




**City of Marietta**  
**Motion Signature**

205 Lawrence Street  
Post Office Box 609  
Marietta, Georgia 30061

20081028

**Motion to amend the City/BLW's supplemental pension program by changing from ABN AMBRO Investment Option Income Fund E to ABN AMBRO Investment Option Income Fund D. Change is based on recommendation by the City/BLW Pension Board.**

**Date: 9/10/2008**

  
\_\_\_\_\_  
**William B. Dunaway, Mayor**  
\_\_\_\_\_  
**Stephanie Guy, City Clerk**



Memorandum To: Mayor and City Council  
From: Fran Diedrich, Human Resources Director *FD*  
Thru: Bill Bruton, City Manager  
Date: August 27, 2008  
Reference: Discussion to Replace Investment Option  
City/BLW Supplemental Pension Plan

**Issue:**

In an effort to control administrative costs to the Supplemental Pension Plan for participants and the City, the Pension Board voted unanimously to change the Supplemental Pension Plan's short-term fixed income investment option. The Board is recommending to modify the plan by replacing the Supplementary Pension Plan's short-term fixed income investment option ABN AMRO Income Plus E Fund with the ABN AMRO Income Plus D Fund effective October 1, 2008."

**Recommendation:**

The Pension Board requests review and recommends approval by the Mayor and City Council.

August 20, 2008

Sean Herrick  
 Principal Financial Group  
 PO Box 9394  
 Des Moines, IA 50306-9394

RE: City of Marietta Supplemental Pension Plan  
 Plan/Contract ID #: 452551

Dear Sean:

The Pension Board City of Marietta has decided to make the following changes.

Please adjust the investment options currently available in the City of Marietta Supplemental Pension Plan.

Please add the following investment option to our plan effective: 10/01/2008:

| INVESTMENT ADVISOR         | INVESTMENT OPTION                           |
|----------------------------|---|
| ABN AMRO                   | ABN AMRO Income Plus D Fund                 |
| Principal Global Investors | Principal LifeTime Strategic Income R5 Fund |
| Principal Global Investors | Principal LifeTime 2010 R5 Fund             |
| Principal Global Investors | Principal LifeTime 2015 R5 Fund             |
| Principal Global Investors | Principal LifeTime 2020 R5 Fund             |
| Principal Global Investors | Principal LifeTime 2025 R5 Fund             |
| Principal Global Investors | Principal LifeTime 2030 R5 Fund             |
| Principal Global Investors | Principal LifeTime 2035 R5 Fund             |
| Principal Global Investors | Principal LifeTime 2040 R5 Fund             |
| Principal Global Investors | Principal LifeTime 2045 R5 Fund             |
| Principal Global Investors | Principal LifeTime 2050 R5 Fund             |
| Principal Global Investors | Principal LifeTime 2055 R5 Fund             |

Please close the following investment option to our plan effective: 10/01/2008

| INVESTMENT ADVISOR | INVESTMENT OPTION           |
|--------------------|-----------------------------|
| ABN AMRO           | ABN AMRO Income Plus E Fund |

Effective 10/01/2008, please map the current balances and future investment direction in the following investment options as indicated below:

**INVESTMENT ADVISOR CURRENT INV OPTION INVESTMENT ADVISOR NEW INV OPTION**

|          |                                |          |                                |
|----------|--------------------------------|----------|--------------------------------|
| ABN AMRO | ABN AMRO Income Plus<br>E Fund | ABN AMRO | ABN AMRO Income Plus<br>D Fund |
|----------|--------------------------------|----------|--------------------------------|

Please revise our fee structure to be asset-based and netted monthly from the rate of investment return for all investments.

Sincerely,

\_\_\_\_\_

Title: \_\_\_\_\_

Date Signed: \_\_\_\_\_

cc: Jackie Deckman

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# ABN AMRO Income Plus D Fund as of 06/30/2008

## Investment Strategy

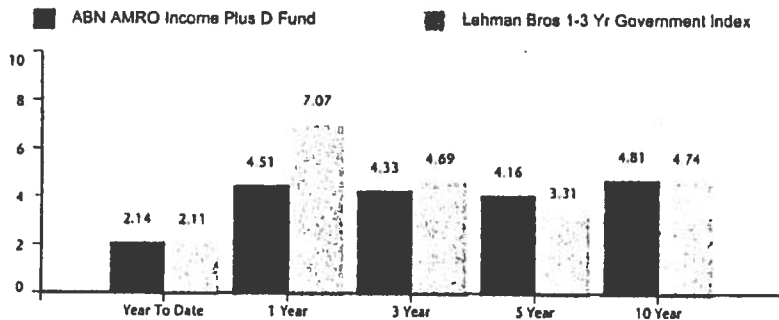
The Fund seeks to obtain competitive fixed income returns in different interest rate environments. The Fund has been developed to preserve principal, maximize income and provide a high degree of liquidity without sacrificing credit quality. The average duration is generally between 1.5 to 3 years.



## Portfolio managers

**William Finley**, CFA. Since 08/01/1985. M.B.A., Northwestern University  
**Kevin Kehres**, CFA. Since 03/01/1995. M.B.A., De Paul University

## Long-term returns % as of 06/30/2008



## Performance disclosure

Investment results shown represent historical performance and do not guarantee future results. Investment returns and principal values fluctuate with changes in interest rates and other market conditions so the value, when redeemed, may be worth more or less than original costs. Current performance may be lower or higher than the performance data shown. For more performance information, including most recent month-end performance, visit the Principal Sponsor Service Center<sup>SM</sup> or The Principal Retirement Service Center<sup>®</sup> at [www.principal.com](http://www.principal.com), contact your representative of The Principal, or call our Client Contact Center at 1-800-547-7754.

| Long Term Returns                     | Year To Date | 1 Year | 3 Year | 5 Year | 10 Year |
|---------------------------------------|--------------|--------|--------|--------|---------|
| Total Return %                        | 2.14         | 4.51   | 4.33   | 4.16   | 4.81    |
| Lehman Bros 1-3 Yr Government Index % | 2.11         | 7.07   | 4.69   | 3.31   | 4.74    |

| Annual Returns | 2007 | 2006 | 2005 | 2004 | 2003 |
|----------------|------|------|------|------|------|
| Total Return % | 4.59 | 4.28 | 3.87 | 3.86 | 4.33 |



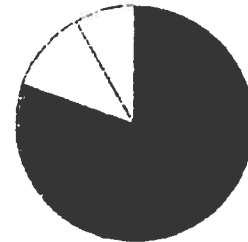
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## Operations

|                                |            |
|--------------------------------|------------|
| Total Investment Expense Net   | 0.50%      |
| Total Investment Expense Gross | 0.50%      |
| Inception Date                 | 08/01/1985 |
| Total Net Assets (mil)         | \$3,476.10 |

## Portfolio information

Composition as of 03/31/2008



## % of Assets

|            |       |
|------------|-------|
| U.S. Bonds | 80.50 |
| Other      | 11.30 |
| Cash       | 8.20  |

## Portfolio composition

### Top ten holdings

| Top ten holdings            | % of net assets |
|-----------------------------|-----------------|
| Rabobank Alternative        | 12.50           |
| State Street Alternative    | 10.60           |
| Bank of America Alternative | 10.00           |
| JPMorgan Alternative        | 8.90            |
| CDC-IXIS Alternative        | 7.90            |
| RBC Alternative             | 7.80            |
| UBS Alternative             | 7.60            |
| ING Alternative             | 7.40            |
| Monumental Alternative      | 7.40            |
| AIG Alternative             | 7.30            |

% of net assets in top ten holdings\* 87.40%

\*Values may exceed 100% if both long and short positions are included in the portfolio.

## Diversification

| Maturity       | % of assets |
|----------------|-------------|
| Less than 1 Yr | 26.40       |
| 1-2 Yrs        | 12.00       |
| 2-3 Yrs        | 14.70       |
| 3-4 Yrs        | 11.00       |
| Over 4 Yrs     | 35.90       |

## Statistics

|                        |      |
|------------------------|------|
| # of Issuers           | 19   |
| Avg Eff Duration (Yrs) | 3.04 |
| Avg Eff Maturity (Yrs) | 3.98 |
| 7-Day Yield %          | 0.00 |
| Avg Credit Quality     | AA+  |