

ILLINOIS MUNICIPAL RETIREMENT FUND
MINUTES OF
REGULAR MEETING NO. 14-02
FEBRUARY 28, 2014

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 14-02

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:00 a.m., February 28, 2014, in the Fund Office at 2211 York Road, Suite 400, Oak Brook, Illinois.

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

Ms. Enright called the roll:

Present: Henry, Kuehne, Piechocinski, Stafford, Stanish, Stulir, Copper

Ms. Thompson was present via teleconference.

Absent: None

Ms. Becker-Wold and Mr. Ball from Callan Associates, Mr. Moss from Seyfarth Shaw LLP, and representatives from Pensions and Investments and Loop Capital were also present.

(14-02-01)(4th Quarter Investment Performance Report) Ms. Becker-Wold of Callan Associates presented an evaluation of IMRF's investment performance for the period ending December 31, 2013.

The report was followed by discussion from Board Members.

(14-02-02) (Investment Manager Activities - Callan Associates) Mr. Ball of Callan Associates presented the following report to the Board on the activities of IMRF's investment managers:

January 31, 2014



**Illinois Municipal
Retirement Fund
Monthly Performance Report**

**Investment Measurement Service
Monthly Review**

Major Market Returns

Returns

for Periods Ended January 31, 2014

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	(3.13)	(3.13)	22.52	14.17	20.13	7.51
Russell:1000 Index	(3.19)	(3.19)	22.23	14.14	19.84	7.23
Russell:Midcap Index	(1.95)	(1.95)	23.68	14.32	23.77	9.69
Russell:2000 Index	(2.77)	(2.77)	27.03	14.69	22.26	8.31
MSCI:ACWI ex-US (Net)	(4.54)	(4.54)	5.75	3.19	13.86	6.90
MSCI:EAFE US\$	(4.03)	(4.03)	11.93	5.87	13.84	6.32
MSCI:Emer Markets	(6.47)	(6.47)	(9.85)	(3.03)	15.13	10.40
Barclays:Aggregate Index	1.48	1.48	0.12	3.73	4.93	4.62
NCREIF: ODCE Index	1.05	1.05	14.15	13.51	4.93	7.19
NAREIT Equity Index	4.14	4.14	2.86	9.74	22.00	8.40

Markets generally declined in January after four straight months of gains. Foreign equities continue to lag domestic equities with the Dow Jones Total Stock Market Index and MSCI ACWI ex-U.S. Index declining 3.1% and 4.5%, respectively. Domestic fixed income was the bright spot in this down market as the Barclays Aggregate posted its best return since July of 2011 (+1.5%).

The Fed remains committed to winding down its quantitative easing program. Over the last two months, the Fed has reduced its bond purchases by \$20 billion (reduction of \$10 billion at each meeting). In his last statements as Chairman, Ben Bernanke indicated that, dependent on the health of the economy, tapering of the program would continue in measured steps until the goal of shelving the program is reached. The Fed mirrored December's policy statement with regard to keeping short term interest rates near zero well into the future.

The overall economy appears to be improving, but job growth slowed significantly in January. The U.S. economy added 113,000 jobs this month much lower than the 178,000 expected by economists. However, the unemployment rate slightly improved, falling from 6.7% to 6.6%, while, the labor force participation rate edged up to 63.0%. Fourth quarter GDP growth was 3.2%, down from last quarter's impressive 4.1%.

*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

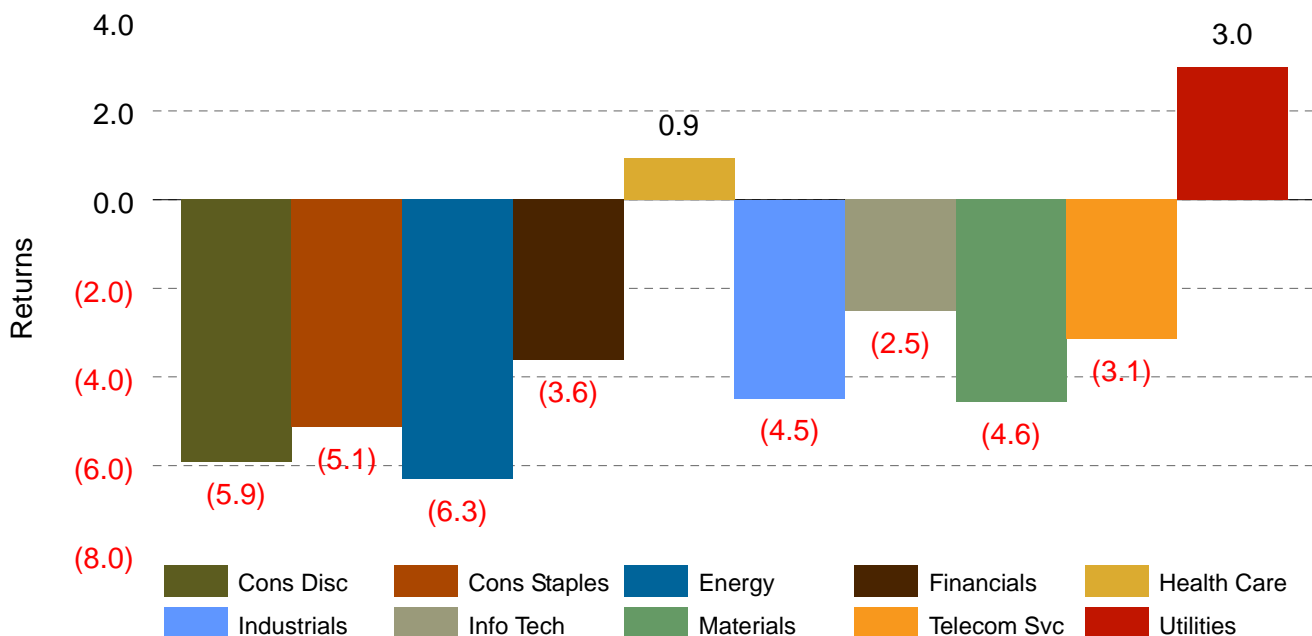
for Periods Ended January 31, 2014

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	(3.13)	(3.13)	22.52	14.17	20.13	7.51
Russell:1000 Index	(3.19)	(3.19)	22.23	14.14	19.84	7.23
Russell:1000 Growth	(2.85)	(2.85)	24.35	14.37	20.88	7.30
Russell:1000 Value	(3.55)	(3.55)	20.02	13.82	18.69	7.01
Russell:Midcap Index	(1.95)	(1.95)	23.68	14.32	23.77	9.69
Russell:2000 Index	(2.77)	(2.77)	27.03	14.69	22.26	8.31
Russell:2000 Growth	(1.73)	(1.73)	32.13	16.36	24.10	8.66
Russell:2000 Value	(3.87)	(3.87)	22.04	12.97	20.37	7.81

U.S. stocks yielded their first month of negative performance since August of last year. The Dow Jones Total Stock Market Index returned -3.1% in January pulling the trailing twelve-month return down to 22.5%. The only positive performance for the quarter came from two defensive sectors, Utilities (+3.0%) and Health Care (+0.9%). All other sectors were negative with Consumer Discretionary (-5.9%) and Energy (-6.3%) taking up the rear.

In the small cap space growth outpaced value (Russell 2000 Growth: -1.7%; Russell 2000 Value: -3.9%). Over the last year, small cap stocks (Russell 2000 Index) beat large (Russell 1000 Index) and mid cap (Russell Midcap Index) stocks by 4.8% and 3.4%, respectively.

S&P 500 Sector Returns for Month Ended January 31, 2014



Returns
for Periods Ended January 31, 2014

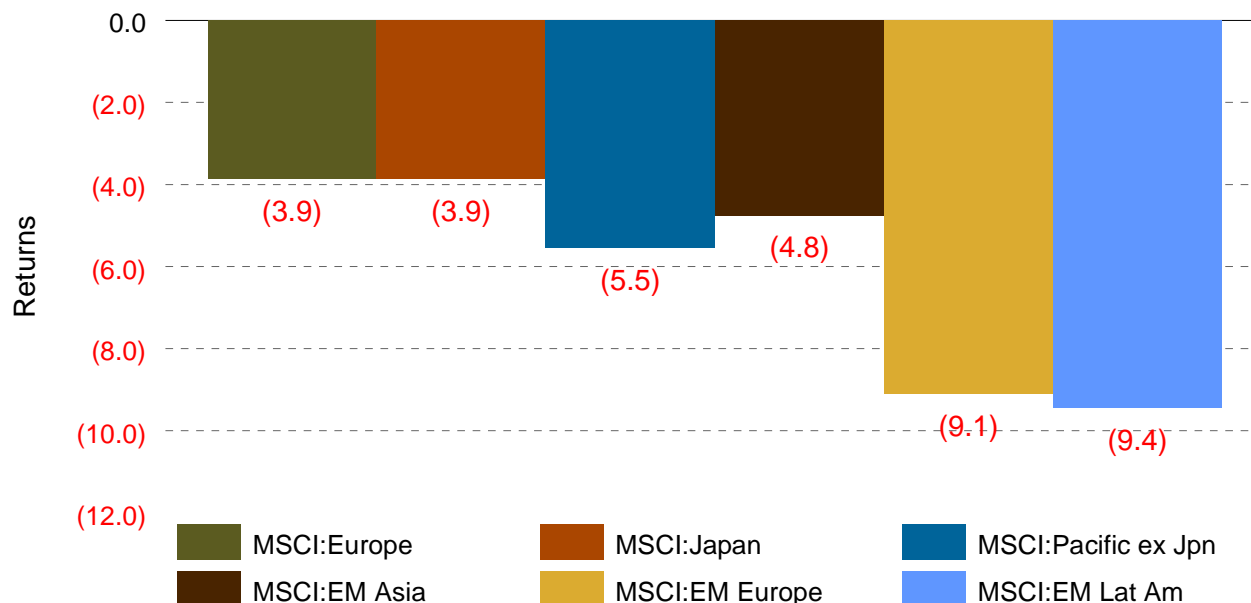
Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
MSCI:ACWI ex-US (Net)	(4.54)	(4.54)	5.75	3.19	13.86	6.90
MSCI:ACWI ex US Gr	(4.76)	(4.76)	6.53	3.77	13.96	6.95
MSCI:ACWI ex US Val	(4.29)	(4.29)	5.81	3.50	14.76	7.73
MSCI:EAFE US\$	(4.03)	(4.03)	11.93	5.87	13.84	6.32
MSCI:EAFE Hedged	(3.42)	(3.42)	12.54	4.38	9.03	3.30
MSCI:Emer Markets	(6.47)	(6.47)	(9.85)	(3.03)	15.13	10.40
MSCI:ACWI ex-US Sm Cap (Net)	(1.93)	(1.93)	12.55	4.41	19.71	9.46

International equities (MSCI ACWI ex-U.S. Index) continued to trail U.S. equities in January, falling 4.5%. Over the last year foreign stocks underperformed domestic stocks (DJTSMI) by 16.8%. Small caps (MSCI ACWI ex-U.S. Small Cap (Net): -1.9%) led the broader market. The dollar strengthened against a basket of foreign currencies during the month as U.S. dollar returns (-4.0%) underperformed hedged returns (-3.4%).

Major international regional performance was negative across the board. Europe and Japan both fell 3.9%, but led all other regions. Emerging markets in Europe and Latin America were the worst performers, falling 9.1% and 9.4%, respectively.

Emerging markets as a whole fell another 6.5% in January, pushing performance over the trailing year further into the red (-9.9%). Over the last ten years, emerging markets outpaced domestic (DJTSMI) and developed international equities (MSCI EAFE) by 2.9% and 4.1%, respectively.

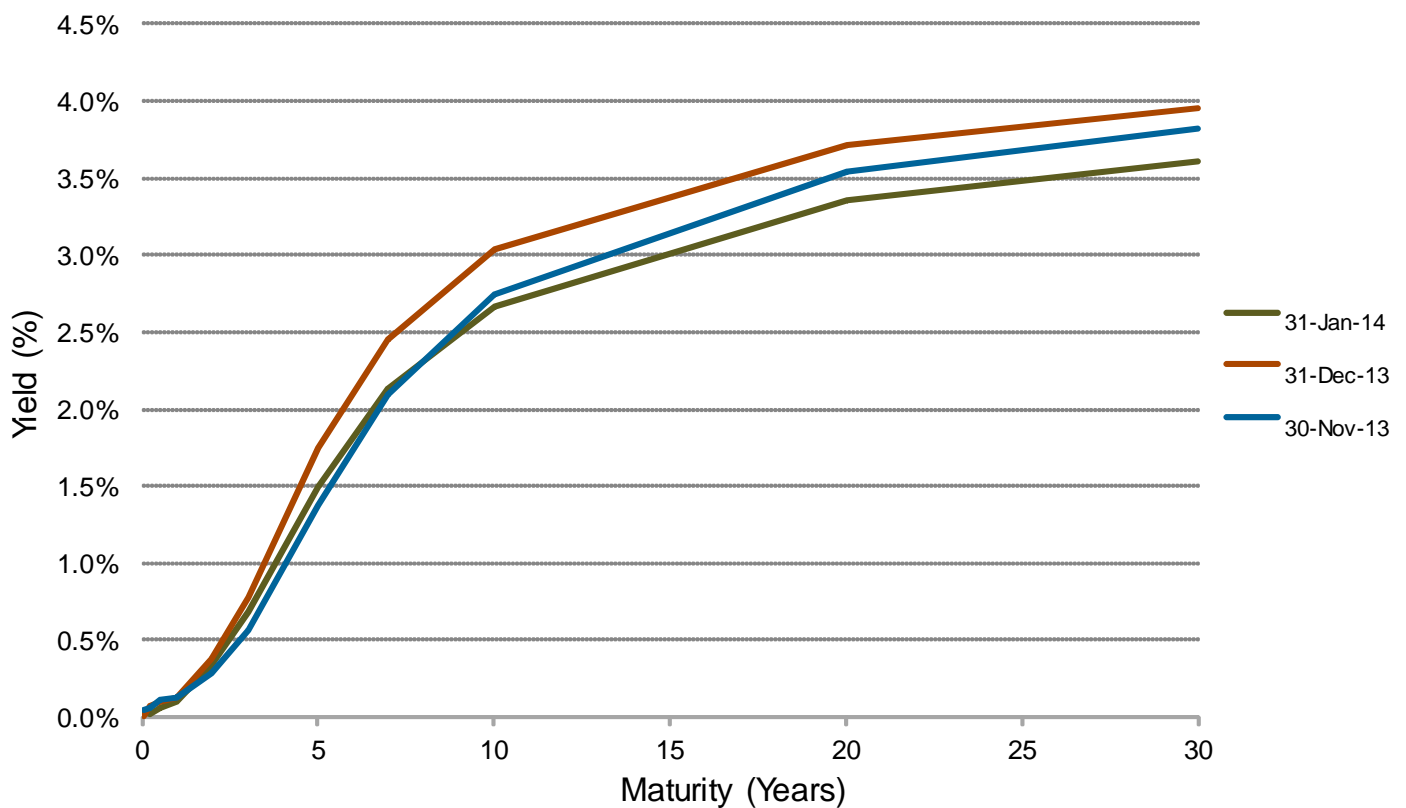
Regional Returns for Month Ended January 31, 2014



Returns
for Periods Ended January 31, 2014

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Barclays:Aggregate Index	1.48	1.48	0.12	3.73	4.93	4.62
Barclays:Govt Index	1.31	1.31	(0.57)	3.15	3.04	4.19
Barclays:Credit	1.68	1.68	0.51	5.62	8.25	5.30
Barclays:Mortgage Idx	1.56	1.56	0.63	2.94	3.98	4.71
Barclays:US TIPS Index	1.98	1.98	(6.17)	4.16	5.69	4.94
ML:High Yield CP Idx	0.74	0.74	6.74	8.53	17.41	8.30
3 Month T-Bill	0.01	0.01	0.08	0.10	0.13	1.67

Treasury Yield Curve

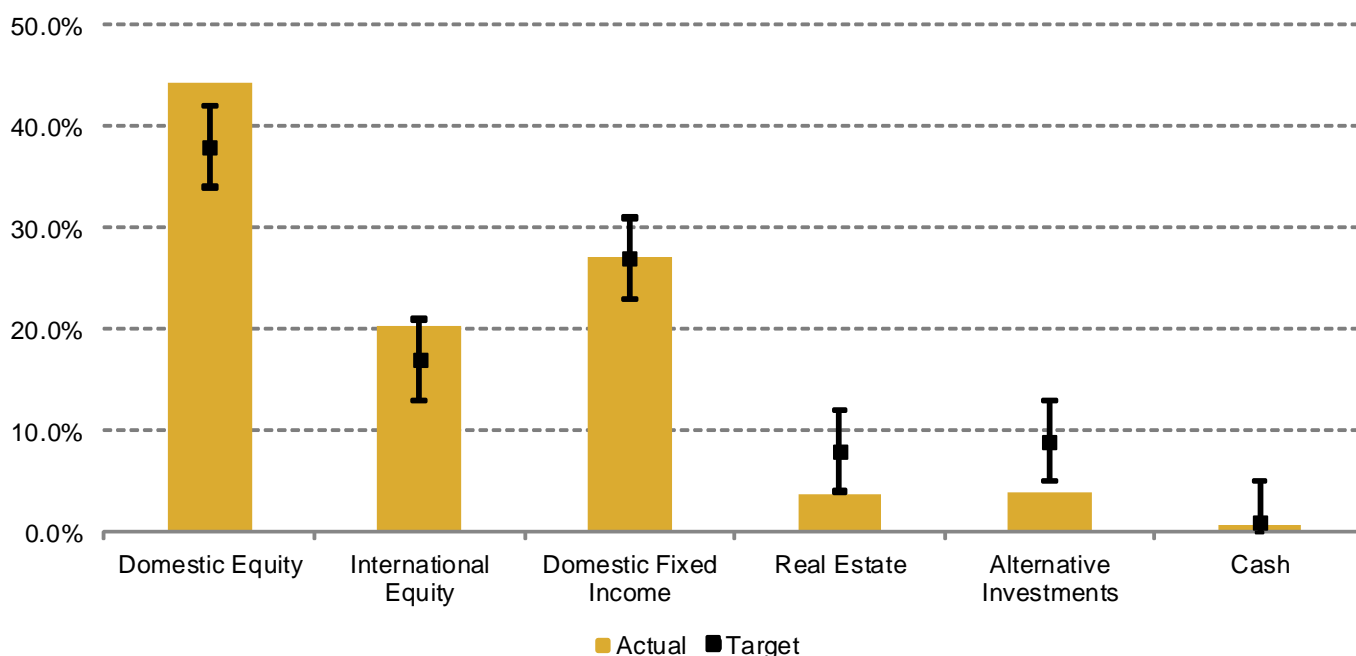


The fixed income market rose in January (Barclays Aggregate Bond Index: 1.5%) just bringing performance over the trailing year into positive territory (+0.1%). The yield curve fell with yields on 10-year Treasury declining from 3.0% to 2.7%. After two months of negative performance, TIPS had a reversal of fortunes and led all other bond market sectors (+2.0). The credit and mortgage sectors also outperformed the aggregate: gaining 1.7% and 1.6%, respectively. High yield credit lagged the rest of the market this month, returning 0.7%.

Total Fund

Total Fund assets at the end of January were \$32.50 billion, down from \$33.15 billion at the end of December. The Fund fell 1.82% for the month, underperforming the benchmark return by 41 basis points. Domestic and international equity beat their respective benchmarks. Over the last year, the fund is up 14.29% exceeding the benchmark by 3.14%.

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 January 31, domestic equity exceeded its target allocation by 6.2%. All other asset classes were within the allowable range. The Chief Investment Officer and Consultant do not recommend any rebalancing at this time.



U.S. Equity

Large Cap: In aggregate, the Fund's large cap managers lost 2.87%, but led the Russell 1000 Index by 0.32%. Growth outperformed value with a return of -2.13% and outperformed the Russell 1000 Growth Index by 72 basis points. Sands was the best performing manager with a return of -0.41%. Value portfolios collectively returned -3.37%, outperforming their benchmark by 18 basis points for the month. BMO was the best performing value manager with a return of -2.79%. The Large Cap Active Core segment fell 3.11%, beating the Dow Jones U.S. Total Stock Market Index's return of -3.13%.

Small Cap: The Small Cap portfolio returned -3.25%, underperforming the Russell 2000 Index by 0.48%. Small Cap Growth and Value returned -2.03% and -4.89%, respectively. Frontier was the best performing small cap growth manager and Channing was the best in value. The Micro Cap segment returned -2.26% in January. Wall Street was the top performer in the micro-cap segment only falling 0.71% for the month.

International Equity

Large Cap: The IMRF international equity composite lagged its U.S. equity counterpart. International Large Cap managers retreated 3.88%. This return was 66 basis points ahead of the MSCI ACWI ex-U.S. Index. International Large Cap Growth returned -4.77% with William Blair performing best (-4.16%). International Large Cap Value returned -3.47% for the month. Brandes (-2.93%) led all other value managers with significant assets. The Large Cap Active Core Group fell by 3.14% in January with Brown providing the strongest performance (-2.04%).

International Small Cap and Emerging Markets: The International Small Cap managers returned -1.68% and outperformed the ACWI Small Cap ex-U.S. Index by 25 basis points. The emerging markets portfolio, managed by Genesis, fell 5.83% during January, but outperformed the MSCI Emerging Markets Index by 64 basis points.

Domestic Fixed Income

The total fixed income portfolio returned 1.41% (behind the BC Aggregate Index return of 1.48%) as yields fell from the prior month. The active core segment was the best performer, rising 1.57%.

Active Core: The active core fixed income component, which consists of EARNEST Partners and Piedmont, rose 1.57%, outperforming the BC Aggregate Index by 9 basis points.

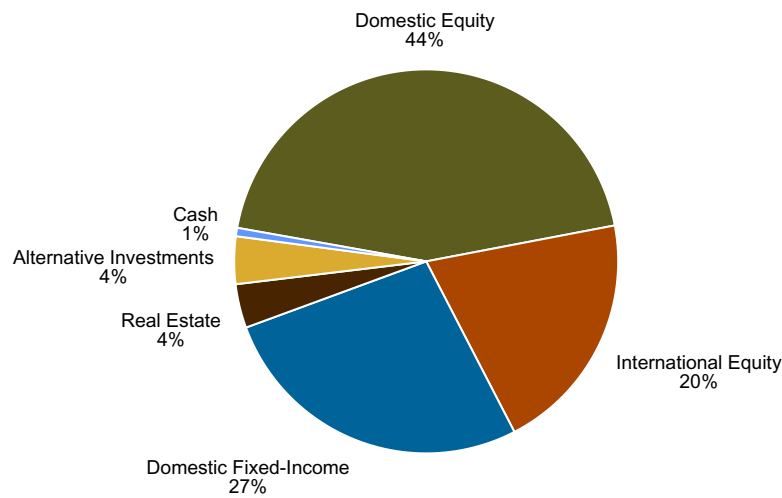
Core Plus: The core plus managers returned 1.49%, leading the Barclays Aggregate Index by 1 basis point. Western outperformed the other managers, rising 1.64%, while LM Capital underperformed (+1.12%).

High Yield: The high yield component gained 0.63% in January, trailing the ML High Yield Cash Pay Index (+0.74%). McKay Shields outperformed Pyramis returning 0.78% and 0.48%, respectively.

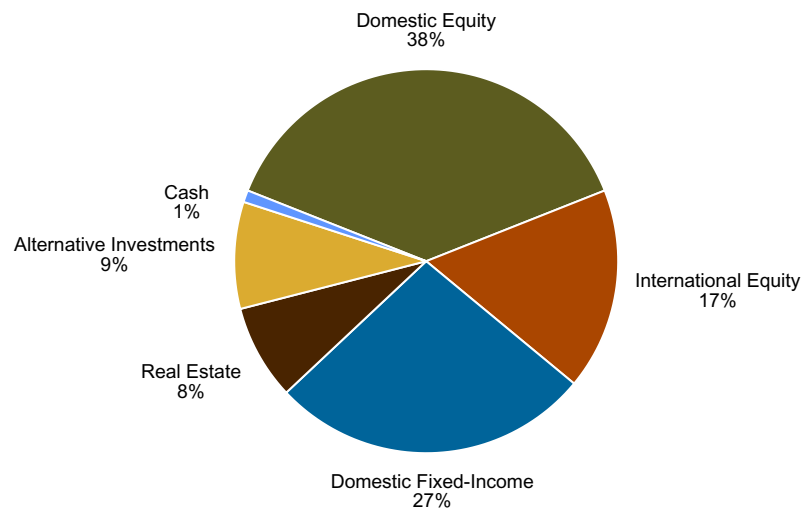
Actual vs Target Asset Allocation

The first chart below shows the Fund's asset allocation as of January 31, 2014. 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	14,379	44.2%	38.0%	6.2%	2,028
International Equity	6,632	20.4%	17.0%	3.4%	1,107
Domestic Fixed-Income	8,788	27.0%	27.0%	0.0%	13
Real Estate	1,199	3.7%	8.0%	(4.3%)	(1,401)
Alternative Investments	1,289	4.0%	9.0%	(5.0%)	(1,636)
Cash	213	0.7%	1.0%	(0.3%)	(112)
Total	32,502	100.0%	100.0%		

* Current Month Target = 38.0% US Total Stock Market Idx, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI x US (Net), 9.0% 9% Annually, 8.0% NFI-ODCE Value Weight Gr+1.0% 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 January 31, 2014, with the distribution as of December 31, 2013.

Asset Distribution Across Investment Managers

	January 31, 2014		December 31, 2013	
	Market Value	Percent	Market Value	Percent
Domestic Equity	\$14,379,061,869	44.24%	\$14,871,025,733	44.86%
Large Cap Growth				
BlackRock LCG	557,161,092	1.71%	572,177,606	1.73%
Holland	984,737,205	3.03%	1,016,569,717	3.07%
NTGI S&P 500 Growth Idx	693,201,513	2.13%	714,304,022	2.15%
Sands	1,183,799,185	3.64%	1,188,655,802	3.59%
Vision	151,194,446	0.47%	156,153,659	0.47%
Large Cap Value				
Dodge & Cox	1,000,450,519	3.08%	1,032,778,684	3.12%
BMO	1,036,085,575	3.19%	1,065,787,706	3.22%
LSV	1,037,580,120	3.19%	1,078,034,943	3.25%
NTGI S&P 500 Value Idx	670,836,460	2.06%	698,778,802	2.11%
Large Cap Core				
Progress	387,337,668	1.19%	399,769,806	1.21%
NTGI MarketCap Index	2,627,459,984	8.08%	2,762,584,902	8.33%
Small Cap Growth				
Fortaleza	44,871,909	0.14%	45,558,464	0.14%
Frontier	736,945,735	2.27%	743,090,406	2.24%
Pyramis	756,141,993	2.33%	781,130,850	2.36%
Small Cap Value				
Channing	157,398,839	0.48%	163,884,335	0.49%
Dimensional Small Cap Value	636,853,378	1.96%	671,601,701	2.03%
Inv. Counselors of Maryland	695,064,623	2.14%	729,899,730	2.20%
Lombardia	149,700,466	0.46%	157,863,242	0.48%
Micro Cap				
Ariel	93,625,375	0.29%	96,618,546	0.29%
Ativo	46,489,861	0.14%	48,900,364	0.15%
Dimensional Micro Cap	282,064,823	0.87%	293,582,681	0.89%
Wall Street	450,061,102	1.38%	453,299,763	1.37%
International Equity	\$6,632,468,812	20.41%	\$6,900,839,429	20.82%
International Large Cap Growth				
EARNEST Partners	516,251,691	1.59%	545,939,588	1.65%
McKinley	44,485	0.00%	45,455	0.00%
William Blair	571,342,635	1.76%	596,137,848	1.80%
International Large Cap Value				
Brandes	500,137,253	1.54%	515,209,005	1.55%
Lombardia	32,835,785	0.10%	33,445,755	0.10%
Mondrian	463,606,072	1.43%	482,257,959	1.45%
Lazard	91,325,412	0.28%	96,082,443	0.29%
International Large Cap Core				
Arrowstreet	499,406,871	1.54%	514,916,949	1.55%
Brown	257,630,362	0.79%	262,996,207	0.79%
GlobeFlex	478,547,864	1.47%	497,690,978	1.50%
NTGI MSCI EAFE Index	2,342,523,897	7.21%	2,440,962,809	7.36%
International Small Cap				
Franklin Templeton	182,711,940	0.56%	185,866,281	0.56%
William Blair	220,316,270	0.68%	224,060,694	0.68%

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 January 31, 2014, with the distribution as of December 31, 2013.

Asset Distribution Across Investment Managers

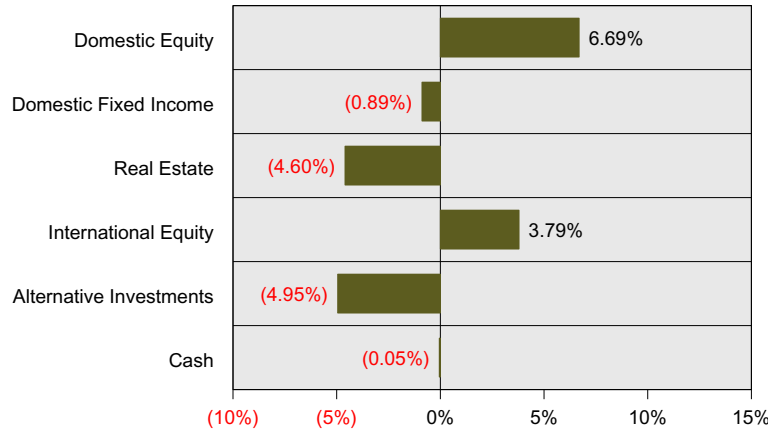
	January 31, 2014		December 31, 2013	
	Market Value	Percent	Market Value	Percent
Emerging Markets				
Genesis	475,788,274	1.46%	505,227,458	1.52%
Domestic Fixed-Income	\$8,788,426,736	27.04%	\$8,666,473,743	26.14%
Domestic Fixed Core				
EARNEST Partners	537,057,566	1.65%	528,345,127	1.59%
Piedmont	531,604,681	1.64%	523,845,531	1.58%
Passive Core				
BlackRock US Debt	1,287,973,961	3.96%	1,268,630,610	3.83%
NTGI BC Aggregate Index	1,398,831,982	4.30%	1,377,271,202	4.15%
Domestic Fixed Core Plus				
BlackRock Core Plus	716,751,705	2.21%	705,384,090	2.13%
LM Capital	834,807,086	2.57%	825,523,136	2.49%
Progress Fixed Income	433,417,972	1.33%	426,831,817	1.29%
Taplin, Canida, & Habacht	826,427,935	2.54%	814,036,055	2.46%
Western	1,112,260,038	3.42%	1,094,269,835	3.30%
High Yield				
MacKay Shields	545,475,687	1.68%	541,231,474	1.63%
Pyramis High Yield	563,818,122	1.73%	561,104,867	1.69%
Real Estate	\$1,199,012,369	3.69%	\$1,050,558,449	3.17%
Real Estate Core				
TA Buckhead Ind. Prop.	254,017,631	0.78%	254,455,663	0.77%
Cornerstone Patriot	114,420,106	0.35%	108,170,106	0.33%
INVESCO Core RE	122,255,520	0.38%	98,003,672	0.30%
AEW Core Property Trust	126,568,474	0.39%	48,802,111	0.15%
Real Estate Non-Core				
Franklin Templeton EMREFF	41,621,760	0.13%	41,275,841	0.12%
Olympus Real Estate Fund II	330,536	0.00%	330,536	0.00%
Security Capital	50,487,649	0.16%	50,487,649	0.15%
Dune II	42,094,395	0.13%	42,094,395	0.13%
Non-Core Real Estate Funds*	250,688,444	0.77%	239,394,874	0.72%
Rockwood Fund VIII	29,460,018	0.09%	28,681,889	0.09%
Almanac ARS V	30,006,681	0.09%	38,128,316	0.12%
TA Fund IX	48,233,397	0.15%	48,233,397	0.15%
Alternative Investments	\$1,289,462,013	3.97%	\$1,346,644,201	4.06%
Absolute Return				
Aurora	539,415,426	1.66%	575,815,426	1.74%
Mesirow	976,251	0.00%	979,451	0.00%
Private Equity				
Abbott	288,483,430	0.89%	292,104,446	0.88%
Muller & Monroe ILPEFF	11,236,735	0.03%	12,607,984	0.04%
Muller & Monroe MPEFF	16,638,360	0.05%	16,638,360	0.05%
Pantheon	175,356,665	0.54%	175,373,814	0.53%
Private Equity Fund - Domestic	46,389,264	0.14%	45,444,950	0.14%
Agriculture				
Cozad/Westchester	143,959,319	0.44%	160,673,206	0.48%
Timberland				
Forest Investment Assoc.	67,006,564	0.21%	67,006,564	0.20%
Cash	\$213,272,993	0.66%	\$314,708,565	0.95%
Total Fund	\$32,501,704,792	100.0%	\$33,150,250,121	100.0%

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

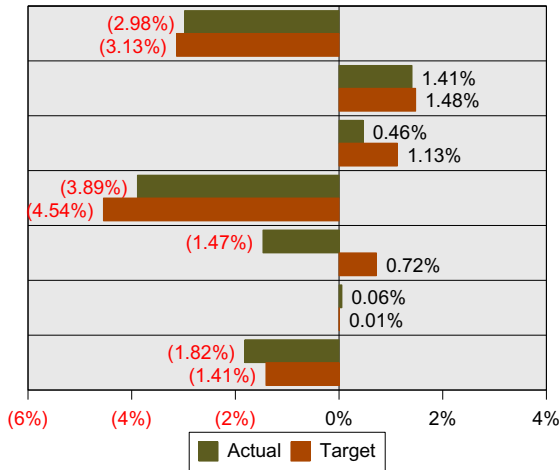
Monthly Total Fund Relative Attribution - January 31, 2014

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.

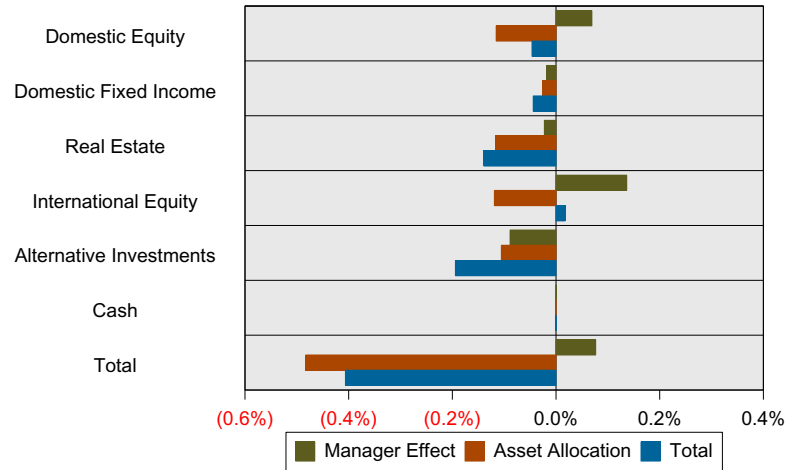
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Month ended January 31, 2014

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	45%	38%	(2.98%)	(3.13%)	0.07%	(0.12%)	(0.05%)
Domestic Fixed Income	26%	27%	1.41%	1.48%	(0.02%)	(0.03%)	(0.04%)
Real Estate	3%	8%	0.46%	1.13%	(0.02%)	(0.12%)	(0.14%)
International Equity	21%	17%	(3.89%)	(4.54%)	0.14%	(0.12%)	0.02%
Alternative Investments	4%	9%	(1.47%)	0.72%	(0.09%)	(0.11%)	(0.19%)
Cash	1%	1%	0.06%	0.01%	0.00%	(0.00%)	(0.00%)
Total			(1.82%)	(1.41%)	+ 0.08%	+ (0.48%)	(0.41%)

* Current Month Target = 38.0% US Total Stock Market Idx, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI x US (Net), 9.0% 9% Annually, 8.0% NFI-ODCE Value Weight Gr+1.0% 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 January 31, 2014

	Last Month	Last 3 Months	Last 12 Months
Domestic Equity (12/31/81)	(2.98%)	3.41%	26.33%
DJ U.S. Total Stock Market Index	(3.13%)	2.31%	22.52%
Domestic Equity - Net (12/31/04)	(3.02%)	3.33%	26.03%
International Equity (08/31/86)	(3.89%)	(2.27%)	10.38%
MSCI ACWI x US (Net)	(4.54%)	(3.54%)	5.75%
International Equity - Net (12/31/04)	(3.91%)	(2.37%)	10.07%
Domestic Fixed-Income (12/31/81)	1.41%	0.81%	1.08%
BC Aggregate Index	1.48%	0.53%	0.12%
Domestic Fixed-Inc. - Net (12/31/04)	1.39%	0.77%	0.93%
Real Estate (04/30/85)	0.46%	2.81%	10.02%
Blended Benchmark**	1.13%	3.41%	15.15%
Real Estate - Net (12/31/04)	0.46%	2.81%	9.99%
Alternative Investments (01/31/86)	(1.47%)	3.21%	10.75%
Alternatives Custom Benchmark***	0.72%	2.18%	9.00%
Alternative Investments - Net (12/31/04)	(1.48%)	3.08%	10.47%
Absolute Return (12/31/01)	0.00%	1.99%	7.58%
HFR Fund-of-Funds Index	(0.62%)	1.51%	5.77%
Private Equity (01/31/86)	(0.56%)	3.00%	13.52%
Alternatives Custom Benchmark***	0.72%	2.18%	9.00%
Agriculture (09/30/97)	(10.40%)	10.03%	12.58%
Blended Benchmark**	1.13%	3.41%	15.15%
Timberland (09/30/92)	0.00%	(0.25%)	9.41%
Blended Benchmark**	1.13%	3.41%	15.15%
Total Fund (12/31/81)	(1.82%)	1.48%	14.29%
Total Fund Benchmark	(1.41%)	0.84%	11.15%
Total Fund - Net (12/31/04)	(1.84%)	1.40%	14.05%

* Current Month Target = 38.0% US Total Stock Market Idx, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI x US (Net), 9.0% 9% Annually, 8.0% NFI-ODCE Value Weight Gr+1.0% 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 January 31, 2014

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Equity (12/31/81)	15.13%	21.42%	8.28%	11.76%
DJ U.S. Total Stock Market Index	14.17%	20.13%	7.51%	11.27%
Domestic Equity - Net (12/31/04)	14.85%	21.12%	-	7.50%
International Equity (08/31/86)	6.18%	15.73%	7.77%	8.29%
MSCI ACWI x US (Net)	3.19%	13.86%	6.90%	-
International Equity - Net (12/31/04)	5.85%	15.38%	-	6.07%
Domestic Fixed-Income (12/31/81)	5.05%	7.86%	5.54%	8.97%
BC Aggregate Index	3.73%	4.93%	4.62%	8.34%
Domestic Fixed-Inc. - Net (12/31/04)	4.87%	7.70%	-	5.41%
Real Estate (04/30/85)	11.84%	3.21%	6.01%	4.55%
Blended Benchmark**	13.89%	8.02%	7.10%	7.61%
Real Estate - Net (12/31/04)	11.65%	3.10%	-	5.52%
Alternative Investments (01/31/86)	7.54%	6.30%	8.36%	10.89%
Alternatives Custom Benchmark***	9.00%	9.84%	10.92%	13.45%
Alternative Investments - Net (12/31/04)	7.30%	6.01%	-	7.69%
Absolute Return (12/31/01)	2.87%	5.88%	4.22%	4.75%
HFR Fund-of-Funds Index	2.14%	4.54%	3.13%	3.81%
Private Equity (01/31/86)	10.35%	6.58%	11.56%	12.96%
Alternatives Custom Benchmark***	9.00%	9.84%	10.92%	13.45%
Agriculture (09/30/97)	16.14%	9.97%	10.99%	7.59%
Blended Benchmark**	13.89%	8.02%	7.10%	7.12%
Timberland (09/30/92)	2.87%	1.59%	4.36%	8.71%
Blended Benchmark**	13.89%	8.02%	7.10%	7.23%
Total Fund (12/31/81)	9.82%	14.56%	7.78%	10.26%
Total Fund Benchmark	8.73%	13.09%	7.02%	-
Total Fund - Net (12/31/04)	9.57%	14.31%	-	7.12%

* Current Month Target = 38.0% US Total Stock Market Idx, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI x US (Net), 9.0% 9% Annually, 8.0% NFI-ODCE Value Weight Gr+1.0% 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 January 31, 2014

	Last Month	Last 3 Months	Last 12 Months
Large Cap Equity (12/31/81)	(2.87%)	3.35%	24.86%
Russell 1000 Index	(3.19%)	2.21%	22.23%
Large Cap Growth (12/31/81)	(2.13%)	4.28%	26.74%
BlackRock LCG (07/31/11)	(2.62%)	6.19%	25.85%
LCG Blended Benchmark*	(2.85%)	2.74%	24.35%
Russell 1000 Growth Index	(2.85%)	2.74%	24.35%
BlackRock LCG - Net (07/31/11)	(2.62%)	6.13%	25.50%
Holland (10/31/94)	(3.13%)	3.79%	22.35%
LCG Blended Benchmark*	(2.85%)	2.74%	24.35%
Russell 1000 Growth Index	(2.85%)	2.74%	24.35%
Holland - Net (12/31/04)	(3.18%)	3.73%	22.10%
NTGI S&P 500 Growth Idx (07/31/01)	(2.95%)	3.02%	24.05%
S&P/Citi 500 Growth Index	(2.95%)	2.92%	23.95%
NTGI S&P 500 Growth Idx - Net (12/31/04)	(2.95%)	3.02%	24.04%
Sands (10/31/03)	(0.41%)	4.85%	34.96%
LCG Blended Benchmark*	(2.85%)	2.74%	24.35%
Russell 1000 Growth Index	(2.85%)	2.74%	24.35%
Sands - Net (12/31/04)	(0.41%)	4.79%	34.81%
Vision (06/30/11)	(3.18%)	2.10%	18.12%
LCG Blended Benchmark*	(2.85%)	2.74%	24.35%
Russell 1000 Growth Index	(2.85%)	2.74%	24.35%
Vision - Net (06/30/11)	(3.25%)	1.96%	17.64%
Large Cap Value (09/30/82)	(3.37%)	3.23%	24.85%
Dodge & Cox (08/31/03)	(3.13%)	3.85%	27.63%
LCV Blended Benchmark**	(3.55%)	1.65%	20.02%
Russell 1000 Value Index	(3.55%)	1.65%	20.02%
Dodge & Cox - Net (12/31/04)	(3.18%)	3.79%	27.39%
BMO (01/31/01)	(2.79%)	4.18%	24.55%
LCV Blended Benchmark**	(3.55%)	1.65%	20.02%
Russell 1000 Value Index	(3.55%)	1.65%	20.02%
BMO - Net (12/31/04)	(2.79%)	4.12%	24.29%
LSV (01/31/03)	(3.75%)	3.22%	27.19%
LCV Blended Benchmark**	(3.55%)	1.65%	20.02%
Russell 1000 Value Index	(3.55%)	1.65%	20.02%
LSV - Net (12/31/04)	(3.81%)	3.09%	26.81%
NTGI S&P 500 Value Idx (07/31/99)	(4.00%)	1.14%	19.30%
S&P/Citi 500 Value Index	(4.00%)	1.02%	18.97%
NTGI S&P 500 Value Idx - Net (12/31/04)	(4.00%)	1.14%	19.29%

* 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 January 31, 2014

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Equity (12/31/81)	14.97%	20.51%	7.67%	11.21%
Russell 1000 Index	14.14%	19.84%	7.23%	11.44%
Large Cap Growth (12/31/81)	15.63%	21.87%	8.01%	11.74%
BlackRock LCG (07/31/11)	-	-	-	12.98%
LCG Blended Benchmark*	14.37%	20.88%	7.17%	16.04%
Russell 1000 Growth Index	14.37%	20.88%	7.30%	16.04%
BlackRock LCG - Net (07/31/11)	-	-	-	12.70%
Holland (10/31/94)	14.47%	21.24%	7.83%	10.22%
LCG Blended Benchmark*	14.37%	20.88%	7.17%	9.42%
Russell 1000 Growth Index	14.37%	20.88%	7.30%	8.55%
Holland - Net (12/31/04)	14.17%	20.89%	-	7.26%
LCG Blended Benchmark*	14.37%	20.88%	7.17%	7.78%
Russell 1000 Growth Index	14.37%	20.88%	7.30%	7.96%
NTGI S&P 500 Growth Idx (07/31/01)	15.07%	19.79%	7.20%	5.36%
S&P/Citi 500 Growth Index	15.02%	19.72%	7.16%	5.31%
NTGI S&P 500 Growth Idx - Net (12/31/04)	15.06%	19.78%	-	7.39%
S&P/Citi 500 Growth Index	15.02%	19.72%	7.16%	7.78%
Sands (10/31/03)	21.33%	32.30%	11.64%	12.42%
LCG Blended Benchmark*	14.37%	20.88%	7.17%	8.11%
Russell 1000 Growth Index	14.37%	20.88%	7.30%	8.30%
Sands - Net (12/31/04)	21.09%	32.00%	-	10.54%
LCG Blended Benchmark*	14.37%	20.88%	7.17%	7.78%
Russell 1000 Growth Index	14.37%	20.88%	7.30%	7.96%
Vision (06/30/11)	-	-	-	13.56%
LCG Blended Benchmark*	14.37%	20.88%	7.17%	15.04%
Russell 1000 Growth Index	14.37%	20.88%	7.30%	15.04%
Vision - Net (06/30/11)	-	-	-	12.99%
Large Cap Value (09/30/82)	15.19%	19.80%	7.67%	10.38%
Dodge & Cox (08/31/03)	16.05%	21.52%	7.76%	9.33%
LCV Blended Benchmark**	13.82%	18.69%	6.81%	8.07%
Russell 1000 Value Index	13.82%	18.69%	7.01%	8.26%
Dodge & Cox - Net (12/31/04)	15.82%	21.26%	-	6.63%
LCV Blended Benchmark**	13.82%	18.69%	6.81%	6.33%
Russell 1000 Value Index	13.82%	18.69%	7.01%	6.48%
BMO (01/31/01)	15.65%	18.42%	8.80%	7.52%
LCV Blended Benchmark**	13.82%	18.69%	6.81%	4.65%
Russell 1000 Value Index	13.82%	18.69%	7.01%	5.75%
BMO - Net (12/31/04)	15.39%	18.14%	-	7.44%
LCV Blended Benchmark**	13.82%	18.69%	6.81%	6.33%
Russell 1000 Value Index	13.82%	18.69%	7.01%	6.48%
LSV (01/31/03)	16.30%	21.06%	8.82%	11.10%
LCV Blended Benchmark**	13.82%	18.69%	6.81%	8.97%
Russell 1000 Value Index	13.82%	18.69%	7.01%	9.02%
LSV - Net (12/31/04)	15.97%	20.71%	-	7.42%
LCV Blended Benchmark**	13.82%	18.69%	6.81%	6.33%
Russell 1000 Value Index	13.82%	18.69%	7.01%	6.48%
NTGI S&P 500 Value Idx (07/31/99)	12.97%	18.78%	6.50%	4.27%
S&P/Citi 500 Value Index	12.86%	18.70%	6.43%	4.25%
NTGI S&P 500 Value Idx - Net (12/31/04)	12.96%	18.77%	-	5.61%
S&P/Citi 500 Value Index	12.86%	18.70%	6.43%	5.91%

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

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

Large Cap Equity Returns

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

Returns for Periods Ended January 31, 2014

	Last Month	Last 3 Months	Last 12 Months
Large Cap Active Core (12/31/04)	(3.11%)	3.25%	22.83%
Progress (01/31/05)	(3.11%)	3.25%	23.87%
DJ U.S. Total Stock Market Index	(3.13%)	2.31%	22.52%
Progress - Net (01/31/05)	(3.27%)	2.85%	23.04%
Large Cap Passive Core (12/31/84)	(3.13%)	2.32%	22.63%
NTGI MarketCap Idx (01/31/85)	(3.13%)	2.32%	22.63%
DJ U.S. Total Stock Market Index	(3.13%)	2.31%	22.52%
NTGI MarketCap Idx - Net (12/31/04)	(3.13%)	2.32%	22.63%

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 January 31, 2014

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Active Core (12/31/04)	13.57%	19.01%	-	6.97%
Progress (01/31/05)	13.93%	19.24%	-	7.15%
DJ U.S. Total Stock Market Index	14.17%	20.13%	7.51%	7.17%
Progress - Net (01/31/05)	13.17%	18.48%	-	6.50%
Large Cap Passive Core (12/31/84)	14.24%	20.29%	7.40%	11.06%
NTGI MarketCap Idx (01/31/85)	14.24%	20.32%	7.41%	11.10%
DJ U.S. Total Stock Market Index	14.17%	20.13%	7.51%	11.06%
NTGI MarketCap Idx - Net (12/31/04)	14.23%	20.31%	-	6.99%
DJ U.S. Total Stock Market Index	14.17%	20.13%	7.51%	7.52%

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 January 31, 2014

	Last Month	Last 3 Months	Last 12 Months
Small Cap Equity (06/30/88)	(3.25%)	3.60%	30.74%
Russell 2000 Index	(2.77%)	3.12%	27.03%
Small Cap Growth (06/30/88)	(2.03%)	5.16%	31.41%
Fortaleza (11/30/06)	(1.51%)	3.08%	23.15%
Russell 2000 Growth Index	(1.73%)	4.40%	32.13%
Fortaleza - Net (11/30/06)	(1.63%)	2.96%	22.55%
Frontier (07/31/88)	(0.83%)	5.57%	34.13%
Russell 2000 Growth Index	(1.73%)	4.40%	32.13%
Frontier - Net (12/31/04)	(0.95%)	5.44%	33.49%
Pyramis (07/31/88)	(3.20%)	4.89%	29.38%
Russell 2000 Growth Index	(1.73%)	4.40%	32.13%
Pyramis - Net (12/31/04)	(3.32%)	4.67%	28.71%
Small Cap Value (08/31/89)	(4.89%)	1.04%	25.01%
Channing (06/30/11)	(3.96%)	0.92%	26.62%
Russell 2000 Value Index	(3.87%)	1.77%	22.04%
Channing - Net (06/30/11)	(4.08%)	0.70%	25.87%
DFA Small Cap Value (01/31/96)	(5.17%)	2.07%	27.17%
Russell 2000 Value Index	(3.87%)	1.77%	22.04%
DFA Small Cap Value - Net (12/31/04)	(5.17%)	1.95%	26.57%
Inv. Counselors of Maryland (04/30/99)	(4.77%)	0.38%	22.67%
Russell 2000 Value Index	(3.87%)	1.77%	22.04%
Inv. Couns. of Maryland - Net (12/31/04)	(4.77%)	0.29%	22.34%
Lombardia (05/31/11)	(5.17%)	(0.07%)	25.68%
Russell 2000 Value Index	(3.87%)	1.77%	22.04%
Lombardia - Net (05/31/11)	(5.34%)	(0.25%)	24.85%
Micro Cap (06/30/84)	(2.26%)	5.86%	41.41%
Ariel (10/31/10)	(3.10%)	1.95%	33.24%
Russell 2000 Value Index	(3.87%)	1.77%	22.04%
Russell 2000 Index	(2.77%)	3.12%	27.03%
Russell Microcap Index	(0.56%)	7.77%	36.67%
Ariel - Net (10/31/10)	(3.30%)	1.74%	32.20%
Ativo (09/30/10)	(4.93%)	5.06%	41.51%
Russell 2000 Growth Index	(1.73%)	4.40%	32.13%
Russell 2000 Index	(2.77%)	3.12%	27.03%
Russell Microcap Index	(0.56%)	7.77%	36.67%
Ativo - Net (09/30/10)	(5.12%)	4.67%	40.45%
DFA Micro Cap (07/31/87)	(3.92%)	3.12%	31.53%
Russell 2000 Value Index	(3.87%)	1.77%	22.04%
Russell 2000 Index	(2.77%)	3.12%	27.03%
DFA Micro Cap - Net (12/31/04)	(3.92%)	2.99%	30.91%
Wall Street (07/31/90)	(0.71%)	8.63%	50.39%
Russell 2000 Growth Index	(1.73%)	4.40%	32.13%
Russell 2000 Index	(2.77%)	3.12%	27.03%
Wall Street - Net (12/31/04)	(0.90%)	8.23%	49.29%

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 January 31, 2014

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Small Cap Equity (06/30/88)	15.52%	25.22%	11.22%	13.04%
Russell 2000 Index	14.69%	22.26%	8.31%	10.03%
Small Cap Growth (06/30/88)	14.76%	24.48%	11.55%	13.71%
Fortaleza (11/30/06)	15.34%	22.10%	-	7.22%
Russell 2000 Growth Index	16.36%	24.10%	8.66%	8.67%
Fortaleza - Net (11/30/06)	14.73%	21.49%	-	6.68%
Frontier (07/31/88)	14.20%	24.68%	10.95%	13.81%
Russell 2000 Growth Index	16.36%	24.10%	8.66%	8.05%
Frontier - Net (12/31/04)	13.65%	23.85%	-	10.10%
Russell 2000 Growth Index	16.36%	24.10%	8.66%	8.92%
Pyramis (07/31/88)	15.11%	25.33%	12.83%	14.28%
Russell 2000 Growth Index	16.36%	24.10%	8.66%	8.05%
Pyramis - Net (12/31/04)	14.47%	24.64%	-	11.46%
Russell 2000 Growth Index	16.36%	24.10%	8.66%	8.92%
Small Cap Value (08/31/89)	14.58%	24.54%	10.18%	12.60%
Channing (06/30/11)	-	-	-	16.99%
Russell 2000 Value Index	12.97%	20.37%	7.81%	13.60%
Channing - Net (06/30/11)	-	-	-	16.16%
DFA Small Cap Value (01/31/96)	15.50%	27.14%	10.30%	13.45%
Russell 2000 Value Index	12.97%	20.37%	7.81%	10.27%
DFA Small Cap Value - Net (12/31/04)	14.96%	26.53%	-	8.38%
Russell 2000 Value Index	12.97%	20.37%	7.81%	6.87%
Inv. Counselors of Maryland (04/30/99)	13.74%	23.06%	9.97%	12.73%
Russell 2000 Value Index	12.97%	20.37%	7.81%	10.40%
Inv. Couns. of Maryland - Net (12/31/04)	13.29%	22.50%	-	8.24%
Russell 2000 Value Index	12.97%	20.37%	7.81%	6.87%
Lombardia (05/31/11)	-	-	-	12.87%
Russell 2000 Value Index	12.97%	20.37%	7.81%	12.10%
Lombardia - Net (05/31/11)	-	-	-	12.13%
Micro Cap (06/30/84)	18.55%	27.52%	9.66%	12.86%
Ariel (10/31/10)	17.55%	-	-	19.22%
Russell 2000 Value Index	12.97%	20.37%	7.81%	15.61%
Russell 2000 Index	14.69%	22.26%	8.31%	17.32%
Russell Microcap Index	16.71%	23.61%	6.27%	19.38%
Ariel - Net (10/31/10)	16.60%	-	-	18.26%
Ativo (09/30/10)	17.13%	-	-	19.45%
Russell 2000 Growth Index	16.36%	24.10%	8.66%	19.97%
Russell 2000 Index	14.69%	22.26%	8.31%	18.27%
Russell Microcap Index	16.71%	23.61%	6.27%	20.82%
Ativo - Net (09/30/10)	16.22%	-	-	18.54%
DFA Micro Cap (07/31/87)	17.39%	25.05%	9.01%	11.82%
Russell 2000 Value Index	12.97%	20.37%	7.81%	10.53%
Russell 2000 Index	14.69%	22.26%	8.31%	9.13%
DFA Micro Cap - Net (12/31/04)	16.83%	24.46%	-	7.90%
Russell 2000 Growth Index	16.36%	24.10%	8.66%	8.92%
Russell 2000 Index	14.69%	22.26%	8.31%	7.95%
Wall Street (07/31/90)	19.71%	29.81%	10.52%	15.30%
Russell 2000 Growth Index	16.36%	24.10%	8.66%	7.93%
Russell 2000 Index	14.69%	22.26%	8.31%	9.94%
Wall Street - Net (12/31/04)	18.81%	28.80%	-	9.33%
Russell 2000 Growth Index	16.36%	24.10%	8.66%	8.92%
Russell 2000 Index	14.69%	22.26%	8.31%	7.95%

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 January 31, 2014

	Last Month	Last 3 Months	Last 12 Months
Intl Large Cap Equity (08/31/86)	(3.88%)	(1.89%)	11.55%
MSCI ACWI ex-US Index	(4.54%)	(3.54%)	5.75%
Intl Large Cap Growth (08/31/02)	(4.77%)	(2.32%)	7.45%
EARNEST Partners (09/30/04)	(5.44%)	(4.14%)	2.92%
MSCI ACWI ex-US Index	(4.54%)	(3.54%)	5.75%
MSCI ACWI ex-US Growth	(4.76%)	(3.43%)	6.53%
EARNEST Partners - Net (12/31/04)	(5.44%)	(4.19%)	2.71%
William Blair (09/30/02)	(4.16%)	(0.62%)	11.89%
MSCI ACWI ex-US Index	(4.54%)	(3.54%)	5.75%
MSCI ACWI ex-US Growth	(4.76%)	(3.43%)	6.53%
William Blair - Net (12/31/04)	(4.16%)	(0.71%)	11.58%
Intl Large Cap Value (09/30/95)	(3.47%)	(2.75%)	12.06%
Brandes (12/31/95)	(2.93%)	(1.82%)	17.64%
MSCI ACWI ex-US Index	(4.54%)	(3.54%)	5.75%
MSCI ACWI ex-US Value	(4.29%)	(3.54%)	5.81%
Brandes - Net (12/31/04)	(2.98%)	(1.93%)	17.33%
Lombardia (3/31/12)	(1.82%)	(0.89%)	24.69%
MSCI ACWI ex-US Index	(4.54%)	(3.54%)	5.75%
MSCI ACWI ex-US Value	(4.29%)	(3.54%)	5.81%
Lombardia - Net (3/31/12)	(1.97%)	(1.17%)	23.94%
Mondrian (3/31/12)	(3.87%)	(3.83%)	6.44%
MSCI ACWI ex-US Index	(4.54%)	(3.54%)	5.75%
MSCI ACWI ex-US Value	(4.29%)	(3.54%)	5.81%
Mondrian - Net (3/31/12)	(3.87%)	(3.95%)	6.04%
Lazard (3/31/12)	(4.95%)	(2.89%)	8.97%
MSCI ACWI ex-US Index	(4.54%)	(3.54%)	5.75%
MSCI ACWI ex-US Value	(4.29%)	(3.54%)	5.81%
Lazard - Net (3/31/12)	(4.95%)	(2.95%)	7.75%

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 January 31, 2014

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Equity (08/31/86)	6.41%	15.31%	7.35%	8.31%
MSCI ACWI ex-US Index	3.19%	13.86%	6.90%	-
Intl Large Cap Growth (08/31/02)	6.06%	16.33%	8.08%	9.98%
EARNEST Partners (09/30/04)	4.16%	18.47%	-	12.23%
MSCI ACWI ex-US Index	3.19%	13.86%	6.90%	7.34%
MSCI ACWI ex-US Growth	3.77%	13.96%	6.95%	7.78%
EARNEST Partners - Net (12/31/04)	3.69%	17.91%	-	9.95%
MSCI ACWI ex-US Index	3.19%	13.86%	6.90%	6.01%
MSCI ACWI ex-US Growth	3.77%	13.96%	6.95%	6.49%
William Blair (09/30/02)	8.43%	18.72%	8.62%	10.54%
MSCI ACWI ex-US Index	3.19%	13.86%	6.90%	8.95%
MSCI ACWI ex-US Growth	3.77%	13.96%	6.95%	8.83%
William Blair - Net (12/31/04)	8.02%	18.27%	-	6.98%
MSCI ACWI ex-US Index	3.19%	13.86%	6.90%	6.01%
MSCI ACWI ex-US Growth	3.77%	13.96%	6.95%	6.49%
Intl Large Cap Value (09/30/95)	4.75%	11.67%	6.25%	9.99%
Brandes (12/31/95)	6.24%	12.63%	6.70%	10.30%
MSCI ACWI ex-US Index	3.19%	13.86%	6.90%	5.63%
MSCI ACWI ex-US Value	3.50%	14.76%	7.73%	-
Brandes - Net (12/31/04)	5.99%	12.33%	-	4.68%
MSCI ACWI ex-US Index	3.19%	13.86%	6.90%	6.01%
MSCI ACWI ex-US Value	3.50%	14.76%	7.73%	6.42%
Lombardia (3/31/12)	-	-	-	20.84%
MSCI ACWI ex-US Index	3.19%	13.86%	6.90%	8.22%
MSCI ACWI ex-US Value	3.50%	14.76%	7.73%	9.21%
Lombardia - Net (3/31/12)	-	-	-	20.24%
Mondrian (3/31/12)	-	-	-	8.04%
MSCI ACWI ex-US Index	3.19%	13.86%	6.90%	8.22%
MSCI ACWI ex-US Value	3.50%	14.76%	7.73%	9.21%
Mondrian - Net (3/31/12)	-	-	-	7.58%
Lazard (3/31/12)	-	-	-	12.26%
MSCI ACWI ex-US Index	3.19%	13.86%	6.90%	8.22%
MSCI ACWI ex-US Value	3.50%	14.76%	7.73%	9.21%
Lazard - Net (3/31/12)	-	-	-	11.49%

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 January 31, 2014

	Last Month	Last 3 Months	Last 12 Months
Intl Large Cap Active Core (01/31/08)	(3.14%)	(0.81%)	13.44%
Arrowstreet (02/29/08)	(3.01%)	(0.30%)	13.77%
MSCI ACWI ex-US Index	(4.54%)	(3.54%)	5.75%
Arrowstreet - Net (02/29/08)	(3.13%)	(0.53%)	13.25%
Brown (09/30/04)	(2.04%)	1.73%	19.86%
MSCI ACWI ex-US Index	(4.54%)	(3.54%)	5.75%
Brown - Net (12/31/04)	(2.10%)	0.86%	18.69%
GlobeFlex (02/28/06)	(3.85%)	(2.63%)	9.92%
MSCI ACWI ex-US Index	(4.54%)	(3.54%)	5.75%
GlobeFlex - Net (02/28/06)	(3.85%)	(2.72%)	9.59%
Intl Large Cap Pass. Core (12/31/99)	(4.03%)	(1.85%)	12.34%
NTGI MSCI EAFE Idx (01/31/00)	(4.03%)	(1.85%)	12.34%
MSCI EAFE Index	(4.03%)	(1.84%)	11.93%
NTGI EAFE Idx - Net (12/31/04)	(4.03%)	(1.85%)	11.32%
International Small Cap (11/30/05)	(1.68%)	0.01%	19.53%
Franklin Templeton (07/31/11)	(1.70%)	(0.76%)	15.65%
ACWI Small Cap ex US	(1.93%)	(0.47%)	12.55%
Franklin Templeton - Net (07/31/11)	(1.88%)	(0.94%)	14.81%
William Blair (08/31/10)	(1.67%)	0.65%	22.95%
ACWI Small Cap ex US	(1.93%)	(0.47%)	12.55%
Intl SC Blended Benchmark	(1.93%)	(0.47%)	12.55%
William Blair - Net (08/31/10)	(1.67%)	0.46%	22.26%
Emerging Markets (01/31/92)	(5.83%)	(8.31%)	(7.32%)
Genesis (04/30/04)	(5.83%)	(8.31%)	(7.32%)
MSCI Emerging Markets Index	(6.47%)	(9.16%)	(9.85%)
Genesis - Net (12/31/04)	(5.83%)	(8.40%)	(7.83%)

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 January 31, 2014

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Active Core (01/31/08)	8.24%	18.81%	-	3.60%
Arrowstreet (02/29/08)	8.41%	18.93%	-	3.74%
MSCI ACWI ex-US Index	3.19%	13.86%	6.90%	0.85%
Arrowstreet - Net (02/29/08)	7.86%	18.34%	-	3.25%
Brown (09/30/04)	9.88%	19.43%	-	9.51%
MSCI ACWI ex-US Index	3.19%	13.86%	6.90%	7.34%
Brown - Net (12/31/04)	9.20%	18.82%	-	7.08%
MSCI ACWI ex-US Index	3.19%	13.86%	6.90%	6.01%
GlobeFlex (02/28/06)	6.75%	15.59%	-	4.14%
MSCI ACWI ex-US Index	3.19%	13.86%	6.90%	3.46%
GlobeFlex - Net (02/28/06)	6.30%	15.11%	-	3.68%
Intl Large Cap Pass. Core (12/31/99)	6.30%	14.34%	6.72%	3.14%
NTGI MSCI EAFE Idx (01/31/00)	6.30%	14.32%	6.71%	3.15%
MSCI EAFE Index	5.87%	13.84%	6.32%	2.78%
NTGI EAFE Idx - Net (12/31/04)	5.97%	14.10%	-	5.21%
MSCI EAFE Index	5.87%	13.84%	6.32%	5.44%
International Small Cap (11/30/05)	10.41%	17.36%	-	4.57%
Franklin Templeton (07/31/11)	-	-	-	8.44%
ACWI Small Cap ex US	4.41%	19.71%	9.46%	4.53%
Franklin Templeton - Net (07/31/11)	-	-	-	7.66%
William Blair (08/31/10)	11.43%	-	-	16.45%
ACWI Small Cap ex US	4.41%	19.71%	9.46%	10.64%
Intl SC Blended Benchmark	5.12%	17.43%	8.65%	11.64%
William Blair - Net (08/31/10)	10.55%	-	-	13.95%
Emerging Markets (01/31/92)	1.13%	21.25%	13.56%	9.78%
Genesis (04/30/04)	1.13%	21.25%	-	13.43%
MSCI Emerging Markets Index	(3.03%)	15.13%	10.40%	9.93%
Genesis - Net (12/31/04)	0.51%	20.50%	-	11.42%
MSCI Emerging Markets Index	(3.03%)	15.13%	10.40%	9.60%

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 January 31, 2014

	Last Month	Last 3 Months	Last 12 Months
Dom. Fixed Active Core (03/31/01)	1.57%	0.76%	0.19%
EARNEST Partners (04/30/05)	1.65%	0.73%	(0.12%)
BC Aggregate Index	1.48%	0.53%	0.12%
EARNEST Partners - Net (04/30/05)	1.65%	0.68%	(0.33%)
Piedmont (05/31/05)	1.48%	0.78%	0.51%
BC Aggregate Index	1.48%	0.53%	0.12%
Piedmont - Net (05/31/05)	1.44%	0.74%	0.34%
Dom. Fixed Passive Core (12/31/89)	1.55%	0.56%	(0.02%)
BlackRock US Debt (08/31/13)	1.52%	0.56%	-
BC Aggregate Index	1.48%	0.53%	0.12%
BlackRock US Debt - Net (08/31/13)	1.52%	0.56%	-
NTGI BC Agg. Index (01/31/90)	1.57%	0.56%	0.06%
BC Aggregate Index	1.48%	0.53%	0.12%
NTGI BC Agg. Index - Net (12/31/04)	1.57%	0.56%	0.06%

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 January 31, 2014

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Dom. Fixed Active Core (03/31/01)	4.58%	6.52%	4.59%	4.98%
EARNEST Partners (04/30/05)	4.62%	6.12%	-	5.27%
BC Aggregate Index	3.73%	4.93%	4.62%	4.89%
EARNEST Partners - Net (04/30/05)	4.41%	5.90%	-	5.07%
Piedmont (05/31/05)	4.49%	6.51%	-	4.91%
BC Aggregate Index	3.73%	4.93%	4.62%	4.78%
Piedmont - Net (05/31/05)	4.30%	6.32%	-	4.70%
Dom. Fixed Passive Core (12/31/89)	3.71%	5.02%	4.56%	6.53%
BlackRock US Debt (08/31/13)	-	-	-	1.77%
BC Aggregate Index	3.73%	4.93%	4.62%	1.78%
BlackRock US Debt - Net (08/31/13)	-	-	-	1.77%
NTGI BC Agg. Index (01/31/90)	3.74%	5.04%	4.57%	6.56%
BC Aggregate Index	3.73%	4.93%	4.62%	6.56%
NTGI BC Agg. Index - Net (12/31/04)	3.73%	5.03%	-	4.59%

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 January 31, 2014

	Last Month	Last 3 Months	Last 12 Months
Domestic Fixed Core Plus (12/31/81)	1.49%	0.80%	0.63%
BlackRock Core Plus (03/31/07)	1.61%	0.64%	0.77%
BC Aggregate Index	1.48%	0.53%	0.12%
BlackRock Core Plus - Net (03/31/07)	1.44%	0.46%	0.53%
LM Capital (04/30/05)	1.12%	0.51%	0.29%
BC Aggregate Index	1.48%	0.53%	0.12%
LM Capital - Net (04/30/05)	1.08%	0.43%	0.13%
Progress Fixed Income (12/31/05)	1.54%	0.96%	1.17%
BC Aggregate Index	1.48%	0.53%	0.12%
Progress Fixed Inc. - Net (12/31/05)	1.54%	0.87%	0.90%
Taplin, Canida, Habacht (04/30/05)	1.52%	1.01%	0.13%
BC Aggregate Index	1.48%	0.53%	0.12%
Taplin, Canida, Hab. - Net (04/30/05)	1.52%	0.98%	0.02%
Western (10/31/01)	1.64%	0.90%	0.97%
BC Aggregate Index	1.48%	0.53%	0.12%
Western - Net (12/31/04)	1.64%	0.86%	0.82%
High Yield (03/31/86)	0.63%	1.46%	5.74%
MackKay Shields (10/31/00)	0.78%	1.62%	6.54%
ML High Yield Cash Pay Index	0.74%	1.74%	6.74%
MackKay Shields - Net (12/31/04)	0.78%	1.53%	6.18%
Pyramis (07/31/86)	0.48%	1.31%	4.98%
ML High Yield Cash Pay Index	0.74%	1.74%	6.74%
Pyramis - Net (12/31/04)	0.48%	1.31%	4.64%

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 January 31, 2014

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Fixed Core Plus (12/31/81)	5.06%	7.89%	5.32%	8.78%
BlackRock Core Plus (03/31/07)	4.56%	7.17%	-	5.49%
BC Aggregate Index	3.73%	4.93%	4.62%	4.97%
BlackRock Core Plus - Net (03/31/07)	4.35%	7.02%	-	5.37%
LM Capital (04/30/05)	4.80%	7.01%	-	5.69%
BC Aggregate Index	3.73%	4.93%	4.62%	4.89%
LM Capital - Net (04/30/05)	4.63%	6.83%	-	5.52%
Progress Fixed Income (12/31/05)	4.73%	6.37%	-	5.84%
BC Aggregate Index	3.73%	4.93%	4.62%	5.05%
Progress Fixed Inc. - Net (12/31/05)	4.36%	6.00%	-	5.50%
Taplin, Canida, Habacht (04/30/05)	5.53%	7.28%	-	5.43%
BC Aggregate Index	3.73%	4.93%	4.62%	4.89%
Taplin, Canida, Hab. - Net (04/30/05)	5.40%	7.16%	-	5.33%
Western (10/31/01)	5.37%	9.34%	5.62%	6.17%
BC Aggregate Index	3.73%	4.93%	4.62%	4.96%
Western - Net (12/31/04)	5.22%	9.19%	-	5.27%
BC Aggregate Index	3.73%	4.93%	4.62%	4.76%
High Yield (03/31/86)	8.18%	17.65%	8.62%	10.22%
MackKay Shields (10/31/00)	9.03%	15.94%	8.31%	9.89%
ML High Yield Cash Pay Index	8.53%	17.41%	8.30%	8.29%
MackKay Shields - Net (12/31/04)	8.63%	15.52%	-	7.58%
ML High Yield Cash Pay Index	8.53%	17.41%	8.30%	8.23%
Pyramis (07/31/86)	7.50%	19.59%	8.99%	9.98%
ML High Yield Cash Pay Index	8.53%	17.41%	8.30%	8.88%
Pyramis - Net (12/31/04)	7.05%	19.13%	-	8.28%
ML High Yield Cash Pay Index	8.53%	17.41%	8.30%	8.23%

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)	
Lombardia International	2.72	12.62	(03/31/12)
Brown	2.50	2.16	(09/30/04)
Sands	2.44	4.32	(10/31/03)
Brandes	1.62	4.67	(12/31/95)
Arrowstreet	1.53	2.89	(02/29/08)

Five Worst Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Underperformance (in % points)	Since Inception Underperformance (in % points)	
Ativo	-3.20	-0.52	(09/30/10)
Pyramis SCG	-1.47	6.23	(07/31/86)
DFA SC	-1.31	3.17	(01/31/96)
Lombardia SCV	-1.30	0.78	(05/31/11)
Inv. Counselors of Maryland	-0.90	2.34	(04/30/99)

Five Highest Returning Portfolios

Manager	Year-to-Date Return (in % points)	Since Inception Return (in % points)	
Earnest Fixed Income	1.65	5.27	(04/30/05)
Western	1.64	6.17	(10/31/01)
BlackRock Core+	1.61	5.49	(03/31/07)
NTGI BC Agg.	1.57	6.56	(01/31/90)
Progress Fixed Income	1.54	5.84	(12/31/05)

Five Lowest Returning Portfolios

Manager	Year-to-Date Return (in % points)	Since Inception Return (in % points)	
Genesis	-5.83	13.43	(04/30/04)
EARNEST International	-5.44	12.23	(09/30/04)
DFA SCV	-5.17	13.45	(01/31/96)
Lombardia SCV	-5.17	12.87	(05/31/11)
Lazard	-4.95	12.26	(03/31/12)

Returns are shown gross of investment management fees.

Excludes Real Estate and Alternative Investments portfolios.

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

(14-02-03) (Consent Agenda) The Chair presented an agenda consisting of a Consent Agenda. The following items remained on the Consent Agenda since no Board member asked for their removal.

Approval of Minutes

Regular Meeting #14-01-24

Schedules - Dated February 28, 2014

- 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 December was prepared by The Northern Trust Company.

Participation of New Unit of Government (1)
River Valley Special Recreation Association
County: Kankakee
2014 Rate: 9.36%
Effective Participation Date: March 1, 2014
Number of Participating Employees: 3

Bid (1)
Office Furniture
Approved Bidder: OEC Business Interiors
Approved Bid: \$46,783.41

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

Vote: Unanimous Voice Vote
Absent: None

(14-02-04) (Financial Report) The Chair presented the following financial report for approval.

- Review of February Reporting Package
- December Interim Financial Statements
- Impact of 2013 Year-To-Date Investment Income on Employer Reserves, Funding Status and Average Employer Contribution Rates
- Impact of 2014 Year-To-Date Investment Income on Employer Reserves, Funding Status and Average Employer Contribution Rates
- Schedule T - Report of Expenditures

It was moved by Mr. Stafford, seconded by Mr. Kuehne, to approve the Financial Report as presented.

Vote: Unanimous Voice Vote
Absent: None

(14-02-05) (Report of the Benefit Review Committee) The Chair of the Benefit Review Committee reported on the Benefit Review Committee meeting held on February 27, 2014.

It was moved by Mr. Stulir, seconded by Mr. Piechocinski, to accept the following recommendations of the Benefit Review Committee:

- To uphold staff's determination that Article 7 of the Pension Code requires the Village of Westmont to enroll part time firefighters who work over 1000 hours in IMRF. In addition, the committee recommends that the Board uphold the reclassification of Westmont to a class VI fire group.
- To uphold staff's determination regarding the Felony Forfeiture of Thomas Job's IMRF pension and further recommends that the Board uphold the determination that prepayment of \$17,201.02 exists, but recommends that Thomas Job be allowed to enter into a reasonable payment schedule with IMRF regarding such prepayment.
- To uphold staff's determination to deny an exemption from the accelerated payment for the payout by the Village of Bradley of 480 hours of sick time to Mary Mullins at retirement (MUM 8164).
- To uphold staff's determination to terminate temporary disability benefits for Catherine M. Trezek.
- To uphold staff's determination to terminate disability benefits for Sonia Hess.
- To uphold staff's determination to deny total and permanent disability benefits for Ronald Pilati.

Vote: Unanimous Voice Vote
Absent: None

(14-02-06) (Report of the Investment Committee) The Chair of the Investment Committee reported on the meeting held on February 27, 2014.

The Investment Committee heard recommendations from staff and consultant as well as presentations from various investment management funds.

It was the consensus of the Investment Committee to recommend the Board approve the following:

- A commitment of up to \$50 million be made to ABRY Advanced Securities Fund III, L.P., subject to satisfactory legal due diligence;
- A commitment of up to \$100 million be made to Vista Equity Partners Fund V, L.P., subject to satisfactory legal due diligence;
- A commitment of up to \$30 million be made to Lightspeed Venture Partners X, L.P., subject to satisfactory legal due diligence;
- A commitment of up to \$10 million be made to Lightspeed Venture Partners Select, L.P., subject to satisfactory legal due diligence; and,
- A commitment of up to \$35 million to CBRE Strategic Partners U.S. value 7, L.P., subject to satisfactory legal due diligence;
- A commitment of up to \$5 million to AUA Private Equity Fund, L.P., subject to satisfactory legal due diligence;
- A commitment of up to \$5 million to Estancia Capital Partners, L.P., subject to satisfactory legal due diligence;
- A commitment of up to \$5 million to New Mainstream Capital Fund II, L.P., subject to satisfactory legal due diligence;
- A commitment of up to \$5 million to Valor Equity Partners III, L.P., subject to satisfactory legal due diligence;
- A commitment of up to \$5 million to Vistria Fund, L.P., subject to satisfactory legal due diligence; and,
- Authorize staff to complete all documentation necessary to execute this recommendation.

The Chair of the Investment Committee reported staff presented the 2013 Annual Securities Lending Activity Report; the 2013 Annual Minority, Female and Disabled Person-Owned (MFPDOB) Broker Utilization Report; the 2013 Annual Minority, Female and Disabled Person-Owned (MFPDOB) Money Manager Utilization Report; and, the 2013 Annual Proxy Voting Activity Report to the Committee.

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

Vote: Unanimous Voice Vote
Absent: None

(14-02-07) (Report of the Legislative Committee) The Vice Chair of the Legislative Committee presented a report on the Committee Meetings that were held on February 10, 2014 and February 24, 2014 via teleconference.

He first reported on the February 10, 2014 Legislative Committee Meeting.

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

- House Bill 3665 - extends some provisions of the felony forfeiture provision to non-job related felonies.
- House Bill 3760 - offsets any pension amount over \$2,000 by the monthly salary received during the period of participation if an annuitant begins participating in another pension fund.

- House Bill 4380 - changes the terminology applicable to children.

The Vice Chair next reported on the February 24, 2014 Legislative Committee Meeting.

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

- House Bill 4691, as introduced - changes the amounts required to be transferred from IMRF to a newly created police pension fund.
- Senate Bill 3486 - changes the definitions and reporting requirements for the use of MWBE managers and requires certain pension fund positions to be confirmed by the Senate. It would also set penalties for failure to meet MWBE goals.

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

- House Bill 5826 - requires National Guard service to be included in the definition of "military service" when applying to purchase military service credit.
- Senate Bill 3232 - prohibits new elected officials from participating in IMRF with respect to that service if it is not a full-time position.

It was moved by Mr. Kuehne, seconded by Ms. Stanish, to approve the recommendations of the Legislative Committee.

Vote: Unanimous Voice Vote
Absent: None

(14-02-08) (Approval of Changes to IMRF Board Travel Policy)

General Counsel presented an updated Board Travel Policy to the Board for approval.

She stated staff is recommending the Board approve the following change to the Board travel policy:

- Allow reimbursement for Economy Plus airfares

After questions and discussion, it was moved by Mr. Kuehne, seconded by Mr. Stafford, to approve the IMRF Board Travel Policy as amended, effective January 1, 2014:

IMRF BOARD TRAVEL POLICY

I. STATUTE [Ill. Rev. Stat. 40 ILCS 5/7-174(g)]

Trustees shall serve without compensation, but shall be reimbursed for any reasonable expenses incurred in attending meetings of the Board and in performing duties on behalf of the Fund and for the amount of any earnings withheld by any employing municipality or participating instrumentality because of attendance at any board meeting.

II. GENERAL POLICIES

A. Trustees are fiduciaries, accountable to the beneficiaries of the Fund, who serve without compensation and/or financial gain.

B. "Reimbursement" of reasonable expenses means IMRF will pay back to the Trustee such expenses as he or she incurs as a result of his or her activities as a Board Member subject to dollar limits adopted by the Board.

C. "Documented" means submission of factual or substantial support for expenses acceptable to the internal auditor. Receipts for items of \$25.00 or more are required.

D. Typically, travel is limited to one day before and after the event scheduled dates. However, an exception is allowed to travel earlier or later when there is a savings to IMRF in an amount which exceeds the cost of an additional night's stay plus meals and incidental expenses.

E. Board Members may request and advance not in excess of the estimated travel expenses, lodging, registration fee and \$100.00 per day. Any difference between the advance and the itemized expenses shall be either returned to the Fund or reimbursed to the Trustee as the case may be.

F. When a Trustee flies on Fund Business, he or she may stop over at other cities as long as the airfare does not exceed the cost of economy plus fare obtained with a two week advance purchase or such other advance purchase standard recognized at that time by the airline industry. No expenses at such other cities are reimbursable.

G. Trustees can use IMRF office telephones for any purpose. While traveling on Fund Business, Trustees will be reimbursed for all calls to their offices. The costs for other business calls will not be reimbursed. Personal call reimbursement limits appear in "Incidental Expenses".

H. Trustees are encouraged to submit requests for reimbursement of travel expenses periodically, but not later than 30 days after the end of the calendar year. Requests for reimbursement submitted 30 days after the end of the calendar year will be submitted to the Board for approval.

I. Requests for reimbursements to the Trustee's employer should be submitted on a timely basis. Requests submitted more than 30 days after the close of a calendar year will be submitted to the Board for approval.

J. Trustee travel must have prior approval by the Board of Trustees. Trustees shall submit travel requests to be placed on a board meeting agenda for Board action.

III. BOARD AND COMMITTEE MEETINGS

A. TRANSPORTATION EXPENSES

Actual transportation expenses are reimbursable. For use of a personal automobile, reimbursement of mileage will be at the current amount permitted by the Internal Revenue Service.

B. LODGING

Members residing within 50 miles of a meeting place will receive no reimbursement for lodging for a one- day meeting. For a two-day meeting, lodging for one night will be reimbursable.

For members residing more than 50 miles from the meeting place, normally one night's lodging is reimbursable. However, if travel arrangements necessitate two nights, lodging will be reimbursed. One additional night's lodging before or after the meeting may be reimbursed if there is a medical need.

C. MEALS

Actual meal expenses are reimbursable up to \$100.00 per day.

D. INCIDENTAL EXPENSES

Reasonable tips, personal phone calls, and other incidentals not specified above shall be reimbursed up to a limit of \$25.00 per day for those days when overnight lodging is reimbursable.

IV. OTHER EVENTS

A. LIMITATIONS

Trustees are permitted to attend two out-of-state and two in-state of the following events: conferences, seminars, investment seminars, and client conferences per calendar year. There are no limits on attending IMRF programs and other events organized by IMRF staff, speaking engagements related to IMRF, and meetings with members of the Illinois General Assembly. No foreign travel is permitted.

B. TRANSPORTATION EXPENSES

Actual transportation expenses shall be reimbursed, but the amount reimbursable shall not exceed economy plus fare. For automobile travel, reimbursement of mileage will be at the current amount permitted by the Internal Revenue Service, but not more than the highest airfare incurred by a Trustee attending the event, or if no other Trustee attends, then to an amount equal to airfare charges based on a two week advance purchase or such other advance purchase standard recognized at that time by the airline industry, plus the normal and reasonable charges which would have been incurred for transportation to and from the airport, parking, tolls and cabs at the destination.

C. LODGING

Reimbursement for lodging shall be limited to even hotels at rates for double rooms. For events, reimbursement shall be allowed for one-day prior though the one day after the event period only at the event hotel.

D. MEALS

Actual meal expenses are reimbursable up to \$100.00 per day.

E. INCIDENTAL EXPENSES

Reasonable tips, personal phone calls, and other incidentals not specified above shall be reimbursed up to a limit of \$25.00 per day for those days when overnight lodging is reimbursed.

(14-02-09) (2014-2015 Projection Report - Death and Disability Rates)

The Chief Financial Officer recommended the following:

- Maintain the average death benefit rate in 2015 at 0.18% of payroll, remains the same from the 0.18% rate for 2014;
- Maintain the disability benefit rate in 2015 at 0.11% of payroll, the same rate as 2014.

He further estimates:

- Benefit payments will exceed contributions by more than \$404 million in 2014;
- IMRF credited approximately \$578 million of interest and \$3.453 million of residual investment income to employer reserves in 2013 due to 2013's investment returns of 20.1%; and
- The supplemental retirement benefit for 2014 will be approximately 36% of the monthly benefit.

It was moved by Ms. Henry, seconded by Mr. Piechocinski, to approve the 2015 Death and Disability Rates as presented.

Vote: Unanimous Voice Vote

Absent: None

(14-02-10) (Legislative Update) The Legislative Liaison updated the Board on current legislative activity.

She reported that all of the bills that comprise the Board's 2014 Legislative Agenda have been introduced as new legislation, along with ten other bills that affect IMRF.

The Legislative Liaison reviewed the agenda for the Board's 2014 Springfield Drive-Down that will be held on March 26, 2014.

Questions and discussion followed.

(14-02-11) (Litigation Update) The following is an update of the currently pending litigation:

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. Just as in the *Stevens* case, IMRF has been named as a "necessary party" to the lawsuit so that any judgment can be properly enforced.

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 settlement agreement was set aside by the Court. The County has now hired a private law firm as a special assistant state's attorney to represent them. The County then filed a motion for summary judgment, the plaintiffs filed a reply, and issue is with the judge.

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. The plaintiff's theory is that the buyout was fraudulent and therefore a portion of those stockholders' proceeds from the stock sale was due to the fraud and should be returned to the Tribune's bankruptcy estate.

Status: IMRF has joined with other public plans and is using a shared counsel (Ice Miller LLP). The Defendants filed a motion to dismiss a portion of this lawsuit and the motion was granted. The dismissed plaintiffs filed an appeal of the judge's decision to dismiss, which will be fast-tracked.

**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: We accepted the plaintiffs' offer to settle for \$200,000. IMRF was then dismissed from the case. This matter will now be removed from the litigation report.

**VILLAGE OF OAK BROOK V. THOMAS SHEAHAN, ET. AL. (13 MR 942)
DUPAGE CO.**

Summary: this is an administrative review action challenging the Board's decision upholding the granting of MEABF and Deerfield credit transfers to Thomas Sheahan, the former police chief of Oak Brook and denying the Village's request to recalculate their liability excluding the service credits transferred from MEABF and Deerfield. The Village is also seeking a declaratory judgment that Section 8-226.7 is unconstitutional special legislation.

Status: Case was filed on June 6, 2013. On Oct 3, the judge set a briefing schedule on IMRF's motion to dismiss regarding the issue of whether all proper parties have been named. IMRF's brief was due November 1 and a hearing was set for January 7. At the hearing held on January 7, IMRF's motion was granted. The Village will be required to re-plead Count II of the complaint (the declaratory judgment count) naming MEABF as a necessary party. A briefing schedule was set on the administrative review count. The Village has filed their amended complaint.

MATTHEW FECORATTA V. IMRF (13CH24473) COOK COUNTY

Summary: this is an administrative review action appealing the final administrative decision to deny Plaintiff's claim for disability benefits based on his failure to provide requested documents. His case was permanently closed according to IMRF procedures.

Status: Case was filed on October 30, 2013. IMRF has filed an answer and appearance. Case management set for February 27, 2014 at 9:30 a.m.

KATHERINE HINTERLONG V. IMRF (13 MR 1928) DUPAGE CO.

Summary: this is an administrative review action challenging the Board's decision upholding the denial of total and permanent disability for Katherine Hinterlong.

Status: IMRF has filed its answer and appearance. Status is set for April 25, 2014.

KATHLEEN KONICKI V. IMRF (14 MR 32) (SANGAMON CO)

Summary: Administrative review challenging the Board's decision that Ms. Konicki was not eligible to convert service into Original ECO.

Status: Filed on January 24, 2014. Answer, Appearance and Motion to Dismiss filed. Hearing on motion to dismiss, March 6, 2014 (Dismissal of Trustee Stanish and setting of briefing schedule)

(14-02-12) (Strategic Objectives and Leadership Scorecard) The Deputy Executive Director presented a summary of the annual results of the scorecard reflecting progress towards successfully achieving IMRF's 2013 Strategic Objectives and Key Strategies (Financial Health & Sustainability; Investment Returns; Customer Satisfaction; Workforce Engagement; and, Service & Operational Excellence).

Discussion followed.

(14-02-13) (Report of Executive Director)

Representation of IMRF

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

(14-02-14) (Correspondence to Trustees) The Executive Director presented a letter IMRF received from Senator Martinez, regarding follow up questions from the December 11, 2013 Senate Committee on Pensions and Investments hearings. IMRF's responses to the Senator were also presented to the Trustees.

(14-02-15)(Trustee Forum) The Chair reported the following Trustee requested authorization from the Board to attend the following conference:

Gwen Henry	"World Investment Forum 2014 World Investment Forum May 18-21, 2014 Sea Island, GA
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It was moved by Mr. Piechocinski seconded by Mr. Kuehne, to approve the above Trustee request.

Vote: Unanimous Voice Vote
Absent: None

(14-02-16) (Appreciation of Service - Pat Bara; Valerie Dabon; JoJo Maglunog) Members of the Board of Trustees honored IMRF staff members Pat Bara, Valerie Dabon, and JoJo Maglunog who will be retiring from IMRF in March 2014:

Resolution of
Appreciation

WHEREAS, Treasury Unit Supervisor Patricia Bara has faithfully served IMRF from October 1980 through March 2014, and;

WHEREAS, during her tenure, Patricia Bara held positions in Finance and Information Services, improving the quality of operations and customer service across multiple departments at IMRF, and;

WHEREAS, Patricia Bara successfully performed her essential duties as Treasury Unit Supervisor, which included supervising the timely and accurate processing of payment instruction requests received from annuitants, employers, and third parties; supervising the timely and accurate processing of cash receipt transactions; and overseeing the resolution of all related inquiries, research, and adjustments through extensive contact with IMRF members, outside agencies, and other IMRF departments, and;

WHEREAS, Patricia Bara supported many improvements to IMRF including supporting the design and implementation of Spectrum; designing the original EFT statement; providing the initial text for the "Insights" booklet; supporting the testing and implementation of the employer EFT payment system (First Data); and supporting the design and implementation of the Horizon Project, and;

WHEREAS, Patricia Bara's leadership played a key part in IMRF's 2012 reception of a Silver Award for Progress toward Excellence and a 2009 Bronze Award for Commitment to Excellence from Illinois Performance Excellence (ILPEX), and;

WHEREAS, Patricia Bara's leadership and skill led to innumerable improvements in customer service and identification of more efficient ways to do business;

THEREFORE, BE IT RESOLVED, that the IMRF Board of Trustees recognizes and honors Patricia Bara for her contributions and service to the Illinois Municipal Retirement Fund.

Adopted by the IMRF Board of Trustees on Friday, February 28, 2014.

Resolution of
Appreciation

WHEREAS, Disability Claims Specialist Valerie Dabon has faithfully served IMRF from March 2006 through March 2014, and;

WHEREAS, during her tenure, Valerie Dabon held positions of Disability Claims Specialist and Disability Claims Examiner, improving the quality of operations and customer service within the Benefits Department, and;

WHEREAS, Valerie Dabon successfully performed her essential duties, which included processing disability claims, providing expert support to claims processors and examiners, researching complex disability claims, and providing recommendations to department administrative staff, and;
WHEREAS, Valerie Dabon successfully processed more than 10,000 disability claims during her tenure, and;

WHEREAS, Valerie Dabon consistently provided exemplary customer service to all IMRF members, retirees, and employers she came into contact with,

THEREFORE, BE IT RESOLVED, that the IMRF Board of Trustees recognizes and honors Valerie Dabon for her contributions and service to the Illinois Municipal Retirement Fund.

Adopted by the IMRF Board of Trustees on Friday, February 28, 2014.

Resolution of
Appreciation

WHEREAS, Benefits Department Analyst JoJo Maglunog has faithfully served IMRF from August 1981 through March 2014, and;

WHEREAS, during his tenure, JoJo Maglunog held positions of Benefits Department Analyst and Benefits Department Clerk, improving the quality of operations and customer service within the Benefits Department, and;

WHEREAS, JoJo Maglunog successfully performed his essential duties, which included providing the Benefits Department with technical support, training new department staff members, assisting staff members in resolving difficult claims situations, conducting pre- and post-payment quality analysis, and;

WHEREAS, JoJo Maglunog consistently provided exemplary customer service to all IMRF members, retirees, and employers he came into contact with,

THEREFORE, BE IT RESOLVED, that the IMRF Board of Trustees recognizes and honors JoJo Maglunog for his contributions and service to the Illinois Municipal Retirement Fund.

Adopted by the IMRF Board of Trustees on Friday, February 28, 2014.

It was moved by Ms. Henry, seconded by Mr. Piechocinski, to adopt the resolutions.

The motion was approved by acclamation.

(14-02-17) (Executive Session) It was moved by Ms. Henry, seconded by Mr. Piechocinski, to close the meeting under section 2(c)(1) of the Open Meetings Act to consider the employment of the Executive Director.

Vote:

Aye: Kuehne, Piechocinski, Stafford, Stanish, Stulir, Thompson, Henry

Nay: None

Absent: None

The full Board reconvened the Board Meeting.

It was move by Ms. Henry, seconded by Mr. Piechocinski, to authorize Fiduciary Counsel to draft a contract for the Executive Director and Board to review covering the period July 1, 2014 through December 31, 2017.

Vote: Unanimous Voice Vote

Absent: None

(14-02-18) (Adjournment) It was moved by Mr. Piechocinski, seconded by Mr. Stafford, to adjourn the Board Meeting at 11:09 a.m., to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, Illinois, at 9:30 a.m. on May 30, 2014.

Vote: Unanimous Voice Vote

Absent: None

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.