



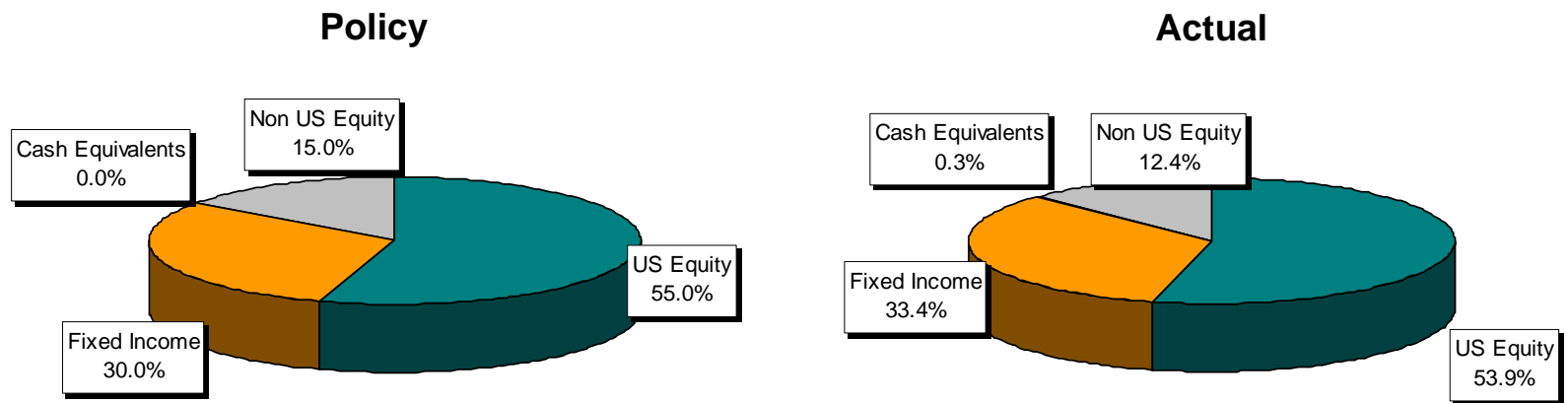
The City of Grand Rapids – General Retirement System

Executive Summary of Investment Performance
Quarter Ending September 30, 2008

Asset Allocation

Total Fund Policy vs Total Fund Actual *

As of September 30, 2008



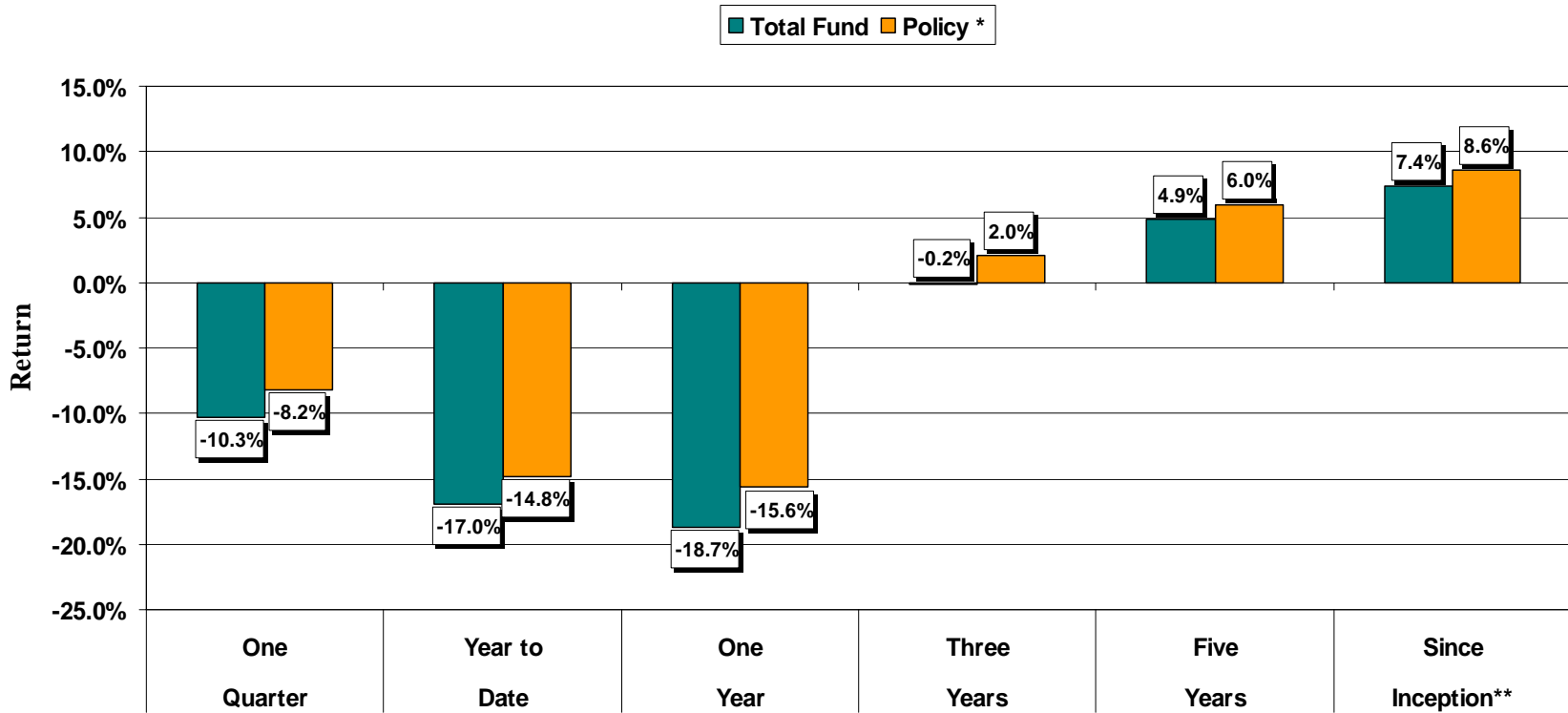
Total Assets
\$313,818,000

* As Allocated to Managers

Composite Investment Performance

Total Fund vs Policy

For Periods Ending September 30, 2008



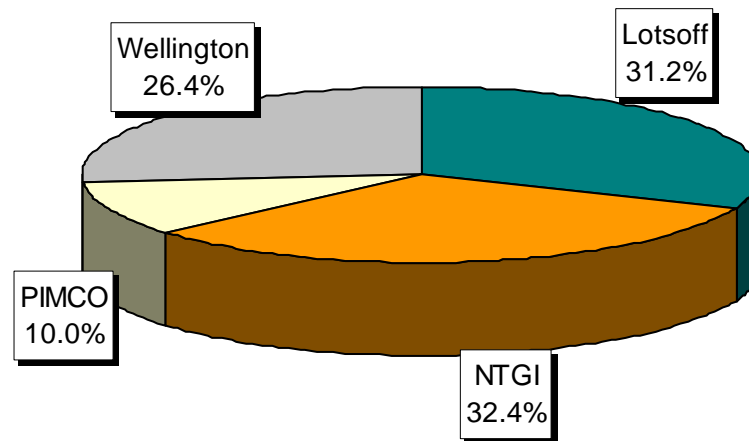
* 55.0% DJ Wilshire 5000, 30.0% Lehman Aggregate, 15.0% MSCI ACWI ex US as of July 1, 2006

** March 31, 1987

Investment Manager Allocation

US Equity

As of September 30, 2008

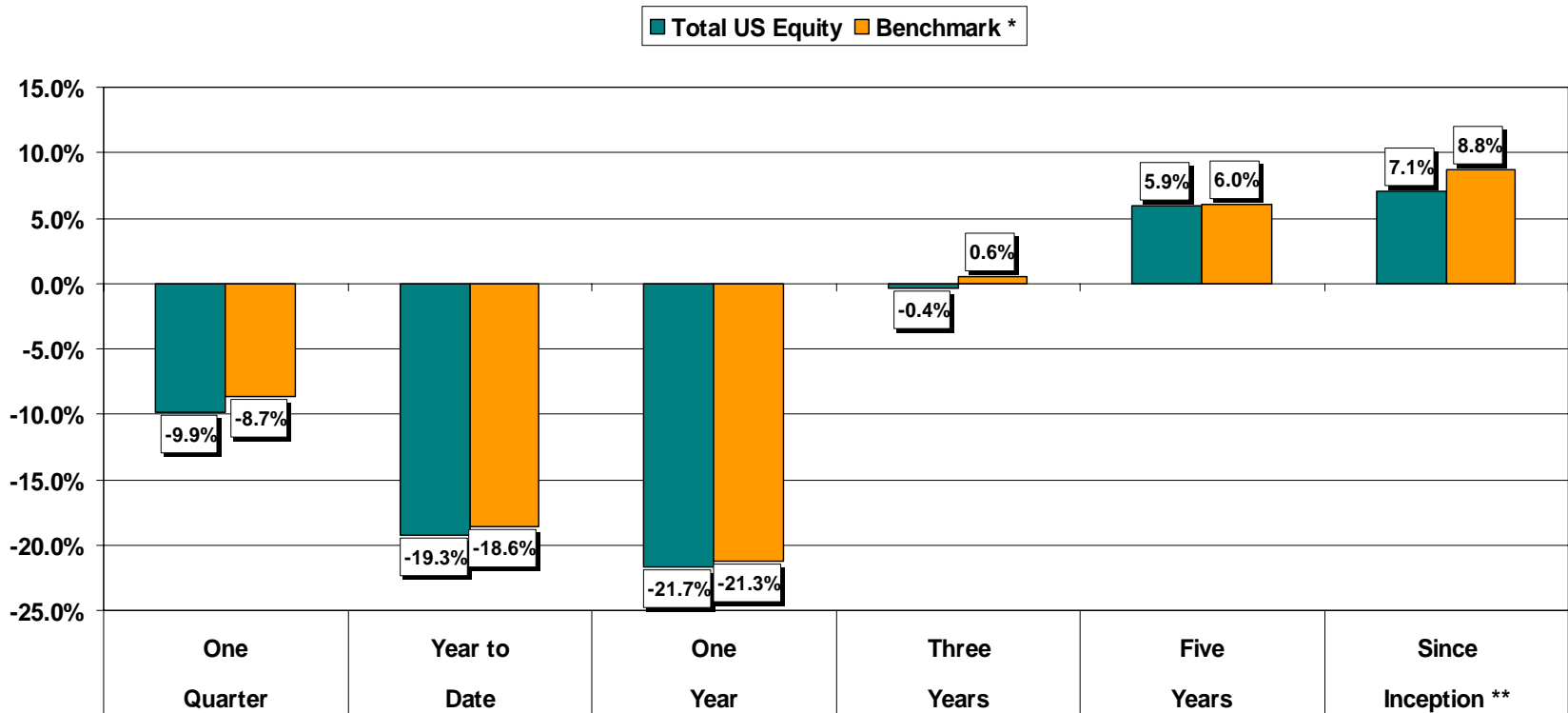


Total US Equity Assets
\$169,062,000

Composite Investment Performance

US Equity vs Benchmark

For Periods Ending September 30, 2008



* DJ Wilshire 5000 Index

** December 31, 1987

Investment Manager Performance

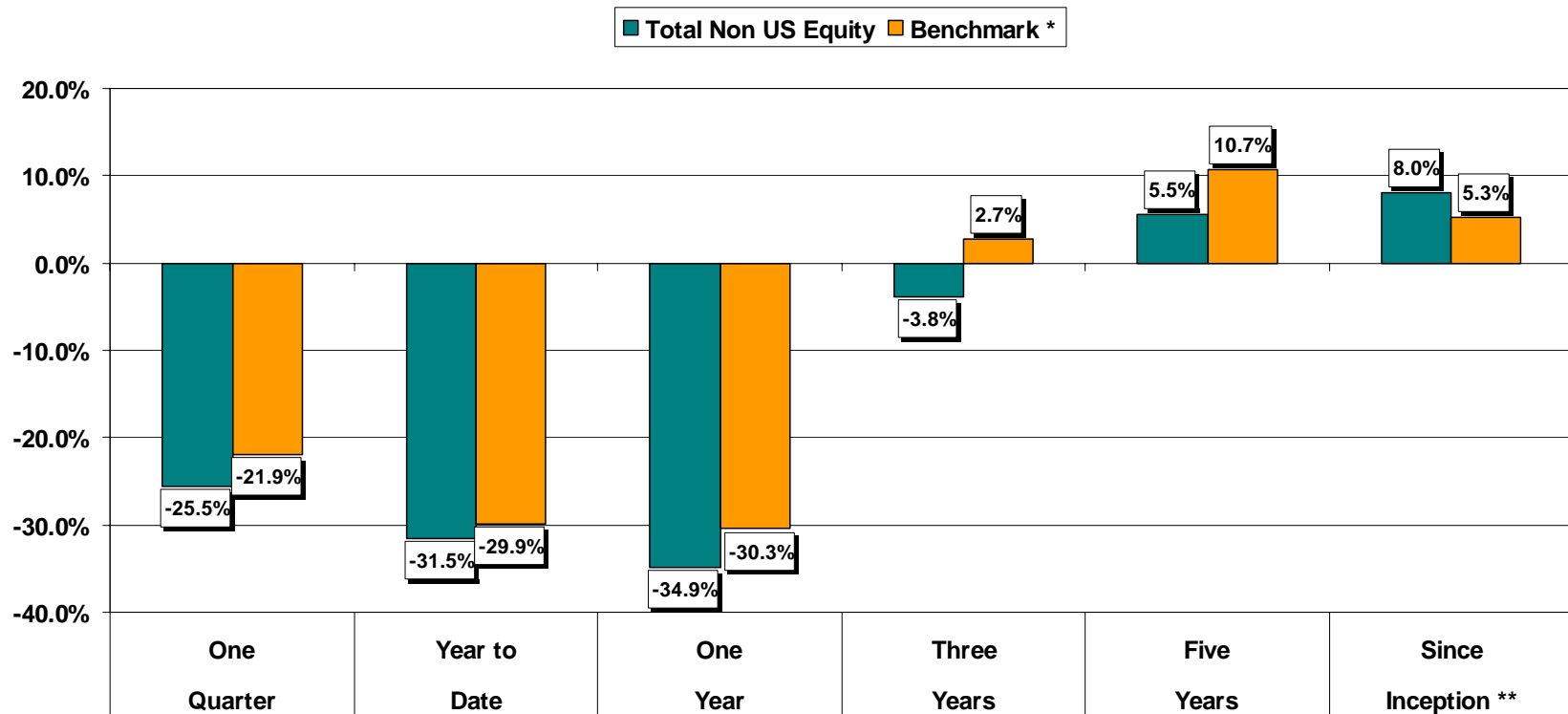
US Equity * For Periods Ending September 30, 2008

	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	-12.7%	4	-22.7%	4	-25.3%	4	-1.9%	4	NA	--	2.3%	Sep-04
S&P 500 Index	-8.4%	2	-19.3%	3	-22.0%	3	0.2%	3	NA	--	3.1%	
NTGI	-9.0%	2	-19.9%	3	-22.6%	4	0.0%	3	5.5%	3	3.5%	Sep-98
Policy Index	-8.4%	2	-19.3%	3	-22.0%	3	0.2%	3	5.5%	3	3.5%	
PIMCO	-12.6%	4	-23.5%	4	-25.7%	4	-1.6%	4	4.0%	4	-1.3%	Sep-00
S&P 500 Index	-8.4%	2	-19.3%	3	-22.0%	3	0.2%	3	5.2%	4	-0.9%	
Wellington	-6.2%	2	-12.2%	2	-14.3%	1	1.4%	2	9.0%	2	9.5%	Sep-99
R2000 Index	-1.1%	1	-10.4%	1	-14.5%	1	1.8%	2	8.2%	3	6.6%	

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

Composite Investment Performance

Non-US Equity vs Benchmark For Periods Ending September 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 September 30, 2008

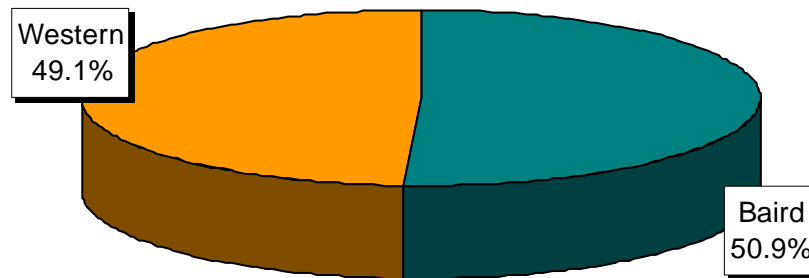
	Quarter		Year-to-date		One Year		Three Years		Five Years		Since Inception	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Date
Neuberger Berman	-25.5%	4	-31.5%	4	-34.9%	4	NA	--	NA	--	-8.7%	Jun-06
MSCI ACWI ex US	-21.9%	3	-29.9%	3	-30.3%	3	NA	--	NA	--	-2.5%	

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

Investment Manager Allocation

Fixed Income

As of September 30, 2008

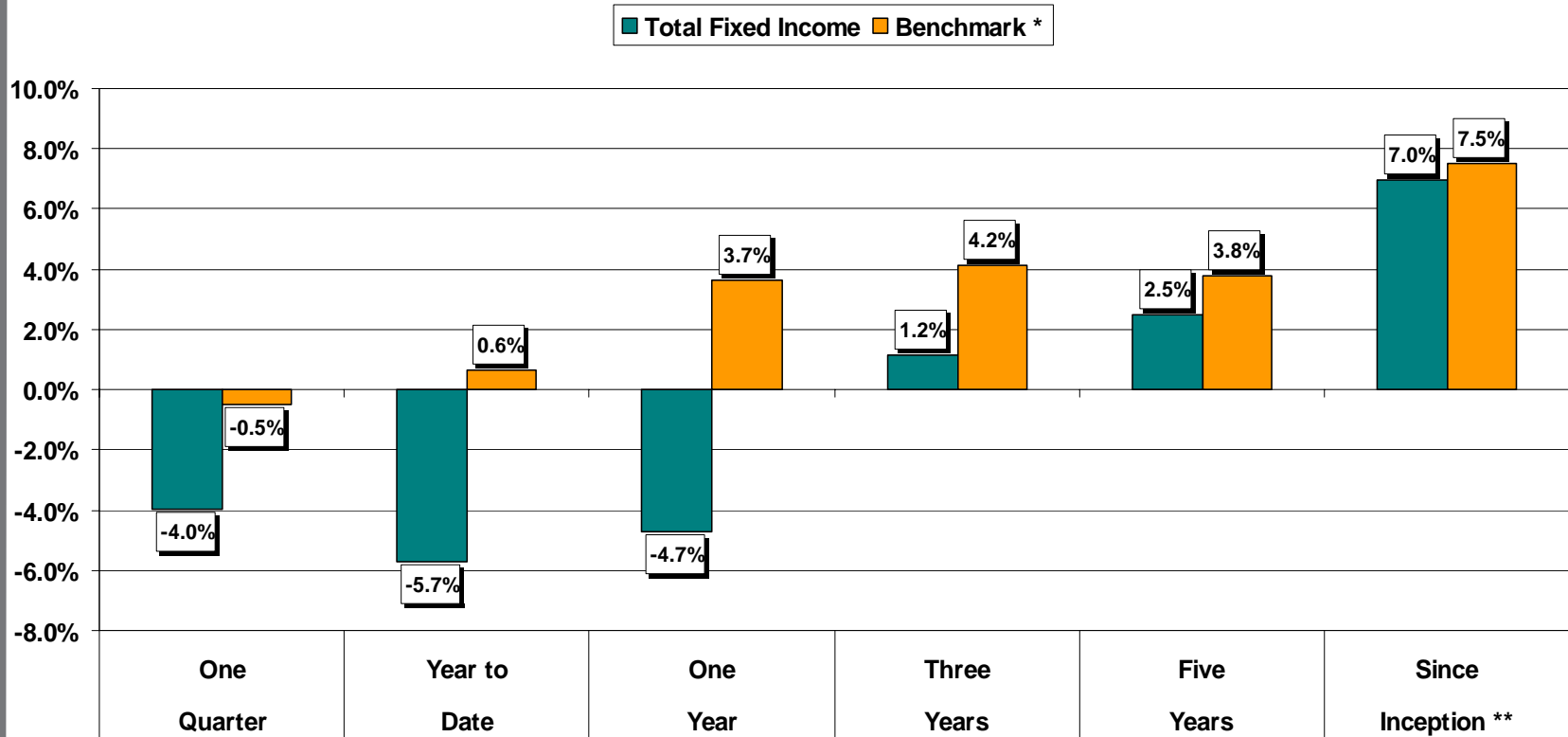


Total Fixed Income Assets
\$104,918,000

Composite Investment Performance

Fixed Income vs Benchmark

For Periods Ending September 30, 2008



* Lehman Aggregate Index
 ** December 31, 1987

Investment Manager Performance

Fixed Income *

For Periods Ending September 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	-2.0%	3	-1.8%	3	0.3%	3	3.1%	3	3.3%	3	3.5%	Mar-03
Lehman Agg Index	-0.5%	2	0.6%	2	3.7%	2	4.2%	2	3.8%	2	3.9%	
Western	-5.9%	3	-9.5%	4	-9.6%	4	-0.8%	4	NA	--	0.8%	Mar-04
Lehman Agg Index	-0.5%	2	0.6%	2	3.7%	2	4.2%	2	NA	--	3.5%	

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

Capital Market Review

Third Quarter 2008

Market Observations

Despite seeing the effective Fed Funds rate fall below its target, the Fed held rates steady at 2%. One-month AA commercial paper spreads surged to 3% above T-bills as the credit crisis intensified in late-September. These elevated spreads reflect increased borrowing costs and an unwillingness of banks to lend to one another.

Real GDP grew at an annual rate of 2.8% in the 2nd quarter, largely propelled by export growth of 12.3%. GDP growth for Q4 2007 and Q1 2008 were revised down to -0.2% and 0.9%, respectively. The Q4 decline was the first quarterly GDP contraction since Q3 2001.

After hitting decade high levels early in Q3, inflation pressures began to ease as energy prices collapsed. Oil fell from \$140 to \$102 and mounting concerns over a global economic slowdown pushed the 10-year breakeven inflation rate down to 1.6% by quarter's end. PCE and Core PCE advanced 4.5% and 2.6%, respectively, since Aug 2007.

The economy has lost 605 thousand jobs through the first eight months of the year. The unemployment rate rose to 6.1% in August, its highest level since Sept 2003.

The S&P Case-Shiller index reported further declines in home prices. Through July, the 20-city index was off -10.1% YTD and -16.3% from a year earlier.

U.S. Equity Market

The U.S. stock market followed up its worst mid-year performance since 1974 by nearly doubling losses with a -8.67% return in the third quarter. September brought the heaviest selling as equity investors reacted to the deteriorating credit crisis by driving the Dow Jones Wilshire 5000SM down -9.30%. Lawmakers' inability to pass the troubled assets relief program (TARP) bill on Monday, Sept. 29 sent stocks into a -8.39% tailspin, the market's worst single-day loss since Oct 26, 1987.

Though the market sell-off was broad and deep, small capitalization stocks pared losses experienced by large caps. The DJ Wilshire Small Cap Index was off -5.94% for the quarter versus a steeper -9.04% decline for the DJ Wilshire Large Cap Index. Small value stocks, in particular, held up very well considering the gloomy backdrop; the DJ Wilshire Small Value Index gave back a modest -0.21% for the quarter. The Consumer Goods industry bucked the general negative trend with a 4.46% advance during the quarter as consumers benefited from the recent sharp fall in energy prices. Financials also posted gains, climbing 3.04% to scratch back a small part of their recent market underperformance. Adding to a mean-reversion theme, the Basic Materials and Oil & Gas industries were negatively impacted by the general fall in commodity prices, lagging all Industries with sell-offs of -31.10% and -25.36%, respectively.

Despite the dramatic equity sell-off, the credit crisis' impact is most evident in yield spreads. These elevated short-term borrowing rates represent a significant cost increase to the financing needs of corporations – not just financials – and result in a virtual seizing up of credit markets. Should such a borrowing premium exist for an extended period of time, it has the potential to dampen corporate earnings and further deteriorate economic prospects.

Capital Market Review

Third Quarter 2008

Non-U.S. Equity Market

Ending the second quarter with a sharp reversal in June, non-U.S. equity markets continued their downward slide through the third quarter in both USD and Local Currency terms. Weakening global economic growth and the unresolved U.S. and European financial credit crises continue to fuel forecasts of a spreading economic slowdown. Return volatility has more than doubled for each of the non-U.S. equity indexes over the last year compared with the same time period a year earlier. The ACWI ex-U.S. Index led the increase in risk posting return volatility of 21.80% versus 8.08% a year earlier. For the year, the non-U.S. equity market has fallen -30.13% in USD terms and -27.70% in local currency terms. The emerging markets suffered the heaviest USD-based losses for the quarter and year with returns of -26.95% and -33.00%, respectively.

Fixed Income Market

The U.S. yield curve steepened significantly with short-end rates dropping dramatically and long-end rates declining slightly. The 10-year U.S. Treasury bond yield ended the quarter at 3.83%, a large rebound from the quarter lows of 3.41%. While TIPS benefited from a flight to quality during the past year, they declined during the quarter in concert with a sharp rise in real yields. On the high yield front, spreads widened more than 300 bps during the quarter from 700+ bps to 1000+ bps.

Real Estate & Commodity Markets

U.S. Real Estate Securities showed a nice quarterly rebound, lifting year to date returns to positive territory while global and non-U.S. Real Estate Securities indexes remained steadily negative. Commodities indexes returned a negative quarter due in large part to a decrease in economic growth projections and a resulting slow down in the demand for fuel and raw materials. Quarter to date, the S&P GSCI lagged the DJ AIG Commodity Index by 91 basis points, reflecting the greater weight of energy commodities in the GSCI.

Summary of Index Returns

For Periods Ending September 30, 2008

Index	Quarter	Year-to-Date	One Year	Three Years	Five Years	Ten Years
<i>US Equity</i>						
Nasdaq Composite	-9.00%	-20.86%	-22.05%	-0.18%	3.92%	2.81%
Russell 1000	-9.35%	-19.52%	-22.12%	0.13%	5.48%	3.48%
Russell 2000	-1.12%	-10.39%	-14.49%	1.83%	8.15%	7.80%
S&P 500	-8.37%	-19.29%	-21.98%	0.23%	5.17%	3.06%
DJ Wilshire 4500	-9.99%	-17.06%	-19.78%	1.15%	8.27%	6.91%
DJ Wilshire 5000	-8.67%	-18.65%	-21.27%	0.55%	6.00%	3.98%
DJ Wilshire Large Growth	-12.02%	-18.63%	-19.13%	0.54%	4.93%	1.32%
DJ Wilshire Large Value	-5.44%	-19.56%	-23.83%	0.48%	6.47%	5.12%
DJ Wilshire Micro Cap 2500	-7.20%	-20.84%	-27.51%	-5.76%	2.88%	10.44%
DJ Wilshire Mid Growth	-16.09%	-19.98%	-22.63%	1.10%	9.15%	5.79%
DJ Wilshire Mid Value	-4.61%	-13.59%	-17.79%	-0.11%	7.13%	9.06%
DJ Wilshire REIT	4.78%	1.25%	-12.46%	5.19%	13.43%	13.04%
DJ Wilshire Small Cap 1750	-5.94%	-14.74%	-18.93%	1.08%	8.40%	8.42%
DJ Wilshire Small Growth	-10.98%	-17.72%	-20.62%	1.21%	8.33%	5.83%
DJ Wilshire Small Value	-0.21%	-11.35%	-16.99%	0.95%	8.45%	10.16%
<i>Non US Equity (In Local Currency)</i>						
MSCI ACWI Fr x US	-14.98%	-26.59%	-27.87%	0.18%	8.71%	--
MSCI EAFE	-13.02%	-26.67%	-28.84%	-1.80%	7.02%	3.23%
MSCI Emerging Markets Free	-20.87%	-30.68%	-28.69%	8.26%	16.97%	--
MSCI Europe	-11.32%	-26.39%	-27.47%	-0.96%	7.76%	3.41%
MSCI Japan	-17.52%	-26.07%	-32.55%	-6.04%	3.47%	1.30%
MSCI Pacific	-16.57%	-27.12%	-31.71%	-3.51%	5.51%	3.12%

Summary of Index Returns

For Periods Ending September 30, 2008

Index	Quarter	Year-to-Date	One Year	Three Years	Five Years	Ten Years
US Fixed Income						
91-Day Treasury Bills	0.63%	1.83%	2.90%	4.20%	3.25%	3.55%
Citigroup High Yield Mkt Index	-9.15%	-10.52%	-11.66%	0.77%	4.17%	4.50%
Lehman Aggregate	-0.48%	0.64%	3.66%	4.15%	3.79%	5.20%
Lehman Long Term Treasury	2.82%	4.53%	10.43%	5.71%	5.79%	6.16%
Lehman Mortgage	1.87%	3.84%	7.02%	5.52%	4.84%	5.68%
Lehman TIPS	-3.54%	1.17%	6.20%	4.32%	5.15%	--
Non US Fixed Income						
Citigroup Non US Govt	-4.26%	1.19%	5.15%	5.52%	5.56%	5.24%
Citigroup Non US Govt Hedged	2.66%	2.37%	4.36%	3.75%	4.24%	4.87%
Citigroup World Govt	-2.97%	1.90%	5.90%	5.57%	5.34%	5.38%
Currency*						
Euro vs \$	-10.85%	-3.93%	-1.23%	5.22%	3.82%	--
Pound vs \$	-10.44%	-10.46%	-12.51%	0.25%	1.42%	0.48%
Yen vs \$	-0.15%	5.23%	8.34%	2.20%	1.02%	2.52%
Real Estate						
DJ Wilshire Real Estate Securities	4.51%	0.95%	-12.86%	5.12%	13.59%	12.92%

* Positive Values Indicate Dollar Depreciation