

ILLINOIS MUNICIPAL RETIREMENT FUND
MINUTES OF
REGULAR MEETING NO. 13-05
MAY 31, 2013

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 13-05

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:30 a.m., May 31, 2013, in the Fund Office at 2211 York Road, Suite 400, Oak Brook, Illinois.

Mr. Stafford presided as Chair and called the meeting to order.

Ms. Enright called the roll:

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

Ms. Becker-Wold, Messrs. Ball and Robinson from Callan Associates, Mr. Moss from Seyfarth Shaw LLP., and representatives from M.R. Beal, Cabrera Capital Markets and Williams Capital Group were also present.

(13-05-01) (Gabriel, Roeder, Smith & Company 2012 Actuarial Valuation Report-2012 Gain/Loss Analysis) Messrs. Murphy, Buis, and Pieterse from Gabriel, Roeder, Smith & Company presented IMRF's Annual Actuarial Valuation as of December 31, 2012, and IMRF's Annual Gain/Loss Analysis as presented below.



IMRF

Annual Actuarial Valuation
and Gain/Loss Analysis
December 31, 2012

May 31, 2013



Purpose

- ◆ Calculate employer rates for 3,285 rate groups for the 2014 calendar year
- ◆ Measure financial position and funding progress
- ◆ Explain changes in financial position that occurred during the year



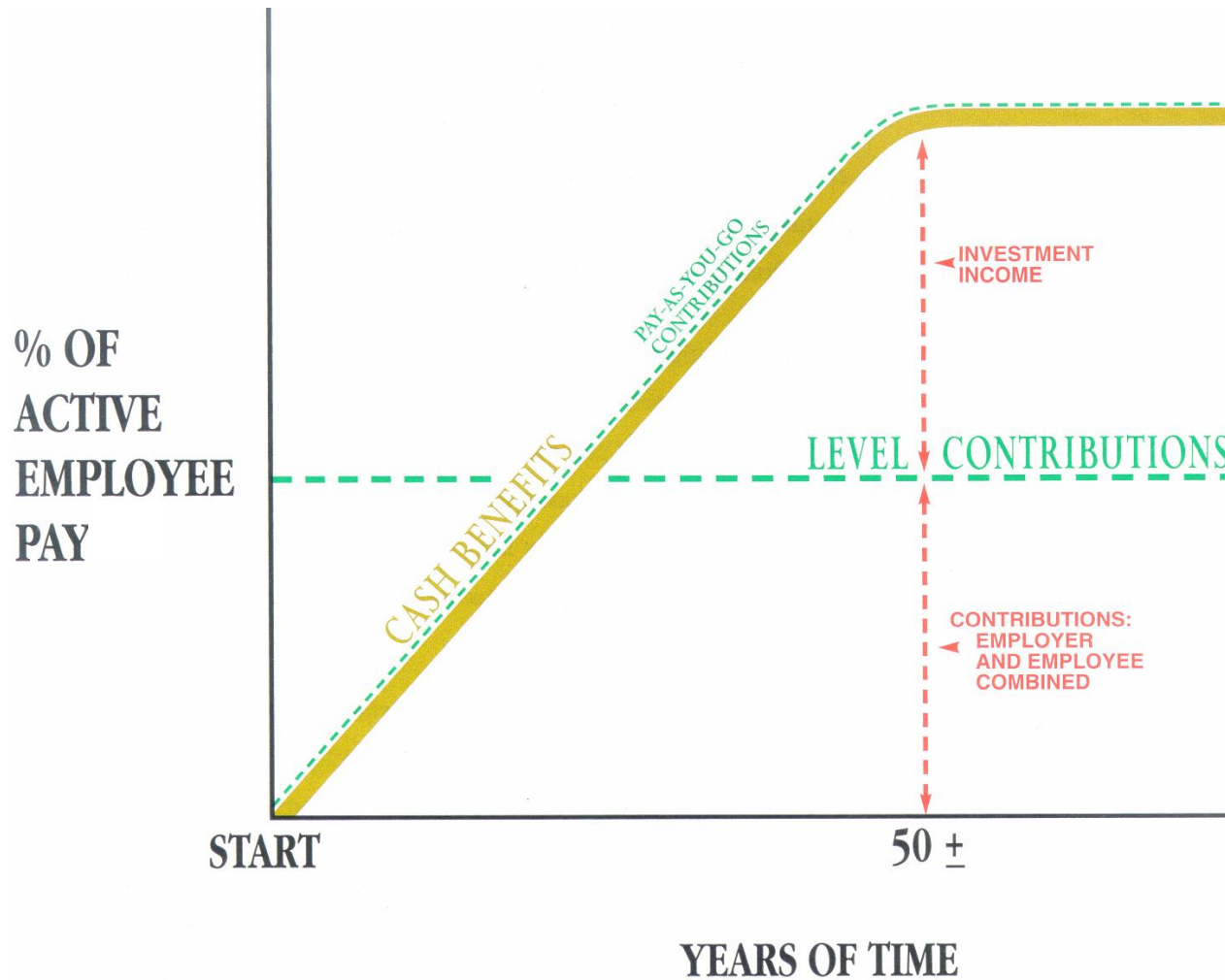
Basic Funding Objective

Establish and receive contributions which:

- ◆ remain approximately level (as a % of payroll) from generation to generation
- ◆ when combined with present assets and future investment return are sufficient to pay benefits to current and future retirees



Financing Diagram





Financing Plan

- ◆ The largest source of income is expected to be investment return
- ◆ The largest (non-benefit) expense component is assumed to be inflation



Valuation Uses Data On

- 1) People
- 2) Plan Benefits
- 3) Employers
- 4) Assets



IMRF Population

| | <u>2012</u> | <u>2011</u> |
|------------------|----------------|----------------|
| Active Members | | |
| • Tier 1 | 153,175 | 163,993 |
| • Tier 2 | 21,206 | 11,240 |
| • Total | <u>174,381</u> | <u>175,233</u> |
| Retirees | 106,405 | 101,900 |
| Inactive Members | <u>134,293</u> | <u>132,282</u> |
| Total | <u>415,079</u> | <u>409,415</u> |



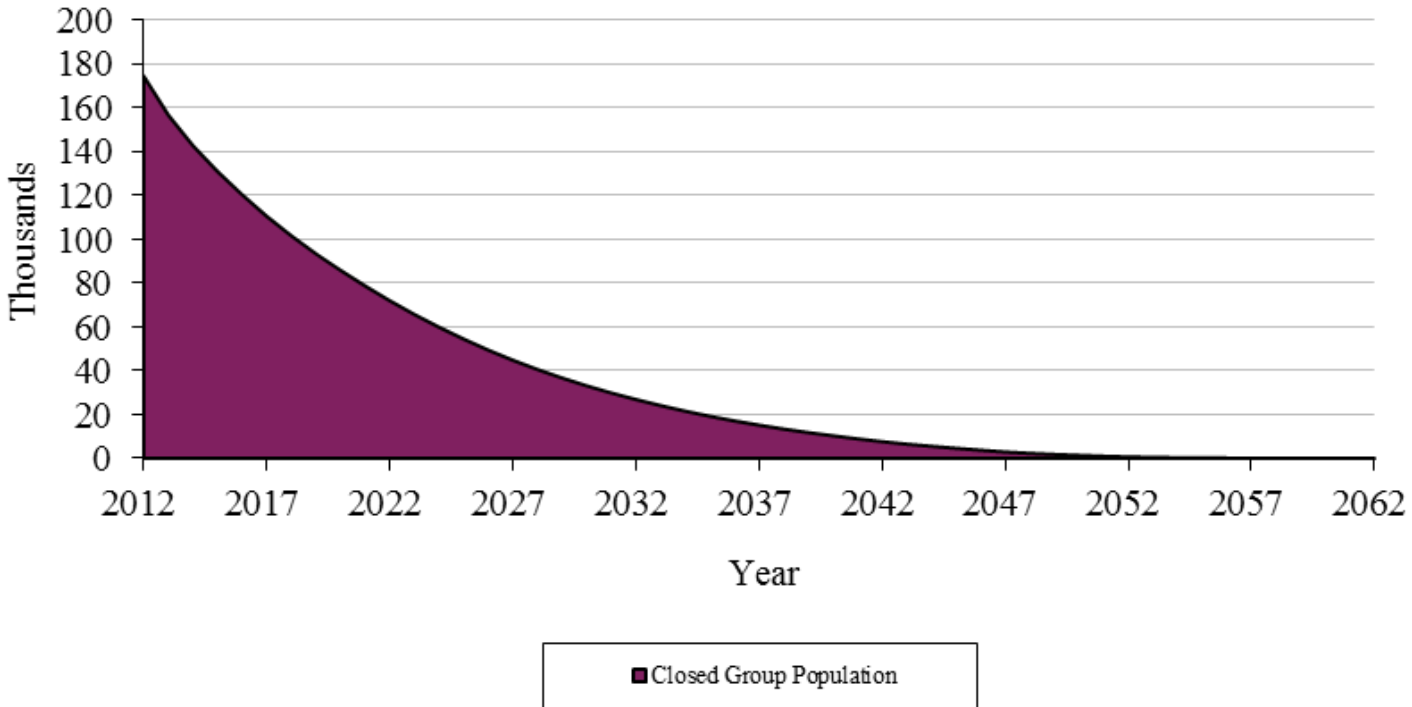
IMRF Population

| | <u>2012</u> | <u>2011</u> |
|------------------|----------------|----------------|
| Active Members | | |
| • Regular | 169,806 | 170,581 |
| • SLEP | 4,243 | 4,223 |
| • ECO | 332 | 429 |
| Total | <u>174,381</u> | <u>175,233</u> |
| Inactive Members | | |
| • Regular | 132,990 | 131,042 |
| • SLEP | 1,085 | 1,066 |
| • ECO | 218 | 174 |
| Total | <u>134,293</u> | <u>132,282</u> |



Expected Development of Present Population – 12/31/2012

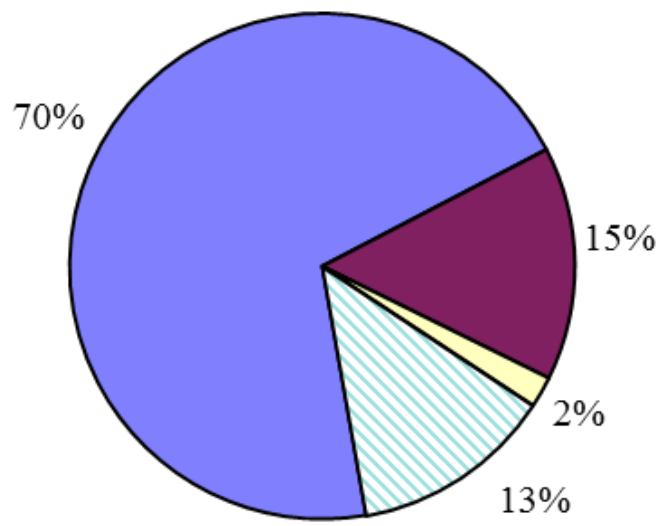
Closed Group Population Projection





Expected Development of Present Active Population

Expected Terminations from Active Employment for Current Active Members



■ Retirements ■ Non-Vested Separations ■ Death and Disabilities ■ Vested Separations



IMRF Employers 12/31/2012

| | |
|--------------------------------------|-------------|
| School Districts | 860 |
| Counties (Regular, SLEP & ECO) | 269 |
| Cities | 302 |
| Villages | 461 |
| Park Districts | 200 |
| Townships | 494 |
| Library Districts | 218 |
| Other | 481 |
| Total | <hr/> 3,285 |
| 226 employers with no active members | 236 |
| Total | <hr/> 3,521 |



Value of Assets

(\$ millions)

| | 2012 | 2011 |
|------------------------------|-------------|-------------|
| Funding Value (FV) | \$27,492 | \$25,711 |
| Market Value (MV) | \$27,995 | \$24,834 |
| Ratio | 98.2% | 103.5% |
| Difference between FV and MV | \$ 503 | \$ (877) |
| Market Value Rate of Return | 13.6% | (0.4)% |

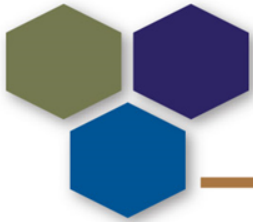


How Does Asset Smoothing Impact Future Valuations

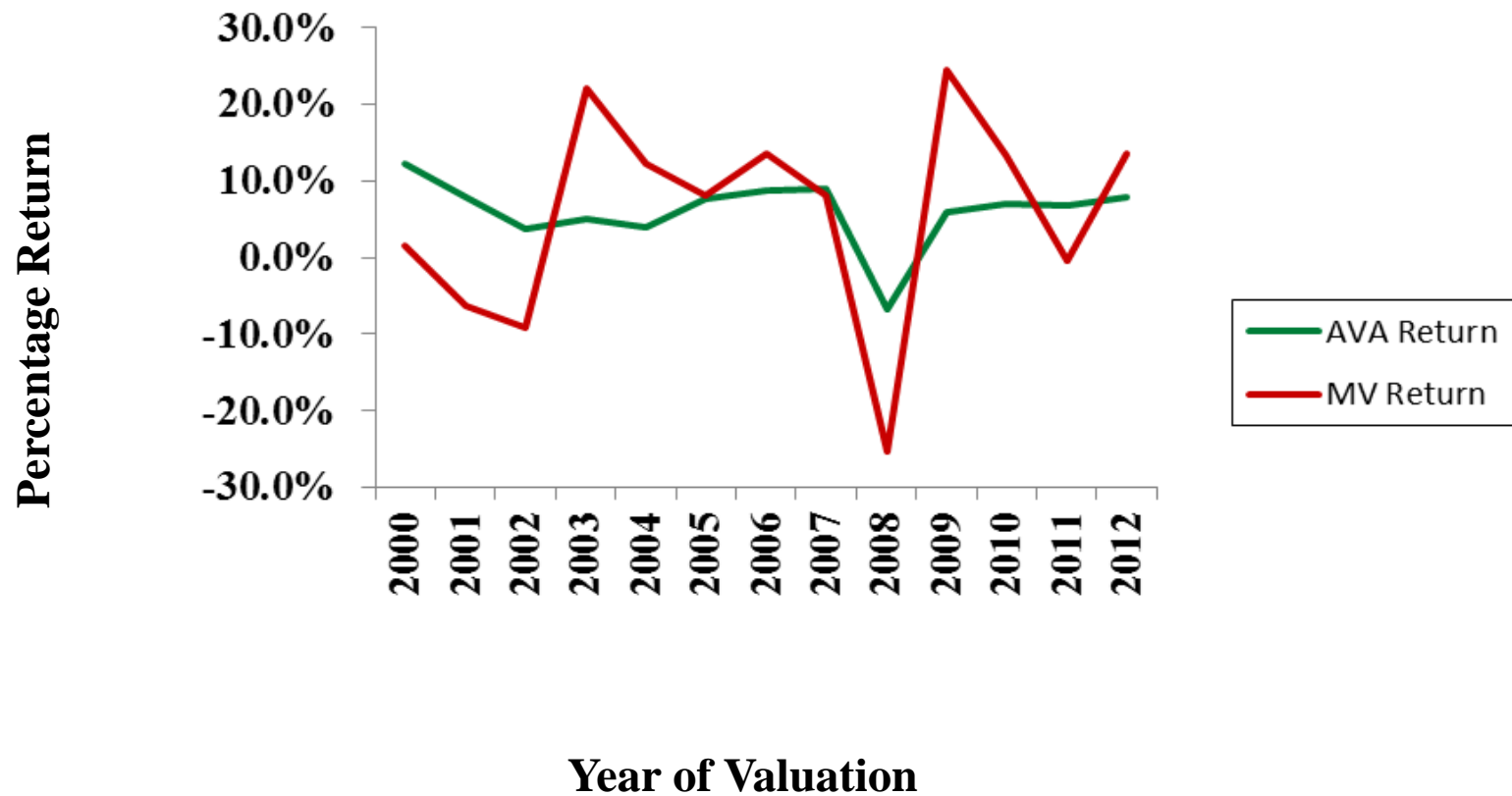
- ◆ Difference between Market Value and Funding Value (\$503 million) phased-in over next four years

| Valuation Date | Scheduled Asset Gain | Contribution Decrease |
|----------------|----------------------|-----------------------|
| 12/31/2013 | \$125,869,853 | 0.1% |
| 12/31/2014 | \$125,869,853 | 0.1% |
| 12/31/2015 | \$125,869,853 | 0.1% |
| 12/31/2016 | \$125,869,854 | 0.1% |

- ◆ Assumes Market Value earns 7.5% in the next 4 years
- ◆ Actual results will likely be different



Market Value Return vs. Actuarial Value Return





Development of Average Contribution Rates Applicable to Calendar Year 2014

(Results as of December 31, 2012)

| | % of Active Member Pays | | |
|---|-------------------------|----------------|----------------|
| | Regular | SLEP | ECO |
| Tier 1 Normal Cost | 7.89 % | 12.84 % | 17.60 % |
| Tier 2 Normal Cost | 4.67 % | 8.88 % | 13.57 % |
| Average Employer Contributions for | | | |
| Normal Cost | 7.64 % | 12.61 % | 17.59 % |
| Lump Sum Death-in-Service Benefits | 0.17 % | 0.18 % | 0.18 % |
| Temporary Disability | 0.11 % | 0.11 % | 0.11 % |
| 13th Payment | 0.62 % | 0.62 % | 0.62 % |
| Unfunded (Overfunded) Liabilities (30/10 years) | 3.75 % | 7.82 % | 56.02 % |
| Early Retirement Incentive Liabilities | 0.29 % | 0.11 % | 0.00 % |
| SLEP Supplemental Liabilities | 0.00 % | 1.75 % | 0.00 % |
| Total Average Employer Rate | 12.58 % | 23.20 % | 74.52 % |
| Prior Year Averages | 12.85 % | 23.40 % | 46.85 % |

Closure of ECO plan resulted in the accelerated funding of the unfunded liability.
 Dupage County, Peoria County and Union School District 46 subject to individual rating.

A-3



Normal Cost Example for Regular Employers – All Employees

- Based on weighted average of expected payroll

| | Tier 1 Employees | Tier 2 Employees | Total |
|---------------------|------------------|------------------|-------------|
| 1) Normal Cost | 7.89% | 4.67% | |
| 2) Expected Payroll | \$5,586.8 M | \$462.7 M | \$6,049.5 M |
| 3) (1) x (2) | \$ 440.8 M | \$ 21.6 M | \$ 462.4 M |

- Weighted Normal Cost = $\frac{\$ 462.4}{\$6,049.5} = 7.64\%$



Normal Cost Example for Regular Employer – Individual Employer

| | Tier 1 Employees | Tier 2 Employees | Total |
|---------------------|------------------|------------------|-----------|
| 1) Normal Cost | 7.89% | 4.67% | |
| 2) Expected Payroll | \$50,000 | \$50,000 | \$100,000 |
| 3) (1) x (2) | \$ 3,945 | \$ 2,335 | \$ 6,280 |

◆ Weighted Normal Cost = $\frac{\$ 6,280}{\$100,000} = 6.28\%$

◆ Will be different for every employer

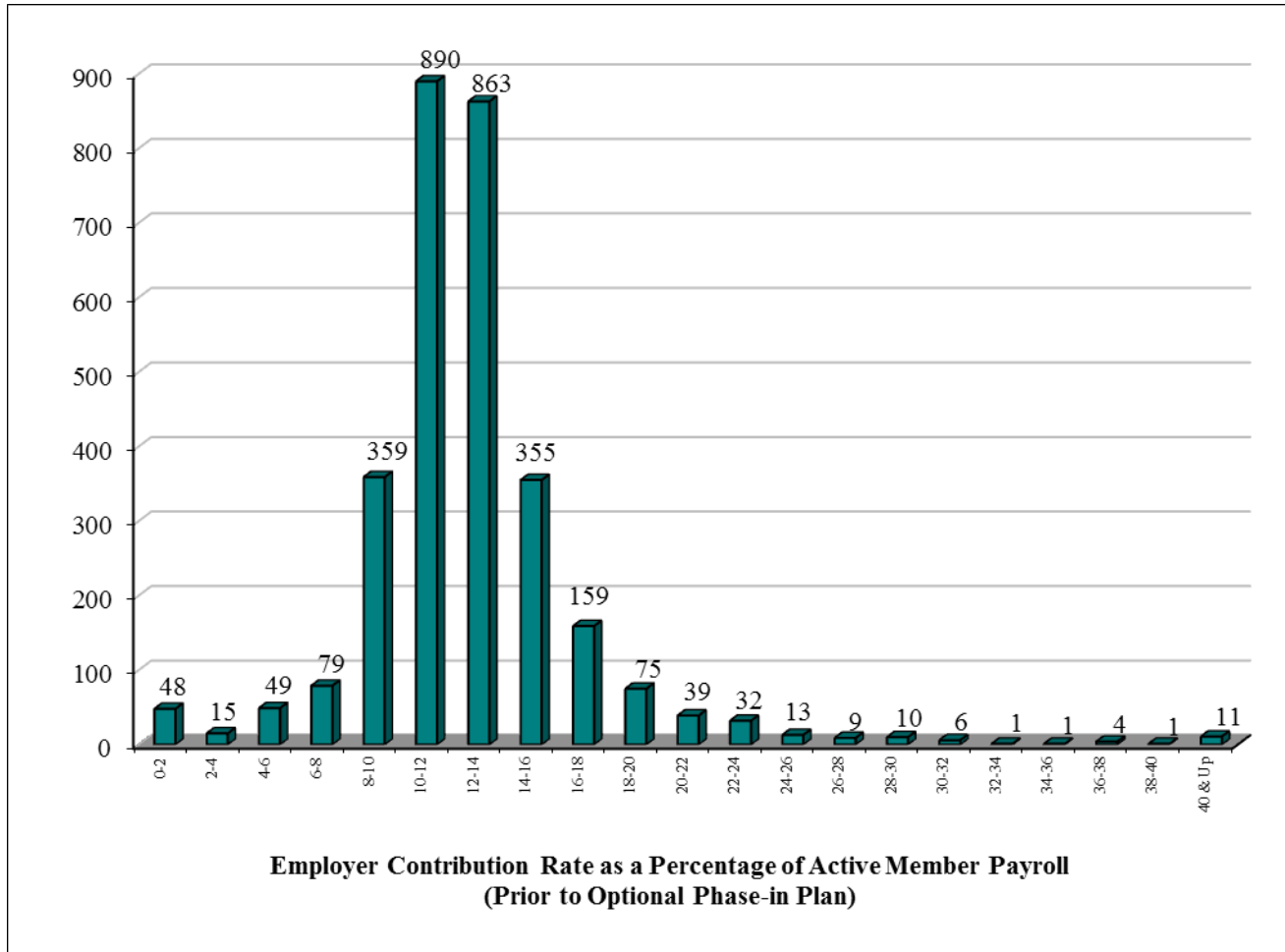
History of Total Average Employer Contribution Rates

| Rate Applies to Calendar Year | Rate Computed as of December 31 | Employer Contribution Rate Expressed as % of Active Payroll | | | | | |
|-------------------------------|---------------------------------|--|--------------------|---------------|--------------------|---------------|--------------------|
| | | Regular Members | | SLEP Members | | ECO Members | |
| | | Normal Cost | Average Total Rate | Normal Cost | Average Total Rate | Normal Cost | Average Total Rate |
| 1998 | 1996 | 7.21% | 9.64% | 10.22% | 13.94% | | |
| 1999 | 1997 | 7.23% | 9.03% | 10.62% | 14.65% | 21.48% | 36.14% |
| 2000 | 1998 | 7.17% | 8.16% | 10.42% | 14.28% | 23.39% | 41.38% |
| 2001 | 1999 | 7.41% | 6.64% | 12.02% | 14.86% | 23.85% | 42.58% |
| 2002 | 2000 | 7.62% | 5.87% | 11.94% | 14.13% | 18.05% | 38.46% |
| 2003 | 2001 | 7.66% | 6.22% | 11.96% | 14.04% | 17.95% | 40.37% |
| 2004 | 2002 | 7.60% | 7.82% | 12.47% | 16.29% | 18.18% | 44.90% |
| 2005 | 2003 | 7.61% | 9.25% | 12.48% | 17.15% | 18.07% | 42.66% |
| 2006 | 2004 | 7.64% | 10.04% | 12.56% | 18.25% | 18.01% | 44.90% |
| 2007 | 2005 | 7.43% | 9.72% | 11.66% | 18.42% | 17.52% | 41.30% |
| 2008 | 2006 | 7.42% | 9.47% | 11.63% | 19.33% | 16.96% | 41.80% |
| 2009 | 2007 | 7.42% | 9.27% | 11.63% | 18.42% | 17.08% | 42.77% |
| 2010 | 2008 | 7.58% | 11.89% | 11.97% | 21.63% | 17.24% | 43.57% |
| 2011 | 2009 | 7.58% | 12.14% | 11.97% | 21.76% | 17.20% | 42.72% |
| 2012 | 2010 | 7.58% | 12.42% | 12.01% | 22.48% | 17.22% | 47.15% |
| 2013 | 2011 | 7.77% | 12.85% | 12.74% | 23.40% | 17.63% | 46.85% |
| 2014 | 2012 | 7.64% | 12.58% | 12.61% | 23.20% | 17.59% | 74.52% |

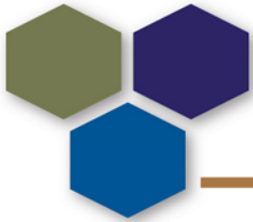


Employer Contribution Rates 2012 Actuarial Valuation

3,019 Regular Employers



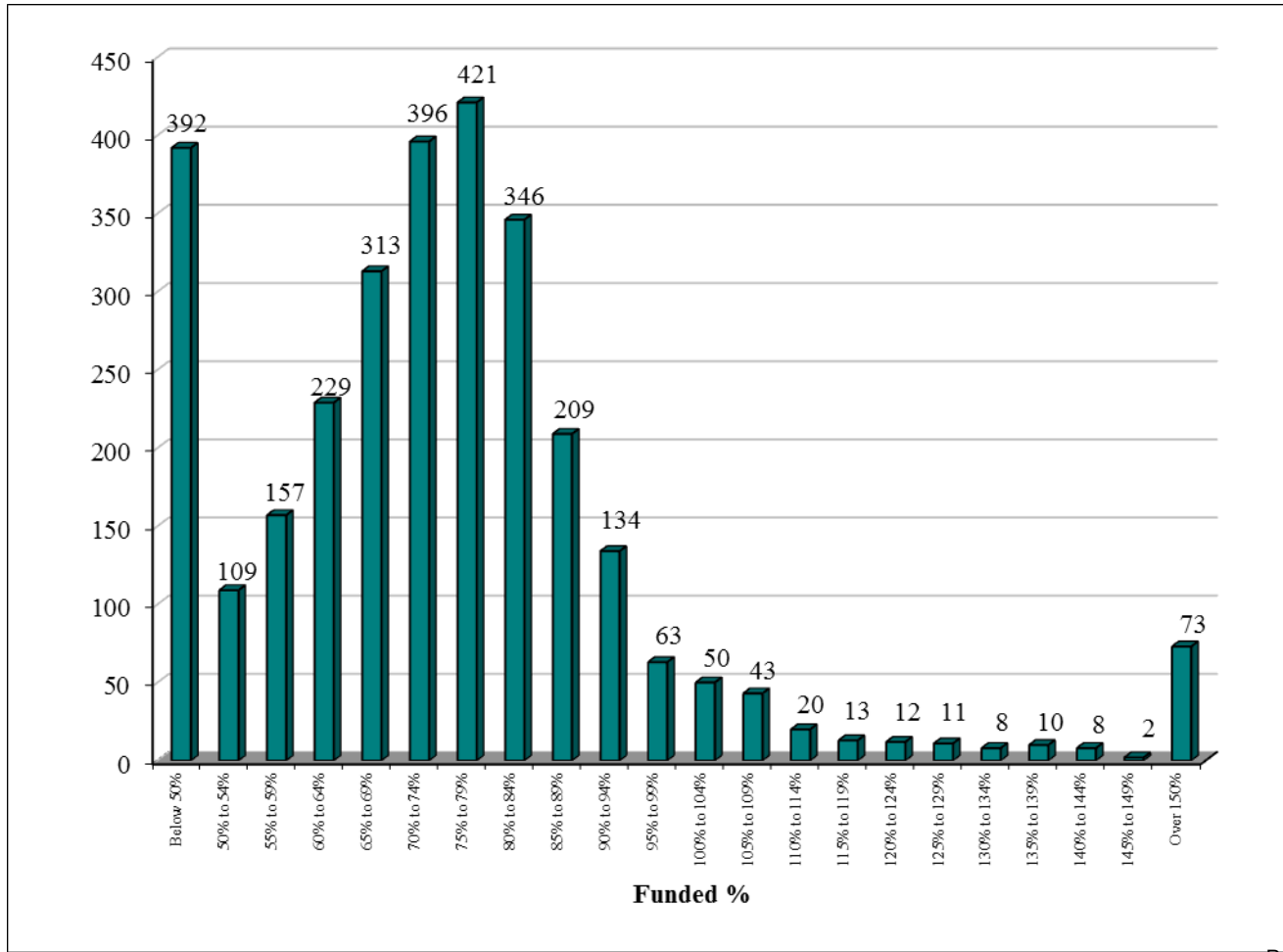
Employer Contribution Rate as a Percentage of Active Member Payroll
(Prior to Optional Phase-in Plan)



Funded Ratios

2012 Actuarial Valuation

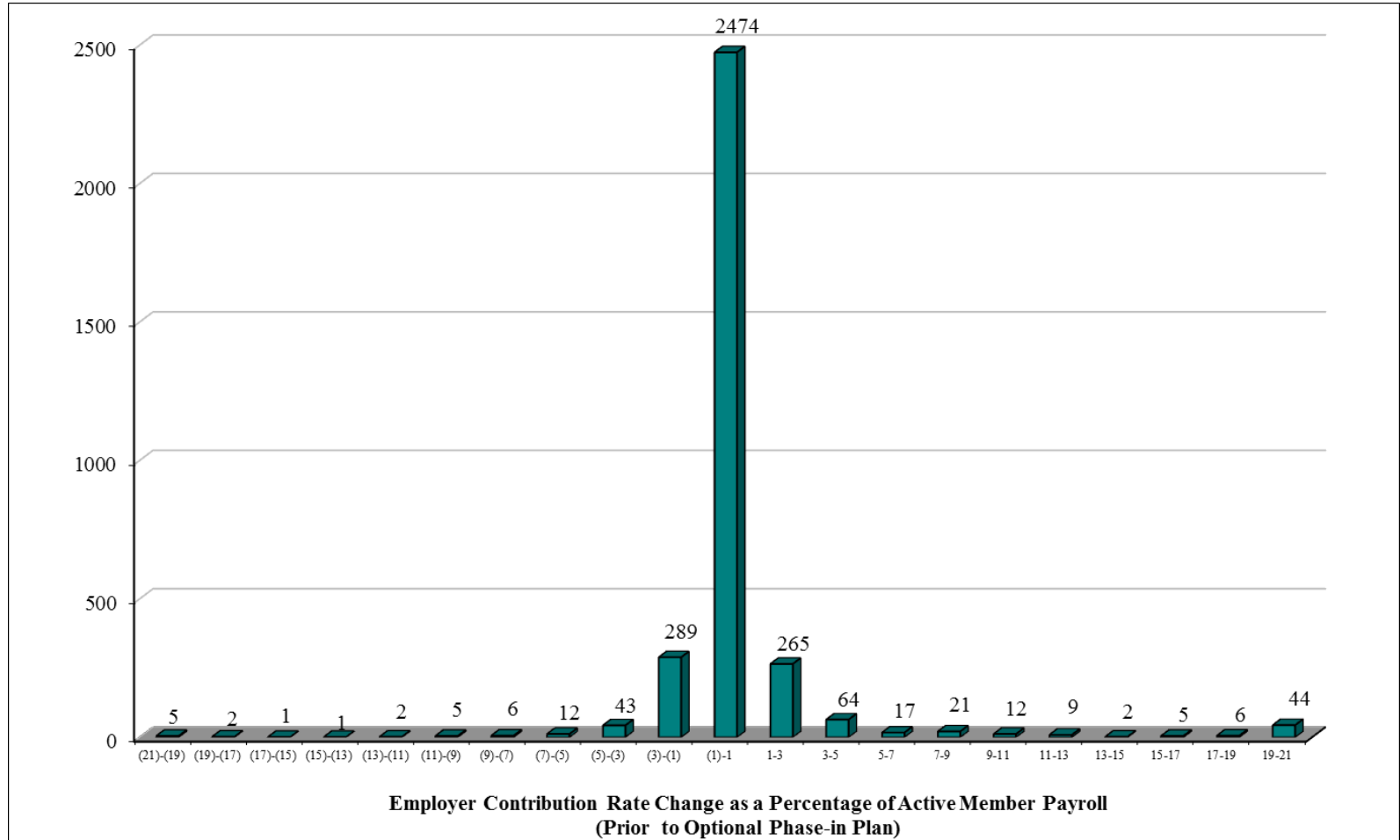
3,019 Regular Employers





Employer Contribution Rate Changes 2012 Actuarial Valuation

3,285 Employers





Average Funding Ratios Comparative Statement

| Valuation Date | Funded Ratio AVA Basis | Funded Ratio MV Basis | Unfunded/ Payroll | Accrued Liability Payroll |
|---------------------------|---------------------------------------|--------------------------------------|------------------------------|--|
| 1988 | 63.5% | 90.2% | 90.2% | 247.2% |
| 1993* | 85.2% | | 50.8% | 277.2% |
| 2004 | 97.0% | 94.3% | 21.5% | 376.4% |
| 2005*# | 94.6% | 95.1% | 20.8% | 387.3% |
| 2006 | 95.3% | 99.8% | 18.8% | 399.4% |
| 2007 | 96.1% | 100.0% | 16.0% | 408.4% |
| 2008* | 84.3% | 70.3% | 64.1% | 409.2% |
| 2009 | 83.2% | 81.5% | 71.0% | 423.2% |
| 2010 | 83.3% | 86.3% | 76.3% | 455.8% |
| 2011*# | 83.0% | 80.4% | 81.7% | 481.4% |
| 2012 | 84.3% | 85.9% | 78.7% | 501.9% |

* *Assumption change*

Benefit change



GASB Changes are Coming

- ◆ Separate results for funding and accounting (funding results will not be impacted)
- ◆ Unfunded Liability will now be reported on the balance sheet (no asset smoothing for accounting purposes)
- ◆ Possibly lower discount rate for accounting purposes
- ◆ Possibly different discount rate for each of the 3,285 rate groups
- ◆ Additional disclosure and reporting requirements
- ◆ Communicating these changes to employers will be challenging
- ◆ Effective for Fiscal Years beginning after June 30, 2013 (for Plan) and June 30, 2014 (for Employers)



Gain (Loss) Analysis



Gain (Loss) Analysis

A Gain (Loss) Analysis measures differences between Actual and Assumed Experience in each Risk Area



IMRF Risk Areas

Demographic

Normal retirement

Early retirement

Death-in-service

Disability

Other separations

Economic

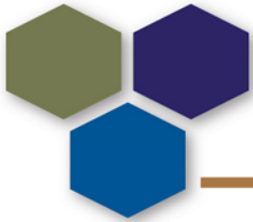
Salary increases

Investment return



Change in Unfunded Accrued Liabilities During the Calendar Year 2012

| | Unfunded Liability Development During | |
|---|---------------------------------------|-------------------------|
| | 2012 | 2011 |
| Unfunded Liability January 1 | \$5,251,527,844 | \$4,878,091,350 |
| (Assumed Payments) | (285,736,416) | (271,273,181) |
| Assumed Interest | 383,278,615 | 355,806,713 |
| Expected Unfunded Liability December 31 | 5,349,070,043 | 4,962,624,882 |
| Change Due to Experience Study | 0 | 181,134,110 |
| Change Due to Benefit Changes | 0 | 0 |
| Change Due to Data Changes | 0 | 0 |
| Change Due to Investment Experience | (71,019,991) | 164,319,997 |
| Change Due to Other Sources | (166,615,738) | (56,551,145) |
| Actual Unfunded Liability December 31 | \$5,111,434,314 | \$5,251,527,844 |
| Gain (Loss) for the Year | \$ 237,635,729 | \$ (288,902,962) |

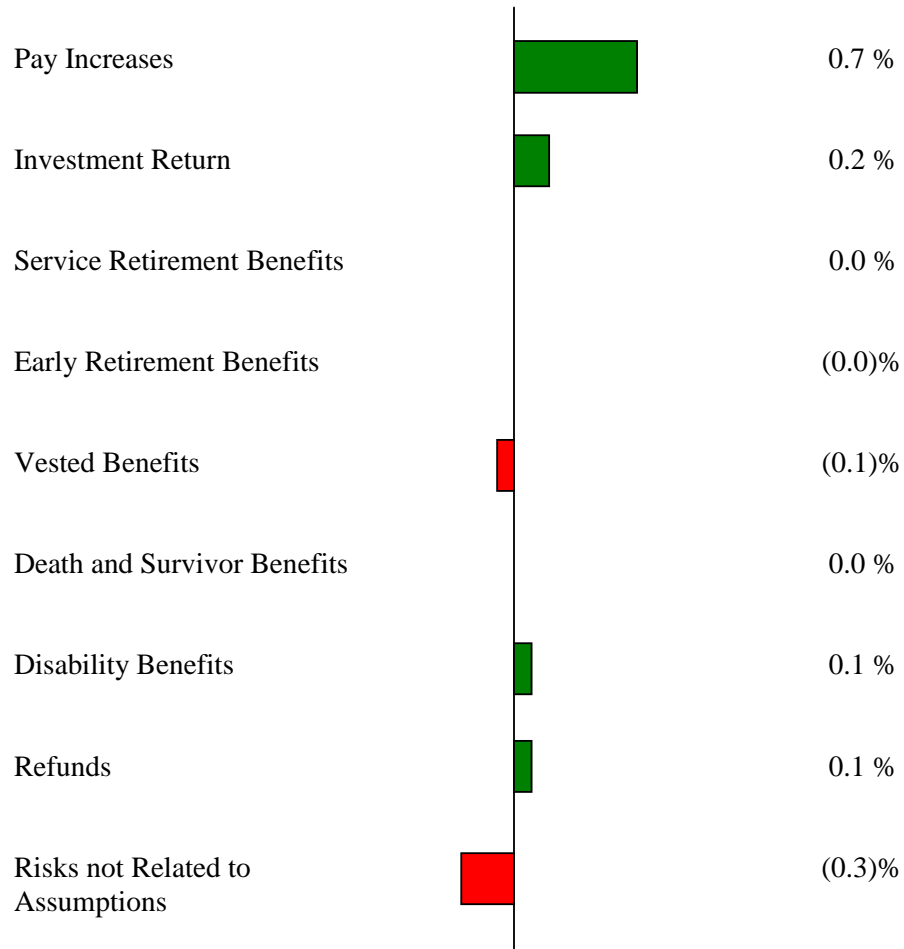


Investment Gain (Loss) - \$ Millions

| | | |
|----|-------------------------------|--------------|
| 1. | Beginning Funding Value | \$25,711 |
| 2. | Net Cash Flow | (211) |
| 3. | Assumed Return | <u>1,921</u> |
| 4. | Expected Funding Value: 1+2+3 | 27,421 |
| 5. | Actual Funding Value | 27,492 |
| 6. | Gain (Loss): 5-4 | 71 |



Gain (Loss) Experience





Experience Gains & Losses by Risk Area - Comparative Statement

| Experience Period | Pay Increases | Investment Return | Service Retirement | Early Retirement | Vested Deferred Retirement | Death and Survivor Benefits | Disability Benefits | Terminated with Refund | Other | Total Gain (Loss) | |
|-------------------|---------------|-------------------|--------------------|------------------|----------------------------|-----------------------------|---------------------|------------------------|----------------------|-------------------|------------------------|
| | | | | | | | | | | \$ | Percent of Liabilities |
| 1997 | \$ (19.9) | \$ 454.9 | \$ 21.1 | \$(4.5) | \$ 37.9 | \$5.7 | \$ 9.2 | \$ 46.0 | \$(364.1) | \$186.3 | 1.9 % |
| 1998 | (69.9) | 515.7 | 37.8 | (8.7) | 37.8 | 7.7 | 5.7 | (10.5) | (197.0) | 318.6 | 2.9 % |
| 1999 ¹ | 5.5 | 962.1 | (6.8) | (5.1) | (14.6) | 0.6 | 6.4 | (21.1) | (168.1) | 758.9 | 6.4 % |
| 2000 | 12.2 | 642.5 | 0.8 | (2.8) | (8.7) | 1.8 | 9.8 | (22.4) | (89.2) | 544.0 | 4.2 % |
| 2001 | (29.5) | 69.4 | (4.9) | (1.0) | (20.3) | 2.9 | 10.0 | 11.4 | 1.4 | 39.4 | 0.3 % |
| 2002 ¹ | 19.5 | (611.8) | (9.9) | (2.0) | (31.0) | 4.3 | 6.9 | 2.3 | (66.7) | (688.4) | (4.5)% |
| 2003 | 36.8 | (404.6) | (18.4) | (5.4) | (28.0) | 2.3 | 5.9 | 10.0 | (250.0) | (651.4) | (3.9)% |
| 2004 | (0.3) | (478.5) | (14.7) | (5.3) | (27.5) | 3.4 | 7.3 | 15.8 | (183.0) | (682.6) | (3.8)% |
| 2005 ¹ | 130.0 | 23.8 | (10.4) | (5.0) | (28.3) | 1.9 | 12.0 | 19.3 | (111.2) | 32.1 | 0.2 % |
| 2006 | 23.5 | 262.2 | (8.6) | (3.4) | (32.7) | 2.1 | 9.4 | 11.1 | (211.7) | 51.9 | 0.3 % |
| 2007 | (15.4) | 305.8 | (8.4) | (2.6) | (35.3) | 4.1 | 10.2 | 23.2 | (170.5) | 111.1 | 0.6 % |
| 2008 ¹ | 8.2 | (3,331.5) | 2.4 | (2.1) | (40.8) | 1.8 | 11.4 | 9.1 | (40.5) | (3,382.0) | (12.6)% |
| 2009 | 70.2 | (343.2) | 11.6 | (0.5) | (38.3) | 3.5 | 12.9 | (11.8) | (53.5) | (349.1) | (1.4)% |
| 2010 | 359.6 | (90.5) | (0.2) | 0.0 | (32.3) | 3.3 | 7.3 | (0.3) | (442.1) ² | (195.2) | (0.7)% |
| 2011 ¹ | 238.9 | (164.3) | (22.9) | (5.7) | (25.9) | 7.3 | 8.2 | 19.9 | (344.4) ³ | (288.9) | (1.0)% |
| 2012 | 230.2 | 71.0 | 2.0 | (3.0) | (24.7) | 6.5 | 20.8 | 23.8 | (89.0) | 237.6 | 0.8 % |

¹ Includes changes in assumptions due to the Experience Study.

² Includes one-time data changes of approximately \$250 million.

³ Includes Experience Study changes.



Reconciliation of Employer Contribution

| | Regular | SLEP | ECO | Total |
|---------------------|----------------|----------------|----------------|----------------|
| Prior Year | 12.85 % | 23.40 % | 46.85 % | 13.37 % |
| Experience Study | 0.00 % | 0.00 % | 0.00 % | 0.00 % |
| Tier 2 structure | (0.13)% | (0.13)% | 0.00 % | (0.13)% |
| Investment Return | (0.06)% | (0.08)% | (0.32)% | (0.06)% |
| Pay Increases | (0.20)% | (0.10)% | (0.10)% | (0.20)% |
| Demographic | (0.02)% | (0.05)% | (0.69)% | (0.02)% |
| Other | 0.14 % | 0.16 % | 28.78 % | 0.23 % |
| Current Year | 12.58 % | 23.20 % | 74.52 % | 13.19 % |

Large change in ECO rate due to closure of ECO plan (accelerated funding requirements) and declining population size



Conclusion

- ◆ Investment markets continue to be volatile – favorable investment performance in 2012 decreased the contribution rate
- ◆ IMRF is still well-funded, (84% funding value basis, 86% market value basis) considering recent historic market volatility; national average is around 75%



Disclaimers

- ◆ Circular 230 Notice: Pursuant to regulations issued by the IRS, to the extent this presentation concerns tax matters, it is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or (ii) marketing or recommending to another party any tax-related matter addressed within. Each taxpayer should seek advice based on the individual's circumstances from an independent tax advisor.
- ◆ This presentation shall not be construed to provide tax advice, legal advice or investment advice.

(13-05-02)(1st Quarter Investment Performance Report) Ms. Becker-Wold of Callan and Associates gave an evaluation of IMRF's investment performance for the quarter ending March 31, 2013.

The report was followed by discussion from Board Members.

(13-05-03)(4th Quarter 2012 Real Estate Performance Report)Mr. Robinson presented a review of IMRF's real estate performance for the quarter ending December 31, 2012.

Discussion followed.

(13-05-04) (Investment Manager Activities - Callan and Associates) Mr. Ball gave the following report to the Board on the activities of IMRF's investment managers:

April 30, 2013



**Illinois Municipal
Retirement Fund
Monthly Performance Report**

**Investment Measurement Service
Monthly Review**

The following report was prepared by Callan Associates Inc. ("CAI") using information from sources that include the following: fund trustee(s); fund custodian(s); investment manager(s); CAI computer software; CAI investment manager and fund sponsor database; third party data vendors; and other outside sources as directed by the client. CAI assumes no responsibility for the accuracy or completeness of the information provided, or methodologies employed, by any information providers external to CAI. Reasonable care has been taken to assure the accuracy of the CAI database and computer software. In preparing the following report, CAI has not reviewed the risks of individual security holdings or the compliance/non-compliance of individual security holdings with investment policies and guidelines of a fund sponsor, nor has it assumed any responsibility to do so. Copyright 2013 by Callan Associates Inc.

Major Market Returns

Returns

for Periods Ended April 30, 2013

| Index | Last Month | Year to Date | Last Year | Last 3 Years | Last 5 Years | Last 10 Years |
|--------------------------|------------|--------------|-----------|--------------|--------------|---------------|
| DJ:US Total Mkt Ix | 1.67 | 12.93 | 17.15 | 12.91 | 5.81 | 8.75 |
| Russell:1000 Index | 1.81 | 12.97 | 17.17 | 12.91 | 5.49 | 8.32 |
| Russell:Midcap Index | 1.28 | 14.41 | 19.20 | 13.70 | 7.24 | 11.63 |
| Russell:2000 Index | (0.37) | 11.98 | 17.69 | 11.25 | 7.27 | 10.47 |
| MSCI:ACWI ex-US (Net) | 3.68 | 6.96 | 14.15 | 5.98 | (0.84) | 10.32 |
| MSCI:EAFE US\$ | 5.21 | 10.61 | 19.39 | 7.44 | (0.93) | 9.23 |
| MSCI:Emer Markets | 0.79 | (0.79) | 4.34 | 3.44 | (0.02) | 16.50 |
| Barclays:Aggregate Index | 1.01 | 0.89 | 3.68 | 5.51 | 5.72 | 5.04 |
| NFI-ODCE Val Gross | 0.88 | 3.59 | 10.39 | 14.78 | (0.76) | 6.77 |
| NAREIT Equity Index | 6.68 | 15.42 | 19.55 | 17.08 | 6.99 | 12.68 |

The equity bull market rally continued in April as the Russell 3000 Index saw its 10th positive month in the last 11. Since falling over six percent in May 2012 the Russell 3000 has risen nearly 25%. International equities, which have lagged in 2013, outperformed domestic equities by about 2% in April. Fixed income markets also improved, advancing 1.0% (Barclays Aggregate Bond Index).

Both macro-economic and geopolitical worries continued to subside in April, contributing to the capital market's progress. First quarter GDP grew by 2.5%, much stronger than the fourth quarter's growth of 0.4%, but still below consensus expectations. The economy also added 165,000 jobs in April, bringing the total number of new jobs created in 2013 to 635,000. This activity helped lower the unemployment rate to 7.5%, the lowest since 2008. Finally, despite the Fed's continued aggressive monetary policies, inflation remained very tame. CPI increased 1.5% in April from the previous year.

International equity markets grew more than their domestic counterparts as the Cypriot bailout has proceeded in a relatively smooth manner. Unemployment remains a problem throughout the Eurozone, which reached a record 12.1% in March. However, there is a wide divergence by country. Greece and Spain had the highest rates, at 27.2% and 26.7%, respectively, while Germany and Austria experienced unemployment levels of 5.4% and 4.7%, respectively.

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

U.S. Equity Overview

Returns

for Periods Ended April 30, 2013

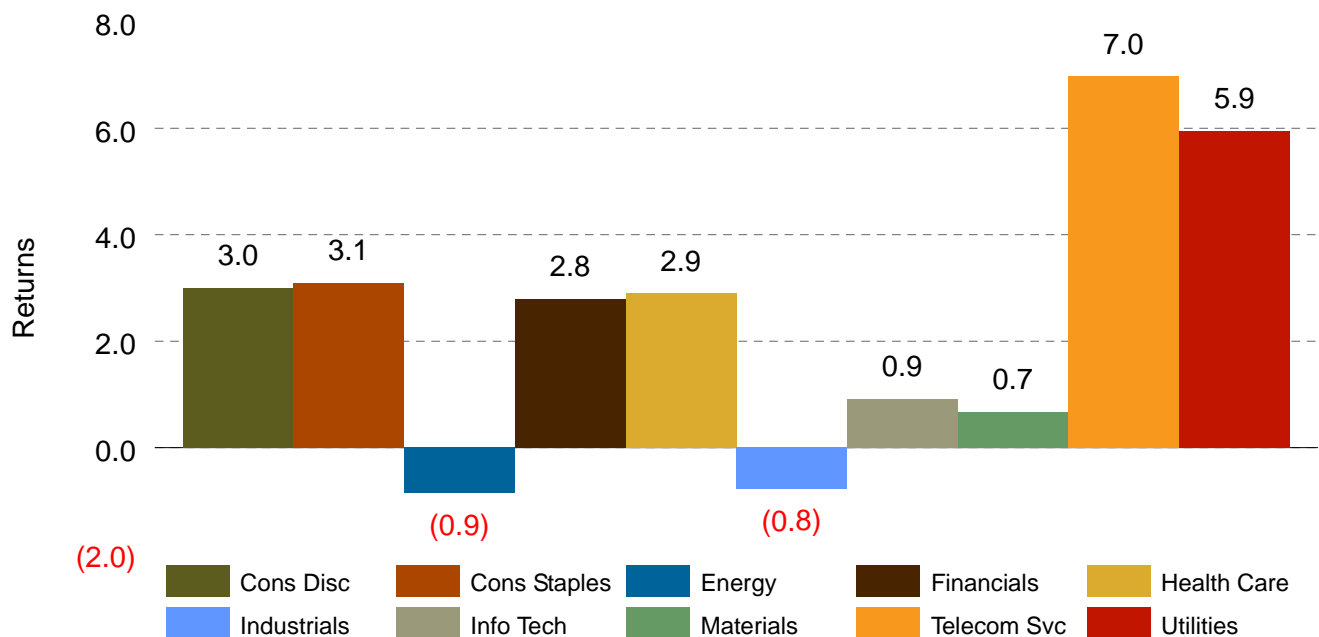
| Index | Last Month | Year to Date | Last Year | Last 3 Years | Last 5 Years | Last 10 Years |
|----------------------|------------|--------------|-----------|--------------|--------------|---------------|
| DJ:US Total Mkt Ix | 1.67 | 12.93 | 17.15 | 12.91 | 5.81 | 8.75 |
| Russell:1000 Index | 1.81 | 12.97 | 17.17 | 12.91 | 5.49 | 8.32 |
| Russell:1000 Growth | 2.12 | 11.87 | 12.60 | 13.44 | 6.66 | 8.08 |
| Russell:1000 Value | 1.51 | 14.01 | 21.80 | 12.35 | 4.17 | 8.42 |
| Russell:Midcap Index | 1.28 | 14.41 | 19.20 | 13.70 | 7.24 | 11.63 |
| Russell:2000 Index | (0.37) | 11.98 | 17.69 | 11.25 | 7.27 | 10.47 |
| Russell:2000 Growth | (0.66) | 12.47 | 15.67 | 12.94 | 7.81 | 10.53 |
| Russell:2000 Value | (0.10) | 11.52 | 19.71 | 9.58 | 6.60 | 10.28 |

Overall domestic equities enjoyed a solid month as large and mid cap stocks advanced. The S&P 500 Index rose 1.9% and mid cap stocks gained 1.3% (Russell Midcap Index). Small cap stocks, as measured by the Russell 2000 Index, fell 0.4%.

Growth stocks outperformed value stocks in the large cap segment (Russell 1000 Growth: 2.1%; Russell 1000 Value: 1.5%). The small cap segment returned opposite results with value outperforming growth in April (Russell Value 2000: -0.1%; Russell 2000 Growth: -0.7%)

Every sector of the S&P 500 Index rose in April, except Energy (-0.9%) and Industrials (-0.8%). Gainers were led by Telecommunications (+7.0%) and Utilities (+5.9%).

S&P 500 Sector Returns for Month Ended April 30, 2013



Returns

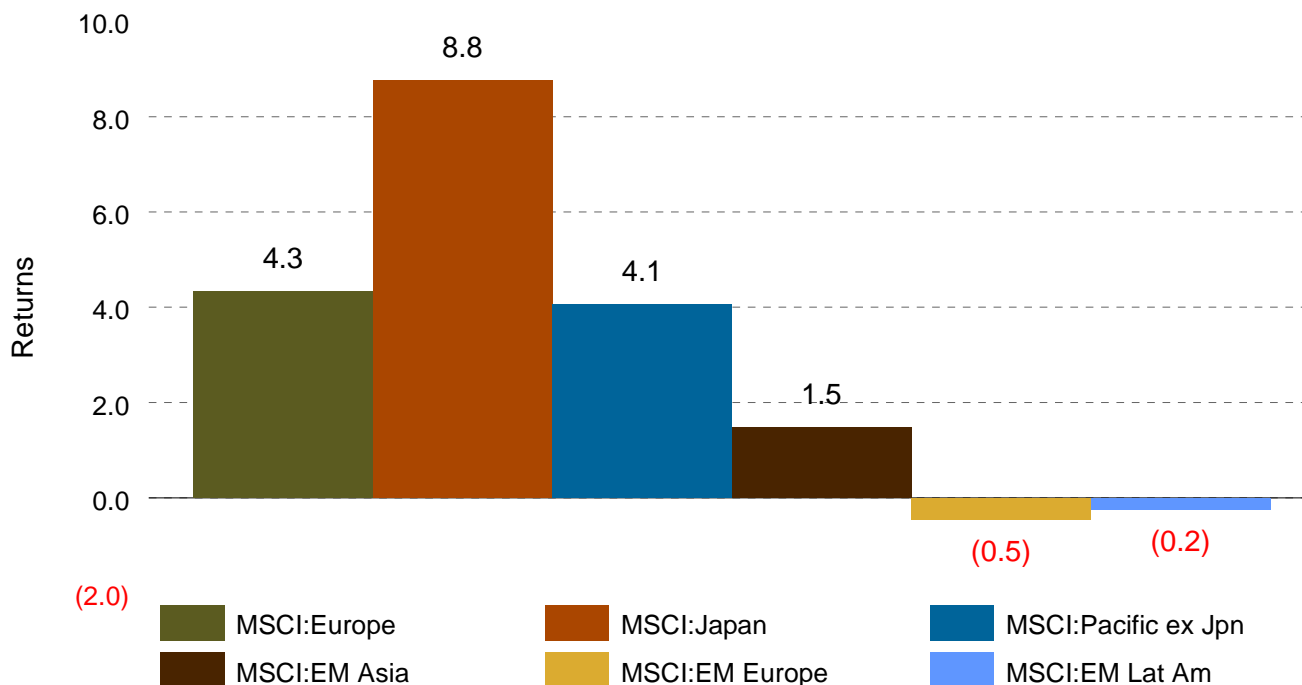
for Periods Ended April 30, 2013

| Index | Last Month | Year to Date | Last Year | Last 3 Years | Last 5 Years | Last 10 Years |
|---------------------------|------------|--------------|-----------|--------------|--------------|---------------|
| MSCI:ACWI ex-US (Net) | 3.68 | 6.96 | 14.15 | 5.98 | (0.84) | 10.32 |
| MSCI:ACWI ex US Gr | 3.15 | 7.87 | 13.52 | 7.12 | (0.37) | 10.11 |
| MSCI:ACWI ex US Val | 4.43 | 6.45 | 15.86 | 5.77 | (0.43) | 11.44 |
| MSCI:EAFE US\$ | 5.21 | 10.61 | 19.39 | 7.44 | (0.93) | 9.23 |
| MSCI:EAFE Hedged | 3.96 | 13.11 | 21.73 | 3.46 | (2.27) | 4.81 |
| MSCI:Emer Markets | 0.79 | (0.79) | 4.34 | 3.44 | (0.02) | 16.50 |
| MSCI:ACWI ex-US Small Cap | 2.70 | 9.42 | 14.41 | 7.16 | 2.51 | 13.56 |

International equity markets outperformed U.S. markets in April, rising 3.7% (MSCI ACWI ex-U.S. Net Index). For the first three months of the year the dollar strengthened against most currencies but this trend reversed in April. The hedged return for the MSCI EAFE Index was 4.0% versus a dollar return of 5.2%. The MSCI Emerging Markets Index rose slightly for the month (+0.8%). However, this return was not enough to pull emerging markets into positive territory for the year (-0.8% year-to-date).

Most major international regions were up in April, led by a very strong return from Japan (+8.8%). Emerging markets in Europe fell 0.5% and emerging markets in Latin America fell 0.2%.

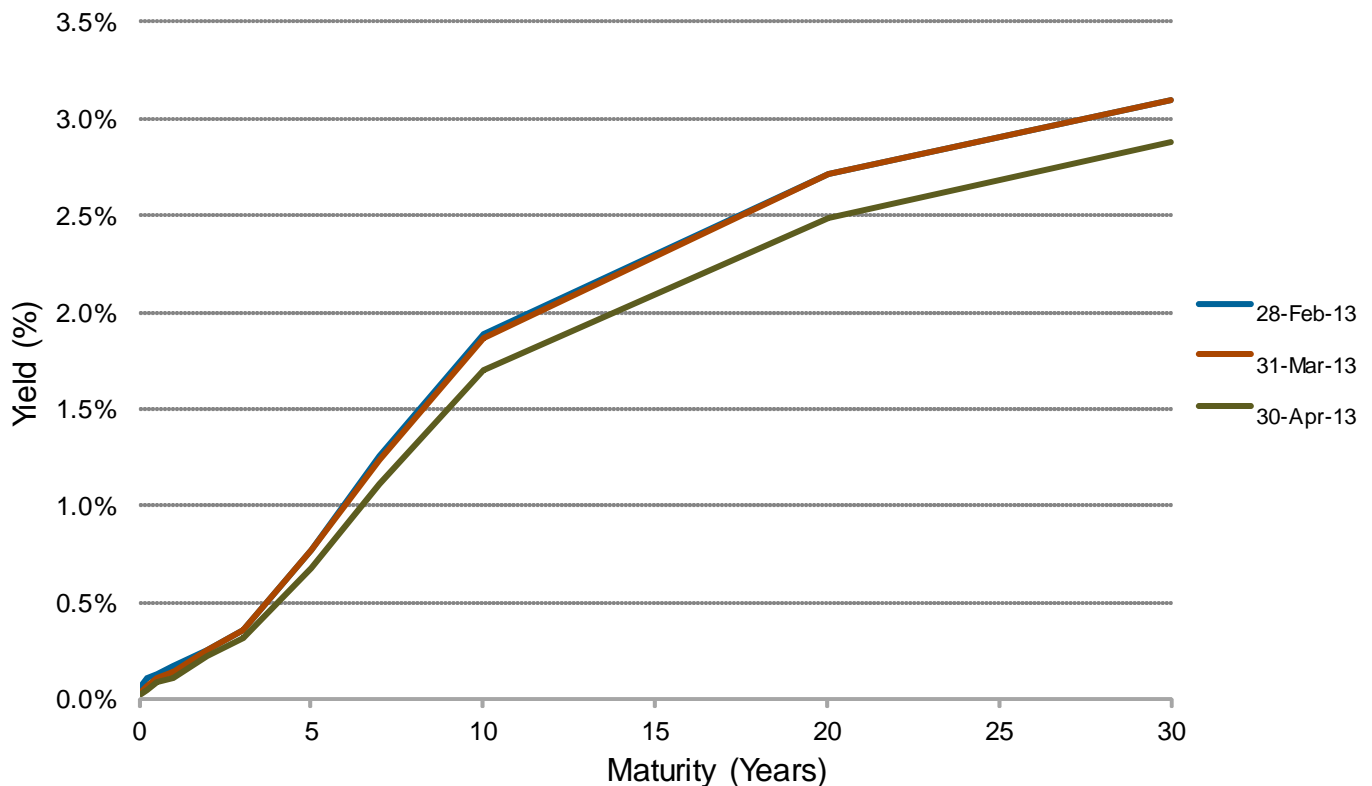
Regional Returns for Month Ended April 30, 2013



Returns
for Periods Ended April 30, 2013

| Index | Last Month | Year to Date | Last Year | Last 3 Years | Last 5 Years | Last 10 Years |
|--------------------------|------------|--------------|-----------|--------------|--------------|---------------|
| Barclays:Aggregate Index | 1.01 | 0.89 | 3.68 | 5.51 | 5.72 | 5.04 |
| Barclays:Govt Index | 0.84 | 0.69 | 2.50 | 5.00 | 4.83 | 4.57 |
| Barclays:Credit | 1.80 | 1.63 | 7.49 | 7.90 | 7.78 | 5.96 |
| Barclays:Mortgage Idx | 0.53 | 0.48 | 1.85 | 4.15 | 5.24 | 4.99 |
| Barclays:US TIPS Index | 0.80 | 0.43 | 4.41 | 8.01 | 6.51 | 6.43 |
| ML:High Yield CP Idx | 1.86 | 4.78 | 13.98 | 10.79 | 10.70 | 9.42 |
| 3 Month T-Bill | 0.01 | 0.03 | 0.12 | 0.11 | 0.33 | 1.75 |

Treasury Yield Curve



The fixed income market rose in April (Barclays Aggregate Bond Index: 1.0%) pushing year-to-date returns into positive territory (+0.9%). Yields fell slightly across most of the curve; the yield on the 10-year Treasury fell from 1.87% to 1.70%.

All fixed income sectors were positive in April, led by High Yield (+1.9%) and Credit (+1.8%). The mortgage sector lagged all others but still provided investors with a 0.5% return. Cash returns have remained at virtually 0% over the last three years, which has brought the 10-year return down to 1.8%. This lags the inflation rate of 2.4% over the last 10 years.

Total Fund

Total Fund assets at the end of April were \$30.1 billion, up from \$29.6 billion at the end of March. The Fund gained 1.65% for the month, underperforming the benchmark by 0.12%. International equity and fixed income beat their respective benchmarks while domestic equity trailed. Over the last year, the fund is up 12.94% exceeding the benchmark by 1.17%.

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 April 30, domestic equity exceeded its target allocation by 5.1%. All other asset classes were within the allowable range.

US Equity

Large Cap: In aggregate, the Fund's large cap managers gained 1.46%, trailing the Russell 1000 Index by 0.35%. Growth portfolios collectively underperformed their benchmark by 90 basis points for the month while value portfolios outperformed by 11 basis points. Growth managers returned 1.22%. Sands was the best performing active manager with a return of 1.60%. The Large Cap Value managers returned 1.62%, leading the Russell 1000 Value Index return of 1.51%. Dodge and Cox was the best performing manager in the group with a return of 1.87%. The Large Cap Active Core segment rose 0.96%, trailing the Russell 1000 Index return of 1.81%.

Small Cap: The Small Cap portfolio fell 0.67%, trailing the Russell 2000 Index by 0.30%. Small Cap Growth and Value lost 0.19% and 1.17%, respectively. Fortaleza was the worst performing small cap growth manager and Investment Counselors of Maryland was the worst in value. The Micro Cap segment returned -0.58% in April. DFA struggled the most in micro-cap, posting a loss of 0.79% for the month.

International Equity

Large Cap: International stocks had a much better month than U.S. stocks as the IMRF International Large Cap managers gained 4.76%. This return was 108 points ahead of the MSCI ACWI ex-U.S. Index. International Large Cap Growth rose 3.06% with William Blair performing the best (+3.73%). International Large Cap Value returned 5.61% for the month. While all managers gained more than 3%, Brandes performed the best returning 6.82%. The Large Cap Active Core Group rose 4.44% in April with the strongest performance coming from Arrowstreet.

International Small Cap and Emerging Markets: The International Small Cap managers returned 2.66%, underperforming the ACWI Small Cap ex-U.S. Index by only 4 basis points. The emerging markets portfolio, managed by Genesis, gained 1.06% during April, outperforming the MSCI Emerging Markets Index by 27 basis points.

Domestic Fixed Income

The total fixed income portfolio rose 1.14% as yields were virtually unchanged from the prior month. The high yield segment was the best performing segment during the month, gaining 1.78%.

Active Core: The active core fixed income component returned 1.02%, outperforming the BC Aggregate Index by 1 basis point. The enhanced core portfolio rose 0.80%.

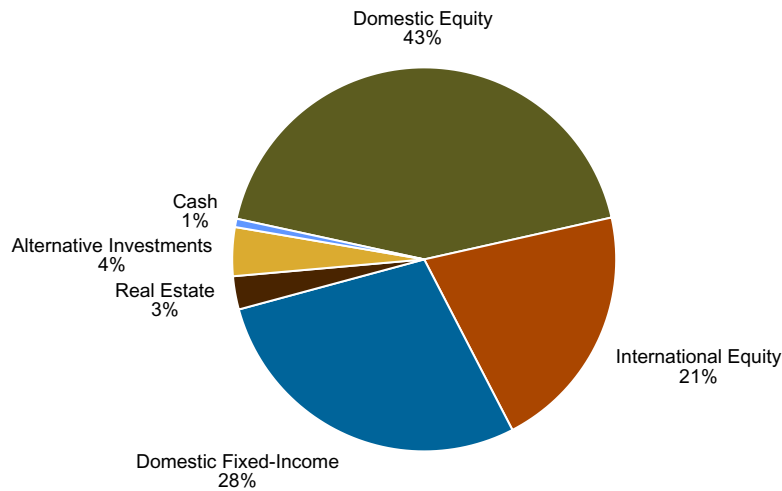
Core Plus: The core plus managers gained 1.12% which beat the Barclays Aggregate Index. Taplin, Canida, Habacht had the best monthly performance, rising 1.47%.

High Yield: The high yield component gained 1.78%, slightly trailing the ML High Yield Cash Pay Index (+1.86%). Pyramis returned 2.06% in April while McKay Shields gained 1.48%.

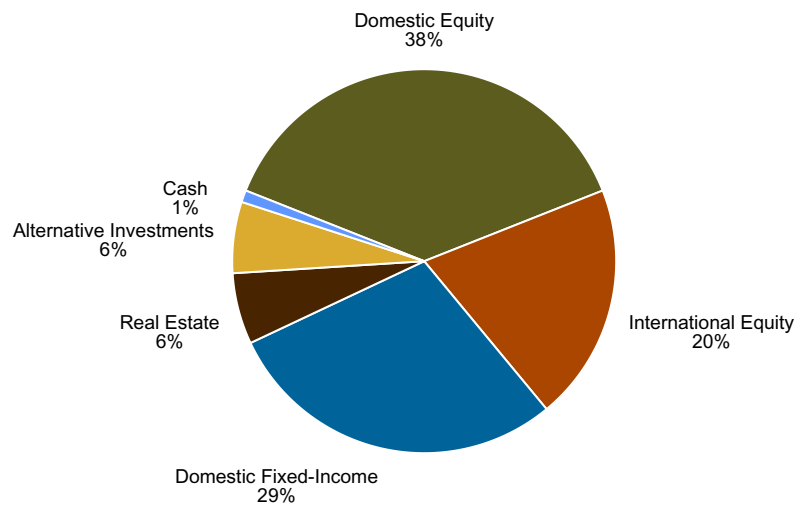
Actual vs Target Asset Allocation

The first chart below shows the Fund's asset allocation as of April 30, 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 | 12,964 | 43.1% | 38.0% | 5.1% | 1,544 |
| International Equity | 6,278 | 20.9% | 20.0% | 0.9% | 267 |
| Domestic Fixed-Income | 8,529 | 28.4% | 29.0% | (0.6%) | (186) |
| Real Estate | 846 | 2.8% | 6.0% | (3.2%) | (957) |
| Alternative Investments | 1,228 | 4.1% | 6.0% | (1.9%) | (575) |
| Cash | 207 | 0.7% | 1.0% | (0.3%) | (93) |
| Total | 30,052 | 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 April 30, 2013, with the distribution as of March 31, 2013.

Asset Distribution Across Investment Managers

| | April 30, 2013 | | March 31, 2013 | |
|---------------------------------------|-------------------------|---------------|-------------------------|---------------|
| | Market Value | Percent | Market Value | Percent |
| Domestic Equity | \$12,964,200,576 | 43.14% | \$12,845,691,811 | 43.42% |
| Large Cap Growth | | | | |
| BlackRock LCG | 648,129,260 | 2.16% | 640,751,907 | 2.17% |
| Holland | 844,231,132 | 2.81% | 843,370,744 | 2.85% |
| NTGI S&P 500 Growth Idx | 795,349,029 | 2.65% | 779,339,512 | 2.63% |
| Sands | 907,404,024 | 3.02% | 893,110,835 | 3.02% |
| Vision | 63,686,445 | 0.21% | 62,954,217 | 0.21% |
| Large Cap Value | | | | |
| Dodge & Cox | 840,419,942 | 2.80% | 825,138,872 | 2.79% |
| BMO | 897,544,571 | 2.99% | 886,728,155 | 3.00% |
| LSV | 883,444,452 | 2.94% | 869,185,566 | 2.94% |
| NTGI S&P 500 Value Idx | 832,861,831 | 2.77% | 818,182,040 | 2.77% |
| Large Cap Core | | | | |
| Piedmont | 154,079,894 | 0.51% | 152,337,439 | 0.51% |
| Progress | 510,858,000 | 1.70% | 506,289,127 | 1.71% |
| NTGI MarketCap Index | 2,384,885,917 | 7.94% | 2,345,366,194 | 7.93% |
| Small Cap Growth | | | | |
| Fortaleza | 37,286,328 | 0.12% | 38,590,256 | 0.13% |
| Frontier | 576,385,511 | 1.92% | 576,084,736 | 1.95% |
| Pyramis | 619,534,175 | 2.06% | 620,823,218 | 2.10% |
| Small Cap Value | | | | |
| Channing | 64,147,656 | 0.21% | 64,566,710 | 0.22% |
| Dimensional Small Cap Value | 529,253,423 | 1.76% | 535,248,881 | 1.81% |
| Inv. Counselors of Maryland | 586,505,284 | 1.95% | 596,217,396 | 2.02% |
| Lombardia | 127,826,657 | 0.43% | 127,170,765 | 0.43% |
| Micro Cap | | | | |
| Ariel | 75,685,078 | 0.25% | 75,919,689 | 0.26% |
| Ativo | 36,285,068 | 0.12% | 36,307,209 | 0.12% |
| Dimensional Micro Cap | 225,490,692 | 0.75% | 227,282,721 | 0.77% |
| Wall Street | 322,906,206 | 1.07% | 324,725,623 | 1.10% |
| International Equity | \$6,277,890,434 | 20.89% | \$6,017,570,101 | 20.34% |
| International Large Cap Growth | | | | |
| EARNEST Partners | 505,098,178 | 1.68% | 493,508,031 | 1.67% |
| McKinley | 73,290 | 0.00% | 71,436 | 0.00% |
| William Blair | 536,968,804 | 1.79% | 517,637,241 | 1.75% |
| International Large Cap Value | | | | |
| Brandes | 451,167,526 | 1.50% | 422,353,760 | 1.43% |
| Lombardia | 27,523,744 | 0.09% | 26,311,374 | 0.09% |
| Mondrian | 456,743,608 | 1.52% | 435,250,248 | 1.47% |
| Lazard | 87,389,349 | 0.29% | 84,571,888 | 0.29% |
| International Large Cap Core | | | | |
| Arrowstreet | 458,879,889 | 1.53% | 435,398,094 | 1.47% |
| Brown | 228,113,226 | 0.76% | 220,658,307 | 0.75% |
| GlobeFlex | 461,046,797 | 1.53% | 443,227,501 | 1.50% |
| NTGI MSCI EAFE Index | 2,195,445,306 | 7.31% | 2,083,856,236 | 7.04% |
| International Small Cap | | | | |
| AXA Rosenberg | 9,150 | 0.00% | 8,927 | 0.00% |
| Franklin Templeton | 166,530,993 | 0.55% | 163,112,311 | 0.55% |
| William Blair | 195,250,889 | 0.65% | 189,296,061 | 0.64% |

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 April 30, 2013, with the distribution as of March 31, 2013.

Asset Distribution Across Investment Managers

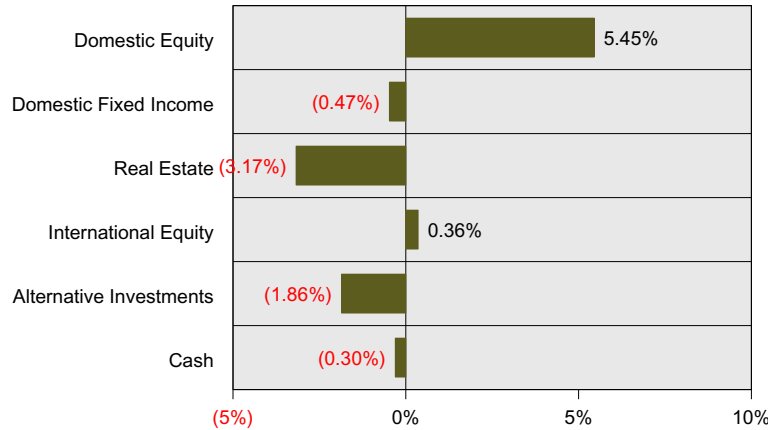
| | April 30, 2013 | | March 31, 2013 | |
|---------------------------------|-------------------------|---------------|-------------------------|---------------|
| | Market Value | Percent | Market Value | Percent |
| Emerging Markets | | | | |
| Genesis | 507,649,684 | 1.69% | 502,308,688 | 1.70% |
| Domestic Fixed-Income | \$8,528,766,555 | 28.38% | \$8,432,912,264 | 28.51% |
| Domestic Fixed Core | | | | |
| EARNEST Partners | 547,375,683 | 1.82% | 541,851,907 | 1.83% |
| Piedmont | 538,351,393 | 1.79% | 532,929,980 | 1.80% |
| BlackRock Enhanced | 970,077,429 | 3.23% | 962,366,622 | 3.25% |
| NTGI BC Aggregate Index | 1,419,615,876 | 4.72% | 1,405,506,804 | 4.75% |
| Domestic Fixed Core Plus | | | | |
| BlackRock Core Plus | 722,146,559 | 2.40% | 714,989,048 | 2.42% |
| LM Capital | 846,071,710 | 2.82% | 837,599,447 | 2.83% |
| Progress Fixed Income | 436,283,618 | 1.45% | 431,740,089 | 1.46% |
| Taplin, Canida, & Habacht | 841,079,837 | 2.80% | 828,866,831 | 2.80% |
| Western | 1,123,786,572 | 3.74% | 1,112,020,547 | 3.76% |
| High Yield | | | | |
| MacKay Shields | 527,656,152 | 1.76% | 519,945,310 | 1.76% |
| Pyramis High Yield | 556,321,724 | 1.85% | 545,095,679 | 1.84% |
| Real Estate | \$846,422,031 | 2.82% | \$835,492,628 | 2.82% |
| Real Estate Core | | | | |
| BlackRock Granite | 74,142,252 | 0.25% | 74,142,252 | 0.25% |
| TA Buckhead Ind. Prop. | 240,692,509 | 0.80% | 242,773,160 | 0.82% |
| Cornerstone Patriot | 89,905,362 | 0.30% | 89,905,362 | 0.30% |
| INVESCO Core RE | 89,151,857 | 0.30% | 86,537,366 | 0.29% |
| Real Estate Non-Core | | | | |
| Franklin Templeton EMREFF | 24,466,947 | 0.08% | 22,186,927 | 0.07% |
| Olympus Real Estate Fund II | 330,536 | 0.00% | 330,536 | 0.00% |
| Security Capital | 55,643,889 | 0.19% | 55,159,696 | 0.19% |
| Dune II | 44,988,474 | 0.15% | 46,859,487 | 0.16% |
| Non-Core Real Estate Funds* | 92,099,749 | 0.31% | 84,798,972 | 0.29% |
| Rockwood Fund VIII | 37,256,623 | 0.12% | 38,553,507 | 0.13% |
| Almanac ARS V | 47,072,311 | 0.16% | 45,573,842 | 0.15% |
| TA Fund IX | 50,671,522 | 0.17% | 48,671,522 | 0.16% |
| Alternative Investments | \$1,227,659,204 | 4.09% | \$1,225,954,225 | 4.14% |
| Absolute Return | | | | |
| Aurora | 512,090,894 | 1.70% | 507,090,894 | 1.71% |
| Grosvenor | 6,214,165 | 0.02% | 6,214,165 | 0.02% |
| Mesirov | 8,083,655 | 0.03% | 14,080,160 | 0.05% |
| Private Equity | | | | |
| Abbott | 293,477,144 | 0.98% | 291,080,563 | 0.98% |
| Muller & Monroe ILPEFF | 12,051,741 | 0.04% | 12,210,354 | 0.04% |
| Muller & Monroe MPEFF | 19,282,306 | 0.06% | 19,282,306 | 0.07% |
| Pantheon | 167,834,012 | 0.56% | 167,925,142 | 0.57% |
| Private Equity Fund - Domestic | 13,435,396 | 0.04% | 13,653,952 | 0.05% |
| Agriculture | | | | |
| Cozad/Westchester | 132,797,716 | 0.44% | 132,797,713 | 0.45% |
| Timberland | | | | |
| Forest Investment Assoc. | 62,392,175 | 0.21% | 61,618,976 | 0.21% |
| Cash | \$207,117,190 | 0.69% | \$226,149,025 | 0.76% |
| Total Fund | \$30,052,055,990 | 100.0% | \$29,583,770,056 | 100.0% |

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

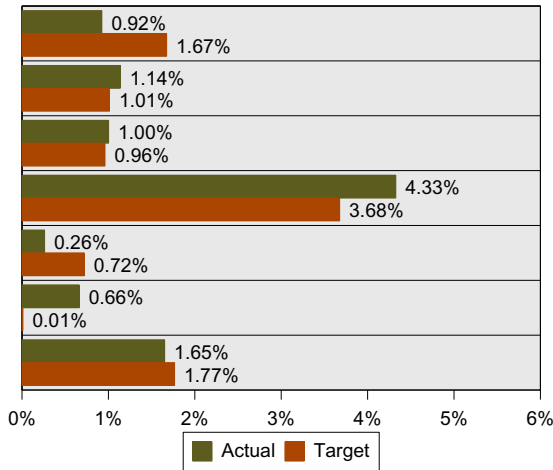
Monthly Total Fund Relative Attribution - April 30, 2013

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.

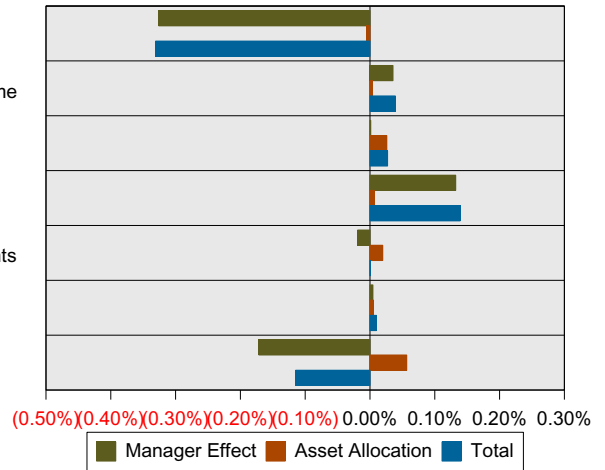
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Month ended April 30, 2013

| Asset Class | Effective Actual Weight | Effective Target Weight | Actual Return | Target Return | Manager Effect | Asset Allocation | Total Relative Return |
|-------------------------|-------------------------|-------------------------|---------------|---------------|----------------|------------------|-----------------------|
| Domestic Equity | 43% | 38% | 0.92% | 1.67% | (0.33%) | (0.00%) | (0.33%) |
| Domestic Fixed Income | 29% | 29% | 1.14% | 1.01% | 0.04% | 0.00% | 0.04% |
| Real Estate | 3% | 6% | 1.00% | 0.96% | 0.00% | 0.03% | 0.03% |
| International Equity | 20% | 20% | 4.33% | 3.68% | 0.13% | 0.01% | 0.14% |
| Alternative Investments | 4% | 6% | 0.26% | 0.72% | (0.02%) | 0.02% | 0.00% |
| Cash | 1% | 1% | 0.66% | 0.01% | 0.00% | 0.01% | 0.01% |
| Total | | | 1.65% | 1.77% | (0.17%) | 0.06% | (0.11%) |

* 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 April 30, 2013

| | Last Month | Last 3 Months | Year to Date | Last 12 Months |
|--|---------------|---------------------|--------------------|----------------------|
| Domestic Equity (12/31/81) | 0.92% | 6.20% | 12.26% | 16.41% |
| DJ U.S. Total Stock Market Index | 1.67% | 7.03% | 12.93% | 17.15% |
| Domestic Equity - Net (12/31/04) | 0.88% | 6.13% | 12.15% | 16.09% |
| International Equity (08/31/86) | 4.33% | 4.44% | 9.34% | 17.94% |
| MSCI ACWI x US (Net) | 3.68% | 2.78% | 6.96% | 14.15% |
| International Equity - Net (12/31/04) | 4.33% | 4.42% | 9.27% | 17.59% |
| Domestic Fixed-Income (12/31/81) | 1.14% | 1.90% | 1.63% | 6.38% |
| BC Aggregate Index | 1.01% | 1.60% | 0.89% | 3.68% |
| Domestic Fixed-Inc. - Net (12/31/04) | 1.12% | 1.86% | 1.55% | 6.16% |
| Real Estate (04/30/85) | 1.00% | 2.46% | 3.50% | 10.98% |
| Blended Benchmark** | 0.96% | 2.91% | 3.90% | 11.64% |
| Real Estate - Net (12/31/04) | 1.00% | 2.31% | 3.35% | 10.44% |
| Alternative Investments (01/31/86) | 0.26% | 2.62% | 3.71% | 6.44% |
| Alternatives Custom Benchmark*** | 0.72% | 2.18% | 2.91% | 9.00% |
| Alternative Investments - Net (12/31/04) | 0.24% | 2.55% | 4.77% | 6.43% |
| Absolute Return (12/31/01) | 0.00% | 3.26% | 3.26% | 5.19% |
| HFR Fund-of-Funds Index | 1.08% | 2.29% | 4.48% | 6.19% |
| Private Equity (01/31/86) | 0.48% | 2.21% | 2.20% | 4.41% |
| Alternatives Custom Benchmark*** | 0.72% | 2.18% | 2.91% | 9.00% |
| Agriculture (09/30/97) | 0.00% | 3.70% | 15.79% | 28.87% |
| Blended Benchmark** | 0.96% | 2.91% | 3.90% | 11.64% |
| Timberland (09/30/92) | 1.25% | (1.26%) | (1.50%) | (4.69%) |
| Blended Benchmark** | 0.96% | 2.91% | 3.90% | 11.64% |
| Total Fund (12/31/81) | 1.65% | 4.29% | 7.74% | 12.94% |
| Total Fund Benchmark | 1.77% | 4.00% | 6.91% | 11.77% |
| Total Fund - Net (12/31/04) | 1.63% | 4.24% | 7.71% | 12.69% |

* 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 April 30, 2013

| | Last 36 Months | Last 60 Months | Last 120 Months | Since Inception |
|--|----------------------|----------------------|-----------------------|--------------------|
| Domestic Equity (12/31/81) | 12.65% | 5.85% | 9.26% | 11.44% |
| DJ U.S. Total Stock Market Index | 12.91% | 5.81% | 8.75% | 11.07% |
| Domestic Equity - Net (12/31/04) | 12.37% | 5.59% | - | 6.01% |
| International Equity (08/31/86) | 8.28% | 0.28% | 11.28% | 8.31% |
| MSCI ACWI x US (Net) | 5.98% | (0.84%) | 10.32% | - |
| International Equity - Net (12/31/04) | 7.97% | (0.03%) | - | 5.96% |
| Domestic Fixed-Income (12/31/81) | 7.06% | 7.27% | 6.15% | 9.22% |
| BC Aggregate Index | 5.51% | 5.72% | 5.04% | 8.59% |
| Domestic Fixed-Inc. - Net (12/31/04) | 6.88% | 7.12% | - | 6.02% |
| Real Estate (04/30/85) | 12.94% | (0.23%) | 5.86% | 4.41% |
| Blended Benchmark** | 14.26% | 3.50% | 6.35% | 7.39% |
| Real Estate - Net (12/31/04) | 12.75% | (0.33%) | - | 5.12% |
| Alternative Investments (01/31/86) | 7.15% | 2.86% | 8.45% | 10.90% |
| Alternatives Custom Benchmark*** | 9.16% | 10.29% | 11.21% | 13.57% |
| Alternative Investments - Net (12/31/04) | 6.92% | 2.61% | - | 7.46% |
| Absolute Return (12/31/01) | 2.76% | 1.06% | 4.75% | 4.69% |
| HFR Fund-of-Funds Index | 2.16% | (0.23%) | 3.84% | 3.76% |
| Private Equity (01/31/86) | 9.86% | 2.94% | 11.10% | 12.90% |
| Alternatives Custom Benchmark*** | 9.16% | 10.29% | 11.21% | 13.57% |
| Agriculture (09/30/97) | 15.79% | 9.46% | 10.30% | 7.41% |
| Blended Benchmark** | 14.26% | 3.50% | 6.35% | 6.70% |
| Timberland (09/30/92) | 0.35% | 4.41% | 3.18% | 8.56% |
| Blended Benchmark** | 14.26% | 3.50% | 6.35% | 6.92% |
| Total Fund (12/31/81) | 9.72% | 5.92% | 8.82% | 10.19% |
| Total Fund Benchmark | 9.48% | 5.60% | 8.14% | - |
| Total Fund - Net (12/31/04) | 9.49% | 5.70% | - | 6.63% |

* 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 April 30, 2013

| | Last Month | Last 3 Months | Year to Date | Last 12 Months |
|--|---------------|---------------------|--------------------|----------------------|
| Large Cap Equity (12/31/81) | 1.46% | 6.43% | 12.28% | 16.28% |
| Russell 1000 Index | 1.81% | 7.16% | 12.97% | 17.17% |
| Large Cap Growth (12/31/81) | 1.22% | 4.81% | 9.72% | 10.14% |
| BlackRock LCG (07/31/11) | 1.15% | 3.61% | 7.63% | 7.41% |
| LCG Blended Benchmark* | 2.12% | 7.27% | 11.87% | 12.60% |
| Russell 1000 Growth Index | 2.12% | 7.27% | 11.87% | 12.60% |
| BlackRock LCG - Net (07/31/11) | 1.15% | 3.51% | 7.54% | 7.12% |
| Holland (10/31/94) | 0.10% | 4.89% | 10.41% | 9.22% |
| LCG Blended Benchmark* | 2.12% | 7.27% | 11.87% | 12.60% |
| Russell 1000 Growth Index | 2.12% | 7.27% | 11.87% | 12.60% |
| Holland - Net (12/31/04) | 0.05% | 4.84% | 10.30% | 8.90% |
| NTGI S&P 500 Growth Idx (07/31/01) | 2.05% | 7.35% | 11.59% | 14.04% |
| S&P/Citi 500 Growth Index | 2.06% | 7.35% | 11.58% | 13.95% |
| NTGI S&P 500 Growth Idx - Net (12/31/04) | 2.05% | 7.35% | 11.59% | 14.03% |
| Sands (10/31/03) | 1.60% | 3.45% | 8.95% | 8.77% |
| LCG Blended Benchmark* | 2.12% | 7.27% | 11.87% | 12.60% |
| Russell 1000 Growth Index | 2.12% | 7.27% | 11.87% | 12.60% |
| Sands - Net (12/31/04) | 1.60% | 3.45% | 8.89% | 8.51% |
| Vision (06/30/11) | 1.16% | 5.07% | 10.41% | 12.91% |
| LCG Blended Benchmark* | 2.12% | 7.27% | 11.87% | 12.60% |
| Russell 1000 Growth Index | 2.12% | 7.27% | 11.87% | 12.60% |
| Vision - Net (06/30/11) | 1.02% | 4.93% | 10.10% | 12.12% |
| Large Cap Value (09/30/82) | 1.62% | 7.64% | 14.38% | 22.51% |
| Dodge & Cox (08/31/03) | 1.87% | 7.27% | 14.00% | 24.82% |
| LCV Blended Benchmark** | 1.51% | 7.05% | 14.01% | 21.80% |
| Russell 1000 Value Index | 1.51% | 7.05% | 14.01% | 21.80% |
| Dodge & Cox - Net (12/31/04) | 1.82% | 7.22% | 13.88% | 24.51% |
| BMO (01/31/01) | 1.22% | 7.90% | 14.44% | 21.31% |
| LCV Blended Benchmark** | 1.51% | 7.05% | 14.01% | 21.80% |
| Russell 1000 Value Index | 1.51% | 7.05% | 14.01% | 21.80% |
| BMO - Net (12/31/04) | 1.22% | 7.84% | 14.38% | 21.04% |
| LSV (01/31/03) | 1.64% | 8.30% | 15.46% | 23.79% |
| LCV Blended Benchmark** | 1.51% | 7.05% | 14.01% | 21.80% |
| Russell 1000 Value Index | 1.51% | 7.05% | 14.01% | 21.80% |
| LSV - Net (12/31/04) | 1.64% | 8.23% | 15.39% | 23.55% |
| NTGI S&P 500 Value Idx (07/31/99) | 1.79% | 7.02% | 13.59% | 20.32% |
| S&P/Citi 500 Value Index | 1.79% | 7.02% | 13.97% | 20.33% |
| NTGI S&P 500 Value Idx - Net (12/31/04) | 1.79% | 7.02% | 13.59% | 20.32% |

* 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 April 30, 2013

| | Last 36 Months | Last 60 Months | Last 120 Months | Since Inception |
|--|----------------------|----------------------|-----------------------|--------------------|
| Large Cap Equity (12/31/81) | 12.87% | 5.44% | 8.48% | 10.93% |
| Russell 1000 Index | 12.91% | 5.49% | 8.32% | 11.26% |
| Large Cap Growth (12/31/81) | 13.18% | 6.84% | 8.08% | 11.36% |
| BlackRock LCG (07/31/11) | - | - | - | 6.53% |
| LCG Blended Benchmark* | 13.44% | 6.66% | 7.63% | 13.67% |
| Russell 1000 Growth Index | 13.44% | 6.66% | 8.08% | 13.67% |
| BlackRock LCG - Net (07/31/11) | - | - | - | 6.26% |
| Holland (10/31/94) | 13.27% | 7.82% | 8.46% | 9.74% |
| LCG Blended Benchmark* | 13.44% | 6.66% | 7.63% | 8.95% |
| Russell 1000 Growth Index | 13.44% | 6.66% | 8.08% | 8.05% |
| Holland - Net (12/31/04) | 12.95% | 7.50% | - | 5.99% |
| LCG Blended Benchmark* | 13.44% | 6.66% | 7.63% | 6.61% |
| Russell 1000 Growth Index | 13.44% | 6.66% | 8.08% | 6.81% |
| NTGI S&P 500 Growth Idx (07/31/01) | 13.64% | 6.71% | 7.70% | 4.43% |
| S&P/Citi 500 Growth Index | 13.60% | 6.68% | 7.67% | 4.38% |
| NTGI S&P 500 Growth Idx - Net (12/31/04) | 13.62% | 6.70% | - | 6.24% |
| S&P/Citi 500 Growth Index | 13.60% | 6.68% | 7.67% | 6.66% |
| Sands (10/31/03) | 18.47% | 11.34% | - | 10.36% |
| LCG Blended Benchmark* | 13.44% | 6.66% | 7.63% | 7.11% |
| Russell 1000 Growth Index | 13.44% | 6.66% | 8.08% | 7.31% |
| Sands - Net (12/31/04) | 18.20% | 11.05% | - | 8.07% |
| LCG Blended Benchmark* | 13.44% | 6.66% | 7.63% | 6.61% |
| Russell 1000 Growth Index | 13.44% | 6.66% | 8.08% | 6.81% |
| Vision (06/30/11) | - | - | - | 12.22% |
| LCG Blended Benchmark* | 13.44% | 6.66% | 7.63% | 12.39% |
| Russell 1000 Growth Index | 13.44% | 6.66% | 8.08% | 12.39% |
| Vision - Net (06/30/11) | - | - | - | 11.60% |
| Large Cap Value (09/30/82) | 12.82% | 4.21% | 8.91% | 10.11% |
| Dodge & Cox (08/31/03) | 12.48% | 4.50% | - | 8.14% |
| LCV Blended Benchmark** | 12.35% | 4.17% | 8.33% | 7.45% |
| Russell 1000 Value Index | 12.35% | 4.17% | 8.42% | 7.65% |
| Dodge & Cox - Net (12/31/04) | 12.22% | 4.27% | - | 5.07% |
| LCV Blended Benchmark** | 12.35% | 4.17% | 8.33% | 5.47% |
| Russell 1000 Value Index | 12.35% | 4.17% | 8.42% | 5.63% |
| BMO (01/31/01) | 13.97% | 4.20% | 9.95% | 6.75% |
| LCV Blended Benchmark** | 12.35% | 4.17% | 8.33% | 3.97% |
| Russell 1000 Value Index | 12.35% | 4.17% | 8.42% | 5.13% |
| BMO - Net (12/31/04) | 13.71% | 3.95% | - | 6.32% |
| LCV Blended Benchmark** | 12.35% | 4.17% | 8.33% | 5.47% |
| Russell 1000 Value Index | 12.35% | 4.17% | 8.42% | 5.63% |
| LSV (01/31/03) | 12.95% | 5.17% | 10.30% | 10.22% |
| LCV Blended Benchmark** | 12.35% | 4.17% | 8.33% | 8.45% |
| Russell 1000 Value Index | 12.35% | 4.17% | 8.42% | 8.50% |
| LSV - Net (12/31/04) | 12.65% | 4.87% | - | 6.10% |
| LCV Blended Benchmark** | 12.35% | 4.17% | 8.33% | 5.47% |
| Russell 1000 Value Index | 12.35% | 4.17% | 8.42% | 5.63% |
| NTGI S&P 500 Value Idx (07/31/99) | 12.12% | 3.69% | 8.08% | 3.69% |
| S&P/Citi 500 Value Index | 12.08% | 3.68% | 8.04% | 3.68% |
| NTGI S&P 500 Value Idx - Net (12/31/04) | 12.11% | 3.68% | - | 4.76% |
| S&P/Citi 500 Value Index | 12.08% | 3.68% | 8.04% | 5.13% |

* The LCG Blended Benchmark is currently the Russell 1000 Growth Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Growth Index.

** The LCV Blended Benchmark is currently the Russell 1000 Value Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Value Index.

Large Cap Equity Returns

The table below details the rates of return for the fund's large cap core managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended April 30, 2013

| | Last Month | Last 3 Months | Year to Date | Last 12 Months |
|--|---------------|---------------------|--------------------|----------------------|
| Large Cap Active Core (12/31/04) | 0.96% | 6.08% | 11.93% | 14.53% |
| Piedmont (05/31/11) | 1.14% | 5.83% | 10.41% | 12.94% |
| Russell 1000 Index | 1.81% | 7.16% | 12.97% | 17.17% |
| Piedmont - Net (05/31/11) | 1.05% | 5.72% | 10.19% | 12.49% |
| Progress (01/31/05) | 0.90% | 6.16% | 12.40% | 15.02% |
| DJ U.S. Total Stock Market Index | 1.67% | 7.03% | 12.93% | 17.15% |
| Progress - Net (01/31/05) | 0.75% | 6.01% | 12.07% | 14.15% |
| Large Cap Passive Core (12/31/84) | 1.69% | 7.05% | 12.96% | 17.20% |
| NTGI MarketCap Idx (01/31/85) | 1.69% | 7.05% | 12.96% | 17.20% |
| DJ U.S. Total Stock Market Index | 1.67% | 7.03% | 12.93% | 17.15% |
| NTGI MarketCap Idx - Net (12/31/04) | 1.68% | 7.04% | 12.95% | 17.19% |

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 April 30, 2013

| | Last 36 Months | Last 60 Months | Last 120 Months | Since Inception |
|--|-------------------------------|-------------------------------|--------------------------------|----------------------------|
| Large Cap Active Core (12/31/04) | 11.55% | 4.77% | - | 5.76% |
| Piedmont (05/31/11) | - | - | - | 8.51% |
| Russell 1000 Index | 12.91% | 5.49% | 8.32% | 11.55% |
| Piedmont - Net (05/31/11) | - | - | - | 8.07% |
| Progress (01/31/05) | 11.62% | 4.80% | - | 5.84% |
| DJ U.S. Total Stock Market Index | 12.91% | 5.81% | 8.75% | 6.10% |
| Progress - Net (01/31/05) | 10.90% | 4.14% | - | 5.21% |
| Large Cap Passive Core (12/31/84) | 12.88% | 5.66% | 8.62% | 10.84% |
| NTGI MarketCap Idx (01/31/85) | 12.91% | 5.68% | 8.63% | 10.87% |
| DJ U.S. Total Stock Market Index | 12.91% | 5.81% | 8.75% | 10.84% |
| NTGI MarketCap Idx - Net (12/31/04) | 12.90% | 5.68% | - | 5.91% |
| DJ U.S. Total Stock Market Index | 12.91% | 5.81% | 8.75% | 6.49% |

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 April 30, 2013

| | Last Month | Last 3 Months | Year to Date | Last 12 Months |
|--|----------------|---------------------|--------------------|----------------------|
| Small Cap Equity (06/30/88) | (0.67%) | 5.49% | 12.22% | 16.79% |
| Russell 2000 Index | (0.37%) | 5.38% | 11.98% | 17.69% |
| Small Cap Growth (06/30/88) | (0.19%) | 5.37% | 12.36% | 14.81% |
| Fortaleza (11/30/06) | (3.38%) | 2.32% | 9.81% | 10.27% |
| Russell 2000 Growth Index | (0.66%) | 5.52% | 12.47% | 15.67% |
| Fortaleza - Net (11/30/06) | (3.50%) | 2.20% | 9.55% | 9.46% |
| Frontier (07/31/88) | 0.05% | 4.91% | 11.04% | 12.78% |
| Russell 2000 Growth Index | (0.66%) | 5.52% | 12.47% | 15.67% |
| Frontier - Net (12/31/04) | (0.07%) | 4.78% | 10.78% | 12.09% |
| Pyramis (07/31/88) | (0.21%) | 6.00% | 13.79% | 17.07% |
| Russell 2000 Growth Index | (0.66%) | 5.52% | 12.47% | 15.67% |
| Pyramis - Net (12/31/04) | (0.33%) | 5.80% | 13.56% | 16.55% |
| Small Cap Value (08/31/89) | (1.17%) | 4.83% | 11.21% | 19.11% |
| Channing (06/30/11) | (0.65%) | 5.18% | 11.41% | 26.80% |
| Russell 2000 Value Index | (0.10%) | 5.25% | 11.52% | 19.71% |
| Channing - Net (06/30/11) | (0.84%) | 4.98% | 11.00% | 25.59% |
| DFA Small Cap Value (01/31/96) | (1.12%) | 5.68% | 12.45% | 23.20% |
| Russell 2000 Value Index | (0.10%) | 5.25% | 11.52% | 19.71% |
| DFA Small Cap Value - Net (12/31/04) | (1.12%) | 5.56% | 12.32% | 22.60% |
| Inv. Counselors of Maryland (04/30/99) | (1.63%) | 3.51% | 9.62% | 15.07% |
| Russell 2000 Value Index | (0.10%) | 5.25% | 11.52% | 19.71% |
| Inv. Couns. of Maryland - Net (12/31/04) | (1.72%) | 3.41% | 9.41% | 14.51% |
| Lombardia (05/31/11) | 0.52% | 7.32% | 13.51% | 18.30% |
| Russell 2000 Value Index | (0.10%) | 5.25% | 11.52% | 19.71% |
| Lombardia - Net (05/31/11) | 0.35% | 7.14% | 13.14% | 17.30% |
| Micro Cap (06/30/84) | (0.58%) | 7.06% | 14.00% | 16.03% |
| Ariel (10/31/10) | (0.30%) | 7.71% | 15.47% | 24.82% |
| Russell 2000 Value Index | (0.10%) | 5.25% | 11.52% | 19.71% |
| Russell 2000 Index | (0.37%) | 5.38% | 11.98% | 17.69% |
| Russell Microcap Index | (0.05%) | 6.21% | 12.53% | 18.58% |
| Ariel - Net (10/31/10) | (0.50%) | 7.49% | 15.01% | 23.86% |
| Ativo (09/30/10) | (0.03%) | 10.47% | 19.22% | 23.04% |
| Russell 2000 Growth Index | (0.66%) | 5.52% | 12.47% | 15.67% |
| Russell 2000 Index | (0.37%) | 5.38% | 11.98% | 17.69% |
| Russell Microcap Index | (0.05%) | 6.21% | 12.53% | 18.58% |
| Ativo - Net (09/30/10) | (0.21%) | 10.27% | 18.77% | 22.07% |
| DFA Micro Cap (07/31/87) | (0.79%) | 5.15% | 11.12% | 18.79% |
| Russell 2000 Value Index | (0.10%) | 5.25% | 11.52% | 19.71% |
| Russell 2000 Index | (0.37%) | 5.38% | 11.98% | 17.69% |
| DFA Micro Cap - Net (12/31/04) | (0.79%) | 5.03% | 10.99% | 18.20% |
| Wall Street (07/31/90) | (0.56%) | 7.90% | 15.18% | 11.65% |
| Russell 2000 Growth Index | (0.66%) | 5.52% | 12.47% | 15.67% |
| Russell 2000 Index | (0.37%) | 5.38% | 11.98% | 17.69% |
| Wall Street - Net (12/31/04) | (0.74%) | 7.70% | 14.76% | 10.83% |

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 April 30, 2013

| | Last 36 Months | Last 60 Months | Last 120 Months | Since Inception |
|--|----------------------|----------------------|-----------------------|--------------------|
| Small Cap Equity (06/30/88) | 12.07% | 8.11% | 13.18% | 12.48% |
| Russell 2000 Index | 11.25% | 7.27% | 10.47% | 9.52% |
| Small Cap Growth (06/30/88) | 12.23% | 7.59% | 13.00% | 13.14% |
| Fortaleza (11/30/06) | 15.38% | 6.74% | - | 5.05% |
| Russell 2000 Growth Index | 12.94% | 7.81% | 10.53% | 5.99% |
| Fortaleza - Net (11/30/06) | 14.78% | 6.20% | - | 4.52% |
| Frontier (07/31/88) | 11.07% | 8.57% | 12.09% | 13.13% |
| Russell 2000 Growth Index | 12.94% | 7.81% | 10.53% | 7.32% |
| Frontier - Net (12/31/04) | 10.42% | 7.79% | - | 7.90% |
| Russell 2000 Growth Index | 12.94% | 7.81% | 10.53% | 6.86% |
| Pyramis (07/31/88) | 12.95% | 8.09% | 14.56% | 13.82% |
| Russell 2000 Growth Index | 12.94% | 7.81% | 10.53% | 7.32% |
| Pyramis - Net (12/31/04) | 12.29% | 7.50% | - | 9.95% |
| Russell 2000 Growth Index | 12.94% | 7.81% | 10.53% | 6.86% |
| Small Cap Value (08/31/89) | 10.74% | 7.94% | 12.32% | 12.19% |
| Channing (06/30/11) | - | - | - | 12.74% |
| Russell 2000 Value Index | 9.58% | 6.60% | 10.28% | 10.40% |
| Channing - Net (06/30/11) | - | - | - | 11.85% |
| DFA Small Cap Value (01/31/96) | 12.01% | 9.49% | 13.71% | 12.86% |
| Russell 2000 Value Index | 9.58% | 6.60% | 10.28% | 9.80% |
| DFA Small Cap Value - Net (12/31/04) | 11.48% | 8.95% | - | 6.83% |
| Russell 2000 Value Index | 9.58% | 6.60% | 10.28% | 5.63% |
| Inv. Counselors of Maryland (04/30/99) | 9.81% | 7.01% | 11.63% | 12.09% |
| Russell 2000 Value Index | 9.58% | 6.60% | 10.28% | 9.82% |
| Inv. Couns. of Maryland - Net (12/31/04) | 9.32% | 6.45% | - | 6.85% |
| Russell 2000 Value Index | 9.58% | 6.60% | 10.28% | 5.63% |
| Lombardia (05/31/11) | - | - | - | 8.99% |
| Russell 2000 Value Index | 9.58% | 6.60% | 10.28% | 8.51% |
| Lombardia - Net (05/31/11) | - | - | - | 8.27% |
| Micro Cap (06/30/84) | 13.17% | 7.62% | 12.24% | 12.13% |
| Ariel (10/31/10) | - | - | - | 15.43% |
| Russell 2000 Value Index | 9.58% | 6.60% | 10.28% | 13.81% |
| Russell 2000 Index | 11.25% | 7.27% | 10.47% | 14.22% |
| Russell Microcap Index | 9.76% | 6.22% | 9.00% | 13.81% |
| Ariel - Net (10/31/10) | - | - | - | 14.49% |
| Ativo (09/30/10) | - | - | - | 14.28% |
| Russell 2000 Growth Index | 12.94% | 7.81% | 10.53% | 15.94% |
| Russell 2000 Index | 11.25% | 7.27% | 10.47% | 15.51% |
| Russell Microcap Index | 9.76% | 6.22% | 9.00% | 15.77% |
| Ativo - Net (09/30/10) | - | - | - | 13.40% |
| DFA Micro Cap (07/31/87) | 12.85% | 8.75% | 12.01% | 11.21% |
| Russell 2000 Value Index | 9.58% | 6.60% | 10.28% | 10.22% |
| Russell 2000 Index | 11.25% | 7.27% | 10.47% | 8.61% |
| DFA Micro Cap - Net (12/31/04) | 12.32% | 8.23% | - | 5.83% |
| Russell 2000 Growth Index | 12.94% | 7.81% | 10.53% | 6.86% |
| Russell 2000 Index | 11.25% | 7.27% | 10.47% | 6.30% |
| Wall Street (07/31/90) | 13.87% | 7.43% | 12.68% | 14.17% |
| Russell 2000 Growth Index | 12.94% | 7.81% | 10.53% | 7.14% |
| Russell 2000 Index | 11.25% | 7.27% | 10.47% | 9.38% |
| Wall Street - Net (12/31/04) | 12.95% | 6.55% | - | 6.01% |
| Russell 2000 Growth Index | 12.94% | 7.81% | 10.53% | 6.86% |
| Russell 2000 Index | 11.25% | 7.27% | 10.47% | 6.30% |

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 April 30, 2013

| | Last Month | Last 3 Months | Year to Date | Last 12 Months |
|---|---------------|---------------------|--------------------|----------------------|
| Intl Large Cap Equity (08/31/86) | 4.76% | 4.86% | 9.97% | 18.90% |
| MSCI ACWI ex-US Index | 3.68% | 2.78% | 6.96% | 14.15% |
| Intl Large Cap Growth (08/31/02) | 3.06% | 2.95% | 7.13% | 16.66% |
| EARNEST Partners (09/30/04) | 2.35% | 0.69% | 5.20% | 15.76% |
| MSCI ACWI ex-US Index | 3.68% | 2.78% | 6.96% | 14.15% |
| MSCI ACWI ex-US Growth | 3.15% | 4.15% | 7.87% | 13.52% |
| EARNEST Partners - Net (12/31/04) | 2.35% | 0.65% | 5.15% | 15.18% |
| William Blair (09/30/02) | 3.73% | 5.16% | 9.01% | 17.52% |
| MSCI ACWI ex-US Index | 3.68% | 2.78% | 6.96% | 14.15% |
| MSCI ACWI ex-US Growth | 3.15% | 4.15% | 7.87% | 13.52% |
| William Blair - Net (12/31/04) | 3.73% | 5.16% | 8.91% | 17.02% |
| Intl Large Cap Value (09/30/95) | 5.61% | 5.35% | 10.56% | 17.79% |
| Brandes (12/31/95) | 6.82% | 6.12% | 12.27% | 18.83% |
| MSCI ACWI ex-US Index | 3.68% | 2.78% | 6.96% | 14.15% |
| MSCI ACWI ex-US Value | 4.43% | 1.76% | 6.45% | 15.86% |
| Brandes - Net (12/31/04) | 6.82% | 6.07% | 12.21% | 18.54% |
| Lombardia (3/31/12) | 4.61% | 4.52% | 7.57% | 23.90% |
| MSCI ACWI ex-US Index | 3.68% | 2.78% | 6.96% | 14.15% |
| MSCI ACWI ex-US Value | 4.43% | 1.76% | 6.45% | 15.86% |
| Lombardia - Net (3/31/12) | 4.61% | 4.48% | 7.53% | 23.47% |
| Mondrian (3/31/12) | 4.94% | 4.87% | 9.45% | 16.69% |
| MSCI ACWI ex-US Index | 3.68% | 2.78% | 6.96% | 14.15% |
| MSCI ACWI ex-US Value | 4.43% | 1.76% | 6.45% | 15.86% |
| Mondrian - Net (3/31/12) | 4.94% | 4.87% | 9.32% | 16.22% |
| Lazard (3/31/12) | 3.33% | 4.27% | 8.72% | 18.74% |
| MSCI ACWI ex-US Index | 3.68% | 2.78% | 6.96% | 14.15% |
| MSCI ACWI ex-US Value | 4.43% | 1.76% | 6.45% | 15.86% |
| Lazard - Net (3/31/12) | 3.33% | 4.21% | 8.65% | 18.52% |

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 April 30, 2013

| | Last 36 Months | Last 60 Months | Last 120 Months | Since Inception |
|---|----------------------|----------------------|-----------------------|--------------------|
| Intl Large Cap Equity (08/31/86) | 8.26% | (0.05%) | 10.58% | 8.30% |
| MSCI ACWI ex-US Index | 5.98% | (0.84%) | 10.32% | - |
| Intl Large Cap Growth (08/31/02) | 9.14% | 0.14% | 11.63% | 10.27% |
| EARNEST Partners (09/30/04) | 8.84% | 3.81% | - | 13.07% |
| MSCI ACWI ex-US Index | 5.98% | (0.84%) | 10.32% | 7.65% |
| MSCI ACWI ex-US Growth | 7.12% | (0.37%) | 10.11% | 8.20% |
| EARNEST Partners - Net (12/31/04) | 8.38% | 3.33% | - | 10.62% |
| MSCI ACWI ex-US Index | 5.98% | (0.84%) | 10.32% | 6.20% |
| MSCI ACWI ex-US Growth | 7.12% | (0.37%) | 10.11% | 6.80% |
| William Blair (09/30/02) | 11.12% | 1.10% | 11.97% | 10.67% |
| MSCI ACWI ex-US Index | 5.98% | (0.84%) | 10.32% | 9.32% |
| MSCI ACWI ex-US Growth | 7.12% | (0.37%) | 10.11% | 9.25% |
| William Blair - Net (12/31/04) | 10.70% | 0.71% | - | 6.87% |
| MSCI ACWI ex-US Index | 5.98% | (0.84%) | 10.32% | 6.20% |
| MSCI ACWI ex-US Growth | 7.12% | (0.37%) | 10.11% | 6.80% |
| Intl Large Cap Value (09/30/95) | 5.62% | (0.96%) | 10.34% | 10.05% |
| Brandes (12/31/95) | 5.66% | (0.94%) | 10.35% | 10.11% |
| MSCI ACWI ex-US Index | 5.98% | (0.84%) | 10.32% | 5.71% |
| MSCI ACWI ex-US Value | 5.77% | (0.43%) | 11.44% | - |
| Brandes - Net (12/31/04) | 5.42% | (1.18%) | - | 3.85% |
| MSCI ACWI ex-US Index | 5.98% | (0.84%) | 10.32% | 6.20% |
| MSCI ACWI ex-US Value | 5.77% | (0.43%) | 11.44% | 6.52% |
| Lombardia (3/31/12) | - | - | - | 17.05% |
| MSCI ACWI ex-US Index | 5.98% | (0.84%) | 10.32% | 11.34% |
| MSCI ACWI ex-US Value | 5.77% | (0.43%) | 11.44% | 11.96% |
| Lombardia - Net (3/31/12) | - | - | - | 16.68% |
| Mondrian (3/31/12) | - | - | - | 12.42% |
| MSCI ACWI ex-US Index | 5.98% | (0.84%) | 10.32% | 11.34% |
| MSCI ACWI ex-US Value | 5.77% | (0.43%) | 11.44% | 11.96% |
| Mondrian - Net (3/31/12) | - | - | - | 12.01% |
| Lazard (3/31/12) | - | - | - | 16.76% |
| MSCI ACWI ex-US Index | 5.98% | (0.84%) | 10.32% | 11.34% |
| MSCI ACWI ex-US Value | 5.77% | (0.43%) | 11.44% | 11.96% |
| Lazard - Net (3/31/12) | - | - | - | 16.56% |

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 April 30, 2013

| | Last Month | Last 3 Months | Year to Date | Last 12 Months |
|--|---------------|---------------------|--------------------|----------------------|
| Intl Large Cap Active Core (01/31/08) | 4.44% | 5.40% | 10.51% | 19.92% |
| Arrowstreet (02/29/08) | 5.39% | 4.54% | 10.34% | 21.92% |
| MSCI ACWI ex-US Index | 3.68% | 2.78% | 6.96% | 14.15% |
| Arrowstreet - Net (02/29/08) | 5.39% | 4.54% | 10.22% | 21.34% |
| Brown (09/30/04) | 3.38% | 6.13% | 13.30% | 21.20% |
| MSCI ACWI ex-US Index | 3.68% | 2.78% | 6.96% | 14.15% |
| Brown - Net (12/31/04) | 3.38% | 6.13% | 13.23% | 20.76% |
| GlobeFlex (02/28/06) | 4.02% | 5.90% | 9.36% | 17.38% |
| MSCI ACWI ex-US Index | 3.68% | 2.78% | 6.96% | 14.15% |
| GlobeFlex - Net (02/28/06) | 4.02% | 5.90% | 9.25% | 16.88% |
| Intl Large Cap Pass. Core (12/31/99) | 5.35% | 5.29% | 10.84% | 19.96% |
| NTGI MSCI EAFE Idx (01/31/00) | 5.35% | 5.29% | 10.84% | 19.96% |
| MSCI EAFE Index | 5.21% | 5.07% | 10.61% | 19.39% |
| NTGI EAFE Idx - Net (12/31/04) | 5.35% | 4.34% | 9.84% | 18.87% |
| International Small Cap (11/30/05) | 2.66% | 7.30% | 11.61% | 19.17% |
| Franklin Templeton (07/31/11) | 2.10% | 5.41% | 11.09% | 18.89% |
| ACWI Small Cap ex US | 2.70% | 4.88% | 9.42% | 14.41% |
| Franklin Templeton - Net (07/31/11) | 2.10% | 5.41% | 10.90% | 18.22% |
| William Blair (08/31/10) | 3.15% | 8.97% | 12.06% | 19.41% |
| ACWI Small Cap ex US | 2.70% | 4.88% | 9.42% | 14.41% |
| Intl SC Blended Benchmark | 2.70% | 4.88% | 9.42% | 14.41% |
| William Blair - Net (08/31/10) | 3.15% | 8.97% | 11.84% | 18.46% |
| Emerging Markets (01/31/92) | 1.06% | (1.56%) | 1.71% | 7.89% |
| Genesis (04/30/04) | 1.06% | (1.56%) | 1.71% | 7.89% |
| MSCI Emerging Markets Index | 0.79% | (2.15%) | (0.79%) | 4.34% |
| Genesis - Net (12/31/04) | 1.06% | (1.66%) | 1.47% | 7.21% |

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 April 30, 2013

| | Last 36 Months | Last 60 Months | Last 120 Months | Since Inception |
|--|----------------------|----------------------|-----------------------|--------------------|
| Intl Large Cap Active Core (01/31/08) | 9.66% | 2.50% | - | 2.69% |
| Arrowstreet (02/29/08) | 9.44% | 2.37% | - | 2.62% |
| MSCI ACWI ex-US Index | 5.98% | (0.84%) | 10.32% | 0.43% |
| Arrowstreet - Net (02/29/08) | 8.92% | 1.89% | - | 2.15% |
| Brown (09/30/04) | 7.66% | 3.00% | - | 8.83% |
| MSCI ACWI ex-US Index | 5.98% | (0.84%) | 10.32% | 7.65% |
| Brown - Net (12/31/04) | 7.18% | 2.62% | - | 6.31% |
| MSCI ACWI ex-US Index | 5.98% | (0.84%) | 10.32% | 6.20% |
| GlobeFlex (02/28/06) | 9.92% | (0.44%) | - | 4.04% |
| MSCI ACWI ex-US Index | 5.98% | (0.84%) | 10.32% | 3.42% |
| GlobeFlex - Net (02/28/06) | 9.45% | (0.88%) | - | 3.58% |
| Intl Large Cap Pass. Core (12/31/99) | 7.87% | (0.50%) | 9.63% | 2.82% |
| NTGI MSCI EAFE Idx (01/31/00) | 7.87% | (0.52%) | 9.62% | 2.83% |
| MSCI EAFE Index | 7.44% | (0.93%) | 9.23% | 2.45% |
| NTGI EAFE Idx - Net (12/31/04) | 7.54% | (0.71%) | - | 4.88% |
| MSCI EAFE Index | 7.44% | (0.93%) | 9.23% | 5.15% |
| International Small Cap (11/30/05) | 10.40% | (0.67%) | - | 3.54% |
| Franklin Templeton (07/31/11) | - | - | - | 6.48% |
| ACWI Small Cap ex US | 7.16% | 2.51% | 13.56% | 2.33% |
| Franklin Templeton - Net (07/31/11) | - | - | - | 5.82% |
| William Blair (08/31/10) | - | - | - | 16.16% |
| ACWI Small Cap ex US | 7.16% | 2.51% | 13.56% | 10.86% |
| Intl SC Blended Benchmark | 7.96% | 1.23% | 12.48% | 12.14% |
| William Blair - Net (08/31/10) | - | - | - | 13.25% |
| Emerging Markets (01/31/92) | 7.47% | 5.47% | 19.27% | 10.46% |
| Genesis (04/30/04) | 7.47% | 5.47% | - | 15.38% |
| MSCI Emerging Markets Index | 3.44% | (0.02%) | 16.50% | 11.80% |
| Genesis - Net (12/31/04) | 6.81% | 4.82% | - | 13.36% |
| MSCI Emerging Markets Index | 3.44% | (0.02%) | 16.50% | 11.58% |

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 April 30, 2013

| | Last Month | Last 3 Months | Year to Date | Last 12 Months |
|--|-----------------------|------------------------------|-----------------------------|-------------------------------|
| Dom. Fixed Active Core (03/31/01) | 1.02% | 1.79% | 1.43% | 5.33% |
| EARNEST Partners (04/30/05) | 1.02% | 1.80% | 1.61% | 5.38% |
| BC Aggregate Index | 1.01% | 1.60% | 0.89% | 3.68% |
| EARNEST Partners - Net (04/30/05) | 1.02% | 1.75% | 1.56% | 5.16% |
| Piedmont (05/31/05) | 1.02% | 1.78% | 1.24% | 5.28% |
| BC Aggregate Index | 1.01% | 1.60% | 0.89% | 3.68% |
| Piedmont - Net (05/31/05) | 0.98% | 1.74% | 1.12% | 5.06% |
| Dom. Fixed Enhanced Core (03/31/00) | 0.80% | 1.33% | 0.65% | 4.46% |
| BlackRock Enhanced (04/30/00) | 0.80% | 1.33% | 0.65% | 4.46% |
| BC Aggregate Index | 1.01% | 1.60% | 0.89% | 3.68% |
| BlackRock Enhanced - Net (12/31/04) | 0.80% | 1.33% | 0.65% | 4.40% |
| Dom. Fixed Passive Core (12/31/89) | 1.00% | 1.55% | 0.86% | 3.69% |
| NTGI BC Agg. Index (01/31/90) | 1.00% | 1.55% | 0.86% | 3.69% |
| BC Aggregate Index | 1.01% | 1.60% | 0.89% | 3.68% |
| NTGI BC Agg. Index - Net (12/31/04) | 1.00% | 1.55% | 0.86% | 3.69% |

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 April 30, 2013

| | Last 36 Months | Last 60 Months | Last 120 Months | Since Inception |
|--|----------------------|----------------------|-----------------------|--------------------|
| Dom. Fixed Active Core (03/31/01) | 6.59% | 6.69% | 4.92% | 5.43% |
| EARNEST Partners (04/30/05) | 6.54% | 6.77% | - | 6.02% |
| BC Aggregate Index | 5.51% | 5.72% | 5.04% | 5.55% |
| EARNEST Partners - Net (04/30/05) | 6.35% | 6.56% | - | 5.82% |
| Piedmont (05/31/05) | 6.57% | 6.43% | - | 5.55% |
| BC Aggregate Index | 5.51% | 5.72% | 5.04% | 5.43% |
| Piedmont - Net (05/31/05) | 6.38% | 6.24% | - | 5.33% |
| Dom. Fixed Enhanced Core (03/31/00) | 5.68% | 5.74% | 5.08% | 6.18% |
| BlackRock Enhanced (04/30/00) | 5.68% | 5.74% | 5.08% | 6.22% |
| BC Aggregate Index | 5.51% | 5.72% | 5.04% | 6.15% |
| BlackRock Enhanced - Net (12/31/04) | 5.61% | 5.67% | - | 5.20% |
| BC Aggregate Index | 5.51% | 5.72% | 5.04% | 5.37% |
| Dom. Fixed Passive Core (12/31/89) | 5.53% | 5.59% | 5.00% | 6.82% |
| NTGI BC Agg. Index (01/31/90) | 5.53% | 5.59% | 5.00% | 6.85% |
| BC Aggregate Index | 5.51% | 5.72% | 5.04% | 6.84% |
| NTGI BC Agg. Index - Net (12/31/04) | 5.52% | 5.58% | - | 5.19% |
| BC Aggregate Index | 5.51% | 5.72% | 5.04% | 5.37% |

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 April 30, 2013

| | Last Month | Last 3 Months | Year to Date | Last 12 Months |
|--|---------------|---------------------|--------------------|----------------------|
| Domestic Fixed Core Plus (12/31/81) | 1.12% | 1.80% | 1.41% | 6.37% |
| BlackRock Core Plus (03/31/07) | 1.00% | 1.52% | 0.89% | 4.79% |
| BC Aggregate Index | 1.01% | 1.60% | 0.89% | 3.68% |
| BlackRock Core Plus - Net (03/31/07) | 0.99% | 1.51% | 0.66% | 4.54% |
| LM Capital (04/30/05) | 1.01% | 1.65% | 1.14% | 5.95% |
| BC Aggregate Index | 1.01% | 1.60% | 0.89% | 3.68% |
| LM Capital - Net (04/30/05) | 0.97% | 1.61% | 1.06% | 5.74% |
| Progress Fixed Income (12/31/05) | 1.05% | 1.84% | 1.50% | 5.72% |
| BC Aggregate Index | 1.01% | 1.60% | 0.89% | 3.68% |
| Progress Fixed Inc. - Net (12/31/05) | 0.96% | 1.75% | 1.32% | 5.26% |
| Taplin, Canida, Habacht (04/30/05) | 1.47% | 1.90% | 1.59% | 7.72% |
| BC Aggregate Index | 1.01% | 1.60% | 0.89% | 3.68% |
| Taplin, Canida, Hab. - Net (04/30/05) | 1.44% | 1.87% | 1.53% | 7.54% |
| Western (10/31/01) | 1.06% | 2.02% | 1.77% | 6.98% |
| BC Aggregate Index | 1.01% | 1.60% | 0.89% | 3.68% |
| Western - Net (12/31/04) | 1.06% | 1.98% | 1.73% | 6.84% |
| High Yield (03/31/86) | 1.78% | 3.34% | 4.62% | 13.23% |
| MackKay Shields (10/31/00) | 1.48% | 3.06% | 4.34% | 12.88% |
| ML High Yield Cash Pay Index | 1.86% | 3.39% | 4.78% | 13.98% |
| MackKay Shields - Net (12/31/04) | 1.48% | 2.97% | 4.26% | 12.40% |
| Pyramis (07/31/86) | 2.06% | 3.61% | 4.89% | 13.56% |
| ML High Yield Cash Pay Index | 1.86% | 3.39% | 4.78% | 13.98% |
| Pyramis - Net (12/31/04) | 1.98% | 3.47% | 4.75% | 13.14% |

Domestic Fixed-Income Returns

The table below details the rates of return for the fund's domestic fixed core plus and high yield managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended April 30, 2013

| | Last 36 Months | Last 60 Months | Last 120 Months | Since Inception |
|--|----------------------|----------------------|-----------------------|--------------------|
| Domestic Fixed Core Plus (12/31/81) | 7.23% | 6.94% | 5.87% | 9.04% |
| BlackRock Core Plus (03/31/07) | 6.51% | 6.37% | - | 6.31% |
| BC Aggregate Index | 5.51% | 5.72% | 5.04% | 5.84% |
| BlackRock Core Plus - Net (03/31/07) | 6.35% | 6.26% | - | 6.21% |
| LM Capital (04/30/05) | 6.85% | 6.95% | - | 6.41% |
| BC Aggregate Index | 5.51% | 5.72% | 5.04% | 5.55% |
| LM Capital - Net (04/30/05) | 6.68% | 6.77% | - | 6.23% |
| Progress Fixed Income (12/31/05) | 6.49% | 6.71% | - | 6.54% |
| BC Aggregate Index | 5.51% | 5.72% | 5.04% | 5.78% |
| Progress Fixed Inc. - Net (12/31/05) | 6.10% | 6.32% | - | 6.19% |
| Taplin, Canida, Habacht (04/30/05) | 7.69% | 7.42% | - | 6.18% |
| BC Aggregate Index | 5.51% | 5.72% | 5.04% | 5.55% |
| Taplin, Canida, Hab. - Net (04/30/05) | 7.56% | 7.29% | - | 6.08% |
| Western (10/31/01) | 7.78% | 7.37% | 6.30% | 6.68% |
| BC Aggregate Index | 5.51% | 5.72% | 5.04% | 5.43% |
| Western - Net (12/31/04) | 7.63% | 7.22% | - | 5.89% |
| BC Aggregate Index | 5.51% | 5.72% | 5.04% | 5.37% |
| High Yield (03/31/86) | 10.75% | 11.01% | 10.48% | 10.42% |
| MackKay Shields (10/31/00) | 11.27% | 10.12% | 10.45% | 10.21% |
| ML High Yield Cash Pay Index | 10.79% | 10.70% | 9.42% | 8.53% |
| MackKay Shields - Net (12/31/04) | 10.86% | 9.72% | - | 7.88% |
| ML High Yield Cash Pay Index | 10.79% | 10.70% | 9.42% | 8.58% |
| Pyramis (07/31/86) | 10.27% | 11.94% | 10.53% | 10.20% |
| ML High Yield Cash Pay Index | 10.79% | 10.70% | 9.42% | 9.01% |
| Pyramis - Net (12/31/04) | 9.73% | 11.51% | - | 8.85% |
| ML High Yield Cash Pay Index | 10.79% | 10.70% | 9.42% | 8.58% |

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) | |
|-------------|--|---|------------|
| Ativo | 6.75 | -1.66 | (09/30/10) |
| Brown | 6.34 | 1.18 | (09/30/04) |
| Brandes | 5.31 | 4.40 | (12/31/95) |
| Ariel | 3.95 | 1.62 | (10/31/10) |
| Arrowstreet | 3.38 | 2.19 | (02/29/08) |

Five Worst Performing Portfolios vs. Benchmarks

| Manager | Year-to-Date Underperformance (in % points) | Since Inception Underperformance (in % points) | |
|-----------------------------------|--|---|------------|
| BlackRock LCG | -4.24 | -7.14 | (07/31/11) |
| Sands | -2.92 | 3.25 | (10/31/03) |
| Fortaleza | -2.66 | -0.94 | (11/30/06) |
| Piedmont LC | -2.56 | -3.04 | (05/31/11) |
| Investment Counselors of Maryland | -1.90 | 2.27 | (04/30/99) |

Five Highest Returning Portfolios

| Manager | Year-to-Date Return (in % points) | Since Inception Return (in % points) | |
|-------------|--------------------------------------|---|------------|
| Ativo | 19.22 | 14.28 | (09/30/10) |
| Ariel | 15.47 | 15.43 | (10/31/10) |
| LSV | 15.46 | 10.22 | (01/31/03) |
| Wall Street | 15.18 | 14.17 | (07/31/90) |
| BMO | 14.44 | 6.75 | (01/31/01) |

Five Lowest Returning Portfolios

| Manager | Year-to-Date Return (in % points) | Since Inception Return (in % points) | |
|----------------------|--------------------------------------|---|------------|
| BlackRock Enhanced | 0.65 | 6.22 | (04/30/00) |
| NT Barclays Agg | 0.86 | 6.85 | (01/31/90) |
| BlackRock Core Plus | 0.89 | 6.31 | (03/31/07) |
| LM Capital | 1.14 | 6.41 | (04/30/05) |
| Piedmont Active Core | 1.24 | 5.55 | (05/31/05) |

Returns are shown gross of investment management fees.

Excludes Real Estate and Alternative Investments portfolios.

(13-05-05) (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 #13-04-26

Schedules - Dated May 31, 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 P - Administrative Denial of Application for Past Service Credit.

Administration - Master Trustee Report

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

Bids (2)

Data Center UPS Batteries - Scheduled Replacement
Sole Source Bidder: Eaton Electrical Inc.
Approved Bid: \$11,958.40

Phase One of IMRF's Website Replacement Project
Approved Bidder: Sikich
Approved Bid: \$112,975.00.

Participation of Instrumentality (1)

The Northeast DuPage Special Recreation Association
County: DuPage
2013 Rate: 9.15%

Effective Participation Date: June 1, 2013
Number of Participating Employees: 20

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

Vote: Unanimous Voice Vote
Absent: Henry

(13-05-06) (Financial Reports) The Chair presented the following financial reports for approval.

- Review of May Financial Reporting Package
- March 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 Mr. Nannini to approve the Financial Reports as presented.

Vote: Unanimous Voice Vote
Absent: Henry

(13-05-07) (Report of the Audit Committee) The Vice Chair of the Audit Committee reported on the meeting held on May 31, 2013.

He reported IMRF's external auditors, KPMG, presented the results of the 2012 Financial Statement Audit, noting there were no proposed audit adjustments or internal control findings.

Next, IMRF's internal auditor, Doug Samz, reported on the completion of the 2012 Internal Audit Plan as well as a number of special auditing and internal control projects during 2012.

The Committee reviewed a draft of the 2012 Comprehensive Annual Financial Report.

The Vice Chair reported private sessions were conducted with IMRF's external and internal auditors.

Lastly, it was the consensus of the Audit Committee to recommend the Board approve the extension of IMRF's agreement with KPMG to provide independent audit services in conjunction with its comprehensive annual financial report through 2015.

After questions and discussion, it was moved by Mr. Thompson, seconded by Mr. Nannini, to approve the Audit Committee's recommendation to extend IMRF's Agreement with KPMG through 2015.

Vote: Unanimous Voice Vote
Absent: Henry

(13-05-08) (Report of the Benefit Review Committee) The Chair of the Benefit Review Committee reported on the meeting held on May 30, 2013.

She reported that no action could be taken since a quorum of the Committee was not present. Staff was directed to contact each petitioner scheduled to appear to determine how they would want to proceed.

The Chair stated that each petitioner chose to postpone their hearing until the next scheduled meeting of the Benefit Review Committee.

(13-05-09) (Report of the Investment Committee) The Chair of the Investment Committee reported on the Committee Meeting held on May 30, 2013.

The Chief Investment Officer reviewed two private equity manager searches: Sector-Focused (Technology or Healthcare) Venture Capital Partnership and Sector-Focused (Technology or Healthcare) Lower Middle Market Partnership.

The Chair reported in the Sector-Focused Search (Technology or Healthcare) Venture Capital Partnership, staff presented an overview of Versant V, and recommended the following:

- A commitment of up to \$15 million be made to Versant Venture Capital V, L.P., subject to satisfactory legal due diligence; and
- Authorization of staff to complete all documentation necessary to execute this recommendation.

He further reported in the Sector-Focused Search (Technology or Healthcare) Lower Middle Market Partnership, staff presented an overview of Vista Foundation Fund II and Beecken Petty O'Keefe Fund IV, and recommended the following:

- A commitment of up to \$15 million be made to Vista Foundation Fund II, L.P. subject to satisfactory legal due diligence;
- A commitment of up to \$10 million be made to Beecken Petty O'Keefe Fund IV, L.P. subject to satisfactory legal due diligence; and
- Authorization of staff to complete all documents necessary to execute these recommendations.

The Chief Investment Officer reviewed Blackstone Real Estate Partners Asia and Debt Strategies II Funds, and recommended the following:

- A commitment of up to \$100 million be made to Blackstone Real Estate Partners Asia, L.P., subject to satisfactory legal due diligence;
- A commitment of up to \$100 million be made to Blackstone Real Estate Debt Strategies II, L.P., subject to satisfactory legal due diligence; and,
- Authorization of staff to complete all documentation necessary to execute these recommendations.

Lastly, representatives from Versant Venture Capital Fund V, L.P.; Vista Foundation Fund II, L.P.; Beecken Petty O'Keefe Fund IV, and the Blackstone Real Estate Partners Asia and Debt Strategies II Funds each presented a review of their firm's organization structure, investment strategy, and performance history.

It was the consensus of the Investment Committee to approve staff's recommendations.

It was moved by Ms. Thompson, seconded by Mr. Nannini, to approve the recommendations of the Investment Committee.

Vote: Unanimous Voice Vote
Absent: Henry

(13-05-10) (Report of the Policy Review Committee) The Chair of the Policy Review Committee presented a report on the Committee Meeting that was held on May 30, 2013.

The Chair noted the Committee approved the Minutes of the April 25, 2013 Policy Review Committee Meeting.

The Committee reviewed the revisions to Tab 4; Tabs 11 through 15; and Tab 17 of the Governance Manual.

Next, the Committee reviewed Tab 16; and Tabs 18 through 23 of the Governance Manual. Staff is to provide a final draft of the recommended changes to the Committee at its next meeting.

(13-05-11) (Approval of Executive Trustee Election Procedures) The Executive Director presented the attached materials concerning the 2013 Executive Trustee Election. They include a proposed 2013 Executive Trustee Election Schedule; General Memorandum - IMRF Executive Trustee Fact Sheet; Nominating Petition Form; Biographical Information Form and, a memorandum regarding judges and clerks for the 2013 Employee Trustee Election.

IMRF employers will elect one Executive Trustee for a five-year term of office.



Illinois Municipal Retirement Fund

Suite 500 2211 York Road Oak Brook IL 60523-2337

Member Services Representatives 1-800-ASK-IMRF

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2013 EXECUTIVE TRUSTEE ELECTION SCHEDULE

MAY 31, 2013

The Board of Trustees will approve the 2013 Executive Trustee Election Schedule, nominating petition forms, biographical information form, and election rules at the May Board Meeting. The Board will also appoint election judges and clerks.

MAY 31, 2013 – DECEMBER 20, 2013

All election information requests will be directed to Louis Kosiba, Linda Horrell, or Bonnie Shadid and will be documented in a Candidate Contact log. Staff will not disclose any information regarding candidates before the September Board Mailing. No election information, other than what is available on the IMRF website, will be provided to third parties. No quantities of IMRF materials (e.g. benefit booklets and forms) will be provided to candidates, including incumbent candidates. No candidates may campaign at IMRF training sessions for employers, members, or annuitants.

JUNE 21, 2013

IMRF staff will solicit bids for the printing of the Executive Trustee ballots.

JUNE 28, 2013

The IMRF *Employer Digest* will announce the Executive Trustee Election. IMRF staff will mail paper copies of the announcement to employers without internet access. The IMRF website will be updated with all election information, including nominating petitions, election rules, and candidate biography forms.

JULY 11, 2013

IMRF staff will open and review the bids for the printing of the Executive Trustee ballots.

JULY 18, 2013

IMRF staff will make a recommendation regarding the vendor to print the ballots. Staff will submit the recommendation to the Board of Trustees if the bid is more than \$5,000.



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JULY 26, 2013

The IMRF Board of Trustees will select the vendor to print the ballots (only if the bid is more than \$5,000).

AUGUST 1, 2013 - SEPTEMBER 16, 2013

Nominating petitions and biography forms for Executive Trustee will be accepted in the Fund offices. Petition forms must be received by IMRF no later than 4:30 PM on September 16, 2013. Candidates are encouraged to submit their biography forms as soon as three petition forms are received, and no later than September 16, 2013.

AUGUST 2, 2013

The envelope order (artwork, specifications, etc.) will go to the printer. We will also send the vendor the ballot mailing date.

AUGUST 12, 2013

IMRF staff will mail Authorized Agent Verification Letters to all employers. These letters allow employers the opportunity to verify that we have accurate information regarding who from that employer is eligible to vote in this election. We request that any changes be received from the employers by September 16, 2013.

SEPTEMBER 17, 2013

IMRF staff will verify the Executive Trustee nominating petitions by this date.

SEPTEMBER 27, 2013

The Board of Trustees will confirm nominees for one Executive Trustee position at the September Board Meeting. The position is for a 5-year term.

SEPTEMBER 27, 2013

IMRF staff will send letters to all candidates who submitted nominating petitions informing them whether or not they will be on the ballot. The Executive Trustee candidates will be provided the names of the other candidates. The nominees will also receive a proof of their biography for



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correction and comment. Final changes or corrections to the proofs are due back by October 3, 2013.

SEPTEMBER 30, 2013

The IMRF *Employer Digest* will include an overview of the procedures for the Executive Trustee election.

OCTOBER 4, 2013

IMRF staff will send the ballot to the printer. Also, the two Authorized Agent address electronic files will go to the mailing vendor (Governing Body employers and Authorized Agent employers) after staff reviews the quality of the address format. Candidate information will be posted on the IMRF web site.

OCTOBER 15, 2013

The IMRF *Employer Digest* will again explain the eligibility requirements for voting in the Executive Trustee Election.

OCTOBER 17, 2013

The Executive Trustee ballots will be mailed after staff reviews samples to verify print quality and addressing accuracy. Mailings will be directed to the Authorized Agent or Governing Body as appropriate. IMRF staff will verify each employer's certification on the ballot envelope as completed ballots are received at the IMRF office.

DECEMBER 12, 2013

Voted Executive Trustee ballots must be received at the Oak Brook office by 4:30 PM. Staff will pick up any final ballots from the post office at 4:30 PM.

DECEMBER 13, 2013

IMRF staff will tabulate the Executive Trustee ballots and a final vote tally will be prepared. All candidates will be notified by telephone of the final vote tally. Written notice of the final vote tally will also be mailed by certified mail, return receipt requested, to all candidates. Each candidate will also receive notice of IMRF's Recount Procedures.



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DECEMBER 20, 2013

The IMRF Board of Trustees will certify the results of the 2013 Executive Trustee Election at the December Board Meeting. IMRF staff will mail a written notice of the certification to all candidates. Staff will post the election results on the IMRF web site. Staff will send a General Memo with election results to employers in January.

DECEMBER 31, 2013

IMRF staff will ensure that email addresses on the IMRF Public Email Inbox are updated, including the addition of the email address for any new Trustee.



IMRF Executive Trustee Election

Currently, board meetings are held one day each month. Some Board committees also meet monthly; others meet less frequently or as needed. Trustees serve without compensation but are reimbursed for expenses incurred while attending meetings. A Trustee's employer is reimbursed for Trustee time spent on IMRF business.

Terms and conditions of office

In November, IMRF employers will elect one Executive Trustee for a five-year term. The five-year term of office will run from January 1, 2014, through December 31, 2018.

Nominating procedures - petitions

The petitions explain the nominating procedures for Executive Trustee. Nominating petitions for Executive Trustee candidates can be submitted either by Authorized Agents or by governing bodies of IMRF employers. Regardless of who submits the nominating petitions, at least three petitions must be submitted.

If an Authorized Agent submits a nominating petition, his or her notice of appointment must be on file with IMRF, and the notice of appointment must indicate that the governing body has delegated the power to make such nomination to the Authorized Agent.

If a governing body files a petition, the petition must be adopted by the governing body and certified by the clerk or other proper official.

Petitions for Executive Trustee candidates will be accepted in the IMRF Oak Brook and Springfield offices between August 1, 2013, and the close of business at 4:30 p.m., September 16, 2013. **Mail, hand deliver, scan and email (sandyjoplin-legal@imrf.org) or FAX (630-368-5397) the completed petitions to IMRF, ATTN: Sandy Joplin, Legal Administrative Assistant.**

If you scan the petitions and email them to IMRF or if you fax the petitions to IMRF, please call Sandy at 630-706-4217 to advise her that you are faxing or emailing the petitions.

Petitions postmarked on or before September 16, 2013, but received after that date will not be accepted.

Public Act 93-615, the State Officials and Employees Ethics Act, includes prohibitions against political activity during work hours. It is our opinion these prohibitions do not apply to elections for the IMRF Board of Trustees. Gathering IMRF member signatures and other activities of running for the IMRF Board are not included in prohibited political activity regulated by the Act.

On September 27, 2013, letters will be sent to all candidates who submitted nominating petitions informing them whether they will be on the ballot. Executive Trustee candidates will also be provided the names of the other candidates at that time.

Qualifications

A nominee for Executive Trustee must be employed by an IMRF employer as a chief executive officer, chief finance officer, or other officer, executive or department head. The nominee must also participate in IMRF and have at least eight years of IMRF service credit as of December 31, 2013.

Executive Trustee ballots

Ballots along with candidates' biographies will be mailed to Authorized Agents or governing bodies as appropriate on October 17, 2013, and must be returned by the close of business at 4:30 p.m., December 12, 2013.

Not all Authorized Agents can vote in the Executive Trustee election. The only Authorized Agents who can vote are those whose Notice of Appointment filed with IMRF indicates they have been given such power. Otherwise, the governing body would cast the ballot, and the clerk or other proper official would certify the ballot.

New Trustee orientation

It is critical for the sound governance of IMRF that Trustees be fully informed with regard to IMRF's nature, purposes, structure, operational systems and processes. To that end, the newly elected Trustee will participate in an in-depth New Trustee Orientation Program designed to fully inform them of IMRF's key functions and their responsibilities as Trustee. The Program is more fully described in the IMRF Board Candidate Packet, available in the Board of Trustees area of the IMRF website.

The Candidate Packet also includes information about Public Act 96-0006 which amended the Illinois Governmental Ethics Act. Changes include requiring individuals serving as IMRF trustees to file a written statement of economic interest.



Illinois Municipal Retirement Fund

2211 York Road Suite 500 Oak Brook IL 60523-2337

Member Services Representatives 1-800-ASK-IMRF

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NOTICE TO AUTHORIZED AGENTS

June 28, 2013

Nomination of Executive Trustee Five-Year Term of Office

Petitions for Executive Trustee candidates will be accepted in the IMRF Oak Brook and Springfield offices between August 1, 2013, and the close of business at 4:30 p.m., September 16, 2013. Mail, hand deliver, scan and email (sandyjoplin-legal@imrf.org) or FAX (630-368-5397) the completed petitions to IMRF, ATTN: Sandy Joplin, Legal Administrative Assistant. Petitions postmarked on or before September 16, 2013, but received after that date will not be accepted.

One Executive Trustee will be elected for a five-year term, commencing January 1, 2014. Currently trustees meet one day each month and frequently more often. Trustees serve without compensation but are reimbursed for their expenses, including lost wages if they are not paid by their employer during absences while performing IMRF Board duties.

A nominee for Executive Trustee must be employed by a participating governmental unit in the capacity of chief executive officer, chief finance officer, or other officer, executive, or department head. The nominee must also be a participating member and have at least eight years of service credit with IMRF as of December 31, 2013. Service forfeited by acceptance of a refund of member contributions and not reinstated is not considered for the eight-year requirement.

Nominations must be by petition: (1) adopted by the governing body and certified by the clerk or other proper official of the participating municipality or participating instrumentality, or (2) submitted by an Authorized Agent whose Notice of Appointment, on file with IMRF, indicates that the Authorized Agent has been delegated the power to make such nomination. Petitions by at least three participating municipalities or participating instrumentalities are necessary to nominate a candidate.

Public Act 93-615, the State Officials and Employees Ethics Act, includes prohibitions against political activity during work hours. It is our opinion these prohibitions do not apply to elections for the IMRF Board of Trustees. Gathering signatures and other activities of running for the IMRF Board are not included in prohibited political activity regulated by the Act.

FORM OF PETITION

I hereby certify that the _____
Governing Body Municipality or Participating Instrumentality

1. By a resolution duly passed by the governing body
2. By virtue of the power delegated to its Authorized Agent in a notice on file with the Fund, hereby petitions

that _____ residing at _____
Name of Employee Street

_____ occupying the position of _____
City Title

with _____ be a candidate for the office of Executive Trustee of the
Name of Employer

Illinois Municipal Retirement Fund for a five-year term of office beginning January 1, 2014.

Date Signature



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June 28, 2013

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Five-Year Term of Office

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One Executive Trustee will be elected for a five-year term, commencing January 1, 2014. Currently trustees meet one day each month and frequently more often. Trustees serve without compensation but are reimbursed for their expenses, including lost wages if they are not paid by their employer during absences while performing IMRF Board duties.

A nominee for Executive Trustee must be employed by a participating governmental unit in the capacity of chief executive officer, chief finance officer, or other officer, executive, or department head. The nominee must also be a participating member and have at least eight years of service credit with IMRF as of December 31, 2013. Service forfeited by acceptance of a refund of member contributions and not reinstated is not considered for the eight-year requirement.

Nominations must be by petition: (1) adopted by the governing body and certified by the clerk or other proper official of the participating municipality or participating instrumentality, or (2) submitted by an Authorized Agent whose Notice of Appointment, on file with IMRF, indicates that the Authorized Agent has been delegated the power to make such nomination. Petitions by at least three participating municipalities or participating instrumentalities are necessary to nominate a candidate.

Public Act 93-615, the State Officials and Employees Ethics Act, includes prohibitions against political activity during work hours. It is our opinion these prohibitions do not apply to elections for the IMRF Board of Trustees. Gathering signatures and other activities of running for the IMRF Board are not included in prohibited political activity regulated by the Act.

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I hereby certify that the _____
Governing Body Municipality or Participating Instrumentality

1. By a resolution duly passed by the governing body
2. By virtue of the power delegated to its Authorized Agent in a notice on file with the Fund, hereby petitions

that _____ residing at _____
Name of Employee Street

_____ occupying the position of _____
City Title

with _____ be a candidate for the office of Executive Trustee of the
Name of Employer

Illinois Municipal Retirement Fund for a five-year term of office beginning January 1, 2014.

Date Signature



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June 28, 2013

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Five-Year Term of Office

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One Executive Trustee will be elected for a five-year term, commencing January 1, 2014. Currently trustees meet one day each month and frequently more often. Trustees serve without compensation but are reimbursed for their expenses, including lost wages if they are not paid by their employer during absences while performing IMRF Board duties.

A nominee for Executive Trustee must be employed by a participating governmental unit in the capacity of chief executive officer, chief finance officer, or other officer, executive, or department head. The nominee must also be a participating member and have at least eight years of service credit with IMRF as of December 31, 2013. Service forfeited by acceptance of a refund of member contributions and not reinstated is not considered for the eight-year requirement.

Nominations must be by petition: (1) adopted by the governing body and certified by the clerk or other proper official of the participating municipality or participating instrumentality, or (2) submitted by an Authorized Agent whose Notice of Appointment, on file with IMRF, indicates that the Authorized Agent has been delegated the power to make such nomination. Petitions by at least three participating municipalities or participating instrumentalities are necessary to nominate a candidate.

Public Act 93-615, the State Officials and Employees Ethics Act, includes prohibitions against political activity during work hours. It is our opinion these prohibitions do not apply to elections for the IMRF Board of Trustees. Gathering signatures and other activities of running for the IMRF Board are not included in prohibited political activity regulated by the Act.

FORM OF PETITION

I hereby certify that the _____
Governing Body Municipality or Participating Instrumentality

1. By a resolution duly passed by the governing body
2. By virtue of the power delegated to its Authorized Agent in a notice on file with the Fund, hereby petitions

that _____ residing at _____
Name of Employee Street

_____ occupying the position of _____
City Title

with _____ be a candidate for the office of Executive Trustee of the
Name of Employer

Illinois Municipal Retirement Fund for a five-year term of office beginning January 1, 2014.

Date Signature



Executive Trustee Election — Biographical Information

- **Return this completed form with your signed petitions** to IMRF, ATTN Sandy Joplin, Legal Administrative Assistant, 2211 York Road, Suite 500, Oak Brook IL 60523-2337 or FAX to 630-368-5397.
- You must submit your petitions and biography form **no later than 4:30 p.m., Monday, September 16, 2013.**
- We suggest you submit your biography form as soon as you obtain the required signatures on your petitions.
- If you are submitting your biography form separate from your petitions, you may email your biography to Linda Horrell, Communications Manager, at Lhorrell@imrf.org.
- After IMRF receives your completed biography form, you will receive a proof of your biography as it will appear on the ballot. Changes to your biography can be made at that time.
- A sample biography can be found on page 3.

The information you provide will be used to create your biography which will appear on the ballot. Your typeset biography will be faxed or emailed to you for your approval.

How would you like to receive a copy of your typeset biography for review? Email FAX

Name _____ Date _____

_____ BUSINESS ADDRESS _____ PHONE _____

_____ HOME ADDRESS _____ PHONE _____

_____ E-MAIL ADDRESS _____ FAX _____

IMRF participating positions

Current Position

Job Title _____ Employer _____

Length of service

in this position _____ FROM _____ TO _____ with this employer _____ FROM _____ TO _____

Current job duties — Generally, the description of your current job duties should not exceed 50 words.

You can use a separate sheet if preferred.

Please include total number of persons supervised and the name and title of your supervisor.

IMRF participating positions, contd.

page 2 of 3

Previous IMRF positions

Job Title _____ Employer _____
Length of service
in this position _____ with this employer _____
FROM TO FROM TO

Job Title _____ Employer _____
Length of service
in this position _____ with this employer _____
FROM TO FROM TO

Job Title _____ Employer _____
Length of service
in this position _____ with this employer _____
FROM TO FROM TO

Other pertinent information

Not more than 80 words.

You can use a separate sheet if preferred.

Other experience, training or qualifications supporting your candidacy; and/or any goals, objectives or views you would endorse or pursue as a trustee. You may consider answering some of the following questions. *Providing responses to these questions is **optional**; they are provided only as a guide.*

1. Why are you running for Executive Trustee?
2. What do you hope to accomplish as an Executive Trustee?
3. How will your experience as an IMRF member help you in your role as an Executive Trustee?
4. How will your prior work experience help you in your role as an Executive Trustee?
5. What are the key issues surrounding public pensions? How should they be addressed?
6. What key issues surrounding public pensions should an IMRF employer be concerned with?

Sample Candidate Biography

(Maximum available space shown below)

Executive Trustee Sample Bio

Executive Trustee Candidate Name

500 N. Anywhere Ave.

Anywhere, Illinois 60004

Current Position — Director of Administrative Services, Village of Anywhere.

Length of Service — With the Village of Anywhere since May 1977, in this position since September 1991; Secretary/Administrative Intern with the Village of Anywhere Park from November 1973 to May 1977.

Duties — As Director of Administrative Services, I am a Department Head reporting directly to the Village Administrator. In this position, I am responsible for organization-wide (125 full-time employees, including Public Works, Parks and Recreation, Library, Clerical, Police and Fire) personnel administration including recruitment, hiring, employee records, collective bargaining, employee benefit plan and health insurance administration, risk management, general liability and workers' compensation insurance, cable television franchise administration, special management studies, and research and program development initiated by the department or Board of Trustees.

Other Pertinent Information — As the IMRF Authorized Agent for the Village of Anywhere for 11 years, I have assisted members with problems on disability and retirement claims on numerous occasions. I am seeking this position to work to improve the quality of service provided to IMRF participants.



Illinois Municipal Retirement Fund

2211 York Road Suite 500 Oak Brook IL 60523-2337

Member Services Representatives 1-800-ASK-IMRF

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GENERAL MEMORANDUM

Number: xxx

Date: June 28, 2013

To: All Authorized Agents

Subject: 2013 Executive Trustee Election

In November, IMRF will conduct one trustee election. Employers will elect one Executive Trustee for a five-year term. The five-year term of office will run from January 1, 2014, through December 31, 2018.

You can obtain information on nominating procedures, qualifications, sample petitions, and a biographical questionnaire by visiting the Board of Trustees area of the IMRF website at www.imrf.org or by calling an IMRF Member Services Representative at 1-800-ASK-IMRF (1-800-275-4673) Monday through Friday, 7:30 a.m. to 5:30 p.m.

Public Act 93-615, the State Officials and Employees Ethics Act, includes prohibitions against political activity during work hours. It is our opinion that these prohibitions do not apply to elections for the IMRF Board of Trustees. Gathering signatures and other activities of running for the IMRF Board are not included in prohibited political activity regulated by the Act.

Sincerely,

Louis W. Kosiba
Executive Director



Illinois Municipal Retirement Fund

Suite 500 2211 York Road Oak Brook IL 60523-2337

Member Services Representatives 1-800-ASK-IMRF

www.imrf.org

MEMORANDUM

TO: BOARD OF TRUSTEES
FROM: BONNIE SHADID
DATE: 5/23/2013
RE: APPROVAL OF TRUSTEE ELECTION JUDGES AND CLERKS

Executive Summary

The Board appoints staff to serve as judges and clerks to administer the 2013 Executive Trustee Election.

Background

IMRF staff administers the process for electing IMRF Trustees. Election judges coordinate various activities and make administrative decisions allowing for a smooth election process. The clerks are responsible for completing specific activities during the election process. The Board appoints staff to these positions for purposes for administering the Trustee elections.

Recommendation

Staff recommends that the Board approve the appointment of the following IMRF staff members to serve as judges and clerks for the 2013 Trustee election.

Judges: Beth Janicki Clark
Bonnie Shadid

Clerks: Sandy Joplin – Chief Clerk
Kathy Goerd
Jennifer Chess
Connie Fox
Kathy Goerd
Linda Horrell
John Krupa
Victoria Lane
Fidel Quintero
Denise Streit
Bob Woollen

It was moved by Ms. Copper, seconded by Mr. Nannini, to approve the 2013 Executive Trustee Election Schedule and Procedures.

Vote: Unanimous Voice Vote
Absent: Henry

(13-05-12) (Purchasing Procedures - Bid Threshold Requiring Board Approval) At the April Board Meeting, Trustees asked staff to provide data regarding purchases submitted for Board approval. Current procedures require Board approval of bids at \$5,000+.

The Deputy Executive Director presented a report with a recommendation to raise IMRF's bid threshold requiring Board approval to \$25,000.

After questions and discussion, it was moved by Ms. Thompson, seconded by Ms. Copper, to approve staff's recommendation to raise IMRF's threshold requiring Board approval to \$25,000.

Vote: Unanimous Voice Vote
Absent: Henry

After further discussion, it was moved by Mr. Kuehne, seconded by Mr. Stulir, to amend the above recommendation, to also include increasing the threshold for formal bids to \$10,000.

Vote: Unanimous Voice Vote
Absent: Henry

(13-05-13) (Approval of Executive Director Performance Appraisal/Board Self-Evaluation Forms) The Executive Director stated per the established procedures, the Board is to review, amend or approve, if appropriate, a Performance Appraisal Form for the Executive Director.

He presented the Executive Director Performance Appraisal Form for review and approval.

The Executive Director reported that Laurel Nicholson will be acting as the evaluation consultant.

He reported in June at the regular meeting, the Board will discuss the Executive Director's evaluation.

It was moved by Mr. Piechosinski, seconded by Mr. Nannini, to approve the Executive Director Performance Appraisal Form as presented.

Vote: Unanimous Voice Vote
Absent: Henry

(13-05-14) (Legislative Update) General Counsel updated the Board on current legislative activity.

She reported that three of the four bills on the Board's 2013 legislative agenda passed out of both chambers of the General Assembly, and are awaiting the Governor's signature.

General Counsel noted that the General Assembly will adjourn on May 31, 2013.

Discussion followed.

(12-05-15) (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: The Circuit Court found in favor of the Plaintiff regarding the omitted service but declined to award attorney's fees. The parties cross appealed.

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. The hearing on that motion that was set for April 2, 2013 was postponed.

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 before the Illinois Supreme Court was held on May 22, 2013.

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 scheduled to be argued on May 23, 2013.

BURGER v. IMRF (12 MR 127 McHenry)

Summary: Appeal of denial of total and permanent disability.

Status: The circuit court has remanded the case to IMRF with instructions to allow the questioning of Drs. Rao and Miller and to consider diagnoses after the termination date if such diagnoses are casually related to conditions diagnosed prior to termination.

DIEHL V. BOARD OF TRUSTEES (12 MR 1282 DuPage)

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

Status: Briefing schedule entered. Hearing is set for August 8, 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: This adversary proceeding in the bankruptcy matter is currently stayed (on hold) while the proper defendants are determined.

ANGELINA TELLONE V. IMRF (2012 MR 1617-DuPage)

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

Status: July 1, 2013 status date. Plaintiff has been awarded benefits.

(13-05-16) (Report of Executive Director)

Representation of IMRF

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

Trustee Roundtable

The Deputy Executive Director reviewed the agenda for the June 19, 2013 Trustee Roundtable that will be held in Chicago.

Bring Your Child To Work Day

The Chief Investment Officer reviewed plans for IMRF's first bring your child to work day to be held June 18, 2013.

(13-05-17) (Adjournment) It was moved by Ms. Thompson, seconded by Mr. Piechocinski, to adjourn the Board Meeting at 11:30 a.m., to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, Illinois, at 9:00 a.m. on June 28, 2013.

Vote: Unanimous Voice Vote
Absent: Henry

President

Date

Secretary

Date

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