

Municipal Employees' Annuity &
Benefit Fund of Chicago

Performance Update (Net of Fees)

Ending June 30, 2015

| | 3 Mo | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | 2014 | 2013 | 2012 | 2011 | 2010 |
|---------------------------------------|-------------|-------------|-------------|-------------|------------|-------------|-------------|-------------|--------------|-------------|
| Total Fund Composite | 0.5 | 3.8 | 10.5 | 10.7 | 5.9 | 5.1 | 16.1 | 12.8 | 0.1 | 14.2 |
| <i>Proposed Policy Benchmark</i> | 0.0 | 2.9 | 9.6 | 9.6 | 5.4 | 5.8 | 14.3 | 11.4 | -0.4 | 12.7 |
| <i>Actuarial Rate</i> | 1.8 | 7.5 | 7.5 | 7.6 | 7.8 | 7.5 | 7.5 | 7.5 | 8.0 | 8.0 |
| Fixed Income Composite | -1.0 | 1.7 | 3.0 | 4.4 | 4.2 | 4.3 | 0.4 | 7.0 | 6.7 | 8.0 |
| <i>Barclays Aggregate</i> | -1.7 | 1.9 | 1.8 | 3.3 | 4.4 | 6.0 | -2.0 | 4.2 | 7.8 | 6.5 |
| U.S. Equity Composite | -0.3 | 6.4 | 16.9 | 17.1 | 8.0 | 8.6 | 33.6 | 16.2 | 0.4 | 20.5 |
| <i>Wilshire 5000 Total Market</i> | 0.1 | 7.1 | 17.5 | 17.3 | 8.2 | 12.7 | 33.1 | 16.1 | 1.0 | 17.2 |
| International Equity Composite | 1.8 | -3.3 | 11.0 | 9.1 | 8.2 | -2.9 | 17.6 | 18.3 | -13.8 | 15.3 |
| <i>MSCI ACWI ex USA</i> | 0.5 | -5.3 | 9.4 | 7.8 | 5.5 | -3.9 | 15.3 | 16.8 | -13.7 | 11.2 |
| <i>MSCI EAFE</i> | 0.6 | -4.2 | 12.0 | 9.5 | 5.1 | -4.9 | 22.8 | 17.3 | -12.1 | 7.8 |
| Hedge Fund Composite | 1.4 | 9.0 | 11.5 | 8.3 | -- | 5.4 | 17.6 | 9.3 | -4.7 | 5.3 |
| <i>HFRX Equity Hedge Index</i> | 0.2 | 2.5 | 6.1 | 2.0 | 0.7 | 1.4 | 11.1 | 4.8 | -19.1 | 8.9 |
| Real Estate Composite | 2.8 | 12.1 | 11.3 | 12.9 | 5.3 | 11.7 | 12.4 | 9.3 | 15.3 | 16.9 |
| <i>NPI</i> | 3.1 | 13.0 | 11.6 | 12.7 | 8.2 | 11.8 | 11.0 | 10.5 | 14.3 | 13.1 |
| Open-End Real Estate Comp | 3.5 | 12.8 | 12.1 | 13.4 | 5.8 | 11.5 | 12.7 | 10.7 | 15.0 | 14.8 |
| <i>NFI</i> | 3.6 | 13.4 | 12.1 | 13.3 | 5.9 | 11.5 | 12.9 | 9.8 | 15.0 | 15.3 |

Green denotes outperformance of the respective benchmark; Red denotes underperformance of the respective benchmark.

Asset Allocation vs. Target

| | Current | Current | Policy |
|-----------------|------------------------|---------------|---------------|
| Fixed Income | \$1,275,613,012 | 25.7% | 27.0% |
| U.S. Equity | \$1,224,696,604 | 24.6% | 26.0% |
| Non-U.S. Equity | \$1,051,635,821 | 21.2% | 22.0% |
| Hedge Funds | \$582,613,198 | 11.7% | 10.0% |
| Real Assets | \$497,878,643 | 10.0% | 10.0% |
| Private Equity | \$254,474,214 | 5.1% | 5.0% |
| Other | \$85,162,433 | 1.7% | 0.0% |
| Total | \$4,972,073,924 | 100.0% | 100.0% |

MEABF Policy Benchmark: A weighted average of the target allocations of the broad asset classes.