

City of Pasadena
Deferred Compensation Plan
Performance Review
December 31, 2005

Arnerich Massena
& Associates, Inc.

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December 31, 2005

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Arnerich **M a s s e n a**
& Associates, Inc.

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City of Pasadena Deferred Compensation Plan

Manager Diversification and Asset Allocations

Total Account Value as of December 31, 2005: \$126,196,752

Stable Value Funds	Assets	Weight
Hartford Money Mkt	\$ 473,509	0.38%
General Account	\$ 60,927,217	48.28%
Stable Value Total	\$ 61,400,726	48.65%

Bond Funds	Assets	Weight
Hartford Bond	\$ 2,149,873	1.70%
Hartford Mgt Secs	\$ 1,691,635	1.34%
Bond Total	\$ 3,841,508	3.04%

Balanced Funds	Assets	Weight
Van Kampen Equity Inc	\$ 9,219,356	7.31%
Balanced Total	\$ 9,219,356	7.31%

Life Style Funds	Assets	Weight
Dreyfus Life Grw & Inc	\$ 159,036	0.13%
Dreyfus Life Growth	\$ 224,913	0.18%
Dreyfus Life Income	\$ 12,135	0.01%
Life Style Total	\$ 396,084	0.31%

Large Cap Funds	Assets	Weight
Oppenheimer Cap Appr	\$ 11,635,846	9.22%
SSGA S&P 500 Index	\$ 1,605,785	1.27%
Am Fund Grw Fund Amer	\$ 1,889,356	1.50%
Hartford Cap App	\$ 6,674,881	5.29%
Amer Cent Eq Inc	\$ 11,033,934	8.74%
Large Cap Total	\$ 32,839,802	26.02%

Mid Cap Funds	Assets	Weight
Munder MidCap Sel A	\$ 2,834,527	2.25%
Artisan MidCap Value	\$ 440,317	0.35%
SSGA MidCap Index	\$ 51,353	0.04%
Mid Cap Total	\$ 3,326,197	2.64%

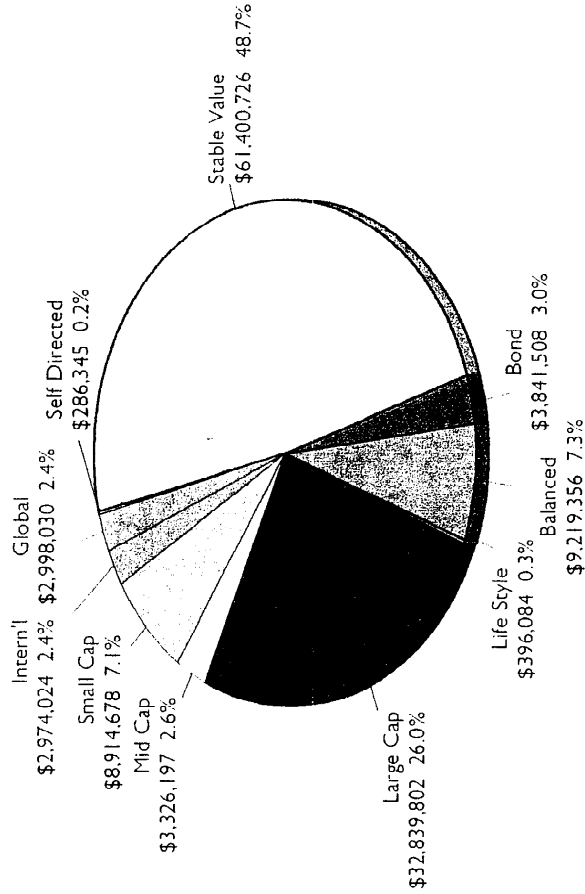
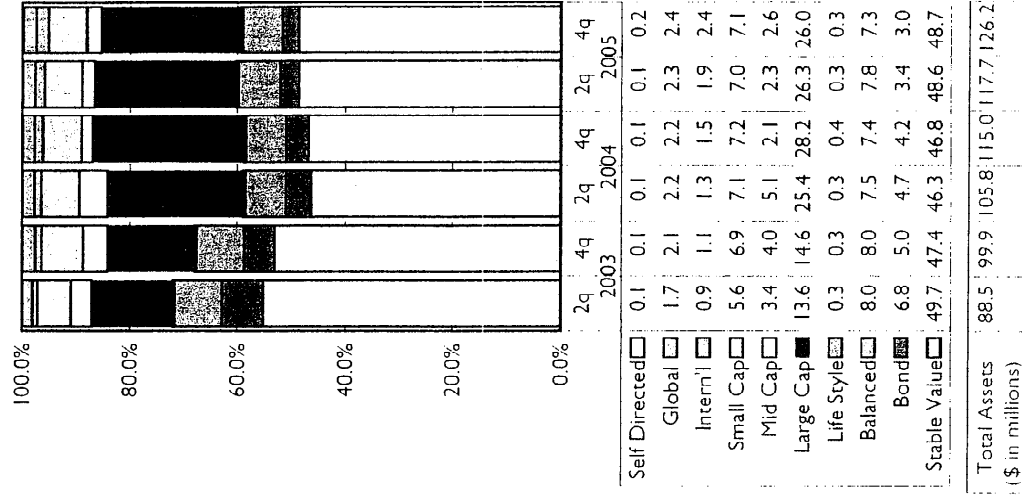
Small Cap Funds	Assets	Weight
J Hancock SmCap Eqy	\$ 4,589,358	3.64%
Hartford Small Co	\$ 1,165,044	0.92%
Amer Cent Sm Cap Val	\$ 2,972,028	2.36%
Bardays Gib Inv 2000	\$ 188,248	0.15%
Small Cap Total	\$ 8,914,678	7.06%

International Funds	Assets	Weight
Investment Fd Foreign	\$ 761,445	0.60%
Am Fund Internl Pk Grw	\$ 1,425,217	1.13%
MFS Internl New Discov	\$ 788,313	0.62%
Int'l Total	\$ 2,974,975	2.35%

Global Fund	Assets	Weight
Global Fund	\$ 286,345	0.23%
Global Total	\$ 286,345	0.23%

Self Directed Brokerage	Assets	Weight
Schwab SDBA	\$ 286,345	0.23%
SDBA Total	\$ 286,345	0.23%

City of Pasadena Deferred Compensation Plan Manager Diversification and Historical Asset Allocation



City of Pasadena
Deferred Compensation Plan
 Performance Evaluation Department Notes
 Reporting Period Ending December 31, 2005

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Money Movement

The following are contributions and disbursements during the quarter as reported by Hartford.

Beginning Market Value 7/1/05	\$117,691,232
Contributions	\$3,070,033
Net Withdrawals	(\$1,534,831)
Change in Value	\$3,529,404
Ending Market Value 9/30/05	\$122,755,838
Beginning Market Value 10/1/05	\$122,755,838
Contributions	\$3,019,854
Net Withdrawals	(\$1,770,818)
Change in Value	\$2,191,877
Ending Market Value 12/31/05	\$126,196,752

Fund Changes -- 3rd and 4th Qtr 2005

Newly Added Funds
Artisan Mid Cap Value
Terminated Funds

Schwab Self Directed Brokerage Account:

1st Quarter 2005 Net Increase:	\$5,022
2nd Quarter 2005 Net Increase:	\$2,987
3rd Quarter 2005 Net Increase:	\$29,302
4th Quarter 2005 Net Increase:	\$118,638

Manager Legend

Manager Name	Report Short Name	Mutual Fund Ticker
Amer Cent: Small Cap Val Inv	Amer Cent Sm Cap Val	ASVIX
Amer Cent:Eq Inc:Inv	Amer Cent Eq Inc	TWEIX
American Funds EuroPacific Growth	Am Fund EuroPac Grw	RERCX
American Funds Growth Fund of America	Am Fund Grw Fund Amer	RGACX
Artisan Mid Cap Value	Artisan MidCap Value	ARTQX
Barclays Global Inv Russell 2000	Barclays Gbl Inv 2000 R	n/a
Dreyfus Life:Gr&In:Rest	Dreyfus Life:Grw&Inc	DGIRX
Dreyfus Life:Growth:Rest	Dreyfus Life:Growth	DLGRX
Dreyfus Life:Income:Rest	Dreyfus Life:Income	DLIRX
General Account	General Account	n/a
Hartfd:Bond HLS Fund	Hartford Bond	HIABX
Hartfd:Cap Appreciation F	Hartford Cap App	HIACX
Hartfd:Money Mkt HLS Fd	Hartford Money Mkt	n/a
Hartford Mtg Secs HLS	Hartford Mtg Secs	HMSIX
Hartford Small Co HLS	Hartford Small Co	HIASX
J Hancock SmCp Ecty:A	J Hancock SmCp Eqty	SPVAX
MFS International New Discovery	MFS Int'l New Discov	MIDAX
Munder Mid Cap Select A	Munder MidCap Sel A	MGOAX
Oppenheimer Cap Appr:A	Oppenheimer Cap Appr	OPTFX
Oppenheimer Gbl Fd:A	Oppenheimer Gbl	OPPAX
Schwab Self Directed Brokerage	Schwab SDBA	n/a
SSGA Mid Cap Index	SSGA MidCap Index	n/a
SSGA S&P 500 Index	SSGA S&P 500 Index	SPSVX
Templeton Fds:For:A	Templeton Fds Foreign	TEMFx
Van Kampen Eqty IncA	Van Kampen Eqty Inc	ACEIX

City of Pasadena Deferred Compensation Plan

This symbol appears when products underperform at least 2 of their corresponding benchmarks for the 3 and 5 year periods.

	Current Quarter	Year To Date	1 Year	3 Year Annualized	5 Year Annualized
BENCHMARKS	0.9	2.8	2.8	1.5	2.0
T-Bills	0.9	3.0	3.0	1.8	2.2
				☞	☞
BENCHMARKS	1.2	4.0	4.0	2.8	3.2
T-Bills + 1%	1.2	4.0	4.0	2.8	3.2
BENCHMARKS	0.6	2.4	2.4	3.0	5.9
LB Agg Index	0.6	2.4	2.4	3.6	5.9
BENCHMARKS	0.6	2.6	2.6	3.5	5.4
LB MBS Index	0.6	2.6	2.6	3.5	5.4
				☞	☞
BENCHMARKS	1.7	5.5	5.5	13.3	5.1
Lifetime Grw & Inc Index	1.7	5.5	5.5	13.3	5.1
					☞
BENCHMARKS	2.3	7.3	7.3	18.1	4.0
Lifetime Growth Index	2.3	7.3	7.3	18.1	4.0
					☞

- ▶ Performance Results reflect total fund return (including the effect of any income dividends and/or capital gain distributions) and are NET of Management Fee and/or Expense Ratios.
- ▶ The peer group returns on this performance table are for the average manager in the peer group. Many Investment Policy Statements benchmark manager performance relative to the median manager in the peer group. There can be significant variance between average and median performance. Please consider this possibility when evaluating a particular manager's performance.
- ▶ Symbols do not apply for index funds.

City of Pasadena Deferred Compensation Plan

This symbol appears when products underperform at least 2 of their corresponding benchmarks for the 3 and 5 year periods.

	Current Quarter	Year To Date	1 Year	3 Year Annualized	5 Year Annualized
Lifetime Income Index	1.0	3.3	3.3	6.1	5.0
				☞	
US Balanced Index	1.4	3.8	3.8	9.5	3.3
S&P 500 Index	2.1	4.9	4.9	14.4	0.5
				☞	
S&P 500 Index	2.1	4.9	4.9	14.4	0.5
				☞	
Russell 1000 Gr Index	3.0	5.3	5.3	13.2	-3.6
S&P 500 Index	2.1	4.9	4.9	14.4	0.5
				☞	
Russell 1000 Gr Index	3.0	5.3	5.3	13.2	-3.6
S&P 500 Index	2.1	4.9	4.9	14.4	0.5

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Deferred Compensation Plan

This symbol appears when products underperform at least 2 of their corresponding benchmarks for the 3 and 5 year periods.

	Current Quarter	Year To Date	1 Year	3 Year Annualized	5 Year Annualized
Artisan Mid-Cap Value	-0.1	15.5	15.5	25.9	---
Russell Mid Cap Val Index	1.3	12.6	12.6	24.4	12.2
Russell Mid Cap Index	2.3	12.7	12.7	23.8	8.5
SSgA Mid-Cap Index Fund	3.3	12.6	12.6	21.0	8.5
Russell Mid Cap Index	2.3	12.7	12.7	23.8	8.5
Munder Mid-Cap Core Gr A	0.5	12.8	12.8	23.5	9.1
Russell MC Gr Index	3.4	12.1	12.1	22.7	1.4
Russell Mid Cap Index	2.3	12.7	12.7	23.8	8.5
Russell 2000 Gr Index	1.6	4.2	4.2	20.9	2.3
Russell 2000 Index	1.1	4.6	4.6	22.1	8.2

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This symbol appears when products underperform at least 2 of their corresponding benchmarks for the 3 and 5 year periods.

	Current Quarter	Year To Date	1 Year	3 Year Annualized	5 Year Annualized
Russell 2000 Index	1.1	4.6	4.6	22.1	8.2
Russell 2000 Gr Index	1.6	4.2	4.2	20.9	2.3
Russell 2000 Index	1.1	4.6	4.6	22.1	8.2
Russell 2000 Val Index	0.7	4.7	4.7	23.2	13.6
Russell 2000 Index	1.1	4.6	4.6	22.1	8.2
MSCI ACWI Gr ex-US	4.7	17.1	17.1	22.7	3.8
MSCI ACWI ex-US	4.4	17.1	17.1	26.2	6.7
MSCI ACWI Gr ex-US	4.7	17.1	17.1	22.7	3.8
MSCI ACWI ex-US	4.4	17.1	17.1	26.2	6.7

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City of Pasadena Deferred Compensation Plan

This symbol appears when products underperform at least 2 of the r corresponding benchmarks for the 3 and 5 year periods.

	Current Quarter	Year To Date	1 Year	3 Year Annualized	5 Year Annualized
MSCI ACWI Val ex-US	4.1	17.2	17.2	29.6	9.4
MSCI ACWI ex-US	4.4	17.1	17.1	26.2	6.7
				6.5	
MSCI ACWI	3.4	11.4	11.4	20.2	3.4

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City of Pasadena Deferred Compensation Plan

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	5 Yrs Ending 4Q 2005	5 Yrs Ending 3Q 2005	5 Yrs Ending 2Q 2005	5 Yrs Ending 1Q 2005	5 Yrs Ending 4Q 2004	5 Yrs Ending 3Q 2004	5 Yrs Ending 2Q 2004	5 Yrs Ending 1Q 2004
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T-Bills	2.2	2.3	2.5	2.6	2.8	3.0	3.1	3.3
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T-Bills + 1%	3.2	3.4	3.5	3.7	3.8	4.0	4.2	4.3
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LB Abg Index	5.9	6.6	7.4	7.1	7.7	7.5	6.9	7.3
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LB MBS Index	5.4	6.1	6.8	6.8	7.1	7.0	6.6	6.7
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Lifetime Grw & Inc Index	5.1	3.9	3.4	2.4	3.5	4.2	3.5	4.7
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	5 Yrs Ending 4Q 2005	5 Yrs Ending 3Q 2005	5 Yrs Ending 2Q 2005	5 Yrs Ending 1Q 2005	5 Yrs Ending 4Q 2004	5 Yrs Ending 3Q 2004	5 Yrs Ending 2Q 2004	5 Yrs Ending 1Q 2004
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Lifetime Growth Index	4.0	1.7	0.6	-0.7	0.5	1.7	1.0	2.4
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Lifetime Income Index	5.0	5.0	5.3	4.9	5.6	5.8	5.2	5.8
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US Balanced Index	3.3	2.4	2.2	1.7	2.4	2.9	2.2	3.0
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S&P 500 Index	0.6	1.5	5.1	3.1	2.7	1.7	2.7	1.7
	0.5	-1.5	-2.4	-3.2	-2.3	-1.3	-2.2	-1.2

S&P 500 Index	8.0	5.3	4.8	5.7	7.5	9.4	8.8	10.7
	0.5	-1.5	-2.4	-3.2	-2.3	-1.3	-2.2	-1.2

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OPPERMAN INVESTMENT CAPITAL ADV	2.0	2.0	2.0	2.6	0.8	0.6	2.0
Russell 1000 Gr Index	-3.6	-8.6	-10.4	-11.3	-9.3	-6.8	-6.1
S&P 500 Index	0.5	-1.5	-2.4	-3.2	-2.3	-1.3	-1.2



AMER MID CAP INDEX FUND	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Russell 1000 Gr Index	-3.6	-8.6	-10.4	-11.3	-9.3	-6.8	-6.1
S&P 500 Index	0.5	-1.5	-2.4	-3.2	-2.3	-1.3	-1.2

AMER MID CAP INDEX FUND	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Russell 1000 Val Index	5.3	5.8	6.6	5.2	5.3	4.3	1.9
S&P 500 Index	0.5	-1.5	-2.4	-3.2	-2.3	-1.3	-1.2

SSGA MID CAP INDEX FUND	8.5	7.0	8.4	6.8	9.5	10.5	9.0	11.7
Russell/Mid Cap Index	8.5	7.2	7.3	5.5	7.6	8.3	6.5	8.4

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	5 Yrs Ending 4Q 2005	5 Yrs Ending 3Q 2005	5 Yrs Ending 2Q 2005	5 Yrs Ending 1Q 2005	5 Yrs Ending 4Q 2004	5 Yrs Ending 3Q 2004	5 Yrs Ending 2Q 2004	5 Yrs Ending 1Q 2004
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Munder Mid-Cap Core Gr A	9.1	8.7	9.0	8.3	12.3	14.9	13.8	17.6
Russell MC Gr Index	1.4	-4.5	-5.2	-7.3	-3.4	0.6	0.5	2.3
Russell Mid Cap Index	8.5	7.2	7.3	5.5	7.6	8.3	6.5	8.4

Artisan Mid Cap Value	---	---	---	---	---	---	---	---
Russell Mid Cap Val Index	12.2	13.9	14.9	13.4	13.5	11.5	8.6	10.6
Russell Mid Cap Index	8.5	7.2	7.3	5.5	7.6	8.3	6.5	8.4


Russell 2000 Gr Index	2.3	-2.5	-4.5	-6.6	-3.6	-0.7	-0.5	2.3
Russell 2000 Index	8.2	6.4	5.7	4.0	6.6	7.4	6.6	9.7

Russell 2000 Index	8.2	6.4	5.7	4.0	6.6	7.4	6.6	9.7
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Russell 2000 Gr Index	2.3	-2.5	-4.5	-6.6	-3.6	-0.7	-0.5	2.3
Russell 2000 Index	8.2	6.4	5.7	4.0	6.6	7.4	6.6	9.7

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Russell 2000 Val Index	13.6	15.2	16.1	15.4	17.2	14.7	12.8	16.1
Russell 2000 Index	8.2	6.4	5.7	4.0	6.6	7.4	6.6	9.7

MSCI ACWI Gr ex-US	3.8	0.8	-3.8	-5.6	-5.0	-3.0	-2.3	-1.3
MSCI ACWI ex-US	6.7	4.8	0.8	-0.1	0.0	0.5	1.0	2.0

MSCI ACWI Gr ex-US	3.8	0.8	-3.8	-5.6	-5.0	-3.0	-2.3	-1.3
MSCI ACWI ex-US	6.7	4.8	0.8	-0.1	0.0	0.5	1.0	2.0

MSCI ACWI Val ex-US	9.4	8.7	5.3	5.5	4.9	3.7	4.0	5.1
MSCI ACWI ex-US	6.7	4.8	0.8	-0.1	0.0	0.5	1.0	2.0

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5 Yrs Ending 4Q 2005	5 Yrs Ending 3Q 2005	5 Yrs Ending 2Q 2005	5 Yrs Ending 1Q 2005	5 Yrs Ending 4Q 2004	5 Yrs Ending 3Q 2004	5 Yrs Ending 2Q 2004	5 Yrs Ending 1Q 2004
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MSCI ACWI	3.4	1.3	-1.3	-2.2	-1.8	-0.9	-1.1	-0.2
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