



Annuity & Benefit Fund

Municipal Employees' of Chicago

Annuity & Benefit Fund

Monthly Update

May 31, 2012

Total Fund Composite

Market Value: \$4,882.7 Million and 100.0% of Fund

Ending May 31, 2012

	Asset Class	Market Value (\$)	1 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Total Fund Composite		4,882,747,584	-47,724,790	100.0	100.0	0
Fixed Income Composite		1,342,957,163	-154,616	27.5	25.0	122,270,267
Neuberger Berman	Core Plus Fixed Income	294,900,270	25,058	6.0		
LM Capital	Core Fixed Income	313,054,444	-37,609	6.4		
UBS	Core Fixed Income	111,395,920	-10,841	2.3		
Segall Bryant & Hamill	Int. Fixed Income	284,623,578	-25,020,020	5.8		
MackKay Shields	High Yield Fixed Income	142,774,820	24,946,459	2.9		
RBC Global	Opportunistic Fixed Income	75,054,481	-17,279	1.5		
Symphony	Senior Secured Loans	121,153,651	-40,385	2.5		
U.S. Equity Composite		1,366,343,593	-40,360,719	28.0	25.0	145,656,697
FIS Group Composite		142,906,069	-131	2.9	--	142,906,069
Great Lakes	Large-Cap Value	121,716,835	-26,810	2.5		
Herndon	Large-Cap Value	110,018,706	-32,600	2.3		
RhumbLine S&P 500 Index	Large-Cap Core	238,443,380	-40,000,000	4.9		
CastleArk	Large-Cap Growth	114,630,769	-36,420	2.3		
Holland Capital	Large-Cap Growth	110,365,822	-34,266	2.3		
Earnest Partners	Mid-Cap Core	88,223,421	-40,513	1.8		
William Blair	Mid-Cap Growth	91,658,217	-58,318	1.9		
Geneva Capital	Mid-Cap Growth	102,597,896	-42,749	2.1		
Ariel Investments	Smid-Cap Value	111,707,207	-37,171	2.3		
Keeley	Small-Cap Value	134,075,271	-51,741	2.7		
International Equity Composite		941,524,308	-262,995	19.3	20.0	-35,025,209
NTGI MSCI ACWI ex. U.S. Index Fund	Non-U.S. All-Cap Core	250,939,154	0	5.1		
LSV	Non-U.S. Large-Cap Value	129,470,896	-63,135	2.7		
Madison Square	Non-U.S. Large-Cap Core	92,649,795	-38,604	1.9		
Walter Scott & Partners	Non-U.S. Large-Cap Growth	98,329,224	-69,998	2.0		
NTGI Small Cap International Index	Non-U.S. Small-Cap Core	223,197,976	0	4.6		
William Blair	Emerging Markets	146,937,262	-91,258	3.0		
Hedge Fund Composite		500,594,563	0	10.3	10.0	12,319,805
Rock Creek Georgetown Fund	Hedged Equity Hedge FoF	256,022,931	0	5.2		
K2 Long Short Fund	Hedged Equity Hedge FoF	244,571,632	0	5.0		

Total Fund Composite

Market Value: \$4,882.7 Million and 100.0% of Fund

Ending May 31, 2012

	Asset Class	Market Value (\$)	1 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Real Estate Composite		438,790,636	2,127,358	9.0	10.0	-49,484,123
Open-End Real Estate Comp		283,861,561	0	5.8	--	283,861,561
American Core Realty Fund, LLC	Core Real Estate	56,024,689	0	1.1		
AFL-CIO Building Investment Trust	Core Real Estate	64,669,750	0	1.3		
JPMorgan Strategic Property Fund	Core Real Estate	74,757,399	0	1.5		
PRISA	Core Real Estate	52,591,729	0	1.1		
PRISA II	Core Plus Real Estate	35,817,993	0	0.7		
Closed-End Real Estate Composite		154,929,075	2,127,358	3.2	--	154,929,075
Private Equity Composite		217,684,479	-5,430,916	4.5	10.0	-270,590,279
Fund of Funds Private Equity Composite		95,619,632	-369,403	2.0	--	95,619,632
Direct Investment Private Equity Composite		122,064,847	-5,061,512	2.5	--	122,064,847
Cash Accounts		74,852,842	-3,642,902	1.5	0.0	74,852,842

Total Fund Composite

Annualized Performance (Net of Fees)

Market Value: \$4,882.7 Million and 100.0% of Fund

Ending May 31, 2012

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund Composite	-4.3	-3.5	3.0	-2.4	8.7	10.5	1.6	0.7	4.3	5.0
<i>Actuarial Rate</i>	0.6	1.9	3.3	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Fixed Income Composite	0.4	1.2	3.0	6.3	7.1	8.6	6.2	5.4	4.8	--
<i>Barclays Capital Aggregate</i>	0.9	1.5	2.3	7.1	6.5	7.1	6.7	6.7	5.7	5.7
U.S. Equity Composite	-6.7	-5.0	5.0	-3.1	12.5	17.1	2.2	0.3	4.4	--
<i>Dow Jones U.S. Total Stock Market</i>	-6.2	-3.9	5.2	-1.8	11.9	15.6	1.0	-0.5	4.1	4.9
International Equity Composite	-10.7	-12.0	-0.3	-18.2	3.8	6.9	-2.3	-1.6	6.5	--
<i>MSCI ACWI ex USA</i>	-11.4	-14.0	-3.0	-20.5	1.6	4.6	-7.5	-5.6	3.3	5.7
<i>MSCI EAFE</i>	-11.5	-13.6	-3.8	-20.5	1.9	3.4	-8.5	-7.3	1.5	4.0
Hedge Fund Composite	-2.6	-1.7	3.9	-2.9	2.7	3.1	--	--	--	--
<i>HFRX Equity Hedge Index</i>	-3.1	-2.8	0.7	-13.3	-4.8	-2.1	-7.0	-6.4	-1.4	0.2
Real Estate Composite	0.2	2.4	2.7	15.1	18.0	3.9	-5.0	-2.8	3.6	5.2
<i>NPI</i>	0.0	0.9	2.6	10.5	13.5	7.2	0.3	2.3	6.6	8.1
Open-End Real Estate Comp	0.2	3.2	3.5	14.3	17.1	4.2	-4.1	-1.0	4.3	6.5
<i>NFI</i>	0.0	0.8	2.6	10.4	14.7	5.4	-4.4	-1.9	3.2	5.4

Total Fund Composite

Calendar Performance (Net of Fees)

Market Value: \$4,882.7 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 Capital 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: \$4,882.7 Million and 100.0% of Fund

	Ending May 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	-4.3	-3.5	3.0	-2.4	8.7	10.5	1.6	0.7	4.3	5.0	--	--
Actuarial Rate	0.6	1.9	3.3	8.0	8.0	8.0	8.0	8.0	8.0	8.0	--	--
Fixed Income Composite	0.4	1.2	3.0	6.3	7.1	8.6	6.2	5.4	4.8	--	--	--
Barclays Capital Aggregate	0.9	1.5	2.3	7.1	6.5	7.1	6.7	6.7	5.7	5.7	--	--
Neuberger Berman	0.8	1.4	2.7	7.2	7.1	9.3	7.6	7.0	5.9	5.9	6.1	May-01
Barclays Capital Aggregate	0.9	1.5	2.3	7.1	6.5	7.1	6.7	6.7	5.7	5.7	5.9	May-01
LM Capital	0.6	1.3	2.6	6.5	6.4	7.2	--	--	--	--	7.5	Mar-09
Barclays Capital Aggregate	0.9	1.5	2.3	7.1	6.5	7.1	6.7	6.7	5.7	5.7	7.1	Mar-09
UBS	0.8	1.1	2.5	6.8	--	--	--	--	--	--	5.8	Jul-10
Barclays Capital Aggregate	0.9	1.5	2.3	7.1	6.5	7.1	6.7	6.7	5.7	5.7	5.6	Jul-10
Segall Bryant & Hamill	0.6	1.3	2.5	6.1	5.8	6.9	--	--	--	--	7.0	Apr-09
Barclays Capital Int Govt/Credit	0.5	1.0	2.0	5.2	5.3	5.9	5.7	6.0	5.1	5.2	6.0	Apr-09
MacKay Shields	-0.6	0.4	4.7	6.3	10.8	14.5	--	--	--	--	15.5	Apr-09
Barclays Capital High Yield	-1.3	-0.4	5.0	4.0	10.9	16.6	9.9	7.6	8.3	9.1	18.6	Apr-09
RBC Global	1.0	2.0	5.8	2.7	11.5	--	--	--	--	--	15.7	Oct-09
Barclays Capital Aggregate	0.9	1.5	2.3	7.1	6.5	7.1	6.7	6.7	5.7	5.7	6.3	Oct-09
Symphony	-0.6	1.4	4.3	4.9	7.6	--	--	--	--	--	9.7	Aug-09
CSFB Leveraged Loan	-0.5	1.0	3.8	2.2	5.9	11.2	5.1	3.4	4.5	4.8	8.3	Aug-09
U.S. Equity Composite	-6.7	-5.0	5.0	-3.1	12.5	17.1	2.2	0.3	4.4	--	--	--
Dow Jones U.S. Total Stock Market	-6.2	-3.9	5.2	-1.8	11.9	15.6	1.0	-0.5	4.1	4.9	--	--
FIS Group Composite	-6.4	-5.1	2.7	-6.3	--	--	--	--	--	--	10.8	Jul-10
FIS Group Custom Benchmark	-6.4	-4.7	4.4	-5.1	10.4	16.0	1.4	-0.6	4.2	5.3	11.5	Jul-10
Great Lakes	-5.8	-4.5	2.6	-2.1	11.7	16.4	0.4	-1.4	3.9	5.5	9.3	Mar-91
Russell 1000 Value	-5.9	-4.1	3.5	-3.9	9.3	13.7	-1.3	-3.6	2.4	4.1	9.1	Mar-91
Herndon	-7.2	-5.3	7.8	--	--	--	--	--	--	--	7.3	Nov-11
Russell 1000 Value	-5.9	-4.1	3.5	-3.9	9.3	13.7	-1.3	-3.6	2.4	4.1	5.6	Nov-11
RhumbLine S&P 500 Index	-5.9	-3.3	5.4	0.1	12.1	14.9	--	--	--	--	3.2	Aug-08
S&P 500	-6.0	-3.5	5.2	-0.4	12.0	14.9	0.6	-0.9	3.5	4.1	2.8	Aug-08
CastleArk	-8.1	-5.8	5.6	-3.8	14.6	16.5	-0.6	1.1	5.1	--	6.7	Jul-04
Russell 1000 Growth	-6.4	-3.5	7.2	1.5	14.6	16.9	2.6	2.0	5.0	4.7	5.5	Jul-04
Holland Capital	-7.0	-4.3	6.1	0.2	14.5	16.5	4.1	3.4	5.4	--	7.2	Oct-02
Russell 1000 Growth	-6.4	-3.5	7.2	1.5	14.6	16.9	2.6	2.0	5.0	4.7	6.8	Oct-02
Earnest Partners	-7.5	-7.8	3.2	-6.9	10.6	17.2	0.8	0.9	--	--	2.6	Nov-06
Russell MidCap	-6.7	-4.9	5.0	-6.3	11.4	18.5	1.5	0.0	5.4	7.4	2.2	Nov-06
William Blair	-8.2	-6.8	4.4	-5.1	13.3	16.3	4.4	2.0	--	--	4.2	Dec-06
William Blair MCG Custom Benchmark	-6.7	-4.9	5.0	-6.3	11.4	18.5	2.6	0.3	5.3	7.1	2.2	Dec-06

Investment Manager

Annualized Performance (Net of Fees)

Market Value: \$4,882.7 Million and 100.0% of Fund

	Ending May 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	-6.4	-2.4	7.5	1.9	17.9	--	--	--	--	--	18.6	Nov-09
<i>Russell MidCap Growth</i>	-7.4	-5.3	6.1	-6.3	13.0	18.5	1.7	1.2	5.8	7.0	14.4	Nov-09
Ariel Investments	-7.4	-7.9	2.5	-14.1	5.9	19.3	2.9	-1.9	1.9	4.4	11.9	Jun-84
<i>Russell 2500 Value</i>	-6.2	-4.4	4.0	-7.7	8.4	17.2	1.9	-1.5	4.0	6.7	--	Jun-84
Keeley	-5.9	-4.5	6.6	-5.4	11.7	18.6	-1.2	-1.8	4.7	6.9	11.2	Dec-92
<i>Keeley SCV Custom Benchmark</i>	-6.1	-4.6	3.3	-8.3	6.2	15.1	-1.0	-3.2	3.4	6.3	9.9	Dec-92
International Equity Composite	-10.7	-12.0	-0.3	-18.2	3.8	6.9	-2.3	-1.6	6.5	--	--	
<i>MSCI ACWI ex USA</i>	-11.4	-14.0	-3.0	-20.5	1.6	4.6	-7.5	-5.6	3.3	5.7	--	
<i>MSCI EAFE</i>	-11.5	-13.6	-3.8	-20.5	1.9	3.4	-8.5	-7.3	1.5	4.0	--	
NTGI MSCI ACWI ex. U.S. Index Fund	-11.2	-13.6	-2.6	-20.2	2.0	4.9	--	--	--	--	8.1	Oct-08
<i>MSCI ACWI ex USA</i>	-11.4	-14.0	-3.0	-20.5	1.6	4.6	-7.5	-5.6	3.3	5.7	7.9	Oct-08
LSV	-10.9	-14.1	-4.8	-22.3	2.4	4.3	-7.7	-8.2	1.4	--	1.4	Apr-05
<i>MSCI EAFE Value</i>	-11.7	-15.3	-6.1	-22.6	-0.5	1.1	-9.5	-9.2	0.4	3.9	0.4	Apr-05
Madison Square	-11.1	-9.2	2.5	-15.3	2.6	3.2	-3.2	-3.2	4.2	--	4.3	Nov-04
<i>MSCI EAFE</i>	-11.5	-13.6	-3.8	-20.5	1.9	3.4	-8.5	-7.3	1.5	4.0	1.7	Nov-04
Walter Scott & Partners	-8.4	-8.3	1.8	-13.6	4.8	5.9	-3.2	-1.3	5.3	--	5.1	Nov-04
<i>MSCI EAFE Growth</i>	-11.3	-11.9	-1.5	-18.4	4.3	5.7	-7.5	-5.6	2.5	4.1	2.6	Nov-04
NTGI Small Cap International Index	-11.7	-12.6	-0.1	-19.8	5.5	9.7	--	--	--	--	14.4	Oct-08
<i>MSCI World ex USA Small Cap</i>	-11.8	-12.8	-0.2	-20.3	5.2	9.3	-4.3	-5.6	3.2	7.9	14.0	Oct-08
William Blair	-9.7	-10.7	4.9	-12.8	6.3	13.2	-5.3	-2.7	--	--	8.8	Jul-05
<i>MSCI Emerging Markets</i>	-11.2	-15.2	0.1	-20.3	1.3	7.9	-4.7	0.1	10.0	12.8	8.6	Jul-05
Hedge Fund Composite	-2.6	-1.7	3.9	-2.9	2.7	3.1	--	--	--	--	--	
<i>HFRX Equity Hedge Index</i>	-3.1	-2.8	0.7	-13.3	-4.8	-2.1	-7.0	-6.4	-1.4	0.2	--	
Rock Creek Georgetown Fund	-2.2	-1.0	4.9	-1.1	3.5	4.0	--	--	--	--	4.0	Jan-09
<i>HFRX Equity Hedge Index</i>	-3.1	-2.8	0.7	-13.3	-4.8	-2.1	-7.0	-6.4	-1.4	0.2	0.2	Jan-09
K2 Long Short Fund	-3.0	-2.4	2.9	-4.8	1.8	2.1	--	--	--	--	2.6	Jan-09
<i>HFRX Equity Hedge Index</i>	-3.1	-2.8	0.7	-13.3	-4.8	-2.1	-7.0	-6.4	-1.4	0.2	0.2	Jan-09

Investment Manager

Annualized Performance (Net of Fees)

Market Value: \$4,882.7 Million and 100.0% of Fund

	Ending May 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	0.2	2.4	2.7	14.7	17.8	3.8	-5.1	-2.8	3.6	5.2	--	--
<i>NFI</i>	0.0	0.9	2.6	10.5	13.5	7.2	0.3	2.3	6.6	8.1	--	--
Open-End Real Estate Comp	0.2	3.2	3.5	14.3	17.1	4.2	-4.1	-1.0	4.3	6.5	--	--
<i>NFI</i>	0.0	0.8	2.6	10.4	14.7	5.4	-4.4	-1.9	3.2	5.4	--	--
American Core Realty Fund, LLC	0.0	2.8	2.8	12.3	14.0	0.8	-4.6	-1.5	2.9	--	3.9	Nov-03
<i>NFI</i>	0.0	0.8	2.6	10.4	14.7	5.4	-4.4	-1.9	3.2	5.4	5.0	Nov-03
AFL-CIO Building Investment Trust	0.0	3.6	3.6	14.1	14.5	2.4	-3.4	-0.6	4.0	4.5	4.5	Jun-02
<i>NFI</i>	0.0	0.8	2.6	10.4	14.7	5.4	-4.4	-1.9	3.2	5.4	5.4	Jun-02
JPMorgan Strategic Property Fund	0.7	2.7	3.8	13.1	16.0	5.8	-2.3	0.2	5.3	--	7.5	Jun-02
<i>NFI</i>	0.0	0.8	2.6	10.4	14.7	5.4	-4.4	-1.9	3.2	5.4	5.4	Jun-02
PRISA	0.0	3.0	3.0	15.4	19.7	3.3	-5.5	-2.1	3.5	5.6	6.1	Nov-81
<i>NFI</i>	0.0	0.8	2.6	10.4	14.7	5.4	-4.4	-1.9	3.2	5.4	--	Nov-81
PRISA II	0.0	4.3	4.3	18.4	23.9	4.0	-8.5	-4.7	1.9	5.2	6.6	Nov-89
<i>NFI</i>	0.0	0.8	2.6	10.4	14.7	5.4	-4.4	-1.9	3.2	5.4	--	Nov-89

Annuity & Benefit Fund

Inception Performance (Net of Fees)

Ending May 31, 2012

Asset Class	Benchmark	Manager	From	Performance		Difference
				Manager	Benchmark	
SMID-Cap Value Equity	Custom Benchmark ¹	Ariel	July-84	11.9%	11.2%	0.7%
Large-Cap Value Equity	Russell 1000 Value	Great Lakes	April-91	9.3%	9.1%	0.2%
Small-Cap Value Equity	Custom Benchmark	Keeley	January-93	11.2%	9.9%	1.3%
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	7.2%	6.8%	0.4%
Large-Cap Growth Equity	Russell 1000 Growth	CastleArk	August-04	6.7%	5.5%	1.2%
International Growth Equity	MSCI EAFE Growth	Madison Square	December-04	4.3%	1.7%	2.6%
International Growth Equity	MSCI EAFE Growth	Walter Scott	December-04	5.1%	2.6%	2.5%
International Value Equity	MSCI EAFE Value	LSV	May-05	1.4%	0.4%	1.0%
Int'l Emerging Core Equity	MSCI EM	William Blair	August-05	8.8%	8.6%	0.2%
Mid-Cap Core Equity	Russell MidCap	Earnest	December-06	2.6%	2.2%	0.4%
Mid-Cap Growth Equity	Custom Benchmark	William Blair	January-07	4.2%	2.2%	2.0%
Large-Cap Core Equity	S&P 500	Rhumblin	September-08	3.2%	2.8%	0.4%
International Core Equity	MSCI ACWI ex. U.S.	NTGI ACWI ex. U.S.	November-08	8.1%	7.9%	0.2%
Int'l Small-Cap Equity	MSCI Small-Cap International	MSCI World Ex USA Small Cap	November-08	14.4%	14.0%	0.4%
Hedged Equity Fund of Funds	HFRX Hedged Equity	K2 Advisors	February-09	2.6%	0.2%	2.4%
Hedged Equity Fund of Funds	HFRX Hedged Equity	Rock Creek	February-09	4.0%	0.2%	3.8%
Core Fixed Income	BarCap Aggregate	LM Capital	April-09	7.5%	7.1%	0.4%
Fixed Income - Intermediate	BarCap Int. Gov/Credit	Segall, Bryant, & Hamill	May-09	7.0%	6.0%	1.0%
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	9.7%	8.3%	1.4%
Fixed Income - Opportunistic	BarCap Aggregate	RBC Global	November-09	15.7%	6.3%	9.4%
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	5.8%	5.6%	0.2%
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	7.3%	5.6%	1.7%

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