

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

**PERFORMANCE REPORT
PERIOD ENDING
MARCH 31, 2012**

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GRAY & COMPANY

CAPITAL MARKET REVIEW

First Quarter 2012

CAPITAL MARKET HEADLINES

The Eurozone Games

The events unfolding in Europe remind me of the popular book turned movie “The Hunger Games”. For those of you unfamiliar with the story, a centralized government (the Capitol) in a post apocalyptic North America televises an annual event (The Hunger Games) in which teenagers from the member colonies (Districts) fight to the death in a specially created arena – think modern day “Survivor” without the torch ceremony. The premise behind the *Games* is to remind the colonies that the Capitol is in control (no spoiler alert necessary).

In Europe, the leaders of the European Monetary Union (EMU), European Central Bank (ECB) and other Euro community institutions would be cast as the Capitol. Their role is to make the rules that are to be followed by the member nations. Until recently, the EMU and ECB held very little authority; their mandate focused on price stability (controlling inflation) and their primary tool was manipulating interbank lending rates (similar to the Fed Funds Rate).

The objective of the European community was to forge a mutual bond between countries, reduce trade barriers with neighbors, and create an economic powerhouse. To that end, the Euro has been successful. The member nations of the European community neatly fill the role of the Districts in the book. Each District had one primary function for the Capitol (to provide food, energy, tech gadgets, ect.). Several of the Districts received better treatment from the Capitol, which led to more food and thereby stronger fighters that won more often. Each country in the European community has a unique culture, industrial base, and government. Some of the countries have emerged as economic leaders, such as Germany, France, and the Netherlands; other nations have struggled to keep pace, like Greece, Portugal, and Spain. However, unlike the *Games* the countries within the Eurozone are not fighting until only one survives – the goal is for all members to flourish.

Prior to entering into the Union, the countries were responsible for managing their own fiscal and monetary policies. These tools provided the policy makers with the ability to expand domestic economic growth or influence inflationary pressures; each country used them to differing degrees based on economic philosophies, political forces, and other factors. In the past the weaker countries often implemented an accommodative monetary strategy to devalue their currency. Devaluation improved their global competitiveness (their goods and services became relatively less expensive and demand rose) and eased the burden of their national debt. After joining the European community with its single currency, monetary policies were centralized under the ECB’s direction, eliminating one of the two primary mechanisms to spur economic growth.

The main program remaining for Eurozone countries to stimulate their domestic economies is fiscal spending; however, governments need money to pay for these additional expenditures and they no longer control the printing presses. These funds may come from three sources, 1) savings (not an option for countries

already in debt), 2) additional revenues (higher taxes tend to stifle economic growth), or 3) issue debt. Countries in the European Monetary Union must also consider the formal fiscal targets they adopted as part of their membership (known as the Stability and Growth Pact or SGP); the criteria include annual budget deficits no greater than 3% of GDP (Gross Domestic Product) and a national debt level no greater than 60% of GDP.

Several economies in the European Union are suffering from prolonged recessions, high unemployment rates, and weak housing markets. Governmental deficits have grown due to reduced tax receipts and higher expenditures. This has caused some countries to exceed the fiscal guidelines set forth in the SGP. The weak economic outlook and escalating government deficits (and resulting higher debt loads) in these countries forced Standard & Poor’s, Moody’s, and other rating agencies to downgrade the credit rating on their debt. Investors responded by demanding higher yields on new issues due to the heightened risk, increasing the interest payments made by these governments and causing the deficits to grow further (a viscous death spiral). These events created the sovereign debt crisis across the European Union.

Financial institutions have been impacted as well; banks held these government bonds as part of their reserves. The decline in value of these holdings caused many European banks to become nearly insolvent. However, the scope of the problem does not stop there. Due to the lending relationships between banks (European and non-European), the stability of the global financial system is threatened.

Due to the sovereign debt crisis, the European Union has assumed more authority and granted additional responsibilities and powers to the ECB and other related institutions. The EU has provided financial aid and expertise to countries in distress, most notably Greece. In return, the EU is requiring countries to initiate long-term solutions to correct the problems, such as austerity measures. The ECB has implemented programs to help reduce interest rates (easing the debt burden) in the troubled nations and offered low cost funds to banks to improve their financial position. The hope is to prevent the spread of the sovereign debt crisis to additional Euro members and stabilize the financial markets.

In “The Hunger Games” victory comes with a cost. The winner spends a lifetime reliving the brutality that occurred in the arena and coping with the deaths of the other fighters. Germany appears to be victor in the Eurozone Games. Their economy has benefited greatly from the formation of the European Union and their global competitive position, increasing their exports to other members of the community and countries outside the Eurozone. However, the cost is painful as Germany is now responsible for the majority of assistance to the troubled nations in the Union. This game is far from over.

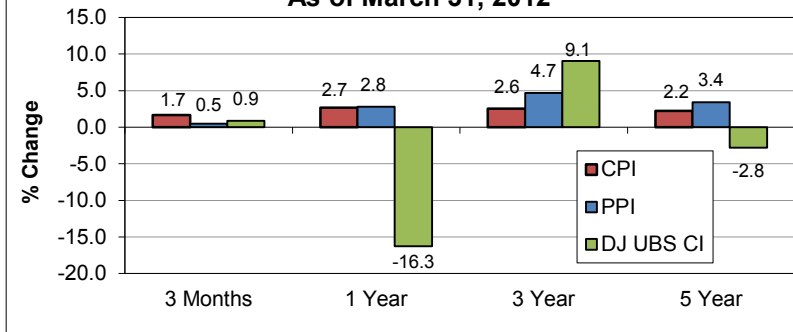
CAPITAL MARKET REVIEW

Strong Start, Long Way to Go: The new year kicked off to a strong start as the global economy showed additional signs of improvement and the European sovereign debt crisis appeared to be contained. However, rising oil prices, slowing growth in the emerging markets, and Europe (debt crisis and recessions) continue to weigh on the markets. The first three months of 2012 have a familiar feel, like 2011 - the strong start fizzled out by year end due to macroeconomic pressures.

Inflation measures were higher at quarter end. Commodity prices increased, most notably oil (as evidenced by the prices at the local gas station). The rise in oil was partial driven by supply concerns, centered around the potential unrest in the middle east. The increase in energy costs impacted CPI, causing a significant increase; PPI was not nearly as affected.

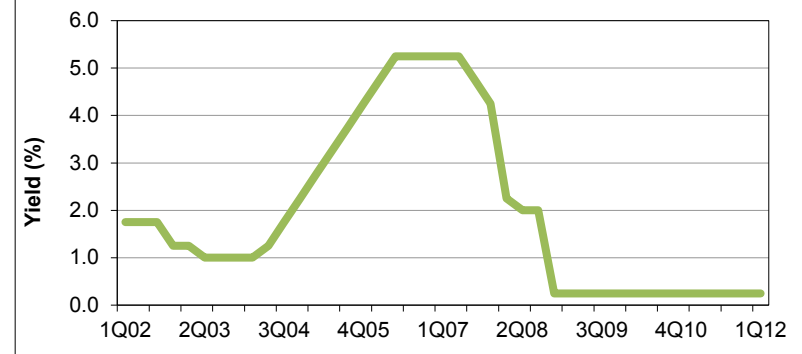
The Federal Reserve was relatively restrained during the quarter. The federal funds target rate continues to be maintained in a range between 0.0% and 0.25%. The Fed has pledged to keep interest rates low through 2014 in an effort to sustain the economic recovery. However, investors' appetite for riskier assets drove yields higher and the yield curve steepened during the quarter. Rates increased by almost 50 basis points at the long end of the curve. The 30 year Treasury rate ended the quarter up 46 basis points at 3.4%, while the 10 year Treasury rate ended up 34 basis points at 2.2%.

Inflation Indicator
As of March 31, 2012



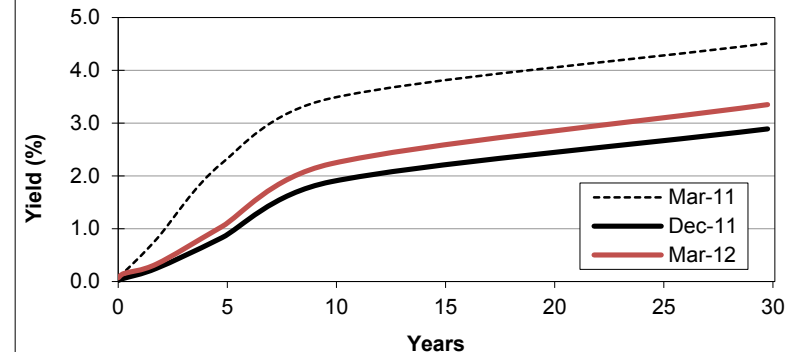
Source: Bureau of Labor Statistics, Wilshire and Dow Jones

Historical Fed Funds Rate



Source: Federal Reserve Bank of St. Louis, MO

Yield Curve - U.S. Treasuries



Source: Federal Reserve Bank of St. Louis, MO

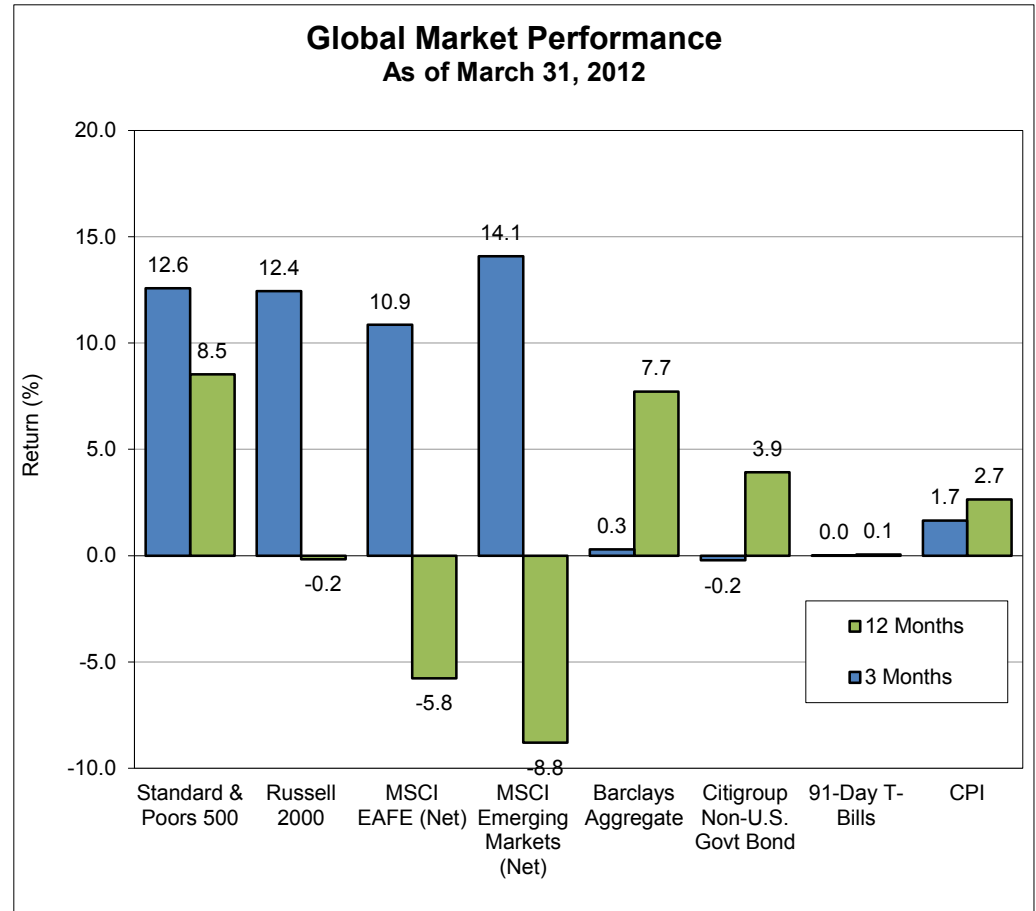
CAPITAL MARKET REVIEW

Fight for the Right to Party: The European community gained ground this quarter in their battle against the sovereign debt crisis and the solvency of their banking industry. The evidence of weakening economic growth in several major countries clashed with improving data in other nations. The fight to resolve the debt crisis and generate economic expansion continues. Factors that will influence the ultimate out comes include the upcoming political elections, the stability of the middle east, energy costs, and the development of the emerging markets.

The optimism in Europe provided the impetus for a strong move higher in equities during the first quarter. This was the second consecutive quarter of positive returns for most major stock markets. The U.S. market generated double digit returns again. The European markets tended to lag the U.S. in local terms, but posted solid results. Japan rebounded from losses in the fourth quarter and returned 19.0% in local terms. The emerging markets also participated in the equity party with very strong gains.

The fixed income markets struggled this quarter. Central banks around the globe maintained accommodative policies to promote economic growth. Rating agencies were busy announcing negative outlooks or outright downgrades on the debt of several nations. Investors' preference for riskier assets pushed yields higher and caused spreads to contract in most countries.

The Euro rebounded this quarter against the dollar due to renewed confidence in the containment of the sovereign debt crisis. The Pound Sterling also appreciated. The Yen fell sharply as the Bank of Japan initiated an asset purchase plan to weaken the currency.



Source: Wilshire

Indexes are not investments, are not managed, and do not incur fees or expenses. It is not possible to invest in an index. Please see additional disclosures at the end of this review.

U.S. EQUITY MARKET

Total Returns (%) - Periods Ending March 31, 2012				
	3 Months	1 Year	3 Years	5 Years
Standard & Poors 500	12.58	8.53	23.41	2.02
Russell 1000	12.90	7.87	24.03	2.18
Russell 1000 Growth	14.69	11.02	25.27	5.10
Russell 1000 Value	11.12	4.78	22.82	(0.81)
S&P MidCap 400	13.50	1.99	28.56	4.78
Russell Midcap	12.94	3.29	29.13	3.02
S&P SmallCap 600	12.00	5.03	29.22	3.62
Russell 2000	12.44	(0.17)	26.90	2.13
Russell 2000 Growth	13.27	0.66	28.35	4.15
Russell 2000 Value	11.59	(1.07)	25.35	0.01
S&P 500 Sector Performance				
	3 Months	1 Year	3 Years	5 Years
Energy	3.94	(7.06)	19.21	5.18
Materials	11.20	(3.46)	23.17	1.70
Industrials	11.32	1.81	29.04	2.57
Con. Discretionary	15.95	17.56	34.07	5.18
Con. Staples	5.53	17.25	20.74	8.10
Health Care	9.06	16.49	17.99	4.30
Financials	22.00	(1.96)	23.20	(12.87)
Info Technology	21.44	20.45	28.77	8.41
Telecommunications	2.04	3.18	15.67	0.81
Utilities	(1.58)	14.87	16.24	1.68

Returns are annualized for periods greater than one year.

Source: Wilshire

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Repeat Performance: U.S. equity markets repeated the strong performance of the fourth quarter of 2011, generating double digit returns in the first quarter of 2012. The S&P 500 returned 12.5%, which was the highest first quarter return since 1998.

All capitalization ranges generated nearly equal performance with 150 basis points separating the best and worse core indices. Growth outpaced Value across the market capitalization spectrum as the Technology sector, a major component of the growth-oriented indices, returned 21.4%. The weaker relative performance of the Value styles is due to Energy and Utilities exposures (two of the weaker performing sectors).

The Cyclical/Economically Sensitive sectors (Financials, Technology, and Consumer Discretionary) once again were the leading performers for the quarter. The Financials sector was the best performing with a 22.0% return, reversing a trend of under performance in 2011. The Federal Reserve's report that 15 of the nation's 19 largest banks passed a recent stress test certainly played a role in the sector's rebound. The Defensive sectors (Utilities, Telecom, and Consumer Staples) trailed the broader market for the quarter. The Utilities sector was the only sector to generate a negative return, as investors shied away from the high dividend yielding sector in search of price appreciating assets. The dispersion between the sectors' performance (Financials +22.0%, Utilities -1.6%) highlights the declining correlations of individual stocks in the equity markets.

U.S. FIXED INCOME MARKET

Steep climb: During the first quarter of 2012, the Treasury yield curve steepened with long rates rising more than short term rates. Yields were up across the board; at quarter-end the 2-Year Treasury Notes yielded 0.33% (up 8 basis points from 12/31/11), 10-Year Treasury Bonds yielded 2.21% (up 32 basis points from 12/31/11), and 30-Year Treasury Bonds yielded 3.34% (up 44 basis points from 12/31/11).

The rise in interest rates caused losses in the Government sector; longer dated securities suffered the worse declines. Credit spreads tightened considerably and corporate bonds had a great start to the year. Financial spreads narrowed 110 basis points in the first quarter, finishing at 227 basis points, yet still remain above their 10-year average of 194 basis points. Corporate issuances were strong this quarter with net supply increasing sharply from a year ago. The Barclay's Credit and Barclay's High Yield indices returned 2.04% and 5.33% respectively. Investors appear less worried about the possibility of economic deterioration, favoring the higher yielding corporate securities.

With yields near all time lows, investors' continue to face potential losses due to spikes in interest rates in the short term. However, fixed income continues to show a propensity to protect investors during times of equity market selloffs.

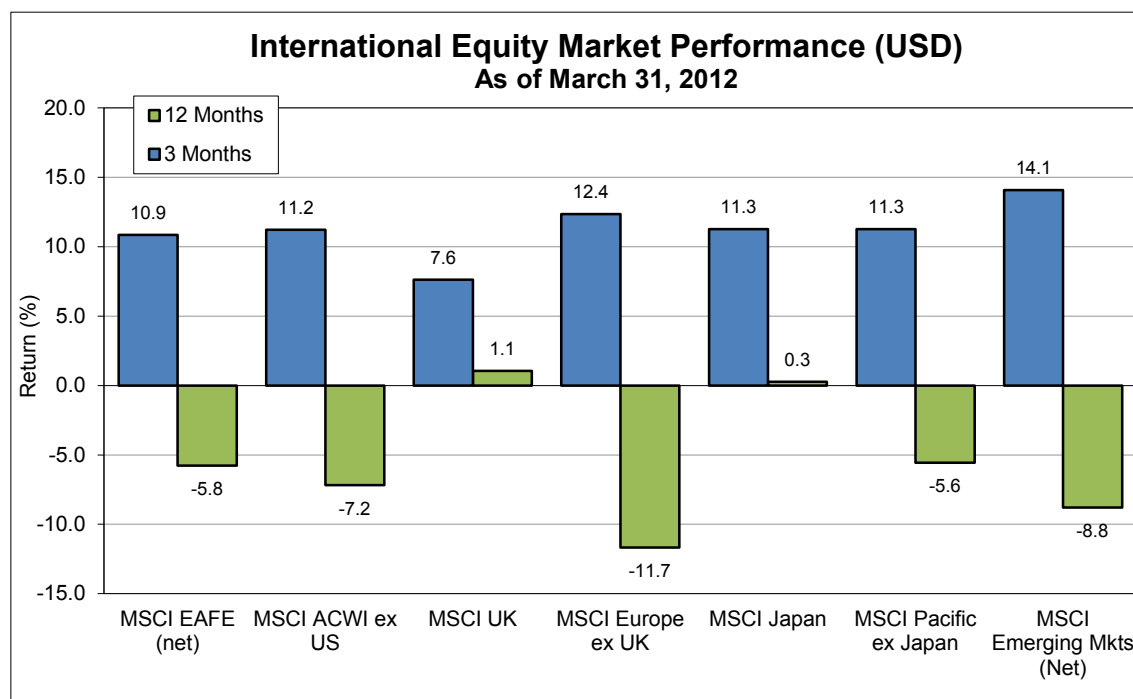
Due to the Federal Reserve's intervention, it is difficult to estimate the true cost of capital for borrowers under the current conditions. As the economic recovery continues and the stimulus programs wane, we anticipate the markets returning to a more normal, supply/demand driven equilibrium (with possibly higher rates).

Total Returns (%) - Periods Ending March 31, 2012				
	3 Months	1 Year	3 Years	5 Years
Barclays 1-3 Yr Govt	(0.02)	1.48	1.68	3.51
Barclays Intm G/C	0.61	6.09	5.87	5.68
Barclays Aggregate	0.30	7.72	6.84	6.25
Barclays G/C	0.09	8.53	7.09	6.26
Barclays Long Govt	(5.57)	23.00	7.36	9.31
Barclays Govt	(1.12)	7.89	3.96	6.02
Barclays Credit	2.04	9.58	12.32	6.91
Barclays Mortgage	0.57	6.21	5.26	6.31
Barclays High Yield	5.33	6.45	23.86	8.10
Barclays U.S TIPS	8.85	1.09	13.85	0.31
Returns are annualized for periods greater than one year. Source: Barclays Capital.				
Credit Spreads (in basis points)				
	Dec-11	Mar-12	Change	10-Yr Avg.
Aaa	75	57	(18)	102
Aa	158	119	(39)	128
A	225	159	(66)	168
Baa	283	223	(60)	234
Ba	549	454	(95)	447
B	727	611	(116)	613
Caa	1140	928	(212)	1017

Source: Barclays Capital.

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INTERNATIONAL EQUITY MARKET



MSCI Country Indexes (Net) Three Months Ending March 31, 2012

	Return USD (%)	Return Local Currency (%)	Currency Effect (%)
France	12.2	9.4	2.8
Germany	20.9	17.9	3.0
Italy	8.9	6.2	2.8
Spain	(3.3)	(5.8)	2.4
Switzerland	10.1	6.4	3.7
UK	7.6	4.7	2.9
Europe Total	10.7	7.6	3.1
Australia	9.0	7.8	1.1
Hong Kong	13.4	13.4	0.0
Japan	11.3	19.0	(7.8)
Pacific Total	11.3	15.4	(4.2)
China	9.9	9.9	0.0
India	20.1	15.2	4.9
Brazil	13.8	11.3	2.5
Russia	18.6	10.1	8.5
Emerging Total	14.1	10.7	3.4

Indexes are not investments, are not managed, and do not incur fees or expenses. It is not possible to invest in an index.

Source: MSCI

Respite: The negative influences of the Eurozone debt crisis took a respite this quarter, as most international equity markets generated strong results. Europe benefitted from the actions of the European Central Bank (ECB), Japan continued to tackle the challenges surrounding weakening exports, and Emerging Markets rose despite concerns of slowing economic growth.

Europe Performance across the region was bolstered by the Long Term Refinancing Operation (LTRO) of the ECB. The LTRO deployed roughly €1 trillion into the banking system to stabilize European financial institutions, restoring some confidence with investors that the region will be able to cope with the current economic difficulties. The majority of developed European countries generated solid returns with Spain being an exception. Spain is facing high unemployment (currently 23%), a collapsing housing market, weakening economic growth, and a debt-to-GDP ratio at nearly 90%. This oft-mentioned threshold, identified by Rogoff & Reinhart, is believed to represent the point at which debt begins to be a drag on economic growth. Investors fear that the issues in Spain may spread to other countries in southern Europe..

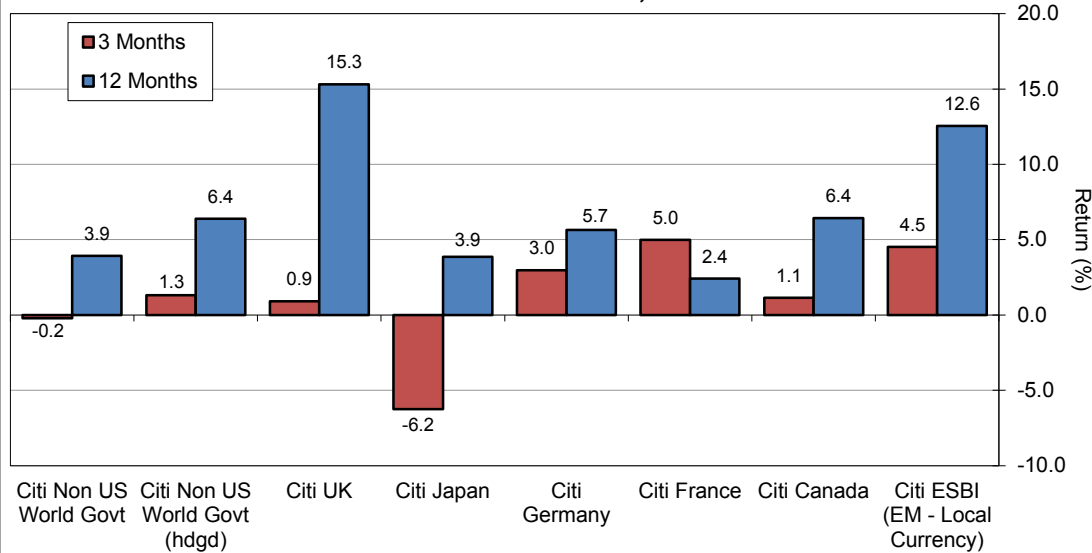
Asia Japan posted the strongest return of the major equity markets during the quarter, up 19.0% in local terms. The surge was due in part to the Bank of Japan asset purchase program, designed to weaken the Yen and improve the competitive position of Japan's exporters. The Yen did weaken significantly, falling over 6% versus the dollar.

Emerging Markets In spite of the headlines that the Chinese economic engine continues to slow, investors embraced risk and the Emerging Markets performed well this quarter. China was the laggard among the BRIC countries, trailing Brazil, Russia, and India. The leaders of the world's second largest economy persists with their attempts to control inflation without derailing economic growth (the very difficult economic "soft landing"). China's inflation, as measured by CPI, has declined from over 4% to just over 3%, allowing regulators to reduce bank reserve requirement ratios to promote more growth.

INTERNATIONAL BOND MARKET

Intl Fixed Income Market Performance (USD)

As of March 31, 2012



Citigroup World Government Bond Indexes Three Months Ending March 31, 2012

	Return USD (%)	Return Local Currency (%)	Currency Effect (%)
France	5.0	2.3	2.6
Germany	3.0	0.4	2.6
Ireland	13.1	10.3	2.9
Italy	14.1	11.2	2.9
Netherlands	2.9	0.3	2.6
Spain	3.6	0.9	2.6
Sweden	1.1	(2.2)	3.2
Switzerland	3.2	(0.3)	3.5
UK	0.9	(1.8)	2.8
Europe Total	6.2	3.5	2.7
Japan	(6.2)	0.3	(6.5)
Australia	0.6	(0.5)	1.1
Canada	1.1	(0.7)	1.9

Source: The Yield Book

Indexes are not investments, are not managed, and do not incur fees or expenses. It is not possible to invest in an index.

LTRO Saves Europe: International fixed income markets tended to generated strong returns, led by some of the weaker European sovereigns. Credit spreads contracted as investors favored more risk and yield.

In Europe, the European Central Bank's bond purchase program and increased commitment to the Long Term Refinancing Operation (LTRO) helped drive yields lower in some of the most trouble countries. LTRO provides banks with a very low cost of funds, which may used to purchase high yielding assets (bonds) or finance new loans. Greek debt underwent an orderly restructuring, allowing the government to reduce their outstanding debt by approximately 50%. Despite these positive developments, recessionary conditions materialized in many countries and major rating agencies downgraded the debt of several nations. Euro appreciated approximately 3% versus the dollar during the quarter.

In the U.K. yields shifted upward during the quarter and generated negative returns. This reverse in direction from the prior quarter when yields collapse after the announcement of additional quantitative easing measures. Economic activity has been decelerating and contracted during the 4th quarter. The Pound Sterling appreciated versus the dollar during the quarter.

Japan reported their first annual trade deficit in thirty years, due in part to the lack of nuclear power generation and subsequent increase in energy imports. The Bank of Japan initiated an asset purchase program designed to weaken the currency and improve the competitiveness of their exporters. Rates were little changed, however the Yen depreciated sharply during the quarter.

In most emerging markets bond prices were driven higher and yields declined. The strong performance is due to the positive economic growth prospects in these countries and the demand for higher yielding securities by global investors. The reduction in China's targeted growth rate from 8.0% to 7.5% did little to deter investors. The currencies of most emerging markets appreciated against the dollar; the best performers were in Eastern Europe and Latin America, Brazil was an exception as the government announced policies that weaken the Real.

SELECTED INDEX RETURNS - PERIODS ENDING MARCH 31, 2012

	Quarter	One Year	Three Years	Five Years	Ten Years
US EQUITIES					
Dow Jones Industrial Average	8.8 %	10.2	23.5	4.2	5.0
Standard & Poors 500	12.6	8.5	23.4	2.0	4.1
Russell 3000	12.9	7.2	24.3	2.2	4.7
S&P MidCap 400	13.5	2.0	28.6	4.8	4.7
Russell Mid-Cap	12.9	3.3	29.1	3.0	7.9
S&P SmallCap 600	12.0	5.0	29.2	3.6	7.6
Russell 2000	12.4	(0.2)	26.9	2.1	6.5
Growth Stocks - Russell 3000 Growth	14.6	10.1	25.5	5.0	4.4
Value Stocks - Russell 3000 Value	11.2	4.3	23.0	(0.8)	4.7

US FIXED INCOME					
Barclays 1 - 3 Year Government	(0.0) %	1.5	1.7	3.5	3.4
Barclays Intm Govt/Credit	0.6	6.1	5.9	5.7	5.3
Barclays Aggregate	0.3	7.7	6.8	6.3	5.8
Barclays Govt/Credit	0.1	8.5	7.1	6.3	5.9
Barclays Long Government	(5.6)	23.0	7.4	9.3	8.5
Barclays Government	(1.1)	7.9	4.0	6.0	5.5
Barclays Credit	2.0	9.6	12.3	6.9	6.6
Barclays Mortgage	0.6	6.2	5.3	6.3	5.6
Barclays High Yield	5.3	6.5	23.9	8.1	9.2
Barclays U.S TIPS	0.9	12.2	8.7	7.6	7.5
ML All Investment Grade Convertible Index	8.9	1.1	13.9	0.3	2.6

INTERNATIONAL (Measured in US Dollars)					
MSCI EAFE (Net)	10.9 %	(5.8)	17.1	(3.5)	5.7
MSCI ACWI ex U.S. (Net)	11.2	(7.2)	19.1	(1.6)	7.3
MSCI Europe (Net)	10.7	(7.5)	17.6	(4.0)	5.4
MSCI Pacific (Net)	11.3	(2.0)	16.6	(2.4)	6.4
MSCI Emerging Markets (Net)	14.1	(8.8)	25.1	4.7	14.1
Citigroup Non-U.S. Govt Bond	(0.2)	3.9	6.9	7.0	8.5

REAL ESTATE					
NAREIT Index	10.4 %	11.2	40.1	(0.5)	9.8
NCREIF Property Index					

OTHER					
91-Day T-Bills	0.0 %	0.1	0.1	1.2	1.9
Consumer Price Index (percent change)	1.7	2.7	2.6	2.2	2.5
Producer Price Index (percent change)	0.5	2.8	4.7	3.4	3.4

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

DISCLOSURE

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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.

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.

DISCLOSURE

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.

Past performance is not indicative of future results. There is neither representation nor warranty as to the current accuracy of, nor liability for, decisions based on such information.

OVERVIEW

PORTFOLIO EVALUATION

- ♦ The fund's total market value as of March 31, 2012 was \$100.88 million.
- ♦ The Fund had a return of 8.15% for the quarter and a return of 5.68% 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>	93,365,705
Cash Flow In	0
Intrafund Transfers	0
Cash Flow Out	<u>-101,753</u>
Net Cash Flow	-101,753
Investment Performance	
Income	360,292
Asset Value Changes	<u>7,250,491</u>
Gross Performance	7,610,783
<u>Ending Market Value</u>	<u>100,874,736</u>

RECOMMENDATIONS

Mobile Police & Firefighters Executive Summary Table Periods Ending March 31, 2012

FYTD - 9/30/11

Name	Value \$(000)	% of Fund	Periods Ending 3/31/12						
			Cur Qtr	FYTD	1 Year	3 Yrs	5 Yrs	7 Yrs	15 Yrs
Total Fund	100,875	100.0	8.15	15.82	5.68	15.53	2.23	5.14	6.28
Net of Fee			8.06	15.61	5.28	15.12			
Policy Index			8.88	17.88	6.69	19.54	3.94	6.27	7.42
Passive Investing Index			8.80	17.72	6.37	19.11	3.59	6.08	7.51
Total Fund Excluding Alternatives	89,564	88.8	9.06	17.34	5.58	16.90			
Net of Fee			8.99	17.20	5.26	16.58			
Policy Index			8.42	17.94	4.43	19.37			
Total Domestic Equity Composite	53,455	53.0	13.14	26.57	7.65	25.09	2.15	6.01	7.40
Net of Fee			13.04	26.34	7.24	24.70			
SSgA Russell 1000 Index Fund	32,657	32.4	12.94	26.28	7.88	24.05	2.23	5.10	6.62
Net of Fee			12.92	26.24	7.81	24.01	2.19	5.04	
Russell 1000			12.90	26.28	7.87	24.03	2.18	5.04	6.42
Advisory Research	9,984	9.9	12.17	30.13	8.81				
Net of Fee			11.94	29.61	7.88				
Russell 2500 Value			11.52	28.74	0.09				
Century Capital	10,814	10.7	14.68	24.29	5.91				
Net of Fee			14.43	23.76	4.99				
Russell 2500 Growth			14.61	30.10	2.70				
Total International Equity Composite	8,267	8.2	12.73	20.29	-7.35	14.82	-4.37	3.46	6.32
Net of Fee			12.73	20.29	-7.76	14.23			
Allianz Global Investors	8,267	8.2	12.73						
Net of Fee			12.73						
MSCI ACWI ex US (Net)			11.23						

Mobile Police & Firefighters Executive Summary Table Periods Ending March 31, 2012

FYTD - 9/30/11

Name	Value \$(000)	% of Fund	Periods Ending 3/31/12						
			Cur Qtr	FYTD	1 Year	3 Yrs	5 Yrs	7 Yrs	15 Yrs
Total Fixed Income Composite	27,842	27.6	1.07	2.27	6.08	7.86	6.50	5.91	4.80
Net of Fee			1.04	2.21	5.95	7.74			
Orleans	27,842	27.6	1.07	2.27	6.08	7.86	6.50	5.91	
Net of Fee			1.04	2.21	5.95	7.74	6.38	5.79	
Barclays Int Govt/Credit			0.61	1.46	6.09	5.87	5.68	5.22	
Barclays U.S. Aggregate			0.30	1.43	7.72	6.84	6.25	5.72	
Real Estate Composite	4,276	4.2	2.95	6.60	10.08	1.45	-5.93		
Net of Fee			2.69	6.09	9.03	0.44	-6.74		
NCREIF Prop Index			2.59	5.63	13.41	5.96	2.88		
Guggenheim	1,836	1.8	4.04	11.06	13.74	10.26	-5.72		
Net of Fee			3.79	10.52	12.65	9.20	-6.57		
70% NCREIF / 30% NAREIT			4.94	11.69	13.35	16.32	2.98		
Westbrook	73	0.1	0.00	-10.22	-5.69	-7.43			
Net of Fee			-0.05	-10.30	-5.84	-7.56			
NCREIF Prop Index			2.59	5.63	13.41	5.96			
DLJ	514	0.5	0.00	2.72	5.32	0.72	0.76	9.84	
Net of Fee			-0.24	2.47	4.71	-0.12	-0.07	8.96	
NCREIF Prop Index			2.59	5.63	13.41	5.96			
TIAA-CREF	1,853	1.8	2.84	4.30	9.72	-3.83			
Net of Fee			2.56	3.74	8.53	-4.91			
NCREIF Prop Index			2.59	5.63	13.41	5.96			
Private Equity Composite	4,534	4.5	0.00	3.55	2.64	8.49			
Net of Fee			-0.40	2.76	1.59	7.47			
Russell 3000+4%			13.87	28.55	11.18	28.25			

Mobile Police & Firefighters Executive Summary Table Periods Ending March 31, 2012

FYTD - 9/30/11

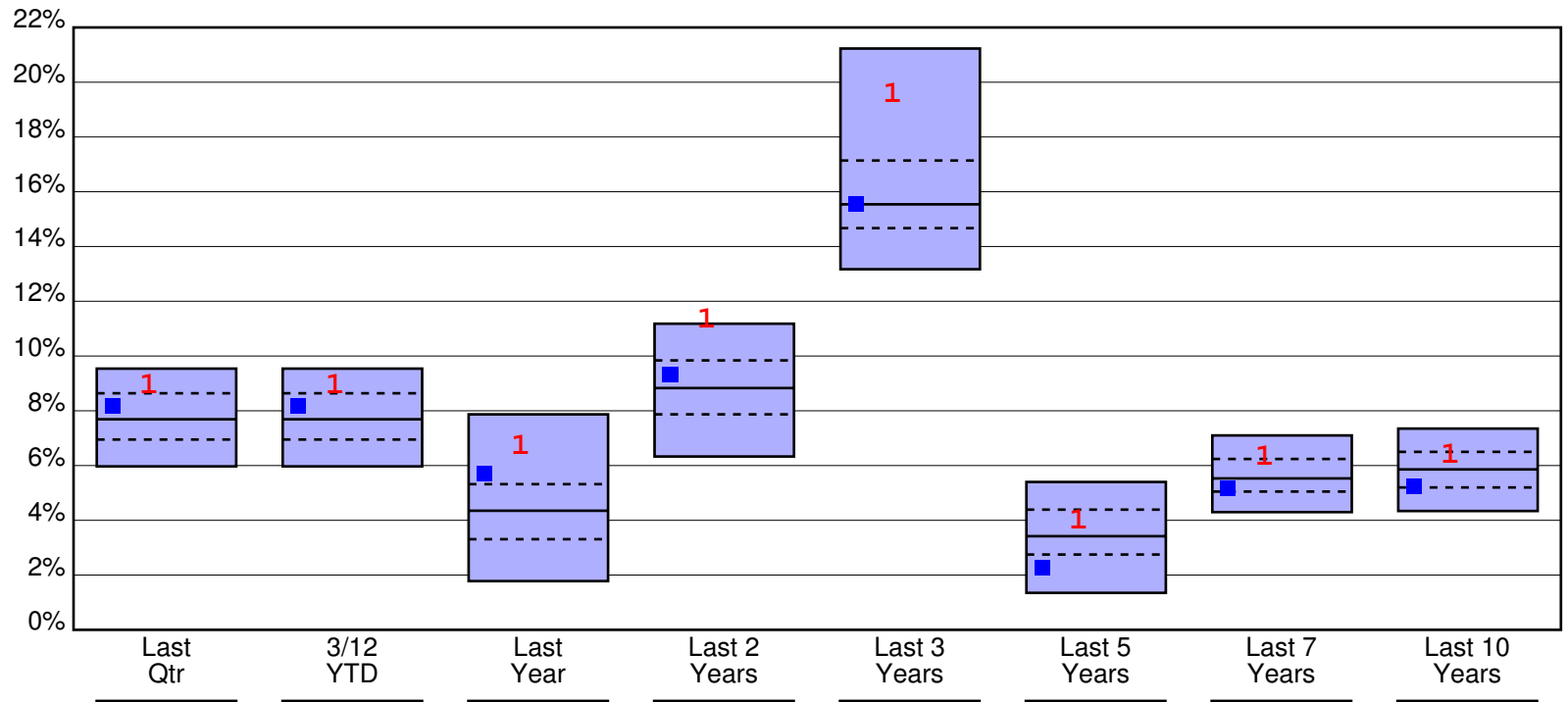
Name	Value \$(000)	% of Fund	Periods Ending 3/31/12						
			Cur Qtr	FYTD	1 Year	3 Yrs	5 Yrs	7 Yrs	15 Yrs
Hicks, Muse, Tate & Furst IV	245	0.2	0.00	6.29	16.22	15.49	0.27	-0.96	
Net of Fee			0.00	6.29	16.22	15.49	0.27	-0.96	
Russell 3000+4%			13.87	28.55	11.18	28.25	6.17	9.10	
Ripplewood Partners II, L.P.	1,014	1.0	0.00	-0.11	-0.22	11.92	7.77	6.08	
Net of Fee			-1.78	-1.89	-2.16	10.79	6.82	3.89	
Russell 3000+4%			13.87	28.55	11.18	28.25	6.17	9.10	
Levine Leichtman Fund III	2,157	2.1	0.00	6.67	4.12	7.82			
Net of Fee			0.00	5.99	2.51	6.31			
Russell 3000+4%			13.87	28.55	11.18	28.25			
Permal Capital Fund IV	1,118	1.1	0.00	0.73	-2.21	5.88	1.80		
Net of Fee			0.00	0.50	-2.87	4.91	0.36		
Russell 3000+4%			13.87	28.55	11.18	28.25	6.17		
Timber Composite	2,501	2.5	1.88	5.32	3.79	3.86			
Net of Fee			1.67	4.88	2.94	2.99			
Timberland Investment Resources	2,501	2.5	1.88	5.32	3.79	3.86			
Net of Fee			1.67	4.88	2.94	2.99			
NCREIF Timberland Index			0.36	0.87	1.18	-1.27			

Mobile Police & Firefighters

Cumulative Performance Comparison

Total Returns of Total Fund Public Sponsors

Periods Ending 3/12

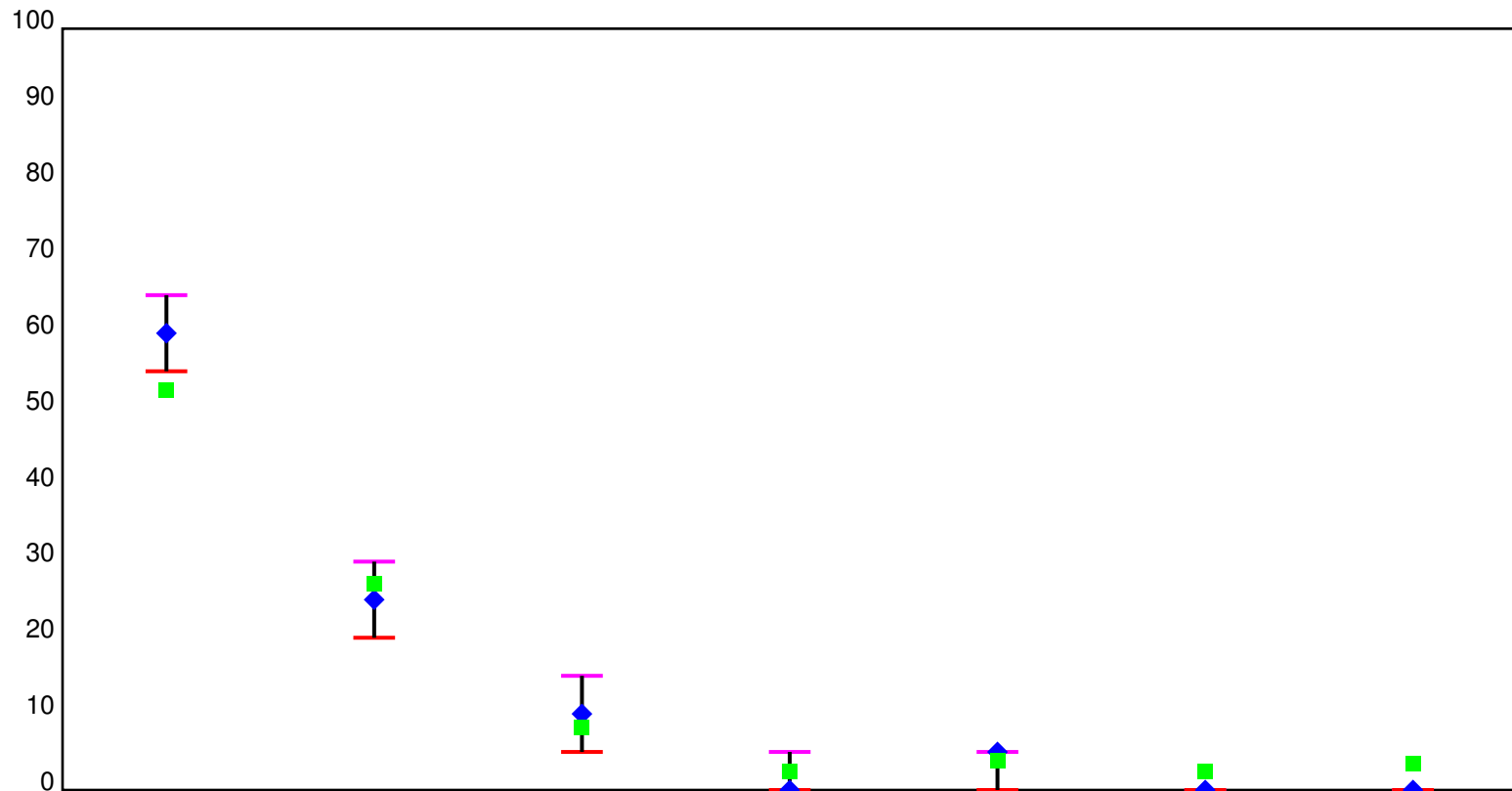


5th Percentile
25th Percentile
Median
75th Percentile
95th Percentile

■ Total Fund
1 Policy Index

Last Qtr	3/12 YTD	Last Year	Last 2 Years	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
9.54	9.54	7.87	11.18	21.23	5.40	7.10	7.35
8.64	8.64	5.32	9.84	17.14	4.39	6.24	6.50
7.69	7.69	4.35	8.83	15.54	3.42	5.53	5.86
6.95	6.95	3.31	7.87	14.67	2.75	5.05	5.20
5.97	5.97	1.78	6.33	13.17	1.35	4.30	4.34
8.15 (36)	8.15 (36)	5.68 (19)	9.30 (39)	15.53 (50)	2.23 (86)	5.14 (73)	5.21 (73)
8.88 (14)	8.88 (14)	6.69 (7)	11.29 (4)	19.54 (7)	3.94 (31)	6.27 (22)	6.35 (32)

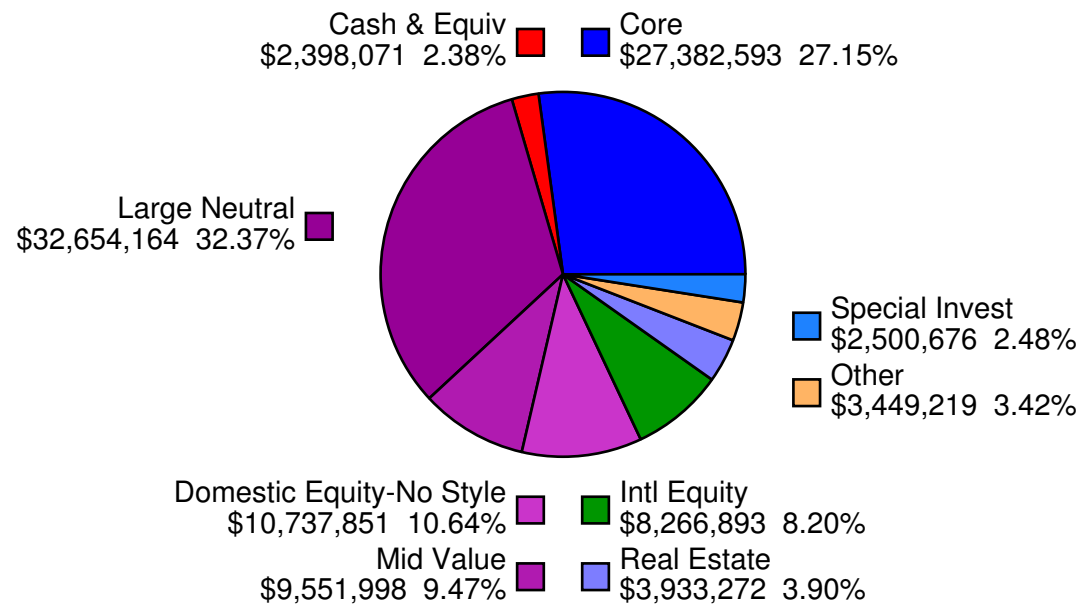
Mobile Police & Firefighters Asset Allocation vs Policy Graph Total Fund As of March 31, 2012



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	52.5	27.1	8.2	2.4	3.9	2.5	3.4

Mobile Police & Firefighters Asset And Policy Allocation Total Fund

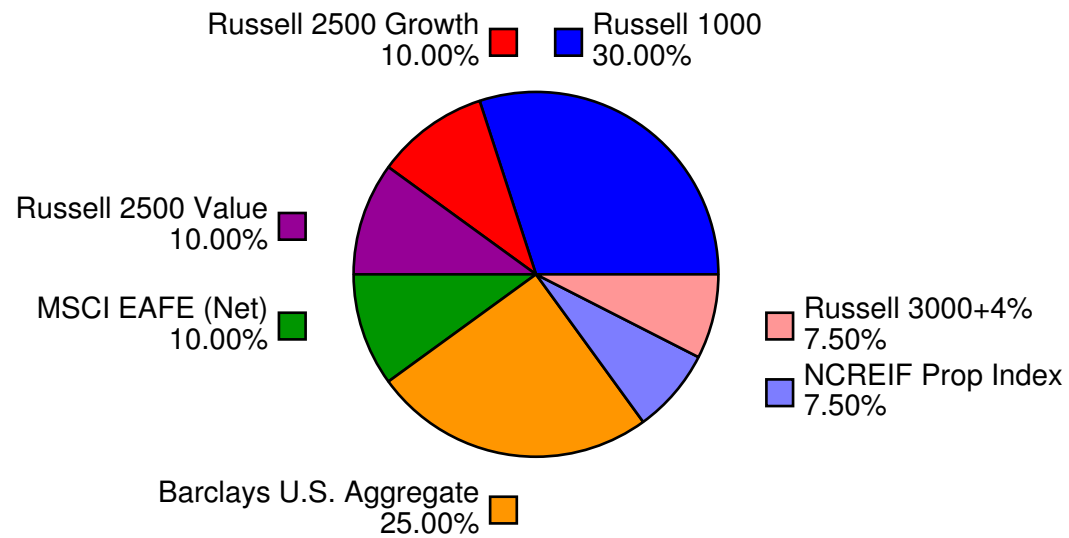
March 31, 2012 \$100,874,736



Mobile Police & Firefighters Asset And Policy Allocation Total Fund

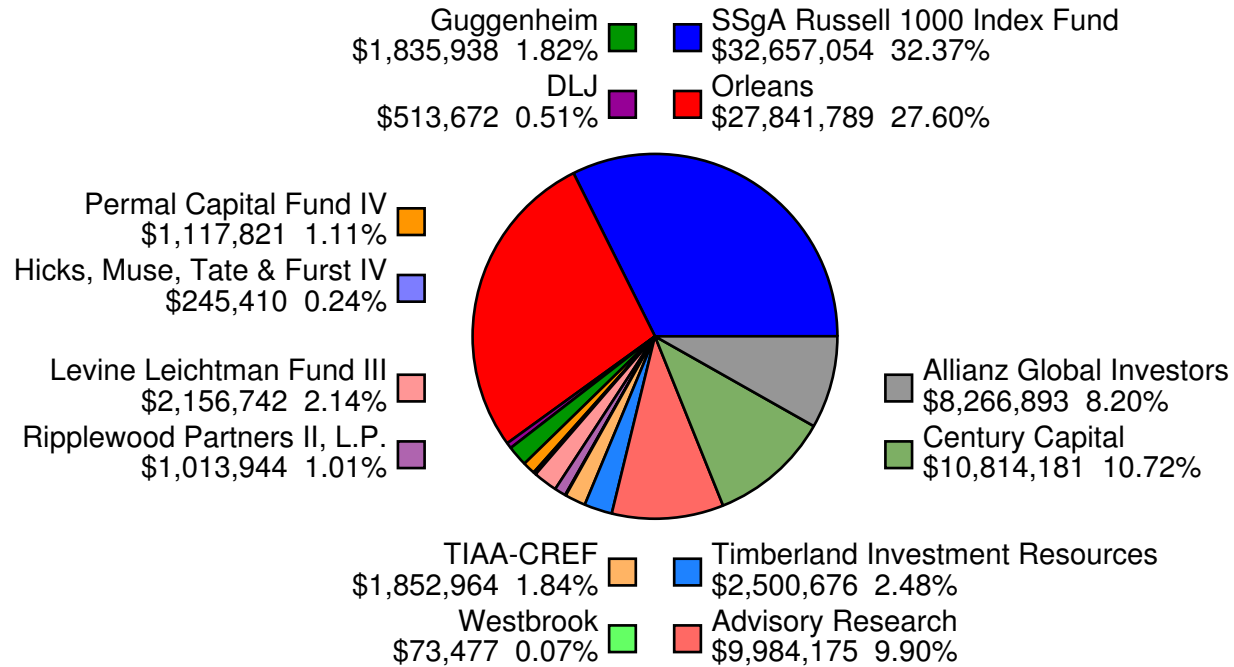
March 31, 2012

Policy Index



Mobile Police & Firefighters Total Fund Allocation By Manager Total Fund

March 31, 2012 \$100,874,736



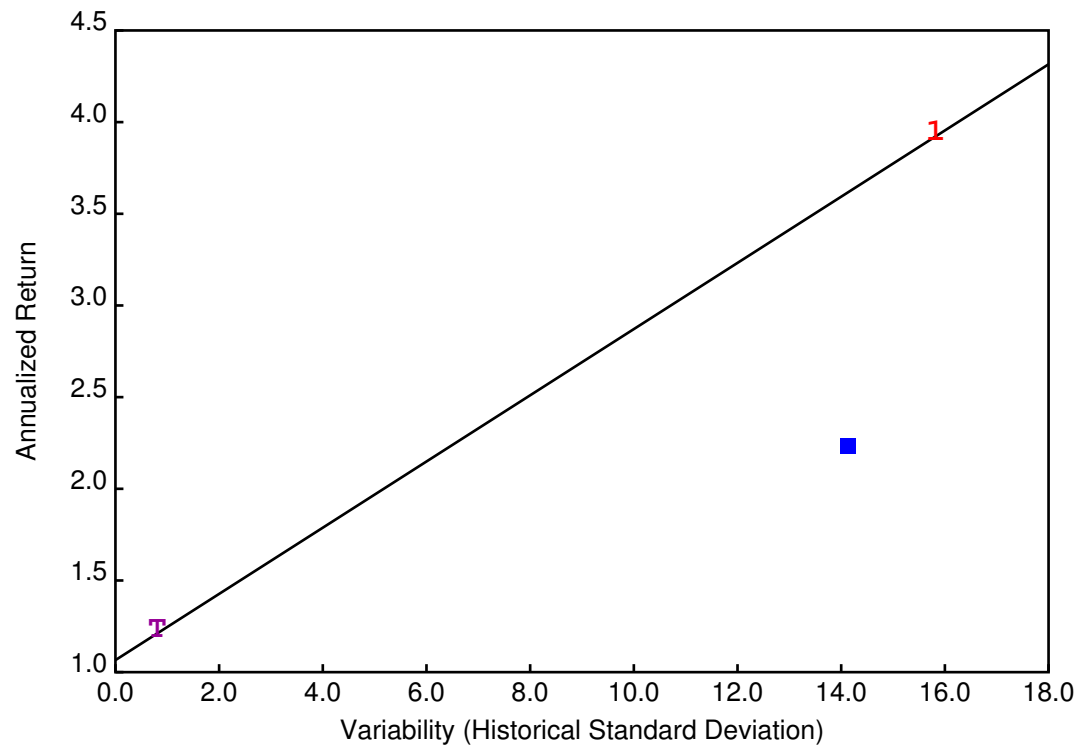
Mobile Police & Firefighters
Sources of Fund Growth
Total Fund
12/31/11 - 3/31/12

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	28,919	0	4	3,742	32,657	12.94	12.92
Advisory Research	8,919	0	20	1,085	9,984	12.17	11.94
Century Capital	9,450	0	21	1,385	10,814	14.68	14.43
Managed Equity	47,288	0	46	6,213	53,455		
Allianz Global Investors	7,333	0	0	933	8,267	12.73	12.73
Int'l Equity	7,333	0	0	933	8,267		
Orleans	27,554	0	8	296	27,842	1.07	1.04
Managed Fixed	27,554	0	8	296	27,842		
DLJ	515	0	1	0	514	0.00	-0.24
Guggenheim	1,769	0	4	71	1,836	4.04	3.79
Westbrook	74	0	0	0	73	0.00	-0.05
TIAA-CREF	1,807	0	5	51	1,853	2.84	2.56
Real Estate	4,164	0	11	123	4,276		
Permal Capital Fund IV	1,118	0	0	0	1,118	0.00	0.00
Hicks, Muse, Tate & Furst IV	245	0	0	0	245	0.00	0.00
Ripplewood Partners II, L.P.	1,043	-11	18	0	1,014	0.00	-1.78
Timberland Investment Resources	2,463	-3	5	46	2,501	1.88	1.67
Special Investments	4,869	-14	24	46	4,878		
Levine Leichtman Fund III	2,157	0	0	0	2,157	0.00	0.00
Other	2,157	0	0	0	2,157		

Mobile Police & Firefighters
Sources of Fund Growth
Total Fund
12/31/11 - 3/31/12

[illegible]

Mobile Police & Firefighters Quarterly Total Return Market Line Analysis Periods from 3/07 to 3/12



	Annualized Return	Variability	Reward	Sharpe Ratio
■ Total Fund	2.23	14.26	1.00	0.07
1 Policy Index	3.94	15.92	2.71	0.17
T 91-Day Treasury Bill	1.23	0.91	0.00	0.00

City of Mobile Police & Firefighters

March 31, 2012

Performance Summary Table
Periods Ending 3/31/12

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	10 Yrs
SSgA Russell 1000 Index Fund							
Total Return	12.94	12.94	7.88	12.20	24.05	2.23	4.59
Total Return (Net of Fees)	12.92	12.92	7.81	12.15	24.01	2.19	
Russell 1000	12.90	12.90	7.87	12.20	24.03	2.18	4.53
Variance	0.04	0.04	0.01	-0.00	0.02	0.04	0.06

SSGA

Russell 1000 Index Fund (Commingled Fund)

OBJECTIVE:

Track the return of the Russell 1000 Index.

STRATEGY:

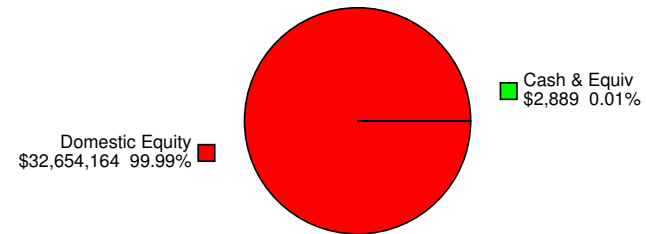
The Fund is managed using a "passive" or "indexing" investment approach, by which SSgA attempts to match, before expenses, the performance of the Index. SSgA will typically attempt to invest in the securities comprising the Index in the same proportions as they are represented in the Index. In some cases, 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

9 bps on first \$30MM
7 bps on next \$30MM
5 bps thereafter

Asset Allocation SSgA Russell 1000 Index Fund

March 31, 2012 \$32,657,054



CONCLUSIONS/RECOMMENDATIONS

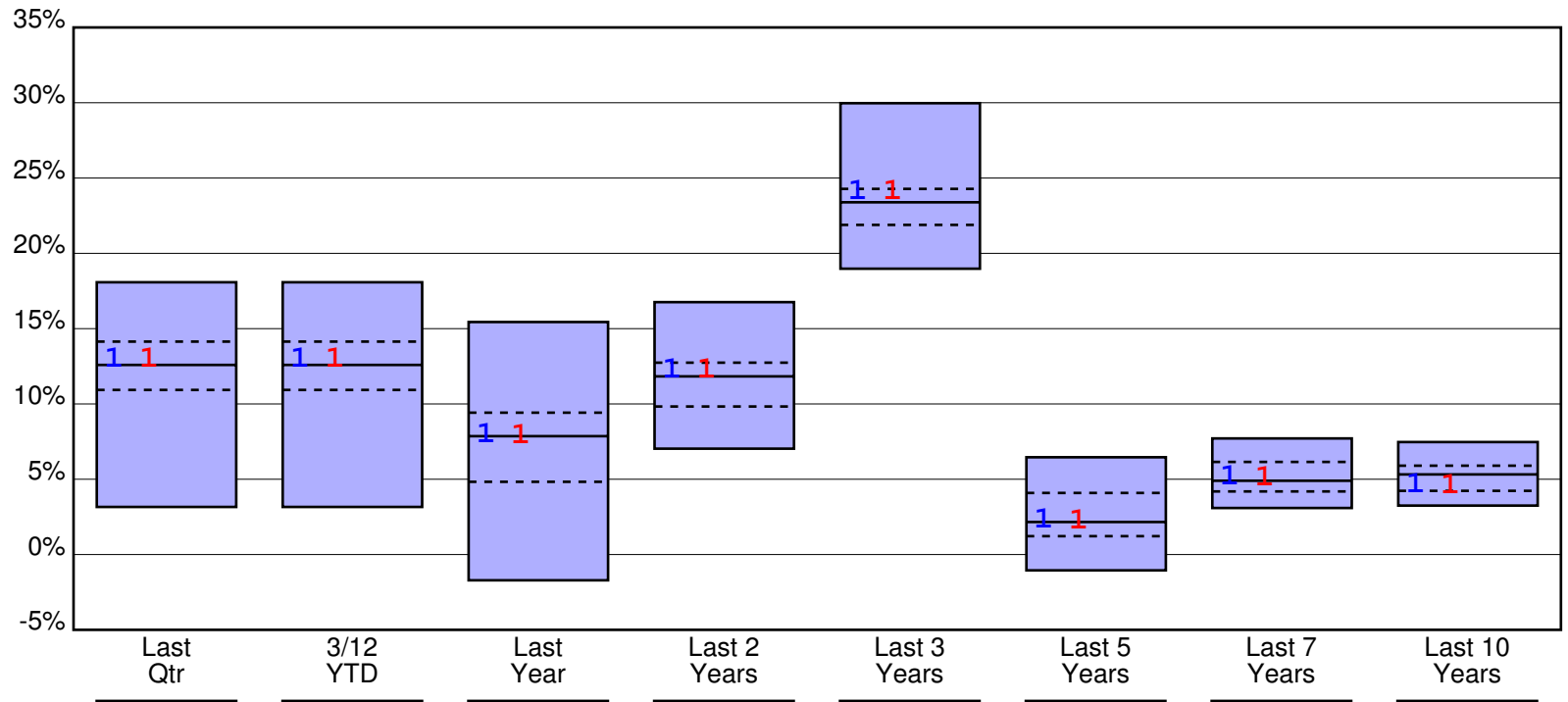
The SSgA Fund performed in line with the Russell 1000 Index during the quarter.

City of Mobile Police & Firefighters

All Large Cap Cumulative Performance Comparisons

Total Returns of Equity Portfolios

Periods Ending 3/12



5th Percentile	18.08	18.08	15.44	16.76	29.97	6.46	7.71	7.47
25th Percentile	14.14	14.14	9.42	12.74	24.28	4.09	6.15	5.90
Median	12.59	12.59	7.86	11.83	23.39	2.16	4.90	5.32
75th Percentile	10.93	10.93	4.83	9.83	21.89	1.22	4.19	4.23
95th Percentile	3.16	3.16	-1.71	7.03	18.98	-1.05	3.09	3.25
1 SSgA Russell 1000 Index Fund	12.94 (37)	12.94 (37)	7.88 (49)	12.20 (35)	24.05 (30)	2.23 (46)	5.10 (44)	4.59 (66)
1 Russell 1000	12.90 (40)	12.90 (40)	7.87 (49)	12.20 (35)	24.03 (30)	2.18 (49)	5.04 (47)	4.53 (68)

City of Mobile Police & Firefighters

March 31, 2012

Performance Summary Table
Periods Ending 3/31/12

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	10 Yrs
Century Capital							
Total Return	14.68	14.68	5.91				
Total Return (Net of Fees)	14.43	14.43	4.99				
Russell 2500 Growth	14.61	14.61	2.70				
Variance	0.06	0.06	3.21				

CENTURY CAPITAL SMID Cap Growth Portfolio (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 Russell 2500 Growth Index over a market cycle. (3-5 years)

STRATEGY:

Century Capital's Investment Philosophy is defined as follows:

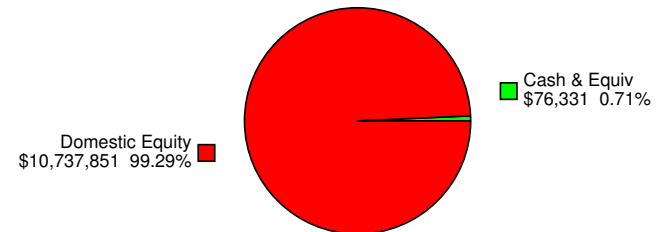
- Capital will flow to areas in the economy where returns on capital are above average and/or rising.
- Small and mid capitalization markets are inefficient, providing opportunities to utilize fundamental, bottom-up research to identify superior growth companies and misvaluations.
- Investing in small and mid capitalization stocks combines the high growth characteristics associated with small cap companies with the higher quality and stability of mid cap companies.

FEE SCHEDULE

88 bps on first \$50MM
80 bps on next \$50MM
75 bps thereafter

Asset Allocation Century Capital

March 31, 2012 \$10,814,181



CONCLUSIONS/RECOMMENDATIONS

Century Capital out performed the Russell 2500 Growth Index by 6 bps and ranked in the 30th percentile of their peer group. The out performance is attributed to good stock selection in Consumer Discretionary, as well as overall sector weighting decisions.

Over the last year, Century Capital out performed the Russell 2500 Growth Index and ranked in the 16th percentile of their peer group.

City of Mobile Police & Firefighters Equity Summary Statistics Century Capital Period Ending 3/12

	Portfolio	Russell 2500 Growth	Ten Largest Holdings	Mkt Value	% of Port	Quarterly Ret
Total Number Of Securities	54	1,438	Tempur Pedic Intl In	287,062	2.67	60.73
Equity Market Value	10,737,851		Cooper Cos Inc	269,643	2.51	15.92
Average Capitalization \$(000)	4,197,818	3,277,933	BE Aerospace Inc	269,526	2.51	20.05
Median Capitalization \$(000)	3,119,865	799,942	Pier I Imports Inc	261,792	2.44	30.51
Equity Segment Yield	0.30	0.76	Akamai Technologies	255,065	2.38	13.69
Equity Segment P/E - Average	22.58	27.87	F5 Networks Inc	249,676	2.33	27.18
Equity Segment P/E - Median	23.90	17.60	Dsw Inc	249,204	2.32	24.22
Equity Segment Beta	1.35	1.25	Moodys Corp	248,390	2.31	25.52
Price/Book Ratio	4.08	3.92	Nxp Semiconductors N	246,143	2.29	73.13
Debt/Equity Ratio	23.45	34.96	Cyberonics Inc	244,032	2.27	13.82
Five Year Earnings Growth	5.68	6.66				

GICS Sectors	Weight		Return		Selection		
	Portfolio	Index	Portfolio	Index	Stock	Sector	Total
Energy	6.57	8.62	0.32	4.65	-0.28	0.21	-0.08
Materials	4.71	7.37	18.82	15.53	0.16	-0.02	0.13
Industrials	14.99	17.36	11.09	12.42	-0.20	0.05	-0.14
Consumer Discretionary	19.14	14.60	22.93	17.48	1.04	0.12	1.17
Consumer Staples	4.19	3.81	24.50	15.57	0.37	0.00	0.38
Health Care	15.48	16.32	6.65	16.73	-1.56	-0.02	-1.58
Financials	6.42	8.25	11.18	11.91	-0.05	0.05	0.00
Information Technology	26.19	21.86	17.14	18.19	-0.28	0.15	-0.13
Telecom. Services	2.32	1.34	27.36	14.50	0.30	-0.00	0.30
Utilities	0.00	0.46		-0.38	0.00	0.07	0.07
	100.00	100.00	14.85	14.73	-0.50	0.62	0.12

Stock Selection Return Attribution

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

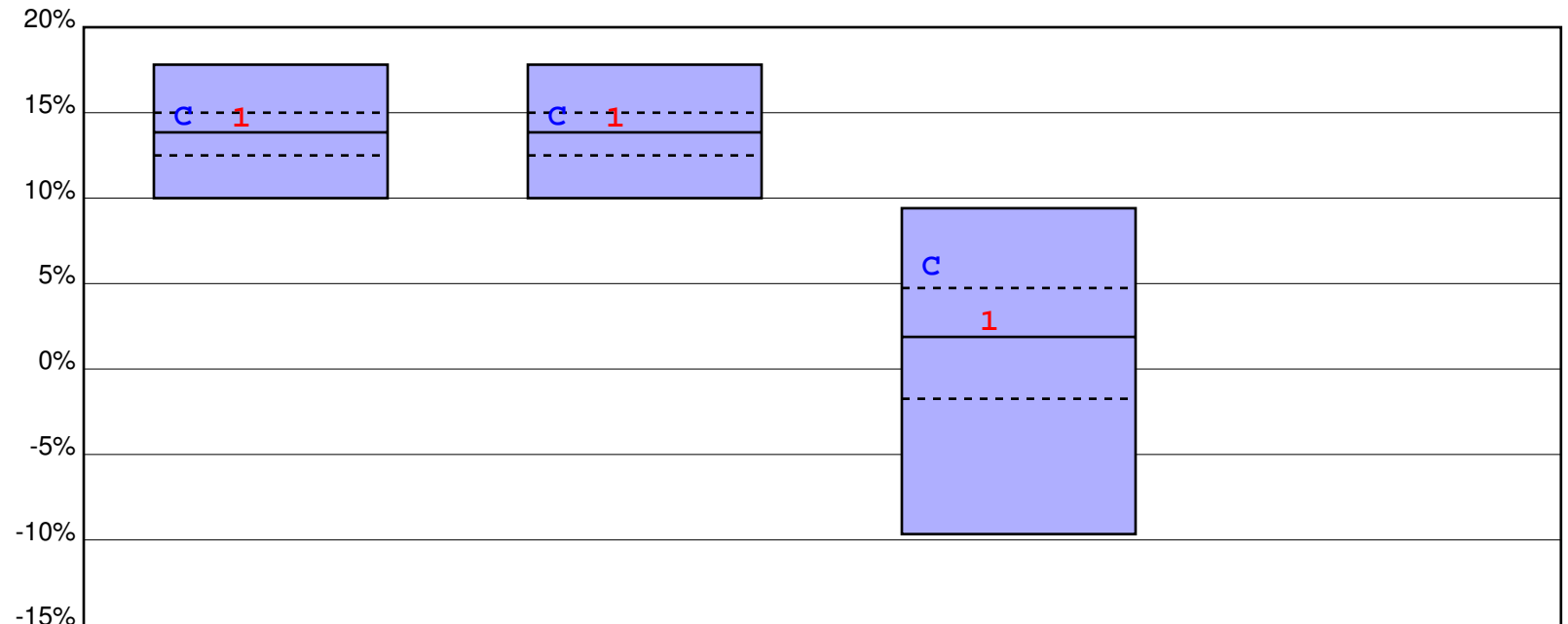
Sector Selection Return Attribution

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

Trading Effect 0.10%

[Actual Return 14.95%] - [Buy Hold Return 14.85%]

City of Mobile Police & Firefighters SMID Growth Cumulative Performance Comparisons Total Returns of Equity Portfolios Periods Ending 3/12



	Last Qtr	3/12 YTD	Last Year
5th Percentile	17.81	17.81	9.41
25th Percentile	15.00	15.00	4.74
Median	13.85	13.85	1.88
75th Percentile	12.50	12.50	-1.74
95th Percentile	10.00	10.00	-9.66
C Century Capital	14.68 (30)	14.68 (30)	5.91 (16)
1 Russell 2500 Growth	14.61 (30)	14.61 (30)	2.70 (40)

City of Mobile Police & Firefighters

March 31, 2012

Performance Summary Table
Periods Ending 3/31/12

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	10 Yrs
Advisory Research							
Total Return	12.17	12.17	8.81	15.19			
Total Return (Net of Fees)	11.94	11.94	7.88	14.21			
Russell 2500 Value	11.52	11.52	0.09	10.81			
Variance	0.65	0.65	8.73	4.38			

ADVISORY RESEARCH SMID Cap Value (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 Russell 2500 Value over a market cycle. (3-5 years)

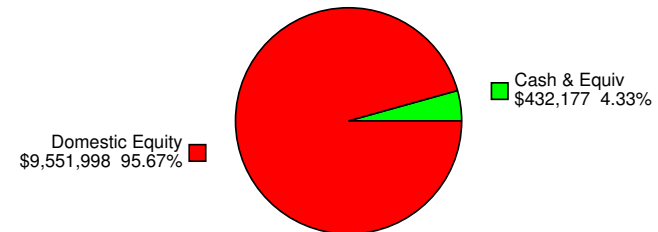
STRATEGY:

Advisory Research's Small/Mid Value Equities Strategy can be categorized as a fundamental and research driven approach to investing in small to mid capitalization value stocks with market caps between \$300 million and \$8 billion. While portfolio valuation metrics consistently reflect a value style, the portfolio is managed under the philosophy that growth and value stocks are not mutually exclusive. Advisory seeks to generate consistent, long-term performance by investing in businesses that have attractive valuations with growth potential and operating/competitive characteristics that provide downside protection. As a result, overall portfolio characteristics are targeted to possess above-average prospects for growth and below-average valuations relative to the Russell 2500 Value Index.

FEE SCHEDULE

90 bps on all assets

Asset Allocation
Advisory Research
March 31, 2012 \$9,984,175



CONCLUSIONS/RECOMMENDATIONS

Advisory Research out performed the Russell 2500 Value Index by 65 basis points during the First Quarter and ranked at the median of their peer group. The out performance is primarily attributed to stock selection in the Financials sector, as well as sector weighting decisions in the Utilities sectors.

Over the past 2 years, the Manager has out performed the Russell 2500 Value Index and ranked in the 19th percentile of their peer universe.

City of Mobile Police & Firefighters

Equity Summary Statistics

Advisory Research

Period Ending 3/12

	Portfolio	Russell 2500 Value	Ten Largest Holdings	Mkt Value	% of Port	Quarterly Ret
Total Number Of Securities	38	1,699	Foot Locker Inc	460,161	4.82	31.12
Equity Market Value	9,551,998		Discover Finl Svcs	410,415	4.30	38.92
Average Capitalization \$(000)	5,420,519	2,737,992	White Mtns Ins Group	378,799	3.97	10.86
Median Capitalization \$(000)	4,095,112	644,191	Plum Creek Timber Co	352,429	3.69	14.92
Equity Segment Yield	1.27	2.10	Spirit Aerosystems H	345,864	3.62	17.71
Equity Segment P/E - Average	19.05	23.47	Pioneer Nat Res Co	340,350	3.57	24.76
Equity Segment P/E - Median	17.53	14.64	Family Dlr Stores In	336,017	3.52	10.15
Equity Segment Beta	1.31	1.21	Trinity Inds Inc	328,182	3.44	9.93
Price/Book Ratio	1.41	1.41	Cit Group Inc	304,764	3.19	18.27
Debt/Equity Ratio	57.71	54.39	Kaiser Aluminum Corp	301,519	3.16	3.53
Five Year Earnings Growth	-5.71	-0.47				

GICS Sectors	Weight		Return		Selection		
	Portfolio	Index	Portfolio	Index	Stock	Sector	Total
Energy	11.79	4.91	-2.80	5.44	-0.97	-0.42	-1.39
Materials	7.34	5.76	8.93	14.62	-0.42	0.05	-0.37
Industrials	13.51	13.98	17.25	13.89	0.45	-0.01	0.44
Consumer Discretionary	19.32	12.76	13.86	16.30	-0.47	0.31	-0.16
Consumer Staples	2.08	3.23	7.98	3.95	0.08	0.09	0.17
Health Care	1.66	5.40	12.21	13.79	-0.03	-0.09	-0.11
Financials	31.91	33.08	16.38	12.25	1.32	-0.01	1.31
Information Technology	8.61	9.55	15.05	16.15	-0.09	-0.04	-0.14
Telecom. Services	0.00	0.69		15.02	0.00	-0.02	-0.02
Utilities	3.79	10.65	-5.13	-1.75	-0.13	0.91	0.78
	100.00	100.00	12.03	11.51	-0.26	0.77	0.51

Stock Selection Return Attribution

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

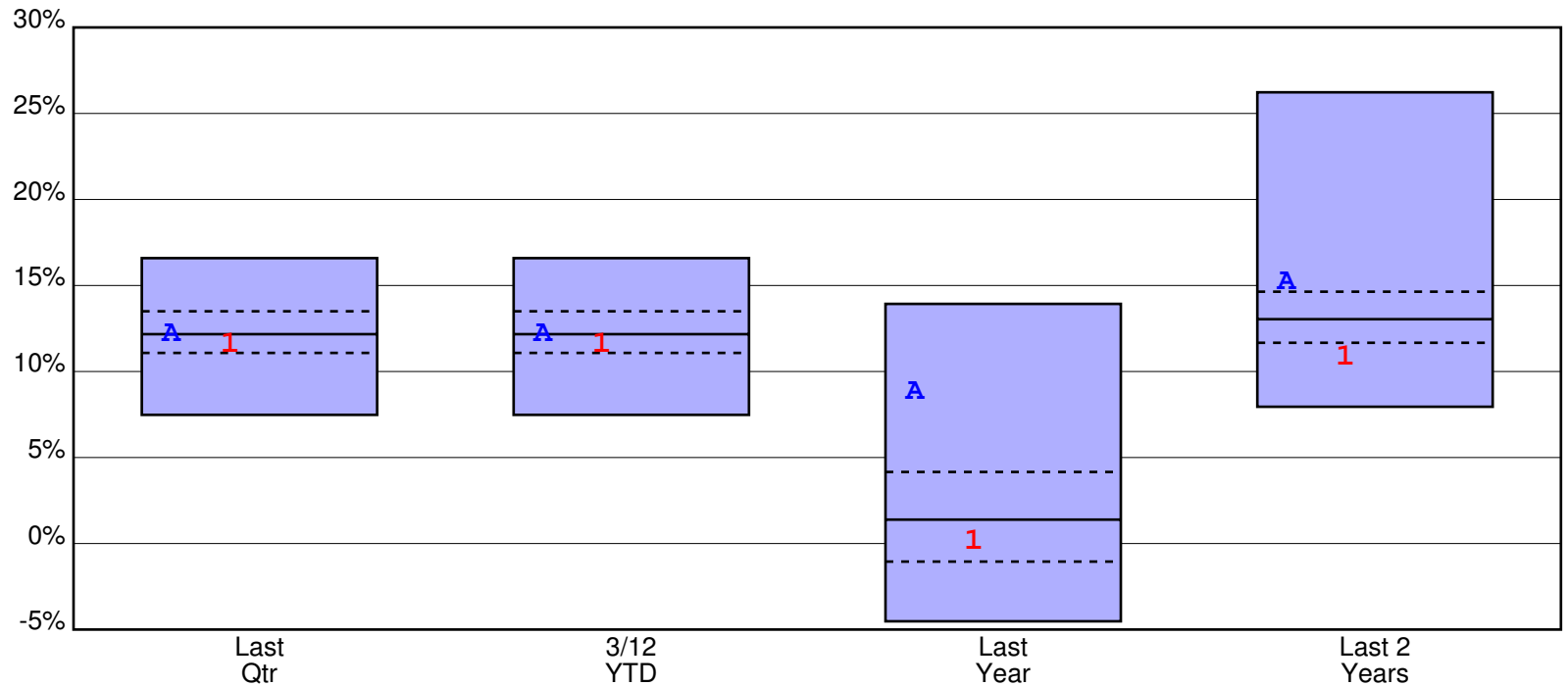
Sector Selection Return Attribution

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

Trading Effect 1.04%

[Actual Return 13.06%] - [Buy Hold Return 12.03%]

City of Mobile Police & Firefighters SMID Value-Neutral Cumulative Performance Comparisons Total Returns of Equity Portfolios Periods Ending 3/12



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

A Advisory Research
1 Russell 2500 Value

City of Mobile Police & Firefighters

March 31, 2012

Performance Summary Table
Periods Ending 3/31/12

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	10 Yrs
Allianz Global Investors							
Total Return	12.73	12.73					
Total Return (Net of Fees)	12.73	12.73					
MSCI ACWI ex US (Net)	11.23	11.23					
Variance	1.50	1.50					

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)

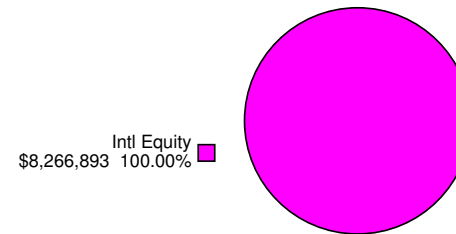
STRATEGY:

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, 2012 \$8,266,893



CONCLUSIONS/RECOMMENDATIONS

Allianz Global Investors out performed the MSCI ACWI ex US (Net) during the 1st Quarter 2012 and ranked in the 33rd percentile of the International Equity Universe. The main driver was stock selection, particularly in the Utilities and Consumer Discretionary sectors.

City of Mobile Police & Firefighters Cumulative Performance Comparison Total Returns of International Equity Portfolios Periods Ending 3/12



5th Percentile	16.40
25th Percentile	13.52
Median	11.93
75th Percentile	10.31
95th Percentile	2.50

a Allianz Global Investors	12.73 (33)
1 MSCI ACWI ex US (Net)	11.23 (62)

City of Mobile Police & Firefighters

March 31, 2012

Performance Summary Table
Periods Ending 3/31/12

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	10 Yrs
Orleans							
Total Return	1.07	1.07	6.08	5.66	7.86	6.50	
Total Return (Net of Fees)	1.04	1.04	5.95	5.54	7.74	6.38	
Barclays Int Govt/Credit	0.61	0.61	6.09	5.36	5.87	5.68	
Variance	0.47	0.47	-0.01	0.30	1.98	0.83	
Barclays U.S. Aggregate	0.30	0.30	7.72	6.41	6.84	6.25	

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.

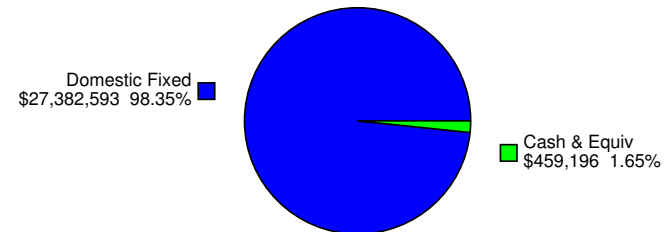
FEE SCHEDULE

15 bps on first \$10MM

10 bps thereafter

Asset Allocation Orleans

March 31, 2012 \$27,841,789



CONCLUSIONS/RECOMMENDATIONS

Orleans out performed the Barclays Int. Govt/Credit Index and the Barclay's U.S. Aggregate Index. Manager ranked in the 48th percentile of the Fixed Income Universe during the quarter.

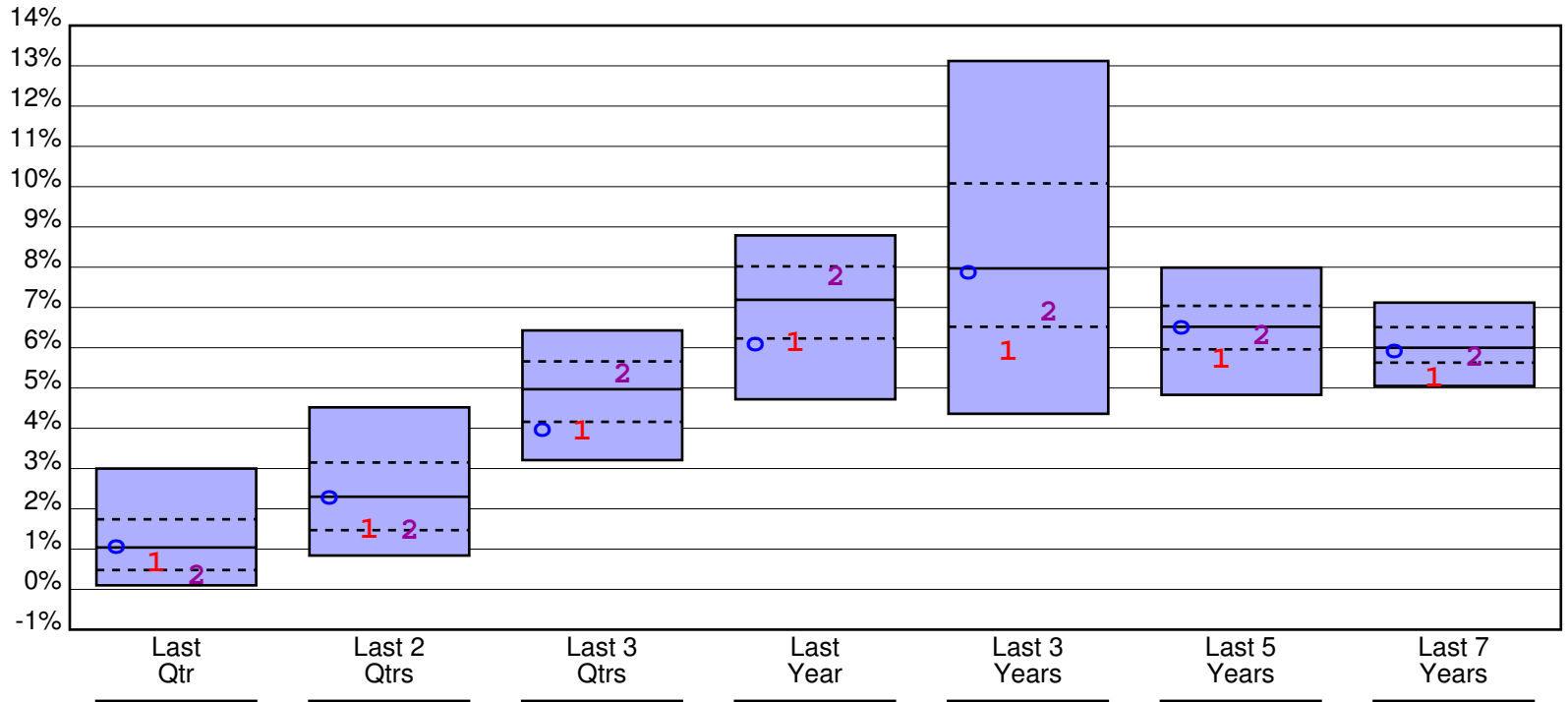
In all periods greater than two years, the manager has out performed the Barclays Int. Govt/Credit Index and the Barclay's U.S. Aggregate Index. Over the past seven years, manager ranks in the 57th percentile of the Fixed Income Universe.

City of Mobile Police & Firefighters

Intermediate Term Cumulative Performance Comparisons

Total Returns of Fixed Income Portfolios

Periods Ending 3/12

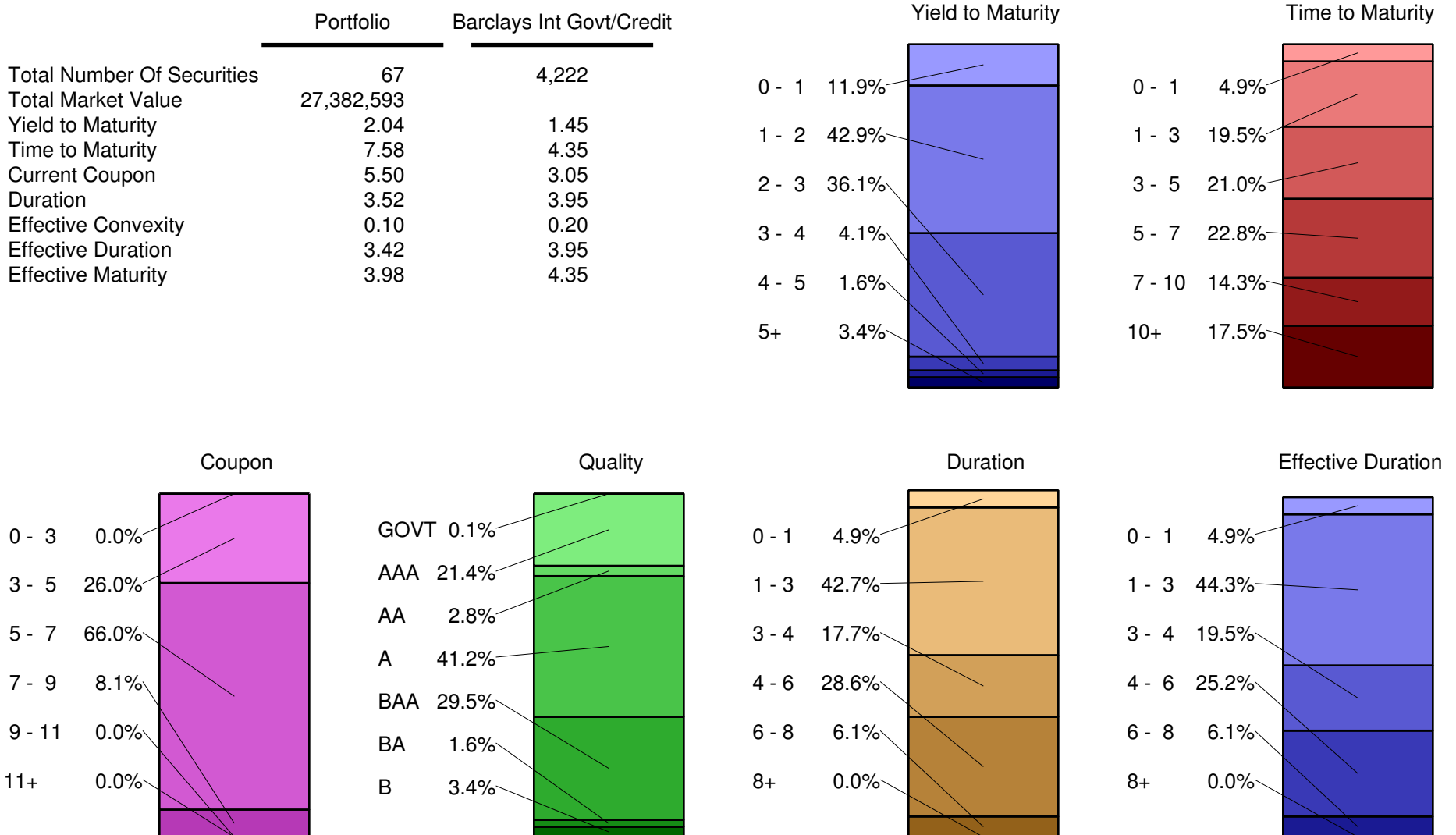


5th Percentile
25th Percentile
Median
75th Percentile
95th Percentile

Last Qtr	Last 2 Qtrs	Last 3 Qtrs	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
3.00	4.52	6.43	8.79	13.12	7.99	7.12
1.74	3.15	5.66	8.02	10.08	7.04	6.51
1.04	2.30	4.97	7.19	7.97	6.52	6.00
0.48	1.47	4.16	6.23	6.52	5.96	5.63
0.10	0.84	3.21	4.72	4.36	4.83	5.05

Orleans	1.07 (48)	2.27 (52)	3.97 (81)	6.08 (78)	7.86 (51)	6.50 (51)	5.91 (57)
Barclays Int Govt/Credit	0.61 (68)	1.46 (75)	3.89 (82)	6.09 (77)	5.87 (86)	5.68 (84)	5.22 (89)
Barclays U.S. Aggregate	0.30 (85)	1.43 (78)	5.30 (37)	7.72 (37)	6.84 (69)	6.25 (68)	5.72 (73)

City of Mobile Police & Firefighters Fixed Income, Mortgage and Municipals Summary Statistics Orleans Quarter Ending 3/12



City of Mobile Police & Firefighters

March 31, 2012

Performance Summary Table Periods Ending 3/31/12

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.

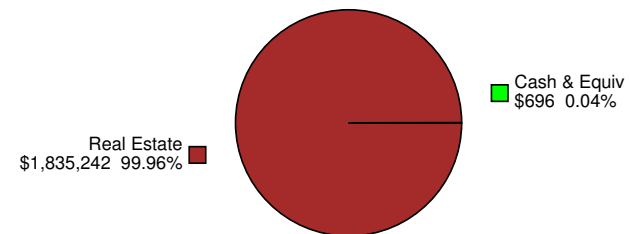
Private investments consist of direct properties (31 investments), mezzanine financing (8 investments), and 7 fund investments (in order to take advantage of market pricing and portfolio diversification).

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, 2012 \$1,835,938

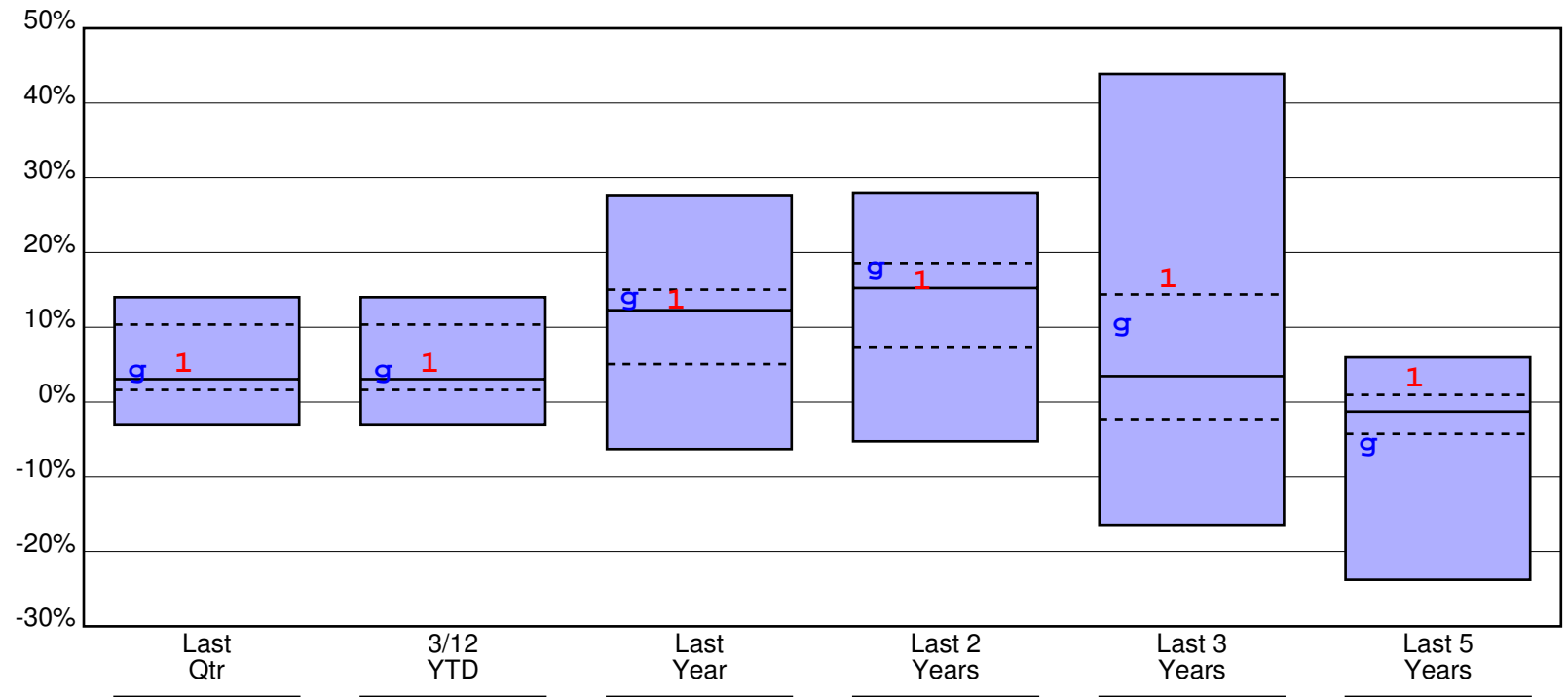


CONCLUSIONS/RECOMMENDATIONS

Guggenheim under performed the blended benchmark consisting of 70% NCREIF/30% NAREIT but ranked in the 37th percentile of their peer group.

Long term, manager trails performance expectations, primarily due to current conditions within the Real Estate marketplace.

City of Mobile Police & Firefighters Cumulative Performance Comparison Total Returns of Real Estate Portfolios Periods Ending 3/12



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

Last Qtr	3/12 YTD	Last Year	Last 2 Years	Last 3 Years	Last 5 Years
14.02	14.02	27.67	28.00	43.88	5.98
10.36	10.36	15.03	18.57	14.39	0.96
3.06	3.06	12.28	15.24	3.46	-1.27
1.62	1.62	5.07	7.39	-2.28	-4.26
-3.09	-3.09	-6.29	-5.25	-16.43	-23.78
4.04 (37)	4.04 (37)	13.74 (33)	17.81 (31)	10.26 (27)	-5.72 (78)
4.94 (34)	4.94 (34)	13.35 (37)	15.96 (44)	16.32 (23)	2.98 (10)

g Guggenheim

1 70% NCREIF / 30% NAREIT

City of Mobile Police & Firefighters

March 31, 2012

DLJ REAL ESTATE CAPITAL PARTNERS FUND II Real Estate

OBJECTIVE

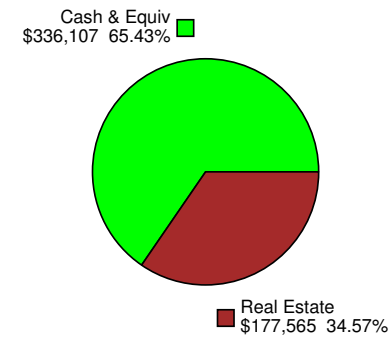
Manager is expected to out perform the NCREIF Index.

CONCLUSIONS/RECOMMENDATIONS

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

Asset Allocation DLJ

March 31, 2012 \$513,672



City of Mobile Police & Firefighters
Internal Rate of Return Table
DLJ
March 31, 2012

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
9/99		284,105	0		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

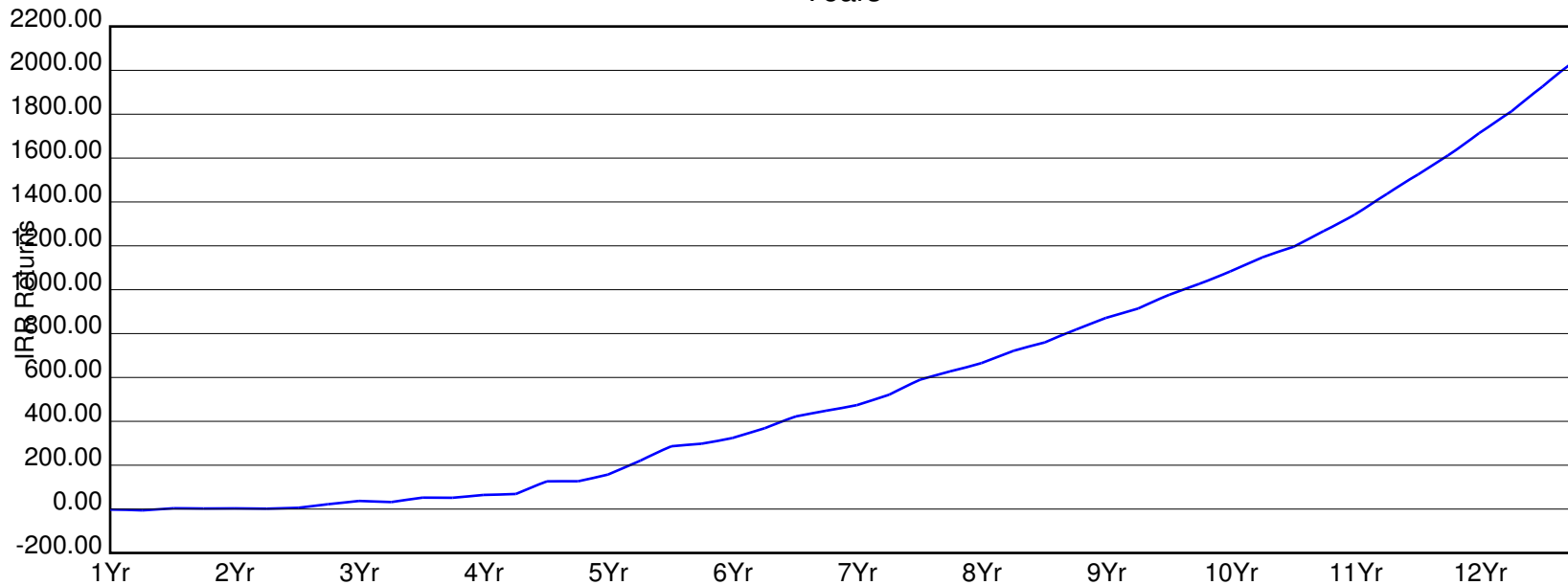
City of Mobile Police & Firefighters
Internal Rate of Return Table
DLJ
March 31, 2012

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, 2012

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	20	0	1,259	513,672	2,037.96	27.70
Total		2,645,954	3,719,237	1,816,995	57,226	172,814	513,672	2,037.96	27.70

City of Mobile Police & Firefighters
J-Curve Graph
DLJ
3/31/00 - 3/31/12
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
Total	2,645,954	3,719,237	57,226	172,814		

City of Mobile Police & Firefighters

March 31, 2012

Performance Summary Table
Periods Ending 3/31/12

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	10 Yrs
TIAA-CREF							
Total Return	2.84	2.84	9.72	14.64	-3.83		
Total Return (Net of Fees)	2.56	2.56	8.53	13.41	-4.91		
NCREIF Prop Index	2.59	2.59	13.41	14.71	5.96		
Variance	0.25	0.25	-3.69	-0.07	-9.79		

TIAA-CREF CORE PROPERTY FUND

Real Estate - Open-ended, Core Style

OBJECTIVE

Manager is expected to outperform the NCREIF Index.

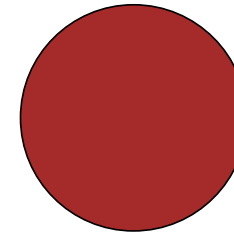
STRATEGIES

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, 2012 \$1,852,964

Real Estate
\$1,852,964 100.00%



CONCLUSIONS/RECOMMENDATIONS

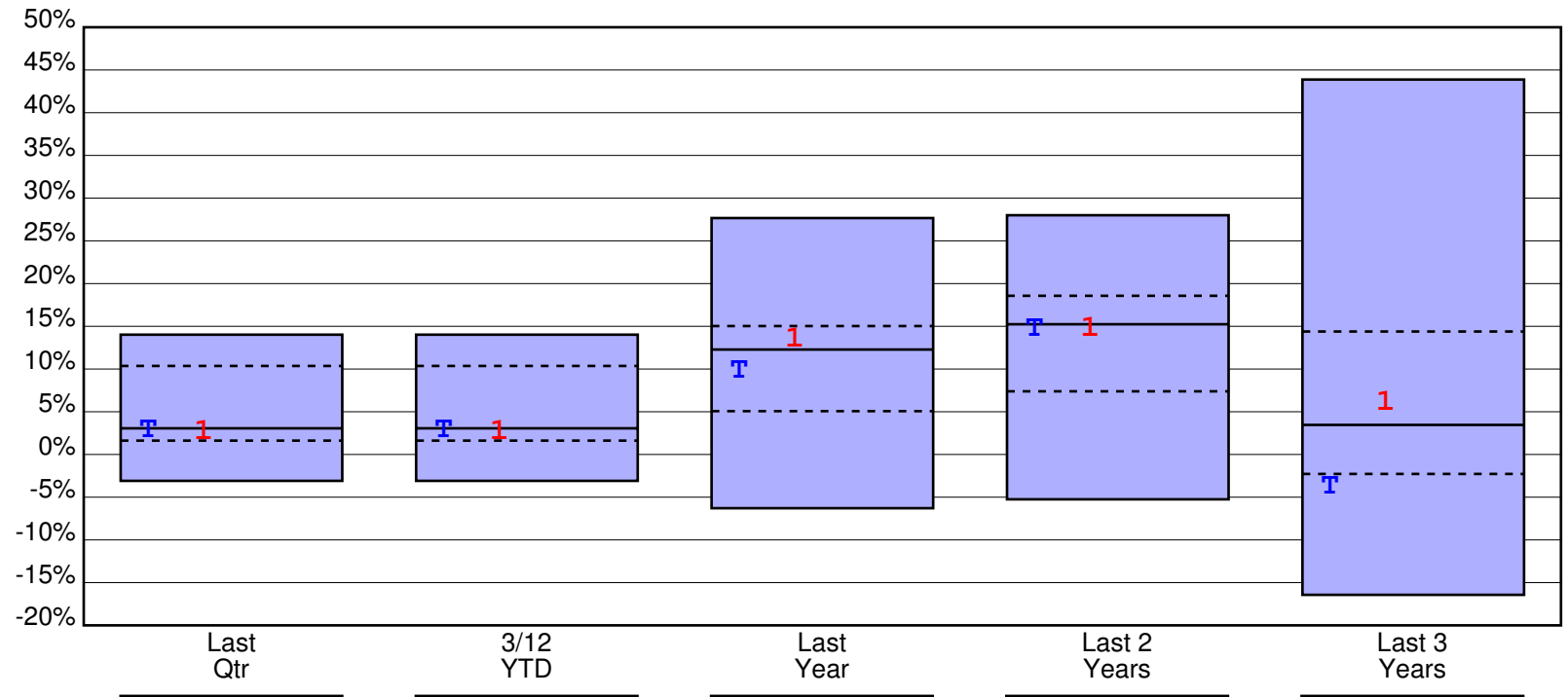
During the First Quarter 2012, TIAA-CREF out performed the NCREIF Property Index by 25 basis points. Their performance placed them in the 56th percentile of their peer universe.

Long term, manager trails performance expectations, primarily due to current conditions within the Real Estate marketplace.

FEE SCHEDULE

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

City of Mobile Police & Firefighters Cumulative Performance Comparison Total Returns of Real Estate Portfolios Periods Ending 3/12



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

14.02
10.36
3.06
1.62
-3.09

14.02
10.36
3.06
1.62
-3.09

27.67
15.03
12.28
5.07
-6.29

28.00
18.57
15.24
7.39
-5.25

43.88
14.39
3.46
-2.28
-16.43

T TIAA-CREF
1 NCREIF Prop Index

2.84 (56)
2.59 (62)

2.84 (56)
2.59 (62)

9.72 (61)
13.41 (37)

14.64 (51)
14.71 (51)

-3.83 (79)
5.96 (35)

City of Mobile Police & Firefighters

March 31, 2012

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

Initial Closing on August 7, 1998

OBJECTIVE

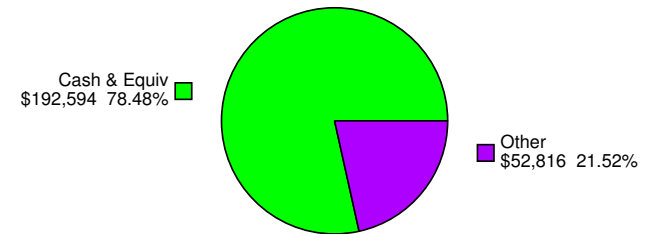
The manager needs to achieve a return of 400 basis points above the Russell 3000 index on an annual basis.

CONCLUSIONS/RECOMMENDATIONS

Hicks, Muse, Tate & Furst IV values and performance has not been updated through the Fourth Quarter of 2011. The manager's performance will be included in subsequent reports.

Fund Term has expired and HMTF is in the final phase of completing disposition final investments.

Asset Allocation
Hicks, Muse, Tate & Furst IV
March 31, 2012 \$245,410



City of Mobile Police & Firefighters
Internal Rate of Return Table
Hicks, Muse, Tate & Furst IV
March 31, 2012

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
9/98		930,532	64,711		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, 2012

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, 2012

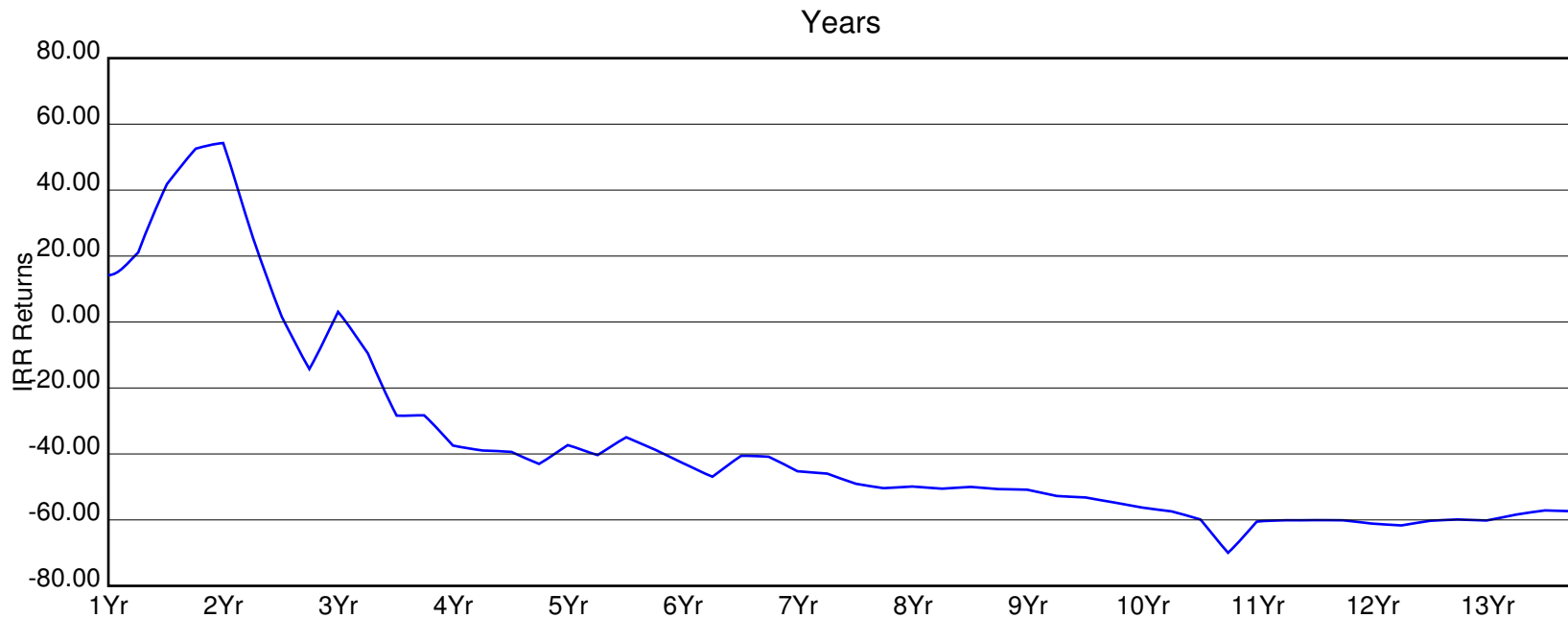
Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
9/10	189,496	0	0	-1,792	0	0	187,704	-61.67	-7.65
12/10	187,704	0	0	16,585	0	0	204,289	-60.27	-7.23
3/11	204,289	0	0	6,870	0	0	211,159	-59.86	-7.02
6/11	211,159	1	0	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
Total		2,415,558	1,536,951	-588,941	0	44,256	245,410	-57.38	-6.10

City of Mobile Police & Firefighters

J-Curve Graph

Hicks, Muse, Tate & Furst IV

3/31/99 - 3/31/12



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
Total	2,415,558	1,536,951	27	44,256		

City of Mobile Police & Firefighters

March 31, 2012

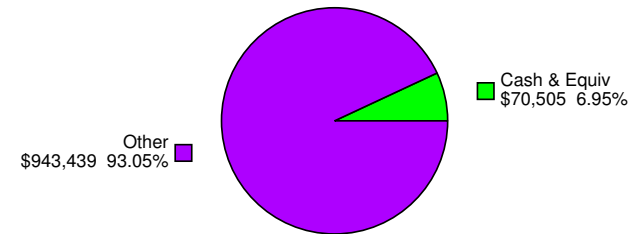
RIPPLEWOOD PARTNERS II **Private Equity**

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, 2012 \$1,013,944



CONCLUSIONS/RECOMMENDATIONS

Ripplewood Fund II values and performance has not been updated through the First Quarter of 2012. The manager's performance will be included in subsequent reports.

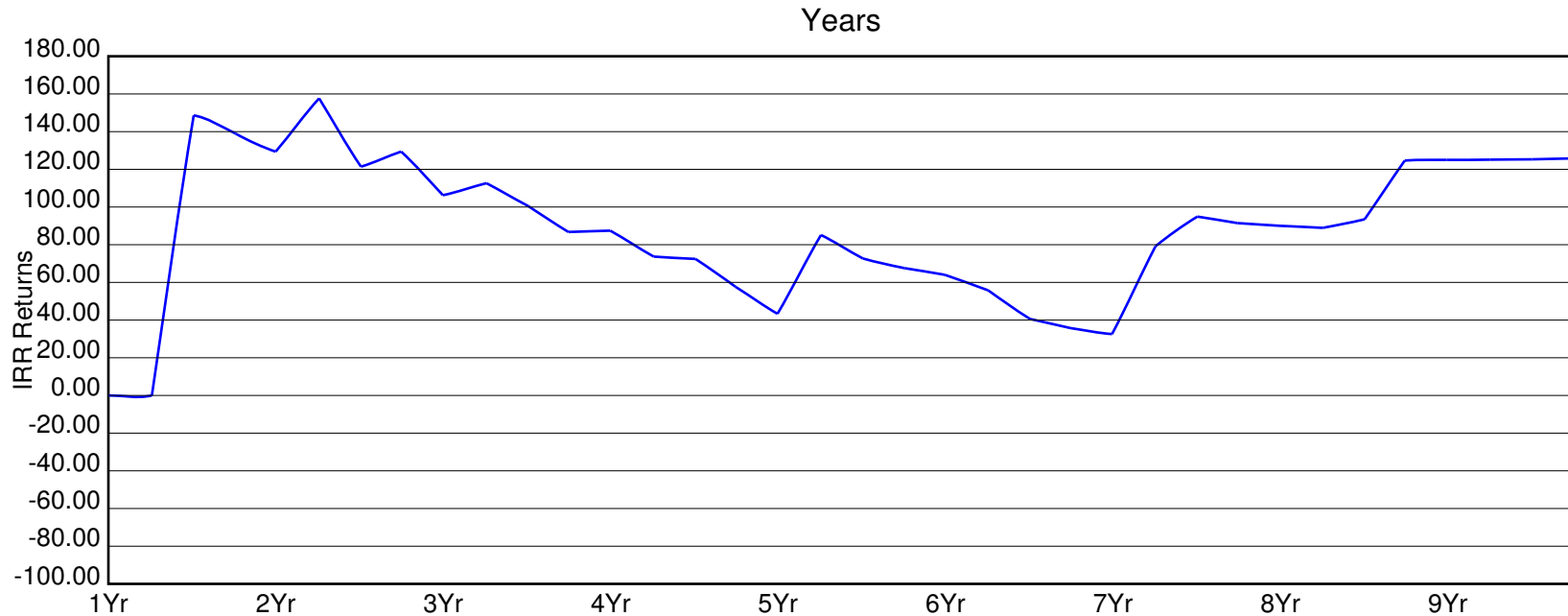
City of Mobile Police & Firefighters
Internal Rate of Return Table
Ripplewood Partners II, L.P.
March 31, 2012

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, 2012

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	5	10,805	18,434	1,013,944	125.80	8.89
Total		2,608,181	2,132,403	709,584	41,819	129,599	1,013,944	125.80	8.89

City of Mobile Police & Firefighters
J-Curve Graph
Ripplewood Partners II, L.P.
3/31/03 - 3/31/12



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
Total	2,608,181	2,132,403	41,819	129,599		
Total Capital Commitment:		2,000,000	Vintage Year: 2002			

City of Mobile Police & Firefighters

March 31, 2012

LEVINE LEICHTMAN CAPITAL PARTNERS III Private Equity

OBJECTIVE

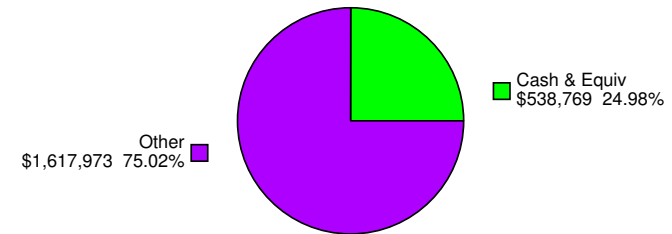
The manager needs to achieve a return of 400 basis points above the Russell 3000 index on an annual basis.

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.

- Fund Scheduled for termination Oct. 18, 2012, but can extend by two one-year terms

Asset Allocation
Levine Leichtman Fund III
March 31, 2012 \$2,156,742



CONCLUSIONS/RECOMMENDATIONS

Levine Leichtman Fund III values and performance has not been updated through the First Quarter of 2012. The manager's performance will be included in subsequent reports.

City of Mobile Police & Firefighters
Internal Rate of Return Table
Levine Leichtman Fund III
March 31, 2012

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
12/07		2,301,943	0		0	0	2,301,943	0.00	NA
3/08	2,301,943	0	0	3,537	0	0	2,305,480	0.15	NA
6/08	2,305,480	61,331	86,896	258,643	0	23,791	2,514,767	11.41	NA
9/08	2,514,767	159,048	127,160	187,405	0	27,512	2,706,548	19.68	NA
12/08	2,706,548	276,909	576,611	-239,850	0	2,243	2,164,753	9.26	9.03
3/09	2,164,753	132,862	41,246	20,748	0	4,555	2,272,561	10.42	8.11
6/09	2,272,561	153,690	156,567	38,060	0	9,691	2,298,053	12.32	7.94
9/09	2,298,053	12,373	44,741	-141,895	0	4,013	2,119,778	5.87	3.27
12/09	2,119,778	45,936	39,809	66,044	0	3,850	2,188,099	9.01	4.35
3/10	2,188,099	15,380	58,311	98,761	0	6,994	2,236,934	13.73	5.83
6/10	2,236,934	80,588	124,359	33,563	0	7,776	2,218,951	15.40	5.85
9/10	2,218,951	60,133	38,419	222,873	0	7,564	2,455,973	26.15	8.74
12/10	2,455,973	11,929	313,708	44,815	0	13,895	2,185,115	28.53	8.65
3/11	2,185,115	40,446	57,598	61,531	0	6,948	2,222,546	31.99	8.86
6/11	2,222,546	19,895	148,327	-1,336	0	19,972	2,072,806	32.43	8.30
9/11	2,072,806	0	0	-37,872	0	0	2,034,933	31.11	7.44
12/11	2,034,933	0	0	135,219	0	13,442	2,156,711	38.49	8.43
3/12	2,156,711	0	0	31	0	0	2,156,742	39.05	8.02
Total		3,372,463	1,813,752	750,277	0	152,246	2,156,742	39.05	8.02

City of Mobile Police & Firefighters

March 31, 2012

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.

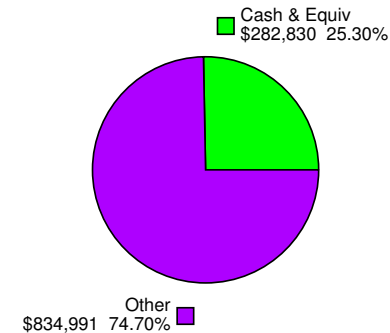
Seek out opportunities to invest in core managers, emerging managers, and secondary opportunities.

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, 2012 \$1,117,821



CONCLUSIONS/RECOMMENDATIONS

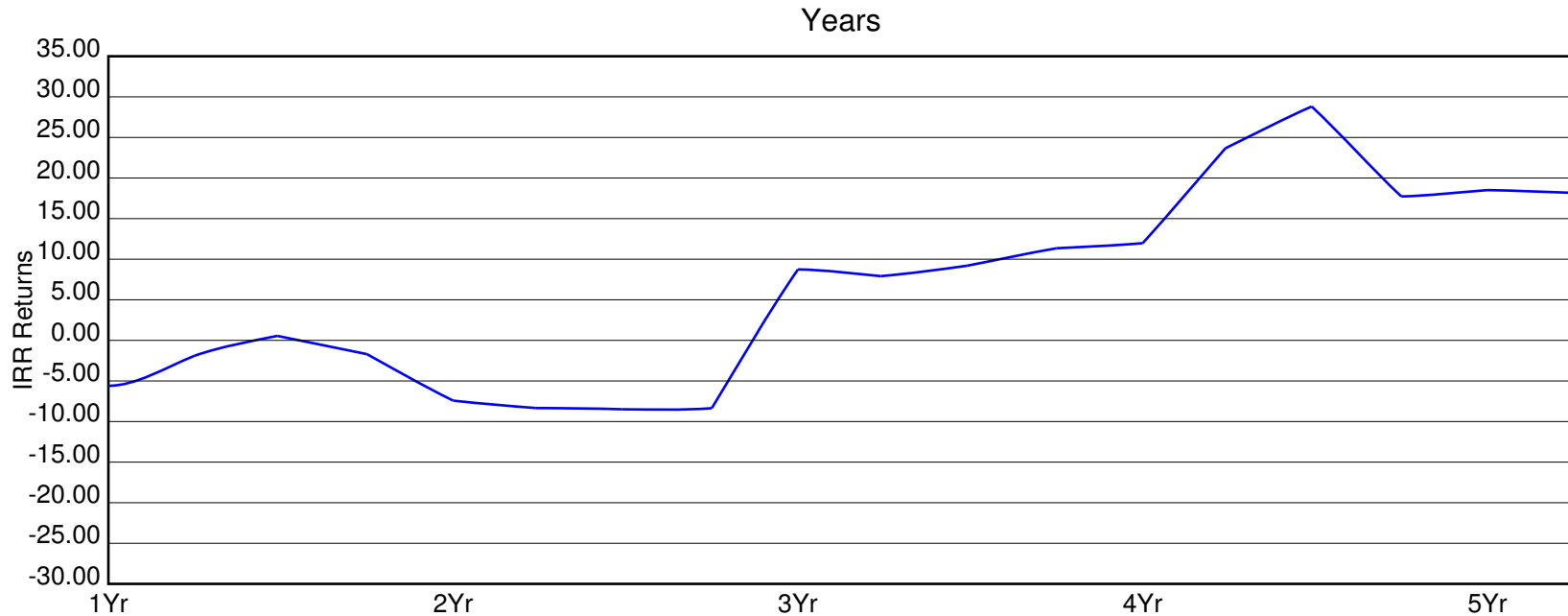
As of the end of 1st Quarter 2012 Permal has returned an annualized 3.26% in the fund since inception.

Since its inception in the 3rd Quarter 2007, the fund has experienced an appreciation of \$130,008.

City of Mobile Police & Firefighters
Internal Rate of Return Table
Permal Capital Fund IV
March 31, 2012

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
3/07		200,000	0		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	17	0	0	1,117,821	18.17	3.26
Total		1,237,972	169,077	130,008	21,082	60,000	1,117,821	18.17	3.26

City of Mobile Police & Firefighters
J-Curve Graph
Permal Capital Fund IV
9/30/07 - 3/31/12



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		
Total	1,237,972	169,077	21,082	60,000		

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

City of Mobile Police & Firefighters

March 31, 2012

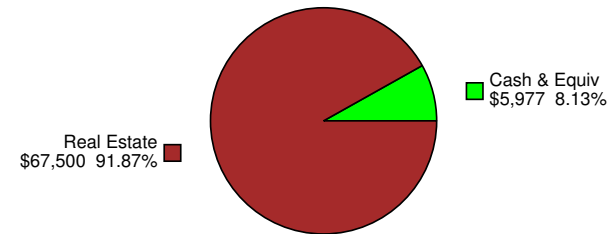
WESTBROOK REAL ESTATE FUND III

Real Estate

OBJECTIVE

Manager is expected to outperform the NCREIF Index.

Asset Allocation
Westbrook
March 31, 2012 \$73,477



CONCLUSIONS/RECOMMENDATIONS

Westbrook values and performance has not been updated through the First Quarter of 2012.

Fund Term expired on June 10, 2008 and the fund is in the final phase of completing dispositions.

City of Mobile Police & Firefighters

March 31, 2012

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

OBJECTIVE

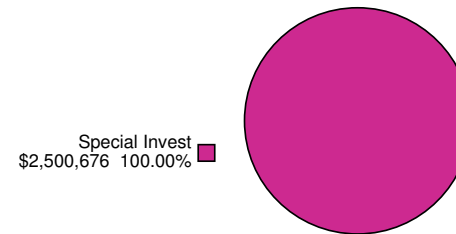
Manager is expected to outperform the NCREIF Timber Index.

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, 2012 \$2,500,676



CONCLUSIONS/RECOMMENDATIONS

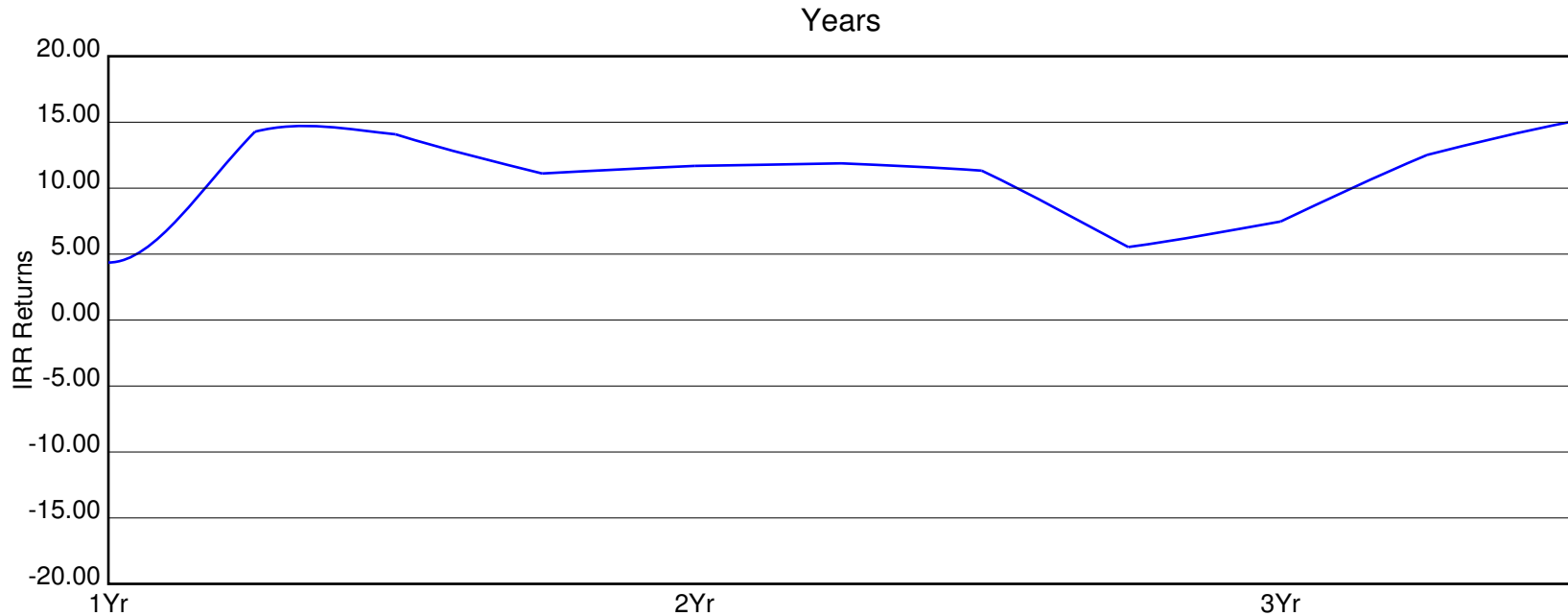
As of the end of 1st Quarter 2012 Timberland Investment Resources has returned an annualized 4.30% in the fund since inception.

Since its inception in the 4th Quarter 2008, the fund has experienced an appreciation of \$235,083.

City of Mobile Police & Firefighters
Internal Rate of Return Table
Timberland Investment Resources
March 31, 2012

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
12/08		967,502	0		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
Total		2,347,065	0	235,083	33,889	47,583	2,500,676	15.07	4.30

City of Mobile Police & Firefighters
J-Curve Graph
Timberland Investment Resources
6/30/09 - 3/31/12



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
Total	2,347,065	0	33,889	47,583		

DEFINITION OF INDICES

APPENDIX A

ASSET ALLOCATION	TARGET
LargeCap Equity	30.0 %
SmidCap Growth Equity	10.0 %
SmidCap Value Equity	10.0 %
International Equity	10.0 %
Fixed Income	25.0 %
Alternative Investments	15.0 %
Cash & Cash Equivalents	0 %

Indices used to calculate target and actual benchmarks:

Domestic Equity	Russell 1000 Index, Russell 2500 Growth, Russell 2500 Value
International Equity	MSCI EAFE Net Dividend Index
Fixed Income	Barclays Aggregate Bond Index
Alternative Investments	Russell 3000 + 4%, NCREIF Prop 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	Domestic	Style				
		Growth	Core	Value	Quantitative	Index
		Large	SSgA			
		Medium	Century	Advisory Research		
		Small	Century	Advisory Research		
International	Domestic	Venture Capital				
		Large		Allianz		
		Small				
O t h e r	Domestic	Private Equity	Permal	Ripplewood	Levine Leichtman	HM Capital
		Real Estate	Westbrook		Guggenheim	DLJ TIAA-CREF
		Timber	Timberland Investment Resources			

FIXED INCOME

C A P I T A L I Z A T I O N	Domestic	Style			
		Rate	Maturity Differential	Core	Sector Allocation
		U.S. Gov't	Orleans		Orleans
		Mortgage	Orleans		Orleans
		Asset Backed	Orleans		Orleans
Other	Domestic	Corporate	Orleans		Orleans
		Foreign / Yankee	Orleans		Orleans
		High Yield			