



Annuity & Benefit Fund

Municipal Employees' of Chicago

Annuity & Benefit Fund

Monthly Update

December 31, 2012

Total Fund Composite

Market Value: \$5,027.4 Million and 100.0% of Fund

Ending December 31, 2012

	Asset Class	Market Value (\$)	1 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Total Fund Composite		5,027,381,155	-45,040,693	100.0	100.0	0
Fixed Income Composite		1,315,103,318	-1,833,043	26.2	25.0	58,258,030
Neuberger Berman	Core Plus Fixed Income	276,982,161	-12,278	5.5		
LM Capital	Core Fixed Income	321,670,992	-38,961	6.4		
UBS	Core Fixed Income	114,561,815	-11,041	2.3		
Segall Bryant & Hamill	Int. Fixed Income	290,962,159	-20,837	5.8		
MacKay Shields	High Yield Fixed Income	183,151,043	-69,256	3.6		
RBC Global	Opportunistic Fixed Income	205		0.0		
Symphony	Senior Secured Loans	127,774,943	-44,371	2.5		
U.S. Equity Composite		1,345,753,776	-363,714	26.8	25.0	88,908,487
FIS Group U.S. Equity		112,057,985	-164	2.2	--	112,057,985
Great Lakes	Large-Cap Value	113,454,673	-28,212	2.3		
Herndon	Large-Cap Value	110,332,565	-32,446	2.2		
RhumbLine S&P 500 Index	Large-Cap Core	263,175,235	-3,860	5.2		
CastleArk	Large-Cap Growth	96,264,958	-31,537	1.9		
Holland Capital	Large-Cap Growth	117,563,800	-35,991	2.3		
Earnest Partners	Mid-Cap Core	99,568,371	-45,964	2.0		
William Blair	Mid-Cap Growth	84,847,436	-54,366	1.7		
Geneva Capital	Mid-Cap Growth	93,079,131	-38,915	1.9		
Ariel Investments	Smid-Cap Value	109,377,717	-36,652	2.2		
Keeley	Small-Cap Value	146,031,905	-55,608	2.9		
International Equity Composite		1,123,785,662	-10,336,362	22.4	20.0	118,309,431
FIS Group Non-U.S. Equity		48,018,086	-72	1.0	--	48,018,086
NTGI MSCI ACWI ex. U.S. Index Fund	Non-U.S. All-Cap Core	291,788,120	-10,018,804	5.8		
LSV	Non-U.S. Large-Cap Value	138,873,712	-69,817	2.8		
Madison Square	Non-U.S. Large-Cap Core	108,013,691	-45,330	2.1		
Walter Scott & Partners	Non-U.S. Large-Cap Growth	116,659,691	-81,999	2.3		
NTGI Small Cap International Index	Non-U.S. Small-Cap Core	264,402,967	-18,753	5.3		
William Blair	Emerging Markets	156,029,395	-101,588	3.1		
Hedge Fund Composite		526,893,440	0	10.5	10.0	24,155,325
Rock Creek Georgetown Fund	Hedged Equity Hedge FoF	268,215,292	0	5.3		
K2 Long Short Fund	Hedged Equity Hedge FoF	258,678,148	0	5.1		

Total Fund Composite

Market Value: \$5,027.4 Million and 100.0% of Fund

Ending December 31, 2012

	Asset Class	Market Value (\$)	1 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Real Estate Composite		452,589,137	2,333,193	9.0	10.0	-50,148,979
Open-End Real Estate Comp		300,604,946	-1,276,662	6.0	--	300,604,946
American Core Realty Fund, LLC	Core Real Estate	57,891,750	-130,000	1.2		
AFL-CIO Building Investment Trust	Core Real Estate	69,163,661	0	1.4		
JPMorgan Strategic Property Fund	Core Real Estate	79,989,715	0	1.6		
PRISA	Core Real Estate	53,678,570	-712,195	1.1		
PRISA II	Core Plus Real Estate	39,881,250	-434,467	0.8		
Closed-End Real Estate Composite		151,984,190	3,609,854	3.0	--	151,984,190
Private Equity Composite		238,074,410	760,677	4.7	10.0	-264,663,705
Fund of Funds Private Equity Composite		106,002,342	1,673,565	2.1	--	106,002,342
Direct Investment Private Equity Composite		132,072,069	-912,888	2.6	--	132,072,069
Cash Accounts		25,181,304	-35,601,443	0.5	0.0	25,181,304

Total Fund Composite

Annualized Performance (Net of Fees)

Market Value: \$5,027.4 Million and 100.0% of Fund

Ending December 31, 2012

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund Composite	1.3	1.9	12.5	12.5	6.1	8.7	11.3	1.9	4.1	6.5
<i>Actuarial Rate</i>	0.6	1.9	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Fixed Income Composite	0.1	0.8	7.0	7.0	6.9	7.3	8.1	5.4	5.3	--
<i>Barclays Aggregate</i>	-0.1	0.2	4.2	4.2	6.0	6.2	6.1	5.9	5.9	5.2
U.S. Equity Composite	1.6	1.4	16.2	16.2	8.0	12.0	17.2	2.9	4.6	--
<i>Dow Jones U.S. Total Stock Market</i>	1.2	0.2	16.4	16.4	8.5	11.4	15.5	2.2	4.5	7.9
International Equity Composite	3.2	5.0	18.4	18.4	1.1	5.6	13.6	1.1	6.6	--
<i>MSCI ACWI ex USA</i>	3.5	5.8	16.8	16.8	0.4	3.9	12.2	-2.9	3.5	9.7
<i>MSCI EAFE</i>	3.2	6.6	17.3	17.3	1.5	3.6	10.0	-3.7	2.2	8.2
Hedge Fund Composite	0.9	1.7	9.4	9.4	2.1	3.1	--	--	--	--
<i>HFRX Equity Hedge Index</i>	0.4	1.4	4.8	4.8	-7.9	-2.6	1.1	-4.9	-1.8	0.7
Real Estate Composite	1.0	1.4	9.0	9.0	12.1	13.7	0.1	-3.4	1.6	4.8
<i>NPI</i>	0.0	0.0	7.8	7.8	11.0	11.7	3.7	1.6	5.6	8.2
Open-End Real Estate Comp	1.6	1.9	10.4	10.4	12.7	13.4	-0.1	-2.4	2.4	5.9
<i>NFI</i>	0.8	2.3	10.0	10.0	12.5	13.4	0.4	-1.9	2.6	5.7

Total Fund Composite

Calendar Performance (Net of Fees)

Market Value: \$5,027.4 Million and 100.0% of Fund

Calendar Year

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Total Fund Composite	12.5	0.1	14.2	19.6	-28.6	7.3	12.7	6.7	10.4	19.6	-9.5
<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	7.0	6.7	8.0	10.6	-4.6	5.2	4.6	2.3	4.4	--	--
<i>Barclays Aggregate</i>	4.2	7.8	6.5	5.9	5.2	7.0	4.3	2.4	4.3	4.1	10.3
U.S. Equity Composite	16.2	0.4	20.5	34.2	-38.7	5.2	12.6	5.5	12.6	--	--
<i>Dow Jones U.S. Total Stock Market</i>	16.4	1.1	17.5	28.6	-37.2	5.6	15.8	6.4	12.5	31.7	-20.9
International Equity Composite	18.4	-13.8	15.3	41.6	-36.6	14.3	29.8	17.2	16.4	--	--
<i>MSCI ACWI ex USA</i>	16.8	-13.7	11.2	41.4	-45.5	16.7	26.7	16.6	20.9	40.8	-14.9
<i>MSCI EAFE</i>	17.3	-12.1	7.8	31.8	-43.4	11.2	26.3	13.5	20.2	38.6	-15.9
Hedge Fund Composite	9.4	-4.7	5.3	--	--	--	--	--	--	--	--
<i>HFRX Equity Hedge Index</i>	4.8	-19.1	8.9	13.1	-25.5	3.2	9.2	4.2	2.2	14.5	2.1
Real Estate Composite	9.0	15.3	16.9	-31.8	-16.2	14.4	16.7	24.3	9.9	4.5	6.6
<i>NPI</i>	7.8	14.3	13.1	-16.9	-6.5	15.8	16.6	20.1	14.5	9.0	6.7
Open-End Real Estate Comp	10.4	15.0	14.8	-31.6	-11.1	15.8	15.3	22.6	12.7	8.3	5.2
<i>NFI</i>	10.0	15.0	15.3	-30.4	-10.7	14.8	15.3	20.2	12.0	8.3	4.6

Investment Manager

Annualized Performance (Net of Fees)

Market Value: \$5,027.4 Million and 100.0% of Fund

	Ending December 31, 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	1.3	1.9	12.5	12.5	6.1	8.7	11.3	1.9	4.1	6.5	--	--
Actuarial Rate	0.6	1.9	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	--	--
Fixed Income Composite	0.1	0.8	7.0	7.0	6.9	7.3	8.1	5.4	5.3	--	--	--
Barclays Aggregate	-0.1	0.2	4.2	4.2	6.0	6.2	6.1	5.9	5.9	5.2	--	--
Neuberger Berman	-0.1	0.3	5.4	5.4	6.5	7.2	8.7	6.5	6.2	5.5	6.0	May-01
Barclays Aggregate	-0.1	0.2	4.2	4.2	6.0	6.2	6.1	5.9	5.9	5.2	5.8	May-01
LM Capital	-0.1	0.4	5.3	5.3	6.3	6.3	--	--	--	--	7.1	Mar-09
Barclays Aggregate	-0.1	0.2	4.2	4.2	6.0	6.2	6.1	5.9	5.9	5.2	6.5	Mar-09
UBS	0.0	0.4	5.4	5.4	6.3	--	--	--	--	--	5.6	Jul-10
Barclays Aggregate	-0.1	0.2	4.2	4.2	6.0	6.2	6.1	5.9	5.9	5.2	5.0	Jul-10
Segall Bryant & Hamill	-0.1	0.4	4.7	4.7	5.5	5.9	--	--	--	--	6.5	Apr-09
Barclays Int Govt/Credit	-0.1	0.3	3.9	3.9	4.8	5.2	5.2	5.2	5.3	4.6	5.6	Apr-09
Mackay Shields	1.2	2.7	13.9	13.9	10.2	10.9	--	--	--	--	15.5	Apr-09
BarCap Ba High Yield	1.1	2.8	14.6	14.6	10.6	11.9	19.6	11.1	9.5	9.9	16.4	Apr-09
Barclays High Yield	1.6	3.3	15.8	15.8	10.3	11.9	22.0	10.3	9.3	10.6	18.5	Apr-09
RBC Global												
Symphony	0.5	1.3	9.7	9.7	6.7	8.4	--	--	--	--	9.6	Aug-09
CSFB Leveraged Loan	0.7	1.5	9.4	9.4	5.6	7.0	15.4	4.8	4.7	5.5	8.5	Aug-09
U.S. Equity Composite	1.6	1.4	16.2	16.2	8.0	12.0	17.2	2.9	4.6	--	--	--
Dow Jones U.S. Total Stock Market	1.2	0.2	16.4	16.4	8.5	11.4	15.5	2.2	4.5	7.9	--	--
FIS Group U.S. Equity	1.7	1.7	13.4	13.4	6.2	--	--	--	--	--	12.6	Jul-10
FIS Group Custom Benchmark	2.3	1.0	16.4	16.4	7.2	11.7	15.6	2.8	4.6	8.7	13.6	Jul-10
Great Lakes	1.4	1.9	13.5	13.5	9.1	11.9	14.4	1.5	4.2	8.7	9.6	Mar-91
Russell 1000 Value	2.1	1.5	17.5	17.5	8.6	10.9	13.0	0.6	3.3	7.4	9.4	Mar-91
Herndon	1.2	0.0	17.8	17.8	--	--	--	--	--	--	15.8	Nov-11
Russell 1000 Value	2.1	1.5	17.5	17.5	8.6	10.9	13.0	0.6	3.3	7.4	18.2	Nov-11
RhumbLine S&P 500 Index	1.0	-0.3	16.3	16.3	9.1	11.0	14.7	--	--	--	5.1	Aug-08
S&P 500	0.9	-0.4	16.0	16.0	8.8	10.9	14.6	1.7	4.1	7.1	4.8	Aug-08
CastleArk	0.0	-0.8	13.2	13.2	6.7	11.3	17.2	0.9	4.7	--	7.1	Jul-04
Russell 1000 Growth	0.0	-1.3	15.3	15.3	8.8	11.4	17.3	3.1	5.2	7.5	6.1	Jul-04
Holland Capital	1.0	-1.0	12.8	12.8	8.3	10.7	17.4	4.7	5.7	7.8	7.4	Oct-02
Russell 1000 Growth	0.0	-1.3	15.3	15.3	8.8	11.4	17.3	3.1	5.2	7.5	7.2	Oct-02
Earnest Partners	2.7	4.1	16.2	16.2	7.4	13.3	20.0	4.1	--	--	4.4	Nov-06
Russell MidCap	2.2	2.9	17.3	17.3	7.5	13.2	19.4	3.6	5.5	10.6	3.8	Nov-06
William Blair	1.4	0.0	11.2	11.2	6.5	12.2	17.5	3.4	--	--	4.9	Dec-06
William Blair MCG Custom Benchmark	2.2	2.9	17.3	17.3	7.5	13.2	18.3	4.3	5.5	10.5	3.8	Dec-06

Investment Manager

Annualized Performance (Net of Fees)

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	Ending December 31, 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	0.7	-0.6	11.0	11.0	7.1	14.3	--	--	--	--	16.0	Nov-09
<i>Russell MidCap Growth</i>	1.8	1.7	15.8	15.8	6.7	12.9	20.5	3.2	5.4	10.3	14.8	Nov-09
Ariel Investments	2.4	4.3	20.0	20.0	4.3	11.1	22.8	3.9	4.1	7.9	12.3	Jun-84
<i>Russell 2500 Value</i>	3.1	4.1	19.2	19.2	7.3	12.9	16.4	4.5	4.8	10.2	--	Jun-84
Keeley	3.8	6.9	28.2	28.2	11.0	16.0	21.2	3.5	5.6	10.6	11.8	Dec-92
<i>Keeley SCV Custom Benchmark</i>	4.2	3.2	18.0	18.0	5.6	11.6	15.7	2.0	3.9	9.7	10.4	Dec-92
International Equity Composite	3.2	5.0	18.4	18.4	1.1	5.6	13.6	1.1	6.6	--	--	
<i>MSCI ACWI ex USA</i>	3.5	5.8	16.8	16.8	0.4	3.9	12.2	-2.9	3.5	9.7	--	
<i>MSCI EAFE</i>	3.2	6.6	17.3	17.3	1.5	3.6	10.0	-3.7	2.2	8.2	--	
FIS Group Non-U.S. Equity	2.6	4.2	--	--	--	--	--	--	--	--	--	Aug-12
<i>MSCI ACWI ex USA</i>	3.5	5.8	16.8	16.8	0.4	3.9	12.2	-2.9	3.5	9.7	12.1	Aug-12
NTGI MSCI ACWI ex. U.S. Index Fund	3.4	5.8	17.1	17.1	0.7	4.1	12.4	--	--	--	11.8	Oct-08
<i>MSCI ACWI ex USA</i>	3.5	5.8	16.8	16.8	0.4	3.9	12.2	-2.9	3.5	9.7	11.6	Oct-08
LSV	3.4	6.1	17.2	17.2	1.6	4.9	11.7	-2.9	2.4	--	4.1	Apr-05
<i>MSCI EAFE Value</i>	4.0	7.4	17.7	17.7	1.7	2.2	9.4	-4.3	1.5	8.6	3.4	Apr-05
Madison Square	0.5	1.2	19.1	19.1	1.9	3.0	7.3	-0.1	5.1	--	5.9	Nov-04
<i>MSCI EAFE</i>	3.2	6.6	17.3	17.3	1.5	3.6	10.0	-3.7	2.2	8.2	4.1	Nov-04
Walter Scott & Partners	2.4	5.0	20.2	20.2	3.7	6.2	11.6	0.7	4.9	--	6.9	Nov-04
<i>MSCI EAFE Growth</i>	2.4	5.8	16.9	16.9	1.3	4.9	10.5	-3.1	2.9	7.8	4.6	Nov-04
NTGI Small Cap International Index	4.4	5.4	18.2	18.2	0.1	7.6	17.1	--	--	--	16.9	Oct-08
<i>MSCI World ex USA Small Cap</i>	3.8	4.8	17.5	17.5	-0.5	7.2	16.7	-0.7	2.5	12.0	16.4	Oct-08
William Blair	3.5	5.2	22.1	22.1	0.8	8.0	22.5	-3.1	7.0	--	10.3	Jul-05
<i>MSCI Emerging Markets</i>	4.9	5.6	18.2	18.2	-1.8	4.7	19.6	-0.9	8.4	16.5	10.4	Jul-05
Hedge Fund Composite	0.9	1.7	9.4	9.4	2.1	3.1	--	--	--	--	--	
<i>HFRX Equity Hedge Index</i>	0.4	1.4	4.8	4.8	-7.9	-2.6	1.1	-4.9	-1.8	0.7	--	
Rock Creek Georgetown Fund	0.5	1.3	9.9	9.9	2.7	3.8	--	--	--	--	4.6	Jan-09
<i>HFRX Equity Hedge Index</i>	0.4	1.4	4.8	4.8	-7.9	-2.6	1.1	-4.9	-1.8	0.7	1.2	Jan-09
K2 Long Short Fund	1.3	2.1	8.8	8.8	1.4	2.4	--	--	--	--	3.6	Jan-09
<i>HFRX Equity Hedge Index</i>	0.4	1.4	4.8	4.8	-7.9	-2.6	1.1	-4.9	-1.8	0.7	1.2	Jan-09

Investment Manager

Annualized Performance (Net of Fees)

Market Value: \$5,027.4 Million and 100.0% of Fund

	Ending December 31, 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	1.0	1.4	9.0	9.0	12.1	13.7	0.1	-3.4	1.6	4.8	--	--
<i>NFI</i>	0.0	0.0	7.8	7.8	11.0	11.7	3.7	1.6	5.6	8.2	--	--
Open-End Real Estate Comp	1.6	1.9	10.4	10.4	12.7	13.4	-0.1	-2.4	2.4	5.9	--	--
<i>NFI</i>	0.8	2.3	10.0	10.0	12.5	13.4	0.4	-1.9	2.6	5.7	--	--
American Core Realty Fund, LLC	1.0	1.0	8.9	8.9	11.3	10.9	-1.4	-2.4	1.7	--	4.3	Nov-03
<i>NFI</i>	0.8	2.3	10.0	10.0	12.5	13.4	0.4	-1.9	2.6	5.7	5.5	Nov-03
AFL-CIO Building Investment Trust	2.1	2.1	10.8	10.8	11.6	12.1	1.2	-1.2	3.0	4.9	4.9	Jun-02
<i>NFI</i>	0.8	2.3	10.0	10.0	12.5	13.4	0.4	-1.9	2.6	5.7	5.8	Jun-02
JPMorgan Strategic Property Fund	1.1	2.5	11.0	11.0	12.9	13.0	1.2	-0.9	3.5	6.8	6.9	Jun-02
<i>NFI</i>	0.8	2.3	10.0	10.0	12.5	13.4	0.4	-1.9	2.6	5.7	5.8	Jun-02
PRISA	1.7	1.7	8.7	8.7	13.3	14.6	-0.5	-3.3	1.8	5.5	6.1	Nov-81
<i>NFI</i>	0.8	2.3	10.0	10.0	12.5	13.4	0.4	-1.9	2.6	5.7	--	Nov-81
PRISA II	2.3	2.3	13.2	13.2	16.3	18.8	-2.3	-5.4	0.6	5.5	6.8	Nov-89
<i>NFI</i>	0.8	2.3	10.0	10.0	12.5	13.4	0.4	-1.9	2.6	5.7	--	Nov-89

Annuity & Benefit Fund

Inception Performance (Net of Fees)

Ending December 31, 2012

Asset Class	Benchmark	Manager	From	Performance		Difference
				Manager	Benchmark	
SMID-Cap Value Equity	Custom Benchmark ¹	Ariel	July-84	12.3%	11.5%	0.9%
Large-Cap Value Equity	Russell 1000 Value	Great Lakes	April-91	9.6%	9.4%	0.2%
Small-Cap Value Equity	Custom Benchmark	Keeley	January-93	11.8%	10.4%	1.4%
Enhanced Index Fixed Income	BarCap Aggregate	Neuberger Berman	June-01	6.0%	5.8%	0.2%
Large-Cap Growth Equity	Russell 1000 Growth	Holland	November-02	7.4%	7.2%	0.2%
Large-Cap Growth Equity	Russell 1000 Growth	CastleArk	August-04	7.1%	6.1%	1.0%
International Growth Equity	MSCI EAFE Growth	Madison Square	December-04	5.9%	4.1%	1.8%
International Growth Equity	MSCI EAFE Growth	Walter Scott	December-04	6.9%	4.6%	2.3%
International Value Equity	MSCI EAFE Value	LSV	May-05	4.1%	3.4%	0.7%
Int'l Emerging Core Equity	MSCI EM	William Blair	August-05	10.3%	10.4%	-0.1%
Mid-Cap Core Equity	Russell MidCap	Earnest	December-06	4.4%	3.8%	0.6%
Mid-Cap Growth Equity	Custom Benchmark	William Blair	January-07	4.9%	3.8%	1.1%
Large-Cap Core Equity	S&P 500	Rhumblin	September-08	5.1%	4.8%	0.3%
International Core Equity	MSCI ACWI ex. U.S.	NTGI ACWI ex. U.S.	November-08	11.8%	11.6%	0.2%
Int'l Small-Cap Equity	MSCI Small-Cap International	MSCI World Ex USA Small Cap	November-08	16.9%	16.4%	0.5%
Hedged Equity Fund of Funds	HFRX Hedged Equity	K2 Advisors	February-09	3.6%	1.2%	2.4%
Hedged Equity Fund of Funds	HFRX Hedged Equity	Rock Creek	February-09	4.6%	1.2%	3.4%
Core Fixed Income	BarCap Aggregate	LM Capital	April-09	7.1%	6.5%	0.6%
Fixed Income - Intermediate	BarCap Int. Gov/Credit	Segall, Bryant, & Hamill	May-09	6.5%	5.6%	0.9%
Fixed Income - High Yield	BarCap Ba High Yield	MacKay Shields	May-09	15.5%	16.4%	-0.9%
Fixed Income - Senior Loan	CSFB Leveraged Loan	Symphony	September-09	9.6%	8.5%	1.1%
Mid-Cap Growth Equity	Russell MidCap Growth	Geneva Capital	December-09	16.0%	14.8%	1.2%
Core Fixed Income	BarCap Aggregate	UBS	August-10	5.6%	5.0%	0.6%
Large-Cap Value Equity	Russell 1000 Value	Herndon	December-11	15.8%	18.2%	-2.4%

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