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Water and Power Employees' Retirement Plan Investment Portfolio:

Quarterly Report Executive Summary

March 31, 2008

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RETIREMENT PORTFOLIO SUMMARY

As of March 31, 2008, the WPERP Total Retirement Portfolio had an aggregate value of \$7.0 billion. This represents a (\$502.6) million decline in value over the last quarter. During the previous one-year period, the WPERP total portfolio decreased by (\$161.1) million.

Asset Allocation Trends

As of March 31, 2008, the portfolio has a 60% allocation in Equities, 36% in Fixed Income, 1% in Alternatives, and 2% in both Real Estate and Cash. The WPERP board approved new asset allocation targets earlier in quarter, which are set to take place on 7/1/2008.

Recent Investment Performance Trends

During the most recent quarter, the portfolio underperformed its policy benchmark by (70) basis points, gross of fees. Over longer periods, the portfolio has closely tracked its policy benchmark, with the exception over the latest 5-year period, in which the portfolio lagged its policy benchmark by (1.4)%.

Recent Investment Performance Total Retirement

	Quarter	1 Year	3 Year	5 Year	10 Year
Total Portfolio*	-6.1	0.4	7.6	10.0	5.8
Policy Benchmark	-5.4	0.7	7.9	11.4	5.9
Excess Return	-0.7	-0.3	-0.3	-1.4	-0.1
Reference: Median Fund**	-5.1	0.9	8.4	12.5	6.7
Reference: Net of Fees***	-6.2	0.1	7.4	9.8	5.5

*Gross of Fees

**Mellon Total Funds Public Universe

***Net of Fee returns are estimated based on existing WPERP manager fee schedule.

Economic Review

Economic Growth – The U.S. economy increased at an annual growth rate of 0.6% during the first quarter of 2008. The increase in real GDP is the same as in the fourth quarter, reflecting an upturn in inventory investment that was offset by an upturn in imports (which is a subtraction in the calculation of GDP), and downturns in nonresidential structures, and in Personal Consumption Expenditures for both durable nondurable goods.

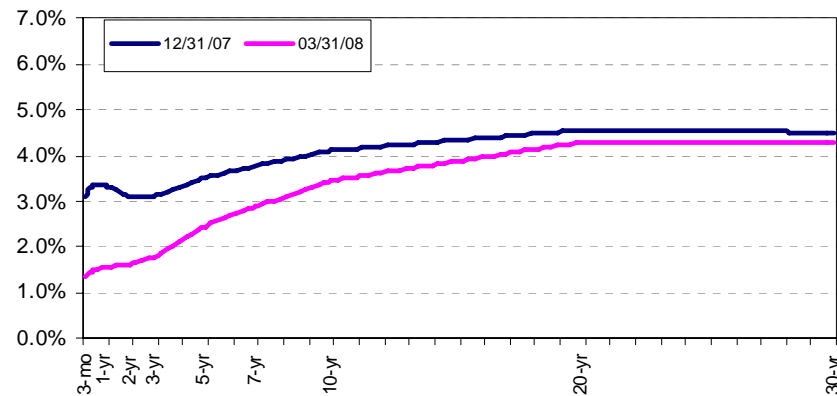
Inflation – On a seasonally adjusted basis, the Consumer Price Index (“CPI”) increased 0.3% in March, resulting in a compounded annual rate (using the latest 3-month data ending March 31, 2008) of 3.1%. In comparison, the compounded annual rate during the first quarter of 2007 was 4.7%.

U.S. Dollar – During the first quarter of 2008, the Yen appreciated 11.9% against the dollar, while the Euro appreciated 8.2% versus the dollar.¹

Unemployment – The domestic unemployment rate was 4.8% in March, down from the previous quarter’s rate of 5.0%. Employment rose in health care, food services, and mining, while employment in manufacturing and construction, and employment services continued to decline.

Domestic Interest Rates – During the quarter, the U.S. Treasury curve steepened as short-term yields decreased dramatically. At the March 18, 2008 meeting, the Federal Reserve decided to lower its target for the federal funds rate an additional 75 basis points to 2.25%. During the prior two meetings in January, the Federal Reserve also lowered interest rates: 75 basis points on January 22, 2008, and 50 basis points on January 30, 2008. According to the Federal Reserve, the most recent policy action, combined with those taken earlier, including measures to foster market liquidity, should help to promote moderate growth over time and to mitigate the risks to economic activity.

Treasury Yield Curve Changes



Source: Federal Reserve

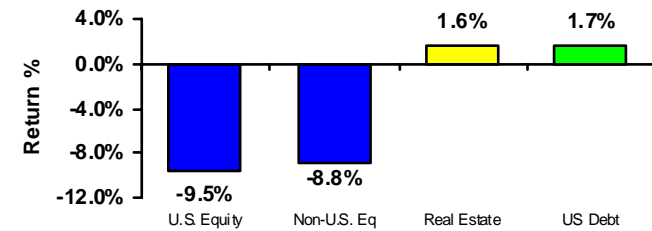
¹ Source: State Street Investment Analytics

Market Overview

Capital Market Highlights¹ – Latest Quarter Ending March 31, 2008

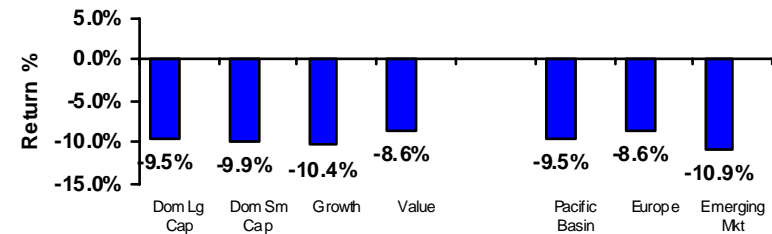
During the quarter, Equity Markets declined dramatically...

- Equities worldwide experienced volatility.
- Most sectors of the bond market provided an oasis of positive returns during the quarter, as prices rose and yields declined, especially for higher-quality securities.
- The U.S. dollar weakened against other major currencies.



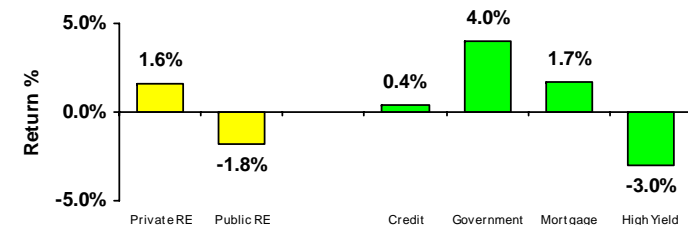
...with all equity subcomponents declining across the board...

- Europe was the best performing region among the developed markets, helped by strength in the euro.
- The first quarter demonstrated a reversal of the previous dominance of growth over value.
- Emerging Markets posted the lowest results as investors sought quality.



...while Fixed Income and Private Real Estate provided some principal protection.

- The Federal Reserve extended \$28.8 billion in credit to securities firms: the first time since the Great Depression that the Federal Reserve has provided funding to non-banks.
- Investors preferred the safe-haven of government securities and fled below-investment-grade issues.

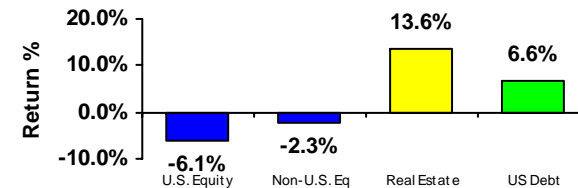


¹ See Appendix for benchmarks used in this section.

Capital Market Highlights¹ – Latest Year Ending March 31, 2008

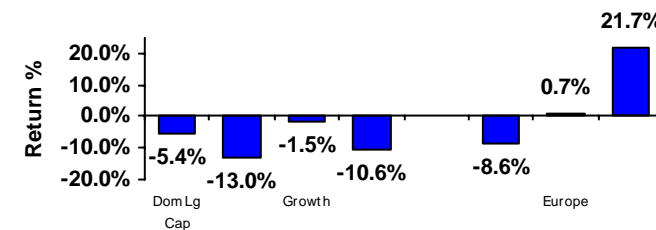
Real Estate continued to provide high returns...

- 10-year treasuries were poised for their third straight monthly gain as economic reports point to a slowing economy.
- The recent quarter wiped out prior returns in equities.



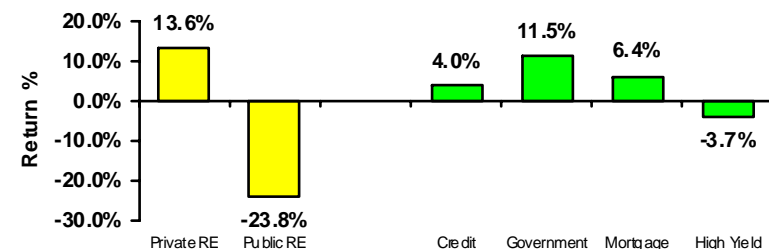
...with Emerging Markets surpassing the Developed Markets...

- The Japanese markets continued to decline.
- Growth stocks greatly outperformed value due in part to the technology sector.
- Investors preferred established large cap companies over small cap.



...and private real estate provided strong returns.

- Investors' flight to quality government debt drove prices higher, and yields lower.
- Existing home sales rose by 2.9% in February, 23.8% lower than a year ago.
- Private real estate, which lags other markets, remained positive.

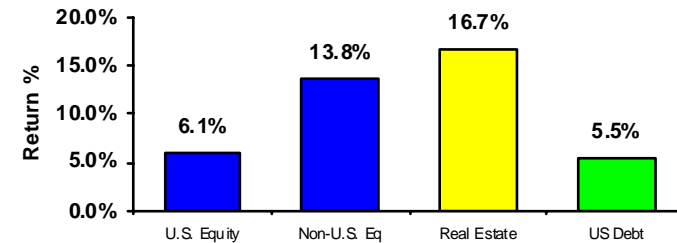


¹ See Appendix for benchmarks used in this section.

Capital Market Highlights¹ – Latest 3 Years Ending March 31, 2008

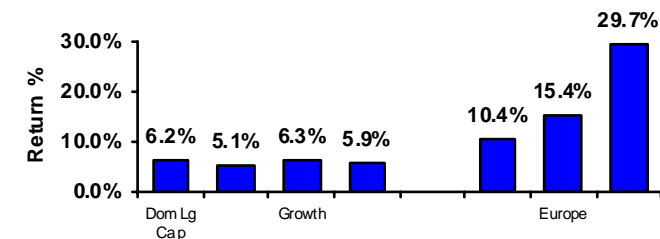
During the latest 3 years, Non-U.S. equity surpassed all other equity asset classes...

- Non-U.S. equity produced strong returns, benefitting from a declining U.S. dollar.
- Real Estate posted strong returns due to appreciation in value from prior periods.



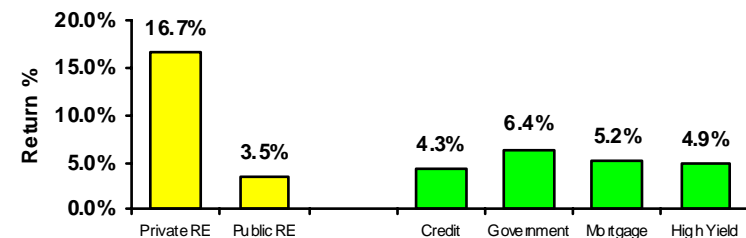
...as Emerging Markets was the highest performing equity subcomponent...

- All equity components continued to generate positive returns.
- U.S. large cap stocks surpassed U.S. small cap.
- Growth stocks outpaced value.



...and private real estate produced strong returns.

- Private real estate surpassed public as REITS fell out of favor.
- Government debt slightly outpaced all other U.S. fixed income segments.

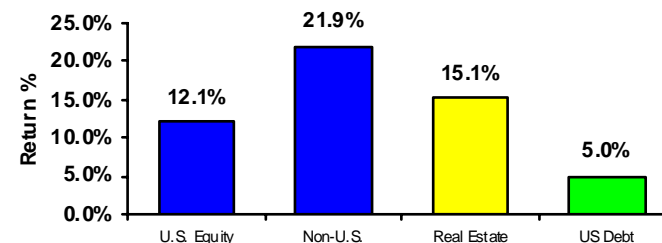


¹ See Appendix for benchmarks used in this section.

Capital Market Highlights¹ – Latest 5 Years Ending March 31, 2008

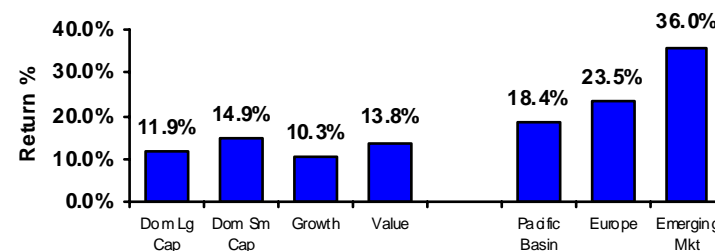
During the latest 5 years, Non-U.S. equity generated the highest returns...

- Real Estate provided strong returns as the recent problems have yet to strongly affect long-term returns.
- U.S. Equity securities produced solid long-term results, outperforming fixed income.



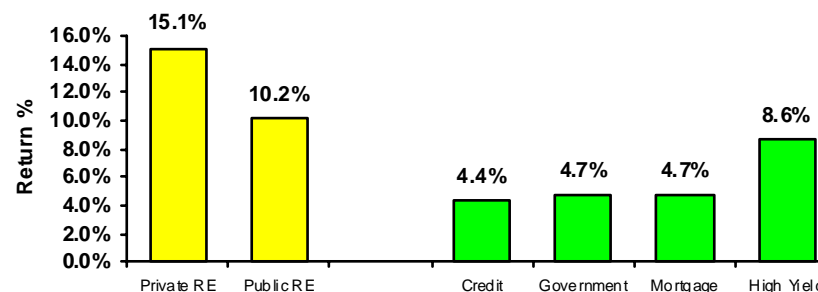
...with emerging markets outperforming all other equity sub-components...

- Europe and Pacific Basin Developed Markets provided strong performance, but trailed emerging markets.
- U.S. small cap and value stocks outpaced large cap and growth.



...and real estate produced strong results over the latest five years.

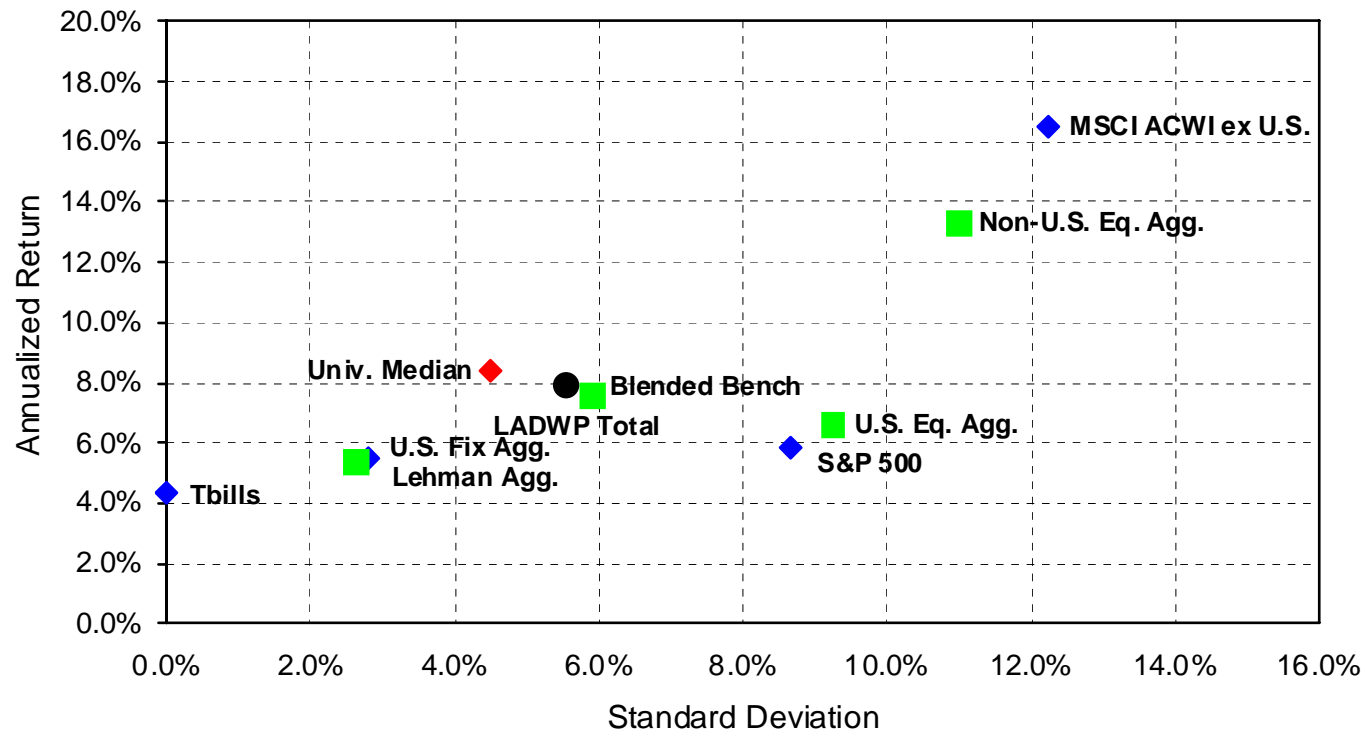
- Over the longer cycle, private real estate outpaced public.
- High yield surpassed all fixed income subcomponents over the latest 5-year period.



¹ See Appendix for benchmarks used in this section.

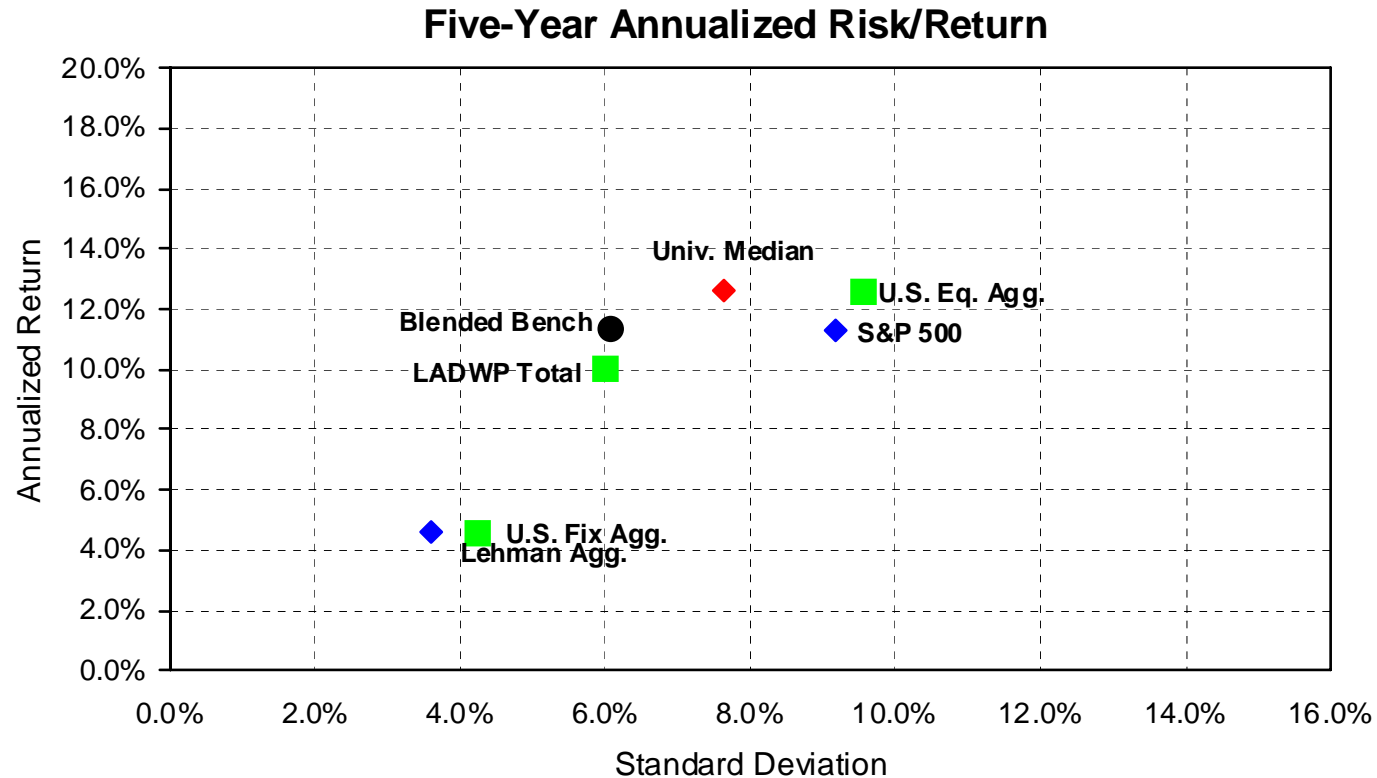
WPERP Risk/Return Analysis
Period ending March 31, 2008

Three-Year Annualized Risk/Return



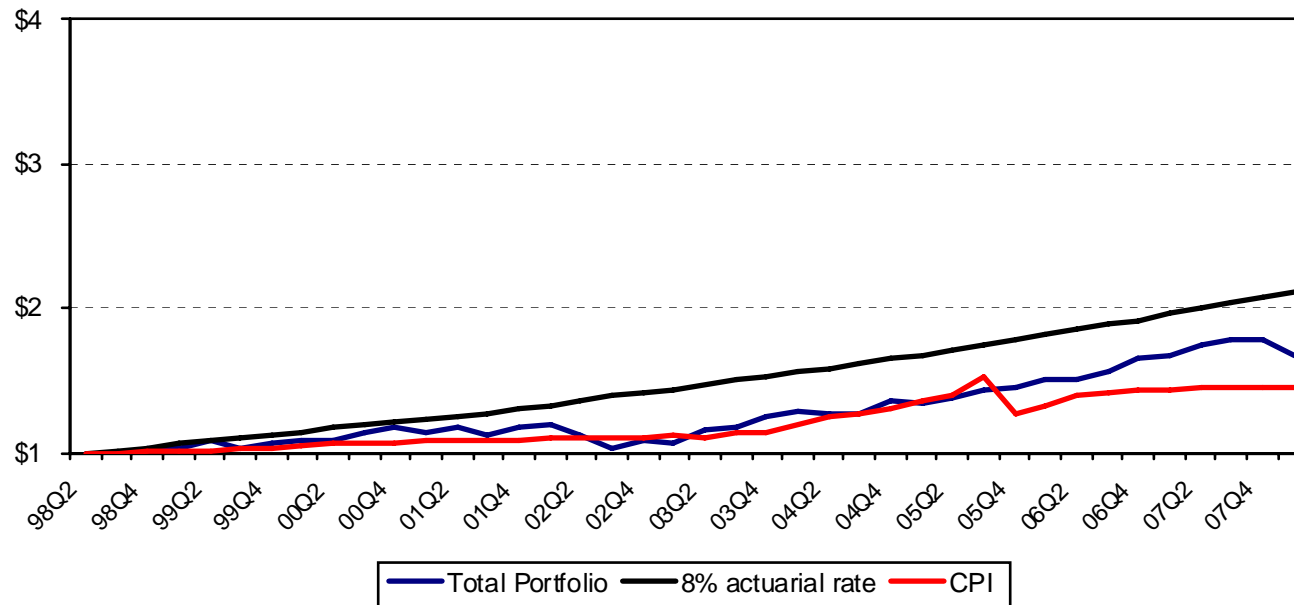
*Median Fund in the Mellon Total Fund Public Universe.

WPERP Risk/Return Analysis
Period ending March 31, 2008



*Median Fund in the Mellon Total Fund Public Universe.

Growth of a Dollar-Latest 10 Years Total Portfolio



WPERP PORTFOLIO PERFORMANCE

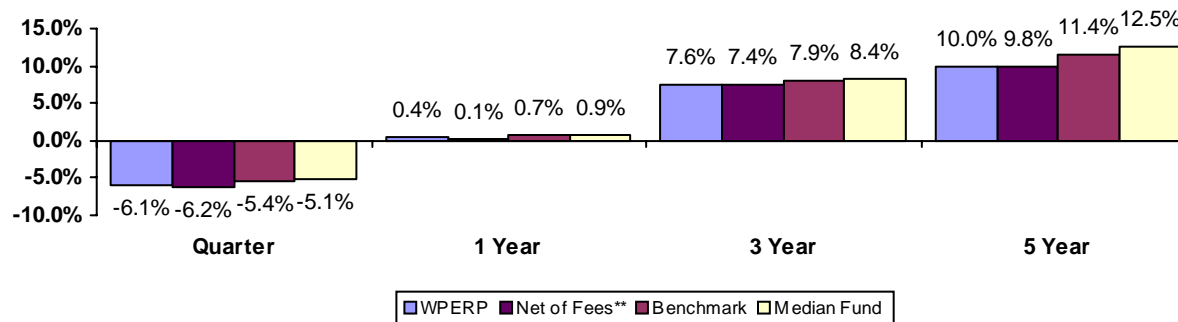
This section includes an overview of the performance of the WPERP investment portfolio and a detailed analysis of asset classes and specific mandates.

Portfolio Performance Overview

During the latest quarter ending March 31, 2008, the WPERP total portfolio generated a return of minus (6.1%) gross of fees, underperforming both the policy target benchmark¹ and the median fund² by (70) and (100) basis points, respectively.

During the latest 1-year period, the WPERP portfolio trailed both its policy benchmark and the median fund by (30) and (50) basis points, respectively. Over the longer 3-year period, the fund underperformed its policy benchmark and the median fund. Over the latest 5-year period, the WPERP portfolio trailed the policy benchmark average annual return by (1.4%) per year and trailed the median fund return by (2.5%) per year. Underperformance during the longer-term periods can be attributed to poor relative performance from the Plan's International Equity portfolio as well as differences in asset allocation versus the median fund.

Periods Ending March 31, 2008 (annualized)*



¹ The Portfolio Benchmark consists of 30% Lehman Universal, 40% Russell 3000, 24% MSCI ACWI ex U.S., 2% NCREIF Lag, 0.85% Cambridge U.S. Private Equity Lag, 0.15% Cambridge U.S. Venture Capital Lag, 1% T Bill, and 2% Tbills +3% Lag.

² Median Fund is the Mellon Total Public Funds Universe.

* WPERP performance reported gross of fees.

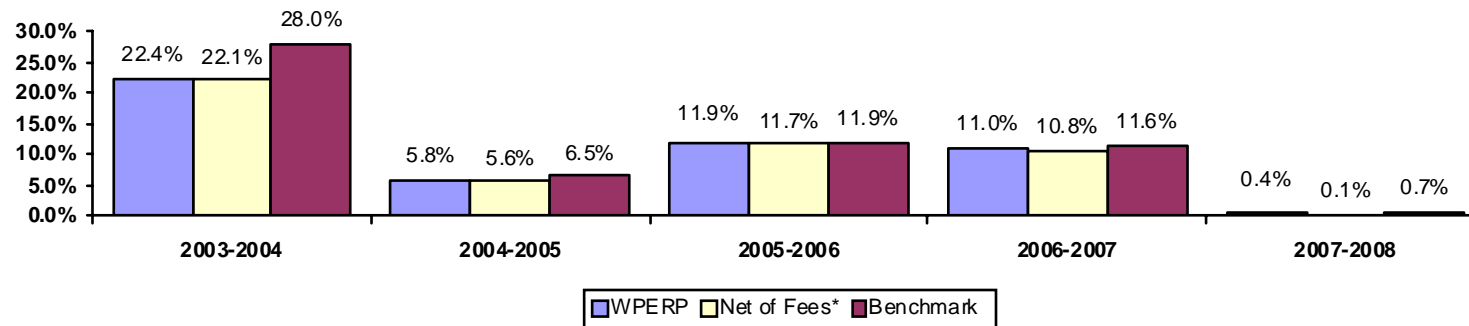
**Net of Fees Performance estimated based on existing WPERP manager fee schedule.

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The Plan generated positive absolute performance results over all of the trailing five 12-month periods. However, the Plan underperformed its policy benchmark in four of the five time periods.

12-month Performance – Period Ending March 31, 2008



*Net of Fees estimated based on existing WPERP manager fee schedule

Portfolio Valuation

As of March 31, 2008, the WPERP total portfolio had an aggregate value of \$7.0 billion. This represents a (\$502.6) million decline in value over last quarter including minus (\$45.9) million in net contributions. During the previous one-year period, the WPERP total portfolio decreased by (\$161.1) million.

Portfolio Valuation as of March 31, 2008, Gross of Fees

	<u>1Q 2008</u>		<u>1-Year</u>		<u>3-Year</u>		<u>5-Year</u>	
Beginning Market Value	\$7,497.7		\$7,156.2		\$6,113.6		\$5,117.6	
Net Flow	-45.9		-189.8		-621.1		-1,246.9	
Investment Return in \$ (in%)	-456.8	-6.1%	28.6	0.4%	1,502.5	7.6%	3,124.3	10.0%
Ending Market Value	\$6,995.0		\$6,995.0		\$6,995.0		\$6,995.0	

*Dollar figures in millions (\$), differences due to rounding

**Recent Quarter net flow per Mellon. 1-year, 3-year, 5-year net flows estimated per PCA

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Actual vs. Target Allocations

With respect to policy targets, the portfolio ended the latest quarter overweight *International Equity and Cash*, while *underweight Real Estate and Alternatives*. Target allocations recently adopted by the board will be reflected starting 7/1/2008.

As of March 31, 2008

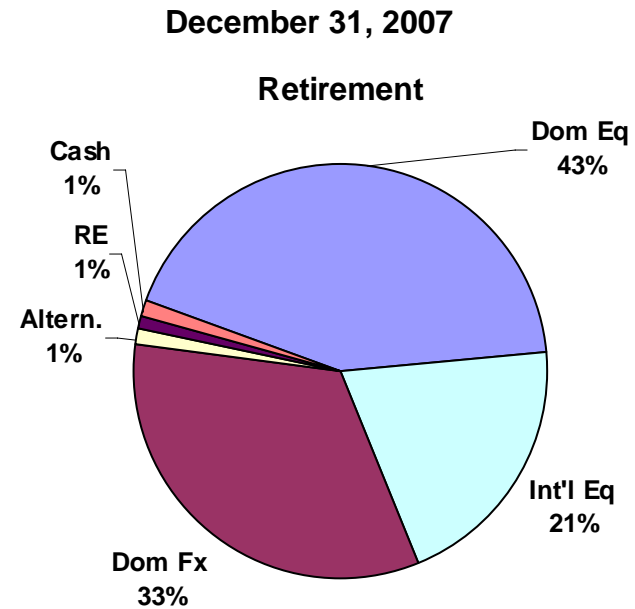
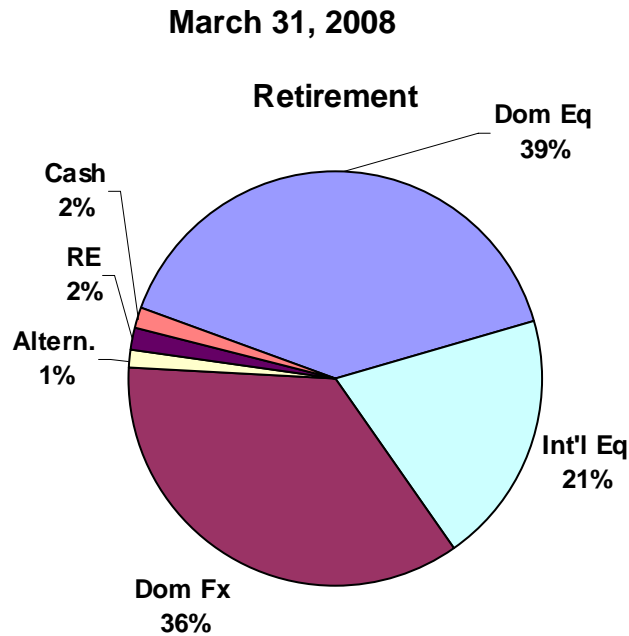
Segment	Actual (\$MM)	Actual %	Target* %	Variance
Total Portfolio	7,679	100	100	---
Total Retirement**	6,995	100	100	0
Domestic Equity	2,797	40	40	0
International Equity	1,372	20	15	5
Fixed Income	2,478	35	35	0
Alternatives	102	2	5	-3
Hedge F of F	72	1	1	0
Private Equity	30	0	4	-4
Real Estate	118	2	4	-2
Cash	113	2	1	1
Health Plan	627	100	100	0
Domestic Equity	355	57	60	-3
Domestic Fixed	271	43	40	3
Cash/Short Term	0	0	0	0
Death Benefit	25	100	100	0
Domestic Fixed	23	92	96	-4
Cash/Short Term	2	8	4	4
Disability	32	100	100	0
Domestic Fixed	30	94	95	-1
Cash/Short Term	2	6	5	1

*2008 asset allocation policy targets.

** Including \$57.7 million in transition assets.

Actual Asset Allocation Comparison – Retirement Portfolio

As of March 31, 2008, the portfolio has a 60% allocation in Equities, 36% in Fixed Income, 1% in Alternatives, and 2% in both Real Estate and Cash.

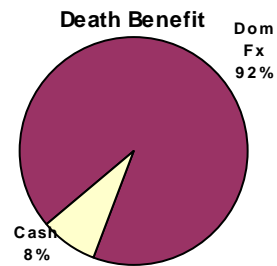


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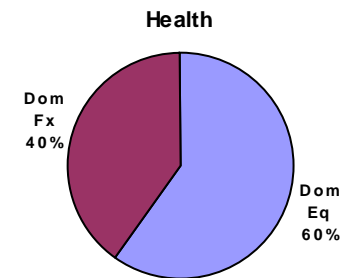
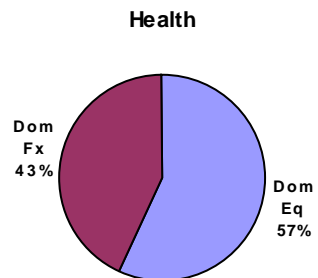
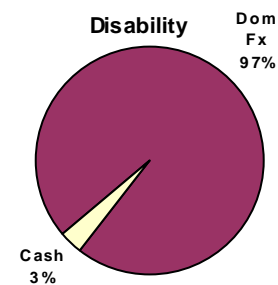
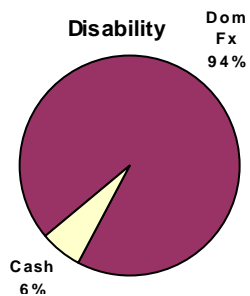
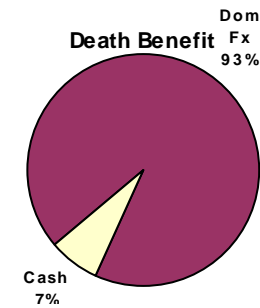
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Actual Asset Allocation Comparison – Death, Disability, Health Portfolios

March 31, 2008



December 31, 2007



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Asset Class Performance

The **Domestic Equity** asset class underperformed the policy benchmark's return during the quarter by (1.1%), with a minus (10.6%) return. Underperformance from five of the Plan's eight domestic equity managers detracted from performance. Over the latest 1-year, 3-year, and 5-year periods, Domestic Equity surpassed its benchmark by 1.8%, 0.5%, and 0.5%, respectively.

The **International Equity** portfolio underperformed its policy benchmark during the quarter by 100 basis points, returning minus (10.1%). Over the latest 1-year period, the International Equity portfolio trailed its policy benchmark by 4.4% with a minus (1.8%) return. Poor relative performance primarily from the Plan's developed market managers detracted from performance. Over the latest 3-year period, the portfolio returned 13.3% trailing its policy benchmark's return by 3.2%.

During the latest quarter, the **Fixed Income** portfolio underperformed its policy benchmark by 60 basis points, with a 1.1% return. Over the latest 1-year, 3-year and 5-year periods, the Fixed Income portfolio trailed the policy benchmark by 90, 10, and 40 basis points, respectively.

Periods ending March 31, 2008

Asset Class	Quarter	1 Year	3 Year	5 Year
Total Retirement	-6.1	0.4	7.6	10.0
<i>Policy Benchmark*</i>	-5.4	0.7	7.9	11.4
Domestic Equity	-10.6	-4.3	6.6	12.6
<i>Russell 3000 (blend)</i>	-9.5	-6.1	6.1	12.1
International Equity	-10.1	-1.8	13.3	---
<i>MSCI ACWI ex U.S.</i>	-9.1	2.6	16.5	---
Fixed Income	1.1	5.7	5.4	4.6
<i>Lehman Universal</i>	1.7	6.6	5.5	5.0
Alternatives**	2.6	13.2	---	---
<i>Blended Benchmark**</i>	2.5	16.6	---	---
Hedge F of F	3.5	---	---	---
<i>Tbill + 3%</i>	1.7	---	---	---
Private Equity**	0.0	19.1	---	---
<i>Cambridge USPE**</i>	3.9	20.4	---	---
Real Estate**	2.3	17.8	---	---
<i>NCREIF**</i>	3.2	15.8	---	---
Cash	0.9	4.9	4.7	3.4
<i>Citigroup T-bills</i>	0.7	4.2	4.2	3.0

*See Appendix for list of benchmarks used in this section.

**Returns are lagged one quarter.

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Manager Performance

Domestic Equity – Periods ending March 31, 2008

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception*	Inception Date**
BlackRock	1,277,336	Large Cap Core	-9.6	-5.5	6.2	---	8.6	8/2003
<i>Russell 1000 Index</i>	---	---	-9.5	-5.4	6.2	---	8.5	---
MFS	358,312	Large Cap Value	-8.5	-1.9	9.0	---	10.0	2/2004
<i>Russell 1000 Value Index</i>	---	---	-8.7	-10.0	6.0	---	7.4	---
T. Rowe Price	331,822	Large Cap Value	-8.3	-6.0	7.2	---	8.6	9/2004
<i>Russell 1000 Value Index</i>	---	---	-8.7	-10.0	6.0	---	8.2	---
Fred Alger	328,204	Large Cap Growth	-15.9	5.7	8.0	---	6.2	2/2004
Intech	299,994	Large Cap Growth	-12.7	-4.3	5.1	---	5.5	2/2004
<i>Russell 1000 Growth Index</i>	---	---	-10.2	-0.7	6.3	---	4.4	---
Earnest Partners	111,095	Small Cap Value	-8.3	-7.2	3.8	---	4.7	11/2004
<i>Russell 2000 Value Index</i>	---	---	-6.5	-16.9	4.3	---	3.4	---
Northpointe	41,658	Small Cap Growth	-20.3	-19.1	---	---	-8.5	9/2006
Paradigm	49,132	Small Cap Growth	-11.5	-9.0	---	---	2.3	9/2006
<i>Russell 2000 Growth Index</i>	---	---	-12.8	-8.9	---	---	1.0	---

* Performance is calculated based on the first full month of performance since funding.

** Inception date reflect the month when portfolio received initial funding.

Latest Quarter

During the first quarter of 2008, three of WPERP's eight reporting domestic equity managers outperformed their respective benchmarks.

WPERP's passive large cap core manager, **BlackRock**, ended the quarter with a minus (9.6%) return slightly trailing the Russell 1000 Index, which is in-line with expectations. **MFS**, one of the Plan's large cap value managers, generated a negative absolute quarterly return of minus (8.5%), but outperformed the Russell 1000 Value Index return by 20 basis points. Large cap value manager **T. Rowe Price** outperformed the Russell 1000 Value Index by 40 basis points with a minus (8.3%) return. **Fred Alger**, one of the Plan's large cap growth managers, completed the quarter with a minus (15.9%) return trailing the Russell 1000 Growth Index return by 5.7%. Stock selection in Consumer Discretionary and industrials detracted from portfolio performance. **Intech**, the Plan's other large cap growth manager, underperformed the Russell 1000 Growth Index by 2.5% with a minus (12.7%) quarterly return. Stock selection within Consumer Discretionary and Financials largely detracted from outperformance. **Earnest Partners**, WPERP's small cap value manager ended the quarter with a minus (8.3%) return, falling to the Russell 2000 Value Index by 1.8%. Strong stock selection within Financials largely detracted from performance during the quarter. **Northpointe**, one of the Plan's small cap growth managers, finished the quarter

with a minus (20.3%) underperforming the Russell 2000 Growth Index by 7.5%. The portfolio's investment strategy of orienting towards the smaller-end of the small cap universe was not rewarded in the market, as investors rotated towards the larger cap stocks. **Paradigm** completed the quarter returning minus (11.5%) surpassing the Russell 2000 Growth Index by 1.3%. Stock selection benefited from performance.

Latest Year

During the latest 12-month period, **BlackRock** trailed its benchmark with a minus (5.5%) return. **MFS** finished the latest 12-month period with a minus (1.9%) return and outperformed the Russell 1000 Value Index's return by 8.1%. Stock selection in Financials, Technology, and Energy benefited performance. **T. Rowe Price** posted a minus (6.0%) return and outperformed the Russell 1000 Value Index's return by 4.0%. Stock selection within Financials benefited performance. **Fred Alger** posted a 5.7% return outperforming the Russell 1000 Growth Index return by 6.4%. Strong stock selection in Health Care and Energy greatly benefited performance. **Intech** completed the latest 12-month period returning minus (4.3%), trailing the Russell 1000 Growth Index return by 3.6%. Stock selection in Consumer Discretionary and Energy detracted from portfolio performance. **Earnest Partners** completed the latest 12-month period with a minus (7.2%) return and surpassed the Russell 2000 Value Index return by 9.7%. Strong stock selection in Technology and Industrials helped to drive performance. **Northpointe** underperformed the Russell 2000 Growth Index by 10.2%, due primarily to poor stock selection. **Paradigm** slightly underperformed the Russell 2000 Growth Index by 10 basis points, with a minus (9.0%) return.

Latest Three Years

During the latest 36-month period, **BlackRock** performed within tracking expectations with a 6.2% return, matching its benchmark. **MFS** finished the latest 36-month period surpassing the Russell 1000 Value Index return by 3.0% with a 9.0% return. Stock selection in Financials, Industrials, Technology, and Energy benefited performance. **T. Rowe Price** outperformed the Russell 1000 Value Index's return by 1.2%. Positive stock selection within Financials benefited performance. **Fred Alger** posted an 8.0% return outperforming the Russell 1000 Growth Index return by 1.7%. Stock selection in Consumer Staples and Technology greatly benefited performance. **Intech** completed the most recent 36-month period with a 5.1% return, underperforming the Russell 1000 Growth Index by 1.2%. The portfolios overweight to Health Care and Industrials detracted from performance. Earnest Partners latest 3-year return of 3.8% trailed its benchmark target by 50 basis points.

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International Equity – Periods ending March 31, 2008

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception*	Inception Date**
Invesco	431,848	Developed Markets	-10.2	-6.0	10.9	---	12.6	6/2004
<i>EAFE + Canada ND Index</i>	---	---	-8.7	-1.3	13.9	---	15.3	---
The Boston Company	334,512	Developed Markets	-10.6	-8.3	8.5	---	8.5	3/2005
<i>EAFE + Canada ND Index (blend)</i>	---	---	-8.7	-1.6	14.3	---	14.3	---
Pyramis	417,410	Developed Markets	-9.3	0.2	14.6	---	14.1	11/2004
<i>EAFE ND Index</i>	---	---	-8.9	-2.7	13.3	---	13.3	---
The Boston Company	91,299	Emerging Markets	-8.6	16.2	25.0	---	27.7	3/2005
T. Rowe Price	97,876	Emerging Markets	-12.3	25.0	32.8	---	36.7	3/2005
<i>MSCI EMF Index</i>	---	---	-10.9	21.7	29.6	---	33.1	---

* Performance is calculated based on the first full month of performance since funding.

** Inception date reflect the month when portfolio received initial funding.

Latest Quarter

During the first quarter of 2008, one of WPERP's five reporting international equity managers outperformed or their respective benchmarks.

Invesco, WPERP's active core international manager, generated a negative absolute quarterly return of minus (10.2%) underperforming the MSCI EAFE + Canada ND return by 1.5%. Stock selection within France detracted from performance. The plan's active international value manager, **The Boston Company**, completed the quarter with a minus (10.6%) return, trailing the MSCI EAFE + Canada ND Index return by 1.9%. The managers overweight to Japan detracted from performance. **Pyramis**, the plan's active international growth manager, completed the quarter with a minus (9.3%) return trailing the MSCI EAFE ND Index by 40 basis points. **The Boston Company**, one of WPERP's two emerging markets managers, finished the quarter with a minus (8.6%) return surpassing the MSCI Emerging Markets Index by 2.3%. The managers underweight to China during the quarter benefited performance. **T. Rowe Price**, the plan's other emerging markets manager, completed the quarter with a minus (12.3%) return trailing its benchmark by 1.4%. Stock selection was the primary driver of portfolio underperformance.

Latest Year

Invesco finished its latest 12-month period with a minus (6.0%) return, trailing its benchmark by 4.7%. Stock selection within France has proven to be difficult for the manager over the latest 12-month period. **The Boston Company** completed the latest 12-month period trailing its benchmark by 6.7%, with a minus (8.3%) return. Stock selection within Europe was a contributing factor to the underperformance. **Pyramis** completed the latest 12-month period with a 0.2% return, surpassing its benchmark by 2.9%. Stock selection benefited performance over the latest 1-year period, specifically a holding in Casio Computer Co. During the latest 12-month period, **The Boston Company** emerging markets portfolio produced a 16.2% return but trailed the MSCI Emerging Markets Index's

return by 5.5%. The managers value bias proved to be a detriment to portfolio returns over the most recent 1-year period. The **T. Rowe Price** portfolio generated a strong return of 25.0% and surpassed its index return by 3.3%. Strong stock selection has added greatly to portfolio performance.

Latest Three Years

Invesco finished its latest 36-month period with a 10.9% return, trailing its benchmark by 3.0%. Stock selection with France detracted from portfolio performance. **Pyramis** returned 14.6%, outperforming its benchmark target by 1.3%. Stock selection has benefited performance. **The Boston Company** emerging markets portfolio produced a 25.0% return but trailed the MSCI Emerging Markets Index's return by 4.6%. The managers' value bias versus its benchmark target detracted from performance. The **T. Rowe Price** portfolio generated a strong return of 32.8% and surpassed its index return by 3.2%. Strong stock selection has added greatly to portfolio performance.

Quarterly Report

Q1-08

Fixed Income – Periods ending March 31, 2008

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception*	Inception Date**
ING	1,104,538	Core	1.0	6.0	5.1	---	5.1	7/2004
Wells	1,129,009	Core	2.2	7.6	5.7	---	5.4	7/2004
<i>LB Aggregate Index</i>	---	---	2.2	7.7	5.5	---	5.2	---
Loomis	126,667	High Yield	-3.6	-4.3	5.9	---	5.9	3/2005
<i>LB High Yield Index</i>	---	---	-3.0	-3.7	4.9	---	4.9	---
Wells	118,170	High Yield	-3.0	-2.6	5.2	---	4.2	11/2004
<i>LB High Yield Index</i>	---	---	-3.0	-3.7	4.9	---	4.4	---

* Performance is calculated based on the first full month of performance since funding.

** Inception date reflect the month when portfolio received initial funding.

Latest Quarter

During the first quarter of 2008, two of WPERP's four fixed income managers matched their respective benchmarks.

ING, one of WPERP's two core fixed income managers, finished the quarter with a 1.0% return underperforming the Lehman Aggregate Index by 1.2%. Security selection has detracted from performance. **Wells**, the Plan's other core fixed income managers, posted a quarterly return of 2.2% matching the Lehman Aggregate Index. **Loomis Sayles**, one of the portfolio's two high yield managers, finished the quarter with a minus (3.6%) return and underperformed the Lehman High Yield Index by 60 basis points. The other high yield manager **Wells** finished the quarter with a minus (3.0%) return matching the Lehman High Yield Index.

Latest Year

ING underperformed its benchmark by (1.7%) basis points with a 6.0% return over the latest 12-month period. **Wells** slightly trailed the Lehman Aggregate Index with a 7.6% return during the same period. **Wells** finished the latest 12-month period exceeding the Lehman High Yield Index by 1.1%. Wells' outperformance during the latest one year can be attributed to positive security selection. **Loomis Sayles** trailed over the most recent 12-month period by (60) basis points.

Latest Three Years

Wells, WPERP's core fixed income manager, finished the latest 3-year period outperforming the Lehman Aggregate Index by 20 basis points. **ING**, trailed its benchmark target over the latest 3-year period by 40 basis points. High Yield manager **Wells** posted a 5.2% return during the latest 3-year period outperforming the Lehman High Yield Index by 30 basis points. **Loomis Sayles**, WPERP's other high yield manager, completed the latest 3-year period outperforming it benchmark by 1.0%.

Quarterly Report

Q1-08

Hedge Fund of Funds – Periods ending March 31, 2008

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception**	Inception Date***
Aetos Capital*	34,432	Hedge FoF's	2.1	---	---	---	4.4	2/2007
PAAMCO*	38,102	Hedge FoF's	4.5	---	---	---	15.9	2/2007
Tbills + 3 %*	---	---	1.7	---	---	---	7.2	---

* Returns are lagged one quarter

** Performance is calculated based on the first full month of performance since funding.

*** Inception date reflect the month when portfolio received initial funding.

Latest Quarter

During the first quarter of 2007, WPERP's two hedge fund managers generated positive relative and absolute performance results versus their benchmark.

Aetos, one of WPERP's two hedge fund managers, completed the quarter with a 2.1% return outperforming the Tbill+3% by 40 basis points. **PAAMCO**, the Plan's other hedge fund manager, finished the quarter posting a 4.5%, outperforming the Tbill+3% by 2.8%. Positive portfolio allocation benefited PAAMCO's portfolio returns.

Quarterly Report

Q1-08

Private Equity – Periods ending March 31, 2008

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception**	Inception Date***
Lexington Capital*	13,430	Private Equity	0.0	13.3	---	---	15.3	6/2006
Cambridge U.S. PE*	---	---	3.9	20.8	---	---	25.3	---
Landmark Equity Partners*	16,150	Private Equity	0.0	23.2	---	---	18.9	11/2006
Cambridge U.S. PE*	---	---	3.9	20.8	---	---	24.1	---

* Returns are lagged one quarter

** Performance is calculated based on the first full month of performance since funding.

*** Inception date reflect the month when portfolio received initial funding.

Latest Quarter

At the time of this report, 1Q2008 returns for both Landmark and Lexington were not available from either manager. As a result, their returns were put in as 0% in order to keep the quarterly WPERP database consistent.

Quarterly Report

Q1-08

Real Estate – Periods ending March 31, 2008

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR	Since Inception**	Inception Date***
Prisa*	56,931	Real Estate	1.9	17.5	---	---	16.1	12/2006
NCREIF*	---	---	3.2	15.8	---	---	16.1	---
Prisa II*	10,043	Real Estate	2.0	---	---	---	5.2	6/2007
NCREIF*	---	---	3.2	---	---	---	8.5	---
JP Morgan Strategic*	51,267	Real Estate	2.8	---	---	---	2.8	10/2007
NCREIF*	---	---	3.2	---	---	---	6.9	---

* Returns are lagged one quarter

** Performance is calculated based on the first full month of performance since funding.

*** Inception date reflect the month when portfolio received initial funding.

Latest Quarter

During the first quarter of 2008, WPERP's three real estate managers generated negative relative performance results to their benchmark.

Prisa completed the first quarter of 2008 returning 1.9%, underperforming the NCREIF Index by 1.3%. **Prisa II**, WPERP's other real estate manager, generated a quarterly return of 2.0% return, underperforming the NCREIF Index by 1.2%.

JP Morgan Strategic completed its first complete quarter and generated a return of 2.8%, underperforming its benchmark by 40 basis points.

Health Plan Performance

The WPERP - Health portfolio ended the first quarter of 2008 with an aggregate value of approximately \$627.3 million.

Health Plan - Periods ending March 31, 2008, Gross of Fees

Asset Class	Quarter	1 Year	3 Year	5 Year	Since Inception**	Inception Date***
Total Portfolio	-4.7	-0.1	---	---	0.9	12/2006
<i>Policy Benchmark*</i>	-4.9	-0.2	---	---	0.9	---
BlackRock	-9.5	-5.4	---	---	-3.5	1/2007
<i>R1000 Index</i>	-9.5	-5.4	---	---	-3.4	---
Wells	2.2	7.7	---	---	7.5	1/2007
<i>LB Aggregate</i>	2.2	7.7	---	---	7.4	---

*Policy benchmark consists of 60% Russell 1000 Index and 40%LB Aggregate Bond Index.

** Performance is calculated based on the first full month of performance since funding.

*** Inception date reflect the month when portfolio received initial funding.

Q1 2008 – During the first quarter of 2008, The Health Plan outperformed its policy benchmark return by 20 basis points. Both managers of the Health Plan either matched their respective benchmarks. The benchmark portfolio consists of passively managed asset class portfolios held at the Health Plan's policy weightings.

Health Plan – Asset Allocation as of 3/31/08

Segment	Actual \$(000)	Actual %	Target %	Variance
Total Portfolio	\$627,349	100	100	---
Domestic Equity	355,159	57	60	-3
BlackRock	355,159	57	60	-3
Fixed Income	271,806	43	40	3
Wells	271,806	43	40	3
Cash	382	0	0	0

Asset Allocation – The Health Plan target allocation consists of 60% domestic equity and 40% domestic fixed income. By the close of 1Q 2008, there were two managers, BlackRock and Wells. The total fund was 100% invested in these managers.

Disability Plan Performance

The WPERP - Disability portfolio ended the first quarter of 2008 with an aggregate value of approximately \$32.4 million.

Disability Plan - Periods ending March 31, 2008, Gross of Fees

Asset Class	Quarter	1 Year	3 Year	5 Year	Since Inception**	Inception Date***
Total Portfolio	1.8	7.3	5.6	4.5	---	---
Policy Benchmark*	2.1	7.5	5.4	4.6	---	---
Wells	1.8	7.4	5.6	---	5.4	7/2004
LB Aggregate	2.2	7.7	5.5	---	5.2	---

*Policy benchmark consists of 95% LB Aggregate Bond Index and 5% Citigroup T-Bill.

** Performance is calculated based on the first full month of performance since funding.

*** Inception date reflect the month when portfolio received initial funding.

Q1 2008 – During the first quarter of 2008, the Disability Plan returned 1.8% trailing its policy benchmark. The benchmark portfolio consists of passively managed asset class portfolios held at the Disability Plan's policy weightings.

Longer Term – The Disability Plan provided mixed performance versus its policy benchmark performance over the longer time periods.

Disability Plan – Asset Allocation as of 3/31/08

Segment	Actual \$(000)	Actual %	Target %	Variance
Total Portfolio	\$32,434	100.0	100	---
Fixed Income	30,409	94	95	-1
Wells	30,409	94	95	-1
Cash	2,024	6	5	1

Asset Allocation – The Disability Plan target allocation consists of 95% fixed income investments and 5% cash. By the close of 1Q 2008, there was one fixed income manager, Wells. The total fund was 94% invested in this manager.

Death Plan Performance

The WPERP – Death portfolio ended the first quarter of 2008 with an aggregate value of approximately \$25.3 million.

Death Plan - Periods ending March 31, 2008, Gross of Fees

Asset Class	Quarter	1 Year	3 Year	5 Year	Since Inception**	Inception Date***
Total Portfolio	1.8	7.2	5.6	4.6	---	---
Policy Benchmark*	2.1	7.5	5.4	4.6	---	---
Wells	1.9	7.4	5.6	---	5.5	7/2004
LB Aggregate	2.2	7.7	5.5	---	5.4	---

*Policy benchmark consists of 96% LB Aggregate Bond Index and 4% Citigroup T-bill.

** Performance is calculated based on the first full month of performance since funding.

*** Inception date reflect the month when portfolio received initial funding.

Q1 2008 – During the first quarter of 2008, the Death Plan returned 1.8% trailing its policy benchmark. The benchmark portfolio consists of passively managed asset class portfolios held at the Death Plan's policy weightings.

Longer Terms – The Death Plan provided mixed relative performance versus its policy benchmark over all extended periods.

Death Plan – Asset Allocation as of 3/31/08

Segment	Actual \$(000)	Actual %	Target %	Variance
Total Portfolio	\$25,284	100	100	---
Fixed Income	23,520	93	96	-3
Wells	23,520	93	96	-3
Cash	1,764	7	4	3

Asset Allocation – The Death Benefit Plan target allocation consists of 96% fixed income investments and 4% cash. By the close of 1Q 2008, there was one fixed income manager, Wells. The total fund was 93% invested in this manager.

Quarterly Report

Q1-08

Managers Placed on Watch Status Return vs. Benchmark Since Watch As of March 31, 2008

Portfolio	Style Group	Concern	Begin Watch Status	Performance Since Begin Watch Status					
				First Month	First 3 Months	First 6 Months	First 9 Months	First 12 Months	Since Placed on Watch*
Pyramis	Developed Markets	Organizational	9/1/2005	3.7	3.5	15.1	20.0	22.9	14.0
MSCI EAFE ND**	Developed Markets		---	4.5	3.9	15.1	19.8	24.3	13.6
Pyramis Perf. Vs. Target	MSCI EAFE ND		---	N/M	N/M	N/M	N/M	-1.4	0.4
Earnest Partners	Small Value	Performance	7/1/2006	-3.3	-2.7	5.5	4.1	9.6	-1.9
Russell 2000 Value	Small Value		---	-1.4	2.6	11.8	13.4	16.1	-3.3
Earnest Perf. Vs. Target	Russell 2000 Value		---	N/M	N/M	N/M	N/M	-6.5	1.4
The Boston Company	Emerging Markets	Performance	9/1/2006	1.8	13.4	16.0	30.8	36.6	27.7
MSCI Emerging Markets	Emerging Markets		---	0.8	13.5	16.7	33.4	44.0	34.5
Boston Perf. Vs. Target	MSCI EMF		---	N/M	N/M	N/M	N/M	-7.4	-6.8
Fred Alger	Large Growth	Performance	1/1/2007	4.0	6.4	16.1	28.9	33.6	9.8
Russell 1000 Growth	Large Growth		---	2.6	1.2	8.1	12.7	11.8	0.3
Fred Alger Perf. Vs. Target	Russell 1000 Growth		---	N/M	N/M	N/M	N/M	21.8	9.5
Wells	Core	Organizational	4/1/2007	0.6	-0.6	2.4	5.3	7.6	7.6
LB Aggregate	Core			0.5	-0.5	2.3	5.4	7.7	7.7
Wells Perf. Vs. Target	LB Aggregate			N/M	N/M	N/M	N/M	---	N/M
Wells	High Yield	Organizational	6/1/2007	-1.6	-3.2	-1.7	-4.4	---	-4.4
LB High Yield	High Yield			-1.8	-4.0	-3.0	-5.3	---	-5.7
Wells Perf. Vs. Target	LB High Yield			N/M	N/M	N/M	N/M	---	N/M
The Boston Company	Developed Markets	Organizational	9/1/2007	3.0	2.5	-8.2	---	---	-9.7
EAFE + Canada ND	Developed Markets			5.7	6.0	-3.7	---	---	-5.1
Boston Perf. Vs. Target	EAFE + Canada ND			N/M	N/M	N/M	N/M	---	N/M

*Performance based on data provided by Mellon

** Pyramis' benchmark was changed to MSCI EAFE Growth (originally MSCI EAFE + Canada Growth)

(See next page)

Pyramis was placed on watch status on 8/17/2005 due to organizational changes. Watch status was extended on 9/19/2007.

Earnest Partners was placed on watch status on 6/21/2006 due to short-term performance.

The Boston Company (Emerging Markets) was placed on watch status on 8/2/2006 due to short-term performance. Watch status was extended on 9/19/2007.

Fred Alger was placed on watch status on 12/6/2006 due to short-term performance.

Wells (Core) was placed on watch status on 3/7/2007 due to organizational changes.

Wells (High Yield) was placed on watch status on 5/2/2007 due to organizational changes.

The Boston Company (International Developed) was placed on watch status on 8/1/2007 due to organization changes.

Periods marked as '---' do not indicate that returns are not available for these periods only that the manager in question has not been on watch status for these periods.

Periods marked as "N/M" indicate returns are not meaningful enough to fairly judge investment performance.

Quarterly Report

Q1-08

WPERP Estimated Performance Results Net and Gross of Fees Comparison For Quarter Ending 3/31/2008

Asset Class	Manager	Market Value \$(M)	Performance, %**		Difference	
			Net	Gross	Percentage	Market Value
Domestic Equity						
Russell 1000 Index						
Passive	BlackRock	1,277,336,339	-9.58%	-9.57%	-0.01%	-127,746
Large Value	MFS	358,312,322	-8.60%	-8.52%	-0.08%	-286,879
Large Value	T. Rowe Price	331,822,319	-8.42%	-8.34%	-0.08%	-265,670
Large Growth	Fred Alger	328,204,567	-15.94%	-15.86%	-0.08%	-262,774
Large Growth	Intech	299,944,370	-12.76%	-12.66%	-0.10%	-300,245
Small Value	Earnest Partners	111,095,450	-8.49%	-8.34%	-0.15%	-166,894
Small Growth	NorthPointe	41,658,492	-20.52%	-20.33%	-0.19%	-79,302
Small Growth	Paradigm	49,132,973	-11.69%	-11.51%	-0.18%	-88,559
		\$2,797,506,832				
International Equity						
Active Equities	Invesco	431,848,671	-10.33%	-10.22%	-0.11%	-475,557
Active Equities	The Boston Co.	334,512,234	-10.67%	-10.58%	-0.09%	-301,332
Active Equities	Pyramis	417,410,197	-9.40%	-9.32%	-0.08%	-334,196
Emerging Markets	T. Rowe Price	97,876,799	-12.57%	-12.33%	-0.24%	-235,469
Emerging Markets	The Boston Company	91,299,173	-8.81%	-8.58%	-0.23%	-210,472
		\$1,372,947,074				
Domestic Fixed Income						
Core	ING	1,104,538,154	0.94%	0.97%	-0.03%	-331,461
Core	Wells	1,129,009,200	2.20%	2.23%	-0.03%	-338,804
High Yield	Loomis Sayles	126,667,098	-3.73%	-3.60%	-0.13%	-164,882
High Yield	Wells	118,170,036	-3.16%	-3.04%	-0.12%	-141,974
		\$2,478,384,488				
Hedge Fund of Funds						
Aetos		34,432,668	-0.15%	---	-0.19%	-65,547
PAAMCO		38,102,344	-3.20%	---	-0.25%	-95,495
		\$72,535,012				
Real Estate						
JP Morgan		51,267,489	2.85%	---	-0.12%	-61,595
Prisa		56,931,379	1.94%	---	-0.21%	-119,807
Prisa II		10,043,834	1.50%	---	-0.22%	-22,145
		\$118,242,702				
Private Equity						
Lexington		13,430,689	0.00%	---	---	---
Landmark		16,150,070	0.00%	---	---	---
		\$29,580,759				
Cash		\$113,718,834	---	0.94%	---	---
TOTAL PORTFOLIO**						
		6,995,052,839	-6.16%	-6.10%	-0.06%	-\$4,476,805
Total Fund Policy			---	-5.35%	---	---

*Total portfolio fees do not include Private Equity.

**Returns and market values calculated using data from Mellon and LDZ

WPERP

Performance Summary and Total Fund Universe Rankings as of March 31, 2008

Mellon Total Funds - Public Universe				
	<u>Quarter</u>	<u>1- Year</u>	<u>3-Year</u>	<u>5-Year</u>
Maximum	-0.9	6.9	12.2	16.0
Percentile 25	-4.4	2.4	9.9	13.6
Median	-5.1	0.9	8.4	12.5
Percentile 75	-5.9	-0.3	7.5	11.2
Minimum	-7.6	-3.2	6.0	7.2
Number of Portfolios	60	57	55	53
LADWP Total Fund				
Return	-6.1	0.4	7.6	10.0
Quartile Rank	4th	3rd	3rd	4th

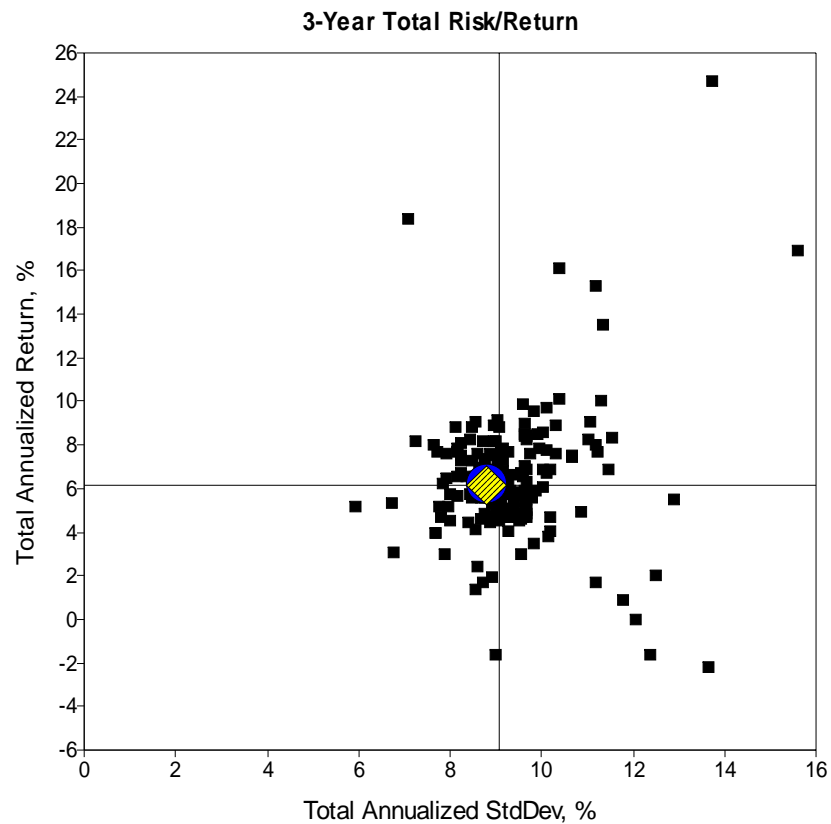
Notes:

Sources: Universe Information; Mellon Total Public Funds

All performance is shown **gross of fees**.



WPERP Large Cap Core Manager Comparisons as of March 31, 2008



	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
BlackRock - LADWP	6.19	8.79	0.70
Russell 1000	6.19	8.78	0.71
Large Cap Manager Universe Median	6.18	9.07	0.69

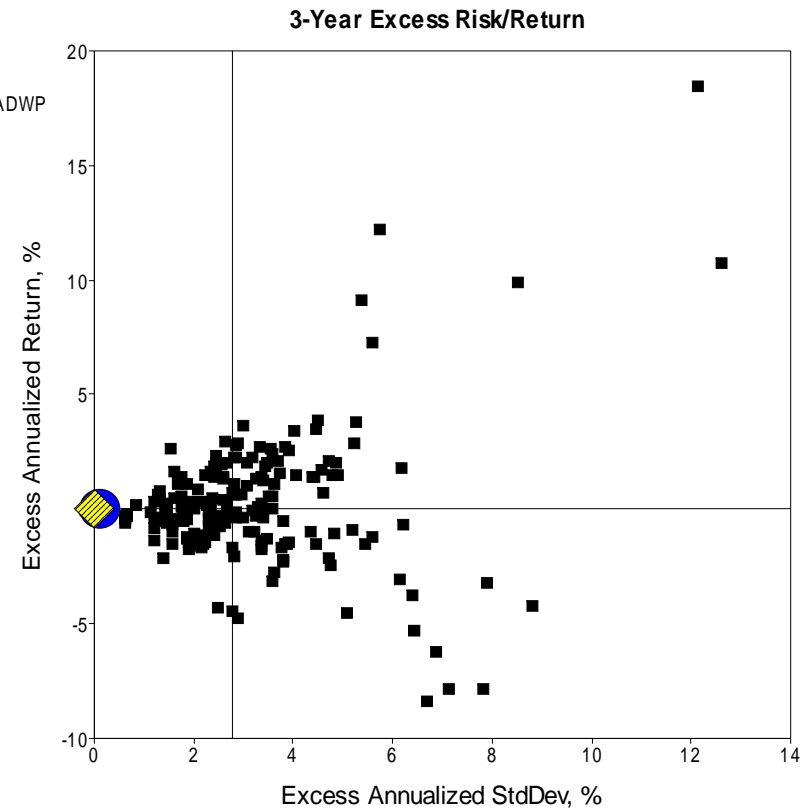
Notes:

Sources: Data MPI/eVestment Alliance (index information).

All performance is shown **gross of fees**.

Performance and related statistics calculated using MPI software that geometrically linked and compounded returns.

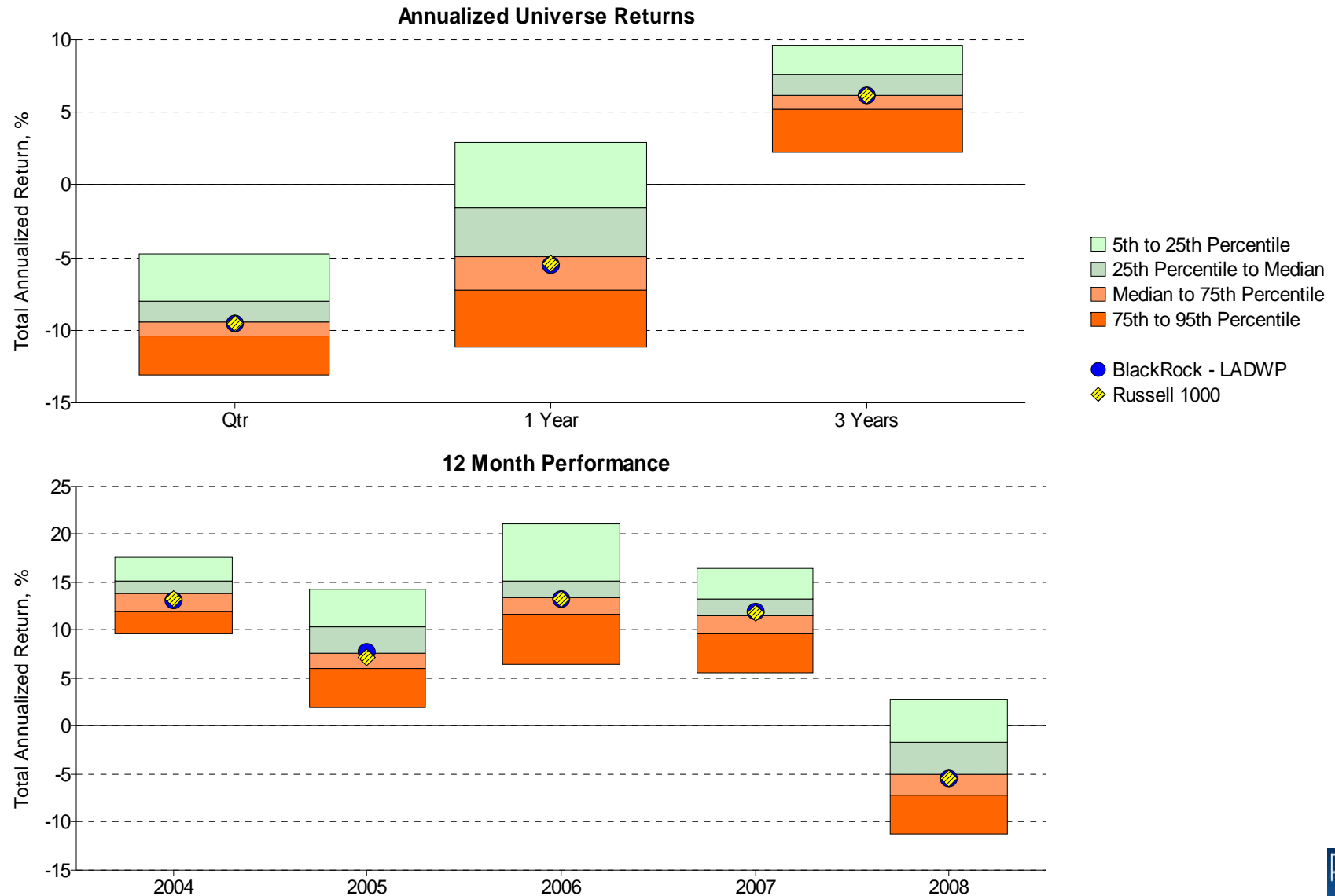
Differences due to rounding.



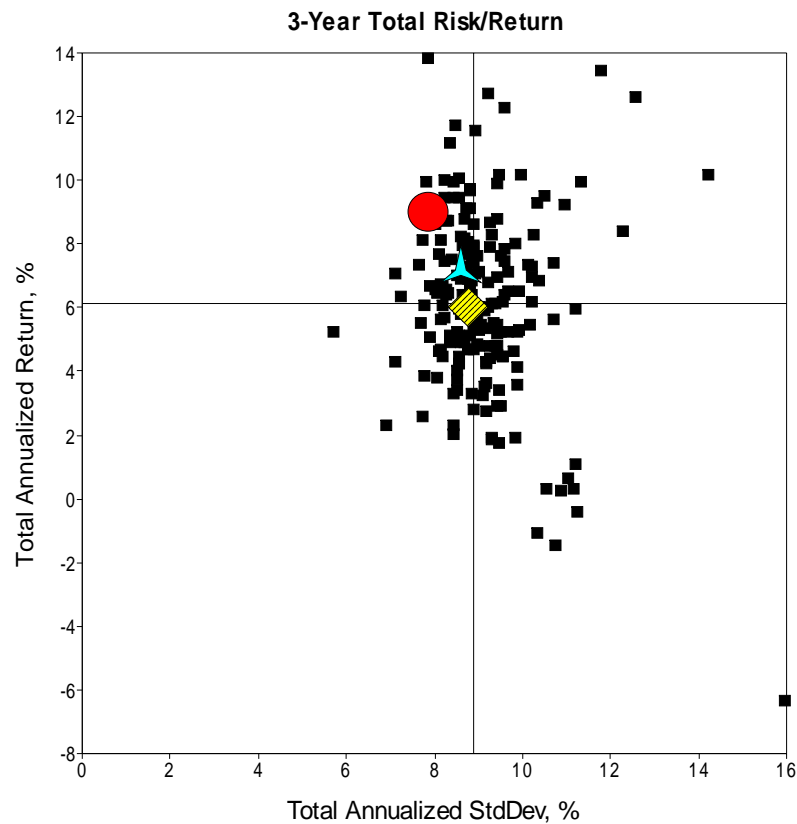
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
BlackRock - LADWP	0.00	0.13	0.03
Russell 1000	0.00	0.00	NA
Large Cap Manager Universe Median	-0.01	2.76	-0.01



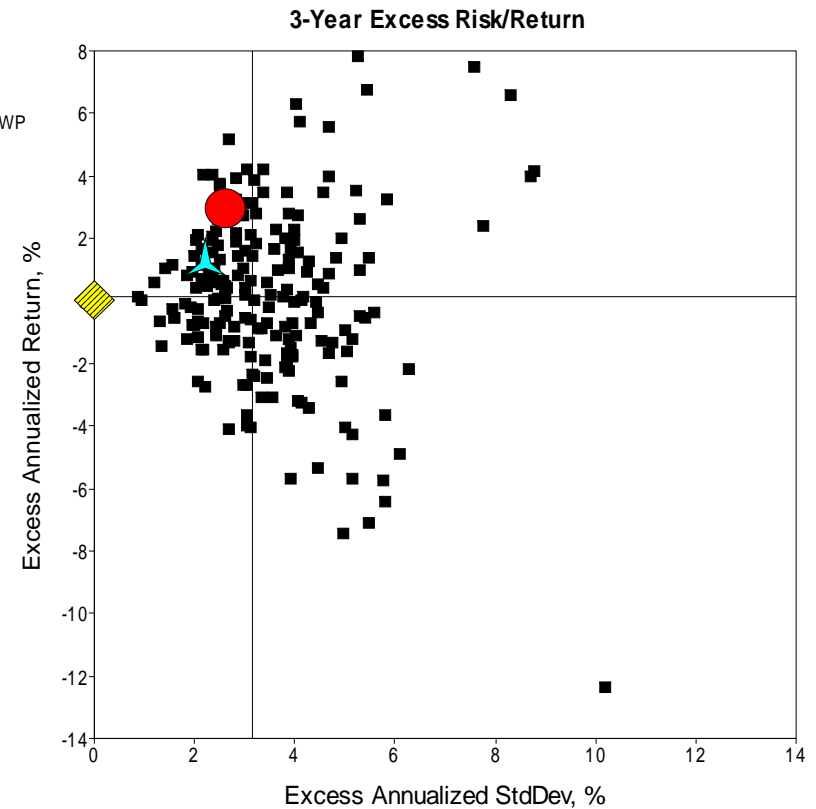
WPERP Large Cap Core Manager Comparisons as of March 31, 2008



WPERP Large Cap Value Manager Comparisons as of March 31, 2008



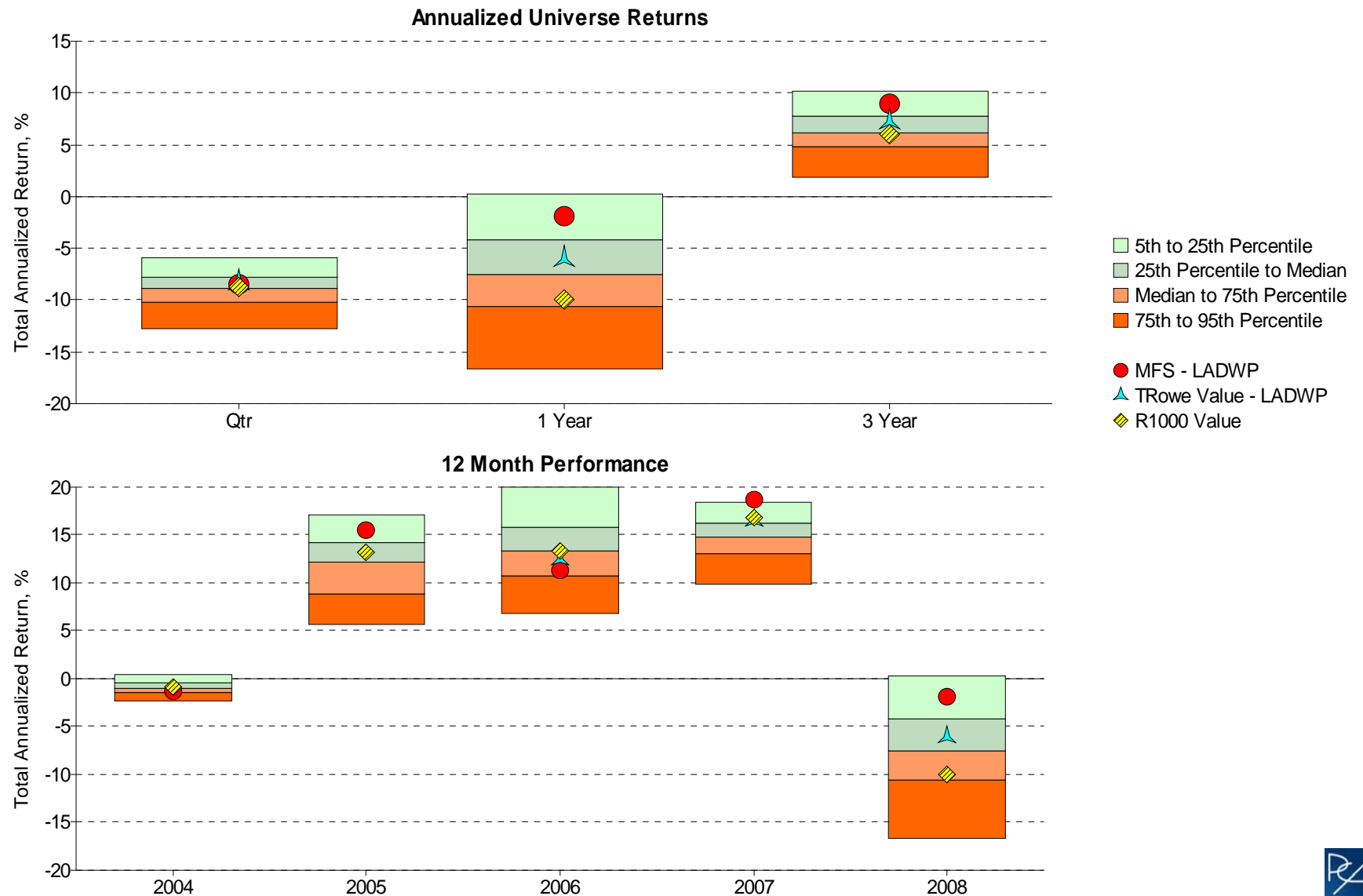
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
MFS - LADWP	8.99	7.87	1.14
TRowe Value - LADWP	7.20	8.58	0.84
R1000 Value	6.00	8.78	0.68
Large Value Manager Universe Median	6.13	8.87	0.69



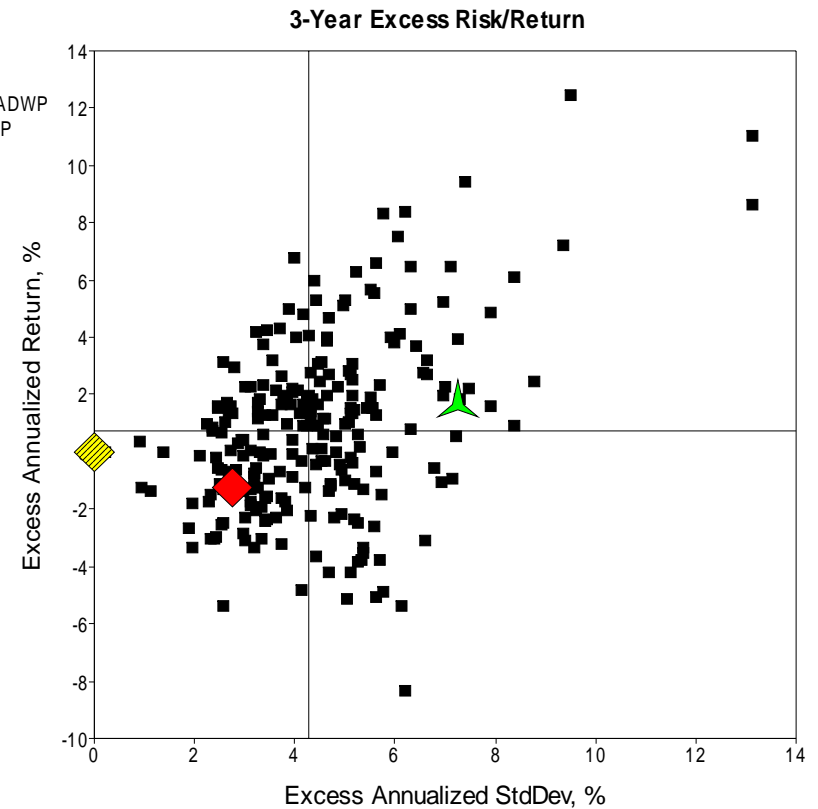
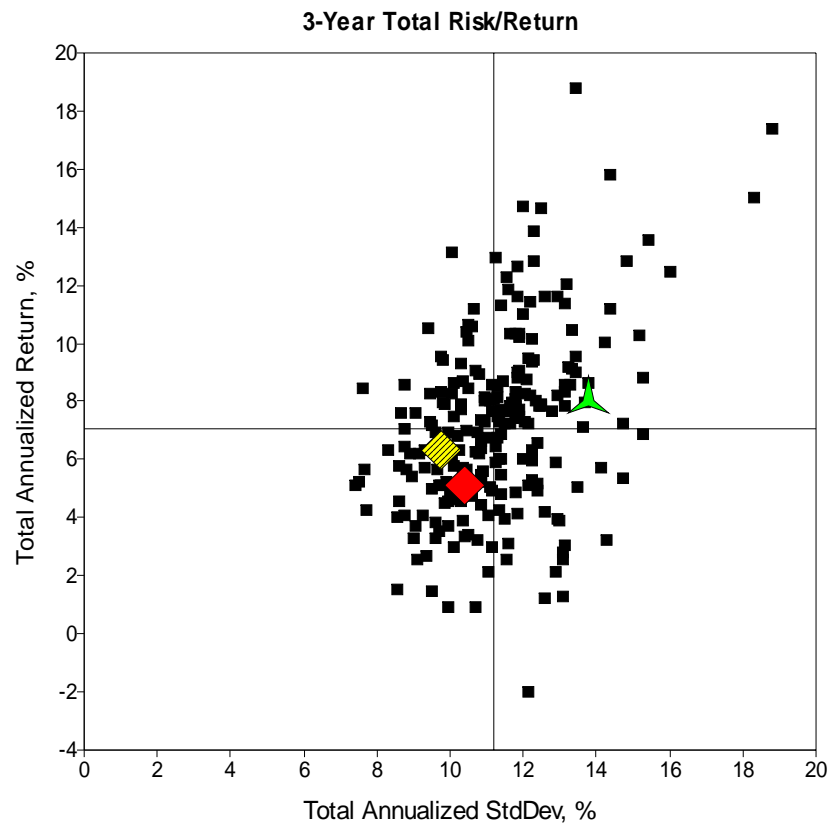
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
MFS - LADWP	2.99	2.61	1.14
TRowe Value - LADWP	1.20	2.22	0.54
R1000 Value	0.00	0.00	NA
Large Value Manager Universe Median	0.13	3.16	0.07



WPERP Large Cap Value Manager Comparisons as of March 31, 2008



WPERP Large Cap Growth Manager Comparisons as of March 31, 2008

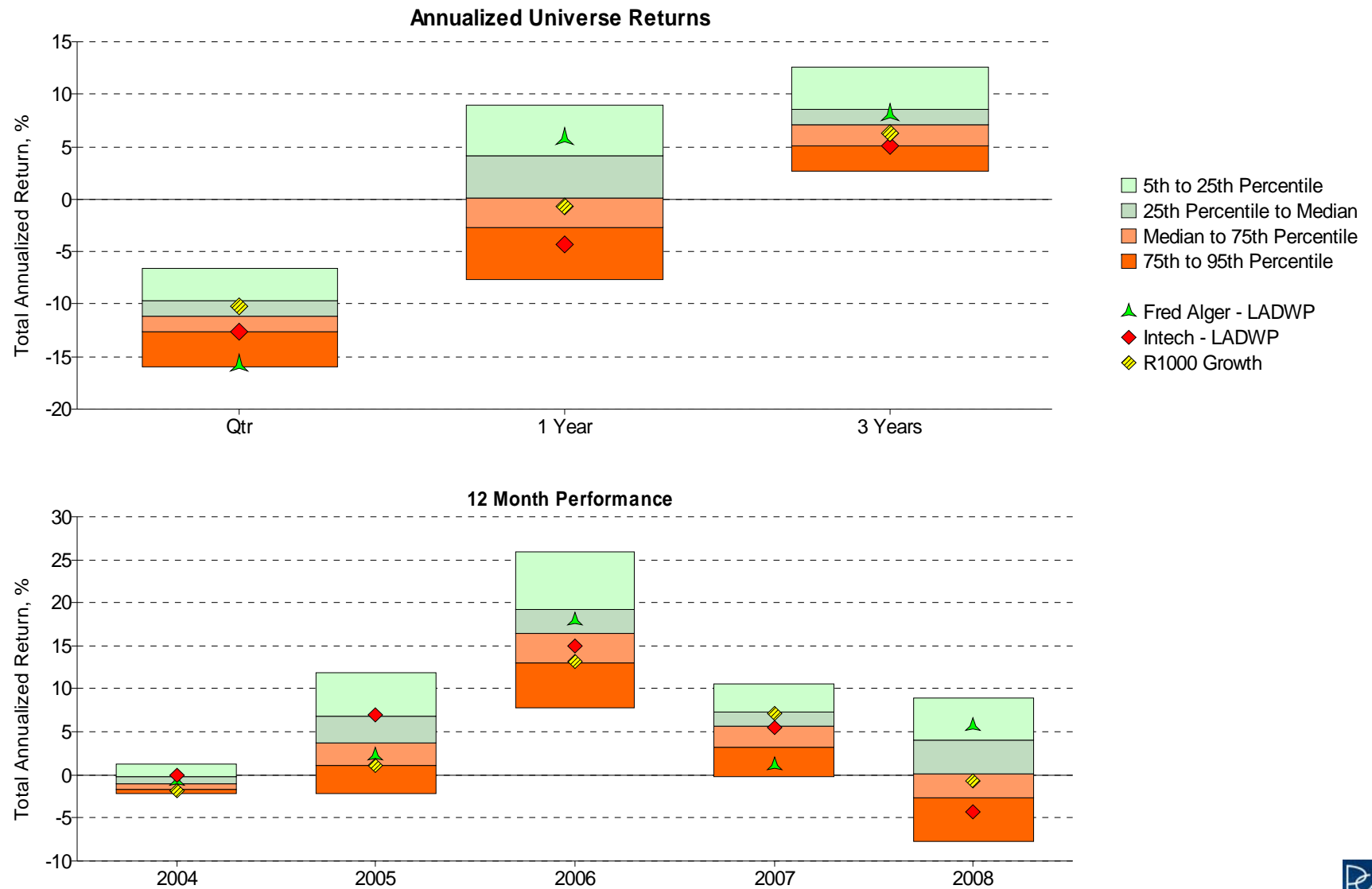


	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Fred Alger - LADWP	8.02	13.78	0.58
Intech - LADWP	5.11	10.39	0.49
R1000 Growth	6.34	9.74	0.65
Large Growth Manager Universe Median	7.05	11.22	0.64

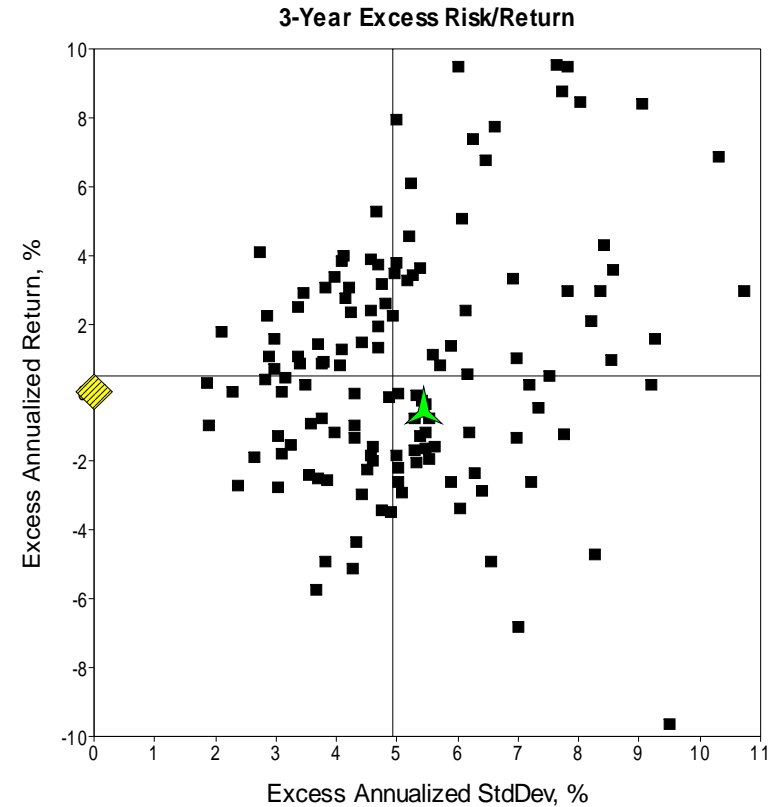
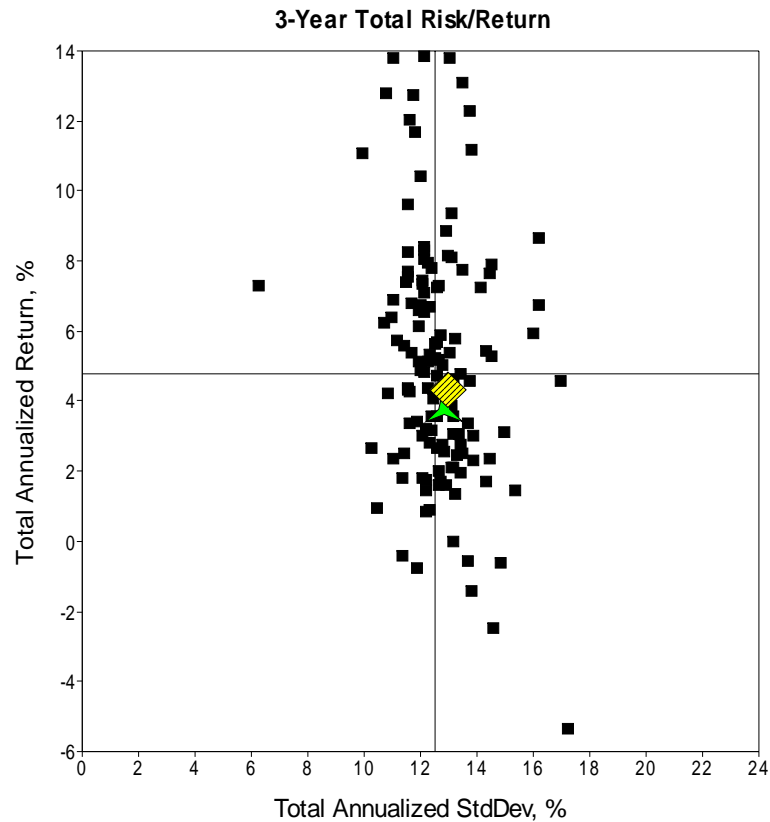
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Fred Alger - LADWP	1.68	7.25	0.23
Intech - LADWP	-1.22	2.77	-0.44
R1000 Growth	0.00	0.00	NA
Large Growth Manager Universe Median	0.72	4.30	0.21



WPERP Large Cap Growth Manager Comparisons as of March 31, 2008



WPERP Small Cap Value Manager Comparisons as of March 31, 2008

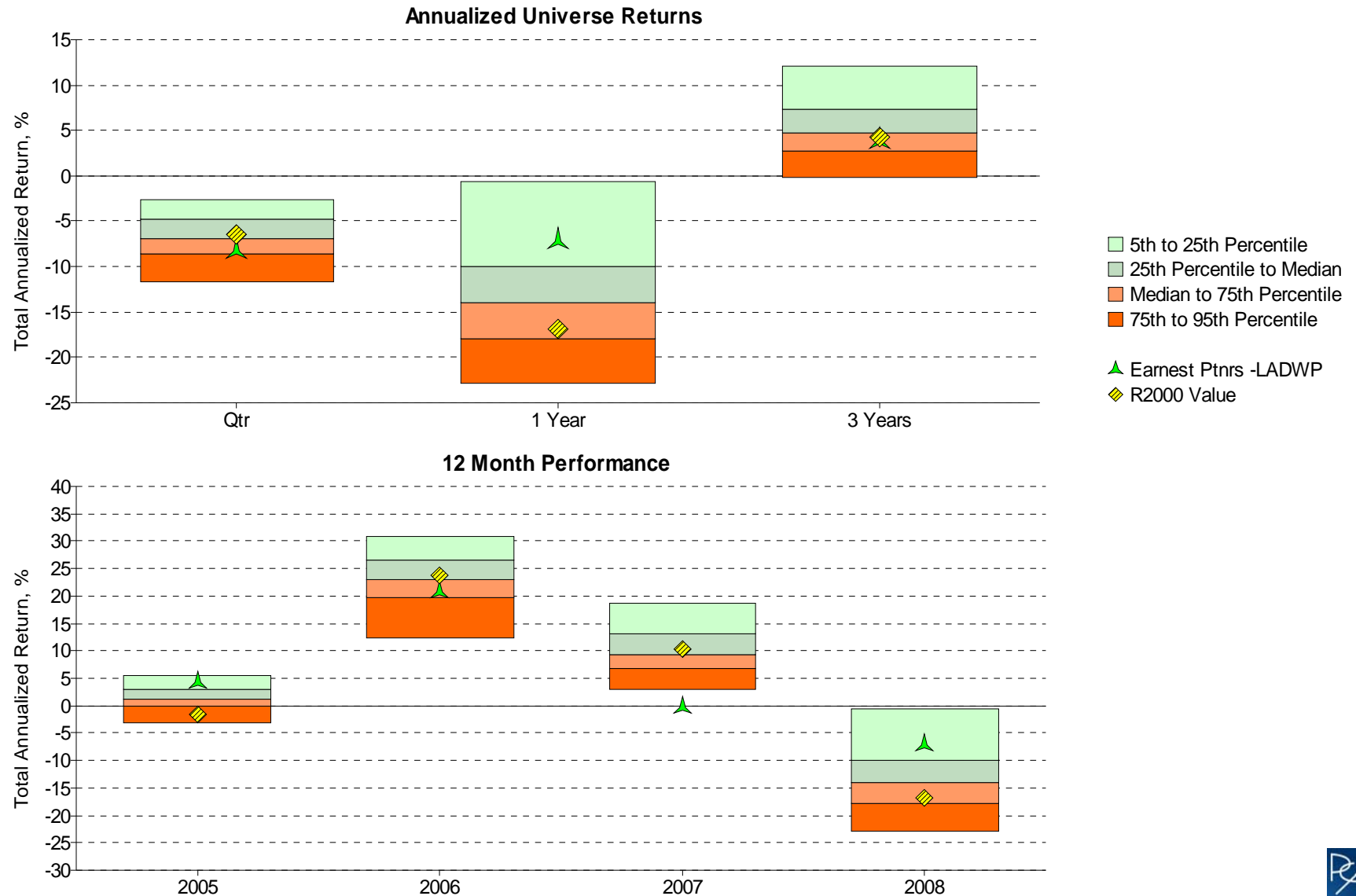


	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Earnest Ptnrs -LADWP	3.76	12.85	0.29
R2000 Value	4.33	12.96	0.33
Small Cap Value Universe Median	4.80	12.54	0.38

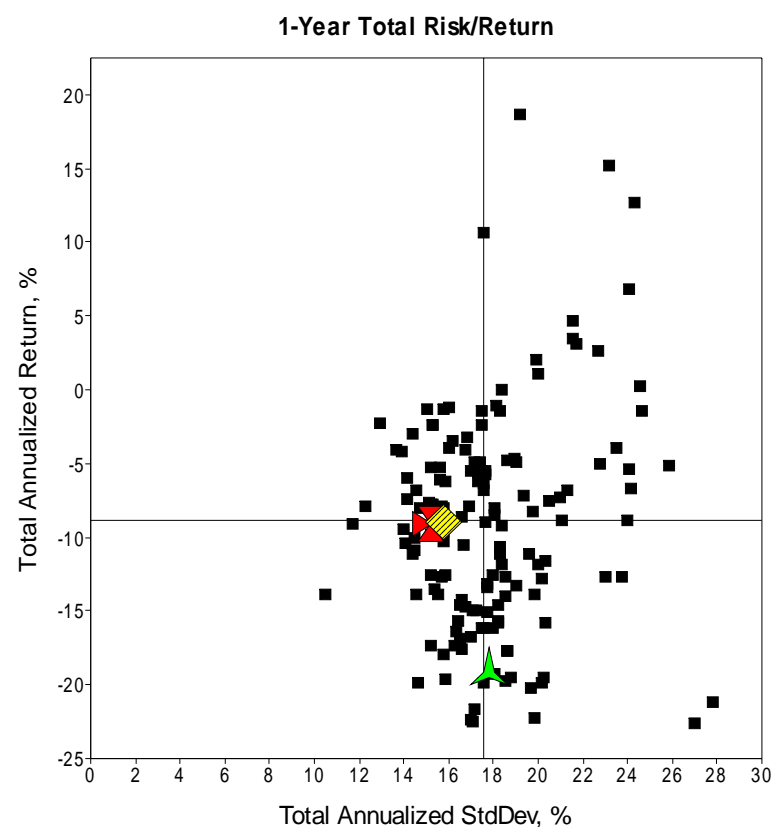
	Annualized Excess Return, %	Annualized Excess StDev, %	Sharpe Ratio, Excess
Earnest Ptnrs -LADWP	-0.56	5.44	-0.10
R2000 Value	0.00	0.00	NA
Small Cap Value Universe Median	0.47	4.93	0.14



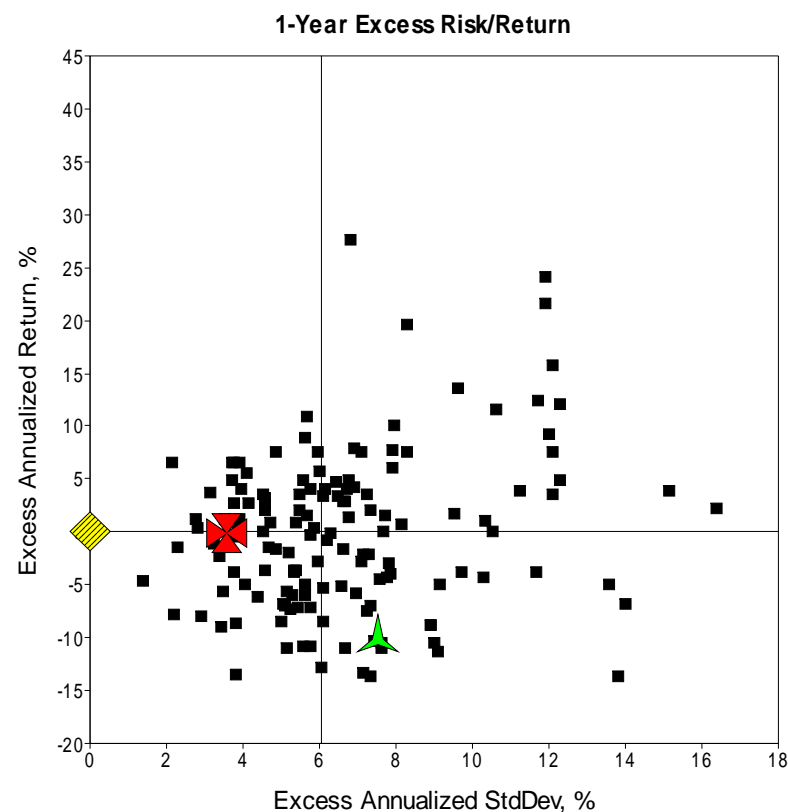
WPERP Small Cap Value Manager Comparisons as of March 31, 2008



WPERP Small Cap Growth Manager Comparisons as of March 31, 2008



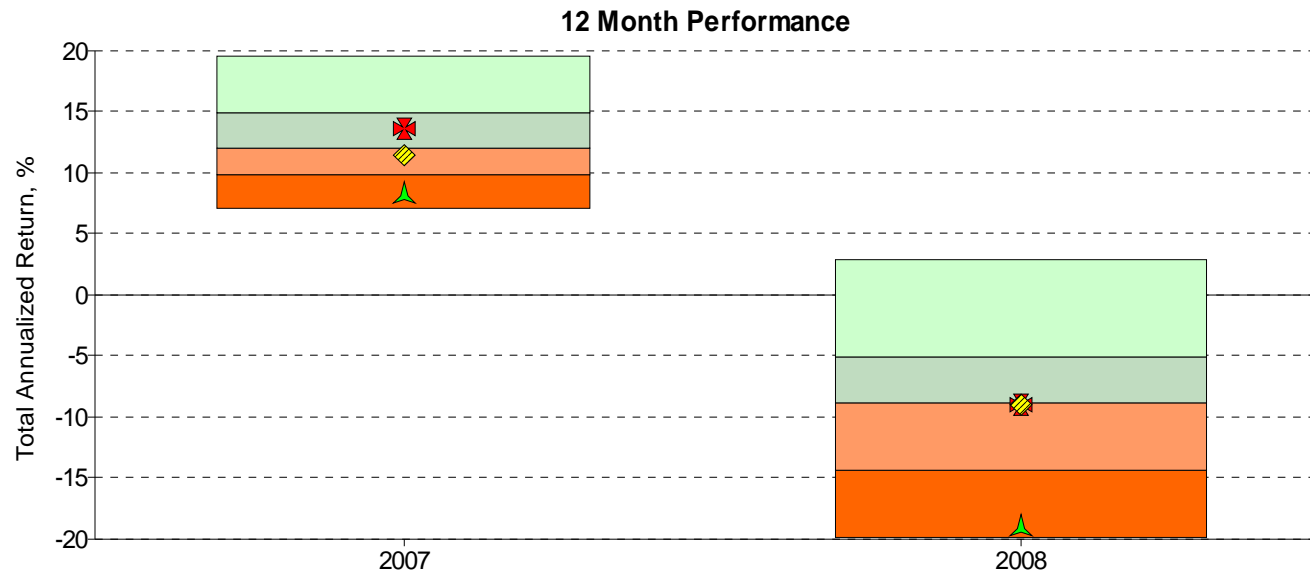
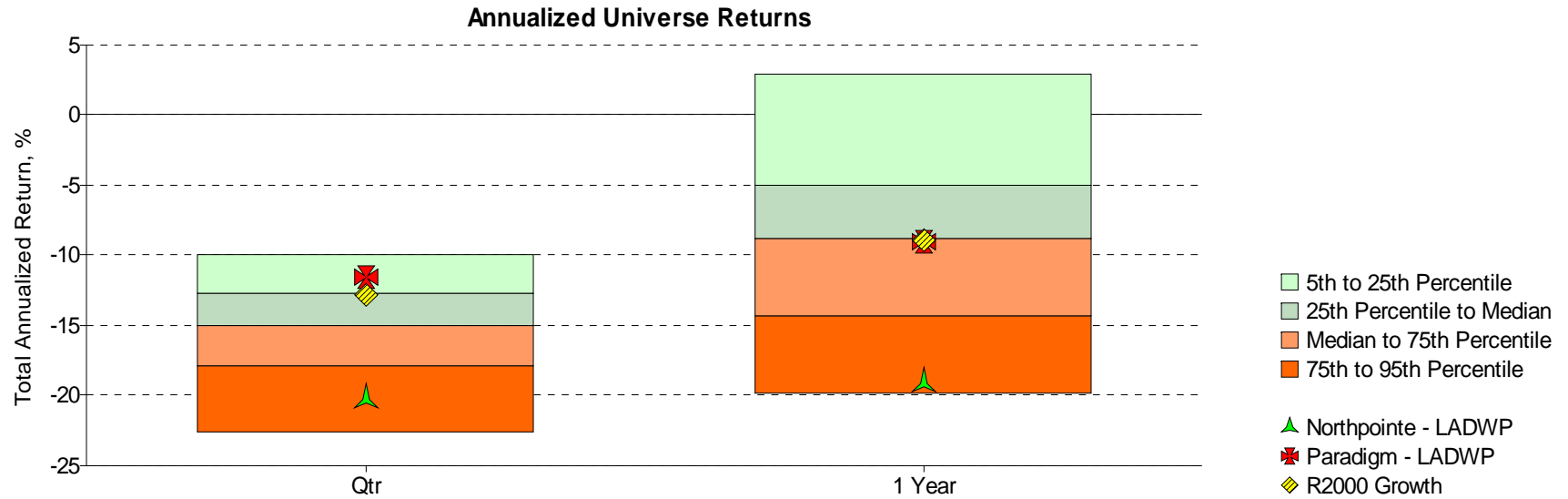
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Northpointe - LADWP	-19.09	17.77	-1.07
Paradigm - LADWP	-9.03	15.21	-0.59
R2000 Growth	-8.94	15.80	-0.57
Small Cap Growth Universe Median	-8.83	17.54	-0.53



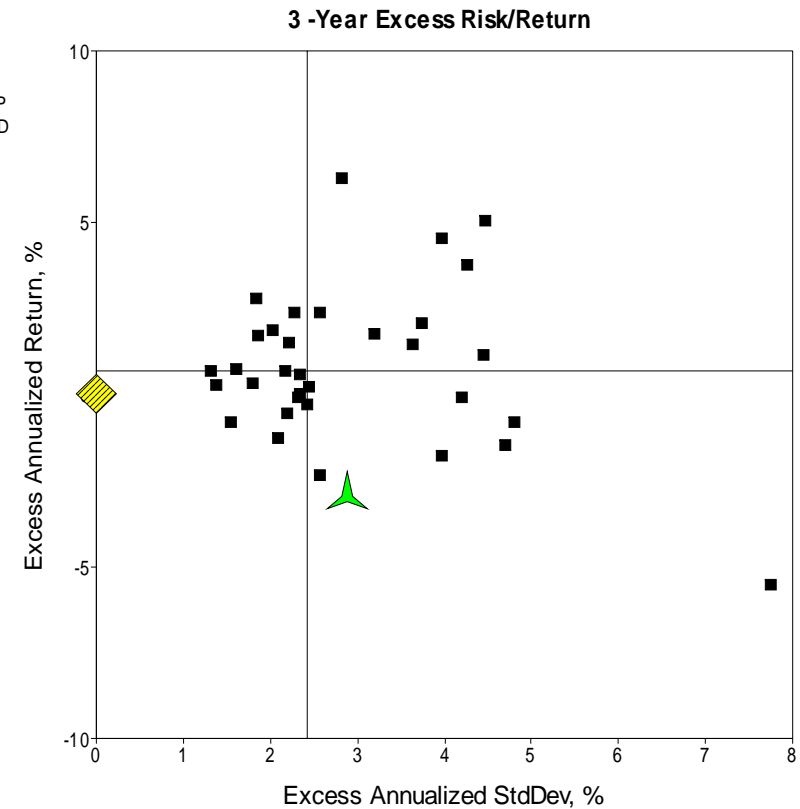
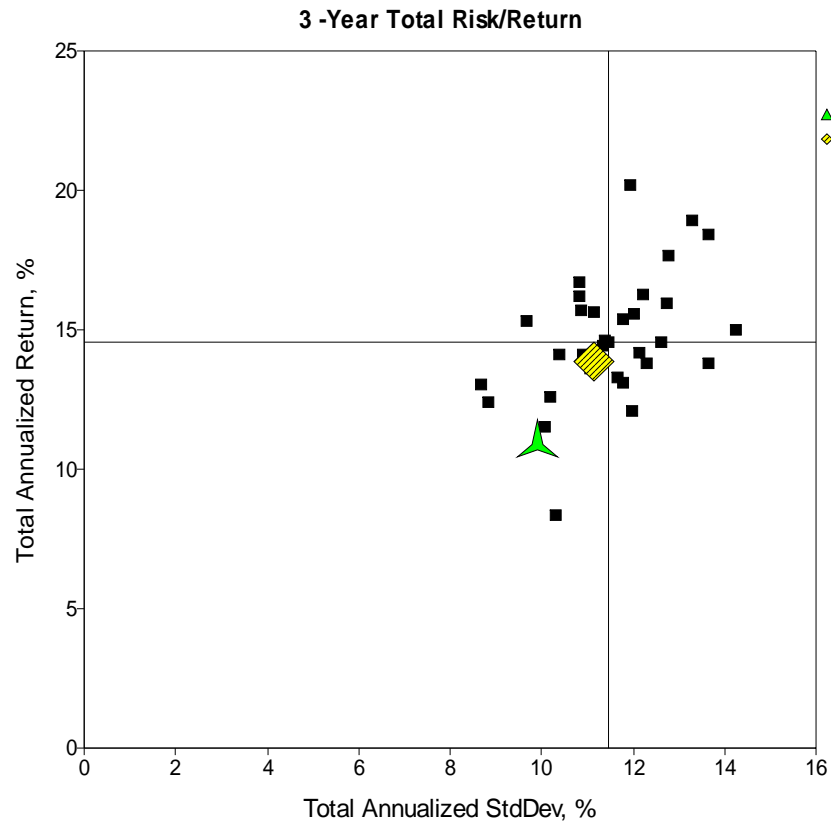
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Northpointe - LADWP	-10.15	7.52	-1.35
Paradigm - LADWP	-0.10	3.58	-0.03
R2000 Growth	0.00	0.00	NA
Small Cap Growth Universe Median	0.10	6.05	0.04



WPERP Small Cap Growth Manager Comparisons as of March 31, 2008



WPERP International Equity Manager Comparisons as of March 31, 2008

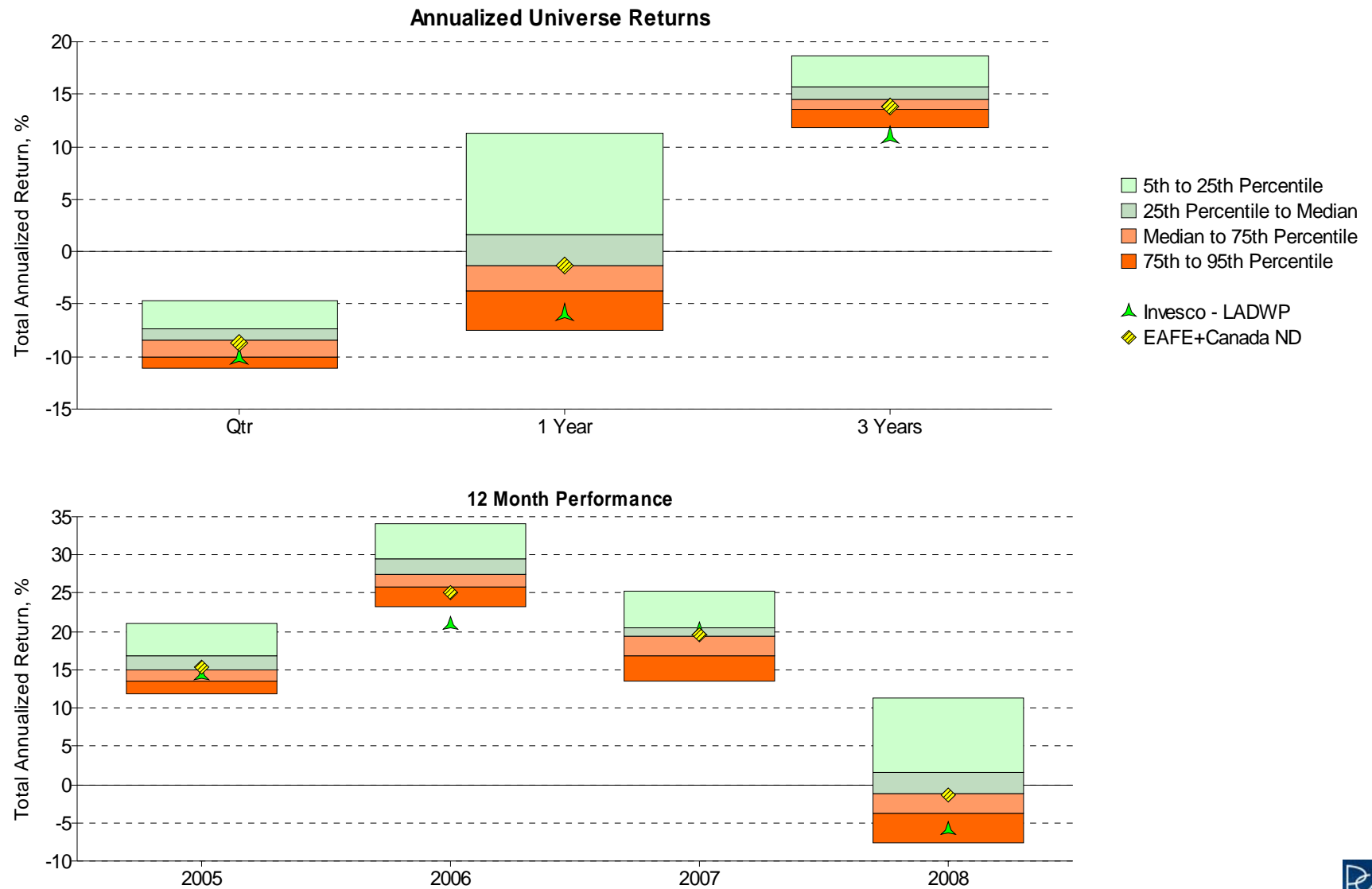


	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Invesco - LADWP	10.91	9.89	1.10
EAFE+Canada ND	13.86	11.16	1.24
International Equity Universe Median	14.54	11.48	1.29

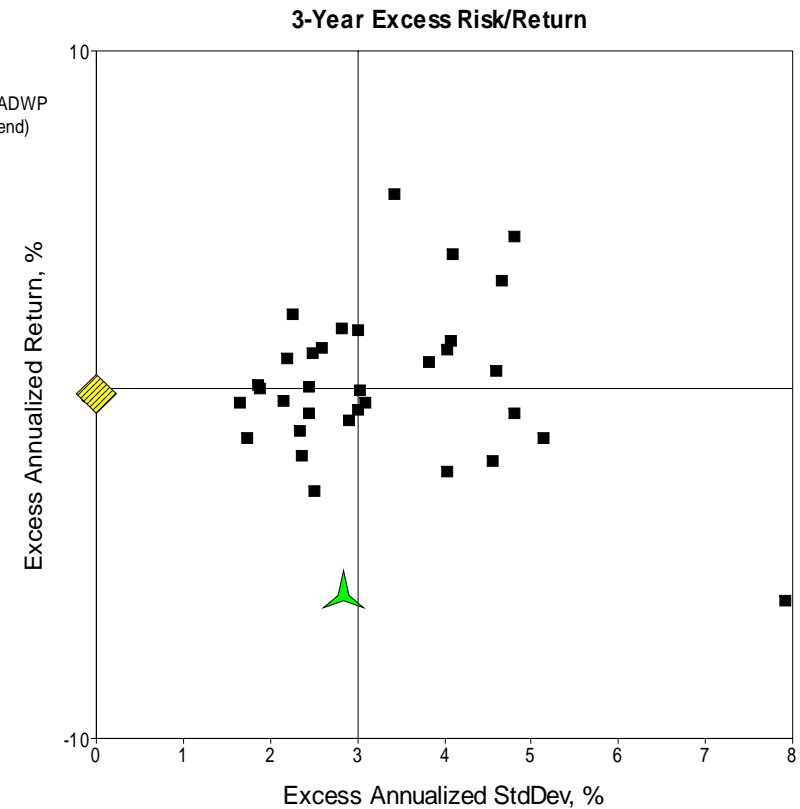
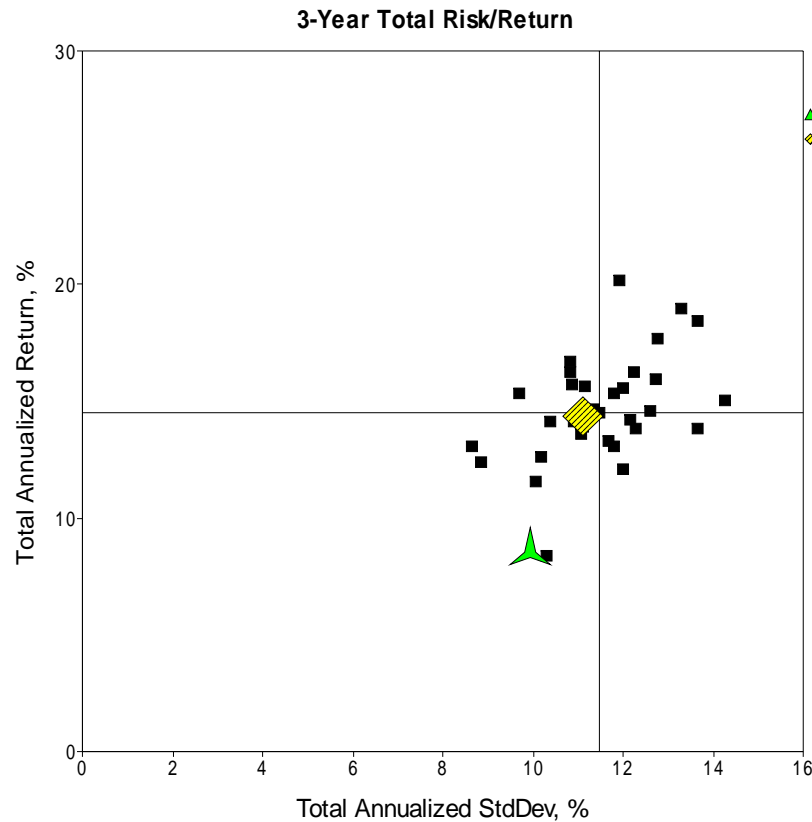
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Invesco - LADWP	-2.96	2.87	-1.03
EAFE+Canada ND	0.00	0.00	NA
International Equity Universe Median	0.68	2.42	0.26



WPERP International Equity Manager Comparisons as of March 31, 2008



WPERP International Equity Manager Comparisons as of March 31, 2008

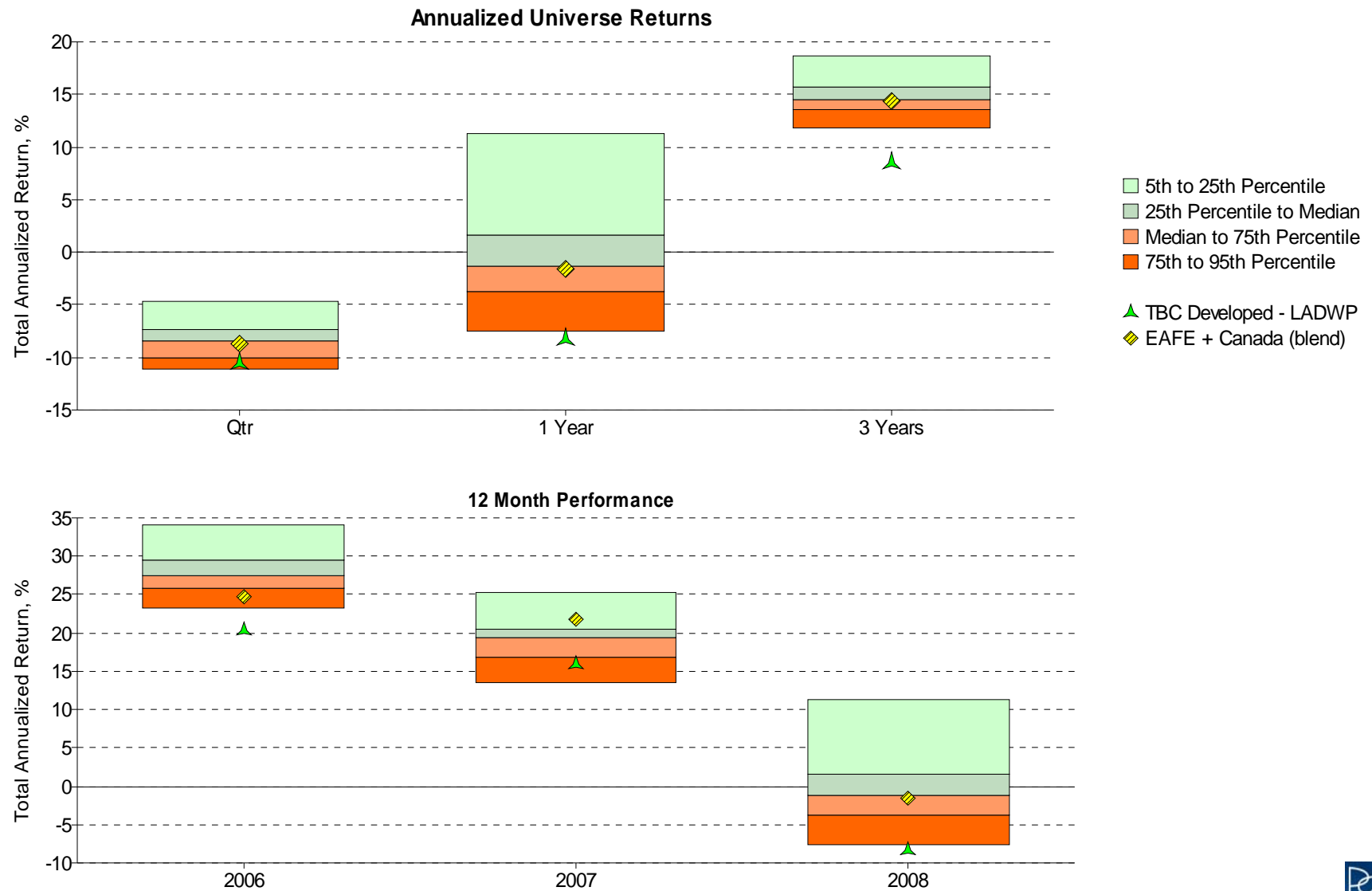


	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
TBC Developed - LADWP	8.53	9.94	0.86
EAFE + Canada (blend)	14.34	11.11	1.29
International Equity Universe Median	14.54	11.48	1.29

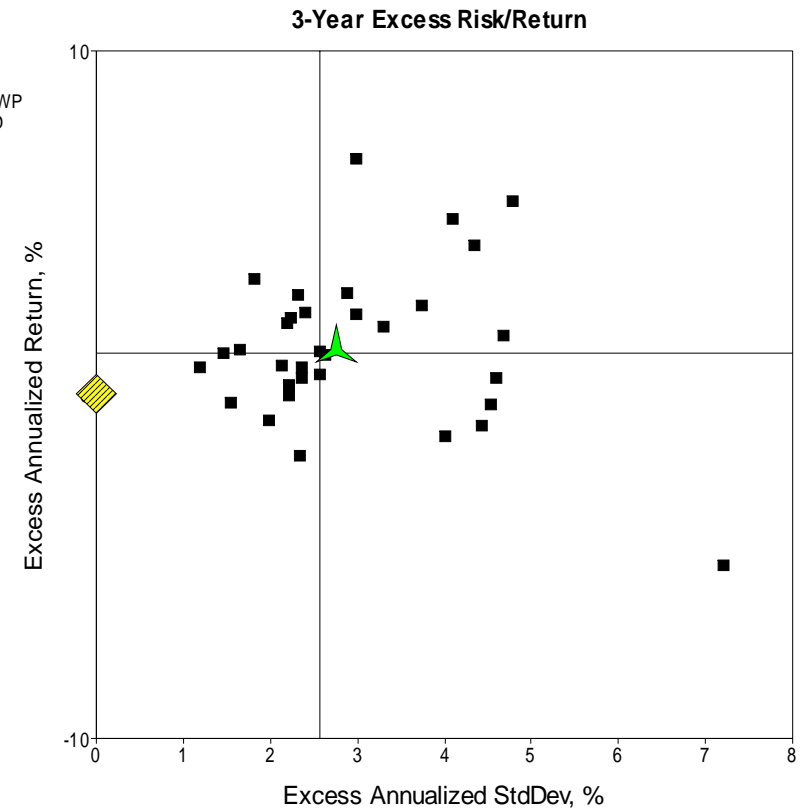
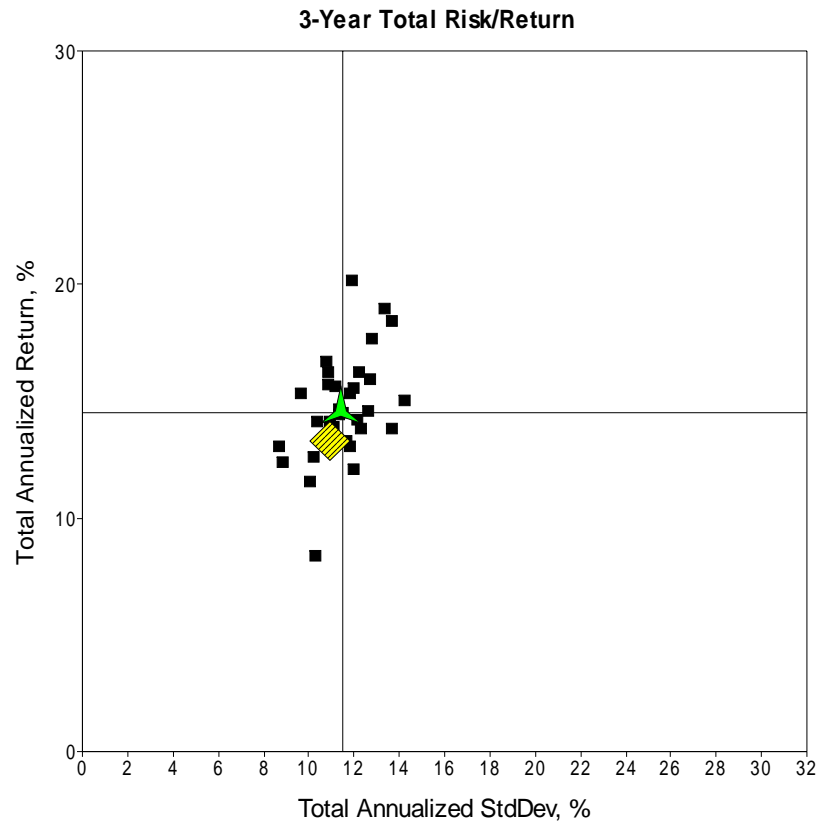
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
TBC Developed - LADWP	-5.81	2.84	-2.05
EAFE + Canada (blend)	0.00	0.00	NA
International Equity Universe Median	0.20	3.01	0.09



WPERP International Equity Manager Comparisons as of March 31, 2008



WPERP International Equity Manager Comparisons as of March 31, 2008

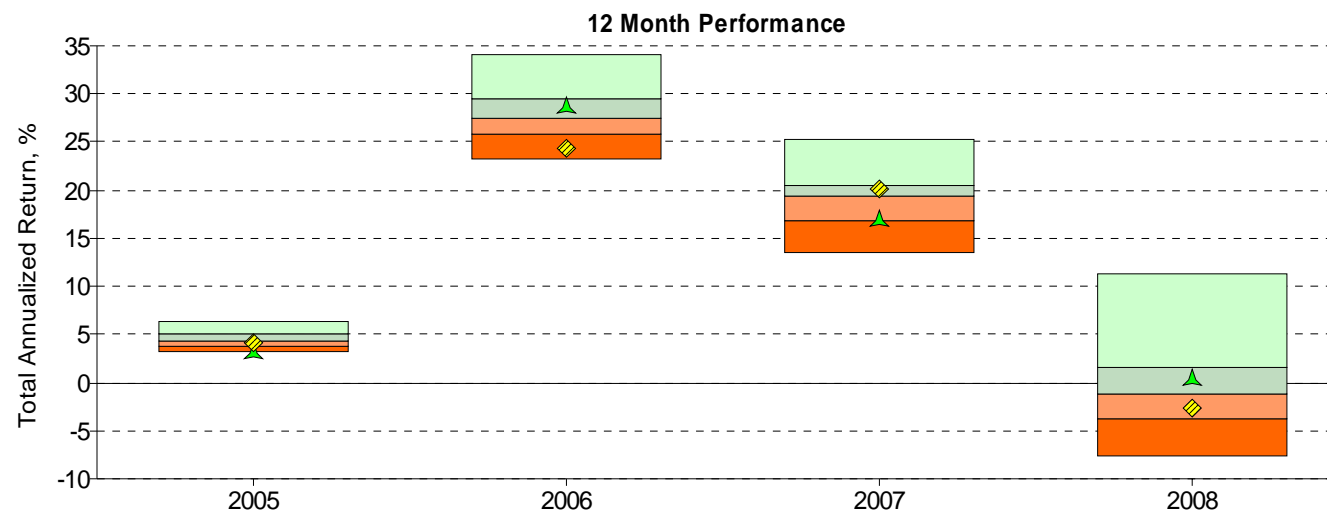
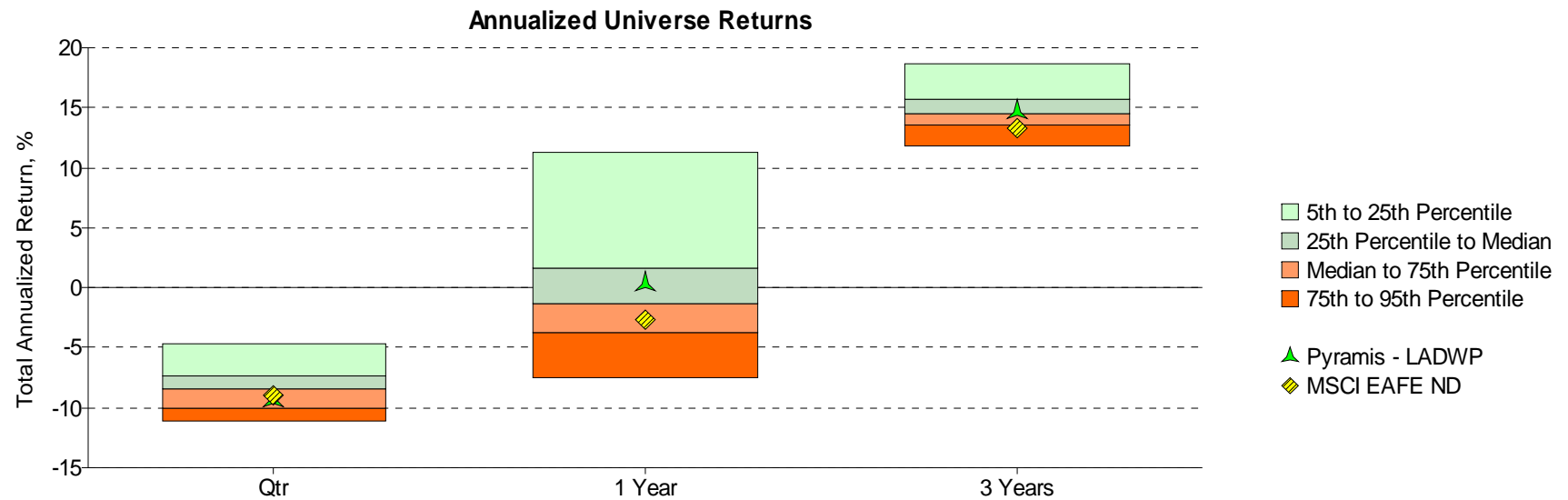


	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Pyramis - LADWP	14.61	11.45	1.28
MSCI EAFE ND	13.32	10.93	1.22
International Equity Universe Median	14.54	11.48	1.29

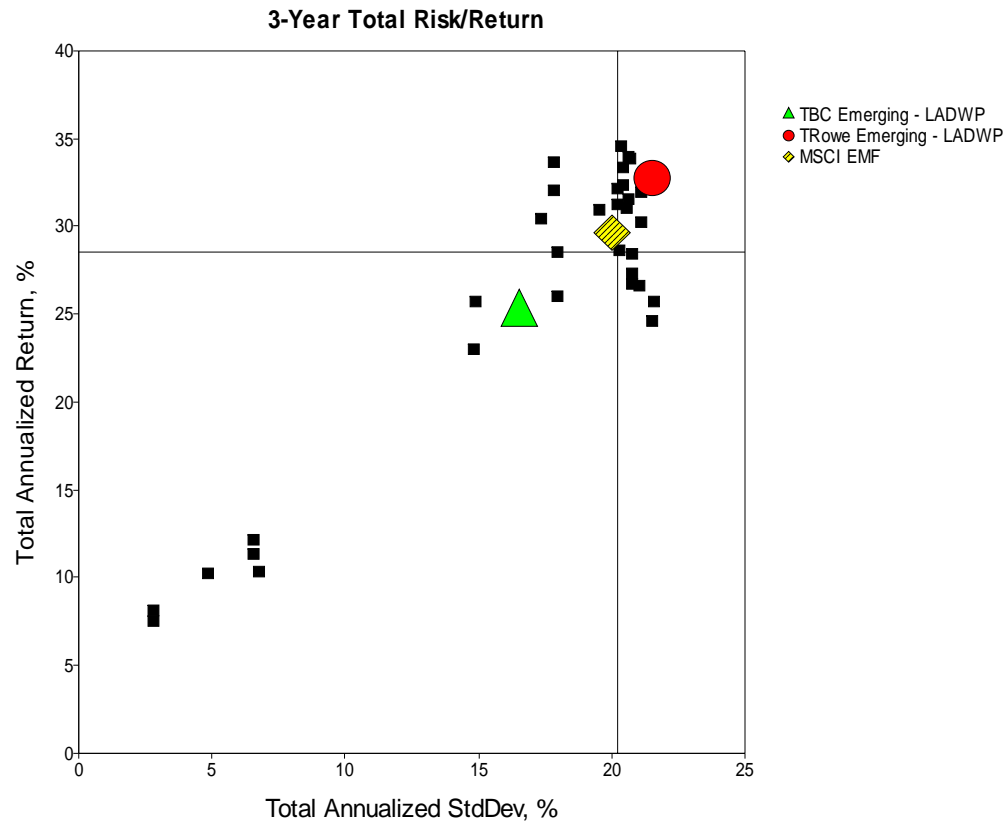
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Pyramis - LADWP	1.30	2.75	0.47
MSCI EAFE ND	0.00	0.00	NA
International Equity Universe Median	1.22	2.57	0.48



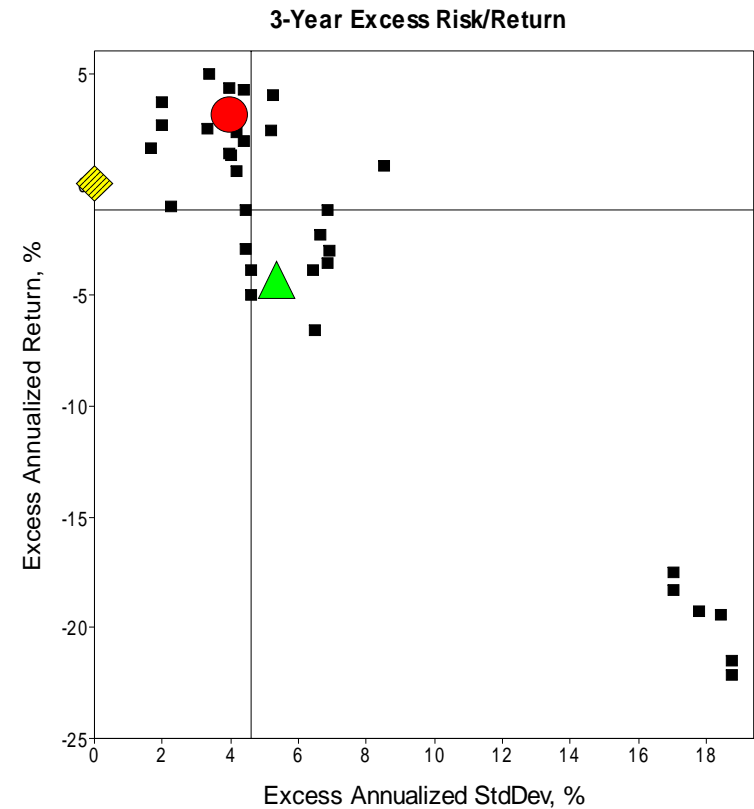
WPERP International Equity Manager Comparisons as of March 31, 2008



WPERP Emerging Equity Manager Comparisons as of March 31, 2008



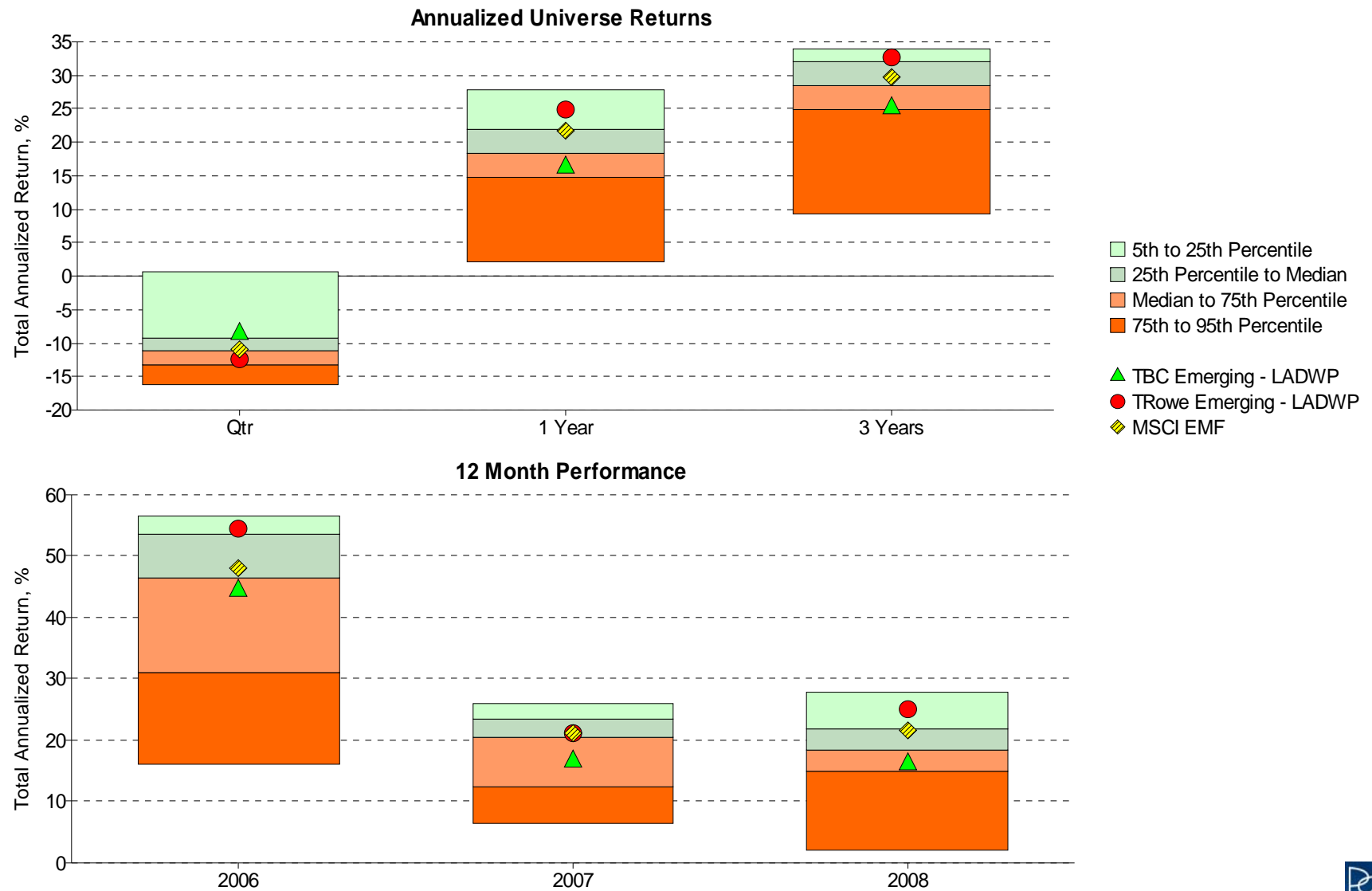
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
TBC Emerging - LADWP	25.01	16.51	1.51
TRowe Emerging - LADWP	32.75	21.50	1.52
MSCI EMF	29.65	19.99	1.48
Emerging Equity Universe Median	28.50	20.24	1.58



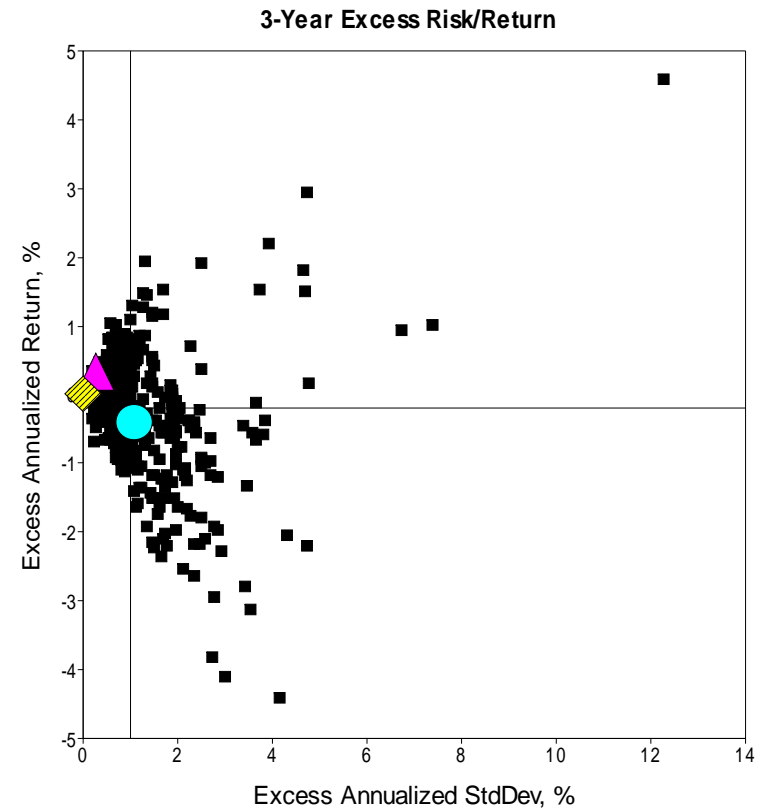
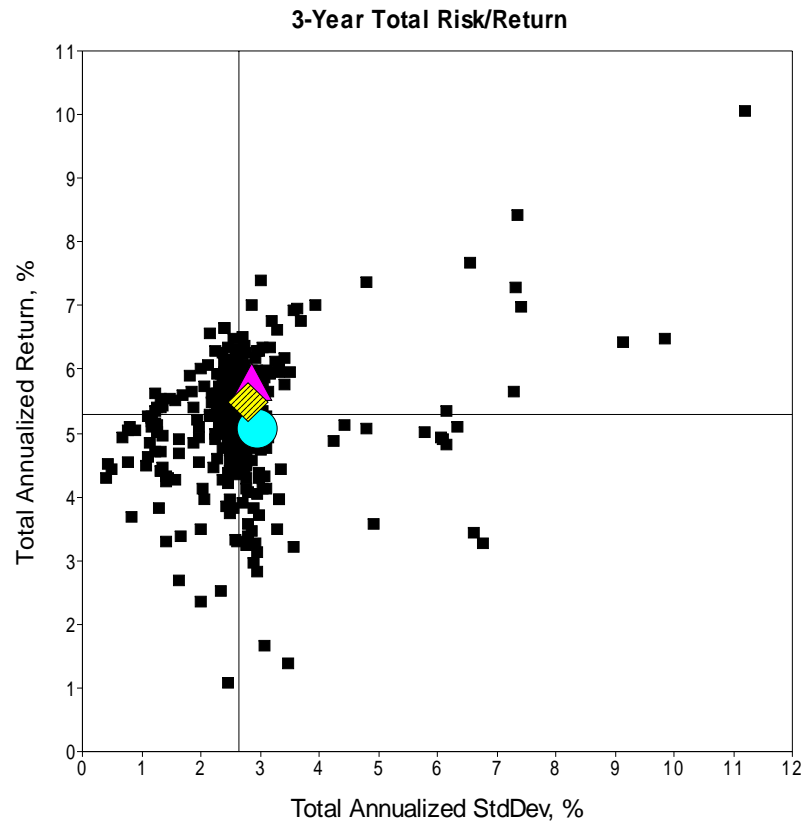
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
TBC Emerging - LADWP	-4.63	5.34	-0.87
TRowe Emerging - LADWP	3.11	3.96	0.79
MSCI EMF	0.00	0.00	NA
Emerging Equity Universe Median	-1.15	4.61	-0.27



WPERP Emerging Equity Manager Comparisons as of March 31, 2008



WPERP Fixed Income Manager Comparisons as of March 31, 2008

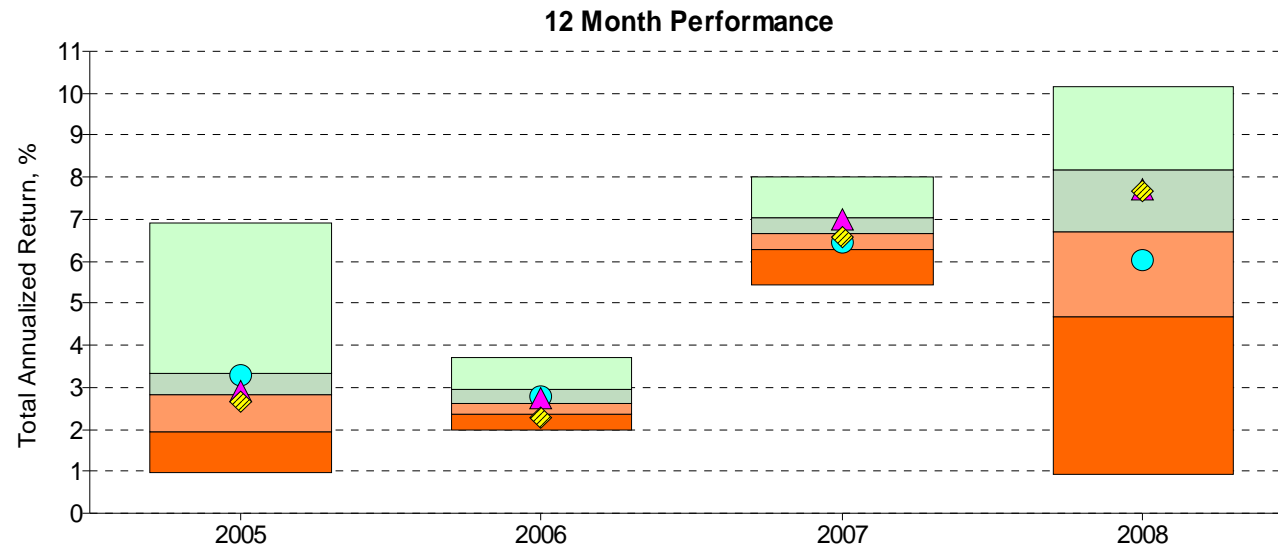
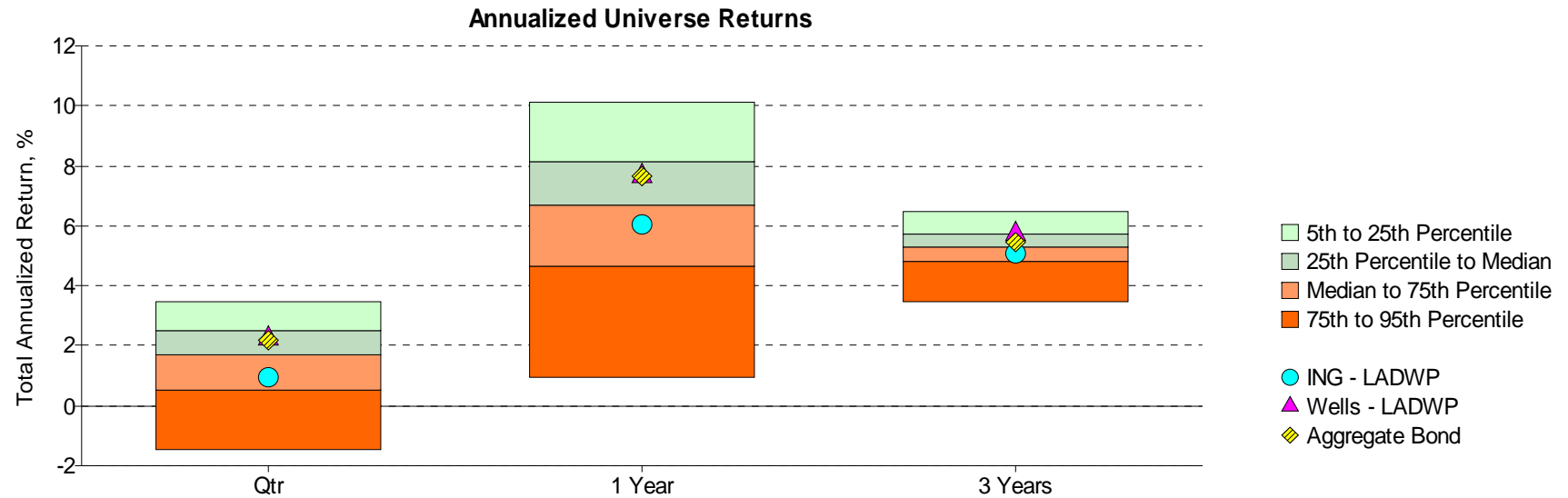


	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
ING - LADWP	5.07	2.94	1.73
Wells - LADWP	5.71	2.85	2.00
Aggregate Bond	5.48	2.79	1.96
U.S. Fixed Income Universe Median	5.29	2.66	2.01

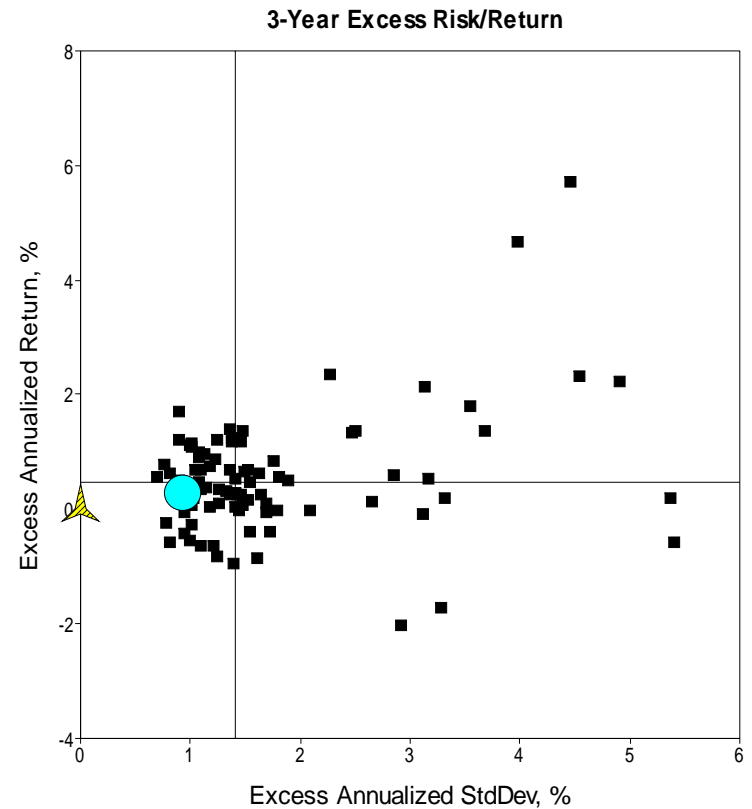
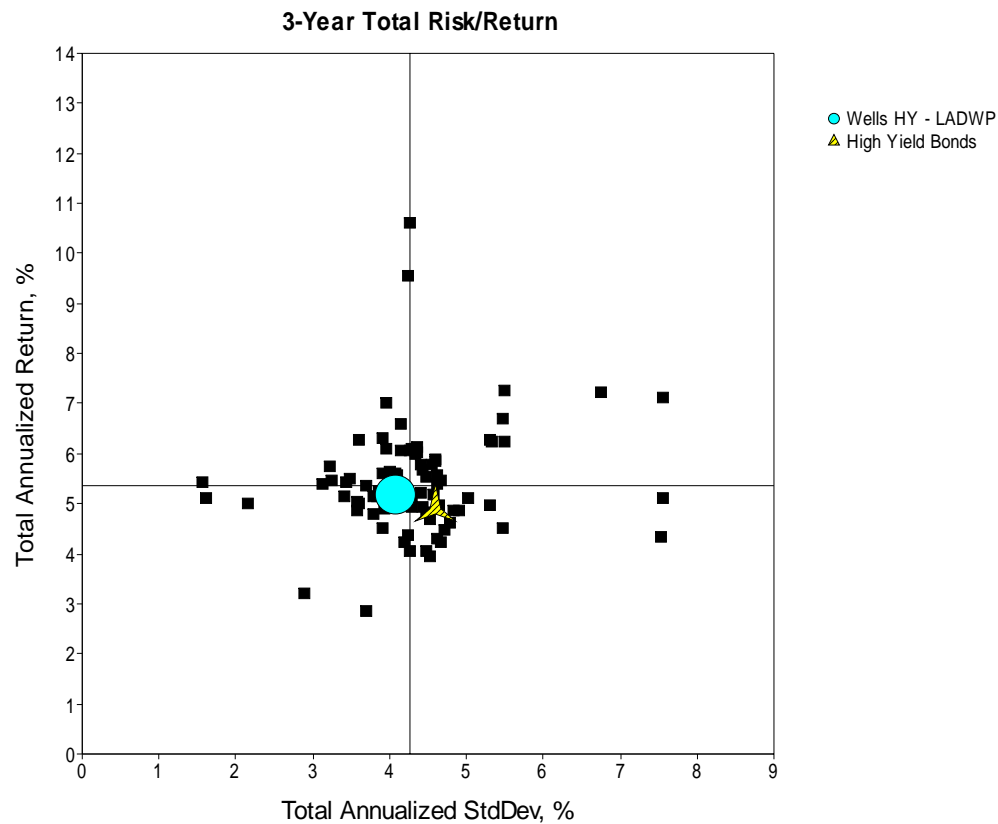
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
ING - LADWP	-0.40	1.09	-0.37
Wells - LADWP	0.23	0.27	0.87
Aggregate Bond	0.00	0.00	NA
U.S. Fixed Income Universe Median	-0.19	1.00	-0.17



WPERP Fixed Income Manager Comparisons as of March 31, 2008



WPERP High Yield Manager Comparisons as of March 31, 2008

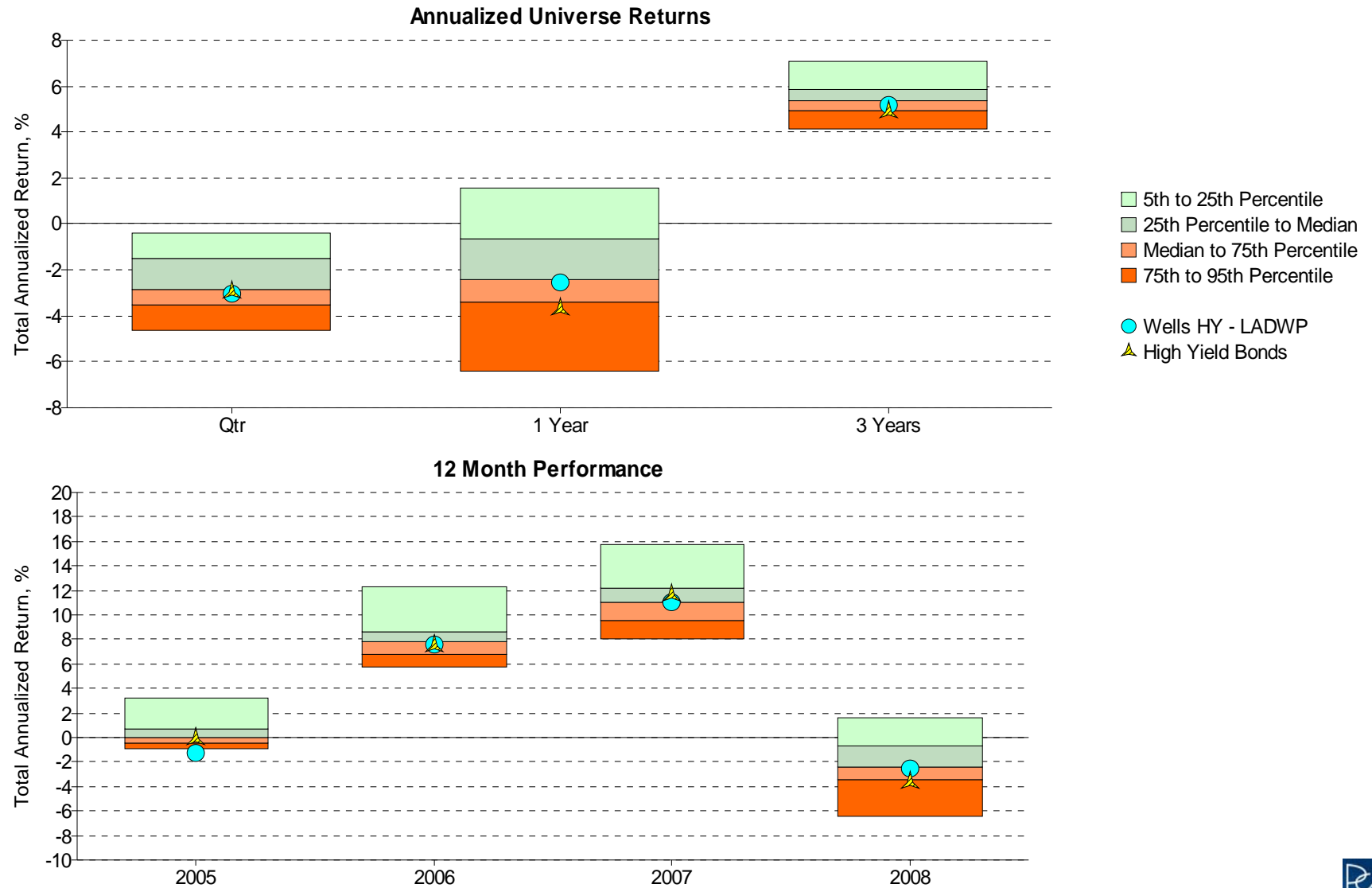


	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Wells HY - LADWP	5.18	4.07	1.27
High Yield Bonds	4.90	4.60	1.06
U.S. High Yield Universe Median	5.37	4.26	1.27

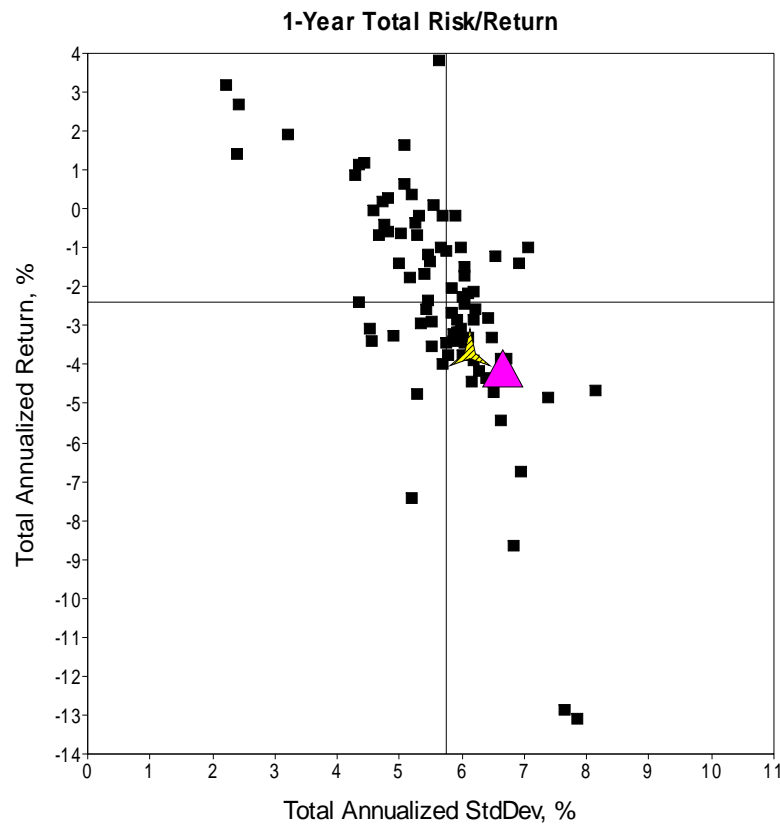
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Wells HY - LADWP	0.29	0.92	0.31
High Yield Bonds	0.00	0.00	NA
U.S. High Yield Universe Median	0.47	1.40	0.29



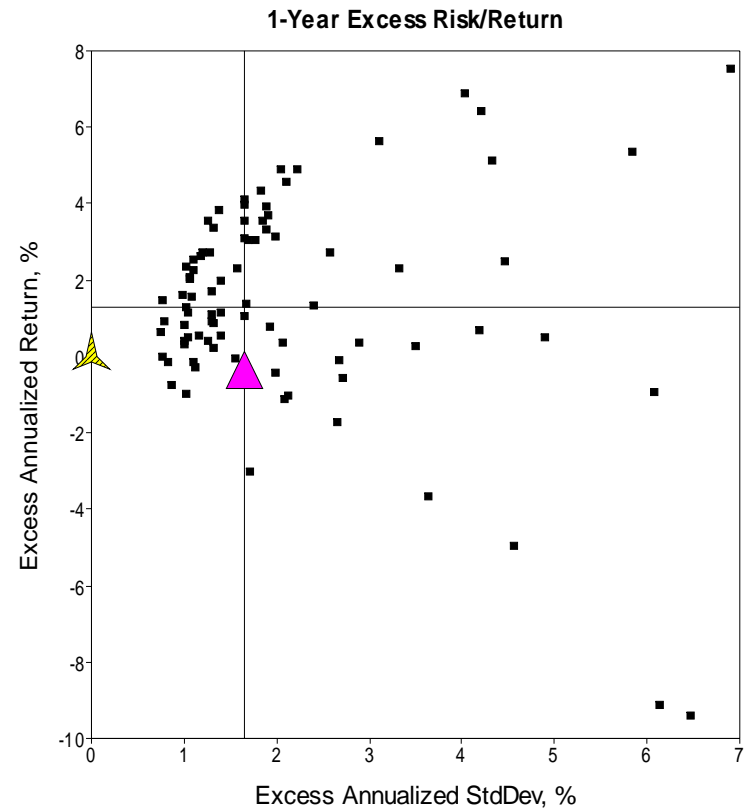
WPERP High Yield Manager Comparisons as of March 31, 2008



WPERP High Yield Manager Comparisons as of March 31, 2008



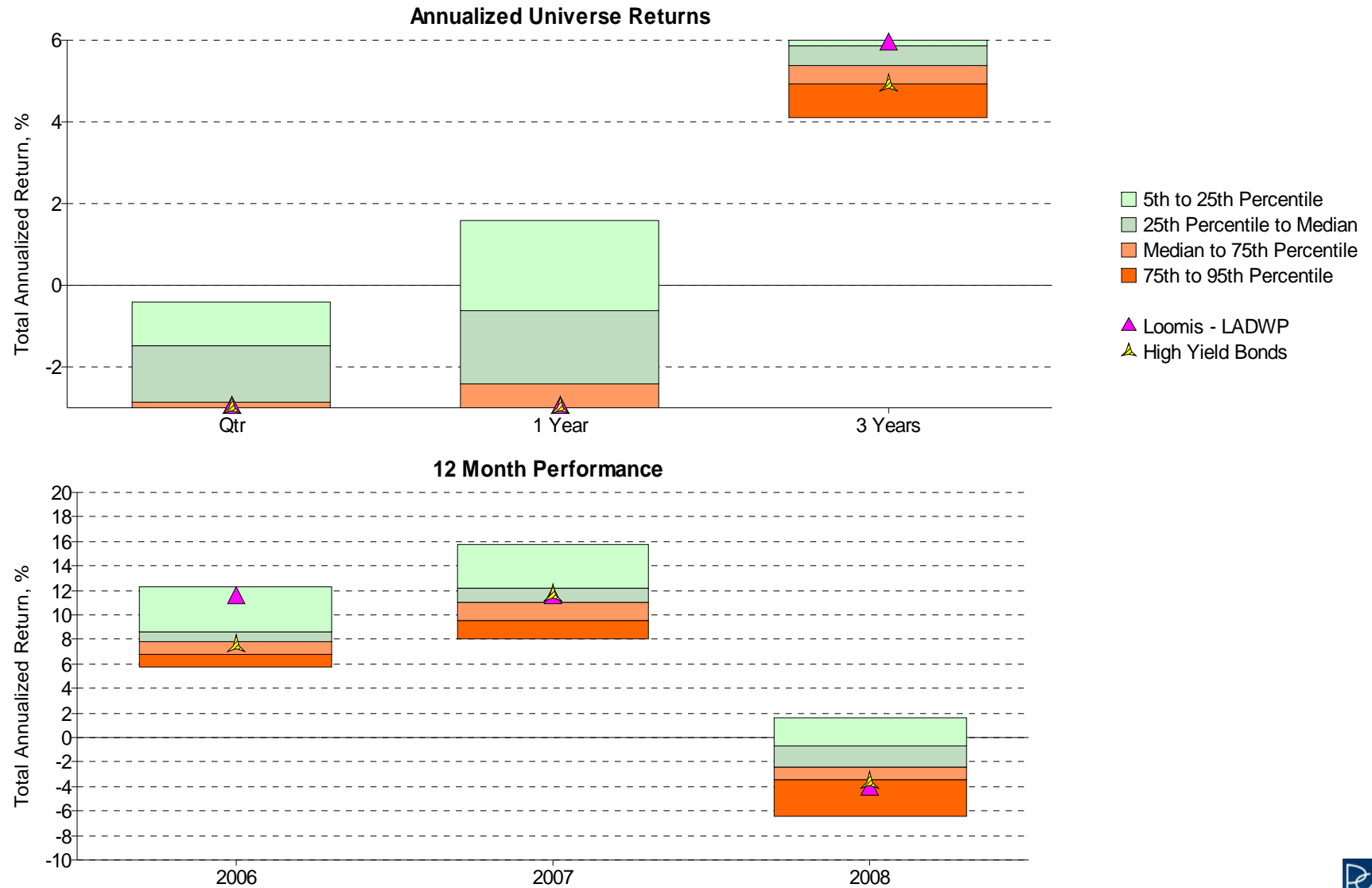
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Loomis - LADWP	-4.25	6.65	-0.64
High Yield Bonds	-3.73	6.14	-0.61
U.S. High Yield Universe Median	-2.42	5.76	-0.42



	Annualized Excess Return, %	Annualized Excess StDev, %	Sharpe Ratio, Excess
Loomis - LADWP	-0.52	1.65	-0.32
High Yield Bonds	0.00	0.00	NA
U.S. High Yield Universe Median	1.31	1.65	0.85



WPERP High Yield Manager Comparisons as of March 31, 2008





P e n s i o n C o n s u l t i n g A l l i a n c e , I n c .

Appendix

Quarterly Report

Managers Watch Criteria As of December 31, 2007

Asset Class	Short-term (Rolling 12 mth periods)	Medium-term (Rolling 36 mth periods)	Long-term
Active Domestic Equity	Portfolio Return < Benchmark Return – 3.0% ¹ in any quarter	Portfolio Annlzd. Return ² < Benchmark Annlzd. Return – 1.5% for 2 consecutive qtrs.	VRR ³ < 0.98 for 2 consecutive quarters
Passive Domestic Equity	Tracking Error ⁴ > 0.35% in any quarter	Tracking Error > 0.20% for 2 consecutive qtrs.	Portfolio Annlzd. Return < Benchmark Annlzd. Return – 0.10% for 2 consecutive qtrs.
Active International Equity	Portfolio Return < Benchmark Return – 4.5% in any quarter	Portfolio Annlzd. Return < Benchmark Annlzd. Return – 2.5% for 2 consecutive qtrs.	VRR < 0.98 for 2 consecutive qtrs.
Active Fixed Income	Portfolio Return < Benchmark Return – 1.0% in any quarter	Portfolio Annlzd. Return < Benchmark Annlzd. Return – 0.6% for 2 consecutive qtrs.	VRR < 0.99 for 2 consecutive qtrs.

*Two (2) consecutive quarters is defined as six (6) months in a row; does not necessarily correspond to calendar quarter-end dates

**See Addendum in Statement of Investment Policy for specific benchmark information

¹ Return discounts from a benchmark return based on 2/3 of the typical tracking error estimates of the specified type of portfolio.

² Annualized Return is the average annual return of either the portfolio or its benchmark.

³ VRR – Value Relative Ratio – is calculated as: Portfolio Cumulative Return Relative / Benchmark Cumulative Return Relative.

⁴ Tracking error is a measure of the volatility of the average annual difference between the portfolio's return and the benchmark's return.

Quarterly Report

Summary of Portfolio Transitions

Manager	Mandate	Funded	Terminated
2003			
Merrill Lynch	Passive Core	3Q 2003	
Northern Trust	Passive Core	3Q 2003	1Q 2005
2004			
Fred Alger	Large Cap Growth	1Q 2004	---
Intech	Large Cap Growth	1Q 2004	---
MFS	Large Cap Value	1Q 2004	---
T. Rowe Price	Large Cap Value	3Q 2004	---
Invesco	International	2Q 2004	---
ING/Aeltus	Core Fixed Income	3Q 2004	---
Wells Capital	Core Fixed Income	3Q 2004	---
Bank of New York	Small Cap Growth	4Q 2004	---
Earnest Partners	Small Cap Value	4Q 2004	---
Fidelity	International	4Q 2004	---
Wells Capital	High Yield	4Q 2004	---
2005			
Boston Company	International	1Q 2005	---
Loomis Sayles	High Yield	1Q 2005	---
Boston Company	Emerging Markets	1Q 2005	---
T. Rowe Price	Emerging Markets	1Q 2005	---
Boston Company	Large cap Active	---	1Q 2005
2006			
Bank of New York	Small Cap Growth	---	1Q 2006
Lexington	Private Equity	3Q2006	---
Northpointe	Small Cap Growth	3Q2006	---
Paradigm	Small Cap Growth	3Q2006	---
Landmark	Private Equity	4Q2006	---
Prisa	Real Estate	4Q2006	---
2007			
Aetos	Hedge Fund	1Q2007	---
PAAMCO	Hedge Fund	1Q2007	---
Prisa II	Real Estate	2Q2007	---
JPM Strategic	Real Estate	3Q2007	---

Quarterly Report

Glossary

Definitions of Indices

Lehman Brothers Universal: includes market coverage by the Aggregate Bond Index fixed rate debt issues, which are rated investment grade or higher by Moody's Investor Services, Standard and Poor's Corporation, or Fitch Investor's Service, in that order with all issues having at least one year to maturity and an outstanding par value of at least \$100 million) and includes exposures to high yield CMBS securities. All returns are market value weighted inclusive of accrued interest.

Lehman Brothers Aggregate: an index comprised of approximately 6,000 publicly traded investment-grade bonds including U.S. Government, mortgage-backed, corporate, and yankee bonds with an approximate average maturity of 10 years.

Lehman Brothers High-Yield: an index consisting of non-investment grade domestic and yankee bonds with a minimum outstanding amount of \$100 million and maturing over one year.

MSCI ACWI x US: MSCI ACWI (All Country World Index) Free excluding US (gross dividends): is a free-floating adjusted market capitalization index designed to measure equity performance in the global developed and emerging markets. As of April 2002, the index consisted of 49 developed and emerging market country indices.

MSCI EAFE (Europe, Australasia, Far East): is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. As of April 2002 the index consisted of 21 developed market country indices.

MSCI EAFE plus Canada: is a free float-adjusted market capitalization index that is designed to measure developed market equity performance similar to the MSCI EAFE. This index excludes the US, but includes Canada.

MSCI EMF (Emerging Markets Free): is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. As of April 2002 the index consisted of 26 emerging market country indices.

NAREIT Index: consists of all tax-qualified REITs listed on the New York Stock Exchange, American Stock Exchange, and the NASDAQ National Market System. The data is market weighted.

NCREIF Property Index: the NPI contains investment-grade, non-agricultural, income-producing properties which may be financed in excess of 5% gross market value; were acquired on behalf of tax exempt institutions; and are held in a fiduciary

Quarterly Report

environment. Returns are gross of fees; including income, realized gains/losses, and appreciation/depreciation; and are market value weighted. Index is lagged one quarter.

Russell 1000: measures the performance of the 1,000 largest securities in the Russell 3000 Index. Russell 1000 is highly correlated with the S&P 500 Index and capitalization-weighted.

Russell 1000 Growth: measures the performance of those Russell 1000 securities with a greater-than-average growth orientation. Securities in this index tend to exhibit higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values than the Value universe.

Russell 1000 Value: measures the performance of those Russell 1000 securities with a less-than-average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values than the Growth universe.

Russell 2000: measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

Russell 3000: represents the largest 3,000 US companies based on total market capitalization, representing approximately 98% of the investable US equity market.

Salomon 3-Month Treasury Bills (T-bills): an average of the last three 3-month treasury bill issues monthly return equivalents of yield averages, which are not marked to market.

Salomon Brothers World Government Bond Index (SBWGB): a market-capitalization weighted benchmark that tracks the performance of the 14 Government bonds markets of Australia, Austria, Belgium, Canada, Denmark, France, Germany, Italy, Japan, the Netherlands, Spain, Sweden, the United Kingdom, and the United States.

Quarterly Report

LADWP Asset Class Benchmarks

Retirement Total Plan = 35% Lehman Universal, 40% Russell 3000, 15% MSCI ACWI ex U.S., 4% NCREIF Lag, 3.4% Cambridge U.S. Private Equity Lag, 0.60% Cambridge U.S. Venture Capital Lag, 1% T Bill, 1% Tbills +3% Lag as of 3/1/07

35% Lehman Universal, 40% Russell 3000, 15% MSCI ACWI ex U.S., 4% NCREIF Lag, 4.25% Cambridge U.S. Private Equity Lag, 0.75% Cambridge U.S. Venture Capital Lag, 1% T Bill 1/1/07-2/28/07

35% Lehman Universal, 40% Russell 3000, 15% MSCI ACWI ex U.S., 1% T Bill (alternative and re not included) 4/1/03-12/31/06

30% Citigroup BIG, 60% S&P 500, 10% Citigroup T Bill thru 3/31/03

US Equity = Russell 3000 Index as of 4/1/03
S & P 500 thru 3/31/03

Non-US Equity = MSCI ACWI ex U.S.

Total Fixed Income = Lehman Brothers Universal Index as of 4/1/03
Citigroup BIG thru 3/31/03

Alternatives = 3.4% Cambridge U.S. Private Equity; 0.6% Cambridge U.S. Venture; 1% Tbills + 3% Lag as of 3/1/07
4.25% Cambridge U.S. Private Equity, 0.75% Cambridge U.S. Venture Lag 1/1/07 – 2/28/07
Russell 3000 + 3% Lag thru 12/31/06

Real Estate = NCREIF Lag

Cash = Citigroup 3-Month Tbills

Quarterly Report

Benchmarks used in Market Overview

US Equity = Russell 3000 Index

Non-US Equity = MSCI EAFE

Real Estate = NCREIF

Public Real Estate = Wilshire REIT

US Debt = Lehman Brothers Universal Index

Domestic Large Cap = Russell 1000

Domestic Small Cap = Russell 2000

Growth = Russell 3000 Growth Index

Value = Russell 3000 Value Index

Pacific = MSCI Pacific

Europe = MSCI Europe

Emerging = MSCI Emerging Markets Free

Private Real Estate = NCREIF Index

Credit = Lehman Brother U.S. Credit Index

Government = Lehman Brothers Government Index

Mortgage = Lehman Brothers Mortgage Index

High Yield = Lehman Brothers High Yield Index