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Water and Power Employees' Retirement Plan Investment Portfolio:

Quarterly Report Executive Summary

September 30, 2007

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RETIREMENT PORTFOLIO SUMMARY

The WPERP Total Retirement Portfolio, as of September 30, 2007, had an aggregate value of \$7.6 billion. This represents a \$152.5 million increase in value over last quarter. During the previous one-year period, the WPERP total portfolio increased by \$834.7 million.

Asset Allocation Trends

The asset allocation targets (see table on page 14) reflect those as adopted by the Board in early 2007.

WPERP's actual asset class allocation remained the same from the previous quarter. As of September 30, 2007, the portfolio has a 65% allocation in Equities, 32% in Fixed Income, and 1% each in Alternatives, Real Estate, and Cash. (See Page 15)

Recent Investment Performance Trends

During the most recent quarter, the portfolio slightly underperformed its policy benchmark by 20 basis points. Over longer periods, the portfolio has lagged its policy benchmark.

Recent Investment Performance Total Retirement

	Quarter	1 Year	3 Year	5 Year	10 Year
Total Portfolio*	2.6	15.1	12.0	12.2	7.6
<i>Policy Benchmark</i>	2.8	15.3	12.3	13.6	7.8
Excess Return	-0.2	-0.2	-0.3	-1.4	-0.2
Reference: Median Fund**	2.3	16.0	13.9	15.0	8.3

*Gross of Fees

**Mellon Total Funds Public Universe



Economic Review

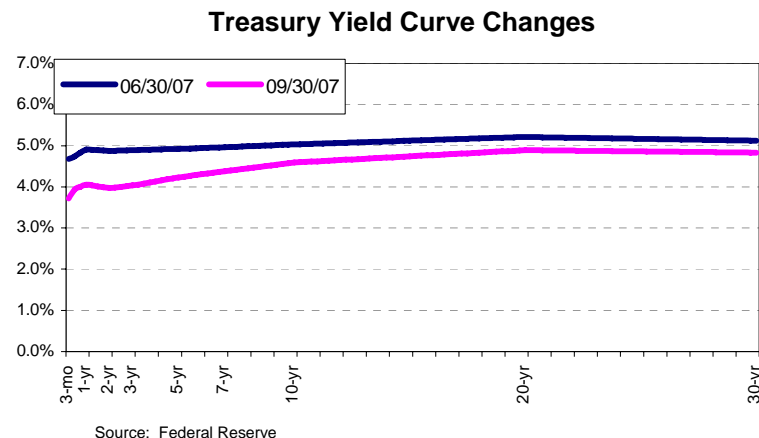
Economic Growth – The U.S. economy increased at an annual growth rate of 3.9% during the third quarter of 2007, up from 3.8% (revised) annualized growth in the previous quarter. The acceleration during the third quarter reflected contributions from personal consumption expenditures, services, exports, federal government spending, equipment and software, nonresidential structures, private inventory investment, and state and local government spending that were partly offset by downturn from residential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased.

Inflation – On a seasonally adjusted basis, the Consumer Price Index (“CPI”) increased 0.3% in September, resulting in a compounded annual rate (using the latest 3-month data ending September 30, 2007) of 1.0%. In comparison, the compounded annual rate during the third quarter of 2006 was 0.8%.

U.S. Dollar – During the third quarter of 2007, the Yen appreciated 7.1% against the dollar, while the Euro appreciated 5.0% versus the dollar.¹

Unemployment – The domestic unemployment rate was essentially unchanged from the previous quarter at 4.7%. Employment rose in health care, food services, and professional and technical services, while employment in manufacturing and construction continued to decline.

Domestic Interest Rates – During the quarter, the U.S. Treasury curve grew more precipitous as yields decreased across the entire maturity spectrum. At the September 2007 meetings, the Federal Reserve decided to lower its target for the federal funds rate 50 basis points to 4.75%. The Federal Reserve noted that while growth was moderate during the first half of the year, the tightening of credit conditions has the potential to intensify the housing correction and to restrain economic growth more generally. The lowering of the federal funds rate is intended to help forestall some of the adverse effects on the broader economy that might otherwise arise from the disruptions in financial markets and to promote moderate growth over time.



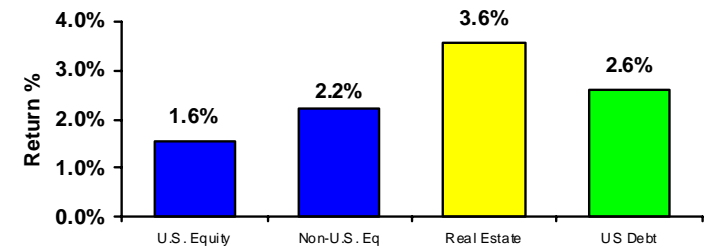
¹ Source: Barings (Bloomberg/FT)

Market Overview

Capital Market Highlights¹ – Latest Quarter Ending September 30, 2007

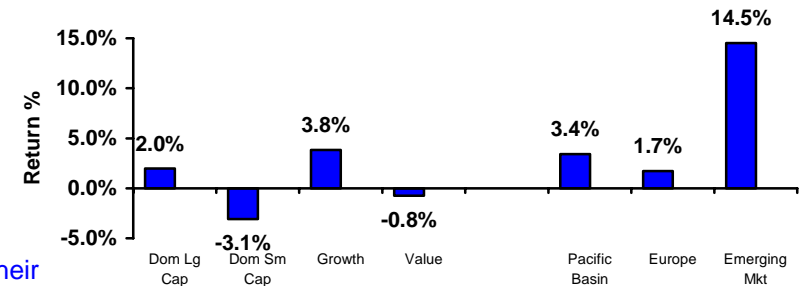
During the quarter, Real Estate and U.S. Fixed Income markets outpaced Equities...

- Concerns about the sub-prime mortgage market continued to contribute to U.S. equity's lag.
- Non-U.S. equity benefited from a sustained weakness in the U.S. dollar.
- Bond markets rallied as investors sought protection from declines in equity markets



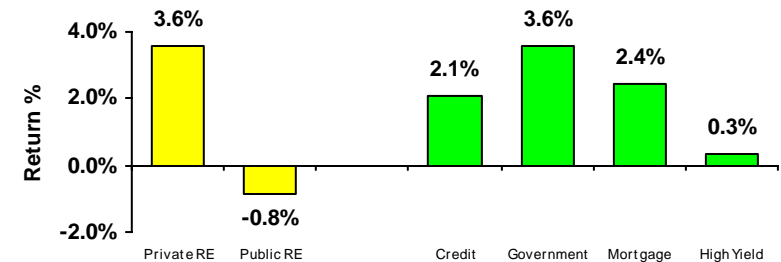
...with Emerging Markets outperforming all Equity subcomponents...

- The effects of credit tightening bore less effect on emerging markets whose improved economic conditions resulted in strong results.
- Small cap stocks suffered during a credit tightening environment.
- Investors preferred growth-oriented components with solid balance sheets over their value-oriented counterparts.



...while public real estate continued its decline.

- REITs suffered as credit markets tightened.
- Investors flocked toward investment-grade safe havens as high-yield trailed.



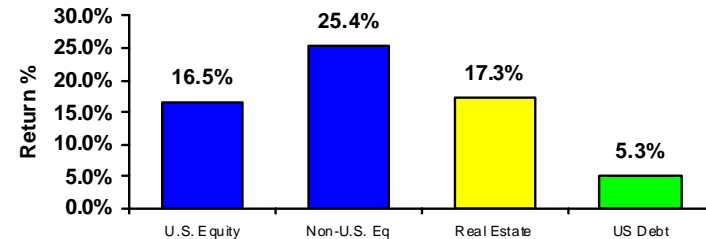
¹ See Appendix for benchmarks used in this section.



Capital Market Highlights¹ – Latest Year Ending September 30, 2007

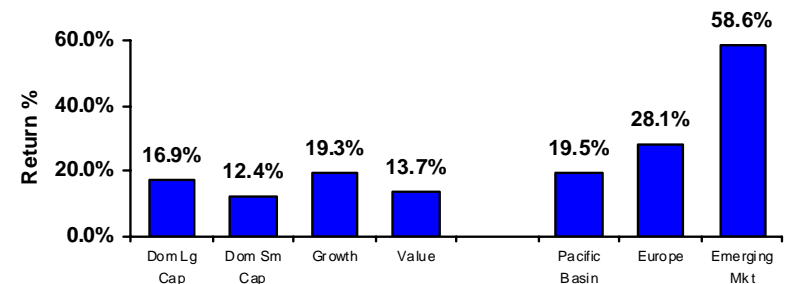
Non-U.S. Equity produced substantial returns...

- Non-U.S. equity continued to provide the highest returns, benefiting from the dollar's decline.
- Real estate and U.S. equity generated nearly equivalent results.
- Treasury yields fell slightly, as investors bid up prices seeking a safe haven from the sub-prime debacle.



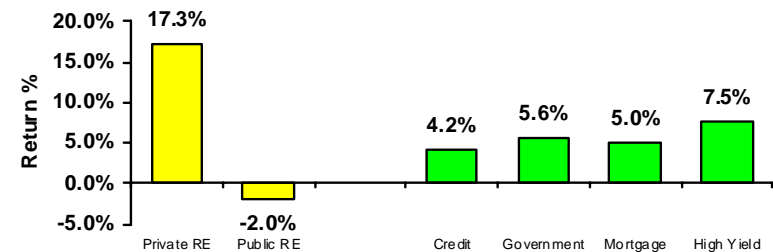
...with Emerging Markets outpacing the Developed Markets in the Pacific Basin and Europe...

- Developed markets returns were solid, however, Emerging Markets due to their increasing currency reserves as a result of strong economic growth and positive momentum.
- U.S. Equity investors favored larger companies with growth potential in a volatile economic environment.



...and private real estate enjoyed strong returns.

- Below investment grade provided a slight premium as spreads narrowed.
- REITs have underperformed as a result of the sub-prime crisis.



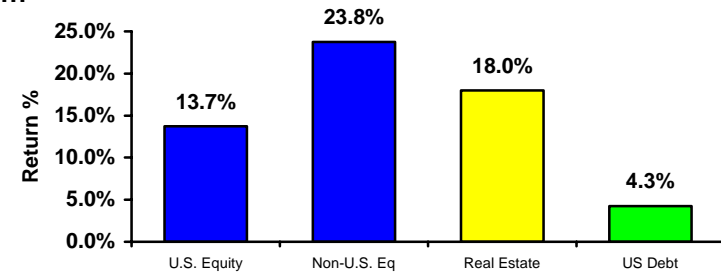
¹ See Appendix for benchmarks used in this section.



Capital Market Highlights¹ – Latest 3 Years Ending September 30, 2007

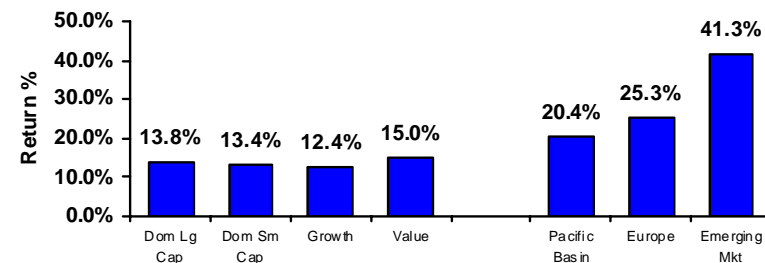
During the latest 3 years, Non-U.S. equity surpassed all other asset classes...

- Real estate and non-U.S. equity produced solid returns.
- U.S. debt returns were below historical averages.



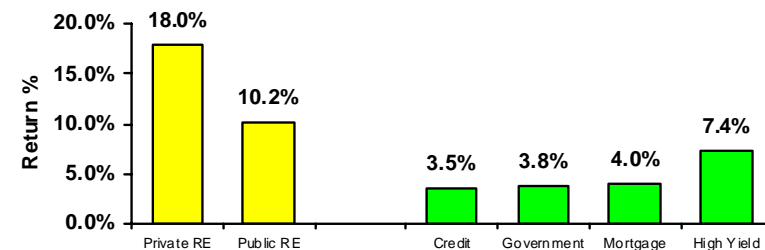
...as emerging markets continued to provide solid returns...

- All equity components continued to generate strong returns.
- Non-U.S. equity subcomponents continued to outperform domestic.
- U.S. large cap stocks outperformed small cap.



...and both public and private real estate produced strong returns.

- Private real estate surpassed public.
- High yield outpaced all other U.S. fixed income segments.



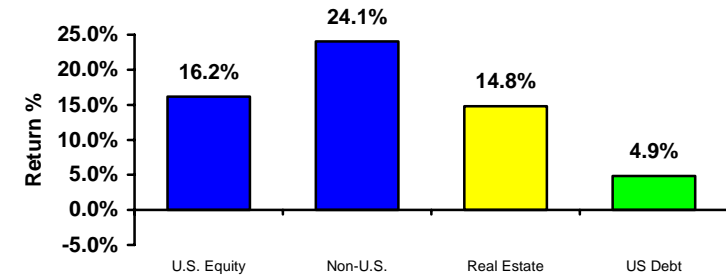
¹ See Appendix for benchmarks used in this section.



Capital Market Highlights¹ – Latest 5 Years Ending September 30, 2007

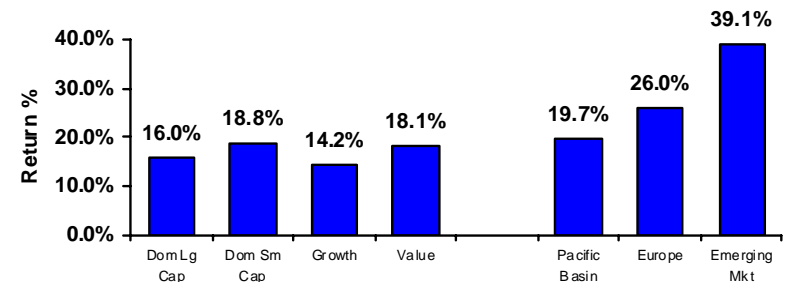
During the latest 5 years, Non-U.S. equity generated the highest returns...

- Real Estate provided strong returns as a result of a growing economy.
- U.S. Equity produced solid long-term results out performing fixed income.



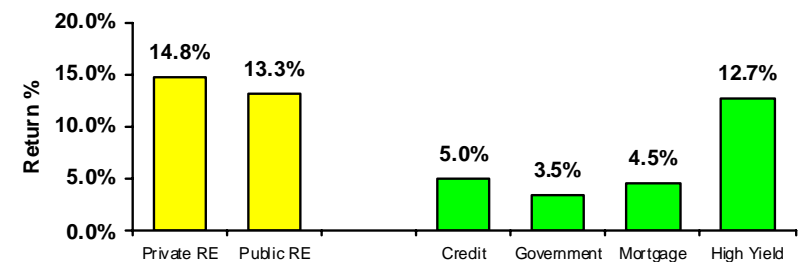
...with emerging markets outperforming all other equity sub-components...

- Europe and Pacific Basin Developed Markets provided strong performance.
- 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 slightly outperformed public.
- High yield surpassed all fixed income subcomponents over the latest 5-year period.

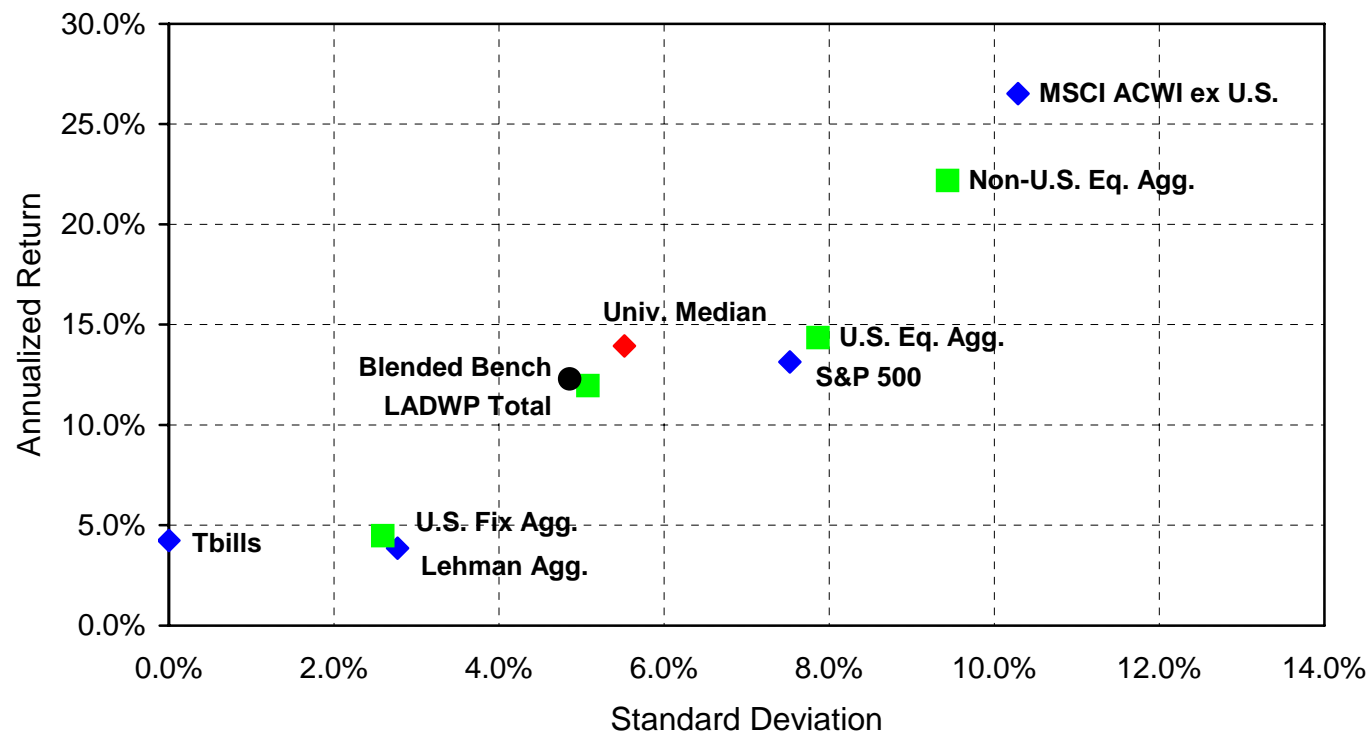


¹ See Appendix for benchmarks used in this section.



WPERP Risk/Return Analysis
Period ending September 30, 2007

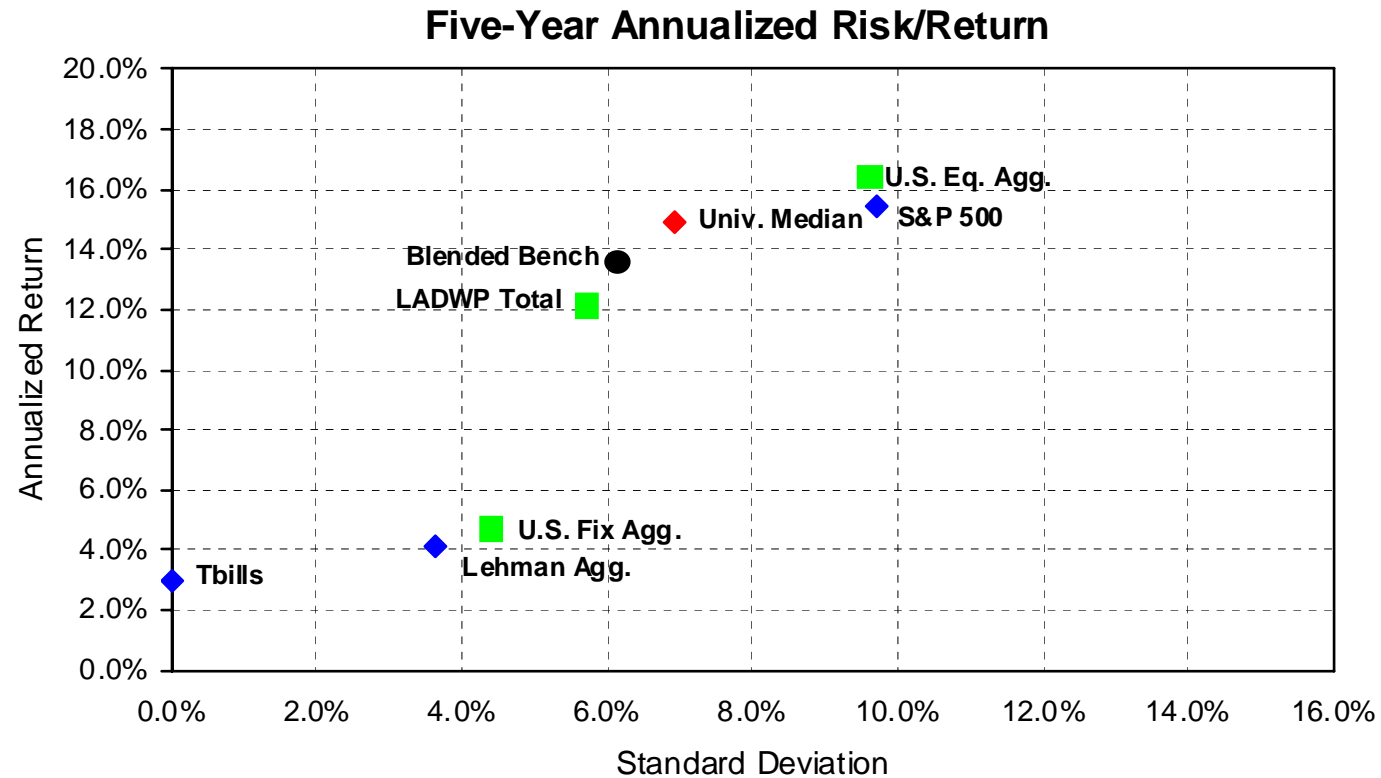
Three-Year Annualized Risk/Return



*Median Fund in the Mellon Total Fund Public Universe.



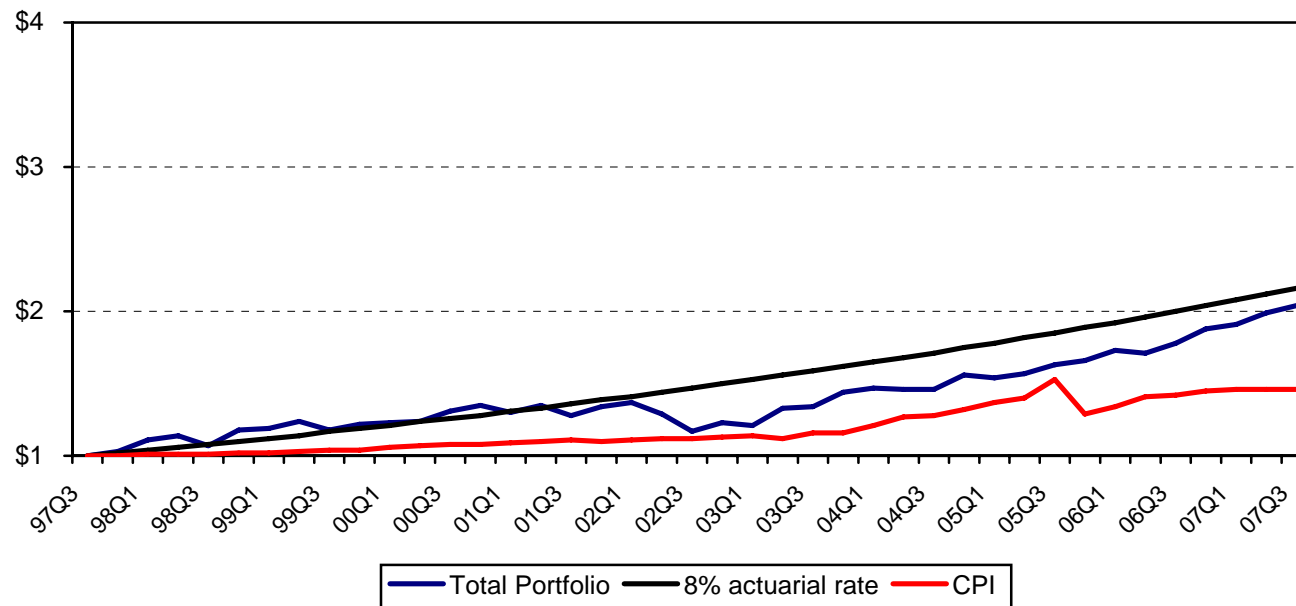
WPERP Risk/Return Analysis
Period ending September 30, 2007



*Median Fund in the Mellon Total Fund Public Universe.



Growth of a Dollar-Latest 10 Years Total Portfolio



WPERP PORTFOLIO PERFORMANCE

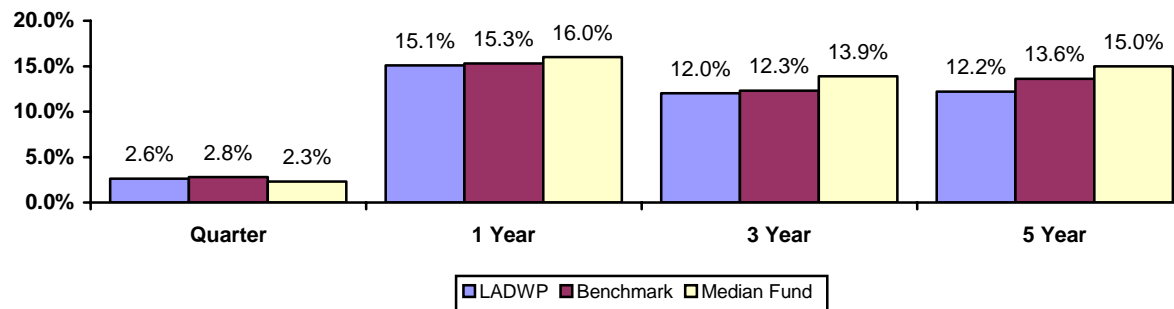
This section includes an overview of the performance of the WPERP investment portfolio and a detailed analysis of asset classes and specific mandates.

Portfolio Performance Overview

During the latest quarter ending September 30, 2007, the WPERP total portfolio generated a return of 2.6%, trailing the policy target benchmark¹ return of 2.8% but outperforming the median fund² return of 2.3%.

During the latest 1-year period, the WPERP portfolio trailed both its policy benchmark and the median fund by 20 and 90 basis points, respectively. The median fund benefited from a larger exposure to real estate and alternatives than the WPERP portfolio. Over the longer 3-year period, the fund underperformed its policy benchmark by (0.3%) and the median fund by (1.9%). 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 (2.8%) per year. As seen during the latest year, the relative underperformance to the median fund over the longer terms stems from WPERP's non-exposure to real estate and private equity, both of which produced strong absolute results during the longer-term periods. WPERP has developed a paced and deliberate funding process to enter into the two private classes.

Periods Ending September 30, 2007 (annualized)*



¹ The Portfolio Benchmark consists of 35% Lehman Universal, 40% Russell 3000, 15% MSCI ACWI ex U.S., 4% NCREIF, 3.4% Cambridge U.S. Private Equity Lag, 0.6% Cambridge U.S. Venture Capital, 1% T Bill, and 1% Tbills +3%.

² Median Fund is the Mellon Total Public Funds Universe.

* WPERP performance reported gross of fees.

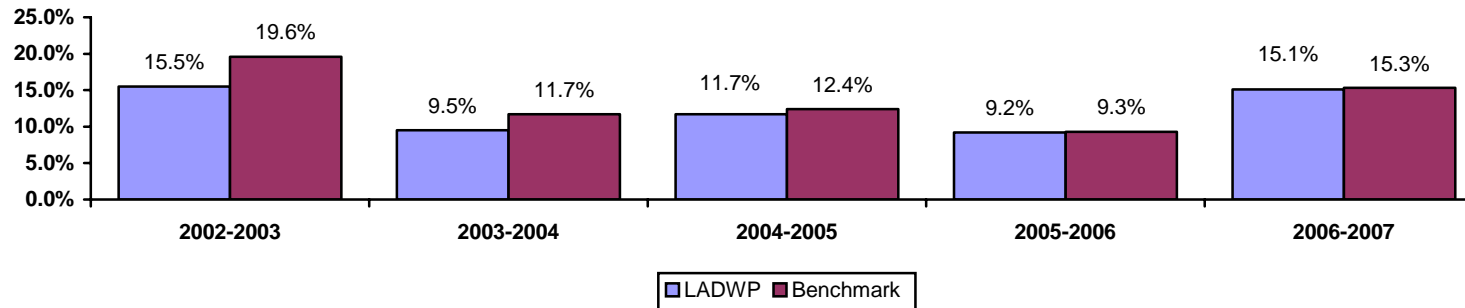


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The Plan generated absolute positive performance results over the trailing five 12-month periods. However, the Plan underperformed its policy benchmark over all five time periods.

12-month Performance – Period Ending September 30, 2007



Portfolio Valuation

The WPERP total portfolio, as of September 30, 2007, had an aggregate value of \$7.6 billion. This represents a \$152.5 million increase in value over last quarter including minus (\$39.7) million in net contributions. During the previous one-year period, the WPERP total portfolio increased by \$834.7 million.

Portfolio Valuation as of September 30, 2007, Gross of Fees

	<u>3Q 2007</u>		<u>1-Year</u>		<u>3-Year</u>		<u>5-Year</u>	
Beginning Market Value	\$7,407.3		\$6,722.7		\$5,884.4		\$5,142.6	
Net Flow	-39.7		-180.2		-709.6		-1,586.6	
Investment Return in \$ (in%)	190.0	2.6%	1,015.1	15.1%	2,382.8	12.0%	4,001.6	12.2%
Ending Market Value	\$7,557.6		\$7,557.6		\$7,557.6		\$7,557.6	

*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 Domestic and International Equities**, while **underweight Fixed Income, Real Estate, and Alternatives**. Target allocations represent those as adopted by the Board earlier in 2007.

As of September 30, 2007

Segment	Actual (\$MM)	Actual %	Target* %	Variance
Total Portfolio	8,279.0	100	100	---
Total Retirement**	7,557.5	100	100	0
Domestic Equity	3,360.1	45	40	5
International Equity	1,538.4	20	15	5
Fixed Income	2,396.6	32	35	-3
Alternatives	89.1	1	5	-4
Hedge F of F	69.8	0	1	-1
Private Equity	19.3	0	4	-4
Real Estate	57.8	1	4	-3
Cash	108.7	1	1	0
Health Plan	664.8	100	100	0
Domestic Equity	405.7	61	60	1
Domestic Fixed	258.8	39	40	-1
Cash/Short Term	0.3	0	0	0
Death Benefit	25.9	100	100	0
Domestic Fixed	24.8	96	96	0
Cash/Short Term	1.1	4	4	0
Disability	30.8	100	100	0
Domestic Fixed	29.6	96	95	1
Cash/Short Term	1.2	4	5	-1

*2007 asset allocation policy targets.

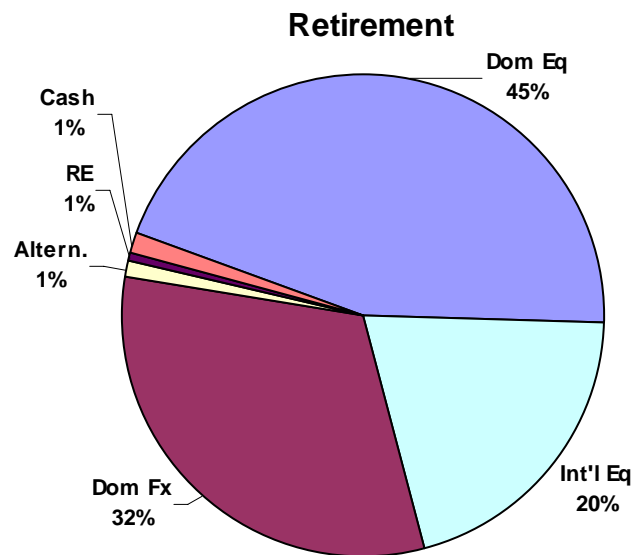
** Including \$7.0 million in transition assets.



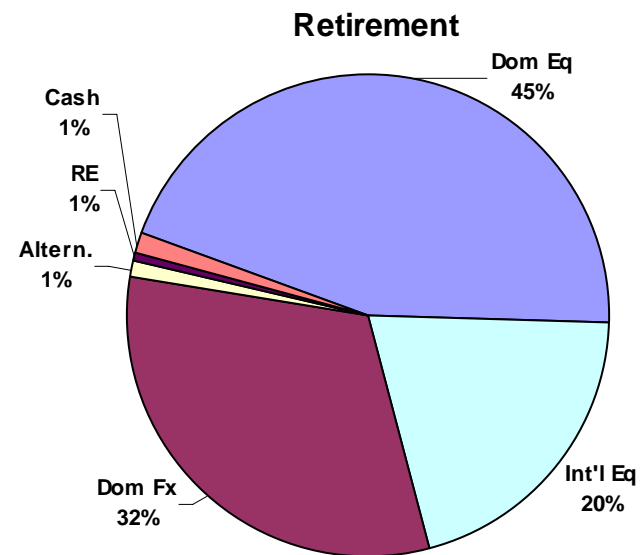
Actual Asset Allocation Comparison – Retirement Portfolio

WPERP's actual asset class allocation remained the same from the previous quarter. As of September 30, 2007, the portfolio has a 65% allocation in Equities, 32% in Fixed Income, and 1% each in Alternatives, Real Estate, and Cash.

September 30, 2007



June 30, 2007

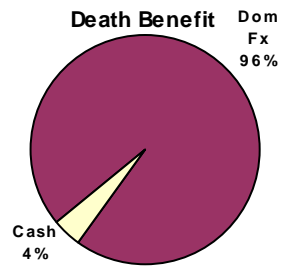


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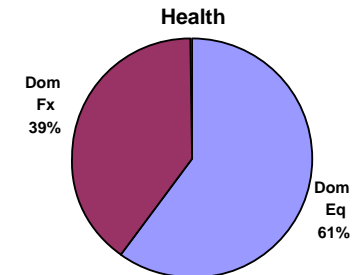
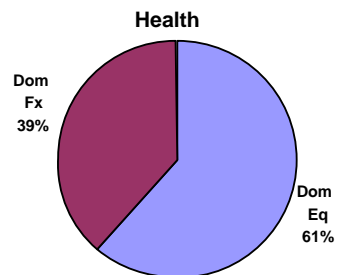
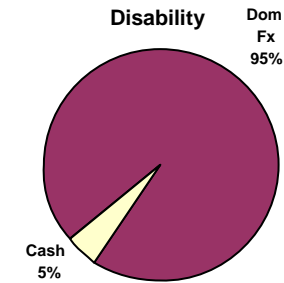
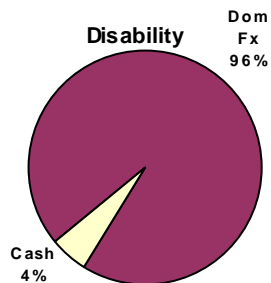
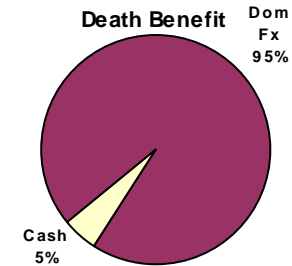
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Actual Asset Allocation Comparison – Death, Disability, Health Portfolios

September 30, 2007



June 30, 2007



Asset Class Performance

The **Domestic Equity** asset class outperformed the policy benchmark's return during the quarter by 90 basis points, with a 2.5% return. Over the latest 1-year, 3-year, and 5-year periods, domestic equity surpassed its benchmark by 2.2%, 0.7%, and 0.2%, respectively.

The **International Equity** portfolio underperformed its policy benchmark during the quarter by 2.0%, returning 2.7%. Underperformance from three of the plan's five developed and emerging market managers detracted from performance. Over the latest 1-year period, the International Equity portfolio trailed its policy benchmark by 6.6% with a 24.5% return. Poor relative performance from the plan's developed value and emerging markets managers detracted from performance. Over the latest 3-year period, the portfolio returned 22.2% trailing its policy benchmark's return by 4.3%.

During the latest quarter, the **Fixed Income** portfolio matched its policy benchmark with a 2.6% return. Over the latest 1-year and 3-year periods, the Fixed Income portfolio surpassed its policy benchmark by 30 and 20 basis points, respectively. Over the latest 5-year periods, the portfolio underperformed its policy benchmark by 20 basis points per year.

Periods ending September 30, 2007

Asset Class	Quarter	1 Year	3 Year	5 Year
Total Retirement	2.6	15.1	12.0	12.2
<i>Policy Benchmark*</i>	2.8	15.3	12.3	13.6
Domestic Equity	2.5	18.7	14.4	16.5
<i>Russell 3000 (blend)</i>	1.6	16.5	13.7	16.3
International Equity	2.7	24.5	22.2	---
<i>MSCI ACWI ex U.S.</i>	4.7	31.1	26.5	---
Fixed Income	2.6	5.6	4.5	4.7
<i>Lehman Universal</i>	2.6	5.3	4.3	4.9
Alternatives**	4.8	12.5	---	---
<i>Blended Benchmark**</i>	7.6	31.6	---	---
Hedge F of F	4.2	---	---	---
<i>Tbill + 3%</i>	2.0	---	---	---
Private Equity**	7.3	16.3	---	---
<i>Cambridge USPE**</i>	8.1	33.7	---	---
Real Estate**	6.1	---	---	---
<i>NCREIF**</i>	4.6	---	---	---
Cash	1.3	5.4	4.3	3.1
<i>Citigroup T-bills</i>	1.2	5.0	4.0	2.8

*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 September 30, 2007

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR
BlackRock	1,637,651	Large Cap Core	2.0	16.9	14.0	---
<i>Russell 1000 Index</i>	---	---	2.0	16.9	13.8	---
MFS	393,914	Large Cap Value	1.8	19.4	16.9	---
<i>Russell 1000 Value Index</i>	---	---	-0.2	14.4	15.2	---
T. Rowe Price	376,425	Large Cap Value	-0.6	15.8	14.9	---
<i>Russell 1000 Value Index</i>	---	---	-0.2	14.4	15.2	---
Fred Alger	375,716	Large Cap Growth	10.9	36.2	15.6	---
<i>Russell 1000 Growth Index</i>	---	---	4.2	19.4	12.2	---
Intech	338,739	Large Cap Growth	3.6	16.0	12.1	---
<i>Russell 1000 Growth Index</i>	---	---	4.2	19.4	12.2	---
Earnest Partners	124,047	Small Cap Value	-1.6	10.9	---	---
<i>Russell 2000 Value Index</i>	---	---	-6.3	6.1	---	---
Northpointe	55,935	Small Cap Growth	0.8	17.4	---	---
<i>Russell 2000 Growth Index</i>	---	---	0.0	18.9	---	---
Paradigm	57,658	Small Cap Growth	-1.4	21.4	---	---
<i>Russell 2000 Growth Index</i>	---	---	0.0	18.9	---	---

Latest Quarter

During the third quarter of 2007, five of WPERP's eight reporting domestic equity managers outperformed or matched their respective benchmarks.

WPERP's passive large cap core manager, **BlackRock**, ended the quarter with a 2.0% return matching the Russell 1000 Index, which is in-line with expectations. **MFS** produced a quarterly return of 1.8% outperforming the Russell 1000 Value Index return by 2.0%. Stock selection within financials and materials benefited portfolio performance. **T. Rowe Price** underperformed the Russell 1000 Value Index by 40 basis points with a minus (0.6%) return. **Fred Alger** completed the quarter with a 10.9% return surpassing the Russell 1000 Growth Index return by 6.7%. Strong stock selection within health care and technology benefited portfolio performance. **Intech** underperformed the Russell 1000 Growth Index by 60 basis points with a 3.6% quarterly return. **Earnest Partners**, WPERP's small cap value manager ended the quarter with a minus (1.6%) return, besting the Russell 2000 Value Index by 4.7%. An overweight to health care benefited performance. **Northpointe** finished the quarter returning 0.8% outperforming the Russell 2000 Growth Index by 80 basis



points. **Paradigm** completed the quarter returning minus (1.4%) trailing the Russell 2000 Growth Index by (1.4%). Poor stock selection detracted from performance.

Latest Year

During the latest 12-month period, WPERP's passive core manager **BlackRock** matched its benchmark with a 16.9% return. **MFS**, one of the plan's large cap value managers, finished the latest 12-month period with a 19.4% return and outperformed the Russell 1000 Value Index's return by 5.0%. Positive stock selection within financials and utilities contributed to 12-month excess performance. **T. Rowe Price** posted a 15.8% return and outperformed the Russell 1000 Value Index's return by 1.4%. Stock selection within financials benefited portfolio performance. **Fred Alger** posted a strong 36.2% return outperforming the Russell 1000 Growth Index return by 16.8%. Stock selection within technology and consumer discretionary helped add value relative to the benchmark. **Intech** completed the latest 12-month period returning 16.0%, trailing the Russell 1000 Growth Index return by 3.4%. Poor stock selection within technology and materials contributed to lagging performance. **Earnest Partners**, WPERP's small cap value manager, completed the latest 12-month period with a 10.9% return and surpassed the Russell 2000 Value Index return by 4.8%. The manager's underweight to poorly-performing financials benefited performance.

Latest Three Years

During the latest 36-month period, WPERP's passive core manager **BlackRock** performed within tracking expectations with a 14.0% return, surpassing its benchmark by 20 basis points. This performance is within expectations.

MFS finished the latest 36-month period surpassing the Russell 1000 Value Index return by 1.7% with a 16.9% return. Strong stock selection benefited performance. **T. Rowe Price** slightly trailed the Russell 1000 Value Index's return by 30 basis points. **Fred Alger** posted a 15.6% return outperforming the Russell 1000 Growth Index return by 3.4%. Stock selection within consumer staples benefited performance. **Intech**, WPERP's other large cap growth manager, completed the most recent 36-month period with a 12.1% return, slightly underperforming its target benchmark, the Russell 1000 Growth, by 10 basis points.



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International Equity – Periods ending September 30, 2007

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR
Invesco	493,280	Developed Markets	1.1	20.4	21.2	---
<i>EAFE + Canada ND Index</i>	---	---	2.7	25.9	23.7	---
The Boston Company	381,351	Developed Markets	-1.6	15.2	---	---
<i>EAFE + Canada ND Index</i>	---	---	2.7	25.9	---	---
Pyramis	461,464	Developed Markets	4.4	26.8	---	---
<i>EAFE Growth ND Index</i>	---	---	4.4	28.2	---	---
The Boston Company	96,940	Emerging Markets	7.6	43.9	---	---
T. Rowe Price	105,395	Emerging Markets	15.3	64.9	---	---
<i>MSCI EMF Index</i>	---	---	14.5	58.6	---	---

Latest Quarter

During the third quarter of 2007, two of WPERP's five reporting international equity managers outperformed or matched their respective benchmarks.

Invesco, WPERP's active core international manager, generated a quarterly return of 1.1% underperforming the MSCI EAFE + Canada ND return by 1.6%. Portfolio investments detracting from performance during the third quarter were most significant within the consumer discretionary sector. The plan's active international value manager, **The Boston Company**, completed the quarter with a minus (1.6%) return, trailing the MSCI EAFE + Canada ND Index return by 4.3%. Stock selection within Europe and Japan detracted from performance. **Pyramis**, the plan's active international growth manager, completed the quarter with a 4.4% return matching the MSCI EAFE Growth ND Index.

The Boston Company, one of WPERP's two emerging markets managers, finished the quarter with a 7.6% return trailing the MSCI Emerging Markets Index by 6.9%. An underweight to the strongly-performing materials sector and to China detracted from performance. **T. Rowe Price**, the plan's other emerging markets manager, completed the quarter with a 15.3% return surpassing its benchmark by 80 basis points.

Latest Year

Invesco finished its latest 12-month period with a 20.4% return, trailing its benchmark by 5.5%. Stock selection within Australia and Hong Kong detracted from performance. **The Boston Company** completed the latest 12-month period trailing its benchmark by 10.7%, with a 15.2% return. Stock selection within Europe reduced relative performance. **Pyramis** completed the latest 12-month period with a 26.8% return, trailing the MSCI EAFE + Canada Growth ND Index return by 1.4%.

During the latest 12-month period, **The Boston Company** emerging markets portfolio produced a strong 43.9% return, but trailed the MSCI Emerging Markets Index's return by 14.7%. The portfolio's value-oriented style has dampened performance results during a momentum-driven market. The **T. Rowe Price** portfolio generated a strong return of 64.9% and surpassed its index return by 6.3%. An overweight to China aided performance.



Quarterly Report

Q3-07

Fixed Income – Periods ending September 30, 2007

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR
ING	1,066,994	Core	2.8	5.3	4.2	---
Wells	1,074,335	Core	3.0	5.4	4.2	---
<i>LB Aggregate Index</i>	---	---	2.8	5.1	3.9	---
Loomis	132,852	High Yield	-0.3	8.1	---	---
Wells	122,460	High Yield	0.6	7.6	---	---
<i>LB High Yield Index</i>	---	---	0.3	7.6	---	---

Latest Quarter

During the third quarter of 2007, three of WPERP's four reporting fixed income managers outperformed or matched their respective benchmarks.

ING and **Wells**, WPERP's two core fixed income managers, finished the quarter either matching or exceeding the Lehman Aggregate Index, which is within tracking error expectations. **Loomis Sayles**, one of the portfolio's two high yield managers, finished the quarter with a minus (0.3%) return, underperforming the Lehman High Yield Index by 60 basis points. The other high yield manager **Wells** finished the quarter with a 0.6% return outperforming the Lehman High Yield Index by 30 basis points.

Latest Year

ING and **Wells**, WPERP's core fixed income managers, finished the latest 12-month period leading the Lehman Aggregate Index by 20 bps and 30 bps, respectively. Both the **Loomis Sayles** and **Wells** high yield portfolios finished the latest 12-month period either matching or exceeding the Lehman High Yield Index.

Latest Three Years

ING and **Wells**, WPERP's core fixed income managers, finished the latest 3-year period outperforming the Lehman Aggregate Index.



Quarterly Report

Q3-07

Hedge Fund of Funds – Periods ending September 30, 2007

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR
Aetos Capital*	34,555	Hedge FoF's	3.5	---	---	---
<i>Tbills + 3%*</i>	---	---	2.0	---	---	---
PAAMCO*	35,224	Hedge FoF's	4.9	---	---	---
<i>Tbills + 3 %*</i>	---	---	2.0	---	---	---

*Returns are lagged one quarter

Latest Quarter

During the third quarter of 2007, both of WPERP's reporting hedge fund managers outperformed their respective benchmarks.

Aetos, one of WPERP's two hedge fund managers, completed its first quarter with a 3.5% return surpassing the Tbill+3% by 1.5%.

PAAMCO, the Plan's other hedge fund manager, finished its first quarter posting a 4.9%, outperforming the Tbill+3% by 2.9%.



Private Equity – Periods ending September 30, 2007

Manager	Mkt Value (\$000)	Asset Class	Quarter	1 YR	3 YR	5 YR
Lexington Capital*	7,365	Private Equity	6.6	17.5	---	---
Cambridge U.S. PE*	---	---	8.1	33.7	---	---
Landmark Equity Partners*	11,943	Private Equity	7.7	---	---	---
Cambridge U.S. PE*	---	---	8.1	---	---	---

* Returns are lagged one quarter

Latest Quarter

During the third quarter of 2007, both of WPERP's reporting private equity managers underperformed their respective benchmarks.

Lexington Capital completed the third quarter of 2007 and returned 6.6%, underperforming the Cambridge U.S. Private Equity Index return by 1.5%. **Landmark Equity Partners**, WPERP's other private equity manager, generated a quarterly return of 7.7% return, underperforming the Cambridge U.S. Private Equity Index return by 40 basis points.

Latest Year

Over the latest 1-year period, Lexington Capital generated a 17.5% return, underperforming the Cambridge U.S. Private Equity Index by 16.2%.



Health Plan Performance

The WPERP - Health portfolio ended the third quarter of 2007 with an aggregate value of approximately \$664.8 million.

Health Plan - Periods ending September 30, 2007, Gross of Fees

Asset Class	Quarter	1 Year	3 Year	5 Year
Total Portfolio	2.4	---	---	---
<i>Policy Benchmark*</i>	2.4	---	---	---
BlackRock	2.0	---	---	---
<i>R1000 Index</i>	2.0	---	---	---
Wells	3.1	---	---	---
<i>LB Aggregate</i>	2.8	---	---	---

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

Q3 2007 – During the third quarter of 2007, The Health Plan matched its policy benchmark return of 2.4%. Both managers of the Health Plan either matched or exceeded 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 9/30/07

Segment	Actual \$(000)	Actual %	Target %	Variance
Total Portfolio	\$664,795	100	100	---
Domestic Equity	405,696	61	60	1
BlackRock	405,696	61	60	1
Fixed Income	258,763	39	40	-1
Wells	258,763	39	40	-1
Cash	336	0	0	0

Asset Allocation – The Health Plan target allocation consists of 60% domestic equity and 40% domestic fixed income. By the close of 3Q 2007, 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 third quarter of 2007 with an aggregate value of approximately \$30.8 million.

Disability Plan - Periods ending September 30, 2007, Gross of Fees

Asset Class	Quarter	1 Year	3 Year	5 Year
Total Portfolio	2.7	5.4	4.2	4.1
Policy Benchmark*	2.8	5.1	3.9	4.2
Wells	2.8	5.4	4.2	---
LB Aggregate	2.8	5.1	3.9	---

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

Q3 2007 – During the third quarter of 2007, the Disability Plan returned 2.7% slightly trailing its benchmark policy return by 10 basis points. The benchmark portfolio consists of passively managed asset class portfolios held at the Disability Plan's policy weightings.

Longer Terms – The Disability Plan outperformed its policy benchmark performance over the latest 1-year and 3-year periods. The Plan slightly trailed its policy benchmark by 10 basis points over the latest 5-year period.

Disability Plan – Asset Allocation as of 9/30/07

Segment	Actual \$(000)	Actual %	Target %	Variance
Total Portfolio	\$30,829	100.0	100	---
Fixed Income	29,591	96	95	1
Wells	29,591	96	95	1
Cash	1,238	4	5	-1

Asset Allocation – The Disability Plan target allocation consists of 95% fixed income investments and 5% cash. By the close of 3Q 2007, there was one fixed income manager, Wells. The total fund was 96% invested in this manager.



Death Plan Performance

The WPERP – Death portfolio ended the third quarter of 2007 with an aggregate value of approximately \$25.9 million.

Death Plan - Periods ending September 30, 2007, Gross of Fees

Asset Class	Quarter	1 Year	3 Year	5 Year
Total Portfolio	2.7	5.4	4.2	4.9
Policy Benchmark*	2.8	5.1	3.9	4.2
Wells	2.8	5.4	4.2	---
LB Aggregate	2.8	5.1	3.9	---

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

Q3 2007 – During the third quarter of 2007, the Death Plan returned 2.7% slightly trailing its benchmark policy return by 10 basis points. The benchmark portfolio consists of passively managed asset class portfolios held at the Death Plan's policy weightings.

Longer Terms – The Death Plan surpassed its policy benchmark over all extended periods.

Death Plan – Asset Allocation as of 9/30/07

Segment	Actual \$(000)	Actual %	Target %	Variance
Total Portfolio	\$25,862	100	100	---
Fixed Income	24,759	96	96	0
Wells	24,759	96	96	0
Cash	1,103	4	4	0

Asset Allocation – The Death Benefit Plan target allocation consists of 96% fixed income investments and 4% cash. By the close of 3Q 2007, there was one fixed income manager, Wells. The total fund was 96% invested in this manager.



Quarterly Report

Q3-07

Managers Placed on Probationary Status Return vs. Benchmark Since Probation As of September 30, 2007

Portfolio	Style Group	Concern	1 Month	1 Quarter	2 Quarters	3 Quarters	1st Year	Since Placed on Notice*	Date of Notice
Intech	Large Growth	Performance	-1.2	3.6	---	---	---	3.6	7/1/2007
Russell 1000 Growth	Large Growth		0.0	4.2	---	---	---	4.2	
Intech Perf. Vs. Target	Russell 1000 Growth		N/M	N/M	N/M	N/M	---	N/M	---
Fred Alger	Large Growth	Performance	4.0	6.4	16.2	28.9	---	28.9	12/31/2006
Russell 1000 Growth	Large Growth		2.6	1.2	8.5	13.1	---	13.1	---
Fred Alger Perf. Vs. Target	Russell 1000 Growth		N/M	N/M	N/M	N/M	---	N/M	---
Earnest Partners	Small Value	Performance	-3.3	-2.7	5.5	4.1	9.6	6.3	7/1/2006
Russell 2000 Value	Small Value		-1.4	2.6	11.8	13.4	16.1	7.0	---
Earnest Partners Perf. Vs. Target	Russell 2000 Value		N/M	N/M	N/M	N/M	-6.5	-0.7	---
Pyramis	Developed Markets	Organizational	3.7	4.7	21.3	29.8	22.9	24.6	8/1/2005
MSCI EAFE Growth ND**	Developed Markets		2.9	4.3	18.8	27.7	22.2	24.5	---
Pyramis Perf. Vs. Target	MSCI EAFE +Canada Growth ND		N/M	N/M	N/M	N/M	0.7	0.1	---
The Boston Company	Emerging Markets	Performance	1.8	17.6	18.8	36.1	42.3	42.3	9/1/2006
MSCI Emerging Markets	Emerging Markets		0.8	18.6	21.4	39.7	54.3	54.3	---
Boston Company Perf. Vs. Target	MSCI EMF		N/M	N/M	N/M	N/M	-12.0	-12.0	---

*Performance based on data provided by Mellon

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

(See next page)



***Fred Alger** was placed on probationary status on December 31, 2006 due to performance related reasons.

***Earnest Partners** was placed on probationary status on September 30, 2006 due to performance related reasons.

***Pyramis** was placed on probationary status on August 1, 2005 due to organizational concerns.

***The Boston Company** was placed on probationary status on September 1, 2006 due to performance related reasons.

***Intech** was placed on probationary status on July 1, 2007 due to performance related reasons.

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

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



WPERP

Performance Summary and Total Fund Universe Rankings as of September 30, 2007

Mellon Total Funds - Public Universe				
	<u>Quarter</u>	<u>1- Year</u>	<u>3-Year</u>	<u>5-Year</u>
Maximum	3.7	21.6	17.9	18.1
Percentile 25	2.8	17.6	14.8	15.8
Median	2.3	16.0	13.9	14.9
Percentile 75	1.9	14.6	12.8	14.3
Minimum	0.9	12.3	10.8	11.3
Number of Portfolios	49	46	43	42
LADWP Total Fund				
Return	2.6	15.1	12.0	12.2
Quartile Rank	2nd	3rd	4th	4th

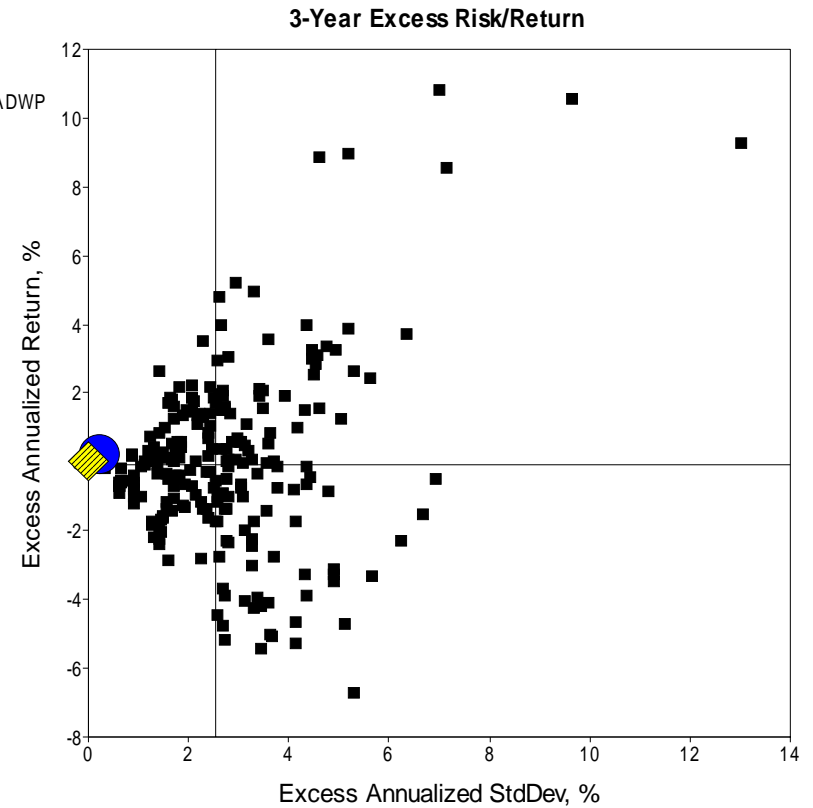
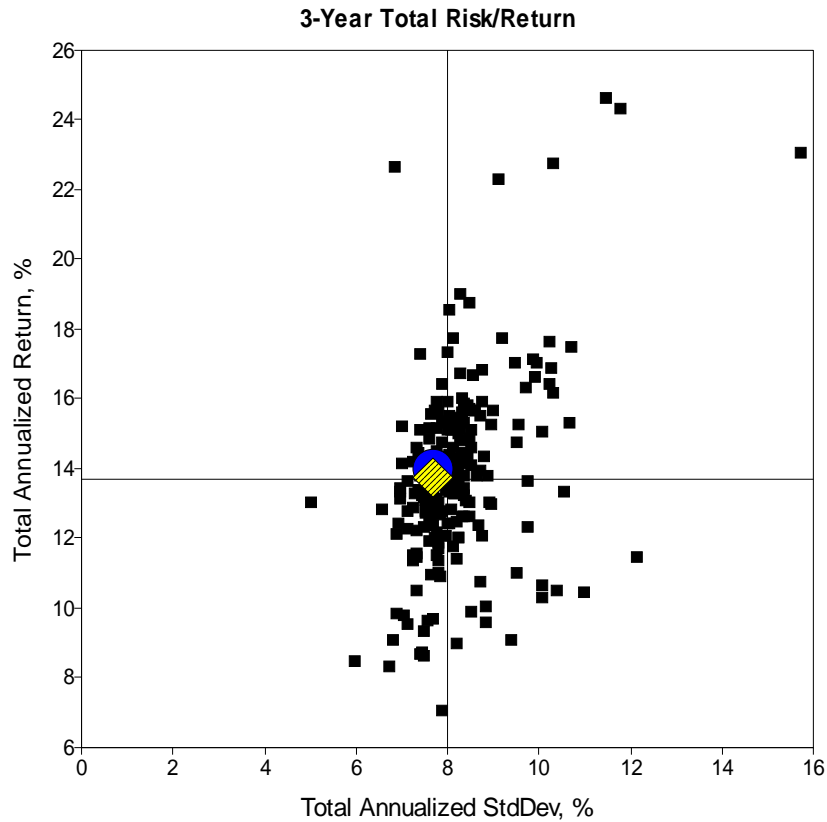
Notes:

Sources: Universe Information; Mellon Total Public Funds

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



WPERP Large Cap Core Manager Comparisons as of September 30, 2007



	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
BlackRock - LADWP	14.00	7.69	1.82
Russell 1000	13.77	7.67	1.80
Large Cap Manager Universe Median	13.67	7.99	1.72

	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
BlackRock - LADWP	0.23	0.21	1.10
Russell 1000	0.00	0.00	NA
Large Cap Manager Universe Median	-0.10	2.56	-0.06

Notes:

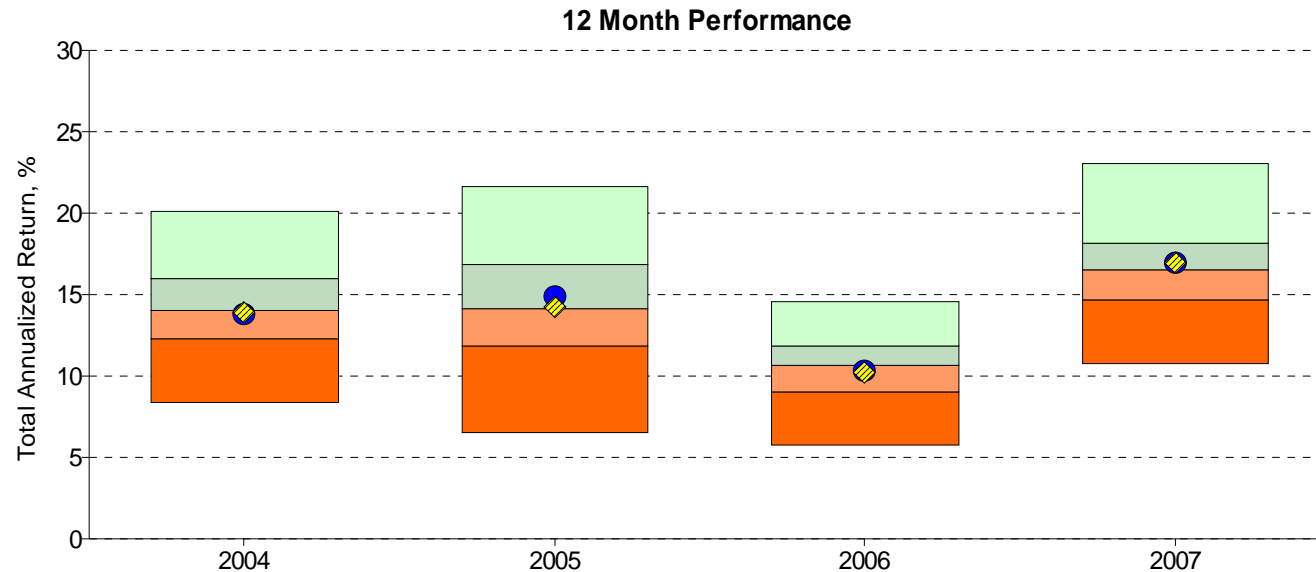
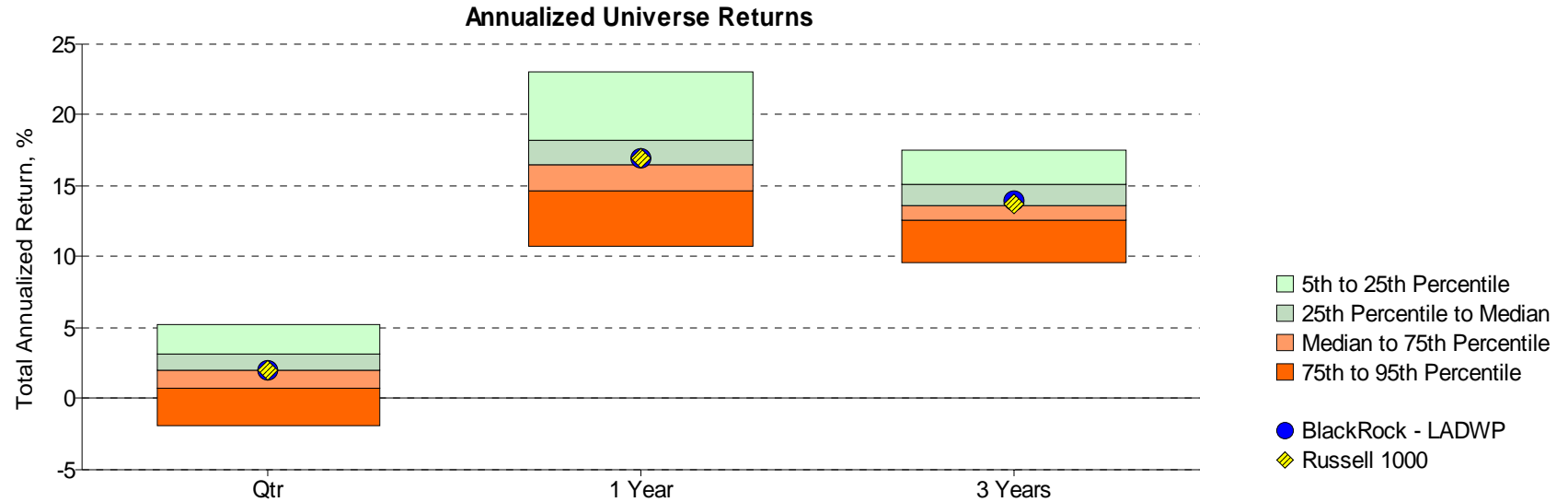
Sources: Data MPI/eVestment Alliance (index information).

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

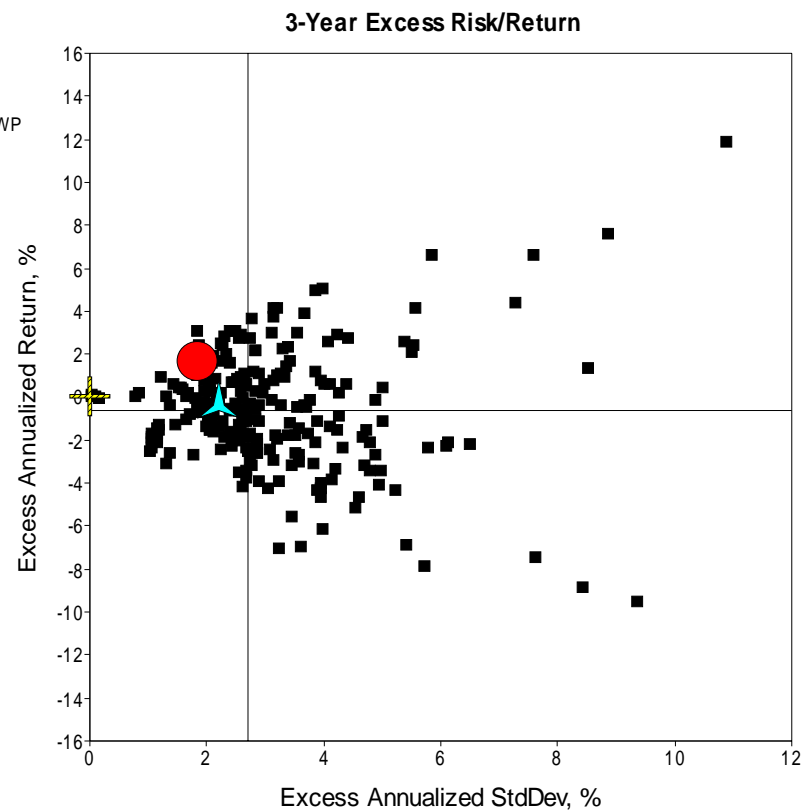
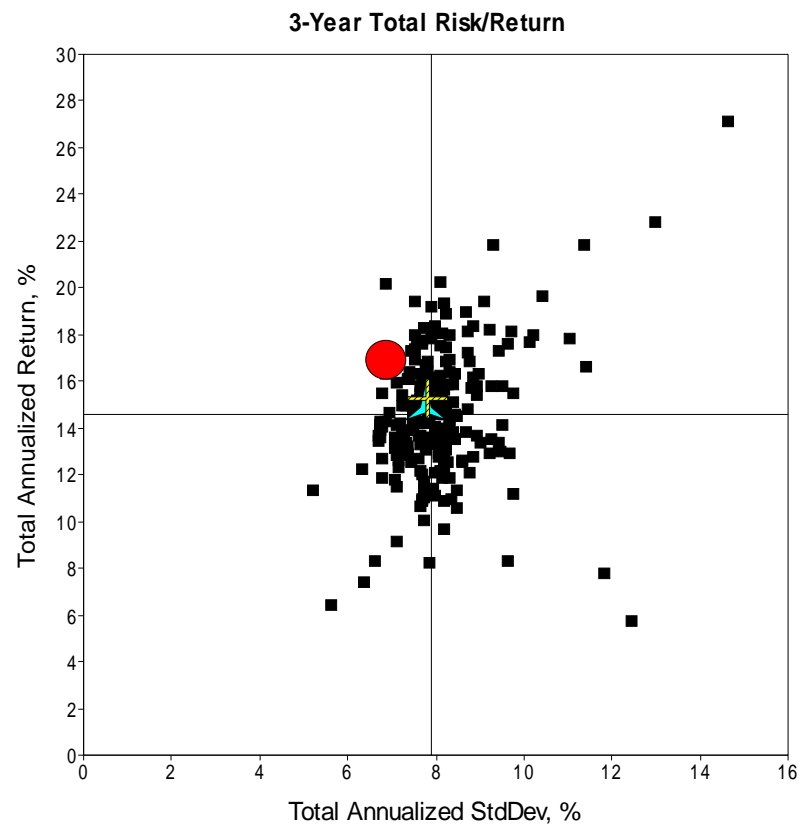
Performance and related statistics calculated using MPI software that geometrically linked and compounded returns.



WPERP Large Cap Core Manager Comparisons as of September 30, 2007



WPERP Large Cap Value Manager Comparisons as of September 30, 2007

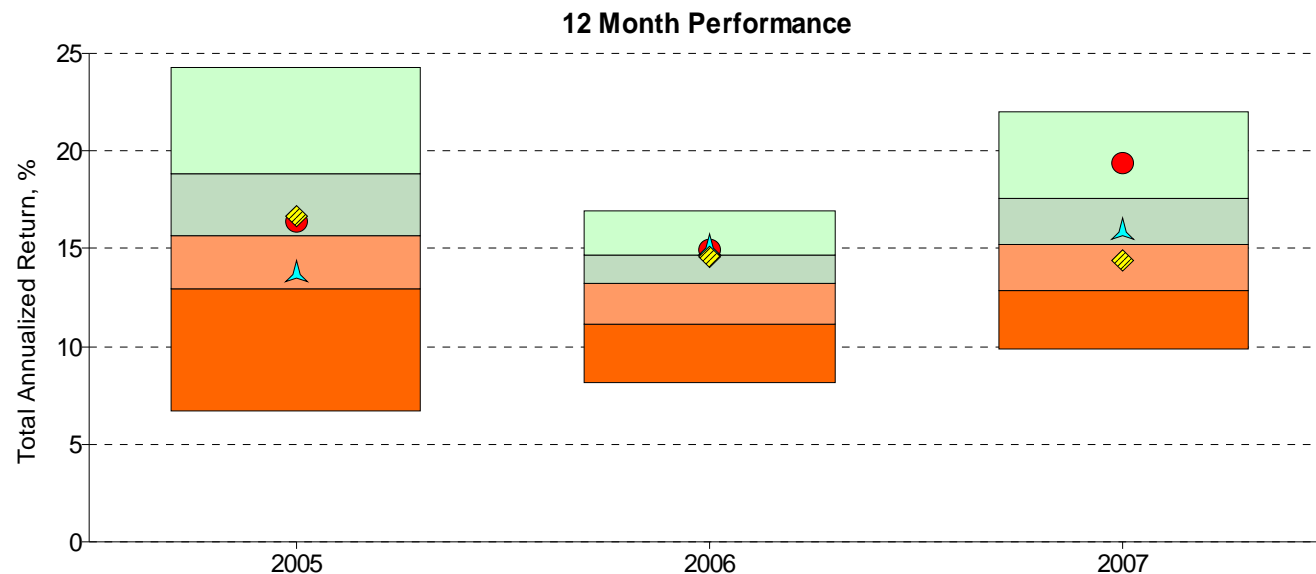
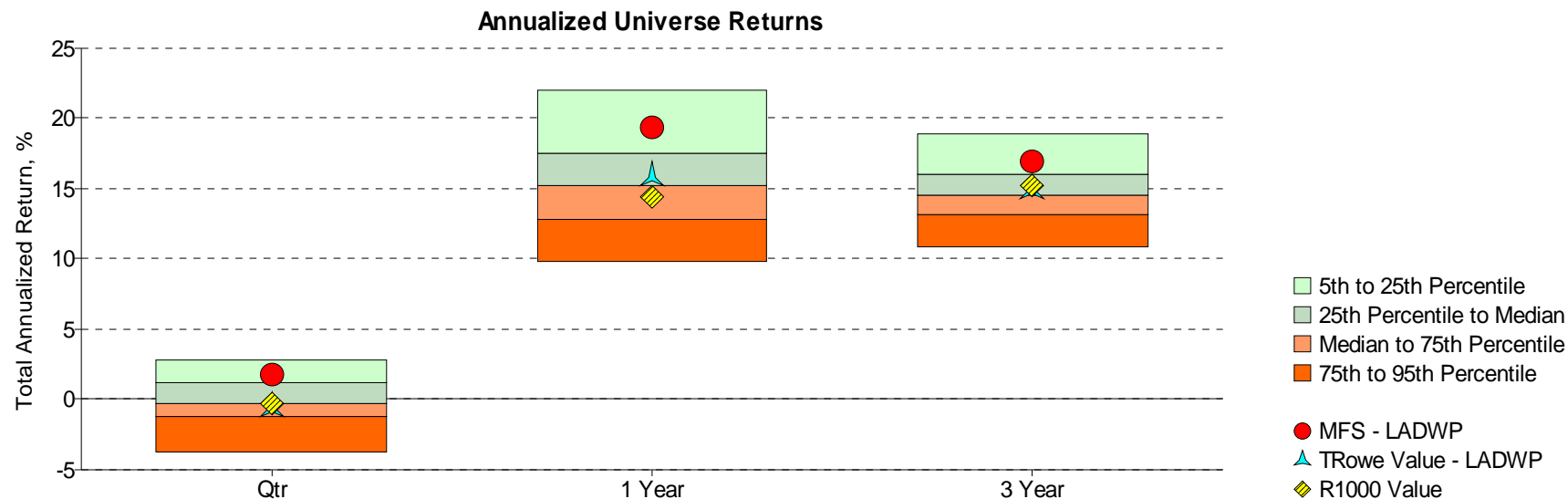


	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
MFS - LADWP	16.90	6.86	2.46
TRowe Value - LADWP	14.85	7.76	1.91
R1000 Value	15.23	7.81	1.95
Large Value Manager Universe Median	14.59	7.92	1.86

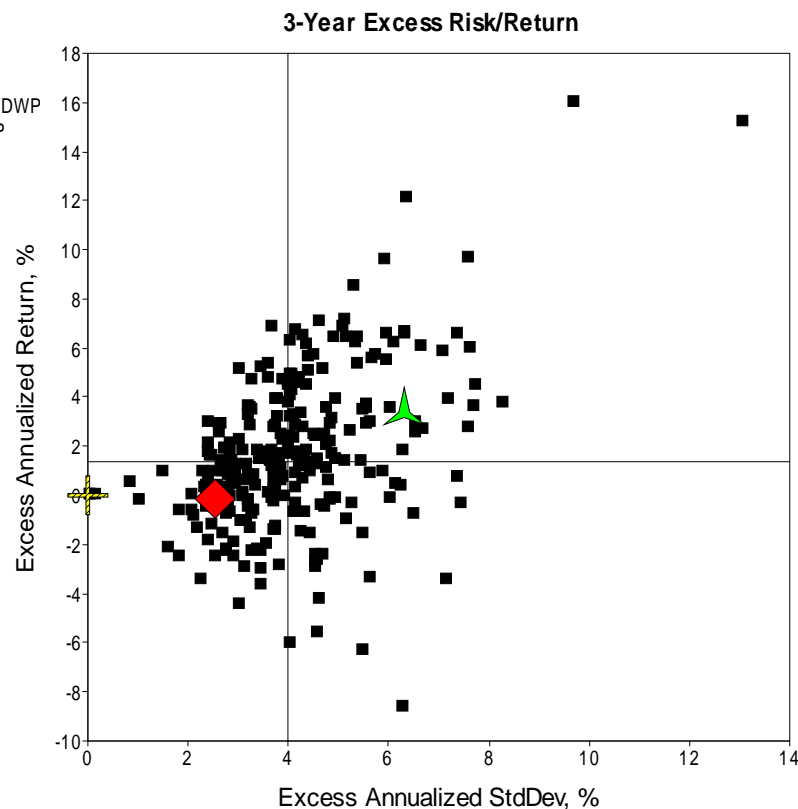
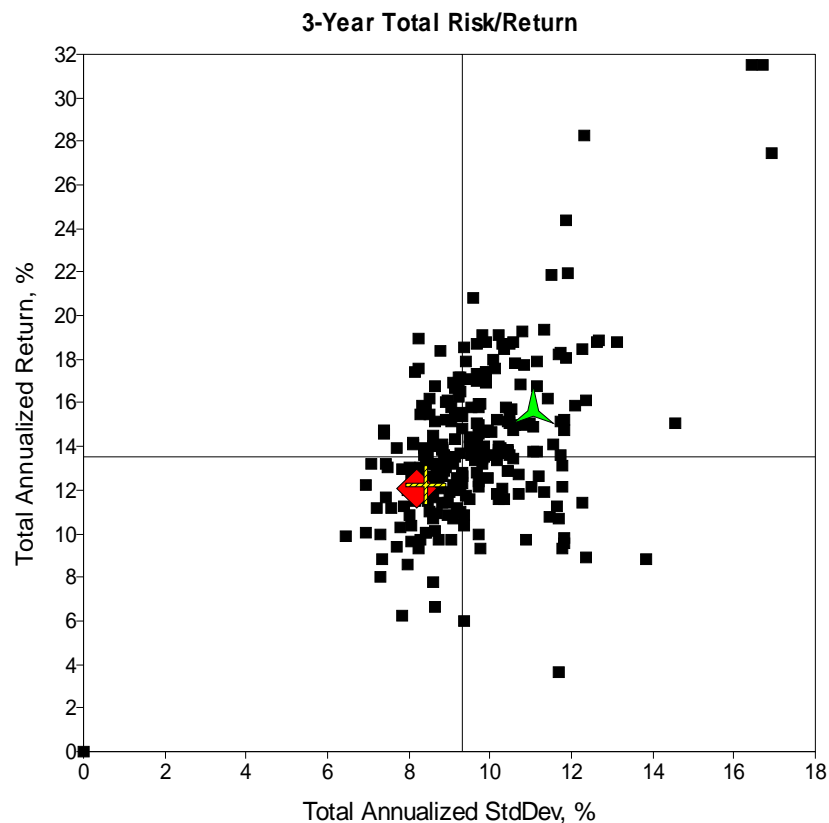
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
MFS - LADWP	1.67	1.84	0.91
TRowe Value - LADWP	-0.38	2.22	-0.17
R1000 Value	0.00	0.00	NA
Large Value Manager Universe Median	-0.64	2.69	-0.26



WPERP Large Cap Value Manager Comparisons as of September 30, 2007



WPERP Large Cap Growth Manager Comparisons as of September 30, 2007

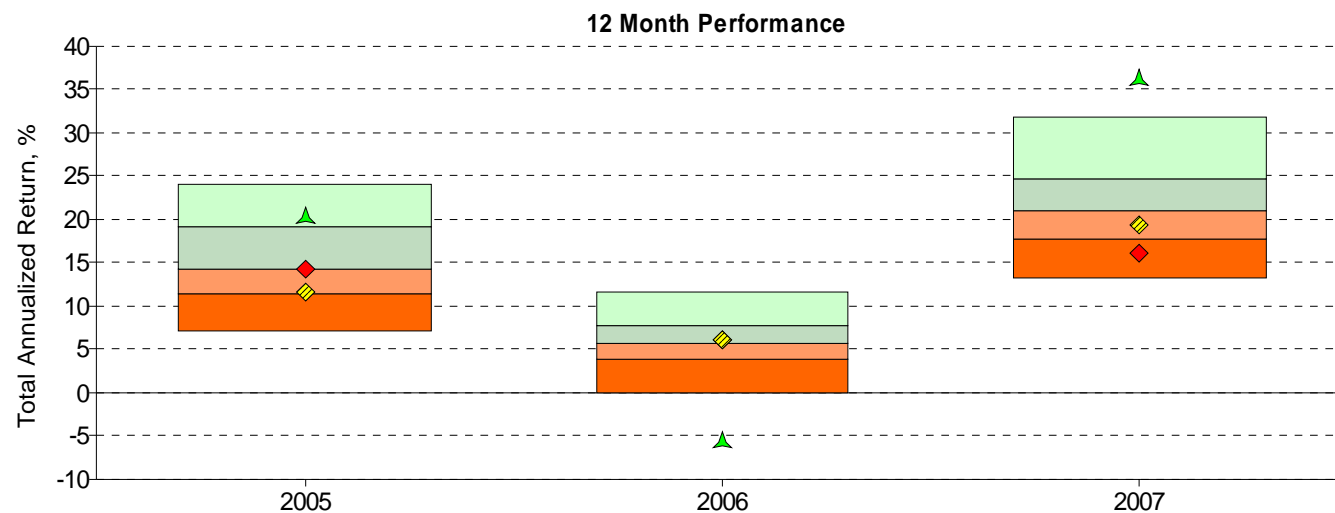
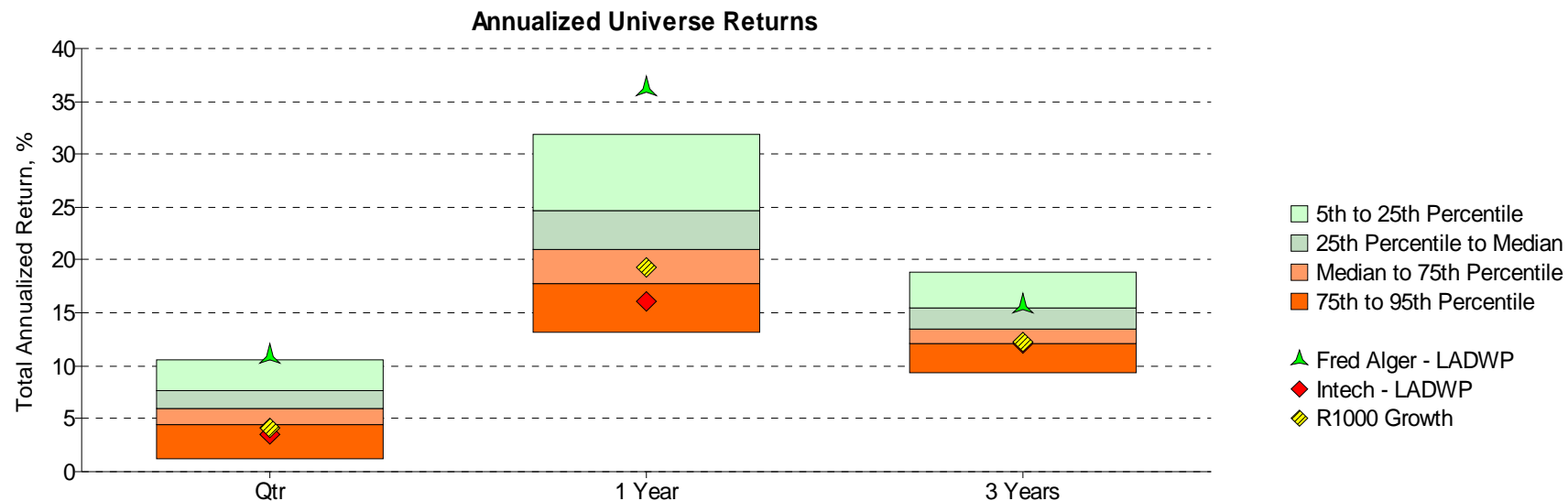


	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Fred Alger - LADWP	15.61	11.06	1.41
Intech - LADWP	12.08	8.20	1.47
R1000 Growth	12.21	8.42	1.45
Large Growth Manager Universe Median	13.56	9.33	1.46

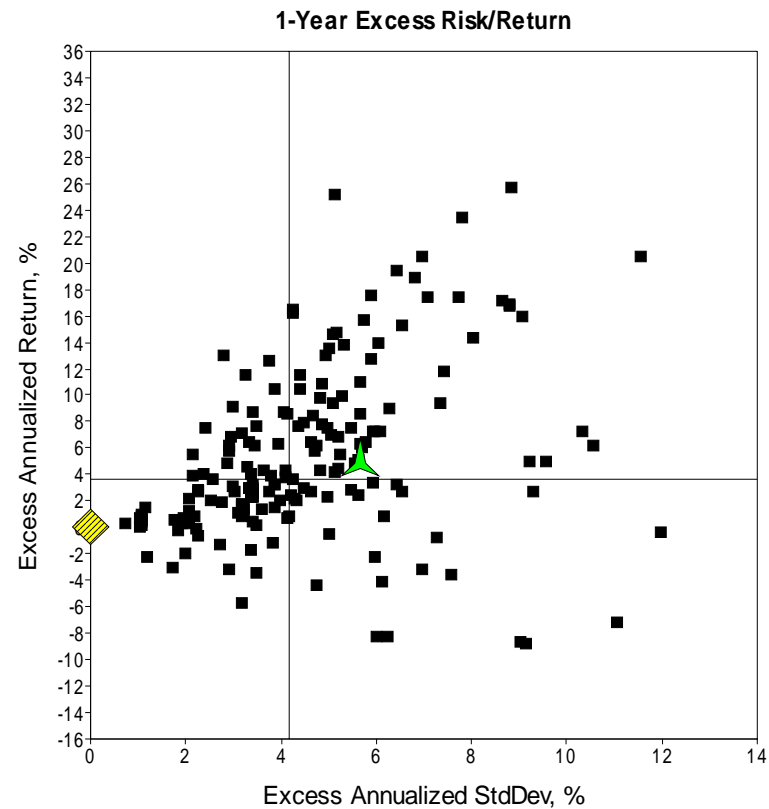
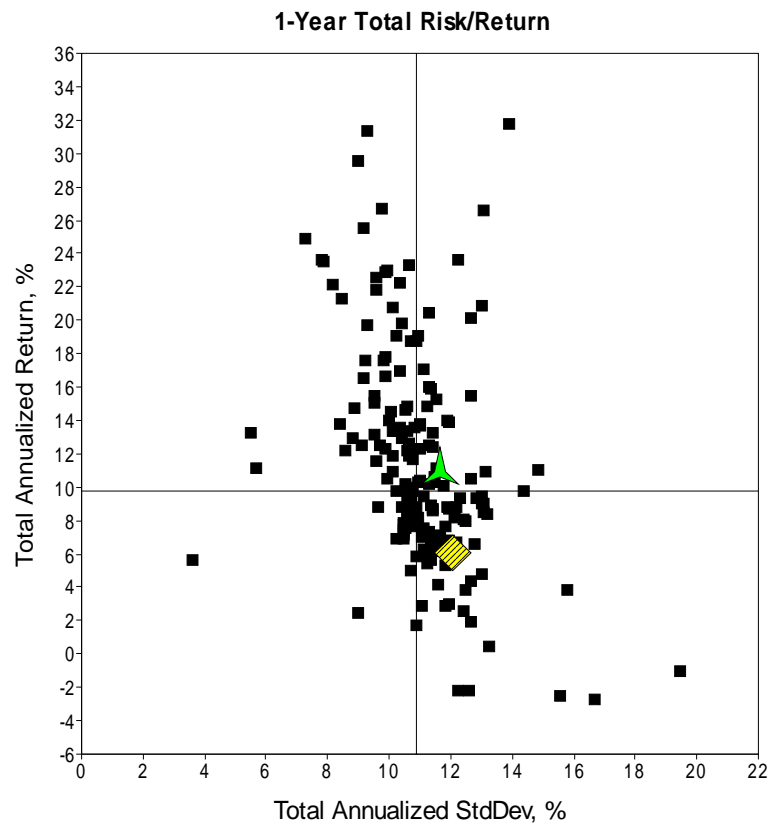
	Annualized Excess Return, %	Annualized Excess StDev, %	Sharpe Ratio, Excess
Fred Alger - LADWP	3.40	6.33	0.54
Intech - LADWP	-0.12	2.55	-0.05
R1000 Growth	0.00	0.00	NA
Large Growth Manager Universe Median	1.35	3.98	0.37



WPERP Large Cap Growth Manager Comparisons as of September 30, 2007



WPERP Small Cap Value Manager Comparisons as of September 30, 2007

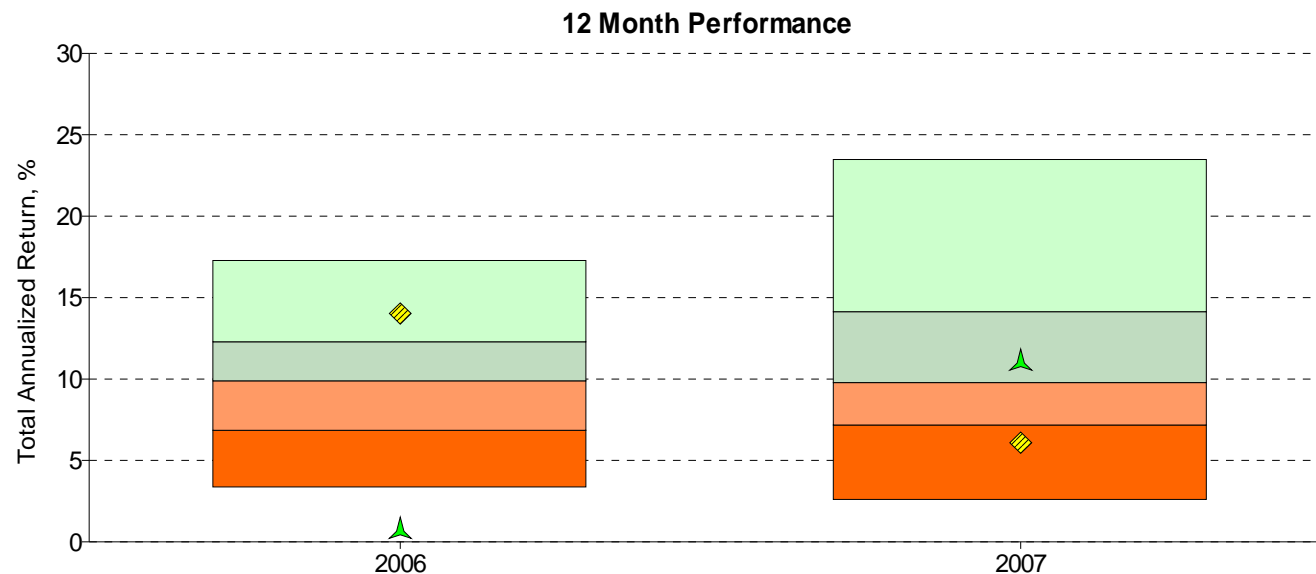
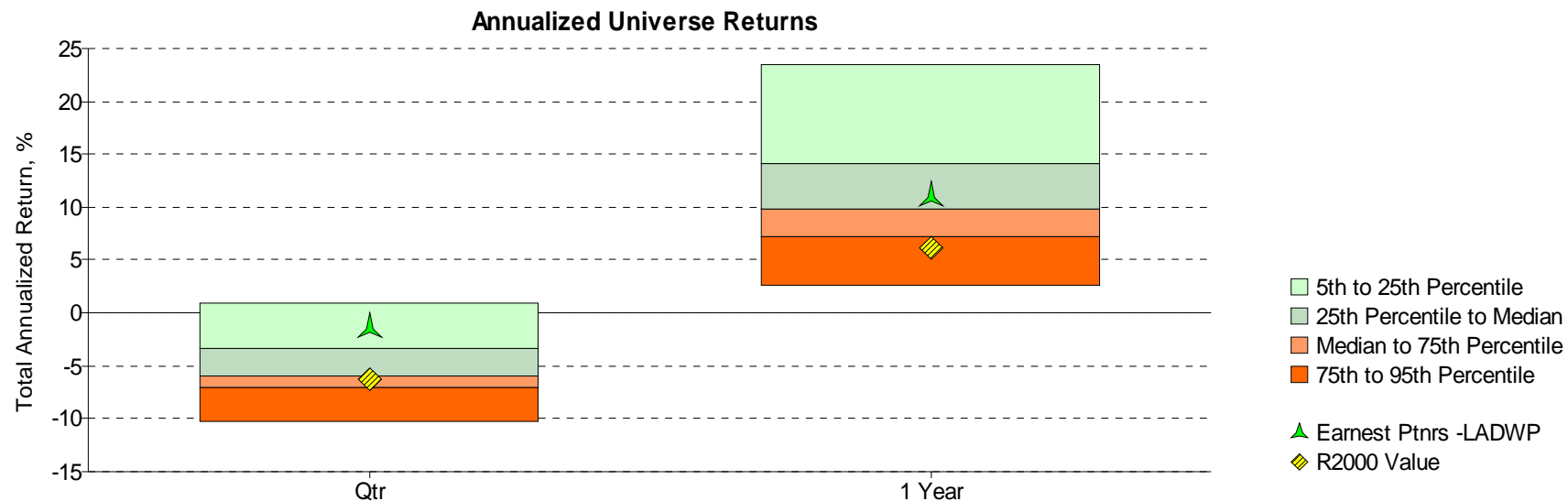


	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Earnest Ptnrs -LADWP	10.94	11.64	0.94
R2000 Value	6.09	12.04	0.51
Small Cap Value Universe Median	9.80	10.90	0.87

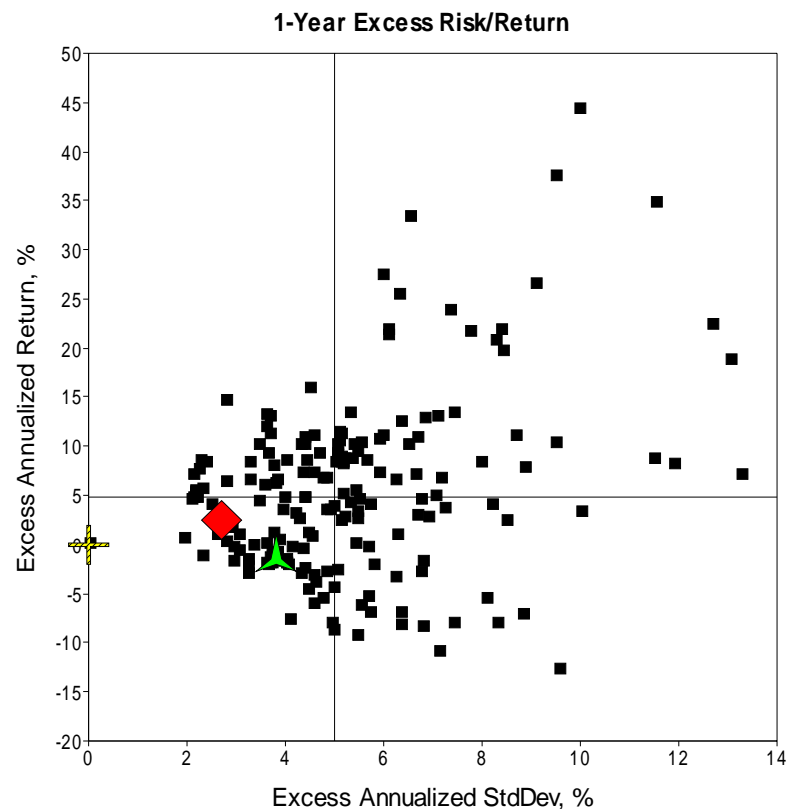
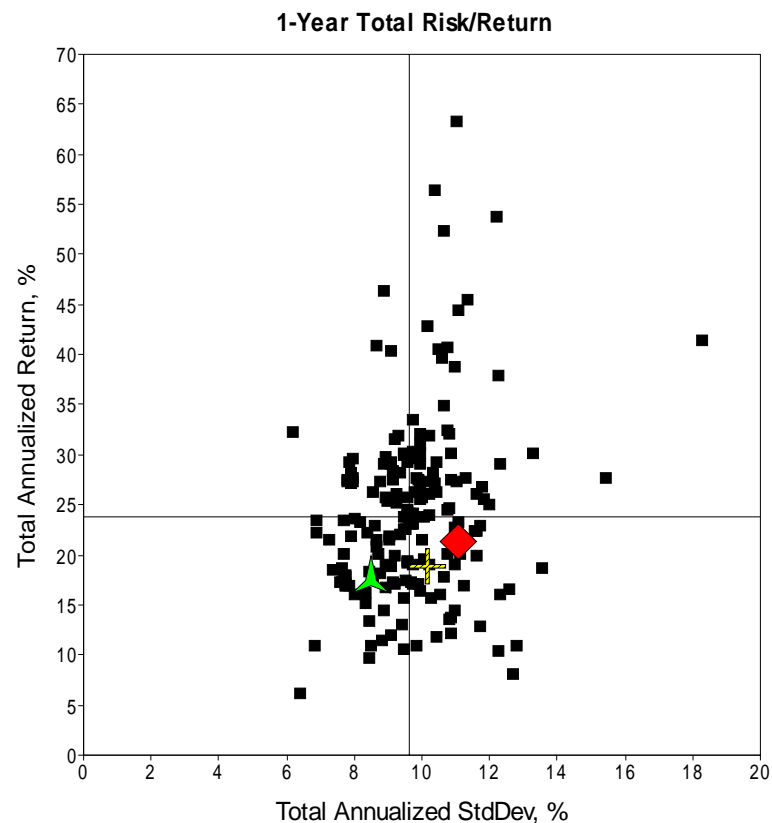
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Earnest Ptnrs -LADWP	4.85	5.67	0.85
R2000 Value	0.00	0.00	NA
Small Cap Value Universe Median	3.71	4.19	0.91



WPERP Small Cap Value Manager Comparisons as of September 30, 2007



WPERP Small Cap Growth Manager Comparisons as of September 30, 2007

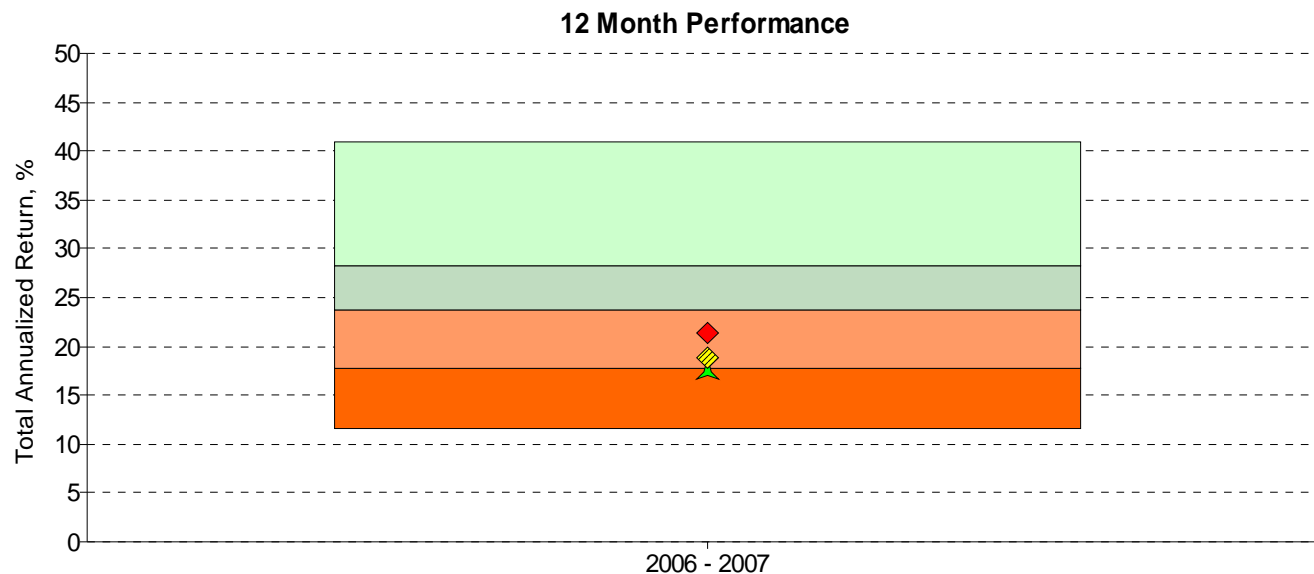
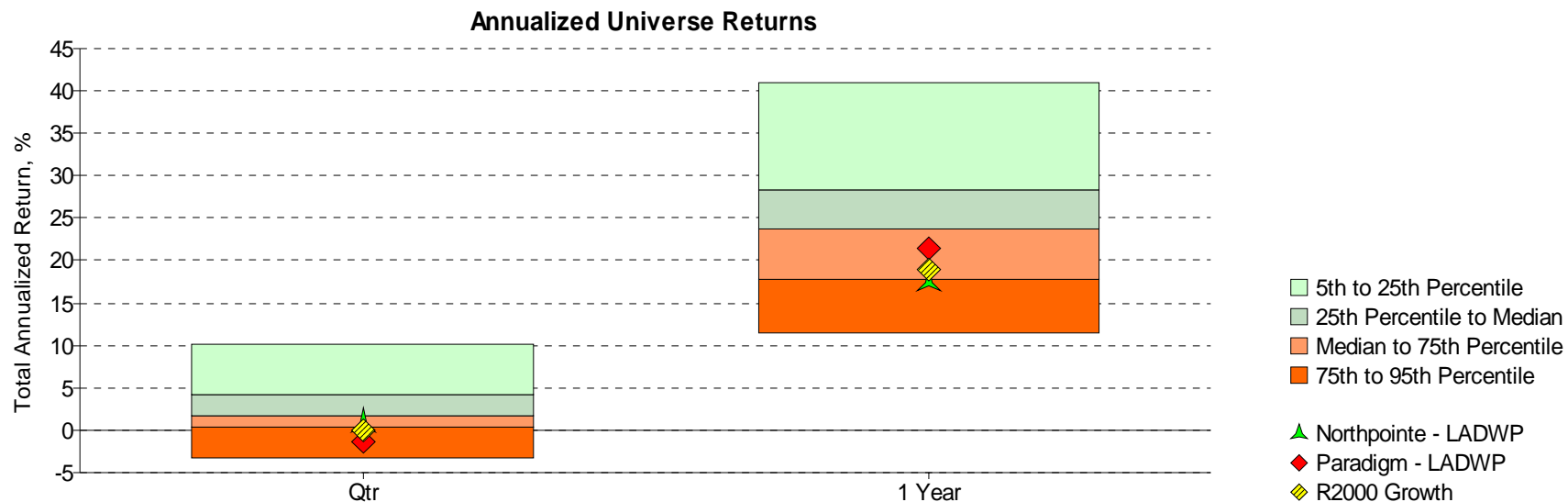


	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Northpointe - LADWP	17.45	8.50	2.05
Paradigm - LADWP	21.37	11.05	1.93
R2000 Growth	18.92	10.18	1.86
Small Cap Growth Universe Median	23.73	9.60	2.45

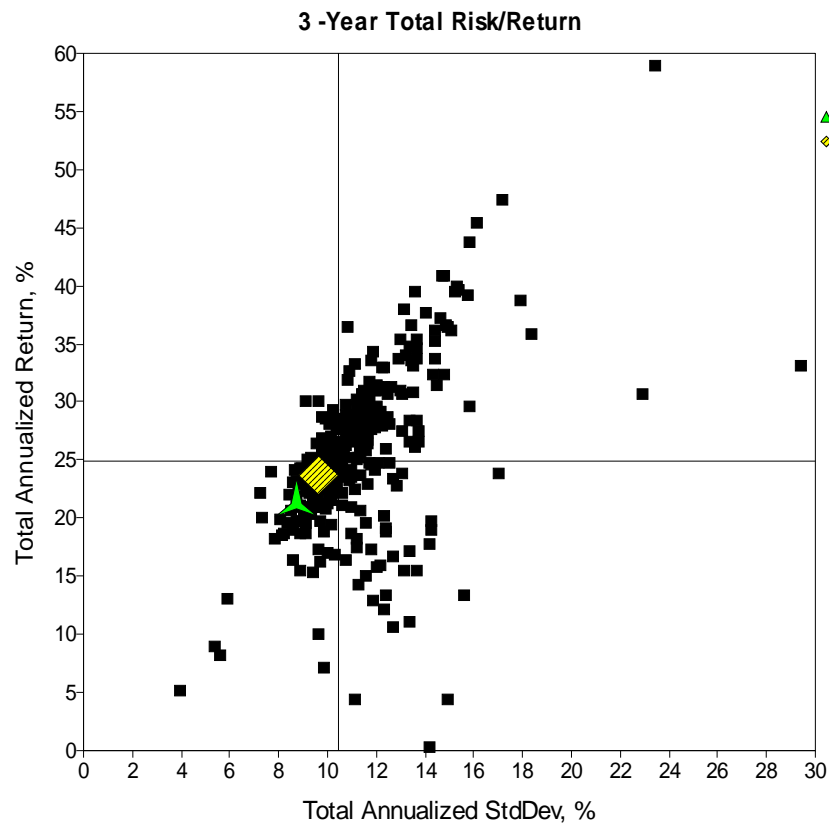
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Northpointe - LADWP	-1.48	3.82	-0.39
Paradigm - LADWP	2.44	2.70	0.90
R2000 Growth	0.00	0.00	NA
Small Cap Growth Universe Median	4.81	4.98	0.97



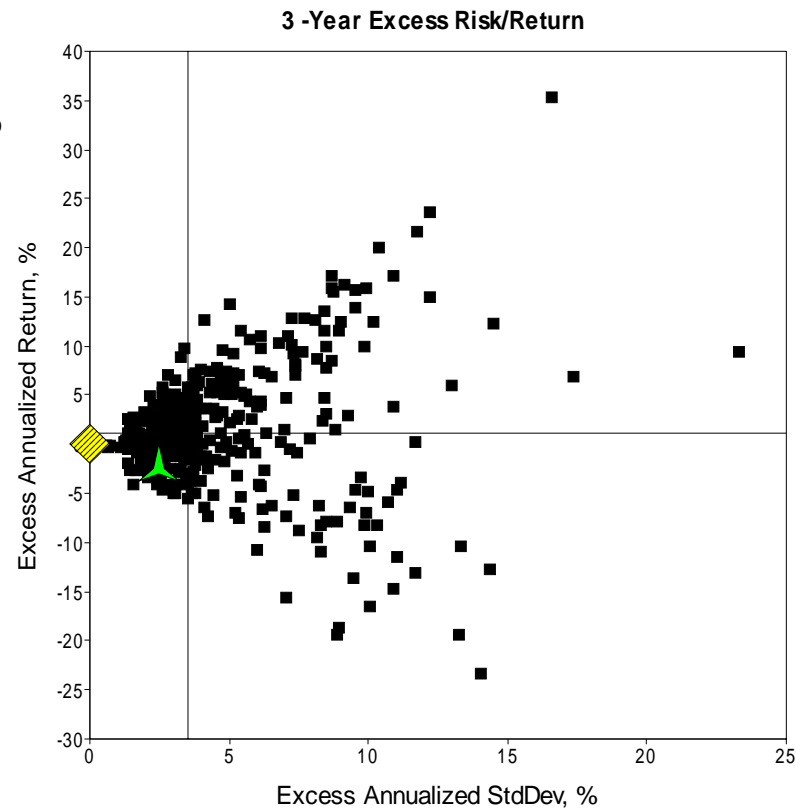
WPERP Small Cap Growth Manager Comparisons as of September 30, 2007



WPERP International Equity Manager Comparisons as of September 30, 2007



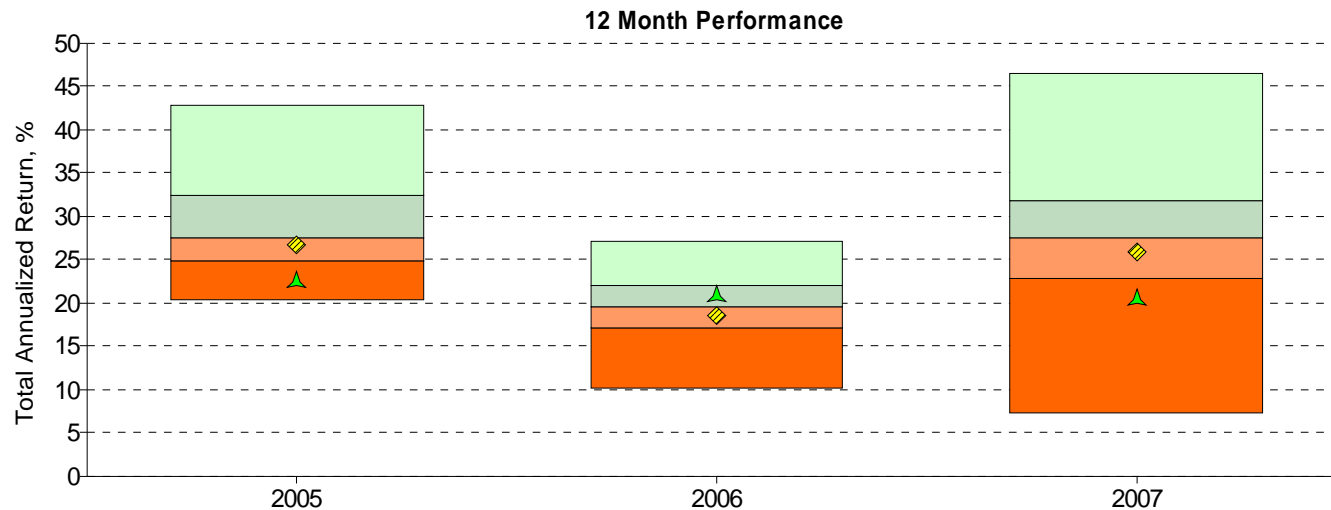
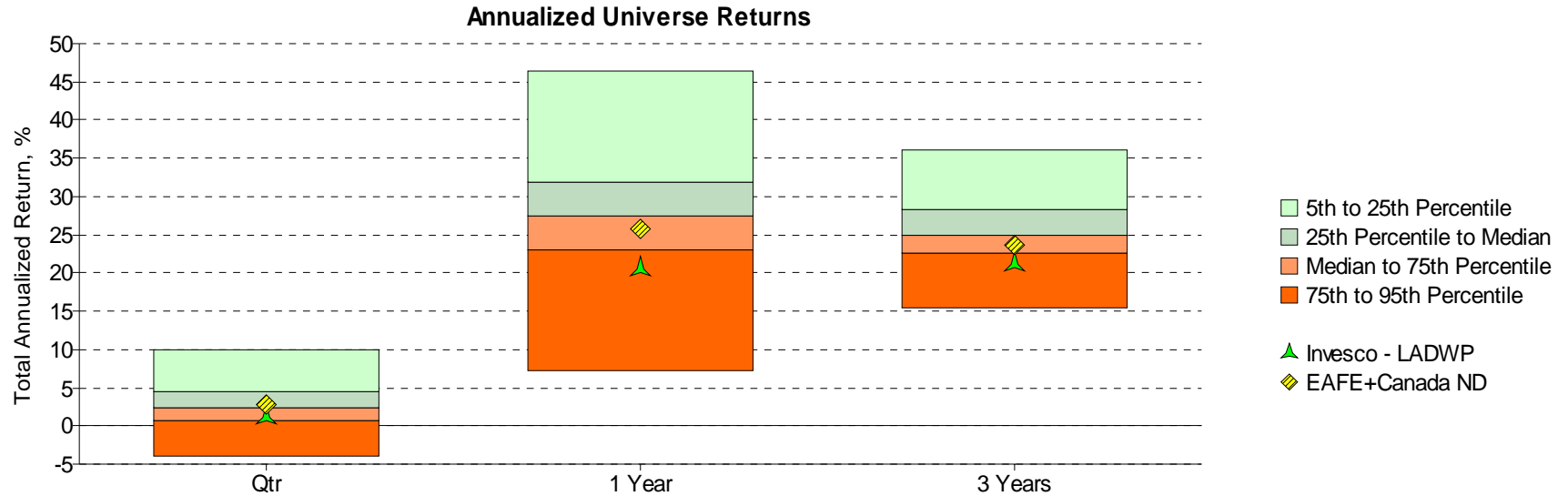
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Invesco - LADWP	21.22	8.72	2.43
EAFE+Canada ND	23.71	9.61	2.47
International Equity Universe Median	24.86	10.46	2.42



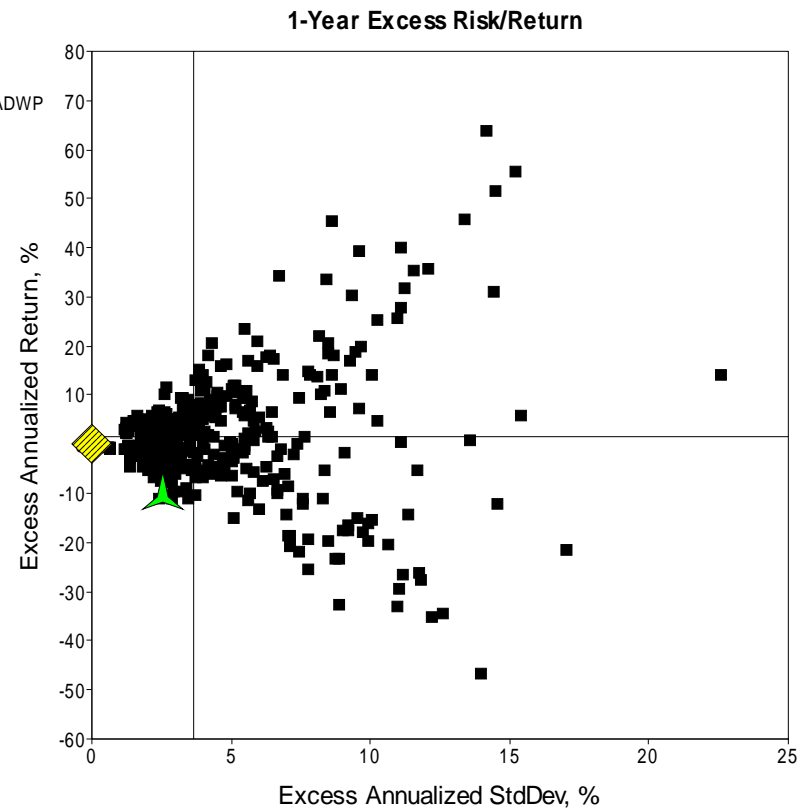
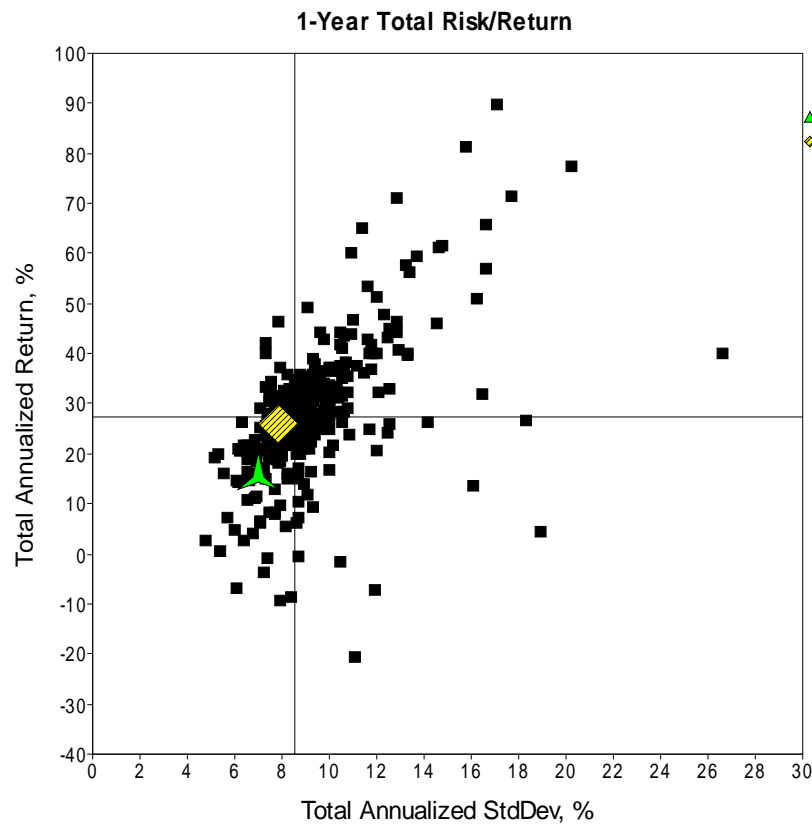
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Invesco - LADWP	-2.49	2.50	-1.00
EAFE+Canada ND	0.00	0.00	NA
International Equity Universe Median	1.15	3.50	0.40



WPERP International Equity Manager Comparisons as of September 30, 2007



WPERP International Equity Manager Comparisons as of September 30, 2007

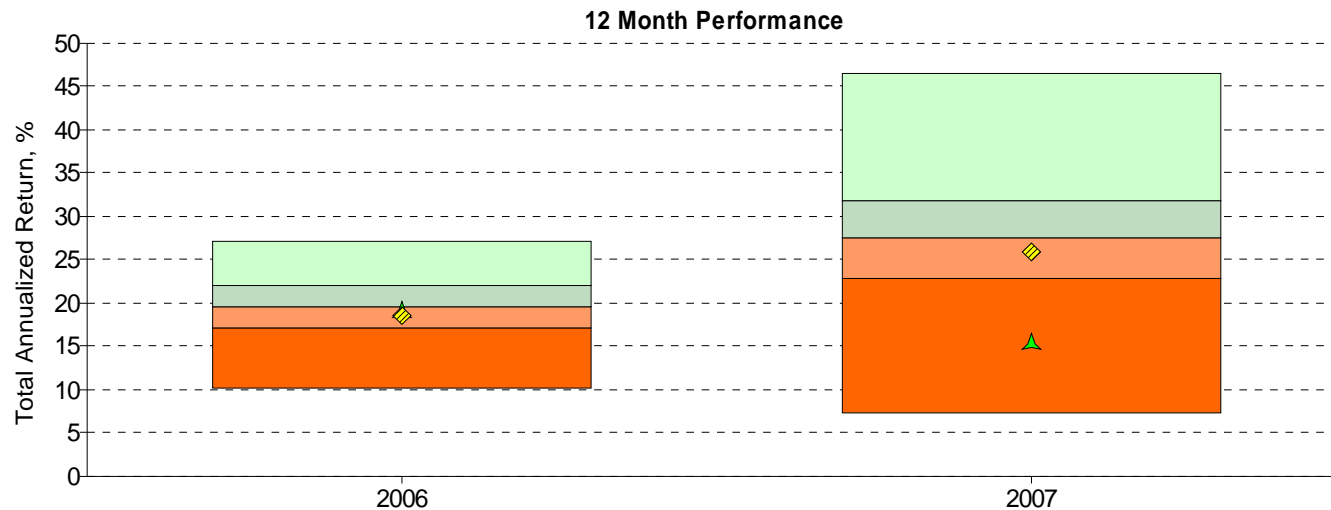
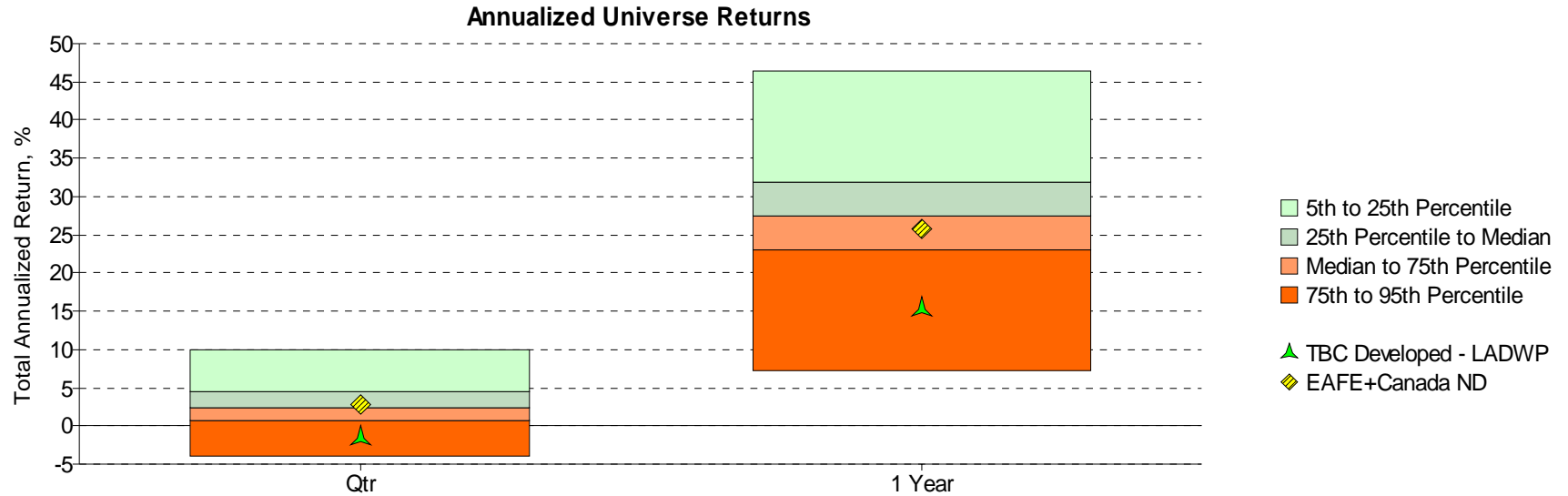


	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
TBC Developed - LADWP	15.22	6.99	2.18
EAFE+Canada ND	25.85	7.83	3.30
International Equity Universe Median	27.48	8.58	3.22

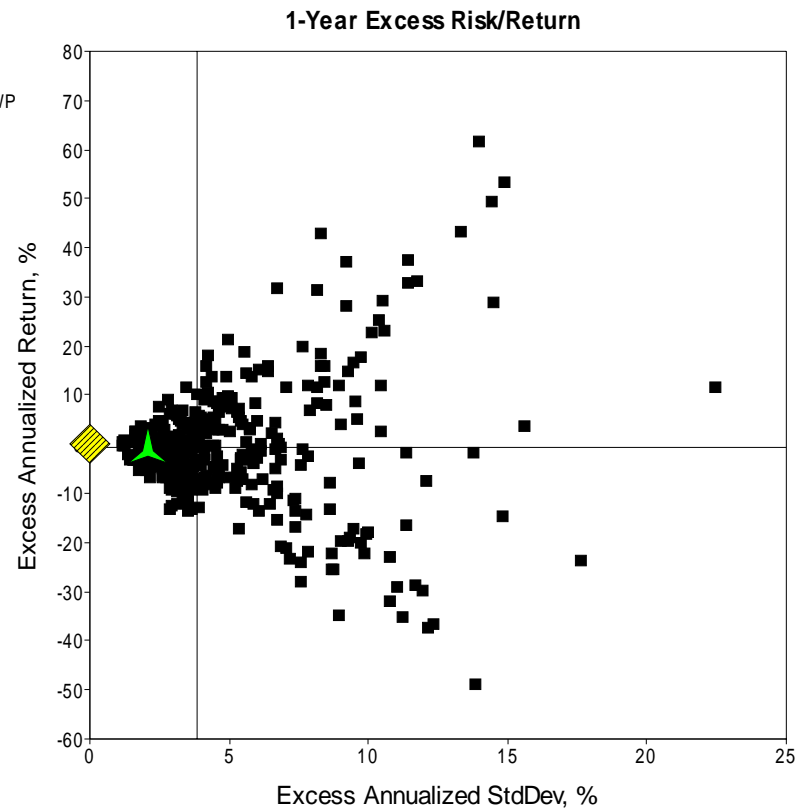
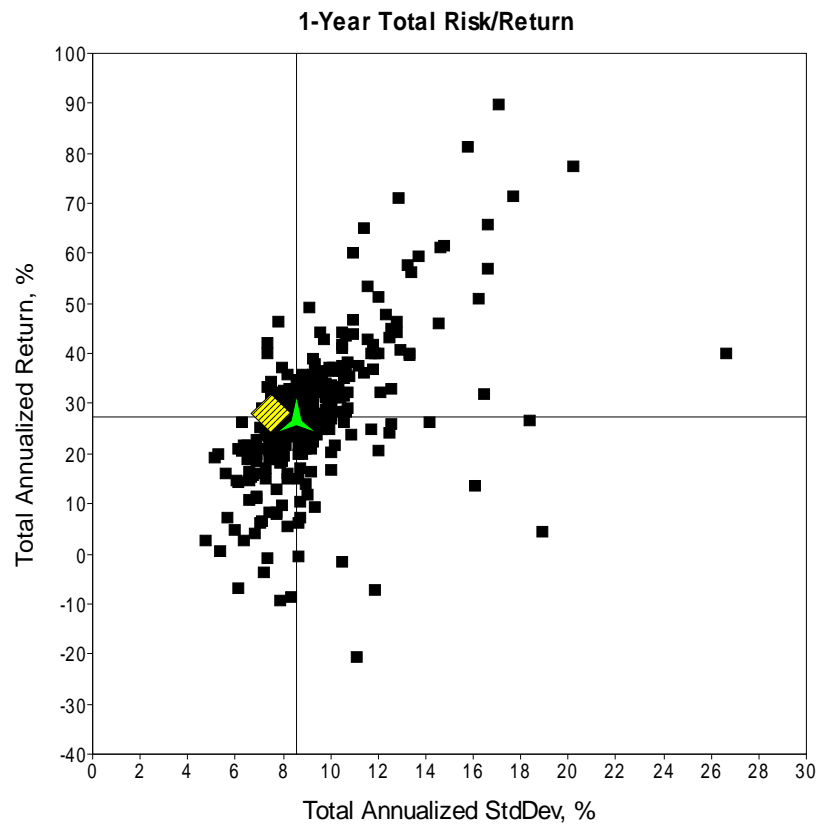
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
TBC Developed - LADWP	-10.63	2.56	-4.15
EAFE+Canada ND	0.00	0.00	NA
International Equity Universe Median	1.63	3.65	0.46



WPERP International Equity Manager Comparisons as of September 30, 2007



WPERP International Equity Manager Comparisons as of September 30, 2007

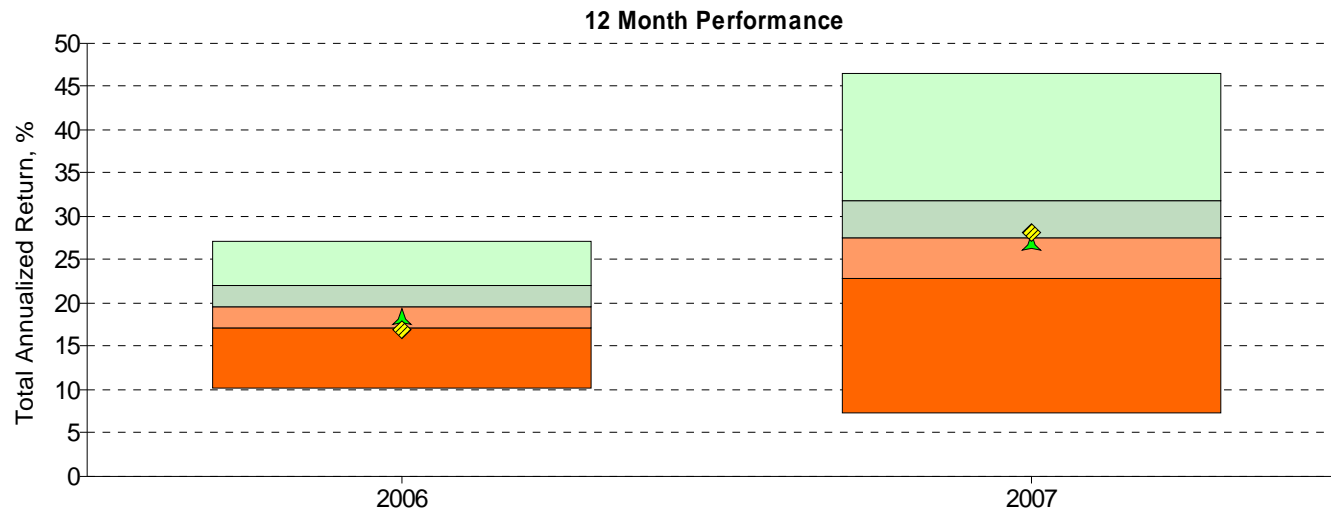
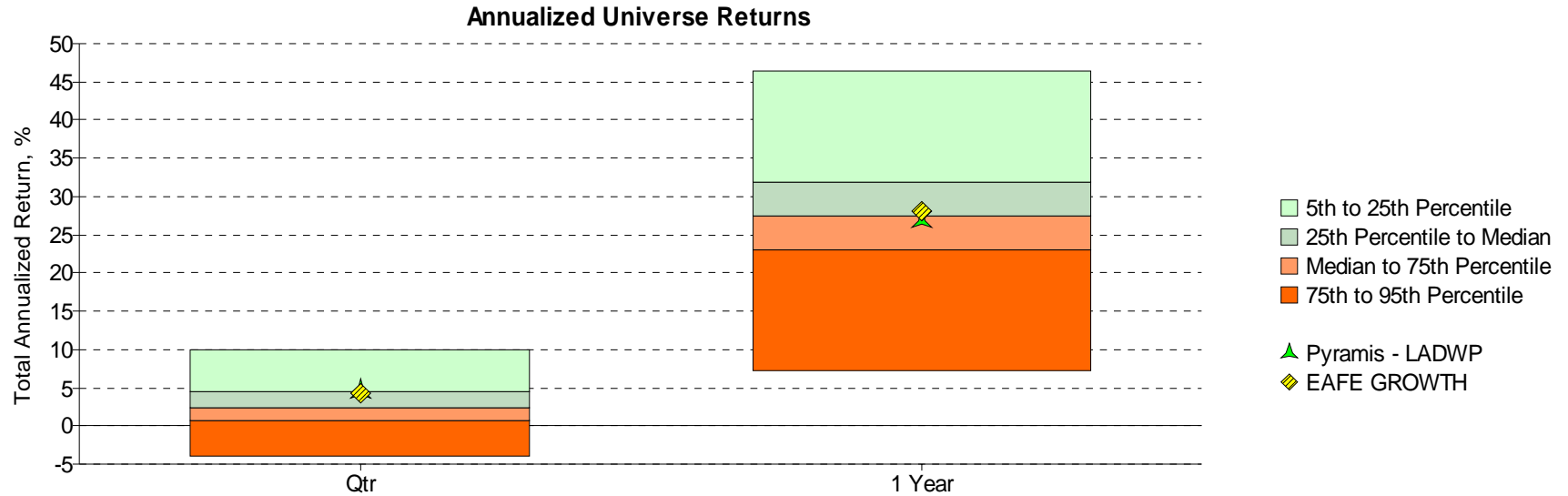


	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Pyramis - LADWP	26.80	8.59	3.12
EAFE GROWTH	28.19	7.49	3.76
International Equity Universe Median	27.48	8.58	3.22

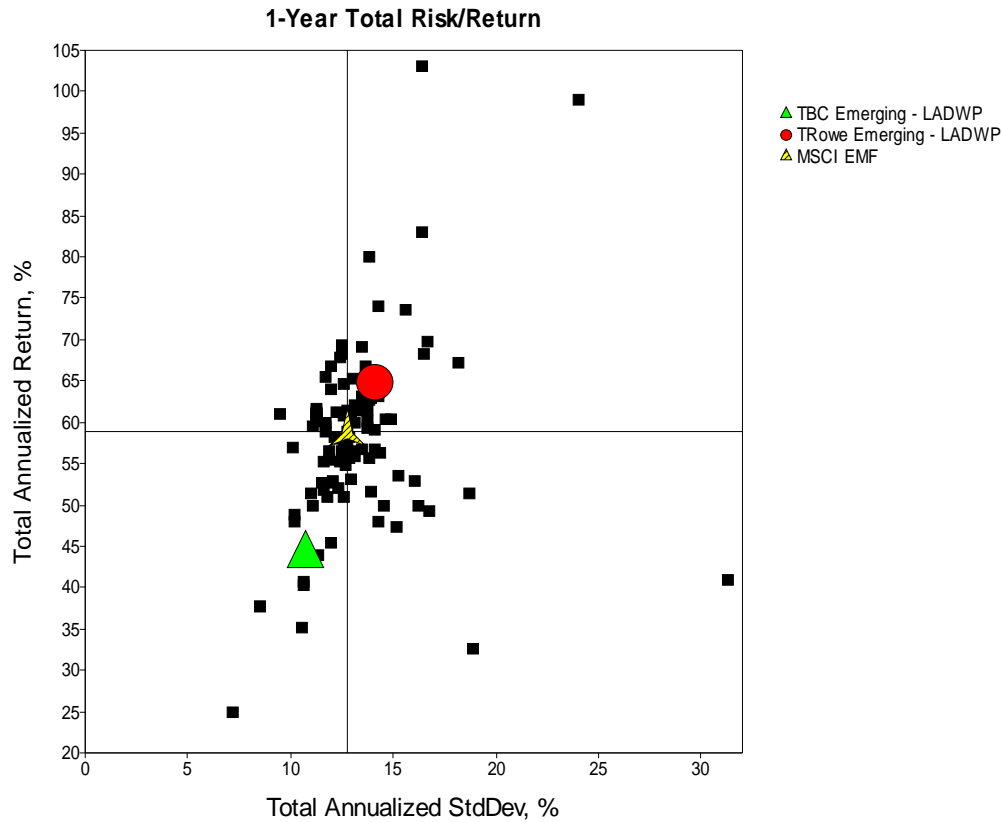
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
Pyramis - LADWP	-1.39	2.06	-0.67
EAFE GROWTH	0.00	0.00	NA
International Equity Universe Median	-0.71	3.88	-0.19



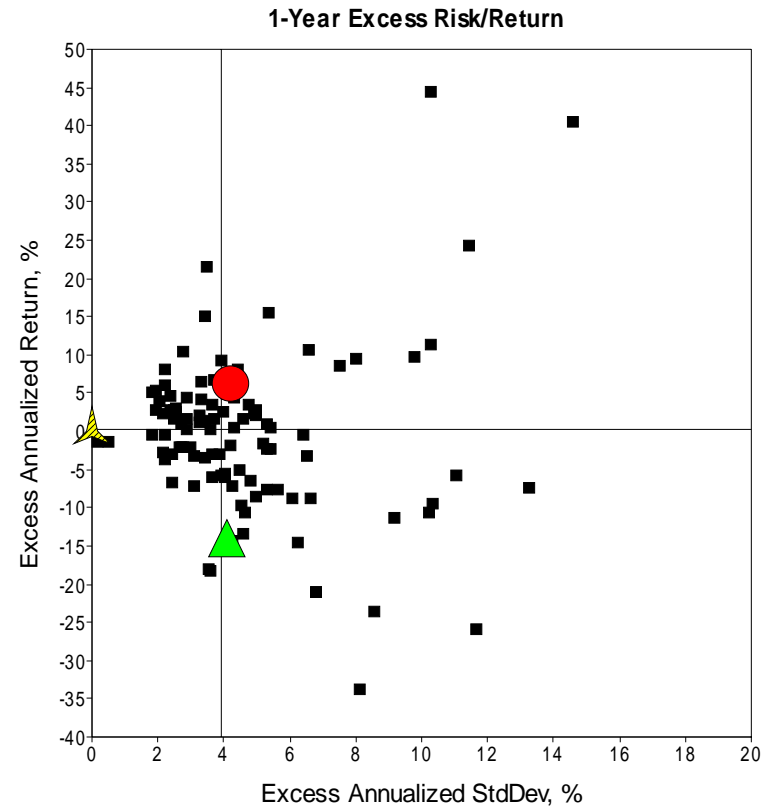
WPERP International Equity Manager Comparisons as of September 30, 2007



WPERP Emerging Equity Manager Comparisons as of September 30, 2007



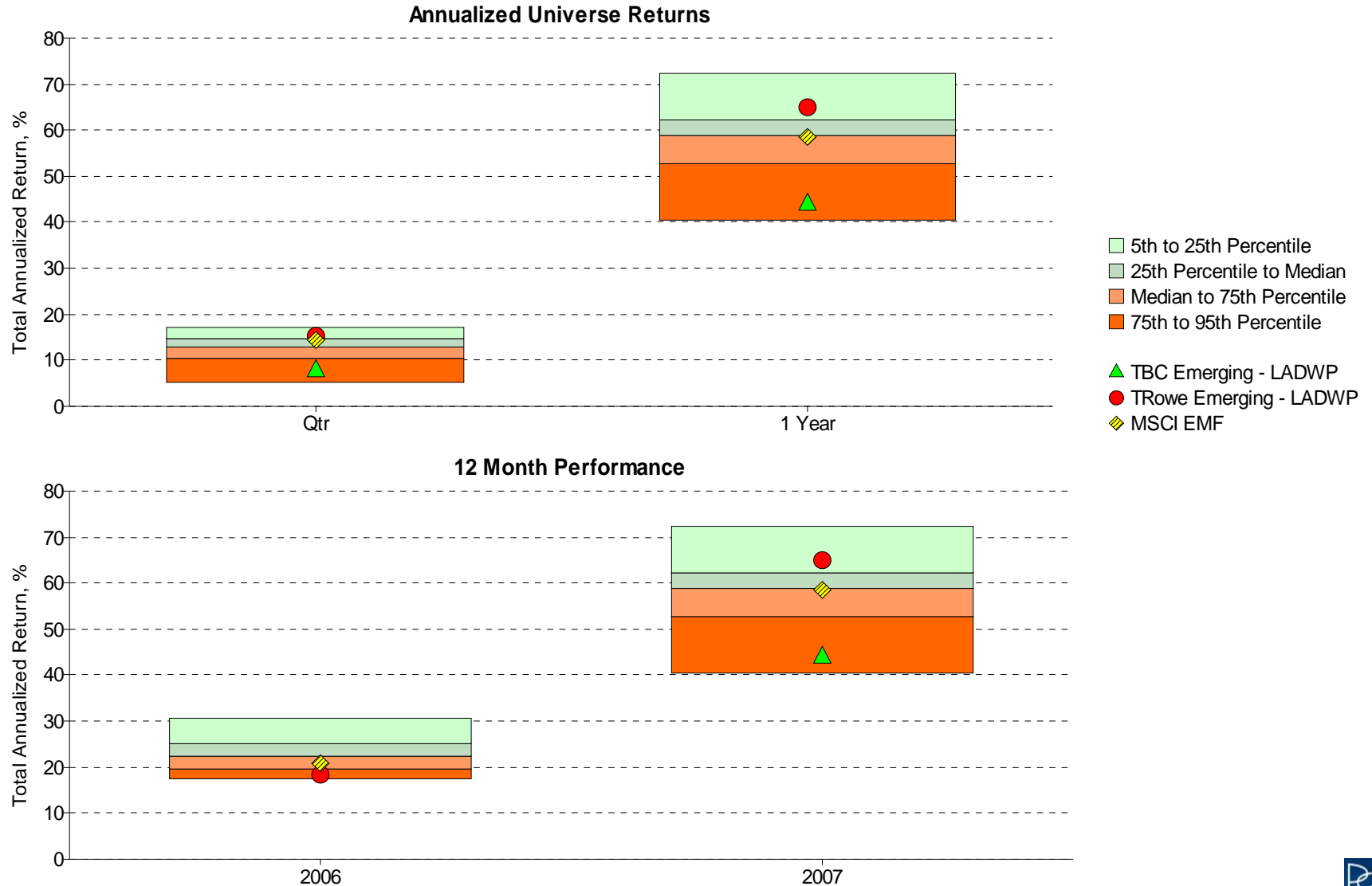
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
TBC Emerging - LADWP	43.94	10.76	4.09
TRowe Emerging - LADWP	64.86	14.10	4.60
MSCI EMF	58.61	12.77	4.59
Emerging Equity Universe Median	58.87	12.74	4.53



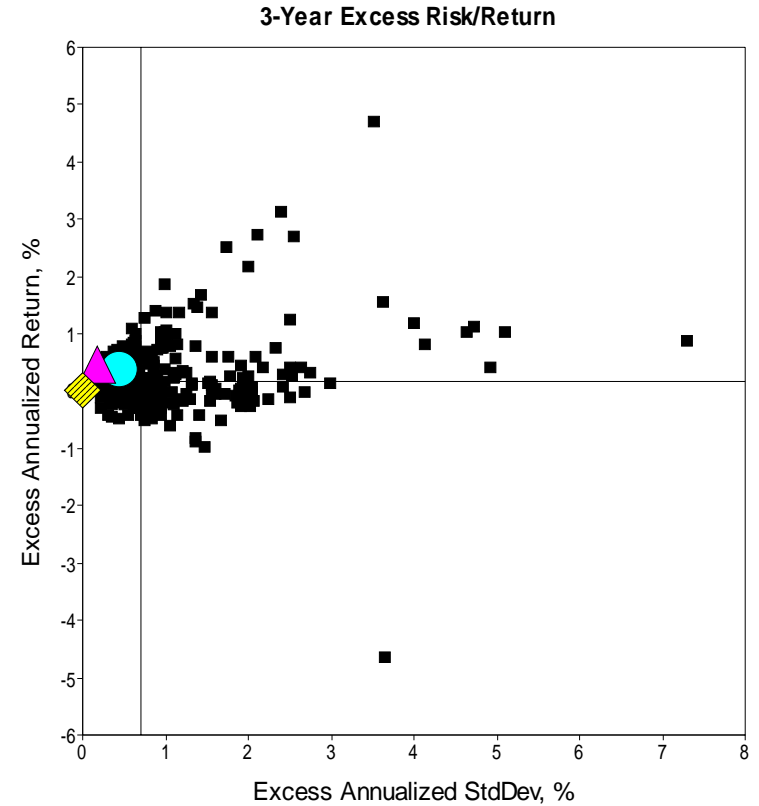
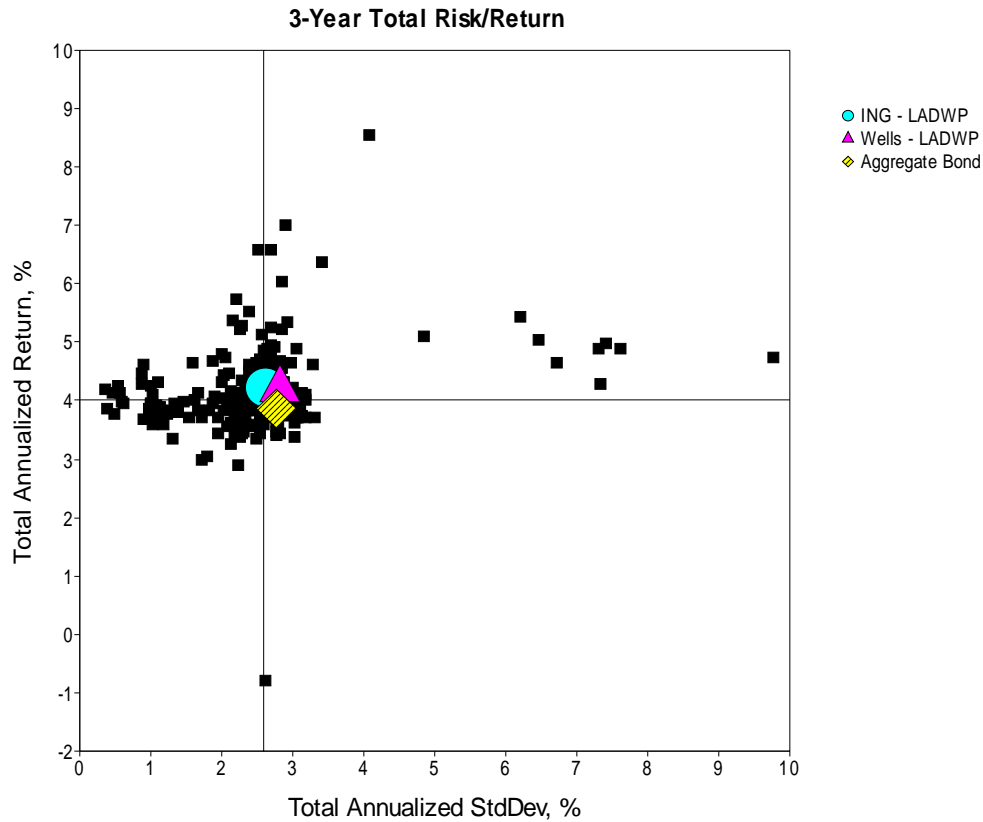
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
TBC Emerging - LADWP	-14.67	4.09	-3.59
TRowe Emerging - LADWP	6.24	4.19	1.49
MSCI EMF	0.00	0.00	NA
Emerging Equity Universe Median	0.26	3.95	0.07



WPERP Emerging Equity Manager Comparisons as of September 30, 2007



WPERP Fixed Income Manager Comparisons as of September 30, 2007

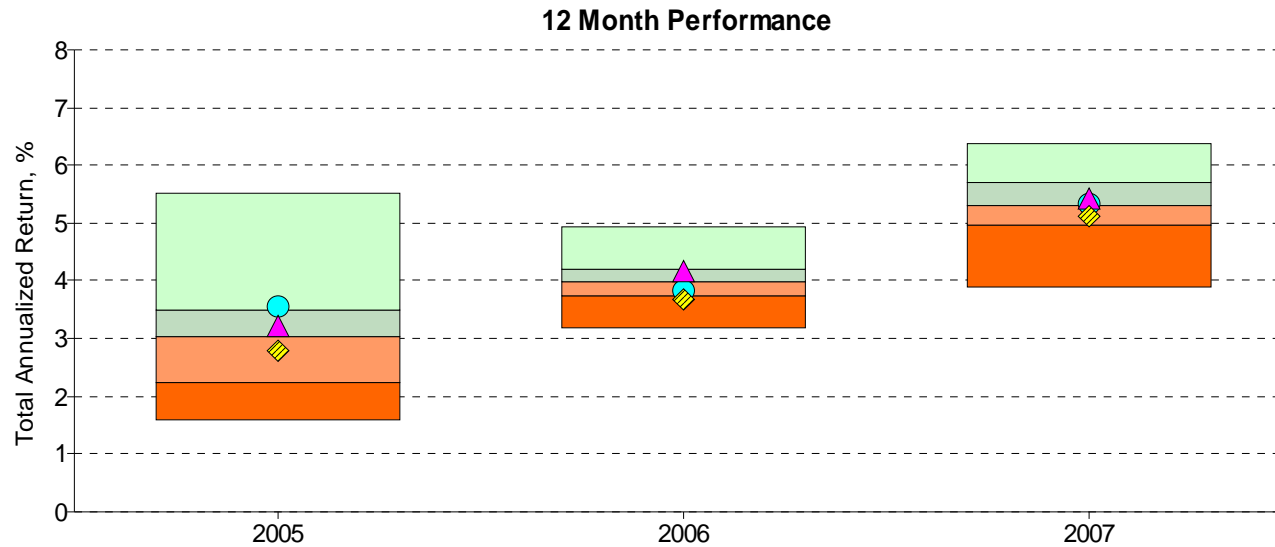
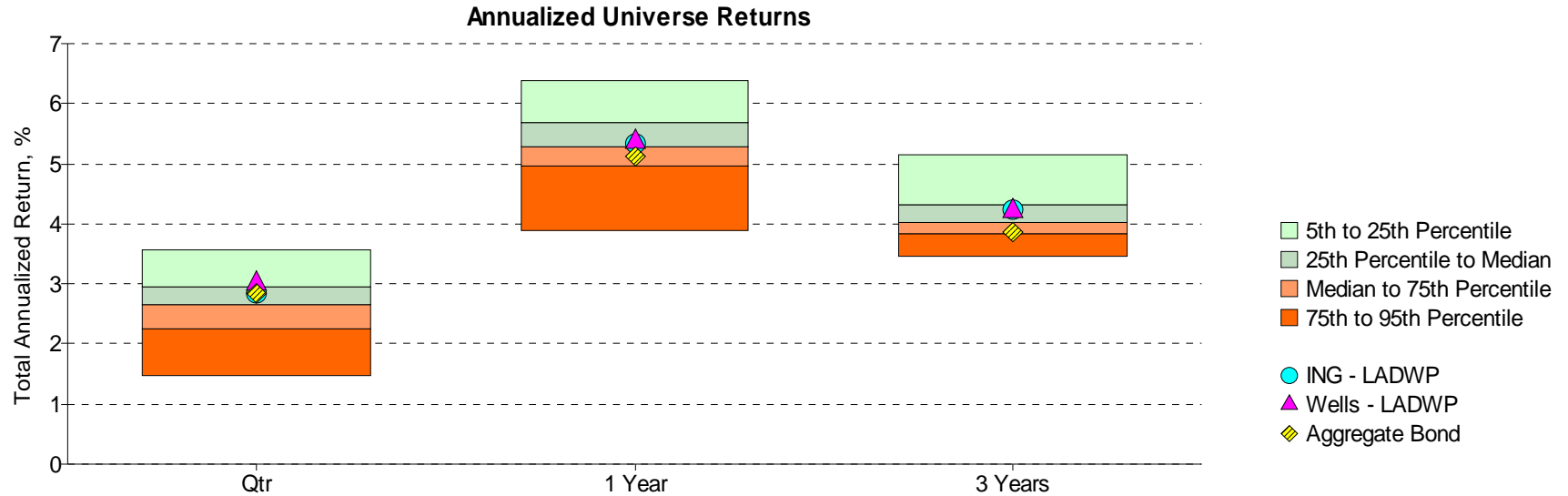


	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
ING - LADWP	4.23	2.62	1.61
Wells - LADWP	4.21	2.82	1.49
Aggregate Bond	3.86	2.77	1.39
U.S. Fixed Income Universe Median	4.03	2.58	1.63

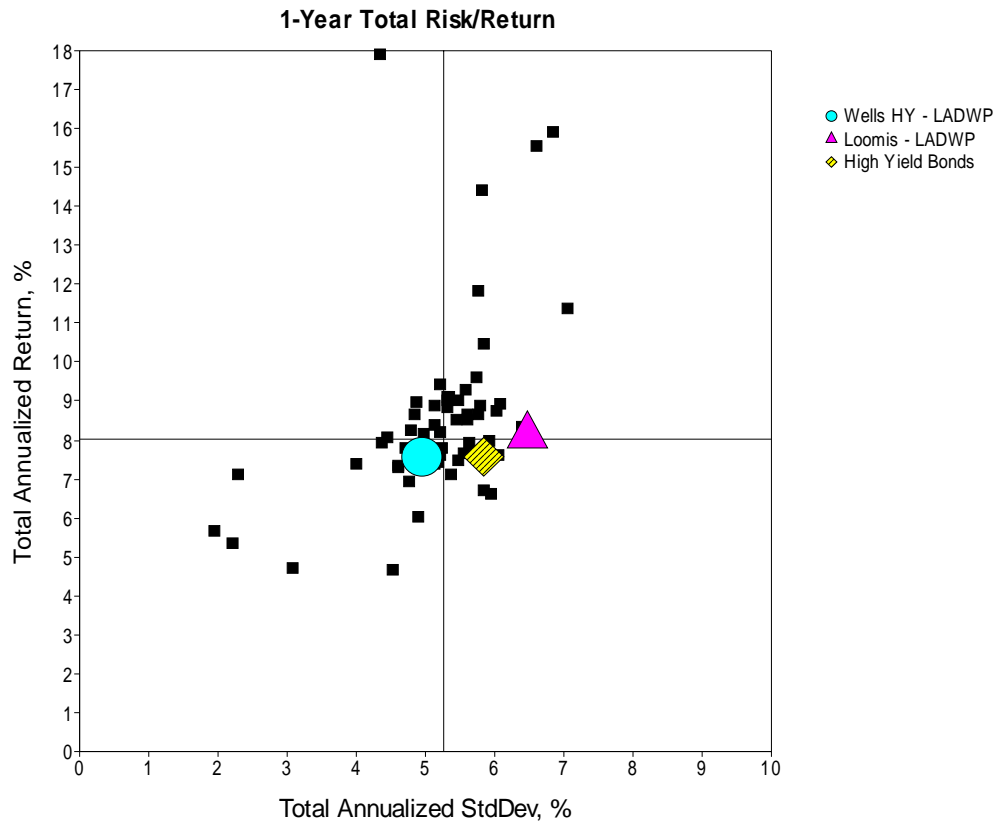
	Annualized Excess Return, %	Annualized Excess StdDev, %	Sharpe Ratio, Excess
ING - LADWP	0.37	0.45	0.84
Wells - LADWP	0.35	0.17	2.05
Aggregate Bond	0.00	0.00	NA
U.S. Fixed Income Universe Median	0.17	0.70	0.22



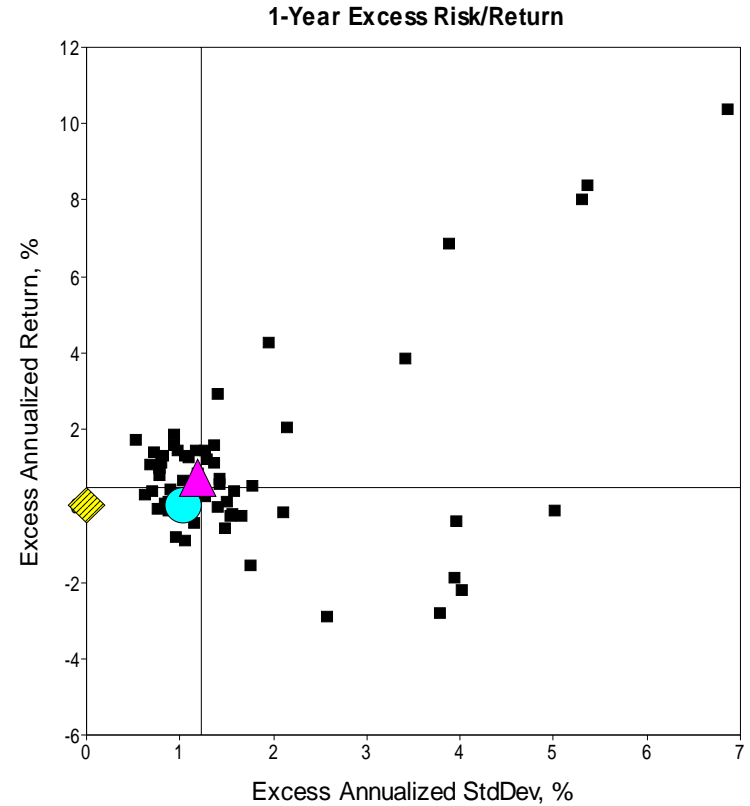
WPERP Fixed Income Manager Comparisons as of September 30, 2007



WPERP High Yield Manager Comparisons as of September 30, 2007



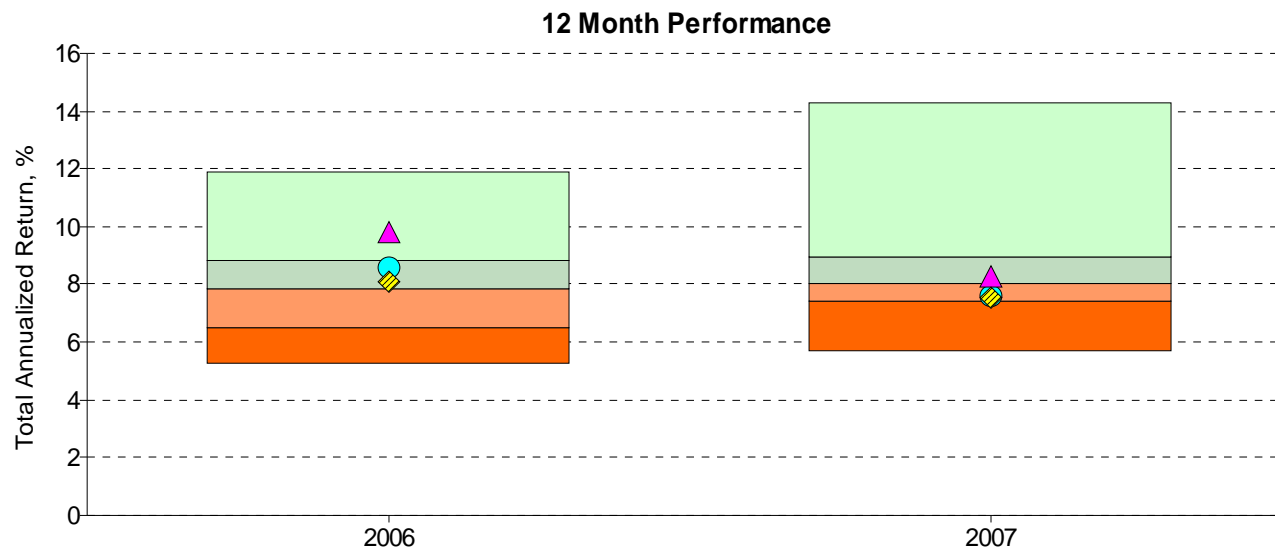
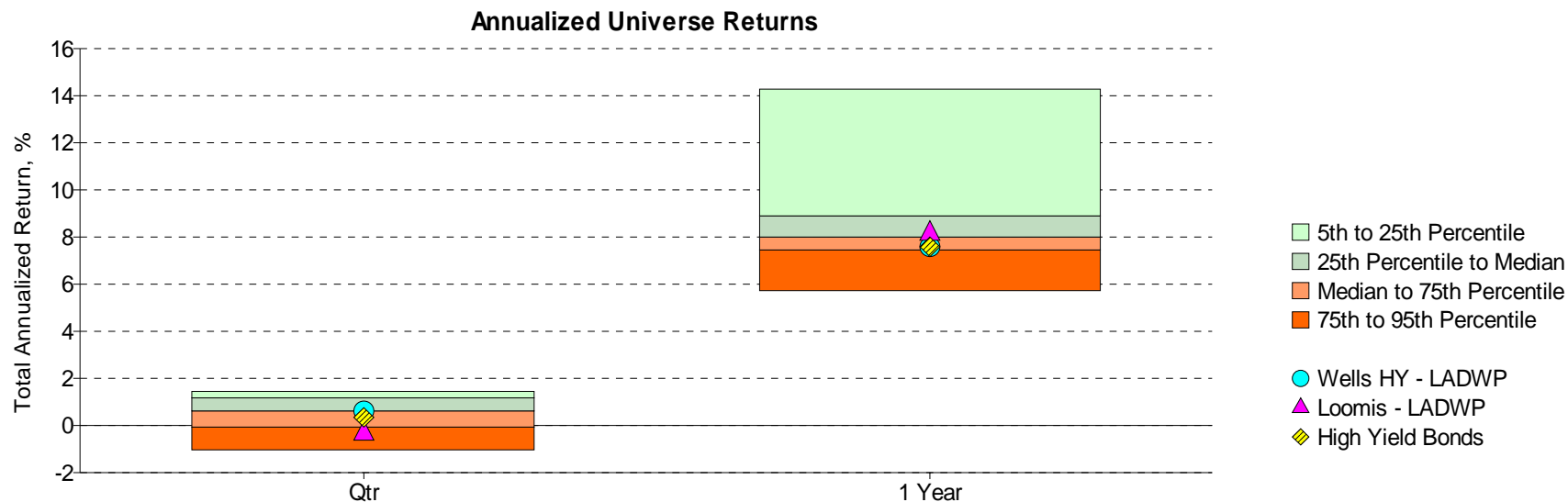
	Annualized Return, %	Annualized StdDev, %	Sharpe Ratio
Wells HY - LADWP	7.58	4.94	1.53
Loomis - LADWP	8.13	6.48	1.25
High Yield Bonds	7.55	5.83	1.29
U.S. High Yield Universe Median	8.02	5.27	1.57



	Annualized Excess Return, %	Annualized Excess StDev, %	Sharpe Ratio, Excess
Wells HY - LADWP	0.02	1.04	0.02
Loomis - LADWP	0.57	1.19	0.48
High Yield Bonds	0.00	0.00	NA
U.S. High Yield Universe Median	0.47	1.23	0.47



WPERP High Yield Manager Comparisons as of September 30, 2007



Appendix

Quarterly Report

Managers Probationary Criteria As of September 30, 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	---

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, 3.4% Cambridge U.S. Private Equity Lag, 0.6% Cambridge U.S. Venture Capital, 1% T Bill, 1% Tbills +3% as of 3/1/07

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

Alternatives = 3.4% Cambridge U.S. Private Equity; 0.6% Cambridge U.S. Venture; 1% Tbills + 3% as of 3/1/07
4.25% Cambridge U.S. Private Equity, 0.75% Cambridge U.S. Venture 1/1/07 – 2/28/07

Real Estate = NCREIF

Cash = Citigroup 3-Month Tbills

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