.0%	0.1%	-5.3%
Materials	7.1%	3.1%	-12.1%
Telecommunication Services	5.3%	-0.2%	-6.9%
Utilities	3.6%	1.5%	-2.0%
<b>Total</b>	<b>100.0%</b>	<b>-0.6%</b>	<b>-10.2%</b>

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	10.5%	-1.4%	-10.5%
Consumer Staples	8.5%	4.2%	-3.6%
Energy	7.5%	1.9%	-12.7%
Financials	26.1%	0.3%	-17.8%
Health Care	2.7%	0.4%	-7.5%
Industrials	6.2%	-3.3%	-19.0%
Information Technology	22.5%	2.5%	-4.0%
Materials	6.3%	-0.8%	-9.5%
Telecommunication Services	6.6%	-0.1%	-15.6%
Utilities	3.2%	0.5%	-10.0%
<b>Total</b>	<b>100.0%</b>	<b>0.7%</b>	<b>-12.1%</b>

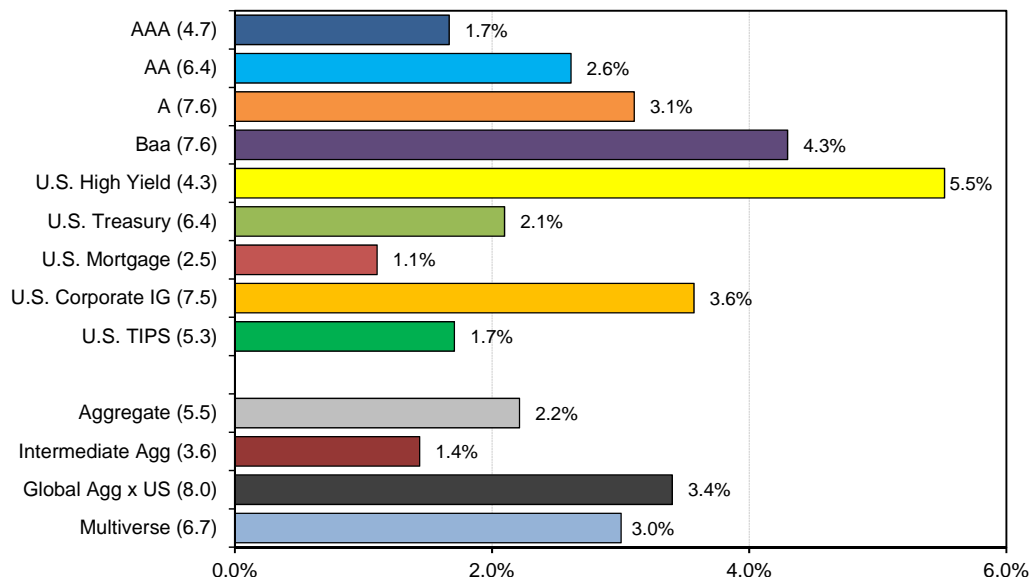
Country	MSCI-EAFE Weight	MSCI-ACWIXUS Weight	Quarter Return	1- Year Return
Japan	23.3%	16.4%	1.0%	-8.9%
United Kingdom	19.6%	13.8%	-0.7%	-12.1%
France	9.6%	6.8%	-4.3%	-8.9%
Switzerland	9.3%	6.6%	2.0%	-8.5%
Germany	8.7%	6.1%	-5.6%	-11.6%
Australia	7.3%	5.1%	0.5%	-4.5%
Hong Kong	3.3%	2.3%	0.9%	-10.8%
Netherlands	3.2%	2.2%	-5.1%	-7.8%
Spain	2.9%	2.1%	-7.7%	-23.3%
Sweden	2.8%	2.0%	-5.4%	-12.2%
Denmark	2.0%	1.4%	-0.6%	2.5%
Italy	2.0%	1.4%	-10.5%	-26.1%
Belgium	1.5%	1.1%	2.3%	4.5%
Singapore	1.4%	1.0%	0.4%	-11.5%
Finland	1.0%	0.7%	-2.1%	-3.9%
Israel	0.8%	0.6%	-3.8%	-11.1%
Norway	0.6%	0.5%	2.4%	-16.2%
Ireland	0.5%	0.3%	-9.9%	-10.5%
New Zealand	0.2%	0.1%	5.9%	29.7%
Austria	0.2%	0.1%	-10.0%	-12.9%
Portugal	0.2%	0.1%	-2.8%	-7.5%
<b>Total EAFE Countries</b>	<b>100.0%</b>	<b>70.6%</b>	<b>-1.5%</b>	<b>-10.2%</b>
Canada		6.8%	3.4%	-6.3%
<b>Total Developed Countries</b>		<b>77.4%</b>	<b>-1.1%</b>	<b>-9.8%</b>
China		5.8%	0.1%	-23.4%
Korea		3.3%	-1.2%	-3.5%
Taiwan		2.7%	0.7%	-8.8%
India		1.9%	3.7%	-6.5%
South Africa		1.7%	1.6%	-15.9%
Brazil		1.6%	13.9%	-6.0%
Mexico		0.9%	-7.0%	-12.2%
Russia		0.9%	4.1%	-1.6%
Malaysia		0.7%	-5.9%	-6.0%
Indonesia		0.6%	4.1%	6.0%
Thailand		0.5%	2.8%	-7.1%
Philippines		0.4%	5.8%	1.0%
Turkey		0.3%	-7.9%	-10.1%
Chile		0.3%	1.9%	-1.7%
Poland		0.3%	-17.5%	-27.0%
Qatar		0.2%	-4.9%	-17.2%
United Arab Emirates		0.2%	0.1%	-14.9%
Colombia		0.1%	2.9%	-12.4%
Peru		0.1%	18.2%	8.3%
Greece		0.1%	-14.0%	-60.8%
Hungary		0.1%	-4.7%	20.5%
Czech Republic		0.0%	-6.1%	-18.3%
Egypt		0.0%	0.9%	-23.8%
<b>Total Emerging Countries</b>		<b>22.6%</b>	<b>0.7%</b>	<b>-12.1%</b>
<b>Total ACWIXUS Countries</b>		<b>100.0%</b>	<b>-0.6%</b>	<b>-10.2%</b>

Source: MSCI Global Index Monitor (Returns are Net in USD)

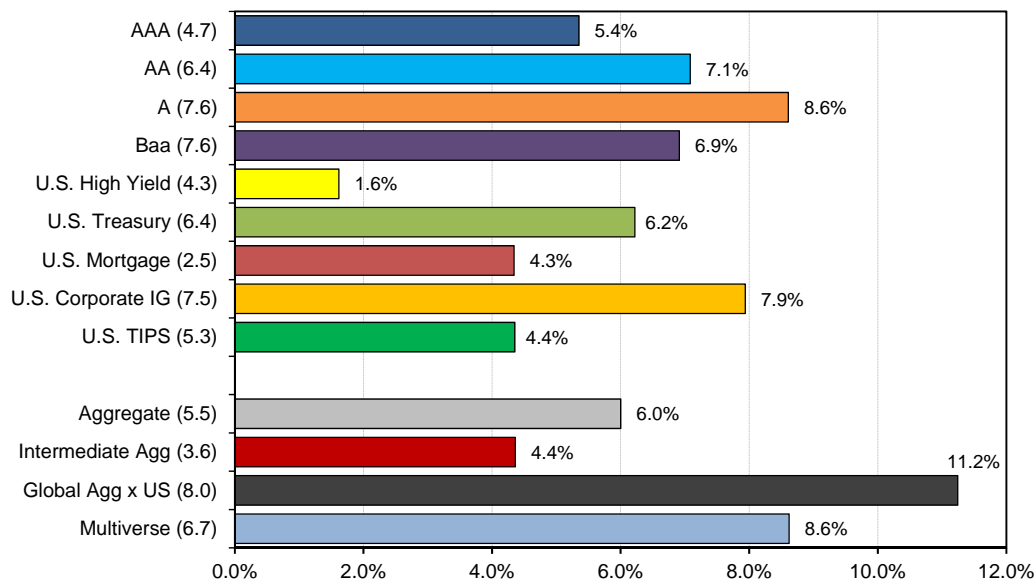


- Despite being investors' least favorite asset class for some time, fixed income indices continued their strong 2016 performance through the 2<sup>nd</sup> quarter of the year. Early quarter headwinds triggered by hawkish comments from Federal Reserve Chair Janet Yellen implying a summer interest rate hike dissipated as weaker economic data created doubts that the economy was robust enough to warrant further monetary policy tightening. Expectations for a near-term increase of the Fed Funds Rate shrank further after the U.K.'s vote to leave the EU. This news caused a swift flight to quality, pushing interest rates lower through the second half of the quarter. While near-term rates had little room to move lower, long-term rates fell to near historic lows. This curve flattening helped longer duration indices such as the Barclays U.S. Corporate Investment Grade Index and the Barclays Global Aggregate ex U.S. Index to outperform, returning 3.6% and 3.4% respectively. Fixed income performance for the 1-year period was also positive across the country, credit, and sector spectrums with international bond indices, such as the Barclays Global Aggregate ex U.S. (11.2%) and the Barclays Multiverse (8.6%), generating the highest returns
- U.S. investment grade bond indices posted gains for the quarter with the broad market Barclays Aggregate Index posting a return of 2.2%. Higher duration index sectors within the Aggregate outperformed lower duration sectors with investment grade corporates (3.6%) and Treasury securities (2.1%) posting the largest gains. Hurt by its relatively low duration, the Barclays U.S. Mortgage Index performed the worst for the second quarter in a row, returning 1.1%. Over the 1-year period, the Aggregate has returned an expectation defying 6.0%. Similar to the quarterly results, investment grade corporates and Treasuries outperformed mortgages for the period.
- Lower credit quality issues outperformed higher quality securities during the 2<sup>nd</sup> quarter. Baa rated securities returned 4.3% versus a return of 1.7% for AAA issues due to higher average durations and the compression of interest rate credit spreads throughout the quarter. Driven by this spread compression, high yield bonds were the best performers with the Barclays U.S. High Yield Index returning 5.5%. Despite its strong start to 2016, the Barclays U.S. High Yield Index is only marginally positive over the last 12 months with a return of 1.6%.

### Quarter Performance

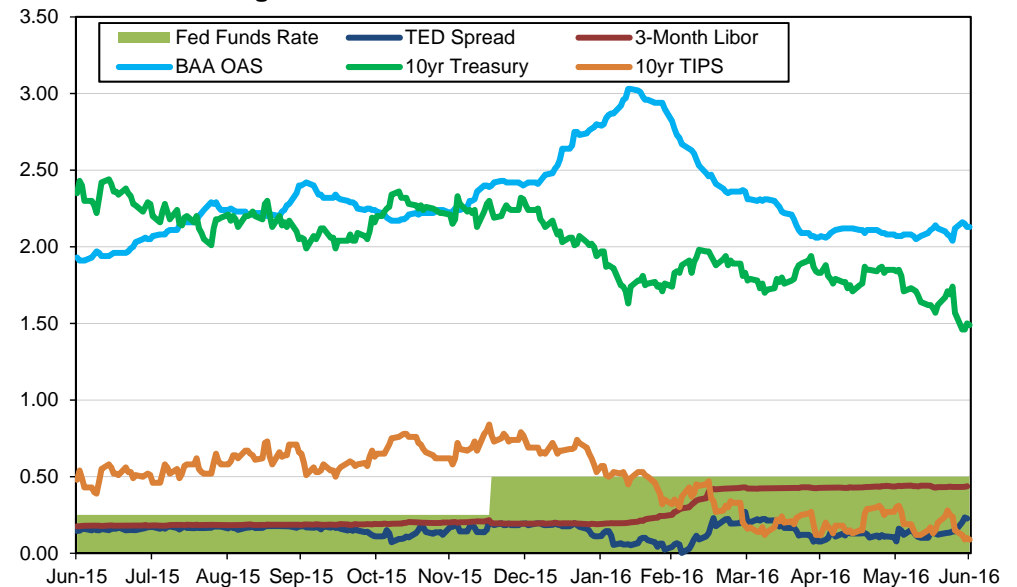


### 1-Year Performance

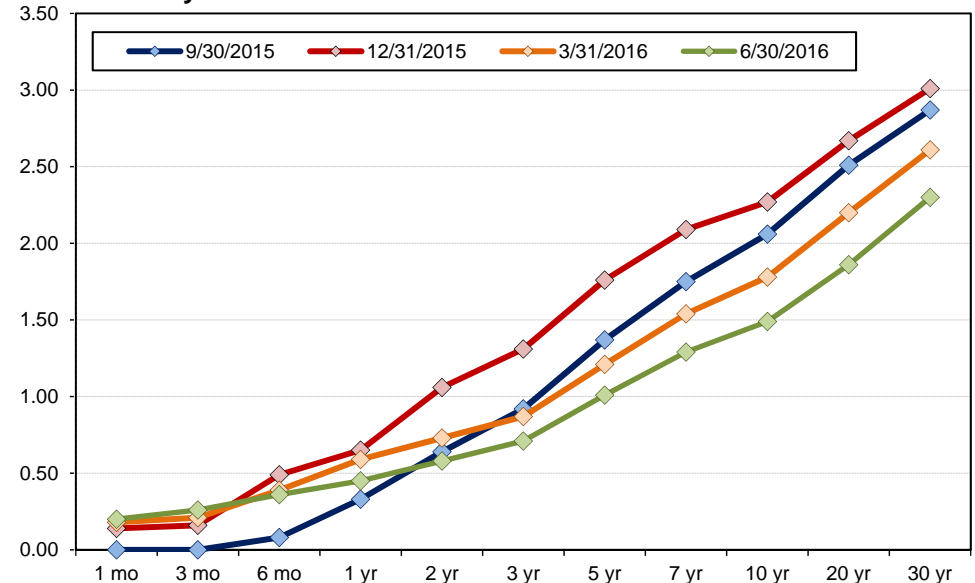


- U.S. TIPS finished the 2<sup>nd</sup> quarter with a 1.7% return. The relatively strong return can be attributed to the longer end of the TIPS yield curve shifting lowering during the period as headline CPI (1.1%) remains largely in check. The TIPS return for the 1-year period is a solid 4.4%.
- In USD terms, international fixed income indices posted the largest gains for both the quarter and 1-year periods. Despite the relatively low interest rates in international markets, with several government issues having negative yields, the Barclays Global Aggregate ex U.S. returned 3.4% for the quarter as the index benefitted from its higher average duration and mixed currency impact. The index's 11.2% return over the 1-year period also outpaced domestic bond returns.
- Much of the index performance detailed in the bar graphs on the previous page is visible on a time series basis by reviewing the line graphs to the right. The '1-Year Trailing Market Rates' chart illustrates that the 10-year Treasury yield (green line) fell over the quarter and is now at a 12-month low. The blue line illustrates changes in the BAA OAS (Option Adjusted Spread), which quantifies the additional yield premium that investors require to purchase and hold non-Treasury issues. When credit spreads widen (tighten), it is equivalent to interest rate increases (decreases) on corporate bond returns. After falling below 2.0% early in 2015, this spread rose throughout the remainder of the calendar year. While there was upside momentum in credit spreads early in 2016, they have narrowed by close to 1% since their high on February 11<sup>th</sup>. Despite an uptick from "Brexit" during June, this spread compression has benefited corporate bond returns. The lower graph provides a snapshot of the U.S. Treasury yield curve at each of the last four calendar quarters. Treasury issues greater than two years ended the 2<sup>nd</sup> quarter at their lowest levels in the past 12-months while short-term rates are at the high end of their 12-month range.
- The Fed has stated future rate increases would be implemented at a measured pace and with an ongoing assessment of current economic data. Despite this domestic policy assertion, geopolitical events and non-U.S. stimulus programs are likely to keep demand for U.S. Treasury issues elevated and exert downward pressure on how high domestic interest rates will rise in the short-term.

**1-Year Trailing Market Rates**



**Treasury Yield Curve**



## Our Mission

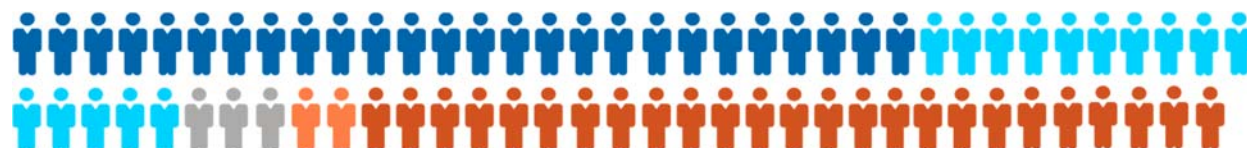
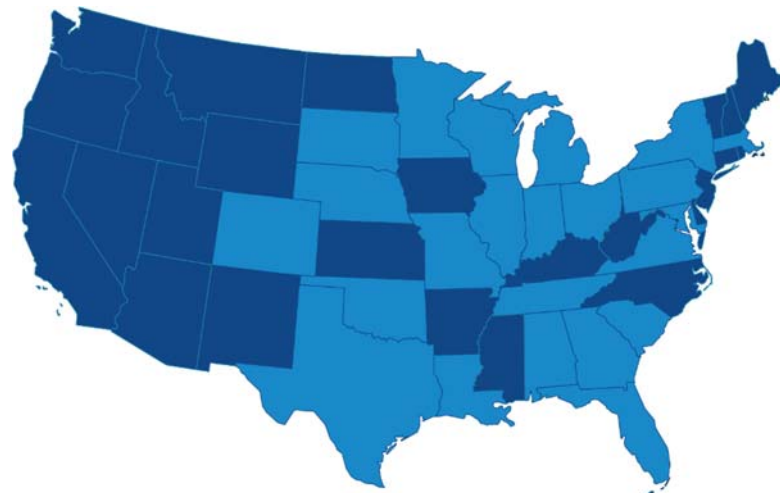
To represent the sole interest of our clients by redefining independence.

## About Us

The Bogdahn Group is an independent investment consulting firm that advises over 530 institutional clients with approximately \$64 billion in assets under advisement. We are an independent firm, employee owned, and serve as a fiduciary to each of our clients. Our firm receives 100% of our revenue through hard-dollar fees for consulting services. We have never engaged in soft-dollar fee arrangements and are not affiliated with any Investment Management firms or other service providers.

Our firm believes that trust, integrity, confidence, and respect are the cornerstones of any successful business relationship. As a result, we work to ensure our client's interests are placed first. Our objective is to serve as our client's advocate and guide in the implementation, maintenance, administration, and fiduciary oversight of their investment and retirement programs. Exceptional service, as defined by each client, is our goal.

The Bogdahn Group, headquartered in Orlando, FL also has offices in Chicago, IL; Pittsburgh, PA; Tulsa, OK; Cleveland, OH; and Detroit, MI.



**71**  
EMPLOYEES

**26 ADVANCED DEGREES**

**15 CFAs**

**2 CIPMs**

**3 CAIAs**

INSTITUTIONAL FOCUS

**\$64**

billion AUA

## Investment Consulting Services

The Bogdahn Group has one line of business: investment consulting. We strive to simplify investment and fiduciary decisions for our clients by providing governance, monitoring and risk oversight, education, strategic implementation, and superior investment options. The Bogdahn Group delivers customized services to meet each client's unique needs.

Since no two clients' needs are the same and continuously evolve over time, we strive to maintain an ongoing understanding of each client's constraints and objectives to deliver ongoing value-added services. Our core services represent a strong foundation for client relationships.

### Traditional Consulting Services

- Investment policy statement development
- Strategic asset allocation
- Manager / Strategy Evaluation
- Investment Manager Due Diligence
- Investment Manager Searches
- Performance measurement & reporting
- Quarterly Economic Summary
- Attribution analysis
- Client Education
- Spending policy review and development
- Vendor search & fee negotiations
- Distribution and management of open RFPs where required
- Custodian Evaluation
- Interpretation and assistance in asset/liability reports

### Defined Contribution Consulting Services

- Design, Distribute, Collect and Evaluate RFP responses for Recordkeeping and Administration Services
- Facilitate the Vendor Selection Process and Interviews
- Assist with provider scope of work definition, negotiation of fees and contracts
- Investment Policy Development and Review
- Manager/Strategy Evaluation
- Plan Level Fee Analysis
- Board/Investment Committee Education
- Fund Evaluation and Recommendations
- Review Employee Education Strategy for fit with Demographics and Plan Goals
- Provide Guidance for Defined Contribution Strategies and Investment Decisions

### Retirement Plans

- Public Funds - - Taft-Hartley - - Corporations -

Endowment & Foundations

## Client Service Support

The Bogdahn Group's resources include dedicated teams comprised of:

- 34 Investment Consultants
- 8 Research Analysts
- 7 Internal Consultants
- 11 Performance Measurement Analysts
- 3 Information Technology Experts

The Bogdahn Group also has a dedicated management team consisting of professionals in compliance, finance, operations, and consulting services further supporting each department and ultimately each client.

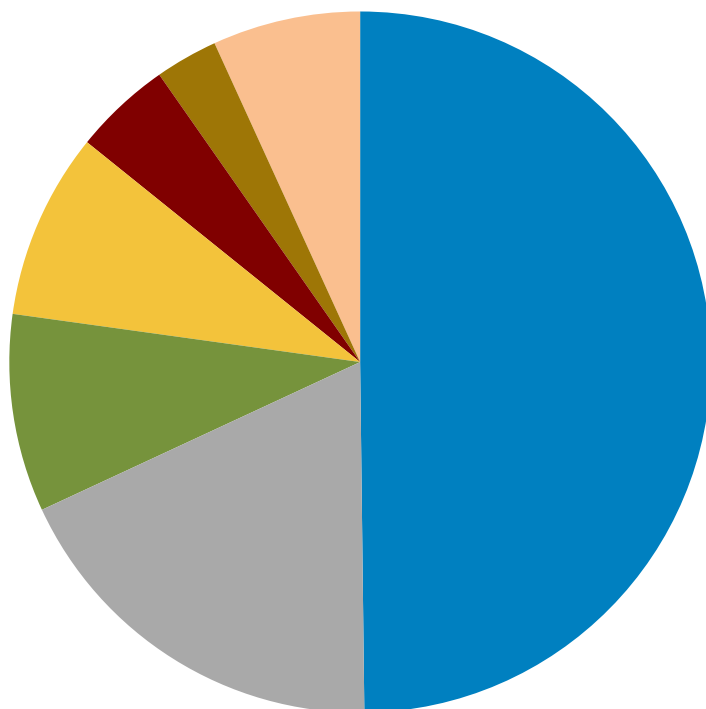
### SERVICE MODEL



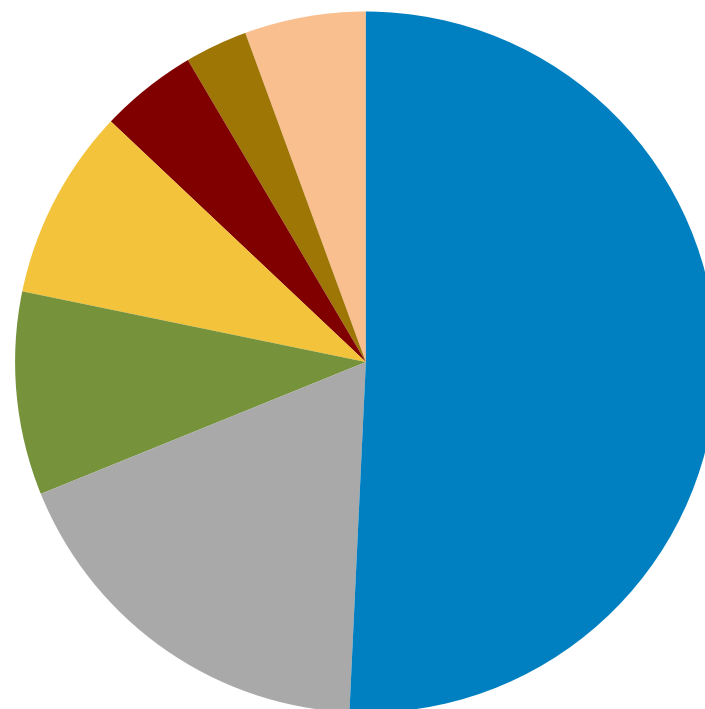
## Investment Databases

Our firm utilizes some of the most robust and deep databases that are available to investment consultants. These include Bloomberg, InvestmentMetrics PARis, eVestment Alliance, Zephyr StyleADVISOR, Morningstar Direct, etc.

Asset Allocation By Segment as of  
March 31, 2016 : \$106,501,129



Asset Allocation By Segment as of  
June 30, 2016 : \$105,365,536



Allocation			Allocation		
Segments	Market Value	Allocation	Segments	Market Value	Allocation
Domestic Equity	53,046,702	49.8	Domestic Equity	53,470,269	50.7
International Equity	19,459,161	18.3	International Equity	19,092,410	18.1
Domestic Fixed Income	9,708,738	9.1	Domestic Fixed Income	9,869,125	9.4
Real Estate	9,157,672	8.6	Real Estate	9,279,921	8.8
Hedge Fund	4,793,113	4.5	Hedge Fund	4,723,675	4.5
Other Illiquid Asset	3,075,599	2.9	Other Illiquid Asset	3,042,407	2.9
Cash Equivalent	7,260,144	6.8	Cash Equivalent	5,887,728	5.6

**Financial Reconciliation**  
**Total Fund**  
1 Quarter Ending June 30, 2016

<b>Financial Reconciliation</b>								
	<b>Market Value 04/01/2016</b>	<b>Net Transfers</b>	<b>Contributions</b>	<b>Distributions</b>	<b>Management Fees</b>	<b>Other Expenses</b>	<b>Return On Investment</b>	<b>Market Value 06/30/2016</b>
<b>Total Domestic Equity</b>	<b>54,443,844</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-71,078</b>	<b>-3,973</b>	<b>697,464</b>	<b>55,066,258</b>
Comerica S&P 500 Index Fund	24,040,130	-	-	-	-3,507	-	589,184	24,625,806
Victory Mid Cap Equity	12,282,895	-	-	-	-23,031	-1,721	110,125	12,368,268
SouthernSun SC	12,961,692	-	-	-	-31,642	-1,578	-103,352	12,825,120
Walhausen & Co. SMID Value	5,159,127	-	-	-	-12,898	-675	101,508	5,247,063
<b>Total International Equity</b>	<b>19,627,171</b>	<b>18,872</b>	<b>-</b>	<b>-</b>	<b>-35,228</b>	<b>-3,354</b>	<b>-128,146</b>	<b>19,479,315</b>
LSV International LCV	10,525,314	18,872	-	-	-18,872	-	-335,598	10,189,716
WCM Focused Growth International	9,101,857	-	-	-	-16,356	-3,354	207,452	9,289,599
<b>Total Fixed Income</b>	<b>9,815,468</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-7,388</b>	<b>-1,526</b>	<b>314,316</b>	<b>10,120,870</b>
Pacific Fixed Income	9,815,468	-	-	-	-7,388	-1,526	314,316	10,120,870
<b>Total Real Estate</b>	<b>6,971,930</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-16,101</b>	<b>-</b>	<b>137,987</b>	<b>7,093,816</b>
AEW Core Property Trust	5,716,965	-	-	-	-16,101	-	137,987	5,838,851
Metropolitan Real Estate VI	1,254,965	-	-	-	-	-	-	1,254,965
<b>Total Timber Funds</b>	<b>3,075,599</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-33,192</b>	<b>3,042,407</b>
RMK Timberland US Fund	1,861,072	-	-	-	-	-	-56,952	1,804,120
RMK Timberland Intl Fund	1,214,527	-	-	-	-	-	23,760	1,238,287
<b>Total Hedge Fund of Funds</b>	<b>4,793,113</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-69,438</b>	<b>4,723,675</b>
Magnitude Institutional	2,506,700	-	-	-	-	-	-28,479	2,478,221
Titan Masters Int'l Fund	2,286,413	-	-	-	-	-	-40,959	2,245,454
<b>Bloomfield Capital Income Fund II</b>	<b>2,294,128</b>	<b>-49,364</b>	<b>-16,684</b>	<b>-</b>	<b>16,684</b>	<b>-</b>	<b>46,824</b>	<b>2,291,588</b>
Cash Account	5,479,875	30,492	800,081	-2,755,171	-	-23,890	16,220	3,547,607
<b>Total Fund</b>	<b>106,501,129</b>	<b>-</b>	<b>783,396</b>	<b>-2,755,171</b>	<b>-113,111</b>	<b>-32,742</b>	<b>982,035</b>	<b>105,365,536</b>



**Comparative Performance**  
**Trailing Returns**  
As of June 30, 2016

Comparative Performance																	
	QTR		FYTD		1 YR		3 YR		5 YR		7 YR		10 YR		Inception		Inception Date
Total Fund	0.93	(95)	-2.30	(97)	-2.30	(97)	6.34	(67)	7.69	(11)	11.93	(1)	7.35	(1)	7.36	(9)	06/01/1997
Total Fund Policy	2.21	(26)	0.92	(42)	0.92	(42)	7.31	(27)	7.60	(13)	10.71	(6)	6.34	(20)	7.75	(3)	
Difference	-1.28		-3.22		-3.22		-0.97		0.09		1.22		1.01		-0.39		
All Public Plans-Total Fund Median	1.86		0.60		0.60		6.74		6.63		9.53		5.91		6.55		
Total Domestic Equity	1.28		-4.52		-4.52		7.83		9.79		15.48		7.76		8.45		02/01/1992
Total Domestic Equity Policy	3.32		0.10		0.10		10.08		10.61		15.16		7.52		9.93		
Difference	-2.04		-4.62		-4.62		-2.25		-0.82		0.32		0.24		-1.48		
Total International Equity	-0.66		-5.01		-5.01		5.34		3.41		7.42		N/A		-0.13		12/01/2007
Total International Equity Policy	-1.46		-10.16		-10.16		2.06		1.68		5.97		1.58		-1.26		
Difference	0.80		5.15		5.15		3.28		1.73		1.45		N/A		1.13		
Total Fixed Income	3.20	(2)	5.97	(65)	5.97	(65)	4.26	(62)	3.91	(78)	5.12	(65)	N/A		5.46	(65)	03/01/2009
Total Fixed Income Policy	2.21	(69)	6.00	(62)	6.00	(62)	4.06	(82)	3.76	(89)	4.58	(90)	5.13	(88)	4.82	(91)	
Difference	0.99		-0.03		-0.03		0.20		0.15		0.54		N/A		0.64		
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	2.32		6.14		6.14		4.34		4.14		5.33		5.56		5.77		
Total Real Estate #	1.98	(79)	11.08	(83)	11.08	(83)	12.28	(83)	N/A		N/A		N/A		4.16	(100)	01/01/2012
Total Real Estate Policy	2.03	(77)	10.64	(99)	10.64	(99)	11.61	(87)	11.52	(90)	10.28	(85)	7.41	(12)	11.34	(89)	
Difference	-0.05		0.44		0.44		0.67		N/A		N/A		N/A		-7.18		
IM U.S. Open End Private Real Estate (SA+CF) Median	2.54		12.63		12.63		13.41		13.35		11.17		6.45		13.49		
Total Timber Funds #	-1.08		-6.13		-6.13		-1.09		N/A		N/A		N/A		-0.78		08/01/2012
Total Timber Policy	0.98		3.39		3.39		7.73		6.70		4.27		6.39		8.13		
Difference	-2.06		-9.52		-9.52		-8.82		N/A		N/A		N/A		-8.91		

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

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



**Comparative Performance**  
**Trailing Returns**  
As of June 30, 2016

	QTR	FYTD	1 YR	3 YR	5 YR	7 YR	10 YR	Inception	Inception Date
<b>Total Domestic Equity</b>	<b>1.28</b>	<b>-4.52</b>	<b>-4.52</b>	<b>7.83</b>	<b>9.79</b>	<b>15.48</b>	<b>7.76</b>	<b>8.45</b>	<b>02/01/1992</b>
Total Domestic Equity Policy	3.32	0.10	0.10	10.08	10.61	15.16	7.52	9.93	
Difference	-2.04	-4.62	-4.62	-2.25	-0.82	0.32	0.24	-1.48	
 Comerica S&P 500 Index Fund	2.45 (41)	4.04 (26)	4.04 (26)	11.63 (42)	12.11 (39)	14.96 (41)	7.47 (61)	7.13 (61)	04/01/2006
S&P 500 Index	2.46 (41)	3.99 (28)	3.99 (28)	11.66 (41)	12.10 (39)	14.92 (43)	7.42 (62)	7.08 (62)	
Difference	-0.01	0.05	0.05	-0.03	0.01	0.04	0.05	0.05	
IM U.S. Large Cap Core Equity (SA+CF) Median	2.13	1.58	1.58	11.35	11.73	14.62	7.69	7.37	
 Victory Mid Cap Equity	0.90 (66)	-6.25 (58)	-6.25 (58)	8.85 (60)	9.50 (49)	15.33 (52)	N/A	6.78 (67)	09/01/2007
Russell Midcap Index	3.18 (22)	0.56 (15)	0.56 (15)	10.80 (30)	10.90 (20)	16.47 (23)	8.07 (63)	7.30 (57)	
Difference	-2.28	-6.81	-6.81	-1.95	-1.40	-1.14	N/A	-0.52	
IM U.S. Mid Cap Growth Equity (SA+CF) Median	2.15	-5.24	-5.24	9.57	9.28	15.33	8.33	7.49	
 SouthernSun SC	-0.80 (98)	-17.69 (100)	-17.69 (100)	-0.47 (100)	6.06 (97)	16.04 (46)	N/A	9.03 (61)	04/01/2008
Russell 2000 Index	3.79 (38)	-6.73 (72)	-6.73 (72)	7.09 (84)	8.35 (81)	13.94 (91)	6.20 (79)	7.96 (83)	
Difference	-4.59	-10.96	-10.96	-7.56	-2.29	2.10	N/A	1.07	
IM U.S. Small Cap Core Equity (SA+CF) Median	3.01	-4.56	-4.56	9.44	10.24	15.92	7.72	9.46	
 Walhausen & Co. SMID Value	1.97 (58)	N/A	N/A	N/A	N/A	N/A	N/A	5.50 (75)	10/01/2015
Russell 2500 Value Index	4.37 (13)	0.22 (25)	0.22 (25)	8.14 (62)	9.59 (65)	15.18 (70)	6.52 (81)	10.84 (21)	
Difference	-2.40	N/A	N/A	N/A	N/A	N/A	N/A	-5.34	
IM U.S. SMID Cap Value Equity (SA+CF) Median	2.35	-2.97	-2.97	8.76	10.03	15.72	8.25	7.32	

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

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**Comparative Performance**  
**Trailing Returns**  
**As of June 30, 2016**

	QTR		FYTD		1 YR		3 YR		5 YR		7 YR		10 YR		Inception	Inception Date
<b>Total International Equity</b>	<b>-0.66</b>		<b>-5.01</b>		<b>-5.01</b>		<b>5.34</b>		<b>3.41</b>		<b>7.42</b>		<b>N/A</b>		<b>-0.13</b>	<b>12/01/2007</b>
Total International Equity Policy	-1.46		-10.16		-10.16		2.06		1.68		5.97		1.58		-1.26	
Difference	0.80		5.15		5.15		3.28		1.73		1.45		N/A		1.13	
 LSV International LCV	-3.19 (82)		-11.23 (65)		-11.23 (65)		3.05 (50)		2.50 (52)		6.74 (64)		2.00 (82)		2.98 (79)	01/01/2006
MSCI EAFE Index	-1.19 (46)		-9.72 (51)		-9.72 (51)		2.52 (55)		2.15 (58)		6.45 (68)		2.05 (81)		2.93 (81)	
Difference	-2.00		-1.51		-1.51		0.53		0.35		0.29		-0.05		0.05	
IM International Large Cap Value Equity (SA+CF) Median	-1.40		-9.67		-9.67		3.04		2.69		7.26		2.97		3.82	
 WCM Focused Growth International	2.28 (9)		2.87 (6)		2.87 (6)		8.10 (13)		N/A		N/A		N/A		8.89 (19)	11/01/2011
MSCI EAFE (net) Index	-1.46 (58)		-10.16 (84)		-10.16 (84)		2.06 (92)		1.68 (90)		5.97 (93)		1.58 (89)		4.42 (91)	
Difference	3.74		13.03		13.03		6.04		N/A		N/A		N/A		4.47	
IM International Growth Equity (SA+CF) Median	-1.03		-6.58		-6.58		4.25		3.64		8.84		4.39		6.55	

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

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

**Comparative Performance**  
**Trailing Returns**  
**As of June 30, 2016**

	QTR		FYTD		1 YR		3 YR		5 YR		7 YR		10 YR		Inception		Inception Date
Total Fixed Income	3.20	(2)	5.97	(65)	5.97	(65)	4.26	(62)	3.91	(78)	5.12	(65)	N/A		5.46	(65)	03/01/2009
Total Fixed Income Policy	2.21	(69)	6.00	(62)	6.00	(62)	4.06	(82)	3.76	(89)	4.58	(90)	5.13	(88)	4.82	(91)	
Difference	0.99		-0.03		-0.03		0.20		0.15		0.54		N/A		0.64		
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	2.32		6.14		6.14		4.34		4.14		5.33		5.56		5.77		
Pacific Fixed Income	3.20	(2)	5.97	(65)	5.97	(65)	4.26	(62)	3.76	(90)	4.73	(81)	5.60	(44)	5.82	(71)	06/01/1997
Barclays Aggregate Index	2.21	(69)	6.00	(62)	6.00	(62)	4.06	(82)	3.76	(89)	4.58	(90)	5.13	(88)	5.59	(93)	
Difference	0.99		-0.03		-0.03		0.20		0.00		0.15		0.47		0.23		
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	2.32		6.14		6.14		4.34		4.14		5.33		5.56		5.97		
Total Real Estate	1.98	(79)	11.08	(83)	11.08	(83)	12.28	(83)	N/A		N/A		N/A		4.16	(100)	01/01/2012
Total Real Estate Policy	2.03	(77)	10.64	(99)	10.64	(99)	11.61	(87)	11.52	(90)	10.28	(85)	7.41	(12)	11.34	(89)	
Difference	-0.05		0.44		0.44		0.67		N/A		N/A		N/A		-7.18		
IM U.S. Open End Private Real Estate (SA+CF) Median	2.54		12.63		12.63		13.41		13.35		11.17		6.45		13.49		
AEW Core Property Trust	2.41	(62)	11.59	(79)	11.59	(79)	12.20	(84)	N/A		N/A		N/A		11.86	(85)	10/01/2012
NCREIF Fund Index-ODCE (VW)	2.13	(73)	11.82	(77)	11.82	(77)	13.00	(63)	12.72	(68)	10.88	(64)	6.17	(57)	12.87	(72)	
Difference	0.28		-0.23		-0.23		-0.80		N/A		N/A		N/A		-1.01		
IM U.S. Open End Private Real Estate (SA+CF) Median	2.54		12.63		12.63		13.41		13.35		11.17		6.45		13.38		
Total Hedge Fund of Funds	-1.45		N/A		N/A		N/A		N/A		N/A		N/A		-5.56		08/01/2015
HFRI FOF: Diversified Index	0.46		-4.87		-4.87		2.04		1.84		2.92		1.70		-5.34		
Difference	-1.91		N/A		N/A		N/A		N/A		N/A		N/A		-0.22		
Magnitude Institutional	-1.14		N/A		N/A		N/A		N/A		N/A		N/A		-0.87		08/01/2015
HFRI FOF: Diversified Index	0.46		-4.87		-4.87		2.04		1.84		2.92		1.70		-5.34		
Difference	-1.60		N/A		N/A		N/A		N/A		N/A		N/A		4.47		
Titan Masters Int'l Fund	-1.79		N/A		N/A		N/A		N/A		N/A		N/A		-10.18		08/01/2015
HFRI FOF: Diversified Index	0.46		-4.87		-4.87		2.04		1.84		2.92		1.70		-5.34		
Difference	-2.25		N/A		N/A		N/A		N/A		N/A		N/A		-4.84		

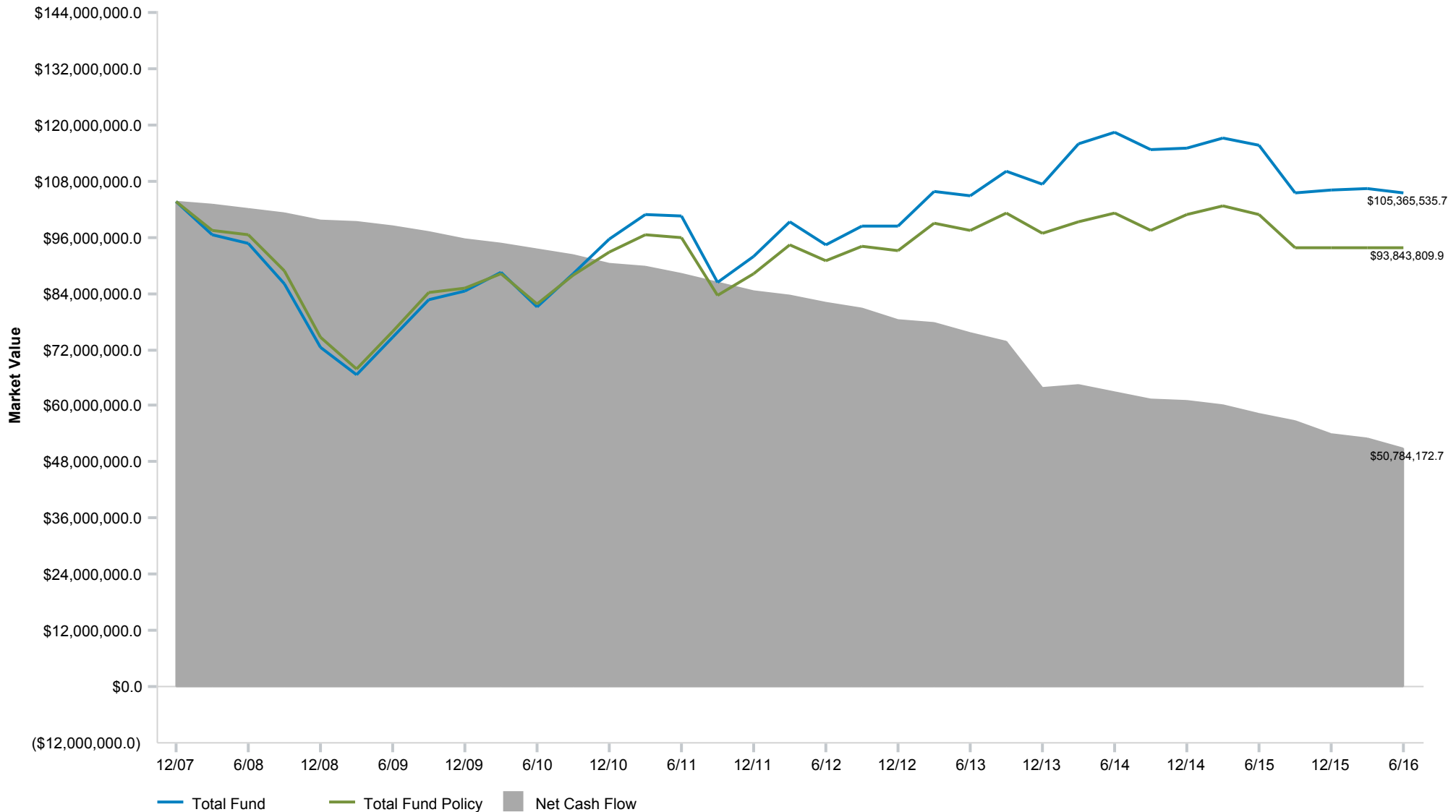
\*\* All History prior to 3/31/2015, obtained from prior consultant.\*\*

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

As of June 30, 2016

Comparative Performance - IRR							
	Since Inception Ending Jun-2016	Since Inception Ending Mar-2016	Since Inception Ending Dec-2015	Since Inception Ending Sep-2015	Since Inception Ending Jun-2015	Since Inception Ending Mar-2015	Inception Date
Bloomfield Capital Income Fund II	9.33	8.87	10.38	9.99	5.92	2.81	12/22/2014
Metropolitan Real Estate VI	9.73	10.51	11.46	9.28	10.10	9.22	11/30/2011
RMK Timberland US Fund	2.09	3.50	3.75	6.00	7.29	8.74	10/31/2012
RMK Timberland Intl Fund	-6.16	-7.58	-11.01	-12.17	-7.41	-9.89	11/21/2012

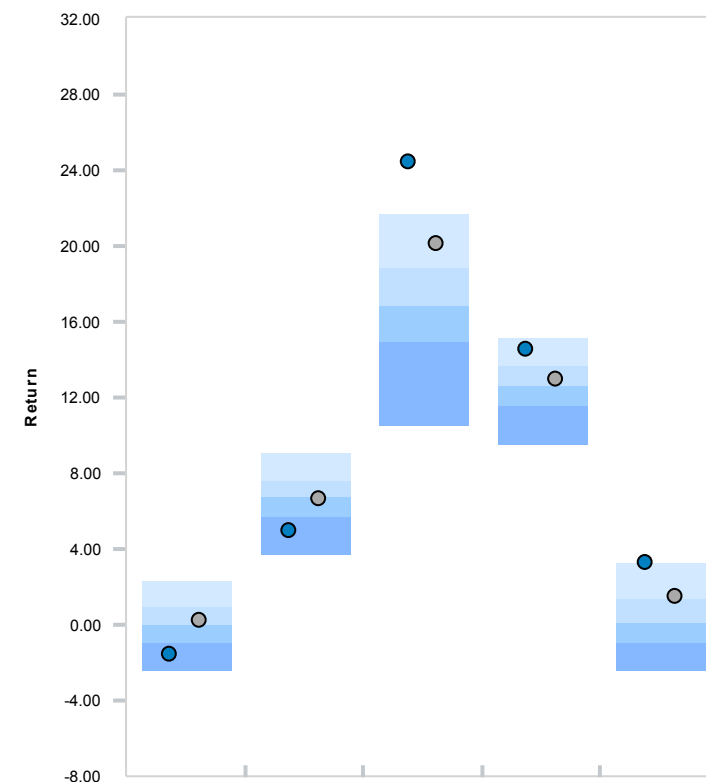
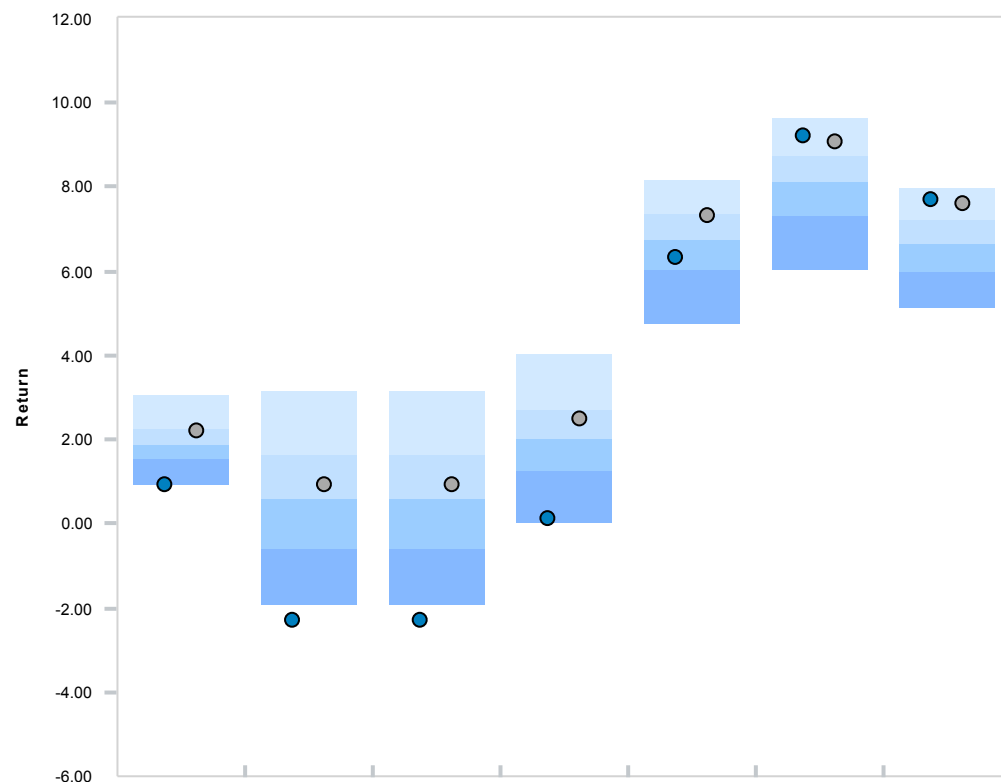
## Schedule of Investable Assets



## Schedule of Investable Assets

Periods Ending	Beginning Market Value \$	Contributions \$	Withdrawals \$	Gain/Loss \$	Net Cash Flow \$	Ending Market Value \$
10 YR	103,654,214	38,128,779	90,998,820	54,581,363	-52,870,041	105,365,536

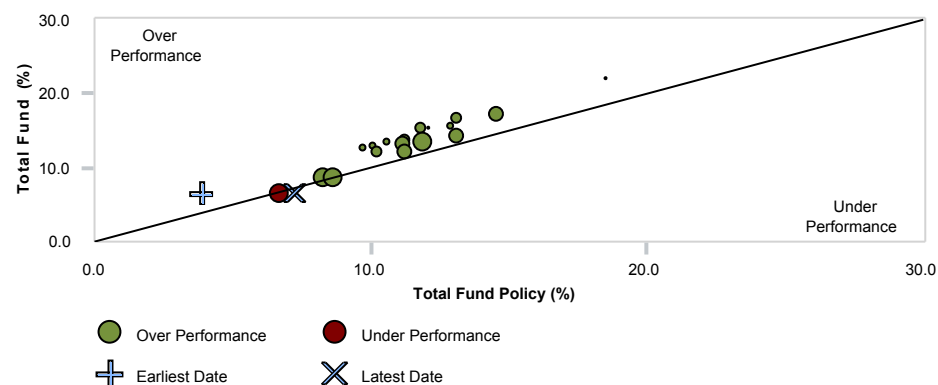
## Plan Sponsor Peer Group Analysis - All Public Plans-Total Fund



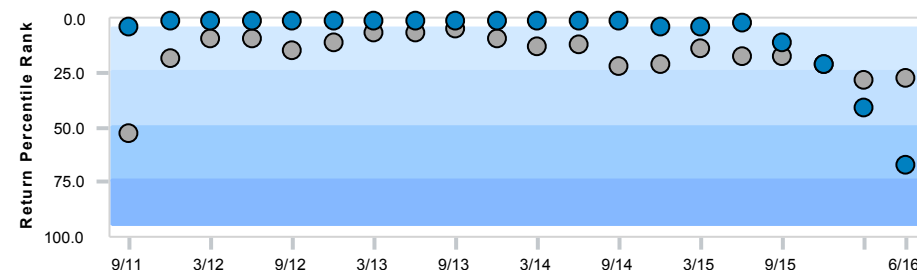
## Comparative Performance

	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015	1 Qtr Ending Dec-2014
Total Fund	1.47 (26)	3.10 (41)	-7.46 (98)	0.26 (26)	2.88 (19)	1.38 (82)
Total Fund Policy	1.23 (39)	3.05 (43)	-5.35 (64)	-0.29 (63)	3.02 (13)	3.54 (7)
All Public Plans-Total Fund Median	1.03	2.87	-5.04	-0.13	2.43	2.28

## 3 Yr Rolling Under/Over Performance - 5 Years

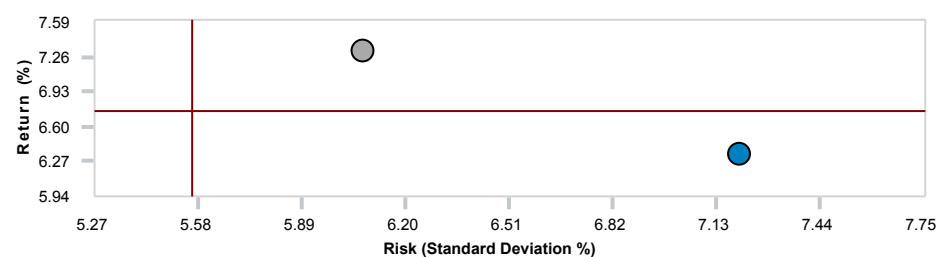


## 3 Yr Rolling Percentile Ranking - 5 Years



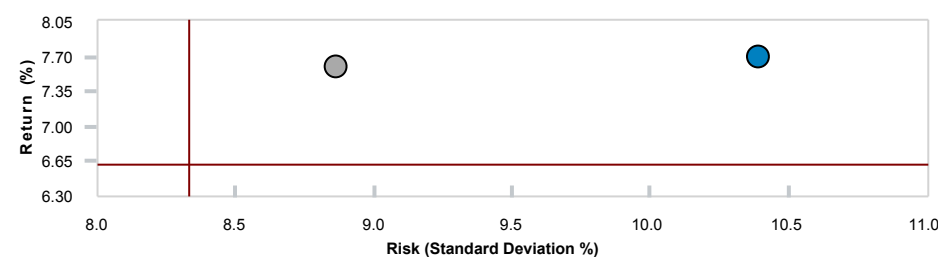
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Total Fund	20	18 (90%)	1 (5%)	1 (5%)	0 (0%)
Total Fund Policy	20	17 (85%)	2 (10%)	1 (5%)	0 (0%)

## Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Total Fund	6.34	7.20
Total Fund Policy	7.31	6.08
Median	6.74	5.56

## Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Total Fund	7.69	10.39
Total Fund Policy	7.60	8.86
Median	6.63	8.33

## Historical Statistics - 3 Years

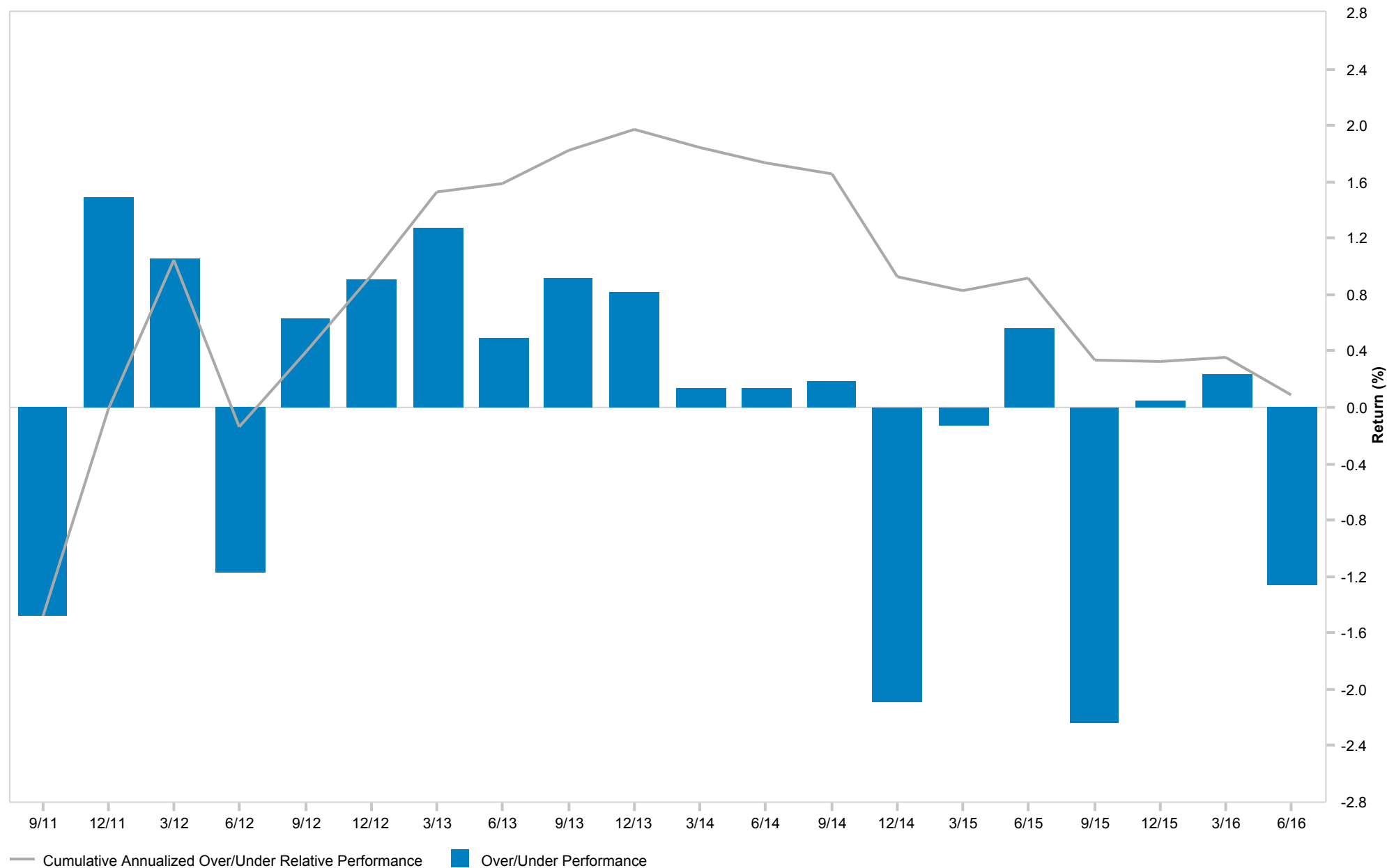
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	2.03	96.04	117.73	-1.91	-0.42	0.89	1.15	4.45
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	1.19	1.00	3.33

## Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	2.16	108.44	118.70	-0.99	0.11	0.77	1.16	6.53
Total Fund Policy	0.00	100.00	100.00	0.00	N/A	0.87	1.00	5.49



Relative Performance



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

#### Comerica S&P 500 - Portfolio Description

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

#### Comerica S&P 500 - Strategy Details

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

#### Victory MidCap Equity - Portfolio Description

- Strategy: Mid Cap Core Growth Equity
- Vehicle: Separately Managed Account
- Objective: To outperform the Russell Midcap Index
- Annual fees: .75% on first \$25MM
- .65% on next \$25MM
- .55% on next \$50M
- .45% over \$100M
- Benchmark: Russell Midcap Index

#### Victory MidCap Equity - Strategy Details

Victory's Mid-Cap Growth strategy uses a bottom-up stock selection process focusing on the most attractive growth candidates from the mid-cap segment of the stock market. The team focuses on security selection utilizing both quantitative tools and fundamental research to identify alpha-generating ideas. Their focus is on stock-specific research because security selection is where they have the most confidence in their skills and insights, and through security selection, they strive to repeatedly add value to client portfolios. The team controls risk at the issue, sector and market capitalization levels. Their goal is to exceed our clients' expectations and provide consistently attractive results through bottom-up security selection.

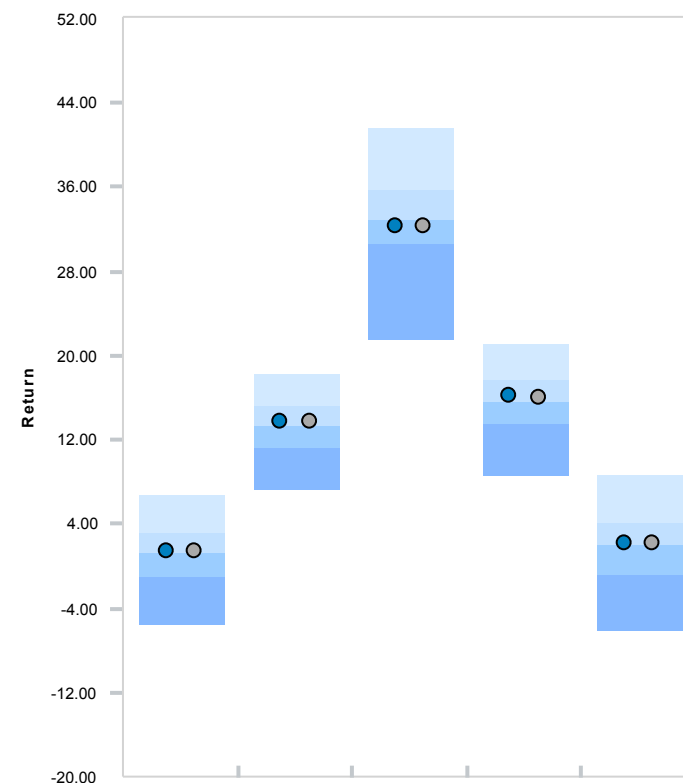
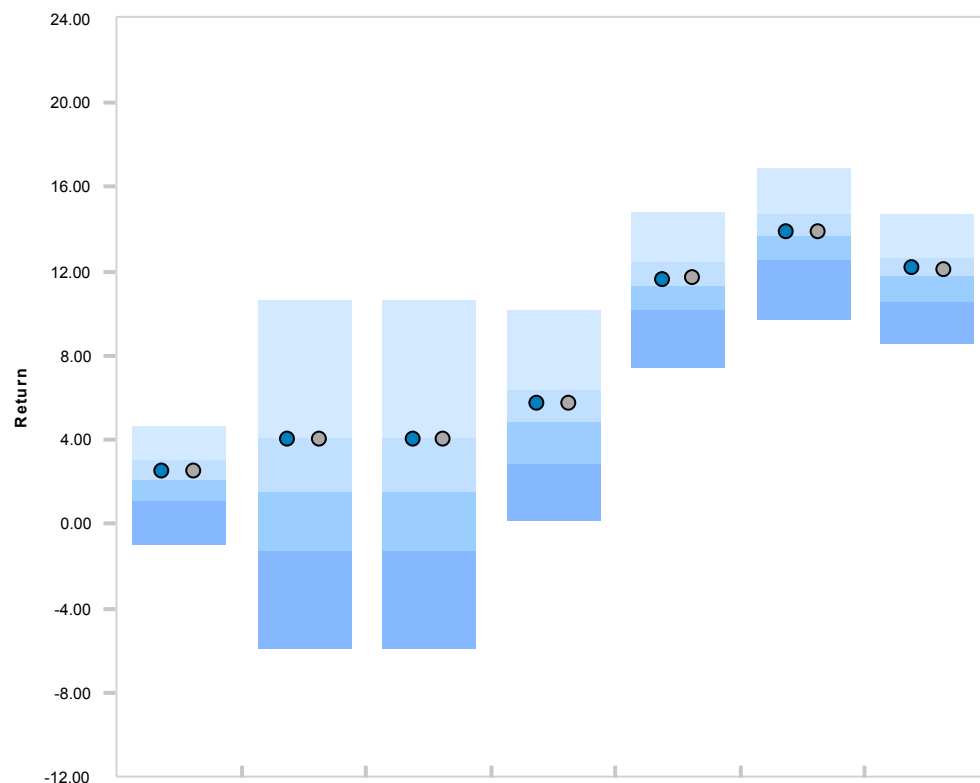
#### SouthernSun Smallcap Equity - Portfolio Description

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

#### SouthernSun Smallcap Equity - Strategy Details

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

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



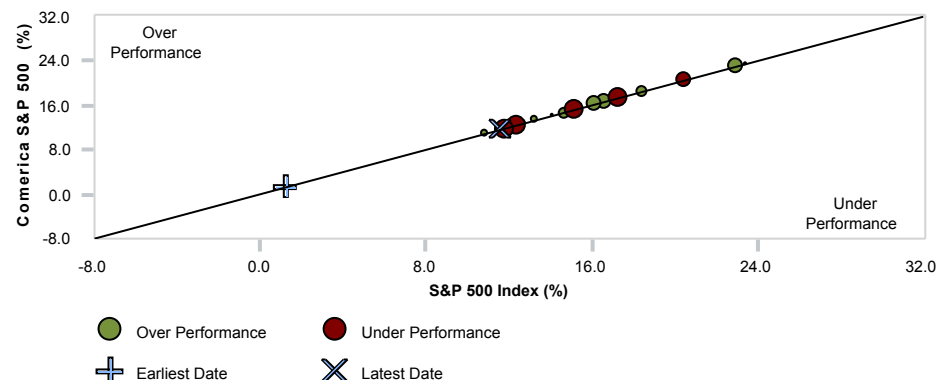
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
Comerica S&P 500	2.45 (41)	4.04 (26)	4.04 (26)	5.72 (37)	11.63 (42)	13.84 (46)	12.11 (39)
S&P 500 Index	2.46 (41)	3.99 (28)	3.99 (28)	5.69 (38)	11.66 (41)	13.83 (46)	12.10 (39)
Median	2.13	1.58	1.58	4.88	11.35	13.65	11.73

	2015	2014	2013	2012	2011
Comerica S&P 500	1.44 (48)	13.66 (45)	32.30 (60)	16.10 (44)	2.20 (47)
S&P 500 Index	1.38 (50)	13.69 (44)	32.39 (59)	16.00 (47)	2.11 (49)
Median	1.28	13.43	32.94	15.71	1.99

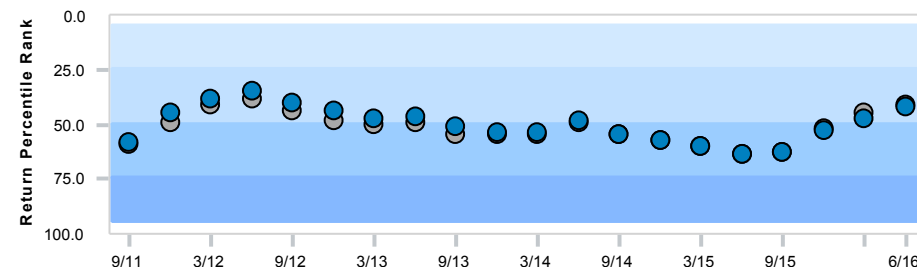
Comparative Performance

	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015	1 Qtr Ending Dec-2014
Comerica S&P 500	1.35 (32)	7.05 (25)	-6.40 (44)	0.27 (50)	0.97 (72)	4.92 (53)
S&P 500 Index	1.35 (33)	7.04 (25)	-6.44 (45)	0.28 (49)	0.95 (73)	4.93 (53)
IM U.S. Large Cap Core Equity (SA+CF) Median	0.61	5.94	-6.63	0.26	1.82	5.02

### 3 Yr Rolling Under/Over Performance - 5 Years

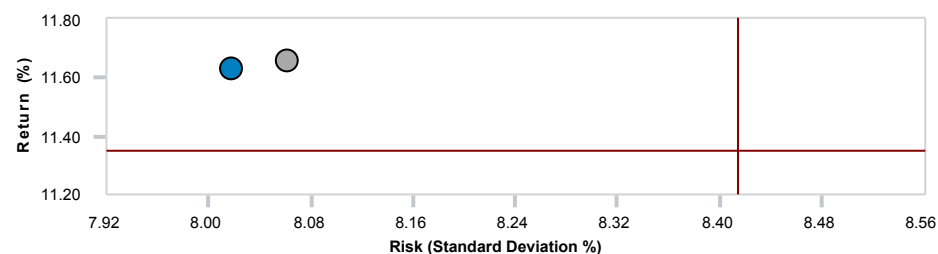


### 3 Yr Rolling Percentile Ranking - 5 Years



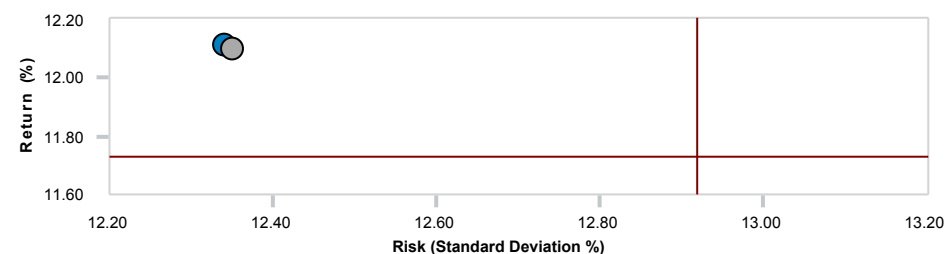
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Comerica S&P 500	20	0 (0%)	10 (50%)	10 (50%)	0 (0%)
S&P 500 Index	20	0 (0%)	10 (50%)	10 (50%)	0 (0%)

### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Comerica S&P 500	11.63	8.02
S&P 500 Index	11.66	8.06
Median	11.35	8.41

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Comerica S&P 500	12.11	12.34
S&P 500 Index	12.10	12.35
Median	11.73	12.92

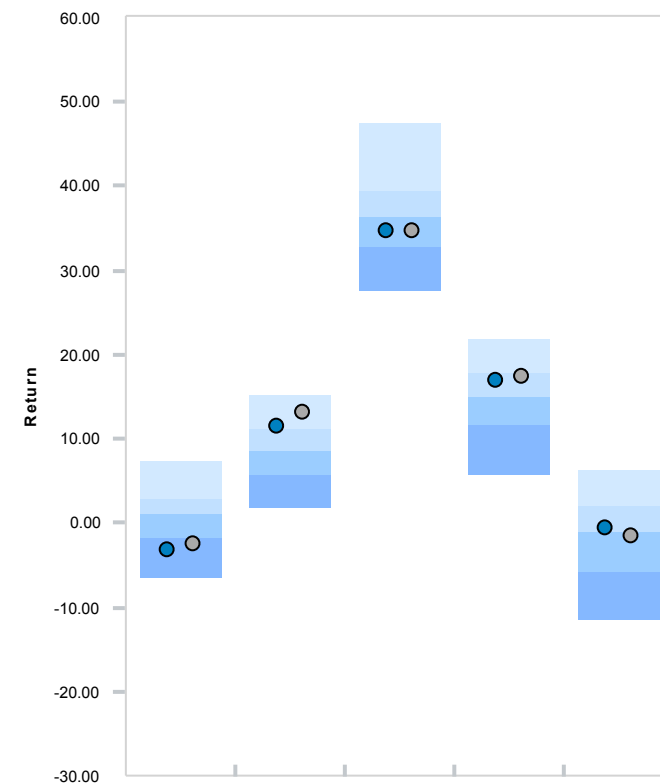
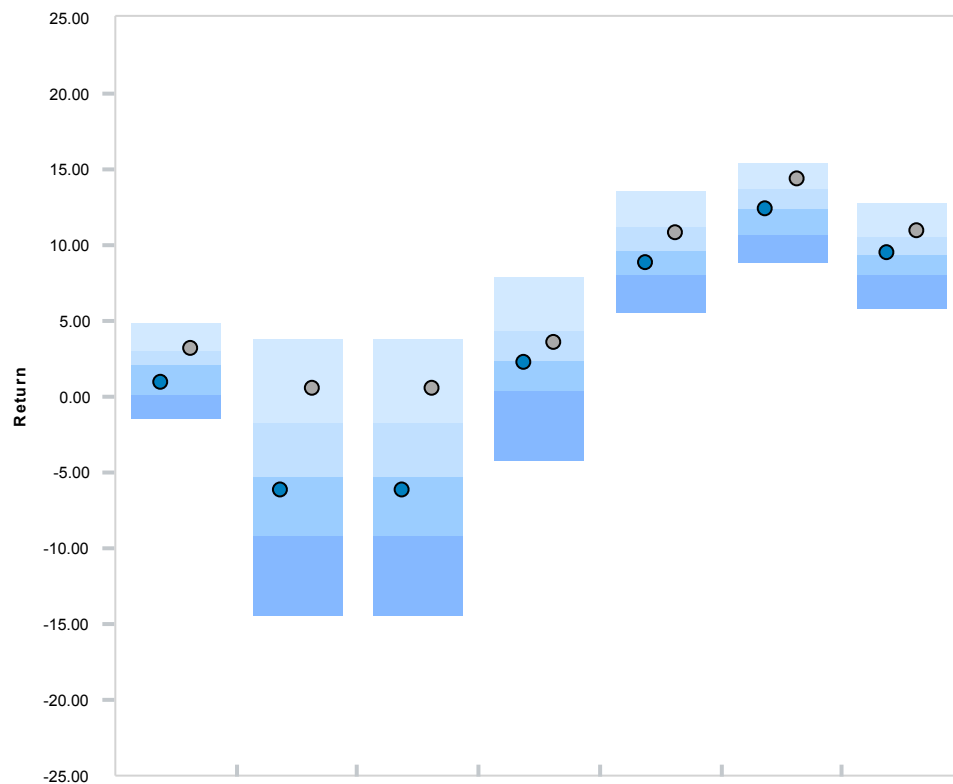
### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Comerica S&P 500	0.05	99.88	99.96	-0.01	-0.49	1.05	1.00	6.03
S&P 500 Index	0.00	100.00	100.00	0.00	N/A	1.05	1.00	6.03

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Comerica S&P 500	0.05	100.04	99.98	0.01	0.26	1.01	1.00	6.84
S&P 500 Index	0.00	100.00	100.00	0.00	N/A	1.01	1.00	6.84

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



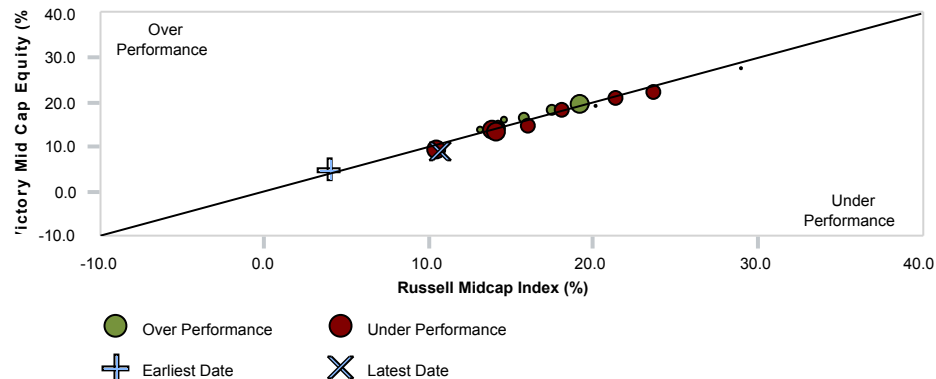
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Victory Mid Cap Equity	0.90 (66)	-6.25 (58)	-6.25 (58)	2.20 (52)	8.85 (60)	12.41 (48)	9.50 (49)
● Russell Midcap Index	3.18 (22)	0.56 (15)	0.56 (15)	3.55 (35)	10.80 (30)	14.28 (15)	10.90 (20)
Median	2.15	-5.24	-5.24	2.39	9.57	12.31	9.28

	2015	2014	2013	2012	2011
● Victory Mid Cap Equity	-3.13 (80)	11.35 (24)	34.71 (64)	17.00 (35)	-0.66 (46)
● Russell Midcap Index	-2.44 (78)	13.22 (13)	34.76 (64)	17.28 (31)	-1.55 (52)
Median	1.04	8.63	36.35	15.06	-1.02

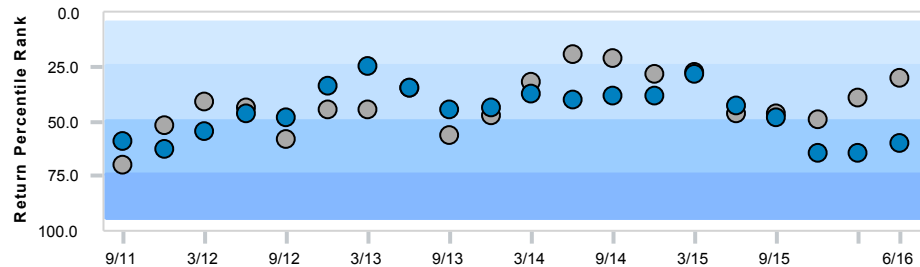
Comparative Performance

	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015	1 Qtr Ending Dec-2014
Victory Mid Cap Equity	1.50 (14)	1.67 (79)	-9.95 (71)	-0.49 (71)	6.32 (41)	5.98 (49)
Russell Midcap Index	2.24 (12)	3.62 (47)	-8.01 (44)	-1.54 (90)	3.95 (84)	5.94 (50)
IM U.S. Mid Cap Growth Equity (SA+CF) Median	-1.31	3.26	-8.48	0.66	5.82	5.91

### 3 Yr Rolling Under/Over Performance - 5 Years

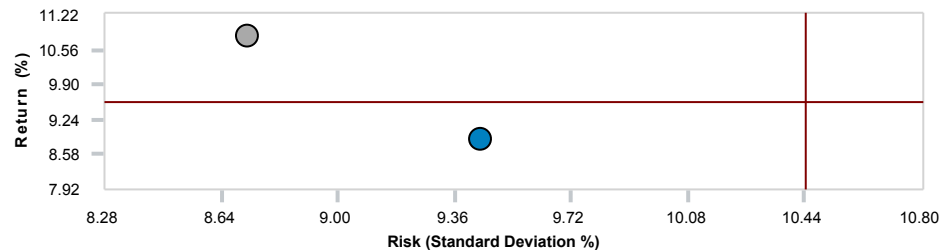


### 3 Yr Rolling Percentile Ranking - 5 Years



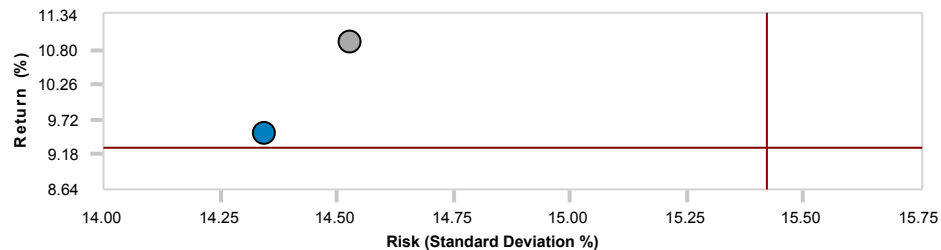
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Victory Mid Cap Equity	20	1 (5%)	13 (65%)	6 (30%)	0 (0%)
Russell Midcap Index	20	2 (10%)	14 (70%)	4 (20%)	0 (0%)

### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Victory Mid Cap Equity	8.85	9.44
Russell Midcap Index	10.80	8.72
Median	9.57	10.44

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Victory Mid Cap Equity	9.50	14.35
Russell Midcap Index	10.90	14.53
Median	9.28	15.42

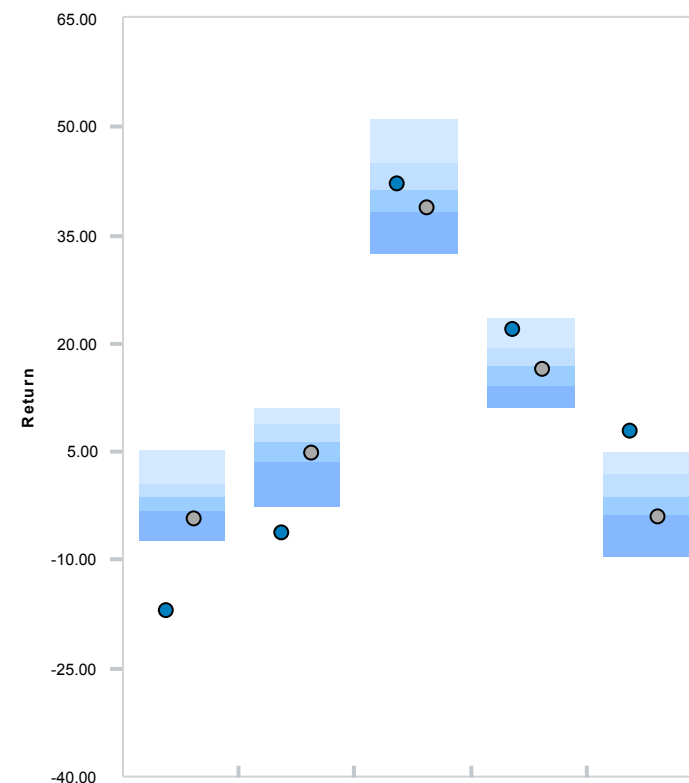
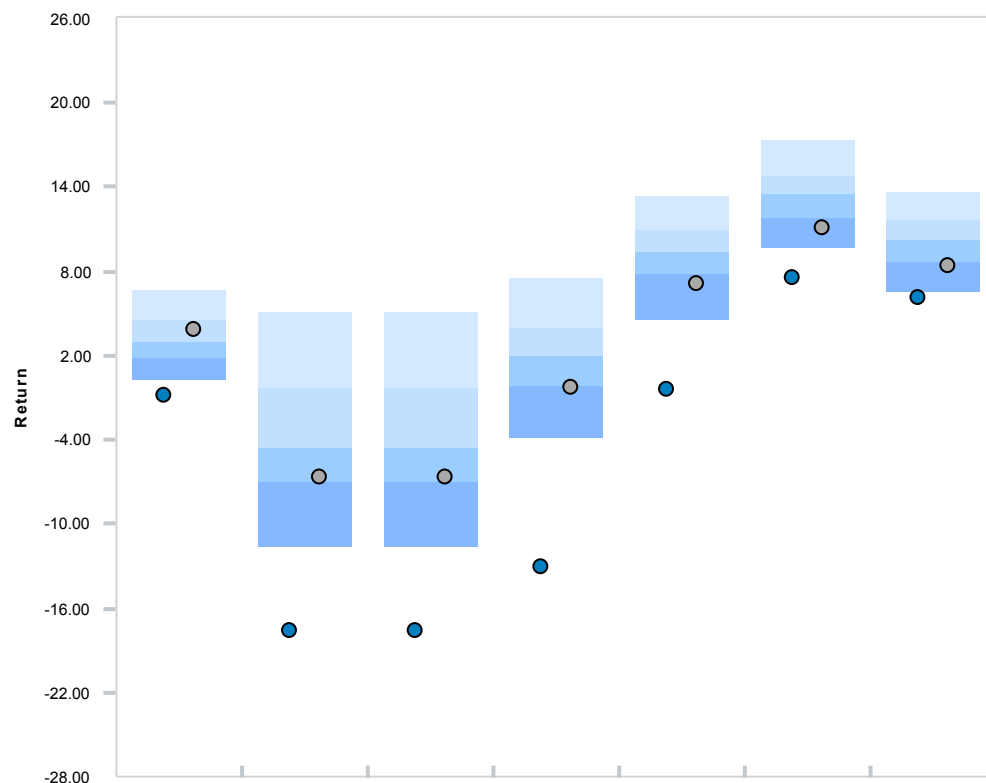
### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Victory Mid Cap Equity	2.75	94.18	103.83	-1.76	-0.64	0.76	1.00	6.92
Russell Midcap Index	0.00	100.00	100.00	0.00	N/A	0.93	1.00	6.57

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Victory Mid Cap Equity	2.71	96.58	103.02	-1.41	-0.45	0.71	1.02	8.51
Russell Midcap Index	0.00	100.00	100.00	0.00	N/A	0.83	1.00	8.13

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



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● SouthernSun SC	-0.80 (98)	-17.69 (100)	-17.69 (100)	-13.03 (100)	-0.47 (100)	7.56 (98)	6.06 (97)
● Russell 2000 Index	3.79 (38)	-6.73 (72)	-6.73 (72)	-0.34 (79)	7.09 (84)	11.13 (87)	8.35 (81)
Median	3.01	-4.56	-4.56	1.96	9.44	13.47	10.24

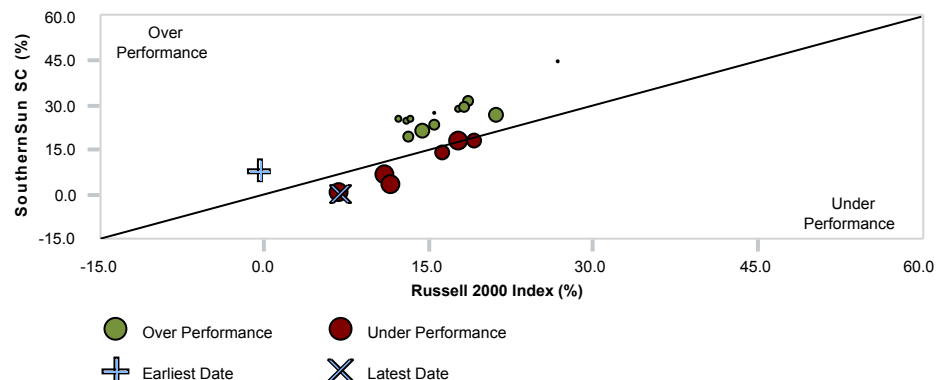
	2015	2014	2013	2012	2011
● SouthernSun SC	-17.16 (100)	-6.30 (99)	42.13 (44)	21.87 (11)	7.93 (2)
● Russell 2000 Index	-4.41 (82)	4.89 (64)	38.82 (71)	16.35 (54)	-4.18 (76)
Median	-1.36	6.55	41.10	16.79	-1.38

### Comparative Performance

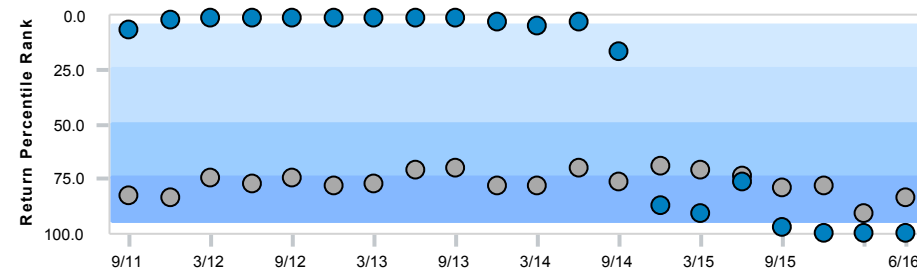
	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015	1 Qtr Ending Dec-2014
SouthernSun SC	5.22 (2)	-1.68 (100)	-19.79 (100)	2.87 (7)	2.11 (97)	-4.13 (100)
Russell 2000 Index	-1.52 (71)	3.59 (42)	-11.92 (84)	0.42 (51)	4.32 (67)	9.73 (28)
IM U.S. Small Cap Core Equity (SA+CF) Median	-0.39	3.35	-9.71	0.43	5.06	8.68



### 3 Yr Rolling Under/Over Performance - 5 Years

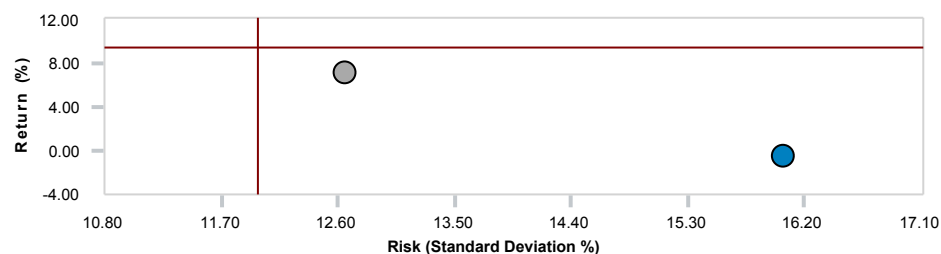


### 3 Yr Rolling Percentile Ranking - 5 Years



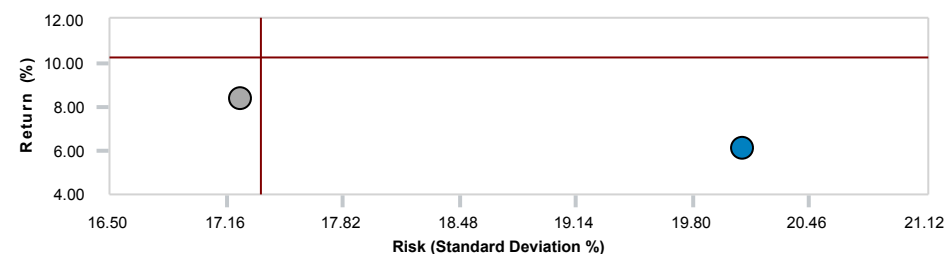
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
SouthernSun SC	20	13 (65%)	0 (0%)	0 (0%)	7 (35%)
Russell 2000 Index	20	0 (0%)	0 (0%)	8 (40%)	12 (60%)

### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
SouthernSun SC	-0.47	16.04
Russell 2000 Index	7.09	12.65
Median	9.44	11.99

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
SouthernSun SC	6.06	20.08
Russell 2000 Index	8.35	17.24
Median	10.24	17.36

### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
SouthernSun SC	9.43	74.82	102.88	-6.16	-0.75	0.05	0.90	11.18
Russell 2000 Index	0.00	100.00	100.00	0.00	N/A	0.53	1.00	9.85

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
SouthernSun SC	8.71	89.06	93.61	-1.63	-0.21	0.41	0.98	11.26
Russell 2000 Index	0.00	100.00	100.00	0.00	N/A	0.57	1.00	10.57

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#### LSV International - Portfolio Description

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

#### LSV International - Strategy Details

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

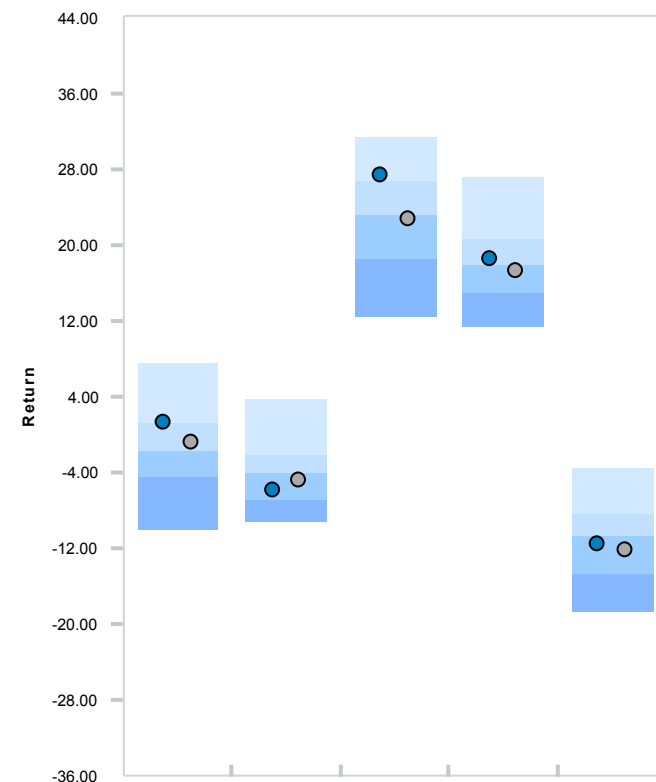
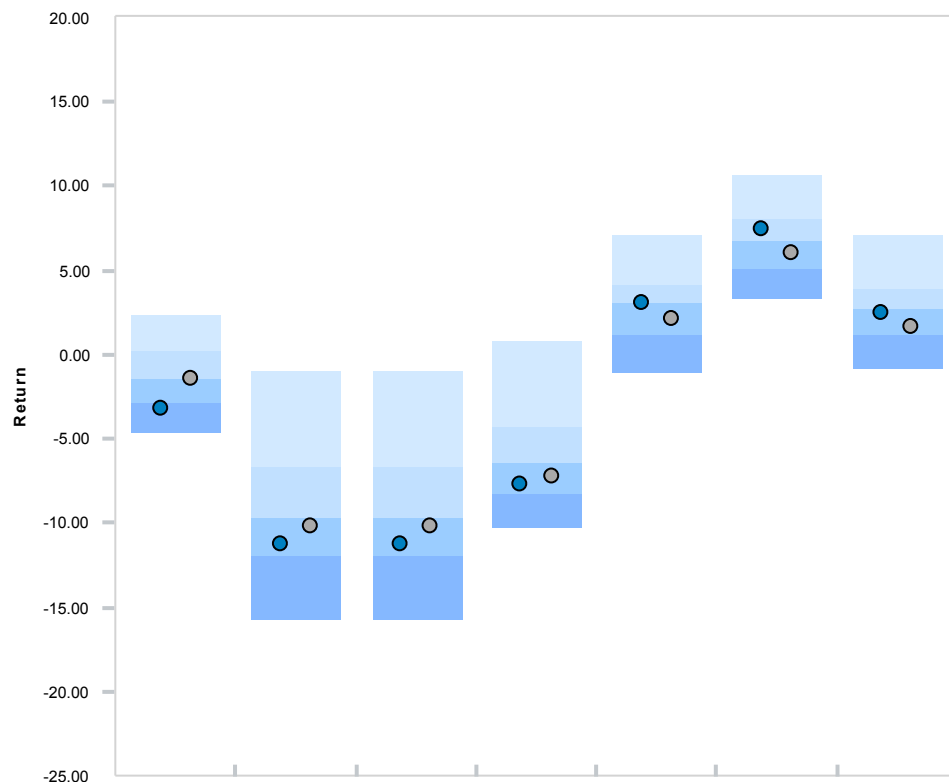
#### WCM Intl Growth - Portfolio Description

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

#### WCM Intl Growth - Strategy Details

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

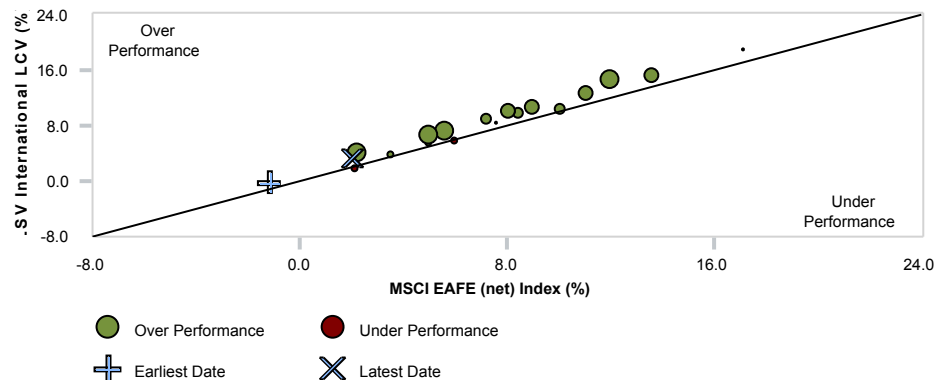
Peer Group Analysis - IM International Large Cap Value Equity (SA+CF)



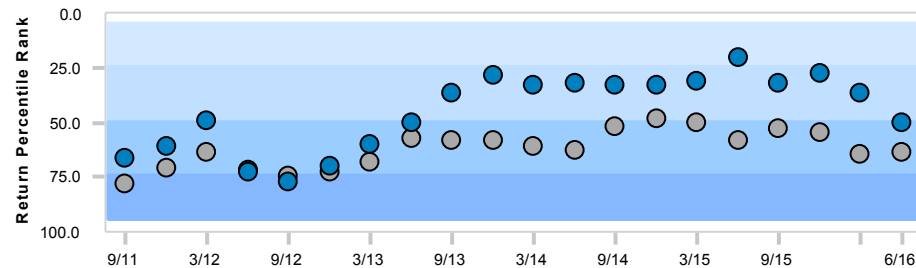
Comparative Performance

	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015	1 Qtr Ending Dec-2014
LSV International LCV	-2.40 (65)	6.03 (11)	-11.39 (64)	2.44 (25)	5.27 (28)	-4.89 (74)
MSCI EAFE (net) Index	-3.01 (79)	4.71 (30)	-10.23 (45)	0.62 (70)	4.88 (45)	-3.57 (48)
IM International Large Cap Value Equity (SA+CF) Median	-1.78	3.92	-10.77	1.36	4.51	-3.86

### 3 Yr Rolling Under/Over Performance - 5 Years

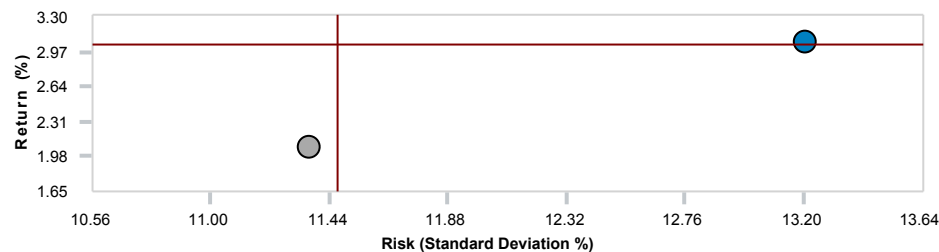


### 3 Yr Rolling Percentile Ranking - 5 Years



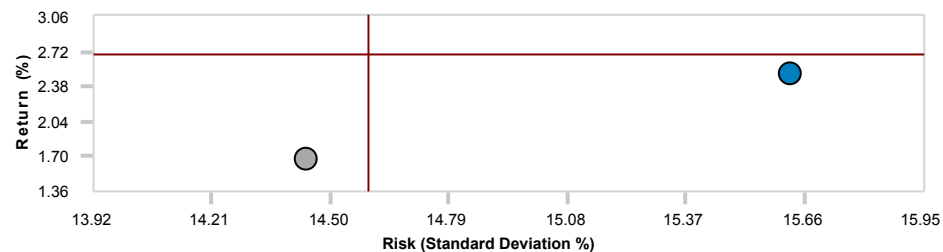
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
LSV International LCV	20	1 (5%)	13 (65%)	5 (25%)	1 (5%)
MSCI EAFE (net) Index	20	0 (0%)	2 (10%)	17 (85%)	1 (5%)

### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
LSV International LCV	3.05	13.21
MSCI EAFE (net) Index	2.06	11.37
Median	3.04	11.47

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
LSV International LCV	2.50	15.63
MSCI EAFE (net) Index	1.68	14.44
Median	2.69	14.59

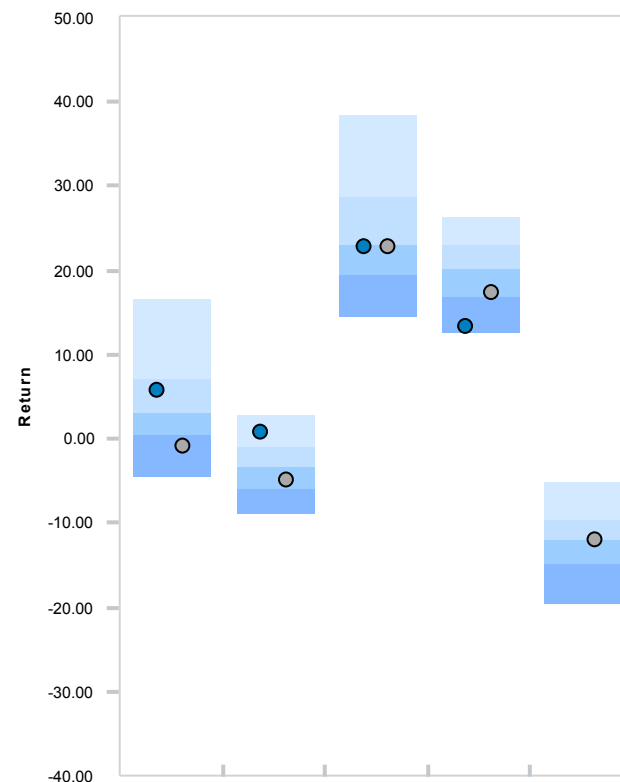
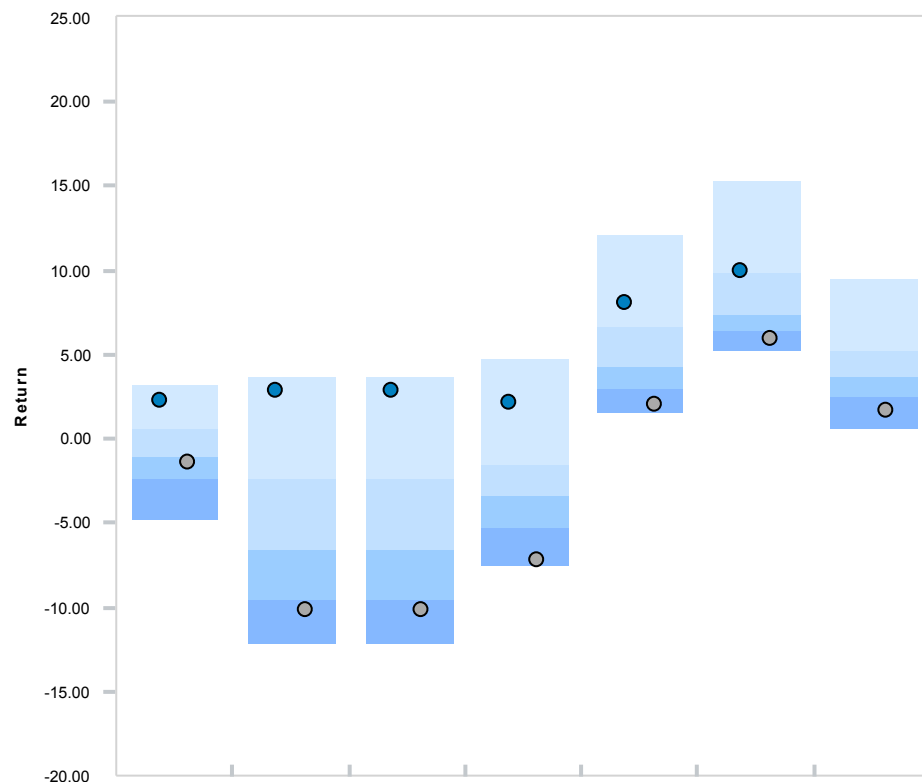
### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
LSV International LCV	2.46	105.94	100.44	0.92	0.45	0.28	1.06	8.80
MSCI EAFE (net) Index	0.00	100.00	100.00	0.00	N/A	0.22	1.00	8.44

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
LSV International LCV	2.30	105.14	101.34	0.81	0.38	0.23	1.03	10.77
MSCI EAFE (net) Index	0.00	100.00	100.00	0.00	N/A	0.18	1.00	10.66

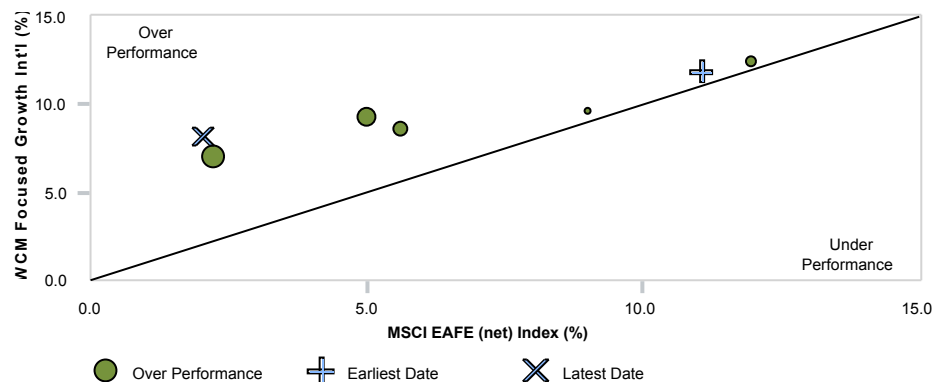
Peer Group Analysis - IM International Growth Equity (SA+CF)



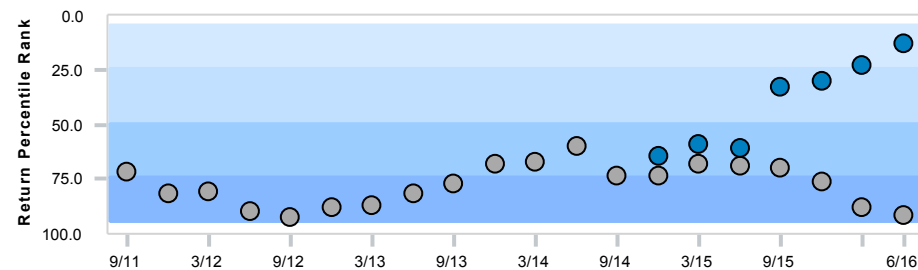
Comparative Performance

	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015	1 Qtr Ending Dec-2014
WCM Focused Growth Int'l	0.40 (19)	7.06 (24)	-6.43 (20)	0.62 (79)	4.83 (59)	0.16 (18)
MSCI EAFE (net) Index	-3.01 (71)	4.71 (71)	-10.23 (70)	0.62 (79)	4.88 (58)	-3.57 (87)
IM International Growth Equity (SA+CF) Median	-1.93	5.78	-8.89	1.91	5.27	-1.80

### 3 Yr Rolling Under/Over Performance - 5 Years

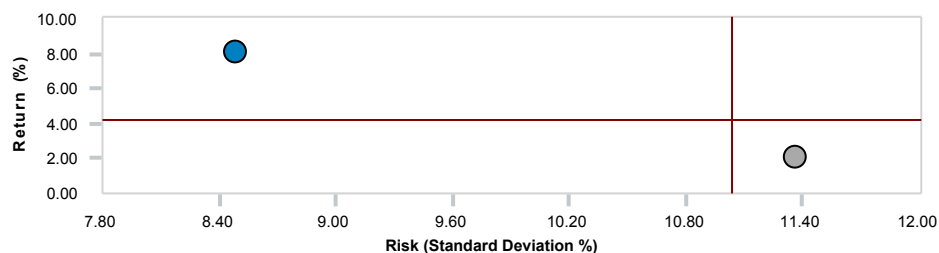


### 3 Yr Rolling Percentile Ranking - 5 Years



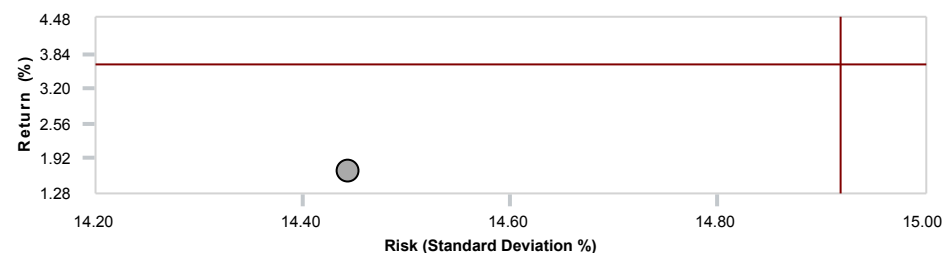
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
WCM Focused Growth Int'l	7	2 (29%)	2 (29%)	3 (43%)	0 (0%)
MSCI EAFE (net) Index	20	0 (0%)	0 (0%)	9 (45%)	11 (55%)

### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
WCM Focused Growth Int'l	8.10	8.49
MSCI EAFE (net) Index	2.06	11.37
Median	4.25	11.03

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
WCM Focused Growth Int'l	N/A	N/A
MSCI EAFE (net) Index	1.68	14.44
Median	3.64	14.92

### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
WCM Focused Growth Int'l	5.37	89.88	54.57	6.27	1.05	0.70	0.84	7.17
MSCI EAFE (net) Index	0.00	100.00	100.00	0.00	N/A	0.22	1.00	8.44

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
WCM Focused Growth Int'l	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MSCI EAFE (net) Index	0.00	100.00	100.00	0.00	N/A	0.18	1.00	10.66



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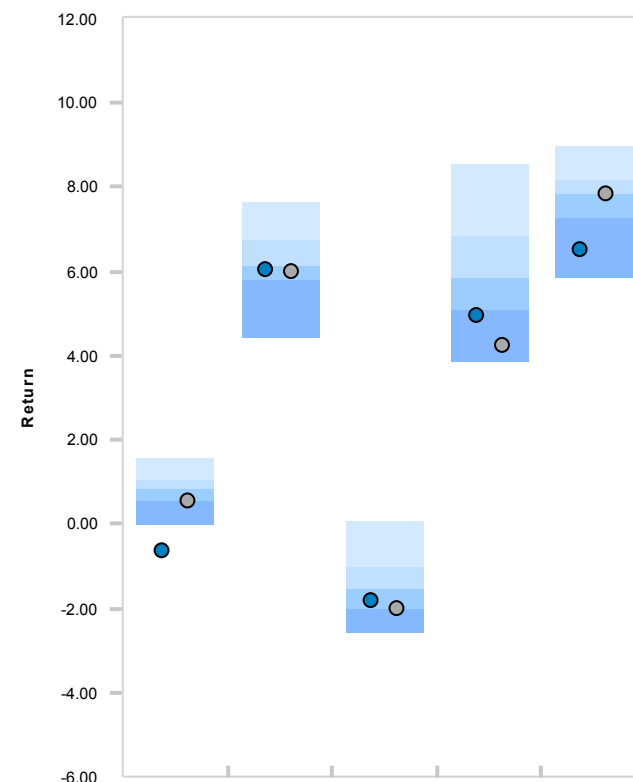
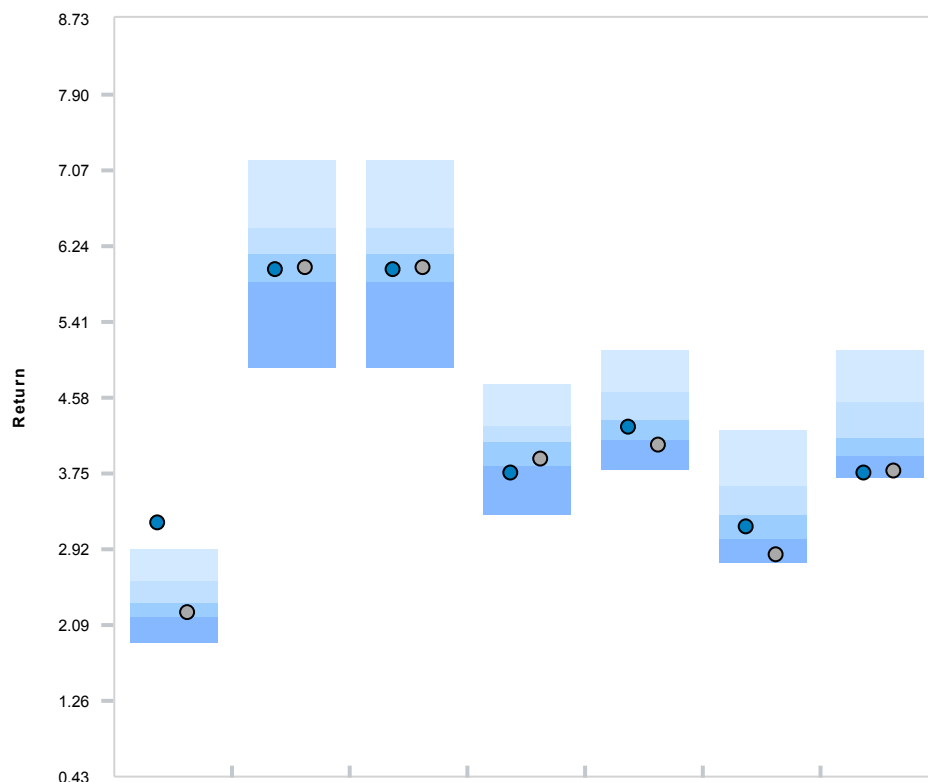
**Pacific Moderate Duration - Portfolio Description**

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

**Pacific Moderate Duration - Strategy Details**

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

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

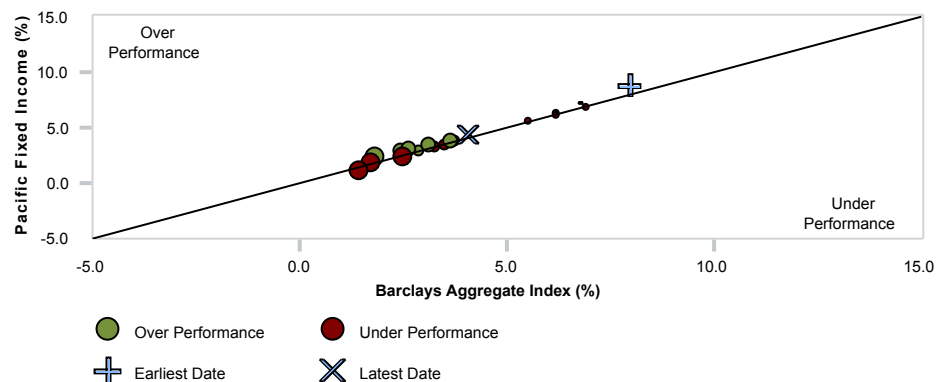


	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR		2015	2014	2013	2012	2011
● Pacific Fixed Income	3.20 (2)	5.97 (65)	5.97 (65)	3.75 (79)	4.26 (62)	3.17 (62)	3.76 (90)	● Pacific Fixed Income	-0.65 (99)	6.02 (63)	-1.84 (66)	4.93 (77)	6.52 (89)
● Barclays Aggregate Index	2.21 (69)	6.00 (62)	6.00 (62)	3.91 (70)	4.06 (82)	2.85 (88)	3.76 (89)	● Barclays Aggregate Index	0.55 (73)	5.97 (66)	-2.02 (74)	4.21 (90)	7.84 (49)
Median	2.32	6.14	6.14	4.11	4.34	3.30	4.14	Median	0.82	6.14	-1.55	5.83	7.83

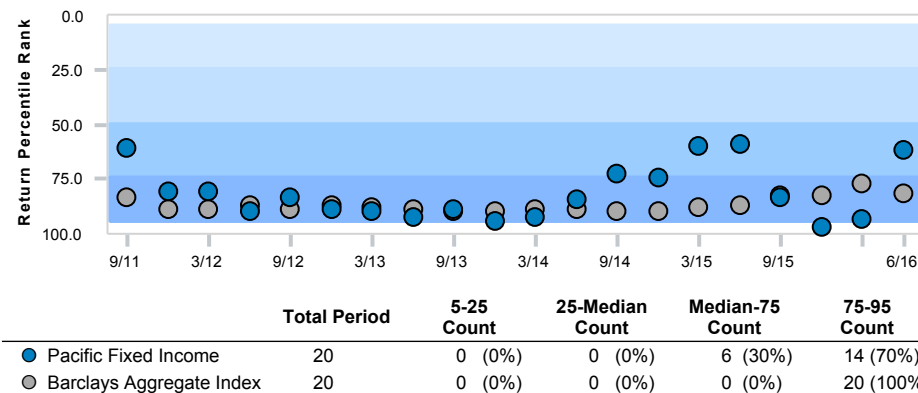
Comparative Performance

	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015	1 Qtr Ending Dec-2014
Pacific Fixed Income	3.53 (2)	-1.28 (100)	0.47 (92)	-1.60 (52)	1.80 (35)	1.25 (91)
Barclays Aggregate Index	3.03 (51)	-0.57 (72)	1.23 (40)	-1.68 (72)	1.61 (75)	1.79 (39)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	3.03	-0.45	1.14	-1.60	1.74	1.74

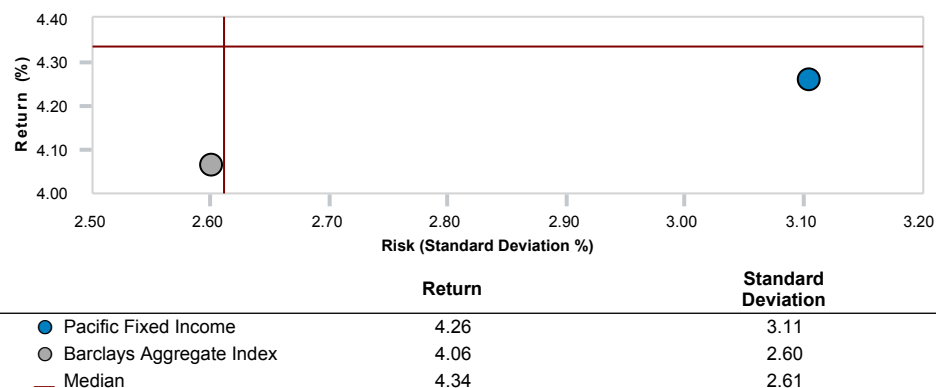
### 3 Yr Rolling Under/Over Performance - 5 Years



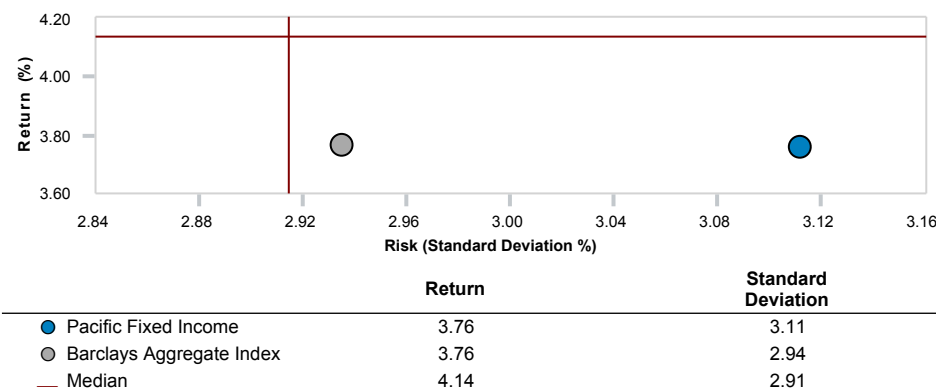
### 3 Yr Rolling Percentile Ranking - 5 Years



### Peer Group Scattergram - 3 Years



### Peer Group Scattergram - 5 Years



### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Pacific Fixed Income	1.20	105.58	107.09	0.32	0.16	1.49	0.97	1.23
Barclays Aggregate Index	0.00	100.00	100.00	0.00	N/A	1.52	1.00	1.11

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Pacific Fixed Income	1.01	102.15	106.04	0.13	0.00	1.30	0.96	1.53
Barclays Aggregate Index	0.00	100.00	100.00	0.00	N/A	1.34	1.00	1.42

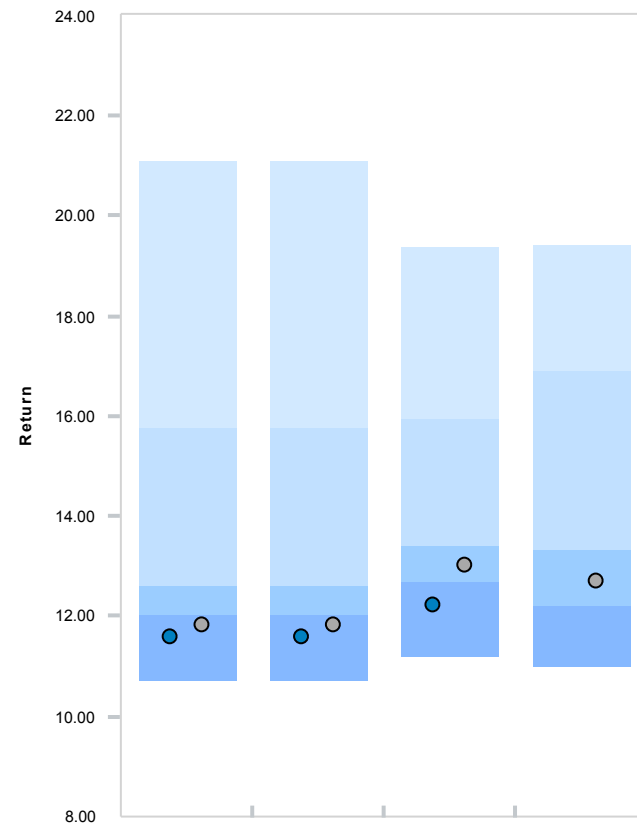
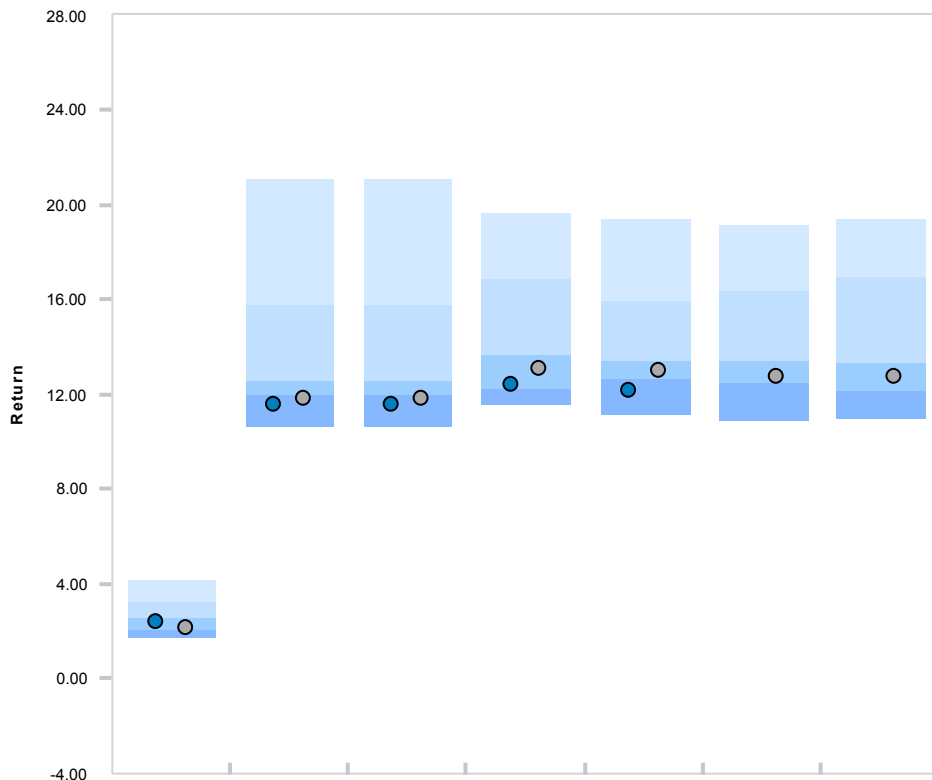
#### AEW Core Property - Portfolio Description

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

#### AEW Core Property - Strategy Details

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

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



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● AEW Core Property Trust	2.41 (62)	11.59 (79)	11.59 (79)	12.39 (70)	12.20 (84)	N/A	N/A
● NCREIF-ODCE (VW)	2.13 (73)	11.82 (77)	11.82 (77)	13.12 (62)	13.00 (63)	12.79 (71)	12.72 (68)
Median	2.54	12.63	12.63	13.65	13.41	13.44	13.35

	FYTD	1 YR	3 YR	5 YR
● AEW Core Property Trust	11.59 (79)	11.59 (79)	12.20 (84)	N/A
● NCREIF-ODCE (VW)	11.82 (77)	11.82 (77)	13.00 (63)	12.72 (68)
Median	12.63	12.63	13.41	13.35

**Comparative Performance**

	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015	1 Qtr Ending Dec-2014
AEW Core Property Trust	2.05 (78)	3.55 (52)	3.12 (77)	4.22 (36)	2.21 (97)	3.14 (59)
NCREIF Fund Index-ODCE (VW)	2.18 (65)	3.34 (63)	3.68 (48)	3.82 (45)	3.39 (57)	3.26 (57)
IM U.S. Open End Private Real Estate (SA+CF) Median	2.64	3.57	3.56	3.72	3.55	3.45

#### Bloomfield Income Fund - Portfolio Description

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

#### Bloomfield Income Fund - Strategy Details

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

#### Metropolitan MREP VI - Portfolio Description

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

#### Metropolitan MREP VI - Strategy Details

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

#### RMK Timber - Portfolio Description

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

#### RMK Timber - Strategy Details

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

## Fund Information

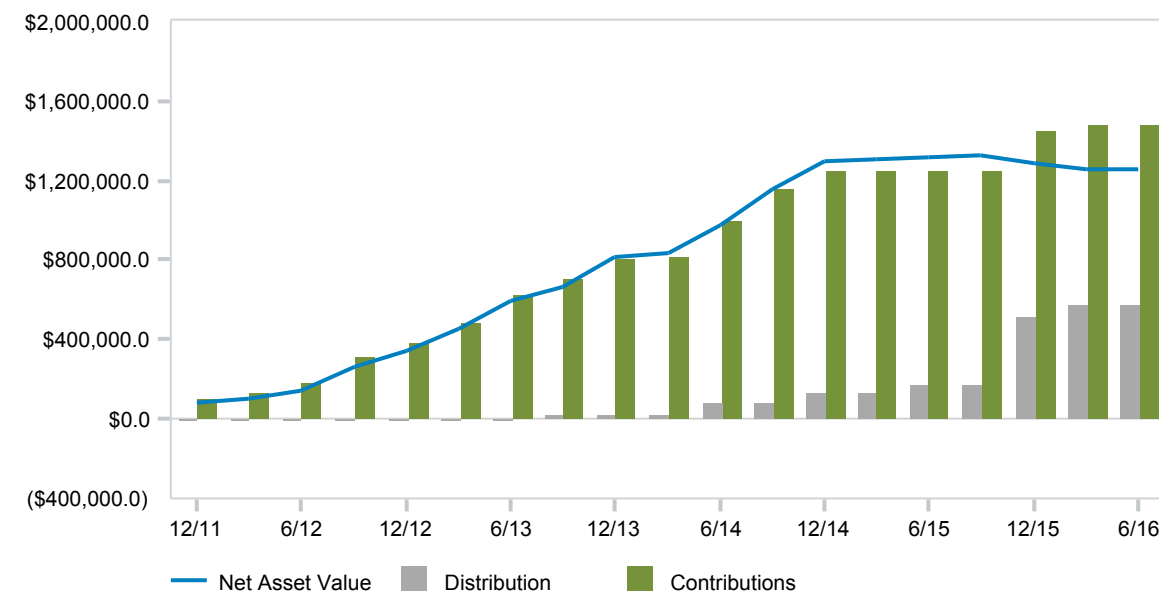
Type of Fund:	Fund Of Funds	Vintage Year:	2008
Strategy Type:	Real Estate	Management Fee:	1%
Target IRR:	9%	Inception:	03/19/2008
General Partner:	MREP6, LLC		
Investment Strategy:	Private Equity Real Estate value add/opportunistic multi-manager		

## Cash Flow Summary

Capital Committed:	\$2,000,000
Capital Invested:	\$1,477,053
Management Fees:	-
Expenses:	-
Interest:	\$1,188
Total Contributions:	\$1,478,241
Remaining Capital Commitment:	\$694,747

Total Distributions:	\$573,221
Market Value:	\$1,254,965
Inception Date:	11/30/2011
Inception IRR:	9.7
TVPI:	1.2

## Cash Flow Analysis





#### Fund Information

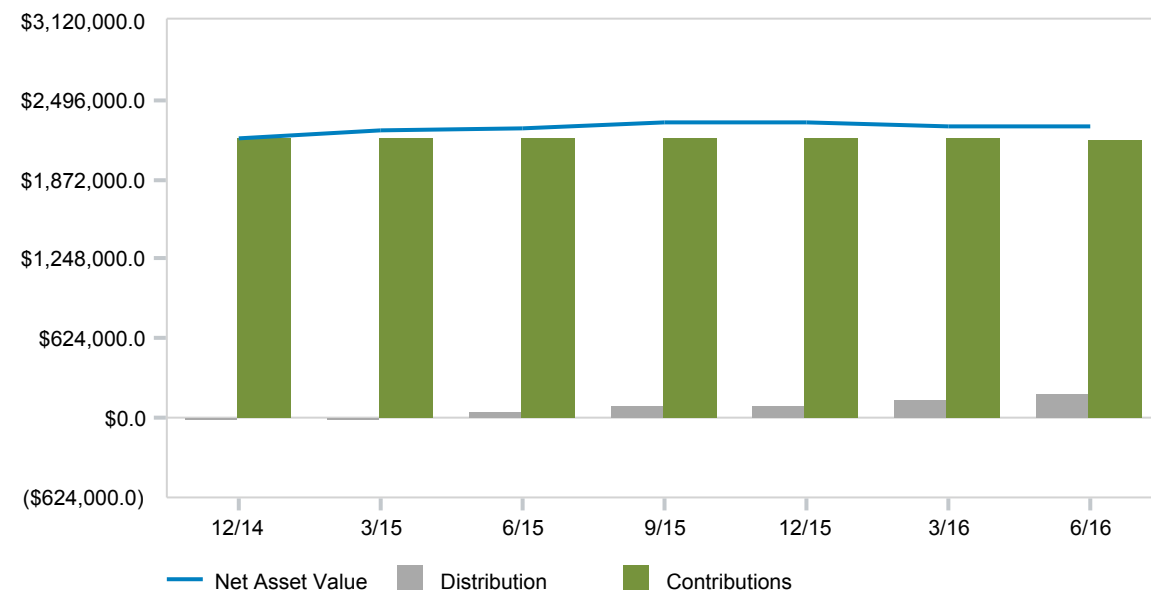
<b>Type of Fund:</b>	Direct	<b>Vintage Year:</b>	2011
<b>Strategy Type:</b>	Other	<b>Management Fee:</b>	2.00%
<b>Target IRR:</b>	9.00%	<b>Inception:</b>	11/13/2011
<b>General Partner:</b>	Bloomfield Capital Partners, LLC		
<b>Investment Strategy:</b>	Bloomfield Capital Income Fund II invests primarily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

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

#### Cash Flow Summary

<b>Capital Committed:</b>	\$2,200,000
<b>Capital Invested:</b>	\$2,200,000
<b>Management Fees:</b>	\$30,792
<b>Expenses:</b>	-
<b>Interest:</b>	-
<b>Total Contributions:</b>	\$2,183,316
<b>Remaining Capital Commitment:</b>	\$16,684
<b>Total Distributions:</b>	\$197,458
<b>Market Value:</b>	\$2,291,588
<b>Inception Date:</b>	12/22/2014
<b>Inception IRR:</b>	9.3
<b>TVPI:</b>	1.1

#### Cash Flow Analysis



<b>Total Fund Policy</b>	
<b>Allocation Mandate</b>	<b>Weight (%)</b>
<b>Jan-1985</b>	
S&P 500 Index	20.50
S&P MidCap 400 Index	16.00
Russell 2000 Index	14.00
MSCI EAFE (net) Index	15.00
Barclays Aggregate Index	30.00
NCREIF Fund Index-ODCE (VW)	4.50

<b>Total Domestic Equity Policy</b>	
<b>Allocation Mandate</b>	<b>Weight (%)</b>
<b>Jan-1985</b>	
S&P 500 Index	40.00
S&P MidCap 400 Index	32.00
Russell 2000 Index	28.00

<b>Total Fixed Income Policy</b>	
<b>Allocation Mandate</b>	<b>Weight (%)</b>
<b>Jan-1976</b>	
Barclays Aggregate Index	100.00

<b>Total International Equity Policy</b>	
<b>Allocation Mandate</b>	<b>Weight (%)</b>
<b>Jan-1970</b>	
MSCI EAFE (net) Index	100.00

<b>Total Real Estate Policy</b>	
<b>Allocation Mandate</b>	<b>Weight (%)</b>
<b>Jan-1978</b>	
NCREIF Property Index	100.00

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

Plan Disclosures:

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

# Southfield Employees Retirement System

## Fee Analysis

As of June 30, 2016

	Estimated Annual Fee (%)	Market Value (\$)	Estimated Annual Fee (\$)	Fee Schedule
Comerica S&P 500 Index Fund	0.09	24,625,806	21,101	0.12 % of First \$2 M 0.10 % of Next \$3 M 0.08 % of Next \$20 M 0.06 % of Next \$25 M 0.04 % of Next \$50 M 0.02 % Thereafter
Victory Mid Cap Equity	0.75	12,368,268	92,762	0.75 % of First \$25 M 0.60 % of Next \$25 M 0.55 % of Next \$50 M 0.50 % Thereafter
SouthernSun SC	1.00	12,825,120	128,251	1.00 % of First \$15 M 0.85 % Thereafter
Walhausen & Co. SMID Value	1.00	5,247,063	52,471	1.00 % of Assets
<b>Total Domestic Equity</b>	<b>0.53</b>	<b>55,066,258</b>	<b>294,584</b>	
WCM Focused Growth International	0.85	9,289,599	78,962	0.85 % of Assets
LSV International LCV	0.75	10,189,716	76,423	0.75 % of First \$25 M 0.65 % of Next \$25 M 0.55 % of Next \$50 M 0.45 % Thereafter
<b>Total International Equity</b>	<b>0.80</b>	<b>19,479,315</b>	<b>155,384</b>	
Pacific Fixed Income	0.30	10,120,870	30,363	0.30 % of Assets
<b>Total Fixed Income</b>	<b>0.30</b>	<b>10,120,870</b>	<b>30,363</b>	
AEW Core Property Trust	1.25	5,838,851	72,986	1.25 % of Assets
Bloomfield Capital Income Fund II	2.00	2,291,588	45,832	2.00 % of Assets
Metropolitan Real Estate VI	0.00	1,254,965	-	0.00 % of Assets
<b>Total Real Estate</b>	<b>1.03</b>	<b>7,093,816</b>	<b>72,986</b>	
Magnitude Institutional	1.00	2,478,221	24,782	1.00 % of Assets
Titan Masters Int'l Fund	0.75	2,245,454	16,841	0.75 % of Assets
<b>Total Hedge Fund of Funds</b>	<b>0.88</b>	<b>4,723,675</b>	<b>41,623</b>	
<b>Cash</b>		<b>3,547,607</b>	<b>-</b>	
<b>Total Fund</b>	<b>0.64</b>	<b>105,365,536</b>	<b>674,292</b>	

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

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

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

This performance report is based on data obtained by the client's custodian(s), investment fund administrator, or other sources believed to be reliable. While these sources are believed to be reliable, the data providers are responsible for the accuracy and completeness of their statements. Clients are encouraged to compare the records of their custodian(s) to ensure this report fairly and accurately reflects their various asset positions.

The strategies listed may not be suitable for all investors. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. Past performance is not an indication of future performance. Any information contained in this report is for informational purposes only and should not be construed to be an offer to buy or sell any securities, investment consulting, or investment management services.

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