The City of Grand Rapids – General Retirement System

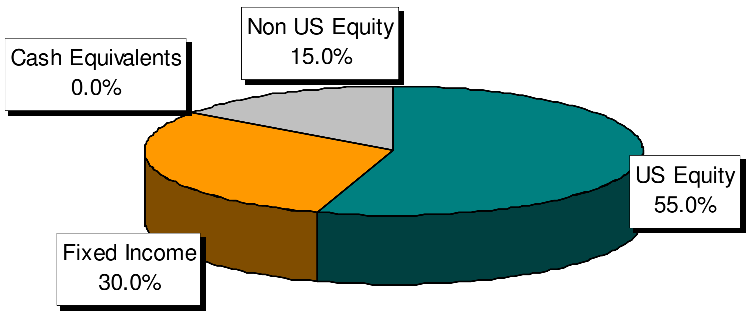
Executive Summary of Investment Performance
Quarter Ending March 31, 2009

Asset Allocation

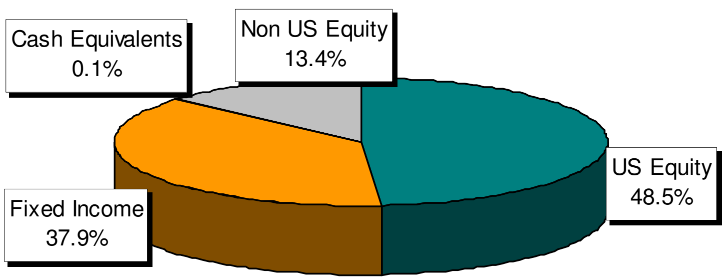
Total Fund Policy vs Total Fund Actual *

As of March 31, 2009

Policy



Actual



Total Assets

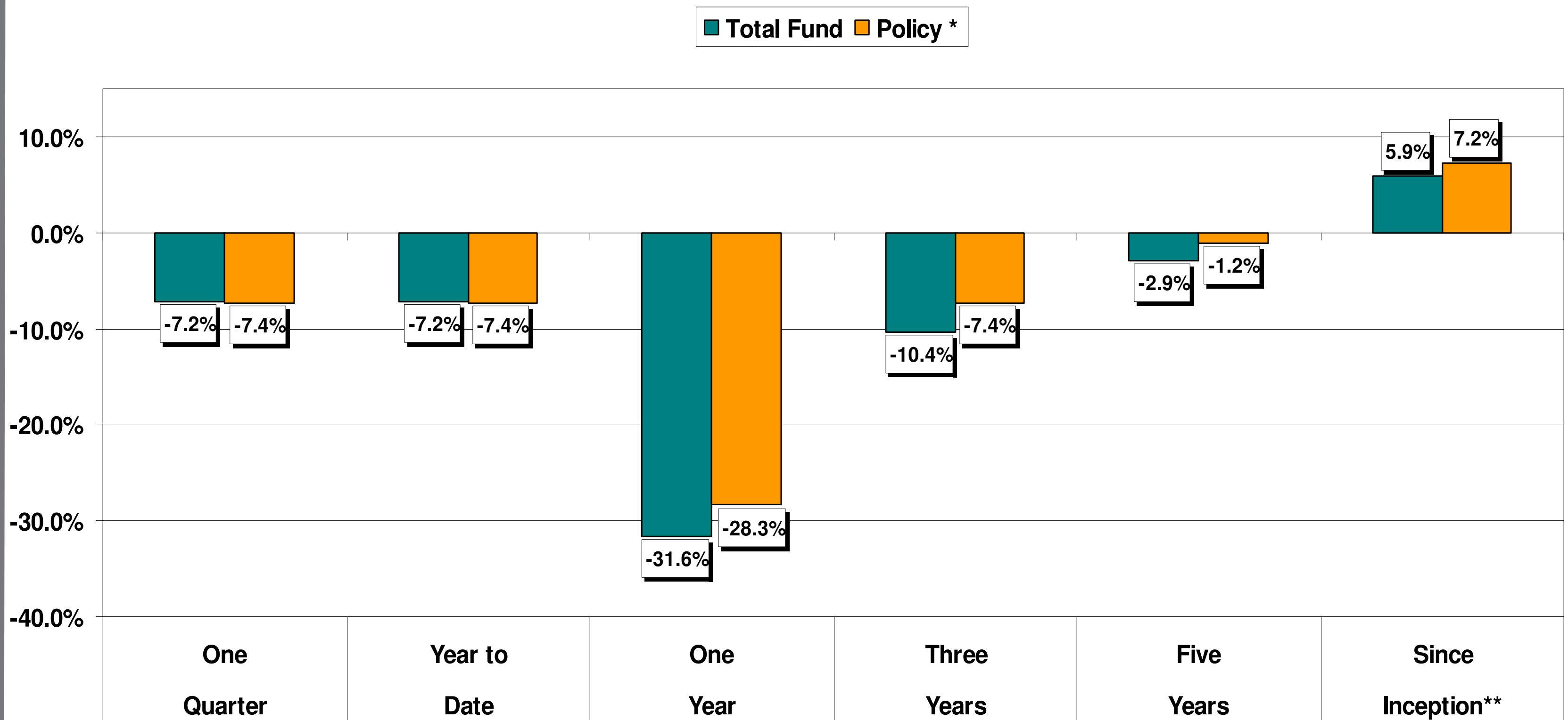
$232,320,000

* As Allocated to Managers

Composite Investment Performance

Total Fund vs Policy

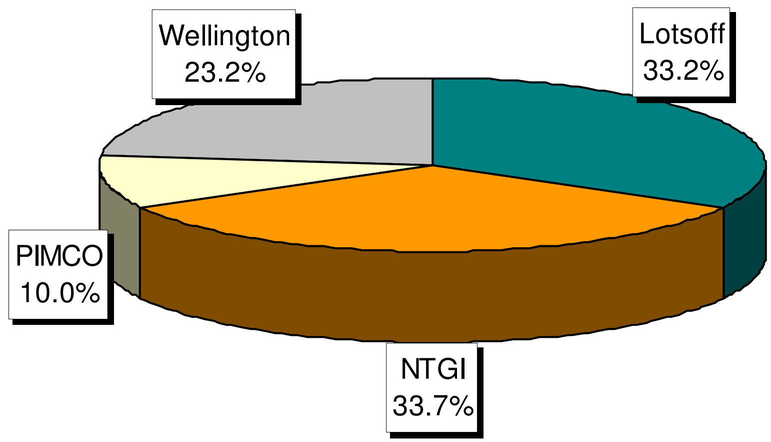
For Periods Ending March 31, 2009



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

Investment Manager Allocation

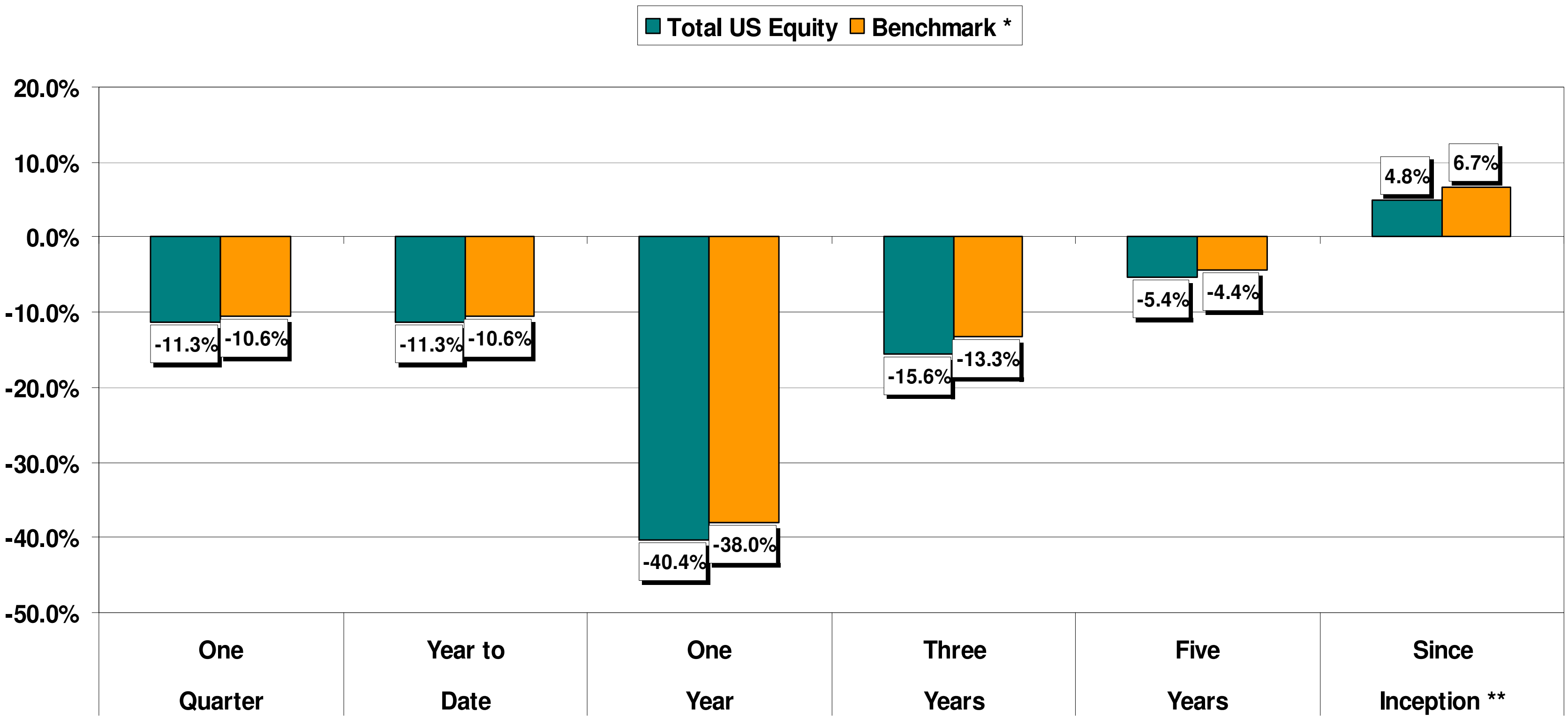
US Equity
As of March 31, 2009



Total US Equity Assets
$112,747,000

Composite Investment Performance

US Equity vs Benchmark
For Periods Ending March 31, 2009



* Wilshire 5000 Index
** December 31, 1987

Investment Manager Performance

US Equity *

For Periods Ending March 31, 2009

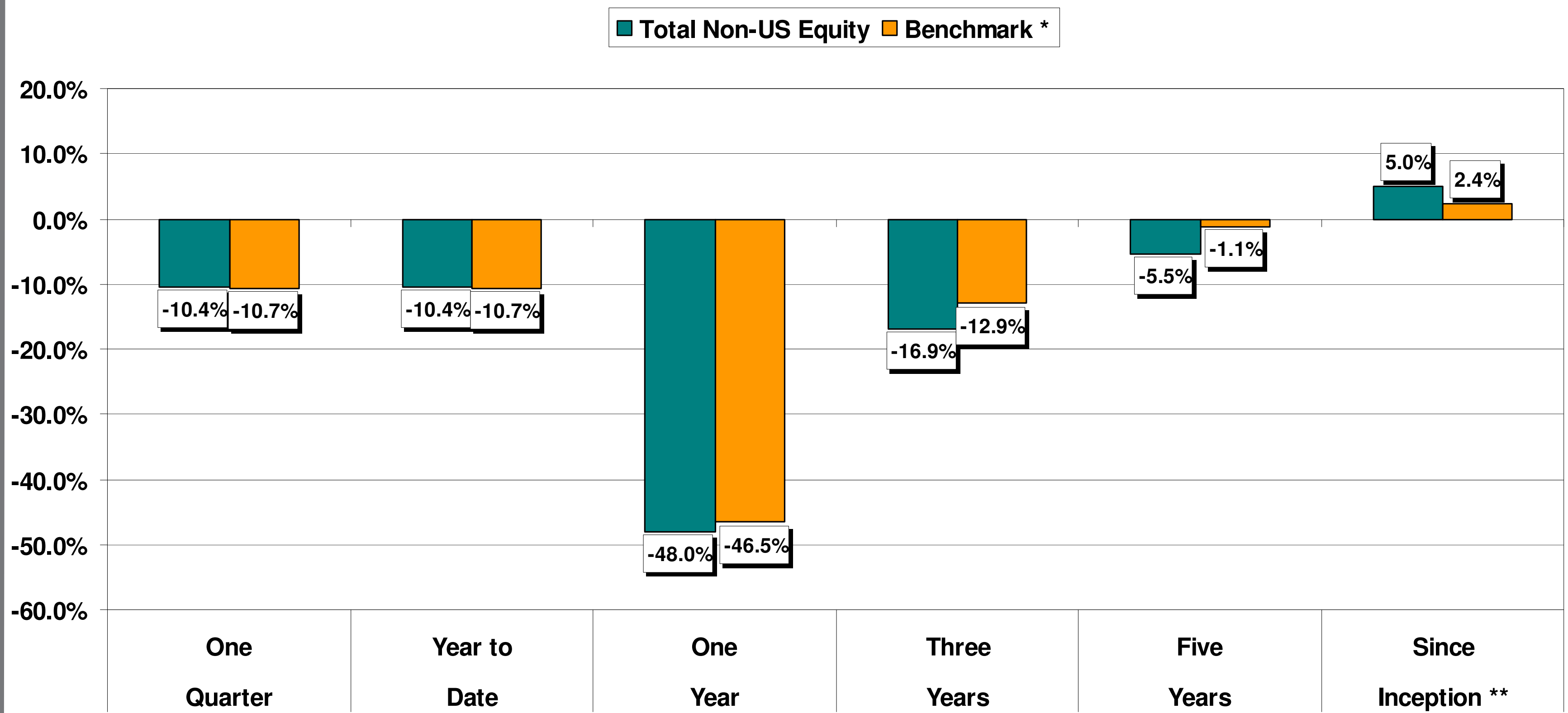
	Quarter		Year-to-date		One Year		Three Years		Five Years		Since Inception	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Date
Lotsoff	-8.5%	2	-8.5%	2	-40.2%	4	-14.8%	4	NA	--	-6.0%	Sep-04
S&P 500 Index	-11.0%	3	-11.0%	3	-38.1%	4	-13.1%	3	NA	--	-5.2%	
NTGI	-11.0%	3	-11.0%	3	-38.7%	4	-13.4%	4	-4.6%	4	-0.2%	Sep-98
Policy Index	-11.0%	3	-11.0%	3	-38.1%	4	-13.2%	3	-4.5%	4	-0.2%	
PIMCO	-10.6%	3	-10.6%	3	-43.2%	4	-15.5%	4	-6.7%	4	-5.8%	Sep-00
S&P 500 Index	-11.0%	3	-11.0%	3	-38.1%	4	-13.1%	3	-4.8%	4	-5.0%	
Wellington	-15.8%	4	-15.8%	4	-42.1%	4	-19.1%	3	-6.1%	3	2.9%	Sep-99
R2000 Index	-15.0%	3	-15.0%	3	-37.5%	2	-16.8%	3	-5.2%	3	1.2%	

* Rank Represents Gross of Fee Quartile Rank Within Appropriate Wilshire Compass Manager Style Universe

Composite Investment Performance

Non-US Equity vs Benchmark

For Periods Ending March 31, 2009



* 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, 2009

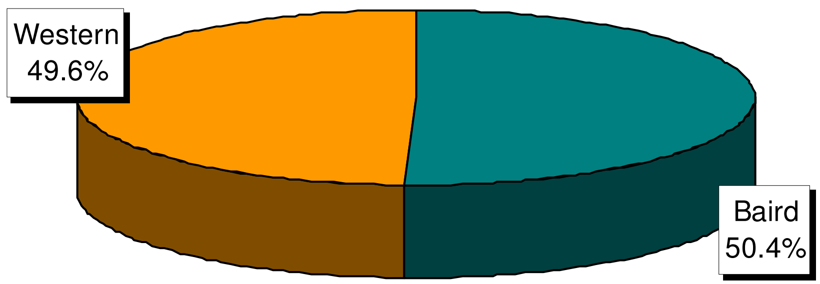
	Quarter		Year-to-date		One Year		Three Years		Five Years		Since Inception	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Date
Neuberger Berman	-10.4%	2	-10.4%	2	-48.0%	3	NA	--	NA	--	-18.4%	Jun-06
MSCI ACWI ex US	-10.7%	2	-10.7%	2	-46.5%	3	NA	--	NA	--	-14.3%	

* Rank Represents Gross of Fee Quartile Rank Within Appropriate Wilshire Compass Manager Style Universe

Investment Manager Allocation

Fixed Income

As of March 31, 2009



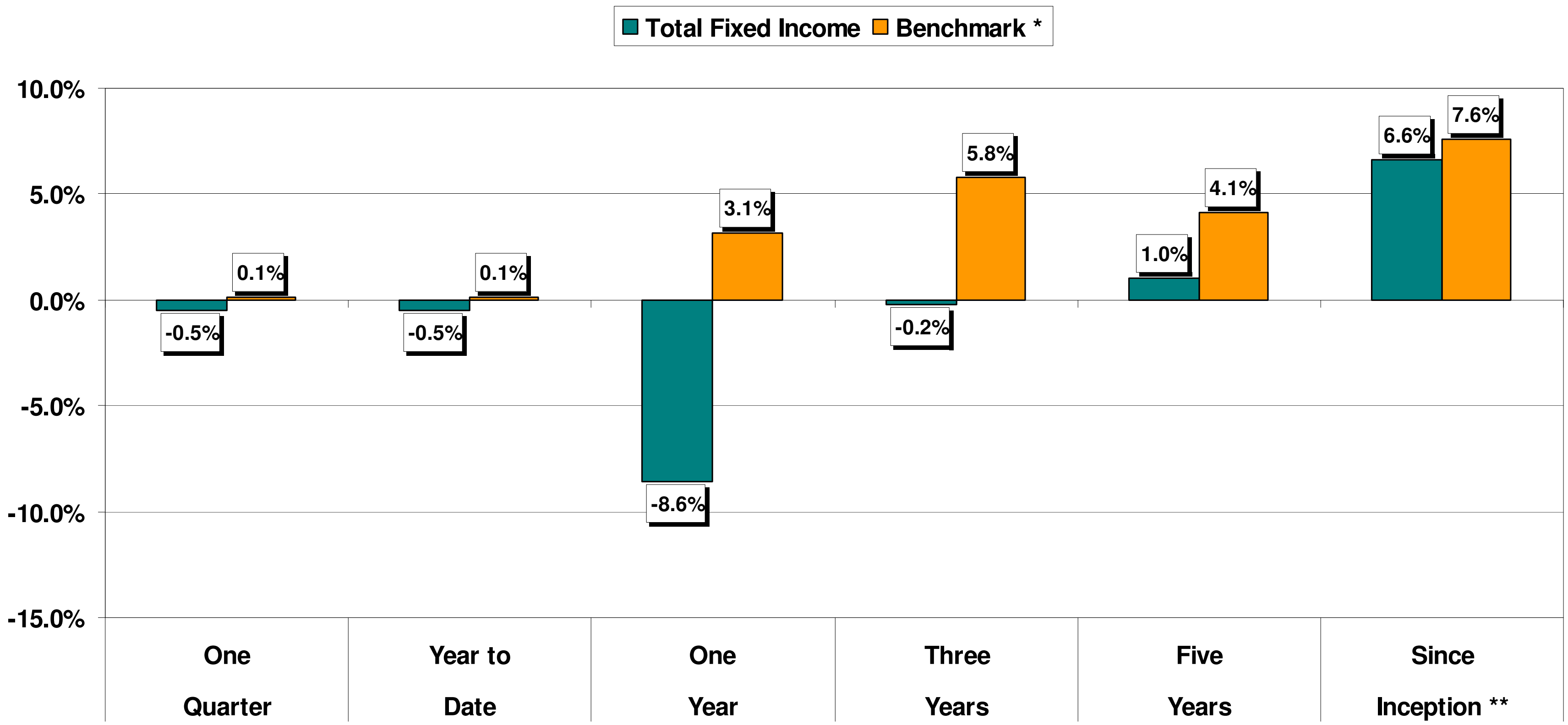
Total Fixed Income Assets

$88,128,000

Composite Investment Performance

Fixed Income vs Benchmark

For Periods Ending March 31, 2009



* Barclays Aggregate Index
** December 31, 1987

Investment Manager Performance

Fixed Income *

For Periods Ending March 31, 2009

	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%	4	-0.8%	4	-2.8%	4	3.0%	4	2.6%	4	3.2%	Mar-03
Barclays Agg Index	0.1%	3	0.1%	3	3.1%	2	5.8%	2	4.1%	2	4.3%	
Western	-0.1%	4	-0.1%	4	-14.3%	4	-3.4%	4	-0.9%	4	-0.9%	Mar-04
Barclays Agg Index	0.1%	3	0.1%	3	3.1%	2	5.8%	2	4.1%	2	4.1%	

* Rank Represents Gross of Fee Quartile Rank Within Appropriate Wilshire Compass Manager Style Universe

Market Commentary

U.S. Equity

The U.S. stock market posted a disappointing -10.6% return in the first quarter of 2009, its sixth consecutive down-quarter and the longest such streak in the 28-year history of the Wilshire 5000SM Index. The market has declined -45.7% over this six quarter stretch, placing it deep into bear market territory. However, the news wasn't all bad during the quarter, as stocks advanced 8.70% in March, which was the Wilshire 5000's largest monthly return since Dec. 1991. From its lows on March 9th, the market rallied an impressive 18.5% to close the quarter.

Small cap stocks lagged larger issues for the quarter but led the March rally, outpacing large stocks by 0.7%. The financial-heavy value segment sustained the steepest losses in Q1 while large growth stocks held up best – although were still down for the quarter. Financials continue to be the epicenter of recent economic and market turbulence. Return patterns in the quarter reflected that trend as financial stocks, especially banking shares, led stocks lower in the first two months of 2009 and then higher in March. The Technology sector was the only group to post a quarterly gain.

The inflationary picture remained quite uncertain as investors weighed short-term signs of deflation against the possibility of loose monetary policy leading to a spike in future inflation. The Federal Reserve's aggressive monetary actions have significantly increased the U.S. monetary base and the elevated supply of money could serve to fuel future inflation once economic conditions improve. While the Fed's priorities are focused on reviving economic growth, at some point in the future, they will be faced with the delicate task of controlling growth in the monetary base.

Non-U.S. Equity

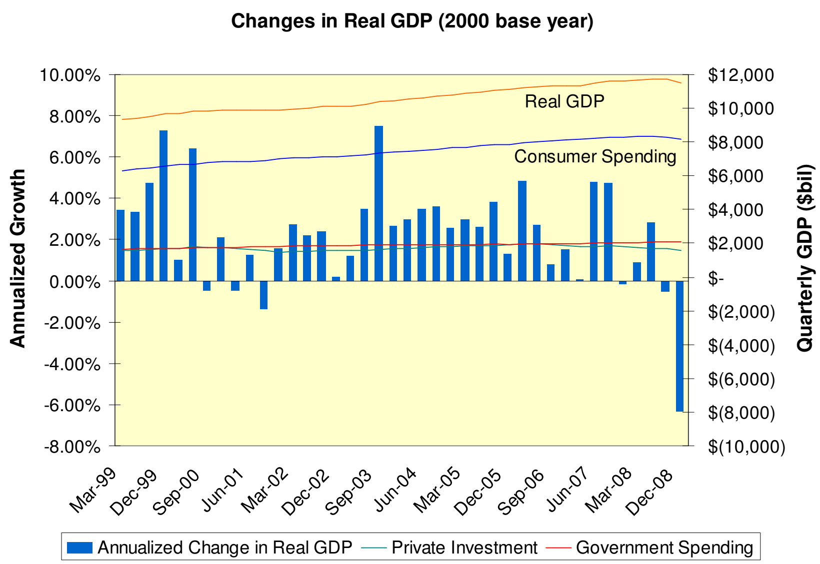
Major developed market indexes rebounded off of 5-year lows reached in February to pair quarterly losses by closing March in positive territory. During the quarter, developed markets fell in tandem with U.S. markets in response to continuing uncertainty over a coordinated solution to the global financial crisis. Emerging market equities displayed resilience during the quarter, edging out a narrowly positive return of 1.0%.

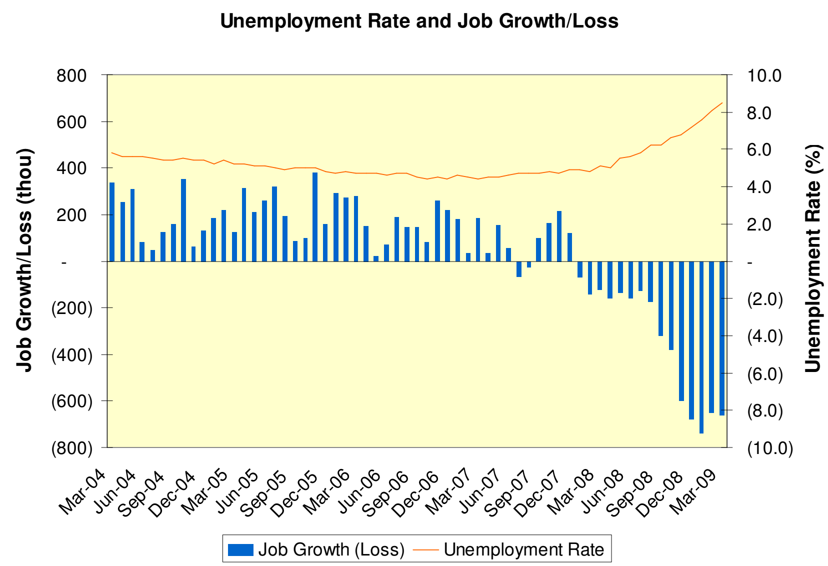
Fixed Income

The U.S. Federal Reserve closed the quarter with a $300 billion government security purchase plan and the Public Private Investment Plan (PPIP) to help relieve banks of non-performing assets. Reflecting this increase in market support, Long-Term Treasuries posted a 4.8% return in March to claw back a portion of the declines suffered earlier in the quarter and maintained a solid 13.1% gain over the past year. On the other end of the credit spectrum, U.S. Corporate High Yield advanced by 6.0% during the quarter, showing early signs of investor willingness to wade into the higher credit risk arena.

Economic Review

March 31, 2009	**Key Economic Indicators**			
CPI (all items)	Monthly Change		Cumulative Change	
Seasonally adjusted	Mar-09	-0.1	3-Month	0.5
	Feb-09	0.4	12-Month	-0.4
	Jan-09	0.3	10-Yr Annual	2.6
Consumer Sentiment	Mar-09	57.3		
Unv. of Michigan Survey	Feb-09	56.3		
	1-Yr Avg	60.1	10-Yr Avg	88.8
Manufacturing	Mar-09	36.3	Change in Manufacturing Sector	
Inst. for Supply Mgmt	Feb-09	35.8	>50	Expansion
Purchasing Mngrs' Idx	1-Yr Avg	42.1	<50	Contraction



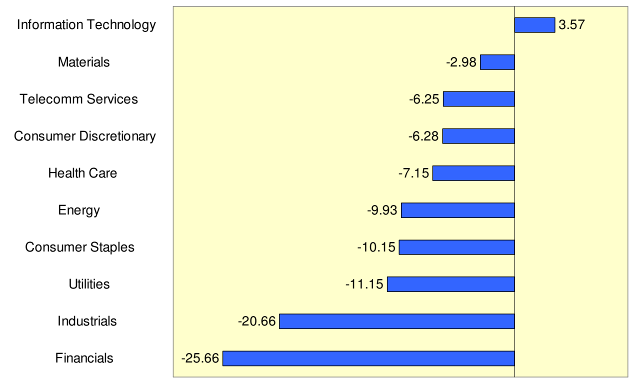


Data sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve Bank of St. Louis

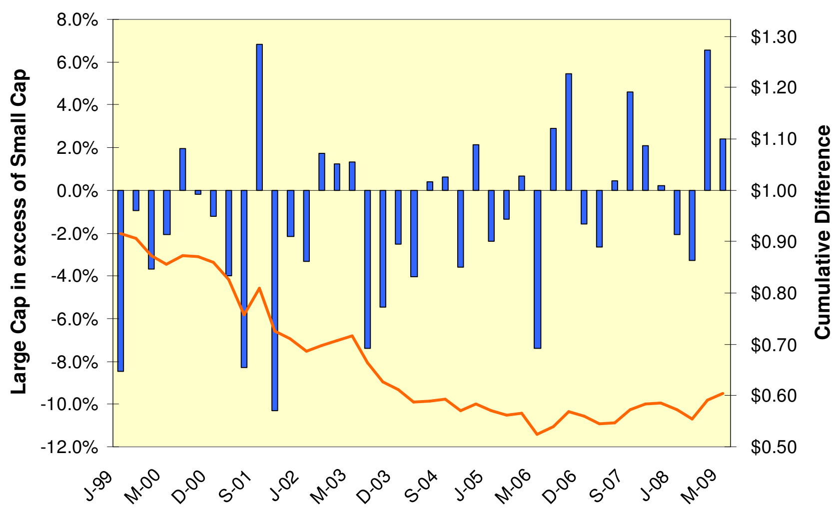
Domestic Capital Markets: Equity

March 31, 2009	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Wilshire 5000	-10.6	-10.6	-38.0	-13.3	-4.4	-2.1
Wilshire U.S. Large Cap	-10.3	-10.3	-37.7	-12.7	-4.2	-2.7
Wilshire U.S. Small Cap	-12.4	-12.4	-39.7	-16.8	-4.8	2.4
Wilshire U.S. Large Growth	-5.4	-5.4	-34.4	-11.5	-3.8	-5.0
Wilshire U.S. Large Value	-15.3	-15.3	-41.0	-14.1	-4.7	-0.5
Wilshire U.S. Small Growth	-8.9	-8.9	-39.1	-16.7	-4.2	-0.8
Wilshire U.S. Small Value	-15.7	-15.7	-40.1	-16.8	-5.3	4.9
Wilshire REIT Index	-33.9	-33.9	-60.7	-27.0	-9.4	3.7
Dow Jones AIG Commodity Index	-6.3	-6.3	-45.0	-9.8	-3.3	6.4

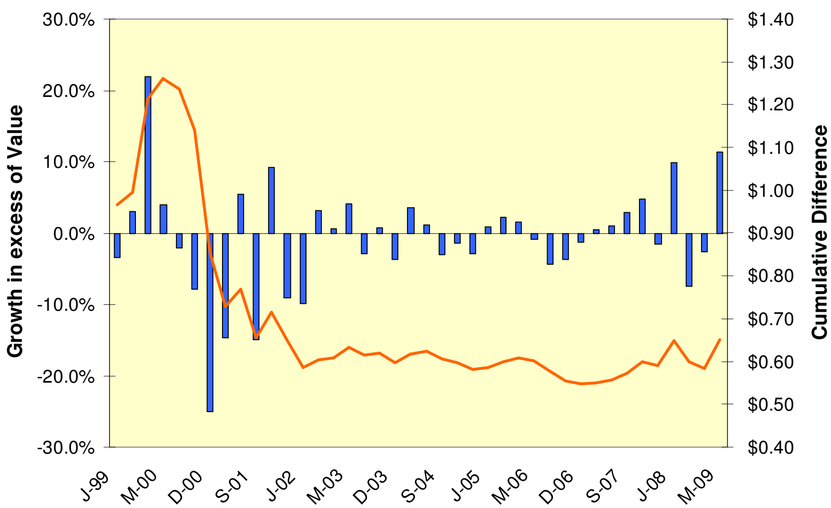
Wilshire 5000 Quarterly Sector Returns (%)



Large Cap vs. Small Cap: 10 Years of Quarterly Observations



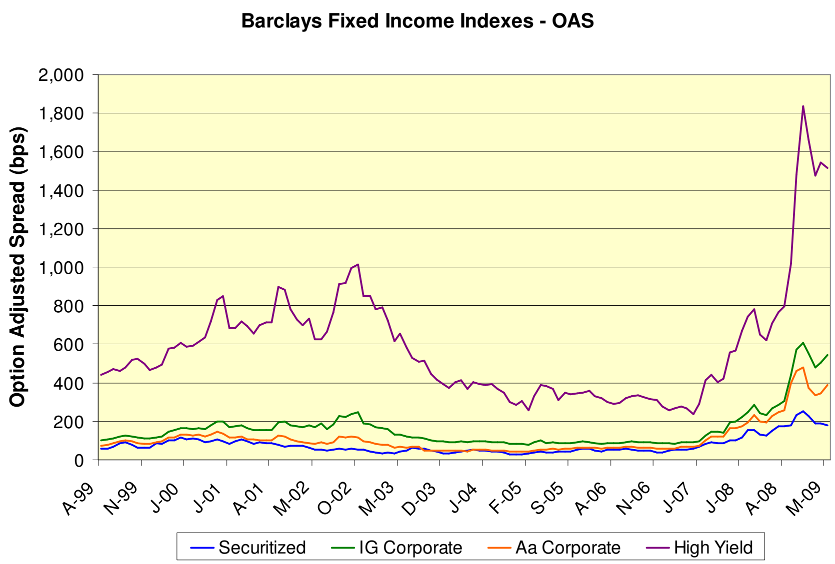
Growth vs. Value: 10 Years of Quarterly Observations

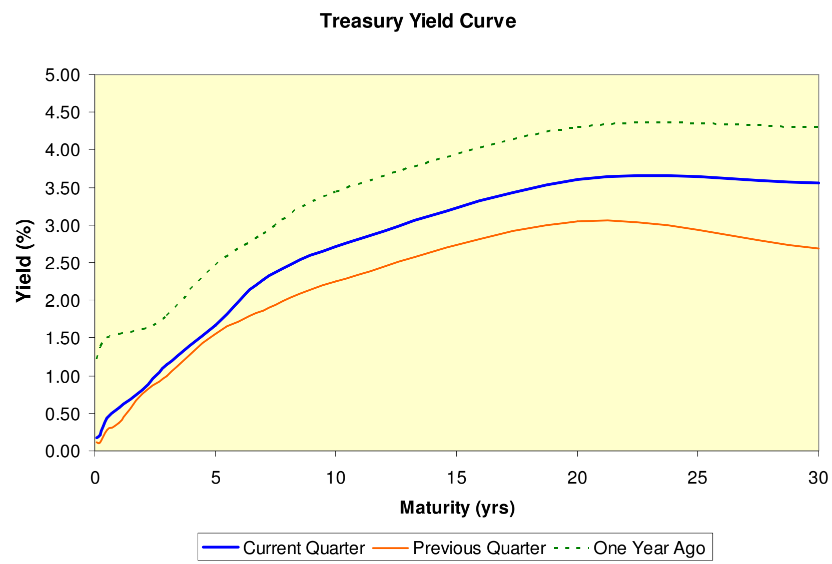


Data sources: Wilshire Compass, Wilshire Atlas

Domestic Capital Markets: Fixed Income

March 31, 2009	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays Aggregate Bond Index	0.1	0.1	3.1	5.8	4.1	5.7
Barclays Treasury Index	-1.3	-1.3	7.5	8.5	5.4	6.3
Barclays Gov't-Related Index	-0.4	-0.4	4.6	6.9	4.7	6.1
Barclays Securitized Index	1.9	1.9	4.8	6.2	4.7	5.8
Barclays Corporate IG Index	-1.9	-1.9	-6.6	1.0	1.1	4.4
Barclays Long-Term Treasury Index	-5.2	-5.2	13.1	10.9	7.4	8.0
Barclays U.S. Tips Index	5.5	5.5	-2.0	5.7	4.1	7.3
Barclays High Yield Index	6.0	6.0	-19.3	-4.7	-0.1	2.6
Treasury Bills	0.1	0.1	1.2	3.6	3.2	3.4





Data sources: Wilshire Compass, Barclays Capital, U.S. Treasury

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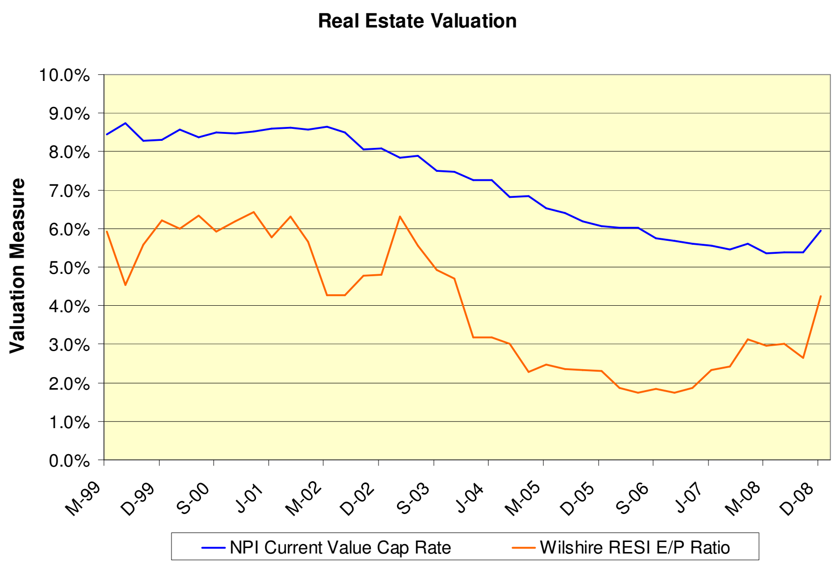
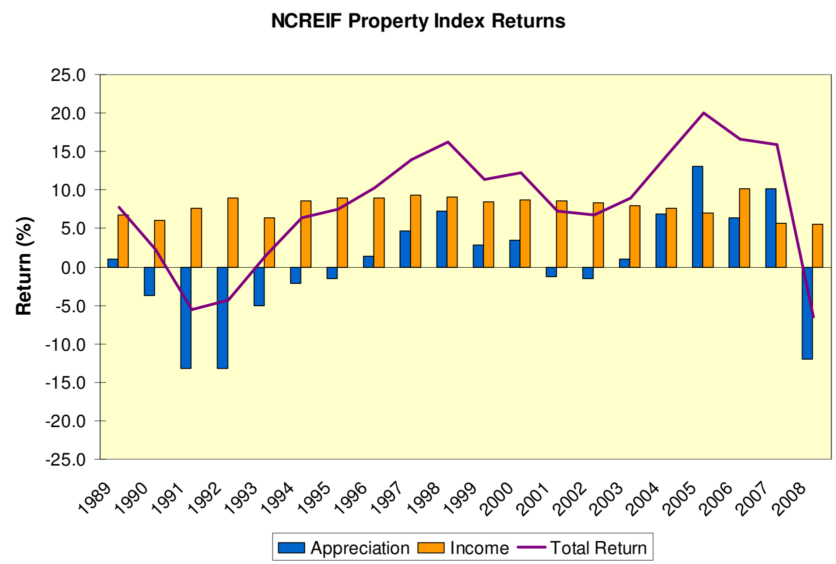
Real Assets

March 31, 2009	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays U.S. TIPS Index	5.5	5.5	-2.0	5.7	4.1	7.3
Dow Jones AIG Commodity Index	-6.3	-6.3	-45.0	-9.8	-3.3	6.4
Global Public Real Estate	-26.9	-26.9	-58.4	-23.7	-6.8	3.7
NCREIF Property Index	-7.3	-7.3	-14.7	4.2	9.4	9.4
NCREIF Timberland Index	0.7	0.7	5.6	13.2	14.1	8.9
S&P MLP Index (Oil & Gas)	11.9	11.9	-27.1	-4.0	1.3	n.a.

* Wilshire Global Real Estate Securities from March, 1999 to December, 2004. Wilshire Global REITs from 2004 to present.



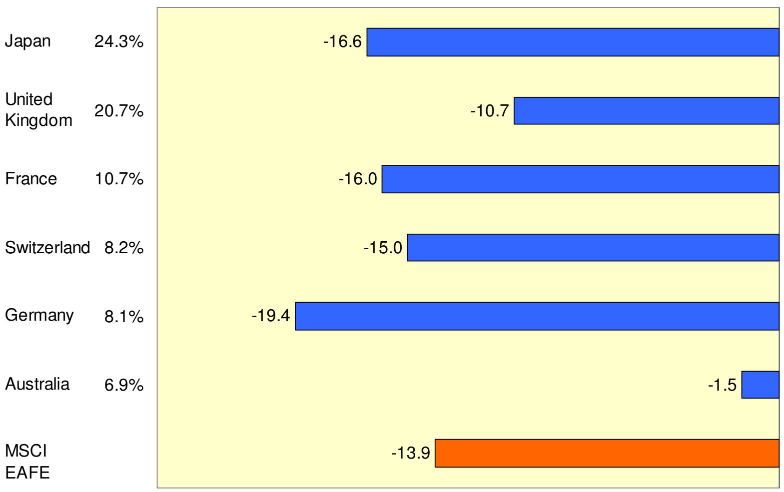


Data sources: Wilshire Compass, National Council of Real Estate Investment Fiduciaries

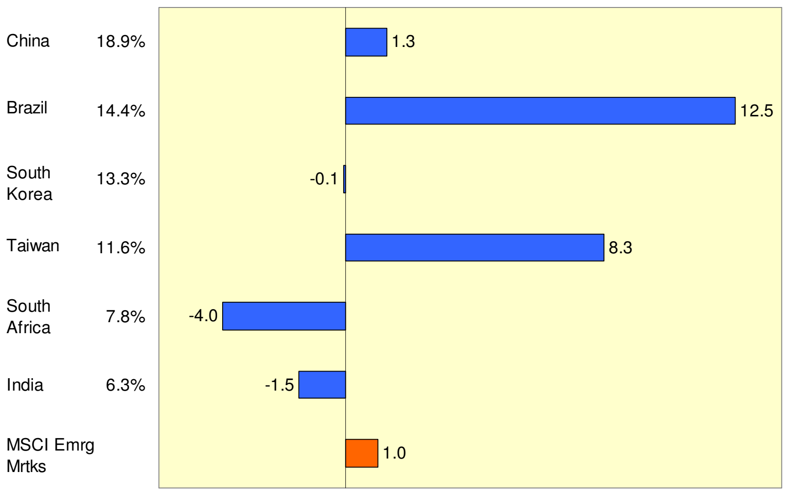
International Capital Markets

March 31, 2009	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
MSCI ACWI ex-US ($g)	-10.6	-10.6	-46.2	-12.8	-0.2	0.9
MSCI EAFE ($g)	-13.9	-13.9	-46.2	-14.1	-1.7	-0.5
MSCI Emerging Markets ($g)	1.0	1.0	-46.9	-7.9	6.2	8.1
MSCI Frontier Markets ($g)	-17.5	-17.5	-61.4	-18.4	1.0	n.a.
JPM Non US Global Bond	-9.8	-9.8	-9.4	6.7	4.0	5.2
JPM Non US Global Bond Hedged	-0.5	-0.5	5.2	5.5	4.9	5.1
JPM EMBI Global	3.4	3.4	-8.5	2.0	5.2	10.0
Euro vs. Dollar	-4.5	-4.5	-16.2	3.1	1.5	2.1
Yen vs. Dollar	-8.2	-8.2	0.8	6.1	1.0	1.9
Pound vs. Dollar	-0.3	-0.3	-27.9	-6.2	-4.9	-1.2

MSCI EAFE's Largest Countries: Market Weights and Quarterly Returns (%)



MSCI EM's Largest Countries: Market Weights and Quarterly Returns (%)



Data sources: Wilshire Compass, MSCI Barra

Asset Class Performance

Annual Asset Class Returns - Best to Worst

2004	2005	2006	2007	2008	**YTD 2009**
REITs 33.2%	Emrg Mrkts 34.5%	REITs 36.0%	Emrg Mrkts 39.8%	Core Bond 5.2%	High Yield 6.0%
Emrg Mrkts 25.9%	Commodities 21.4%	Emrg Mrkts 32.6%	Commodities 16.2%	T-Bills 2.0%	U.S. TIPS 5.5%
Developed 20.7%	Developed 14.0%	Developed 26.9%	U.S. TIPS 11.6%	U.S. TIPS -2.3%	Emrg Mrkts 1.0%
U.S. Equity 12.5%	REITs 13.8%	U.S. Equity 15.8%	Developed 11.6%	High Yield -26.2%	Core Bond 0.1%
High Yield 11.2%	U.S. Equity 6.4%	High Yield 11.9%	Core Bond 7.0%	Commodities -35.6%	T-Bills 0.1%
Commodities 9.2%	T-Bills 3.1%	T-Bills 4.8%	U.S. Equity 5.6%	U.S. Equity -37.2%	Commodities -6.3%
U.S. TIPS 8.5%	U.S. TIPS 2.8%	Core Bond 4.3%	T-Bills 5.0%	REITs -39.2%	U.S. Equity -10.6%
Core Bond 4.3%	High Yield 2.7%	Commodities 2.1%	High Yield 1.9%	Developed -43.1%	Developed -13.9%
T-Bills 1.3%	Core Bond 2.4%	U.S. TIPS 0.4%	REITs -17.5%	Emrg Mrkts -53.2%	REITs -33.9%

Annualized 5-Year

2004-2008
Emrg Mrkts 8.0%
Core Bond 4.7%
U.S. TIPS 4.1%
T-Bills 3.2%
Developed 2.1%
REITs 0.7%
Commodities 0.2%
High Yield -0.8%
U.S. Equity -1.7%

Data source: Wilshire Compass   Note: Developed asset class is developed markets ex-U.S., ex-Canada.

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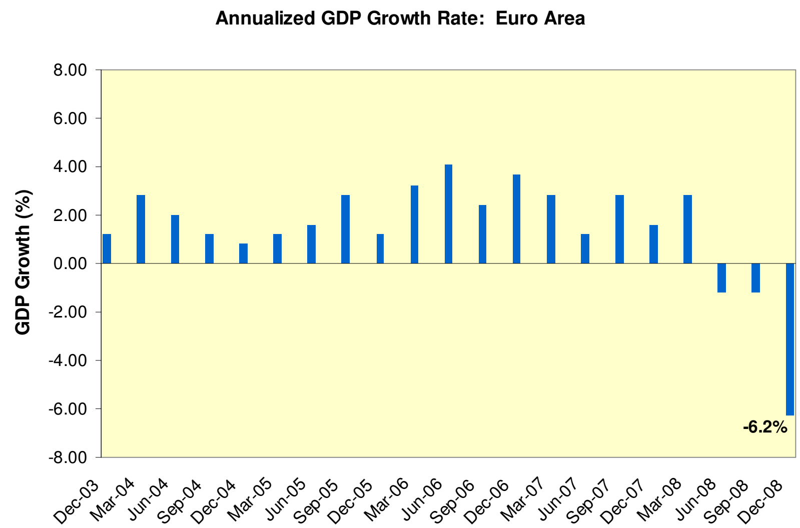
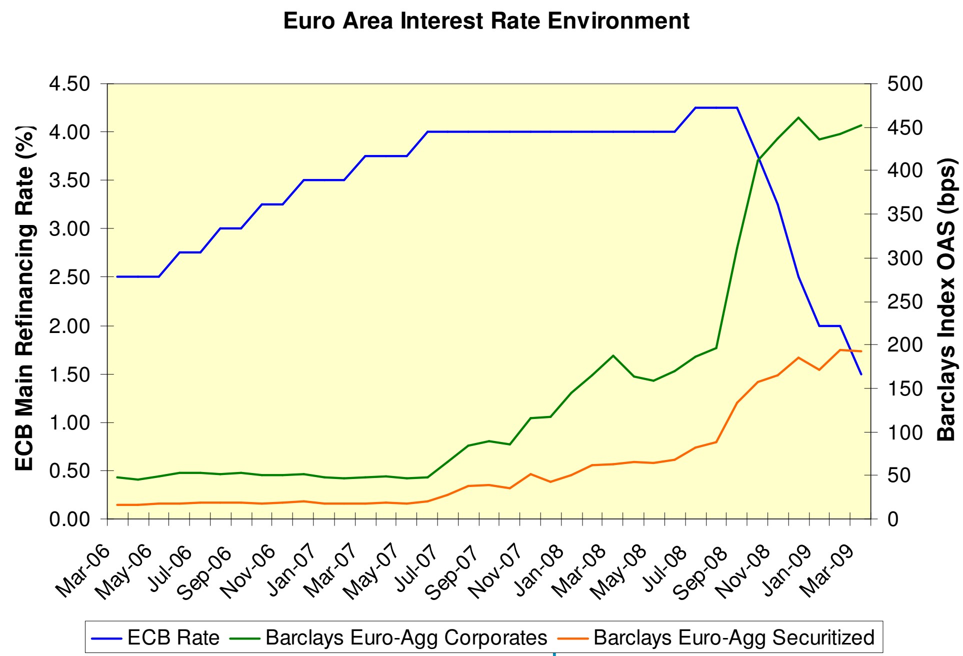
Non-U.S. Economic Activity

- Euro Area GDP falls along with the global slowdown.

- The European Central Bank's (ECB) reference rate is a key credit driver. The ECB faces operational difficulties with quantitative easing as government bond purchases would need to be spread across the 16 member countries.





Data sources: Eurostat, Barclays

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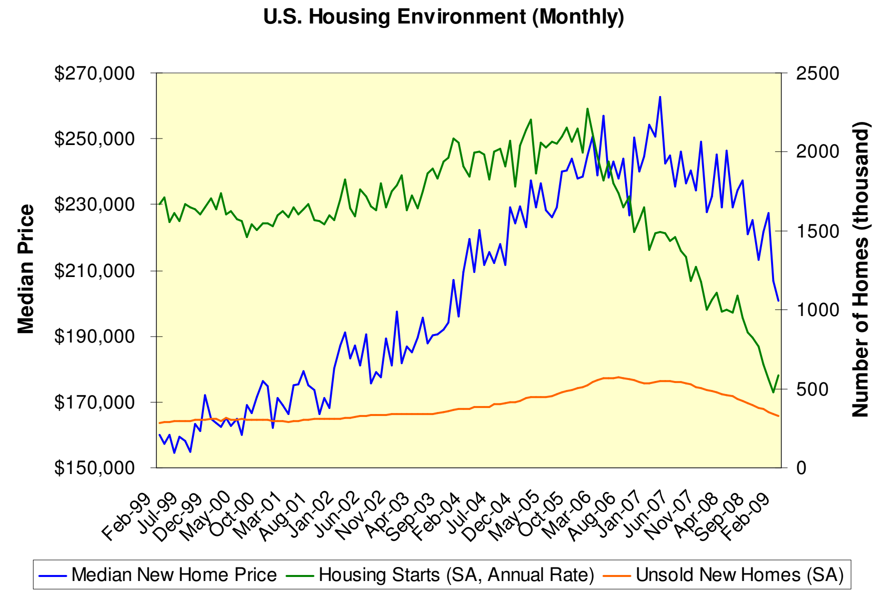
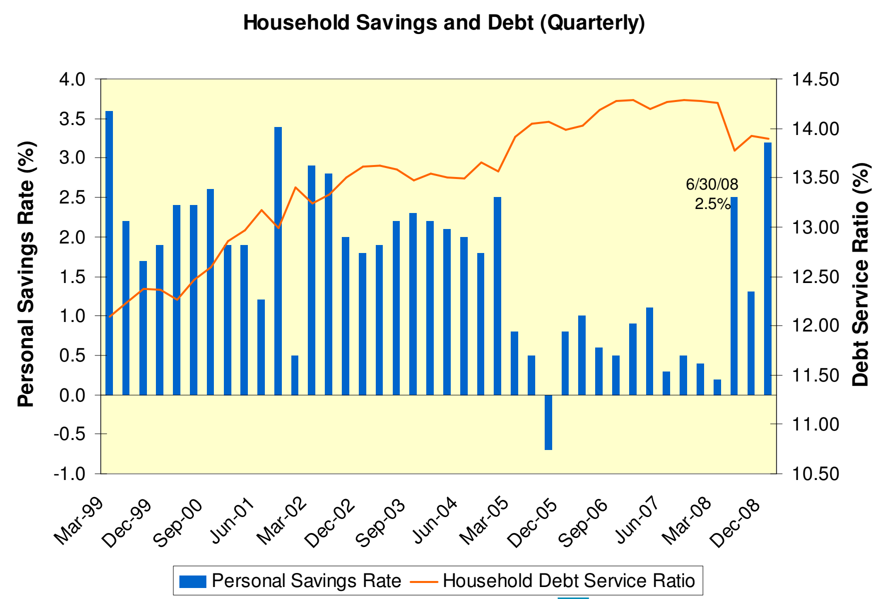
Housing and Households

- New home inventory begins to build in mid-2003. Before housing-starts begin to fall in mid-2006, available inventory up 67%.
- At current sales rate, there is approximately 1 year worth of new homes unsold.
- Consumers wasted no time tightening their belts in 2008.
- Debt service ratio – ratio of outstanding mortgage and consumer debt payments to disposable income – has grown consistently during the past ten years.

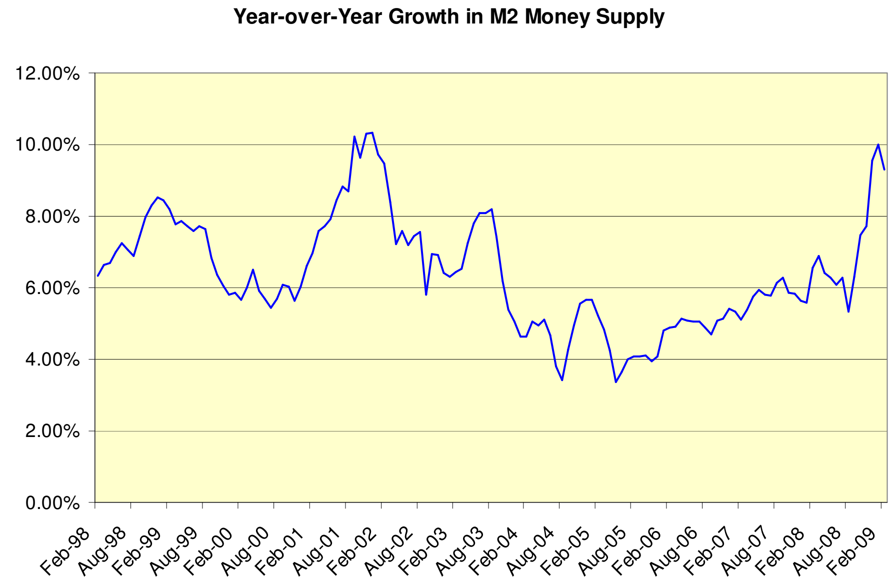


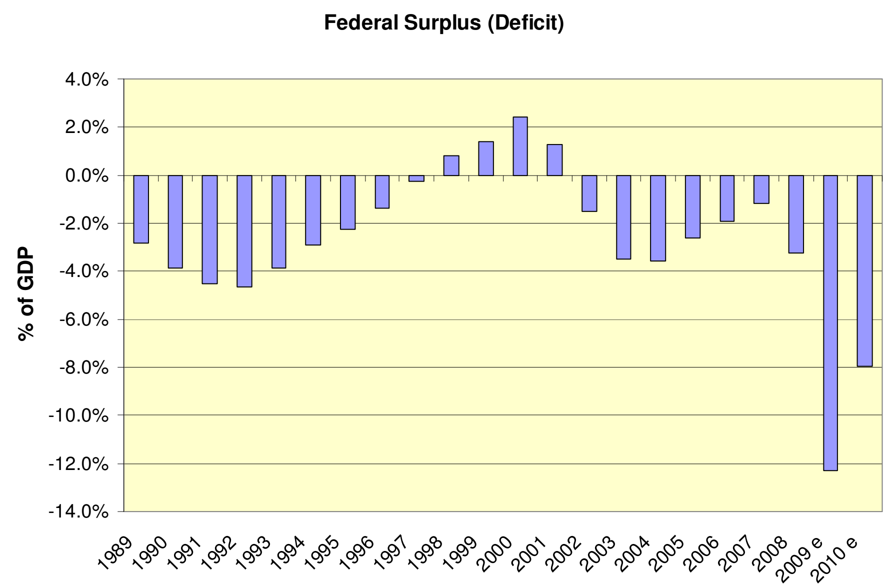


Data sources: U.S. Census Bureau, Bureau of Economic Analysis, Federal Reserve

Federal Action

- M2 money supply, which includes cash, checkable deposits, savings deposits, retail money market mutual funds, growing much like it did after the tech bubble burst.
- Federal deficit expected to grow partly as a result of spending targeted at stimulating the economy.
- Federal Reserve's total reserve bank credit has more than doubled to $2 trillion since fall of 2008.





Data sources: Office of Management and Budget, Government Printing Office