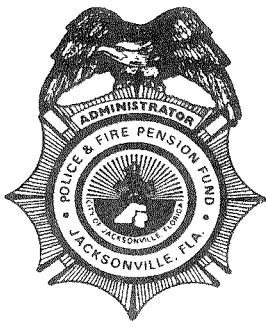


# POLICE AND FIRE PENSION FUND

ONE WEST ADAMS STREET, SUITE 100

JACKSONVILLE, FLORIDA 32202-3616

*"We Serve...and We Protect"*



Telephone: (904) 255-7373  
Fax: (904) 353-8837

John Keane  
Executive Director -  
Administrator

September 16, 2008

Honorable John Peyton, Mayor  
Office of the Mayor  
City of Jacksonville  
117 West Duval Street  
Jacksonville, Florida 32202

Dear Mayor Peyton:

As you are aware, the financial markets are experiencing unprecedented turmoil with the events surrounding the sub prime loan crisis that has impacted Bear Sterns, Countrywide, Lehman Brothers, Merrill Lynch, American International Group, some Hedge Funds and other financial dislocations. In response to the tremendous stress these events are having on the Market, and the resulting decline in value of the assets of the Fund, we are in frequent contact with our team of Investment Professionals, Performance Monitor and our Financial Advisors, examining and evaluating potential developments that may impact the assets of the Fund.

We are, and will continue to be in communication with other professional market participants in our ongoing evaluation of potential after effects of various market events. Our staff and our team of investment professionals recognize the implications these events have on the performance of our stock and bond portfolio and the long term impact on the funding requirements.

Our plan is to maintain our established dialogue with you as events unfold in the coming days and months. During this tumultuous period, please contact our office if you have any questions concerning the Police and Fire Pension Fund.

The Police and Fire Pension Fund Board will be meeting today to review the recent market situation.

Sincerely,

John Keane  
Executive Director --  
Administrator

Dick Cohee  
Deputy Executive Director --  
Assistant Administrator