

May 23, 2008

In addition to the benefits granted to members and spouses each month, the Secretary will also be presenting, for informational purposes only, items of interest that may affect our members.

Questions regarding any member's specific situation should be addressed directly to the Fund Office.

MONTHLY NEWS AND INFORMATION FROM THE FUND SECRETARY

In the Fund's April 2008 Monthly Summary, I included a schedule indicating base retirement benefit estimates across all non-exempt ranks for members at or approaching 29 years + 1 day of service in March of 2009. This was in anticipation of the large number of members that will have "maxed out" the service requirements necessary for eligibility for 75% pension benefits. Another copy of that letter is enclosed.

This month I am also including a copy of the premium schedule issued by the City of Chicago for all City Retirees participating in the City of Chicago Health Care Plan for Annuitants. The current contract between Local 2 and the City provides that members that retire after age 60 can remain in the City's active plan at no additional charge until attainment of age 65 (Medicare Eligible).

Members that are contemplating retirement prior to age 60 should be aware of the insurance rates that would be applicable to them if they choose to retire before age 60. While premiums for Medicare eligible retirees are actually going down, the monthly premium for a non-Medicare retiree and his non-Medicare spouse will increase to \$627 per month. Members would pay non-Medicare premiums set by the City. These premiums would not go down until attainment of Medicare eligibility. Even though you may have the required service to obtain a 75% pension benefit, this insurance premium may be a significant variable to any member thinking about retiring prior to age 60.

INVESTMENT FRONT

The investment roller coaster ride of late 2007 continues into the current year. As every media outlet reports, the financial markets remain quite volatile. Large daily price swings have become the norm. Prices for all fuel oils, metals and agriculture products like corn and soybeans are up significantly while the value of global stock markets, real estate and the U.S. dollar continue to remain under pressures.

Your Fund's investment portfolio has not been immune to the effect of current market conditions. Fortunately, by diversifying our assets to include global stocks, bonds and real estate, commodities and private equity, your Fund has not fully experienced the steep declines of these markets.

As of April 30, 2008, the Fund's performance versus the S&P 500 is shown below:

	<u>Your Fund</u>	<u>S&P 500</u>
Year to Date	-3.0	-5.0
One Year	1.8	-4.7
Three Year	12.7	8.2
Five Year	15.0	10.6

While no one can accurately predict how long these current market conditions will last, it is safe to assume that the current volatility will continue throughout the summer of 2008. Your Trustees will continue to remain vigilant while also actively pursuing investment opportunities that are being created during this period of market unrest.

Thank you.



Anthony R. Martin
Fund Secretary