

Duluth Teacher' Retirement Fund Association

Investment Returns

June 30 2007

Shown below are the annualized investment returns of the investment managers of the DTRFA for the periods ended **June 30, 2007**. Returns are after payment of fees.

<u>DTRFA</u>	<u>One Year</u>	<u>Two Years</u>	<u>Three Years</u>	<u>Five Years</u>
Equity Managers:				
Metropolitan West (<i>S&P 500 index</i>)	22.0%	15.2%	12.5%	11.2%
DGI (<i>small U.S. growth stocks</i>)	17.7%	16.8%	12.7%	16.0%
Wellington (<i>small/mid value stocks</i>)	28.1%	21.5%	18.0%	16.9%
Int'l Equity - Composite (<i>International stocks</i>)	33.9%	31.8%	25.6%	20.7%
Fixed Income Manager:				
Western Asset Mgmt. Co.	5.8%	2.6%	4.5%	5.6%
Real Assets (<i>real estate, commodities, etc.</i>)	15.9%	12.4%	12.1%	13.9%
Cash Equivalent	<u>4.7%</u>	<u>4.2%</u>	<u>3.3%</u>	<u>2.3%</u>
TOTAL - DTRFA Returns (<i>net of fees</i>)	19.2%	15.0%	12.9%	11.9%

Annualized returns, for the same periods ended **June 30, 2007** of some closely followed indices or "benchmarks" that represent various sectors of the markets, are shown below:

<u>Index or Benchmark</u>	<u>One Year</u>	<u>Two Years</u>	<u>Three Years</u>	<u>Five Years</u>
S&P 500 (<i>large U.S. stocks</i>)	20.6%	14.5%	11.7%	10.7%
Russell 2000 (<i>small U.S. stocks</i>)	16.4%	15.5%	13.4%	13.9%
EAFE (<i>international stocks</i>)	27.0%	26.8%	22.2%	17.7%
Lehman Bros. Aggregate (<i>U.S. Bonds</i>)	6.1%	2.6%	4.0%	4.5%