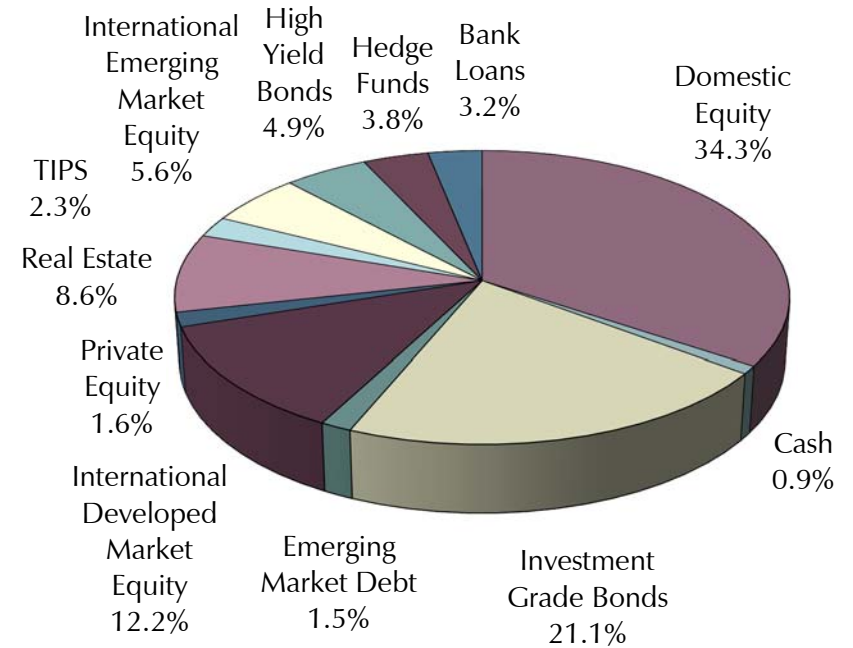
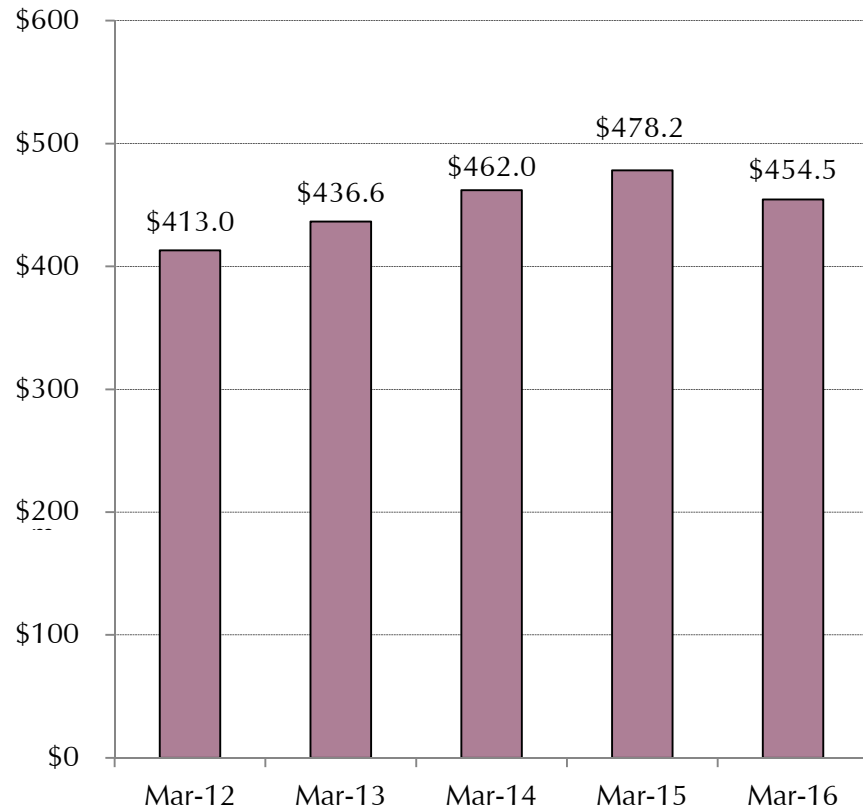


**Retirement System Summary
As of March 31, 2016**

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

**Aggregate Assets
as of 3/31/16**



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Asset Summary as of 3/31/16

	Market Value 3/31/16 (\$ mm)	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 12/31/15 (\$ mm)
Total Retirement System	454.5	100	NA	NA	453.6
Domestic Equity Assets	156.0	34	31	25-37	153.1
International Developed Market Equity Assets	55.3	12	12	9-15	57.2
International Emerging Market Equity Assets	25.4	6	6	0-9	23.9
Private Equity Assets	7.2	2	3	0-5	6.0
Investment Grade Bond Assets	96.1	21	19	15-24	108.6
TIPS Assets	10.3	2	8	0-10	9.9
High Yield Bond Assets ¹	22.5	5	3	1-5	19.7
Bank Loan Assets	14.4	3	2	0-4	14.1
Emerging Market Debt Assets	6.7	1	2	0-4	6.1
Real Estate Assets	39.2	9	9	2-12	33.8
Natural Resources Assets	0.0	0	3	0-5	0.0
Hedge Fund Assets	17.5	4	2	1-5	17.5
Cash	4.0	1	0	< 5	3.8

¹ Includes preliminary Summit Partners Credit Fund II.



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Portfolio Roster as of 3/31/16

	Market Value 3/31/16 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 12/31/15 (\$ mm)
Total Retirement System	454.5	NA	100	NA	NA	453.6
Domestic Equity Assets	156.0	100	34	31	25-37	153.1
Northern Trust Russell 1000 Index	111.1	71	24			109.8
Loomis Sayles Small Cap Value Equity	25.6	16	6			24.8
Northern Trust S&P 400 MidCap Index	19.2	12	4			18.5
International Developed Market Equity Assets	55.3	100	12	12	9-15	57.2
Northern Trust MSCI EAFE Index	29.4	53	6			30.3
Fisher Institutional Foreign Equity	25.9	47	6			26.9
International Emerging Market Equity Assets	25.4	100	6	6	0-9	23.9
Dimensional Emerging Markets Value	15.9	63	4			14.6
Vontobel Emerging Markets Equity	9.4	37	2			9.2
Private Equity Assets¹	7.2	100	2	3	0-5	6.0
Ironsides Co-Investment Fund III, L.P.	6.5	90	1			5.2
Ironsides Partnership Fund III, L.P.	0.7	10	< 1			0.7

¹ The December 31, 2015 market values are not yet available. Market value is as of September 30, 2015, adjusted for subsequent cash flows.



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Portfolio Roster as of 3/31/16

	Market Value 3/31/16 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 12/31/15 (\$ mm)
Investment Grade Bond Assets	96.1	100	21	19	15-24	108.6
Northern Trust Barclays Aggregate Index	61.1	64	13			66.2
Short Duration Bonds	35.0	36	8			42.4
Northern Trust 1-5 Year Credit Bond	35.0	36	8			38.1
TIPS Assets	10.3	100	2	8	0-10	9.9
IR&M 1-10 Year Index	10.3	100	2			9.9
High Yield Bond Assets	22.5	100	5	3	1-5	19.7
SKY Harbor Broad High Yield Market	17.4	77	4			17.1
Summit Partners Credit Fund II ¹	5.1	23	1			2.6
Bank Loan Assets	14.4	100	3	2	0-4	14.1
Beach Point Leveraged Loan	14.4	100	3			14.1
Emerging Market Debt Assets	6.7	100	1	2	0-4	6.1
Stone Harbor Emerging Markets Local Currency Debt	6.7	100	1			6.1

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



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

**Aggregate Assets
Portfolio Roster as of 3/31/16**

	Market Value 3/31/16 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 12/31/15 (\$ mm)
Real Estate	39.2	100	9	9	2-12	33.8
A.E.W Core Property Trust ¹	23.0	59	5			22.6
DRA Growth and Income Fund VIII ²	8.7	22	2			3.6
Intercontinental Real Estate Investment Fund III ³	4.0	10	1			4.0
INVESCO Mortgage Recovery Loans ³	3.5	9	1			3.6
INVESCO Mortgage Recovery Feeder ³	< 0.1	< 1	< 1			< 0.1
Hedge Fund Assets	17.5	100	4	2	1-5	17.5
36 South Kohinoor Series Three	8.6	49	2			8.8
Tse Capital Offshore Fund, Ltd. ⁴	6.3	36	1			6.1
Och-Ziff Credit Opportunities	2.7	15	1			2.6
Cash	4.0	100	1	0	< 5	3.8
Northern Trust Cash Account	4.0	100	1			3.8

¹ Preliminary market value as of March 31, 2016.

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

³ The December 31, 2015 market values are not yet available. Market value is as of September 30, 2015, adjusted for subsequent cash flows.

⁴ Market value is preliminary.



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

**Aggregate Assets
Performance as of 3/31/16**

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Total Retirement System	1.7	-0.8	-0.9	5.7	5.9	5.0	10/1/90	8.3
Net of Fees	1.6	-1.0	-1.1	5.4	5.7	NA		NA
<i>Policy Benchmark²</i>	1.9	-1.2	-1.1	4.9	5.8	4.9		8.4
<i>Actual Allocation Benchmark</i>	1.4	-1.0	-0.9	5.6	5.8	NA		NA
<i>60% MSCI ACWI/ 40% Barclays Aggregate</i>	1.5	-1.1	-1.6	4.5	4.9	4.8		NA
Domestic Equity	1.8	-0.6	-0.7	10.9	10.7	6.9	10/1/90	10.0
<i>Russell 3000</i>	1.0	-0.5	-0.3	11.1	11.0	6.9		10.3
International Developed Market Equity	-3.2	-9.0	-9.0	1.5	1.1	3.4	10/1/95	7.9
<i>MSCI EAFE</i>	-3.0	-8.8	-8.3	2.2	2.3	1.8		4.4
International Emerging Market Equity	6.4	-10.7	-10.1	-5.0	NA	NA	2/1/12	-1.7
<i>MSCI Emerging Markets</i>	5.7	-12.6	-12.0	-4.5	-4.1	3.0		-2.2
Investment Grade Bonds ³	2.5	3.0	1.9	2.6	3.7	5.4	10/1/90	6.3
<i>Barclays Aggregate</i>	3.0	3.7	2.0	2.5	3.8	4.9		6.4
TIPS	3.6	2.0	1.9	NA	NA	NA	11/1/13	0.9
<i>Barclays U.S. TIPS</i>	4.5	2.6	1.5	-0.7	3.0	4.6		1.6
<i>Barclays U.S. TIPS 1-10 Year</i>	3.6	2.0	1.8	-0.7	1.9	4.0		0.9

¹ Fiscal Year begins July 1.

² 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.

³ 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 3/31/16

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Total Retirement System (continued)	1.7	-0.8	-0.9	5.7	5.9	5.0	10/1/90	8.3
Net of Fees (continued)	1.6	-1.0	-1.1	5.4	5.7	NA		NA
High Yield Bonds ²	2.8	-2.8	-2.2	2.0	4.4	NA	7/1/09	8.7
<i>Barclays High Yield</i>	3.4	-3.7	-3.7	1.8	4.9	7.0		9.5
Bank Loans	2.0	2.0	2.7	4.0	NA	NA	4/1/12	5.6
<i>CSFB Leveraged Loan</i>	1.3	-1.9	-1.1	2.2	3.5	4.0		3.7
Emerging Market Debt	10.5	-2.7	-3.3	-9.0	NA	NA	6/1/12	-4.3
<i>JPM GBI-EM Global Diversified (unhedged)</i>	11.0	-0.7	-1.6	-6.7	-2.0	5.0		-1.8
Real Estate	1.2	9.3	12.0	15.3	14.8	5.1	7/1/03	8.2
<i>NCREIF ODCE preliminary</i>	2.2	NA	13.7	13.6	13.3	6.4		8.8
Hedge Funds	0.0	-5.1	-5.6	1.3	1.2	NA	7/1/09	3.4
<i>HFRI Fund Weighted Composite Index</i>	-0.8	-4.3	-4.1	2.1	1.8	3.4		4.4
<i>MSCI ACWI</i>	0.2	-4.7	-4.3	5.5	5.2	4.1		9.7

¹ Fiscal Year begins July 1.

² Includes preliminary Summit Partners Credit Fund II.



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Performance as of 3/31/16

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Domestic Equity	1.8	-0.6	-0.7	10.9	10.7	6.9	10/1/90	10.0
Northern Trust Russell 1000 Index	1.2	0.4	0.5	11.5	11.4	NA	7/1/06	7.5
Net of Fees	1.2	0.4	0.5	11.5	11.3	NA		7.5
<i>Russell 1000</i>	1.2	0.4	0.5	11.5	11.4	7.1		7.4
Loomis Sayles Small Cap Value Equity	3.3	-3.4	-3.8	9.3	9.5	7.6	4/1/97	11.1
Net of Fees	3.2	-3.9	-4.5	8.6	8.7	6.9		NA
<i>Russell 2000 Value</i>	1.7	-6.6	-7.7	5.7	6.7	4.4		8.8
Northern Trust S&P 400 MidCap Index	3.8	-2.5	-3.6	9.5	9.5	NA	6/1/07	7.0
Net of Fees	3.8	-2.5	-3.6	9.4	9.5	NA		NA
<i>S&P MidCap</i>	3.8	-2.6	-3.6	9.5	9.5	7.8		6.9
International Developed Market Equity	-3.2	-9.0	-9.0	1.5	1.1	3.4	10/1/95	7.9
Northern Trust MSCI EAFE Index	-2.9	-8.7	-8.0	NA	NA	NA	12/1/14	-5.1
Net of Fees	-3.0	-8.8	-8.1	NA	NA	NA		-5.2
<i>MSCI EAFE</i>	-3.0	-8.8	-8.3	2.2	2.3	1.8		-5.4
Fisher Institutional Foreign Equity	-3.5	-9.3	-10.1	2.4	2.3	NA	2/1/07	2.3
Net of Fees	-3.7	-9.9	-10.9	1.5	1.4	NA		NA
<i>MSCI EAFE</i>	-3.0	-8.8	-8.3	2.2	2.3	1.8		0.3

¹ Fiscal Year begins July 1.



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Performance as of 3/31/16

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
International Emerging Market Equity	6.4	-10.7	-10.1	-5.0	NA	NA	2/1/12	-1.7
Dimensional Emerging Markets Value ²	8.9	-12.9	-11.4	-6.4	NA	NA	2/1/12	-3.8
<i>MSCI Emerging Markets</i>	5.7	-12.6	-12.0	-4.5	-4.1	3.0		-2.2
Vontobel Emerging Markets Equity	2.5	-6.3	-7.1	-2.0	NA	NA	2/1/12	2.3
Net of Fees	2.2	-7.1	-8.2	-3.1	NA	NA		1.2
<i>MSCI Emerging Markets</i>	5.7	-12.6	-12.0	-4.5	-4.1	3.0		-2.2
Investment Grade Bonds³	2.5	3.0	1.9	2.6	3.7	5.4	10/1/90	6.3
Northern Trust Barclays Aggregate Index	3.0	3.7	2.0	2.5	3.8	4.8	7/1/98	5.2
Net of Fees	3.0	3.7	1.9	2.4	3.7	4.8		NA
<i>Barclays Aggregate</i>	3.0	3.7	2.0	2.5	3.8	4.9		5.2
Short Duration Bonds	1.6	1.8	1.8	1.6	NA	NA	2/1/13	1.7
Northern Trust 1-5 Year Credit Bond	1.7	1.9	1.9	1.8	NA	NA	2/1/13	1.9
Net of Fees	1.7	1.9	1.8	1.7	NA	NA		1.8
<i>Barclays 1-5 Year Credit</i>	1.7	1.8	1.6	1.8	2.7	4.2		1.9
TIPS	3.6	2.0	1.9	NA	NA	NA	11/1/13	0.9
IR&M 1-10 Year Index	3.6	2.0	1.9	NA	NA	NA	11/1/13	0.9
Net of Fees	3.6	1.9	1.8	NA	NA	NA		0.8
<i>Barclays U.S. TIPS 1-10 Year</i>	3.6	2.0	1.8	-0.7	1.9	4.0		0.9

¹ Fiscal Year begins July 1.

² Returns shown are net of fees.

³ 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 3/31/16

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
High Yield Bonds²	2.8	-2.8	-2.2	2.0	4.4	NA	7/1/09	8.7
SKY Harbor Broad High Yield Market	2.1	-3.8	-3.2	1.8	NA	NA	9/1/12	3.3
Net of Fees	2.0	-4.2	-3.7	1.2	NA	NA		2.7
<i>Barclays High Yield</i>	3.4	-3.7	-3.7	1.8	4.9	7.0		3.7
Bank Loans	2.0	2.0	2.7	4.0	NA	NA	4/1/12	5.6
Beach Point Leveraged Loan	2.0	2.0	2.7	4.0	NA	NA	4/1/12	5.6
Net of Fees	1.9	1.5	2.0	3.3	NA	NA		5.0
<i>CSFB Leveraged Loan</i>	1.3	-1.9	-1.1	2.2	3.5	4.0		3.7
Emerging Market Debt	10.5	-2.7	-3.3	-9.0	NA	NA	6/1/12	-4.3
Stone Harbor Emerging Markets Local Currency Debt ³	10.5	-2.7	-3.3	-9.0	NA	NA	6/1/12	-4.3
<i>JPM GBI-EM Global Diversified (unhedged)</i>	11.0	-0.7	-1.6	-6.7	-2.0	5.0		-1.8
Real Estate	1.2	9.3	12.0	15.3	14.8	5.1	7/1/03	8.2
A.E.W Core Property Trust ⁴	1.9	8.0	12.3	NA	NA	NA	7/1/13	11.4
<i>NCREIF ODCE preliminary</i>	2.2	NA	13.7	13.6	13.3	6.4		8.8

¹ Fiscal Year begins July 1.

² Includes preliminary Summit Partners Credit Fund II.

³ Returns shown are net of fees.

⁴ Performance is shown net of fees.



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Performance as of 3/31/16

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Hedge Funds²	0.0	-5.1	-5.6	1.3	1.2	NA	7/1/09	3.4
36 South Kohinoor Series Three	-2.3	-5.6	-7.7	NA	NA	NA	2/1/15	-7.2
<i>HFRI Macro Index</i>	1.2	0.3	-3.3	1.2	0.2	3.3		-2.2
Tse Capital Offshore Fund, Ltd. ³	2.3	-4.5	-2.5	NA	NA	NA	2/1/15	2.2
<i>HFRI Macro Index</i>	1.2	0.3	-3.3	1.2	0.2	3.3		-2.2
Och-Ziff Credit Opportunities	2.1	-3.9	NA	NA	NA	NA	6/1/15	-5.0
<i>Barclays High Yield</i>	3.4	-3.7	-3.7	1.8	4.9	7.0		-5.1

¹ Fiscal Year begins July 1.

² Hedge Fund manager returns are shown as net of fees.

³ Performance is preliminary.



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

**Aggregate Assets
Calendar Year Performance**

	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)
Total Retirement System	0.1	6.4	15.0	11.6	0.6	15.1	18.8	-26.3	6.4	14.6
Net of Fees	-0.1	6.1	14.7	11.4	0.3	14.8	18.5	-26.4	NA	NA
<i>Policy Benchmark¹</i>	-0.8	5.5	12.9	12.9	1.9	15.6	19.7	-26.0	5.0	15.1
<i>Actual Allocation Benchmark</i>	-0.3	6.1	15.4	12.0	NA	NA	NA	NA	NA	NA
<i>60% MSCI ACWI/ 40% Barclays Aggregate</i>	-1.0	5.0	12.3	11.5	-1.1	10.8	23.0	-25.8	9.9	14.1
Domestic Equity	0.2	11.7	33.5	16.8	0.5	21.7	32.5	-38.1	3.9	14.4
Northern Trust Russell 1000 Index	0.9	13.2	33.1	16.4	1.6	16.3	28.9	-37.5	5.9	NA
Net of Fees	0.9	13.2	33.1	16.4	1.5	16.3	28.9	-37.6	5.8	NA
<i>Russell 1000</i>	0.9	13.2	33.1	16.4	1.5	16.1	28.4	-37.6	5.8	15.5
Loomis Sayles Small Cap Value Equity	-2.4	6.4	36.1	17.0	-0.1	25.1	29.5	-31.2	3.2	20.8
Net of Fees	-3.0	5.6	35.1	16.2	-0.8	24.3	28.5	-31.5	2.6	20.2
<i>Russell 2000 Value</i>	-7.5	4.2	34.5	18.1	-5.5	24.5	20.6	-28.9	-9.8	23.5
Northern Trust S&P 400 MidCap Index	-2.2	9.8	33.5	17.9	-1.7	26.7	38.0	-36.3	NA	NA
Net of Fees	-2.2	9.7	33.5	17.9	-1.7	26.7	38.0	-36.3	NA	NA
<i>S&P MidCap</i>	-2.2	9.8	33.5	17.9	-1.7	26.6	37.4	-36.2	8.0	10.3

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**

	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)
International Developed Market Equity	-0.6	-5.7	19.5	16.4	-12.4	15.5	37.6	-43.4	21.7	23.6
Northern Trust MSCI EAFE Index	-0.5	NA	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-0.6	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI EAFE</i>	-0.8	-4.9	22.8	17.3	-12.1	7.7	31.8	-43.4	11.2	26.3
Fisher Institutional Foreign Equity	-0.7	-4.8	23.6	17.0	-10.8	17.0	42.2	-45.0	NA	NA
Net of Fees	-1.6	-5.7	22.5	15.9	-11.7	16.0	41.3	-45.5	NA	NA
<i>MSCI EAFE</i>	-0.8	-4.9	22.8	17.3	-12.1	7.7	31.8	-43.4	11.2	26.3
International Emerging Market Equity	-15.1	-0.3	-4.6	NA	NA	NA	NA	NA	NA	NA
Dimensional Emerging Markets Value ¹	-18.8	-4.4	-3.8	NA	NA	NA	NA	NA	NA	NA
<i>MSCI Emerging Markets</i>	-14.9	-2.2	-2.6	18.2	-18.4	18.9	78.5	-53.3	39.4	32.2
Vontobel Emerging Markets Equity	-7.8	6.6	-4.4	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-8.8	5.5	-5.6	NA	NA	NA	NA	NA	NA	NA
<i>MSCI Emerging Markets</i>	-14.9	-2.2	-2.6	18.2	-18.4	18.9	78.5	-53.3	39.4	32.2
Investment Grade Bonds²	0.8	5.5	-1.0	6.1	6.1	7.8	11.2	4.2	6.4	4.8
Northern Trust Barclays Aggregate Index	0.6	6.1	-2.3	4.3	7.8	6.6	6.6	3.7	7.4	4.2
Net of Fees	0.5	6.0	-2.3	4.2	7.8	6.6	6.6	3.7	7.3	4.2
<i>Barclays Aggregate</i>	0.5	6.0	-2.0	4.2	7.8	6.5	5.9	5.2	7.0	4.3

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
Calendar Year Performance**

	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)
Investment Grade Bonds (continued)¹	0.8	5.5	-1.0	6.1	6.1	7.8	11.2	4.2	6.4	4.8
Short Duration Bonds	1.2	1.6	NA	NA	NA	NA	NA	NA	NA	NA
Northern Trust 1-5 Year Credit Bond	1.3	1.8	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	1.2	1.8	NA	NA	NA	NA	NA	NA	NA	NA
<i>Barclays 1-5 Year Credit</i>	1.1	1.9	1.2	5.5	3.0	5.4	13.5	-1.1	6.1	4.7
TIPS	-0.4	0.9	NA	NA	NA	NA	NA	NA	NA	NA
IR&M 1-10 Year Index	-0.4	0.9	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-0.5	0.8	NA	NA	NA	NA	NA	NA	NA	NA
<i>Barclays U.S. TIPS 1-10 Year</i>	-0.5	0.9	-5.6	5.0	8.9	5.2	12.0	-2.4	11.4	1.6
High Yield Bonds	-3.3	1.4	9.3	13.5	3.1	15.0	NA	NA	NA	NA
SKY Harbor Broad High Yield Market	-3.4	1.4	9.3	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-3.9	0.8	8.7	NA	NA	NA	NA	NA	NA	NA
<i>Barclays High Yield</i>	-4.5	2.5	7.4	15.8	5.0	15.1	58.2	-26.2	1.9	11.8
Bank Loans	2.7	2.7	7.1	NA	NA	NA	NA	NA	NA	NA
Beach Point Leveraged Loan	2.7	2.7	7.1	NA	NA	NA	NA	NA	NA	NA
Net of Fees	2.1	2.0	6.4	NA	NA	NA	NA	NA	NA	NA
<i>CSFB Leveraged Loan</i>	-0.4	2.0	6.2	9.4	1.8	10.0	44.9	-28.8	1.9	7.2

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**

	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)
Emerging Market Debt	-15.2	-8.5	-12.6	NA	NA	NA	NA	NA	NA	NA
Stone Harbor Emerging Markets Local Currency Debt ¹	-15.2	-8.5	-12.6	NA	NA	NA	NA	NA	NA	NA
<i>JPM GBI-EM Global Diversified (unhedged)</i>	-14.9	-5.7	-9.0	16.8	-1.8	15.7	22.0	-5.2	18.1	15.2
Real Estate	19.0	22.0	11.5	16.7	7.7	13.6	-33.3	-10.4	3.1	23.4
A.E.W Core Property Trust ²	12.4	10.4	NA	NA	NA	NA	NA	NA	NA	NA
<i>NCREIF ODCE</i>	15.0	12.5	14.0	10.9	16.0	16.4	-29.8	-10.0	16.0	16.3
Hedge Funds³	-5.1	5.0	7.4	1.6	-2.1	5.8	NA	NA	NA	NA
36 South Kohinoor Series Three	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Macro Index</i>	-1.3	5.6	-0.4	-0.1	-4.1	8.1	4.3	4.8	11.1	8.2
Tse Capital Offshore Fund, Ltd.	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>HFRI Macro Index</i>	-1.3	5.6	-0.4	-0.1	-4.1	8.1	4.3	4.8	11.1	8.2
Och-Ziff Credit Opportunities	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>Barclays High Yield</i>	-4.5	2.5	7.4	15.8	5.0	15.1	58.2	-26.2	1.9	11.8

¹ Returns shown are net of fees.

² Performance is shown net of fees.

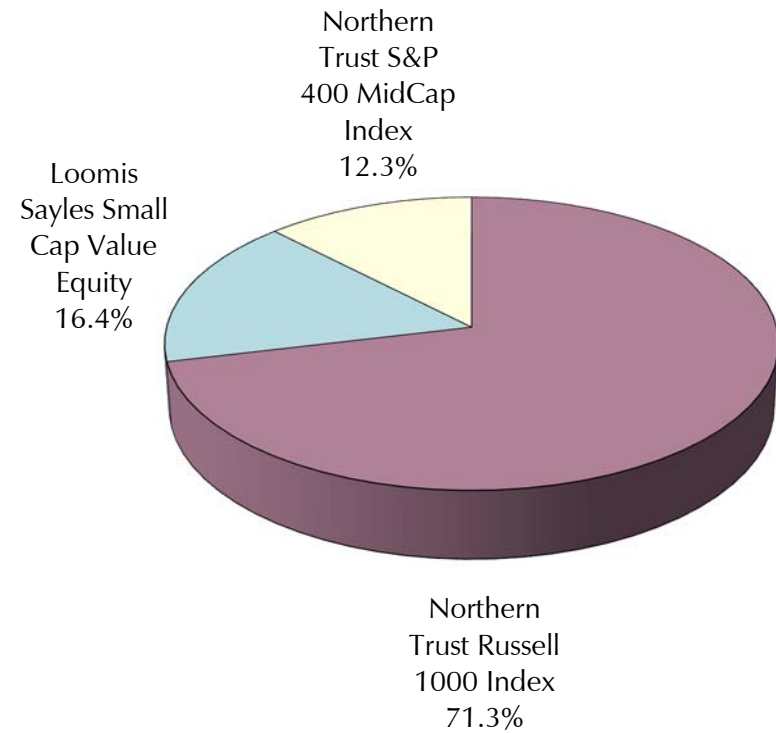
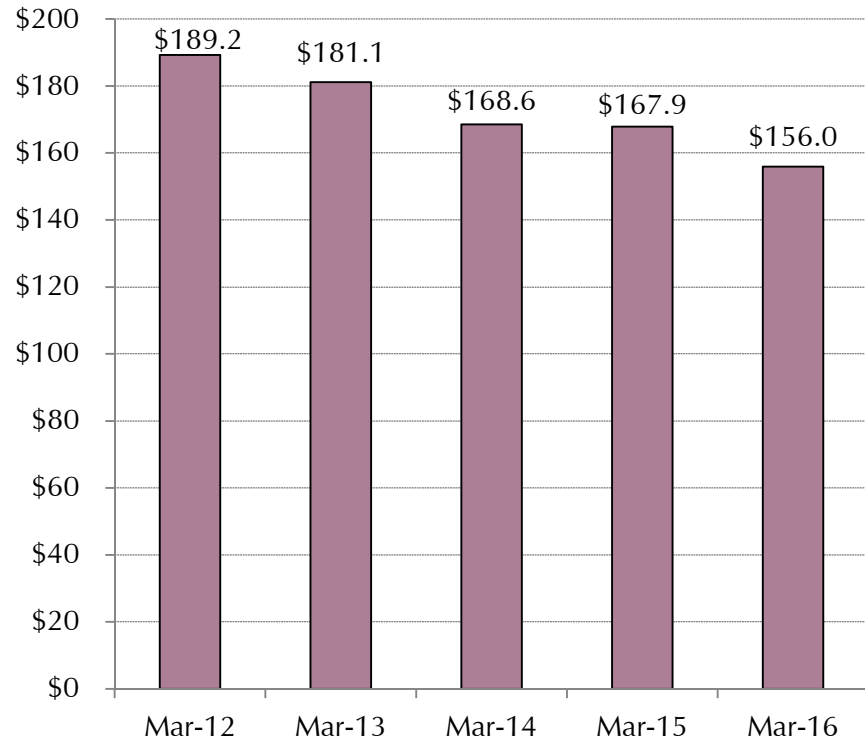
³ Hedge Fund manager returns shown are net of fees.



**Domestic Equity Assets
As of March 31, 2016**

City of Ann Arbor Employees' Retirement System

Domestic Equity Assets as of 3/31/16

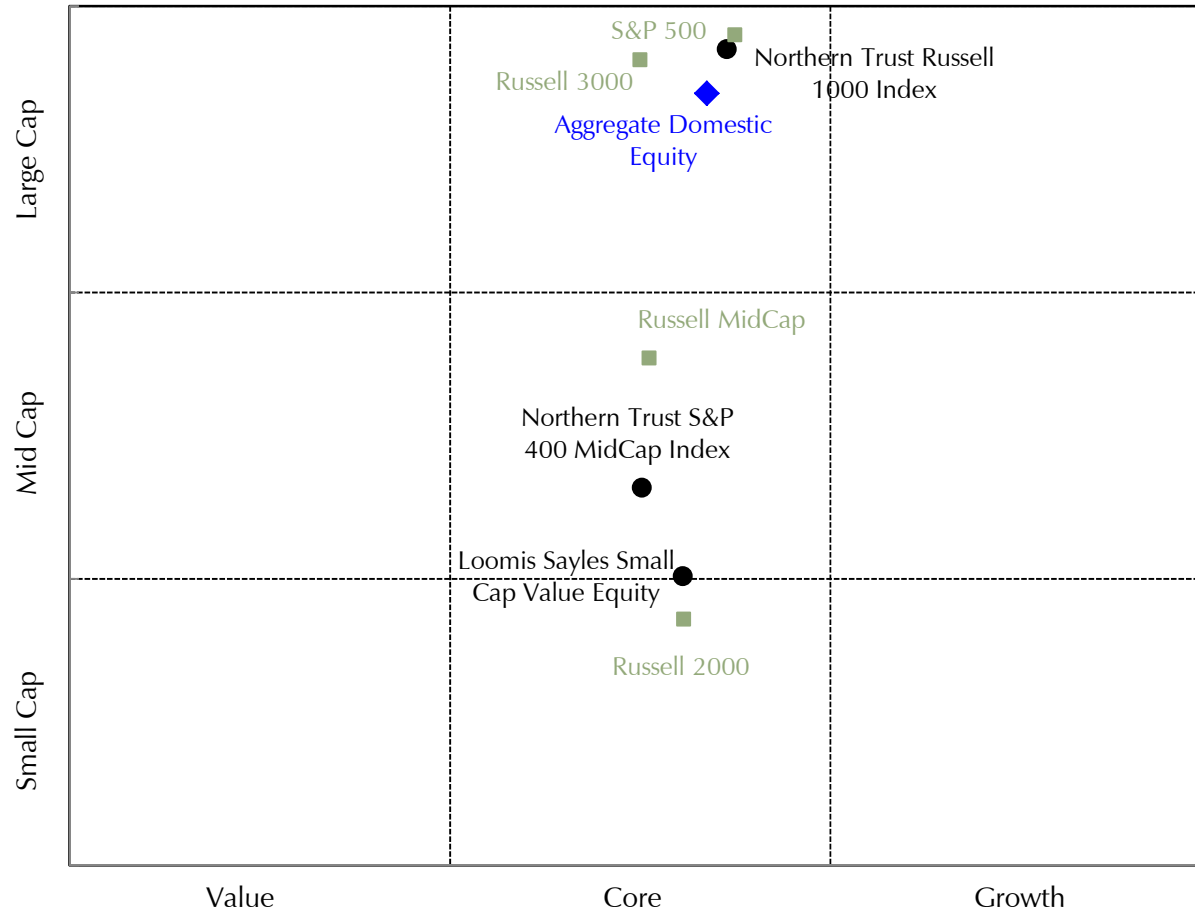


**City of Ann Arbor
Employees' Retirement System**

**Domestic Equity Assets
Risk as of 3/31/16**

Risk: (sixty months)	Aggregate Domestic Equity 3/31/16	Russell 3000 3/31/16
Annualized Return (%)	10.7	11.0
Standard Deviation (%)	14.7	14.1
Best Monthly Return (%)	12.6	11.5
Worst Monthly Return (%)	-8.9	-7.8
Beta	1.04	1.00
Correlation to Index	1.00	1.00
Correlation to Total Fund Return	0.98	NA
Sharpe Measure (risk-adjusted return)	0.73	0.78
Information Ratio	Neg.	NA





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

**Domestic Equity Assets
Characteristics as of 3/31/16**

	Aggregate Domestic Equity 3/31/16	Russell 3000 3/31/16	Aggregate Domestic Equity 12/31/15
Capitalization Structure:			
Weighted Average Market Cap. (US\$ billion)	84.2	107.4	83.3
Median Market Cap. (US\$ billion)	5.5	1.4	5.7
Large (% over US\$20 billion)	54	69	54
Medium (% US\$3 billion to US\$20 billion)	31	23	32
Small (% under US\$3 billion)	15	7	15
Fundamental Structure:			
Price-Earnings Ratio	21	21	21
Price-Book Value Ratio	2.6	2.3	2.6
Dividend Yield (%)	2.0	2.1	2.0
Historical Earnings Growth Rate (%)	11	10	11
Projected Earnings Growth Rate (%)	10	10	10

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

**Domestic Equity Assets
Diversification as of 3/31/16**

Diversification:	Aggregate Domestic Equity 3/31/16	Russell 3000 3/31/16	Aggregate Domestic Equity 12/31/15
Number of Holdings	1,266	2,973	1,267
% in 5 largest holdings	7	9	7
% in 10 largest holdings	11	15	12

Largest Five Holdings:

Apple
Microsoft
ExxonMobil
Johnson & Johnson
General Electric

% of Portfolio

2.2
1.6
1.2
1.1
1.0

Economic Sector

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

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

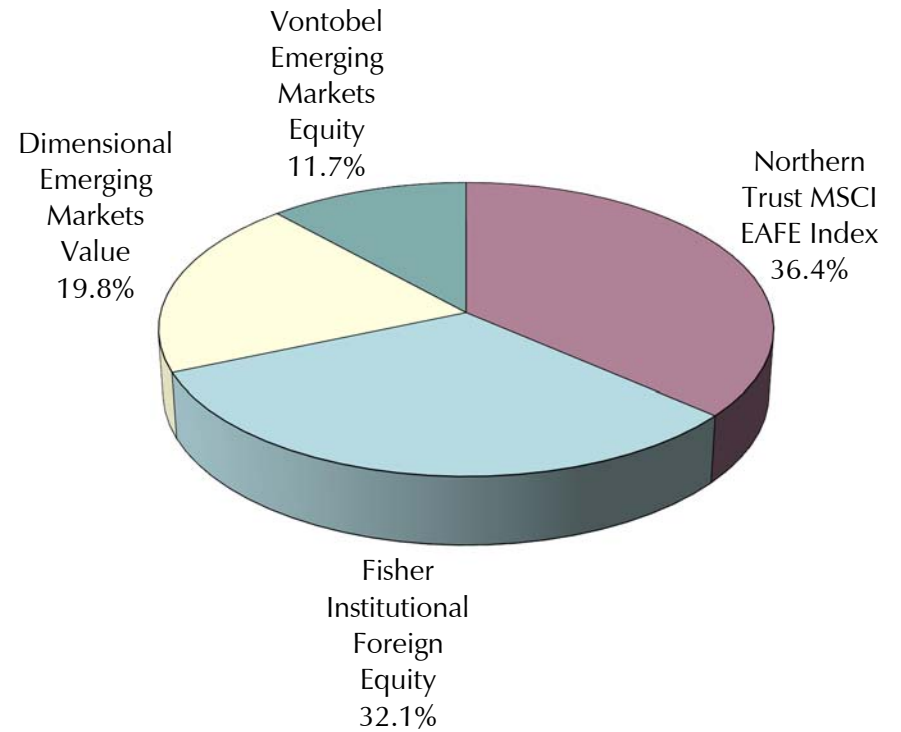
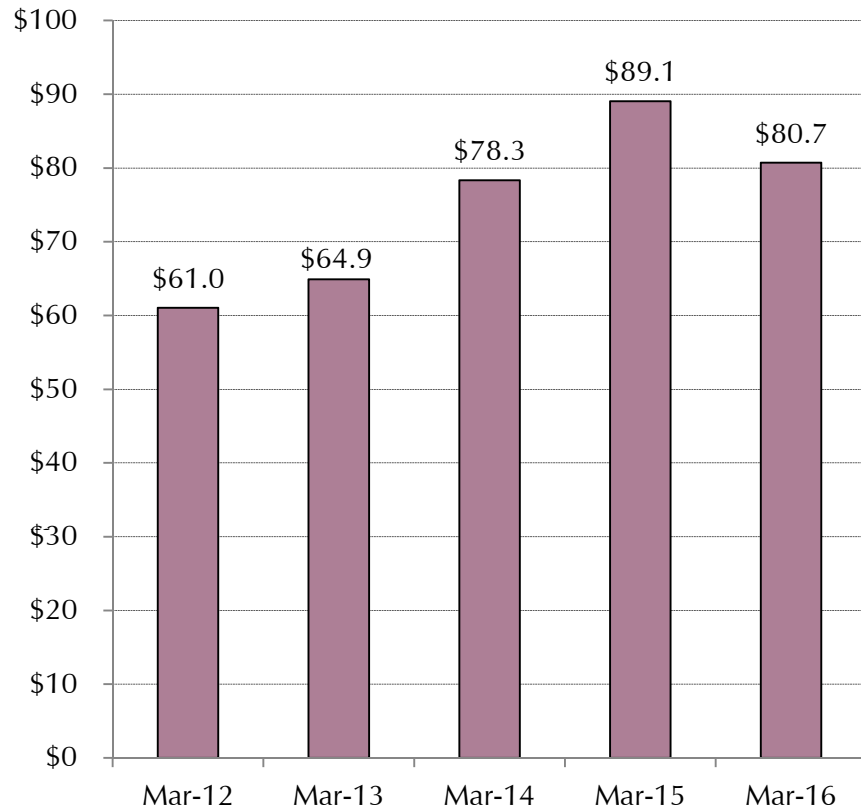
**Domestic Equity Assets
Sector Allocation as of 3/31/16**

Sector Allocation (%):	Aggregate Domestic Equity 3/31/16	Russell 3000 3/31/16	Aggregate Domestic Equity 12/31/15
Financials	20	17	22
Industrials	13	11	12
Consumer Discretionary	14	14	14
Materials	4	3	3
Utilities	4	3	3
Telecommunication Services	2	2	2
Energy	5	6	5
Information Technology	19	20	19
Consumer Staples	8	9	8
Health Care	12	14	12

**International Equity Assets
As of March 31, 2016**

City of Ann Arbor Employees' Retirement System

International Equity Assets as of 3/31/16



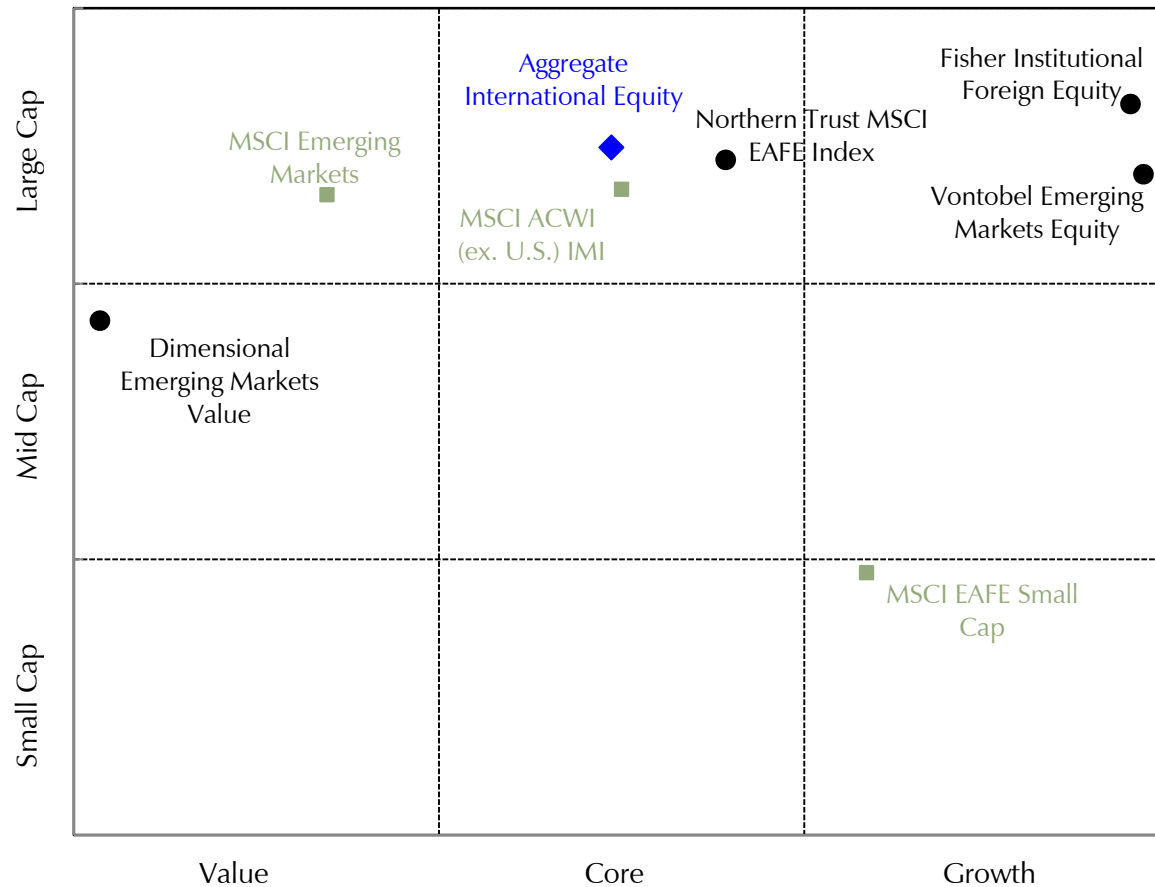
**City of Ann Arbor
Employees' Retirement System**

**International Equity Assets
Risk as of 3/31/16**

Risk: (sixty months)	Aggregate International Equity 3/31/16	MSCI ACWI (ex. U.S.) IMI 3/31/16
Annualized Return (%)	-0.2	0.6
Standard Deviation (%)	16.6	16.0
Best Monthly Return (%)	13.1	10.3
Worst Monthly Return (%)	-12.2	-11.3
Beta	1.03	1.00
Correlation to Index	0.99	1.00
Correlation to Total Fund Return	0.95	NA
Sharpe Measure (risk-adjusted return) ¹	Neg.	0.03
Information Ratio	Neg.	NA

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**

**International Equity Assets
Characteristics as of 3/31/16**

	Aggregate International Equity 3/31/16	MSCI ACWI (ex. U.S.) IMI 3/31/16	Aggregate International Equity 12/31/15
Capitalization Structure:			
Weighted Average Market Cap. (US\$ billion)	55.6	40.6	55.6
Median Market Cap. (US\$ billion)	1.0	1.2	1.0
Large (% over US\$20 billion)	71	50	65
Medium (% US\$3 billion to US\$20 billion)	25	36	28
Small (% under US\$3 billion)	4	13	7
Fundamental Structure:			
Price-Earnings Ratio	17	16	17
Price-Book Value Ratio	2.3	1.4	2.3
Dividend Yield (%)	3.1	3.2	2.9
Historical Earnings Growth Rate (%)	8	8	10
Projected Earnings Growth Rate (%)	2	8	10

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

**International Equity Assets
Diversification as of 3/31/16**

	Aggregate International Equity 3/31/16	MSCI ACWI (ex. U.S.) IMI 3/31/16	Aggregate International Equity 12/31/15
Diversification:			
Number of Holdings	3,210	6,095	3,230
% in 5 largest holdings	8	4	8
% in 10 largest holdings	14	7	13
Largest Five Holdings:	% of Portfolio	Economic Sector	
Novo Nordisk	1.8	Pharmaceuticals & Biotech.	
Bayer	1.5	Pharmaceuticals & Biotech.	
Roche	1.5	Pharmaceuticals & Biotech.	
Novartis	1.4	Pharmaceuticals & Biotech.	
HDFC Bank	1.4	Banks	

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

**International Equity Assets
Sector Allocation as of 3/31/16**

Sector Allocation (%):	Aggregate International Equity 3/31/16	MSCI ACWI (ex. U.S.) IMI 3/31/16	Aggregate International Equity 12/31/15
Health Care	13	9	11
Information Technology	11	9	11
Consumer Staples	13	11	12
Consumer Discretionary	14	13	14
Industrials	12	13	11
Utilities	2	3	2
Materials	6	7	6
Energy	4	6	4
Telecommunication Services	2	5	2
Financials	23	25	25

City of Ann Arbor
Employees' Retirement System

International Equity Assets
Country & Region Breakdown as of 3/31/16

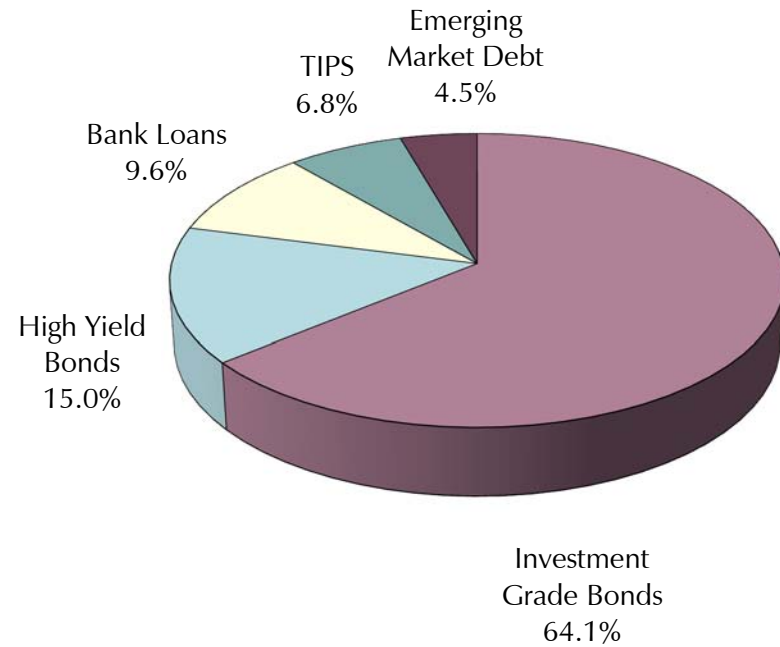
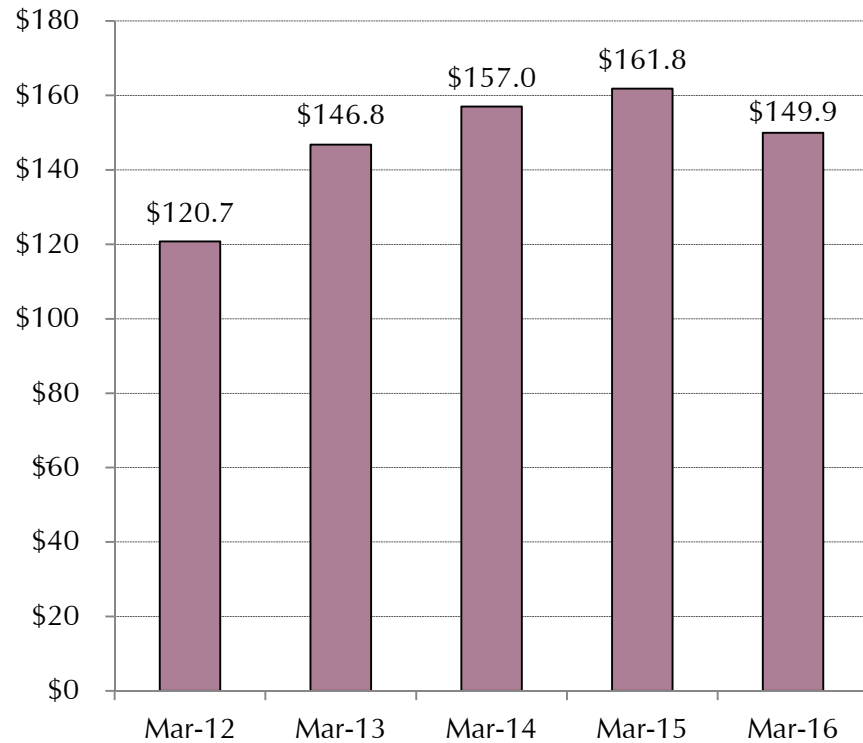
	Aggregate International Equity 3/31/16 (%)	MSCI ACWI (ex. U.S.) IMI 3/31/16 (%)		Aggregate International Equity 3/31/16 (%)	MSCI ACWI (ex. U.S.) IMI 3/31/16 (%)
North America	1.8	6.9	Asia Pacific	20.9	27.5
Canada	1.1	6.5	Singapore	1.0	1.0
Europe	55.4	45.6	Hong Kong	4.2	4.4
Germany	9.6	6.3	Australia	4.0	4.9
United Kingdom	14.2	12.2	Japan	11.6	16.8
Switzerland	8.2	6.3	Emerging	21.6	19.4
France	8.0	6.3	India	7.7	1.8
Netherlands	4.3	3.3	Mexico	1.2	1.0
Denmark	2.2	1.4	Taiwan	2.9	2.9
Ireland	1.4	0.8	Brazil	1.3	1.3
Belgium	1.5	1.1	South Africa	1.3	1.5
Italy	1.8	1.7	South Korea	2.7	3.5
Spain	1.7	2.2	China	1.2	2.8
Sweden	1.6	2.3	Other	0.3	0.6



**Fixed Income Assets
As of March 31, 2016**

City of Ann Arbor
Employees' Retirement System

Fixed Income Assets
as of 3/31/16



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

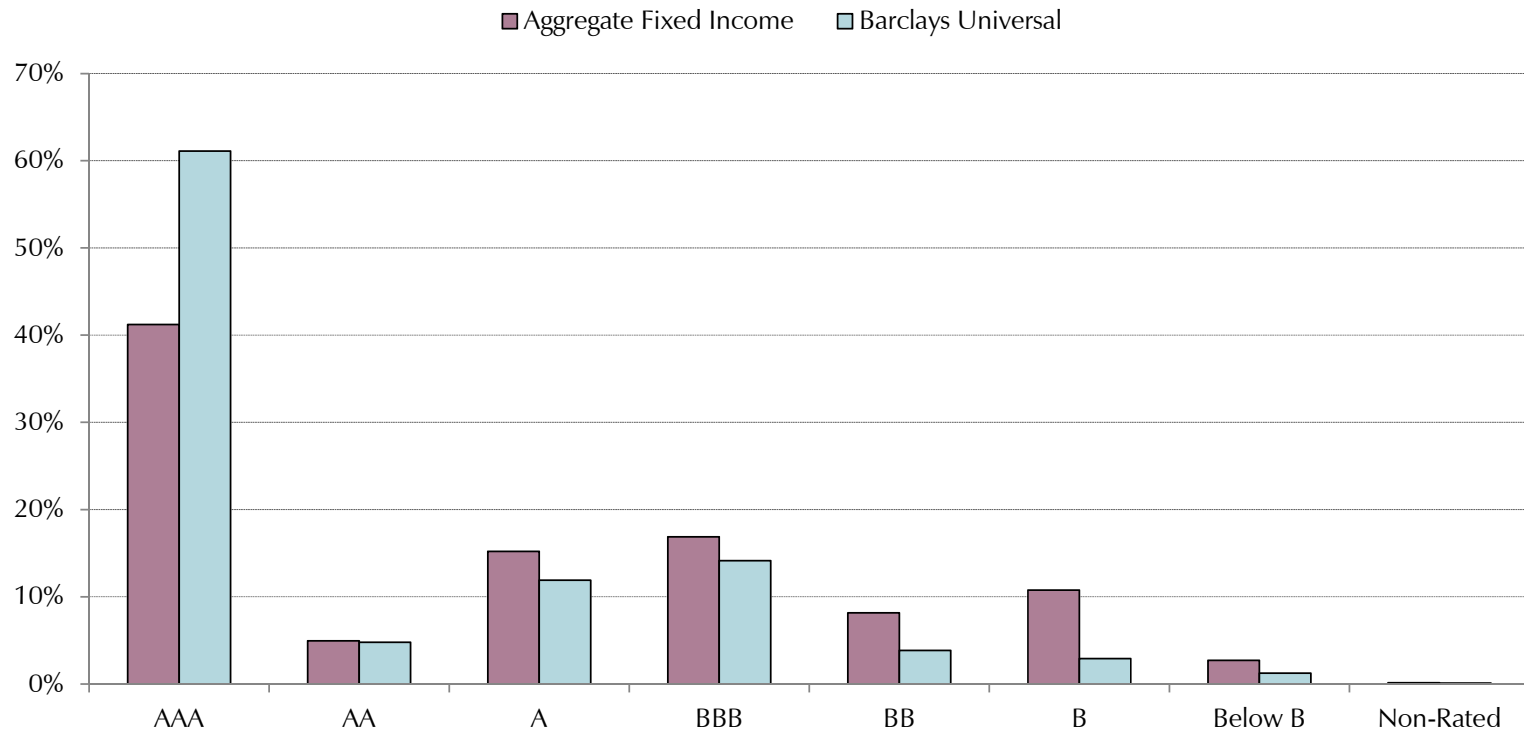
**Fixed Income Assets
Risk as of 3/31/16**

Risk: (sixty months)	Aggregate Fixed Income 3/31/16	Barclays Universal 3/31/16
Annualized Return (%)	3.4	3.9
Standard Deviation (%)	2.7	2.8
Best Monthly Return (%)	1.9	1.9
Worst Monthly Return (%)	-1.8	-1.8
Beta	0.90	1.00
Correlation to Index	0.91	1.00
Correlation to Total Fund Return	0.45	NA
Sharpe Measure (risk-adjusted return)	1.24	1.39
Information Ratio	Neg.	NA

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

**Fixed Income Assets
Characteristics as of 3/31/16**

Duration & Yield:	Aggregate Fixed Income 3/31/16	Barclays Universal 3/31/16	Aggregate Fixed Income 12/31/15
Average Effective Duration (years)	4.3	5.3	4.2
Yield to Maturity (%)	3.4	2.7	3.7



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

**Fixed Income Assets
Diversification as of 3/31/16**

	Aggregate Fixed Income 3/31/16	Barclays Universal 3/31/16	Aggregate Fixed Income 12/31/15
Market Allocation (%):			
United States	79	83	80
Foreign (developed markets)	14	10	14
Foreign (emerging markets)	7	7	6
Currency Allocation (%):			
Non-U.S. Dollar Exposure	5	0	4
Sector Allocation (%):			
U.S. Treasury-Nominal	15	31	18
U.S. Treasury-TIPS	7	0	6
U.S. Agency	3	2	3
Mortgage Backed	12	24	12
Corporate	43	31	42
Bank Loans	8	0	7
Local & Provincial Government	1	1	1
Sovereign & Supranational	9	8	9
Commercial Mortgage Backed	1	2	1
Asset Backed	0	0	0
Cash Equivalent	0	0	0
Other	0	0	0



Retirement System Portfolio Reviews
As of March 31, 2016

**Domestic Equity Portfolio Reviews
As of March 31, 2016**

City of Ann Arbor Employees' Retirement System

Northern Trust Russell 1000 Index Portfolio Detail as of 3/31/16

Mandate: Domestic Equities
Active/Passive: Passive
Market Value: \$111.1 million
Portfolio Manager: Alexander Matturri Jr., CFA
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 (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 7/1/06
Northern Trust Russell 1000 Index	1.2	0.4	0.5	11.5	11.4	7.5
Net of Fees	1.2	0.4	0.5	11.5	11.3	7.5
Russell 1000	1.2	0.4	0.5	11.5	11.4	7.4

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Northern Trust Russell 1000 Index	13.9%	1.00	0.81	NA	1.00
Russell 1000	13.9	1.00	0.81	NA	1.00

	3/31/16		12/31/15	
	Northern Trust Russell 1000 Index	Russell 1000	Northern Trust Russell 1000 Index	Russell 1000
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	116.0	115.9	114.5	114.7
Median Market Cap. (US\$ billion)	7.5	7.5	7.4	7.4
Large (% over US\$20 billion)	75	75	75	75
Medium (% US\$3 billion to US\$20 billion)	23	24	24	24
Small (% under US\$3 billion)	1	1	2	2

Fundamental Structure:				
Price-Earnings Ratio	21	21	20	20
Price-Book Value Ratio	2.7	2.7	2.7	2.9
Dividend Yield (%)	2.1	2.1	2.1	2.1
Historical Earnings Growth Rate (%)	10	10	10	10
Projected Earnings Growth Rate (%)	10	10	10	10

Sector Allocation (%):				
Consumer Discretionary	14	14	14	13
Information Technology	20	20	20	20
Consumer Staples	10	10	9	9
Industrials	11	11	11	11
Utilities	3	3	3	3
Telecommunication Services	3	3	2	2
Materials	3	3	3	3
Health Care	14	14	15	15
Energy	6	6	6	6
Financials	17	17	18	18

Diversification:				
Number of Holdings	1,020	1,020	1,033	1,031
% in 5 largest holdings	10	10	10	10
% in 10 largest holdings	16	16	16	16

Largest Ten Holdings:			Industry
Apple	3.1	Technology Equipment	
Microsoft	2.2	Software & Services	
ExxonMobil	1.7	Energy	
Johnson & Johnson	1.5	Pharmaceuticals & Biotech.	
General Electric	1.5	Capital Goods	
Berkshire Hathaway	1.3	Diversified Financials	
Facebook	1.2	Software & Services	
AT&T	1.2	Telecom Services	
Amazon.com	1.1	Retailing	
Wells Fargo & Company	1.1	Banks	

¹ Fiscal Year begins July 1.



City of Ann Arbor Employees' Retirement System

Loomis Sayles Small Cap Value Equity Portfolio Detail as of 3/31/16

Mandate: Domestic Equities
Active/Passive: Active
Market Value: \$25.6 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 (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 4/1/97
Loomis Sayles Small Cap Value Equity	3.3	-3.4	-3.8	9.3	9.5	11.1
Net of Fees	3.2	-3.9	-4.5	8.6	8.7	NA
Russell 2000 Value	1.7	-6.6	-7.7	5.7	6.7	8.8
Peer Small Cap Value	2.4	-5.4	-5.3	8.4	8.4	10.6
Peer Ranking (percentile)	32	31	31	26	26	36
Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index	
Loomis Sayles Small Cap Value Equity	17.0%	0.95	0.56	1.04	0.99	
Russell 2000 Value	17.2	1.00	0.38	NA	1.00	

	3/31/16		12/31/15	
	Loomis Sayles Small Cap Value Equity	Russell 2000 Value	Loomis Sayles Small Cap Value Equity	Russell 2000 Value
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	2.6	1.7	3.5	1.7
Median Market Cap. (US\$ billion)	1.7	0.6	1.6	0.6
Large (% over US\$20 billion)	0	0	0	0
Medium (% US\$3 billion to US\$20 billion)	30	15	33	12
Small (% under US\$3 billion)	70	85	67	88
Fundamental Structure:				
Price-Earnings Ratio	22	19	22	18
Price-Book Value Ratio	2.2	1.5	2.0	1.5
Dividend Yield (%)	1.6	2.4	1.6	2.4
Historical Earnings Growth Rate (%)	11	10	12	8
Projected Earnings Growth Rate (%)	11	9	11	9
Sector Allocation (%):				
Consumer Discretionary	17	10	18	10
Industrials	19	12	16	12
Information Technology	16	11	15	11
Consumer Staples	5	4	4	3
Health Care	5	4	5	5
Materials	3	3	2	3
Telecommunication Services	0	1	0	1
Energy	3	4	2	4
Utilities	2	8	2	7
Financials	30	43	36	44
Diversification:				
Number of Holdings	153	1,325	152	1,349
% in 5 largest holdings	7	3	12	2
% in 10 largest holdings	13	5	18	5
Largest Ten Holdings:			Industry	
Post Holdings	1.6		Food, Beverage & Tobacco	
Littelfuse	1.5		Technology Equipment	
Retail Opportunity Investments	1.4		Real Estate	
CubeSmart	1.4		Real Estate	
Signature Bank	1.3		Banks	
John Bean Technologies	1.3		Capital Goods	
Cathay General Bancorp	1.2		Banks	
Mid-America Apartments	1.2		Real Estate	
Northwestern	1.2		Utilities	
Churchill Downs	1.2		Consumer Services	

¹ Fiscal Year begins July 1.



City of Ann Arbor Employees' Retirement System

Northern Trust S&P 400 MidCap Index Portfolio Detail as of 3/31/16

Mandate: Domestic Equities
Active/Passive: Passive
Market Value: \$19.2 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 (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 6/1/07
Northern Trust S&P 400 MidCap Index	3.8	-2.5	-3.6	9.5	9.5	7.0
Net of Fees	3.8	-2.5	-3.6	9.4	9.5	NA
S&P MidCap	3.8	-2.6	-3.6	9.5	9.5	6.9

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Northern Trust S&P 400 MidCap Index-NL	16.0%	1.00	0.59	NA	1.00
S&P MidCap	16.0	1.00	0.59	NA	1.00

	3/31/16		12/31/15	
	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)	4.9	4.9	5.0	5.0
Median Market Cap. (US\$ billion)	3.4	3.4	3.3	3.3
Large (% over US\$20 billion)	0	0	0	0
Medium (% US\$3 billion to US\$20 billion)	78	78	77	77
Small (% under US\$3 billion)	22	22	23	23

Fundamental Structure:

Price-Earnings Ratio	20	20	20	20
Price-Book Value Ratio	2.4	2.4	2.5	2.5
Dividend Yield (%)	1.7	1.7	1.7	1.7
Historical Earnings Growth Rate (%)	13	13	14	14
Projected Earnings Growth Rate (%)	10	10	10	10

Sector Allocation (%):

Financials	25	25	27	27
Consumer Discretionary	14	14	13	13
Utilities	6	6	5	5
Information Technology	16	16	17	17
Health Care	8	8	10	10
Telecommunication Services	0	0	0	0
Industrials	16	16	15	15
Energy	3	3	3	3
Consumer Staples	4	4	4	4
Materials	7	7	6	6

Diversification:

Number of Holdings	401	400	400	399
% in 5 largest holdings	3	3	4	4
% in 10 largest holdings	6	6	7	7

Largest Ten Holdings:

		Industry
Jarden	0.8	Consumer Durables
Alaska Air	0.7	Transportation
LKQ	0.7	Retailing
Acuity Brands	0.6	Capital Goods
Mettler Toledo	0.6	Pharmaceuticals & Biotech.
Foot Locker	0.6	Retailing
Fortune Brands Home & Security	0.6	Capital Goods
Global Payments	0.6	Software & Services
Alliant Energy Corp.	0.6	Utilities
Everest RE Group	0.6	Insurance

¹ Fiscal Year begins July 1.



**International Developed Market Equity
Portfolio Reviews
As of March 31, 2016**

City of Ann Arbor Employees' Retirement System

Northern Trust MSCI EAFE Index Portfolio Detail as of 3/31/16

Mandate: International Equities
Active/Passive: Passive
Market Value: \$29.4 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 (%):	1Q16	Fiscal YTD ¹	1 YR	Since 12/1/14
Northern Trust MSCI EAFE Index	-2.9	-8.7	-8.0	-5.1
Net of Fees	-3.0	-8.8	-8.1	-5.2
MSCI EAFE	-3.0	-8.8	-8.3	-5.4
Peer International Core	-1.6	-8.0	-6.4	-3.9
Peer Ranking (percentile)	77	57	67	68

	3/31/16		12/31/15	
	Northern Trust MSCI EAFE Index	MSCI EAFE	Northern Trust MSCI EAFE Index	MSCI EAFE
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	50.7	50.4	55.5	53.9
Median Market Cap. (US\$ billion)	8.7	8.7	8.5	8.7
Large (% over US\$20 billion)	64	64	66	65
Medium (% US\$3 billion to US\$20 billion)	35	35	33	34
Small (% under US\$3 billion)	1	1	1	1
Fundamental Structure:				
Price-Earnings Ratio	17	17	17	17
Price-Book Value Ratio	1.6	1.6	1.7	1.7
Dividend Yield (%)	3.5	3.5	3.2	3.2
Historical Earnings Growth Rate (%)	7	7	10	8
Projected Earnings Growth Rate (%)	8	8	8	8
Sector Allocation (%):				
Health Care	12	12	10	12
Materials	7	7	6	6
Consumer Discretionary	13	13	16	13
Consumer Staples	13	13	12	12
Telecommunication Services	5	5	4	5
Information Technology	5	5	6	5
Industrials	13	13	12	13
Utilities	4	4	4	4
Energy	5	5	4	5
Financials	24	24	26	26
Diversification:				
Number of Holdings	956	926	947	925
% in 5 largest holdings	7	7	10	8
% in 10 largest holdings	12	11	16	12
Region Allocation (%):				
Europe	65	65	62	64
Asia Pacific	34	34	37	35
Other	1	1	1	1
Largest Five Holdings:				
		Industry		
Nestle	2.1	Food, Beverage & Tobacco		
Roche	1.5	Pharmaceuticals & Biotech.		
Novartis	1.4	Pharmaceuticals & Biotech.		
Toyota Motor	1.2	Automobiles & Components		
HSBC	1.0	Banks		

¹ Fiscal Year begins July 1.



City of Ann Arbor Employees' Retirement System

Fisher Institutional Foreign Equity Portfolio Detail as of 3/31/16

Mandate: International Equities,
Developed Markets

Active/Passive: Active

Market Value: \$25.9 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 (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 2/1/07
Fisher Institutional Foreign Equity	-3.5	-9.3	-10.1	2.4	2.3	2.3
Net of Fees	-3.7	-9.9	-10.9	1.5	1.4	NA
MSCI EAFE	-3.0	-8.8	-8.3	2.2	2.3	0.3
Peer International Core	-1.6	-8.0	-6.4	3.0	2.8	1.3
Peer Ranking (percentile)	85	64	84	60	59	25

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Fisher Institutional Foreign Equity	18.5%	1.11	0.12	Neg.	0.97
MSCI EAFE	16.1	1.00	0.14	NA	1.00

	3/31/16		12/31/15	
	Fisher Institutional Foreign Equity	MSCI EAFE	Fisher Institutional Foreign Equity	MSCI EAFE
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	77.1	50.4	81.1	53.9
Median Market Cap. (US\$ billion)	46.7	8.7	53.7	8.7
Large (% over US\$20 billion)	91	64	92	65
Medium (% US\$3 billion to US\$20 billion)	9	35	8	34
Small (% under US\$3 billion)	0	1	0	1

Fundamental Structure:

Price-Earnings Ratio	18	17	18	17
Price-Book Value Ratio	2.7	1.6	2.8	1.7
Dividend Yield (%)	3.0	3.5	2.7	3.2
Historical Earnings Growth Rate (%)	9	7	10	8
Projected Earnings Growth Rate (%)	9	8	9	8

Sector Allocation (%):

Information Technology	18	5	16	5
Health Care	20	12	21	12
Consumer Discretionary	19	13	18	13
Industrials	15	13	14	13
Energy	2	5	1	5
Utilities	0	4	0	4
Materials	2	7	2	6
Consumer Staples	8	13	6	12
Telecommunication Services	0	5	0	5
Financials	16	24	22	26

Diversification:

Number of Holdings	71	926	70	925
% in 5 largest holdings	16	7	16	8
% in 10 largest holdings	29	11	29	12

Region Allocation (%):

North America	4	0	3	0
Europe	76	65	77	64
Asia Pacific	15	34	16	35
Emerging	4	0	4	0
Other	0	1	0	1

Largest Five Holdings:

		Industry
Novo Nordisk	3.9	Pharmaceuticals & Biotech.
Asml Holding	3.5	Semiconductors
Bayer	3.3	Pharmaceuticals & Biotech.
WPP	3.0	Media
Taiwan Semiconductor	2.8	Semiconductors

¹ Fiscal Year begins July 1.



**International Emerging Markets Equity
Portfolio Reviews
As of March 31, 2016**

City of Ann Arbor Employees' Retirement System

Dimensional Emerging Markets Value Portfolio Detail as of 3/31/16

Mandate: International Equities,
Emerging Markets

Active/Passive: Active

Market Value: \$15.9 million

Portfolio Manager: Team

Location: Austin, Texas

Inception Date: 2/1/2012

Account Type: Mutual Fund (DFEVX)

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.56% 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 (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	Since 2/1/12
Dimensional Emerging Markets Value	8.9	-12.9	-11.4	-6.4	-3.8
MSCI Emerging Markets	5.7	-12.6	-12.0	-4.5	-2.2
Peer Emerging Markets	4.1	-11.8	-11.1	-4.9	-1.7
Peer Ranking (percentile)	6	65	53	76	77
Risk: (fifty months)	Standard Deviation	Beta	Sharpe Measure ²	Info. Ratio	Correlation to Index
Dimensional Emerging Markets Value	17.6%	1.08	Neg.	Neg.	0.98
MSCI Emerging Markets	16.2	1.00	Neg.	NA	1.00

¹ Fiscal Year begins July 1.

² A negative Sharpe ratio indicates that the portfolio underperformed the risk-free rate during the sample period.

	3/31/16		12/31/15	
	DFA Emerging Markets Value Fund	MSCI Emerging Markets	DFA Emerging Markets Value Fund	MSCI Emerging Markets
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	15.2	38.9	14.7	38.1
Median Market Cap. (US\$ million)	357.5	4,606.3	349.7	4,196.3
Large (% over US\$20 billion)	20	38	15	38
Medium (% US\$3 billion to US\$20 billion)	48	53	48	53
Small (% under US\$3 billion)	32	9	36	10
Fundamental Structure:				
Price-Earnings Ratio	11	15	11	14
Price-Book Value Ratio	0.9	1.3	0.9	1.5
Dividend Yield (%)	3.1	2.7	3.2	2.5
Historical Earnings Growth Rate (%)	3	9	6	10
Projected Earnings Growth Rate (%)	11	4	11	13
Sector Allocation (%):				
Materials	16	7	15	6
Energy	14	8	12	7
Financials	33	28	34	28
Industrials	11	7	12	7
Consumer Discretionary	10	10	9	10
Utilities	2	3	2	3
Health Care	0	3	1	3
Consumer Staples	5	8	5	8
Telecommunication Services	2	7	2	7
Information Technology	8	20	9	20
Diversification:				
Number of Holdings	2,199	834	2,226	836
% in 5 largest holdings	9	13	10	13
% in 10 largest holdings	15	19	15	19
Region Allocation (%):				
Asia Pacific	68	69	71	71
Latin America	16	13	15	12
Europe/MidEast/Africa	16	17	14	16
Other	0	2	0	2
Largest Five Holdings:		Industry		
China Construction Bank	2.7	Banks		
Reliance Industries	2.1	Energy		
Gazprom	1.8	Energy		
Bank of China	1.5	Banks		
Fomento Econom Mexica	1.3	Food, Beverage & Tobacco		



City of Ann Arbor Employees' Retirement System

Vontobel Emerging Markets Equity Portfolio Detail as of 3/31/16

Mandate: International Equities,
Emerging Markets

Active/Passive: Active

Market Value: \$9.4 million

Portfolio Manager: Matthew Benkendorf

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 (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	Since 2/1/12
Vontobel Emerging Markets Equity	2.5	-6.3	-7.1	-2.0	2.3
Net of Fees	2.2	-7.1	-8.2	-3.1	1.2
MSCI Emerging Markets	5.7	-12.6	-12.0	-4.5	-2.2
Peer Emerging Markets	4.4	-10.8	-9.9	-3.5	-0.5
Peer Ranking (percentile)	69	5	16	30	21
Risk: (fifty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Vontobel Emerging Markets Equity	14.4%	0.74	0.16	0.54	0.87
MSCI Emerging Markets	16.2	1.00	Neg.	NA	1.00

¹ Fiscal Year begins July 1.

	3/31/16		12/31/15	
	Vontobel Emerging Markets Equity	MSCI Emerging Markets	Vontobel Emerging Markets Equity	MSCI Emerging Markets
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	45.5	38.9	46.6	38.1
Median Market Cap. (US\$ billion)	19.6	4.6	16.4	4.2
Large (% over US\$20 billion)	80	38	63	38
Medium (% US\$3 billion to US\$20 billion)	20	53	36	53
Small (% under US\$3 billion)	0	9	2	10
Fundamental Structure:				
Price-Earnings Ratio	26	15	24	14
Price-Book Value Ratio	5.4	1.3	4.8	1.5
Dividend Yield (%)	1.8	2.7	2.1	2.5
Historical Earnings Growth Rate (%)	16	9	17	10
Projected Earnings Growth Rate (%)	15	4	13	13
Sector Allocation (%):				
Consumer Staples	36	8	45	8
Health Care	7	3	3	3
Financials	30	28	21	28
Utilities	2	3	4	3
Information Technology	17	20	14	20
Materials	1	7	2	6
Industrials	2	7	1	7
Telecommunication Services	1	7	4	7
Consumer Discretionary	4	10	7	10
Energy	0	8	0	7
Diversification:				
Number of Holdings	59	834	70	836
% in 5 largest holdings	41	13	25	13
% in 10 largest holdings	58	19	42	19
Region Allocation (%):				
Asia Pacific	75	69	59	71
Latin America	8	13	13	12
Europe/MidEast/Africa	3	17	6	16
Frontier	0	0	1	0
Other	13	2	22	2
Largest Five Holdings:		Industry		
HDFC Bank	12.0	Banks		
Housing Development Financial	10.9	Banks		
ITC	9.2	Food, Beverage & Tobacco		
Infosys	4.7	Software & Services		
British American Tobacco	4.1	Food, Beverage & Tobacco		



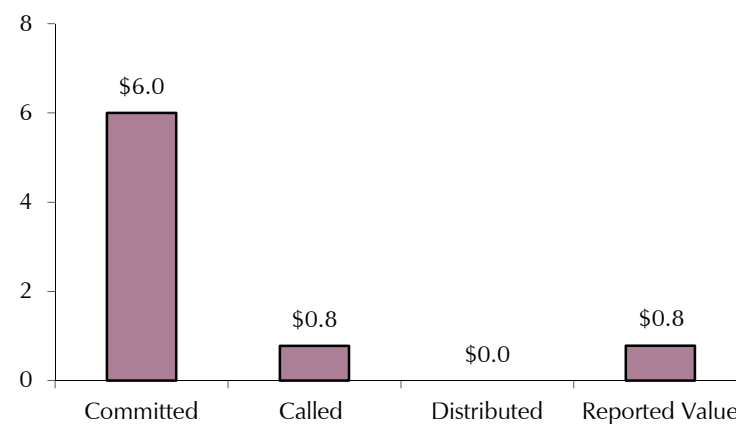
**Private Equity
Portfolio Reviews
As of March 31, 2016**

City of Ann Arbor Employees' Retirement System

Ironsides Partnership Fund III, L.P. Portfolio Detail as of 3/31/16

Strategy: Private Equity
Senior Professionals: Team
Location: Andover, Massachusetts
Vintage Year: 2013
Fee Schedule: 0.75% management fee;
 8% preferred return;
 5% carried interest

Commitment: \$6.0 million
Capital Contributions: \$0.8 million
Outstanding Commitment: \$5.2 million
Realized Proceeds: \$0.0 million
Total Value: \$0.8 million
Number of Investments¹: 4
Net IRR: NM



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 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.

¹ Data presented is as of December 31, 2015.



City of Ann Arbor Employees' Retirement System

Ironsides Co-Investment Fund III, L.P. Portfolio Detail as of 3/31/16

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: \$6.1 million
Outstanding Commitment: \$0.0 million
Realized Proceeds: \$0.0 million
Total Value: \$7.1 million
Number of Investments¹: 11
Net IRR: NM



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.

¹ Data presented is as of December 31, 2015.



**Investment Grade Bond Portfolio Reviews
As of March 31, 2016**

City of Ann Arbor Employees' Retirement System

Northern Trust Barclays Aggregate Index Portfolio Detail as of 3/31/16

Mandate: Investment Grade Bonds
Active/Passive: Passive
Market Value: \$61.1 million
Portfolio Manager: Bradford Adams
 Alexander Matturri Jr., CFA
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 (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 7/1/98
Northern Trust Barclays Aggregate Index	3.0	3.7	2.0	2.5	3.8	5.2
Net of Fees	3.0	3.7	1.9	2.4	3.7	NA
Barclays Aggregate	3.0	3.7	2.0	2.5	3.8	5.2

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Northern Trust Barclays Aggregate Index	2.9%	1.01	1.28	NA	1.00
Barclays Aggregate	2.9	1.00	1.30	NA	1.00

	3/31/16		12/31/15	
Duration & Yield:	NT Barclays Aggregate Index	Barclays Aggregate	NT Barclays Aggregate Index	Barclays Aggregate
Average Effective Duration (years)	5.5	5.5	5.7	5.7
Yield to Maturity (%)	2.2	2.2	2.6	2.6
Quality Structure (%):				
Average Quality	AA+	AA+	AA+	AA+
AAA (includes Treasuries and Agencies)	72	72	72	72
AA	4	4	4	4
A	11	11	11	11
BBB	13	13	13	13
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	37	37	36	36
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	3	3	3	3
Mortgage Backed	28	28	29	29
Corporate	25	25	24	24
Bank Loans	0	0	0	0
Local & Provincial Government	1	1	1	1
Sovereign & Supranational	4	4	4	4
Commercial Mortgage Backed	2	2	2	2
Asset Backed	0	1	1	1
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	92	92	92	92
Foreign (developed markets)	6	6	6	6
Foreign (emerging markets)	2	2	2	2
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

¹ Fiscal Year begins July 1.



City of Ann Arbor Employees' Retirement System

Northern Trust 1-5 Year Credit Bond Portfolio Detail as of 3/31/16

Mandate: Fixed Income
Active/Passive: Passive
Market Value: \$35.0 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 (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	Since 2/1/13
Northern Trust 1-5 Year Credit Bond	1.7	1.9	1.9	1.8	1.9
Net of Fees	1.7	1.9	1.8	1.7	1.8
Barclays 1-5 Year Credit	1.7	1.8	1.6	1.8	1.9
Peer Short-Term Core Fixed Income	1.2	1.4	1.4	1.4	1.4
Peer Ranking (percentile)	36	31	28	26	26

Duration & Yield:	3/31/16		12/31/15	
	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	2.7	2.7
Yield to Maturity (%)	2.0	2.0	2.3	2.3
Quality Structure (%):				
Average Quality	A	A	A	A
AAA (includes Treasuries and Agencies)	15	15	15	15
AA	13	13	13	13
A	37	37	36	36
BBB	35	35	36	36
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	7	7	7	7
Mortgage Backed	0	0	0	0
Corporate	79	79	79	79
Bank Loans	0	0	0	0
Local & Provincial Government	2	2	2	2
Sovereign & Supranational	12	12	12	12
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	63	63	63	63
Foreign (developed markets)	33	33	33	33
Foreign (emerging markets)	4	4	4	4
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

¹ Fiscal Year begins July 1.



**TIPS Portfolio Review
As of March 31, 2016**

City of Ann Arbor Employees' Retirement System

IR&M 1-10 Year Index Portfolio Detail as of 3/31/16

Mandate: TIPS
Active/Passive: Active
Market Value: \$10.3 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 (%):	1Q16	Fiscal YTD ¹	1 YR	Since 11/1/13
IR&M 1-10 Year Index	3.6	2.0	1.9	0.9
Net of Fees	3.6	1.9	1.8	0.8
Barclays U.S. TIPS 1-10 Year	3.6	2.0	1.8	0.9
Peer TIPS	4.0	2.0	1.3	1.3
Peer Ranking (percentile)	64	46	11	72

Duration & Yield:	3/31/16		12/31/15	
	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)	5.4	3.3	5.3	3.3
Yield to Maturity (%) ²	1.5	1.5	1.9	2.0
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

² 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.

¹ Fiscal Year begins July 1.



**High Yield Bond Portfolio Reviews
As of March 31, 2016**

City of Ann Arbor Employees' Retirement System

SKY Harbor Broad High Yield Market Portfolio Detail as of 3/31/16

Mandate: High Yield Bonds
Active/Passive: Active
Market Value: \$17.4 million
Portfolio Manager: Hanna H. Strasser
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 (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	Since 9/1/12
SKY Harbor Broad High Yield Market	2.1	-3.8	-3.2	1.8	3.3
Net of Fees	2.0	-4.2	-3.7	1.2	2.7
Barclays High Yield	3.4	-3.7	-3.7	1.8	3.7
Peer High Yield	2.6	-3.3	-2.7	2.4	4.1
Peer Ranking (percentile)	65	57	56	68	78
Risk: (forty-three months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
SKY Harbor Broad High Yield Market	5.3%	0.90	0.61	Neg.	0.97
Barclays High Yield	5.8	1.00	0.63	NA	1.00

	3/31/16		12/31/15	
Duration & Yield:	Sky Harbor	Barclays High Yield	Sky Harbor	Barclays High Yield
Average Effective Duration (years)	4.4	4.2	4.5	4.3
Yield to Maturity (%)	8.1	8.2	8.6	8.7
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	2	0
BB	35	46	34	46
B	43	38	43	40
Below B	19	16	20	14
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	99	100	98	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	1	0	2	0
Other	0	0	0	0
Market Allocation (%):				
United States	88	82	88	82
Foreign (developed markets)	11	18	12	18
Foreign (emerging markets)	1	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

¹ Fiscal Year begins July 1.

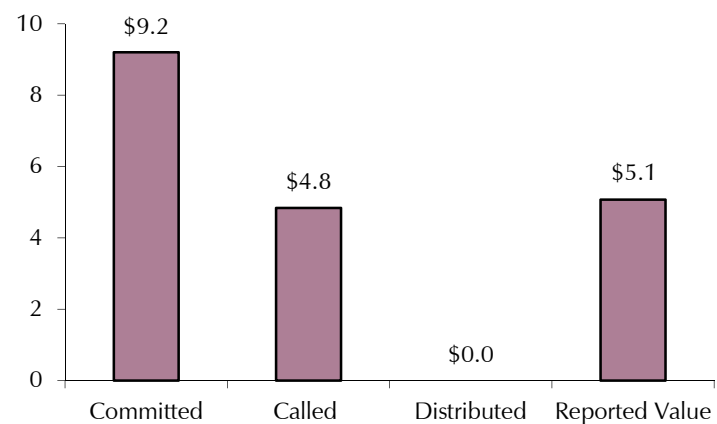


City of Ann Arbor Employees' Retirement System

Summit Partners Credit Fund II Portfolio Detail as of 3/31/16

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: \$4.8 million
Outstanding Commitment: \$4.4 million
Realized Proceeds: \$0.0 million
Total Value: \$5.1 million
Number of Investments¹: 8
Net IRR: -1.0%



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 December 31, 2015.



**Bank Loans Portfolio Review
As of March 31, 2016**

City of Ann Arbor Employees' Retirement System

Mandate: Fixed Income
Active/Passive: Active
Market Value: \$14.4 million
Portfolio Manager: Scott M. Klein
 William Kozicki
 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 Leveraged 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 (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	Since 4/1/12
Beach Point Leveraged Loan	2.0	2.0	2.7	4.0	5.6
Net of Fees	1.9	1.5	2.0	3.3	5.0
CSFB Leveraged Loan	1.3	-1.9	-1.1	2.2	3.7

Risk: (forty-eight months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Beach Point Leveraged Loan	2.0%	0.71	2.81	1.85	0.92
CSFB Leveraged Loan	2.5	1.00	1.44	NA	1.00

Beach Point Leveraged Loan Portfolio Detail as of 3/31/16

	3/31/16		12/31/15	
	Beach Point Leveraged Loan	CSFB Leveraged Loan	Beach Point Leveraged Loan	CSFB Leveraged Loan
Duration & Yield:				
Average Effective Duration (years)	1.2	0.3	0.8	0.3
Yield to Maturity (%)	5.7	4.8	6.4	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	6	0	1	0
BB	33	39	47	36
B	56	57	46	57
Below B	4	2	5	5
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	22	0	18	0
Bank Loans	78	100	82	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	77	100	80	100
Foreign (developed markets)	23	0	20	0
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	2	0	2	0

¹ Fiscal Year begins July 1.



Emerging Market Debt Portfolio Review
As of March 31, 2016

City of Ann Arbor Employees' Retirement System

Stone Harbor Emerging Markets Local Currency Debt Portfolio Detail as of 3/31/16

Mandate: Fixed Income
Active/Passive: Active
Market Value: \$6.7 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:
0.87% 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 (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	Since 6/1/12
Stone Harbor Emerging Markets Local Currency Debt²	10.5	-2.7	-3.3	-9.0	-4.3
JPM GBI-EM Global Diversified (unhedged)	11.0	-0.7	-1.6	-6.7	-1.8
Peer Emerging Market Debt	4.8	0.3	0.1	-1.0	2.1
Peer Ranking (percentile)	1	80	82	95	94

Risk: (forty-six months)	Standard Deviation	Beta	Sharpe Measure ³	Info. Ratio	Correlation to Index
Stone Harbor Emerging Markets Local Currency Debt	11.4%	1.03	Neg.	Neg.	0.99
JPM GBI-EM Global Diversified (unhedged)	11.2	1.00	Neg.	NA	1.00

	3/31/16		12/31/15	
	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)	5.2	4.9	5.4	4.8
Yield to Maturity (%)	7.4	6.5	9.1	7.1
Quality Structure (%):				
Average Quality	BBB+	BBB	BBB+	BBB+
AAA (includes Treasuries and Agencies)	4	0	0	0
AA	0	0	0	0
A	36	39	36	41
BBB	47	45	60	59
BB	13	16	1	0
B	0	0	0	0
Below B	0	0	2	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	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	97	100	100	100
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	3	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	100	100	99	100

¹ Fiscal Year begins July 1.

² Net of fees.

³ A negative Sharpe ratio indicates that the portfolio underperformed the risk-free rate during the sample period.



**Real Estate Portfolio Reviews
As of March 31, 2016**

City of Ann Arbor Employees' Retirement System

A.E.W Core Property Trust Portfolio Detail as of 3/31/16

Strategy: Real Estate
Open-End
Core

Market Value: \$23.0 million

Senior Professionals: Team

Location: Boston, Massachusetts

Inception Date: 7/1/2013

Account Type: Separately Managed

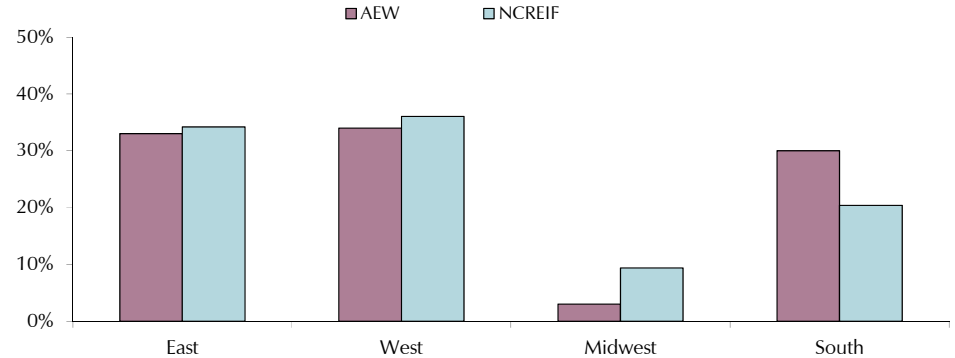
of Investments: 62

Liquidity Constraints: Quarterly

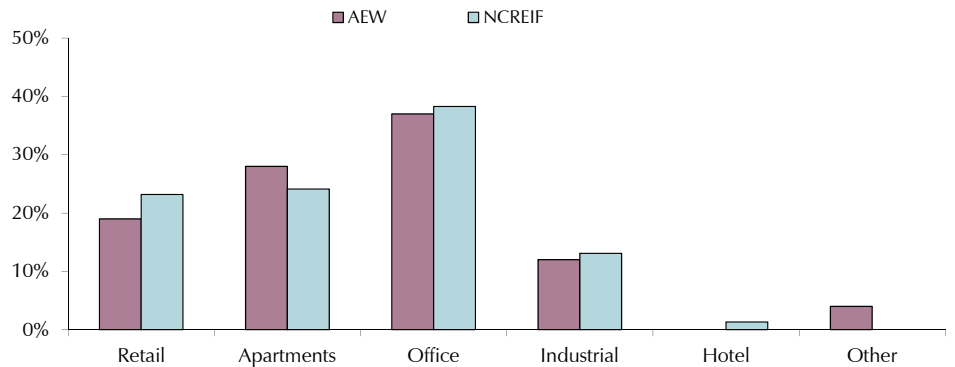
Fee Schedule: 1.10% on first \$10 mm; 1.00% on next \$15 mm

IRR: 9.1%

Geographic Region:



Property Type:



Performance (%):	1Q16	Fiscal YTD ¹	1 YR	Since 7/1/13
A.E.W Core Property Trust	1.9	NA	12.3	11.8
NCREIF ODCE	2.2	NA	13.7	8.8

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.

¹ Fiscal Year begins July 1.



City of Ann Arbor Employees' Retirement System

Intercontinental Real Estate Investment Fund III Portfolio Detail as of 3/31/16

Strategy: Real Estate
Value-Added
Private Market

Market Value: \$4.0 million

Senior Professionals: Team

Location: Boston, Massachusetts

Vintage Year: 2003

Account Type: Separately Managed

of Investments: 2

Liquidity Constraints: No interim liquidity

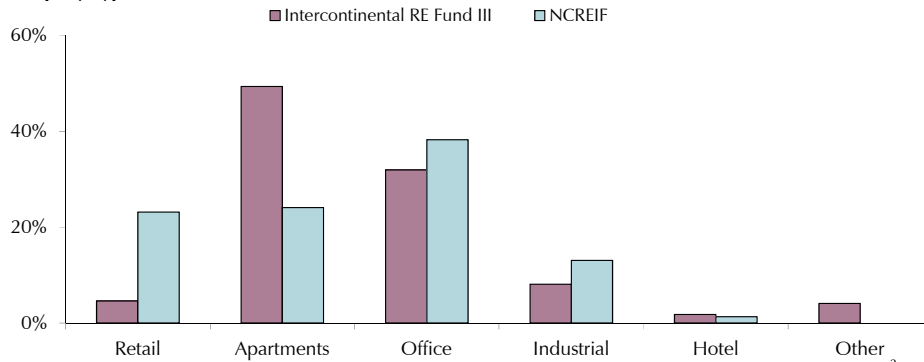
Fee Schedule: 1.25% on all assets

IRR: 5.4%

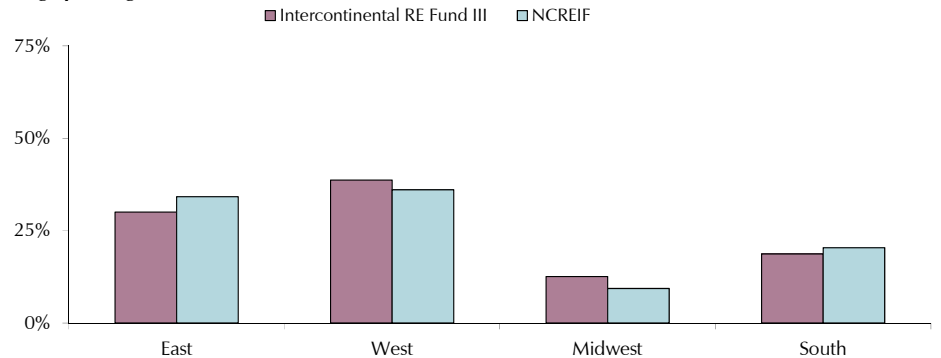
Portfolio Size:



Property Type:



Geographic Region:



Investment Strategy:

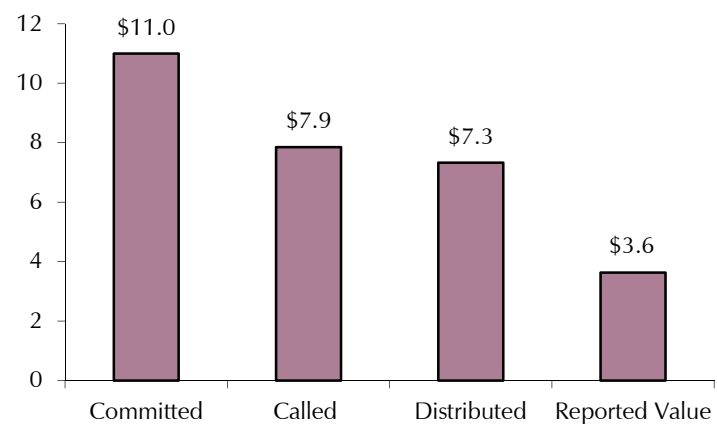
Intercontinental searches for properties that may generate attractive capital appreciation through some degree of asset repositioning, re-tenanting, or through moderate physical or financial rehabilitation. The manager will construct a geographically diversified portfolio across the spectrum of property 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%.



City of Ann Arbor Employees' Retirement System

INVESCO Mortgage Recovery Loans Portfolio Detail as of 3/31/16

Strategy:	Opportunistic Debt - PPIP
Senior Professionals:	Richard J. King, CFA
Location:	Atlanta, Georgia
Vintage Year:	2008
Fee Schedule:	1.0% management fee on invested capital; 8% preferred return; 20% carried interest
Commitment¹:	\$11.0 million
Capital Contributions:	\$7.9 million
Realized Proceeds:	\$7.3 million
Reported Value:	\$3.6 million
Net IRR:	16.8% 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.

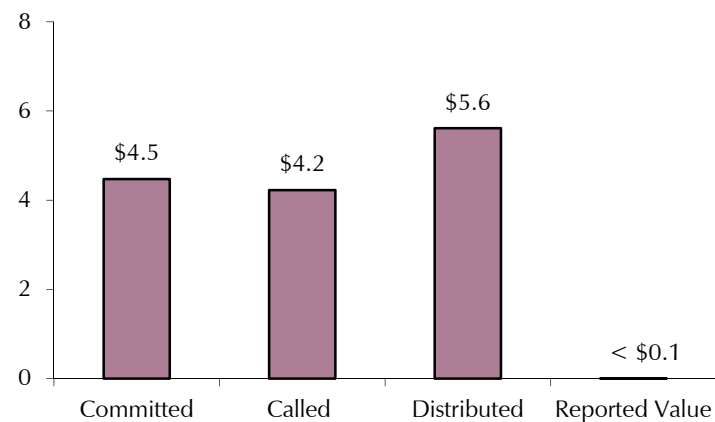
² Data presented is as of December 31, 2015.



City of Ann Arbor Employees' Retirement System

INVESCO Mortgage Recovery Feeder Portfolio Detail as of 3/31/16

Strategy:	Opportunistic Debt - PPIP
Senior Professionals:	Richard J. King, CFA
Location:	Atlanta, Georgia
Vintage Year:	2008
Fee Schedule:	1.0% management fee; 8% preferred return; 20% carried interest
Commitment:	\$4.5 million
Capital Contributions:	\$4.2 million
Realized Proceeds:	\$5.6 million
Reported Value:	< \$0.1 million
Net IRR:	12.6% ¹



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 presented is as of December 31, 2015.

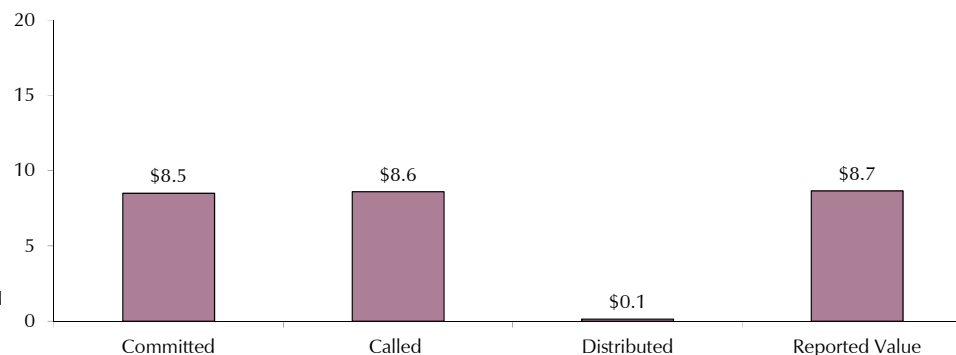


City of Ann Arbor Employees' Retirement System

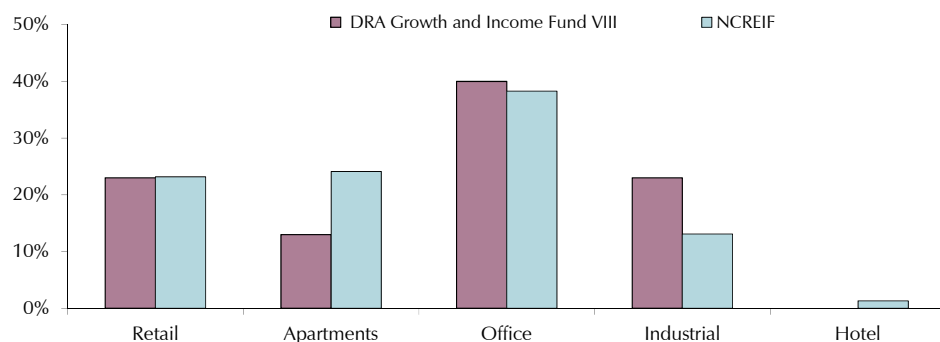
DRA Growth and Income Fund VIII, LLC Portfolio Detail as of 3/31/16

Strategy:	Real Estate Closed-End Value-Added
Market Value:	\$8.7 million
Senior Professionals:	Team
Location:	New York, New York
Vintage Year:	2014
Account Type:	Limited Partnership
# of Investments:	93
Fee Schedule:	0.90% on gross cost during investment period; 0.60% thereafter; 8% preferred return and 20% carried interest
IRR¹:	14.1%

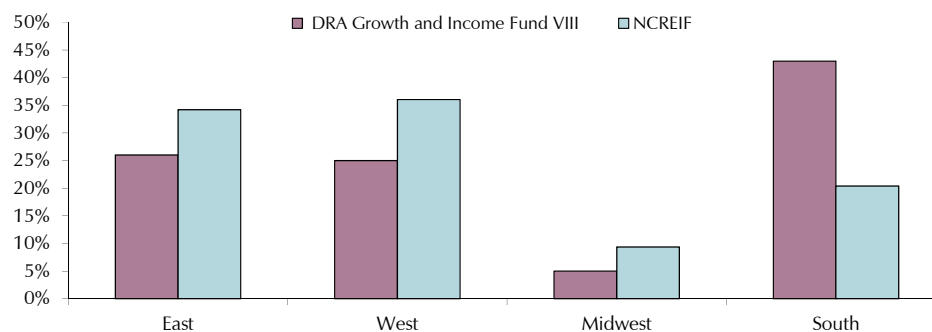
Portfolio Size:



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 Net IRR is as of December 31, 2015.



**Hedge Fund Portfolio Reviews
As of March 31, 2016**

City of Ann Arbor Employees' Retirement System

Tse Capital Offshore Fund, Ltd. Portfolio Detail as of 3/31/16

Mandate: Hedge Fund, Global Macro
Market Value: \$6.3 million
Portfolio Manager: Irene Tse
Location: New York, New York
Inception Date: 2/1/2015
Account Type: Limited Partnership
of Investments: Not Provided

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 pursues a global macro strategy, utilizing a discretionary, top-down, thematic approach. They evaluate macro cycles and interlinks global themes through the identification of economic imbalances and the study of political and central bank transitions. Tse Capital makes predominantly directional investments in short, medium and long term opportunities, through a strategy of both active trading and investment in equities, currencies, commodities, credit and fixed income instruments, and other instruments related to any such asset classes, whether listed or "over the counter". Tse Capital may invest in and utilize currency spot and forward contracts, currency and interest rate futures contracts, swaps, "over the counter" and exchange-listed options and options on futures contracts. Tse Capital may also take positions in commodity and equity and fixed income indices, as well as related futures, swaps and options on these indices, as well as investment opportunities in markets that may arise from time to time.

Performance (%):	1Q16	Fiscal YTD ¹	Since 2/1/15
Tse Capital Offshore Fund, Ltd.	2.3	-4.5	2.2
HFRI Macro Index	1.6	0.7	-1.8

Security Type Exposure (%):	3/31/2016		12/31/2015	
	Long	Short	Long	Short
Commodity	14	0	12	0
Currency	80	82	2	93
Equity	23	6	34	7
Fixed Income (Developed)	37	6	13	7

Top 3 Notional Positions (%):

Short Korean Won currency to the dollar	30.5
Long Australian dollar currency to the dollar	27.3
Short Singapore dollar currency to the dollar	18.5

¹ Fiscal Year begins July 1.



City of Ann Arbor Employees' Retirement System

36 South Kohinoor Series Three Portfolio Detail as of 3/31/16

Mandate: Hedge Fund, Global Macro
Market Value: \$8.6 million
Portfolio Manager: Richard Haworth
 Anthony Limbrick
 Richard Hollington, CAIA
Location: London, United Kingdom
Inception Date: 2/1/2015
Account Type: Limited Partnership
of Investments: 96

Fee Schedule:

1.75% management, 20.0% performance

Liquidity Constraints:

Monthly with 30 days' notice

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 (%):	1Q16	Fiscal YTD ¹	Since 2/1/15
36 South Kohinoor Series Three	-2.3	-5.6	-7.2
HFRI Macro Index	1.6	0.7	-1.8

Geographic Exposure (%):	3/31/2016		12/31/2015	
	Gross	Net	Gross	Net
North America	77	73	138	128
Developed Europe	125	125	129	116
Developed Asia	148	125	136	136
Emerging Markets	0	0	0	0

Security Type Exposure (%):	3/31/2016		12/31/2015	
	Long	Short	Long	Short
Commodity	86	41	71	41
Currency	323	0	180	0
Equity	186	13	160	11
Fixed Income (Developed)	151	0	232	0

Top 3 Notional Positions (%):	
AUD Receiver Swaption	36
AUD Receiver Swaption	36
AUD Receiver Swaption	35

Top 3 Risk Positions (%):	
AUD JPY	14
EUR USD	13
XAU Calls	13

¹ Fiscal Year begins July 1.



City of Ann Arbor Employees' Retirement System

Och-Ziff Credit Opportunities Portfolio Detail as of 3/31/16

Mandate: Hedge Fund, Fixed Income, Diversified
Market Value: \$2.6 million
Portfolio Manager: Team
Location: New York, New York
Inception Date: 6/1/2015
Account Type: Limited Partnership
of Investments: 519

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 (%):	1Q16	Fiscal YTD ¹	Since 6/1/15
Och-Ziff Credit Opportunities	-3.9	-3.9	-5.0
Barclays High Yield	1.6	0.7	-1.7

Quality Gross Exposure (%):	3/31/16	12/31/15	9/30/15
AAA to A	3	1	1
BBB	1	1	1
BB	5	4	4
B	7	7	13
CCC and Below	24	40	34
Not Rated	91	91	90
In Default	6	8	9

Sector Gross Exposure (%):	3/31/16	12/31/15	9/30/15
U.S. Government (including Agency)	2	3	4
Developed Sovereign	3	2	4
Emerging Sovereign	0	0	0
Mortgage Backed (non-Agency)	28	34	40
Commercial Mortgage Backed	5	6	6
Other Securitized Assets	24	27	25
Corporate Credit	38	38	42

Security Type (%):	3/31/16		12/31/15	
	Long Exposure	Short Exposure	Long Exposure	Short Exposure
Equities	3	1	3	1
Fixed Income	102	4	111	1
Derivative	2	25	1	26
Cash	-	-	-	-

¹ Fiscal Year begins July 1.

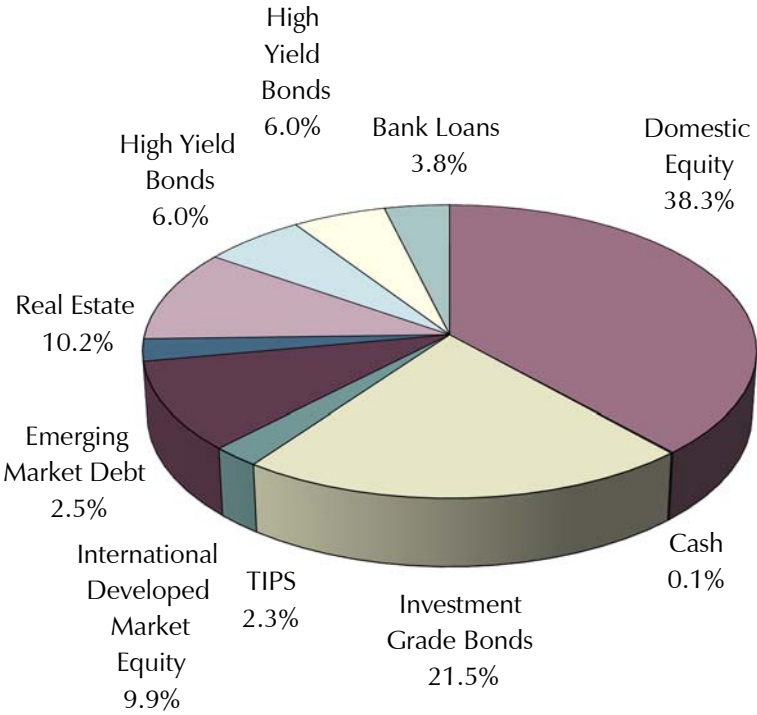
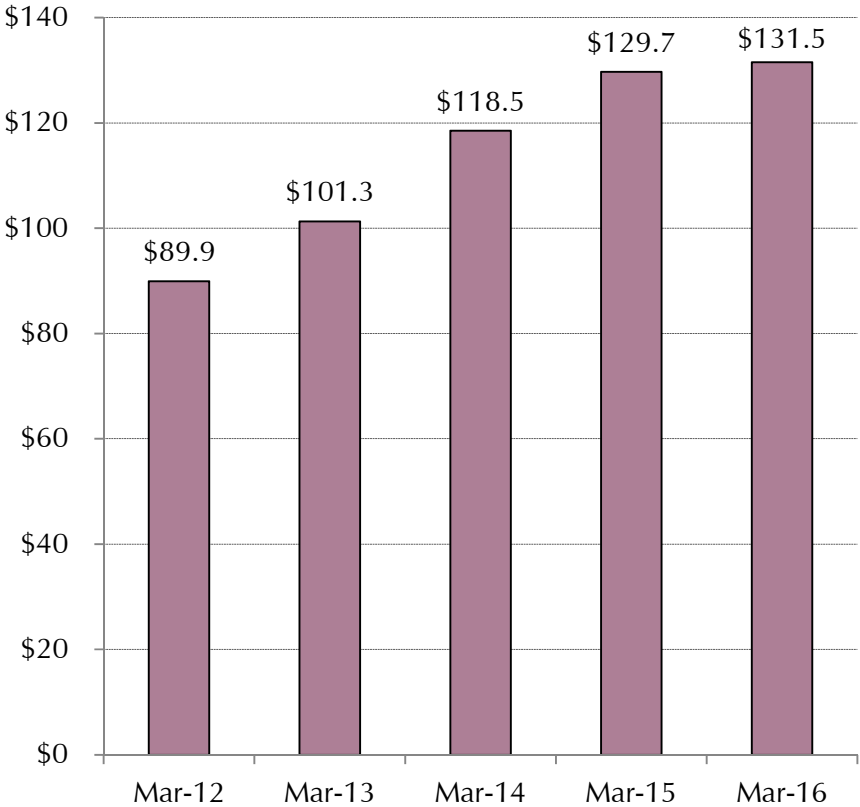


VEBA
First Quarter Investment Review

**VEBA Summary
As of March 31, 2016**

City of Ann Arbor
VEBA

Aggregate Assets
as of 3/31/16



City of Ann Arbor
VEBA

Aggregate Assets
Asset Summary as of 3/31/16

	Market Value 3/31/16 (\$ mm)	% of Health Care Trust	Target Allocation (%)	Target Range (%)	Market Value 12/31/15 (\$ mm)
Total VEBA	131.5	100	NA	NA	128.6
Domestic Equity Assets	51.4	39	38	30-46	50.3
International Developed Market Equity Assets	13.2	10	11	8-14	13.7
International Emerging Market Equity Assets	7.4	6	6	0-9	7.0
Investment Grade Bond Assets	26.3	20	10	8-12	27.3
TIPS Assets	3.1	2	9	0-11	3.0
High Yield Bond Assets ¹	8.0	6	6	2-8	7.2
Bank Loan Assets	5.1	4	4	0-6	5.0
Emerging Market Debt Assets	3.3	3	3	0-5	3.0
Real Estate Assets	13.6	10	10	2-12	11.7
Natural Resources Assets	0.0	0	3	0-5	0.0
Cash	0.1	< 1	0	< 5	0.4

¹ Includes preliminary Summit Partners Credit Fund II.



City of Ann Arbor
VEBA

Aggregate Assets
Portfolio Roster as of 3/31/16

	Market Value 3/31/16 (\$ mm)	% of Asset Class	% of Health Care Trust	Target Allocation (%)	Target Range (%)	Market Value 12/31/15 (\$ mm)
Total VEBA	131.5	NA	100	NA	NA	128.6
Domestic Equity Assets	51.4	100	39	38	30-46	50.3
Northern Trust Russell 1000 Index	35.4	69	27			35.0
RhumbLine S&P 400 Index	9.7	19	7			9.4
SouthernSun Small Cap Equity	6.2	12	5			5.9
International Developed Market Equity Assets	13.2	100	10	11	8-14	13.7
Fisher Institutional Foreign Equity	13.2	100	10			13.7
International Emerging Market Equity Assets	7.4	100	6	6	0-9	7.0
Dimensional Emerging Markets Value	3.9	53	3			3.6
Vontobel Emerging Markets Equity	3.5	47	3			3.4
Investment Grade Bond Assets	26.3	100	20	10	8-12	27.3
Northern Trust Barclays Aggregate Bond Index	23.7	90	18			23.3
Short Duration Bonds	2.5	10	2			4.0
Northern Trust 1-5 Year Credit Bond	2.5	10	2			3.6
TIPS Assets	3.1	100	2	9	0-11	3.0
IR&M 1-10 Year Index	3.1	100	2			3.0



City of Ann Arbor
VEBA

Aggregate Assets
Portfolio Roster as of 3/31/16

	Market Value 3/31/16 (\$ mm)	% of Asset Class	% of Health Care Trust	Target Allocation (%)	Target Range (%)	Market Value 12/31/15 (\$ mm)
High Yield Bond Assets	8.0	100	6	6	2-8	7.2
SKY Harbor Broad High Yield Market	6.7	84	5			6.6
Summit Partners Credit Fund II ¹	1.3	16	1			0.6
Bank Loan Assets	5.1	100	4	4	0-6	5.0
Beach Point Leveraged Loan	5.1	100	4			5.0
Emerging Market Debt Assets	3.3	100	3	3	0-5	3.0
Stone Harbor Emerging Markets Local Currency Debt	3.3	100	3			3.0
Real Estate Assets	13.6	100	10	10	2-12	11.7
A.E.W. Core Property Trust ²	5.7	42	4			5.6
Vanguard REIT Index	5.3	39	4			5.0
DRA Growth and Income Fund VIII ¹	2.5	19	2			1.1
Cash	0.1	100	< 1	0	< 5	0.4
Northern Trust Cash Account	0.1	100	< 1			0.4

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

² Market value is preliminary as of March 31, 2016.



City of Ann Arbor
VEBA

Aggregate Assets
Performance as of 3/31/16

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Total VEBA	2.3	-1.2	-1.6	4.9	5.9	5.5	10/1/99	5.7
Net of Fees	2.2	-1.4	-1.9	4.6	5.5	NA		NA
<i>Policy Benchmark²</i>	-3.3	-6.4	-5.9	3.3	4.9	4.8		4.9
<i>Actual Allocation Benchmark</i>	1.6	-0.9	-0.7	5.7	5.9	NA		NA
<i>60% MSCI ACWI/ 40% Barclays Aggregate</i>	1.5	-1.1	-1.6	4.5	4.9	4.8		NA
Domestic Equity	2.1	-2.6	-2.3	9.6	10.2	7.2	10/1/99	6.1
<i>Russell 3000</i>	1.0	-0.5	-0.3	11.1	11.0	6.9		5.4
International Developed Market Equity	-3.5	-9.3	-10.1	2.4	2.3	NA	7/1/09	8.6
<i>MSCI EAFE</i>	-3.0	-8.8	-8.3	2.2	2.3	1.8		6.4
International Emerging Market Equity	5.7	-10.1	-9.8	-4.7	NA	NA	2/1/12	-1.5
<i>MSCI Emerging Markets</i>	5.7	-12.6	-12.0	-4.5	-4.1	3.0		-2.2
Investment Grade Bonds ³	3.1	3.5	1.7	2.7	4.1	5.5	10/1/00	5.7
<i>Barclays Aggregate</i>	3.0	3.7	2.0	2.5	3.8	4.9		5.3
<i>Barclays Universal</i>	3.1	3.2	1.8	2.5	3.9	5.0		5.5
TIPS	3.6	2.0	1.9	NA	NA	NA	11/1/13	0.9
<i>Barclays U.S. TIPS</i>	4.5	2.6	1.5	-0.7	3.0	4.6		1.6
<i>Barclays U.S. TIPS 1-10 Year</i>	3.6	2.0	1.8	-0.7	1.9	4.0		0.9

¹ Fiscal Year begins July 1.

² 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.

³ Prior to July 2011, Investment Grade Bonds included an allocation to High Yield.



City of Ann Arbor
VEBA

Aggregate Assets
Performance as of 3/31/16

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Total VEBA (continued)	2.3	-1.2	-1.6	4.9	5.9	5.5	10/1/99	5.7
Net of Fees (continued)	2.2	-1.4	-1.9	4.6	5.5	NA		NA
High Yield Bond Assets ²	3.6	-2.3	-1.7	2.2	5.0	NA	7/1/09	8.4
<i>Barclays High Yield</i>	3.4	-3.7	-3.7	1.8	4.9	7.0		9.5
Bank Loans	2.0	2.0	2.7	4.0	NA	NA	4/1/12	5.6
<i>CSFB Leveraged Loan</i>	1.3	-1.9	-1.1	2.2	3.5	4.0		3.7
Emerging Market Debt	10.5	-2.7	-3.3	-9.0	NA	NA	6/1/12	-4.3
<i>JPM GBI-EM Global Diversified (unhedged)</i>	11.0	-0.7	-1.6	-6.7	-2.0	5.0		-1.8
Real Estate	3.3	10.8	7.4	8.5	10.6	6.6	3/1/05	9.5
<i>NCREIF ODCE preliminary</i>	2.2	13.7	13.6	13.3	6.4	NA		8.8
<i>MSCI U.S. REIT</i>	6.3	16.2	4.1	10.4	11.8	6.2		8.6

¹ Fiscal Year begins July 1.

² Includes preliminary Summit Partners Credit Fund II.



City of Ann Arbor
VEBA

Aggregate Assets
Performance as of 3/31/16

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Domestic Equity	2.1	-2.6	-2.3	9.6	10.2	7.2	10/1/99	6.1
Northern Trust Russell 1000 Index	1.2	0.2	0.3	11.4	NA	NA	2/1/12	13.5
Net of Fees	1.2	0.2	0.3	11.4	NA	NA		13.5
<i>Russell 1000</i>	1.2	0.4	0.5	11.5	11.4	7.1		13.7
RhumbLine S&P 400 Index	3.7	-2.2	-2.9	9.9	9.8	NA	2/1/10	14.3
Net of Fees	3.7	-2.2	-3.0	9.8	9.7	NA		NA
<i>S&P MidCap</i>	3.8	-2.6	-3.6	9.5	9.5	7.8		14.1
SouthernSun Small Cap Equity	4.8	-17.2	-14.9	0.5	5.7	7.4	12/1/04	8.3
Net of Fees	4.5	-17.9	-15.7	-0.5	4.7	6.5		NA
<i>Russell 2000</i>	-1.5	-10.1	-9.8	6.8	7.2	5.3		6.5
International Developed Market Equity	-3.5	-9.3	-10.1	2.4	2.3	NA	7/1/09	8.6
Fisher Institutional Foreign Equity	-3.5	-9.3	-10.1	2.4	2.3	NA	7/1/09	8.6
Net of Fees	-3.8	-9.9	-11.0	1.4	1.3	NA		7.6
<i>MSCI EAFE</i>	-3.0	-8.8	-8.3	2.2	2.3	1.8		6.4
International Emerging Market Equity	5.7	-10.1	-9.8	-4.7	NA	NA	2/1/12	-1.5
Dimensional Emerging Markets Value ²	8.9	-12.9	-11.4	-6.4	NA	NA	2/1/12	-3.8
<i>MSCI Emerging Markets</i>	5.7	-12.6	-12.0	-4.5	-4.1	3.0		-2.2
Vontobel Emerging Markets Equity	2.5	-6.3	-7.1	-2.0	NA	NA	2/1/12	2.3
Net of Fees	2.2	-7.1	-8.2	-3.0	NA	NA		1.2
<i>MSCI Emerging Markets</i>	5.7	-12.6	-12.0	-4.5	-4.1	3.0		-2.2

¹ Fiscal Year begins July 1.

² Returns shown are net of fees.



City of Ann Arbor
VEBA

Aggregate Assets
Performance as of 3/31/16

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Investment Grade Bonds²	3.1	3.5	1.7	2.7	4.1	5.5	10/1/00	5.7
Northern Trust Barclays Aggregate Bond Index	3.1	3.5	1.7	2.4	3.8	5.0	10/1/99	5.4
Net of Fees	3.1	3.4	1.7	2.4	3.7	4.9		5.4
<i>Barclays Aggregate</i>	3.0	3.7	2.0	2.5	3.8	4.9		5.4
Short Duration Bonds	1.5	NA	NA	NA	NA	NA	12/1/15	1.2
Northern Trust 1-5 Year Credit Bond	1.8	NA	NA	NA	NA	NA	12/1/15	1.5
Net of Fees	1.8	NA	NA	NA	NA	NA		1.5
<i>Barclays 1-5 Year Credit</i>	1.7	1.8	1.6	1.8	2.7	4.2		1.4
TIPS	3.6	2.0	1.9	NA	NA	NA	11/1/13	0.9
IR&M 1-10 Year Index	3.6	2.0	1.9	NA	NA	NA	11/1/13	0.9
Net of Fees	3.6	1.9	1.8	NA	NA	NA		0.8
<i>Barclays U.S. TIPS 1-10 Year</i>	3.6	2.0	1.8	-0.7	1.9	4.0		0.9
High Yield Bond Assets³	3.6	-2.3	-1.7	2.2	5.0	NA	7/1/09	8.4
SKY Harbor Broad High Yield Market	2.1	-3.8	-3.2	1.8	NA	NA	12/1/12	3.1
Net of Fees	2.0	-4.2	-3.7	1.2	NA	NA		2.5
<i>Barclays High Yield</i>	3.4	-3.7	-3.7	1.8	4.9	7.0		3.0

¹ Fiscal Year begins July 1.

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

³ Includes preliminary Summit Partners Credit Fund II.



City of Ann Arbor
VEBA

Aggregate Assets
Performance as of 3/31/16

	1Q16 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Bank Loans	2.0	2.0	2.7	4.0	NA	NA	4/1/12	5.6
Beach Point Leveraged Loan	2.0	2.0	2.7	4.0	NA	NA	4/1/12	5.6
Net of Fees	1.9	1.5	2.0	3.3	NA	NA		5.0
<i>CSFB Leveraged Loan</i>	1.3	-1.9	-1.1	2.2	3.5	4.0		3.7
Emerging Market Debt	10.5	-2.7	-3.3	-9.0	NA	NA	6/1/12	-4.3
Stone Harbor Emerging Markets Local Currency Debt ²	10.5	-2.7	-3.3	-9.0	NA	NA	6/1/12	-4.3
<i>JPM GBI-EM Global Diversified (unhedged)</i>	11.0	-0.7	-1.6	-6.7	-2.0	5.0		-1.8
Real Estate	3.3	10.8	7.4	8.5	10.6	6.6	3/1/05	9.5
Vanguard REIT Index ²	6.3	16.1	3.9	NA	NA	NA	3/1/14	13.3
<i>MSCI U.S. REIT</i>	6.3	16.2	4.1	10.4	11.8	6.2		13.4
A.E.W Core Property Trust ²	1.9	8.0	12.3	NA	NA	NA	7/1/13	11.8
<i>NCREIF ODCE preliminary</i>	2.2	13.7	13.6	13.3	6.4	NA		8.8

¹ Fiscal Year begins July 1.

² Returns shown are net of fees.



City of Ann Arbor
VEBA

Aggregate Assets
Calendar Year Performance

	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)
Total VEBA	-1.5	5.1	15.2	12.6	2.7	19.6	21.9	-24.2	4.0	10.9
Net of Fees	-1.8	4.8	14.8	12.3	2.3	19.2	21.6	-24.2	NA	NA
<i>Policy Benchmark¹</i>	-0.8	5.7	14.2	13.0	1.6	15.7	24.6	-25.0	5.0	11.9
<i>Actual Allocation Benchmark</i>	-0.3	6.2	15.3	12.2	NA	NA	NA	NA	NA	NA
<i>60% MSCI ACWI/ 40% Barclays Aggregate</i>	-1.0	5.0	12.3	11.5	-1.1	10.8	23.0	-25.8	9.9	14.1
Domestic Equity	-2.0	9.5	34.6	17.7	2.2	27.4	31.4	-38.7	4.5	13.5
Northern Trust Russell 1000 Index	0.7	13.2	33.1	NA	NA	NA	NA	NA	NA	NA
Net of Fees	0.7	13.2	33.1	NA	NA	NA	NA	NA	NA	NA
<i>Russell 1000</i>	0.9	13.2	33.1	16.4	1.5	16.1	28.4	-37.6	5.8	15.5
RhumbLine S&P 400 Index	-1.3	9.8	33.9	17.9	-1.7	NA	NA	NA	NA	NA
Net of Fees	-1.4	9.8	33.8	17.8	-1.7	NA	NA	NA	NA	NA
<i>S&P MidCap</i>	-2.2	9.8	33.5	17.9	-1.7	26.6	37.4	-36.2	8.0	10.3
SouthernSun Small Cap Equity	-17.1	-6.0	41.6	21.8	6.4	48.4	29.3	-35.1	9.9	12.7
Net of Fees	-17.9	-7.0	40.2	20.6	5.4	47.6	28.4	-35.1	9.0	11.9
<i>Russell 2000</i>	-4.4	4.9	38.8	16.3	-4.2	26.9	27.2	-33.8	-1.6	18.4
International Developed Market Equity	-0.7	-4.8	23.6	17.0	-10.8	17.0	NA	NA	NA	NA
Fisher Institutional Foreign Equity	-0.7	-4.8	23.6	17.0	-10.8	17.0	NA	NA	NA	NA
Net of Fees	-1.7	-5.7	22.4	15.8	-11.7	16.3	NA	NA	NA	NA
<i>MSCI EAFE</i>	-0.8	-4.9	22.8	17.3	-12.1	7.7	31.8	-43.4	11.2	26.3

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
VEBA

Aggregate Assets
Calendar Year Performance

	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)
International Emerging Market Equity	-14.1	-0.1	-4.4	NA	NA	NA	NA	NA	NA	NA
Dimensional Emerging Markets Value ¹	-18.8	-4.4	-3.8	NA	NA	NA	NA	NA	NA	NA
<i>MSCI Emerging Markets</i>	-14.9	-2.2	-2.6	18.2	-18.4	18.9	78.5	-53.3	39.4	32.2
Vontobel Emerging Markets Equity	-7.8	6.6	-4.4	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-8.8	5.5	-5.5	NA	NA	NA	NA	NA	NA	NA
<i>MSCI Emerging Markets</i>	-14.9	-2.2	-2.6	18.2	-18.4	18.9	78.5	-53.3	39.4	32.2
Investment Grade Bonds²	0.3	6.4	-1.6	5.8	8.1	8.2	7.0	6.2	7.3	4.3
Northern Trust Barclays Aggregate Bond Index	0.3	6.1	-2.2	4.4	7.8	6.8	5.6	6.2	7.3	4.3
Net of Fees	0.3	6.0	-2.3	4.3	7.8	6.7	5.6	6.1	7.3	4.3
<i>Barclays Aggregate</i>	0.5	6.0	-2.0	4.2	7.8	6.5	5.9	5.2	7.0	4.3
TIPS	-0.4	0.9	NA	NA	NA	NA	NA	NA	NA	NA
IR&M 1-10 Year Index	-0.4	0.9	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-0.5	0.8	NA	NA	NA	NA	NA	NA	NA	NA
<i>Barclays U.S. TIPS 1-10 Year</i>	-0.5	0.9	-5.6	5.0	8.9	5.2	12.0	-2.4	11.4	1.6
High Yield Bond Assets	-3.5	1.4	9.2	12.4	5.7	12.3	NA	NA	NA	NA
SKY Harbor Broad High Yield Market	-3.4	1.4	9.2	NA	NA	NA	NA	NA	NA	NA
Net of Fees	-3.9	0.8	8.6	NA	NA	NA	NA	NA	NA	NA
<i>Barclays High Yield</i>	-4.5	2.5	7.4	15.8	5.0	15.1	58.2	-26.2	1.9	11.8

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
VEBA

Aggregate Assets
Calendar Year Performance

	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)
Bank Loans	2.8	2.7	7.1	NA	NA	NA	NA	NA	NA	NA
Beach Point Leveraged Loan	2.8	2.7	7.1	NA	NA	NA	NA	NA	NA	NA
Net of Fees	2.1	2.0	6.4	NA	NA	NA	NA	NA	NA	NA
<i>CSFB Leveraged Loan</i>	-0.4	2.0	6.2	9.4	1.8	10.0	44.9	-28.8	1.9	7.2
Emerging Market Debt	-15.2	-8.5	-12.6	NA	NA	NA	NA	NA	NA	NA
Stone Harbor Emerging Markets Local Currency Debt ¹	-15.2	-8.5	-12.6	NA	NA	NA	NA	NA	NA	NA
<i>JPM GBI-EM Global Diversified (unhedged)</i>	-14.9	-5.7	-9.0	16.8	-1.8	15.7	22.0	-5.2	18.1	15.2
Real Estate	7.4	15.4	4.1	20.1	10.2	29.7	29.6	-36.3	-15.2	38.4
Vanguard REIT Index	2.4	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>MSCI U.S. REIT</i>	2.5	30.4	2.5	17.8	8.7	28.5	28.6	-38.4	-17.8	34.4
A.E.W Core Property Trust	12.4	10.4	NA	NA	NA	NA	NA	NA	NA	NA
<i>NCREIF ODCE</i>	15.0	12.5	14.0	10.9	16.0	16.4	-29.8	-10.0	16.0	16.3

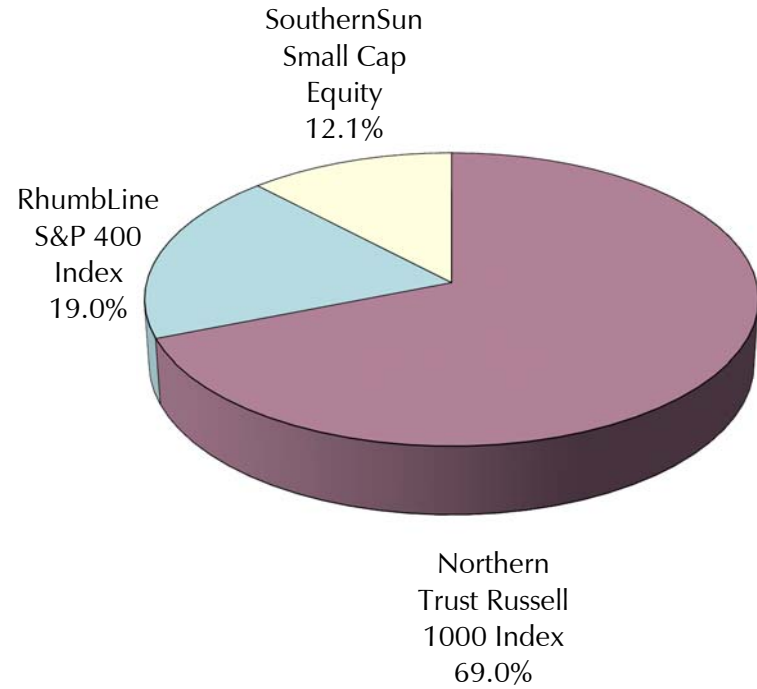
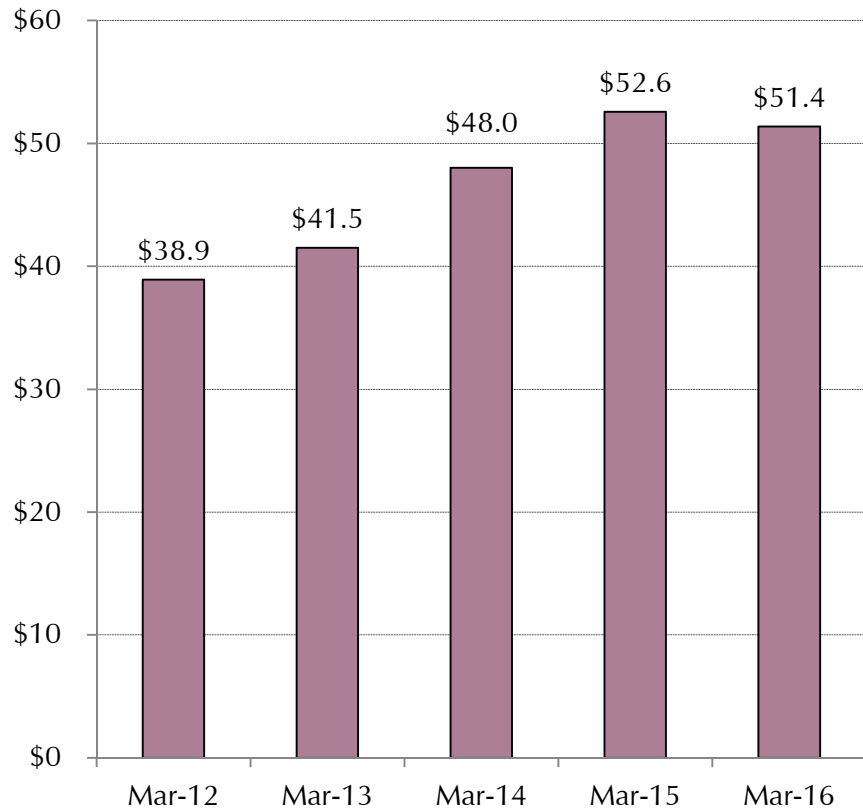
¹ Returns shown are net of fees.



Domestic Equity Assets
As of March 31, 2016

City of Ann Arbor
VEBA

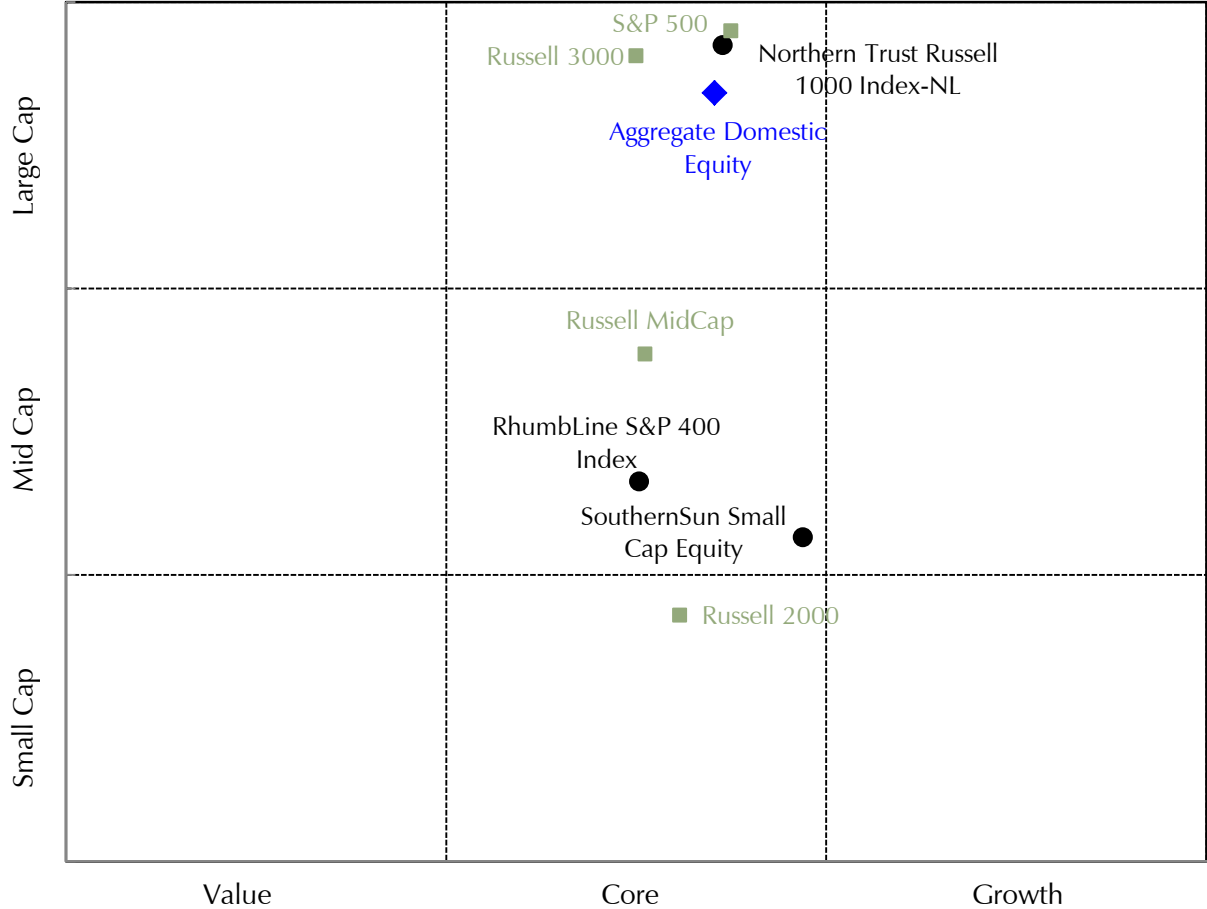
Domestic Equity Assets
as of 3/31/16



City of Ann Arbor
VEBA

Domestic Equity Assets
Risk as of 3/31/16

Risk: (sixty months)	Aggregate Domestic Equity 3/31/16	Russell 3000 3/31/16
Annualized Return (%)	10.2	11.0
Standard Deviation (%)	15.2	14.1
Best Monthly Return (%)	13.7	11.5
Worst Monthly Return (%)	-9.3	-7.8
Beta	1.07	1.00
Correlation to Index	0.99	1.00
Correlation to Total Fund Return	0.97	NA
Sharpe Measure (risk-adjusted return)	0.67	0.78
Information Ratio	Neg.	NA



	Aggregate Domestic Equity 3/31/16	Russell 3000 3/31/16	Aggregate Domestic Equity 12/31/15
Capitalization Structure:			
Weighted Average Market Cap. (US\$ billion)	82.2	107.4	81.8
Median Market Cap. (US\$ billion)	6.3	1.4	6.3
Large (% over US\$20 billion)	52	69	53
Medium (% US\$3 billion to US\$20 billion)	37	23	37
Small (% under US\$3 billion)	11	7	11
Fundamental Structure:			
Price-Earnings Ratio	21	21	20
Price-Book Value Ratio	2.7	2.3	2.7
Dividend Yield (%)	2.0	2.1	1.9
Historical Earnings Growth Rate (%)	11	10	11
Projected Earnings Growth Rate (%)	10	10	10

	Aggregate Domestic Equity 3/31/16	Russell 3000 3/31/16	Aggregate Domestic Equity 12/31/15
Diversification:			
Number of Holdings	1,170	2,973	1,177
% in 5 largest holdings	7	9	7
% in 10 largest holdings	11	15	11

Largest Five Holdings:

Apple

2.2

Technology Equipment

Microsoft

1.5

Software & Services

ExxonMobil

1.2

Energy

Johnson & Johnson

1.0

Pharmaceuticals & Biotech.

General Electric

1.0

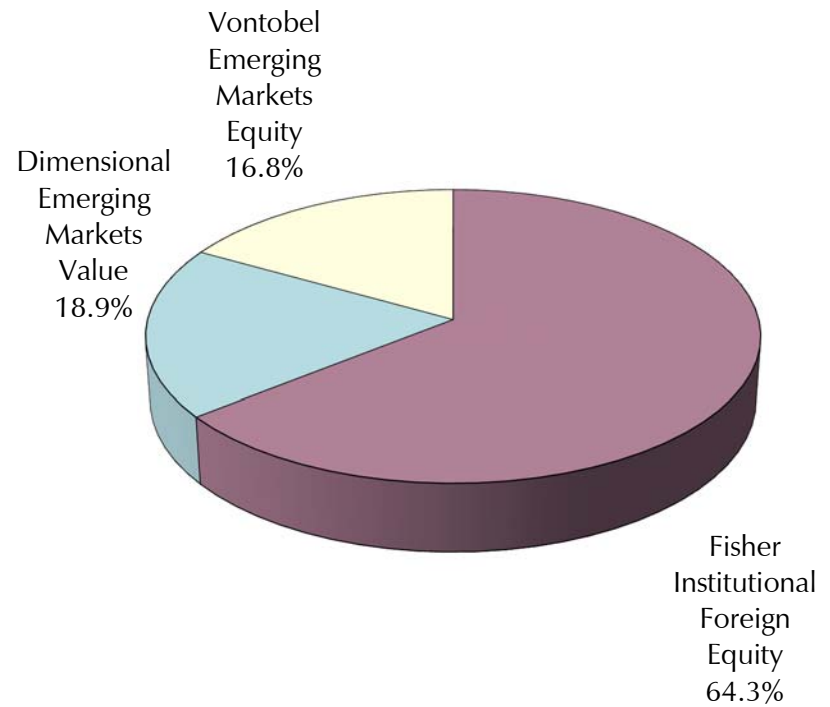
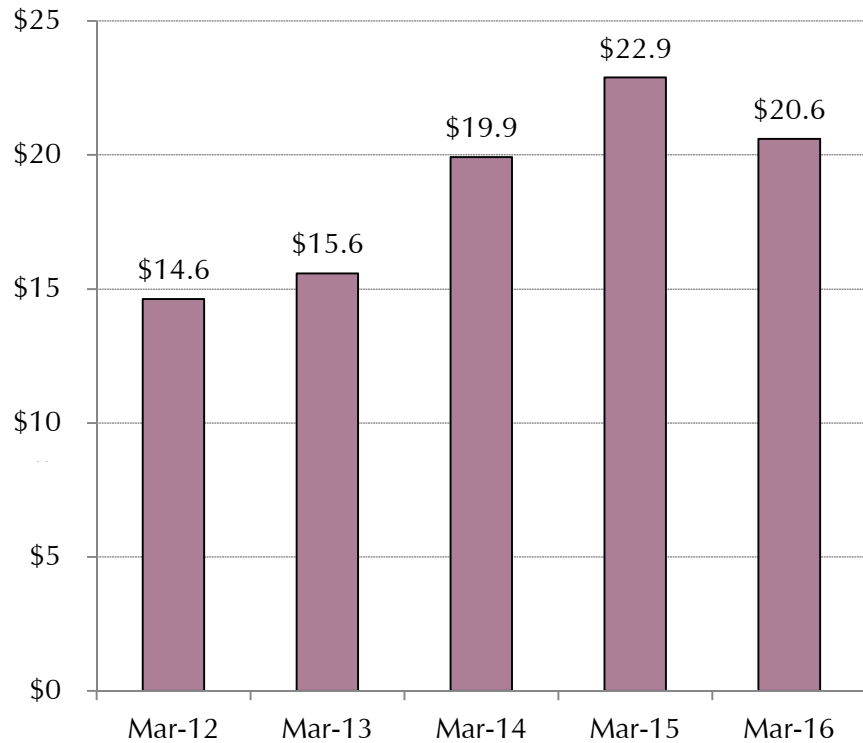
Capital Goods

Sector Allocation (%):	Aggregate Domestic Equity 3/31/16	Russell 3000 3/31/16	Aggregate Domestic Equity 12/31/15
Industrials	15	11	14
Materials	4	3	4
Utilities	4	3	4
Consumer Discretionary	14	14	14
Consumer Staples	9	9	8
Health Care	13	14	14
Financials	17	17	18
Telecommunication Services	2	2	2
Energy	5	6	5
Information Technology	18	20	18

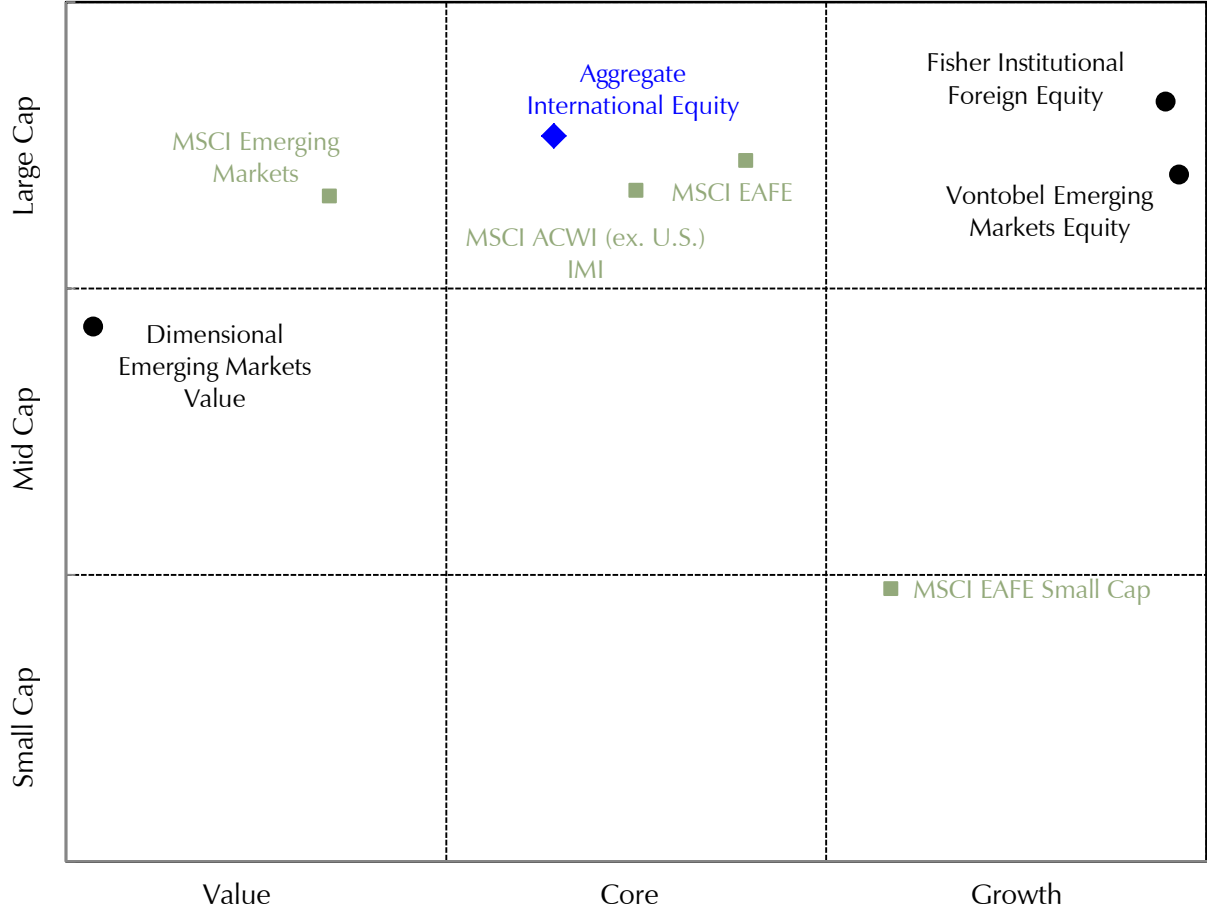
International Equity Assets
As of March 31, 2016

City of Ann Arbor
VEBA

International Equity Assets
as of 3/31/16



Risk: (sixty months)	Aggregate International Equity 3/31/16	MSCI ACWI (ex. U.S.) IMI 3/31/16
Annualized Return (%)	0.5	0.6
Standard Deviation (%)	17.8	16.0
Best Monthly Return (%)	15.4	10.3
Worst Monthly Return (%)	-13.9	-11.3
Beta	1.09	1.00
Correlation to Index	0.98	1.00
Correlation to Total Fund Return	0.96	NA
Sharpe Measure (risk-adjusted return)	0.02	0.03
Information Ratio	Neg.	NA



	Aggregate International Equity 3/31/16	MSCI ACWI (ex. U.S.) IMI 3/31/16	Aggregate International Equity 12/31/15
Capitalization Structure:			
Weighted Average Market Cap. (US\$ billion)	60.2	40.6	64.1
Median Market Cap. (US\$ million)	399	1,156	398
Large (% over US\$20 billion)	75	50	74
Medium (% US\$3 billion to US\$20 billion)	18	36	19
Small (% under US\$3 billion)	6	13	7
Fundamental Structure:			
Price-Earnings Ratio	18	16	17
Price-Book Value Ratio	2.8	1.4	2.8
Dividend Yield (%)	2.8	3.2	2.7
Historical Earnings Growth Rate (%)	9	8	10
Projected Earnings Growth Rate (%)	-3	8	10

	Aggregate International Equity 3/31/16	MSCI ACWI (ex. U.S.) IMI 3/31/16	Aggregate International Equity 12/31/15
Diversification:			
Number of Holdings	2,324	6,095	2,354
% in 5 largest holdings	11	4	11
% in 10 largest holdings	20	7	20
Largest Five Holdings:		% of Portfolio	Economic Sector
Novo Nordisk	2.6	Pharmaceuticals & Biotech.	
Asml Holding	2.3	Semiconductors	
Bayer	2.1	Pharmaceuticals & Biotech.	
WPP	2.0	Media	
Taiwan Semiconductor	2.0	Semiconductors	

Sector Allocation (%):	Aggregate International Equity 3/31/16	MSCI ACWI (ex. U.S.) IMI 3/31/16	Aggregate International Equity 12/31/15
Information Technology	16	9	14
Health Care	14	9	14
Consumer Discretionary	15	13	15
Consumer Staples	11	11	12
Industrials	12	13	12
Energy	4	6	3
Materials	5	7	4
Utilities	1	3	1
Financials	21	25	24
Telecommunication Services	1	5	1

City of Ann Arbor
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International Equity Assets
Country & Region Breakdown as of 3/31/16

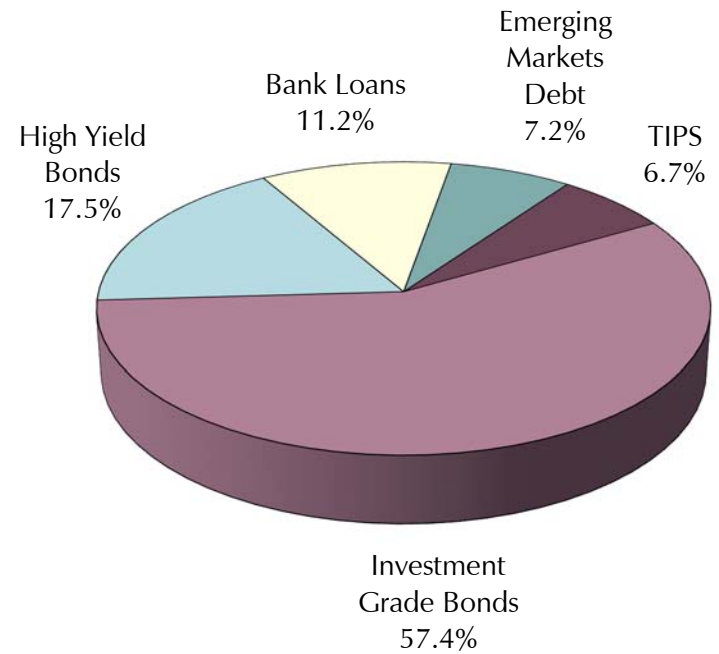
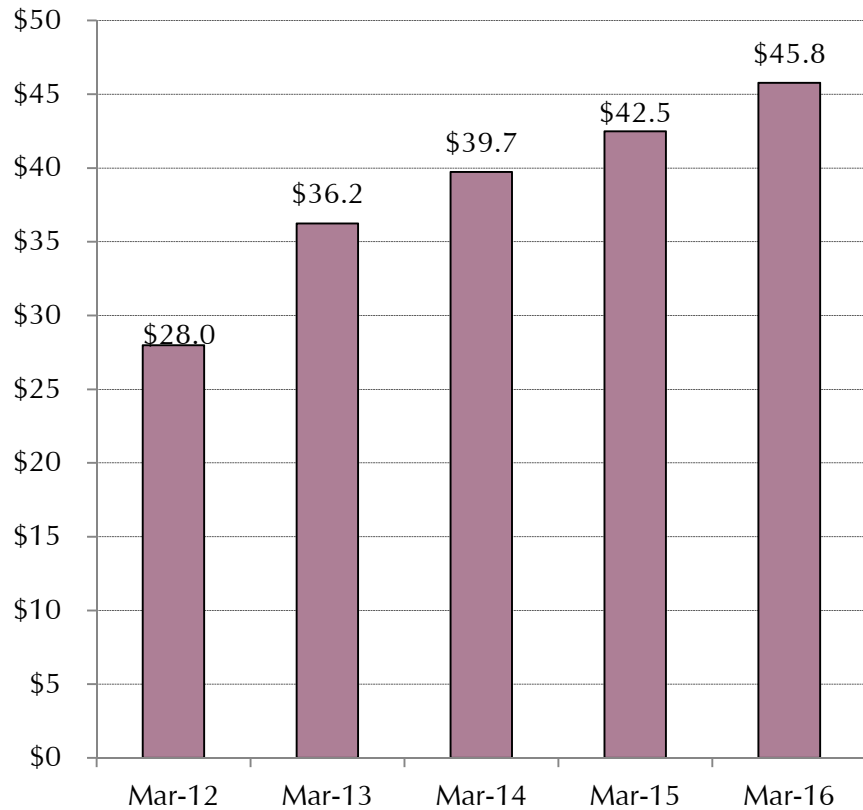
	Aggregate International Equity 3/31/16 (%)	MSCI ACWI (ex. U.S.) IMI 3/31/16 (%)		Aggregate International Equity 3/31/16 (%)	MSCI ACWI (ex. U.S.) IMI 3/31/16 (%)
North America	3.0	6.9	Asia Pacific	11.9	27.5
United States of America	1.0	0.4	Hong Kong	4.7	4.4
Canada	2.0	6.5	Australia	2.1	4.9
			Japan	4.4	16.8
Europe	51.4	45.6	Emerging	33.6	19.4
Germany	10.2	6.3	India	10.7	1.8
France	7.7	6.3	Taiwan	5.1	2.9
Switzerland	7.5	6.3	South Korea	4.5	3.5
Denmark	2.6	1.4	Mexico	1.9	1.0
Ireland	1.8	0.8	Brazil	2.0	1.3
United Kingdom	12.8	12.2	South Africa	2.2	1.5
Belgium	1.6	1.1	Indonesia	1.2	0.6
Netherlands	3.8	3.3	Thailand	1.0	0.5
Italy	1.8	1.7	Malaysia	1.0	0.8
			China	2.0	2.8
			Other	0.0	0.6



Fixed Income Assets
As of March 31, 2016

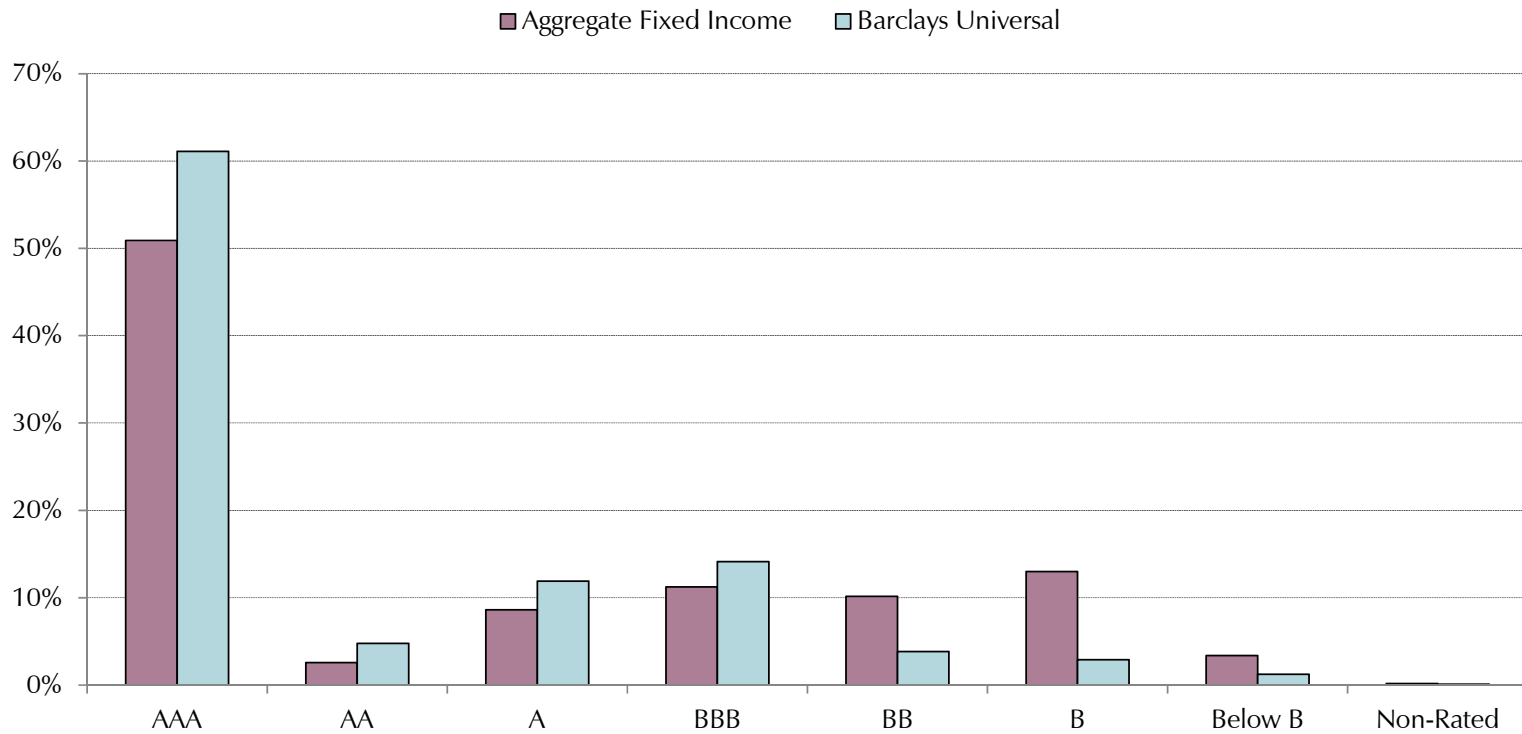
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Fixed Income Assets
as of 3/31/16



Risk: (sixty months)	Aggregate Fixed Income 3/31/16	Barclays Universal 3/31/16
Annualized Return (%)	3.8	3.9
Standard Deviation (%)	3.0	2.8
Best Monthly Return (%)	2.2	1.9
Worst Monthly Return (%)	-1.9	-1.8
Beta	1.00	1.00
Correlation to Index	0.92	1.00
Correlation to Total Fund Return	0.43	NA
Sharpe Measure (risk-adjusted return)	1.24	1.39
Information Ratio	Neg.	NA

Duration & Yield:	Aggregate Fixed Income 3/31/16	Barclays Universal 3/31/16	Aggregate Fixed Income 12/31/15
Average Effective Duration (years)	4.5	5.3	4.6
Yield to Maturity (%)	3.6	2.7	4.2



City of Ann Arbor
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Fixed Income Assets
Diversification as of 3/31/16

	Aggregate Fixed Income 3/31/16	Barclays Universal 3/31/16	Aggregate Fixed Income 12/31/15
Market Allocation (%):			
United States	83	83	84
Foreign (developed markets)	9	10	9
Foreign (emerging markets)	8	7	8
Currency Allocation (%):			
Non-U.S. Dollar Exposure	7	0	7
Sector Allocation (%):			
U.S. Treasury-Nominal	23	31	24
U.S. Treasury-TIPS	7	0	7
U.S. Agency	2	2	2
Mortgage Backed	14	24	15
Corporate	33	31	31
Bank Loans	8	0	9
Local & Provincial Government	1	1	1
Sovereign & Supranational	10	8	10
Commercial Mortgage Backed	1	2	1
Asset Backed	0	0	0
Cash Equivalent	0	0	1
Other	0	0	0

VEBA Portfolio Reviews
As of March 31, 2016

Domestic Equity Portfolio Reviews
As of March 31, 2016

City of Ann Arbor VEBA

Northern Trust Russell 1000 Index Portfolio Detail as of 3/31/16

Mandate: Domestic Equities
Active/Passive: Passive
Market Value: \$35.4 million
Portfolio Manager: Alexander Matturri Jr., CFA
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 (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	Since 2/1/12
Northern Trust Russell 1000 Index	1.2	0.2	0.3	11.4	13.5
Net of Fees	1.2	0.2	0.3	11.4	13.5
Russell 1000	1.2	0.4	0.5	11.5	13.7
Peer Large Cap Core	0.5	-0.9	-0.8	11.2	13.4
Peer Ranking (percentile)	37	33	34	44	45
Risk: (fifty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Northern Trust Russell 1000 Index	12.4%	1.00	1.08	NA	1.00
Russell 1000	12.5	1.00	1.09	NA	1.00

	3/31/16		12/31/15	
	Northern Trust Russell 1000 Index	Russell 1000	Northern Trust Russell 1000 Index	Russell 1000
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	116.0	115.9	114.5	114.7
Median Market Cap. (US\$ billion)	7.5	7.5	7.4	7.4
Large (% over US\$20 billion)	75	75	75	75
Medium (% US\$3 billion to US\$20 billion)	23	24	24	24
Small (% under US\$3 billion)	1	1	2	2

Fundamental Structure:				
Price-Earnings Ratio	21	21	20	20
Price-Book Value Ratio	2.7	2.7	2.7	2.9
Dividend Yield (%)	2.1	2.1	2.1	2.1
Historical Earnings Growth Rate (%)	10	10	10	10
Projected Earnings Growth Rate (%)	10	10	10	10

Sector Allocation (%):				
Consumer Discretionary	14	14	14	13
Information Technology	20	20	20	20
Consumer Staples	10	10	9	9
Industrials	11	11	11	11
Utilities	3	3	3	3
Telecommunication Services	3	3	2	2
Materials	3	3	3	3
Health Care	14	14	15	15
Energy	6	6	6	6
Financials	17	17	18	18

Diversification:				
Number of Holdings	1,020	1,020	1,033	1,031
% in 5 largest holdings	10	10	10	10
% in 10 largest holdings	16	16	16	16

Largest Ten Holdings:			Industry	
Apple	3.1	Technology Equipment		
Microsoft	2.2	Software & Services		
ExxonMobil	1.7	Energy		
Johnson & Johnson	1.5	Pharmaceuticals & Biotech.		
General Electric	1.5	Capital Goods		
Berkshire Hathaway	1.3	Diversified Financials		
Facebook	1.2	Software & Services		
AT&T	1.2	Telecom Services		
Amazon.com	1.1	Retailing		
Wells Fargo & Company	1.1	Banks		

¹ Fiscal Year begins July 1.



City of Ann Arbor VEBA

RhumbLine S&P 400 Index Portfolio Detail as of 3/31/16

Mandate: Domestic Equities
Active/Passive: Passive
Market Value: \$9.7 million
Portfolio Manager: Jeffrey D. Kusmierz
 Julie C. Lind
 Norman H. Meltz
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; (\$12,500 minimum per year)

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 (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 2/1/10
RhumbLine S&P 400 Index	3.7	-2.2	-2.9	9.9	9.8	14.3
Net of Fees	3.7	-2.2	-3.0	9.8	9.7	NA
S&P MidCap	3.8	-2.6	-3.6	9.5	9.5	14.1

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
RhumbLine S&P 400 Index	15.9%	0.99	0.61	NA	1.00
S&P MidCap	16.0	1.00	0.59	NA	1.00

Capitalization Structure:	3/31/16		12/31/15	
	RhumbLine S&P 400 Index	S&P MidCap	RhumbLine S&P 400 Index	S&P MidCap
Weighted Average Market Cap. (US\$ billion)	4.9	4.9	5.0	5.0
Median Market Cap. (US\$ billion)	3.4	3.4	3.3	3.3
Large (% over US\$20 billion)	0	0	0	0
Medium (% US\$3 billion to US\$20 billion)	79	78	77	77
Small (% under US\$3 billion)	21	22	23	23

Fundamental Structure:

Price-Earnings Ratio	20	20	20	20
Price-Book Value Ratio	2.4	2.4	2.5	2.5
Dividend Yield (%)	1.7	1.7	1.7	1.7
Historical Earnings Growth Rate (%)	13	13	14	14
Projected Earnings Growth Rate (%)	10	10	10	10

Sector Allocation (%):

Health Care	9	8	10	10
Industrials	16	16	15	15
Materials	7	7	6	6
Telecommunication Services	0	0	0	0
Consumer Discretionary	14	14	13	13
Consumer Staples	4	4	4	4
Information Technology	16	16	17	17
Energy	3	3	3	3
Utilities	6	6	5	5
Financials	25	25	27	27

Diversification:

Number of Holdings	396	400	400	399
% in 5 largest holdings	4	3	4	4
% in 10 largest holdings	7	6	7	7

Largest Ten Holdings:

		Industry
Jarden	0.8	Consumer Durables
Centene	0.7	Health Care Services
Alaska Air	0.7	Transportation
Alliant Energy Corp.	0.7	Utilities
Acuity Brands	0.7	Capital Goods
LKQ	0.6	Retailing
Everest Re Group	0.6	Insurance
Mettler Toledo	0.6	Pharmaceuticals & Biotech.
Fortune Brands Home & Security	0.6	Capital Goods
Foot Locker	0.6	Retailing

¹ Fiscal Year begins July 1.



City of Ann Arbor VEBA

Mandate: Domestic Equities
Active/Passive: Active
Market Value: \$6.2 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 (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 12/1/04
SouthernSun Small Cap Equity	4.8	-17.2	-14.9	0.5	5.7	8.3
Net of Fees	4.5	-17.9	-15.7	-0.5	4.7	NA
Russell 2000	-1.5	-10.1	-9.8	6.8	7.2	6.5
Peer Small Cap Core	0.9	-6.9	-6.5	8.8	9.1	8.0
Peer Ranking (percentile)	5	96	94	95	88	43

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
SouthernSun Small Cap Equity	19.9%	0.98	0.28	Neg.	0.89
Russell 2000	18.1	1.00	0.39	NA	1.00

¹ Fiscal Year begins July 1.



SouthernSun Small Cap Equity Portfolio Detail as of 3/31/16

	3/31/16		12/31/15	
	Southern Sun Small Cap Equity	Russell 2000	Southern Sun Small Cap Equity	Russell 2000
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	3.3	1.9	3.2	1.9
Median Market Cap. (US\$ billion)	3.0	0.6	3.1	0.7
Large (% over US\$20 billion)	0	0	0	0
Medium (% US\$3 billion to US\$20 billion)	50	17	53	17
Small (% under US\$3 billion)	50	83	47	83
Fundamental Structure:				
Price-Earnings Ratio	18	21	18	20
Price-Book Value Ratio	3.1	1.9	2.9	1.8
Dividend Yield (%)	1.2	1.6	1.1	1.6
Historical Earnings Growth Rate (%)	11	14	12	12
Projected Earnings Growth Rate (%)	12	13	9	14
Sector Allocation (%):				
Industrials	37	13	35	12
Consumer Staples	12	4	11	3
Health Care	17	14	17	17
Consumer Discretionary	15	14	16	13
Utilities	5	4	5	4
Materials	4	4	3	4
Energy	2	3	2	3
Telecommunication Services	0	1	0	1
Information Technology	5	18	5	18
Financials	3	26	4	26
Diversification:				
Number of Holdings	21	1,959	21	1,984
% in 5 largest holdings	30	2	30	2
% in 10 largest holdings	57	3	57	3
Largest Ten Holdings:				
		Industry		
Darling International	6.7	Food, Beverage & Tobacco		
Brink's	5.8	Commercial Services		
Amsurg	5.8	Health Care Services		
Aegion	5.8	Capital Goods		
Polaris Industries	5.7	Consumer Durables		
Sanderson Farms	5.5	Food, Beverage & Tobacco		
Centene	5.5	Health Care Services		
Chicago Bridge And Iron	5.4	Capital Goods		
Hill-Rom Holdings	5.3	Health Care Services		
Agco	5.1	Capital Goods		

**International Developed Market Equity
Portfolio Review
As of March 31, 2016**

City of Ann Arbor VEBA

Fisher Institutional Foreign Equity Portfolio Detail as of 3/31/16

Mandate: International Equities,
Developed Markets

Active/Passive: Active

Market Value: \$13.2 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 (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 7/1/09
Fisher Institutional Foreign Equity	-3.5	-9.3	-10.1	2.4	2.3	8.6
Net of Fees	-3.8	-9.9	-11.0	1.4	1.3	7.6
MSCI EAFE	-3.0	-8.8	-8.3	2.2	2.3	6.4
Peer International Core	-1.6	-8.0	-6.4	3.0	2.8	7.5
Peer Ranking (percentile)	85	64	84	60	59	23

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Fisher Institutional Foreign Equity	18.5%	1.11	0.12	Neg.	0.97
MSCI EAFE	16.1	1.00	0.14	NA	1.00

	3/31/16		12/31/15	
	Fisher International Equity	MSCI EAFE	Fisher International Equity	MSCI EAFE
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	77.1	50.4	81.1	53.9
Median Market Cap. (US\$ billion)	46.7	8.7	53.7	8.7
Large (% over US\$20 billion)	91	64	92	65
Medium (% US\$3 billion to US\$20 billion)	9	35	8	34
Small (% under US\$3 billion)	0	1	0	1

Fundamental Structure:

Price-Earnings Ratio	18	17	18	17
Price-Book Value Ratio	2.7	1.6	2.8	1.7
Dividend Yield (%)	3.0	3.5	2.7	3.2
Historical Earnings Growth Rate (%)	9	7	10	8
Projected Earnings Growth Rate (%)	9	8	9	8

Sector Allocation (%):

Information Technology	18	5	16	5
Health Care	20	12	21	12
Consumer Discretionary	19	13	18	13
Industrials	15	13	14	13
Energy	2	5	1	5
Utilities	0	4	0	4
Materials	2	7	2	6
Consumer Staples	8	13	6	12
Telecommunication Services	0	5	0	5
Financials	16	24	22	26

Diversification:

Number of Holdings	71	926	70	925
% in 5 largest holdings	16	7	16	8
% in 10 largest holdings	29	11	29	12

Region Allocation (%):

North America	4	0	3	0
Europe	76	65	77	64
Asia Pacific	15	34	16	35
Emerging	4	0	4	0
Other	0	1	0	1

Largest Five Holdings:

		Industry
Novo Nordisk	3.9	Pharmaceuticals & Biotech.
Asml Holding	3.5	Semiconductors
Bayer	3.3	Pharmaceuticals & Biotech.
WPP	3.0	Media
Taiwan Semiconductor	2.8	Semiconductors

¹ Fiscal Year begins July 1.



**International Emerging Market Equity
Portfolio Reviews
As of March 31, 2016**

City of Ann Arbor VEBA

Dimensional Emerging Markets Value Portfolio Detail as of 3/31/16

Mandate: International Equities,
Emerging Markets

Active/Passive: Active

Market Value: \$3.9 million

Portfolio Manager: Team

Location: Austin, Texas

Inception Date: 2/1/2012

Account Type: Mutual Fund (DFEVX)

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.57% 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 (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	Since 2/1/12
Dimensional Emerging Markets Value	8.9	-12.9	-11.4	-6.4	-3.8
MSCI Emerging Markets	5.7	-12.6	-12.0	-4.5	-2.2
Peer Emerging Markets	4.1	-11.8	-11.1	-4.9	-1.7
Peer Ranking (percentile)	6	65	53	76	77
Risk: (fifty months)	Standard Deviation	Beta	Sharpe Measure ²	Info. Ratio	Correlation to Index
Dimensional Emerging Markets Value	17.6%	1.08	Neg.	Neg.	0.98
MSCI Emerging Markets	16.2	1.00	Neg.	NA	1.00

¹ Fiscal Year begins July 1.

² A negative Sharpe ratio indicates that the portfolio underperformed the risk-free rate during the sample period.

	3/31/16		12/31/15	
	DFA Emerging Markets Value Fund	MSCI Emerging Markets	DFA Emerging Markets Value Fund	MSCI Emerging Markets
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	15.2	38.9	14.7	38.1
Median Market Cap. (US\$ million)	357.5	4,606.3	349.7	4,196.3
Large (% over US\$20 billion)	20	38	15	38
Medium (% US\$3 billion to US\$20 billion)	48	53	48	53
Small (% under US\$3 billion)	32	9	36	10
Fundamental Structure:				
Price-Earnings Ratio	11	15	11	14
Price-Book Value Ratio	0.9	1.3	0.9	1.5
Dividend Yield (%)	3.1	2.7	3.2	2.5
Historical Earnings Growth Rate (%)	3	9	6	10
Projected Earnings Growth Rate (%)	11	4	11	13
Sector Allocation (%):				
Materials	16	7	15	6
Energy	14	8	12	7
Financials	33	28	34	28
Industrials	11	7	12	7
Consumer Discretionary	10	10	9	10
Utilities	2	3	2	3
Health Care	0	3	1	3
Consumer Staples	5	8	5	8
Telecommunication Services	2	7	2	7
Information Technology	8	20	9	20
Diversification:				
Number of Holdings	2,199	834	2,226	836
% in 5 largest holdings	9	13	10	13
% in 10 largest holdings	15	19	15	19
Region Allocation (%):				
Asia Pacific	68	69	71	71
Latin America	16	13	15	12
Europe/MidEast/Africa	16	17	14	16
Other	0	2	0	2
Largest Five Holdings:		Industry		
China Construction Bank	2.7	Banks		
Reliance Industries	2.1	Energy		
Gazprom	1.8	Energy		
Bank of China	1.5	Banks		
Fomento Econom Mexica	1.3	Food, Beverage & Tobacco		



City of Ann Arbor VEBA

Vontobel Emerging Markets Equity Portfolio Detail as of 3/31/16

Mandate: International Equities,
Emerging Markets

Active/Passive: Active

Market Value: \$3.5 million

Portfolio Manager: Matthew Benkendorf

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 (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	Since 2/1/12
Vontobel Emerging Markets Equity	2.5	-6.3	-7.1	-2.0	2.3
Net of Fees	2.2	-7.1	-8.2	-3.0	1.2
MSCI Emerging Markets	5.7	-12.6	-12.0	-4.5	-2.2
Peer Emerging Markets	4.4	-10.8	-9.9	-3.5	-0.5
Peer Ranking (percentile)	69	5	16	30	21
Risk: (fifty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Vontobel Emerging Markets Equity	14.4%	0.74	0.16	0.54	0.87
MSCI Emerging Markets	16.2	1.00	Neg.	NA	1.00

¹ Fiscal Year begins July 1.

	3/31/16		12/31/15	
	Vontobel Emerging Markets Equity	MSCI Emerging Markets	Vontobel Emerging Markets Equity	MSCI Emerging Markets
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	45.5	38.9	46.6	38.1
Median Market Cap. (US\$ billion)	19.6	4.6	16.4	4.2
Large (% over US\$20 billion)	80	38	63	38
Medium (% US\$3 billion to US\$20 billion)	20	53	36	53
Small (% under US\$3 billion)	0	9	2	10
Fundamental Structure:				
Price-Earnings Ratio	26	15	24	14
Price-Book Value Ratio	5.4	1.3	4.8	1.5
Dividend Yield (%)	1.8	2.7	2.1	2.5
Historical Earnings Growth Rate (%)	16	9	17	10
Projected Earnings Growth Rate (%)	15	4	13	13
Sector Allocation (%):				
Consumer Staples	36	8	45	8
Health Care	7	3	3	3
Financials	30	28	21	28
Utilities	2	3	4	3
Information Technology	17	20	14	20
Materials	1	7	2	6
Industrials	2	7	1	7
Telecommunication Services	1	7	4	7
Consumer Discretionary	4	10	7	10
Energy	0	8	0	7
Diversification:				
Number of Holdings	59	834	70	836
% in 5 largest holdings	41	13	25	13
% in 10 largest holdings	58	19	42	19
Region Allocation (%):				
Asia Pacific	75	69	59	71
Latin America	8	13	13	12
Europe/MidEast/Africa	3	17	6	16
Frontier	0	0	1	0
Other	13	2	22	2
Largest Five Holdings:				
				Industry
HDFC Bank	12.0			Banks
Housing Development Financial	10.9			Banks
ITC	9.2			Food, Beverage & Tobacco
Infosys	4.7			Software & Services
British American Tobacco	4.1			Food, Beverage & Tobacco



Investment Grade Bonds Portfolio Reviews
As of March 31, 2016

City of Ann Arbor VEBA

Northern Trust Barclays Aggregate Bond Index Portfolio Detail as of 3/31/16

Mandate: Investment Grade Bonds
Active/Passive: Passive
Market Value: \$23.7 million
Portfolio Manager: Bradford Adams
 Alexander Matturri Jr., CFA
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 (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 10/1/99
Northern Trust Barclays Aggregate Bond Index	3.1	3.5	1.7	2.4	3.8	5.4
Net of Fees	3.1	3.4	1.7	2.4	3.7	5.4
Barclays Aggregate	3.0	3.7	2.0	2.5	3.8	5.4

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Northern Trust Barclays Aggregate Bond Index	2.9%	1.02	1.27	NA	1.00
Barclays Aggregate	2.9	1.00	1.30	NA	1.00

	3/31/16		12/31/15	
	Northern Trust Barclays Aggregate Bond Index	Barclays Aggregate	Northern Trust Barclays Aggregate Bond Index	Barclays Aggregate
Duration & Yield:				
Average Effective Duration (years)	5.5	5.5	5.7	5.7
Yield to Maturity (%)	2.2	2.2	2.6	2.6
Quality Structure (%):				
Average Quality	AA+	AA+	AA+	AA+
AAA (includes Treasuries and Agencies)	72	72	72	72
AA	4	4	4	4
A	11	11	11	11
BBB	13	13	13	13
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	37	37	36	36
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	3	3	3	3
Mortgage Backed	28	28	29	29
Corporate	25	25	24	24
Bank Loans	0	0	0	0
Local & Provincial Government	1	1	1	1
Sovereign & Supranational	4	4	4	4
Commercial Mortgage Backed	2	2	2	2
Asset Backed	0	1	1	1
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	92	92	92	92
Foreign (developed markets)	6	6	6	6
Foreign (emerging markets)	2	2	2	2
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

¹ Fiscal Year begins July 1.



City of Ann Arbor VEBA

Northern Trust 1-5 Year Credit Bond Portfolio Detail as of 3/31/16

Mandate: Fixed Income
Active/Passive: Passive
Market Value: \$2.5 million
Portfolio Manager: Team
Location: Chicago, Illinois
Inception Date: 12/1/2015
Account Type: Commingled

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:

0.10% on first \$25 mm; 0.06% on next \$75 mm; 0.05% 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 (%):	1Q16	Since 12/1/15
Northern Trust 1-5 Year Credit Bond	1.8	1.5
Net of Fees	1.8	1.5
Barclays 1-5 Year Credit	1.7	1.4

	3/31/16		12/31/15	
	Northern Trust 1-5 Year Credit Bond	Barclays 1-5 Year Credit	Northern Trust 1-5 Year Credit Bond	Barclays 1-5 Year Credit
Duration & Yield:				
Average Effective Duration (years)	2.8	2.8	2.7	2.7
Yield to Maturity (%)	2.0	2.0	2.3	2.3
Quality Structure (%):				
Average Quality	A	A	A	A
AAA (includes Treasuries and Agencies)	15	15	15	15
AA	13	13	13	13
A	37	37	36	36
BBB	35	35	36	36
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	7	7	7	7
Mortgage Backed	0	0	0	0
Corporate	79	79	79	79
Bank Loans	0	0	0	0
Local & Provincial Government	2	2	2	2
Sovereign & Supranational	12	12	12	12
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	63	63	63	63
Foreign (developed markets)	33	33	33	33
Foreign (emerging markets)	4	4	4	4
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0



**TIPS Portfolio Review
As of March 31, 2016**

City of Ann Arbor VEBA

IR&M 1-10 Year Index Portfolio Detail as of 3/31/16

Mandate: TIPS
Active/Passive: Active
Market Value: \$3.1 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 (%):	1Q16	Fiscal YTD ¹	1 YR	Since 11/1/13
IR&M 1-10 Year Index	3.6	2.0	1.9	0.9
Net of Fees	3.6	1.9	1.8	0.8
Barclays U.S. TIPS 1-10 Year	3.6	2.0	1.8	0.9
Peer TIPS	4.0	2.0	1.3	1.3
Peer Ranking (percentile)	64	46	11	72

Duration & Yield:	3/31/16		12/31/15	
	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)	5.4	3.3	5.3	3.3
Yield to Maturity (%) ²	1.5	1.5	1.9	2.0
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

² 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.

¹ Fiscal Year begins July 1.



High Yield Bonds Portfolio Reviews
As of March 31, 2016

City of Ann Arbor VEBA

SKY Harbor Broad High Yield Market Portfolio Detail as of 3/31/16

Mandate: High Yield Bonds
Active/Passive: Active
Market Value: \$6.7 million
Portfolio Manager: Hanna H. Strasser
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 (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	Since 12/1/12
SKY Harbor Broad High Yield Market	2.1	-3.8	-3.2	1.8	3.1
Net of Fees	2.0	-4.2	-3.7	1.2	2.5
Barclays High Yield	3.4	-3.7	-3.7	1.8	3.0
Peer High Yield	2.6	-3.3	-2.7	2.4	3.4
Peer Ranking (percentile)	65	57	56	68	68
Risk: (forty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
SKY Harbor Broad High Yield Market	5.4%	0.91	0.55	0.04	0.98
Barclays High Yield	5.9	1.00	0.50	NA	1.00

	3/31/16		12/31/15	
Duration & Yield:	Sky Harbor High Yield	Barclays High Yield	Sky Harbor High Yield	Barclays High Yield
Average Effective Duration (years)	4.4	4.2	4.5	4.3
Yield to Maturity (%)	8.1	8.2	8.6	8.7
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	2	0
BB	35	46	34	46
B	43	38	43	40
Below B	19	16	20	14
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	99	100	98	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	1	0	2	0
Other	0	0	0	0
Market Allocation (%):				
United States	88	82	88	82
Foreign (developed markets)	11	18	12	18
Foreign (emerging markets)	1	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

¹ Fiscal Year begins July 1.

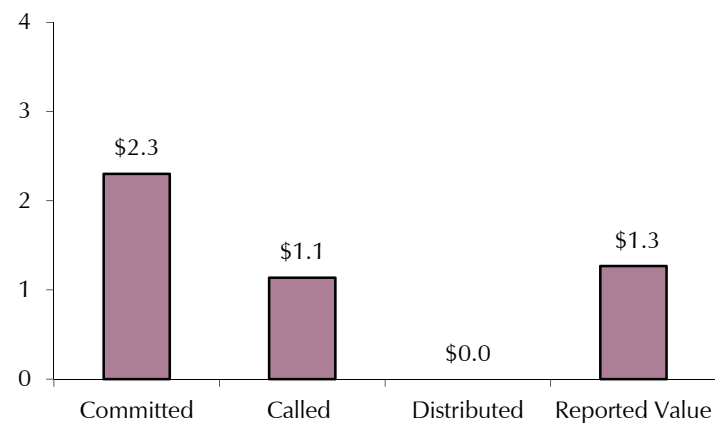


City of Ann Arbor VEBA

Summit Partners Credit Fund II Portfolio Detail as of 3/31/16

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

Commitment: \$2.3 million
Capital Contributions: \$1.1 million
Outstanding Commitment: \$1.2 million
Realized Proceeds: \$0.0 million
Reported Value: \$1.3 million
Number of Investments¹: 8
Net IRR¹: - 1.0%



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 December 31, 2015.



Bank Loans Portfolio Review
As of March 31, 2016

City of Ann Arbor VEBA

Mandate: Fixed Income
Active/Passive: Active
Market Value: \$5.1 million
Portfolio Manager: Scott M. Klein
 William Kozicki
 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 Leveraged 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 (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	Since 4/1/12
Beach Point Leveraged Loan	2.0	2.0	2.7	4.0	5.6
Net of Fees	1.9	1.5	2.0	3.3	5.0
CSFB Leveraged Loan	1.3	-1.9	-1.1	2.2	3.7

Risk: (forty-eight months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Beach Point Leveraged Loan	2.0%	0.71	2.81	1.85	0.92
CSFB Leveraged Loan	2.5	1.00	1.44	NA	1.00

Beach Point Leveraged Loan Portfolio Detail as of 3/31/16

	3/31/16		12/31/15	
	Beach Point Leveraged Loan	CSFB Leveraged Loan	Beach Point Leveraged Loan	CSFB Leveraged Loan
Duration & Yield:				
Average Effective Duration (years)	1.2	0.3	0.8	0.3
Yield to Maturity (%)	5.7	4.8	6.4	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	6	0	1	0
BB	33	39	47	36
B	56	57	46	57
Below B	4	2	5	5
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	22	0	18	0
Bank Loans	78	100	82	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	77	100	80	100
Foreign (developed markets)	23	0	20	0
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	2	0	2	0

¹ Fiscal Year begins July 1.



Emerging Markets Debt Portfolio Review
As of March 31, 2016

City of Ann Arbor VEBA

Stone Harbor Emerging Markets Local Currency Debt Portfolio Detail as of 3/31/16

Mandate: Fixed Income
Active/Passive: Active
Market Value: \$3.3 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 (%):	1Q16	Fiscal YTD ¹	1 YR	3 YR	Since 6/1/12
Stone Harbor Emerging Markets Local Currency Debt²	10.5	-2.7	-3.3	-9.0	-4.3
JPM GBI-EM Global Diversified (unhedged)	11.0	-0.7	-1.6	-6.7	-1.8
Peer Emerging Market Debt	4.8	0.3	0.1	-1.0	2.1
Peer Ranking (percentile)	1	81	83	95	94

Risk: (forty-six months)	Standard Deviation	Beta	Sharpe Measure ³	Info. Ratio	Correlation to Index
Stone Harbor Emerging Markets Local Currency Debt	11.4%	1.03	Neg.	Neg.	0.99
JPM GBI-EM Global Diversified (unhedged)	11.2	1.00	Neg.	NA	1.00

	3/31/16		12/31/15	
	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)	5.2	4.9	5.4	4.8
Yield to Maturity (%)	7.4	6.5	9.1	7.1
Quality Structure (%):				
Average Quality	BBB+	BBB	BBB+	BBB+
AAA (includes Treasuries and Agencies)	4	0	0	0
AA	0	0	0	0
A	36	39	36	41
BBB	47	45	60	59
BB	13	16	1	0
B	0	0	0	0
Below B	0	0	2	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	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	97	100	100	100
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	3	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	100	100	99	100

¹ Fiscal Year begins July 1.

² Net of fees.

³ A negative Sharpe ratio indicates that the portfolio underperformed the risk-free rate during the sample period.



**Real Estate Portfolio Reviews
As of March 31, 2016**

Strategy: Real Estate
Open-End
Core

Market Value: \$5.7 million

Senior Professionals: Team

Location: Boston, Massachusetts

Inception Date: 7/1/2013

Account Type: Separately Managed

of Investments: 62

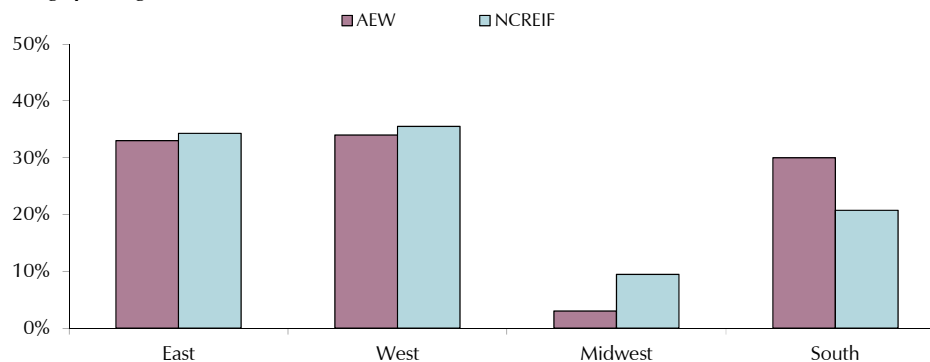
Liquidity Constraints: Quarterly

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

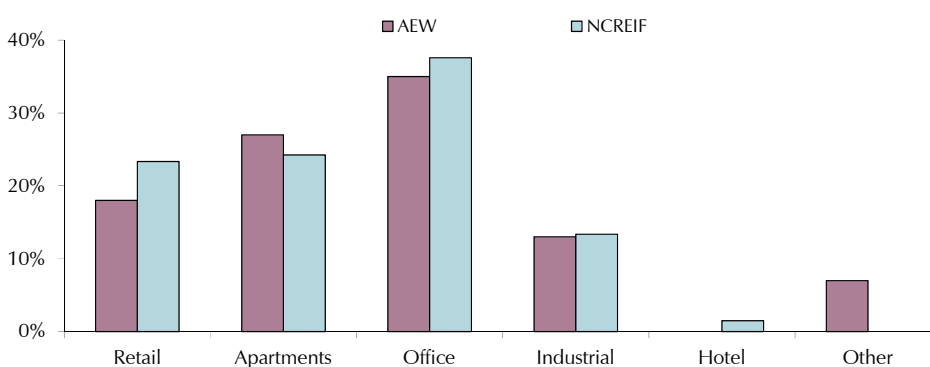
IRR: 10.3%

Performance (%):	1Q16	Fiscal YTD	1 YR	Since 7/1/13
A.E.W Core Property Trust	1.9	NA	12.3	11.8
NCREIF ODCE	2.2	NA	13.7	8.8

Geographic Region:



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.

City of Ann Arbor VEBA

Vanguard REIT Index Portfolio Detail as of 3/31/16

Mandate: Real Estate
Public REIT
Domestic Equities

Active/Passive: Passive

Market Value: \$5.3 million

Portfolio Manager: Gerard C. O'Reilly

Location: Valley Forge, Pennsylvania

Inception Date: 3/1/2014

Account Type: Mutual Fund (VGSIX)

Fee Schedule:
0.08% 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 (%):	1Q16	Fiscal YTD ¹	1 YR	Since 3/1/14
Vanguard REIT Index	6.3	16.1	3.9	13.3
MSCI U.S. REIT	6.3	16.2	4.1	13.4
Peer Real Estate	5.3	15.7	4.6	14.4
Peer Ranking (percentile)	11	43	74	79

Capitalization Structure:	3/31/16		12/31/15	
	Vanguard REIT Index	MSCI U.S. REIT	Vanguard REIT Index	MSCI U.S. REIT
Weighted Average Market Cap. (US\$ billion)	17.9	27.1	17.0	25.5
Median Market Cap. (US\$ billion)	2.6	13.0	2.5	12.8
Large (% over US\$20 billion)	34	60	29	50
Medium (% US\$3 billion to US\$20 billion)	50	40	54	50
Small (% under US\$3 billion)	16	0	16	0

Fundamental Structure:	3/31/16	MSCI U.S. REIT	12/31/15	MSCI U.S. REIT
Price-Earnings Ratio	37	40	34	41
Price-Book Value Ratio	2.0	2.6	1.9	2.6
Dividend Yield (%)	4.0	3.7	4.1	3.8
Historical Earnings Growth Rate (%)	22	22	19	20
Projected Earnings Growth Rate (%)	3	6	5	6

Diversification:	3/31/16	MSCI U.S. REIT	12/31/15	MSCI U.S. REIT
Number of Holdings	150	35	152	35
% in 5 largest holdings	23	34	24	35
% in 10 largest holdings	37	54	37	54

Largest Ten Holdings:	Weighted Avg. Market Cap. (\$B)	Industry
Simon Property Group	8.3	Real Estate
Public Storage	5.2	Real Estate
Equity Residential REIT	3.5	Real Estate
AvalonBay Communities	3.3	Real Estate
Health Care REIT	3.2	Real Estate
Prologis	3.0	Real Estate
Equinix	2.8	Real Estate
Ventas	2.7	Real Estate
Boston Properties	2.5	Real Estate
General Gw.Props.	2.2	Real Estate

¹ Fiscal Year begins July 1.



City of Ann Arbor VEBA

DRA Growth and Income Fund VIII, LLC Portfolio Detail as of 3/31/16

Strategy: Real Estate
Closed-End
Value-Added

Market Value¹: \$2.5 million

Senior Professionals: Team

Location: New York, New York

Vintage Year: 2014

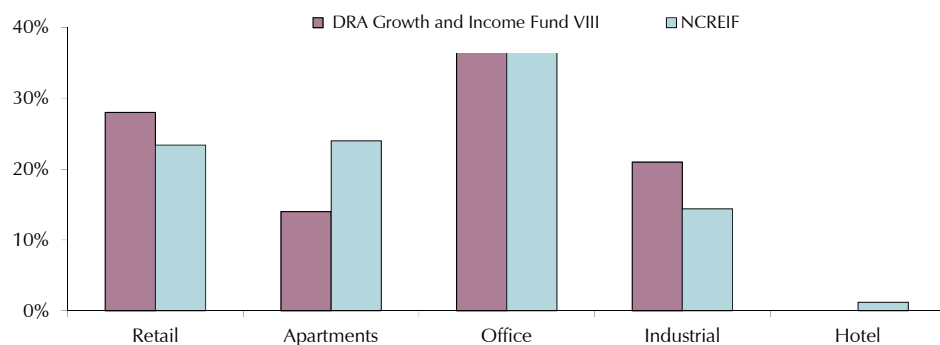
Account Type: Limited Partnership

of Investments¹: 93

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

IRR¹: 14.1%

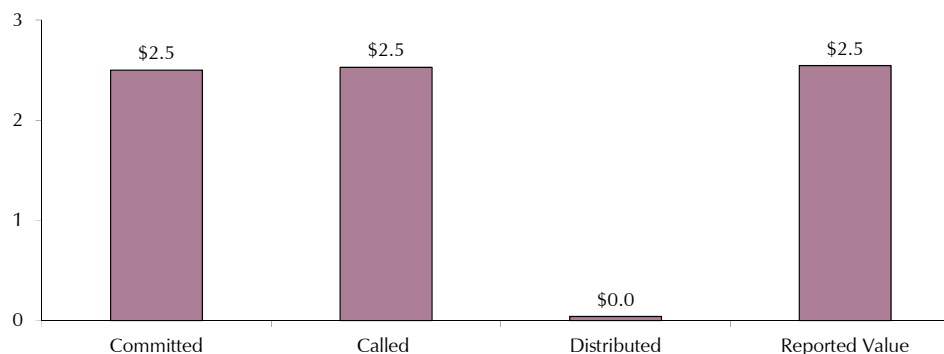
Property Type:



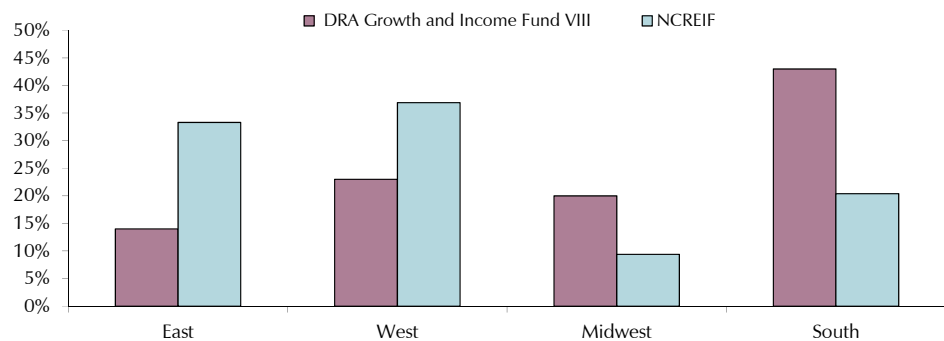
Investment Strategy:

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.

Portfolio Size:



Geographic Region:



¹ Net IRR is as of December 31, 2015.

