



## **MEABF of Chicago**

### **Municipal Employees' Annuity & Benefit Fund**

Monthly Update

October 31, 2011

# Preliminary Market Values

October 31, 2011

Asset Class	Investment Manager	Market Values	Allocation	Target
Fixed Income - Enhanced Index	Neuberger Berman	\$293,931,858	5.9%	
Fixed Income - Core	LM Capital	\$342,632,687	6.9%	20.0%
Fixed Income - Core	UBS	\$107,384,797	2.2%	
Fixed Income - Intermediate	Segall, Bryant, & Hamill	\$314,495,437	6.3%	
Fixed Income - High Yield	MacKay Shields	\$111,592,442	2.2%	
Fixed Income - Opportunistic	RBC Global	\$70,578,491	1.4%	
Fixed Income - Senior Loan	Symphony	\$94,644,881	1.9%	5.0%
<b>Total Fixed Income</b>		<b>\$1,335,260,593</b>	<b>26.8%</b>	<b>25.0%</b>
All-Cap Core Equity	FIS Group	\$146,170,799	2.9%	2.0%
Large-Cap Value Equity	Great Lakes	\$129,611,042	2.6%	2.0%
<sup>1</sup> Large-Cap Value Equity	Herndon	\$102,504,058	2.1%	2.0%
Large-Cap Core Equity	Rhumblin	\$299,708,593	6.0%	5.0%
Large-Cap Growth Equity	CastleArk	\$135,772,275	2.7%	2.0%
Large-Cap Growth Equity	Holland	\$136,516,733	2.7%	2.0%
Mid-Cap Core Equity	Earnest	\$85,926,525	1.7%	1.7%
Mid-Cap Growth Equity	William Blair	\$88,402,896	1.8%	1.7%
Mid-Cap Growth Equity	Geneva Capital	\$95,865,935	1.9%	1.7%
SMID-Cap Value Equity	Ariel	\$107,622,873	2.2%	2.5%
Small-Cap Value Equity	Keeley	\$133,193,296	2.7%	2.5%
<b>Total U.S. Equity</b>		<b>\$1,461,295,026</b>	<b>29.3%</b>	<b>25.0%</b>
International Core Equity	NTGI ACWI ex. U.S.	\$274,453,033	5.5%	
International Value Equity	LSV	\$144,341,238	2.9%	
International Growth Equity	MacKay Shields	\$95,809,294	1.9%	13.0%
International Growth Equity	Walter Scott	\$101,340,872	2.0%	
Int'l Small-Cap Equity	NTGI Small-Cap International	\$239,682,904	4.8%	5.0%
Int'l Emerging Core Equity	William Blair	\$149,966,600	3.0%	2.0%
<b>Total International Equity</b>		<b>\$1,005,593,941</b>	<b>20.2%</b>	<b>20.0%</b>
Hedged Equity Fund of Funds	K2 Advisors	\$239,729,450	4.8%	5.0%
<sup>2</sup> Hedged Equity Fund of Funds	Rock Creek	\$246,699,946	4.9%	5.0%
<b>Total Hedged Equity</b>		<b>\$486,429,396</b>	<b>9.8%</b>	<b>10.0%</b>
<b>Total Private Equity</b>		<b>\$213,225,659</b>	<b>4.3%</b>	<b>10.0%</b>
<b>Total Real Estate</b>		<b>\$393,816,875</b>	<b>7.9%</b>	<b>10.0%</b>
Cash	Various Cash Accounts	\$88,482,416	1.8%	
<b>Total Cash Equivalents</b>		<b>\$88,482,416</b>	<b>1.8%</b>	<b>0.0%</b>
<b>TOTAL PORTFOLIO</b>		<b>\$4,984,103,905</b>	<b>100.0%</b>	<b>100.0%</b>

<sup>1</sup> Herndon account funded on November 2, 2011 from liquidation from Rhumblin Large-Cap Value portfolio.

<sup>2</sup> Market value estimated using October 2011 preliminary return.

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

October 31, 2011

	Month	Annualized						Calendar Year				
		YTD	1 Year	2 Year	3 Year	4 Year	5 Year	2010	2009	2008	2007	2006
<b>Total Fund - Gross</b>	<b>6.0%</b>	<b>1.2%</b>	<b>5.6%</b>	<b>10.0%</b>	<b>10.5%</b>	<b>0.0%</b>	<b>2.7%</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>6.0%</b>	<b>1.0%</b>	<b>5.3%</b>	<b>9.7%</b>	<b>10.1%</b>	<b>-0.4%</b>	<b>2.4%</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>1.1%</b>	<b>6.3%</b>	<b>5.1%</b>	<b>7.6%</b>	<b>10.1%</b>	<b>5.4%</b>	<b>5.2%</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	0.1%	6.8%	5.0%	6.5%	8.9%	6.7%	6.4%	6.5%	5.9%	5.2%	7.0%	4.3%
<b>Total U.S. Equity Composite</b>	<b>12.7%</b>	<b>0.8%</b>	<b>9.6%</b>	<b>15.4%</b>	<b>15.3%</b>	<b>-1.1%</b>	<b>1.9%</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	11.4%	0.4%	7.8%	13.0%	12.2%	-2.6%	0.7%	17.2%	29.4%	-37.3%	5.7%	15.9%
<b>Total International Equity Composite</b>	<b>9.4%</b>	<b>-7.7%</b>	<b>-3.7%</b>	<b>5.5%</b>	<b>15.4%</b>	<b>-2.2%</b>	<b>3.6%</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	9.6%	-6.8%	-4.1%	2.0%	9.9%	-8.3%	-2.4%	7.8%	31.8%	-43.4%	11.2%	26.3%
<b>Total Hedge Fund Composite</b>	<b>3.2%</b>	<b>-3.8%</b>	<b>-1.2%</b>	<b>1.6%</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	1.4%	-17.3%	-12.8%	-3.7%	-0.8%	-7.6%	-4.1%	8.9%	13.1%	-25.5%	3.2%	9.2%

\* Current Data is preliminary

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

October 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	0.5%	6.8%	4.6%	6.6%	---	---	---	6.3%	---	---	---	---
UBS	0.2%	6.1%	5.0%	---	---	---	---	---	---	---	---	---
<b>Benchmark</b>												
BarCap Aggregate	0.1%	6.8%	5.0%	6.5%	8.9%	6.7%	6.4%	6.5%	5.9%	5.2%	7.0%	4.3%
<b>Enhanced Index Fixed Income</b>												
Neuberger Berman	0.5%	6.5%	5.2%	7.6%	11.0%	7.0%	6.6%	8.8%	13.0%	-1.7%	6.2%	4.5%
<b>Benchmark</b>												
BarCap Aggregate	0.1%	6.8%	5.0%	6.5%	8.9%	6.7%	6.4%	6.5%	5.9%	5.2%	7.0%	4.3%
<b>Intermediate Fixed Income</b>												
Segall, Bryant, & Hamill	0.1%	5.5%	3.6%	6.0%	---	---	---	6.8%	---	---	---	---
<b>Benchmark</b>												
BarCap Intermediate Gov't/Credit	0.3%	5.2%	3.2%	5.5%	7.6%	5.9%	5.9%	5.9%	5.2%	5.1%	7.4%	4.1%
<b>High Yield Fixed Income</b>												
MacKay Shields	4.5%	6.2%	7.0%	11.2%	---	---	---	12.9%	---	---	---	---
<b>Benchmark</b>												
BarCap High Yield	6.7%	4.4%	3.5%	11.2%	24.3%	8.3%	8.2%	14.8%	59.4%	-26.9%	3.2%	13.7%
BarCap US HY Ba Index	4.7%	6.0%	5.4%	12.1%	21.4%	9.7%	8.8%	14.6%	46.1%	-17.5%	1.8%	10.1%
<b>Opportunistic Fixed Income</b>												
RBC Global	-0.2%	4.8%	6.9%	17.6%	---	---	---	20.9%	---	---	---	---
<b>Benchmark</b>												
BarCap Aggregate	0.1%	6.8%	5.0%	6.5%	8.9%	6.7%	6.4%	6.5%	5.9%	5.2%	7.0%	4.3%
<b>Senior Loan Fixed Income</b>												
Symphony	7.4%	7.5%	9.6%	11.4%	---	---	---	12.1%	---	---	---	---
<b>Benchmark</b>												
CSFB Leveraged Loan	2.6%	1.7%	3.5%	7.3%	12.8%	3.4%	3.6%	10.0%	44.9%	-28.8%	1.9%	7.3%

Signifies Underperformance

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

October 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	13.0%	-1.5%	7.2%	---	---	---	---	---	---	---	---	---
Benchmark 50% Russell 1000 / 50% Russell 2000	13.2%	-1.7%	7.5%	14.6%	12.7%	-2.0%	0.7%	21.4%	28.0%	-35.6%	2.1%	17.0%
<b>Large-Cap Value Equity</b>												
Great Lakes	10.0%	2.8%	9.4%	14.9%	11.4%	-2.7%	1.0%	18.0%	22.9%	-37.3%	7.4%	15.5%
Benchmark Russell 1000 Value	11.5%	-1.1%	6.2%	10.8%	8.8%	-5.0%	-2.1%	15.5%	19.7%	-36.9%	-0.2%	22.3%
<b>Large-Cap Core Equity</b>												
RhumbLine	10.8%	1.5%	8.2%	12.2%	11.5%	---	---	14.8%	26.6%	---	---	---
Benchmark S&P 500	10.9%	1.3%	8.1%	12.2%	11.4%	-3.0%	0.3%	15.1%	26.5%	-37.0%	5.5%	15.8%
<b>Large-Cap Growth Equity</b>												
CastleArk	14.4%	4.1%	15.3%	16.9%	14.9%	-1.6%	4.3%	21.7%	37.4%	-44.9%	25.6%	5.4%
Holland	11.5%	5.6%	12.5%	15.4%	17.5%	2.6%	5.1%	16.1%	40.5%	-33.8%	9.4%	6.8%
Benchmark Russell 1000 Growth	11.0%	3.0%	9.9%	14.7%	15.6%	-0.7%	3.0%	16.7%	37.2%	-38.4%	11.8%	9.1%
<b>Mid-Cap Core Equity</b>												
Earnest	15.3%	0.6%	9.9%	17.6%	19.4%	1.0%	---	26.8%	43.3%	-41.4%	8.7%	---
Benchmark Russell MidCap	13.0%	-0.9%	7.9%	17.4%	17.8%	-0.8%	2.3%	25.5%	40.5%	-41.5%	5.6%	15.3%
<b>Mid-Cap Growth Equity</b>												
Geneva Capital	13.9%	4.5%	16.2%	---	---	---	---	31.0%	---	---	---	---
William Blair	10.7%	3.7%	13.0%	19.5%	19.4%	0.7%	---	25.4%	36.2%	-38.4%	12.8%	---
Benchmark Russell MidCap Growth	13.5%	0.3%	10.1%	18.7%	20.0%	-0.3%	3.5%	26.4%	46.3%	-44.3%	11.4%	10.7%
<sup>1</sup> WB Custom Benchmark	13.5%	0.3%	10.1%	18.7%	16.5%	-0.2%	2.3%	26.4%	32.8%	-36.8%	1.4%	16.2%
<b>SMID-Cap Value Equity</b>												
Ariel	16.9%	-9.9%	-0.8%	14.9%	19.8%	-1.4%	1.1%	26.6%	66.3%	-47.0%	-0.3%	10.2%
Benchmark Russell 2500 Value	13.9%	-4.6%	4.5%	15.1%	12.9%	-1.1%	0.0%	24.8%	27.7%	-32.0%	-7.3%	20.2%
<b>Small-Cap Value Equity</b>												
Keeley	12.9%	-4.3%	8.6%	16.7%	15.4%	-2.9%	0.6%	27.3%	38.9%	-45.2%	6.1%	16.7%
Benchmark <sup>2</sup> Custom Benchmark	14.4%	-6.8%	3.5%	13.5%	12.2%	-3.6%	-1.1%	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)**  
**October 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.	10.5%	-7.8%	-4.3%	3.9%	13.2%	---	---	11.4%	41.7%	---	---	---
<b>Benchmark</b>												
MSCI ACWI ex. U.S.	10.5%	-7.7%	-4.3%	4.1%	13.4%	-6.8%	0.1%	11.6%	42.1%	-47.1%	14.1%	23.9%
<b>International Value Equity</b>												
LSV	9.3%	-5.8%	-2.6%	4.0%	13.3%	-7.5%	-2.2%	12.6%	35.3%	-44.8%	2.7%	32.6%
<b>Benchmark</b>												
MSCI EAFE Value	9.2%	-6.7%	-5.5%	-0.5%	9.3%	-9.4%	-4.0%	3.3%	34.2%	-44.1%	6.0%	30.4%
<b>International Growth Equity</b>												
MacKay Shields	9.0%	-7.1%	-6.1%	0.5%	8.3%	-3.3%	0.9%	5.9%	21.8%	-25.0%	7.5%	32.5%
Walter Scott	6.6%	-5.0%	-1.0%	5.6%	12.2%	-2.3%	2.3%	12.3%	30.6%	-33.5%	12.9%	19.9%
<b>Benchmark</b>												
MSCI EAFE Growth	10.1%	-6.9%	-2.8%	4.4%	10.4%	-7.2%	-0.9%	12.3%	29.4%	-42.7%	16.5%	22.3%
<b>International Small-Cap Equity</b>												
NTGI Small-Cap International	8.2%	-9.0%	-1.3%	7.7%	20.3%	---	---	24.5%	51.0%	---	---	---
<b>Benchmark</b>												
MSCI World ex USA Small-Cap	8.1%	-9.6%	-2.0%	7.2%	19.9%	-5.8%	-0.4%	24.5%	50.8%	-47.0%	1.5%	19.3%
<b>International Emerging Core Equity</b>												
William Blair	11.5%	-10.0%	-8.0%	11.1%	26.4%	-7.3%	3.2%	24.8%	80.1%	-61.7%	35.1%	41.0%
<b>Benchmark</b>												
MSCI EM	13.3%	-11.5%	-7.7%	6.8%	23.2%	-4.9%	6.5%	18.9%	78.5%	-53.3%	39.4%	32.2%
<b>Hedged Equity Fund of Funds</b>												
K2 Advisors	3.9%	-4.7%	-2.1%	0.5%	---	---	---	4.5%	---	---	---	---
Rock Creek	2.6%	-3.0%	-0.4%	2.6%	---	---	---	6.0%	---	---	---	---
<b>Benchmark</b>												
HFRX Hedged Equity	1.4%	-17.3%	-12.8%	-3.7%	-0.8%	-7.6%	-4.1%	8.9%	13.1%	-25.5%	3.2%	9.2%
Wilshire 5000	11.4%	0.4%	7.8%	13.0%	12.2%	-2.6%	0.7%	17.2%	29.4%	-37.3%	5.7%	15.9%

Signifies Underperformance

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

Asset Class	Benchmark	Manager	From	Performance		Difference
				Manager	Benchmark	
SMID-Cap Value Equity	Custom Benchmark <sup>1</sup>	Ariel	July-84	12.5%	11.2%	1.3%
Large-Cap Value Equity	Russell 1000 Value	Great Lakes	April-91	9.7%	9.1%	0.6%
Small-Cap Value Equity	Custom Benchmark	Keeley	January-93	11.6%	10.0%	1.6%
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	7.5%	6.5%	1.0%
Large-Cap Growth Equity	Russell 1000 Growth	CastleArk	August-04	7.3%	5.1%	2.3%
International Growth Equity	MSCI EAFE Growth	MacKay Shields	December-04	5.8%	3.9%	1.9%
International Growth Equity	MSCI EAFE Growth	Walter Scott	December-04	6.9%	3.9%	3.0%
International Value Equity	MSCI EAFE Value	LSV	May-05	3.9%	2.4%	1.5%
Int'l Emerging Core Equity	MSCI EM	William Blair	August-05	10.9%	10.9%	0.0%
Mid-Cap Core Equity	Russell MidCap	Earnest	December-06	3.0%	1.6%	1.4%
Mid-Cap Growth Equity	Custom Benchmark	William Blair	January-07	4.9%	1.6%	3.3%
Large-Cap Core Equity	S&P 500	Rhumblin	September-08	1.8%	1.5%	0.4%
International Core Equity	MSCI ACWI ex. U.S.	NTGI ACWI ex. U.S.	November-08	13.2%	13.4%	-0.2%
Int'l Small-Cap Equity	MSCI Small-Cap International	MSCI World Ex USA Small Cap	November-08	20.3%	19.9%	0.4%
<sup>2</sup> Hedged Equity Fund of Funds	HFRX Hedged Equity	K2 Advisors	February-09	2.4%	0.8%	1.6%
<sup>2</sup> Hedged Equity Fund of Funds	HFRX Hedged Equity	Rock Creek	February-09	3.5%	0.8%	2.7%
Core Fixed Income	BarCap Aggregate	LM Capital	April-09	8.1%	7.4%	0.7%
Fixed Income - Intermediate	BarCap Int. Gov/Credit	Segall, Bryant, & Hamill	May-09	7.3%	6.4%	0.9%
Fixed Income - High Yield	BarCap High Yield	MacKay Shields	May-09	17.4%	21.6%	-4.1%
Fixed Income - Senior Loan	CSFB Leveraged Loan	Symphony	September-09	12.4%	8.7%	3.7%
Fixed Income - Opportunistic	BarCap Aggregate	RBC Global	November-09	17.6%	6.5%	11.1%
Mid-Cap Growth Equity	Russell MidCap Growth	Geneva Capital	December-09	21.3%	16.8%	4.5%
Core Fixed Income	BarCap Aggregate	UBS	August-10	5.6%	5.4%	0.2%
All-Cap Core Equity	50% Russell 1000 / 50% Russell 2000	FIS Group	August-10	12.8%	13.0%	-0.1%

<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