

Throughout its 60 year history, LASERS has remained strong as a defined benefit plan constructed to withstand the ups and downs of the market. LASERS is a long-term investor, relying on a broad actuarial analysis, which takes into account the prior three years of market returns. This smoothing effect prevents extreme swings in our bottom-line returns. Furthermore, the day-to-day management of investments is the job of seasoned LASERS professionals who are guided by asset allocation targets and ranges set according to a long-term plan established by our Board. Allocations ensure our investments are maximized.

A summary of our returns, also showing the results of smoothing, is listed below. For more details, [click here](#).

|  | <b>1 year return</b>  | <b>3 year return</b> | <b>5 year return</b> |
|--|-----------------------|----------------------|----------------------|
|  | <b>Ending 6/30/09</b> |                      |                      |
| <b>LASERS Total Plan Annualized Return</b> | -19.1%                | -2.5%                | 2.7%                 |
| <b>S&amp;P 500 Annualized Return</b>       | -26.2%                | -8.2%                | -2.2%                |

Looking back, LASERS was also affected by down markets following September 11, 2001. However, by 2004 we experienced a tremendous rebound with a market return of 18.0%.

Our plan continued to make impressive gains, achieving a 19.2% market return in 2007.

While our market return for the year ending June 2009 was -19.1%, our actuarial return was -7.64%. Though these returns are less than desirable, LASERS Board of Trustees has maintained a sound approach to our asset allocation that does not veer off course due to market swings.

In fact, with market conditions improving over the past several months, our Total Fiscal Year to Date Market Return, as of September 30, 2009, is 12.4%. LASERS Total Calendar Year to Date Market Return, as of September 30, 2009, is 18.6%.

We have great confidence in the long term soundness of our investment approach, making modest adjustments over time when appropriate, while never overreacting to any one year market return.