



Annuity & Benefit Fund

Municipal Employees' of Chicago

Annuity & Benefit Fund

Monthly Update

July 31, 2012

Total Fund Composite

Market Value: \$4,967.6 Million and 100.0% of Fund

Ending July 31, 2012

	Asset Class	Market Value (\$)	1 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Total Fund Composite		4,967,579,876	-21,134,969	100.0	100.0	0
Fixed Income Composite		1,369,043,016	-205,819	27.6	25.0	127,148,047
Neuberger Berman	Core Plus Fixed Income	274,792,999	-12,239	5.5		
LM Capital	Core Fixed Income	318,485,191	-37,870	6.4		
UBS	Core Fixed Income	113,244,731	-10,984	2.3		
Segall Bryant & Hamill	Int. Fixed Income	287,785,781	-20,802	5.8		
MackKay Shields	High Yield Fixed Income	173,835,783	-65,188	3.5		
RBC Global	Opportunistic Fixed Income	77,530,196	-17,612	1.6		
Symphony	Senior Secured Loans	123,368,335	-41,123	2.5		
U.S. Equity Composite		1,340,559,710	-25,347,430	27.0	25.0	98,664,741
FIS Group Composite		148,182,316	-265	3.0	--	148,182,316
Great Lakes	Large-Cap Value	107,939,631	-27,097	2.2		
Herndon	Large-Cap Value	115,272,682	-33,951	2.3		
RhumbLine S&P 500 Index	Large-Cap Core	251,642,907	-27	5.1		
CastleArk	Large-Cap Growth	91,477,403	-29,915	1.8		
Holland Capital	Large-Cap Growth	113,324,833	-34,922	2.3		
Earnest Partners	Mid-Cap Core	91,041,159	-41,861	1.8		
William Blair	Mid-Cap Growth	80,026,898	-12,551,266	1.6		
Geneva Capital	Mid-Cap Growth	88,493,425	-12,536,872	1.8		
Ariel Investments	Smid-Cap Value	113,093,657	-37,510	2.3		
Keeley	Small-Cap Value	140,064,800	-53,743	2.8		
International Equity Composite		1,002,400,205	-282,907	20.2	20.0	8,884,230
NTGI MSCI ACWI ex. U.S. Index Fund	Non-U.S. All-Cap Core	269,269,730	-1,118	5.4		
LSV	Non-U.S. Large-Cap Value	140,146,822	-67,561	2.8		
Madison Square	Non-U.S. Large-Cap Core	100,021,511	-41,927	2.0		
Walter Scott & Partners	Non-U.S. Large-Cap Growth	106,287,245	-74,091	2.1		
NTGI Small Cap International Index	Non-U.S. Small-Cap Core	232,586,569	375	4.7		
William Blair	Emerging Markets	154,088,328	-98,584	3.1		
Hedge Fund Composite		506,242,687	0	10.2	10.0	9,484,700
Rock Creek Georgetown Fund	Hedged Equity Hedge FoF	258,284,975	0	5.2		
K2 Long Short Fund	Hedged Equity Hedge FoF	247,957,712	0	5.0		

Total Fund Composite

Market Value: \$4,967.6 Million and 100.0% of Fund

Ending July 31, 2012

	Asset Class	Market Value (\$)	1 Mo Net Cash Flows (\$)	% of Portfolio	Policy %	Policy Difference (\$)
Real Estate Composite		428,696,642	637,428	8.6	10.0	-68,061,346
Open-End Real Estate Comp		288,799,314	-896,176	5.8	--	288,799,314
American Core Realty Fund, LLC	Core Real Estate	56,706,742	-711,608	1.1		
AFL-CIO Building Investment Trust	Core Real Estate	66,311,670	0	1.3		
JPMorgan Strategic Property Fund	Core Real Estate	75,910,095	-184,568	1.5		
PRISA	Core Real Estate	53,133,613	0	1.1		
PRISA II	Core Plus Real Estate	36,737,194	0	0.7		
Closed-End Real Estate Composite		139,897,328	1,533,605	2.8	--	139,897,328
Private Equity Composite		228,646,700	1,663,273	4.6	10.0	-268,111,288
Fund of Funds Private Equity Composite		101,197,923	133,381	2.0	--	101,197,923
Direct Investment Private Equity Composite		127,448,777	1,529,892	2.6	--	127,448,777
Cash Accounts		91,990,916	2,400,484	1.9	0.0	91,990,916

Total Fund Composite

Annualized Performance (Net of Fees)

Market Value: \$4,967.6 Million and 100.0% of Fund

Ending July 31, 2012

	1 Mo	3 Mo	YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs
Total Fund Composite	0.8	-1.4	6.2	2.1	8.9	9.9	4.3	1.8	4.3	6.2
<i>Actuarial Rate</i>	0.6	1.9	4.6	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Fixed Income Composite	1.5	2.4	5.0	7.2	6.6	8.1	7.1	5.7	5.1	--
<i>Barclays Aggregate</i>	1.4	2.3	3.8	7.3	5.8	6.9	7.1	6.9	5.9	5.6
U.S. Equity Composite	0.0	-3.7	8.4	4.5	13.8	15.2	5.6	1.9	4.1	--
<i>Dow Jones U.S. Total Stock Market</i>	1.0	-1.5	10.5	7.4	14.0	14.4	4.6	1.5	4.1	7.1
International Equity Composite	1.7	-5.0	6.1	-10.6	3.3	6.1	2.5	-0.5	6.7	--
<i>MSCI ACWI ex USA</i>	1.4	-4.8	4.2	-12.2	1.5	4.2	-2.9	-4.3	3.6	8.0
<i>MSCI EAFE</i>	1.1	-4.2	4.1	-11.4	1.9	3.3	-3.9	-5.6	2.0	6.4
Hedge Fund Composite	1.1	-1.5	5.1	-0.6	3.5	2.9	--	--	--	--
<i>HFRX Equity Hedge Index</i>	0.5	-2.0	1.7	-9.4	-4.7	-1.9	-5.6	-5.9	-1.9	0.6
Real Estate Composite	0.1	1.7	4.4	10.6	15.5	9.3	-4.9	-3.2	3.4	5.3
<i>NPI</i>	0.0	1.8	5.3	10.8	13.6	9.2	0.9	2.3	6.5	8.2
Open-End Real Estate Comp	0.2	2.5	5.8	12.3	15.7	8.0	-3.7	-1.4	3.9	6.5
<i>NFI</i>	0.0	1.5	4.9	10.1	14.3	8.3	-3.8	-2.0	3.1	5.5

Total Fund Composite

Calendar Performance (Net of Fees)

Market Value: \$4,967.6 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: \$4,967.6 Million and 100.0% of Fund

	Ending July 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	0.8	-1.4	6.2	2.1	8.9	9.9	4.3	1.8	4.3	6.2	--	--
<i>Actuarial Rate</i>	0.6	1.9	4.6	8.0	8.0	8.0	8.0	8.0	8.0	8.0	--	--
Fixed Income Composite	1.5	2.4	5.0	7.2	6.6	8.1	7.1	5.7	5.1	--	--	--
<i>Barclays Aggregate</i>	1.4	2.3	3.8	7.3	5.8	6.9	7.1	6.9	5.9	5.6	--	--
Neuberger Berman	1.6	2.6	4.6	7.9	6.4	8.6	8.3	7.3	6.2	5.9	6.2	May-01
<i>Barclays Aggregate</i>	1.4	2.3	3.8	7.3	5.8	6.9	7.1	6.9	5.9	5.6	6.0	May-01
LM Capital	1.6	2.3	4.3	6.9	5.7	7.1	--	--	--	--	7.7	Mar-09
<i>Barclays Aggregate</i>	1.4	2.3	3.8	7.3	5.8	6.9	7.1	6.9	5.9	5.6	7.2	Mar-09
UBS	1.4	2.4	4.2	7.6	6.2	--	--	--	--	--	6.2	Jul-10
<i>Barclays Aggregate</i>	1.4	2.3	3.8	7.3	5.8	6.9	7.1	6.9	5.9	5.6	5.8	Jul-10
Segall Bryant & Hamill	1.1	1.7	3.6	5.9	5.1	6.4	--	--	--	--	7.0	Apr-09
<i>Barclays Int Govt/Credit</i>	1.0	1.5	3.1	4.9	4.5	5.7	5.9	6.0	5.3	5.1	6.1	Apr-09
Mackay Shields	1.9	2.8	8.3	9.1	10.4	12.9	--	--	--	--	15.8	Apr-09
<i>Barclays High Yield</i>	1.9	2.7	9.3	8.1	10.5	14.7	12.2	9.6	8.4	10.9	19.0	Apr-09
RBC Global	1.7	4.3	9.2	6.7	11.7	--	--	--	--	--	16.0	Oct-09
<i>Barclays Aggregate</i>	1.4	2.3	3.8	7.3	5.8	6.9	7.1	6.9	5.9	5.6	6.5	Oct-09
Symphony	1.1	1.2	6.1	6.5	7.7	--	--	--	--	--	9.8	Aug-09
<i>CSFB Leveraged Loan</i>	1.0	1.2	5.5	4.2	6.2	9.0	5.8	4.4	4.5	5.3	8.4	Aug-09
U.S. Equity Composite	0.0	-3.7	8.4	4.5	13.8	15.2	5.6	1.9	4.1	--	--	--
<i>Dow Jones U.S. Total Stock Market</i>	1.0	-1.5	10.5	7.4	14.0	14.4	4.6	1.5	4.1	7.1	--	--
FIS Group Composite	0.0	-3.1	6.4	2.0	11.9	--	--	--	--	--	11.9	Jul-10
<i>FIS Group Custom Benchmark</i>	-0.1	-2.4	8.9	4.1	12.9	14.1	4.3	1.6	3.8	7.7	12.9	Jul-10
Great Lakes	1.6	-0.7	8.1	7.7	13.1	15.6	4.3	0.3	4.0	7.7	9.5	Mar-91
<i>Russell 1000 Value</i>	1.0	-0.2	9.8	7.6	12.1	13.2	2.8	-1.1	2.6	6.4	9.3	Mar-91
Herdon	1.6	-2.9	12.9	--	--	--	--	--	--	--	12.3	Nov-11
<i>Russell 1000 Value</i>	1.0	-0.2	9.8	7.6	12.1	13.2	2.8	-1.1	2.6	6.4	12.0	Nov-11
RhumbLine S&P 500 Index	1.3	-0.6	11.2	9.6	14.4	14.1	--	--	--	--	4.5	Aug-08
<i>S&P 500</i>	1.4	-0.8	11.0	9.1	14.3	14.1	4.4	1.1	3.8	6.3	4.2	Aug-08
CastleArk	-1.1	-6.2	7.8	2.4	15.9	14.3	2.8	2.1	4.7	--	6.8	Jul-04
<i>Russell 1000 Growth</i>	1.3	-2.6	11.6	8.3	16.2	15.4	6.1	3.5	5.0	6.8	6.0	Jul-04
Holland Capital	0.2	-4.6	8.9	6.2	14.7	15.0	7.6	4.9	5.2	--	7.4	Oct-02
<i>Russell 1000 Growth</i>	1.3	-2.6	11.6	8.3	16.2	15.4	6.1	3.5	5.0	6.8	7.2	Oct-02
Earnest Partners	0.0	-4.7	6.4	0.9	12.9	15.4	4.3	2.5	--	--	3.1	Nov-06
<i>Russell MidCap</i>	0.2	-3.9	8.2	2.3	12.8	16.2	5.1	1.9	4.7	9.6	2.7	Nov-06
William Blair	-1.7	-7.4	5.2	-0.4	14.9	14.6	6.9	2.8	--	--	4.2	Dec-06
<i>William Blair MCG Custom Benchmark</i>	0.2	-3.9	8.2	2.3	12.8	16.2	5.4	2.5	4.4	9.4	2.6	Dec-06

Investment Manager

Annualized Performance (Net of Fees)

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	Ending July 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	-2.1	-8.0	5.7	5.4	16.1	--	--	--	--	--	16.6	Nov-09
<i>Russell MidCap Growth</i>	-0.1	-5.7	8.0	0.7	14.0	16.0	5.1	2.3	5.0	9.6	14.2	Nov-09
Ariel Investments	-3.9	-6.3	3.7	-5.9	6.9	14.9	6.2	-0.3	1.5	6.2	11.9	Jun-84
<i>Russell 2500 Value</i>	-0.4	-2.9	7.7	1.9	10.9	14.8	4.9	1.3	3.2	8.8	--	Jun-84
Keeley	1.1	-1.8	11.3	3.4	14.6	17.1	2.8	0.4	4.2	8.8	11.3	Dec-92
<i>Keeley SCV Custom Benchmark</i>	-1.0	-2.6	7.1	0.9	9.4	12.8	2.6	-0.8	2.8	8.3	10.0	Dec-92
International Equity Composite	1.7	-5.0	6.1	-10.6	3.3	6.1	2.5	-0.5	6.7	--	--	
<i>MSCI ACWI ex USA</i>	1.4	-4.8	4.2	-12.2	1.5	4.2	-2.9	-4.3	3.6	8.0	--	
<i>MSCI EAFE</i>	1.1	-4.2	4.1	-11.4	1.9	3.3	-3.9	-5.6	2.0	6.4	--	
NTGI MSCI ACWI ex. U.S. Index Fund	1.5	-4.7	4.5	-11.9	1.8	4.5	--	--	--	--	9.8	Oct-08
<i>MSCI ACWI ex USA</i>	1.4	-4.8	4.2	-12.2	1.5	4.2	-2.9	-4.3	3.6	8.0	9.6	Oct-08
LSV	1.7	-3.7	3.0	-13.1	2.0	4.0	-2.8	-6.4	1.7	--	2.5	Apr-05
<i>MSCI EAFE Value</i>	0.6	-3.6	2.6	-12.5	-0.1	1.3	-4.4	-7.2	1.0	6.4	1.6	Apr-05
Madison Square	3.5	-4.2	10.5	-4.0	3.3	3.8	0.8	-1.0	4.8	--	5.2	Nov-04
<i>MSCI EAFE</i>	1.1	-4.2	4.1	-11.4	1.9	3.3	-3.9	-5.6	2.0	6.4	2.7	Nov-04
Walter Scott & Partners	2.2	-1.1	9.9	-5.2	5.8	6.4	1.4	0.2	6.0	--	6.0	Nov-04
<i>MSCI EAFE Growth</i>	1.7	-4.8	5.6	-10.4	3.8	5.3	-3.4	-4.1	3.0	6.3	3.5	Nov-04
NTGI Small Cap International Index	0.7	-7.9	4.1	-14.3	3.9	7.9	--	--	--	--	14.9	Oct-08
<i>MSCI World ex USA Small Cap</i>	0.8	-8.0	4.0	-14.6	3.5	7.6	-0.1	-4.7	2.8	9.7	14.6	Oct-08
William Blair	2.0	-5.4	9.9	-7.8	4.4	10.6	-0.4	-2.8	9.3	--	9.3	Jul-05
<i>MSCI Emerging Markets</i>	2.0	-6.0	6.0	-13.9	0.5	6.6	0.2	-0.7	9.3	15.2	9.3	Jul-05
Hedge Fund Composite	1.1	-1.5	5.1	-0.6	3.5	2.9	--	--	--	--	--	
<i>HFRX Equity Hedge Index</i>	0.5	-2.0	1.7	-9.4	-4.7	-1.9	-5.6	-5.9	-1.9	0.6	--	
Rock Creek Georgetown Fund	1.0	-1.3	5.8	0.3	4.0	3.8	--	--	--	--	4.1	Jan-09
<i>HFRX Equity Hedge Index</i>	0.5	-2.0	1.7	-9.4	-4.7	-1.9	-5.6	-5.9	-1.9	0.6	0.5	Jan-09
K2 Long Short Fund	1.1	-1.7	4.3	-1.5	2.9	2.0	--	--	--	--	2.8	Jan-09
<i>HFRX Equity Hedge Index</i>	0.5	-2.0	1.7	-9.4	-4.7	-1.9	-5.6	-5.9	-1.9	0.6	0.5	Jan-09

Investment Manager

Annualized Performance (Net of Fees)

Market Value: \$4,967.6 Million and 100.0% of Fund

	Ending July 31, 2012										Inception	
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Open-End Real Estate Comp	0.2	2.5	5.8	12.3	15.7	8.0	-3.7	-1.4	3.9	6.5	--	
<i>NFI</i>	0.0	1.5	4.9	10.1	14.3	8.3	-3.8	-2.0	3.1	5.5	--	
American Core Realty Fund, LLC	0.0	2.5	5.3	11.0	13.7	4.3	-4.4	-1.8	2.5	--	4.1	Nov-03
<i>NFI</i>	0.0	1.5	4.9	10.1	14.3	8.3	-3.8	-2.0	3.1	5.5	5.2	Nov-03
AFL-CIO Building Investment Trust	0.0	2.5	6.2	12.3	14.2	6.1	-2.8	-0.8	3.9	4.7	4.7	Jun-02
<i>NFI</i>	0.0	1.5	4.9	10.1	14.3	8.3	-3.8	-2.0	3.1	5.5	5.5	Jun-02
JPMorgan Strategic Property Fund	0.6	2.3	5.4	10.9	14.8	8.2	-1.9	0.0	5.0	7.5	7.5	Jun-02
<i>NFI</i>	0.0	1.5	4.9	10.1	14.3	8.3	-3.8	-2.0	3.1	5.5	5.5	Jun-02
PRISA	0.0	2.1	5.3	12.6	16.6	9.2	-5.1	-2.8	2.9	5.6	6.1	Nov-81
<i>NFI</i>	0.0	1.5	4.9	10.1	14.3	8.3	-3.8	-2.0	3.1	5.5	--	Nov-81
PRISA II	0.0	3.4	7.8	16.2	21.1	9.9	-8.0	-5.4	1.3	5.3	6.7	Nov-89
<i>NFI</i>	0.0	1.5	4.9	10.1	14.3	8.3	-3.8	-2.0	3.1	5.5	--	Nov-89

Annuity & Benefit Fund

Inception Performance (Net of Fees)

Ending July 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	9.5%	9.3%	0.2%
Small-Cap Value Equity	Custom Benchmark	Keeley	January-93	11.3%	10.0%	1.3%
Enhanced Index Fixed Income	BarCap Aggregate	Neuberger Berman	June-01	6.2%	6.0%	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	6.8%	6.0%	0.8%
International Growth Equity	MSCI EAFE Growth	Madison Square	December-04	5.2%	2.7%	2.5%
International Growth Equity	MSCI EAFE Growth	Walter Scott	December-04	6.0%	3.5%	2.5%
International Value Equity	MSCI EAFE Value	LSV	May-05	2.5%	1.6%	0.9%
Int'l Emerging Core Equity	MSCI EM	William Blair	August-05	9.3%	9.3%	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	4.5%	4.2%	0.3%
International Core Equity	MSCI ACWI ex. U.S.	NTGI ACWI ex. U.S.	November-08	9.8%	9.6%	0.2%
Int'l Small-Cap Equity	MSCI Small-Cap International	MSCI World Ex USA Small Cap	November-08	14.9%	14.6%	0.3%
Hedged Equity Fund of Funds	HFRX Hedged Equity	K2 Advisors	February-09	2.8%	0.5%	2.3%
Hedged Equity Fund of Funds	HFRX Hedged Equity	Rock Creek	February-09	4.1%	0.5%	3.6%
Core Fixed Income	BarCap Aggregate	LM Capital	April-09	7.7%	7.2%	0.5%
Fixed Income - Intermediate	BarCap Int. Gov/Credit	Segall, Bryant, & Hamill	May-09	7.0%	6.1%	0.9%
Fixed Income - High Yield	BarCap High Yield	Mackay Shields	May-09	15.8%	19.0%	-3.2%
Fixed Income - Senior Loan	CSFB Leveraged Loan	Symphony	September-09	9.8%	8.4%	1.4%
Fixed Income - Opportunistic	BarCap Aggregate	RBC Global	November-09	16.0%	6.5%	9.5%
Mid-Cap Growth Equity	Russell MidCap Growth	Geneva Capital	December-09	16.0%	14.2%	1.8%
Core Fixed Income	BarCap Aggregate	UBS	August-10	6.2%	5.8%	0.4%
All-Cap Core Equity	50% Russell 1000 / 50% Russell 2000	FIS Group	August-10	11.9%	12.9%	-1.0%
Large-Cap Value Equity	Russell 1000 Value	Herndon	December-11	12.3%	12.0%	0.3%

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