

# **El Paso Firemen and Policemen's Pension Fund**

**December 31, 2009 Actuarial Valuation**

**August 17, 2010**

## Participant Demographics - Fire

	December 31, 2007	December 31, 2009
<b>Active Participants</b>		
Number	784	812
Average Age	37.6	38.1
Average Credited Service	10.9	11.2
Total Valuation Compensation*	\$ 41,165,230	\$ 48,172,561
Average Valuation Compensation	\$ 52,507	\$ 59,326
<b>Deferred Vested Participants</b>	1	3
<b>Retirees and Beneficiaries</b>		
Number	562	593
Average Age	64.1	63.6
Total Annual Benefits	\$ 19,024,469	\$ 21,132,637
Average Annual Benefit	\$ 33,851	\$ 35,637

\* In 2007, valuation compensation is rate of pay at valuation date. In 2009, valuation compensation is expected first year compensation.

## Participant Demographics - Police

	December 31, 2007	December 31, 2009
<b>Active Participants</b>		
Number	1,098	1,091
Average Age	37.8	38.8
Average Credited Service	10.4	11.2
Total Valuation Compensation*	\$ 56,840,063	\$ 62,537,734
Average Valuation Compensation	\$ 51,767	\$ 57,321
<b>Deferred Vested Participants</b>	13	10
<b>Retirees and Beneficiaries</b>		
Number	734	785
Average Age	61.2	60.9
Total Annual Benefits	\$ 25,035,166	\$ 28,266,903
Average Annual Benefit	\$ 34,108	\$ 36,009

\* In 2007, valuation compensation is rate of pay at valuation date. In 2009, valuation compensation is expected first year compensation.

## Market Value of Assets - Fire

	2008	2009
Beginning of Year Market Value	\$ 337,288,363	\$ 247,929,978
Total Contributions	16,137,223	85,174,157
Benefit Payments	(20,047,854)	(21,308,978)
Return on Assets	(85,447,754)	69,536,975
End of Year Market Value	\$ 247,929,978	\$ 381,332,132
Estimated Rate of Return	(25.5)%	24.8%
Gain / (Loss)	\$ (112,274,398)	\$ 47,147,970

## Market Value of Assets - Police

	2008	2009
Beginning of Year Market Value	\$ 550,176,546	\$ 406,665,013
Total Contributions	22,355,985	64,546,618
Benefit Payments	(26,197,467)	(28,722,037)
Return on Assets	(139,670,051)	108,486,997
End of Year Market Value	\$ 406,665,013	\$ 550,976,591
Estimated Rate of Return	(25.5)%	25.6%
Gain / (Loss)	\$ (183,530,515)	\$ 74,520,813

## December 31, 2009 Valuation Results - Fire

	December 31, 2007	December 31, 2009
Actuarial Accrued Liability	\$ 431,938,611	\$ 493,320,462
Actuarial Value of Assets	317,924,960	403,748,151
Unfunded Accrued Liability	114,013,651	89,572,311
Funded Ratio	73.6%	81.8%
Normal Cost Rate*	29.9%	27.4%
Years to Fund	Infinite	49 years
40-Year Funding Period Additional Contribution	N/A	1.05%
Member	N/A	0.47%
City	N/A	0.58%

\* After adjustment for overtime.

## December 31, 2009 Valuation Results - Police

	December 31, 2007	December 31, 2009
Actuarial Accrued Liability	\$ 613,942,215	\$ 715,715,343
Actuarial Value of Assets	515,354,403	588,662,976
Unfunded Accrued Liability	98,587,812	127,052,367
Funded Ratio	83.9%	82.2%
Normal Cost Rate*	30.4%	27.9%
Years to Fund	Infinite	71 years
40-Year Funding Period Additional Contribution	N/A	2.56%
Member	N/A	1.10%
City	N/A	1.46%

\* After adjustment for overtime.



***Summit Strategies Group***

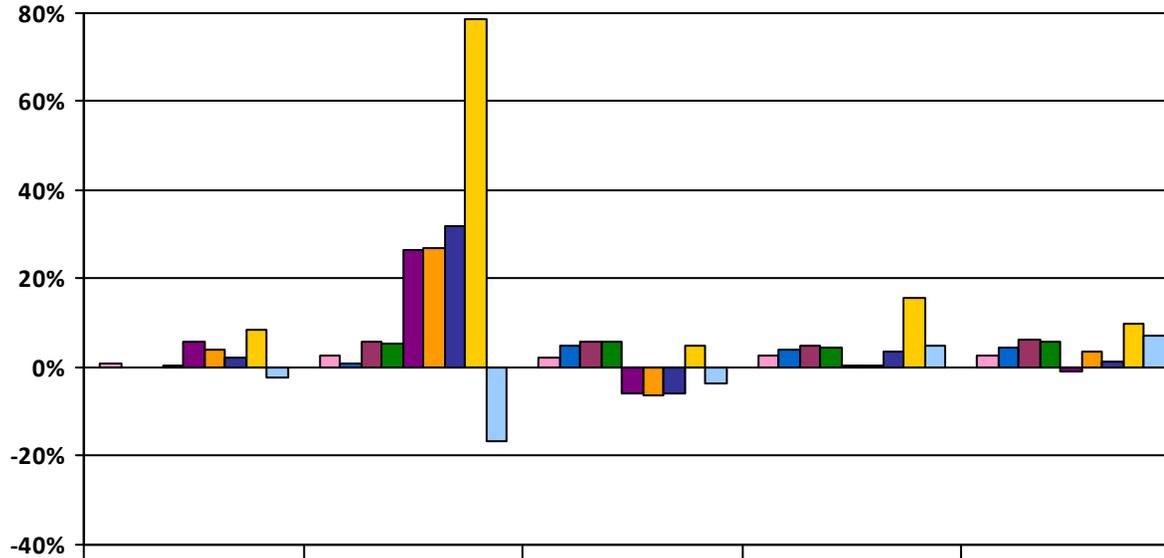
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**El Paso Firemen and Policemen's Pension Fund**

Performance Review  
December 31, 2009

# Market Environment

As of December 31, 2009



	1 Qtr.	1 Year	3 Years	5 Years	10 Years	
■ CPI (adjusted)	0.81%	2.82%	2.28%	2.56%	2.56%	Inflation
■ T-Bills (1-3 Year)	0.03%	0.78%	4.86%	4.04%	4.48%	Cash
■ Barclays Aggregate	0.20%	5.93%	6.04%	4.97%	6.33%	Core Bonds
■ Barclays Intermediate G/C	0.31%	5.24%	5.90%	4.65%	5.92%	Intermediate Bonds
■ S&P 500	6.04%	26.46%	-5.63%	0.42%	-0.95%	Domestic Large Cap Stocks
■ Russell 2000	3.87%	27.17%	-6.07%	0.51%	3.51%	Domestic Small Cap Stocks
■ MSCI EAFE (Net)	2.18%	31.78%	-6.04%	3.54%	1.17%	International Stocks
■ MSCI Emerging Mkts (Net)	8.55%	78.51%	5.11%	15.51%	9.78%	Emerging Markets Stocks
■ NCREIF	-2.11%	-16.85%	-3.41%	4.75%	7.30%	Real Estate

# Style Performance Ranking: One-Year Time Periods

As of December 31, 2009

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Past Qtr	YTD 2009	*10 Yr ROR	*20 Yr ROR
	EM 65.0%	BC Int Treas 9.5%	EM 59.9%	Small Value 29.1%	EM 74.8%	EAFE 8.1%	Large Value 38.4%	Large Growth 23.1%	Large Value 35.2%	Large Growth 38.7%	EM 66.4%	Small Value 22.8%	Small Value 14.0%	Core Bonds 10.3%	EM 55.8%	EM 25.6%	EM 34.1%	EM 32.2%	EM 39.4%	BC Int Treas 11.4%	EM 78.5%	EM 8.6%	EM 78.5%	EM 9.8%	EM 10.4%
Best Performing ↑	Large Growth 35.9%	Core Bonds 9.0%	Small Growth 51.2%	Small Cap 18.4%	EAFE 32.9%	Large Growth 2.7%	S&P 500 37.6%	S&P 500 23.0%	S&P 500 33.4%	S&P 500 28.6%	Small Growth 43.1%	Core Bonds 11.6%	Core Bonds 8.4%	BC Int Treas 9.6%	Small Growth 48.5%	Small Value 22.3%	EAFE 14.0%	EAFE 26.9%	Large Growth 11.8%	Core Bonds 5.2%	BC HY 58.2%	Large Growth 7.9%	BC HY 58.2%	Small Value 8.3%	Small Value 10.3%
	S&P 500 31.7%	Large Growth -0.3%	BC HY 46.2%	BC HY 15.8%	Small Value 23.8%	S&P 500 1.3%	Large Growth 37.2%	Large Value 21.6%	Small Value 31.8%	EAFE 20.3%	Large Growth 33.2%	BC Int Treas 10.3%	BC Int Treas 8.2%	BC HY -1.4%	Small Cap 47.3%	EAFE 20.7%	Large Value 7.1%	Small Value 23.5%	EAFE 11.6%	BC HY -26.2%	Large Growth 37.2%	BC HY 6.2%	Large Growth 37.2%	BC HY 6.7%	Large Value 8.8%
	Large Value 25.2%	S&P 500 -3.1%	Small Cap 46.1%	Large Value 13.8%	Small Cap 18.9%	BC HY -1.0%	Small Growth 31.0%	Small Value 21.4%	Large Growth 30.5%	Large Value 15.6%	EAFE 27.3%	Large Value 7.0%	BC HY 5.3%	EM -6.0%	Small Value 46.0%	Small Cap 18.3%	Large Growth 5.3%	Large Value 22.2%	BC Int Treas 8.8%	Small Value -28.9%	Small Growth 34.5%	S&P 500 6.0%	Small Growth 34.5%	Core Bonds 6.3%	BC HY 8.7%
	Small Growth 20.2%	Large Value -8.1%	Small Value 41.7%	EM 11.4%	Large Value 18.1%	Small Value -1.5%	Small Cap 28.4%	Small Cap 16.5%	Small Cap 22.4%	Core Bonds 8.7%	Small Cap 21.3%	Small Cap -3.0%	Small Cap 2.5%	Small Value -11.4%	EAFE 39.2%	Large Value 16.5%	S&P 500 4.9%	Small Cap 18.4%	Small Growth 7.1%	Small Cap -33.8%	EAFE 31.9%	Large Value 4.2%	EAFE 31.9%	BC Int Treas 5.5%	Small Cap 8.3%
	Small Cap 16.2%	BC HY -9.6%	Large Growth 41.2%	Small Growth 7.8%	BC HY 17.1%	Small Cap -1.8%	Small Value 25.8%	BC HY 11.4%	Small Growth 12.9%	BC Int Treas 8.6%	S&P 500 21.0%	BC HY -5.9%	EM -2.4%	Large Value -15.5%	Large Value 30.0%	Small Growth 14.3%	Small Value 4.7%	S&P 500 15.8%	Core Bonds 7.0%	Large Value -36.9%	Small Cap 27.2%	Small Growth 4.1%	Small Cap 27.2%	Small Cap 3.5%	S&P 500 8.2%
	Core Bonds 14.5%	EM -10.6%	S&P 500 30.5%	S&P 500 7.6%	Small Growth 13.4%	BC Int Treas -1.8%	BC HY 19.2%	Small Growth 11.3%	BC HY 12.7%	BC HY 1.9%	Large Value 7.4%	S&P 500 -9.1%	Large Value -5.6%	EAFE -15.7%	Large Growth 29.8%	BC HY 11.1%	Small Cap 4.6%	Small Growth 13.4%	S&P 500 5.5%	S&P 500 -37.0%	S&P 500 26.5%	Small Cap 3.9%	S&P 500 26.5%	Large Value 2.5%	Large Growth 7.5%
	BC Int Treas 12.7%	Small Growth -17.4%	Large Value 24.6%	Core Bonds 7.4%	S&P 500 10.1%	Large Value -2.0%	Core Bonds 18.5%	EAFE 6.4%	Core Bonds 9.7%	Small Growth 1.2%	BC HY 2.4%	EAFE -14.0%	Small Growth -9.2%	Small Cap -20.5%	BC HY 29.0%	S&P 500 10.9%	Small Growth 4.1%	BC HY 11.9%	BC HY 1.9%	Large Growth -38.4%	Small Value 20.6%	Small Value 3.6%	Small Value 20.6%	EAFE 1.2%	Core Bonds 7.0%
	Small Value 12.4%	Small Cap -19.5%	Core Bonds 16.0%	BC Int Treas 7.0%	Core Bonds 9.8%	Small Growth -2.4%	BC Int Treas 14.4%	EM 6.0%	BC Int Treas 7.7%	Small Cap -2.5%	BC Int Treas 0.4%	Large Growth -22.4%	S&P 500 -11.9%	S&P 500 -22.1%	S&P 500 28.7%	Large Growth 6.3%	BC HY 2.7%	Large Growth 9.1%	Large Value -0.2%	Small Growth -38.5%	Large Value 19.7%	EAFE 2.2%	Large Value 19.7%	S&P 500 -1.0%	BC Int Treas 6.3%
	EAFE 10.8%	Small Value -21.8%	BC Int Treas 14.1%	Large Growth 5.0%	BC Int Treas 8.2%	Core Bonds -2.9%	EAFE 11.6%	BC Int Treas 4.0%	EAFE 2.1%	Small Value -6.5%	Core Bonds -0.8%	Small Growth -22.4%	Large Growth -20.4%	Large Growth -27.9%	Core Bonds 4.1%	Core Bonds 4.3%	Core Bonds 2.4%	Core Bonds 4.3%	Small Cap -1.6%	EAFE -43.4%	Core Bonds 5.9%	Core Bonds 0.2%	Core Bonds 5.9%	Small Growth -1.4%	Small Growth 5.8%
	BC HY 0.8%	EAFE -23.2%	EAFE 12.5%	EAFE -11.8%	Large Growth 2.9%	EM -7.3%	EM -5.2%	Core Bonds 3.6%	EM -11.6%	EM -25.3%	Small Value -1.5%	EM -30.6%	EAFE -21.2%	Small Growth -30.3%	BC Int Treas 2.1%	BC Int Treas 2.0%	BC Int Treas 1.6%	BC Int Treas 3.5%	Small Value -9.8%	EM -53.3%	BC Int Treas -1.4%	BC Int Treas -0.6%	BC Int Treas -1.4%	Large Growth -4.0%	EAFE 4.1%

\* as of December 31, 2009

Source: Standard & Poors, Frank Russell, Barclays Capital, MSCI

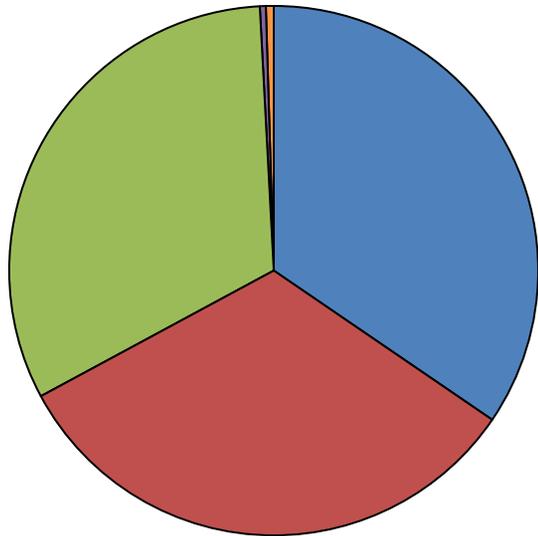
# El Paso Firemen and Policemen's Pension Fund

## Asset Allocation

As of December 31, 2009

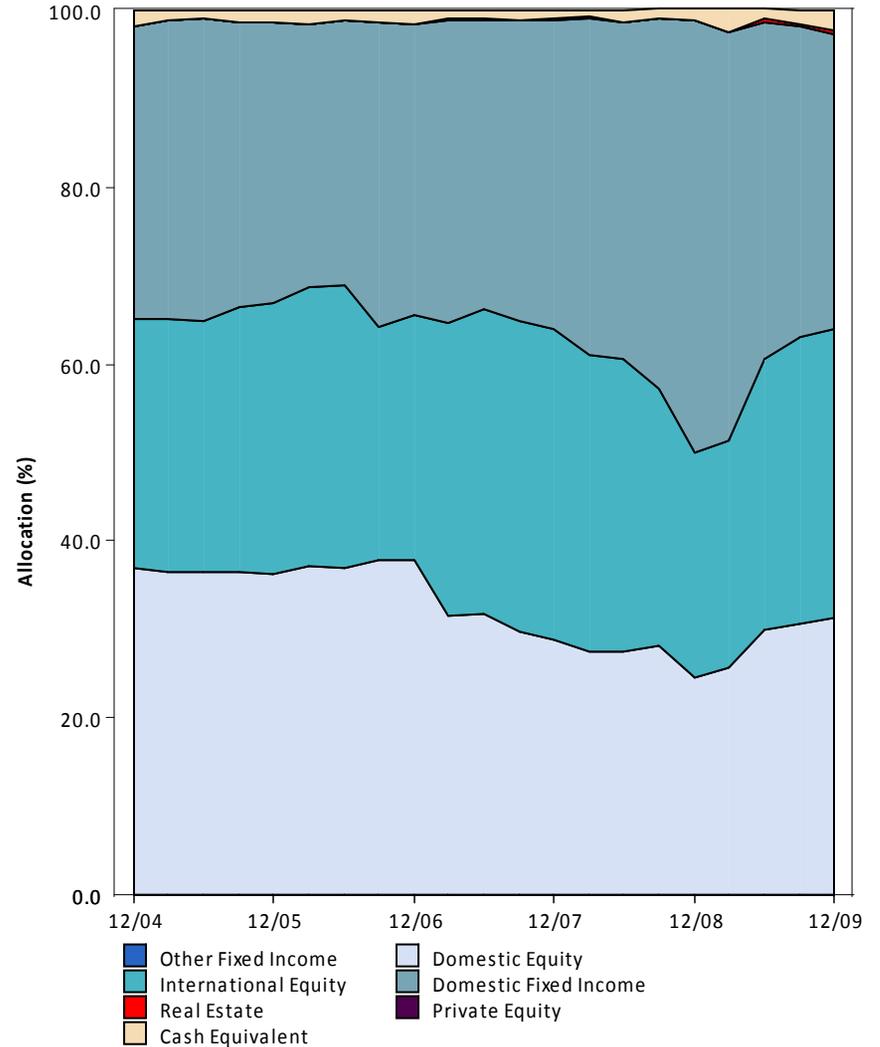
### Asset Allocation

Dec-2009 : \$932,308,723



Asset Class	Market Value (\$)	Allocation (%)
US Fixed Income	321,922,592	34.53
International Equity	304,582,374	32.67
US Equity	298,066,573	31.97
Cash	3,783,010	0.41
Global Private Real Estate	3,755,083	0.40
US Private Equity	198,484	0.02
US Private Real Estate	607	-

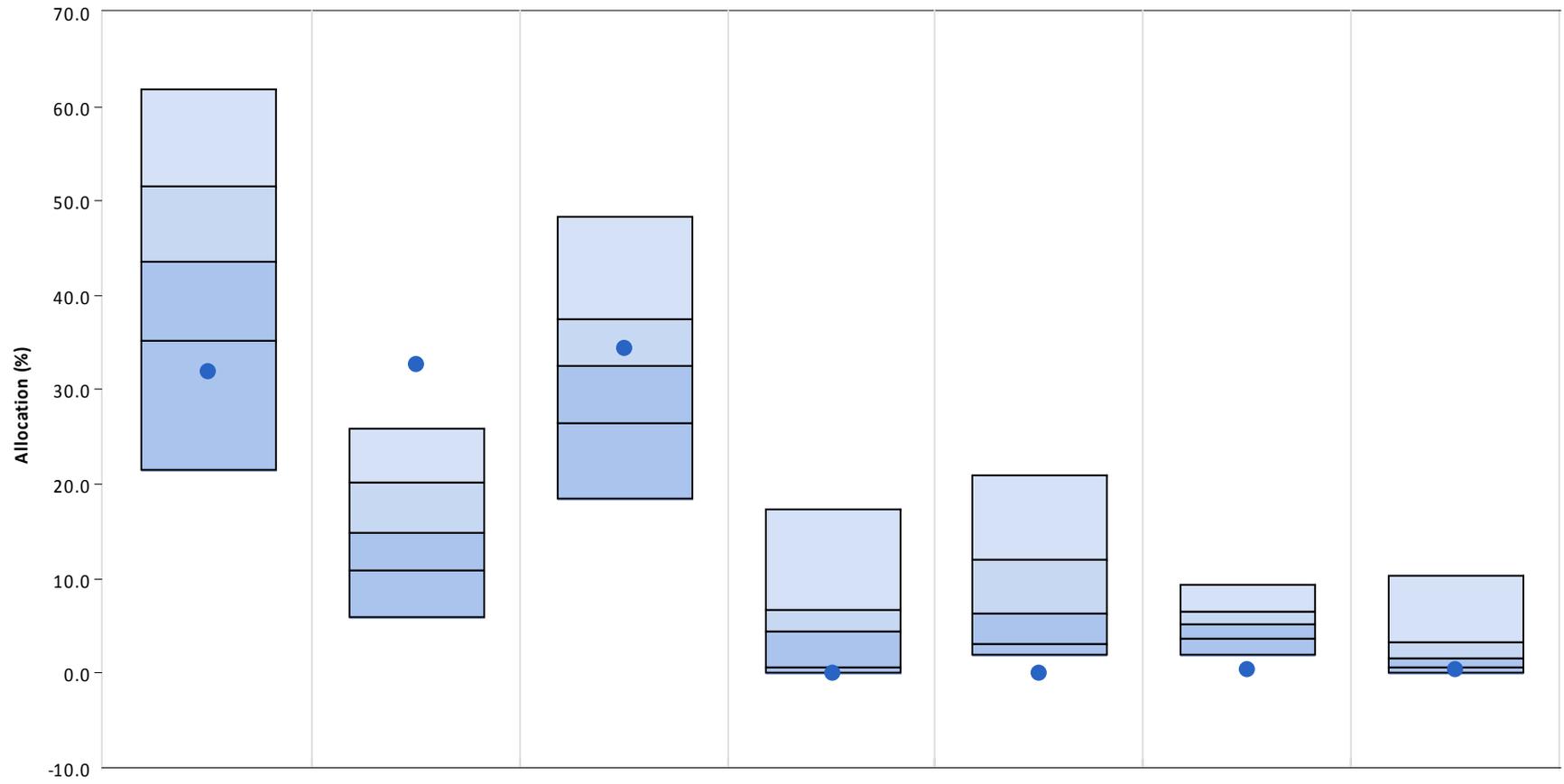
### Historical Asset Allocation by Segment



# El Paso Firemen and Policemen's Pension Fund

Plan Sponsor TF Asset Allocation - All Public Plans

As of December 31, 2009



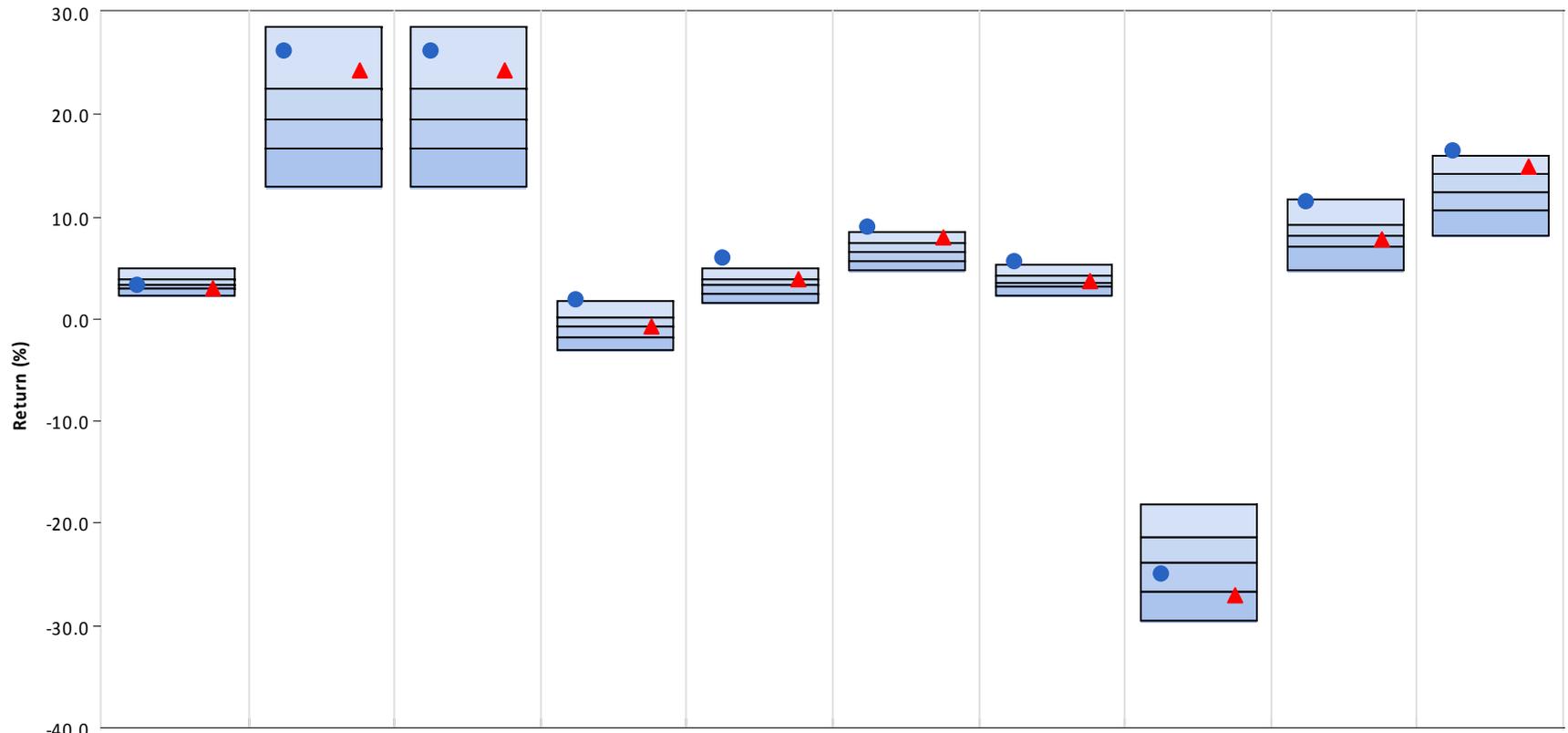
	<u>US Equity</u>	<u>Intl. Equity</u>	<u>US Fixed Income</u>	<u>Intl. Fixed Income</u>	<u>Alternative Inv.</u>	<u>Real Estate</u>	<u>Cash</u>
● Total Fund Composite	31.97 (83)	32.67 (1)	34.53 (41)	0.00 N/A	0.02 (100)	0.40 (100)	0.41 (86)
5th Percentile	61.77	25.84	48.43	17.33	20.90	9.47	10.37
1st Quartile	51.51	20.22	37.42	6.69	12.00	6.58	3.38
<b>Median</b>	<b>43.68</b>	<b>14.82</b>	<b>32.59</b>	<b>4.40</b>	<b>6.30</b>	<b>5.18</b>	<b>1.50</b>
3rd Quartile	35.19	10.82	26.53	0.66	3.03	3.60	0.64
95th Percentile	21.51	5.95	18.43	0.10	1.95	1.96	0.12
Population	339	296	323	46	84	151	252

Parentheses contain percentile rankings.

# El Paso Firemen and Policemen's Pension Fund

All Public Plans-Total Fund Peer Group Return

As of December 31, 2009



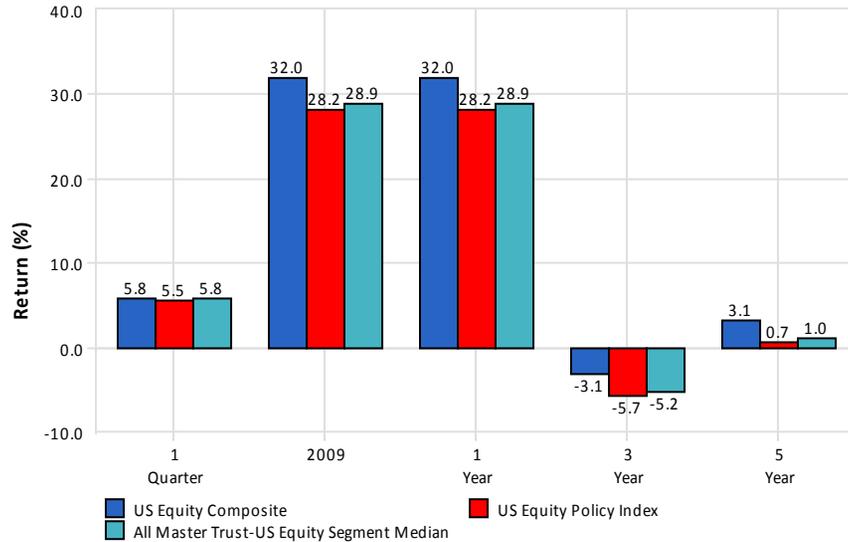
	<u>1</u> <u>Quarter</u>	<u>2009</u>	<u>1</u> <u>Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>7 Year</u>	<u>10 Year</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
● Total Fund Composite	3.42 (50)	26.26 (9)	26.26 (9)	1.89 (5)	6.03 (1)	8.98 (3)	5.67 (3)	-24.93 (61)	11.59 (6)	16.50 (4)
▲ Total Fund Policy Index	3.00 (78)	24.28 (14)	24.28 (14)	-0.73 (51)	3.90 (27)	8.00 (14)	3.68 (46)	-26.98 (78)	7.80 (56)	14.98 (15)
5th Percentile	4.89	28.50	28.50	1.80	5.02	8.54	5.27	-18.08	11.73	15.90
1st Quartile	3.94	22.63	22.63	0.20	3.97	7.45	4.16	-21.27	9.19	14.24
<b>Median</b>	<b>3.41</b>	<b>19.58</b>	<b>19.58</b>	<b>-0.71</b>	<b>3.32</b>	<b>6.52</b>	<b>3.60</b>	<b>-23.89</b>	<b>8.13</b>	<b>12.50</b>
3rd Quartile	3.07	16.71	16.71	-1.75	2.47	5.65	3.09	-26.70	7.00	10.68
95th Percentile	2.31	12.86	12.86	-3.02	1.57	4.70	2.31	-29.55	4.73	8.06
Population	419	397	397	256	228	203	160	393	273	260

Parentheses contain percentile rankings.  
Calculation based on quarterly periodicity.

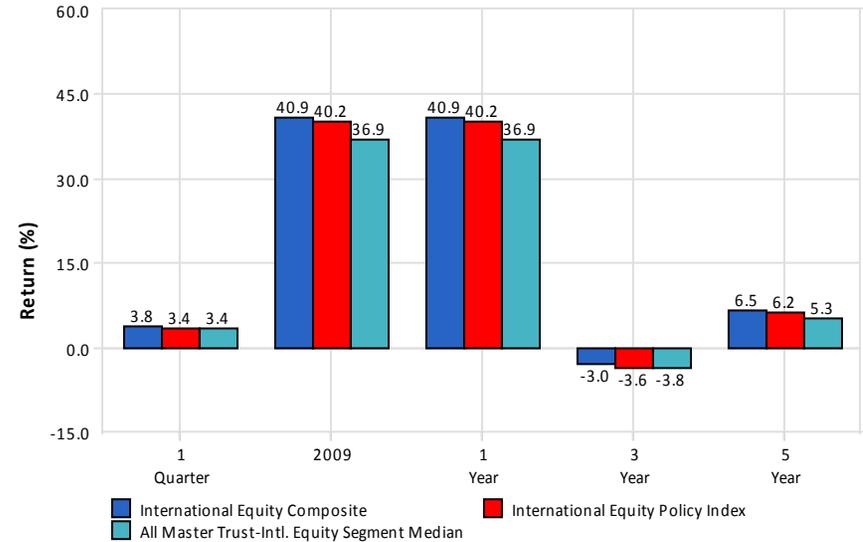
# El Paso Firemen and Policemen's Pension Fund

Composite Summary  
As of December 31, 2009

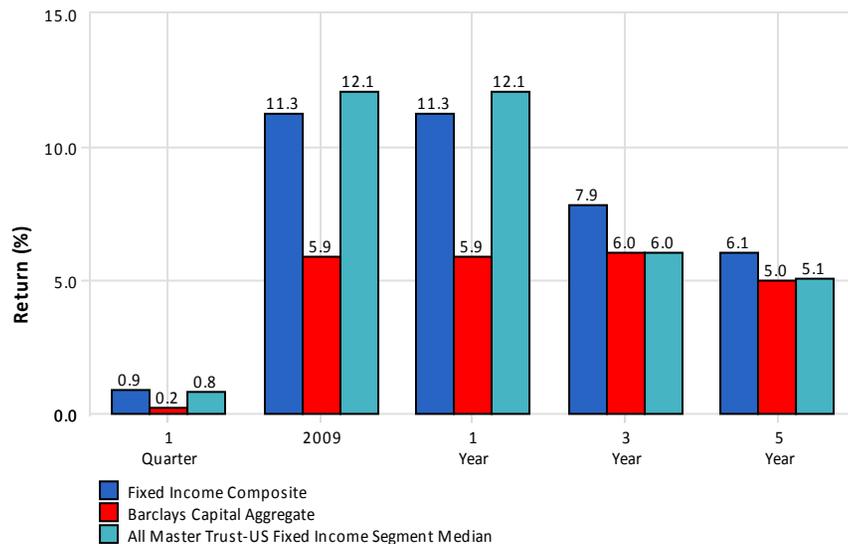
## US Equity Composite



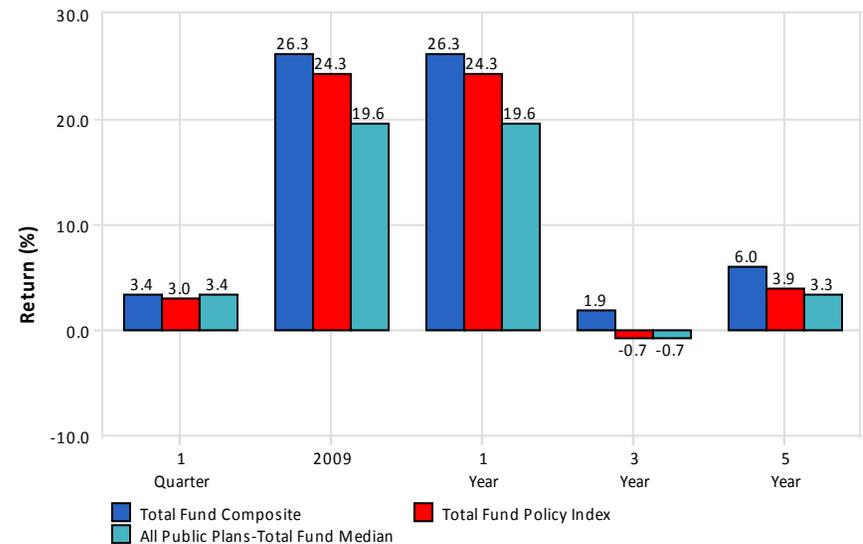
## International Equity Composite



## Fixed Income Composite

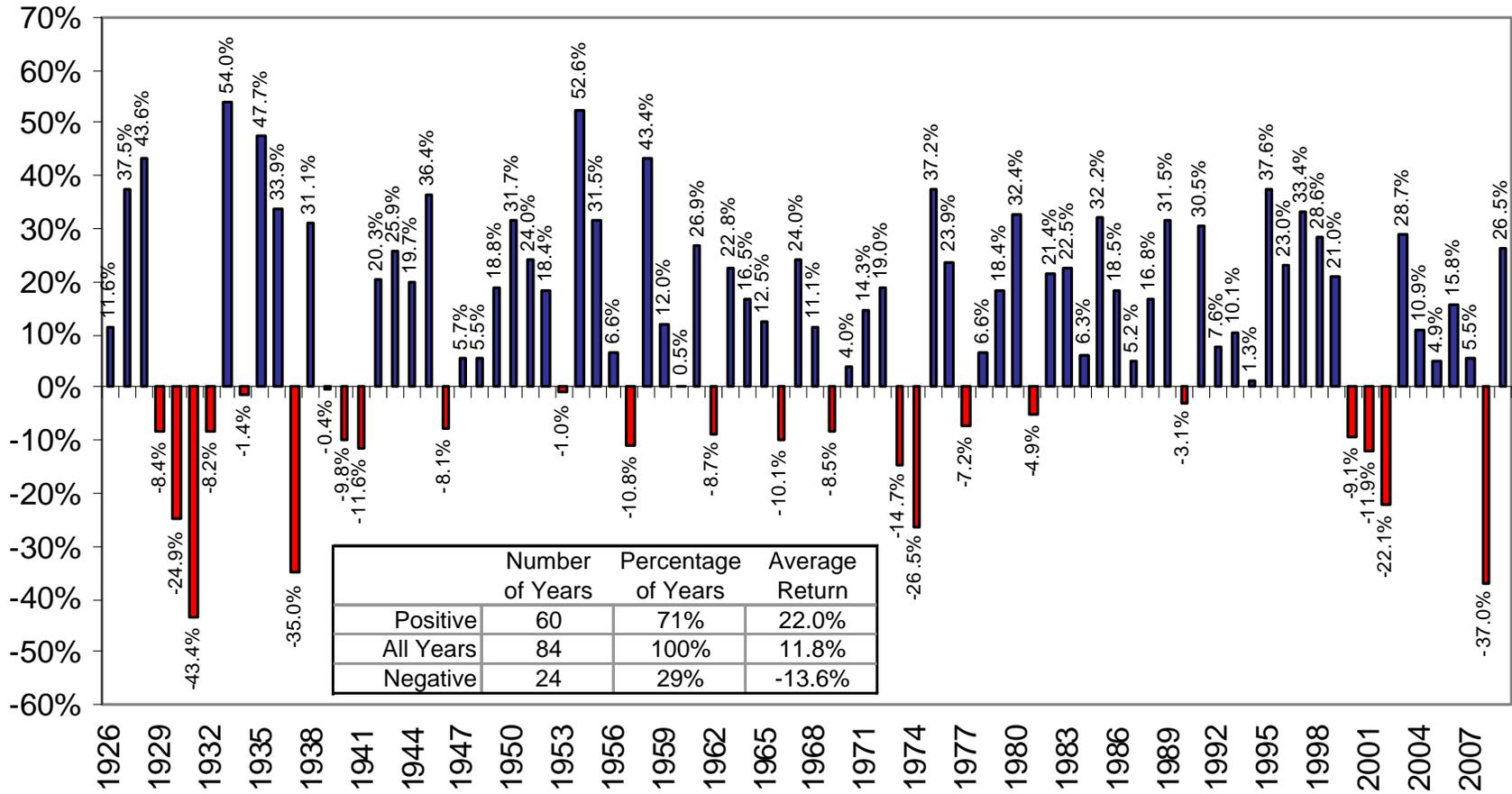


## Total Fund Composite



**El Paso Firemen and Policemen's Pension Fund**  
**Standard & Poor's 500 Index – Total Return: Calendar Years 1928-2009**

**Percentage Gain or Loss**



	1 Year	5 Years	10 Years	15 Years	20 Years	30 Years
Best Case	54.0%	28.6%	20.1%	18.9%	17.9%	13.7%
Worst Case	-43.4%	-12.5%	-1.4%	0.6%	3.1%	8.5%

Sources: Standard & Poor's Corporation; Crandall, Pierce & Company; Alliance Bernstein.