

**THE CITY OF MOBILE, ALABAMA
POLICE AND FIREFIGHTERS RETIREMENT PLAN**

**PERFORMANCE REPORT
PERIOD ENDING
MARCH 31, 2014**

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CAPITAL MARKET REVIEW

First Quarter 2014

CAPITAL MARKET HEADLINES

Show Me the Money: The U.S. economy is entering its fifth year of expansion after the Great Recession. Yet the pace and magnitude of the current recovery has disappointed some, especially given the massive stimulus efforts of the Federal Reserve. In particular, the labor market has failed to create a sufficient number of quality jobs or produce higher wages for the employed. However, corporate America has ascended to new heights in terms of profitability during this time. Companies have posted record revenues and profits in the past three years, leading to massive cash holdings on corporate balance sheets. Due to current tax regulations, these companies are hindered from repatriating these foreign balances and optimizing their resources. In the current near-zero rate environment these assets generate very little return for the company and are often the subject of debate. Corporate management teams are scrutinized over their decision to return cash to shareholders or invest the funds in projects that may enhance shareholder value. The current environment (high cash balances, low rates) is perfect for activism, both shorter-term/market-driven and longer-term/corporate governance-driven. In either event, it behooves shareholders to hold management and boards accountable for their use of corporate cash¹. Three uses that may enhance shareholder value are highlighted below:

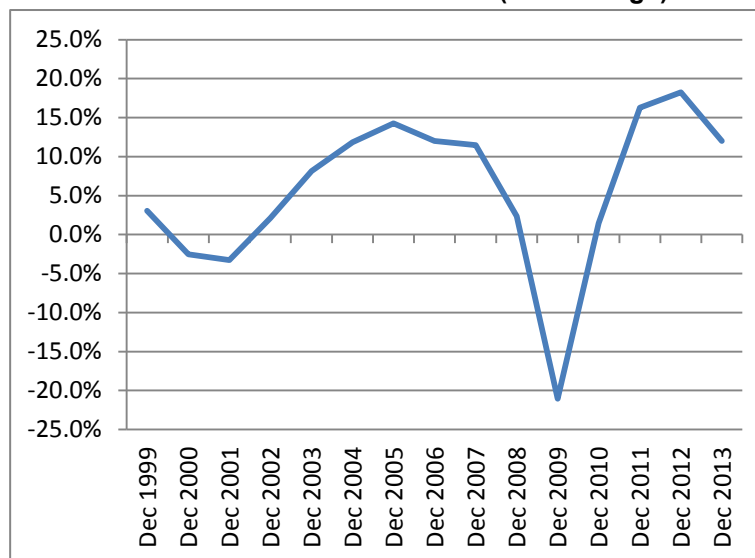
Dividends - The simple solution to the cash dilemma is to return the funds to share holders in the form of dividends. This has been the traditional method for companies to compensate their equity partners. Companies in the S&P 500 have been increasing their dividends (see upper right graph) at an annual average rate of 15.5% since 2010. However, management teams need to carefully develop their dividend strategy because the equity market tends to punish stocks of companies that reduce their dividends. This potential punishment constrains companies from increasing dividends during periods of uncertainty. One solution is a special non-recurring dividend.

Share Buybacks - A second option is to repurchase shares of stock in the open market. This strategy improves the performance metrics for the company by reducing the denominator (earnings per share increases). Annual share buyback programs have been increasing in the post crisis era, returning to near record levels (see lower right graph). This approach also allows management to promote the share repurchases (positive headlines) without making a long-term commitment to higher dividends.

Capital Expenditures/Mergers/Acquisitions - Lastly the funds may be used to invest in the company's future growth. Examples include purchasing new plant and equipment, acquiring other businesses that will be accretive to the company (new products, improve margins, increase profits...). This has been the least utilized option by companies, however, this may be changing. As corporations reach capacity limits, additional resources will be required. This investment by companies may spur growth and provide the impetus for real and sustainable improvements to the economy and labor markets.

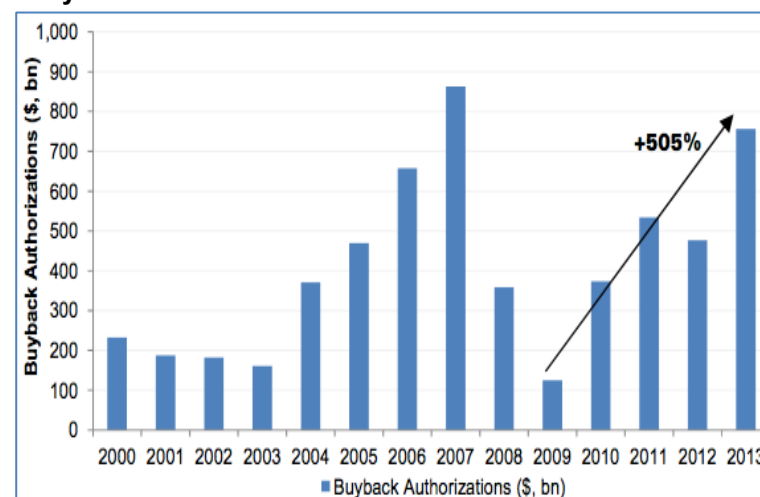
1. *The Seismic Shift Toward a New Corporate Social Contract – Implications for shareholder friendly events and harnessing social contact for Returns*, Peter Lupoff, September, 2013. Read the white paper on the internet at http://tiburonholdings.net/uploads/The_Seismic_Shift_towards_a_New_Corporate_Social_Contract_Final.pdf

S&P 500 Dividend Growth Rate (YoY change)



Source: Standard & Poor's

Buyback Authorizations Have Increased 500% Since 2009



Source: Birinyi Associates, Compustat

CAPITAL MARKET REVIEW

What a Difference: Three months ago equity prices were soaring, interest rates were rising, and the global economy was poised for expansion. The first quarter of 2014 was plagued by severe winter storms, turmoil within the old Soviet block, and disappointing economic statistics around the globe. The markets reacted to the increased uncertainty, becoming more volatile.

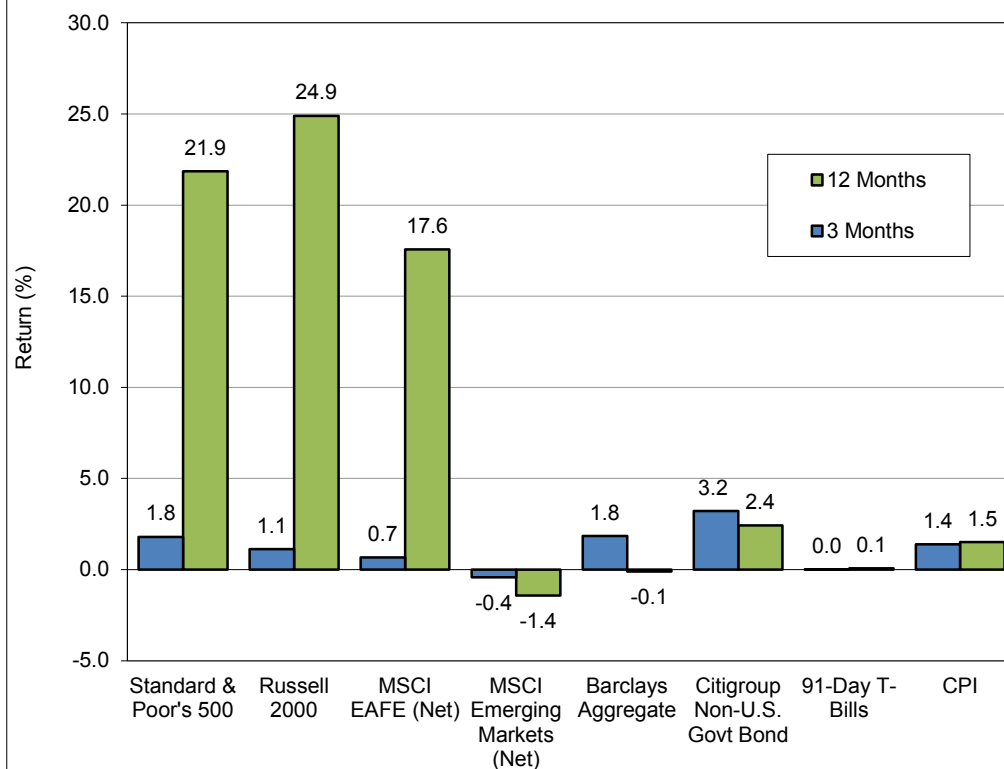
Central banks maintained their current accommodative policies during the quarter. The exception was the Federal Reserve; Ms. Yellen (the new Fed Chair) continued to reduce the central bank's asset purchases and commented that rates hikes may occur soon than anticipated.

Equity markets tended to suffer sharp losses in January before recovering, ending the quarter with minor gains. Italy was a standout, rising over 14% during the quarter and leading the relatively strong European market. Two major exceptions with Europe were Germany and the United Kingdom; the two largest markets suffered losses during the quarter. The United States posted above average results as compared to the other major developed markets. Asian markets performed poorly; Japan declined by over 7% and Hong Kong fell by nearly 3%. Emerging markets lost value again; the poor performance was due in large part to weak results from China (slowing economic growth concerns) and Russia (regional turmoil).

Most fixed income markets provided relatively attractive returns this quarter. Yield curves tended to flatten, with rates declining for longer dated maturities. Spreads contracted for lower credit quality issues, generating additional returns. All major fixed income markets produced positive returns (even Emerging Market Debt) and all primary segments of the U.S. fixed income market were positive.

During the quarter the Japanese Yen, Australian Dollar, Swiss Franc, and Pound Sterling appreciated versus the U.S. Dollar. The Euro and U.S. Dollar were nearly unchanged. The Canadian Dollar depreciated sharply.

Global Market Performance
As of March 31, 2014



Sources: Wilshire 3/31/2014

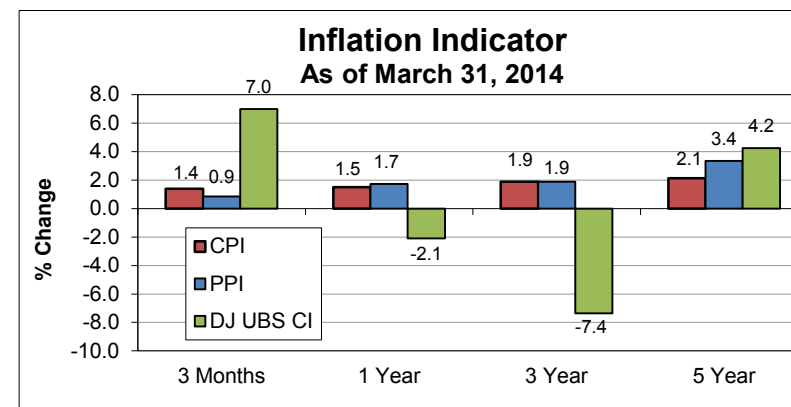
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CAPITAL MARKET REVIEW

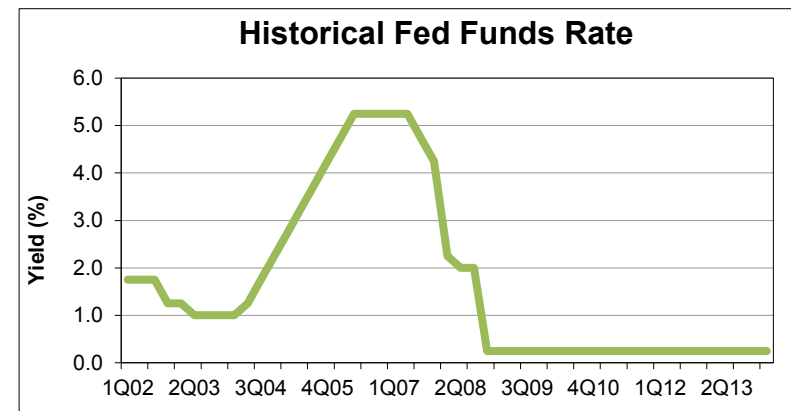
Weather to Blame?: Coming into 2014 economic forecasts called for continued improvement in the pace and breadth of the economic recovery in the U.S., but the first quarter failed to provide clear evidence to support these projections. 2014 began with one of the more severe winters in recent history. The winter weather is expected to temporarily dampen GDP growth (only time will tell to what extent); reported 4Q13 GDP growth slowed to 2.6% from 4.1% in 3Q13. Employment measures continue to improve, but the quality and pace of the new jobs remain a cause for concern. The new Chair of the Federal Reserve, Janet Yellen, made comments during her first press conference as Chair that the central bank may increase the Fed Funds Rate sooner than investors had expected. In addition to domestic issues, tensions between the politically unstable Ukraine and Russia escalated with Russia moving forward with the annexation of the Crimea Peninsula. Nonetheless, consumer confidence continued to tick up as consumers continue to spend in this low interest rate, low inflation environment.

After getting crushed in 2013, commodities staged a rally to begin 2014. The DJ UBS Commodity Index finished the quarter up 7% in contrast to its almost 10% decline in 2013. Whereas only 8 of 22 commodities in the index finished 2013 in positive territory, 14 of 22 commodities were up at the end of the first quarter of 2014. Top performers were Coffee, Hogs, Corn, Wheat, and Soybeans, all of which generated double digit returns. Prices rose during the quarter, however, longer-term core inflation expectations remain low.

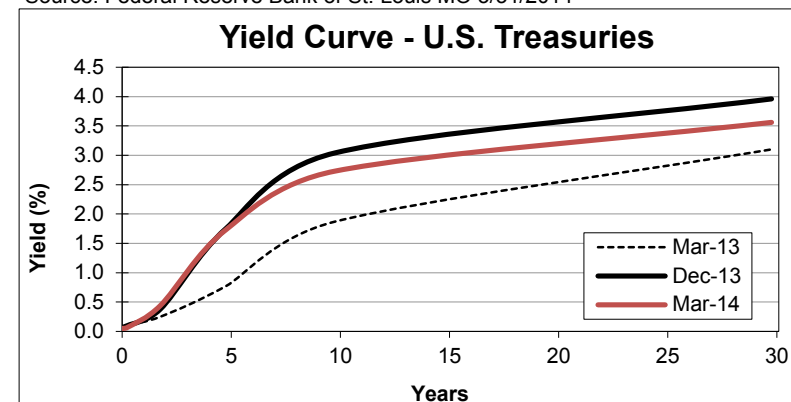
The yield curve reversed directions and flattened during the quarter; interest rates ticked down across most of the curve amid concerns about the pace and breadth of economic growth. The yields on the 5-Year, 10-Year, and 30-Year U.S. Treasuries declined between 2 to 40 basis points. Interest rates on the shorter end of the curve continue to remain relatively flat, anchored by the near zero Fed Funds Rate. The yield on the 10-Year U.S. Treasury, which finished 2013 at 3.04%, ended the quarter at 2.73%. However, expectations are that rates will continue to march higher over the course of the year, aided by the Fed's continued tapering of its asset purchase program.



Source: Bureau of Labor Statistics, Wilshire, and Dow Jones 3/31/2014



Source: Federal Reserve Bank of St. Louis MO 3/31/2014



Source: Federal Reserve Bank of St. Louis, MO 3/31/2014

U.S. EQUITY MARKET

Total Returns (%) - Periods Ending March 31, 2014				
	3 Months	1 Year	3 Years	5 Years
Standard & Poor's 500	1.80	21.86	14.65	21.15
Russell 1000	2.06	22.44	14.75	21.73
Russell 1000 Growth	1.12	23.23	14.63	21.68
Russell 1000 Value	3.02	21.58	14.80	21.75
S&P MidCap 400	3.04	21.25	13.37	24.86
Russell Midcap	3.53	23.51	14.37	25.55
S&P SmallCap 600	1.13	27.80	15.95	26.21
Russell 2000	1.12	24.90	13.19	24.31
Russell 2000 Growth	0.48	27.19	13.60	25.23
Russell 2000 Value	1.78	22.64	12.73	23.32
S&P 500 Sector Performance				
	3 Months	1 Year	3 Years	5 Years
Energy	0.90	14.54	5.74	16.60
Materials	2.85	23.26	8.81	20.05
Industrials	0.14	27.29	14.13	25.69
Con. Discretionary	(2.76)	24.25	20.69	29.22
Con. Staples	0.57	10.76	15.92	18.52
Health Care	5.84	29.12	23.39	21.51
Financials	2.65	25.03	12.98	22.43
Info Technology	2.33	25.84	14.41	21.56
Telecommunications	0.40	2.86	10.42	15.09
Utilities	9.88	10.05	13.73	15.00

Sources: Wilshire 3/31/2014

Returns are annualized for periods greater than one year.

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Takin' a Breather: The U.S. equity markets took a break this quarter after producing double digit returns in the previous quarter. The equity market began the year with a brutal January, declining roughly 6%. Stocks made a strong comeback in February and moved higher in March. The S&P 500 ended the quarter with a tepid 1.8% return, compared to a 10.1% return for the fourth quarter of 2013. However, volatility ramped up during the quarter. Geopolitical headlines involving Russia, mixed economic data in the U.S., and comments from new Fed Chair Yellen increased uncertainty and pushed volatility measures higher. The bull market for equities celebrated its fifth anniversary this quarter.

Mid Cap led the way in the first quarter of 2014 behind solid returns from the Health Care sector, particularly pharmaceutical names. Value surpassed Growth across all market caps. Value indices benefitted from higher allocations to Utilities and Financials, two of the better performing sectors. Growth indices were hindered by higher weights to the Consumer Discretionary sector. Lower quality stocks outpaced higher quality stocks across the market cap spectrum. Overall, the equity market exhibited a rotation out of cyclical, high-beta, and momentum-oriented stocks and sectors during the quarter.

Utilities was the best performing sector during the quarter, returning 9.9%. The sector performed well despite valuations being above their long-term averages. In general, the defensive sector benefitted from the harsh winter weather as well as the retreat in interest rates, which boded well for the dividend-paying stocks in the sector. The worst performing sector, and the only sector with a negative return, was the cyclical, high beta Consumer Discretionary sector. General Motors was a big detractor, as the car giant was forced to recall more than 6 million cars worldwide due to an ignition defect.

U.S. FIXED INCOME MARKET

"Reports of my death have been greatly exaggerated" - Mark Twain:

The fixed income market rallied to begin 2014. The positive results were welcomed by bond investors after the weak performance in 2013. Interest rates declined along the longer end of the yield curve due (at least partially) to slowing global economic growth and low inflation expectations. Rates fell in spite of the Federal Reserve's continued reduction of quantitative easing and guidance of short term rate hikes in mid 2015.

Yields held steady along the front end of the curve while dropping materially for longer dated securities. At quarter-end, the 2-Year Treasury Notes yielded 0.44% (up 6 basis points from 12/31/13), 10-Year Treasury Bonds yielded 2.73% (down 31 basis points from 12/31/13), and 30-Year Treasury Bonds yielded 3.56% (down 40 basis points from 12/31/13).

Declining yields propelled longer dated issues (Treasury's) to strong gains during the quarter - clearly the best performing segment in the fixed income market. High Yield (2.98%) and Credit (2.91%) were a distant second and third as spreads continued to compress during the quarter. Mortgages and Government securities generated positive returns; however, both trailed Credit by over 1.3%.

Investors drove interest rates lower across the back end of the yield curve. This reduction occurred not during a time of equity market stress (risk off) or an increase in central bank stimulus. This happened as the Federal Reserves reduced their monthly asset purchases from \$85 billion during the 4th quarter of 2013 to \$55 billion going into the 2nd quarter of 2014 (market expectations are for a complete exit by the Fed by year end). The question is whether the yield curve is sustainable at the current levels, or was this quarter a reprieve from higher rates. Only time will tell.

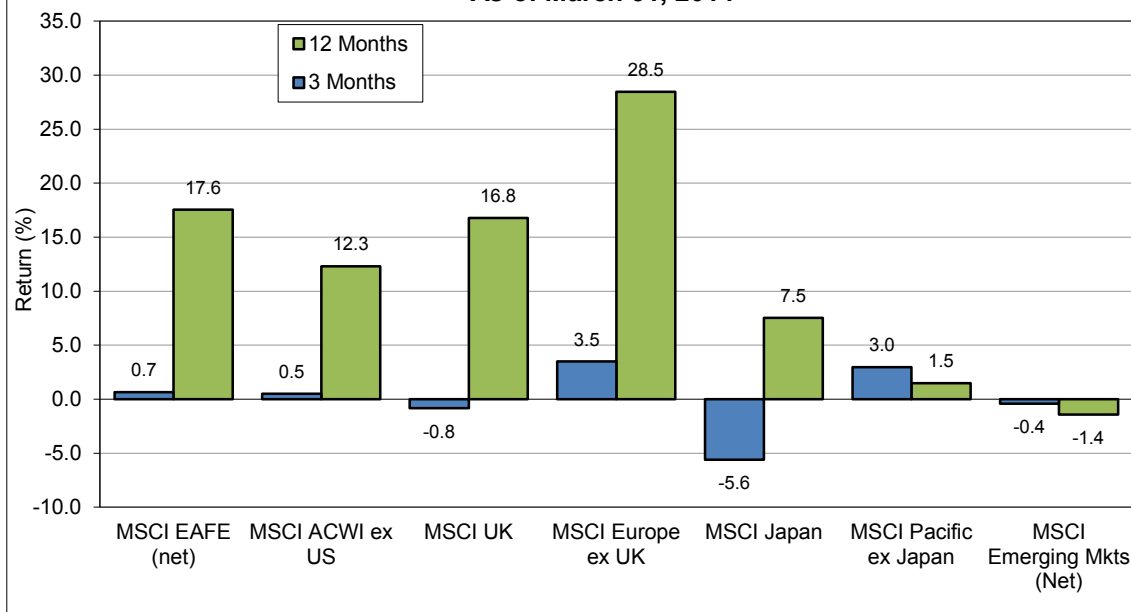
Total Returns (%) - Periods Ending March 31, 2014				
	3 Months	1 Year	3 Years	5 Years
Barclays 1-3 Yr. Govt	0.14	0.39	0.84	1.21
Barclays Intm G/C	1.00	(0.13)	3.13	4.18
Barclays Aggregate	1.84	(0.10)	3.75	4.80
Barclays G/C	1.98	(0.26)	4.21	5.08
Barclays Long Govt	7.01	(4.17)	8.18	4.96
Barclays Govt	1.31	(1.17)	3.18	2.73
Barclays Credit	2.91	1.02	5.80	8.90
Barclays Mortgage	1.59	0.19	2.76	3.57
Barclays High Yield	2.98	7.54	9.00	18.25
Barclays U.S TIPS	1.95	(6.46)	3.50	4.90
Returns are annualized for periods greater than one year.				
Credit Spreads (in basis points)				
	Dec-13	Mar-14	Change	10-Yr Avg.
Aaa	59	51	(8)	87
Aa	63	58	(5)	121
A	91	88	(3)	168
Baa	154	142	(12)	225
Ba	296	271	(25)	430
B	412	379	(33)	576
Caa	641	599	(42)	910
<hr/>				
10 Year Treasury	3.04%	2.73%	-0.31%	---

Sources: Barclays Capital 3/31/2014

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INTERNATIONAL EQUITY MARKET

International Equity Market Performance (USD)
As of March 31, 2014



MSCI Country Indices (Net)
Three Months Ending March 31, 2014

	Return USD (%)	Return Local Currency (%)	Currency Effect (%)
France	2.9	2.9	0.0
Germany	(0.3)	(0.4)	0.0
Italy	14.6	14.6	0.0
Spain	4.8	4.8	0.0
Switzerland	4.7	4.0	0.7
UK	(0.8)	(1.5)	0.7
Europe Total	2.1	1.8	0.3
Australia	5.9	2.2	3.7
Hong Kong	(3.4)	(3.3)	(0.0)
Japan	(5.5)	(7.5)	2.0
Pacific Total	(2.5)	(4.7)	2.2
China	(5.9)	(5.8)	(0.0)
India	8.2	4.4	3.7
Brazil	2.8	(1.7)	4.5
Russia	(14.5)	(9.7)	(4.8)
Emerging Total	(0.4)	(0.5)	0.1

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Regionally Speaking: Global equity market returns were mixed in the first quarter amid signs of slowing economic growth. Europe, driven by stable and improving GDP, managed a 2% return. But Asia and the Emerging Markets were in the red for the quarter. Around the globe inflation issues (too high in EM and too low in EU) and weaker economic growth rates continue to hinder the performance of the equity markets.

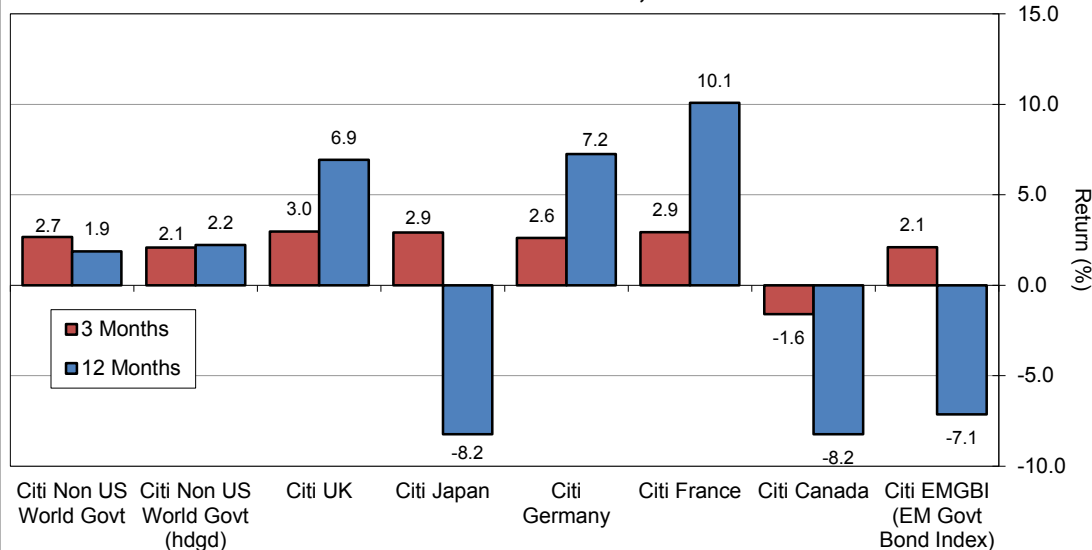
Developed Markets: European economies continued to improve as 2014 got underway. Despite deflationary concerns many of Europe's weakest economies generated solid returns as evidenced by the 15% return in Italy. After nine consecutive quarters of declining GDP, Italy managed to generate growth in the fourth quarter of last year. The ECB's pronouncements of supportive actions, if needed, for Eurozone economies further add to the hopeful prospects of continued recovery. The U.K. generated a slightly negative return in the quarter, but its recovery continued with positive growth, improved labor markets, and healthy consumer spending,

In Asia, the Japanese equity market declined, driven by growth implications of the upcoming hike in sales tax, weak economic data, and the impact of a stronger yen on exports. Enthusiasm for the extraordinary stimulus measures taken by Japan appear to have waned for the moment. Australian equities generated modest returns due, in part, to better than expected economic data, including domestic consumption.

Emerging Markets: EM equities continued their slide from 2013, generating negative returns in the first quarter of 2014. The battle between the Ukraine and Russia for the economically strategic Crimea Peninsula captured global headlines; Russia suffered double digit losses amidst the political turmoil this quarter. China's growth prospects remain in question due to weakening exports and manufacturing; recent corporate defaults in China also highlight credit concerns. India was a bright spot this quarter, returning 8.2%. The potential for political and structural reforms resulting from upcoming elections, as well as the improvement in current account deficit, helped to strengthen the Rupee.

INTERNATIONAL BOND MARKET

Intl Fixed Income Market Performance (USD)
As of March 31, 2014



Citigroup World Government Bond Indices
Three Months Ending March 2014

	Return USD (%)	Return Local Currency (%)	Currency Effect (%)
France	2.9	2.9	0.0
Germany	2.6	2.6	0.0
Ireland	4.2	4.2	0.0
Italy	5.3	5.3	0.0
Netherlands	2.8	2.8	0.0
Spain	6.0	6.0	0.0
Sweden	1.8	2.8	(1.0)
Switzerland	2.0	1.3	0.7
UK	3.0	2.3	0.7
European WGBI	3.6	3.5	0.1
Japan	2.9	0.8	2.1
Australia	4.9	1.3	3.6
Canada	(4.6)	2.2	(6.8)

Source: The Yield Book 3/31/2014

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Slow and Steady: Most central banks maintained their current monetary policies during the quarter, allowing investors to base their decisions on market data. Reports of slowing global economic growth helped rates drift lower and generated decent returns for the global fixed income markets.

A growing concern around Europe is disinflation (a declining inflation rate). Interest rates declined due, in part, to the lower inflation expectations and slowing economic growth. Spreads continued to compress between the higher and lower credit quality countries; in the previously problematic nations of Ireland, Italy, and Spain, rates are nearing 8 year lows. This quarter the Euro was nearly unchanged versus the dollar.

Interest rates in the U.K. flattened during the quarter with shorter term rates rising slightly and longer term yields declining. The outcome produced nice gains, but trailed most of the other European nations. The Bank of England maintained their accommodative policies to spur economic growth and reduce unemployment. The Pound Sterling appreciated versus the dollar.

The global economic slow down also impacted Japan. The Japanese economy is being hindered by declining exports and the pending 3% increase in sales tax. However, the country's leaders hope the decline is only temporary. The fixed income market generated minor gains in local terms. The Yen appreciated versus the dollar during the quarter, reversing a trend of weakness in 2013.

Emerging markets generated positive results for the quarter, reversing the downward trend from 2013. Many of these nations have been battling stagflation - high inflation rates and weak economic growth. Policy makers have tended to focus on controlling inflation by raising interest rates, attempting to protect asset and currency values. Emerging market debt will benefit from these longer-term solutions and an improving global economy, although the results may vary greatly from country to country.

SELECTED INDEX RETURNS - PERIODS ENDING MARCH 31, 2014

	Quarter	One Year	Three Years	Five Years	Ten Years
US EQUITIES					
Dow Jones Industrial Average	(0.2) %	15.7	13.0	19.8	7.5
Standard & Poors 500	1.8	21.9	14.7	21.2	7.4
Russell 3000	2.0	22.6	14.6	21.9	7.9
S&P MidCap 400	3.0	21.3	13.4	24.9	10.1
Russell Mid-Cap	3.5	23.5	14.4	25.6	10.1
S&P SmallCap 600	1.1	27.8	16.0	26.2	10.1
Russell 2000	1.1	24.9	13.2	24.3	8.5
Growth Stocks - Russell 3000 Growth	1.1	23.5	14.5	22.0	7.9
Value Stocks - Russell 3000 Value	2.9	21.7	14.6	21.9	7.6

US FIXED INCOME					
Barclays 1 - 3 Year Government	0.1 %	0.4	0.8	1.2	2.6
Barclays Intm Govt/Credit	1.0	(0.1)	3.1	4.2	3.9
Barclays Aggregate	1.8	(0.1)	3.8	4.8	4.5
Barclays Govt/Credit	2.0	(0.3)	4.2	5.1	4.4
Barclays Long Government	7.0	(4.2)	8.2	5.0	6.1
Barclays Government	1.3	(1.2)	3.2	2.7	4.0
Barclays Credit	2.9	1.0	5.8	8.9	5.2
Barclays Mortgage	1.6	0.2	2.8	3.6	4.6
Barclays High Yield	3.0	7.5	9.0	18.3	8.7
Barclays U.S TIPS	2.0	(6.5)	3.5	4.9	4.5
ML All Investment Grade Convertible Index					

INTERNATIONAL (Measured in US Dollars)					
MSCI EAFE (Net)	0.7 %	17.6	7.2	16.0	6.5
MSCI ACWI ex U.S. (Net)	0.5	12.3	4.2	15.5	7.1
MSCI Europe (Net)	2.1	24.5	8.4	17.5	7.4
MSCI Pacific (Net)	(2.5)	5.1	5.1	13.4	4.8
MSCI Emerging Markets (Net)	(0.4)	(1.4)	(2.9)	14.5	10.1
Citigroup Non-U.S. Govt Bond	3.2	2.4	1.4	4.2	4.3

REAL ESTATE					
NAREIT Index	8.6 %	2.7	10.6	27.3	7.4
NCREIF Property Index	%				

OTHER					
91-Day T-Bills	0.0 %	0.1	0.1	0.1	1.7
Consumer Price Index (percent change)	1.4	1.5	1.9	2.1	2.4
Producer Price Index (percent change)	0.9	1.7	1.9	3.4	3.2

Note: Returns for periods longer than 12 months are annualized. Indices are not investments, are not managed and do not incur fees or expenses. It is not possible to invest in an index.

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Definitions:

BC (Barclays Capital) Treasury provides a measure of riskless return.

The **Dow Jones Industrial Averages** contains the stocks of 30 companies that are all major factors in their industries, and their stocks are widely held by individuals and institutional investors. As of December 31, 2008, The Dow® represented 27% of the float-adjusted market capitalization of the Dow Jones U.S. TSM Index, which provides near complete coverage of the U.S. stock market. The DJIA serves the same purpose today for which it was created in 1896 – to provide a clear, straightforward view of the stock market and, by extension, the U.S. economy.

The **S&P 500 Index** is a capitalization weighted index of the 500 largest publicly traded companies in the US and is widely accepted as the overall market proxy. It consists of 400 industrials, 40 utilities, 20 transportation stocks and 40 financial institutions issues when totaled covers approximately 75% of the US equities market.

The **Russell 3000 Index** measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market.

The **Russell 2000 Index** measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 Index is a subset of the Russell 3000® Index representing approximately 8% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.

The **Russell 1000 Index** is composed of the 1000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index. The average capitalization was approximately \$12.1 billion; the median market capitalization was approximately \$3.8 billion. The smallest company in the index had an approximate market capitalization of \$1350.8 million.

The **S&P MidCap 400** provides investors with a benchmark for mid-sized companies. The index covers over 7% of the U.S. equity market, and seeks to remain an accurate measure of mid-sized companies, reflecting the risk and return characteristics of the broader mid-cap universe on an on-going basis.

The **S&P SmallCap 600** covers approximately 3% of the domestic equities market. Measuring the small cap segment of the market that is typically renowned for poor trading liquidity and financial instability, the index is designed to be an efficient portfolio of companies that meet specific inclusion criteria to ensure that they are investable and financially viable.

The **Russell 3000 Growth Index** measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 3000 companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 3000 Value Index** measures the performance of the broad value segment of the U.S. equity universe. It includes those Russell 3000 companies with lower price-to-book ratios and lower forecasted growth values.

The **Russell 2000 Growth Index** measures the performance of the small-cap growth segment of the U.S. equity universe. It includes those Russell 2000 companies with higher price-to-book ratios and higher forecasted growth values.

The **Russell 2000 Value Index** measures the performance of small-cap value segment of the U.S. equity universe. It includes those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values.

The **Russell 1000 Growth Index** is composed of those stocks in the Russell 1000 Index with greater than average growth orientation. The Russell Growth Index represents the universe of stocks from which most growth style money managers typically select.

The **Russell 1000 Value Index** is composed of those stocks in the Russell 1000 Index with less than average growth orientation. The Russell Value Index represents the universe of stocks from which most value style money managers typically select.

The **Barclays U.S. Aggregate Bond Index** is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. The U.S. Aggregate rolls up into other Barclays Capital flagship indices such as the multi-currency Global Aggregate Index and the U.S. Universal Index, which includes high yield and emerging markets debt. The U.S. Aggregate Index was created in 1986, with index history backfilled to January 1, 1976.

The **Barclays Govt/Credit Index** is the non-securitized component of the U.S. Aggregate Index and was the first macro index launched by Barclays Capital. The U.S. Government/Credit Index includes Treasuries (i.e., public obligations of the U.S. Treasury that have remaining maturities of more than one year), government-related issues (i.e., agency, sovereign, supranational, and local authority debt), and corporates. The U.S. Government/Credit Index was launched on January 1, 1979, with index history backfilled to 1973, and is a subset of the U.S. Aggregate Index.

The **Barclays U.S. Government Index** is comprised of the U.S. Treasury and U.S. Agency Indices. The U.S. Government Index includes Treasuries (public obligations of the U.S. Treasury that have remaining maturities of more than one year) and U.S. agency debentures (publicly issued debt of U.S. Government agencies, quasi-federal corporations, and corporate or foreign debt guaranteed by the U.S. Government). The U.S. Government Index is a component of the U.S. Government/Credit Index and the U.S. Aggregate Index.

DISCLOSURE

The **Barclays US Credit Index** comprises the US Corporate Index and a non-corporate component that includes foreign agencies, sovereigns, supranationals and local authorities. The US Credit Index was called the US Corporate Investment Grade Index until July 2000, when it was renamed to reflect its inclusion of both corporate and non-corporate issuers. Index history is available back to 1973. The US Credit Index is a subset of the US Government/Credit Index and the US Aggregate Index.

The **Barclays Capital U.S. MBS (Mortgage) Index** measures the performance of investment grade fixed-rate mortgage-backed pass-through securities of GNMA, FNMA, and FHLMC.

The **Barclays U.S. Corporate High-Yield Index** measures the market of USD-denominated, non-investment grade, fixed-rate, taxable corporate bonds. Securities are classified as high yield if the middle rating of Moody's, Fitch, and S&P is Ba1/BB+/BB+ or below. The index excludes emerging market debt. It was created in 1986, with history backfilled to July 1, 1983. The U.S. Corporate High-Yield Index is part of the U.S. Universal and Global High-Yield Indices.

The **Barclays U.S. TIPS** is a part of the Barclays Capital family of global inflation linked bond indices, the Barclays Capital US Government Inflation-linked bond index (US TIPS) measures the performance of the TIPS market. TIPS form the largest component of the Barclays Capital Global Inflation-Linked Bond Index. Inflation-linked indices include only capital indexed bonds with a remaining maturity of one year or more.

The **Barclays US Treasury 1-3yr term index™** measures the performance of short term government bonds issued the US Treasury. The index includes 2-Year and 3-Notes. Term Indices are a new concept in bond indexing developed by Barclays Capital. They have very similar yield, duration and risk/return characteristics to standard maturity based indices but are more compact and more liquid. Term indices use a standard market capitalisation weighting methodology but include only bonds near to their original term rather than selecting all bonds in a maturity range.

The **Barclays Capital Long Government/Credit Index** measures the investment return of all medium and larger public issues of U.S. Treasury, agency, investment-grade corporate, and investment-grade international dollar-denominated bonds with maturities longer than 10 years. The average maturity is approximately 20 years.

The **MSCI EAFE Index(net)** (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the US & Canada. As of May 27, 2010 the MSCI EAFE Index consisted of the following 22 developed market country indices: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

The **MSCI ACWI ex U.S. (net)** (All Country World Index excluding the United States) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. As of May 27, 2010 the MSCI ACWI ex. US consisted of 44 country indices comprising 23 developed and 21 emerging market country indices. The developed market country indices included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. The emerging market country indices included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

The **MSCI United Kingdom Index** is a free float adjusted market capitalization index that is designed to measure large and mid cap United Kingdom equity market performance. The MSCI United Kingdom Index is member of the MSCI international equity index series and represents the United Kingdom's equity portion of the global benchmark MSCI ACWI (All Country World Index) Index.

The **MSCI Europe Index (net)** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. As of June 2007, the MSCI Europe Index consisted of the following 16 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

MSCI Europe ex UK Index (net) is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe excluding the United Kingdom. As of June 2007, the MSCI Europe Index consisted of the following 15 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden and Switzerland.

The **MSCI Pacific Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. As of June 2007, the MSCI Pacific Index consisted of the following 5 Developed Market countries: Australia, Hong Kong, Japan, New Zealand, and Singapore.

MSCI Pacific ex Japan Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the Far East, excluding Japan. As of March 2008 the MSCI Pacific ex Japan Index consisted of the following 9 developed and emerging market country indices: China, Hong Kong, Indonesia, Korea, Malaysia, Philippines, Singapore, Taiwan, and Thailand.

The **MSCI Japan Index** is a free float adjusted market capitalization index that is designed to measure large and mid cap Japanese equity market performance. The MSCI Japan Index is member of the MSCI international equity index series and represents the Japanese equity portion of the global benchmark MSCI ACWI (All Country World Index) Index.

The **MSCI Emerging Markets Index (net)** is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. As of May 27, 2010 the MSCI Emerging Markets Index consisted of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey.

The **Citigroup World Government Bond Ex-US Index** measures the performance of developed countries' global fixed-income markets invested in debt issues of non-US governmental entities. The World Government Bond Index (WGBI) includes the 23 government bond markets of Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Malaysia, the Netherlands, Norway, Poland, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom, and the United States prior to its exclusion.

Citigroup World Government Bond Ex-US Index hedged measures the performance of **The Citigroup World Government Bond Ex-US Index** and computing the monthly currency-hedged return by using a rolling one-month forward exchange contract as a hedging instrument.

Citigroup UK Bond Index includes the government bond markets of the United Kingdom and satisfies size, credit, and barriers-to-entry requirements.

Citigroup Japan Bond Index consists of the government bond market of Japan and satisfies size, credit, and barriers-to-entry requirements.

Citigroup Germany Bond Index consists of the government bond market of Germany and satisfies size, credit, and barriers-to-entry requirements.

Citigroup France Bond Index consists of the government bond market of France and satisfies size, credit, and barriers-to-entry requirements.

Citigroup Canada Bond Index consists of the government bond market of Canada and satisfies size, credit, and barriers-to-entry requirements.

DISCLOSURE

The **FTSE NAREIT US Real Estate Index** is calculated by FTSE International Limited (FTSE).

The **NCREIF Property Index** reports quarterly and annual returns consisting of income and appreciation components. The index is based on data collected from the voting members of NCREIF. Specific property-type indices include apartment, office, retail, R&D/Office and Warehouse.

91-Day T-Bills provide a measure of riskless return.

Consumer Price Index is a government-issued index of the retail prices of basic household goods and services.

Producer Price Index is an index maintained by the U.S. Bureau of Labor Statistics that tracks the price of wholesale goods and commodities.

The **Dow Jones UBS Commodity Index** measures collateralized returns from a diversified basket of 19 commodity futures contracts from sectors spanning energy, precious metals, industrial metals, grains and livestock.

Moody's Long-Term Obligation Ratings:

Aaa Obligations rated **Aaa** are judged to be of the highest quality, with minimal credit risk.

Aa Obligations rated **Aa** are judged to be of high quality and are subject to very low credit risk.

A Obligations rated **A** are considered upper-medium grade and are subject to low credit risk.

Baa Obligations rated **Baa** are subject to moderate credit risk. They are considered medium grade and as such may possess certain speculative characteristics.

Ba Obligations rated **Ba** are judged to have speculative elements and are subject to substantial credit risk.

B Obligations rated **B** are considered speculative and are subject to high credit risk.

Caa Obligations rated **Caa** are judged to be of poor standing and are subject to very high credit risk.

Ca Obligations rated **Ca** are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.

C Obligations rated **C** are the lowest rated class of bonds and are typically in default, with little prospect for recovery of principal or interest.

Standard Deviation is often used by investors to measure the risk of a stock or a stock portfolio. The basic idea is that the standard deviation is a measure of volatility: the more a stock's returns vary from the stock's average return, the more volatile the stock.

Treasuries: Treasury Securities are debt financed securities issued by the U.S. government. There are three primary types of treasury securities. They are Treasury Bills, Treasury Notes and Treasury Bonds. Treasury Bills (a.k.a. T-bill) mature in one year or less. Treasury Bills are commonly issued with maturities dates of 91 days, 6 months, or 1 year. **91-Day T-Bills** provide a measure of riskless return. Treasury Notes (a.k.a. T-Note) mature between one and ten years. Treasury notes are commonly issued with maturities dates of 2, 3, 5 or 7 years. Treasury Bonds (a.k.a. T-Bond) are commonly issued with maturity dates of ten and thirty years.

The **federal funds target rate** is determined by a meeting of the members of the Federal Open Market Committee. The **federal funds rate** is the interest rate at which private depository institutions (mostly banks) lend balances (federal funds) at the Federal Reserve to other depository institutions, usually overnight. It is the interest rate banks charge each other for loans.

The **European Central Bank** (ECB) is the institution of the European Union (EU) which administers the monetary policy of the 17 EU Eurozone member states. It is thus one of the world's most important central banks. The bank was established by the Treaty of Amsterdam in 1998, and is headquartered in Frankfurt, Germany.

The **eurozone**, officially the **euro area**, is an economic and monetary union (EMU) of 17 European Union (EU) member states that have adopted the euro currency as their sole legal tender. It currently consists of Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain.

The **euro** (sign: €) is the official currency of the eurozone.

The **pound sterling** (sign: £), commonly called the **pound**, is the official currency of the United Kingdom.

OVERVIEW

PORTFOLIO EVALUATION

- ♦ The fund's total market value as of March 31, 2014 was \$139.14 million.
- ♦ The Fund had a return of 1.75% for the quarter and a return of 14.24% for the last twelve months.

INVESTMENT POLICY AND OBJECTIVES

- ♦ To be actuarially sound to assure that its obligations to Fund members and others will be honored in a timely way.
- ♦ To achieve earnings at a sufficient level that, together with employee, city, and other periodic contributions, will enable it to meet its present and future obligations.
- ♦ To earn the highest total return on invested funds consistent with safety and in accordance with generally accepted investment practices to the extent permitted by law.
- ♦ To achieve a level of performance equal to or greater than the actuarial assumption so that benefits may be increased or enhanced or that contributions may be reduced.
- ♦ To meet all Statutory requirements of the State of Alabama.

PLAN RECONCILIATION

	<u>Quarter</u>
<u>Beginning Market Value</u>	136,888,708
Cash Flow In	0
Intrafund Transfers	0
Cash Flow Out	<u>-143,973</u>
Net Cash Flow	-143,973
Investment Performance	
Income	449,974
Asset Value Changes	<u>1,945,131</u>
Gross Performance	2,395,105
<u>Ending Market Value</u>	<u>139,139,840</u>

RECOMMENDATIONS

Mobile Police & Firefighters Executive Summary Table Periods Ending March 31, 2014

FYTD - 9/30/13

Name	Value \$(000)	% of Fund	Periods Ending 3/31/14						
			Cur Qtr	FYTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund	139,140	100.0	1.75	7.85	14.24	9.84	14.12	4.94	6.68
Net of Fee			1.68	7.70	13.96	9.48	13.74	4.62	6.45
Mobile P&F Policy Index			1.65	7.89	14.61	10.14	16.34	5.98	7.23
Total Fund Excluding Alternatives	126,924	91.2	1.72	8.08	14.90	10.07	15.07		
Net of Fee			1.67	7.96	14.68	9.78	14.77		
Policy Index excluding Alts			1.62	8.33	15.24	10.36	16.80		
Total Opportunistic Equity Composite	7,086	5.1	2.59	5.21	14.58				
Net of Fee			2.59	4.96	13.48				
MSCI ACWI (Net)			1.08	8.47	16.55				
Energy Opportunities Capital	7,086	5.1	2.59	5.21	14.58				
Net of Fee			2.59	4.96	13.48				
OIH_XLE Blended Index			2.89	8.60	16.88				
Total Domestic Equity Composite	76,935	55.3	2.04	11.75	22.81	13.95	21.88	6.25	8.51
Net of Fee			1.96	11.59	22.58	13.59	21.52		
Domestic Equity Index			2.13	11.94	22.48	14.25	23.07	7.02	8.25
SSgA Russell 1000 Index Fund	45,434	32.7	1.49	11.87	21.77	14.55	21.61	6.52	7.79
Net of Fee			1.47	11.83	21.68	14.47	21.55	6.46	
Russell 1000			2.06	12.50	22.44	14.75	21.73	6.57	7.80
SSgA S&P 400 MidCap Index Fund	15,208	10.9	3.04	11.65					
Net of Fee			3.01	11.60					
S&P Midcap 400			3.04	11.63					

Mobile Police & Firefighters Executive Summary Table Periods Ending March 31, 2014

FYTD - 9/30/13

Name	Value \$(000)	% of Fund	Periods Ending 3/31/14						
			Cur Qtr	FYTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Morgan Dempsey SCV	8,090	5.8	2.45	11.40					
Net of Fee			2.17	10.81					
Russell 2000 Value			1.78	11.24					
SouthernSun SCC	8,204	5.9	2.84	11.58					
Net of Fee			2.59	11.04					
Russell 2000			1.12	9.94					
Total International Equity Composite	12,826	9.2	0.37	4.29	8.11	3.79	12.80	-0.51	5.91
Net of Fee			0.37	4.29	8.11	3.63	12.46		
MSCI ACWI ex US (Net)			0.51	5.30	12.31	4.15	15.52	1.70	7.12
Allianz Global Investors	12,826	9.2	0.37	4.29	8.11				
Net of Fee			0.37	4.29	8.11				
MSCI ACWI ex US (Net)			0.51	5.30	12.31				
Total Fixed Income Composite	30,076	21.6	1.30	1.78	1.04	3.54	5.60	5.28	4.65
Net of Fee			1.27	1.72	0.92	3.42	5.48		
Barclays Int Govt/Credit			1.00	0.98	-0.13	3.13	4.18	4.52	3.94
Orleans	30,076	21.6	1.30	1.78	1.04	3.54	5.60	5.28	4.65
Net of Fee			1.27	1.72	0.92	3.42	5.48	5.16	
Barclays Int Govt/Credit			1.00	0.98	-0.13	3.13	4.18	4.52	3.94
Real Estate Composite	4,946	3.6	2.86	5.17	11.26	11.08	5.39	-1.30	7.84
Net of Fee			2.35	4.41	9.77	9.88	4.27	-2.28	6.77
NCREIF ODCE Fund Index			2.52	5.77	13.76	13.06	7.32	3.05	7.18

Mobile Police & Firefighters Executive Summary Table Periods Ending March 31, 2014

FYTD - 9/30/13

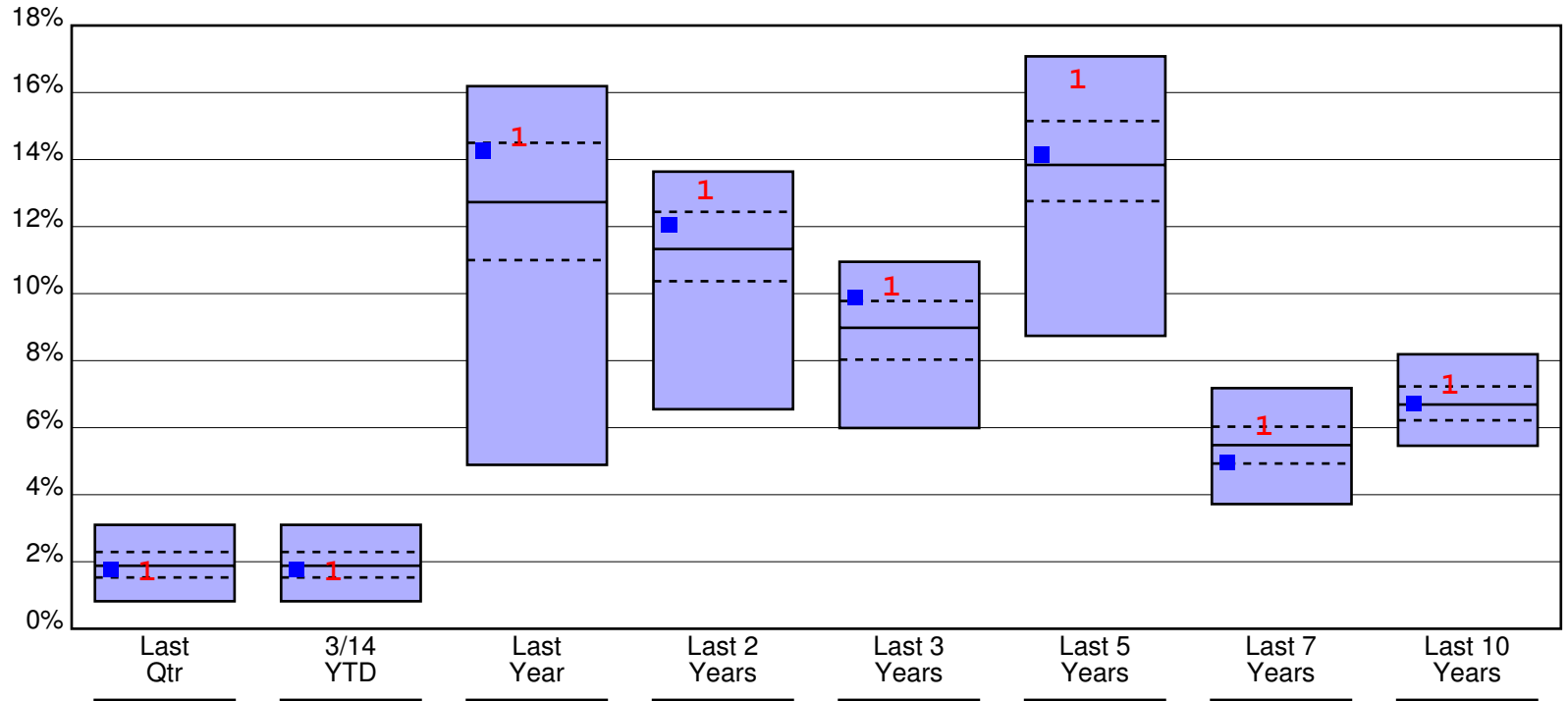
Name	Value \$(000)	% of Fund	Periods Ending 3/31/14						
			Cur Qtr	FYTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Guggenheim	2,343	1.7	4.64	7.41	14.68	13.96	11.77	-0.44	
Net of Fee			4.39	6.89	13.58	12.86	10.69	-1.36	
70% NCREIF / 30% NAREIT			4.34	6.75	10.47	12.59	13.79	3.72	
Westbrook	64	0.0	0.00	0.00	-5.04	-6.47	-7.09	-11.28	-6.37
Net of Fee			0.00	0.00	-5.04	-6.57	-7.31	-11.63	-7.06
NCREIF ODCE Fund Index			2.52	5.77	13.76	13.06	7.32	3.05	7.18
DLJ	465	0.3	0.00	0.00	2.93	4.45	2.03	1.68	13.11
Net of Fee			-2.71	-2.71	-1.54	2.58	0.54	0.39	11.75
NCREIF ODCE Fund Index			2.52	5.77	13.76	13.06	7.32		
TIAA-CREF	2,075	1.5	1.65	4.11	10.18	10.63	1.88		
Net of Fee			1.38	3.54	8.98	9.44	0.76		
NCREIF ODCE Fund Index			2.52	5.77	13.76	13.06	7.32		
Private Equity Composite	4,812	3.5	1.08	4.68	5.83	6.56	9.01	8.00	8.47
Net of Fee			1.08	4.61	5.71	5.86	8.16	6.97	6.49
Russell 2500			3.30	13.17	28.03	17.95	29.33	11.83	13.43
Hicks, Muse, Tate & Furst IV	278	0.2	0.00	4.48	16.53	9.63	11.80	2.00	0.36
Net of Fee			0.00	4.48	16.53	9.63	11.80	2.00	0.36
Russell 2500			3.30	13.17	28.03	17.95	29.33	11.83	
Ripplewood Partners II, L.P.	882	0.6	0.00	0.00	-3.05	0.17	7.15	5.60	5.11
Net of Fee			0.00	0.00	-3.05	-0.48	6.50	4.94	2.61
Russell 2500			3.30	13.17	28.03	17.95	29.33	11.83	13.43
Levine Leichtman Fund III	2,425	1.7	0.00	5.37	2.87	8.36	8.90	9.11	13.61
Net of Fee			0.00	5.32	2.82	7.54	7.83	7.79	10.71
Russell 2500			3.30	13.17	28.03	17.95	29.33	11.83	

Mobile Police & Firefighters Executive Summary Table Periods Ending March 31, 2014

FYTD - 9/30/13

Name	Value \$(000)	% of Fund	Periods Ending 3/31/14						
			Cur Qtr	FYTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Permal Capital Fund IV	1,227	0.9	4.38	6.94	18.39	8.57	9.21	5.26	
Net of Fee			4.38	6.74	17.94	7.90	8.35	4.01	
Russell 2500			3.30	13.17	28.03	17.95	29.33	11.83	
Timber Composite	2,457	1.8	2.38	7.86	5.70	4.14	4.04		
Net of Fee			2.16	7.41	4.82	3.28	3.18		
Timberland Investment Resources	2,457	1.8	2.38	7.86	5.70	4.14	4.04		
Net of Fee			2.16	7.41	4.82	3.28	3.18		
NCREIF Timberland Index			1.62	7.64	9.78	6.58	2.86		

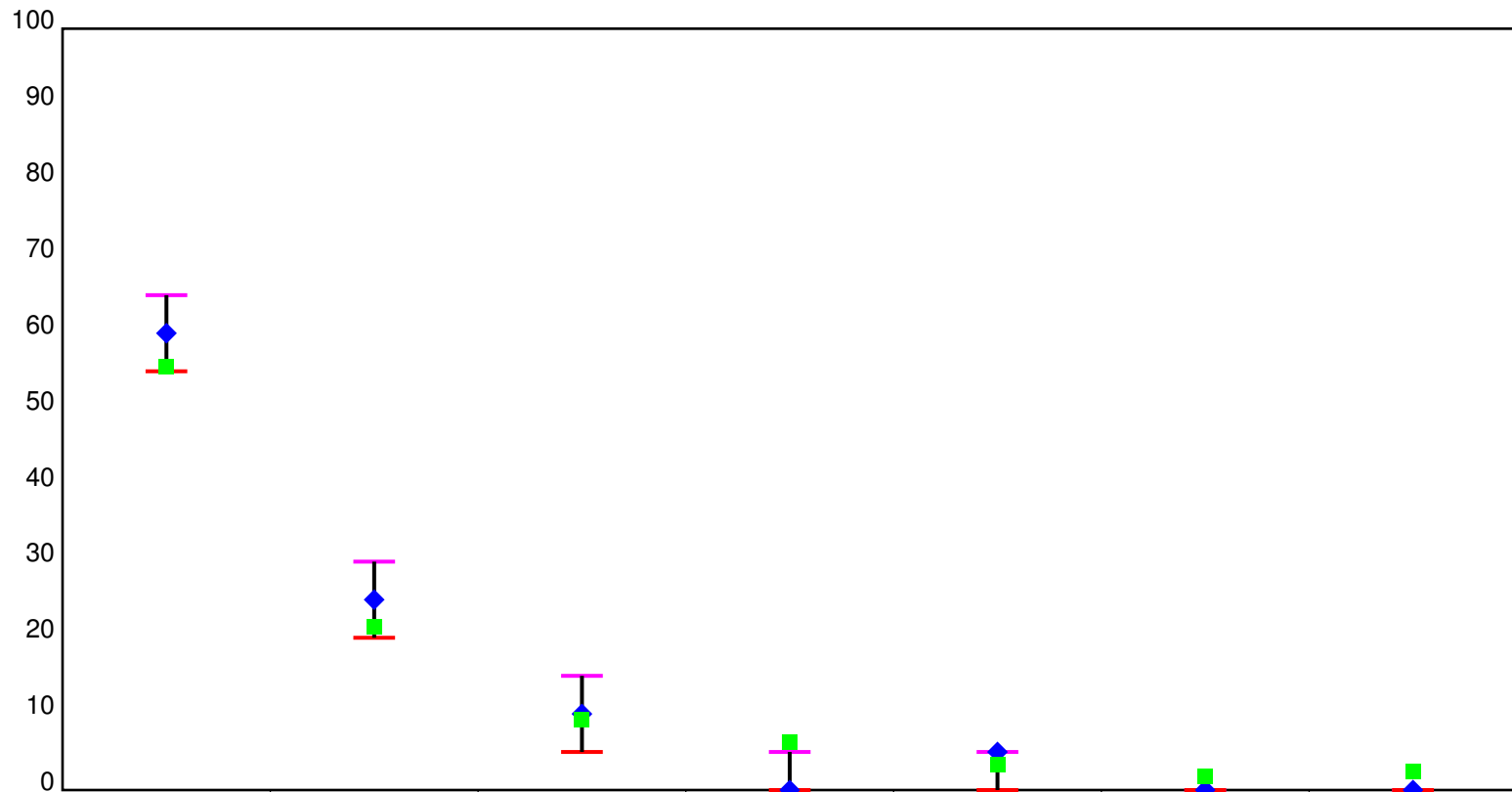
Mobile Police & Firefighters Cumulative Performance Comparison Total Returns of Total Fund Public Sponsors Periods Ending 3/14



5th Percentile	3.10	3.10	16.19	13.64	10.95	17.08	7.18	8.19
25th Percentile	2.29	2.29	14.50	12.44	9.78	15.15	6.03	7.23
Median	1.88	1.88	12.73	11.33	8.98	13.84	5.48	6.69
75th Percentile	1.53	1.53	11.00	10.37	8.03	12.76	4.93	6.22
95th Percentile	0.82	0.82	4.89	6.55	5.99	8.74	3.72	5.46
■ Total Fund	1.75 (62)	1.75 (62)	14.24 (28)	12.03 (35)	9.84 (23)	14.12 (45)	4.94 (74)	6.68 (50)
1 Mobile P&F Policy Index	1.65 (71)	1.65 (71)	14.61 (23)	13.01 (12)	10.14 (14)	16.34 (10)	5.98 (29)	7.23 (25)

Mobile Police & Firefighters Asset Allocation vs Policy Graph

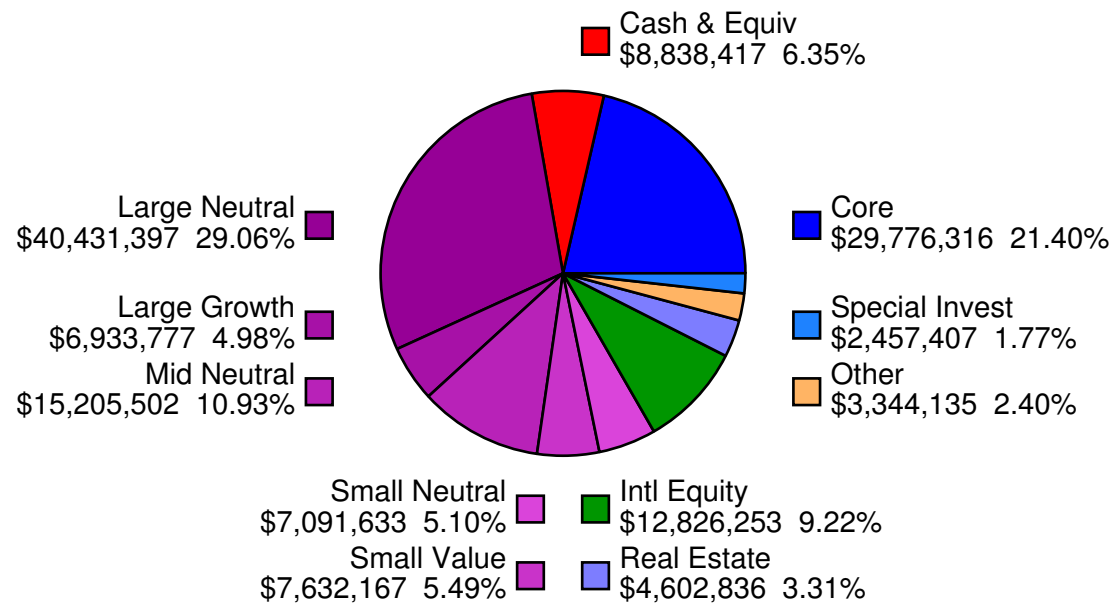
Total Fund
As of March 31, 2014



Legend	Domestic Equities	Domestic Fixed	International Equities	Cash	Real Estate	Special Investments	Other
◆ Policy	60.0	25.0	10.0	0.0	5.0	0.0	0.0
— Min	55.0	20.0	5.0	0.0	0.0	0.0	0.0
— Max	65.0	30.0	15.0	5.0	5.0	0.0	0.0
■ Actual	55.6	21.4	9.2	6.4	3.3	1.8	2.4

Mobile Police & Firefighters Asset And Policy Allocation Total Fund

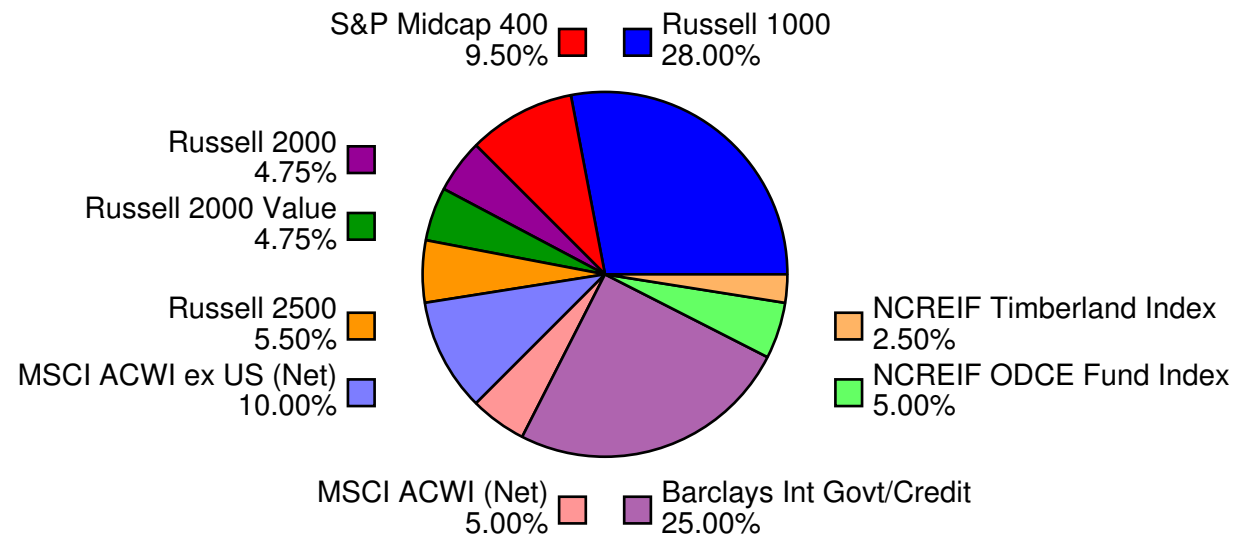
March 31, 2014 \$139,139,840



Mobile Police & Firefighters Asset And Policy Allocation Total Fund

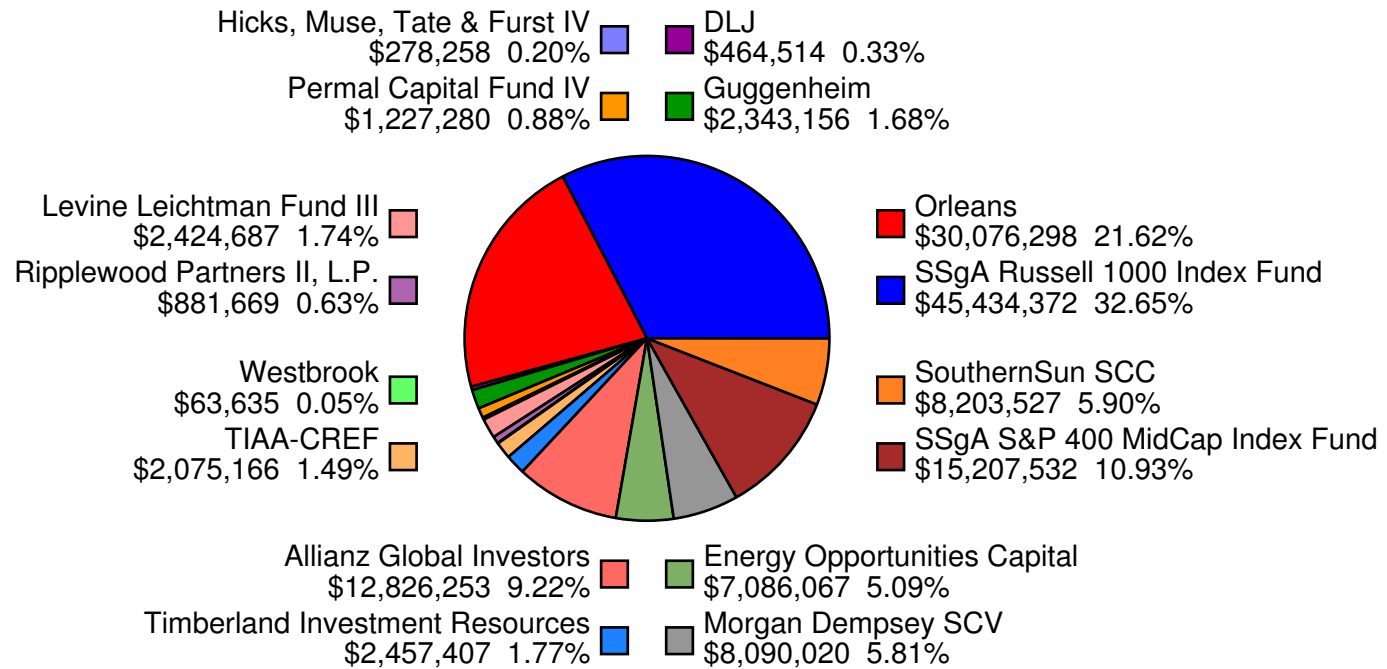
March 31, 2014

Mobile P&F Policy Index



Mobile Police & Firefighters Total Fund Allocation By Manager Total Fund

March 31, 2014 \$139,139,840



Mobile Police & Firefighters
Sources of Fund Growth
Total Fund
12/31/13 - 3/31/14

Manager Name	Beginning Value \$(000)	Net Contrib \$(000)	Invest Fees \$(000)	Invest Gain/Loss \$(000)	Ending Value \$(000)	Gross of Fees Return(%)	Net of Fees Return(%)
SSgA Russell 1000 Index Fund	44,778	0	10	667	45,434	1.49	1.47
Energy Opportunities Capital	6,907	0	0	179	7,086	2.59	2.59
Morgan Dempsey SCV	7,918	0	22	193	8,090	2.45	2.17
SSgA S&P 400 MidCap Index Fund	14,763	0	5	449	15,208	3.04	3.01
SouthernSun SCC	7,997	0	20	227	8,204	2.84	2.59
Equity	82,364	0	57	1,714	84,022		
Allianz Global Investors	12,806	-27	0	48	12,826	0.37	0.37
Int'l Equity	12,806	-27	0	48	12,826		
Orleans	29,699	0	9	386	30,076	1.30	1.27
Fixed Income	29,699	0	9	386	30,076		
DLJ	478	-1	13	0	465	0.00	-2.71
Guggenheim	2,245	0	6	104	2,343	4.64	4.39
Westbrook	64	0	0	0	64	0.00	0.00
TIAA-CREF	2,068	-21	6	34	2,075	1.65	1.38
Real Estate	4,855	-22	24	138	4,946		
Permal Capital Fund IV	1,176	0	0	52	1,227	4.38	4.38
Hicks, Muse, Tate & Furst IV	278	0	0	0	278	0.00	0.00
Ripplewood Partners II, L.P.	882	0	0	0	882	0.00	0.00
Timberland Investment Resources	2,405	0	5	57	2,457	2.38	2.16
Special Investments	4,741	0	5	109	4,845		
Levine Leichtman Fund III	2,425	0	0	0	2,425	0.00	0.00

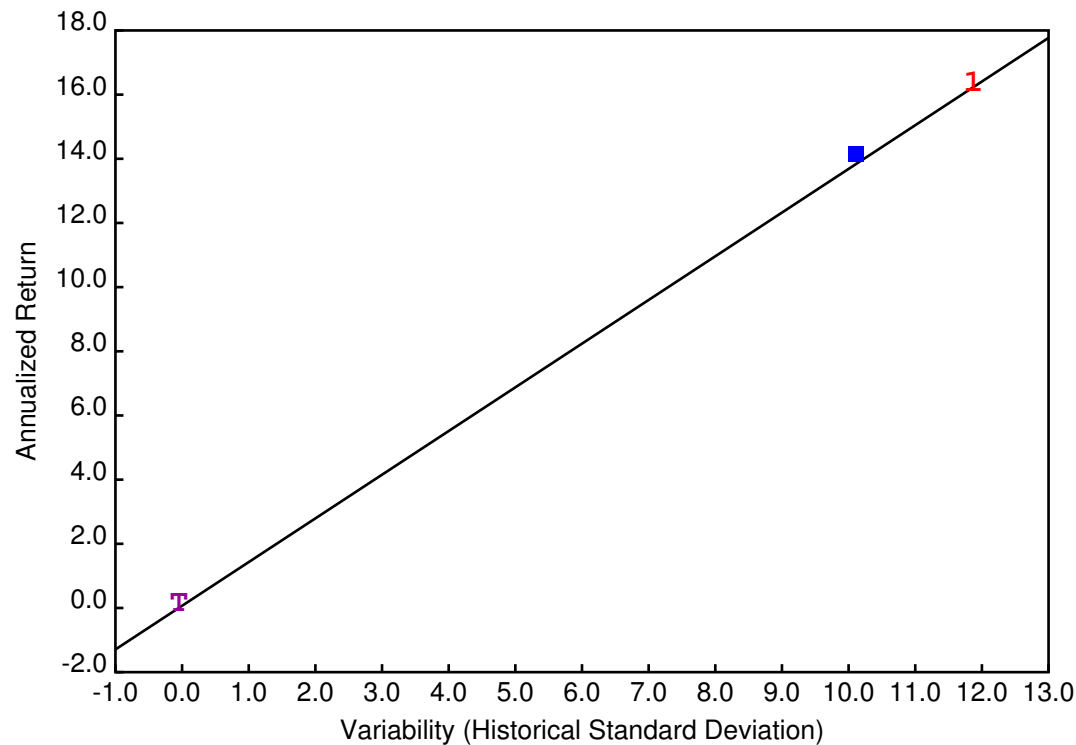
Mobile Police & Firefighters
Sources of Fund Growth
Total Fund
12/31/13 - 3/31/14

[illegible]

Mobile Police & Firefighters

Quarterly Total Return Market Line Analysis

Periods from 3/09 to 3/14



	Annualized Return	Variability	Reward	Sharpe Ratio
■ Total Fund	14.12	10.21	14.00	1.37
1 Mobile P&F Policy Index	16.34	11.95	16.22	1.36
T 91-Day Treasury Bill	0.11	0.03	0.00	0.00

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City of Mobile Police & Firefighters

March 31, 2014

Performance Summary Table
Periods Ending 3/31/14

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	10 Yrs
SSgA Russell 1000 Index Fund							
Total Return	1.49	1.49	21.77	18.04	14.55	21.61	7.79
Total Return (Net of Fees)	1.47	1.47	21.68	17.95	14.47	21.55	
Russell 1000	2.06	2.06	22.44	18.36	14.75	21.73	7.80
Variance	-0.57	-0.57	-0.67	-0.31	-0.20	-0.12	-0.01

SSGA Russell 1000 Index Fund (Commingled Fund)

OBJECTIVE:

Track the return of the Russell 1000 Index.

STRATEGY:

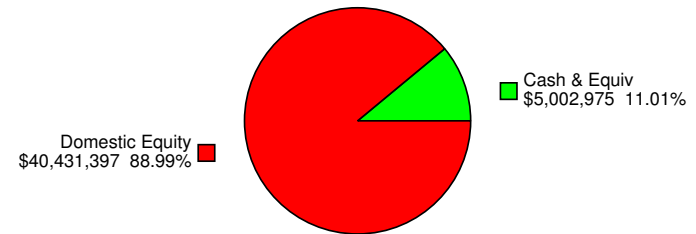
The Fund is managed using a "passive" or "indexing" investment approach, by which SSgA attempts to match, before expenses, the performance of the Index. SSgA will typically attempt to invest in the securities comprising the Index in the same proportions as they are represented in the Index. In some cases, it may not be possible or practical to purchase all of the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio in question. The Fund's returns may vary from the returns of the Index.

FEE SCHEDULE

6 bps on first \$50MM
4 bps on next \$50MM
3 bps thereafter

Asset Allocation
SSgA Russell 1000 Index Fund

March 31, 2014 \$45,434,372



CONCLUSIONS/RECOMMENDATIONS

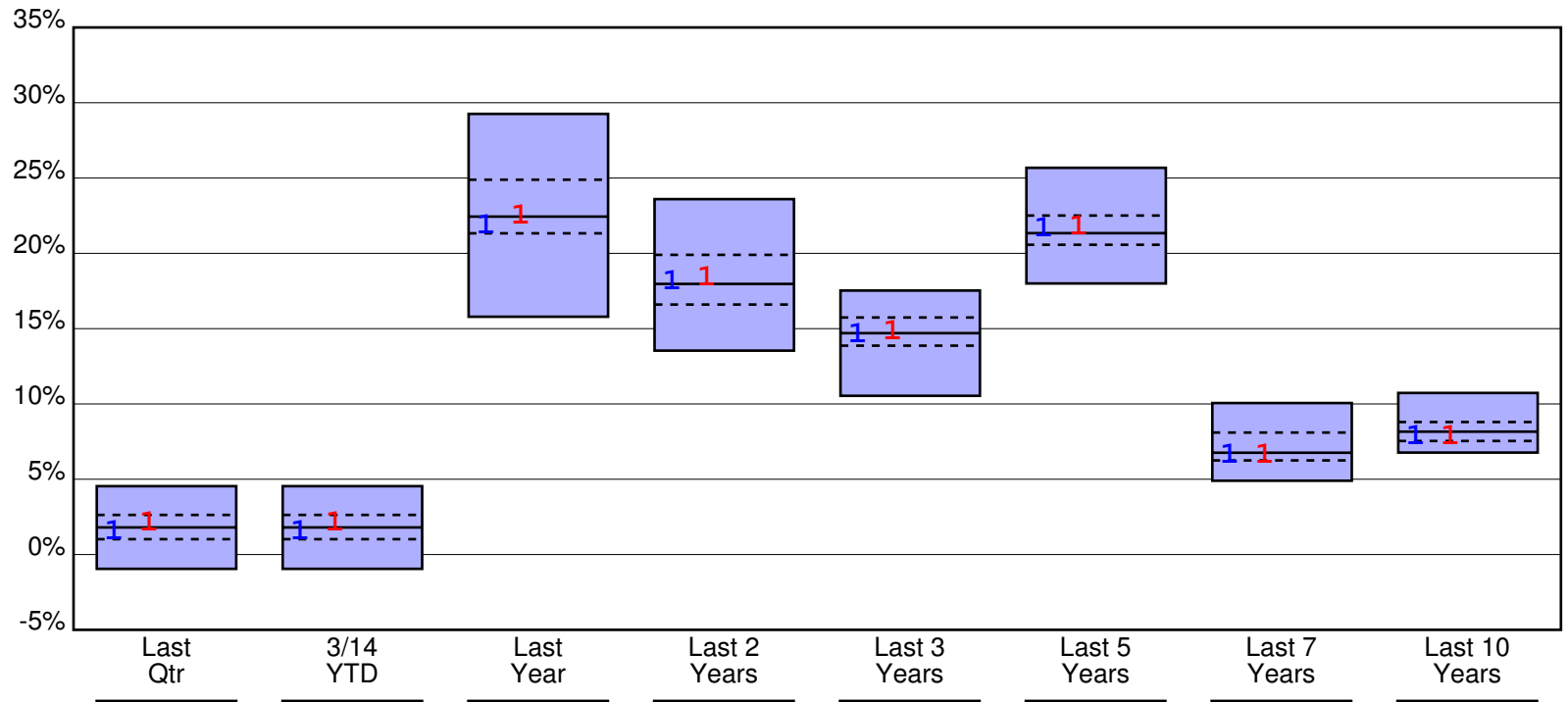
The SSgA Fund performed in line with the Russell 1000 Index during the quarter. However, the custodian account is currently holding \$5,002,975 in cash from a recent rebalancing. This is causing the account itself to see a performance lag relative to the index.

City of Mobile Police & Firefighters

All Large Cap Cumulative Performance Comparisons

Total Returns of Equity Portfolios

Periods Ending 3/14



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

Last Qtr	3/14 YTD	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
4.54	4.54	29.26	23.60	17.53	25.68	10.06	10.73
2.63	2.63	24.89	19.90	15.74	22.51	8.10	8.80
1.80	1.80	22.44	17.97	14.70	21.34	6.76	8.16
1.02	1.02	21.33	16.60	13.87	20.57	6.25	7.54
-0.95	-0.95	15.79	13.54	10.54	18.00	4.90	6.77
1.49 (64)	1.49 (64)	21.77 (69)	18.04 (49)	14.55 (63)	21.61 (45)	6.52 (59)	7.79 (67)
2.06 (35)	2.06 (35)	22.44 (50)	18.36 (43)	14.75 (45)	21.73 (42)	6.57 (57)	7.80 (67)

1 SSgA Russell 1000 Index Fund
1 Russell 1000

City of Mobile Police & Firefighters

March 31, 2014

Performance Summary Table
Periods Ending 3/31/14

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	10 Yrs
Energy Opportunities Capital							
Total Return	2.59	2.59	14.58				
Total Return (Net of Fees)	2.59	2.59	13.48				
OIH_XLE Blended Index	2.89	2.89	16.88				
Variance	-0.30	-0.30	-2.30				

ENERGY OPPORTUNITIES CAPITAL

Large Cap Growth Equity (Separately Managed)

OBJECTIVE

Manager is expected to rank in the top 50% versus their peer group over a minimum three year period.

Investment Performance is expected to exceed the OIH_XLE Blended Benchmark over a market cycle. (3-5 years)

STRATEGY

The fundamental goal is to produce returns superior to energy related benchmarks and broad market equity indices by investing in a diversified portfolio of energy company equities designed to capitalize on existing energy supply and demand fundamentals.

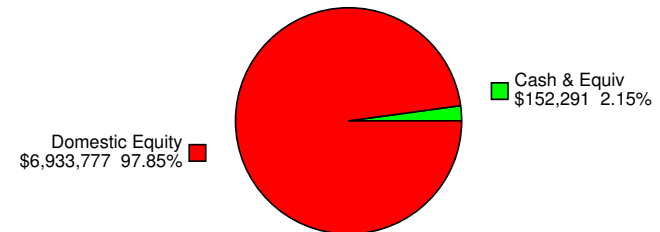
The primary thrust of the strategy is to capitalize on the ongoing positive supply and demand fundamentals that exist in energy markets. Among other things, the manager emphasizes those sectors and companies that are beneficiaries of the necessary capital expenditures that will be required to generate the supply required to maintain and support increasing global energy demand and global economic growth.

FEE SCHEDULE

1.00% on all assets

Asset Allocation Energy Opportunities Capital

March 31, 2014 \$7,086,067



CONCLUSIONS/RECOMMENDATIONS

Energy Opportunities Capital under performed the blended benchmark by 30 basis points during the 1st Quarter 2014.

City of Mobile Police & Firefighters

March 31, 2014

Performance Summary Table
Periods Ending 3/31/14

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	10 Yrs
SSgA S&P 400 MidCap Index Fund							
Total Return	3.04	3.04					
Total Return (Net of Fees)	3.01	3.01					
S&P Midcap 400	3.04	3.04					
Variance	0.01	0.01					

SSGA S&P 400 MIDCAP INDEX FUND (Commingled Fund)

OBJECTIVE:

Track the return of the S&P 400 MidCap Index.

STRATEGY:

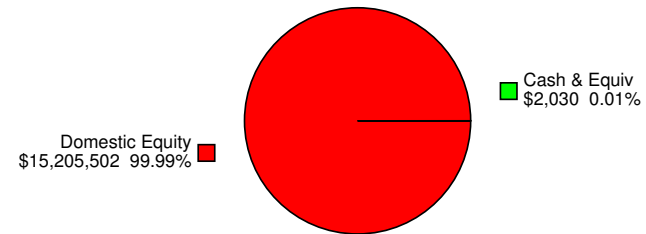
The Fund is managed using a "passive" or "indexing" investment approach, by which SSgA attempts to match, before expenses, the performance of the Index. SSgA will typically attempt to invest in the securities comprising the Index in the same proportions as they are represented in the Index. In some cases, it may not be possible or practical to purchase all of the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio in question. The Fund's returns may vary from the returns of the Index.

FEE SCHEDULE

7 bps on first \$50MM
5 bps on next \$50MM
3 bps thereafter

Asset Allocation SSgA S&P 400 MidCap Index Fund

March 31, 2014 \$15,207,532



CONCLUSIONS/RECOMMENDATIONS

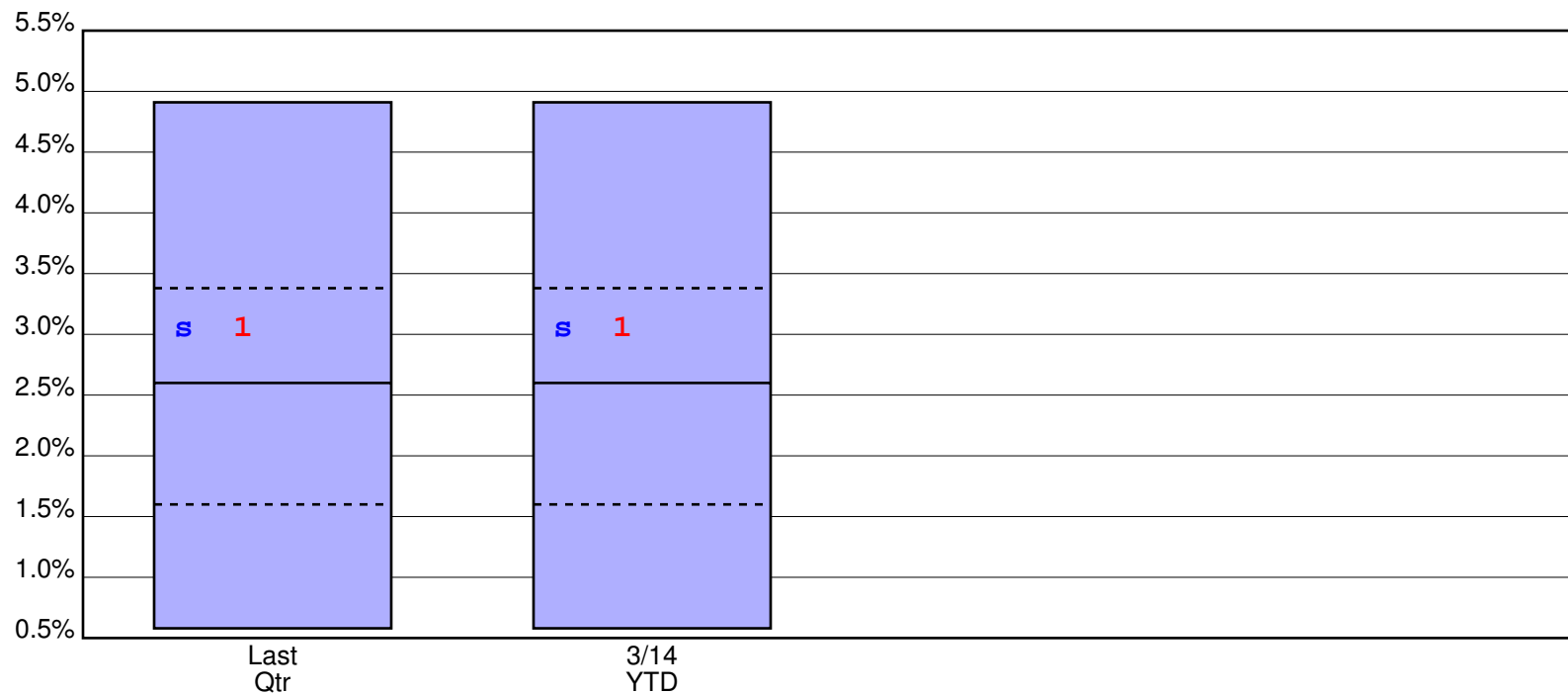
The SSgA S&P 400 MidCap Index Fund performed in-line with the S&P 400 MidCap Index during the quarter.

City of Mobile Police & Firefighters

Midcap Neutral Cumulative Performance Comparisons

Total Returns of Equity Portfolios

Periods Ending 3/14



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

Last
Qtr
4.91
3.38
2.60
1.60
0.58

3/14
YTD
4.91
3.38
2.60
1.60
0.58

S SSgA S&P 400 MidCap Index Fund
1 S&P Midcap 400

3.04 (34)
3.04 (34)

3.04 (34)
3.04 (34)

City of Mobile Police & Firefighters

March 31, 2014

Performance Summary Table
Periods Ending 3/31/14

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	10 Yrs
Morgan Dempsey SCV							
Total Return	2.45	2.45					
Total Return (Net of Fees)	2.17	2.17					
Russell 2000 Value	1.78	1.78					
Variance	0.67	0.67					

Morgan Dempsey Capital Management, LLC Small Cap Value Equity Separately Managed Account

OBJECTIVE

Manager is expected to rank in the top 50% versus their peer group over a minimum three year period. Investment performance is expected to exceed the Russell 2000 Value Index over a market cycle. (3-5 years)

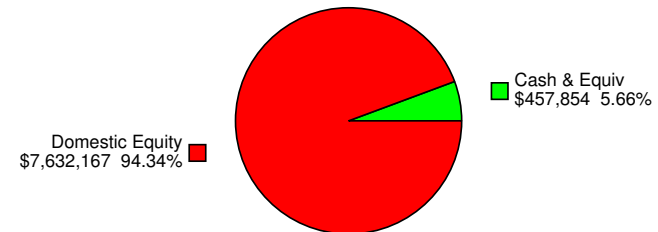
STRATEGY

Morgan Dempsey focuses on the area of the market where they can gain a significant advantage through bottom-up fundamental research. Their ability to pursue micro-cap companies in addition to small-cap stocks provides them with opportunities that are off limits to many larger institutional strategies. The firm pursues companies with strong competitive characteristics and equally strong balance sheets that are selling at a big discount to estimated intrinsic value. As a buy-and-hold investor, the firm wants to be a long-term partner with great companies. While they consider themselves value investors, growth is one of the many factors they take into consideration when computing intrinsic value estimates. Morgan Dempsey's value style fosters a capital preservation and risk control philosophy. Their contrarian bias affords them the freedom to be agnostic to benchmark weightings and to instead focus on the best companies in the most promising areas of the market. The portfolio will typically hold between 55-75 companies with diversification across industry sectors.

FEE SCHEDULE

1.10% on all assets

Asset Allocation
Morgan Dempsey SCV
March 31, 2014 \$8,090,020



CONCLUSIONS/RECOMMENDATIONS

Morgan Dempsey out performed the Russell 2000 Value Index by 67 basis points during the 1st Quarter 2014 and ranked in the 30th percentile of the Small Cap Value Universe. Stock selection in Energy and Industrials sectors were the main contributors to the out performance.

City of Mobile Police & Firefighters

Equity Summary Statistics

Morgan Dempsey SCV

Period Ending 3/14

	Portfolio	Russell 2000 Value	Ten Largest Holdings	Mkt Value	% of Port	Quarterly Ret
Total Number Of Securities	72	1,409	Granite Constr Inc	442,424	5.80	14.53
Equity Market Value	7,632,167		Unit Corp	414,836	5.44	26.66
Average Capitalization \$(000)	1,364,081	1,664,975	J & J Snack Foods Co	364,206	4.78	8.70
Median Capitalization \$(000)	505,966	617,389	Gorman Rupp Co	355,730	4.66	-4.62
Equity Segment Yield	1.32	1.99	Sturm Ruger & Co Inc	326,807	4.28	-17.48
Equity Segment P/E - Average	25.49	38.63	Aptargroup Inc	316,222	4.15	-2.14
Equity Segment P/E - Median	22.91	15.81	Utah Med Prods Inc	234,848	3.08	1.63
Equity Segment Beta	1.07	1.33	Foster L B Co	211,809	2.78	-0.87
Price/Book Ratio	2.10	1.57	C&J Energy Svcs Inc	186,595	2.45	26.23
Debt/Equity Ratio	15.68	47.34	Weis Mkts Inc	165,726	2.17	-5.70
Five Year Earnings Growth	7.04	6.37				

GICS Sectors	Weight		Return		Selection		
	Portfolio	Index	Portfolio	Index	Stock	Sector	Total
Energy	14.20	7.23	9.47	6.00	0.49	0.29	0.79
Materials	9.19	4.69	-1.49	1.14	-0.24	-0.03	-0.27
Industrials	37.15	13.49	3.15	-0.01	1.17	-0.43	0.75
Consumer Discretionary	15.49	10.65	0.30	-0.87	0.18	-0.13	0.05
Consumer Staples	12.49	2.71	3.10	1.89	0.15	0.01	0.16
Health Care	7.05	4.73	1.02	2.21	-0.08	0.01	-0.07
Financials	2.07	39.17	-3.43	1.89	-0.11	-0.03	-0.14
Information Technology	2.38	10.65	-0.94	1.41	-0.06	0.03	-0.02
Telecom. Services	0.00	0.59		4.50	0.00	-0.02	-0.02
Utilities	0.00	6.07		5.46	0.00	-0.22	-0.22
	100.00	100.00	2.79	1.80	1.51	-0.52	0.99

Stock Selection Return Attribution

[Portfolio Market Value Sector Percentage] * [Portfolio Sector Return - Index Sector Return]

Sector Selection Return Attribution

[Portfolio Sector Percentage - Index Sector Percentage] * [Index Sector Return - Index Total Return]

Trading Effect -0.25%

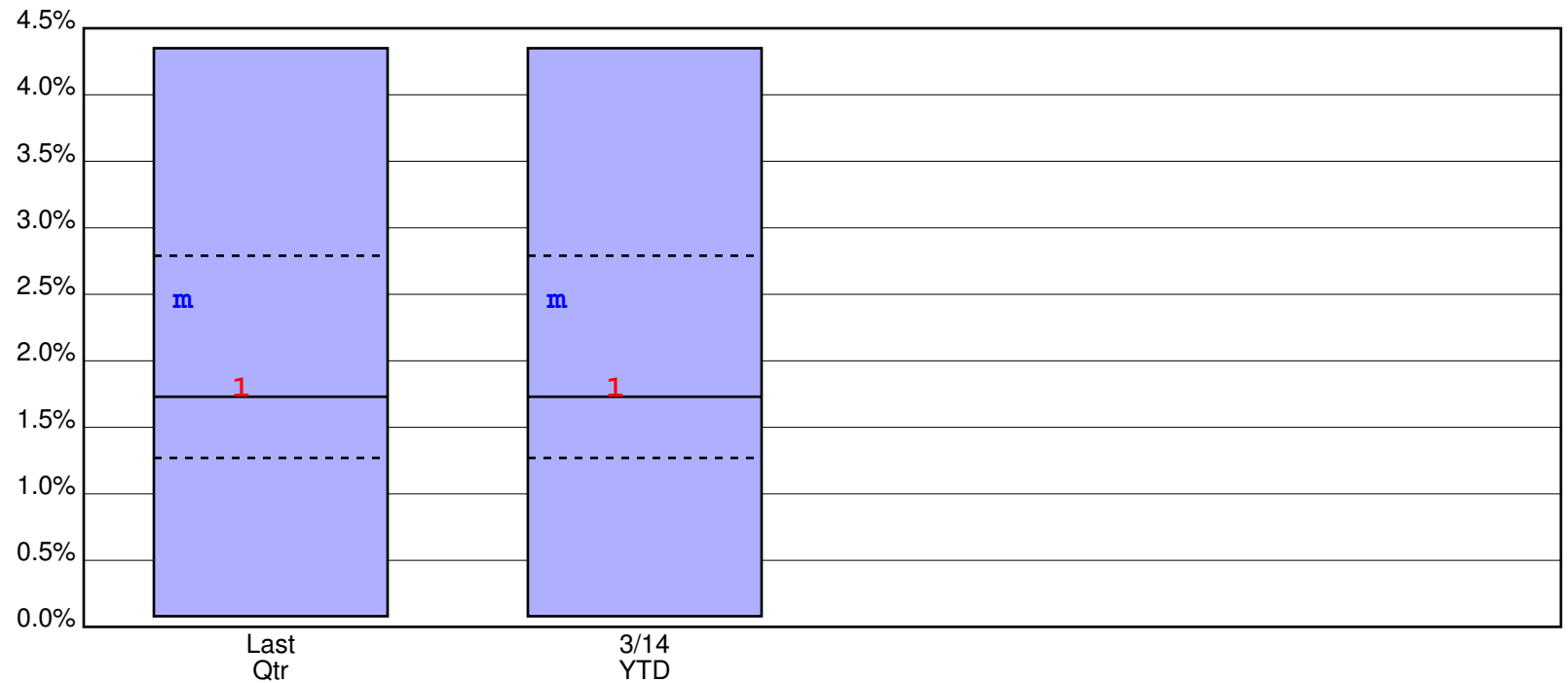
[Actual Return 2.54%] - [Buy Hold Return 2.79%]

City of Mobile Police & Firefighters

Small Value Cumulative Performance Comparisons

Total Returns of Equity Portfolios

Periods Ending 3/14



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

4.35
2.79
1.73
1.27
0.08

4.35
2.79
1.73
1.27
0.08

m Morgan Dempsey SCV
1 Russell 2000 Value

2.45 (30)
1.78 (46)

2.45 (30)
1.78 (46)

City of Mobile Police & Firefighters

March 31, 2014

Performance Summary Table
Periods Ending 3/31/14

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	10 Yrs
SouthernSun SCC							
Total Return	2.84	2.84					
Total Return (Net of Fees)	2.59	2.59					
Russell 2000	1.12	1.12					
Variance	1.72	1.72					

SOUTHERNSUN ASSET MANAGEMENT

Small Cap Core Equity

Separately Managed Account

OBJECTIVE

Manager is expected to rank in the top 50% versus their peer group over a minimum three year period. Investment performance is expected to exceed the Russell 2000 Index over a market cycle. (3-5 years)

STRATEGY

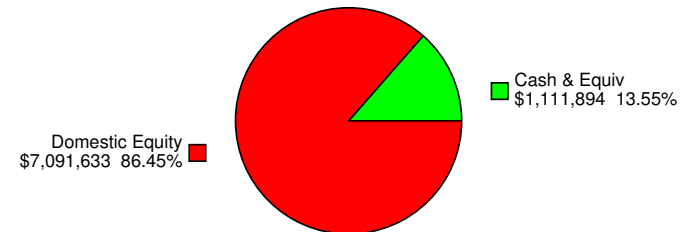
Pinpoint attractively valued companies based on a proprietary calculation and analysis of a company's discretionary cash flow. Analyze company's enterprise value, P/E and P/B ratios, and "break-up" value; and focus on companies with at least a minimal rate of organic growth (3-6%).

Bottom-up analysis of niche-dominant businesses with financial flexibility and uniquely-suited management teams.

FEE SCHEDULE:

1.00% on the first \$50,000,000
0.95% on the next \$50,000,000
0.90% on the next \$100,000,000
0.85% thereafter

Asset Allocation
SouthernSun SCC
March 31, 2014 \$8,203,527



CONCLUSIONS/RECOMMENDATIONS

SouthernSun out performed the Russell 2000 Index by 172 basis points during the 1st Quarter 2014 and ranked in the 12th percentile of the Small Cap Core Universe. Stock selection in Energy, Consumer Discretionary, and Information Technology sectors were the main contributors to the out performance.

City of Mobile Police & Firefighters

Equity Summary Statistics

SouthernSun SCC

Period Ending 3/14

	Portfolio	Russell 2000	Ten Largest Holdings	Mkt Value	% of Port	Quarterly Ret
Total Number Of Securities	20	2,011	Carbo Ceramics Inc	484,345	6.83	18.72
Equity Market Value	7,091,633		Chicago Bridge & Iro	446,644	6.30	4.91
Average Capitalization \$(000)	3,866,528	1,885,908	Darling Intl Inc	441,841	6.23	-4.12
Median Capitalization \$(000)	3,272,045	725,004	Iconix Brand Group I	428,632	6.05	-1.08
Equity Segment Yield	1.06	1.29	Diebold Inc	427,222	6.03	21.81
Equity Segment P/E - Average	22.47	47.12	URS Corp New	404,716	5.71	-10.77
Equity Segment P/E - Median	20.93	16.97	Trinity Inds Inc	402,511	5.68	32.55
Equity Segment Beta	1.48	1.29	AGCO Corp	390,257	5.51	-6.61
Price/Book Ratio	2.35	2.27	Hill Rom Hldgs Inc	382,702	5.40	-6.41
Debt/Equity Ratio	50.35	41.41	Centene Corp Del	367,898	5.19	5.60
Five Year Earnings Growth	8.03	9.64				

GICS Sectors	Weight		Return		Selection		
	Portfolio	Index	Portfolio	Index	Stock	Sector	Total
Energy	6.24	5.46	18.72	4.77	0.87	0.03	0.90
Materials	8.07	4.91	-5.46	0.77	-0.50	-0.01	-0.51
Industrials	37.24	14.46	2.33	0.88	0.54	-0.06	0.49
Consumer Discretionary	18.56	13.75	2.42	-3.35	1.07	-0.22	0.86
Consumer Staples	10.97	3.80	1.19	1.74	-0.06	0.04	-0.02
Health Care	9.86	13.24	-0.25	3.94	-0.41	-0.10	-0.51
Financials	0.00	22.76		1.42	0.00	-0.07	-0.07
Information Technology	5.38	17.84	21.81	0.35	1.15	0.10	1.25
Telecom. Services	0.00	0.75		2.81	0.00	-0.01	-0.01
Utilities	3.68	3.01	9.17	5.37	0.14	0.03	0.17
	100.00	100.00	3.66	1.12	2.80	-0.26	2.54

Stock Selection Return Attribution

[Portfolio Market Value Sector Percentage] * [Portfolio Sector Return - Index Sector Return]

Sector Selection Return Attribution

[Portfolio Sector Percentage - Index Sector Percentage] * [Index Sector Return - Index Total Return]

Trading Effect -0.34%

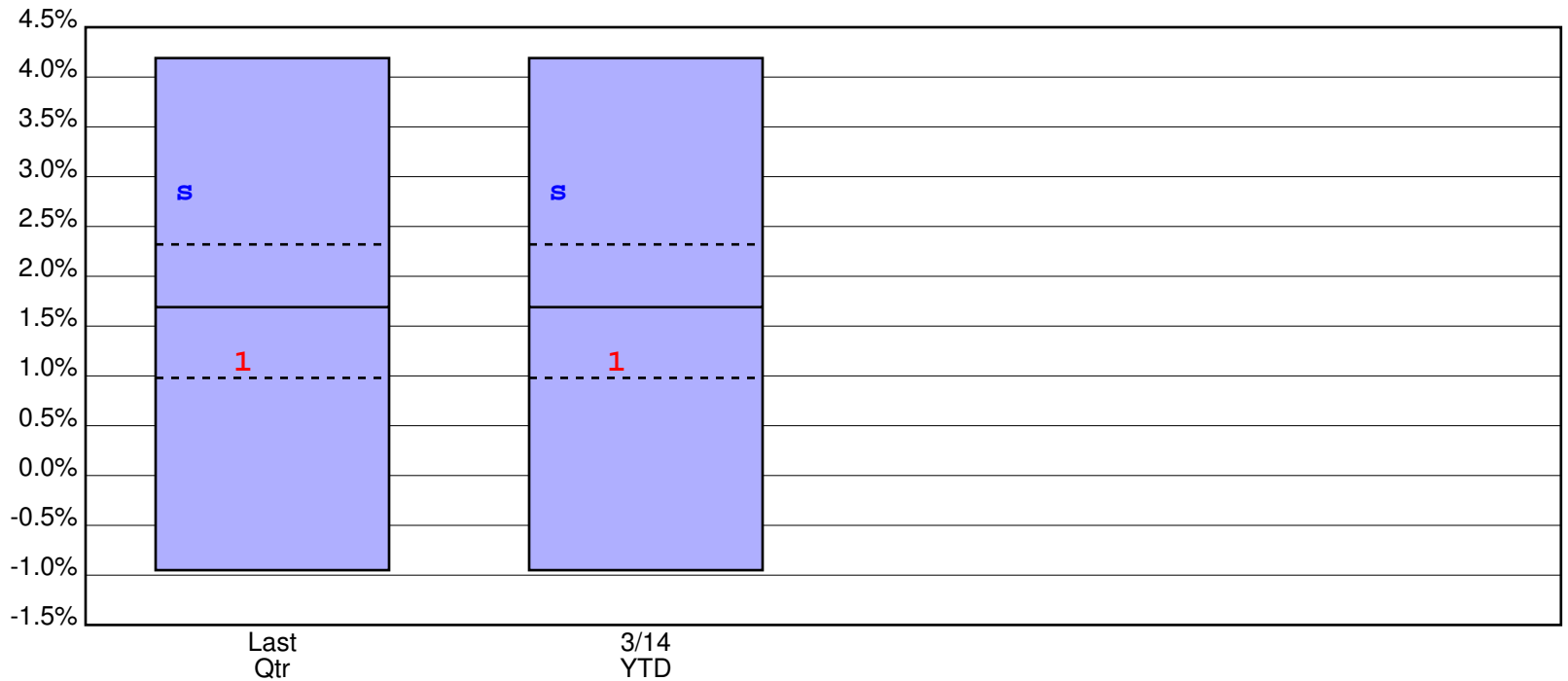
[Actual Return 3.32%] - [Buy Hold Return 3.66%]

City of Mobile Police & Firefighters

Small Neutral Cumulative Performance Comparisons

Total Returns of Equity Portfolios

Periods Ending 3/14



S SouthernSun SCC
 1 Russell 2000

Last
Qtr
 4.19
 2.32
 1.69
 0.98
 -0.95
 2.84 (12)
 1.12 (70)

3/14
YTD
 4.19
 2.32
 1.69
 0.98
 -0.95
 2.84 (12)
 1.12 (70)

City of Mobile Police & Firefighters

March 31, 2014

Performance Summary Table
Periods Ending 3/31/14

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	10 Yrs
Allianz Global Investors							
Total Return	0.37	0.37	8.11	9.84			
Total Return (Net of Fees)	0.37	0.37	8.11	9.84			
MSCI ACWI ex US (Net)	0.51	0.51	12.31	10.32			
Variance	-0.13	-0.13	-4.20	-0.47			

ALLIANZ GLOBAL INVESTORS (NFJ Int'l Value Fund) International Equity Portfolio (Mutual Fund)

OBJECTIVE:

Manager is expected to rank in the top 50% versus their peer group over a minimum three year period. Investment performance is expected to exceed the MSCI ACWI ex US (Net) Index over a market cycle. (3-5 years)

STRATEGY:

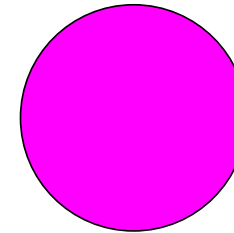
Allianz's investment process enables them to identify stocks offering attractive valuations and growth potential. Manager believes a diversified portfolio of dividend-paying companies with low relative and absolute valuations will out perform over market cycles. Investment conviction must come from analysis of company fundamentals and disciplined adherence to their investment process. The portfolio is constructed of approximately 40-60 of the most attractive securities, diversified among 40-50 industries. Position sizes of 1% through 4% at market value are established based on assessment of price-to-earnings and price-to-book ratios, as well as dividend yield and positive price momentum.

FEE SCHEDULE

0.85% annually on the first \$25 million
0.75% annually on the next \$25 million
0.60% annually on the next \$50 million
0.45% annually thereafter

Asset Allocation
Allianz Global Investors
March 31, 2014 \$12,826,253

Intl Equity
\$12,826,253 100.00%

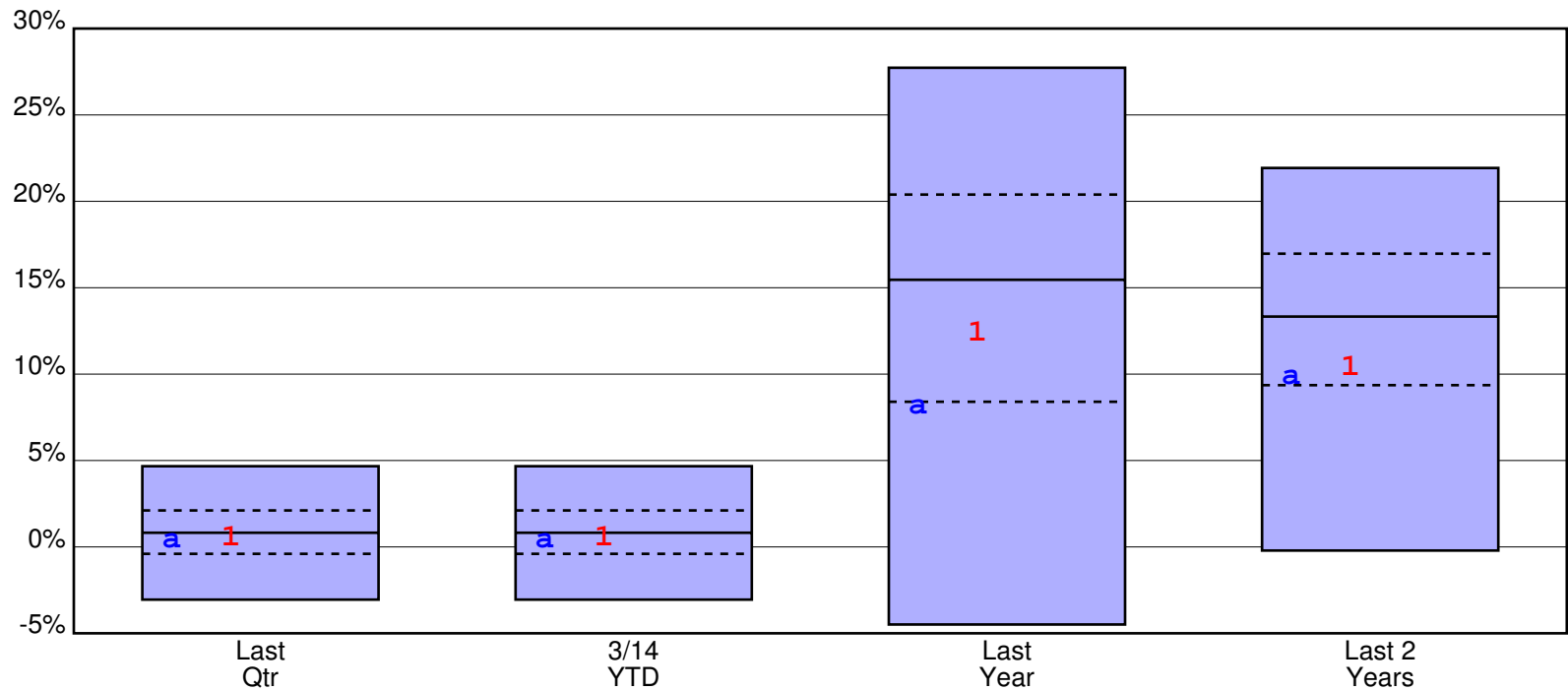


CONCLUSIONS/RECOMMENDATIONS

Allianz Global Investors under performed the MSCI ACWI ex US (Net) during the 1st Quarter 2014 and ranked in the 64th percentile of the International Equity Universe.

Over a 2-year time period, Allianz Global Investors ranks in the 73rd percentile of the International Equity Universe.

City of Mobile Police & Firefighters Cumulative Performance Comparison Total Returns of International Equity Portfolios Periods Ending 3/14



5th Percentile	4.67	4.67	27.73	21.93
25th Percentile	2.11	2.11	20.39	16.97
Median	0.82	0.82	15.46	13.33
75th Percentile	-0.40	-0.40	8.40	9.36
95th Percentile	-3.05	-3.05	-4.49	-0.21
a Allianz Global Investors	0.37 (64)	0.37 (64)	8.11 (75)	9.84 (73)
1 MSCI ACWI ex US (Net)	0.51 (60)	0.51 (60)	12.31 (65)	10.32 (70)

City of Mobile Police & Firefighters

March 31, 2014

Performance Summary Table
Periods Ending 3/31/14

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	10 Yrs
Orleans							
Total Return	1.30	1.30	1.04	2.29	3.54	5.60	4.65
Total Return (Net of Fees)	1.27	1.27	0.92	2.18	3.42	5.48	
Barclays Int Govt/Credit	1.00	1.00	-0.13	1.69	3.13	4.18	3.94
Variance	0.30	0.30	1.16	0.61	0.41	1.42	0.72
Barclays U.S. Aggregate	1.84	1.84	-0.10	1.82	3.75	4.80	4.46

ORLEANS

Intermediate Fixed Income Portfolio (Separately Managed)

OBJECTIVE:

The manager is expected to rank in the top 50% versus their respective peer group over a minimum three year period.

Manager is expected to exceed the Barclays Int Govt/Corp Index over a full market cycle. (3-5 years)

STRATEGY:

Sector diversification is actively managed and sectors are significantly under or over weighted versus the benchmark. Consideration is given to supply and demand factors affecting future performance of the sectors as well as to yield relationships between the sectors.

Interest rate exposure is actively managed within a 15% band around the benchmark.

Yield curve exposure is generally kept neutral to the index and portfolios contain a full spectrum of maturities to achieve duration targets.

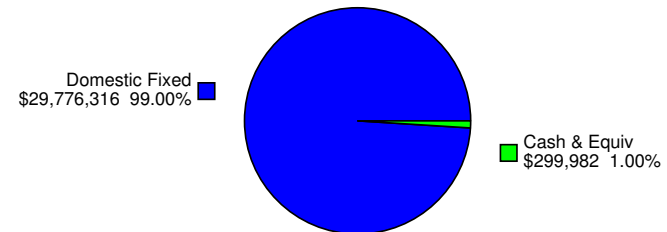
FEE SCHEDULE

15 bps on first \$10MM

10 bps thereafter

Asset Allocation Orleans

March 31, 2014 \$30,076,298



CONCLUSIONS/RECOMMENDATIONS

Orleans out performed the Barclays Int. Govt/Credit Index during the quarter. Manager ranked in the 66th percentile of the Fixed Income Universe during the quarter.

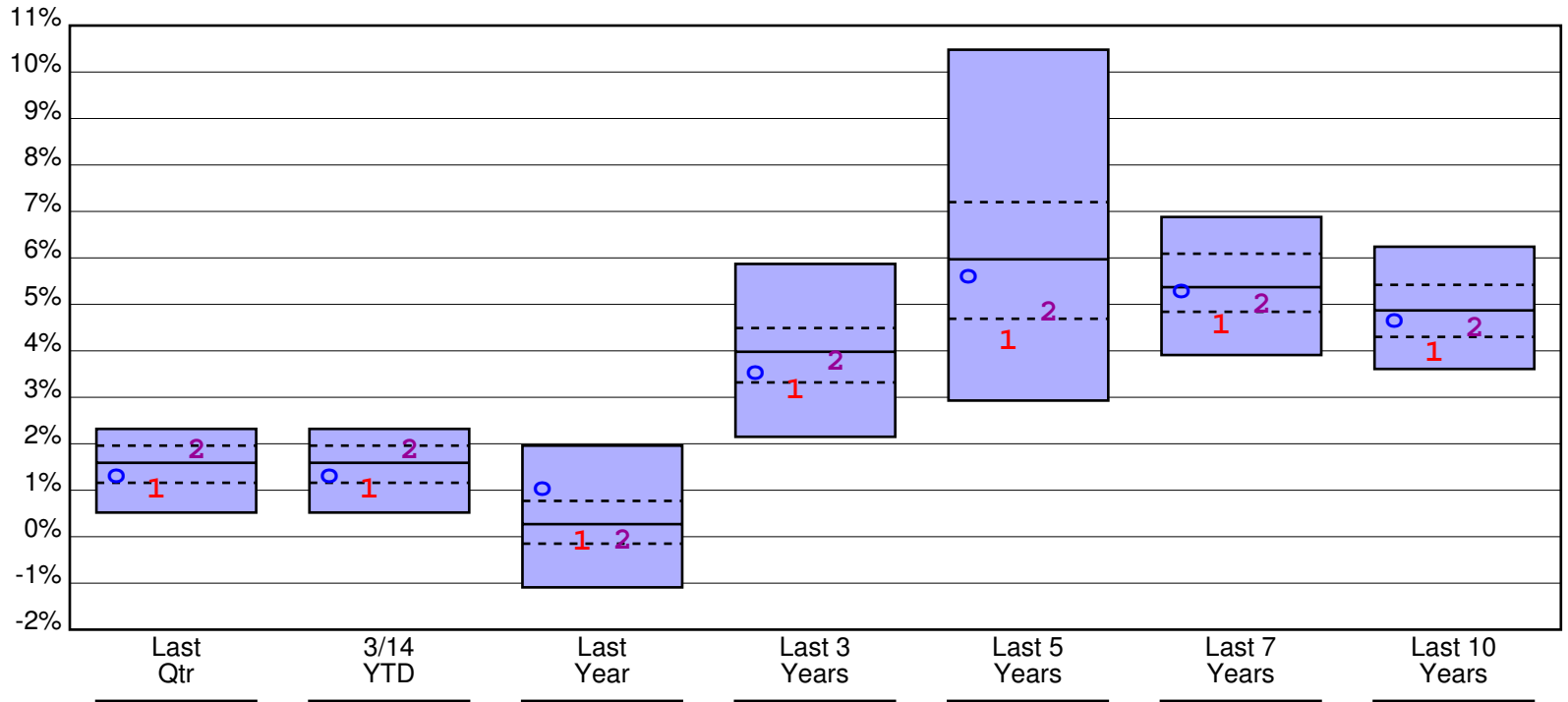
In all periods greater than one year, the manager has out performed the Barclays Int. Govt/Credit Index. Over the past seven years, manager ranks in the 56th percentile of the Fixed Income Universe.

City of Mobile Police & Firefighters

Intermediate Term Cumulative Performance Comparisons

Total Returns of Fixed Income Portfolios

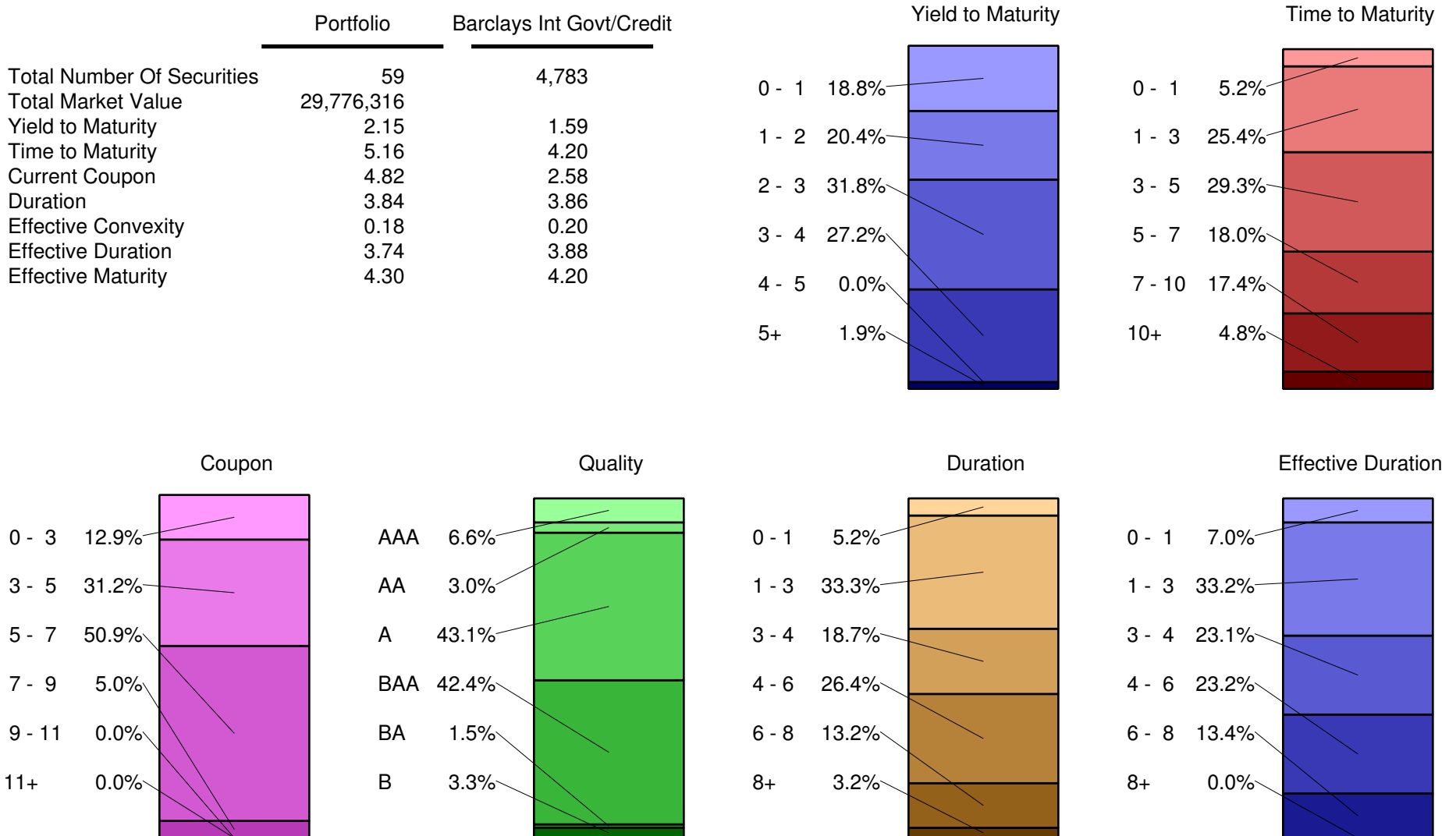
Periods Ending 3/14



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

	Last Qtr	3/14 YTD	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
5th Percentile	2.32	2.32	1.96	5.87	10.48	6.88	6.24
25th Percentile	1.96	1.96	0.77	4.49	7.20	6.09	5.42
Median	1.59	1.59	0.27	3.98	5.97	5.37	4.87
75th Percentile	1.16	1.16	-0.15	3.32	4.69	4.84	4.30
95th Percentile	0.52	0.52	-1.09	2.15	2.93	3.91	3.61
Orleans	1.30 (66)	1.30 (66)	1.04 (16)	3.54 (69)	5.60 (54)	5.28 (56)	4.65 (61)
Barclays Int Govt/Credit	1.00 (82)	1.00 (82)	-0.13 (72)	3.13 (81)	4.18 (85)	4.52 (83)	3.94 (87)
Barclays U.S. Aggregate	1.84 (34)	1.84 (34)	-0.10 (70)	3.75 (59)	4.80 (71)	4.96 (70)	4.46 (67)

City of Mobile Police & Firefighters Fixed Income, Mortgage and Municipals Summary Statistics Orleans Quarter Ending 3/14



City of Mobile Police & Firefighters

March 31, 2014

GUGGENHEIM REAL ESTATE PLUS FUND **Real Estate - Open-ended, Core/Core-Plus Style**

OBJECTIVE

Return that exceeds the Blended Benchmark (70% NCREIF and 30% NAREIT).

Return that averages in top half of a comparable manager universe.

Achieve performance objectives, comply with Plan investment guidelines, add value to Plan.

STRATEGIES

Invests in both public (approximately 30% of portfolio) and private (approximately 70% of portfolio real estate)

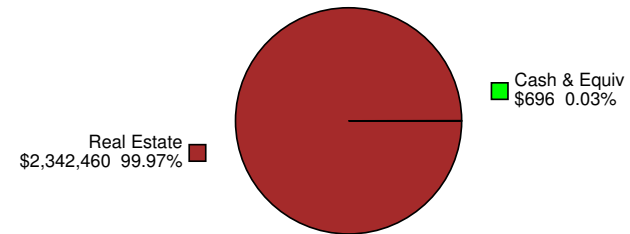
Public investments consist of 4 separate account REIT strategies (core, large cap, small cap, and absolute return) and an in-house public/private arbitrage portfolio.

Private investments consist of direct properties (31 investments), mezzanine financing (8 investments), and 7 fund investments (in order to take advantage of market pricing and portfolio diversification).

FEE SCHEDULE

60 bps base management fee and an incentive fee: 20% of the outperformance over the benchmark, calculated on a rolling four quarters' basis

Asset Allocation
Guggenheim
March 31, 2014 \$2,343,156

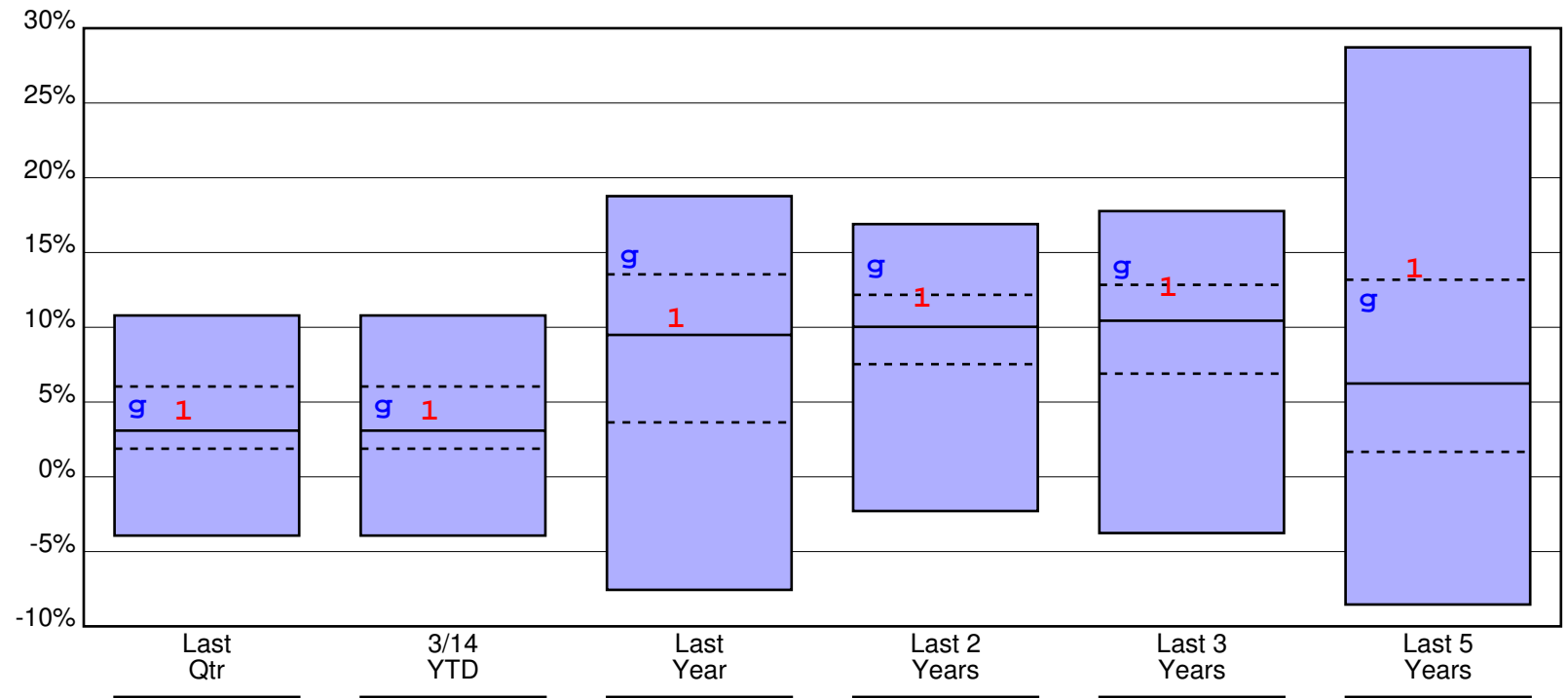


CONCLUSIONS/RECOMMENDATIONS

Guggenheim out performed the blended benchmark by 34 bps and ranked in the 29th percentile of the Real Estate Universe for the quarter.

Total performance was driven by the outperformance of the private real estate allocation within the total fund's portfolio. The manager continues to reposition this portion of the portfolio for more attractive risk-adjusted return opportunities in the market. The performance of the public REIT portion of the portfolio, while strong on an absolute basis, slightly underperformed its component of the blended benchmark.

City of Mobile Police & Firefighters Cumulative Performance Comparison Total Returns of Real Estate Portfolios Periods Ending 3/14



5th Percentile	10.79	10.79	18.77	16.90	17.77	28.72
25th Percentile	6.04	6.04	13.54	12.17	12.84	13.18
Median	3.09	3.09	9.49	10.03	10.44	6.24
75th Percentile	1.88	1.88	3.64	7.53	6.90	1.67
95th Percentile	-3.93	-3.93	-7.56	-2.29	-3.76	-8.54
g Guggenheim	4.64 (29)	4.64 (29)	14.68 (17)	14.07 (12)	13.96 (16)	11.77 (25)
1 70% NCREIF / 30% NAREIT	4.30 (31)	4.30 (31)	10.45 (44)	11.80 (29)	12.58 (26)	13.78 (23)

City of Mobile Police & Firefighters

March 31, 2014

DLJ REAL ESTATE CAPITAL PARTNERS FUND II

Real Estate

OBJECTIVE

Manager is expected to out perform the NCREIF Index.

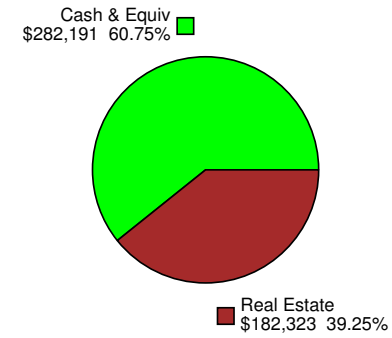
CONCLUSIONS/RECOMMENDATIONS

Fund values and performance have not yet been updated through 1Q2014.

Fund term has expired and DLJ is completing disposition of its final properties.

Asset Allocation DLJ

March 31, 2014 \$464,514



City of Mobile Police & Firefighters
Internal Rate of Return Table
DLJ
March 31, 2014

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
9/99		284,105	0	-2,982	0	0	281,123	-1.05	NA
12/99	281,123	74,723	103,725	5,612	6,179	13,973	237,581	0.94	NA
3/00	237,581	0	27,164	-5,085	0	0	205,332	-0.99	NA
6/00	205,332	85,874	70,547	-3,371	0	0	217,288	-2.25	NA
9/00	217,288	127,268	17,213	-9,354	4,575	0	313,414	-5.91	-5.80
12/00	313,414	86,288	0	25,639	0	15,000	410,341	3.76	2.94
3/01	410,341	0	211	-2,756	0	0	407,374	2.58	1.69
6/01	407,374	143,166	33,120	2,647	3,933	15,000	501,134	3.26	1.83
9/01	501,134	0	64	-4,291	0	0	496,779	1.79	0.88
12/01	496,779	132,570	37,274	14,708	3,086	15,000	588,697	5.83	2.53
3/02	588,697	0	51,598	61,429	0	0	598,528	22.13	8.26
6/02	598,528	45,402	180,067	57,140	4,869	15,000	501,134	37.05	12.06
9/02	501,134	15,000	0	-18,768	0	15,000	482,366	32.01	9.63
12/02	482,366	251,457	38,199	74,902	3,851	0	766,675	52.13	13.68
3/03	766,675	43,610	79,379	3,244	0	0	734,150	51.48	12.53
6/03	734,150	15,000	0	54,226	0	15,000	788,376	64.42	14.11
9/03	788,376	544,306	240,878	18,920	2,103	0	1,108,621	68.86	13.92
12/03	1,108,621	0	3,127	241,887	0	0	1,347,380	126.39	21.08
3/04	1,347,380	118,913	391,372	21,621	2,093	15,000	1,079,449	126.77	19.86
6/04	1,079,449	106,623	106,623	130,968	0	0	1,210,418	157.32	21.91
9/04	1,210,418	54,230	243,754	255,775	0	12,675	1,263,994	220.68	26.12
12/04	1,263,994	30,270	140,710	258,989	3,048	0	1,409,495	286.36	29.21
3/05	1,409,495	23,087	428,199	24,714	0	9,843	1,019,254	297.84	28.42
6/05	1,019,254	4,653	57,806	66,820	2,125	0	1,030,795	324.04	28.45

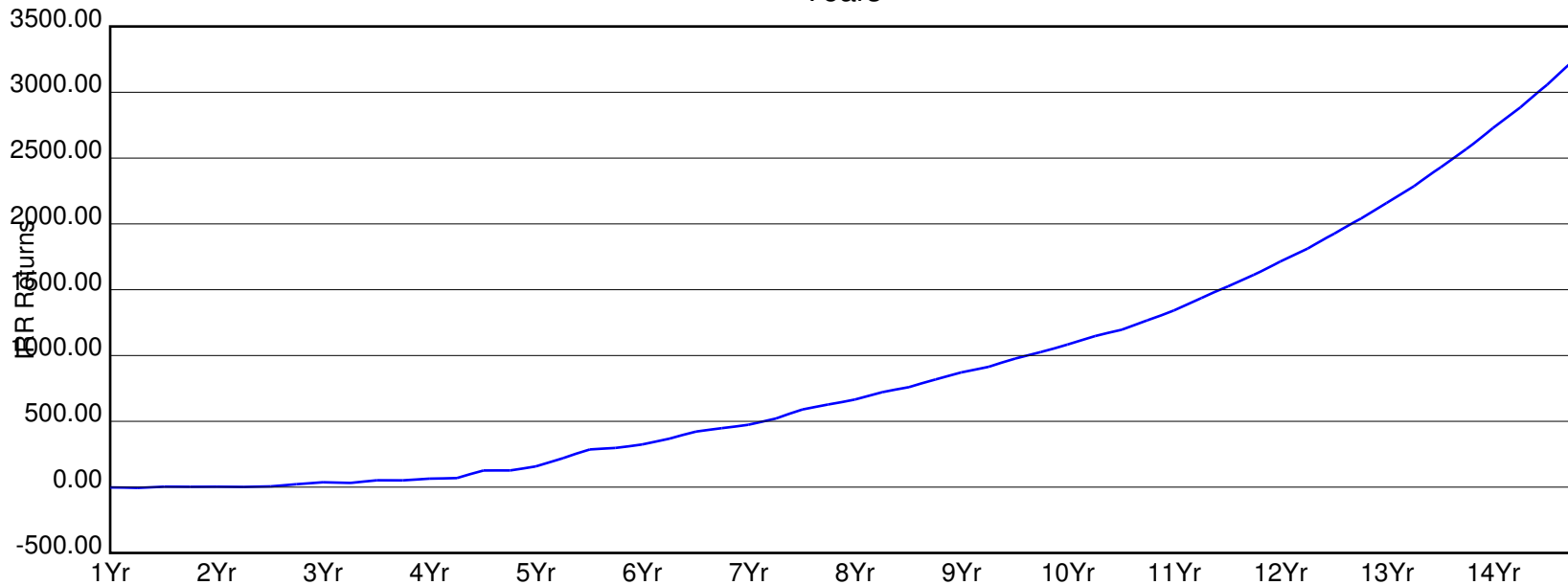
City of Mobile Police & Firefighters
Internal Rate of Return Table
DLJ
March 31, 2014

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
9/05	1,030,795	8,226	380,083	122,226	8,226	0	772,938	368.68	29.24
12/05	772,938	0	11,041	133,827	0	0	895,725	422.40	30.15
3/06	895,725	6,916	190,499	21,922	0	6,916	727,148	448.06	29.81
6/06	727,148	0	0	10,244	0	0	737,392	473.86	29.45
9/06	737,392	90,971	152,912	77,749	2,138	0	751,062	521.46	29.72
12/06	751,062	2,360	238,181	132,476	2,360	0	645,357	590.20	30.42
3/07	645,357	5,080	26,609	13,402	0	5,080	632,151	627.87	30.20
6/07	632,151	0	63,777	3,618	0	0	571,992	665.28	29.94
9/07	571,992	0	104,628	51,478	0	0	518,842	721.58	30.02
12/07	518,842	0	17,928	-19,226	0	0	481,687	759.71	29.70
3/08	481,687	0	25,804	34,552	251	3,771	486,413	818.17	29.71
6/08	486,413	0	59,313	7,653	451	726	433,576	871.25	29.58
9/08	433,576	82,723	92,211	-34,190	651	1,226	388,021	914.21	29.27
12/08	388,021	6,759	98,819	10,868	561	1,324	304,944	976.86	29.20
3/09	304,944	256,372	0	-31,709	0	0	529,607	1,026.58	28.96
6/09	529,607	0	3,140	-9,531	1,195	0	515,742	1,083.28	28.77
9/09	515,742	0	0	58	460	3,129	512,211	1,147.76	28.63
12/09	512,211	0	0	-49,433	1,365	1,322	460,091	1,195.82	28.31
3/10	460,091	1	0	3,350	730	0	462,713	1,267.22	28.21
6/10	462,713	0	0	107	1,236	3,264	458,319	1,342.10	28.11
9/10	458,319	0	1,624	33,508	1,740	1,638	486,826	1,436.80	28.12
12/10	486,826	0	0	7,833	0	0	494,659	1,525.40	28.05
3/11	494,659	0	1,638	-2,467	0	0	490,554	1,612.39	27.95
6/11	490,554	0	0	15,554	0	0	506,108	1,713.73	27.91

City of Mobile Police & Firefighters
Internal Rate of Return Table
DLJ
March 31, 2014

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
9/11	506,108	0	0	-3,147	0	1,668	501,294	1,813.04	27.82
12/11	501,294	0	0	13,618	0	0	514,911	1,926.25	27.77
3/12	514,911	0	0	5,316	0	1,259	518,968	2,040.58	27.71
6/12	518,968	0	0	-337	0	0	518,631	2,158.59	27.64
9/12	518,631	0	0	4,280	0	1,066	521,845	2,287.20	27.58
12/12	521,845	0	0	16,929	0	0	538,774	2,429.90	27.54
3/13	538,774	0	0	122	0	1,066	537,830	2,568.66	27.48
6/13	537,830	0	0	20,084	0	0	557,915	2,727.88	27.46
9/13	557,915	0	0	-3,935	67,085	8,471	478,423	2,886.03	27.40
12/13	478,423	0	0	7	0	0	478,430	3,056.98	27.35
3/14	478,430	0	0	7	970	12,954	464,514	3,234.15	27.30
Total		2,645,954	3,719,237	1,859,448	125,281	196,370	464,514	3,234.15	27.30

City of Mobile Police & Firefighters
J-Curve Graph
DLJ
3/31/00 - 3/31/14
Years



Year	Contribution	Distribution	Expenses	Investment Fees	Ending Value	Cumulative IRR
1	444,702	201,436	6,179	13,973	217,288	-2.25
2	356,722	50,544	8,508	30,000	501,134	3.26
3	177,972	269,003	7,955	30,000	501,134	37.05
4	325,067	117,578	3,851	30,000	788,376	64.42
5	769,842	742,000	4,196	15,000	1,210,418	157.32
6	112,240	870,469	5,173	22,518	1,030,795	324.04
7	15,142	581,623	8,226	6,916	737,392	473.86
8	98,411	481,479	4,498	5,080	571,992	665.28
9	0	207,673	702	4,497	433,576	871.25
10	345,854	194,170	2,407	2,550	515,742	1,083.28
11	1	0	3,791	7,715	458,319	1,342.10
12	0	3,262	1,740	1,638	506,108	1,713.73
13	0	0	0	2,927	518,631	2,158.59
14	0	0	0	2,132	557,915	2,727.88
Total	2,645,954	3,719,237	125,281	196,370		

City of Mobile Police & Firefighters

March 31, 2014

Performance Summary Table
Periods Ending 3/31/14

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	10 Yrs
TIAA-CREF							
Total Return	1.65	1.65	10.18	10.61	10.63	1.88	
Total Return (Net of Fees)	1.38	1.38	8.98	9.42	9.44	0.76	
NCREIF ODCE Fund Index	2.47	2.47	13.73	12.25	13.05	7.31	
Variance	-0.82	-0.82	-3.55	-1.64	-2.42	-5.43	

TIAA-CREF CORE PROPERTY FUND

Real Estate - Open-ended, Core Style

OBJECTIVE

Manager is expected to outperform the NCREIF Index.

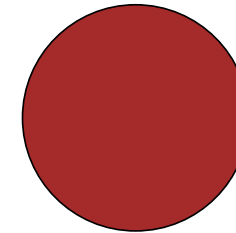
STRATEGIES

TIAA-CREF applies a team-based approach to acquisitions, asset management, dispositions, and research. A top-down proprietary research process combined with bottom-up local expertise provides the foundation for portfolio construction. The Real Estate Research Team utilizes a proprietary modeling process that analyzes 275 market and property type combinations to identify those that offer the greatest potential. Geographic market forecasts identify an initial list of cities and property types based on a rigorous screening of economic, demographic, and real estate market data within a risk-adjusted-return framework. This process, combined with external data and research, enhances the investment team's decision-making capabilities. Senior real estate investment management professionals review the recommended property opportunities and focus on those markets that they believe offer the most potential. The market selections and property-type combinations that comprise a Direct Real Estate portfolio are a result of: the proprietary real estate research processes; a view of strategic portfolio construction; and the applied market knowledge and experience of the Real Estate Investment group. Portfolios managed according to the strategy typically maintain controlling ownership of U.S. real estate assets.

Asset Allocation TIAA-CREF

March 31, 2014 \$2,075,166

Real Estate
\$2,075,166 100.00%



CONCLUSIONS/RECOMMENDATIONS

During the First Quarter 2014, TIAA-CREF under performed the NCREIF Property Index by 82 basis points. Their performance placed them in the 78th percentile of their peer universe.

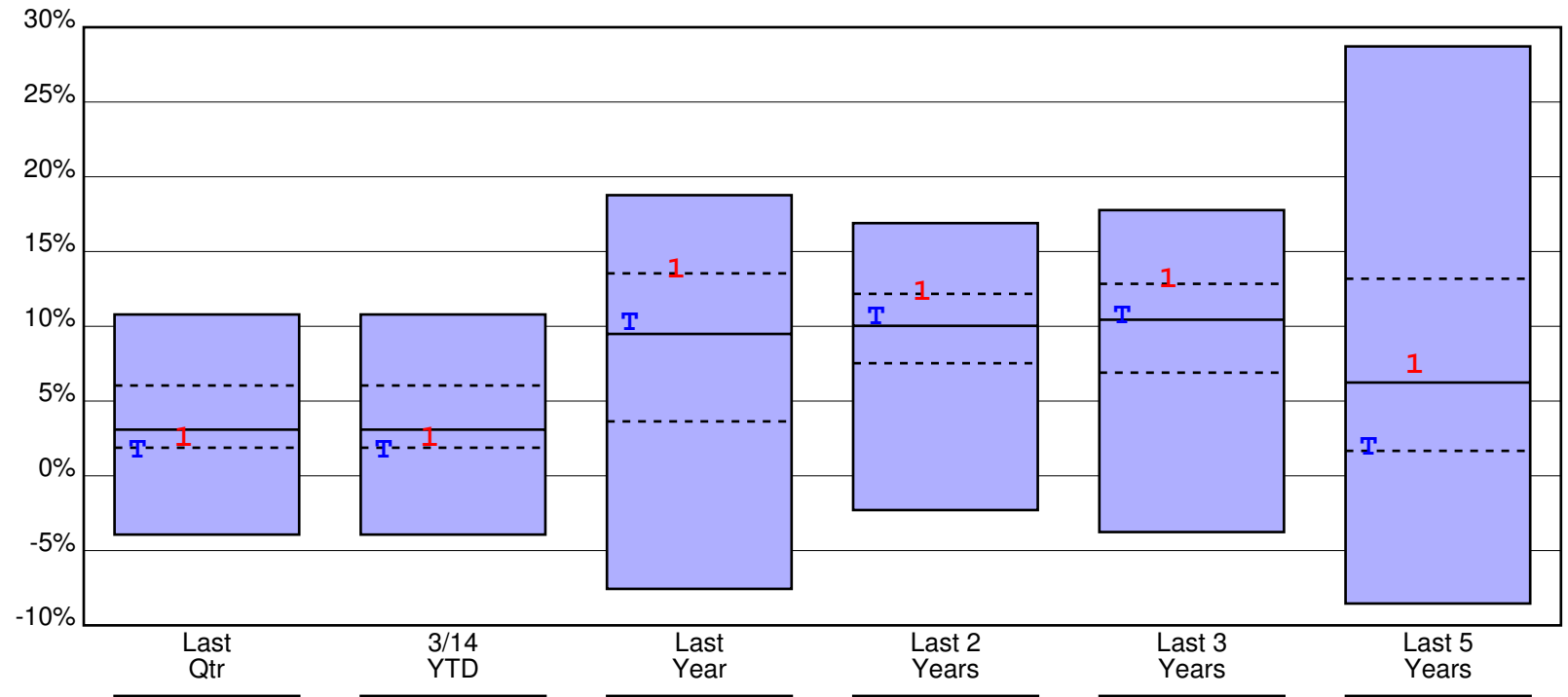
Long term, manager trails performance expectations.

FEE SCHEDULE

1.10% on first \$10MM
1.00% on next \$15MM
0.90% on next \$25MM
0.80% thereafter

Manager has been terminated for underperformance and for upcoming changes to the asset allocation policy. Redemption should occur in 2Q2014.

City of Mobile Police & Firefighters Cumulative Performance Comparison Total Returns of Real Estate Portfolios Periods Ending 3/14



5th Percentile	10.79	10.79	18.77	16.90	17.77	28.72
25th Percentile	6.04	6.04	13.54	12.17	12.84	13.18
Median	3.09	3.09	9.49	10.03	10.44	6.24
75th Percentile	1.88	1.88	3.64	7.53	6.90	1.67
95th Percentile	-3.93	-3.93	-7.56	-2.29	-3.76	-8.54
T TIAA-CREF	1.65 (78)	1.65 (78)	10.18 (46)	10.61 (41)	10.63 (45)	1.88 (72)
1 NCREIF ODCE Fund Index	2.47 (60)	2.47 (60)	13.73 (24)	12.25 (24)	13.05 (23)	7.31 (43)

City of Mobile Police & Firefighters March 31, 2014

HICKS, MUSE, TATE & FURST EQUITY FUND IV Private Equity

Initial Closing on August 7, 1998

Fund Term has expired and HMTF IV is completing disposition final investments.

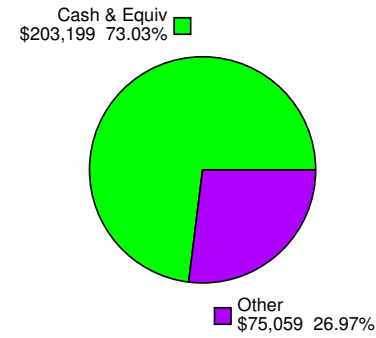
CONCLUSIONS/RECOMMENDATIONS

Hicks, Muse, Tate & Furst IV values and performance has not been updated through the First Quarter of 2014.

The fund currently has three holdings remaining in its portfolio. Two are currently carried at a fair value above cost, with the remaining holding carried at a fair value significantly below cost. The fund is continuing to work through its remaining positions, though there is currently no estimated time frame for disposition of these positions. The manager is allowed the extra time needed to work out of these illiquid positions, per the fund documents.

Current value of the Plan's investments is \$75,059 per the 12/31/2013 audited financial statements.

Asset Allocation
Hicks, Muse, Tate & Furst IV
March 31, 2014 \$278,258



City of Mobile Police & Firefighters
Internal Rate of Return Table
Hicks, Muse, Tate & Furst IV
March 31, 2014

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
9/98		930,532	64,711	0	0	0	865,821	0.00	NA
12/98	865,821	23,740	117,833	62,315	0	0	834,043	7.31	NA
3/99	834,043	272,679	64,549	-11,067	0	0	1,031,106	6.16	NA
6/99	1,031,106	156,654	0	74,543	0	0	1,262,303	14.22	NA
9/99	1,262,303	130,492	1,022	73,826	0	0	1,465,599	21.11	20.20
12/99	1,465,599	145,549	260	219,115	0	0	1,830,003	41.82	31.02
3/00	1,830,003	224,133	6,909	137,497	0	22,237	2,162,487	52.56	31.50
6/00	2,162,487	218,195	67,788	55,182	0	0	2,368,076	54.27	27.37
9/00	2,368,076	0	7,976	-302,706	0	0	2,057,394	25.45	11.73
12/00	2,057,394	46,616	41,932	-288,223	0	0	1,773,855	1.59	0.69
3/01	1,773,855	18,215	6,876	-212,750	0	11,515	1,560,929	-14.24	-5.86
6/01	1,560,929	42,818	1,012	234,552	0	0	1,837,287	3.09	1.10
9/01	1,837,287	22,558	484,649	-176,658	0	0	1,198,538	-9.52	-3.23
12/01	1,198,538	11,966	24,115	-269,195	0	0	917,194	-28.37	-9.63
3/02	917,194	27,496	2,811	4,104	0	10,504	935,479	-28.29	-8.96
6/02	935,479	3,470	0	-129,145	0	0	809,804	-37.45	-11.64
9/02	809,804	0	2,393	-19,057	0	0	788,354	-38.96	-11.49
12/02	788,354	0	7,177	-3,518	0	0	777,659	-39.38	-11.00
3/03	777,659	14,731	0	-49,296	0	0	743,094	-43.02	-11.65
6/03	743,094	0	0	82,005	0	0	825,099	-37.32	-9.29
9/03	825,099	0	0	-40,975	0	0	784,124	-40.33	-9.73
12/03	784,124	0	863	76,419	0	0	859,680	-34.94	-7.80
3/04	859,680	8,669	942	-51,378	0	0	816,029	-38.70	-8.45
6/04	816,029	0	73,922	-54,988	0	0	687,119	-42.74	-9.17

City of Mobile Police & Firefighters
Internal Rate of Return Table
Hicks, Muse, Tate & Furst IV
March 31, 2014

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
9/04	687,119	0	3,421	-54,963	0	0	628,735	-46.90	-9.94
12/04	628,735	0	29,658	89,646	0	0	688,723	-40.56	-7.93
3/05	688,723	4,580	1,084	-1,443	0	0	690,776	-40.85	-7.71
6/05	690,776	1,303	347,240	-56,077	0	0	288,762	-45.24	-8.48
9/05	288,762	0	16,992	104	0	0	271,874	-45.96	-8.36
12/05	271,874	0	0	-30,555	0	0	241,319	-49.05	-8.82
3/06	241,319	4,236	5,806	-7,701	0	0	232,048	-50.37	-8.87
6/06	232,048	0	0	14,941	0	0	246,989	-49.88	-8.48
9/06	246,989	0	81,948	410	0	0	165,451	-50.53	-8.37
12/06	165,451	0	56,426	15,881	0	0	124,906	-49.99	-8.01
3/07	124,906	3,026	0	1,596	0	0	129,528	-50.66	-7.93
6/07	129,528	0	0	6,834	0	0	136,362	-50.84	-7.76
9/07	136,362	0	0	-13,091	0	0	123,271	-52.75	-7.95
12/07	123,271	0	7,965	3,282	0	0	118,588	-53.20	-7.84
3/08	118,588	2,646	0	-8,645	0	0	112,589	-54.72	-7.96
6/08	112,589	0	0	-8,568	0	0	104,021	-56.24	-8.09
9/08	104,021	1,901	0	-4,877	0	0	101,045	-57.43	-8.15
12/08	101,045	0	1,901	-17,717	0	0	81,427	-59.88	-8.48
3/09	81,427	92,836	3,385	-89,451	0	0	81,427	-69.96	-10.78
6/09	81,427	0	3,385	94,278	0	0	172,320	-60.51	-8.25
9/09	172,320	0	0	8,479	0	0	180,799	-60.10	-7.98
12/09	180,799	0	0	4,541	0	0	185,340	-60.07	-7.80
3/10	185,340	6,516	0	3,441	0	0	195,296	-60.12	-7.65
6/10	195,296	0	0	-5,801	0	0	189,496	-61.11	-7.69

City of Mobile Police & Firefighters
Internal Rate of Return Table
Hicks, Muse, Tate & Furst IV
March 31, 2014

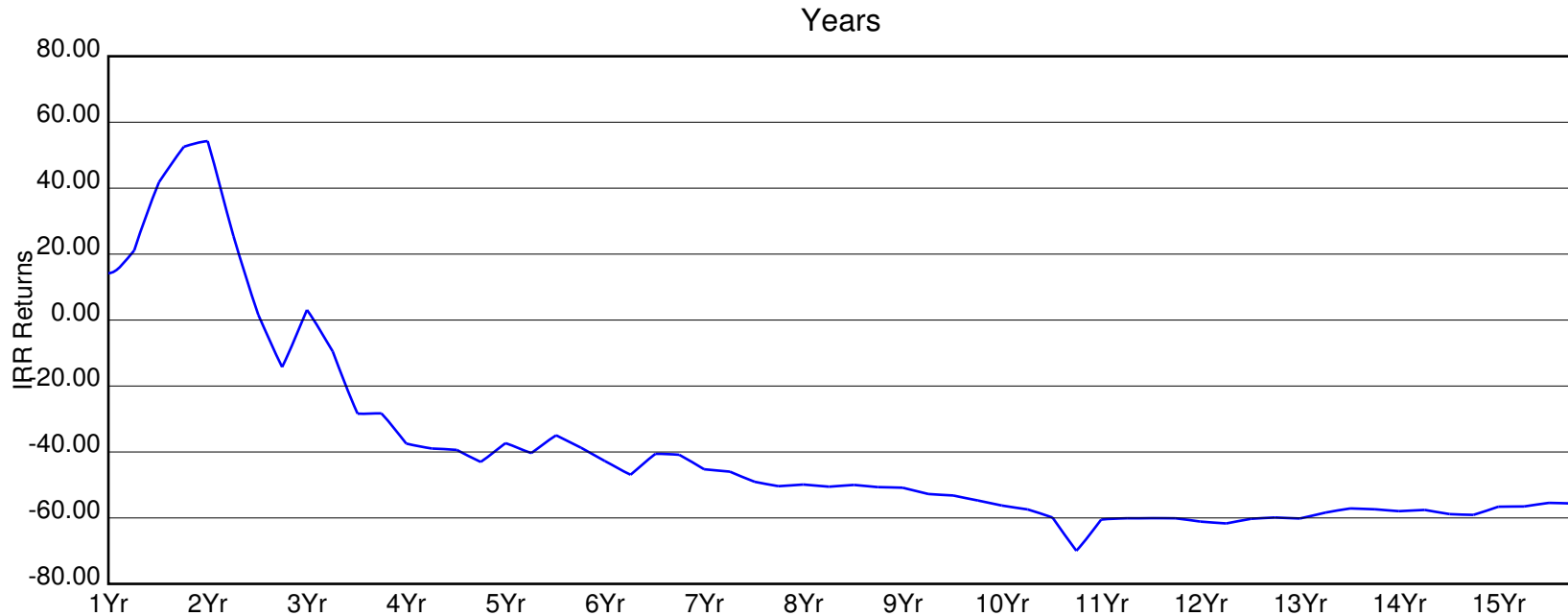
Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
9/10	189,496	0	0	-1,792	0	0	187,704	-61.67	-7.65
12/10	187,704	0	0	16,585	0	0	204,289	-60.27	-7.23
3/11	204,289	0	0	6,870	0	0	211,159	-59.86	-7.02
6/11	211,159	1	0	1	0	0	211,161	-60.18	-6.94
9/11	211,161	0	0	19,727	0	0	230,888	-58.38	-6.50
12/11	230,888	0	0	14,511	0	0	245,399	-57.12	-6.17
3/12	245,399	0	0	11	0	0	245,410	-57.38	-6.10
6/12	245,410	0	0	-2,925	0	0	242,485	-57.95	-6.08
9/12	242,485	0	0	5,848	0	0	248,333	-57.57	-5.92
12/12	248,333	0	0	-9,555	0	0	238,777	-58.84	-6.02
3/13	238,777	0	0	0	0	0	238,777	-59.07	-5.96
6/13	238,777	0	0	24,882	0	0	263,659	-56.60	-5.48
9/13	263,659	0	0	2,661	0	0	266,320	-56.52	-5.38
12/13	266,320	0	0	11,933	0	0	278,252	-55.43	-5.14
3/14	278,252	0	0	5	0	0	278,258	-55.62	-5.09
Total		2,415,558	1,536,951	-556,093	0	44,256	278,258	-55.62	-5.09

City of Mobile Police & Firefighters

J-Curve Graph

Hicks, Muse, Tate & Furst IV

3/31/99 - 3/31/14



Year	Contribution	Distribution	Expenses	Investment Fees	Ending Value	Cumulative IRR
1	1,383,605	247,093	0	0	1,262,303	14.22
2	718,369	75,979	0	22,237	2,368,076	54.27
3	107,649	57,796	0	11,515	1,837,287	3.09
4	65,490	511,575	0	10,504	809,804	-37.45
5	14,731	9,570	0	0	825,099	-37.32
6	8,669	75,727	0	0	687,119	-42.74
7	5,883	381,403	0	0	288,762	-45.24
8	4,236	22,798	0	0	246,989	-49.88
9	3,026	138,374	0	0	136,362	-50.84
10	2,646	7,965	0	0	104,021	-56.24
11	94,737	8,671	0	0	172,320	-60.51
12	6,516	0	0	0	189,496	-61.11
13	1	0	0	0	211,161	-60.18
14	0	0	0	0	242,485	-57.95
15	0	0	30	0	263,659	-56.60
Total Capital Commitment:	2,415,558	1,536,951	0	44,256		
Total	2,415,558	1,536,951	0	44,256		

City of Mobile Police & Firefighters March 31, 2014

RIPPLEWOOD PARTNERS II Private Equity

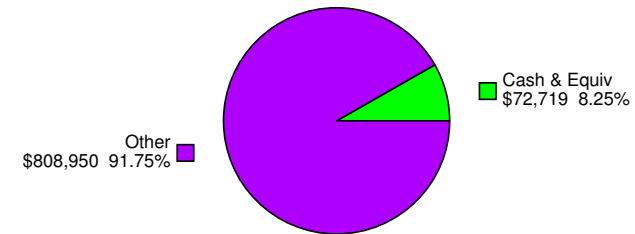
OBJECTIVE

The manager needs to achieve a return of 400 basis points above the Russell 3000 index on an annual basis.

- Initial closing on Dec. 22, 2000
- Fund scheduled for termination Dec. 22, 2010, but elected to extend the fund by one year.
- Fund still has options for two more one-year extensions.

Asset Allocation Ripplewood Partners II, L.P.

March 31, 2014 \$881,669



CONCLUSIONS/RECOMMENDATIONS

Ripplewood Partners II values and performance has not been updated through the First Quarter of 2014. The manager's performance will be included in subsequent reports.

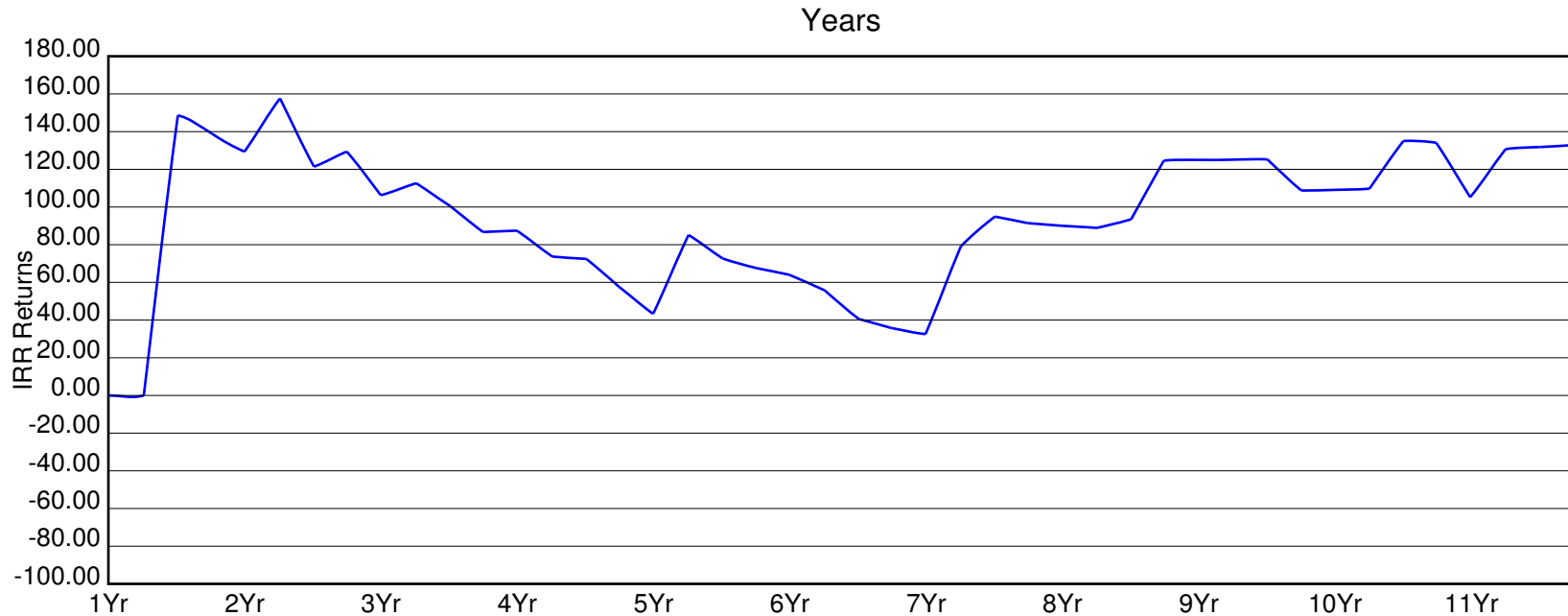
City of Mobile Police & Firefighters
Internal Rate of Return Table
Ripplewood Partners II, L.P.
March 31, 2014

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
9/02	0	57,759	0	0	0	0	57,759	0.00	NA
12/02	57,759	0	0	0	0	0	57,759	0.00	NA
3/03	57,759	0	0	0	0	0	57,759	0.00	NA
6/03	57,759	0	0	0	0	0	57,759	0.00	NA
9/03	57,759	0	0	0	0	0	57,759	0.00	0.00
12/03	57,759	0	0	85,832	0	0	143,591	148.60	101.04
3/04	143,591	0	468	-5,572	0	0	137,551	138.98	75.21
6/04	137,551	0	0	-5,600	0	0	131,951	129.38	58.49
9/04	131,951	165,743	468	19,183	0	12,485	303,924	157.65	58.50
12/04	303,924	0	0	-7,632	0	0	296,292	121.40	41.13
3/05	296,292	45,375	2,760	18,114	0	11,773	345,248	129.43	38.43
6/05	345,248	0	0	-6,170	0	0	339,078	106.26	29.47
9/05	339,078	18,289	0	16,020	0	10,986	362,401	112.66	28.02
12/05	362,401	0	0	-2,599	0	11,988	347,814	100.49	23.41
3/06	347,814	262,091	0	-5,856	0	0	604,049	86.74	19.22
6/06	604,049	13,868	3,400	17,385	0	9,718	622,184	87.45	17.97
9/06	622,184	0	0	-4,589	0	0	617,595	73.69	14.59
12/06	617,595	358,803	0	11,811	0	16,944	971,265	72.45	13.49
3/07	971,265	433,498	0	-5,676	0	0	1,399,087	57.62	10.51
6/07	1,399,087	0	111,639	-8,754	0	5,829	1,272,865	43.33	7.78
9/07	1,272,865	17,524	244,763	125,348	0	0	1,170,974	85.15	12.96
12/07	1,170,974	0	0	-12,855	0	0	1,158,119	72.70	10.84
3/08	1,158,119	51,352	8,878	1,460	0	2,842	1,199,211	67.55	9.73
6/08	1,199,211	0	5,467	3,942	0	0	1,197,686	64.03	8.90

City of Mobile Police & Firefighters
Internal Rate of Return Table
Ripplewood Partners II, L.P.
March 31, 2014

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
9/08	1,197,686	8,327	0	-15,397	0	8,327	1,182,289	55.75	7.59
12/08	1,182,289	306,214	3,677	-46,221	0	0	1,438,605	40.59	5.55
3/09	1,438,605	398,122	0	-8,211	8,493	0	1,820,023	35.77	4.78
6/09	1,820,023	14,368	8,078	-962	0	8,493	1,816,859	32.57	4.23
9/09	1,816,859	88,397	3,237	231,096	0	7,036	2,126,079	79.18	8.62
12/09	2,126,079	0	31,473	99,310	0	0	2,193,917	94.91	9.56
3/10	2,193,917	225,045	243,602	15,165	0	0	2,190,524	91.46	8.98
6/10	2,190,524	66,838	1,106,699	17,021	0	0	1,167,684	90.04	8.57
9/10	1,167,684	0	8,911	-1,862	0	0	1,156,911	88.93	8.22
12/10	1,156,911	0	84,051	26,888	0	3,138	1,096,610	93.48	8.27
3/11	1,096,610	0	0	161,282	0	0	1,257,892	124.66	9.92
6/11	1,257,892	76,567	264,832	-179	5,494	1,606	1,062,349	125.00	9.65
9/11	1,062,349	0	0	-974	5,531	0	1,055,844	125.13	9.37
12/11	1,055,844	0	0	-1,169	11,497	0	1,043,178	125.30	9.12
3/12	1,043,178	0	0	-87,620	10,805	18,434	926,319	108.75	8.00
6/12	926,319	0	0	-1,364	23,948	0	901,007	109.08	7.81
9/12	901,007	0	0	-270	15,159	0	885,579	109.71	7.64
12/12	885,579	0	39,995	125,535	14,238	0	956,881	135.08	8.64
3/13	956,881	0	0	-9,636	0	0	947,245	134.12	8.39
6/13	947,245	0	37,861	-153,425	0	0	755,959	105.20	6.88
9/13	755,959	0	0	125,707	0	0	881,666	130.74	7.85
12/13	881,666	0	0	1	0	0	881,667	131.82	7.72
3/14	881,667	0	0	2	0	0	881,669	132.87	7.59
Total		2,608,181	2,210,258	708,509	95,164	129,599	881,669	132.87	7.59

City of Mobile Police & Firefighters
J-Curve Graph
Ripplewood Partners II, L.P.
3/31/03 - 3/31/14



Year	Contribution	Distribution	Expenses	Investment Fees	Ending Value	Cumulative IRR
1	57,759	0	0	0	57,759	0.00
2	0	468	0	0	131,951	129.38
3	211,118	3,228	0	24,258	339,078	106.26
4	294,248	3,400	0	32,692	622,184	87.45
5	792,301	111,639	0	22,773	1,272,865	43.33
6	68,876	259,108	0	2,842	1,197,686	64.03
7	727,032	11,755	8,493	16,820	1,816,859	32.57
8	380,280	1,385,011	0	7,036	1,167,684	90.04
9	76,567	357,793	5,494	4,744	1,062,349	125.00
10	0	0	51,780	18,434	901,007	109.08
11	0	77,856	29,397	0	755,959	105.20

Total Contribution: 2,608,181
Total Capital Commitment: 2,000,000
Total Distribution: 2,210,258
Total Expenses: 95,164
Total Investment Fees: 129,599
Vintage Year: 2002

City of Mobile Police & Firefighters March 31, 2014

LEVINE LEICHTMAN CAPITAL PARTNERS III Private Equity

OBJECTIVE

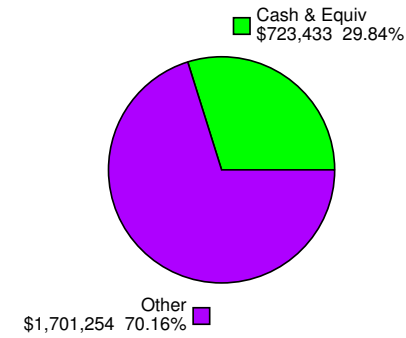
The manager needs to achieve a return of 400 basis points above the Russell 3000 index on an annual basis.

STRATEGIES

Levine Leichtman Capital Partners III, L.P. (the "Fund"), a California limited partnership, was established on October 18, 2002. The Fund's principal purpose is to seek out opportunities to invest in the securities of middle market companies located in the United States. The Fund began operations on its effective date, October 18, 2002 and shall continue until the last business day preceding its tenth (10th) anniversary, unless further extended for up to two consecutive one-year periods by the General Partner with the approval of the Limited Partners with at least a 66 2/3% interest.

Asset Allocation Levine Leichtman Fund III

March 31, 2014 \$2,424,687



CONCLUSIONS/RECOMMENDATIONS

Levine Leichtman Fund III values and performance has not been updated through the First Quarter of 2014. The manager's performance will be included in subsequent reports.

Fund expired on October 18, 2012 and will not be extending the agreement. The General Partner has decided to liquidate Fund III and wind up the affairs of the Partnership. The liquidation process is expected to take up to three years (likely through 2015).

City of Mobile Police & Firefighters
Internal Rate of Return Table
Levine Leichtman Fund III
March 31, 2014

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
12/03		1,134,255	461,406	-326,677	0	39,051	307,121	-51.54	NA
3/04	307,121	210,315	9,312	21,994	0	21,994	508,124	-45.61	NA
6/04	508,124	0	241,858	-11,361	0	0	254,905	-43.92	NA
9/04	254,905	289,782	4,649	19,700	0	26,250	533,488	-43.65	NA
12/04	533,488	142,889	51,702	128,466	0	0	753,141	-23.18	-22.27
3/05	753,141	23,201	282,564	46,888	0	23,201	517,465	-16.07	-12.67
6/05	517,465	204,000	4,658	-9,933	0	0	706,874	-17.73	-11.89
9/05	706,874	26,250	53,097	-20,046	0	26,250	633,731	-20.07	-11.73
12/05	633,731	51,000	26,010	183,546	0	0	842,267	4.32	2.09
3/06	842,267	26,250	11,854	40,372	0	26,250	870,785	9.61	4.08
6/06	870,785	606,000	14,405	25,913	0	0	1,488,293	12.81	4.86
9/06	1,488,293	204,677	27,545	33,585	0	0	1,699,010	16.04	5.47
12/06	1,699,010	0	115,053	86,027	0	0	1,669,984	24.90	7.57
3/07	1,669,984	37,263	29,447	42,791	0	0	1,720,591	28.55	7.92
6/07	1,720,591	279,009	305,166	-45,351	0	21,009	1,628,074	22.65	5.93
9/07	1,628,074	707,676	182,942	75,039	0	0	2,227,847	29.61	7.07
12/07	2,227,847	21,000	130,012	183,108	0	0	2,301,943	46.32	9.86
3/08	2,301,943	0	0	3,537	0	0	2,305,480	44.83	9.00
6/08	2,305,480	61,331	86,896	258,643	0	23,791	2,514,767	67.84	12.07
9/08	2,514,767	159,048	127,160	187,405	0	27,512	2,706,548	83.51	13.49
12/08	2,706,548	276,909	576,611	-239,850	0	2,243	2,164,753	59.50	9.69
3/09	2,164,753	132,862	41,246	20,748	0	4,555	2,272,561	60.53	9.35
6/09	2,272,561	153,690	156,567	38,060	0	9,691	2,298,053	63.04	9.22
9/09	2,298,053	12,373	44,741	-141,895	0	4,013	2,119,778	49.96	7.24

City of Mobile Police & Firefighters
Internal Rate of Return Table
Levine Leichtman Fund III
March 31, 2014

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
12/09	2,119,778	45,936	39,809	66,044	0	3,850	2,188,099	55.04	7.52
3/10	2,188,099	15,380	58,311	98,761	0	6,994	2,236,934	62.89	8.06
6/10	2,236,934	80,588	124,359	33,563	0	7,776	2,218,951	65.15	7.97
9/10	2,218,951	60,133	38,419	222,873	0	7,564	2,455,973	83.53	9.34
12/10	2,455,973	11,929	313,708	44,815	0	13,895	2,185,115	86.86	9.27
3/11	2,185,115	40,446	57,598	61,531	0	6,948	2,222,546	92.12	9.36
6/11	2,222,546	19,895	148,327	-1,336	0	19,972	2,072,806	92.14	9.04
9/11	2,072,806	0	0	-37,872	0	0	2,034,933	89.31	8.53
12/11	2,034,933	0	0	135,219	0	13,442	2,156,711	101.13	9.07
3/12	2,156,711	0	0	10,805	0	0	2,167,515	102.44	8.87
6/12	2,167,515	0	93,975	6,930	0	0	2,080,470	103.45	8.66
9/12	2,080,470	0	21,083	333,736	0	13,611	2,379,511	132.68	10.07
12/12	2,379,511	0	11,059	-10,340	0	0	2,358,111	132.46	9.77
3/13	2,358,111	0	22,655	29,949	0	0	2,365,405	135.71	9.66
6/13	2,365,405	0	0	-44,168	0	0	2,321,237	132.58	9.24
9/13	2,321,237	0	0	-19,015	0	0	2,302,223	131.61	8.95
12/13	2,302,223	0	0	123,489	0	1,041	2,424,671	143.06	9.24
3/14	2,424,671	0	0	16	0	0	2,424,687	143.74	9.04
Total		5,034,087	3,914,205	1,655,708	0	350,903	2,424,687	143.74	9.04

City of Mobile Police & Firefighters

March 31, 2014

PERMAL PRIVATE EQUITY HOLDINGS IV Private Equity - Fund of Funds

OBJECTIVE

The manager needs to achieve a return of 400 basis points above the Russell 3000 index on an annual basis.

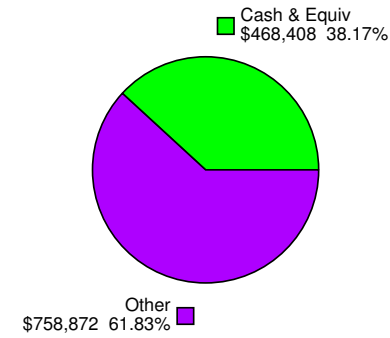
STRATEGIES

Private equity fund of funds.

Seek out opportunities to invest in core managers, emerging managers, and secondary opportunities.

Portfolio Composition: · The Fund has finished investing and is allocated 48% to Core Managers, 27% to Emerging Managers and 25% to Secondaries as a percentage of fund size and is broadly diversified across industries consistent with the Fund's investment guidelines

Asset Allocation
Permal Capital Fund IV
March 31, 2014 \$1,227,280



CONCLUSIONS/RECOMMENDATIONS

Permal PEH IV saw an increase in portfolio performance of 8.4% and its net return on investment (net ROI) increase to 1.35x during the 1st Quarter 2014.

To date, the fund has distributed \$23.0 million (51.9% of committed capital).

City of Mobile Police & Firefighters
Internal Rate of Return Table
Permal Capital Fund IV
March 31, 2014

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
3/07		200,000	0	-1,478	2,444	12,500	183,578	-0.75	NA
6/07	183,578	250,000	0	-16,511	1,648	2,500	412,919	-8.43	NA
9/07	412,919	0	24,666	21,547	682	2,500	406,618	1.23	NA
12/07	406,618	50,000	13,424	-21,562	3,717	2,500	415,415	-5.60	NA
3/08	415,415	80,000	16,540	11,453	2,095	2,500	485,733	-1.89	-1.57
6/08	485,733	0	8,455	8,586	1,375	2,500	481,989	0.55	0.38
9/08	481,989	50,000	10,647	-8,619	2,644	2,500	507,579	-1.70	-1.00
12/08	507,579	80,000	7,552	-23,664	1,949	2,500	551,914	-7.42	-3.86
3/09	551,914	377,956	0	-6,067	0	2,500	921,303	-8.34	-3.87
6/09	921,303	0	0	-5,322	240	2,500	913,241	-8.49	-3.55
9/09	913,241	0	0	-3,052	900	2,500	906,789	-8.36	-3.17
12/09	906,789	0	21,164	93,552	1,363	2,500	975,315	8.74	2.87
3/10	975,315	65,000	44,250	-2,592	942	2,500	990,031	7.91	2.40
6/10	990,031	14,761	22,379	9,762	349	2,500	989,325	9.19	2.58
9/10	989,325	256	0	15,408	734	2,500	1,001,754	11.35	2.94
12/10	1,001,754	0	0	6,135	0	2,500	1,005,389	11.97	2.90
3/11	1,005,389	0	0	77,859	0	2,500	1,080,749	23.67	5.18
6/11	1,080,749	0	0	37,052	0	2,500	1,115,301	28.81	5.84
9/11	1,115,301	70,000	0	-70,535	0	2,500	1,112,265	17.73	3.53
12/11	1,112,265	0	0	8,039	0	2,500	1,117,804	18.51	3.48
3/12	1,117,804	0	0	61,645	0	2,500	1,176,949	26.97	4.69
6/12	1,176,949	0	0	34,393	0	2,312	1,209,030	31.39	5.13
9/12	1,209,030	0	26,858	19,689	0	2,312	1,199,549	33.68	5.21
12/12	1,199,549	0	120,000	-2,929	0	2,312	1,074,307	33.00	4.90

City of Mobile Police & Firefighters
Internal Rate of Return Table
Permal Capital Fund IV
March 31, 2014

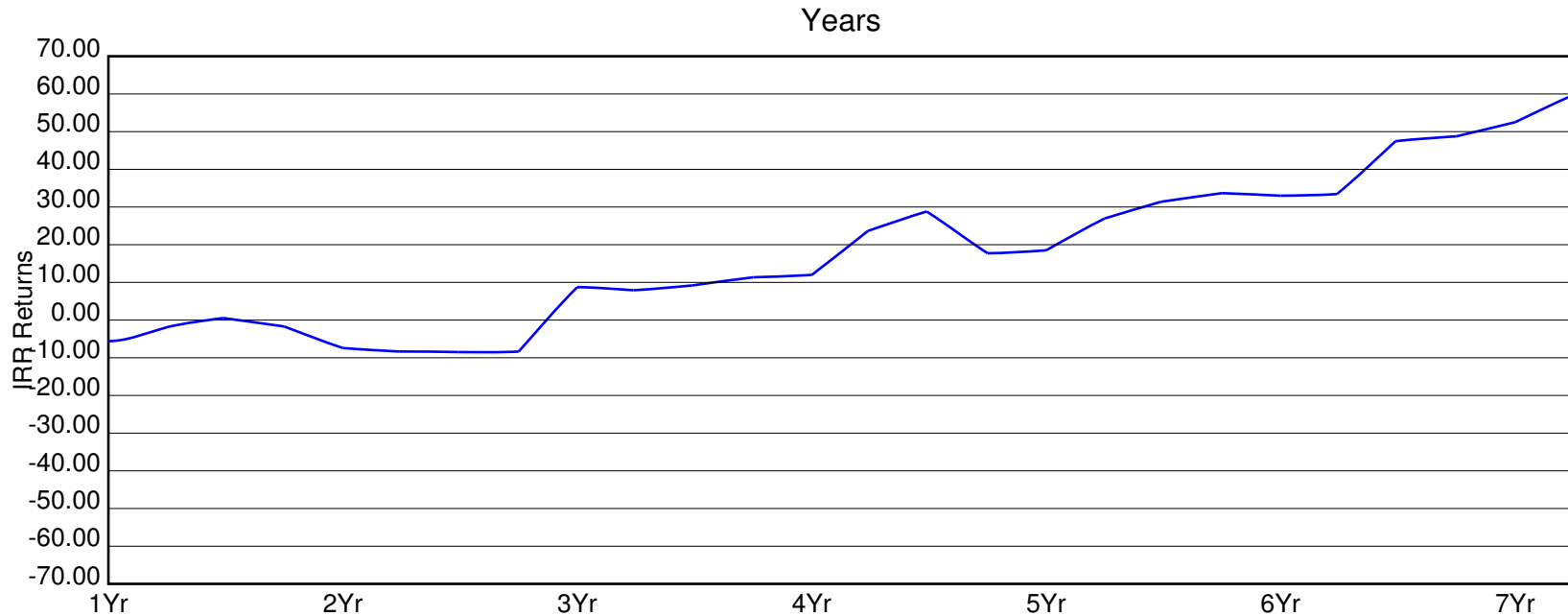
Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
3/13	1,074,307	0	0	4,484	0	0	1,078,791	33.43	4.75
6/13	1,078,791	0	40,000	102,574	0	2,139	1,139,226	47.47	6.20
9/13	1,139,226	0	0	10,515	0	0	1,149,740	48.76	6.10
12/13	1,149,740	0	0	28,147	0	2,139	1,175,749	52.51	6.25
3/14	1,175,749	0	0	51,531	0	0	1,227,280	59.49	6.69
Total		1,237,972	355,935	440,039	21,082	73,714	1,227,280	59.49	6.69

City of Mobile Police & Firefighters

J-Curve Graph

Permal Capital Fund IV

9/30/07 - 3/31/14



Year	Contribution	Distribution	Expenses	Investment Fees	Ending Value	Cumulative IRR
1	500,000	38,090	8,491	20,000	415,415	-5.60
2	210,000	43,194	8,063	10,000	551,914	-7.42
3	377,956	21,164	2,503	10,000	975,315	8.74
4	80,017	66,629	2,025	10,000	1,005,389	11.97
5	70,000	0	0	10,000	1,117,804	18.51
6	0	146,858	0	9,436	1,074,307	33.00
7	0	40,000	0	4,278		
Total	1,237,972	355,935	21,082	73,714		

Total Capital Commitment: 1,000,000 Vintage Year: 2007

City of Mobile Police & Firefighters

March 31, 2014

WESTBROOK REAL ESTATE FUND III

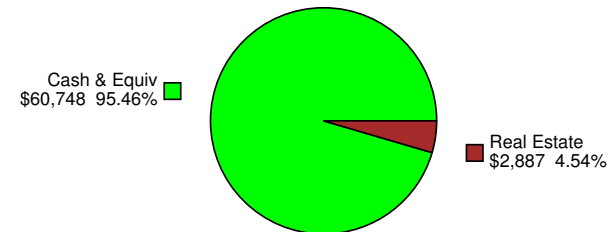
Real Estate

OBJECTIVE

Manager is expected to outperform the NCREIF Index.

Fund Term expired on June 10, 2008 and the fund is completing disposition of its remaining holdings.

Asset Allocation
Westbrook
March 31, 2014 \$63,635



CONCLUSIONS/RECOMMENDATIONS

Westbrook values and performance has not been updated through the First Quarter of 2014.

The fund made a distribution of \$54,769 on December 12, 2013. This brings the remaining investment value to \$2,887 based on most the recent available data.

The fund is expected to complete its disposition during 2014.

City of Mobile Police & Firefighters
Internal Rate of Return Table
Westbrook
March 31, 2014

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
9/98		2,313	0	9,611	0	9,205	2,719		NA
12/98	2,719	160,253	0	8,244	0	7,562	163,654		NA
3/99	163,654	322,306	0	20,745	0	7,397	499,308	42.85	NA
6/99	499,308	96,652	0	39,782	0	7,479	628,263	35.49	NA
9/99	628,263	56,380	51,547	53,680	0	7,562	679,214	46.24	44.07
12/99	679,214	273,848	0	1,801	0	7,562	947,301	37.22	27.72
3/00	947,301	161,087	30,179	48,968	0	7,459	1,119,718	41.48	25.23
6/00	1,119,718	201,358	0	65,368	0	7,459	1,378,985	48.45	24.67
9/00	1,378,985	725,803	176,895	98,586	0	7,541	2,018,938	56.17	24.37
12/00	2,018,938	88,598	141,928	34,599	0	6,806	1,993,401	53.46	20.51
3/01	1,993,401	0	90,933	86,400	0	6,842	1,982,026	59.86	20.26
6/01	1,982,026	0	10,089	91,721	0	6,836	2,056,822	67.23	20.22
9/01	2,056,822	0	104,968	1,270	0	6,893	1,946,231	63.45	17.52
12/01	1,946,231	0	100,122	-30,653	0	6,676	1,808,780	57.43	14.76
3/02	1,808,780	0	204,311	54,142	0	6,305	1,652,306	62.22	14.63
6/02	1,652,306	48,326	123,403	-2,280	0	5,935	1,569,014	61.18	13.42
9/02	1,569,014	0	94,965	-27,291	0	5,778	1,440,980	57.98	11.97
12/02	1,440,980	0	48,499	-34,428	0	5,582	1,352,471	54.34	10.63
3/03	1,352,471	0	0	70,526	0	5,423	1,417,574	62.20	11.23
6/03	1,417,574	0	28,920	22,346	0	5,418	1,405,582	64.91	11.00
9/03	1,405,582	0	41,438	150,662	0	5,448	1,509,358	81.79	12.58
12/03	1,509,358	0	261,534	23,834	0	5,030	1,266,628	85.29	12.35
3/04	1,266,628	0	61,888	81,815	0	4,682	1,281,873	95.82	12.88
6/04	1,281,873	0	104,581	122,244	0	4,471	1,295,065	111.37	13.79

City of Mobile Police & Firefighters
Internal Rate of Return Table
Westbrook
March 31, 2014

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
9/04	1,295,065	0	125,335	3,271	0	4,367	1,168,634	113.86	13.40
12/04	1,168,634	0	435,461	6,283	0	3,323	736,133	117.34	13.12
3/05	736,133	0	68,689	10,900	0	2,686	675,658	122.66	13.01
6/05	675,658	0	207,692	104,975	0	2,448	570,493	140.07	13.76
9/05	570,493	0	157,137	14,719	0	1,875	426,200	147.58	13.73
12/05	426,200	0	87,347	-50,882	0	1,497	286,474	147.34	13.21
3/06	286,474	0	0	654	0	1,199	285,929	153.92	13.15
6/06	285,929	0	0	6,827	0	1,212	291,544	161.57	13.13
9/06	291,544	0	73,596	2,914	0	1,050	219,812	168.99	13.09
12/06	219,812	0	70,480	-2,081	0	952	146,299	176.20	13.02
3/07	146,299	0	0	-2,745	0	251	143,303	183.58	12.97
6/07	143,303	0	0	-33,127	0	221	109,955	186.54	12.72
9/07	109,955	0	0	248	0	198	110,005	194.82	12.69
12/07	110,005	0	0	-33,310	0	198	76,497	197.84	12.45
3/08	76,497	0	0	2,784	0	196	79,085	206.77	12.46
6/08	79,085	0	0	2,454	0	194	81,345	215.90	12.46
9/08	81,345	0	0	3,033	0	158	84,220	225.49	12.46
12/08	84,220	0	0	2,962	0	139	87,043	235.35	12.46
3/09	87,043	6,943	0	1,282	0	128	95,140	244.96	12.46
6/09	95,140	0	128	-12,128	0	111	82,774	252.37	12.37
9/09	82,774	0	111	1,182	0	103	83,741	262.64	12.37
12/09	83,741	0	0	-2,225	0	96	81,421	272.52	12.34
3/10	81,421	0	96	-208	0	89	81,028	282.84	12.33
6/10	81,028	0	0	-314	89	88	80,537	293.54	12.31

City of Mobile Police & Firefighters
Internal Rate of Return Table
Westbrook
March 31, 2014

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
9/10	80,537	0	88	-2,092	0	89	78,268	304.28	12.29
12/10	78,268	0	89	77	0	76	78,180	315.79	12.28
3/11	78,180	0	76	1,137	0	67	79,174	327.59	12.28
6/11	79,174	0	0	2,822	67	57	81,872	340.23	12.28
9/11	81,872	0	0	139	0	95	81,916	352.75	12.27
12/11	81,916	0	0	-8,328	0	75	73,513	363.64	12.22
3/12	73,513	0	0	11	0	37	73,488	376.66	12.21
6/12	73,488	0	0	-111	0	0	73,377	390.01	12.21
9/12	73,377	0	0	-3,130	0	0	70,247	403.14	12.19
12/12	70,247	0	0	-2,981	0	0	67,266	416.67	12.17
3/13	67,266	0	0	-253	0	0	67,013	430.95	12.16
6/13	67,013	0	0	-3,745	0	0	63,268	444.88	12.14
9/13	63,268	0	0	365	0	0	63,633	460.45	12.13
12/13	63,633	0	0	0	0	0	63,633	476.36	12.13
3/14	63,633	0	0	2	0	0	63,635	492.36	12.12
Total		2,143,867	2,902,525	1,003,075	156	180,626	63,635	492.36	12.12

City of Mobile Police & Firefighters

March 31, 2014

TIMBERLAND INVESTMENT RESOURCES - EASTERN TIMBERLAND OPPORTUNITIES FUND Timberland (Special Investments)

OBJECTIVE

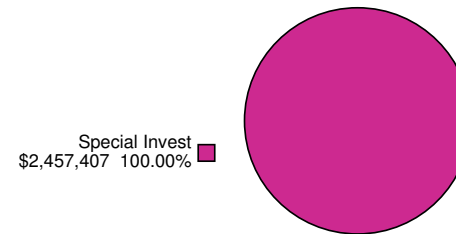
Manager is expected to outperform the NCREIF Timber Index.

STRATEGIES

Timberland Investment Resources (TIR) aims to achieve above market investment returns by identifying economic and biometric research. Investment opportunities are identified with research coupled with on-the-ground field and market intelligence. Asset allocation and portfolio theory are used to shape the portfolio to meet the risk and return profile of each client. Strategies are designed to meet individual investment objectives and guidelines. TIR provides ongoing active management that is required to realize the full investment potential.

Asset Allocation Timberland Investment Resources

March 31, 2014 \$2,457,407



CONCLUSIONS/RECOMMENDATIONS

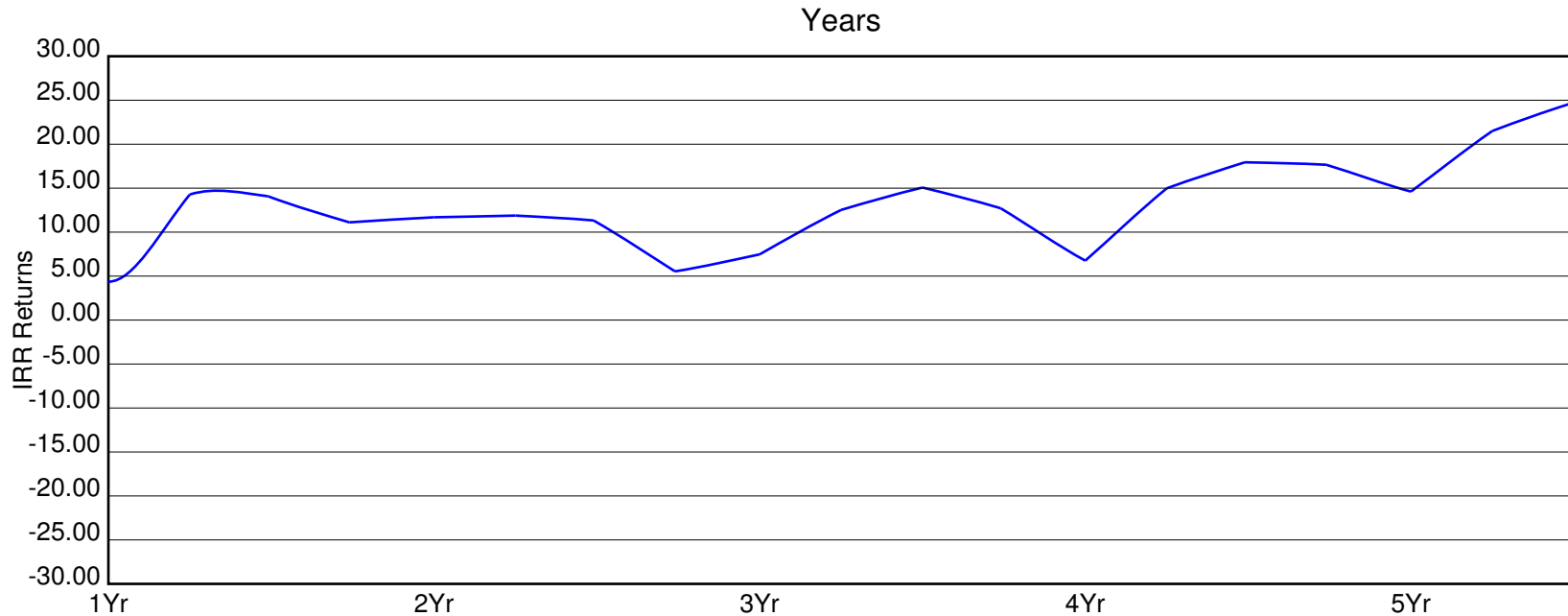
Timberland Investment Resources returned 2.17% on a net of fee basis for the 1st Quarter 2014. While timber demand grew globally during the first quarter (in part because of Asia's continued demand for the world's supply of logs/lumber), the harsh winter weather in the US saw a weaker-than-usual demand from the building products sector. This contributed to the overall performance of the timber sector.

Timberland Investment Resources has an annualized return since inception of 4.21% through 1st Quarter 2014. Timberland has distributed \$205,892 and has added \$438,157 in appreciated value since inception.

City of Mobile Police & Firefighters
Internal Rate of Return Table
Timberland Investment Resources
March 31, 2014

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
12/08		967,502	0	-401	0	837	966,264	-0.08	NA
3/09	966,264	0	0	44,697	0	2,086	1,008,875	5.21	NA
6/09	1,008,875	0	0	-1,764	0	2,077	1,005,034	4.73	NA
9/09	1,005,034	0	0	-2,469	0	2,068	1,000,497	4.36	NA
12/09	1,000,497	0	0	92,239	0	2,254	1,090,482	14.28	13.13
3/10	1,090,482	0	0	-990	445	2,246	1,086,801	14.08	10.42
6/10	1,086,801	1,039,861	0	-27,269	1,371	2,300	2,095,722	11.11	6.91
9/10	2,095,722	0	0	21,570	4,039	4,609	2,108,644	11.69	6.23
12/10	2,108,644	74,870	0	14,769	2,754	4,569	2,190,960	11.88	5.54
3/11	2,190,960	0	0	3,524	3,332	4,519	2,186,633	11.33	4.72
6/11	2,186,633	264,832	0	-68,025	6,505	4,812	2,372,123	5.54	2.11
9/11	2,372,123	0	0	32,353	5,576	4,948	2,393,952	7.47	2.58
12/11	2,393,952	0	0	80,588	6,744	5,090	2,462,706	12.52	3.90
3/12	2,462,706	0	0	46,261	3,123	5,168	2,500,676	15.07	4.30
6/12	2,500,676	0	0	-30,261	0	5,095	2,465,320	12.72	3.40
9/12	2,465,320	0	0	-92,590	0	4,894	2,367,836	6.76	1.72
12/12	2,367,836	0	0	140,187	0	5,173	2,502,850	14.98	3.48
3/13	2,502,850	0	72,790	54,705	0	5,125	2,479,640	17.94	3.88
6/13	2,479,640	0	0	-402	0	5,113	2,474,125	17.66	3.61
9/13	2,474,125	0	0	-49,215	0	5,001	2,419,909	14.61	2.86
12/13	2,419,909	0	133,102	123,496	0	4,971	2,405,332	21.50	3.90
3/14	2,405,332	0	0	57,154	0	5,079	2,457,407	24.61	4.21
Total		2,347,065	205,892	438,157	33,889	88,034	2,457,407	24.61	4.21

City of Mobile Police & Firefighters
J-Curve Graph
Timberland Investment Resources
6/30/09 - 3/31/14



Year	Contribution	Distribution	Expenses	Investment Fees	Ending Value	Cumulative IRR
1	967,502	0	0	7,068	1,000,497	4.36
2	1,039,861	0	5,855	11,409	2,108,644	11.69
3	339,702	0	18,167	18,848	2,393,952	7.47
4	0	0	9,867	20,247	2,367,836	6.76
5	0	72,790	0	20,412	2,419,909	14.61
Total	2,347,065	205,892	33,889	88,034		

DEFINITION OF INDICES

APPENDIX A

ASSET ALLOCATION	TARGET
Opportunistic Equity	5.00 %
LargeCap Equity	28.00 %
MidCap Equity	9.50 %
Small Cap Core Equity	4.75 %
Small Cap Value Equity	4.75 %
International Equity	10.00 %
Fixed Income	25.00 %
Alternative Investments	13.00 %
Cash & Cash Equivalents	0.00 %

Indices used to calculate target and actual benchmarks:

Opportunistic Equity	MSCI ACWI (net) Index
Domestic Equity	Russell 1000 Index, S&P MidCap 400, Russell 2000, Russell 2000 Value
International Equity	MSCI ACWI ex US Index
Fixed Income	Barclays Int Gov't/Credit Index
Alternative Investments	Russell 2500, NCREIF ODCE Index, NCREIF Timberland Index
Cash & Cash Equivalents	Citigroup 3-Month T-Bill

COMPOSITE MEDIAN MANAGER

A composite of median manager returns for each asset class weighted by the Target Asset Mix.

DEFINITION OF INDICES

APPENDIX B

The **Standard & Poor's (S&P) 500 Index** is a capitalization-weighted index 500 of the largest public companies and is widely accepted as the overall market proxy. It consists of 400 industrial issues, 40 utility stocks, 20 transportation stocks and 40 financial institution issues.

The **Russell 1000 Index** is composed of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 92% of the total market capitalization of the Russell 3000 Index. The average market capitalization was approximately \$12.1 billion; the median market capitalization was approximately \$3.8 billion. The smallest company in the index had an approximate market capitalization of \$1,350.8 million.

The **Russell 1000 Value Index** is composed of those stocks in the Russell 1000 Index (the 1,000 largest US companies by market capitalization, the smallest of which has about \$370 million in market capitalization) with less than average growth orientation. The Russell Value Index represents the universe of stocks from which most value style money managers typically select.

The **Russell 1000 Growth Index** is composed of those stocks in the Russell 1000 Index (the 1,000 largest US companies by market capitalization, the smallest of which has about \$370 million in market capitalization) with greater than average growth orientation. The Russell Growth Index represents the universe of stocks from which most growth style money managers typically select.

The **Morgan Stanley Capital International (MSCI)-Europe, Australia, Far East (EAFE) Index** is made up of approximately 1000 companies representing the stock markets of 20 countries including: Australia, Austria, Belgium, Denmark, Finland, France, Germany, Hong Kong, Italy, Ireland, Japan, Malaysia, Netherlands, Norway, Portugal, Singapore, Spain, Sweden, Switzerland and the United Kingdom. The average company has a market capitalization of over \$3 billion. The index is presented with net dividends reinvested and in US Dollars.

The **Barclays Aggregate Bond Index** is comprised of the Lehman Government/Corporate Bond Index plus the Lehman Mortgage Index. The Aggregate contains all publicly issued, fixed-rate, non-convertible bonds which have a maturity of more than one year and an outstanding par value of at least \$100 million for US Government issues and \$50 million for all others. The index includes debt issued by the US Government and agencies thereof, domestic corporate issues and foreign dollar-denominated issues. All issues are rate Baa/BBB or better.

The **Barclays Government/Corporate Bond Index** contains all publicly issued, fixed rate, non-convertible, bonds which have a maturity of more than one year and an outstanding par value of at least \$100 million for US Government issues and \$50 Million for all others. The index includes debt issued by the US Government and agencies thereof, domestic corporate issues and foreign dollar-denominated issues. All issues are rate Baa/BBB or better.

The **Salomon Brothers 3 Month TBill** provide a measure of riskless return.

DEFINITION OF UNIVERSES

APPENDIX B

US Balanced Universe consists of balanced composites which utilize both equity and fixed income securities within a relatively stable asset allocation structure. These are balanced, separately managed, fully discretionary, tax-free portfolios whose asset allocation is not actively managed.

The **Broad Equity Manager Universe** is composed of domestic equity composites utilizing either a growth managers who emphasizes on earnings growth-historic earnings growth, future earnings estimates and earnings surprise or a value managers who are bias towards stocks which are out of favor or believed to be severely undervalued-low Price/Earnings, low Price/Book and a strong balance sheet. The universe may utilize a combination of both styles and covers a broad range of market capitalizations.

The **Mid-Large Cap Growth Equity Manager Universe** is composed of equity composites for which the investment process emphasizes earnings growth which includes historic earnings growth, future earnings estimates and earnings surprise. Small capitalization managers are excluded.

The **Mid-Large Cap Value Equity Manager Universe** is composed of equity composites emphasizing a bias towards stocks which are out of favor or believed to be severely undervalued-low Price/Earnings, low Price/Book and a strong balance sheet. Small capitalization managers are excluded.

The **Small Cap Equity Manager Universe** is comprised of an equity composite where the investment process focuses on companies of capitalizations under \$500 million. The universe may utilize a combination of both growth and value style of investment process.

The **International Equity Manager Universe** is an equity composite for which the investment process emphasizes securities of non-US based companies.

The **Fixed Income Manager Universe** is composed of fixed income composites for which the investment process emphasizes either interest rate forecasting (adjusting portfolio's duration), market analysis (sector analysis, issues selection or yield curve analysis) or active core (tied to a benchmark) management. Intermediate, short-term and high yield managers are excluded.

The **Intermediate Fixed Income Manager Universe** is composed of fixed income composites whose investment process emphasizes either active core (tied to a benchmark) management, interest rate forecasting (adjusting portfolios' duration), or market analysis (sector analysis, issue selection, or yield curve analysis) with average portfolio durations in the 3-4 year range. High yield managers are excluded.

DEFINITION OF COMMON TERMS

APPENDIX C

Alpha is a measure of risk-adjusted return which reveals the manager's success (positive alpha) or lack of success (negative alpha) in selecting securities and timing the market. Alpha is the difference between the actual performance of the fund and the performance which should have been achieved given the market's performance and the fund's risk posture.

Beta is a measure of the volatility of the fund relative to an index. Funds which are equally volatile as the index will have a beta of 1.00; funds which are half as volatile will have a beta of 0.50; etc. Beta also roughly represents the return on the fund which has typically accompanied a 1 percent move in the market index. The beta coefficient reflects that component of the fund's total risk which cannot be reduced by further diversification.

The **Relative Risk/Reward Ratio** is a measure of risk adjusted return relative to the market's risk adjusted return. It is calculated by first dividing the manager's return for the period by the manager's standard deviation for the period. This quotient is then divided by the quotient of the market's return for the period divided by the market's standard deviation for the period. The measure represents the manager's rate of return per unit of risk relative to the market's rate of return per unit of risk. A ratio above 1.0 indicates positive relative performance and a ratio below 1.0 indicates a negative relative performance.

R-Squared (R^2) is a statistical measure of fund diversification relative to an index. Diversification can be gauged by calculating the portion of the variation in the fund's returns which is attributable to market movements. A completely diversified fund will be perfectly correlated with the market index and will have an R-squared of 100 percent. A non-diversified fund will behave independently of the market and will have an R-squared of 0 percent. An R-squared of 90 percent denotes that 90 percent of the risk is market-related, and 10 percent is unique to the fund.

Standard Deviation is a measure of volatility showing how widely dispersed or tightly bunched a set of returns are around their average return. Standard deviations presented in this report are based on quarterly returns and are annualized, unless otherwise indicated.

The **Style** is a description of the investment strategy used to determine the investment decisions within an asset class.

A **Universe** is a group of comparable investment styles. A Broad Universe, such as Broad Equity, refers to all styles in the Equity asset class. Style specific Universes such as Pure Small Cap, includes only styles with a high correlation to a Small Cap index and low correlation to a Large Cap index.

MARKET SECTOR DIVERSIFICATION
APPENDIX D

EQUITIES

C A P I T A L I Z A T I O N		Style				
		Growth	Core	Value	Quantitative	Index
	Domestic		SSgA Russell 1000			
						SSgA S&P 400
			SouthernSun	Morgan Dempsey		
I n t e r n a t i o n a l	Domestic		Energy Opportunities Capital			
	International			Allianz		
O t h e r	Private Equity		Permal	Ripplewood	Levine Leichtman	HM Capital
	Real Estate		Westbrook		Guggenheim	DLJ TIAA-CREF
	Timber		Timberland Investment Resources			

FIXED INCOME

	Style				
	Rate	Maturity Differential	Core	Sector Allocation	Index
		Orleans		Orleans	
		Orleans		Orleans	
		Orleans		Orleans	
D o m e s t i c	U.S. Gov't				
	Mortgage				
	Asset Backed				
	Corporate				
	Foreign / Yankee				
	High Yield				