

**Merrill Lynch**

**TOTAL MERRILL®**

## **Miramar Firefighters' Pension Fund**

**December 31, 2007 Summary Report**

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This document summarizes the Asset Information and Measurement (AIM) Report that Merrill Lynch provides to you under separate cover. This document highlights certain information contained in the AIM Report, but may not reflect all significant information contained in that report. In evaluating the performance of your portfolio or investment advisor, you should review the AIM Report, review your monthly account statement(s), and discuss your portfolio with your Financial Advisor. This summary should not be relied upon exclusively.

All the data in this summary has been drawn from the AIM Report or other sources that we believe to be current and reliable. Merrill Lynch has not verified such data independently.

# Table of Contents

## Miramar Firefighters' Pension Fund

Total Portfolio Summary	i		
Section I.		Section II.	
Portfolio Growth vs. Contributions	1	Distribution of Equity Portfolio Returns	11
Portfolio Growth vs. Contributions since 12/31/98	2	Distribution of Fixed Income Portfolio Returns	12
Asset Allocation	3	Fixed Income Sector Performance	13
Asset Allocation History	4		
Section II.		Section IV.	
Performance Summary	5	Independence Investments- SMID Equity	14
Long-Term Performance Summary	6	Principal Real Estate	15
Equity Fund Performance Summary	7		
Distribution of Public Balanced Portfolio Returns	8	Section V.	
Distribution of Fiscal Years Performance	9	Investment Policy Checklist & Fee Summary	16
Risk / Return Analysis	10		



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# Total Portfolio Summary

## Miramar Firefighters' Pension Fund

### QUARTER

- ◆ As of December 31, 2007, your fund had a total market value of \$50,666,590. For the quarter ended December 31st, the total fund earned -\$1,521,047 and received \$976,447 in net contributions for a total decrease in value of \$544,600 from the previous quarter end.
- ◆ On December 31st, your fund was 79.6% invested in equity index funds (including international), 10.6% in a bond index fund, 7.6% in real estate and 2.2% in cash and equivalents. For the quarter ended December 31st, your total fund returned -2.9% ranking in the 99<sup>th</sup> percentile of the public balanced portfolio sample. The target index comprised of 30% S&P 500 + 40% Wilshire 4500 + 10% MSCI-EAFE + 10% Lehman Intermediate bond index + 10% NCREIF returned -1.8%.

- ◆ Investor fears over inflation, slowing economic growth, housing and deteriorating corporate profits led equity markets lower in the fourth quarter. While the quarter started off on a positive note with talk of "containment" in terms subprime credit issues, as the year wound down economic indicators and additional corporate write-offs weighed heavily on consumer confidence. These events contributed to the quarter's focus on quality and stability, which favored growth stocks and large capitalization issues. This quarter's performance represented the end of a six-year streak of positive performance in the 4<sup>th</sup> quarter of the year by the equity market indices across the capitalization spectrum. The large cap segment of the market, represented by the Russell 1000 and the S&P 500, posted returns of -3.2% and -3.3% respectively. Using the S&P 500 as a proxy for large cap issues, six of ten economic sectors of the index posted flat or positive performance for the quarter. Despite more than half of the sectors posting positive results, the overall index performance was negative for the quarter due to performance in the financial (-14.3%) and consumer discretionary (-10.0%) sectors, which collectively represented 26.0% of the index at the end of the quarter. These large sector losses were partially offset by performance in the utilities (+7.6%), energy (+4.4%) and consumer staples (+3.8%) sectors. Outside of large cap issues, the Russell MidCap index returned -3.6% and the Russell 2000 index (small cap) posted a return of -4.6%.

- ◆ In terms of style, growth index performance exceeded value-based investments at all capitalization levels by a wide margin during the 4<sup>th</sup> quarter. Despite growth's outperformance, none of the major style-based indices posted positive

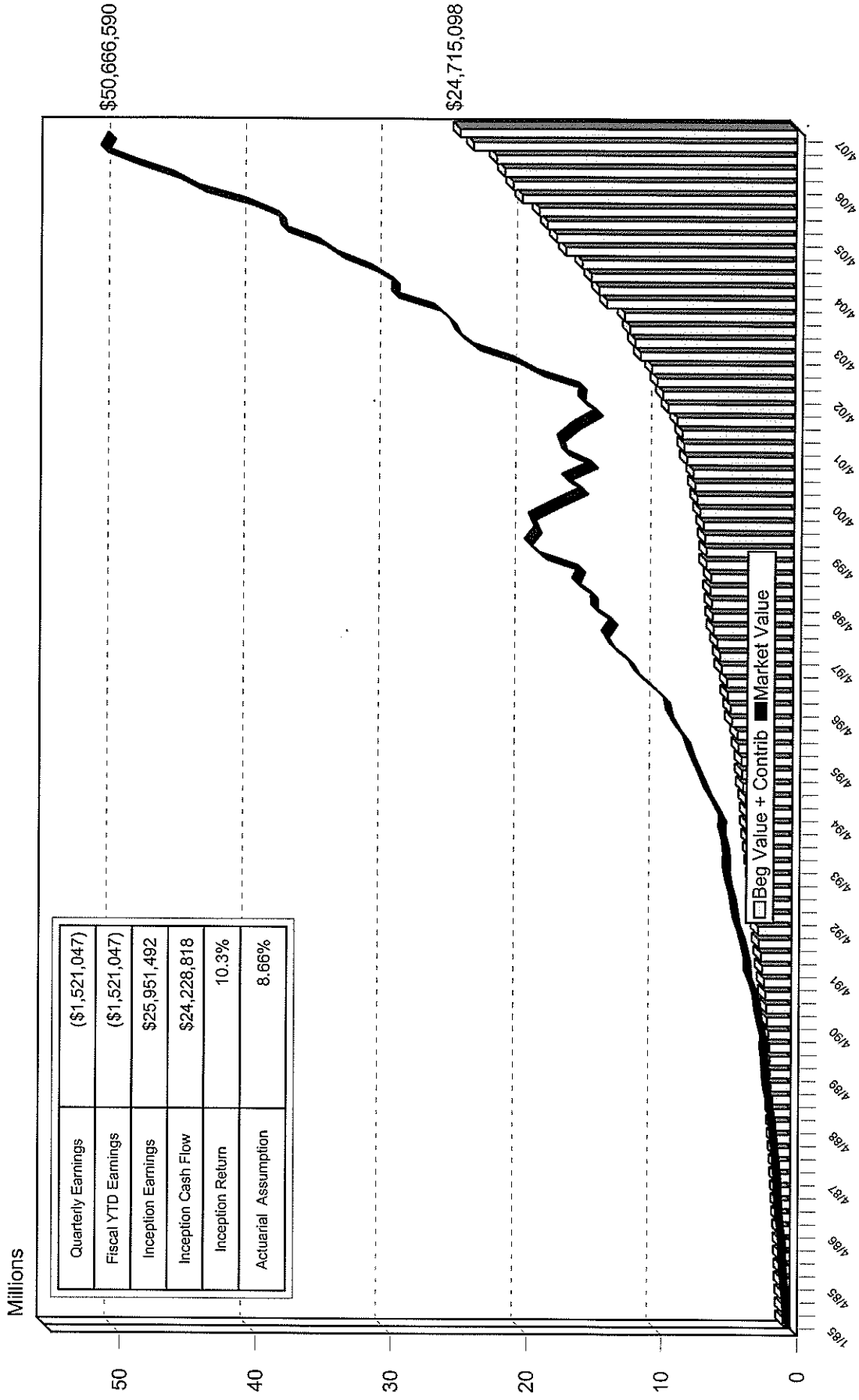
results for the quarter. The style-based mega cap indices posted the quarter's strongest relative domestic market performance with returns of -0.3% for the Russell Top 200 Growth index and -5.7% for the Value index. The Russell 1000 large cap index, which includes the Top 200 as well as the MidCap (800) indices, posted a Growth index return of -0.8% vs. -5.8% for the Russell 1000 Value index. The Russell MidCap index posted a return of -1.7% for the MidCap Growth segment vs. -6.0% for the MidCap Value index. The small cap segment of the market represented the quarter's widest performance spread with the Russell 2000 Growth index posting a return of -2.1% and the Russell 2000 Value index returning -7.3%.

- ◆ Although international markets outperformed domestic markets during the 4<sup>th</sup> quarter, the developed market's composite still posted negative performance with the MSCI-EAFE index returning -1.7% (gross) in U.S. dollars and -2.9% in local currency. Absolute performance was split relatively equally among the index countries with nine posting positive results and 11 posting negative results. Performance in U.S. dollars for the quarter ranged from the strong 8.4% return posted by Spain to the weak -12.8% return posted by Sweden. Despite this wide band of country performance, results for the index are largely determined by four countries: Japan (-6.1%), the United Kingdom (-2.4%), France (0.7%) and Germany (5.1%), which represented over 60% of the MSCI-EAFE index at the end of the quarter. On a style basis, much like the U.S. markets, growth investments outperformed value during the quarter with the MSCI-EAFE Growth index returning -0.3% vs. -3.2% for the MSCI-EAFE Value index. Outside of the developed markets, the MSCI-EM (emerging markets) index closed out the year on a positive note with a return of 3.7% (gross) for the quarter in U.S. dollars (2.9% local) and 39.8% for the year.

- ◆ It was an active period for the Fed during the 4<sup>th</sup> quarter of 2007 with 50 basis points of cuts in both the Discount and the Fed Funds Rate. While the Fed actions provided some stability to the markets, the subprime contagion, which spread to enhanced cash and money market funds during the quarter, continued to drive market volatility higher. The increase in investor risk aversion created by the market's turmoil resulted in a "flight to quality" in the fixed income markets. The Merrill Lynch Domestic Master Bond index returned 3.1% for the quarter. Within the broad index, there was a moderate spread between each of the major components with the Corporate, Mortgage and Government Master indices posting returns of 1.9%, 3.1%, and 4.0% respectively. Outside of the investment grade market, the Merrill Lynch High Yield Master index posted a return -1.1%.

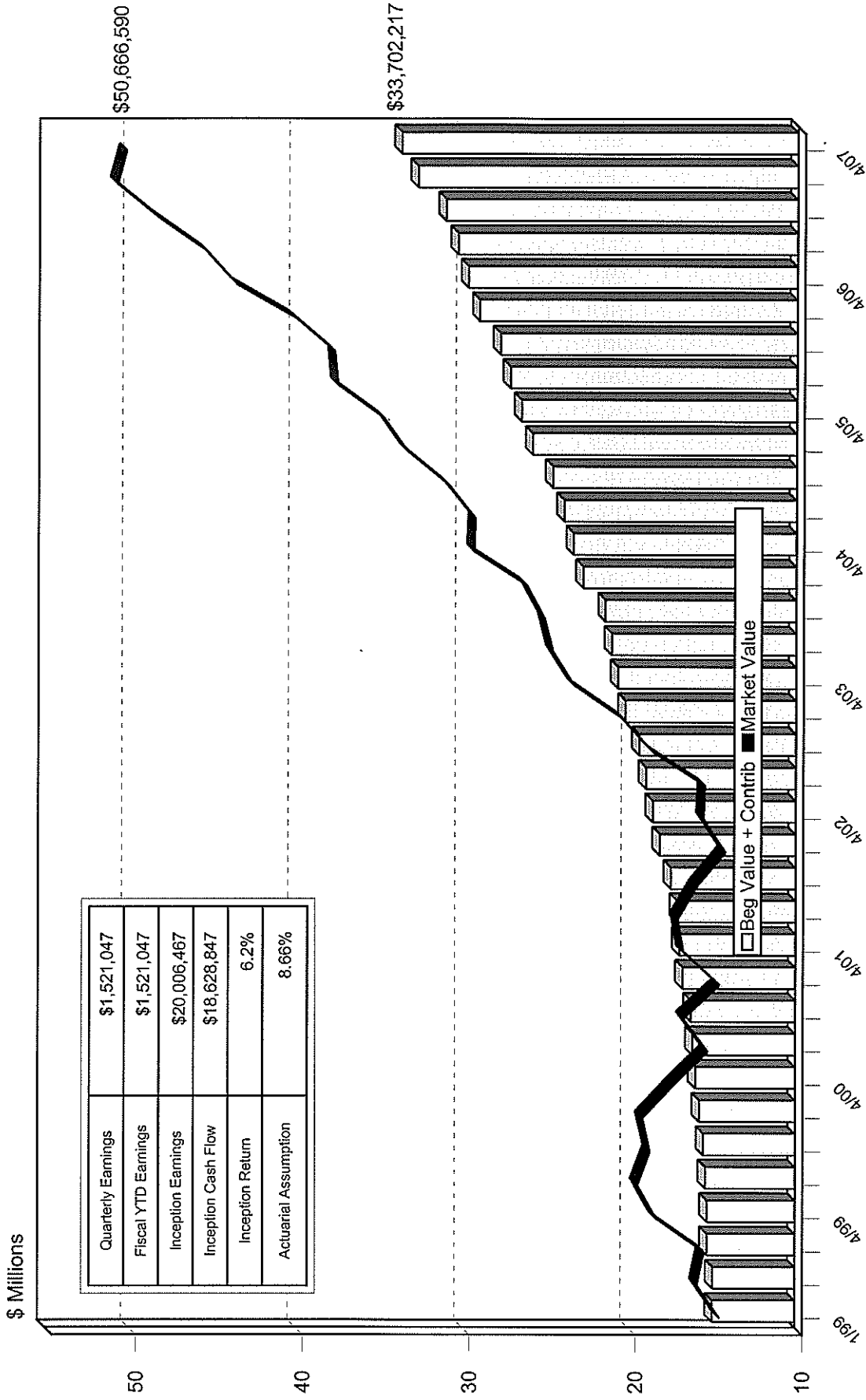
# Total Portfolio Growth vs. Net Contributions

## Miramar Firefighters' Pension Fund



# Total Portfolio Growth beginning 12/31/98

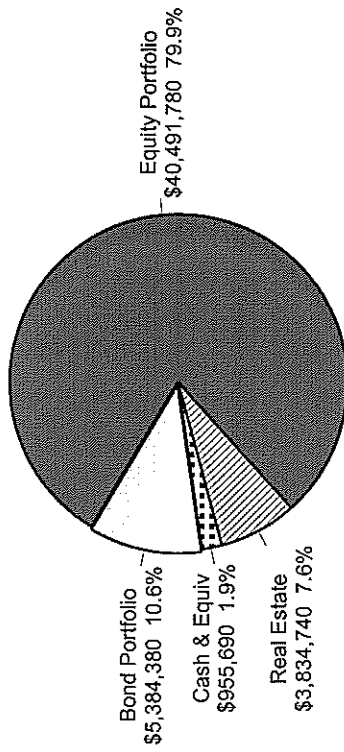
## Miramar Firefighters' Pension Fund



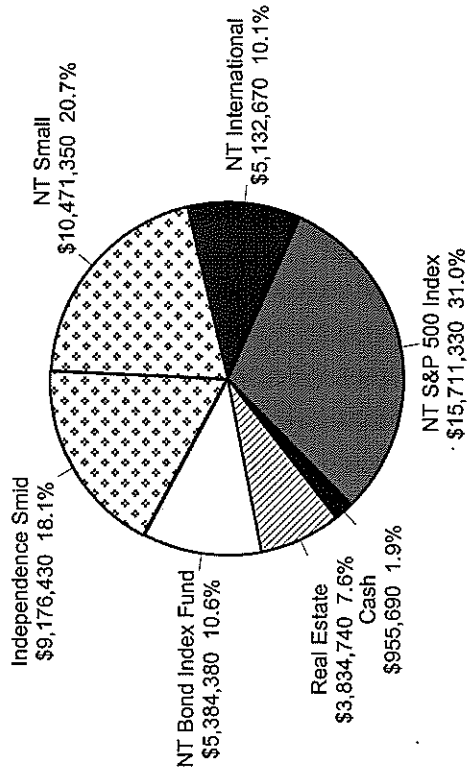
# Asset Allocation / Fund Allocation

## Miramar Firefighters' Pension Fund

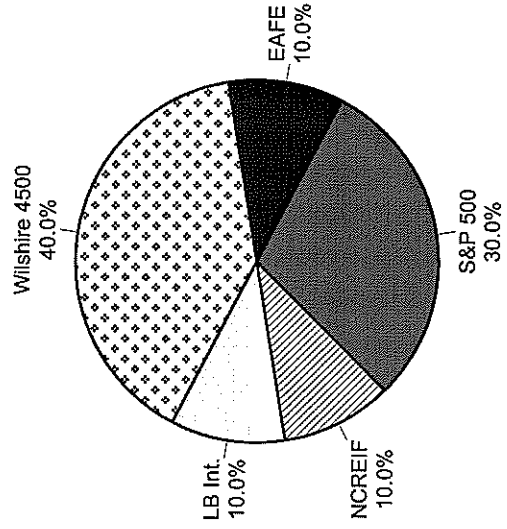
Total Market Value  
\$50,666,590



## Fund Allocation



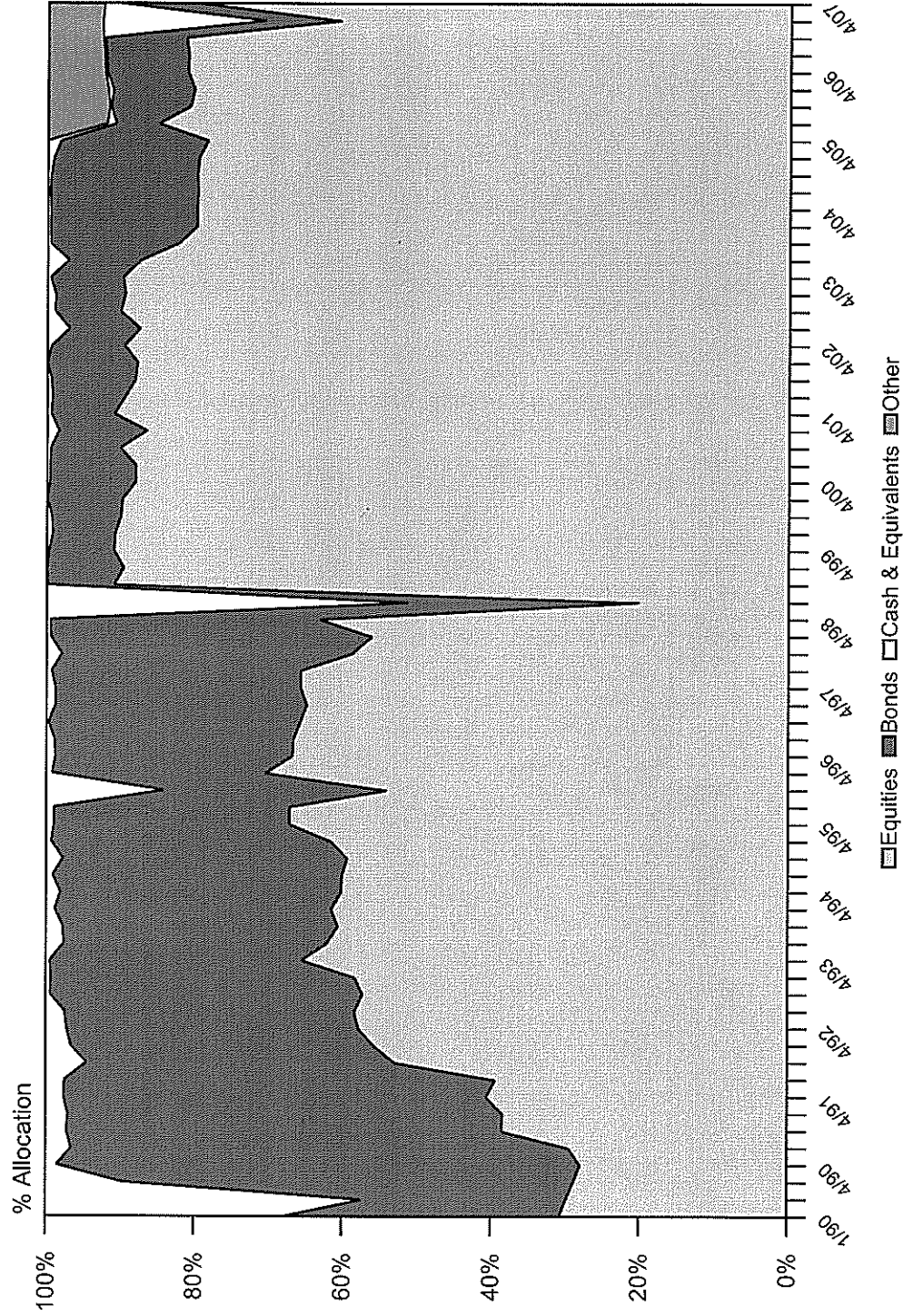
## Target Index Allocation



quarter ended December 31, 2007

# Asset Allocation History

## Miramar Firefighters' Pension Fund



# Performance Summary

## Miramar Firefighters' Pension Fund

Periods Ended December 31, 2007

	Quarter	Fiscal YTD	1-Year	2-Year	3-Year	4-Year	5-Year	6-Year
<b>Total Fund</b>	<b>-2.9% (99)</b>	<b>-2.9% (99)</b>	<b>6.3% (99)</b>	<b>10.7% (22)</b>	<b>9.5% (16)</b>	<b>10.4% (5)</b>	<b>14.6% (1)</b>	<b>8.8% (2)</b>
Target Index*	-1.8% (99)	-1.8% (99)	7.5% (87)	11.6% (4)	10.2% (10)	10.8% (4)	14.8% (1)	9.0% (2)
Custom Index **	-1.0% (85)	-1.0% (85)	8.5% (55)	12.2% (1)	10.5% (4)	11.2% (1)		
<i>ranked against a broad equity sample:</i>								
<b>Global Equity Portfolio</b>	<b>-4.2% (78)</b>	<b>-4.2% (78)</b>	<b>5.5% (65)</b>	<b>11.2% (45)</b>	<b>10.3% (48)</b>	<b>11.6% (36)</b>	<b>16.2% (31)</b>	<b>9.5% (31)</b>
Wilshire 5000	-3.1% (63)	-3.1% (63)	5.7% (62)	10.6% (56)	9.2% (62)	10.0% (58)	14.0% (55)	7.3% (43)
Blended Equity Index***	-3.0% (61)	-3.0% (61)	6.4% (58)					
Wilshire 4500	-3.1% (63)	-3.1% (63)	5.8% (62)	10.8% (49)	10.6% (46)	12.6% (28)	18.3% (14)	11.3% (16)
S&P 500	-3.3% (71)	-3.3% (71)	5.5% (65)	10.5% (59)	8.6% (70)	9.2% (74)	12.8% (74)	6.1% (60)
Russell 3000	-3.4% (72)	-3.4% (72)	5.1% (69)	10.3% (61)	8.9% (66)	9.7% (63)	13.6% (57)	6.8% (50)
Russell 2000	-4.6% (80)	-4.6% (80)	-1.6% (89)	7.9% (79)	6.8% (84)	9.6% (67)	16.2% (31)	9.1% (34)
EAFE	-1.7%	-1.7%	11.6%	19.0%	17.3%	18.2%	22.1%	14.8%

<b>Real Estate</b>	<b>1.3%</b>	<b>1.3%</b>	<b>13.5%</b>					
NCREIF	3.2%	3.2%	15.8%					

*ranked against a fixed income sample:*

<b>Fixed Income Portfolio</b>	<b>3.5% (16)</b>	<b>3.5% (16)</b>	<b>8.8% (8)</b>	<b>6.4% (11)</b>	<b>4.8% (27)</b>	<b>4.3% (56)</b>	<b>4.1% (75)</b>	<b>5.5% (40)</b>
Lehman Intermediate	2.9% (37)	2.9% (37)	7.4% (30)	5.7% (47)	4.3% (72)	4.0% (70)	4.1% (76)	5.0% (79)
ML 1-10 Govt / Corp	2.9% (40)	2.9% (40)	7.4% (31)	5.7% (47)	4.3% (71)	4.0% (71)	4.0% (79)	5.0% (79)
T-Bills	1.1% (89)	1.1% (89)	5.0% (79)	4.9% (82)	4.3% (73)	3.6% (91)	3.1% (99)	2.9% (99)

\*Target Index = Currently 30% S&P 500 + 40% Wilshire 4500 + 10% EAFE + 10% Lehman Intermediate + 10% NCREIF.

\*\*Custom Index = the benchmark indexes blended in the same allocations as your fund, calculated quarterly.

\*\*\*Blended Equity Index = 37.5% S&P 500 + 50% Wilshire 4500 + 12.5% EAFE



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# Long-Term Performance Summary

## Miramar Firefighters' Pension Fund

Periods Ended December 31, 2007

	Quarter	Fiscal YTD	7-Year	8-Year	9-Year	10-Year	Inception [Qtr]
<b>Total Fund</b>	<b>-2.9%</b>	<b>-2.9%</b>	<b>6.1%</b>	<b>4.1%</b>	<b>6.0%</b>	<b>7.0%</b>	<b>10.3%</b> [2/85]

Target Index\* -1.8% -1.8% 6.1% 4.0% 6.2% 7.4% 11.2%

<b>Global Equity Portfolio</b>	<b>-4.2%</b>	<b>-4.2%</b>	<b>6.2%</b>	<b>3.9%</b>	<b>6.1%</b>	<b>7.2%</b>	<b>13.3%</b> [2/85]
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Wilshire 5000 -3.1% -3.1% 4.5% 2.4% 4.6% 6.3% 12.1%  
 Wilshire 4500 -3.1% -3.1% 8.1% 4.8% 7.8% 7.9% 11.6%  
 S&P 500 -3.3% -3.3% 3.3% 1.7% 3.7% 5.9% 12.3%

Russell 1000 Growth -0.8% -0.8% 0.2% -2.9% 0.5% 3.8% 11.2%  
 Russell 1000 Value -5.8% -5.8% 6.7% 6.8% 6.8% 7.7% 13.0%

Russell 3000 -3.4% -3.4% 4.0% 2.5% 4.4% 6.2% 12.1%  
 Russell 2000 -4.6% -4.6% 8.2% 6.7% 8.2% 7.1% 10.4%

EAFE -1.7% -1.7% 8.8% 5.6% 7.9% 9.0% 12.2%

<b>Real Estate</b>	<b>1.3%</b>	<b>1.3%</b>					<b>14.5%</b> [2/06]
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NCREIF 3.2% 3.2%

<b>Fixed Income Portfolio</b>	<b>3.5%</b>	<b>3.5%</b>	<b>6.0%</b>	<b>6.8%</b>	<b>5.9%</b>	<b>6.2%</b>	<b>7.8%</b> [2/85]
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Lehman Intermediate 2.9% 2.9% 5.6% 6.1% 5.5% 5.8% 7.6%

T-Bills 1.1% 1.1% 3.0% 3.4% 3.6% 3.7% 4.9%

\*Target Index = Currently 30% S&P 500 + 40% Wilshire 4500 + 10% EAFE + 10% Lehman Intermediate + 10% NCREIF.

Ranks are not available for long-term periods.

The Merrill Lynch 1-10 year Govt/Corp index does not have sufficient history to be shown on this page.



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# Equity Fund Performance Summary

## Miramar Firefighters' Pension Fund

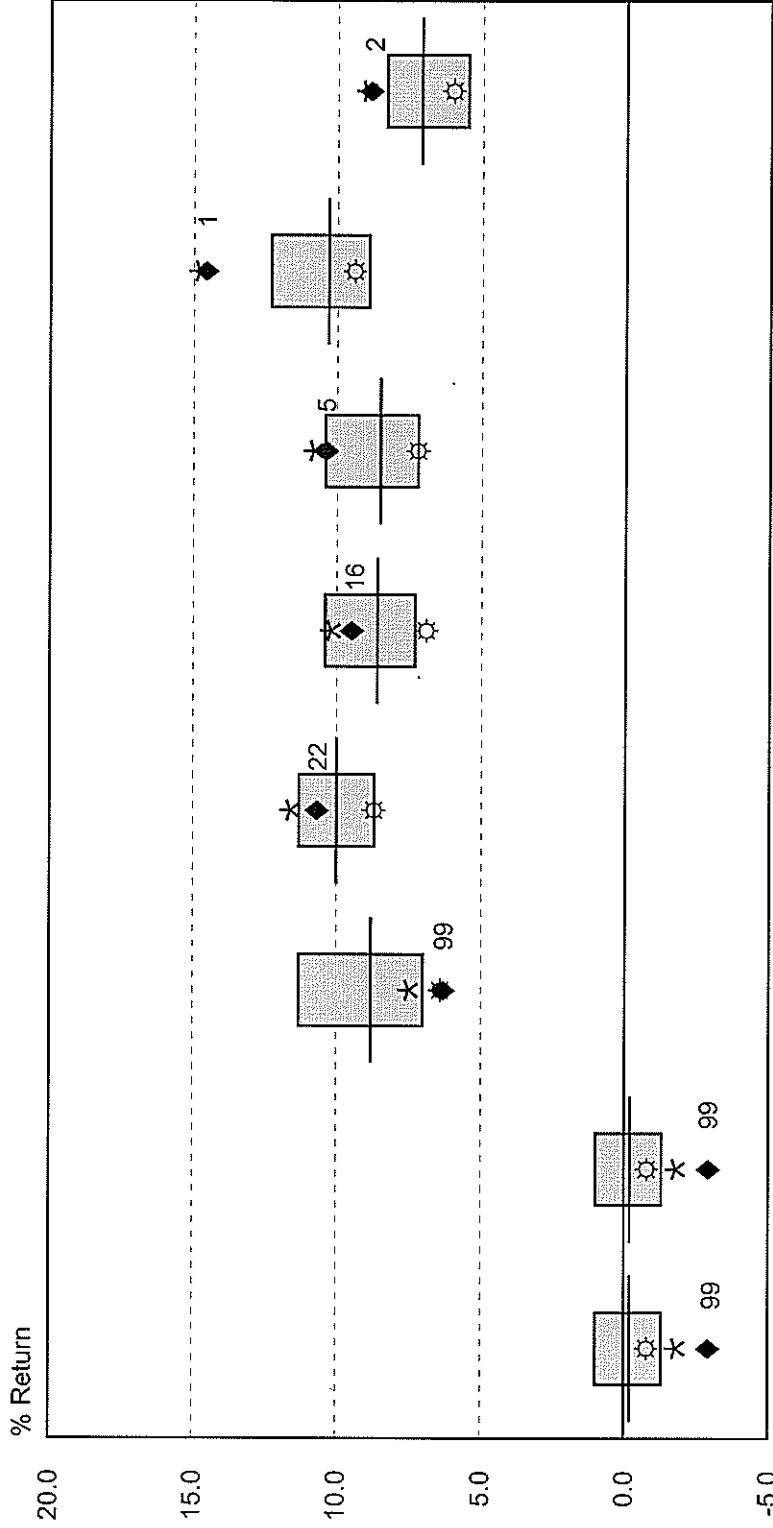
Periods Ended December 31, 2007

	Quarter	Fiscal YTD	1-Year	2-Year	3-Year	4-Year	5-Year	6-Year
<i>ranked against a broad sample of equity portfolios:</i>								
<b>Total Equity</b>	<b>-4.2% (78)</b>	<b>-4.2% (78)</b>	<b>5.5% (65)</b>	<b>11.2% (45)</b>	<b>10.3% (48)</b>	<b>11.6% (36)</b>	<b>16.2% (31)</b>	<b>9.5% (31)</b>
Wilshire 5000	-3.1% (63)	-3.1% (63)	5.7% (62)	10.6% (56)	9.2% (62)	10.0% (58)	14.0% (55)	7.3% (43)
Blended Equity Index*	-3.0% (61)	-3.0% (61)	6.4% (58)					
<i>ranked against a broad sample of equity portfolios:</i>								
<b>NT S&amp;P 500 Index</b>	<b>-3.4% (72)</b>	<b>-3.4% (72)</b>	<b>5.5% (64)</b>	<b>10.6% (57)</b>	<b>8.7% (69)</b>	<b>9.2% (73)</b>	<b>12.8% (74)</b>	<b>6.1% (60)</b>
S&P 500	-3.3% (71)	-3.3% (71)	5.5% (65)	10.5% (59)	8.6% (70)	9.2% (74)	12.8% (74)	6.1% (60)
<i>ranked against a broad sample of equity portfolios:</i>								
<b>NT Small Cap Index</b>	<b>-3.5% (74)</b>	<b>-3.5% (74)</b>	<b>5.8% (62)</b>	<b>10.4% (60)</b>	<b>10.3% (48)</b>	<b>12.2% (31)</b>	<b>17.7% (18)</b>	<b>11.1% (18)</b>
<b>Independence SMID</b>	<b>-7.4% (92)</b>	<b>-7.4% (92)</b>						
Wilshire 4500	-3.1% (63)	-3.1% (63)	5.8% (62)	10.8% (49)	10.6% (46)	12.6% (28)	18.3% (14)	11.3% (16)
Russell 2000	-4.6% (80)	-4.6% (80)	-1.6% (89)	7.9% (79)	6.8% (84)	9.6% (67)	16.2% (31)	9.1% (34)
<i>ranked against a sample of international equity mutual funds:</i>								
<b>NT International Equity</b>	<b>-1.8% (55)</b>	<b>-1.8% (55)</b>	<b>11.5% (55)</b>	<b>19.2% (34)</b>	<b>17.4% (36)</b>	<b>18.2% (30)</b>	<b>22.1% (25)</b>	<b>14.8% (31)</b>
EAFE	-1.7% (54)	-1.7% (54)	11.6% (54)	19.0% (37)	17.3% (37)	18.2% (30)	22.1% (26)	14.8% (32)

\*Blended Equity Index = 37.5% S&P 500 + 50% Wilshire 4500 + 12.5% EAFE

# Distribution of Public Balanced Portfolio Returns

## Miramar Firefighters' Pension Fund



	Qtr	FYTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	6 Yrs
Miramar Fire	-2.9	-2.9	6.3	10.7	9.5	10.4	14.6	8.8
Target Index	-1.8	-1.8	7.5	11.6	10.2	10.8	14.8	9.0
* 60/40 Blend	-0.8	-0.8	6.4	8.7	6.9	7.2	9.4	6.0
Median	-0.2	-0.2	8.8	10.0	8.6	8.5	10.3	7.1

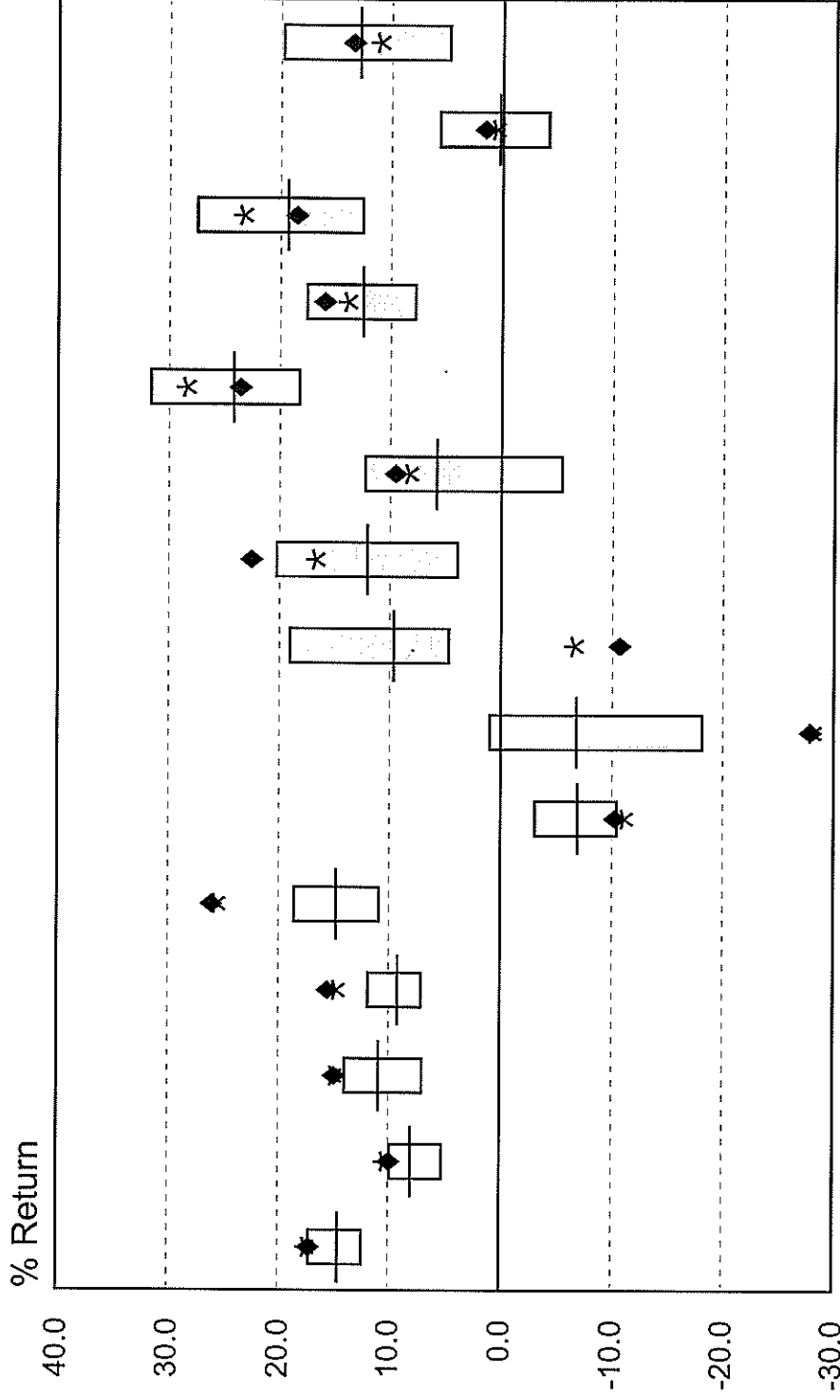
\*60/40 Blend = 60.0% S&P 500 + 40% Lehman Intermediate Bond Index

periods ended December 31, 2007



# Fiscal Years Performance

## Miramar Firefighters' Pension Fund

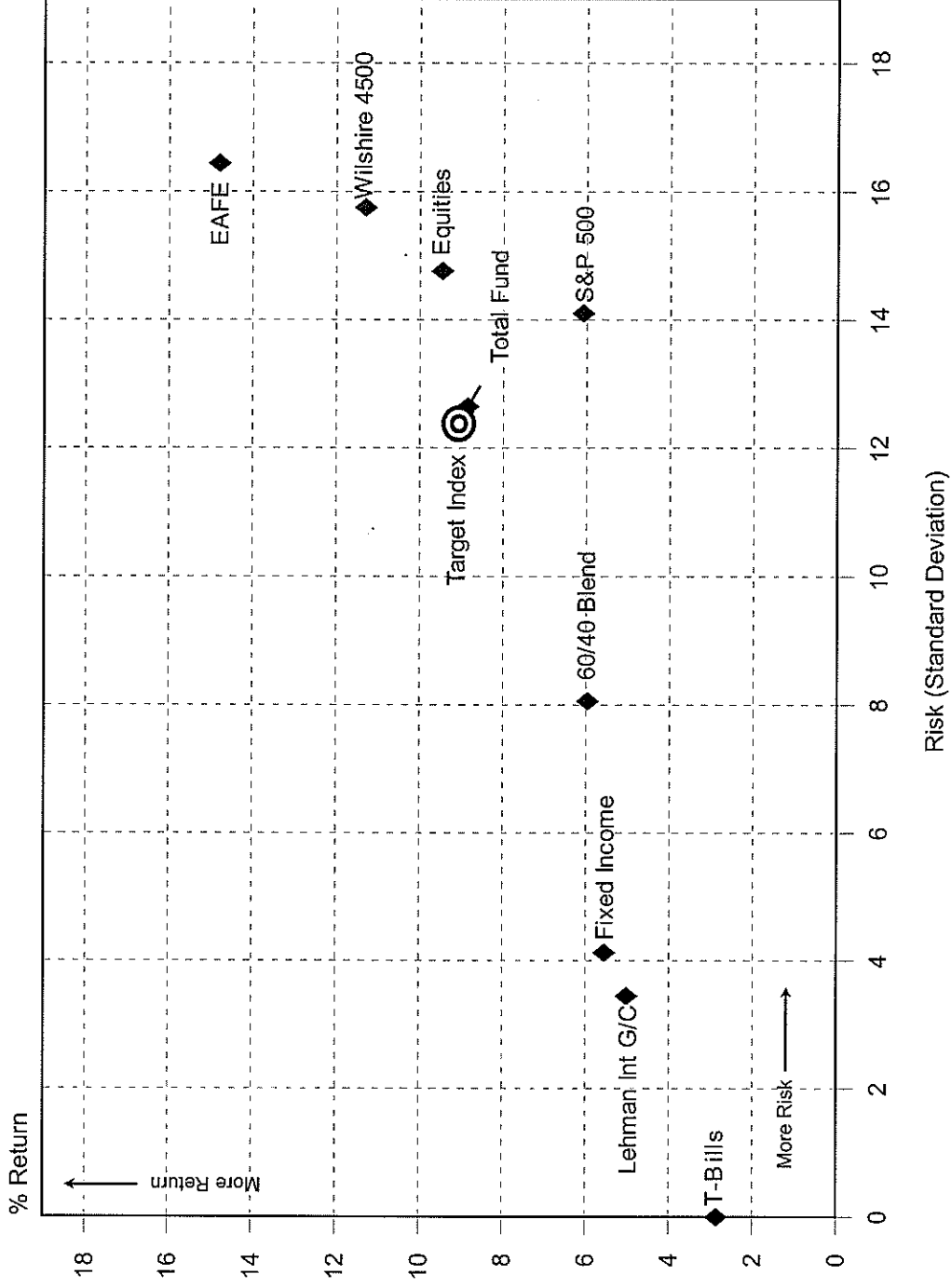


Year	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995	1994	1993
Miramar Fire	17.2	10.0	14.9	15.5	26.0	-10.3	-27.9	-10.7	22.5	9.5	23.6	15.9	18.5	1.5	13.4
Target Index	17.5	10.4	15.0	14.8	25.6	-11.1	-28.1	-6.6	16.7	8.3	28.4	13.9	23.3	0.6	11.0
Median	14.6	8.0	10.9	9.2	14.8	-6.9	-6.8	9.7	12.1	5.8	24.2	12.5	19.3	0.3	12.8

periods ended September 30th

# Total Portfolio Risk / Return Analysis

## Miramar Firefighters' Pension Fund



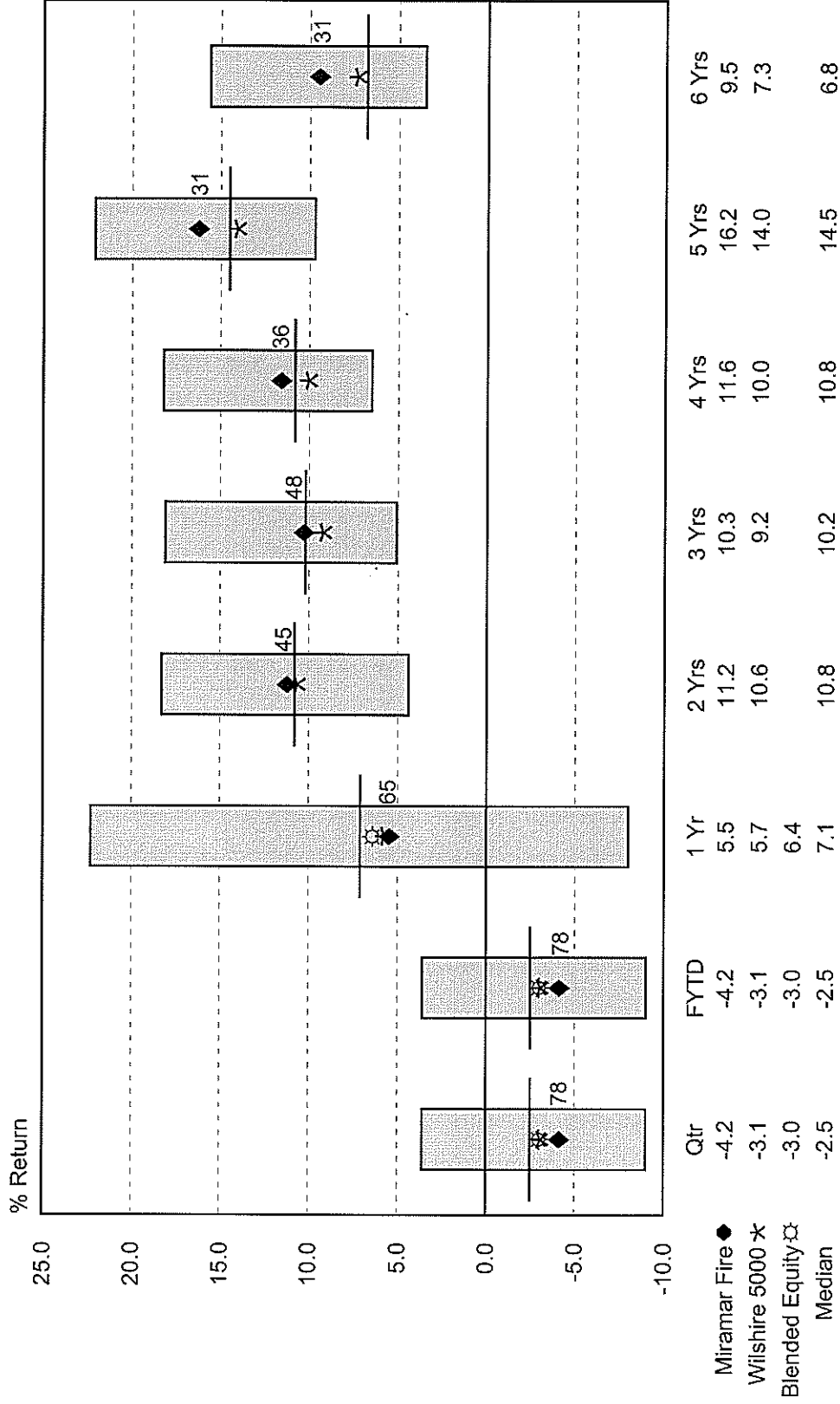
\*60/40 Blend = 60.0% S&P 500 + 40% Lehman Intermediate Bond Index

6.00 years ended December 31, 2007



# Equity Portfolio Performance

## Miramar Firefighters' Pension Fund



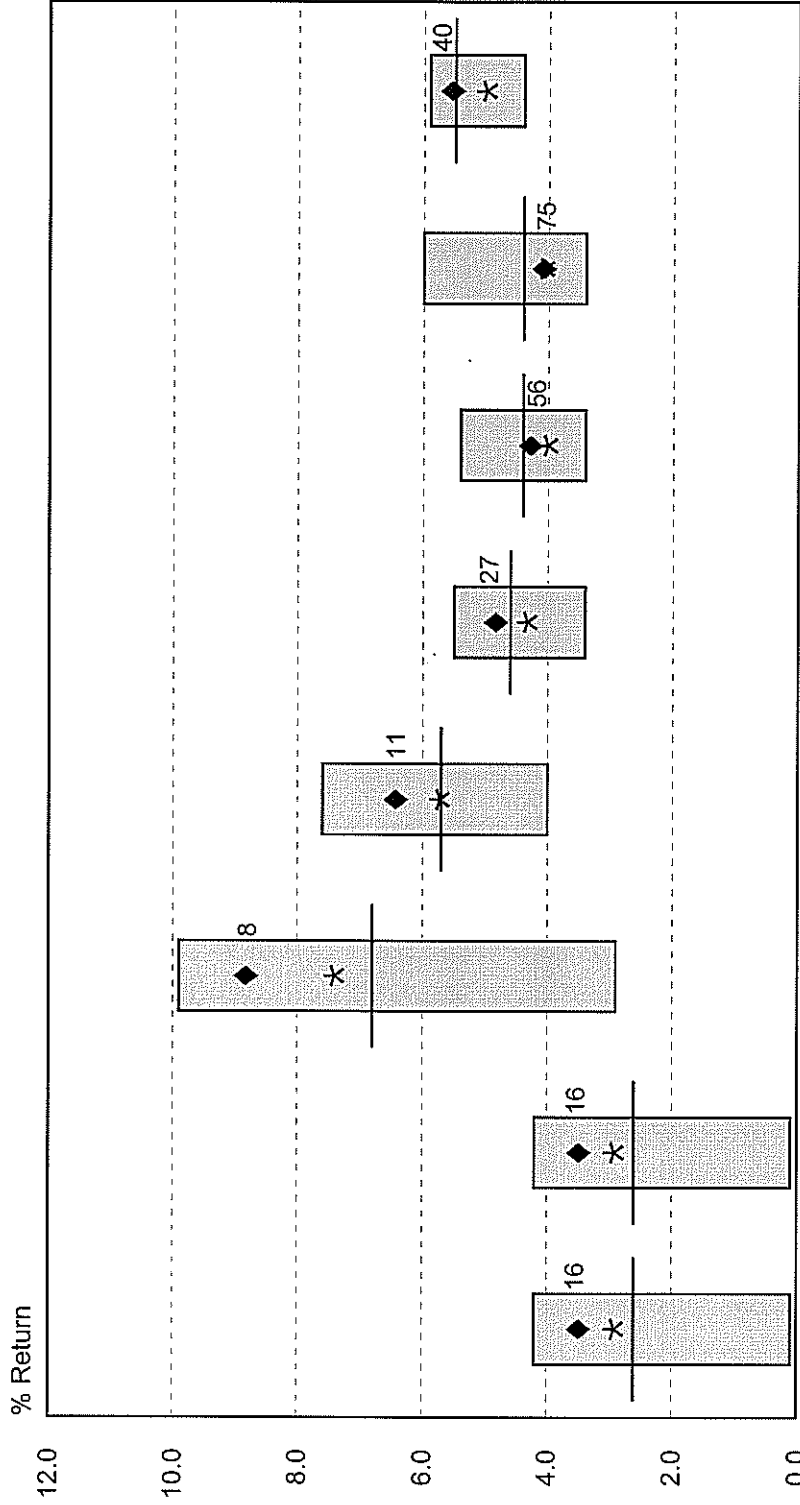
\*Blended Equity Index = 37.5% S&P 500 + 50% Wilshire 4500 + 12.5% MSCI-EAFE

periods ended December 31, 2007



# Fixed Income Portfolio Performance

## Miramar Firefighters' Pension Fund



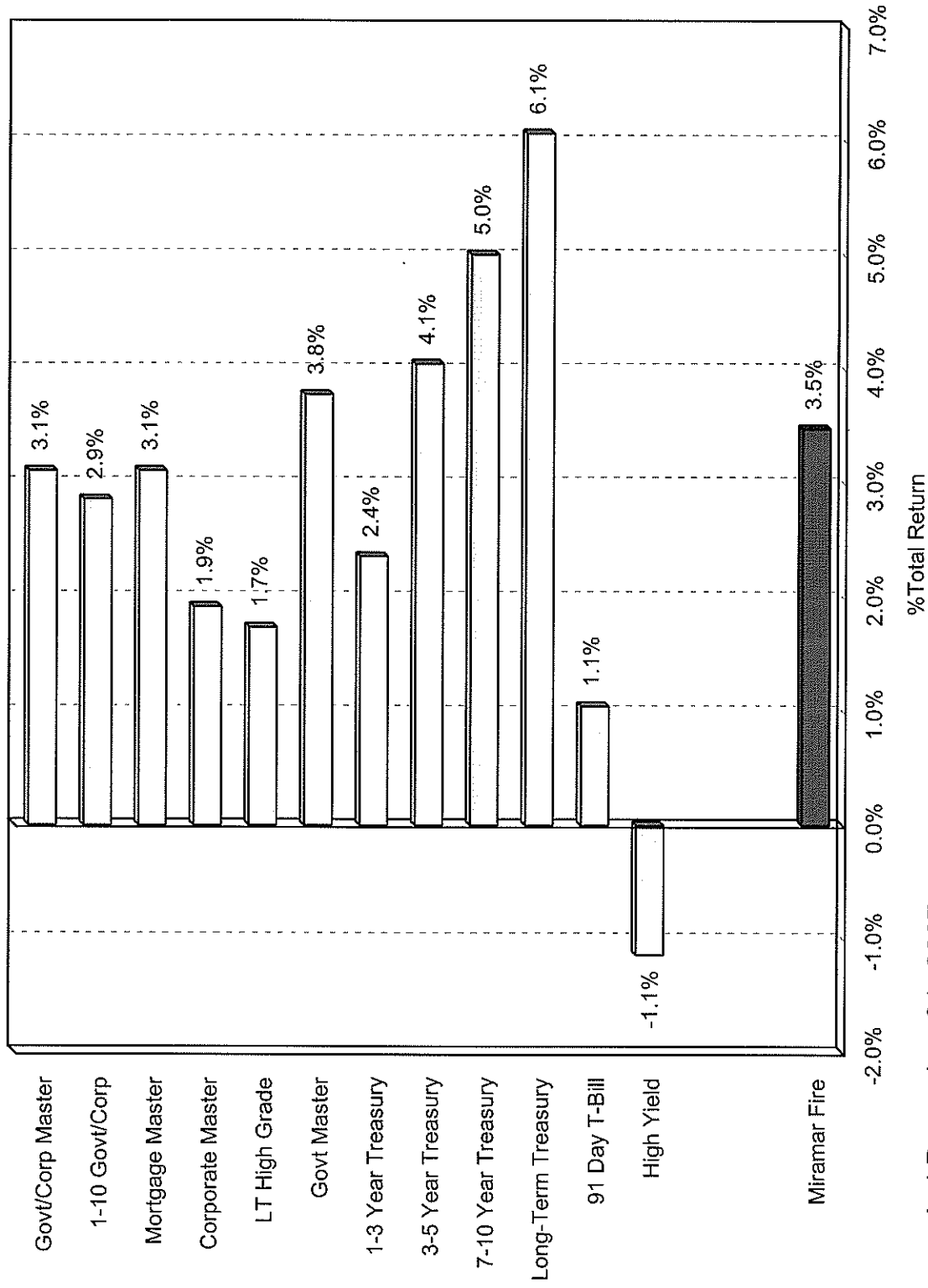
Miramar Fire ♦	8.8	6.4	4.8	4.3	4.1	5.5
Lehman Intermediate *	7.4	5.7	4.3	4.0	4.1	5.0
Median	6.8	5.7	4.6	4.4	4.4	5.5

periods ended December 31, 2007



# Fixed Income Sector Performance

## Miramar Firefighters' Pension Fund



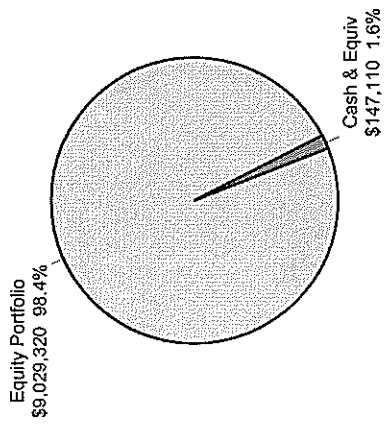
quarter ended December 31, 2007



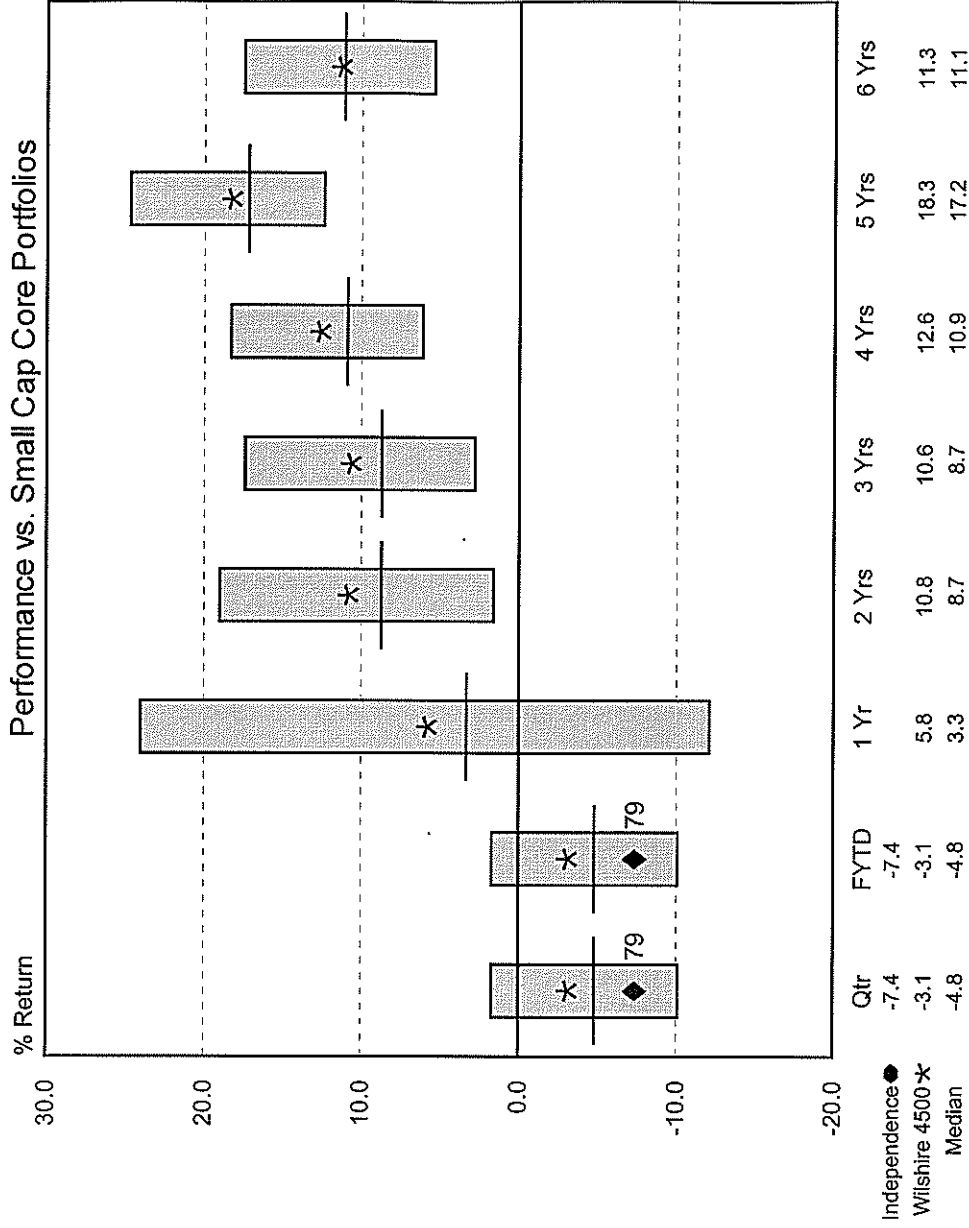
# Independence Investments - Small/Mid Performance

Miramar Firefighters' Pension Fund

Independence Small/Mid  
\$9,176,430



Quarterly Earnings	-\$729,883
Fiscal YTD Earnings	-\$729,883



quarter ended December 31, 2007

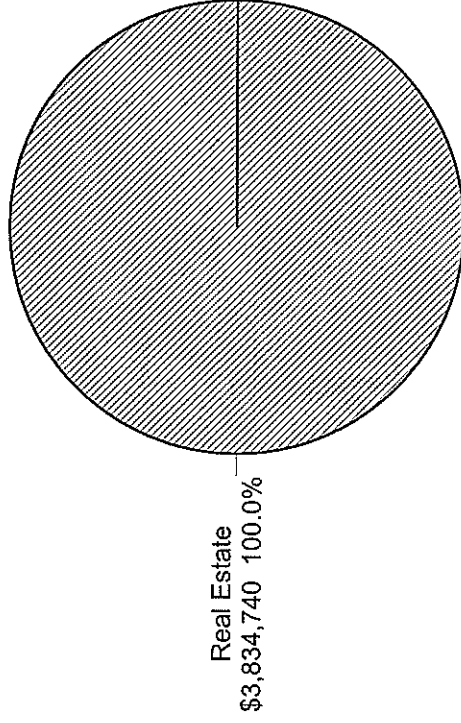


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# Real Estate Performance

## Miramar Firefighters' Pension Fund

Principal Real Estate  
\$3,834,740



Quarterly Earnings	\$49,930
Fiscal YTD Earnings	\$49,930

quarter ended December 31, 2007



# Investment Policy Checklist and Fee Summary

## Miramar Firefighters' Pension Fund

Quarter ended December 31, 2007

**Portfolio Objectives:**

Total Portfolio:	3-Year	4-Year	5-Year
Exceed target index	No	No	No
Meet Actuarial assumption (8.66%)	Yes	Yes	Yes
Rank above average	16th	5th	1st

**Fee Summary:**

Northern Trust	\$13,670.43
Principal	\$10,556.04
Independence (funded 4Q07)	\$0.00
<b>Total Management Fees Paid:</b>	<b>\$24,226.47</b>
MLCS 4th Quarter fee	\$5,375.00

Management fee data is obtained from the manager, the client custodian statement, or directly from the client. MLCS may also receive other compensation when ML products and services are utilized.

Many mutual funds offer a variety of share classes. Some may have expense ratios lower than those held in this portfolio.

