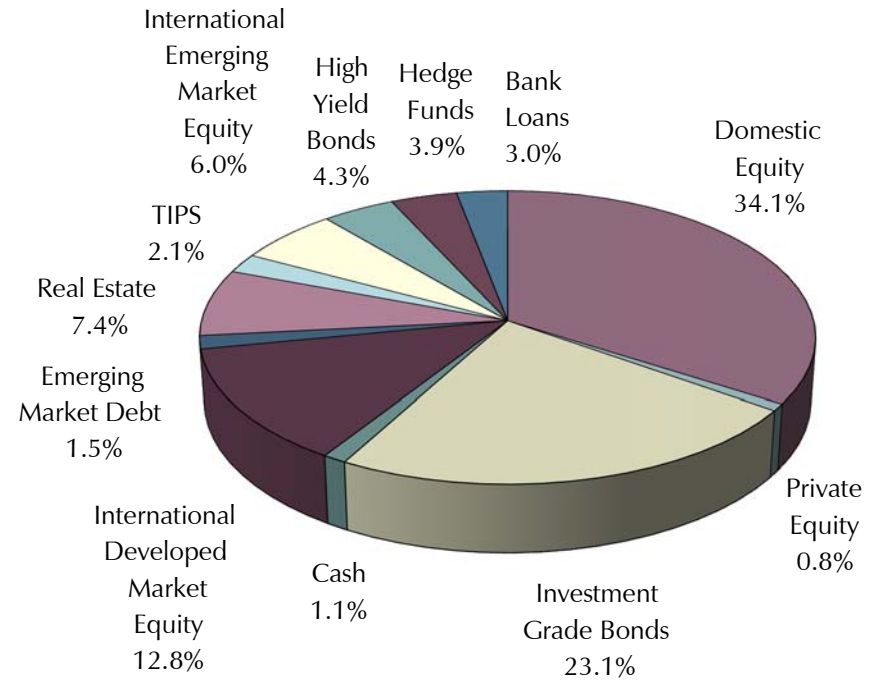
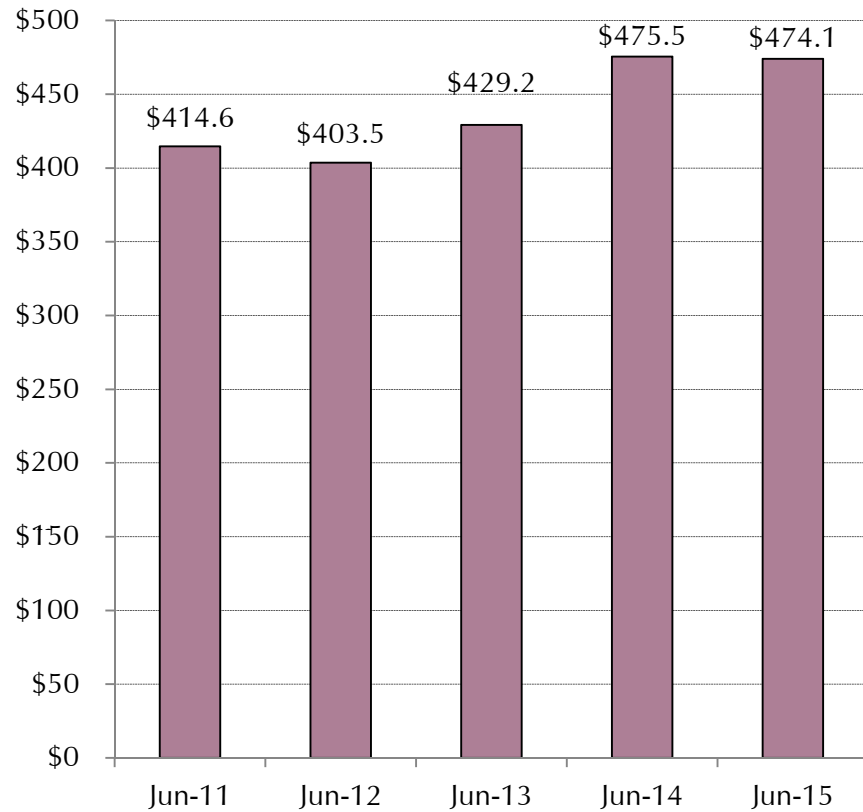


**Retirement System Summary
As of June 30, 2015**

City of Ann Arbor Employees' Retirement System

Aggregate Assets as of 6/30/15



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Asset Summary as of 6/30/15

	Market Value 6/30/15 (\$ mm)	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 3/31/15 (\$ mm)
Total Retirement System	474.1	100	NA	NA	478.2
Domestic Equity Assets	161.6	34	31	25-37	167.9
International Developed Market Equity Assets	60.8	13	12	9-15	60.8
International Emerging Market Equity Assets	28.4	6	6	0-9	28.2
Private Equity Assets	3.6	1	3	0-5	0.0
Investment Grade Bond Assets	109.6	23	19	15-24	110.8
TIPS Assets	10.1	2	8	0-10	10.1
High Yield Bond Assets ¹	20.3	4	3	1-5	20.0
Bank Loan Assets	14.1	3	2	0-4	14.0
Emerging Market Debt Assets	6.9	1	2	0-4	7.0
Real Estate Assets	35.0	7	9	2-12	34.1
Natural Resources Assets	0.0	0	3	0-5	0.0
Hedge Fund Assets	18.4	4	2	1-5	21.3
Cash	5.3	1	0	< 5	4.0

¹ Includes Summit Partners Credit Fund II.



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Portfolio Roster as of 6/30/15

	Market Value 6/30/15 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 3/31/15 (\$ mm)
Total Retirement System	474.1	NA	100	NA	NA	478.2
Domestic Equity Assets	161.6	100	34	31	25-37	167.9
Northern Trust Russell 1000 Index	115.4	71	24			117.7
Northern Trust S&P 400 MidCap Index	19.7	12	4			23.6
Loomis Sayles Small Cap Value Equity	26.5	16	6			26.7
International Developed Market Equity Assets	60.8	100	13	12	9-15	60.8
Northern Trust MSCI EAFE Index	32.2	53	7			31.9
Fisher Institutional Foreign Equity	28.6	47	6			28.9
International Emerging Market Equity Assets	28.4	100	6	6	0-9	28.2
Dimensional Emerging Markets Value	18.3	64	4			18.0
Vontobel Emerging Markets Equity	10.1	36	2			10.3
Private Equity Assets	3.6	100	1	3	0-5	0.0
Ironsides Co-Investment Fund III, L.P. ¹	3.3	91	1			0.0
Ironsides Partnership Fund III, L.P. ¹	0.3	9	< 1			0.0

¹ Initial Capital called on June 29, 2015.



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Portfolio Roster as of 6/30/15

	Market Value 6/30/15 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 3/31/15 (\$ mm)
Investment Grade Bond Assets	109.6	100	23	19	15-24	110.8
Northern Trust Barclays Aggregate Index	67.3	61	14			68.4
Short Duration Bonds	42.4	39	9			42.4
Northern Trust 1-5 Year Credit Bond	38.1	35	8			38.1
Northern Trust Short-Term Government Bond	4.3	4	1			4.3
TIPS Assets	10.1	100	2	8	0-10	10.1
IR&M 1-10 Year Index	10.1	100	2			10.1
High Yield Bond Assets	20.3	100	4	3	1-5	20.0
SKY Harbor High Yield	18.1	90	4			18.0
Summit Partners Credit Fund II ¹	2.1	10	< 1			1.9
Bank Loan Assets	14.1	100	3	2	0-4	14.0
Beach Point Leveraged Loan	14.1	100	3			14.0
Emerging Market Debt Assets	6.9	100	1	2	0-4	7.0
Stone Harbor Emerging Markets Local Currency Debt	6.9	100	1			7.0

¹ Market value as of March 31, 2015, adjusted for subsequent cash flows.



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Portfolio Roster as of 6/30/15

	Market Value 6/30/15 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 3/31/15 (\$ mm)
Real Estate Assets	35.0	100	7	9	2-12	34.1
A.E.W Core Property Trust ¹	21.2	61	4			20.5
Intercontinental Real Estate Investment Fund III	8.0	23	2			8.0
INVESCO Mortgage Recovery Loans ²	3.9	11	1			3.8
DRA Growth and Income Fund VIII ²	1.8	5	< 1			1.8
INVESCO Mortgage Recovery Feeder ²	< 0.1	< 1	< 1			< 0.1
Hedge Fund Assets³	18.4	100	4	2	1-5	21.3
36 South Kohinoor Series Three	9.1	49	2			9.3
Tse Capital Offshore Fund, Ltd.	6.6	36	1			5.0
Och-Ziff Credit Opportunities	2.8	15	1			0.0
Cash	5.3	100	1	0	< 5	4.0
Northern Trust Cash Account	5.3	100	1			4.0

¹ Preliminary market value as of June 30, 2015.

² Market value as of March 31, 2015, adjusted for subsequent cash flows.

³ BlackRock holdback was received on June 30, 2015.



**City of Ann Arbor
Employees' Retirement System**

**Aggregate Assets
Performance as of 6/30/15**

	2Q15 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Total Retirement System	-0.1	2.6	3.8	10.1	10.5	6.3	10/1/90	8.6
Net of Fees	-0.1	2.5	3.6	9.8	10.2	NA		NA
<i>Policy Benchmark¹</i>	<i>0.1</i>	<i>2.2</i>	<i>2.1</i>	<i>9.0</i>	<i>10.5</i>	<i>6.2</i>		<i>8.7</i>
<i>Actual Allocation Benchmark</i>	<i>0.0</i>	<i>2.1</i>	<i>3.0</i>	<i>9.8</i>	<i>NA</i>	<i>NA</i>		<i>NA</i>
<i>60% MSCI ACWI/ 40% Barclays Aggregate</i>	<i>-0.5</i>	<i>1.6</i>	<i>1.3</i>	<i>8.5</i>	<i>8.7</i>	<i>6.0</i>		<i>NA</i>
Domestic Equity	-0.1	2.6	7.2	18.0	17.9	8.7	10/1/90	10.3
<i>Russell 3000</i>	<i>0.1</i>	<i>1.9</i>	<i>7.3</i>	<i>17.7</i>	<i>17.5</i>	<i>8.2</i>		<i>10.6</i>
International Developed Market Equity	-0.1	5.7	-0.6	10.2	9.1	6.0	10/1/95	8.7
<i>MSCI EAFE</i>	<i>0.6</i>	<i>5.5</i>	<i>-4.2</i>	<i>12.0</i>	<i>9.5</i>	<i>5.1</i>		<i>5.0</i>
International Emerging Market Equity	0.7	1.2	-6.6	2.8	NA	NA	2/1/12	1.2
<i>MSCI Emerging Markets</i>	<i>0.7</i>	<i>2.9</i>	<i>-5.1</i>	<i>3.7</i>	<i>3.7</i>	<i>8.1</i>		<i>1.2</i>
Investment Grade Bonds ²	-1.0	0.4	1.7	2.5	4.0	5.2	10/1/90	6.4
<i>Barclays Aggregate</i>	<i>-1.7</i>	<i>-0.1</i>	<i>1.9</i>	<i>1.8</i>	<i>3.3</i>	<i>4.4</i>		<i>6.4</i>
TIPS	-0.2	1.1	-2.0	NA	NA	NA	11/1/13	0.1
<i>Barclays U.S. TIPS</i>	<i>-1.1</i>	<i>0.3</i>	<i>-1.7</i>	<i>-0.8</i>	<i>3.3</i>	<i>4.1</i>		<i>0.8</i>
<i>Barclays U.S. TIPS 1-10 Year</i>	<i>-0.1</i>	<i>1.1</i>	<i>-1.9</i>	<i>-0.5</i>	<i>2.4</i>	<i>3.7</i>		<i>0.1</i>

¹ As of 3Q 2011, the Policy Benchmark comprises 31% Russell 3000, 12% MSCI EAFE, 6% MSCI EM, 3% Russell 3000 + 3% (1 qtr lagged), 19% Barclays Aggregate, 8% Barclays U.S. TIPS, 3% Barclays High Yield, 2% CSFB Leveraged Loan, 2% JPM GBI-EM Global Diversified, 9% NCREIF ODCE (equal weighted), 3% DJ-UBS Commodity, and 2% HFRI Fund Weighted Composite.

² Prior to July 2011, Investment Grade Bonds included an allocation to High Yield.



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Performance as of 6/30/15

	2Q15 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Total Retirement System (continued)	-0.1	2.6	3.8	10.1	10.5	6.3	10/1/90	8.6
Net of Fees (continued)	-0.1	2.5	3.6	9.8	10.2	NA		NA
High Yield Bonds ¹	0.7	2.3	-1.6	6.4	7.7	NA	7/1/09	10.4
<i>Barclays High Yield</i>	0.0	2.5	-0.4	6.8	8.6	7.9		11.4
Bank Loans	0.6	2.7	3.3	6.3	NA	NA	4/1/12	6.3
<i>CSFB Leveraged Loan</i>	0.8	2.9	2.1	5.3	5.7	4.7		5.2
Emerging Market Debt	-0.6	-3.7	-16.9	-6.1	NA	NA	6/1/12	-4.4
<i>JPM GBI-EM Global Diversified (unhedged)</i>	-1.0	-4.9	-15.4	-3.8	0.9	5.9		-2.0
Real Estate	2.4	10.0	19.0	17.9	15.0	5.7	7/1/03	8.0
<i>NCREIF ODCE Equal Weighted Preliminary</i>	3.8	7.3	14.4	13.1	14.4	6.9		7.7
Hedge Funds	-0.5	-0.1	4.4	4.7	3.7	NA	7/1/09	4.7
<i>HFRI Fund Weighted Composite Index</i>	0.2	2.4	2.3	6.4	5.1	5.2		5.8

¹ Includes Summit Partners Credit Fund II.



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Performance as of 6/30/15

	2Q15 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Domestic Equity	-0.1	2.6	7.2	18.0	17.9	8.7	10/1/90	10.3
Northern Trust Russell 1000 Index	0.1	1.7	7.4	17.7	17.6	NA	7/1/06	8.1
Net of Fees	0.1	1.7	7.3	17.7	17.6	NA		8.1
<i>Russell 1000</i>	<i>0.1</i>	<i>1.7</i>	<i>7.4</i>	<i>17.7</i>	<i>17.6</i>	<i>8.1</i>		<i>8.0</i>
Northern Trust S&P 400 MidCap Index	-1.1	4.2	6.4	18.6	17.9	NA	6/1/07	8.0
Net of Fees	-1.1	4.2	6.4	18.6	17.8	NA		NA
<i>S&P MidCap</i>	<i>-1.1</i>	<i>4.2</i>	<i>6.4</i>	<i>18.6</i>	<i>17.8</i>	<i>9.7</i>		<i>7.9</i>
Loomis Sayles Small Cap Value Equity	-0.4	4.5	5.7	18.4	18.1	10.2	4/1/97	11.8
Net of Fees	-0.6	4.1	5.0	17.6	17.3	9.5		NA
<i>Russell 2000 Value</i>	<i>-1.2</i>	<i>0.8</i>	<i>0.8</i>	<i>15.5</i>	<i>14.8</i>	<i>6.9</i>		<i>9.6</i>
International Developed Market Equity	-0.1	5.7	-0.6	10.2	9.1	6.0	10/1/95	8.7
Northern Trust MSCI EAFE Index	0.8	5.8	NA	NA	NA	NA	12/1/14	2.2
Net of Fees	0.8	5.8	NA	NA	NA	NA		2.1
<i>MSCI EAFE</i>	<i>0.6</i>	<i>5.5</i>	<i>-4.2</i>	<i>12.0</i>	<i>9.5</i>	<i>5.1</i>		<i>1.9</i>
Fisher Institutional Foreign Equity	-1.0	5.5	-1.8	12.1	11.3	NA	2/1/07	3.7
Net of Fees	-1.2	5.1	-2.7	11.1	10.4	NA		NA
<i>MSCI EAFE</i>	<i>0.6</i>	<i>5.5</i>	<i>-4.2</i>	<i>12.0</i>	<i>9.5</i>	<i>5.1</i>		<i>1.4</i>



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Performance as of 6/30/15

	2Q15 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
International Emerging Market Equity	0.7	1.2	-6.6	2.8	NA	NA	2/1/12	1.2
Dimensional Emerging Markets Value ¹	1.7	1.5	-9.1	2.3	NA	NA	2/1/12	-0.6
<i>MSCI Emerging Markets</i>	0.7	2.9	-5.1	3.7	3.7	8.1		1.2
Vontobel Emerging Markets Equity	-0.9	0.8	-2.5	4.5	NA	NA	2/1/12	4.8
Net of Fees	-1.2	0.3	-3.5	3.3	NA	NA		3.7
<i>MSCI Emerging Markets</i>	0.7	2.9	-5.1	3.7	3.7	8.1		1.2
Investment Grade Bonds²	-1.0	0.4	1.7	2.5	4.0	5.2	10/1/90	6.4
Northern Trust Barclays Aggregate Index	-1.7	-0.1	1.9	1.8	3.3	4.4	7/1/98	5.2
Net of Fees	-1.7	-0.1	1.9	1.7	3.3	4.4		NA
<i>Barclays Aggregate</i>	-1.7	-0.1	1.9	1.8	3.3	4.4		5.2
Short Duration Bonds	0.0	1.1	1.2	NA	NA	NA	2/1/13	1.5
Northern Trust 1-5 Year Credit Bond	0.0	1.1	1.3	NA	NA	NA	2/1/13	1.6
Net of Fees	0.0	1.1	1.2	NA	NA	NA		1.6
<i>Barclays 1-5 Year Credit</i>	-0.1	1.0	1.3	2.3	3.0	4.1		1.7
Northern Trust Short-Term Government Bond	0.1	0.6	0.9	NA	NA	NA	2/1/13	0.7
Net of Fees	0.1	0.6	0.8	NA	NA	NA		0.6
<i>Barclays 1-3 Year Government</i>	0.1	0.7	0.9	0.7	0.9	2.6		0.7

¹ Returns shown are net of fees.

² Prior to July 2011, Investment Grade Bonds included an allocation to High Yield.



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Performance as of 6/30/15

	2Q15 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
TIPS	-0.2	1.1	-2.0	NA	NA	NA	11/1/13	0.1
IR&M 1-10 Year Index	-0.2	1.1	-2.0	NA	NA	NA	11/1/13	0.1
Net of Fees	-0.2	1.1	-2.1	NA	NA	NA		0.0
<i>Barclays U.S. TIPS 1-10 Year</i>	-0.1	1.1	-1.9	-0.5	2.4	3.7		0.1
High Yield Bonds¹	0.7	2.3	-1.6	6.4	7.7	NA	7/1/09	10.4
SKY Harbor High Yield	0.6	2.6	-1.4	NA	NA	NA	9/1/12	5.6
Net of Fees	0.5	2.3	-1.9	NA	NA	NA		5.1
<i>Barclays High Yield</i>	0.0	2.5	-0.4	6.8	8.6	7.9		6.1
Bank Loans	0.6	2.7	3.3	6.3	NA	NA	4/1/12	6.3
Beach Point Leveraged Loan	0.6	2.7	3.3	6.3	NA	NA	4/1/12	6.3
Net of Fees	0.4	2.4	2.6	5.6	NA	NA		5.6
<i>CSFB Leveraged Loan</i>	0.8	2.9	2.1	5.3	5.7	4.7		5.2
Emerging Market Debt	-0.6	-3.7	-16.9	-6.1	NA	NA	6/1/12	-4.4
Stone Harbor Emerging Markets Local Currency Debt ²	-0.6	-3.7	-16.9	-6.1	NA	NA	6/1/12	-4.4
<i>JPM GBI-EM Global Diversified (unhedged)</i>	-1.0	-4.9	-15.4	-3.8	0.9	5.9		-2.0

¹ Includes Summit Partners Credit Fund III.

² Returns shown are net of fees.



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Performance as of 6/30/15

	2Q15 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Real Estate	2.4	10.0	19.0	17.9	15.0	5.7	7/1/03	8.0
A.E.W Core Property Trust	3.8	5.9	12.1	NA	NA	NA	7/1/13	11.5
NCREIF ODCE Equal Weighted Preliminary	3.8	7.3	14.4	13.1	14.4	6.9		13.4
Hedge Funds¹	-0.5	-0.1	4.4	4.7	3.7	NA	7/1/09	4.7
36 South Kohinoor Series Three	-2.2	NA	NA	NA	NA	NA	2/1/15	-2.9
HFRI Macro Index	-3.6	-0.4	4.1	1.8	1.8	4.2		-2.8
Tse Capital Offshore Fund, Ltd.	2.2	NA	NA	NA	NA	NA	2/1/15	7.4
HFRI Macro Index	-3.6	-0.4	4.1	1.8	1.8	4.2		-2.8
Och-Ziff Credit Opportunities	NA	NA	NA	NA	NA	NA	6/30/15	-1.4
Barclays High Yield	0.0	2.5	-0.4	6.8	8.6	7.9		-1.5

² Hedge fund manager returns shown are net of fees.



**City of Ann Arbor
Employees' Retirement System**

**Aggregate Assets
Calendar Year Performance**

	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)
Total Retirement System	6.4	15.0	11.6	0.6	15.1	18.8	-26.3	6.4	14.6	7.1
Net of Fees	6.1	14.7	11.4	0.3	14.8	18.5	-26.4	NA	NA	NA
<i>Policy Benchmark¹</i>	5.5	12.9	12.9	1.9	15.6	19.7	-26.0	5.0	15.1	7.5
<i>Actual Allocation Benchmark</i>	6.1	15.4	12.0	NA	NA	NA	NA	NA	NA	NA
<i>60% MSCI ACWI/ 40% Barclays Aggregate</i>	5.0	12.3	11.5	-1.1	10.8	23.0	-25.8	9.9	14.1	7.5
Domestic Equity	11.7	33.5	16.8	0.5	21.7	32.5	-38.1	3.9	14.4	7.6
Northern Trust Russell 1000 Index	13.2	33.1	16.4	1.6	16.3	28.9	-37.5	5.9	NA	NA
Net of Fees	13.2	33.1	16.4	1.5	16.3	28.9	-37.6	5.8	NA	NA
<i>Russell 1000</i>	13.2	33.1	16.4	1.5	16.1	28.4	-37.6	5.8	15.5	6.3
Northern Trust S&P 400 MidCap Index	9.8	33.5	17.9	-1.7	26.7	38.0	-36.3	NA	NA	NA
Net of Fees	9.7	33.5	17.9	-1.7	26.7	38.0	-36.3	NA	NA	NA
<i>S&P MidCap</i>	9.8	33.5	17.9	-1.7	26.6	37.4	-36.2	8.0	10.3	12.6
Loomis Sayles Small Cap Value Equity	6.4	36.1	17.0	-0.1	25.1	29.5	-31.2	3.2	20.8	9.1
Net of Fees	5.6	35.1	16.2	-0.8	24.3	28.5	-31.5	2.6	20.2	8.2
<i>Russell 2000 Value</i>	4.2	34.5	18.1	-5.5	24.5	20.6	-28.9	-9.8	23.5	4.7

¹ As of 3Q 2011, the Policy Benchmark comprises 31% Russell 3000, 12% MSCI EAFE, 6% MSCI EM, 3% Russell 3000 + 3% (1 qtr lagged), 19% Barclays Aggregate, 8% Barclays U.S. TIPS, 3% Barclays High Yield, 2% CSFB Leveraged Loan, 2% JPM GBI-EM Global Diversified, 9% NCREIF ODCE (equal weighted), 3% DJ-UBS Commodity, and 2% HFRI Fund Weighted Composite.



**City of Ann Arbor
Employees' Retirement System**

**Aggregate Assets
Calendar Year Performance**

	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)
International Developed Market Equity	-5.7	19.5	16.4	-12.4	15.5	37.6	-43.4	21.7	23.6	7.7
Northern Trust MSCI EAFE Index	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI EAFE</i>	-4.9	22.8	17.3	-12.1	7.7	31.8	-43.4	11.2	26.3	13.5
Fisher Institutional Foreign Equity	-4.8	23.6	17.0	-10.8	17.0	42.2	-45.0	NA	NA	NA
Net of Fees	-5.7	22.5	15.9	-11.7	16.0	41.3	-45.5	NA	NA	NA
<i>MSCI EAFE</i>	-4.9	22.8	17.3	-12.1	7.7	31.8	-43.4	11.2	26.3	13.5
International Emerging Market Equity	-0.3	-4.6	NA	NA	NA	NA	NA	NA	NA	NA
Dimensional Emerging Markets Value ¹	-4.4	-3.8	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI Emerging Markets</i>	-2.2	-2.6	18.2	-18.4	18.9	78.5	-53.3	39.4	32.2	34.0
Vontobel Emerging Markets Equity	6.6	-4.4	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	5.5	-5.6	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI Emerging Markets</i>	-2.2	-2.6	18.2	-18.4	18.9	78.5	-53.3	39.4	32.2	34.0

¹ Returns shown are net of fees.



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Calendar Year Performance

	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)
Investment Grade Bonds¹	5.5	-1.0	6.1	6.1	7.8	11.2	4.2	6.4	4.8	2.7
Northern Trust Barclays Aggregate Index	6.1	-2.3	4.3	7.8	6.6	6.6	3.7	7.4	4.2	2.7
Net of Fees	6.0	-2.3	4.2	7.8	6.6	6.6	3.7	7.3	4.2	2.7
<i>Barclays Aggregate</i>	6.0	-2.0	4.2	7.8	6.5	5.9	5.2	7.0	4.3	2.4
Short Duration Bonds	1.6	NA	NA	NA	NA	NA	NA	NA	NA	NA
Northern Trust 1-5 Year Credit Bond	1.8	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	1.8	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Barclays 1-5 Year Credit</i>	1.9	1.2	5.5	3.0	5.4	13.5	-1.1	6.1	4.7	1.3
Northern Trust Short-Term Government Bond	0.6	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	0.6	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Barclays 1-3 Year Government</i>	0.6	0.4	0.5	1.6	2.4	1.4	6.7	7.1	4.1	1.7
TIPS	0.9	NA	NA	NA	NA	NA	NA	NA	NA	NA
IR&M 1-10 Year Index	0.9	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	0.8	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Barclays U.S. TIPS 1-10 Year</i>	0.9	-5.6	5.0	8.9	5.2	12.0	-2.4	11.4	1.6	1.9
High Yield Bonds	1.4	9.3	13.5	3.1	15.0	NA	NA	NA	NA	NA
SKY Harbor High Yield	1.4	9.3	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	0.8	8.7	NA	NA	NA	NA	NA	NA	NA	NA
<i>Barclays High Yield</i>	2.5	7.4	15.8	5.0	15.1	58.2	-26.2	1.9	11.8	2.7

¹ Prior to July 2011, Investment Grade Bonds included an allocation to High Yield.



**City of Ann Arbor
Employees' Retirement System**

**Aggregate Assets
Calendar Year Performance**

	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)
Bank Loans	2.7	7.1	NA	NA	NA	NA	NA	NA	NA	NA
Beach Point Leveraged Loan	2.7	7.1	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	2.0	6.4	NA	NA	NA	NA	NA	NA	NA	NA
<i>CSFB Leveraged Loan</i>	2.0	6.2	9.4	1.8	10.0	44.9	-28.8	1.9	7.2	5.7
Emerging Market Debt	-8.5	-12.6	NA	NA	NA	NA	NA	NA	NA	NA
Stone Harbor Emerging Markets Local Currency Debt ¹	-8.5	-12.6	NA	NA	NA	NA	NA	NA	NA	NA
<i>JPM GBI-EM Global Diversified (unhedged)</i>	-5.7	-9.0	16.8	-1.8	15.7	22.0	-5.2	18.1	15.2	6.3
Real Estate	22.0	11.5	16.7	7.7	13.6	-33.3	-10.4	3.1	23.4	14.4
A.E.W Core Property Trust	10.4	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>NCREIF ODCE</i>	12.5	14.0	10.9	16.0	16.4	-29.8	-10.0	16.0	16.3	21.4
Hedge Funds²	5.0	7.4	1.6	-2.1	5.8	NA	NA	NA	NA	NA
36 South Kohinoor Series Three	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Macro Index</i>	5.6	-0.4	-0.1	-4.1	8.1	4.3	4.8	11.1	8.2	6.8
Tse Capital Offshore Fund, Ltd.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Macro Index</i>	5.6	-0.4	-0.1	-4.1	8.1	4.3	4.8	11.1	8.2	6.8
Och-Ziff Credit Opportunities	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Barclays High Yield</i>	2.5	7.4	15.8	5.0	15.1	58.2	-26.2	1.9	11.8	2.7

¹ Returns shown are net of fees.

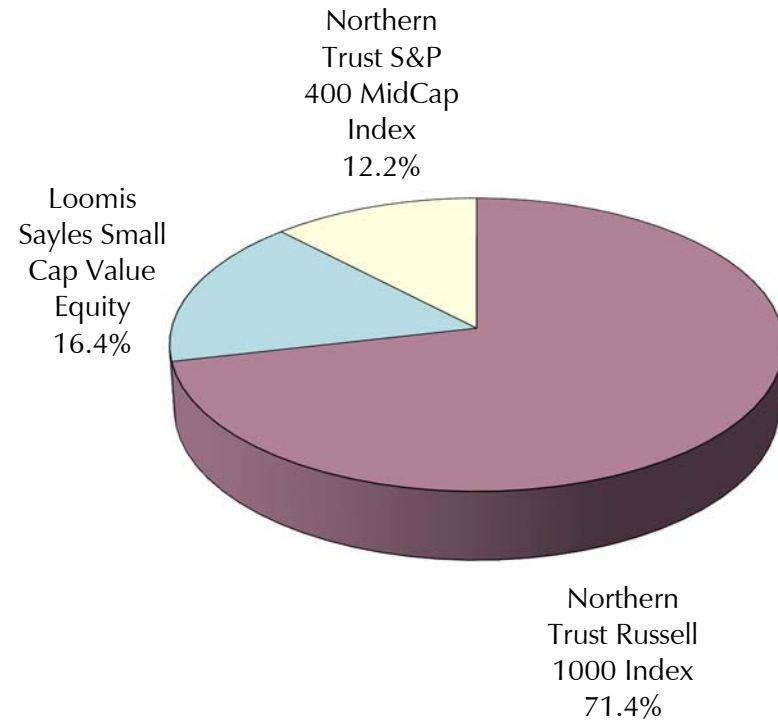
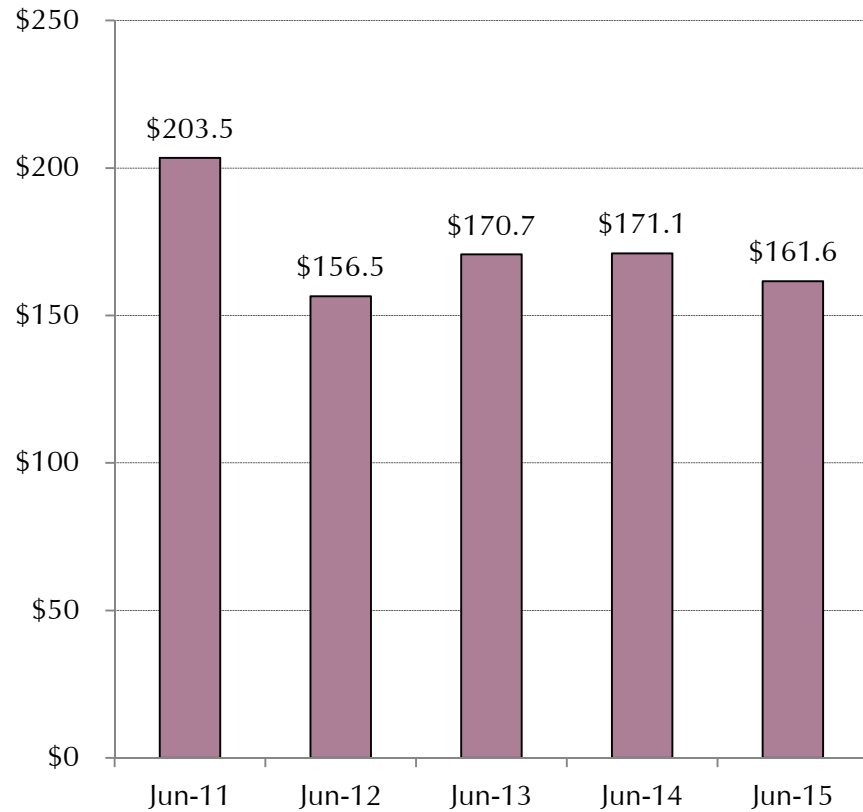
² Hedge fund manager returns shown are net of fees.



**Domestic Equity Assets
As of June 30, 2015**

City of Ann Arbor Employees' Retirement System

Domestic Equity Assets as of 6/30/15

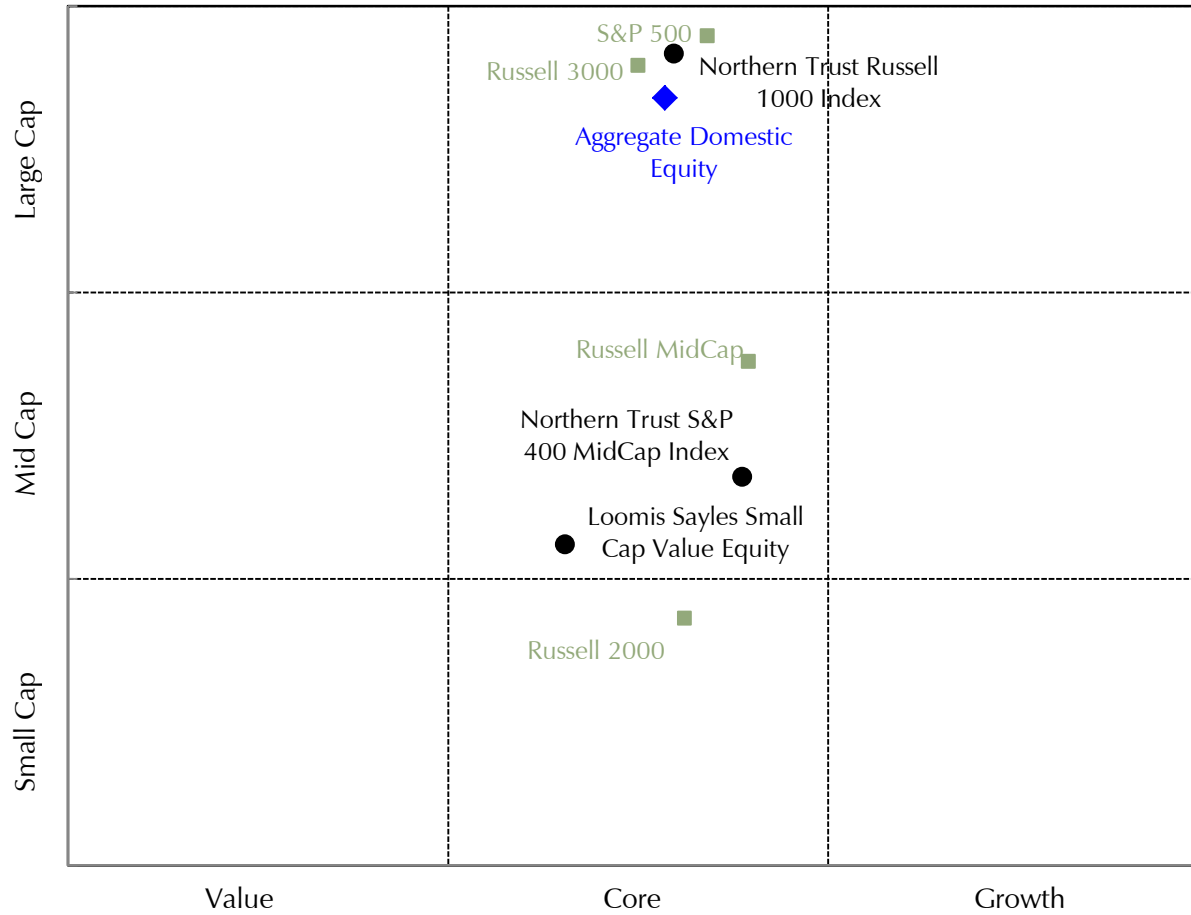


**City of Ann Arbor
Employees' Retirement System**

**Domestic Equity Assets
Risk as of 6/30/15**

Risk: (sixty months)	Aggregate Domestic Equity 6/30/15	Russell 3000 6/30/15
Annualized Return (%)	17.9	17.5
Standard Deviation (%)	15.5	14.6
Best Monthly Return (%)	12.6	11.5
Worst Monthly Return (%)	-8.9	-7.8
Beta	1.05	1.00
Correlation to Index	0.99	1.00
Correlation to Total Fund Return	0.98	NA
Sharpe Measure (risk-adjusted return)	1.15	1.20
Information Ratio	0.25	NA





**City of Ann Arbor
Employees' Retirement System**

**Domestic Equity Assets
Characteristics as of 6/30/15**

	Aggregate Domestic Equity 6/30/15	Russell 3000 6/30/15	Aggregate Domestic Equity 3/31/15
Capitalization Structure:			
Weighted Average Market Cap. (US\$ billion)	81.6	103.2	80.3
Median Market Cap. (US\$ billion)	6.1	1.6	6.3
Large (% over US\$20 billion)	53	68	53
Medium (% US\$3 billion to US\$20 billion)	34	25	35
Small (% under US\$3 billion)	13	8	13
Fundamental Structure:			
Price-Earnings Ratio	20	20	21
Price-Book Value Ratio	2.7	2.5	2.8
Dividend Yield (%)	1.8	1.9	1.8
Historical Earnings Growth Rate (%)	12	12	14
Projected Earnings Growth Rate (%)	11	11	11

**City of Ann Arbor
Employees' Retirement System**

**Domestic Equity Assets
Diversification as of 6/30/15**

Diversification:	Aggregate Domestic Equity 6/30/15	Russell 3000 6/30/15	Aggregate Domestic Equity 3/31/15
Number of Holdings	1,268	3,003	1,253
% in 5 largest holdings	7	9	7
% in 10 largest holdings	11	14	11

Largest Five Holdings:

Apple
Microsoft
ExxonMobil
Equinix
Johnson & Johnson

% of Portfolio

2.5
1.2
1.2
0.9
0.9

Economic Sector

Technology Equipment
Software & Services
Energy
Software & Services
Pharmaceuticals & Biotech.



**City of Ann Arbor
Employees' Retirement System**

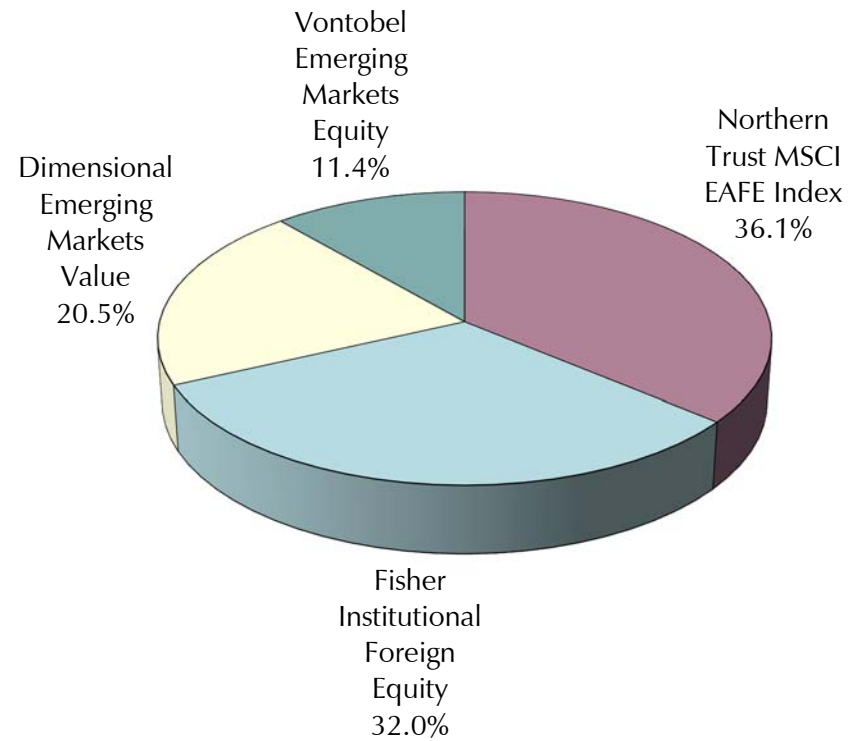
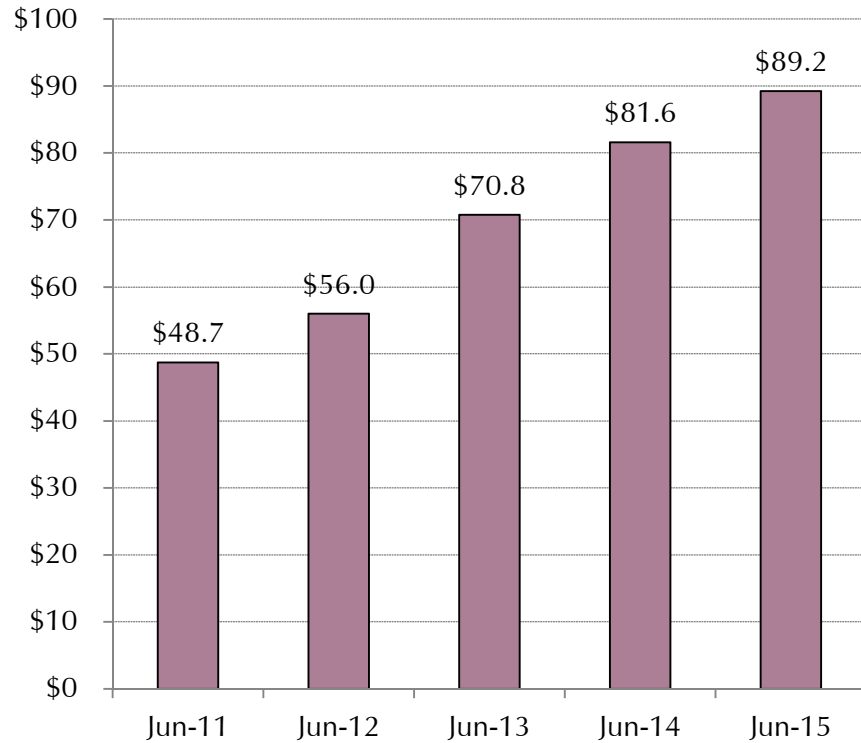
**Domestic Equity Assets
Sector Allocation as of 6/30/15**

Sector Allocation (%):	Aggregate Domestic Equity 6/30/15	Russell 3000 6/30/15	Aggregate Domestic Equity 3/31/15
Financials	20	18	20
Industrials	12	11	13
Consumer Discretionary	14	13	14
Materials	4	3	4
Utilities	3	3	3
Information Technology	19	19	19
Telecommunication Services	2	2	2
Energy	6	7	6
Consumer Staples	7	8	7
Health Care	13	15	12

**International Equity Assets
As of June 30, 2015**

City of Ann Arbor
Employees' Retirement System

International Equity Assets
as of 6/30/15

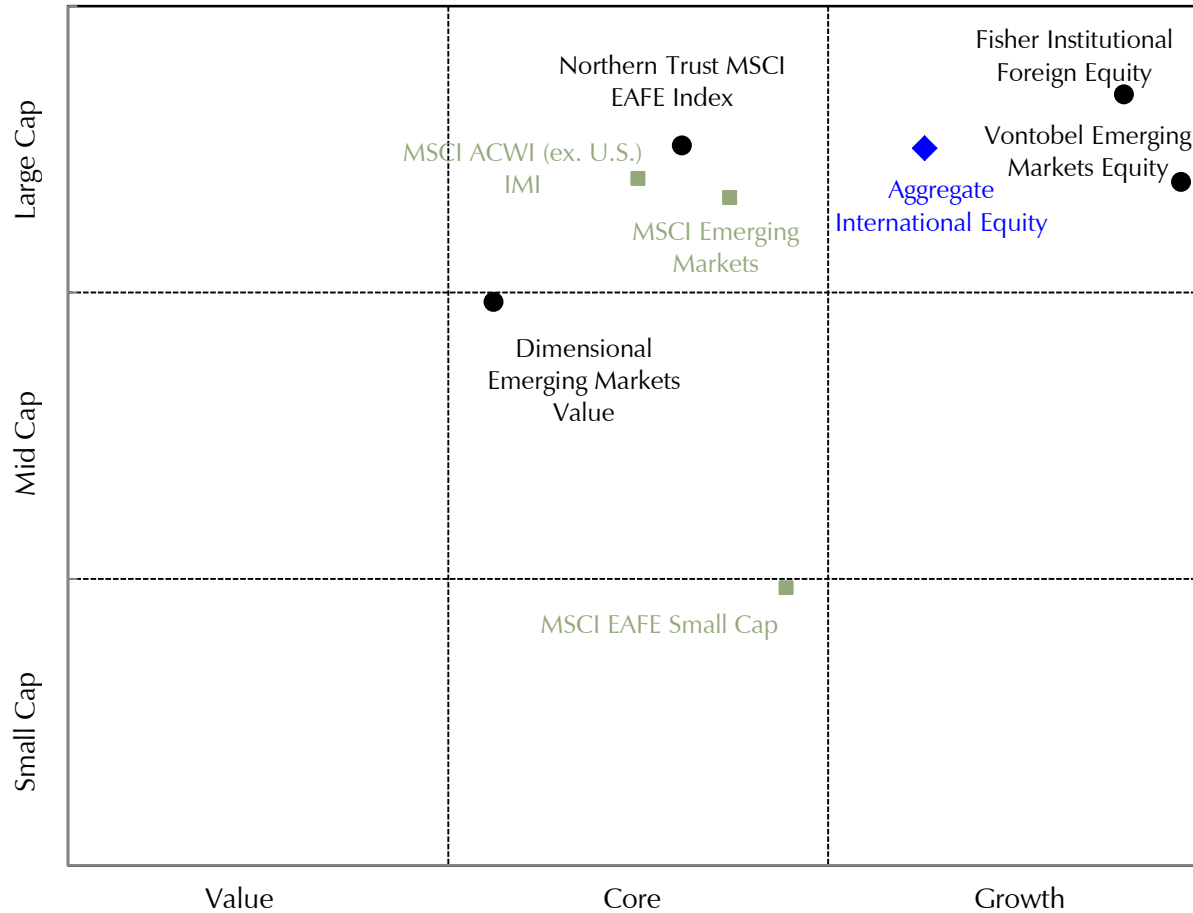


**City of Ann Arbor
Employees' Retirement System**

**International Equity Assets
Risk as of 6/30/15**

Risk: (sixty months)	Aggregate International Equity 6/30/15	MSCI ACWI (ex. U.S.) IMI 6/30/15
Annualized Return (%)	7.8	8.0
Standard Deviation (%)	18.0	17.1
Best Monthly Return (%)	13.1	10.3
Worst Monthly Return (%)	-12.2	-11.3
Beta	1.04	1.00
Correlation to Index	0.99	1.00
Correlation to Total Fund Return	0.95	NA
Sharpe Measure (risk-adjusted return)	0.43	0.46
Information Ratio	Neg.	NA





**City of Ann Arbor
Employees' Retirement System**

**International Equity Assets
Characteristics as of 6/30/15**

	Aggregate International Equity 6/30/15	MSCI ACWI (ex. U.S.) IMI 6/30/15	Aggregate International Equity 3/31/15
Capitalization Structure:			
Weighted Average Market Cap. (US\$ billion)	56.7	45.5	57.5
Median Market Cap. (US\$ billion)	1.1	1.2	1.1
Large (% over US\$20 billion)	67	54	67
Medium (% US\$3 billion to US\$20 billion)	27	34	26
Small (% under US\$3 billion)	7	12	7
Fundamental Structure:			
Price-Earnings Ratio	17	17	18
Price-Book Value Ratio	2.4	1.5	2.5
Dividend Yield (%)	2.8	2.8	2.7
Historical Earnings Growth Rate (%)	9	8	10
Projected Earnings Growth Rate (%)	11	10	11

**City of Ann Arbor
Employees' Retirement System**

**International Equity Assets
Diversification as of 6/30/15**

	Aggregate International Equity 6/30/15	MSCI ACWI (ex. U.S.) IMI 6/30/15	Aggregate International Equity 3/31/15
Diversification:			
Number of Holdings	3,126	6,101	3,123
% in 5 largest holdings	7	5	7
% in 10 largest holdings	12	8	13
Largest Five Holdings:	% of Portfolio	Economic Sector	
Novartis	1.5	Pharmaceuticals & Biotech.	
Novo Nordisk	1.5	Pharmaceuticals & Biotech.	
Bayer	1.4	Pharmaceuticals & Biotech.	
Roche	1.3	Pharmaceuticals & Biotech.	
UBS	1.2	Diversified Financials	

**City of Ann Arbor
Employees' Retirement System**

**International Equity Assets
Sector Allocation as of 6/30/15**

Sector Allocation (%):	Aggregate International Equity 6/30/15	MSCI ACWI (ex. U.S.) IMI 6/30/15	Aggregate International Equity 3/31/15
Health Care	11	9	11
Information Technology	10	8	10
Consumer Staples	11	9	10
Consumer Discretionary	13	13	14
Financials	27	27	27
Materials	7	8	7
Industrials	12	12	12
Utilities	2	3	2
Energy	5	7	5
Telecommunication Services	3	5	2

City of Ann Arbor
Employees' Retirement System

International Equity Assets
Country & Region Breakdown as of 6/30/15

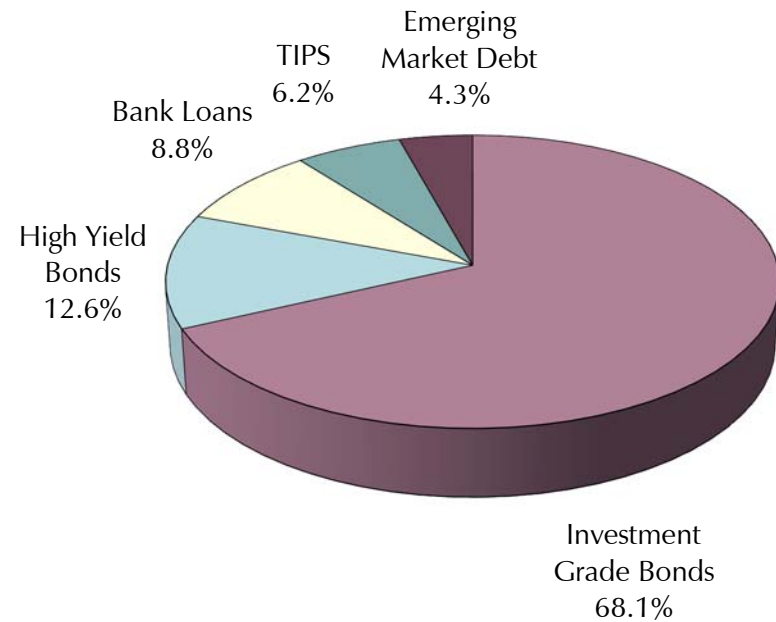
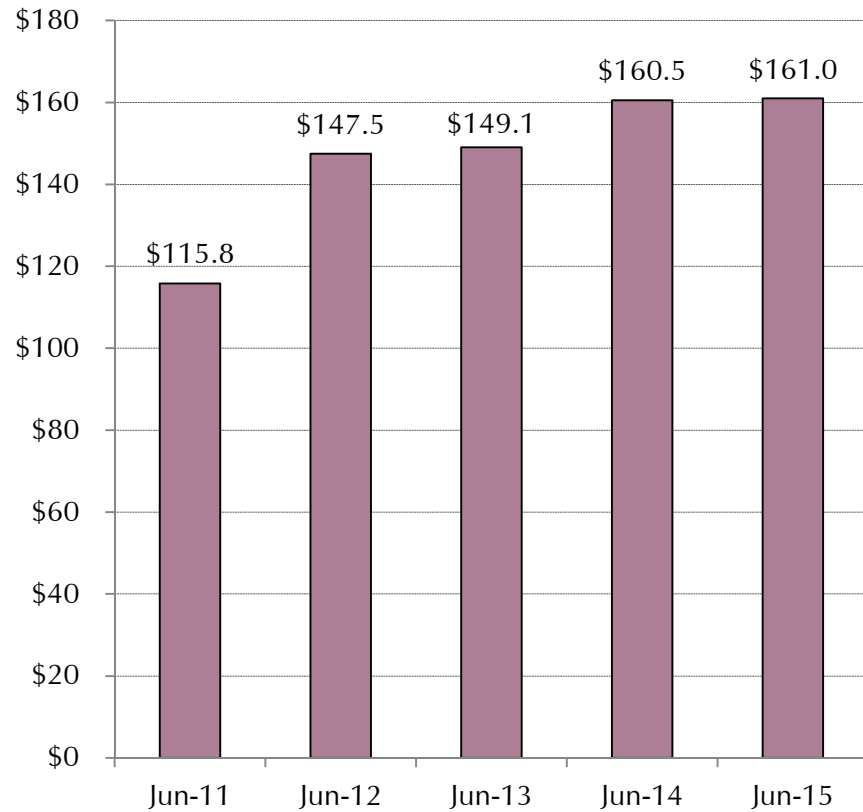
	Aggregate International Equity 6/30/15 (%)	MSCI ACWI (ex. U.S.) IMI 6/30/15 (%)		Aggregate International Equity 6/30/15 (%)	MSCI ACWI (ex. U.S.) IMI 6/30/15 (%)
North America	1.2	6.7	Emerging	29.0	19.7
Canada	1.0	6.6	India	4.8	1.8
Europe	49.5	45.4	Brazil	3.2	1.5
Germany	8.4	6.0	Taiwan	4.3	2.9
United Kingdom	14.2	13.0	Mexico	2.1	0.9
Switzerland	7.5	6.5	Thailand	1.3	0.5
Denmark	1.8	1.2	South Africa	2.3	1.7
France	6.5	6.0	Indonesia	1.1	0.5
Ireland	1.2	0.7	South Korea	3.7	3.3
Netherlands	3.1	2.9	Malaysia	1.1	0.7
Belgium	1.1	1.0	China	3.1	3.1
Italy	1.5	1.8			
Spain	1.8	2.4			
Sweden	1.4	2.2			
Asia Pacific	19.9	27.6			
Singapore	1.1	1.1			
Hong Kong	4.2	4.6			
Australia	3.5	4.8			
Japan	11.1	17.0			



**Fixed Income Assets
As of June 30, 2015**

City of Ann Arbor
Employees' Retirement System

Fixed Income Assets
as of 6/30/15



**City of Ann Arbor
Employees' Retirement System**

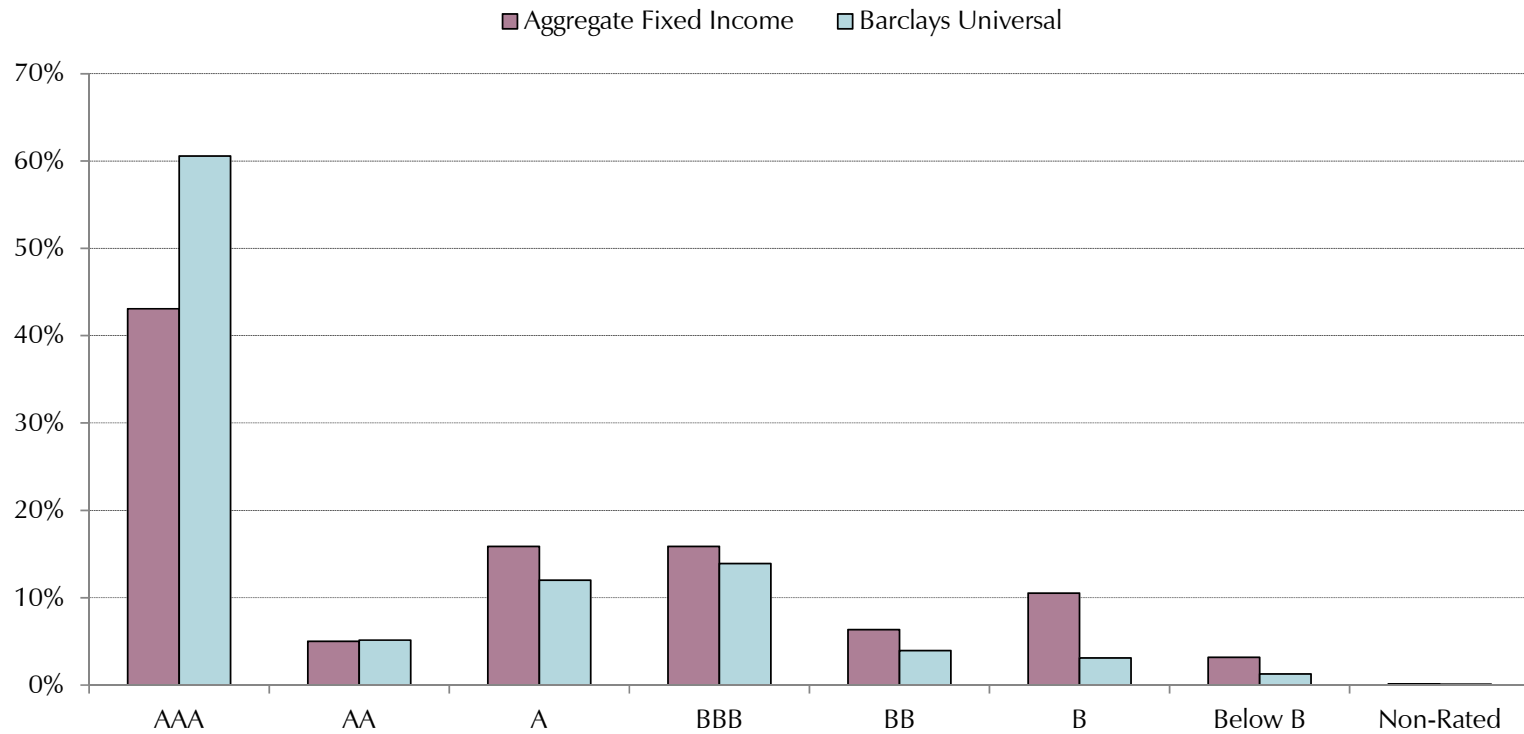
**Fixed Income Assets
Risk as of 6/30/15**

Risk: (sixty months)	Aggregate Fixed Income 6/30/15	Barclays Universal 6/30/15
Annualized Return (%)	4.0	3.8
Standard Deviation (%)	2.7	2.8
Best Monthly Return (%)	1.5	1.9
Worst Monthly Return (%)	-1.8	-1.8
Beta	0.86	1.00
Correlation to Index	0.91	1.00
Correlation to Total Fund Return	0.39	NA
Sharpe Measure (risk-adjusted return)	1.48	1.32
Information Ratio	0.18	NA

**City of Ann Arbor
Employees' Retirement System**

**Fixed Income Assets
Characteristics as of 6/30/15**

Duration & Yield:	Aggregate Fixed Income 6/30/15	Barclays Universal 6/30/15	Aggregate Fixed Income 3/31/15
Average Effective Duration (years)	4.2	5.5	4.1
Yield to Maturity (%)	3.2	2.8	3.0



**City of Ann Arbor
Employees' Retirement System**

**Fixed Income Assets
Diversification as of 6/30/15**

	Aggregate Fixed Income 6/30/15	Barclays Universal 6/30/15	Aggregate Fixed Income 3/31/15
Market Allocation (%):			
United States	79	82	80
Foreign (developed markets)	14	11	14
Foreign (emerging markets)	7	7	7
Currency Allocation (%):			
Non-U.S. Dollar Exposure	5	0	5
Sector Allocation (%):			
U.S. Treasury-Nominal	18	30	18
U.S. Treasury-TIPS	6	0	6
U.S. Agency	4	3	4
Mortgage Backed	12	23	12
Corporate	40	31	39
Bank Loans	8	0	8
Local & Provincial Government	1	1	1
Sovereign & Supranational	10	9	10
Commercial Mortgage Backed	1	2	1
Asset Backed	0	0	0
Cash Equivalent	0	0	1
Other	0	0	0

**Domestic Equity Portfolio Reviews
As of June 30, 2015**

City of Ann Arbor Employees' Retirement System

Northern Trust Russell 1000 Index Portfolio Detail as of 6/30/15

Mandate: Domestic Equities
Active/Passive: Passive
Market Value: \$115.4 million
Portfolio Manager: Alexander Matturri
Location: Chicago, Illinois
Inception Date: 7/1/2006
Account Type: Commingled

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
 0.03% on first \$50 mm; 0.02% thereafter

Liquidity Constraints:
 Daily

Strategy:
 The Northern Trust Russell 1000 Index strategy seeks to replicate the return of the Russell 1000 index. Northern Trust employs a proprietary process in combination with low-cost trade execution to accomplish this objective. To efficiently manage cash flows, Northern Trust seeks to maximize the liquidity of trade lists and match the relevant benchmark's systemic risk. The result is a portfolio that tightly tracks the index while incurring lower transaction costs.

Performance (%):	2Q15	1 YR	3 YR	5 YR	Since 7/1/06
Northern Trust Russell 1000 Index	0.1	7.4	17.7	17.6	8.1
Net of Fees	0.1	7.3	17.7	17.6	8.1
Russell 1000	0.1	7.4	17.7	17.6	8.0

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Northern Trust Russell 1000 Index	14.3%	1.00	1.22	NA	1.00
Russell 1000	14.3	1.00	1.22	NA	1.00

Capitalization Structure:	6/30/15		3/31/15	
	Northern Trust Russell 1000 Index	Russell 1000	Northern Trust Russell 1000 Index	Russell 1000
Weighted Average Market Cap. (US\$ billion)	112.5	112.3	112.1	112.2
Median Market Cap. (US\$ billion)	8.3	8.3	8.2	8.2
Large (% over US\$20 billion)	74	74	75	75
Medium (% US\$3 billion to US\$20 billion)	25	25	24	24
Small (% under US\$3 billion)	1	1	1	1

Fundamental Structure:	6/30/15	3/31/15	6/30/15	3/31/15
Price-Earnings Ratio	20	20	20	20
Price-Book Value Ratio	2.8	2.8	2.9	2.9
Dividend Yield (%)	2.0	2.0	1.9	1.9
Historical Earnings Growth Rate (%)	12	12	13	13
Projected Earnings Growth Rate (%)	11	11	11	11

Sector Allocation (%):	6/30/15	3/31/15	6/30/15	3/31/15
Information Technology	19	19	19	19
Consumer Discretionary	13	13	13	13
Industrials	11	11	11	11
Health Care	15	15	15	15
Consumer Staples	9	9	9	9
Materials	3	3	4	4
Telecommunication Services	2	2	2	2
Utilities	3	3	3	3
Energy	7	8	8	8
Financials	17	17	17	17

Diversification:	6/30/15	3/31/15	6/30/15	3/31/15
Number of Holdings	1,029	1,029	1,037	1,036
% in 5 largest holdings	9	9	9	9
% in 10 largest holdings	15	15	15	15

Largest Ten Holdings:	6/30/15	Industry
Apple	3.5	Technology Equipment
Microsoft	1.7	Software & Services
ExxonMobil	1.6	Energy
Johnson & Johnson	1.3	Pharmaceuticals & Biotech.
General Electric	1.3	Capital Goods
Wells Fargo	1.2	Banks
Berkshire Hathaway	1.2	Diversified Financials
JP Morgan Chase	1.2	Banks
Procter & Gamble	1.0	Household Products
Pfizer	1.0	Pharmaceuticals & Biotech.



City of Ann Arbor Employees' Retirement System

Northern Trust S&P 400 MidCap Index Portfolio Detail as of 6/30/15

Mandate: Domestic Equities
Active/Passive: Passive
Market Value: \$19.7 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 6/1/2007
Account Type: Commingled

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.03% on first \$50 mm; 0.02% thereafter

Liquidity Constraints:

Daily

Strategy:

The Northern Trust S&P 400 Index strategy seeks to replicate the return of the S&P 400 index. Northern Trust employs a proprietary process in combination with low-cost trade execution to accomplish this objective. To efficiently manage cash flows, Northern Trust seeks to maximize the liquidity of trade lists and match the relevant benchmark's systemic risk. The result is a portfolio that tightly tracks the index while incurring lower transaction costs.

Performance (%):	2Q15	1 YR	3 YR	5 YR	Since 6/1/07
Northern Trust S&P 400 MidCap Index	-1.1	6.4	18.6	17.9	8.0
Net of Fees	-1.1	6.4	18.6	17.8	NA
S&P MidCap	-1.1	6.4	18.6	17.8	7.9

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Northern Trust S&P 400 MidCap Index-NL	17.2%	1.00	1.04	NA	1.00
S&P MidCap	17.2	1.00	1.03	NA	1.00

	6/30/15		3/31/15	
	Northern Trust S&P 400 MidCap Index	S&P MidCap	Northern Trust S&P 400 MidCap Index	S&P MidCap
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	5.3	5.2	5.7	5.4
Median Market Cap. (US\$ billion)	3.7	3.7	3.9	3.9
Large (% over US\$20 billion)	0	0	0	0
Medium (% US\$3 billion to US\$20 billion)	82	82	85	84
Small (% under US\$3 billion)	18	18	15	16
Fundamental Structure:				
Price-Earnings Ratio	23	23	22	22
Price-Book Value Ratio	2.7	2.7	2.7	2.7
Dividend Yield (%)	1.5	1.5	1.5	1.5
Historical Earnings Growth Rate (%)	14	14	16	16
Projected Earnings Growth Rate (%)	12	12	13	12
Sector Allocation (%):				
Consumer Discretionary	14	14	13	14
Information Technology	17	17	18	17
Energy	4	4	4	4
Utilities	4	4	4	5
Materials	7	7	7	7
Telecommunication Services	0	0	0	0
Industrials	16	16	16	16
Consumer Staples	4	4	4	4
Health Care	9	9	10	9
Financials	24	24	24	24
Diversification:				
Number of Holdings	400	400	403	400
% in 5 largest holdings	3	3	4	3
% in 10 largest holdings	6	6	7	6
Largest Ten Holdings:				
		Industry		
Advance Auto Parts	0.7	Retailing		
Church & Dwight	0.7	Household Products		
Signet Jewelers	0.6	Retailing		
Centene	0.6	Health Care Services		
Mettler Toledo	0.6	Pharmaceuticals & Biotech.		
Foot Locker	0.6	Retailing		
Hologic	0.6	Health Care Services		
Jarden	0.6	Consumer Durables		
LKQ	0.6	Retailing		
Omnicare	0.6	Health Care Services		



City of Ann Arbor Employees' Retirement System

Loomis Sayles Small Cap Value Equity Portfolio Detail as of 6/30/15

Mandate: Domestic Equities
Active/Passive: Active
Market Value: \$26.5 million
Portfolio Manager: Joseph R. Gatz
Location: Detroit, Michigan
Inception Date: 4/1/1997
Account Type: Separately Managed

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.70% on first \$30 mm; 0.60% on next \$20 mm; 0.50% thereafter

Liquidity Constraints:

Daily

Strategy:

The Loomis Sayles Small Cap Value team focuses on fundamental bottom-up research to identify companies with a market capitalization between \$100 million and \$2 billion that they believe are attractively valued relative to their growth and profitability potential. Their strategy typically results in portfolios with low price-to-earnings, price-to-book, and price-to-cash flow ratios. Portfolios generally hold between 150 and 170 securities.

Performance (%):	2Q15	1 YR	3 YR	5 YR	Since 4/1/97
Loomis Sayles Small Cap Value Equity	-0.4	5.7	18.4	18.1	11.8
Net of Fees	-0.6	5.0	17.6	17.3	NA
Russell 2000 Value	-1.2	0.8	15.5	14.8	9.6
Peer Small Cap Value	-0.2	3.2	18.2	16.8	11.5
Peer Ranking (percentile)	56	16	41	25	39
Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Loomis Sayles Small Cap Value Equity	18.1%	0.93	0.99	1.14	0.99
Russell 2000 Value	18.7	1.00	0.79	NA	1.00

	6/30/15		3/31/15	
	Loomis Sayles Small Cap Value	Russell 2000 Value	Loomis Sayles Small Cap Value	Russell 2000 Value
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	3.2	1.7	3.1	1.8
Median Market Cap. (US\$ billion)	1.8	0.7	1.8	0.6
Large (% over US\$20 billion)	0	0	0	0
Medium (% US\$3 billion to US\$20 billion)	35	12	37	17
Small (% under US\$3 billion)	65	88	63	83
Fundamental Structure:				
Price-Earnings Ratio	21	18	22	19
Price-Book Value Ratio	2.1	1.6	2.2	1.8
Dividend Yield (%)	1.5	2.1	1.5	2.0
Historical Earnings Growth Rate (%)	13	10	17	11
Projected Earnings Growth Rate (%)	11	10	12	11
Sector Allocation (%):				
Information Technology	19	10	19	10
Consumer Discretionary	18	11	17	12
Industrials	18	12	20	13
Materials	4	4	5	4
Consumer Staples	3	3	2	3
Health Care	4	4	3	6
Telecommunication Services	0	1	0	1
Energy	3	6	3	4
Utilities	3	6	3	7
Financials	29	42	28	41
Diversification:				
Number of Holdings	157	1,319	158	1,355
% in 5 largest holdings	10	2	10	2
% in 10 largest holdings	16	4	15	5
Largest Ten Holdings:			Industry	
Equinix	5.3		Software & Services	
Signature Bank	1.3		Banks	
Cathay General Bancorp	1.3		Banks	
Marriot Vacations	1.3		Consumer Services	
John Bean Technologies	1.2		Capital Goods	
Euronet Worldwide	1.2		Software & Services	
DST Sys.	1.1		Software & Services	
Littelfuse	1.1		Technology Equipment	
Churchill Downs	1.1		Consumer Services	
Stifel Financial	1.1		Diversified Financials	



**International Developed Market Equity
Portfolio Reviews
As of June 30, 2015**

City of Ann Arbor Employees' Retirement System

Northern Trust MSCI EAFE Index Portfolio Detail as of 6/30/15

Mandate: International Equities
Active/Passive: Passive
Market Value: \$32.2 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 12/1/2014
Account Type: Commingled

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
 0.07% on first \$50 mm; 0.05% thereafter

Liquidity Constraints:
 Daily

Strategy:
 The Northern Trust MSCI EAFE Index strategy seeks to replicate the return of the MSCI EAFE index. Northern Trust employs a proprietary process in combination with low-cost trade execution to accomplish this objective. To efficiently manage cash flows, Northern Trust seeks to maximize the liquidity of trade lists and match the relevant benchmark's systemic risk. The result is a portfolio that tightly tracks the index while incurring lower transaction costs.

Performance (%):	2Q15	Since 12/1/14
Northern Trust MSCI EAFE Index	0.8	2.2
Net of Fees	0.8	2.1
MSCI EAFE	0.6	1.9
Peer International Core	1.5	3.1
Peer Ranking (percentile)	72	64

	6/30/15		3/31/15	
	Northern Trust MSCI EAFE Index	MSCI EAFE	Northern Trust MSCI EAFE Index	MSCI EAFE
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	57.8	57.7	59.3	59.0
Median Market Cap. (US\$ billion)	8.9	9.1	8.9	9.1
Large (% over US\$20 billion)	67	67	68	68
Medium (% US\$3 billion to US\$20 billion)	32	32	32	32
Small (% under US\$3 billion)	1	1	1	1
Fundamental Structure:				
Price-Earnings Ratio	18	18	19	19
Price-Book Value Ratio	1.8	1.8	1.7	1.9
Dividend Yield (%)	3.0	3.0	2.9	2.9
Historical Earnings Growth Rate (%)	7	7	7	7
Projected Earnings Growth Rate (%)	9	9	9	9
Sector Allocation (%):				
Materials	7	7	7	7
Health Care	11	11	12	11
Consumer Staples	11	11	11	11
Utilities	4	4	4	4
Consumer Discretionary	13	13	13	13
Telecommunication Services	5	5	5	5
Industrials	13	13	13	13
Information Technology	5	5	5	5
Energy	5	5	5	5
Financials	26	26	26	26
Diversification:				
Number of Holdings	938	908	935	910
% in 5 largest holdings	8	8	8	8
% in 10 largest holdings	12	12	12	12
Region Allocation (%):				
North America	0	0	0	0
Europe	65	65	65	65
Asia Pacific	35	35	34	34
Emerging	0	0	0	0
Other	1	1	1	1
Largest Five Holdings:				
			Industry	
Nestle	1.8		Food, Beverage & Tobacco	
Novartis	1.8		Pharmaceuticals & Biotech.	
Roche	1.5		Pharmaceuticals & Biotech.	
Toyota Motor	1.4		Automobiles & Components	
HSBC	1.3		Banks	



City of Ann Arbor Employees' Retirement System

Fisher Institutional Foreign Equity Portfolio Detail as of 6/30/15

Mandate: International Equities,
Developed Markets

Active/Passive: Active

Market Value: \$28.6 million

Portfolio Manager: Team

Location: Woodside, California

Inception Date: 2/1/2007

Account Type: Commingled

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

1.00% on first \$10 mm; 0.90% on next \$15 mm; 0.80% on next \$25 mm; 0.70% on next \$50 mm; 0.60% thereafter

Liquidity Constraints:

Monthly

Strategy:

The Fisher Foreign Equity Strategy utilizes a top-down investment process focusing on what they believe to be the most important determinants of portfolio return. The team utilizes a combination of quantitative and fundamental research to formulate economic forecasts, political forecasts, and determine sentiment drivers. Based upon their forecasting, the team will develop portfolio themes to drive security selection.

Performance (%):	2Q15	1 YR	3 YR	5 YR	Since 2/1/07
Fisher Institutional Foreign Equity	-1.0	-1.8	12.1	11.3	3.7
Net of Fees	-1.2	-2.7	11.1	10.4	NA
MSCI EAFE	0.6	-4.2	12.0	9.5	1.4
Peer International Core	1.5	-2.1	12.2	10.4	2.6
Peer Ranking (percentile)	97	46	52	30	21
Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Fisher Institutional Foreign Equity	20.6%	1.12	0.55	0.36	0.97
MSCI EAFE	17.4	1.00	0.54	NA	1.00

	6/30/15		3/31/15	
	Fisher Institutional Foreign Equity	MSCI EAFE	Fisher Institutional Foreign Equity	MSCI EAFE
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	83.6	57.7	85.3	59.0
Median Market Cap. (US\$ billion)	56.8	9.1	56.5	9.1
Large (% over US\$20 billion)	93	67	94	68
Medium (% US\$3 billion to US\$20 billion)	7	32	6	32
Small (% under US\$3 billion)	0	1	0	1

Fundamental Structure:

Price-Earnings Ratio	18	18	19	19
Price-Book Value Ratio	3.0	1.8	3.2	1.9
Dividend Yield (%)	2.6	3.0	2.4	2.9
Historical Earnings Growth Rate (%)	11	7	12	7
Projected Earnings Growth Rate (%)	11	9	10	9

Sector Allocation (%):

Information Technology	15	5	15	5
Health Care	19	11	19	11
Consumer Discretionary	19	13	20	13
Industrials	14	13	15	13
Financials	23	26	22	26
Energy	2	5	2	5
Utilities	0	4	0	4
Telecommunication Services	0	5	0	5
Materials	2	7	2	7
Consumer Staples	6	11	6	11

Diversification:

Number of Holdings	69	908	69	910
% in 5 largest holdings	16	8	16	8
% in 10 largest holdings	29	12	29	12

Region Allocation (%):

North America	3	0	3	0
Europe	77	65	76	65
Asia Pacific	17	35	17	34
Emerging	3	0	4	0
Other	0	1	0	1

Largest Five Holdings:

		Industry
Novo Nordisk	3.8	Pharmaceuticals & Biotech.
Bayer	3.4	Pharmaceuticals & Biotech.
UBS GROUP	3.1	Diversified Financials
Asml Holding	3.1	Semiconductors
Prudential	3.0	Insurance



**International Emerging Market Equity
Portfolio Reviews
As of June 30, 2015**

City of Ann Arbor Employees' Retirement System

Dimensional Emerging Markets Value Portfolio Detail as of 6/30/15

Mandate: International Equities,
Emerging Markets

Active/Passive: Active

Market Value: \$18.3 million

Portfolio Manager: Karen E. Umland

Location: Austin, Texas

Inception Date: 2/1/2012

Account Type: Mutual Fund (DFEVX)

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.55% on all assets

Liquidity Constraints:

Daily

Strategy:

Dimensional Fund Advisors' (DFA) investment approach combines both top-down and bottom-up elements. The top-down analysis involves drawing the boundaries for qualifying countries and company characteristics. It does not include macro-economic forecasting or tactical country allocation decisions. In its bottom-up work, DFA analyzes the attributes of individual securities for portfolio suitability. DFA limits its sector and industry weightings to 25% of the portfolio's market value. Country weights have a maximum target of 15% per country at the time of purchase to mitigate country risk. Risk is controlled by investing across a broad group of emerging markets companies and countries.

Performance (%):	2Q15	1 YR	3 YR	Since 2/1/12
Dimensional Emerging Markets Value	1.7	-9.1	2.3	-0.6
MSCI Emerging Markets	0.7	-5.1	3.7	1.2
Peer Emerging Markets	0.7	-6.9	3.5	1.5
Peer Ranking (percentile)	30	68	62	76

Risk: (forty-one months)	Standard Deviation	Beta	Sharpe Measure ¹	Info. Ratio	Correlation to Index
Dimensional Emerging Markets Value	16.0%	1.11	Neg.	Neg.	0.98
MSCI Emerging Markets	14.3	1.00	0.08	NA	1.00

	6/30/15		3/31/15	
	Dimensional Emerging Markets Value Fund	MSCI Emerging Markets	Dimensional Emerging Markets Value Fund	MSCI Emerging Markets
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	18.6	39.7	16.4	40.1
Median Market Cap. (US\$ million)	389.8	4,979.7	382.7	4,815.5
Large (% over US\$20 billion)	24	44	22	45
Medium (% US\$3 billion to US\$20 billion)	46	49	47	48
Small (% under US\$3 billion)	31	7	32	7
Fundamental Structure:				
Price-Earnings Ratio	12	15	12	15
Price-Book Value Ratio	1.0	1.6	1.0	1.7
Dividend Yield (%)	3.0	2.7	3.0	2.6
Historical Earnings Growth Rate (%)	5	10	7	11
Projected Earnings Growth Rate (%)	13	13	13	13
Sector Allocation (%):				
Materials	17	7	17	7
Financials	34	30	35	28
Industrials	11	7	12	7
Energy	12	8	10	8
Utilities	2	3	2	3
Consumer Discretionary	8	9	8	9
Health Care	0	2	0	2
Consumer Staples	5	8	5	8
Telecommunication Services	2	7	1	7
Information Technology	8	18	8	19
Diversification:				
Number of Holdings	2,124	836	2,121	836
% in 5 largest holdings	10	12	9	13
% in 10 largest holdings	16	19	15	19
Region Allocation (%):				
Asia Pacific	63	59	65	59
Latin America	17	14	16	14
Europe/MidEast/Africa	15	17	15	17
Other	4	10	4	10
Largest Five Holdings:		Industry		
China Construction Bank	2.8	Banks		
Bank of China	2.4	Banks		
Gazprom	2.0	Energy		
Reliance Industries	1.9	Energy		
Industrial and Commercial Bank of China	1.4	Banks		

¹ A negative Sharpe ratio indicates that the portfolio underperformed the risk-free rate during the sample period.



City of Ann Arbor Employees' Retirement System

Vontobel Emerging Markets Equity Portfolio Detail as of 6/30/15

Mandate: International Equities,
Emerging Markets

Active/Passive: Active

Market Value: \$10.1 million

Portfolio Manager: Rajiv Jain

Location: New York, New York

Inception Date: 2/1/2012

Account Type: Commingled

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

1.10% on first \$50 mm; 1.00% on next \$150 mm

Liquidity Constraints:

Monthly

Strategy:

Vontobel believes that long-term, stable, and superior earnings growth drives investment returns and risk-adjusted outperformance. Thus they seek to invest in businesses that are predictable (strong franchise, low capital intensity, shareholder oriented management, etc.), sustainable (ability to replicate or exceed past success in terms of growth, operating margins, ROE, ROA etc.), and are trading at an attractive margin of safety (to at least a 25% discount to their assessment of intrinsic value). They believe in building concentrated portfolios (50 to 90 stocks) of high conviction positions with little attention paid to the benchmark.

Performance (%):	2Q15	1 YR	3 YR	Since 2/1/12
Vontobel Emerging Markets Equity	-0.9	-2.5	4.5	4.8
Net of Fees	-1.2	-3.5	3.3	3.7
MSCI Emerging Markets	0.7	-5.1	3.7	1.2
Peer Emerging Markets	1.1	-5.7	4.8	3.0
Peer Ranking (percentile)	83	30	52	29

Risk: (forty-one months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Vontobel Emerging Markets Equity	13.9%	0.80	0.34	0.47	0.85
MSCI Emerging Markets	14.3	1.00	0.08	NA	1.00

	6/30/15		3/31/15	
	Vontobel Emerging Markets Equity	MSCI Emerging Markets	Vontobel Emerging Markets Equity	MSCI Emerging Markets
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	44.4	39.7	41.9	40.1
Median Market Cap. (US\$ billion)	19.2	5.0	16.9	4.8
Large (% over US\$20 billion)	67	44	70	45
Medium (% US\$3 billion to US\$20 billion)	32	49	29	48
Small (% under US\$3 billion)	1	7	1	7

Fundamental Structure:

Price-Earnings Ratio	24	15	24	15
Price-Book Value Ratio	4.7	1.6	5.4	1.7
Dividend Yield (%)	2.2	2.7	2.3	2.6
Historical Earnings Growth Rate (%)	20	10	20	11
Projected Earnings Growth Rate (%)	15	13	16	13

Sector Allocation (%):

Consumer Staples	34	8	33	8
Health Care	3	2	3	2
Utilities	3	3	3	3
Consumer Discretionary	8	9	9	9
Information Technology	17	18	15	19
Telecommunication Services	5	7	4	7
Financials	27	30	29	28
Materials	2	7	2	7
Industrials	0	7	1	7
Energy	1	8	1	8

Diversification:

Number of Holdings	73	836	75	836
% in 5 largest holdings	23	12	22	13
% in 10 largest holdings	37	19	37	19

Region Allocation (%):

Asia Pacific	52	59	53	59
Latin America	19	14	21	14
Europe/MidEast/Africa	5	17	5	17
Frontier	1	0	0	0
Other	22	10	21	10

Largest Five Holdings:

		Industry
British American Tobacco	5.5	Food, Beverage & Tobacco
Housing Development Financial	5.4	Banks
HDFC Bank	4.5	Banks
AmBev	4.1	Food, Beverage & Tobacco
ITC	3.4	Food, Beverage & Tobacco



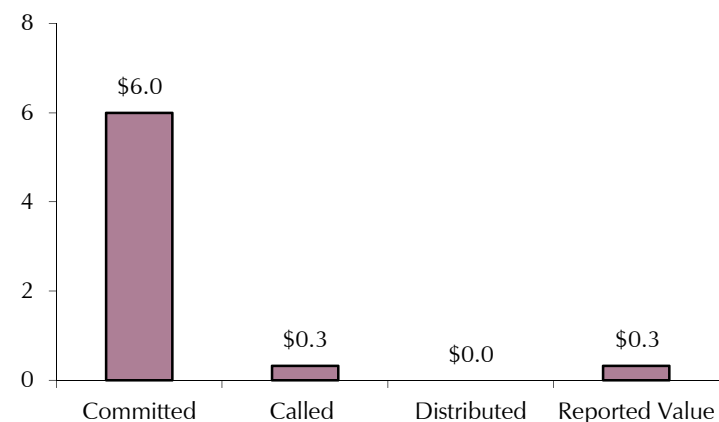
**Private Equity Portfolio Reviews
As of June 30, 2015**

City of Ann Arbor Employees' Retirement System

Ironsides Partnership Fund III, L.P. Portfolio Detail as of 6/30/15

Strategy: Private Equity
Senior Professionals: Team
Location: Andover, Massachusetts
Vintage Year: 2013
Fee Schedule: 1.0% per annum of commitments to the Co-Investment Fund during the investment period; fees will be based on outstanding commitments thereafter.

Commitment: \$6.0 million
Capital Contributions: \$0.3 million
Outstanding Commitment: \$5.7 million
Realized Proceeds: \$0.0 million
Total Value: \$0.3 million
Number of Investments: NA
Net IRR: NA



Investment Strategy:

Constitution Capital seeks investments in underlying private equity funds ranging in size from \$200 million to approximately \$1.0 billion, with a few larger potentially. Constitution has noted their preference to invest the majority of capital to funds of less than \$1 billion. Constitution has noted their preference to invest the majority of capital to funds of less than \$1 billion. Constitution targets a variety of fund types (domestic middle-market buyout, special situations, growth equity, distressed, and sector-specific) and will allocate amongst them opportunistically. The group will not invest in early-stage venture capital funds or mega buyout funds. The portfolio will have 12 to 15 underlying fund investments of approximately \$10 million to \$20 million each. For co-investments, it is anticipated that a total of 12-15 co-investments will each range from \$5 million to \$25 million. The enterprise values of the underlying companies are expected to range from \$100 million to \$1.5 billion.

City of Ann Arbor Employees' Retirement System

Ironsides Co-Investment Fund III, L.P. Portfolio Detail as of 6/30/15

Strategy: Private Equity
Senior Professionals: Team
Location: Andover, Massachusetts
Vintage Year: 2013
Fee Schedule: 1.0% per annum of commitments to the Co-Investment Fund during the investment period; fees will be based on outstanding commitments thereafter.

Commitment: \$6.0 million
Capital Contributions: \$3.3 million
Outstanding Commitment: \$2.7 million
Realized Proceeds: \$0.0 million
Total Value: \$3.3 million
Number of Investments: NA
Net IRR: NA



Investment Strategy:

Constitution Capital seeks investments in underlying private equity funds ranging in size from \$200 million to approximately \$1.0 billion, with a few larger potentially. Constitution has noted their preference to invest the majority of capital to funds of less than \$1 billion. Constitution has noted their preference to invest the majority of capital to funds of less than \$1 billion. Constitution targets a variety of fund types (domestic middle-market buyout, special situations, growth equity, distressed, and sector-specific) and will allocate amongst them opportunistically. The group will not invest in early-stage venture capital funds or mega buyout funds. The portfolio will have 12 to 15 underlying fund investments of approximately \$10 million to \$20 million each. For co-investments, it is anticipated that a total of 12-15 co-investments will each range from \$5 million to \$25 million. The enterprise values of the underlying companies are expected to range from \$100 million to \$1.5 billion.

**Investment Grade Bond Portfolio Reviews
As of June 30, 2015**

City of Ann Arbor Employees' Retirement System

Northern Trust Barclays Aggregate Index Portfolio Detail as of 6/30/15

Mandate: Investment Grade Bonds
Active/Passive: Passive
Market Value: \$67.3 million
Portfolio Manager: Alexander Matturri
Location: Chicago, Illinois
Inception Date: 7/1/1998
Account Type: Commingled

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
 0.06% on first \$100 mm; 0.03% thereafter

Liquidity Constraints:
 Daily

Strategy:
 The Northern Trust Aggregate Bond Index strategy seeks to replicate the returns of the Barclays Aggregate index, an index covering the broad domestic investment grade bond market. The fund is passively managed, employing statistical methods to replicate performance and composition of the index. The portfolio is comprised of U.S. Treasury, government agency, investment grade corporate bonds, mortgage- and asset-backed sectors of the fixed income markets.

Performance (%):	2Q15	1 YR	3 YR	5 YR	Since 7/1/98
Northern Trust Barclays Aggregate Index	-1.7	1.9	1.8	3.3	5.2
Net of Fees	-1.7	1.9	1.7	3.3	NA
Barclays Aggregate	-1.7	1.9	1.8	3.3	5.2

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Northern Trust Barclays Aggregate Index	2.9%	1.01	1.11	NA	1.00
Barclays Aggregate	2.9	1.00	1.13	NA	1.00

	6/30/15		3/31/15	
Duration & Yield:	NT Barclays Aggregate Index	Barclays Aggregate	NT Barclays Aggregate Index	Barclays Aggregate
Average Effective Duration (years)	5.6	5.6	5.4	5.5
Yield to Maturity (%)	2.4	2.4	2.1	2.1
Quality Structure (%):				
Average Quality	AA+	AA+	AA+	AA+
AAA (includes Treasuries and Agencies)	72	71	72	72
AA	4	4	4	5
A	12	12	11	12
BBB	13	13	12	12
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	36	36	36	36
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	3	3	3	3
Mortgage Backed	28	28	28	28
Corporate	24	24	23	24
Bank Loans	0	0	0	0
Local & Provincial Government	1	1	1	1
Sovereign & Supranational	5	5	5	5
Commercial Mortgage Backed	2	2	2	2
Asset Backed	1	1	1	1
Cash Equivalent	0	0	1	0
Other	0	0	0	0
Market Allocation (%):				
United States	91	91	91	91
Foreign (developed markets)	7	7	7	7
Foreign (emerging markets)	2	2	2	2
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0



City of Ann Arbor Employees' Retirement System

Northern Trust 1-5 Year Credit Bond Portfolio Detail as of 6/30/15

Mandate: Fixed Income
Active/Passive: Passive
Market Value: \$38.1 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 2/1/2013
Account Type: Commingled

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
0.06% on first \$100 mm; 0.03% thereafter

Liquidity Constraints:
Daily

Strategy:
The primary objective of the Northern Trust 1-5 Year Credit Bond Index Fund is to hold a portfolio representative of the intermediate credit securities portion of the United States bond and debt market, as characterized by the Barclays Capital U.S. 1-5 Year Credit Bond Index.

Performance (%):	2Q15	1 YR	Since 2/1/13
Northern Trust 1-5 Year Credit Bond	0.0	1.3	1.6
Net of Fees	0.0	1.2	1.6
Barclays 1-5 Year Credit	-0.1	1.3	1.7
Peer Short-Term Core Fixed Income	0.0	1.2	1.3
Peer Ranking (percentile)	51	34	13

Duration & Yield:	6/30/15		3/31/15	
	NT 1-5 Year Credit Bond	Barclays 1-5 Year Credit	NT 1-5 Year Credit Bond	Barclays 1-5 Year Credit
Average Effective Duration (years)	2.8	2.8	2.8	2.8
Yield to Maturity (%)	1.9	1.9	1.6	1.6
Quality Structure (%):				
Average Quality	A		A	
AAA (includes Treasuries and Agencies)	16	0	17	0
AA	13	0	13	0
A	40	0	40	0
BBB	31	0	31	0
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	8	8	8	8
Mortgage Backed	0	0	0	0
Corporate	76	76	75	75
Bank Loans	0	0	0	0
Local & Provincial Government	2	2	2	2
Sovereign & Supranational	14	14	14	14
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	61	61	60	60
Foreign (developed markets)	34	34	34	34
Foreign (emerging markets)	6	6	5	5
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0



City of Ann Arbor Employees' Retirement System

Northern Trust Short-Term Government Bond Portfolio Detail as of 6/30/15

Mandate: Fixed Income
Active/Passive: Passive
Market Value: \$4.3 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 2/1/2013
Account Type: Commingled

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
0.06% on first \$100 mm; 0.03% thereafter

Liquidity Constraints:
Daily

Strategy:
The primary objective of the Northern Trust Short-Term Government Bond fund is to hold a portfolio representative of the short-term government securities sector of the U.S. bond and debt market, as characterized by the Barclays Short-Term Government Bond Index. The fund provides the exposure using quantitative techniques which maintain the portfolio's neutrality to the index by monitoring a broad range of factors while avoiding illiquid securities and excessive transaction costs. The Fund may make limited use of interest rate futures and/or options for the purpose of maintaining market exposure.

Performance (%):	2Q15	1 YR	Since 2/1/13
Northern Trust Short-Term Government Bond	0.1	0.9	0.7
Net of Fees	0.1	0.8	0.6
Barclays 1-3 Year Government	0.1	0.9	0.7
Peer Short-Term Core Fixed Income	0.0	1.2	1.3
Peer Ranking (percentile)	33	84	86

	6/30/15		3/31/15	
	NT Short-Term Government Bond	Barclays 1-3 Year Gov't	NT Short-Term Government Bond	Barclays 1-3 Year Gov't
Duration & Yield:				
Average Effective Duration (years)	1.9	1.9	1.9	1.9
Yield to Maturity (%)	0.7	0.6	0.6	0.6
Quality Structure (%):				
Average Quality	AAA	AAA	AAA	AAA
AAA (includes Treasuries and Agencies)	96	96	96	96
AA	4	4	4	4
A	0	0	0	0
BBB	0	0	0	0
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	88	88	89	88
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	12	12	9	12
Mortgage Backed	0	0	0	0
Corporate	0	0	0	0
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	2	0
Other	0	0	0	0
Market Allocation (%):				
United States	100	100	100	100
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0



**TIPS Portfolio Review
As of June 30, 2015**

City of Ann Arbor Employees' Retirement System

Mandate: TIPS
Active/Passive: Active
Market Value: \$10.1 million
Portfolio Manager: Team
Location: Boston, Massachusetts
Inception Date: 11/1/2013
Account Type: Separately Managed

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:

0.08% on all assets

Liquidity Constraints:

Daily

Strategy:

Income Research & Management (IR&M) manages an intermediate (1-10 year) TIPS portfolio with similar duration and yield curve exposure to the benchmark. The firm strives to add a modest amount of alpha through bottom-up security selection.

Guidelines:

Cash < 10%. Duration within .25 years of the benchmark.

Performance (%):	2Q15	1 YR	Since 11/1/13
IR&M 1-10 Year Index	-0.2	-2.0	0.1
Net of Fees	-0.2	-2.1	0.0
Barclays U.S. TIPS 1-10 Year	-0.1	-1.9	0.1
Peer TIPS	-1.0	-1.9	0.8
<i>Peer Ranking (percentile)</i>	<i>18</i>	<i>60</i>	<i>81</i>

IR&M 1-10 Year Index Portfolio Detail as of 6/30/15

	6/30/15		3/31/15	
	IR&M 1-10 Year Index	Barclays U.S. TIPS 1-10 Year	IR&M 1-10 Year Index	Barclays U.S. TIPS 1-10 Year
Duration & Yield:				
Average Effective Duration (years)	5.5	5.5	5.4	4.1
Yield to Maturity (%) ¹	1.7	1.8	1.9	1.5
Quality Structure (%):				
Average Quality	AAA	AAA	AAA	AAA
AAA (includes Treasuries and Agencies)	100	100	100	100
AA	0	0	0	0
A	0	0	0	0
BBB	0	0	0	0
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	100	100	100	100
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	0	0	0	0
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	100	100	100	100
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

¹ This figure is an estimated yield-to-maturity (YTM) for the fund. It is calculated by adding the trailing 12-month inflation adjustment to the "real" (i.e., before inflation) YTM of the fund. Adding the 12-month inflation adjustment allows the fund's yield to be more directly comparable to those of other bond funds. Investors should recognize that the actual YTM will depend upon the level of inflation experienced going forward.



**High Yield Bond Portfolio Reviews
As of June 30, 2015**

City of Ann Arbor Employees' Retirement System

SKY Harbor High Yield Portfolio Detail as of 6/30/15

Mandate: High Yield Bonds
Active/Passive: Active
Market Value: \$18.1 million
Portfolio Manager: Hanna H. Strasser
 Anne C. Yobage
 Thomas Kelleher
Location: Greenwich, Connecticut
Inception Date: 9/1/2012
Account Type: Commingled

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
 0.30% on all assets
Liquidity Constraints:
 Daily

Strategy:
 SKY Harbor's strategy is income oriented and is based on the understanding that the largest component of high yield bond returns comes from coupon return. At the same time, the strategy seeks to minimize defaults through credit analysis and a top-down assessment of the economic and credit cycle. SKY Harbor segments the universe not only by industry but also by yield. They believe that credits trading with higher yields have more equity-like risk and those trading at lower yields are more exposed to bond-like risk (e.g., interest rate risk). Their exposure to these segments of the high yield market will be driven by credit analysis and their assessment of the economic and credit cycle.

Performance (%):	2Q15	1 YR	Since 9/1/12
SKY Harbor High Yield	0.6	-1.4	5.6
Net of Fees	0.5	-1.9	5.1
Barclays High Yield	0.0	-0.4	6.1
Peer High Yield	0.5	0.3	6.5
Peer Ranking (percentile)	36	79	77

	6/30/15		3/31/15	
Duration & Yield:	Sky Harbor	Barclays High Yield	Sky Harbor	Barclays High Yield
Average Effective Duration (years)	4.4	4.4	4.2	4.2
Yield to Maturity (%)	6.8	6.6	6.8	6.2
Quality Structure (%):				
Average Quality	B	B	B	B
AAA (includes Treasuries and Agencies)	0	0	0	0
AA	0	0	0	0
A	0	0	0	0
BBB	2	0	0	0
BB	31	44	29	44
B	42	40	45	41
Below B	24	15	25	15
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	98	100	95	100
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	2	0	5	0
Other	0	0	0	0
Market Allocation (%):				
United States	87	83	89	83
Foreign (developed markets)	13	17	11	17
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

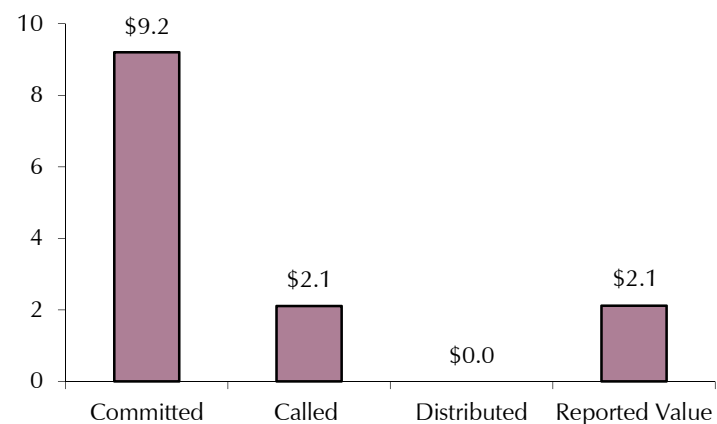


City of Ann Arbor Employees' Retirement System

Summit Partners Credit Fund II Portfolio Detail as of 6/30/15

Strategy: High Yield Bonds
Senior Professionals: Team
Location: Boston, Massachusetts
Vintage Year: 2011
Fee Schedule: 1.5% management fee; 20% carried interest

Commitment: \$9.2 million
Capital Contributions: \$2.1 million
Outstanding Commitment: \$7.1 million
Realized Proceeds: \$0.0 million
Total Value: \$2.1 million
Number of Investments:¹ 4
Net IRR:¹ 6.0%



Investment Strategy:

Summit Partners Credit Fund II ("Fund II" or the "Fund") will invest in middle market companies through directly originated, senior secured (first or second lien) loans. When in a second lien position, Summit prefers to be junior to an asset-backed loan from a bank, and ideally a senior lender that it has brought into the transaction itself, often by syndicating a portion of unitranche loan at a lower rate while keeping a portion for itself at a much higher effective interest rate. The Fund will target middle market companies of scale that have stable and recurring revenue, while avoiding highly cyclical companies with high CAPEX requirements. Borrowers' use of proceeds will vary and may include acquisition capital, working capital, or refinancing capital. The Fund will seek to reduce repayment risk through call protections and will seek upside through penny warrants.

¹ Data presented is as of March 31, 2015.



**Bank Loans Portfolio Review
As of June 30, 2015**

City of Ann Arbor Employees' Retirement System

Mandate: Fixed Income
Active/Passive: Active
Market Value: \$14.1 million
Portfolio Manager: Carl H. Goldsmith
Location: Santa Monica, California
Inception Date: 4/1/2012
Account Type: Commingled

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
0.65% on all assets

Liquidity Constraints:
Quarterly

Strategy:
The Beach Point Loan fund has the primary investment objective of achieving a risk-adjusted high rate of return through investments in secured corporate loans of below investment grade companies supplemented by investments in other below investment grade instruments. A significant portion of the portfolio will be invested in first lien secured loans. The Loan fund may also opportunistically invest in DIP loans, second lien loans, floating rate notes, high yield bonds, and short-term bonds. The Loan fund has a long bias and the majority of investments are floating rate. The geographical market focus is predominantly U.S., although the Loan fund has exposure to securities of foreign issuers, typically located in Canada and Western Europe.

Performance (%):	2Q15	1 YR	3 YR	Since 4/1/12
Beach Point Leveraged Loan	0.6	3.3	6.3	6.3
Net of Fees	0.4	2.6	5.6	5.6
CSFB Leveraged Loan	0.8	2.1	5.3	5.2

Risk: (thirty-nine months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Beach Point Leveraged Loan	1.8%	0.88	3.43	1.71	0.93
CSFB Leveraged Loan	1.9	1.00	2.69	NA	1.00

Beach Point Leveraged Loan Portfolio Detail as of 6/30/15

	6/30/15		3/31/15	
	Beach Point Leveraged Loan	CSFB Leveraged Loan	Beach Point Leveraged Loan	CSFB Leveraged Loan
Duration & Yield:				
Average Effective Duration (years)	0.4	0.3	0.5	0.3
Yield to Maturity (%)	5.0	4.9	5.4	4.9
Quality Structure (%):				
Average Quality	B	B	B	B
AAA (includes Treasuries and Agencies)	0	0	0	0
AA	0	0	0	0
A	0	0	0	0
BBB	0	0	0	0
BB	31	33	24	33
B	64	58	71	59
Below B	4	7	4	7
Non-Rated	1	2	1	2
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	8	0	9	0
Bank Loans	93	100	91	100
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	79	100	84	100
Foreign (developed markets)	21	0	16	0
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	5	0	6	0



Emerging Market Debt Portfolio Review
As of June 30, 2015

City of Ann Arbor Employees' Retirement System

Stone Harbor Emerging Markets Local Currency Debt Portfolio Detail as of 6/30/15

Mandate: Fixed Income
Active/Passive: Active
Market Value: \$6.9 million
Portfolio Manager: Team
Location: New York, New York
Inception Date: 6/1/2012
Account Type: Mutual Fund (SHLMX)

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
0.89% on all assets

Liquidity Constraints:
Daily

Strategy:

Stone Harbor believes that investing in a diversified portfolio of emerging markets local currency instruments will result in strong, long-term performance. The investment team monitors the emerging markets universe for improving credit quality opportunities and undervalued currencies with high real return potential. The active investment management approach is characterized by fundamental credit analysis. The investment process emphasizes country selection based on intensive economic and political analysis as well as a rigorous analytical approach to currency, sector, and security selection.

Performance (%):	2Q15	1 YR	3 YR	Since 6/1/12
Stone Harbor Emerging Markets Local Currency Debt	-0.6	-16.9	-6.1	-4.4
JPM GBI-EM Global Diversified (unhedged)	-1.0	-15.4	-3.8	-2.0
Peer Emerging Market Debt	-0.2	-4.8	1.6	2.6
Peer Ranking (percentile)	62	93	99	99

	6/30/15		3/31/15	
	Stone Harbor EM Local Debt	JPM GBI-EM Global Diversified (unhedged)	Stone Harbor EM Local Debt	JPM GBI-EM Global Diversified (unhedged)
Duration & Yield:				
Average Effective Duration (years)	4.9	5.0	4.7	5.0
Yield to Maturity (%)	8.6	6.8	7.5	6.5
Quality Structure (%):				
Average Quality	BBB+	BBB	BBB+	BBB+
AAA (includes Treasuries and Agencies)	2	0	2	0
AA	0	0	1	0
A	32	37	37	38
BBB	64	55	58	54
BB	0	7	0	7
B	0	0	0	0
Below B	2	0	3	0
Non-Rated	0	1	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	0	0	0	0
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	100	100	100	100
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	0	0	0	0
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	100	100	100	100
Currency Allocation (%):				
Non-U.S. Dollar Exposure	97	100	97	100



**Real Estate Portfolio Reviews
As of June 30, 2015**

City of Ann Arbor Employees' Retirement System

A.E.W Core Property Trust Portfolio Detail as of 6/30/15

Strategy: Real Estate
Open-End
Core

Market Value: \$21.2 million

Senior Professionals: Team

Location: Boston, Massachusetts

Account Type: Separately Managed

of Investments: 62

Liquidity Constraints: Quarterly

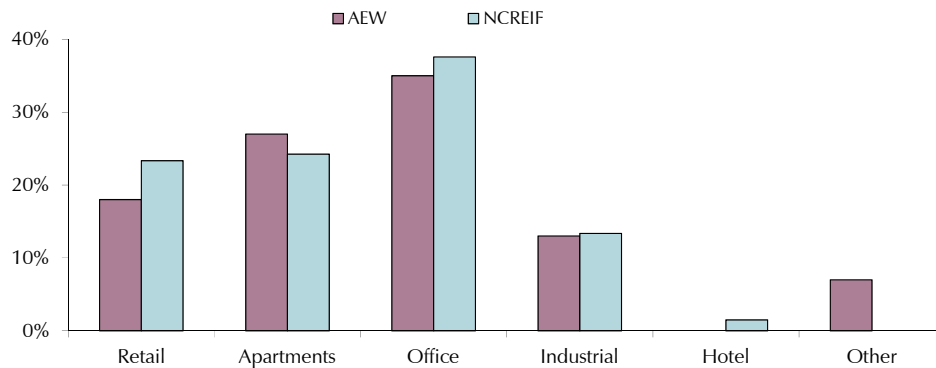
Fee Schedule: 1.10% on first \$10 mm; 1.00% on next \$15 mm

Net IRR: 11.1%

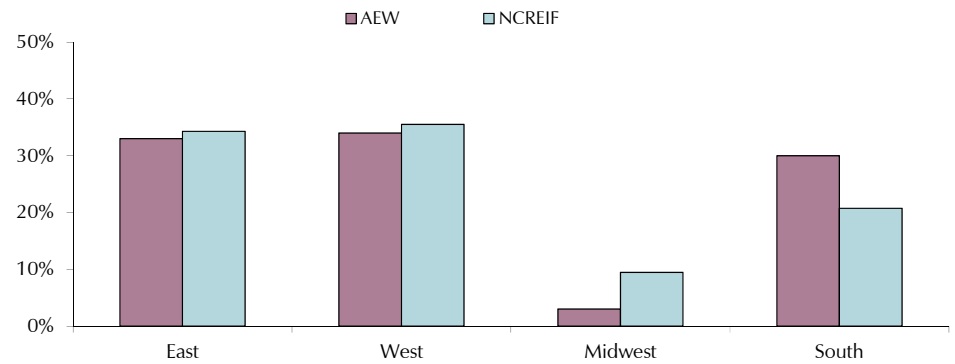
Portfolio Size:



Property Type:



Geographic Region:



Investment Strategy:

AEW employs leverage that is in-line with NFI-ODCE and currently has 10% of the net asset value in non-core investments, but in an investment with primarily core characteristics (mezzanine loan). The strategy invests mostly in the East and South, with significantly less exposure to the Midwest.



City of Ann Arbor Employees' Retirement System

Intercontinental Real Estate Investment Fund III Portfolio Detail as of 6/30/15

Strategy: Real Estate
Closed-End
Core-Plus

Market Value: \$8.0 million

Senior Professionals: Team

Location: Boston, Massachusetts

Vintage Year: 2003

Account Type: Separately Managed

of Investments: ¹ 6

Liquidity Constraints: No interim liquidity

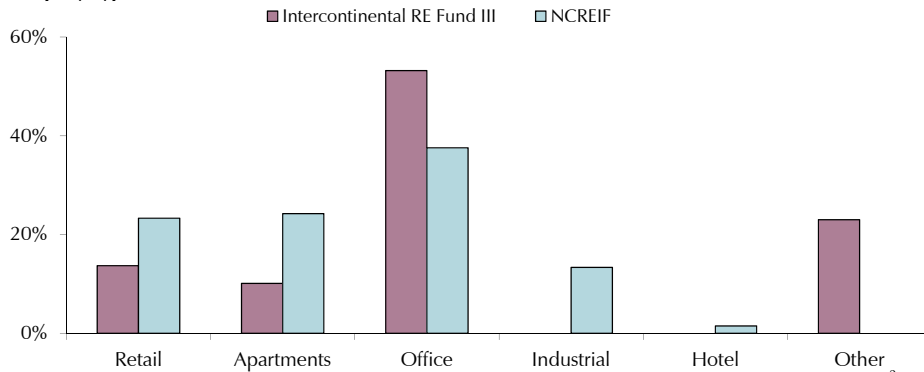
Fee Schedule: 1.25% on all assets

Net IRR: ¹ 5.4%

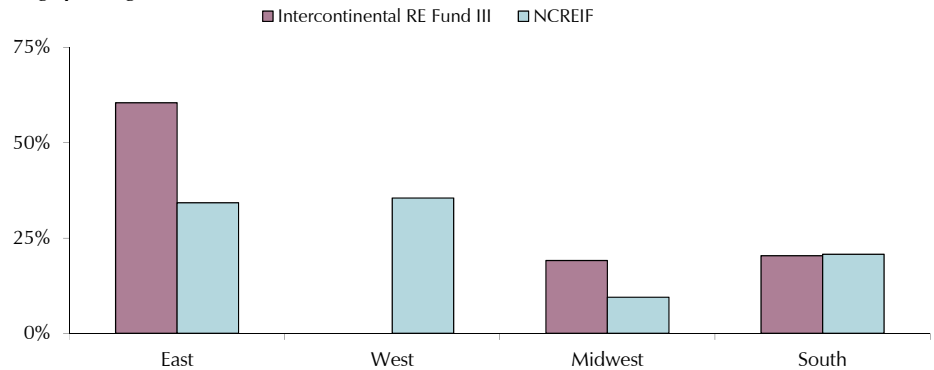
Portfolio Size:



Property Type:



Geographic Region:



Investment Strategy:

Intercontinental searches for properties that may generate attractive capital appreciation through some degree of asset repositioning, re-tenanting, or through moderate physical or financial rehabilitation. The manager will construct a geographically diversified portfolio across the spectrum of property types including: office, residential, industrial, retail and mixed-used properties. This Fund's objective targets yield-driven returns with annual cash yields of 6% to 8% and a total return of 10%.

¹ Data presented is as of March 31, 2015.



City of Ann Arbor Employees' Retirement System

INVESCO Mortgage Recovery Loans Portfolio Detail as of 6/30/15

Mandate:	Opportunistic Debt - PPIP
Reported Value:	\$3.9 million
Portfolio Manager:	Rich King
Location:	Atlanta, Georgia
Vintage Year:	2008
Account Type:	Ltd. Partnership
Commitment:	\$11.0 million ¹
Capital Contribution:	\$7.6 million
Fee Schedule:	1.0% management fee on invested capital; 8% preferred return; 20% carried interest
Realized Proceeds:	\$6.2 million
Net IRR:	15.9% ²



Investment Strategy:

Using matching funds provided by the U.S. Treasury under the Public-Private Investment Program (PPIP), the INVESCO Mortgage Recovery Fund will invest, directly or indirectly, in a broad spectrum of mortgage related assets. The Fund will have a specific focus on legacy residential mortgage-backed securities ("RMBS") and commercial mortgage-backed securities ("CMBS"), residential mortgage and commercial real estate loans, and other distressed mortgage-related assets. The Funds will seek to construct a diverse portfolio of mortgage-related investments with sector allocations that will change as markets evolve and opportunities develop.

¹ Combined commitment for INVESCO Mortgage Recovery Loans and Mortgage Recovery Feeder.

² Data is as of March 31, 2015.

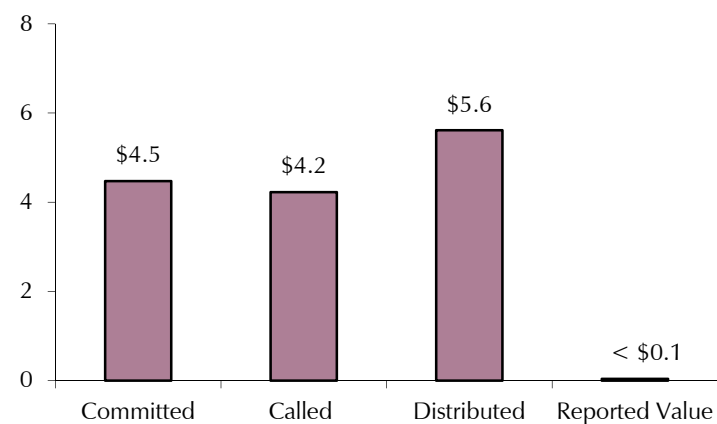


City of Ann Arbor Employees' Retirement System

INVESCO Mortgage Recovery Feeder Portfolio Detail as of 3/31/15

Mandate:	Opportunistic Debt - PPIP
Reported Value:	< \$0.1 million
Portfolio Manager:	Rich King
Location:	Atlanta, Georgia
Vintage Year:	2008
Account Type:	Ltd. Partnership
Commitment:	\$4.5 million
Capital Contribution:	\$4.2 million
Fee Schedule:	1.0% management fee; 8% preferred return; 20% carried interest
Realized Proceeds:	\$5.6 million
Net IRR:	12.6% ¹

Portfolio Size



Investment Strategy:

Using matching funds provided by the U.S. Treasury under the Public-Private Investment Program (PPIP), the INVESCO Mortgage Recovery Fund will invest, directly or indirectly, in a broad spectrum of mortgage-related assets. The Fund will have a specific focus on legacy residential mortgage-backed securities ("RMBS") and commercial mortgage backed securities ("CMBS"), residential mortgage and commercial real estate loans, and other distressed mortgage-related assets. The Funds will seek to construct a diverse portfolio of mortgage-related investments with sector allocations that will change as markets evolve and opportunities develop.

¹ Data is as of March 31, 2015.



City of Ann Arbor Employees' Retirement System

DRA Growth and Income Fund VIII, LLC Portfolio Detail as of 6/30/15

Strategy: Real Estate
Closed-End
Value-Added

Market Value: \$1.8 million

Senior Professionals: Team

Location: New York, New York

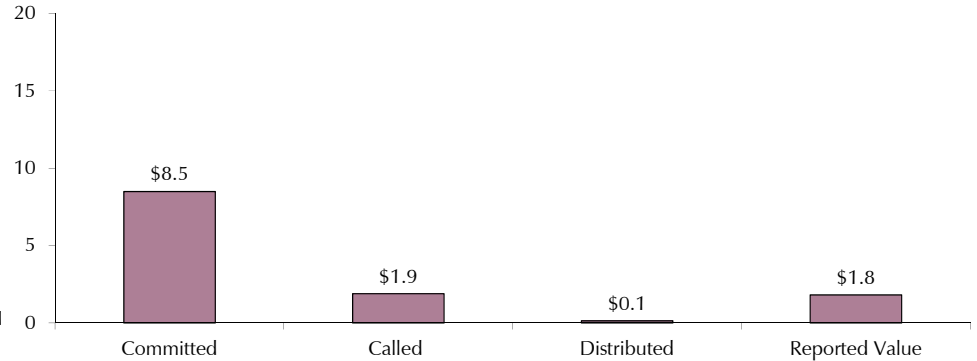
Vintage Year: 2013

Account Type: Limited Partnership

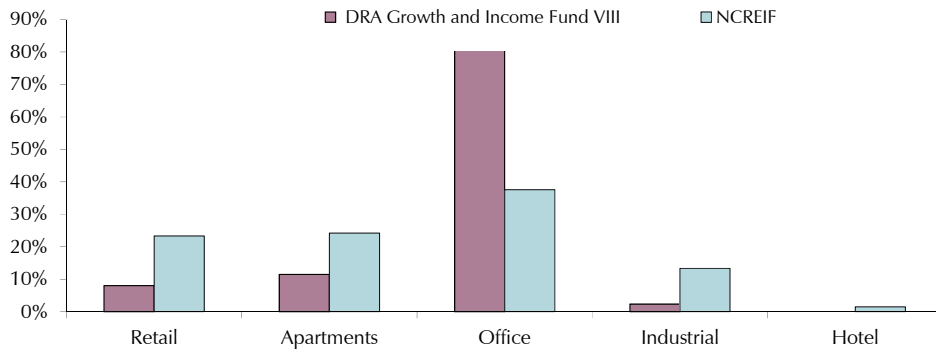
of Investments:¹ 37

Fee Schedule: 0.90% on gross cost during investment period; 0.60% thereafter; 8% preferred return and 20% carried interest

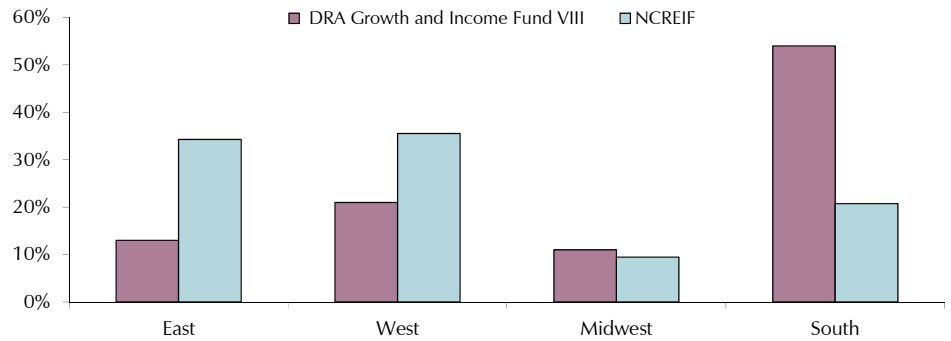
Portfolio Size:



Property Type:



Geographic Region:



Investment Strategy:

Fund VIII will invest in a diversified portfolio of office, retail, multi-family, industrial and other real-estate related properties and assets across the United States and its territories. The Company will seek to generate an attractive return to investors of 12-15%, net of fees, expenses and carried interest, and a significant portion of this return is expected to be from cash flow. Fund VIII will attempt to capitalize on inefficiencies in real estate markets to acquire high quality operating assets at discounts to replacement cost. Such inefficiencies can result from (i) taking advantage of sellers' strategic or financial motivations, (ii) investing in markets or properties that are perceived as out of favor by other investors, (iii) leveraging DRA's industry relationships with both private and public joint venture partners to access deals, and (iv) utilizing DRA's financial experience and resources to exploit pricing inefficiencies in complex transactions.

¹ Data is as of March 31, 2015.



**Hedge Fund Portfolio Reviews
As of June 30, 2015**

City of Ann Arbor Employees' Retirement System

Tse Capital Offshore Fund, Ltd. Portfolio Detail as of 6/30/15

Mandate: Hedge Fund, Global Macro
Market Value: \$6.6 million
Portfolio Manager: Team
Location: New York, New York
Inception Date: 2/1/2015
Account Type: Limited Partnership
of Investments: NA

Fee Schedule:

1.5% management with sliding incentive fees; 10% if returns to 10%; 20% if returns exceed 10%; 30% if returns exceed 20%

Liquidity Constraints:

Quarterly redemptions with a 90 days' written notice; Initial 12 month lock-up period.

Strategy:

Tse Capital employs a discretionary macro strategy. The process is initiated via top-down analysis to identify potential global macro themes. The team then works to identify catalysts, evaluating flows, and performing technical analysis to determine key inflection points.

Performance (%):	2Q15	Since 2/1/15
Tse Capital Offshore Fund, Ltd.	2.2	7.4
HFRI Macro Index	-3.6	-2.8



City of Ann Arbor Employees' Retirement System

36 South Kohinoor Series Three Portfolio Detail as of 6/30/15

Mandate: Hedge Fund, Global Macro
Market Value: \$9.1 million
Portfolio Manager: Team
Location: London, United Kingdom
Inception Date: 2/1/2015
Account Type: Limited Partnership
of Investments: NA

Fee Schedule:
 1.75% management fee; 20% Performance fee

Liquidity Constraints:
 Monthly redemptions with 30 days' written notice. Anti-dilution levy of 1.5%

Strategy:
 The Kohinoor Series Three Fund invests in 25% of the initial capital subscribed into the Kohinoor Core Fund and keeps the remaining in cash. The capital will be deployed in long dated, out of the money options across a broad spectrum of asset classes in various geographical locations. The team performs fundamental, bottom-up research to guide their capital allocation. There will be approximately 30-70 positions that will generally appreciate in value in a rising volatility environment.

Performance (%):	2Q15	2Q15	Since 2/1/15
36 South Kohinoor Series Three	-2.2	-2.2	-2.9
HFRI Macro Index	-3.6	-3.6	-2.8

	6/30/2015	
Geographic Exposure (%):	Gross	Net
North America	106	105
Developed Europe	37	37
Developed Asia	64	64
Emerging Markets	0	0
Security Type Exposure (%):	Long	Short
Equities	116	0
Commodities	83	-39
Developed Fixed Income	91	0
Emerging Fixed Income	0	0
Currency	206	0
Top 3 Notional Positions (%):		
USD Receiver Swaption	48	
AUD Call JPY Put	17	
WTI Call	11	
Top 3 Risk Positions (%):		
EUR USD Straddle	18	
AUD Call JPY Put	14	
WTI and Brent Calls	11	



City of Ann Arbor Employees' Retirement System

Och-Ziff Credit Opportunities Portfolio Detail as of 6/30/15

Mandate: Fixed Income,
Market Value: \$2.8 million
Portfolio Manager: Team
Location: New York, New York
Inception Date: 6/30/2015
Account Type: Limited Partnership
of Investments: NA

Fee Schedule:

1.25 % management fee; 20% performance fee with a 6% hurdle rate

Liquidity Constraints:

Quarterly (with 61 days advance notice)

Strategy:

Och-Ziff Credit Opportunities investment team uses a bottom-up approach to security selection focusing on assets that support the potential investment. Selection is mostly comprised of U.S. and European corporate and structured credit markets. OZCO will invest across all size spectrums believing capital deployed into dislocated or inefficient markets globally will generate strong risk adjusted returns.

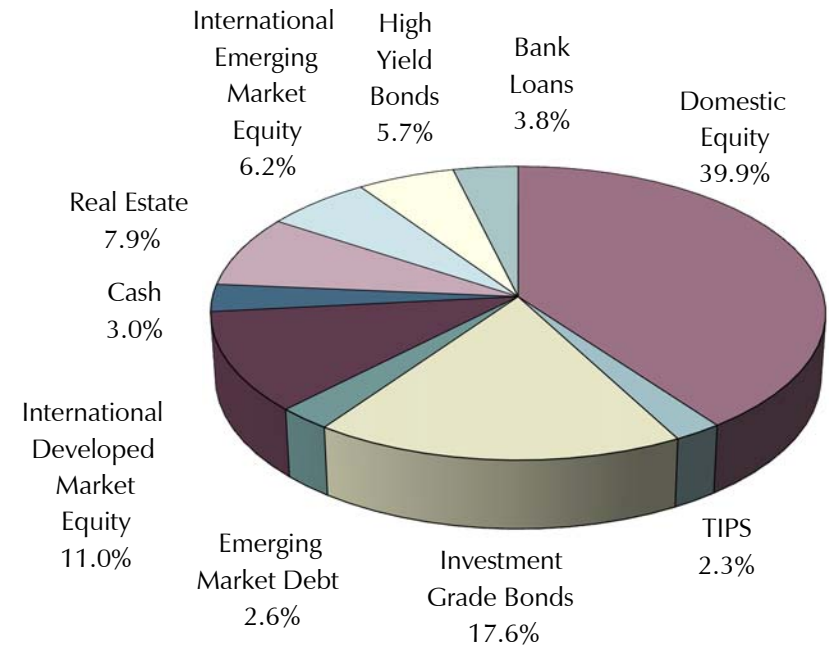
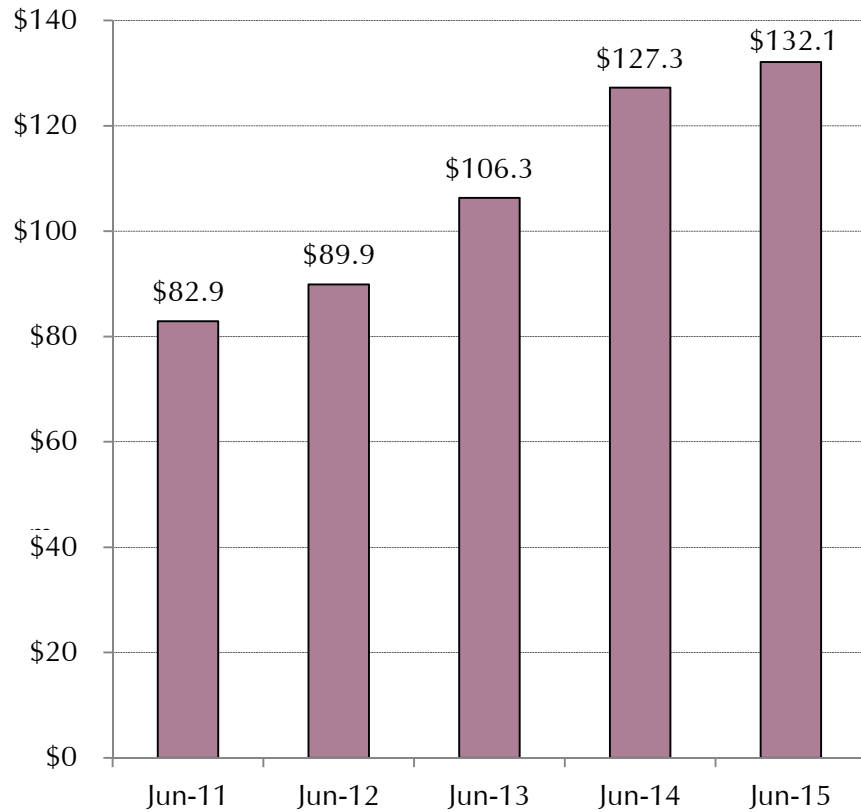
Performance (%):	Since 6/30/15
Och-Ziff Credit Opportunities	-1.4
Barclays High Yield	-1.5



**VEBA Summary
As of June 30, 2015**

City of Ann Arbor
VEBA

Aggregate Assets
as of 6/30/15



City of Ann Arbor
VEBA

Aggregate Assets
Asset Summary as of 6/30/15

	Market Value 6/30/15 (\$ mm)	% of Health Care Trust	Target Allocation (%)	Target Range (%)	Market Value 3/31/15 (\$ mm)
Total VEBA	132.1	100	NA	NA	129.7
Domestic Equity Assets	52.7	40	38	30-46	52.6
International Developed Market Equity Assets	14.6	11	11	8-14	14.7
International Emerging Market Equity Assets	8.2	6	6	0-9	8.2
Investment Grade Bond Assets	23.2	18	10	8-12	23.6
TIPS Assets	3.0	2	9	0-11	3.0
High Yield Bond Assets ¹	7.6	6	6	2-8	7.5
Bank Loan Assets	5.0	4	4	0-6	5.0
Emerging Market Debt Assets	3.4	3	3	0-5	3.4
Real Estate Assets	10.4	8	10	2-12	10.8
Natural Resources Assets	0.0	0	3	0-5	0.0
Cash	4.0	3	0	< 5	1.0

¹ Includes Summit Partners Credit Fund II.



City of Ann Arbor
VEBA

Aggregate Assets
Portfolio Roster as of 6/30/15

	Market Value 6/30/15 (\$ mm)	% of Asset Class	% of Health Care Trust	Target Allocation (%)	Target Range (%)	Market Value 3/31/15 (\$ mm)
Total VEBA	132.1	NA	100	NA	NA	129.7
Domestic Equity Assets	52.7	100	40	38	30-46	52.6
Northern Trust Russell 1000 Index	35.3	67	27			35.2
RhumbLine S&P 400 Index	10.0	19	8			10.0
SouthernSun Small Cap Equity	7.5	14	6			7.3
International Developed Market Equity Assets	14.6	100	11	11	8-14	14.7
Fisher Institutional Foreign Equity	14.6	100	11			14.7
International Emerging Market Equity Assets	8.2	100	6	6	0-9	8.2
Dimensional Emerging Markets Value	4.5	55	3			4.4
Vontobel Emerging Markets Equity	3.7	45	3			3.8
Investment Grade Bond Assets	23.2	100	18	10	8-12	23.6
Northern Trust Barclays Aggregate Bond Index	23.2	100	18			23.6
TIPS Assets	3.0	100	2	9	0-11	3.0
IR&M 1-10 Year Index	3.0	100	2			3.0



City of Ann Arbor
VEBA

Aggregate Assets
Portfolio Roster as of 6/30/15

	Market Value 6/30/15 (\$ mm)	% of Asset Class	% of Health Care Trust	Target Allocation (%)	Target Range (%)	Market Value 3/31/15 (\$ mm)
High Yield Bond Assets	7.6	100	6	6	2-8	7.5
SKY Harbor High Yield	7.0	93	5			7.0
Summit Partners Credit Fund II ¹	0.5	7	< 1			0.5
Bank Loan Assets	5.0	100	4	4	0-6	5.0
Beach Point Leveraged Loan	5.0	100	4			5.0
Emerging Market Debt Assets	3.4	100	3	3	0-5	3.4
Stone Harbor Emerging Markets Local Currency Debt	3.4	100	3			3.4
Real Estate Assets	10.4	100	8	10	2-12	10.8
Vanguard REIT Index	4.6	44	3			5.1
A.E.W Core Property Trust ²	5.3	51	4			5.1
DRA Growth and Income Fund VIII ¹	0.5	5	< 1			0.5
Cash	4.0	100	3	0	< 5	1.0
Northern Trust Cash Account	4.0	100	3			1.0

¹ Market value as of March 31, 2015, adjusted for subsequent cash flows.

² Preliminary market value as of June 30, 2015.



City of Ann Arbor
VEBA

Aggregate Assets
Performance as of 6/30/15

	2Q15 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Total VEBA	-0.5	1.9	1.6	9.6	11.6	6.6	10/1/99	6.1
Net of Fees	-0.5	1.8	1.3	9.3	11.2	NA		NA
<i>Policy Benchmark¹</i>	0.4	2.4	2.2	9.6	10.9	6.6		5.6
<i>Actual Allocation Benchmark</i>	0.2	2.2	3.0	9.9	NA	NA		NA
<i>60% MSCI ACWI/ 40% Barclays Aggregate</i>	-0.5	1.6	1.3	8.5	8.7	6.0		NA
Domestic Equity	0.3	2.7	4.8	17.9	19.1	8.9	10/1/99	6.6
<i>Russell 3000</i>	0.1	1.9	7.3	17.7	17.5	8.2		5.7
International Developed Market Equity	-1.0	5.5	-1.8	12.1	11.3	NA	7/1/09	11.5
<i>MSCI EAFE</i>	0.6	5.5	-4.2	12.0	9.5	5.1		8.9
International Emerging Market Equity	0.4	1.0	-6.6	2.9	NA	NA	2/1/12	1.3
<i>MSCI Emerging Markets</i>	0.7	2.9	-5.1	3.7	3.7	8.1		1.2
Investment Grade Bonds ²	-1.7	-0.1	1.9	2.3	4.2	5.1	10/1/00	5.7
<i>Barclays Aggregate</i>	-1.7	-0.1	1.9	1.8	3.3	4.4		5.3
<i>Barclays Universal</i>	-1.4	0.3	1.6	2.3	3.8	4.7		5.5
TIPS	-0.2	1.1	-2.0	NA	NA	NA	11/1/13	0.1
<i>Barclays U.S. TIPS</i>	-1.1	0.3	-1.7	-0.8	3.3	4.1		0.8
<i>Barclays U.S. TIPS 1-10 Year</i>	-0.1	1.1	-1.9	-0.5	2.4	3.7		0.1

¹ As of 3Q 2011, the Policy Benchmark comprises 38% Russell 3000, 11% MSCI EAFE, 6% MSCI EM, 10% Barclays Aggregate, 9% Barclays U.S. TIPS, 6% Barclays High Yield, 4% CSFB Leveraged Loan, 3% JPM GBI-EM Global Diversified, 10% NCREIF ODCE (equal weighted), and 3% DJ-UBS Commodity.

² Prior to July 2011, Investment Grade Bonds included an allocation to High Yield.



City of Ann Arbor
VEBA

Aggregate Assets
Performance as of 6/30/15

	2Q15 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Total VEBA (continued)	-0.5	1.9	1.6	9.6	11.6	6.6	10/1/99	6.1
Net of Fees (continued)	-0.5	1.8	1.3	9.3	11.2	NA		NA
High Yield Bond Assets	0.6	2.4	-1.6	6.2	7.7	NA	7/1/09	9.9
<i>Barclays High Yield</i>	0.0	2.5	-0.4	6.8	8.6	7.9		11.4
Bank Loans	0.6	2.7	3.3	6.3	NA	NA	4/1/12	6.3
<i>CSFB Leveraged Loan</i>	0.8	2.9	2.1	5.3	5.7	4.7		5.2
Emerging Market Debt	-0.6	-3.7	-16.9	-6.1	NA	NA	6/1/12	-4.4
<i>JPM GBI-EM Global Diversified (unhedged)</i>	-1.0	-4.9	-15.4	-3.8	0.9	5.9		-2.0
Real Estate	-3.1	0.1	7.9	8.0	14.2	8.1	3/1/05	9.1
<i>NCREIF ODCE Equal Weighted Preliminary</i>	3.8	7.3	14.4	13.1	14.4	6.9		7.2
<i>MSCI U.S. REIT</i>	-10.4	-6.2	3.9	8.7	14.3	6.6		7.7



City of Ann Arbor
VEBA

Aggregate Assets
Performance as of 6/30/15

	2Q15 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Domestic Equity	0.3	2.7	4.8	17.9	19.1	8.9	10/1/99	6.6
Northern Trust Russell 1000 Index	0.1	1.7	7.4	17.7	NA	NA	2/1/12	16.7
Net of Fees	0.1	1.7	7.3	17.7	NA	NA		16.7
<i>Russell 1000</i>	<i>0.1</i>	<i>1.7</i>	<i>7.4</i>	<i>17.7</i>	<i>17.6</i>	<i>8.1</i>		<i>16.8</i>
RhumbLine S&P 400 Index	-0.8	4.6	6.8	18.8	18.0	NA	2/1/10	16.9
Net of Fees	-0.8	4.6	6.8	18.8	17.9	NA		NA
<i>S&P MidCap</i>	<i>-1.1</i>	<i>4.2</i>	<i>6.4</i>	<i>18.6</i>	<i>17.8</i>	<i>9.7</i>		<i>16.8</i>
SouthernSun Small Cap Equity	2.9	5.0	-7.9	17.4	21.7	11.2	12/1/04	10.9
Net of Fees	2.6	4.5	-8.8	16.3	20.5	10.4		NA
<i>Russell 2000</i>	<i>0.4</i>	<i>4.8</i>	<i>6.5</i>	<i>17.8</i>	<i>17.1</i>	<i>8.4</i>		<i>8.1</i>
International Developed Market Equity	-1.0	5.5	-1.8	12.1	11.3	NA	7/1/09	11.5
Fisher Institutional Foreign Equity	-1.0	5.5	-1.8	12.1	11.3	NA	7/1/09	11.5
Net of Fees	-1.2	5.0	-2.8	11.0	10.3	NA		10.5
<i>MSCI EAFE</i>	<i>0.6</i>	<i>5.5</i>	<i>-4.2</i>	<i>12.0</i>	<i>9.5</i>	<i>5.1</i>		<i>8.9</i>

City of Ann Arbor
VEBA

Aggregate Assets
Performance as of 6/30/15

	2Q15 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
International Emerging Market Equity	0.4	1.0	-6.6	2.9	NA	NA	2/1/12	1.3
Dimensional Emerging Markets Value ¹	1.7	1.5	-9.1	2.3	NA	NA	2/1/12	-0.6
<i>MSCI Emerging Markets</i>	0.7	2.9	-5.1	3.7	3.7	8.1		1.2
Vontobel Emerging Markets Equity	-0.9	0.8	-2.5	4.5	NA	NA	2/1/12	4.8
Net of Fees	-1.2	0.3	-3.5	3.3	NA	NA		3.7
<i>MSCI Emerging Markets</i>	0.7	2.9	-5.1	3.7	3.7	8.1		1.2
Investment Grade Bonds²	-1.7	-0.1	1.9	2.3	4.2	5.1	10/1/00	5.7
Northern Trust Barclays Aggregate Bond Index	-1.7	-0.1	2.0	1.8	3.4	4.6	10/1/99	5.5
Net of Fees	-1.7	-0.1	1.9	1.8	3.3	4.5		5.4
<i>Barclays Aggregate</i>	-1.7	-0.1	1.9	1.8	3.3	4.4		5.4
TIPS	-0.2	1.1	-2.0	NA	NA	NA	11/1/13	0.1
IR&M 1-10 Year Index	-0.2	1.1	-2.0	NA	NA	NA	11/1/13	0.1
Net of Fees	-0.2	1.1	-2.1	NA	NA	NA		0.0
<i>Barclays U.S. TIPS 1-10 Year</i>	-0.1	1.1	-1.9	-0.5	2.4	3.7		0.1

¹ Returns shown are net of fees.

² Prior to July 2011, Investment Grade Bonds included an allocation to High Yield.



City of Ann Arbor
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Aggregate Assets
Performance as of 6/30/15

	2Q15 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
High Yield Bond Assets¹	0.6	2.4	-1.6	6.2	7.7	NA	7/1/09	9.9
SKY Harbor High Yield	0.6	2.6	-1.4	NA	NA	NA	12/1/12	5.5
Net of Fees	0.5	2.3	-1.9	NA	NA	NA		5.0
<i>Barclays High Yield</i>	0.0	2.5	-0.4	6.8	8.6	7.9		5.4
Bank Loans	0.6	2.7	3.3	6.3	NA	NA	4/1/12	6.3
Beach Point Leveraged Loan	0.6	2.7	3.3	6.3	NA	NA	4/1/12	6.3
Net of Fees	0.4	2.4	2.6	5.6	NA	NA		5.6
<i>CSFB Leveraged Loan</i>	0.8	2.9	2.1	5.3	5.7	4.7		5.2
Emerging Market Debt	-0.6	-3.7	-16.9	-6.1	NA	NA	6/1/12	-4.4
Stone Harbor Emerging Markets Local Currency Debt ²	-0.6	-3.7	-16.9	-6.1	NA	NA	6/1/12	-4.4
<i>JPM GBI-EM Global Diversified (unhedged)</i>	-1.0	-4.9	-15.4	-3.8	0.9	5.9		-2.0
Real Estate	-3.1	0.1	7.9	8.0	14.2	8.1	3/1/05	9.1
Vanguard REIT Index	-10.5	-6.2	3.8	NA	NA	NA	3/1/14	8.6
<i>MSCI U.S. REIT</i>	-10.4	-6.2	3.9	8.7	14.3	6.6		8.7
A.E.W Core Property Trust	3.8	5.9	12.1	NA	NA	NA	7/1/13	11.5
<i>NCREIF ODCE Equal Weighted Preliminary</i>	3.8	7.3	14.4	13.1	14.4	6.9		13.4

¹ Includes Summit Partners Credit Fund III.

² Returns shown are net of fees.



City of Ann Arbor
VEBA

Aggregate Assets
Calendar Year Performance

	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)
Total VEBA	5.1	15.2	12.6	2.7	19.6	21.9	-24.2	4.0	10.9	7.0
Net of Fees	4.8	14.8	12.3	2.3	19.2	21.6	-24.2	NA	NA	NA
<i>Policy Benchmark¹</i>	5.7	14.2	13.0	1.6	15.7	24.6	-25.0	5.0	11.9	6.9
<i>Actual Allocation Benchmark</i>	6.1	15.3	12.2	NA	NA	NA	NA	NA	NA	NA
<i>60% MSCI ACWI/ 40% Barclays Aggregate</i>	5.0	12.3	11.5	-1.1	10.8	23.0	-25.8	9.9	14.1	7.5
Domestic Equity	9.5	34.6	17.7	2.2	27.4	31.4	-38.7	4.5	13.5	7.8
Northern Trust Russell 1000 Index	13.2	33.1	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	13.2	33.1	NA	NA	NA	NA	NA	NA	NA	NA
<i>Russell 1000</i>	13.2	33.1	16.4	1.5	16.1	28.4	-37.6	5.8	15.5	6.3
RhumbLine S&P 400 Index	9.8	33.9	17.9	-1.7	NA	NA	NA	NA	NA	NA
Net of Fees	9.8	33.8	17.8	-1.7	NA	NA	NA	NA	NA	NA
<i>S&P MidCap</i>	9.8	33.5	17.9	-1.7	26.6	37.4	-36.2	8.0	10.3	12.6
SouthernSun Small Cap Equity	-6.0	41.6	21.8	6.4	48.4	29.3	-35.1	9.9	12.7	2.6
Net of Fees	-7.0	40.2	20.6	5.4	47.6	28.4	-35.1	9.0	11.9	1.8
<i>Russell 2000</i>	4.9	38.8	16.3	-4.2	26.9	27.2	-33.8	-1.6	18.4	4.6
International Developed Market Equity	-4.8	23.6	17.0	-10.8	17.0	NA	NA	NA	NA	NA
Fisher Institutional Foreign Equity	-4.8	23.6	17.0	-10.8	17.0	NA	NA	NA	NA	NA
Net of Fees	-5.7	22.4	15.8	-11.7	16.3	NA	NA	NA	NA	NA
<i>MSCI EAFE</i>	-4.9	22.8	17.3	-12.1	7.7	31.8	-43.4	11.2	26.3	13.5

¹ As of 3Q 2011, the Policy Benchmark comprises 38% Russell 3000, 11% MSCI EAFE, 6% MSCI EM, 10% Barclays Aggregate, 9% Barclays U.S. TIPS, 6% Barclays High Yield, 4% CSFB Leveraged Loan, 3% JPM GBI-EM Global Diversified, 10% NCREIF ODCE (equal weighted), and 3% DJ-UBS Commodity.



City of Ann Arbor
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Aggregate Assets
Calendar Year Performance

	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)
International Emerging Market Equity	-0.1	-4.4	NA	NA	NA	NA	NA	NA	NA	NA
Dimensional Emerging Markets Value ¹	-4.4	-3.8	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI Emerging Markets</i>	-2.2	-2.6	18.2	-18.4	18.9	78.5	-53.3	39.4	32.2	34.0
Vontobel Emerging Markets Equity	6.6	-4.4	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	5.5	-5.5	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI Emerging Markets</i>	-2.2	-2.6	18.2	-18.4	18.9	78.5	-53.3	39.4	32.2	34.0
Investment Grade Bonds²	6.4	-1.6	5.8	8.1	8.2	7.0	6.2	7.3	4.3	2.4
Northern Trust Barclays Aggregate Bond Index	6.1	-2.2	4.4	7.8	6.8	5.6	6.2	7.3	4.3	2.4
Net of Fees	6.0	-2.3	4.3	7.8	6.7	5.6	6.1	7.3	4.3	2.4
<i>Barclays Aggregate</i>	6.0	-2.0	4.2	7.8	6.5	5.9	5.2	7.0	4.3	2.4
TIPS	0.9	NA	NA	NA	NA	NA	NA	NA	NA	NA
IR&M 1-10 Year Index	0.9	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	0.8	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Barclays U.S. TIPS 1-10 Year</i>	0.9	-5.6	5.0	8.9	5.2	12.0	-2.4	11.4	1.6	1.9
High Yield Bond Assets	1.4	9.2	12.4	5.7	12.3	NA	NA	NA	NA	NA
SKY Harbor High Yield	1.4	9.2	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	0.8	8.6	NA	NA	NA	NA	NA	NA	NA	NA
<i>Barclays High Yield</i>	2.5	7.4	15.8	5.0	15.1	58.2	-26.2	1.9	11.8	2.7

¹ Returns shown are net of fees.

² Prior to July 2011, Investment Grade Bonds included an allocation to High Yield.



City of Ann Arbor
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Aggregate Assets
Calendar Year Performance

	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)
Bank Loans	2.7	7.1	NA	NA	NA	NA	NA	NA	NA	NA
Beach Point Leveraged Loan	2.7	7.1	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	2.0	6.4	NA	NA	NA	NA	NA	NA	NA	NA
<i>CSFB Leveraged Loan</i>	2.0	6.2	9.4	1.8	10.0	44.9	-28.8	1.9	7.2	5.7
Emerging Market Debt	-8.5	-12.6	NA	NA	NA	NA	NA	NA	NA	NA
Stone Harbor Emerging Markets Local Currency Debt ¹	-8.5	-12.6	NA	NA	NA	NA	NA	NA	NA	NA
<i>JPM GBI-EM Global Diversified (unhedged)</i>	-5.7	-9.0	16.8	-1.8	15.7	22.0	-5.2	18.1	15.2	6.3
Real Estate	15.4	4.1	20.1	10.2	29.7	29.6	-36.3	-15.2	38.4	NA
Vanguard REIT Index	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI U.S. REIT</i>	30.4	2.5	17.8	8.7	28.5	28.6	-38.4	-17.8	34.4	12.1
A.E.W Core Property Trust	10.4	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>NCREIF ODCE</i>	12.5	14.0	10.9	16.0	16.4	-29.8	-10.0	16.0	16.3	21.4

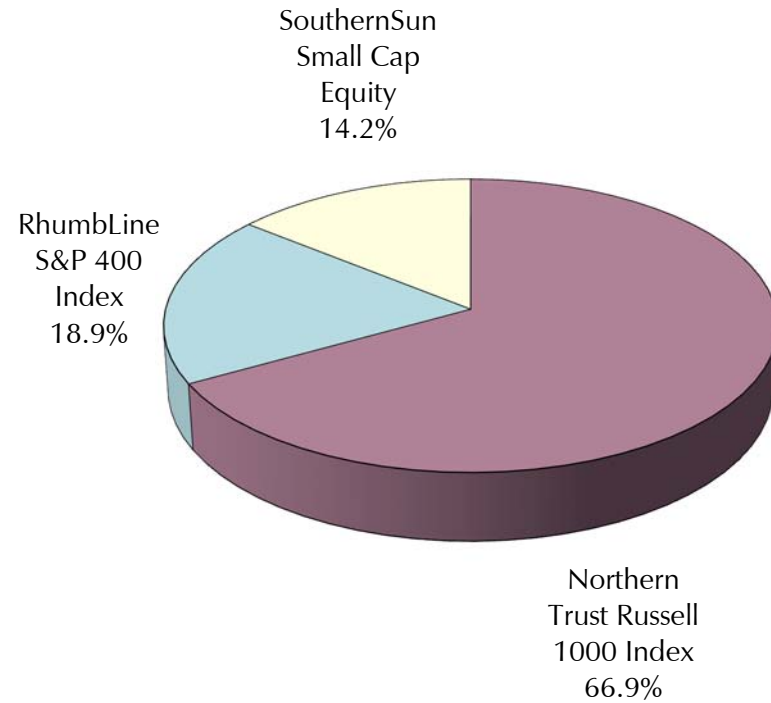
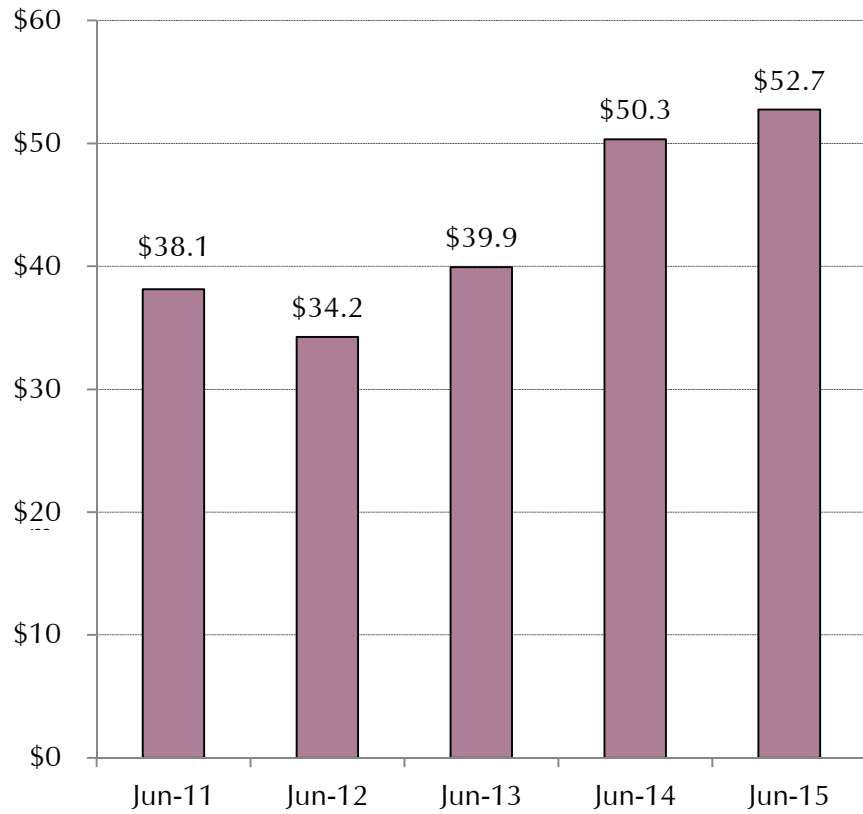
¹ Returns shown are net of fees.



**Domestic Equity Assets
As of June 30, 2015**

City of Ann Arbor
VEBA

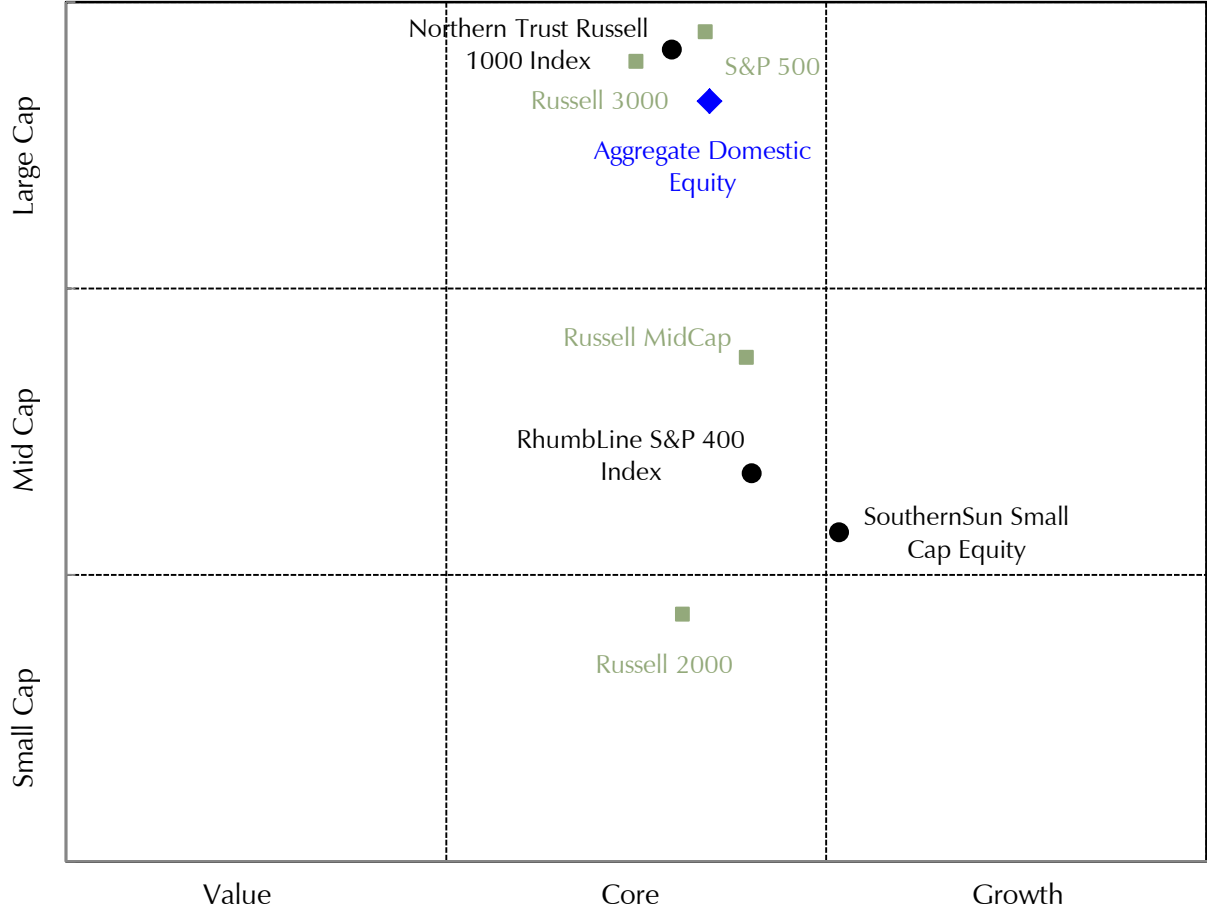
Domestic Equity Assets
as of 6/30/15



City of Ann Arbor
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Domestic Equity Assets
Risk as of 6/30/15

Risk: (sixty months)	Aggregate Domestic Equity 6/30/15	Russell 3000 6/30/15
Annualized Return (%)	19.1	17.5
Standard Deviation (%)	16.7	14.6
Best Monthly Return (%)	13.7	11.5
Worst Monthly Return (%)	-9.3	-7.8
Beta	1.11	1.00
Correlation to Index	0.99	1.00
Correlation to Total Fund Return	0.97	NA
Sharpe Measure (risk-adjusted return)	1.14	1.20
Information Ratio	0.55	NA



	Aggregate Domestic Equity 6/30/15	Russell 3000 6/30/15	Aggregate Domestic Equity 3/31/15
Capitalization Structure:			
Weighted Average Market Cap. (US\$ billion)	77.4	103.2	77.3
Median Market Cap. (US\$ billion)	6.9	1.6	7.1
Large (% over US\$20 billion)	50	68	51
Medium (% US\$3 billion to US\$20 billion)	39	25	38
Small (% under US\$3 billion)	11	8	11
Fundamental Structure:			
Price-Earnings Ratio	21	20	21
Price-Book Value Ratio	2.8	2.5	2.9
Dividend Yield (%)	1.7	1.9	1.7
Historical Earnings Growth Rate (%)	12	12	14
Projected Earnings Growth Rate (%)	11	11	11

**City of Ann Arbor
VEBA**

**Domestic Equity Assets
Diversification as of 6/30/15**

Diversification:	Aggregate Domestic Equity 6/30/15	Russell 3000 6/30/15	Aggregate Domestic Equity 3/31/15
Number of Holdings	1,176	3,003	1,165
% in 5 largest holdings	6	9	6
% in 10 largest holdings	11	14	11

Largest Five Holdings:

Apple

2.4

Technology Equipment

Microsoft

1.1

Software & Services

ExxonMobil

1.1

Energy

Centene

0.9

Health Care Services

Johnson & Johnson

0.9

Pharmaceuticals & Biotech.

City of Ann Arbor
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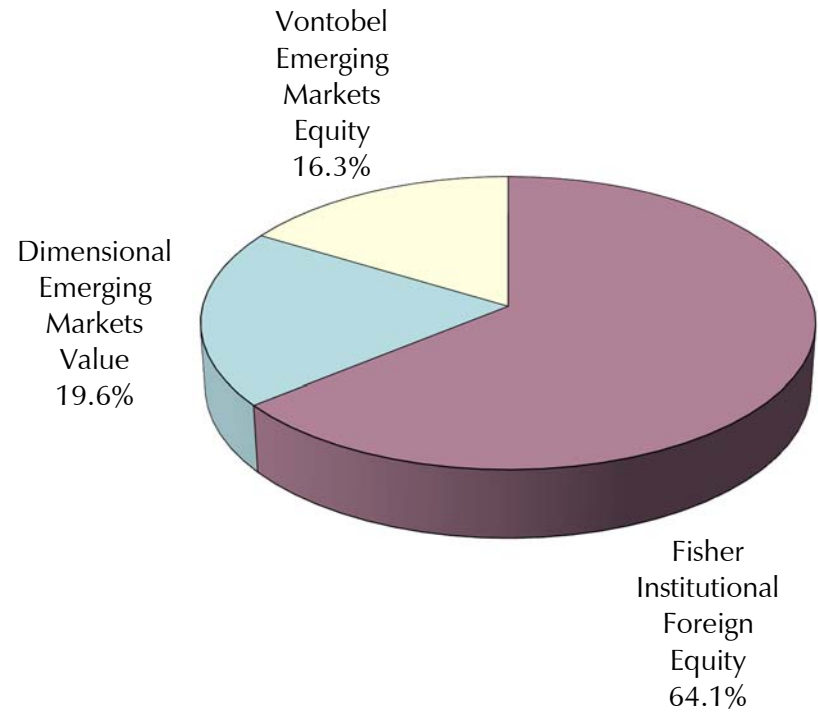
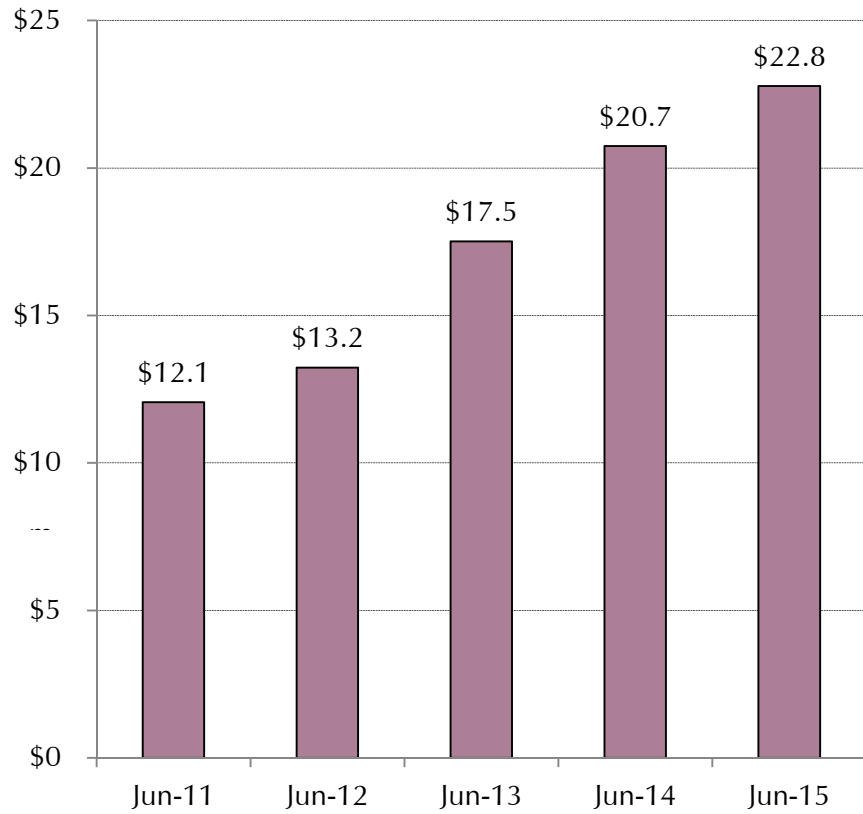
Domestic Equity Assets
Sector Allocation as of 6/30/15

Sector Allocation (%):	Aggregate Domestic Equity 6/30/15	Russell 3000 6/30/15	Aggregate Domestic Equity 3/31/15
Industrials	14	11	15
Materials	5	3	5
Consumer Discretionary	14	13	14
Utilities	3	3	3
Consumer Staples	8	8	8
Telecommunication Services	1	2	1
Energy	6	7	6
Financials	17	18	17
Health Care	14	15	14
Information Technology	17	19	17

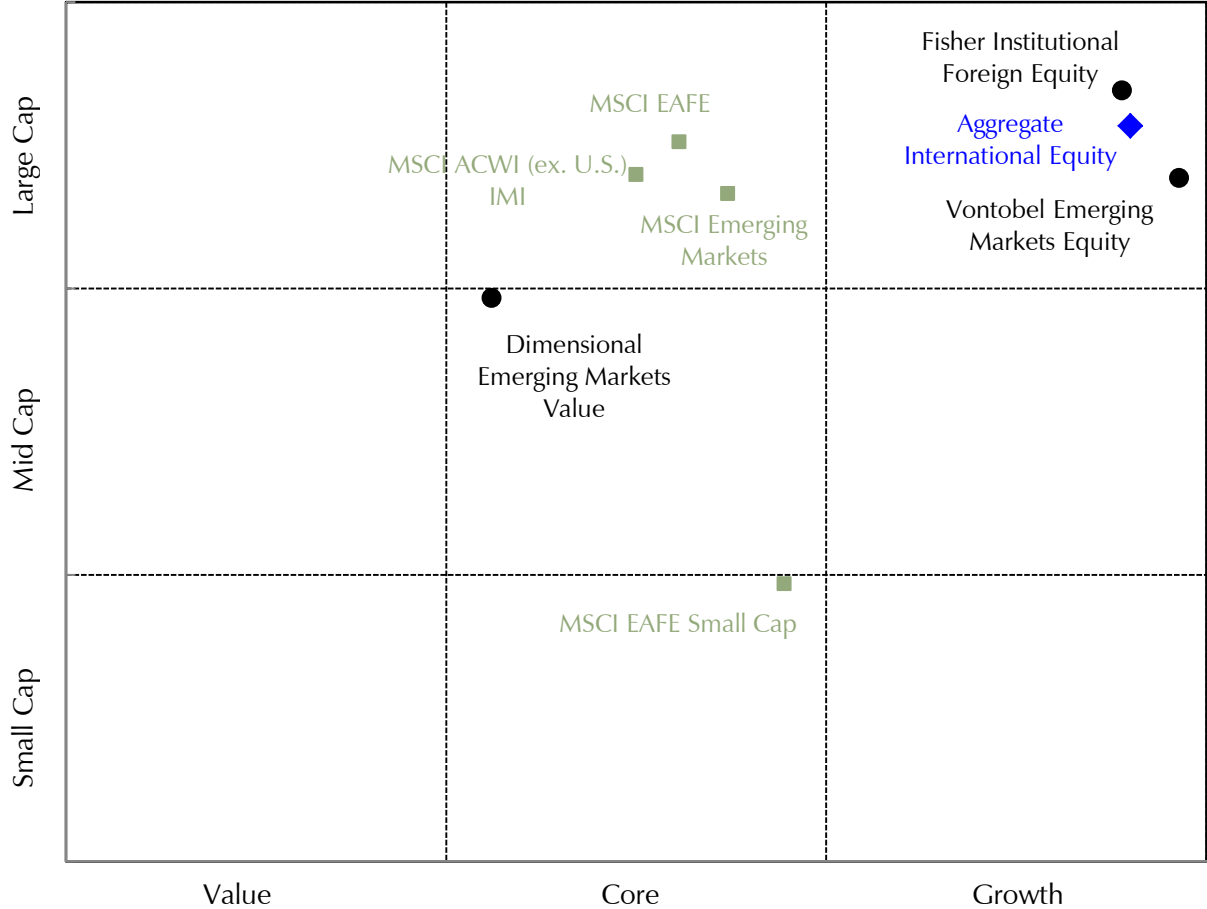
International Equity Assets
As of June 30, 2015

City of Ann Arbor
VEBA

International Equity Assets
as of 6/30/15



	Aggregate International Equity 6/30/15	MSCI ACWI (ex. U.S.) IMI 6/30/15
Risk: (sixty months)		
Annualized Return (%)	9.4	8.0
Standard Deviation (%)	20.1	17.1
Best Monthly Return (%)	15.4	10.3
Worst Monthly Return (%)	-13.9	-11.3
Beta	1.13	1.00
Correlation to Index	0.98	1.00
Correlation to Total Fund Return	0.96	NA
Sharpe Measure (risk-adjusted return)	0.47	0.46
Information Ratio	0.36	NA



	Aggregate International Equity 6/30/15	MSCI ACWI (ex. U.S.) IMI 6/30/15	Aggregate International Equity 3/31/15
Capitalization Structure:			
Weighted Average Market Cap. (US\$ billion)	64.8	45.5	65.9
Median Market Cap. (US\$ million)	434	1,211	424
Large (% over US\$20 billion)	75	54	76
Medium (% US\$3 billion to US\$20 billion)	18	34	17
Small (% under US\$3 billion)	6	12	6
Fundamental Structure:			
Price-Earnings Ratio	18	17	19
Price-Book Value Ratio	2.9	1.5	3.1
Dividend Yield (%)	2.6	2.8	2.5
Historical Earnings Growth Rate (%)	11	8	12
Projected Earnings Growth Rate (%)	12	10	11

	Aggregate International Equity 6/30/15	MSCI ACWI (ex. U.S.) IMI 6/30/15	Aggregate International Equity 3/31/15
Diversification:			
Number of Holdings	2,253	6,101	2,253
% in 5 largest holdings	11	5	11
% in 10 largest holdings	19	8	20
Largest Five Holdings:		% of Portfolio	Economic Sector
Novo Nordisk	2.4	Pharmaceuticals & Biotech.	
Bayer	2.2	Pharmaceuticals & Biotech.	
UBS	2.0	Diversified Financials	
Asml Holding	2.0	Semiconductors	
Prudential	1.9	Insurance	

Sector Allocation (%):	Aggregate International Equity 6/30/15	MSCI ACWI (ex. U.S.) IMI 6/30/15	Aggregate International Equity 3/31/15
Information Technology	14	8	14
Health Care	13	9	13
Consumer Discretionary	15	13	16
Consumer Staples	10	9	9
Industrials	12	12	12
Financials	26	27	25
Utilities	1	3	1
Materials	5	8	5
Energy	4	7	3
Telecommunication Services	1	5	1

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International Equity Assets
Country & Region Breakdown as of 6/30/15

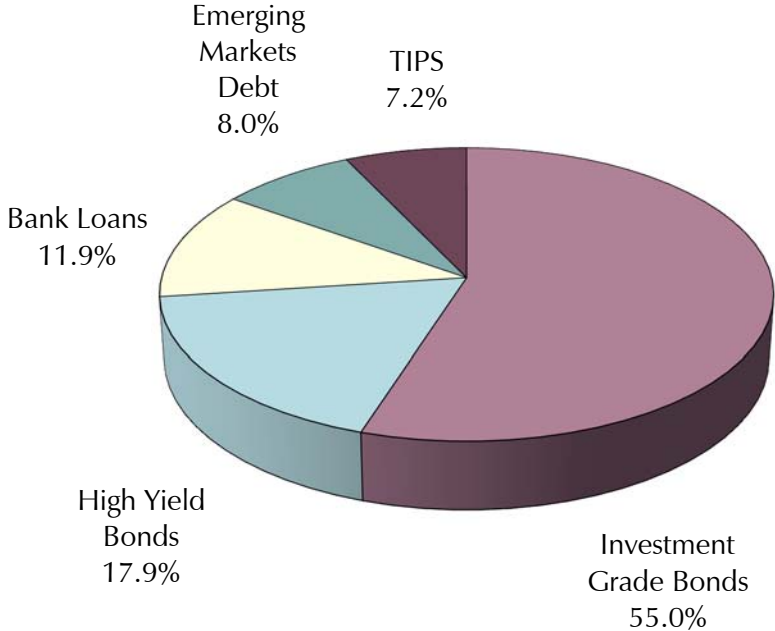
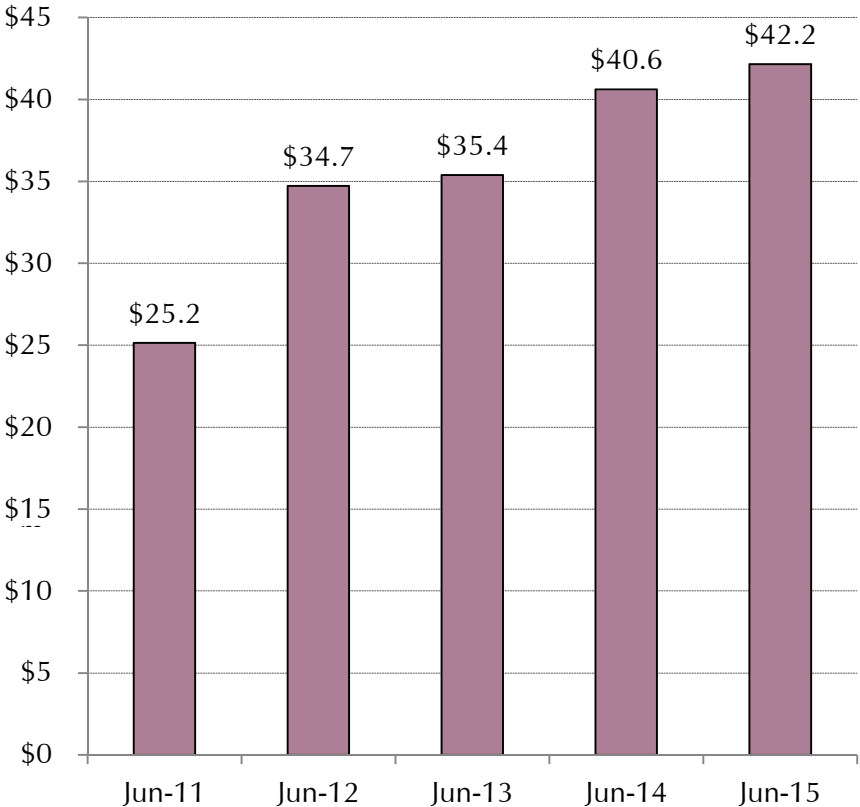
	Aggregate International Equity 6/30/15 (%)	MSCI ACWI (ex. U.S.) IMI 6/30/15 (%)		Aggregate International Equity 6/30/15 (%)	MSCI ACWI (ex. U.S.) IMI 6/30/15 (%)
North America	2.4	6.7	Emerging	32.9	19.7
Canada	2.1	6.6	India	6.0	1.8
Europe	51.3	45.4	Brazil	3.7	1.5
Germany	10.4	6.0	Taiwan	5.1	2.9
United Kingdom	14.9	13.0	Mexico	2.3	0.9
Switzerland	7.8	6.5	Thailand	1.5	0.5
Denmark	2.4	1.2	Indonesia	1.3	0.5
Ireland	1.8	0.7	South Korea	4.1	3.3
France	6.5	6.0	South Africa	2.5	1.7
Belgium	1.3	1.0	Malaysia	1.2	0.7
Netherlands	3.0	2.9	China	3.2	3.1
Italy	1.4	1.8			
Spain	1.0	2.4			
Asia Pacific	13.3	27.6			
Singapore	1.2	1.1			
Hong Kong	4.5	4.6			
Australia	2.0	4.8			
Japan	5.6	17.0			



**Fixed Income Assets
As of June 30, 2015**

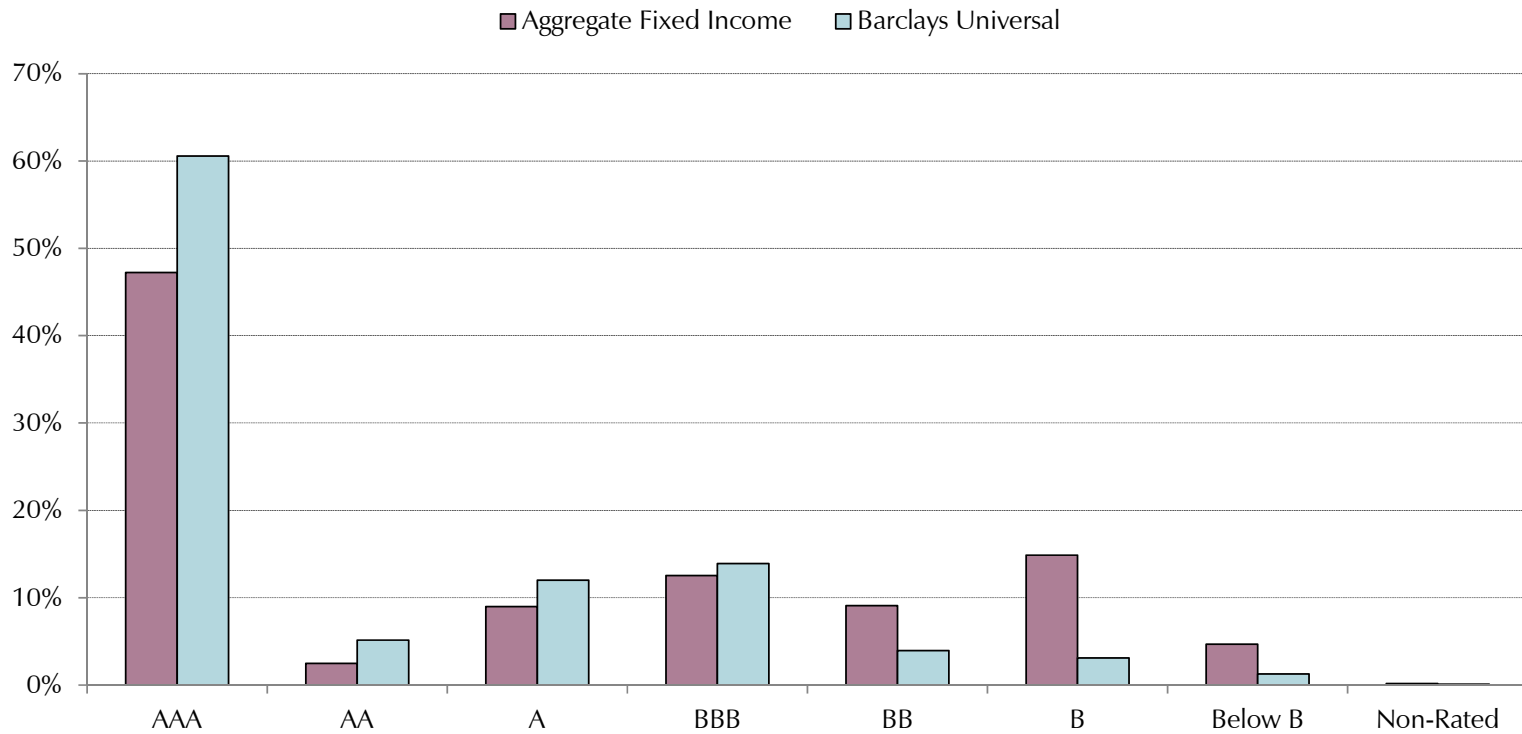
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Fixed Income Assets
as of 6/30/15



Risk: (sixty months)	Aggregate Fixed Income 6/30/15	Barclays Universal 6/30/15
Annualized Return (%)	4.3	3.8
Standard Deviation (%)	2.9	2.8
Best Monthly Return (%)	1.5	1.9
Worst Monthly Return (%)	-1.9	-1.8
Beta	0.95	1.00
Correlation to Index	0.94	1.00
Correlation to Total Fund Return	0.28	NA
Sharpe Measure (risk-adjusted return)	1.46	1.32
Information Ratio	0.48	NA

Duration & Yield:	Aggregate Fixed Income 6/30/15	Barclays Universal 6/30/15	Aggregate Fixed Income 3/31/15
Average Effective Duration (years)	4.7	5.5	4.6
Yield to Maturity (%)	3.9	2.8	3.7



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Fixed Income Assets
Diversification as of 6/30/15

	Aggregate Fixed Income 6/30/15	Barclays Universal 6/30/15	Aggregate Fixed Income 3/31/15
Market Allocation (%):			
United States	82	82	83
Foreign (developed markets)	8	11	8
Foreign (emerging markets)	9	7	9
Currency Allocation (%):			
Non-U.S. Dollar Exposure	9	0	9
Sector Allocation (%):			
U.S. Treasury-Nominal	20	30	20
U.S. Treasury-TIPS	7	0	7
U.S. Agency	2	3	2
Mortgage Backed	16	23	16
Corporate	31	31	30
Bank Loans	11	0	11
Local & Provincial Government	1	1	1
Sovereign & Supranational	11	9	11
Commercial Mortgage Backed	1	2	1
Asset Backed	0	0	0
Cash Equivalent	1	0	1
Other	0	0	0

**Domestic Equity Portfolio Reviews
As of June 30, 2015**

City of Ann Arbor VEBA

Northern Trust Russell 1000 Index Portfolio Detail as of 6/30/15

Mandate: Domestic Equities
Active/Passive: Passive
Market Value: \$35.3 million
Portfolio Manager: Alexander Matturri
Location: Chicago, Illinois
Inception Date: 2/1/2012
Account Type: Commingled

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
 0.03% on first \$50 mm; 0.02% thereafter

Liquidity Constraints:
 Daily

Strategy:

The Northern Trust Russell 1000 Index strategy seeks to replicate the return of the Russell 1000 index. Northern Trust employs a proprietary process in combination with low-cost trade execution to accomplish this objective. To efficiently manage cash flows, Northern Trust seeks to maximize the liquidity of trade lists and match the relevant benchmark's systemic risk. The result is a portfolio that tightly tracks the index while incurring lower transaction costs.

Performance (%):	2Q15	1 YR	3 YR	Since 2/1/12
Northern Trust Russell 1000 Index	0.1	7.4	17.7	16.7
Net of Fees	0.1	7.3	17.7	16.7
Russell 1000	0.1	7.4	17.7	16.8
Peer Large Cap Core	0.2	7.7	18.0	17.0
Peer Ranking (percentile)	51	56	58	56

Risk: (forty-one months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Northern Trust Russell 1000 Index	10.8%	1.00	1.53	NA	1.00
Russell 1000	10.9	1.00	1.54	NA	1.00

	6/30/15		3/31/15	
	Northern Trust Russell 1000 Index	Russell 1000	Northern Trust Russell 1000 Index	Russell 1000
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	112.5	112.3	112.1	112.2
Median Market Cap. (US\$ billion)	8.3	8.3	8.2	8.2
Large (% over US\$20 billion)	74	74	75	75
Medium (% US\$3 billion to US\$20 billion)	25	25	24	24
Small (% under US\$3 billion)	1	1	1	1

Fundamental Structure:

Price-Earnings Ratio	20	20	20	20
Price-Book Value Ratio	2.8	2.8	2.9	2.9
Dividend Yield (%)	2.0	2.0	1.9	1.9
Historical Earnings Growth Rate (%)	12	12	13	13
Projected Earnings Growth Rate (%)	11	11	11	11

Sector Allocation (%):

Information Technology	19	19	19	19
Consumer Discretionary	13	13	13	13
Industrials	11	11	11	11
Health Care	15	15	15	15
Consumer Staples	9	9	9	9
Materials	3	3	4	4
Telecommunication Services	2	2	2	2
Utilities	3	3	3	3
Energy	7	8	8	8
Financials	17	17	17	17

Diversification:

Number of Holdings	1,029	1,029	1,037	1,036
% in 5 largest holdings	9	9	9	9
% in 10 largest holdings	15	15	15	15

Largest Ten Holdings:

		Industry
Apple	3.5	Technology Equipment
Microsoft	1.7	Software & Services
ExxonMobil	1.6	Energy
Johnson & Johnson	1.3	Pharmaceuticals & Biotech.
General Electric	1.3	Capital Goods
Wells Fargo	1.2	Banks
Berkshire Hathaway	1.2	Diversified Financials
JP Morgan Chase	1.2	Banks
Procter & Gamble	1.0	Household Products
Pfizer	1.0	Pharmaceuticals & Biotech.



City of Ann Arbor VEBA

RhumbLine S&P 400 Index Portfolio Detail as of 6/30/15

Mandate: Domestic Equities
Active/Passive: Passive
Market Value: \$10.0 million
Portfolio Manager: Norman H. Meltz
 Julie C. Lind
 Jeffrey D. Kusmierz
Location: Boston, Massachusetts
Inception Date: 2/1/2010
Account Type: Separately Managed

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:
 0.0485% on first \$50 mm; 0.04% thereafter

Liquidity Constraints:
 Daily

Strategy:
 The RhumbLine S&P 400 Index portfolio is a passive domestic equity strategy that seeks to match the performance of the S&P 400 index.

Performance (%):	2Q15	1 YR	3 YR	5 YR	Since 2/1/10
RhumbLine S&P 400 Index	-0.8	6.8	18.8	18.0	16.9
Net of Fees	-0.8	6.8	18.8	17.9	NA
S&P MidCap	-1.1	6.4	18.6	17.8	16.8

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
RhumbLine S&P 400 Index	17.1%	1.00	1.05	NA	1.00
S&P MidCap	17.2	1.00	1.03	NA	1.00

	6/30/15		3/31/15	
	RhumbLine S&P 400 Index	S&P MidCap	RhumbLine S&P 400 Index	S&P MidCap
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	5.2	5.2	5.4	5.4
Median Market Cap. (US\$ billion)	3.7	3.7	3.9	3.9
Large (% over US\$20 billion)	0	0	0	0
Medium (% US\$3 billion to US\$20 billion)	82	82	84	84
Small (% under US\$3 billion)	18	18	16	16
Fundamental Structure:				
Price-Earnings Ratio	23	23	22	22
Price-Book Value Ratio	2.7	2.7	2.7	2.7
Dividend Yield (%)	1.5	1.5	1.5	1.5
Historical Earnings Growth Rate (%)	15	14	16	16
Projected Earnings Growth Rate (%)	12	12	13	12
Sector Allocation (%):				
Consumer Discretionary	14	14	13	14
Health Care	9	9	9	9
Energy	5	4	4	4
Financials	24	24	24	24
Materials	7	7	8	7
Telecommunication Services	0	0	0	0
Information Technology	17	17	17	17
Utilities	4	4	4	5
Consumer Staples	4	4	4	4
Industrials	15	16	16	16
Diversification:				
Number of Holdings	397	400	398	400
% in 5 largest holdings	3	3	4	3
% in 10 largest holdings	6	6	7	6
Largest Ten Holdings:				
		Industry		
Church & Dwight	0.7	Household Products		
Advance Auto Parts	0.7	Retailing		
OMNICARE	0.7	Health Care Services		
Signet Jewelers	0.6	Retailing		
Federal Realty	0.6	Real Estate		
HOLOGIC	0.6	Health Care Services		
Wabtec	0.6	Capital Goods		
Centene	0.6	Health Care Services		
Foot Locker	0.6	Retailing		
Jarden	0.6	Consumer Durables		



City of Ann Arbor VEBA

Mandate: Domestic Equities
Active/Passive: Active
Market Value: \$7.5 million
Portfolio Manager: Michael W. Cook Sr.
Location: Memphis, Tennessee
Inception Date: 12/1/2004
Account Type: Separately Managed

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

1.00% on first \$50 mm; 0.95% on next \$50 mm; 0.90% on next \$100 mm; 0.85% thereafter

Liquidity Constraints:

10% cash restriction

Strategy:

The SouthernSun Small Cap Equity strategy uses fundamental research to identify attractive securities. The manager searches for companies that dominate niche business, have financial flexibility, and uniquely suited management teams. The proprietary analysis focuses on a company's discretionary cash flow, enterprise and "break-up" value, P/E, P/B ratios, and organic growth rates (3% to 6% minimum).

Performance (%):	2Q15	1 YR	3 YR	5 YR	Since 12/1/04
SouthernSun Small Cap Equity	2.9	-7.9	17.4	21.7	10.9
Net of Fees	2.6	-8.8	16.3	20.5	NA
Russell 2000	0.4	6.5	17.8	17.1	8.1
Peer Small Cap Core	0.3	5.9	18.9	17.9	9.3
Peer Ranking (percentile)	8	95	69	2	14
Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
SouthernSun Small Cap Equity	23.4%	1.02	0.92	0.51	0.89
Russell 2000	19.8	1.00	0.86	NA	1.00

SouthernSun Small Cap Equity Portfolio Detail as of 6/30/15

	6/30/15		3/31/15	
	Southern Sun Small Cap Equity	Russell 2000	Southern Sun Small Cap Equity	Russell 2000
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	3.4	1.9	3.4	2.1
Median Market Cap. (US\$ billion)	2.9	0.8	2.8	0.7
Large (% over US\$20 billion)	0	0	0	0
Medium (% US\$3 billion to US\$20 billion)	49	18	44	23
Small (% under US\$3 billion)	51	82	56	77
Fundamental Structure:				
Price-Earnings Ratio	25	21	24	21
Price-Book Value Ratio	3.1	2.0	3.0	2.1
Dividend Yield (%)	0.9	1.4	1.0	1.3
Historical Earnings Growth Rate (%)	12	13	17	15
Projected Earnings Growth Rate (%)	11	14	12	15
Sector Allocation (%):				
Industrials	28	13	30	14
Consumer Staples	13	3	12	3
Materials	9	4	8	4
Consumer Discretionary	18	15	20	14
Utilities	5	3	4	4
Telecommunication Services	0	1	0	1
Energy	3	4	2	3
Health Care	15	16	15	16
Information Technology	5	17	5	18
Financials	4	24	4	24
Diversification:				
Number of Holdings	25	1,974	25	1,978
% in 5 largest holdings	28	1	28	2
% in 10 largest holdings	51	2	53	3
Largest Ten Holdings:				
		Industry		
Darling International	5.9	Food, Beverage & Tobacco		
AGCO	5.8	Capital Goods		
Centene	5.6	Health Care Services		
Fresh Market	5.2	Food & Staples Retailing		
Chicago Bridge and Iron	5.1	Capital Goods		
Hill-Rom Holdings	4.9	Health Care Services		
Diebold	4.8	Technology Equipment		
Aegion	4.7	Capital Goods		
Iconix Brand Group	4.6	Consumer Durables		
OGE Energy	4.6	Utilities		



**International Developed Market Equity
Portfolio Review
As of June 30, 2015**

City of Ann Arbor VEBA

Fisher Institutional Foreign Equity Portfolio Detail as of 6/30/15

Mandate: International Equities,
Developed Markets

Active/Passive: Active

Market Value: \$14.6 million

Portfolio Manager: Team

Location: Woodside, California

Inception Date: 7/1/2009

Account Type: Commingled

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

1.00% on first \$10 mm; 0.90% on next \$15 mm; 0.80% on next \$25 mm; 0.70% on next \$50 mm; 0.60% thereafter

Liquidity Constraints:

Monthly

Strategy:

The Fisher Foreign Equity Strategy utilizes a top-down investment process focusing on what they believe to be the most important determinants of portfolio return. The team utilizes a combination of quantitative and fundamental research to formulate economic forecasts, political forecasts, and determine sentiment drivers. Based upon their forecasting, the team will develop portfolio themes to drive security selection.

Performance (%):	2Q15	1 YR	3 YR	5 YR	Since 7/1/09
Fisher Institutional Foreign Equity	-1.0	-1.8	12.1	11.3	11.5
Net of Fees	-1.2	-2.8	11.0	10.3	10.5
MSCI EAFE	0.6	-4.2	12.0	9.5	8.9
Peer International Core	1.5	-2.1	12.2	10.4	10.0
Peer Ranking (percentile)	97	46	52	30	16
Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Fisher Institutional Foreign Equity	20.6%	1.12	0.55	0.36	0.97
MSCI EAFE	17.4	1.00	0.54	NA	1.00

Capitalization Structure:	6/30/15		3/31/15	
	Fisher International Equity	MSCI EAFE	Fisher International Equity	MSCI EAFE
Weighted Average Market Cap. (US\$ billion)	83.6	57.7	85.3	59.0
Median Market Cap. (US\$ billion)	56.8	9.1	56.5	9.1
Large (% over US\$20 billion)	93	67	94	68
Medium (% US\$3 billion to US\$20 billion)	7	32	6	32
Small (% under US\$3 billion)	0	1	0	1

Fundamental Structure:

Price-Earnings Ratio	18	18	19	19
Price-Book Value Ratio	3.0	1.8	3.2	1.9
Dividend Yield (%)	2.6	3.0	2.4	2.9
Historical Earnings Growth Rate (%)	11	7	12	7
Projected Earnings Growth Rate (%)	11	9	10	9

Sector Allocation (%):

Information Technology	15	5	15	5
Health Care	19	11	19	11
Consumer Discretionary	19	13	20	13
Industrials	14	13	15	13
Financials	23	26	22	26
Energy	2	5	2	5
Utilities	0	4	0	4
Telecommunication Services	0	5	0	5
Materials	2	7	2	7
Consumer Staples	6	11	6	11

Diversification:

Number of Holdings	69	908	69	910
% in 5 largest holdings	16	8	16	8
% in 10 largest holdings	29	12	29	12

Region Allocation (%):

North America	3	0	3	0
Europe	77	65	76	65
Asia Pacific	17	35	17	34
Emerging	3	0	4	0
Other	0	1	0	1

Largest Five Holdings:

		Industry
Novo Nordisk	3.8	Pharmaceuticals & Biotech.
Bayer	3.4	Pharmaceuticals & Biotech.
UBS GROUP	3.1	Diversified Financials
Asml Holding	3.1	Semiconductors
Prudential	3.0	Insurance



**International Emerging Market Equity
Portfolio Reviews
As of June 30, 2015**

City of Ann Arbor VEBA

Dimensional Emerging Markets Value Portfolio Detail as of 6/30/15

Mandate: International Equities,
Emerging Markets

Active/Passive: Active

Market Value: \$4.5 million

Portfolio Manager: Karen E. Umland

Location: Austin, Texas

Inception Date: 2/1/2012

Account Type: Mutual Fund (DFEVX)

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.55% on all assets

Liquidity Constraints:

Daily

Strategy:

Dimensional Fund Advisors' (DFA) investment approach combines both top-down and bottom-up elements. The top-down analysis involves drawing the boundaries for qualifying countries and company characteristics. It does not include macro-economic forecasting or tactical country allocation decisions. In its bottom-up work, DFA analyzes the attributes of individual securities for portfolio suitability. DFA limits its sector and industry weightings to 25% of the portfolio's market value. Country weights have a maximum target of 15% per country at the time of purchase to mitigate country risk. Risk is controlled by investing across a broad group of emerging markets companies and countries.

Performance (%):	2Q15	1 YR	3 YR	Since 2/1/12
Dimensional Emerging Markets Value	1.7	-9.1	2.3	-0.6
MSCI Emerging Markets	0.7	-5.1	3.7	1.2
Peer Emerging Markets	0.7	-6.9	3.5	1.5
Peer Ranking (percentile)	30	68	62	76

Risk: (forty-one months)	Standard Deviation	Beta	Sharpe Measure ¹	Info. Ratio	Correlation to Index
Dimensional Emerging Markets Value	16.0%	1.11	Neg.	Neg.	0.98
MSCI Emerging Markets	14.3	1.00	0.08	NA	1.00

	6/30/15		3/31/15	
	DFA Emerging Markets Value Fund	MSCI Emerging Markets	DFA Emerging Markets Value Fund	MSCI Emerging Markets
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	18.6	39.7	16.4	40.1
Median Market Cap. (US\$ million)	389.8	4,979.7	382.7	4,815.5
Large (% over US\$20 billion)	24	44	22	45
Medium (% US\$3 billion to US\$20 billion)	46	49	47	48
Small (% under US\$3 billion)	31	7	32	7
Fundamental Structure:				
Price-Earnings Ratio	12	15	12	15
Price-Book Value Ratio	1.0	1.6	1.0	1.7
Dividend Yield (%)	3.0	2.7	3.0	2.6
Historical Earnings Growth Rate (%)	5	10	7	11
Projected Earnings Growth Rate (%)	13	13	13	13
Sector Allocation (%):				
Materials	17	7	17	7
Financials	34	30	35	28
Industrials	11	7	12	7
Energy	12	8	10	8
Utilities	2	3	2	3
Consumer Discretionary	8	9	8	9
Health Care	0	2	0	2
Consumer Staples	5	8	5	8
Telecommunication Services	2	7	1	7
Information Technology	8	18	8	19
Diversification:				
Number of Holdings	2,124	836	2,121	836
% in 5 largest holdings	10	12	9	13
% in 10 largest holdings	16	19	15	19
Region Allocation (%):				
Asia Pacific	63	59	65	59
Latin America	17	14	16	14
Europe/MidEast/Africa	15	17	15	17
Other	4	10	4	10
Largest Five Holdings:		Industry		
China Construction Bank	2.8	Banks		
Bank of China	2.4	Banks		
Gazprom	2.0	Energy		
Reliance Industries	1.9	Energy		
Industrial and Commercial Bank of China	1.4	Banks		

¹ A negative Sharpe ratio indicates that the portfolio underperformed the risk-free rate during the sample period.



City of Ann Arbor VEBA

Vontobel Emerging Markets Equity Portfolio Detail as of 6/30/15

Mandate: International Equities,
Emerging Markets

Active/Passive: Active

Market Value: \$3.7 million

Portfolio Manager: Rajiv Jain

Location: New York, New York

Inception Date: 2/1/2012

Account Type: Commingled

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

1.10% on first \$50 mm; 1.00% on next \$150 mm

Liquidity Constraints:

Monthly

Strategy:

Vontobel believes that long-term, stable, and superior earnings growth drives investment returns and risk-adjusted outperformance. Thus they seek to invest in businesses that are predictable (strong franchise, low capital intensity, shareholder oriented management, etc.), sustainable (ability to replicate or exceed past success in terms of growth, operating margins, ROE, ROA etc.), and are trading at an attractive margin of safety (to at least a 25% discount to their assessment of intrinsic value). They believe in building concentrated portfolios (50 to 90 stocks) of high conviction positions with little attention paid to the benchmark.

Performance (%):	2Q15	1 YR	3 YR	Since 2/1/12
Vontobel Emerging Markets Equity	-0.9	-2.5	4.5	4.8
Net of Fees	-1.2	-3.5	3.3	3.7
MSCI Emerging Markets	0.7	-5.1	3.7	1.2
Peer Emerging Markets	1.1	-5.7	4.8	3.0
Peer Ranking (percentile)	83	30	52	29

Risk: (forty-one months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Vontobel Emerging Markets Equity	13.9%	0.80	0.34	0.47	0.85
MSCI Emerging Markets	14.3	1.00	0.08	NA	1.00

	6/30/15		3/31/15	
	Vontobel Emerging Markets Equity	MSCI Emerging Markets	Vontobel Emerging Markets Equity	MSCI Emerging Markets
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	44.4	39.7	41.9	40.1
Median Market Cap. (US\$ billion)	19.2	5.0	16.9	4.8
Large (% over US\$20 billion)	67	44	70	45
Medium (% US\$3 billion to US\$20 billion)	32	49	29	48
Small (% under US\$3 billion)	1	7	1	7

Fundamental Structure:

Price-Earnings Ratio	24	15	24	15
Price-Book Value Ratio	4.7	1.6	5.4	1.7
Dividend Yield (%)	2.2	2.7	2.3	2.6
Historical Earnings Growth Rate (%)	20	10	20	11
Projected Earnings Growth Rate (%)	15	13	16	13

Sector Allocation (%):

Consumer Staples	34	8	33	8
Health Care	3	2	3	2
Utilities	3	3	3	3
Consumer Discretionary	8	9	9	9
Information Technology	17	18	15	19
Telecommunication Services	5	7	4	7
Financials	27	30	29	28
Materials	2	7	2	7
Industrials	0	7	1	7
Energy	1	8	1	8

Diversification:

Number of Holdings	73	836	75	836
% in 5 largest holdings	23	12	22	13
% in 10 largest holdings	37	19	37	19

Region Allocation (%):

Asia Pacific	52	59	53	59
Latin America	19	14	21	14
Europe/MidEast/Africa	5	17	5	17
Frontier	1	0	0	0
Other	22	10	21	10

Largest Five Holdings:

		Industry
British American Tobacco	5.5	Food, Beverage & Tobacco
Housing Development Financial	5.4	Banks
HDFC Bank	4.5	Banks
AmBev	4.1	Food, Beverage & Tobacco
ITC	3.4	Food, Beverage & Tobacco



Investment Grade Bonds Portfolio Review
As of June 30, 2015

City of Ann Arbor VEBA

Northern Trust Barclays Aggregate Bond Index Portfolio Detail as of 6/30/15

Mandate: Investment Grade Bonds
Active/Passive: Passive
Market Value: \$23.2 million
Portfolio Manager: Alexander Matturri
Location: Chicago, Illinois
Inception Date: 10/1/1999
Account Type: Commingled

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
 0.06% on first \$100 mm; 0.03% thereafter

Liquidity Constraints:
 Daily

Strategy:
 The Northern Trust Aggregate Bond Index strategy seeks to replicate the returns of the Barclays Aggregate index, an index covering the broad domestic investment grade bond market. The fund is passively managed, employing statistical methods to replicate performance and composition of the index. The portfolio is comprised of U.S. Treasury, government agency, investment grade corporate bonds, mortgage- and asset-backed sectors of the fixed income markets.

Performance (%):	2Q15	1 YR	3 YR	5 YR	Since 10/1/99
Northern Trust Barclays Aggregate Bond Index	-1.7	2.0	1.8	3.4	5.5
Net of Fees	-1.7	1.9	1.8	3.3	5.4
Barclays Aggregate	-1.7	1.9	1.8	3.3	5.4

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Northern Trust Barclays Aggregate Bond Index	2.9%	1.01	1.12	NA	1.00
Barclays Aggregate	2.9	1.00	1.13	NA	1.00

	6/30/15		3/31/15	
	Northern Trust Barclays Aggregate Bond Index	Barclays Aggregate	Northern Trust Barclays Aggregate Bond Index	Barclays Aggregate
Duration & Yield:				
Average Effective Duration (years)	5.6	5.6	5.4	5.5
Yield to Maturity (%)	2.4	2.4	2.1	2.1
Quality Structure (%):				
Average Quality	AA+	AA+	AA+	AA+
AAA (includes Treasuries and Agencies)	72	71	72	72
AA	4	4	4	5
A	12	12	11	12
BBB	13	13	12	12
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	36	36	36	36
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	3	3	3	3
Mortgage Backed	28	28	28	28
Corporate	24	24	23	24
Bank Loans	0	0	0	0
Local & Provincial Government	1	1	1	1
Sovereign & Supranational	5	5	5	5
Commercial Mortgage Backed	2	2	2	2
Asset Backed	1	1	1	1
Cash Equivalent	0	0	1	0
Other	0	0	0	0
Market Allocation (%):				
United States	91	91	91	91
Foreign (developed markets)	7	7	7	7
Foreign (emerging markets)	2	2	2	2
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0



**TIPS Portfolio Review
As of June 30, 2015**

City of Ann Arbor VEBA

Mandate: TIPS
Active/Passive: Active
Market Value: \$3.0 million
Portfolio Manager: Team
Location: Boston, Massachusetts
Inception Date: 11/1/2013
Account Type: Separately Managed

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:

0.08% on all assets

Liquidity Constraints:

Daily

Strategy:

Income Research & Management (IR&M) manages an intermediate (1-10 year) TIPS portfolio with similar duration and yield curve exposure to the benchmark. The firm strives to add a modest amount of alpha through bottom-up security selection.

Guidelines:

Cash < 10%. Duration within .25 years of the benchmark.

Performance (%):	2Q15	1 YR	Since 11/1/13
IR&M Intermediate TIPS	-0.2	-2.0	0.1
Net of Fees	-0.2	-2.1	0.0
Barclays U.S. TIPS 1-10 Year	-0.1	-1.9	0.1
Peer TIPS	-1.0	-1.9	0.8
Peer Ranking (percentile)	18	58	81

IR&M 1-10 Year Index Portfolio Detail as of 6/30/15

Duration & Yield:	6/30/15		3/31/15	
	IR&M 1-10 Year Index	Barclays U.S. TIPS 1-10 Year	IR&M 1-10 Year Index	Barclays U.S. TIPS 1-10 Year
Average Effective Duration (years)	5.5	5.5	5.4	4.1
Yield to Maturity (%) ¹	1.7	1.8	1.9	1.5
Quality Structure (%):				
Average Quality	AAA	AAA	AAA	AAA
AAA (includes Treasuries and Agencies)	100	100	100	100
AA	0	0	0	0
A	0	0	0	0
BBB	0	0	0	0
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	100	100	100	100
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	0	0	0	0
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	100	100	100	100
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

¹ This figure is an estimated yield-to-maturity (YTM) for the fund. It is calculated by adding the trailing 12-month inflation adjustment to the "real" (i.e., before inflation) YTM of the fund. Adding the 12-month inflation adjustment allows the fund's yield to be more directly comparable to those of other bond funds. Investors should recognize that the actual YTM will depend upon the level of inflation experienced going forward.



**High Yield Bonds Portfolio Reviews
As of June 30, 2015**

City of Ann Arbor VEBA

Mandate: High Yield Bonds
Active/Passive: Active
Market Value: \$7.0 million
Portfolio Manager: Hanna H. Strasser
 Anne C. Yobage
 Thomas Kelleher
Location: Greenwich, Connecticut
Inception Date: 12/1/2012
Account Type: Commingled

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
 0.30% on all assets

Liquidity Constraints:
 Daily

Strategy:

SKY Harbor's strategy is income oriented and is based on the understanding that the largest component of high yield bond returns comes from coupon return. At the same time, the strategy seeks to minimize defaults through credit analysis and a top-down assessment of the economic and credit cycle. SKY Harbor segments the universe not only by industry but also by yield. They believe that credits trading with higher yields have more equity-like risk and those trading at lower yields are more exposed to bond-like risk (e.g., interest rate risk). Their exposure to these segments of the high yield market will be driven by credit analysis and their assessment of the economic and credit cycle.

Performance (%):	2Q15	1 YR	Since 12/1/12
SKY Harbor High Yield	0.6	-1.4	5.5
Net of Fees	0.5	-1.9	5.0
Barclays High Yield	0.0	-0.4	5.4
Peer High Yield	0.5	0.3	5.7
Peer Ranking (percentile)	36	79	61

SKY Harbor High Yield Portfolio Detail as of 6/30/15

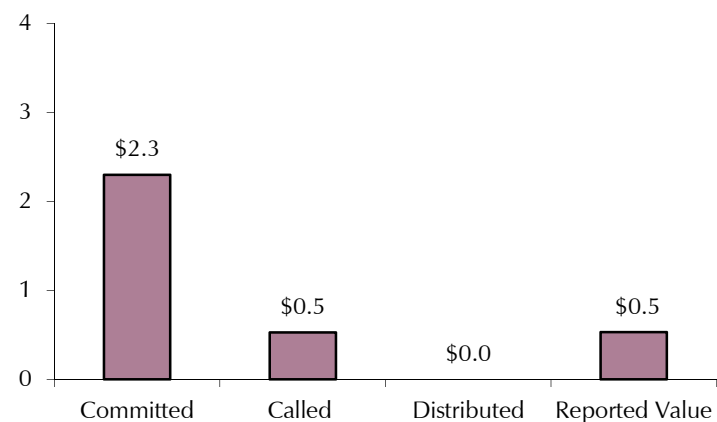
	6/30/15		3/31/15	
Duration & Yield:	Sky Harbor High Yield	Barclays High Yield	Sky Harbor High Yield	Barclays High Yield
Average Effective Duration (years)	4.4	4.4	4.2	4.2
Yield to Maturity (%)	6.8	6.6	6.8	6.2
Quality Structure (%):				
Average Quality	B	B	B	B
AAA (includes Treasuries and Agencies)	0	0	0	0
AA	0	0	0	0
A	0	0	0	0
BBB	2	0	0	0
BB	31	44	29	44
B	42	40	45	41
Below B	24	15	25	15
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	98	100	95	100
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	2	0	5	0
Other	0	0	0	0
Market Allocation (%):				
United States	87	83	89	83
Foreign (developed markets)	13	17	11	17
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0



City of Ann Arbor VEBA

Summit Partners Credit Fund II Portfolio Detail as of 6/30/15

Strategy:	High Yield	Commitment:	\$2.3 million
Senior Professionals:	Team	Capital Contributions:	\$0.5 million
Location:	Boston, Massachusetts	Outstanding Commitment:	\$1.8 million
Vintage Year:	2011	Realized Proceeds:	\$0.0 million
Fee Schedule:	1.5% management fee; 20% carried interest	Total Value:	\$0.5 million
		Number of Investments:¹	4
		Net IRR:¹	6.0%



Investment Strategy:

Summit Partners Credit Fund II ("Fund II" or the "Fund") will invest in middle market companies through directly originated, senior secured (first or second lien) loans. When in a second lien position, Summit prefers to be junior to an asset-backed loan from a bank, and ideally a senior lender that it has brought into the transaction itself, often by syndicating a portion of unitranche loan at a lower rate while keeping a portion for itself at a much higher effective interest rate. The Fund will target middle market companies of scale that have stable and recurring revenue, while avoiding highly cyclical companies with high CAPEX requirements. Borrowers' use of proceeds will vary and may include acquisition capital, working capital, or refinancing capital. The Fund will seek to reduce repayment risk through call protections and will seek upside through penny warrants.

¹ Data presented is as of March 31, 2015.



Bank Loans Portfolio Review
As of June 30, 2015

City of Ann Arbor VEBA

Mandate: Fixed Income
Active/Passive: Active
Market Value: \$5.0 million
Portfolio Manager: Carl H. Goldsmith
Location: Santa Monica, California
Inception Date: 4/1/2012
Account Type: Commingled

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
0.65% on all assets

Liquidity Constraints:
Quarterly

Strategy:

The Beach Point Loan fund has the primary investment objective of achieving a risk-adjusted high rate of return through investments in secured corporate loans of below investment grade companies supplemented by investments in other below investment grade instruments. A significant portion of the portfolio will be invested in first lien secured loans. The Loan fund may also opportunistically invest in DIP loans, second lien loans, floating rate notes, high yield bonds, and short-term bonds. The Loan fund has a long bias and the majority of investments are floating rate. The geographical market focus is predominantly U.S., although the Loan fund has exposure to securities of foreign issuers, typically located in Canada and Western Europe.

Performance (%):	2Q15	1 YR	3 YR	Since 4/1/12
Beach Point Leveraged Loan	0.6	3.3	6.3	6.3
Net of Fees	0.4	2.6	5.6	5.6
CSFB Leveraged Loan	0.8	2.1	5.3	5.2

Risk: (thirty-nine months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Beach Point Leveraged Loan	1.8%	0.88	3.43	1.71	0.93
CSFB Leveraged Loan	1.9	1.00	2.69	NA	1.00

Beach Point Leveraged Loan Portfolio Detail as of 6/30/15

	6/30/15		3/31/15	
	Beach Point Leveraged Loan	CSFB Leveraged Loan	Beach Point Leveraged Loan	CSFB Leveraged Loan
Duration & Yield:				
Average Effective Duration (years)	0.4	0.3	0.5	0.3
Yield to Maturity (%)	5.0	4.9	5.4	4.9
Quality Structure (%):				
Average Quality	B	B	B	B
AAA (includes Treasuries and Agencies)	0	0	0	0
AA	0	0	0	0
A	0	0	0	0
BBB	0	0	0	0
BB	31	33	24	33
B	64	58	71	59
Below B	4	7	4	7
Non-Rated	1	2	1	2
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	8	0	9	0
Bank Loans	93	100	91	100
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	0	0	0	0
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	79	100	84	100
Foreign (developed markets)	21	0	16	0
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	5	0	6	0



Emerging Markets Debt Portfolio Review
As of June 30, 2015

City of Ann Arbor VEBA

Stone Harbor Emerging Markets Local Currency Debt Portfolio Detail as of 6/30/15

Mandate: Fixed Income
Active/Passive: Active
Market Value: \$3.4 million
Portfolio Manager: Team
Location: New York, New York
Inception Date: 6/1/2012
Account Type: Mutual Fund (SHLMX)

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
0.89% on all assets

Liquidity Constraints:
Daily

Strategy:

Stone Harbor believes that investing in a diversified portfolio of emerging markets local currency instruments will result in strong, long-term performance. The investment team monitors the emerging markets universe for improving credit quality opportunities and undervalued currencies with high real return potential. The active investment management approach is characterized by fundamental credit analysis. The investment process emphasizes country selection based on intensive economic and political analysis as well as a rigorous analytical approach to currency, sector, and security selection.

Performance (%):	2Q15	1 YR	3 YR	Since 6/1/12
Stone Harbor Emerging Markets Local Currency Debt	-0.6	-16.9	-6.1	-4.4
JPM GBI-EM Global Diversified (unhedged)	-1.0	-15.4	-3.8	-2.0
Peer Emerging Market Debt	-0.2	-4.8	1.6	2.6
Peer Ranking (percentile)	62	93	99	99

	6/30/15		3/31/15	
	Stone Harbor EM Local Debt	JPM GBI-EM Global Diversified (unhedged)	Stone Harbor EM Local Debt	JPM GBI-EM Global Diversified (unhedged)
Duration & Yield:				
Average Effective Duration (years)	4.9	5.0	4.7	5.0
Yield to Maturity (%)	8.6	6.8	7.5	6.5
Quality Structure (%):				
Average Quality	BBB+	BBB	BBB+	BBB+
AAA (includes Treasuries and Agencies)	2	0	2	0
AA	0	0	1	0
A	32	37	37	38
BBB	64	55	58	54
BB	0	7	0	7
B	0	0	0	0
Below B	2	0	3	0
Non-Rated	0	1	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	0	0	0	0
Mortgage Backed	0	0	0	0
Corporate	0	0	0	0
Bank Loans	0	0	0	0
Local & Provincial Government	0	0	0	0
Sovereign & Supranational	100	100	100	100
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	0	0	0	0
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	100	100	100	100
Currency Allocation (%):				
Non-U.S. Dollar Exposure	97	100	97	100



**Real Estate Portfolio Reviews
As of June 30, 2015**

**City of Ann Arbor
VEBA**

**A.E.W Core Property Trust
Portfolio Detail as of 6/30/15**

Strategy: Real Estate
Open-End
Core

Market Value: \$5.3 million

Senior Professionals: Team

Location: Boston, Massachusetts

Account Type: Separately Managed

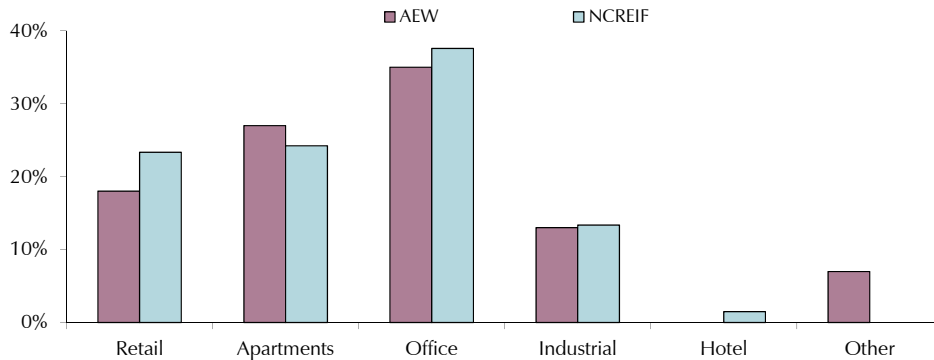
of Investments: 62

Liquidity Constraints: Quarterly

Fee Schedule: 1.10% on first \$10 mm; 1.00% on next \$15 mm

IRR: 11.1%

Property Type:

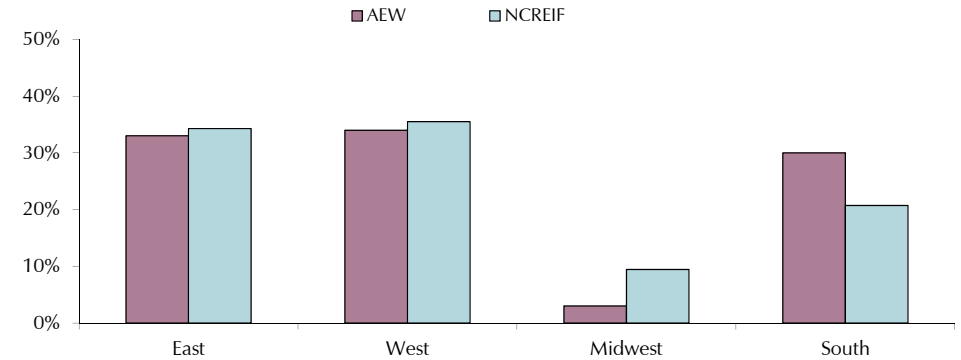


Investment Strategy: AEW employs leverage that is in-line with NFI-ODCE and currently has 10% of the net asset value in non-core investments, but in an investment with primarily core characteristics (mezzanine loan). The strategy invests mostly in the East and South, with significantly less exposure to the Midwest.

Portfolio Size:



Geographic Region:



City of Ann Arbor VEBA

Vanguard REIT Index Portfolio Detail as of 6/30/15

Mandate: Real Estate
Public REIT
Domestic Equities

Active/Passive: Passive

Market Value: \$4.6 million

Portfolio Manager: Gerard C. O'Reilly

Location: Valley Forge, Pennsylvania

Inception Date: 3/1/2014

Account Type: Mutual Fund (VGSIX)

Fee Schedule:
0.12% on all assets

Liquidity Constraints:
Daily

Strategy:
The Vanguard REIT Index fund seeks to replicate the characteristics and performance of the MSCI U.S. Real Estate index, which represents approximately 85% of the U.S. REIT universe. The fund invests in stocks issued by real estate investment trusts (REITs), companies that purchase office buildings, hotels, and other real property.

Performance (%):	2Q15	1 YR	Since 3/1/14
Vanguard REIT Index	-10.5	3.8	8.6
MSCI U.S. REIT	-10.4	3.9	8.7
Peer Real Estate	-9.7	5.6	10.6
<i>Peer Ranking (percentile)</i>	<i>89</i>	<i>86</i>	<i>89</i>

Capitalization Structure:	3/31/15		12/31/14	
	Vanguard REIT	MSCI U.S. REIT	Vanguard REIT	MSCI U.S. REIT
Weighted Average Market Cap. (US\$ billion)	17.0	25.5	15.8	24.1
Median Market Cap. (US\$ billion)	3.1	13.3	2.8	13.2
Large (% over US\$20 billion)	37	61	37	60
Medium (% US\$3 billion to US\$20 billion)	50	39	47	40
Small (% under US\$3 billion)	13	0	16	0

Fundamental Structure:	3/31/15	12/31/14
Price-Earnings Ratio	39	38
Price-Book Value Ratio	2.2	2.8
Dividend Yield (%)	3.6	3.6
Historical Earnings Growth Rate (%)	22	14
Projected Earnings Growth Rate (%)	19	15

Diversification:	3/31/15	12/31/14
Number of Holdings	141	142
% in 5 largest holdings	23	23
% in 10 largest holdings	38	38

Largest Ten Holdings:	Weighted Avg	Industry
Simon Property Group	8.5	Real Estate
Public Storage	4.0	Real Estate
Health Care REIT	3.7	Real Estate
Equity Residential REIT	3.7	Real Estate
Ventas	3.3	Real Estate
AvalonBay Communities	3.2	Real Estate
Prologis	3.0	Real Estate
Boston Properties	3.0	Real Estate
HCP	2.8	Real Estate
Vornado Realty	2.6	Real Estate



City of Ann Arbor VEBA

DRA Growth and Income Fund VIII, LLC Portfolio Detail as of 6/30/15

Strategy: Real Estate
Closed-End
Value-Added

Market Value: \$0.5 million

Senior Professionals: Team

Location: New York, New York

Vintage Year: 2013

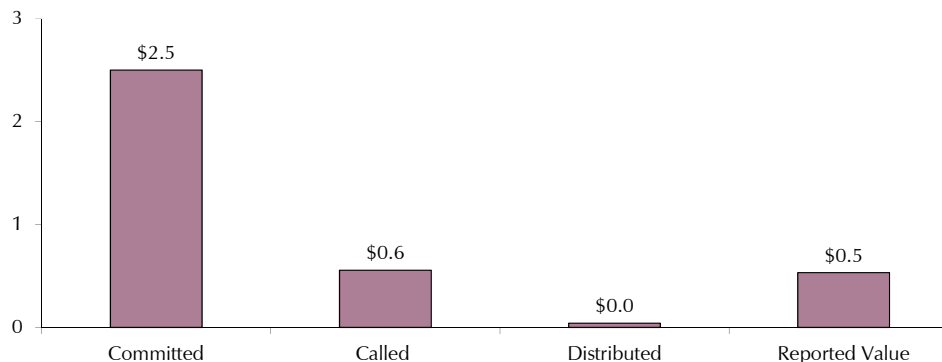
Account Type: Limited Partnership

of Investments:¹ 37

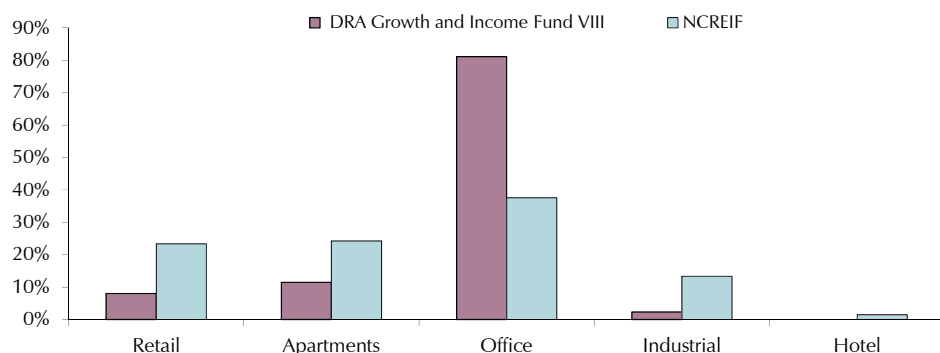
Fee Schedule: 0.90% on gross cost during investment period; 0.60% thereafter; 8% preferred return and 20% carried interest

Pro-forma GrossIRR:¹ 17.0%

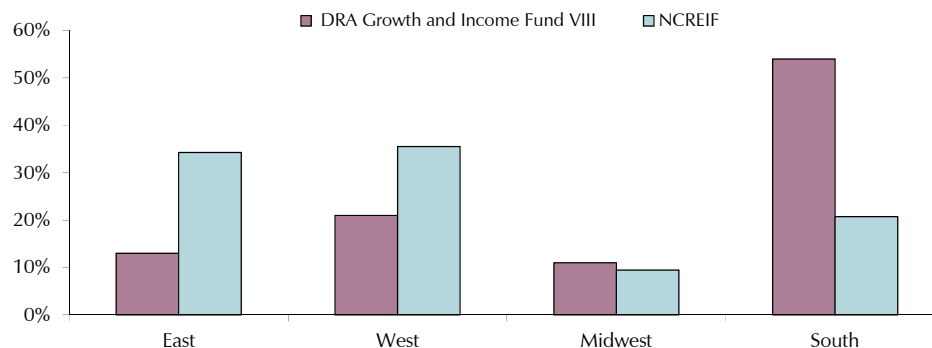
Portfolio Size:



Property Type:



Geographic Region:



Investment Strategy: Fund VIII will invest in a diversified portfolio of office, retail, multi-family, industrial and other real-estate related properties and assets across the United States and its territories. The Company will seek to generate an attractive return to investors of 12-15%, net of fees, expenses and carried interest, and a significant portion of this return is expected to be from cash flow. Fund VIII will attempt to capitalize on inefficiencies in real estate markets to acquire high quality operating assets at discounts to replacement cost. Such inefficiencies can result from (i) taking advantage of sellers' strategic or financial motivations, (ii) investing in markets or properties that are perceived as out of favor by other investors, (iii) leveraging DRA's industry relationships with both private and public joint venture partners to access deals, and (iv) utilizing DRA's financial experience and resources to exploit pricing inefficiencies in complex transactions.

¹ Data is as of March 31, 2015.

