

ILLINOIS MUNICIPAL RETIREMENT FUND
MINUTES OF
REGULAR MEETING NO. 12-04
HGDWCT["46,"2012

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 12-02

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:00 a.m., February 24, 2012, in the Fund Office at 2211 York Road, Suite 400, Oak Brook, Illinois.

Ms. Henry presided as Chair and called the meeting to order.

Ms. Enright called the roll:

Present: Faklis, Henry, Nannini, Piechocinski, Stafford, Copper
Absent: Thompson

Ms. Becker-Wold and Messrs. Ball and Robinson from Callan Associates, Ms. Widlus from Seyfarth Shaw LLP, Ms. Myers from Loop Capital Markets and Ms. Wyzykowski from the Illinois Education Association were also present.

(12-02-01)(4th Quarter Investment Performance Report) Ms. Becker-Wold of Callan Associates presented an evaluation of IMRF's investment performance for the period ending December 31, 2011.

The report was followed by discussion from Board Members.

(12-02-02) (Investment Manager Activities - Callan Associates) Mr. Ball of Callan Associates presented the following report to the Board on the activities of IMRF's investment managers:

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

**Illinois Municipal Retirement Fund
Monthly Performance Report
January 31, 2012**

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 2012 by Callan Associates Inc.

Returns
for Periods Ended January 31, 2012

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	5.06	5.06	3.90	20.44	0.86	4.51
Russell:1000 Index	4.87	4.87	3.95	20.01	0.55	3.97
Russell:Midcap Index	6.06	6.06	2.25	25.73	1.94	7.69
Russell:2000 Index	7.07	7.07	2.86	23.03	1.19	6.45
MSCI:ACWI ex US	6.81	6.81	(8.34)	17.22	(1.26)	7.93
MSCI:EAFE US\$	5.33	5.33	(9.59)	13.37	(3.85)	5.79
MSCI:Emer Markets	11.36	11.36	(6.35)	27.60	5.16	15.05
BC:Aggr Bd	0.88	0.88	8.66	7.40	6.70	5.78
NCREIF:Total Index	0.98	0.98	14.12	3.63	3.05	8.11
NAREIT Equity Index	8.29	8.29	13.59	32.43	(1.44)	11.06

2012 started off with a bang as all major markets ran into positive territory. Domestic equities were positive (DJ TSMI: +5.1%), but trailed developed international equities (MSCI EAFE: +5.3%), which in turn trailed emerging markets (MSCI Emerging Markets: +11.4%).

The rally is attributed to several positive economic indicators on the domestic side, as well as a break in the negative news coming from Europe. First, fourth quarter GDP came in at 2.8%, an improvement over the third quarter's 1.8%. Unemployment at the end of January was 8.3%, down from 8.5% at the end of December. Inflation has also slowed from 3.4% to 3.0%. Even though the market did not receive any terrible news about the European debt crisis, EU leaders have mostly attempted to push any problems down the road.

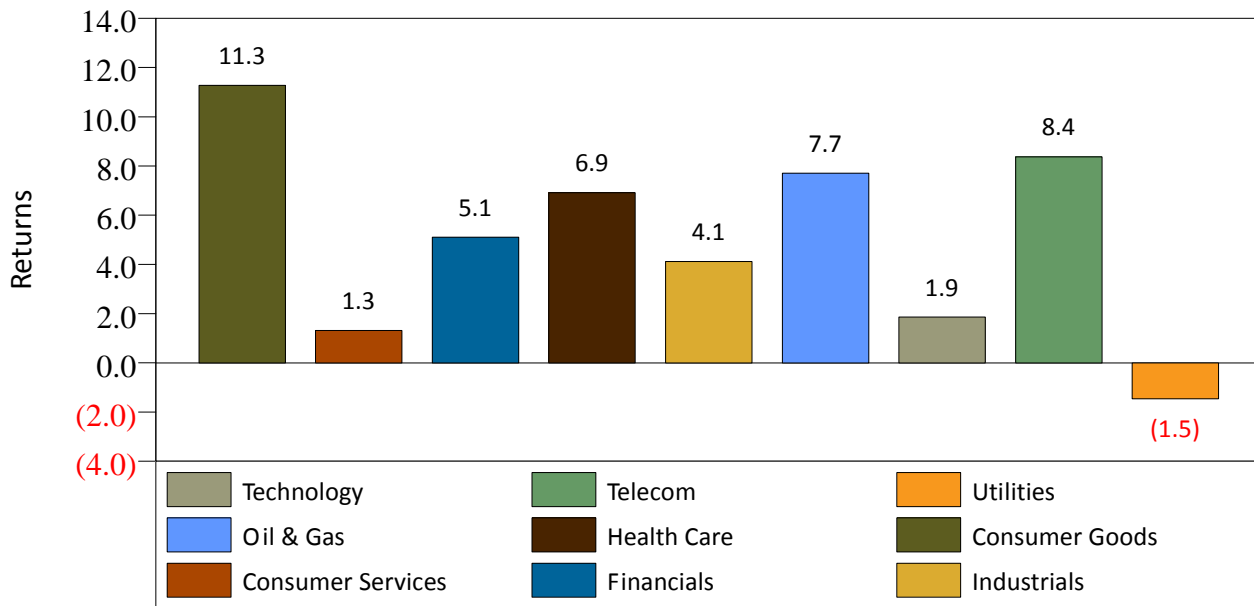
Even though interest rates entered the month at historic lows domestic bonds performed well. The BC Aggregate Bond Index rose 0.9%. This brings its trailing twelve-month return to 8.7%.

The public real estate market, as measured by the NAREIT Equity Index, gained 8.3% in January. This followed a 4.7% return in December.

*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 January 31, 2012

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	5.06	5.06	3.90	20.44	0.86	4.51
Russell:1000 Index	4.87	4.87	3.95	20.01	0.55	3.97
Russell:1000 Growth	5.97	5.97	6.07	22.31	3.17	3.38
Russell:1000 Value	3.78	3.78	1.88	17.63	(2.16)	4.36
Russell:Midcap Index	6.06	6.06	2.25	25.73	1.94	7.69
Russell:2000 Index	7.07	7.07	2.86	23.03	1.19	6.45
Russell:2000 Growth	7.48	7.48	4.94	25.16	3.19	5.62
Russell:2000 Value	6.65	6.65	0.73	20.85	(0.90)	6.95



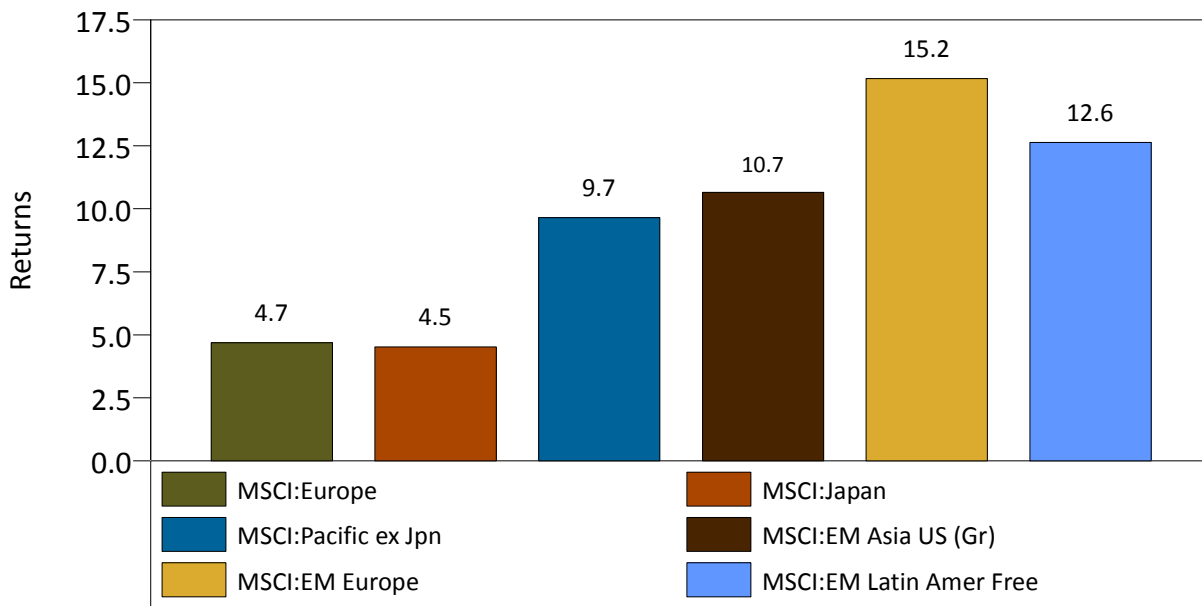
Domestic equities were positive in every major market segment in January. Size was inversely related to performance as small caps performed the best (Russell 2000: +7.1%). Mid caps returned 6.1% (Russell Midcap Index) and large caps, as represented by the Russell 1000 Index, rose 4.9%.

Growth stocks outpaced value stocks for the month (Russell 1000 Growth: +6.0%; Russell 1000 Value: +3.8%). This also held true in small caps as the Russell 2000 Growth Index gained 7.5% and the Russell 2000 Value Index returned 6.7%.

In January the Consumer Goods sector had a double-digit gain (11.3%), followed by Telecommunications (8.4%) and Oil & Gas (7.7%). The Utilities sector was the only sector with a negative return, losing 1.5%. Consumer Services and Technology also struggled, gaining only 1.3% and 1.9%, respectively.

Returns
for Periods Ended January 31, 2012

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
MSCI:ACWI ex US	6.81	6.81	(8.34)	17.22	(1.26)	7.93
MSCI:ACWI ex US Gr	6.45	6.45	(7.91)	16.57	(0.71)	7.11
MSCI:ACW ex US Val	7.16	7.16	(8.78)	17.87	(1.87)	8.70
MSCI:EAFE US\$	5.33	5.33	(9.59)	13.37	(3.85)	5.79
MSCI:EAFE Hedged	3.85	3.85	(12.80)	5.71	(8.19)	(0.88)
MSCI:Emer Markets	11.36	11.36	(6.35)	27.60	5.16	15.05
S&P:Dev x US Sm Cap	7.84	7.84	(8.68)	20.63	(1.96)	10.52



International stocks came back to life in January after a long slide to end 2011. Developed country stocks, as measured by the MSCI EAFE Index, were up 5.3%. The U.S. dollar weakened in January so U.S. dollar based investors fared better than local currency based investors; the MSCI EAFE-Hedged Index was up only 3.9%. The MSCI Emerging Markets Index surged 11.4%.

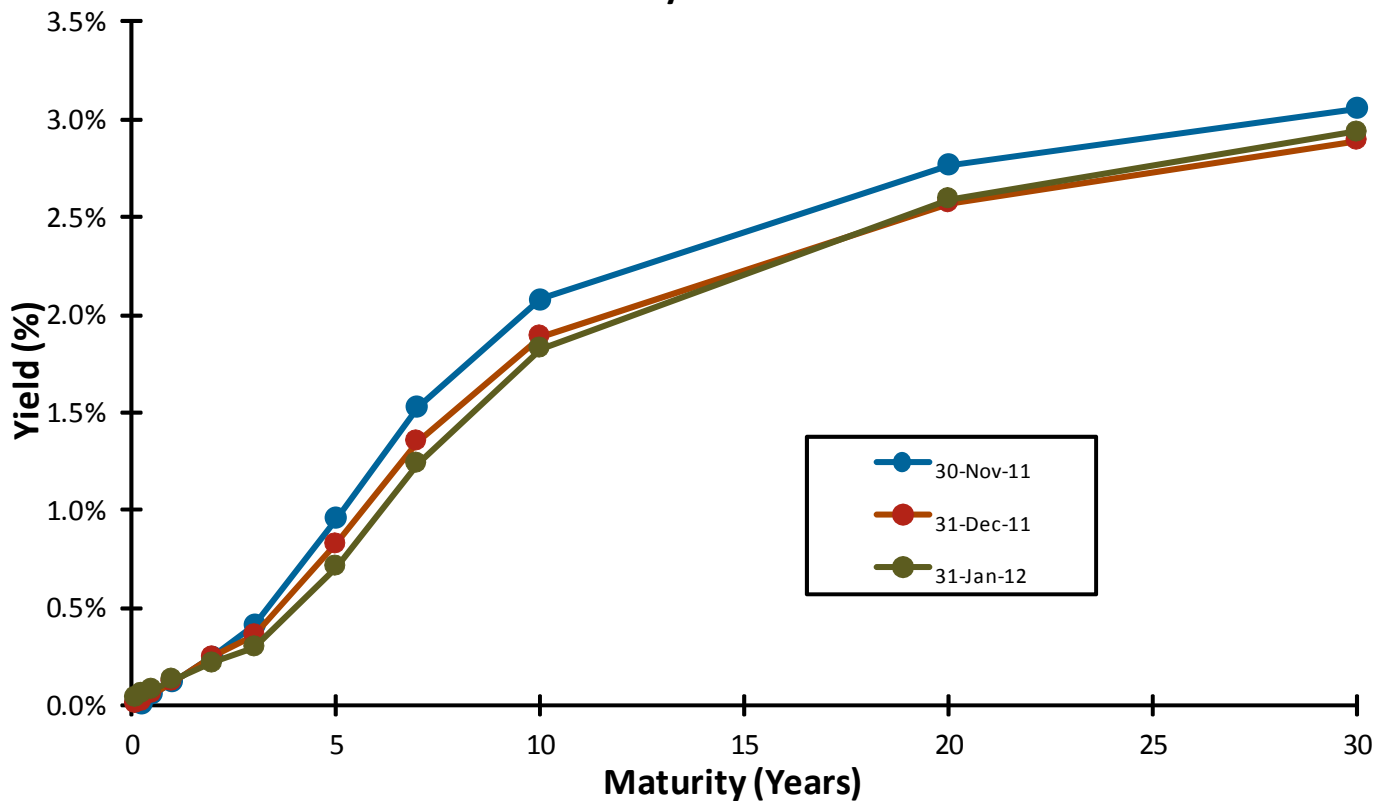
After losing 9.7% in December, Emerging Markets Europe was by far the best performing region in January, jumping 15.2%. Emerging Markets Latin America was the next best performing region, returning 12.6%. Japan lagged all other regions, gaining +4.5%.

Outside the United States, value stocks outperformed growth stocks. The MSCI ACW ex-US Value Index rose 7.2% and the MSCI ACW ex-US Growth Index gained 6.5%.

Returns
for Periods Ended January 31, 2012

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
BC:Aggr Bd	0.88	0.88	8.66	7.40	6.70	5.78
BC:Govt Index	0.44	0.44	9.49	5.04	6.68	5.57
BC:Credit	2.08	2.08	10.38	11.66	7.24	6.48
BC:Mortgage Idx	0.41	0.41	6.61	5.91	6.61	5.64
BC:US TIPS Index	2.29	2.29	15.94	10.60	8.42	7.75
ML:High Yield CP Idx	2.83	2.83	5.28	22.48	7.62	8.78
3 Month T-Bill	0.00	0.00	0.09	0.15	1.40	1.94

Treasury Yield Curve



The yield curve steepened very slightly in January, with yields falling on the shorter end of the curve (2- to 10-year maturities) and rising on the long end (20- to 30-year maturities). Investors also headed back into spread sectors, which benefited lower rated securities. The overall bond market, as represented by the BC Aggregate Bond Index, rose 0.9%. Both the credit and high yield markets performed well (BC Credit Index: +2.1%; ML High Yield Cash Pay Index: +2.8%). TIPS continued their strong run, returning 2.3% in January and 15.9% over the last year (BC US TIPS Index).

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

The Total Fund returned 4.04% during January exceeding the Total Fund Benchmark by 0.40%. Over the trailing year, the Fund was up 2.52%, lagging the benchmark by -1.41%. International equities outperformed their index while domestic equities and fixed income both trailed their target benchmarks over this period.

US Equity

Large Cap: The Fund's Large Cap Growth managers returned 5.91%, trailing the Russell 1000 Growth Index by -0.06%. Sands and Vision both outpaced the index during the month. The Large Cap Value managers returned 4.77%, exceeding the Russell 1000 Value Index return by 0.99%. Dodge & Cox was the best performing manager in the group with a return of 5.45%.

Small Cap: The Small Cap portfolio returned 7.36% during the month. Small Cap Growth managers were up 7.19%. Small Cap Value managers were up 7.18%. The Micro Cap segment gained 8.04% during the month.

International Equity

Large Cap: International Large Cap managers returned -5.74% trailing the MSCI ACW ex-US Index by -1.04%. McKinley turned in the best International Growth performance with a return of 7.07%. Brandes, the sole International Value manager, returned 4.11%. The International Large Cap Active Core Group returned 6.22% during January.

International Small Cap and Emerging Markets: International Small Cap managers returned 6.21% trailing the ACW Small-cap ex US Index return of 8.81%. The emerging markets portfolio managed by Genesis returned 9.44% during January, lagging the MSCI Emerging Markets Index by -1.92%.

Domestic Fixed Income

Active Core: The active core fixed income component returned 1.25%, outperforming the BC Aggregate Index by 37 basis points. The enhanced core portfolio returned 0.77% trailing its index by 11 basis points.

Core Plus: The core plus managers posted a gain of 1.38%, exceeding the BC Aggregate by 50 basis points. Taplin, Canida, Habacht had the best monthly performance at 1.61%.

High Yield: MacKay Shields and Pyramis collectively returned 2.77%, trailing the ML High Yield index return of 2.83%.

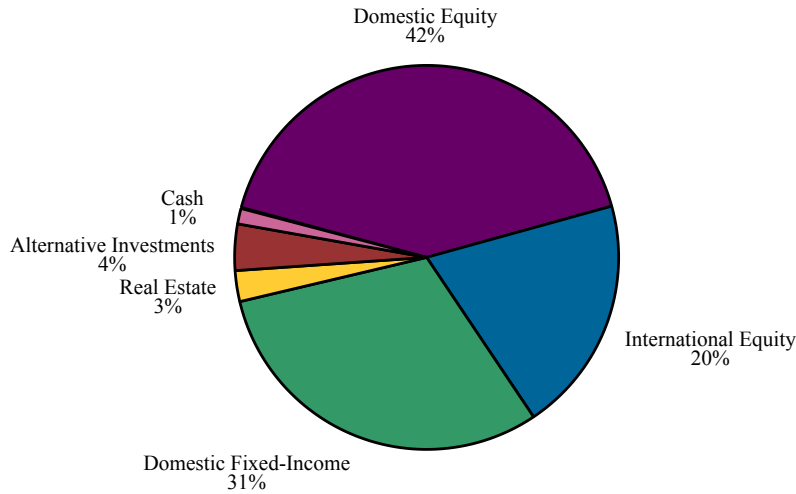
Alternatives

Performance for real estate, absolute return, private equity, agriculture and timberland are incomplete and/or lagged in the monthly reports so are not representative of current returns.

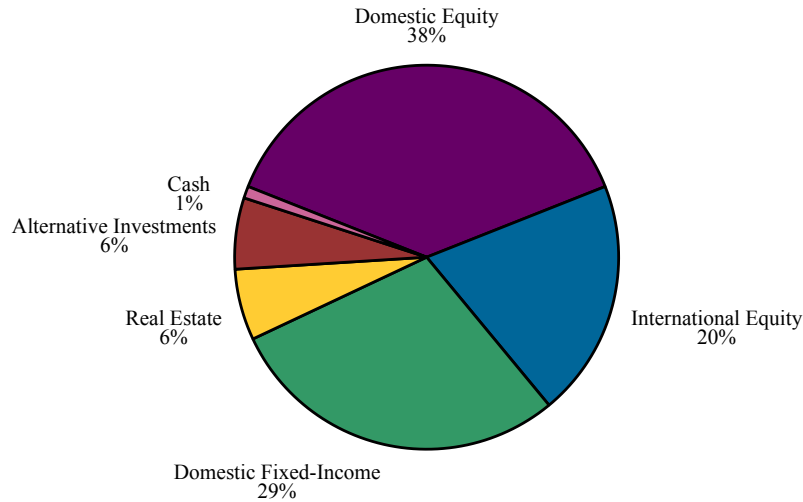
Actual vs Target Asset Allocation

The first chart below shows the Funds asset allocation as of January 31, 2012. 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	10,710	41.5%	38.0%	3.5%	905
International Equity	5,140	19.9%	20.0%	(0.1%)	(20)
Domestic Fixed-Income	7,915	30.7%	29.0%	1.7%	432
Real Estate	683	2.6%	6.0%	(3.4%)	(865)
Alternative Investments	1,015	3.9%	6.0%	(2.1%)	(533)
Cash	340	1.3%	1.0%	0.3%	82
Total	25,803	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 January 31, 2012, with the distribution as of December 31, 2011.

Asset Distribution Across Investment Managers

	January 31, 2012		December 31, 2011	
	Market Value	Percent	Market Value	Percent
Domestic Equity	\$10,709,936,894	41.51%	\$10,122,745,484	40.94%
Large Cap Growth				
BlackRock LCG	555,070,413	2.15%	525,362,056	2.12%
Holland	710,038,987	2.75%	673,173,368	2.72%
NTGI S&P 500 Growth Idx	783,662,150	3.04%	752,584,904	3.04%
Sands	725,557,211	2.81%	668,668,377	2.70%
Vision	52,168,585	0.20%	48,970,796	0.20%
Large Cap Value				
Dodge & Cox	634,904,835	2.46%	602,112,635	2.44%
BMO	700,535,281	2.71%	673,111,775	2.72%
LSV	673,109,407	2.61%	642,862,491	2.60%
NTGI S&P 500 Value Idx	718,201,208	2.78%	684,658,724	2.77%
Large Cap Core				
Piedmont	125,451,458	0.49%	120,254,548	0.49%
Progress	412,714,564	1.60%	388,656,977	1.57%
NTGI MarketCap Index	1,973,913,446	7.65%	1,878,956,915	7.60%
Small Cap Growth				
Buford	30,011,519	0.12%	28,575,369	0.12%
Fortaleza	31,776,833	0.12%	29,737,599	0.12%
Frontier	486,090,584	1.88%	452,692,402	1.83%
Pyramis	502,976,454	1.95%	469,352,541	1.90%
Small Cap Value				
Channing	49,821,388	0.19%	46,851,114	0.19%
Dimensional Small Cap Value	413,280,613	1.60%	384,427,066	1.55%
Inv. Counselors of Maryland	488,217,284	1.89%	455,235,136	1.84%
Lombardia	106,863,784	0.41%	100,812,634	0.41%
Micro Cap				
Ariel	56,393,345	0.22%	53,356,116	0.22%
Ativo	28,100,179	0.11%	26,714,113	0.11%
Dimensional Micro Cap	182,454,580	0.71%	171,008,363	0.69%
Wall Street	268,622,786	1.04%	244,609,466	0.99%
International Equity	\$5,140,240,606	19.92%	\$4,845,651,094	19.60%
International Large Cap Growth				
EARNEST Partners	290,795,044	1.13%	274,624,018	1.11%
McKinley	272,580,974	1.06%	254,575,621	1.03%
William Blair	716,797,354	2.78%	670,804,457	2.71%
International Large Cap Value				
Brandes	596,722,962	2.31%	573,193,260	2.32%
International Large Cap Core				
Arrowstreet	365,561,752	1.42%	345,668,020	1.40%
Brown	173,568,875	0.67%	164,271,468	0.66%
GlobeFlex	369,668,571	1.43%	345,647,601	1.40%
NTGI MSCI EAFE Index	1,624,708,727	6.30%	1,542,220,647	6.24%
International Small Cap				
AXA Rosenberg	197,770	0.00%	195,150	0.00%
Franklin Templeton	127,726,513	0.50%	119,531,676	0.48%
William Blair	151,204,818	0.59%	143,095,295	0.58%

Franklin Templeton Intl SC was funded 07/27/2011. BlackRock LCG was funded 07/12/2011. Vision was funded 06/17/2011. Channing and Lombardia were funded 05/26/2011. Piedmont LC was funded 05/19/2011. 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 January 31, 2012, with the distribution as of December 31, 2011.

Asset Distribution Across Investment Managers

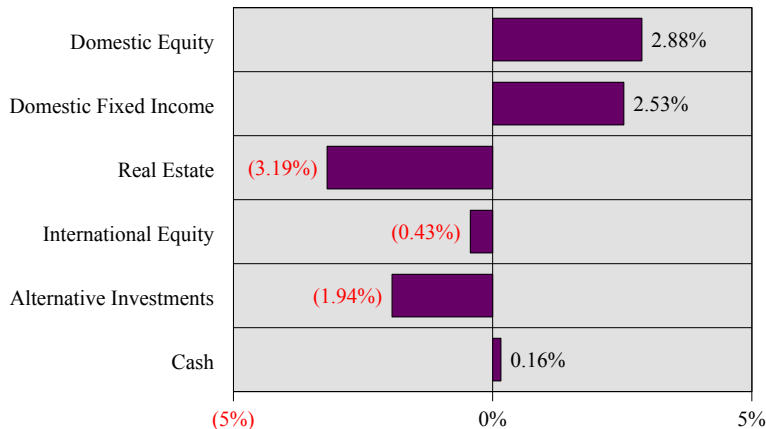
	January 31, 2012		December 31, 2011	
	Market Value	Percent	Market Value	Percent
Emerging Markets				
Genesis	450,707,247	1.75%	411,823,881	1.67%
Domestic Fixed-Income	\$7,914,592,576	30.67%	\$7,807,851,494	31.58%
Domestic Fixed Core				
EARNEST Partners	514,912,011	2.00%	508,731,916	2.06%
Piedmont	505,917,145	1.96%	499,501,658	2.02%
BlackRock Enhanced	923,879,758	3.58%	916,803,782	3.71%
NTGI BC Aggregate Index	1,361,052,607	5.27%	1,349,189,814	5.46%
Domestic Fixed Core Plus				
BlackRock Core Plus	684,360,318	2.65%	676,781,470	2.74%
LM Capital	790,886,025	3.07%	779,887,443	3.15%
Progress Fixed Income	407,487,386	1.58%	401,957,364	1.63%
Taplin, Canida, & Habacht	768,802,900	2.98%	756,637,546	3.06%
Western	1,033,478,078	4.01%	1,019,443,049	4.12%
High Yield				
MacKay Shields	453,714,607	1.76%	442,560,541	1.79%
Pyramis High Yield	470,101,741	1.82%	456,356,912	1.85%
Real Estate	\$682,753,897	2.65%	\$708,319,810	2.86%
Real Estate Opportunistic				
Franklin Templeton EMREFF	10,296,774	0.04%	10,453,937	0.04%
Lazard Freres	3,990,962	0.02%	27,281,603	0.11%
Olympus Real Estate Fund II	1,155,858	0.00%	1,155,858	0.00%
Security	50,960,026	0.20%	48,838,952	0.20%
Dune Real Estate Fund II	28,183,754	0.11%	28,183,754	0.11%
Real Estate Core				
BlackRock Granite Fund	66,459,957	0.26%	66,459,957	0.27%
Buckhead	221,173,645	0.86%	226,868,054	0.92%
Cornerstone	77,552,715	0.30%	77,552,715	0.31%
INVESCO	79,879,464	0.31%	79,879,464	0.32%
Sentinel	24,999,501	0.10%	24,999,505	0.10%
Real Estate Value Added				
Cornerstone Fund VIII	13,069,885	0.05%	16,567,984	0.07%
Rockwood	24,871,736	0.10%	20,514,211	0.08%
Almanac Realty	32,544,139	0.13%	31,948,336	0.13%
TA Fund IX	47,615,480	0.18%	47,615,480	0.19%
Alternative Investments	\$1,015,337,664	3.93%	\$1,005,150,642	4.07%
Absolute Return				
Aurora	135,642,210	0.53%	132,781,432	0.54%
Grosvenor	116,552,167	0.45%	114,877,656	0.46%
Mesirow	116,766,094	0.45%	113,742,437	0.46%
Private Equity				
Abbott	281,994,273	1.09%	281,969,191	1.14%
Muller & Monroe ILPEFF	12,859,094	0.05%	13,722,465	0.06%
Muller & Monroe MPEFF	15,697,928	0.06%	15,773,541	0.06%
Pantheon	160,544,492	0.62%	159,386,272	0.64%
Agriculture				
Cozad/Westchester	110,269,278	0.43%	107,885,521	0.44%
Timberland				
Forest Investment Assoc.	64,968,389	0.25%	64,968,389	0.26%
Cash	\$339,894,576	1.32%	\$234,163,097	0.95%



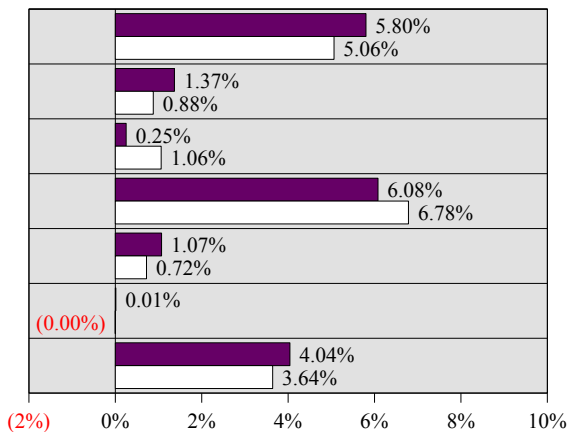
Monthly Total Fund Relative Attribution - January 31, 2012

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.

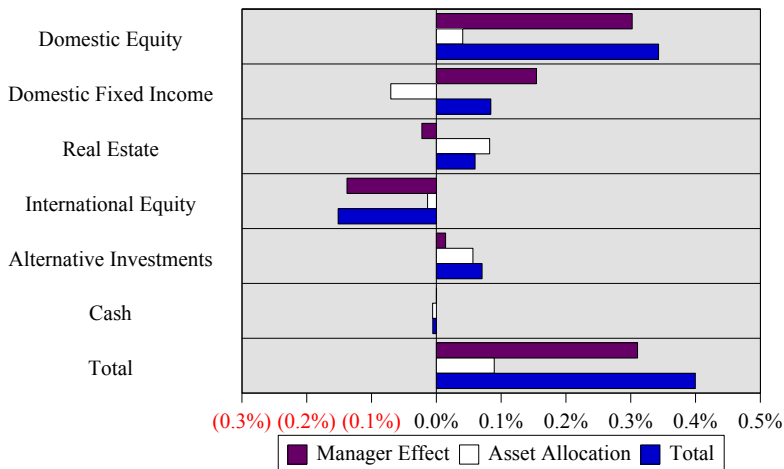
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Month ended January 31, 2012

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	41%	38%	5.80%	5.06%	0.30%	0.04%	0.34%
Domestic Fixed Income	32%	29%	1.37%	0.88%	0.15%	(0.07%)	0.08%
Real Estate	3%	6%	0.25%	1.06%	(0.02%)	0.08%	0.06%
International Equity	20%	20%	6.08%	6.78%	(0.14%)	(0.01%)	(0.15%)
Alternative Investments	4%	6%	1.07%	0.72%	0.01%	0.06%	0.07%
Cash	1%	1%	0.01%	(0.00%)	0.00%	(0.01%)	(0.01%)

Total $4.04\% = 3.64\% + 0.31\% + 0.09\%$

* 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 January 31, 2012

	Last Month	Last 3 Months	Last 12 Months
Domestic Equity (12/31/81)	5.80%	6.05%	3.00%
DJ U.S. Total Stock Market Index	5.06%	5.61%	3.90%
Domestic Equity - Net (12/31/04)	5.75%	5.94%	2.73%
International Equity (08/31/86)	6.08%	(0.01%)	(7.75%)
MSCI ACWI x US (Net)	6.78%	0.20%	(8.75%)
International Equity - Net (12/31/04)	6.01%	(0.13%)	(8.03%)
Domestic Fixed-Income (12/31/81)	1.37%	2.37%	8.52%
BC Aggregate Index	0.88%	1.90%	8.66%
Domestic Fixed-Inc. - Net (12/31/04)	1.34%	2.32%	8.35%
Real Estate (04/30/85)	0.25%	2.02%	11.71%
Blended Benchmark**	1.06%	3.21%	15.11%
Real Estate - Net (12/31/04)	0.25%	2.02%	11.71%
Alternative Investments (01/31/86)	1.07%	0.07%	5.70%
Alternatives Custom Benchmark***	0.72%	2.18%	9.00%
Alternative Investments - Net (12/31/04)	1.07%	0.01%	5.49%
Absolute Return (12/31/01)	2.09%	1.65%	(3.21%)
HFR Fund-of-Funds Index	1.93%	0.47%	(3.96%)
Private Equity (01/31/86)	0.23%	(3.36%)	12.36%
Alternatives Custom Benchmark***	0.72%	2.18%	9.00%
Agriculture (09/30/97)	2.08%	12.03%	12.03%
Blended Benchmark**	1.06%	3.21%	15.11%
Timberland (09/30/92)	(0.25%)	(1.09%)	3.20%
Blended Benchmark**	1.06%	3.21%	15.11%
Total Fund (12/31/81)	4.04%	3.24%	2.52%
Total Fund Benchmark	3.64%	3.08%	3.93%
Total Fund - Net (12/31/04)	4.00%	3.16%	2.28%

* 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 January 31, 2012

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Equity (12/31/81)	21.22%	1.14%	4.96%	11.13%
DJ U.S. Total Stock Market Index	20.44%	0.86%	4.51%	10.73%
Domestic Equity - Net (12/31/04)	20.92%	0.88%	-	3.91%
International Equity (08/31/86)	16.95%	(2.07%)	7.56%	7.86%
MSCI ACWI x US (Net)	16.70%	(1.71%)	7.48%	-
International Equity - Net (12/31/04)	16.60%	(2.37%)	-	4.06%
Domestic Fixed-Income (12/31/81)	10.97%	7.21%	6.55%	9.36%
BC Aggregate Index	7.40%	6.70%	5.78%	8.82%
Domestic Fixed-Inc. - Net (12/31/04)	10.82%	7.08%	-	6.04%
Real Estate (04/30/85)	(2.21%)	(1.27%)	4.92%	4.03%
Blended Benchmark**	4.63%	4.05%	5.93%	7.20%
Real Estate - Net (12/31/04)	(2.21%)	(1.27%)	-	3.88%
Alternative Investments (01/31/86)	4.87%	4.61%	6.52%	11.08%
Alternatives Custom Benchmark***	10.41%	11.04%	11.89%	13.80%
Alternative Investments - Net (12/31/04)	4.57%	4.37%	-	7.54%
Absolute Return (12/31/01)	5.77%	0.99%	4.45%	4.49%
HFR Fund-of-Funds Index	4.01%	(0.61%)	3.41%	3.51%
Private Equity (01/31/86)	4.77%	7.65%	7.95%	13.24%
Alternatives Custom Benchmark***	10.41%	11.04%	11.89%	13.80%
Agriculture (09/30/97)	4.78%	4.45%	6.72%	6.19%
Blended Benchmark**	4.63%	4.05%	5.93%	6.29%
Timberland (09/30/92)	0.85%	7.10%	4.55%	9.35%
Blended Benchmark**	4.63%	4.05%	5.93%	6.63%
Total Fund (12/31/81)	15.15%	3.47%	6.51%	10.03%
Total Fund Benchmark	14.35%	3.79%	6.30%	-
Total Fund - Net (12/31/04)	14.91%	3.25%	-	-

* 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 January 31, 2012

	Last Month	Last 3 Months	Last 12 Months
Large Cap Equity (12/31/81)	5.30%	5.45%	3.46%
Russell 1000 Index	4.87%	5.47%	3.95%
Large Cap Growth (12/31/81)	5.91%	4.52%	5.44%
BlackRock LCG (07/31/11)	5.65%	2.56%	-
LCG Blended Benchmark*	5.97%	5.62%	6.07%
Russell 1000 Growth Index	5.97%	5.62%	6.07%
BlackRock LCG - Net (07/31/11)	5.65%	2.56%	-
Holland (10/31/94)	5.48%	4.18%	8.16%
LCG Blended Benchmark*	5.97%	5.62%	6.07%
Russell 1000 Growth Index	5.97%	5.62%	6.07%
Holland - Net (12/31/04)	5.42%	4.13%	7.79%
NTGI S&P 500 Growth Idx (07/31/01)	4.13%	4.36%	7.28%
S&P/Citi 500 Growth Index	4.12%	4.33%	7.31%
NTGI S&P 500 Growth Idx - Net (12/31/04)	4.13%	4.36%	7.26%
Sands (10/31/03)	8.51%	6.56%	9.48%
LCG Blended Benchmark*	5.97%	5.62%	6.07%
Russell 1000 Growth Index	5.97%	5.62%	6.07%
Sands - Net (12/31/04)	8.44%	6.50%	9.21%
Vision (06/30/2011)	6.53%	4.90%	-
LCG Blended Benchmark*	5.97%	5.62%	6.07%
Russell 1000 Growth Index	5.97%	5.62%	6.07%
Vision - Net (06/30/2011)	6.38%	4.59%	-
Large Cap Value (09/30/82)	4.77%	6.38%	1.47%
Dodge & Cox (08/31/03)	5.45%	5.86%	(0.78%)
LCV Blended Benchmark**	3.78%	5.33%	1.88%
Russell 1000 Value Index	3.78%	5.33%	1.88%
Dodge & Cox - Net (12/31/04)	5.40%	5.80%	(0.98%)
BMO (01/31/01)	4.07%	6.78%	4.60%
LCV Blended Benchmark**	3.78%	5.33%	1.88%
Russell 1000 Value Index	3.78%	5.33%	1.88%
BMO - Net (12/31/04)	4.07%	6.71%	4.35%
LSV (01/31/03)	4.71%	6.38%	2.04%
LCV Blended Benchmark**	3.78%	5.33%	1.88%
Russell 1000 Value Index	3.78%	5.33%	1.88%
LSV - Net (12/31/04)	4.64%	6.23%	1.70%
NTGI S&P 500 Value Idx (07/31/99)	4.90%	6.46%	1.15%
S&P/Citi 500 Value Index	4.91%	6.49%	1.13%
NTGI S&P 500 Value Idx - Net (12/31/04)	4.90%	6.45%	1.14%

* 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 January 31, 2012

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Equity (12/31/81)	20.06%	0.71%	3.98%	10.58%
Russell 1000 Index	20.01%	0.55%	3.97%	10.92%
Large Cap Growth (12/31/81)	22.40%	3.56%	3.55%	11.14%
BlackRock LCG (07/31/11)	-	-	-	(4.34%)
LCG Blended Benchmark*	22.31%	3.17%	3.33%	2.84%
Russell 1000 Growth Index	22.31%	3.17%	3.38%	2.84%
BlackRock LCG - Net (07/31/11)	-	-	-	(4.34%)
Holland (10/31/94)	23.61%	5.29%	5.01%	9.38%
LCG Blended Benchmark*	22.31%	3.17%	3.33%	8.40%
Russell 1000 Growth Index	22.31%	3.17%	3.38%	7.43%
Holland - Net (12/31/04)	23.20%	5.00%	-	4.56%
NTGI S&P 500 Growth Idx (07/31/01)	20.21%	2.96%	3.30%	2.93%
S&P/Citi 500 Growth Index	20.15%	2.96%	3.28%	2.89%
NTGI S&P 500 Growth Idx - Net (12/31/04)	20.19%	2.95%	-	4.32%
Sands (10/31/03)	35.43%	7.34%	-	9.03%
LCG Blended Benchmark*	22.31%	3.17%	3.33%	5.70%
Russell 1000 Growth Index	22.31%	3.17%	3.38%	5.93%
Sands - Net (12/31/04)	35.09%	7.04%	-	6.22%
Vision (06/30/2011)	-	-	-	1.19%
LCG Blended Benchmark*	22.31%	3.17%	3.33%	1.81%
Russell 1000 Growth Index	22.31%	3.17%	3.38%	1.81%
Vision - Net (06/30/2011)	-	-	-	0.88%
Large Cap Value (09/30/82)	17.89%	(1.82%)	4.31%	9.59%
Dodge & Cox (08/31/03)	18.94%	(2.63%)	-	5.84%
LCV Blended Benchmark**	17.63%	(2.16%)	3.84%	5.37%
Russell 1000 Value Index	17.63%	(2.16%)	4.36%	5.61%
Dodge & Cox - Net (12/31/04)	18.66%	(2.85%)	-	1.94%
BMO (01/31/01)	16.34%	(0.15%)	5.58%	5.16%
LCV Blended Benchmark**	17.63%	(2.16%)	3.84%	2.05%
Russell 1000 Value Index	17.63%	(2.16%)	4.36%	3.32%
BMO - Net (12/31/04)	16.05%	(0.39%)	-	3.85%
LSV (01/31/03)	19.03%	(1.37%)	-	8.41%
LCV Blended Benchmark**	17.63%	(2.16%)	3.84%	6.63%
Russell 1000 Value Index	17.63%	(2.16%)	4.36%	6.69%
LSV - Net (12/31/04)	18.67%	(1.65%)	-	3.24%
NTGI S&P 500 Value Idx (07/31/99)	18.37%	(2.33%)	3.69%	2.05%
S&P/Citi 500 Value Index	18.35%	(2.37%)	3.66%	2.05%
NTGI S&P 500 Value Idx - Net (12/31/04)	18.36%	(2.34%)	-	2.05%

* 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 January 31, 2012

	Last Month	Last 3 Months	Last 12 Months
Large Cap Active Core (12/31/04)	5.75%	5.07%	3.27%
Piedmont (05/31/11)	4.32%	4.76%	-
Russell 1000 Index	4.87%	5.47%	3.95%
Piedmont - Net (05/31/11)	4.22%	4.66%	-
Progress (01/31/05)	6.19%	5.16%	3.54%
DJ U.S. Total Stock Market Index	5.06%	5.61%	3.90%
Progress - Net (01/31/05)	6.04%	4.86%	2.78%
Large Cap Passive Core (12/31/84)	5.05%	5.63%	3.97%
NTGI MarketCap Idx (01/31/85)	5.05%	5.63%	3.97%
DJ U.S. Total Stock Market Index	5.06%	5.61%	3.90%
NTGI MarketCap Idx - Net (12/31/04)	5.05%	5.63%	3.96%



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 January 31, 2012

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Active Core (12/31/04)	18.95%	0.90%	-	3.81%
Piedmont (05/31/11)	-	-	-	(4.78%)
Russell 1000 Index	20.01%	0.55%	3.97%	(1.68%)
Piedmont - Net (05/31/11)	-	-	-	(5.05%)
Progress (01/31/05)	19.06%	0.96%	-	3.90%
DJ U.S. Total Stock Market Index	20.44%	0.86%	4.51%	3.88%
Progress - Net (01/31/05)	18.30%	0.35%	-	3.28%
Large Cap Passive Core (12/31/84)	20.66%	0.64%	4.38%	10.45%
NTGI MarketCap Idx (01/31/85)	20.70%	0.66%	4.39%	10.48%
DJ U.S. Total Stock Market Index	20.44%	0.86%	4.51%	10.45%
NTGI MarketCap Idx - Net (12/31/04)	20.69%	0.65%	-	3.68%

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 January 31, 2012

	Last Month	Last 3 Months	Last 12 Months
Small Cap Equity (06/30/88)	7.36%	7.91%	1.55%
Russell 2000 Index	7.07%	7.38%	2.86%
Small Cap Growth (06/30/88)	7.19%	7.02%	0.26%
Buford (10/31/06)	5.03%	3.56%	(3.07%)
Russell 2000 Growth Index	7.48%	6.67%	4.94%
Buford - Net (10/31/06)	4.92%	3.46%	(3.45%)
Fortaleza (11/30/06)	6.86%	7.61%	8.64%
Russell 2000 Growth Index	7.48%	6.67%	4.94%
Fortaleza - Net (11/30/06)	6.73%	7.35%	8.13%
Frontier (07/31/88)	7.38%	5.17%	(1.77%)
Russell 2000 Growth Index	7.48%	6.67%	4.94%
Frontier - Net (12/31/04)	6.99%	4.66%	(2.49%)
Pyramis (07/31/88)	7.16%	9.06%	1.46%
Russell 2000 Growth Index	7.48%	6.67%	4.94%
Pyramis - Net (12/31/04)	7.16%	8.61%	0.66%
Small Cap Value (08/31/89)	7.18%	8.25%	2.08%
Channing (06/30/11)	6.34%	6.85%	-
Russell 2000 Value Index	6.65%	8.10%	0.73%
Channing - Net (06/30/11)	6.14%	6.65%	-
DFA Small Cap Value (01/31/96)	7.51%	7.85%	(0.01%)
Russell 2000 Value Index	6.65%	8.10%	0.73%
DFA Small Cap Value - Net (12/31/04)	7.51%	7.74%	(0.46%)
Inv. Counselors of Maryland (04/30/99)	7.25%	8.10%	3.35%
Russell 2000 Value Index	6.65%	8.10%	0.73%
Inv. Couns. of Maryland - Net (12/31/04)	7.25%	7.99%	2.92%
Lombardia (05/31/11)	6.00%	11.22%	-
Russell 2000 Value Index	6.65%	8.10%	0.73%
Lombardia - Net (05/31/11)	5.83%	11.04%	-
Micro Cap (06/30/84)	8.04%	9.03%	2.29%
Ariel (10/31/2010)	5.69%	9.75%	(2.17%)
Russell 2000 Growth Index	7.48%	6.67%	4.94%
Russell 2000 Index	7.07%	7.38%	2.86%
Russell Microcap Index	8.52%	9.00%	(0.50%)
Ariel - Net (10/31/10)	5.48%	9.53%	(3.01%)
Ativo (09/30/10)	5.19%	3.79%	(2.87%)
Russell 2000 Growth Index	7.48%	6.67%	4.94%
Russell 2000 Index	7.07%	7.38%	2.86%
Russell Microcap Index	8.52%	9.00%	(0.50%)
Ativo - Net (09/30/10)	4.99%	3.59%	(3.63%)
DFA Micro Cap (07/31/87)	6.69%	7.31%	4.65%
Russell 2000 Growth Index	7.48%	6.67%	4.94%
Russell 2000 Index	7.07%	7.38%	2.86%
DFA Micro Cap - Net (12/31/04)	6.69%	7.20%	4.16%
Wall Street (07/31/90)	9.81%	10.66%	2.39%
Russell 2000 Growth Index	7.48%	6.67%	4.94%
Russell 2000 Index	7.07%	7.38%	2.86%
Wall Street - Net (12/31/04)	9.81%	10.45%	1.75%

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 January 31, 2012

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Small Cap Equity (06/30/88)	26.59%	3.74%	9.39%	12.22%
Russell 2000 Index	23.03%	1.19%	6.45%	9.14%
Small Cap Growth (06/30/88)	25.62%	4.56%	8.95%	12.97%
Buford (10/31/06)	16.45%	1.32%	-	2.68%
Russell 2000 Growth Index	25.16%	3.19%	5.62%	3.82%
Buford - Net (10/31/06)	15.95%	0.91%	-	2.25%
Fortaleza (11/30/06)	24.33%	3.08%	-	3.10%
Russell 2000 Growth Index	25.16%	3.19%	5.62%	3.82%
Fortaleza - Net (11/30/06)	23.75%	2.56%	-	2.60%
Frontier (07/31/88)	25.73%	5.73%	8.37%	13.05%
Russell 2000 Growth Index	25.16%	3.19%	5.62%	6.90%
Frontier - Net (12/31/04)	24.63%	4.83%	-	6.82%
Pyramis (07/31/88)	27.17%	5.34%	10.35%	13.60%
Russell 2000 Growth Index	25.16%	3.19%	5.62%	6.90%
Pyramis - Net (12/31/04)	26.38%	4.70%	-	8.66%
Small Cap Value (08/31/89)	26.69%	1.92%	9.62%	11.85%
Channing (06/30/11)	-	-	-	(3.23%)
Russell 2000 Value Index	20.85%	(0.90%)	6.95%	(2.88%)
Channing - Net (06/30/11)	-	-	-	(3.70%)
DFA Small Cap Value (01/31/96)	29.18%	0.52%	10.08%	12.18%
Russell 2000 Value Index	20.85%	(0.90%)	6.95%	9.16%
DFA Small Cap Value - Net (12/31/04)	28.56%	0.01%	-	4.49%
Inv. Counselors of Maryland (04/30/99)	25.62%	2.71%	9.40%	11.74%
Russell 2000 Value Index	20.85%	(0.90%)	6.95%	9.02%
Inv. Couns. of Maryland - Net (12/31/04)	24.98%	2.17%	-	5.45%
Lombardia (05/31/11)	-	-	-	(1.40%)
Russell 2000 Value Index	20.85%	(0.90%)	6.95%	(5.27%)
Lombardia - Net (05/31/11)	-	-	-	(1.82%)
Micro Cap (06/30/84)	27.45%	0.55%	6.53%	11.87%
Ariel (10/31/10)	-	-	-	7.86%
Russell 2000 Growth Index	25.16%	3.19%	5.62%	16.23%
Russell 2000 Index	23.03%	1.19%	6.45%	14.13%
Russell Microcap Index	21.78%	(2.41%)	5.47%	12.90%
Ariel - Net (10/31/10)	-	-	-	6.98%
Ativo (09/30/10)	-	-	-	8.61%
Russell 2000 Growth Index	25.16%	3.19%	5.62%	26.50%
Russell 2000 Index	23.03%	1.19%	6.45%	23.03%
Russell Microcap Index	21.78%	(2.41%)	5.47%	21.36%
Ativo - Net (09/30/10)	-	-	-	7.83%
DFA Micro Cap (07/31/87)	25.53%	1.33%	8.77%	10.85%
Russell 2000 Growth Index	25.16%	3.19%	5.62%	6.11%
Russell 2000 Index	23.03%	1.19%	6.45%	8.20%
DFA Micro Cap - Net (12/31/04)	24.95%	0.85%	-	3.86%
Wall Street (07/31/90)	30.06%	1.00%	5.26%	14.07%
Russell 2000 Growth Index	25.16%	3.19%	5.62%	6.66%
Russell 2000 Index	23.03%	1.19%	6.45%	8.96%
Wall Street - Net (12/31/04)	29.07%	0.20%	-	4.53%

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 January 31, 2012

	Last Month	Last 3 Months	Last 12 Months
Intl Large Cap Equity (08/31/86)	5.74%	(0.17%)	(8.14%)
MSCI ACWI ex-US Index	6.78%	0.20%	(8.75%)
Intl Large Cap Growth (08/31/02)	6.68%	0.78%	(6.73%)
EARNEST Partners (09/30/04)	5.89%	0.78%	(6.47%)
MSCI ACWI ex-US Index	6.78%	0.20%	(8.75%)
MSCI ACWI ex-US Growth	6.45%	(0.23%)	(7.91%)
EARNEST Partners - Net (12/31/04)	5.40%	0.33%	(7.08%)
McKinley (02/28/06)	7.07%	0.65%	(8.65%)
MSCI ACWI ex-US Index	6.78%	0.20%	(8.75%)
MSCI ACWI ex-US Growth	6.45%	(0.23%)	(7.91%)
McKinley - Net (02/28/06)	7.07%	0.51%	(9.00%)
William Blair (09/30/02)	6.86%	0.83%	(5.83%)
MSCI ACWI ex-US Index	6.78%	0.20%	(8.75%)
MSCI ACWI ex-US Growth	6.45%	(0.23%)	(7.91%)
William Blair - Net (12/31/04)	6.67%	0.65%	(6.24%)
Intl Large Cap Value (09/30/95)	4.11%	(1.21%)	(9.51%)
Brandes (12/31/95)	4.11%	(1.21%)	(9.51%)
MSCI ACWI ex-US Index	6.78%	0.20%	(8.75%)
MSCI ACWI ex-US Value	7.16%	0.77%	(8.78%)
Brandes - Net (12/31/04)	4.11%	(1.26%)	(9.71%)

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 January 31, 2012

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Equity (08/31/86)	15.83%	(2.73%)	6.75%	7.83%
MSCI ACWI ex-US Index	16.70%	(1.71%)	7.48%	-
Intl Large Cap Growth (08/31/02)	18.54%	(1.72%)	-	9.33%
EARNEST Partners (09/30/04)	24.53%	4.47%	-	12.86%
MSCI ACWI ex-US Index	16.70%	(1.71%)	7.48%	6.71%
MSCI ACWI ex-US Growth	16.57%	(0.71%)	7.11%	7.15%
EARNEST Partners - Net (12/31/04)	23.85%	3.96%	-	10.07%
McKinley (02/28/06)	12.62%	(4.68%)	-	(0.95%)
MSCI ACWI ex-US Index	16.70%	(1.71%)	7.48%	1.45%
MSCI ACWI ex-US Growth	16.57%	(0.71%)	7.11%	1.93%
McKinley - Net (02/28/06)	12.10%	(5.14%)	-	(1.42%)
William Blair (09/30/02)	20.32%	(1.65%)	-	9.34%
MSCI ACWI ex-US Index	16.70%	(1.71%)	7.48%	8.79%
MSCI ACWI ex-US Growth	16.57%	(0.71%)	7.11%	8.55%
William Blair - Net (12/31/04)	19.85%	(2.02%)	-	4.60%
Intl Large Cap Value (09/30/95)	10.99%	(3.90%)	7.17%	9.67%
Brandes (12/31/95)	10.99%	(3.90%)	7.17%	9.72%
MSCI ACWI ex-US Index	16.70%	(1.71%)	7.48%	5.14%
MSCI ACWI ex-US Value	17.87%	(1.87%)	8.70%	-
Brandes - Net (12/31/04)	10.69%	(4.14%)	-	2.01%

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 January 31, 2012

	Last Month	Last 3 Months	Last 12 Months
Intl Large Cap Active Core (01/31/08)	6.22%	0.09%	(6.74%)
Arrowstreet (02/29/08)	5.76%	(0.81%)	(6.73%)
MSCI ACWI ex-US Index	6.78%	0.20%	(8.75%)
Arrowstreet - Net (02/29/08)	5.76%	(0.94%)	(7.18%)
Brown (09/30/04)	5.66%	(0.64%)	(10.63%)
MSCI ACWI ex-US Index	6.78%	0.20%	(8.75%)
Brown - Net (12/31/04)	5.66%	(0.92%)	(10.97%)
GlobeFlex (02/28/06)	6.95%	1.35%	(6.02%)
MSCI ACWI ex-US Index	6.78%	0.20%	(8.75%)
GlobeFlex - Net (02/28/06)	6.84%	1.12%	(6.53%)
Intl Large Cap Pass. Core (12/31/99)	5.35%	(0.68%)	(9.20%)
NTGI MSCI EAFE Idx (01/31/00)	5.35%	(0.68%)	(9.20%)
MSCI EAFE Index	5.33%	(0.73%)	(9.59%)
NTGI EAFE Idx - Net (12/31/04)	5.35%	(0.68%)	(9.20%)
International Small Cap (11/30/05)	6.21%	(0.23%)	(6.85%)
Franklin Templeton (07/31/11)	6.86%	1.16%	-
ACWI Small Cap ex US	8.81%	0.72%	(11.00%)
Franklin Templeton - Net (07/31/11)	6.65%	0.97%	-
William Blair (08/31/10)	5.67%	(1.36%)	(5.04%)
ACWI Small Cap ex US	8.81%	0.72%	(11.00%)
Intl SC Blended Benchmark	8.81%	0.72%	(9.18%)
William Blair - Net (08/31/10)	5.67%	(1.58%)	(5.82%)
Emerging Markets (01/31/92)	9.44%	1.70%	(3.20%)
Genesis (04/30/04)	9.44%	1.70%	(3.20%)
MSCI Emerging Markets Index	11.36%	2.70%	(6.35%)
Genesis - Net (12/31/04)	9.44%	1.59%	(3.73%)

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.

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 January 31, 2012

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Active Core (01/31/08)	20.31%	-	-	(2.23%)
Arrowstreet (02/29/08)	20.31%	-	-	(2.27%)
MSCI ACWI ex-US Index	16.70%	(1.71%)	7.48%	(3.31%)
Arrowstreet - Net (02/29/08)	19.74%	-	-	(2.70%)
Brown (09/30/04)	17.85%	(2.72%)	-	6.40%
MSCI ACWI ex-US Index	16.70%	(1.71%)	7.48%	6.71%
Brown - Net (12/31/04)	17.42%	(3.04%)	-	3.50%
GlobeFlex (02/28/06)	16.81%	(2.46%)	-	1.11%
MSCI ACWI ex-US Index	16.70%	(1.71%)	7.48%	1.45%
GlobeFlex - Net (02/28/06)	16.29%	(2.93%)	-	0.64%
Intl Large Cap Pass. Core (12/31/99)	13.89%	(3.44%)	6.16%	1.31%
NTGI MSCI EAFE Idx (01/31/00)	13.85%	(3.46%)	6.15%	1.31%
MSCI EAFE Index	13.37%	(3.85%)	5.79%	0.95%
NTGI EAFE Idx - Net (12/31/04)	13.85%	(3.46%)	-	2.76%
International Small Cap (11/30/05)	15.50%	(6.06%)	-	0.01%
Franklin Templeton (07/31/11)	-	-	-	(14.40%)
ACWI Small Cap ex US	24.33%	(0.34%)	11.61%	(12.65%)
Franklin Templeton - Net (07/31/11)	-	-	-	(14.68%)
William Blair (08/31/10)	-	-	-	10.68%
ACWI Small Cap ex US	24.33%	(0.34%)	11.61%	7.27%
Intl SC Blended Benchmark	20.42%	(2.06%)	10.46%	9.62%
William Blair - Net (08/31/10)	-	-	-	6.63%
Emerging Markets (01/31/92)	34.85%	8.46%	16.58%	10.44%
Genesis (04/30/04)	34.85%	8.50%	-	16.16%
MSCI Emerging Markets Index	27.60%	5.16%	15.05%	13.01%
Genesis - Net (12/31/04)	34.05%	7.85%	-	13.98%

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-US Small Cap Index thereafter.

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 January 31, 2012

	Last Month	Last 3 Months	Last 12 Months
Dom. Fixed Active Core (03/31/01)	1.25%	2.56%	9.25%
EARNEST Partners (04/30/05)	1.21%	2.65%	9.83%
BC Aggregate Index	0.88%	1.90%	8.66%
EARNEST Partners - Net (04/30/05)	1.21%	2.65%	9.63%
Piedmont (05/31/05)	1.28%	2.48%	8.52%
BC Aggregate Index	0.88%	1.90%	8.66%
Piedmont - Net (05/31/05)	1.24%	2.44%	8.35%
Dom. Fixed Enhanced Core (03/31/00)	0.77%	2.13%	8.70%
BlackRock Enhanced (04/30/00)	0.77%	2.13%	8.70%
BC Aggregate Index	0.88%	1.90%	8.66%
BlackRock Enhanced - Net (12/31/04)	0.75%	2.11%	8.62%
Dom. Fixed Passive Core (12/31/89)	0.88%	1.90%	8.64%
NTGI BC Agg. Index (01/31/90)	0.88%	1.90%	8.64%
BC Aggregate Index	0.88%	1.90%	8.66%
NTGI BC Agg. Index - Net (12/31/04)	0.88%	1.89%	8.63%



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 January 31, 2012

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Dom. Fixed Active Core (03/31/01)	9.41%	6.71%	5.24%	5.48%
EARNEST Partners (04/30/05)	8.88%	6.99%	-	6.22%
BC Aggregate Index	7.40%	6.70%	5.78%	5.95%
EARNEST Partners - Net (04/30/05)	8.66%	6.78%	-	6.01%
Piedmont (05/31/05)	9.25%	6.46%	-	5.62%
BC Aggregate Index	7.40%	6.70%	5.78%	5.81%
Piedmont - Net (05/31/05)	9.06%	6.28%	-	5.41%
Dom. Fixed Enhanced Core (03/31/00)	8.86%	6.50%	5.76%	6.42%
BlackRock Enhanced (04/30/00)	8.86%	6.50%	5.76%	6.47%
BC Aggregate Index	7.40%	6.70%	5.78%	6.45%
BlackRock Enhanced - Net (12/31/04)	8.78%	6.43%	-	5.44%
Dom. Fixed Passive Core (12/31/89)	7.56%	6.56%	5.74%	7.02%
NTGI BC Agg. Index (01/31/90)	7.56%	6.56%	5.74%	7.04%
BC Aggregate Index	7.40%	6.70%	5.78%	7.04%
NTGI BC Agg. Index - Net (12/31/04)	7.54%	6.55%	-	5.51%

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 January 31, 2012

	Last Month	Last 3 Months	Last 12 Months
Domestic Fixed Core Plus (12/31/81)	1.38%	2.35%	8.99%
BlackRock Core Plus (03/31/07)	1.12%	2.71%	9.16%
BC Aggregate Index	0.88%	1.90%	8.66%
BlackRock Core Plus - Net (03/31/07)	1.11%	2.58%	8.99%
LM Capital (04/30/05)	1.41%	2.29%	9.04%
BC Aggregate Index	0.88%	1.90%	8.66%
LM Capital - Net (04/30/05)	1.37%	2.25%	8.86%
Progress Fixed Income (12/31/05)	1.38%	2.16%	8.52%
BC Aggregate Index	0.88%	1.90%	8.66%
Progress Fixed Inc. - Net (12/31/05)	1.29%	1.98%	8.05%
Taplin, Canida, Habacht (04/30/05)	1.61%	2.20%	9.32%
BC Aggregate Index	0.88%	1.90%	8.66%
Taplin, Canida, Hab. - Net (04/30/05)	1.58%	2.17%	9.18%
Western (10/31/01)	1.38%	2.35%	8.79%
BC Aggregate Index	0.88%	1.90%	8.66%
Western - Net (12/31/04)	1.38%	2.32%	8.64%
High Yield (03/31/86)	2.77%	3.14%	5.64%
MacKay Shields (10/31/00)	2.52%	3.33%	7.81%
ML High Yield Cash Pay Index	2.83%	3.11%	5.28%
MacKay Shields - Net (12/31/04)	2.44%	3.24%	7.45%
Pyramis (07/31/86)	3.01%	2.96%	3.63%
ML High Yield Cash Pay Index	2.83%	3.11%	5.28%
Pyramis - Net (12/31/04)	3.01%	2.88%	3.14%



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 January 31, 2012

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Fixed Core Plus (12/31/81)	11.18%	6.76%	6.23%	9.16%
BlackRock Core Plus (03/31/07)	10.51%	-	-	6.80%
BC Aggregate Index	7.40%	6.70%	5.78%	6.48%
BlackRock Core Plus - Net (03/31/07)	10.42%	-	-	6.73%
LM Capital (04/30/05)	9.96%	7.36%	-	6.57%
BC Aggregate Index	7.40%	6.70%	5.78%	5.95%
LM Capital - Net (04/30/05)	9.77%	7.19%	-	6.39%
Progress Fixed Income (12/31/05)	8.76%	7.15%	-	6.81%
BC Aggregate Index	7.40%	6.70%	5.78%	6.28%
Progress Fixed Inc. - Net (12/31/05)	8.36%	6.77%	-	6.47%
Taplin, Canida, Habacht (04/30/05)	9.75%	6.72%	-	5.94%
BC Aggregate Index	7.40%	6.70%	5.78%	5.95%
Taplin, Canida, Hab. - Net (04/30/05)	9.62%	6.59%	-	5.85%
Western (10/31/01)	13.28%	6.39%	6.72%	6.66%
BC Aggregate Index	7.40%	6.70%	5.78%	5.68%
Western - Net (12/31/04)	13.12%	6.24%	-	5.75%
High Yield (03/31/86)	23.44%	7.99%	10.26%	10.28%
MacKay Shields (10/31/00)	20.33%	7.30%	10.32%	9.93%
ML High Yield Cash Pay Index	22.48%	7.62%	8.78%	7.96%
MacKay Shields - Net (12/31/04)	19.92%	6.92%	-	7.12%
Pyramis (07/31/86)	26.83%	8.71%	10.22%	10.02%
ML High Yield Cash Pay Index	22.48%	7.62%	8.78%	8.77%
Pyramis - Net (12/31/04)	26.36%	8.28%	-	8.06%

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 January 31, 2012

	Last Month	Last 3 Months	Last 12 Months
Real Estate Opportunistic (03/31/99)	3.17%	3.65%	6.98%
F. Templeton EMREFF (08/31/11)	(0.92%)	(0.93%)	-
Blended Benchmark*	1.06%	3.21%	15.11%
Lazard Freres (07/31/98)	0.00%	0.00%	(2.12%)
Blended Benchmark*	1.06%	3.21%	15.11%
Olympus RE Fund II (05/31/98)	0.00%	3.55%	(2.26%)
Blended Benchmark*	1.06%	3.21%	15.11%
Security (10/31/97)	6.73%	5.42%	9.74%
Blended Benchmark*	1.06%	3.21%	15.11%
Dune Real Estate Fund II (01/31/09)	0.00%	4.07%	18.29%
Blended Benchmark*	1.06%	3.21%	15.11%
Real Estate Core (03/31/99)	(0.60%)	1.60%	12.32%
BlackRock Granite Fund (07/31/07)	0.00%	1.63%	15.20%
Blended Benchmark*	1.06%	3.21%	15.11%
Buckhead (07/31/95)	(1.26%)	1.17%	10.75%
Blended Benchmark*	1.06%	3.21%	15.11%
Cornerstone (07/31/11)	0.00%	3.40%	-
Blended Benchmark*	1.06%	3.21%	15.11%
INVESCO (04/30/2011)	0.00%	2.26%	-
RE Blended Benchmark	1.06%	3.21%	15.11%
Sentinel (09/30/85)	0.00%	0.00%	22.42%
Blended Benchmark*	1.06%	3.21%	15.11%
Real Estate Value Added (09/30/08)	1.21%	2.41%	13.37%
Cornerstone Fund VIII (09/30/11)	9.31%	7.89%	-
Blended Benchmark*	1.06%	3.21%	15.11%
Rockwood (03/31/09)	(0.02%)	3.08%	25.94%
Blended Benchmark*	1.06%	3.21%	15.11%
Almanac Realty (09/30/08)	0.00%	(0.82%)	2.75%
Blended Benchmark*	1.06%	3.21%	15.11%
TA - Fund IX (04/30/10)	0.00%	2.43%	14.01%
Blended Benchmark*	1.06%	3.21%	15.11%

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 January 31, 2012

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Real Estate Opportunistic (03/31/99)	14.85%	(0.42%)	9.23%	8.65%
F. Templeton EMREFF (08/31/11) Blended Benchmark*	- 4.63%	- 4.05%	- 5.93%	(6.80%) 5.51%
Lazard Freres (07/31/98) Blended Benchmark*	0.75% 4.63%	5.17% 4.05%	6.49% 5.93%	(0.01%) 6.28%
Olympus RE Fund II (05/31/98) Blended Benchmark*	(18.46%) 4.63%	(14.38%) 4.05%	(10.48%) 5.93%	(7.44%) 6.29%
Security (10/31/97) Blended Benchmark*	31.89% 4.63%	0.98% 4.05%	14.44% 5.93%	13.89% 6.27%
Dune Real Estate Fund II (01/31/09) Blended Benchmark*	(11.14%) 4.63%	- 4.05%	- 5.93%	(10.86%) 3.68%
Real Estate Core (03/31/99)	(4.79%)	(0.76%)	3.95%	5.54%
BlackRock Granite Fund (07/31/07) Blended Benchmark*	(9.08%) 4.63%	- 4.05%	- 5.93%	(8.95%) 2.79%
Buckhead (07/31/95) Blended Benchmark*	(2.23%) 4.63%	4.04% 4.05%	7.59% 5.93%	10.00% 6.43%
Cornerstone (07/31/11) Blended Benchmark*	- 4.63%	- 4.05%	- 5.93%	3.40% 6.74%
INVESCO (04/30/2011) Blended Benchmark*	- 4.63%	- 4.05%	- 5.93%	10.60% 12.46%
Sentinel (09/30/85) Blended Benchmark*	(4.75%) 4.63%	(2.78%) 4.05%	3.03% 5.93%	4.40% 7.19%
Real Estate Value Added (09/30/08)	0.98%	-	-	(7.20%)
Cornerstone Fund VIII (09/30/11) Blended Benchmark*	- 4.63%	- 4.05%	- 5.93%	7.89% 4.30%
Rockwood (03/31/09) Blended Benchmark*	- 4.63%	- 4.05%	- 5.93%	(64.10%) 5.64%
Almanac Realty (09/30/08) Blended Benchmark*	7.46% 4.63%	- 4.05%	- 5.93%	(1.99%) 0.84%
TA - Fund IX (04/30/10) Blended Benchmark*	- 4.63%	- 4.05%	- 5.93%	5.04% 16.15%

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 January 31, 2012

	Last Month	Last 3 Months	Last 12 Months
Absolute Return (12/31/01)	2.09%	1.65%	(3.21%)
Aurora (10/31/01)	2.15%	0.67%	(3.63%)
Alternatives Custom Benchmark*	0.72%	2.18%	9.00%
HFR Fund-of-Funds Index	1.93%	0.47%	(3.96%)
Grosvenor (01/31/02)	1.46%	0.40%	(2.75%)
Alternatives Custom Benchmark*	0.72%	2.18%	9.00%
HFR Fund-of-Funds Index	1.93%	0.47%	(3.96%)
Mesirow (01/31/02)	2.66%	4.10%	(3.19%)
Alternatives Custom Benchmark*	0.72%	2.18%	9.00%
HFR Fund-of-Funds Index	1.93%	0.47%	(3.96%)
Private Equity (01/31/86)	0.23%	(3.36%)	12.36%
Abbott (06/30/87)	0.01%	(3.92%)	13.51%
Alternatives Custom Benchmark*	0.72%	2.18%	9.00%
Abbott - Net (12/31/04)	0.01%	(4.03%)	12.98%
Muller & Monroe ILPEFF (06/30/05)	(0.19%)	(0.74%)	2.28%
Alternatives Custom Benchmark*	0.72%	2.18%	9.00%
Muller & Monroe MPEFF (04/30/08)	(0.37%)	(4.67%)	11.35%
Alternatives Custom Benchmark*	0.72%	2.18%	9.00%
Pantheon (10/31/00)	0.73%	(2.45%)	11.26%
Alternatives Custom Benchmark*	0.72%	2.18%	9.00%
Pantheon - Net (12/31/04)	0.73%	(2.58%)	10.82%
Agriculture (09/30/97)	2.08%	12.03%	12.03%
Cozad/Westchester (09/30/97)	2.08%	12.03%	12.03%
Blended Benchmark**	1.06%	3.21%	15.11%
Timberland (09/30/92)	(0.25%)	(1.09%)	3.20%
Forest Investment Assoc. (09/30/92)	(0.25%)	(1.09%)	3.20%
Blended Benchmark**	1.06%	3.21%	15.11%

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 January 31, 2012

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Absolute Return (12/31/01)	5.77%	0.99%	4.45%	4.49%
Aurora (10/31/01)	6.50%	2.19%	5.80%	5.91%
Alternatives Custom Benchmark*	10.41%	11.04%	11.89%	11.99%
HFR Fund-of-Funds Index	4.01%	(0.61%)	3.41%	3.58%
Grosvenor (01/31/02)	5.80%	0.84%	4.27%	4.35%
Alternatives Custom Benchmark*	10.41%	11.04%	11.89%	11.91%
HFR Fund-of-Funds Index	4.01%	(0.61%)	3.41%	3.43%
Mesirow (01/31/02)	4.93%	(0.15%)	4.40%	4.39%
Alternatives Custom Benchmark*	10.41%	11.04%	11.89%	11.91%
HFR Fund-of-Funds Index	4.01%	(0.61%)	3.41%	3.43%
Private Equity (01/31/86)	4.77%	7.65%	7.95%	13.24%
Abbott (06/30/87)	4.03%	7.20%	7.95%	14.31%
Alternatives Custom Benchmark*	10.41%	11.04%	11.89%	13.73%
Abbott - Net (12/31/04)	3.52%	6.74%	-	10.63%
Muller & Monroe ILPEFF (06/30/05)	1.15%	(2.24%)	-	(11.29%)
Alternatives Custom Benchmark*	10.41%	11.04%	11.89%	11.28%
Muller & Monroe MPEFF (04/30/08)	3.70%	-	-	(2.62%)
Alternatives Custom Benchmark*	10.41%	11.04%	11.89%	10.75%
Pantheon (10/31/00)	6.56%	8.87%	10.39%	8.35%
Alternatives Custom Benchmark*	10.41%	11.04%	11.89%	12.25%
Pantheon - Net (12/31/04)	6.10%	8.39%	-	13.54%
Agriculture (09/30/97)	4.78%	4.45%	6.72%	6.19%
Cozad/Westchester (09/30/97)	4.78%	4.45%	6.72%	6.19%
Blended Benchmark**	4.63%	4.05%	5.93%	6.29%
Timberland (09/30/92)	0.85%	7.10%	4.55%	9.35%
Forest Investment Assoc. (09/30/92)	0.85%	7.10%	4.55%	9.35%
Blended Benchmark**	4.63%	4.05%	5.93%	6.63%

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 January 31, 2012

Five Best Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Outperformance (in % points)	Since Inception Outperformance (in % points)	
Cornerstone Fund VIII	8.25	3.59	(09/30/11)
Security Capital	5.67	7.62	(10/31/97)
Sands	2.54	3.33	(10/31/03)
Wall Street	2.33	7.41	(07/31/90)
Mesirow	1.94	-7.52	(01/31/02)

Five Worst Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Underperformance (in % points)	Since Inception Underperformance (in % points)	
William Blair Intl SC	-3.14	3.41	(08/31/10)
Brandes	-2.67	4.58	(12/31/95)
Buford	-2.45	-1.14	(10/31/06)
TA - Buckhead	-2.32	3.57	(07/31/95)
Ativo	-2.29	-17.89	(09/30/10)

Five Highest Returning Portfolios

Manager	Year-to-Date Return (in % points)	Since Inception Return (in % points)	
Wall Street	9.81	14.07	(07/31/90)
Genesis	9.44	16.16	(04/30/04)
Cornerstone Fund VIII	9.31	7.89	(09/30/11)
Sands	8.51	9.03	(10/31/03)
Dimensional Fund Advisors SCV	7.51	12.18	(01/31/96)

Five Lowest Returning Portfolios

Manager	Year-to-Date Return (in % points)	Since Inception Return (in % points)	
TA - Buckhead	-1.26	10.00	(07/31/95)
Franklin Templeton EMREFF	-0.92	-6.80	(08/31/11)
Muller and Monroe MPEFF	-0.37	-2.62	(04/30/08)
Forest	-0.25	9.35	(09/30/92)
Muller and Monroe ILPEFF	-0.19	-11.29	(06/30/05)

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

(12-02-03) (3rd Quarter Real Estate Performance Report) Mr. Robinson of Callan Associates presented a review of IMRF's real estate performance for the period ending September 30, 2011.

Questions and discussion followed.

(12-02-04) (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 #12-01-27

Schedules - Dated March 23, 2012

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

Administration - Master Trustee Report

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

Bids (5)

Microsoft Windows 7 Professional 64 Bit Licenses
Approved Bidder: Software House, Inc.
Approved Bid: \$15,782.40

CA Arcserve Licenses with 3 Yrs. Maintenance Included
Approved Bidder: Software House, Inc.
Approved Bid: \$13,867.78

Certificate of Achievement Plaques
Approved Bidder: Minor's Unique Printing
Approved Bid: \$8,045.00

(10) 2012 Chevy Impalas 4Dr Sedan LS Model
Sole Source: Green Chevrolet
Approved Bid: \$187,468.40 (includes delivery, title and registration)

Microsoft Office 2010 Professional Plus Licenses without Software Assurance
Approved Bidder: Software House, Inc.
Approved Bid: \$5,661.76

Participation of Instrumentality (1)

Library Insurance Management and Risk Control Combination (LIMRiCC)
County: Cook
2012 Rate: 10.53%
Effective Participation Date: March 1, 2012
Number of Participating Libraries/Library Districts: 119

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

Vote: Unanimous Voice Vote
Absent: Thompson

(12-02-05) (Financial Report) The Chair presented the following financial report for approval.

- Review of February Reporting Package
- December Interim Financial Statements
- Impact of 2011 Year-To-Date Investment Income on Employer Reserves, Funding Status and Average Employer Contribution Rates
- Impact of 2012 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. Faklis, seconded by Mr. Nannini, to approve the Financial Report as presented.

Vote: Unanimous Voice Vote
Absent: Thompson

(12-02-06) (Employee Trustee Vacancy) The Chair reported on the Special Meeting of the Board of Trustees held on February 23, 2012 to interview candidates for a trustee vacancy.

She noted that three candidates were interviewed.

The Chair reported that by unanimous voice vote, the Board of Trustees appointed Jeffrey Stulir to fill the vacancy on the Board for the remainder of 2012.

(12-02-07) (Report of the Benefit Review Committee) The Chair of the Benefit Review Committee reported on the meeting held on February 23, 2012.

It was moved by Ms. Faklis, seconded by Mr. Stafford, to concur with the report of the Benefit Review Committee to adopt the following recommendations:

- To accept the Annual Report of Committee and Consultant Activities as presented.
- To uphold staff's determination to deny the application for temporary disability benefits filed by Melissa Gaffney.
- To uphold staff's determination to deny the application for total and permanent disability benefits filed by Patricia Burger.
- To uphold staff's determination to deny the application for total and permanent disability benefits filed by John Duering based upon the extent of his claimed disability, and his refusal to submit to a reasonable examination.

Vote: Unanimous Voice Vote

Absent: Thompson

(12-02-08) (Report of the Investment Committee) The Chair of the Investment Committee reported on the meeting held on February 23, 2012.

He reported that the Chief Investment Officer presented the Investment Committee Charter and the Real Estate Statement of Investment Policy to the Committee for review.

It was the consensus of the Committee to recommend the Board approve the Committee Charter and the Real Estate Statement of Investment Policy.

Staff presented IMRF's 2011 Annual Proxy Voting Activity Report; the 2011 Annual Minority, Female and Disabled Person-Owned (MFPDOB) Money Manager Utilization Report; and, the 2011 Annual Minority, Female and Disabled Person-Owned (MFPDOB) Broker Utilization Report to the Committee.

Next, staff and consultant presented an overview of the international large-cap equity manager search that was conducted using an RFP process.

The Chair stated that out of the thirty-one firms that responded, staff and consultant selected three finalists (Lazard, Lombardia (a MFPDOB firm), and Mondrian) to make a presentation to the Investment Committee. Staff and consultant also presented the following recommendations to the Committee:

- The allocation of up to \$400 million in Mondrian for an international large-cap value equity portfolio, subject to satisfactory completion of legal diligence;
- The allocation of up to \$75 million in Lazard for an international large-cap value equity portfolio, subject to satisfactory completion of legal diligence;
- The allocation of up to \$25 million in Lombardia, with initial

funding of \$5 million, subject to the satisfactory completion of legal diligence; Staff will fund the remaining amount based on milestones set by staff and achieved by manager;

- That the allocation to Brandes be reduced to \$400 million, a reduction of approximately \$197 million;
- That McKinley be terminated from the international large-cap growth equity mandate;
- That the allocation to the EARNEST Partners and William Blair international large-cap growth equity portfolios be equalized at \$450 million each, translating to an increase of approximately \$159 million to EARNEST Partners and a reduction of approximately \$266 million to William Blair;
- That staff be authorized to implement the allocation of assets among Brandes, EARNEST Partners, Lazard, Lombardia, McKinley, Mondrian, and William Blair to achieve the recommended mandates for each manager.
- That the resulting overflow from these manager allocation recommendations (currently estimated to be \$76 million) be allocated to the NTI EAFE Index; and,
- That staff be authorized to complete all documentation necessary to execute these recommendations.

It was the consensus of the Investment Committee to recommend that the Board approve the international equity portfolio recommendations as presented by staff and consultant.

Lastly, staff and consultant presented a recommendation to the Committee to terminate Buford, Dickson due to concerns related to recent changes to their organizational structure and underperformance relative to the benchmark.

It was the consensus of the Investment Committee to recommend that the Board approve the recommendation from staff and consultant to terminate Buford, Dickson.

It was moved by Mr. Stafford, seconded by Mr. Nannini, that the Board approve the above recommendations of the Investment Committee.

Vote: Unanimous Voice Vote
Absent: Thompson

(12-02-09) (Report of the Legislative Committee) The Vice Chair of the Legislative Committee gave a report on the Committee Meetings that were held on February 15th and February 22, 2012.

He stated the Legislative Committee met via teleconference on February 15, 2012.

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

- House Bill 3969 - Shifts costs of annuities when a member of the General Assembly Retirement System (GARS) receives a higher salary with a reciprocal system.

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

- House Bill 4607 - Excludes from participation employees of participating employers whose positions do not benefit the public.

Next, the Vice Chair reported on the Legislative Committee Meeting that was held via teleconference on February 22, 2012.

It was the consensus of the Committee to recommend the Board remain neutral on the following newly introduced legislation:

- Senate Bill 3566 - Requires legislation that amends the Illinois Pension Code to either amend only one Article of the Code or make changes that affect only one pension system.
- Senate Bill 3569 - Excludes from pensionable wages payments received for unused sick and vacation time. Also terminates a provision allowing members to convert unused, unpaid sick time to service credit. Applies to new members only.
- Senate Bill 3720 - Allows participation in IMRF by the non-certified employees of the Philip J. Rock Center and School.
- Senate Joint Resolution Constitutional Amendment 47 - Requires legislation that amends the Illinois Pension Code to either amend only one Article of the Code or make changes that affect only one pension system. Also allows changes in more than one Article if the changes are related.

Lastly, the Legislative Committee directed staff to review Senate Bill 2073 to establish whether it would affect the employer's IMRF levies and report any findings back to the Committee.

It was moved by Mr. Piechocinski, seconded by Ms. Faklis, to approve the recommendations of the Legislative Committee.

Vote: Unanimous Voice Vote
Absent: Thompson

(12-02-10) (2012-2013 Projection Report - Death and Disability Rates)

The Chief Financial Officer recommended the following:

- Maintain the average death benefit rate in 2013 at 0.20% of payroll, the same as in 2012;
- Decrease the disability benefit rate in 2013 to 0.11% of payroll, a decrease from the .13% rate for 2012.

He further estimates:

- Benefit payments will exceed contributions by more than \$247 million in 2012;
- IMRF charged approximately \$619 million of interest and \$818 million of residual investment loss to employer reserves in 2011 due to the negative investment returns of .5% in 2011; and
- The supplemental retirement benefit for 2012 will be approximately 41% of the monthly benefit.

After questions and discussion, it was moved by Mr. Stafford, seconded by Mr. Nannini, to approve the 2013 Death and Disability Rates as presented.

Vote: Unanimous Voice Vote
Absent: Thompson

(12-02-11) (Implementation of P.A. 97-0651) General Counsel discussed P.A. 97-0651 that became effective January 5, 2012.

She stated P.A. 97-0651 amends Article 1 of the Illinois Pension Code by adding an affirmative duty for board members and other fiduciaries to report a reasonable suspicion of false statements being made to or false records being filed with IMRF.

General Counsel stated that the new requirements of Article 1 require the Board to adopt the following amendments to the IMRF Ethics Code and staff Code of Conduct.

IMRF Ethics Code

Article IV

"Efficient and effective administration and investment management is basic to IMRF. Misuse of influence, fraud, waste or abuse is unacceptable conduct."

Pension fund administration generally falls within the purview of a system's retirement board. Elected board members come from all facets of life and the responsibilities may or may not be foreign to the elected or appointed trustee.

Nonetheless, the requirement that a pension fund operate within the cornerstones of efficient and effective administration is essential.

Accountability is paramount in the public sector. The assets of the fund belong to the trust and by design are earmarked by law for the plan participants and their beneficiaries. The genesis of public scrutiny comes not from an inherent mistrust of the trustees, who by the very nature of their name connote a superior duty of care. Rather, the mistrust is often associated with the involvement of government. There is often no distinction between the public's opinion of a trustee and that of a government official.

Particularly today as we are undergoing the most significant transformation of government-from strong central government which people

perceive to lend itself to corruption, waste and inefficiency, to a government of local control where accountability can be measured, and efficient and effective management can be restored.

The resulting impact of the transformation of government does not spare the trustee. Instead, the scrutiny has intensified, particularly in light of recent debacles in the investment of governmental funds by entities lacking in oversight and efficient administration. Even though these failures are not in the pension domain, still the perception persists that since trustees are overseeing funds representing billions of dollars, they are grouped together and are guilty by monetary association. Aggravating the situation are isolated instances of trustee abuse which are exploited by the media resulting in the public's perception that there is a need to regulate the administration of public pension funds. The public perceives that there is a need to avoid what has transpired in central government, to avoid mismanagement, waste and inefficiency.

Trustees not only have to deal with accountability demanded by the public at large, they must also be accountable to their peers, to their participants and beneficiaries. This accountability not only extends to their role of representation, but it involves a myriad of responsibilities in order to effectuate the type of efficient administration expected by the law and by the constituents of the fund. To avoid the perception of misuse of influence the trustee must be willing to adopt rules and regulations that inhibit that type of activity. Furthermore, trustees must adopt policies and procedures that eliminate waste and embrace the concepts of sound cost effective measures, both as to their administrative staffs and as to their personal involvement as trustees. Among the major areas of responsibilities that trustees must deal with are the following: the establishment of investment objectives, policies and guidelines to regulate the investment of the pension assets; the adoption of accounting standards and controls; the adoption of sound actuarial standards; the formation of procedures for internal reporting and control; the duty of providing benefits in a responsible fashion that does not cause an undue burden to the taxpaying community nor to the individual member; and compliance with the overall duties of the office.

Trustees must have the flexibility to interface with other members of the pension community whose actions can greatly impact the operation of a fund, to wit, auditors, consultants, financial advisors, oversight boards, and state and local government personnel and officials.

When government downsizes, effective management and administration presents a significant challenge which must be met and which must be preserved from erosion due to undue influence, fraud, waste or abuse.

Rules and Interpretations

Rule 4.01 Notice and Hearing. Notice and opportunity to be heard are core components necessary to be provided to participants when benefits may be deprived by the action of a board of trustees.

Three factors should exist in administrative proceedings impacting benefits of IMRF members:

1. Pre-termination notice,

2. An opportunity to respond in writing prior to the termination, and,
3. A post-termination evidentiary hearing.

Rule 4.02 Duty to Report Suspected False Statements or Falsified Records

Trustees and staff have an affirmative duty, under section 1-135 of the Illinois Pension Code, to report any reasonable suspicion of a false statement or falsified record being submitted or filed with IMRF or permitted to be submitted or filed by any person. This report should be made to the state's attorney in the county where the suspected false statement or falsified record originated. A "reasonable suspicion" means a belief, based upon specific and articulable facts, taken together with rational inferences from those facts, that would lead a reasonable person to believe that fraud has been, or will be, committed. A reasonable suspicion is more than a non-particularized suspicion. A mere inconsistency, standing alone, does not give rise to a reasonable suspicion.

Code of Conduct Compliance Policy

Reporting Responsibility

It is the responsibility of all directors and employees to comply with the Code and to report violations or suspected violations in accordance with this Code of Conduct Compliance Policy.

It is also the responsibility of all staff to report to their supervisor, manager, or director, or to the Compliance Officer or the Executive Director, any reasonable suspicion of a false statement or falsified record being submitted or filed with IMRF or permitted to be submitted or filed by any person. A "reasonable suspicion" means a belief, based upon specific and articulable facts, taken together with rational inferences from those facts, that would lead a reasonable person to believe that fraud has been, or will be, committed. A reasonable suspicion is more than a non-particularized suspicion. A mere inconsistency, standing alone, does not give rise to a reasonable suspicion. The person to whom the report is given shall provide a written response to the reporting staff member regarding the action taken because of the report.

Failure to comply with this Policy may result in disciplinary action up to and including termination.

It was moved by Ms. Faklis, seconded by Mr. Piechocinski to adopt the amendments to the IMRF Ethics Code and the staff Code of Conduct as presented.

Vote: Unanimous Voice Vote
Absent: Thompson

(12-02-12) (Implementation of Early Retirement Incentive Program) The Executive Director reported that staff proposes that employers be allowed to offer the Early Retirement Incentive no more than once every five years.

After questions and discussion, it was the consensus of the Board to defer making a decision until the July 27, 2012 Board Meeting.

(12-02-13) (Legislative Update) General Counsel updated the Board on current legislative activity.

She reported Senate Bill 3720, (allows participation in IMRF by the non-certified employees of the Philip J. Rock Center and School) passed out of the Senate Committee on February 23.

Discussion followed.

(12-02-14) (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: *Oak Brook has submitted Form 6.51 per order of Judge Sheen.*
(Updated on March 1, 2012)

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: Plaintiff's have filed a motion for summary judgment. Defendants have responded.

WABASH COUNTY, ILLINOIS vs. IMRF, et al.

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

Status: BRC hearing on remaining procedural issues will be on April 26, 2012. Briefs are due by March 9, 2012. Status with Circuit court on June 1, 2012.

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: Plaintiff's brief due March 9, 2012, IMRF brief due May 9, 2012. Hearing May 22, 2012.

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: Venue transferred to St. Clair County, awaiting notice from court and future date.

JOSEPH PRAZEN v. IMRF

Summary: This is an administrative review action involving an ERI return to work situation.

Status: Notice of Appeal to the Fourth District Appellate Court filed on January 12, 2012.

LIARAKOS V. IMRF

Summary: Appeal of denial of total and permanent disability.

Status: Status set on January 31, 2012, Courtroom 2007, Wheaton, Illinois.

IN RE TRIBUNE CO, ET AL., THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF TRIBUNE CO, ET AL. VS. FITZSIMMONS, ET AL.

Summary: The unsecured creditors in the Tribune bankruptcy have sued investors who sold their Tribune stock at the time of the buyout.

Status: IMRF is working on a counsel sharing agreement with the other parties.

(12-02-15) (Report of Executive Director)

Investments

The market value of the Fund's investment portfolio, including short-term investments, but excluding disposition costs, totaled \$24.8 billion on December 31, 2011. This was an increase of \$55.9 million from the market value as of November 30, 2011.

Fixed income investments of \$2,729.4 million were made in December. The market value of fixed income investment managers totaled \$6,788.6 million.

Domestic equity investments of \$442.3 million were made in December. The market value of domestic equity investment managers totaled \$10,144.8 million.

International equity investments of \$462.0 million were made in December. The market value of international equity investment managers totaled \$5,865.1 million.

The market value of real estate investment managers totaled \$713.8 million.

The market value of alternative investment managers totaled \$1,006.5 million.

The market value of cash equivalents totaled \$235.3 million.

2012 Regional Manager Meeting

The Executive Director reviewed a preliminary agenda for the Regional Manager Meeting scheduled for June 3-6, 2012 in New York.

(12-02-15) (Trustee Comments) The Chair proposed that Jeffrey Stulir be appointed to the Benefit Review, Investment and Legislative Committees.

It was moved by Ms. Faklis, seconded by Mr. Piechocinski to appoint Jeffrey Stulir to the Benefit Review, Investment and Legislative Committees.

Vote: Unanimous Voice Vote

Absent: Thompson

(12-02-16) (Adjournment) It was moved by Mr. Nannini, seconded by Mr. Piechocinski, to adjourn the Board Meeting at 10:45 a.m., to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, Illinois, at 9:00 a.m. on March 23, 2012.

Vote: Unanimous Voice Vote
Absent: Thompson

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.