

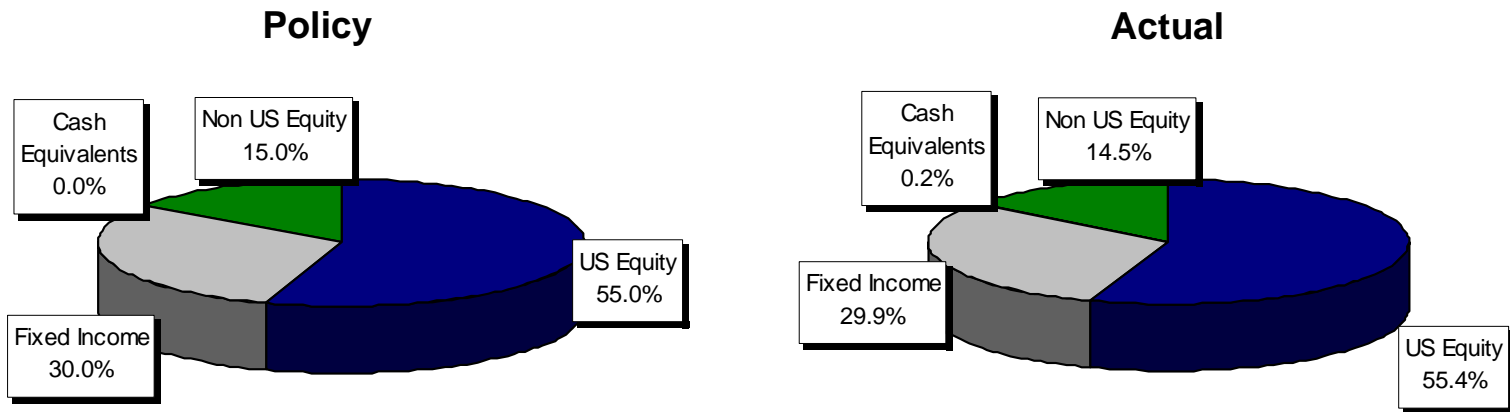


The City of Grand Rapids – General Retirement System

Executive Summary of Investment Performance
Quarter Ending December 31, 2007

Asset Allocation

Total Fund Policy vs Total Fund Actual * *As of December 31, 2007*



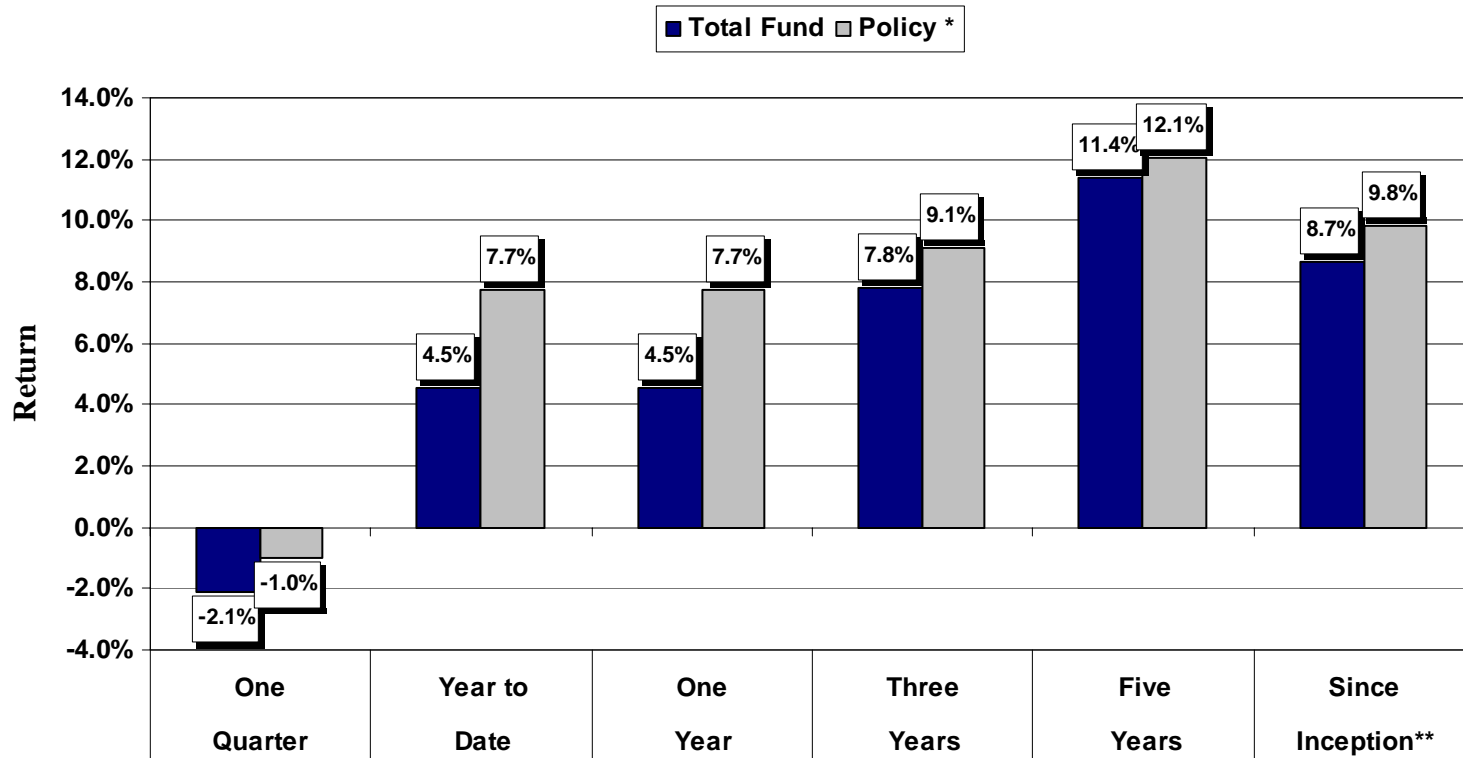
Total Assets
\$389,106,000

* As Allocated to Managers

Composite Investment Performance

Total Fund vs Policy

For Periods Ending December 31, 2007



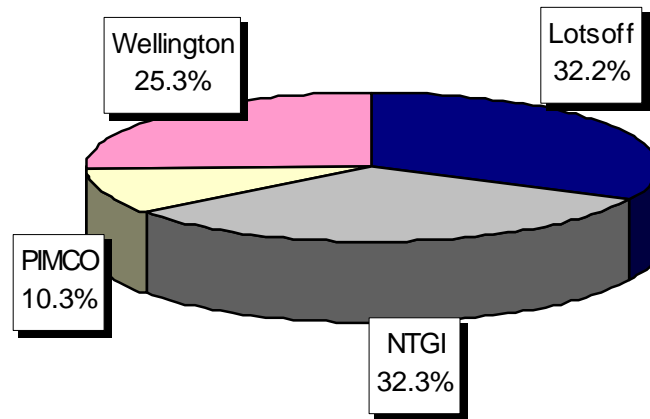
* 55.0% DJ Wilshire 5000, 30.0% Lehman Aggregate, 15.0% MSCI ACWI ex US as of July 1, 2006

** December 31, 1987

Investment Manager Allocation

US Equity

As of December 31, 2007

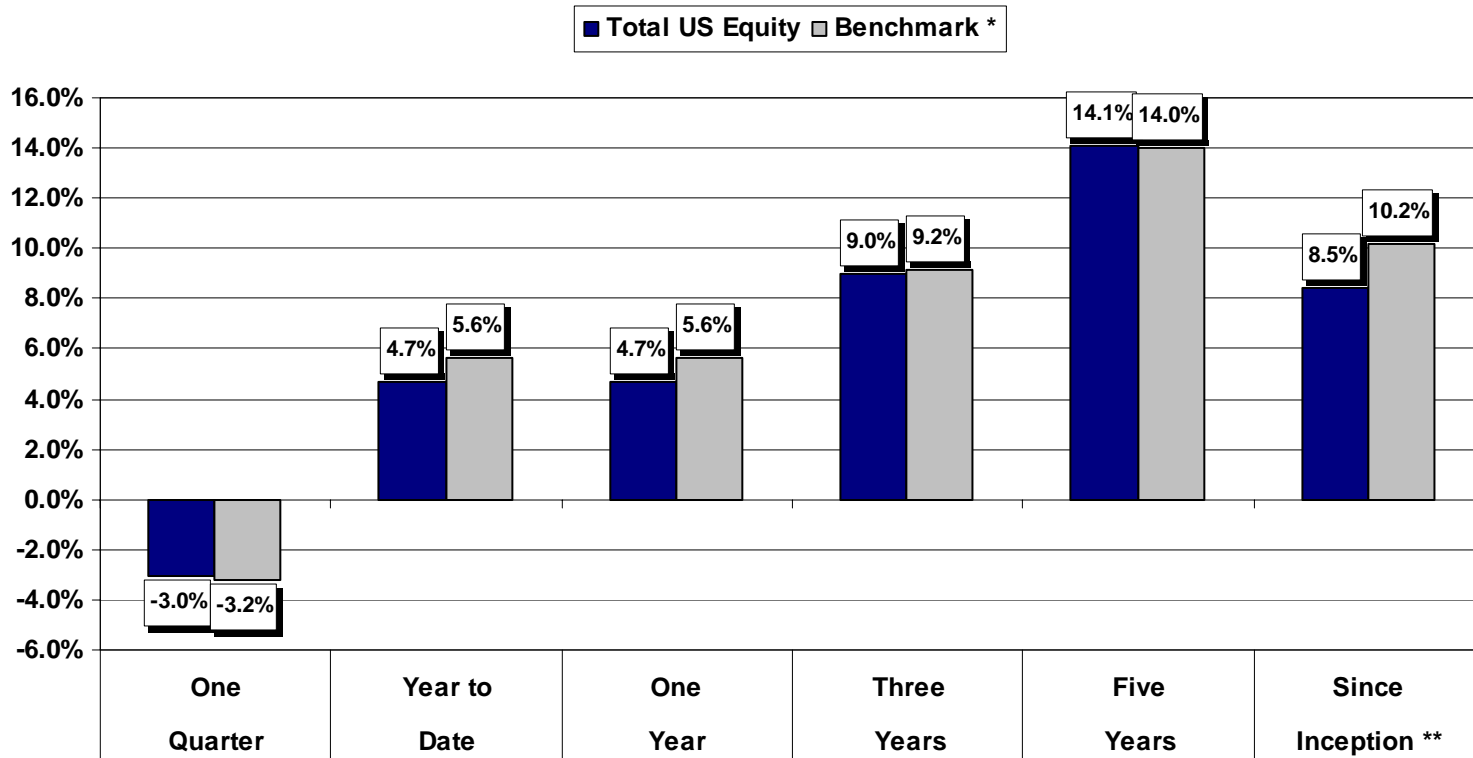


Total US Equity Assets
\$215,509,000

Composite Investment Performance

US Equity vs Benchmark

For Periods Ending December 31, 2007



* DJ Wilshire 5000 Index

** December 31, 1987

Investment Manager Performance

US Equity *

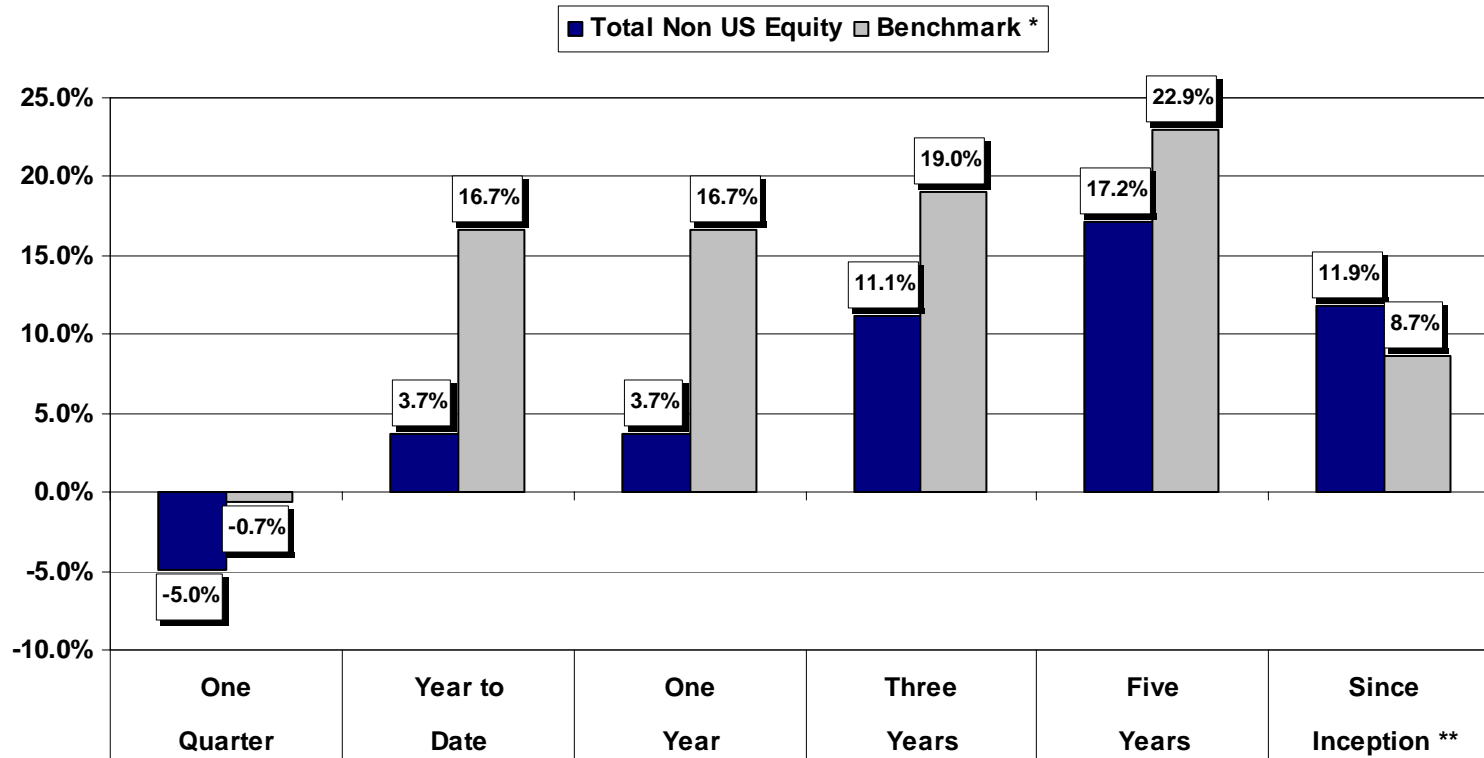
For Periods Ending December 31, 2007

	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	-3.3%	3	6.0%	3	6.0%	3	9.2%	3	NA	--	11.4%	Sep-04
S&P 500 Index	-3.3%	3	5.5%	3	5.5%	3	8.6%	3	NA	--	10.9%	
NTGI	-3.4%	3	5.9%	3	5.9%	3	9.2%	3	13.5%	3	6.3%	Sep-98
Policy Index	-3.3%	3	5.7%	3	5.7%	3	9.1%	3	13.4%	3	6.2%	
PIMCO	-2.8%	3	5.9%	3	5.9%	3	8.5%	3	12.7%	3	2.3%	Sep-00
S&P 500 Index	-3.3%	3	5.5%	3	5.5%	3	8.6%	3	12.8%	3	2.0%	
Wellington	-2.4%	1	1.5%	2	1.5%	2	8.5%	2	16.6%	3	12.1%	Sep-99
R2000 Index	-4.6%	2	-1.6%	3	-1.6%	3	6.8%	3	16.3%	3	8.7%	

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

Composite Investment Performance

Non US Equity vs Benchmark For Periods Ending December 31, 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 December 31, 2007

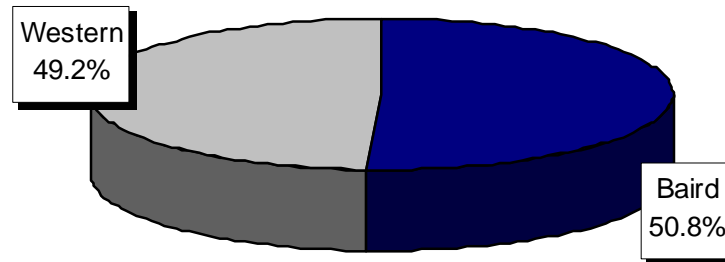
	Quarter		Year-to-date		One Year		Three Years		Five Years		Since Inception	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Date
Neuberger Berman	-5.0%	4	3.7%	4	3.7%	4	NA	--	NA	--	12.2%	Jun-06
MSCI ACWI ex US	-0.7%	2	16.7%	2	16.7%	2	NA	--	NA	--	22.0%	

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

Investment Manager Allocation

Fixed Income

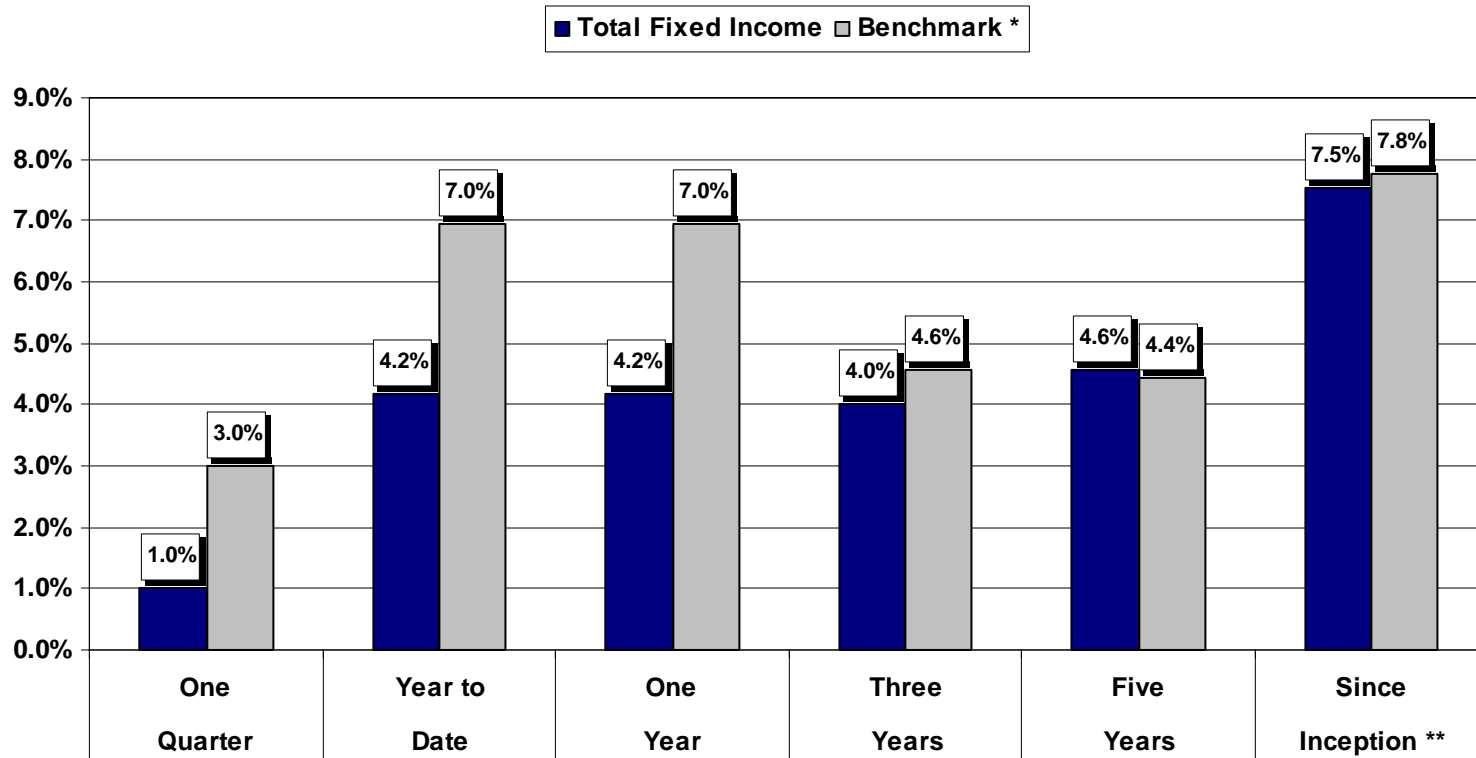
As of December 31, 2007



Total Fixed Income Assets
\$116,349,000

Composite Investment Performance

Fixed Income vs Benchmark *For Periods Ending December 31, 2007*



* Lehman Aggregate Index
** December 31, 1987

Investment Manager Performance

Fixed Income *

For Periods Ending December 31, 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	2.1%	4	5.9%	3	5.9%	3	4.5%	3	NA	--	4.5%	Mar-03
Lehman Agg Index	3.0%	2	7.0%	2	7.0%	2	4.6%	3	NA	--	4.4%	
Western	-0.1%	4	2.4%	4	2.4%	4	3.5%	4	NA	--	3.7%	Mar-04
Lehman Agg Index	3.0%	2	7.0%	2	7.0%	2	4.6%	3	NA	--	4.1%	

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

Capital Market Review

Fourth Quarter 2007

Market Observations

The Fed lowered the Fed Funds target rate from 4.75% to 4.25% with two quarter-point cuts. In aggregate, these moves brought the target rate down 1% from 5.25% since the current easing cycle began in mid-August. A flight to quality stimulated a rally in Treasuries and pushed yields lower. The yield on the 10-year Treasury ended the year at 4.04%, down 55 basis points from its September close of 4.59%.

While core (less food & energy) measures of consumer inflation continued to stabilize near 2%, headline inflation spiked during the quarter. Fueled by rising energy and food prices, November YOY CPI and PCE were 4.3% and 3.6%, respectively, versus much more benign readings of 1.9% & 1.8% three months earlier. As these data suggest, oil prices soared during the quarter, ending the year at \$96 per barrel after nearly breaking through the \$100 threshold in late-November.

After adding 264,000 jobs in October and November, the employment picture deteriorated as only 18,000 jobs were created in December.

The housing market continued to drag on the economy. Existing home sales fell 20.0% YOY in November (5.00 vs. 6.25 million units).

U.S. Stock Market

The U.S. equity market trended lower during the 4th quarter with the Dow Jones Wilshire 5000 posting a -3.22% loss. A 1.91% advance in October was reversed by a sell-off of -5.03% through November and December. The equity market retreat was fueled by concerns of a slowing economy and a continued series of rising sub-prime related write-downs by major financial institutions. Two Fed rate cuts (Oct 31 & Dec 11) did little to ease investor pessimism regarding the slumping housing market and the increased risks of a consumer driven recession.

Large capitalization growth stocks were the only equity style group that out-performed the broader market, as the DJ Wilshire Large Growth Index lost only -0.61% during the quarter. For the year, large growth stocks recorded an impressive 10.98% return. Small Value and Micro cap stocks turned in the worst returns, down - 6.36% and -8.43% for the quarter, respectively, and were the only style groups to end the year in the red with returns of -4.13% and -8.52%.

The best performing sectors for the quarter were Consumer Staples, Energy and Utilities, which posted quarterly gains of 3.35%, 4.87% and 6.30%, respectively. Financials were the big losers, posting losses of -12.04% for the quarter.

Capital Market Review

Fourth Quarter 2007

Non-U.S. Market

Non-US equity markets returned strong positive performance for the year, except Japan which lost -4.23%. Quarter-to-date performance for the major indices however was negative with the exception of emerging markets. Performance spreads between markets began to widen notably in mid-October. Japan fell quite substantially from the pack with a quarter-to-date performance of -6.07%. Rounding out the year, the emerging markets continued a 5-year streak of positive double digit performance with a 2007 return of 39.39%.

Fixed Income Market

In response to liquidity constraints in the U.S. credit markets, the Federal Reserve injected \$41 billion of extra liquidity into the banking system in November. A flight to quality in the fixed income markets pushed the yield on the 10-Year Treasury from 4.71% at the close of 2006 to a 2007 year-end closing yield of 4.04%. In a related move, spreads on high yield bonds widened substantially as credit market participants tried to estimate the increase in default risks associated with the current liquidity environment. As a result, the Lehman High Yield index was off -1.30% for the quarter and posted a disappointing 1.87% return for the year.

Real Estate and Commodity Markets

Real estate markets faced further pressure in the fourth quarter from news of \$33.6 billion in estimated write-downs by Citigroup Inc., Merrill Lynch & Co. and J.P. Morgan Chase & Co. relating to poor and non-performing mortgage and real estate investments. The tightening credit environment has in turn put downward pressure on valuations and current speculation of a U.S. economic slow down has fueled skepticism of the underlying fundamentals in the real estate market.

Commodity indexes performed strongly in 2007, benefiting from the rising demand for energy and infrastructure construction in developing markets, which pushed oil and iron ore higher. Advances in gold prices also contributed positively, as the precious metal was lifted by investors seeking safety and by a weakening U.S. dollar.

Summary of Index Returns

For Periods Ending December 31, 2007

	Quarter	Year-to-Date	One Year	Three Years	Five Years	Ten Years
US Equity						
Nasdaq Composite	-1.51%	10.80%	10.80%	7.70%	15.53%	6.06%
Russell 1000	-3.23%	5.77%	5.77%	9.08%	13.43%	6.19%
Russell 2000	-4.57%	-1.54%	-1.54%	6.81%	16.25%	7.08%
S&P 500	-3.33%	5.53%	5.53%	8.63%	12.84%	5.92%
DJ Wilshire 4500	-3.28%	5.40%	5.40%	10.16%	17.82%	7.69%
DJ Wilshire 5000	-3.22%	5.61%	5.61%	9.16%	14.01%	6.31%
DJ Wilshire Large Growth	-0.61%	10.98%	10.98%	9.07%	12.62%	4.30%
DJ Wilshire Large Value	-5.31%	1.85%	1.85%	9.48%	14.23%	7.56%
DJ Wilshire Micro Cap 2500	-8.43%	-8.52%	-8.52%	2.08%	17.95%	10.87%
DJ Wilshire Mid Growth	-3.31%	11.23%	11.23%	13.13%	19.82%	6.62%
DJ Wilshire Mid Value	-4.86%	-1.29%	-1.29%	6.40%	13.89%	9.73%
DJ Wilshire REIT	-13.54%	-17.55%	-17.55%	8.47%	18.27%	11.05%
DJ Wilshire Small Cap 1750	-4.91%	1.90%	1.90%	8.57%	17.90%	8.53%
DJ Wilshire Small Growth	-3.53%	8.06%	8.06%	10.48%	19.38%	6.08%
DJ Wilshire Small Value	-6.36%	-4.13%	-4.13%	6.61%	16.31%	10.07%
Non US Equity						
MSCI ACWI Fr x US	-0.62%	17.12%	17.12%	20.37%	24.52%	10.10%
MSCI EAFE	-1.75%	11.16%	11.16%	16.82%	21.59%	8.66%
MSCI Emerging Markets Free	3.66%	39.79%	39.79%	35.60%	37.45%	14.53%
MSCI Europe	-0.46%	13.87%	13.87%	18.54%	22.78%	9.55%
MSCI Pacific	-4.63%	5.29%	5.29%	13.16%	19.01%	6.83%

Summary of Index Returns

For Periods Ending December 31, 2007

	Quarter	Year-to-Date	One Year	Three Years	Five Years	Ten Years
<i>US Fixed Income</i>						
91-Day Treasury Bills	1.07%	5.04%	5.04%	4.30%	3.07%	3.78%
Citigroup High Yield Mkt Index	-1.28%	1.85%	1.85%	5.15%	10.97%	5.68%
Lehman Aggregate	3.00%	6.97%	6.97%	4.56%	4.43%	5.97%
Lehman Long Term Treasury	5.65%	9.80%	9.80%	6.00%	5.62%	7.14%
Lehman Mortgage	3.01%	6.85%	6.85%	4.88%	4.48%	5.90%
Lehman TIPS	4.97%	11.64%	11.64%	4.85%	6.27%	--
<i>Non US Fixed Income</i>						
Citigroup Non US Govt	3.91%	11.46%	11.46%	2.67%	7.54%	6.30%
Citigroup Non US Govt Hedged	1.94%	4.88%	4.88%	4.55%	4.14%	5.72%
Citigroup World Govt	3.92%	10.95%	10.95%	3.11%	6.81%	6.32%
<i>Currency*</i>						
Euro vs \$	2.81%	10.87%	10.87%	2.46%	6.86%	--
Pound vs \$	-2.29%	1.71%	1.71%	1.21%	4.34%	1.93%
Yen vs \$	2.95%	6.66%	6.66%	-2.84%	1.22%	1.53%
<i>Real Estate</i>						
DJ Wilshire Real Estate Securities	-13.68%	-17.87%	-17.87%	8.38%	18.66%	10.80%

* Positive Values Indicate Dollar Depreciation