

ILLINOIS MUNICIPAL RETIREMENT FUND
MINUTES OF
REGULAR MEETING NO. 15-08
AUGUST 28, 2015

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 15-08

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:00 a.m. August 28, 2015, in the Fund Office at 2211 York Road, Suite 400, Oak Brook, Illinois.

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

Ms. Enright called the roll:

Present: Miller, Stanish, Stulir, Thompson, Copper, Henry

Absent: Kuehne, Piechocinski

Ms. Becker-Wold and Mr. Ball from Callan Associates, Mr. Moss from Seyfarth Shaw, Ms. Vazquez from CNR Consulting, and representatives from Loop Capital, Pensions and Investments, and UNITE HERE were also present.

(15-08-01) (Public Comments) A representative from UNITE HERE updated the Board on recent developments at a hotel owned and operated through a private equity venture in which IMRF is a limited partner.

(15-08-02)(2nd Quarter Investment Performance Report) Ms. Becker-Wold of Callan Associates presented an evaluation of IMRF's investment performance for the period ending June 30, 2015.

The report was followed by discussion from Board Members.

(15-08-03) (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 for the month of July 2015:

(15-08-04) (CEM Benchmarking Presentation) Mr. Slingerland from CEM Benchmarking, Inc. (CEM) presented IMRF's benefit administration benchmarking results for fiscal year 2014.

The Deputy Executive Director also participated in the presentation.

This report can be used as a management tool to assist IMRF in improving customer service levels by: understanding how IMRF compares to other retirement systems; by identifying areas for service and process improvements; and, by sharing ideas and best practices.

Mr. Slingerland presented the following key highlights from the 2014 CEM Report:

- IMRF's total cost was \$86 per active and retiree (\$33 below the peer average cost of \$119), which is excellent given IMRF's higher volumes in key member transactions, higher cost environment (22% above the US peers), and having a consistently high service score that ranks in the top 10-15% of the North American Peer Group.
- IMRF ranks 7th in overall service in the North American Peer Group (out of 44 public pension systems);
- IMRF is one of two systems that offer 18 of CEM's listed online transaction tools, the highest in CEM's database.

The presentation was following by discussion.

(15-08-05) (Annual Economic Opportunity Investment Report) The Chief Investment Officer presented an overview of the Annual Illinois Economic Opportunity Investment Report. She reported under Public Act 96-0753, this report must be submitted to the Governor and General Assembly annually by September 1st.

It was moved by Ms. Henry, seconded by Mr. Miller, to approve submission of the Annual Economic Opportunity Investment Report.

Vote: Unanimous Voice Vote
Absent: Kuehne, Piechocinski

(15-08-06) (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 15-05-29
Special Board Meeting 15-07-01
Special Board Meeting 15-07-23

Schedules - Dated June 2015

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.

July 31, 2015



**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. Callan does not provide advice regarding, nor shall Callan be responsible for, the purchase, sale, hedge or holding of individual securities, including, without limitation securities of the client (i.e., company stock) or derivatives in the client's accounts. In preparing the following report, CAI has not reviewed the risks of individual security holdings or the conformity of individual security holdings with the client's investment policies and guidelines, nor has it assumed any responsibility to do so. Advice pertaining to the merits of individual securities and derivatives should be discussed with a third party securities expert. Copyright 2015 by Callan Associates Inc.

**Major Market Returns
Returns**

for Periods Ended July 31, 2015

Index	Last Month	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Russell:3000 Index	1.67	1.35	3.65	11.28	18.00	16.35	7.90
Russell:1000 Index	1.93	1.32	3.67	11.24	18.02	16.45	7.93
Russell:Midcap Index	0.74	0.10	3.11	10.69	19.47	16.77	8.92
Russell:2000 Index	(1.16)	1.85	3.54	12.03	17.90	15.27	7.61
MSCI:ACWI x US (Net)	(0.28)	(4.57)	3.75	(4.57)	8.83	5.85	5.13
MSCI:EAFE US\$	2.08	(1.32)	7.72	(0.27)	12.32	8.01	5.02
MSCI:Emer Markets	(6.87)	(12.84)	(3.97)	(13.07)	0.96	0.92	6.95
Barclays:Aggregate Index	0.70	(0.64)	0.59	2.82	1.60	3.27	4.61
NFI-ODCE Val Gross	1.26	3.82	8.69	14.65	13.25	14.29	6.81
NAREIT Equity Index	5.64	0.65	(0.35)	10.18	10.22	13.46	6.86

Financial market volatility eased during July as a resolution to the standoff between Greece and its creditors came into sight and market participants focused on improving economic conditions in developed markets. With the imminent threat of a Greek exit from the European Union relieved, equity markets in the U.S. and developed markets internationally climbed higher (Russell 3000 Index: +1.7%; MSCI EAFE Index: +2.1%). Meanwhile, commodity prices took a step back which negatively impacted emerging markets (MSCI Emerging Markets Index: -6.9%). The yield curve flattened during the month with yields on the short end pushing higher while longer yields fell. In this environment, fixed income returns rose (Barclays U.S. Aggregate Index: +0.7%).

The U.S. economy picked up momentum in the second quarter as GDP expanded at a 2.3% annualized rate. Additionally, first quarter GDP was revised to +0.6% from the previously estimated 0.2% contraction. While these two data points provide a brighter economic backdrop to start the year, the economic recovery overall since the recession has been weak and it is unlikely this year will provide the breakout from anemic growth many were hoping for.

The labor market continued to strengthen as 215,000 positions were added to payrolls in the last month, approximately in line with expectations and average monthly gains so far in 2015. Additionally, the unemployment rate and labor force participation rate held steady at 5.3% and 59.3%, respectively. Even though average hourly wages only increased 0.2% during the month, economists believe the labor market is strong enough for the Fed to begin raising rates this year. Inflation remained subdued with year-over-year core CPI coming in at 1.8% in June.

Emerging markets suffered through a tough month. In Greece, the framework of a stringent austerity deal in exchange for emergency lending to stave off default was hammered out. The deal is more draconian than the one resoundingly defeated in a public referendum earlier in the month yet was easily passed by Greece's parliament. In China, the economy expanded at a 7% rate in the second quarter, the slowest pace in six years.

*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

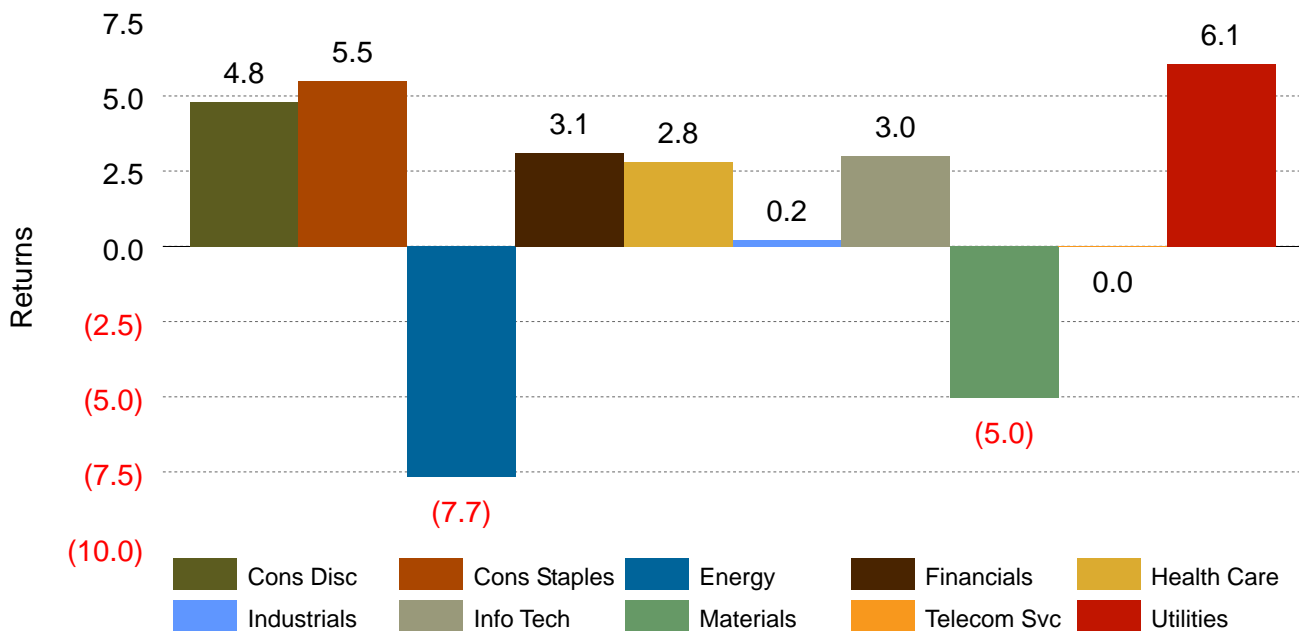
for Periods Ended July 31, 2015

Index	Last Month	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Russell:3000 Index	1.67	1.35	3.65	11.28	18.00	16.35	7.90
Russell:1000 Index	1.93	1.32	3.67	11.24	18.02	16.45	7.93
Russell:1000 Growth	3.39	3.00	7.49	16.08	18.78	17.75	8.95
Russell:1000 Value	0.44	(0.38)	(0.18)	6.40	17.11	15.08	6.79
Russell:Midcap Index	0.74	0.10	3.11	10.69	19.47	16.77	8.92
Russell:2000 Index	(1.16)	1.85	3.54	12.03	17.90	15.27	7.61
Russell:2000 Growth	0.41	5.50	9.18	20.07	20.98	17.90	9.16
Russell:2000 Value	(2.76)	(1.82)	(2.02)	4.30	14.82	12.60	5.99

U.S. equities experienced some volatility while mostly trending higher for the month as markets digested mixed quarterly earnings, falling oil prices and global economic. Despite the market turmoil, the broad U.S. market, measured by the Russell 3000, rose 1.7% during the month and is up 3.7% year-to-date. Large cap stocks bucked their trend of lagging the broader market in July (Russell 1000 Index: 1.9%). Small cap stocks trailed their larger counterparts and lost 1.2% for the month. The mid cap portion of the market increased 0.7% (Russell Midcap Index). Growth significantly outperformed value across cap styles (Russell 1000 Growth: +3.4% vs. Russell 1000 Value: 0.4%; Russell 2000 Growth: +0.4% vs. Russell 2000 Value: -2.8%).

Sector returns for the S&P 500 were broadly positive for the month, except for energy (-7.7%), which retreated significantly on falling oil prices, and Materials (-5.0%). The Utilities sector reversed all of last month's losses and experienced the best performance during July, gaining 6.1%. Consumer staples (+5.5%) and Consumer Discretionary (+4.8%) also showed strong results during the month.

S&P 500 Sector Returns for 1 Month Ended July 31, 2015



**Non-U.S. Equity Overview
Returns**

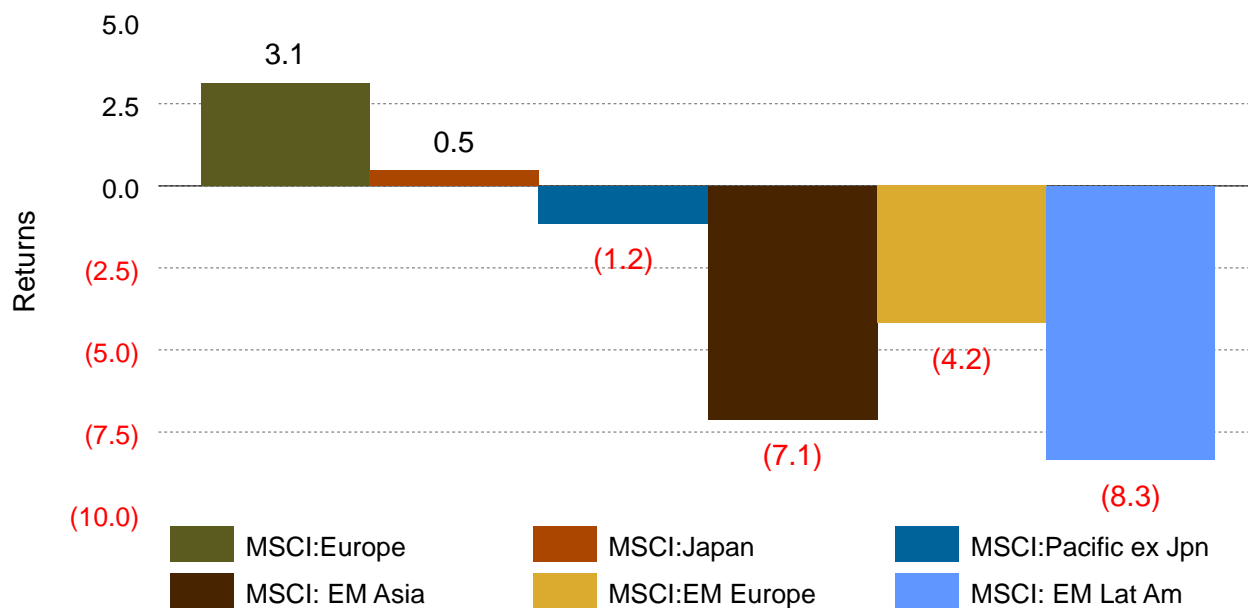
for Periods Ended July 31, 2015

Index	Last Month	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
MSCI:ACWI x US (Net)	(0.28)	(4.57)	3.75	(4.57)	8.83	5.85	5.13
MSCI:ACWI ex US Gr	0.27	(3.30)	5.96	0.01	9.96	7.18	6.02
MSCI:ACWI ex US Val	(0.79)	(5.58)	2.16	(8.25)	8.59	5.41	5.14
MSCI:EAFE US\$	2.08	(1.32)	7.72	(0.27)	12.32	8.01	5.02
MSCI:EAFE Hedged Gross	3.45	(0.33)	10.40	12.50	15.39	7.86	3.17
MSCI:Emer Markets	(6.87)	(12.84)	(3.97)	(13.07)	0.96	0.92	6.95
MSCI:ACWI SC ex US	(1.91)	(3.53)	6.25	(3.08)	11.40	7.58	6.76

Non-U.S. equities ended the month only slightly down despite ongoing issues with Greece and China (MSCI ACWI ex-U.S. Index: -0.3%), but are still up 3.8% year-to-date. Returns measured in local currencies saw a boost during July (MSCI EAFE Hedged Gross: +3.5%; MSCI EAFE US\$: +2.1%). Emerging markets fared worse than developed, falling 6.9% (MSCI Emerging Markets Index). Non-U.S. small cap stocks lost value during the month (MSCI ACWI ex-U.S. Small Cap Index: -1.9%) but remain up 6.3% since the beginning of the year.

MSCI's regional returns were broadly negative during the month, with developed Europe and Japan being the only exceptions. The MSCI Europe and MSCI Japan indices were up 3.1% and 0.5%, respectively. Emerging markets in Latin America and Asia were the worst performing regions with losses of 8.3% (MSCI: EM Latin America) and 7.1% (MSCI: EM Asia). European Emerging Markets (MSCI: EM Europe -4.2%) and the Pacific ex Japan region (MSCI: Pacific ex Japan -1.2%) also suffered losses this month.

Regional Returns for 1 Month Ended July 31, 2015

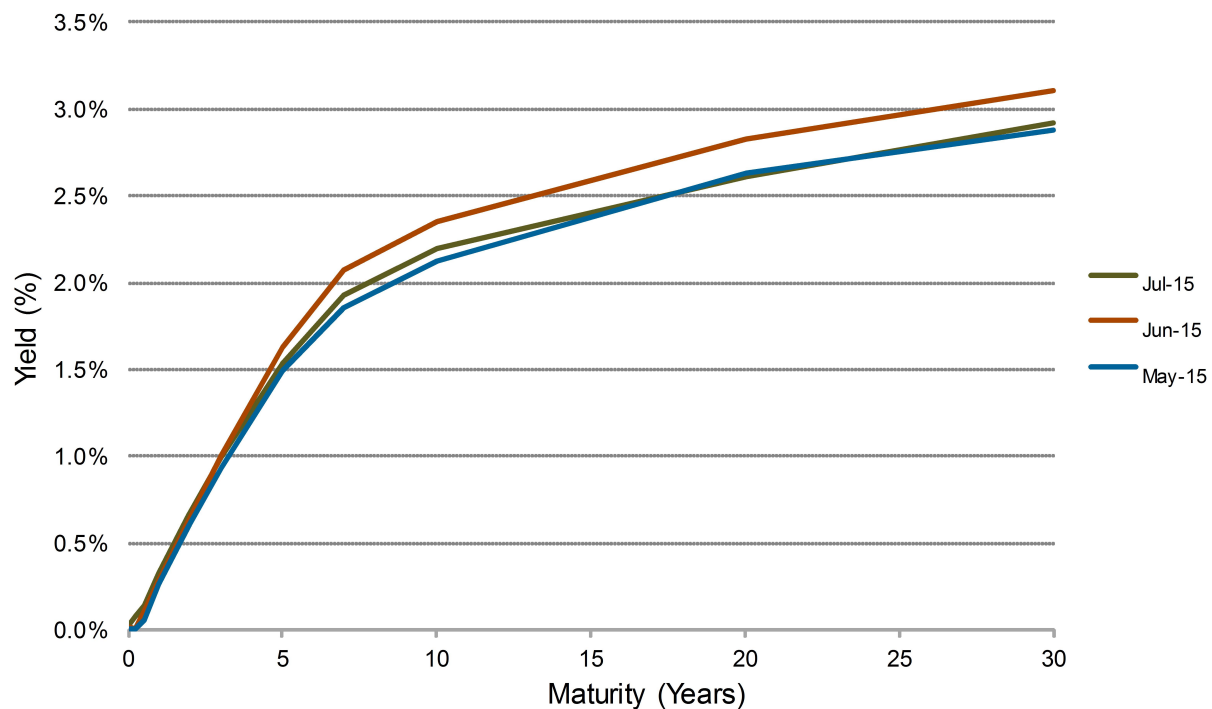


**U.S. Fixed Income Overview
Returns**

for Periods Ended July 31, 2015

Index	Last Month	Last Quarter	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Barclays:Aggregate Index	0.70	(0.64)	0.59	2.82	1.60	3.27	4.61
Barclays:Govt Index	0.80	(0.21)	0.88	3.26	0.88	2.66	4.20
Barclays:Credit	0.63	(1.70)	(0.16)	1.61	2.33	4.67	5.29
Barclays:Mortgage Idx	0.63	(0.16)	0.94	3.54	1.86	2.85	4.68
Barclays:US TIPS Index	0.21	(1.58)	0.55	(1.56)	(1.31)	3.30	4.37
3 Month T-Bill	0.00	0.00	0.00	0.01	0.06	0.08	1.39
ML:High Yield CP Idx	(0.59)	(1.82)	1.88	0.21	5.85	7.51	7.45
CS:Lev Loan	0.09	(0.02)	2.96	2.29	4.96	5.33	4.61
JPM:EMBI Global	0.41	(1.82)	2.18	(1.28)	2.23	5.75	7.41
JPM:GBI-EM GI Div	(2.56)	(6.23)	(7.32)	(16.68)	(5.31)	(0.65)	5.57

Treasury Yield Curve

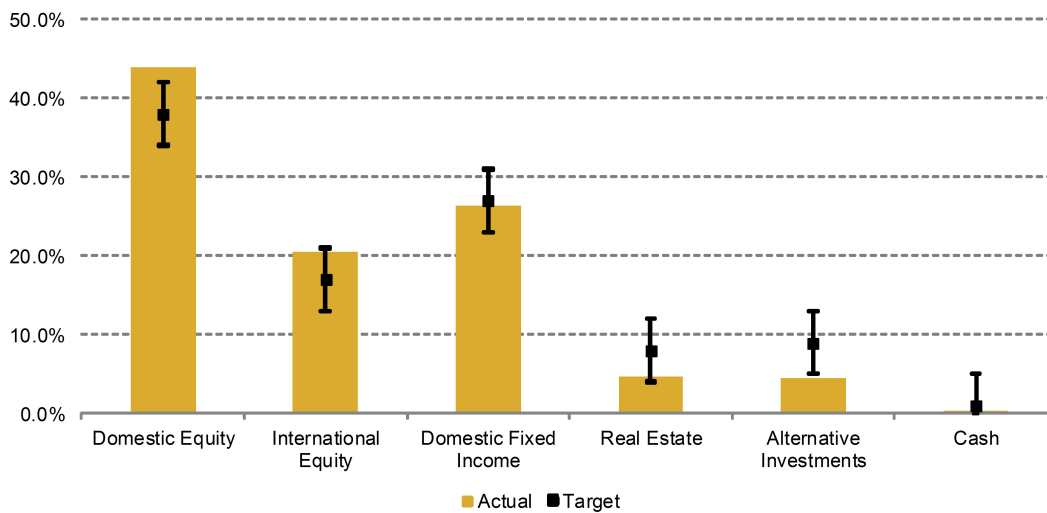


The yield curve flattened slightly in July. Yields increased for maturities of 2 years and less, while they decreased for maturities of 5 years and longer. The Barclays Aggregate Bond Index rose 0.7% during the month, bringing it back into positive territory year-to-date (+0.6%). Investment grade credit was up 0.6% (Barclays Credit Index) and Government Securities gained as well (Barclays Government Index: 0.8%). High yield credit lagged the broader credit market for the month (ML High Yield Index: -0.6%), but is still the best performer for the year (+1.9%). TIPS and levered loans were slightly up during July (Barclays U.S. TIPS Index: 0.2%; CS Lev Loan Index: +0.1%). The JP Morgan emerging market debt indices continued their divergence this month with the JPM:EMBI Global Index gaining 0.4% while the more diversified JPM:GBI-EM GI Div Index fell 2.6%.

Total Fund

Total Fund assets at the end of July were \$35.64 billion, up from \$35.58 billion at the end of June. The Fund returned 0.72% for the month, underperforming the benchmark return by 22 basis points. U.S. Equity underperformed its benchmark, while non-U.S. Equities outperformed its benchmark. Both Fixed Income and Alternatives trailed their respective benchmarks.

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 July, U.S. equity exceeded its target allocation by 5.9%, while Alternatives are below its target allocation by 4.6%. All other asset classes were within the allowable range. A recommendation for rebalancing will be made at the August 27th Investment Committee meeting.



U.S. Equity

The U.S. equity composite returned 1.00%, relative to the 1.67% return for the Russell 3000. Growth trumped value by a wide margin in both large and small cap stocks. The smaller capitalization bias had a negative effect for the month as small cap stocks underperformed large cap stocks by 309 basis points.

Large Cap: In aggregate, the Fund's large cap managers returned 2.03% and outperformed the Russell 1000 Index by 0.10%. Growth managers returned 3.65%, which outpaced the Russell 1000 Growth Index. Holland was the best performing active growth manager, returning 4.85%. Value portfolios collectively returned 0.86%, outperforming their benchmark for the month by 42 basis points. Dodge & Cox was the best performing value manager with a return of 1.20%.

Small Cap: The Small Cap composite lost 1.47% and underperformed the Russell 2000 Index by 31 basis points. Small Cap Growth and Value returned 0.61% and -3.07%, respectively. Pyramis was the best performing small cap growth manager and Channing was the best in value. Micro Cap returned -2.32% in July. Wall Street was the top performer in the micro-cap segment, returning -1.22% for the month.

International Equity

In July, the MSCI ACWI ex-U.S. (Net) Index underperformed the Russell 3000 Index by 1.95%; similarly, the IMRF international equity composite underperformed its U.S. equity counterpart. In aggregate, international equity managers returned 0.28%.

Large Cap: International Large Cap managers advanced 0.98%. This return was 126 basis points ahead of the MSCI ACWI ex-U.S. (Net) Index. International Large Cap Growth returned -0.21%, with William Blair performing best (+0.46%). International Large Cap Value returned 0.66% for the month. Mondrian (+1.83%) led all other value managers. The Large Cap Active Core Group returned 0.52% in July, with Brown leading the way producing a 3.15% return.

International Small Cap and Emerging Markets: The International Small Cap managers returned 0.74% and outperformed the ACWI Small Cap ex-U.S. Index by 265 basis points. The emerging markets portfolio, managed by Genesis, returned -6.71% during July, which performed in line with the MSCI Emerging Markets Index.

Fixed Income

For the month, the total fixed income portfolio returned 0.54% (behind the BC Aggregate Index return of 0.70%) as the yield curve flattened. The passive core segment was the best performer, advancing 0.69%.

Active Core: The active core fixed income component, which is made up of EARNEST Partners, Piedmont and Garcia Hamilton, returned 0.65% and modestly trailed the BC Aggregate Index by five basis points.

Core Plus: The core plus managers returned 0.67%, which slightly trailed the BC Aggregate Index by three basis points. Western outperformed the other managers returning 0.88%.

Bank Loans: In its first full year of performance, the bank loans component managed by Babson returned 2.35%, which trailed its custom benchmark by 24 basis points. Babson also trailed the benchmark by 19 basis points in the month of July.

Emerging Markets: In its first full year of performance, the emerging markets component managed by Standish returned -5.83%, beating its custom benchmark by 269 basis points. Standish trailed the benchmark by 31 basis points in the month of July.

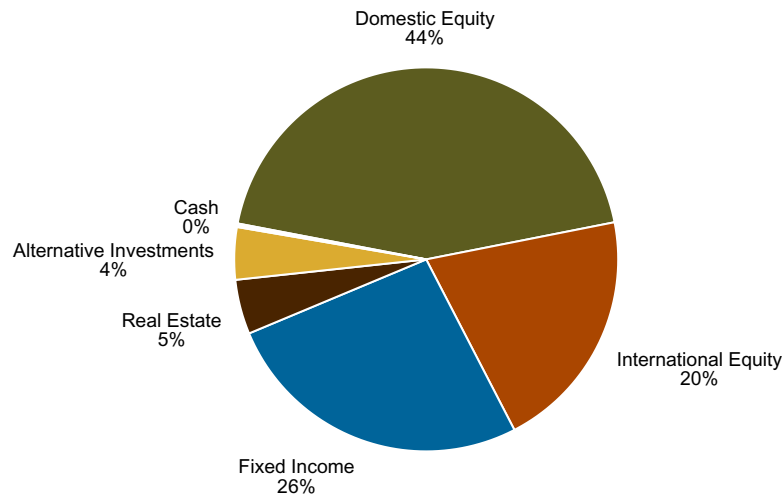
Opportunistic: In its eleventh month of performance, the opportunistic component managed by Crescent returned -2.33%, which underperformed its custom benchmark by 202 basis points.

High Yield: The high yield component managed by MacKay Shields eked out a positive gain, returning 0.10% in July, outperforming the ML High Yield Cash Pay Index (-0.59%).

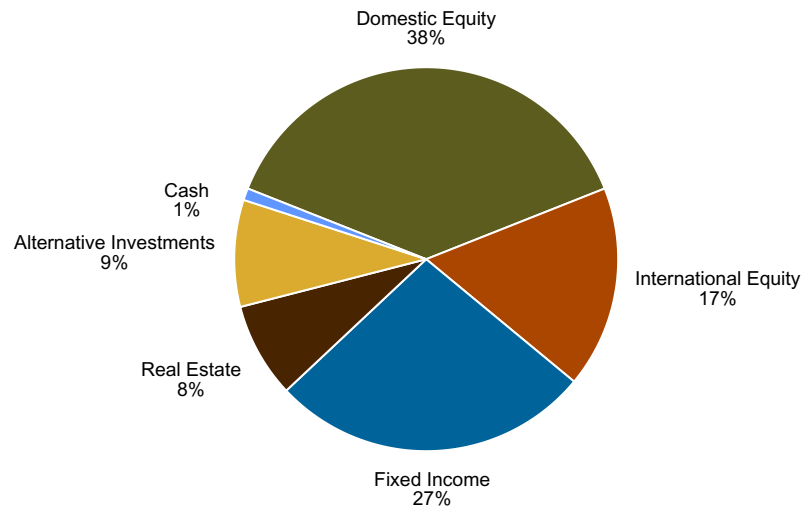
Actual vs Target Asset Allocation

The first chart below shows the Fund's asset allocation as of July 31, 2015. 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	15,647	43.9%	38.0%	5.9%	2,106
International Equity	7,291	20.5%	17.0%	3.5%	1,233
Fixed Income	9,388	26.3%	27.0%	(0.7%)	(234)
Real Estate	1,637	4.6%	8.0%	(3.4%)	(1,214)
Alternative Investments	1,555	4.4%	9.0%	(4.6%)	(1,652)
Cash	118	0.3%	1.0%	(0.7%)	(239)
Total	35,637	100.0%	100.0%		

* Current Month Target = 38.0% Russell 3000 Index, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI x US (Net), 9.0% 9% Annually, 8.0% NFI-ODCE Value Weight Net 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 July 31, 2015, with the distribution as of June 30, 2015.

Asset Distribution Across Investment Managers

	July 31, 2015		June 30, 2015	
	Market Value	Percent	Market Value	Percent
Domestic Equity	\$15,647,445,531	43.91%	\$15,547,726,567	43.69%
Large Cap Growth				
Holland	1,014,107,215	2.85%	967,210,296	2.72%
NTGI S&P 500 Growth Idx	1,437,853,680	4.03%	1,387,877,481	3.90%
Sands	1,355,396,770	3.80%	1,315,164,886	3.70%
Vision	177,907,086	0.50%	174,571,209	0.49%
Large Cap Value				
Dodge & Cox	1,163,762,286	3.27%	1,151,678,340	3.24%
BMO	1,254,885,553	3.52%	1,247,139,247	3.50%
LSV	1,243,929,787	3.49%	1,234,538,730	3.47%
NTGI S&P 500 Value Idx	785,055,923	2.20%	781,889,304	2.20%
Large Cap Core				
NTGI MarketCap Index	2,692,161,492	7.55%	2,697,652,572	7.58%
Small Cap Growth				
Frontier	851,941,069	2.39%	858,974,950	2.41%
Pyramis	961,193,503	2.70%	943,100,266	2.65%
Small Cap Value				
Channing	178,361,520	0.50%	181,459,055	0.51%
Dimensional Small Cap Value	700,578,666	1.97%	724,027,857	2.03%
Inv. Counselors of Maryland	757,949,522	2.13%	784,589,596	2.20%
Lombardia	160,297,420	0.45%	164,064,436	0.46%
Micro Cap				
Ariel	76,616,674	0.21%	84,166,581	0.24%
Ativo	54,968,178	0.15%	55,811,778	0.16%
Dimensional Micro Cap	308,559,098	0.87%	316,026,983	0.89%
Wall Street	471,920,088	1.32%	477,783,000	1.34%
International Equity	\$7,291,006,250	20.46%	\$7,270,669,290	20.43%
International Large Cap Growth				
EARNEST Partners	524,618,059	1.47%	529,954,678	1.49%
William Blair	624,889,680	1.75%	622,024,056	1.75%
International Large Cap Value				
Brandes	534,204,679	1.50%	536,270,243	1.51%
Lombardia	32,189,658	0.09%	32,467,526	0.09%
Mondrian	513,349,123	1.44%	504,121,423	1.42%
Lazard	99,340,579	0.28%	98,479,410	0.28%
International Large Cap Core				
Arrowstreet	554,014,801	1.55%	553,837,131	1.56%
Brown	294,374,258	0.83%	285,390,988	0.80%
GlobeFlex	522,926,654	1.47%	521,716,410	1.47%
NTGI MSCI EAFE Index	2,318,975,970	6.51%	2,271,994,490	6.38%
Progress Intl Equity	243,998,754	0.68%	246,056,534	0.69%
International Small Cap				
Franklin Templeton	196,321,976	0.55%	197,654,589	0.56%
William Blair	229,098,947	0.64%	224,632,876	0.63%
Emerging Markets				
Genesis	602,703,112	1.69%	646,068,936	1.82%

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of July 31, 2015, with the distribution as of June 30, 2015.

Asset Distribution Across Investment Managers

	July 31, 2015		June 30, 2015	
	Market Value	Percent	Market Value	Percent
Fixed Income	\$9,388,098,234	26.34%	\$9,356,453,349	26.29%
Domestic Fixed Core				
EARNEST Partners	560,671,911	1.57%	558,850,919	1.57%
Piedmont	551,303,715	1.55%	550,026,741	1.55%
Garcia Hamilton	99,312,798	0.28%	98,342,987	0.28%
Passive Core				
BlackRock US Debt	1,356,317,826	3.81%	1,346,922,379	3.79%
NTGI BC Aggregate Index	1,470,904,927	4.13%	1,460,895,604	4.11%
Domestic Fixed Core Plus				
BlackRock Core Plus	746,522,121	2.09%	743,026,306	2.09%
LM Capital	865,226,208	2.43%	862,433,912	2.42%
Progress Fixed Income	622,221,003	1.75%	617,941,656	1.74%
Taplin, Canida, & Habacht	861,144,873	2.42%	860,855,536	2.42%
Western	1,168,651,119	3.28%	1,161,876,645	3.27%
Bank Loans				
Babson	179,019,602	0.50%	179,066,605	0.50%
Emerging Markets Debt				
Standish	176,112,740	0.49%	178,811,943	0.50%
Opportunistic Fixed Income				
Crescent	117,603,520	0.33%	122,129,639	0.34%
High Yield				
MacKay Shields	604,838,146	1.70%	606,910,213	1.71%
Pyramis High Yield	8,247,725	0.02%	8,362,264	0.02%
Real Estate	\$1,636,897,712	4.59%	\$1,560,166,276	4.38%
Real Estate Core				
TA Buckhead Ind. Prop.	307,735,422	0.86%	307,735,422	0.86%
Cornerstone Patriot	126,694,902	0.36%	126,694,902	0.36%
INVESCO Core RE	171,217,989	0.48%	135,342,955	0.38%
AEW Core Property Trust	210,130,861	0.59%	169,822,580	0.48%
CBRE US Core Property Trust	143,274,669	0.40%	139,238,664	0.39%
Real Estate Non-Core				
Franklin Templeton EMREFF	51,186,591	0.14%	54,644,079	0.15%
Olympus Real Estate Fund II	154,191	0.00%	154,191	0.00%
Security Capital	54,162,130	0.15%	51,694,994	0.15%
Dune II	38,908,026	0.11%	38,908,026	0.11%
Non-Core Real Estate Funds*	418,123,621	1.17%	412,660,683	1.16%
Non-Core Intl Real Estate Funds**	26,906,110	0.08%	27,116,459	0.08%
Rockwood Fund VIII	18,634,723	0.05%	25,625,684	0.07%
Almanac ARS V	27,549,658	0.08%	28,308,818	0.08%
TA Fund IX	42,218,818	0.12%	42,218,818	0.12%
Alternative Investments	\$1,555,345,092	4.36%	\$1,539,321,929	4.33%
Absolute Return				
Aurora	570,217,916	1.60%	578,594,167	1.63%
Private Equity				
Abbott	311,641,276	0.87%	314,268,996	0.88%
Muller & Monroe ILPEFF	9,031,378	0.03%	9,490,734	0.03%
Muller & Monroe MPEFF	14,753,957	0.04%	14,720,989	0.04%
Pantheon	192,993,133	0.54%	191,944,628	0.54%
Private Equity Fund - Domestic	222,821,128	0.63%	196,209,010	0.55%
Agriculture				
Premiere Partners IV	158,918,729	0.45%	159,125,831	0.45%
Timberland				
Forest Investment Assoc.	74,967,575	0.21%	74,967,575	0.21%
Cash	\$117,852,404	0.33%	\$309,647,895	0.87%
Total Fund	\$35,636,645,223	100.0%	\$35,583,985,307	100.0%

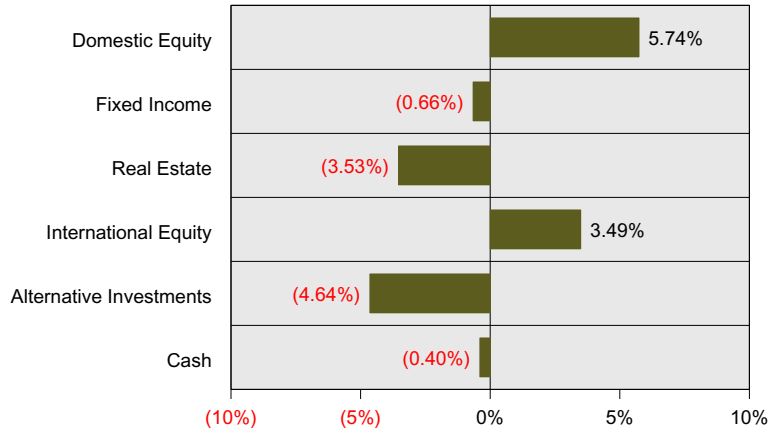
* Non-Core Real Estate Funds funded since September 2011.

** Non-Core International Real Estate Funds funded since August 2014.

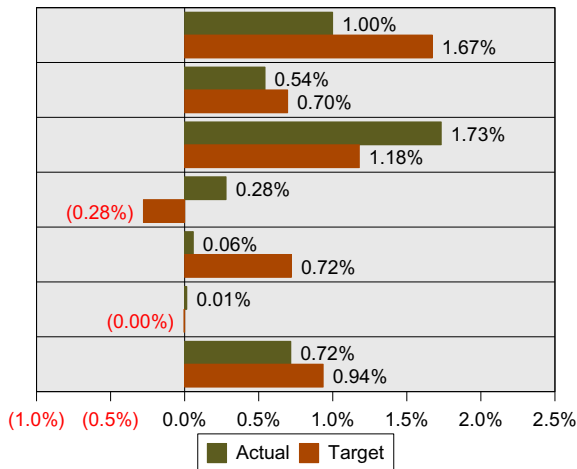
Monthly Total Fund Relative Attribution - July 31, 2015

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.

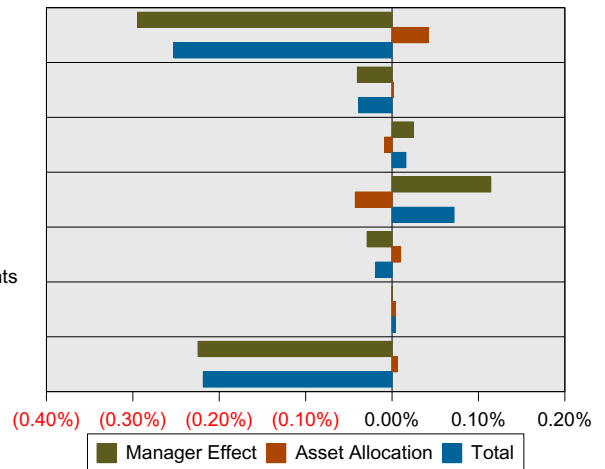
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Month ended July 31, 2015

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	44%	38%	1.00%	1.67%	(0.29%)	0.04%	(0.25%)
Fixed Income	26%	27%	0.54%	0.70%	(0.04%)	0.00%	(0.04%)
Real Estate	4%	8%	1.73%	1.18%	0.02%	(0.01%)	0.02%
International Equity	20%	17%	0.28%	(0.28%)	0.11%	(0.04%)	0.07%
Alternative Investments	4%	9%	0.06%	0.72%	(0.03%)	0.01%	(0.02%)
Cash	1%	1%	0.01%	(0.00%)	0.00%	0.00%	0.00%
Total			0.72%	= 0.94%	+ (0.22%)	+ 0.01%	(0.22%)

* Current Month Target = 38.0% Russell 3000 Index, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI x US (Net), 9.0% 9% Annually, 8.0% NFI-ODCE Value Weight Net 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 July 31, 2015

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Equity	1.00%	1.87%	4.33%	11.97%
Blended Benchmark**	1.67%	1.35%	3.65%	11.21%
Domestic Equity - Net	0.98%	1.82%	4.18%	11.70%
International Equity	0.28%	(3.06%)	5.75%	(1.69%)
MSCI ACWI x US (Net)	(0.28%)	(4.57%)	3.75%	(4.57%)
International Equity - Net	0.27%	(3.12%)	5.60%	(1.99%)
Fixed Income	0.54%	(0.68%)	0.99%	2.60%
BC Aggregate Index	0.70%	(0.64%)	0.59%	2.82%
Fixed Income - Net	0.53%	(0.71%)	0.91%	2.47%
Real Estate	1.73%	3.05%	6.13%	11.88%
Blended Benchmark***	1.18%	3.58%	8.11%	13.59%
Real Estate - Net	1.73%	3.05%	6.13%	11.88%
Alternative Investments	0.06%	1.41%	3.59%	8.40%
Alternatives Custom Benchmark****	0.72%	2.18%	5.16%	9.00%
Alternative Investments - Net	0.06%	1.30%	3.39%	7.97%
Absolute Return	0.00%	0.68%	2.87%	5.34%
HFR Fund-of-Funds Index	0.29%	0.22%	2.98%	4.61%
Private Equity	0.16%	2.52%	5.46%	9.54%
Alternatives Custom Benchmark****	0.72%	2.18%	5.16%	9.00%
Agriculture	(0.20%)	(0.28%)	(0.65%)	17.59%
Blended Benchmark***	1.18%	3.58%	8.11%	13.59%
Timberland	0.00%	0.00%	0.89%	3.69%
Blended Benchmark***	1.18%	3.58%	8.11%	13.59%
Total Fund	0.72%	0.17%	3.74%	6.23%
Total Fund - Net	0.70%	0.13%	3.62%	6.00%
Total Fund Benchmark	0.94%	0.03%	3.38%	6.12%

* Current Month Target = 38.0% Russell 3000 Index, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI x US (Net), 9.0% 9% Annually, 8.0% NFI-ODCE Value Weight Net and 1.0% 3-month Treasury Bill.

** The Blended Benchmark is currently Russell 3000 Index. Returns prior to January 1, 2015, reflect those of the Dow Jones U.S. Total Stock Market Index.

*** The Blended Benchmark is currently ODCE Value Weight Index. 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 July 31, 2015

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Equity	19.06%	16.77%	8.30%	11.79% ^(1/82)
Blended Benchmark**	17.89%	16.34%	8.04%	-
Domestic Equity - Net	18.77%	16.48%	8.04%	8.11% ^(1/05)
International Equity	11.68%	8.14%	6.10%	8.12% ^(9/86)
MSCI ACWI x US (Net)	8.83%	5.85%	5.13%	-
International Equity - Net	11.34%	7.81%	5.75%	5.86% ^(1/05)
Fixed Income	2.72%	4.52%	5.46%	8.75% ^(1/82)
BC Aggregate Index	1.60%	3.27%	4.61%	8.25% ^(1/82)
Fixed Income - Net	2.57%	4.36%	5.32%	5.18% ^(1/05)
Real Estate	11.78%	12.56%	6.06%	4.95% ^(5/85)
Blended Benchmark***	12.45%	13.50%	7.44%	7.77% ^(5/85)
Real Estate - Net	11.78%	12.56%	6.06%	6.59% ^(1/05)
Alternative Investments	9.82%	8.87%	7.90%	10.88% ^(2/86)
Alternatives Custom Benchmark****	9.00%	9.00%	10.46%	13.21% ^(2/86)
Alternative Investments - Net	9.49%	8.57%	7.59%	8.04% ^(1/05)
Absolute Return	6.47%	4.75%	4.27%	4.91% ^(1/02)
HFR Fund-of-Funds Index	6.03%	3.96%	3.04%	3.85% ^(1/02)
Private Equity	11.29%	11.58%	10.73%	13.01% ^(2/86)
Alternatives Custom Benchmark****	9.00%	9.00%	10.46%	13.21% ^(2/86)
Agriculture	20.06%	15.89%	12.25%	8.26% ^(10/97)
Blended Benchmark***	12.45%	13.50%	7.44%	7.43% ^(10/97)
Timberland	5.78%	4.25%	4.73%	8.60% ^(10/92)
Blended Benchmark***	12.45%	13.50%	7.44%	7.47% ^(10/92)
Total Fund	12.02%	10.78%	7.49%	10.18% ^(1/82)
Total Fund - Net	11.78%	10.53%	7.26%	7.25% ^(1/05)
Total Fund Benchmark	10.51%	9.96%	7.00%	6.94% ^(1/05)

* Current Month Target = 38.0% Russell 3000 Index, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI x US (Net), 9.0% 9% Annually, 8.0% NFI-ODCE Value Weight Net and 1.0% 3-month Treasury Bill.

** The Blended Benchmark is currently Russell 3000 Index. Returns prior to January 1, 2015, reflect those of the Dow Jones U.S. Total Stock Market Index.

*** The Blended Benchmark is currently ODCE Value Weight Index. 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 July 31, 2015

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Large Cap Equity	2.03%	1.73%	4.13%	11.45%
Russell 1000 Index	1.93%	1.32%	3.67%	11.24%
Large Cap Growth	3.65%	3.24%	6.59%	13.95%
Holland	4.85%	4.16%	9.77%	15.16%
LCG Blended Benchmark*	3.39%	3.00%	7.49%	16.08%
Russell 1000 Growth Index	3.39%	3.00%	7.49%	16.08%
Holland - Net	4.85%	4.11%	9.65%	14.98%
NTGI S&P 500 Growth Idx	3.60%	3.42%	6.51%	15.48%
S&P/Citi 500 Growth Index	3.62%	3.45%	6.51%	15.49%
NTGI S&P 500 Growth Idx - Net	3.60%	3.42%	6.50%	15.47%
Sands	3.06%	2.67%	3.96%	10.93%
LCG Blended Benchmark*	3.39%	3.00%	7.49%	16.08%
Russell 1000 Growth Index	3.39%	3.00%	7.49%	16.08%
Sands - Net	3.06%	2.61%	3.84%	10.68%
Vision	1.91%	1.03%	5.55%	10.25%
LCG Blended Benchmark*	3.39%	3.00%	7.49%	16.08%
Russell 1000 Growth Index	3.39%	3.00%	7.49%	16.08%
Vision - Net	1.84%	0.96%	5.33%	9.94%
Large Cap Value	0.86%	0.65%	2.33%	8.76%
Dodge & Cox	1.20%	1.10%	2.70%	7.22%
LCV Blended Benchmark**	0.44%	(0.38%)	(0.18%)	6.40%
Russell 1000 Value Index	0.44%	(0.38%)	(0.18%)	6.40%
Dodge & Cox - Net	1.20%	1.10%	2.59%	7.04%
BMO	0.77%	1.05%	3.07%	11.59%
LCV Blended Benchmark**	0.44%	(0.38%)	(0.18%)	6.40%
Russell 1000 Value Index	0.44%	(0.38%)	(0.18%)	6.40%
BMO - Net	0.77%	0.99%	2.96%	11.35%
LSV	0.91%	0.78%	2.77%	8.80%
LCV Blended Benchmark**	0.44%	(0.38%)	(0.18%)	6.40%
Russell 1000 Value Index	0.44%	(0.38%)	(0.18%)	6.40%
LSV - Net	0.85%	0.72%	2.58%	8.47%
NTGI S&P 500 Value Idx	0.40%	(0.84%)	(0.03%)	6.65%
S&P/Citi 500 Value Index	0.38%	(0.87%)	(0.07%)	6.59%
NTGI S&P 500 Value Idx - Net	0.40%	(0.84%)	(0.03%)	6.65%
Large Cap Passive Core	1.65%	1.34%	3.65%	11.25%
NTGI MarketCap Idx	1.65%	1.34%	3.65%	11.25%
DJ U.S. Total Stock Market Index	1.65%	1.31%	3.60%	11.16%
NTGI MarketCap Idx - Net	1.65%	1.34%	3.64%	11.25%

* 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 July 31, 2015

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception	
Large Cap Equity	18.93%	16.84%	8.09%	11.32%	(1/82)
Russell 1000 Index	18.02%	16.45%	7.93%	11.67%	(1/82)
Large Cap Growth	18.50%	17.49%	8.86%	11.81%	(1/82)
Holland	17.71%	16.84%	9.13%	10.51%	(11/94)
LCG Blended Benchmark*	18.78%	17.75%	8.88%	9.81%	(11/94)
Russell 1000 Growth Index	18.78%	17.75%	8.95%	9.00%	(11/94)
Holland - Net	17.45%	16.54%	8.86%	8.26%	(1/05)
NTGI S&P 500 Growth Idx	18.51%	17.93%	8.99%	6.57%	(8/01)
S&P/Citi 500 Growth Index	18.47%	17.91%	8.96%	6.53%	(8/01)
NTGI S&P 500 Growth Idx - Net	18.50%	17.92%	8.98%	8.72%	(1/05)
Sands	20.35%	20.98%	10.79%	11.79%	(11/03)
LCG Blended Benchmark*	18.78%	17.75%	8.88%	8.75%	(11/03)
Russell 1000 Growth Index	18.78%	17.75%	8.95%	8.82%	(11/03)
Sands - Net	20.10%	20.72%	10.50%	10.43%	(1/05)
Vision	15.08%	-	-	12.78%	(7/11)
LCG Blended Benchmark*	18.78%	17.75%	8.88%	15.42%	(7/11)
Russell 1000 Growth Index	18.78%	17.75%	8.95%	15.42%	(7/11)
Vision - Net	14.65%	-	-	12.31%	(7/11)
Large Cap Value	19.95%	16.58%	7.55%	10.52%	(10/82)
Dodge & Cox	20.17%	16.79%	7.52%	9.48%	(9/03)
LCV Blended Benchmark**	17.11%	15.08%	6.81%	8.33%	(9/03)
Russell 1000 Value Index	17.11%	15.08%	6.79%	8.56%	(9/03)
Dodge & Cox - Net	19.92%	16.56%	7.28%	7.32%	(1/05)
BMO	20.48%	17.58%	8.23%	8.18%	(2/01)
LCV Blended Benchmark**	17.11%	15.08%	6.81%	5.04%	(2/01)
Russell 1000 Value Index	17.11%	15.08%	6.79%	6.32%	(2/01)
BMO - Net	20.22%	17.31%	7.98%	8.42%	(1/05)
LSV	21.74%	17.39%	8.34%	11.70%	(2/03)
LCV Blended Benchmark**	17.11%	15.08%	6.81%	9.56%	(2/03)
Russell 1000 Value Index	17.11%	15.08%	6.79%	9.57%	(2/03)
LSV - Net	21.45%	17.08%	8.04%	8.31%	(1/05)
NTGI S&P 500 Value Idx	16.75%	14.60%	6.45%	5.11%	(8/99)
S&P/Citi 500 Value Index	16.65%	14.52%	6.39%	5.09%	(8/99)
NTGI S&P 500 Value Idx - Net	16.74%	14.60%	6.44%	6.40%	(1/05)
Large Cap Passive Core	17.97%	16.36%	7.93%	11.20%	(1/85)
NTGI MarketCap Idx	17.97%	16.38%	7.94%	10.94%	(2/85)
DJ U.S. Total Stock Market Index	17.87%	16.33%	8.03%	10.89%	(2/85)
NTGI MarketCap Idx - Net	17.97%	16.37%	7.93%	7.90%	(1/05)

* 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.

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 July 31, 2015

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Small Cap Equity	(1.47%)	2.26%	4.86%	13.48%
Russell 2000 Index	(1.16%)	1.85%	3.54%	12.03%
Small Cap Growth	0.61%	5.28%	11.00%	22.85%
Frontier	(0.82%)	2.89%	6.87%	19.43%
Russell 2000 Growth Index	0.41%	5.50%	9.18%	20.07%
Frontier - Net	(0.94%)	2.76%	6.38%	18.73%
Pyramis	1.92%	7.49%	15.19%	26.47%
Russell 2000 Growth Index	0.41%	5.50%	9.18%	20.07%
Pyramis - Net	1.92%	7.36%	14.92%	25.83%
Small Cap Value	(3.07%)	(0.95%)	(0.11%)	6.19%
Channing	(1.71%)	1.92%	3.18%	10.09%
Russell 2000 Value Index	(2.76%)	(1.82%)	(2.02%)	4.30%
Channing - Net	(1.71%)	1.92%	3.06%	9.82%
DFA Small Cap Value	(3.24%)	(1.76%)	(0.69%)	6.09%
Russell 2000 Value Index	(2.76%)	(1.82%)	(2.02%)	4.30%
DFA Small Cap Value - Net	(3.24%)	(1.88%)	(0.94%)	5.68%
Inv. Counselors of Maryland	(3.39%)	(0.85%)	(0.03%)	6.01%
Russell 2000 Value Index	(2.76%)	(1.82%)	(2.02%)	4.30%
Inv. Couns. of Maryland - Net	(3.39%)	(0.94%)	(0.22%)	5.61%
Lombardia	(2.30%)	(0.91%)	(1.48%)	3.36%
Russell 2000 Value Index	(2.76%)	(1.82%)	(2.02%)	4.30%
Lombardia - Net	(2.46%)	(1.08%)	(1.98%)	2.66%
Micro Cap	(2.32%)	2.96%	3.44%	11.32%
Ariel	(8.97%)	(10.81%)	(14.70%)	(9.69%)
Russell 2000 Value Index	(2.76%)	(1.82%)	(2.02%)	4.30%
Russell 2000 Index	(1.16%)	1.85%	3.54%	12.03%
Russell Microcap Index	(3.19%)	1.90%	2.64%	12.30%
Ariel - Net	(9.17%)	(11.01%)	(15.24%)	(10.44%)
Ativo	(1.51%)	2.48%	5.53%	16.51%
Russell 2000 Growth Index	0.41%	5.50%	9.18%	20.07%
Russell 2000 Index	(1.16%)	1.85%	3.54%	12.03%
Russell Microcap Index	(3.19%)	1.90%	2.64%	12.30%
Ativo - Net	(1.70%)	2.29%	4.93%	15.62%
DFA Micro Cap	(2.36%)	0.47%	1.23%	9.38%
Russell 2000 Value Index	(2.76%)	(1.82%)	(2.02%)	4.30%
Russell 2000 Index	(1.16%)	1.85%	3.54%	12.03%
DFA Micro Cap - Net	(2.36%)	0.35%	0.97%	8.83%
Wall Street	(1.22%)	7.45%	8.49%	16.46%
Russell 2000 Growth Index	0.41%	5.50%	9.18%	20.07%
Russell 2000 Index	(1.16%)	1.85%	3.54%	12.03%
Wall Street - Net	(1.41%)	7.25%	7.88%	15.59%

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 July 31, 2015

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Small Cap Equity	19.82%	16.91%	9.82%	12.82% (7/88)
Russell 2000 Index	17.90%	15.27%	7.61%	9.65% (7/88)
Small Cap Growth	22.85%	18.72%	10.84%	13.75% (7/88)
Frontier	21.84%	17.30%	10.66%	13.74% (8/88)
Russell 2000 Growth Index	20.98%	17.90%	9.16%	8.32% (8/88)
Frontier - Net	21.21%	16.64%	8.15%	8.11% (1/05)
Pyramis	24.25%	20.04%	11.95%	14.44% (8/88)
Russell 2000 Growth Index	20.98%	17.90%	9.16%	8.32% (8/88)
Pyramis - Net	23.77%	19.42%	11.31%	12.30% (1/05)
Small Cap Value	17.51%	14.83%	8.36%	12.27% (9/89)
Channing	22.30%	-	-	13.87% (7/11)
Russell 2000 Value Index	14.82%	12.60%	5.99%	10.02% (7/11)
Channing - Net	21.71%	-	-	13.22% (7/11)
DFA Small Cap Value	18.96%	15.93%	8.26%	12.98% (2/96)
Russell 2000 Value Index	14.82%	12.60%	5.99%	9.79% (2/96)
DFA Small Cap Value - Net	18.43%	15.40%	7.72%	8.13% (1/05)
Inv. Counselors of Maryland	16.06%	13.97%	8.27%	11.58% (5/99)
Russell 2000 Value Index	14.82%	12.60%	5.99%	9.27% (5/99)
Inv. Couns. of Maryland - Net	15.62%	13.49%	7.77%	7.92% (1/05)
Lombardia	15.09%	-	-	9.85% (6/11)
Russell 2000 Value Index	14.82%	12.60%	5.99%	9.15% (6/11)
Lombardia - Net	14.32%	-	-	9.12% (6/11)
Micro Cap	18.74%	16.95%	8.11%	12.40% (7/84)
Ariel	7.43%	-	-	8.14% (11/10)
Russell 2000 Value Index	14.82%	12.60%	5.99%	11.85% (11/10)
Russell 2000 Index	17.90%	15.27%	7.61%	14.18% (11/10)
Russell Microcap Index	18.57%	15.44%	6.00%	14.50% (11/10)
Ariel - Net	6.56%	-	-	7.25% (11/10)
Ativo	24.79%	-	-	17.07% (10/10)
Russell 2000 Growth Index	20.98%	17.90%	9.16%	17.19% (10/10)
Russell 2000 Index	17.90%	15.27%	7.61%	14.87% (10/10)
Russell Microcap Index	18.57%	15.44%	6.00%	15.54% (10/10)
Ativo - Net	23.85%	-	-	16.18% (10/10)
DFA Micro Cap	18.62%	16.27%	8.08%	11.40% (8/87)
Russell 2000 Value Index	14.82%	12.60%	5.99%	10.06% (8/87)
Russell 2000 Index	17.90%	15.27%	7.61%	8.96% (8/87)
DFA Micro Cap - Net	18.03%	15.71%	7.56%	7.64% (1/05)
Wall Street	20.49%	18.84%	8.88%	14.57% (8/90)
Russell 2000 Growth Index	20.98%	17.90%	9.16%	8.35% (8/90)
Russell 2000 Index	17.90%	15.27%	7.61%	10.03% (8/90)
Wall Street - Net	19.59%	17.90%	8.02%	8.40% (1/05)

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 July 31, 2015

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Equity	0.98%	(2.35%)	6.83%	(0.45%)
MSCI ACWI ex-US Index	(0.28%)	(4.57%)	3.75%	(4.57%)
Intl Large Cap Growth	(0.21%)	(4.08%)	3.39%	(2.36%)
EARNEST Partners	(1.01%)	(6.02%)	(0.03%)	(7.57%)
MSCI ACWI ex-US Index	(0.28%)	(4.57%)	3.75%	(4.57%)
MSCI ACWI ex-US Growth	0.27%	(3.30%)	5.96%	0.01%
EARNEST Partners - Net	(1.06%)	(6.07%)	(0.18%)	(7.82%)
William Blair	0.46%	(2.39%)	6.44%	2.48%
MSCI ACWI ex-US Index	(0.28%)	(4.57%)	3.75%	(4.57%)
MSCI ACWI ex-US Growth	0.27%	(3.30%)	5.96%	0.01%
William Blair - Net	0.46%	(2.47%)	6.25%	2.11%
Intl Large Cap Value	0.66%	(2.59%)	6.96%	(1.45%)
Brandes	(0.39%)	(3.28%)	8.38%	(1.65%)
MSCI ACWI ex-US Index	(0.28%)	(4.57%)	3.75%	(4.57%)
MSCI ACWI ex-US Value	(0.79%)	(5.58%)	2.16%	(8.25%)
Brandes - Net	(0.44%)	(3.33%)	8.21%	(1.86%)
Lombardia	(0.86%)	(5.59%)	4.98%	(7.31%)
MSCI ACWI ex-US Index	(0.28%)	(4.57%)	3.75%	(4.57%)
MSCI ACWI ex-US Value	(0.79%)	(5.58%)	2.16%	(8.25%)
Lombardia - Net	(1.01%)	(5.74%)	4.51%	(7.87%)
Mondrian	1.83%	(1.88%)	5.93%	(1.08%)
MSCI ACWI ex-US Index	(0.28%)	(4.57%)	3.75%	(4.57%)
MSCI ACWI ex-US Value	(0.79%)	(5.58%)	2.16%	(8.25%)
Mondrian - Net	1.83%	(2.00%)	5.67%	(1.58%)
Lazard	0.87%	(1.52%)	5.56%	(0.13%)
MSCI ACWI ex-US Index	(0.28%)	(4.57%)	3.75%	(4.57%)
MSCI ACWI ex-US Value	(0.79%)	(5.58%)	2.16%	(8.25%)
Lazard - Net	0.87%	(1.92%)	5.07%	(0.72%)

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 July 31, 2015

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Equity	12.51%	8.54%	5.94%	8.17% ^(9/86)
MSCI ACWI ex-US Index	8.83%	5.85%	5.13%	-
Intl Large Cap Growth	10.73%	7.93%	6.19%	9.31% ^(9/02)
EARNEST Partners	8.77%	6.18%	8.96%	10.36% ^(10/04)
MSCI ACWI ex-US Index	8.83%	5.85%	5.13%	6.48% ^(10/04)
MSCI ACWI ex-US Growth	9.96%	7.18%	6.02%	7.26% ^(10/04)
EARNEST Partners - Net	8.43%	5.80%	8.47%	8.69% ^(1/05)
William Blair	12.49%	9.78%	7.07%	10.99% ^(10/02)
MSCI ACWI ex-US Index	8.83%	5.85%	5.13%	9.25% ^(10/02)
MSCI ACWI ex-US Growth	9.96%	7.18%	6.02%	9.31% ^(10/02)
William Blair - Net	12.07%	9.37%	6.66%	6.87% ^(1/05)
Intl Large Cap Value	12.11%	7.22%	4.83%	9.69% ^(10/95)
Brandes	13.58%	7.82%	5.12%	9.93% ^(1/96)
MSCI ACWI ex-US Index	8.83%	5.85%	5.13%	5.31% ^(1/96)
MSCI ACWI ex-US Value	8.59%	5.41%	5.14%	-
Brandes - Net	13.32%	7.56%	4.82%	4.64% ^(1/05)
Lombardia	14.46%	-	-	10.32% ^(4/12)
MSCI ACWI ex-US Index	8.83%	5.85%	5.13%	5.82% ^(4/12)
MSCI ACWI ex-US Value	8.59%	5.41%	5.14%	5.53% ^(4/12)
Lombardia - Net	13.83%	-	-	9.72% ^(4/12)
Mondrian	10.80%	-	-	7.58% ^(4/12)
MSCI ACWI ex-US Index	8.83%	5.85%	5.13%	5.82% ^(4/12)
MSCI ACWI ex-US Value	8.59%	5.41%	5.14%	5.53% ^(4/12)
Mondrian - Net	10.24%	-	-	7.09% ^(4/12)
Lazard	11.29%	-	-	9.29% ^(4/12)
MSCI ACWI ex-US Index	8.83%	5.85%	5.13%	5.82% ^(4/12)
MSCI ACWI ex-US Value	8.59%	5.41%	5.14%	5.53% ^(4/12)
Lazard - Net	10.44%	-	-	8.54% ^(4/12)

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 July 31, 2015

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Active Core	0.52%	(2.58%)	7.53%	0.97%
Arrowstreet	0.03%	(2.67%)	7.52%	2.57%
MSCI ACWI ex-US Index	(0.28%)	(4.57%)	3.75%	(4.57%)
Arrowstreet - Net	0.03%	(2.78%)	7.27%	2.09%
Brown	3.15%	0.28%	11.82%	4.72%
MSCI ACWI ex-US Index	(0.28%)	(4.57%)	3.75%	(4.57%)
Brown - Net	3.15%	0.28%	11.68%	3.66%
GlobeFlex	0.23%	(3.26%)	6.11%	(1.51%)
MSCI ACWI ex-US Index	(0.28%)	(4.57%)	3.75%	(4.57%)
GlobeFlex - Net	0.23%	(3.35%)	5.90%	(1.92%)
Progress Intl Equity	(0.84%)	(4.21%)	4.69%	(2.43%)
Custom Benchmark	(1.37%)	(5.17%)	4.03%	(4.49%)
MSCI ACWI ex US Index	(0.26%)	(4.43%)	4.08%	(4.16%)
Progress Intl Equity - Net	(0.97%)	(4.33%)	4.29%	(2.80%)
Intl Large Cap Pass. Core	2.07%	(1.20%)	8.06%	0.07%
NTGI MSCI EAFE Idx	2.07%	(1.20%)	8.06%	0.07%
MSCI EAFE Index	2.08%	(1.32%)	7.72%	(0.27%)
NTGI EAFE Idx - Net	2.07%	(1.20%)	8.05%	0.06%
International Small Cap	0.74%	(0.88%)	8.48%	2.26%
Franklin Templeton	(0.67%)	(3.30%)	7.73%	1.46%
ACWI Small Cap ex US	(1.91%)	(3.53%)	6.25%	(3.08%)
Franklin Templeton - Net	(0.67%)	(3.47%)	7.35%	0.72%
William Blair	1.99%	1.30%	9.13%	2.96%
ACWI Small Cap ex US	(1.91%)	(3.53%)	6.25%	(3.08%)
Intl SC Blended Benchmark	(1.91%)	(3.53%)	6.25%	(3.08%)
William Blair - Net	1.99%	1.11%	8.71%	2.15%
Emerging Markets	(6.71%)	(11.16%)	(5.86%)	(15.29%)
Genesis	(6.71%)	(11.16%)	(5.86%)	(15.29%)
MSCI Emerging Markets Index	(6.87%)	(12.84%)	(3.97%)	(13.07%)
Genesis - Net	(6.71%)	(11.16%)	(6.00%)	(15.62%)

Brown and GlobeFlex moved to International Large Cap Active Core April 1, 2011.

Progress Custom Benchmark is a comprised of each manager's weighted benchmark.

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 July 31, 2015

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Active Core	13.89%	10.10%	-	4.29% ^(2/08)
Arrowstreet	14.67%	10.29%	-	4.45% ^(3/08)
MSCI ACWI ex-US Index	8.83%	5.85%	5.13%	0.90% ^(3/08)
Arrowstreet - Net	14.14%	9.77%	-	3.97% ^(3/08)
Brown	18.13%	11.39%	7.82%	9.05% ^(10/04)
MSCI ACWI ex-US Index	8.83%	5.85%	5.13%	6.48% ^(10/04)
Brown - Net	17.18%	10.64%	7.32%	7.33% ^(1/05)
GlobeFlex	11.44%	9.60%	-	4.49% ^(3/06)
MSCI ACWI ex-US Index	8.83%	5.85%	5.13%	3.44% ^(3/06)
GlobeFlex - Net	10.98%	9.14%	-	4.03% ^(3/06)
Progress Intl Equity	-	-	-	(2.82%) ^(7/14)
Custom Benchmark	-	-	-	(4.67%) ^(7/14)
MSCI ACWI ex US Index	9.30%	6.32%	5.60%	(4.71%) ^(7/14)
Progress Intl Equity - Net	-	-	-	(3.18%) ^(7/14)
Intl Large Cap Pass. Core	12.75%	8.43%	5.41%	3.33% ^(1/00)
NTGI MSCI EAFE Idx	12.75%	8.43%	5.40%	3.78% ^(2/00)
MSCI EAFE Index	12.32%	8.01%	5.02%	3.39% ^(2/00)
NTGI EAFE Idx - Net	12.74%	8.42%	5.39%	5.30% ^(1/05)
International Small Cap	13.81%	11.03%	-	4.47% ^(12/05)
Franklin Templeton	14.08%	-	-	7.10% ^(8/11)
ACWI Small Cap ex US	11.40%	7.58%	6.76%	3.82% ^(8/11)
Franklin Templeton - Net	13.32%	-	-	6.37% ^(8/11)
William Blair	13.58%	-	-	12.05% ^(9/10)
ACWI Small Cap ex US	11.40%	7.58%	6.76%	8.13% ^(9/10)
Intl SC Blended Benchmark	11.40%	8.04%	5.99%	8.81% ^(9/10)
William Blair - Net	12.70%	-	-	11.22% ^(9/10)
Emerging Markets	2.30%	2.77%	9.10%	9.13% ^(2/92)
Genesis	2.27%	2.75%	9.11%	12.09% ^(5/04)
MSCI Emerging Markets Index	0.96%	0.92%	6.95%	9.53% ^(5/04)
Genesis - Net	1.77%	2.20%	8.50%	9.67% ^(1/05)

Brown and GlobeFlex moved to International Large Cap Active Core April 1, 2011.

Progress Custom Benchmark is a comprised of each manager's weighted benchmark.

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.

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 July 31, 2015

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Dom. Fixed Active Core	0.65%	(0.59%)	1.14%	3.36%
EARNEST Partners	0.73%	(0.41%)	0.93%	3.84%
BC Aggregate Index	0.70%	(0.64%)	0.59%	2.82%
EARNEST Partners - Net	0.68%	(0.46%)	0.77%	3.57%
Piedmont	0.44%	(0.87%)	1.27%	2.79%
BC Aggregate Index	0.70%	(0.64%)	0.59%	2.82%
Piedmont - Net	0.39%	(0.91%)	1.18%	2.66%
Garcia Hamilton	1.39%	-	-	-
BC Aggregate Index	0.70%	(0.64%)	0.59%	2.82%
Garcia Hamilton	1.39%	-	-	-
Dom. Fixed Passive Core	0.69%	(0.66%)	0.63%	2.93%
BlackRock US Debt	0.70%	(0.69%)	0.63%	2.95%
BC Aggregate Index	0.70%	(0.64%)	0.59%	2.82%
BlackRock US Debt - Net	0.70%	(0.69%)	0.63%	2.94%
NTGI BC Agg. Index	0.69%	(0.64%)	0.64%	2.91%
BC Aggregate Index	0.70%	(0.64%)	0.59%	2.82%
NTGI BC Agg. Index - Net	0.68%	(0.64%)	0.63%	2.90%

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 July 31, 2015

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Dom. Fixed Active Core	2.39%	4.16%	4.99%	4.90% ^(4/01)
EARNEST Partners	2.48%	4.20%	5.10%	5.05% ^(5/05)
BC Aggregate Index	1.60%	3.27%	4.61%	4.56% ^(5/05)
EARNEST Partners - Net	2.27%	3.99%	4.88%	4.83% ^(5/05)
Piedmont	2.27%	4.07%	4.85%	4.74% ^(6/05)
BC Aggregate Index	1.60%	3.27%	4.61%	4.49% ^(6/05)
Piedmont - Net	2.11%	3.90%	4.65%	4.54% ^(6/05)
Garcia Hamilton	-	-	-	0.01% ^(6/15)
BC Aggregate Index	1.60%	3.27%	4.61%	(0.40%) ^(6/15)
Garcia Hamilton	-	-	-	0.01% ^(6/15)
Dom. Fixed Passive Core	1.62%	3.29%	4.57%	6.37% ^(1/90)
BlackRock US Debt	-	-	-	3.65% ^(10/13)
BC Aggregate Index	1.60%	3.27%	4.61%	3.47% ^(10/13)
BlackRock US Debt - Net	-	-	-	3.64% ^(10/13)
NTGI BC Agg. Index	1.63%	3.29%	4.57%	6.44% ^(2/90)
BC Aggregate Index	1.60%	3.27%	4.61%	6.44% ^(2/90)
NTGI BC Agg. Index - Net	1.62%	3.29%	4.56%	4.46% ^(1/05)

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 July 31, 2015

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Fixed Core Plus	0.67%	(0.69%)	0.78%	2.71%
BlackRock Core Plus	0.73%	(0.46%)	1.06%	3.27%
BC Aggregate Index	0.70%	(0.64%)	0.59%	2.82%
BlackRock Core Plus - Net	0.72%	(0.47%)	1.04%	3.10%
LM Capital	0.61%	(0.53%)	1.02%	2.88%
BC Aggregate Index	0.70%	(0.64%)	0.59%	2.82%
LM Capital - Net	0.61%	(0.53%)	0.94%	2.76%
Progress Fixed Income	0.69%	(0.73%)	0.87%	2.57%
BC Aggregate Index	0.70%	(0.64%)	0.59%	2.82%
Progress Fixed Inc. - Net	0.60%	(0.81%)	0.60%	2.21%
Taplin, Canida, Habacht	0.39%	(1.35%)	0.20%	2.03%
BC Aggregate Index	0.70%	(0.64%)	0.59%	2.82%
Taplin, Canida, Hab. - Net	0.39%	(1.38%)	0.13%	1.93%
Western	0.88%	(0.43%)	1.41%	3.47%
BC Aggregate Index	0.70%	(0.64%)	0.59%	2.82%
Western - Net	0.88%	(0.47%)	1.34%	3.33%
Bank Loans	(0.03%)	(0.10%)	3.19%	2.35%
Babson	(0.03%)	(0.10%)	3.19%	2.35%
Custom Benchmark	0.16%	0.11%	3.15%	2.59%
Babson - Net	(0.03%)	(0.10%)	3.19%	2.35%
Emerging Markets	(1.51%)	(3.37%)	(2.50%)	(5.83%)
Standish	(1.51%)	(3.37%)	(2.50%)	(5.83%)
Custom Benchmark	(1.20%)	(3.72%)	(2.20%)	(8.52%)
Standish - Net	(1.51%)	(3.45%)	(2.68%)	(6.05%)
Opportunistic Fixed Income	(2.33%)	(0.95%)	1.16%	-
Crescent	(2.33%)	(0.95%)	1.16%	-
Custom Benchmark	(0.31%)	(1.04%)	2.34%	1.00%
Crescent - Net	(2.33%)	(0.95%)	1.16%	-
High Yield	0.08%	(0.26%)	4.15%	2.31%
MacKay Shields	0.10%	(0.27%)	3.94%	2.19%
ML High Yield Cash Pay Index	(0.59%)	(1.82%)	1.88%	0.21%
MacKay Shields - Net	0.10%	(0.36%)	3.76%	1.84%

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

Babson Custom Benchmark is comprised of the Credit Suisse US Leveraged Loan Index and the Credit Suisse Western European Leveraged Loan Index, weighted by the portfolio's market value to each sector.

Standish Custom Benchmark is 50% JPM GBI-EM Index, 25% JPM EMBI Global Index and 25% JPM Corporate EMBI Diversified Index.

Crescent Custom Benchmark is 50% ML U.S. High Yield Master II Index and 50% S&P/LSTA Leveraged Loan Index.

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 July 31, 2015

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception	
Domestic Fixed Core Plus	2.68%	4.60%	5.23%	8.58%	(1/82)
BlackRock Core Plus	2.24%	4.15%	-	5.25%	(4/07)
BC Aggregate Index	1.60%	3.27%	4.61%	4.72%	(4/07)
BlackRock Core Plus - Net	2.03%	3.98%	-	5.12%	(4/07)
LM Capital	2.48%	4.31%	5.45%	5.40%	(5/05)
BC Aggregate Index	1.60%	3.27%	4.61%	4.56%	(5/05)
LM Capital - Net	2.33%	4.14%	5.28%	5.23%	(5/05)
Progress Fixed Income	2.58%	4.14%	-	5.43%	(1/06)
BC Aggregate Index	1.60%	3.27%	4.61%	4.72%	(1/06)
Progress Fixed Inc. - Net	2.22%	3.76%	-	5.07%	(1/06)
Taplin, Canida, Habacht	3.01%	4.88%	5.36%	5.31%	(5/05)
BC Aggregate Index	1.60%	3.27%	4.61%	4.56%	(5/05)
Taplin, Canida, Hab. - Net	2.88%	4.74%	5.22%	5.18%	(5/05)
Western	3.16%	5.17%	5.40%	5.81%	(11/01)
BC Aggregate Index	1.60%	3.27%	4.61%	4.66%	(11/01)
Western - Net	3.03%	5.03%	5.22%	5.21%	(1/05)
Bank Loans	-	-	-	2.35%	(8/14)
Babson	-	-	-	2.35%	(8/14)
Custom Benchmark	-	-	-	2.59%	(8/14)
Babson - Net	-	-	-	2.35%	(8/14)
Emerging Markets	-	-	-	(5.83%)	(8/14)
Standish	-	-	-	(5.83%)	(8/14)
Custom Benchmark	(1.18%)	2.47%	6.28%	(8.52%)	(8/14)
Standish - Net	-	-	-	(6.05%)	(8/14)
Opportunistic Fixed Income	-	-	-	(1.29%)	(9/14)
Crescent	-	-	-	(1.29%)	(9/14)
Custom Benchmark	5.20%	6.34%	6.22%	0.17%	(9/14)
Crescent - Net	-	-	-	(1.29%)	(9/14)
High Yield	6.43%	8.07%	7.95%	9.94%	(4/86)
MacKay Shields	6.28%	8.11%	7.58%	9.35%	(11/00)
ML High Yield Cash Pay Index	5.85%	7.51%	7.45%	7.94%	(11/00)
MacKay Shields - Net	5.89%	7.72%	7.20%	7.03%	(1/05)

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

Babson Custom Benchmark is comprised of the Credit Suisse US Leveraged Loan Index and the Credit Suisse Western European Leveraged Loan Index, weighted by the portfolio's market value to each sector.

Standish Custom Benchmark is 50% JPM GBI-EM Index, 25% JPM EMBI Global Index and 25% JPM Corporate EMBI Diversified Index.

Crescent Custom Benchmark is 50% ML U.S. High Yield Master II Index and 50% S&P/LSTA Leveraged Loan Index.

Manager Summary

Five Best Performing Portfolio's vs. Benchmarks

Manager	Year-to-Date Outperformance (in % points)	Since Inception Outperformance (in % points)	
Brown	8.07	2.57	09/30/2004
Pyramis SCG	6.01	6.11	07/31/1988
Channing	5.20	3.85	06/30/2011
Brandes	4.64	4.62	12/31/1995
Arrowstreet	3.77	3.13	02/29/2008

Five Worst Performing Portfolio's vs. Benchmarks

Manager	Year-to-Date Underperformance (in % points)	Since Inception Underperformance (in % points)	
Ariel	-12.68	-3.71	10/31/2010
Earnest Int'l Equity	-3.78	3.89	09/30/2004
Ativo	-3.65	-0.12	09/30/2010
Sands	-3.53	3.04	10/31/2003
Frontier	-2.31	5.41	07/31/1988

Five Highest Returning Portfolios

Manager	Year-to-Date Return (in % points)	Since Inception Return (in % points)	
Pyramis SCG	15.19	14.44	07/31/1988
Brown	11.82	9.05	09/30/2004
Holland	9.77	10.51	10/31/1994
William Blair Int'l SC	9.13	12.05	08/31/2010
Wall Street	8.49	14.57	07/31/1990

Five Lowest Returning Portfolios

Manager	Year-to-Date Return (in % points)	Since Inception Return (in % points)	
Ariel	-14.70	8.14	10/31/2010
Genesis	-5.86	12.09	04/30/2004
Standish	-2.50	-5.83	07/31/2014
Lombardia	-1.48	9.85	05/31/2011
DFA SCV	-0.69	12.98	01/31/1996

Returns are shown gross of investment management fees.

Excludes Real Estate and Alternative Investments portfolios.

- 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.

Schedules - Dated July 2015

- 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.

Schedules - Dated August, 2015

- 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.
- Schedule R - Prior Service New Governmental Units
- Schedule S - Prior Service Adjustments

Participation of Township

Putnam Township
County: Fulton
2016 Rate: 6.50%
Effective Participation Date: January 1, 2016
Number of Participating Employees: 1

Participation of New Units of Government

Mason Tazewell Woodford ROE 53
County: Tazewell
2015 Rate: 8.460%
Effective Participation Date: July 1, 2015
Number of Participating Employees: 14

Bluford Unit SC 318
County: Jefferson
2015 Rate: 19.440%
Effective Participation Date: July 1, 2015
Number of Participating Employees: 21

Sangamon Menard ROE 51
County: Sangamon
2015 Rate: 12.510%
Effective Participation Date: July 1, 2015
Number of Participating Employees: 14

Salt Fork Comm Unit SD 512
County: Vermilion
2015 Rate: 12.220%
Effective Participation Date: July 1, 2015
Number of Participating Employees: 47

Fulton Hnck McDon Schy ROE
County: Fulton
2015 Rate: 12.720%
Effective Participation Date: July 1, 2015
Number of Participating Employees: 22

Spring Garden Comm Cons SD 178
County: Jefferson
2015 Rate: 11.060%
Effective Participation Date: July 1, 2015

Number of Participating Employees: 18
Kendall Co Special Educ Coop
County: Kendall
2015 Rate: 8.34%
Effective Participation Date: July 1, 2015
Number of Participating Employees: 219

Housing Authority of Gallatin County
County: Gallatin
2015 Rate: 24.52%
Effective Participation Date: September 1, 2015
Number of Participating Employees: 4

Village of Patoka
County: Marion
2015 Rate: 7.00%
Effective Participation Date: September 1, 2015
Number of Participating Employees: 2

City of Athens
County: Menard
2015 Rate: 9.84%
Effective Participation Date: September 1, 2015
Number of Participating Employees: 13

Monroe County Road District 3
County: Monroe
2015 Rate: 5.71%
Effective Participation Date: September 1, 2015
Number of Participating Employees: 1

Woodlawn Unit SD 209
County: Jefferson
2015 Rate: 14.830%
Effective Participation Date: July 1, 2015
Number of Participating Employees: 20

Bids

Storage Area Network (SAN), Software, Implementation & Annual Maintenance -
Additional Storage
Approved Bidder: System Solutions, Inc.
Approved Bid: \$184,574

Insite Imaging Support & Maintenance Contract Renewal*** Sole Source
Approved Bidder: InSite Data Systems
Approved Bid: \$25,000

Trustee Elections
Approved Bidder: Darwill Printing
Approved Bid: \$40,920.80

Network Access Control (NAC), Implementation & Maintenance
Approved Bidder: Software House
Approved Bid: \$31,504

It was moved by Ms. Stanish, seconded by Ms. Copper, to approve the items on the
Consent Agenda.

Vote: Unanimous Voice Vote
Absent: Kuehne, Piechocinski

(15-08-07) (Financial Reports) The Chair presented the following financial
reports for approval.

- Review of June, July and August Financial Reporting Packages
- Statement of Fiduciary Net Position for April, May and June.
- Impact of 2015 Year-To-Date Investment Income on Employer Reserves,
Funding Status and Average Employer Contribution Rates (June and July).
- Schedule T - Report of Expenditures for February, March and April.

It was moved by Ms. Henry, seconded by Ms. Copper, to approve the Financial
Reports as presented.

Vote: Unanimous Voice Vote
Absent: Kuehne, Piechocinski

(15-08-08) (Report of Audit Committee Meeting) The Chair of the Audit
Committee reported on the Meeting held on August 28, 2015.

She reported IMRF's external auditors, KPMG, presented the statement of results of
the 2014 audit of Schedule of Changes in Fiduciary Net Position by
Employer/Addendum II, noting there were no unusual transactions or disagreements
with management and that the schedule did include judgments and estimates based
upon the requirements set forth in the statute.

It was the consensus of the Audit Committee to recommend the Board adopt the statement of results of the 2014 audit of Schedule of Changes in Fiduciary Net Position by Employer/Addendum II.

Next, IMRF's external auditors, KPMG, reviewed the objectives of the audit, scope of testing, the timeline and fees of the 2014 Audit Plan for the Schedule of Changes in Fiduciary Net Position by Employer, noting the hours estimated versus actual time KPMG worked on the project and the final billing amount.

The Chair of the Audit Committee requested that KPMG submit a change order in reference to the cost discrepancy and bring it back to the Audit Committee for review.

The Chief Finance Officer discussed the 2016 budget for the proposed financial audit work.

The Chair of the Audit Committee requested that IMRF staff prepare an RFP for the 2015 financial audit and requested a Special Audit Meeting be held in September 2015 to discuss the RFP and the Change Order related to the cost discrepancy within KPMG's 2014 Audit Plan of the Schedule of Changes in Fiduciary Net Position by Employer/Addendum II.

Lastly, IMRF's Internal Audit Manager presented an addendum to the initial Engagement Letter from IMRF's IT Auditors, Crowe Horwath, which was a result of the completion of their annual risk assessment of IMRF's systems in operation. The addendum added to the scope of services resulting in a \$5,750 increase in fees, impacting the 2015 Budget.

It was the consensus of the Audit Committee to approve addendum to the initial Crowe Horwath engagement letter with a \$5,750 increase in fees.

It was moved by Ms. Henry, seconded by Ms. Stanish, to accept the recommendations of the Audit Committee.

Vote: Unanimous Voice Vote
Absent: Kuehne, Piechocinski

(15-08-09) (Benefit Review Committee Meeting) Trustee Copper reported on the Benefit Review Committee Meeting held on August 27, 2015.

It was moved by Ms. Copper, seconded by Mr. Miller, to accept the following recommendations of the Benefit Review Committee:

- To uphold staff's determination to deny an exemption from the accelerated payment to the City of Granite City for payments made under a collective bargaining agreement to Ronnie M. Parente, Judith Dothage, Nancy Miller and Barbara Hawkins.
- To uphold staff's determination, and reaffirm its December 2013 decision that the Committee does not have the ability to declare P.A. 91-0685 unconstitutional and that Kathleen Konicki does not qualify to convert her service to Original ECO under Section 7-145.1 of the Illinois Pension Code, her only option is the Revised ECO plan since IMRF did not receive her 6.21B form until 2008 and she did not make contributions until that time.

- To defer making a decision regarding the temporary disability denial for Jennifer Pauley, pending additional information.
- To defer making a decision regarding the temporary disability denial for Marlene Nimmer pending additional information.
- To approve Susan David Brunner and the law firm of Otteson Britz as IMRF hearing officers.

Vote: Unanimous Voice Vote
Absent: Kuehne, Piechocinski

(15-08-10) (Report of the Investment Committee Meeting) Trustee Stulir reported on the meeting held August 27, 2015.

Staff and consultant presented a review of the Domestic Equity/Fixed Income structure, along with several recommendations.

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

- For Domestic Equity and Fixed Income Structure

Withdrawals

- o Withdraw \$150 million from Holland Large Cap Growth Portfolio;
- o Withdraw \$200 million from Wall Street Micro Cap Growth Portfolio;
- o Withdraw \$125 million from Frontier Small cap Growth Portfolio;
- o Withdraw \$200 million from Investment Counselors of Maryland Small Cap Value Portfolio;
- o Withdraw \$125 million from Sands Large Cap Growth Portfolio;

Additional Allocations

- o Allocate \$150 million to Garcia Hamilton Core Fixed Income, subject to satisfactory legal due diligence;
- o Allocate \$125 million to Babson Global Loan Fund, subject to satisfactory legal due diligence;
- o Allocate \$200 million to Progress Fixed Income, subject to satisfactory legal due diligence;
- o Allocate \$125 million to the NTI S&P Value Equity Index;

And

- o Authorize Staff to complete all documentation necessary to execute these recommendations.

Next, Mr. Reinsberg of Lazard Asset Management gave an education session to the Committee on non-U.S. markets.

Staff gave a presentation on one of IMRF's private equity managers, Vistria Fund, L.P., along with a recommendation for additional commitment.

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

- For Private Equity
 - o Allocating up to an additional \$10 million to Vistria Fund, L.P., subject to satisfactory legal due diligence; and

- o Authorize staff to complete all documentation necessary to execute this recommendation.

It was moved by Mr. Stulir, seconded by Mr. Miller, to approve the recommendations of the Investment Committee.

Vote: Unanimous Voice Vote
Absent: Kuehne, Piechocinski

(15-08-11) (Board Travel Policy Proposal) The Executive Director reviewed the Board's current travel policy along with a per diem policy established by the General Services Administration (GSA) of the Federal Government.

After questions and discussion, it was moved by Mr. Miller, seconded by Ms. Henry, to adopt the following revised Board Travel Policy:

BOARD TRAVEL POLICY

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.

General Policies

1. Trustees are fiduciaries, accountable to the beneficiaries of the Fund, who serve without compensation and/or financial gain.
2. "Reimbursement" of reasonable expenses means IMRF will pay back to the Trustee such expenses he or she incurs as a result of his or her activities as a Board Member subject to dollar limits adopted by the Board.
3. "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.
4. 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.
5. Board Members may request an 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.
6. 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.

7. 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".
8. 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.
9. 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.
10. 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.

Board and Committee Meetings

1. 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.
2. Lodging: Members residing within 50 miles from the 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.
3. Meals: Actual meal expenses are reimbursable up to \$100.00 per day.
4. 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.

Other Events

1. Limitations: Trustees are permitted to attend two out-of-state and two in-state of the following events: conferences, seminars, investments 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.

2. 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.
3. Lodging: Reimbursement for lodging shall be limited to event hotels at rates for double rooms. For events, reimbursement shall be allowed for one day prior through the one day after the event period only at the event hotel.
4. Meals: Actual meal expenses are reimbursable up to \$100.00 per day.
5. 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.

GSA Per Diem

In lieu of the meal and incidental expense reimbursement limits set forth above, a trustee, in his or her discretion, may request reimbursement following the GSA per diem without submitting documentation or receipts. This election applies only to the travel indicated. It is not a permanent election.

Vote: Unanimous Voice Vote
Absent: Kuehne, Piechocinski

(15-08-12) (Board Resolution Updates) General Counsel presented several resolutions for review and amendment to the Board for approval.

She stated that staff is currently reviewing the Board's resolutions to make sure they conform to the Pension Code as amended and are otherwise up-to-date and complete.

It was moved by Mr. Miller, seconded by Ms. Copper, to adopt the following resolutions:

Freedom of Information Act

WHEREAS, the Illinois Freedom of Information Act (FOIA) requires establishment of procedures for access by the public to records of the Illinois Municipal Retirement Fund; and

WHEREAS, the Board of Trustees of the Illinois Municipal Retirement Fund, as fiduciaries of a governmental pension fund, believe that the Fund's

records should be available at reasonable times for public inspection, to the extent that disclosure does not violate individual privacy; and

WHEREAS, the Board of Trustees has previously adopted Resolution 2010-11-13, which establishes procedures for the implementation of FOIA by IMRF; and

WHEREAS, it is appropriate that Resolution 2010-11-13 be rescinded and replaced by the following procedures.

THEREFORE, it is hereby RESOLVED that the Board of Trustees adopts the following procedures to implement the Illinois Freedom of Information Act and to govern disclosure of the records of the Illinois Municipal Retirement Fund:

1. Records Subject to Public Inspection

All IMRF records shall be subject to public inspection except:

- Individual member files privileged under section 7-197 of the Illinois Pension Code
- Any records held by the Fund that are exempt from disclosure under FOIA

2. Persons Entitled to Inspect Records

- All persons shall be entitled to inspect IMRF records.

3. Hours of Inspection

- Records shall be available for inspection at the Fund's offices between 8:30 A.M. and 4:30 P.M. on days when the Fund is open for business.

4. Employee to Whom Requests Should be Directed

Legislative Liaison/Freedom of Information Officer
Illinois Municipal Retirement Fund
2211 York Road Suite 500
Oak Brook, Illinois 60523

5. Inspection and Disclosure Procedures

- Persons appearing at the IMRF offices will be afforded the right to inspect original records upon oral or written request. The records will be furnished as soon as reasonably possible unless the requested records require substantial file research or a significant number of records are requested. In this event, the person will be informed when the records will be available for inspection or when copies can be mailed.

- Records requested for non-commercial purposes will be furnished within 5 business days (or 10 business days if an extension is required and notification to the requestor is given within the original 5 days), unless such request is deemed a "recurrent" or "voluminous" request, as those terms are defined by FOIA.
- A response for requests for records to be used for commercial purposes [as defined at FOIA section 2 (c-10)] will be furnished within 21 business days. That response will either: a) provide an estimate of the time required to provide the records requested and an estimate of the fees to be charged; or 2) deny the request; or 3) notify the requestor the request is unduly burdensome and extend an opportunity to reduce the request to manageable proportions; or 4) provide the records requested.
- Upon payment of the published fees, copies of the requested records will be provided.
- The required fees must be paid before the copies are made.
- Copies will be made by staff personnel and the person inspecting records shall not be entitled to make the copies.

6. Fees

- First 50 hard copy pages: no fee
- Additional pages over 50: 15 cents for each copy page (black and white, letter or legal-sized copies only)
- Electronic copies via email or on electronic media provided by the requester: no fee
- All other copies will be charged at the actual cost to IMRF to make the copies (color copies, CD, etc.)
- Copy fee is waived for requests made by a member of the news media, non-profit public service organization or other organization who is requesting the information in the public interest.
 - o A request is deemed to be "in the public interest" if the main purpose of the request is to use and provide such information to advance the health, safety, welfare or legal rights of the general public and is not for the personal or commercial benefit of the requester.
 - o The requester must state the specific purpose of the request and indicate that the request is in the public interest in order to receive a fee waiver

- Copy fee may be waived by Executive Director for good cause shown in other instances
- Labor fees (commercial requests only): \$10 per hour for searching for and retrieving requested records for each hour after the first 8 hours.
- Retrieval fees (commercial requests only): Actual cost of retrieving and transporting records from an offsite storage company

7. Denial Procedures

- If the request for records for non-commercial purposes is denied, written notice shall be given to the requestor within 5 business days or (if extended by written notice) within 10 business days and with the details required by section 9 of FOIA.
- Denials of requests for records to be used for commercial purposes will be provided in writing within 21 business days after receipt of the request.

8. Appeal Procedures

- Appeal from denials of requests for records under FOIA may be appealed to the Circuit Court of DuPage County.

Board Elections

WHEREAS, section 7-198 of the Illinois Pension Code authorizes the Board of Trustees of the Illinois Municipal Retirement Fund (IMRF) to establish rules necessary or desirable for the efficient administration of the Fund; and

WHEREAS, section 7-175(e) of the Illinois Pension Code authorizes the Board of Trustees to establish rules and regulations governing the conduct of elections for trustee; and

WHEREAS, IMRF is subject to the requirements of the Illinois Freedom of Information Act (FOIA), which requires certain IMRF records and documents to be made available for inspection and copying; and

WHEREAS, it is desirable that the Board of Trustees establish a policy regarding information that will be made available to candidates during elections for the IMRF Board of Trustees.

THEREFORE, BE IT RESOLVED that the following policy will govern information to be made available to candidates during elections for the IMRF Board of Trustees.

All information available under FOIA shall be available to trustee candidates, including:

- IMRF employer names and addresses;
- Names and business addresses of IMRF Authorized Agents;
- Business telephone numbers of the Authorized Agents;
- If the Authorized Agent or governing body votes in the Executive Trustee election;
- IMRF entities that have cast ballots at any point during the Executive Trustee election; and
- IMRF entities that voted in the prior two Executive Trustee elections

All information is available via electronic file or printed on stock paper or mailing labels.

The home addresses of IMRF members and retirees are confidential and exempt under FOIA and are therefore not available to candidates.

Exception:

An electronic file or mailing labels with member and retiree names and addresses can be provided to an outside bonded vendor for the purpose of conducting a blind mailing. Such mailing must be done in compliance with the IMRF Blind Mailing Process, as outlined in Board Resolution 2003-03-06 or its successor resolutions.

There is no cost for these materials when requested by a Trustee candidate. IMRF does not reimburse Trustee candidates for any expenses incurred during the election process.

Board Elections

WHEREAS, section 7-198 of the Illinois Pension Code authorizes the Board of Trustees of the Illinois Municipal Retirement Fund (IMRF) to establish rules necessary or desirable for the efficient administration of the Fund; and

WHEREAS, section 7-175(e) of the Illinois Pension Code authorizes the Board of Trustees to establish rules governing the conduct of elections for trustee; and

WHEREAS, section 7-174(a) of the Illinois Pension Code provides that no person shall be eligible to become a trustee after January 1, 1979 who does not have at least 8 years of creditable service; and

WHEREAS, section 7-113 of the Illinois Pension Code defines creditable service as "all periods of prior service or current service for which credits are granted under the provisions of Section 7-139;" and

WHEREAS, section 7-139 of the Illinois Pension Code provides for credits and creditable service for participating employees of IMRF participating employers.

NOW THEREFORE BE IT RESOLVED that a person must have at least 8 years of creditable service with an IMRF participating employer to be eligible to be a candidate for trustee. Reciprocal service credit will not be considered.

Blind Mailings

WHEREAS, Section 7-197 of the Illinois Pension Code (40 ILCS 5/7-197) establishes a statutory expectation of privacy for IMRF active members and benefit recipients by prohibiting this Board, the Executive Director, and its agents and employees from disclosing the contents of a member's files, records, papers or communications, except for purposes directly connected with the administration of the Fund; and

WHEREAS, Section 1 of the Freedom of Information Act (5 ILCS 140/1 et seq.) provides that Act is not intended to be used to violate individual privacy nor for the purpose of furthering a commercial enterprise; and

WHEREAS, Section 7 of the Freedom of Information Act exempts from inspection or copying files and personal information maintained with respect to clients or other individuals receiving financial services from public bodies and personal information maintained with respect to employees, appointees or elected officials of any public body; and

WHEREAS, the Illinois Municipal Retirement Fund is the agency which provides death, disability and retirement benefits for employees of participating units of local government pursuant to Article 7 of the Illinois Pension Code (40 ILCS 5/7-101 et seq.); and

WHEREAS, from time to time IMRF is requested by outside organizations to furnish the names and addresses of active members or benefit recipients.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE ILLINOIS MUNICIPAL RETIREMENT FUND:

1. At no time shall IMRF furnish the name, address or any other information for IMRF active members or benefit recipients to outside organizations unless it is determined by the Fund that such disclosure is directly connected with the administration of the Fund.
2. If any outside organization wishes to correspond with IMRF active members or benefit recipients for any purpose including, but not limited to the purchase of any product or service, the participation in any organization, the promotion of any individual as a candidate in any election, or support of any legislation, IMRF shall not furnish the names or addresses of any IMRF active members or benefit recipients pursuant to such request nor shall IMRF assist in effectuating such correspondence other than through a blind mailing.
3. As defined by IMRF, a "blind mailing" is a procedure by which a list of IMRF active members or benefit recipients, who have not requested to be removed from the mailing list, is furnished to an independent mailing house. IMRF reserves the right to specify the mailing house that may be used for a blind mailing. The outside organization shall provide the correspondence to the mailing house. The mailing house will mail the correspondence to the IMRF active members or benefit

recipients on the mailing list. The outside organization shall be responsible for all costs associated with the blind mailing including, but not limited to, labels, computer time, labor, and postage. IMRF will bill the outside organization for its costs. The outside organization shall make arrangements directly with the mailing house for its fees. The mailing house is prohibited from disclosing the names or addresses of IMRF active members or benefit recipients to any individual or organization.

4. The content of any blind mailing correspondence shall be reviewed by IMRF to ensure the content is not illegal. Permitting a blind mailing does not imply approval or endorsement of the organization or the content of its mailing.

Board Elections

WHEREAS, section 7-198 of the Illinois Pension Code authorizes the Board of Trustees of the Illinois Municipal Retirement Fund (IMRF) to establish rules necessary or desirable for the efficient administration of the Fund; and

WHEREAS, SECTION 7-175(E) of the Illinois Pension Code authorizes the Board of Trustees to establish rules governing the conduct of elections for trustee;

THEREFORE, BE IT RESOLVED that the following shall constitute the procedures and rules for elections for trustee.

IMRF Board of Trustees

The Board of Trustees shall adopt the election schedule and name election judges and clerks at its May meeting. A separate schedule shall be created and adopted for each trustee election (Executive, Employee, and Annuitant). The Board shall then certify eligible candidates at its September meeting and election winners at its December meeting.

In the event that only one eligible candidate is certified for a trustee election, that candidate shall be certified as the election winner by the Board at its September meeting and no additional election activities will take place for that position.

The Board of Trustees does not endorse candidates for elections and candidates cannot in any way imply that they are "endorsed" by IMRF or the Board of Trustees. This provision does not prohibit incumbent trustees from endorsing or advocating for candidates in their individual capacity.

Candidates

Per Board Resolution 1992-06-19, the IMRF logo cannot be used by any candidate in any election materials. In addition, IMRF will not provide any quantity of publications, such as benefit booklets and forms, to candidates for use in their campaign.

Candidates may not campaign at any IMRF-sponsored presentation or training session. Prohibited campaign activities include, but are not limited to, passing out literature, advocating for the candidate's election, and soliciting petition signatures.

IMRF Staff

IMRF staff members are prohibited from using their position as an IMRF staff member to campaign for or against any candidate for trustee. No campaign activity for a trustee candidate, such as passing out literature, advocating for the candidate's election, or soliciting petition signatures, shall be done during work hours.

IMRF staff may not provide support or information to any candidate that is not available to all other candidates. IMRF staff responsible for the election process shall maintain a log of all contact with trustee candidates regarding the election process. The log shall include the name of the requester, name of the staff person, contact information, type of election, request, and resolution. The log shall be available upon request, except that requester contact information shall be redacted.

Vote: Unanimous Voice Vote
Absent: Kuehne, Piechocinski

(15-08-13) (CIO Compensation) A discussion was held regarding the CIO's accomplishments over the past 12 months and her compensation, including a recommendation by the Executive Director.

After discussion, it was moved by Ms. Stanish, seconded by Ms. Henry, to approve the following recommendation by the Executive Director:

- Increase compensation for the CIO to from \$300,000 to \$360,000 annual salary effective July 1, 2015, based on significant achievements and relevant industry data.

Vote: Unanimous Voice Vote
Absent: Kuehne, Piechocinski

(15-08-14) (Expanded Litigation Update) The following is an update of the currently pending litigation:

VRAKAS, et al. v. COUNTY OF WILL, et al. (Will County) (Third District No. 3-14-0424)

Facts:

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. IMRF has been named as a "necessary party" to the lawsuit so that any judgment can be properly enforced.

Current Status:

The Defendants have filed a motion to publish the opinion and the Plaintiffs have filed a Petition for Leave to Appeal with the Illinois Supreme Court.

IN RE TRIBUNE CO, ET AL. , THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS OF TRIBUNE CO, ET AL. VS. FITZSIMONS, ET AL.

Facts:

The unsecured creditors in the Tribune bankruptcy sued investors who sold their Tribune stock at the time of the leveraged buyout by the group headed by Sam Zell. IMRF sold its stock to the buyout group and is included as a defendant.

Current Status:

An agreement of the parties led to the claim against small stockholders (under \$50,000 in proceeds) being dismissed; a motion to dismiss filed by certain of the defendants was granted and a portion of the complaint was dismissed. That ruling is on appeal. A joint motion to dismiss the remaining portions of the complaint was filed, but the court has not yet ruled.

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VILLAGE OF OAK BROOK V. THOMAS SHEAHAN, ET. AL. (13 MR 942) DUPAGE CO.
(Second District No. 2-14-0810)

Facts:

This is an administrative review action challenging the IMRF Board's decision which upheld the granting of MEABF and Deerfield credit transfers to Thomas Sheahan, the former police chief of Oak Brook and denied the Village's request to recalculate their liability excluding the service credits transferred from MEABF and Deerfield. The Village argued that IMRF should not have accepted the Deerfield transfer because IMRF was not paid for the transfer from Deerfield until after the Plaintiff had terminated his employment. The Village also claimed that the MEABF transfer was improper because Sheahan did not pay his portion of the contributions, resulting in less time being transferred than what was originally in Sheahan's account with MEABF. The Village also sought a declaratory judgment that Section 8-226.7 is unconstitutional special legislation. Because the Village was successful with the Appellate Court, the constitutional issue is still before the trial court and won't be addressed unless the Supreme Court overturns the case.

Current Status:

Sheahan has filed a Petition for Leave to Appeal with the Illinois Supreme Court. Mr. Sheahan's pension has stopped and IMRF has credited Oak Brook's account but has not yet returned the funds to Deerfield and MEABF because the Appellate Court mandate has not yet issued. IMRF will respond to the amended counterclaim by August 25, 2015. A hearing on IMRF's response will be held on October 14, 2015.

THOMAS SHEAHAN V. IMRF (15 MR 418) DUPAGE CO.

Facts:

This is an administrative review case pending before Judge Bonnie Wheaton. The Plaintiff is appealing the February 24, 2015 BRC decision to uphold the termination of Mr. Sheahan's pension payments. The IMRF Board terminated the benefits based upon the decision made by Judge Sheen which found that the transfers of service credit from Deerfield and MEABF were invalid.

Current Status:

A briefing schedule was entered. Plaintiff's brief is due on August 28, 2015. IMRF's brief is due on September 25, 2015. Plaintiff's reply brief is due by October 9, 2015, courtesy copies are due to Judge Wheaton by October 16, 2015, and a hearing on the matter is set for November 5, 2015. IMRF has filed the record in the case which consists of ten volumes. The transcript has been ordered by the Plaintiff and the record will be supplemented.

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

Facts:

Kathleen Konicki was an elected member of the Will County Board. She elected to participate in IMRF in 1997. In 1998, she filled out paperwork to enroll herself in Original ECO. The documentation shows that she later changed her mind and asked that she not be enrolled. IMRF allowed her to make this choice. Ms. Konicki does not dispute this. Much later, in 2008, Ms. Konicki applied for and was enrolled in Revised ECO. Ms. Konicki terminated her participation in IMRF in November of 2012 with 192 months of service credit. She was advised that she could convert service to Revised ECO at any time after she retired but that it was a one-time opportunity that was prospective only and she qualified only for Revised ECO, not original ECO, due to the fact that P.A. 91-0685 added a subsection (h) to Section 7-145.1 of the Pension Code which stated that she would participate only in Revised ECO if she made contributions to ECO after January 26, 2000 (the effective date of P.A. 91-0685)

On February 12, 2013, Kathy O'Brien, IMRF's General Counsel, sent a letter explaining why Ms. Konicki could only participate in Revised ECO and a staff determination with appeal rights was sent on April 1, 2013. Ms. Konicki's dispute is with the staff determination that she is eligible to convert her service only to Revised ECO and not to Original ECO. The Benefit Review Committee and ultimately the IMRF Board upheld the staff determination and it is from this decision that Ms. Konicki appealed.

Current Status:

An August 27, 2015 BRC date has been set. The County filed a letter for the record, but the Attorney General has not responded. (The AG had refused to become involved at the trial court level).

VILLAGE OF WESTMONT V. IMRF 2014 MR 528 (DUPAGE CO.) (Second District No. 2-14-1070)

Facts:

Westmont employs part-time firefighters who work over 1000 hours a year. Westmont does not have a fire pension fund (despite the fact that the population of Westmont is over 5,000) because it employs only part-time firefighters. In August of 2013, IMRF General Counsel Kathleen O'Brien advised Westmont that it should enroll its part-time firefighters in IMRF if they worked over 1,000 hours per year. Westmont has adopted the 1000 hour standard for participation in IMRF. Westmont appealed that decision to the IMRF Board as well as its subsequent reclassification from Group IV to Group VI firefighters in the IMRF Authorized Agent's manual ("AA manual"). The Board affirmed staff and this administrative review action followed.

Current status: IMR recently received the news that the motion to publish had been granted. This case can now be cited as precedent.

SCOTT TATE V. IMRF 2014 MR 34 (FRANKLIN CO)

Facts:

This is an appeal of a denial of total and permanent disability benefits.

Current Status:

IMRF has filed its answer and appearance. Waiting for court to set briefing schedule.

PETERSON V. VILLAGE OF FOX LAKE AND IMRF 14 CV 9349(US DISTRICT COURT, ND ILL)

Summary: This is a wrongful termination case and IMRF was joined solely for the purpose of any award that may be granted.

Status: IMRF has appeared in this matter. No further action will be necessary as no allegations concerning IMRF were made in this case.

SHANNON STERRETT v. IMRF (14-CH 15936-COOK CO)

Facts:

Appeal of an IMRF Board denial of temporary disability benefits to Shannon Sterrett.

Current Status:

Case has been transferred to new counsel in Lake County and IMRF is waiting for transfer order.

ROGER C. BOLIN v. IMRF (PUTNAM COUNTY 14 MR 23)

Facts:

Mr. Bolin has been the Putnam County Public Defender since December 1, 1990 but was never enrolled in IMRF. Mr. Bolin does not work out of county offices, receives no benefits and the County informed IMRF that they weren't aware of the number of hours worked by Mr. Bolin. Mr. Bolin was paid on a 1099 basis. His enrollment was rejected and he appealed that decision.

Current Status:

Once briefed, the court will set the matter for a hearing.

REBECCA SOBECK V. LOUIS KOSIBA (14 MR 289 WILLIAMSON COUNTY)

Facts:

Rebecca Sobeck received IMRF disability benefits after an accident. These benefits were later terminated.

Current Status:

IMRF argued the case in Williamson County on July 29, 2015. A written decision will be sent by the Judge, who does not rule from the bench. IMRF is waiting for that decision.

IN RE ENERGY FUTURE HOLDINGS CORP. ET AL. (US BANKRUPTCY COURT-DISTRICT OF DELAWARE)

Summary: This is a bankruptcy adversary complaint filed in an attempt to claim ownership for the bankruptcy estate of a particular high yield bond in which we have an interest. This bond is in our Pyramis High Yield Bond account.

Status: The defendants in this matter (which includes IMRF) filed a motion to dismiss, which the court granted. The plaintiffs have appealed that order. We have a joint representation agreement with other Fidelity entities, which also have interests in the bond at issue. Pyramis has agreed to pay our legal expenses up to a limit of \$40,000. Our proportionate share of the estimated legal expenses for the joint defense is 1%. So far, our expenses have been well below the limit.

HOCHSTATTER V. IMRF (15 MR 25 LASALLE COUNTY)

Facts: Mr. Hochstatter retired from the City of Mendota in 2007 and subsequently went to work for Troy Grove Township where he worked over 600 hours but was never enrolled in IMRF. The Benefit Review Committee found that Mr. Hochstatter returned to work in a qualifying position for the period from 4/1/11 through 9/30/14 and that his pension should have been suspended for that period and recalculated upon his re-retirement. A prepayment of benefits of \$106, 829.57 was found and staff was directed to negotiate a settlement with the Township and Mr. Hochstatter since the Township was found to be partially at fault. IF no agreement was reached, the prepayment would be recovered over 8 years.

Current Status:

At the status hearing held on July 15, the matter was set for further status and hearing on the IMRF motion to dismiss on September 16, 2015.

DONNELLY V. VILLAGE OF TINLEY PARK AND IMRF (15 CH 5038) COOK CO.

Facts:

This is a mandamus and declaratory judgement action. The Village of Tinley Park refused to allow Mr. Donnelly's application for service credit with IMRF and enrollment. He was a firefighter and had terminated his employment with the Village prior to the Village enrolling its firefighters as a result of an IMRF audit but was employed during those discussions.

Current Status:

The Plaintiff was given until 8/20/15 to respond to IMRF's motion to dismiss. Tinley Park is required to respond by September 17, 2015. Status is set for September 25, 2015.

BARBARA RIFKIN V. IMRF (COOK COUNTY 15 CH 6950)

Facts: This is an appeal of a denial of IMRF temporary disability benefits which was filed on April 27, 2015.

Current Status:

Case is set for status on August 25, 2015 in Cook County.

DENNIS GIANOPOLUS V. IMRF (COOK COUNTY 15 CH 8223)

Facts: This is an appeal from an administrative decision of the IMRF finding Mr. Gianopolus was not eligible to participate in IMRF as Corporation Counsel/prosecutor for the City of Calumet City. Mr. Gianopolus served as prosecutor for many years (since 2001) and was enrolled in IMRF. During this time he also served as corporation counsel but was not reported. Instead, he billed by the hour as an independent contractor for his corporation counsel services. In 2010 the City determined that it would pay the corporation counsel a salary and the prosecutor would be an hourly independent contractor. The City began reporting him as corporation counsel. The Corporation counsel position paid approximately 300K per year, while the prosecutor paid 20K.

Current Status:

A case management call is set for September 18, 2015. A briefing schedule will be set and hearing date will be entered.

KATHERINE HINTERLONG V. IMRF (13 MR 1928) DUPAGE CO.(Second District 2-14-0773)

Facts:

This was an administrative review action challenging the Board's decision upholding the denial of disability benefits for Katherine Hinterlong based upon failing to meet the initial eligibility standards. IMRF denied Ms. Hinterlong's disability application because there was inadequate evidence that she was "not separated from the service of the participating municipality or instrumentality which employed" her "on the date her disability was incurred." Ms. Hinterlong did not get disabled by a doctor until after she had been terminated from her position.

Current Status:

The Plaintiff did not appeal the decision and it is final.

(15-08-15) (Legislative Update) The Legislative Liaison and IMRF's Legislative Consultant, Nancy Vazquez, gave an update to the Board on current legislative activity.

The Legislative Liaison noted the 99th General Assembly is still in session with no adjournment date set.

She reported the following legislation has been signed into law:

- House Bill 2916 (Public Act)99-0239) - reduces the time required before IMRF can begin the offset process for delinquent employers with the treasurer or comptroller from 90 days delinquent to 60 days delinquent.
- House Bill 3592 (Public Act 99-382) - updates references in the ERI statute that refer to old employee contribution rates.
- Senate Bill 842 (Public Act 99-0008) - makes explicit that specific pension funds (including IMRF) have the authority to offset delinquent employer funds through the State Comptroller. It would also remove the State Treasurer as the ex officio treasurer for IMRF.

The Legislative Liaison further reported that SB 763 (allows certain employers to allow firefighters and/or police officers who are not eligible for participation in any Article 3 or 4 pension plan to participate in IMRF SLEP) and HB 3757 (allows for an employer penalty for return to work violations, up to the total annuity paid to the annuitant during the return to work period) - were vetoed by the Governor.

Discussion followed.

(15-08-16) (Report of Executive Director)

Quarterly Strategic Objectives Report

The Executive Director updated the Board on the second quarter 2015 Strategic Objectives.

Appreciation of Service - Susie Villarreal

Members of the Board of Trustees honored IMRF staff member Susie Villarreal who will be retiring from IMRF in September 2015:

ILLINOIS MUNICIPAL RETIREMENT

FUND BOARD OF TRUSTEES

Resolution of Appreciation

WHEREAS, Susie Villarreal, Investment Officer - Private Markets, has faithfully served IMRF for more than 33 years between November 1980 and August 2015, and;

WHEREAS, Susie Villarreal contributed to the Investment Department throughout her time at IMRF, first as General Secretary, then Investment Analyst, and finally Investment Officer - Private Markets beginning June 2014, and;

WHEREAS, during Susie Villarreal's tenure, IMRF grew from \$1.2 billion in assets in 1980 to \$35.5 billion in assets in August 2015, and;

WHEREAS, Susie Villarreal was instrumental in the completion of the Investment Department's first staff-led RFP search for private equity fund investments, as well as subsequent private equity and real estate fund commitments from 2012 through August 2015, and;

WHEREAS, Susie Villarreal demonstrated sound judgment as an IMRF leader and was an outstanding role model for the private markets team from June 2014 through August 2015, and;

WHEREAS, Susie Villarreal improved monitoring processes for the private markets portfolio, met time-sensitive deadlines, conducted manager due diligence visits, prepared staff summaries for the Investment Committee of the Board of Trustees, and participated in legal document negotiations, and;

WHEREAS, IMRF's Board of Trustees, Executive Director, and Chief Investment Officer, together with IMRF staff, extend Susie Villarreal best wishes as she embarks on new adventures, and;

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

Adopted by the IMRF Board of Trustees on Friday, August 28, 2015.

(15-08-17)(Trustee Forum) The Chair reported the following Trustees requested authorization from the Board for the following conferences:

Natalie Copper	"Advanced Investments Institute"*** IFEBP September 27 - October 2, 2015 Philadelphia, PA
John Piechocinski	"Advanced Investment Management"*** IFEBP September 27-October 2, 2015 Philadelphia, PA
Sharon U. Thompson	"2015 Mid-American Pension Conference" IPPPA October 6-9, 2015 Lake Geneva, WI

** Note: Trustees Copper and Piechocinski will be attending this conference in lieu of the IFEBP conference they were approved for at the May 29, 2015 Board Meeting.

It was moved by Mr. Miller, seconded by Ms. Stanish, to approve the above Trustee requests.

Vote: Unanimous Voice Vote
Absent: Kuehne, Piechocinski

(15-08-18) (Executive Session) It was moved by Ms. Henry, seconded by Ms. Thompson to go into Executive Session for the purpose of discussing probable litigation under section 2(c)(11) of the Open Meetings Act.

Vote:
Aye: Miller, Stanish, Stulir, Thompson, Copper, Henry
Nay: None
Absent: Kuehne, Piechocinski

The full Board reconvened the open Board Meeting.

(15-08-19) (Executive Session) It was moved by Ms. Copper, seconded by Ms. Henry to go into Executive Session for the purpose of discussing the performance of the Executive Director. Section 2(c)(1) of the Open Meetings Act allows a portion of this meeting to be closed for that purpose.

Vote:
Aye: Miller, Stanish, Stulir, Thompson, Copper, Henry
Nay: None
Absent: Kuehne, Piechocinski

The full Board reconvened the open Board Meeting.

(15-08-19) (Adjournment) It was moved by Ms. Henry, seconded by Ms. Thompson, to adjourn the Board Meeting at 12:15 p.m., to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, Illinois, at 9:00 a.m. on November 20, 2015..

Vote: Unanimous Voice Vote
Absent: Kuehne, Piechocinski

President

Date

Secretary

Date

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