

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

**PERFORMANCE REPORT
PERIOD ENDING
MARCH 31, 2013**

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GRAY & COMPANY

CAPITAL MARKET REVIEW

First Quarter 2013

CAPITAL MARKET HEADLINES

The Fixed Income Conundrum

Return expectations for the global fixed income markets are very weak due to the historic low level of yields. For example, in March the Barclays Capital U.S. Aggregate Bond Index had a yield to maturity below 2%. These low yields force investors to make difficult decisions.

The low/negative return expectations for fixed income compels investors to evaluate the appropriate fixed income allocation. Weak returns from the fixed income allocation increases the burden on the other components of the portfolio to achieve return objectives (see Necessary Performance to Offset Fixed Income Losses table). Investors must weigh the potential lack of return from fixed income against the downside protection fixed income offers during periods of equity market weakness (see Historical Performance - Stress Test table).

Within the fixed income allocation, investors may elect to reach for additional yield to in an effort to generate higher returns. This may be accomplished by increasing allocations to lower quality issues, extending the duration of the portfolio, and broadening the fixed income mandate. However, these options carry risks. Below investment grade securities tend to have higher default rate and a strong correlation to the equity markets. Longer duration portfolios are subject to greater interest rate risk and suffer greater losses in the event interest rates rise. Broader mandates may introduce liquidity risk, currency risk, and other risk factors. Active management in core, core plus, and global fixed income strategies offer investors the opportunity to achieve higher returns than the provided by the market indexes.

To compensate for the weak returns from fixed income, investors may review the other portfolio allocations in search for higher returning or uncorrelated strategies. Small/micro capitalization stocks provide the greatest potential for alpha in the traditional equity asset class. Real estate currently offers an attractive yield advantage in comparison to fixed income and the opportunity for property appreciation. Hedge fund strategies invest across asset classes and may generate positive returns regardless of market direction. Private equity includes fixed income and equity strategies and the prospect of out-sized returns; ; however, the asset class comes with wide dispersions in manager returns and illiquidity. Other asset classes that may be considered include infrastructure, timberlands, agriculture, real assets, commodities, and others.

Investors should carefully review the risks associated with each asset class

Necessary Performance to Offset Fixed Income Losses / 8.0% Target Return

Fixed Income Allocation	2.5% Loss from Fixed Income	5.0% Loss from Fixed Income
50% Fixed Income	18.5%	21.0%
40% Fixed Income	15.0%	16.7%
30% Fixed Income	12.5%	13.6%
20% Fixed Income	10.6%	11.3%
10% Fixed Income	9.2%	9.4%

Historical Performance - Stress Test

(cumulative returns)

Allocation	Tech Bubble (2Q 2000 - 3Q 2002)	Credit Crisis (4Q 2007 - 1Q 2009)
50% FI / 50% EQ	-7.6%	18.6%
40% FI / 60% EQ	-14.8%	-24.1%
30% FI / 70% EQ	-22.1%	-29.5%
20% FI / 80% EQ	-29.3%	-34.9%
10% FI / 90% EQ	-36.5%	-40.0%
FI (BC Aggregate)	28.6%	8.5%
EQ (S&P 500)	-43.8%	-45.8%

Source: eVestment Alliance, 12/31/2012

and different asset allocations before adopting an investment policy.

Gray & Company is prepared to work with the Trustees to review the fixed income allocation, investment alternatives, and asset allocation policies.

CAPITAL MARKET REVIEW

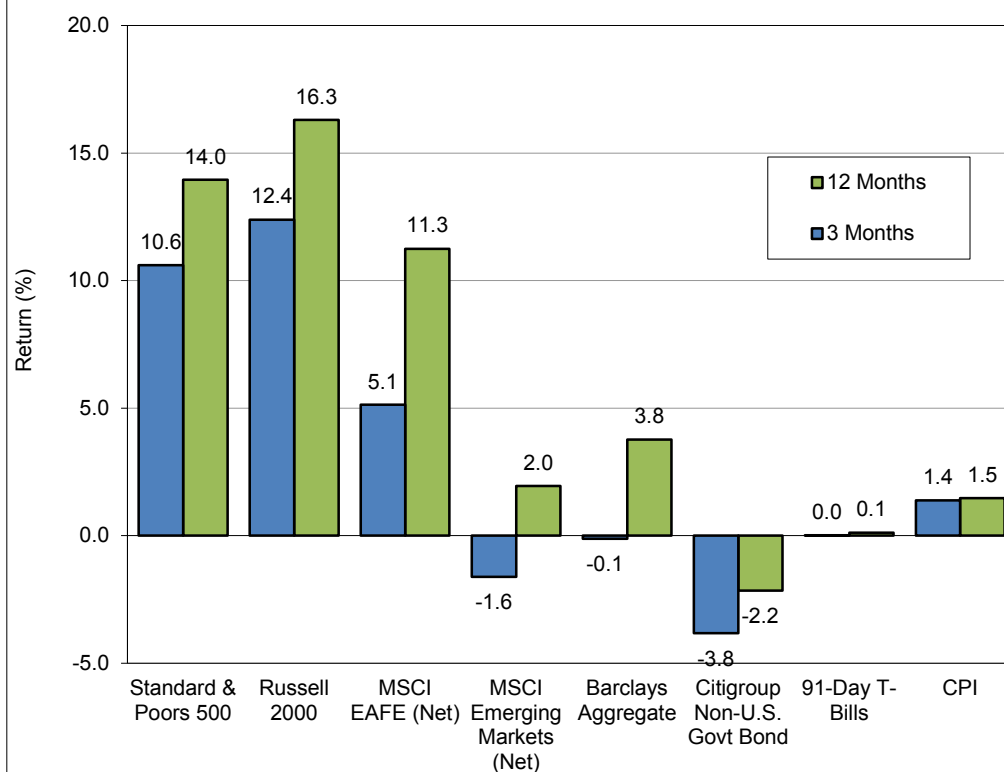
Thank You Central Bankers: The influence of monetary policies were clearly observed in the capital markets during the quarter. Central banks are attempting to stimulate economic growth by maintaining low interest rates and increasing the money supply. The leaders of these institutions have demonstrated their long-term commitment to economic stimulus. The search for real returns in this low yield environment has driven investors into riskier asset classes, such as equities and high yield bonds.

Returns in the global equity markets varied greatly. Japan, Switzerland, and the United States enjoyed strong performance, gaining 21.5%, 15.1%, and 10.6% respectively. Conversely, Italy (-7.4%) and China (-4.4%) incurred losses. Nations in the Eurozone tended to provide the weakest results as the region struggles with recessions, high unemployment, austerity measures, and a mutual central bank. Countries with a proactive, national central bank tended to provide better returns - see Japan, U.S. and U.K. Emerging market equities suffered losses this quarter; global economic growth forecasts have continued to weaken, weighing on the equity markets in these countries.

Global fixed income markets had very few highlights. Ireland and Spain provided strong results in local terms due to investors becoming more confident in the creditworthiness of these nations. Japan also generated strong returns in local terms; bond prices were driven higher by investors anticipating the Bank of Japan's additional quantitative easing measures. The majority of other fixed income markets produced slightly positive to slightly negative returns during the quarter.

The dollar appreciated versus most major currencies this quarter, hindering results for U.S. investors with international exposures. During the quarter the Euro fell over 2.5%, the Pound Sterling depreciated by over 6.5%, and the Japanese Yen lost over 8.0%. The swift decline in the Yen over the past two quarters has spark a currency war debate.

Global Market Performance
As of March 31, 2013



Source: Wilshire 3/31/2013

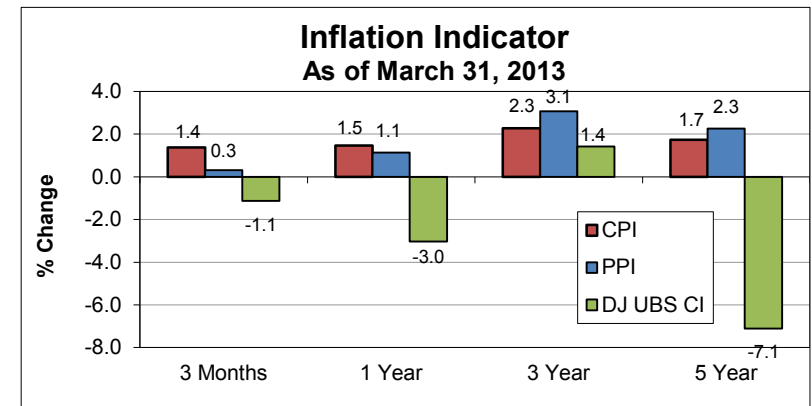
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CAPITAL MARKET REVIEW

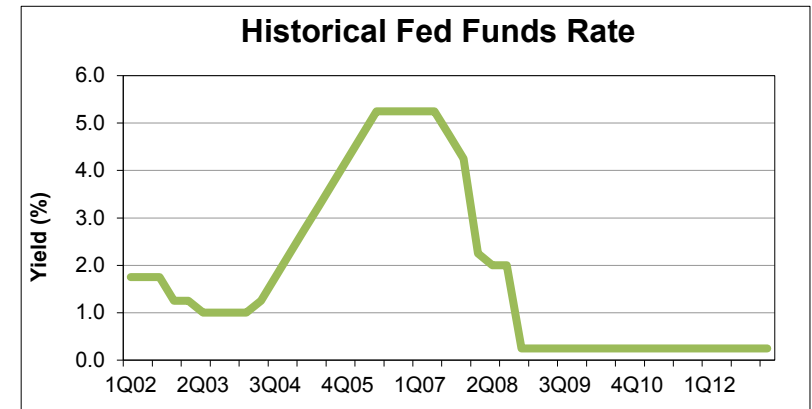
You've Been Sequestered: The first quarter of 2013 was relatively uneventful in comparison to the headlines from the fourth quarter. Moving past last year's presidential election and the contentious fiscal cliff debates, the focus this quarter has been on the expected impact of "sequestration" and payroll tax hikes to economic growth. In March, lawmakers affirmed a bill that included a measure to extend the federal funding authority; the bill is intended to improve the government's ability to manage the \$85 billion in forced spending cuts. The Congressional Budget Office projected that the spending cuts and tax increase would result in a 1.5% reduction in economic growth for 2013. Despite the headwinds, the economy is expected to grow around 3% during the first quarter. The improving economic growth forecasts are based on the slow decline in the unemployment rate, an increase in housing market activity, and consumers ability to spend (greater disposable incomes and access to credit). Lower commodity prices and subdued inflation rates may also serve to blunt the effects of the tax increases on the consumer.

Inflation remained below the Federal Reserve's 2.5% target. Commodity prices were down once again, ending the first quarter with modest losses. Industrial and precious metals were a major factor in driving commodities lower. Grain and oil prices were also lower. Commodity prices tend to have a strong relationship with economic growth in the emerging markets; current expectations are for weaker growth in the emerging markets, particularly in China.

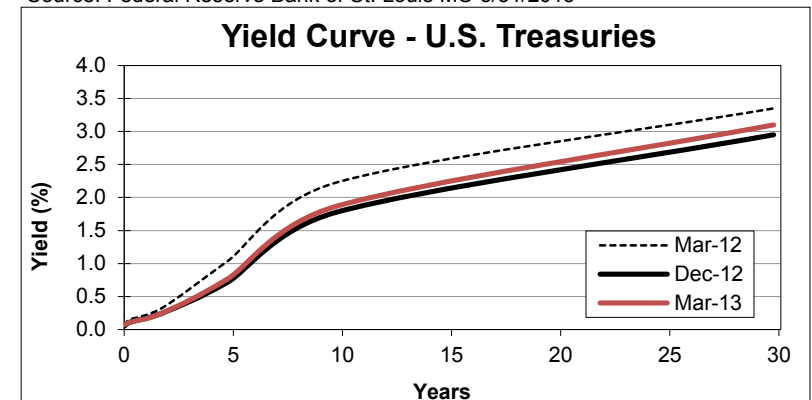
The Federal Reserve's monetary actions continued to keep interest rates close to their historic lows. In addition to the 2.5% inflation target, the central bank reinforced their 6.5% unemployment target. Based on these explicit objectives, investors may estimate a shift in the Fed's monetary policies. Forecasts for a 6.5% unemployment rates fall into the 2014-2016 range. The yield curve steepened during the quarter with rates at the longer end of the curve rising slightly. The yield on the 10-Year U.S. Treasury rose 9 basis points to 1.87% and the yield on the 30-Year U.S. Treasury finished at 3.10% (up 15 basis points).



Source: Bureau of Labor Statistics, Wilshire, and Dow Jones 3/31/2013



Source: Federal Reserve Bank of St. Louis MO 3/31/2013



Source: Federal Reserve Bank of St. Louis, MO 3/31/2013

U.S. EQUITY MARKET

Total Returns (%) - Periods Ending March 31, 2013				
	3 Months	1 Year	3 Years	5 Years
Standard & Poor's 500	10.61	13.95	12.67	5.81
Russell 1000	10.96	14.41	12.93	6.15
Russell 1000 Growth	9.54	10.09	13.06	7.30
Russell 1000 Value	12.31	18.77	12.74	4.85
S&P MidCap 400	13.45	17.83	15.12	9.85
Russell Midcap	12.95	17.28	14.62	8.37
S&P SmallCap 600	11.81	16.13	15.18	9.19
Russell 2000	12.39	16.30	13.45	8.24
Russell 2000 Growth	13.20	14.52	14.74	9.03
Russell 2000 Value	11.63	18.08	12.11	7.28
S&P 500 Sector Performance				
	3 Months	1 Year	3 Years	5 Years
Energy	10.91	11.08	13.24	3.18
Materials	4.81	8.25	9.13	2.10
Industrials	10.68	14.72	12.55	4.12
Con. Discretionary	12.28	20.35	19.66	13.56
Con. Staples	14.58	19.96	15.84	10.12
Health Care	15.65	24.89	15.24	10.51
Financials	11.44	17.64	6.24	(3.97)
Info Technology	4.59	(1.20)	10.09	8.20
Telecommunications	9.47	26.84	19.59	8.00
Utilities	13.02	16.37	14.62	5.16

Returns are annualized for periods greater than one year. Source: Wilshire 3/31/2013

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Bang, Bang: For the second consecutive year U.S. equity markets kicked off the year with a bang as the majority of equity indices finished the first quarter with double digit gains. The Federal Reserve's stimulus measures and historically low interest rates fueled the rise in equities; the Dow Jones Industrial Average and S&P 500 reached all time highs in March. However, concerns surrounding the sustainability of profit margins and future earnings growth lead investors to wonder if a second quarter setback is coming (similar to last year).

In general, smaller cap, lower quality stocks were the winners in this quarter's equity rally, continuing their out performance from the fourth quarter of 2012. Mid Cap stocks provided the best results; Small Cap stocks finished second followed by Large Cap stocks. Value out performed in Large Cap and under performed in Small Cap.

The Health Care sector was the best performing sector this quarter, returning 15.7%. The biotech and health care technology industries were the main drivers of the strong performance. Technology was the weakest performing sector; a primary contributor to the poor results was Apple, which declined due to concerns regarding future profit expectations.

The defensive sectors - Health Care, Consumer Staples, and Utilities - outperformed the broader market for the quarter. This is somewhat surprising for a quarter with such strong equity returns. The banking crisis in Cyprus along with investors search for yield may have contributed to the out performance of the defensive sectors, which have healthy dividend payouts.

U.S. FIXED INCOME MARKET

Nothing to See: The fixed income markets generated very little in the way of returns during the quarter (positive or negative). Interest rates drifted higher in January, February, and early March as improving economic data led to speculation of less stimulus from the Fed. However, weaker data in late March helped pull rates lower, ending the quarter only slightly higher. The loss in market values from higher rates more than offset the meager yield for most fixed income securities.

The Federal Reserve has started to discuss an exit strategy from the quantitative easing program; however, no action was taken during the quarter. Furthermore, the Fed reinforced their dual mandate of maximum employment (unemployment below 6.5%) and price stability (inflation under 2%). To achieve these goals, the Federal Reserves will continue with their asset purchases - \$40 billion in mortgage back securities per month and \$45 billion in longer-term Treasuries per month.

Yields on Treasuries rose slightly during the quarter. At quarter-end, the 2-Year Treasury Notes yielded 0.25% (unchanged from 12/31/12), 10-Year Treasury Bonds yielded 1.87% (up 9 basis points from 12/31/12), and 30-Year Treasury Bonds yielded 3.10% (up 15 basis points from 12/31/12).

The spreads for investment grade securities ended the quarter nearly unchanged, while spreads for below investment grade issues continued to compress. High Yield was by far the best performing segment in the fixed income markets this quarter. Treasuries, Credit, and Mortgages all posted minor losses during the quarter.

The fixed income market continues to focus on monetary policy and the Federal Reserve's intervention in the markets. In the current Fed controlled environment, investors' returns will be a function of income and carry.

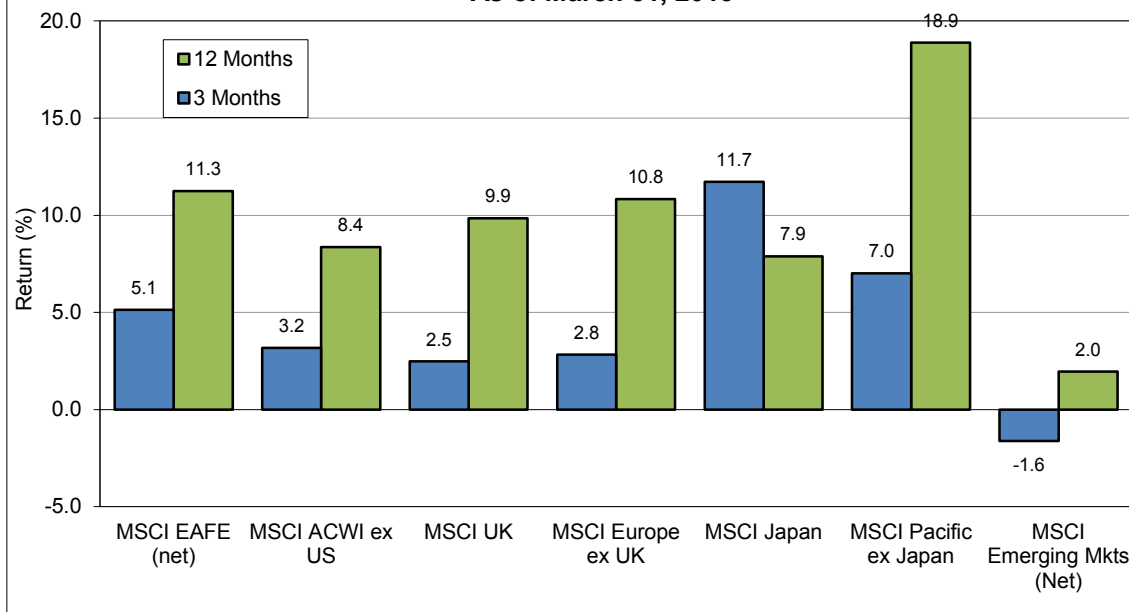
Total Returns (%) - Periods Ending March 31, 2013				
	3 Months	1 Year	3 Years	5 Years
Barclays 1-3 Yr. Govt	0.12	0.66	1.29	1.91
Barclays Intm G/C	0.26	3.53	4.75	4.61
Barclays Aggregate	(0.12)	3.77	5.52	5.47
Barclays G/C	(0.16)	4.56	6.10	5.50
Barclays Long Govt	(2.26)	7.42	12.39	8.28
Barclays Govt	(0.16)	3.01	5.04	4.36
Barclays Credit	(0.17)	7.00	7.85	7.52
Barclays Mortgage	(0.05)	1.97	4.17	5.15
Barclays High Yield	2.89	13.13	11.24	11.64
Barclays U.S TIPS	(0.36)	5.68	8.57	5.89
Returns are annualized for periods greater than one year.				
Credit Spreads (in basis points)				
	Dec-12	Mar-13	Change	10-Yr Avg.
Aaa	69	68	(1)	91
Aa	66	67	1	121
A	116	116	0	167
Baa	180	180	0	224
Ba	383	350	(33)	431
B	520	482	(38)	582
Caa	846	697	(149)	928
<hr/>				
10 Year Treasury	1.78%	1.87%	0.09%	---

Source: Barclays Capital 3/31/2013

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INTERNATIONAL EQUITY MARKET

International Equity Market Performance (USD)
As of March 31, 2013



MSCI Country Indexes (Net)
Three Months Ending March 31, 2013

	Return USD (%)	Return Local Currency (%)	Currency Effect (%)
France	0.6	3.2	(2.7)
Germany	0.2	2.9	(2.7)
Italy	(9.8)	(7.4)	(2.4)
Spain	(5.6)	(3.1)	(2.5)
Switzerland	11.2	15.1	(3.8)
UK	2.5	9.7	(7.2)
Europe Total	2.7	7.0	(4.2)
Australia	9.1	8.6	0.5
Hong Kong	3.5	3.7	(0.2)
Japan	11.7	21.5	(9.8)
Pacific Total	9.8	15.2	(5.5)
China	(4.5)	(4.4)	(0.1)
India	(2.6)	(3.3)	0.8
Brazil	(0.8)	(2.3)	1.5
Russia	(3.5)	(2.1)	(1.4)
Emerging Total	(1.8)	(0.7)	(1.1)

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Source: MSCI 3/28/2013

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Renewed Fear: International equity markets, led by Japan, tended to provide decent returns during the quarter. Accommodative policies from central banks had previously reduced the probability of a "tail-risk" event and supported higher equity prices, but the banking crisis in Cyprus renewed contagion concerns in Europe and hindered performance in nearby countries.

Developed Markets: In Europe, Cypriot banks were forced to take an 80% write-downs on Greek government debt and led to a financial crisis on the island nation. This latest crisis served as a reminder that the stability of the Eurozone is based on the accommodative policies of the "Troika" (European Central Bank, International Monetary Fund, and the European Commission). The focus on stabilization efforts suggests that economic growth is likely to remain stagnant in the region for the foreseeable future. Non-Eurozone nations provided better results, like Switzerland and the U.K. The dollar appreciated versus the major European currencies, reducing results for U.S. investors.

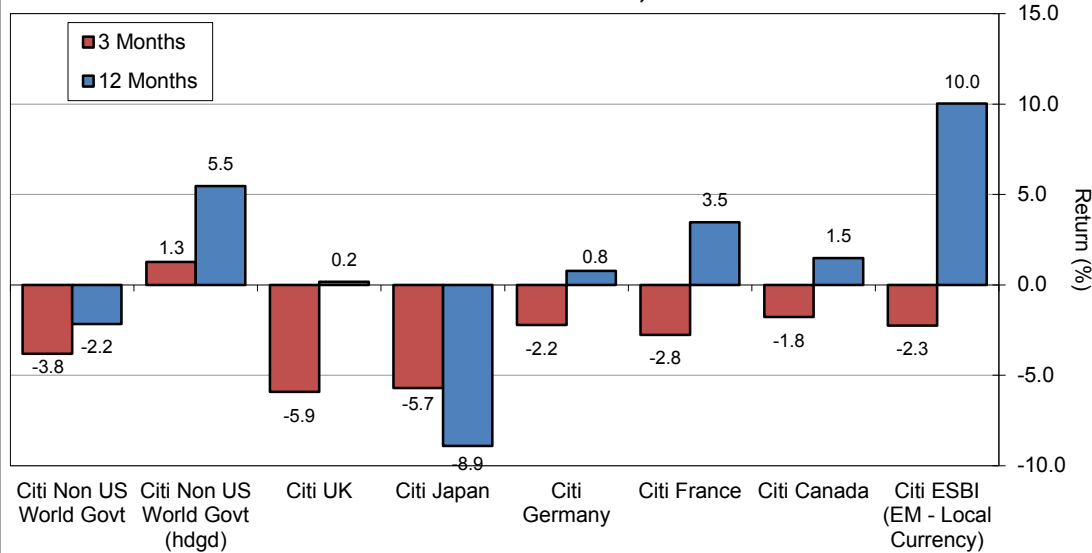
In Asia, Japan was the best performer with a return over 20%. The increase in equity prices was due to a major shift in leadership and central bank philosophy. The Bank of Japan (BoJ) outlined a massive stimulus program to promote economic growth and fight deflation, including a substantial increase to their asset purchase plan. The BoJ's initiatives served to weaken the Yen versus most currencies and improve the competitiveness of export-oriented companies. Australia was another standout in the region. Australia recorded their largest increase in monthly jobs in over a decade, helping generate strong equity returns.

Emerging Markets: Emerging market equities generated negative returns for the quarter due to weak results from Brazil, Russia, India, and China. South Korea also contributed to the negative performance, as increasing tension with North Korea weighed on the equity market. Bright spots included the Southeast Asian markets of the Philippines, Thailand, and Indonesia; those markets generated double digit gains due to accommodative interest rates and higher economic growth prospects.

INTERNATIONAL BOND MARKET

Intl Fixed Income Market Performance (USD)

As of March 31, 2013



Citigroup World Government Bond Indexes Three Months Ending March 31, 2013

	Return USD (%)	Return Local Currency (%)	Currency Effect (%)
France	(2.8)	(0.2)	(2.6)
Germany	(2.2)	0.4	(2.6)
Ireland	1.4	4.1	(2.7)
Italy	(2.5)	0.1	(2.6)
Netherlands	(3.2)	(0.6)	(2.6)
Spain	0.1	2.7	(2.7)
Sweden	(0.8)	(0.8)	0.1
Switzerland	(3.9)	(0.6)	(3.3)
UK	(5.9)	0.7	(6.6)
European WGBI	(2.8)	0.4	(3.2)
Japan	(5.7)	2.5	(8.2)
Australia	0.3	(0.1)	0.4
Canada	(1.8)	0.2	(2.0)

Source: The Yield Book 3/31/2013

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Hedging Works: In local terms, most fixed income markets produced positive returns. However, un-hedged U.S. investors suffered losses this quarter due to the weakening of most currencies versus the dollar.

Continental Europe experienced numerous problems the quarter, including disappointing economic data across the region, corruption in Spain, a political stalemate in Italy, and a banking meltdown in Cyprus. Despite these challenges, Spain and Ireland generated strong results as investors became more confident in the credit worthiness of these issuers. The Euro depreciated approximately 2.6% versus the dollar.

Economic growth remained weak in the United Kingdom, sending yields lower. The credit rating of Britain was downgraded to Aa1 by Moody's in February due to economic weakness and the government's debt burden. The Bank of England maintained their current stimulus programs, holding the benchmark interest rate at 0.5% and asset purchases at £375 billion. The Pound Sterling depreciated over 6% versus the dollar during the quarter.

The Bank of Japan set an inflation target of 2% and a time table of two years to reach the goal. The central bank will increase the money supply through quantitative easing and stimulus programs to achieve this goal. This is a significant policy change for a country with a long history of deflation. Investors anticipated the central bank's action and drove yields lower and prices higher. The Yen has depreciated nearly 20% versus the dollar in the past two quarters.

The emerging markets provided mixed results. Investors' search for yield helped corporates and below investment grade securities generate positive returns. However, investment grade government securities tended to suffer losses. By region, Latin America provided stronger returns, led by Mexico. EM Debt issuance was strong during the quarter and was easily absorbed by the markets.

SELECTED INDEX RETURNS - PERIODS ENDING MARCH 31, 2013

	Quarter	One Year	Three Years	Five Years	Ten Years
US EQUITIES					
Dow Jones Industrial Average	11.9 %	13.3	13.3	6.5	9.0
Standard & Poors 500	10.6	14.0	12.7	5.8	8.5
Russell 3000	11.1	14.6	13.0	6.3	9.2
S&P MidCap 400	13.5	17.8	15.1	9.9	12.4
Russell Mid-Cap	13.0	17.3	14.6	8.4	12.3
S&P SmallCap 600	11.8	16.1	15.2	9.2	12.4
Russell 2000	12.4	16.3	13.5	8.2	11.5
Growth Stocks - Russell 3000 Growth	9.8	10.4	13.2	7.4	8.8
Value Stocks - Russell 3000 Value	12.3	18.7	12.7	5.1	9.3

US FIXED INCOME					
Barclays 1 - 3 Year Government	0.1 %	0.7	1.3	1.9	2.8
Barclays Intm Govt/Credit	0.3	3.5	4.8	4.6	4.5
Barclays Aggregate	(0.1)	3.8	5.5	5.5	5.0
Barclays Govt/Credit	(0.2)	4.6	6.1	5.5	5.1
Barclays Long Government	(2.3)	7.4	12.4	8.3	7.2
Barclays Government	(0.2)	3.0	5.0	4.4	4.5
Barclays Credit	(0.2)	7.0	7.9	7.5	6.0
Barclays Mortgage	(0.1)	2.0	4.2	5.2	5.0
Barclays High Yield	2.9	13.1	11.2	11.6	10.1
Barclays U.S TIPS	(0.4)	5.7	8.6	5.9	6.3
ML All Investment Grade Convertible Index	6.9	9.9	7.0	2.3	4.4

INTERNATIONAL (Measured in US Dollars)					
MSCI EAFE (Net)	5.1 %	11.3	5.0	(0.9)	9.7
MSCI ACWI ex U.S. (Net)	3.2	8.4	4.4	(0.4)	10.9
MSCI Europe (Net)	2.7	10.6	4.8	(2.1)	9.7
MSCI Pacific (Net)	9.7	12.8	5.7	1.9	9.6
MSCI Emerging Markets (Net)	(1.6)	2.0	3.3	1.1	17.1
Citigroup Non-U.S. Govt Bond	(3.8)	(2.2)	3.3	2.3	5.6

REAL ESTATE					
NAREIT Index	9.1 %	18.7	17.9	7.6	11.9
NCREIF Property Index					

OTHER					
91-Day T-Bills	0.0 %	0.1	0.1	0.3	1.8
Consumer Price Index (percent change)	1.4	1.5	2.3	1.7	2.4
Producer Price Index (percent change)	0.3	1.1	3.1	2.3	3.1

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

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Definitions:

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

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

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

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

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

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

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

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

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

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

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

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

The **Russell1000 Growth Index** is composed of those stocks in the Russell 1000 Index with greater than average growth orientation. The Russell Growth Index represents the universe of stocks from which most growth style money managers typically select.

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

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

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

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

DISCLOSURE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DISCLOSURE

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

The **NCREIF Property Index** reports quarterly and annual returns consisting of income and appreciation components. The index is based on data collected from the voting members of NCREIF.

Specific property-type indices include apartment, office, retail, R&D/Office and Warehouse.

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

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

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

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

Moody's Long-Term Obligation Ratings:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

OVERVIEW

PORTFOLIO EVALUATION

- ♦ The fund's total market value as of March 31, 2013 was \$119.21 million.
- ♦ The Fund had a return of 6.65% for the quarter and a return of 9.85% 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>	111,946,128
Cash Flow In	0
Intrafund Transfers	0
Cash Flow Out	<u>-182,233</u>
Net Cash Flow	-182,233
Investment Performance	
Income	393,253
Asset Value Changes	<u>7,050,744</u>
Gross Performance	7,443,997
<u>Ending Market Value</u>	<u>119,207,892</u>

RECOMMENDATIONS

Mobile Police & Firefighters Executive Summary Table Periods Ending March 31, 2013

FYTD - 9/30/12

Name	Value \$(000)	% of Fund	Periods Ending 3/31/13						
			Cur Qtr	FYTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund	119,208	100.0	6.65	7.70	9.85	9.49	4.64	4.60	8.06
Net of Fee			6.57	7.52	9.50	9.10	4.26	4.32	7.85
Mobile P&F Policy Index			7.08	9.06	11.43	10.53	5.93	5.49	8.95
Total Fund Excluding Alternatives	107,458	90.1	7.24	8.03	9.92	9.49	3.30		
Net of Fee			7.16	7.87	9.61	9.18	3.02		
Policy Index excluding Alts			7.32	8.93	11.29	10.28	6.16		
Total Opportunistic Equity Composite	6,229	5.2	13.43	11.46					
Net of Fee			13.18	10.93					
MSCI ACWI (Net)			6.50	9.57					
Energy Opportunities Capital	6,229	5.2	13.43	11.46					
Net of Fee			13.18	10.93					
OIH_XLE Blended Index			11.36	8.46					
Total Domestic Equity Composite	60,441	50.7	10.80	11.07	11.91	12.55	6.29	5.10	10.47
Net of Fee			10.69	10.85	11.48	12.17	5.94		
Domestic Equity Index			11.69	13.09	15.61	13.63	7.34	5.70	9.56
SSgA Russell 1000 Index Fund	37,338	31.3	10.96	11.10	14.44	12.94	6.20	5.23	9.02
Net of Fee			10.93	11.03	14.34	12.87	6.15	5.18	
Russell 1000			10.96	11.09	14.41	12.93	6.15	5.20	8.97
Advisory Research	11,846	9.9	12.03	12.35	13.96	14.77			
Net of Fee			11.80	11.86	12.97	13.80			
Russell 2500 Value			13.35	18.05	21.17	14.16			

Mobile Police & Firefighters Executive Summary Table Periods Ending March 31, 2013

FYTD - 9/30/12

Name	Value \$(000)	% of Fund	Periods Ending 3/31/13						
			Cur Qtr	FYTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Century Capital	11,257	9.4	8.98	9.66	5.02				
Net of Fee			8.75	9.19	4.09				
Russell 2500 Growth			12.21	14.20	13.70				
Total International Equity Composite	11,987	10.1	4.48	10.11	11.61	4.45	-2.67	1.16	9.05
Net of Fee			4.48	10.11	11.61	4.14	-3.07		
MSCI ACWI ex US (Net)			3.17	9.20	8.36	4.41	-0.39		
Allianz Global Investors	11,987	10.1	4.48	10.11	11.61				
Net of Fee			4.48	10.11	11.61				
MSCI ACWI ex US (Net)			3.17	9.20	8.36				
Total Fixed Income Composite	28,801	24.2	0.40	0.79	3.57	4.96	5.87	6.07	5.02
Net of Fee			0.37	0.74	3.45	4.83	5.75		
Barclays Int Govt/Credit			0.26	0.61	3.53	4.75	4.61		
Orleans	28,801	24.2	0.40	0.79	3.57	4.96	5.87	6.07	
Net of Fee			0.37	0.74	3.45	4.83	5.75	5.95	
Barclays Int Govt/Credit			0.26	0.61	3.53	4.75	4.61	5.43	
Real Estate Composite	4,642	3.9	2.87	5.47	10.13	13.09	-4.46	0.86	9.68
Net of Fee			2.64	5.00	9.14	12.01	-5.37	0.05	8.68
NCREIF ODCE Fund Index			2.68	5.09	10.79	15.13	-0.84	3.39	6.80
Guggenheim	2,063	1.7	5.05	7.27	13.46	16.34	-3.66		
Net of Fee			4.79	6.75	12.37	15.22	-4.57		
70% NCREIF / 30% NAREIT			4.61	7.02	13.17	16.22	2.66		

Mobile Police & Firefighters Executive Summary Table Periods Ending March 31, 2013

FYTD - 9/30/12

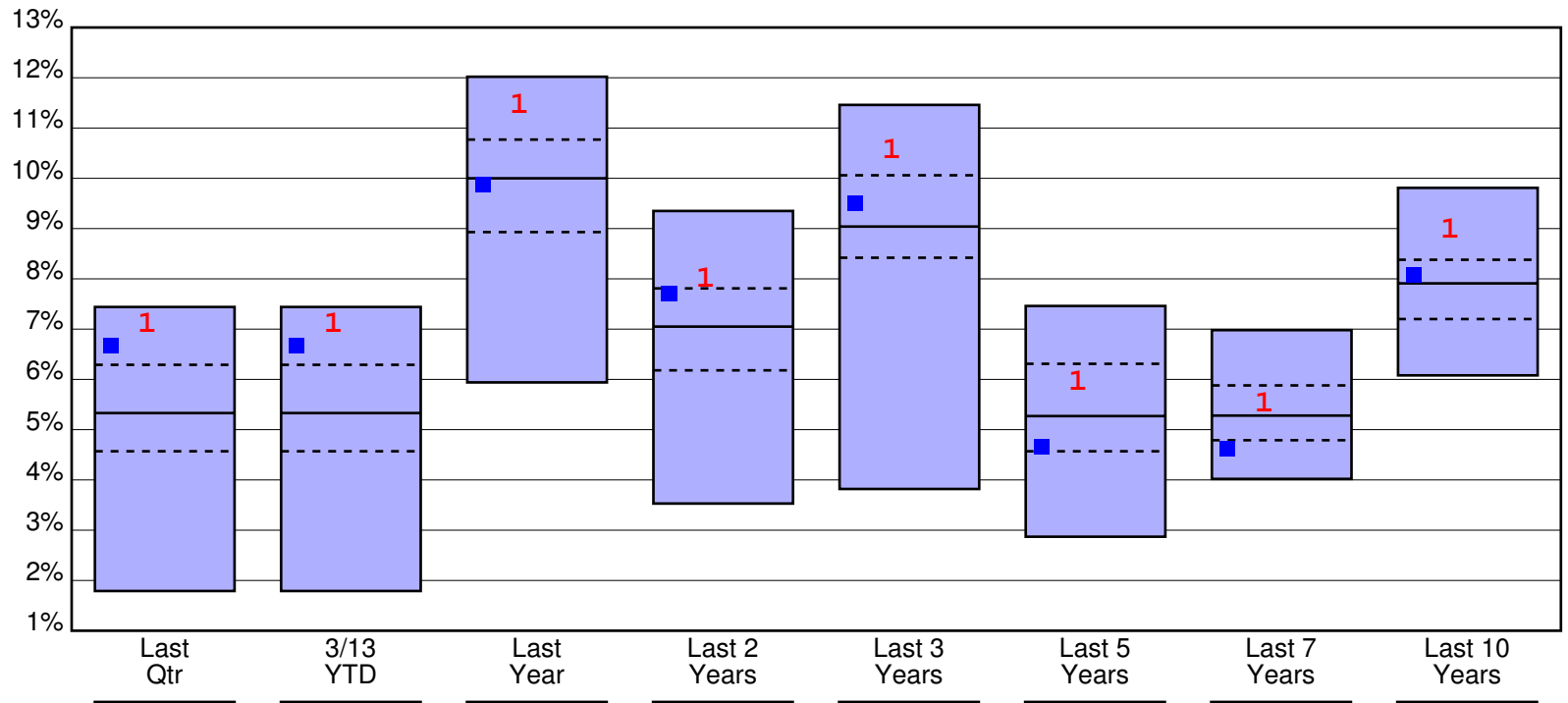
Name	Value \$(000)	% of Fund	Periods Ending 3/31/13						
			Cur Qtr	FYTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Westbrook	70	0.1	0.00	0.00	-4.41	-4.00	-3.28	-10.44	-3.20
Net of Fee			0.00	0.00	-4.41	-4.05	-3.38	-10.51	-3.40
NCREIF ODCE Fund Index			2.68	5.09	10.79	15.13	-0.84	3.39	6.80
DLJ	539	0.5	0.00	3.24	4.03	6.32	-0.77	5.69	16.96
Net of Fee			0.00	3.24	3.82	5.67	-1.48	4.92	15.73
NCREIF ODCE Fund Index			2.68	5.09	10.79	15.13	-0.84		
TIAA-CREF	1,970	1.7	1.56	4.45	11.04	13.76			
Net of Fee			1.28	3.89	9.86	12.54			
NCREIF ODCE Fund Index			2.68	5.09	10.79	15.13			
Private Equity Composite	4,628	3.9	0.00	2.26	11.54	9.62	8.21	8.56	7.03
Net of Fee			0.00	2.21	11.03	8.56	7.00	7.36	4.54
Russell 2500			13.86	18.35	21.73	18.59	13.02	9.75	16.30
Hicks, Muse, Tate & Furst IV	239	0.2	0.00	-3.85	-2.70	9.99	1.67	2.49	-0.32
Net of Fee			0.00	-3.85	-2.70	9.99	1.67	2.49	-0.32
Russell 2500			13.86	18.35	21.73	18.59	13.02	9.75	
Ripplewood Partners II, L.P.	957	0.8	0.00	15.10	14.89	7.41	6.96	6.69	
Net of Fee			0.00	15.10	14.89	6.61	6.16	5.46	
Russell 2500			13.86	18.35	21.73	18.59	13.02	9.75	
Levine Leichtman Fund III	2,358	2.0	0.00	-0.44	16.11	12.65	9.96	10.34	
Net of Fee			0.00	-0.44	15.35	11.23	8.38	9.01	
Russell 2500			13.86	18.35	21.73	18.59	13.02	9.75	
Permal Capital Fund IV	1,074	0.9	0.00	-0.27	4.34	6.18	4.40		
Net of Fee			0.00	-0.48	3.71	5.30	3.28		
Russell 2500			13.86	18.35	21.73	18.59	13.02		

Mobile Police & Firefighters Executive Summary Table Periods Ending March 31, 2013

FYTD - 9/30/12

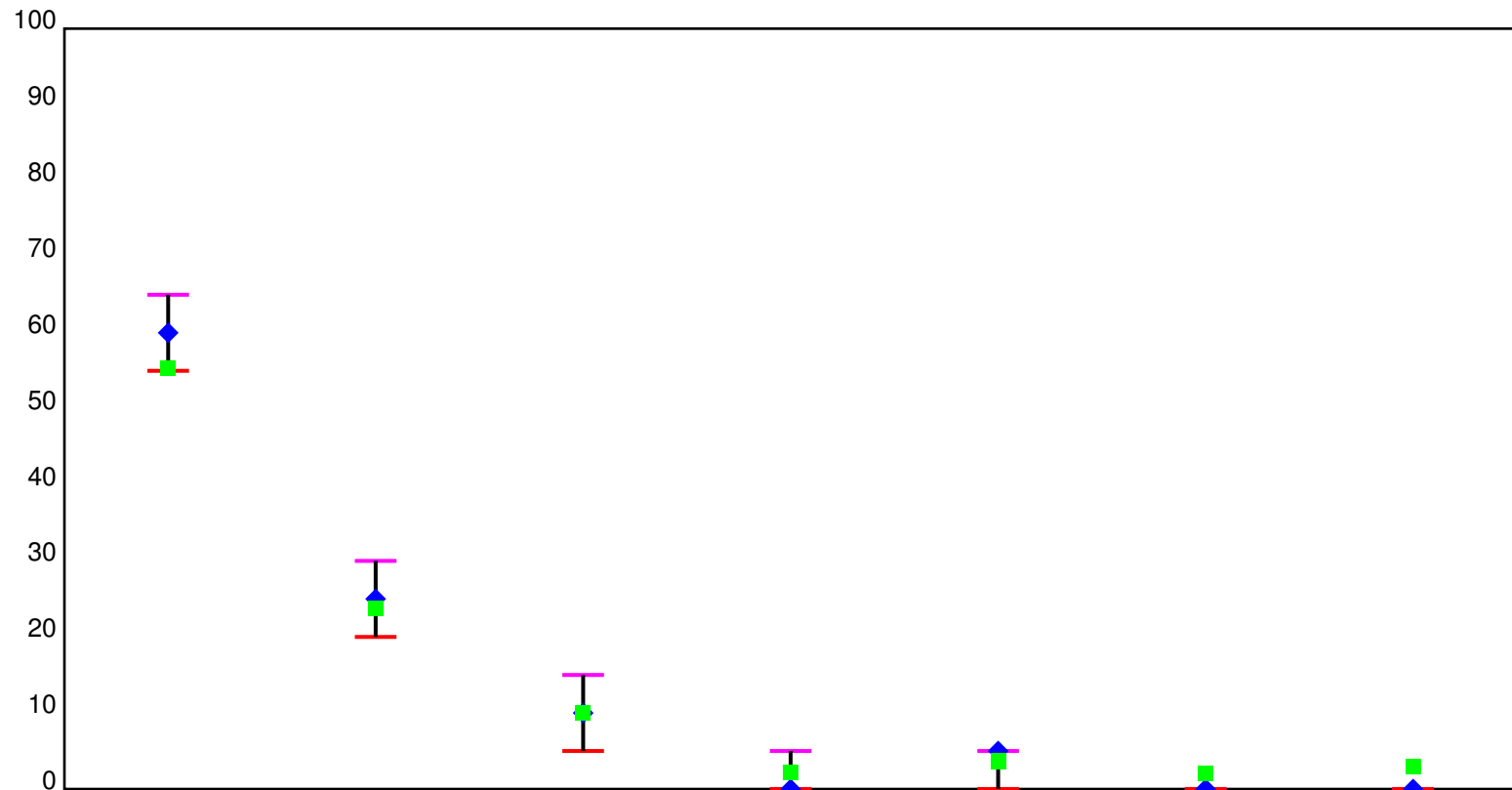
Name	Value \$(000)	% of Fund	Periods Ending 3/31/13						
			Cur Qtr	FYTD	1 Year	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Timber Composite	2,480	2.1	2.22	8.28	2.95	2.00			
Net of Fee			2.01	7.83	2.10	1.16			
Timberland Investment Resources	2,480	2.1	2.22	8.28	2.95	2.00			
Net of Fee			2.01	7.83	2.10	1.16			
NCREIF Timberland Index			1.53	7.54	9.01	3.61			

Mobile Police & Firefighters Cumulative Performance Comparison Total Returns of Total Fund Public Sponsors Periods Ending 3/13



5th Percentile	7.44	7.44	12.02	9.35	11.46	7.46	6.98	9.81
25th Percentile	6.29	6.29	10.77	7.81	10.06	6.31	5.88	8.38
Median	5.33	5.33	10.00	7.05	9.04	5.27	5.28	7.91
75th Percentile	4.57	4.57	8.93	6.18	8.42	4.57	4.79	7.20
95th Percentile	1.79	1.79	5.94	3.53	3.82	2.87	4.02	6.08
■ Total Fund	6.65 (14)	6.65 (14)	9.85 (55)	7.69 (29)	9.49 (36)	4.64 (72)	4.60 (79)	8.06 (40)
1 Mobile P&F Policy Index	7.08 (10)	7.08 (10)	11.43 (10)	7.97 (20)	10.53 (11)	5.93 (28)	5.49 (36)	8.95 (13)

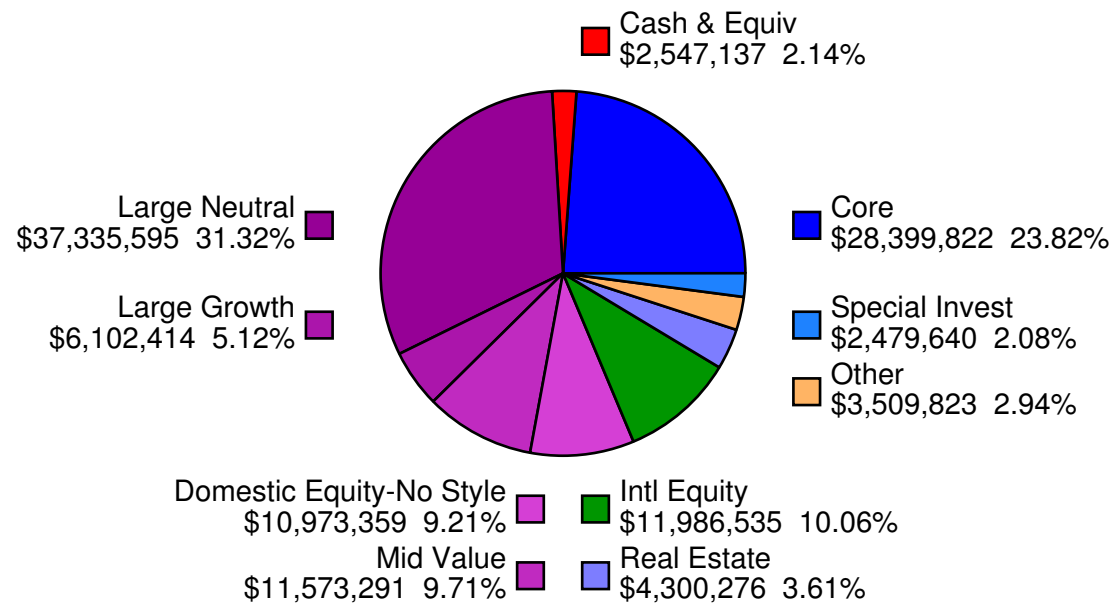
Mobile Police & Firefighters Asset Allocation vs Policy Graph Total Fund As of March 31, 2013



Legend	Domestic Equities	Domestic Fixed	International Equities	Cash	Real Estate	Special Investments	Other
◆ Policy	60.0	25.0	10.0	0.0	5.0	0.0	0.0
— Min	55.0	20.0	5.0	0.0	0.0	0.0	0.0
— Max	65.0	30.0	15.0	5.0	5.0	0.0	0.0
■ Actual	55.4	23.8	10.1	2.1	3.6	2.1	2.9

Mobile Police & Firefighters Asset And Policy Allocation Total Fund

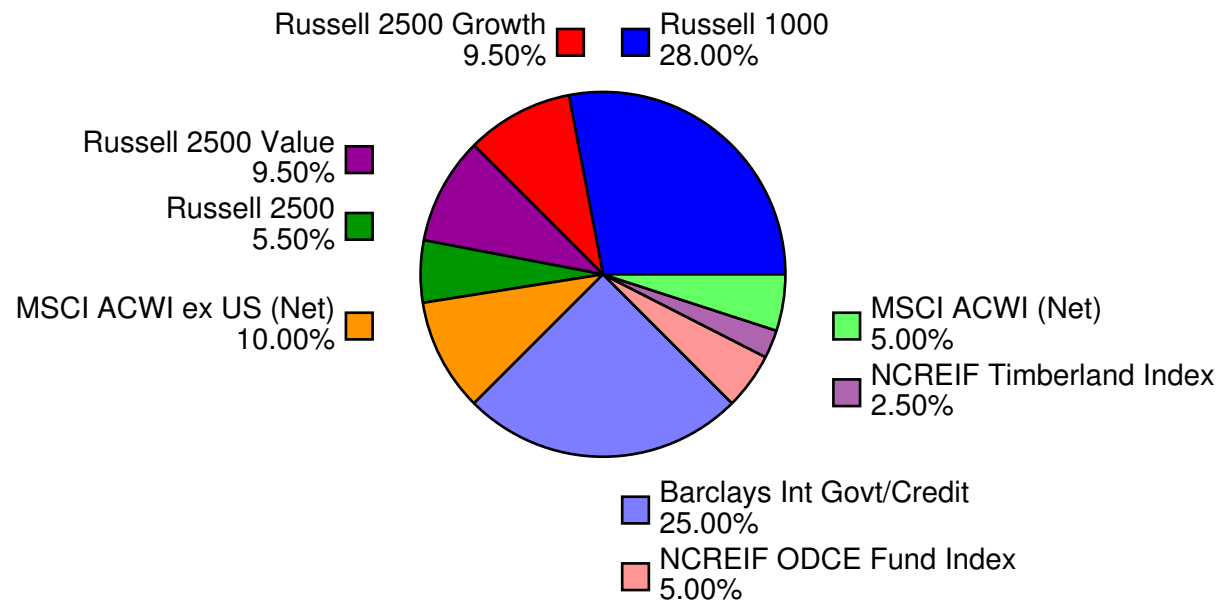
March 31, 2013 \$119,207,892



Mobile Police & Firefighters Asset And Policy Allocation Total Fund

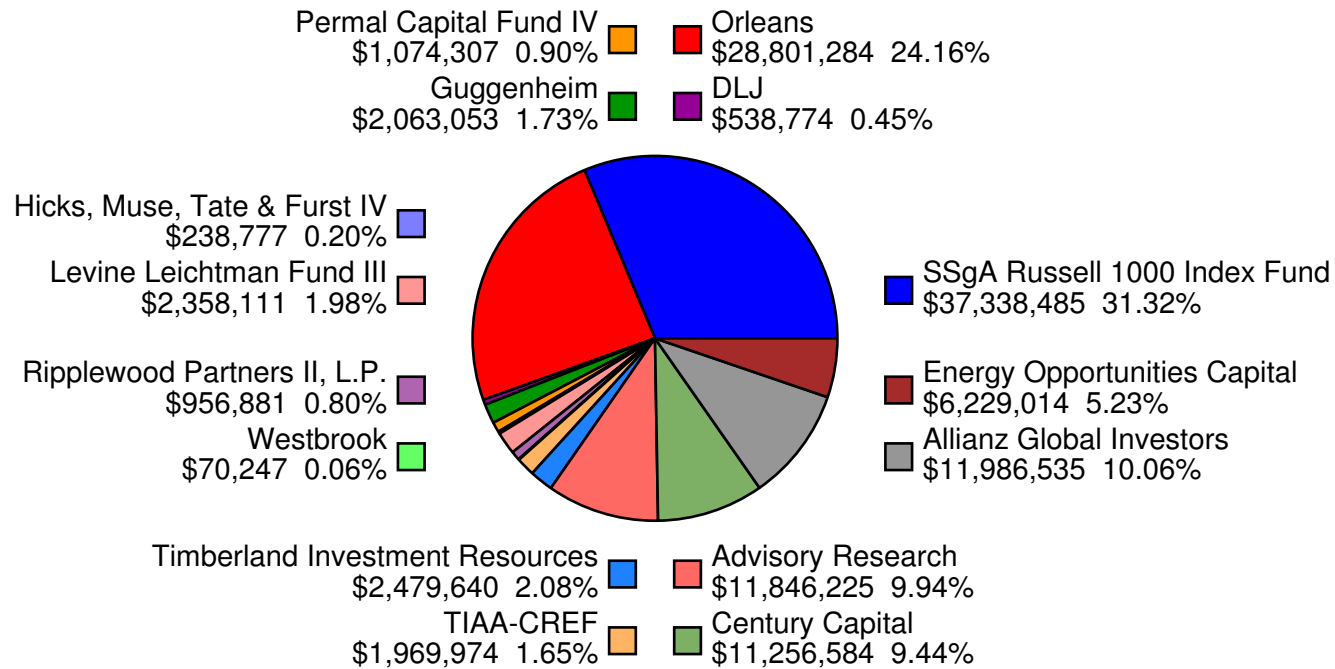
March 31, 2013

Mobile P&F Policy Index



Mobile Police & Firefighters Total Fund Allocation By Manager Total Fund

March 31, 2013 \$119,207,892



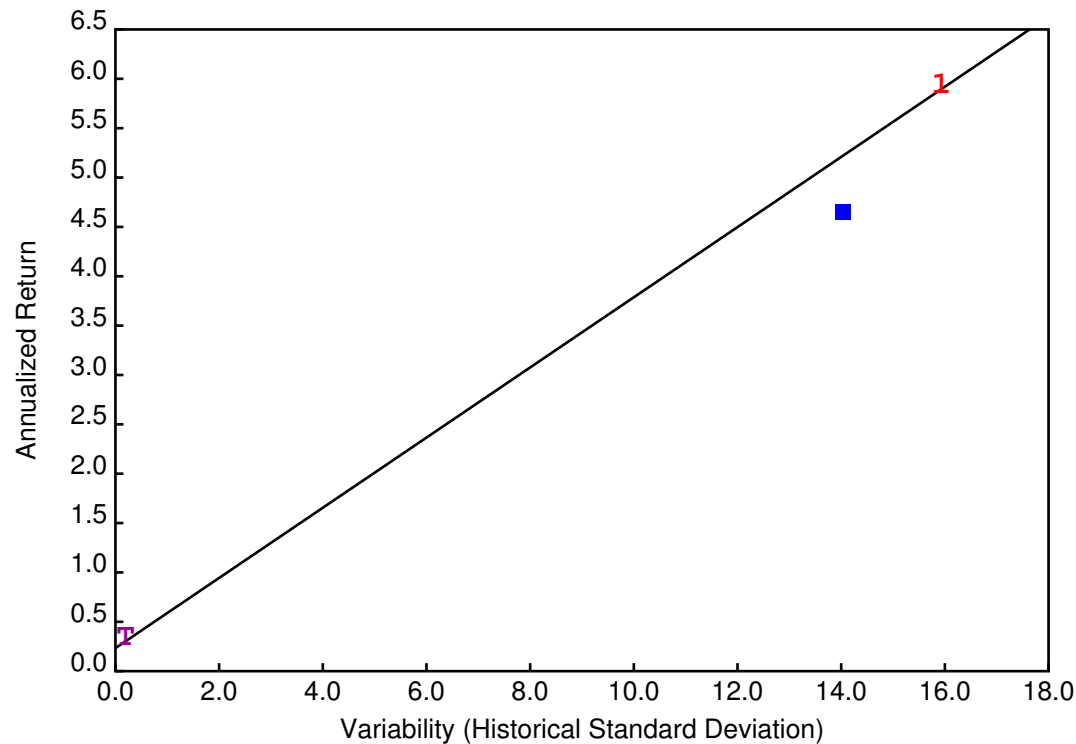
Mobile Police & Firefighters
Sources of Fund Growth
Total Fund
12/31/12 - 3/31/13

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	33,659	0	10	3,690	37,338	10.96	10.93
Advisory Research	10,596	0	24	1,274	11,846	12.03	11.80
Century Capital	10,351	0	22	928	11,257	8.98	8.75
Energy Opportunities Capital	5,504	0	14	739	6,229	13.43	13.18
Managed Equity	60,110	0	70	6,631	66,670		
Allianz Global Investors	11,473	0	0	514	11,987	4.48	4.48
Int'l Equity	11,473	0	0	514	11,987		
Orleans	28,694	0	8	116	28,801	0.40	0.37
Managed Fixed	28,694	0	8	116	28,801		
DLJ	539	0	0	0	539	0.00	0.00
Guggenheim	1,969	0	5	99	2,063	5.05	4.79
Westbrook	70	0	0	0	70	0.00	0.00
TIAA-CREF	1,961	-16	5	30	1,970	1.56	1.28
Real Estate	4,539	-16	10	129	4,642		
Permal Capital Fund IV	1,074	0	0	0	1,074	0.00	0.00
Hicks, Muse, Tate & Furst IV	239	0	0	0	239	0.00	0.00
Ripplewood Partners II, L.P.	957	0	0	0	957	0.00	0.00
Timberland Investment Resources	2,503	-73	5	55	2,480	2.22	2.01
Special Investments	4,773	-73	5	55	4,750		
Levine Leichtman Fund III	2,358	0	0	0	2,358	0.00	0.00

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

[illegible]

Mobile Police & Firefighters Quarterly Total Return Market Line Analysis Periods from 3/08 to 3/13



	Annualized Return	Variability	Reward	Sharpe Ratio
■ Total Fund	4.64	14.17	4.30	0.30
1 Mobile P&F Policy Index	5.93	16.03	5.59	0.35
T 91-Day Treasury Bill	0.34	0.30	0.00	0.00

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City of Mobile Police & Firefighters

March 31, 2013

Performance Summary Table
Periods Ending 3/31/13

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	10 Yrs
SSgA Russell 1000 Index Fund							
Total Return	10.96	10.96	14.44	11.11	12.94	6.20	9.02
Total Return (Net of Fees)	10.93	10.93	14.34	11.02	12.87	6.15	
Russell 1000	10.96	10.96	14.41	11.10	12.93	6.15	8.97
Variance	0.01	0.01	0.02	0.01	0.01	0.05	0.06

SSGA

Russell 1000 Index Fund (Commingled Fund)

OBJECTIVE:

Track the return of the Russell 1000 Index.

STRATEGY:

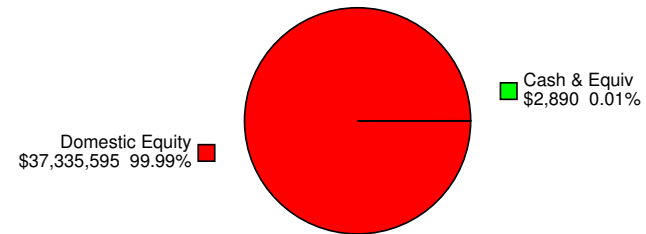
The Fund is managed using a "passive" or "indexing" investment approach, by which SSgA attempts to match, before expenses, the performance of the Index. SSgA will typically attempt to invest in the securities comprising the Index in the same proportions as they are represented in the Index. In some cases, 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, 2013 \$37,338,485



CONCLUSIONS/RECOMMENDATIONS

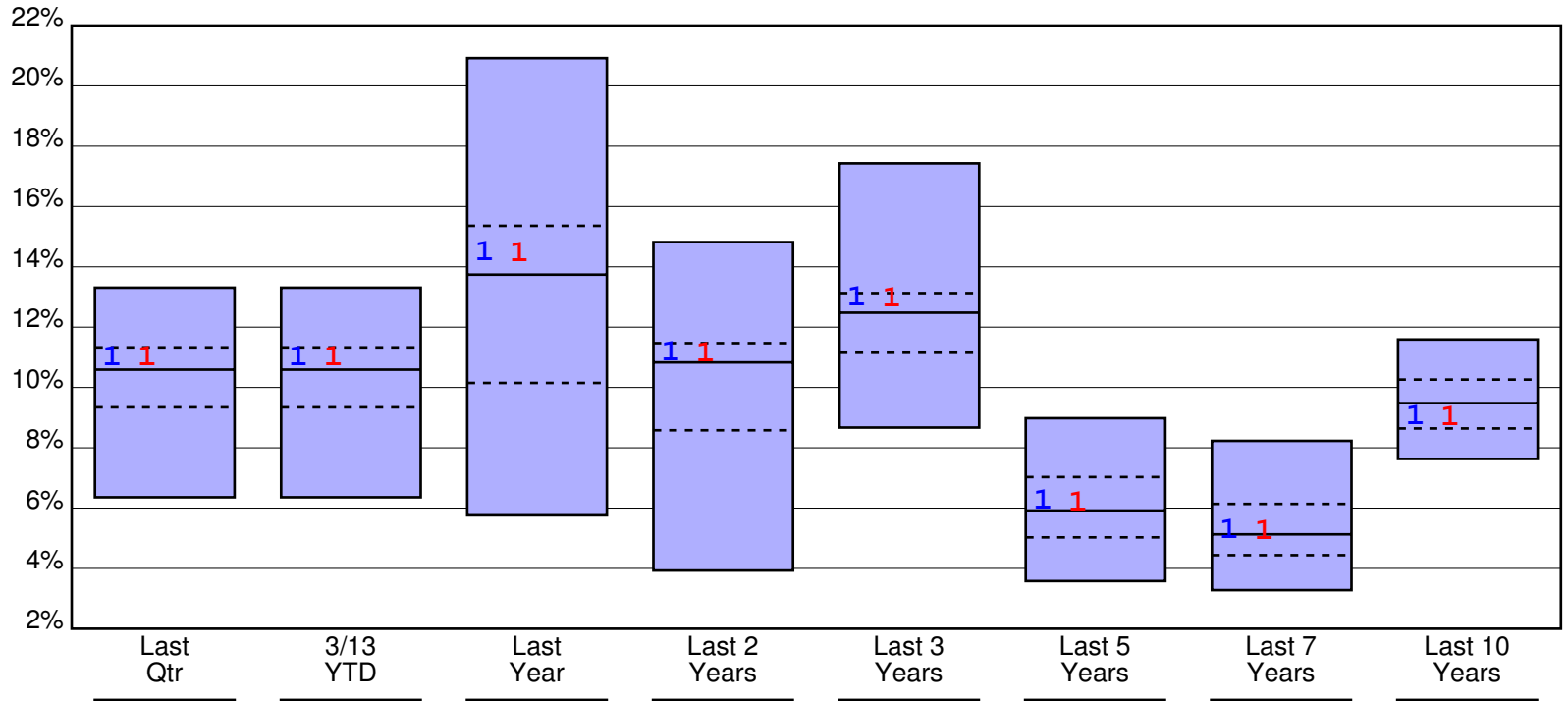
The SSgA Fund performed in-line with the Russell 1000 Index during the quarter.

City of Mobile Police & Firefighters

All Large Cap Cumulative Performance Comparisons

Total Returns of Equity Portfolios

Periods Ending 3/13



5th Percentile	13.31	13.31	20.92	14.82	17.43	8.98	8.23	11.59
25th Percentile	11.33	11.33	15.36	11.47	13.13	7.03	6.14	10.26
Median	10.59	10.59	13.74	10.83	12.48	5.92	5.13	9.48
75th Percentile	9.34	9.34	10.15	8.58	11.15	5.03	4.44	8.64
95th Percentile	6.36	6.36	5.76	3.93	8.67	3.58	3.28	7.63
1 SSgA Russell 1000 Index Fund	10.96 (34)	10.96 (34)	14.44 (33)	11.11 (40)	12.94 (31)	6.20 (39)	5.23 (45)	9.02 (67)
1 Russell 1000	10.96 (34)	10.96 (34)	14.41 (35)	11.10 (41)	12.93 (31)	6.15 (41)	5.20 (46)	8.97 (67)

City of Mobile Police & Firefighters

March 31, 2013

Performance Summary Table
Periods Ending 3/31/13

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	10 Yrs
Energy Opportunities Capital							
Total Return	13.43	13.43					
Total Return (Net of Fees)	13.18	13.18					
OIH_XLE Blended Index	11.36	11.36					
Variance	2.07	2.07					

ENERGY OPPORTUNITIES CAPITAL

Large Cap Growth Equity (Separately Managed)

OBJECTIVE

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

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

STRATEGY

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

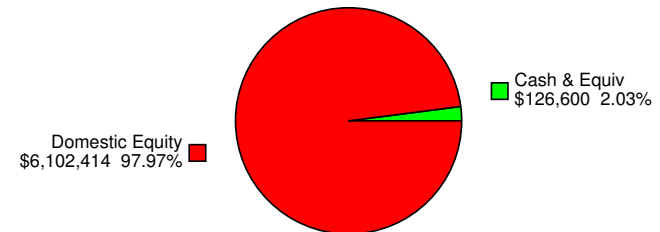
The primary thrust of the strategy is to capitalize on the ongoing positive supply and demand fundamentals that exist in energy markets. Among other things, the manager emphasizes those sectors and companies that are beneficiaries of the necessary capital expenditures that will be required to generate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

FEE SCHEDULE

1.00% on all assets

Asset Allocation Energy Opportunities Capital

March 31, 2013 \$6,229,014



CONCLUSIONS/RECOMMENDATIONS

Energy Opportunities Capital out performed the blended benchmark by 207 basis points during the 1st Quarter 2013.

City of Mobile Police & Firefighters

March 31, 2013

Performance Summary Table
Periods Ending 3/31/13

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	10 Yrs
Century Capital							
Total Return	8.98	8.98	5.02	5.46			
Total Return (Net of Fees)	8.75	8.75	4.09	4.54			
Russell 2500 Growth	12.21	12.21	13.70	8.06			
Variance	-3.23	-3.23	-8.68	-2.60			

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:

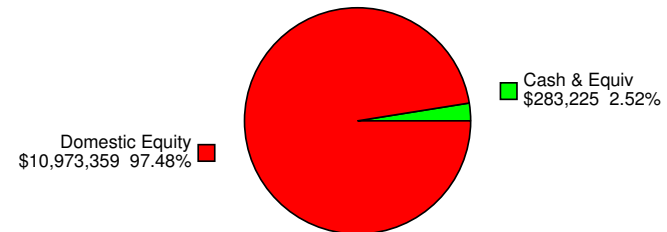
- Capital will flow to areas in the economy where returns on capital are above average and/or rising.
- Small and mid capitalization markets are inefficient, providing opportunities to utilize fundamental, bottom-up research to identify superior growth companies and misvaluations.
- Investing in small 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, 2013 \$11,256,584



CONCLUSIONS/RECOMMENDATIONS

Century Capital under performed the Russell 2500 Growth Index by 323 bps and ranked in the 83rd percentile of their peer group. The under performance is attributed to overall stock selection.

Over the last two years, Century Capital under performed the Russell 2500 Growth Index and ranked in the 83rd percentile of their peer group.

MANAGER TERMINATED

City of Mobile Police & Firefighters Equity Summary Statistics Century Capital Period Ending 3/13

	Portfolio	Russell 2500 Growth	Ten Largest Holdings	Mkt Value	% of Port	Quarterly Ret
Total Number Of Securities	58	1,387	Jarden Corp	259,714	2.37	24.32
Equity Market Value	10,973,359		Alliance Data System	259,024	2.36	11.83
Average Capitalization \$(000)	4,362,687	3,455,320	Brown & Brown Inc	256,576	2.34	26.26
Median Capitalization \$(000)	3,786,702	924,094	BE Aerospace Inc	253,278	2.31	22.04
Equity Segment Yield	0.43	0.81	Hanesbrands Inc	252,083	2.30	27.19
Equity Segment P/E - Average	30.59	31.54	Buffalo Wild Wings I	251,299	2.29	20.20
Equity Segment P/E - Median	23.41	18.31	Whirlpool Corp	251,254	2.29	16.95
Equity Segment Beta	1.29	1.21	Associated Banc Corp	249,116	2.27	16.42
Price/Book Ratio	3.45	3.63	Onyx Pharmaceuticals	244,632	2.23	17.65
Debt/Equity Ratio	38.40	39.20	Msc Indl Direct Inc	244,473	2.23	13.80
Five Year Earnings Growth	11.74	9.75				

GICS Sectors	Weight		Return		Selection		
	Portfolio	Index	Portfolio	Index	Stock	Sector	Total
Energy	5.60	5.00	23.60	13.70	0.55	0.01	0.56
Materials	4.09	7.08	-17.02	7.36	-1.00	0.15	-0.85
Industrials	16.88	17.56	16.36	14.73	0.28	-0.02	0.26
Consumer Discretionary	23.67	18.17	7.34	11.90	-1.08	-0.02	-1.10
Consumer Staples	0.33	3.71	8.73	16.05	-0.02	-0.13	-0.15
Health Care	17.05	15.34	11.80	13.80	-0.34	0.03	-0.31
Financials	6.77	10.39	18.06	13.74	0.29	-0.06	0.24
Information Technology	23.65	20.59	3.65	9.90	-1.48	-0.07	-1.55
Telecom. Services	1.97	1.59	-1.10	0.34	-0.03	-0.04	-0.07
Utilities	0.00	0.58		14.17	0.00	-0.01	-0.01
	100.00	100.00	9.23	12.22	-2.83	-0.16	-2.99

Stock Selection Return Attribution

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

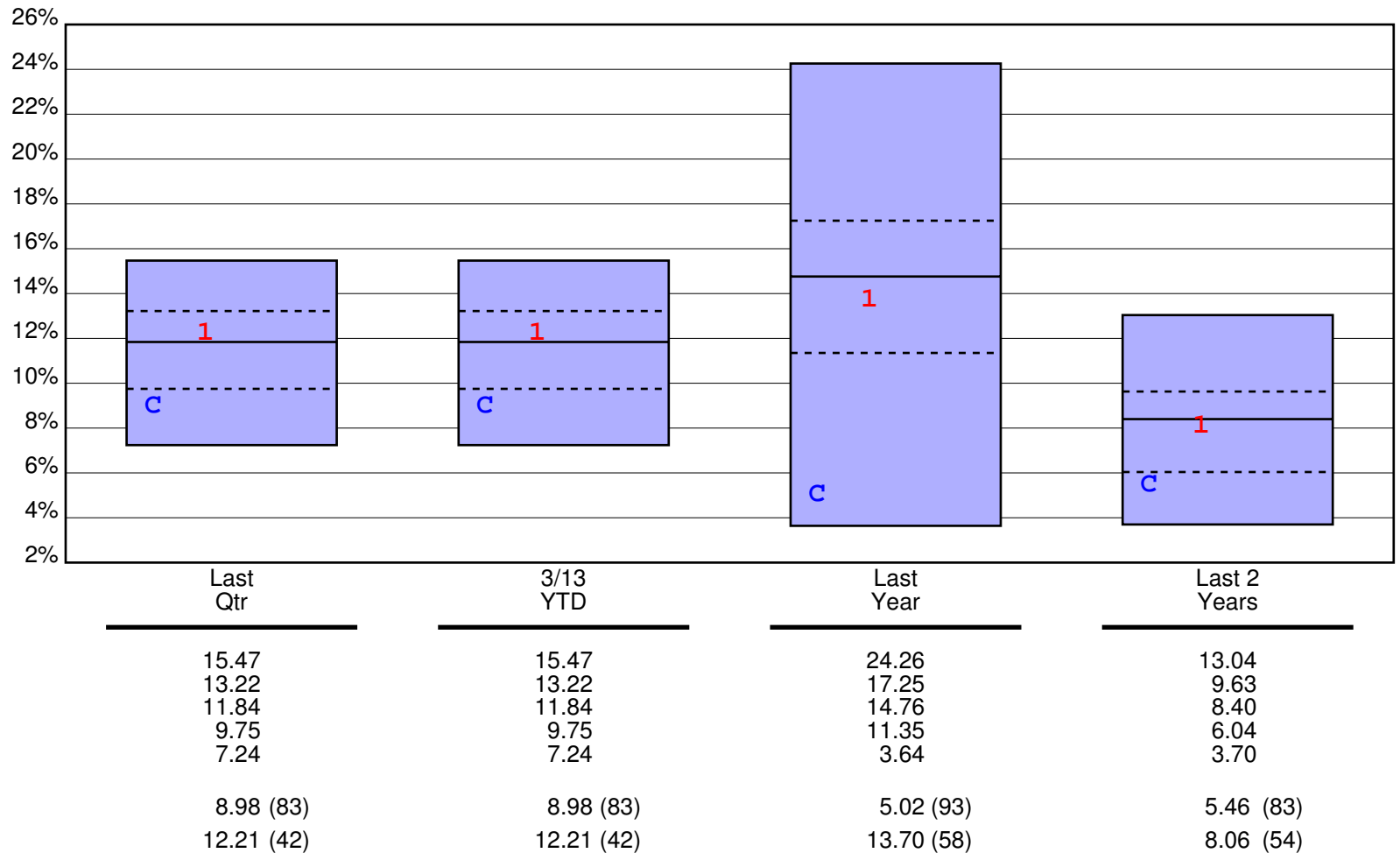
Sector Selection Return Attribution

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

Trading Effect -0.06%

[Actual Return 9.17%] - [Buy Hold Return 9.23%]

City of Mobile Police & Firefighters SMID Growth Cumulative Performance Comparisons Total Returns of Equity Portfolios Periods Ending 3/13



City of Mobile Police & Firefighters

March 31, 2013

Performance Summary Table
Periods Ending 3/31/13

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	10 Yrs
Advisory Research							
Total Return	12.03	12.03	13.96	11.36	14.77		
Total Return (Net of Fees)	11.80	11.80	12.97	10.40	13.80		
Russell 2500 Value	13.35	13.35	21.17	10.13	14.16		
Variance	-1.32	-1.32	-7.22	1.23	0.61		

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:

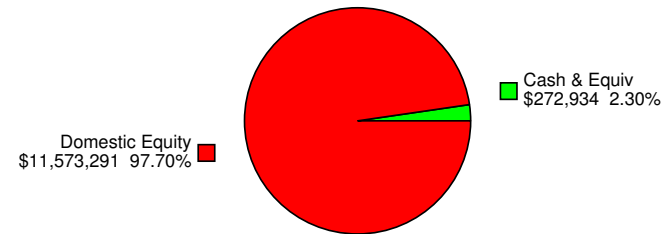
Advisory Research's Small/Mid Value Equities Strategy can be categorized as a fundamental and research driven approach to investing in small to mid capitalization value stocks with market caps between \$300 million and \$8 billion. While portfolio valuation metrics consistently reflect a value style, 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, 2013 \$11,846,225



CONCLUSIONS/RECOMMENDATIONS

Advisory Research under performed the Russell 2500 Value Index by 132 basis points during the First Quarter and ranked in the 74th percentile of their peer group. The under performance is primarily attributed to stock selection in the Materials and Consumer Discretionary sectors.

Over the past 3 years, the Manager has out performed the Russell 2500 Value Index and ranked in the 37th percentile of their peer universe.

MANAGER TERMINATED

City of Mobile Police & Firefighters

Equity Summary Statistics

Advisory Research

Period Ending 3/13

	Portfolio	Russell 2500 Value	Ten Largest Holdings	Mkt Value	% of Port	Quarterly Ret
Total Number Of Securities	42	1,790	Plum Creek Timber Co	548,622	4.69	18.68
Equity Market Value	11,573,291		Leucadia Natl Co	462,744	3.96	18.75
Average Capitalization \$(000)	5,560,845	3,332,915	Vail Resorts Inc	425,022	3.63	15.60
Median Capitalization \$(000)	3,402,772	738,489	White Mtns Ins Group	411,162	3.51	10.32
Equity Segment Yield	1.18	1.90	Discover Finl Svcs	384,727	3.29	16.32
Equity Segment P/E - Average	18.27	23.83	Pioneer Nat Res Co	378,963	3.24	16.61
Equity Segment P/E - Median	15.03	14.77	Trinity Inds Inc	359,467	3.07	26.93
Equity Segment Beta	1.37	1.26	Cit Group Inc	354,797	3.03	12.53
Price/Book Ratio	1.58	1.45	Comerica Inc	349,434	2.99	19.04
Debt/Equity Ratio	58.83	53.01	Visteon Corp	349,085	2.98	7.21
Five Year Earnings Growth	8.13	5.32				

GICS Sectors	Weight		Return		Selection		
	Portfolio	Index	Portfolio	Index	Stock	Sector	Total
Energy	8.95	7.24	20.47	10.93	0.85	-0.04	0.81
Materials	12.38	7.09	-3.27	8.27	-1.43	-0.27	-1.70
Industrials	15.04	14.29	17.01	15.15	0.28	0.01	0.29
Consumer Discretionary	17.45	11.44	8.82	13.55	-0.83	0.01	-0.82
Consumer Staples	1.81	2.46	10.13	18.68	-0.16	-0.03	-0.19
Health Care	1.33	6.09	-3.03	18.00	-0.28	-0.22	-0.50
Financials	35.24	32.29	16.02	14.41	0.57	0.03	0.60
Information Technology	7.79	9.57	7.61	9.93	-0.18	0.06	-0.12
Telecom. Services	0.00	1.11		-3.94	0.00	0.19	0.19
Utilities	0.00	8.42		14.31	0.00	-0.08	-0.08
	100.00	100.00	11.90	13.41	-1.17	-0.34	-1.51

Stock Selection Return Attribution

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

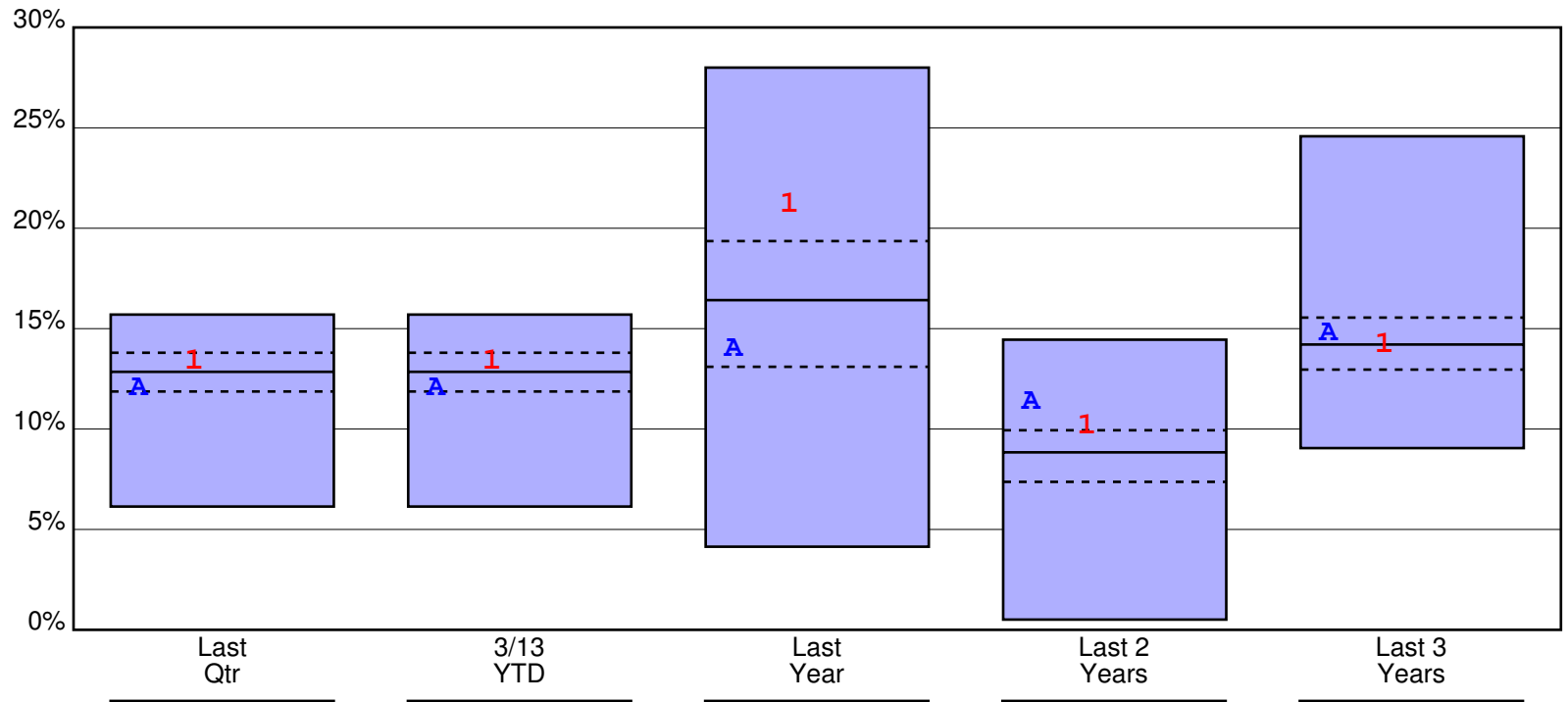
Sector Selection Return Attribution

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

Trading Effect 0.52%

[Actual Return 12.42%] - [Buy Hold Return 11.90%]

City of Mobile Police & Firefighters SMID Value-Neutral Cumulative Performance Comparisons Total Returns of Equity Portfolios Periods Ending 3/13



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

Last Qtr	3/13 YTD	Last Year	Last 2 Years	Last 3 Years
15.70	15.70	28.00	14.45	24.58
13.80	13.80	19.36	9.94	15.55
12.85	12.85	16.42	8.84	14.21
11.87	11.87	13.10	7.37	12.96
6.14	6.14	4.14	0.51	9.05
A 12.03 (74)	A 12.03 (74)	A 13.96 (71)	A 11.36 (17)	A 14.77 (37)
1 13.35 (28)	1 13.35 (28)	1 21.17 (20)	1 10.13 (19)	1 14.16 (51)

A Advisory Research
1 Russell 2500 Value

City of Mobile Police & Firefighters

March 31, 2013

Performance Summary Table
Periods Ending 3/31/13

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	10 Yrs
Allianz Global Investors							
Total Return	4.48	4.48	11.61				
Total Return (Net of Fees)	4.48	4.48	11.61				
MSCI ACWI ex US (Net)	3.17	3.17	8.36				
Variance	1.31	1.31	3.25				

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:

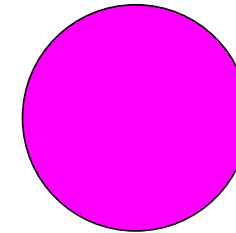
Allianz's investment process enables them to identify stocks offering attractive valuations and growth potential. Manager believes a diversified portfolio of dividend-paying companies with low relative and absolute valuations will out perform over market cycles. Investment conviction must come from analysis 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, 2013 \$11,986,535

Intl Equity
\$11,986,535 100.00%

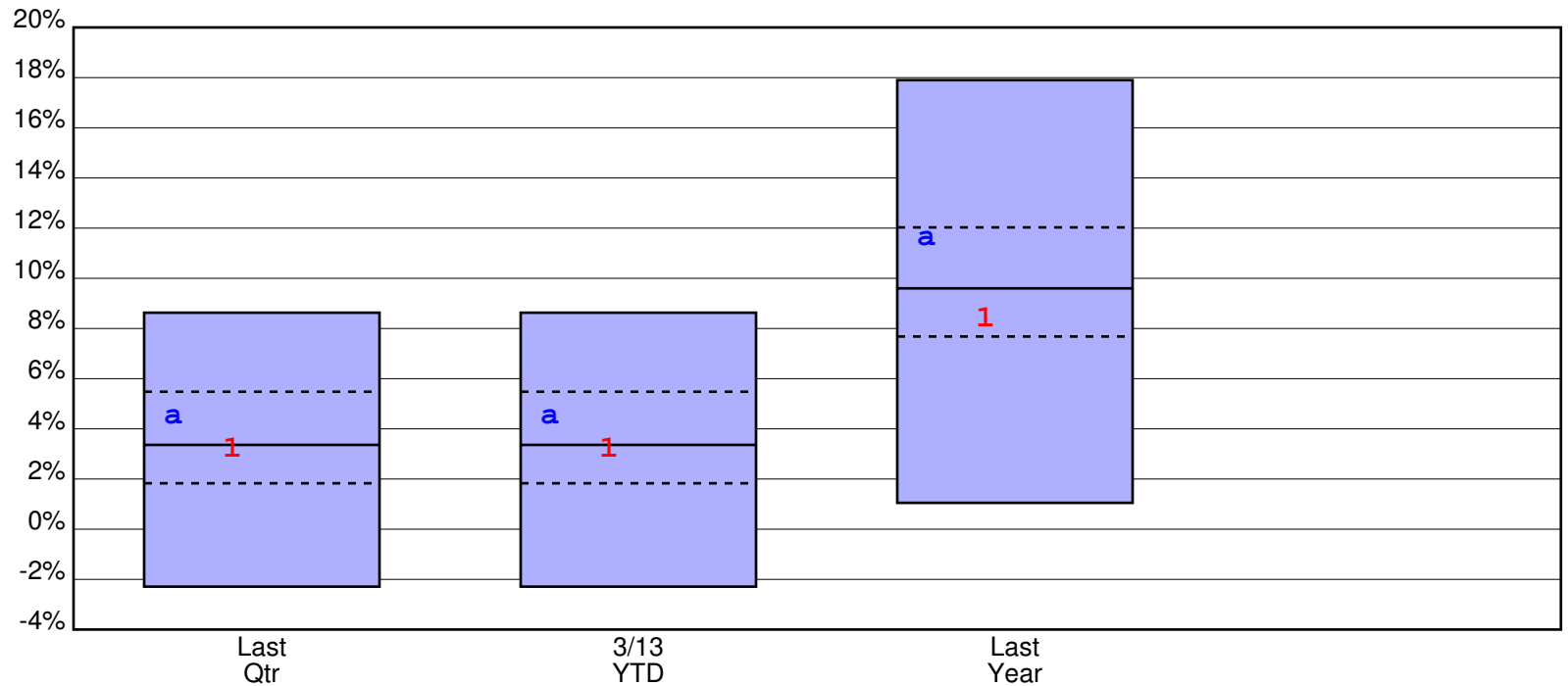


CONCLUSIONS/RECOMMENDATIONS

Allianz Global Investors out performed the MSCI ACWI ex US (Net) during the 1st Quarter 2013 and ranked in the 34th percentile of the International Equity Universe.

Over a 1-year time period, Allianz Global Investors ranks in the 29th percentile of the International Equity Universe.

City of Mobile Police & Firefighters Cumulative Performance Comparison Total Returns of International Equity Portfolios Periods Ending 3/13



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

8.63
5.48
3.36
1.83
-2.29

8.63
5.48
3.36
1.83
-2.29

17.90
12.03
9.60
7.68
1.05

a Allianz Global Investors
1 MSCI ACWI ex US (Net)

4.48 (34)
3.17 (52)

4.48 (34)
3.17 (52)

11.61 (29)
8.36 (66)

City of Mobile Police & Firefighters

March 31, 2013

Performance Summary Table
Periods Ending 3/31/13

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	10 Yrs
Orleans							
Total Return	0.40	0.40	3.57	4.82	4.96	5.87	
Total Return (Net of Fees)	0.37	0.37	3.45	4.69	4.83	5.75	
Barclays Int Govt/Credit	0.26	0.26	3.53	4.80	4.75	4.61	
Variance	0.14	0.14	0.04	0.01	0.21	1.26	
Barclays U.S. Aggregate	-0.12	-0.12	3.77	5.73	5.52	5.47	

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.

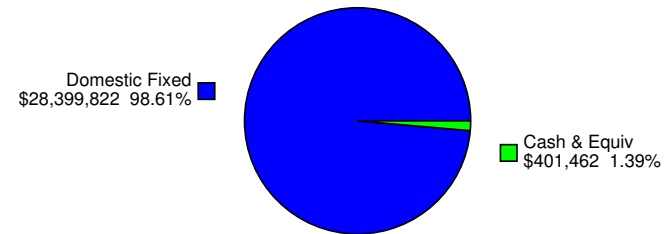
Yield curve exposure is generally kept neutral to the index and portfolios contain a full spectrum of maturities to achieve duration targets.

FEE SCHEDULE

15 bps on first \$10MM
10 bps thereafter

Asset Allocation Orleans

March 31, 2013 \$28,801,284



CONCLUSIONS/RECOMMENDATIONS

Orleans out performed the Barclays Int. Govt/Credit Index and the Barclays U.S. Aggregate Index. Manager ranked in the 30th percentile of the Fixed Income Universe during the quarter.

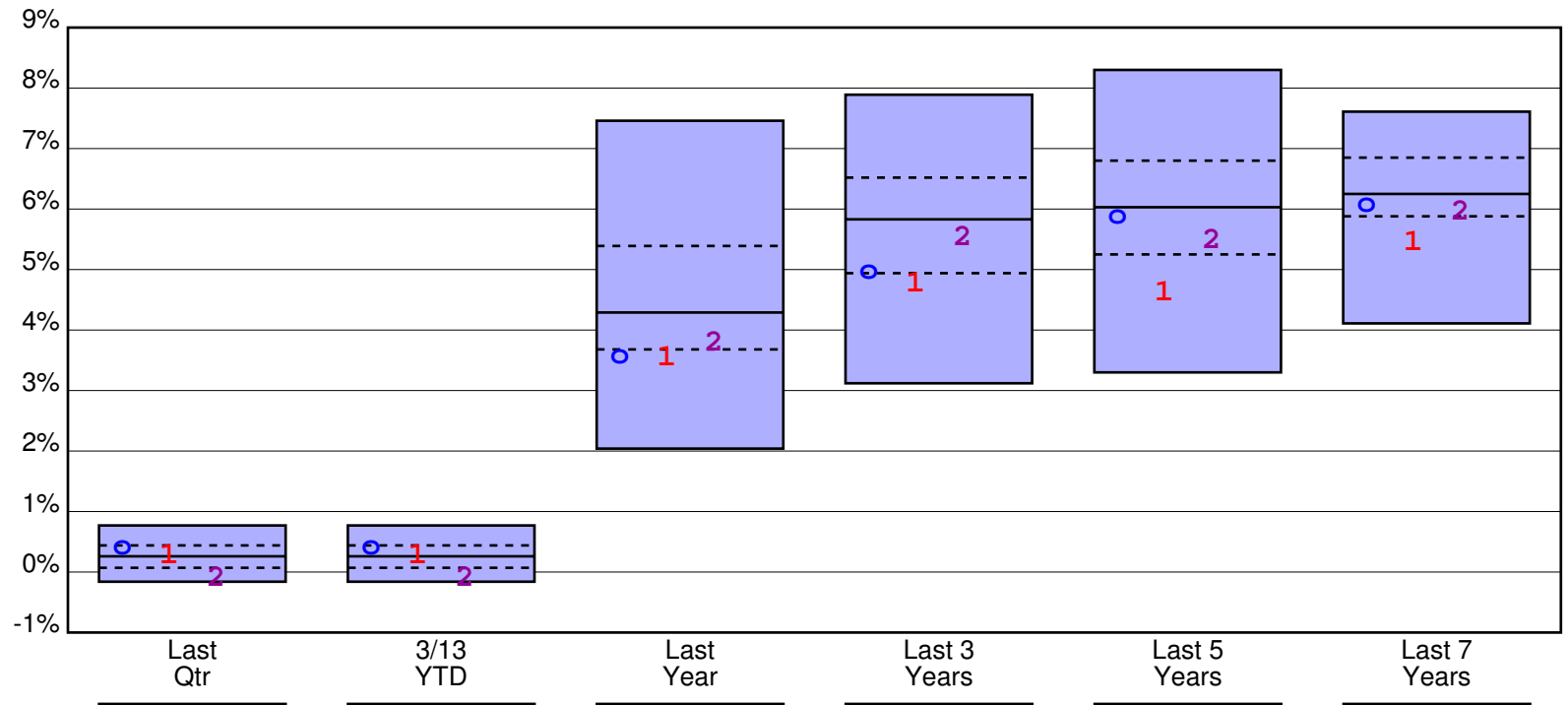
In all periods greater than one year, the manager has out performed the Barclays Int. Govt/Credit Index. Over the past seven years, manager ranks in the 62nd percentile of the Fixed Income Universe.

City of Mobile Police & Firefighters

Intermediate Term Cumulative Performance Comparisons

Total Returns of Fixed Income Portfolios

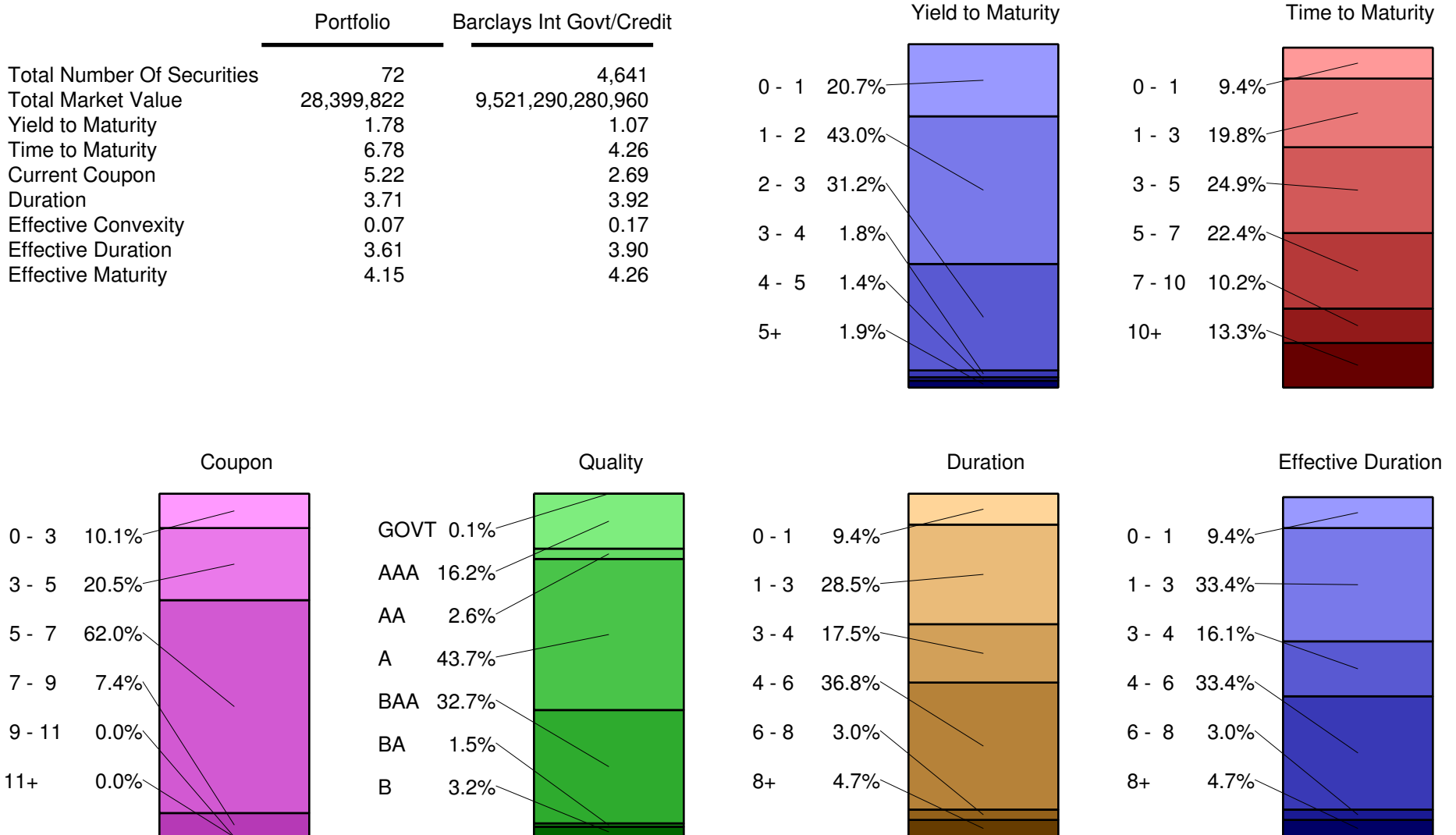
Periods Ending 3/13



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

	Last Qtr	3/13 YTD	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
5th Percentile	0.77	0.77	7.46	7.89	8.30	7.61
25th Percentile	0.44	0.44	5.39	6.52	6.80	6.85
Median	0.26	0.26	4.29	5.83	6.03	6.25
75th Percentile	0.07	0.07	3.68	4.94	5.25	5.88
95th Percentile	-0.16	-0.16	2.04	3.12	3.30	4.11
Orleans	0.40 (30)	0.40 (30)	3.57 (78)	4.96 (74)	5.87 (54)	6.07 (62)
Barclays Int Govt/Credit	0.26 (50)	0.26 (50)	3.53 (79)	4.75 (82)	4.61 (87)	5.43 (88)
Barclays U.S. Aggregate	-0.12 (92)	-0.12 (92)	3.77 (72)	5.52 (60)	5.47 (72)	5.94 (72)

City of Mobile Police & Firefighters Fixed Income, Mortgage and Municipals Summary Statistics Orleans Quarter Ending 3/13



City of Mobile Police & Firefighters

March 31, 2013

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)

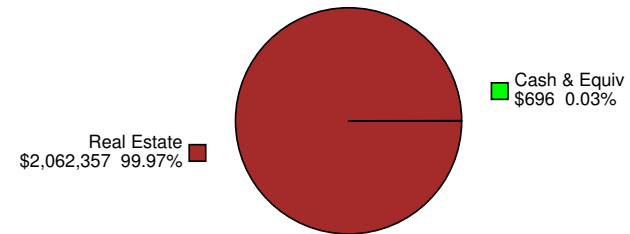
Public investments consist of 4 separate account REIT strategies (core, large cap, small cap, and absolute return) and an in-house public/private arbitrage portfolio.

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

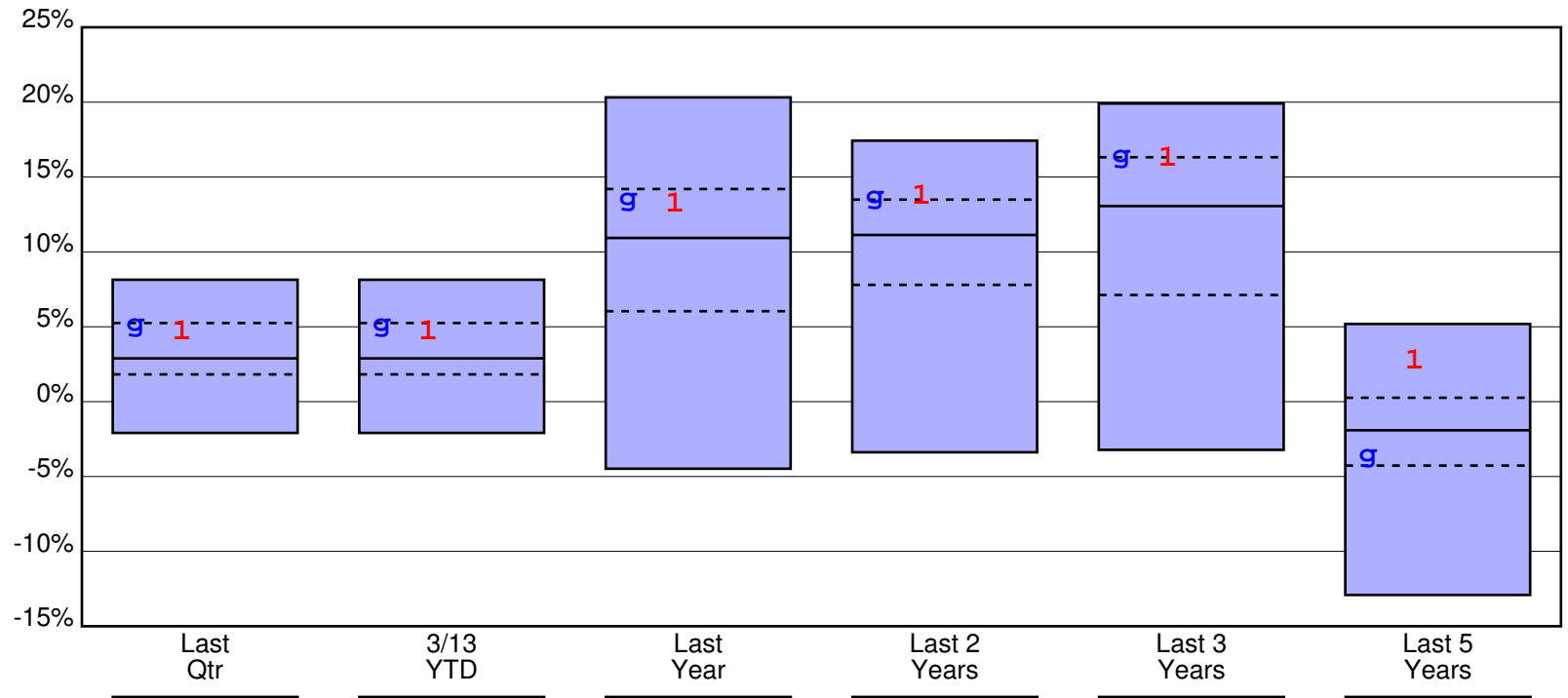
Asset Allocation
Guggenheim
March 31, 2013 \$2,063,053



CONCLUSIONS/RECOMMENDATIONS

Guggenheim out performed the blended benchmark by 44 bps and ranked in the 28th percentile of the Real Estate Universe for the quarter.

City of Mobile Police & Firefighters Cumulative Performance Comparison Total Returns of Real Estate Portfolios Periods Ending 3/13



5th Percentile	8.14	8.14	20.32	17.43	19.91	5.19
25th Percentile	5.25	5.25	14.20	13.49	16.32	0.26
Median	2.89	2.89	10.93	11.13	13.06	-1.91
75th Percentile	1.82	1.82	6.04	7.80	7.12	-4.27
95th Percentile	-2.09	-2.09	-4.48	-3.38	-3.22	-12.91
g Guggenheim	5.05 (28)	5.05 (28)	13.46 (28)	13.60 (23)	16.34 (24)	-3.66 (72)
1 70% NCREIF / 30% NAREIT	4.61 (33)	4.61 (33)	13.17 (31)	13.66 (23)	16.22 (26)	2.66 (13)

City of Mobile Police & Firefighters March 31, 2013

DLJ REAL ESTATE CAPITAL PARTNERS FUND II Real Estate

OBJECTIVE

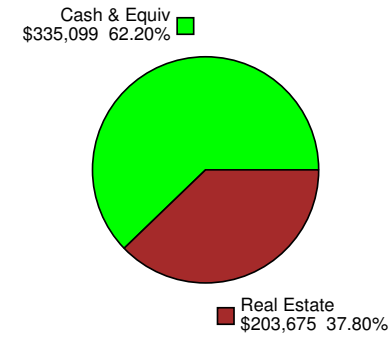
Manager is expected to out perform the NCREIF Index.

CONCLUSIONS/RECOMMENDATIONS

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

Asset Allocation DLJ

March 31, 2013 \$538,774



City of Mobile Police & Firefighters
Internal Rate of Return Table
DLJ
March 31, 2013

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

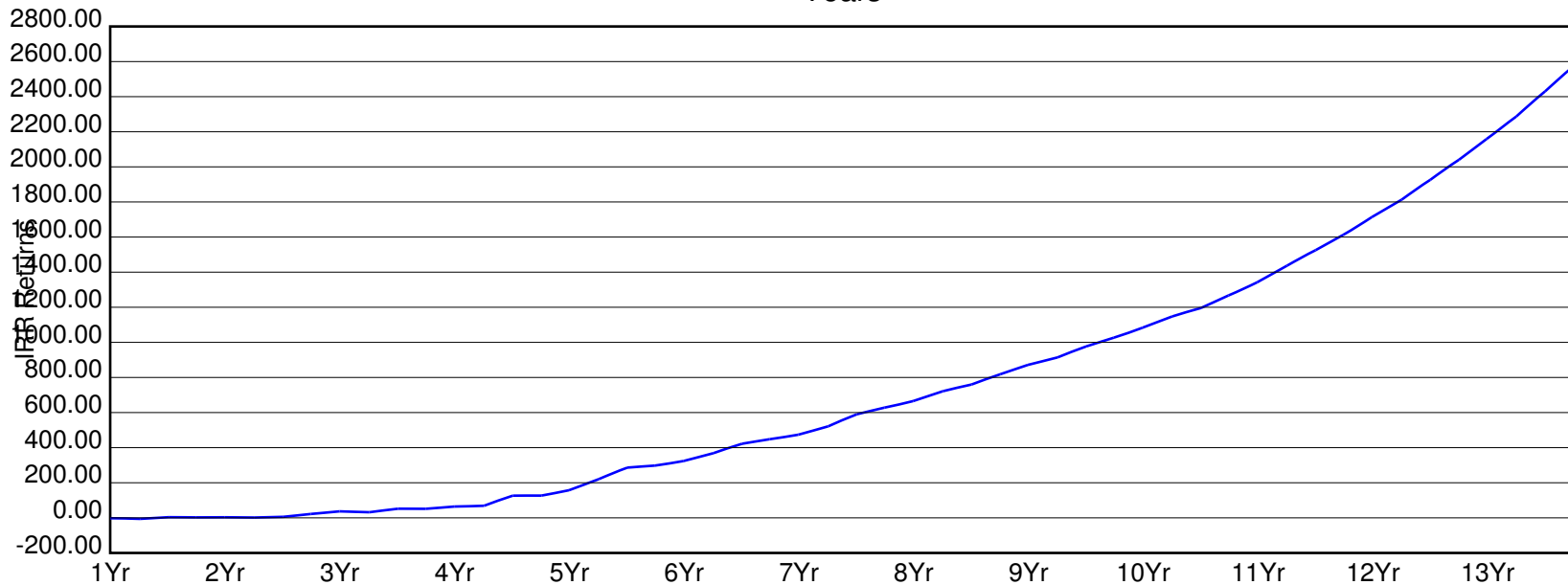
City of Mobile Police & Firefighters
Internal Rate of Return Table
DLJ
March 31, 2013

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, 2013

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
9/11	506,108	0	0	-3,147	0	1,668	501,294	1,813.04	27.82
12/11	501,294	0	0	13,618	0	0	514,911	1,926.25	27.77
3/12	514,911	0	0	5,316	0	1,259	518,968	2,040.58	27.71
6/12	518,968	0	0	-337	0	0	518,631	2,158.59	27.64
9/12	518,631	0	0	4,280	0	1,066	521,845	2,287.20	27.58
12/12	521,845	0	0	16,929	0	0	538,774	2,429.90	27.54
3/13	538,774	0	0	0	0	0	538,774	2,568.57	27.48
Total		2,645,954	3,719,237	1,843,163	57,226	173,880	538,774	2,568.57	27.48

City of Mobile Police & Firefighters
J-Curve Graph
DLJ
3/31/00 - 3/31/13
Years



Year	Contribution	Distribution	Expenses	Investment Fees	Ending Value	Cumulative IRR
1	444,702	201,436	6,179	13,973	217,288	-2.25
2	356,722	50,544	8,508	30,000	501,134	3.26
3	177,972	269,003	7,955	30,000	501,134	37.05
4	325,067	117,578	3,851	30,000	788,376	64.42
5	769,842	742,000	4,196	15,000	1,210,418	157.32
6	112,240	870,469	5,173	22,518	1,030,795	324.04
7	15,142	581,623	8,226	6,916	737,392	473.86
8	98,411	481,479	4,498	5,080	571,992	665.28
9	0	207,673	702	4,497	433,576	871.25
10	345,854	194,170	2,407	2,550	515,742	1,083.28
11	1	0	3,791	7,715	458,319	1,342.10
12	0	3,262	1,740	1,638	506,108	1,713.73
13	0	0	0	2,927	518,631	2,158.59
Total	2,645,954	3,719,237	57,226	173,880		

City of Mobile Police & Firefighters

March 31, 2013

Performance Summary Table
Periods Ending 3/31/13

Manager	1 Qtr	YTD	1 Year	2 Yrs	3 Yrs	5 Yrs	10 Yrs
TIAA-CREF							
Total Return	1.56	1.56	11.04	10.86	13.76		
Total Return (Net of Fees)	1.28	1.28	9.86	9.67	12.54		
NCREIF ODCE Fund Index	2.68	2.68	10.79	12.71	15.13		
Variance	-1.12	-1.12	0.25	-1.85	-1.37		

TIAA-CREF CORE PROPERTY FUND

Real Estate - Open-ended, Core Style

OBJECTIVE

Manager is expected to outperform the NCREIF Index.

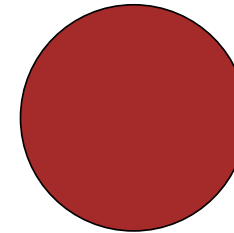
STRATEGIES

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, 2013 \$1,969,974

Real Estate
\$1,969,974 100.00%



CONCLUSIONS/RECOMMENDATIONS

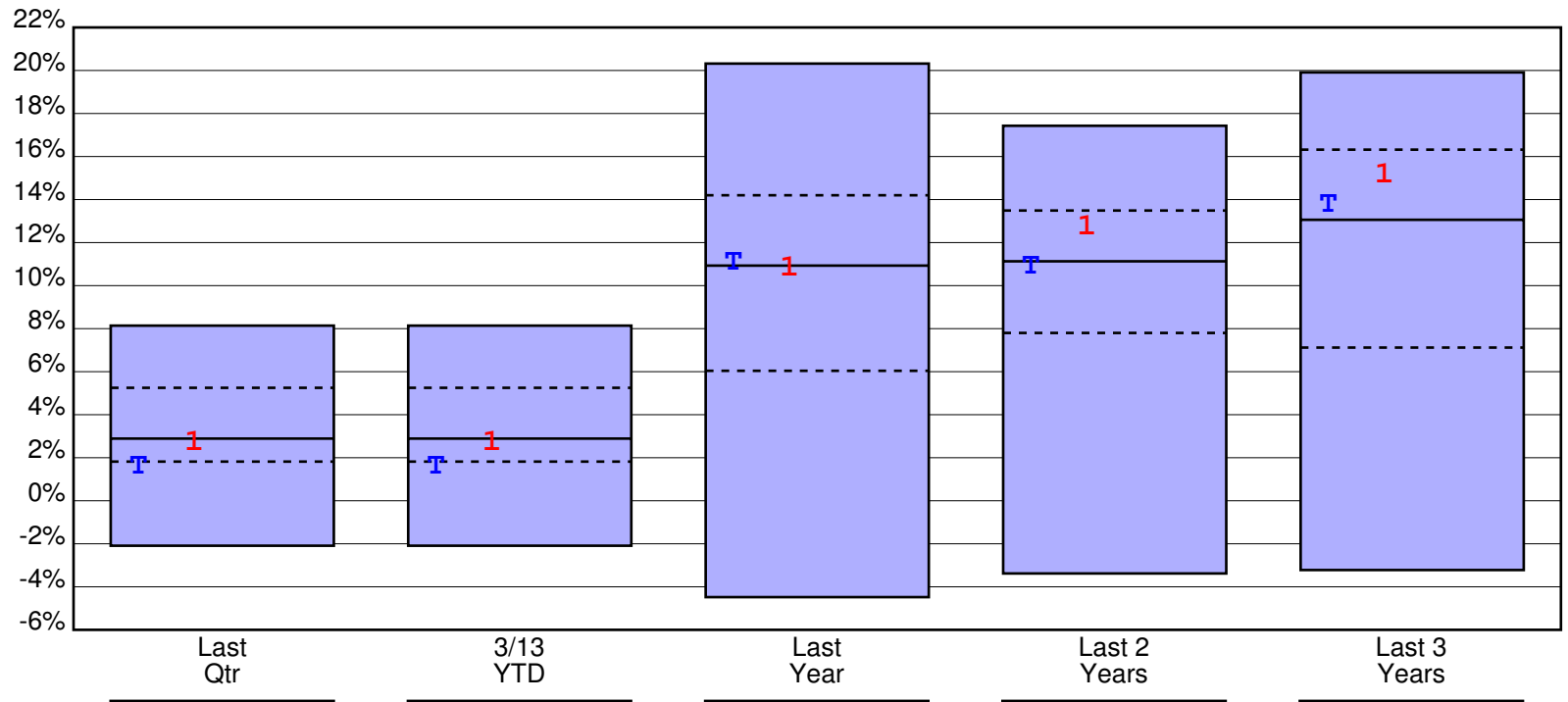
During the First Quarter 2013, TIAA-CREF under performed the NCREIF Property Index by 112 basis points. Their performance placed them in the 79th percentile of their peer universe.

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 3/13



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

8.14
5.25
2.89
1.82
-2.09

8.14
5.25
2.89
1.82
-2.09

20.32
14.20
10.93
6.04
-4.48

17.43
13.49
11.13
7.80
-3.38

19.91
16.32
13.06
7.12
-3.22

T TIAA-CREF

1 NCREIF ODCE Fund Index

1.56 (79)

2.68 (54)

1.56 (79)

2.68 (54)

11.04 (49)

10.79 (51)

10.86 (53)

12.71 (34)

13.76 (42)

15.13 (34)

City of Mobile Police & Firefighters

March 31, 2013

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

Initial Closing on August 7, 1998

OBJECTIVE

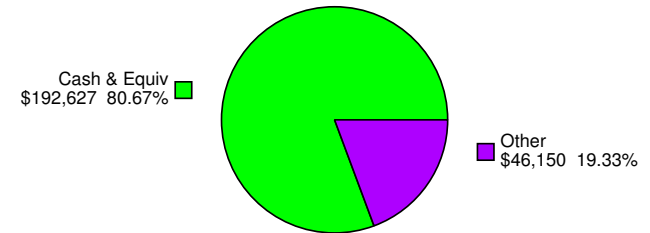
The manager needs to achieve a return of 400 basis points above the Russell 3000 index on an annual basis.

CONCLUSIONS/RECOMMENDATIONS

Hicks, Muse, Tate & Furst IV values and performance has not been updated through the First Quarter of 2013. 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, 2013 \$238,777



City of Mobile Police & Firefighters
Internal Rate of Return Table
Hicks, Muse, Tate & Furst IV
March 31, 2013

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, 2013

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, 2013

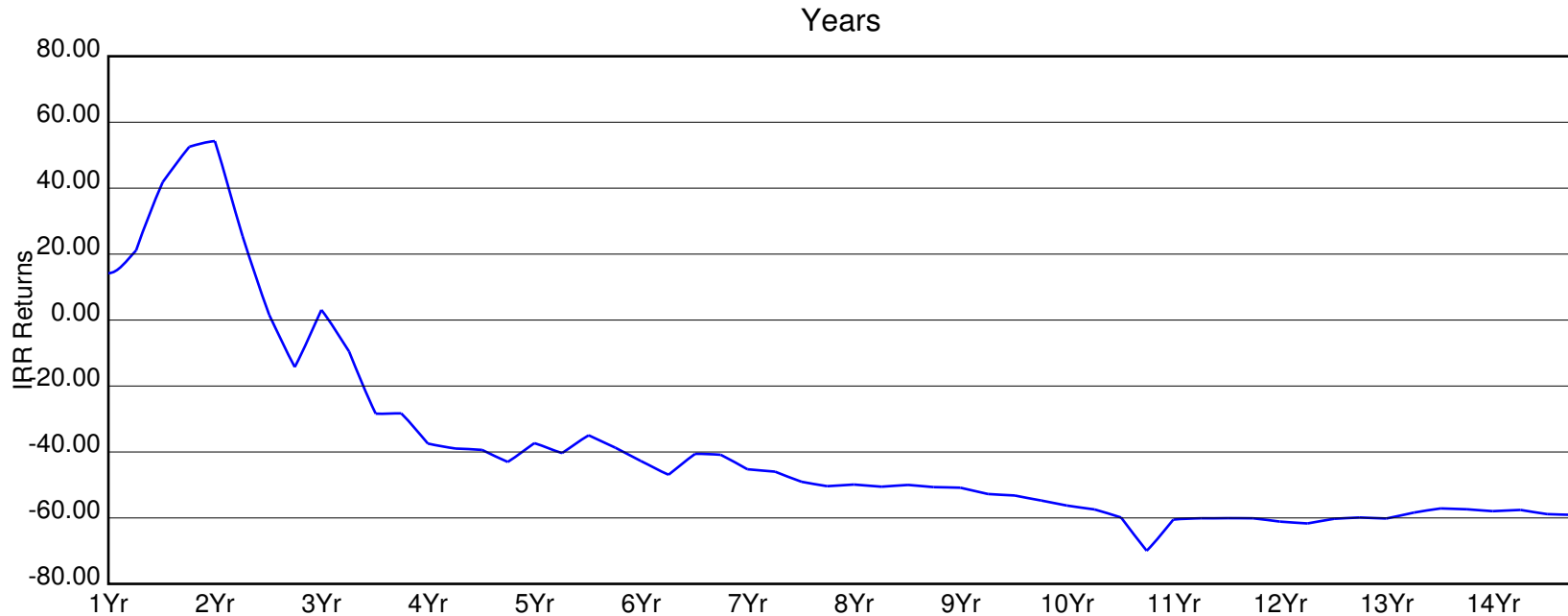
Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
9/10	189,496	0	0	-1,792	0	0	187,704	-61.67	-7.65
12/10	187,704	0	0	16,585	0	0	204,289	-60.27	-7.23
3/11	204,289	0	0	6,870	0	0	211,159	-59.86	-7.02
6/11	211,159	1	0	1	0	0	211,161	-60.18	-6.94
9/11	211,161	0	0	19,727	0	0	230,888	-58.38	-6.50
12/11	230,888	0	0	14,511	0	0	245,399	-57.12	-6.17
3/12	245,399	0	0	11	0	0	245,410	-57.38	-6.10
6/12	245,410	0	0	-2,925	0	0	242,485	-57.95	-6.08
9/12	242,485	0	0	5,848	0	0	248,333	-57.57	-5.92
12/12	248,333	0	0	-9,555	0	0	238,777	-58.84	-6.02
3/13	238,777	0	0	0	0	0	238,777	-59.07	-5.96
Total		2,415,558	1,536,951	-595,574	0	44,256	238,777	-59.07	-5.96

City of Mobile Police & Firefighters

J-Curve Graph

Hicks, Muse, Tate & Furst IV

3/31/99 - 3/31/13



Year	Contribution	Distribution	Expenses	Investment Fees	Ending Value	Cumulative IRR
1	1,383,605	247,093	0	0	1,262,303	14.22
2	718,369	75,979	0	22,237	2,368,076	54.27
3	107,649	57,796	0	11,515	1,837,287	3.09
4	65,490	511,575	0	10,504	809,804	-37.45
5	14,731	9,570	0	0	825,099	-37.32
6	8,669	75,727	0	0	687,119	-42.74
7	5,883	381,403	0	0	288,762	-45.24
8	4,236	22,798	0	0	246,989	-49.88
9	3,026	138,374	0	0	136,362	-50.84
10	2,646	7,965	0	0	104,021	-56.24
11	94,737	8,671	0	0	172,320	-60.51
12	6,516	0	0	0	189,496	-61.11
13	1	0	0	0	211,161	-60.18
14	0	0	0	0	242,485	-57.95
Total Capital Commitment	2,415,588	1,536,951	0	44,256		

City of Mobile Police & Firefighters March 31, 2013

RIPPLEWOOD PARTNERS II **Private Equity**

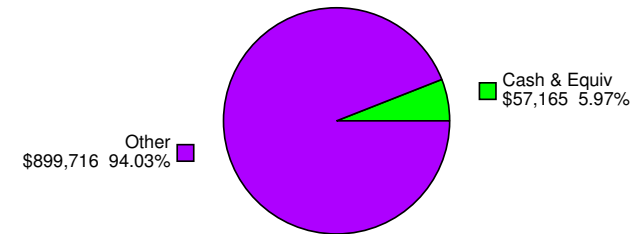
OBJECTIVE

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, 2013 \$956,881



CONCLUSIONS/RECOMMENDATIONS

Ripplewood Partners II values and performance has not been updated through the First Quarter of 2013. The manager's performance will be included in subsequent reports.

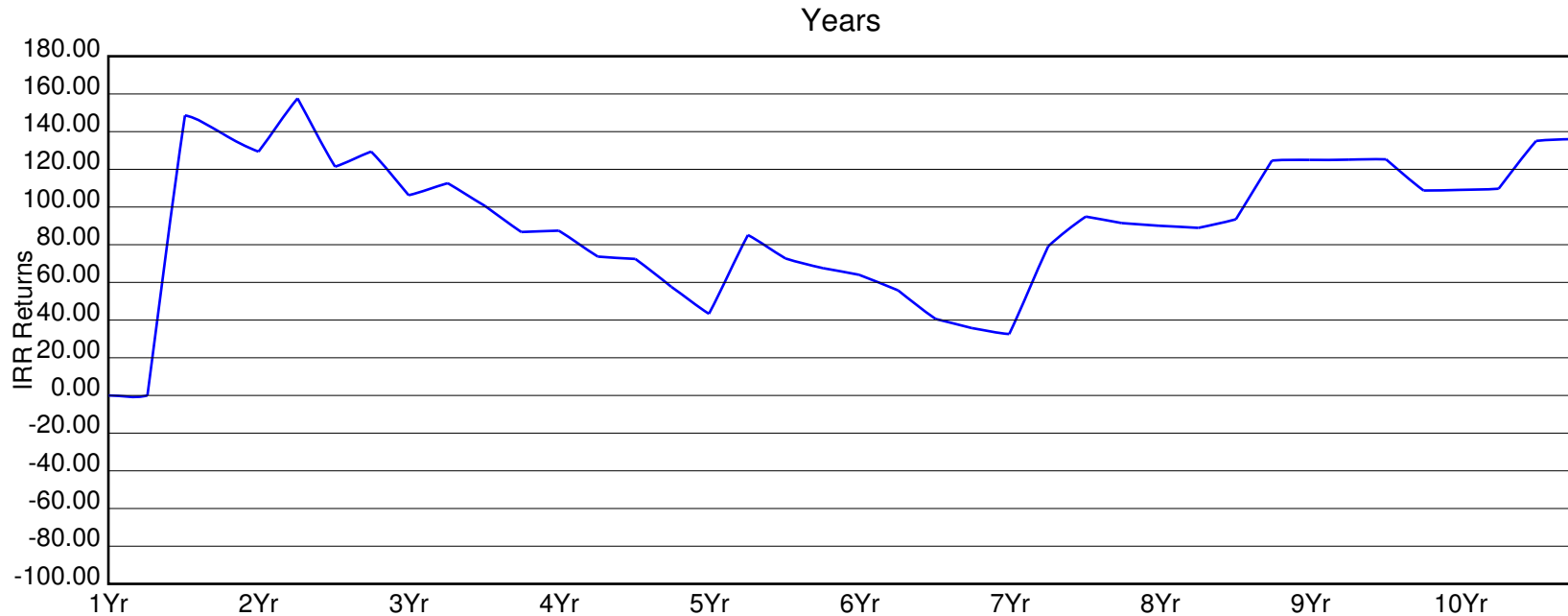
City of Mobile Police & Firefighters
Internal Rate of Return Table
Ripplewood Partners II, L.P.
March 31, 2013

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, 2013

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
9/08	1,197,686	8,327	0	-15,397	0	8,327	1,182,289	55.75	7.59
12/08	1,182,289	306,214	3,677	-46,221	0	0	1,438,605	40.59	5.55
3/09	1,438,605	398,122	0	-8,211	8,493	0	1,820,023	35.77	4.78
6/09	1,820,023	14,368	8,078	-962	0	8,493	1,816,859	32.57	4.23
9/09	1,816,859	88,397	3,237	231,096	0	7,036	2,126,079	79.18	8.62
12/09	2,126,079	0	31,473	99,310	0	0	2,193,917	94.91	9.56
3/10	2,193,917	225,045	243,602	15,165	0	0	2,190,524	91.46	8.98
6/10	2,190,524	66,838	1,106,699	17,021	0	0	1,167,684	90.04	8.57
9/10	1,167,684	0	8,911	-1,862	0	0	1,156,911	88.93	8.22
12/10	1,156,911	0	84,051	26,888	0	3,138	1,096,610	93.48	8.27
3/11	1,096,610	0	0	161,282	0	0	1,257,892	124.66	9.92
6/11	1,257,892	76,567	264,832	-179	5,494	1,606	1,062,349	125.00	9.65
9/11	1,062,349	0	0	-974	5,531	0	1,055,844	125.13	9.37
12/11	1,055,844	0	0	-1,169	11,497	0	1,043,178	125.30	9.12
3/12	1,043,178	0	0	-87,620	10,805	18,434	926,319	108.75	8.00
6/12	926,319	0	0	-1,364	23,948	0	901,007	109.08	7.81
9/12	901,007	0	0	-270	15,159	0	885,579	109.71	7.64
12/12	885,579	0	39,995	125,535	14,238	0	956,881	135.08	8.64
3/13	956,881	0	0	0	0	0	956,881	136.02	8.47
Total		2,608,181	2,172,398	745,861	95,164	129,599	956,881	136.02	8.47

City of Mobile Police & Firefighters
J-Curve Graph
Ripplewood Partners II, L.P.
3/31/03 - 3/31/13



Year	Contribution	Distribution	Expenses	Investment Fees	Ending Value	Cumulative IRR
1	57,759	0	0	0	57,759	0.00
2	0	468	0	0	131,951	129.38
3	211,118	3,228	0	24,258	339,078	106.26
4	294,248	3,400	0	32,692	622,184	87.45
5	792,301	111,639	0	22,773	1,272,865	43.33
6	68,876	259,108	0	2,842	1,197,686	64.03
7	727,032	11,755	8,493	16,820	1,816,859	32.57
8	380,280	1,385,011	0	7,036	1,167,684	90.04
9	76,567	357,793	5,494	4,744	1,062,349	125.00
10	0	0	51,780	18,434	901,007	109.08
Total	2,608,181	2,172,398	95,164	129,599		
Total Capital Commitment:		2,000,000	Vintage Year: 2002			

City of Mobile Police & Firefighters

March 31, 2013

LEVINE LEICHTMAN CAPITAL PARTNERS III

Private Equity

OBJECTIVE

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

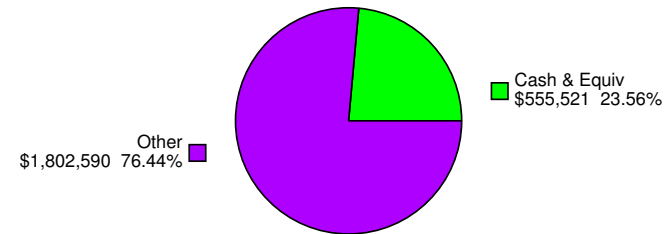
STRATEGIES

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

Asset Allocation

Levine Leichtman Fund III

March 31, 2013 \$2,358,111



CONCLUSIONS/RECOMMENDATIONS

Levine Leichtman Fund III values and performance has not been updated through the First Quarter of 2013. The manager's performance will be included in subsequent reports.

Fund expired on October 18, 2012 and will not be extending the agreement. The General Partner has determined to liquidate Fund III and wind up the affairs of the Partnership. The liquidation process will take a couple of years.

City of Mobile Police & Firefighters
Internal Rate of Return Table
Levine Leichtman Fund III
March 31, 2013

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

City of Mobile Police & Firefighters
Internal Rate of Return Table
Levine Leichtman Fund III
March 31, 2013

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
12/09	2,119,778	45,936	39,809	66,044	0	3,850	2,188,099	55.04	7.52
3/10	2,188,099	15,380	58,311	98,761	0	6,994	2,236,934	62.89	8.06
6/10	2,236,934	80,588	124,359	33,563	0	7,776	2,218,951	65.15	7.97
9/10	2,218,951	60,133	38,419	222,873	0	7,564	2,455,973	83.53	9.34
12/10	2,455,973	11,929	313,708	44,815	0	13,895	2,185,115	86.86	9.27
3/11	2,185,115	40,446	57,598	61,531	0	6,948	2,222,546	92.12	9.36
6/11	2,222,546	19,895	148,327	-1,336	0	19,972	2,072,806	92.14	9.04
9/11	2,072,806	0	0	-37,872	0	0	2,034,933	89.31	8.53
12/11	2,034,933	0	0	135,219	0	13,442	2,156,711	101.13	9.07
3/12	2,156,711	0	0	10,805	0	0	2,167,515	102.44	8.87
6/12	2,167,515	0	93,975	6,930	0	0	2,080,470	103.45	8.66
9/12	2,080,470	0	21,083	333,736	0	13,611	2,379,511	132.68	10.07
12/12	2,379,511	0	11,059	-10,340	0	0	2,358,111	132.46	9.77
3/13	2,358,111	0	0	0	0	0	2,358,111	133.11	9.53
Total		5,034,087	3,891,550	1,565,437	0	349,862	2,358,111	133.11	9.53

City of Mobile Police & Firefighters

March 31, 2013

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.

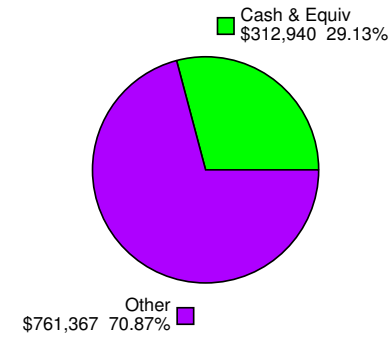
STRATEGIES

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, 2013 \$1,074,307



CONCLUSIONS/RECOMMENDATIONS

Permal values and performance has not been updated through the First Quarter of 2013.

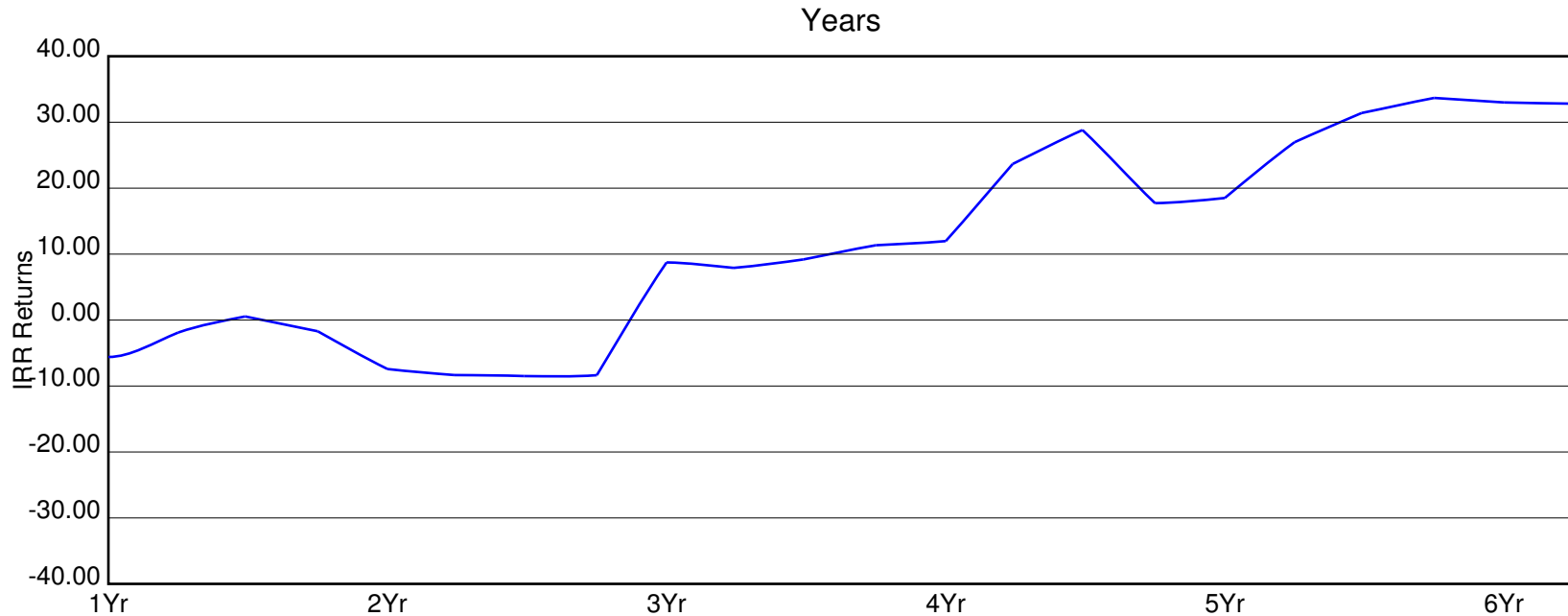
City of Mobile Police & Firefighters
Internal Rate of Return Table
Permal Capital Fund IV
March 31, 2013

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	61,645	0	2,500	1,176,949	26.97	4.69
6/12	1,176,949	0	0	34,393	0	2,312	1,209,030	31.39	5.13
9/12	1,209,030	0	26,858	19,689	0	2,312	1,199,549	33.68	5.21
12/12	1,199,549	0	120,000	-2,929	0	2,312	1,074,307	33.00	4.90

City of Mobile Police & Firefighters
Internal Rate of Return Table
Permal Capital Fund IV
March 31, 2013

[illegible]

City of Mobile Police & Firefighters
J-Curve Graph
Permal Capital Fund IV
9/30/07 - 3/31/13



Year	Contribution	Distribution	Expenses	Investment Fees	Ending Value	Cumulative IRR
1	500,000	38,090	8,491	20,000	415,415	-5.60
2	210,000	43,194	8,063	10,000	551,914	-7.42
3	377,956	21,164	2,503	10,000	975,315	8.74
4	80,017	66,629	2,025	10,000	1,005,389	11.97
5	70,000	0	0	10,000	1,117,804	18.51
6	0	146,858	0	9,436		
Total	1,237,972	315,935	21,082	69,436		

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

City of Mobile Police & Firefighters

March 31, 2013

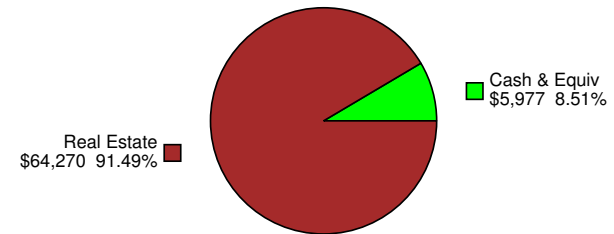
WESTBROOK REAL ESTATE FUND III

Real Estate

OBJECTIVE

Manager is expected to outperform the NCREIF Index.

Asset Allocation
Westbrook
March 31, 2013 \$70,247



CONCLUSIONS/RECOMMENDATIONS

Westbrook values and performance has not been updated through the First Quarter of 2013.

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

City of Mobile Police & Firefighters
Internal Rate of Return Table
Westbrook
March 31, 2013

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
9/98		2,313	0		0	9,205			NA
12/98		160,253	0		0	7,562	163,654		NA
3/99	163,654	322,306	0	20,745	0	7,397	499,308	42.85	NA
6/99	499,308	96,652	0	39,782	0	7,479	628,263	35.49	NA
9/99	628,263	56,380	51,547	53,680	0	7,562	679,214	46.24	44.07
12/99	679,214	273,848	0	1,801	0	7,562	947,301	37.22	27.72
3/00	947,301	161,087	30,179	48,968	0	7,459	1,119,718	41.48	25.23
6/00	1,119,718	201,358	0	65,368	0	7,459	1,378,985	48.45	24.67
9/00	1,378,985	725,803	176,895	98,586	0	7,541	2,018,938	56.17	24.37
12/00	2,018,938	88,598	141,928	34,599	0	6,806	1,993,401	53.46	20.51
3/01	1,993,401	0	90,933	86,400	0	6,842	1,982,026	59.86	20.26
6/01	1,982,026	0	10,089	91,721	0	6,836	2,056,822	67.23	20.22
9/01	2,056,822	0	104,968	1,270	0	6,893	1,946,231	63.45	17.52
12/01	1,946,231	0	100,122	-30,653	0	6,676	1,808,780	57.43	14.76
3/02	1,808,780	0	204,311	54,142	0	6,305	1,652,306	62.22	14.63
6/02	1,652,306	48,326	123,403	-2,280	0	5,935	1,569,014	61.18	13.42
9/02	1,569,014	0	94,965	-27,291	0	5,778	1,440,980	57.98	11.97
12/02	1,440,980	0	48,499	-34,428	0	5,582	1,352,471	54.34	10.63
3/03	1,352,471	0	0	70,526	0	5,423	1,417,574	62.20	11.23
6/03	1,417,574	0	28,920	22,346	0	5,418	1,405,582	64.91	11.00
9/03	1,405,582	0	41,438	150,662	0	5,448	1,509,358	81.79	12.58
12/03	1,509,358	0	261,534	23,834	0	5,030	1,266,628	85.29	12.35
3/04	1,266,628	0	61,888	81,815	0	4,682	1,281,873	95.82	12.88
6/04	1,281,873	0	104,581	117,773	0	0	1,295,065	110.86	13.74

City of Mobile Police & Firefighters
Internal Rate of Return Table
Westbrook
March 31, 2013

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
9/04	1,295,065	0	125,335	-1,096	0	0	1,168,634	112.81	13.30
12/04	1,168,634	0	435,461	2,960	0	0	736,133	115.85	12.99
3/05	736,133	0	68,689	8,214	0	0	675,658	120.77	12.86
6/05	675,658	0	270,692	165,527	0	0	570,493	145.56	14.14
9/05	570,493	0	157,137	12,844	0	0	426,200	153.17	14.09
12/05	426,200	0	87,347	-52,379	0	0	286,474	153.09	13.57
3/06	286,474	0	0	-545	0	0	285,929	159.86	13.49
6/06	285,929	0	0	5,615	0	0	291,544	167.70	13.47
9/06	291,544	0	73,596	1,864	0	0	219,812	175.34	13.41
12/06	219,812	0	70,480	-3,033	0	0	146,299	182.79	13.35
3/07	146,299	0	0	-2,996	0	0	143,303	190.53	13.29
6/07	143,303	0	0	-33,348	0	0	109,955	193.86	13.04
9/07	109,955	0	0	50	0	0	110,005	202.54	13.02
12/07	110,005	0	0	-33,508	0	0	76,497	205.97	12.78
3/08	76,497	0	0	2,588	0	0	79,085	215.33	12.78
6/08	79,085	0	0	2,260	0	0	81,345	224.90	12.78
9/08	81,345	0	0	2,875	0	0	84,220	234.97	12.78
12/08	84,220	0	0	2,823	0	0	87,043	245.32	12.78
3/09	87,043	6,943	0	1,282	0	128	95,140	255.46	12.78
6/09	95,140	0	128	-12,128	0	111	82,774	263.44	12.70
9/09	82,774	0	111	1,182	0	103	83,741	274.29	12.69
12/09	83,741	0	0	-2,321	0	0	81,421	284.76	12.66
3/10	81,421	0	96	-297	0	0	81,028	295.69	12.65
6/10	81,028	0	0	-402	89	0	80,537	307.03	12.64

City of Mobile Police & Firefighters
Internal Rate of Return Table
Westbrook
March 31, 2013

Quarter Ending	Beginning Value	Contribution	Distribution	Appreciation	Expenses	Investment Fees	Ending Value	Cumulative IRR	Annualized IRR
9/10	80,537	0	88	-2,181	0	0	78,268	318.44	12.61
12/10	78,268	0	89	1	0	0	78,180	330.65	12.60
3/11	78,180	0	76	1,070	0	0	79,174	343.17	12.60
6/11	79,174	0	0	2,765	67	0	81,872	356.56	12.60
9/11	81,872	0	0	101	0	57	81,916	369.88	12.59
12/11	81,916	0	0	-8,365	0	38	73,513	381.60	12.54
3/12	73,513	0	0	11	0	37	73,488	395.49	12.54
6/12	73,488	0	0	-111	0	0	73,377	409.73	12.53
9/12	73,377	0	0	-3,130	0	0	70,247	423.81	12.51
12/12	70,247	0	0	0	0	0	70,247	439.07	12.50
3/13	70,247	0	0	0	0	0	70,247	454.43	12.49
Total		2,143,867	2,965,525	1,045,415	156	153,354	70,247	454.43	12.49

City of Mobile Police & Firefighters March 31, 2013

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

OBJECTIVE

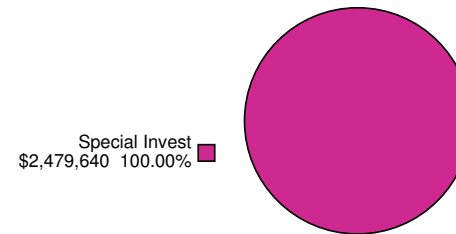
Manager is expected to outperform the NCREIF Timber Index.

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, 2013 \$2,479,640



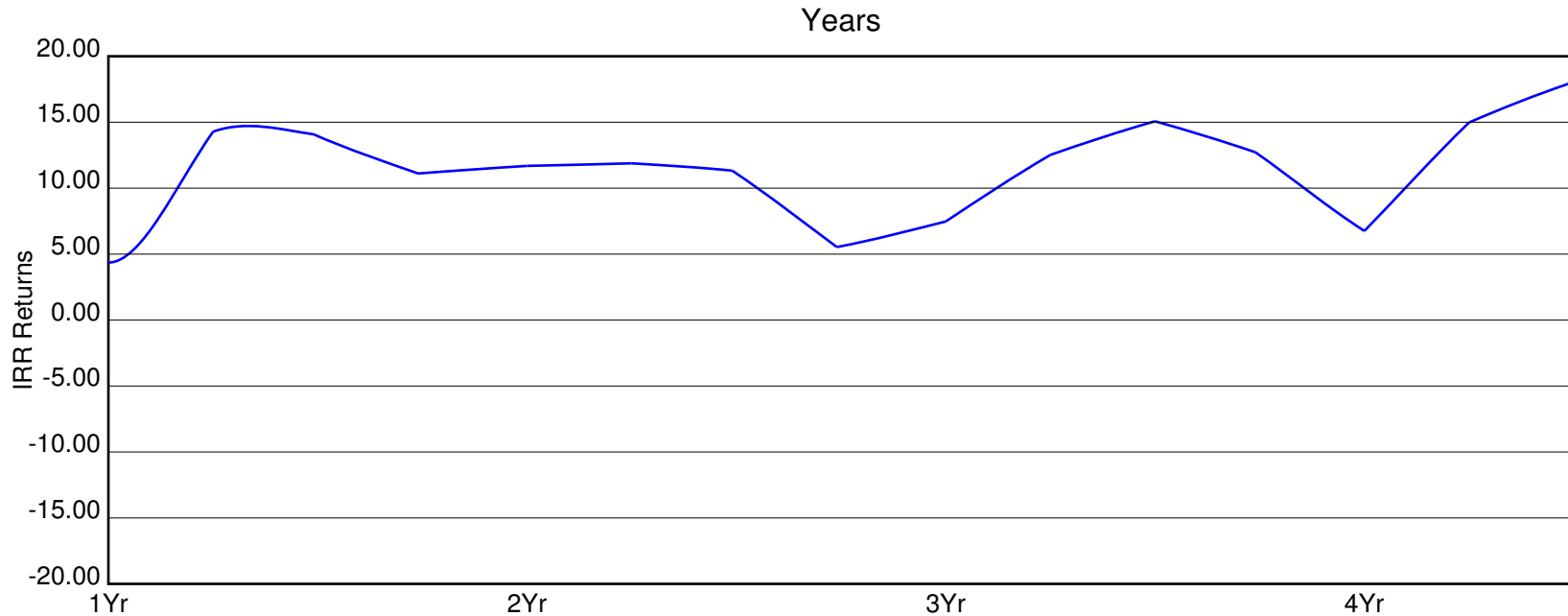
CONCLUSIONS/RECOMMENDATIONS

Timberland Investment has returned an annualized 3.88% since inception through 1st Quarter 2013. Since its inception in the fourth quarter of 2008, the fund has experienced an appreciation of \$307,124.

City of Mobile Police & Firefighters
Internal Rate of Return Table
Timberland Investment Resources
March 31, 2013

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
6/12	2,500,676	0	0	-30,261	0	5,095	2,465,320	12.72	3.40
9/12	2,465,320	0	0	-92,590	0	4,894	2,367,836	6.76	1.72
12/12	2,367,836	0	0	140,187	0	5,173	2,502,850	14.98	3.48
3/13	2,502,850	0	72,790	54,705	0	5,125	2,479,640	17.94	3.88
Total		2,347,065	72,790	307,124	33,889	67,870	2,479,640	17.94	3.88

City of Mobile Police & Firefighters
J-Curve Graph
Timberland Investment Resources
6/30/09 - 3/31/13



Year	Contribution	Distribution	Expenses	Investment Fees	Ending Value	Cumulative IRR
1	967,502	0	0	7,068	1,000,497	4.36
2	1,039,861	0	5,855	11,409	2,108,644	11.69
3	339,702	0	18,167	18,848	2,393,952	7.47
4	0	0	9,867	20,247	2,367,836	6.76
Total	2,347,065	72,790	33,889	67,870		

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 ACWI ex US Index
Fixed Income	Barclays Int Gov't/Credit Index
Alternative Investments	Russell 2500, NCREIF ODCE Index, NCREIF Timberland Index
Cash & Cash Equivalents	Citigroup 3-Month T-Bill

COMPOSITE MEDIAN MANAGER

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

DEFINITION OF INDICES

APPENDIX B

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

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

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

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

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

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

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

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

DEFINITION OF UNIVERSES

APPENDIX B

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

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

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

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

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

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

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

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

DEFINITION OF COMMON TERMS

APPENDIX C

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

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

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

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

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

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

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

MARKET SECTOR DIVERSIFICATION
APPENDIX D

EQUITIES

C A P I T A L I Z A T I O N	D o m e s t i c	Style				
		Growth	Core	Value	Quantitative	Index
		Large	SSgA			
		Medium	Century	Advisory Research		
		Small	Century	Advisory Research		
I n t e r n a t i o n a l	D o m e s t i c	Opportunistic	Energy Opportunities Capital			
		Large		Allianz		
		Small				
O t h e r	D o m e s t i c	Private Equity	Permal	Ripplewood	Levine Leichtman	HM Capital
		Real Estate	Westbrook		Guggenheim	DLJ TIAA-CREF
		Timber	Timberland Investment Resources			

FIXED INCOME

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