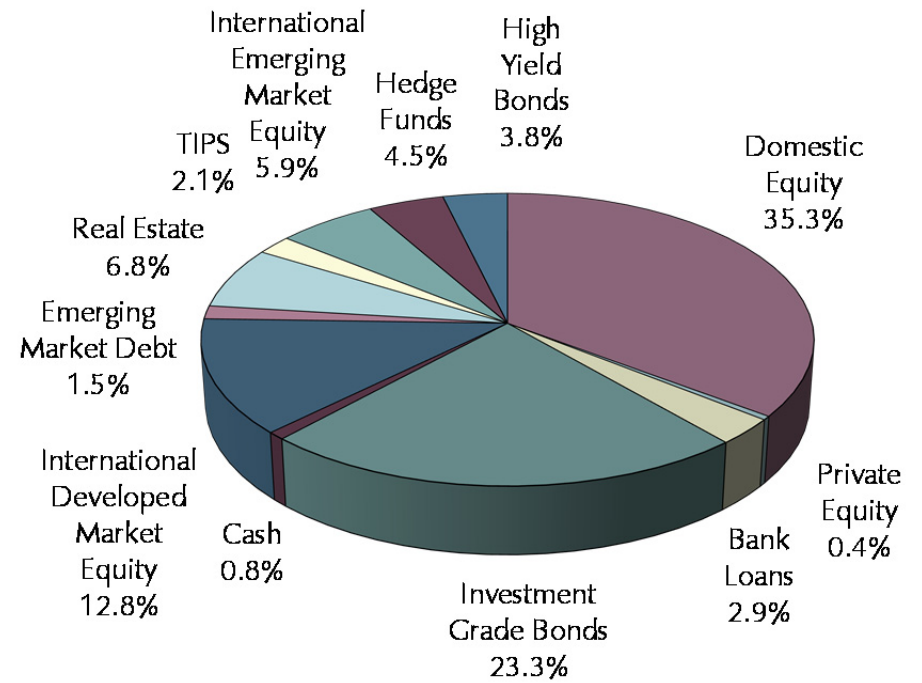
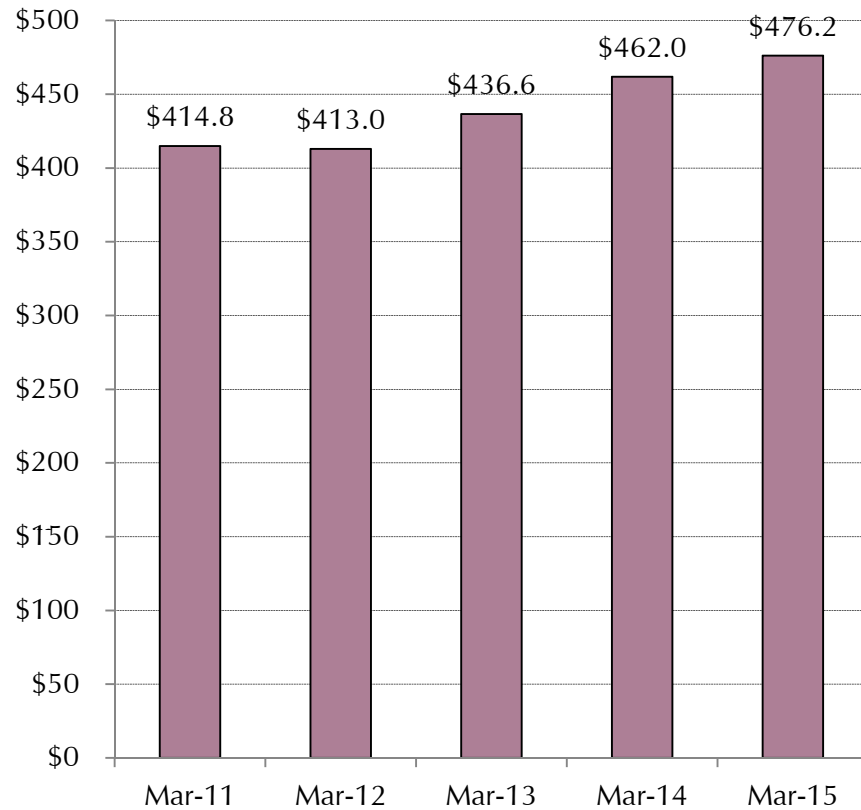


**Retirement System Summary
As of March 31, 2015**

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

**Aggregate Assets
as of 3/31/15**



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Asset Summary as of 3/31/15

	Market Value 3/31/15 (\$ mm)	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 12/31/14 (\$ mm)
Total Retirement System	476.2	100	NA	NA	472.1
Domestic Equity Assets	167.9	35	31	25-37	174.3
International Developed Market Equity Assets	60.8	13	12	9-15	53.0
International Emerging Market Equity Assets	28.2	6	6	0-9	23.5
Private Equity Assets	1.9	< 1	3	0-5	1.0
Investment Grade Bond Assets	110.8	23	19	15-24	109.1
TIPS Assets	10.1	2	8	0-10	9.9
High Yield Bond Assets	18.0	4	3	1-5	17.7
Bank Loan Assets	14.0	3	2	0-4	13.7
Emerging Market Debt Assets	7.0	1	2	0-4	7.2
Real Estate Assets	32.2	7	9	2-12	37.1
Natural Resources Assets	0.0	0	3	0-5	0.0
Hedge Fund Assets	21.2	4	2	1-5	22.2
Cash	4.0	< 1	0	< 5	3.2



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Portfolio Roster as of 3/31/15

	Market Value 3/31/15 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 12/31/14 (\$ mm)
Total Retirement System	476.2	NA	100	NA	NA	472.1
Domestic Equity Assets	167.9	100	35	31	25-37	174.3
Northern Trust Russell 1000 Index	117.7	70	25			126.6
Northern Trust S&P 400 MidCap Index	23.6	14	5			22.4
Loomis Sayles Small Cap Value Equity	26.7	16	6			25.4
International Developed Market Equity Assets	60.8	100	13	12	9-15	53.0
Northern Trust MSCI EAFE Index	31.9	53	7			25.9
Fisher Institutional Foreign Equity	28.9	47	6			27.1
International Emerging Market Equity Assets	28.2	100	6	6	0-9	23.5
Dimensional Emerging Markets Value	18.0	64	4			13.4
Vontobel Emerging Markets Equity	10.3	36	2			10.1
Private Equity Assets	1.9	100	< 1	3	0-5	1.0
Summit Partners Credit Fund II ¹	1.9	100	< 1			1.0
Investment Grade Bond Assets	110.8	100	23	19	15-24	109.1
Northern Trust Barclays Aggregate Index	68.4	62	14			67.3
Short Duration Bonds	42.4	38	9			41.8
Northern Trust 1-5 Year Credit Bond	38.1	34	8			37.6
Northern Trust Short-Term Government Bond	4.3	4	< 1			4.3

¹ Market value is as of 12/31/14, adjusted for subsequent cash flows.



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Portfolio Roster as of 3/31/15

	Market Value 3/31/15 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 12/31/14 (\$ mm)
TIPS Assets	10.1	100	2	8	0-10	9.9
IR&M 1-10 Year Index	10.1	100	2			9.9
High Yield Bond Assets	18.0	100	4	3	1-5	17.7
SKY Harbor High Yield	18.0	100	4			17.7
Bank Loan Assets	14.0	100	3	2	0-4	13.7
Beach Point Leveraged Loan	14.0	100	3			13.7
Emerging Market Debt Assets	7.0	100	1	2	0-4	7.2
Stone Harbor Emerging Markets Local Currency Debt	7.0	100	1			7.2
Real Estate Assets	32.2	100	7	9	2-12	37.1
A.E.W Core Property Trust	20.5	64	4			20.1
Intercontinental Real Estate Investment Fund III ¹	6.9	22	1			11.8
INVESCO Mortgage Recovery Loans ²	2.9	9	< 1			3.7
DRA Growth and Income Fund VIII ¹	1.8	6	< 1			1.5
INVESCO Mortgage Recovery Feeder ²	0.1	< 1	< 1			0.1

¹ Market value is as of 12/31/14, adjusted for subsequent cash flows.

² The 12/31/14 market value is not yet available, market value is as of 9/30/14, adjusted for subsequent cash flows.



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Portfolio Roster as of 3/31/15

	Market Value 3/31/15 (\$ mm)	% of Asset Class	% of Retirement System	Target Allocation (%)	Target Range (%)	Market Value 12/31/14 (\$ mm)
Hedge Fund Assets¹	21.2	100	4	2	1-5	22.2
36 South Kohinoor Series Three ²	9.2	43	2			0.0
Optima Fund, Ltd.	6.0	28	1			5.8
Tse Capital Offshore Fund, Ltd. ²	5.0	24	1			0.0
BlackRock Multi Manager Partners (Offshore), Ltd. ³	1.0	5	< 1			9.9
Cash	4.0	100	< 1	0	< 5	3.2
Northern Trust Cash Account	4.0	100	< 1			3.2

¹ Market values are preliminary.

² Funded February 1, 2015.

³ 10% holdback required by Blackrock.



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Performance as of 3/31/15

	1Q15 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Total Retirement System	2.2	3.4	7.6	9.2	9.1	6.5	10/1/90	8.7
Net of Fees	2.2	3.3	7.4	8.9	8.9	NA		NA
<i>Policy Benchmark²</i>	2.1	2.0	5.7	8.6	9.1	6.6		8.8
<i>Actual Allocation Benchmark</i>	2.5	3.4	7.1	9.3	NA	NA		NA
<i>60% MSCI ACWI/ 40% Barclays Aggregate</i>	2.1	1.7	5.6	7.8	7.4	6.2		NA
Domestic Equity	2.7	7.3	12.5	16.5	15.4	8.9	10/1/90	10.4
<i>Russell 3000</i>	1.8	7.1	12.4	16.4	14.7	8.4		10.7
International Developed Market Equity	5.7	-0.6	2.1	7.0	6.5	5.8	10/1/95	8.8
<i>MSCI EAFE</i>	4.9	-4.8	-0.9	9.0	6.2	4.9		5.1
International Emerging Market Equity	0.5	-7.2	-0.2	0.0	NA	NA	2/1/12	1.1
<i>MSCI Emerging Markets</i>	2.2	-5.8	0.4	0.3	1.7	8.5		1.1
Investment Grade Bonds ³	1.4	2.7	5.0	3.5	4.7	5.5	10/1/90	6.5
<i>Barclays Aggregate</i>	1.6	3.6	5.7	3.1	4.4	4.9		6.5
TIPS	1.3	-1.8	1.1	NA	NA	NA	11/1/13	0.3
<i>Barclays U.S. TIPS</i>	1.4	-0.7	3.1	0.6	4.3	4.6		1.7
<i>Barclays U.S. TIPS 1-10 Year</i>	1.2	-1.8	1.1	-0.1	2.9	4.0		0.2

¹ Fiscal year began 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 3/31/15

	1Q15 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Total Retirement System (continued)	2.2	3.4	7.6	9.2	9.1	6.5	10/1/90	8.7
Net of Fees (continued)	2.2	3.3	7.4	8.9	8.9	NA		NA
High Yield Bonds	1.9	-2.0	0.4	6.8	7.7	NA	7/1/09	10.8
<i>Barclays High Yield</i>	2.5	-0.4	2.0	7.5	8.6	8.2		12.0
Bank Loans	2.1	2.7	3.6	6.6	NA	NA	4/1/12	6.6
<i>CSFB Leveraged Loan</i>	2.1	1.3	2.8	5.3	5.4	4.7		5.3
Emerging Market Debt	-3.2	-16.4	-13.3	NA	NA	NA	6/1/12	-4.6
<i>JPM GBI-EM Global Diversified (unhedged)</i>	-4.0	-14.6	-11.1	-3.9	0.7	6.3		-1.8
Real Estate	1.4	9.7	21.6	16.1	14.0	5.9	7/1/03	7.4
<i>NCREIF ODCE Equal Weighted</i>	3.3	10.2	13.2	12.4	14.3	6.7		7.5
Hedge Funds	0.7	5.2	6.5	4.1	3.5	NA	7/1/09	5.1
<i>HFRI Fund Weighted Composite Index</i>	2.4	2.2	4.3	5.4	4.6	5.3		6.0

¹ Fiscal year began July 1.



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Performance as of 3/31/15

	1Q15 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Domestic Equity	2.7	7.3	12.5	16.5	15.4	8.9	10/1/90	10.4
Northern Trust Russell 1000 Index	1.6	7.2	12.7	16.4	14.7	NA	7/1/06	8.4
Net of Fees	1.6	7.2	12.7	16.4	14.7	NA		8.3
<i>Russell 1000</i>	1.6	7.2	12.7	16.4	14.7	8.3		8.3
Northern Trust S&P 400 MidCap Index	5.3	7.5	12.2	17.0	15.7	NA	6/1/07	8.4
Net of Fees	5.3	7.5	12.2	17.0	15.7	NA		NA
<i>S&P MidCap</i>	5.3	7.5	12.2	17.0	15.7	10.3		8.3
Loomis Sayles Small Cap Value Equity	4.9	6.1	10.2	16.5	15.9	10.6	4/1/97	12.0
Net of Fees	4.7	5.6	9.4	15.7	15.1	9.9		NA
<i>Russell 2000 Value</i>	2.0	2.0	4.4	14.8	12.5	7.5		9.8
International Developed Market Equity	5.7	-0.6	2.1	7.0	6.5	5.8	10/1/95	8.8
Northern Trust MSCI EAFE Index	5.0	NA	NA	NA	NA	NA	12/1/14	1.4
Net of Fees	5.0	NA	NA	NA	NA	NA		1.3
<i>MSCI EAFE</i>	4.9	-4.8	-0.9	9.0	6.2	4.9		1.2
Fisher Institutional Foreign Equity	6.6	-0.9	1.9	8.5	8.3	NA	2/1/07	4.0
Net of Fees	6.3	-1.5	1.1	7.6	7.4	NA		NA
<i>MSCI EAFE</i>	4.9	-4.8	-0.9	9.0	6.2	4.9		1.4

¹ Fiscal year began July 1.



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Performance as of 3/31/15

	1Q15 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
International Emerging Market Equity	0.5	-7.2	-0.2	0.0	NA	NA	2/1/12	1.1
Dimensional Emerging Markets Value ²	-0.2	-10.6	-3.9	-1.8	NA	NA	2/1/12	-1.2
<i>MSCI Emerging Markets</i>	2.2	-5.8	0.4	0.3	1.7	8.5		1.1
Vontobel Emerging Markets Equity	1.8	-1.6	6.1	3.7	NA	NA	2/1/12	5.5
Net of Fees	1.5	-2.4	4.9	2.5	NA	NA		4.3
<i>MSCI Emerging Markets</i>	2.2	-5.8	0.4	0.3	1.7	8.5		1.1
Investment Grade Bonds³	1.4	2.7	5.0	3.5	4.7	5.5	10/1/90	6.5
Northern Trust Barclays Aggregate Index	1.6	3.7	5.8	3.1	4.4	4.9	7/1/98	5.4
Net of Fees	1.6	3.6	5.8	3.0	4.3	4.9		NA
<i>Barclays Aggregate</i>	1.6	3.6	5.7	3.1	4.4	4.9		5.4
Short Duration Bonds	1.1	1.2	2.0	NA	NA	NA	2/1/13	1.6
Northern Trust 1-5 Year Credit Bond	1.1	1.3	2.2	NA	NA	NA	2/1/13	1.8
Net of Fees	1.1	1.3	2.2	NA	NA	NA		1.8
<i>Barclays 1-5 Year Credit</i>	1.1	1.4	2.3	2.5	3.3	4.3		2.0
Northern Trust Short-Term Government Bond	0.5	0.7	1.0	NA	NA	NA	2/1/13	0.7
Net of Fees	0.5	0.7	1.0	NA	NA	NA		0.6
<i>Barclays 1-3 Year Government</i>	0.5	0.8	1.0	0.7	1.1	2.7		0.7

¹ Fiscal year began July 1.

² Returns shown as 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 3/31/15

	1Q15 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
TIPS	1.3	-1.8	1.1	NA	NA	NA	11/1/13	0.3
IR&M 1-10 Year Index	1.3	-1.8	1.1	NA	NA	NA	11/1/13	0.3
Net of Fees	1.3	-1.9	1.0	NA	NA	NA		0.2
<i>Barclays U.S. TIPS 1-10 Year</i>	1.2	-1.8	1.1	-0.1	2.9	4.0		0.2
High Yield Bonds	1.9	-2.0	0.4	6.8	7.7	NA	7/1/09	10.8
SKY Harbor High Yield	1.9	-2.0	0.4	NA	NA	NA	9/1/12	6.0
Net of Fees	1.8	-2.4	-0.2	NA	NA	NA		5.4
<i>Barclays High Yield</i>	2.5	-0.4	2.0	7.5	8.6	8.2		6.7
Bank Loans	2.1	2.7	3.6	6.6	NA	NA	4/1/12	6.6
Beach Point Leveraged Loan	2.1	2.7	3.6	6.6	NA	NA	4/1/12	6.6
Net of Fees	1.9	2.2	2.9	6.0	NA	NA		6.0
<i>CSFB Leveraged Loan</i>	2.1	1.3	2.8	5.3	5.4	4.7		5.3
Emerging Market Debt	-3.2	-16.4	-13.3	NA	NA	NA	6/1/12	-4.6
Stone Harbor Emerging Markets Local Currency Debt ²	-3.2	-16.4	-13.3	NA	NA	NA	6/1/12	-4.6
<i>JPM GBI-EM Global Diversified (unhedged)</i>	-4.0	-14.6	-11.1	-3.9	0.7	6.3		-1.8

¹ Fiscal year began July 1.

² Returns shown as net of fees.



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Performance as of 3/31/15

	1Q15 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Real Estate²	1.4	9.7	21.6	16.1	14.0	5.9	7/1/03	7.4
A.E.W Core Property Trust	2.0	7.9	10.3	NA	NA	NA	7/1/13	10.9
NCREIF ODCE	3.4	10.2	13.5	12.7	14.5	7.0		13.2
Hedge Funds³	0.7	5.2	6.5	4.1	3.5	NA	7/1/09	5.1
36 South Kohinoor Series Three ⁴	NA	NA	NA	NA	NA	NA	2/1/15	-2.2
HFRI Macro Index	3.4	8.1	9.5	2.5	2.4	4.6		0.9
Optima Fund, Ltd.	2.4	6.0	3.2	1.8	1.8	NA	3/1/10	2.0
HFRI Macro Index	3.4	8.1	9.5	2.5	2.4	4.6		2.7
Tse Capital Offshore Fund, Ltd.	NA	NA	NA	NA	NA	NA	2/1/15	5.1
HFRI Macro Index	3.4	8.1	9.5	2.5	2.4	4.6		0.9

¹ Fiscal year began July 1.

² Intercontinental 3/31/15 market value is not yet available.

³ Performance is preliminary as of March 31, 2015.

⁴ Returns are shown net of fees.



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

**Aggregate Assets
Calendar Year Performance**

	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)
Total Retirement System	6.4	15.0	11.6	0.6	15.1	18.8	-26.3	6.4	14.6	7.1
Net of Fees	6.2	14.7	11.4	0.3	14.8	18.5	-26.4	NA	NA	NA
<i>Policy Benchmark¹</i>	5.5	12.9	12.9	1.9	15.6	19.7	-26.0	5.0	15.1	7.5
<i>Actual Allocation Benchmark</i>	6.1	15.4	12.0	NA	NA	NA	NA	NA	NA	NA
<i>60% MSCI ACWI/ 40% Barclays Aggregate</i>	5.0	12.3	11.5	-1.1	10.8	23.0	-25.8	9.9	14.1	7.5
Domestic Equity	11.7	33.5	16.8	0.5	21.7	32.5	-38.1	3.9	14.4	7.6
Northern Trust Russell 1000 Index	13.2	33.1	16.4	1.6	16.3	28.9	-37.5	5.9	NA	NA
Net of Fees	13.2	33.1	16.4	1.5	16.3	28.9	-37.6	5.8	NA	NA
<i>Russell 1000</i>	13.2	33.1	16.4	1.5	16.1	28.4	-37.6	5.8	15.5	6.3
Northern Trust S&P 400 MidCap Index	9.8	33.5	17.9	-1.7	26.7	38.0	-36.3	NA	NA	NA
Net of Fees	9.7	33.5	17.9	-1.7	26.7	38.0	-36.3	NA	NA	NA
<i>S&P MidCap</i>	9.8	33.5	17.9	-1.7	26.6	37.4	-36.2	8.0	10.3	12.6
Loomis Sayles Small Cap Value Equity	6.4	36.1	17.0	-0.1	25.1	29.5	-31.2	3.2	20.8	9.1
Net of Fees	5.6	35.1	16.2	-0.8	24.3	28.5	-31.5	2.6	20.2	8.2
<i>Russell 2000 Value</i>	4.2	34.5	18.1	-5.5	24.5	20.6	-28.9	-9.8	23.5	4.7

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



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

**Aggregate Assets
Calendar Year Performance**

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

¹ Returns shown as net of fees.



City of Ann Arbor
Employees' Retirement System

Aggregate Assets
Calendar Year Performance

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

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



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

**Aggregate Assets
Calendar Year Performance**

	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)
Bank Loans	2.7	7.1	NA	NA	NA	NA	NA	NA	NA	NA
Beach Point Leveraged Loan	2.7	7.1	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	2.0	6.4	NA	NA	NA	NA	NA	NA	NA	NA
<i>CSFB Leveraged Loan</i>	2.0	6.2	9.4	1.8	10.0	44.9	-28.8	1.9	7.2	5.7
Emerging Market Debt	-8.5	-12.6	NA	NA	NA	NA	NA	NA	NA	NA
Stone Harbor Emerging Markets Local Currency Debt ¹	-8.5	-12.6	NA	NA	NA	NA	NA	NA	NA	NA
<i>JPM GBI-EM Global Diversified (unhedged)</i>	-5.7	-9.0	16.8	-1.8	15.7	22.0	-5.2	18.1	15.2	6.3
Real Estate	22.0	11.5	16.7	7.7	13.6	-33.3	-10.4	3.1	23.4	14.4
A.E.W Core Property Trust	10.3	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>NCREIF ODCE</i>	12.5	14.0	10.9	16.0	16.4	-29.8	-10.0	16.0	16.3	21.4
Hedge Funds	5.0	7.4	1.6	-2.1	5.8	NA	NA	NA	NA	NA
Optima Fund, Ltd.	-2.1	5.2	1.8	-1.8	NA	NA	NA	NA	NA	NA
<i>HFRI Macro Index</i>	5.6	-0.4	-0.1	-4.1	8.1	4.3	4.8	11.1	8.2	6.8

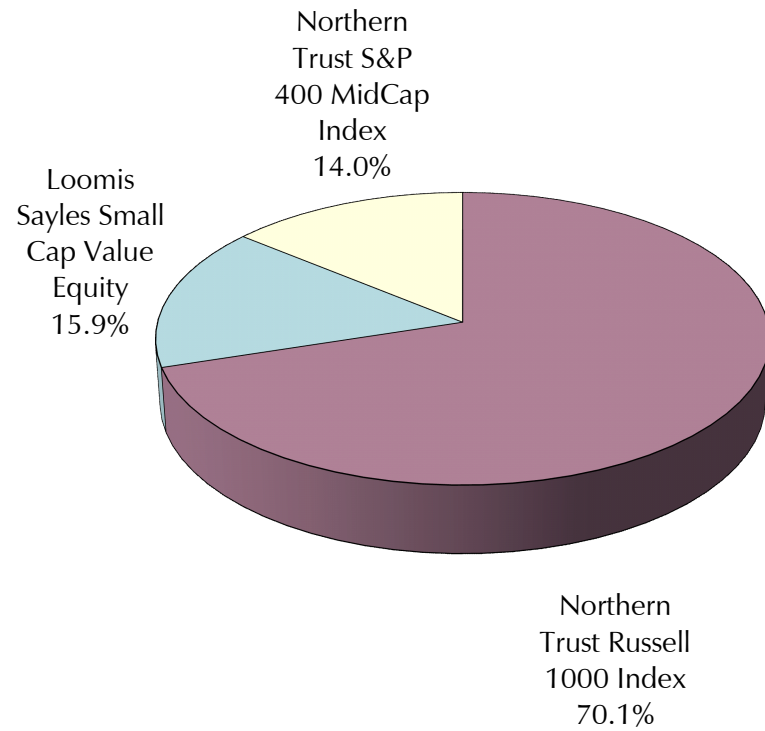
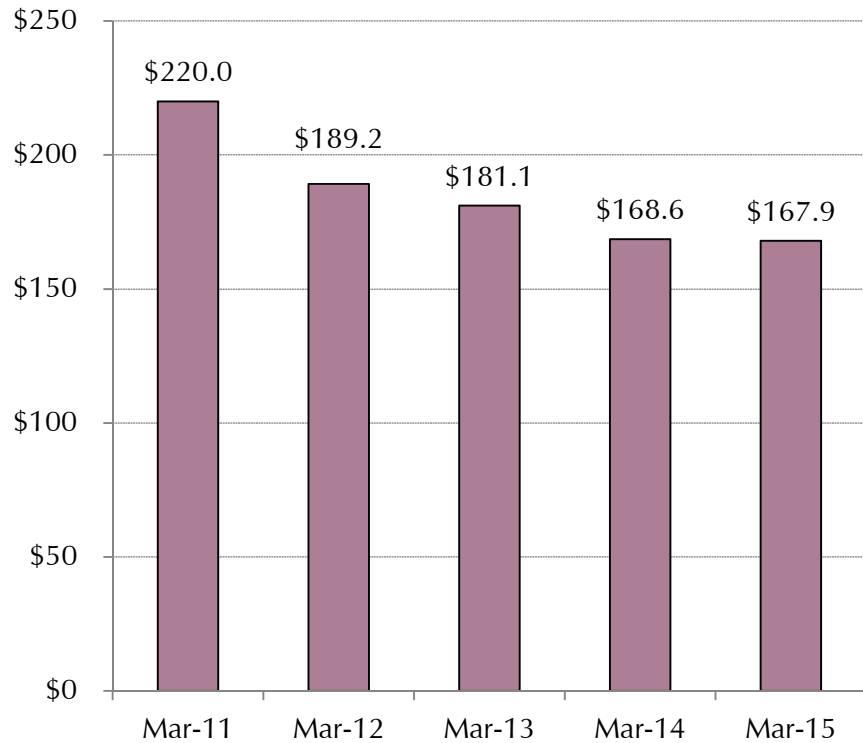
¹ Returns shown as net of fees.



**Domestic Equity Assets
As of March 31, 2015**

City of Ann Arbor Employees' Retirement System

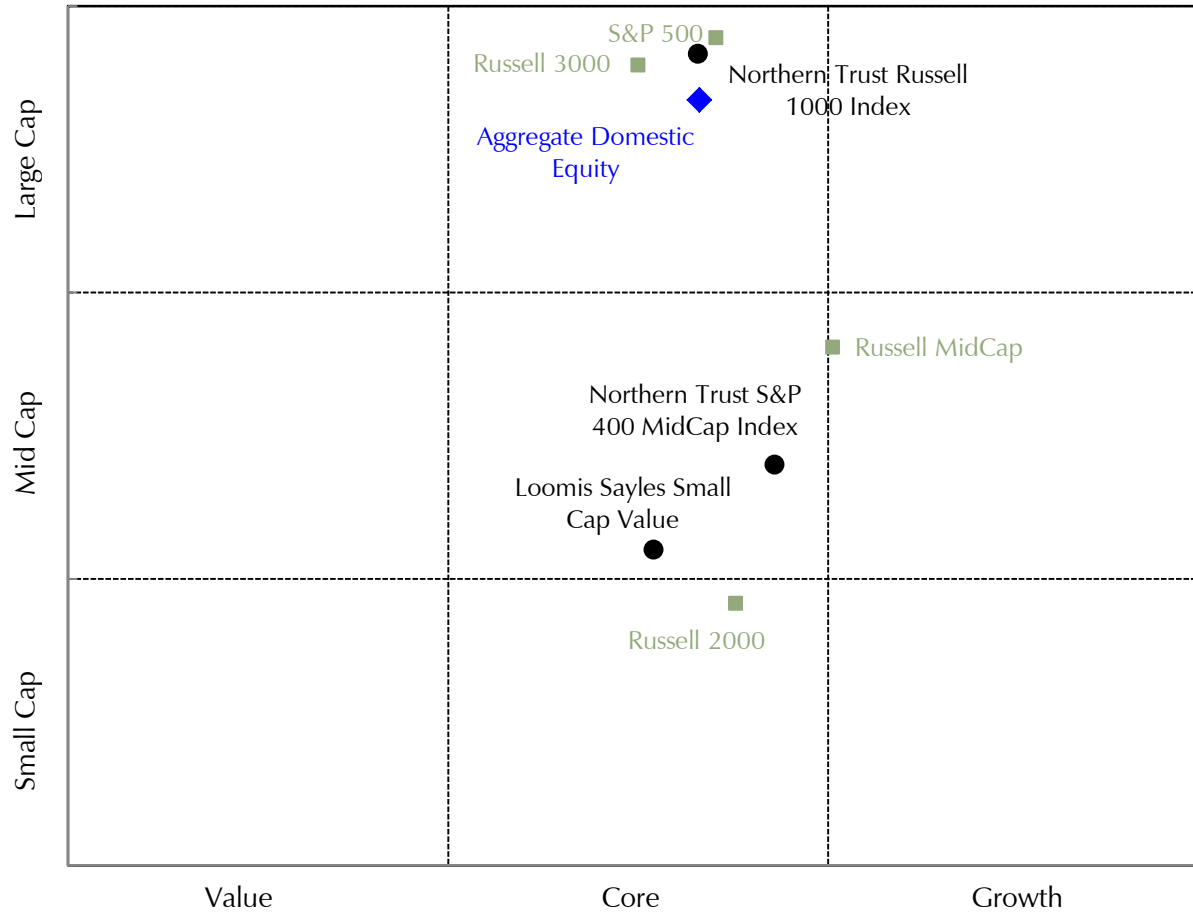
Domestic Equity Assets as of 3/31/15



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

**Domestic Equity Assets
Risk as of 3/31/15**

Risk: (sixty months)	Aggregate Domestic Equity 3/31/15	Russell 3000 3/31/15
Annualized Return (%)	15.4	14.7
Standard Deviation (%)	16.3	15.5
Best Monthly Return (%)	12.6	11.5
Worst Monthly Return (%)	-8.9	-7.9
Beta	1.04	1.00
Correlation to Index	0.99	1.00
Correlation to Total Fund Return	0.98	NA
Sharpe Measure (risk-adjusted return)	0.94	0.95
Information Ratio	0.41	NA



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

**Domestic Equity Assets
Characteristics as of 3/31/15**

	Aggregate Domestic Equity 3/31/15	Russell 3000 3/31/15	Aggregate Domestic Equity 12/31/14
Capitalization Structure:			
Weighted Average Market Cap. (US\$ billion)	80.3	103.5	81.8
Median Market Cap. (US\$ billion)	6.3	1.5	6.1
Large (% over US\$20 billion)	53	69	54
Medium (% US\$3 billion to US\$20 billion)	35	24	33
Small (% under US\$3 billion)	13	7	13
Fundamental Structure:			
Price-Earnings Ratio	21	20	20
Price-Book Value Ratio	2.8	2.5	2.9
Dividend Yield (%)	1.8	1.9	1.8
Historical Earnings Growth Rate (%)	14	13	13
Projected Earnings Growth Rate (%)	11	11	12

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

**Domestic Equity Assets
Diversification as of 3/31/15**

Diversification:	Aggregate Domestic Equity 3/31/15	Russell 3000 3/31/15	Aggregate Domestic Equity 12/31/14
Number of Holdings	1,253	3,013	1,252
% in 5 largest holdings	7	9	7
% in 10 largest holdings	11	14	11

Largest Five Holdings:

Apple

2.5

Technology Equipment

ExxonMobil

1.2

Energy

Microsoft

1.1

Software & Services

Johnson & Johnson

0.9

Pharmaceuticals & Biotech.

Equinix

0.9

Software & Services

% of Portfolio

Economic Sector

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

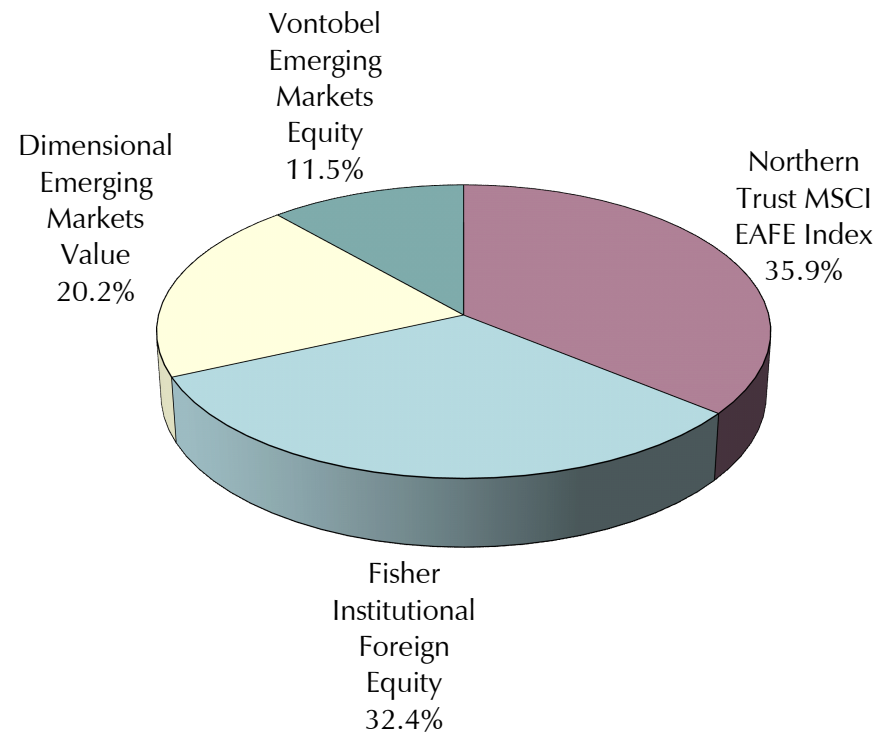
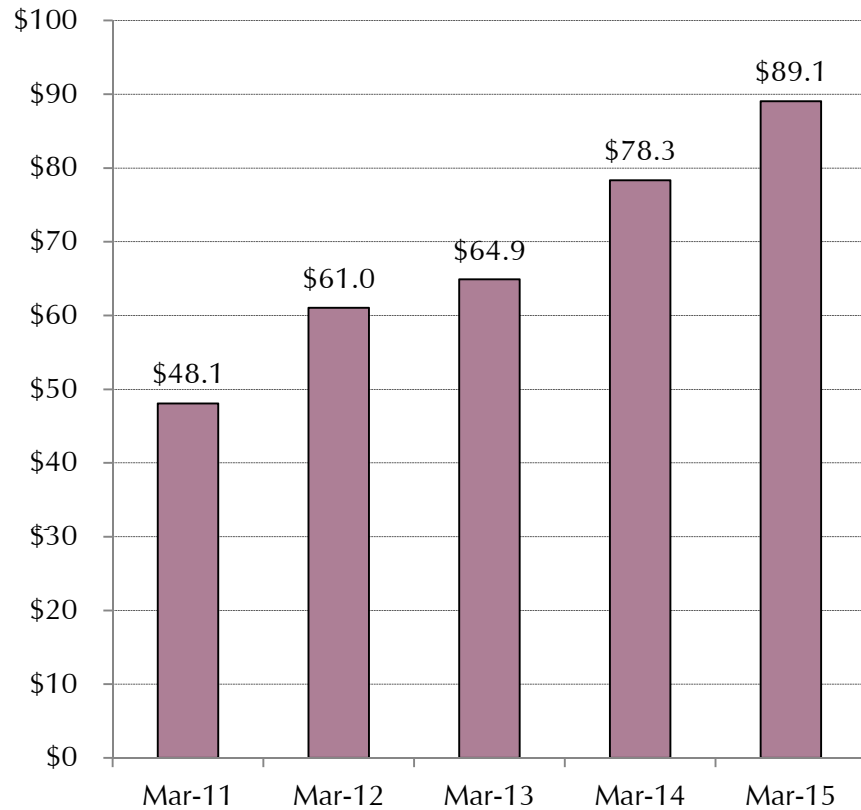
**Domestic Equity Assets
Sector Allocation as of 3/31/15**

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

**International Equity Assets
As of March 31, 2015**

City of Ann Arbor Employees' Retirement System

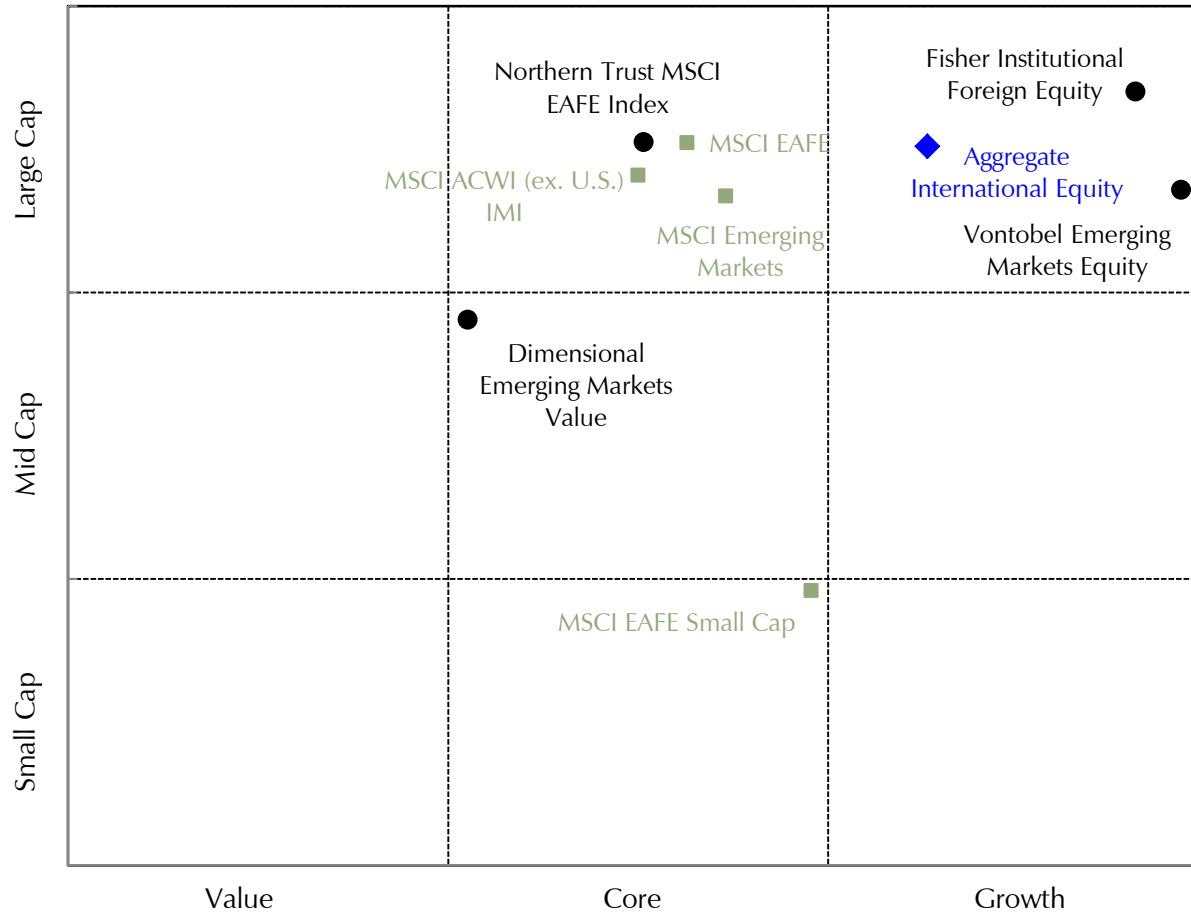
International Equity Assets as of 3/31/15



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

**International Equity Assets
Risk as of 3/31/15**

Risk: (sixty months)	Aggregate International Equity 3/31/15	MSCI ACWI (ex. U.S.) IMI 3/31/15
Annualized Return (%)	5.2	5.0
Standard Deviation (%)	18.2	17.3
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)	0.28	0.29
Information Ratio	0.07	NA



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

**International Equity Assets
Characteristics as of 3/31/15**

	Aggregate International Equity 3/31/15	MSCI ACWI (ex. U.S.) IMI 3/31/15	Aggregate International Equity 12/31/14
Capitalization Structure:			
Weighted Average Market Cap. (US\$ billion)	57.5	46.7	60.0
Median Market Cap. (US\$ billion)	1.1	1.2	1.1
Large (% over US\$20 billion)	67	54	71
Medium (% US\$3 billion to US\$20 billion)	26	34	27
Small (% under US\$3 billion)	7	12	2
Fundamental Structure:			
Price-Earnings Ratio	18	18	17
Price-Book Value Ratio	2.5	1.6	2.4
Dividend Yield (%)	2.7	2.8	2.1
Historical Earnings Growth Rate (%)	10	9	11
Projected Earnings Growth Rate (%)	11	10	13

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

**International Equity Assets
Diversification as of 3/31/15**

	Aggregate International Equity 3/31/15	MSCI ACWI (ex. U.S.) IMI 3/31/15	Aggregate International Equity 12/31/14
Diversification:			
Number of Holdings	3,123	6,061	3,105
% in 5 largest holdings	7	5	11
% in 10 largest holdings	13	8	20
Largest Five Holdings:		% of Portfolio	Economic Sector
Novartis	1.6	Pharmaceuticals & Biotech.	
Bayer	1.6	Pharmaceuticals & Biotech.	
Novo Nordisk	1.5	Pharmaceuticals & Biotech.	
Roche	1.3	Pharmaceuticals & Biotech.	
Prudential	1.2	Insurance	

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

**International Equity Assets
Sector Allocation as of 3/31/15**

Sector Allocation (%):	Aggregate International Equity 3/31/15	MSCI ACWI (ex. U.S.) IMI 3/31/15	Aggregate International Equity 12/31/14
Health Care	11	9	11
Information Technology	10	8	10
Consumer Discretionary	14	13	21
Consumer Staples	10	9	8
Financials	27	27	22
Industrials	12	12	12
Materials	7	8	4
Utilities	2	3	1
Energy	5	7	4
Telecommunication Services	2	5	5

City of Ann Arbor
Employees' Retirement System

International Equity Assets
Country & Region Breakdown as of 3/31/15

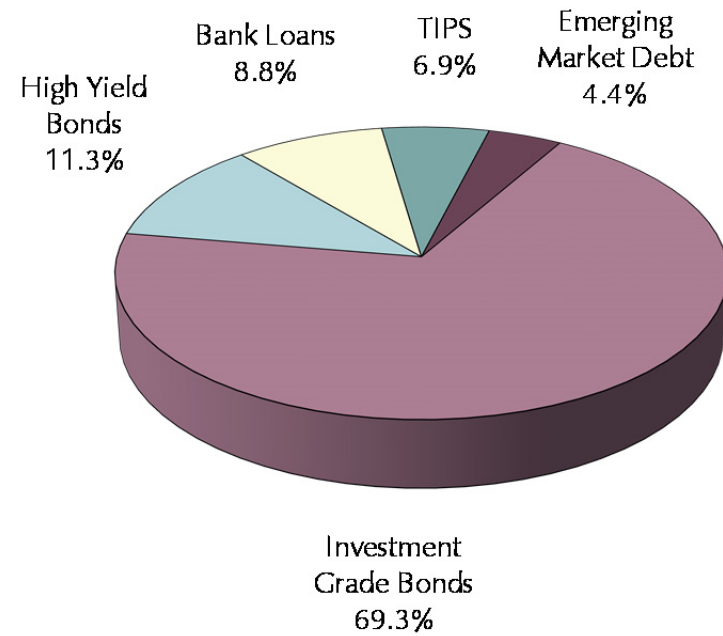
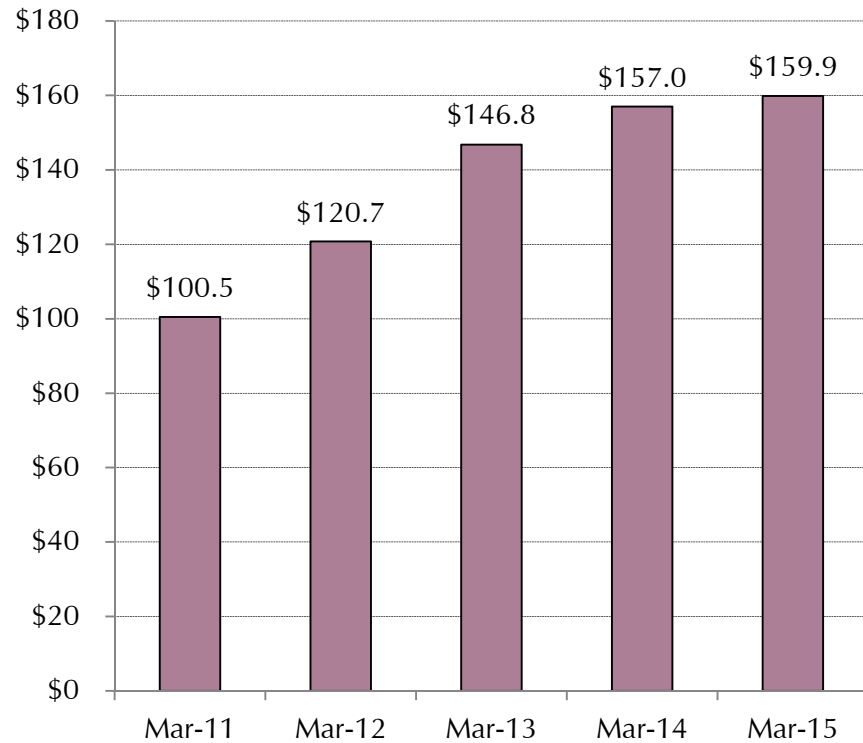
	Aggregate International Equity 3/31/15 (%)	MSCI ACWI (ex. U.S.) IMI 3/31/15 (%)		Aggregate International Equity 3/31/15 (%)	MSCI ACWI (ex. U.S.) IMI 3/31/15 (%)
North America	1.3	6.9	Asia Pacific	19.9	27.4
Canada	1.2	6.7	Singapore	1.1	1.1
Europe	50.3	45.8	Hong Kong	3.9	4.4
Germany	9.2	6.4	Australia	3.8	5.1
United Kingdom	14.0	12.7	Japan	11.1	16.6
Switzerland	7.6	6.5	Emerging	28.2	19.4
Denmark	1.9	1.2	India	4.3	1.7
France	6.5	6.1	Taiwan	4.5	2.9
Ireland	1.0	0.7	Brazil	2.8	1.5
Netherlands	3.2	3.0	Mexico	2.1	1.0
Belgium	1.2	0.9	Thailand	1.2	0.6
Italy	1.5	1.7	Indonesia	1.1	0.6
Spain	1.8	2.4	South Africa	2.2	1.7
Sweden	1.5	2.3	South Korea	3.8	3.3
			Malaysia	1.1	0.8
			China	3.1	2.7



**Fixed Income Assets
As of March 31, 2015**

City of Ann Arbor
Employees' Retirement System

Fixed Income Assets
as of 3/31/15



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

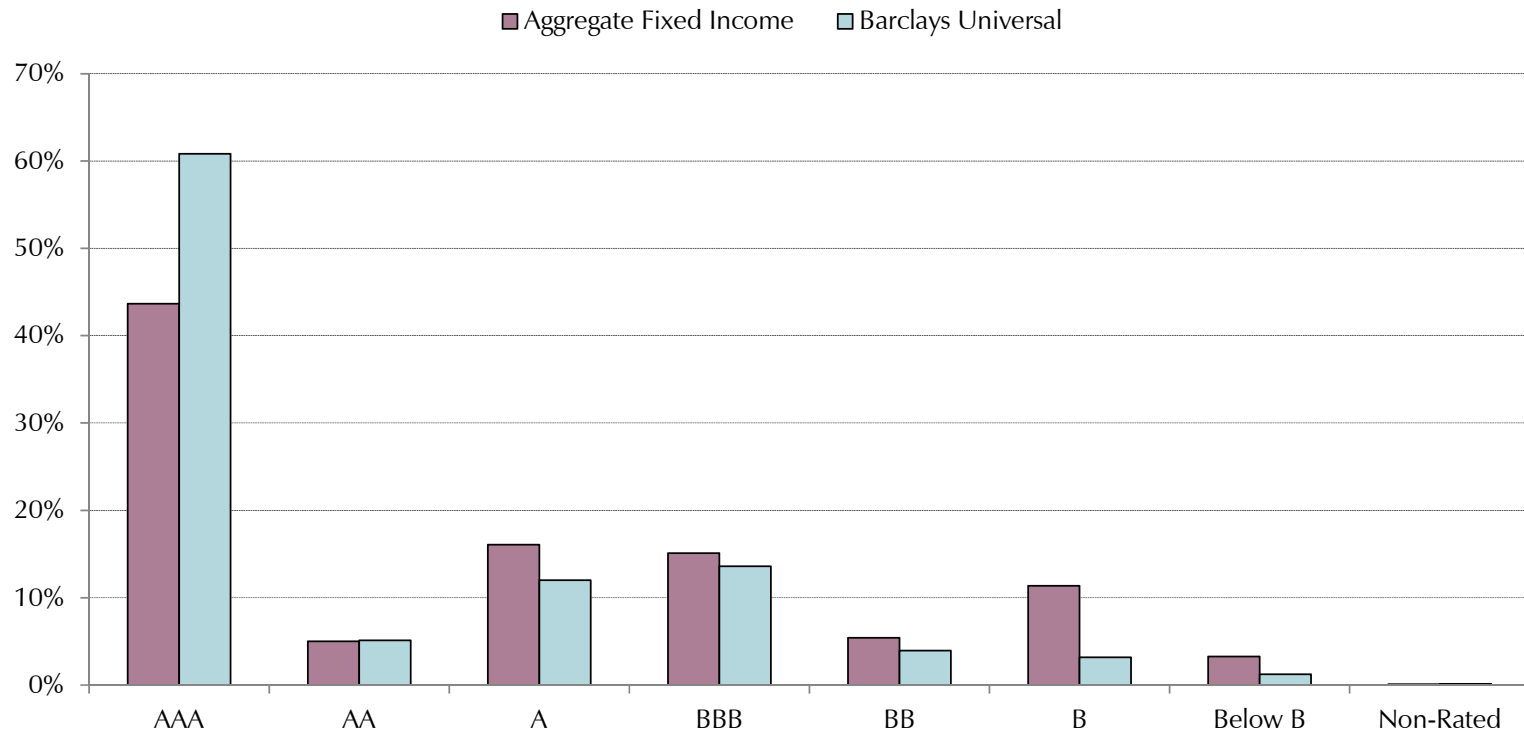
**Fixed Income Assets
Risk as of 3/31/15**

Risk: (sixty months)	Aggregate Fixed Income 3/31/15	Barclays Universal 3/31/15
Annualized Return (%)	4.6	4.7
Standard Deviation (%)	2.7	2.8
Best Monthly Return (%)	1.5	1.9
Worst Monthly Return (%)	-1.8	-1.8
Beta	0.87	1.00
Correlation to Index	0.90	1.00
Correlation to Total Fund Return	0.36	NA
Sharpe Measure (risk-adjusted return)	1.65	1.65
Information Ratio	Neg.	NA

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

**Fixed Income Assets
Characteristics as of 3/31/15**

Duration & Yield:	Aggregate Fixed Income 3/31/15	Barclays Universal 3/31/15	Aggregate Fixed Income 12/31/14
Average Effective Duration (years)	4.1	5.3	4.1
Yield to Maturity (%)	3.0	2.5	3.2



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

**Fixed Income Assets
Diversification as of 3/31/15**

	Aggregate Fixed Income 3/31/15	Barclays Universal 3/31/15	Aggregate Fixed Income 12/31/14
Market Allocation (%):			
United States	80	82	79
Foreign (developed markets)	14	11	13
Foreign (emerging markets)	7	7	7
Currency Allocation (%):			
Non-U.S. Dollar Exposure	5	0	5
Sector Allocation (%):			
U.S. Treasury-Nominal	18	30	18
U.S. Treasury-TIPS	6	0	6
U.S. Agency	4	3	4
Mortgage Backed	12	24	12
Corporate	39	31	40
Bank Loans	8	0	8
Local & Provincial Government	1	1	1
Sovereign & Supranational	10	8	9
Commercial Mortgage Backed	1	2	1
Asset Backed	0	0	0
Cash Equivalent	1	0	1
Other	0	0	0

**Domestic Equity Portfolio Reviews
As of March 31, 2015**

City of Ann Arbor Employees' Retirement System

Northern Trust Russell 1000 Index Portfolio Detail as of 3/31/15

Mandate: Domestic Equities
Active/Passive: Passive
Market Value: \$117.7 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 (%):	1Q15	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 7/1/06
Northern Trust Russell 1000 Index	1.6	7.2	12.7	16.4	14.7	8.4
Net of Fees	1.6	7.2	12.7	16.4	14.7	8.3
Russell 1000	1.6	7.2	12.7	16.4	14.7	8.3

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Northern Trust Russell 1000 Index-NL	15.1%	1.00	0.97	NA	1.00
Russell 1000	15.1	1.00	0.97	NA	1.00

	3/31/15		12/31/14	
	Northern Trust Russell 1000 Index	Russell 1000	Northern Trust Russell 1000 Index	Russell 1000
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	112.1	112.2	110.8	110.9
Median Market Cap. (US\$ billion)	8.2	8.2	7.8	7.8
Large (% over US\$20 billion)	75	75	75	75
Medium (% US\$3 billion to US\$20 billion)	24	24	24	24
Small (% under US\$3 billion)	1	1	1	1

Fundamental Structure:				
Price-Earnings Ratio	20	20	20	20
Price-Book Value Ratio	2.9	2.9	3.1	3.1
Dividend Yield (%)	1.9	1.9	1.9	1.9
Historical Earnings Growth Rate (%)	13	13	13	13
Projected Earnings Growth Rate (%)	11	11	12	12

Sector Allocation (%):				
Consumer Discretionary	13	13	13	13
Information Technology	19	19	19	19
Consumer Staples	9	9	9	9
Materials	4	4	4	4
Health Care	15	15	14	14
Industrials	11	11	11	11
Energy	8	8	8	8
Utilities	3	3	3	3
Telecommunication Services	2	2	2	2
Financials	17	17	17	17

Diversification:				
Number of Holdings	1,037	1,036	1,044	1,043
% in 5 largest holdings	9	9	10	10
% in 10 largest holdings	15	15	15	15

Largest Ten Holdings:			Industry
Apple	3.5		Technology Equipment
ExxonMobil	1.7		Energy
Microsoft	1.6		Software & Services
Johnson & Johnson	1.3		Pharmaceuticals & Biotech.
Berkshire Hathaway	1.2		Diversified Financials
Wells Fargo	1.2		Banks
General Electric	1.2		Capital Goods
JP Morgan Chase	1.1		Banks
Pfizer	1.0		Pharmaceuticals & Biotech.
Procter & Gamble	1.0		Household Products

¹ Fiscal year began July 1.



City of Ann Arbor Employees' Retirement System

Northern Trust S&P 400 MidCap Index Portfolio Detail as of 3/31/15

Mandate: Domestic Equities
Active/Passive: Passive
Market Value: \$23.6 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 (%):	1Q15	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 6/1/07
Northern Trust S&P 400 MidCap Index	5.3	7.5	12.2	17.0	15.7	8.4
Net of Fees	5.3	7.5	12.2	17.0	15.7	NA
S&P MidCap	5.3	7.5	12.2	17.0	15.7	8.3

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Northern Trust S&P 400 MidCap Index-NL	17.9%	1.00	0.87	NA	1.00
S&P MidCap	17.9	1.00	0.87	NA	1.00

	3/31/15		12/31/14	
	Northern Trust S&P 400 MidCap Index	S&P MidCap	Northern Trust S&P 400 MidCap Index	S&P MidCap
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	5.7	5.4	5.4	5.4
Median Market Cap. (US\$ billion)	3.9	3.9	3.8	3.8
Large (% over US\$20 billion)	0	0	0	0
Medium (% US\$3 billion to US\$20 billion)	85	84	83	83
Small (% under US\$3 billion)	15	16	17	17

Fundamental Structure:

Price-Earnings Ratio	22	22	21	21
Price-Book Value Ratio	2.7	2.7	2.7	2.7
Dividend Yield (%)	1.5	1.5	1.4	1.4
Historical Earnings Growth Rate (%)	16	16	14	14
Projected Earnings Growth Rate (%)	13	12	13	13

Sector Allocation (%):

Information Technology	18	17	18	18
Health Care	10	9	10	10
Financials	24	24	23	23
Telecommunication Services	0	0	0	0
Utilities	4	5	5	5
Materials	7	7	7	7
Consumer Staples	4	4	3	3
Consumer Discretionary	13	14	14	14
Industrials	16	16	15	15
Energy	4	4	4	4

Diversification:

Number of Holdings	403	400	400	400
% in 5 largest holdings	4	3	4	4
% in 10 largest holdings	7	6	7	7

Largest Ten Holdings:

		Industry
Skyworks Solutions	1.1	Semiconductors
Equinix	0.8	Software & Services
SL Green Realty	0.7	Real Estate
Henry Schein	0.7	Health Care Services
QORVO	0.7	Semiconductors
Realty Income	0.7	Real Estate
Church & Dwight	0.7	Household Products
Signet Jewelers	0.7	Retailing
Salix Pharmaceuticals	0.7	Pharmaceuticals & Biotech.
Advance Auto Parts	0.6	Retailing

¹ Fiscal year began July 1.



City of Ann Arbor Employees' Retirement System

Loomis Sayles Small Cap Value Equity Portfolio Detail as of 3/31/15

Mandate: Domestic Equities
Active/Passive: Active
Market Value: \$26.7 million
Portfolio Manager: Joe Gatz
Location: Bloomfield Hills, Michigan
Inception Date: 4/1/1997
Account Type: Separately Managed

	Value	Core	Growth
Large			
Medium			
Small			

Performance (%):	1Q15	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 4/1/97
Loomis Sayles Small Cap Value Equity	4.9	6.1	10.2	16.5	15.9	12.0
Net of Fees	4.7	5.6	9.4	15.7	15.1	NA
Russell 2000 Value	2.0	2.0	4.4	14.8	12.5	9.8
Peer Small Cap Value	2.8	3.8	7.1	16.6	14.8	11.5
Peer Ranking (percentile)	5	11	7	53	21	36

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Loomis Sayles Small Cap Value Equity	18.9%	0.92	0.84	1.07	0.99
Russell 2000 Value	19.9	1.00	0.63	NA	1.00

Capitalization Structure:	3/31/15		12/31/14	
	Loomis Sayles Small Cap Value	Russell 2000 Value	Loomis Sayles Small Cap Value	Russell 2000 Value
Weighted Average Market Cap. (US\$ billion)	3.1	1.8	3.0	1.7
Median Market Cap. (US\$ billion)	1.8	0.6	1.8	0.6
Large (% over US\$20 billion)	0	0	0	0
Medium (% US\$3 billion to US\$20 billion)	37	17	33	13
Small (% under US\$3 billion)	63	83	67	87

Fundamental Structure:	3/31/15	12/31/14	3/31/15	12/31/14
Price-Earnings Ratio	22	19	22	18
Price-Book Value Ratio	2.2	1.8	2.3	1.7
Dividend Yield (%)	1.5	2.0	1.4	2.0
Historical Earnings Growth Rate (%)	17	11	16	9
Projected Earnings Growth Rate (%)	12	11	13	12

Sector Allocation (%):	3/31/15	12/31/14	3/31/15	12/31/14
Information Technology	19	10	19	10
Industrials	20	13	20	13
Consumer Discretionary	17	12	17	12
Materials	5	4	5	4
Consumer Staples	2	3	2	3
Telecommunication Services	0	1	0	1
Energy	3	4	3	4
Health Care	3	6	2	5
Utilities	3	7	4	7
Financials	28	41	28	41

Diversification:	3/31/15	12/31/14	3/31/15	12/31/14
Number of Holdings	158	1,355	152	1,374
% in 5 largest holdings	10	2	10	2
% in 10 largest holdings	15	5	15	4

Largest Ten Holdings:	3/31/15	Industry
Equinix	4.9	Software & Services
Cathay General Bancorp	1.3	Banks
HCC Insurance	1.2	Insurance
Belden	1.2	Technology Equipment
Signature Bank	1.2	Banks
Littelfuse	1.2	Technology Equipment
Marriott Vacations WWD.	1.2	Consumer Services
John Bean Technologies	1.1	Capital Goods
Euronet Worldwide	1.1	Software & Services
Employers Holdings	1.1	Insurance

¹ Fiscal year began July 1.



**International Developed Market Equity
Portfolio Reviews
As of March 31, 2015**

City of Ann Arbor Employees' Retirement System

Fisher Institutional Foreign Equity Portfolio Detail as of 3/31/15

Mandate: International Equities,
Developed Markets

Active/Passive: Active

Market Value: \$28.9 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 (%):	1Q15	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 2/1/07
Fisher Institutional Foreign Equity	6.6	-0.9	1.9	8.5	8.3	4.0
Net of Fees	6.3	-1.5	1.1	7.6	7.4	NA
MSCI EAFE	4.9	-4.8	-0.9	9.0	6.2	1.4
Peer International Core	5.1	-3.6	0.0	9.3	7.2	2.6
Peer Ranking (percentile)	16	15	25	60	20	20

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Fisher Institutional Foreign Equity	21.0%	1.11	0.39	0.43	0.97
MSCI EAFE	17.8	1.00	0.34	NA	1.00

	3/31/15		12/31/14	
	Fisher Institutional Foreign Equity	MSCI EAFE	Fisher Institutional Foreign Equity	MSCI EAFE
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	85.3	59.0	80.0	57.3
Median Market Cap. (US\$ billion)	56.5	9.1	55.9	8.7
Large (% over US\$20 billion)	94	68	91	67
Medium (% US\$3 billion to US\$20 billion)	6	32	9	32
Small (% under US\$3 billion)	0	1	0	1

Fundamental Structure:

Price-Earnings Ratio	19	19	19	17
Price-Book Value Ratio	3.2	1.9	2.6	1.6
Dividend Yield (%)	2.4	2.9	2.5	3.0
Historical Earnings Growth Rate (%)	12	7	15	9
Projected Earnings Growth Rate (%)	10	9	11	9

Sector Allocation (%):

Information Technology	15	5	15	5
Health Care	19	11	19	11
Consumer Discretionary	20	13	19	12
Industrials	15	13	15	13
Energy	2	5	2	6
Utilities	0	4	0	4
Financials	22	26	22	26
Telecommunication Services	0	5	0	5
Materials	2	7	2	8
Consumer Staples	6	11	6	11

Diversification:

Number of Holdings	69	910	69	910
% in 5 largest holdings	16	8	16	8
% in 10 largest holdings	29	12	28	13

Region Allocation (%):

North America	3	0	4	0
Europe	76	65	77	66
Asia Pacific	17	34	16	33
Emerging	4	0	4	0
Other	0	1	0	1

Largest Five Holdings:

		Industry
Novo Nordisk	3.7	Pharmaceuticals & Biotech.
Bayer	3.6	Pharmaceuticals & Biotech.
Prudential	3.1	Insurance
Asml Holding	3.0	Semiconductors
UBS Group	2.8	Diversified Financials

¹ Fiscal year began July 1.



City of Ann Arbor Employees' Retirement System

Northern Trust MSCI EAFE Index Portfolio Detail as of 3/31/15

Mandate: International Equities
Active/Passive: Active
Market Value: \$31.9 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 (%):	1Q15	Fiscal YTD ¹	Since 12/1/14
Northern Trust MSCI EAFE Index	5.0	NA	1.4
Net of Fees	5.0	NA	1.3
MSCI EAFE	4.9	-4.8	1.2
Peer International Core	5.1	-3.6	1.6
Peer Ranking (percentile)	54	NA	55

Capitalization Structure:	3/31/15		12/31/14	
	Northern Trust MSCI EAFE Index	MSCI EAFE	Northern Trust MSCI EAFE Index	MSCI EAFE
Weighted Average Market Cap. (US\$ billion)	59.3	59.0	57.5	57.3
Median Market Cap. (US\$ billion)	8.9	9.1	8.6	8.7
Large (% over US\$20 billion)	68	68	67	67
Medium (% US\$3 billion to US\$20 billion)	32	32	32	32
Small (% under US\$3 billion)	1	1	1	1

Fundamental Structure:	3/31/15	12/31/14
Price-Earnings Ratio	19	17
Price-Book Value Ratio	1.7	1.6
Dividend Yield (%)	2.9	3.0
Historical Earnings Growth Rate (%)	7	9
Projected Earnings Growth Rate (%)	9	9

Sector Allocation (%):	3/31/15	12/31/14
Health Care	12	11
Consumer Staples	11	11
Materials	7	8
Information Technology	5	5
Energy	5	6
Utilities	4	4
Industrials	13	13
Telecommunication Services	5	5
Consumer Discretionary	13	12
Financials	26	26

Diversification:	3/31/15	12/31/14
Number of Holdings	935	936
% in 5 largest holdings	8	8
% in 10 largest holdings	12	13

Region Allocation (%):	3/31/15	12/31/14
North America	0	0
Europe	65	66
Asia Pacific	34	34
Emerging	0	0
Other	1	1

Largest Five Holdings:	3/31/15	Industry
Nestle	1.9	Food, Beverage & Tobacco
Novartis	1.8	Pharmaceuticals & Biotech.
Roche	1.5	Pharmaceuticals & Biotech.
Toyota Motor	1.5	Automobiles & Components
HSBC	1.3	Banks

¹ Fiscal year began July 1.



**International Emerging Market Equity
Portfolio Reviews
As of March 31, 2015**

City of Ann Arbor Employees' Retirement System

Dimensional Emerging Markets Value Portfolio Detail as of 3/31/15

Mandate: International Equities,
Emerging Markets

Active/Passive: Active

Market Value: \$18.0 million

Portfolio Manager: Karen Umland

Location: Austin, Texas

Inception Date: 2/1/2012

Account Type: Mutual Fund (DFEVX)

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.55% on all assets

Liquidity Constraints:

Daily

Strategy:

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

Performance (%):	1Q15	Fiscal YTD ¹	1 YR	3 YR	Since 2/1/12
Dimensional Emerging Markets Value	-0.2	-10.6	-3.9	-1.8	-1.2
MSCI Emerging Markets	2.2	-5.8	0.4	0.3	1.1
Peer Emerging Markets	1.4	-7.0	-1.1	0.4	1.5
Peer Ranking (percentile)	71	77	68	76	79
Risk: (thirty-eight months)	Standard Deviation	Beta	Sharpe Measure ²	Info. Ratio	Correlation to Index
Dimensional Emerging Markets Value	15.2%	1.09	Neg.	Neg.	0.97
MSCI Emerging Markets	13.8	1.00	0.07	NA	1.00

¹ Fiscal year began July 1.

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

	3/31/15		12/31/14	
	Dimensional Emerging Markets Value	MSCI Emerging Markets	Dimensional Emerging Markets Value	MSCI Emerging Markets
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	16.4	40.1	17.3	36.0
Median Market Cap. (US\$ million)	382.7	4,815.5	379.1	4,856.6
Large (% over US\$20 billion)	22	45	23	44
Medium (% US\$3 billion to US\$20 billion)	47	48	44	48
Small (% under US\$3 billion)	32	7	32	8
Fundamental Structure:				
Price-Earnings Ratio	12	15	11	14
Price-Book Value Ratio	1.0	1.7	1.0	1.6
Dividend Yield (%)	3.0	2.6	3.1	2.7
Historical Earnings Growth Rate (%)	7	11	6	12
Projected Earnings Growth Rate (%)	13	13	13	12
Sector Allocation (%):				
Materials	17	7	16	7
Financials	35	28	37	29
Industrials	12	7	12	7
Energy	10	8	10	8
Utilities	2	3	2	3
Consumer Discretionary	8	9	7	9
Health Care	0	2	0	2
Consumer Staples	5	8	5	8
Telecommunication Services	1	7	1	7
Information Technology	8	19	8	18
Diversification:				
Number of Holdings	2,121	836	2,090	834
% in 5 largest holdings	9	13	10	12
% in 10 largest holdings	15	19	16	18
Region Allocation (%):				
Asia Pacific	65	59	64	58
Latin America	16	14	16	16
Europe/MidEast/Africa	15	17	15	17
Other	4	10	5	9
Largest Five Holdings:		Industry		
China Construction Bank	2.5	Banks		
Bank of China	2.2	Banks		
Gazprom	1.8	Energy		
Reliance Industries	1.5	Energy		
Standard Bank	1.4	Banks		



City of Ann Arbor Employees' Retirement System

Vontobel Emerging Markets Equity Portfolio Detail as of 3/31/15

Mandate: International Equities,
Emerging Markets

Active/Passive: Active

Market Value: \$10.3 million

Portfolio Manager: Rajiv Jain

Location: New York, New York

Inception Date: 2/1/2012

Account Type: Commingled

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

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

Liquidity Constraints:

Monthly

Strategy:

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

Performance (%):	1Q15	Fiscal YTD ¹	1 YR	3 YR	Since 2/1/12
Vontobel Emerging Markets Equity	1.8	-1.6	6.1	3.7	5.5
Net of Fees	1.5	-2.4	4.9	2.5	4.3
MSCI Emerging Markets	2.2	-5.8	0.4	0.3	1.1
Peer Emerging Markets	1.6	-6.0	0.3	1.8	2.7
Peer Ranking (percentile)	48	18	16	27	22
Risk: (thirty-eight months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Vontobel Emerging Markets Equity	14.5%	0.89	0.38	0.65	0.88
MSCI Emerging Markets	13.8	1.00	0.07	NA	1.00

¹ Fiscal year began July 1.

	3/31/15		12/31/14	
	Vontobel Emerging Markets Equity	MSCI Emerging Markets	Vontobel Emerging Markets Equity	MSCI Emerging Markets
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	41.9	40.1	41.1	36.0
Median Market Cap. (US\$ billion)	16.9	4.8	14.9	4.9
Large (% over US\$20 billion)	70	45	67	44
Medium (% US\$3 billion to US\$20 billion)	29	48	32	48
Small (% under US\$3 billion)	1	7	0	8
Fundamental Structure:				
Price-Earnings Ratio	24	15	23	14
Price-Book Value Ratio	5.4	1.7	5.5	1.6
Dividend Yield (%)	2.3	2.6	2.3	2.7
Historical Earnings Growth Rate (%)	20	11	19	12
Projected Earnings Growth Rate (%)	16	13	16	12
Sector Allocation (%):				
Consumer Staples	33	8	34	8
Health Care	3	2	2	2
Financials	29	28	29	29
Utilities	3	3	3	3
Consumer Discretionary	9	9	9	9
Telecommunication Services	4	7	5	7
Information Technology	15	19	14	18
Materials	2	7	3	7
Industrials	1	7	1	7
Energy	1	8	1	8
Diversification:				
Number of Holdings	75	836	74	834
% in 5 largest holdings	22	13	23	12
% in 10 largest holdings	37	19	38	18
Region Allocation (%):				
Asia Pacific	53	59	50	58
Latin America	21	14	21	16
Europe/MidEast/Africa	5	17	6	17
Other	21	10	24	9
Largest Five Holdings:		Industry		
Housing Development Financial	5.3	Banks		
British American Tobacco	5.2	Food, Beverage & Tobacco		
HDFC Bank	4.2	Banks		
AmBev	3.6	Food, Beverage & Tobacco		
ITC	3.4	Food, Beverage & Tobacco		



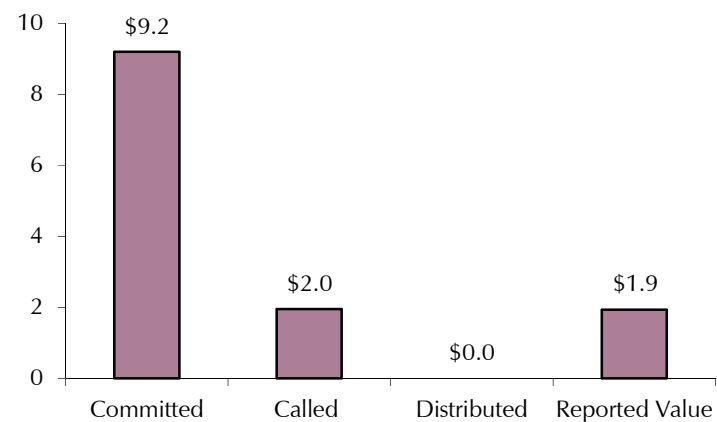
**Private Equity Portfolio Review
As of March 31, 2015**

City of Ann Arbor Employees' Retirement System

Summit Partners Credit Fund II Portfolio Detail as of 3/31/15

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

Commitment: \$9.2 million
Capital Contributions: \$2.0 million
Outstanding Commitment: \$7.2 million
Realized Proceeds: \$0.0 million
Total Value¹: \$1.9 million
Number of Investments: 3
Net IRR: NA



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 is as of December 31, 2014.



**Investment Grade Bond Portfolio Reviews
As of March 31, 2015**

City of Ann Arbor Employees' Retirement System

Northern Trust Barclays Aggregate Index Portfolio Detail as of 3/31/15

Mandate: Investment Grade Bonds
Active/Passive: Passive
Market Value: \$68.4 million
Portfolio Manager: 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 (%):	1Q15	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 7/1/98
Northern Trust Barclays Aggregate Index	1.6	3.7	5.8	3.1	4.4	5.4
Net of Fees	1.6	3.6	5.8	3.0	4.3	NA
Barclays Aggregate	1.6	3.6	5.7	3.1	4.4	5.4

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Northern Trust Barclays Aggregate Index	2.9%	1.01	1.46	NA	1.00
Barclays Aggregate	2.9	1.00	1.49	NA	1.00

	3/31/15		12/31/14	
	NT Barclays Aggregate Index	Barclays Aggregate	NT Barclays Aggregate Index	Barclays Aggregate
Duration & Yield:				
Average Effective Duration (years)	5.4	5.5	5.6	5.6
Yield to Maturity (%)	2.1	2.1	2.2	2.3
Quality Structure (%):				
Average Quality	AA+	AA+	AA+	AA+
AAA (includes Treasuries and Agencies)	72	72	72	72
AA	4	5	5	5
A	11	12	11	12
BBB	12	12	12	12
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	36	36	36	36
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	3	3	3	3
Mortgage Backed	28	28	29	29
Corporate	23	24	23	23
Bank Loans	0	0	0	0
Local & Provincial Government	1	1	2	1
Sovereign & Supranational	5	5	4	5
Commercial Mortgage Backed	2	2	2	2
Asset Backed	1	1	1	1
Cash Equivalent	1	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	91	91	91	91
Foreign (developed markets)	7	7	5	7
Foreign (emerging markets)	2	2	4	2
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

¹ Fiscal year began July 1.



City of Ann Arbor Employees' Retirement System

Northern Trust 1-5 Year Credit Bond Portfolio Detail as of 3/31/15

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

	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 (%):	1Q15	Fiscal YTD ¹	1 YR	Since 2/1/13
Northern Trust 1-5 Year Credit Bond	1.1	1.3	2.2	1.8
Net of Fees	1.1	1.3	2.2	1.8
Barclays 1-5 Year Credit	1.1	1.4	2.3	2.0
Peer Short-Term Core Fixed Income	0.8	1.1	1.6	1.5
Peer Ranking (percentile)	29	34	36	17

	3/31/15		12/31/14	
	Northern Trust 1-5 Year Credit Bond	Barclays 1-5 Yr Credit	Northern Trust 1-5 Year Credit Bond	Barclays 1-5 Yr Credit
Duration & Yield:				
Average Effective Duration (years)	2.8	2.8	2.6	2.7
Yield to Maturity (%)	1.6	1.6	1.7	1.8
Quality Structure (%):				
Average Quality	A	A	A	A
AAA (includes Treasuries and Agencies)	17	17	18	16
AA	13	13	14	13
A	40	40	40	41
BBB	31	31	28	30
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	0	0	0	0
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	8	8	8	8
Mortgage Backed	0	0	0	0
Corporate	75	75	75	75
Bank Loans	0	0	0	0
Local & Provincial Government	2	2	2	2
Sovereign & Supranational	14	14	12	14
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	3	0
Other	0	0	0	0
Market Allocation (%):				
United States	60	60	60	60
Foreign (developed markets)	34	34	35	35
Foreign (emerging markets)	5	5	5	5
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

¹ Fiscal year began July 1.



City of Ann Arbor Employees' Retirement System

Northern Trust Short-Term Government Bond Portfolio Detail as of 3/31/15

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

	Short	Int.	Long
High			
Medium			
Low			

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

Liquidity Constraints:
 Daily

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

Performance (%):	1Q15	Fiscal YTD ¹	1 YR	Since 2/1/13
Northern Trust Short-Term Government Bond	0.5	0.7	1.0	0.7
Net of Fees	0.5	0.7	1.0	0.6
Barclays 1-3 Year Government	0.5	0.8	1.0	0.7
Peer Short-Term Core Fixed Income	0.8	1.1	1.6	1.5
Peer Ranking (percentile)	85	80	80	86

	3/31/15		12/31/14	
	NT Short-Term Government Index	Barclays 1-3 yr Govt	NT Short-Term Government Index	Barclays 1-3 yr Govt
Duration & Yield:				
Average Effective Duration (years)	1.9	1.9	1.9	1.9
Yield to Maturity (%)	0.6	0.6	0.7	0.7
Quality Structure (%):				
Average Quality	AAA	AAA	AAA	AAA
AAA (includes Treasuries and Agencies)	96	96	96	96
AA	4	4	4	4
A	0	0	0	0
BBB	0	0	0	0
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	89	88	90	89
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	9	12	9	11
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	2	0	1	0
Other	0	0	0	0
Market Allocation (%):				
United States	100	100	100	100
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

¹ Fiscal year began July 1.



**TIPS Portfolio Review
As of March 31, 2015**

City of Ann Arbor Employees' Retirement System

IR&M 1-10 Year Index Portfolio Detail as of 3/31/15

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

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:

0.08% on all assets

Liquidity Constraints:

Daily

Strategy:

Seeks to replicate, net of fees, the return of the Barclays 1-10 Year U.S. TIPS Index.

Guidelines:

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

Performance (%):	1Q15	Fiscal YTD ¹	1 YR	Since 11/1/13
IR&M 1-10 Year Index	1.3	-1.8	1.1	0.3
Net of Fees	1.3	-1.9	1.0	0.2
Barclays U.S. TIPS 1-10 Year	1.2	-1.8	1.1	0.2
Peer TIPS	1.5	-1.0	2.9	1.6
Peer Ranking (percentile)	64	77	75	80

Duration & Yield:	3/31/15		12/31/14	
	IR&M 1-10 Year Index	Barclays TIPS 1-10 Yr	IR&M 1-10 Year Index	Barclays TIPS 1-10 Yr
Average Effective Duration (years)	5.4	5.4	5.2	5.2
Yield to Maturity (%) ²	1.9	1.9	1.7	1.4
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 began July 1.



**High Yield Bond Portfolio Review
As of March 31, 2015**

City of Ann Arbor Employees' Retirement System

Mandate: High Yield Bonds
Active/Passive: Active
Market Value: \$18.0 million
Portfolio Manager: Hannah Strasser
 Anne Yobage
 Tom Kelleher
Location: Greenwich, Connecticut
Inception Date: 9/1/2012
Account Type: Commingled

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
 0.30% on all assets

Liquidity Constraints:
 Daily

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

Performance (%):	1Q15	Fiscal YTD ¹	1 YR	Since 9/1/12
SKY Harbor High Yield	1.9	-2.0	0.4	6.0
Net of Fees	1.8	-2.4	-0.2	5.4
Barclays High Yield	2.5	-0.4	2.0	6.7
Peer High Yield	2.5	-0.3	2.1	6.9
Peer Ranking (percentile)	84	82	82	79

SKY Harbor High Yield Portfolio Detail as of 3/31/15

	3/31/15		12/31/14	
Duration & Yield:	Sky Harbor	Barclays High Yield	Sky Harbor	Barclays High Yield
Average Effective Duration (years)	4.2	4.2	4.6	4.3
Yield to Maturity (%)	6.8	6.2	7.4	6.6
Quality Structure (%):				
Average Quality	B	B	B	B
AAA (includes Treasuries and Agencies)	0	0	0	0
AA	0	0	0	0
A	0	0	0	0
BBB	0	0	0	0
BB	29	44	29	43
B	45	41	46	41
Below B	25	15	25	16
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	95	100	96	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	5	0	4	0
Other	0	0	0	0
Market Allocation (%):				
United States	89	83	90	83
Foreign (developed markets)	11	17	10	17
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

¹ Fiscal year began July 1.



**Bank Loans Portfolio Review
As of March 31, 2015**

City of Ann Arbor Employees' Retirement System

Mandate: Fixed Income
Active/Passive: Active
Market Value: \$14.0 million
Portfolio Manager: Scott Klein
 Carl Goldsmith
 William Kozicki
Location: Los Angeles, California
Inception Date: 4/1/2012
Account Type: Commingled

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
 0.65% on all assets

Liquidity Constraints:
 Quarterly

Strategy:

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

Performance (%):	1Q15	Fiscal YTD ¹	1 YR	3 YR	Since 4/1/12
Beach Point Leveraged Loan	2.1	2.7	3.6	6.6	6.6
Net of Fees	1.9	2.2	2.9	6.0	6.0
CSFB Leveraged Loan	2.1	1.3	2.8	5.3	5.3

Risk: (thirty-six months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Beach Point Leveraged Loan	1.8%	0.89	3.57	2.00	0.94
CSFB Leveraged Loan	1.9	1.00	2.77	NA	1.00

Beach Point Leveraged Loan Portfolio Detail as of 3/31/15

	3/31/15		12/31/14	
	Beach Point Leveraged Loan	CSFB Leveraged Loan	Beach Point Leveraged Loan	CSFB Leveraged Loan
Duration & Yield:				
Average Effective Duration (years)	0.5	0.3	0.5	0.3
Yield to Maturity (%)	5.4	4.9	5.8	5.0
Quality Structure (%):				
Average Quality	B	B	B	B
AAA (includes Treasuries and Agencies)	0	0	0	0
AA	0	0	0	0
A	0	0	0	0
BBB	0	0	0	0
BB	24	33	18	30
B	71	59	76	60
Below B	4	7	5	8
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	9	0	13	0
Bank Loans	91	100	87	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	84	100	78	100
Foreign (developed markets)	16	0	22	0
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	6	0	7	0

¹ Fiscal year began July 1.



Emerging Market Debt Portfolio Review
As of March 31, 2015

City of Ann Arbor Employees' Retirement System

Stone Harbor Emerging Markets Local Currency Debt Portfolio Detail as of 3/31/15

Mandate: Fixed Income
Active/Passive: Active
Market Value: \$7.0 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:
0.88% 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 (%):	1Q15	Fiscal YTD ¹	1 YR	Since 6/1/12
Stone Harbor Emerging Markets Local Currency Debt	-3.2	-16.4	-13.3	-4.6
JPM GBI-EM Global Diversified (unhedged)	-4.0	-14.6	-11.1	-1.8
Peer Emerging Market Debt	0.5	-5.7	-1.0	2.5
Peer Ranking (percentile)	83	94	96	96

Duration & Yield:	3/31/15		12/31/14	
	Stone Harbor EM Local Debt	JPM GBI-EM Global Div	Stone Harbor EM Local Debt	JPM GBI-EM Global Div
Average Effective Duration (years)	4.7	5.0	4.6	5.0
Yield to Maturity (%)	7.5	6.5	7.7	6.6
Quality Structure (%):				
Average Quality	BBB+	BBB+	BBB+	BBB+
AAA (includes Treasuries and Agencies)	2	0	2	0
AA	1	0	0	0
A	37	38	36	37
BBB	58	54	60	54
BB	0	7	0	8
B	0	0	0	0
Below B	3	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	100	100	100	100
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	0	0	0	0
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	100	100	100	100
Currency Allocation (%):				
Non-U.S. Dollar Exposure	97	100	95	100

¹ Fiscal year began July 1.



**Real Estate Portfolio Reviews
As of March 31, 2015**

City of Ann Arbor Employees' Retirement System

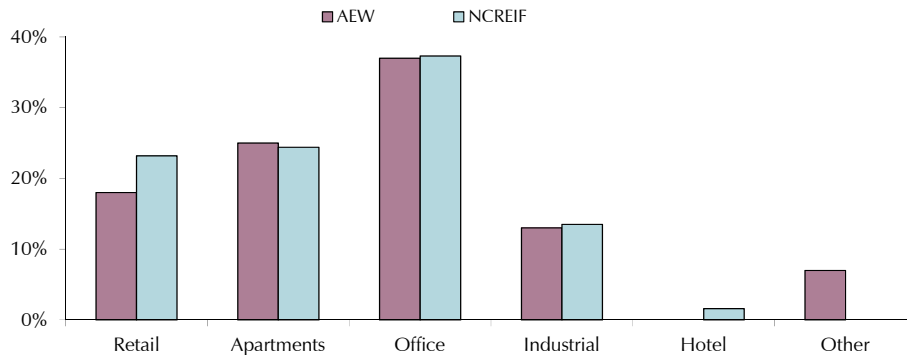
A.E.W Core Property Trust Portfolio Detail as of 3/31/15

Strategy:	Real Estate Open-End Core
Market Value:	\$20.5 million
Senior Professionals:	Team
Location:	Boston, Massachusetts
Vintage Year:	7/1/2013
Account Type:	Separately Managed
# of Investments:	55
Liquidity Constraints:	Quarterly
Fee Schedule:	1.10% on first \$10 mm; 1.00% on next \$15 mm

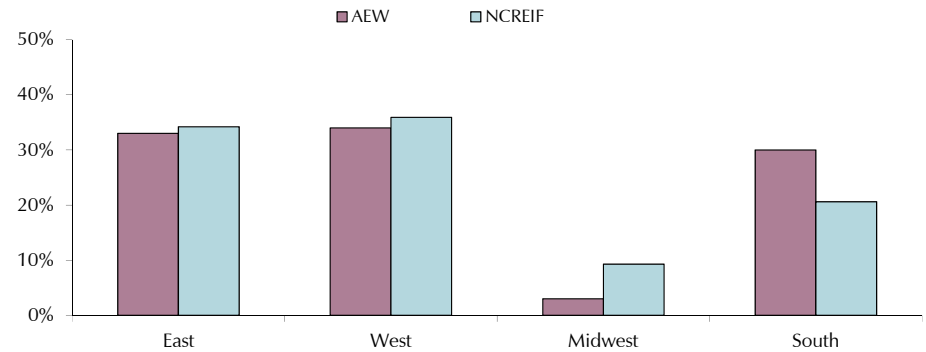
Portfolio Size:



Property Type:



Geographic Region:



Investment Strategy:

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

¹ Data as of December 31, 2014.



City of Ann Arbor Employees' Retirement System

Intercontinental Real Estate Investment Fund III Portfolio Detail as of 3/31/15

Strategy: Real Estate
Closed-End
Core-Plus

Market Value: \$6.9 million

Senior Professionals: Team

Location: Boston, Massachusetts

Vintage Year: 2003

Account Type: Separately Managed

of Investments: 12 (As of September 30, 2014)

Liquidity Constraints: No interim liquidity

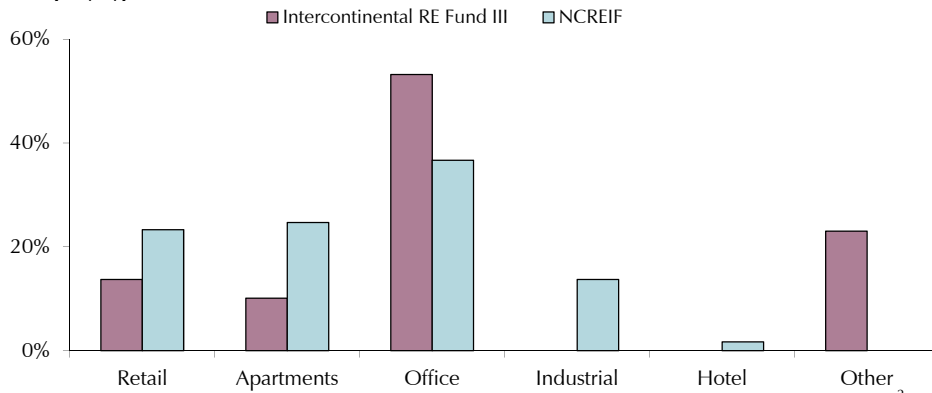
Fee Schedule: 1.25% on all assets

IRR: 4.7% (As of September 30, 2014)

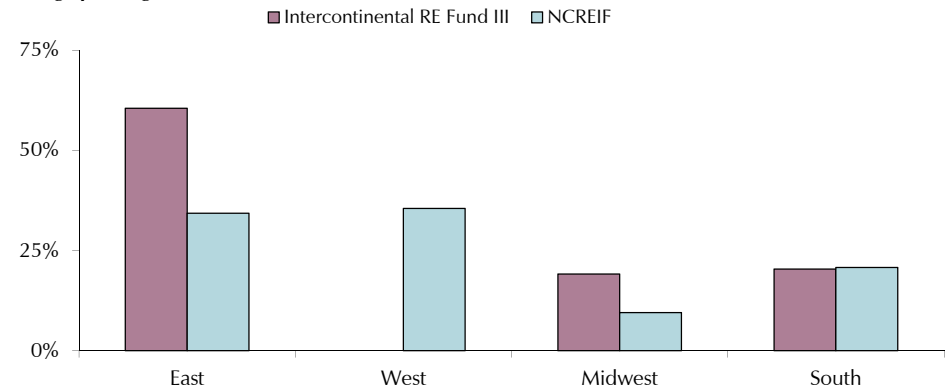
Portfolio Size:



Property Type:



Geographic Region:



Investment Strategy:

This Fund's objective targets yield-driven returns with annual cash yields of 6-8% and a total return of 10%. The fund will invest in all property types in all U.S. markets.

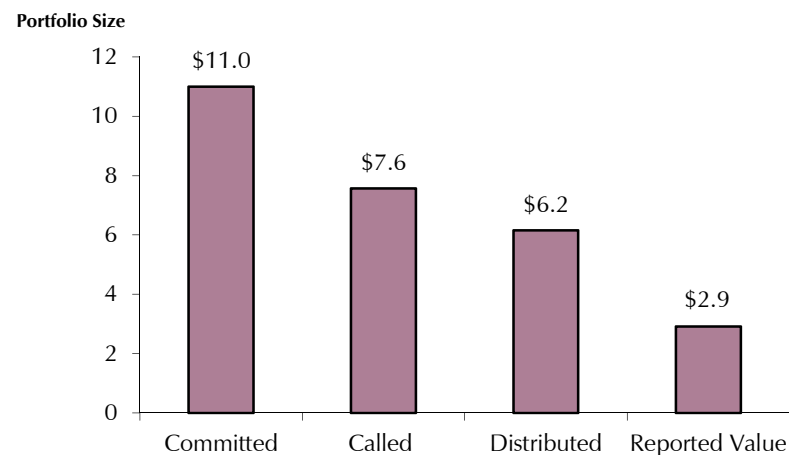
¹ Data is as of September 30, 2014.



City of Ann Arbor Employees' Retirement System

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

Mandate:	Opportunistic Debt - PPIP
Reported Value:	\$2.9 million
Portfolio Manager:	Rich King
Location:	Atlanta, Georgia
Vintage Year:	2008
Account Type:	Ltd. Partnership
Commitment:	\$11.0 million ¹
Capital Contribution:	\$7.6 million
Fee Schedule:	1.0% management fee on invested capital; 8% preferred return; 20% carried interest
Realized Proceeds:	\$6.2 million
Net IRR:	23.9% ²



Investment Strategy:

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

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

² Data is as of September 30, 2014.



City of Ann Arbor Employees' Retirement System

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

Mandate:	Opportunistic Debt - PPIP
Reported Value:	\$0.1 million
Portfolio Manager:	Rich King
Location:	Atlanta, Georgia
Vintage Year:	2008
Account Type:	Ltd. Partnership
Commitment:	\$4.5 million
Capital Contribution:	\$4.2 million
Fee Schedule:	1.0% management fee; 8% preferred return; 20% carried interest
Realized Proceeds:	\$5.6 million
Net IRR:	33.31% ¹

Portfolio Size



Investment Strategy:

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

¹ Data is as of September 30, 2014.



City of Ann Arbor Employees' Retirement System

DRA Growth and Income Fund VIII, LLC Portfolio Detail as of 3/31/15

Strategy:	Real Estate Closed-End Value-Added
Market Value:	\$1.8 million
Senior Professionals:	Team
Location:	New York, New York
Vintage Year:	2013
Account Type:	Limited Partnership
# of Investments:	16
Fee Schedule:	0.90% on gross cost during investment period; 0.60% thereafter; 8% preferred return and 20% carried interest



Investment Strategy:

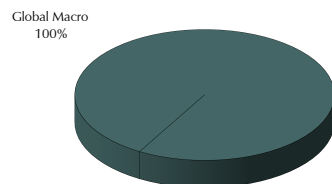
Fund VIII will invest in a diversified portfolio of office, retail, multi-family, industrial and other real-estate related properties and assets across the United States and its territories. The Company will seek to generate an attractive return to investors of 12-15%, net of fees, expenses and carried 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.

**Absolute Return Portfolio Reviews
As of March 31, 2015**

City of Ann Arbor Employees' Retirement System

Optima Fund, Ltd. Portfolio Detail as of 3/31/15

Mandate: Hedge Fund,
Market Value: \$6.0 million
Portfolio Manager: Michael Spelman
Location: New York, New York
Inception Date: 3/1/2010
Account Type: Commingled
of Investments: 12



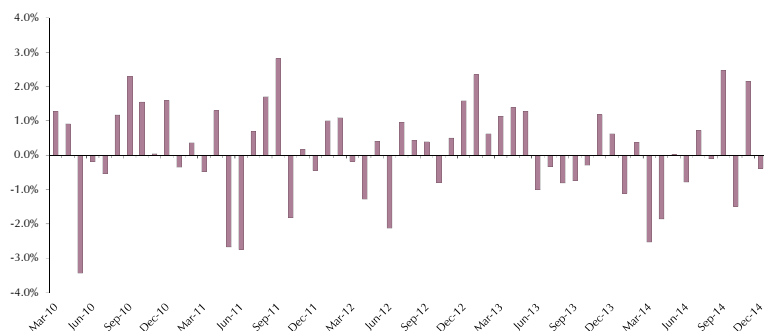
Fee Schedule:
 1.50% on first \$50 mm; 1.25% on next \$50 mm; 1.00% thereafter

Liquidity Constraints:
 Quarterly redemption; 63 day notice period; no lock up; 10% gate provision

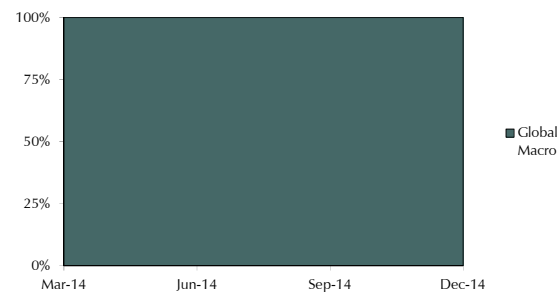
Strategy:
 Using an investment process that is a combination of top-down macroeconomic, thematic view with a bottom-up fundamental approach, the Fund invests in managers who trade all markets opportunistically. They try and maintain exposure to a range of asset classes and trading styles.

Performance (%):	1Q15	Fiscal YTD	1 YR	3 YR	5 YR	Since 3/1/10
Optima Fund, Ltd.	2.4	6.0	3.2	1.8	1.8	2.0
HFRI Macro Index	3.4	8.1	9.5	2.5	2.4	2.7

Historical Monthly Returns:



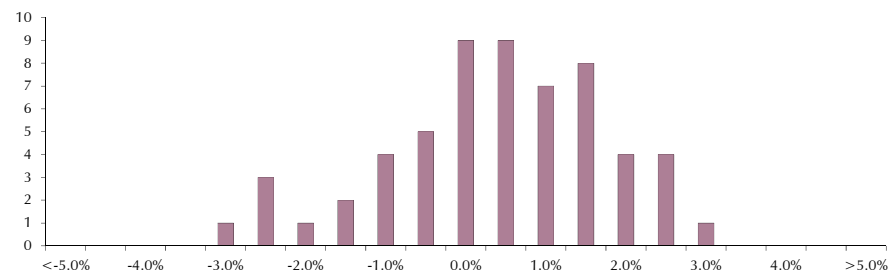
Historical Strategy Allocations:



Geographic Allocation (%):	12/31/14	9/30/14	6/30/14	3/31/2014
Domestic	31	34	35	36
Developed Europe	30	34	32	30
Developed Asia	32	25	23	27
Emerging Market	7	7	11	7

Exposure Report (%):	12/31/14	9/30/14	6/30/14	3/31/2014
Total Gross Exposure	NA	NA	NA	NA
Gross Long Exposure	NA	NA	NA	NA
Gross Short Exposure	NA	NA	NA	NA
Net Exposure	NA	NA	NA	NA

Return Distribution (Since Inception):

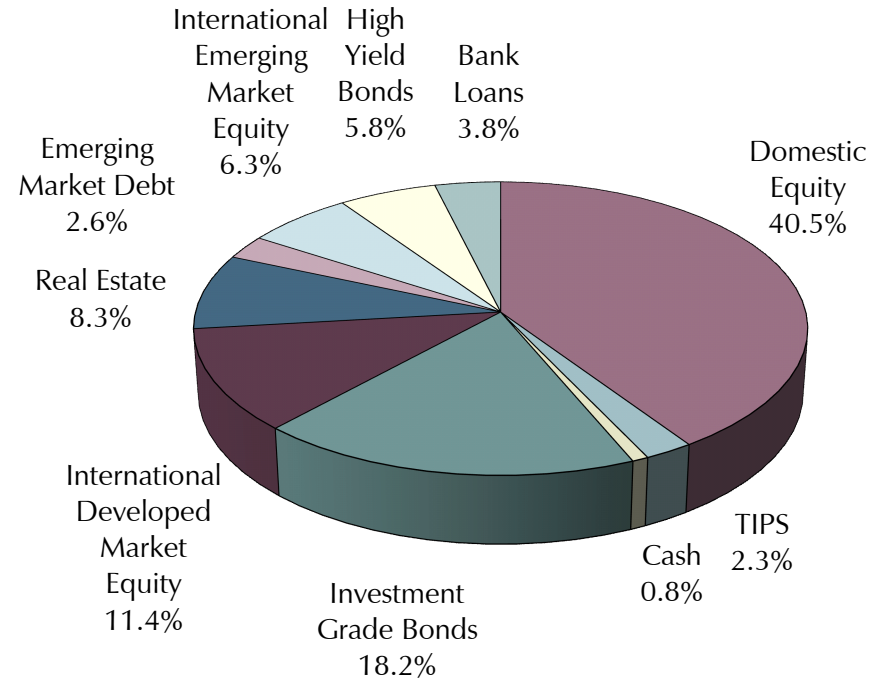
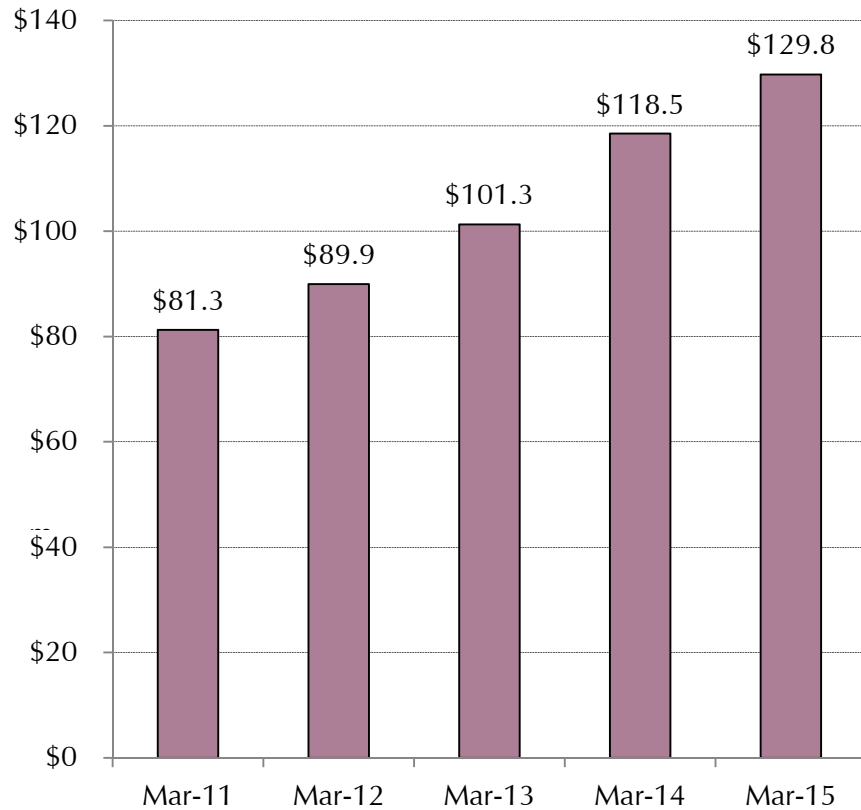


VEBA
First Quarter Investment Review

**VEBA Summary
As of March 31, 2015**

City of Ann Arbor
VEBA

Aggregate Assets
as of 3/31/15



City of Ann Arbor
VEBA

Aggregate Assets
Asset Summary as of 3/31/15

	Market Value 3/31/15 (\$ mm)	% of Health Care Trust	Target Allocation (%)	Target Range (%)	Market Value 12/31/14 (\$ mm)
Total VEBA	129.8	100	NA	NA	126.7
Domestic Equity Assets	52.6	41	38	30-46	51.4
International Developed Market Equity Assets	14.7	11	11	8-14	13.8
International Emerging Market Equity Assets	8.2	6	6	0-9	8.1
Investment Grade Bond Assets	23.6	18	10	8-12	23.2
TIPS Assets	3.0	2	9	0-11	3.0
High Yield Bond Assets ¹	7.5	6	6	2-8	7.1
Bank Loan Assets	5.0	4	4	0-6	4.9
Emerging Market Debt Assets	3.4	3	3	0-5	3.5
Real Estate Assets	10.8	8	10	2-12	10.3
Natural Resources Assets	0.0	0	3	0-5	0.0
Cash	1.0	< 1	0	< 5	1.4

¹ Includes Summit Partners Credit Fund II.



City of Ann Arbor
VEBA

Aggregate Assets
Portfolio Roster as of 3/31/15

	Market Value 3/31/15 (\$ mm)	% of Asset Class	% of Health Care Trust	Target Allocation (%)	Target Range (%)	Market Value 12/31/14 (\$ mm)
Total VEBA	129.8	NA	100	NA	NA	126.7
Domestic Equity Assets	52.6	100	41	38	30-46	51.4
Northern Trust Russell 1000 Index	35.3	67	27			34.7
RhumbLine S&P 400 Index	10.0	19	8			9.5
SouthernSun Small Cap Equity	7.3	14	6			7.1
International Developed Market Equity Assets	14.7	100	11	11	8-14	13.8
Fisher Institutional Foreign Equity	14.7	100	11			13.8
International Emerging Market Equity Assets	8.2	100	6	6	0-9	8.1
Dimensional Emerging Markets Value	4.4	54	3			4.4
Vontobel Emerging Markets Equity	3.8	46	3			3.7
Investment Grade Bond Assets	23.6	100	18	10	8-12	23.2
Northern Trust Barclays Aggregate Bond Index	23.6	100	18			23.2
TIPS Assets	3.0	100	2	9	0-11	3.0
IR&M 1-10 Year Index	3.0	100	2			3.0



City of Ann Arbor
VEBA

Aggregate Assets
Portfolio Roster as of 3/31/15

	Market Value 3/31/15 (\$ mm)	% of Asset Class	% of Health Care Trust	Target Allocation (%)	Target Range (%)	Market Value 12/31/14 (\$ mm)
High Yield Bond Assets	7.5	100	6	6	2-8	7.1
SKY Harbor High Yield	7.0	94	5			6.9
Summit Partners Credit Fund II ¹	0.5	6	< 1			0.2
Bank Loan Assets	5.0	100	4	4	0-6	4.9
Beach Point Leveraged Loan	5.0	100	4			4.9
Emerging Market Debt Assets	3.4	100	3	3	0-5	3.5
Stone Harbor Emerging Markets Local Currency Debt	3.4	100	3			3.5
Real Estate Assets	10.8	100	8	10	2-12	10.3
Vanguard REIT Index	5.1	48	4			4.9
A.E.W Core Property Trust	5.1	47	4			5.0
DRA Growth and Income Fund VIII ¹	0.5	5	< 1			0.4
Cash	1.0	100	< 1	0	< 5	1.4
Northern Trust Cash Account	1.0	100	< 1			1.4

¹ Market value as of 12/31/14, adjusted for subsequent cash flows.



City of Ann Arbor
VEBA

Aggregate Assets
Performance as of 3/31/15

	1Q15 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Total VEBA	2.4	2.1	5.9	8.9	10.2	7.0	10/1/99	6.2
Net of Fees	2.4	1.9	5.6	8.6	9.8	NA		NA
<i>Policy Benchmark²</i>	2.0	1.8	5.7	8.8	9.3	6.9		5.7
<i>Actual Allocation Benchmark</i>	2.1	2.8	6.5	9.4	NA	NA		NA
<i>60% MSCI ACWI/ 40% Barclays Aggregate</i>	2.1	1.7	5.6	7.8	7.4	6.2		NA
Domestic Equity	2.5	4.5	9.6	16.2	16.4	9.1	10/1/99	6.7
<i>Russell 3000</i>	1.8	7.1	12.4	16.4	14.7	8.4		5.8
International Developed Market Equity	6.6	-0.9	1.9	8.5	8.3	NA	7/1/09	12.2
<i>MSCI EAFE</i>	4.9	-4.8	-0.9	9.0	6.2	4.9		9.2
International Emerging Market Equity	0.6	-6.9	0.1	0.2	NA	NA	2/1/12	1.3
<i>MSCI Emerging Markets</i>	2.2	-5.8	0.4	0.3	1.7	8.5		1.1
Investment Grade Bonds ³	1.7	3.6	5.9	3.7	5.1	5.6	10/1/00	6.0
<i>Barclays Aggregate</i>	1.6	3.6	5.7	3.1	4.4	4.9		5.5
<i>Barclays Universal</i>	1.7	3.1	5.3	3.5	4.7	5.2		5.7
TIPS	1.3	-1.8	1.1	NA	NA	NA	11/1/13	0.3
<i>Barclays U.S. TIPS</i>	1.4	-0.7	3.1	0.6	4.3	4.6		1.7
<i>Barclays U.S. TIPS 1-10 Year</i>	1.2	-1.8	1.1	-0.1	2.9	4.0		0.2

¹ Fiscal year began 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 3/31/15

	1Q15 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Total VEBA (continued)	2.4	2.1	5.9	8.9	10.2	7.0	10/1/99	6.2
Net of Fees (continued)	2.4	1.9	5.6	8.6	9.8	NA		NA
High Yield Bond Assets	1.7	-2.2	0.2	6.7	7.8	NA	7/1/09	10.2
<i>Barclays High Yield</i>	2.5	-0.4	2.0	7.5	8.6	8.2		12.0
Bank Loans	2.1	2.7	3.6	6.6	NA	NA	4/1/12	6.6
<i>CSFB Leveraged Loan</i>	2.1	1.3	2.8	5.3	5.4	4.7		5.3
Emerging Market Debt	-3.2	-16.4	-13.3	NA	NA	NA	6/1/12	-4.6
<i>JPM GBI-EM Global Diversified (unhedged)</i>	-4.0	-14.6	-11.1	-3.9	0.7	6.3		-1.8
Real Estate	3.3	11.4	16.3	10.5	14.3	10.0	3/1/05	9.7
<i>NCREIF ODCE Equal Weighted</i>	3.3	10.2	13.2	12.4	14.3	6.7		7.0

¹ Fiscal year began July 1.



City of Ann Arbor
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Aggregate Assets
Performance as of 3/31/15

	1Q15 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
Domestic Equity	2.5	4.5	9.6	16.2	16.4	9.1	10/1/99	6.7
Northern Trust Russell 1000 Index	1.6	7.2	12.7	16.4	NA	NA	2/1/12	18.1
Net of Fees	1.6	7.2	12.7	16.4	NA	NA		18.0
<i>Russell 1000</i>	1.6	7.2	12.7	16.4	14.7	8.3		18.2
RhumbLine S&P 400 Index	5.4	7.6	12.4	17.1	15.8	NA	2/1/10	18.0
Net of Fees	5.4	7.6	12.4	17.1	15.8	NA		NA
<i>S&P MidCap</i>	5.3	7.5	12.2	17.0	15.7	10.3		17.9
SouthernSun Small Cap Equity	2.1	-10.5	-6.9	13.5	18.2	10.9	12/1/04	10.8
Net of Fees	1.8	-11.2	-7.9	12.4	17.2	10.2		NA
<i>Russell 2000</i>	4.3	6.0	8.2	16.3	14.6	8.8		8.3
International Developed Market Equity	6.6	-0.9	1.9	8.5	8.3	NA	7/1/09	12.2
Fisher Institutional Foreign Equity	6.6	-0.9	1.9	8.5	8.3	NA	7/1/09	12.2
Net of Fees	6.3	-1.6	1.0	7.5	7.4	NA		11.3
<i>MSCI EAFE</i>	4.9	-4.8	-0.9	9.0	6.2	4.9		9.2

¹ Fiscal year began July 1.



City of Ann Arbor
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Aggregate Assets
Performance as of 3/31/15

	1Q15 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
International Emerging Market Equity	0.6	-6.9	0.1	0.2	NA	NA	2/1/12	1.3
Dimensional Emerging Markets Value ²	-0.2	-10.6	-3.9	-1.8	NA	NA	2/1/12	-1.2
<i>MSCI Emerging Markets</i>	2.2	-5.8	0.4	0.3	1.7	8.5		1.1
Vontobel Emerging Markets Equity	1.8	-1.6	6.1	3.7	NA	NA	2/1/12	5.5
Net of Fees	1.5	-2.4	4.9	2.6	NA	NA		4.4
<i>MSCI Emerging Markets</i>	2.2	-5.8	0.4	0.3	1.7	8.5		1.1
Investment Grade Bonds³	1.7	3.6	5.9	3.7	5.1	5.6	10/1/00	6.0
Northern Trust Barclays Aggregate Bond Index	1.7	3.7	5.9	3.1	4.4	5.1	10/1/99	5.7
Net of Fees	1.7	3.7	5.8	3.1	4.4	5.0		5.6
<i>Barclays Aggregate</i>	1.6	3.6	5.7	3.1	4.4	4.9		5.6
TIPS	1.3	-1.8	1.1	NA	NA	NA	11/1/13	0.3
IR&M 1-10 Year Index	1.3	-1.8	1.1	NA	NA	NA	11/1/13	0.3
Net of Fees	1.3	-1.9	1.0	NA	NA	NA		0.2
<i>Barclays U.S. TIPS 1-10 Year</i>	1.2	-1.8	1.1	-0.1	2.9	4.0		0.2

¹ Fiscal year began July 1.

² Returns shown as net of fees.

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



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Aggregate Assets
Performance as of 3/31/15

	1Q15 (%)	Fiscal ¹ YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	Inception Date	Since Inception (%)
High Yield Bond Assets	1.7	-2.2	0.2	6.7	7.8	NA	7/1/09	10.2
SKY Harbor High Yield	1.9	-2.0	0.4	NA	NA	NA	12/1/12	5.9
Net of Fees	1.8	-2.4	-0.2	NA	NA	NA		5.3
<i>Barclays High Yield</i>	2.5	-0.4	2.0	7.5	8.6	8.2		6.0
Bank Loans	2.1	2.7	3.6	6.6	NA	NA	4/1/12	6.6
Beach Point Leveraged Loan	2.1	2.7	3.6	6.6	NA	NA	4/1/12	6.6
Net of Fees	1.9	2.2	2.9	6.0	NA	NA		6.0
<i>CSFB Leveraged Loan</i>	2.1	1.3	2.8	5.3	5.4	4.7		5.3
Emerging Market Debt	-3.2	-16.4	-13.3	NA	NA	NA	6/1/12	-4.6
Stone Harbor Emerging Markets Local Currency Debt ²	-3.2	-16.4	-13.3	NA	NA	NA	6/1/12	-4.6
<i>JPM GBI-EM Global Diversified (unhedged)</i>	-4.0	-14.6	-11.1	-3.9	0.7	6.3		-1.8
Real Estate	3.3	11.4	16.3	10.5	14.3	10.0	3/1/05	9.7
Vanguard REIT Index	4.7	16.0	24.1	NA	NA	NA	3/1/14	22.6
<i>MSCI U.S. REIT</i>	4.7	16.0	24.2	14.2	15.9	9.3		22.7
A.E.W Core Property Trust	2.0	7.9	10.3	NA	NA	NA	7/1/13	10.9
<i>NCREIF ODCE</i>	3.4	10.2	13.5	12.7	14.5	7.0		13.2

¹ Fiscal year began July 1.

² Returns shown as net of fees.



City of Ann Arbor
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Aggregate Assets
Calendar Year Performance

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

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



City of Ann Arbor
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Aggregate Assets
Calendar Year Performance

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

¹ Returns shown as net of fees.

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



City of Ann Arbor
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Aggregate Assets
Calendar Year Performance

	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)
High Yield Bond Assets	1.4	9.2	12.4	5.7	12.3	NA	NA	NA	NA	NA
SKY Harbor High Yield	1.4	9.2	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	0.8	8.6	NA	NA	NA	NA	NA	NA	NA	NA
<i>Barclays High Yield</i>	2.5	7.4	15.8	5.0	15.1	58.2	-26.2	1.9	11.8	2.7
Summit Partners Credit Fund II	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Bank Loans	2.7	7.1	NA	NA	NA	NA	NA	NA	NA	NA
Beach Point Leveraged Loan	2.7	7.1	NA	NA	NA	NA	NA	NA	NA	NA
Net of Fees	2.0	6.4	NA	NA	NA	NA	NA	NA	NA	NA
<i>CSFB Leveraged Loan</i>	2.0	6.2	9.4	1.8	10.0	44.9	-28.8	1.9	7.2	5.7
Emerging Market Debt	-8.5	-12.6	NA	NA	NA	NA	NA	NA	NA	NA
Stone Harbor Emerging Markets Local Currency Debt ¹	-8.5	-12.6	NA	NA	NA	NA	NA	NA	NA	NA
<i>JPM GBI-EM Global Diversified (unhedged)</i>	-5.7	-9.0	16.8	-1.8	15.7	22.0	-5.2	18.1	15.2	6.3
Real Estate	15.4	4.1	20.1	10.2	29.7	29.6	-36.3	-15.2	38.4	NA
A.E.W Core Property Trust	10.4	NA	NA	NA	NA	NA	NA	NA	NA	NA
<i>NCREIF ODCE</i>	12.5	14.0	10.9	16.0	16.4	-29.8	-10.0	16.0	16.3	21.4

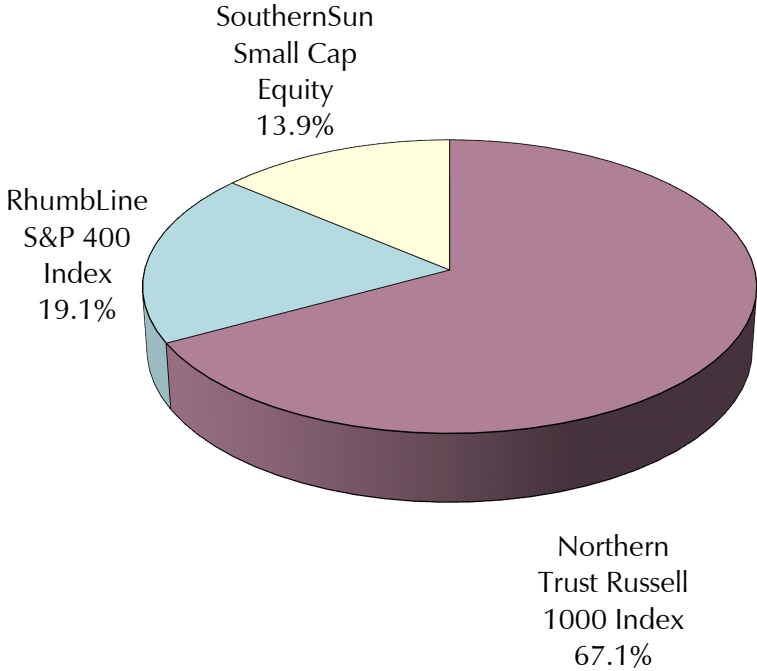
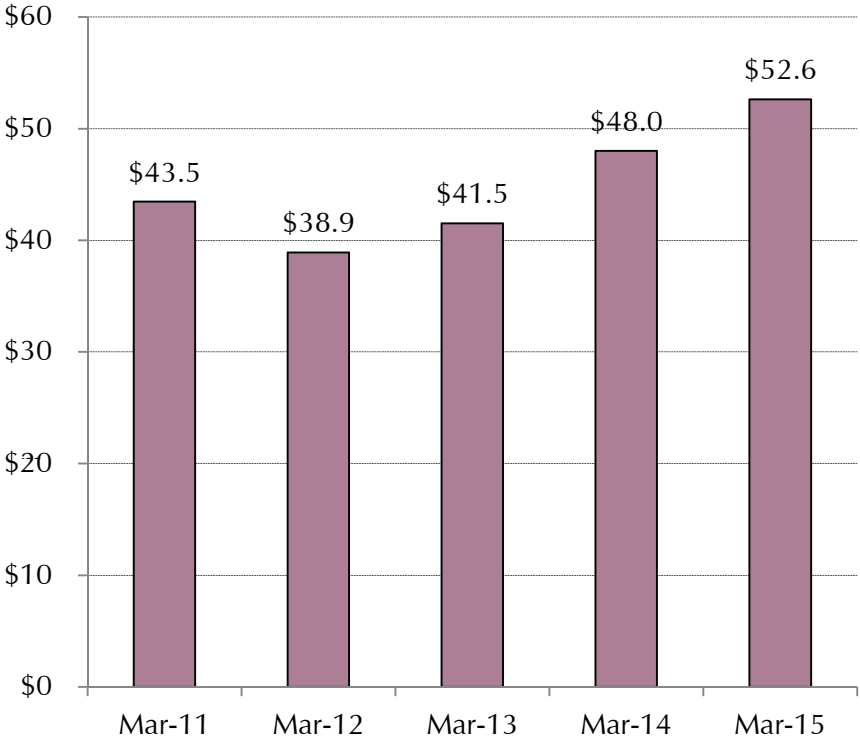
¹ Returns shown as net of fees.



**Domestic Equity Assets
As of March 31, 2015**

City of Ann Arbor
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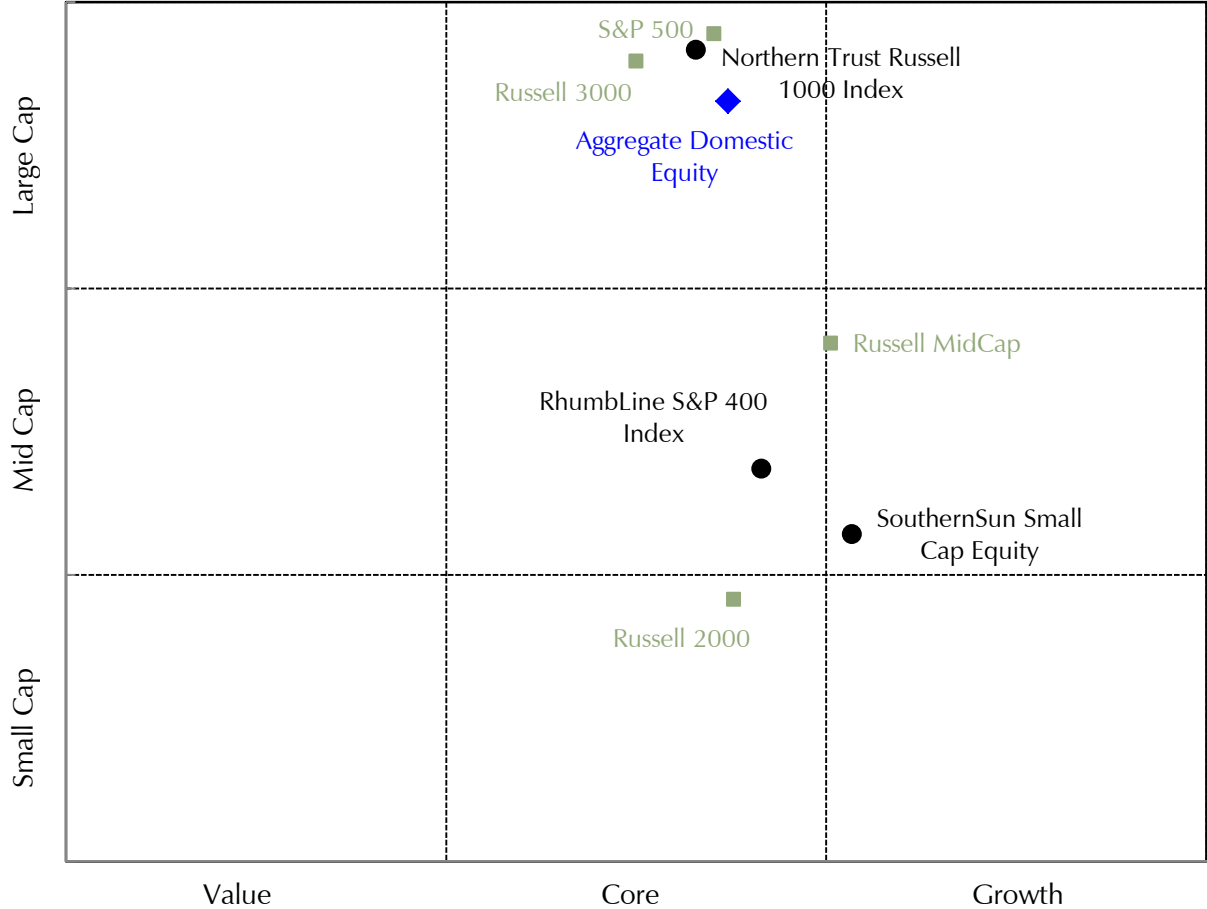
Domestic Equity Assets
as of 3/31/15



City of Ann Arbor
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Domestic Equity Assets
Risk as of 3/31/15

Risk: (sixty months)	Aggregate Domestic Equity 3/31/15	Russell 3000 3/31/15
Annualized Return (%)	16.4	14.7
Standard Deviation (%)	17.5	15.5
Best Monthly Return (%)	13.7	11.5
Worst Monthly Return (%)	-9.3	-7.9
Beta	1.10	1.00
Correlation to Index	0.99	1.00
Correlation to Total Fund Return	0.97	NA
Sharpe Measure (risk-adjusted return)	0.93	0.95
Information Ratio	0.58	NA



	Aggregate Domestic Equity 3/31/15	Russell 3000 3/31/15	Aggregate Domestic Equity 12/31/14
Capitalization Structure:			
Weighted Average Market Cap. (US\$ billion)	77.3	103.5	78.0
Median Market Cap. (US\$ billion)	7.1	1.5	6.9
Large (% over US\$20 billion)	51	69	52
Medium (% US\$3 billion to US\$20 billion)	38	24	37
Small (% under US\$3 billion)	11	7	12
Fundamental Structure:			
Price-Earnings Ratio	21	20	21
Price-Book Value Ratio	2.9	2.5	2.9
Dividend Yield (%)	1.7	1.9	1.7
Historical Earnings Growth Rate (%)	14	13	13
Projected Earnings Growth Rate (%)	11	11	12

**City of Ann Arbor
VEBA**

**Domestic Equity Assets
Diversification as of 3/31/15**

Diversification:	Aggregate Domestic Equity 3/31/15	Russell 3000 3/31/15	Aggregate Domestic Equity 12/31/14
Number of Holdings	1,165	3,013	1,164
% in 5 largest holdings	6	9	7
% in 10 largest holdings	11	14	11

Largest Five Holdings:

Apple

2.4

Technology Equipment

ExxonMobil

1.2

Energy

Microsoft

1.1

Software & Services

Johnson & Johnson

0.9

Pharmaceuticals & Biotech.

Centene

0.9

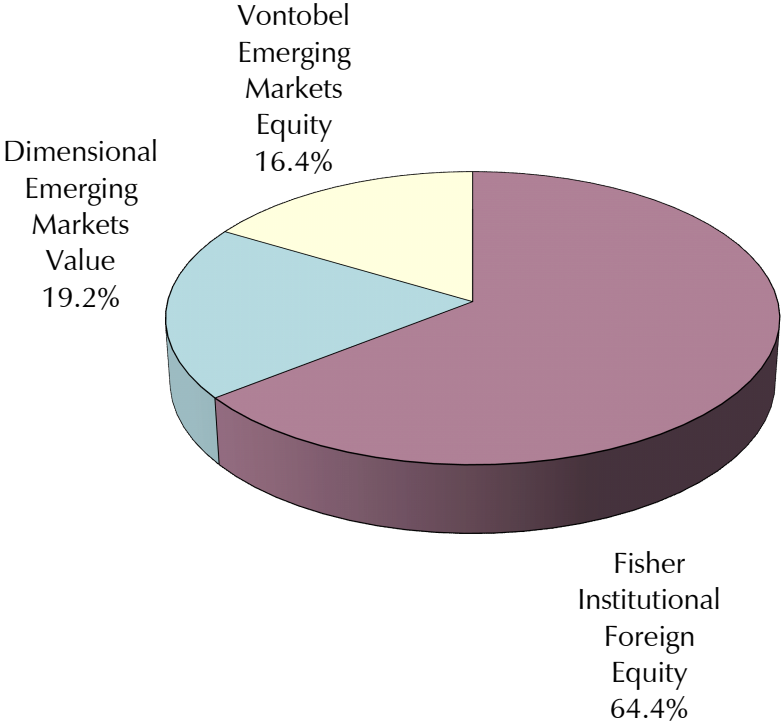
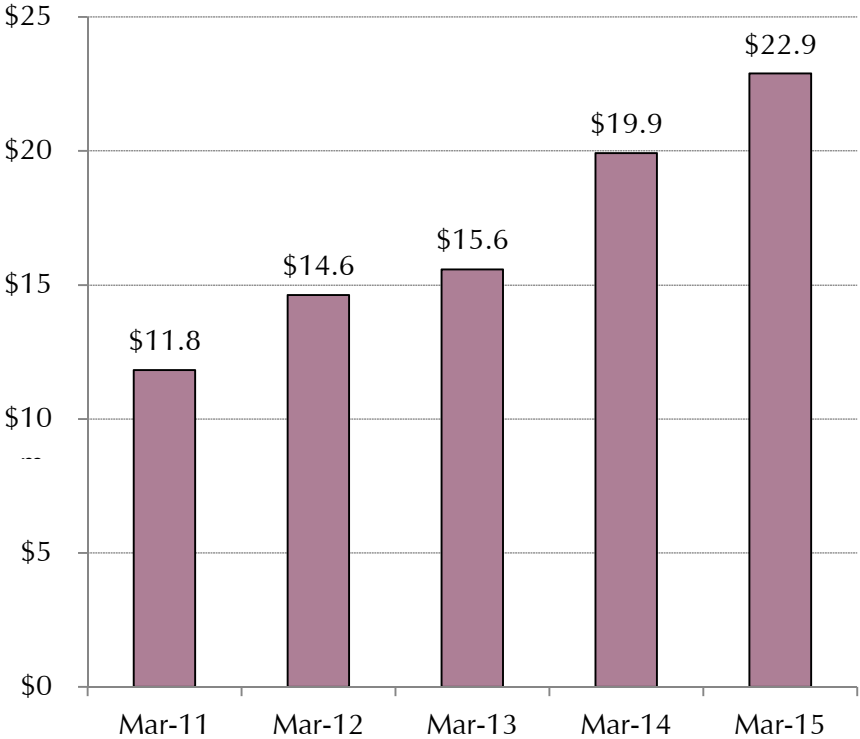
Health Care Services

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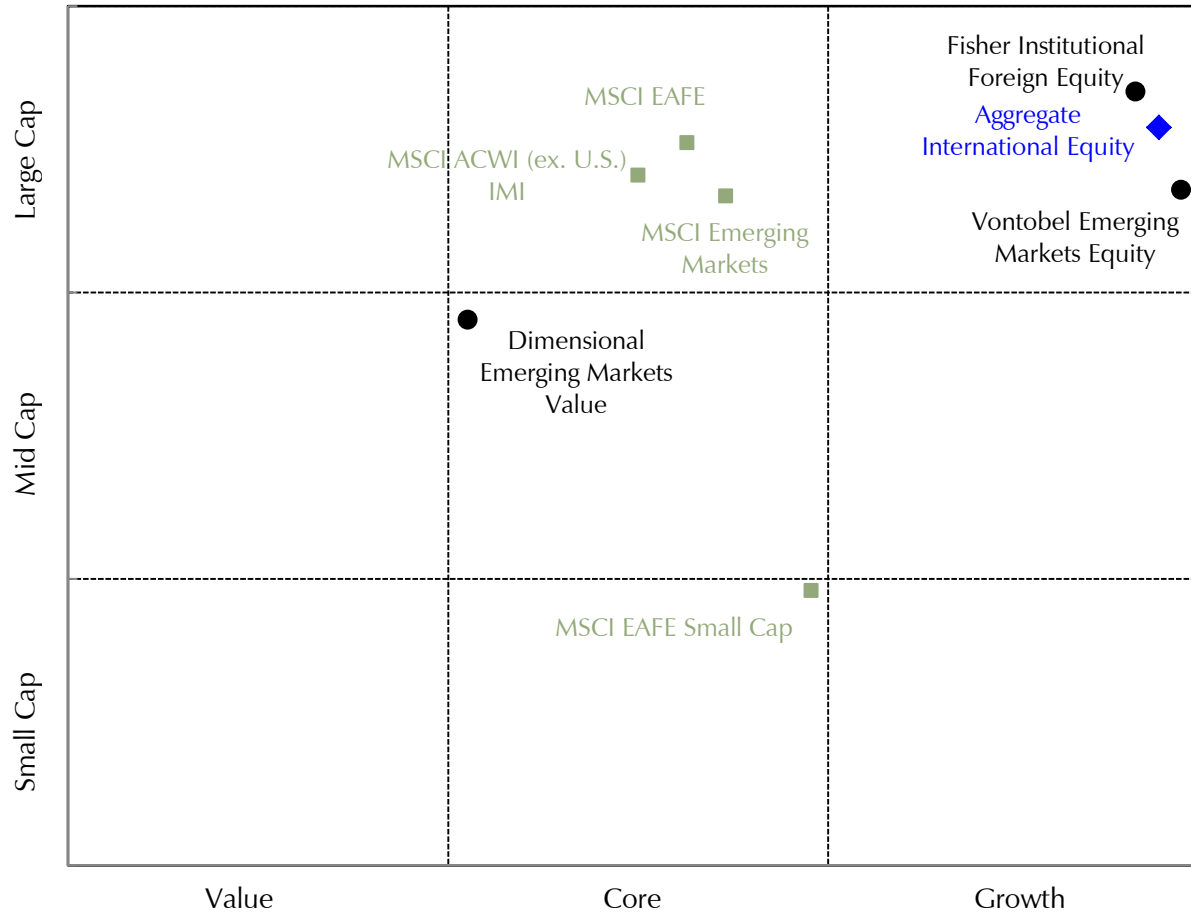
Domestic Equity Assets
Sector Allocation as of 3/31/15

Sector Allocation (%):	Aggregate Domestic Equity 3/31/15	Russell 3000 3/31/15	Aggregate Domestic Equity 12/31/14
Industrials	15	11	14
Materials	5	4	5
Consumer Discretionary	14	13	14
Utilities	3	3	4
Consumer Staples	8	8	9
Telecommunication Services	1	2	1
Energy	6	7	7
Health Care	14	15	14
Financials	17	18	16
Information Technology	17	19	17

International Equity Assets
As of March 31, 2015



Risk: (sixty months)	Aggregate International Equity 3/31/15	MSCI ACWI (ex. U.S.) IMI 3/31/15
Annualized Return (%)	6.4	5.0
Standard Deviation (%)	20.4	17.3
Best Monthly Return (%)	15.4	10.3
Worst Monthly Return (%)	-13.9	-11.3
Beta	1.14	1.00
Correlation to Index	0.98	1.00
Correlation to Total Fund Return	0.96	NA
Sharpe Measure (risk-adjusted return)	0.31	0.29
Information Ratio	0.34	NA



	Aggregate International Equity 3/31/15	MSCI ACWI (ex. U.S.) IMI 3/31/15	Aggregate International Equity 12/31/14
Capitalization Structure:			
Weighted Average Market Cap. (US\$ billion)	65.9	46.7	60.9
Median Market Cap. (US\$ million)	424	1,172	419
Large (% over US\$20 billion)	76	54	73
Medium (% US\$3 billion to US\$20 billion)	17	34	20
Small (% under US\$3 billion)	6	12	7
Fundamental Structure:			
Price-Earnings Ratio	19	18	18
Price-Book Value Ratio	3.1	1.6	2.8
Dividend Yield (%)	2.5	2.8	2.6
Historical Earnings Growth Rate (%)	12	9	14
Projected Earnings Growth Rate (%)	11	10	12

	Aggregate International Equity 3/31/15	MSCI ACWI (ex. U.S.) IMI 3/31/15	Aggregate International Equity 12/31/14
Diversification:			
Number of Holdings	2,253	6,061	2,222
% in 5 largest holdings	11	5	10
% in 10 largest holdings	20	8	18
Largest Five Holdings:	% of Portfolio	Economic Sector	
Novo Nordisk	2.5	Pharmaceuticals & Biotech.	
Bayer	2.4	Pharmaceuticals & Biotech.	
Prudential	2.1	Insurance	
Asml Holding	2.0	Semiconductors	
UBS GROUP	1.8	Diversified Financials	

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

City of Ann Arbor
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International Equity Assets
Country & Region Breakdown as of 3/31/15

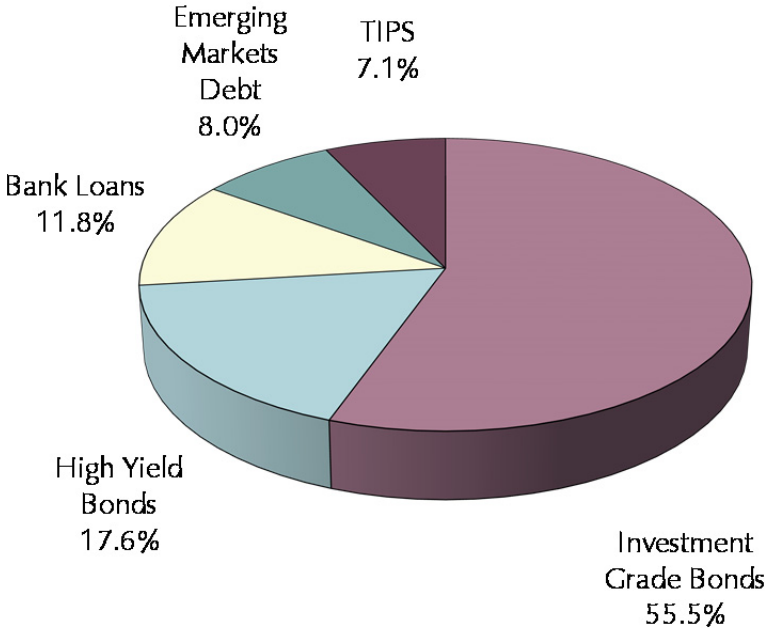
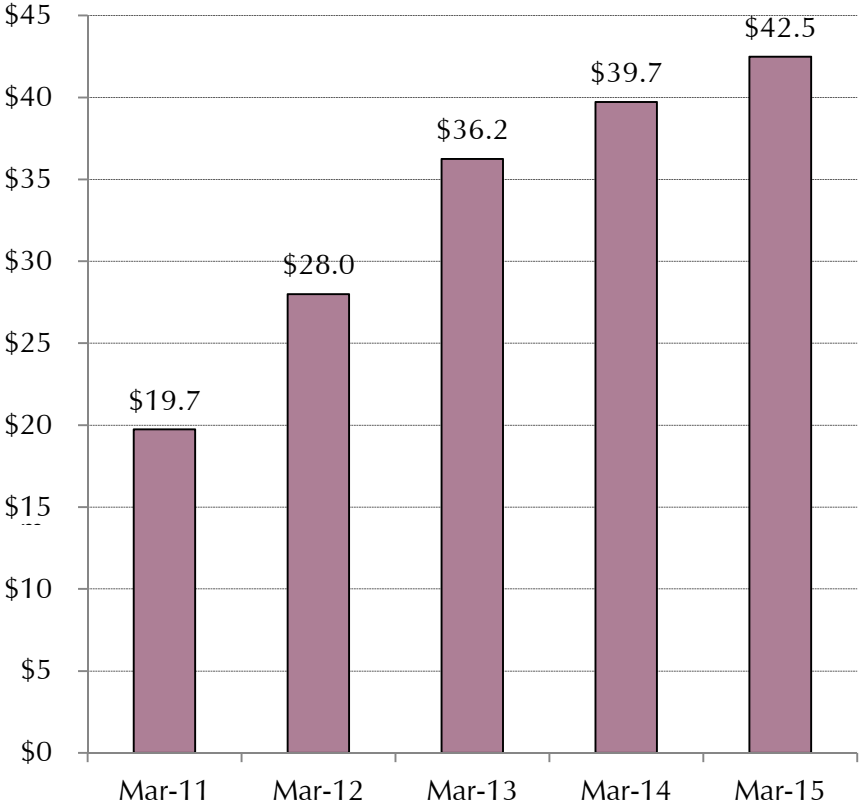
	Aggregate International Equity 3/31/15 (%)	MSCI ACWI (ex. U.S.) IMI 3/31/15 (%)		Aggregate International Equity 3/31/15 (%)	MSCI ACWI (ex. U.S.) IMI 3/31/15 (%)
North America	2.5	6.9	Emerging	31.8	19.4
Canada	2.3	6.7	India	5.3	1.7
Europe	52.4	45.8	Taiwan	5.3	2.9
Germany	11.5	6.4	Brazil	3.3	1.5
United Kingdom	14.9	12.7	Mexico	2.3	1.0
Switzerland	7.9	6.5	South Korea	4.2	3.3
Denmark	2.5	1.2	Thailand	1.4	0.6
Ireland	1.4	0.7	Indonesia	1.3	0.6
France	6.5	6.1	South Africa	2.3	1.7
Belgium	1.3	0.9	Malaysia	1.3	0.8
Netherlands	3.1	3.0	China	3.2	2.7
Italy	1.4	1.7			
Spain	1.1	2.4			
Asia Pacific	13.3	27.4			
Singapore	1.0	1.1			
Hong Kong	4.2	4.4			
Australia	2.1	5.1			
Japan	5.9	16.6			



**Fixed Income Assets
As of March 31, 2015**

City of Ann Arbor
VEBA

Fixed Income Assets
as of 3/31/15

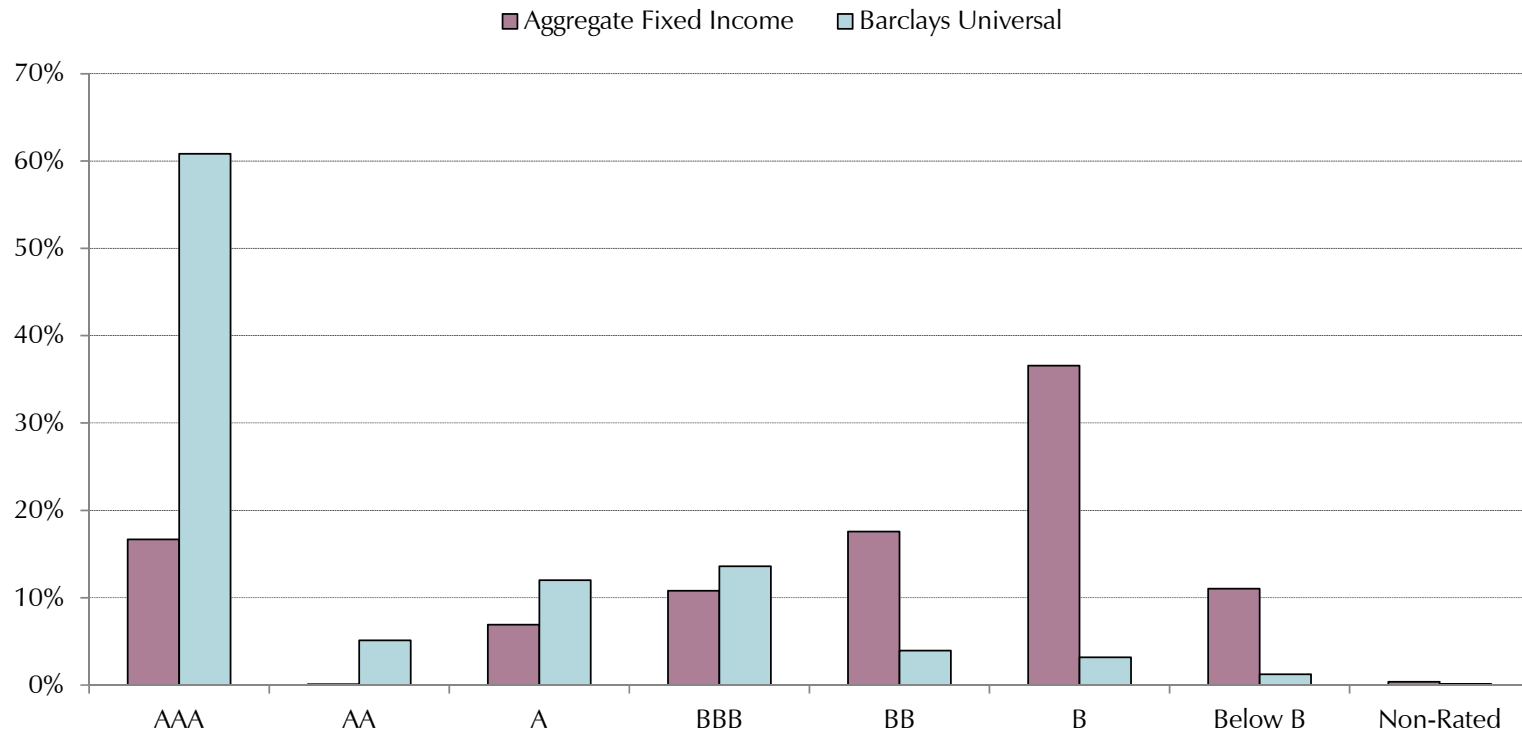


**City of Ann Arbor
VEBA**

**Fixed Income Assets
Risk as of 3/31/15**

Risk: (sixty months)	Aggregate Fixed Income 3/31/15	Barclays Universal 3/31/15
Annualized Return (%)	5.0	4.7
Standard Deviation (%)	2.9	2.8
Best Monthly Return (%)	1.6	1.9
Worst Monthly Return (%)	-1.9	-1.8
Beta	0.96	1.00
Correlation to Index	0.94	1.00
Correlation to Total Fund Return	0.23	NA
Sharpe Measure (risk-adjusted return)	1.70	1.65
Information Ratio	0.28	NA

Duration & Yield:	Aggregate Fixed Income 3/31/15	Barclays Universal 3/31/15	Aggregate Fixed Income 12/31/14
Average Effective Duration (years)	4.6	5.3	4.7
Yield to Maturity (%)	3.7	2.5	3.9



City of Ann Arbor
VEBA

Fixed Income Assets
Diversification as of 3/31/15

	Aggregate Fixed Income 3/31/15	Barclays Universal 3/31/15	Aggregate Fixed Income 12/31/14
Market Allocation (%):			
United States	83	82	82
Foreign (developed markets)	8	11	7
Foreign (emerging markets)	9	7	11
Currency Allocation (%):			
Non-U.S. Dollar Exposure	9	0	9
Sector Allocation (%):			
U.S. Treasury-Nominal	20	30	20
U.S. Treasury-TIPS	7	0	7
U.S. Agency	2	3	2
Mortgage Backed	16	24	16
Corporate	30	31	30
Bank Loans	11	0	10
Local & Provincial Government	1	1	1
Sovereign & Supranational	11	8	11
Commercial Mortgage Backed	1	2	1
Asset Backed	0	0	0
Cash Equivalent	1	0	1
Other	0	0	0

**Domestic Equity Portfolio Reviews
As of March 31, 2015**

City of Ann Arbor VEBA

Northern Trust Russell 1000 Index Portfolio Detail as of 3/31/15

Mandate: Domestic Equities
Active/Passive: Passive
Market Value: \$35.3 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 (%):	1Q15	Fiscal YTD ¹	1 YR	3 YR	Since 2/1/12
Northern Trust Russell 1000 Index	1.6	7.2	12.7	16.4	18.1
Net of Fees	1.6	7.2	12.7	16.4	18.0
Russell 1000	1.6	7.2	12.7	16.4	18.2
Peer Large Cap Core	1.5	7.4	13.0	16.6	18.3
Peer Ranking (percentile)	46	52	53	52	53
Risk: (thirty-eight months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Northern Trust Russell 1000 Index	11.2%	1.00	1.61	NA	1.00
Russell 1000	11.2	1.00	1.62	NA	1.00

	3/31/15		12/31/14	
	Northern Trust Russell 1000 Index	Russell 1000	Northern Trust Russell 1000 Index	Russell 1000
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	112.1	112.2	110.8	110.9
Median Market Cap. (US\$ billion)	8.2	8.2	7.8	7.8
Large (% over US\$20 billion)	75	75	75	75
Medium (% US\$3 billion to US\$20 billion)	24	24	24	24
Small (% under US\$3 billion)	1	1	1	1

Fundamental Structure:				
Price-Earnings Ratio	20	20	20	20
Price-Book Value Ratio	2.9	2.9	3.1	3.1
Dividend Yield (%)	1.9	1.9	1.9	1.9
Historical Earnings Growth Rate (%)	13	13	13	13
Projected Earnings Growth Rate (%)	11	11	12	12

Sector Allocation (%):				
Consumer Discretionary	13	13	13	13
Information Technology	19	19	19	19
Consumer Staples	9	9	9	9
Materials	4	4	4	4
Health Care	15	15	14	14
Industrials	11	11	11	11
Energy	8	8	8	8
Utilities	3	3	3	3
Telecommunication Services	2	2	2	2
Financials	17	17	17	17

Diversification:				
Number of Holdings	1,037	1,036	1,044	1,043
% in 5 largest holdings	9	9	10	10
% in 10 largest holdings	15	15	15	15

Largest Ten Holdings:		
		Industry
Apple	3.5	Technology Equipment
ExxonMobil	1.7	Energy
Microsoft	1.6	Software & Services
Johnson & Johnson	1.3	Pharmaceuticals & Biotech.
Berkshire Hathaway	1.2	Diversified Financials
Wells Fargo	1.2	Banks
General Electric	1.2	Capital Goods
JP Morgan Chase	1.1	Banks
Pfizer	1.0	Pharmaceuticals & Biotech.
Procter & Gamble	1.0	Household Products

¹ Fiscal year began July 1.



City of Ann Arbor VEBA

RhumbLine S&P 400 Index Portfolio Detail as of 3/31/15

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

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

0.0485% on first \$50 mm; 0.04% thereafter; (\$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 (%):	1Q15	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 2/1/10
RhumbLine S&P 400 Index	5.4	7.6	12.4	17.1	15.8	18.0
Net of Fees	5.4	7.6	12.4	17.1	15.8	NA
S&P MidCap	5.3	7.5	12.2	17.0	15.7	17.9

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
RhumbLine S&P 400 Index	17.9%	1.00	0.88	NA	1.00
S&P MidCap	17.9	1.00	0.87	NA	1.00

	3/31/15		12/31/14	
	RhumbLine S&P 400 Index	S&P MidCap	RhumbLine S&P 400 Index	S&P MidCap
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	5.4	5.4	5.4	5.4
Median Market Cap. (US\$ billion)	3.9	3.9	3.8	3.8
Large (% over US\$20 billion)	0	0	0	0
Medium (% US\$3 billion to US\$20 billion)	84	84	82	83
Small (% under US\$3 billion)	16	16	18	17
Fundamental Structure:				
Price-Earnings Ratio	22	22	21	21
Price-Book Value Ratio	2.7	2.7	2.7	2.7
Dividend Yield (%)	1.5	1.5	1.4	1.4
Historical Earnings Growth Rate (%)	16	16	14	14
Projected Earnings Growth Rate (%)	13	12	13	13
Sector Allocation (%):				
Financials	24	24	23	23
Industrials	16	16	15	15
Information Technology	17	17	18	18
Health Care	9	9	10	10
Energy	4	4	4	4
Materials	8	7	7	7
Telecommunication Services	0	0	0	0
Utilities	4	5	5	5
Consumer Staples	4	4	3	3
Consumer Discretionary	13	14	14	14
Diversification:				
Number of Holdings	398	400	399	400
% in 5 largest holdings	4	3	4	4
% in 10 largest holdings	7	6	7	7
Largest Ten Holdings:				
		Industry		
Church & Dwight	0.7	Household Products		
QORVO	0.7	Semiconductors		
Federal Realty	0.7	Real Estate		
Realty Income	0.7	Real Estate		
Advance Auto Parts	0.7	Retailing		
Signet Jewelers	0.7	Retailing		
Salix Pharmaceuticals	0.7	Pharmaceuticals & Biotech.		
RESMED	0.6	Health Care Services		
Wabtec	0.6	Capital Goods		
Jarden	0.6	Consumer Durables		

¹ Fiscal year began July 1.



City of Ann Arbor VEBA

Mandate: Domestic Equities
Active/Passive: Active
Market Value: \$7.3 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 (%):	1Q15	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 12/1/04
SouthernSun Small Cap Equity	2.1	-10.5	-6.9	13.5	18.2	10.8
Net of Fees	1.8	-11.2	-7.9	12.4	17.2	NA
Russell 2000	4.3	6.0	8.2	16.3	14.6	8.3
Peer Small Cap Core	4.1	5.6	8.4	17.0	15.8	9.6
Peer Ranking (percentile)	84	96	96	87	11	14

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
SouthernSun Small Cap Equity	24.0%	1.02	0.76	0.41	0.90
Russell 2000	20.5	1.00	0.71	NA	1.00

SouthernSun Small Cap Equity Portfolio Detail as of 3/31/15

	3/31/15		12/31/14	
	Southern Sun Small Cap Equity	Russell 2000	Southern Sun Small Cap Equity	Russell 2000
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	3.4	2.1	3.2	1.9
Median Market Cap. (US\$ billion)	2.8	0.7	2.6	0.7
Large (% over US\$20 billion)	0	0	0	0
Medium (% US\$3 billion to US\$20 billion)	44	23	37	18
Small (% under US\$3 billion)	56	77	63	82
Fundamental Structure:				
Price-Earnings Ratio	24	21	28	21
Price-Book Value Ratio	3.0	2.1	2.2	2.1
Dividend Yield (%)	1.0	1.3	1.1	1.3
Historical Earnings Growth Rate (%)	17	15	12	14
Projected Earnings Growth Rate (%)	12	15	15	16
Sector Allocation (%):				
Industrials	30	14	30	14
Consumer Staples	12	3	15	3
Consumer Discretionary	20	14	18	14
Materials	8	4	7	5
Utilities	4	4	4	4
Health Care	15	16	16	15
Telecommunication Services	0	1	0	1
Energy	2	3	4	3
Information Technology	5	18	6	18
Financials	4	24	0	24
Diversification:				
Number of Holdings	25	1,978	21	2,008
% in 5 largest holdings	28	2	31	1
% in 10 largest holdings	53	3	57	3
Largest Ten Holdings:				
		Industry		
Chicago Bridge and Iron	6.2	Capital Goods		
Centene	5.9	Health Care Services		
Iconix Brand Group	5.8	Consumer Durables		
Brink's	5.4	Commercial Services		
AGCO	5.2	Capital Goods		
Hill-Rom Holdings	5.2	Health Care Services		
Fresh Market	5.0	Food & Staples Retailing		
Diebold	4.9	Technology Equipment		
Darling International	4.8	Food, Beverage & Tobacco		
Thor Industries	4.3	Automobiles & Components		

¹ Fiscal year began July 1.



**International Developed Market Equity
Portfolio Review
As of March 31, 2015**

City of Ann Arbor VEBA

Fisher Institutional Foreign Equity Portfolio Detail as of 3/31/15

Mandate: International Equities,
Developed Markets

Active/Passive: Active

Market Value: \$14.7 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 (%):	1Q15	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 7/1/09
Fisher Institutional Foreign Equity	6.6	-0.9	1.9	8.5	8.3	12.2
Net of Fees	6.3	-1.6	1.0	7.5	7.4	11.3
MSCI EAFE	4.9	-4.8	-0.9	9.0	6.2	9.2
Peer International Core	5.1	-3.6	0.0	9.3	7.2	10.3
Peer Ranking (percentile)	16	14	25	60	20	12

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Fisher Institutional Foreign Equity	21.0%	1.11	0.39	0.43	0.97
MSCI EAFE	17.8	1.00	0.34	NA	1.00

Capitalization Structure:	3/31/15		12/31/14	
	Fisher International Equity	MSCI EAFE	Fisher International Equity	MSCI EAFE
Weighted Average Market Cap. (US\$ billion)	85.3	59.0	80.0	57.3
Median Market Cap. (US\$ billion)	56.5	9.1	55.9	8.7
Large (% over US\$20 billion)	94	68	91	67
Medium (% US\$3 billion to US\$20 billion)	6	32	9	32
Small (% under US\$3 billion)	0	1	0	1

Fundamental Structure:

Price-Earnings Ratio	19	19	19	17
Price-Book Value Ratio	3.2	1.9	2.6	1.6
Dividend Yield (%)	2.4	2.9	2.5	3.0
Historical Earnings Growth Rate (%)	12	7	15	9
Projected Earnings Growth Rate (%)	10	9	11	9

Sector Allocation (%):

Information Technology	15	5	15	5
Health Care	19	11	19	11
Consumer Discretionary	20	13	19	12
Industrials	15	13	15	13
Energy	2	5	2	6
Utilities	0	4	0	4
Financials	22	26	22	26
Telecommunication Services	0	5	0	5
Materials	2	7	2	8
Consumer Staples	6	11	6	11

Diversification:

Number of Holdings	69	910	69	910
% in 5 largest holdings	16	8	16	8
% in 10 largest holdings	29	12	28	13

Region Allocation (%):

North America	3	0	4	0
Europe	76	65	77	66
Asia Pacific	17	34	16	33
Emerging	4	0	4	0
Other	0	1	0	1

Largest Five Holdings:

		Industry
Novo Nordisk	3.7	Pharmaceuticals & Biotech.
Bayer	3.6	Pharmaceuticals & Biotech.
Prudential	3.1	Insurance
Asml Holding	3.0	Semiconductors
UBS Group	2.8	Diversified Financials

¹ Fiscal year began July 1.



**International Emerging Market Equity
Portfolio Reviews
As of March 31, 2015**

City of Ann Arbor VEBA

Dimensional Emerging Markets Value Portfolio Detail as of 3/31/15

Mandate: International Equities,
Emerging Markets

Active/Passive: Active

Market Value: \$4.4 million

Portfolio Manager: Karen Umland

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 (%):	1Q15	Fiscal YTD ¹	1 YR	3 YR	Since 2/1/12
DFA Emerging Markets Value Fund	-0.2	-10.6	-3.9	-1.8	-1.2
MSCI Emerging Markets	2.2	-5.8	0.4	0.3	1.1
Peer Emerging Markets	1.4	-7.0	-1.1	0.4	1.5
Peer Ranking (percentile)	71	77	68	76	79
Risk: (thirty-eight months)	Standard Deviation	Beta	Sharpe Measure ²	Info. Ratio	Correlation to Index
Dimensional Emerging Markets Value	15.2%	1.09	Neg.	Neg.	0.97
MSCI Emerging Markets	13.8	1.00	0.07	NA	1.00

¹ Fiscal year began July 1.

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

	3/31/15		12/31/14	
	DFA Emerging Markets Value	MSCI Emerging Markets	DFA Emerging Markets Value	MSCI Emerging Markets
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	16.4	40.1	17.3	36.0
Median Market Cap. (US\$ million)	382.7	4,815.5	379.1	4,856.6
Large (% over US\$20 billion)	22	45	23	44
Medium (% US\$3 billion to US\$20 billion)	47	48	44	48
Small (% under US\$3 billion)	32	7	32	8
Fundamental Structure:				
Price-Earnings Ratio	12	15	11	14
Price-Book Value Ratio	1.0	1.7	1.0	1.6
Dividend Yield (%)	3.0	2.6	3.1	2.7
Historical Earnings Growth Rate (%)	7	11	6	12
Projected Earnings Growth Rate (%)	13	13	13	12
Sector Allocation (%):				
Materials	17	7	16	7
Financials	35	28	37	29
Industrials	12	7	12	7
Energy	10	8	10	8
Utilities	2	3	2	3
Consumer Discretionary	8	9	7	9
Health Care	0	2	0	2
Consumer Staples	5	8	5	8
Telecommunication Services	1	7	1	7
Information Technology	8	19	8	18
Diversification:				
Number of Holdings	2,121	836	2,090	834
% in 5 largest holdings	9	13	10	12
% in 10 largest holdings	15	19	16	18
Region Allocation (%):				
Asia Pacific	65	59	64	58
Latin America	16	14	16	16
Europe/MidEast/Africa	15	17	15	17
Other	4	10	5	9
Largest Five Holdings:		Industry		
China Construction Bank	2.5	Banks		
Bank of China	2.2	Banks		
Gazprom	1.8	Energy		
Reliance Industries	1.5	Energy		
Standard Bank	1.4	Banks		



City of Ann Arbor VEBA

Vontobel Emerging Markets Equity Portfolio Detail as of 3/31/15

Mandate: International Equities,
Emerging Markets

Active/Passive: Active

Market Value: \$3.8 million

Portfolio Manager: Rajiv Jain

Location: New York, New York

Inception Date: 2/1/2012

Account Type: Commingled

	Value	Core	Growth
Large			
Medium			
Small			

Fee Schedule:

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

Liquidity Constraints:

Monthly

Strategy:

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

Performance (%):	1Q15	Fiscal YTD ¹	1 YR	3 YR	Since 2/1/12
Vontobel Emerging Markets Equity	1.8	-1.6	6.1	3.7	5.5
Net of Fees	1.5	-2.4	4.9	2.6	4.4
MSCI Emerging Markets	2.2	-5.8	0.4	0.3	1.1
Peer Emerging Markets	1.6	-6.0	0.3	1.8	2.7
Peer Ranking (percentile)	48	18	16	27	22

Risk: (thirty-eight months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Vontobel Emerging Markets Equity	14.5%	0.89	0.38	0.65	0.88
MSCI Emerging Markets	13.8	1.00	0.07	NA	1.00

¹ Fiscal year began July 1.

	3/31/15		12/31/14	
	Vontobel Emerging Markets	MSCI Emerging Markets	Vontobel Emerging Markets	MSCI Emerging Markets
Capitalization Structure:				
Weighted Average Market Cap. (US\$ billion)	41.9	40.1	41.1	36.0
Median Market Cap. (US\$ billion)	16.9	4.8	14.9	4.9
Large (% over US\$20 billion)	70	45	67	44
Medium (% US\$3 billion to US\$20 billion)	29	48	32	48
Small (% under US\$3 billion)	1	7	0	8
Fundamental Structure:				
Price-Earnings Ratio	24	15	23	14
Price-Book Value Ratio	5.4	1.7	5.5	1.6
Dividend Yield (%)	2.3	2.6	2.3	2.7
Historical Earnings Growth Rate (%)	20	11	19	12
Projected Earnings Growth Rate (%)	16	13	16	12
Sector Allocation (%):				
Consumer Staples	33	8	34	8
Health Care	3	2	2	2
Financials	29	28	29	29
Utilities	3	3	3	3
Consumer Discretionary	9	9	9	9
Telecommunication Services	4	7	5	7
Information Technology	15	19	14	18
Materials	2	7	3	7
Industrials	1	7	1	7
Energy	1	8	1	8
Diversification:				
Number of Holdings	75	836	74	834
% in 5 largest holdings	22	13	23	12
% in 10 largest holdings	37	19	38	18
Region Allocation (%):				
Asia Pacific	53	59	50	58
Latin America	21	14	21	16
Europe/MidEast/Africa	5	17	6	17
Other	21	10	24	9
Largest Five Holdings:				
		Industry		
Housing Development Financial	5.3	Banks		
British American Tobacco	5.2	Food, Beverage & Tobacco		
HDFC Bank	4.2	Banks		
AmBev	3.6	Food, Beverage & Tobacco		
ITC	3.4	Food, Beverage & Tobacco		



Investment Grade Bond Portfolio Review
As of March 31, 2015

City of Ann Arbor VEBA

Northern Trust Barclays Aggregate Bond Index Portfolio Detail as of 3/31/15

Mandate: Investment Grade Bonds
Active/Passive: Passive
Market Value: \$23.6 million
Portfolio Manager: 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 (%):	1Q15	Fiscal YTD ¹	1 YR	3 YR	5 YR	Since 10/1/99
Northern Trust Barclays Aggregate Index	1.7	3.7	5.9	3.1	4.4	5.7
Net of Fees	1.7	3.7	5.8	3.1	4.4	5.6
Barclays Aggregate	1.6	3.6	5.7	3.1	4.4	5.6

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Northern Trust Barclays Aggregate Index	3.0%	1.01	1.48	NA	1.00
Barclays Aggregate	2.9	1.00	1.49	NA	1.00

	3/31/15		12/31/14	
Duration & Yield:	NT Barclays Aggregate Bond Index	Barclays Aggregate	NT Barclays Aggregate Bond Index	Barclays Aggregate
Average Effective Duration (years)	5.4	5.5	5.6	5.6
Yield to Maturity (%)	2.1	2.1	2.2	2.3

Quality Structure (%):				
Average Quality	AA+	AA+	AA+	AA+
AAA (includes Treasuries and Agencies)	72	72	72	72
AA	4	5	5	5
A	11	12	11	12
BBB	12	12	12	12
BB	0	0	0	0
B	0	0	0	0
Below B	0	0	0	0
Non-Rated	0	0	0	0

Sector Allocation (%):				
U.S. Treasury-Nominal	36	36	36	36
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	3	3	3	3
Mortgage Backed	28	28	29	29
Corporate	23	24	23	23
Bank Loans	0	0	0	0
Local & Provincial Government	1	1	2	1
Sovereign & Supranational	5	5	4	5
Commercial Mortgage Backed	2	2	2	2
Asset Backed	1	1	1	1
Cash Equivalent	1	0	0	0
Other	0	0	0	0

Market Allocation (%):				
United States	91	91	91	91
Foreign (developed markets)	7	7	5	7
Foreign (emerging markets)	2	2	4	2

Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

¹ Fiscal year began July 1.



TIPS Portfolio Review
As of March 31, 2015

City of Ann Arbor VEBA

IR&M 1-10 Year Index Portfolio Detail as of 3/31/15

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

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:

0.08% on all assets

Liquidity Constraints:

Daily

Strategy:

Seeks to replicate, net of fees, the return of the Barclays 1-10 Year U.S. TIPS Index.

Guidelines:

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

Performance (%):	1Q15	Fiscal YTD ¹	1 YR	Since 11/1/13
IR&M 1-10 Year Index	1.3	-1.8	1.1	0.3
Net of Fees	1.3	-1.9	1.0	0.2
Barclays U.S. TIPS 1-10 Year	1.2	-1.8	1.1	0.2
Peer TIPS	1.5	-1.0	2.9	1.6
Peer Ranking (percentile)	64	77	73	80

Duration & Yield:	3/31/15		12/31/14	
	IR&M 1-10 Year Index	Barclays TIPS 1-10 Yr	IR&M 1-10 Year Index	Barclays TIPS 1-10 Yr
Average Effective Duration (years)	5.4	5.4	5.2	5.2
Yield to Maturity (%) ²	1.9	1.9	1.7	1.4
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 began July 1.



High Yield Bond Portfolio Reviews
As of March 31, 2015

City of Ann Arbor VEBA

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

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
 0.30% on all assets

Liquidity Constraints:
 Daily

Strategy:

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

Performance (%):	1Q15	Fiscal YTD ¹	1 YR	Since 12/1/12
SKY Harbor High Yield	1.9	-2.0	0.4	5.9
Net of Fees	1.8	-2.4	-0.2	5.3
Barclays High Yield	2.5	-0.4	2.0	6.0
Peer High Yield	2.5	-0.3	2.1	6.2
Peer Ranking (percentile)	84	82	82	62

SKY Harbor High Yield Portfolio Detail as of 3/31/15

	3/31/15		12/31/14	
Duration & Yield:	Sky Harbor High Yield	Barclays High Yield	Sky Harbor High Yield	Barclays High Yield
Average Effective Duration (years)	4.2	4.2	4.6	4.3
Yield to Maturity (%)	6.8	6.2	7.4	6.6
Quality Structure (%):				
Average Quality	B	B	B	B
AAA (includes Treasuries and Agencies)	0	0	0	0
AA	0	0	0	0
A	0	0	0	0
BBB	0	0	0	0
BB	29	44	29	43
B	45	41	46	41
Below B	25	15	25	16
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	95	100	96	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	5	0	4	0
Other	0	0	0	0
Market Allocation (%):				
United States	89	83	90	83
Foreign (developed markets)	11	17	10	17
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

¹ Fiscal year began July 1.

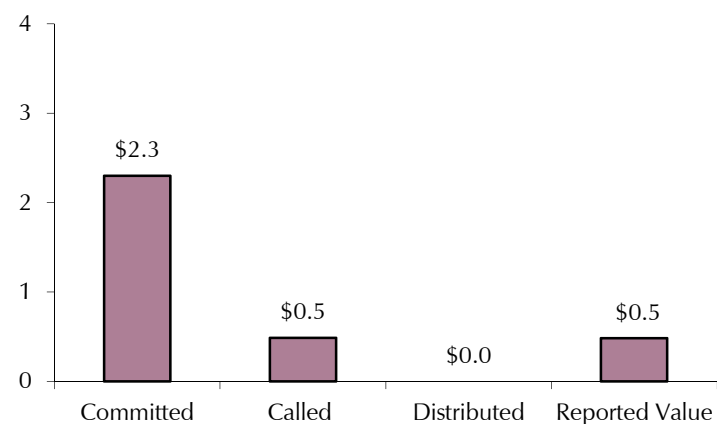


**City of Ann Arbor
VEBA**

**Summit Credit Fund II, L.P.
Portfolio Detail as of 3/31/15**

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

Commitment: \$2.3 million
Capital Contributions: \$0.5 million
Outstanding Commitment: \$1.8 million
Realized Proceeds: \$0.0 million
Total Value: \$0.5 million
¹Number of Investments: 3
¹Net IRR: NA



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 is as of December 31, 2014.



Bank Loans Portfolio Review
As of March 31, 2015

City of Ann Arbor VEBA

Beach Point Leveraged Loan Portfolio Detail as of 3/31/15

Mandate: Fixed Income
Active/Passive: Active
Market Value: \$5.0 million
Portfolio Manager: Scott Klein
 Carl Goldsmith
 William Kozicki
Location: Los Angeles, California
Inception Date: 4/1/2012
Account Type: Commingled

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
 0.65% on all assets

Liquidity Constraints:
 Quarterly

Strategy:

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

Performance (%):	1Q15	Fiscal YTD ¹	1 YR	3 YR	Since 4/1/12
Beach Point Leveraged Loan	2.1	2.7	3.6	6.6	6.6
Net of Fees	1.9	2.2	2.9	6.0	6.0
CSFB Leveraged Loan	2.1	1.3	2.8	5.3	5.3

Risk: (thirty-six months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Beach Point Leveraged Loan	1.8%	0.89	3.57	2.00	0.94
CSFB Leveraged Loan	1.9	1.00	2.77	NA	1.00

	3/31/15		12/31/14	
	Beach Point Leveraged Loan	CSFB Leveraged Loan	Beach Point Leveraged Loan	CSFB Leveraged Loan
Duration & Yield:				
Average Effective Duration (years)	0.5	0.3	0.5	0.3
Yield to Maturity (%)	5.4	4.9	5.8	5.0
Quality Structure (%):				
Average Quality	B	B	B	B
AAA (includes Treasuries and Agencies)	0	0	0	0
AA	0	0	0	0
A	0	0	0	0
BBB	0	0	0	0
BB	24	33	18	30
B	71	59	76	60
Below B	4	7	5	8
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	9	0	13	0
Bank Loans	91	100	87	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	84	100	78	100
Foreign (developed markets)	16	0	22	0
Foreign (emerging markets)	0	0	0	0
Currency Allocation (%):				
Non-U.S. Dollar Exposure	6	0	7	0

¹ Fiscal year began July 1.



Emerging Markets Debt Portfolio Review
As of March 31, 2015

City of Ann Arbor VEBA

Stone Harbor Emerging Markets Local Currency Debt Portfolio Detail as of 3/31/15

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

	Short	Int.	Long
High			
Medium			
Low			

Fee Schedule:
0.88% 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 (%):	1Q15	Fiscal YTD ¹	1 YR	Since 6/1/12
Stone Harbor Emerging Markets Local Currency	-3.2	-16.4	-13.3	-4.6
JPM GBI-EM Global Diversified (unhedged)	-4.0	-14.6	-11.1	-1.8
Peer Emerging Market Debt	0.5	-5.7	-1.0	2.5
Peer Ranking (percentile)	83	94	96	96

	3/31/15		12/31/14	
	Stone Harbor EM Local Debt	JPM GBI-EM Global Div	Stone Harbor EM Local Debt	JPM GBI-EM Global Div
Duration & Yield:				
Average Effective Duration (years)	4.7	5.0	4.6	5.0
Yield to Maturity (%)	7.5	6.5	7.7	6.6
Quality Structure (%):				
Average Quality	BBB+	BBB+	BBB+	BBB+
AAA (includes Treasuries and Agencies)	2	0	2	0
AA	1	0	0	0
A	37	38	36	37
BBB	58	54	60	54
BB	0	7	0	8
B	0	0	0	0
Below B	3	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	100	100	100	100
Commercial Mortgage Backed	0	0	0	0
Asset Backed	0	0	0	0
Cash Equivalent	0	0	0	0
Other	0	0	0	0
Market Allocation (%):				
United States	0	0	0	0
Foreign (developed markets)	0	0	0	0
Foreign (emerging markets)	100	100	100	100
Currency Allocation (%):				
Non-U.S. Dollar Exposure	97	100	95	100

¹ Fiscal year began July 1.



Real Estate Portfolio Reviews
As of March 31, 2015

City of Ann Arbor VEBA

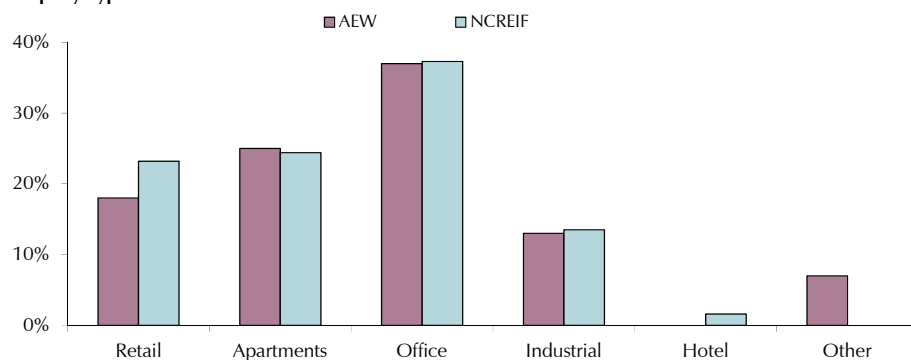
A.E.W Core Property Trust Portfolio Detail as of 3/31/15

Strategy:	Real Estate Open-End Core
Market Value:	\$5.1 million
Senior Professionals:	Team
Location:	Boston, Massachusetts
Inception Date:	7/1/2013
Account Type:	Separately Managed
# of Investments:	55
Liquidity Constraints:	Quarterly
Fee Schedule:	1.10% on first \$10 mm; 1.00% on next \$15 mm

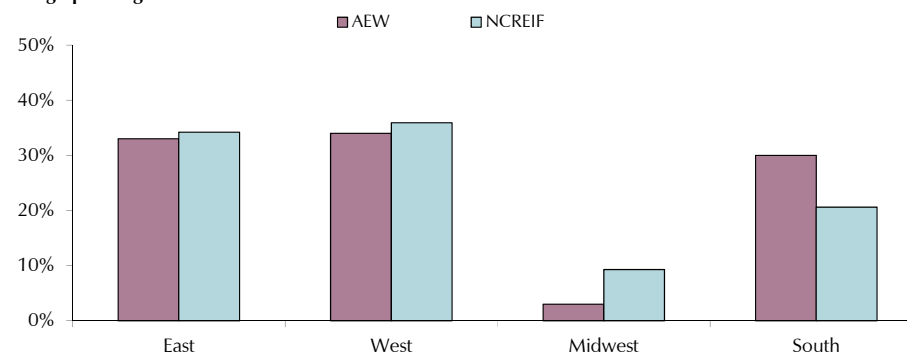
Portfolio Size:



Property Type:



Geographic Region:



Investment Strategy:

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

¹ Data as of December 31, 2014.



City of Ann Arbor VEBA

Vanguard REIT Index Portfolio Detail as of 3/31/15

Mandate: Real Estate
Public REIT
Domestic Equities

Active/Passive: Passive

Market Value: \$5.1 million

Portfolio Manager: Gerard C. O'Reilly

Location: Valley Forge, Pennsylvania

Inception Date: 3/1/2014

Account Type: Mutual Fund (VGSIX)

Fee Schedule:
0.12% on all assets

Liquidity Constraints:
Daily

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

Performance (%):	1Q15	Fiscal YTD ¹	1 YR	Since 3/1/14
Vanguard REIT Index	4.7	16.0	24.1	22.6
MSCI U.S. REIT	4.7	16.0	24.2	22.7
Peer Real Estate	4.8	16.9	25.5	24.1
Peer Ranking (percentile)	55	68	78	81

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

Fundamental Structure:	3/31/15	12/31/14
Price-Earnings Ratio	39	39
Price-Book Value Ratio	2.2	2.7
Dividend Yield (%)	3.6	3.6
Historical Earnings Growth Rate (%)	22	14
Projected Earnings Growth Rate (%)	19	19

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

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

¹ Fiscal year began July 1.

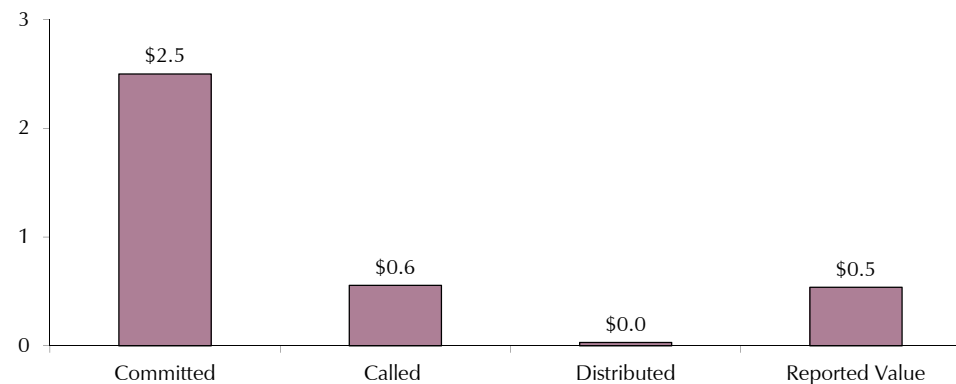


City of Ann Arbor VEBA

DRA Growth and Income Fund VIII, LLC Portfolio Detail as of 3/31/15

Strategy:	Real Estate Closed-End Value-Added
Market Value:	\$0.5 million
Senior Professionals:	Team
Location:	New York, New York
Vintage Year:	2013
Account Type:	Limited Partnership
# of Investments:	16
Fee Schedule:	0.90% on gross cost during investment period; 0.60% thereafter; 8% preferred return and 20% carried interest

Portfolio Size:



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.