



## **MEABF of Chicago**

**Municipal Employees' Annuity &  
Benefit Fund**

Monthly Update

July 31, 2011

## Preliminary Market Values

July 31, 2011

Asset Class	Investment Manager	Market Values	Allocation	Target
Fixed Income - Enhanced Index	Neuberger Berman	\$287,810,537	5.5%	
Fixed Income - Core	LM Capital	\$360,686,582	6.9%	20.0%
Fixed Income - Core	UBS	\$105,147,537	2.0%	
Fixed Income - Intermediate	Segall, Bryant, & Hamill	\$329,766,179	6.3%	
Fixed Income - High Yield	MacKay Shields	\$111,475,885	2.1%	
Fixed Income - Opportunistic	RBC Global	\$72,437,739	1.4%	
Fixed Income - Senior Loan	Symphony	\$91,288,662	1.7%	5.0%
<b>Total Fixed Income</b>		<b>\$1,358,613,120</b>	<b>25.8%</b>	<b>25.0%</b>
All-Cap Core Equity	FIS Group	\$144,514,598	2.7%	2.0%
Large-Cap Value Equity	Great Lakes	\$132,845,301	2.5%	2.0%
Large-Cap Value Equity	Rhumblin	\$122,138,290	2.3%	2.0%
Large-Cap Core Equity	Rhumblin	\$306,810,489	5.8%	5.0%
Large-Cap Growth Equity	CastleArk	\$138,191,768	2.6%	2.0%
Large-Cap Growth Equity	Holland	\$138,171,471	2.6%	2.0%
Mid-Cap Core Equity	Earnest	\$89,774,406	1.7%	1.7%
Mid-Cap Growth Equity	William Blair	\$92,157,721	1.8%	1.7%
Mid-Cap Growth Equity	Geneva Capital	\$95,336,868	1.8%	1.7%
SMID-Cap Value Equity	Ariel	\$119,645,280	2.3%	2.5%
Small-Cap Value Equity	Keeley	\$144,345,488	2.7%	2.5%
<b>Total U.S. Equity</b>		<b>\$1,523,931,681</b>	<b>29.0%</b>	<b>25.0%</b>
International Core Equity	NTGI ACWI ex. U.S.	\$305,650,689	5.8%	
International Value Equity	LSV	\$160,435,306	3.0%	
International Growth Equity	MacKay Shields	\$103,659,205	2.0%	13.0%
International Growth Equity	Walter Scott	\$111,106,275	2.1%	
Int'l Small-Cap Equity	NTGI Small-Cap International	\$271,248,033	5.2%	5.0%
Int'l Emerging Core Equity	William Blair	\$165,868,350	3.2%	2.0%
<b>Total International Equity</b>		<b>\$1,117,967,858</b>	<b>21.2%</b>	<b>20.0%</b>
Hedged Equity Fund of Funds	K2 Advisors	\$251,661,144	4.8%	5.0%
<sup>1</sup> Hedged Equity Fund of Funds	Rock Creek	\$257,265,893	4.9%	5.0%
<b>Total Hedged Equity</b>		<b>\$508,927,037</b>	<b>9.7%</b>	<b>10.0%</b>
<b>Total Private Equity</b>		<b>\$196,747,511</b>	<b>3.7%</b>	<b>10.0%</b>
<b>Total Real Estate</b>		<b>\$353,660,952</b>	<b>6.7%</b>	<b>10.0%</b>
Cash	Various Cash Accounts	\$202,783,902	3.9%	
<b>Total Cash Equivalents</b>		<b>\$202,783,902</b>	<b>3.9%</b>	<b>0.0%</b>
<b>TOTAL PORTFOLIO</b>		<b>\$5,262,632,061</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>1</sup> Market value estimated using July 2011 preliminary return.

## Total Fund Preliminary Performance (Net of Fees)\*

July 31, 2011

	Annualized							Calendar Year				
	Month	YTD	1 Year	2 Year	3 Year	4 Year	5 Year	2010	2009	2008	2007	2006
<b>Total Fund - Gross</b>	<b>-0.6%</b>	<b>3.9%</b>	<b>16.0%</b>	<b>14.1%</b>	<b>5.2%</b>	<b>1.9%</b>	<b>4.6%</b>	<b>14.4%</b>	<b>19.8%</b>	<b>-28.4%</b>	<b>7.6%</b>	<b>13.0%</b>
<b>Total Fund - Net</b>	<b>-0.7%</b>	<b>3.7%</b>	<b>15.6%</b>	<b>13.7%</b>	<b>4.8%</b>	<b>1.6%</b>	<b>4.2%</b>	<b>14.1%</b>	<b>19.5%</b>	<b>-28.7%</b>	<b>7.3%</b>	<b>12.7%</b>
<b>Benchmark</b>												
Actuarial Rate of Return	---	---	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
<b>Total Fixed Income Composite</b>	<b>1.3%</b>	<b>4.6%</b>	<b>6.2%</b>	<b>8.7%</b>	<b>7.3%</b>	<b>5.5%</b>	<b>5.5%</b>	<b>8.0%</b>	<b>12.5%</b>	<b>-4.6%</b>	<b>5.3%</b>	<b>4.6%</b>
<b>Benchmark</b>												
BarCap Aggregate	1.6%	4.4%	4.4%	6.7%	7.1%	6.8%	6.6%	6.5%	5.9%	5.2%	7.0%	4.3%
<b>Total U.S. Equity Composite</b>	<b>-2.7%</b>	<b>4.4%</b>	<b>23.9%</b>	<b>20.9%</b>	<b>6.0%</b>	<b>1.3%</b>	<b>4.3%</b>	<b>20.6%</b>	<b>34.7%</b>	<b>-38.7%</b>	<b>5.4%</b>	<b>12.8%</b>
<b>Benchmark</b>												
Wilshire 5000	-2.2%	3.8%	20.7%	17.8%	3.5%	-0.1%	3.0%	17.2%	29.4%	-37.3%	5.7%	15.9%
<b>Total International Equity Composite</b>	<b>-0.8%</b>	<b>2.6%</b>	<b>19.7%</b>	<b>16.0%</b>	<b>7.7%</b>	<b>2.6%</b>	<b>7.6%</b>	<b>15.3%</b>	<b>42.1%</b>	<b>-36.6%</b>	<b>14.4%</b>	<b>30.0%</b>
<b>Benchmark</b>												
MSCI EAFE	-1.6%	3.3%	17.2%	11.6%	-1.2%	-4.1%	1.0%	7.8%	31.8%	-43.4%	11.2%	26.3%
<b>Total Hedge Fund Composite</b>	<b>-0.1%</b>	<b>0.6%</b>	<b>7.6%</b>	<b>4.6%</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>5.3%</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Benchmark</b>												
HFRX Hedged Equity	-0.8%	-9.1%	0.2%	2.1%	-4.3%	-5.0%	-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)

July 31, 2011

	Month	Annualized						Calendar Year				
		YTD	1 Year	2 Year	3 Year	4 Year	5 Year	2010	2009	2008	2007	2006
<b>Core Fixed Income</b>												
LM Capital	1.6%	4.8%	4.7%	7.3%	---	---	---	6.3%	---	---	---	---
UBS	1.3%	3.9%	4.9%	---	---	---	---	---	---	---	---	---
<b>Benchmark</b>												
BarCap Aggregate	1.6%	4.4%	4.4%	6.7%	7.1%	6.8%	6.6%	6.5%	5.9%	5.2%	7.0%	4.3%
<b>Enhanced Index Fixed Income</b>												
Neuberger Berman	1.5%	4.3%	5.1%	9.0%	8.5%	7.1%	6.8%	8.8%	13.0%	-1.7%	6.2%	4.5%
<b>Benchmark</b>												
BarCap Aggregate	1.6%	4.4%	4.4%	6.7%	7.1%	6.8%	6.6%	6.5%	5.9%	5.2%	7.0%	4.3%
<b>Intermediate Fixed Income</b>												
Segall, Bryant, & Hamill	1.5%	4.0%	4.4%	6.8%	---	---	---	6.8%	---	---	---	---
<b>Benchmark</b>												
BarCap Intermediate Gov't/Credit	1.4%	3.9%	4.1%	6.0%	6.2%	6.3%	6.2%	5.9%	5.2%	5.1%	7.4%	4.1%
<b>High Yield Fixed Income</b>												
MacKay Shields	1.4%	6.1%	12.3%	15.4%	---	---	---	12.9%	---	---	---	---
<b>Benchmark</b>												
BarCap High Yield	1.0%	7.1%	13.9%	18.8%	13.5%	10.4%	9.8%	14.8%	59.4%	-26.9%	3.2%	13.7%
BarCap US HY Ba Index	1.4%	6.6%	12.3%	16.6%	14.0%	11.0%	9.8%	14.6%	46.1%	-17.5%	1.8%	10.1%
<b>Opportunistic Fixed Income</b>												
RBC Global	-0.1%	7.6%	17.4%	---	---	---	---	20.9%	---	---	---	---
<b>Benchmark</b>												
BarCap Aggregate	1.6%	4.4%	4.4%	6.7%	7.1%	6.8%	6.6%	6.5%	5.9%	5.2%	7.0%	4.3%
<b>Senior Loan Fixed Income</b>												
Symphony	0.6%	3.7%	9.5%	---	---	---	---	12.1%	---	---	---	---
<b>Benchmark</b>												
CSFB Leveraged Loan	0.2%	3.2%	8.3%	11.4%	6.4%	4.5%	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)

July 31, 2011

	Month	Annualized						Calendar Year				
		YTD	1 Year	2 Year	3 Year	4 Year	5 Year	2010	2009	2008	2007	2006
<b>All-Cap Core Equity</b>												
FIS Group	-2.7%	3.8%	22.7%	---	---	---	---	---	---	---	---	---
<b>Benchmark</b>												
50% Russell 1000 / 50% Russell 2000	-2.9%	3.2%	22.4%	19.4%	4.4%	0.9%	3.5%	21.4%	28.0%	-35.6%	2.1%	17.0%
<b>Large-Cap Value Equity</b>												
Great Lakes	-2.8%	5.4%	19.2%	20.2%	3.4%	-1.1%	3.0%	18.0%	22.9%	-37.3%	7.4%	15.5%
Rhumblin	-3.2%	---	---	---	---	---	---	---	---	---	---	---
<b>Benchmark</b>												
Russell 1000 Value	-3.3%	2.4%	16.8%	16.1%	1.3%	-3.1%	0.0%	15.5%	19.7%	-36.9%	-0.2%	22.3%
Russell Top 200 Value	-3.2%	2.1%	15.0%	13.1%	-0.5%	-4.5%	-1.3%	11.7%	14.6%	-36.1%	0.3%	23.0%
<b>Large-Cap Core Equity</b>												
Rhumblin	-1.9%	4.0%	19.6%	16.5%	---	---	---	14.8%	26.6%	---	---	---
<b>Benchmark</b>												
S&P 500	-2.0%	3.9%	19.7%	16.7%	2.9%	-0.8%	2.4%	15.1%	26.5%	-37.0%	5.5%	15.8%
<b>Large-Cap Growth Equity</b>												
CastleArk	-2.4%	6.0%	31.7%	21.2%	3.4%	2.4%	5.9%	21.7%	37.4%	-44.9%	25.6%	5.4%
Holland	-0.8%	6.7%	24.1%	20.0%	8.4%	5.0%	6.5%	16.1%	40.5%	-33.8%	9.4%	6.8%
<b>Benchmark</b>												
Russell 1000 Growth	-1.0%	5.8%	24.8%	19.1%	5.3%	2.3%	5.5%	16.7%	37.2%	-38.4%	11.8%	9.1%
<b>Mid-Cap Core Equity</b>												
Ernest	-3.1%	5.1%	27.0%	24.0%	6.0%	3.5%	---	26.8%	43.3%	-41.4%	8.7%	---
<b>Benchmark</b>												
Russell MidCap	-3.6%	4.2%	24.5%	23.9%	6.1%	1.8%	5.0%	25.5%	40.5%	-41.5%	5.6%	15.3%
<b>Mid-Cap Growth Equity</b>												
Geneva Capital	-3.5%	4.4%	28.9%	---	---	---	---	31.0%	---	---	---	---
William Blair	-3.8%	8.4%	33.8%	23.9%	10.4%	4.5%	---	25.4%	36.2%	-38.4%	12.8%	---
<b>Benchmark</b>												
Russell MidCap Growth	-3.8%	5.5%	29.0%	24.5%	6.6%	2.8%	6.3%	26.4%	46.3%	-44.3%	11.4%	10.7%
<sup>1</sup> WB Custom Benchmark	-3.8%	5.5%	29.0%	24.5%	6.5%	2.6%	5.1%	26.4%	32.8%	-36.8%	1.4%	16.2%
<b>SMID-Cap Value Equity</b>												
Ariel	-5.9%	0.2%	22.0%	27.4%	11.1%	1.6%	5.1%	26.6%	66.3%	-47.0%	-0.3%	10.2%
<b>Benchmark</b>												
Russell 2500 Value	-3.7%	2.1%	20.6%	21.9%	5.9%	1.1%	3.1%	24.8%	27.7%	-32.0%	-7.3%	20.2%
<b>Small-Cap Value Equity</b>												
Keeley	-2.3%	3.8%	27.5%	25.2%	3.0%	0.1%	3.4%	27.3%	38.9%	-45.2%	6.1%	16.7%
<b>Benchmark</b>												
<sup>2</sup> Custom Benchmark	-3.3%	0.3%	18.6%	19.3%	3.2%	-1.2%	2.0%	24.5%	29.2%	-38.4%	-1.4%	20.2%

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

<sup>2</sup> 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)

July 31, 2011

	Month	Annualized						Calendar Year				
		YTD	1 Year	2 Year	3 Year	4 Year	5 Year	2010	2009	2008	2007	2006
<b>International Core Equity</b>												
NTGI ACWI ex. U.S.	-1.2%	2.7%	17.8%	13.8%	---	---	---	11.4%	41.7%	---	---	---
<b>Benchmark</b>												
MSCI ACWI ex. U.S.	-1.3%	2.7%	17.9%	13.9%	0.9%	-1.8%	3.7%	11.6%	42.1%	-47.1%	14.1%	23.9%
<b>International Value Equity</b>												
LSV	-1.8%	4.7%	20.4%	14.5%	1.6%	-4.1%	1.6%	12.6%	35.3%	-44.8%	2.7%	32.6%
<b>Benchmark</b>												
MSCI EAFE Value	-2.5%	2.9%	13.9%	9.0%	-1.6%	-5.8%	-0.5%	3.3%	34.2%	-44.1%	6.0%	30.4%
<b>International Growth Equity</b>												
MacKay Shields	-1.0%	0.6%	11.6%	8.4%	3.0%	0.3%	4.4%	5.9%	21.8%	-25.0%	7.5%	32.5%
Walter Scott	0.5%	4.2%	19.1%	13.7%	4.5%	2.5%	5.1%	12.3%	30.6%	-33.5%	12.9%	19.9%
<b>Benchmark</b>												
MSCI EAFE Growth	-0.7%	3.7%	20.3%	14.2%	-0.9%	-2.5%	2.3%	12.3%	29.4%	-42.7%	16.5%	22.3%
<b>International Small-Cap Equity</b>												
NTGI Small-Cap International	-0.4%	3.0%	26.0%	21.1%	---	---	---	24.5%	51.0%	---	---	---
<b>Benchmark</b>												
MSCI World ex USA Small-Cap	-0.6%	2.6%	25.5%	20.8%	5.3%	-2.0%	3.5%	24.5%	50.8%	-47.0%	1.5%	19.3%
<b>International Emerging Core Equity</b>												
William Blair	-0.2%	-0.4%	19.0%	22.0%	3.0%	-0.8%	8.6%	24.8%	80.1%	-61.7%	35.1%	41.0%
<b>Benchmark</b>												
MSCI EM	-0.4%	0.4%	17.5%	18.7%	5.4%	2.9%	11.0%	18.9%	78.5%	-53.3%	39.4%	32.2%
<b>Hedged Equity Fund of Funds</b>												
K2 Advisors	-0.6%	0.0%	7.4%	3.8%	---	---	---	4.5%	---	---	---	---
Rock Creek	0.3%	1.2%	7.8%	5.5%	---	---	---	6.0%	---	---	---	---
<b>Benchmark</b>												
HFRX Hedged Equity	-0.8%	-9.1%	0.2%	2.1%	-4.3%	-5.0%	-1.4%	8.9%	13.1%	-25.5%	3.2%	9.2%
Wilshire 5000	-2.2%	3.8%	20.7%	17.8%	3.5%	-0.1%	3.0%	17.2%	29.4%	-37.3%	5.7%	15.9%

Signifies Underperformance

**Preliminary Since Inception Annualized Performance**  
**July 31, 2011**

Asset Class	Benchmark	Manager	From	Performance		Difference
				Manager	Benchmark	
SMID-Cap Value Equity	Custom Benchmark <sup>1</sup>	Ariel	July-84	13.0%	11.6%	1.5%
Large-Cap Value Equity	Russell 1000 Value	Great Lakes	April-91	9.9%	9.4%	0.6%
Small-Cap Value Equity	Custom Benchmark	Keeley	January-93	12.2%	10.6%	1.7%
Enhanced Index Fixed Income	BarCap Aggregate	Neuberger Berman	June-01	6.1%	5.9%	0.2%
Large-Cap Growth Equity	Russell 1000 Growth	Holland	November-02	7.9%	7.0%	0.9%
Large-Cap Growth Equity	Russell 1000 Growth	CastleArk	August-04	7.9%	5.6%	2.2%
International Growth Equity	MSCI EAFE Growth	MacKay Shields	December-04	7.2%	5.7%	1.5%
International Growth Equity	MSCI EAFE Growth	Walter Scott	December-04	8.7%	5.7%	3.0%
International Value Equity	MSCI EAFE Value	LSV	May-05	5.8%	4.1%	1.8%
Int'l Emerging Core Equity	MSCI EM	William Blair	August-05	13.2%	13.7%	-0.5%
Mid-Cap Core Equity	Russell MidCap	Earnest	December-06	4.2%	2.8%	1.4%
Mid-Cap Growth Equity	Custom Benchmark	William Blair	January-07	6.2%	2.8%	3.4%
Large-Cap Core Equity	S&P 500	Rhumblin	September-08	2.8%	2.5%	0.3%
International Core Equity	MSCI ACWI ex. U.S.	NTGI ACWI ex. U.S.	November-08	19.1%	19.3%	-0.2%
Int'l Small-Cap Equity	MSCI Small-Cap International	MSCI World Ex USA Small Cap	November-08	28.0%	27.6%	0.4%
<sup>2</sup> Hedged Equity Fund of Funds	HFRX Hedged Equity	K2 Advisors	February-09	4.6%	4.7%	-0.1%
<sup>2</sup> Hedged Equity Fund of Funds	HFRX Hedged Equity	Rock Creek	February-09	5.6%	4.7%	0.9%
Core Fixed Income	BarCap Aggregate	LM Capital	April-09	8.2%	7.2%	0.9%
Fixed Income - Intermediate	BarCap Int. Gov/Credit	Segall, Bryant, & Hamill	May-09	7.5%	6.6%	0.9%
Fixed Income - High Yield	BarCap High Yield	MacKay Shields	May-09	19.5%	25.7%	-6.2%
Fixed Income - Senior Loan	CSFB Leveraged Loan	Symphony	September-09	12.0%	10.7%	1.3%
Fixed Income - Opportunistic	BarCap Aggregate	RBC Global	November-09	22.1%	6.1%	16.0%
Mid-Cap Growth Equity	Russell MidCap Growth	Geneva Capital	December-09	24.8%	23.2%	1.6%
Core Fixed Income	BarCap Aggregate	UBS	August-10	4.9%	4.4%	0.4%
All-Cap Core Equity	50% Russell 1000 / 50% Russell 2000	FIS Group	August-10	22.7%	22.4%	0.3%
Large-Cap Value Equity	Russell Top 200 Value	Rhumblin	June-11	-5.0%	-5.0%	0.0%

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

<sup>2</sup> Net of Fees