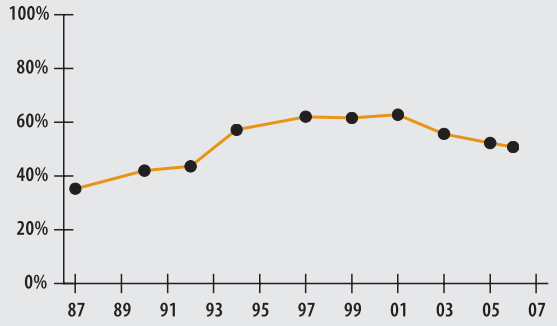
Salem

20 Central Street
Suite 110
Salem, MA 01970
Phone 978-745-8983
Fax 978-745-4216

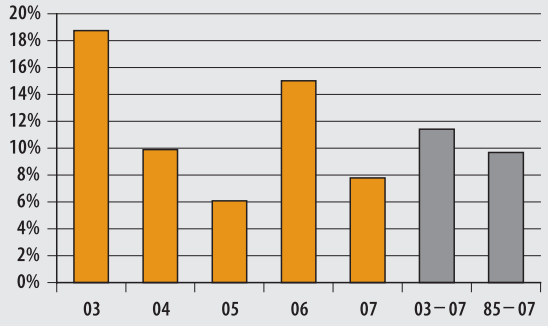
Board Members
Katherine O'Leary (Chairperson),
John H. Burke, Jr., Kimberly Driscoll,
John P. O'Leary, Richard J. Viscay

Board Administrator
Marcia A. Pelletier
Board Meeting
Last Thursday of each month

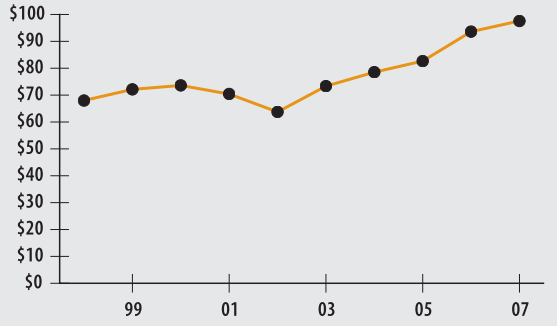
Funded Ratio (1987-2007)



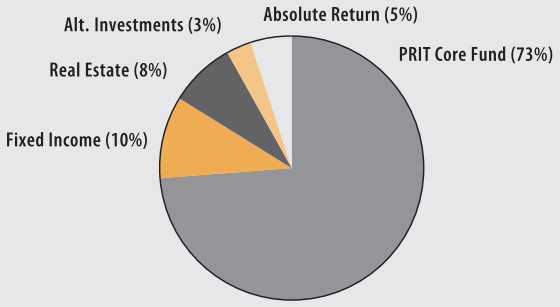
Investment Return (2003-2007, 5 Year and 23 Year Averages)



Asset Growth (1998-2007) (Market Value in Millions)



Asset Allocation (12/31/07)



ACTUARIAL

• Funded Ratio	50.8%
• Date of Last Valuation	01/06
• Actuary	Segal
• Assumed Rate of Return	8.25%
• Funding Schedule	4.0% Increasing
• Year Fully Funded	2025
• Unfunded Liability	$82.2 M
• Total Pension Appropriation (Fiscal 2008)	$9.2 M

	Active	Retired
• Number of Members	831	614
• Total Payroll/Benefit	$33.6 M	$10.6 M
• Average Salary/Benefit	$40,400	$17,300
• Average Age	48	NA
• Average Service	10.7 years	NA

INVESTMENT

Domestic Fixed Income
- Income Research & Management
- Voyageur Core Plus Fixed Income Fund

Real Estate
- Fidelity Real Estate Asset Manager III, L.P.
- Fidelity Real Estate Growth Fund II, L.P.
- INVESCO IRT Equity Real Estate Securities Fund
- PRIT

Alternative Investments
- Ascent Venture Partners III, L.P.
- First America Asia Fund I L.P.
- Zero Stage Capital VII, L.P.

Absolute Return
- PRIT

General Allocation
- PRIT

Consultant
- Segal Advisors

Custodian
- State Street

▸ **2007 Return**	**7.81%**
▸ **2007 Target**	**8.25%**
▸ **2007 Market Value**	**$97.5 M**
▸ **2003-2007 (Annualized)**	**11.42%**
▸ **1985-2007 (Annualized)**	**9.69%**