



Annuity & Benefit Fund

Municipal Employees' of Chicago

Annuity & Benefit Fund

Monthly Update

June 30, 2012

Total Fund Composite

Market Value: \$4,933.6 Million and 100.0% of Fund

Ending June 30, 2012

	Asset Class	Market Value (\$)	1 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Total Fund Composite		4,933,612,163	-48,513,323	100.0	100.0	0
Fixed Income Composite		1,349,046,783	-202,385	27.3	25.0	115,643,742
Neuberger Berman	Core Plus Fixed Income	270,484,788	-25,012,228	5.5		
LM Capital	Core Fixed Income	313,548,624	-37,211	6.4		
UBS	Core Fixed Income	111,616,820	-11,064	2.3		
Segall Bryant & Hamill	Int. Fixed Income	284,592,963	-20,106	5.8		
MackKay Shields	High Yield Fixed Income	170,510,794	24,936,058	3.5		
RBC Global	Opportunistic Fixed Income	76,257,913	-17,156	1.5		
Symphony	Senior Secured Loans	122,034,881	-40,678	2.5		
U.S. Equity Composite		1,365,804,518	-45,338,571	27.7	25.0	132,401,477
FIS Group Composite		148,157,355	-185	3.0	--	148,157,355
Great Lakes	Large-Cap Value	106,200,658	-20,026,614	2.2		
Herndon	Large-Cap Value	113,376,088	-33,403	2.3		
RhumbLine S&P 500 Index	Large-Cap Core	248,308,384	306	5.0		
CastleArk	Large-Cap Growth	92,435,330	-25,030,318	1.9		
Holland Capital	Large-Cap Growth	113,030,630	-34,900	2.3		
Earnest Partners	Mid-Cap Core	91,014,165	-41,792	1.8		
William Blair	Mid-Cap Growth	94,100,032	-59,618	1.9		
Geneva Capital	Mid-Cap Growth	103,092,110	-42,955	2.1		
Ariel Investments	Smid-Cap Value	117,655,290	-16,095	2.4		
Keeley	Small-Cap Value	138,434,477	-52,999	2.8		
International Equity Composite		985,726,075	-273,230	20.0	20.0	-996,357
NTGI MSCI ACWI ex. U.S. Index Fund	Non-U.S. All-Cap Core	265,381,109	0	5.4		
LSV	Non-U.S. Large-Cap Value	137,741,248	-66,424	2.8		
Madison Square	Non-U.S. Large-Cap Core	96,589,456	-40,257	2.0		
Walter Scott & Partners	Non-U.S. Large-Cap Growth	103,954,176	-72,810	2.1		
NTGI Small Cap International Index	Non-U.S. Small-Cap Core	231,032,822	0	4.7		
William Blair	Emerging Markets	151,027,264	-93,738	3.1		
Hedge Fund Composite		500,879,464	0	10.2	10.0	7,518,247
Rock Creek Georgetown Fund	Hedged Equity Hedge FoF	255,739,074	0	5.2		
K2 Long Short Fund	Hedged Equity Hedge FoF	245,140,390	0	5.0		

Total Fund Composite

Market Value: \$4,933.6 Million and 100.0% of Fund

Ending June 30, 2012

	Asset Class	Market Value (\$)	1 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Real Estate Composite		422,961,103	-18,095,423	8.6	10.0	-70,400,113
Open-End Real Estate Comp		285,257,352	-870,099	5.8	--	285,257,352
American Core Realty Fund, LLC	Core Real Estate	56,024,689	0	1.1		
AFL-CIO Building Investment Trust	Core Real Estate	66,221,824	0	1.3		
JPMorgan Strategic Property Fund	Core Real Estate	75,471,216	0	1.5		
PRISA	Core Real Estate	52,004,430	-587,299	1.1		
PRISA II	Core Plus Real Estate	35,535,193	-282,800	0.7		
Closed-End Real Estate Composite		137,703,751	-17,225,324	2.8	--	137,703,751
Private Equity Composite		219,839,247	1,185,809	4.5	10.0	-273,521,969
Fund of Funds Private Equity Composite		98,099,214	1,889,135	2.0	--	98,099,214
Direct Investment Private Equity Composite		121,740,033	-703,326	2.5	--	121,740,033
Cash Accounts		89,354,973	14,210,478	1.8	0.0	89,354,973

Total Fund Composite

Annualized Performance (Net of Fees)

Market Value: \$4,933.6 Million and 100.0% of Fund

Ending June 30, 2012

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund Composite	2.0	-2.5	5.1	0.3	10.7	11.2	3.6	1.3	4.5	5.6
<i>Actuarial Rate</i>	0.6	1.9	3.9	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Fixed Income Composite	0.4	1.9	3.5	7.1	6.6	8.1	6.5	5.6	4.8	--
<i>Barclays Aggregate</i>	0.0	2.1	2.4	7.5	5.7	6.9	6.7	6.8	5.6	5.6
U.S. Equity Composite	3.2	-4.2	8.4	1.8	17.8	18.3	5.2	1.3	4.7	--
<i>Dow Jones U.S. Total Stock Market</i>	4.0	-3.1	9.4	4.0	17.3	16.9	4.2	0.6	4.5	6.1
International Equity Composite	4.7	-7.5	4.4	-12.8	6.5	8.4	1.0	-0.9	7.0	--
<i>MSCI ACWI ex USA</i>	5.9	-7.6	2.8	-14.6	5.3	7.0	-4.1	-4.6	3.9	6.7
<i>MSCI EAFE</i>	7.0	-7.1	3.0	-13.8	6.0	6.0	-4.9	-6.1	2.3	5.1
Hedge Fund Composite	0.1	-2.5	4.0	-1.7	3.8	2.9	--	--	--	--
<i>HFRX Equity Hedge Index</i>	0.5	-2.6	1.2	-10.7	-3.9	-1.6	-6.6	-6.2	-1.6	0.3
Real Estate Composite	0.5	0.9	3.2	9.8	15.0	8.9	-5.1	-3.2	3.3	5.2
<i>NPI</i>	0.0	0.0	2.6	9.1	12.9	7.9	0.2	2.0	6.3	8.0
Open-End Real Estate Comp	0.8	1.1	4.3	11.0	15.1	7.4	-4.0	-1.6	3.8	6.4
<i>NFI</i>	0.0	0.0	2.6	8.8	14.0	6.6	-4.4	-2.3	3.0	5.3

Total Fund Composite

Calendar Performance (Net of Fees)

Market Value: \$4,933.6 Million and 100.0% of Fund

Calendar Year

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Total Fund Composite	0.1	14.2	19.6	-25.8	7.3	12.7	6.7	10.4	19.6	-9.5	-2.5
<i>Actuarial Rate</i>	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Fixed Income Composite	6.7	8.0	10.6	-4.6	5.2	4.6	2.3	4.4	--	--	--
<i>Barclays Aggregate</i>	7.8	6.5	5.9	5.2	7.0	4.3	2.4	4.3	4.1	10.3	8.4
U.S. Equity Composite	0.7	20.9	34.7	-38.4	5.7	13.1	5.9	13.0	--	--	--
<i>Dow Jones U.S. Total Stock Market</i>	1.1	17.5	28.6	-37.2	5.6	15.8	6.4	12.5	31.7	-20.9	-11.0
International Equity Composite	-13.7	15.3	41.6	-36.6	14.3	29.8	17.2	16.4	--	--	--
<i>MSCI ACWI ex USA</i>	-13.7	11.2	41.4	-45.5	16.7	26.7	16.6	20.9	40.8	-14.9	-19.7
<i>MSCI EAFE</i>	-12.1	7.8	31.8	-43.4	11.2	26.3	13.5	20.2	38.6	-15.9	-21.4
Hedge Fund Composite	-4.7	5.3	--	--	--	--	--	--	--	--	--
<i>HFRX Equity Hedge Index</i>	-19.1	8.9	13.1	-25.5	3.2	9.2	4.2	2.2	14.5	2.1	9.0
Real Estate Composite	16.6	17.8	-31.2	-15.5	15.3	17.6	25.3	10.8	5.4	7.5	9.8
<i>NPI</i>	14.3	13.1	-16.9	-6.5	15.8	16.6	20.1	14.5	9.0	6.7	7.3
Open-End Real Estate Comp	15.7	15.7	-31.0	-10.4	16.6	16.1	23.5	13.5	9.1	6.0	7.6
<i>NFI</i>	15.0	15.3	-30.4	-10.7	14.8	15.3	20.2	12.0	8.3	4.6	4.6

Investment Manager

Annualized Performance (Net of Fees)

Market Value: \$4,933.6 Million and 100.0% of Fund

	Ending June 30, 2012										Inception	
	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs	Return	Since
Total Fund Composite	2.0	-2.5	5.1	0.3	10.7	11.2	3.6	1.3	4.5	5.6	--	--
<i>Actuarial Rate</i>	0.6	1.9	3.9	8.0	8.0	8.0	8.0	8.0	8.0	8.0	--	--
Fixed Income Composite	0.4	1.9	3.5	7.1	6.6	8.1	6.5	5.6	4.8	--	--	--
<i>Barclays Aggregate</i>	0.0	2.1	2.4	7.5	5.7	6.9	6.7	6.8	5.6	5.6	--	--
Neuberger Berman	0.2	2.1	3.0	7.7	6.3	9.0	7.7	7.1	5.8	5.9	6.1	May-01
<i>Barclays Aggregate</i>	0.0	2.1	2.4	7.5	5.7	6.9	6.7	6.8	5.6	5.6	5.9	May-01
LM Capital	0.1	1.9	2.7	7.0	5.6	7.1	--	--	--	--	7.4	Mar-09
<i>Barclays Aggregate</i>	0.0	2.1	2.4	7.5	5.7	6.9	6.7	6.8	5.6	5.6	7.0	Mar-09
UBS	0.2	1.9	2.7	7.5	--	--	--	--	--	--	5.7	Jul-10
<i>Barclays Aggregate</i>	0.0	2.1	2.4	7.5	5.7	6.9	6.7	6.8	5.6	5.6	5.3	Jul-10
Segall Bryant & Hamill	0.0	1.6	2.4	6.3	5.1	6.7	--	--	--	--	6.8	Apr-09
<i>Barclays Int Govt/Credit</i>	0.1	1.5	2.1	5.4	4.6	5.8	5.7	6.0	5.1	5.1	5.9	Apr-09
MacKay Shields	1.5	1.9	6.3	8.5	10.9	14.1	--	--	--	--	15.6	Apr-09
<i>Barclays High Yield</i>	2.1	1.8	7.3	7.3	11.4	16.3	11.3	8.4	8.4	10.2	18.8	Apr-09
RBC Global	1.0	1.8	7.5	4.8	12.0	--	--	--	--	--	15.8	Oct-09
<i>Barclays Aggregate</i>	0.0	2.1	2.4	7.5	5.7	6.9	6.7	6.8	5.6	5.6	6.2	Oct-09
Symphony	0.6	1.6	5.0	6.0	8.1	--	--	--	--	--	9.7	Aug-09
<i>CSFB Leveraged Loan</i>	0.7	1.0	4.5	3.3	6.5	10.1	5.3	3.5	4.5	5.1	8.3	Aug-09
U.S. Equity Composite	3.2	-4.2	8.4	1.8	17.8	18.3	5.2	1.3	4.7	--	--	--
<i>Dow Jones U.S. Total Stock Market</i>	4.0	-3.1	9.4	4.0	17.3	16.9	4.2	0.6	4.5	6.1	--	--
FIS Group Composite	3.7	-4.0	6.4	-0.8	--	--	--	--	--	--	12.4	Jul-10
<i>FIS Group Custom Benchmark</i>	4.4	-3.3	9.0	1.2	16.7	17.3	4.6	0.6	4.5	6.5	13.5	Jul-10
Great Lakes	3.7	-3.0	6.4	3.0	16.5	18.0	3.6	-0.3	4.3	6.6	9.5	Mar-91
<i>Russell 1000 Value</i>	5.0	-2.2	8.7	3.0	15.2	15.8	2.5	-2.2	2.9	5.3	9.3	Mar-91
Herndon	3.0	-5.1	11.1	--	--	--	--	--	--	--	10.5	Nov-11
<i>Russell 1000 Value</i>	5.0	-2.2	8.7	3.0	15.2	15.8	2.5	-2.2	2.9	5.3	10.9	Nov-11
RhumbLine S&P 500 Index	4.1	-2.6	9.8	6.0	17.6	16.4	--	--	--	--	4.2	Aug-08
<i>S&P 500</i>	4.1	-2.8	9.5	5.4	17.4	16.4	3.9	0.2	4.1	5.3	3.9	Aug-08
CastleArk	3.2	-5.3	8.9	1.0	19.9	16.8	1.6	1.9	5.4	--	7.0	Jul-04
<i>Russell 1000 Growth</i>	2.7	-4.0	10.1	5.8	19.5	17.5	5.2	2.9	5.5	6.0	5.8	Jul-04
Holland Capital	2.4	-4.9	8.7	5.0	18.1	17.6	6.3	4.3	5.8	--	7.4	Oct-02
<i>Russell 1000 Growth</i>	2.7	-4.0	10.1	5.8	19.5	17.5	5.2	2.9	5.5	6.0	7.1	Oct-02
Earnest Partners	3.1	-5.6	6.5	-2.2	15.7	18.2	3.5	2.0	--	--	3.1	Nov-06
<i>Russell MidCap</i>	2.8	-4.4	8.0	-1.7	16.7	19.4	4.4	1.1	5.4	8.5	2.7	Nov-06
William Blair	2.6	-5.3	7.1	-2.8	18.0	17.7	6.8	2.5	--	--	4.6	Dec-06
<i>William Blair MCG Custom Benchmark</i>	2.8	-4.4	8.0	-1.7	16.7	19.4	5.5	1.2	5.3	8.0	2.6	Dec-06

Investment Manager

Annualized Performance (Net of Fees)

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	Ending June 30, 2012										Inception	
	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs	Return	Since
Geneva Capital	0.4	-4.8	8.0	3.4	21.2	--	--	--	--	--	18.1	Nov-09
<i>Russell MidCap Growth</i>	1.9	-5.6	8.1	-3.0	17.9	19.0	4.1	1.9	5.8	8.5	14.8	Nov-09
Ariel Investments	5.3	-5.6	7.9	-7.9	14.8	21.2	7.5	-0.7	2.5	5.6	12.1	Jun-84
<i>Russell 2500 Value</i>	4.0	-3.0	8.1	-1.5	15.1	18.8	5.4	-0.2	4.0	7.5	--	Jun-84
Keeley	3.2	-2.8	10.0	-0.2	18.5	20.1	1.8	-0.7	4.8	7.7	11.3	Dec-92
<i>Keeley SCV Custom Benchmark</i>	4.8	-3.0	8.2	-1.4	13.8	16.8	2.6	-1.7	3.6	7.3	10.2	Dec-92
International Equity Composite	4.7	-7.5	4.4	-12.8	6.5	8.4	1.0	-0.9	7.0	--	--	
<i>MSCI ACWI ex USA</i>	5.9	-7.6	2.8	-14.6	5.3	7.0	-4.1	-4.6	3.9	6.7	--	
<i>MSCI EAFE</i>	7.0	-7.1	3.0	-13.8	6.0	6.0	-4.9	-6.1	2.3	5.1	--	
NTGI MSCI ACWI ex. U.S. Index Fund	5.7	-7.4	3.0	-14.3	5.5	7.2	--	--	--	--	9.6	Oct-08
<i>MSCI ACWI ex USA</i>	5.9	-7.6	2.8	-14.6	5.3	7.0	-4.1	-4.6	3.9	6.7	9.4	Oct-08
LSV	6.3	-8.0	1.3	-16.2	5.8	6.5	-3.9	-7.1	1.9	--	2.3	Apr-05
<i>MSCI EAFE Value</i>	8.6	-7.1	2.0	-15.2	4.8	4.2	-5.3	-7.7	1.3	5.3	1.5	Apr-05
Madison Square	4.2	-6.4	6.8	-8.2	4.8	4.5	-0.5	-2.1	4.7	--	4.8	Nov-04
<i>MSCI EAFE</i>	7.0	-7.1	3.0	-13.8	6.0	6.0	-4.9	-6.1	2.3	5.1	2.6	Nov-04
Walter Scott & Partners	5.6	-3.6	7.5	-6.7	7.1	8.1	-0.4	-0.5	5.9	--	5.8	Nov-04
<i>MSCI EAFE Growth</i>	5.4	-7.3	3.9	-12.6	7.1	7.6	-4.6	-4.6	3.2	4.9	3.3	Nov-04
NTGI Small Cap International Index	3.5	-9.0	3.4	-15.2	7.8	10.5	--	--	--	--	15.1	Oct-08
<i>MSCI World ex USA Small Cap</i>	3.5	-9.2	3.2	-15.7	7.5	10.1	-1.5	-4.9	3.3	8.7	14.7	Oct-08
William Blair	2.7	-8.2	7.7	-9.9	7.6	13.7	-2.7	-2.8	--	--	9.1	Jul-05
<i>MSCI Emerging Markets</i>	3.9	-8.9	3.9	-15.9	3.6	9.8	-1.2	-0.1	10.1	14.1	9.1	Jul-05
Hedge Fund Composite	0.1	-2.5	4.0	-1.7	3.8	2.9	--	--	--	--	--	
<i>HFRX Equity Hedge Index</i>	0.5	-2.6	1.2	-10.7	-3.9	-1.6	-6.6	-6.2	-1.6	0.3	--	
Rock Creek Georgetown Fund	-0.1	-2.2	4.8	-0.3	4.6	3.8	--	--	--	--	3.9	Jan-09
<i>HFRX Equity Hedge Index</i>	0.5	-2.6	1.2	-10.7	-3.9	-1.6	-6.6	-6.2	-1.6	0.3	0.3	Jan-09
K2 Long Short Fund	0.2	-2.8	3.1	-3.2	3.0	2.0	--	--	--	--	2.6	Jan-09
<i>HFRX Equity Hedge Index</i>	0.5	-2.6	1.2	-10.7	-3.9	-1.6	-6.6	-6.2	-1.6	0.3	0.3	Jan-09

Investment Manager

Annualized Performance (Net of Fees)

Market Value: \$4,933.6 Million and 100.0% of Fund

	Ending June 30, 2012										Inception	
	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs	Return	Since
Real Estate Composite	0.5	0.9	3.2	9.8	15.0	8.9	-5.1	-3.2	3.3	5.2	--	--
<i>NFI</i>	0.0	0.0	2.6	9.1	12.9	7.9	0.2	2.0	6.3	8.0	--	--
Open-End Real Estate Comp	0.8	1.1	4.3	11.0	15.1	7.4	-4.0	-1.6	3.8	6.4	--	--
<i>NFI</i>	0.0	0.0	2.6	8.8	14.0	6.6	-4.4	-2.3	3.0	5.3	--	--
American Core Realty Fund, LLC	0.0	0.0	2.8	8.2	12.2	3.4	-5.0	-2.3	2.1	--	3.9	Nov-03
<i>NFI</i>	0.0	0.0	2.6	8.8	14.0	6.6	-4.4	-2.3	3.0	5.3	5.0	Nov-03
AFL-CIO Building Investment Trust	2.4	2.4	6.1	12.2	14.1	6.1	-2.8	-0.8	3.9	4.7	4.7	Jun-02
<i>NFI</i>	0.0	0.0	2.6	8.8	14.0	6.6	-4.4	-2.3	3.0	5.3	5.3	Jun-02
JPMorgan Strategic Property Fund	1.0	2.2	4.8	11.4	15.1	7.7	-2.1	0.1	5.1	7.5	7.5	Jun-02
<i>NFI</i>	0.0	0.0	2.6	8.8	14.0	6.6	-4.4	-2.3	3.0	5.3	5.3	Jun-02
PRISA	0.0	0.0	3.0	10.1	15.3	8.4	-5.6	-3.2	2.6	5.4	6.0	Nov-81
<i>NFI</i>	0.0	0.0	2.6	8.8	14.0	6.6	-4.4	-2.3	3.0	5.3	--	Nov-81
PRISA II	0.0	0.0	4.3	12.3	19.1	8.7	-8.8	-6.1	0.8	5.0	6.6	Nov-89
<i>NFI</i>	0.0	0.0	2.6	8.8	14.0	6.6	-4.4	-2.3	3.0	5.3	--	Nov-89

Annuity & Benefit Fund

Inception Performance (Net of Fees)

Ending June 30, 2012

Asset Class	Benchmark	Manager	From	Performance		Difference
				Manager	Benchmark	
SMID-Cap Value Equity	Custom Benchmark ¹	Ariel	July-84	12.1%	11.3%	0.8%
Large-Cap Value Equity	Russell 1000 Value	Great Lakes	April-91	9.5%	9.3%	0.2%
Small-Cap Value Equity	Custom Benchmark	Keeley	January-93	11.3%	10.2%	1.1%
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	7.4%	7.1%	0.3%
Large-Cap Growth Equity	Russell 1000 Growth	CastleArk	August-04	6.9%	5.8%	1.1%
International Growth Equity	MSCI EAFE Growth	Madison Square	December-04	4.8%	2.6%	2.2%
International Growth Equity	MSCI EAFE Growth	Walter Scott	December-04	5.8%	3.3%	2.5%
International Value Equity	MSCI EAFE Value	LSV	May-05	2.3%	1.5%	0.8%
Int'l Emerging Core Equity	MSCI EM	William Blair	August-05	9.1%	9.1%	0.0%
Mid-Cap Core Equity	Russell MidCap	Earnest	December-06	3.1%	2.7%	0.4%
Mid-Cap Growth Equity	Custom Benchmark	William Blair	January-07	4.6%	2.6%	2.0%
Large-Cap Core Equity	S&P 500	Rhumblin	September-08	4.2%	3.9%	0.3%
International Core Equity	MSCI ACWI ex. U.S.	NTGI ACWI ex. U.S.	November-08	9.6%	9.4%	0.2%
Int'l Small-Cap Equity	MSCI Small-Cap International	MSCI World Ex USA Small Cap	November-08	15.1%	14.7%	0.4%
Hedged Equity Fund of Funds	HFRX Hedged Equity	K2 Advisors	February-09	2.6%	0.3%	2.3%
Hedged Equity Fund of Funds	HFRX Hedged Equity	Rock Creek	February-09	3.9%	0.3%	3.6%
Core Fixed Income	BarCap Aggregate	LM Capital	April-09	7.4%	7.0%	0.4%
Fixed Income - Intermediate	BarCap Int. Gov/Credit	Segall, Bryant, & Hamill	May-09	6.8%	5.9%	0.9%
Fixed Income - High Yield	BarCap High Yield	Mackay Shields	May-09	15.5%	18.6%	-3.1%
Fixed Income - Senior Loan	CSFB Leveraged Loan	Symphony	September-09	9.8%	8.3%	1.5%
Fixed Income - Opportunistic	BarCap Aggregate	RBC Global	November-09	15.8%	6.2%	9.6%
Mid-Cap Growth Equity	Russell MidCap Growth	Geneva Capital	December-09	18.6%	14.4%	4.2%
Core Fixed Income	BarCap Aggregate	UBS	August-10	5.7%	5.3%	0.4%
All-Cap Core Equity	50% Russell 1000 / 50% Russell 2000	FIS Group	August-10	10.8%	11.5%	-0.7%
Large-Cap Value Equity	Russell 1000 Value	Herndon	December-11	10.5%	10.9%	-0.4%

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