
Pension Study Task Force

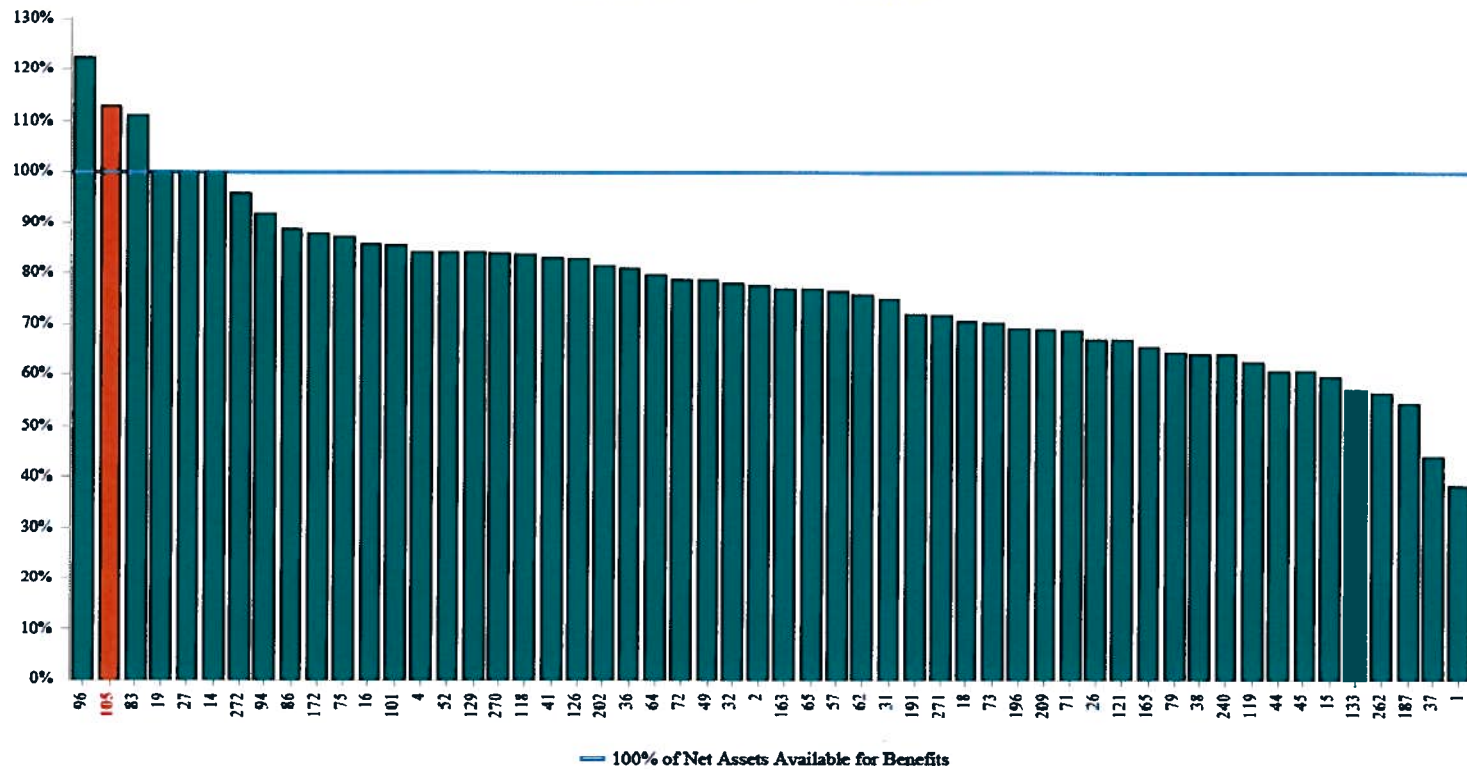
May 10, 2011



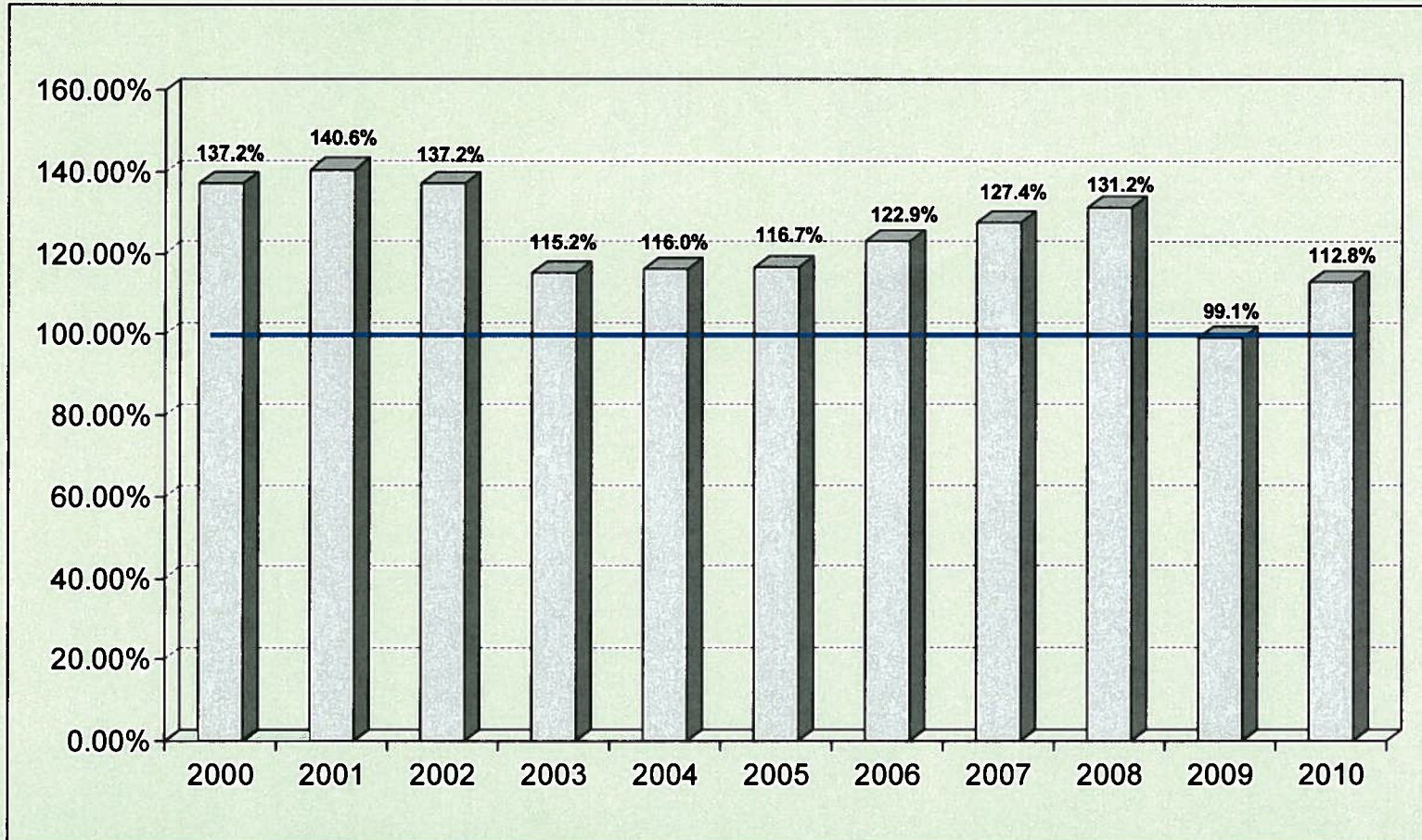
Net Assets Available For Benefits
Expressed as a Percentage of the Pension Benefit Obligation
As of December 31, 2010

Fund Number: 105

54 of 72 funds provided Net Assets Available data



City Employees' Retirement System Year End Funded Ratio* Analysis



*Actuarial Value of Pension Fund Assets

PV of Accumulated Plan Benefits

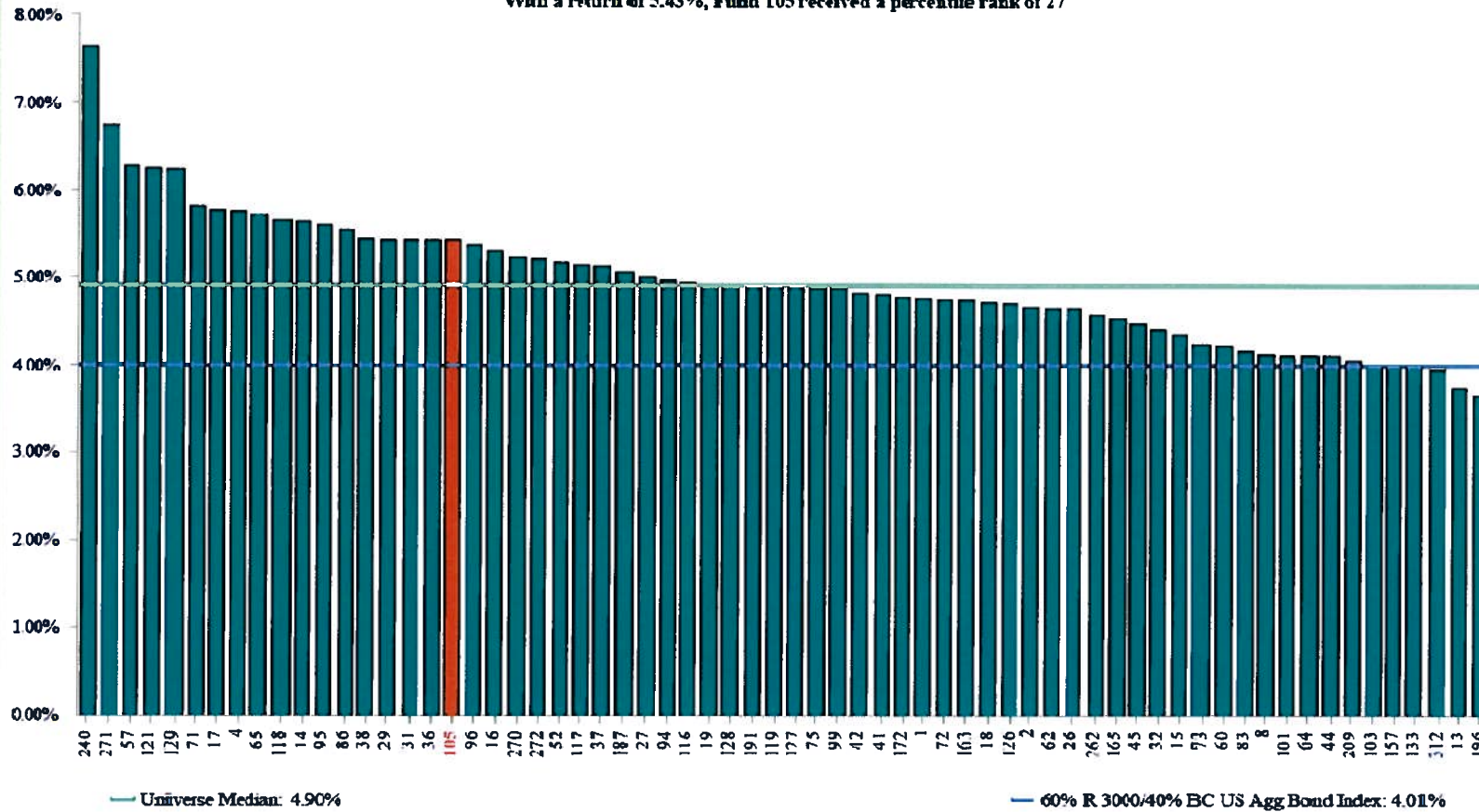
Source: City of Milwaukee Employees' Retirement System

10 Year Annualized Total Fund Returns

As of December 31, 2010

Fund Number: 105

66 of 72 funds provided Total Fund returns for this time period
 With a return of 5.43%, Fund 105 received a percentile rank of 27



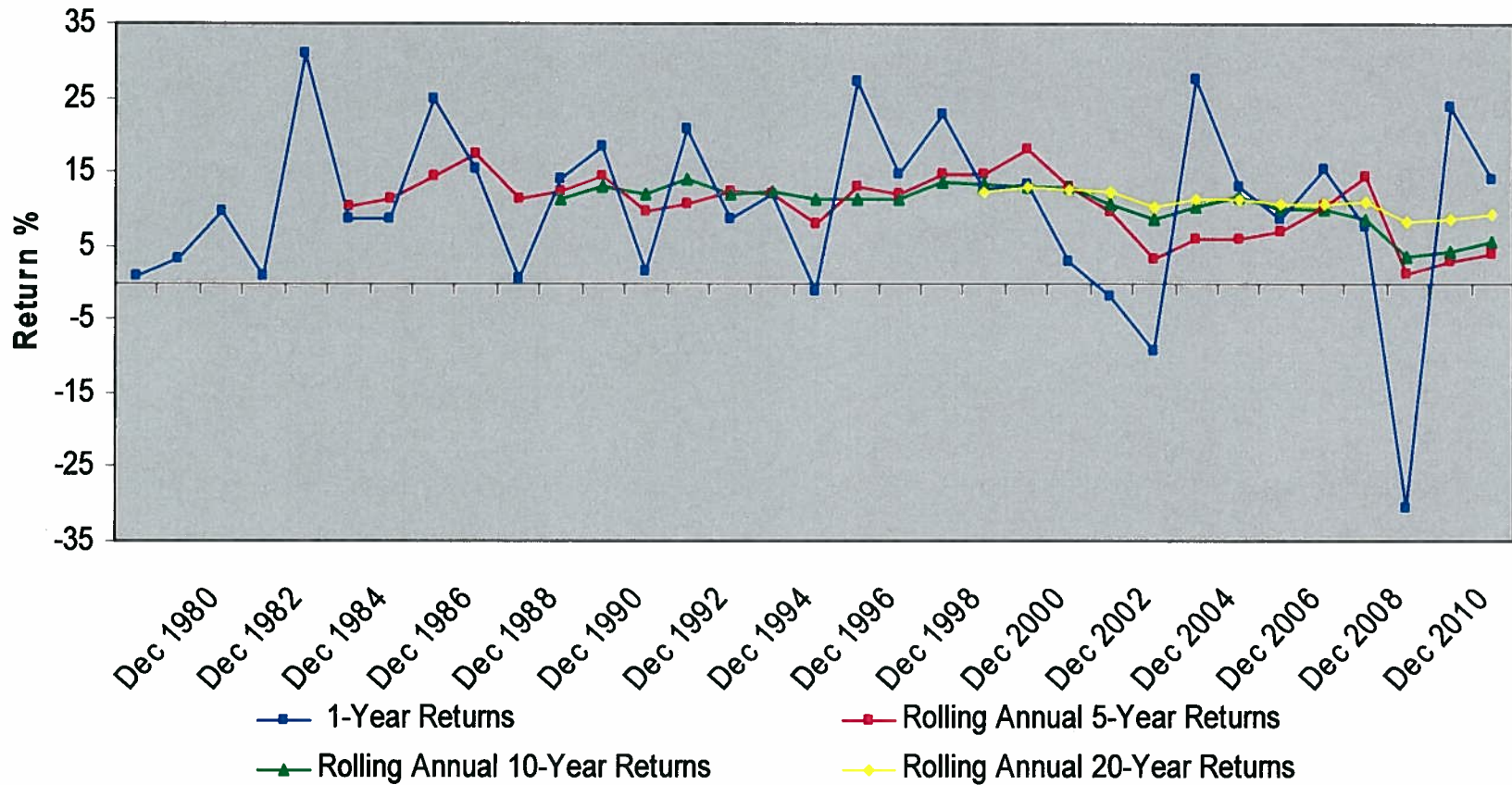
Funds with less history than the specified time period will not appear in the chart.

RVKuhns
 & ASSOCIATES, INC.



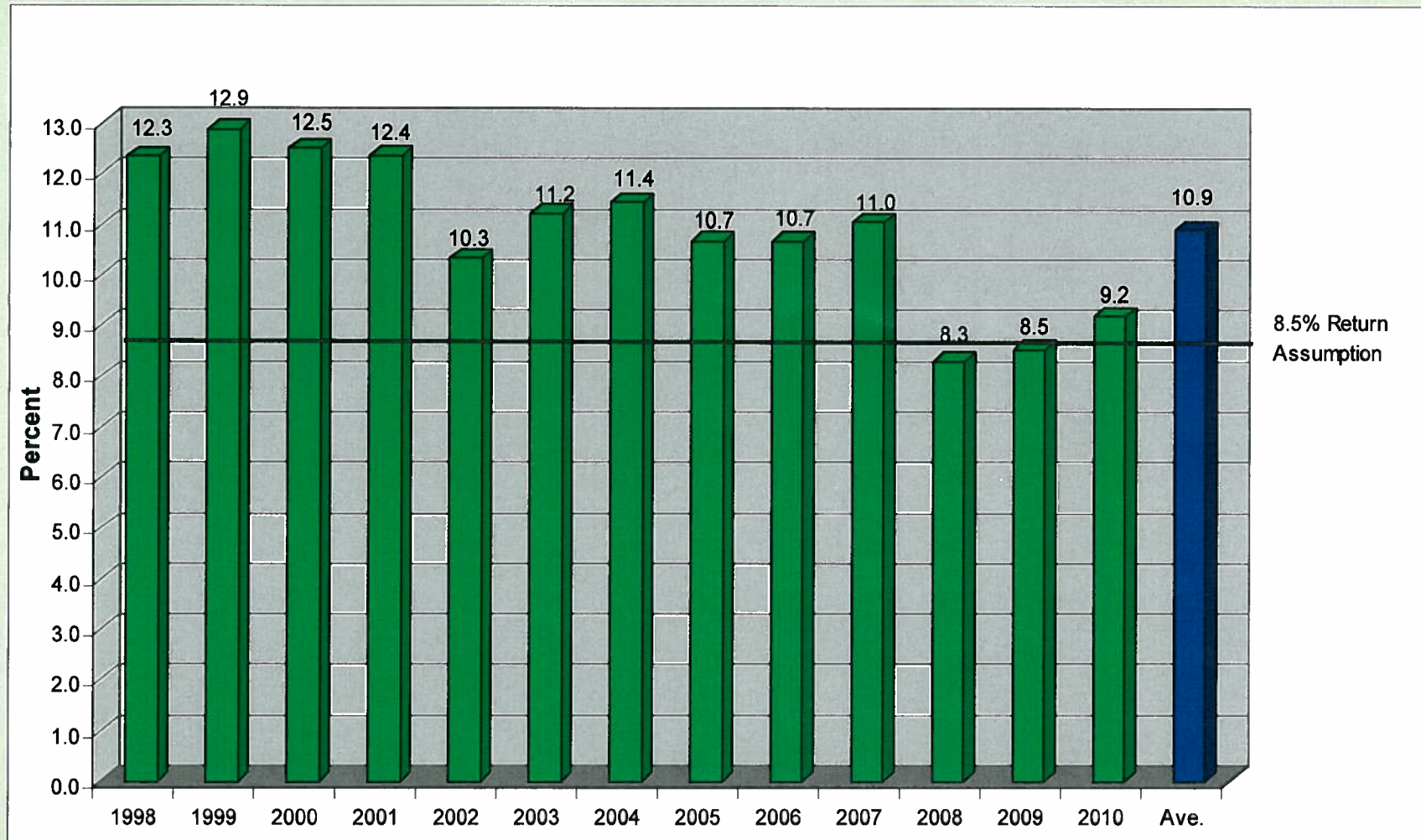
ERS Rolling Investment Returns 1978-2010

Total Fund



ERS 20 Year Period Rolling Investment Returns

1978-2010



Active Management versus Passive Analysis 10-Year Analysis 1/1/01 - 12/31/10

MERS' decision to hire some active managers versus hiring only passive managers.

<u>MERS Asset Class</u>	<u>Index</u>	<u>Time Weighted Returns</u>			<u>Dollar Weighted Estimates (Net of fees)</u>			
		<u>Annualized MERS Asset Class</u>		<u>Annualized Index</u>	<u>Value of a Dollar Invested in</u>		<u>Active Management Impact</u>	
		<u>Gross</u>	<u>Net of fees</u>	<u>Net of fees</u>	<u>MERS Asset Class</u>	<u>Index</u>	<u>\$Millions</u>	
Domestic Equity	Russell 3000	3.66%	3.36%	2.14%	\$ 1.39	\$ 1.24	\$ 243.8	
International Equity	EAFE	6.00%	5.54%	3.48%	\$ 1.72	\$ 1.41	\$ 139.7	
Global Equity	MSCI World	8.01%	7.64%	8.21%	\$ 1.08	\$ 1.08	\$ 1.2	
Fixed Income	Barclays Aggregate	7.60%	7.51%	5.82%	\$ 2.06	\$ 1.76	\$ 155.1	
Estimate of Fund's benefit from its decision to hire active managers over past 10 years.							\$	539.7

Total Fund Fee Summary in Basis Points

Milwaukee ERS vs. Average by Asset Range

As of December 31, 2010

Fund Number: 105

49 of 72 funds provided fee data for this time period

Administrative Expenses	Milwaukee ERS	Under \$500 Million	\$500mm - \$1 Billion	\$1 - \$5 Billion	\$5 - \$10 Billion	\$10 - \$20 Billion	Over \$20 Billion
Personnel	0.80	2.85	4.68	1.46	3.09	1.53	1.75
Actuary	0.46	1.50	0.55	0.48	0.38	0.09	0.14
Legal	0.30	0.14	1.39	0.74	1.48	0.09	0.15
Consultant	0.00	1.39	0.32	0.40	0.51	0.03	0.27
Audit	0.17	0.36	0.25	0.22	0.11	0.09	0.04
Other Professional	0.20	2.81	0.10	0.73	0.31	0.13	0.65
General Administrative	0.34	3.54	1.02	3.17	1.73	1.48	1.10
Total Administrative Expenses	2.27	12.59	8.32	7.20	7.61	3.44	4.10

Investment Expenses	Milwaukee ERS	Under \$500 Million	\$500mm - \$1 Billion	\$1 - \$5 Billion	\$5 - \$10 Billion	\$10 - \$20 Billion	Over \$20 Billion
Custodial	0.33	2.12	2.11	1.10	0.77	0.56	0.27
Investment Consulting	0.61	2.76	1.99	1.08	1.04	0.89	0.49
Domestic Equity	8.03	9.79	18.99	13.03	8.10	4.82	4.52
International Equity	8.08	4.75	5.81	7.18	6.09	5.41	4.28
Fixed Income	2.80	4.18	3.59	4.08	8.95	3.33	3.86
Real Estate	8.52	2.06	2.84	5.23	5.43	1.35	7.58
Other Investment Management	0.12	11.53	0.00	2.13	8.13	1.67	4.48
Total Investment Expenses (ex. Alt Inv)	28.48	37.20	35.32	33.83	38.51	18.03	25.49
Alternative Investments	0.00	1.47	8.48	4.69	6.87	3.61	24.39
Total Investment Expenses	28.48	38.67	43.80	38.52	45.38	21.64	49.88

Total Expenses	30.76	51.26	52.12	45.72	52.99	25.09	53.98
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Expressed in basis points on total fund assets. Funds that did not provide fee data will not appear in the table.

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