

**ILLINOIS MUNICIPAL RETIREMENT FUND
MINUTES OF
REGULAR MEETING NO. 11-03
MARCH 25, 2011**

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 11-03

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:00 a.m., March 25, 2011, in the Fund Office at 2211 York Road, Suite 400, Oak Brook, Illinois.

Mr. Shoop presided as Chair and called the meeting to order.

Ms. Enright called the roll:

Present: Henry, Piechocinski, Rademacher, Shoop, Stafford, Thompson, Copper, Faklis
Absent: None

Ms. Becker-Wold, Messrs. Dickinson and Ball from Callan Associates, Ms. Widlus from Seyfarth Shaw LLP., and representatives from Loop Capital and MR Beal were also present.

(11-03-01) (Investment Manager Activities - Callan Associates) Mr. Dickinson of Callan Associates presented the following report to the Board on the activities of IMRF's investment managers:

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

**Illinois Municipal Retirement Fund
Monthly Performance Report
February 28, 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.

Returns
for Periods Ended February 28, 2011

	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	3.61	5.90	24.49	3.29	3.47	3.78
Russell:1000 Index	3.48	5.97	23.54	2.66	3.17	3.09
Russell:Midcap Index	3.80	6.01	31.05	6.19	4.86	7.67
Russell:2000 Index	5.48	5.21	32.59	7.79	3.80	7.06
MSCI:ACWI ex US	2.66	3.68	21.63	(1.04)	4.69	7.08
MSCI:EAFE US\$	3.30	5.73	20.00	(2.62)	2.43	4.90
MSCI:Emer Markets	(0.92)	(3.59)	21.23	0.80	9.94	15.26
BC:Aggr Bd	0.25	0.37	4.93	5.40	5.80	5.61
NCREIF:Total Index	1.52	3.06	15.98	(3.56)	3.64	7.54
NAREIT Composite Idx	4.50	8.47	38.23	4.71	2.20	11.13

February was the latest in a string of good months for most equity markets. The MSCI Emerging Markets Index was by itself in losing ground during the month (-0.9%). However, this general positive trend started to show some signs of weakness towards the end of February. The unrest in the Middle East was a major cause of this, as well as the corresponding rise in oil prices.

All domestic equity market segments were strongly positive. Small caps gained the most (5.5%), followed by mid caps (3.8%) and then large caps (3.5%). Developed international markets also did well as the MSCI EAFE Index was up 3.3%.

The bond market was slightly positive in February, with the BC Aggregate Bond Index returning 0.3%. This brings the year-to-date return for this index to 0.4%.

Public real estate markets continue to bring positive returns. The NAREIT Composite Index gained 4.5% in February.

*Due to a lag in the reporting of NCREIF Property Index returns, the monthly return shown is deduced from the most recent quarterly return. This monthly return, when compounded over three months, equates to the quarterly return.

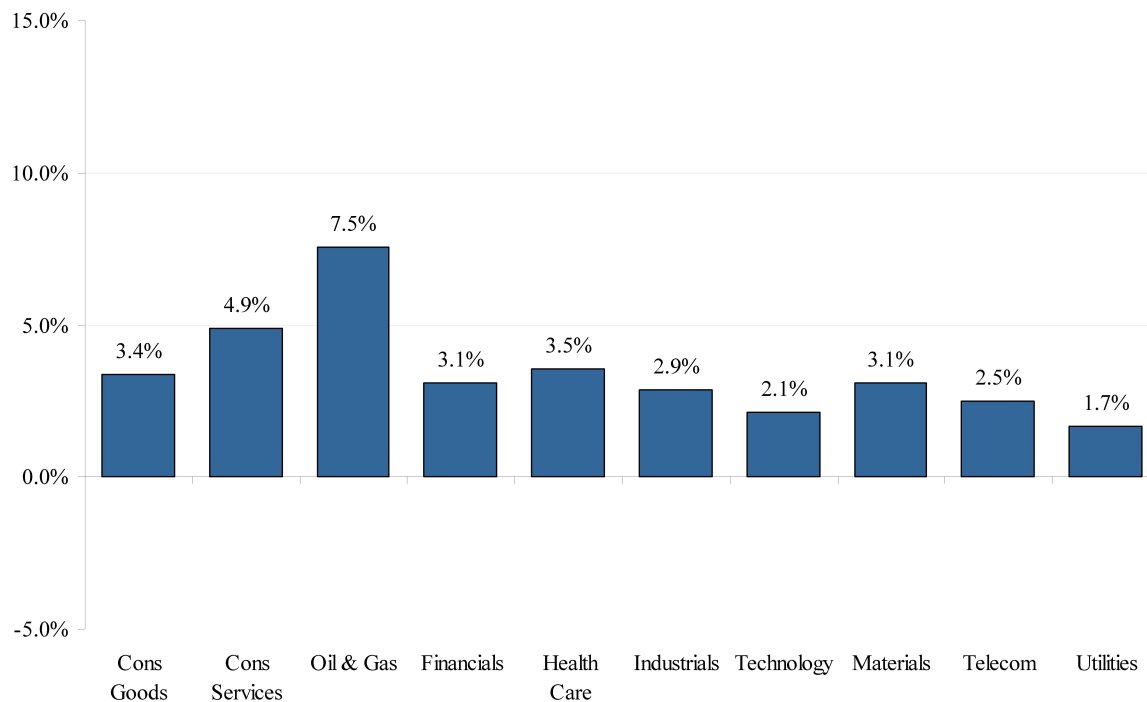
Returns
for Periods Ended February 28, 2011

	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	3.61	5.90	24.49	3.29	3.47	3.78
Russell:1000 Index	3.48	5.97	23.54	2.66	3.17	3.09
Russell:1000 Growth	3.27	5.90	24.94	4.93	4.62	1.80
Russell:1000 Value	3.69	6.03	22.16	0.22	1.57	4.12
Russell:Midcap Index	3.80	6.01	31.05	6.19	4.86	7.67
Russell:2000 Index	5.48	5.21	32.59	7.79	3.80	7.06
Russell:2000 Growth	5.88	5.29	36.33	8.61	4.56	5.04
Russell:2000 Value	5.08	5.13	28.87	6.80	2.91	8.68

All segments of the domestic equity market had a great month. In fact, the worst performing segment, large cap growth, returned almost 3.3%. The recent performance of small and mid cap equities has been so good that their 10 year performance is now better than the BC Aggregate Bond Index, by 1.5% and 2.1%, respectively.

All sectors were positive for the month, but the Oil and Gas sector was the star. It surged 7.5% as oil prices hit \$97 a barrel by the end of February. This follows its 7.4% gain in January. Utilities lagged all other sectors, returning 1.7%.

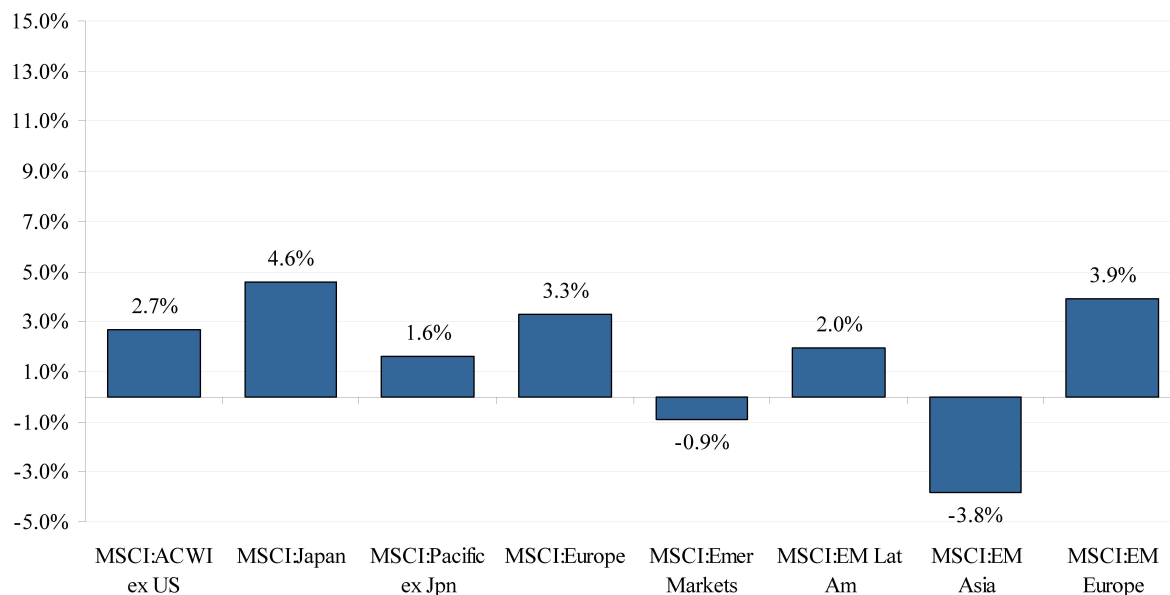
DJ US Total Stock Market Sector Returns



Returns
for Periods Ended February 28, 2011

	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
MSCI:ACWI ex US	2.66	3.68	21.63	(1.04)	4.69	7.08
MSCI:ACWI ex US Gr	2.46	1.94	22.55	(1.75)	4.78	6.00
MSCI:ACW ex US Val	2.85	5.48	20.63	(0.37)	4.55	8.09
MSCI:EAFE US\$	3.30	5.73	20.00	(2.62)	2.43	4.90
MSCI:EAFE Hedged	2.11	3.66	10.09	(4.94)	(2.82)	(0.97)
MSCI:Emer Markets	(0.92)	(3.59)	21.23	0.80	9.94	15.26
S&P:Dev x US Sm Cap	2.92	3.93	30.31	0.81	4.46	10.03

Monthly Regional Returns



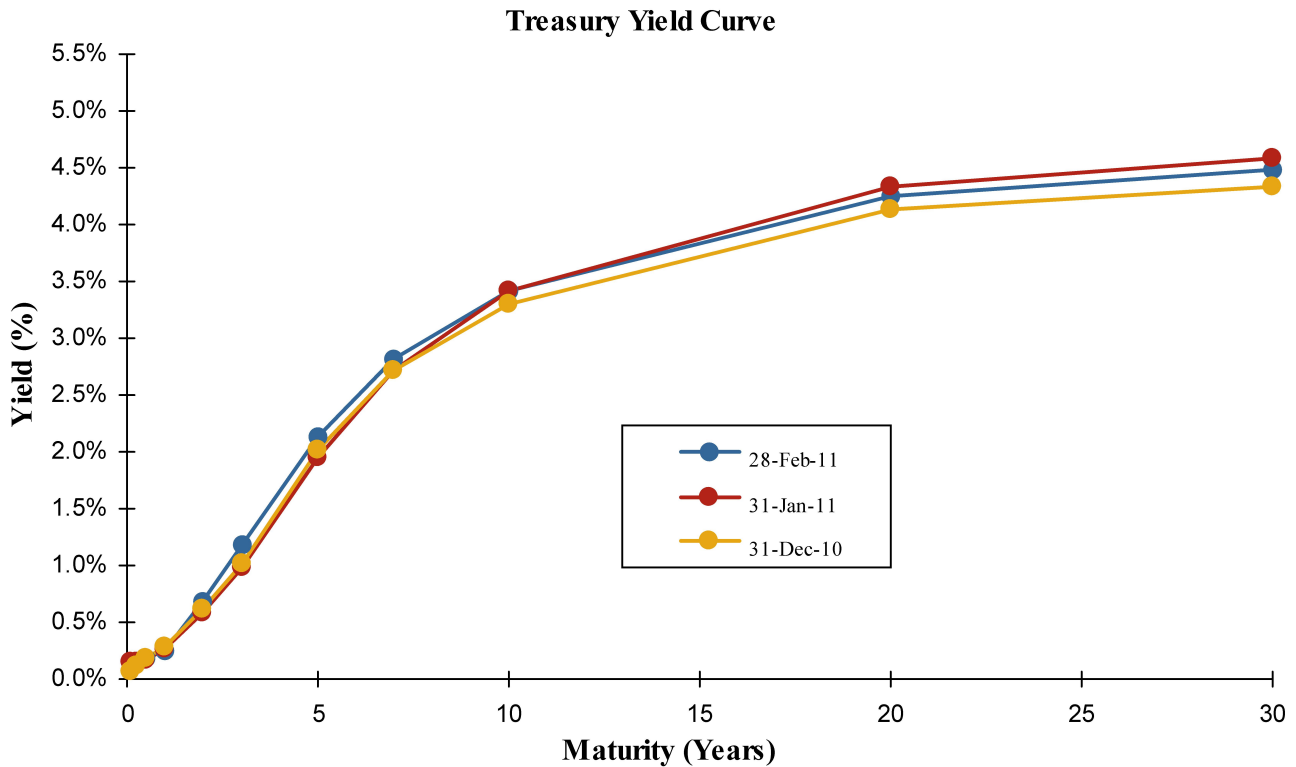
Similar to January, developed international equity markets did well but emerging markets were negative. The MSCI EAFE Index returned 3.3% and the MSCI Emerging Markets Index lost 0.9%. The weakening of the dollar continued (versus a basket EAFE currencies) as unhedged investors gained 1.2% more than their hedged counterparts.

Japan led all other regions in February, increasing 4.6%. On the end of the spectrum, emerging markets in Asia lost 3.8%.

The dispersion between value and growth was small in February as value stocks returned 0.4% more than growth stocks.

Returns
for Periods Ended February 28, 2011

	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
BC:Aggr Bd	0.25	0.37	4.93	5.40	5.80	5.61
BC:Govt Index	(0.06)	(0.05)	3.53	3.90	5.44	5.19
BC:Credit	0.72	0.93	7.37	6.69	6.12	6.26
BC:Mortgage Idx	0.25	0.30	4.12	5.98	6.24	5.70
BC:US TIPS Index	0.86	1.05	6.97	3.56	5.56	6.74
ML:High Yield CP Idx	1.32	3.43	17.23	12.12	8.92	8.28
3 Month T-Bill	0.02	0.02	0.14	0.58	2.30	2.28



The fixed income market had a relatively calm month. In fact, the last three months have shown very little movement in the Treasury yield curve. The BC Aggregate Bond Index increased 0.3% and the BC Government Index lost 0.1%. High yield bonds were again out in front of all other sectors, returning 1.3%.

Callan met with the following IMRF investment managers during the month:

Alliance Bernstein

Western Asset Management

Dimensional Fund Advisors

Fortaleza Asset Management, Inc.

Total Fund

As of February 28, domestic equity and real estate were more than 4% away from their target allocations. Domestic equity had an allocation of 42.5% compared to a target of 38% and Real Estate had an allocation of 1.9% compared to a target of 6.0%. The domestic equity overweight is due primarily to very strong performance relative to other asset classes over the last few months. Funding of the recently hired real estate managers should bring both Domestic equity and Real Estate allocations within the acceptable range over the next few months.

The Total Fund returned 2.42% for February, ahead of the Total Fund Benchmark by 31 basis points. For the last year, the Fund was up 18.33%, beating the benchmark by 1.46%. Domestic and International Equity had the strongest absolute performance for the month. Domestic equity managers collectively outperformed their benchmarks slightly while the International Equity managers collectively underperformed their benchmark slightly. . Although Fixed Income had the weakest absolute performance for the month with a return of 0.58%, it outperformed the BC Aggregate Index by 9 basis points. Collectively, alternative investments were up 1.87% for the month, ahead of the benchmark by 1.15%.

US Equity

Large Cap: The Fund's Large Domestic Equity managers returned 3.66%, 18 basis points ahead of the Russell 1000. Growth managers collectively earned 3.48 %, 27 basis points ahead of the Russell 1000 Growth Index. Value managers collectively earned 3.90%, 21 basis points ahead of the Russell 1000 Value Index. Harris had the best performance among large cap managers at 4.57% and the NTGI S&P 500 Growth Index Fund had the worst performance at 3.17%.

Small Cap: The Small Cap portfolio earned 4.53% for the month compared to 5.48% for the Russell 2000. Small Cap Growth managers were up 4.77% with Fortaleza posting the strongest monthly performance. Small Cap Value managers were up 5.02% with strongest performance turned in by DFA. The Micro Cap segment gained 3.28% with best performance also contributed by DFA.

International Equity

Large Cap: International Large Cap managers returned 2.75% for the month, 12 basis points ahead of the MSCI ACW ex-US Index... Large Cap Growth was up 1.82% and Large Cap Value was up 3.99% and Arrowstreet, the large cap core manager, earned 2.11%.

International Small Cap and Emerging Markets: The international small cap manager, William Blair, earned 0.98% trailing the index by 1.94%. The emerging markets portfolio managed by Genesis returned 0.23% during February, outperforming the negative MSCI Emerging Markets Index return by 1.15%.

Domestic Fixed Income

Active Core: The active core fixed income component returned 0.48%, beating the BC Aggregate by 23 basis points. The enhanced core portfolio outperformed its index for the month by 8 basis points.

Core Plus: The core plus managers collectively earned 0.58% compared to 0.25% for the BC Aggregate. Taplin turned in the best performance at 0.90% and Progress the worst at 0.44%.

High Yield: MacKay Shields and Pyramis combined returned 1.57%, compared to 1.32% for the index. Pyramis was responsible for the outperformance with a return of 1.87%.

Real Estate

Returns for both real estate funds and real estate indexes are estimated for monthly reporting purposes. Based on the current estimates, the core real estate funds did best in February with return 2 basis points ahead of the estimated return for the benchmark. Opportunistic real estate returned 1.33%, 27 basis points behind the benchmark.

Alternatives

Absolute Return: The hedge fund-of-funds collectively returned 1.04% for the month, beating the HRF Fund-of-Funds Index by 40 basis points and well ahead of the custom alternatives benchmark of 0.72%.

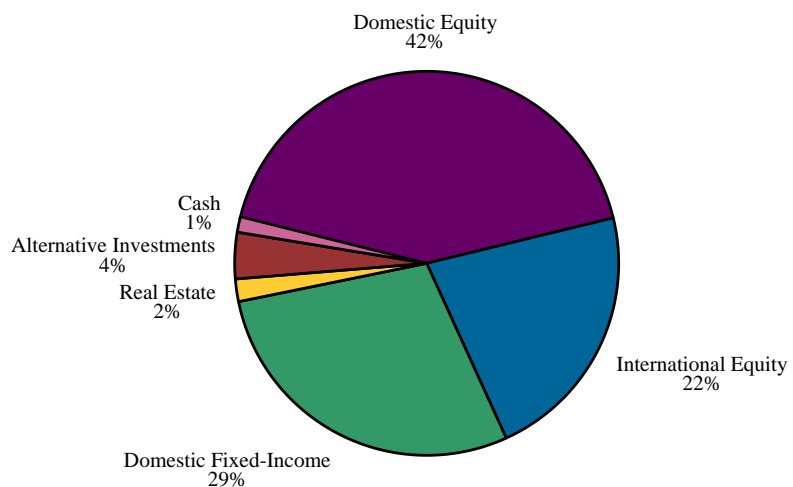
Private Equity: The private equity portfolio had an estimated return of 3.20% well ahead of the alternatives custom benchmark return of 0.72%. Pantheon had the best return among private equity managers with 4.95%.

Agriculture and Timberland: The Agriculture portfolio returned 0.21% significantly behind the benchmark return of 1.60%.

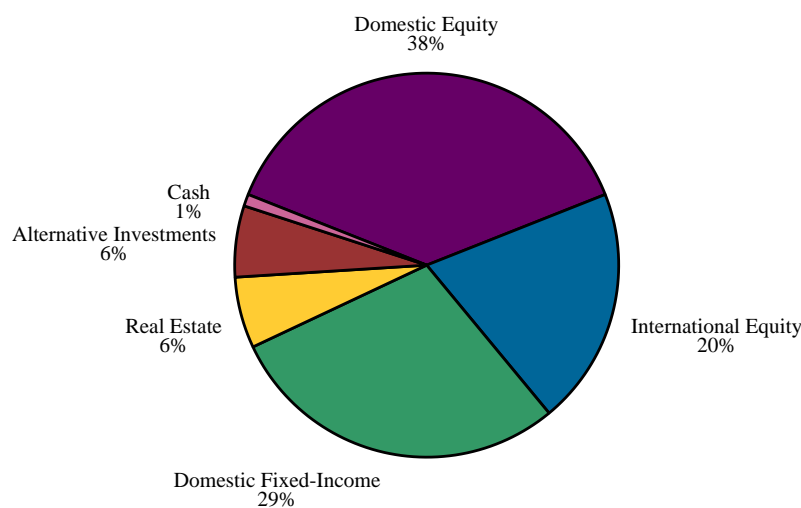
Actual vs Target Asset Allocation

The first chart below shows the Funds asset allocation as of February 28, 2011. The second chart shows the Funds target asset allocation as outlined in the investment policy statement.

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$Millions Actual	Percent Actual	Percent Target	Percent Difference	\$Millions Difference
Domestic Equity	11,054	42.5%	38.0%	4.5%	1,166
International Equity	5,714	22.0%	20.0%	2.0%	510
Domestic Fixed-Income	7,431	28.6%	29.0%	(0.4%)	(115)
Real Estate	488	1.9%	6.0%	(4.1%)	(1,073)
Alternative Investments	1,004	3.9%	6.0%	(2.1%)	(557)
Cash	329	1.3%	1.0%	0.3%	69
Total	26,021	100.0%	100.0%		

* Current Month Target = 38.0% US Total Stock Market Idx, 29.0% BC Aggregate Index, 20.0% MSCI ACWI x US (Net), 6.0% NCREIF Total Index+1.0%, 6.0% 9% Annually and 1.0% 3-month Treasury Bill.
 03/25/2011
 Illinois Municipal Retirement Fund

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of February 28, 2011, with the distribution as of January 31, 2011.

Asset Distribution Across Investment Managers

	February 28, 2011		January 31, 2011	
	Market Value	Percent	Market Value	Percent
Domestic Equity	\$11,054,324,304	42.48%	\$10,645,093,228	41.86%
Large Cap Growth				
Alliance Bernstein	553,190,894	2.13%	532,751,815	2.10%
Holland	543,022,312	2.09%	523,063,590	2.06%
NTGI S&P 500 Growth Idx	1,244,628,461	4.78%	1,206,342,559	4.74%
Sands	615,934,080	2.37%	595,077,543	2.34%
Large Cap Value				
Dodge & Cox	278,829,398	1.07%	268,900,288	1.06%
Harris	635,317,366	2.44%	607,542,404	2.39%
LSV	521,842,381	2.01%	503,187,267	1.98%
NTGI S&P 500 Value Idx	1,249,178,082	4.80%	1,204,790,875	4.74%
Large Cap Core				
Progress	396,337,019	1.52%	382,620,573	1.50%
NTGI MarketCap Index	2,662,126,230	10.23%	2,568,796,835	10.10%
Small Cap Growth				
Buford	32,043,093	0.12%	30,962,987	0.12%
Fortaleza	23,428,652	0.09%	22,004,790	0.09%
Frontier	429,783,514	1.65%	408,477,960	1.61%
Pyramis	595,981,305	2.29%	570,581,226	2.24%
Small Cap Value				
Dimensional Small Cap Value	259,797,396	1.00%	244,768,064	0.96%
Inv. Counselors of Maryland	506,162,497	1.95%	484,601,944	1.91%
Micro Cap				
Ariel	59,028,236	0.23%	57,647,065	0.23%
Ativo	29,733,221	0.11%	28,932,103	0.11%
Dimensional Micro Cap	133,051,152	0.51%	126,479,091	0.50%
Wall Street	284,909,018	1.09%	277,564,249	1.09%
International Equity	\$5,713,922,236	21.96%	\$5,575,278,251	21.93%
International Large Cap Growth				
Brown	148,391,273	0.57%	144,837,739	0.57%
EARNEST Partners	264,066,353	1.01%	255,578,243	1.01%
GlobeFlex	399,299,929	1.53%	393,359,226	1.55%
McKinley	305,723,780	1.17%	298,385,657	1.17%
William Blair	769,567,067	2.96%	761,152,846	2.99%
International Large Cap Value				
Brandes	685,794,136	2.64%	659,467,804	2.59%
International Large Cap Core				
Arrowstreet	400,206,397	1.54%	391,919,825	1.54%
NTGI MSCI EAFE Index	2,110,430,901	8.11%	2,042,788,850	8.03%
International Small Cap				
William Blair	160,799,654	0.62%	159,239,186	0.63%
AXA Rosenberg	361,313	0.00%	357,946	0.00%

William Blair International Small Cap Equity was funded August 6, 2010. AXA Rosenberg was liquidated on the same date. Ariel and Ativo were funded September 16, 2010 and September 14, 2010 respectively.



Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of February 28, 2011, with the distribution as of January 31, 2011.

Asset Distribution Across Investment Managers

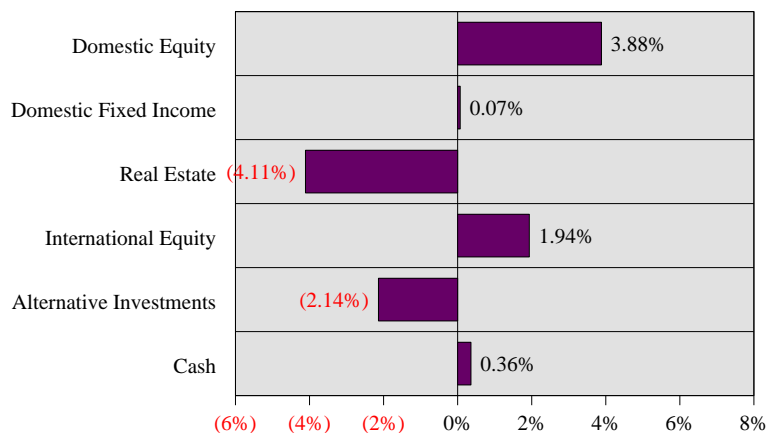
	February 28, 2011		January 31, 2011	
	Market Value	Percent	Market Value	Percent
Emerging Markets				
Genesis	469,281,431	1.80%	468,190,929	1.84%
Domestic Fixed-Income	\$7,431,213,736	28.56%	\$7,388,488,681	29.06%
Domestic Fixed Core				
EARNEST Partners	260,169,296	1.00%	258,979,088	1.02%
Piedmont	282,738,760	1.09%	281,354,318	1.11%
BlackRock Enhanced	852,777,542	3.28%	849,976,466	3.34%
NTGI BC Aggregate Index	1,746,624,012	6.71%	1,742,491,720	6.85%
Domestic Fixed Core Plus				
BlackRock Core Plus	630,332,696	2.42%	626,976,365	2.47%
LM Capital	728,681,056	2.80%	725,360,937	2.85%
Progress Fixed Income	377,161,563	1.45%	375,502,239	1.48%
Taplin, Canida, & Habacht	709,583,267	2.73%	703,265,726	2.77%
Western	954,841,245	3.67%	949,998,822	3.74%
High Yield				
MacKay Shields	426,098,255	1.64%	420,845,365	1.66%
Pyramis High Yield	462,206,044	1.78%	453,737,635	1.78%
Real Estate	\$488,182,012	1.88%	\$479,756,801	1.89%
Real Estate Opportunistic				
Lazard Freres	30,980,389	0.12%	30,980,389	0.12%
Olympus Real Estate Fund II	1,182,547	0.00%	1,182,547	0.00%
Security	49,632,277	0.19%	48,802,388	0.19%
Dune Real Estate Fund II	8,304,806	0.03%	7,951,036	0.03%
Real Estate Core				
BlackRock Granite Fund	57,689,489	0.22%	57,689,489	0.23%
Buckhead	214,611,047	0.82%	209,478,991	0.82%
Sentinel	53,154,590	0.20%	53,154,590	0.21%
Real Estate Value Added				
Rockwood	17,878,570	0.07%	17,878,570	0.07%
Rothschild	18,935,264	0.07%	18,454,154	0.07%
Alternative Investments	\$1,003,913,052	3.86%	\$977,516,246	3.84%
Absolute Return				
Aurora	142,120,078	0.55%	140,751,633	0.55%
Grosvenor	121,143,958	0.47%	119,844,948	0.47%
Mesirow	121,916,452	0.47%	120,612,088	0.47%
Private Equity				
Abbott	276,682,732	1.06%	269,836,763	1.06%
Muller & Monroe ILPEFF	13,246,827	0.05%	13,207,747	0.05%
Muller & Monroe MPEFF	14,004,393	0.05%	12,793,168	0.05%
Pantheon	155,114,946	0.60%	150,182,336	0.59%
Agriculture				
Cozad/Westchester	96,244,563	0.37%	86,849,183	0.34%
Timberland				
Forest Investment Assoc.	63,306,371	0.24%	63,306,371	0.25%
Cash	\$329,131,316	1.26%	\$361,917,539	1.42%
Total Fund	\$26,020,686,656	100.0%	\$25,428,050,746	100.0%



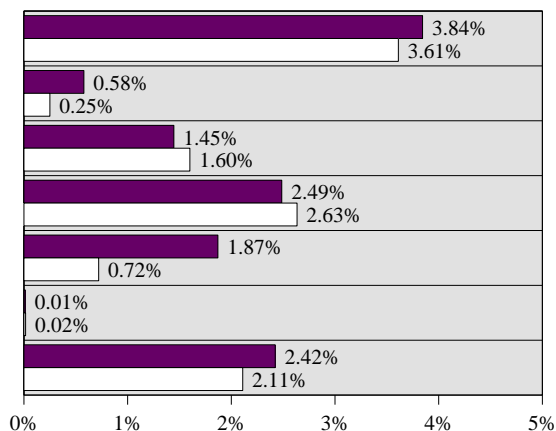
Monthly Total Fund Relative Attribution - February 28, 2011

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.

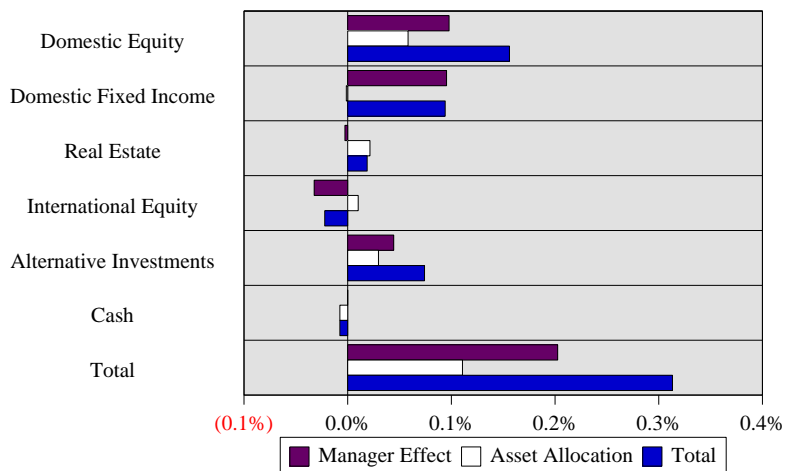
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Month ended February 28, 2011

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	42%	38%	3.84%	3.61%	0.10%	0.06%	0.16%
Domestic Fixed Income	29%	29%	0.58%	0.25%	0.10%	(0.00%)	0.09%
Real Estate	2%	6%	1.45%	1.60%	(0.00%)	0.02%	0.02%
International Equity	22%	20%	2.49%	2.63%	(0.03%)	0.01%	(0.02%)
Alternative Investments	4%	6%	1.87%	0.72%	0.04%	0.03%	0.07%
Cash	1%	1%	0.01%	0.02%	(0.00%)	(0.01%)	(0.01%)

Total $2.42\% = 2.11\% + 0.20\% + 0.11\%$

* Current Month Target = 38.0% US Total Stock Market Idx, 29.0% BC Aggregate Index, 20.0% MSCI ACWI x US (Net), 6.0% NCREIF Total Index+1.0%, 6.0% 9% Annually and 1.0% 3-month Treasury Bill.



Asset Class Returns

The table below details the rates of return for the fund's asset class composites over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended February 28, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Equity (12/31/81)	3.84%	13.03%	5.88%	26.24%
DJ U.S. Total Stock Market Index	3.61%	13.12%	5.90%	24.49%
Domestic Equity - Net (12/31/04)	3.82%	12.97%	5.82%	25.96%
International Equity (08/31/86)	2.49%	11.17%	3.39%	22.22%
MSCI ACWI x US (Net)	2.63%	11.76%	3.64%	21.12%
International Equity - Net (12/31/04)	2.45%	11.11%	3.33%	21.90%
Domestic Fixed-Income (12/31/81)	0.58%	0.53%	1.09%	7.52%
BC Aggregate Index	0.25%	(0.72%)	0.37%	4.93%
Domestic Fixed-Inc. - Net (12/31/04)	0.55%	0.49%	1.06%	7.37%
Real Estate (04/30/85)	1.45%	3.00%	2.23%	13.97%
Blended Benchmark**	1.60%	4.87%	3.22%	16.98%
Real Estate - Net (12/31/04)	1.45%	3.00%	2.23%	13.97%
Alternative Investments (01/31/86)	1.87%	3.93%	2.33%	11.91%
Alternatives Custom Benchmark***	0.72%	2.18%	1.45%	9.99%
Alternative Investments - Net (12/31/04)	1.82%	3.88%	2.27%	11.66%
Absolute Return (12/31/01)	1.04%	3.58%	2.02%	7.29%
HFR Fund-of-Funds Index	0.64%	2.96%	0.78%	6.75%
Private Equity (01/31/86)	3.20%	3.69%	3.41%	18.09%
Alternatives Custom Benchmark***	0.72%	2.18%	1.45%	9.99%
Agriculture (09/30/97)	0.21%	8.08%	0.16%	7.67%
Blended Benchmark**	1.60%	4.87%	3.22%	16.98%
Timberland (09/30/92)	0.00%	3.19%	(0.25%)	2.84%
Blended Benchmark**	1.60%	4.87%	3.22%	16.98%
Total Fund (12/31/81)	2.42%	8.07%	3.64%	18.33%
Total Fund Benchmark	2.11%	7.46%	3.34%	16.87%
Total Fund - Net (12/31/04)	2.39%	8.02%	3.59%	18.10%

* Current Month Target = 38.0% US Total Stock Market Idx, 29.0% BC Aggregate Index, 20.0% MSCI ACWI x US (Net), 6.0% NCREIF Total Index+1.0%, 6.0% 9% Annually and 1.0% 3-month Treasury Bill.

** The Blended Benchmark is currently NPI + 1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%. As the returns of the NPI are updated quarterly, an approximation of the Index is used during the first two months of each quarter.

*** The Alternatives Custom Benchmark is based on an annualized rate of return of 9.0%. Prior to July 1, 2010 the Benchmark was based on an annual return of 12.0%. Prior to 2004, the Benchmark was based on an annual return of 13.0%. Prior to 2003, it was based on an annual return of 15.0%.

Asset Class Returns

The table below details the rates of return for the fund's asset class composites over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended February 28, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Equity (12/31/81)	4.00%	3.59%	4.42%	11.52%
DJ U.S. Total Stock Market Index	3.29%	3.47%	3.78%	11.08%
Domestic Equity - Net (12/31/04)	3.75%	3.34%	-	4.67%
International Equity (08/31/86)	(1.89%)	3.78%	7.00%	8.63%
MSCI ACWI x US (Net)	(1.50%)	4.23%	6.64%	-
International Equity - Net (12/31/04)	(2.20%)	3.42%	-	6.50%
Domestic Fixed-Income (12/31/81)	7.12%	6.59%	6.22%	9.38%
BC Aggregate Index	5.40%	5.80%	5.61%	8.81%
Domestic Fixed-Inc. - Net (12/31/04)	6.99%	6.46%	-	5.69%
Real Estate (04/30/85)	(7.41%)	0.03%	5.13%	3.78%
Blended Benchmark**	(2.56%)	2.96%	5.18%	6.98%
Real Estate - Net (12/31/04)	(7.41%)	0.03%	-	2.86%
Alternative Investments (01/31/86)	0.67%	6.44%	3.54%	11.34%
Alternatives Custom Benchmark***	11.33%	11.60%	12.44%	13.98%
Alternative Investments - Net (12/31/04)	0.39%	6.14%	-	8.08%
Absolute Return (12/31/01)	0.25%	3.89%	-	5.44%
HFR Fund-of-Funds Index	(1.76%)	1.93%	4.10%	4.38%
Private Equity (01/31/86)	0.04%	8.98%	3.80%	13.37%
Alternatives Custom Benchmark***	11.33%	11.60%	12.44%	13.98%
Agriculture (09/30/97)	2.95%	8.92%	6.11%	5.75%
Blended Benchmark**	(2.56%)	2.96%	5.18%	5.79%
Timberland (09/30/92)	7.71%	6.31%	3.85%	9.65%
Blended Benchmark**	(2.56%)	2.96%	5.18%	6.28%
Total Fund (12/31/81)	5.02%	5.66%	6.09%	10.36%
Total Fund Benchmark	4.53%	5.53%	5.81%	-
Total Fund - Net (12/31/04)	4.81%	5.44%	-	6.26%

* Current Month Target = 38.0% US Total Stock Market Idx, 29.0% BC Aggregate Index, 20.0% MSCI ACWI x US (Net), 6.0% NCREIF Total Index+1.0%, 6.0% 9% Annually and 1.0% 3-month Treasury Bill.

** The Blended Benchmark is currently NPI + 1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%. As the returns of the NPI are updated quarterly, an approximation of the Index is used during the first two months of each quarter.

*** The Alternatives Custom Benchmark is based on an annualized rate of return of 9.0%. Prior to July 1, 2010 the Benchmark was based on an annual return of 12.0%. Prior to 2004, the Benchmark was based on an annual return of 13.0%. Prior to 2003, it was based on an annual return of 15.0%.

Large Cap Equity Returns

The table below details the rates of return for the fund's large cap growth and large cap value managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended February 28, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Large Cap Equity (12/31/81)	3.66%	12.91%	6.19%	24.12%
Russell 1000 Index	3.48%	13.04%	5.97%	23.54%
Large Cap Growth (12/31/81)	3.48%	10.80%	5.63%	25.76%
Alliance Bernstein (02/28/02)	3.84%	14.03%	7.07%	21.32%
LCG Blended Benchmark*	3.27%	11.73%	5.90%	24.94%
Russell 1000 Growth Index	3.27%	11.73%	5.90%	24.94%
Alliance Bernstein - Net (12/31/04)	3.77%	13.95%	7.00%	20.98%
Holland (10/31/94)	3.82%	11.04%	6.11%	24.17%
LCG Blended Benchmark*	3.27%	11.73%	5.90%	24.94%
Russell 1000 Growth Index	3.27%	11.73%	5.90%	24.94%
Holland - Net (12/31/04)	3.76%	10.98%	6.06%	23.74%
NTGI S&P 500 Growth Idx (07/31/01)	3.17%	10.27%	4.78%	22.95%
S&P/Citi 500 Growth Index	3.17%	10.24%	4.76%	22.84%
NTGI S&P 500 Growth Idx - Net (12/31/04)	3.17%	10.27%	4.78%	22.94%
Sands (10/31/03)	3.50%	8.88%	5.65%	38.45%
LCG Blended Benchmark*	3.27%	11.73%	5.90%	24.94%
Russell 1000 Growth Index	3.27%	11.73%	5.90%	24.94%
Sands - Net (12/31/04)	3.50%	8.81%	5.58%	38.09%
Large Cap Value (09/30/82)	3.90%	15.25%	7.19%	22.29%
Dodge & Cox (08/31/03)	3.69%	15.05%	6.85%	21.16%
LCV Blended Benchmark**	3.69%	14.40%	6.03%	22.16%
Russell 1000 Value Index	3.69%	14.40%	6.03%	22.16%
Dodge & Cox - Net (12/31/04)	3.69%	14.98%	6.79%	20.87%
Harris (01/31/01)	4.57%	14.52%	7.95%	23.86%
LCV Blended Benchmark**	3.69%	14.40%	6.03%	22.16%
Russell 1000 Value Index	3.69%	14.40%	6.03%	22.16%
Harris - Net (12/31/04)	4.51%	14.45%	7.89%	23.57%
LSV (01/31/03)	3.71%	14.89%	6.84%	20.67%
LCV Blended Benchmark**	3.69%	14.40%	6.03%	22.16%
Russell 1000 Value Index	3.69%	14.40%	6.03%	22.16%
LSV - Net (12/31/04)	3.71%	14.89%	6.84%	20.42%
NTGI S&P 500 Value Idx (07/31/99)	3.68%	15.82%	7.03%	22.43%
S&P/Citi 500 Value Index	3.69%	15.84%	7.04%	22.37%
NTGI S&P 500 Value Idx - Net (12/31/04)	3.68%	15.82%	7.03%	22.42%

* The LCG Blended Benchmark is currently the Russell 1000 Growth Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Growth Index.

** The LCV Blended Benchmark is currently the Russell 1000 Value Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Value Index.



Large Cap Equity Returns

The table below details the rates of return for the fund's large cap growth and large cap value managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended February 28, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Equity (12/31/81)	2.97%	3.09%	2.84%	10.93%
Russell 1000 Index	2.66%	3.17%	3.09%	11.26%
Large Cap Growth (12/31/81)	6.21%	4.49%	1.75%	11.44%
Alliance Bernstein (02/28/02)	3.17%	1.95%	-	3.03%
LCG Blended Benchmark*	4.93%	4.62%	2.64%	3.37%
Russell 1000 Growth Index	4.93%	4.62%	1.80%	3.42%
Alliance Bernstein - Net (12/31/04)	2.86%	1.65%	-	4.14%
Holland (10/31/94)	7.91%	6.09%	4.63%	9.65%
LCG Blended Benchmark*	4.93%	4.62%	2.64%	8.71%
Russell 1000 Growth Index	4.93%	4.62%	1.80%	7.69%
Holland - Net (12/31/04)	7.59%	5.81%	-	4.60%
NTGI S&P 500 Growth Idx (07/31/01)	4.54%	4.23%	-	2.80%
S&P/Citi 500 Growth Index	4.50%	4.19%	2.45%	2.75%
NTGI S&P 500 Growth Idx - Net (12/31/04)	4.53%	4.22%	-	4.32%
Sands (10/31/03)	11.86%	6.47%	-	9.37%
LCG Blended Benchmark*	4.93%	4.62%	2.64%	6.04%
Russell 1000 Growth Index	4.93%	4.62%	1.80%	6.30%
Sands - Net (12/31/04)	11.55%	6.18%	-	6.25%
Large Cap Value (09/30/82)	0.07%	1.77%	3.54%	10.00%
Dodge & Cox (08/31/03)	0.40%	1.38%	-	7.19%
LCV Blended Benchmark**	0.22%	1.57%	2.73%	6.29%
Russell 1000 Value Index	0.22%	1.57%	4.12%	6.55%
Dodge & Cox - Net (12/31/04)	0.16%	1.13%	-	2.99%
Harris (01/31/01)	(0.00%)	2.26%	5.66%	5.63%
LCV Blended Benchmark**	0.22%	1.57%	2.73%	2.41%
Russell 1000 Value Index	0.22%	1.57%	4.12%	3.80%
Harris - Net (12/31/04)	(0.27%)	2.02%	-	4.45%
LSV (01/31/03)	0.85%	2.37%	-	9.62%
LCV Blended Benchmark**	0.22%	1.57%	2.73%	7.63%
Russell 1000 Value Index	0.22%	1.57%	4.12%	7.69%
LSV - Net (12/31/04)	0.58%	2.09%	-	4.05%
NTGI S&P 500 Value Idx (07/31/99)	(0.26%)	1.48%	2.66%	2.43%
S&P/Citi 500 Value Index	(0.27%)	1.44%	2.62%	2.43%
NTGI S&P 500 Value Idx - Net (12/31/04)	(0.27%)	1.46%	-	2.77%

* The LCG Blended Benchmark is currently the Russell 1000 Growth Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Growth Index.

** The LCV Blended Benchmark is currently the Russell 1000 Value Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Value Index.



Large Cap Equity Returns

The table below details the rates of return for the fund's large cap core managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended February 28, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Large Cap Active Core (12/31/04)	3.58%	11.82%	5.52%	22.90%
Progress (01/31/05)	3.58%	11.82%	5.52%	22.90%
DJ U.S. Total Stock Market Index	3.61%	13.12%	5.90%	24.49%
Progress - Net (01/31/05)	3.44%	11.66%	5.38%	22.18%
Large Cap Passive Core (12/31/84)	3.63%	13.14%	5.91%	24.26%
NTGI MarketCap Idx (01/31/85)	3.63%	13.14%	5.91%	24.37%
DJ U.S. Total Stock Market Index	3.61%	13.12%	5.90%	24.49%
NTGI MarketCap Idx - Net (12/31/04)	3.63%	13.14%	5.91%	24.36%



Large Cap Equity Returns

The table below details the rates of return for the fund's large cap core managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended February 28, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Active Core (12/31/04)	2.73%	3.53%	-	4.44%
Progress (01/31/05)	2.73%	3.53%	-	4.50%
DJ U.S. Total Stock Market Index	3.29%	3.47%	3.78%	4.43%
Progress - Net (01/31/05)	2.11%	2.92%	-	3.88%
Large Cap Passive Core (12/31/84)	2.99%	3.22%	3.63%	10.82%
NTGI MarketCap Idx (01/31/85)	3.03%	3.24%	3.64%	10.86%
DJ U.S. Total Stock Market Index	3.29%	3.47%	3.78%	10.82%
NTGI MarketCap Idx - Net (12/31/04)	3.02%	3.23%	-	4.17%

Small Cap Equity Returns

The table below details the rates of return for the fund's small cap growth, small cap value, and micro cap managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended February 28, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Small Cap Equity (06/30/88)	4.53%	13.49%	4.75%	35.11%
Russell 2000 Index	5.48%	13.57%	5.21%	32.59%
Small Cap Growth (06/30/88)	4.77%	14.11%	5.02%	36.36%
Buford (10/31/06)	3.49%	13.08%	6.62%	32.20%
Russell 2000 Growth Index	5.88%	13.28%	5.29%	36.33%
Buford - Net (10/31/06)	3.49%	12.97%	6.52%	31.68%
Fortaleza (11/30/06)	6.47%	15.05%	7.78%	42.18%
Russell 2000 Growth Index	5.88%	13.28%	5.29%	36.33%
Fortaleza - Net (11/30/06)	6.47%	14.92%	7.66%	41.53%
Frontier (07/31/88)	5.22%	15.71%	6.58%	38.11%
Russell 2000 Growth Index	5.88%	13.28%	5.29%	36.33%
Frontier - Net (12/31/04)	5.22%	15.22%	6.12%	37.03%
Pyramis (07/31/88)	4.45%	13.01%	3.74%	34.49%
Russell 2000 Growth Index	5.88%	13.28%	5.29%	36.33%
Pyramis - Net (12/31/04)	4.34%	12.88%	3.63%	33.79%
Small Cap Value (08/31/89)	5.02%	14.29%	5.20%	31.25%
DFA Small Cap Value (01/31/96)	6.14%	16.11%	6.42%	38.25%
Russell 2000 Value Index	5.08%	13.87%	5.13%	28.87%
DFA Small Cap Value - Net (12/31/04)	6.02%	15.98%	6.29%	37.60%
Inv. Counselors of Maryland (04/30/99)	4.45%	13.37%	4.59%	27.92%
Russell 2000 Value Index	5.08%	13.87%	5.13%	28.87%
Inv. Couns. of Maryland - Net (12/31/04)	4.35%	13.27%	4.49%	27.36%
Micro Cap (06/30/84)	3.28%	11.02%	3.49%	42.29%
Ariel (10/31/2010)	2.40%	12.39%	6.20%	-
Russell 2000 Growth Index	5.88%	13.28%	5.29%	36.33%
Russell 2000 Index	5.48%	13.57%	5.21%	32.59%
Russell Microcap Index	5.08%	13.56%	3.98%	31.88%
Ariel - Net (10/31/10)	2.40%	12.16%	5.99%	-
Ativo (09/30/10)	2.77%	7.33%	2.63%	-
Russell 2000 Growth Index	5.88%	13.28%	5.29%	36.33%
Russell 2000 Index	5.48%	13.57%	5.21%	32.59%
Russell Microcap Index	5.08%	13.56%	3.98%	31.88%
Ativo - Net (09/30/10)	2.77%	7.09%	2.40%	-
DFA Micro Cap (07/31/87)	5.20%	12.87%	4.36%	34.99%
Russell 2000 Growth Index	5.88%	13.28%	5.29%	36.33%
Russell 2000 Index	5.48%	13.57%	5.21%	32.59%
DFA Micro Cap - Net (12/31/04)	5.07%	12.73%	4.23%	34.40%
Wall Street (07/31/90)	2.65%	10.29%	2.63%	50.34%
Russell 2000 Growth Index	5.88%	13.28%	5.29%	36.33%
Russell 2000 Index	5.48%	13.57%	5.21%	32.59%
Wall Street - Net (12/31/04)	2.65%	10.10%	2.45%	49.31%

Small Cap Equity Returns

The table below details the rates of return for the fund's small cap growth, small cap value, and micro cap managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended February 28, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Small Cap Equity (06/30/88)	9.13%	6.68%	10.84%	12.88%
Russell 2000 Index	7.79%	3.80%	7.06%	9.65%
Small Cap Growth (06/30/88)	9.29%	7.18%	10.47%	13.75%
Buford (10/31/06)	1.33%	-	-	4.83%
Russell 2000 Growth Index	8.61%	4.56%	5.04%	4.86%
Buford - Net (10/31/06)	0.92%	-	-	4.35%
Fortaleza (11/30/06)	6.23%	-	-	3.29%
Russell 2000 Growth Index	8.61%	4.56%	5.04%	4.86%
Fortaleza - Net (11/30/06)	5.71%	-	-	2.79%
Frontier (07/31/88)	12.77%	8.26%	9.92%	13.96%
Russell 2000 Growth Index	8.61%	4.56%	5.04%	7.23%
Frontier - Net (12/31/04)	11.78%	7.38%	-	9.18%
Pyramis (07/31/88)	8.78%	8.00%	12.01%	14.33%
Russell 2000 Growth Index	8.61%	4.56%	5.04%	7.23%
Pyramis - Net (12/31/04)	8.18%	7.36%	-	10.63%
Small Cap Value (08/31/89)	8.50%	5.56%	11.66%	12.53%
DFA Small Cap Value (01/31/96)	10.08%	4.93%	12.29%	13.41%
Russell 2000 Value Index	6.80%	2.91%	8.68%	10.05%
DFA Small Cap Value - Net (12/31/04)	9.53%	4.37%	-	6.24%
Inv. Counselors of Maryland (04/30/99)	7.71%	5.92%	11.35%	12.80%
Russell 2000 Value Index	6.80%	2.91%	8.68%	10.14%
Inv. Couns. of Maryland - Net (12/31/04)	7.10%	5.36%	-	6.50%
Micro Cap (06/30/84)	5.93%	1.96%	6.92%	12.34%
Ariel (10/31/10)	-	-	-	15.79%
Russell 2000 Growth Index	8.61%	4.56%	5.04%	23.31%
Russell 2000 Index	7.79%	3.80%	7.06%	22.31%
Russell Microcap Index	5.04%	0.20%	7.36%	24.16%
Ariel - Net (10/31/10)	-	-	-	15.52%
Ativo (09/30/10)	-	-	-	18.94%
Russell 2000 Growth Index	8.61%	4.56%	5.04%	40.76%
Russell 2000 Index	7.79%	3.80%	7.06%	37.55%
Russell Microcap Index	5.04%	0.20%	7.36%	38.93%
Ativo - Net (09/30/10)	-	-	-	18.67%
DFA Micro Cap (07/31/87)	8.11%	3.14%	10.55%	11.32%
Russell 2000 Growth Index	8.61%	4.56%	5.04%	6.40%
Russell 2000 Index	7.79%	3.80%	7.06%	8.65%
DFA Micro Cap - Net (12/31/04)	7.58%	2.63%	-	4.58%
Wall Street (07/31/90)	6.03%	2.04%	4.75%	14.75%
Russell 2000 Growth Index	8.61%	4.56%	5.04%	7.02%
Russell 2000 Index	7.79%	3.80%	7.06%	9.51%
Wall Street - Net (12/31/04)	5.20%	1.23%	-	5.36%



International Equity Returns

The table below details the rates of return for the fund's international large cap growth and international large cap value managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended February 28, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Equity (08/31/86)	2.75%	12.08%	4.18%	21.89%
MSCI ACWI ex-US Index	2.63%	11.76%	3.64%	21.12%
Intl Large Cap Growth (08/31/02)	1.82%	9.01%	1.82%	24.39%
Brown (09/30/04)	2.45%	11.11%	4.13%	16.23%
MSCI ACWI ex-US Index	2.63%	11.76%	3.64%	21.12%
MSCI ACWI ex-US Growth	2.46%	9.71%	1.94%	22.55%
Brown - Net (12/31/04)	2.45%	11.05%	4.07%	15.65%
EARNEST Partners (09/30/04)	3.32%	12.35%	5.14%	27.68%
MSCI ACWI ex-US Index	2.63%	11.76%	3.64%	21.12%
MSCI ACWI ex-US Growth	2.46%	9.71%	1.94%	22.55%
EARNEST Partners - Net (12/31/04)	3.27%	12.30%	5.09%	27.44%
GlobeFlex (02/28/06)	1.51%	10.80%	2.72%	25.14%
MSCI ACWI ex-US Index	2.63%	11.76%	3.64%	21.12%
MSCI ACWI ex-US Growth	2.46%	9.71%	1.94%	22.55%
GlobeFlex - Net (02/28/06)	1.41%	10.69%	2.62%	24.62%
McKinley (02/28/06)	2.46%	9.62%	2.36%	24.17%
MSCI ACWI ex-US Index	2.63%	11.76%	3.64%	21.12%
MSCI ACWI ex-US Growth	2.46%	9.71%	1.94%	22.55%
McKinley - Net (02/28/06)	2.46%	9.49%	2.23%	23.40%
William Blair (09/30/02)	1.11%	6.40%	(0.35%)	24.68%
MSCI ACWI ex-US Index	2.63%	11.76%	3.64%	21.12%
MSCI ACWI ex-US Growth	2.46%	9.71%	1.94%	22.55%
William Blair - Net (12/31/04)	1.02%	6.31%	(0.44%)	24.25%
Intl Large Cap Value (09/30/95)	3.99%	15.05%	7.32%	19.06%
Brandes (12/31/95)	3.99%	15.05%	7.32%	19.06%
MSCI ACWI ex-US Index	2.63%	11.76%	3.64%	21.12%
MSCI ACWI ex-US Value	2.85%	13.99%	5.48%	20.63%
Brandes - Net (12/31/04)	3.94%	15.00%	7.26%	18.82%

International Equity Returns

The table below details the rates of return for the fund's international large cap growth and international large cap value managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended February 28, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Equity (08/31/86)	(2.46%)	3.25%	5.89%	8.63%
MSCI ACWI ex-US Index	(1.50%)	4.23%	6.64%	-
Intl Large Cap Growth (08/31/02)	(2.98%)	3.65%	-	11.51%
Brown (09/30/04)	0.40%	4.52%	-	9.62%
MSCI ACWI ex-US Index	(1.50%)	4.23%	6.64%	9.66%
MSCI ACWI ex-US Growth	(1.75%)	4.78%	6.00%	9.99%
Brown - Net (12/31/04)	0.06%	4.22%	-	6.39%
EARNEST Partners (09/30/04)	5.35%	11.92%	-	16.57%
MSCI ACWI ex-US Index	(1.50%)	4.23%	6.64%	9.66%
MSCI ACWI ex-US Growth	(1.75%)	4.78%	6.00%	9.99%
EARNEST Partners - Net (12/31/04)	4.92%	11.38%	-	13.53%
GlobeFlex (02/28/06)	(4.22%)	2.90%	-	2.86%
MSCI ACWI ex-US Index	(1.50%)	4.23%	6.64%	4.09%
MSCI ACWI ex-US Growth	(1.75%)	4.78%	6.00%	4.46%
GlobeFlex - Net (02/28/06)	(4.65%)	2.43%	-	2.38%
McKinley (02/28/06)	(6.90%)	1.16%	-	1.14%
MSCI ACWI ex-US Index	(1.50%)	4.23%	6.64%	4.09%
MSCI ACWI ex-US Growth	(1.75%)	4.78%	6.00%	4.46%
McKinley - Net (02/28/06)	(7.38%)	0.66%	-	0.65%
William Blair (09/30/02)	(3.31%)	2.96%	-	11.32%
MSCI ACWI ex-US Index	(1.50%)	4.23%	6.64%	11.31%
MSCI ACWI ex-US Growth	(1.75%)	4.78%	6.00%	10.90%
William Blair - Net (12/31/04)	(3.69%)	2.55%	-	6.56%
Intl Large Cap Value (09/30/95)	(1.39%)	2.73%	6.99%	11.26%
Brandes (12/31/95)	(1.39%)	2.73%	6.99%	11.33%
MSCI ACWI ex-US Index	(1.50%)	4.23%	6.64%	6.26%
MSCI ACWI ex-US Value	(0.37%)	4.55%	8.09%	-
Brandes - Net (12/31/04)	(1.67%)	2.40%	-	4.63%

International Equity Returns

The table below details the rates of return for the fund's international large cap core, international small cap, and emerging markets managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended February 28, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Active Core (01/31/08)	2.11%	10.41%	2.19%	23.24%
Arrowstreet (02/29/08)	2.11%	10.41%	2.19%	23.24%
MSCI ACWI ex-US Index	2.63%	11.76%	3.64%	21.12%
Arrowstreet - Net (02/29/08)	2.00%	10.28%	2.07%	22.66%
Intl Large Cap Pass. Core (12/31/99)	3.31%	14.34%	5.77%	20.41%
NTGI MSCI EAFE Idx (01/31/00)	3.31%	14.34%	5.76%	20.42%
MSCI EAFE Index	3.30%	14.30%	5.73%	20.00%
NTGI EAFE Idx - Net (12/31/04)	3.31%	14.34%	5.76%	20.41%
International Small Cap (11/30/05)	0.98%	7.67%	0.57%	22.10%
William Blair (08/31/2010)	0.98%	7.67%	0.57%	-
S&P SmCap World ex-US Index	2.92%	14.95%	3.93%	30.31%
William Blair - Net (08/31/2010)	0.78%	7.46%	0.37%	-
Emerging Markets (01/31/92)	0.23%	3.24%	(3.67%)	25.88%
Genesis (04/30/04)	0.23%	3.24%	(3.67%)	25.88%
MSCI Emerging Markets Index	(0.92%)	3.30%	(3.59%)	21.23%
Genesis - Net (12/31/04)	0.23%	3.13%	(3.72%)	25.17%



International Equity Returns

The table below details the rates of return for the fund's international large cap core, international small cap, and emerging markets managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended February 28, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Active Core (01/31/08)	(0.04%)	-	-	(0.04%)
Arrowstreet (02/29/08)	(0.04%)	-	-	(0.04%)
MSCI ACWI ex-US Index	(1.50%)	4.23%	6.64%	(0.56%)
Arrowstreet - Net (02/29/08)	(0.51%)	-	-	(0.50%)
Intl Large Cap Pass. Core (12/31/99)	(2.23%)	2.80%	5.28%	2.59%
NTGI MSCI EAFE Idx (01/31/00)	(2.26%)	2.78%	5.27%	2.60%
MSCI EAFE Index	(2.62%)	2.43%	4.90%	2.24%
NTGI EAFE Idx - Net (12/31/04)	(2.27%)	2.77%	-	5.33%
International Small Cap (11/30/05)	(5.60%)	(0.60%)	-	1.54%
William Blair (08/31/2010)	-	-	-	18.18%
S&P SmCap World ex-US Index	0.81%	4.46%	10.03%	25.46%
William Blair - Net (08/31/2010)	-	-	-	17.83%
Emerging Markets (01/31/92)	6.94%	12.84%	16.53%	11.17%
Genesis (04/30/04)	6.94%	12.88%	-	19.08%
MSCI Emerging Markets Index	0.80%	9.94%	15.26%	15.79%
Genesis - Net (04/30/04)	6.31%	12.22%	-	16.94%



Domestic Fixed-Income Returns

The table below details the rates of return for the fund's domestic fixed core managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended February 28, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Dom. Fixed Active Core (03/31/01)	0.48%	(0.12%)	0.82%	6.45%
EARNEST Partners (04/30/05)	0.46%	(0.41%)	0.69%	5.75%
BC Aggregate Index	0.25%	(0.72%)	0.37%	4.93%
EARNEST Partners - Net (04/30/05)	0.41%	(0.47%)	0.64%	5.53%
Piedmont (05/31/05)	0.49%	0.16%	0.93%	7.24%
BC Aggregate Index	0.25%	(0.72%)	0.37%	4.93%
Piedmont - Net (05/31/05)	0.49%	0.11%	0.89%	7.05%
Dom. Fixed Enhanced Core (03/31/00)	0.33%	(0.51%)	0.54%	5.14%
BlackRock Enhanced (04/30/00)	0.33%	(0.51%)	0.54%	5.14%
BC Aggregate Index	0.25%	(0.72%)	0.37%	4.93%
BlackRock Enhanced - Net (12/31/04)	0.33%	(0.51%)	0.54%	5.08%
Dom. Fixed Passive Core (12/31/89)	0.24%	(0.75%)	0.36%	4.87%
NTGI BC Agg. Index (01/31/90)	0.24%	(0.75%)	0.36%	4.87%
BC Aggregate Index	0.25%	(0.72%)	0.37%	4.93%
NTGI BC Agg. Index - Net (12/31/04)	0.24%	(0.75%)	0.36%	4.86%



Domestic Fixed-Income Returns

The table below details the rates of return for the fund's domestic fixed core managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended February 28, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Dom. Fixed Active Core (03/31/01)	6.22%	5.82%	5.11%	5.11%
EARNEST Partners (04/30/05)	5.96%	5.99%	-	5.61%
BC Aggregate Index	5.40%	5.80%	5.61%	5.46%
EARNEST Partners - Net (04/30/05)	5.73%	5.77%	-	5.40%
Piedmont (05/31/05)	5.66%	5.82%	-	5.14%
BC Aggregate Index	5.40%	5.80%	5.61%	5.29%
Piedmont - Net (05/31/05)	5.47%	5.60%	-	4.92%
Dom. Fixed Enhanced Core (03/31/00)	5.28%	5.65%	5.59%	6.20%
BlackRock Enhanced (04/30/00)	5.28%	5.65%	5.59%	6.25%
BC Aggregate Index	5.40%	5.80%	5.61%	6.22%
BlackRock Enhanced - Net (12/31/04)	5.21%	5.59%	-	4.92%
Dom. Fixed Passive Core (12/31/89)	5.11%	5.69%	5.57%	6.92%
NTGI BC Agg. Index (01/31/90)	5.11%	5.69%	5.57%	6.95%
BC Aggregate Index	5.40%	5.80%	5.61%	6.95%
NTGI BC Agg. Index - Net (12/31/04)	5.10%	5.68%	-	4.98%



Domestic Fixed-Income Returns

The table below details the rates of return for the fund's domestic fixed core plus and high yield managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended February 28, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Fixed Core Plus (12/31/81)	0.58%	0.24%	0.97%	7.53%
BlackRock Core Plus (03/31/07)	0.54%	0.13%	0.92%	6.83%
BC Aggregate Index	0.25%	(0.72%)	0.37%	4.93%
BlackRock Core Plus - Net (03/31/07)	0.54%	0.13%	0.92%	6.79%
LM Capital (04/30/05)	0.46%	0.12%	0.75%	6.42%
BC Aggregate Index	0.25%	(0.72%)	0.37%	4.93%
LM Capital - Net (04/30/05)	0.46%	0.08%	0.71%	6.25%
Progress Fixed Income (12/31/05)	0.44%	(0.57%)	0.77%	6.34%
BC Aggregate Index	0.25%	(0.72%)	0.37%	4.93%
Progress Fixed Inc. - Net (12/31/05)	0.35%	(0.66%)	0.68%	5.98%
Taplin, Canida, Habacht (04/30/05)	0.90%	0.56%	1.14%	7.08%
BC Aggregate Index	0.25%	(0.72%)	0.37%	4.93%
Taplin, Canida, Hab. - Net (04/30/05)	0.90%	0.53%	1.10%	6.94%
Western (10/31/01)	0.51%	0.47%	1.12%	9.16%
BC Aggregate Index	0.25%	(0.72%)	0.37%	4.93%
Western - Net (12/31/04)	0.47%	0.44%	1.08%	9.00%
High Yield (03/31/86)	1.57%	5.85%	3.77%	17.20%
MacKay Shields (10/31/00)	1.25%	4.53%	3.13%	15.05%
ML High Yield Cash Pay Index	1.32%	5.20%	3.43%	17.23%
MacKay Shields - Net (12/31/04)	1.25%	4.53%	3.13%	14.75%
Pyramis (07/31/86)	1.87%	7.10%	4.37%	19.25%
ML High Yield Cash Pay Index	1.32%	5.20%	3.43%	17.23%
Pyramis - Net (12/31/04)	1.64%	6.86%	4.13%	18.41%

Domestic Fixed-Income Returns

The table below details the rates of return for the fund's domestic fixed core plus and high yield managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended February 28, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Fixed Core Plus (12/31/81)	6.45%	5.94%	5.99%	9.16%
BlackRock Core Plus (03/31/07)	6.03%	-	-	6.21%
BC Aggregate Index	5.40%	5.80%	5.61%	5.87%
BlackRock Core Plus - Net (03/31/07)	5.98%	-	-	6.16%
LM Capital (04/30/05)	6.35%	6.64%	-	6.14%
BC Aggregate Index	5.40%	5.80%	5.61%	5.46%
LM Capital - Net (04/30/05)	6.18%	6.46%	-	5.97%
Progress Fixed Income (12/31/05)	6.15%	6.47%	-	6.47%
BC Aggregate Index	5.40%	5.80%	5.61%	5.78%
Progress Fixed Inc. - Net (12/31/05)	5.78%	6.13%	-	6.13%
Taplin, Canida, Habacht (04/30/05)	6.77%	5.87%	-	5.46%
BC Aggregate Index	5.40%	5.80%	5.61%	5.46%
Taplin, Canida, Hab. - Net (04/30/05)	6.64%	5.74%	-	5.37%
Western (10/31/01)	7.18%	5.89%	-	6.43%
BC Aggregate Index	5.40%	5.80%	5.61%	5.34%
Western - Net (12/31/04)	7.03%	5.71%	-	5.30%
High Yield (03/31/86)	12.63%	9.37%	10.08%	10.50%
MacKay Shields (10/31/00)	10.32%	8.24%	9.97%	10.18%
ML High Yield Cash Pay Index	12.12%	8.92%	8.28%	8.29%
MacKay Shields - Net (12/31/04)	9.97%	7.89%	-	7.18%
Pyramis (07/31/86)	14.99%	10.53%	10.22%	10.33%
ML High Yield Cash Pay Index	12.12%	8.92%	8.28%	8.95%
Pyramis - Net (12/31/04)	14.54%	10.03%	-	9.04%



Real Estate Returns

The table below details the rates of return for the fund's real estate opportunistic, real estate core, and real estate value added managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended February 28, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Real Estate Opportunistic (03/31/99)	1.33%	2.87%	1.52%	23.16%
Lazard Freres (07/31/98)	0.00%	0.00%	0.00%	27.14%
Blended Benchmark*	1.60%	4.87%	3.22%	16.98%
Olympus RE Fund II (05/31/98)	0.00%	0.00%	0.00%	0.07%
Blended Benchmark*	1.60%	4.87%	3.22%	16.98%
Security (10/31/97)	1.70%	4.50%	2.05%	23.57%
Blended Benchmark*	1.60%	4.87%	3.22%	16.98%
Dune Real Estate Fund II (01/31/09)	4.45%	4.45%	4.45%	4.46%
Blended Benchmark*	1.60%	4.87%	3.22%	16.98%
Real Estate Core (03/31/99)	1.62%	3.32%	2.63%	12.35%
BlackRock Granite Fund (07/31/07)	0.00%	5.02%	0.76%	15.45%
Blended Benchmark*	1.60%	4.87%	3.22%	16.98%
Buckhead (07/31/95)	1.97%	3.45%	3.45%	12.22%
Blended Benchmark*	1.60%	4.87%	3.22%	16.98%
Sentinel (09/30/85)	0.00%	0.00%	0.00%	8.01%
Blended Benchmark*	1.60%	4.87%	3.22%	16.98%
TA - Fund IX (04/30/10)	4.76%	4.81%	4.81%	-
Blended Benchmark*	1.60%	4.87%	3.22%	16.98%
Real Estate Value Added (09/30/08)	0.00%	0.00%	0.00%	2.10%
Rockwood (03/31/09)	0.00%	0.00%	0.00%	(4.13%)
Blended Benchmark*	1.60%	4.87%	3.22%	16.98%
Rothschild (09/30/08)	0.00%	0.00%	0.00%	5.57%
Blended Benchmark*	1.60%	4.87%	3.22%	16.98%

Returns are reported net of fee for all real estate managers. Returns are derived from incomplete data.

* The Blended Benchmark is currently NPI + 1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%. As the returns of the NPI are updated quarterly, an approximation of the Index is used during the first two months of each quarter.

Real Estate Returns

The table below details the rates of return for the fund's real estate opportunistic, real estate core, and real estate value added managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended February 28, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Real Estate Opportunistic (03/31/99)	0.98%	1.40%	9.63%	8.85%
Lazard Freres (07/31/98)	1.54%	6.37%	6.72%	0.16%
Blended Benchmark*	(2.56%)	2.96%	5.18%	5.75%
Olympus RE Fund II (05/31/98)	(18.75%)	(13.66%)	(10.01%)	(7.78%)
Blended Benchmark*	(2.56%)	2.96%	5.18%	5.77%
Security (10/31/97)	5.98%	3.62%	14.85%	14.25%
Blended Benchmark*	(2.56%)	2.96%	5.18%	5.78%
Dune Real Estate Fund II (01/31/09)	-	-	-	(19.83%)
Blended Benchmark*	(2.56%)	2.96%	5.18%	(0.44%)
Real Estate Core (03/31/99)	(8.84%)	0.29%	4.41%	5.01%
BlackRock Granite Fund (07/31/07)	(18.99%)	-	-	(14.42%)
Blended Benchmark*	(2.56%)	2.96%	5.18%	0.14%
Buckhead (07/31/95)	(1.37%)	5.95%	9.25%	10.03%
Blended Benchmark*	(2.56%)	2.96%	5.18%	6.02%
Sentinel (09/30/85)	(13.47%)	(5.32%)	1.56%	3.74%
Blended Benchmark*	(2.56%)	2.96%	5.18%	6.96%
TA - Fund IX (04/30/10)	-	-	-	0.56%
Blended Benchmark*	(2.56%)	2.96%	5.18%	16.60%
Real Estate Value Added (09/30/08)	-	-	-	(12.35%)
Rockwood (03/31/09)	-	-	-	(80.00%)
Blended Benchmark*	(2.56%)	2.96%	5.18%	1.98%
Rothschild (09/30/08)	-	-	-	(3.76%)
Blended Benchmark*	(2.56%)	2.96%	5.18%	(3.63%)

Returns are reported net of fee for all real estate managers. Returns are derived from incomplete data.

* The Blended Benchmark is currently NPI + 1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%. As the returns of the NPI are updated quarterly, an approximation of the Index is used during the first two months of each quarter.

Alternative Investments Return

The table below details the rates of return for the fund's absolute return, private equity, agriculture, and timberland managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended February 28, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Absolute Return (12/31/01)	1.04%	3.58%	2.02%	7.29%
Aurora (10/31/01)	0.97%	3.86%	1.22%	7.76%
Alternatives Custom Benchmark*	0.72%	2.18%	1.45%	9.99%
HFR Fund-of-Funds Index	0.64%	2.96%	0.78%	6.75%
Grosvenor (01/31/02)	1.08%	3.45%	2.04%	7.91%
Alternatives Custom Benchmark*	0.72%	2.18%	1.45%	9.99%
HFR Fund-of-Funds Index	0.64%	2.96%	0.78%	6.75%
Mesirow (01/31/02)	1.08%	3.40%	2.95%	6.13%
Alternatives Custom Benchmark*	0.72%	2.18%	1.45%	9.99%
HFR Fund-of-Funds Index	0.64%	2.96%	0.78%	6.75%
Private Equity (01/31/86)	3.20%	3.69%	3.41%	18.09%
Abbott (06/30/87)	2.54%	3.18%	2.47%	14.17%
Alternatives Custom Benchmark*	0.72%	2.18%	1.45%	9.99%
Abbott - Net (12/31/04)	2.41%	3.06%	2.35%	13.61%
Muller & Monroe ILPEFF (06/30/05)	0.00%	(0.23%)	(0.22%)	25.57%
Alternatives Custom Benchmark*	0.72%	2.18%	1.45%	9.99%
Muller & Monroe MPEFF (04/30/08)	0.00%	(0.61%)	(0.59%)	16.88%
Alternatives Custom Benchmark*	0.72%	2.18%	1.45%	9.99%
Pantheon (10/31/00)	4.95%	5.31%	5.79%	25.33%
Alternatives Custom Benchmark*	0.72%	2.18%	1.45%	9.99%
Pantheon - Net (12/31/04)	4.82%	5.18%	5.65%	24.70%
Agriculture (09/30/97)	0.21%	8.08%	0.16%	7.67%
Cozad/Westchester (09/30/97)	0.21%	8.08%	0.16%	7.67%
Blended Benchmark**	1.60%	4.87%	3.22%	16.98%
Timberland (09/30/92)	0.00%	3.19%	(0.25%)	2.84%
Forest Investment Assoc. (09/30/92)	0.00%	3.19%	(0.25%)	2.84%
Blended Benchmark**	1.60%	4.87%	3.22%	16.98%

Returns are reported net of fee ex Abbott and Pantheon. Returns are derived from incomplete data.

* The Alternatives Custom Benchmark is based on an annualized rate of return of 9.0%. Prior to July 1, 2010 the Benchmark was based on an annual return of 12.0%. Prior to 2004, the Benchmark was based on an annual return of 13.0%. Prior to 2003, it was based on an annual return of 15.0%.

** The Blended Benchmark is currently NPI + 1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index + 5%. As the returns of the NPI are quarterly, an estimate is used during the first two months of each quarter.



Alternative Investments Return

The table below details the rates of return for the fund's absolute return, private equity, agriculture, and timberland managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended February 28, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Absolute Return (12/31/01)	0.25%	3.89%	-	5.44%
Aurora (10/31/01)	1.37%	4.94%	-	7.03%
Alternatives Custom Benchmark*	11.33%	11.60%	12.44%	12.28%
HFR Fund-of-Funds Index	(1.76%)	1.93%	4.10%	4.45%
Grosvenor (01/31/02)	0.05%	3.41%	-	5.24%
Alternatives Custom Benchmark*	11.33%	11.60%	12.44%	12.21%
HFR Fund-of-Funds Index	(1.76%)	1.93%	4.10%	4.30%
Mesirow (01/31/02)	(0.79%)	3.20%	-	5.33%
Alternatives Custom Benchmark*	11.33%	11.60%	12.44%	12.21%
HFR Fund-of-Funds Index	(1.76%)	1.93%	4.10%	4.30%
Private Equity (01/31/86)	0.04%	8.98%	3.80%	13.37%
Abbott (06/30/87)	(1.82%)	8.23%	3.57%	14.41%
Alternatives Custom Benchmark*	11.33%	11.60%	12.44%	13.92%
Abbott - Net (12/31/04)	(2.29%)	7.73%	-	10.53%
Muller & Monroe ILPEFF (06/30/05)	(3.59%)	(4.97%)	-	(13.31%)
Alternatives Custom Benchmark*	11.33%	11.60%	12.44%	11.65%
Muller & Monroe MPEFF (04/30/08)	-	-	-	(6.93%)
Alternatives Custom Benchmark*	11.33%	11.60%	12.44%	11.31%
Pantheon (10/31/00)	4.34%	10.76%	9.04%	8.51%
Alternatives Custom Benchmark*	11.33%	11.60%	12.44%	12.54%
Pantheon - Net (12/31/04)	3.81%	10.22%	-	14.64%
Agriculture (09/30/97)	2.95%	8.92%	6.11%	5.75%
Cozad/Westchester (09/30/97)	2.95%	8.92%	6.11%	5.75%
Blended Benchmark**	(2.56%)	2.96%	5.18%	5.79%
Timberland (09/30/92)	7.71%	6.31%	3.85%	9.65%
Forest Investment Assoc. (09/30/92)	7.71%	6.31%	3.85%	9.65%
Blended Benchmark**	(2.56%)	2.96%	5.18%	6.28%

Returns are reported net of fee ex Abbott and Pantheon. Returns are derived from incomplete data.

* The Alternatives Custom Benchmark is based on an annualized rate of return of 9.0%. Prior to July 1, 2010 the Benchmark was based on an annual return of 12.0%. Prior to 2004, the Benchmark was based on an annual return of 13.0%. Prior to 2003, it was based on an annual return of 15.0%.

** The Blended Benchmark is currently NPI + 1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index + 5%. As the returns of the NPI are quarterly, an estimate is used during the first two months of each quarter.

Illinois Municipal Retirement Fund Manager Summary For Month Ending February 28, 2011

Five Best Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Outperformance (in % points)
Pantheon	4.34
Brandes	3.68
Fortaleza	2.49
Harris	1.92
TA Associates - Fund IX	1.59

Five Worst Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Underperformance (in % points)
William Blair Intl LC	-3.99
Forest Investment Associates	-3.47
William Blair Intl SC	-3.36
Lazard Freres	-3.22
Sentinel Real Estate	-3.22

Five Highest Returning Portfolios

Manager	Year-to-Date Return (in % points)
Harris	7.95
Fortaleza	7.78
Brandes Investment	7.32
Alliance Bernstein	7.07
NTGI S&P 500 Val.	7.03

Five Lowest Returning Portfolios

Manager	Year-to-Date Return (in % points)
Genesis Investment	-3.67
Muller and Monroe MPEFF	-0.59
William Blair Intl LC	-0.35
Forest Investment Associates	-0.25
Muller and Monroe ILPEFF	-0.22

Returns are shown gross of investment management fees with the exception of Real Estate and Alternative Investments (ex Abbott and Pantheon)

(11-03-02) (Consent Agenda) The Chair presented an agenda consisting of a Consent Agenda. The following items remained on the Consent Agenda since no Board member asked for their removal.

Approval of Minutes

Regular Meeting #11-02-25

Schedules - Dated March 25, 2011

- Schedule A - Benefit award listing of retirement, temporary disability, death benefits, and refund of employee contributions processed during the preceding calendar month under Article 7 of the Illinois Pension Code.
- Schedule B - Adjustment of Benefit Awards showing adjustments required in benefit awards and the reasons therefore.
- Schedule C - Benefit Cancellations.
- Schedule D - Expiration of Temporary Disability Benefits terminated under the provisions of Section 7-147 of the Illinois Pension Code.
- Schedule E - Total and Permanent Disability Benefit Awards recommended by the Fund's medical consultants as provided by Section 7-150 of the Illinois Pension Code.
- Schedule F - Benefits Terminated.
- Schedule G - Administrative Benefit Denials.
- Schedule P - Administrative Denial of Application for Past Service Credit.
- Schedule R - Prior Service - New Governmental Units
- Schedule S - Prior Service Adjustments

Administration - Master Trustee Report

The Master Trustee Report for the month of January was prepared by The Northern Trust Company.

Bids (2)

Custom Check Envelope
Approved Bidder: Cherokee Printing
Approved Bid: \$8,435.25

2011 Chevy Malibu Sedan
Approved Bidder: Miles Chevrolet
Approved Bid: \$15,784.00
**Single Sole Source Purchase

It was moved by Ms. Henry, seconded by Ms. Rademacher, to approve the items on the Consent Agenda.

Vote: Unanimous Voice Vote
Absent: None

(11-03-03) (Financial Reports) The Chair presented the following financial reports for approval.

- Review of March Financial Reporting Package
- January Interim Financial Statements
- Impact of 2011 Year-To-Date Investment Income on Employer Reserves, Funding Status and Average Employer Contribution Rates
- Schedule T - Report of Expenditures

It was moved by Ms. Thompson, seconded by Ms. Faklis, to approve the Financial Reports as presented.

Vote: Unanimous Voice Vote
Absent: None

(11-03-04) (Report of the Audit Committee) The Chair of the Audit Committee reported on the meeting held on March 3, 2011.

The Chair stated the Committee reviewed the scope of the Internal Audit Department activities and staffing level.

The Committee unanimously endorsed the following:

- the employer audit program and its scope as outlined in the 2011 internal audit program;
- to direct staff to develop a long-term risk based audit plan; and,
- to confirm the current staffing plan to direct staff to begin the process of hiring two additional internal auditors.

Discussion followed.

(11-03-05) (Report of the Investment Committee) The Chair of the Investment Committee reported on the meeting held on March 24, 2011.

Staff and consultant presented a review of the current manager structure for IMRF's US Equity, Non-US Equity and Fixed-Income portfolios, along with analyses of the investment styles in each portfolio.

It was the consensus of the Investment Committee to recommend the following US Equity, Non-US Equity and Fixed-Income portfolio recommendations as presented by staff and consultant:

For US Equities:

- Complete large cap growth search and evaluation of AllianceBernstein;
- Modify contracts with Piedmont Investment Advisors, Channing Capital Management, and Lombardia Capital Partners to graduate them from the Progress portfolio into direct mandates;
- Effect rebalancing in an orderly manner to minimize transaction costs and market impact, while maintaining equity exposure throughout the transition;

For Non-US Equities:

- Complete International Small Cap Search;
- Identify Large Cap Value Manager to compliment Brandes;
- Identify Emerging Markets manager to compliment Genesis;
- Effect rebalancing in an orderly manner to minimize transaction costs and market impact, while maintaining equity exposure throughout the transition;

For Fixed Income:

- Increase Active Core exposure by moving assets from the NTGI Barclay's Capital Aggregate Bond Index Fund to the actively managed Piedmont and EARNEST Partners portfolios;
- Evaluate the merits of moving additional assets from the Core Portfolio to the Core Plus portfolio;
- Evaluate the merits of moving additional assets into the High Yield portfolio;
- Based on the evaluations, develop target allocations between Core, Core Plus, and High Yield portfolios, and across the managers within those portfolios; and,
- Develop resulting rebalancing recommendations as needed.

It was moved by Mr. Stafford, seconded by Ms. Henry, to accept the recommendations of the Investment Committee.

Vote: Unanimous Voice Vote
Absent: None

(11-03-06) (Report of the Legislative Committee) The Chair of the Legislative Committee reported on the meetings held on March 2, March 9, and March 23, 2011.

The Chair of the Legislative Committee first reported on the March 2, 2011 Legislative Committee Meeting that was part of the 2011 Springfield Drive Down.

She noted the Committee met with legislators and staff to distribute materials regarding IMRF and its investments and financial information.

Next, the Chair of the Legislative Committee reported on the meeting held on March 9, 2011 via teleconference.

It was the consensus of the Committee to support the following legislation:

- HB 1977 - IMRF applicable provisions only;
- HB 2975 - Excludes IMRF and police & fire fund levies from tax caps for the first five years after participation and changes the referendum question for participation in IMRF and downstate police;
- HB 3076 - requires IMRF employers, within 3 years, to pay the present value cost of the portion of a pension that results from salary increases of more than 6%; and
- HB 3228 - limits the return to work restrictions for ERI annuitants.

It was the consensus of the Committee to remain neutral on the following legislation:

- HB 2075 - reduces the minimum age for retirement without reduction in Tier Two to age 62 and to age 57 with a reduction; and
- HB 3591 - terminates pension benefits for a member of any fund who is convicted of a job-related felony.

Next, it was the consensus of the Committee to oppose the following legislation:

- HB 1325 - authorizes Illinois public pension funds to create an optional defined contribution plan for members;
- HB 2037 - permits elected or appointed coroners to participate in the SLEP program;
- HB 2061 - excludes from the FRE any salary increase greater than 12% over the previous year for new participants after July 1, 2011;
- HB 2958 - places certain full-time firefighters and paramedics who are not in a downstate firefund into IMRF SLEP;
- HB 3370 - requires IMRF to create an alternative DC plan and allow employers to require their new members to participate;
- HB 3375 - requires funds to suspend the annuity of any retiree who begins participation in any other Illinois public pension system;
- HB 3426 - excludes from the IMRF FRE calculation certain lump sum payments; and
- HB 3427 - excludes from pensionable earnings certain lump sum payments and annual increases of more than 6% (applies to all systems).

Next, the Chair reported on the Legislative Committee Meeting held on March 23, 2011 via teleconference.

It was the consensus of the Committee to oppose the following legislation:

- HB 3474 H.A. #1 - makes various changes to Articles 1, 7, 14 and 22 of the Pension Code.

Lastly, it was the consensus of the Committee to adopt the following resolution for emergency measures if legislation is introduced that would affect the Board's investment authority or 100% funding goal:

WHEREAS, section 7-174 of the Illinois Pension Code creates a Board of Trustees to carry out the provisions of Article 7 of the Pension Code, including the responsibility of providing a sound and efficient system for the payment of annuities and other benefits to certain officers and employees, and their beneficiaries, of municipalities; and

WHEREAS, the Board of Trustees has adopted Strategic Objectives that include achieving a funding level whereby IMRF is in the top 10% on a market value basis, as measured versus a universe of public pension funds with a December 31st year end; and

WHEREAS, one of the key strategies for this Objective is to continue to educate and advocate the prudent man rule and the 100 % funding principle and to defend against adverse legislation; and

WHEREAS, in support of this strategy, the Board has determined that IMRF staff must respond immediately to any legislative proposals that would negatively impact the IMRF 100% funding goal or the Board's autonomy to invest under the prudent man rule or to set employer contribution rates.

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees authorizes the IMRF staff to oppose any legislative proposals that would reduce the IMRF funding goal to anything less than 100%, or interfere with the Board's authority to set employer contribution rates, or to invest the Fund's assets under the prudent man rule, or otherwise interfere with the Board's authority to administer the IMRF plan.

BE IT FURTHER RESOLVED that staff is directed to contact the Board immediately when any such legislation is introduced with a report on staff's activities related thereto.

After questions and discussion, it was moved by Ms. Thompson, seconded by Ms. Faklis to approve the recommendations of the Legislative Committee.

Vote: Unanimous Voice Vote
Absent: None

(11-03-07) (Legislative Update) The Legislative Liaison updated the Board on current legislative activity.

She reported that four of the six bills containing provisions from the Board's 2011 Legislative Agenda are still active:

- HB 3253 - terminates the provision allowing SLEP participants to upgrade non-SLEP service to the SLEP formula for new members and would sunset the ECO program.
- HB 3334 - grants the Board the authority to terminate or deny disability benefits in certain situations and removes the two-year time limit for benefit protection leave applications.

- HB 1956 - makes three changes: (1) allows non-education employer to increase hourly standard to 1,000 hours; (2) allows members to return to work with an employer without suspending their pension as long as they work less than the hourly standard; and, (3) removes the requirement that the authorized agent be an IMRF member in order to vote in employer elections.
- HB 1471 - pro-rates the cost of a pension among multiple employers on a combination of service credit and final rate of earnings.

Discussion followed.

(11-03-08) (Litigation Update) The following is an update of the currently pending litigation:

In Re: MARRIAGE OF CORBETT

Summary: Staff rejected a Qualified Illinois Domestic Relations Order ("QILDRO") that was received by IMRF after a member's death.

Pending: This matter will be removed from the Litigation Update.

DICKENS vs. IMRF, et al.

Summary: Board denied temporary disability benefit.

Pending: Plaintiff's brief is due to be filed no later than March 14, 2010.

McBRIDE, et al. vs. ANDERSON, et al.

Summary: A deceased member's children have sued the member's cousin, as well as IMRF, with respect to entitlement to the member's \$22,000+ lump sum death benefit.

Pending: A status hearing has been set for March 25, 2011.

STEVENS vs. VILLAGE OF OAK BROOK, et al.

Summary: An IMRF annuitant has filed suit against his former employer seeking a determination that he is entitled to Omitted Service credits for the years 1980 through 2000. The employer had previously determined that the member was not entitled to establish such credits for the period in question.

Pending: The case will now proceed to the discovery phase, with a trial in the summer of 2011.

VRAKAS, et al. v. COUNTY OF WILL, et al.

Summary: Fifty-eight (58) full-time correctional deputies, sergeants and lieutenants have sued Will County seeking a determination that they were "sheriff's law enforcement employees" with respect to their pre-December 1, 2005 enrollments, as such, in IMRF.

Pending: A status hearing date has been scheduled for April 5, 2011.

WABASH COUNTY, ILLINOIS vs. IMRF, et al.

Summary: Board dismissed an employer's "Request for Correction of Records".

Pending: This case will now come back before the Board for another hearing on the various issues.

(11-03-09) (Article XIII, Section 5 of the Illinois Constitution of 1970)
General Counsel gave a presentation to the Board on Article XIII, Section 5 of the Illinois Constitution of 1970 and potential changes to the benefits of current participants.

The presentation covered the following topics:

- the law before the Constitution of 1970
- the Constitutional Convention and the drafting of Article XIII, Section 5
- special election to adopt the new constitution
- court decisions interpreting the pension clause
- current debate regarding changes to earned benefits

Discussion followed.

(11-03-10) (Report of Executive Director)

Investments

The market value of the Fund's investment portfolio, including short-term investments, but excluding disposition costs, totaled \$25.4 billion on January 31, 2011. This was an increase of \$368.9 million from the market value as of December 31, 2010.

Fixed income investments of \$1,701.4 million were made in January. The market value of fixed income investment managers totaled \$6,438.8 million.

Domestic equity investments of \$775.0 million were made in January. The market value of domestic equity investment managers totaled \$10,644.1 million.

International equity investments of \$907.7 million were made in January. The market value of international equity investment managers totaled \$6,525.3 million.

The market value of real estate investment managers totaled \$476.7 million.

The market value of alternative investment managers totaled \$980.6 million.

The market value of cash equivalents totaled \$362.6 million.

2011 Trustee Roundtable

The Deputy Executive Director and Chief Investment Officer discussed the venue and possible agenda topics for the September 22, 2011 Roundtable.

2011 Regional Manager Meeting

The Chief Investment Officer reviewed the agenda for the Regional Manager Meeting scheduled for June 12-18, 2011 in California.

(11-03-12) (Trustee Forum) The Chair reported the following Trustee requested authorization from the Board for the following conference he attended:

Marvin R. Shoop, Jr. "Defined Benefit Plans: Closing the Gaps"
 & Awards Dinner
 PLANSPONSOR/MetLife
 March 23-25, 2011
 New York, NY

It was moved by Ms. Faklis seconded by Ms. Thompson, to approve the above Trustee request.

Vote: Unanimous Voice Vote
Absent: None

(11-03-13) (Adjournment) It was moved by Ms. Rademacher, seconded by Mr. Stafford, to adjourn the Board Meeting at 11:20 a.m., to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, Illinois, at 9:00 a.m. on April 29, 2011.

Vote: Unanimous Voice Vote
Absent: None

President

Date

Secretary

Date