
ERS Update

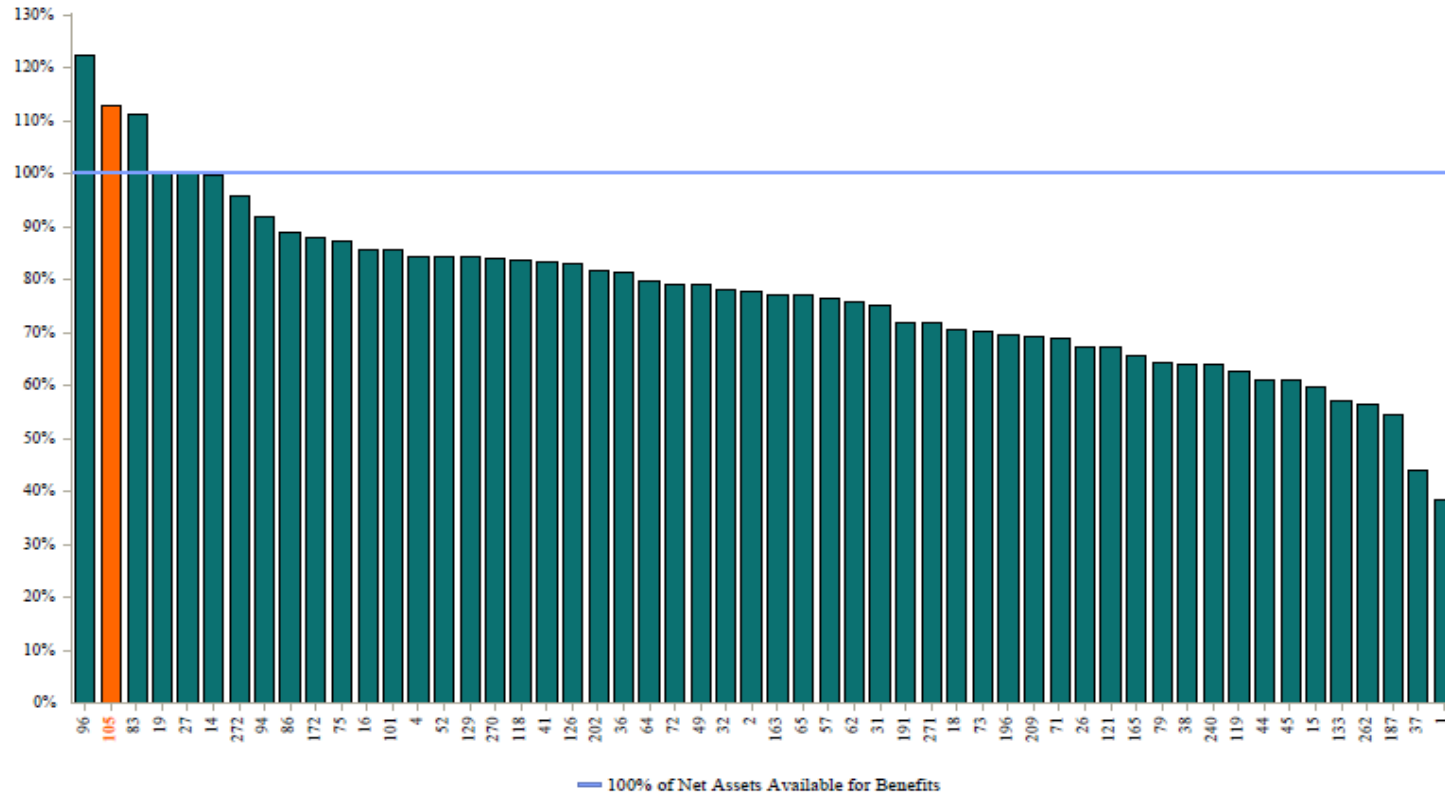
Finance and Personnel Committee

May 18, 2011

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

Fund Number: 105

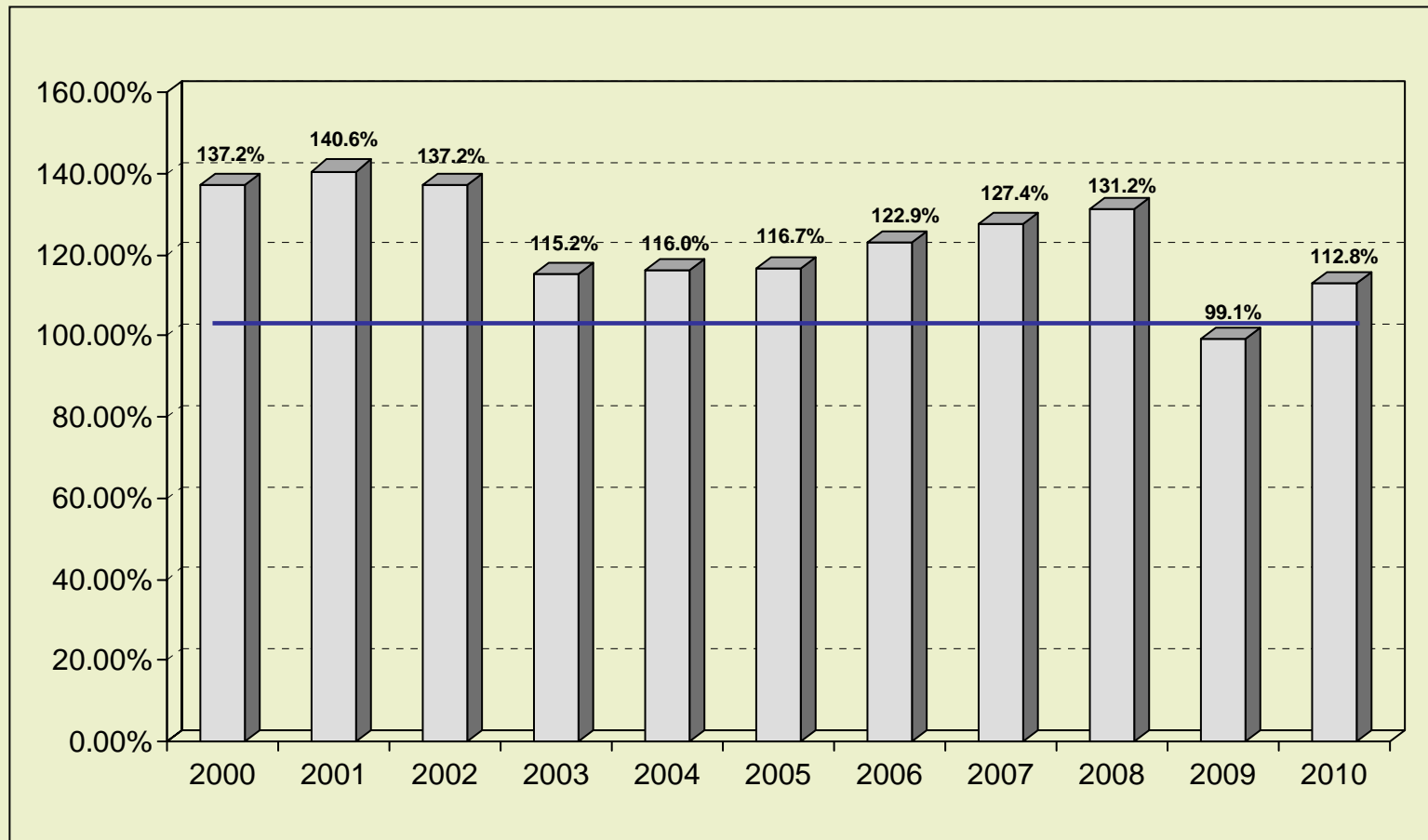
54 of 72 funds provided Net Assets Available data



Funds that did not provide data will not appear in the chart.

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City Employees' Retirement System Year End Funded Ratio* Analysis



*Actuarial Value of Pension Fund Assets
PV of Accumulated Plan Benefits

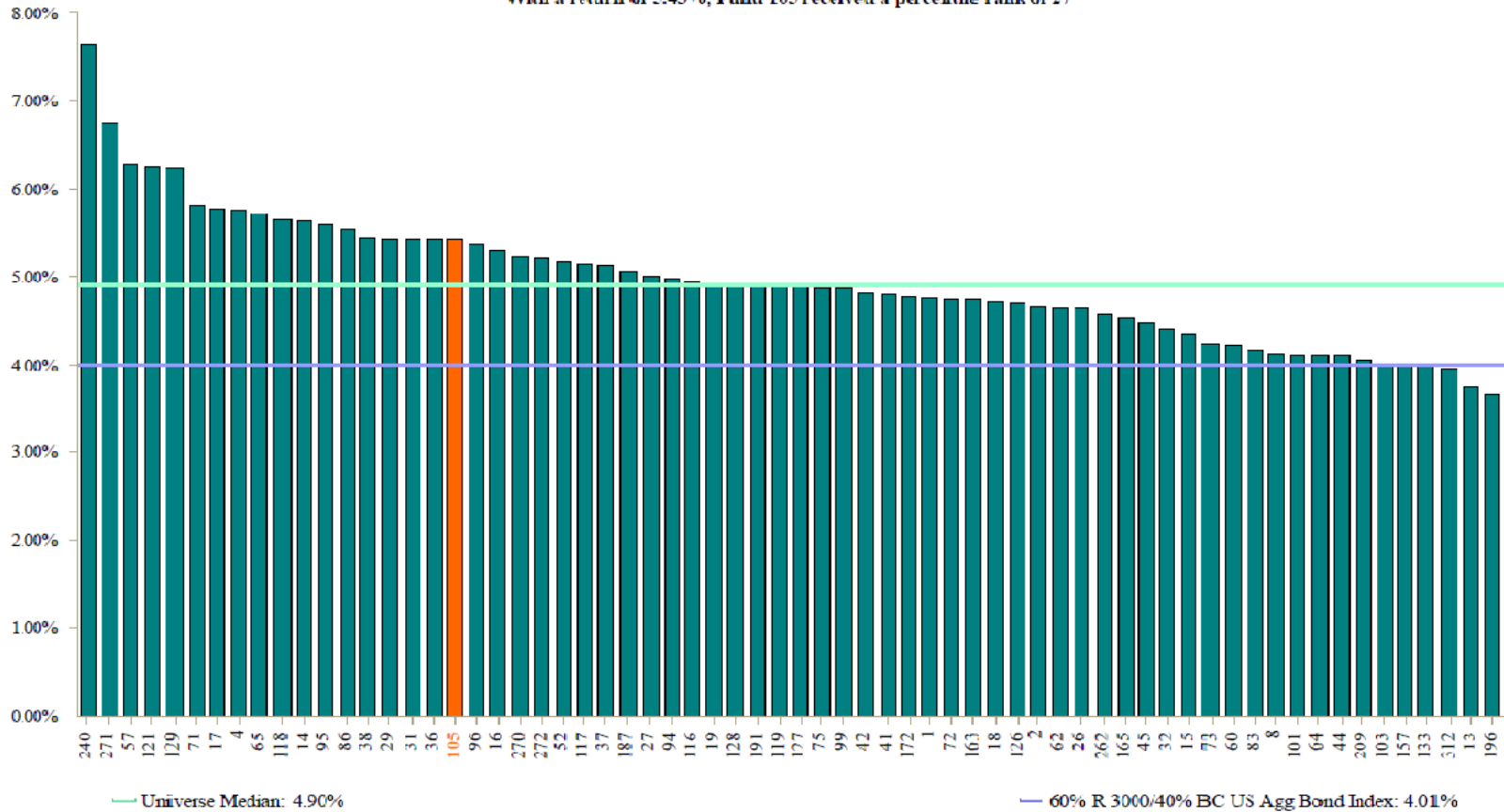
Source: City of Milwaukee Employees' Retirement System

10 Year Annualized Total Fund Returns

As of December 31, 2010

Fund Number: 105

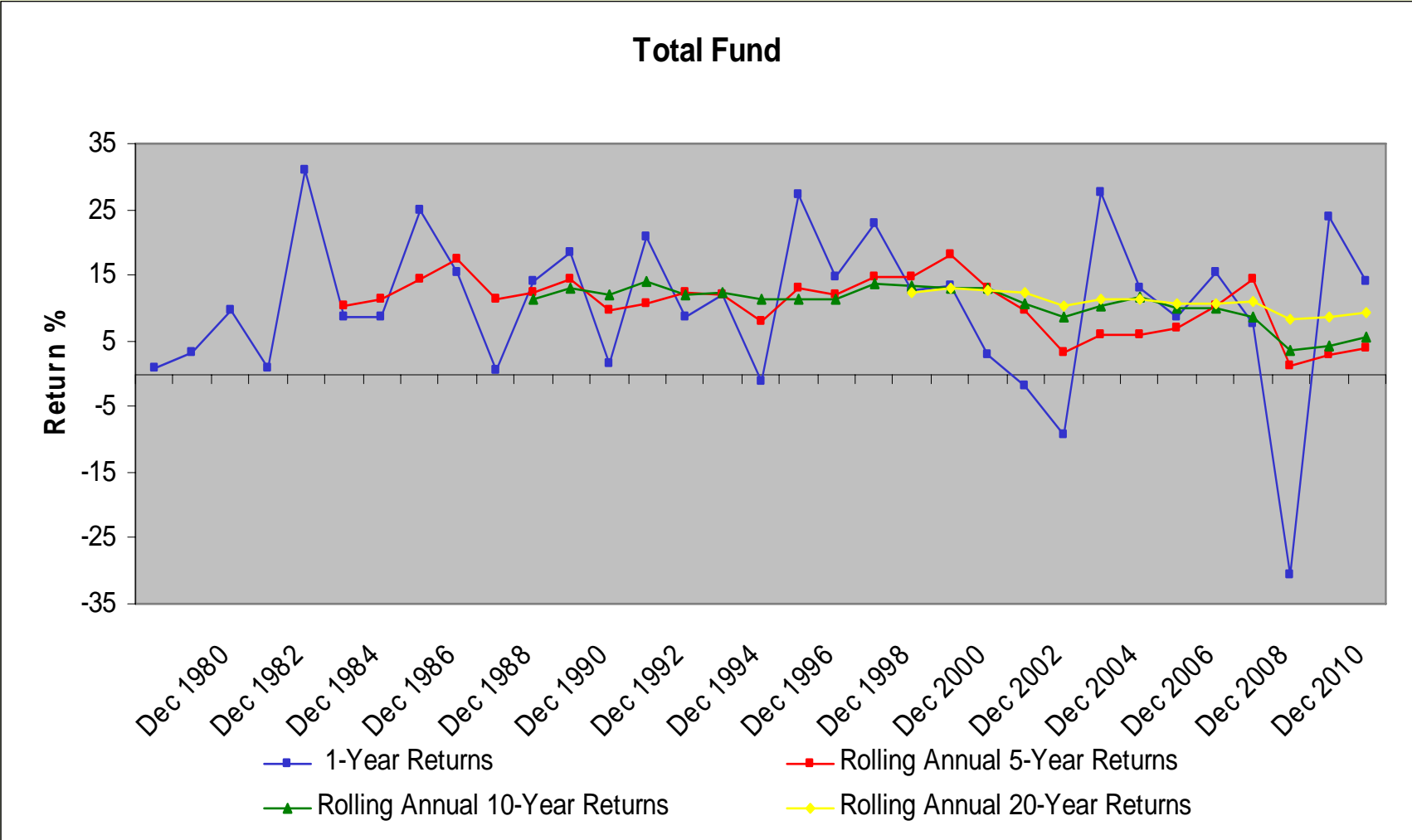
66 of 72 funds provided Total Fund returns for this time period
 With a return of 5.43%, Fund 105 received a percentile rank of 27



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

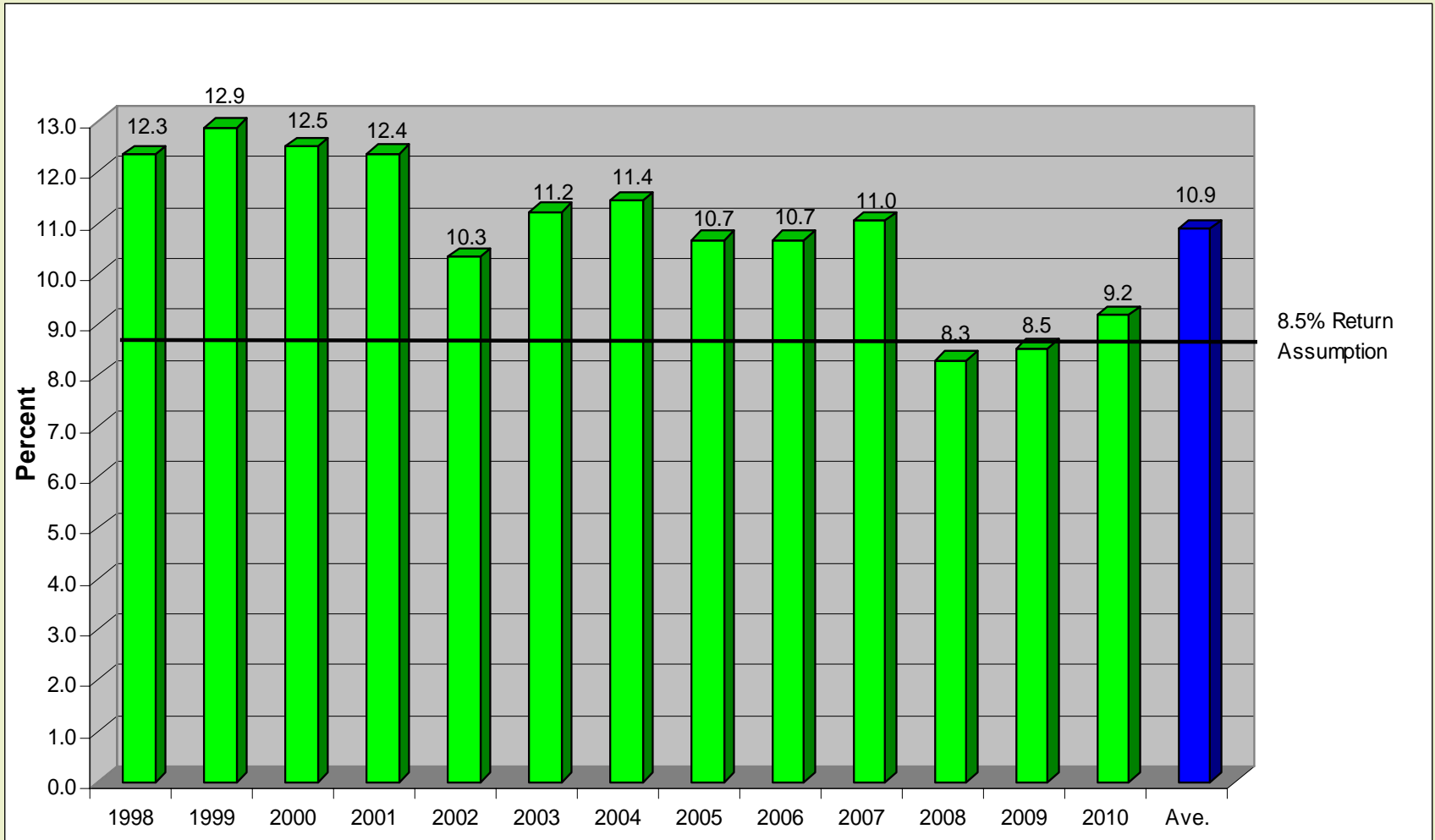
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ERS Rolling Investment Returns 1978-2010



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.

| MERS Asset Class | Index | Time Weighted Returns | | | Dollar Weighted Estimates (Net of fees) | | |
|--|--------------------|-----------------------------|-------------|------------------|---|---------|--------------------------|
| | | Annualized MERS Asset Class | | Annualized Index | Value of a Dollar Invested in | | Active Management Impact |
| | | Gross | Net of fees | Net of fees | MERS Asset Class | Index | \$Millions |
| 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 |

Manager Fees for indices are assumed to be:

Russell 3000 Index - 2 basis points

MSCI EAFE Index - 5 basis points

MSCI World Index - 5 basis points

Barclays Aggregate Index - 2 basis points

Value estimates are based on monthly ERS asset class balances.

Data Sources include Northern Trust, Mercer and Index providers

* Global Equity inception was March 2010

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 |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|

Expressed in basis points on total fund assets. Funds that did not provide fee data will not appear in the table.

RVKuhns

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