



MEA&B Fund of Chicago

**Municipal Employees' Annuity &
Benefit Fund**

Monthly Update

June 30, 2011

Preliminary Market Values

June 30, 2011

| Asset Class | Investment Manager | Market Values | Allocation | Target |
|--|------------------------------|------------------------|---------------|---------------|
| Fixed Income - Enhanced Index | Neuberger Berman | \$283,650,321 | 5.3% | |
| Fixed Income - Core | LM Capital | \$355,011,579 | 6.7% | 20.0% |
| Fixed Income - Core | UBS | \$103,764,388 | 1.9% | |
| Fixed Income - Intermediate | Segall, Bryant, & Hamill | \$324,960,598 | 6.1% | |
| Fixed Income - High Yield | MacKay Shields | \$109,957,036 | 2.1% | |
| Fixed Income - Opportunistic | RBC Global | \$72,523,075 | 1.4% | |
| Fixed Income - Senior Loan | Symphony | \$90,734,170 | 1.7% | 5.0% |
| Total Fixed Income | | \$1,340,601,167 | 25.1% | 25.0% |
| All-Cap Core Equity | FIS Group | \$148,559,359 | 2.8% | 2.0% |
| Large-Cap Value Equity | Great Lakes | \$136,625,978 | 2.6% | 2.0% |
| Large-Cap Value Equity | Rhumblin | \$126,210,443 | 2.4% | 2.0% |
| Large-Cap Core Equity | Rhumblin | \$362,346,809 | 6.8% | 5.0% |
| Large-Cap Growth Equity | CastleArk | \$141,616,245 | 2.7% | 2.0% |
| Large-Cap Growth Equity | Holland | \$139,273,421 | 2.6% | 2.0% |
| Mid-Cap Core Equity | Earnest | \$92,601,372 | 1.7% | 1.7% |
| Mid-Cap Growth Equity | William Blair | \$106,077,937 | 2.0% | 1.7% |
| Mid-Cap Growth Equity | Geneva Capital | \$109,085,186 | 2.0% | 1.7% |
| SMID-Cap Value Equity | Ariel | \$142,394,878 | 2.7% | 2.5% |
| Small-Cap Value Equity | Keeley | \$163,075,002 | 3.1% | 2.5% |
| Total U.S. Equity | | \$1,667,866,631 | 31.3% | 25.0% |
| International Core Equity | NTGI ACWI ex. U.S. | \$334,797,740 | 6.3% | |
| International Value Equity | LSV | \$163,392,190 | 3.1% | |
| International Growth Equity | MacKay Shields | \$104,655,710 | 2.0% | 13.0% |
| International Growth Equity | Walter Scott | \$110,501,154 | 2.1% | |
| Int'l Small-Cap Equity | NTGI Small-Cap International | \$297,335,158 | 5.6% | 5.0% |
| Int'l Emerging Core Equity | William Blair | \$166,083,748 | 3.1% | 2.0% |
| Total International Equity | | \$1,176,765,700 | 22.1% | 20.0% |
| Hedged Equity Fund of Funds | K2 Advisors | \$253,205,392 | 4.7% | 5.0% |
| ¹ Hedged Equity Fund of Funds | Rock Creek | \$256,103,680 | 4.8% | 5.0% |
| Total Hedged Equity | | \$509,309,071 | 9.5% | 10.0% |
| Total Private Equity | | \$199,173,952 | 3.7% | 10.0% |
| Total Real Estate | | \$347,661,656 | 6.5% | 10.0% |
| Cash | Various Cash Accounts | \$92,100,992 | 1.7% | |
| Total Cash Equivalents | | \$92,100,992 | 1.7% | 0.0% |
| TOTAL PORTFOLIO | | \$5,333,479,170 | 100.0% | 100.0% |

¹ Market value estimated using June 2011 preliminary return.

Total Fund Preliminary Performance (Net of Fees)*

June 30, 2011

| | Month | Annualized | | | | | | Calendar Year | | | | |
|---|--------------|-------------|--------------|--------------|-------------|-------------|-------------|---------------|--------------|---------------|--------------|--------------|
| | | YTD | 1 Year | 2 Year | 3 Year | 4 Year | 5 Year | 2010 | 2009 | 2008 | 2007 | 2006 |
| Total Fund - Gross | -1.1% | 4.5% | 21.8% | 17.1% | 3.5% | 0.7% | 3.9% | 14.4% | 19.8% | -28.4% | 7.6% | 13.0% |
| Total Fund - Net | -1.1% | 4.3% | 21.5% | 16.8% | 3.1% | 0.3% | 3.6% | 14.1% | 19.5% | -28.7% | 7.3% | 12.7% |
| Benchmark | | | | | | | | | | | | |
| Actuarial Rate of Return | --- | --- | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% | 8.0% |
| Total Fixed Income Composite | -0.3% | 3.2% | 6.2% | 8.8% | 7.1% | 5.8% | 5.9% | 8.0% | 12.5% | -4.6% | 5.3% | 4.6% |
| Benchmark | | | | | | | | | | | | |
| BarCap Aggregate | -0.3% | 2.7% | 3.9% | 6.7% | 6.5% | 6.6% | 6.5% | 6.5% | 5.9% | 5.2% | 7.0% | 4.3% |
| Total U.S. Equity Composite | -1.7% | 7.2% | 36.3% | 27.6% | 6.4% | 1.1% | 4.7% | 20.6% | 34.7% | -38.7% | 5.4% | 12.8% |
| Benchmark | | | | | | | | | | | | |
| Wilshire 5000 | -1.8% | 6.1% | 32.0% | 23.6% | 4.0% | -0.4% | 3.4% | 17.2% | 29.4% | -37.3% | 5.7% | 15.9% |
| Total International Equity Composite | -1.8% | 3.4% | 30.4% | 21.3% | 6.5% | 2.7% | 8.1% | 15.3% | 42.1% | -36.6% | 14.4% | 30.0% |
| Benchmark | | | | | | | | | | | | |
| MSCI EAFE | -1.3% | 5.0% | 30.4% | 17.5% | -1.8% | -4.1% | 1.5% | 7.8% | 31.8% | -43.4% | 11.2% | 26.3% |
| Total Hedge Fund Composite | -1.2% | 0.7% | 9.5% | 5.3% | --- | --- | --- | 5.3% | --- | --- | --- | --- |
| Benchmark | | | | | | | | | | | | |
| HFRX Hedged Equity | -2.4% | -8.3% | 3.4% | 3.3% | -5.2% | -5.1% | -1.4% | 8.9% | 13.1% | -25.5% | 3.2% | 9.2% |

* Current Data is preliminary

Preliminary Annualized Fixed Income Investment Manager Performance (Gross of Fees)

June 30, 2011

| | Month | Annualized | | | | | | Calendar Year | | | | |
|------------------------------------|-------|------------|--------|--------|--------|--------|--------|---------------|-------|--------|------|-------|
| | | YTD | 1 Year | 2 Year | 3 Year | 4 Year | 5 Year | 2010 | 2009 | 2008 | 2007 | 2006 |
| Core Fixed Income | | | | | | | | | | | | |
| LM Capital | -0.2% | 3.1% | 4.3% | 7.2% | --- | --- | --- | 6.3% | --- | --- | --- | --- |
| UBS | -0.4% | 2.6% | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Benchmark | | | | | | | | | | | | |
| BarCap Aggregate | -0.3% | 2.7% | 3.9% | 6.7% | 6.5% | 6.6% | 6.5% | 6.5% | 5.9% | 5.2% | 7.0% | 4.3% |
| Enhanced Index Fixed Income | | | | | | | | | | | | |
| Neuberger Berman | -0.3% | 2.8% | 5.0% | 9.7% | 7.7% | 7.0% | 6.8% | 8.8% | 13.0% | -1.7% | 6.2% | 4.5% |
| Benchmark | | | | | | | | | | | | |
| BarCap Aggregate | -0.3% | 2.7% | 3.9% | 6.7% | 6.5% | 6.6% | 6.5% | 6.5% | 5.9% | 5.2% | 7.0% | 4.3% |
| Intermediate Fixed Income | | | | | | | | | | | | |
| Segall, Bryant, & Hamill | -0.2% | 2.5% | 3.9% | 7.0% | --- | --- | --- | 6.8% | --- | --- | --- | --- |
| Benchmark | | | | | | | | | | | | |
| BarCap Intermediate Gov't/Credit | -0.2% | 2.5% | 3.8% | 6.0% | 5.8% | 6.2% | 6.1% | 5.9% | 5.2% | 5.1% | 7.4% | 4.1% |
| High Yield Fixed Income | | | | | | | | | | | | |
| MacKay Shields | -0.5% | 4.7% | 13.8% | 17.5% | --- | --- | --- | 12.9% | --- | --- | --- | --- |
| Benchmark | | | | | | | | | | | | |
| BarCap High Yield | -0.7% | 6.1% | 18.3% | 21.8% | 12.8% | 9.3% | 9.9% | 14.8% | 59.4% | -26.9% | 3.2% | 13.7% |
| BarCap US HY Ba Index | -0.8% | 5.1% | 14.7% | 18.3% | 13.2% | 9.9% | 9.8% | 14.6% | 46.1% | -17.5% | 1.8% | 10.1% |
| Opportunistic Fixed Income | | | | | | | | | | | | |
| RBC Global | -0.4% | 7.7% | 20.1% | --- | --- | --- | --- | 20.9% | --- | --- | --- | --- |
| Benchmark | | | | | | | | | | | | |
| BarCap Aggregate | -0.3% | 2.7% | 3.9% | 6.7% | 6.5% | 6.6% | 6.5% | 6.5% | 5.9% | 5.2% | 7.0% | 4.3% |
| Senior Loan Fixed Income | | | | | | | | | | | | |
| Symphony | -0.3% | 3.0% | 10.6% | --- | --- | --- | --- | 12.1% | --- | --- | --- | --- |
| Benchmark | | | | | | | | | | | | |
| CSFB Leveraged Loan | -0.3% | 3.0% | 9.7% | 13.6% | 6.0% | 3.6% | 4.3% | 10.0% | 44.9% | -28.8% | 1.9% | 7.3% |

Signifies Underperformance

Preliminary Annualized U.S. Equity Investment Manager Performance (Gross of Fees)

June 30, 2011

| | Month | Annualized | | | | | | Calendar Year | | | | |
|---|----------------|--------------|----------------|----------------|--------------|----------------|--------------|----------------|----------------|------------------|---------------|----------------|
| | | YTD | 1 Year | 2 Year | 3 Year | 4 Year | 5 Year | 2010 | 2009 | 2008 | 2007 | 2006 |
| All-Cap Core Equity | | | | | | | | | | | | |
| FIS Group | -2.2% | 6.7% | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Benchmark 50% Russell 1000 / 50% Russell 2000 | -2.0% | 6.3% | 34.7% | 26.3% | 5.8% | 0.4% | 3.8% | 21.4% | 28.0% | -35.6% | 2.1% | 17.0% |
| Large-Cap Value Equity | | | | | | | | | | | | |
| Great Lakes | -1.4% | 8.4% | 32.2% | 26.7% | 4.2% | -0.8% | 3.1% | 18.0% | 22.9% | -37.3% | 7.4% | 15.5% |
| Rhumblin | -1.8% | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Benchmark Russell 1000 Value Russell Top 200 Value | -2.1% -1.8% | 5.9% 5.5% | 28.9% 26.5% | 22.8% 19.3% | 2.3% 0.6% | -3.5% -4.8% | 1.2% 0.0% | 15.5% 11.7% | 19.7% 14.6% | -36.9% -36.1% | -0.2% 0.3% | 22.3% 23.0% |
| Large-Cap Core Equity | | | | | | | | | | | | |
| Rhumblin | -1.7% | 6.0% | 30.4% | 22.0% | --- | --- | --- | 14.8% | 26.6% | --- | --- | --- |
| Benchmark S&P 500 | -1.7% | 6.0% | 30.7% | 22.3% | 3.3% | -1.1% | 2.9% | 15.1% | 26.5% | -37.0% | 5.5% | 15.8% |
| Large-Cap Growth Equity | | | | | | | | | | | | |
| CastleArk | -1.9% | 8.4% | 42.6% | 26.0% | 2.1% | 2.5% | 5.9% | 21.7% | 37.4% | -44.9% | 25.6% | 5.4% |
| Holland | -2.5% | 7.5% | 32.9% | 24.8% | 7.0% | 4.4% | 6.8% | 16.1% | 40.5% | -33.8% | 9.4% | 6.8% |
| Benchmark Russell 1000 Growth | -1.4% | 6.8% | 35.0% | 23.9% | 5.0% | 2.2% | 5.3% | 16.7% | 37.2% | -38.4% | 11.8% | 9.1% |
| Mid-Cap Core Equity | | | | | | | | | | | | |
| Ernest | -1.8% | 8.4% | 37.7% | 30.8% | 6.1% | 3.7% | --- | 26.8% | 43.3% | -41.4% | 8.7% | --- |
| Benchmark Russell MidCap | -2.1% | 8.1% | 38.5% | 31.6% | 6.5% | 1.7% | 5.3% | 25.5% | 40.5% | -41.5% | 5.6% | 15.3% |
| Mid-Cap Growth Equity | | | | | | | | | | | | |
| Geneva Capital | -1.0% | 8.1% | 42.6% | --- | --- | --- | --- | 31.0% | --- | --- | --- | --- |
| William Blair | 0.2% | 12.7% | 44.2% | 30.4% | 11.0% | 4.6% | --- | 25.4% | 36.2% | -38.4% | 12.8% | --- |
| Benchmark Russell MidCap Growth ¹ WB Custom Benchmark | -1.6% -1.6% | 9.6% 9.6% | 43.3% 43.3% | 31.8% 31.8% | 6.6% 8.2% | 3.2% 2.0% | 6.3% 5.2% | 26.4% 26.4% | 46.3% 32.8% | -44.3% -36.8% | 11.4% 1.4% | 10.7% 16.2% |
| SMID-Cap Value Equity | | | | | | | | | | | | |
| Ariel | -1.7% | 6.5% | 43.7% | 39.6% | 13.6% | 1.6% | 6.0% | 26.6% | 66.3% | -47.0% | -0.3% | 10.2% |
| Benchmark Russell 2500 Value | -2.6% | 6.1% | 34.5% | 30.4% | 7.9% | 0.1% | 3.5% | 24.8% | 27.7% | -32.0% | -7.3% | 20.2% |
| Small-Cap Value Equity | | | | | | | | | | | | |
| Keeley | -2.1% | 6.2% | 41.3% | 32.3% | 3.0% | -0.4% | 3.2% | 27.3% | 38.9% | -45.2% | 6.1% | 16.7% |
| Benchmark ² Custom Benchmark | -2.5% | 3.8% | 31.4% | 27.2% | 4.0% | -1.8% | 2.6% | 24.5% | 29.2% | -38.4% | -1.4% | 20.2% |

¹ Custom Benchmark is currently Russell MidCap Growth. Before 6/1/09, it is Russell 2500.

² Custom Benchmark is currently Russell 2000 Value. Before 8/1/09, it is Russell MidCap Value.

Signifies Underperformance

Preliminary Annualized International and Hedged Equity Investment Manager Performance (Gross of Fees)

June 30, 2011

| | Annualized | | | | | | | Calendar Year | | | | |
|---|------------|-------|--------|--------|--------|--------|--------|---------------|-------|--------|-------|-------|
| | Month | YTD | 1 Year | 2 Year | 3 Year | 4 Year | 5 Year | 2010 | 2009 | 2008 | 2007 | 2006 |
| International Core Equity | | | | | | | | | | | | |
| NTGI ACWI ex. U.S. | -1.5% | 4.0% | 30.0% | 20.0% | --- | --- | --- | 11.4% | 41.7% | --- | --- | --- |
| Benchmark | | | | | | | | | | | | |
| MSCI ACWI ex. U.S. | -1.4% | 4.1% | 30.3% | 20.2% | 0.1% | -1.5% | 4.1% | 11.6% | 42.1% | -47.1% | 14.1% | 23.9% |
| International Value Equity | | | | | | | | | | | | |
| LSV | -1.3% | 6.7% | 34.4% | 20.7% | 1.2% | -4.1% | 2.2% | 12.6% | 35.3% | -44.8% | 2.7% | 32.6% |
| Benchmark | | | | | | | | | | | | |
| MSCI EAFE Value | -0.9% | 5.6% | 29.4% | 15.5% | -1.7% | -5.7% | 0.4% | 3.3% | 34.2% | -44.1% | 6.0% | 30.4% |
| International Growth Equity | | | | | | | | | | | | |
| MacKay Shields | -3.8% | 1.6% | 20.3% | 12.1% | 2.7% | 0.0% | 5.0% | 5.9% | 21.8% | -25.0% | 7.5% | 32.5% |
| Walter Scott | -2.1% | 3.6% | 24.0% | 17.3% | 2.7% | 2.1% | 5.2% | 12.3% | 30.6% | -33.5% | 12.9% | 19.9% |
| Benchmark | | | | | | | | | | | | |
| MSCI EAFE Growth | -1.6% | 4.4% | 31.3% | 19.4% | -1.9% | -2.5% | 2.5% | 12.3% | 29.4% | -42.7% | 16.5% | 22.3% |
| International Small-Cap Equity | | | | | | | | | | | | |
| NTGI Small-Cap International | -2.1% | 3.4% | 37.2% | 26.2% | --- | --- | --- | 24.5% | 51.0% | --- | --- | --- |
| Benchmark | | | | | | | | | | | | |
| MSCI World ex USA Small-Cap | -2.2% | 3.1% | 37.1% | 25.9% | 3.7% | -2.0% | 3.1% | 24.5% | 50.8% | -47.0% | 1.5% | 19.3% |
| International Emerging Core Equity | | | | | | | | | | | | |
| William Blair | -0.6% | -0.3% | 29.3% | 28.5% | 0.5% | -0.2% | 8.9% | 24.8% | 80.1% | -61.7% | 35.1% | 41.0% |
| Benchmark | | | | | | | | | | | | |
| MSCI EM | -1.5% | 0.9% | 27.8% | 25.5% | 4.2% | 4.3% | 11.4% | 18.9% | 78.5% | -53.3% | 39.4% | 32.2% |
| Hedged Equity Fund of Funds | | | | | | | | | | | | |
| K2 Advisors | -1.4% | 0.7% | 9.6% | 4.8% | --- | --- | --- | 4.5% | --- | --- | --- | --- |
| Rock Creek | -1.1% | 0.7% | 9.5% | 5.8% | --- | --- | --- | 6.0% | --- | --- | --- | --- |
| Benchmark | | | | | | | | | | | | |
| HFRX Hedged Equity | -2.4% | -8.3% | 3.4% | 3.3% | -5.2% | -5.1% | -1.4% | 8.9% | 13.1% | -25.5% | 3.2% | 9.2% |
| Wilshire 5000 | -1.8% | 6.1% | 32.0% | 23.6% | 4.0% | -0.4% | 3.4% | 17.2% | 29.4% | -37.3% | 5.7% | 15.9% |

Signifies Underperformance

Preliminary Since Inception Annualized Performance
June 30, 2011

| Asset Class | Benchmark | Manager | From | Performance | | Difference |
|--|-------------------------------------|-----------------------------|--------------|-------------|-----------|------------|
| | | | | Manager | Benchmark | |
| SMID-Cap Value Equity | Custom Benchmark ¹ | Ariel | July-84 | 13.3% | 11.8% | 1.6% |
| Large-Cap Value Equity | Russell 1000 Value | Great Lakes | April-91 | 10.1% | 9.6% | 0.5% |
| Small-Cap Value Equity | Custom Benchmark | Keeley | January-93 | 12.4% | 10.8% | 1.6% |
| Enhanced Index Fixed Income | BarCap Aggregate | Neuberger Berman | June-01 | 6.0% | 5.7% | 0.2% |
| Large-Cap Growth Equity | Russell 1000 Growth | Holland | November-02 | 8.1% | 7.2% | 0.9% |
| Large-Cap Growth Equity | Russell 1000 Growth | CastleArk | August-04 | 8.3% | 5.9% | 2.5% |
| International Growth Equity | MSCI EAFE Growth | MacKay Shields | December-04 | 7.5% | 5.9% | 1.6% |
| International Growth Equity | MSCI EAFE Growth | Walter Scott | December-04 | 8.7% | 5.9% | 2.8% |
| International Value Equity | MSCI EAFE Value | LSV | May-05 | 6.2% | 4.6% | 1.7% |
| Int'l Emerging Core Equity | MSCI EM | William Blair | August-05 | 13.5% | 14.0% | -0.6% |
| Mid-Cap Core Equity | Russell MidCap | Earnest | December-06 | 4.9% | 3.6% | 1.3% |
| Mid-Cap Growth Equity | Custom Benchmark | William Blair | January-07 | 7.2% | 3.7% | 3.5% |
| Large-Cap Core Equity | S&P 500 | Rhumblin | September-08 | 3.6% | 3.3% | 0.3% |
| International Core Equity | MSCI ACWI ex. U.S. | NTGI ACWI ex. U.S. | November-08 | 20.3% | 20.5% | -0.3% |
| Int'l Small-Cap Equity | MSCI Small-Cap International | MSCI World Ex USA Small Cap | November-08 | 29.2% | 28.8% | 0.3% |
| ² Hedged Equity Fund of Funds | HFRX Hedged Equity | K2 Advisors | February-09 | 5.0% | 5.2% | -0.2% |
| ² Hedged Equity Fund of Funds | HFRX Hedged Equity | Rock Creek | February-09 | 5.6% | 5.2% | 0.3% |
| Core Fixed Income | BarCap Aggregate | LM Capital | April-09 | 7.7% | 6.7% | 1.0% |
| Fixed Income - Intermediate | BarCap Int. Gov/Credit | Segall, Bryant, & Hamill | May-09 | 7.1% | 6.1% | 1.0% |
| Fixed Income - High Yield | BarCap High Yield | MacKay Shields | May-09 | 19.6% | 26.2% | -6.7% |
| Fixed Income - Senior Loan | CSFB Leveraged Loan | Symphony | September-09 | 12.2% | 11.1% | 1.1% |
| Fixed Income - Opportunistic | BarCap Aggregate | RBC Global | November-09 | 23.4% | 5.4% | 18.0% |
| Mid-Cap Growth Equity | Russell MidCap Growth | Geneva Capital | December-09 | 29.1% | 27.6% | 1.5% |
| Core Fixed Income | BarCap Aggregate | UBS | August-10 | 3.5% | 2.8% | 0.7% |
| All-Cap Core Equity | 50% Russell 1000 / 50% Russell 2000 | FIS Group | August-10 | 26.1% | 26.0% | 0.1% |
| Large-Cap Value Equity | Russell Top 200 Value | Rhumblin | June-11 | -1.8% | -1.8% | 0.0% |

¹ Ariel Custom Benchmark is Russell 2500 Value, and prior to March 2002, the Russell 2000 Value.

² Net of Fees