

ILLINOIS MUNICIPAL RETIREMENT FUND
MINUTES OF
REGULAR MEETING NO. 13-03
MARCH 22, 2013

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 13-03

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:00 a.m., March 22, 2013, in the Fund Office at 2211 York Road, Suite 400, Oak Brook, Illinois.

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

Ms. Enright called the roll:

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

Absent: Kuehne, Stafford

Ms. Becker-Wold, and Messrs. Kloepper and Ball from Callan Associates, Mr. Moss from Seyfarth Shaw LLP, Ms. Frazier from M.R. Beal & Co. and Ms. Myers from Loop Capital Markets were also present.

(13-03-01 (Investment Manager Activities - Callan Associates) Ms. Becker-Wold of Callan Associates presented the following report to the Board on the activities of IMRF's investment managers:

February 28, 2013



**Illinois Municipal
Retirement Fund
Monthly Performance Report**

**Investment Measurement Service
Monthly Review**

Major Market Returns

Returns

for Periods Ended February 28, 2013

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	1.29	6.87	13.56	13.91	5.52	9.13
Russell:1000 Index	1.34	6.84	13.62	13.75	5.21	8.67
Russell:Midcap Index	1.41	8.35	15.04	15.65	7.16	11.92
Russell:2000 Index	1.10	7.43	14.02	14.71	7.35	11.16
MSCI:ACWI ex US	(1.03)	3.01	7.17	7.13	(0.41)	11.17
MSCI:EAFE US\$	(0.95)	4.28	9.84	6.85	(1.26)	9.39
MSCI:Emer Markets	(1.24)	0.13	0.62	6.92	0.64	17.27
BC:Aggr Bd	0.50	(0.20)	3.12	5.45	5.52	5.01
NFI-ODCE Val Gross	0.58	1.17	9.74	14.51	(1.12)	6.66
NAREIT Equity Index	1.26	5.05	17.71	19.84	7.49	12.33

Markets continued to roll in February, albeit at a slower pace than January. An absence of any serious negative economic news put record highs within reach for both the Dow and the S&P 500 by month end. Fixed income markets reversed course from the prior month and provided investors with positive returns, but not enough to offset January's losses. The domestic real estate market continues to see signs of improvement as well.

The economy appears to be on healthy footing, even as growth continues to be below historical trends. The official estimate of fourth quarter GDP growth was revised up from -0.1% to +0.1%. While this is a slowdown from the third quarter's rise of 3.1%, economists still expect full year GDP for 2013 to come in around 1.5% to 2.0%. Non-farm payrolls increased by 236,000 and the unemployment rate fell to 7.7%, its lowest level since December 2008. Despite aggressive monetary easing pursued by the Fed, inflation remained subdued, rising only 1.6% over the prior year.

The recession in Europe is in full force. Fourth quarter GDP fell 0.6%, marking the third consecutive quarter of falling output for the Eurozone. Japan is also in its own recession; fourth quarter GDP declined by 0.4%. Both of these economic regions, as well as the U.S., are besieged by huge government debt burdens with no signs of long-term solutions. As government indebtedness grows the possibility of economic growth solving the problem diminishes.

*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 February 28, 2013

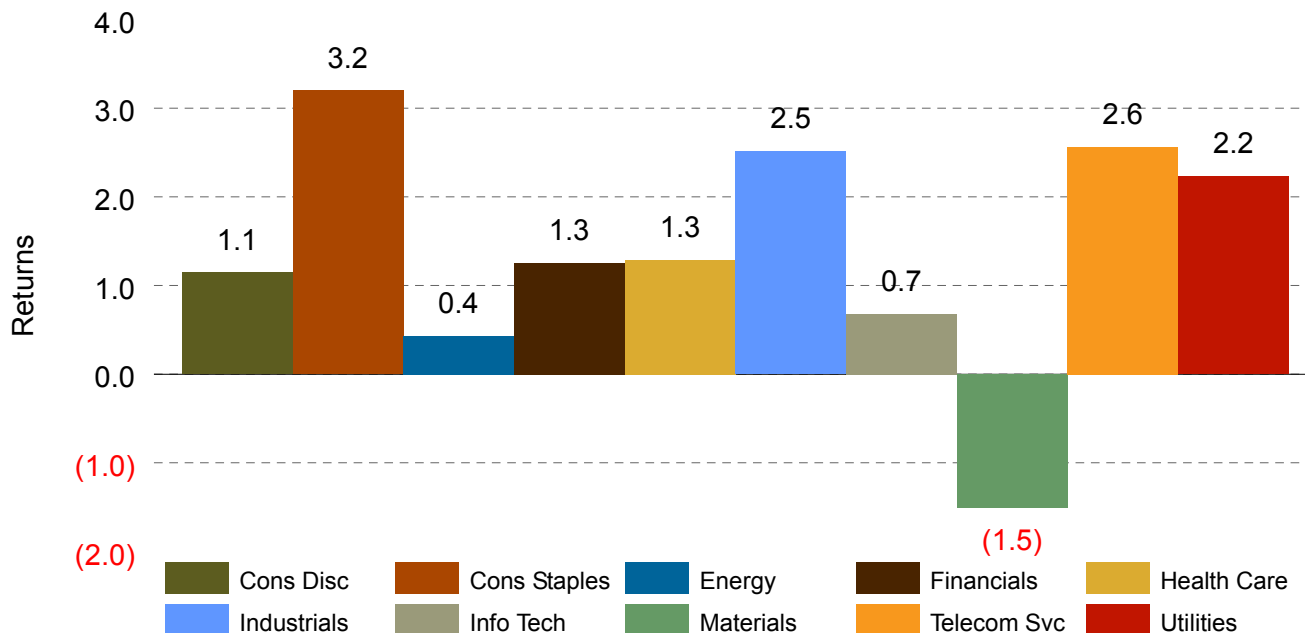
Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	1.29	6.87	13.56	13.91	5.52	9.13
Russell:1000 Index	1.34	6.84	13.62	13.75	5.21	8.67
Russell:1000 Growth	1.24	5.58	9.60	13.80	6.38	8.42
Russell:1000 Value	1.44	8.03	17.63	13.66	3.88	8.77
Russell:Midcap Index	1.41	8.35	15.04	15.65	7.16	11.92
Russell:2000 Index	1.10	7.43	14.02	14.71	7.35	11.16
Russell:2000 Growth	1.06	7.71	11.17	15.77	7.83	11.22
Russell:2000 Value	1.14	7.17	16.89	13.59	6.74	10.96

Domestic equities looked strong all around in February. Each market cap segment returned more than 1%. Mid caps were again the best performing segment, gaining 1.4% (Russell Mid Cap), followed by large caps (Russell 1000: 1.3%), and then small caps (Russell 2000: 1.1%).

Value outperformed growth across the capitalization spectrum (Russell 2000 Value: 1.14%; Russell 2000 Growth: 1.06%; Russell 1000 Value: 1.4%; Russell 1000 Growth: 1.2%).

Every sector of the S&P 500 Index, except Materials, rose in February. Consumer Staples, Telecom, and Industrials performed the best, gaining 3.2%, 2.6%, and 2.5%, respectively. Materials and Energy both struggled compared to the other sectors, returning -1.5% and +0.4%, respectively.

S&P 500 Sector Returns for Month Ended February 28, 2013



Returns

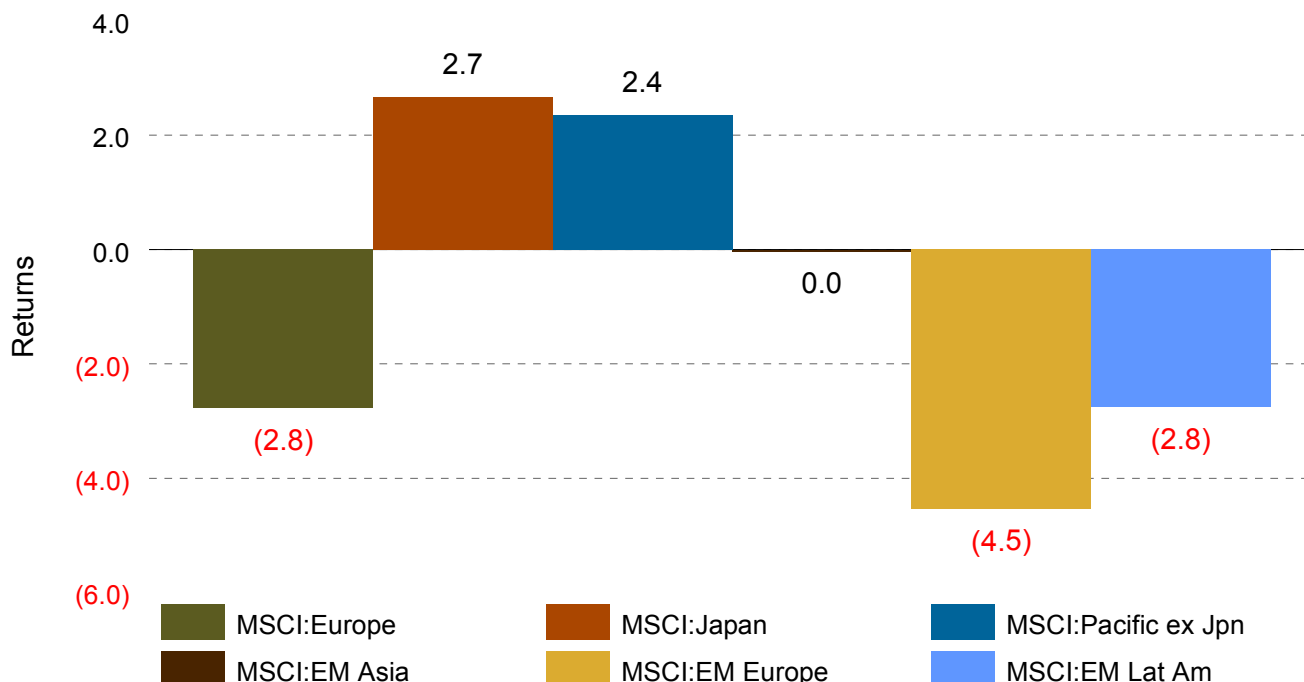
for Periods Ended February 28, 2013

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
MSCI:ACWI ex US	(1.03)	3.01	7.17	7.13	(0.41)	11.17
MSCI:ACWI ex US Gr	0.17	3.75	7.80	7.91	(0.55)	10.45
MSCI:ACWI ex US Val	(2.24)	2.26	6.49	6.31	(0.30)	11.82
MSCI:EAFE US\$	(0.95)	4.28	9.84	6.85	(1.26)	9.39
MSCI:EAFE Hedged	1.59	7.44	11.85	3.44	(2.89)	4.78
MSCI:Emer Markets	(1.24)	0.13	0.62	6.92	0.64	17.27
MSCI:ACWI SC ex US	0.53	4.88	7.40	9.08	1.78	13.98

International equity markets underperformed their U.S. counterparts in February, falling into negative territory. Developed country equities (MSCI EAFE Index) fell 1.0% in U.S. dollar terms but hedged investors gained 1.6% as the dollar strengthened versus a basket of EAFE currencies. The MSCI Emerging Markets Index also retreated, declining 1.2% for the month.

Regional returns were mixed. Both Pacific regions did well (Japan: +2.7%; Pacific ex-Japan: +2.4%), but the other regions were either flat or negative. Emerging markets in Europe dropped the most (MSCI EM Europe Index: -4.5%).

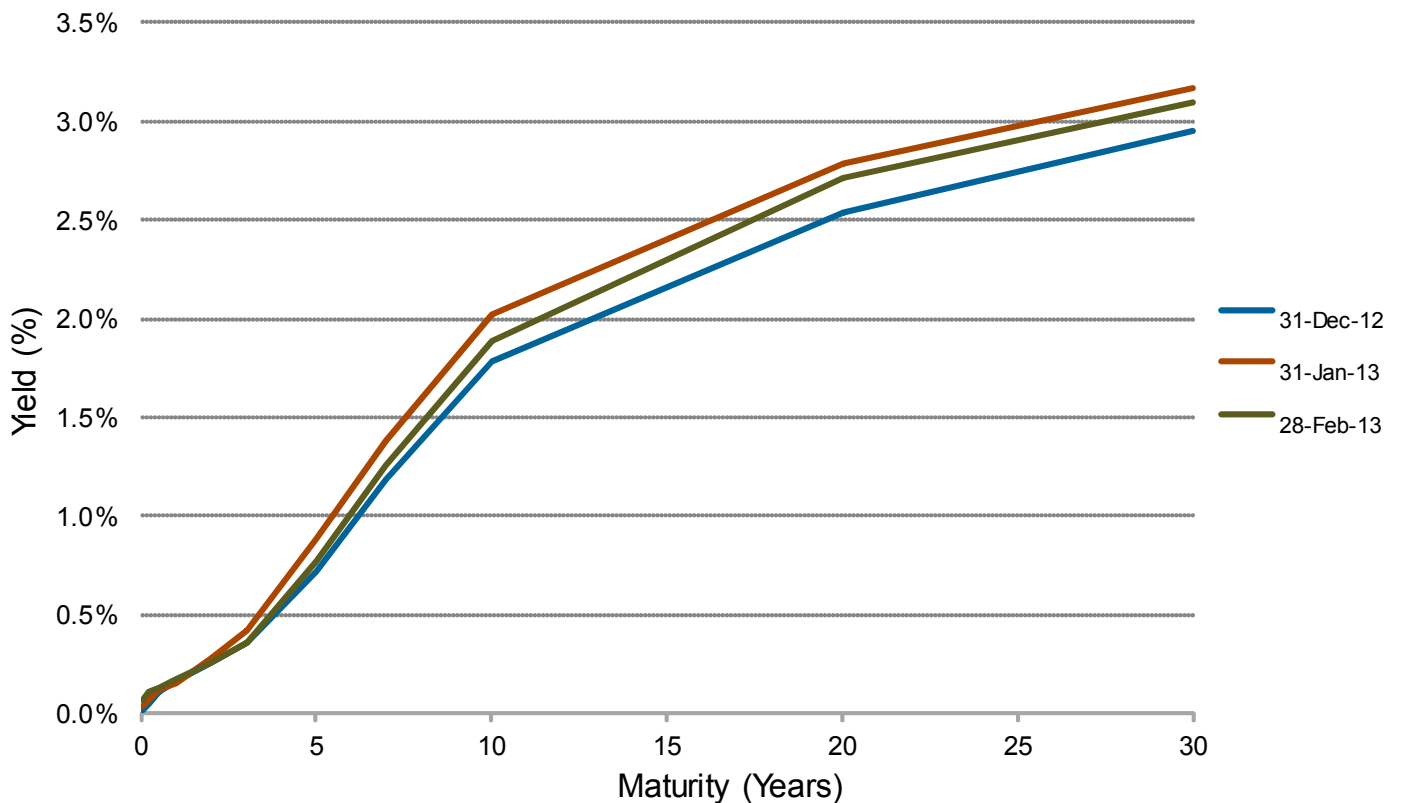
Regional Returns for Month Ended February 28, 2013



Returns
for Periods Ended February 28, 2013

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
BC:Aggr Bd	0.50	(0.20)	3.12	5.45	5.52	5.01
BC:Govt Index	0.51	(0.25)	1.98	4.75	4.48	4.49
BC:Credit	0.70	(0.18)	6.15	7.96	7.31	5.97
BC:Mortgage Idx	0.34	(0.16)	1.92	4.14	5.24	4.96
BC:US TIPS Index	0.03	(0.64)	4.25	8.51	5.81	6.12
ML:High Yield CP Idx	0.47	1.82	11.78	11.66	10.85	9.98
3 Month T-Bill	0.00	0.00	0.11	0.11	0.39	1.77

Treasury Yield Curve



The fixed income market rose in February but not enough to bring year-to-date returns into positive territory (Barclays Aggregate Bond Index: 0.5%). Yields fell across most of the curve. The yield on the 10-year Treasury fell from 2.02% to 1.89%.

All sectors were positive with Credit providing the highest return (Barclays Credit Index: 0.7%). However, the High Yield sector is the only one to have positive year-to-date returns (1.8%). The Barclays US TIPS Index was the laggard for the month (if cash is excluded), returning a mere 3 basis points.

Total Fund

Total Fund assets at the end of February were \$29.0 billion, up from \$28.9 billion at the end of January. The Fund gained 0.58% for the month, outperforming the benchmark by 0.07%. International equity and fixed income beat their respective benchmarks but domestic equity lagged its benchmark. Over the last year, the fund is up 10.02% exceeding the benchmark by 1.26%.

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 February 28, domestic equity exceeded its target allocation by 4.5%. All other asset classes were within the allowable range.

US Equity

Large Cap: In aggregate, the Fund's large cap managers gained 1.02%, trailing the Russell 1000 Index by 0.32%. Growth portfolios collectively underperformed their benchmark by 81 basis points for the month while value portfolios underperformed by 9 basis points. Growth managers returned 0.43%. Holland was the best performing manager with a return of 1.33%. The Large Cap Value managers returned 1.35%, lagging the Russell 1000 Value Index return of 1.44%. BMO was the best performing active manager in the group with a return of 1.80%. The Large Cap Active Core segment rose 1.26%, trailing the Russell 1000 Index return of 1.34%.

Small Cap: The Small Cap portfolio rose 1.41%, beating the Russell 2000 Index by 0.31%. Small Cap Growth and Value gained 1.45% and 1.50%, respectively. Pyramis was the best performing small cap growth manager and DFA was the best in value. The Micro Cap segment returned 1.14% in February. Ativo was the best performing micro-cap manager, posting a gain of 1.95% for the month.

International Equity

Large Cap: International fared worse than the U.S. with the IMRF International Large Cap managers falling 0.92%. However, this return was 14 points ahead of the MSCI ACWI ex-U.S. Index. International Large Cap Growth lost 0.22% as EARNEST Partners pulled down returns, declining 0.75%. International Large Cap Value fell 2.15% with Brandes performing the worst (-2.82%). The Large Cap Active Core Group returned -0.42% in February with the weakest performance coming from Arrowstreet (-1.23%).

International Small Cap and Emerging Markets: The International Small Cap managers rose 1.96%, outperforming the ACWI Small Cap ex-U.S. Index by 1.43%. The emerging markets portfolio, managed by Genesis, fell 1.35% during February, underperforming the MSCI Emerging Markets Index by 11 basis points.

Domestic Fixed Income

The total fixed income portfolio rose 0.52% as yields fell modestly for all maturities of two years and longer. The domestic fixed active core segment was the best performing segment during the month, gaining 0.62%.

Active Core: The active core fixed income component returned 0.62%, outperforming the BC Aggregate Index by 12 basis points. The enhanced core portfolio rose 0.47%.

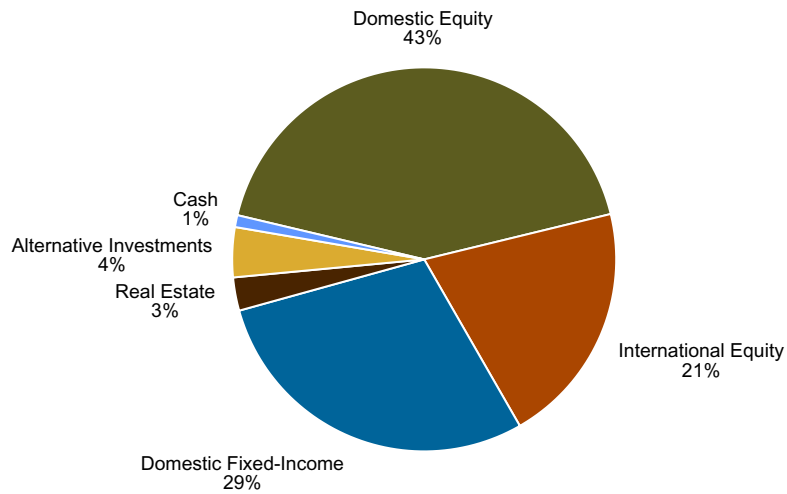
Core Plus: The core plus managers gained 0.50% which equaled the Barclays Aggregate Index. Western had the best monthly performance, rising 0.65%.

High Yield: The high yield component gained 0.61%, leading the ML High Yield Cash Pay Index (+0.47%). McKay Shields returned 0.66% in February while Pyramis gained 0.57%.

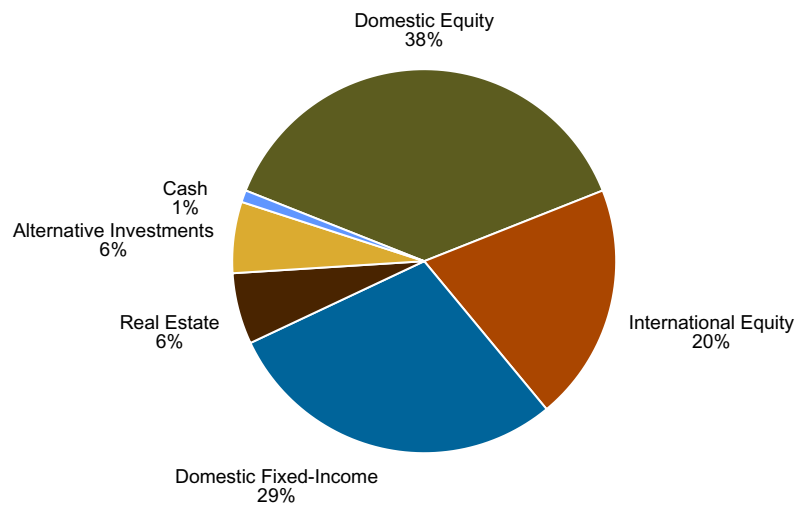
Actual vs Target Asset Allocation

The first chart below shows the Fund's asset allocation as of February 28, 2013. 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	12,344	42.5%	38.0%	4.5%	1,313
International Equity	5,963	20.5%	20.0%	0.5%	157
Domestic Fixed-Income	8,413	29.0%	29.0%	0.0%	(5)
Real Estate	817	2.8%	6.0%	(3.2%)	(924)
Alternative Investments	1,207	4.2%	6.0%	(1.8%)	(534)
Cash	283	1.0%	1.0%	0.0%	(7)
Total	29,029	100.0%	100.0%		

* Current Month Target = 38.0% US Total Stock Market Idx, 29.0% Barclays Aggregate Index, 20.0% MSCI ACWI x US (Net), 6.0% NFI-ODCE Value Weight Gr+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 February 28, 2013, with the distribution as of January 31, 2013.

Asset Distribution Across Investment Managers

	February 28, 2013		January 31, 2013	
	Market Value	Percent	Market Value	Percent
Domestic Equity	\$12,344,096,825	42.52%	\$12,207,867,831	42.22%
Large Cap Growth				
BlackRock LCG	624,177,132	2.15%	625,598,607	2.16%
Holland	815,563,706	2.81%	804,878,020	2.78%
NTGI S&P 500 Growth Idx	750,973,889	2.59%	740,893,638	2.56%
Sands	871,234,820	3.00%	877,171,104	3.03%
Vision	60,669,579	0.21%	60,611,450	0.21%
Large Cap Value				
Dodge & Cox	789,273,027	2.72%	783,561,229	2.71%
BMO	846,820,089	2.92%	831,824,186	2.88%
LSV	827,756,452	2.85%	815,740,124	2.82%
NTGI S&P 500 Value Idx	788,841,575	2.72%	778,232,951	2.69%
Large Cap Core				
Piedmont	147,018,621	0.51%	145,598,206	0.50%
Progress	487,659,178	1.68%	481,207,824	1.66%
NTGI MarketCap Index	2,256,682,053	7.77%	2,227,924,397	7.71%
Small Cap Growth				
Fortaleza	36,465,946	0.13%	36,439,199	0.13%
Frontier	555,330,396	1.91%	549,417,742	1.90%
Pyramis	595,523,748	2.05%	584,450,377	2.02%
Small Cap Value				
Channing	61,561,987	0.21%	60,990,927	0.21%
Dimensional Small Cap Value	509,828,272	1.76%	500,789,614	1.73%
Inv. Counselors of Maryland	573,647,864	1.98%	566,592,877	1.96%
Lombardia	121,218,324	0.42%	119,111,558	0.41%
Micro Cap				
Ariel	70,320,071	0.24%	70,276,330	0.24%
Ativo	33,474,234	0.12%	32,855,282	0.11%
Dimensional Micro Cap	217,062,522	0.75%	214,445,865	0.74%
Wall Street	302,993,341	1.04%	299,256,324	1.03%
International Equity	\$5,963,210,501	20.54%	\$5,935,846,112	20.53%
International Large Cap Growth				
EARNEST Partners	497,832,963	1.71%	501,618,550	1.73%
McKinley	185,622	0.00%	193,607	0.00%
William Blair	512,199,434	1.76%	510,617,966	1.77%
International Large Cap Value				
Brandes	413,147,310	1.42%	425,149,443	1.47%
Lombardia	26,264,142	0.09%	26,334,240	0.09%
Mondrian	426,739,200	1.47%	435,549,931	1.51%
Lazard	83,818,466	0.29%	83,810,158	0.29%
International Large Cap Core				
Arrowstreet	433,534,573	1.49%	438,944,789	1.52%
Brown	213,112,205	0.73%	214,944,323	0.74%
GlobeFlex	438,064,349	1.51%	435,347,926	1.51%
NTGI MSCI EAFE Index	2,065,647,140	7.12%	2,010,335,329	6.95%
International Small Cap				
AXA Rosenberg	9,903	0.00%	10,337	0.00%
Franklin Templeton	160,664,367	0.55%	157,987,984	0.55%
William Blair	183,120,281	0.63%	179,186,476	0.62%

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 February 28, 2013, with the distribution as of January 31, 2013.

Asset Distribution Across Investment Managers

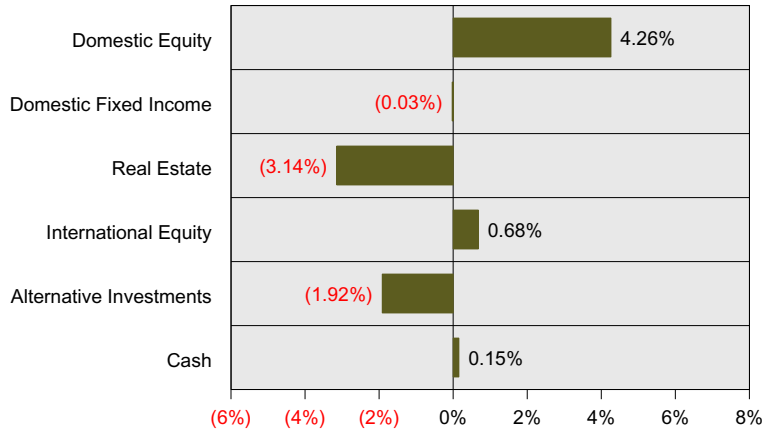
	February 28, 2013		January 31, 2013	
	Market Value	Percent	Market Value	Percent
Emerging Markets				
Genesis	508,870,545	1.75%	515,815,053	1.78%
Domestic Fixed-Income	\$8,413,381,211	28.98%	\$8,369,630,504	28.95%
Domestic Fixed Core				
EARNEST Partners	540,920,321	1.86%	537,706,344	1.86%
Piedmont	532,290,995	1.83%	528,927,016	1.83%
BlackRock Enhanced	961,684,094	3.31%	957,138,189	3.31%
NTGI BC Aggregate Index	1,404,700,820	4.84%	1,397,929,979	4.83%
Domestic Fixed Core Plus				
BlackRock Core Plus	714,785,912	2.46%	711,303,775	2.46%
LM Capital	835,888,996	2.88%	832,374,881	2.88%
Progress Fixed Income	431,021,587	1.48%	428,402,047	1.48%
Taplin, Canida, & Habacht	828,101,984	2.85%	825,387,607	2.85%
Western	1,108,653,593	3.82%	1,101,544,897	3.81%
High Yield				
MacKay Shields	515,351,615	1.78%	511,984,294	1.77%
Pyramis High Yield	539,981,293	1.86%	536,931,474	1.86%
Real Estate	\$817,476,128	2.82%	\$836,521,260	2.89%
Real Estate Core				
BlackRock Granite	72,896,875	0.25%	72,896,875	0.25%
TA Buckhead Ind. Prop.	242,773,160	0.84%	242,773,179	0.84%
Cornerstone Patriot	88,245,275	0.30%	88,245,275	0.31%
INVESCO Core RE	86,537,366	0.30%	86,537,366	0.30%
Sentinel Apartment Fund	-	-	24,193,014	0.08%
Real Estate Non-Core				
Franklin Templeton EMREFF	20,201,591	0.07%	21,373,878	0.07%
Olympus Real Estate Fund II	499,342	0.00%	499,342	0.00%
Security Capital	53,786,889	0.19%	53,786,896	0.19%
Dune II	42,706,987	0.15%	39,431,347	0.14%
Non-Core Real Estate Funds*	76,460,280	0.26%	74,861,604	0.26%
Rockwood Fund VIII	38,553,507	0.13%	38,553,507	0.13%
Almanac ARS V	45,573,842	0.16%	45,454,682	0.16%
TA Fund IX	49,241,014	0.17%	47,914,295	0.17%
Alternative Investments	\$1,207,419,392	4.16%	\$1,181,529,096	4.09%
Absolute Return				
Aurora	472,378,169	1.63%	437,224,469	1.51%
Grosvenor	6,214,165	0.02%	6,215,657	0.02%
Mesirow	39,940,927	0.14%	42,691,033	0.15%
Private Equity				
Abbott	286,207,447	0.99%	290,361,678	1.00%
Muller & Monroe ILPEFF	12,247,796	0.04%	12,331,510	0.04%
Muller & Monroe MPEFF	19,892,704	0.07%	19,876,306	0.07%
Pantheon	167,260,169	0.58%	168,578,365	0.58%
Private Equity Fund - Domestic	14,110,756	0.05%	7,952,601	0.03%
Agriculture				
Cozad/Westchester	127,698,282	0.44%	132,698,258	0.46%
Timberland				
Forest Investment Assoc.	61,468,976	0.21%	63,599,219	0.22%
Cash	\$283,063,731	0.98%	\$382,996,315	1.32%
Total Fund	\$29,028,647,789	100.0%	\$28,914,391,117	100.0%

*Non-Core Real Estate Funds funded since September 2011.

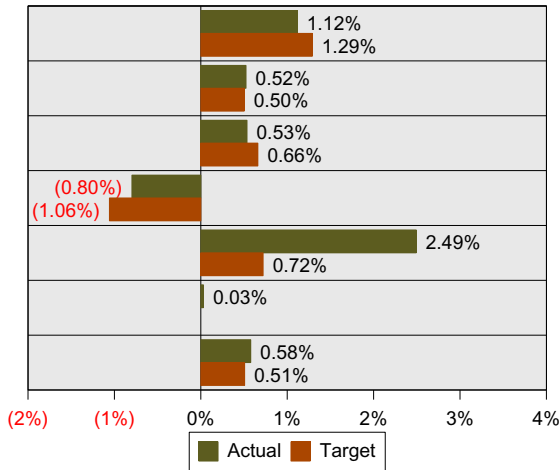
Monthly Total Fund Relative Attribution - February 28, 2013

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.

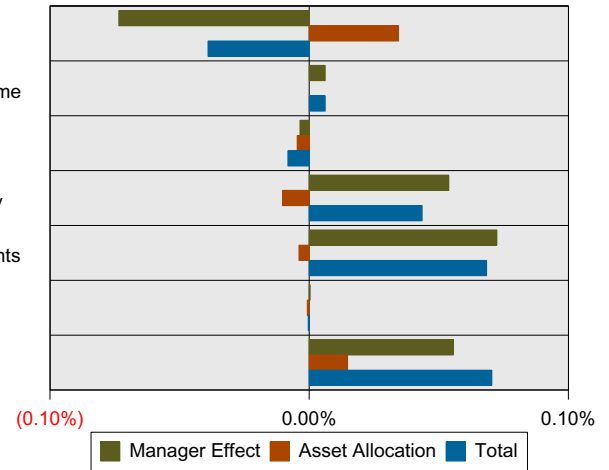
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Month ended February 28, 2013

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	42%	38%	1.12%	1.29%	(0.07%)	0.03%	(0.04%)
Domestic Fixed Income	29%	29%	0.52%	0.50%	0.01%	0.00%	0.01%
Real Estate	3%	6%	0.53%	0.66%	(0.00%)	(0.00%)	(0.01%)
International Equity	21%	20%	(0.80%)	(1.06%)	0.05%	(0.01%)	0.04%
Alternative Investments	4%	6%	2.49%	0.72%	0.07%	(0.00%)	0.07%
Cash	1%	1%	0.03%	0.00%	0.00%	(0.00%)	(0.00%)
Total			0.58%	0.51%	+ 0.06%	+ 0.01%	0.07%

* Current Month Target = 38.0% US Total Stock Market Idx, 29.0% Barclays Aggregate Index, 20.0% MSCI ACWI x US (Net), 6.0% NFI-ODCE Value Weight Gr+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 February 28, 2013

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Equity (12/31/81)	1.12%	8.79%	6.89%	13.46%
DJ U.S. Total Stock Market Index	1.29%	8.18%	6.87%	13.56%
Domestic Equity - Net (12/31/04)	1.09%	8.73%	6.83%	13.17%
International Equity (08/31/86)	(0.80%)	7.31%	3.84%	9.96%
MSCI ACWI x US (Net)	(1.06%)	6.53%	2.96%	6.66%
International Equity - Net (12/31/04)	(0.81%)	7.25%	3.79%	9.63%
Domestic Fixed-Income (12/31/81)	0.52%	0.39%	0.26%	5.69%
BC Aggregate Index	0.50%	(0.34%)	(0.20%)	3.12%
Domestic Fixed-Inc. - Net (12/31/04)	0.51%	0.34%	0.21%	5.50%
Real Estate (04/30/85)	0.53%	1.81%	1.56%	12.68%
Blended Benchmark**	0.66%	2.25%	1.32%	10.95%
Real Estate - Net (12/31/04)	0.53%	1.81%	1.56%	12.30%
Alternative Investments (01/31/86)	2.49%	5.24%	4.71%	7.56%
Alternatives Custom Benchmark***	0.72%	2.18%	1.45%	9.00%
Alternative Investments - Net (12/31/04)	2.45%	5.20%	4.66%	7.24%
Absolute Return (12/31/01)	6.96%	7.38%	6.96%	10.41%
HFR Fund-of-Funds Index	0.13%	3.44%	2.27%	3.65%
Private Equity (01/31/86)	(0.37%)	0.35%	(0.39%)	3.91%
Alternatives Custom Benchmark***	0.72%	2.18%	1.45%	9.00%
Agriculture (09/30/97)	(0.19%)	23.45%	23.25%	19.75%
Blended Benchmark**	0.66%	2.25%	1.32%	10.95%
Timberland (09/30/92)	(3.35%)	(3.58%)	(3.58%)	(5.80%)
Blended Benchmark**	0.66%	2.25%	1.32%	10.95%
Total Fund (12/31/81)	0.58%	5.50%	3.95%	10.02%
Total Fund Benchmark	0.51%	4.56%	3.31%	8.76%
Total Fund - Net (12/31/04)	0.56%	5.44%	3.90%	9.77%

* Current Month Target = 38.0% US Total Stock Market Idx, 29.0% Barclays Aggregate Index, 20.0% MSCI ACWI x US (Net), 6.0% NFI-ODCE Value Weight Gr+1.0%, 6.0% 9% Annually and 1.0% 3-month Treasury Bill.

** The Blended Benchmark is currently ODCE Value Weigh Index+1%. Returns between January 1, 2007 and December 31, 2012 reflect NPI+1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%.

Given that ODCE returns are updated quarterly, an approximation of the Index is used in the monthly reports.

*** 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 February 28, 2013

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Equity (12/31/81)	14.09%	5.76%	9.70%	11.33%
DJ U.S. Total Stock Market Index	13.91%	5.52%	9.13%	10.94%
Domestic Equity - Net (12/31/04)	13.81%	5.50%	-	5.51%
International Equity (08/31/86)	8.66%	(0.18%)	11.58%	8.15%
MSCI ACWI x US (Net)	6.65%	(0.87%)	10.69%	-
International Equity - Net (12/31/04)	8.34%	(0.49%)	-	5.42%
Domestic Fixed-Income (12/31/81)	7.22%	7.10%	6.19%	9.23%
BC Aggregate Index	5.45%	5.52%	5.01%	8.60%
Domestic Fixed-Inc. - Net (12/31/04)	7.04%	6.95%	-	5.98%
Real Estate (04/30/85)	12.77%	(0.02%)	5.74%	4.36%
Blended Benchmark**	13.87%	3.16%	6.20%	7.34%
Real Estate - Net (12/31/04)	12.64%	(0.09%)	-	5.00%
Alternative Investments (01/31/86)	8.18%	2.91%	8.43%	10.97%
Alternatives Custom Benchmark***	9.33%	10.39%	11.27%	13.60%
Alternative Investments - Net (12/31/04)	7.93%	2.64%	-	7.60%
Absolute Return (12/31/01)	4.74%	1.54%	5.29%	5.09%
HFR Fund-of-Funds Index	2.28%	(1.01%)	3.73%	3.61%
Private Equity (01/31/86)	10.50%	2.72%	10.55%	12.88%
Alternatives Custom Benchmark***	9.33%	10.39%	11.27%	13.60%
Agriculture (09/30/97)	14.52%	8.76%	9.32%	7.27%
Blended Benchmark**	13.87%	3.16%	6.20%	6.60%
Timberland (09/30/92)	(0.01%)	3.97%	3.08%	8.51%
Blended Benchmark**	13.87%	3.16%	6.20%	6.84%
Total Fund (12/31/81)	10.43%	5.68%	8.99%	10.12%
Total Fund Benchmark	9.97%	5.38%	8.34%	-
Total Fund - Net (12/31/04)	10.19%	5.46%	-	6.30%

* Current Month Target = 38.0% US Total Stock Market Idx, 29.0% Barclays Aggregate Index, 20.0% MSCI ACWI x US (Net), 6.0% NFI-ODCE Value Weight Gr+1.0%, 6.0% 9% Annually and 1.0% 3-month Treasury Bill.

** The Blended Benchmark is currently ODCE Value Weigh Index+1%. Returns between January 1, 2007 and December 31, 2012 reflect NPI+1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%.

Given that ODCE returns are updated quarterly, an approximation of the Index is used in the monthly reports.

*** 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 February 28, 2013

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Large Cap Equity (12/31/81)	1.02%	7.90%	6.57%	13.35%
Russell 1000 Index	1.34%	7.95%	6.84%	13.62%
Large Cap Growth (12/31/81)	0.43%	5.36%	5.14%	9.66%
BlackRock LCG (07/31/11)	(0.22%)	3.71%	3.66%	6.49%
LCG Blended Benchmark*	1.24%	5.55%	5.58%	9.60%
Russell 1000 Growth Index	1.24%	5.55%	5.58%	9.60%
BlackRock LCG - Net (07/31/11)	(0.31%)	3.62%	3.57%	6.09%
Holland (10/31/94)	1.33%	7.77%	6.66%	9.12%
LCG Blended Benchmark*	1.24%	5.55%	5.58%	9.60%
Russell 1000 Growth Index	1.24%	5.55%	5.58%	9.60%
Holland - Net (12/31/04)	1.33%	7.72%	6.60%	8.86%
NTGI S&P 500 Growth Idx (07/31/01)	1.36%	5.23%	5.37%	11.09%
S&P/Citi 500 Growth Index	1.36%	5.21%	5.35%	11.02%
NTGI S&P 500 Growth Idx - Net (12/31/04)	1.36%	5.23%	5.37%	11.09%
Sands (10/31/03)	(0.68%)	4.43%	4.61%	10.64%
LCG Blended Benchmark*	1.24%	5.55%	5.58%	9.60%
Russell 1000 Growth Index	1.24%	5.55%	5.58%	9.60%
Sands - Net (12/31/04)	(0.68%)	4.37%	4.55%	10.38%
Vision (06/30/11)	0.10%	5.38%	5.18%	10.57%
LCG Blended Benchmark*	1.24%	5.55%	5.58%	9.60%
Russell 1000 Growth Index	1.24%	5.55%	5.58%	9.60%
Vision - Net (06/30/11)	0.10%	5.23%	5.03%	9.94%
Large Cap Value (09/30/82)	1.35%	10.22%	7.70%	17.43%
Dodge & Cox (08/31/03)	0.73%	9.67%	7.04%	19.15%
LCV Blended Benchmark**	1.44%	10.26%	8.03%	17.63%
Russell 1000 Value Index	1.44%	10.26%	8.03%	17.63%
Dodge & Cox - Net (12/31/04)	0.73%	9.61%	6.99%	18.91%
BMO (01/31/01)	1.80%	9.42%	7.97%	16.61%
LCV Blended Benchmark**	1.44%	10.26%	8.03%	17.63%
Russell 1000 Value Index	1.44%	10.26%	8.03%	17.63%
BMO - Net (12/31/04)	1.75%	9.36%	7.92%	16.28%
LSV (01/31/03)	1.47%	11.45%	8.18%	17.85%
LCV Blended Benchmark**	1.44%	10.26%	8.03%	17.63%
Russell 1000 Value Index	1.44%	10.26%	8.03%	17.63%
LSV - Net (12/31/04)	1.41%	11.39%	8.11%	17.54%
NTGI S&P 500 Value Idx (07/31/99)	1.36%	10.28%	7.59%	16.25%
S&P/Citi 500 Value Index	1.36%	10.29%	7.95%	16.24%
NTGI S&P 500 Value Idx - Net (12/31/04)	1.36%	10.28%	7.58%	16.24%

* 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 February 28, 2013

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Equity (12/31/81)	13.76%	5.31%	8.89%	10.80%
Russell 1000 Index	13.75%	5.21%	8.67%	11.13%
Large Cap Growth (12/31/81)	14.19%	7.24%	8.64%	11.27%
BlackRock LCG (07/31/11)	-	-	-	4.72%
LCG Blended Benchmark*	13.80%	6.38%	7.92%	11.08%
Russell 1000 Growth Index	13.80%	6.38%	8.42%	11.08%
BlackRock LCG - Net (07/31/11)	-	-	-	4.43%
Holland (10/31/94)	14.11%	8.50%	9.10%	9.62%
LCG Blended Benchmark*	13.80%	6.38%	7.92%	8.70%
Russell 1000 Growth Index	13.80%	6.38%	8.42%	7.79%
Holland - Net (12/31/04)	13.78%	8.19%	-	5.68%
LCG Blended Benchmark*	13.80%	6.38%	7.92%	6.00%
Russell 1000 Growth Index	13.80%	6.38%	8.42%	6.20%
NTGI S&P 500 Growth Idx (07/31/01)	14.05%	6.63%	7.99%	3.98%
S&P/Citi 500 Growth Index	14.00%	6.60%	7.96%	3.93%
NTGI S&P 500 Growth Idx - Net (12/31/04)	14.04%	6.62%	-	5.63%
S&P/Citi 500 Growth Index	14.00%	6.60%	7.96%	6.06%
Sands (10/31/03)	20.70%	12.19%	-	10.07%
LCG Blended Benchmark*	13.80%	6.38%	7.92%	6.58%
Russell 1000 Growth Index	13.80%	6.38%	8.42%	6.78%
Sands - Net (12/31/04)	20.40%	11.90%	-	7.71%
LCG Blended Benchmark*	13.80%	6.38%	7.92%	6.00%
Russell 1000 Growth Index	13.80%	6.38%	8.42%	6.20%
Vision (06/30/11)	-	-	-	10.26%
LCG Blended Benchmark*	13.80%	6.38%	7.92%	9.83%
Russell 1000 Growth Index	13.80%	6.38%	8.42%	9.83%
Vision - Net (06/30/11)	-	-	-	9.68%
Large Cap Value (09/30/82)	13.45%	3.66%	9.19%	9.95%
Dodge & Cox (08/31/03)	12.96%	3.78%	-	7.58%
LCV Blended Benchmark**	13.66%	3.88%	8.76%	6.98%
Russell 1000 Value Index	13.66%	3.88%	8.77%	7.19%
Dodge & Cox - Net (12/31/04)	12.71%	3.55%	-	4.38%
LCV Blended Benchmark**	13.66%	3.88%	8.76%	4.90%
Russell 1000 Value Index	13.66%	3.88%	8.77%	5.06%
BMO (01/31/01)	14.41%	3.87%	10.02%	6.33%
LCV Blended Benchmark**	13.66%	3.88%	8.76%	3.56%
Russell 1000 Value Index	13.66%	3.88%	8.77%	4.74%
BMO - Net (12/31/04)	14.15%	3.61%	-	5.70%
LCV Blended Benchmark**	13.66%	3.88%	8.76%	4.90%
Russell 1000 Value Index	13.66%	3.88%	8.77%	5.06%
LSV (01/31/03)	13.44%	4.42%	10.51%	9.69%
LCV Blended Benchmark**	13.66%	3.88%	8.76%	8.02%
Russell 1000 Value Index	13.66%	3.88%	8.77%	8.07%
LSV - Net (12/31/04)	13.14%	4.12%	-	5.39%
LCV Blended Benchmark**	13.66%	3.88%	8.76%	4.90%
Russell 1000 Value Index	13.66%	3.88%	8.77%	5.06%
NTGI S&P 500 Value Idx (07/31/99)	13.09%	3.23%	8.50%	3.32%
S&P/Citi 500 Value Index	13.06%	3.21%	8.46%	3.32%
NTGI S&P 500 Value Idx - Net (12/31/04)	13.09%	3.22%	-	4.17%
S&P/Citi 500 Value Index	13.06%	3.21%	8.46%	4.54%

* 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 February 28, 2013

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Large Cap Active Core (12/31/04)	1.26%	7.97%	6.83%	11.34%
Piedmont (05/31/11)	0.98%	5.64%	5.35%	11.07%
Russell 1000 Index	1.34%	7.95%	6.84%	13.62%
Piedmont - Net (05/31/11)	0.98%	5.54%	5.24%	10.63%
Progress (01/31/05)	1.34%	8.70%	7.29%	11.41%
DJ U.S. Total Stock Market Index	1.29%	8.18%	6.87%	13.56%
Progress - Net (01/31/05)	1.34%	8.54%	7.14%	10.73%
Large Cap Passive Core (12/31/84)	1.29%	8.21%	6.89%	13.61%
NTGI MarketCap Idx (01/31/85)	1.29%	8.21%	6.89%	13.61%
DJ U.S. Total Stock Market Index	1.29%	8.18%	6.87%	13.56%
NTGI MarketCap Idx - Net (12/31/04)	1.29%	8.21%	6.88%	13.60%

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 February 28, 2013

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Active Core (12/31/04)	12.74%	4.80%	-	5.28%
Piedmont (05/31/11)	-	-	-	6.47%
Russell 1000 Index	13.75%	5.21%	8.67%	9.18%
Piedmont - Net (05/31/11)	-	-	-	6.05%
Progress (01/31/05)	12.81%	4.84%	-	5.36%
DJ U.S. Total Stock Market Index	13.91%	5.52%	9.13%	5.52%
Progress - Net (01/31/05)	12.14%	4.21%	-	4.74%
Large Cap Passive Core (12/31/84)	13.87%	5.36%	9.00%	10.69%
NTGI MarketCap Idx (01/31/85)	13.90%	5.38%	9.01%	10.72%
DJ U.S. Total Stock Market Index	13.91%	5.52%	9.13%	10.69%
NTGI MarketCap Idx - Net (12/31/04)	13.90%	5.37%	-	5.32%
DJ U.S. Total Stock Market Index	13.91%	5.52%	9.13%	5.91%

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 February 28, 2013

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Small Cap Equity (06/30/88)	1.41%	11.61%	7.88%	13.73%
Russell 2000 Index	1.10%	11.26%	7.43%	14.02%
Small Cap Growth (06/30/88)	1.45%	11.48%	8.18%	11.26%
Fortaleza (11/30/06)	0.07%	9.24%	7.39%	9.01%
Russell 2000 Growth Index	1.06%	10.82%	7.71%	11.17%
Fortaleza - Net (11/30/06)	0.07%	9.11%	7.27%	8.34%
Frontier (07/31/88)	1.08%	10.38%	6.98%	9.21%
Russell 2000 Growth Index	1.06%	10.82%	7.71%	11.17%
Frontier - Net (12/31/04)	1.08%	10.25%	6.86%	8.68%
Pyramis (07/31/88)	1.89%	12.67%	9.38%	13.29%
Russell 2000 Growth Index	1.06%	10.82%	7.71%	11.17%
Pyramis - Net (12/31/04)	1.82%	12.58%	9.29%	12.93%
Small Cap Value (08/31/89)	1.50%	11.93%	7.69%	16.56%
Channing (06/30/11)	0.94%	11.34%	6.92%	20.13%
Russell 2000 Value Index	1.14%	11.68%	7.17%	16.89%
Channing - Net (06/30/11)	0.94%	11.14%	6.73%	19.20%
DFA Small Cap Value (01/31/96)	1.80%	12.48%	8.33%	19.87%
Russell 2000 Value Index	1.14%	11.68%	7.17%	16.89%
DFA Small Cap Value - Net (12/31/04)	1.69%	12.35%	8.20%	19.28%
Inv. Counselors of Maryland (04/30/99)	1.25%	11.75%	7.22%	14.24%
Russell 2000 Value Index	1.14%	11.68%	7.17%	16.89%
Inv. Couns. of Maryland - Net (12/31/04)	1.25%	11.65%	7.12%	13.80%
Lombardia (05/31/11)	1.77%	10.79%	7.64%	12.59%
Russell 2000 Value Index	1.14%	11.68%	7.17%	16.89%
Lombardia - Net (05/31/11)	1.77%	10.61%	7.47%	11.82%
Micro Cap (06/30/84)	1.14%	11.22%	7.70%	12.93%
Ariel (10/31/10)	0.07%	12.23%	7.28%	20.24%
Russell 2000 Value Index	1.14%	11.68%	7.17%	16.89%
Russell 2000 Index	1.10%	11.26%	7.43%	14.02%
Russell Microcap Index	0.72%	10.17%	6.71%	15.28%
Ariel - Net (10/31/10)	0.07%	12.01%	7.07%	19.30%
Ativo (09/30/10)	1.95%	12.92%	10.01%	17.10%
Russell 2000 Growth Index	1.06%	10.82%	7.71%	11.17%
Russell 2000 Index	1.10%	11.26%	7.43%	14.02%
Russell Microcap Index	0.72%	10.17%	6.71%	15.28%
Ativo - Net (09/30/10)	1.95%	12.71%	9.81%	16.17%
DFA Micro Cap (07/31/87)	1.22%	11.10%	6.97%	16.72%
Russell 2000 Value Index	1.14%	11.68%	7.17%	16.89%
Russell 2000 Index	1.10%	11.26%	7.43%	14.02%
DFA Micro Cap - Net (12/31/04)	1.10%	10.97%	6.85%	16.14%
Wall Street (07/31/90)	1.25%	10.88%	8.08%	8.46%
Russell 2000 Growth Index	1.06%	10.82%	7.71%	11.17%
Russell 2000 Index	1.10%	11.26%	7.43%	14.02%
Wall Street - Net (12/31/04)	1.25%	10.69%	7.89%	7.65%

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 February 28, 2013

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Small Cap Equity (06/30/88)	15.62%	8.26%	13.71%	12.39%
Russell 2000 Index	14.71%	7.35%	11.16%	9.41%
Small Cap Growth (06/30/88)	14.95%	7.78%	13.41%	13.06%
Fortaleza (11/30/06)	18.52%	7.02%	-	4.82%
Russell 2000 Growth Index	15.77%	7.83%	11.22%	5.43%
Fortaleza - Net (11/30/06)	17.91%	6.47%	-	4.30%
Frontier (07/31/88)	13.78%	8.87%	12.89%	13.05%
Russell 2000 Growth Index	15.77%	7.83%	11.22%	7.19%
Frontier - Net (12/31/04)	13.12%	8.08%	-	7.59%
Russell 2000 Growth Index	15.77%	7.83%	11.22%	6.44%
Pyramis (07/31/88)	15.65%	8.16%	14.65%	13.74%
Russell 2000 Growth Index	15.77%	7.83%	11.22%	7.19%
Pyramis - Net (12/31/04)	15.02%	7.56%	-	9.65%
Russell 2000 Growth Index	15.77%	7.83%	11.22%	6.44%
Small Cap Value (08/31/89)	15.14%	8.24%	12.94%	12.12%
Channing (06/30/11)	-	-	-	11.32%
Russell 2000 Value Index	13.59%	6.74%	10.96%	8.87%
Channing - Net (06/30/11)	-	-	-	10.48%
DFA Small Cap Value (01/31/96)	17.12%	9.17%	14.38%	12.74%
Russell 2000 Value Index	13.59%	6.74%	10.96%	9.64%
DFA Small Cap Value - Net (12/31/04)	16.57%	8.63%	-	6.49%
Russell 2000 Value Index	13.59%	6.74%	10.96%	5.24%
Inv. Counselors of Maryland (04/30/99)	14.15%	7.76%	12.33%	12.07%
Russell 2000 Value Index	13.59%	6.74%	10.96%	9.63%
Inv. Couns. of Maryland - Net (12/31/04)	13.67%	7.22%	-	6.72%
Russell 2000 Value Index	13.59%	6.74%	10.96%	5.24%
Lombardia (05/31/11)	-	-	-	6.60%
Russell 2000 Value Index	13.59%	6.74%	10.96%	6.90%
Lombardia - Net (05/31/11)	-	-	-	5.93%
Micro Cap (06/30/84)	17.97%	6.52%	12.85%	11.99%
Ariel (10/31/10)	-	-	-	13.00%
Russell 2000 Value Index	13.59%	6.74%	10.96%	12.92%
Russell 2000 Index	14.71%	7.35%	11.16%	13.28%
Russell Microcap Index	13.71%	5.26%	9.54%	12.29%
Ariel - Net (10/31/10)	-	-	-	12.10%
Ativo (09/30/10)	-	-	-	11.57%
Russell 2000 Growth Index	15.77%	7.83%	11.22%	15.06%
Russell 2000 Index	14.71%	7.35%	11.16%	14.68%
Russell Microcap Index	13.71%	5.26%	9.54%	14.41%
Ativo - Net (09/30/10)	-	-	-	10.74%
DFA Micro Cap (07/31/87)	16.90%	8.38%	12.71%	11.12%
Russell 2000 Value Index	13.59%	6.74%	10.96%	10.12%
Russell 2000 Index	14.71%	7.35%	11.16%	8.50%
DFA Micro Cap - Net (12/31/04)	16.36%	7.86%	-	5.46%
Russell 2000 Growth Index	15.77%	7.83%	11.22%	6.44%
Russell 2000 Index	14.71%	7.35%	11.16%	5.90%
Wall Street (07/31/90)	19.15%	6.05%	13.35%	13.96%
Russell 2000 Growth Index	15.77%	7.83%	11.22%	6.99%
Russell 2000 Index	14.71%	7.35%	11.16%	9.26%
Wall Street - Net (12/31/04)	18.27%	5.22%	-	5.34%
Russell 2000 Growth Index	15.77%	7.83%	11.22%	6.44%
Russell 2000 Index	14.71%	7.35%	11.16%	5.90%

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 February 28, 2013

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Equity (08/31/86)	(0.92%)	7.34%	3.91%	9.97%
MSCI ACWI ex-US Index	(1.06%)	6.53%	2.96%	6.66%
Intl Large Cap Growth (08/31/02)	(0.22%)	7.13%	3.83%	11.94%
EARNEST Partners (09/30/04)	(0.75%)	7.70%	3.69%	9.92%
MSCI ACWI ex-US Index	(1.06%)	6.53%	2.96%	6.66%
MSCI ACWI ex-US Growth	0.17%	6.63%	3.75%	7.80%
EARNEST Partners - Net (12/31/04)	(0.80%)	7.65%	3.64%	9.37%
William Blair (09/30/02)	0.31%	6.58%	3.98%	13.91%
MSCI ACWI ex-US Index	(1.06%)	6.53%	2.96%	6.66%
MSCI ACWI ex-US Growth	0.17%	6.63%	3.75%	7.80%
William Blair - Net (12/31/04)	0.31%	6.48%	3.88%	13.43%
Intl Large Cap Value (09/30/95)	(2.15%)	6.37%	2.68%	4.73%
Brandes (12/31/95)	(2.82%)	7.04%	2.81%	3.38%
MSCI ACWI ex-US Index	(1.06%)	6.53%	2.96%	6.66%
MSCI ACWI ex-US Value	(2.24%)	6.57%	2.26%	6.49%
Brandes - Net (12/31/04)	(2.87%)	6.98%	2.75%	3.12%
Lombardia (3/31/12)	(0.27%)	8.11%	2.64%	-
MSCI ACWI ex-US Index	(1.06%)	6.53%	2.96%	6.66%
MSCI ACWI ex-US Value	(2.24%)	6.57%	2.26%	6.49%
Lombardia - Net (3/31/12)	(0.30%)	8.07%	2.61%	-
Mondrian (3/31/12)	(2.02%)	5.46%	2.26%	-
MSCI ACWI ex-US Index	(1.06%)	6.53%	2.96%	6.66%
MSCI ACWI ex-US Value	(2.24%)	6.57%	2.26%	6.49%
Mondrian - Net (3/31/12)	(2.02%)	5.33%	2.14%	-
Lazard (3/31/12)	0.01%	7.72%	4.28%	-
MSCI ACWI ex-US Index	(1.06%)	6.53%	2.96%	6.66%
MSCI ACWI ex-US Value	(2.24%)	6.57%	2.26%	6.49%
Lazard - Net (3/31/12)	(0.05%)	7.66%	4.22%	-

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 February 28, 2013

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Equity (08/31/86)	8.28%	(0.68%)	10.79%	8.12%
MSCI ACWI ex-US Index	6.65%	(0.87%)	10.69%	-
Intl Large Cap Growth (08/31/02)	10.62%	(0.12%)	11.94%	10.12%
EARNEST Partners (09/30/04)	10.43%	4.28%	-	13.15%
MSCI ACWI ex-US Index	6.65%	(0.87%)	10.69%	7.33%
MSCI ACWI ex-US Growth	7.91%	(0.55%)	10.45%	7.87%
EARNEST Partners - Net (12/31/04)	9.94%	3.79%	-	10.65%
MSCI ACWI ex-US Index	6.65%	(0.87%)	10.69%	5.84%
MSCI ACWI ex-US Growth	7.91%	(0.55%)	10.45%	6.44%
William Blair (09/30/02)	12.12%	0.43%	12.10%	10.35%
MSCI ACWI ex-US Index	6.65%	(0.87%)	10.69%	9.08%
MSCI ACWI ex-US Growth	7.91%	(0.55%)	10.45%	9.00%
William Blair - Net (12/31/04)	11.70%	0.04%	-	6.40%
MSCI ACWI ex-US Index	6.65%	(0.87%)	10.69%	5.84%
MSCI ACWI ex-US Growth	7.91%	(0.55%)	10.45%	6.44%
Intl Large Cap Value (09/30/95)	4.74%	(1.54%)	10.38%	9.69%
Brandes (12/31/95)	4.29%	(1.80%)	10.24%	9.66%
MSCI ACWI ex-US Index	6.65%	(0.87%)	10.69%	5.53%
MSCI ACWI ex-US Value	6.31%	(0.30%)	11.82%	-
Brandes - Net (12/31/04)	4.05%	(2.05%)	-	2.83%
MSCI ACWI ex-US Index	6.65%	(0.87%)	10.69%	5.84%
MSCI ACWI ex-US Value	6.31%	(0.30%)	11.82%	6.14%
Lombardia (3/31/12)	-	-	-	13.17%
MSCI ACWI ex-US Index	6.65%	(0.87%)	10.69%	8.14%
MSCI ACWI ex-US Value	6.31%	(0.30%)	11.82%	8.57%
Lombardia - Net (3/31/12)	-	-	-	12.78%
Mondrian (3/31/12)	-	-	-	6.07%
MSCI ACWI ex-US Index	6.65%	(0.87%)	10.69%	8.14%
MSCI ACWI ex-US Value	6.31%	(0.30%)	11.82%	8.57%
Mondrian - Net (3/31/12)	-	-	-	5.65%
Lazard (3/31/12)	-	-	-	13.45%
MSCI ACWI ex-US Index	6.65%	(0.87%)	10.69%	8.14%
MSCI ACWI ex-US Value	6.31%	(0.30%)	11.82%	8.57%
Lazard - Net (3/31/12)	-	-	-	13.24%

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 February 28, 2013

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Active Core (01/31/08)	(0.42%)	7.85%	4.42%	12.54%
Arrowstreet (02/29/08)	(1.23%)	8.48%	4.24%	11.73%
MSCI ACWI ex-US Index	(1.06%)	6.53%	2.96%	6.66%
Arrowstreet - Net (02/29/08)	(1.23%)	8.36%	4.13%	11.20%
Brown (09/30/04)	(0.85%)	8.49%	5.85%	14.13%
MSCI ACWI ex-US Index	(1.06%)	6.53%	2.96%	6.66%
Brown - Net (12/31/04)	(0.85%)	8.43%	5.79%	13.64%
GlobeFlex (02/28/06)	0.62%	6.93%	3.91%	12.60%
MSCI ACWI ex-US Index	(1.06%)	6.53%	2.96%	6.66%
GlobeFlex - Net (02/28/06)	0.62%	6.83%	3.80%	12.12%
Intl Large Cap Pass. Core (12/31/99)	(0.96%)	7.61%	4.26%	10.28%
NTGI MSCI EAFE Idx (01/31/00)	(0.96%)	7.61%	4.26%	10.28%
MSCI EAFE Index	(0.95%)	7.61%	4.28%	9.84%
NTGI EAFE Idx - Net (12/31/04)	(0.96%)	7.61%	4.26%	10.27%
International Small Cap (11/30/05)	1.96%	9.08%	6.06%	15.24%
Franklin Templeton (07/31/11)	1.69%	10.51%	7.18%	16.93%
ACWI Small Cap ex US	0.53%	9.11%	4.88%	7.40%
Franklin Templeton - Net (07/31/11)	1.69%	10.31%	6.99%	16.06%
William Blair (08/31/10)	2.20%	7.85%	5.09%	13.79%
ACWI Small Cap ex US	0.53%	9.11%	4.88%	7.40%
Intl SC Blended Benchmark	0.53%	9.11%	4.88%	7.40%
William Blair - Net (08/31/10)	2.20%	7.65%	4.89%	12.88%
Emerging Markets (01/31/92)	(1.35%)	5.88%	1.80%	6.67%
Genesis (04/30/04)	(1.35%)	5.88%	1.80%	6.67%
MSCI Emerging Markets Index	(1.24%)	5.04%	0.13%	0.62%
Genesis - Net (12/31/04)	(1.35%)	5.83%	1.80%	6.13%

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 February 28, 2013

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Active Core (01/31/08)	10.34%	1.71%	-	1.66%
Arrowstreet (02/29/08)	10.11%	1.59%	-	1.56%
MSCI ACWI ex-US Index	6.65%	(0.87%)	10.69%	(0.31%)
Arrowstreet - Net (02/29/08)	9.59%	1.11%	-	1.09%
Brown (09/30/04)	7.57%	1.62%	-	8.15%
MSCI ACWI ex-US Index	6.65%	(0.87%)	10.69%	7.33%
Brown - Net (12/31/04)	7.08%	1.24%	-	5.57%
MSCI ACWI ex-US Index	6.65%	(0.87%)	10.69%	5.84%
GlobeFlex (02/28/06)	11.14%	(0.73%)	-	3.38%
MSCI ACWI ex-US Index	6.65%	(0.87%)	10.69%	2.94%
GlobeFlex - Net (02/28/06)	10.67%	(1.17%)	-	2.92%
Intl Large Cap Pass. Core (12/31/99)	7.26%	(0.86%)	9.78%	2.38%
NTGI MSCI EAFE Idx (01/31/00)	7.27%	(0.87%)	9.77%	2.39%
MSCI EAFE Index	6.85%	(1.26%)	9.39%	2.02%
NTGI EAFE Idx - Net (12/31/04)	7.26%	(0.88%)	-	4.32%
MSCI EAFE Index	6.85%	(1.26%)	9.39%	4.50%
International Small Cap (11/30/05)	11.55%	(0.89%)	-	2.90%
Franklin Templeton (07/31/11)	-	-	-	4.78%
ACWI Small Cap ex US	9.08%	1.78%	13.98%	(0.13%)
Franklin Templeton - Net (07/31/11)	-	-	-	4.07%
William Blair (08/31/10)	-	-	-	14.35%
ACWI Small Cap ex US	9.08%	1.78%	13.98%	9.75%
Intl SC Blended Benchmark	9.52%	0.65%	12.97%	11.11%
William Blair - Net (08/31/10)	-	-	-	11.36%
Emerging Markets (01/31/92)	11.36%	6.06%	20.08%	10.55%
Genesis (04/30/04)	11.36%	6.06%	-	15.70%
MSCI Emerging Markets Index	6.92%	0.64%	17.27%	12.15%
Genesis - Net (12/31/04)	10.72%	5.43%	-	13.69%
MSCI Emerging Markets Index	6.92%	0.64%	17.27%	11.95%

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 February 28, 2013

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Dom. Fixed Active Core (03/31/01)	0.62%	0.04%	0.26%	4.91%
EARNEST Partners (04/30/05)	0.60%	0.09%	0.42%	4.86%
BC Aggregate Index	0.50%	(0.34%)	(0.20%)	3.12%
EARNEST Partners - Net (04/30/05)	0.55%	0.04%	0.36%	4.64%
Piedmont (05/31/05)	0.64%	(0.00%)	0.10%	4.96%
BC Aggregate Index	0.50%	(0.34%)	(0.20%)	3.12%
Piedmont - Net (05/31/05)	0.64%	(0.08%)	0.02%	4.74%
Dom. Fixed Enhanced Core (03/31/00)	0.47%	(0.38%)	(0.21%)	3.60%
BlackRock Enhanced (04/30/00)	0.47%	(0.38%)	(0.21%)	3.60%
BC Aggregate Index	0.50%	(0.34%)	(0.20%)	3.12%
BlackRock Enhanced - Net (12/31/04)	0.47%	(0.40%)	(0.21%)	3.52%
Dom. Fixed Passive Core (12/31/89)	0.48%	(0.36%)	(0.20%)	3.24%
NTGI BC Agg. Index (01/31/90)	0.48%	(0.36%)	(0.20%)	3.24%
BC Aggregate Index	0.50%	(0.34%)	(0.20%)	3.12%
NTGI BC Agg. Index - Net (12/31/04)	0.48%	(0.36%)	(0.20%)	3.24%

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 February 28, 2013

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Dom. Fixed Active Core (03/31/01)	6.76%	6.50%	4.82%	5.41%
EARNEST Partners (04/30/05)	6.68%	6.43%	-	6.00%
BC Aggregate Index	5.45%	5.52%	5.01%	5.52%
EARNEST Partners - Net (04/30/05)	6.47%	6.21%	-	5.79%
Piedmont (05/31/05)	6.82%	6.04%	-	5.51%
BC Aggregate Index	5.45%	5.52%	5.01%	5.40%
Piedmont - Net (05/31/05)	6.63%	5.85%	-	5.30%
Dom. Fixed Enhanced Core (03/31/00)	5.83%	5.64%	5.07%	6.19%
BlackRock Enhanced (04/30/00)	5.83%	5.64%	5.07%	6.24%
BC Aggregate Index	5.45%	5.52%	5.01%	6.14%
BlackRock Enhanced - Net (12/31/04)	5.76%	5.57%	-	5.20%
BC Aggregate Index	5.45%	5.52%	5.01%	5.35%
Dom. Fixed Passive Core (12/31/89)	5.46%	5.37%	4.97%	6.82%
NTGI BC Agg. Index (01/31/90)	5.46%	5.37%	4.97%	6.85%
BC Aggregate Index	5.45%	5.52%	5.01%	6.84%
NTGI BC Agg. Index - Net (12/31/04)	5.45%	5.36%	-	5.17%
BC Aggregate Index	5.45%	5.52%	5.01%	5.35%

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 February 28, 2013

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Fixed Core Plus (12/31/81)	0.50%	0.17%	0.11%	5.82%
BlackRock Core Plus (03/31/07)	0.49%	(0.27%)	(0.14%)	4.43%
BC Aggregate Index	0.50%	(0.34%)	(0.20%)	3.12%
BlackRock Core Plus - Net (03/31/07)	0.49%	(0.48%)	(0.35%)	4.18%
LM Capital (04/30/05)	0.42%	0.02%	(0.08%)	5.47%
BC Aggregate Index	0.50%	(0.34%)	(0.20%)	3.12%
LM Capital - Net (04/30/05)	0.42%	(0.02%)	(0.12%)	5.31%
Progress Fixed Income (12/31/05)	0.61%	0.25%	0.28%	4.92%
BC Aggregate Index	0.50%	(0.34%)	(0.20%)	3.12%
Progress Fixed Inc. - Net (12/31/05)	0.61%	0.16%	0.19%	4.55%
Taplin, Canida, Habacht (04/30/05)	0.33%	0.26%	0.02%	6.89%
BC Aggregate Index	0.50%	(0.34%)	(0.20%)	3.12%
Taplin, Canida, Hab. - Net (04/30/05)	0.33%	0.22%	(0.01%)	6.75%
Western (10/31/01)	0.65%	0.48%	0.40%	6.57%
BC Aggregate Index	0.50%	(0.34%)	(0.20%)	3.12%
Western - Net (12/31/04)	0.61%	0.45%	0.36%	6.42%
High Yield (03/31/86)	0.61%	3.38%	1.86%	11.58%
Mackay Shields (10/31/00)	0.66%	3.11%	1.91%	11.46%
ML High Yield Cash Pay Index	0.47%	3.42%	1.82%	11.78%
Mackay Shields - Net (12/31/04)	0.66%	3.11%	1.91%	11.08%
Pyramis (07/31/86)	0.57%	3.63%	1.81%	11.70%
ML High Yield Cash Pay Index	0.47%	3.42%	1.82%	11.78%
Pyramis - Net (12/31/04)	0.51%	3.57%	1.75%	11.37%

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

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 February 28, 2013

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Fixed Core Plus (12/31/81)	7.38%	6.79%	5.89%	9.04%
BlackRock Core Plus (03/31/07)	6.60%	6.22%	-	6.31%
BC Aggregate Index	5.45%	5.52%	5.01%	5.82%
BlackRock Core Plus - Net (03/31/07)	6.45%	6.10%	-	6.20%
LM Capital (04/30/05)	6.88%	6.65%	-	6.38%
BC Aggregate Index	5.45%	5.52%	5.01%	5.52%
LM Capital - Net (04/30/05)	6.71%	6.48%	-	6.21%
Progress Fixed Income (12/31/05)	6.55%	6.35%	-	6.52%
BC Aggregate Index	5.45%	5.52%	5.01%	5.76%
Progress Fixed Inc. - Net (12/31/05)	6.18%	5.98%	-	6.17%
Taplin, Canida, Habacht (04/30/05)	7.71%	7.27%	-	6.10%
BC Aggregate Index	5.45%	5.52%	5.01%	5.52%
Taplin, Canida, Hab. - Net (04/30/05)	7.58%	7.14%	-	6.00%
Western (10/31/01)	8.19%	7.39%	6.30%	6.65%
BC Aggregate Index	5.45%	5.52%	5.01%	5.41%
Western - Net (12/31/04)	8.04%	7.24%	-	5.84%
BC Aggregate Index	5.45%	5.52%	5.01%	5.35%
High Yield (03/31/86)	11.60%	11.12%	11.07%	10.38%
Mackay Shields (10/31/00)	11.64%	10.19%	11.12%	10.15%
ML High Yield Cash Pay Index	11.66%	10.85%	9.98%	8.40%
Mackay Shields - Net (12/31/04)	11.26%	9.81%	-	7.75%
ML High Yield Cash Pay Index	11.66%	10.85%	9.98%	8.38%
Pyramis (07/31/86)	11.55%	12.10%	11.03%	10.15%
ML High Yield Cash Pay Index	11.66%	10.85%	9.98%	8.95%
Pyramis - Net (12/31/04)	11.01%	11.66%	-	8.66%
ML High Yield Cash Pay Index	11.66%	10.85%	9.98%	8.38%

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)	
Brown	2.89	0.82	(09/30/04)
Franklin Templeton	2.30	4.91	(07/31/11)
Ativo	2.26	-3.49	(09/30/10)
Genesis	1.67	3.55	(04/30/04)
Pyramis	1.67	6.55	(07/31/88)

Five Worst Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Underperformance (in % points)	Since Inception Underperformance (in % points)	
BlackRock LCG	-1.92	-6.36	(07/31/11)
Piedmont LC	-1.49	-2.71	(05/31/11)
Dodge & Cox	-0.99	-0.60	(08/31/03)
Sands	-0.97	3.49	(10/31/03)
Frontier	-0.73	5.86	(07/31/88)

Five Highest Returning Portfolios

Manager	Year-to-Date Return (in % points)	Since Inception Return (in % points)	
Ativo	10.01	11.57	(09/30/10)
Pyramis SC	9.38	13.74	(07/31/88)
Dimensional Fund Advisors SCV	8.33	12.74	(01/31/96)
LSV	8.18	9.69	(01/31/03)
Wall Street	8.08	13.96	(07/31/90)

Five Lowest Returning Portfolios

Manager	Year-to-Date Return (in % points)	Since Inception Return (in % points)	
BlackRock Enhanced	-0.21	6.24	(04/30/00)
NT Barclays Agg	-0.20	6.85	(01/31/90)
BlackRock Core Plus	-0.14	6.31	(03/31/07)
LM Capital	-0.08	6.38	(04/30/05)
Taplin, Canida, & Habacht	0.02	6.10	(04/30/05)

Returns are shown gross of investment management fees.

Excludes Real Estate and Alternative Investments portfolios.

The report was followed by questions and discussion from Board Members.

(13-03-02) (Asset Liability Education Presentation) Mr. Kloepfer of Callan Associates gave a presentation on the 2013 IMRF Asset Allocation Review to the Board.

He reviewed the capital market projection process; the current environment; 2013 expectations; a discussion of asset classes for inclusion and characteristics; IMRF target asset allocation; the 2013 efficient frontier; asset allocation considerations for 2013; and, trends in asset allocation.

(13-03-03) (Master Trust Fee Extension) The Chief Investment Officer recommended the Board approve the extension of the Northern Trust master trust fee schedule for the three-year period beginning April 1, 2013 through March 31, 2016.

She stated the current master trust fee schedule expires on March 31, 2013. She further reported that the current master trust fee schedule is competitive and can be extended through March 31, 2016.

It was moved by Ms. Henry, seconded by Mr. Nannini, to approve the extension of the Northern Trust master trust fee schedule for the three-year period beginning April 1, 2013 through March 31, 2016.

Vote: Unanimous Voice Vote
Absent: Kuehne, Stafford

(13-03-05) (Consent Agenda) The Chair presented an agenda consisting of a Consent Agenda. The following items remained on the Consent Agenda since no Board member asked for their removal.

Approval of Minutes

Regular Meeting #13-02-22

Schedules - Dated March 22, 2013

- 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 - Final Administrative Action (Denial)

Schedule P - Administrative Denial of Application for Past Service Credit.

Administration - Master Trustee Report

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

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

Vote: Unanimous Voice Vote

Absent: Kuehne, Stafford

(13-03-06) (Financial Report) The Chair presented the following financial report for approval.

- Review of February Reporting Package
- January Interim Financial Statements
- Impact of 2013 Year-To-Date Investment Income on Employer Reserves, Funding Status and Average Employer Contribution Rates
- Schedule T - Report of Expenditures

It was moved by Ms. Thompson, seconded by Ms. Henry, to approve the Financial Report as presented.

Vote: Unanimous Voice Vote

Absent: Kuehne, Stafford

(13-03-07) (Report of the Benefit Review Committee) Trustee Piechocinski reported on the meeting held on March 21, 2013.

It was moved by Mr. Piechocinski, seconded by Ms. Henry, to approve the following recommendations of the Benefit Review Committee:

- To uphold staff's determination to deny the application for temporary disability benefits filed by Joseph Aviaz.
- To overturn staff's determination that Gloria McClean returned to work in a qualifying position for the period from November 2005 through November 2011.

Vote: Unanimous Voice Vote

Absent: Kuehne, Stafford

Abstain: Stulir

(13-03-08) (Report of the Legislative Committee) The Chair of the Legislative Committee presented a report on the Committee Meetings that were held on March 4 and March 11, 2013 via teleconference.

The Chair first reported on the Legislative Committee Meeting that was held on March 4, 2013.

It was the consensus of the Legislative Committee to recommend the Board oppose the following legislation:

- House Bill 2226 - in the provisions applicable to IMRF, terminates participation for employees of the Illinois Municipal League and the Will County Governmental League as of the effective date of the bill.

It was the consensus of the Legislative Committee to recommend the Board support the following legislation:

- House Bill 2241 - allows surviving spouse benefits to be paid for the second spouse of an annuitant who retired before March 26, 1992 and did not receive a refund of his or her surviving spouse contributions.
- House Bill 2620 and Senate Bill 1899 - (these are identical bills), creates an exception to the current RFP requirements for investment services. The competitive bid process would not be required for contracts for follow-on funds with the same fund sponsor through closed-end funds.

Next, the Chair reported on the Legislative Committee Meeting that was held on March 11, 2013.

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

- House Bill 2876 - amends the prohibition on the use of solicitors or placement agents by pension funds in making investment decisions.
- House Bill 3291 - in the provisions applicable to IMRF, excludes part-time elected officials from eligibility for IMRF participation. Officials elected prior to the effective date would be grandfathered and would not be affected. Employers would be required to file a job description or official determination by employer's legal representative that the office is a full-time position.

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

Vote: Unanimous Voice Vote
Absent: Kuehne, Stafford
Abstain: Thompson

(13-03-09) (Report of the Policy Review Committee) The Chair of the Policy Review Committee presented a report on the Committee Meeting that was held on March 21, 2013.

It was the consensus of the Committee to recommend the Board approve the following Policy Review Committee Charter:

Policy Review Committee Charter

Purpose

The purpose of the Policy Review Committee is to assist the Board in reviewing all policies adopted by the Board since the inception of IMRF. This is an Ad Hoc Committee and will cease to exist once it has completed its responsibilities.

Authority

The Policy Review Committee will:

- Review materials comprising the Governance Manual;
- Review the resolutions adopted by the Board; and,
- Recommend suggested changes of both to the full Board for final action.

Composition

The Policy Review Committee will consist of at least four members of the Board of Trustees. At the December 2012 Board Meeting, the President of the Board appointed and the full Board approved the Committee Chair and members for a one-year term or until its responsibilities are completed, whichever comes first.

Meetings

The Committee shall meet as needed to complete the scope of work, with the authority to convene additional meetings, as circumstances require.

All Committee members are expected to attend each meeting, in person or via tele- or video-conference. Three members of the Committee are a quorum. The Committee may invite members of staff or others to attend meetings and provide pertinent information, as necessary. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared. Changes to the Governance Manual content and Resolutions will be effective after full Board action.

Responsibilities

The Policy Review Committee will perform the following responsibilities:

- Review the Governance Manual and recommend changes to content;
- Review materials in the Governance Manual and recommend revisions as necessary;
- Review Board Resolutions and recommend changes as appropriate;
- Review any other materials that relate to Committee responsibilities; and,
- Perform other activities related to this Charter as requested by the Board of Trustees.

Next, the Committee reviewed Tabs 1 through 10 of the Governance Manual. Staff is to provide a final draft of the recommended changes to the Committee at its next meeting.

It was moved by Ms. Thompson, seconded by Ms. Henry, to approve the recommendation of the Policy Review Committee.

Vote: Unanimous Voice Vote

Absent: Kuehne, Stafford

(13-03-10) (2014 Employer Contribution Rates for Elected County Officials Plan) The Chief Financial Officer recommended the Board adopt the ARC as calculated under provisions of GASB No. 27 as the required rate for ECO employers in 2014. Staff also recommends that ECO employers be given the option of phasing-in this change over a two-year period. He stated that under the phase-in approach, an employer would be offered a lower rate for calendar year 2014 which would limit the increase to 50% of the total increase which would result from adopting the ARC rate.

After questions and discussion, it was the consensus of the Board to table any action to the April Board Meeting.

(13-03-11) (Legislative Update) General Counsel updated the Board on current legislative activity.

She reported that since the February Board Meeting, two of IMRF's four bills which contain six of the eight proposals from the Board's legislative agenda have passed the full House and are in the Senate (HB 1351 - includes the retiree return to work provision, and HB 1444 - contains four of the technical provisions in the Board's legislative agenda).

General Counsel further reported there has been activity on various "pension reform" bills in both chambers.

Questions and discussion followed.

(13-03-12) (Litigation Status 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: The Circuit Court found in favor of the Plaintiff regarding the omitted service but declined to award attorneys fees. The parties cross appealed. Case has been fully briefed before the Second District Appellate Court and will be decided without an oral argument.

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: On February 7, 2013, the parties appeared before the Court where the County indicated that it had changed its mind and was no longer interested in settling the case. The Plaintiffs have filed a motion to enforce the settlement agreement. A hearing on that motion is set for April 2, 2013.

WABASH COUNTY, ILLINOIS vs. IMRF, et al.

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

Status: Judgment rendered upholding the decision of the IMRF Board. No taken. Case is over.

JOSEPH PRAZEN v. IMRF

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

Status: Petition for Leave to appeal granted on November 28, 2012. IMRF's brief was filed on January 2, 2013. Oral argument will be scheduled for the May term of the Illinois Supreme Court.

LIARAKOS V. IMRF

Summary: Appeal of denial of total and permanent disability.

Status: On January 11, 2013, Judge Wheaton found in favor of IMRF specifically finding that in the case of total and permanent disability consideration of pre-existing conditions is prohibited when the IMRF member has less than five years of service. Judge Wheaton further found that failure of IMRF to allow cross examination of Dr. Rao during the hearing did not prejudice the plaintiff in this particular case because the issue was one of statutory construction and not a question of fact. No appeal has been taken, case is over.

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). A motion to dismiss is being briefed.

BURGER v. IMRF (12 MR 127)

Summary: Appeal of denial of total and permanent disability.

Status: Briefing schedule has been entered. Hearing set for May 8, 2013.

DIEHL V. BOARD OF TRUSTEES 912 MR 1282 Dupage)

Summary: Appeal of denial of total and permanent disability based on a voluntary resignation.

Status: Briefing schedule entered. Hearing scheduled for April 29, 2013.

LEHMAN BROS. SPECIAL FINANCING, INC. V. BANK OF AMERICA NATIONAL ASSOC., ET AL.

Summary: This case was filed in the Lehman Bros. Bankruptcy matter. IMRF owned a bond, purchased by one of the Progress managers, for which we were paid in full at the time Lehman became insolvent. In this case, certain of the parties in the Lehman bankruptcy are attempting to recoup the proceeds of our bond, as well as others.

Status: The adversary proceeding in the bankruptcy matter is currently stayed (on hold) while proper defendants are determined.

ANEGELINA TELLONE V. IMRF (2012 MR 1617 - DUPAGE CO.)

Summary: Closure of temporary disability claim due to failure to provide requested documentation.

Status: Appearance and answer have been filed, benefits is working with member to obtain additional documentation. Status set for April 29, 2013. Member allowed to bring additional documentation to IMRF.

JANET DOHERTY V. IMRF (12 MR 1804 LAKE)

Summary: Appeal of denial of temporary disability benefits.

Status: Case has been voluntarily dismissed.

(13-03-13) (Report of Executive Director)

Representation of IMRF

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

(13-04-13)(Trustee Forum) The Chair reported the following Trustees requested authorization from the Board to attend the following conference:

Natalie Copper	"59 th US Annual Employee Benefits Conference"
	IFEBC
	October 20-23, 2013
	Las Vegas, NV

John Piechocinski "59th US Annual Employee Benefits Conference"
IFEBP
October 20-23, 2013
Las Vegas, NV

It was moved by Ms. Thompson seconded by Mr. Stulir, to approve the above
Trustee requests.

Vote: Unanimous Voice Vote
Absent: Kuehne, Stafford

(13-05-13) (Adjournment) It was moved by Ms. Henry, seconded by Mr.
Piechocinski, to adjourn the Board Meeting at 10:40 a.m., to reconvene in the Fund
offices, 2211 York Road, Suite 400, Oak Brook, Illinois, at 9:00 a.m. on April 26,
2013.

Vote: Unanimous Voice Vote
Absent: Kuehne, Stafford

President

Date

Secretary

Date

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