

ILLINOIS MUNICIPAL RETIREMENT FUND
MINUTES OF
REGULAR BOARD MEETING NO. 11-05
MAY 20, 2011

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 11-05

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:30 a.m., May 20, 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: Rademacher, Shoop, Thompson, Faklis, Henry, Piechocinski

Absent: Stafford, Copper

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

Ms. Copper arrived at 9:35 a.m.

(11-05-01) (Gabriel, Roeder, Smith & Company 2010 Actuarial Valuation Report-2010 Gain/Loss Analysis) Messrs. Murphy, Pieterse and Buis from Gabriel, Roeder, Smith & Company presented IMRF's Annual Actuarial Valuation as of December 31, 2010, and IMRF's Annual Gain/Loss Analysis as presented below.



IMRF

Annual Actuarial Valuation
and Gain/Loss Analysis
December 31, 2010

May 20, 2011



Purpose

- ◆ Calculate employer rates for 3,279 rate groups for the 2012 calendar year
- ◆ Measure financial position and funding progress
- ◆ Explain changes in financial position that occurred during the year



Basic Funding Objective

Establish and receive contributions which:

- ◆ remain approximately level (as a % of payroll) from generation to generation
- ◆ when combined with present assets and future investment return are sufficient to pay benefits to current and future retirees



Financing Plan

- ◆ The largest source of income is expected to be investment return
- ◆ The largest (non-benefit) expense component is assumed to be inflation



Valuation Uses Data On

- 1) People
- 2) Plan Benefits
- 3) Employers
- 4) Assets



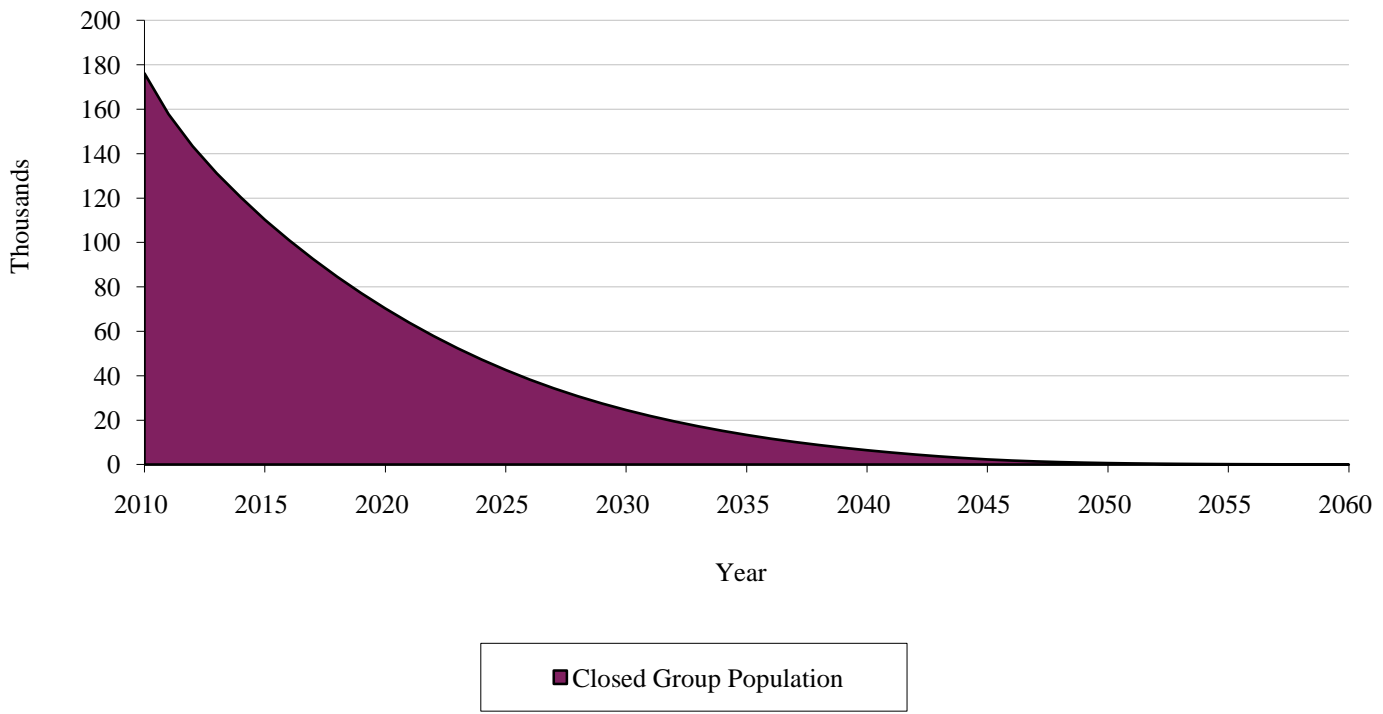
IMRF Population

	<u>2010</u>	<u>2009</u>
Active Members	176,179	180,643
Retirees	97,554	93,262
Inactive	131,462	138,530
Total	<u>405,195</u>	<u>412,435</u>



Expected Development of Present Population – 12/31/2010

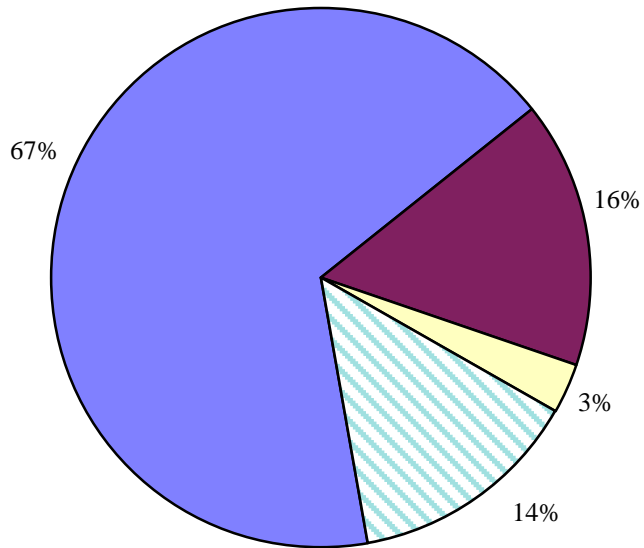
Closed Group Population Projection





Expected Development of Present Active Population

Expected Terminations from Active Employment for Current Active Members



■ Retirements ■ Non-Vested Separations ■ Death and Disabilities ■ Vested Separations



IMRF Benefits – Tier 1

	<u>Regular</u>	<u>SLEP</u>
Normal Retirement Eligibility	60 & 8 or 55 & 35	50 & 20
Benefit Amount	1.667% x FRE x Svc (<15) +2.00% x FRE x Svc (≥15)	2.5% x FRE x Service
	75% Maximum	80% Maximum
Member Contribution	4.5% of Pay	7.5% of Pay

Other benefits include early retirement, vested benefit, death, disability, 13th payment, and benefits for ECO participants.



IMRF Benefits – Tier 2

	<u>Regular</u>	<u>SLEP</u>
Normal Retirement Eligibility (NRE)	67 & 10 or 62 & 35	55 & 10
Early Retirement Eligibility	62 & 10, reduction of 1/2 of 1% before NRE	50 & 10, reduction of 1/2 of 1% before NRE
Vesting Eligibility	After 10 years of service	
Final Rate of Earnings	Highest 96 months of last 10 years	
Benefit Amount	Same as Tier 1 75% maximum	
Wage Cap	\$106,800 increasing by the lesser of 3% or 1/2 of CPI	
Member Contribution	Same as Tier 1	
Annual Increases	Lesser of 3% and 1/2 of CPI	
First Eligible for Increase	Age 67	Age 60
Surviving Spouse	66-2/3% of current pension	



IMRF Employers 12/31/2010

School Districts	865
Counties (Regular, SLEP & ECO)	269
Cities	299
Villages	456
Park Districts	199
Townships	493
Library Districts	215
Other	483
Total	<hr/> 3,279
224 employers with no active members	224
Total	<hr/> 3,503



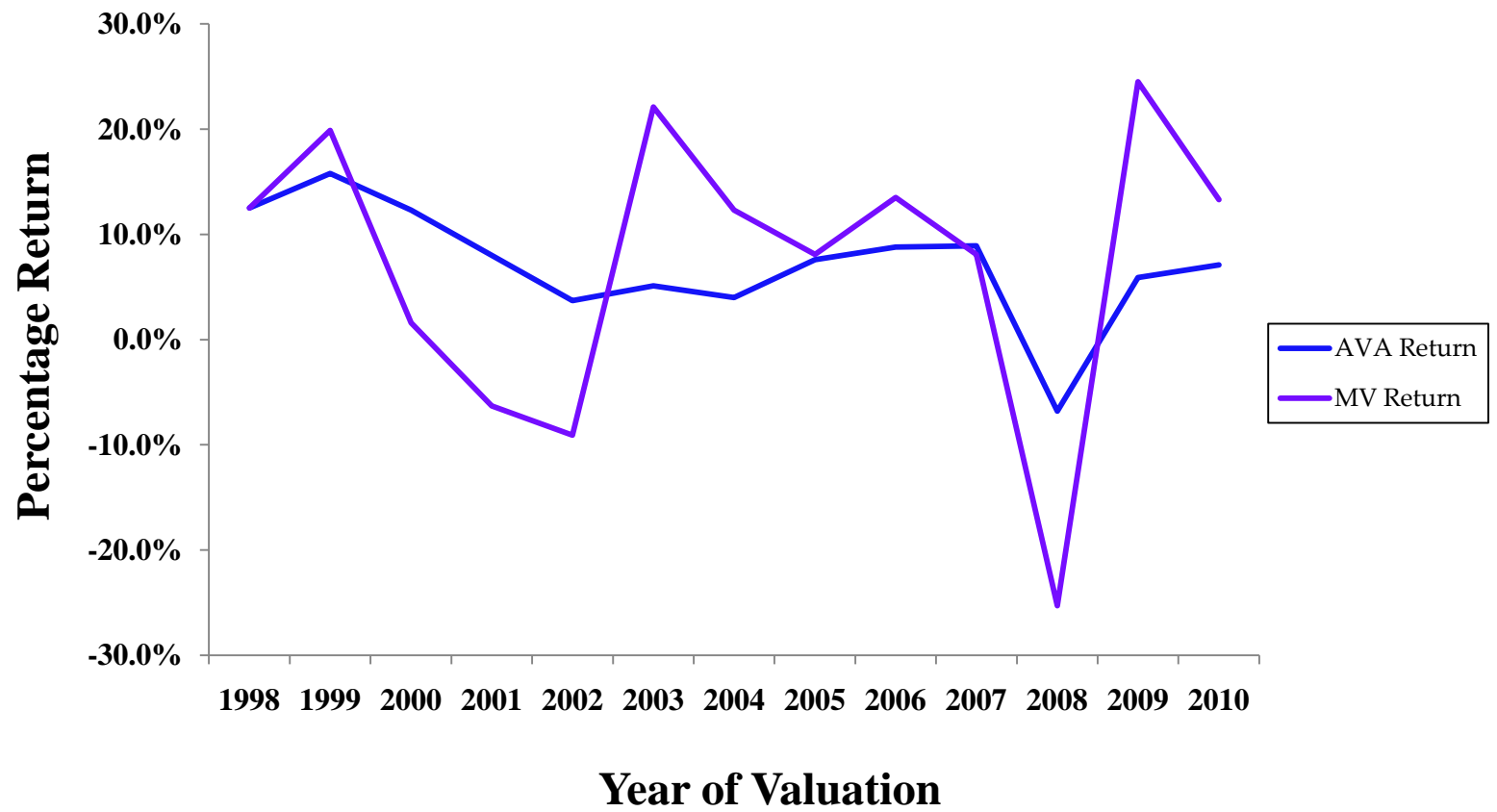
Value of Assets

(\$ millions)

	<u>2010</u>	<u>2009</u>
Funding Value	\$24,251	\$22,755
Market Value	\$25,132	\$22,282
Ratio	96.5%	102.1%
Market Value Rate of Return	13.3%	24.5%




Market Value Return vs. Actuarial Value Return





2010 Results Affected by the Following

- ◆ Favorable investment return in 2010
- ◆ Continued phase-in of prior Market value losses
- ◆ Declines in active population and payroll
- ◆ New Tier of benefits did not affect the contribution rate this year, but is expected to reduce the normal cost rate by approximately 3% of payroll in the long term.



Development of Average Contribution Rates Applicable to Calendar Year 2012 Prior to Optional Phase-In Plan

(Results as of December 31, 2010)

	% of Active Member Pays		
	Regular	SLEP	ECO
Average Employer Contributions for			
Normal Cost	7.58 %	12.01 %	17.22 %
Lump Sum Death-in-Service Benefits	0.19 %	0.20 %	0.20 %
Temporary Disability	0.13 %	0.13 %	0.13 %
13th Payment	0.62 %	0.62 %	0.62 %
Unfunded (Overfunded) Liabilities (30/10 years)	3.60 %	7.75 %	28.98 %
Early Retirement Incentive Liabilities	0.30 %	0.08 %	0.00 %
SLEP Supplemental Liabilities	0.00 %	1.69 %	0.00 %
Total Average Employer Rate	12.42 %	22.48 %	47.15 %
Prior Year Averages	12.14 %	21.76 %	42.72 %

Dupage County, Peoria County and Union School District 41 subject to individual rating

05/20/2011

History of Total Average Employer Contribution Rates

Rate Applies to Calendar Year	Rate Computed as of December 31	Employer Contribution Rate Expressed as % of Active Payroll					
		Regular Members		SLEP Members		ECO Members	
		Normal Cost	Average Total Rate	Normal Cost	Average Total Rate	Normal Cost	Average Total Rate
1996	1994	7.22%	9.98%	9.51%	11.97%		
1997	1995	7.27%	9.61%	9.32%	11.43%		
1998	1996	7.21%	9.64%	10.22%	13.94%		
1999	1997	7.23%	9.03%	10.62%	14.65%	21.48%	36.14%
2000	1998	7.17%	8.16%	10.42%	14.28%	23.39%	41.38%
2001	1999	7.41%	6.64%	12.02%	14.86%	23.85%	42.58%
2002	2000	7.62%	5.87%	11.94%	14.13%	18.05%	38.46%
2003	2001	7.66%	6.22%	11.96%	14.04%	17.95%	40.37%
2004	2002	7.60%	7.82%	12.47%	16.29%	18.18%	44.90%
2005	2003	7.61%	9.25%	12.48%	17.15%	18.07%	42.66%
2006	2004	7.64%	10.04%	12.56%	18.25%	18.01%	44.90%
2007	2005	7.43%	9.72%	11.66%	18.42%	17.52%	41.30%
2008	2006	7.42%	9.47%	11.63%	19.33%	16.96%	41.80%
2009	2007	7.42%	9.27%	11.63%	18.42%	17.08%	42.77%
2010	2008	7.58%	11.89%	11.97%	21.63%	17.24%	43.57%
2011	2009	7.58%	12.14%	11.97%	21.76%	17.20%	42.72%
2012	2010	7.58%	12.42%	12.01%	22.48%	17.22%	47.15%



Funding Policy

The following procedures were applied to financing liabilities in the valuation.

Financing Periods if employer is less than 120% funded on a market basis.

1. Instrumentalities: 10-year rolling period.
2. Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
3. For taxing bodies (Regular, SLEP, and ECO rate Groups): 30-year rolling period.



Funding Policy

The following procedures were applied to financing liabilities in the valuation.

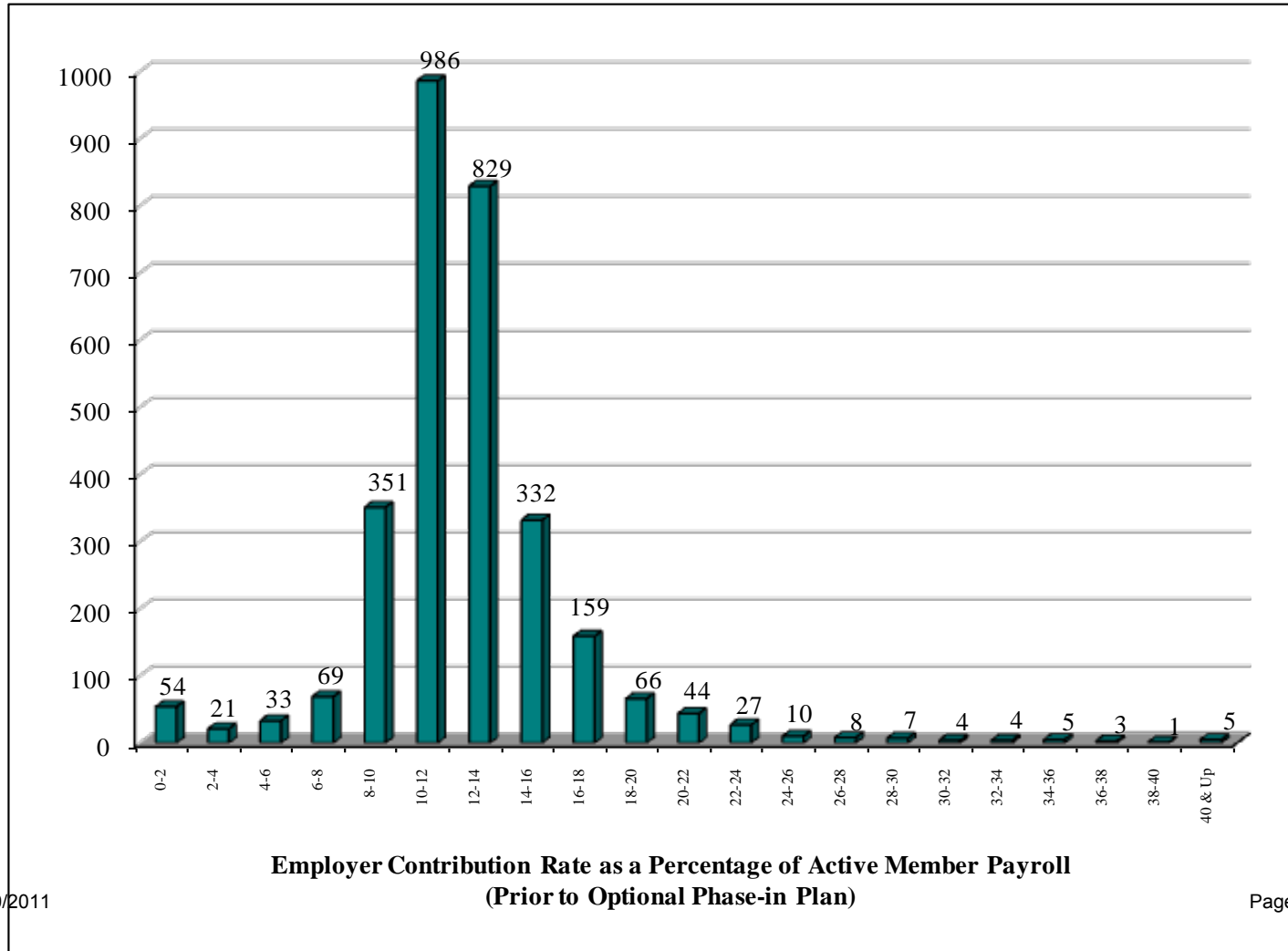
Financing Period if employer is over 120% funded on a market basis.

4. Irrespective of the size of the employer or the funding level, grant the employer an option to amortize overfunding over 120% over a 5-year period.
5. For employers with 50 or more employees, grant the employer an option to adopt a minimum contribution rate until the overfunding is reduced to 120%.
6. Irrespective of the size of the employer, surplus in a plan can be used to satisfy early retirement incentive costs so long as the reserve balance does not drop below 120%.



Employer Contribution Rates 2010 Actuarial Valuation

3,018 Regular Employers

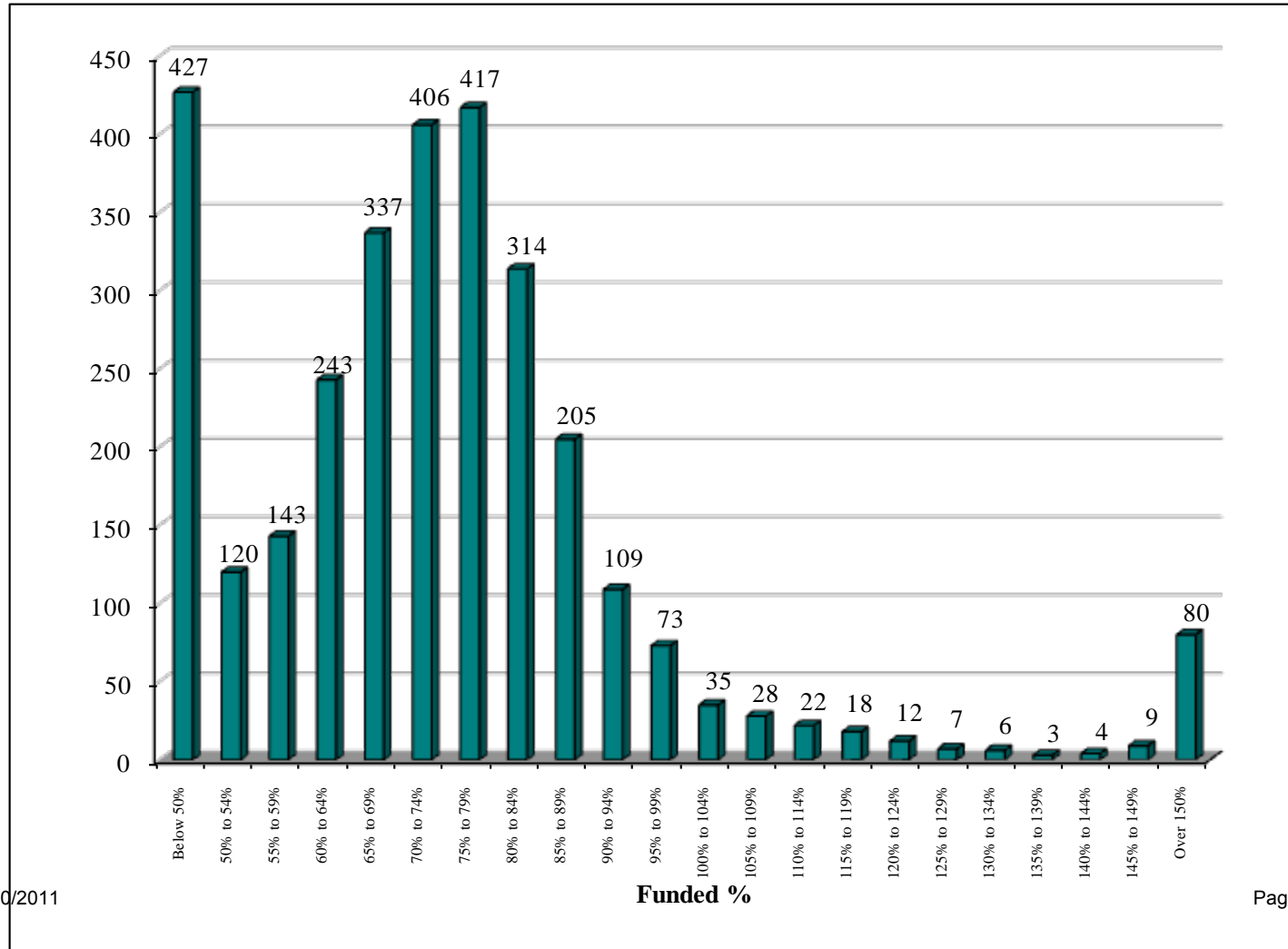




Funded Ratios

2010 Actuarial Valuation

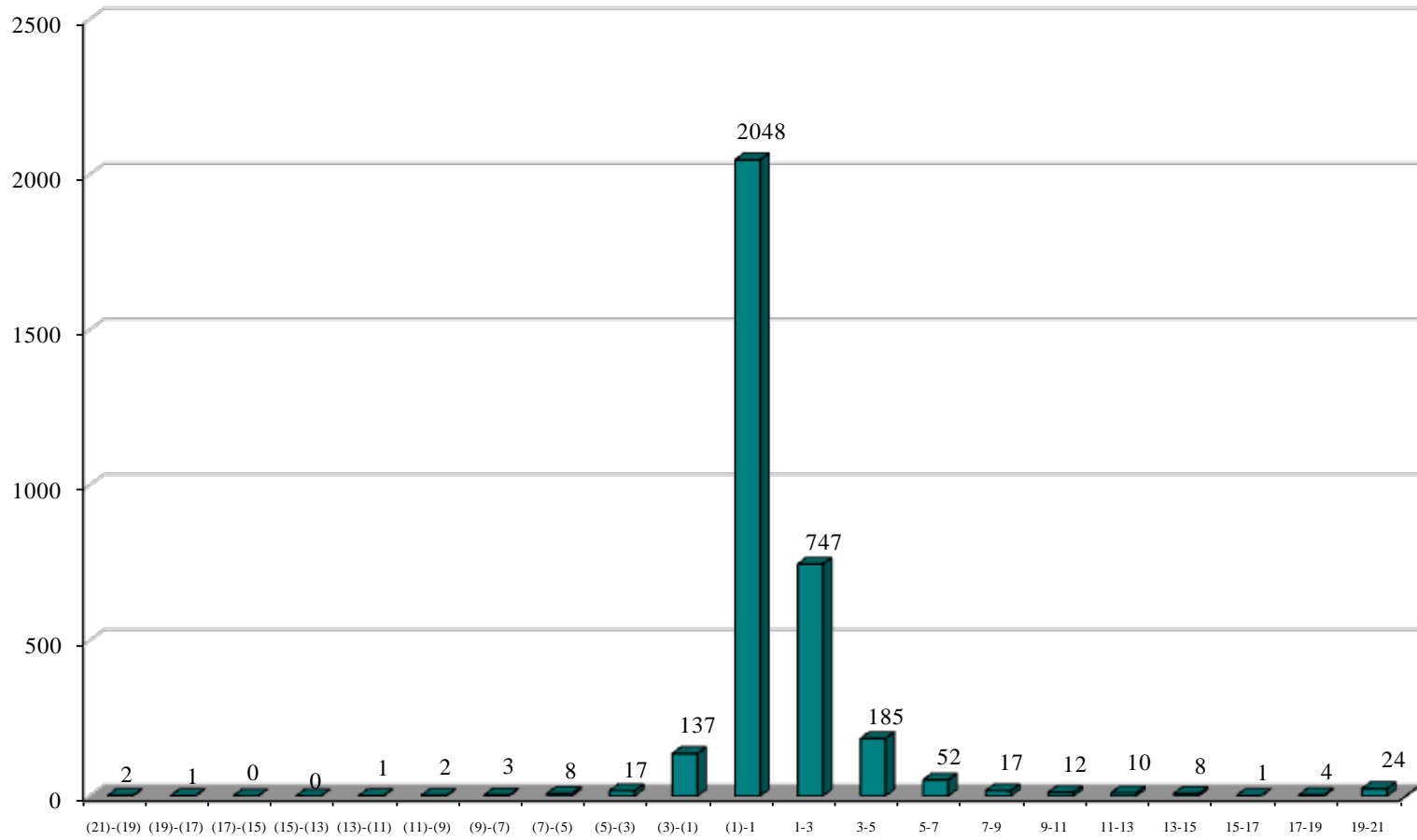
3,018 Regular Employers





Employer Contribution Rate Changes 2010 Actuarial Valuation

3,279 Employers



**Employer Contribution Rate Change as a Percentage of Active Member Payroll
(Prior to Optional Phase-in Plan)**



Average Funding Ratios Comparative Statement

Valuation Date	Funded Ratio AVA Basis	Funded Ratio MV Basis	Unfunded/ Payroll
1987*#	61.1%		94.1%
1992	80.7%	80.9%	50.8%
2003	97.6%	91.0%	8.8%
2004	94.3%	94.3%	21.5%
2005*#	94.6%	95.1%	20.8%
2006	95.3%	99.8%	18.8%
2007	96.1%	100.0%	16.0%
2008*	84.3%	70.3%	64.1%
2009	83.2%	81.5%	71.0%
2010	83.3%	86.3%	76.3%



Gain (Loss) Analysis



A Gain (Loss) Analysis measures differences between Actual and Assumed Experience in each Risk Area



IMRF Risk Areas

Demographic

Normal retirement

Early retirement

Death-in-service

Disability

Other separations

Economic

Salary increases

Investment return



Differences between Actual and Assumed Experience are reflected in Unfunded Actuarial Accrued Liabilities (UAAL)



Change in Unfunded Accrued Liabilities During the Calendar Year 2010

	Unfunded Liability Development During	
	2010	2009
Unfunded Liability January 1	\$4,590,309,432	\$4,010,145,837
(Assumed Payments)	(242,704,632)	(67,250,395)
Assumed Interest	335,281,478	298,269,443
Expected Unfunded Liability December 31	4,682,886,278	4,241,164,885
Change Due to Experience Study	0	0
Change Due to Benefit Changes	0	0
Change Due to Data Changes*	250,000,000	0
Change Due to Investment Experience	90,484,387	343,164,857
Change Due to Other Sources	(145,279,315)	5,979,690
Actual Unfunded Liability December 31	\$4,878,091,350	\$4,590,309,432
Gain (Loss) for the Year	\$ (195,205,072)	\$ (349,144,547)

* Reporting of service credit was improved in the 2010 valuation leading to higher calculated liabilities and thereby resulting in an actuarial loss



Investment Gain(Loss) - \$ millions

1. Beginning Funding Value	\$22,755.0
2. Net Cash Flow	(115.0)
3. Assumed Return	<u>1,702.0</u>
4. Expected Funding Value: 1+2+3	24,342.0
5. Actual Funding Value	24,251.0
6. Gain (Loss): 5-4	(91.0)



Active Member Gains & Losses by Risk Area

Type of Risk Area	Totals	Percent of Liabilities
Risks Related to Assumptions	Millions of \$	
Economic Risk Areas		
<i>Pay Increases</i>	\$ 359.6	1.3 %
<i>Investment Return</i>	(90.5)	(0.3)%



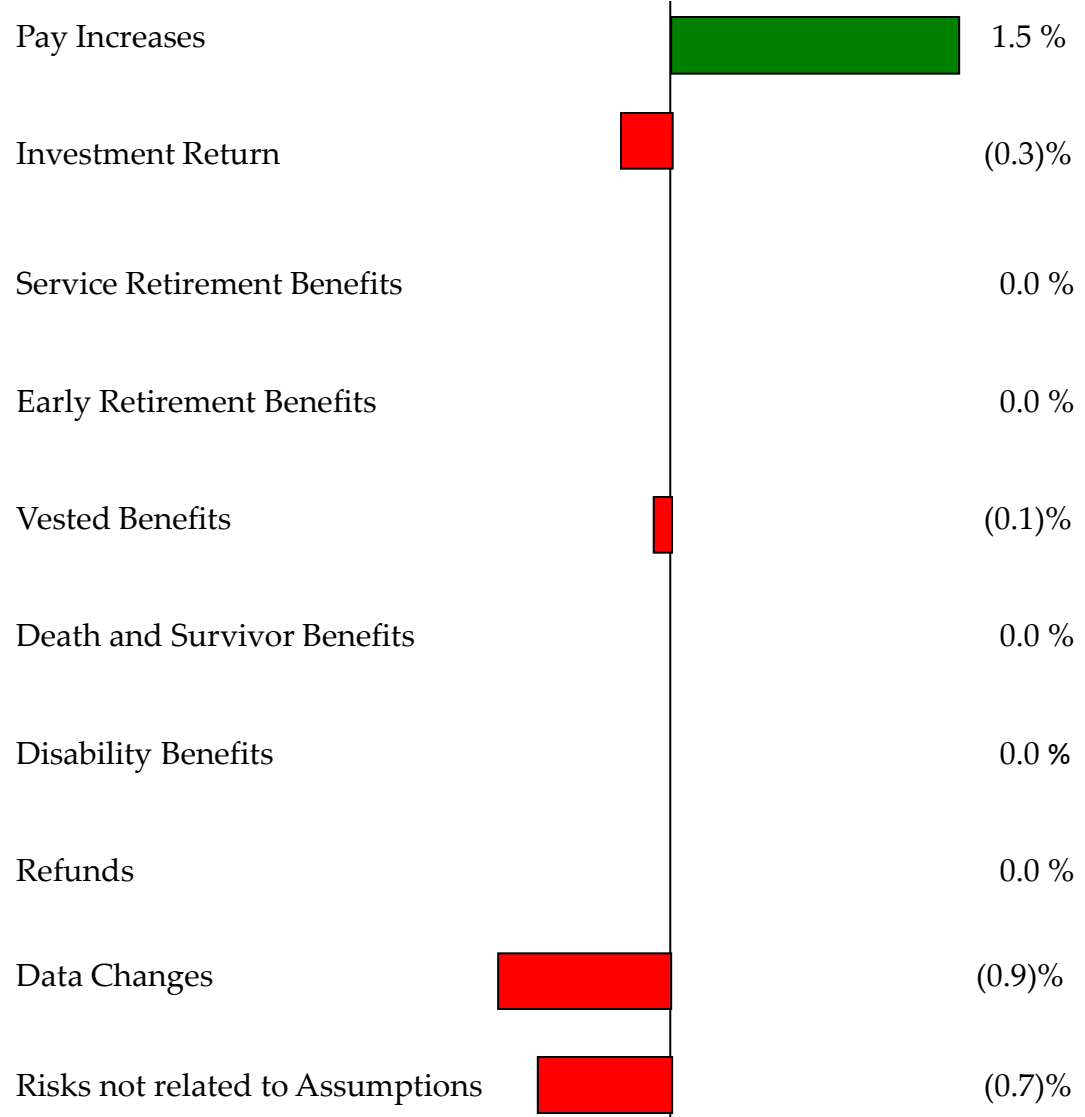
Gains & Losses by Risk Area

Type of Risk Area	Gain (Loss) in Period	
	Totals	Percent of Liabilities
Demographic Risk Areas		
<i>Service Retirements</i>	\$ (0.2)	0.0 %
<i>Early Retirements</i>	0.0	0.0 %
<i>Vested Deferred Retirements</i>	(32.3)	(0.1)%
<i>Death and Survivor Benefits</i>	3.3	0.0 %
<i>Disability Benefits</i>	7.3	0.0 %
<i>Terminated with refund</i>	(0.3)	0.0 %
Data Changes	(250.0)	(0.9)%
Risks not Related to Assumptions*	(192.1)	(0.7)%
Total Gain (or Loss) During Period	(195.2)	(0.7)%
Beginning of Year Accrued Liabilities	\$27,345.1	100.0%

* This is primarily due to rehires of former employees and actual reserve transfers for retirees being higher than the estimated reserve transfers. This may be due to higher final average pay than expected, higher service at retirement than expected, miscellaneous effects of the ERI program or other data adjustments that are made when a final benefit calculation is performed.



Gain (Loss) Experience





Experience Gains & Losses by Risk Area - Comparative Statement

Experience Period	Pay Increases	Investment Return	Retirements	Terminations	Death and Disability	Other	Total Gain (Loss)	
							\$	Percent of Liabilities
1997	\$(19.9)	\$ 454.9	\$54.5	\$ 46.0	\$ 14.9	\$(364.1)	\$186.3	1.9 %
1998	(69.9)	515.7	66.9	(10.5)	13.4	(197.0)	318.6	2.9 %
1999 ¹	5.5	962.1	(26.5)	(21.1)	7.0	(168.1)	758.9	6.4 %
2000	12.2	642.5	(10.7)	(22.4)	11.6	(89.2)	544.0	4.2 %
2001	(29.5)	69.4	(26.2)	11.4	12.9	1.4	39.4	0.3 %
2002 ¹	19.5	(611.8)	(42.9)	2.3	11.2	(66.7)	(688.4)	(4.5)%
2003	36.8	(404.6)	(51.8)	10.0	8.2	(250.0)	(651.4)	(3.9)%
2004	(0.3)	(478.5)	(47.5)	15.8	10.7	(183.0)	(682.6)	(3.8)%
2005 ¹	130.0	23.8	(43.7)	19.3	13.9	(111.2)	32.1	0.2 %
2006	23.5	262.2	(44.7)	11.1	11.5	(211.7)	51.9	0.3 %
2007	(15.4)	305.8	(46.3)	23.2	14.3	(170.5)	111.1	0.6 %
2008 ¹	8.2	(3,331.5)	(40.5)	9.1	13.2	(40.5)	(3,382.0)	(12.6)%
2009	70.2	(343.2)	(27.2)	(11.8)	16.4	(53.5)	(349.1)	(1.4)%
2010	359.6	(90.5)	(32.5)	(0.3)	10.6	(442.1) ²	(195.2)	(0.7)%

¹ Changes in assumptions due to the Experience study.

² Includes one-time data changes of approximately \$250 million.



Reconciliation of Employer Contribution

	Regular	SLEP	ECO	Total
Prior Year	12.14 %	21.76 %	42.72 %	12.63 %
Investment Return	0.08 %	0.11 %	0.19 %	0.08 %
Data Changes	0.20 %	0.33 %	0.37 %	0.20 %
Pay Increases	(0.35)%	(0.40)%	(0.81)%	(0.36)%
Demographic	0.02 %	0.04 %	0.43 %	0.02 %
Declining Population	0.18 %	0.39 %	3.99 %	0.20 %
Other	0.15 %	0.25 %	0.26 %	0.15 %
Current Year	12.42 %	22.48 %	47.15 %	12.92 %



Conclusion

- ◆ Volatile investment markets have affected retirement systems throughout the country
- ◆ Favorable 2009 and 2010 investment performance helped stabilize the contribution rate
- ◆ IMRF is still reasonably well-funded, (83% funding value basis, 86% market value basis) considering recent historic market volatility; national average is around 75%

(11-05-02)(1st Quarter Investment Performance Report) Ms. Becker-Wold of Callan and Associates gave an evaluation of IMRF's investment performance for the quarter ending March 31, 2011.

The report was followed by discussion from Board Members.

(11-05-03) (4th Quarter Real Estate Performance Report) Mr. Robinson of Callan and Associates presented a review of IMRF's real estate performance for the quarter ending December 31, 2010.

(11-05-04) (Investment Manager Activities - Callan and Associates) Mr. Ball gave 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
April 30, 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 April 30, 2011

	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	2.99	9.55	18.71	3.03	3.56	4.04
Russell:1000 Index	3.01	9.44	18.02	2.30	3.30	3.34
Russell:Midcap Index	2.99	10.85	23.36	5.97	5.14	7.95
Russell:2000 Index	2.64	10.79	22.20	8.03	3.89	7.34
MSCI:ACWI ex US	4.96	8.62	20.22	(0.76)	4.01	7.66
MSCI:EAFE US\$	5.98	9.54	19.18	(2.85)	1.54	5.29
MSCI:Emer Markets	3.12	5.29	21.00	2.98	10.17	16.92
BC:Aggr Bd	1.27	1.70	5.36	5.81	6.33	5.74
NCREIF:Total Index	1.11	4.50	16.05	(3.34)	3.41	7.51
NAREIT Composite Idx	4.80	12.13	22.59	2.48	2.53	11.11

Although April was devoid of many new significant events the month was still full of uncertainty. The turmoil in the Mid East continued, and it does not appear that it will be resolved anytime soon. The estimated toll from the disaster in Japan has yet to be accurately determined, and the U.S. is far from making meaningful steps to work out its looming debt crisis. Commodities maintained their strong rise in April as the DJ UBS Commodity Index gained 3.5% and oil remained above \$100 per barrel for the entire month.

Despite this continued uncertainty the domestic equity markets performed well. The Dow Jones U.S. Total Stock Market Index returned 2.99%. Developed international equity markets reversed course from the prior month by gaining almost 5.98% (MSCI EAFE Index).

After an anemic start to the year the bond market did very well in April as the BC Aggregate Bond Index jumped 1.273%. The year-to-date return for this index is now 1.70%.

Private real estate market return shown here for the month is an estimate , but it appears to be the lowest asset class returns in April at 1.11%. Year-to-date returns for private equity, as represented by the NCREIF lag publically traded equities but are still respectable at 16.05%*.

*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.

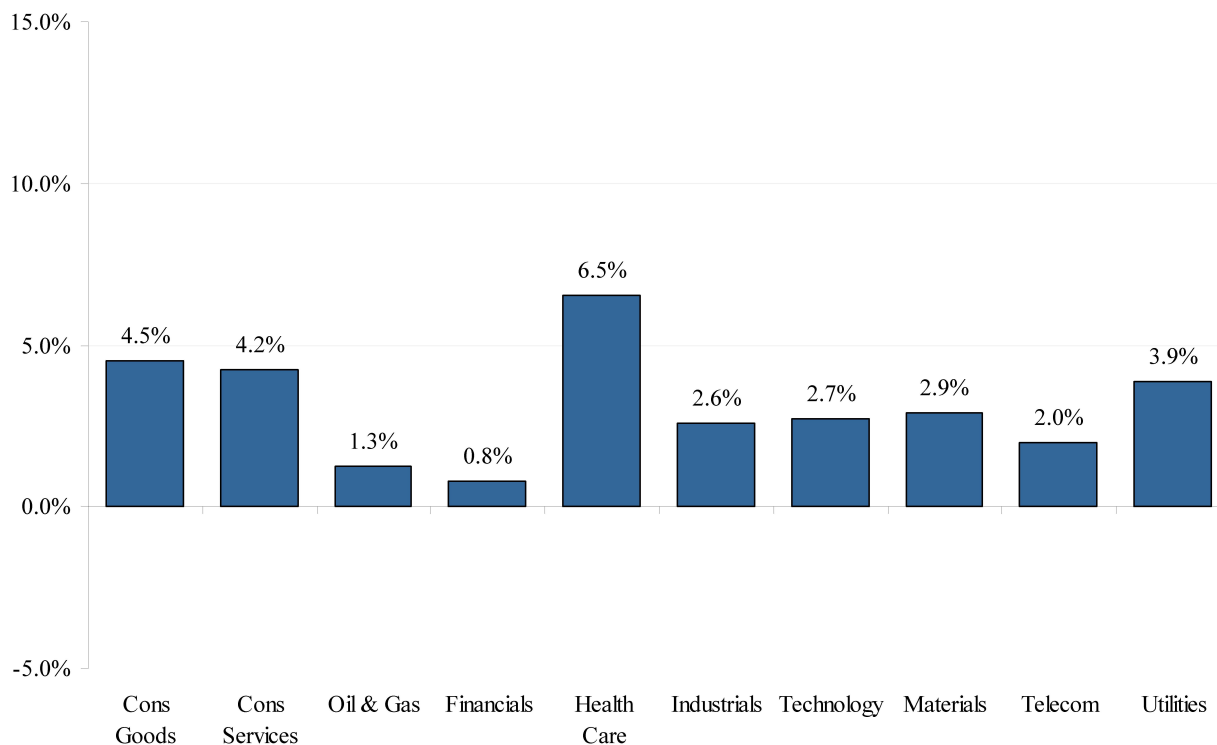
Returns
for Periods Ended April 30, 2011

	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	2.99	9.55	18.71	3.03	3.56	4.04
Russell:1000 Index	3.01	9.44	18.02	2.30	3.30	3.34
Russell:1000 Growth	3.35	9.58	20.87	4.55	5.06	2.11
Russell:1000 Value	2.66	9.29	15.24	(0.11)	1.40	4.31
Russell:Midcap Index	2.99	10.85	23.36	5.97	5.14	7.95
Russell:2000 Index	2.64	10.79	22.20	8.03	3.89	7.34
Russell:2000 Growth	3.60	13.18	30.29	9.62	5.14	5.59
Russell:2000 Value	1.62	8.33	14.57	6.23	2.50	8.69

April returns in the domestic equity market were similar across the range of capitalization. Large caps returned 3.0%, mid caps 3.0%, and small caps 2.6%. In both large and small cap market segments, growth outperformed value for the month.

All sectors were positive for the month with Health Care (+6.5%) and Consumer Goods (+4.5%) leading the way. Financials had another tough month trailing all other sectors (+0.8%). The Oil & Gas sector was also a laggard, only returning 1.3%.

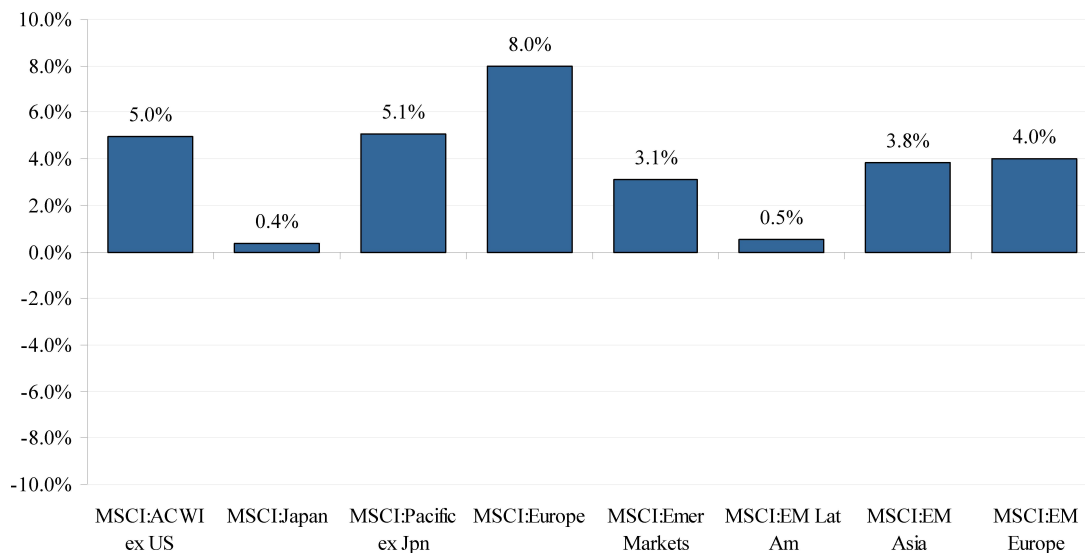
DJ US Total Stock Market Sector Returns



Returns
for Periods Ended April 30, 2011

	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
MSCI:ACWI ex US	4.96	8.62	20.22	(0.76)	4.01	7.66
MSCI:ACWI ex US Gr	5.25	7.72	21.83	(0.90)	4.24	6.72
MSCI:ACW ex US Val	4.67	9.55	18.55	(0.66)	3.74	8.53
MSCI:EAFE US\$	5.98	9.54	19.18	(2.85)	1.54	5.29
MSCI:EAFE Hedged	1.50	1.71	2.66	(6.15)	(3.93)	(1.46)
MSCI:Emer Markets	3.12	5.29	21.00	2.98	10.17	16.92
S&P:Dev x US Sm Cap	5.31	10.07	26.72	2.29	3.72	10.82

Monthly Regional Returns



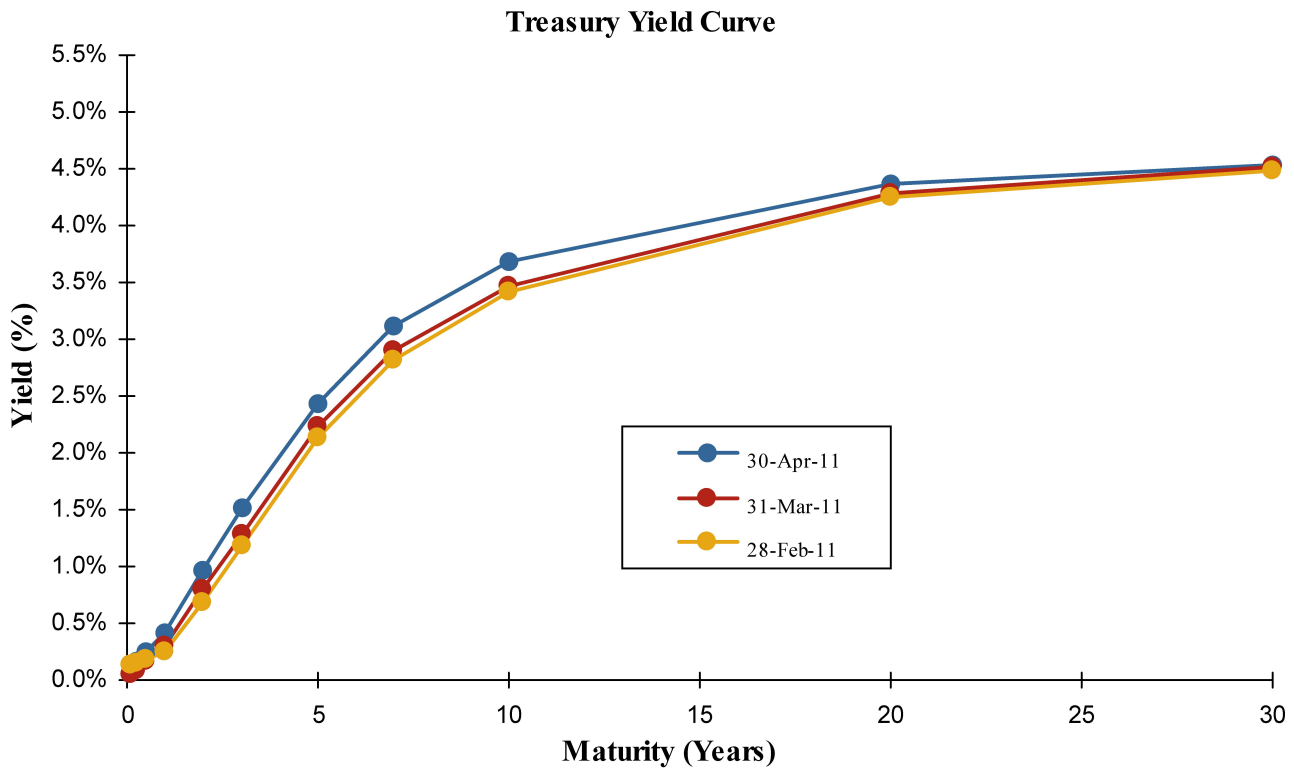
Developed international equity markets had a very strong month, advancing 5.98% (MSCI EAFE Index). This return led all of the major segments of the global equity market primarily due to the continuing depreciation of the dollar. . As the dollar continued to fall, the MSCI EAFE Hedged Index underperformed its unhedged index by 4.5%.

Europe in general had a great month, gaining 8.0%. That region was followed by Japan, which rebounded 5.1% in the wake of its disasters.

As in the United States, international growth stocks outperformed international value stocks. . The MSCI ACW ex-US Growth Index gained 5.253% and the MSCI ACW ex-US Value Index gained 4.67%.

Returns
for Periods Ended April 30, 2011

	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
BC:Aggr Bd	1.27	1.70	5.36	5.81	6.33	5.74
BC:Govt Index	1.09	1.00	4.42	4.52	5.92	5.37
BC:Credit	1.69	2.60	7.03	7.41	6.85	6.41
BC:Mortgage Idx	1.10	1.69	4.89	6.23	6.71	5.76
BC:US TIPS Index	2.51	4.65	8.06	5.54	6.79	6.95
ML:High Yield CP Idx	1.50	5.41	13.39	11.50	9.08	8.75
3 Month T-Bill	0.02	0.07	0.17	0.49	2.16	2.19



April saw the BC Aggregate Bond Index deliver its best month since last August (+1.273%). The star performer, however, was the BC U.S. TIPS Index, which gained 2.51% (please note that this index is not part of the BC Aggregate Bond Index). High yield bonds seemed to have cooled a bit, only returning 1.50% in April, and cash continued to give investors no significant return (+0.02%).

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

GlobeFlex Capital, LP (On Site)
Alliance Bernstein
Aurora Investment Management, Inc.
BlackRock Granite
Earnest Partners, LLC
Lazard Freres
LM Capital Group, LLC
Progress Investment Management
Pyramis Management Trust Co.
Security Capital

Total Fund

Current policy states that when the actual allocations of the asset classes differ by more than four percentage points from their policy targets, a recommendation for rebalancing will be made to the Board of Trustees. As of April 30th, Domestic Equity and Real Estate continue to be outside of the range of the policy targets. The funding of one new real estate manager, INVESCO, has moved the allocations slightly closer to their targets.

The Total Fund returned 2.76% for April, exceeding the Total Fund Benchmark by 0.17%. Over the trailing year, the Fund was up 15.36%, beating the benchmark by 0.79%. Domestic asset class composites, both fixed income and equity, outperformed their respective benchmarks for the month, while the fixed income and international equity composites both beat their benchmarks, while the domestic equity composite trailed the DJ US Total Stock Market Index by 0.26%.

US Equity

Large Cap: The Fund's Large Cap Growth managers earned 2.60%, trailing the Russell 1000 Growth Index by 0.75%. Holland was the best performing growth manager with a return of 3.96%. The Large Cap Value managers returned 2.33%, trailing the Russell 1000 Value Index return by 0.33%. Dodge & Cox was the best performing manager in the group with a return of 3.84%.

Small Cap: The Small Cap portfolio rose 2.92% for the month. Small Cap Growth managers were up 3.29% with Fortaleza leading the way with a return of 5.98%. Small Cap Value managers were up 2.13%. The Micro Cap segment gained 3.32% during the month thanks to a 5.61% return from Wall Street.

International Equity

Large Cap: International Large Cap managers returned 5.63% beating the MSCI ACW ex-US Index by 0.74%. McKinley turned in by far the best International Growth performance with a return of 6.70%. Brandes, the sole International Value manager earned 5.02%. Brown and Globeflex were re-classified in April to join Arrowstreet in the International Large Cap Active Core Group. The three managers collective returned 6.21% in April.

International Small Cap and Emerging Markets: William Blair posted a gain of 6.07% exceeding the index by 0.75%. The emerging markets portfolio managed by Genesis returned 2.64% during March, lagging the MSCI Emerging Markets Index by 0.76%.

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%.

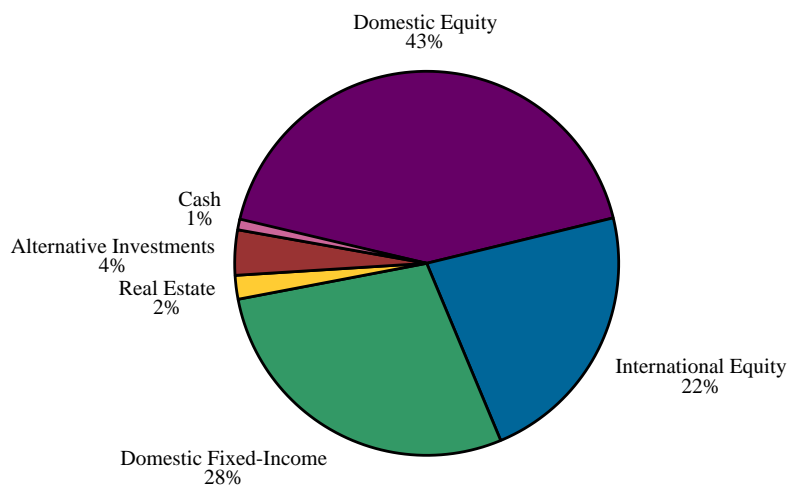
Private Equity: The private equity portfolio had an estimated return of 3.20% well ahead of the alternatives custom benchmark return of 0.72%. Pantheon had the best return among private equity managers with 4.95%.

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

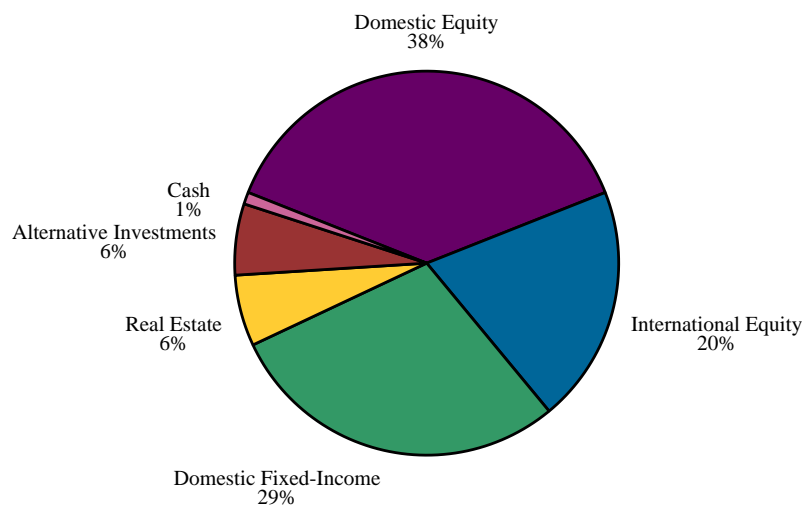
Actual vs Target Asset Allocation

The first chart below shows the Funds asset allocation as of April 30, 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	11,369	42.6%	38.0%	4.6%	1,234
International Equity	5,991	22.5%	20.0%	2.5%	657
Domestic Fixed-Income	7,543	28.3%	29.0%	(0.7%)	(192)
Real Estate	531	2.0%	6.0%	(4.0%)	(1,070)
Alternative Investments	1,008	3.8%	6.0%	(2.2%)	(592)
Cash	229	0.9%	1.0%	(0.1%)	(38)
Total	26,671	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.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of April 30, 2011, with the distribution as of March 31, 2011.

Asset Distribution Across Investment Managers

	April 30, 2011		March 31, 2011	
	Market Value	Percent	Market Value	Percent
Domestic Equity	\$11,369,225,269	42.63%	\$11,133,329,171	42.69%
Equity Transition Account	\$928,562,392	3.48%	-	-
Large Cap Growth				
Alliance Bernstein	558,492,087	2.09%	553,249,055	2.12%
Holland	564,928,232	2.12%	543,431,042	2.08%
NTGI S&P 500 Growth Idx	887,579,524	3.33%	1,248,263,664	4.79%
Sands	624,223,260	2.34%	610,091,742	2.34%
Large Cap Value				
Dodge & Cox	287,340,085	1.08%	276,722,355	1.06%
Harris	654,875,634	2.46%	640,474,226	2.46%
LSV	548,646,433	2.06%	532,649,118	2.04%
NTGI S&P 500 Value Idx	753,276,936	2.82%	1,246,509,799	4.78%
Large Cap Core				
Progress	399,942,854	1.50%	399,942,703	1.53%
NTGI MarketCap Index	2,674,972,354	10.03%	2,673,916,129	10.25%
Small Cap Growth				
Buford	33,865,240	0.13%	32,964,470	0.13%
Fortaleza	34,095,731	0.13%	24,459,699	0.09%
Frontier	450,308,790	1.69%	439,912,183	1.69%
Pyramis	634,269,109	2.38%	610,674,384	2.34%
Small Cap Value				
Dimensional Small Cap Value	269,093,116	1.01%	265,344,438	1.02%
Inv. Counselors of Maryland	526,988,043	1.98%	514,107,649	1.97%
Micro Cap				
Ariel	60,621,344	0.23%	61,625,277	0.24%
Ativo	30,082,431	0.11%	29,928,804	0.11%
Dimensional Micro Cap	138,784,336	0.52%	137,018,862	0.53%
Wall Street	308,277,339	1.16%	292,043,574	1.12%
International Equity	\$5,991,262,787	22.46%	\$5,685,072,914	21.80%
International Large Cap Growth				
EARNEST Partners	338,829,603	1.27%	269,180,360	1.03%
McKinley	327,914,974	1.23%	307,310,318	1.18%
William Blair	809,520,102	3.04%	772,468,700	2.96%
International Large Cap Value				
Brandes	693,007,397	2.60%	659,891,265	2.53%
International Large Cap Core				
Arrowstreet	432,545,800	1.62%	404,829,581	1.55%
Brown	208,306,211	0.78%	147,651,786	0.57%
GlobeFlex	428,292,119	1.61%	403,655,186	1.55%
NTGI MSCI EAFE Index	2,073,843,664	7.78%	2,064,062,976	7.91%
International Small Cap				
William Blair	175,097,096	0.66%	165,083,921	0.63%
AXA Rosenberg	372,533	0.00%	367,261	0.00%

Brown and GlobeFlex moved to International Large Cap Active Core April 1, 2011.

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 April 30, 2011, with the distribution as of March 31, 2011.

Asset Distribution Across Investment Managers

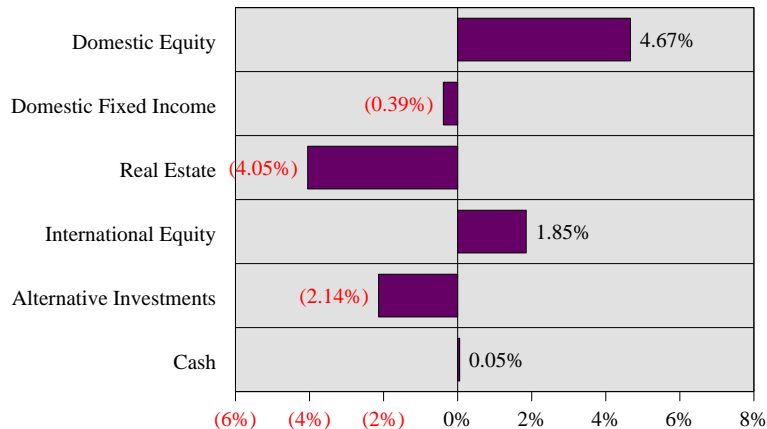
	April 30, 2011		March 31, 2011	
	Market Value	Percent	Market Value	Percent
Emerging Markets				
Genesis	503,533,288	1.89%	490,571,559	1.88%
Domestic Fixed-Income	\$7,542,826,299	28.28%	\$7,443,901,618	28.54%
Domestic Fixed Core				
EARNEST Partners	476,506,132	1.79%	260,068,347	1.00%
Piedmont	287,342,818	1.08%	283,565,728	1.09%
BlackRock Enhanced	866,757,279	3.25%	853,255,825	3.27%
NTGI BC Aggregate Index	1,555,518,235	5.83%	1,747,125,877	6.70%
Domestic Fixed Core Plus				
BlackRock Core Plus	638,228,747	2.39%	631,257,099	2.42%
LM Capital	742,597,284	2.78%	731,207,768	2.80%
Progress Fixed Income	377,524,936	1.42%	377,524,936	1.45%
Taplin, Canida, & Habacht	723,283,018	2.71%	711,805,613	2.73%
Western	967,854,469	3.63%	955,443,824	3.66%
High Yield				
MacKay Shields	433,155,090	1.62%	427,817,083	1.64%
Pyramis High Yield	474,058,291	1.78%	464,829,517	1.78%
Real Estate	\$530,733,421	1.99%	\$492,158,263	1.89%
Real Estate Opportunistic				
Lazard Freres	32,090,974	0.12%	31,304,390	0.12%
Olympus Real Estate Fund II	1,169,009	0.00%	1,169,009	0.00%
Security	50,729,192	0.19%	49,632,277	0.19%
Dune Real Estate Fund II	15,104,806	0.06%	15,104,806	0.06%
Real Estate Core				
BlackRock Granite Fund	59,429,056	0.22%	59,429,056	0.23%
Buckhead	211,599,578	0.79%	214,611,047	0.82%
INVESCO	25,000,000	0.09%	-	-
Sentinel	54,517,302	0.20%	48,839,730	0.19%
TA Fund IX	43,263,858	0.16%	35,813,033	0.14%
Real Estate Value Added				
Rockwood	17,927,574	0.07%	17,927,574	0.07%
Rothschild	19,902,072	0.07%	18,327,341	0.07%
Alternative Investments	\$1,007,980,420	3.78%	\$1,006,598,370	3.86%
Absolute Return				
Aurora	143,626,038	0.54%	142,118,235	0.54%
Grosvenor	122,245,573	0.46%	121,261,843	0.46%
Mesirow	123,312,809	0.46%	123,155,069	0.47%
Private Equity				
Abbott	274,278,992	1.03%	278,265,996	1.07%
Muller & Monroe ILPEFF	13,427,786	0.05%	13,387,709	0.05%
Muller & Monroe MPEFF	13,903,010	0.05%	14,039,095	0.05%
Pantheon	156,478,978	0.59%	154,557,886	0.59%
Agriculture				
Cozad/Westchester	96,844,053	0.36%	96,374,724	0.37%
Timberland				
Forest Investment Assoc.	63,728,181	0.24%	63,306,371	0.24%
Cash	\$228,596,476	0.86%	\$320,030,268	1.23%
Total Fund	\$26,670,624,672	100.0%	\$26,081,090,604	100.0%



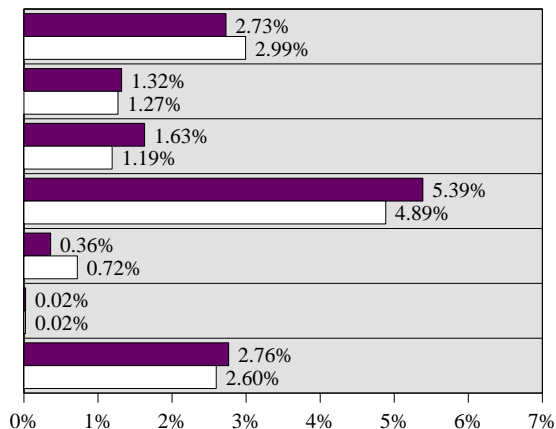
Monthly Total Fund Relative Attribution - April 30, 2011

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.

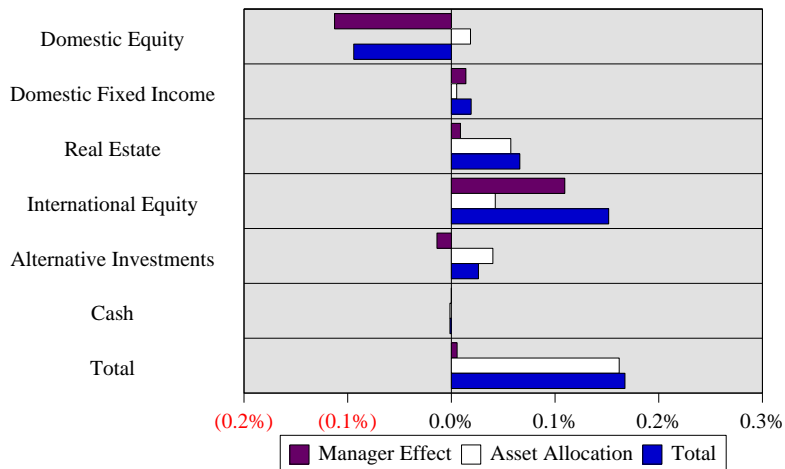
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Month ended April 30, 2011

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	43%	38%	2.73%	2.99%	(0.11%)	0.02%	(0.09%)
Domestic Fixed Income	29%	29%	1.32%	1.27%	0.01%	0.01%	0.02%
Real Estate	2%	6%	1.63%	1.19%	0.01%	0.06%	0.07%
International Equity	22%	20%	5.39%	4.89%	0.11%	0.04%	0.15%
Alternative Investments	4%	6%	0.36%	0.72%	(0.01%)	0.04%	0.03%
Cash	1%	1%	0.02%	0.02%	0.00%	(0.00%)	(0.00%)

Total $2.76\% = 2.60\% + 0.01\% + 0.16\%$ **0.17%**

* 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 April 30, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Equity (12/31/81)	2.73%	7.44%	9.54%	19.73%
DJ U.S. Total Stock Market Index	2.99%	7.18%	9.55%	18.71%
Domestic Equity - Net (12/31/04)	2.71%	7.39%	9.46%	19.46%
International Equity (08/31/86)	5.39%	7.48%	8.42%	20.47%
MSCI ACWI x US (Net)	4.89%	7.40%	8.46%	19.73%
International Equity - Net (12/31/04)	5.35%	7.39%	8.32%	20.14%
Domestic Fixed-Income (12/31/81)	1.32%	2.08%	2.60%	7.17%
BC Aggregate Index	1.27%	1.58%	1.70%	5.36%
Domestic Fixed-Inc. - Net (12/31/04)	1.31%	2.04%	2.55%	7.02%
Real Estate (04/30/85)	1.63%	2.50%	3.29%	13.51%
Blended Benchmark**	1.19%	3.61%	4.84%	17.05%
Real Estate - Net (12/31/04)	1.63%	2.50%	3.29%	13.51%
Alternative Investments (01/31/86)	0.36%	3.29%	3.75%	10.20%
Alternatives Custom Benchmark***	0.72%	2.18%	2.91%	9.49%
Alternative Investments - Net (12/31/04)	0.36%	3.23%	3.69%	9.96%
Absolute Return (12/31/01)	0.69%	2.09%	3.08%	6.04%
HFR Fund-of-Funds Index	1.46%	2.22%	2.36%	5.75%
Private Equity (01/31/86)	0.23%	5.42%	5.64%	15.53%
Alternatives Custom Benchmark***	0.72%	2.18%	2.91%	9.49%
Agriculture (09/30/97)	(0.36%)	(0.02%)	(0.06%)	7.57%
Blended Benchmark**	1.19%	3.61%	4.84%	17.05%
Timberland (09/30/92)	0.42%	0.42%	0.17%	2.17%
Blended Benchmark**	1.19%	3.61%	4.84%	17.05%
Total Fund (12/31/81)	2.76%	5.55%	6.81%	15.36%
Total Fund Benchmark	2.60%	5.00%	6.24%	14.57%
Total Fund - Net (12/31/04)	2.75%	5.49%	6.73%	15.13%

* 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 April 30, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Equity (12/31/81)	3.63%	3.62%	4.63%	11.58%
DJ U.S. Total Stock Market Index	3.03%	3.56%	4.04%	11.14%
Domestic Equity - Net (12/31/04)	3.38%	3.37%	-	5.10%
International Equity (08/31/86)	(1.27%)	3.02%	7.56%	8.78%
MSCI ACWI x US (Net)	(1.21%)	3.55%	7.22%	-
International Equity - Net (12/31/04)	(1.58%)	2.68%	-	7.11%
Domestic Fixed-Income (12/31/81)	7.46%	7.09%	6.46%	9.38%
BC Aggregate Index	5.81%	6.33%	5.74%	8.80%
Domestic Fixed-Inc. - Net (12/31/04)	7.33%	6.96%	-	5.78%
Real Estate (04/30/85)	(7.99%)	(0.98%)	4.31%	3.80%
Blended Benchmark**	(2.34%)	2.80%	5.19%	6.99%
Real Estate - Net (12/31/04)	(7.99%)	(0.98%)	-	2.95%
Alternative Investments (01/31/86)	1.04%	6.04%	4.47%	11.32%
Alternatives Custom Benchmark***	11.16%	11.49%	12.34%	13.94%
Alternative Investments - Net (12/31/04)	0.77%	5.74%	-	8.09%
Absolute Return (12/31/01)	0.99%	3.56%	-	5.45%
HFR Fund-of-Funds Index	(0.66%)	1.55%	4.24%	4.48%
Private Equity (01/31/86)	0.23%	8.60%	4.98%	13.37%
Alternatives Custom Benchmark***	11.16%	11.49%	12.34%	13.94%
Agriculture (09/30/97)	2.87%	4.07%	5.91%	5.66%
Blended Benchmark**	(2.34%)	2.80%	5.19%	5.84%
Timberland (09/30/92)	7.86%	6.36%	4.00%	9.58%
Blended Benchmark**	(2.34%)	2.80%	5.19%	6.31%
Total Fund (12/31/81)	5.20%	5.66%	6.38%	10.41%
Total Fund Benchmark	4.66%	5.67%	6.03%	-
Total Fund - Net (12/31/04)	4.98%	5.44%	-	6.59%

* 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 April 30, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Large Cap Equity (12/31/81)	2.48%	6.54%	9.13%	18.26%
Russell 1000 Index	3.01%	6.87%	9.44%	18.02%
Large Cap Growth (12/31/81)	2.60%	6.11%	8.31%	20.34%
Alliance Bernstein (02/28/02)	0.95%	4.83%	8.10%	15.81%
LCG Blended Benchmark*	3.35%	6.86%	9.58%	20.87%
Russell 1000 Growth Index	3.35%	6.86%	9.58%	20.87%
Alliance Bernstein - Net (12/31/04)	0.95%	4.76%	8.03%	15.48%
Holland (10/31/94)	3.96%	8.00%	10.39%	22.07%
LCG Blended Benchmark*	3.35%	6.86%	9.58%	20.87%
Russell 1000 Growth Index	3.35%	6.86%	9.58%	20.87%
Holland - Net (12/31/04)	3.90%	7.89%	10.28%	21.65%
NTGI S&P 500 Growth Idx (07/31/01)	2.90%	6.48%	8.13%	18.50%
S&P/Citi 500 Growth Index	3.38%	6.98%	8.63%	18.99%
NTGI S&P 500 Growth Idx - Net (12/31/04)	2.90%	6.48%	8.13%	18.49%
Sands (10/31/03)	2.32%	4.90%	7.07%	27.40%
LCG Blended Benchmark*	3.35%	6.86%	9.58%	20.87%
Russell 1000 Growth Index	3.35%	6.86%	9.58%	20.87%
Sands - Net (12/31/04)	2.25%	4.83%	6.93%	27.07%
Large Cap Value (09/30/82)	2.33%	6.76%	10.15%	16.34%
Dodge & Cox (08/31/03)	3.84%	6.87%	10.12%	15.79%
LCV Blended Benchmark**	2.66%	6.87%	9.29%	15.24%
Russell 1000 Value Index	2.66%	6.87%	9.29%	15.24%
Dodge & Cox - Net (12/31/04)	3.78%	6.80%	9.99%	15.44%
Harris (01/31/01)	2.25%	7.79%	11.27%	19.08%
LCV Blended Benchmark**	2.66%	6.87%	9.29%	15.24%
Russell 1000 Value Index	2.66%	6.87%	9.29%	15.24%
Harris - Net (12/31/04)	2.25%	7.73%	11.21%	18.80%
LSV (01/31/03)	3.00%	9.04%	12.32%	17.31%
LCV Blended Benchmark**	2.66%	6.87%	9.29%	15.24%
Russell 1000 Value Index	2.66%	6.87%	9.29%	15.24%
LSV - Net (12/31/04)	3.00%	8.96%	12.25%	16.99%
NTGI S&P 500 Value Idx (07/31/99)	1.70%	5.22%	8.62%	14.66%
S&P/Citi 500 Value Index	2.53%	6.08%	9.51%	15.52%
NTGI S&P 500 Value Idx - Net (12/31/04)	1.70%	5.22%	8.62%	14.65%

* 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 April 30, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Equity (12/31/81)	2.34%	3.15%	3.04%	10.97%
Russell 1000 Index	2.30%	3.30%	3.34%	11.32%
Large Cap Growth (12/31/81)	4.94%	4.94%	2.16%	11.47%
Alliance Bernstein (02/28/02)	1.46%	2.20%	-	3.08%
LCG Blended Benchmark*	4.55%	5.06%	3.08%	3.69%
Russell 1000 Growth Index	4.55%	5.06%	2.11%	3.74%
Alliance Bernstein - Net (12/31/04)	1.16%	1.90%	-	4.18%
Holland (10/31/94)	6.96%	6.50%	4.67%	9.81%
LCG Blended Benchmark*	4.55%	5.06%	3.08%	8.84%
Russell 1000 Growth Index	4.55%	5.06%	2.11%	7.83%
Holland - Net (12/31/04)	6.63%	6.22%	-	5.12%
NTGI S&P 500 Growth Idx (07/31/01)	3.77%	4.72%	-	3.08%
S&P/Citi 500 Growth Index	3.89%	4.80%	2.91%	3.08%
NTGI S&P 500 Growth Idx - Net (12/31/04)	3.76%	4.71%	-	4.72%
Sands (10/31/03)	9.45%	6.99%	-	9.35%
LCG Blended Benchmark*	4.55%	5.06%	3.08%	6.38%
Russell 1000 Growth Index	4.55%	5.06%	2.11%	6.64%
Sands - Net (12/31/04)	9.13%	6.70%	-	6.29%
Large Cap Value (09/30/82)	(0.13%)	1.46%	3.57%	10.04%
Dodge & Cox (08/31/03)	0.46%	1.15%	-	7.45%
LCV Blended Benchmark**	(0.11%)	1.40%	2.78%	6.57%
Russell 1000 Value Index	(0.11%)	1.40%	4.31%	6.82%
Dodge & Cox - Net (12/31/04)	0.22%	0.90%	-	3.39%
Harris (01/31/01)	(0.39%)	1.99%	5.54%	5.85%
LCV Blended Benchmark**	(0.11%)	1.40%	2.78%	2.67%
Russell 1000 Value Index	(0.11%)	1.40%	4.31%	4.04%
Harris - Net (12/31/04)	(0.64%)	1.76%	-	4.82%
LSV (01/31/03)	1.55%	2.61%	-	10.08%
LCV Blended Benchmark**	(0.11%)	1.40%	2.78%	7.86%
Russell 1000 Value Index	(0.11%)	1.40%	4.31%	7.93%
LSV - Net (12/31/04)	1.26%	2.32%	-	4.75%
NTGI S&P 500 Value Idx (07/31/99)	(0.83%)	0.88%	2.55%	2.52%
S&P/Citi 500 Value Index	(0.58%)	1.00%	2.60%	2.59%
NTGI S&P 500 Value Idx - Net (12/31/04)	(0.84%)	0.86%	-	2.93%

* 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 April 30, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Large Cap Active Core (12/31/04)	0.00%	4.53%	6.48%	14.68%
Progress (01/31/05)	0.00%	4.53%	6.48%	14.68%
DJ U.S. Total Stock Market Index	2.99%	7.18%	9.55%	18.71%
Progress - Net (01/31/05)	0.00%	4.38%	6.34%	14.01%
Large Cap Passive Core (12/31/84)	2.87%	7.08%	9.44%	18.34%
NTGI MarketCap Idx (01/31/85)	2.87%	7.08%	9.44%	18.45%
DJ U.S. Total Stock Market Index	2.99%	7.18%	9.55%	18.71%
NTGI MarketCap Idx - Net (12/31/04)	2.87%	7.08%	9.43%	18.44%



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 April 30, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Active Core (12/31/04)	1.40%	3.11%	-	4.47%
Progress (01/31/05)	1.40%	3.11%	-	4.53%
DJ U.S. Total Stock Market Index	3.03%	3.56%	4.04%	4.87%
Progress - Net (01/31/05)	0.79%	2.50%	-	3.93%
Large Cap Passive Core (12/31/84)	2.72%	3.28%	3.88%	10.88%
NTGI MarketCap Idx (01/31/85)	2.75%	3.31%	3.89%	10.92%
DJ U.S. Total Stock Market Index	3.03%	3.56%	4.04%	10.89%
NTGI MarketCap Idx - Net (12/31/04)	2.75%	3.30%	-	4.59%

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 April 30, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Small Cap Equity (06/30/88)	2.92%	10.05%	10.29%	24.52%
Russell 2000 Index	2.64%	11.08%	10.79%	22.20%
Small Cap Growth (06/30/88)	3.29%	10.89%	11.16%	29.34%
Buford (10/31/06)	2.73%	9.37%	12.68%	26.85%
Russell 2000 Growth Index	3.60%	13.81%	13.17%	30.29%
Buford - Net (10/31/06)	2.64%	9.27%	12.47%	26.36%
Fortaleza (11/30/06)	5.98%	17.81%	19.26%	41.95%
Russell 2000 Growth Index	3.60%	13.81%	13.17%	30.29%
Fortaleza - Net (11/30/06)	5.88%	17.69%	19.00%	41.32%
Frontier (07/31/88)	2.36%	10.24%	11.67%	29.68%
Russell 2000 Growth Index	3.60%	13.81%	13.17%	30.29%
Frontier - Net (12/31/04)	2.24%	10.11%	11.06%	28.65%
Pyramis (07/31/88)	3.86%	11.16%	10.41%	28.16%
Russell 2000 Growth Index	3.60%	13.81%	13.17%	30.29%
Pyramis - Net (12/31/04)	3.86%	11.04%	10.29%	27.50%
Small Cap Value (08/31/89)	2.13%	9.15%	9.34%	17.51%
DFA Small Cap Value (01/31/96)	1.41%	9.94%	10.22%	20.64%
Russell 2000 Value Index	1.62%	8.27%	8.33%	14.57%
DFA Small Cap Value - Net (12/31/04)	1.41%	9.81%	10.09%	20.07%
Inv. Counselors of Maryland (04/30/99)	2.51%	8.75%	8.89%	15.98%
Russell 2000 Value Index	1.62%	8.27%	8.33%	14.57%
Inv. Couns. of Maryland - Net (12/31/04)	2.51%	8.65%	8.79%	15.47%
Micro Cap (06/30/84)	3.32%	9.64%	9.85%	26.00%
Ariel (10/31/2010)	(1.64%)	5.15%	9.05%	-
Russell 2000 Growth Index	3.60%	13.81%	13.17%	30.29%
Russell 2000 Index	2.64%	11.08%	10.79%	22.20%
Russell Microcap Index	1.51%	9.57%	8.42%	17.26%
Ariel - Net (10/31/10)	(1.84%)	4.93%	8.60%	-
Ativo (09/30/10)	0.52%	3.99%	3.85%	-
Russell 2000 Growth Index	3.60%	13.81%	13.17%	30.29%
Russell 2000 Index	2.64%	11.08%	10.79%	22.20%
Russell Microcap Index	1.51%	9.57%	8.42%	17.26%
Ativo - Net (09/30/10)	0.33%	3.78%	3.41%	-
DFA Micro Cap (07/31/87)	1.29%	9.73%	8.85%	21.93%
Russell 2000 Growth Index	3.60%	13.81%	13.17%	30.29%
Russell 2000 Index	2.64%	11.08%	10.79%	22.20%
DFA Micro Cap - Net (12/31/04)	1.29%	9.59%	8.72%	21.39%
Wall Street (07/31/90)	5.61%	11.12%	11.10%	33.27%
Russell 2000 Growth Index	3.60%	13.81%	13.17%	30.29%
Russell 2000 Index	2.64%	11.08%	10.79%	22.20%
Wall Street - Net (12/31/04)	5.42%	10.92%	10.71%	32.13%

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 April 30, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Small Cap Equity (06/30/88)	9.32%	6.42%	11.08%	13.04%
Russell 2000 Index	8.03%	3.89%	7.34%	9.82%
Small Cap Growth (06/30/88)	9.67%	7.10%	10.84%	13.92%
Buford (10/31/06)	0.52%	-	-	5.94%
Russell 2000 Growth Index	9.62%	5.14%	5.59%	6.37%
Buford - Net (10/31/06)	0.11%	-	-	5.43%
Fortaleza (11/30/06)	8.60%	-	-	5.51%
Russell 2000 Growth Index	9.62%	5.14%	5.59%	6.37%
Fortaleza - Net (11/30/06)	8.07%	-	-	5.00%
Frontier (07/31/88)	12.60%	8.25%	10.25%	14.09%
Russell 2000 Growth Index	9.62%	5.14%	5.59%	7.52%
Frontier - Net (12/31/04)	11.61%	7.37%	-	9.71%
Pyramis (07/31/88)	9.49%	7.84%	12.34%	14.53%
Russell 2000 Growth Index	9.62%	5.14%	5.59%	7.52%
Pyramis - Net (12/31/04)	8.93%	7.20%	-	11.41%
Small Cap Value (08/31/89)	8.22%	4.95%	11.54%	12.63%
DFA Small Cap Value (01/31/96)	10.54%	4.27%	12.28%	13.52%
Russell 2000 Value Index	6.23%	2.50%	8.69%	10.15%
DFA Small Cap Value - Net (12/31/04)	9.99%	3.71%	-	6.65%
Inv. Counselors of Maryland (04/30/99)	7.11%	5.32%	11.16%	12.99%
Russell 2000 Value Index	6.23%	2.50%	8.69%	10.27%
Inv. Couns. of Maryland - Net (12/31/04)	6.50%	4.77%	-	7.00%
Micro Cap (06/30/84)	7.86%	2.10%	7.44%	12.50%
Ariel (10/31/10)	-	-	-	18.90%
Russell 2000 Growth Index	9.62%	5.14%	5.59%	32.54%
Russell 2000 Index	8.03%	3.89%	7.34%	28.80%
Russell Microcap Index	6.25%	0.27%	7.48%	29.46%
Ariel - Net (10/31/10)	-	-	-	18.37%
Ativo (09/30/10)	-	-	-	20.35%
Russell 2000 Growth Index	9.62%	5.14%	5.59%	51.30%
Russell 2000 Index	8.03%	3.89%	7.34%	44.84%
Russell Microcap Index	6.25%	0.27%	7.48%	44.86%
Ativo - Net (09/30/10)	-	-	-	19.84%
DFA Micro Cap (07/31/87)	8.88%	3.11%	10.76%	11.44%
Russell 2000 Growth Index	9.62%	5.14%	5.59%	6.67%
Russell 2000 Index	8.03%	3.89%	7.34%	8.82%
DFA Micro Cap - Net (12/31/04)	8.35%	2.59%	-	5.15%
Wall Street (07/31/90)	8.91%	2.50%	5.54%	15.06%
Russell 2000 Growth Index	9.62%	5.14%	5.59%	7.33%
Russell 2000 Index	8.03%	3.89%	7.34%	9.70%
Wall Street - Net (12/31/04)	7.99%	1.65%	-	6.50%



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 April 30, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Equity (08/31/86)	5.63%	7.37%	8.87%	20.29%
MSCI ACWI ex-US Index	4.89%	7.40%	8.46%	19.73%
Intl Large Cap Growth (08/31/02)	4.89%	7.54%	7.54%	22.32%
EARNEST Partners (09/30/04)	3.35%	8.85%	10.77%	26.95%
MSCI ACWI ex-US Index	4.89%	7.40%	8.46%	19.73%
MSCI ACWI ex-US Growth	5.25%	8.27%	7.72%	21.83%
EARNEST Partners - Net (12/31/04)	3.35%	8.80%	10.71%	26.77%
McKinley (02/28/06)	6.70%	9.90%	9.79%	25.07%
MSCI ACWI ex-US Index	4.89%	7.40%	8.46%	19.73%
MSCI ACWI ex-US Growth	5.25%	8.27%	7.72%	21.83%
McKinley - Net (02/28/06)	6.58%	9.77%	9.53%	24.47%
William Blair (09/30/02)	4.80%	6.35%	4.82%	21.79%
MSCI ACWI ex-US Index	4.89%	7.40%	8.46%	19.73%
MSCI ACWI ex-US Growth	5.25%	8.27%	7.72%	21.83%
William Blair - Net (12/31/04)	4.71%	6.17%	4.64%	21.27%
Intl Large Cap Value (09/30/95)	5.02%	5.09%	8.45%	14.58%
Brandes (12/31/95)	5.02%	5.09%	8.45%	14.58%
MSCI ACWI ex-US Index	4.89%	7.40%	8.46%	19.73%
MSCI ACWI ex-US Value	4.67%	6.82%	9.55%	18.55%
Brandes - Net (12/31/04)	5.02%	5.04%	8.39%	14.35%



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 April 30, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Equity (08/31/86)	(1.85%)	2.46%	6.32%	8.76%
MSCI ACWI ex-US Index	(1.21%)	3.55%	7.22%	-
Intl Large Cap Growth (08/31/02)	(1.78%)	3.16%	-	11.98%
EARNEST Partners (09/30/04)	5.88%	11.51%	-	17.04%
MSCI ACWI ex-US Index	(1.21%)	3.55%	7.22%	10.15%
MSCI ACWI ex-US Growth	(0.90%)	4.24%	6.72%	10.64%
EARNEST Partners - Net (12/31/04)	5.47%	10.97%	-	14.08%
McKinley (02/28/06)	(4.97%)	0.69%	-	2.46%
MSCI ACWI ex-US Index	(1.21%)	3.55%	7.22%	4.86%
MSCI ACWI ex-US Growth	(0.90%)	4.24%	6.72%	5.42%
McKinley - Net (02/28/06)	(5.46%)	0.17%	-	1.96%
William Blair (09/30/02)	(2.12%)	2.57%	-	11.75%
MSCI ACWI ex-US Index	(1.21%)	3.55%	7.22%	11.67%
MSCI ACWI ex-US Growth	(0.90%)	4.24%	6.72%	11.39%
William Blair - Net (12/31/04)	(2.53%)	2.17%	-	7.21%
Intl Large Cap Value (09/30/95)	(2.51%)	1.25%	7.14%	11.21%
Brandes (12/31/95)	(2.51%)	1.25%	7.14%	11.27%
MSCI ACWI ex-US Index	(1.21%)	3.55%	7.22%	6.50%
MSCI ACWI ex-US Value	(0.66%)	3.74%	8.53%	-
Brandes - Net (12/31/04)	(2.76%)	1.01%	-	4.68%



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 April 30, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Active Core (01/31/08)	6.21%	9.71%	9.79%	22.81%
Arrowstreet (02/29/08)	6.85%	10.37%	10.45%	23.55%
MSCI ACWI ex-US Index	4.89%	7.40%	8.46%	19.73%
Arrowstreet - Net (02/29/08)	6.85%	10.24%	10.32%	22.97%
Brown (09/30/04)	5.08%	7.12%	8.88%	13.80%
MSCI ACWI ex-US Index	4.89%	7.40%	8.46%	19.73%
Brown - Net (12/31/04)	5.03%	7.07%	8.76%	13.23%
GlobeFlex (02/28/06)	6.10%	8.88%	10.18%	23.37%
MSCI ACWI ex-US Index	4.89%	7.40%	8.46%	19.73%
GlobeFlex - Net (02/28/06)	6.00%	8.66%	9.96%	22.73%
Intl Large Cap Pass. Core (12/31/99)	6.07%	7.18%	9.72%	19.52%
NTGI MSCI EAFE Idx (01/31/00)	6.07%	7.18%	9.72%	19.51%
MSCI EAFE Index	5.98%	7.02%	9.54%	19.18%
NTGI EAFE Idx - Net (12/31/04)	6.07%	7.18%	9.72%	19.51%
International Small Cap (11/30/05)	6.06%	10.29%	9.84%	22.83%
William Blair (08/31/2010)	6.07%	9.96%	9.51%	-
S&P SmCap World ex-US Index	5.31%	9.00%	10.07%	26.72%
William Blair - Net (08/31/2010)	5.87%	9.54%	9.09%	-
Emerging Markets (01/31/92)	2.64%	7.65%	3.46%	21.62%
Genesis (04/30/04)	2.64%	7.65%	3.46%	21.62%
MSCI Emerging Markets Index	3.12%	8.20%	5.29%	21.00%
Genesis - Net (12/31/04)	2.64%	7.55%	3.31%	20.95%



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 April 30, 2011

	Last 36 Months	Last 60 Months	Year to Date	Since Inception
Intl Large Cap Active Core (01/31/08)	1.76%	-	9.79%	2.14%
Arrowstreet (02/29/08)	1.96%	-	10.45%	2.38%
MSCI ACWI ex-US Index	(1.21%)	3.55%	8.46%	0.87%
Arrowstreet - Net (02/29/08)	1.48%	-	10.32%	1.94%
Brown (09/30/04)	1.87%	3.73%	8.88%	10.10%
MSCI ACWI ex-US Index	(1.21%)	3.55%	8.46%	10.15%
Brown - Net (12/31/04)	1.53%	3.43%	8.76%	6.95%
GlobeFlex (02/28/06)	(3.15%)	2.36%	10.18%	4.14%
MSCI ACWI ex-US Index	(1.21%)	3.55%	8.46%	4.86%
GlobeFlex - Net (02/28/06)	(3.61%)	1.86%	9.96%	3.66%
Intl Large Cap Pass. Core (12/31/99)	(2.44%)	1.93%	9.72%	2.88%
NTGI MSCI EAFE Idx (01/31/00)	(2.48%)	1.91%	9.72%	2.89%
MSCI EAFE Index	(2.85%)	1.54%	9.54%	2.52%
NTGI EAFE Idx - Net (12/31/04)	(2.48%)	1.90%	9.72%	5.79%
International Small Cap (11/30/05)	(4.08%)	(0.93%)	9.84%	3.13%
William Blair (08/31/2010)	-	-	9.51%	28.69%
S&P SmCap World ex-US Index	2.29%	3.72%	10.07%	32.87%
William Blair - Net (08/31/2010)	-	-	9.09%	28.06%
Emerging Markets (01/31/92)	8.54%	12.34%	3.46%	11.48%
Genesis (04/30/04)	8.54%	12.38%	3.46%	19.80%
MSCI Emerging Markets Index	2.98%	10.17%	5.29%	16.84%
Genesis - Net (12/31/04)	7.90%	11.73%	3.31%	17.75%



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 April 30, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Dom. Fixed Active Core (03/31/01)	1.39%	2.01%	2.35%	6.30%
EARNEST Partners (04/30/05)	1.43%	1.86%	2.10%	5.56%
BC Aggregate Index	1.27%	1.58%	1.70%	5.36%
EARNEST Partners - Net (04/30/05)	1.43%	1.81%	2.04%	5.39%
Piedmont (05/31/05)	1.33%	2.13%	2.58%	6.99%
BC Aggregate Index	1.27%	1.58%	1.70%	5.36%
Piedmont - Net (05/31/05)	1.29%	2.08%	2.49%	6.80%
Dom. Fixed Enhanced Core (03/31/00)	1.58%	1.97%	2.19%	5.50%
BlackRock Enhanced (04/30/00)	1.58%	1.97%	2.19%	5.50%
BC Aggregate Index	1.27%	1.58%	1.70%	5.36%
BlackRock Enhanced - Net (12/31/04)	1.58%	1.96%	2.17%	5.42%
Dom. Fixed Passive Core (12/31/89)	1.19%	1.46%	1.58%	5.24%
NTGI BC Agg. Index (01/31/90)	1.19%	1.46%	1.58%	5.24%
BC Aggregate Index	1.27%	1.58%	1.70%	5.36%
NTGI BC Agg. Index - Net (12/31/04)	1.19%	1.46%	1.58%	5.22%

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 April 30, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Dom. Fixed Active Core (03/31/01)	6.67%	6.34%	5.27%	5.18%
EARNEST Partners (04/30/05)	6.58%	6.53%	-	5.69%
BC Aggregate Index	5.81%	6.33%	5.74%	5.53%
EARNEST Partners - Net (04/30/05)	6.38%	6.31%	-	5.49%
Piedmont (05/31/05)	6.47%	6.36%	-	5.28%
BC Aggregate Index	5.81%	6.33%	5.74%	5.37%
Piedmont - Net (05/31/05)	6.29%	6.13%	-	5.06%
Dom. Fixed Enhanced Core (03/31/00)	5.72%	6.20%	5.76%	6.26%
BlackRock Enhanced (04/30/00)	5.72%	6.20%	5.76%	6.31%
BC Aggregate Index	5.81%	6.33%	5.74%	6.25%
BlackRock Enhanced - Net (12/31/04)	5.65%	6.13%	-	5.05%
Dom. Fixed Passive Core (12/31/89)	5.53%	6.19%	5.69%	6.93%
NTGI BC Agg. Index (01/31/90)	5.53%	6.19%	5.69%	6.96%
BC Aggregate Index	5.81%	6.33%	5.74%	6.96%
NTGI BC Agg. Index - Net (12/31/04)	5.52%	6.18%	-	5.05%



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 April 30, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Fixed Core Plus (12/31/81)	1.24%	2.02%	2.42%	7.21%
BlackRock Core Plus (03/31/07)	1.10%	1.79%	2.19%	6.77%
BC Aggregate Index	1.27%	1.58%	1.70%	5.36%
BlackRock Core Plus - Net (03/31/07)	1.10%	1.78%	2.17%	6.72%
LM Capital (04/30/05)	1.56%	2.38%	2.68%	7.08%
BC Aggregate Index	1.27%	1.58%	1.70%	5.36%
LM Capital - Net (04/30/05)	1.52%	2.34%	2.60%	6.91%
Progress Fixed Income (12/31/05)	0.00%	0.54%	0.86%	5.01%
BC Aggregate Index	1.27%	1.58%	1.70%	5.36%
Progress Fixed Inc. - Net (12/31/05)	0.00%	0.45%	0.77%	4.65%
Taplin, Canida, Habacht (04/30/05)	1.61%	2.85%	3.09%	7.41%
BC Aggregate Index	1.27%	1.58%	1.70%	5.36%
Taplin, Canida, Hab. - Net (04/30/05)	1.58%	2.81%	3.02%	7.27%
Western (10/31/01)	1.30%	1.88%	2.49%	7.91%
BC Aggregate Index	1.27%	1.58%	1.70%	5.36%
Western - Net (12/31/04)	1.30%	1.84%	2.46%	7.76%
High Yield (03/31/86)	1.54%	3.64%	5.89%	13.79%
MacKay Shields (10/31/00)	1.25%	2.92%	4.83%	13.07%
ML High Yield Cash Pay Index	1.51%	3.27%	5.41%	13.39%
MacKay Shields - Net (12/31/04)	1.25%	2.84%	4.75%	12.68%
Pyramis (07/31/86)	1.82%	4.31%	6.87%	14.46%
ML High Yield Cash Pay Index	1.51%	3.27%	5.41%	13.39%
Pyramis - Net (12/31/04)	1.82%	4.07%	6.63%	13.77%

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 April 30, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Fixed Core Plus (12/31/81)	6.75%	6.48%	6.16%	9.16%
BlackRock Core Plus (03/31/07)	6.37%	-	-	6.27%
BC Aggregate Index	5.81%	6.33%	5.74%	5.96%
BlackRock Core Plus - Net (03/31/07)	6.32%	-	-	6.22%
LM Capital (04/30/05)	7.09%	7.19%	-	6.30%
BC Aggregate Index	5.81%	6.33%	5.74%	5.53%
LM Capital - Net (04/30/05)	6.90%	7.01%	-	6.12%
Progress Fixed Income (12/31/05)	6.36%	6.68%	-	6.28%
BC Aggregate Index	5.81%	6.33%	5.74%	5.85%
Progress Fixed Inc. - Net (12/31/05)	5.99%	6.34%	-	5.96%
Taplin, Canida, Habacht (04/30/05)	7.14%	6.46%	-	5.63%
BC Aggregate Index	5.81%	6.33%	5.74%	5.53%
Taplin, Canida, Hab. - Net (04/30/05)	7.01%	6.33%	-	5.55%
Western (10/31/01)	7.15%	6.41%	-	6.47%
BC Aggregate Index	5.81%	6.33%	5.74%	5.39%
Western - Net (12/31/04)	7.00%	6.25%	-	5.38%
High Yield (03/31/86)	12.20%	9.52%	10.55%	10.52%
MacKay Shields (10/31/00)	9.95%	8.30%	10.40%	10.18%
ML High Yield Cash Pay Index	11.50%	9.08%	8.75%	8.35%
MacKay Shields - Net (12/31/04)	9.57%	7.95%	-	7.25%
Pyramis (07/31/86)	14.48%	10.77%	10.72%	10.37%
ML High Yield Cash Pay Index	11.50%	9.08%	8.75%	8.97%
Pyramis - Net (12/31/04)	14.08%	10.31%	-	9.19%



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 April 30, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Real Estate Opportunistic (03/31/99)	2.40%	4.10%	4.30%	17.87%
Lazard Freres (07/31/98)	2.51%	3.58%	3.58%	31.37%
Blended Benchmark*	1.19%	3.61%	4.84%	17.05%
Olympus RE Fund II (05/31/98)	0.00%	(1.14%)	(1.14%)	(1.34%)
Blended Benchmark*	1.19%	3.61%	4.84%	17.05%
Security (10/31/97)	3.13%	4.88%	5.24%	13.27%
Blended Benchmark*	1.19%	3.61%	4.84%	17.05%
Dune Real Estate Fund II (01/31/09)	0.00%	4.45%	4.45%	4.46%
Blended Benchmark*	1.19%	3.61%	4.84%	17.05%
Real Estate Core (03/31/99)	1.47%	2.38%	3.39%	12.83%
BlackRock Granite Fund (07/31/07)	0.00%	3.02%	3.80%	19.15%
Blended Benchmark*	1.19%	3.61%	4.84%	17.05%
Buckhead (07/31/95)	(0.47%)	1.49%	2.96%	11.68%
Blended Benchmark*	1.19%	3.61%	4.84%	17.05%
Sentinel (09/30/85)	13.68%	4.45%	4.45%	12.35%
Blended Benchmark*	1.19%	3.61%	4.84%	17.05%
TA - Fund IX (04/30/10)	0.00%	4.76%	4.81%	0.56%
Blended Benchmark*	1.19%	3.61%	4.84%	17.05%
Real Estate Value Added (09/30/08)	1.25%	(0.38%)	(0.38%)	4.38%
Rockwood (03/31/09)	0.00%	0.27%	0.27%	6.41%
Blended Benchmark*	1.19%	3.61%	4.84%	17.05%
Rothschild (09/30/08)	2.42%	(1.04%)	(1.04%)	4.56%
Blended Benchmark*	1.19%	3.61%	4.84%	17.05%

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 April 30, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Real Estate Opportunistic (03/31/99)	1.63%	1.81%	9.40%	8.96%
Lazard Freres (07/31/98)	3.69%	7.12%	6.58%	0.44%
Blended Benchmark*	(2.34%)	2.80%	5.19%	5.80%
Olympus RE Fund II (05/31/98)	(17.59%)	(14.14%)	(10.34%)	(7.77%)
Blended Benchmark*	(2.34%)	2.80%	5.19%	5.82%
Security (10/31/97)	6.23%	4.09%	15.20%	14.33%
Blended Benchmark*	(2.34%)	2.80%	5.19%	5.82%
Dune Real Estate Fund II (01/31/09)	-	-	-	(18.55%)
Blended Benchmark*	(2.34%)	2.80%	5.19%	0.26%
Real Estate Core (03/31/99)	(9.64%)	(0.84%)	3.16%	5.00%
BlackRock Granite Fund (07/31/07)	(18.50%)	-	-	(13.17%)
Blended Benchmark*	(2.34%)	2.80%	5.19%	0.54%
Buckhead (07/31/95)	(3.75%)	3.48%	6.35%	9.89%
Blended Benchmark*	(2.34%)	2.80%	5.19%	6.05%
Sentinel (09/30/85)	(11.87%)	(4.92%)	1.81%	3.89%
Blended Benchmark*	(2.34%)	2.80%	5.19%	6.97%
TA - Fund IX (04/30/10)	-	-	-	0.51%
Blended Benchmark*	(2.34%)	2.80%	5.19%	16.88%
Real Estate Value Added (09/30/08)	-	-	-	(11.75%)
Rockwood (03/31/09)	-	-	-	(77.33%)
Blended Benchmark*	(2.34%)	2.80%	5.19%	2.55%
Rothschild (09/30/08)	-	-	-	(3.91%)
Blended Benchmark*	(2.34%)	2.80%	5.19%	(2.84%)

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 April 30, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Absolute Return (12/31/01)	0.69%	2.09%	3.08%	6.04%
Aurora (10/31/01)	1.06%	2.04%	2.29%	5.63%
Alternatives Custom Benchmark*	0.72%	2.18%	2.91%	9.49%
HFR Fund-of-Funds Index	1.46%	2.22%	2.36%	5.75%
Grosvenor (01/31/02)	0.81%	2.00%	2.96%	6.32%
Alternatives Custom Benchmark*	0.72%	2.18%	2.91%	9.49%
HFR Fund-of-Funds Index	1.46%	2.22%	2.36%	5.75%
Mesirow (01/31/02)	0.13%	2.24%	4.13%	6.23%
Alternatives Custom Benchmark*	0.72%	2.18%	2.91%	9.49%
HFR Fund-of-Funds Index	1.46%	2.22%	2.36%	5.75%
Private Equity (01/31/86)	0.23%	5.42%	5.64%	15.53%
Abbott (06/30/87)	(0.07%)	5.95%	5.88%	13.43%
Alternatives Custom Benchmark*	0.72%	2.18%	2.91%	9.49%
Abbott - Net (12/31/04)	(0.07%)	5.82%	5.75%	12.89%
Muller & Monroe ILPEFF (06/30/05)	(0.21%)	(0.23%)	(0.45%)	25.75%
Alternatives Custom Benchmark*	0.72%	2.18%	2.91%	9.49%
Muller & Monroe MPEFF (04/30/08)	(0.47%)	(0.49%)	(1.08%)	17.27%
Alternatives Custom Benchmark*	0.72%	2.18%	2.91%	9.49%
Pantheon (10/31/00)	0.86%	5.48%	6.32%	18.89%
Alternatives Custom Benchmark*	0.72%	2.18%	2.91%	9.49%
Pantheon - Net (12/31/04)	0.86%	5.34%	6.18%	18.30%
Agriculture (09/30/97)	(0.36%)	(0.02%)	(0.06%)	7.57%
Cozad/Westchester (09/30/97)	(0.36%)	(0.02%)	(0.06%)	7.57%
Blended Benchmark**	1.19%	3.61%	4.84%	17.05%
Timberland (09/30/92)	0.42%	0.42%	0.17%	2.17%
Forest Investment Assoc. (09/30/92)	0.42%	0.42%	0.17%	2.17%
Blended Benchmark**	1.19%	3.61%	4.84%	17.05%

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 April 30, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Absolute Return (12/31/01)	0.99%	3.56%	-	5.45%
Aurora (10/31/01)	2.15%	4.64%	-	7.03%
Alternatives Custom Benchmark*	11.16%	11.49%	12.34%	12.23%
HFR Fund-of-Funds Index	(0.66%)	1.55%	4.24%	4.54%
Grosvenor (01/31/02)	0.85%	3.07%	-	5.25%
Alternatives Custom Benchmark*	11.16%	11.49%	12.34%	12.15%
HFR Fund-of-Funds Index	(0.66%)	1.55%	4.24%	4.40%
Mesirow (01/31/02)	(0.15%)	2.86%	-	5.36%
Alternatives Custom Benchmark*	11.16%	11.49%	12.34%	12.15%
HFR Fund-of-Funds Index	(0.66%)	1.55%	4.24%	4.40%
Private Equity (01/31/86)	0.23%	8.60%	4.98%	13.37%
Abbott (06/30/87)	(1.13%)	7.95%	4.88%	14.46%
Alternatives Custom Benchmark*	11.16%	11.49%	12.34%	13.88%
Abbott - Net (12/31/04)	(1.60%)	7.46%	-	10.81%
Muller & Monroe ILPEFF (06/30/05)	(2.45%)	(4.64%)	-	(13.00%)
Alternatives Custom Benchmark*	11.16%	11.49%	12.34%	11.57%
Muller & Monroe MPEFF (04/30/08)	(6.25%)	-	-	(6.72%)
Alternatives Custom Benchmark*	11.16%	11.49%	12.34%	11.18%
Pantheon (10/31/00)	3.56%	10.58%	9.05%	8.42%
Alternatives Custom Benchmark*	11.16%	11.49%	12.34%	12.49%
Pantheon - Net (12/31/04)	3.13%	10.05%	-	14.33%
Agriculture (09/30/97)	2.87%	4.07%	5.91%	5.66%
Cozad/Westchester (09/30/97)	2.87%	4.07%	5.91%	5.66%
Blended Benchmark**	(2.34%)	2.80%	5.19%	5.84%
Timberland (09/30/92)	7.86%	6.36%	4.00%	9.58%
Forest Investment Assoc. (09/30/92)	7.86%	6.36%	4.00%	9.58%
Blended Benchmark**	(2.34%)	2.80%	5.19%	6.31%

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 April 30, 2011

Five Best Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Outperformance (in % points)
Fortaleza	6.09
Pantheon Ventures	3.41
LSV Asset Management	3.03
Abbot Capital	2.97
Earnest Partners International	2.31

Five Worst Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Underperformance (in % points)
Ativo	-9.32
Rothschild	-5.88
Cozad/Westchester	-4.90
Forest Investment	-4.67
Rockwood Capital	-4.57

Five Highest Returning Portfolios

Manager	Year-to-Date Return (in % points)
Fortaleza	19.26
Buford, Dickson, Harper & Sparrow	12.68
LSV Asset Management	12.32
Frontier	11.67
Harris	11.27

Five Lowest Returning Portfolios

Manager	Year-to-Date Return (in % points)
Muller and Monroe MPEFF	-1.08
Rothschild Realty	-1.04
Muller and Monroe ILPEFF	-0.45
Cozad/Westchester	-0.06
Forest Investment	0.17

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

(11-05-05) (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 #11-04-29

Schedules - Dated May 20, 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 S - Prior Service Adjustments

Administration - Master Trustee Report

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

Bids (4)

Brocade Technet Gold for ServerIron XL
Approved Bidder: Sayers
Approved Bid: \$8,819.94

Vulnerability Management Product Replacement
Approved Bidder: Qualys
Approved Bid: 34,815.00

Data Center Hardware Maintenance
Approved Bidder: Service Express, Inc.
Approved Bid: \$12,456.00

Support for Suse Linux Enterprise Server for x86
Approved Bidder: System Solutions, Inc.
Approved Bid: \$8,774.00

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

Vote: Unanimous Voice Vote
Absent: Stafford

(11-05-06) (Financial Reports) The Chair presented the following financial reports for approval.

- Review of May Financial Reporting Package
- March 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. Rademacher, to approve the Financial Reports as presented.

Vote: Unanimous Voice Vote
Absent: Stafford

(11-05-07) (Report of the Audit Committee) The Chair of the Audit Committee reported on the meeting held on May 20, 2011.

The Committee reviewed a draft of the 2010 Comprehensive Annual Financial Report.

The Chair reported IMRF's external auditors, KPMG, presented the results of the 2010 Financial Statement Audit, noting there were no proposed audit adjustments or internal control findings.

Next, IMRF's internal auditor, Doug Samz, reported on the completion of the 2010 Internal Audit Plan as well as a number of special auditing and internal control projects during 2010.

Lastly, private sessions were conducted with IMRF's external and internal auditors.

(11-05-08) (Report of the Benefit Review Committee) The Chair of the Benefit Review Committee reported on the meeting held on May 19, 2011.

After discussion, it was moved by Ms. Rademacher, seconded by Ms. Faklis, to accept the following recommendations of the Benefit Review Committee:

- To approve Mr. Micheli's request to "undo" his original reciprocal retirement based upon the unique circumstances presented, including but not limited to, errors made by the reciprocal retirement systems.

- To deny the application for total and permanent disability benefits filed by Mary Collins.

Vote: Unanimous Voice Vote

Absent: Stafford

(11-05-09) (Report of the Investment Committee) Trustee Henry reported on the Investment Committee Meeting held on May 19, 2011.

Staff and Consultant presented an overview of the domestic large-cap growth manager search, noting the objective of the search was to identify and evaluate qualified investment managers to complement the existing active large-cap managers and to evaluate Alliance Bernstein in the context of a manager search.

She reported that seventy-six firms responded to the search and that fourteen responses were received from minority, female, and disabled-person owned (MFPDOB) firms. Staff and consultant also selected three finalists (American Century, BlackRock and Vision) to make a presentation to the Investment Committee. Staff and Consultant presented the following recommendations to the Committee:

- That Alliance Bernstein be terminated as a large-cap growth manager;
- That the assets currently managed by Alliance Bernstein be transferred to the NTI S&P 500 Citigroup Growth Index pending execution of agreements with a new manager or managers;
- That either American Century Investment Management or BlackRock be selected for a \$600 million large-cap mandate;
- That Vision Capital Management be approved for a \$50 million large-cap growth mandate;
- That the new manager(s) be funded with monies withdrawn from the NTI S&P 500 Citigroup Growth Index; and,
- That Staff be authorized to complete all documentation necessary to execute these recommendations.

It was also reported that representatives from American Century Investment Management, BlackRock and Vision Capital Management each presented a review of their firm's organization structure, performance history, investment strategy and fees to the Committee.

It was the consensus of the Committee to recommend to the Board:

- That Alliance Bernstein be terminated, and that the assets currently managed by Alliance Bernstein be transferred to the NTI S&P 500 Citigroup Growth Index pending execution of agreements with a new manager or managers; and

- To retain Vision Capital Management for a \$50 million large-cap growth domestic equity mandate.

Lastly, the Committee recommended, by a vote of four ayes and two nays, that the Board:

- Retain BlackRock for a \$600 million large-cap growth domestic equity mandate;
- To fund BlackRock and Vision with monies from the NTI S&P 500 Citigroup Growth Index; and,
- That staff be authorized to execute all documentation necessary to execute these recommendations.

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

Vote: Unanimous Voice Vote
Absent: Stafford

(11-05-10) (Approval of Trustee Election Procedures) The Executive Director presented the attached materials concerning the 2011 Executive Trustee Election. They include a proposed 2011 Executive Trustee Election Schedule; General Memorandum - IMRF Executive Trustee Fact Sheet; Nominating Petition Form; Biographical Information Form and, a memorandum regarding judges and clerks for the 2011 Employee Trustee Election.

IMRF employers will elect one Executive Trustee for a five-year term of office.

It was moved by Ms. Thompson, seconded by Mr. Rademacher, to approve the 2011 Executive Trustee Election Schedule and Procedures.

Vote: Unanimous Voice Vote
Absent: Stafford

2011 EXECUTIVE TRUSTEE ELECTION SCHEDULE

MAY 20, 2011

The Board of Trustees will approve the 2011 Executive Trustee Election Schedule, nominating petition forms, biographical information form, and election rules at the May Board Meeting. The Board will also appoint election judges and clerks.

MAY 20, 2011 – DECEMBER 16, 2011

All election information requests will be directed to Louis Kosiba, Linda Horrell, or Dan Duquette and will be documented in a Candidate Contact log. Staff will not disclose any information regarding candidates before the September Board Mailing. No election information, other than what is available on the IMRF website, will be provided to third parties. No quantities of IMRF materials (e.g. benefit booklets and forms) will be provided to candidates, including incumbent candidates. No candidates may campaign at IMRF training sessions for employers, members, and annuitants.

JUNE 23, 2011

IMRF staff will solicit bids for the printing of the Executive Trustee ballots.

JUNE 30, 2011

The IMRF *Employer Digest* will announce the Executive Trustee Election. IMRF staff will mail paper copies of the announcement to employers without internet access. The IMRF website will be updated with all election information, including nominating petitions, election rules, and candidate biography forms.

JULY 7, 2011

IMRF staff will open and review the bids for the printing of the Executive Trustee ballots.

JULY 14, 2011

IMRF staff will make a recommendation regarding the vendor to print the ballots. Staff will submit the recommendation to the Board of Trustees if the bid is more than \$5,000.

AUGUST 1, 2011 - SEPTEMBER 15, 2011

Nominating petitions and biography forms for Executive Trustee will be accepted in the Fund offices. Petition forms must be received by IMRF no later than 4:30 PM on September 15, 2011. Candidates are encouraged to submit their biography forms as soon as three petition forms are received, and no later than September 15, 2011.

AUGUST 3, 2011

The envelope order (artwork, specifications, etc.) will go to the printer. We will also send the vendor the ballot mailing date.

AUGUST 12, 2011

IMRF staff will mail Authorized Agent Verification Letters to all employers. These letters allow employers the opportunity to verify that we have accurate information regarding who from that employer is eligible to vote in this election. We request that any changes be received from the employers by September 15, 2011.

SEPTEMBER 16, 2011

IMRF staff will verify the Executive Trustee nominating petitions by this date.

SEPTEMBER 23, 2011

The Board of Trustees will confirm nominees for one Executive Trustee position at the September Board Meeting. The position is for a 5-year term.

SEPTEMBER 23, 2011

IMRF staff will send letters to all candidates who submitted nominating petitions informing them whether or not they will be on the ballot. The Executive Trustee candidates will be provided the names of the other candidates. The nominees will also receive a proof of their biography for correction and comment. Final changes or corrections to the proofs are due back by September 29, 2011.

SEPTEMBER 30, 2011

IMRF staff will send the ballot to the printer. Also, the two Authorized Agent address electronic files will go to the mailing vendor (Governing Body employers and Authorized Agent employers) after staff reviews the quality of the address format. Candidate information will be posted on the IMRF web site.

OCTOBER 14, 2011

The IMRF *Employer Reminder* will again explain the eligibility requirements for voting in the Executive Trustee Election.

OCTOBER 20, 2011

The Executive Trustee ballots will be mailed after staff reviews samples to verify print quality and addressing accuracy. Mailings will be directed to the Authorized Agent or Governing Body as appropriate. IMRF staff will verify each employer's certification on the ballot envelope as completed ballots are received at the IMRF office.

DECEMBER 8, 2011

Voted Executive Trustee ballots must be received at the Oak Brook office by 4:30 PM. Staff will pick up any final ballots from the post office at 4:30 PM.

DECEMBER 9, 2011

IMRF staff will tabulate the Executive Trustee ballots and a final vote tally will be prepared. All candidates will be notified by telephone of the final vote tally. Written notice of the final vote tally will also be mailed by certified mail, return receipt requested, to all candidates. Each candidate will also receive notice of IMRF's Recount Procedures.

DECEMBER 16, 2011

The IMRF Board of Trustees will certify the results of the 2011 Executive Trustee Election at the December Board Meeting. IMRF staff will mail a written notice of the certification to all candidates. Staff will post the election results on the IMRF web site. Staff will send a General Memo with election results to employers in January.

DECEMBER 30, 2011

IMRF staff will ensure that email addresses on the IMRF Public Email Inbox are updated, including the addition of the email address for any new Trustee.



Illinois Municipal Retirement Fund

2211 York Road Suite 500 Oak Brook IL 60523-2337

Member Services Representatives 1-800-ASK-IMRF

www.imrf.org

GENERAL MEMORANDUM

Number: xxx

Date: June 30, 2011

To: All Authorized Agents

Subject: Executive Trustee Election

In November, IMRF employers will elect one Executive Trustee for a five-year term. The five-year term of office will run from January 1, 2012, through December 31, 2016.

You can obtain information on nominating procedures, qualifications, sample petitions, and a biographical questionnaire by visiting the Board of Trustees area of the IMRF website at www.imrf.org or by calling an IMRF Member Services Representative at 1-800-ASK-IMRF (1-800-275-4673).

Public Act 93-615, the State Officials and Employees Ethics Act, includes prohibitions against political activity during work hours. It is our opinion that these prohibitions do not apply to elections for the IMRF Board of Trustees. Gathering signatures and other activities of running for the IMRF Board are not included in prohibited political activity regulated by the Act.

Sincerely,

Louis W. Kosiba
Executive Director



IMRF Executive Trustee Election

Board meetings are held one day each month. Some Board committees also meet monthly; others meet less frequently or as needed. Trustees serve without compensation but are reimbursed for expenses incurred while attending meetings. A Trustee's employer is reimbursed for Trustee time spent on IMRF business.

Terms and conditions of office

In November, IMRF employers will elect one Executive Trustee for a five-year term. The five-year term of office will run from January 1, 2012, through December 31, 2016.

Nominating procedures - petitions

The petitions explain the nominating procedures for Executive Trustee. Nominating petitions for Executive Trustee candidates can be submitted either by Authorized Agents or by governing bodies of IMRF employers. Regardless of who submits the nominating petitions, at least three petitions must be submitted.

If an Authorized Agent submits a nominating petition, he or she must be a member of IMRF, his or her notice of appointment must be on file with IMRF, and the notice of appointment must indicate that the governing body has delegated the power to make such nomination to the Authorized Agent.

If a governing body files a petition, the petition must be adopted by the governing body and certified by the clerk or other proper official.

Petitions for Executive Trustee candidates will be accepted in the IMRF Oak Brook and Springfield offices between August 1, 2011, and the close of business at 4:30 p.m., September 15, 2011. **Mail, hand deliver, scan and email (sandyjoplin-legal@imrf.org) or FAX (630-368-5397) the completed petitions to IMRF, ATTN: Sandy Joplin, Legal Administrative Assistant.**

If you scan the petitions and email them to IMRF or if you fax the petitions to IMRF, please call Sandy at 630-706-4217 to advise her that you are faxing or emailing the petitions.

Petitions postmarked on or before September 15, 2011, but received after that date will not be accepted.

Public Act 93-615, the State Officials and Employees Ethics Act, includes prohibitions against political activity during work hours. It is our opinion these prohibitions do not apply to elections for the IMRF Board of Trustees. Gathering IMRF member signatures and other activities of running for the IMRF Board are not included in prohibited political activity regulated by the Act.

On September 23, 2011, letters will be sent to all candidates who submitted nominating petitions informing them whether they will be on the ballot. Executive Trustee candidates will also be provided the names of the other candidates at that time.

Qualifications

A nominee for Executive Trustee must be employed by an IMRF employer as a chief executive officer, chief finance officer, or other officer, executive or department head. The nominee must also participate in IMRF and have at least eight years of IMRF service credit as of December 31, 2011.

Executive Trustee ballots

Ballots along with candidates' biographies will be mailed to Authorized Agents or governing bodies as appropriate on October 20, 2011, and must be returned by the close of business at 4:30 p.m., December 8, 2011.

Not all Authorized Agents can vote in the Executive Trustee election. The only Authorized Agents who can vote are those who are members of IMRF and whose Notice of Appointment filed with IMRF indicates they have been given such power. Otherwise, the governing body would cast the ballot, and the clerk or other proper official would certify the ballot.

New Trustee orientation

It is critical for the sound governance of IMRF that Trustees be fully informed with regard to IMRF's nature, purposes, structure, operational systems and processes. To that end, the newly elected Trustee will participate in an in-depth New Trustee Orientation Program designed to fully inform them of IMRF's key functions and their responsibilities as Trustee. The Program is more fully described in the IMRF Board Candidate Packet, available in the Board of Trustees area of the IMRF website.

The Candidate Packet also includes information about Public Act 96-0006 which amended the Illinois Governmental Ethics Act. Changes include requiring individuals serving as IMRF trustees to file a written statement of economic interest.



Illinois Municipal Retirement Fund

2211 York Road Suite 500 Oak Brook IL 60523-2337

Member Services Representatives 1-800-ASK-IMRF

www.imrf.org

NOTICE TO AUTHORIZED AGENTS

June 30, 2011

Nomination of Executive Trustee Five-Year Term of Office

Petitions for Executive Trustee candidates will be accepted in the IMRF Oak Brook and Springfield offices between August 1, 2011, and the close of business at 4:30 p.m., September 15, 2011. Mail, hand deliver, scan and email (sandyjoplin-legal@imrf.org) or FAX (630-368-5397) the completed petitions to IMRF, ATTN: Sandy Joplin, Legal Administrative Assistant. Petitions postmarked on or before September 15, 2011, but received after that date will not be accepted.

One Executive Trustee will be elected for a five-year term, commencing January 1, 2012. Trustees meet one day each month and frequently more often. Trustees serve without compensation but are reimbursed for their expenses, including lost wages if they are not paid by their employer during absences while performing IMRF Board duties.

A nominee for Executive Trustee must be employed by a participating governmental unit in the capacity of chief executive officer, chief finance officer, or other officer, executive, or department head. The nominee must also be a participating member and have at least eight years of service credit with IMRF as of December 31, 2011. Service forfeited by acceptance of a refund of member contributions and not reinstated is not considered for the eight-year requirement.

Nominations must be by petition: (1) adopted by the governing body and certified by the clerk or other proper official of the participating municipality or participating instrumentality, or (2) submitted by an Authorized Agent who is a member of IMRF and whose Notice of Appointment, on file with IMRF, indicates that the Authorized Agent has been delegated the power to make such nomination. Petitions by at least three participating municipalities or participating instrumentalities are necessary to nominate a candidate.

Public Act 93-615, the State Officials and Employees Ethics Act, includes prohibitions against political activity during work hours. It is our opinion these prohibitions do not apply to elections for the IMRF Board of Trustees. Gathering signatures and other activities of running for the IMRF Board are not included in prohibited political activity regulated by the Act.

FORM OF PETITION

I hereby certify that the _____
Governing Body Municipality or Participating Instrumentality

1. By a resolution duly passed by the governing body

2. By virtue of the power delegated to its Authorized Agent in a notice on file with the Fund, hereby petitions

that _____ residing at _____
Name of Employee Street

_____ occupying the position of _____
City Title

with _____ be a candidate for the office of Executive Trustee of the
Name of Employer

Illinois Municipal Retirement Fund for a five-year term of office beginning January 1, 2012.

Date Signature



Executive Trustee Election — Biographical Information

- **Return this completed form with your signed petitions** to IMRF, ATTN Sandy Joplin, Legal Administrative Assistant, 2211 York Road, Suite 500, Oak Brook IL 60523-2337 or FAX to 630-368-5397.
- You must submit your petitions and biography form **no later than 4:30 p.m., Thursday September 15, 2011.**
- We suggest you submit your biography form as soon as you obtain the required signatures on your petitions.
- If you are submitting your biography form separate from your petitions, you may email your biography to Linda Horrell, Communications Manager, at Lhorrell@imrf.org.
- After IMRF receives your completed biography form, you will receive a proof of your biography as it will appear on the ballot. Changes to your biography can be made at that time.
- A sample biography can be found on page 3.

The information you provide will be used to create your biography which will appear on the ballot. Your typeset biography will be faxed or emailed to you for your approval.

How would you like to receive a copy of your typeset biography for review? Email FAX

Name _____ Date _____

_____ BUSINESS ADDRESS _____ PHONE _____

_____ HOME ADDRESS _____ PHONE _____

_____ E-MAIL ADDRESS _____ FAX _____

IMRF participating positions

Current Position

Job Title _____ Employer _____

Length of service

in this position _____ with this employer _____
FROM TO FROM TO

Current job duties — Generally, the description of your current job duties should not exceed 50 words.

You can use a separate sheet if preferred.

Please include total number of persons supervised and the name and title of your supervisor.

IMRF participating positions, contd.

page 2 of 3

Previous IMRF positions

Job Title _____ Employer _____
Length of service
in this position _____ with this employer _____
FROM TO FROM TO

Job Title _____ Employer _____
Length of service
in this position _____ with this employer _____
FROM TO FROM TO

Job Title _____ Employer _____
Length of service
in this position _____ with this employer _____
FROM TO FROM TO

Other pertinent information

Not more than 80 words.

You can use a separate sheet if preferred.

Other experience, training or qualifications supporting your candidacy; and/or any goals, objectives or views you would endorse or pursue as a trustee. You may consider answering some of the following questions. *Providing responses to these questions is **optional**; they are provided only as a guide.*

1. Why are you running for Executive Trustee?
2. What do you hope to accomplish as an Executive Trustee?
3. How will your experience as an IMRF member help you in your role as an Executive Trustee?
4. How will your prior work experience help you in your role as an Executive Trustee?
5. What are the key issues surrounding public pensions? How should they be addressed?
6. What key issues surrounding public pensions should an IMRF employer be concerned with?

Sample Candidate Biography

(Maximum available space shown below)

page 3 of 3

Executive Trustee Sample Bio

Executive Trustee Candidate Name

500 N. Anywhere Ave.

Anywhere, Illinois 60004

Current Position — Director of Administrative Services, Village of Anywhere.

Length of Service — With the Village of Anywhere since May 1977, in this position since September 1991; Secretary/Administrative Intern with the Village of Anywhere Park from November 1973 to May 1977.

Duties — As Director of Administrative Services, I am a Department Head reporting directly to the Village Administrator. In this position, I am responsible for organization-wide (125 full-time employees, including Public Works, Parks and Recreation, Library, Clerical, Police and Fire) personnel administration including recruitment, hiring, employee records, collective bargaining, employee benefit plan and health insurance administration, risk management, general liability and workers' compensation insurance, cable television franchise administration, special management studies, and research and program development initiated by the department or Board of Trustees.

Other Pertinent Information — As the IMRF Authorized Agent for the Village of Anywhere for 11 years, I have assisted members with problems on disability and retirement claims on numerous occasions. I am seeking this position to work to improve the quality of service provided to IMRF participants.

MEMORANDUM

To: IMRF Board of Trustees
From: Dan Duquette
Date: May 12, 2011
Re: Approval of Trustee Election Judges and Clerks

Executive Summary

The Board will appoint staff to serve as judges and clerks to administer the 2011 Executive Trustee election.

Background

IMRF staff administers the process for electing IMRF Trustees. Election judges coordinate various activities and make administrative decisions allowing for a smooth election process. The clerks are responsible for completing specific activities during the election process. The Board appoints staff to these positions for purposes of administering the Trustee election.

Recommendation

Please approve the appointment of the following IMRF staff members to serve as judges and clerks for the 2011 Trustee election.

Judges: Dan Duquette
Beth Janicki-Clark

Clerks: Sandy Joplin – Chief Clerk
Marianna Barner
Jennifer Chess
Victoria Devaney
Connie Fox
Kathy Goerd
Linda Horrell
Fidel Quintero
Denise Streit
Bob Woollen

Please contact me at 630/368-5367 if you have any questions regarding the upcoming Trustee election.

(11-05-11) (Approval of Executive Director Performance Appraisal/Board Self-Evaluation) The Executive Director stated per the established procedures, the Board is to review, amend or approve, if appropriate, a Performance Appraisal Form for the Executive Director.

He noted that the materials were sent out in April, so Board Members would have time to review and suggest any changes.

Two changes were suggested and incorporated into the "Evaluation Process" materials.

The Executive Director reported that Laurel Nicholson will be acting as the evaluation consultant.

The Board will also review its self-evaluation process during the June 24, 2011 Board Meeting.

It was the consensus of the Board to approve the Performance Appraisal Form as submitted.

Vote: Unanimous Voice Vote
Absent: Stafford

(11-05-12) (Legislative Update) General Counsel updated the Board on current legislative activity.

She reported the following legislation had passed out of both Houses and will become effective upon the Governor's signature:

- HB 1471 - pro-rates the cost of the pension among multiple employers on a combination of service credit and earnings.
- HB 1956 - makes three changes: (1) allows non-education employers 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 3253 - makes two changes: (1) terminates the provision allowing SLEP participants to upgrade non-SLEP service to the SLEP formula for new members; (2) would sunset the ECO program.
- HB 3332 (as amended) - allows IMRF members who have service in a downstate police pension fund to transfer that service to IMRF by paying the total cost or receiving the equivalent amount of service for the amount of money transferred.

Questions and discussion followed.

(11-05-13) (Litigation Update) The following is an update of the currently pending litigation:

DICKENS vs. IMRF, et al.

Summary: Board denied temporary disability benefit.

Pending: Plaintiff failed to file a brief. A motion to dismiss for want of prosecution was prepared and filed. Case is up for status on May 18, 2011.

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: Scheduled for trial on May 23, 2011. Plaintiff's attorneys have moved for a voluntary dismissal.

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. IMRF has responded to a subpoena for records from the Village.

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 June 21, 2011.

WABASH COUNTY, ILLINOIS vs. IMRF, et al.

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

Pending: Status is scheduled for May 16, 2011. This case will come back before the BRC for another hearing on the various issues.

(11-05-14) (Report of Executive Director)

Investments

The market value of the Fund's investment portfolio, including short-term investments, but excluding disposition costs, totaled \$26.1 billion on March 31, 2011. This was an increase of \$61.6 million from the market value as of February 28, 2011.

Fixed income investments of \$2,888.3 million were made in March. The market value of fixed income investment managers totaled \$6,488.5 million.

Domestic equity investments of \$239.3 million were made in March. The market value of domestic equity investment managers totaled \$11,133.2 million.

International equity investments of \$813.5 million were made in March. The market value of international equity investment managers totaled \$6,640.5 million.

The market value of real estate investment managers totaled \$492.4 million.

The market value of alternative investment managers totaled \$1,007.4 million.

The market value of cash equivalents totaled \$320.7 million.

Representation of IMRF

The Executive Director reviewed the meetings and conferences that he attended, as a representative of IMRF, since his April report.

(11-05-15) (Adjournment) It was moved by Ms. Faklis, seconded by Ms. Thompson, to adjourn the Board Meeting at 12:05 p.m., to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, Illinois, at 9:00 a.m. on June 24, 2011.

Vote: Unanimous Voice Vote
Absent: Stafford

President

Date

Secretary

Date

Schedules A, B, C, D, E, F, G, P, R and S are omitted from this copy of Minutes. These schedules are identical to schedules attached to Minutes distributed to Board of Trustees prior to meeting.