



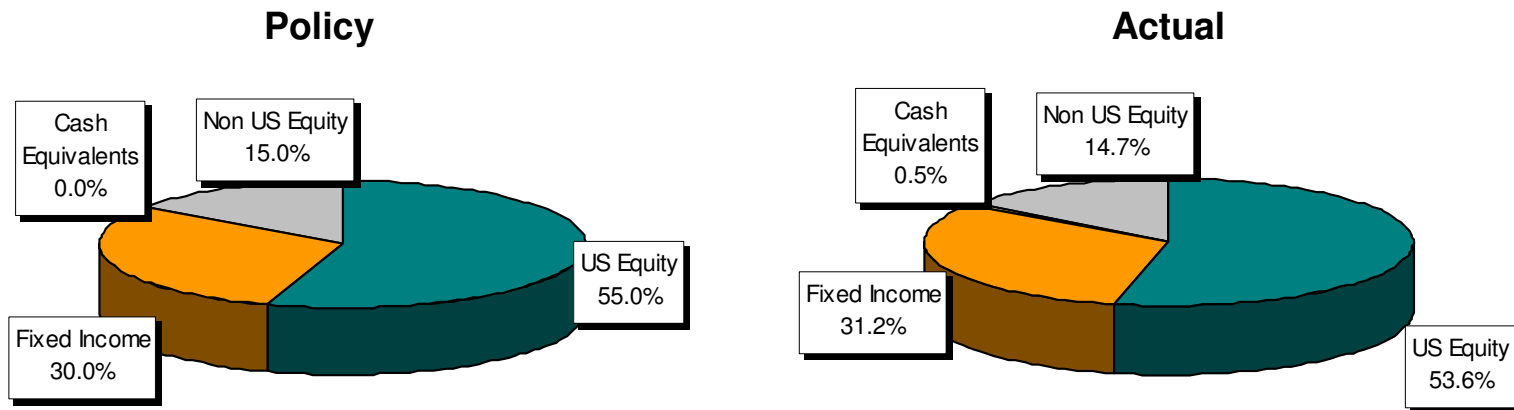
The City of Grand Rapids – General Retirement System

Executive Summary of Investment Performance
Quarter Ending June 30, 2008

Asset Allocation

Total Fund Policy vs Total Fund Actual *

As of June 30, 2008



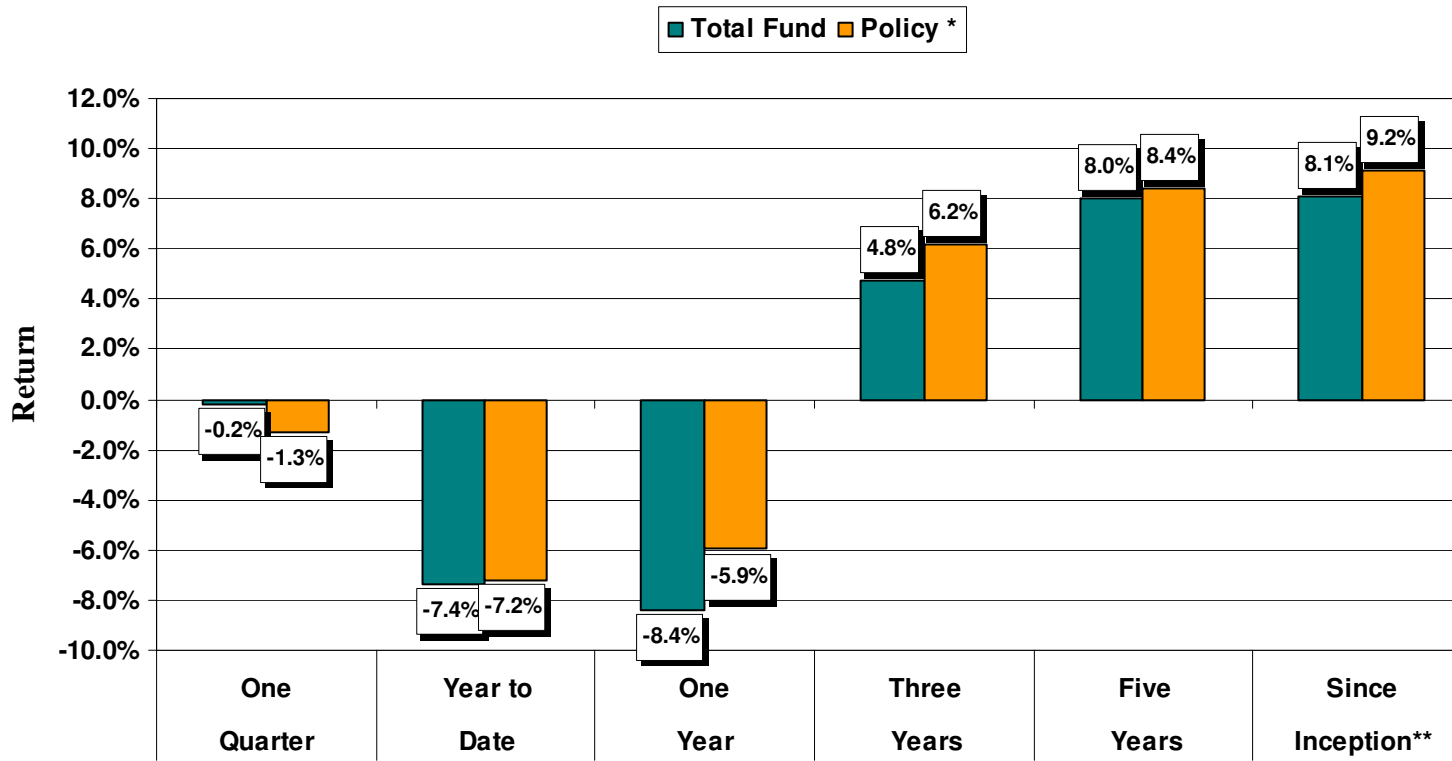
Total Assets
\$354,337,000

* As Allocated to Managers

Composite Investment Performance

Total Fund vs Policy

For Periods Ending June 30, 2008



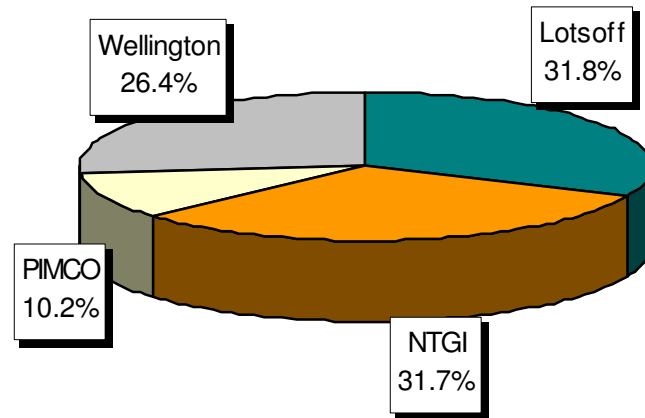
* 55.0% DJ Wilshire 5000, 30.0% Lehman Aggregate, 15.0% MSCI ACWI ex US as of July 1, 2006

** March 31, 1987

Investment Manager Allocation

US Equity

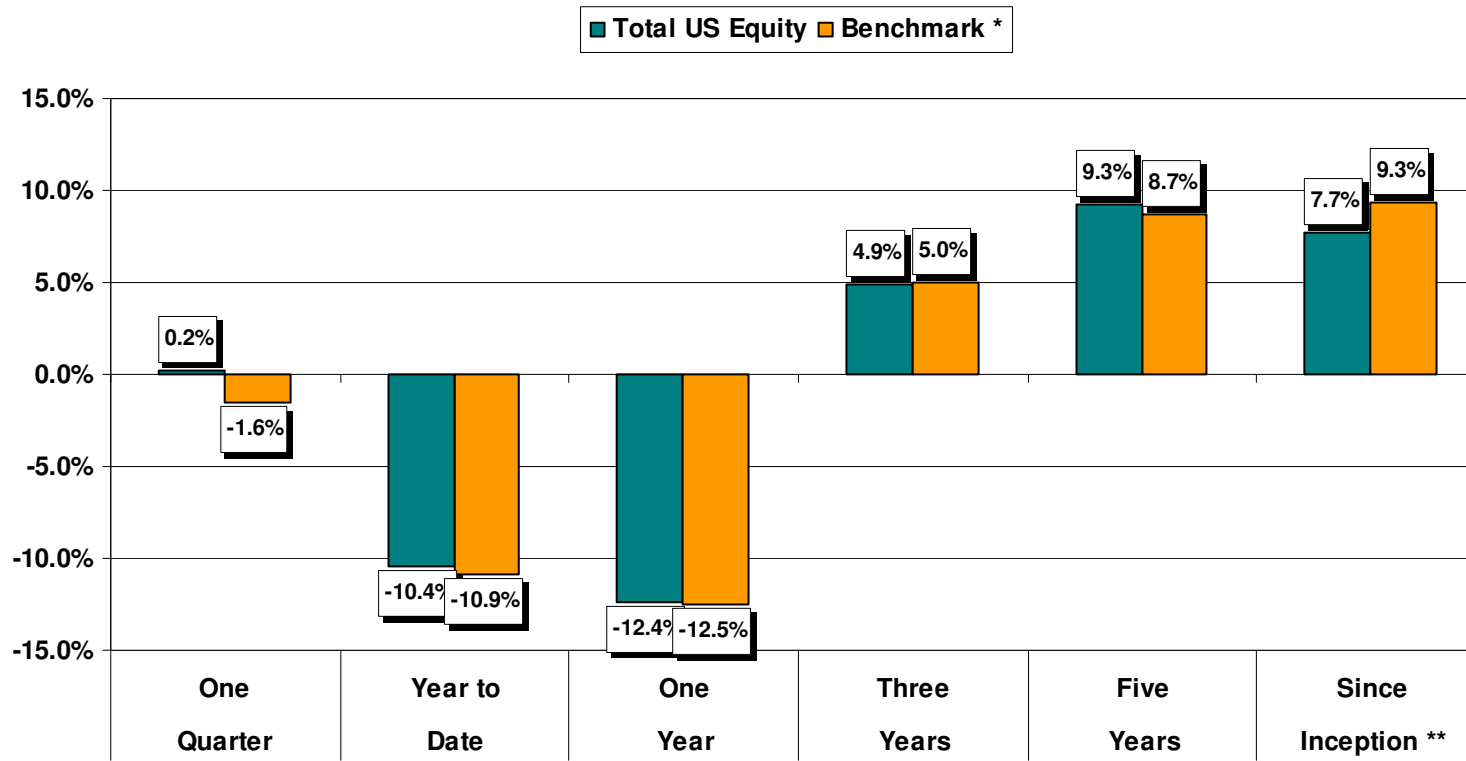
As of June 30, 2008



Total US Equity Assets
\$190,014

Composite Investment Performance

US Equity vs Benchmark For Periods Ending June 30, 2008



* DJ Wilshire 5000 Index
** December 31, 1987

Investment Manager Performance

US Equity *

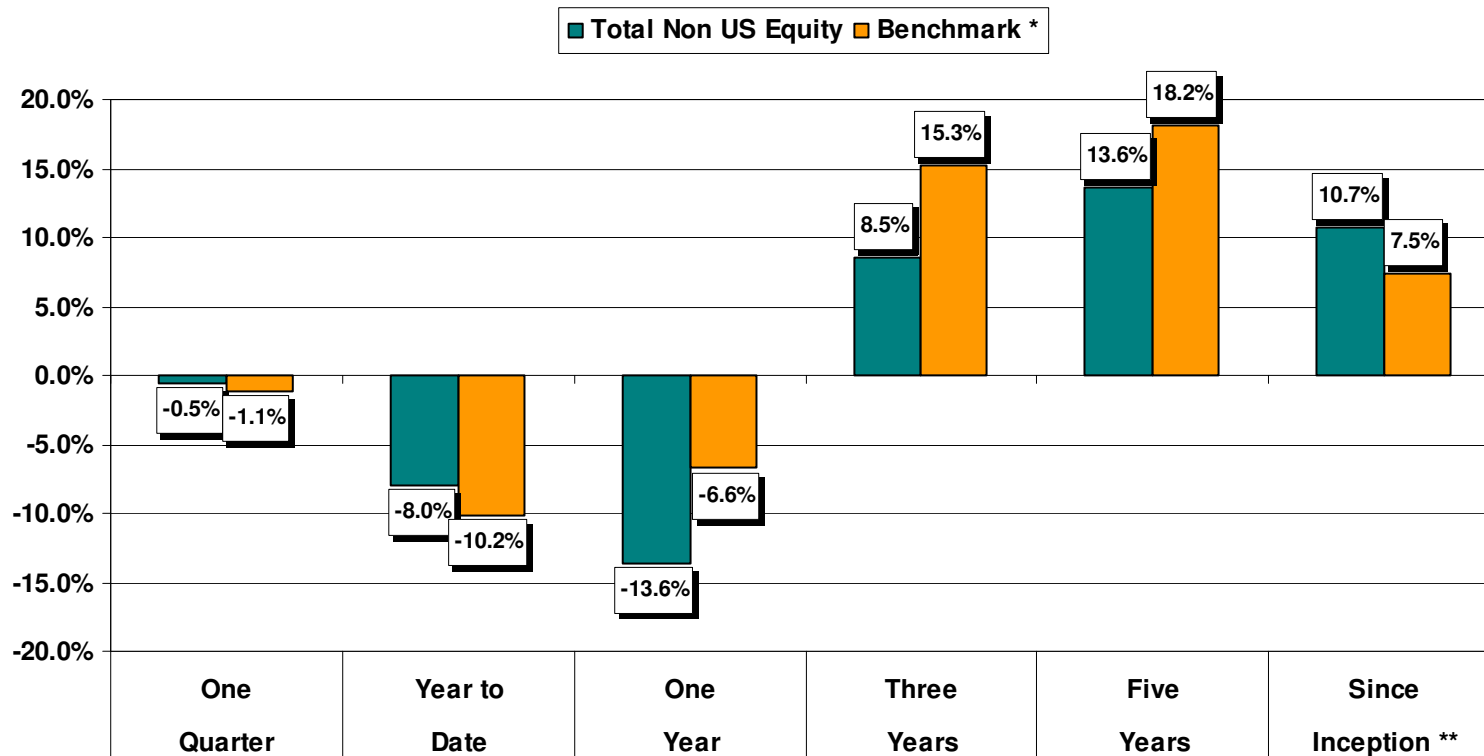
For Periods Ending June 30, 2008

	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	-0.7%	2	-11.5%	3	-13.3%	4	4.6%	3	NA	--	6.3%	Sep-04
S&P 500 Index	-2.7%	4	-11.9%	4	-13.1%	4	4.4%	4	NA	--	5.8%	
NTGI	-2.6%	4	-12.0%	4	-13.2%	4	4.6%	3	8.1%	3	4.6%	Sep-98
Policy Index	-2.7%	4	-11.9%	4	-13.1%	4	4.5%	3	8.0%	3	4.5%	
PIMCO	-2.8%	4	-12.5%	4	-12.8%	3	4.2%	4	7.4%	4	0.4%	Sep-00
S&P 500 Index	-2.7%	4	-11.9%	4	-13.1%	4	4.4%	4	7.6%	4	0.2%	
Wellington	6.2%	1	-6.3%	2	-10.0%	1	6.0%	2	12.3%	2	10.5%	Sep-99
R2000 Index	0.6%	3	-9.4%	3	-16.2%	2	3.8%	3	10.3%	4	7.0%	

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

Composite Investment Performance

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

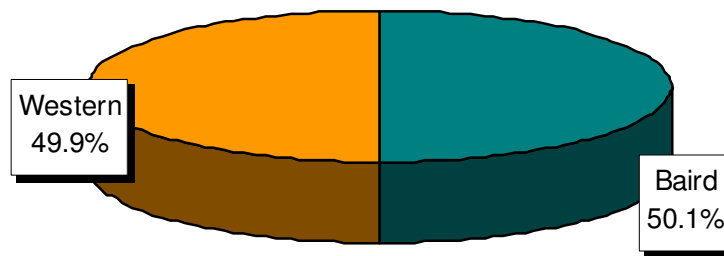
For Periods Ending June 30, 2008

	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	-0.5%	2	-8.0%	2	-13.6%	4	NA	--	NA	--	4.6%	Jun-06
MSCI ACWI ex US	-1.1%	2	-10.2%	3	-6.6%	2	NA	--	NA	--	10.0%	

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

Investment Manager Allocation

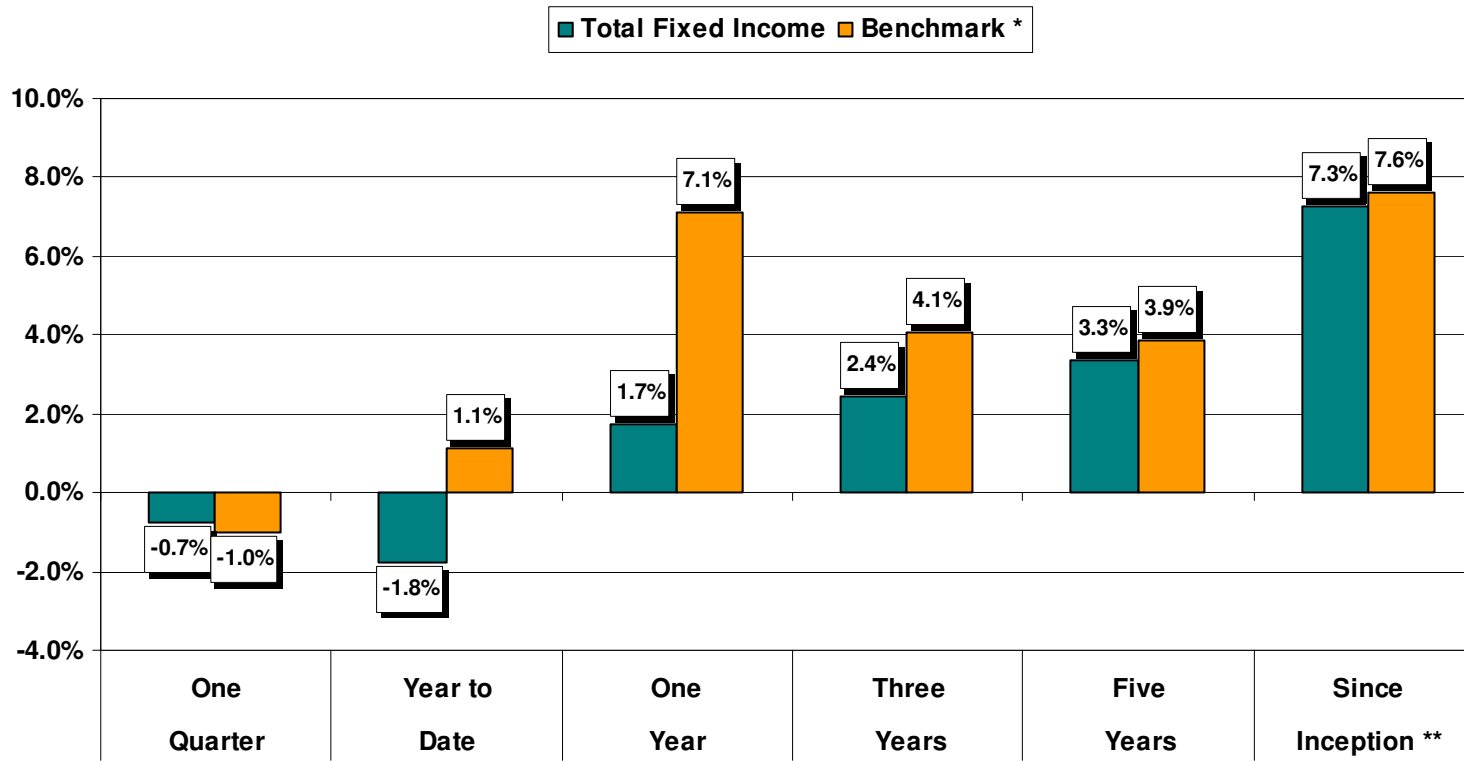
Fixed Income
As of June 30, 2008



Total Fixed Income Assets
\$110,476,000

Composite Investment Performance

Fixed Income vs Benchmark For Periods Ending June 30, 2008



* Lehman Aggregate Index
** December 31, 1987

Investment Manager Performance

Fixed Income *

For Periods Ending June 30, 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	-0.5%	2	0.3%	3	5.1%	3	3.6%	4	3.8%	3	4.1%	Mar-03
Lehman Agg Index	-1.0%	3	1.1%	2	7.1%	2	4.1%	3	3.9%	3	4.2%	
Western	-0.9%	3	-3.8%	4	-1.6%	4	1.2%	4	NA	--	2.3%	Mar-04
Lehman Agg Index	-1.0%	3	1.1%	2	7.1%	2	4.1%	3	NA	--	3.9%	

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

Capital Market Review

Second Quarter 2008

Market Observations

After lowering the Fed Funds rate by a quarter-point to 2% in April, the Fed kept rates unchanged in their June meeting. Despite the Fed's additional easing, 10-year Treasury yields moved notably higher; entering the quarter at 3.45% and closing as high as 4.27% on June 13th before ending the quarter at 3.99%.

Real GDP grew 1% in the first quarter, refuting calls by many economists that the U.S. had entered into a recession in early 2008. However, coupled with soft GDP growth of 0.6% in Q4 2007, the first quarter GDP stats confirmed that the economy has slowed.

Commodity prices continued to soar during the quarter with oil prices in particular grabbing the national spotlight. The price for a barrel of oil rose 38.7%, spiking from \$101.58 to \$140 in the quarter. CPI reflected the impact of rising food and energy costs as it increased from the 2% to 4% range over the past year. Those of us who neither eat food nor consume energy can take great comfort in Core CPI holding firm near 2%.

May brought the largest one-month jump in unemployment since Feb 1986, as the jobless rate went from 5.0% to 5.5%, reaching its highest level since Oct 2004.

Home prices fell further with the S&P Case-Shiller index off -8.2% YTD through April.

U.S. Equity Market

After posting an impressive 7.18% return through the first two months of the quarter, the U.S. equity market suffered its worst monthly loss since a -10.03% sell-off in Sept 2002 with the Dow Jones Wilshire 5000SM retreating -8.14% in June. The -1.55% return in the 2nd quarter furthered a dismal -9.52% pullback during the first three months of the year to bring market losses to -10.92% through the midpoint of 2008; its worst first-half return since a -12.59% drop in the first half of 1974. Credit stress and de-leveraging continued to weigh heavily on the financial sector, which, combined with a surge in commodity prices to dizzying heights, dragged the overall stock market lower.

Small- and mid-capitalization stocks held up well during the quarter with the DJ Wilshire 4500 Index having a positive return of 2.19%, versus a -1.76% decline for the DJ Wilshire Large-Cap Index. Large value stocks suffered the heaviest losses due to their significant exposure to Financials; with the DJ Wilshire Large Value Index off -6.59%.

The relative quarterly performance of industries encapsulated a general economic trend that has been in place since last year; commodity-based stocks, benefiting from a sharp increase in commodity prices, performed best. Oil & Gas and Basic Materials led all groups with quarterly gains of 18.07% and 13.90%, respectively. Conversely, consumer stocks were hurt by the inflationary tax on consumers, driving the Consumer Goods industry down -8.65%. Only Financials did worse with a -15.43% return for the quarter, bringing their slide over the past year to -37.16%.

Capital Market Review

Second Quarter 2008

U.S. Equity Market (Continued)

In an effort to combat a slowing U.S. economy and tight credit conditions, the Fed has been aggressive in lowering the Fed Funds rate from 5.25% to 2%. CPI inflation has doubled from the 2% to 4% range since the Fed's easing cycle began last summer. The Fed is now in a "wait and see" posture as it examines whether the broader economic slowdown will alleviate inflationary pressures that are beginning to spread from headline CPI to consumer expectations or whether a more hawkish posture is needed.

Non-U.S. Equity Market

Foreign equity markets had recouped over half of their first quarter losses before large declines in June resulted in an overall negative quarter for diversified portfolios. Returns in local currency were better in developed markets as the U.S. dollar strengthened, particularly versus the Yen. Similar to the U.S., most European markets suffered during the second quarter from an uncertain economic outlook and inflation concerns. The Japanese equity market, although down in June, ended the quarter in positive territory mainly from strong returns from the Industrials sector.

Fixed Income Market

The Federal Reserve's Open Market Committee cut the Fed Funds rate just once this quarter by 25 basis points. The U.S. yield curve was on a steady climb during the quarter before pulling back, still finishing higher than March-end. It is no surprise, then, that long duration bonds underperformed their shorter-term counterparts. On the decline for much of the quarter were corporate bond spreads. Although spreads started to push higher during the second half of June, the Lehman U.S. Credit outperformed the Aggregate Index and high yield bonds were up during the quarter.

Real Estate & Commodity Markets

Real estate securities advanced during the first part of the quarter due to growing investor confidence that the worst of the global credit crises was over only to fall sharply by quarter-end due to rising oil prices, inflation fears and continued problems in the Financials sector. The clear winners from this otherwise desolate news are commodity investments. Almost every commodity experienced large price increase during the quarter – except copper, which was up but by a modest amount. The oil-heavy S&P GSCI Index was up a staggering 28.65% for the quarter and 75.98% over the past year.

Summary of Index Returns

For Periods Ending June 30, 2008

	Quarter	Year-to-Date	One Year	Three Years	Five Years	Ten Years
US Equity						
Nasdaq Composite	0.88%	-13.03%	-10.94%	4.62%	7.99%	2.63%
Russell 1000	-1.90%	-11.21%	-12.38%	4.80%	8.22%	3.37%
Russell 2000	0.58%	-9.38%	-16.19%	3.79%	10.29%	5.52%
S&P 500	-2.72%	-11.92%	-13.10%	4.42%	7.59%	2.89%
DJ Wilshire 4500	2.18%	-7.85%	-11.41%	6.55%	12.23%	5.86%
DJ Wilshire 5000	-1.55%	-10.92%	-12.53%	5.02%	8.73%	3.59%
DJ Wilshire Large Growth	2.66%	-7.51%	-4.89%	6.67%	8.33%	1.28%
DJ Wilshire Large Value	-6.59%	-14.94%	-18.84%	3.29%	8.21%	4.84%
DJ Wilshire Micro Cap 2500	-2.50%	-14.71%	-25.63%	-1.08%	8.02%	8.54%
DJ Wilshire Mid Growth	5.82%	-4.65%	-6.84%	9.80%	14.74%	5.17%
DJ Wilshire Mid Value	-1.52%	-9.42%	-18.12%	2.93%	9.49%	7.95%
DJ Wilshire REIT	-5.39%	-3.37%	-15.29%	4.90%	14.52%	11.26%
DJ Wilshire Small Cap 1750	0.32%	-9.36%	-15.83%	4.95%	11.61%	6.69%
DJ Wilshire Small Growth	5.05%	-7.58%	-11.12%	7.28%	12.93%	4.37%
DJ Wilshire Small Value	-4.49%	-11.17%	-20.55%	2.51%	10.18%	8.10%
Non US Equity (In U.S. Dollars)						
MSCI ACWI x US	-0.87%	-9.86%	-6.22%	16.15%	19.41%	7.73%
MSCI EAFE	-2.26%	-10.96%	-10.61%	12.84%	16.67%	5.83%
MSCI Emerging Markets	-0.81%	-11.64%	4.90%	27.52%	30.15%	15.51%
MSCI Europe	-4.14%	-12.39%	-11.32%	13.58%	17.15%	5.60%
MSCI Japan	2.47%	-5.53%	-12.03%	8.62%	13.05%	4.18%
MSCI Pacific	2.15%	-7.62%	-8.99%	11.35%	15.76%	6.64%

Summary of Index Returns

For Periods Ending June 30, 2008

	Quarter	Year-to-Date	One Year	Three Years	Five Years	Ten Years
US Fixed Income						
91-Day Treasury Bills	0.31%	1.20%	3.62%	4.26%	3.18%	3.63%
Citigroup High Yield Mkt Index	1.50%	-1.51%	-2.31%	4.34%	6.71%	4.99%
Lehman Aggregate	-1.02%	1.13%	7.13%	4.08%	3.86%	5.68%
Lehman Long Term Treasury	-2.23%	1.66%	12.65%	3.80%	4.64%	6.67%
Lehman Mortgage	-0.49%	1.94%	7.84%	4.83%	4.56%	5.76%
Lehman TIPS	-0.28%	4.88%	15.09%	5.58%	5.97%	--
Non US Fixed Income						
Citigroup Non US Govt	-4.72%	5.69%	18.72%	6.66%	7.06%	6.67%
Citigroup Non US Govt Hedged	-2.37%	-0.28%	4.60%	2.95%	3.54%	5.13%
Citigroup World Govt	-4.23%	5.02%	16.99%	6.23%	6.39%	6.54%
Currency*						
Euro vs \$	-4.59%	3.41%	11.95%	7.61%	5.61%	--
Pound vs \$	0.13%	-0.03%	-0.99%	3.49%	3.78%	1.76%
Yen vs \$	-6.11%	5.38%	16.49%	1.48%	2.52%	2.80%
Real Estate						
DJ Wilshire Real Estate Securities	-5.41%	-3.41%	-15.43%	4.82%	14.87%	11.00%

* Positive Values Indicate Dollar Depreciation