

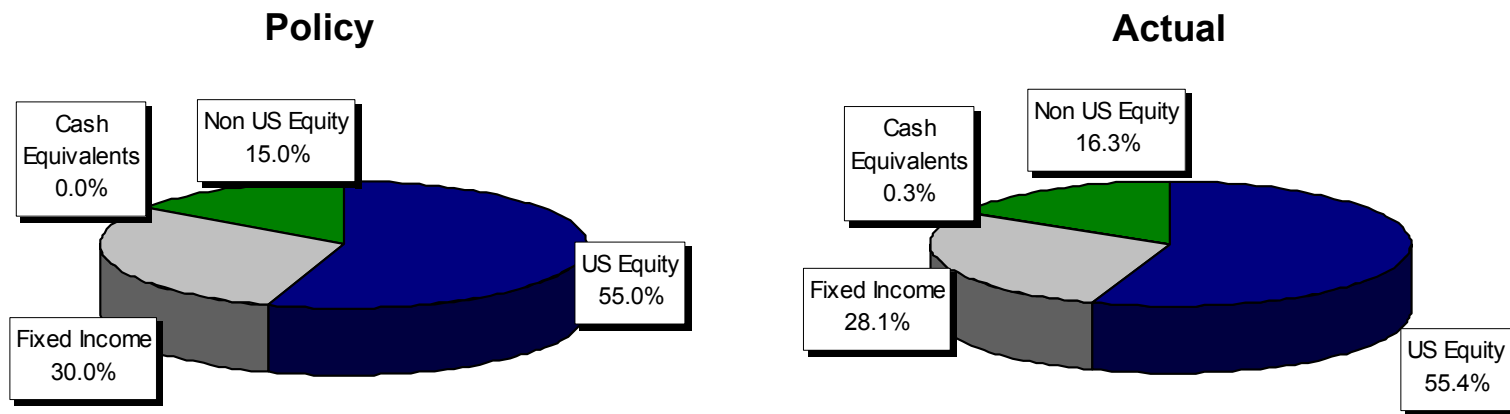


The City of Grand Rapids – General Retirement System

Executive Summary of Investment Performance
Quarter Ending June 30, 2007

Asset Allocation

Total Fund Policy vs Total Fund Actual * *As of June 30, 2007*

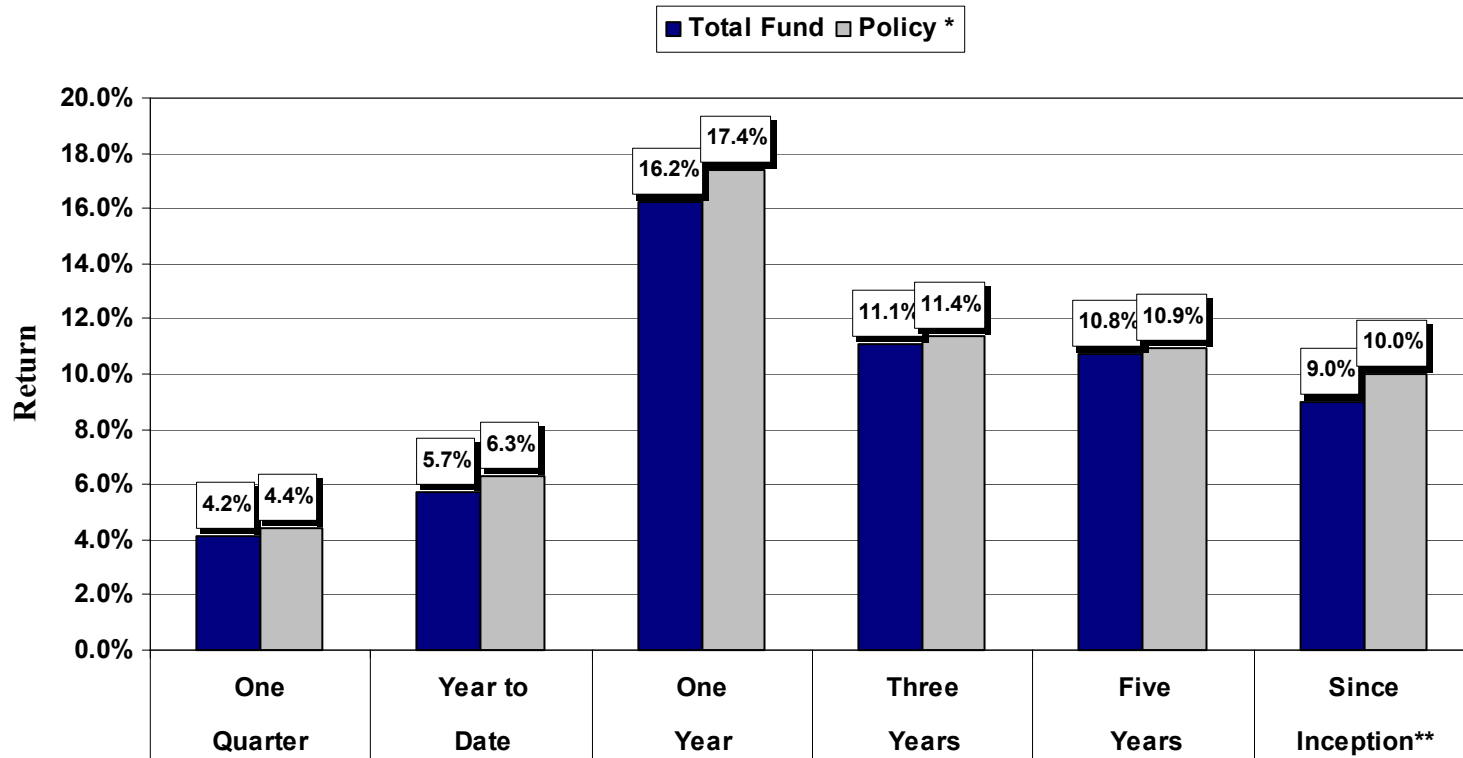


Total Assets
\$398,095,000

* As Allocated to Managers

Composite Investment Performance

Total Fund vs Policy *For Periods Ending June 30, 2007*



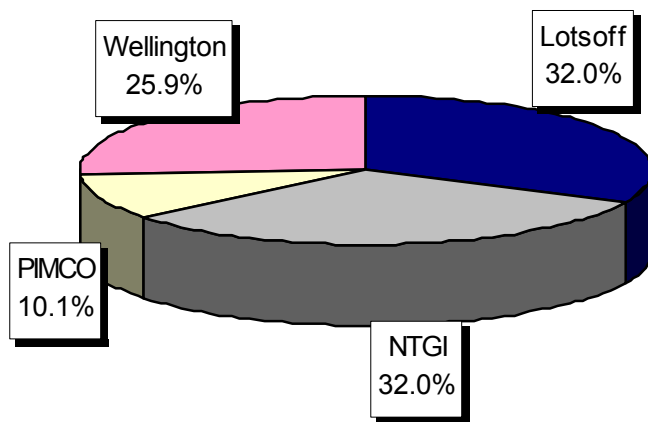
* 55.0% DJ Wilshire 5000, 30.0% Lehman Aggregate, 15.0% MSCI ACWI ex US as of July 1, 2006

** September 30, 1987

Investment Manager Allocation

US Equity

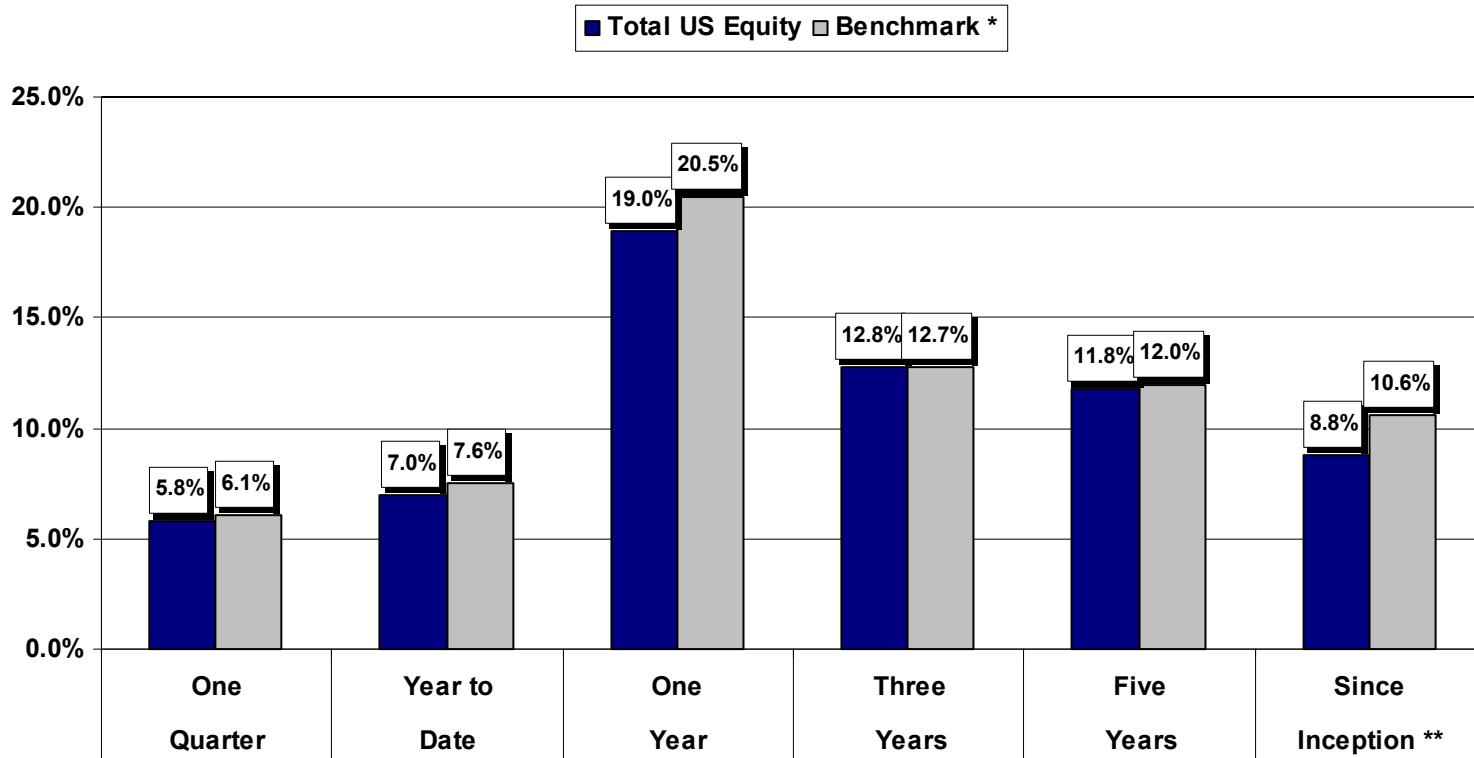
As of June 30, 2007



Total US Equity Assets
\$220,480,000

Composite Investment Performance

US Equity vs Benchmark *For Periods Ending June 30, 2007*



* DJ Wilshire 5000 Index
** September 30, 1987

Investment Manager Performance

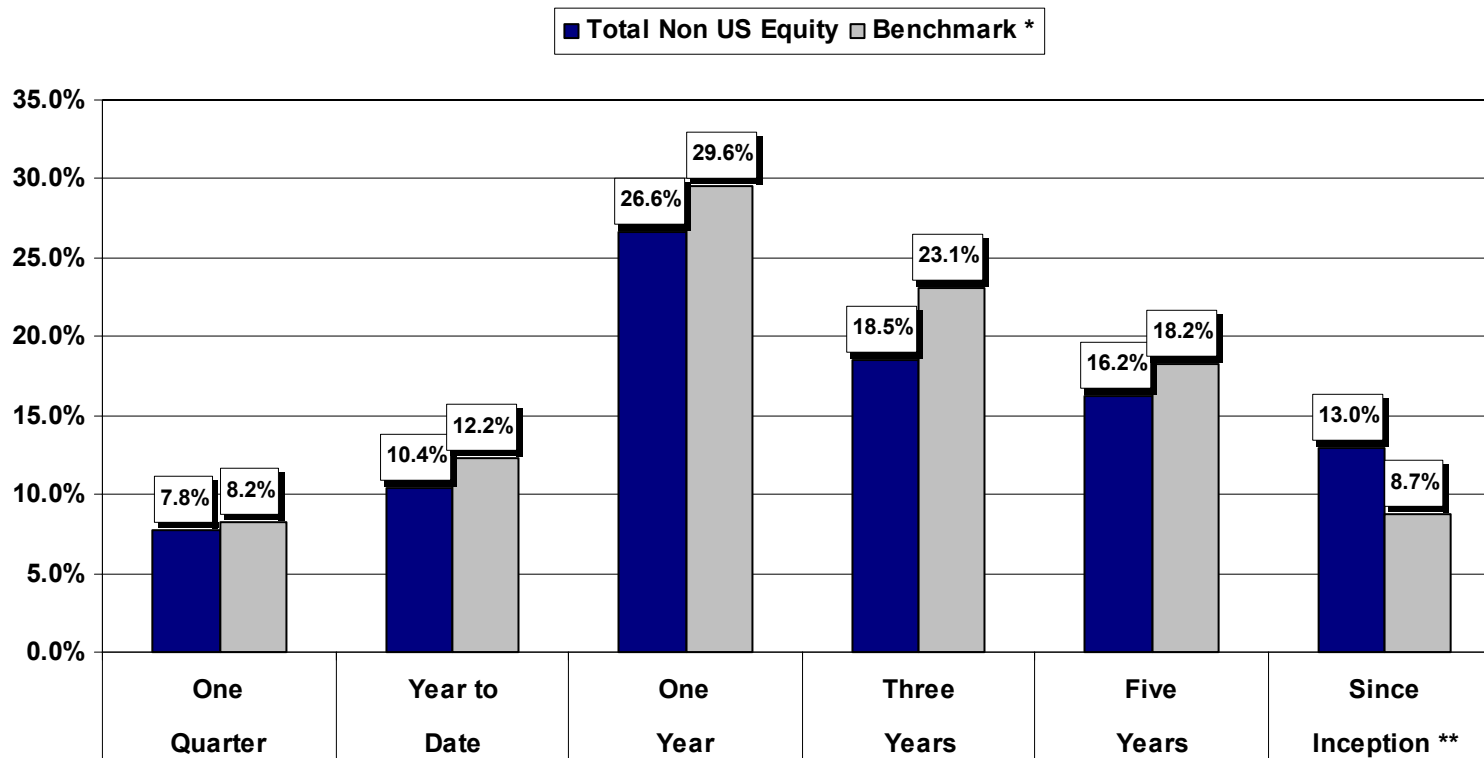
US Equity * For Periods Ending June 30, 2007

	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	7.7%	1	8.2%	2	20.1%	3	NA	--	NA	--	14.4%	Sep-04
S&P 500 Index	6.3%	3	7.0%	3	20.6%	2	NA	--	NA	--	13.6%	
NTGI	6.1%	3	7.5%	2	20.8%	2	12.5%	3	11.4%	3	6.9%	Sep-98
R1000 Index	5.9%	3	7.2%	3	20.4%	2	12.3%	3	11.3%	3	6.8%	
PIMCO	5.6%	4	6.4%	4	20.4%	2	11.3%	3	10.5%	3	2.5%	Sep-00
S&P 500 Index	6.3%	3	7.0%	3	20.6%	2	11.7%	3	10.7%	3	2.4%	
Wellington	3.6%	4	5.6%	4	15.5%	3	13.4%	3	14.6%	3	13.5%	Sep-99
R2000 Index	4.4%	4	6.5%	4	16.4%	3	13.5%	3	13.9%	4	10.4%	

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

Composite Investment Performance

Non US Equity vs Benchmark *For Periods Ending June 30, 2007*



* MSCI ACWI ex US Index as of October 1, 2006. Return history not reflective of current manager performance.

** June 30, 1995

Investment Manager Performance

Non US Equity *

For Periods Ending June 30, 2007

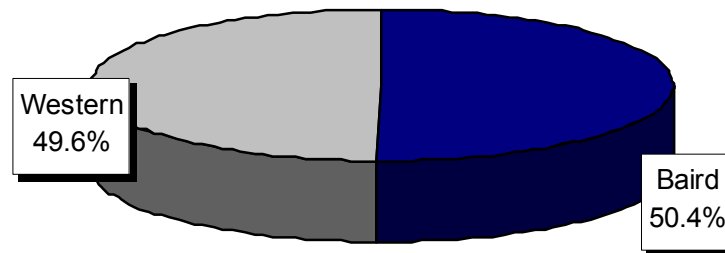
	Quarter		Year-to-date		One Year		Three Years		Five Years		Since Inception	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Date
Neuberger Berman	7.8%	2	10.4%	3	26.6%	3	NA	--	NA	--	26.6%	Jun-06
MSCI ACWI ex US	8.2%	2	12.2%	2	29.6%	2	NA	--	NA	--	29.6%	

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

Investment Manager Allocation

Fixed Income

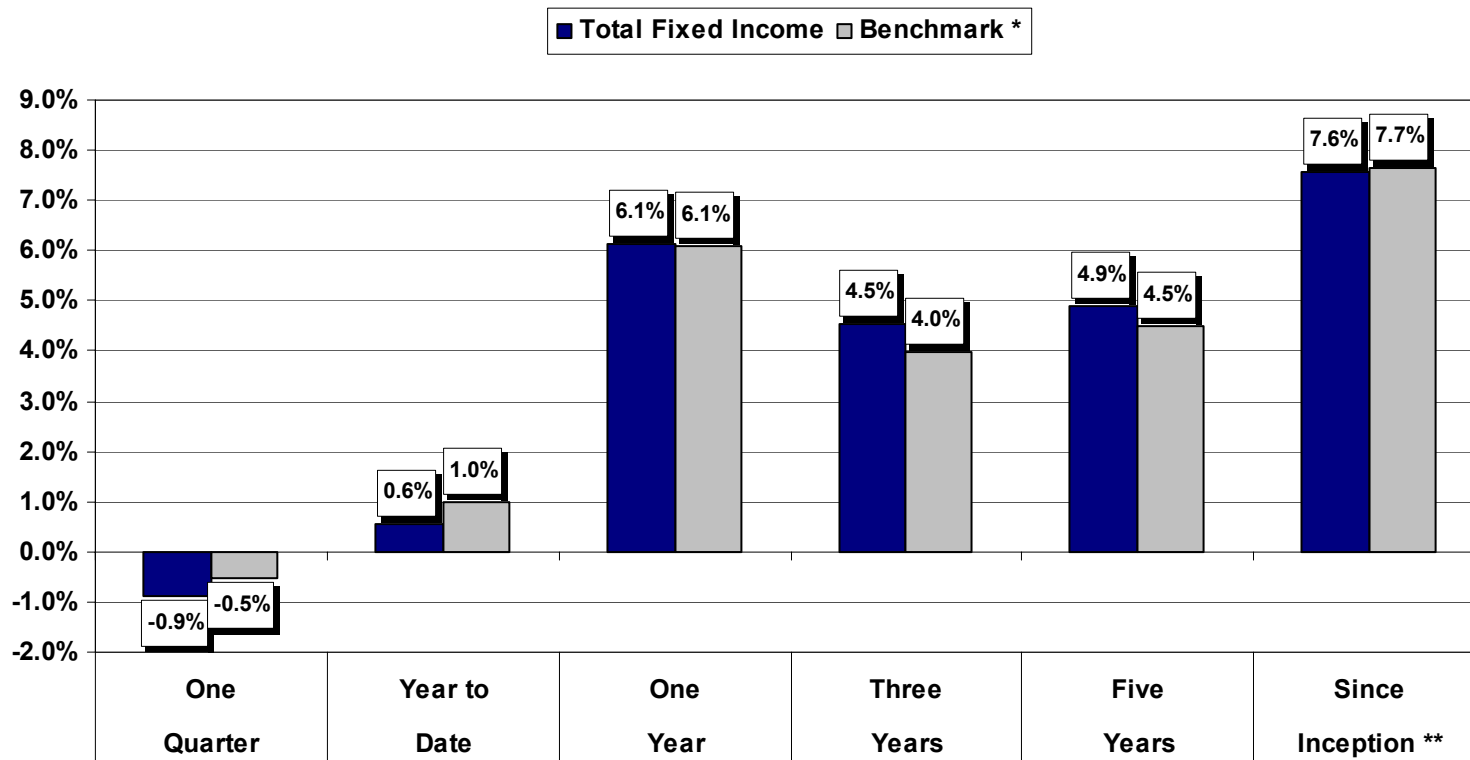
As of June 30, 2007



Total Fixed Income Assets
\$111,745,000

Composite Investment Performance

Fixed Income vs Benchmark For Periods Ending June 30, 2007



* Lehman Aggregate Index
** September 30, 1987

Investment Manager Performance

Fixed Income *

For Periods Ending June 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	-0.5%	2	1.1%	2	6.2%	3	4.4%	2	NA	--	3.8%	Mar-03
Lehman Agg Index	-0.5%	3	1.0%	3	6.1%	3	4.0%	4	NA	--	3.5%	
Western	-1.3%	4	0.0%	4	6.0%	3	4.7%	1	NA	--	3.6%	Mar-04
Lehman Agg Index	-0.5%	3	1.0%	3	6.1%	3	4.0%	4	NA	--	2.9%	

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

Capital Market Review

Second Quarter 2007

Market Observations

The Federal Reserve kept rates constant at 5.25% during the 2nd quarter of 2007. However, longer rates like the 10-year Treasury yield were much more volatile, with intraday spikes up to 5.32% on June 13, before finishing out the quarter at 5.03%.

The 2nd quarter real GDP dropped notably from the 4th quarter rate of 2.5%, expanding at a meager rate of 0.7%. This also marked the lowest rate in more than four years (+0.2% in 4th quarter 2002).

Though year-over-year Core CPI and Core PCE have moderated (2.2% & 1.9% in May, respectively), inflation concerns were stoked by May's 0.7% increase in headline CPI. This marked only the third monthly increase above 0.6% since 1990. Oil prices flirted with the \$70 level throughout the month and finally broke through to close June at \$70.68.

Job growth has been moderate for 2007 with an average of 133,000 jobs created per month through May. Unemployment has also been stable, holding at 4.5% in May.

The housing market slowed again with existing home sales dropping 10.3% and new home sales off 15.8% from one year ago. Mortgage rates have also hit their highest points since July 2006 with an average 30-year fixed-rate mortgage of 6.74%.

U.S. Stock Market

The U.S. stock market as measured by the DJ Wilshire 5000 shrugged off concerns over a slowing housing market, rising sub-prime default rates and higher oil prices to post an impressive 6.07% return for the second quarter. This is also the largest single quarter return since 4th quarter 2004, and its fourth consecutive quarterly gain, all resulting in a return of 20.45% for the past year.

Small capitalization stocks outperformed large capitalization stocks during the 1st quarter, but large stocks regained control in the 2nd quarter with the DJ Wilshire Large Cap Index up 6.18% versus 5.72% for the DJ Wilshire Small Cap Index. Micro Cap stocks posted respectable gains of 3.28% this quarter but still remained the laggards for the year. Growth stocks built off of their newly found leadership from the 1st quarter to outpace value stocks across the capitalization spectrum again in the 2nd quarter. The largest quarter-to-date returns came from the DJ Wilshire Small Growth Index, up 7.33% for the quarter and 12.35% for the year-to-date. The best quarterly performance for a sector was 14.4% posted by the Oil & Gas industry. Interest rate sensitive sectors were among the worst performing sectors due to June's sharp rise in rates.

The quarter's positive returns hid a lot of June's turbulence as many stocks were driven down due to the interest rate volatility. Though finishing the month near 5%, the 10-year Treasury yield spikes throughout the month were a stern reminder of how quickly rates and valuations can change.

Capital Market Review

Second Quarter 2007

Non-U.S. Market

The non-U.S. equity market outperformed the U.S. equity market during the 2nd quarter with a return of 8.18%, marking the 3rd straight quarter that international stocks topped the U.S. market. China experienced a one day drop of 8.3% due to their new stamp tax passed by China's government which triples the current tax rate of 0.1% to 0.3% on stock trades. This was in line with their recent policies, including rate hikes and market risk warnings, in an effort to slow down the market that has now quadrupled over the last two years. Chinese authorities are worried that new money from local retail investors is fueling a bubble in prices. Despite the rise in interest rates over the last month, the dollar continued to weaken by 0.34% and 1.25%, monthly and quarterly respectfully, against the basket of world currencies. Emerging markets went from the most underperforming segment of the non-U.S. markets to the best by posting a 15.05% USD return.

Fixed Income Market

The yield on the 10-year Note increased notably for the final month of the 2nd quarter as fears of a slowing economy subsided when several economic reports indicated the economy was still expanding, albeit at a lower pace. Also pushing interest rates higher were continued inflationary pressures that pushed inflation to 2%, on the edge of the Federal Reserve's target inflation zone of 1% to 2%. The increase in long-term interest rates coupled with the decrease in short-term interest rates caused not only the shape of the yield curve to begin to normalize, but also the spread between the 10-year Note and the 91-day Note to change from an inversion of 39 basis points at the beginning of the quarter to a positive 23 basis points. As the yield on the 10-year Note rose 38 basis points during the quarter, long-term Treasuries declined by 1.94% while 1-3 year Treasuries were up 0.73%. Additionally, the continued sub-prime worries spilled over into the credit market as corporate-high yield securities were down 1.80% for the month.

Currency Market

The Dollar weakened considerably against the Euro (-1.46%) and the Pound (-2.29%), but it gained against the Yen (4.39%).

Summary of Index Returns

For Periods Ending June 30, 2007

	Quarter	Year-to-Date	One Year	Three Years	Five Years	Ten Years
<i>US Equity</i>						
Nasdaq Composite	7.73%	8.20%	20.76%	9.14%	12.97%	6.73%
Russell 1000	5.89%	7.18%	20.43%	12.34%	11.32%	7.55%
Russell 2000	4.43%	6.47%	16.45%	13.45%	13.88%	9.06%
S&P 500	6.28%	6.97%	20.61%	11.68%	10.71%	7.13%
DJ Wilshire 4500	5.32%	9.63%	19.75%	15.72%	16.15%	9.51%
DJ Wilshire 5000	6.07%	7.55%	20.45%	12.74%	11.96%	7.68%
DJ Wilshire Large Growth	6.58%	7.92%	18.23%	9.82%	10.17%	4.98%
DJ Wilshire Large Value	5.77%	6.75%	23.22%	14.86%	12.46%	9.45%
DJ Wilshire Micro Cap 2500	3.28%	4.92%	13.09%	10.68%	18.64%	13.86%
DJ Wilshire Mid Growth	8.35%	13.87%	22.54%	17.81%	17.67%	7.95%
DJ Wilshire Mid Value	3.82%	9.20%	20.03%	14.10%	13.64%	12.58%
DJ Wilshire REIT	-9.36%	-5.97%	11.68%	22.26%	19.25%	13.92%
DJ Wilshire Small Cap 1750	5.72%	9.75%	19.07%	15.25%	16.53%	10.61%
DJ Wilshire Small Growth	7.33%	12.35%	20.05%	15.60%	16.97%	7.62%
DJ Wilshire Small Value	4.11%	7.19%	17.95%	14.81%	15.95%	12.71%
<i>Non US Equity</i>						
MSCI ACWI Fr x US	8.42%	12.57%	30.14%	25.02%	19.93%	8.58%
MSCI EAFE	6.40%	10.73%	26.99%	22.23%	17.73%	7.66%
MSCI Emerging Markets Free	15.05%	17.75%	45.45%	38.66%	30.65%	9.40%
MSCI Europe	8.31%	12.49%	32.43%	24.52%	18.72%	10.30%
MSCI Pacific	2.22%	6.88%	15.83%	17.38%	15.59%	3.17%

Summary of Index Returns

For Periods Ending June 30, 2007

	Quarter	Year-to-Date	One Year	Three Years	Five Years	Ten Years
<i>US Fixed Income</i>						
91-Day Treasury Bills	1.28%	2.57%	5.20%	3.77%	2.76%	3.80%
Citigroup High Yield Mkt Index	0.17%	2.66%	11.63%	8.67%	12.35%	6.46%
Lehman Aggregate	-0.52%	0.97%	6.12%	3.98%	4.48%	6.02%
Lehman Long Term Treasury	-1.94%	-0.91%	5.97%	5.06%	5.86%	7.32%
Lehman Mortgage	-0.57%	0.97%	6.30%	4.24%	4.13%	5.86%
Lehman TIPS	-0.76%	1.73%	3.98%	3.79%	6.03%	--
<i>Non US Fixed Income</i>						
Citigroup Non US Govt	-1.84%	-0.77%	2.20%	3.26%	6.91%	4.95%
Citigroup Non US Govt Hedged	-0.93%	-0.02%	4.01%	4.45%	4.14%	5.84%
Citigroup World Govt	-1.54%	-0.41%	2.84%	3.31%	6.31%	5.33%
<i>Currency*</i>						
Euro vs \$	1.46%	2.42%	5.62%	3.54%	6.46%	--
Pound vs \$	2.29%	2.51%	8.48%	3.43%	5.65%	1.89%
Yen vs \$	-4.39%	-3.51%	-7.43%	-4.04%	-0.60%	-0.76%
<i>Real Estate</i>						
DJ Wilshire Real Estate Securities	-9.45%	-6.20%	11.73%	22.37%	19.52%	13.60%

* Positive Values Indicate Dollar Depreciation