

**Callan Associates Inc.  
Investment Measurement Service  
Quarterly Review**

**City of Milwaukee Employees' Retirement System  
March 31, 2011**

---

The following report was prepared by Callan Associates Inc. ("CAI") using information from sources that include the following: fund trustee(s); fund custodian(s); investment manager(s); CAI computer software; CAI investment manager and fund sponsor database; third party data vendors; and other outside sources as directed by the client. CAI assumes no responsibility for the accuracy or completeness of the information provided, or methodologies employed, by any information providers external to CAI. Reasonable care has been taken to assure the accuracy of the CAI database and computer software. In preparing the following report, CAI has not reviewed the risks of individual security holdings or the compliance/non-compliance of individual security holdings with investment policies and guidelines of a fund sponsor, nor has it assumed any responsibility to do so. Copyright 2011 by Callan Associates Inc.



<b>Capital Markets Review</b> .....	1
<b>Total Fund</b>	
Investment Manager Asset Allocation .....	24
Actual vs. Target Asset Allocation .....	25
Total Fund vs. Total Public Fund Database .....	27
Quarterly Total Fund Attribution .....	30
Investment Manager Returns - Gross of Fee .....	31
Investment Manager Returns - Net of Fee .....	35
<b>Callan Research/ Education</b> .....	37
<b>Disclosures</b> .....	42







### Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2011, with the distribution as of December 31, 2010.

#### Asset Distribution Across Investment Managers

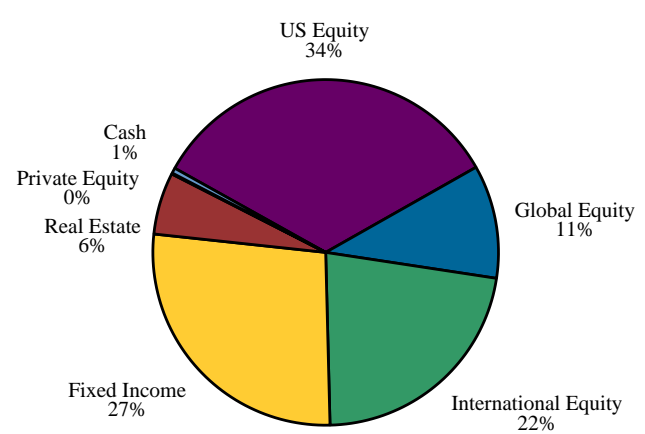
	March 31, 2011		December 31, 2010	
	Market Value	Percent	Market Value	Percent
<b>Total Domestic Equity</b>	<b>\$1,494,131,051</b>	<b>33.72%</b>	<b>\$1,490,167,383</b>	<b>34.61%</b>
Northern Trust Global	357,597,797	8.07%	355,996,683	8.27%
BlackRock R1000 Alpha Tilts	184,488,314	4.16%	183,411,143	4.26%
Turner Investment Partners	229,500,446	5.18%	236,775,353	5.50%
AllianceBernstein L.P.	231,266,830	5.22%	226,315,865	5.26%
Ernest Partners LLC	144,904,785	3.27%	149,417,088	3.47%
Dimensional Fund Advisors Inc.	235,465,270	5.31%	240,750,753	5.59%
Allianz Global Investors Capital	110,907,609	2.50%	97,500,498	2.26%
<b>Total Global Equity</b>	<b>\$467,492,808</b>	<b>10.55%</b>	<b>\$443,068,414</b>	<b>10.29%</b>
Grantham Mayo Van Otterloo	237,722,637	5.37%	223,457,595	5.19%
T. Rowe Price	229,770,172	5.19%	219,610,818	5.10%
<b>Total International Equity</b>	<b>\$982,905,399</b>	<b>22.18%</b>	<b>\$967,285,421</b>	<b>22.47%</b>
Brandes Investment Partners	387,269,626	8.74%	372,256,967	8.65%
William Blair & Company	464,831,671	10.49%	471,139,101	10.94%
Dimensional Fund Advisors Inc.	130,804,101	2.95%	123,889,353	2.88%
<b>Total Fixed Income</b>	<b>\$1,199,750,097</b>	<b>27.08%</b>	<b>\$1,132,447,182</b>	<b>26.30%</b>
BlackRock Intermediate Agg	262,613,492	5.93%	313,092,842	7.27%
Reams Asset Management	263,232,127	5.94%	296,998,752	6.90%
Loomis, Sayles & Company, L.P.	450,904,259	10.18%	522,355,589	12.13%
Wellington Management Company	223,000,219	5.03%	-	-
<b>Total Private Equity</b>	<b>\$6,622,718</b>	<b>0.15%</b>	<b>\$6,721,871</b>	<b>0.16%</b>
Abbott Capital Management	739,923	0.02%	839,076	0.02%
Mesirow Financial	5,882,795	0.13%	5,882,795	0.14%
<b>Total Real Estate</b>	<b>\$255,966,295</b>	<b>5.78%</b>	<b>\$240,901,832</b>	<b>5.60%</b>
Real Estate	255,966,295	5.78%	240,901,832	5.60%
<b>Total Cash</b>	<b>\$23,746,808</b>	<b>0.54%</b>	<b>\$24,860,778</b>	<b>0.58%</b>
Cash	23,746,808	0.54%	24,856,857	0.58%
Transition Account	-	-	3,921	0.00%
<b>Total Fund</b>	<b>\$4,430,615,175</b>	<b>100.0%</b>	<b>\$4,305,452,882</b>	<b>100.0%</b>



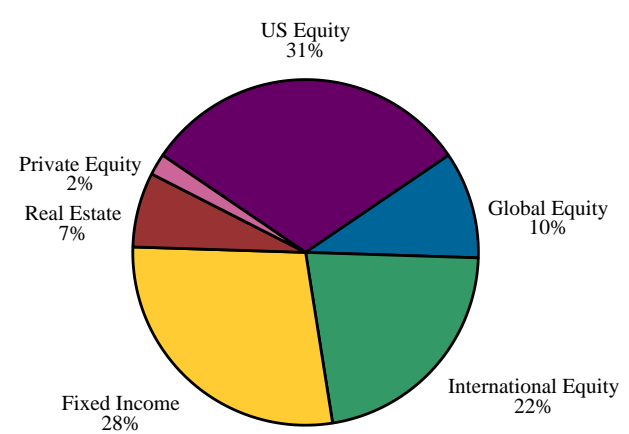
**Actual vs Target Asset Allocation**

The top left chart shows the Fund's asset allocation as of March 31, 2011. The top right chart shows the Fund's target asset allocation as outlined in the investment policy statement. The bottom chart ranks the fund's asset allocation and the target allocation versus the CAI Public Fund Sponsor Database.

**Actual Asset Allocation**

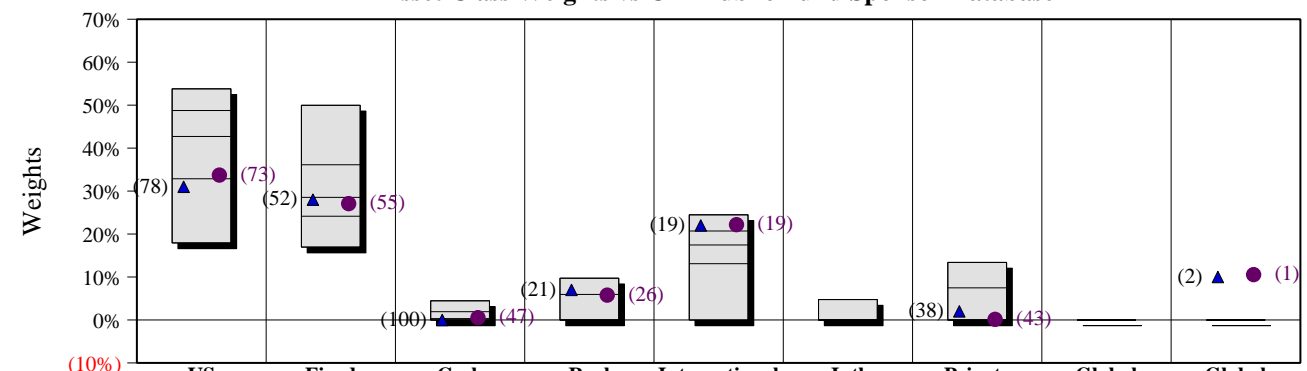


**Target Asset Allocation**



Asset Class	\$000s Actual	Percent Actual	Percent Target	Percent Difference	\$000s Difference
US Equity	1,494,131	33.7%	31.0%	2.7%	120,640
Global Equity	467,493	10.6%	10.0%	0.6%	24,431
International Equity	982,905	22.2%	22.0%	0.2%	8,170
Fixed Income	1,199,750	27.1%	28.0%	(0.9%)	(40,822)
Real Estate	255,966	5.8%	7.0%	(1.2%)	(54,177)
Private Equity	6,623	0.1%	2.0%	(1.9%)	(81,990)
Cash	23,747	0.5%	0.0%	0.5%	23,747
<b>Total</b>	<b>4,430,615</b>	<b>100.0%</b>	<b>100.0%</b>		

**Asset Class Weights vs CAI Public Fund Sponsor Database**



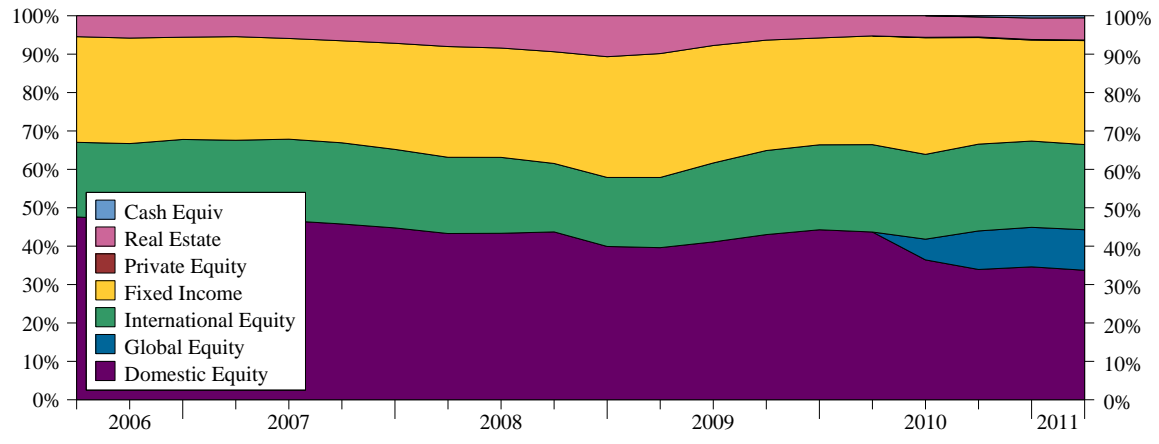
	US Equity	Fixed Income	Cash	Real Estate	International Equity	Intl Fixed-Inc	Private Equity	Global Balanced	Global Equity
10th Percentile	53.80	49.97	4.46	9.72	24.48	4.75	13.39	0.00	0.00
25th Percentile	48.75	36.13	1.93	5.94	20.71	0.00	7.48	0.00	0.00
Median	42.72	28.54	0.32	0.00	17.45	0.00	0.00	0.00	0.00
75th Percentile	32.87	24.15	0.00	0.00	13.10	0.00	0.00	0.00	0.00
90th Percentile	17.93	16.96	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Fund</b> ●	33.72	27.08	0.54	5.78	22.18	-	0.15	-	10.55
<b>Target</b> ▲	31.00	28.00	0.00	7.00	22.00	-	2.00	-	10.00
% Group Invested	96.63%	98.88%	66.29%	43.82%	88.76%	17.98%	43.82%	1.12%	7.87%

\* Current Quarter Target = 31.0% Russell 3000 Index, 28.0% BC Aggregate Index, 22.0% MSCI EAFE Index, 10.0% MSCI World Index, 7.0% NCREIF Property (1 Qtr in Arrears) and 2.0% Russell 3000 (On a Qtr Lag) + 3%.

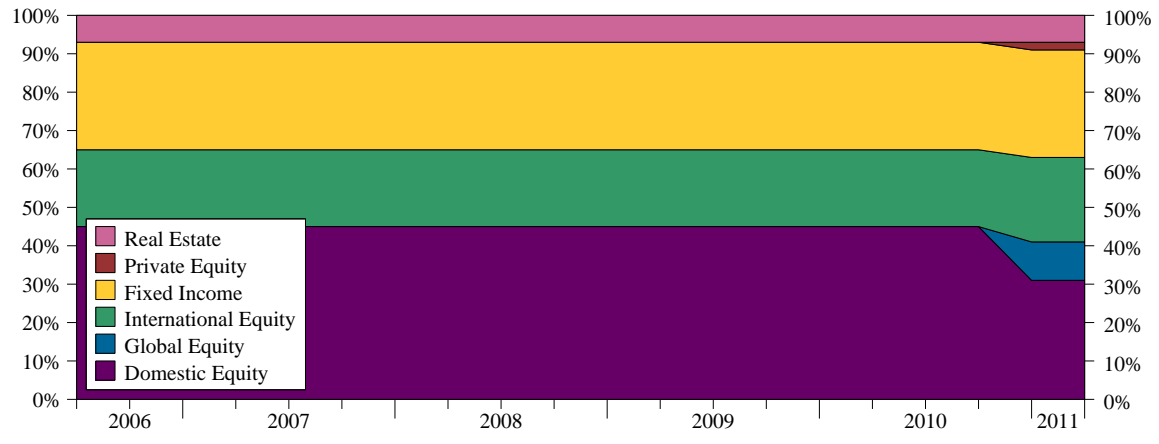
**Actual vs Target Historical Asset Allocation**

The Historical asset allocation for a fund is by far the largest factor explaining its performance. The charts below show the fund's historical actual asset allocation, the fund's historical target asset allocation, and the historical asset allocation of the average fund in the CAI Public Fund Sponsor Database.

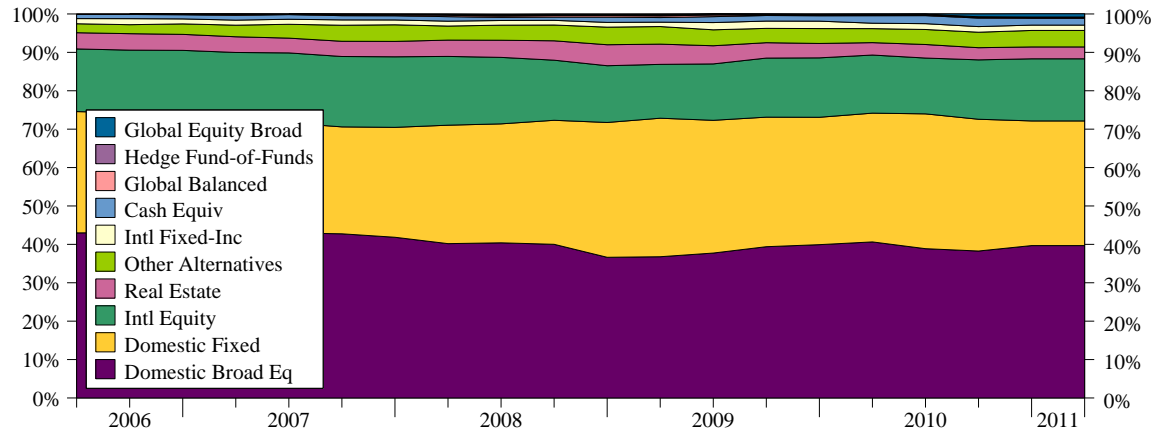
**Actual Historical Asset Allocation**



**Target Historical Asset Allocation**



**Average CAI Public Fund Sponsor Database Historical Asset Allocation**



\* Current Quarter Target = 31.0% Russell 3000 Index, 28.0% BC Aggregate Index, 22.0% MSCI EAFE Index, 10.0% MSCI World Index, 7.0% NCREIF Property (1 Qtr in Arrears) and 2.0% Russell 3000 (On a Qtr Lag) + 3%.



## TOTAL FUND PERIOD ENDED MARCH 31, 2011

### Investment Philosophy

The Public Fund Sponsor Database consists of public employee pension total funds including both Callan Associates client and surveyed non-client funds. The Total Fund Reference Index consists of 33% Russell 3000, 28% Barclays Capital Aggregate, 22% MSCI EAFE (net), 10% MSCI World (net) and 7% NCREIF Property (One Quarter in Arrears).

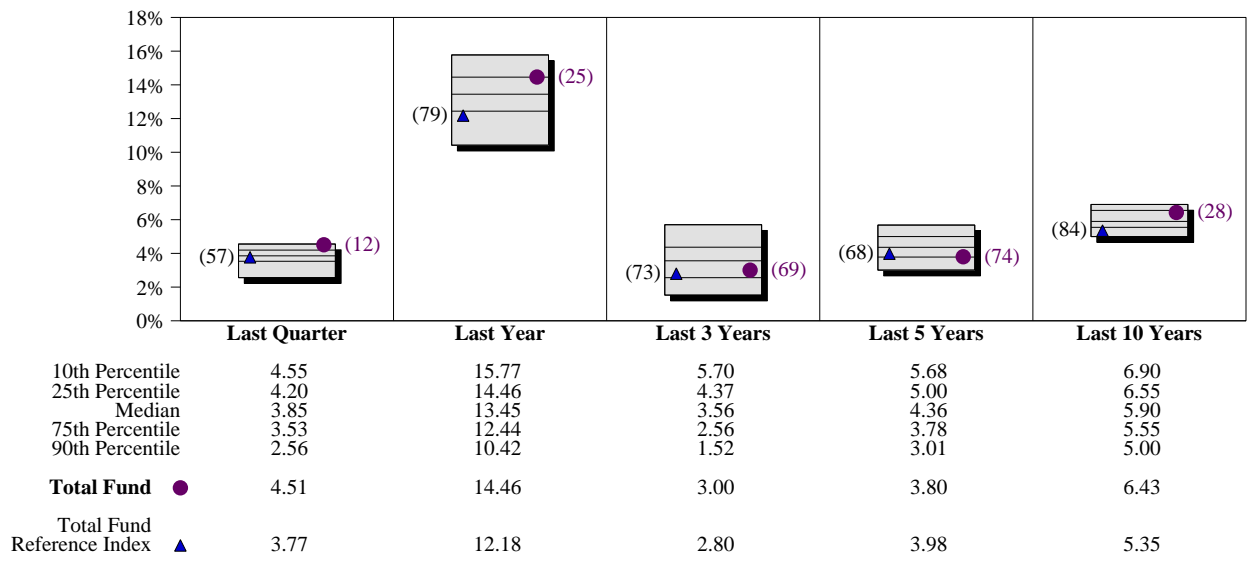
### Quarterly Summary and Highlights

- Total Fund's portfolio posted a 4.51% return for the quarter placing it in the 12 percentile of the CAI Public Fund Sponsor Database group for the quarter and in the 25 percentile for the last year.
- Total Fund's portfolio outperformed the Total Fund Reference Index by 0.74% for the quarter and outperformed the Total Fund Reference Index for the year by 2.29%.

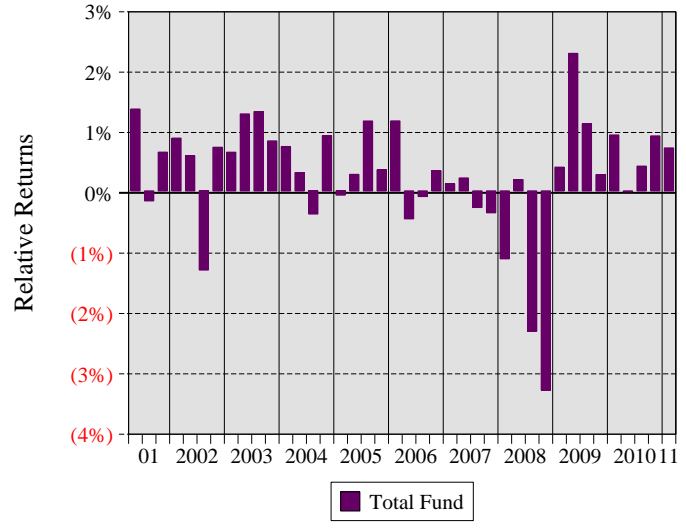
### Quarterly Asset Growth

Beginning Market Value	\$4,305,452,882
Net New Investment	\$-67,994,101
Investment Gains/(Losses)	\$193,156,394
Ending Market Value	\$4,430,615,175

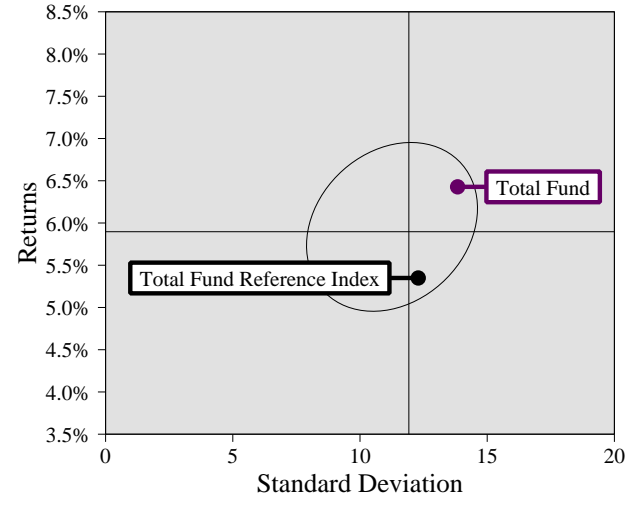
### Performance vs CAI Public Fund Sponsor Database (Gross)



### Relative Return vs Total Fund Reference Index



### CAI Public Fund Sponsor Database (Gross) Annualized Ten Year Risk vs Return



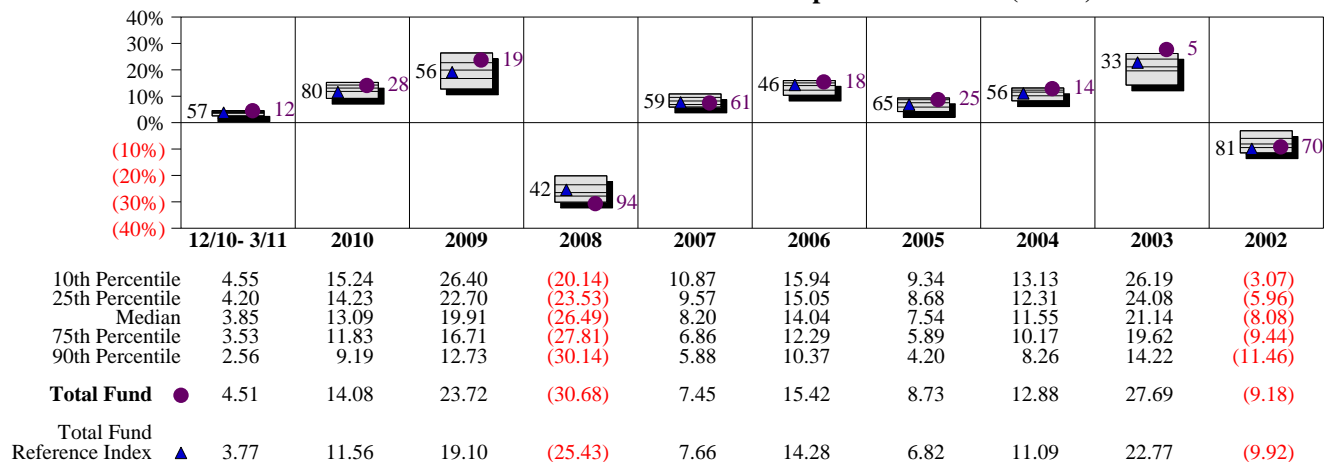


## TOTAL FUND RETURN ANALYSIS SUMMARY

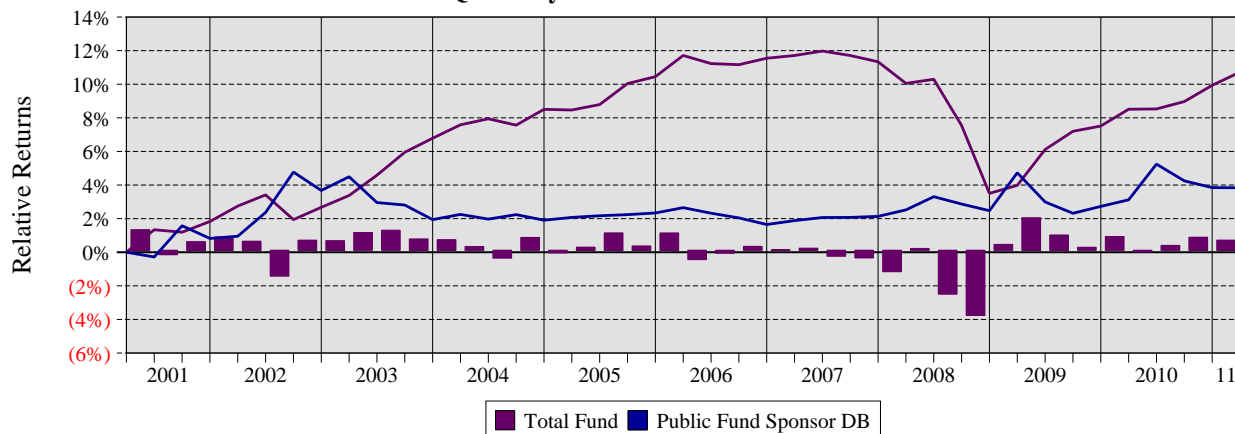
### Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

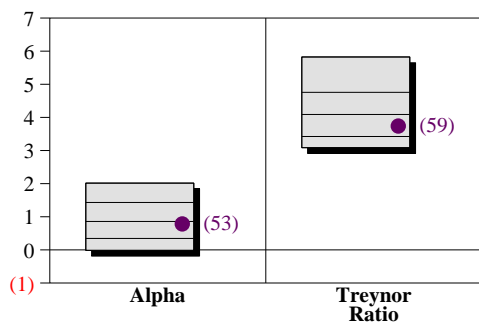
#### Performance vs CAI Public Fund Sponsor Database (Gross)



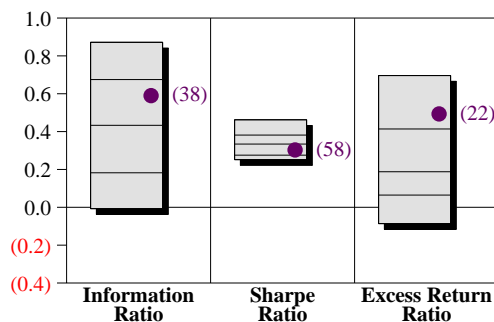
#### Cumulative and Quarterly Relative Return vs Total Fund Reference Index



#### Risk Adjusted Return Measures vs Total Fund Reference Index Rankings Against CAI Public Fund Sponsor Database (Gross) Ten Years Ended March 31, 2011



	Alpha	Treynor Ratio
10th Percentile	2.02	5.82
25th Percentile	1.43	4.76
Median	0.86	4.09
75th Percentile	0.35	3.42
90th Percentile	(0.01)	3.09
<b>Total Fund</b> ●	0.78	3.74



	Information Ratio	Sharpe Ratio	Excess Return Ratio
10th Percentile	0.87	0.46	0.70
25th Percentile	0.67	0.38	0.41
Median	0.43	0.33	0.19
75th Percentile	0.18	0.28	0.06
90th Percentile	(0.01)	0.25	(0.09)
<b>Total Fund</b> ●	0.59	0.30	0.49

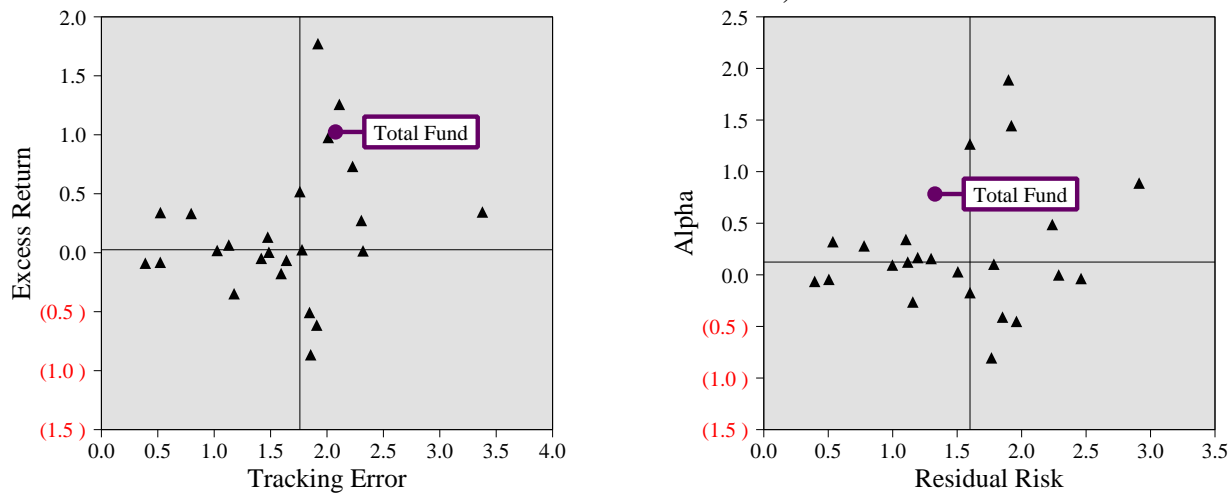
# TOTAL FUND

## TOTAL FUND VS. TARGET RISK ANALYSIS

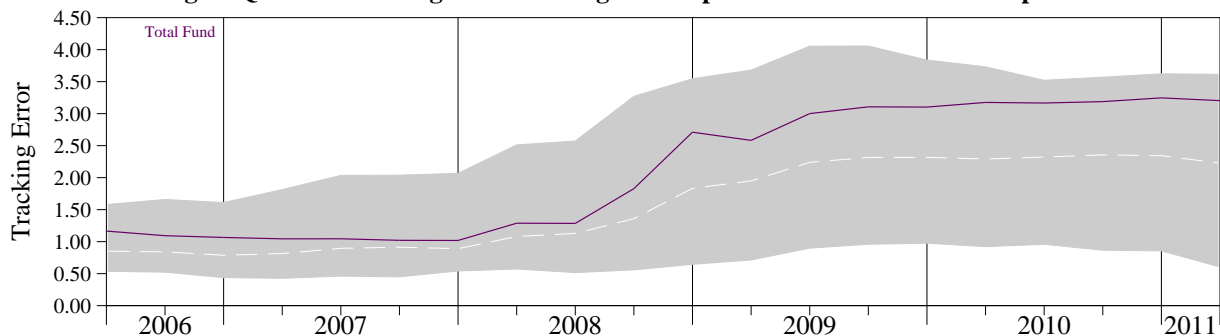
### Risk Analysis

The graphs below analyze the performance and risk of the fund relative to the appropriate target mix. This relative performance is compared to a peer group of funds wherein each member fund is measured against its own target mix. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the target. The second scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third chart shows tracking error patterns over time compared to the range of tracking error patterns for the peer group. The last two charts show the ranking of the fund's risk statistics versus the peer group.

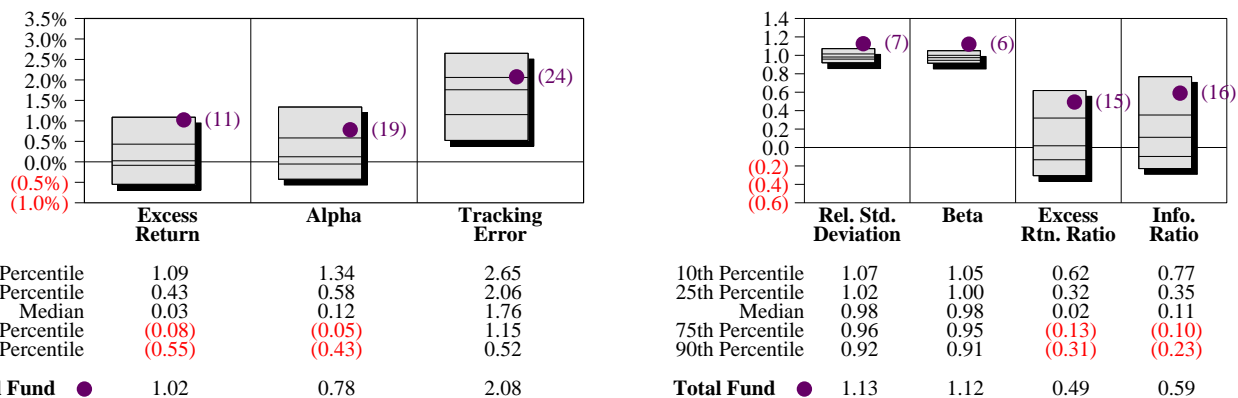
**Risk Analysis vs CAI Public Fund Sponsor Database  
Ten Years Ended March 31, 2011**



**Rolling 12 Quarter Tracking Error vs Targets Compared to CAI Public Fund Sponsor Database**



**Risk Statistics Rankings vs Targets  
Rankings Against CAI Public Fund Sponsor Database  
Ten Years Ended March 31, 2011**

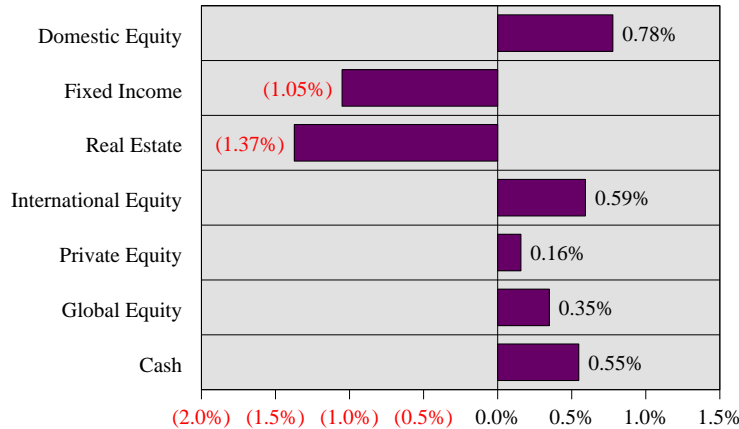




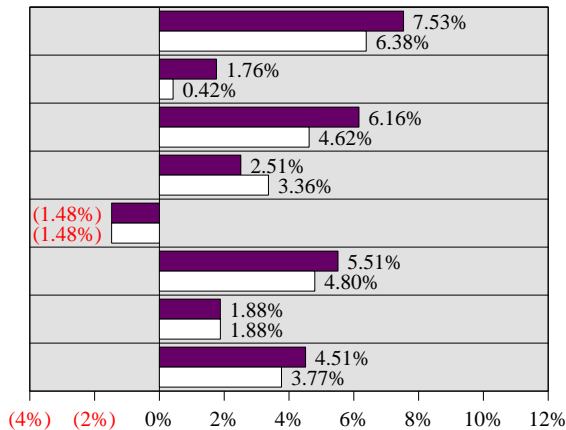
## Quarterly Total Fund Relative Attribution - March 31, 2011

The following analysis approaches Total Fund Attribution from the perspective of relative return. Relative return attribution separates and quantifies the sources of total fund excess return relative to its target. This excess return is separated into two relative attribution effects: Asset Allocation Effect and Manager Selection Effect. The Asset Allocation Effect represents the excess return due to the actual total fund asset allocation differing from the target asset allocation. Manager Selection Effect represents the total fund impact of the individual managers excess returns relative to their benchmarks.

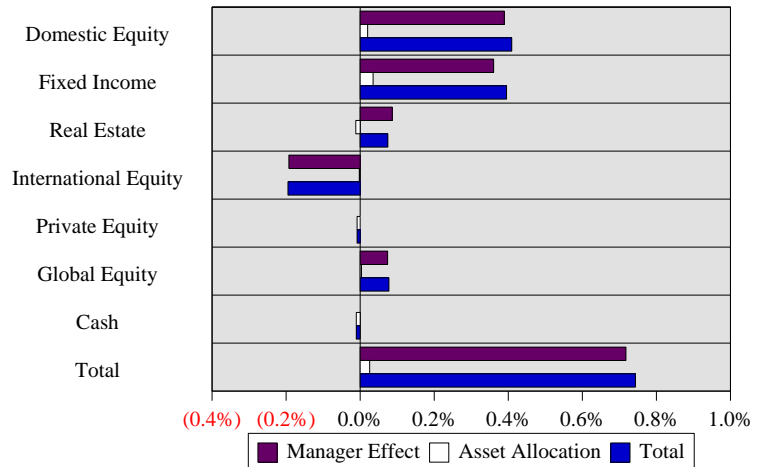
### Asset Class Under or Overweighting



### Actual vs Target Returns



### Relative Attribution by Asset Class



### Relative Attribution Effects for Quarter ended March 31, 2011

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	34%	33%	7.53%	6.38%	0.39%	0.02%	0.41%
Fixed Income	27%	28%	1.76%	0.42%	0.36%	0.03%	0.40%
Real Estate	6%	7%	6.16%	4.62%	0.09%	(0.01%)	0.07%
International Equity	23%	22%	2.51%	3.36%	(0.19%)	(0.00%)	(0.20%)
Private Equity	0%	0%	(1.48%)	(1.48%)	0.00%	(0.01%)	(0.01%)
Global Equity	10%	10%	5.51%	4.80%	0.07%	0.00%	0.08%
Cash	1%	0%	1.88%	1.88%	0.00%	(0.01%)	(0.01%)

**Total**  $4.51\% = 3.77\% + 0.72\% + 0.03\%$  **0.74%**

\* Current Quarter Target = 33.0% Russell 3000 Index, 28.0% BC Aggregate Index, 22.0% MSCI EAFE Index, 10.0% MSCI World Index and 7.0% NCREIF Property (1 Qtr in Arrears).

### Investment Manager Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Sponsor's investment managers over various time periods ended March 31, 2011. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

#### Returns and Rankings for Periods Ended March 31, 2011

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Since Inception	
<b>Total Domestic Equity</b>	<b>7.53%</b>		<b>19.96%</b>		<b>3.65%</b>		<b>2.21%</b>		<b>10.36%</b>	
Russell 3000 Index	6.38%		17.41%		3.42%		2.95%		10.14%	
Northern Trust Global	5.96%	62	15.61%	46	2.28%	72	2.56%	67	9.68%	89
S&P 500 Index	5.92%	62	15.65%	46	2.35%	71	2.62%	66	9.69%	89
CAI Large Cap Core Style	6.43%	50	15.41%	50	3.10%	50	3.21%	50	10.94%	50
BlackRock R1000 Alpha Tilts	6.25%	57	14.04%	73	1.67%	84	1.02%	97	5.50%	86
Russell 1000 Index	6.24%	57	16.69%	34	2.98%	57	2.93%	59	6.02%	59
CAI Large Cap Core Style	6.43%	50	15.41%	50	3.10%	50	3.21%	50	6.20%	50
Turner Investment Partners	7.02%	20	21.66%	19	1.36%	89	0.82%	96	6.78%	88
Russell 1000 Growth Index	6.03%	49	18.26%	54	5.19%	42	4.34%	50	8.39%	56
CAI Lrg Cap Growth Style	6.03%	50	19.30%	50	4.66%	50	4.30%	50	8.59%	50
AllianceBernstein L.P.	6.69%	57	12.30%	82	(2.30%)	99	(1.01%)	96	6.64%	95
Blended Benchmark	6.46%	62	15.15%	45	0.60%	74	1.38%	63	6.51%	95
CAI Large Cap Value Style	6.84%	50	14.90%	50	1.77%	50	2.29%	50	8.24%	50
Ernest Partners LLC	8.74%	35	27.91%	34	8.36%	41	5.96%	39	7.99%	45
Russell MidCap Index	7.63%	59	24.27%	57	7.25%	60	4.67%	65	6.87%	71
CAI Mid Cap Style	8.10%	50	25.21%	50	7.79%	50	5.61%	50	7.84%	50
Dimensional Fund Advisors Inc.	8.69%	21	29.58%	13	10.46%	39	4.23%	54	12.79%	24
Russell 2000 Value Index	6.60%	66	20.63%	74	6.76%	86	2.23%	82	9.34%	92
CAI Small Cap Value Style	7.58%	50	24.00%	50	9.59%	50	4.72%	50	11.89%	50
Allianz Global Investors Capital	13.75%	11	24.99%	89	-	-	-	-	24.99%	89
Russell 2000 Growth Index	9.24%	61	31.04%	53	10.16%	49	4.34%	55	31.04%	53
CAI Sm Cap Growth Style	10.40%	50	31.53%	50	10.08%	50	4.58%	50	0.00%	50
<b>Total Global Equity</b>	<b>5.51%</b>		<b>-</b>		<b>-</b>		<b>-</b>		<b>12.92%</b>	
MSCI The World Index	4.80%		13.45%		(0.25%)		2.08%		13.43%	
Grantham Mayo Van Otterloo	6.38%	7	13.94%	56	-	-	-	-	13.94%	56
MSCI The World Index	4.80%	51	13.45%	65	(0.25%)	63	2.08%	68	13.45%	65
CAI Global Eq Broad Style	4.81%	50	14.44%	50	0.89%	50	3.33%	50	14.44%	50
T. Rowe Price	4.62%	56	-	-	-	-	-	-	31.18%	38
MSCI AC World	4.42%	61	14.08%	54	0.31%	56	2.94%	55	29.82%	59
CAI Global Eq Broad Style	4.81%	50	14.44%	50	0.89%	50	3.33%	50	30.39%	50

### Investment Manager Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Sponsor's investment managers over various time periods ended March 31, 2011. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

#### Returns and Rankings for Periods Ended March 31, 2011

	Last Quarter		Last Year		Last 3 Years		Last 5 Years		Since Inception	
<b>Total International Equity</b>	<b>2.51%</b>		<b>14.31%</b>		<b>(0.84%)</b>		<b>2.99%</b>		<b>7.82%</b>	
MSCI EAFE Index	3.36%		10.42%		(3.01%)		1.30%		4.70%	
Brandes Investment Partners	4.03%	25	8.66%	91	(1.25%)	52	2.13%	61	8.85%	9
MSCI EAFE Index	3.36%	53	10.42%	82	(3.01%)	75	1.30%	80	3.99%	93
CAI Non-U.S. Equity Style	3.43%	50	12.97%	50	(1.04%)	50	2.66%	50	6.02%	50
William Blair & Company	0.48%	98	17.44%	5	(1.61%)	56	3.05%	43	8.70%	34
MSCI ACWI ex-US Index	3.49%	46	13.61%	39	(0.38%)	39	4.05%	25	9.28%	21
CAI Non-U.S. Equity Style	3.43%	50	12.97%	50	(1.04%)	50	2.66%	50	8.12%	50
Dimensional Fund Advisors Inc.	5.76%	9	19.53%	87	2.45%	44	-		3.31%	1
Blended Benchmark	2.96%	67	18.03%	94	(0.83%)	75	(0.69%)	91	(1.52%)	100
CAI Int'l Small Cap Style	3.51%	50	22.61%	50	1.40%	50	4.34%	50	-	
<b>Total Fixed Income</b>	<b>1.76%</b>		<b>8.17%</b>		<b>8.86%</b>		<b>8.24%</b>		<b>8.77%</b>	
Barclays Capital Aggregate	0.42%		5.12%		5.30%		6.03%		7.28%	
BlackRock Intermediate Agg	0.57%	58	5.01%	57	5.34%	64	6.11%	65	6.03%	1
Barclays Capital Int Aggregate	0.48%	80	4.76%	74	5.17%	74	5.96%	81	5.92%	1
CAI Intermediate F-I Styl	0.64%	50	5.09%	50	5.56%	50	6.31%	50	0.00%	50
Reams Asset Management	0.84%	90	6.64%	69	8.93%	18	8.31%	19	6.72%	1
Barclays Capital Aggregate	0.42%	99	5.12%	100	5.30%	86	6.03%	74	5.61%	1
CAI FI Core Plus Style	1.36%	50	7.65%	50	7.45%	50	6.84%	50	0.00%	50
Loomis, Sayles & Company, L.P.	2.91%	2	10.99%	5	10.19%	12	9.02%	10	10.15%	1
Barclays Capital Aggregate	0.42%	99	5.12%	100	5.30%	86	6.03%	74	7.28%	93
CAI FI Core Plus Style	1.36%	50	7.65%	50	7.45%	50	6.84%	50	4.61%	50
<b>Total Private Equity</b>	<b>(1.48%)</b>		-		-		-		<b>2.90%</b>	
Abbott Capital Management	(11.82%)		-		-		-		(60.38%)	
Mesirow Financial	0.00%		-		-		-		8.94%	
Russell 3000 (On a Qtr Lag) + 3%	12.34%		-		-		-		12.80%	
<b>Total Real Estate</b>	<b>6.16%</b>		<b>13.97%</b>		<b>(14.84%)</b>		<b>(2.88%)</b>		<b>5.16%</b>	
Real Estate	6.16%	10	13.97%	97	(14.84%)	92	(2.88%)	71	5.16%	70
NCREIF Property (1 Quarter in Arrears)	4.62%	40	13.11%	98	(4.18%)	12	3.51%	6	7.06%	13
Open-End Real Estate	3.84%	50	18.82%	50	(9.65%)	50	(1.49%)	50	0.00%	50
<b>Total Fund</b>	<b>4.51%</b>		<b>14.46%</b>		<b>3.00%</b>		<b>3.80%</b>		-	
Total Fund Reference Index	3.77%		12.18%		2.80%		3.98%		-	

\* Current Quarter Target = 33.0% Russell 3000 Index, 28.0% BC Aggregate Index, 22.0% MSCI EAFE Index, 10.0% MSCI World Index and 7.0% NCREIF Property (1 Qtr in Arrears).

City of Milwaukee Employees' Retirement System

### Investment Manager Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Sponsor's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	12/2010- 3/2011		2010		2009		2008		2007	
<b>Total Domestic Equity</b>	<b>7.53%</b>		<b>19.06%</b>		<b>31.61%</b>		<b>(40.74%)</b>		<b>2.89%</b>	
Russell 3000 Index	6.38%		16.93%		28.34%		(37.31%)		5.14%	
Northern Trust Global	5.96%	62	15.16%	42	27.12%	49	(37.62%)	72	5.49%	61
S&P 500 Index	5.92%	62	15.06%	43	26.47%	50	(37.00%)	65	5.49%	61
CAI Large Cap Core Style	6.43%	50	14.40%	50	26.51%	50	(36.36%)	50	6.47%	50
BlackRock R1000 Alpha Tilts	6.25%	57	12.41%	80	26.59%	50	(36.97%)	65	(0.02%)	96
Russell 1000 Index	6.24%	57	16.10%	26	28.43%	44	(37.60%)	72	5.77%	59
CAI Large Cap Core Style	6.43%	50	14.40%	50	26.51%	50	(36.36%)	50	6.47%	50
Turner Investment Partners	7.02%	20	19.50%	19	35.51%	46	(49.92%)	97	18.17%	38
Russell 1000 Growth Index	6.03%	49	16.71%	53	37.21%	38	(38.44%)	40	11.81%	70
CAI Lrg Cap Growth Style	6.03%	50	16.77%	50	34.39%	50	(39.49%)	50	16.01%	50
AllianceBernstein L.P.	6.69%	57	13.39%	64	27.72%	23	(46.42%)	93	(1.10%)	72
Blended Benchmark	6.46%	62	15.51%	30	19.69%	76	(36.85%)	60	(0.17%)	61
CAI Large Cap Value Style	6.84%	50	14.33%	50	22.57%	50	(35.97%)	50	1.12%	50
Ernest Partners LLC	8.74%	35	27.56%	32	42.81%	30	(40.07%)	45	9.28%	54
Russell MidCap Index	7.63%	59	25.48%	51	40.48%	40	(41.46%)	57	5.60%	66
CAI Mid Cap Style	8.10%	50	25.49%	50	37.08%	50	(40.57%)	50	10.13%	50
Dimensional Fund Advisors Inc.	8.69%	21	34.59%	8	36.77%	35	(37.14%)	75	(9.71%)	59
Russell 2000 Value Index	6.60%	66	24.50%	76	20.58%	78	(28.92%)	18	(9.78%)	59
CAI Small Cap Value Style	7.58%	50	27.38%	50	32.23%	50	(33.01%)	50	(8.60%)	50
Allianz Global Investors Capital	13.75%	11	-	-	-	-	-	-	-	-
Russell 2000 Growth Index	9.24%	61	29.09%	44	34.47%	68	(38.54%)	15	7.05%	75
CAI Sm Cap Growth Style	10.40%	50	28.81%	50	38.09%	50	(42.68%)	50	14.07%	50
<b>Total Global Equity</b>	<b>5.51%</b>		<b>-</b>		<b>-</b>		<b>-</b>		<b>-</b>	
MSCI The World Index	4.80%		11.76%		29.99%		(40.71%)		9.04%	
Grantham Mayo Van Otterloo	6.38%	7	-	-	-	-	-	-	-	-
MSCI The World Index	4.80%	51	11.76%	65	29.99%	67	(40.71%)	37	9.04%	61
CAI Global Eq Broad Style	4.81%	50	12.78%	50	32.73%	50	(42.04%)	50	11.69%	50
T. Rowe Price	4.62%	56	-	-	-	-	-	-	-	-
MSCI AC World	4.42%	61	12.67%	51	34.63%	38	(42.20%)	51	11.66%	50
CAI Global Eq Broad Style	4.81%	50	12.78%	50	32.73%	50	(42.04%)	50	11.69%	50

## Investment Manager Returns and Peer Group Rankings

The table below details the rates of return and peer group rankings for the Sponsor's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	12/2010- 3/2011		2010		2009		2008		2007	
<b>Total International Equity</b>	<b>2.51%</b>		<b>14.15%</b>		<b>36.07%</b>		<b>(44.87%)</b>		<b>14.12%</b>	
MSCI EAFE Index	3.36%		7.75%		31.78%		(43.38%)		11.17%	
Brandes Investment Partners	4.03%	25	5.24%	94	25.82%	86	(38.15%)	19	10.04%	71
MSCI EAFE Index	3.36%	53	7.75%	78	31.78%	55	(43.38%)	55	11.17%	62
CAI Non-U.S. Equity Style	3.43%	50	10.83%	50	32.89%	50	(42.91%)	50	13.16%	50
William Blair & Company	0.48%	98	20.38%	3	44.04%	14	(50.79%)	97	19.68%	18
MSCI ACWI ex-US Index	3.49%	46	11.60%	42	42.14%	18	(45.24%)	69	17.12%	30
CAI Non-U.S. Equity Style	3.43%	50	10.83%	50	32.89%	50	(42.91%)	50	13.16%	50
Dimensional Fund Advisors Inc.	5.76%	9	18.89%	92	40.47%	64	(41.25%)	11	3.68%	70
Blended Benchmark	2.96%	67	19.44%	91	43.20%	57	(48.36%)	53	(0.35%)	85
CAI Int'l Small Cap Style	3.51%	50	23.79%	50	47.99%	50	(48.22%)	50	8.91%	50
<b>Total Fixed Income</b>	<b>1.76%</b>		<b>9.80%</b>		<b>25.47%</b>		<b>(7.58%)</b>		<b>7.74%</b>	
Barclays Capital Aggregate	0.42%		6.54%		5.93%		5.24%		6.97%	
BlackRock Intermediate Agg	0.57%	58	6.35%	58	6.66%	85	4.98%	46	7.10%	57
Barclays Capital Int Aggregate	0.48%	80	6.15%	67	6.46%	86	4.86%	46	7.02%	58
CAI Intermediate F-I Styl	0.64%	50	6.40%	50	8.44%	50	4.36%	50	7.28%	50
Reams Asset Management	0.84%	90	8.95%	63	30.62%	3	(8.56%)	76	7.47%	15
Barclays Capital Aggregate	0.42%	99	6.54%	100	5.93%	99	5.24%	5	6.97%	23
CAI FI Core Plus Style	1.36%	50	9.13%	50	17.42%	50	(5.12%)	50	5.87%	50
Loomis, Sayles & Company, L.P.	2.91%	2	12.47%	8	34.22%	2	(15.16%)	96	8.31%	8
Barclays Capital Aggregate	0.42%	99	6.54%	100	5.93%	99	5.24%	5	6.97%	23
CAI FI Core Plus Style	1.36%	50	9.13%	50	17.42%	50	(5.12%)	50	5.87%	50
<b>Total Private Equity</b>	<b>(1.48%)</b>		-		-		-		-	
Abbott Capital Management	(11.82%)		-		-		-		-	
Mesirow Financial	0.00%		-		-		-		-	
Russell 3000 (On a Qtr Lag) + 3%	12.34%		-		-		-		-	
<b>Total Real Estate</b>	<b>6.16%</b>		<b>1.03%</b>		<b>(38.85%)</b>		<b>(4.75%)</b>		<b>19.96%</b>	
Real Estate	6.16%	10	1.03%	100	(38.85%)	83	(4.75%)	16	19.96%	3
NCREIF Property (1 Quarter in Arrears)	4.62%	40	5.83%	99	(22.11%)	12	5.27%	4	17.31%	12
Open-End Real Estate	3.84%	50	15.09%	50	(28.89%)	50	(10.25%)	50	14.59%	50
<b>Total Fund</b>	<b>4.51%</b>		<b>14.08%</b>		<b>23.72%</b>		<b>(30.68%)</b>		<b>7.45%</b>	
Total Fund Reference Index	3.77%		11.56%		19.10%		(25.43%)		7.66%	

\* Current Quarter Target = 33.0% Russell 3000 Index, 28.0% BC Aggregate Index, 22.0% MSCI EAFE Index, 10.0% MSCI World Index and 7.0% NCREIF Property (1 Qtr in Arrears).

City of Milwaukee Employees' Retirement System

### Investment Manager Returns

The table below details the rates of return for the Sponsor's investment managers over various time periods ended March 31, 2011. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

#### Returns for Periods Ended March 31, 2011

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Since Inception
<b>Net of Fee Returns</b>					
Total Domestic Equity	7.45%	19.64%	3.33%	1.89%	-
Russell 3000 Index	6.38%	17.41%	3.42%	2.95%	-
Northern Trust Global	5.96%	15.57%	2.24%	2.52%	8.51%
S&P 500 Index	5.92%	15.65%	2.35%	2.62%	8.58%
BlackRock R1000 Alpha Tilts	6.24%	13.96%	1.59%	0.90%	5.30%
Russell 1000 Index	6.24%	16.69%	2.98%	2.93%	6.02%
Turner Investment Partners	6.94%	21.03%	0.72%	0.17%	6.11%
Russell 1000 Growth Index	6.03%	18.26%	5.19%	4.34%	8.39%
AllianceBernstein L.P.	6.57%	11.46%	(3.16%)	(1.88%)	5.66%
Blended Benchmark	6.46%	15.15%	0.60%	1.38%	6.51%
Ernest Partners LLC	8.61%	26.97%	7.32%	4.91%	6.92%
Russell MidCap Index	7.63%	24.27%	7.25%	4.67%	6.87%
Dimensional Fund Advisors Inc.	8.61%	29.04%	9.99%	3.67%	12.12%
Russell 2000 Value Index	6.60%	20.63%	6.76%	2.23%	9.34%
Allianz Global Investors Capital	13.58%	23.61%	-	-	23.61%
Russell 2000 Growth Index	9.24%	31.04%	10.16%	4.34%	31.04%
Total Global Equity	5.39%	12.41%	-	-	12.24%
MSCI The World Index	4.80%	13.45%	(0.25%)	2.08%	13.43%
Grantham Mayo Van Otterloo	6.30%	13.40%	-	-	13.40%
MSCI The World Index	4.80%	13.45%	(0.25%)	2.08%	13.45%
T. Rowe Price	4.48%	-	-	-	30.44%
MSCI AC World	4.42%	14.08%	0.31%	2.94%	29.82%
Total International Equity	2.39%	13.83%	(1.32%)	2.51%	7.34%
MSCI EAFE Index	3.36%	10.42%	(3.01%)	1.30%	4.70%
Brandes Investment Partners	3.92%	7.86%	(2.10%)	1.26%	7.92%
MSCI EAFE Index	3.36%	10.42%	(3.01%)	1.30%	3.99%
William Blair & Company	0.37%	16.97%	(2.04%)	2.61%	8.23%
MSCI ACWI ex-US Index	3.49%	13.61%	(0.38%)	4.05%	9.28%
Dimensional Fund Advisors Inc.	5.58%	18.71%	1.74%	2.55%	2.59%
Blended Benchmark	2.96%	18.03%	(0.83%)	(0.69%)	(1.52%)
Total Fixed Income	1.73%	8.02%	8.73%	8.11%	8.07%
Barclays Capital Aggregate	0.42%	5.12%	5.30%	6.03%	6.62%
BlackRock Intermediate Agg	0.57%	4.97%	5.30%	6.08%	5.99%
Barclays Capital Int Aggregate	0.48%	4.76%	5.17%	5.96%	5.92%
Reams Asset Management	0.80%	6.37%	8.63%	8.02%	6.42%
Loomis, Sayles & Company, L.P.	2.87%	10.72%	9.89%	8.75%	9.39%
Barclays Capital Aggregate	0.42%	5.12%	5.30%	6.03%	6.56%
Total Private Equity	(1.48%)	-	-	-	2.90%
Abbott Capital Management	(12.07%)	-	-	-	(61.13%)
Mesirow Financial	(0.18%)	-	-	-	8.39%
Russell 3000 (On a Qtr Lag) + 3%	12.34%	-	-	-	12.80%
Total Real Estate	6.16%	13.10%	(15.62%)	(4.04%)	3.79%
Real Estate	6.16%	13.10%	(15.62%)	(4.04%)	3.79%
NCREIF Property(1 Quarter in Arrears)	4.62%	13.11%	(4.18%)	3.51%	7.06%
Total Fund	4.42%	14.10%	2.64%	3.44%	-
Total Fund Reference Index	3.77%	12.18%	2.80%	3.98%	-

\* Current Quarter Target = 33.0% Russell 3000 Index, 28.0% BC Aggregate Index, 22.0% MSCI EAFE Index, 10.0% MSCI World Index and 7.0% NCREIF Property (1 Qtr in Arrears).  
City of Milwaukee Employees' Retirement System

## Investment Manager Returns

The table below details the rates of return for the Sponsor's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	12/2010- 3/2011	2010	2009	2008	2007
<b>Net of Fee Returns</b>					
Total Domestic Equity	7.45%	18.74%	31.29%	(41.06%)	2.57%
Russell 3000 Index	6.38%	16.93%	28.34%	(37.31%)	5.14%
Northern Trust Global	5.96%	15.11%	27.07%	(37.65%)	5.43%
S&P 500 Index	5.92%	15.06%	26.47%	(37.00%)	5.49%
BlackRock R1000 Alpha Tilts	6.24%	12.33%	26.52%	(37.04%)	(0.14%)
Russell 1000 Index	6.24%	16.10%	28.43%	(37.60%)	5.77%
Turner Investment Partners	6.94%	18.78%	34.75%	(50.42%)	17.45%
Russell 1000 Growth Index	6.03%	16.71%	37.21%	(38.44%)	11.81%
AllianceBernstein L.P.	6.57%	12.42%	26.68%	(47.12%)	(1.97%)
Blended Benchmark	6.46%	15.51%	19.69%	(36.85%)	(0.17%)
Ernest Partners LLC	8.61%	26.46%	41.50%	(40.92%)	8.17%
Russell MidCap Index	7.63%	25.48%	40.48%	(41.46%)	5.60%
Dimensional Fund Advisors Inc.	8.61%	34.00%	36.29%	(37.56%)	(10.33%)
Russell 2000 Value Index	6.60%	24.50%	20.58%	(28.92%)	(9.78%)
Allianz Global Investors Capital	13.58%	-	-	-	-
Russell 2000 Growth Index	9.24%	29.09%	34.47%	(38.54%)	7.05%
Total Global Equity	5.39%	-	-	-	-
MSCI The World Index	4.80%	11.76%	29.99%	(40.71%)	9.04%
Grantham Mayo Van Otterloo	6.30%	-	-	-	-
MSCI The World Index	4.80%	11.76%	29.99%	(40.71%)	9.04%
T. Rowe Price	4.48%	-	-	-	-
MSCI AC World	4.42%	12.67%	34.63%	(42.20%)	11.66%
Total International Equity	2.39%	13.67%	35.59%	(45.35%)	13.64%
MSCI EAFE Index	3.36%	7.75%	31.78%	(43.38%)	11.17%
Brandes Investment Partners	3.92%	4.34%	24.80%	(38.88%)	9.15%
MSCI EAFE Index	3.36%	7.75%	31.78%	(43.38%)	11.17%
William Blair & Company	0.37%	19.90%	43.39%	(51.01%)	19.21%
MSCI ACWI ex-US Index	3.49%	11.60%	42.14%	(45.24%)	17.12%
Dimensional Fund Advisors Inc.	5.58%	18.10%	39.52%	(41.68%)	2.96%
Blended Benchmark	2.96%	19.44%	43.20%	(48.36%)	(0.35%)
Total Fixed Income	1.73%	9.65%	25.35%	(7.70%)	7.62%
Barclays Capital Aggregate	0.42%	6.54%	5.93%	5.24%	6.97%
BlackRock Intermediate Agg	0.57%	6.30%	6.63%	4.93%	7.07%
Barclays Capital Int Aggregate	0.48%	6.15%	6.46%	4.86%	7.02%
Reams Asset Management	0.80%	8.63%	30.28%	(8.83%)	7.18%
Loomis, Sayles & Company, L.P.	2.87%	12.16%	33.87%	(15.44%)	8.09%
Barclays Capital Aggregate	0.42%	6.54%	5.93%	5.24%	6.97%
Total Private Equity	(1.48%)	-	-	-	-
Abbott Capital Management	(12.07%)	-	-	-	-
Mesirow Financial	(0.18%)	-	-	-	-
Russell 3000 (On a Qtr Lag) + 3%	12.34%	-	-	-	-
Total Real Estate	6.16%	(0.12%)	(39.23%)	(5.95%)	17.85%
Real Estate	6.16%	(0.12%)	(39.23%)	(5.95%)	17.85%
NCREIF Property(1Quarter in Arrears)	4.62%	5.83%	(22.11%)	5.27%	17.31%
Total Fund	4.42%	13.72%	23.36%	(31.04%)	7.09%
Total Fund Reference Index	3.77%	11.56%	19.10%	(25.43%)	7.66%

\* Current Quarter Target = 33.0% Russell 3000 Index, 28.0% BC Aggregate Index, 22.0% MSCI EAFE Index, 10.0% MSCI World Index and 7.0% NCREIF Property (1 Qtr in Arrears).  
City of Milwaukee Employees' Retirement System





CLIENT: City of Milwaukee Employees' Retirement System		PLAN:
ORGID: 10556	PLAN NUM: 1	REPORT DATE: Mar 31, 2011

CONSULTANT	OFFICE	MAILING DUE DATE
Kevin Dolsen	WI	May 10 2011

METHOD:				
TOTAL COPIES	CLIENT COPIES	CONSULT COPIES	FILES COPIES	OTHER COPIES
0	0	0	0	0

DATE MAILED:
--------------

TAB POS#: 1 PAGE NUMBER: 3  
 TAB POS#: 2 PAGE NUMBER: 25  
 TAB POS#: 3 PAGE NUMBER: 39  
 TAB POS#: 4 PAGE NUMBER: 44  
 END COPY INSERT PAGE NUMBER: 50