

ILLINOIS MUNICIPAL RETIREMENT FUND
MINUTES OF
REGULAR BOARD MEETING NO. 11-08
AUGUST 26, 2011

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 11-08

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:00 a.m., August 26, 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: Thompson, Copper, Faklis, Henry, Piechocinski, Rademacher, Shoop, Stafford
Absent: None

Ms. Becker-Wold and Messrs. Dickenson and Ball from Callan Associates, Mr. Moss from Seyfarth Shaw LLP., Mr. Karantonis and Ms. Holster from Wheatland Township and representatives from Loop Capital, M.R. Beal and Cabrera Capital were also present.

(11-08-01)(2nd Quarter Investment Performance Report) Ms. Becker-Wold of Callan and Associates gave an evaluation of IMRF's investment performance for the quarter ending June 30, 2011.

The report was followed by discussion from Board Members.

(11-08-02) (1st Quarter Real Estate Performance Report) Ms. Becker-Wold of Callan and Associates presented a review of IMRF's real estate performance for the quarter ending March 31, 2011.

(11-08-03) (Private Equity Performance Review) Mr. Dickenson of Callan and Associates presented a review of IMRF's Private Equity performance for the period ending December 31, 2011.

(11-08-04) (Absolute Return Program Review) Mr. Ball of Callan and Associates presented a review of IMRF's Absolute Return Program as of June 30, 2011.

(11-08-05) (Investment Manager Activities - Callan and Associates) Mr. Dickenson of Callan and Associates gave the following report to the Board on the activities of IMRF's investment managers for the month ending July 31, 2011:

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

**Illinois Municipal Retirement Fund
Monthly Performance Report
July 31, 2011**

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

Returns
for Periods Ended July 31, 2011

	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	(2.25)	3.97	21.06	3.73	3.14	3.74
Russell:1000 Index	(2.17)	4.06	20.68	3.33	2.80	3.13
Russell:Midcap Index	(3.63)	4.17	24.51	6.07	4.99	7.50
Russell:2000 Index	(3.61)	2.37	23.92	5.18	4.00	6.47
MSCI:ACWI ex US	(1.33)	2.73	17.86	0.88	3.65	8.02
MSCI:EAFE US\$	(1.59)	3.31	17.17	(1.23)	0.95	5.69
MSCI:Emer Markets	(0.38)	0.65	17.79	5.72	11.34	17.26
BC:Aggr Bd	1.59	4.35	4.44	7.05	6.57	5.68
NCREIF:Total Index	1.30	8.83	16.76	(2.13)	3.47	7.72
NAREIT Composite Idx	0.32	10.41	22.51	4.83	1.18	10.22

July was another tough month for equities. The Dow Jones U.S. Total Stock Market Index retreated almost 2.3% and developed international equity markets followed suit, losing 1.6% (MSCI EAFE Index). The domestic bond market, on the other hand had strong performance, rising 1.6% in July, bringing its year-to-date return to 4.35%, ahead of the year-to-date return for any equity index.

The private real estate market as measured by the NCREIF Total index returned 1.3% in July*. The public real estate market, as measured by the NAREIT Composite Index, returned 0.3% in July..The NCREIF and NAREIT indexes produced the strongest year to date performance of any asset class (8.8% and 10.4% respectively)

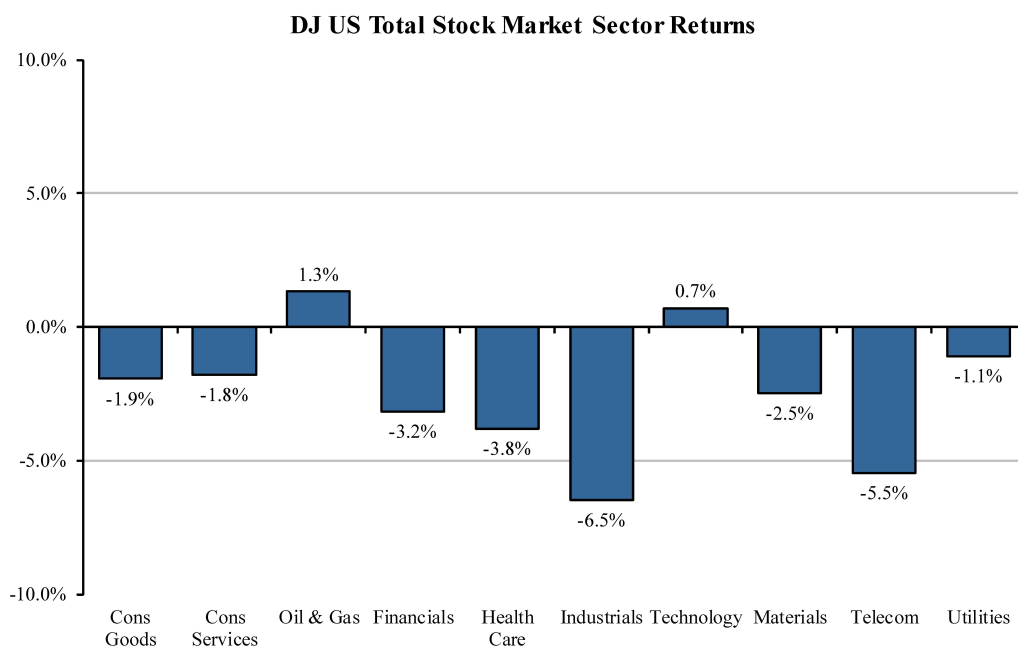
*Due to a lag in the reporting of NCREIF Property Index returns, the monthly return shown is deduced from the most recent quarterly return. This monthly return, when compounded over three months, equates to the quarterly return.

Returns
for Periods Ended July 31, 2011

	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	(2.25)	3.97	21.06	3.73	3.14	3.74
Russell:1000 Index	(2.17)	4.06	20.68	3.33	2.80	3.13
Russell:1000 Growth	(1.00)	5.76	24.76	5.33	5.52	2.40
Russell:1000 Value	(3.32)	2.40	16.76	1.26	(0.01)	3.66
Russell:Midcap Index	(3.63)	4.17	24.51	6.07	4.99	7.50
Russell:2000 Index	(3.61)	2.37	23.92	5.18	4.00	6.47
Russell:2000 Growth	(3.92)	4.34	29.32	6.10	6.08	5.15
Russell:2000 Value	(3.31)	0.34	18.55	4.15	1.84	7.41

Domestic stock performance was negative in July across the capitalization and style spectrum. Large cap stocks did better than small cap stocks in general and large cap growth stocks performed best at -1.00%. However, small cap growth stocks turned in the worst performance for the month, trailing small cap value stocks by 0.61%. Year-to-date growth stocks in general performed best. Large cap growth returned 5.76% followed by small cap growth with a return of 4.34%. Small cap value stocks turned in the poorest results year-to-date with a return of 0.34%

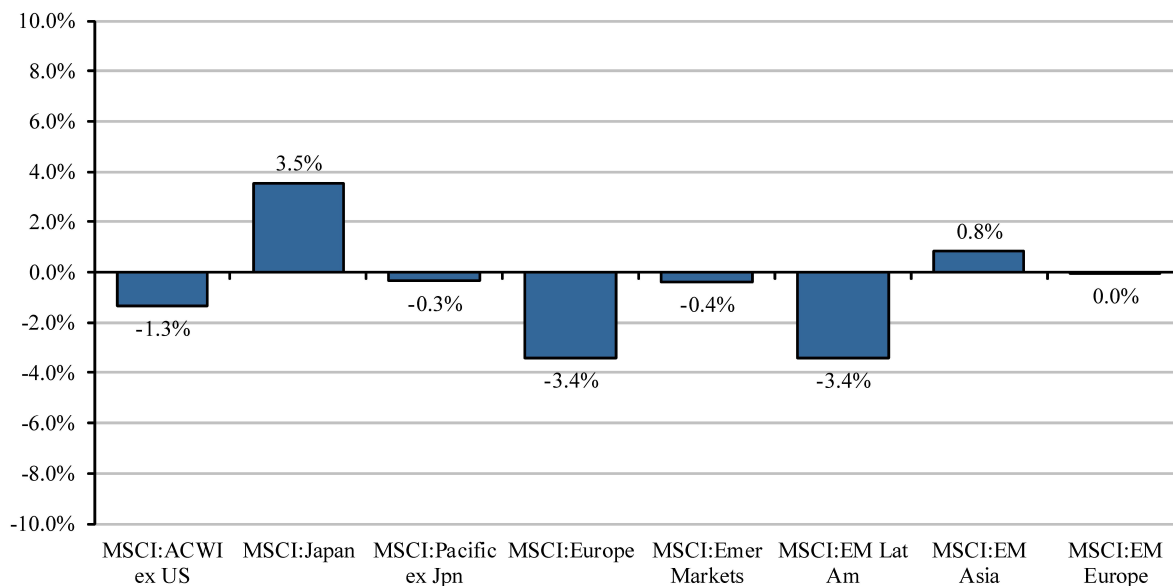
All sectors with the exception of Oil & Gas and Technology were negative for the month of July. Industrials and Telecom fell the most (-6.5% and -5.5%, respectively).



Returns
for Periods Ended July 31, 2011

	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
MSCI:ACWI ex US	(1.33)	2.73	17.86	0.88	3.65	8.02
MSCI:ACWI ex US Gr	(0.56)	2.85	20.35	0.44	4.23	7.41
MSCI:ACW ex US Val	(2.11)	2.60	15.32	1.27	3.01	8.58
MSCI:EAFE US\$	(1.59)	3.31	17.17	(1.23)	0.95	5.69
MSCI:EAFE Hedged	(3.65)	(5.48)	1.55	(4.89)	(4.49)	(1.29)
MSCI:Emer Markets	(0.38)	0.65	17.79	5.72	11.34	17.26
S&P:Dev x US Sm Cap	(0.66)	4.92	26.65	4.39	4.12	11.01

Monthly Regional Returns



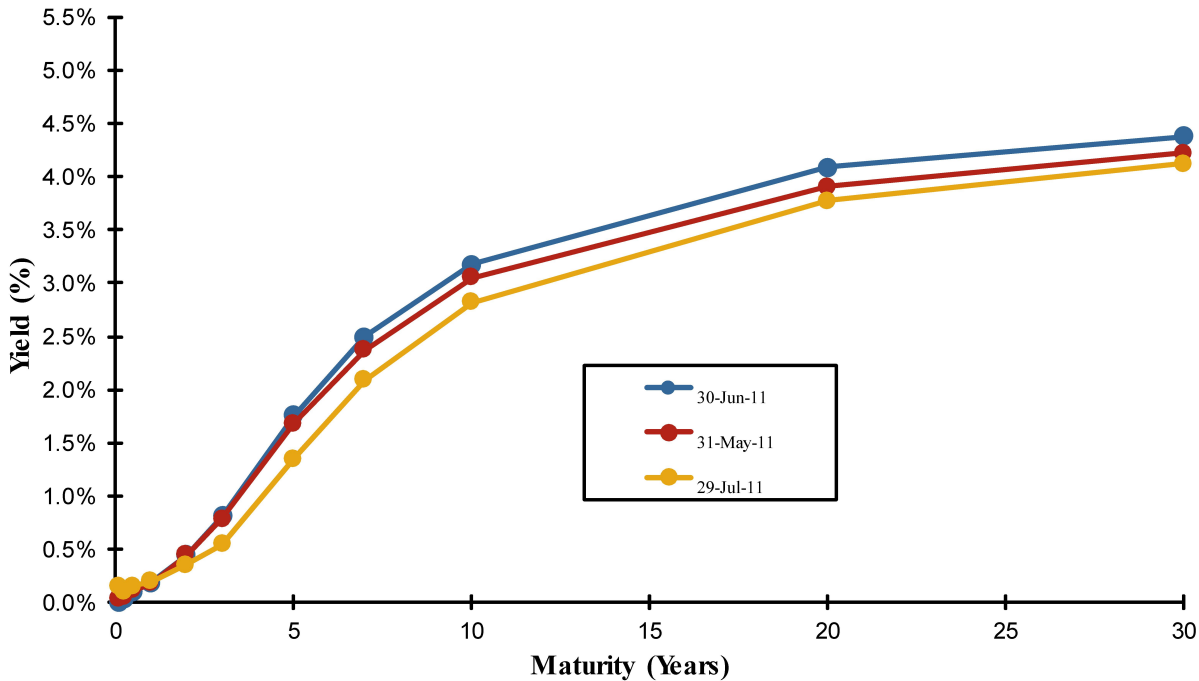
Non-U.S. equity markets struggled in a similar manner to the domestic equity markets. Developed country stocks, as measured by the MSCI EAFE Index, lost 1.6%, and the MSCI Emerging Markets Index fell 0.4%. Only Japan and Asia had positive returns for the month (3.5% and 0.8% respectively).

Outside the United States, growth stocks outperformed value stocks. The MSCI ACW ex-US Growth Index lost 0.6% while the MSCI ACW ex-US Value Index retreated 2.1%. Currency movement contributed to the non-U.S. stock returns for US investors with EAFE \$ returns over 2% higher than currency hedge EAFE returns.

Returns
for Periods Ended July 31, 2011

	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
BC:Aggr Bd	1.59	4.35	4.44	7.05	6.57	5.68
BC:Govt Index	1.67	3.84	3.26	5.52	6.19	5.33
BC:Credit	2.41	5.90	6.70	9.30	7.22	6.32
BC:Mortgage Idx	0.93	3.83	3.85	7.23	6.85	5.71
BC:US TIPS Index	3.91	9.95	11.79	6.81	7.39	7.19
ML:High Yield CP Idx	1.22	6.18	12.81	13.23	9.10	8.68
3 Month T-Bill	(0.01)	0.08	0.14	0.36	1.91	2.09

Treasury Yield Curve



After rising during June, Treasury yields fell in July contributing to the 1.6% return of the BC Aggregate Bond Index.. The best performing fixed income index for the month and year-to-date was BC U.S. TIPS Index, which returned a positive 3.9%. High yield bonds recovered from a difficult June, returning 1.2% for the month and 6.2% year-to-date, the second highest year-to-date fixed income return after TIPS.

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

Ariel Investments
BlackRock
BMO
Dimensional
EARNEST Partners
Grosvenor Capital Management
INVESCO
Mesirow
Northern Trust
Piedmont Investment Advisors
William Blair
Western Asset Management

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 July 31st, all allocations were within the allowable range.

The Total Fund returned -0.86% during July, trailing the Total Fund Benchmark by 0.32%. Year-to-date the Fund was up 4.19%, virtually even with the benchmark return of 4.17%. The domestic equity asset class composite trailed its benchmark for July by 0.24%. The international equity composite beat its benchmark by 0.04% for the month. Year-to-date both equity composites lagged slightly behind their benchmarks. The fixed income composite underperformed the BC Aggregate index by 0.07% for the month, but outperformed by 0.65% year-to-date.

US Equity

Large Cap: The Fund's Large Cap Growth managers earned -0.4%, beating the Russell 1000 Growth Index by 0.38%. The first month's performance for Vision trailed the benchmark, but the three other growth managers outperformed, led again by Sands with a return of 1.37%. Sands was the only domestic equity manager to earn a positive return in July. The Large Cap Value managers returned -3.8%, trailing the Russell 1000 Value Index return by 0.48%. LSV struggled most with a return of -4.15%. Both active large cap core managers trailed their benchmarks in July with Progress lagging the most at 0.39% behind the index.

Small Cap: The Small Cap portfolio fell 3.44% for the month. Small Cap Growth managers were down -4.34%. Small Cap Value managers were down -3.05%. The Micro Cap segment lost 2.40% during the month. Buford had the worst absolute performance among small and micro cap managers with a return of -6.17%. Ariel had the best performance in this group with a return of -0.53%

International Equity

Large Cap: International Large Cap managers returned -1.39%, trailing the MSCI ACW ex-US Index by 0.03%. McKinley turned in the best International Growth performance and the only positive performance among international equity managers with a return of -0.73%. Brandes, the sole International Value manager returned -2.85%, trailing the MSCI ACW ex-US Value Index by 0.74%. The International Large Cap Active Core Group returned -0.94% during July, 0.42% ahead of the MSCI ACW ex-US Index.

International Small Cap and Emerging Markets: William Blair posted a return of -0.37% trailing the index by 0.39%. The emerging markets portfolio managed by Genesis returned -0.78% during July, trailing the MSCI Emerging Markets Index by 0.40%.

Domestic Fixed Income

Active Core: The active core fixed income component returned 1.64%, beating the BC Aggregate Index by 0.05%. The enhanced core portfolio returned 1.42% trailing the index by 0.17%.

Core Plus: The core plus managers posted a gain of 1.64%, beating the BC Aggregate by 0.05%. Taplin, Canada had the best monthly performance at 2.15%. Western had the worst performance at 1.40%.

High Yield: MacKay Shields and Pyramis collectively earned 1.04%, lagging the ML High Yield index return by 0.18%

Alternatives

Real Estate: Core real estate investments gained 1.50% versus the blended benchmark (NPI+1%) return of 1.38%. Value Added real estate returned 0.20% and opportunistic returned -2.43%.

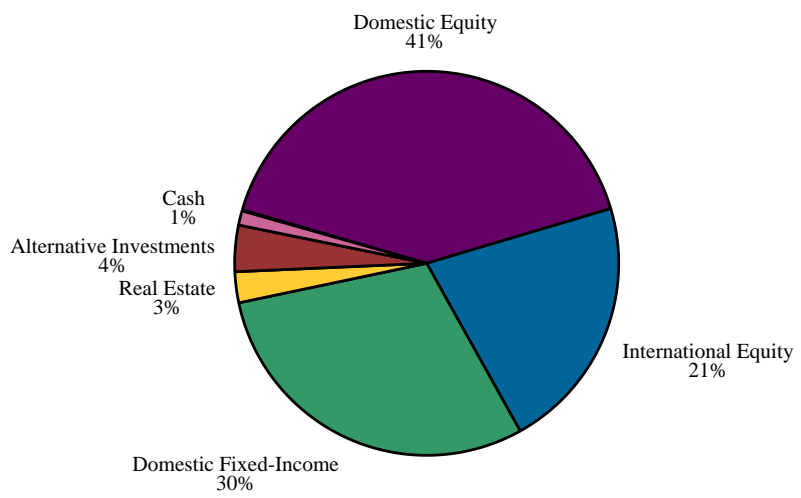
Absolute Return: The hedge fund-of-funds returned -0.41% for the month compared to the HRF Fund-of-Funds Index return of 0.65%.

Agriculture and Timberland: The Agriculture portfolio lost 0.12% during the month, but is up 7.58% for the trailing year. Timberland was lost 0.25% during July but has a 4.51% gain over the last year.

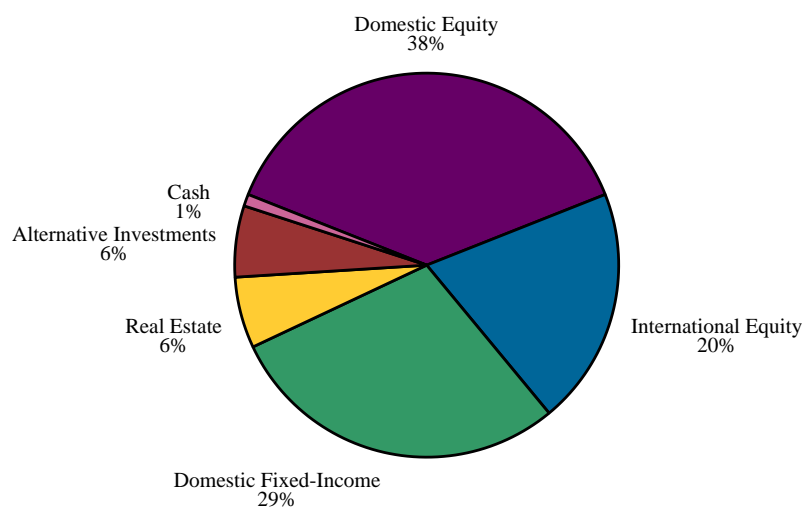
Actual vs Target Asset Allocation

The first chart below shows the Funds asset allocation as of July 31, 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	10,595	40.9%	38.0%	2.9%	759
International Equity	5,556	21.5%	20.0%	1.5%	379
Domestic Fixed-Income	7,719	29.8%	29.0%	0.8%	213
Real Estate	681	2.6%	6.0%	(3.4%)	(872)
Alternative Investments	1,020	3.9%	6.0%	(2.1%)	(533)
Cash	313	1.2%	1.0%	0.2%	54
Total	25,883	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 July 31, 2011, with the distribution as of June 30, 2011.

Asset Distribution Across Investment Managers

	July 31, 2011		June 30, 2011	
	Market Value	Percent	Market Value	Percent
Domestic Equity	\$10,594,639,282	40.93%	\$10,913,965,220	41.47%
Equity Transition Account	\$213,382	0.00%	\$12,812	0.00%
Large Cap Growth				
Alliance Bernstein	250,551	0.00%	298,124	0.00%
BlackRock LCG	580,248,682	2.24%	-	-
Holland	689,072,843	2.66%	694,060,672	2.64%
NTGI S&P 500 Growth Idx	763,490,998	2.95%	1,359,604,618	5.17%
Sands	713,080,505	2.76%	703,432,890	2.67%
Vision	50,725,609	0.20%	51,558,250	0.20%
Large Cap Value				
Dodge & Cox	636,434,267	2.46%	660,241,211	2.51%
BMO	679,809,483	2.63%	706,711,158	2.69%
LSV	664,084,775	2.57%	692,810,623	2.63%
NTGI S&P 500 Value Idx	698,321,620	2.70%	723,991,261	2.75%
Large Cap Core				
Piedmont	126,194,228	0.49%	129,361,763	0.49%
Progress	407,078,572	1.57%	418,121,683	1.59%
NTGI MarketCap Index	1,931,859,813	7.46%	2,025,442,086	7.70%
Small Cap Growth				
Buford	30,424,973	0.12%	32,425,123	0.12%
Fortaleza	31,419,491	0.12%	32,199,541	0.12%
Frontier	489,644,408	1.89%	517,443,259	1.97%
Pyramis	512,978,208	1.98%	530,652,117	2.02%
Small Cap Value				
Channing	50,357,599	0.19%	51,485,583	0.20%
Dimensional Small Cap Value	421,266,978	1.63%	432,812,944	1.64%
Inv. Counselors of Maryland	479,618,200	1.85%	496,092,129	1.88%
Lombardia	101,217,624	0.39%	105,174,954	0.40%
Micro Cap				
Ariel	56,634,597	0.22%	56,937,352	0.22%
Ativo	28,985,536	0.11%	29,839,117	0.11%
Dimensional Micro Cap	181,037,522	0.70%	185,088,003	0.70%
Wall Street	270,188,817	1.04%	278,167,948	1.06%
International Equity	\$5,556,038,889	21.47%	\$5,780,820,419	21.96%
International Large Cap Growth				
EARNEST Partners	323,093,618	1.25%	326,907,616	1.24%
McKinley	315,316,494	1.22%	313,040,816	1.19%
William Blair	779,336,999	3.01%	790,852,056	3.00%
International Large Cap Value				
Brandes	648,176,923	2.50%	667,183,996	2.54%
International Large Cap Core				
Arrowstreet	408,328,442	1.58%	414,798,077	1.58%
Brown	198,990,500	0.77%	199,819,345	0.76%
GlobeFlex	412,701,350	1.59%	415,113,082	1.58%
NTGI MSCI EAFE Index	1,811,801,196	7.00%	1,990,333,920	7.56%
International Small Cap				
William Blair	169,134,714	0.65%	169,776,299	0.65%
AXA Rosenberg	215,614	0.00%	206,513	0.00%

Vision was funded 06/17/2011. Piedmont LC was funded 05/19/2011. Channing and Lombardia were funded 05/26/2011. BlackRock LCG was funded 07/12/2011. Brown and GlobeFlex moved to International Large Cap Active Core April 1, 2011.

Investment Manager Asset Allocation

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

Asset Distribution Across Investment Managers

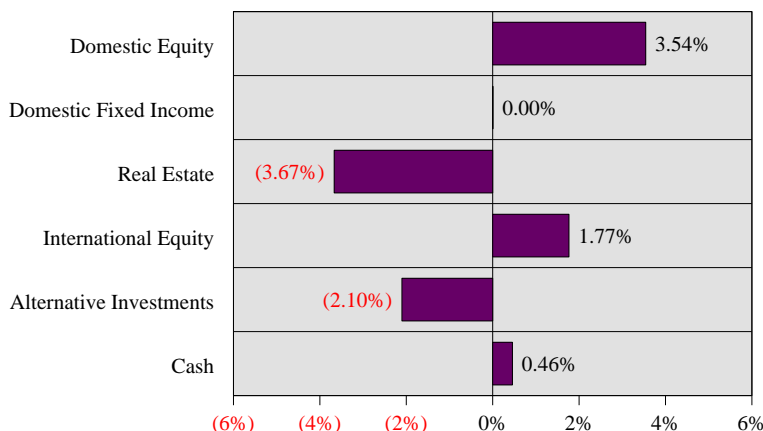
	July 31, 2011		June 30, 2011	
	Market Value	Percent	Market Value	Percent
Emerging Markets				
Genesis	488,943,039	1.89%	492,788,700	1.87%
Domestic Fixed-Income	\$7,718,770,708	29.82%	\$7,602,950,575	28.89%
Domestic Fixed Core				
EARNEST Partners	488,314,045	1.89%	480,994,010	1.83%
Piedmont	487,101,857	1.88%	478,666,893	1.82%
BlackRock Enhanced	888,766,787	3.43%	876,333,529	3.33%
NTGI BC Aggregate Index	1,401,987,431	5.42%	1,380,825,510	5.25%
Domestic Fixed Core Plus				
BlackRock Core Plus	653,953,297	2.53%	644,725,259	2.45%
LM Capital	761,903,896	2.94%	749,124,716	2.85%
Progress Fixed Income	391,140,663	1.51%	385,398,123	1.46%
Taplin, Canida, & Habacht	744,129,235	2.87%	728,455,947	2.77%
Western	990,936,552	3.83%	977,282,181	3.71%
High Yield				
MacKay Shields	439,123,709	1.70%	433,099,451	1.65%
Pyramis High Yield	471,413,237	1.82%	468,044,956	1.78%
Real Estate	\$680,749,774	2.63%	\$546,131,851	2.08%
Real Estate Opportunistic				
Lazard Freres	29,075,298	0.11%	32,090,974	0.12%
Olympus Real Estate Fund II	1,136,980	0.00%	1,136,980	0.00%
Security	50,497,990	0.20%	50,744,335	0.19%
Dune Real Estate Fund II	19,642,448	0.08%	19,642,448	0.07%
Real Estate Core				
BlackRock Granite Fund	61,875,576	0.24%	61,875,810	0.24%
Buckhead	218,876,232	0.85%	218,776,232	0.83%
Cornerstone	75,000,000	0.29%	-	-
INVESCO	76,470,669	0.30%	26,470,669	0.10%
Sentinel	56,335,712	0.22%	53,606,133	0.20%
Real Estate Value Added				
Rockwood	16,477,728	0.06%	16,477,728	0.06%
Rothschild	28,325,598	0.11%	21,440,644	0.08%
TA Fund IX	47,035,542	0.18%	43,869,899	0.17%
Alternative Investments	\$1,020,074,650	3.94%	\$1,023,752,707	3.89%
Absolute Return				
Aurora	140,738,057	0.54%	140,684,486	0.53%
Grosvenor	120,577,095	0.47%	120,892,509	0.46%
Mesirow	123,013,891	0.48%	124,329,803	0.47%
Private Equity				
Abbott	285,622,688	1.10%	286,367,226	1.09%
Muller & Monroe ILPEFF	13,672,089	0.05%	13,805,527	0.05%
Muller & Monroe MPEFF	15,401,465	0.06%	15,025,134	0.06%
Pantheon	158,696,906	0.61%	160,316,685	0.61%
Agriculture				
Cozad/Westchester	98,041,312	0.38%	98,022,164	0.37%
Timberland				
Forest Investment Assoc.	64,177,489	0.25%	64,177,490	0.24%
Cash	\$312,563,284	1.21%	\$451,259,493	1.71%
Total Fund	\$25,882,836,587	100.0%	\$26,318,880,265	100.0%
Illinois Municipal Retirement Fund				



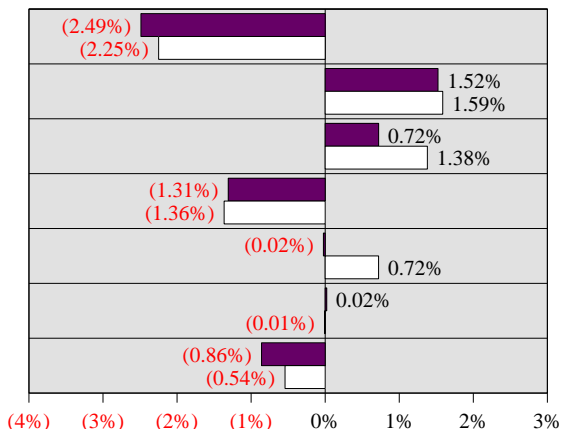
Monthly Total Fund Relative Attribution - July 31, 2011

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

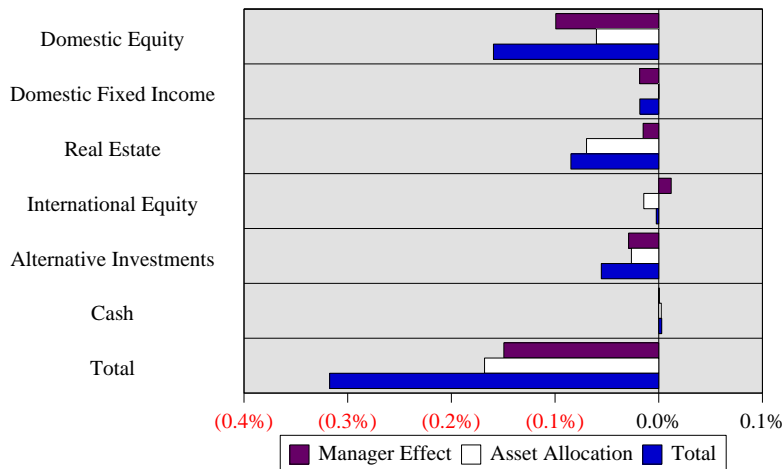
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Month ended July 31, 2011

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	42%	38%	(2.49%)	(2.25%)	(0.10%)	(0.06%)	(0.16%)
Domestic Fixed Income	29%	29%	1.52%	1.59%	(0.02%)	0.00%	(0.02%)
Real Estate	2%	6%	0.72%	1.38%	(0.02%)	(0.07%)	(0.08%)
International Equity	22%	20%	(1.31%)	(1.36%)	0.01%	(0.01%)	(0.00%)
Alternative Investments	4%	6%	(0.02%)	0.72%	(0.03%)	(0.03%)	(0.06%)
Cash	1%	1%	0.02%	(0.01%)	0.00%	0.00%	0.00%

Total (0.86%) = (0.54%) + (0.15%) + (0.17%) (0.32%)

* 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 July 31, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Equity (12/31/81)	(2.49%)	(5.27%)	3.88%	22.72%
DJ U.S. Total Stock Market Index	(2.25%)	(5.09%)	3.97%	21.06%
Domestic Equity - Net (12/31/04)	(2.53%)	(5.33%)	3.72%	22.41%
International Equity (08/31/86)	(1.31%)	(4.76%)	3.26%	18.21%
MSCI ACWI x US (Net)	(1.36%)	(5.60%)	2.39%	17.36%
International Equity - Net (12/31/04)	(1.31%)	(4.79%)	3.13%	17.91%
Domestic Fixed-Income (12/31/81)	1.52%	2.27%	5.00%	6.53%
BC Aggregate Index	1.59%	2.61%	4.35%	4.44%
Domestic Fixed-Inc. - Net (12/31/04)	1.50%	2.23%	4.90%	6.37%
Real Estate (04/30/85)	0.72%	3.76%	7.18%	14.95%
Blended Benchmark**	1.38%	4.19%	9.41%	17.76%
Real Estate - Net (12/31/04)	0.72%	3.76%	7.18%	14.95%
Alternative Investments (01/31/86)	(0.02%)	2.05%	6.20%	12.45%
Alternatives Custom Benchmark***	0.72%	2.18%	5.16%	9.00%
Alternative Investments - Net (12/31/04)	(0.02%)	2.02%	6.11%	12.21%
Absolute Return (12/31/01)	(0.41%)	(1.25%)	1.79%	7.02%
HFR Fund-of-Funds Index	0.65%	(1.70%)	0.37%	6.58%
Private Equity (01/31/86)	0.34%	5.44%	12.12%	19.43%
Alternatives Custom Benchmark***	0.72%	2.18%	5.16%	9.00%
Agriculture (09/30/97)	(0.12%)	(0.11%)	(0.17%)	7.58%
Blended Benchmark**	1.38%	4.19%	9.41%	17.76%
Timberland (09/30/92)	(0.25%)	1.24%	1.41%	4.51%
Blended Benchmark**	1.38%	4.19%	9.41%	17.76%
Total Fund (12/31/81)	(0.86%)	(2.52%)	4.19%	15.71%
Total Fund Benchmark	(0.54%)	(1.96%)	4.17%	14.46%
Total Fund - Net (12/31/04)	(0.88%)	(2.57%)	4.06%	15.46%

* 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 July 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Equity (12/31/81)	4.27%	3.53%	4.37%	11.28%
DJ U.S. Total Stock Market Index	3.73%	3.14%	3.74%	10.85%
Domestic Equity - Net (12/31/04)	4.02%	3.28%	-	4.06%
International Equity (08/31/86)	0.43%	3.08%	7.89%	8.47%
MSCI ACWI x US (Net)	0.42%	3.18%	7.58%	-
International Equity - Net (12/31/04)	0.12%	2.75%	-	6.05%
Domestic Fixed-Income (12/31/81)	8.99%	7.27%	6.45%	9.38%
BC Aggregate Index	7.05%	6.57%	5.68%	8.82%
Domestic Fixed-Inc. - Net (12/31/04)	8.85%	7.14%	-	5.91%
Real Estate (04/30/85)	(6.55%)	(0.56%)	4.75%	3.91%
Blended Benchmark**	(1.13%)	3.22%	5.49%	7.09%
Real Estate - Net (12/31/04)	(6.55%)	(0.56%)	-	3.41%
Alternative Investments (01/31/86)	1.89%	6.22%	5.60%	11.31%
Alternatives Custom Benchmark***	10.91%	11.34%	12.19%	13.89%
Alternative Investments - Net (12/31/04)	1.60%	5.93%	-	8.15%
Absolute Return (12/31/01)	1.11%	3.54%	-	5.17%
HFR Fund-of-Funds Index	(0.71%)	1.71%	4.00%	4.15%
Private Equity (01/31/86)	2.30%	9.04%	6.50%	13.49%
Alternatives Custom Benchmark***	10.91%	11.34%	12.19%	13.89%
Agriculture (09/30/97)	2.84%	4.03%	5.90%	5.55%
Blended Benchmark**	(1.13%)	3.22%	5.49%	6.05%
Timberland (09/30/92)	4.43%	6.00%	4.16%	9.52%
Blended Benchmark**	(1.13%)	3.22%	5.49%	6.46%
Total Fund (12/31/81)	6.15%	5.64%	6.33%	10.23%
Total Fund Benchmark	5.54%	5.48%	5.96%	-
Total Fund - Net (12/31/04)	5.93%	5.43%	-	5.93%

* 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 July 31, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Large Cap Equity (12/31/81)	(2.15%)	(4.68%)	4.34%	21.37%
Russell 1000 Index	(2.17%)	(4.91%)	4.06%	20.68%
Large Cap Growth (12/31/81)	(0.42%)	(1.85%)	6.48%	26.06%
Holland (10/31/94)	(0.72%)	(2.82%)	7.28%	24.68%
LCG Blended Benchmark*	(1.00%)	(3.48%)	5.76%	24.76%
Russell 1000 Growth Index	(1.00%)	(3.48%)	5.76%	24.76%
Holland - Net (12/31/04)	(0.85%)	(2.95%)	7.03%	24.08%
NTGI S&P 500 Growth Idx (07/31/01)	(0.69%)	(2.39%)	6.06%	24.05%
S&P/Citi 500 Growth Index	(0.58%)	(2.26%)	6.17%	24.15%
NTGI S&P 500 Growth Idx - Net (12/31/04)	(0.71%)	(2.41%)	6.04%	24.03%
Sands (10/31/03)	1.37%	2.57%	9.82%	36.35%
LCG Blended Benchmark*	(1.00%)	(3.48%)	5.76%	24.76%
Russell 1000 Growth Index	(1.00%)	(3.48%)	5.76%	24.76%
Sands - Net (12/31/04)	1.31%	2.51%	9.62%	36.01%
Vision (06/30/2011)	(1.61%)	-	-	-
LCG Blended Benchmark*	(1.00%)	(3.48%)	5.76%	24.76%
Russell 1000 Growth Index	(1.00%)	(3.48%)	5.76%	24.76%
Vision - Net (06/30/2011)	(1.61%)	-	-	-
Large Cap Value (09/30/82)	(3.80%)	(6.96%)	2.83%	17.26%
Dodge & Cox (08/31/03)	(3.72%)	(6.94%)	2.49%	17.63%
LCV Blended Benchmark**	(3.32%)	(6.30%)	2.40%	16.76%
Russell 1000 Value Index	(3.32%)	(6.30%)	2.40%	16.76%
Dodge & Cox - Net (12/31/04)	(3.76%)	(6.98%)	2.32%	17.37%
BMO (01/31/01)	(3.81%)	(5.83%)	4.78%	20.59%
LCV Blended Benchmark**	(3.32%)	(6.30%)	2.40%	16.76%
Russell 1000 Value Index	(3.32%)	(6.30%)	2.40%	16.76%
BMO - Net (12/31/04)	(3.81%)	(5.88%)	4.67%	20.31%
LSV (01/31/03)	(4.15%)	(7.67%)	3.71%	17.71%
LCV Blended Benchmark**	(3.32%)	(6.30%)	2.40%	16.76%
Russell 1000 Value Index	(3.32%)	(6.30%)	2.40%	16.76%
LSV - Net (12/31/04)	(4.15%)	(7.72%)	3.58%	17.41%
NTGI S&P 500 Value Idx (07/31/99)	(3.55%)	(7.30%)	1.52%	15.32%
S&P/Citi 500 Value Index	(3.56%)	(7.33%)	1.48%	15.18%
NTGI S&P 500 Value Idx - Net (12/31/04)	(3.55%)	(7.30%)	1.51%	15.31%

* 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 July 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Equity (12/31/81)	3.55%	2.95%	3.08%	10.71%
Russell 1000 Index	3.33%	2.80%	3.13%	11.03%
Large Cap Growth (12/31/81)	6.66%	5.86%	2.84%	11.30%
Holland (10/31/94)	8.49%	6.44%	4.65%	9.47%
LCG Blended Benchmark*	5.33%	5.52%	2.86%	8.47%
Russell 1000 Growth Index	5.33%	5.52%	2.40%	7.48%
Holland - Net (12/31/04)	8.12%	6.15%	-	4.45%
NTGI S&P 500 Growth Idx (07/31/01)	5.36%	4.98%	2.86%	2.81%
S&P/Citi 500 Growth Index	5.35%	5.00%	2.82%	2.77%
NTGI S&P 500 Growth Idx - Net (12/31/04)	5.34%	4.97%	-	4.23%
Sands (10/31/03)	12.73%	9.57%	-	9.39%
LCG Blended Benchmark*	5.33%	5.52%	2.86%	5.69%
Russell 1000 Growth Index	5.33%	5.52%	2.40%	5.94%
Sands - Net (12/31/04)	12.43%	9.27%	-	6.44%
Vision (06/30/2011)	-	-	-	(1.61%)
LCG Blended Benchmark*	5.33%	5.52%	2.86%	(1.00%)
Russell 1000 Growth Index	5.33%	5.52%	2.40%	(1.00%)
Vision - Net (06/30/2011)	-	-	-	(1.61%)
Large Cap Value (09/30/82)	0.85%	0.31%	3.15%	9.69%
Dodge & Cox (08/31/03)	1.04%	(0.10%)	-	6.25%
LCV Blended Benchmark**	1.26%	(0.01%)	2.52%	5.49%
Russell 1000 Value Index	1.26%	(0.01%)	3.66%	5.74%
Dodge & Cox - Net (12/31/04)	0.81%	(0.35%)	-	2.14%
BMO (01/31/01)	0.12%	1.18%	4.94%	5.11%
LCV Blended Benchmark**	1.26%	(0.01%)	2.52%	1.98%
Russell 1000 Value Index	1.26%	(0.01%)	3.66%	3.31%
BMO - Net (12/31/04)	(0.13%)	0.94%	-	3.69%
LSV (01/31/03)	2.75%	1.07%	-	8.75%
LCV Blended Benchmark**	1.26%	(0.01%)	2.52%	6.81%
Russell 1000 Value Index	1.26%	(0.01%)	3.66%	6.87%
LSV - Net (12/31/04)	2.46%	0.79%	-	3.31%
NTGI S&P 500 Value Idx (07/31/99)	0.38%	(0.25%)	2.26%	1.89%
S&P/Citi 500 Value Index	0.36%	(0.30%)	2.23%	1.89%
NTGI S&P 500 Value Idx - Net (12/31/04)	0.37%	(0.26%)	-	1.78%

* 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 July 31, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Large Cap Active Core (12/31/04)	(2.60%)	(4.65%)	4.25%	22.18%
Piedmont (05/31/11)	(2.45%)	-	-	-
Russell 1000 Index	(2.17%)	(4.91%)	4.06%	20.68%
Piedmont - Net (05/31/11)	(2.53%)	-	-	-
Progress (01/31/05)	(2.64%)	(4.85%)	4.04%	21.93%
DJ U.S. Total Stock Market Index	(2.25%)	(5.09%)	3.97%	21.06%
Progress - Net (01/31/05)	(2.79%)	(5.13%)	3.58%	21.04%
Large Cap Passive Core (12/31/84)	(2.22%)	(5.05%)	3.99%	20.86%
NTGI MarketCap Idx (01/31/85)	(2.22%)	(5.05%)	3.99%	20.98%
DJ U.S. Total Stock Market Index	(2.25%)	(5.09%)	3.97%	21.06%
NTGI MarketCap Idx - Net (12/31/04)	(2.22%)	(5.06%)	3.99%	20.97%



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 July 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Active Core (12/31/04)	2.90%	3.55%	-	3.96%
Piedmont (05/31/11)	-	-	-	(4.21%)
Russell 1000 Index	3.33%	2.80%	3.13%	(3.88%)
Piedmont - Net (05/31/11)	-	-	-	(4.30%)
Progress (01/31/05)	2.83%	3.51%	-	3.98%
DJ U.S. Total Stock Market Index	3.73%	3.14%	3.74%	3.85%
Progress - Net (01/31/05)	2.16%	2.86%	-	3.36%
Large Cap Passive Core (12/31/84)	3.51%	2.90%	3.60%	10.56%
NTGI MarketCap Idx (01/31/85)	3.54%	2.92%	3.61%	10.60%
DJ U.S. Total Stock Market Index	3.73%	3.14%	3.74%	10.57%
NTGI MarketCap Idx - Net (12/31/04)	3.54%	2.92%	-	3.62%

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 July 31, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Small Cap Equity (06/30/88)	(3.44%)	(7.40%)	2.12%	27.91%
Russell 2000 Index	(3.61%)	(7.60%)	2.37%	23.92%
Small Cap Growth (06/30/88)	(4.34%)	(8.41%)	1.80%	30.90%
Buford (10/31/06)	(6.17%)	(10.15%)	1.24%	21.62%
Russell 2000 Growth Index	(3.92%)	(7.81%)	4.34%	29.32%
Buford - Net (10/31/06)	(6.26%)	(10.25%)	0.94%	21.15%
Fortaleza (11/30/06)	(2.42%)	(7.85%)	8.73%	38.57%
Russell 2000 Growth Index	(3.92%)	(7.81%)	4.34%	29.32%
Fortaleza - Net (11/30/06)	(2.42%)	(7.85%)	8.51%	38.14%
Frontier (07/31/88)	(5.37%)	(10.25%)	0.22%	27.62%
Russell 2000 Growth Index	(3.92%)	(7.81%)	4.34%	29.32%
Frontier - Net (12/31/04)	(5.49%)	(10.36%)	(0.45%)	26.63%
Pyramis (07/31/88)	(3.33%)	(6.92%)	2.77%	33.00%
Russell 2000 Growth Index	(3.92%)	(7.81%)	4.34%	29.32%
Pyramis - Net (12/31/04)	(3.46%)	(7.17%)	2.38%	32.11%
Small Cap Value (08/31/89)	(3.05%)	(6.99%)	1.70%	22.88%
Channing (06/30/2011)	(2.19%)	-	-	-
Russell 2000 Value Index	(3.31%)	(7.37%)	0.34%	18.55%
Channing - Net (06/30/2011)	(2.19%)	-	-	-
DFA Small Cap Value (01/31/96)	(2.67%)	(7.29%)	2.19%	25.89%
Russell 2000 Value Index	(3.31%)	(7.37%)	0.34%	18.55%
DFA Small Cap Value - Net (12/31/04)	(2.67%)	(7.40%)	1.94%	25.29%
Inv. Counselors of Maryland (04/30/99)	(3.32%)	(6.64%)	1.66%	21.65%
Russell 2000 Value Index	(3.31%)	(7.37%)	0.34%	18.55%
Inv. Couns. of Maryland - Net (12/31/04)	(3.32%)	(6.74%)	1.46%	21.00%
Lombardia (05/31/11)	(3.76%)	-	-	-
Russell 2000 Value Index	(3.31%)	(7.37%)	0.34%	18.55%
Lombardia - Net (05/31/11)	(3.76%)	-	-	-
Micro Cap (06/30/84)	(2.40%)	(6.46%)	2.73%	28.72%
Ariel (10/31/2010)	(0.53%)	(6.56%)	1.89%	-
Russell 2000 Growth Index	(3.92%)	(7.81%)	4.34%	29.32%
Russell 2000 Index	(3.61%)	(7.60%)	2.37%	23.92%
Russell Microcap Index	(2.89%)	(7.67%)	0.10%	21.91%
Ariel - Net (10/31/10)	(0.75%)	(6.76%)	1.25%	-
Ativo (09/30/10)	(2.86%)	(3.65%)	0.05%	-
Russell 2000 Growth Index	(3.92%)	(7.81%)	4.34%	29.32%
Russell 2000 Index	(3.61%)	(7.60%)	2.37%	23.92%
Russell Microcap Index	(2.89%)	(7.67%)	0.10%	21.91%
Ativo - Net (09/30/10)	(3.05%)	(3.84%)	(0.56%)	-
DFA Micro Cap (07/31/87)	(2.19%)	(5.37%)	3.01%	24.69%
Russell 2000 Growth Index	(3.92%)	(7.81%)	4.34%	29.32%
Russell 2000 Index	(3.61%)	(7.60%)	2.37%	23.92%
DFA Micro Cap - Net (12/31/04)	(2.19%)	(5.49%)	2.75%	24.10%
Wall Street (07/31/90)	(2.87%)	(7.30%)	2.95%	35.68%
Russell 2000 Growth Index	(3.92%)	(7.81%)	4.34%	29.32%
Russell 2000 Index	(3.61%)	(7.60%)	2.37%	23.92%
Wall Street - Net (12/31/04)	(2.87%)	(7.30%)	2.58%	34.70%

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 July 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Small Cap Equity (06/30/88)	7.96%	6.55%	9.83%	12.52%
Russell 2000 Index	5.18%	4.00%	6.47%	9.34%
Small Cap Growth (06/30/88)	7.84%	7.19%	9.71%	13.33%
Buford (10/31/06)	(1.32%)	-	-	3.26%
Russell 2000 Growth Index	6.10%	6.08%	5.15%	4.22%
Buford - Net (10/31/06)	(1.73%)	-	-	2.81%
Fortaleza (11/30/06)	5.09%	-	-	3.18%
Russell 2000 Growth Index	6.10%	6.08%	5.15%	4.22%
Fortaleza - Net (11/30/06)	4.63%	-	-	2.72%
Frontier (07/31/88)	9.10%	8.29%	9.13%	13.39%
Russell 2000 Growth Index	6.10%	6.08%	5.15%	7.05%
Frontier - Net (12/31/04)	8.14%	7.41%	-	7.55%
Pyramis (07/31/88)	8.66%	8.01%	11.11%	14.01%
Russell 2000 Growth Index	6.10%	6.08%	5.15%	7.05%
Pyramis - Net (12/31/04)	8.10%	7.33%	-	9.73%
Small Cap Value (08/31/89)	7.13%	4.98%	9.92%	12.11%
Channing (06/30/2011)	-	-	-	(2.19%)
Russell 2000 Value Index	4.15%	1.84%	7.41%	(3.31%)
Channing - Net (06/30/2011)	-	-	-	(2.19%)
DFA Small Cap Value (01/31/96)	9.63%	4.00%	10.57%	12.74%
Russell 2000 Value Index	4.15%	1.84%	7.41%	9.44%
DFA Small Cap Value - Net (12/31/04)	9.08%	3.47%	-	5.17%
Inv. Counselors of Maryland (04/30/99)	6.02%	5.57%	9.61%	12.08%
Russell 2000 Value Index	4.15%	1.84%	7.41%	9.37%
Inv. Couns. of Maryland - Net (12/31/04)	5.51%	5.01%	-	5.62%
Lombardia (05/31/11)	-	-	-	(6.61%)
Russell 2000 Value Index	4.15%	1.84%	7.41%	(5.68%)
Lombardia - Net (05/31/11)	-	-	-	(6.61%)
Micro Cap (06/30/84)	7.07%	4.03%	6.58%	12.11%
Ariel (10/31/10)	-	-	-	11.09%
Russell 2000 Growth Index	6.10%	6.08%	5.15%	22.19%
Russell 2000 Index	5.18%	4.00%	6.47%	19.01%
Russell Microcap Index	3.86%	0.71%	5.82%	19.53%
Ariel - Net (10/31/10)	-	-	-	10.35%
Ativo (09/30/10)	-	-	-	15.95%
Russell 2000 Growth Index	6.10%	6.08%	5.15%	39.49%
Russell 2000 Index	5.18%	4.00%	6.47%	33.83%
Russell Microcap Index	3.86%	0.71%	5.82%	33.75%
Ativo - Net (09/30/10)	-	-	-	15.24%
DFA Micro Cap (07/31/87)	7.25%	4.01%	9.06%	11.06%
Russell 2000 Growth Index	6.10%	6.08%	5.15%	6.24%
Russell 2000 Index	5.18%	4.00%	6.47%	8.37%
DFA Micro Cap - Net (12/31/04)	6.72%	3.52%	-	4.06%
Wall Street (07/31/90)	8.34%	4.88%	5.13%	14.46%
Russell 2000 Growth Index	6.10%	6.08%	5.15%	6.83%
Russell 2000 Index	5.18%	4.00%	6.47%	9.17%
Wall Street - Net (12/31/04)	7.49%	4.10%	-	5.04%

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 July 31, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Equity (08/31/86)	(1.39%)	(5.00%)	3.43%	18.07%
MSCI ACWI ex-US Index	(1.36%)	(5.60%)	2.39%	17.36%
Intl Large Cap Growth (08/31/02)	(0.91%)	(3.96%)	3.29%	19.88%
EARNEST Partners (09/30/04)	(1.17%)	(4.64%)	5.74%	22.11%
MSCI ACWI ex-US Index	(1.36%)	(5.60%)	2.39%	17.36%
MSCI ACWI ex-US Growth	(0.56%)	(4.52%)	2.85%	20.35%
EARNEST Partners - Net (12/31/04)	(1.22%)	(4.73%)	5.60%	21.88%
McKinley (02/28/06)	0.73%	(3.84%)	5.57%	24.08%
MSCI ACWI ex-US Index	(1.36%)	(5.60%)	2.39%	17.36%
MSCI ACWI ex-US Growth	(0.56%)	(4.52%)	2.85%	20.35%
McKinley - Net (02/28/06)	0.73%	(3.84%)	5.32%	23.49%
William Blair (09/30/02)	(1.46%)	(3.73%)	0.91%	16.97%
MSCI ACWI ex-US Index	(1.36%)	(5.60%)	2.39%	17.36%
MSCI ACWI ex-US Growth	(0.56%)	(4.52%)	2.85%	20.35%
William Blair - Net (12/31/04)	(1.46%)	(3.73%)	0.74%	16.57%
Intl Large Cap Value (09/30/95)	(2.85%)	(6.47%)	1.43%	11.86%
Brandes (12/31/95)	(2.85%)	(6.47%)	1.43%	11.86%
MSCI ACWI ex-US Index	(1.36%)	(5.60%)	2.39%	17.36%
MSCI ACWI ex-US Value	(2.11%)	(6.34%)	2.60%	15.32%
Brandes - Net (12/31/04)	(2.85%)	(6.52%)	1.33%	11.64%

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 July 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Equity (08/31/86)	(0.22%)	2.36%	6.85%	8.45%
MSCI ACWI ex-US Index	0.42%	3.18%	7.58%	-
Intl Large Cap Growth (08/31/02)	0.05%	3.45%	-	11.13%
EARNEST Partners (09/30/04)	6.18%	11.27%	-	15.59%
MSCI ACWI ex-US Index	0.42%	3.18%	7.58%	8.86%
MSCI ACWI ex-US Growth	0.44%	4.23%	7.41%	9.50%
EARNEST Partners - Net (12/31/04)	5.74%	10.73%	-	12.71%
McKinley (02/28/06)	(3.78%)	0.73%	-	1.62%
MSCI ACWI ex-US Index	0.42%	3.18%	7.58%	3.55%
MSCI ACWI ex-US Growth	0.44%	4.23%	7.41%	4.28%
McKinley - Net (02/28/06)	(4.23%)	0.24%	-	1.14%
William Blair (09/30/02)	0.57%	3.17%	-	10.92%
MSCI ACWI ex-US Index	0.42%	3.18%	7.58%	10.60%
MSCI ACWI ex-US Growth	0.44%	4.23%	7.41%	10.48%
William Blair - Net (12/31/04)	0.18%	2.78%	-	6.32%
Intl Large Cap Value (09/30/95)	(1.45%)	0.62%	7.32%	10.56%
Brandes (12/31/95)	(1.45%)	0.62%	7.32%	10.62%
MSCI ACWI ex-US Index	0.42%	3.18%	7.58%	6.01%
MSCI ACWI ex-US Value	1.27%	3.01%	8.58%	-
Brandes - Net (12/31/04)	(1.72%)	0.38%	-	3.45%

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 July 31, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Active Core (01/31/08)	(0.94%)	(4.59%)	4.75%	20.91%
Arrowstreet (02/29/08)	(1.56%)	(5.60%)	4.26%	20.35%
MSCI ACWI ex-US Index	(1.36%)	(5.60%)	2.39%	17.36%
Arrowstreet - Net (02/29/08)	(1.56%)	(5.71%)	4.03%	19.80%
Brown (09/30/04)	(0.41%)	(4.47%)	4.13%	15.93%
MSCI ACWI ex-US Index	(1.36%)	(5.60%)	2.39%	17.36%
Brown - Net (12/31/04)	(0.48%)	(4.53%)	3.96%	15.35%
GlobeFlex (02/28/06)	(0.58%)	(3.64%)	6.17%	24.75%
MSCI ACWI ex-US Index	(1.36%)	(5.60%)	2.39%	17.36%
GlobeFlex - Net (02/28/06)	(0.58%)	(3.64%)	5.96%	24.24%
Intl Large Cap Pass. Core (12/31/99)	(1.54%)	(5.51%)	3.66%	17.59%
NTGI MSCI EAFE Idx (01/31/00)	(1.54%)	(5.51%)	3.66%	17.59%
MSCI EAFE Index	(1.59%)	(5.69%)	3.31%	17.17%
NTGI EAFE Idx - Net (12/31/04)	(1.54%)	(5.51%)	3.66%	17.58%
International Small Cap (11/30/05)	(0.37%)	(3.40%)	6.11%	26.53%
William Blair (08/31/2010)	(0.38%)	(3.41%)	5.78%	24.31%
ACWI Small Cap ex US	0.01%	(4.95%)	1.52%	24.04%
Intl SC Blended Benchmark	0.01%	(4.62%)	4.99%	26.74%
William Blair - Net (08/31/2010)	(0.38%)	(3.41%)	5.38%	23.70%
Emerging Markets (01/31/92)	(0.78%)	(2.80%)	0.62%	16.98%
Genesis (04/30/04)	(0.78%)	(2.80%)	0.62%	16.98%
MSCI Emerging Markets Index	(0.38%)	(4.40%)	0.65%	17.79%
Genesis - Net (12/31/04)	(0.78%)	(2.90%)	0.32%	16.33%

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

Intl SC Blended Benchmark consists of the S&P Developed Ex-U.S. Small Cap Index through May 31, 2011 and the MSCI ACWI Ex-U.S. Small Cap Index thereafter.

Illinois Municipal Retirement Fund

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 July 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Active Core (01/31/08)	4.46%	-	-	0.66%
Arrowstreet (02/29/08)	4.30%	-	-	0.54%
MSCI ACWI ex-US Index	0.42%	3.18%	7.58%	(0.84%)
Arrowstreet - Net (02/29/08)	3.78%	-	-	0.10%
Brown (09/30/04)	3.38%	3.41%	-	9.02%
MSCI ACWI ex-US Index	0.42%	3.18%	7.58%	8.86%
Brown - Net (12/31/04)	3.03%	3.12%	-	5.96%
GlobeFlex (02/28/06)	(1.51%)	2.51%	-	3.25%
MSCI ACWI ex-US Index	0.42%	3.18%	7.58%	3.55%
GlobeFlex - Net (02/28/06)	(1.95%)	2.03%	-	2.80%
Intl Large Cap Pass. Core (12/31/99)	(0.83%)	1.36%	6.07%	2.32%
NTGI MSCI EAFE Idx (01/31/00)	(0.86%)	1.34%	6.06%	2.33%
MSCI EAFE Index	(1.23%)	0.95%	5.69%	1.95%
NTGI EAFE Idx - Net (12/31/04)	(0.87%)	1.34%	-	4.67%
International Small Cap (11/30/05)	(2.16%)	(0.18%)	-	2.38%
William Blair (08/31/2010)	-	-	-	24.31%
ACWI Small Cap ex US	7.17%	6.12%	12.51%	24.04%
Intl SC Blended Benchmark	4.41%	4.14%	11.02%	26.74%
William Blair - Net (08/31/2010)	-	-	-	23.70%
Emerging Markets (01/31/92)	10.76%	14.28%	18.25%	11.17%
Genesis (04/30/04)	10.76%	14.32%	-	18.61%
MSCI Emerging Markets Index	5.72%	11.34%	17.26%	15.51%
Genesis - Net (12/31/04)	10.10%	13.63%	-	16.51%

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

Intl SC Blended Benchmark consists of the S&P Developed Ex-U.S. Small Cap Index through May 31, 2011 and the MSCI ACWI Ex-U.S. Small Cap Index thereafter.

Illinois Municipal Retirement Fund



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 July 31, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Dom. Fixed Active Core (03/31/01)	1.64%	2.39%	4.74%	5.56%
EARNEST Partners (04/30/05)	1.52%	2.45%	4.39%	4.83%
BC Aggregate Index	1.59%	2.61%	4.35%	4.44%
EARNEST Partners - Net (04/30/05)	1.47%	2.37%	4.26%	4.64%
Piedmont (05/31/05)	1.76%	2.33%	4.94%	6.12%
BC Aggregate Index	1.59%	2.61%	4.35%	4.44%
Piedmont - Net (05/31/05)	1.73%	2.29%	4.81%	5.95%
Dom. Fixed Enhanced Core (03/31/00)	1.42%	2.58%	4.79%	4.88%
BlackRock Enhanced (04/30/00)	1.42%	2.58%	4.79%	4.88%
BC Aggregate Index	1.59%	2.61%	4.35%	4.44%
BlackRock Enhanced - Net (12/31/04)	1.42%	2.56%	4.75%	4.80%
Dom. Fixed Passive Core (12/31/89)	1.53%	2.56%	4.24%	4.28%
NTGI BC Agg. Index (01/31/90)	1.53%	2.56%	4.24%	4.28%
BC Aggregate Index	1.59%	2.61%	4.35%	4.44%
NTGI BC Agg. Index - Net (12/31/04)	1.53%	2.56%	4.23%	4.27%



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 July 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Dom. Fixed Active Core (03/31/01)	7.93%	6.52%	5.16%	5.29%
EARNEST Partners (04/30/05)	7.64%	6.69%	-	5.83%
BC Aggregate Index	7.05%	6.57%	5.68%	5.74%
EARNEST Partners - Net (04/30/05)	7.40%	6.48%	-	5.62%
Piedmont (05/31/05)	7.59%	6.49%	-	5.44%
BC Aggregate Index	7.05%	6.57%	5.68%	5.59%
Piedmont - Net (05/31/05)	7.40%	6.28%	-	5.23%
Dom. Fixed Enhanced Core (03/31/00)	7.20%	6.39%	5.69%	6.35%
BlackRock Enhanced (04/30/00)	7.20%	6.39%	5.69%	6.40%
BC Aggregate Index	7.05%	6.57%	5.68%	6.35%
BlackRock Enhanced - Net (12/31/04)	7.13%	6.32%	-	5.25%
Dom. Fixed Passive Core (12/31/89)	6.79%	6.42%	5.63%	6.97%
NTGI BC Agg. Index (01/31/90)	6.79%	6.42%	5.63%	7.00%
BC Aggregate Index	7.05%	6.57%	5.68%	7.00%
NTGI BC Agg. Index - Net (12/31/04)	6.78%	6.41%	-	5.26%

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 July 31, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Fixed Core Plus (12/31/81)	1.64%	2.53%	5.17%	6.63%
BlackRock Core Plus (03/31/07)	1.43%	2.46%	4.70%	5.67%
BC Aggregate Index	1.59%	2.61%	4.35%	4.44%
BlackRock Core Plus - Net (03/31/07)	1.42%	2.45%	4.68%	5.61%
LM Capital (04/30/05)	1.71%	2.60%	5.35%	6.56%
BC Aggregate Index	1.59%	2.61%	4.35%	4.44%
LM Capital - Net (04/30/05)	1.67%	2.56%	5.22%	6.35%
Progress Fixed Income (12/31/05)	1.49%	2.16%	4.50%	5.31%
BC Aggregate Index	1.59%	2.61%	4.35%	4.44%
Progress Fixed Inc. - Net (12/31/05)	1.40%	1.98%	4.23%	4.85%
Taplin, Canida, Habacht (04/30/05)	2.15%	2.88%	6.06%	7.22%
BC Aggregate Index	1.59%	2.61%	4.35%	4.44%
Taplin, Canida, Hab. - Net (04/30/05)	2.12%	2.85%	5.96%	7.05%
Western (10/31/01)	1.40%	2.39%	4.94%	7.12%
BC Aggregate Index	1.59%	2.61%	4.35%	4.44%
Western - Net (12/31/04)	1.40%	2.36%	4.86%	6.97%
High Yield (03/31/86)	1.04%	0.44%	6.37%	13.88%
MacKay Shields (10/31/00)	1.39%	1.38%	6.28%	12.48%
ML High Yield Cash Pay Index	1.22%	0.73%	6.18%	12.81%
MacKay Shields - Net (12/31/04)	1.39%	1.29%	6.10%	12.10%
Pyramis (07/31/86)	0.72%	(0.42%)	6.45%	15.21%
ML High Yield Cash Pay Index	1.22%	0.73%	6.18%	12.81%
Pyramis - Net (12/31/04)	0.64%	(0.58%)	6.04%	14.43%



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 July 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Fixed Core Plus (12/31/81)	8.97%	6.73%	6.12%	9.18%
BlackRock Core Plus (03/31/07)	7.98%	-	-	6.49%
BC Aggregate Index	7.05%	6.57%	5.68%	6.23%
BlackRock Core Plus - Net (03/31/07)	7.93%	-	-	6.44%
LM Capital (04/30/05)	8.54%	7.45%	-	6.47%
BC Aggregate Index	7.05%	6.57%	5.68%	5.74%
LM Capital - Net (04/30/05)	8.37%	7.28%	-	6.30%
Progress Fixed Income (12/31/05)	8.00%	7.13%	-	6.66%
BC Aggregate Index	7.05%	6.57%	5.68%	6.07%
Progress Fixed Inc. - Net (12/31/05)	7.60%	6.77%	-	6.32%
Taplin, Canida, Habacht (04/30/05)	8.73%	6.77%	-	5.88%
BC Aggregate Index	7.05%	6.57%	5.68%	5.74%
Taplin, Canida, Hab. - Net (04/30/05)	8.60%	6.64%	-	5.79%
Western (10/31/01)	10.19%	6.50%	-	6.55%
BC Aggregate Index	7.05%	6.57%	5.68%	5.53%
Western - Net (12/31/04)	10.04%	6.34%	-	5.54%
High Yield (03/31/86)	13.20%	9.42%	10.46%	10.43%
MacKay Shields (10/31/00)	11.11%	8.36%	10.45%	10.08%
ML High Yield Cash Pay Index	13.23%	9.10%	8.68%	8.22%
MacKay Shields - Net (12/31/04)	10.72%	8.01%	-	7.17%
Pyramis (07/31/86)	15.35%	10.52%	10.50%	10.24%
ML High Yield Cash Pay Index	13.23%	9.10%	8.68%	8.90%
Pyramis - Net (12/31/04)	14.88%	10.04%	-	8.74%

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 July 31, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Real Estate Opportunistic (03/31/99)	(2.43%)	0.84%	5.18%	17.20%
Lazard Freres (07/31/98)	(8.45%)	(0.05%)	3.54%	25.80%
Blended Benchmark*	1.38%	4.19%	9.41%	17.76%
Olympus RE Fund II (05/31/98)	0.00%	(2.74%)	(3.85%)	(4.72%)
Blended Benchmark*	1.38%	4.19%	9.41%	17.76%
Security (10/31/97)	0.39%	0.42%	5.68%	13.26%
Blended Benchmark*	1.38%	4.19%	9.41%	17.76%
Dune Real Estate Fund II (01/31/09)	0.00%	3.60%	8.21%	11.60%
Blended Benchmark*	1.38%	4.19%	9.41%	17.76%
Real Estate Core (03/31/99)	1.50%	4.72%	8.11%	15.31%
BlackRock Granite Fund (07/31/07)	(0.00%)	4.12%	8.08%	20.05%
Blended Benchmark*	1.38%	4.19%	9.41%	17.76%
Buckhead (07/31/95)	1.58%	5.03%	8.13%	13.12%
Blended Benchmark*	1.38%	4.19%	9.41%	17.76%
Cornerstone (06/30/2011)	0.00%	-	-	-
Blended Benchmark*	1.38%	4.19%	9.41%	17.76%
INVESCO (04/30/2011)	0.00%	5.88%	-	-
RE Blended Benchmark	1.38%	4.19%	9.41%	17.76%
Sentinel (09/30/85)	6.96%	6.96%	11.73%	18.62%
Blended Benchmark*	1.38%	4.19%	9.41%	17.76%
Real Estate Value Added (09/30/08)	0.20%	2.12%	4.27%	7.01%
Rockwood (03/31/09)	0.00%	3.47%	3.76%	12.34%
Blended Benchmark*	1.38%	4.19%	9.41%	17.76%
Rothschild (09/30/08)	2.14%	2.14%	1.07%	5.03%
Blended Benchmark*	1.38%	4.19%	9.41%	17.76%
TA - Fund IX (04/30/10)	(0.74%)	1.42%	6.30%	6.68%
Blended Benchmark*	1.38%	4.19%	9.41%	17.76%

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 July 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Real Estate Opportunistic (03/31/99)	3.90%	1.86%	9.16%	8.85%
Lazard Freres (07/31/98) Blended Benchmark*	2.76% (1.13%)	6.07% 3.22%	6.54% 5.49%	0.42% 6.03%
Olympus RE Fund II (05/31/98) Blended Benchmark*	(18.36%) (1.13%)	(14.63%) 3.22%	(10.59%) 5.49%	(7.82%) 6.04%
Security (10/31/97) Blended Benchmark*	10.06% (1.13%)	3.72% 3.22%	14.52% 5.49%	14.09% 6.03%
Dune Real Estate Fund II (01/31/09) Blended Benchmark*	- (1.13%)	- 3.22%	- 5.49%	(15.77%) 1.90%
Real Estate Core (03/31/99)	(8.03%)	(0.26%)	4.01%	5.35%
BlackRock Granite Fund (07/31/07) Blended Benchmark*	(17.30%) (1.13%)	- 3.22%	- 5.49%	(11.55%) 1.56%
Buckhead (07/31/95) Blended Benchmark*	(2.64%) (1.13%)	4.20% 3.22%	7.82% 5.49%	10.06% 6.23%
Cornerstone (06/30/2011) Blended Benchmark*	- (1.13%)	- 3.22%	- 5.49%	0.00% 1.38%
INVESCO (04/30/2011) Blended Benchmark*	- (1.13%)	- 3.22%	- 5.49%	5.88% 5.62%
Sentinel (09/30/85) Blended Benchmark*	(9.26%) (1.13%)	(4.13%) 3.22%	2.49% 5.49%	4.12% 7.07%
Real Estate Value Added (09/30/08)	-	-	-	(10.98%)
Rockwood (03/31/09) Blended Benchmark*	- (1.13%)	- 3.22%	- 5.49%	(73.20%) 4.10%
Rothschild (09/30/08) Blended Benchmark*	- (1.13%)	- 3.22%	- 5.49%	(2.88%) (1.17%)
TA - Fund IX (04/30/10) Blended Benchmark*	- (1.13%)	- 3.22%	- 5.49%	1.49% 17.20%

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 July 31, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Absolute Return (12/31/01)	(0.41%)	(1.25%)	1.79%	7.02%
Aurora (10/31/01)	0.04%	(2.01%)	0.24%	5.98%
Alternatives Custom Benchmark*	0.72%	2.18%	5.16%	9.00%
HFR Fund-of-Funds Index	0.65%	(1.70%)	0.37%	6.58%
Grosvenor (01/31/02)	(0.26%)	(1.36%)	1.56%	6.91%
Alternatives Custom Benchmark*	0.72%	2.18%	5.16%	9.00%
HFR Fund-of-Funds Index	0.65%	(1.70%)	0.37%	6.58%
Mesirow (01/31/02)	(1.06%)	(0.24%)	3.88%	8.36%
Alternatives Custom Benchmark*	0.72%	2.18%	5.16%	9.00%
HFR Fund-of-Funds Index	0.65%	(1.70%)	0.37%	6.58%
Private Equity (01/31/86)	0.34%	5.44%	12.12%	19.43%
Abbott (06/30/87)	0.44%	5.55%	12.97%	18.92%
Alternatives Custom Benchmark*	0.72%	2.18%	5.16%	9.00%
Abbott - Net (12/31/04)	0.44%	5.42%	12.71%	18.35%
Muller & Monroe ILPEFF (06/30/05)	(0.23%)	2.38%	1.93%	21.82%
Alternatives Custom Benchmark*	0.72%	2.18%	5.16%	9.00%
Muller & Monroe MPEFF (04/30/08)	(0.01%)	18.53%	17.25%	22.32%
Alternatives Custom Benchmark*	0.72%	2.18%	5.16%	9.00%
Pantheon (10/31/00)	0.24%	4.38%	10.98%	19.94%
Alternatives Custom Benchmark*	0.72%	2.18%	5.16%	9.00%
Pantheon - Net (12/31/04)	0.24%	4.38%	10.84%	19.35%
Agriculture (09/30/97)	(0.12%)	(0.11%)	(0.17%)	7.58%
Cozad/Westchester (09/30/97)	(0.12%)	(0.11%)	(0.17%)	7.58%
Blended Benchmark**	1.38%	4.19%	9.41%	17.76%
Timberland (09/30/92)	(0.25%)	1.24%	1.41%	4.51%
Forest Investment Assoc. (09/30/92)	(0.25%)	1.24%	1.41%	4.51%
Blended Benchmark**	1.38%	4.19%	9.41%	17.76%

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 July 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Absolute Return (12/31/01)	1.11%	3.54%	-	5.17%
Aurora (10/31/01)	1.80%	4.49%	-	6.62%
Alternatives Custom Benchmark*	10.91%	11.34%	12.19%	12.14%
HFR Fund-of-Funds Index	(0.71%)	1.71%	4.00%	4.21%
Grosvenor (01/31/02)	0.75%	3.06%	-	4.96%
Alternatives Custom Benchmark*	10.91%	11.34%	12.19%	12.07%
HFR Fund-of-Funds Index	(0.71%)	1.71%	4.00%	4.07%
Mesirow (01/31/02)	0.68%	2.96%	-	5.19%
Alternatives Custom Benchmark*	10.91%	11.34%	12.19%	12.07%
HFR Fund-of-Funds Index	(0.71%)	1.71%	4.00%	4.07%
Private Equity (01/31/86)	2.30%	9.04%	6.50%	13.49%
Abbott (06/30/87)	1.37%	8.61%	6.46%	14.61%
Alternatives Custom Benchmark*	10.91%	11.34%	12.19%	13.83%
Abbott - Net (12/31/04)	0.88%	8.14%	-	11.44%
Muller & Monroe ILPEFF (06/30/05)	(1.06%)	(3.17%)	-	(12.17%)
Alternatives Custom Benchmark*	10.91%	11.34%	12.19%	11.47%
Muller & Monroe MPEFF (04/30/08)	3.02%	-	-	(1.32%)
Alternatives Custom Benchmark*	10.91%	11.34%	12.19%	11.02%
Pantheon (10/31/00)	4.26%	10.17%	9.91%	8.65%
Alternatives Custom Benchmark*	10.91%	11.34%	12.19%	12.40%
Pantheon - Net (12/31/04)	3.82%	9.67%	-	14.49%
Agriculture (09/30/97)	2.84%	4.03%	5.90%	5.55%
Cozad/Westchester (09/30/97)	2.84%	4.03%	5.90%	5.55%
Blended Benchmark**	(1.13%)	3.22%	5.49%	6.05%
Timberland (09/30/92)	4.43%	6.00%	4.16%	9.52%
Forest Investment Assoc. (09/30/92)	4.43%	6.00%	4.16%	9.52%
Blended Benchmark**	(1.13%)	3.22%	5.49%	6.46%

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 July 31, 2011

Five Best Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Outperformance (in % points)
Muller and Monroe MPEFF	12.09
Abbot	7.81
Pantheon Ventures	5.82
Fortaleza	4.39
William Blair Intl SC	4.26

Five Worst Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Underperformance (in % points)
Cozad/Westchester	-9.58
Rothschild	-8.34
Forest Investment	-8.00
Lazard Freres	-5.87
Rockwood	-5.65

Five Highest Returning Portfolios

Manager	Year-to-Date Return (in % points)
Muller and Monroe MPEFF	17.25
Abbot	12.97
Sentinel	11.73
Pantheon	10.98
Sands	9.82

Five Lowest Returning Portfolios

Manager	Year-to-Date Return (in % points)
Cozad	-0.17
Ativo	0.05
Frontier	0.22
Aurora	0.24
Genesis	0.62

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

(11-08-06) (Actuarial Audit Review - The Segal Company) Ms. Nicholl and Mr. Strom of The Segal Company presented the results of their limited scope audit of the December 31, 2010 actuarial valuation.

Ms. Nicholl noted the purpose of the audit was to conduct a review of the actuarial methods, assumptions, and procedures employed by the Illinois Municipal Retirement Fund (IMRF) and the fund's actuary, Gabriel, Roeder, Smith & Company (GRS).

Ms. Nicholl and Mr. Strom stated the audit included the following:

- A Report Review - a review of the valuation report and results and how they comply with actuarial standards, and whether such valuation reflects appropriate disclosure information under any required reporting.
- A Methods and Assumptions Review - an analysis and benchmarking of the actuarial assumptions (including a review of the 2010 gain/loss analysis report) and a review of the actuarial methods (including the actuarial asset value smoothing period and corridor) utilized in determining the funded status and accrued liability as of December 31, 2010 for compliance with generally accepted actuarial principles.
- A Test Lives and Data Review - discussion of the procedures used to validate the participant data and the test lives selected, with a detailed review of the findings.

It was noted that both IMRF and GRS assisted in this review.

Ms. Nicholl reported that the audit validates the finding of the 2010 actuarial valuations, and believes the stated methods and assumptions were properly employed in determining the cost of the Fund.

Mr. Strom and Ms. Nicholl summarized the results as follows:

- GRS is processing the data files provided to them by IMRF in a reasonable and accurate manner;
- The economic assumptions are generally within norms for the peer group, with the investment return right in the middle of the peer group range;
- Certain of the demographic actuarial assumptions should be reviewed in detail as part of the next experience review, particularly turnover and salary increases applicable to new hires;
- The asset valuation method is being applied correctly, and in our opinion, the five-year smoothing method accomplished with the development of the actuarial value of assets is reasonable and meets actuarial standards; and,
- Benefits valued for selected test lives are consistent with those stated in the actuarial valuation report.

(11-08-07) Actuarial Audit Review Response - Gabriel, Roeder, Smith & Company) Messrs. Murphy and Buis of Gabriel, Roeder, Smith & Company (GRS) responded to the Actuarial Audit Review conducted by The Segal Company.

Messrs. Murphy and Buis stated that GRS is supportive of the actuarial review process. They noted a common purpose of an actuarial review is to double check the retained actuary's technical work and to ensure that mathematical processes are being carried out correctly and appropriately.

Mr. Murphy noted GRS is pleased that no major areas of disagreement between them and The Segal Company on matters pertaining to the IMRF valuation were discovered.

He further reported that GRS will implement some suggestions and review others from The Segal Company.

Discussion followed.

(11-08-08) (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 #11-07-22

Schedules - Dated August 26, 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 June was prepared by The Northern Trust Company.

Bids (2)

IMRF New Member Folder

Approved Bidder: Minors Printing

Approved Bid: \$5,916.00

IMRF Regular Tier 2 Benefit Booklets

Approved Bidder: United Graphics

Approved Bid: \$5,363.91

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

Vote: Unanimous Voice Vote

Absent: None

(11-08-09) (Financial Reports) The Chair presented the following financial reports for approval.

- Review of August Financial Reporting Package
- June 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. Henry, seconded by Ms. Faklis, to approve the Financial Reports as presented.

Vote: Unanimous Voice Vote

Absent: None

(11-08-10) (Annual Economic Opportunity Investment Report) The Chief Investment Officer presented an overview of the Annual Illinois Economic Opportunity Investment Report. He reported under Public Act 96-0753, this report must be submitted to the Governor and General Assembly annually by September 1st.

It was moved by Ms. Henry, seconded by Ms. Thompson, to approve submission of the Annual Economic Opportunity Investment Report.

Vote: Unanimous Voice Vote

Absent: None

(11-08-11) (Rule on Normal Retirement Age) General Counsel presented a rule for Board approval regarding clarification of the normal retirement ages for IMRF participants.

She stated in response to IMRF's Cycle C Determination Letter request filed on August 26, 2008, IMRF was issued a Qualification Letter on July 13, 2011, contingent on the Board's adoption of a rule clarifying the normal retirement ages for IMRF participants.

It was moved by Ms. Henry, seconded by Ms. Rademacher to adopt the following resolution:

WHEREAS, section 7-198 of the Illinois Pension Code authorizes the Board of Trustees of the Illinois Municipal Retirement Fund to establish rules necessary or desirable for the efficient administration of the Fund; and

WHEREAS, section 7-141 of the Pension Code provides for eligibility for a retirement annuity for participants in the regular IMRF and the Sheriff's Law Enforcement employees plans; and

WHEREAS, section 7-145.1 of the Pension Code provides for eligibility for a retirement annuity for participants in the Elected County Officers' plan; and

WHEREAS, section 1-160 provides for eligibility for a retirement annuity for participants in the regular IMRF plan and the Elected County Officers' plan joining IMRF on or after January 1, 2011; and

WHEREAS, it is necessary to adopt a rule for the efficient administration and clarification of sections 7-141, 7-145.1, and 1-160.

THEREFORE BE IT RESOLVED that the following administrative rule be and is hereby adopted by the Board of Trustees:

Rule on Normal Retirement Age

For purposes of compliance with the Internal Revenue Code and related guidance, the normal retirement benefit, which is the benefit calculated under 40 ILCS 5/7-141 (General and Sheriff's Law Enforcement members) or 40 ILCS 5/7-145.1 (Elected County Officer members) or 40 ILCS 5/1-160 (members hired on/after January 1, 2011), is nonforfeitable upon attainment of normal retirement age, which is:

- For General members, age fifty-five (55) or the completion of eight (8) years of service, whichever is later;
- For Sheriff's Law Enforcement members, age fifty (50) and the completion of twenty (20) years of service, whichever is later;
- For Elected County Officer members, age fifty-five (55) and the completion of eight (8) years of service, whichever is later;
- For general members and Elected County Officer members hired on/after January 1, 2011, age sixty-seven (67) and the completion of ten (10) years of service, whichever is later.

Any retirement benefit is only payable after a separation from service with all participating municipalities and instrumentalities and is subject to the provisions of the Illinois Pension Code Articles 1 and 7.

Vote: Unanimous Voice Vote
Absent: None

(11-08-12) (Resolution Regarding Administration of Section 7-172(k)/Accelerated Payment for Earnings Increases of 6% or More) General Counsel presented a resolution regarding the administration of section 7-172(k) for Board approval.

She stated that once Senate Bill 1831 is signed by the Governor, it will add section 7-172(k) to the Illinois Pension Code, which will require an employer to make an accelerated payment for the pension cost attributable to earnings increases in the Final Rate of Earnings period of 6% (or, if greater, 1.5 times the CPI-U) or more.

It was moved by Ms. Faklis, seconded by Ms. Henry, to adopt the following resolution for the rules to administer the new section 7-172(k) of the Illinois Pension Code:

WHEREAS, section 7-198 of the Illinois Pension Code authorizes the Board of Trustees of the Illinois Municipal Retirement Fund to establish rules necessary or desirable for the efficient administration of the Fund; and

WHEREAS, section 7-172(k) of the Pension Code provides for the Accelerated Payment of pension costs attributable to earnings increases over the previous year, paid during the Final Rate of Earnings period, of more than the higher of 6% or 1.5 times the CPI-U; and

WHEREAS, it is necessary to adopt rules for the efficient administration of section 7-172(k).

THEREFORE BE IT RESOLVED that the following administrative rules be and are hereby adopted by the Board of Trustees:

- A. The employer contribution required under section 7-172(k) ("Accelerated Payment") shall be determined as follows:
 1. Member has only one employer during the Final Rate of Earnings ("FRE") period:
 - a) Calculate the member's retirement annuity using earnings as reported and determine its present value;
 - b) Calculate the member's retirement annuity excluding excess earnings and determine its present value;
 - c) Subtract the present value of (b) from the present value of (a);

d) The result from (c) is the amount of the required Accelerated Payment;

e) For purposes of this rule, "excess earnings" are defined as: the amount, if any, of reported earnings in any of the 12-month periods in the FRE period that exceed the previous 12 months by the greater of 6% or 1.5 times the Consumer Price Index-Urban. (The CPI-U is determined per paragraph B, below.) Excess earnings are determined on a 12-month basis; (See example in Attachment 1.1)

f) For purposes of this rule, the "Final Rate of Earnings" period for a Tier 1 member is 48 months and shall consist of four 12-month periods. The Final Rate of Earnings period for a Tier 2 member is 96 months and shall consist of eight 12-month periods.

2. Member has more than one employer during the FRE period:

a) The employer that paid the excess earnings (defined in A.1.e., above) will be responsible for the Accelerated Payment.

b) If more than one employer paid excess earnings, the Accelerated Payment will be split based on the proportion of excess earnings from each employer compared to the total excess earnings. (See example in Attachment 1.2)

B. If 1.5 times the Consumer Price Index-Urban (CPI-U), as announced in September, is greater than 6%, that greater amount will be used to determine excess earnings for each of the 12-month periods that begin between October and the following September. The CPI-U for each year (as announced in September) will be considered only for the 12-month periods beginning during following October through September.

C. If a member's retirement annuity is calculated pursuant to section 7-142(a)1a of the Pension Code, an employer contribution under section 7-172(k) is not required.

D. If the FRE is calculated with earnings from employment covered by another participating system under Article 20 of the Pension Code (Retirement Systems Reciprocal Act), no Accelerated Payment will be assessed for any earnings attributable to that employment.

E. The following shall not be considered when determining excess earnings:

1. Overload or overtime earnings, defined as cash compensation paid for hours worked in excess of a standard workday or workweek.

2. Earnings increases attributable to promotions resulting in increased responsibility and workload.

3. Earnings increases paid pursuant to a collective bargaining agreement (CBA) or contract entered into, amended, or renewed before January 1, 2012.

a) Increases paid pursuant to a provision of a CBA in effect before 1/1/2012, but after that CBA expired, are exempt if the pre-requisite for the increase occurs during the period covered by the CBA.

b) Increases paid pursuant to personal services contracts entered into, amended or renewed prior to 1/1/2012 are exempt during the term of the contract, if the contract term conforms to all applicable statutory limitations. If there are no statutory limits on the contract term, and the term of a contract exceeds that of the appointing authority and is an attempt to bind successors in matters incident to their own administration and responsibilities, such contract may not be used for purposes of an exemption.

4. Earnings increases paid to members who are 10 years or more from retirement eligibility.

a) Retirement eligibility is defined as age 55 for Tier 1 regular plan and ECO plan members; age 50 for SLEP members; and age 62 for Tier 2 regular plan and ECO plan members.

5. Earnings increases resulting from increases in number of hours required to be worked.

6. Earnings increases attributable to personnel policies adopted before 1/1/2012 and applicable only to employees in service before 1/1/2012 or earlier.

a) Personnel policies eligible for this exemption must:

- i) be in writing, and
- ii) specifically exclude from those payments that would trigger the Accelerated Payment employees hired on or after a date certain (but no later than 1/1/2012), and
- iii) be formally adopted by the employer's governing body on or before 1/1/2012.

F. The required Accelerated Payment will be calculated when the member's retirement annuity is processed and paid. The employer will be billed and will have 90 days to make the Accelerated Payment interest free. After 90 days, interest will accrue at the assumed rate of return (currently 7.5%). In any case, the payment must be made within 3 years. For purposes of determining the 90-day interest free grace period and the three-year payment period, an employer shall be deemed to have received a bill for the Accelerated Payment on the first day of the month following the bill date indicated on the bill.

G. An employer may dispute the amount of the Accelerated Payment by applying in writing for a recalculation within 30 days of the receipt of the bill. Unless the recalculation results in a change to the original amount billed, the request for a recalculation shall not extend the 90-day grace period.

H. An employer may claim an exemption to the Accelerated Payment by filing an exemption form with IMRF within the 30-day dispute period. The exemption claim must include documentation sufficient to substantiate the

exemption. Acceptable documentation includes, but is not limited to, copies of the following:

1. the CBA;
2. the personal services contract;
3. Board minutes adopting personnel policies;
4. time sheets, check stubs or other statements related to employee hours and wages;
5. Board minutes or other official announcements of promotions.

I. An employer may appeal an unfavorable staff determination regarding a claimed exemption to the IMRF Board of Trustees Benefit Review Committee. The 90-day grace period for interest free payments will not be tolled during the appeal process.

J. Increases paid on or before January 1, 2012 are exempt from the Accelerated Payment.

Vote: Unanimous Voice Vote

Absent: None

Example - Allocating AP Cost - Single Employer Exceeding Wage Increase Limit

DOB	11/15/1950	Age	61.126
Retirement Dt	1/1/2012	Service	20

Actual Wages (reported by employer)

	Employer A		Total	
	Wages	% Increase	Wages	% Increase
Year 0	100,000.00			
Year 1	100,000.00	0.0%		
Year 2	100,000.00	0.0%		
Year 3	100,000.00	0.0%		
Year 4	110,000.00	10.0%		
Total	410,000.00	(a)		

Monthly FRE	8,541.67
Pension	2,990.01
Factor	#REF!
PV (pension times factor)	#REF! (c)

Wages Adjusted for Annual Increase Limits

Limit	Year 0	Year 1	Year 2	Year 3	Year 4	Total
6.00%	100,000.00	100,000.00	100,000.00	100,000.00	106,000.00	406,000.00 (b)

Monthly FRE	8,458.33
Pension	2,960.84
Factor	#REF!
PV (pension times factor)	#REF! (d)

Allocate AP Between Employers

Excess in FRE	4,000.00	4,000.00 (a - b)
% of Total Excess	100.00%	(e)
AP Amount	#REF!	(f) = (c - d)
Allocate AP	#REF!	(f * e)

Example - Allocating AP Cost - Multiple Employers Exceeding Wage Increase Limit

DOB	11/15/1950	Age	61.126
Retirement Dt	1/1/2012	Service	20

Actual Wages (reported by employer)

	Employer A		Employer B		Total	
	Wages	% Increase	Wages	% Increase	Wages	% Increase
Year 0	100,000.00		12,000.00		112,000.00	
Year 1	100,000.00	0.0%	12,000.00	0.0%	112,000.00	0.0%
Year 2	100,000.00	0.0%	12,000.00	0.0%	112,000.00	0.0%
Year 3	100,000.00	0.0%	12,000.00	0.0%	112,000.00	0.0%
Year 4	110,000.00	10.0%	13,000.00	8.3%	123,000.00	9.8%
Total	410,000.00		49,000.00		459,000.00	(a)
Monthly FRE					9,562.50	
Pension					3,347.35	
Factor					174.5646	
PV (pension times factor)					584,328.81	(c)
Limit						
	6.00%					
	6.00%					
	6.00%					
	6.00%					
Year 0			12,000.00		112,000.00	
Year 1			12,000.00		112,000.00	0.0%
Year 2			12,000.00		112,000.00	0.0%
Year 3			12,000.00		112,000.00	0.0%
Year 4			12,720.00		118,720.00	6.0%
Total			48,720.00		454,720.00	(b)
Monthly FRE					9,473.33	
Pension					3,316.14	
Factor					174.5646	
PV (pension times factor)					578,880.65	(d)
<u>Allocate AP Between Employers</u>						
Excess in FRE			280.00		4,280.00	(a - b)
% of Total Excess			6.54%		5,448.16	(e)
AP Amount					5,448.16	(f) = (c - d)
Allocate AP			356.42		5,448.16	(f * e)

Wages Adjusted for Annual Increase Limits

Year 0	100,000.00
Year 1	100,000.00
Year 2	100,000.00
Year 3	100,000.00
Year 4	106,000.00
Total	406,000.00

Monthly FRE	
Pension	
Factor	
PV (pension times factor)	

Excess in FRE	4,000.00
% of Total Excess	93.46%
AP Amount	5,091.74
Allocate AP	356.42

(11-08-13) (GASB Exposure Drafts on Pension Accounting for Plans and Employers) The Chief Financial Officer presented a recommendation to the Board to change the amortization period for taxing bodies from an open rolling 30 year period to a closed period beginning at 30 years and decreasing to the average remaining time for currently active members to reach the normal retirement date, at which time the period would be reset each year based on the remaining service lives of active members.

He stated that since non-taxing bodies are on a 10-year rolling amortization period, no change for non-taxing bodies is recommended at this time.

The Chief Financial Officer stated that he is recommending this change in the amortization period because of the favorable impact in the discount rate which will be required by the two exposure drafts that were issued on June 27, 2011 by the Governmental Accounting Standards Board that impact pension accounting for plans and employers.

After questions and discussion, it was moved by Mr. Stafford, seconded by Ms. Rademacher, to defer making a decision regarding changing the amortization period for taxing bodies until after a thorough analysis is performed. It was further recommended to revisit this issue at the June 2012 Board Meeting.

Vote: Unanimous Voice Vote
Absent: None

(11-08-14)(Report of the Benefit Review Committee) The Chair of the Benefit Review Committee reported on the meeting held on August 25, 2011.

It was moved by Ms. Rademacher, seconded by Ms. Copper, to accept the following recommendations of the Benefit Review Committee:

- To deny the application for total and permanent disability benefits filed by Gary Middleton.
- To approve the application for total and permanent disability benefits filed by Lisa Kerr.
- To deny the application for total and permanent disability benefits filed by Dionysios Liarakos.
- To adopt the following resolution:

WHEREAS, section 7-198 of the Illinois Pension Code authorizes the Board of Trustees of the Illinois Municipal Retirement Fund to establish rules necessary or desirable for the efficient administration of the Fund; and

WHEREAS, section 7-200 of the Illinois Pension Code gives the Board of Trustees the authority to make administrative decisions on participation and coverage, as well as on the other matters which are necessary for carrying out the intent of Article 7 of the Pension Code; and

WHEREAS, section 7-137 of the Illinois Pension Code provides for mandatory IMRF participation for certain employees of IMRF-participating units of government; and

WHEREAS, section 7-137 of the Illinois Pension Code requires IMRF participation for "any person who occupies an office or is employed in a position normally requiring performance of duty" for 600 hours or more per year (or 1000 hours or more per year for certain employers); and

WHEREAS, the Board of Trustees has the authority and responsibility to interpret Article 7 of the Illinois Pension Code and to assist each participating unit of government in making decisions on eligibility for IMRF participation by furnishing instructions and guidelines; and

WHEREAS, it is necessary to clarify whether time spent "on-call" is included as "performance of duty" and is thus counted toward the 600 (or 1000) hours duty requirement.

NOW THEREFORE BE IT RESOLVED by the Board of Trustees of the Illinois Municipal Retirement Fund that time spent "on-call" is included as performance of duty and is counted toward the 600 (or 1000) hours of duty requirement if the following two conditions are met:

- 1) The schedule and conditions of the on-call time are dictated by the employer and include employee access and response requirements to ensure the employee's availability during on-call time; and
- 2) The employee is receiving minimum wage or more for the on-call time.

On-call time not meeting both of these requirements shall not be included as "performance of duty" in the determination of eligibility for IMRF participation.

Vote: Unanimous Voice Vote
Absent: None

(11-08-15) (Legislative Update) The Legislative Liaison updated the Board on current legislation.

She reported that eight of the thirteen proposals on the Board's 2011 legislative agenda have been signed into law.

The following bills affecting IMRF have been signed into law:

- HB 1471 - pro-rates the cost of the pension among multiple employers on a combination of service credit and earnings (PA 97-0319).
- 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 (PA97-0328).

- 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)closes the ECO program (PA 9-0328).
- 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 (PA 97-0273).
- HB 3334 - grants the Board the explicit authority to terminate or deny disability benefits in certain situations and removes the two-year time limit for benefit protection leave applications (PA 97-0415).
- HB 2149 - adds non-certified employees of school Financial Oversight Panels (created by this bill) to the list of participating employees and requires school districts served by the panel to be ultimately responsible for any liability (PA 97-0429).

Lastly, the Legislative Liaison noted that SB 1831, which includes several provisions affecting IMRF, as well as one change affecting all of the reciprocal retirement systems, is scheduled to be signed by the Governor no later than August 29, 2011.

Questions and discussion followed.

(11-08-16) (Litigation Update) The following is an update of the currently pending litigation:

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.

Status: Case is set for status on August 24, 2011. IMRF has been asked to appear.

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.

Status: A pretrial hearing date has been set for August 31, 2011.

WABASH COUNTY, ILLINOIS vs. IMRF, et al.

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

Status: Case is set for status on September 8, 2011. Discussions regarding this matter are ongoing with all parties. Scheduled for a BRC hearing on remaining issues on December 15, 2011.

BOARD OF ED. OF JOLIET TOWNSHIP H.S. DIST. 204, et. al. v. IMRF, et.al.

Summary: This is an administrative review of a return to work case regarding three administrative employees of the District who went back to work for the District after their respective retirements.

Status: Hearing set for Motion to Dismiss on September 16, 2011.

IMRF v. DIANE WILLIAMS-EASTERN, et al.

Summary: This is an interpleader action filed by IMRF asking the court to determine to whom and in what amounts the death benefits of Robert Eastern Jr. should be paid.

Status: Case has been filed in Sangamon County and summonses are currently out for service.

(11-08-17) (Information Technology Modernization Strategy Update) The Deputy Executive Director and the Chief Information Services Officer updated the Board on IMRF's Information Technology Modernization Strategy.

One of the Objectives from the 2011-1013 Strategic Plan is to *achieve a top 10% ranking in overall service as measured by the CEM Service Score while keeping our per member cost near the median of the CEM administrative cost measure.* A Key Strategy designed to support this objective was to: *Develop a plan to replace or upgrade SPECTRUM to address needs for improved correspondence, Customer Relationship Management, Reporting and Analysis.*

Since March 2011, staff worked with consultants to evaluate IMRF's technology systems, identify opportunities for improvement, and select a recommended approach to meet IMRF's future business needs.

It was reported there are a number of options to consider, with a wide range of benefits provided and costs.

A detailed report will be presented at the September 23, 2011 Board Meeting.

(11-08-18) (Report of Executive Director)

Investments

The market value of the Fund's investment portfolio, including short-term investments, but excluding disposition costs, totaled \$26.3 billion on June 30, 2011. This was a decrease of \$309.5 million from the market value as of May 31, 2011.

Fixed income investments of \$1,879.8 million were made in June. The market value of fixed income investment managers totaled \$6,625.9 million.

Domestic equity investments of \$523.6 million were made in June. The market value of domestic equity investment managers totaled \$10,913.6 million.

International equity investments of \$743.1 million were made in June. The market value of international equity investment managers totaled \$6,758.1 million.

The market value of real estate investment managers totaled \$542.6 million.

The market value of alternative investment managers totaled \$1,024.3 million.

The market value of cash equivalents totaled \$452.1 million.

Representation of IMRF

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

2011 Board of Trustee Roundtable Update

The Deputy Executive Director reviewed the agenda for the Board's September 22, 2011 Roundtable.

(11-08-19) (Adjournment) It was moved by Ms. Thompson, seconded by Ms. Faklis, to adjourn the Board Meeting at 12:15 p.m., to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, Illinois, at 9:00 a.m. on September 23, 2011.

Vote: Unanimous Voice Vote
Absent: None

President

Date

Secretary

Date

Schedules A, B, C, D, E, F, G, P, 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.