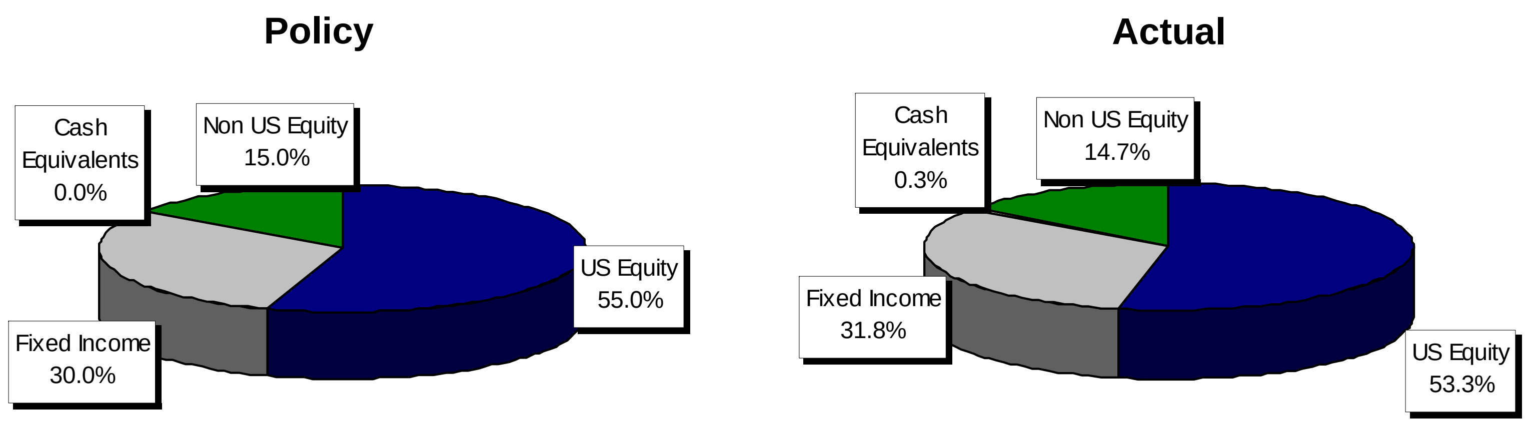
The City of Grand Rapids – General Retirement System

Executive Summary of Investment Performance
Quarter Ending March 31, 2008

Asset Allocation

Total Fund Policy vs Total Fund Actual *

As of March 31, 2008



Total Assets

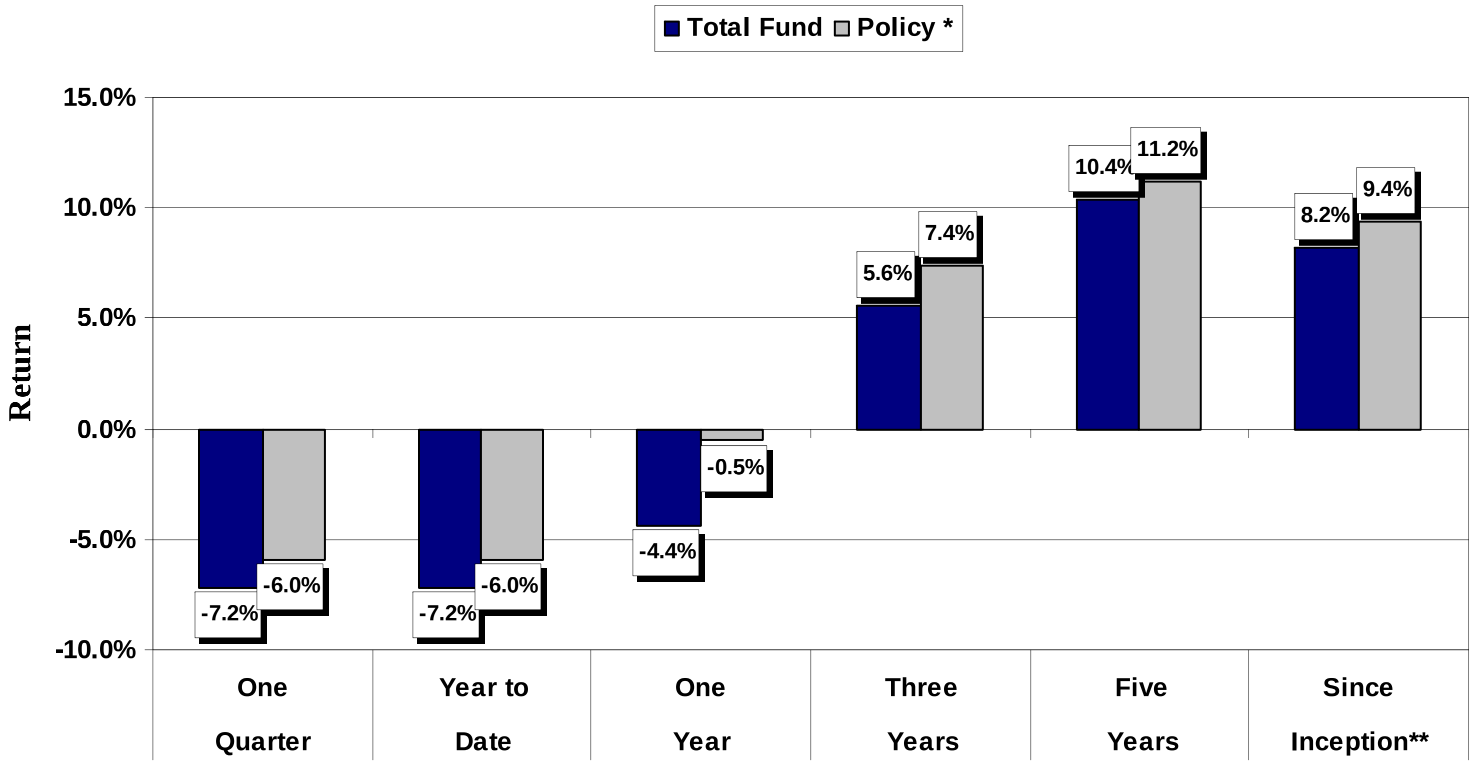
$357,937,000

* As Allocated to Managers

Composite Investment Performance

Total Fund vs Policy

For Periods Ending March 31, 2008

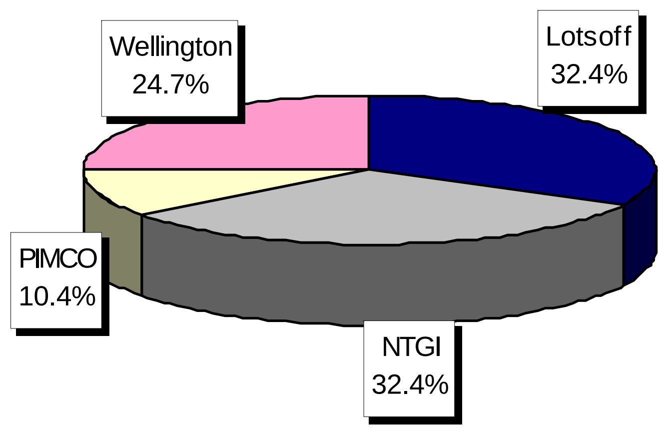


* 55.0% DJ Wilshire 5000, 30.0% Lehman Aggregate, 15.0% MSCI ACWI ex US as of July 1, 2006
** March 31, 1987

Investment Manager Allocation

US Equity

As of March 31, 2008

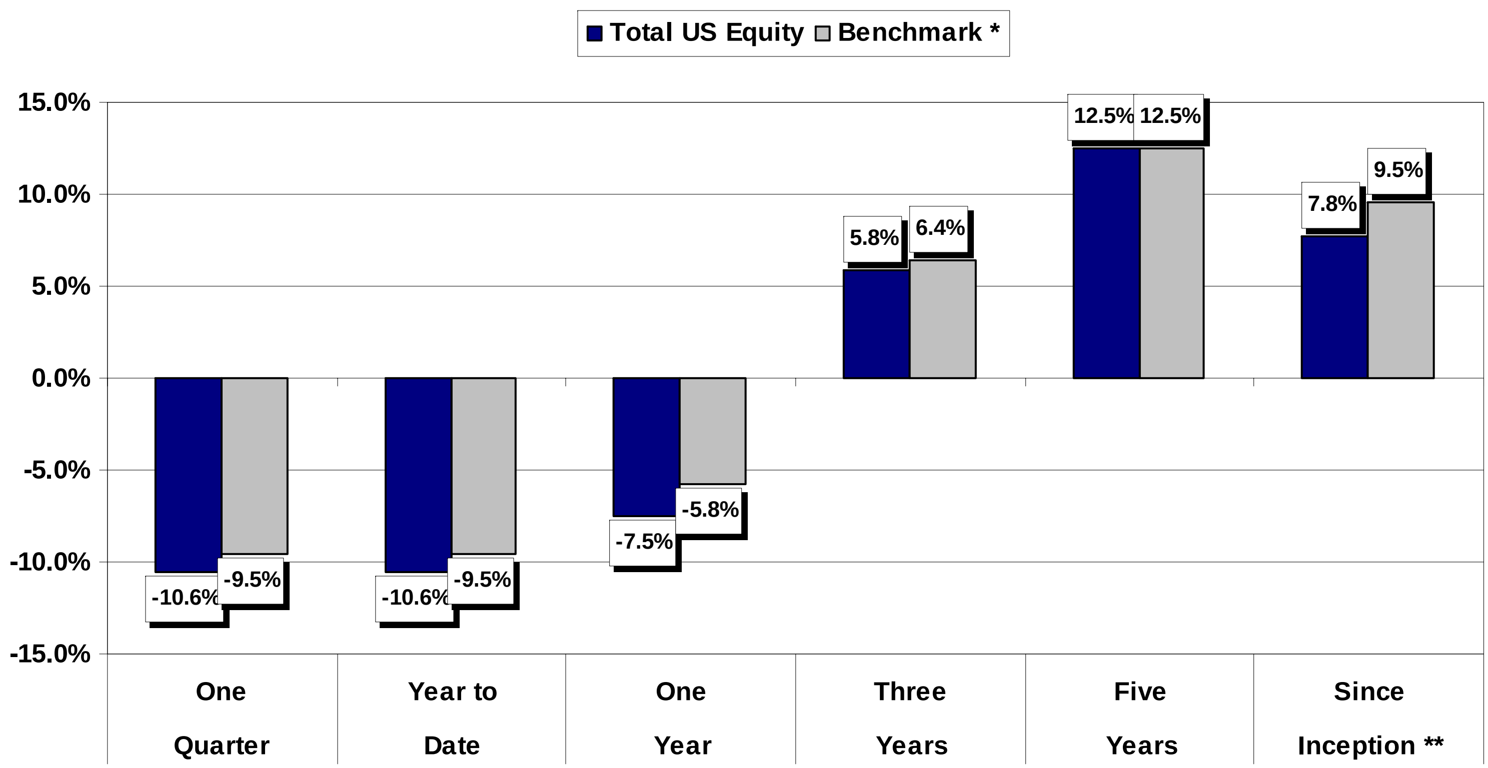


Total US Equity Assets

$190,723

Composite Investment Performance

US Equity vs Benchmark
For Periods Ending March 31, 2008



* DJ Wilshire 5000 Index
** December 31, 1987

Investment Manager Performance

US Equity *

For Periods Ending March 31, 2008

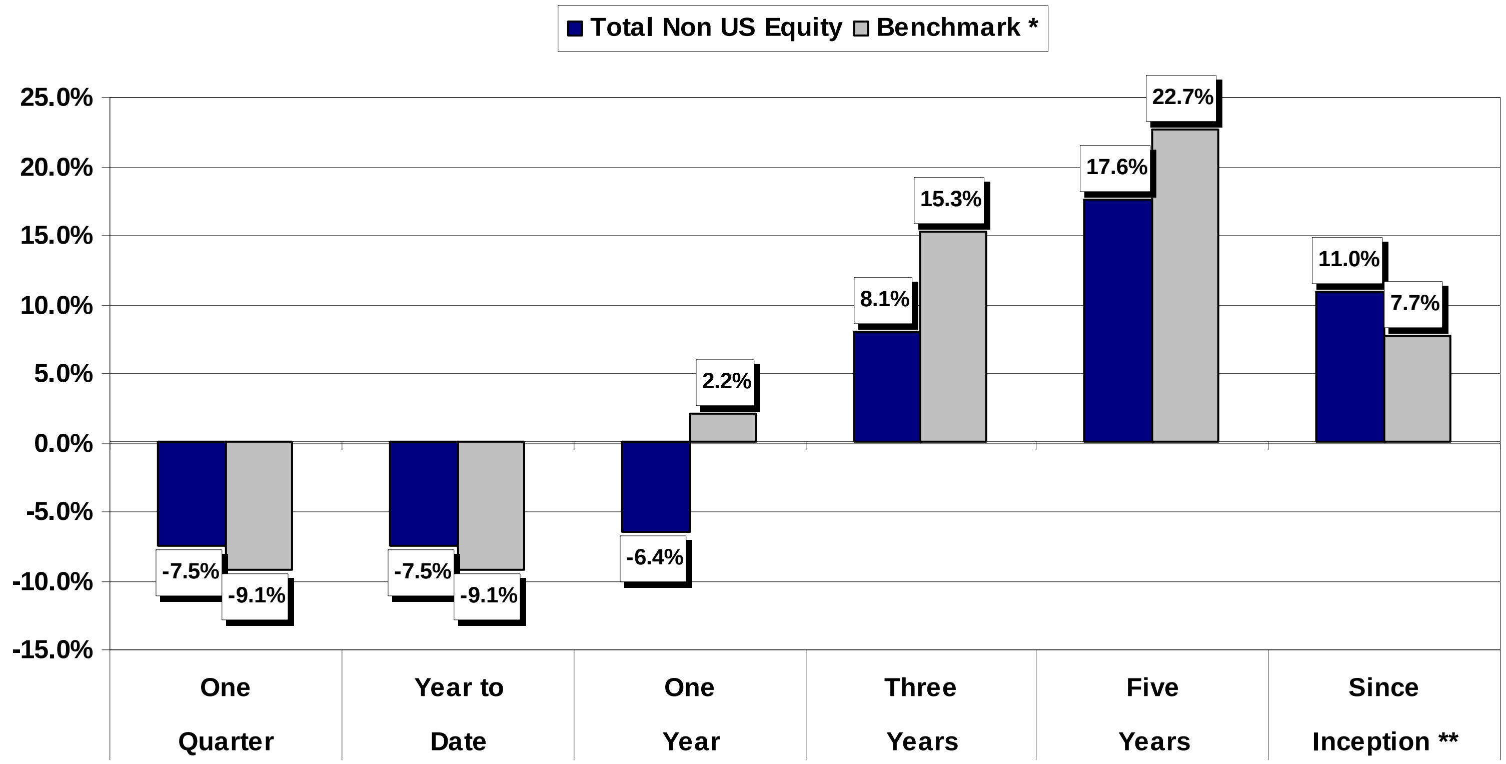
	Quarter		Year-to-date		One Year		Three Years		Five Years		Since Inception	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Date
Lotsoff	-10.8%	4	-10.8%	4	-5.9%	4	5.5%	4	NA	--	7.0%	Sep-04
S&P 500 Index	-9.5%	3	-9.5%	3	-5.1%	3	5.9%	3	NA	--	7.0%	
NTGI	-9.6%	3	-9.6%	3	-5.4%	3	6.2%	3	11.9%	3	5.0%	Sep-98
Policy Index	-9.5%	3	-9.5%	3	-5.4%	3	6.2%	3	11.9%	3	5.0%	
PIMCO	-10.0%	3	-10.0%	3	-5.4%	3	5.6%	3	11.1%	3	0.8%	Sep-00
S&P 500 Index	-9.5%	3	-9.5%	3	-5.1%	3	5.9%	3	11.3%	3	0.6%	
Wellington	-11.8%	3	-11.8%	3	-12.2%	2	5.5%	2	15.1%	3	10.1%	Sep-99
R2000 Index	-9.9%	2	-9.9%	2	-13.0%	2	5.1%	3	14.9%	3	7.1%	

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

Composite Investment Performance

Non US Equity vs Benchmark

For Periods Ending March 31, 2008



* 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

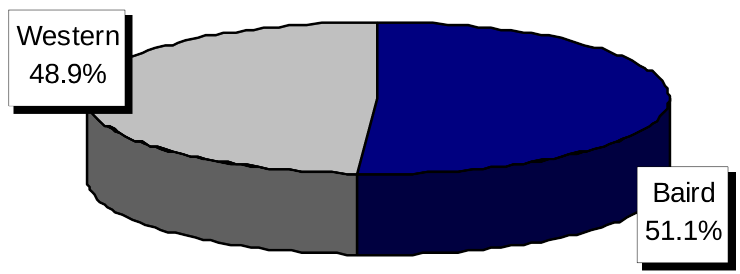
Non US Equity *
For Periods Ending March 31, 2008

	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	-7.5%	2	-7.5%	2	-6.4%	4	NA	--	NA	--	5.6%	Jun-06
MSCI ACWI ex US	-9.1%	3	-9.1%	3	2.2%	2	NA	--	NA	--	12.2%	

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

Investment Manager Allocation

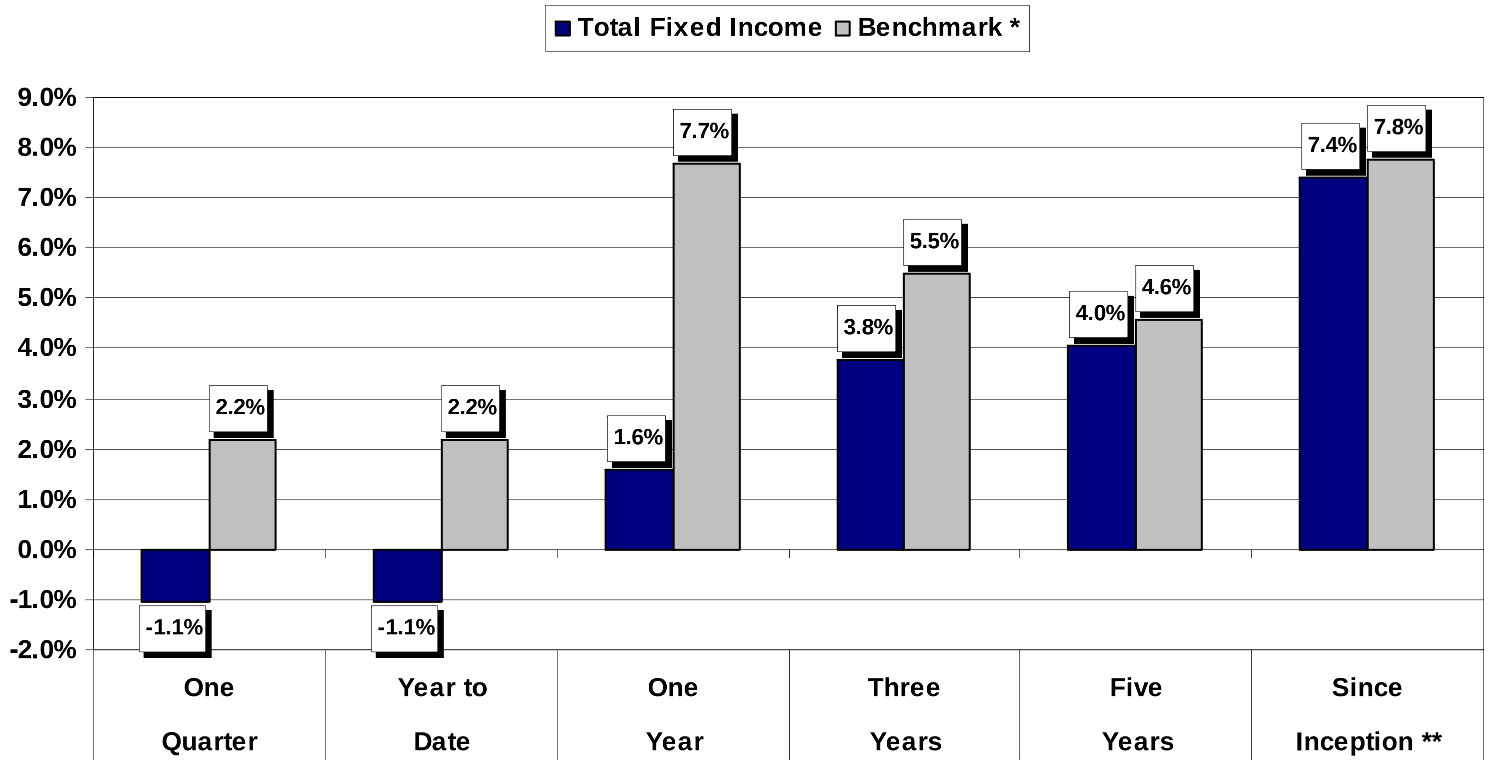
Fixed Income
As of March 31, 2008



Total Fixed Income Assets
$113,711,000

Composite Investment Performance

Fixed Income vs Benchmark
For Periods Ending March 31, 2008



* Lehman Aggregate Index
** December 31, 1987

Investment Manager Performance

Fixed Income *

For Periods Ending March 31, 2008

	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	0.8%	3	0.8%	3	5.1%	3	4.8%	3	4.4%	4	4.4%	Mar-03
Lehman Agg Index	2.2%	2	2.2%	2	7.7%	2	5.5%	2	4.6%	3	4.6%	
Western	-3.0%	4	-3.0%	4	-2.0%	4	2.6%	4	NA	--	2.7%	Mar-04
Lehman Agg Index	2.2%	2	2.2%	2	7.7%	2	5.5%	2	NA	--	4.4%	

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

Capital Market Review

First Quarter 2008

Market Observations

The Fed became increasingly aggressive in its efforts to fend off a recession cutting the Fed Funds target rate by 2% during the quarter from 4.25% to 2.25%. Investor jitters added to interest rate volatility, while a continued flight to quality drove yields on 10-year Treasuries down 59 bps from 4.04% at the end of 2007 to 3.45% by quarter's end.

Real GDP grew at an anemic 0.6% in the 4th quarter as the U.S. economy showed notable signs of slowing.

With central bankers' primary focus on economic stimulus, inflation has been demoted to a secondary concern. Unfortunately, thanks in large part to a tumbling U.S dollar, energy and metals prices have surged, with oil and gold spiking to $110/barrel and $1,000/ounce, respectively before closing the quarter at $101.58 and $916.20. Though core (less food & energy) PCE, the Fed's preferred measure of inflation, remained stable at 2%, headline PCE stayed at elevated levels in the mid-3% range during the quarter.

After 52 consecutive months of jobs growth, the U.S. economy lost an estimated 85,000 jobs in the first two months of 2008.

The housing market deteriorated further with February existing home sales off -23.8% from a year earlier and the median price fell to 195K, down -8.2% over the same period.

U.S. Stock Market

The U.S. equity market suffered its worst quarterly loss since the 3rd quarter of 2002 with the Dow Jones Wilshire 5000SM posting a –9.52% return. All three months of the quarter returned negative results, marking five consecutive months of market losses. January's -6.06% retreat was the largest pullback, while February and March saw sequentially narrowed losses of -3.01% and -0.69%, respectively. Continued credit and liquidity strain, capitulated by the weekend collapse of Bear Stearns, kept equity market volatility at relatively high levels during the quarter (VIX 1st Qtr Avg. = 26.12 vs. Year 2007 Avg. = 17.57).

No size or style segment was immune from the general market downdraft, but small capitalization value stocks faired best, as the DJ Wilshire Small Value Index surrendered –6.99% for the quarter versus a more severe –12.02% retreat for the DJ Wilshire Small Growth Index. Bucking the recent trend, growth stocks also lagged value in the large capitalization segment with the DJ Wilshire Large Growth and Value Indexes returning –9.90% and –8.93%, respectively. The DJ Wilshire Microcap Index posted the largest losses among size segments, down –12.52% during the quarter.

The Telecommunications and Technology groups led all industries lower with returns of –14.96% and –15.93%, respectively. Basic Materials, buoyed by rising commodity prices, was the best performing industry, down a relatively mild –3.49%.. In addition to cutting rates 3% during this easing cycle, the Bernanke-led central bank has proven itself to be very creative in identifying alternative ways of getting capital to where it is most needed. The Fed's most innovative move to date was its handling of the imminent collapse of Bear Stearns. While controversial the Fed's brokering of JP Morgan's takeover of Bear Stearns via guarantees of $29 billion was well received by markets.

Capital Market Review

First Quarter 2008

Non-U.S. Market

Winding up the worst quarter since the 3rd quarter 2002, the MSCI AC World ex U.S. and EAFE indexes returned -9.14% and -8.91% respectively. In local currency terms, the quarter-to-date returns were more dramatic with all Non-U.S. indices displayed below posting double digit losses. During the quarter, Industrial output in Japan fell by -1.2% in February, coming in above economist expectations of -2.2% but still marking a second straight month of industrial output decline. Emerging markets continued to hold onto their one-year holding period return gains despite a double digit loss this quarter. This pullback follows six straight quarters of one-year holding period gains.

Fixed Income Market

Turmoil in credit markets led to several regulatory actions during the quarter. Treasury Secretary Henry Paulson officially released the Treasury's Blueprint for Financial Regulatory Reform, viewed as the largest overhaul of U.S. financial regulation since the Great Depression. The Federal Reserve opened its lending window to brokerage firms to add more stability to the market. Concerns about the economy led to spread widening for investment grade and junk bonds by 100 and 200 basis points, respectively. Treasuries across the duration spectrum experienced another quarter of strong returns.

Real Estate and Commodity Markets

Another quarter of poor housing market performance stoked existing fears of recession. Several metropolitan areas with high loan to value markets are contending with negative equity situations where owners, whose loan obligations are greater than their equity, are intentionally allowing lenders to foreclose on properties. The negative wealth impact of falling home prices nationwide has led to forecasts of a broad based decline in consumer spending.

While commodity prices fell substantially by month end on bearish news from the U.S. Department of Agriculture and profit taking, commodity indexes ended the quarter with substantial gains. General fears of inflation led to inflows into commodity indices and fueled trader expectations of continued investor interest. Soft commodities most recently led the headlines with year over year Soybean and All Wheat supplies down 20% and 17%, respectively, as of month end. Crude Oil also hit a new high settling mid month at $109.92 on the New York Mercantile Exchange.

Summary of Index Returns

For Periods Ending December 31, 2008

Index	Quarter	Year-to-Date	One Year	Three Years	Five Years	Ten Years
US Equity						
Nasdaq Composite	-13.79%	-13.79%	-4.90%	5.37%	12.01%	2.87%
Russell 1000	-9.50%	-9.50%	-5.43%	6.19%	11.85%	3.83%
Russell 2000	-9.90%	-9.90%	-12.98%	5.06%	14.90%	4.96%
S&P 500	-9.46%	-9.46%	-5.07%	5.86%	11.33%	3.51%
DJ Wilshire 4500	-9.83%	-9.83%	-8.70%	7.66%	16.17%	5.42%
DJ Wilshire 5000	-9.52%	-9.52%	-5.76%	6.37%	12.45%	3.95%
DJ Wilshire Large Growth	-9.90%	-9.90%	-1.25%	6.62%	10.50%	1.65%
DJ Wilshire Large Value	-8.93%	-8.93%	-8.10%	6.23%	13.31%	5.51%
DJ Wilshire Micro Cap 2500	-12.52%	-12.52%	-21.23%	0.47%	14.92%	8.20%
DJ Wilshire Mid Growth	-9.89%	-9.89%	-4.63%	9.31%	17.89%	4.42%
DJ Wilshire Mid Value	-8.01%	-8.01%	-13.67%	4.96%	13.10%	7.68%
DJ Wilshire REIT	2.14%	2.14%	-18.82%	12.03%	18.47%	11.40%
DJ Wilshire Small Cap 1750	-9.65%	-9.65%	-11.32%	6.38%	16.54%	6.25%
DJ Wilshire Small Growth	-12.02%	-12.02%	-9.18%	7.16%	17.30%	3.52%
DJ Wilshire Small Value	-6.99%	-6.99%	-13.40%	5.57%	15.72%	8.13%
Non US Equity (In Local Currency)						
MSCI ACWI Fr x US	-13.41%	-13.41%	-8.87%	11.62%	16.96%	--
MSCI EAFE	-14.95%	-14.95%	-14.78%	8.57%	14.63%	2.85%
MSCI Emerging Markets Free	-11.01%	-11.01%	15.91%	25.97%	30.13%	--
MSCI Europe	-13.94%	-13.94%	-11.71%	9.26%	15.31%	3.21%
MSCI Japan	-17.86%	-17.86%	-28.10%	3.92%	11.05%	0.46%
MSCI Pacific	-17.10%	-17.10%	-21.16%	7.07%	13.21%	2.34%

Summary of Index Returns

For Periods Ending December 31, 2008

Index	Quarter	Year-to-Date	One Year	Three Years	Five Years	Ten Years
US Fixed Income						
91-Day Treasury Bills	0.88%	0.88%	4.62%	4.40%	3.18%	3.73%
Citigroup High Yield Mkt Index	-2.96%	-2.96%	-3.57%	4.63%	8.49%	4.94%
Lehman Aggregate	2.17%	2.17%	7.67%	5.48%	4.58%	6.04%
Lehman Long Term Treasury	3.98%	3.98%	12.98%	7.20%	6.15%	7.40%
Lehman Mortgage	2.43%	2.43%	7.83%	5.78%	4.80%	5.99%
Lehman TIPS	5.18%	5.18%	14.54%	6.75%	6.75%	--
Non US Fixed Income						
Citigroup Non US Govt	10.93%	10.93%	22.31%	7.40%	8.99%	7.36%
Citigroup Non US Govt Hedged	2.14%	2.14%	6.14%	4.87%	4.30%	5.63%
Citigroup World Govt	9.66%	9.66%	20.28%	7.26%	8.14%	7.22%
Currency*						
Euro vs $	8.38%	8.38%	19.04%	6.83%	7.75%	--
Pound vs $	-0.16%	-0.16%	1.33%	1.70%	4.69%	1.73%
Yen vs $	12.24%	12.24%	18.63%	2.43%	3.56%	2.97%
Real Estate						
DJ Wilshire Real Estate Securities	2.12%	2.12%	-18.94%	11.61%	18.90%	11.10%

* Positive Values Indicate Dollar Depreciation