

ILLINOIS MUNICIPAL RETIREMENT FUND
MEETING NO. 13-05-I

MEETING OF THE
INVESTMENT COMMITTEE

The Investment Committee met in the IMRF offices in Oak Brook, Illinois, on Thursday, May 30, 2013. Mr. Nannini, Chairman of the Investment Committee, called the meeting to order at 3:00 P.M.

(13-05-01)(Roll Call) Mr. Sambol called the roll:

Present: Stulir; Piechocinski; Copper; Stafford; Nannini and Thompson

Absent: Kuehne; Henry

Also in attendance were: Ms. Becker-Wold, and Messrs. Ball and Robinson of Callan Associates; Ms. Shah, IMRF Chief Investment Officer; Mr. Sambol, IMRF Investment Manager; and IMRF Investment Analysts.

(13-05-02)(Public Comments) There were no public comments.

(13-05-03)(Action Items)

- A. Approve Investment Committee Meeting Minutes from February 21, 2013 Meeting The Chairman asked for the approval of the minutes of the February 21, 2013 Investment Committee Meeting.

It was moved by Mr. Piechocinski; and seconded by Ms. Thompson; that the minutes of the February 21, 2013 meeting of the Investment Committee be approved.

Vote:

The motion was approved unanimously.

(13-05-04)(Staff Presentations)

- A. Private Equity and Venture Capital The Chief Investment Officer presented an overview of two private equity manager searches.

1) Sector-Focused (Technology or Healthcare) Venture Capital Partnership Search

Twelve firms responded to this RFP. One firm, StarVest, qualified as an MFPDOB manager as defined in the Illinois Pension Code. After all responses were evaluated, Staff interviewed four qualified candidates. Following these interviews, two managers were selected for on-site due diligence visits and one firm, Versant, is being recommended. The Chief Investment Officer next presented an overview of Versant V.

The Chief Investment Officer recommends:

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

2) Sector-Focused (Technology or Healthcare) Lower Middle Market Partnership Search

The Chief Investment Officer noted that five firms responded to this RFP. One firm, Vista, qualified as an MFPDOB manager as defined in the Illinois Pension Code. After all responses were evaluated, Staff interviewed three qualified candidates. Following these interviews, two managers, Vista and Beecken Petty O'Keefe, were selected for on-site due diligence visits and both firms are being recommended. The Chief Investment Officer next presented an overview of Vista Foundation Fund II and Beecken Petty O'Keefe Fund IV.

The Chief Investment Officer recommends:

- 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,
- authorize Staff to complete all documentation necessary to execute these recommendations

B. Non-Core Real Estate Funds, Blackstone Asia and Debt Strategies II The Chief Investment Officer reviewed Blackstone Real Estate Partners Asia and Debt Strategies II Funds.

The Chief Investment Officer recommends:

- 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,
- authorize Staff to complete all documentation necessary to execute these recommendations

-Trustee Stulir, member of the Investment Committee, left the meeting at 4:05 P.M.

(13-05-05)(Investment Manager Presentations)

- A. Versant Venture Capital Fund V L.P. Messrs. Warden and Colella of Versant Venture Capital Fund V, L.P. presented a review of their firm's organization structure, investment strategy, and performance history. This presentation was followed by questions from the Committee.
- B. Vista Foundation Fund II L.P. Mr. Sheth of Vista Foundation Fund II, L.P. presented a review of his firm's organization structure, investment strategy, and performance history. This presentation was followed by questions from the Committee.
- C. Beecken Petty O'Keefe Fund IV L.P. Messrs. O'Keefe and Cooney of Beecken Petty O'Keefe Fund IV, L.P. presented a review of their firm's organization structure, investment strategy, and performance history. This presentation was followed by questions from the Committee.
- D. Blackstone Real Estate Partners Asia L.P. Messrs. Sumers and Nash of Blackstone Real Estate Partners Asia, L.P. presented a review of their firm's organization structure, investment strategy, and performance history. This presentation was followed by questions from the Committee.
- E. Blackstone Real Estate Debt Strategies II L.P. Messrs. Sumers and Nash of Blackstone Real Estate Partners Debt Strategies II, L.P. presented a review of their firm's organization structure, investment strategy, and performance history. This presentation was followed by questions from the Committee.

-The Committee recessed at 4:40 P.M.

-The meeting of the Investment Committee reconvened at 4:47 P.M.

(13-05-06)(Action Items)

- A. Approve Allocation to Versant Venture Capital Fund V L.P. Following these presentations and after discussion, it was moved by Mr. Stafford; and seconded by Ms. Thompson; to recommend that the Board approve a commitment of up to \$15 million to Versant Venture Capital Fund V, L.P., subject to satisfactory legal due diligence; and to authorize Staff to complete all documentation necessary to execute this recommendation.

Vote:

The motion was approved unanimously.

- B. Approve Allocation to Vista Foundation Fund II L.P. It was moved Mr. Piechocinski; and seconded by Ms. Copper; to recommend that the Board approve a commitment of up to \$15 million to Vista Foundation Fund II, L.P., subject to satisfactory legal due diligence; and to authorize Staff to complete all documentation necessary to execute this recommendation.

Vote:

The motion was approved unanimously.

- C. Approve Allocation to Beecken Petty O'Keefe Fund IV L.P. It was moved by Mr. Piechocinski; and seconded by Mr. Stafford; to recommend that the Board approve a commitment of up to \$10 million to Beecken Petty O'Keefe Fund IV, L.P., subject to satisfactory legal due diligence; and to authorize Staff to complete all documentation necessary to execute this recommendation.

Vote:

The motion was approved unanimously.

- D. Approve Allocation to Blackstone RE Partners Asia L.P. It was moved by Ms. Thompson; and seconded by Mr. Piechocinski; to recommend that the Board approve a commitment of up to \$100 million to Blackstone Real Estate Partners Asia, L.P., subject to satisfactory legal due diligence; and to authorize Staff to complete all documentation necessary to execute this recommendation.

Vote:

The motion was approved unanimously.

- E. Approve Allocation to Blackstone RE Debt Strategies II L.P. It was moved by Mr. Stafford; and seconded by Ms. Copper; to recommend that the Board approve a commitment of up to \$100 million to Blackstone Real Estate Debt Strategies II, L.P., subject to satisfactory legal due diligence; and to authorize Staff to complete all documentation necessary to execute this recommendation.

Vote:

The motion was approved unanimously.

(13-05-07)(New Business) There was no new business presented or discussed during the meeting.

–The next meeting of the Investment Committee is scheduled to be held on Thursday, June 27, 2013, beginning at 3:00 P.M.

(13-05-08)(Trustee Comments)

Committee member Thompson asked Staff to remind investment management firm representatives to direct their presentation to the members of the Investment Committee going forward.

Committee member Stafford thanked Staff for their work toward achieving IMRF's real estate allocation targets.

(13-05-09)(Adjourn) By unanimous consent, the meeting of the Investment Committee adjourned at 5:35 P.M.

Chairman

Date

Clerk

Date