



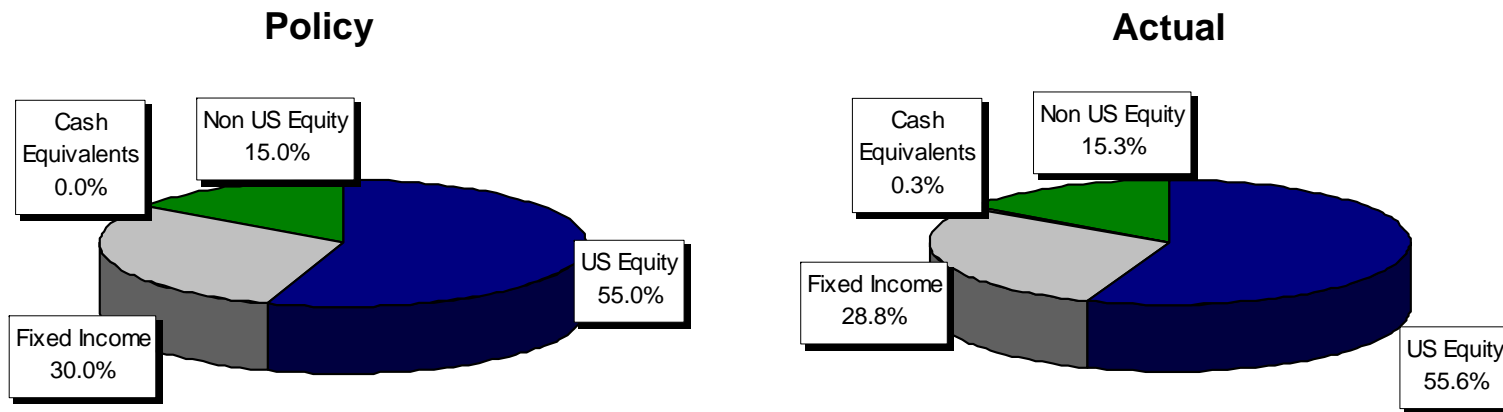
The City of Grand Rapids – General Retirement System

Executive Summary of Investment Performance
Quarter Ending September 30, 2007

Asset Allocation

Total Fund Policy vs Total Fund Actual *

As of September 30, 2007



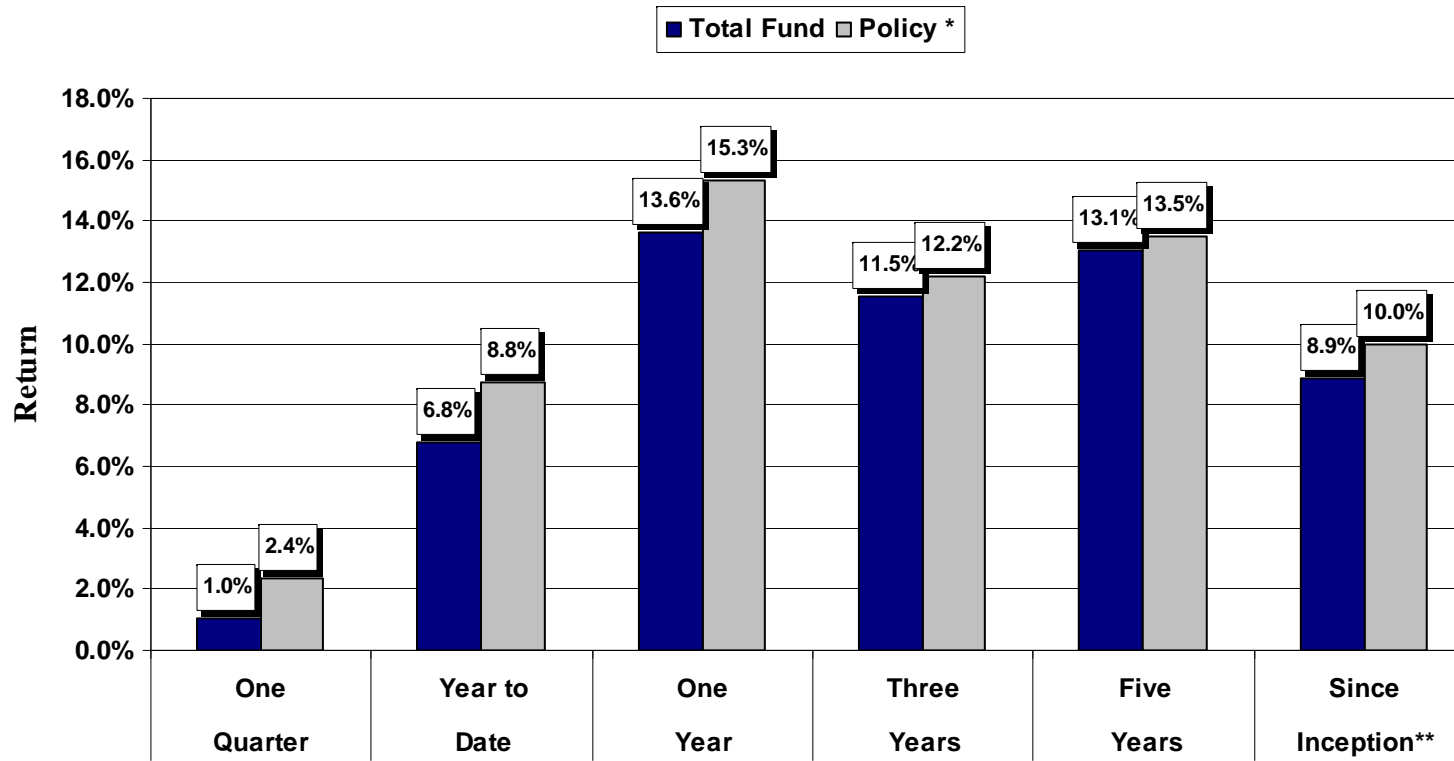
Total Assets
\$400,158,000

* As Allocated to Managers

Composite Investment Performance

Total Fund vs Policy

For Periods Ending September 30, 2007



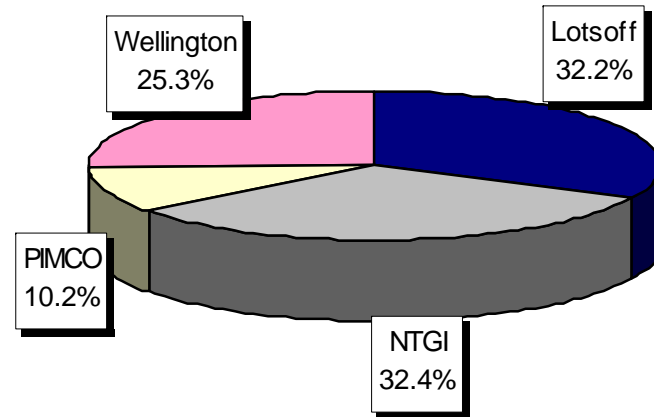
* 55.0% DJ Wilshire 5000, 30.0% Lehman Aggregate, 15.0% MSCI ACWI ex US as of July 1, 2006

** September 30, 1987

Investment Manager Allocation

US Equity

As of September 30, 2007

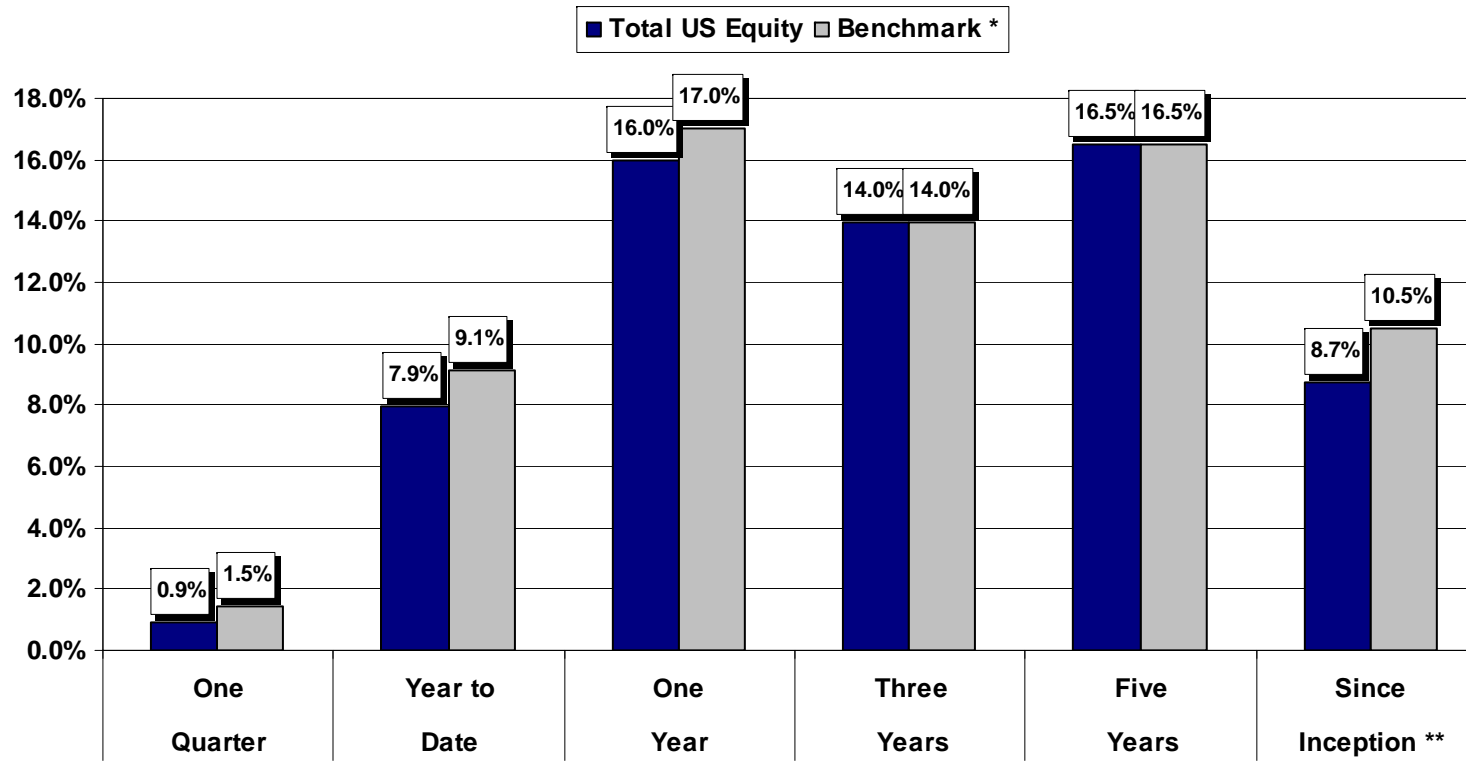


Total US Equity Assets
\$222,640,000

Composite Investment Performance

US Equity vs Benchmark

For Periods Ending September 30, 2007



* DJ Wilshire 5000 Index
** September 30, 1987

Investment Manager Performance

US Equity *

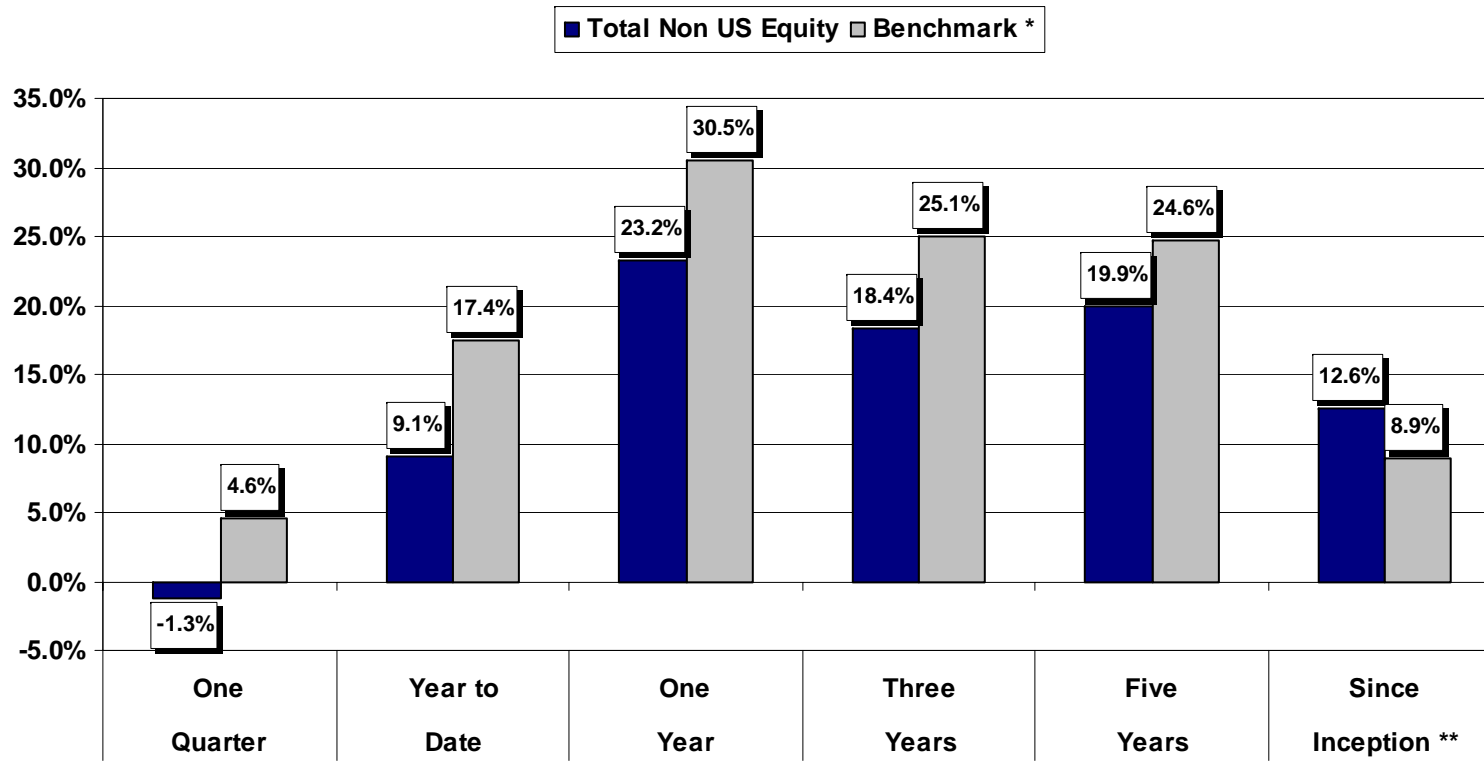
For Periods Ending September 30, 2007

	Quarter		Year-to-date		One Year		Three Years		Five Years		Since Inception	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Date
Lotsoff	1.3%	3	9.6%	3	16.4%	3	13.6%	3	NA	--	13.6%	Sep-04
S&P 500 Index	2.1%	3	9.2%	3	16.5%	3	13.2%	3	NA	--	13.2%	
NTGI	2.0%	3	9.6%	3	17.2%	2	13.9%	2	16.1%	2	6.9%	Sep-98
Policy Index	2.1%	3	9.4%	3	17.0%	3	13.8%	3	16.0%	2	6.8%	
PIMCO	2.5%	2	9.0%	3	16.2%	3	12.7%	3	15.2%	3	2.8%	Sep-00
S&P 500 Index	2.1%	3	9.2%	3	16.5%	3	13.2%	3	15.5%	3	2.6%	
Wellington	-1.5%	2	4.0%	3	14.3%	3	14.3%	3	19.0%	3	12.9%	Sep-99
R2000 Index	-3.1%	3	3.2%	4	12.4%	3	13.4%	3	18.8%	3	9.6%	

* Rank Represents Quartile Rank Within Appropriate Wilshire Compass Manager Style Universe

Composite Investment Performance

Non US Equity vs Benchmark For Periods Ending September 30, 2007



* MSCI ACWI ex US Index as of October 1, 2006. Long-term return history is not reflective of current manager performance.
 ** June 30, 1995

Investment Manager Performance

Non US Equity *

For Periods Ending September 30, 2007

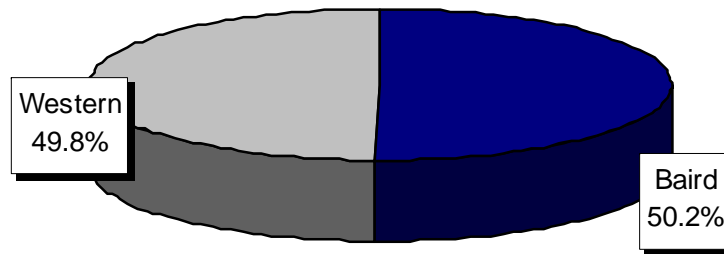
	Quarter		Year-to-date		One Year		Three Years		Five Years		Since Inception	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Date
Neuberger Berman	-1.3%	4	9.1%	4	23.2%	4	NA	--	NA	--	19.6%	Jun-06
MSCI ACWI ex US	4.6%	2	17.4%	2	30.5%	2	NA	--	NA	--	27.6%	

* Rank Represents Quartile Rank Within Appropriate Wilshire Compass Manager Style Universe

Investment Manager Allocation

Fixed Income

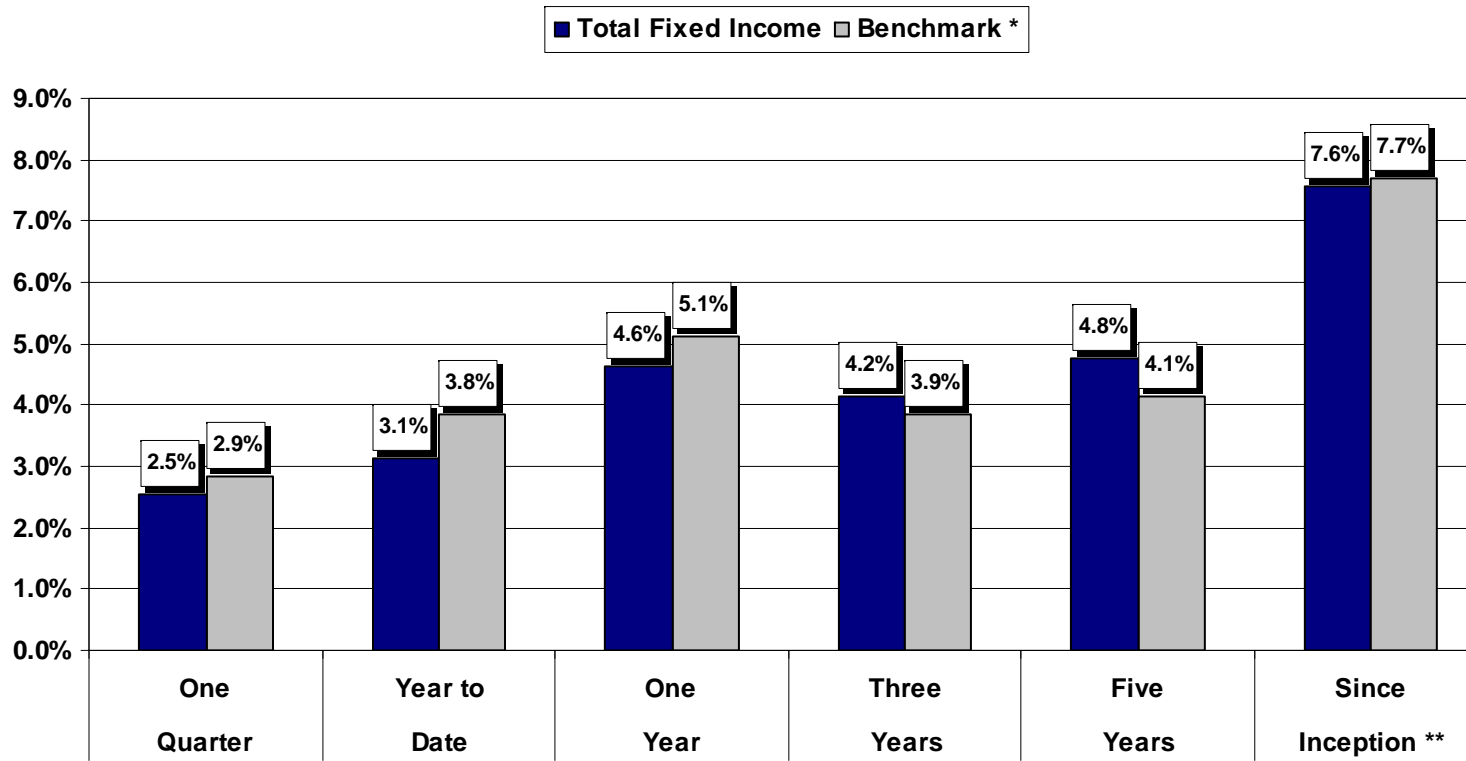
As of September 30, 2007



Total Fixed Income Assets
\$115,275,000

Composite Investment Performance

Fixed Income vs Benchmark *For Periods Ending September 30, 2007*



* Lehman Aggregate Index
** September 30, 1987

Investment Manager Performance

Fixed Income *

For Periods Ending September 30, 2007

	Quarter		Year-to-date		One Year		Three Years		Five Years		Since Inception	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Date
Baird	2.6%	3	3.7%	3	5.0%	3	4.1%	2	NA	--	4.2%	Mar-03
Lehman Agg Index	2.9%	2	3.8%	3	5.1%	3	3.9%	3	NA	--	3.9%	
Western	2.5%	3	2.5%	4	4.2%	4	4.2%	2	NA	--	4.0%	Mar-04
Lehman Agg Index	2.9%	2	3.8%	3	5.1%	3	3.9%	3	NA	--	3.5%	

* Rank Represents Quartile Rank Within Appropriate Wilshire Compass Manager Style Universe

Capital Market Review

Third Quarter 2007

Market Observations

The Fed lowered the Fed Funds target rate from 5.25% to 4.75% on September 18 in response to tightening credit conditions, marking the first Fed Funds rate cut since June 2003. The move followed an August 17 inter-meeting cut in the Fed's discount rate. The yield on the 10-year Treasury was volatile, trading from 5.19% in early July to 4.34% in mid-September before ending Q3 at 4.59%.

Real GDP jumped 3.8% in the 2nd quarter, rebounding from an anemic 0.6% rate in Q1, as exports continued their rapid expansion (+10.5% YOY).

Core measures of consumer inflation continued to moderate, providing some comfort for the Fed to ease rates. Core CPI (2.0%) and PCE (1.8%) were both in the Fed's comfort range of 1%-2% in August. Energy prices, however, soared in September with crude oil reaching all-time highs above \$80 per barrel.

Job growth has decelerated dramatically with only 133,000 jobs created from June through August. August actually showed a reduction of 4,000 jobs, the first decrease since 2003. The unemployment rate ticked up to 4.6% from a 4.5% rate in May.

The housing market continued to drag on the economy. New and existing home sales fell 21.2% & 12.8%, respectively, YOY in August.

U.S. Stock Market

The U.S. equity market as represented by the Dow Jones Wilshire 5000SM posted a respectable 1.46% advance in the third quarter, but traveled a bumpy ride along the way. After reaching all-time highs in early-July, stocks sold off sharply in late-July and early-August before rebounding in mid-August and rallying strongly through the end of September. Investor jitters focused on short-term credit conditions and housing's continued drag on the economy. The Fed's rate cuts on August 17th and September 19th were both enthusiastically received by the market and propelled stocks higher.

Building off of their recent leadership established in the 2nd quarter, large capitalization stocks dominated smaller stocks during the quarter with the DJ Wilshire Large Cap Index returning 2.21% versus a -2.36% pullback for the DJ Wilshire Small Cap Index. The trend was even more pronounced for micro-caps, which retreated by -4.79%. Growth stocks expanded their recent advantage outpacing value stocks by 4.09% and 9.63% within the large- and small-cap universes, respectively.

The Oil & Gas industry, which benefited from a surge in energy prices, was the best performing group; up 7.93% during the quarter. Financials were the laggards (down -3.08%) as the industry suffered from investor concerns surrounding subprime and other related credit woes.

The short-term credit crunch and subprime concerns peaked in mid-August. The markets experienced a flight to quality, as yields on risk free paper plummeted to 2.35% on August 20th, the Monday following the Fed's 50 basis point discount rate cut. Though yields quickly rebounded to the 4.50% range in subsequent days, they trended downward throughout the remainder of the third quarter ending September near 3.25%.

Capital Market Review

Third Quarter 2007

Non-U.S. Market

While most Non-US Equity Market indexes finished the quarter in the black, MSCI Japan Index finished in the red. MSCI Emerging Markets posted a sharp gain of 14.42%, aided in part by countries with “sticky” exchange rates that maintain either a hard peg or close currency band with the U.S. dollar and therefore benefiting from the U.S. Federal Reserve’s rate cut. Month to date gains were healthy, but the stress on equity market indexes resulting from the subprime contagion are evident in relative return performance between quarter to date and month to date returns. In local currency terms, the quarter to date drawn-down for the indices is much more pronounced with all indices posting negative returns except MSCI AC World ex U.S. and MSCI Emerging Markets. All indices but Japan flushed out in the positive direction for the year to date mark and the one year USD and Local Currency performance figures for all indices show positive gains.

Fixed Income Market

The Federal Reserve tapped its primary credit discount window August 17th in response to the commercial paper market seizure, lowering the interest rate charged to commercial banks and other depository institutions on loans received from their regional Federal Reserve Bank’s lending facility. On Tuesday, September 18th, the Federal Reserve followed up the former action by lowering both its Federal Funds Rate and Discount Rate by 50 basis points to 4.75% and 5.25% respectively. The basis for the decision was to alleviate existing stress in the financial markets as a result of tightening credit conditions. Going forward the action is intended to decrease the probability for future market dislocation and promote liquidity in the credit markets. The immediate treasury market reaction to the Fed’s easing was a 7.9 basis points rise in the 30 yr. TSY Bond yield, a 6.8 basis point rise in the 10 yr TSY Note yield, and a 26.3 basis point decline in the 1 month T-bill yield.

Real Estate and Commodity Markets

Non-U.S. Real Estate securities showed a great deal of resilience from the previous quarter marking a return to positive territory. Alternatively, U.S. Real Estate securities continue to show the signs of a cooling real estate market but retraced quite a bit of negative performance from the previous month’s year to date return of -8.25%. Commodity indices continued to do very well, with September posting a sharp 10.23% gain from August’s -4.29% return.

Summary of Index Returns

For Periods Ending September 30, 2007

	Quarter	Year-to-Date	One Year	Three Years	Five Years	Ten Years
<i>US Equity</i>						
Nasdaq Composite	3.97%	12.50%	20.57%	13.36%	18.98%	5.48%
Russell 1000	1.98%	9.30%	16.90%	13.77%	15.98%	6.86%
Russell 2000	-3.09%	3.18%	12.36%	13.36%	18.75%	7.22%
S&P 500	2.05%	9.16%	16.48%	13.15%	15.46%	6.58%
DJ Wilshire 4500	-0.60%	8.97%	18.83%	16.23%	19.94%	7.90%
DJ Wilshire 5000	1.46%	9.13%	16.98%	13.98%	16.49%	6.84%
DJ Wilshire Large Growth	3.46%	11.66%	18.55%	12.34%	14.54%	4.46%
DJ Wilshire Large Value	0.76%	7.56%	15.83%	15.27%	17.24%	8.70%
DJ Wilshire Micro Cap 2500	-4.79%	-0.10%	9.51%	10.79%	22.44%	11.17%
DJ Wilshire Mid Growth	1.03%	15.04%	24.94%	19.70%	22.42%	6.63%
DJ Wilshire Mid Value	-4.99%	3.75%	12.56%	12.44%	16.32%	10.59%
DJ Wilshire REIT	1.42%	-4.63%	3.80%	19.63%	21.88%	12.80%
DJ Wilshire Small Cap 1750	-2.36%	7.16%	16.45%	15.24%	20.65%	8.77%
DJ Wilshire Small Growth	-0.30%	12.02%	21.63%	16.88%	22.13%	6.01%
DJ Wilshire Small Value	-4.49%	2.38%	11.35%	13.47%	19.09%	10.64%
<i>Non US Equity</i>						
MSCI ACWI Fr x US	4.69%	17.85%	31.06%	26.52%	26.34%	9.18%
MSCI EAFE	2.18%	13.14%	24.85%	23.23%	23.55%	7.96%
MSCI Emerging Markets Free	14.52%	34.85%	58.63%	41.29%	39.11%	11.94%
MSCI Europe	1.69%	14.39%	27.50%	24.72%	25.46%	9.60%
MSCI Pacific	3.29%	10.40%	19.15%	20.08%	19.36%	4.89%

Summary of Index Returns

For Periods Ending September 30, 2007

	Quarter	Year-to-Date	One Year	Three Years	Five Years	Ten Years
<i>US Fixed Income</i>						
91-Day Treasury Bills	1.33%	3.93%	5.22%	4.10%	2.94%	3.80%
Citigroup High Yield Mkt Index	0.49%	3.17%	7.67%	7.24%	13.10%	6.06%
Lehman Aggregate	2.85%	3.85%	5.14%	3.86%	4.13%	5.97%
Lehman Long Term Treasury	4.88%	3.93%	4.42%	4.57%	4.46%	7.23%
Lehman Mortgage	2.73%	3.81%	5.47%	4.31%	4.16%	5.84%
Lehman TIPS	4.54%	6.35%	4.98%	4.03%	5.35%	--
<i>Non US Fixed Income</i>						
Citigroup Non US Govt	8.10%	7.27%	9.51%	4.84%	7.98%	5.75%
Citigroup Non US Govt Hedged	2.90%	2.88%	3.57%	4.62%	4.06%	5.79%
Citigroup World Govt	7.20%	6.76%	8.68%	4.60%	6.98%	5.93%
<i>Currency*</i>						
Euro vs \$	5.30%	7.85%	12.27%	4.62%	7.55%	--
Pound vs \$	1.55%	4.10%	9.07%	4.03%	5.31%	1.89%
Yen vs \$	7.37%	3.60%	2.65%	-1.41%	1.14%	0.49%
<i>Real Estate</i>						
DJ Wilshire Real Estate Securities	1.44%	-4.85%	3.78%	19.76%	22.49%	12.42%

* Positive Values Indicate Dollar Depreciation