The City of Grand Rapids – General Retirement System

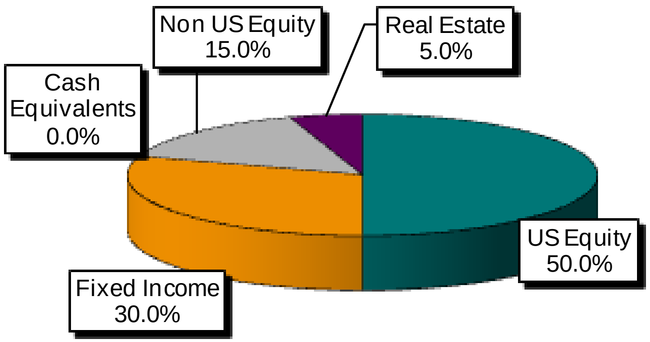
Executive Summary of Investment Performance
Quarter Ending March 31, 2010

Asset Allocation

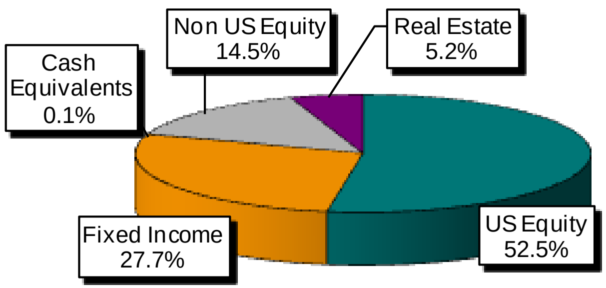
Total Fund Policy vs Total Fund Actual *

As of March 31, 2010

Policy



Actual



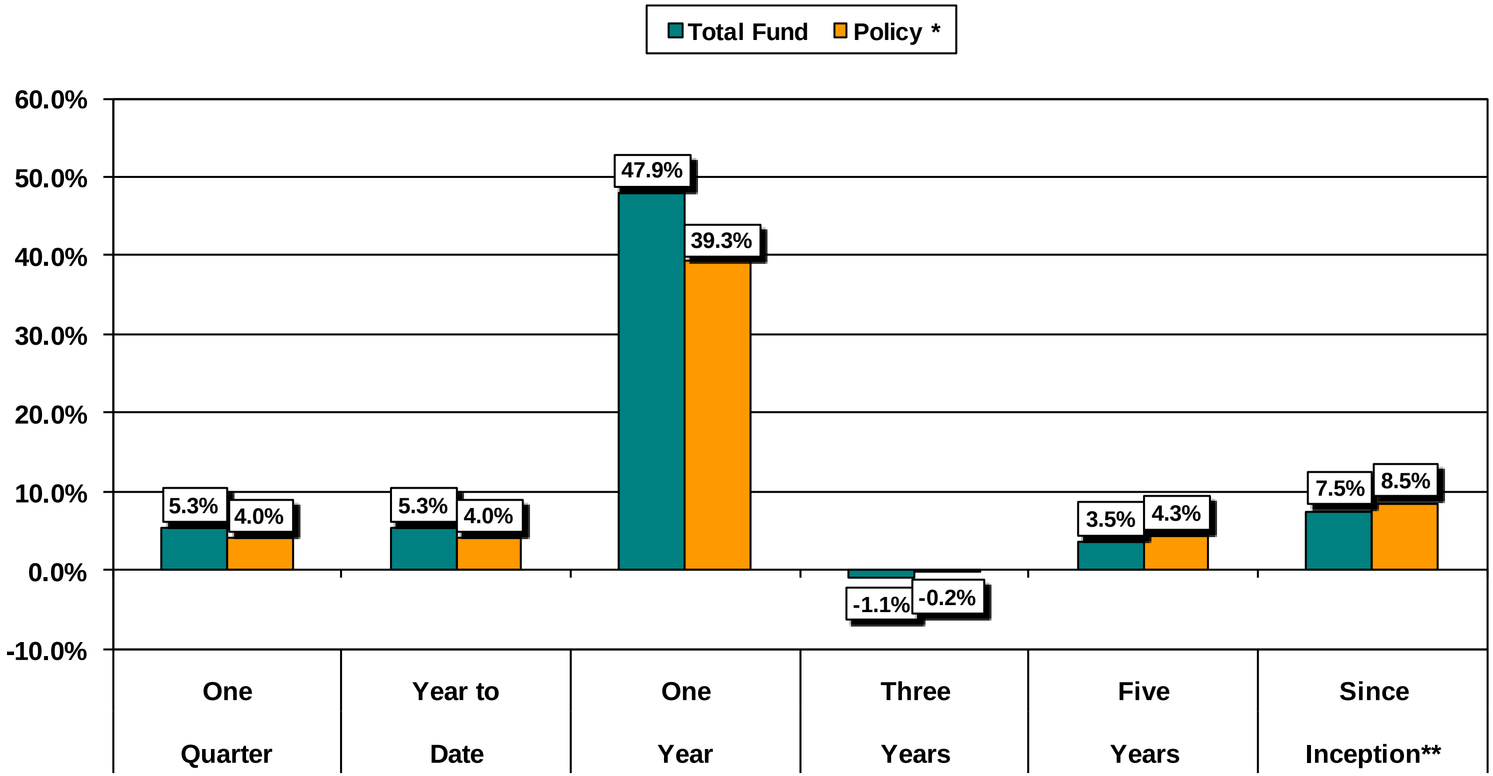
Total Assets

$326,043,000

* As Allocated to Managers

Composite Investment Performance

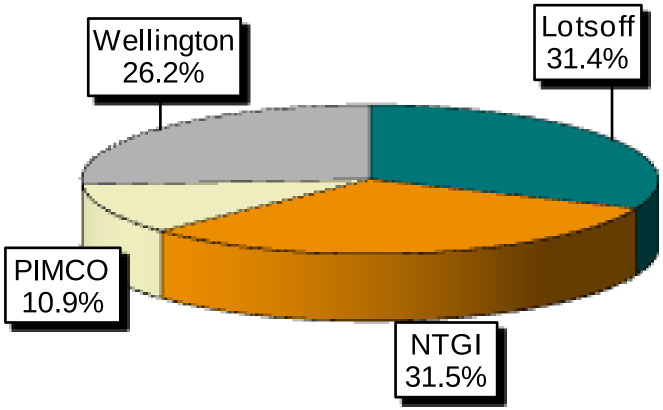
Total Fund vs Policy
For Periods Ending March 31, 2010



* 50.0% Wilshire 5000, 30.0% Barclays Aggregate, 15.0% MSCI ACWI ex US (N), 5.0% FTSE EPRA/NAREIT Global RE Index as of July 1, 2009
** March 31, 1987

Investment Manager Allocation

US Equity
As of March 31, 2010

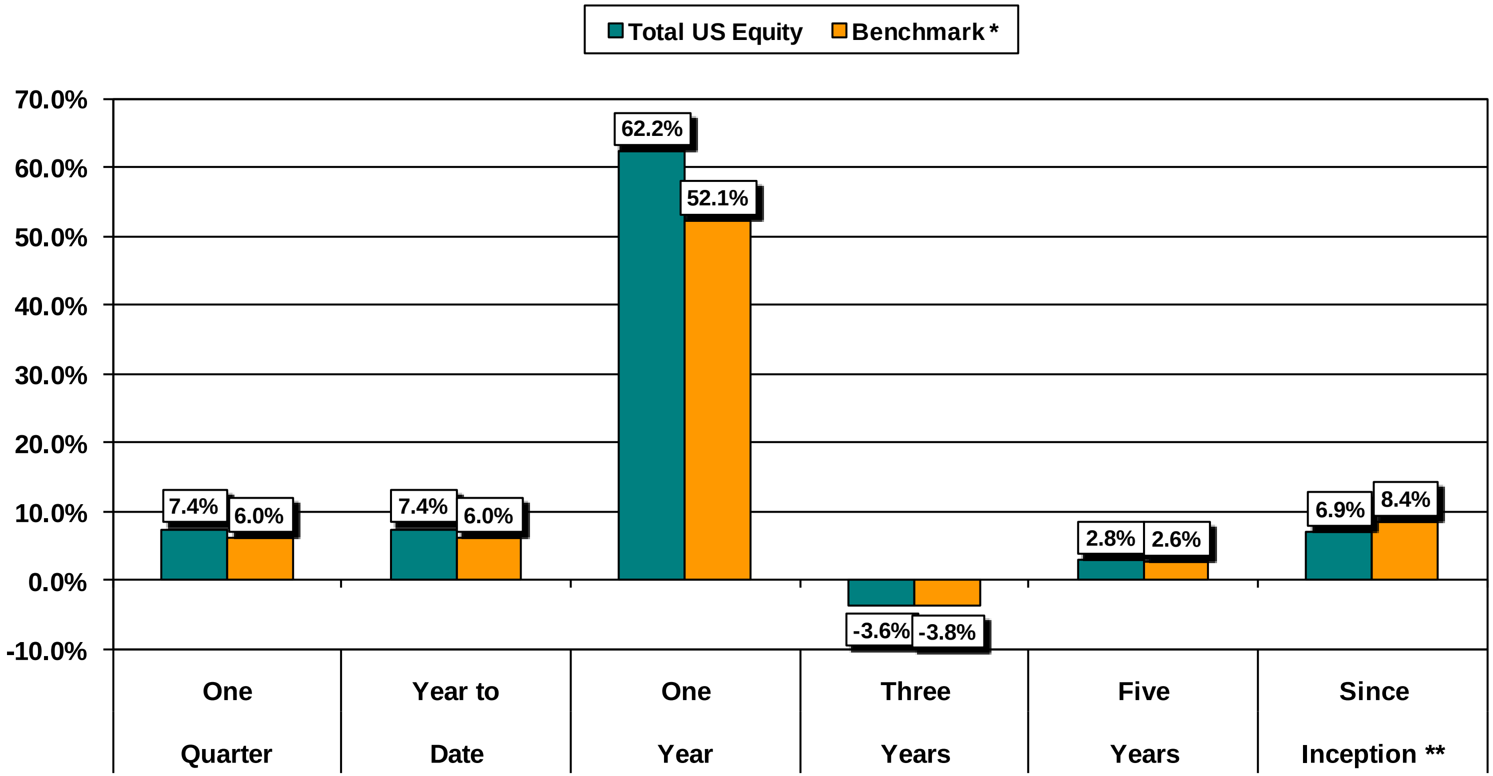


Total US Equity Assets
$171,201,000

Composite Investment Performance

US Equity vs Benchmark

For Periods Ending March 31, 2010



* Wilshire 5000 Index
** December 31, 1987

Investment Manager Performance

US Equity *

For Periods Ending March 31, 2010

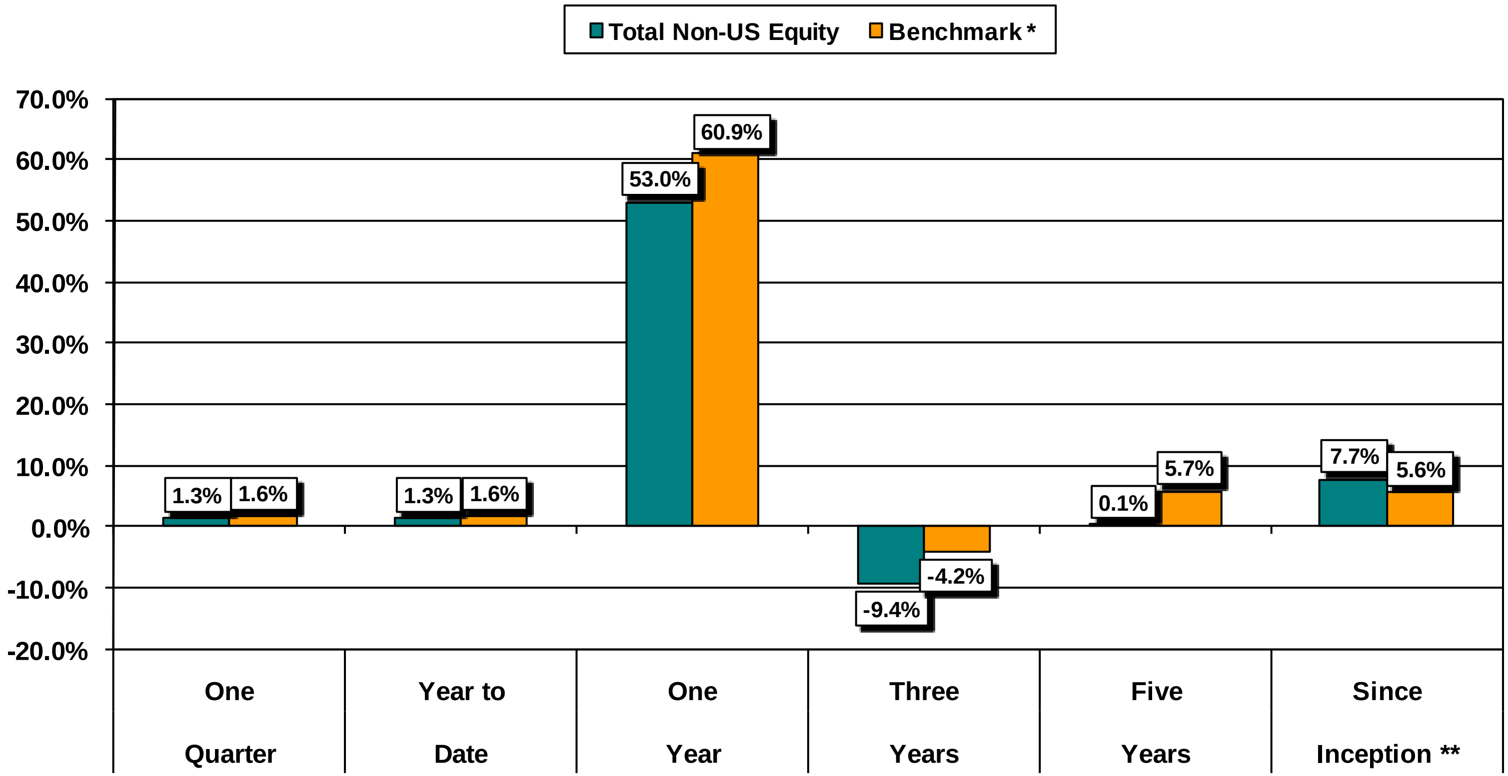
	Quarter		Year-to-date		One Year		Three Years		Five Years		Since Inception	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Date
Lotsoff	5.5%	32	5.5%	32	52.5%	15	-5.0%	78	1.4%	81	2.7%	Sep-04
S&P 500 Index	5.4%	37	5.4%	37	49.8%	30	-4.2%	71	1.9%	78	3.0%	
NTGI	5.4%	34	5.4%	34	50.5%	27	-4.4%	74	2.0%	73	3.4%	Sep-98
Policy Index	5.4%	37	5.4%	37	49.8%	30	-4.3%	71	2.1%	78	3.4%	
PIMCO	6.5%	7	6.5%	7	65.5%	2	-3.8%	64	2.1%	74	-0.1%	Sep-00
S&P 500 Index	5.4%	37	5.4%	37	49.8%	30	-4.2%	71	1.9%	78	-31.0%	
Wellington	12.7%	5	12.7%	5	92.1%	3	-0.8%	25	5.5%	32	9.2%	Sep-99
R2000 Index	8.9%	46	8.9%	46	62.8%	47	-4.0%	56	3.4%	57	5.9%	

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

Composite Investment Performance

Non-US Equity vs Benchmark

For Periods Ending March 31, 2010



* MSCI ACWI ex US (N) 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, 2010

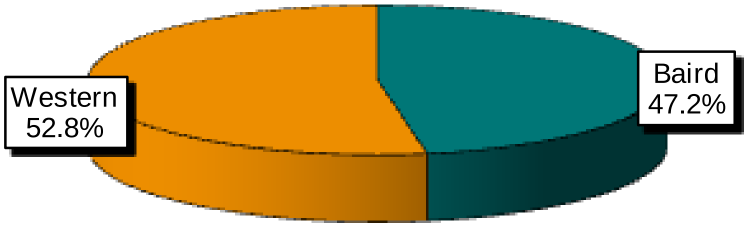
	Quarter		Year-to-date		One Year		Three Years		Five Years		Since Inception	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Date
Neuberger Berman	1.3%	60	1.3%	60	53.0%	62	-9.4%	85	NA	--	-3.5%	Jun-06
MSCI ACWI ex US	1.6%	56	1.6%	56	60.9%	29	-4.2%	39	NA	--	1.4%	

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

Investment Manager Allocation

Fixed Income

As of March 31, 2010

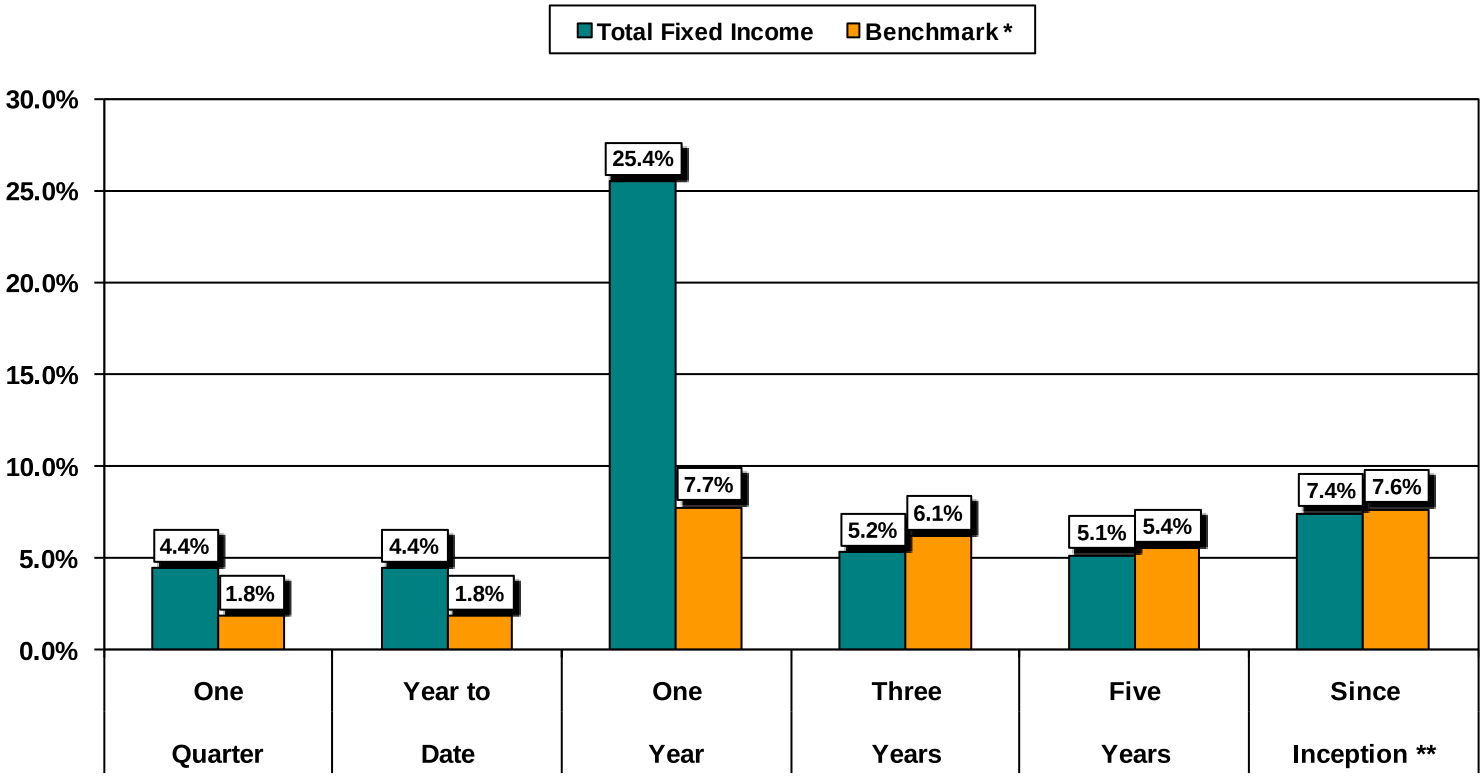


Total Fixed Income Assets

$90,374,000

Composite Investment Performance

Fixed Income vs Benchmark
For Periods Ending March 31, 2010



* Barclays Aggregate Index
** December 31, 1987

Investment Manager Performance

Fixed Income *

For Periods Ending March 31, 2010

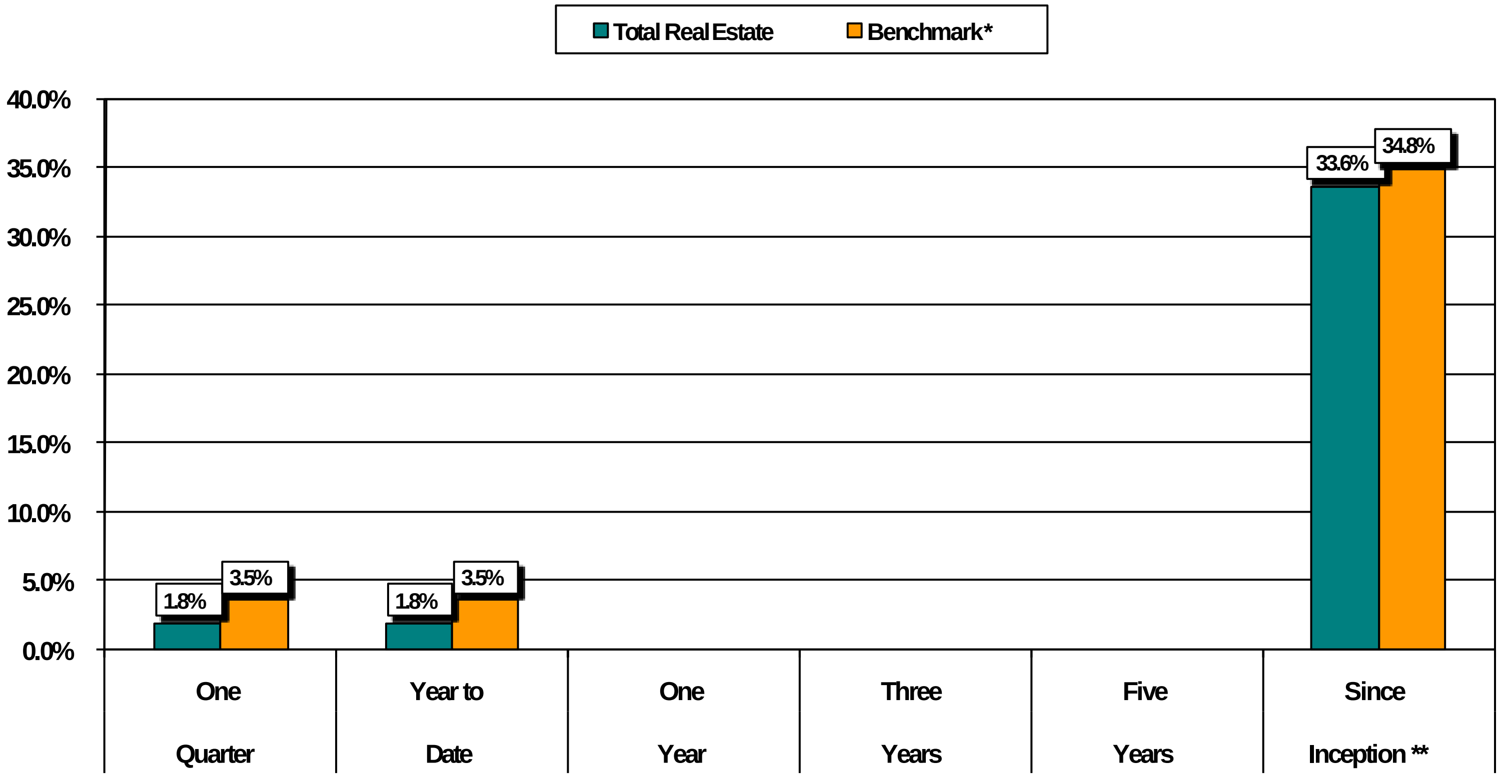
	Quarter		Year-to-date		One Year		Three Years		Five Years		Since Inception	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Date
Baird	3.5%	3	3.5%	3	14.1%	22	5.2%	74	5.0%	70	4.6%	Mar-03
Barclays Agg Index	1.8%	62	1.8%	62	7.7%	69	6.1%	60	5.4%	62	4.8%	
Western	5.1%	1	5.1%	1	37.5%	1	4.9%	77	5.0%	69	4.6%	Mar-04
Barclays Agg Index	1.8%	62	1.8%	62	7.7%	69	6.1%	60	5.4%	62	4.7%	

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

Composite Investment Performance

Real Estate vs Benchmark

For Periods Ending March 31, 2010



* FTSE EPRA/NAREIT Global RE Index
** July 1, 2009

Investment Manager Performance

Real Estate *

For Periods Ending March 31, 2010

	Quarter		Year-to-date		One Year		Three Years		Five Years		Since Inception	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Date
ING Clarion	1.8%	--	1.8%	--	NA	--	NA	--	NA	--	33.6%	Jun-09
NAREIT Global RE Index	3.5%	--	3.5%	--	NA	--	NA	--	NA	--	34.8%	

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

Market Commentary

U.S. Equity

Despite stumbling out of the blocks in January, the U.S. stock market carried its strong 2009 performance through the first quarter of 2010 with a 6.0% gain. This represents the Wilshire 5000^{SM} Index's fourth consecutive quarterly gain, which extends to a cumulative return of 52.1% over the past year and an 80.2% rally since its March 9, 2009 closing low. After reaching a peak-to-trough sell-off of -55.4%, the index has narrowed its losses since its October 9, 2007 closing high to -19.6%.

Small capitalization stocks continued to lead the market recovery, building on an impressive 12-month return. Both the growth and value style segments performed well during the quarter with value outpacing growth across the capitalization spectrum.

Financials and Consumer Discretionary stocks lead all sectors with quarterly returns of 12.0% and 11.8%, respectively. The Telecomm Services and Utilities sectors were the only two groups to suffer a Q1 loss, falling -3.7% and -2.3%, respectively.

The CBOE Volatility Index (VIX), a measure of anticipated stock market volatility, has recently moved below 20 for the first time since August of 2008. Some investors view a VIX level of 20 as a psychological demarcation between 'normal' and 'risky' market regimes. During the height of the credit crisis and market turmoil of 2008, for example, the VIX traded as high as 80.

Non-U.S. Equity

Both developed and emerging market stocks trailed U.S. equity for the quarter but still managed positive returns. Investors focused on the increasingly-higher debt levels of many global economies and future prospects of higher inflation. China, one of the shining stars of 2009, actually experienced selling pressure over concerns that stock prices had exceeded near-term valuation targets. European equity performance was impacted by the mounting debt worries of Greece; in contrast, Pacific region stocks yielded strong returns, buoyed by a surprisingly resilient rally in Japanese equities.

Fixed Income

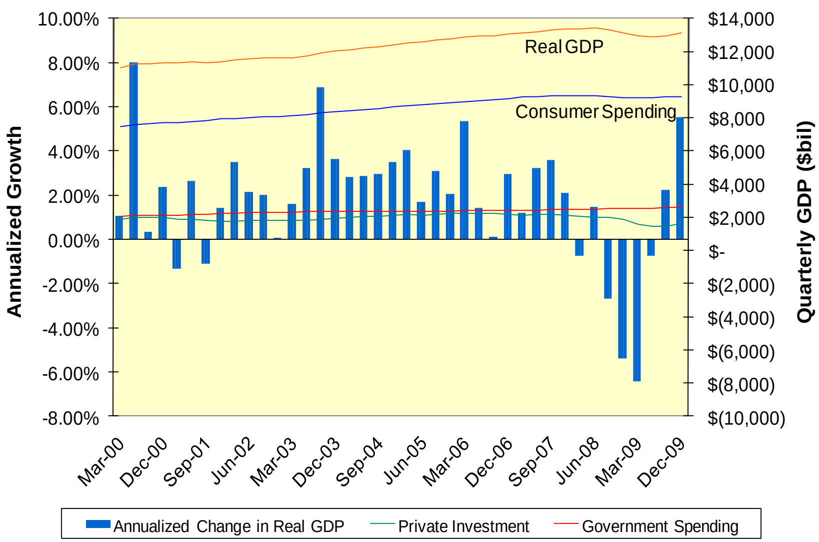
Investor appetite for yield outpaced safety concerns in the first quarter of 2010, despite uneasiness over the upcoming end of central-bank supports of global securities markets. Investors also had to ponder the effects of the debt crisis in Greece and its possible spread to other Eurozone countries. With the U.S. Federal Reserve in no hurry to tighten monetary policy, Treasury yields fell in January and stayed flat in February; however, lackluster response to a late-March T-Note auction pushed yields markedly higher. In contrast, market demand for corporate paper pushed credit spreads notably lower during the quarter; whether new issuance or secondary market, buyers bid up prices and pushed down yields.

Economic Review

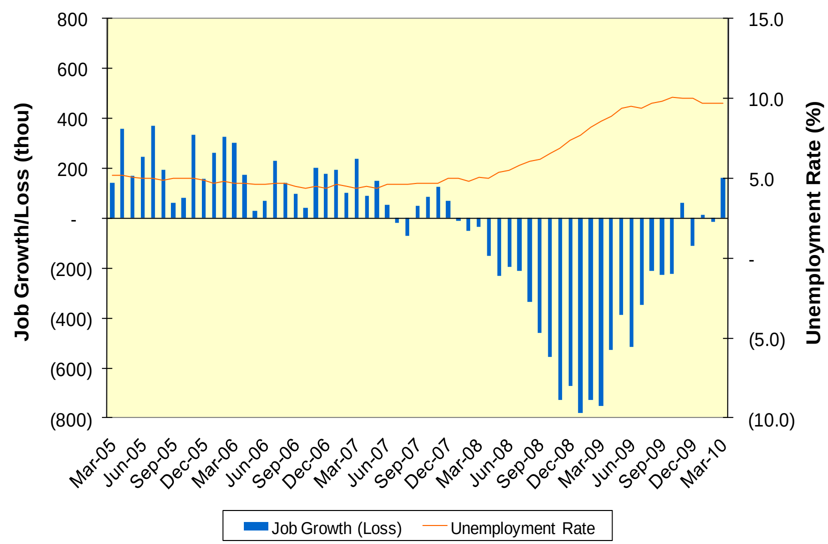
WILSHIRE CONSULTING

March 31, 2010	Key Economic Indicators			
CPI (all items)	Monthly Change		Cumulative Change	
Seasonally adjusted	Mar-10	0.1	3-Month	0.2
	Feb-10	0.0	12-Month	2.4
	Jan-10	0.2	10-Yr Annual	2.4
Breakeven Inflation	10-Year	2.3		
Consumer Sentiment	Mar-10	73.6		
Unv. of Michigan Survey	Feb-10	73.6		
	1-Yr Ago	57.3	10-Yr Avg	85.2
Manufacturing	Mar-10	59.6	Change in Manufacturing Sector	
Inst. for Supply Mgmt	Feb-10	56.5	>50	Expansion
Purchasing Mngrs' Idx	1-Yr Avg	51.8	<50	Contraction

Changes in Real GDP (2005 base year)



Unemployment Rate and Job Growth/Loss

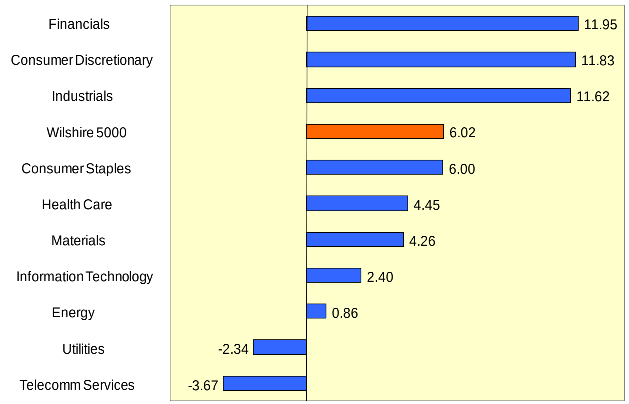


Data sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve Bank of St. Louis

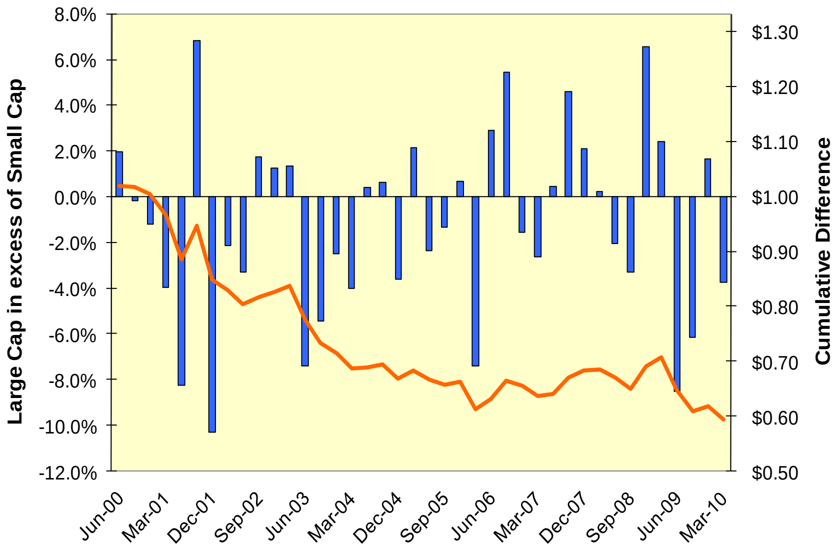
U.S. Capital Markets: Equity

March 31, 2010	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Wilshire 5000	6.0	6.0	52.1	-3.8	2.6	-0.1
Wilshire U.S. Large Cap	5.6	5.6	49.2	-3.9	2.3	-0.6
Wilshire U.S. Small Cap	9.7	9.7	77.6	-1.7	5.2	4.7
Wilshire U.S. Large Growth	4.8	4.8	51.6	-0.6	3.8	-3.7
Wilshire U.S. Large Value	6.4	6.4	46.9	-7.3	0.8	2.7
Wilshire U.S. Small Growth	8.3	8.3	74.0	-1.3	5.4	0.0
Wilshire U.S. Small Value	11.1	11.1	81.2	-2.1	5.0	9.4
Wilshire REIT Index	9.8	9.8	113.7	-12.0	3.4	11.4
Dow Jones UBS Commodity Index	-5.0	-5.0	20.5	-6.9	-1.4	5.7

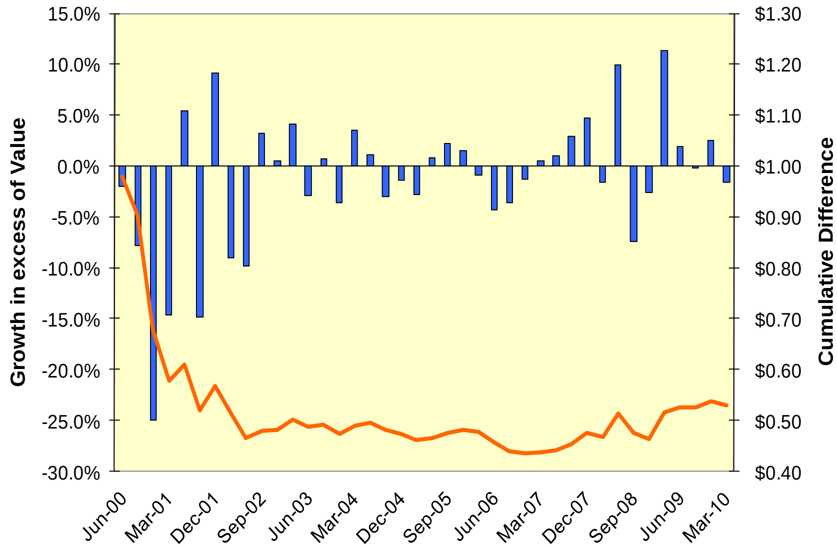
Wilshire 5000 Quarterly Sector Returns (%)



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



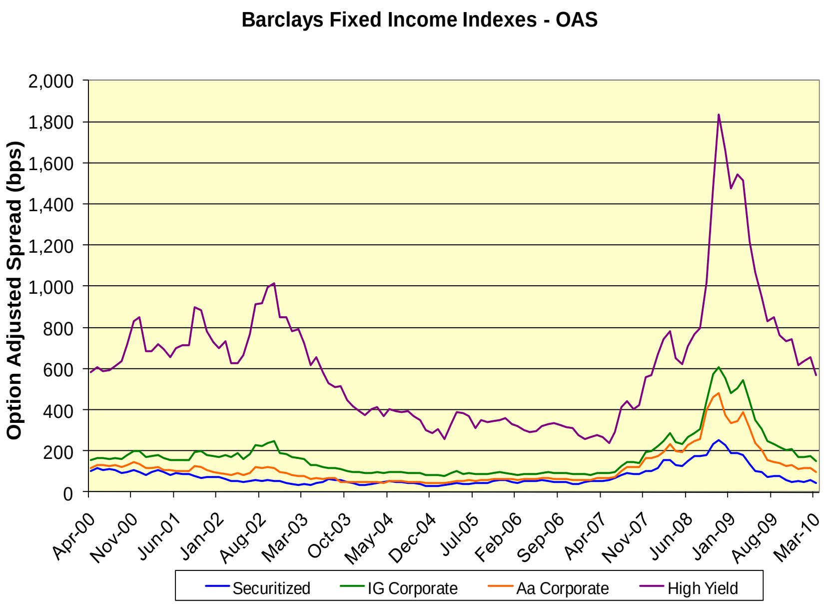
Growth vs. Value: 10 Years of Quarterly Observations

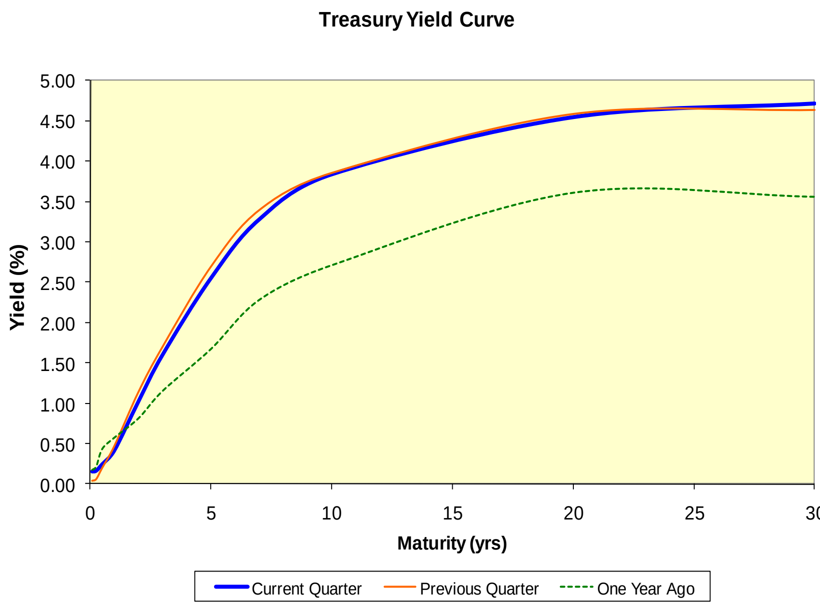


Data sources: Wilshire Compass, Wilshire Atlas

U.S. Capital Markets: Fixed Income

March 31, 2010	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays Aggregate Bond Index	1.8	1.8	7.7	6.1	5.4	6.3
Barclays Treasury Index	1.1	1.1	-1.2	6.0	5.2	5.9
Barclays Govt-Related Index	1.5	1.5	4.4	6.3	5.5	6.4
Barclays Securitized Index	2.1	2.1	8.0	6.5	5.8	6.4
Barclays Corporate IG Index	2.2	2.2	23.4	5.8	5.2	6.6
Barclays LT Govt/Credit Index	1.6	1.6	10.3	5.8	5.3	7.3
Barclays Long-Term Treasury Index	0.9	0.9	-7.3	5.8	5.2	6.9
Barclays U.S. TIPS Index	0.6	0.6	6.2	6.0	4.8	7.3
Barclays High Yield Index	4.6	4.6	56.2	6.6	7.8	7.5
Treasury Bills	0.0	0.0	0.2	2.0	2.9	2.8





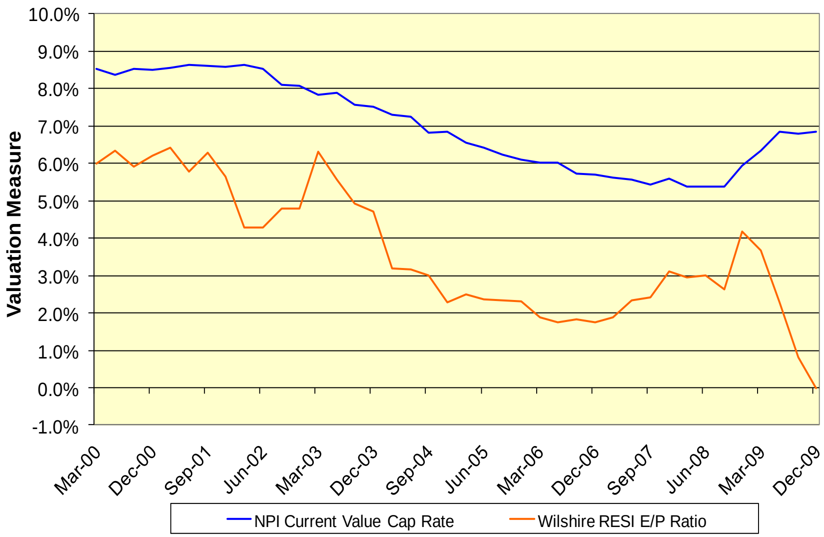
Data sources: Wilshire Compass, Barclays Capital, U.S. Treasury

Real Assets

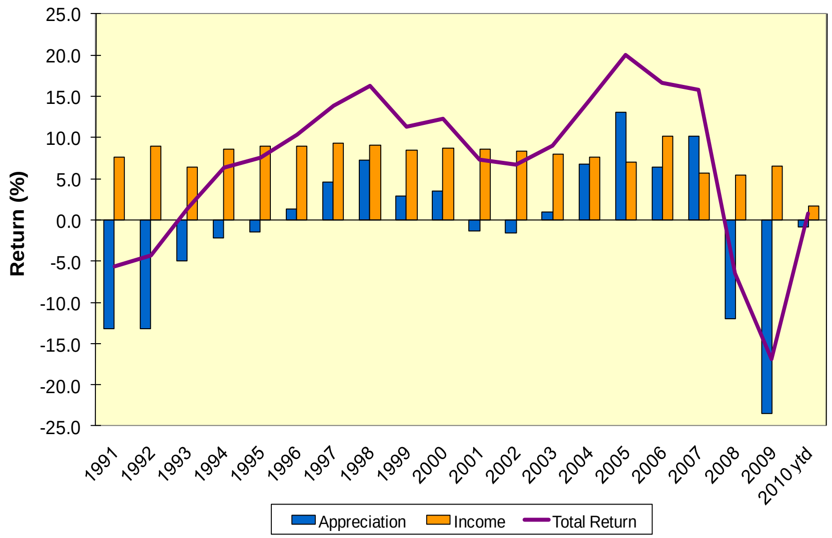
March 31, 2010	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays U.S. TIPS Index	0.6	0.6	6.2	6.0	4.8	7.3
Dow Jones UBS Commodity Index	-5.0	-5.0	20.5	-6.9	-1.4	5.7
Global Public Real Estate*	5.3	5.3	91.1	-13.2	2.8	10.7
NCREIF Property Index	0.8	0.8	-9.6	-4.3	4.2	7.1
NCREIF Timberland Index	0.3	0.3	-5.2	6.7	10.5	7.1
S&P MLP Index (Oil & Gas)	8.2	8.2	72.8	4.4	10.5	n.a.

* Wilshire Global Real Estate Securities from March, 2000 to December, 2004. Wilshire Global REITs from 2004 to present.

Real Estate Valuation



NCREIF Property Index Returns

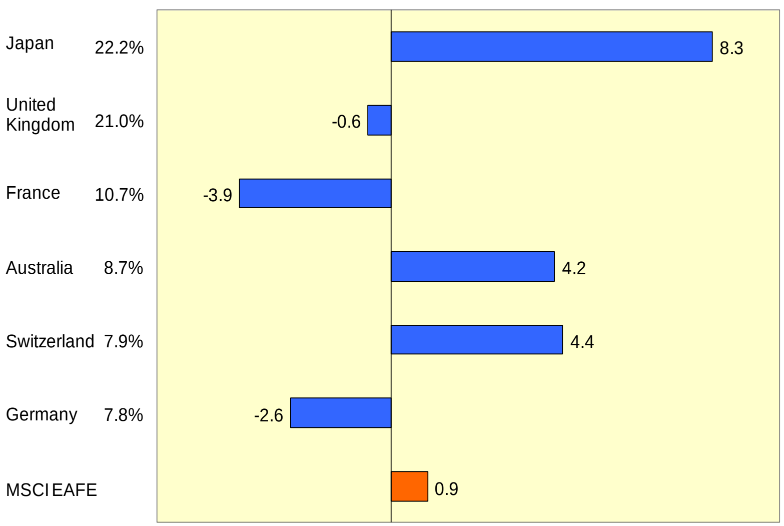


Data sources: Wilshire Compass, National Council of Real Estate Investment Fiduciaries

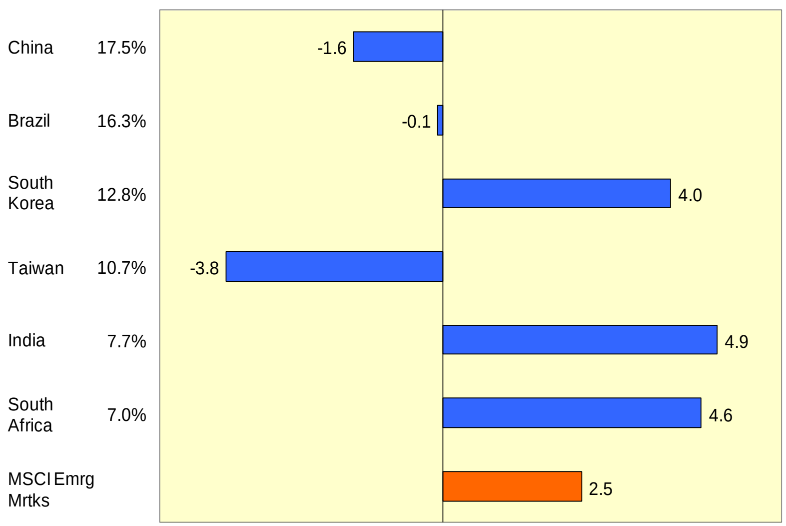
Non-U.S. Capital Markets

March 31, 2010	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
MSCI ACWI ex-US ($g)	1.7	1.7	61.7	-3.7	6.6	3.2
MSCI EAFE ($g)	0.9	0.9	55.2	-6.6	4.2	1.7
MSCI Emerging Markets ($g)	2.5	2.5	81.5	5.5	16.0	10.1
MSCI Frontier Markets ($g)	11.4	11.4	55.3	-8.2	0.0	n.a.
JPM Non US Global Bond	-1.9	-1.9	8.2	7.7	4.8	6.6
JPM Non US Global Bond Hedged	1.2	1.2	3.4	5.2	4.8	5.2
JPM EMBI Global	4.2	4.2	29.2	7.3	9.3	10.3
Euro vs. Dollar	-5.7	-5.7	1.7	0.5	0.7	3.5
Yen vs. Dollar	-0.4	-0.4	5.7	8.1	2.6	1.0
Pound vs. Dollar	-6.1	-6.1	5.8	-8.3	-4.2	-0.5

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

2005	2006	2007	2008	2009	**YTD 2010**
Emrg Mrkts 34.5%	REITs 36.0%	Emrg Mrkts 39.8%	Core Bond 5.2%	Emrg Mrkts 79.0%	REITs 9.8%
Commodities 21.4%	Emrg Mrkts 32.6%	Commodities 16.2%	T-Bills 2.0%	High Yield 58.2%	U.S. Equity 6.0%
Developed 14.0%	Developed 26.9%	U.S. TIPS 11.6%	U.S. TIPS -2.3%	Developed 32.5%	High Yield 4.6%
REITs 13.8%	U.S. Equity 15.8%	Developed 11.6%	High Yield -26.2%	REITs 28.6%	Emrg Mrkts 2.5%
U.S. Equity 6.4%	High Yield 11.9%	Core Bond 7.0%	Commodities -35.6%	U.S. Equity 28.3%	Core Bond 1.8%
T-Bills 3.1%	T-Bills 4.8%	U.S. Equity 5.6%	U.S. Equity -37.2%	Commodities 18.9%	Developed 0.9%
U.S. TIPS 2.8%	Core Bond 4.3%	T-Bills 5.0%	REITs -39.2%	U.S. TIPS 11.4%	U.S. TIPS 0.6%
High Yield 2.7%	Commodities 2.1%	High Yield 1.9%	Developed -43.1%	Core Bond 5.9%	T-Bills 0.0%
Core Bond 2.4%	U.S. TIPS 0.4%	REITs -17.5%	Emrg Mrkts -53.2%	T-Bills 0.2%	Commodities -5.0%

Annualized 5-Year

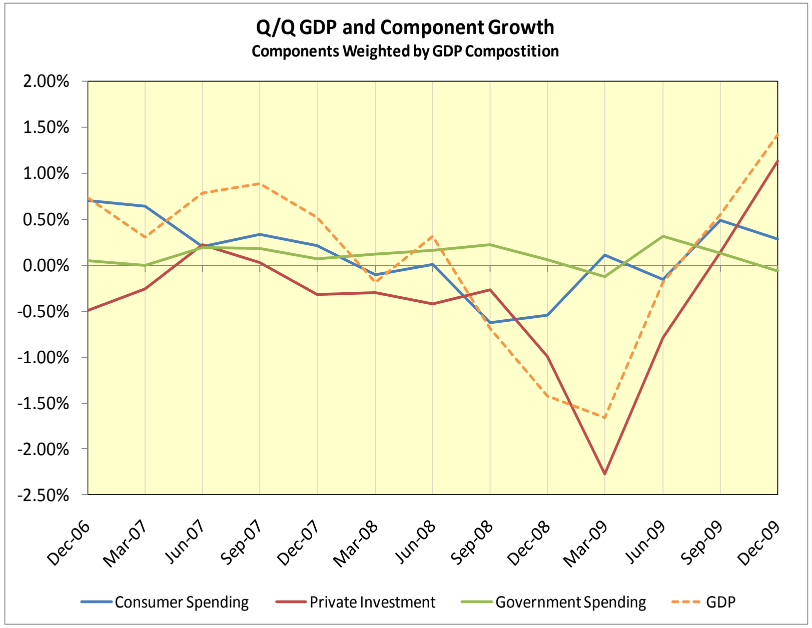
2005-2009
Emrg Mrkts 15.9%
High Yield 6.5%
Core Bond 5.0%
U.S. TIPS 4.6%
Developed 4.0%
T-Bills 3.0%
Commodities 1.9%
U.S. Equity 0.9%
REITs 0.0%

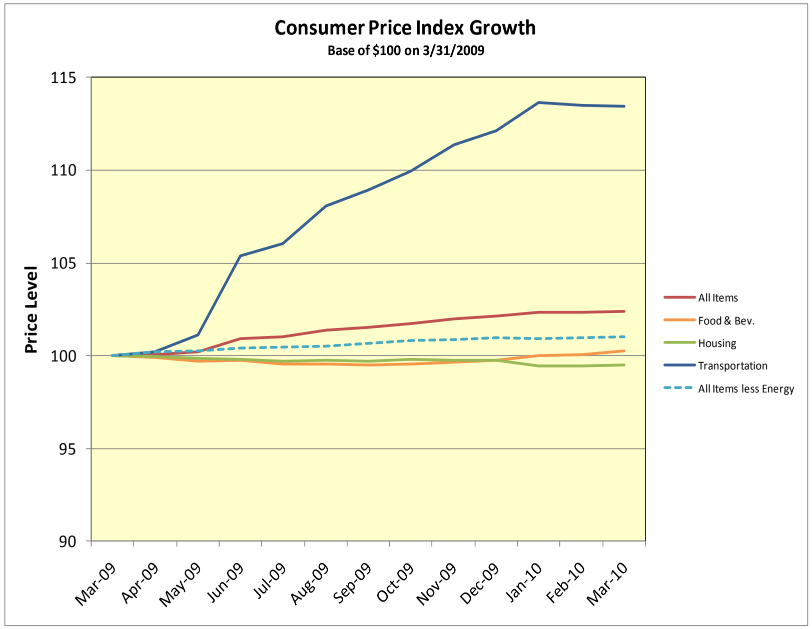
Data source: Wilshire Compass   Note: Developed asset class is developed markets ex-U.S., ex-Canada.

First Quarter Focus

Closer Look at GDP & CPI

- The above chart to the right tracks quarterly changes in GDP and its components – which are weighted by their proportion of total GDP.
- Overall growth has been closely tied to private sector investment. While inventories continue to decline, the pace slowed dramatically during the fourth quarter of 2009.
- The bottom chart includes one-year changes in major CPI components.
- Transportation, led by oil prices, has been the largest driver of CPI.
- While All Items were up 2.4% during the past year, All Items less Energy was up a modest 1.0%.

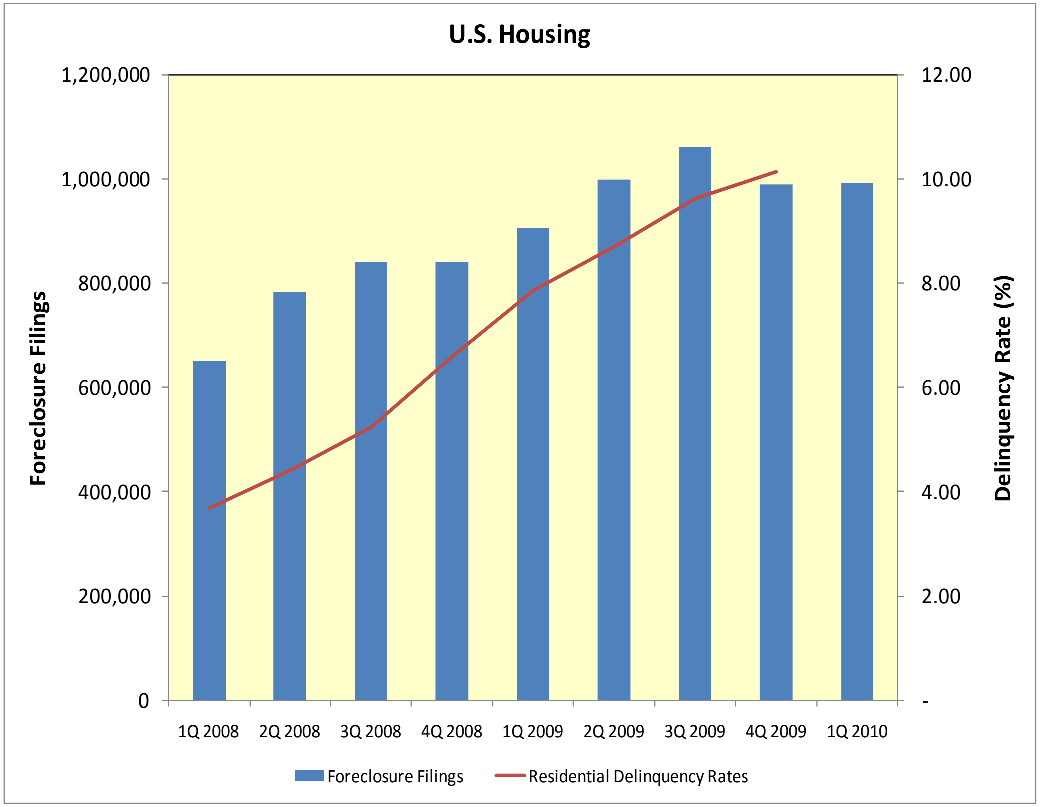




Source: BEA, BLS

Delinquency and Foreclosures

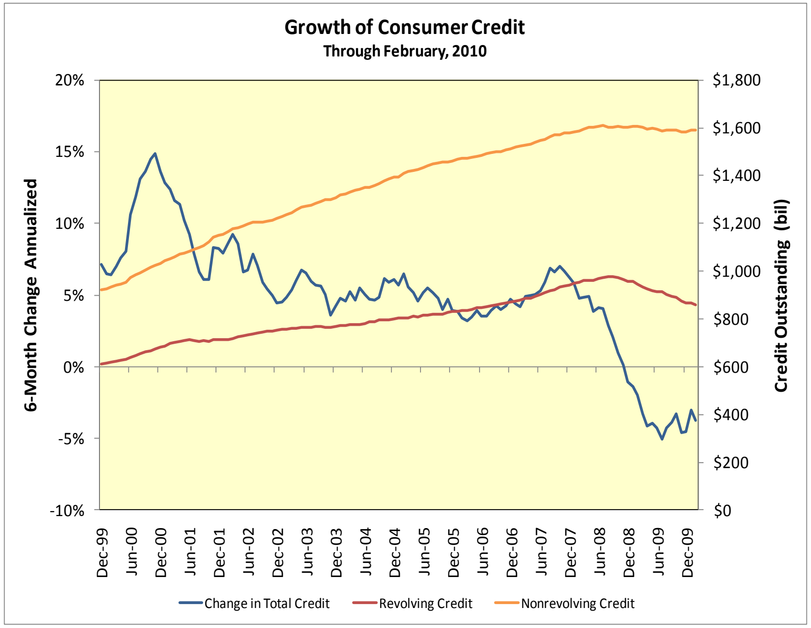
- Housing picture continued to deteriorate in 2009 and Q1 2010.
- Foreclosure filings on 4 mil homes last year and another 1 mil during the first quarter.
- Latest Fannie Mae sales forecast for 2010 is 6 mil homes.
- At the current pace, foreclosures would account for more than half of that demand.

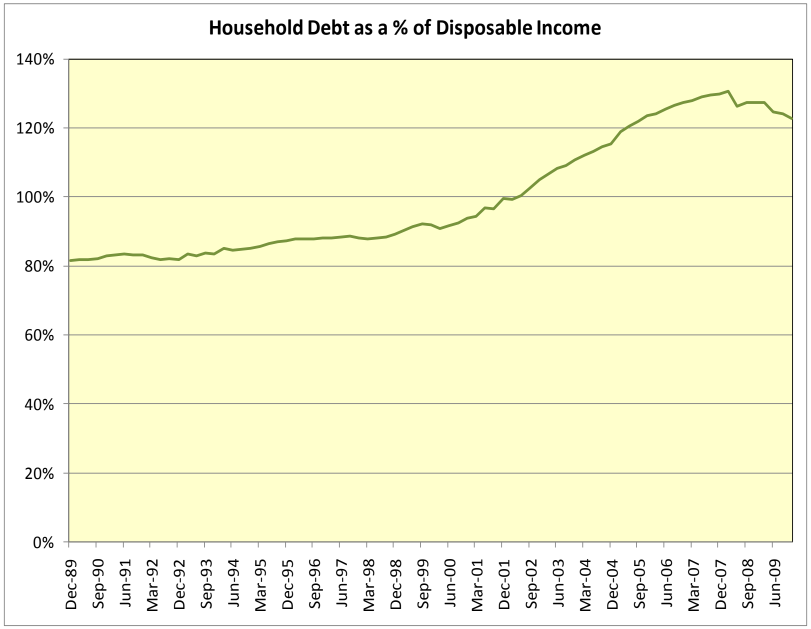


Source: RealtyTrac, Federal Reserve

Consumer Credit

- Non-revolving credit (autos, etc) has flat lined while revolving credit (i.e. credit cards) is falling.
- In aggregate, consumers have been cutting debt since December, 2008.
- Household debt versus disposable income, after spending much of the last decade below 90%, has accelerated well past 100%.
- At year-end 2009, the ratio remained above 120% - calling into question the consumers ability to take on new debt.
- If households continue to de-leverage, growth in spending would have to come from other sources, i.e. wage growth, investments.





Source: Federal Reserve, BEA