

ILLINOIS MUNICIPAL RETIREMENT FUND
MINUTES OF
REGULAR MEETING NO. 12-07
JULY 27, 2012

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 12-07

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:00 a.m., July 27, 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: Stulir, Thompson, Copper, Faklis, Henry, Nannini, Piechocinski, Stafford

Absent: None

Mr. Ball from Callan Associates, Mr. Moss from Seyfarth Shaw LLP., Messrs. Cherry and Newton from the Decatur Sanitary District and representatives from Loop Capital, Cabrera Capital Markets and Podesta & Company were also present.

(12-07-01) (Public Comments) Mr. Cherry, the Executive Director of the Decatur Sanitary District reviewed the District's Succession Plan and its interaction with IMRF's Early Retirement Incentive Program.

(12-07-02) (Monthly Manager Report) Mr. Ball of Callan Associates gave the following report to the Board on the activities of IMRF's investment managers:

June 30, 2012



**Illinois Municipal
Retirement Fund
Monthly Performance Report**

**Investment Measurement Service
Monthly Review**

Major Market Returns

Returns

for Periods Ended June 30, 2012

Index	Last Month	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	3.97	(3.10)	9.40	3.98	16.94	0.59	6.12
Russell:1000 Index	3.83	(3.12)	9.38	4.37	16.64	0.39	5.72
Russell:Midcap Index	2.81	(4.40)	7.97	(1.65)	19.44	1.06	8.45
Russell:2000 Index	4.99	(3.47)	8.53	(2.08)	17.80	0.54	7.00
MSCI:ACWI ex US	5.94	(7.38)	3.13	(14.15)	7.43	(4.18)	7.20
MSCI:EAFE US\$	7.01	(7.13)	2.96	(13.83)	5.96	(6.10)	5.14
MSCI:Emer Markets	3.91	(8.78)	4.12	(15.67)	10.10	0.21	14.42
BC:Aggr Bd	0.04	2.06	2.37	7.47	6.93	6.79	5.63
NCREIF:Total Index	0.86	2.59	5.25	11.94	8.78	2.49	8.28
NAREIT Equity Index	5.61	3.71	14.91	12.92	32.41	2.60	10.32

June brought a reversal of fortunes from the prior month. All major portions of the market were positive as international equity (MSCI EAFE: +7.0%) led the charge. Domestic equities also performed well in June (DJ US Total Stock Market: +4.0%). Fixed income was essentially flat for the month.

June was a relatively uneventful month as the major economic indicators painted a mixed picture. First quarter GDP growth was reaffirmed at 1.9% and inflation fell to a very tame 1.7%. This growth failed to make even a dent in the unemployment numbers, which showed the unemployment rate sticking at 8.2%. However, the economy did add 80,000 jobs and the labor force grew by 156,000 people. Even though the housing sector has its flaws, prices are on the rise, inventories are low, and affordability is near record levels.

With the economy slowly plodding ahead the Federal Reserve announced a six month, \$267 billion extension to "Operation Twist" in an effort to keep long-term interest rates low. They have also signaled that further monetary action (e.g. "QE3") may be taken if the economy remains weak.

Once again the Eurozone leaders appear to have diverted (or more likely delayed) an explosion of the debt crisis that was starting to wreak havoc across the region. At the end of May, Spain was feeling the pressure brought on by its thinly capitalized banks and overwhelming debt, only to be saved by another Eurozone bailout. However, most economists are fairly certain that Europe's collective economy is headed for recession during the middle part of this year.

*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 June 30, 2012

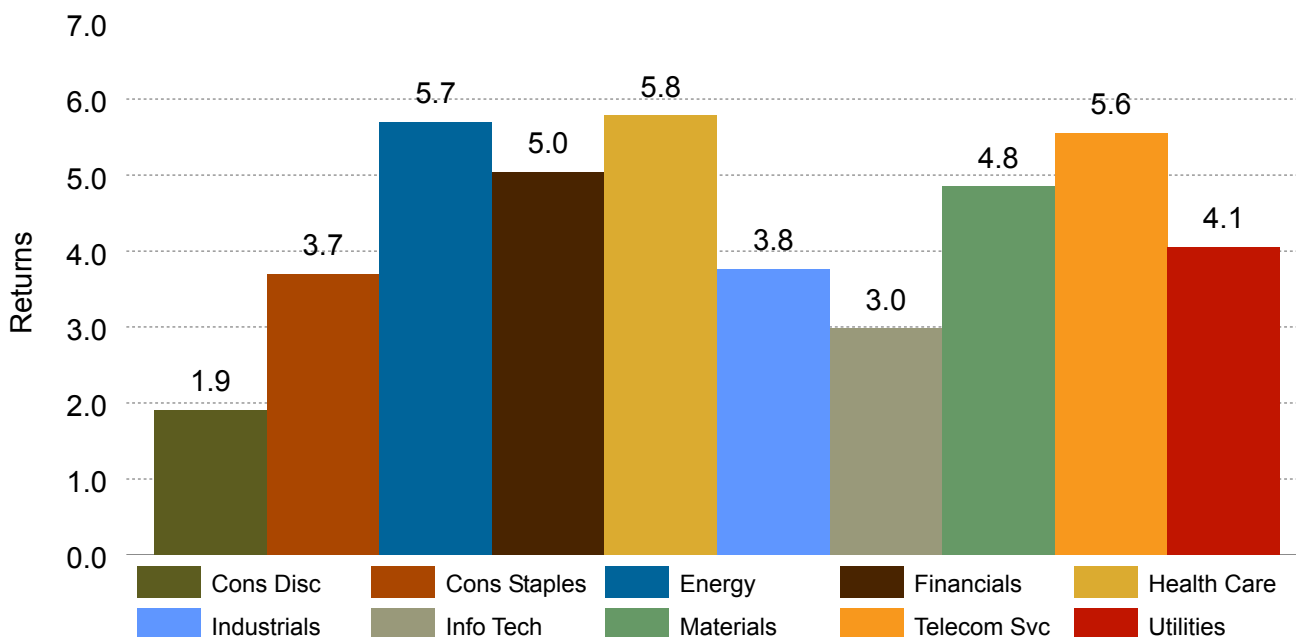
Index	Last Month	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	3.97	(3.10)	9.40	3.98	16.94	0.59	6.12
Russell:1000 Index	3.83	(3.12)	9.38	4.37	16.64	0.39	5.72
Russell:1000 Growth	2.72	(4.02)	10.08	5.76	17.50	2.87	6.03
Russell:1000 Value	4.96	(2.20)	8.68	3.01	15.80	(2.19)	5.28
Russell:Midcap Index	2.81	(4.40)	7.97	(1.65)	19.44	1.06	8.45
Russell:2000 Index	4.99	(3.47)	8.53	(2.08)	17.80	0.54	7.00
Russell:2000 Growth	5.16	(3.94)	8.81	(2.71)	18.09	1.99	7.39
Russell:2000 Value	4.82	(3.01)	8.23	(1.44)	17.43	(1.05)	6.50

In June domestic equities recovered nicely, albeit not fully, from May's dip. Large caps gained 3.8% (Russell 1000 Index), which was better than the mid caps' gain of 2.8% (Russell Midcap Index), but trailed small caps (Russell 2000 Index: 5.0%).

Value stocks outperformed growth stocks in the large cap segment (Russell 1000 Value: 5.0%; Russell 1000 Growth: 2.7%). The small cap segment returned opposite results with growth outperforming value (Russell 2000 Growth: 5.2%; Russell 2000 Value: 4.8%).

Healthcare and Energy were the strongest performers with returns of 5.8% and 5.7%, respectively. Consumer discretionary and Information Technology underperformed, returning 1.9% and 3.0%, respectively.

S&P 500 Sector Returns for Month Ended June 30, 2012



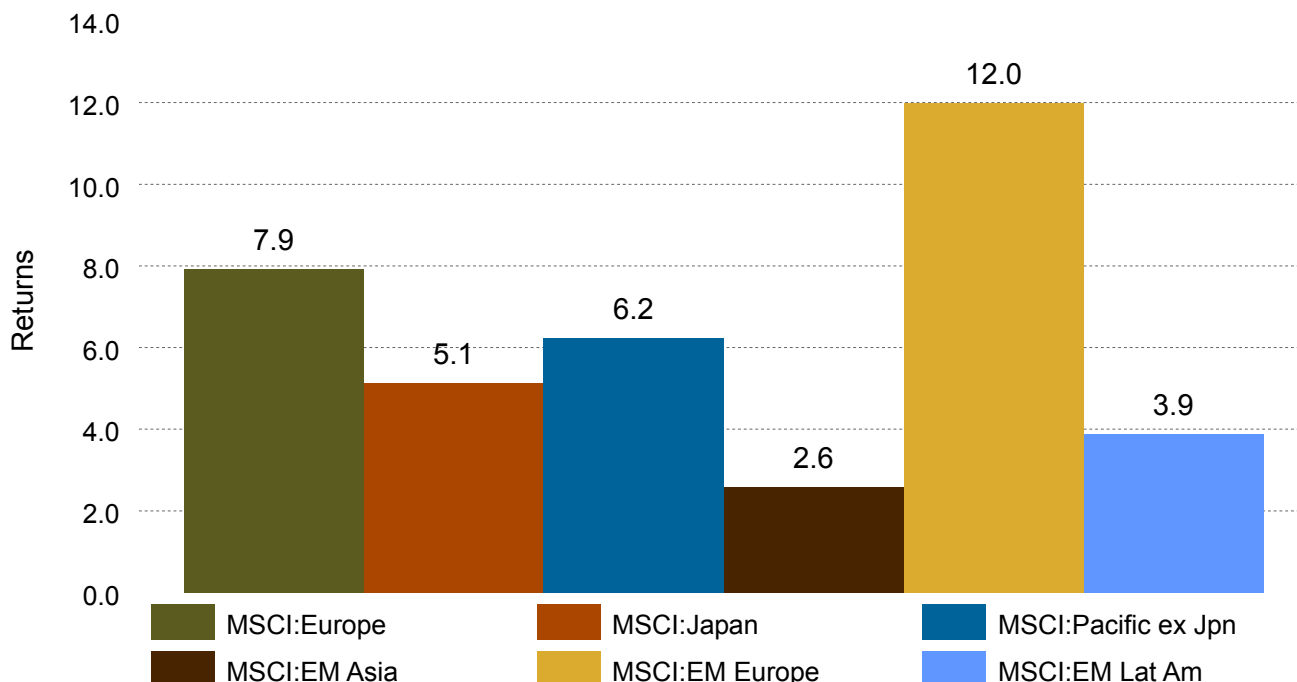
Returns
for Periods Ended June 30, 2012

Index	Last Month	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
MSCI:ACWI ex US	5.94	(7.38)	3.13	(14.15)	7.43	(4.18)	7.20
MSCI:ACWI ex US Gr	4.77	(7.29)	3.70	(13.71)	8.19	(3.57)	6.52
MSCI:ACW ex US Val	7.13	(7.50)	2.53	(14.61)	6.63	(4.84)	7.82
MSCI:EAFE US\$	7.01	(7.13)	2.96	(13.83)	5.96	(6.10)	5.14
MSCI:EAFE Hedged	5.03	(6.36)	2.34	(11.08)	1.71	(9.65)	(0.10)
MSCI:Emer Markets	3.91	(8.78)	4.12	(15.67)	10.10	0.21	14.42
S&P:Dev x US Sm Cap	4.30	(8.68)	3.73	(16.02)	9.94	(4.84)	8.98

International equity markets had a strong month of June. Developed country stocks, as measured by the MSCI EAFE Index, gained 7.0%, bringing its year to date return back into positive territory at +3.0%. As compared to a basket of EAFE currencies, the dollar weakened; the MSCI EAFE Hedged Index (5.0%) underperformed MSCI EAFE Index (7.0%). The MSCI Emerging Markets Index posted a more modest gain of 3.9%.

All regions were up for the month, led by Emerging Markets Europe (12.0%). Emerging Markets Asia trailed all other regions, gaining 2.6%.

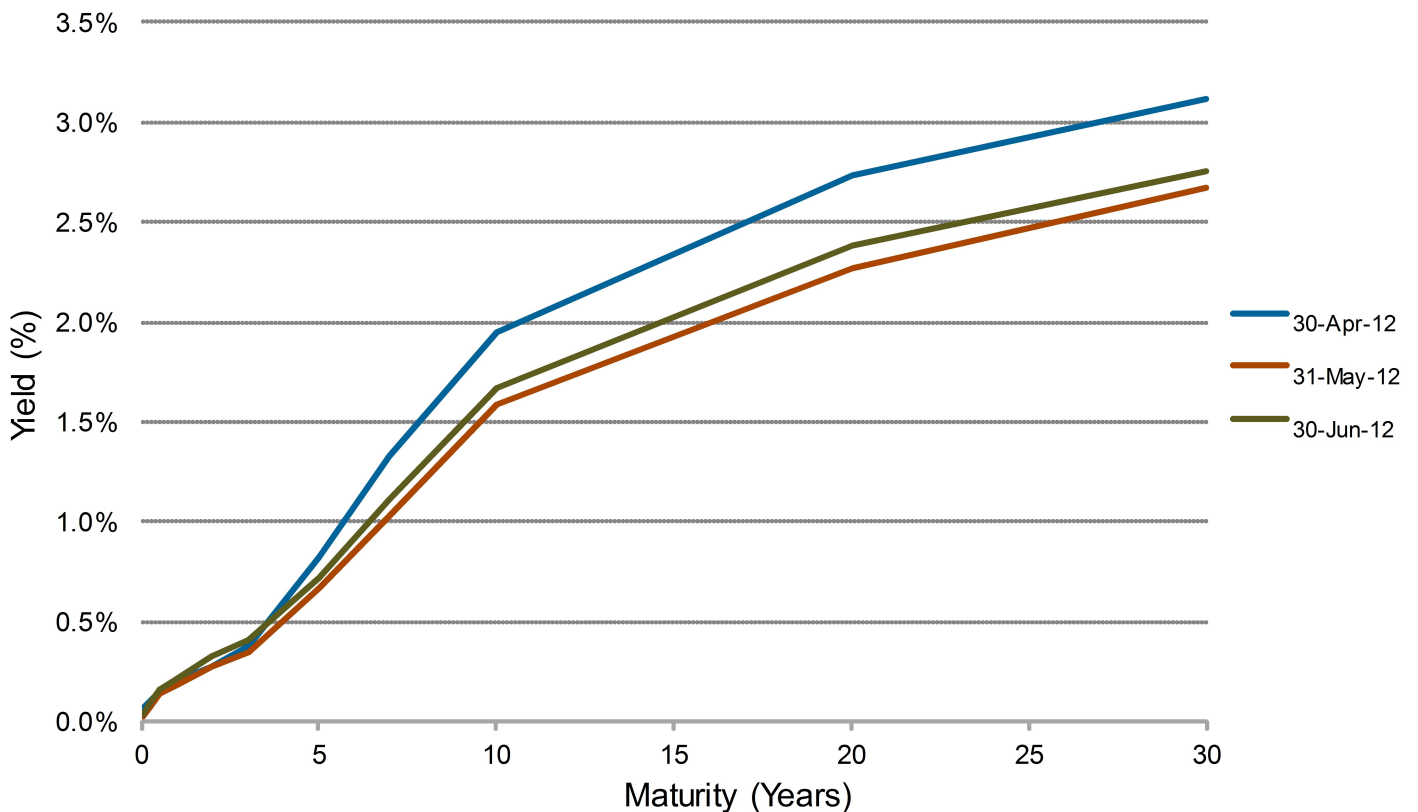
Regional Returns for Month Ended June 30, 2012



Returns
for Periods Ended June 30, 2012

Index	Last Month	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
BC:Aggr Bd	0.04	2.06	2.37	7.47	6.93	6.79	5.63
BC:Govt Index	(0.29)	2.63	1.48	8.32	5.65	6.64	5.36
BC:Credit	0.43	2.46	4.55	9.54	10.09	7.59	6.54
BC:Mortgage Idx	0.12	1.08	1.66	4.97	5.40	6.67	5.40
BC:US TIPS Index	(0.56)	3.15	4.04	11.66	9.63	8.44	7.23
ML:High Yield CP Idx	2.02	1.88	7.02	6.62	16.01	8.07	9.76
3 Month T-Bill	0.01	0.03	0.04	0.06	0.12	0.98	1.87

Treasury Yield Curve



The fixed income market was flat for the month (Barclays Aggregate Bond Index: 0.0%). Interest income was offset by a slight upward shift in the yield curve across all maturities. At the end of June, the 10-year Treasury yielded only 1.67%. The Barclays Government Index (-0.3%) and the Barclays US TIPS Index (-0.6%) were the only two major sectors to lose ground. High yield bonds were up the most (ML High Yield Cash Pay Index: 2.0%).

Executive Summary

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 June 30th, all allocations were within the allowable range.

The Total Fund returned 2.79% during June trailing the Total Fund Benchmark by 0.01%. Over the trailing year, the Fund was up 0.63%, lagging the benchmark by -1.69%. Both domestic and international equity lagged their indices during the month, while fixed outperformed during the period.

US Equity

Large Cap: The Fund's Large Cap Growth managers returned 2.40%, trailing the Russell 1000 Growth Index by 0.32%. Vision's performance led all active Large Cap Growth managers during the month. The Large Cap Value managers returned 4.82%, trailing the Russell 1000 Value Index return by 0.14%. Dodge & Cox posted the best relative returns for June.

Small Cap: The Small Cap portfolio returned 3.94% during the month. Small Cap Growth managers were up 3.39%. Small Cap Value managers were up 3.84%. The Micro Cap segment was also up, gaining 5.14% during the month.

International Equity

Large Cap: International Large Cap managers returned 6.17% beating the MSCI ACW ex-US Index by 0.27%. William Blair turned in the best International Growth performance with a return of 4.80%. Brandes led all International Value managers with a return of 7.63%.

International Small Cap: International Small Cap managers returned 3.19% trailing the ACW Small-cap ex US Index return of 3.34%

Emerging Markets: The emerging markets portfolio managed by Genesis returned 3.60% during June, lagging the MSCI Emerging Markets Index by 0.31%.

Executive Summary

Domestic Fixed Income

Active Core: The active core fixed income component returned 0.18%, exceeding the BC Aggregate Index by 14 basis points. The enhanced core portfolio returned 0.12% beating its index by 8 basis points.

Core Plus: The core plus managers posted a gain of 0.46%, outperforming the BC Aggregate index return. Western had the best monthly performance at 0.60%.

High Yield: MacKay Shields and Pyramis collectively returned 1.72%, lagging the ML High Yield index return of 2.02%.

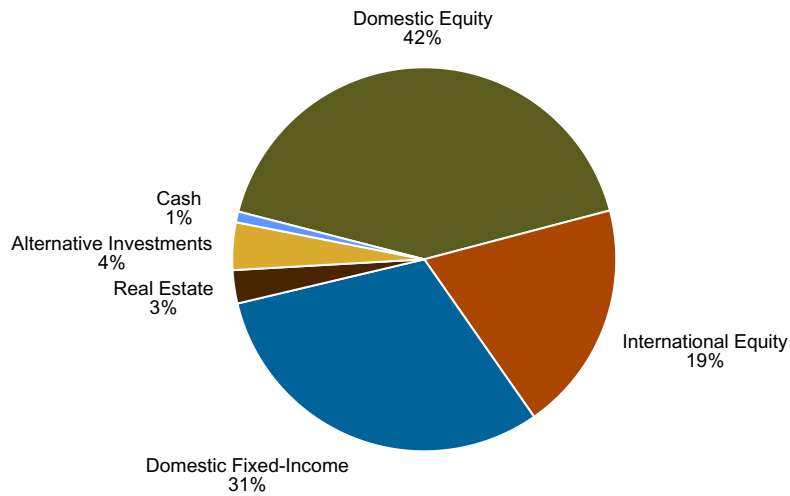
Alternatives

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.

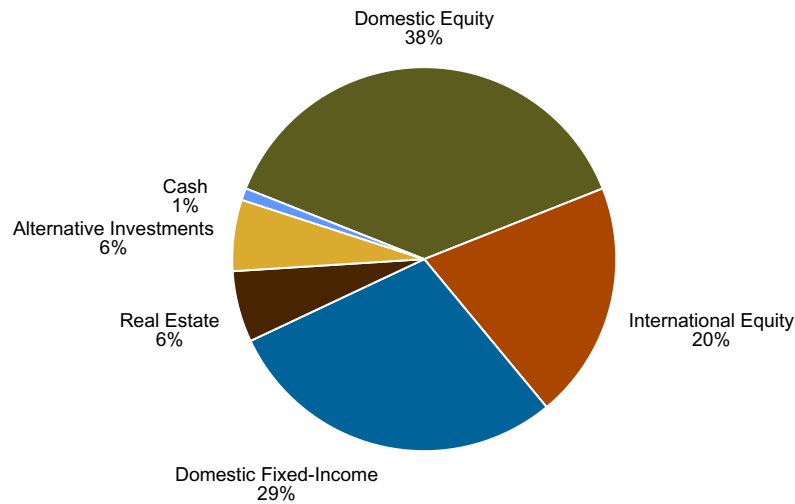
Actual vs Target Asset Allocation

The first chart below shows the Fund's asset allocation as of June 30, 2012. The second chart shows the Fund's 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	10,947	41.9%	38.0%	3.9%	1,020
International Equity	5,058	19.4%	20.0%	(0.6%)	(167)
Domestic Fixed-Income	8,103	31.0%	29.0%	2.0%	527
Real Estate	742	2.8%	6.0%	(3.2%)	(825)
Alternative Investments	1,050	4.0%	6.0%	(2.0%)	(518)
Cash	225	0.9%	1.0%	(0.1%)	(37)
Total	26,124	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 June 30, 2012, with the distribution as of May 31, 2012.

Asset Distribution Across Investment Managers

	June 30, 2012		May 31, 2012	
	Market Value	Percent	Market Value	Percent
Domestic Equity	\$10,946,877,872	41.90%	\$10,654,550,631	41.77%
Large Cap Growth				
BlackRock LCG	564,597,115	2.16%	552,081,190	2.16%
Holland	736,206,560	2.82%	718,725,325	2.82%
NTGI S&P 500 Growth Idx	827,552,974	3.17%	798,444,631	3.13%
Sands	773,988,344	2.96%	765,270,841	3.00%
Vision	54,750,403	0.21%	53,171,968	0.21%
Large Cap Value				
Dodge & Cox	662,930,995	2.54%	627,960,509	2.46%
BMO	719,063,861	2.75%	689,017,488	2.70%
LSV	688,606,578	2.64%	657,808,380	2.58%
NTGI S&P 500 Value Idx	745,798,167	2.85%	712,404,914	2.79%
Large Cap Core				
Piedmont	133,041,818	0.51%	127,356,458	0.50%
Progress	422,962,063	1.62%	410,360,148	1.61%
NTGI MarketCap Index	1,983,808,129	7.59%	2,008,119,928	7.87%
Small Cap Growth				
Buford	-	-	857	0.00%
Fortaleza	32,605,549	0.12%	31,382,351	0.12%
Frontier	482,867,462	1.85%	469,325,881	1.84%
Pyramis	500,367,300	1.92%	481,839,207	1.89%
Small Cap Value				
Channing	48,827,023	0.19%	47,206,055	0.19%
Dimensional Small Cap Value	417,408,580	1.60%	399,682,033	1.57%
Inv. Counselors of Maryland	490,991,680	1.88%	475,498,060	1.86%
Lombardia	104,536,832	0.40%	100,069,615	0.39%
Micro Cap				
Ariel	63,462,646	0.24%	60,713,856	0.24%
Ativo	29,200,584	0.11%	27,402,288	0.11%
Dimensional Micro Cap	186,697,119	0.71%	177,538,825	0.70%
Wall Street	276,606,090	1.06%	263,169,823	1.03%
International Equity	\$5,057,744,534	19.36%	\$4,782,179,914	18.75%
International Large Cap Growth				
EARNEST Partners	401,816,511	1.54%	390,164,946	1.53%
McKinley	292,087	0.00%	579,241	0.00%
William Blair	429,392,677	1.64%	409,716,065	1.61%
International Large Cap Value				
Brandes	365,728,613	1.40%	339,911,882	1.33%
Lombardia	4,529,481	0.02%	4,221,019	0.02%
Mondrian	376,835,703	1.44%	351,784,225	1.38%
Lazard	69,765,832	0.27%	65,157,481	0.26%
International Large Cap Core				
Arrowstreet	358,000,210	1.37%	334,949,101	1.31%
Brown	175,749,497	0.67%	169,326,930	0.66%
GlobeFlex	371,753,265	1.42%	353,804,695	1.39%
NTGI MSCI EAFE Index	1,783,375,096	6.83%	1,665,983,792	6.53%
International Small Cap				
AXA Rosenberg	55,486	0.00%	58,393	0.00%
Franklin Templeton	131,425,111	0.50%	126,923,210	0.50%
William Blair	153,039,189	0.59%	148,744,430	0.58%

Mondrian and Lombardia were funded 3/20/2012, Lazard was funded 3/21/2012.

Franklin Templeton Intl SC was funded 07/27/2011. BlackRock LCG was funded 07/12/2011. Vision was funded 06/17/2011.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2012, with the distribution as of May 31, 2012.

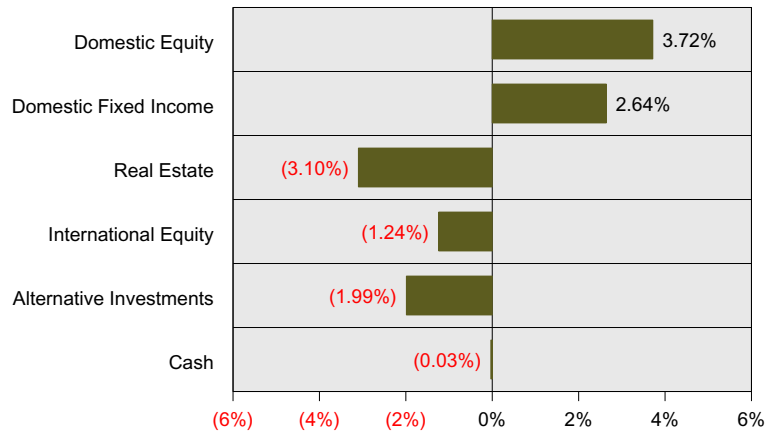
Asset Distribution Across Investment Managers

	June 30, 2012		May 31, 2012	
	Market Value	Percent	Market Value	Percent
Emerging Markets				
Genesis	435,985,776	1.67%	420,854,505	1.65%
Domestic Fixed-Income	\$8,103,447,249	31.02%	\$8,064,414,281	31.61%
Domestic Fixed Core				
EARNEST Partners	526,541,060	2.02%	525,116,074	2.06%
Piedmont	516,468,377	1.98%	515,686,825	2.02%
BlackRock Enhanced	941,582,394	3.60%	940,469,894	3.69%
NTGI BC Aggregate Index	1,382,174,024	5.29%	1,381,408,777	5.42%
Domestic Fixed Core Plus				
BlackRock Core Plus	698,870,007	2.68%	697,946,368	2.74%
LM Capital	806,212,331	3.09%	802,162,378	3.14%
Progress Fixed Income	416,826,349	1.60%	415,724,119	1.63%
Taplin, Canida, & Habacht	788,836,260	3.02%	784,196,237	3.07%
Western	1,063,622,055	4.07%	1,057,353,719	4.14%
High Yield				
Mackay Shields	471,601,689	1.81%	464,462,125	1.82%
Pyramis High Yield	490,712,702	1.88%	479,887,765	1.88%
Real Estate	\$741,980,586	2.84%	\$739,719,683	2.90%
Real Estate Opportunistic				
Franklin Templeton EMREFF	15,043,454	0.06%	15,689,391	0.06%
Lazard Freres	6,345,359	0.02%	6,345,359	0.02%
Olympus Real Estate Fund II	1,139,957	0.00%	1,139,957	0.00%
Security	51,553,540	0.20%	51,553,540	0.20%
Dune Real Estate Fund II	33,719,519	0.13%	33,719,519	0.13%
Real Estate Core				
BlackRock Granite Fund	68,737,713	0.26%	68,737,713	0.27%
Buckhead	232,274,368	0.89%	232,274,368	0.91%
Cornerstone	81,735,173	0.31%	81,735,173	0.32%
INVESCO	80,992,606	0.31%	80,992,606	0.32%
Sentinel	27,284,440	0.10%	27,284,440	0.11%
Real Estate Value Added				
Cornerstone Fund VIII	20,385,754	0.08%	17,686,538	0.07%
Rockwood	34,743,815	0.13%	34,743,815	0.14%
Almanac Realty	37,268,826	0.14%	37,061,202	0.15%
TA Fund IX	50,756,062	0.19%	50,756,062	0.20%
Alternative Investments	\$1,049,576,781	4.02%	\$1,022,817,177	4.01%
Absolute Return				
Aurora	134,808,955	0.52%	136,224,926	0.53%
Grosvenor	118,482,504	0.45%	118,001,537	0.46%
Mesirow	118,158,211	0.45%	118,689,584	0.47%
Private Equity				
Abbott	299,749,177	1.15%	282,804,503	1.11%
Muller & Monroe ILPEFF	12,750,690	0.05%	12,525,829	0.05%
Muller & Monroe MPEFF	18,553,544	0.07%	16,248,295	0.06%
Pantheon	175,235,617	0.67%	166,653,153	0.65%
Agriculture				
Cozad/Westchester	106,414,624	0.41%	106,245,893	0.42%
Timberland				
Forest Investment Assoc.	65,397,973	0.25%	65,397,972	0.26%
Cash	\$224,599,546	0.86%	\$246,508,076	0.97%
Total Fund	\$26,124,226,567	100.0%	\$25,510,189,761	100.0%

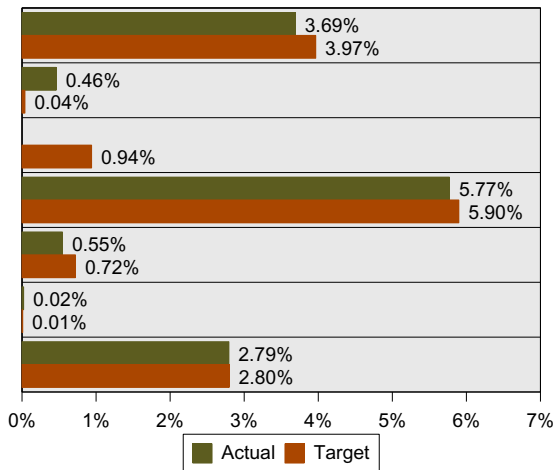
Monthly Total Fund Relative Attribution - June 30, 2012

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.

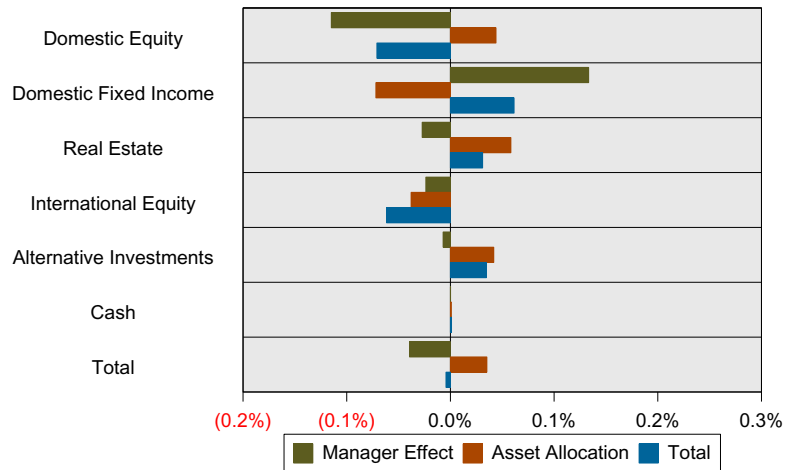
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Month ended June 30, 2012

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	42%	38%	3.69%	3.97%	(0.11%)	0.04%	(0.07%)
Domestic Fixed Income	32%	29%	0.46%	0.04%	0.13%	(0.07%)	0.06%
Real Estate	3%	6%	0.00%	0.94%	(0.03%)	0.06%	0.03%
International Equity	19%	20%	5.77%	5.90%	(0.02%)	(0.04%)	(0.06%)
Alternative Investments	4%	6%	0.55%	0.72%	(0.01%)	0.04%	0.03%
Cash	1%	1%	0.02%	0.01%	0.00%	0.00%	0.00%
Total			2.79%	2.80%	(0.04%)	0.04%	(0.00%)

* 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 June 30, 2012

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Equity (12/31/81)	3.69%	(4.41%)	9.09%	1.65%
DJ U.S. Total Stock Market Index	3.97%	(3.10%)	9.40%	3.98%
Domestic Equity - Net (12/31/04)	3.68%	(4.48%)	8.95%	1.37%
International Equity (08/31/86)	5.77%	(6.82%)	4.25%	(12.59%)
MSCI ACWI x US (Net)	5.90%	(7.61%)	2.77%	(14.57%)
International Equity - Net (12/31/04)	5.77%	(6.86%)	4.09%	(12.84%)
Domestic Fixed-Income (12/31/81)	0.46%	2.19%	3.73%	7.92%
BC Aggregate Index	0.04%	2.06%	2.37%	7.47%
Domestic Fixed-Inc. - Net (12/31/04)	0.45%	2.15%	3.64%	7.75%
Real Estate (04/30/85)	0.00%	2.70%	5.90%	11.75%
Blended Benchmark**	0.94%	2.84%	5.75%	12.94%
Real Estate - Net (12/31/04)	0.00%	2.28%	5.46%	11.29%
Alternative Investments (01/31/86)	0.55%	0.28%	3.51%	2.36%
Alternatives Custom Benchmark***	0.72%	2.18%	4.40%	9.00%
Alternative Investments - Net (12/31/04)	0.55%	0.15%	3.31%	2.05%
Absolute Return (12/31/01)	(0.39%)	(1.52%)	2.78%	(3.75%)
HFR Fund-of-Funds Index	(0.38%)	(2.21%)	1.09%	(4.40%)
Private Equity (01/31/86)	1.40%	1.55%	4.64%	5.18%
Alternatives Custom Benchmark***	0.72%	2.18%	4.40%	9.00%
Agriculture (09/30/97)	0.16%	0.37%	2.42%	12.42%
Blended Benchmark**	0.94%	2.84%	5.75%	12.94%
Timberland (09/30/92)	0.00%	0.97%	0.72%	2.24%
Blended Benchmark**	0.94%	2.84%	5.75%	12.94%
Total Fund (12/31/81)	2.79%	(2.55%)	6.06%	0.63%
Total Fund Benchmark	2.80%	(1.72%)	5.61%	2.32%
Total Fund - Net (12/31/04)	2.79%	(2.61%)	5.93%	0.39%

* 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 June 30, 2012

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Equity (12/31/81)	16.83%	0.58%	6.32%	11.08%
DJ U.S. Total Stock Market Index	16.94%	0.59%	6.12%	10.73%
Domestic Equity - Net (12/31/04)	16.54%	0.33%	-	4.10%
International Equity (08/31/86)	8.34%	(4.56%)	7.27%	7.66%
MSCI ACWI x US (Net)	6.97%	(4.62%)	6.74%	-
International Equity - Net (12/31/04)	8.04%	(4.85%)	-	3.59%
Domestic Fixed-Income (12/31/81)	9.48%	7.48%	6.61%	9.30%
BC Aggregate Index	6.93%	6.79%	5.63%	8.74%
Domestic Fixed-Inc. - Net (12/31/04)	9.33%	7.35%	-	6.01%
Real Estate (04/30/85)	4.69%	(1.22%)	5.02%	4.17%
Blended Benchmark**	9.78%	3.49%	6.03%	7.27%
Real Estate - Net (12/31/04)	4.55%	(1.30%)	-	4.36%
Alternative Investments (01/31/86)	8.30%	3.10%	7.16%	10.99%
Alternatives Custom Benchmark***	9.99%	10.79%	11.64%	13.72%
Alternative Investments - Net (12/31/04)	7.96%	2.83%	-	7.42%
Absolute Return (12/31/01)	4.36%	(0.31%)	4.49%	4.38%
HFR Fund-of-Funds Index	2.20%	(2.02%)	3.24%	3.28%
Private Equity (01/31/86)	13.09%	5.55%	9.18%	13.20%
Alternatives Custom Benchmark***	9.99%	10.79%	11.64%	13.72%
Agriculture (09/30/97)	4.89%	3.86%	7.11%	6.04%
Blended Benchmark**	9.78%	3.49%	6.03%	6.43%
Timberland (09/30/92)	1.40%	6.64%	3.68%	9.20%
Blended Benchmark**	9.78%	3.49%	6.03%	6.72%
Total Fund (12/31/81)	11.85%	2.79%	7.05%	9.96%
Total Fund Benchmark	11.44%	3.20%	6.75%	-
Total Fund - Net (12/31/04)	11.61%	2.58%	-	5.37%

* 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 June 30, 2012

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Large Cap Equity (12/31/81)	3.61%	(4.12%)	9.38%	3.24%
Russell 1000 Index	3.83%	(3.12%)	9.38%	4.37%
Large Cap Growth (12/31/81)	2.40%	(4.94%)	10.81%	5.30%
BlackRock LCG (07/31/11)	2.27%	(7.11%)	7.47%	-
LCG Blended Benchmark*	2.72%	(4.02%)	10.08%	5.76%
Russell 1000 Growth Index	2.72%	(4.02%)	10.08%	5.76%
BlackRock LCG - Net (07/31/11)	2.17%	(7.29%)	7.19%	-
Holland (10/31/94)	2.43%	(4.50%)	9.36%	6.08%
LCG Blended Benchmark*	2.72%	(4.02%)	10.08%	5.76%
Russell 1000 Growth Index	2.72%	(4.02%)	10.08%	5.76%
Holland - Net (12/31/04)	2.43%	(4.55%)	9.25%	5.77%
NTGI S&P 500 Growth Idx (07/31/01)	3.65%	(2.06%)	9.97%	7.73%
S&P/Citi 500 Growth Index	3.64%	(2.05%)	9.97%	7.76%
NTGI S&P 500 Growth Idx - Net (12/31/04)	3.65%	(2.06%)	9.96%	7.72%
Sands (10/31/03)	1.14%	(6.84%)	15.75%	10.03%
LCG Blended Benchmark*	2.72%	(4.02%)	10.08%	5.76%
Russell 1000 Growth Index	2.72%	(4.02%)	10.08%	5.76%
Sands - Net (12/31/04)	1.14%	(6.89%)	15.61%	9.77%
Vision (06/30/2011)	2.97%	(2.91%)	11.80%	6.20%
LCG Blended Benchmark*	2.72%	(4.02%)	10.08%	5.76%
Russell 1000 Growth Index	2.72%	(4.02%)	10.08%	5.76%
Vision - Net (06/30/2011)	2.97%	(3.05%)	11.48%	5.72%
Large Cap Value (09/30/82)	4.82%	(3.72%)	8.22%	1.16%
Dodge & Cox (08/31/03)	5.61%	(2.26%)	10.15%	0.33%
LCV Blended Benchmark**	4.96%	(2.20%)	8.68%	3.01%
Russell 1000 Value Index	4.96%	(2.20%)	8.68%	3.01%
Dodge & Cox - Net (12/31/04)	5.61%	(2.31%)	10.03%	0.13%
BMO (01/31/01)	4.36%	(4.21%)	6.83%	1.75%
LCV Blended Benchmark**	4.96%	(2.20%)	8.68%	3.01%
Russell 1000 Value Index	4.96%	(2.20%)	8.68%	3.01%
BMO - Net (12/31/04)	4.36%	(4.27%)	6.70%	1.50%
LSV (01/31/03)	4.68%	(4.76%)	7.12%	(0.61%)
LCV Blended Benchmark**	4.96%	(2.20%)	8.68%	3.01%
Russell 1000 Value Index	4.96%	(2.20%)	8.68%	3.01%
LSV - Net (12/31/04)	4.68%	(4.82%)	6.97%	(0.88%)
NTGI S&P 500 Value Idx (07/31/99)	4.69%	(3.56%)	8.93%	3.02%
S&P/Citi 500 Value Index	4.71%	(3.58%)	8.92%	3.00%
NTGI S&P 500 Value Idx - Net (12/31/04)	4.69%	(3.56%)	8.93%	3.01%

* 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 June 30, 2012

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Equity (12/31/81)	16.48%	0.45%	5.75%	10.56%
Russell 1000 Index	16.64%	0.39%	5.72%	10.92%
Large Cap Growth (12/31/81)	17.99%	3.62%	6.12%	11.15%
BlackRock LCG (07/31/11)	-	-	-	(2.70%)
LCG Blended Benchmark*	17.50%	2.87%	5.65%	6.83%
Russell 1000 Growth Index	17.50%	2.87%	6.03%	6.83%
BlackRock LCG - Net (07/31/11)	-	-	-	(2.95%)
Holland (10/31/94)	18.23%	4.71%	6.54%	9.37%
LCG Blended Benchmark*	17.50%	2.87%	5.65%	8.42%
Russell 1000 Growth Index	17.50%	2.87%	6.03%	7.48%
Holland - Net (12/31/04)	17.86%	4.41%	-	4.79%
LCG Blended Benchmark*	17.50%	2.87%	5.65%	5.15%
Russell 1000 Growth Index	17.50%	2.87%	6.03%	5.36%
NTGI S&P 500 Growth Idx (07/31/01)	17.49%	3.05%	5.79%	3.33%
S&P/Citi 500 Growth Index	17.45%	3.04%	5.77%	3.29%
NTGI S&P 500 Growth Idx - Net (12/31/04)	17.48%	3.04%	-	4.83%
S&P/Citi 500 Growth Index	17.45%	3.04%	5.77%	5.30%
Sands (10/31/03)	26.76%	8.45%	-	9.39%
LCG Blended Benchmark*	17.50%	2.87%	5.65%	5.88%
Russell 1000 Growth Index	17.50%	2.87%	6.03%	6.10%
Sands - Net (12/31/04)	26.43%	8.16%	-	6.76%
LCG Blended Benchmark*	17.50%	2.87%	5.65%	5.15%
Russell 1000 Growth Index	17.50%	2.87%	6.03%	5.36%
Vision (06/30/2011)	-	-	-	6.20%
LCG Blended Benchmark*	17.50%	2.87%	5.65%	5.76%
Russell 1000 Growth Index	17.50%	2.87%	6.03%	5.76%
Vision - Net (06/30/2011)	-	-	-	5.72%
Large Cap Value (09/30/82)	14.81%	(2.37%)	5.33%	9.56%
Dodge & Cox (08/31/03)	14.98%	(2.81%)	-	6.08%
LCV Blended Benchmark**	15.80%	(2.19%)	5.07%	5.66%
Russell 1000 Value Index	15.80%	(2.19%)	5.28%	5.88%
Dodge & Cox - Net (12/31/04)	14.72%	(3.03%)	-	2.42%
LCV Blended Benchmark**	15.80%	(2.19%)	5.07%	3.20%
Russell 1000 Value Index	15.80%	(2.19%)	5.28%	3.37%
BMO (01/31/01)	14.24%	(1.20%)	6.21%	5.21%
LCV Blended Benchmark**	15.80%	(2.19%)	5.07%	2.38%
Russell 1000 Value Index	15.80%	(2.19%)	5.28%	3.61%
BMO - Net (12/31/04)	13.97%	(1.44%)	-	3.97%
LCV Blended Benchmark**	15.80%	(2.19%)	5.07%	3.20%
Russell 1000 Value Index	15.80%	(2.19%)	5.28%	3.37%
LSV (01/31/03)	15.06%	(2.19%)	-	8.29%
LCV Blended Benchmark**	15.80%	(2.19%)	5.07%	6.85%
Russell 1000 Value Index	15.80%	(2.19%)	5.28%	6.90%
LSV - Net (12/31/04)	14.74%	(2.47%)	-	3.36%
LCV Blended Benchmark**	15.80%	(2.19%)	5.07%	3.20%
Russell 1000 Value Index	15.80%	(2.19%)	5.28%	3.37%
NTGI S&P 500 Value Idx (07/31/99)	15.34%	(2.64%)	4.82%	2.28%
S&P/Citi 500 Value Index	15.32%	(2.68%)	4.79%	2.27%
NTGI S&P 500 Value Idx - Net (12/31/04)	15.33%	(2.65%)	-	2.45%
S&P/Citi 500 Value Index	15.32%	(2.68%)	4.79%	2.84%

* The LCG Blended Benchmark is currently the Russell 1000 Growth Index. Returns prior to January 1, 2006, reflect those 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 June 30, 2012

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Large Cap Active Core (12/31/04)	3.40%	(5.02%)	8.34%	0.70%
Piedmont (05/31/11)	4.46%	(3.33%)	10.63%	2.85%
Russell 1000 Index	3.83%	(3.12%)	9.38%	4.37%
Piedmont - Net (05/31/11)	4.46%	(3.42%)	10.41%	2.45%
Progress (01/31/05)	3.07%	(5.54%)	7.63%	0.05%
DJ U.S. Total Stock Market Index	3.97%	(3.10%)	9.40%	3.98%
Progress - Net (01/31/05)	3.07%	(5.69%)	7.30%	(0.56%)
Large Cap Passive Core (12/31/84)	3.79%	(3.24%)	9.24%	3.89%
NTGI MarketCap Idx (01/31/85)	3.79%	(3.24%)	9.24%	3.89%
DJ U.S. Total Stock Market Index	3.97%	(3.10%)	9.40%	3.98%
NTGI MarketCap Idx - Net (12/31/04)	3.79%	(3.25%)	9.24%	3.88%

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 June 30, 2012

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Active Core (12/31/04)	15.57%	0.08%	-	3.93%
Piedmont (05/31/11)	-	-	-	0.91%
Russell 1000 Index	16.64%	0.39%	5.72%	2.35%
Piedmont - Net (05/31/11)	-	-	-	0.55%
Progress (01/31/05)	15.26%	(0.08%)	-	3.86%
DJ U.S. Total Stock Market Index	16.94%	0.59%	6.12%	4.23%
Progress - Net (01/31/05)	14.59%	(0.69%)	-	3.26%
Large Cap Passive Core (12/31/84)	16.94%	0.34%	5.97%	10.44%
NTGI MarketCap Idx (01/31/85)	16.98%	0.36%	5.98%	10.47%
DJ U.S. Total Stock Market Index	16.94%	0.59%	6.12%	10.44%
NTGI MarketCap Idx - Net (12/31/04)	16.97%	0.36%	-	4.00%
DJ U.S. Total Stock Market Index	16.94%	0.59%	6.12%	4.67%

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 June 30, 2012

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Small Cap Equity (06/30/88)	3.94%	(5.33%)	8.18%	(3.03%)
Russell 2000 Index	4.99%	(3.47%)	8.53%	(2.08%)
Small Cap Growth (06/30/88)	3.39%	(6.60%)	6.75%	(5.95%)
Fortaleza (11/30/06)	3.90%	(4.47%)	9.65%	1.27%
Russell 2000 Growth Index	5.16%	(3.94%)	8.81%	(2.71%)
Fortaleza - Net (11/30/06)	3.90%	(4.58%)	9.39%	0.76%
Frontier (07/31/88)	2.89%	(6.64%)	6.67%	(6.67%)
Russell 2000 Growth Index	5.16%	(3.94%)	8.81%	(2.71%)
Frontier - Net (12/31/04)	2.89%	(6.75%)	6.41%	(7.13%)
Pyramis (07/31/88)	3.85%	(6.71%)	6.61%	(5.71%)
Russell 2000 Growth Index	5.16%	(3.94%)	8.81%	(2.71%)
Pyramis - Net (12/31/04)	3.85%	(6.82%)	6.36%	(6.44%)
Small Cap Value (08/31/89)	3.84%	(4.73%)	7.54%	(2.19%)
Channing (06/30/11)	3.44%	(5.57%)	4.22%	(5.16%)
Russell 2000 Value Index	4.82%	(3.01%)	8.23%	(1.44%)
Channing - Net (06/30/11)	3.44%	(5.76%)	3.81%	(5.81%)
DFA Small Cap Value (01/31/96)	4.44%	(4.31%)	8.58%	(3.56%)
Russell 2000 Value Index	4.82%	(3.01%)	8.23%	(1.44%)
DFA Small Cap Value - Net (12/31/04)	4.44%	(4.43%)	8.32%	(3.99%)
Inv. Counselors of Maryland (04/30/99)	3.26%	(5.02%)	7.86%	(1.02%)
Russell 2000 Value Index	4.82%	(3.01%)	8.23%	(1.44%)
Inv. Couns. of Maryland - Net (12/31/04)	3.26%	(5.11%)	7.65%	(1.44%)
Lombardia (05/31/11)	4.46%	(4.68%)	3.69%	(0.61%)
Russell 2000 Value Index	4.82%	(3.01%)	8.23%	(1.44%)
Lombardia - Net (05/31/11)	4.46%	(4.85%)	3.34%	(1.20%)
Micro Cap (06/30/84)	5.14%	(4.10%)	12.17%	1.10%
Ariel (10/31/2010)	4.53%	4.41%	18.94%	11.46%
Russell 2000 Growth Index	5.16%	(3.94%)	8.81%	(2.71%)
Russell 2000 Index	4.99%	(3.47%)	8.53%	(2.08%)
Russell Microcap Index	6.46%	(1.98%)	13.01%	(0.54%)
Ariel - Net (10/31/10)	4.53%	4.19%	18.45%	10.51%
Ativo (09/30/10)	6.65%	(1.13%)	9.39%	(2.06%)
Russell 2000 Growth Index	5.16%	(3.94%)	8.81%	(2.71%)
Russell 2000 Index	4.99%	(3.47%)	8.53%	(2.08%)
Russell Microcap Index	6.46%	(1.98%)	13.01%	(0.54%)
Ativo - Net (09/30/10)	6.65%	(1.32%)	8.98%	(2.83%)
DFA Micro Cap (07/31/87)	5.16%	(2.80%)	9.17%	0.87%
Russell 2000 Growth Index	5.16%	(3.94%)	8.81%	(2.71%)
Russell 2000 Index	4.99%	(3.47%)	8.53%	(2.08%)
DFA Micro Cap - Net (12/31/04)	5.16%	(2.93%)	8.91%	0.40%
Wall Street (07/31/90)	5.11%	(6.97%)	13.08%	(0.53%)
Russell 2000 Growth Index	5.16%	(3.94%)	8.81%	(2.71%)
Russell 2000 Index	4.99%	(3.47%)	8.53%	(2.08%)
Wall Street - Net (12/31/04)	5.11%	(7.14%)	12.68%	(1.33%)

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 June 30, 2012

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Small Cap Equity (06/30/88)	19.02%	2.08%	9.46%	12.03%
Russell 2000 Index	17.80%	0.54%	7.00%	9.04%
Small Cap Growth (06/30/88)	17.59%	2.27%	9.44%	12.72%
Fortaleza (11/30/06)	20.44%	1.14%	-	3.34%
Russell 2000 Growth Index	18.09%	1.99%	7.39%	3.76%
Fortaleza - Net (11/30/06)	19.87%	0.64%	-	2.85%
Frontier (07/31/88)	16.35%	3.32%	9.04%	12.78%
Russell 2000 Growth Index	18.09%	1.99%	7.39%	6.83%
Frontier - Net (12/31/04)	15.43%	2.49%	-	6.36%
Russell 2000 Growth Index	18.09%	1.99%	7.39%	5.26%
Pyramis (07/31/88)	19.05%	3.19%	10.51%	13.32%
Russell 2000 Growth Index	18.09%	1.99%	7.39%	6.83%
Pyramis - Net (12/31/04)	18.27%	2.56%	-	8.06%
Russell 2000 Growth Index	18.09%	1.99%	7.39%	5.26%
Small Cap Value (08/31/89)	19.02%	0.71%	8.78%	11.64%
Channing (06/30/11)	-	-	-	(5.16%)
Russell 2000 Value Index	17.43%	(1.05%)	6.50%	(1.44%)
Channing - Net (06/30/11)	-	-	-	(5.81%)
DFA Small Cap Value (01/31/96)	21.57%	(0.16%)	9.22%	11.93%
Russell 2000 Value Index	17.43%	(1.05%)	6.50%	9.02%
DFA Small Cap Value - Net (12/31/04)	21.00%	(0.68%)	-	4.35%
Russell 2000 Value Index	17.43%	(1.05%)	6.50%	3.56%
Inv. Counselors of Maryland (04/30/99)	18.14%	1.28%	8.61%	11.40%
Russell 2000 Value Index	17.43%	(1.05%)	6.50%	8.85%
Inv. Couns. of Maryland - Net (12/31/04)	17.55%	0.75%	-	5.19%
Russell 2000 Value Index	17.43%	(1.05%)	6.50%	3.56%
Lombardia (05/31/11)	-	-	-	(3.28%)
Russell 2000 Value Index	17.43%	(1.05%)	6.50%	(3.57%)
Lombardia - Net (05/31/11)	-	-	-	(3.82%)
Micro Cap (06/30/84)	20.24%	(0.04%)	7.75%	11.83%
Ariel (10/31/10)	-	-	-	11.57%
Russell 2000 Growth Index	18.09%	1.99%	7.39%	10.79%
Russell 2000 Index	17.80%	0.54%	7.00%	9.40%
Russell Microcap Index	16.71%	(2.19%)	5.89%	9.25%
Ariel - Net (10/31/10)	-	-	-	10.72%
Ativo (09/30/10)	-	-	-	7.60%
Russell 2000 Growth Index	18.09%	1.99%	7.39%	12.94%
Russell 2000 Index	17.80%	0.54%	7.00%	11.46%
Russell Microcap Index	16.71%	(2.19%)	5.89%	12.26%
Ativo - Net (09/30/10)	-	-	-	6.86%
DFA Micro Cap (07/31/87)	19.02%	0.73%	8.70%	10.77%
Russell 2000 Growth Index	18.09%	1.99%	7.39%	6.06%
Russell 2000 Index	17.80%	0.54%	7.00%	8.12%
DFA Micro Cap - Net (12/31/04)	18.46%	0.24%	-	3.92%
Russell 2000 Growth Index	18.09%	1.99%	7.39%	5.26%
Russell 2000 Index	17.80%	0.54%	7.00%	4.47%
Wall Street (07/31/90)	21.78%	0.10%	7.20%	13.94%
Russell 2000 Growth Index	18.09%	1.99%	7.39%	6.59%
Russell 2000 Index	17.80%	0.54%	7.00%	8.85%
Wall Street - Net (12/31/04)	20.87%	(0.69%)	-	4.63%
Russell 2000 Growth Index	18.09%	1.99%	7.39%	5.26%
Russell 2000 Index	17.80%	0.54%	7.00%	4.47%

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 June 30, 2012

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Equity (08/31/86)	6.17%	(6.91%)	3.84%	(12.80%)
MSCI ACWI ex-US Index	5.90%	(7.61%)	2.77%	(14.57%)
Intl Large Cap Growth (08/31/02)	3.92%	(7.52%)	4.08%	(12.71%)
EARNEST Partners (09/30/04)	2.99%	(9.86%)	(0.42%)	(16.34%)
MSCI ACWI ex-US Index	5.90%	(7.61%)	2.77%	(14.57%)
MSCI ACWI ex-US Growth	4.77%	(7.29%)	3.70%	(13.71%)
EARNEST Partners - Net (12/31/04)	2.99%	(9.90%)	(0.97%)	(16.89%)
William Blair (09/30/02)	4.80%	(5.23%)	7.95%	(8.43%)
MSCI ACWI ex-US Index	5.90%	(7.61%)	2.77%	(14.57%)
MSCI ACWI ex-US Growth	4.77%	(7.29%)	3.70%	(13.71%)
William Blair - Net (12/31/04)	4.80%	(5.36%)	7.61%	(8.81%)
Intl Large Cap Value (09/30/95)	7.35%	(7.17%)	1.50%	(12.80%)
Brandes (12/31/95)	7.63%	(8.28%)	0.90%	(13.31%)
MSCI ACWI ex-US Index	5.90%	(7.61%)	2.77%	(14.57%)
MSCI ACWI ex-US Value	7.13%	(7.50%)	2.53%	(14.61%)
Brandes - Net (12/31/04)	7.63%	(8.36%)	0.76%	(13.53%)
Lombardia (3/31/12)	7.31%	(9.38%)	-	-
MSCI ACWI ex-US Index	5.90%	(7.61%)	2.77%	(14.57%)
MSCI ACWI ex-US Value	7.13%	(7.50%)	2.53%	(14.61%)
Lombardia - Net (3/31/12)	7.31%	(9.41%)	-	-
Mondrian (3/31/12)	7.12%	(6.34%)	-	-
MSCI ACWI ex-US Index	5.90%	(7.61%)	2.77%	(14.57%)
MSCI ACWI ex-US Value	7.13%	(7.50%)	2.53%	(14.61%)
Mondrian - Net (3/31/12)	7.12%	(6.36%)	-	-
Lazard (3/31/12)	7.07%	(5.57%)	-	-
MSCI ACWI ex-US Index	5.90%	(7.61%)	2.77%	(14.57%)
MSCI ACWI ex-US Value	7.13%	(7.50%)	2.53%	(14.61%)
Lazard - Net (3/31/12)	7.07%	(5.58%)	-	-

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 June 30, 2012

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Equity (08/31/86)	7.60%	(5.15%)	6.36%	7.63%
MSCI ACWI ex-US Index	6.97%	(4.62%)	6.74%	-
Intl Large Cap Growth (08/31/02)	9.56%	(4.46%)	-	8.65%
EARNEST Partners (09/30/04)	11.03%	0.35%	-	11.26%
MSCI ACWI ex-US Index	6.97%	(4.62%)	6.74%	5.82%
MSCI ACWI ex-US Growth	8.19%	(3.57%)	6.52%	6.40%
EARNEST Partners - Net (12/31/04)	10.43%	(0.13%)	-	8.59%
MSCI ACWI ex-US Index	6.97%	(4.62%)	6.74%	4.19%
MSCI ACWI ex-US Growth	8.19%	(3.57%)	6.52%	4.81%
William Blair (09/30/02)	11.71%	(3.59%)	-	9.04%
MSCI ACWI ex-US Index	6.97%	(4.62%)	6.74%	7.98%
MSCI ACWI ex-US Growth	8.19%	(3.57%)	6.52%	7.89%
William Blair - Net (12/31/04)	11.29%	(3.96%)	-	4.46%
MSCI ACWI ex-US Index	6.97%	(4.62%)	6.74%	4.19%
MSCI ACWI ex-US Growth	8.19%	(3.57%)	6.52%	4.81%
Intl Large Cap Value (09/30/95)	4.40%	(6.17%)	6.39%	9.25%
Brandes (12/31/95)	4.20%	(6.28%)	6.33%	9.26%
MSCI ACWI ex-US Index	6.97%	(4.62%)	6.74%	4.77%
MSCI ACWI ex-US Value	6.63%	(4.84%)	7.82%	-
Brandes - Net (12/31/04)	3.96%	(6.53%)	-	1.46%
MSCI ACWI ex-US Index	6.97%	(4.62%)	6.74%	4.19%
MSCI ACWI ex-US Value	6.63%	(4.84%)	7.82%	4.46%
Lombardia (3/31/12)	-	-	-	(9.38%)
MSCI ACWI ex-US Index	6.97%	(4.62%)	6.74%	(7.61%)
MSCI ACWI ex-US Value	6.63%	(4.84%)	7.82%	(7.50%)
Lombardia - Net (3/31/12)	-	-	-	(11.75%)
Mondrian (3/31/12)	-	-	-	(6.34%)
MSCI ACWI ex-US Index	6.97%	(4.62%)	6.74%	(7.61%)
MSCI ACWI ex-US Value	6.63%	(4.84%)	7.82%	(7.50%)
Mondrian - Net (3/31/12)	-	-	-	(7.58%)
Lazard (3/31/12)	-	-	-	(5.57%)
MSCI ACWI ex-US Index	6.97%	(4.62%)	6.74%	(7.61%)
MSCI ACWI ex-US Value	6.63%	(4.84%)	7.82%	(7.50%)
Lazard - Net (3/31/12)	-	-	-	(5.94%)

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 June 30, 2012

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Active Core (01/31/08)	5.53%	(6.16%)	5.83%	(12.06%)
Arrowstreet (02/29/08)	6.88%	(7.61%)	3.57%	(13.69%)
MSCI ACWI ex-US Index	5.90%	(7.61%)	2.77%	(14.57%)
Arrowstreet - Net (02/29/08)	6.88%	(7.74%)	3.31%	(14.13%)
Brown (09/30/04)	3.79%	(6.52%)	6.99%	(12.04%)
MSCI ACWI ex-US Index	5.90%	(7.61%)	2.77%	(14.57%)
Brown - Net (12/31/04)	3.79%	(6.58%)	6.86%	(12.44%)
GlobeFlex (02/28/06)	5.07%	(4.54%)	7.55%	(10.44%)
MSCI ACWI ex-US Index	5.90%	(7.61%)	2.77%	(14.57%)
GlobeFlex - Net (02/28/06)	5.07%	(4.65%)	7.31%	(10.85%)
Intl Large Cap Pass. Core (12/31/99)	7.05%	(6.89%)	3.30%	(13.42%)
NTGI MSCI EAFE Idx (01/31/00)	7.05%	(6.89%)	3.30%	(13.42%)
MSCI EAFE Index	7.01%	(7.13%)	2.96%	(13.83%)
NTGI EAFE Idx - Net (12/31/04)	7.05%	(6.89%)	3.30%	(13.43%)
International Small Cap (11/30/05)	3.19%	(5.22%)	8.31%	(11.17%)
Franklin Templeton (07/31/11)	3.55%	(5.01%)	9.95%	-
ACWI Small Cap ex US	3.34%	(8.92%)	4.09%	(16.43%)
Franklin Templeton - Net (07/31/11)	3.55%	(5.01%)	9.74%	-
William Blair (08/31/10)	2.89%	(5.39%)	6.95%	(9.85%)
ACWI Small Cap ex US	3.34%	(8.92%)	4.09%	(16.43%)
Intl SC Blended Benchmark	3.34%	(8.92%)	4.09%	(16.43%)
William Blair - Net (08/31/10)	2.89%	(5.60%)	6.52%	(10.61%)
Emerging Markets (01/31/92)	3.60%	(6.87%)	5.92%	(11.21%)
Genesis (04/30/04)	3.60%	(6.87%)	5.92%	(11.21%)
MSCI Emerging Markets Index	3.91%	(8.78%)	4.12%	(15.67%)
Genesis - Net (12/31/04)	3.60%	(6.87%)	5.87%	(11.53%)

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 June 30, 2012

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Active Core (01/31/08)	9.97%	-	-	(2.10%)
Arrowstreet (02/29/08)	9.34%	-	-	(2.52%)
MSCI ACWI ex-US Index	6.97%	(4.62%)	6.74%	(3.84%)
Arrowstreet - Net (02/29/08)	8.81%	-	-	(2.97%)
Brown (09/30/04)	7.57%	(3.92%)	-	6.22%
MSCI ACWI ex-US Index	6.97%	(4.62%)	6.74%	5.82%
Brown - Net (12/31/04)	7.15%	(4.25%)	-	3.46%
MSCI ACWI ex-US Index	6.97%	(4.62%)	6.74%	4.19%
GlobeFlex (02/28/06)	10.29%	(4.75%)	-	1.12%
MSCI ACWI ex-US Index	6.97%	(4.62%)	6.74%	0.75%
GlobeFlex - Net (02/28/06)	9.86%	(5.18%)	-	0.67%
Intl Large Cap Pass. Core (12/31/99)	6.44%	(5.68%)	5.52%	1.11%
NTGI MSCI EAFE Idx (01/31/00)	6.41%	(5.70%)	5.51%	1.11%
MSCI EAFE Index	5.96%	(6.10%)	5.14%	0.73%
NTGI EAFE Idx - Net (12/31/04)	6.40%	(5.71%)	-	2.34%
MSCI EAFE Index	5.96%	(6.10%)	5.14%	2.55%
International Small Cap (11/30/05)	10.01%	(7.92%)	-	0.30%
Franklin Templeton (07/31/11)	-	-	-	(11.92%)
ACWI Small Cap ex US	10.41%	(3.74%)	10.14%	(16.43%)
Franklin Templeton - Net (07/31/11)	-	-	-	(12.21%)
William Blair (08/31/10)	-	-	-	8.87%
ACWI Small Cap ex US	10.41%	(3.74%)	10.14%	3.05%
Intl SC Blended Benchmark	9.54%	(5.05%)	8.86%	4.79%
William Blair - Net (08/31/10)	-	-	-	5.59%
Emerging Markets (01/31/92)	15.94%	4.27%	16.87%	10.05%
Genesis (04/30/04)	15.94%	4.27%	-	14.83%
MSCI Emerging Markets Index	10.10%	0.21%	14.42%	11.40%
Genesis - Net (12/31/04)	15.33%	3.69%	-	12.66%
MSCI Emerging Markets Index	10.10%	0.21%	14.42%	11.12%

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.

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 June 30, 2012

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Dom. Fixed Active Core (03/31/01)	0.18%	2.26%	3.42%	8.65%
EARNEST Partners (04/30/05)	0.21%	2.29%	3.44%	9.40%
BC Aggregate Index	0.04%	2.06%	2.37%	7.47%
EARNEST Partners - Net (04/30/05)	0.21%	2.24%	3.33%	9.18%
Piedmont (05/31/05)	0.15%	2.24%	3.40%	7.90%
BC Aggregate Index	0.04%	2.06%	2.37%	7.47%
Piedmont - Net (05/31/05)	0.15%	2.20%	3.31%	7.73%
Dom. Fixed Enhanced Core (03/31/00)	0.12%	2.42%	2.67%	7.41%
BlackRock Enhanced (04/30/00)	0.12%	2.42%	2.67%	7.41%
BC Aggregate Index	0.04%	2.06%	2.37%	7.47%
BlackRock Enhanced - Net (12/31/04)	0.10%	2.39%	2.61%	7.33%
Dom. Fixed Passive Core (12/31/89)	0.06%	2.10%	2.44%	7.59%
NTGI BC Agg. Index (01/31/90)	0.06%	2.10%	2.44%	7.59%
BC Aggregate Index	0.04%	2.06%	2.37%	7.47%
NTGI BC Agg. Index - Net (12/31/04)	0.06%	2.10%	2.44%	7.58%

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 June 30, 2012

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Dom. Fixed Active Core (03/31/01)	8.60%	6.94%	5.19%	5.47%
EARNEST Partners (04/30/05)	8.34%	7.19%	-	6.17%
BC Aggregate Index	6.93%	6.79%	5.63%	5.81%
EARNEST Partners - Net (04/30/05)	8.12%	6.97%	-	5.96%
Piedmont (05/31/05)	8.46%	6.77%	-	5.59%
BC Aggregate Index	6.93%	6.79%	5.63%	5.68%
Piedmont - Net (05/31/05)	8.27%	6.59%	-	5.38%
Dom. Fixed Enhanced Core (03/31/00)	7.87%	6.73%	5.68%	6.36%
BlackRock Enhanced (04/30/00)	7.87%	6.73%	5.68%	6.40%
BC Aggregate Index	6.93%	6.79%	5.63%	6.35%
BlackRock Enhanced - Net (12/31/04)	7.79%	6.66%	-	5.38%
BC Aggregate Index	6.93%	6.79%	5.63%	5.61%
Dom. Fixed Passive Core (12/31/89)	7.10%	6.67%	5.60%	6.96%
NTGI BC Agg. Index (01/31/90)	7.10%	6.67%	5.60%	6.98%
BC Aggregate Index	6.93%	6.79%	5.63%	6.98%
NTGI BC Agg. Index - Net (12/31/04)	7.09%	6.66%	-	5.41%
BC Aggregate Index	6.93%	6.79%	5.63%	5.61%

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 June 30, 2012

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Fixed Core Plus (12/31/81)	0.46%	2.30%	3.79%	8.26%
BlackRock Core Plus (03/31/07)	0.14%	2.54%	3.27%	8.41%
BC Aggregate Index	0.04%	2.06%	2.37%	7.47%
BlackRock Core Plus - Net (03/31/07)	0.13%	2.52%	3.23%	8.23%
LM Capital (04/30/05)	0.50%	2.02%	3.38%	7.63%
BC Aggregate Index	0.04%	2.06%	2.37%	7.47%
LM Capital - Net (04/30/05)	0.50%	1.98%	3.29%	7.45%
Progress Fixed Income (12/31/05)	0.27%	2.26%	3.21%	7.64%
BC Aggregate Index	0.04%	2.06%	2.37%	7.47%
Progress Fixed Inc. - Net (12/31/05)	0.27%	2.17%	3.03%	7.27%
Taplin, Canida, Habacht (04/30/05)	0.59%	2.14%	4.26%	8.29%
BC Aggregate Index	0.04%	2.06%	2.37%	7.47%
Taplin, Canida, Hab. - Net (04/30/05)	0.59%	2.11%	4.19%	8.15%
Western (10/31/01)	0.60%	2.48%	4.35%	8.85%
BC Aggregate Index	0.04%	2.06%	2.37%	7.47%
Western - Net (12/31/04)	0.60%	2.45%	4.27%	8.70%
High Yield (03/31/86)	1.72%	1.61%	6.86%	6.61%
MacKay Shields (10/31/00)	1.54%	1.85%	6.56%	8.90%
ML High Yield Cash Pay Index	2.02%	1.88%	7.02%	6.62%
MacKay Shields - Net (12/31/04)	1.45%	1.76%	6.30%	8.53%
Pyramis (07/31/86)	1.89%	1.38%	7.14%	4.49%
ML High Yield Cash Pay Index	2.02%	1.88%	7.02%	6.62%
Pyramis - Net (12/31/04)	1.89%	1.30%	6.81%	3.99%

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 June 30, 2012

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Fixed Core Plus (12/31/81)	9.80%	7.04%	6.26%	9.11%
BlackRock Core Plus (03/31/07)	9.12%	7.32%	-	6.67%
BC Aggregate Index	6.93%	6.79%	5.63%	6.25%
BlackRock Core Plus - Net (03/31/07)	9.03%	7.25%	-	6.60%
LM Capital (04/30/05)	8.49%	7.49%	-	6.46%
BC Aggregate Index	6.93%	6.79%	5.63%	5.81%
LM Capital - Net (04/30/05)	8.30%	7.32%	-	6.29%
Progress Fixed Income (12/31/05)	8.03%	7.27%	-	6.66%
BC Aggregate Index	6.93%	6.79%	5.63%	6.11%
Progress Fixed Inc. - Net (12/31/05)	7.66%	6.90%	-	6.32%
Taplin, Canida, Habacht (04/30/05)	8.99%	7.06%	-	5.97%
BC Aggregate Index	6.93%	6.79%	5.63%	5.81%
Taplin, Canida, Hab. - Net (04/30/05)	8.85%	6.93%	-	5.88%
Western (10/31/01)	11.80%	6.83%	6.81%	6.68%
BC Aggregate Index	6.93%	6.79%	5.63%	5.60%
Western - Net (12/31/04)	11.64%	6.68%	-	5.82%
BC Aggregate Index	6.93%	6.79%	5.63%	5.61%
High Yield (03/31/86)	16.62%	8.40%	11.14%	10.27%
Mackay Shields (10/31/00)	14.95%	7.68%	11.02%	9.92%
ML High Yield Cash Pay Index	16.01%	8.07%	9.76%	8.03%
Mackay Shields - Net (12/31/04)	14.56%	7.31%	-	7.24%
ML High Yield Cash Pay Index	16.01%	8.07%	9.76%	7.81%
Pyramis (07/31/86)	18.37%	9.15%	11.26%	10.02%
ML High Yield Cash Pay Index	16.01%	8.07%	9.76%	8.79%
Pyramis - Net (12/31/04)	17.81%	8.73%	-	8.11%
ML High Yield Cash Pay Index	16.01%	8.07%	9.76%	7.81%

Taplin, Canida, & Habacht moved to Core Plus October 1, 2010.

Manager Summary

Five Best Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Outperformance (in % points)	Since Inception Outperformance (in % points)	
Ariel	10.13	0.78	(10/31/10)
Brandes	8.14	4.49	(12/31/95)
Sands	5.67	3.51	(10/31/03)
William Blair Intl LC	5.13	1.06	(09/30/02)
GlobeFlex	4.78	0.37	(02/28/06)

Five Worst Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Underperformance (in % points)	Since Inception Underperformance (in % points)	
Lombardia Small Cap	-4.53	0.29	(05/31/11)
Channing	-4.01	-3.72	(06/30/11)
EARNEST International	-3.19	5.44	(09/30/04)
BlackRock LCG	-2.61	-9.53	(07/31/11)
Pyramis Small Cap	-2.20	6.49	(07/31/88)

Five Highest Returning Portfolios

Manager	Year-to-Date Return (in % points)	Since Inception Return (in % points)	
Ariel	18.94	11.57	(10/31/10)
Sands	15.75	9.39	(10/31/03)
Wall Street	13.08	13.94	(07/31/90)
Vision	11.80	6.20	(06/30/11)
Brandes	10.91	9.26	(12/31/95)

Five Lowest Returning Portfolios

Manager	Year-to-Date Return (in % points)	Since Inception Return (in % points)	
EARNEST International	-0.42	11.26	(09/30/04)
Northern Trust EAFE	3.30	1.11	(01/31/00)
Arrowstreet	3.57	-2.52	(02/29/08)
Lombardia Small Cap	3.70	-3.28	(05/31/11)
Channing	4.22	-5.16	(06/30/11)

Returns are shown gross of investment management fees.

Excludes Real Estate and Alternative Investments portfolios.

(12-07-03) (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 #12-06-22

Schedules - Dated July 27, 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 H - Administrative Denial of Benefit Claims.
- 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 May was prepared by The Northern Trust Company.

Bids (2)

#10 Window Check Envelopes
Approved Bidder: Darwill Printing
Approved Bid: \$5,545.00

Trustee Elections
Approved Bidder: RR Donnelley
Approved Bid: \$24,397.25

Participation of New Unit of Government (1)

City of El Paso
County: Woodford
2012 Employer Rate: 8.48%
Effective Participation Date: August 1, 2012
Number of Employees: 20

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

Vote: Unanimous Voice Vote
Absent: None

(12-07-04) (Financial Reports) The Chair presented the following financial reports for approval.

- Review of July Financial Reporting Package
- May Interim Financial Statements
- 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. Thompson, seconded by Mr. Nannini, to approve the Financial Reports as presented.

Vote: Unanimous Voice Vote
Absent: None

(12-07-05) (Report of the Benefit Review Committee) The Vice-Chair of the Benefit Review Committee reported on the meeting held on July 26, 2012 .

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

- To uphold staff's determination to deny the application for temporary disability benefits filed by Hamilton Williams.
- To uphold staff's determination to terminate the temporary disability benefits of Connie Rowcliff, effective January 1, 2012.
- To adopt the proposed findings and conclusions presented by staff (as fully set forth in the minutes of the Benefit Review Committee Meeting) upholding the staff determination that Michael Moulds did not have a qualifying spouse at least one year prior to the date that his IMRF employment was terminated.

- To overturn staff's determination regarding benefit prepayment of Thomas L. Brown, due to inaccurate information provided to the member by IMRF regarding the number of hours he was eligible to work while receiving his IMRF pension.

Vote: Unanimous Voice Vote
Absent: None

(12-07-06) (Implementation of Early Retirement Incentive Program) The Executive Director reported on a staff proposal that was presented at the February 2012 Board Meeting allowing employers to offer the Early Retirement Incentive no more than once every five years. At that time, the Board wished to defer the matter until after the Spring Session of the 97th General Assembly, with continued discussion at its July 2012 Board Meeting.

He recommended the Board adopt a proposed Resolution with a July 1, 2013 effective date.

After questions and discussion, it was moved by Mr. Nannini, seconded by Ms. Faklis, to change the effective date of the proposed Early Retirement Incentive Resolution to December 31, 2013.

Vote: Unanimous Voice Vote
Absent: None

It was moved by Mr. Stafford, seconded by Mr. Nannini, to adopt the following Early Retirement Incentive Resolution, as amended:

Resolution

WHEREAS, Sections 7-198 and 7-183 of the Illinois Pension Code authorize the Board of Trustees of the Illinois Municipal Retirement Fund to make rules necessary or desirable for the efficient administration of the fund and to request information from any participating municipality or participating instrumentality; and

WHEREAS, Section 7-141.1 permits units of government to adopt an early retirement incentive program by resolution or ordinance which shall specify the goal of the program is to realize a substantial savings in personnel costs and to provide a budgeting tool to aid in controlling payroll costs; and

WHEREAS, Section 7-141.1 provides that the additional unfunded liability accruing as a result of the adoption of the early retirement incentive program shall be amortized over a period of ten years, except that an employer may provide for a shorter amortization period of no less than five years, and that an employer may accelerate payments to IMRF; and

WHEREAS, the Board of Trustees has determined that a reasonable interpretation of Section 7-141.1 is that a subsequent early retirement incentive program may be implemented no earlier than five years after the close of a prior incentive program.

NOW, THEREFORE, BE IT RESOLVED, that employers may not adopt an early retirement incentive program more frequently than once every five years after the close of a prior incentive program.

BE IT FURTHER RESOLVED, that an early retirement incentive resolution adopting a program earlier than five years after the close of a prior early retirement incentive program shall not be given effect by IMRF.

BE IT FURTHER RESOLVED, that this requirement shall be applied to early retirement incentive programs effective December 31, 2013 and thereafter.

Vote: Unanimous Voice Vote
Absent: None

(12-07-07) (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: Cross appeals filed with the Second District Appellate Court.

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: Argument on summary judgment was held. Judge has not issued a ruling. Settlement seems probable. Discussions are ongoing.

WABASH COUNTY, ILLINOIS vs. IMRF, et al.

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

Status: Status was held before Judge Wheaton on June 1, 2012. The County was instructed to follow the procedures for administrative review, including the filing of a complaint. Status is set for September 7, 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: Case has settled. Agreement to be entered on August 10, 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: Money has been deposited with the court. Settlement discussions between beneficiaries are ongoing.

JOSEPH PRAZEN v. IMRF

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

Status: Oral argument is set for August 7, 2012.

LIARAKOS V. IMRF

Summary: Appeal of denial of total and permanent disability.

Status: Briefing is ongoing and matter is set for hearing on September 25, 2012.

IN RE TRIBUNE CO, ET AL. , THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF TRIBUNE CO, ET AL. VS. FITZSIMONS, 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 has joined with other public plans and is using a shared counsel (Ice Miller LLP).

BURGER v. IMRF (12 MR 127)

Summary: Appeal of denial of total and permanent disability.

Status: Status set for July 26, 2012 at 9 am in McHenry County.

(12-07-08) (Modernization Program - Mid-Year Update) The Deputy Executive Director and the Chief Information Services Officer presented a mid-year update regarding the 2012 Procurement Phase of the IMRF Modernization Program that included: a program recap; a modernization program timeline; and, highlights of 2012 accomplishments and plans.

Questions and discussion followed.

(12-07-09) (Report of the Executive Director)

Quarterly Strategic Objectives Report

The Executive Director updated the Board on the Second Quarter 2012 Strategic Objectives.

Quarterly Compliance Certification

The Executive Director stated IMRF has been in compliance with the applicable Statutes and Regulations and the IMRF Ethics Code and Travel Policy during the 2nd Quarter 2012.

Representation of IMRF

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

(12-07-10) (Trustee Forum) The Chair reported that the following Trustees are requesting authorization from the Board for the following conferences:

Sharon U. Thompson	"2012 IPPFA Midwest Pension Conference" IPPFA/NIU October 2-5, 2012 Lake Geneva, WI
Natalie Copper	"Callan College - Introduction to Investments" Callan Associates October 23-24, 2012 San Francisco, CA
John Piechocinski	"Callan College - Introduction to Investments" Callan Associates October 23-24, 2012 San Francisco, CA

It was moved by Ms. Faklis seconded by Mr. Stafford, to approve the above Trustee requests.

Vote: Unanimous Voice Vote
Absent: None

(12-07-11) (Executive Session) It was moved by Mr. Nannini, seconded by Mr. Piechocinski to go into Executive Session as the full Board to discuss a personnel matter pursuant to Section 2(c)(1) of the Open Meetings Act.

Vote: Unanimous Voice Vote
Absent: None

The full Board reconvened the Board Meeting.

(12-07-12) (Executive Director Performance Review) It was moved by Mr. Nannini, seconded by Mr. Stafford, to grant the Executive Director a 3% salary increase for the period July 1, 2012 through June 30, 2012.

Vote: Unanimous Voice Vote
Absent: None

(12-07-13) (Adjournment) It was the consensus of the Board to adjourn the Board Meeting at 11:00 a.m., to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, Illinois, at 9:00 a.m. on August 24, 2012.

Vote: Unanimous Voice Vote
Absent: None

President

Date

Secretary

Date

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