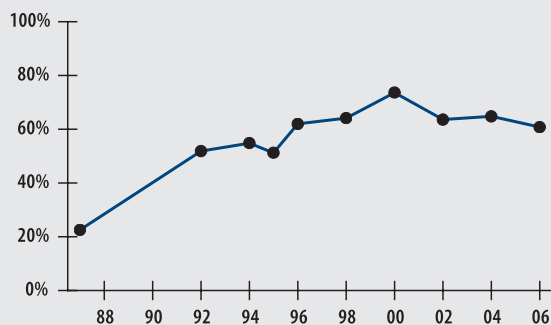
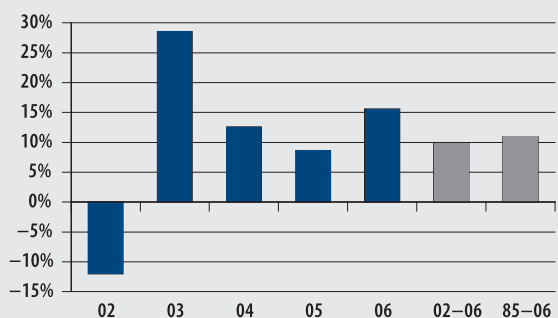


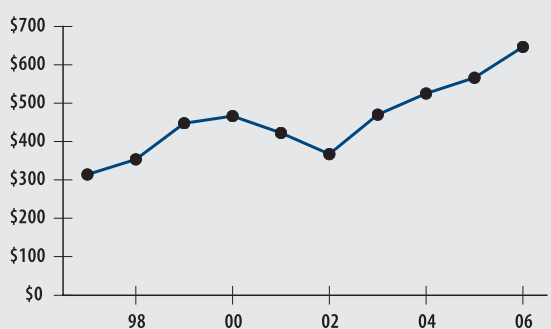
► **Funded Ratio (1987-2006)**



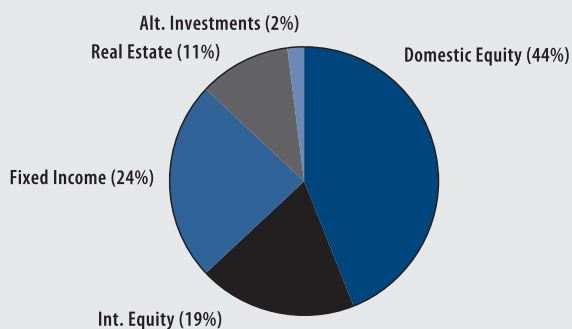
► **Investment Return (2002-2006, 5 Year and 22 Year Averages)**



► **Asset Growth (1997-2006) (Market Value in Millions)**



► **Asset Allocation (12/31/06)**



► **ACTUARIAL**

• Funded Ratio	60.8%
• Date of Last Valuation	01/06
• Actuary	Buck
• Assumed Rate of Return	8.50%
• Funding Schedule	4.5% Increasing
• Year Fully Funded	2026
• Unfunded Liability	\$360.3 M
• Total Pension Appropriation (Fiscal 2007)	\$34.1 M

	Active	Retired
• Number of Members	7,058	3,066
• Total Payroll/Benefit	\$226.3 M	\$47.6 M
• Average Salary/Benefit	\$32,100	\$15,500
• Average Age	NA	72
• Average Service	NA	NA

► **INVESTMENT**

Domestic Equity

- Boston Company Premier Value Equity Fund
- Columbia Management Group, Inc.
- Independence Investment, LLC
- Putnam Mid Cap Growth Trust
- RhumbLine Russell 200 Index Fund
- Smith Asset Management Group, L.P.
- SSgA Russell 2000 Growth Index Fund
- Voyageur Asset Management Inc.

International Equity

- Acadian International All Cap Fund
- Boston Company Emerging Markets Pooled Fund
- Boston Company International Small Cap Equity Fund
- KBC Investment Trust
- SSgA/Rexiter Active Emerging Markets Fund

Domestic Fixed Income

- Eaton Vance Management
- Income Research & Management
- UBS (Brinson) U.S. Bond Relationship Fund

International Fixed Income

- McDonnell Investment Management, LLC

Real Estate

- BlackRock Apartment Value Fund III, L.P.
- Intercontinental Real Estate Investment Fund III & IV, LLC

- INVESCO IRT Equity Real Estate Securities Fund
- Multi-Employer Property Trust
- SSgA Tuckerman / Multi-Family Development Program III
- SSgA Tuckerman / Property Redevelopment & Renovation Fund
- Prudential Real Estate Investors (PRISA Fund)

Alternative Investments

- Ascend Ventures II, L.P.
- Ascent Venture Partners IV, L.P.
- Charles River Partnership VII, VIII, IX, X, XI
- DN Partners, L.P.
- DN Partners II, L.P.
- Globespan Capital Partners V, L.P.
- Leeds Weld Equity Partners IV, L.P.
- Levine Leichtman Capital Partners Deep Value Fund, L.P.
- LODH Euro Choice II
- Mesriow Financial Capital Partners IX
- New England Growth Fund I & II, L.P.
- Senior Tour Players Fund I

Consultant

- Wainwright Investment Counsel, LLC

Custodian

- State Street

► 2006 Return	15.54%
► 2006 Target	9.17%
► 2006 Market Value	\$646.3 M
► 2002-2006 (Annualized)	9.83%
► 1985-2006 (Annualized)	10.96%