

**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**MEETING NO. 12-10-I**

**MEETING OF THE**  
**INVESTMENT COMMITTEE**

The Investment Committee met in the IMRF offices in Oak Brook, Illinois, on Thursday, October 25, 2012. Mr. Stafford, Chairman of the Investment Committee, called the meeting to order at 2:00 P.M.

(12-10-01)(Roll Call) Mr. Sambol called the roll:

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

Also in attendance were: Mr. Jim Baker of Unite Here; Ms. Becker-Wold and Mr. Nayak of Callan Associates; Ms. Shah, IMRF Chief Investment Officer; Mr. Sambol, IMRF Investment Manager; and IMRF Investment Analysts.

(12-10-02)(Public Comments) There were no public comments.

(12-10-03)(Action Items)

- A. Approve Investment Committee Meeting Minutes from September 27, 2012 Meeting  
The Chief Investment Officer asked for the approval of the minutes of the September 27, 2012 Investment Committee Meeting.

It was moved by Ms. Henry; and seconded by Mr. Stulir; that the minutes of the September 27, 2012 meeting of the Investment Committee be approved.

Vote:

The motion was approved unanimously.

(12-10-04)(Staff and Callan Presentations)

- A. Staff and Callan Presentation – Real Estate Non-Core Search Staff and Consultant presented an overview of the Non-Core Real Estate Manager Search. The objective of this search was to move the allocation to real estate toward its targeted long-term allocation of 6% of total portfolio by identifying the value-added and opportunistic non-core real estate managers that are best fit for the IMRF portfolio.

Sixty-five firms responded to the IMRF RFP. After all responses were evaluated, fourteen firms were selected for first round interviews and nine firms were selected for on-site visits. Nine firms, including one MFPDOB candidate and two existing real estate managers, were selected to present.

Due to the large number of manager presentations, it was determined that representatives from two firms – IC Berkeley Partners III (MFPDOB) and Dune Real Estate Fund II (Existing Manager) – would present their investment strategy and product during the Board meeting on October 26<sup>th</sup>; and that seven firms would present to the Investment Committee. These included Blackstone Real Estate Partners VII; Starwood Distressed Opportunity Fund IX Global; CBRE Strategic Partners US Value 6; Torchlight Debt Opportunity Fund IV; AEW Partners VII; Rockwood Capital Real Estate Partners Fund IX (Existing Manager); and LaSalle Income & Growth Fund VI.

After this presentation, Staff and Consultant recommended:

- commitment of up to \$25 million in AEW Partners VII, L.P., subject to satisfactory legal diligence;
- commitment of up to \$50 million in Blackstone Real Estate Partners VII, L.P., subject to satisfactory legal diligence;
- commitment of up to \$30 million in CBRE Strategic Partners U.S. Value 6, L.P., subject to satisfactory legal diligence;
- commitment of up to \$20 million in LaSalle Income & Growth Fund VI, subject to satisfactory legal diligence;
- commitment of up to \$25 million in Rockwood Capital Real Estate Partners Fund IX, L.P., subject to satisfactory legal diligence;
- commitment of up to \$20 million in Starwood Distressed Opportunity Fund IX Global, L.P., subject to satisfactory legal diligence;
- commitment of up to \$30 million in Torchlight Debt Opportunity Fund IV\*, L.L.C., subject to satisfactory legal diligence; and,

\*Amended on April 23, 2015

- authorization of Staff to complete all documentation necessary to execute these recommendations.

(12-10-05)(Investment Manager Presentations)

- A. The Blackstone Group Mr. Summers of Blackstone Real Estate Partners VII presented a review of his firm's organization structure, investment strategy, prior funds' track record, and performance history. He also discussed the investment strategy, fees and performance objectives attributable to Blackstone Real Estate Partners VII.
- B. Starwood Mr. Sternlicht of Starwood Distressed Opportunity Fund IX, Global, L.P., presented, by audio conference, a review of his firm's organization structure, investment strategy, prior funds' track record, and performance history. He also discussed the investment strategy, fees and performance objectives attributable to Starwood Distressed Opportunity Fund IX, Global, L.P.
- C. CBRE Global Investors Messrs. Maddocks and Gilb of CBRE Strategic Partners U.S. Value 6, L.P., presented a review of their firm's organization structure, investment strategy, prior funds' track record, and performance history. They also discussed the investment strategy, fees and performance objectives attributable to CBRE Strategic Partners U.S. Value 6, L.P.
- D. Torchlight Messrs. Romo and Heflin of Torchlight Debt Opportunity Fund IV, L.L.C., presented a review of their firm's organization structure, investment strategy, prior funds' track record, and performance history. They also discussed the investment strategy, fees and performance objectives attributable to Torchlight Debt Opportunity Fund IV, L.L.C.

(12-10-06)(Break and Questions) The Committee recessed at 4:00 p.m.

–The meeting of the Investment Committee reconvened at 4:10 p.m.

(12-10-07)(Investment Manager Presentations (Continued))

- A. AEW Messrs. Davidson, Furber and McWhorter of AEW Partners VII, L.P., presented a review of their firm's organization structure, investment strategy, prior funds' track record, and performance history. They also discussed the investment strategy, fees and performance objectives attributable to AEW Partners VII, L.P.
- B. Rockwood Mr. Skillings and Ms. Miller of Rockwood Capital Real Estate Partners Fund IX, L.P., presented a review of their firm's organization structure, investment strategy, prior funds' track record, and performance history. They also discussed the investment strategy, fees and performance objectives attributable to Rockwood Capital Real Estate Partners Fund IX, L.P.
- C. LaSalle Investment Management Messrs. Reynolds and Hutchinson of LaSalle Income & Growth Fund VI, L.P., presented a review of their firm's organization structure, investment strategy, prior funds' track record, and performance history. They also discussed the investment strategy, fees and performance objectives attributable to LaSalle Income & Growth Fund VI, L.P.

(12-10-08)(Action Items)

- A. Approve allocations to
  - The Blackstone Group
  - Starwood
  - CBRE Global Investors
  - Torchlight
  - AEW
  - Rockwood
  - LaSalle Investment Management

After these presentations and additional discussion, it was moved by Ms. Henry; and seconded by Ms. Thompson; to recommend that the Board:

- approve a commitment of up to \$25 million in AEW Partners VII, L.P., subject to satisfactory legal diligence;
- approve a commitment of up to \$50 million in Blackstone Real Estate Partners VII, subject to satisfactory legal diligence;
- approve a commitment of up to \$30 million in CBRE Strategic Partners U.S. Value 6, L.P., subject to satisfactory legal diligence;

- approve a commitment of up to \$20 million in LaSalle Income & Growth Fund VI, subject to satisfactory legal diligence;
- approve a commitment of up to \$25 million in Rockwood Capital Real Estate Partners Fund IX, L.P., subject to satisfactory legal diligence;
- approve a commitment of up to \$20 million in Starwood Distressed Opportunity Fund IX Global, L.P., subject to satisfactory legal diligence;
- approve a commitment of up to \$30 million in Torchlight Debt Opportunity Fund IV, L.L.C., subject to satisfactory legal diligence; and,
- authorize Staff to complete all documentation necessary to execute these recommendations.

Vote:

The motion was approved unanimously.

(12-10-09)(New Business) There was no new business presented or discussed during the meeting.

–The next meeting of the Investment Committee is scheduled to be held on Thursday, December 20, 2012.

(12-10-10)(Trustee Comments) There were no trustee comments.

(12-10-11)(Adjourn) By unanimous consent, the meeting of the Investment Committee adjourned at 5:48 p.m.

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Date

\_\_\_\_\_  
Clerk

\_\_\_\_\_  
Date