

**ILLINOIS MUNICIPAL RETIREMENT FUND
MINUTES OF
REGULAR MEETING NO. 16-07
JULY 22, 2016**

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 16-07

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:35 a.m. July 22, 2016, in the Fund Office at 2211 York Road, Suite 400, Oak Brook, Illinois.

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

Ms. Enright called the roll:

Present: Henry, Kuehne, Thompson, Wallace, Williams, Copper
Absent: Miller, Stanish

Ms. Becker-Wold from Callan Associates, Mr. Moss from Seyfarth Shaw, Ms. Chaplin from DuPage County and representatives from Loop Capital, Cheevers and Company and Lord Abbett, were also present.

Mr. Miller entered the Board Meeting at 9:37 a.m.

(16-07-01) (Board of Trustees) The Executive Director reported that Alex Wallace, Jr. had subscribed to the constitutional oath of office that was filed in the Fund's records.

(16-07-02) (Public Comments) Ms. Chaplin from DuPage County spoke to the Board regarding participation of part-time elected officials in IMRF.

(16-07-03) (Investment Manager Activities - Callan Associates) Ms. Becker-Wold of Callan Associates presented the following report to the Board on the activities of IMRF's investment managers for the month of June 2016:

June 30, 2016



**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 2016 by Callan Associates Inc.

MARKET ENVIRONMENT

June 30, 2016

**Major Market Returns
Returns****for Periods Ended June 30, 2016**

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Russell:3000 Index	0.21	3.62	2.14	11.13	11.60	7.40
Russell:1000 Index	0.23	3.74	2.93	11.48	11.88	7.51
Russell:Midcap Index	0.46	5.50	0.56	10.80	10.90	8.07
Russell:2000 Index	(0.06)	2.22	(6.73)	7.09	8.35	6.20
MSCI:ACWI x US (Net)	(1.53)	(1.02)	(10.24)	1.16	0.10	1.87
MSCI:EAFE	(3.36)	(4.42)	(10.16)	2.06	1.68	1.58
MSCI:EM Gross	4.10	6.60	(11.71)	(1.21)	(3.44)	3.88
Barclays:Aggregate Index	1.80	5.31	6.00	4.06	3.76	5.13
NFI-ODCE Index	0.72	4.41	11.88	13.02	12.73	6.18
FTSE:NAREIT Equity Index	6.98	13.38	24.04	13.58	12.60	7.45

Global equity markets produced mixed results in June with emerging equities outperforming muted U.S. and negative developed international markets. The Russell 3000 Index returned 0.2% for the month while the ACWI x U.S. Index fell 1.5%. The MSCI Emerging Markets Index rallied 4.1% and ended the first half of the year up 6.6%, countering a trend of severe losses that had plagued the segment since mid-2015.

The U.S. employment report provided much needed positivity with 287,000 jobs added to non-farm payrolls in June. The extremely low May jobs figure, revised downward to 11,000, now looks to be an outlier in an otherwise positive trend. Although average second quarter payroll growth slowed versus first quarter, consensus is that the U.S. labor market is solid. Minutes from the June FOMC meeting indicated jobs numbers are a key decision variable in the rates discussion. The June unemployment rate increased to 4.9% reflecting a slight uptick in the labor force participation rate from 62.6% to 62.7%.

The third estimate of first quarter GDP was revised upwards 30 bps to 1.1% but still lagged the fourth quarter expansion of 1.4%. The largest boost came from net exports, adding 0.1%. Residential investment was the biggest contributor for the quarter.

Both headline and core CPI increased 0.2% month over month in May. The trailing 12 month figures show increases of 1.0% and 2.2% for headline and core, respectively. Helping to keep inflation at bay was a paltry 0.7% year over year rise in food prices and 0.5% rise in apparel prices. Energy prices are down 10.1% year over year, even after recent increases. Inflationary pressure is building in housing costs, up 2.4% year over year, and medical care, up 3.2%. Despite mixed signals in various areas of the economy, the University of Michigan Consumer Sentiment Index June preliminary reading showed continued strength, coming in at 94.3. Of the three segments in the monthly survey, the only pronounced negative was future inflation expectations. The current conditions and expectations components reflected positive sentiment.

*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

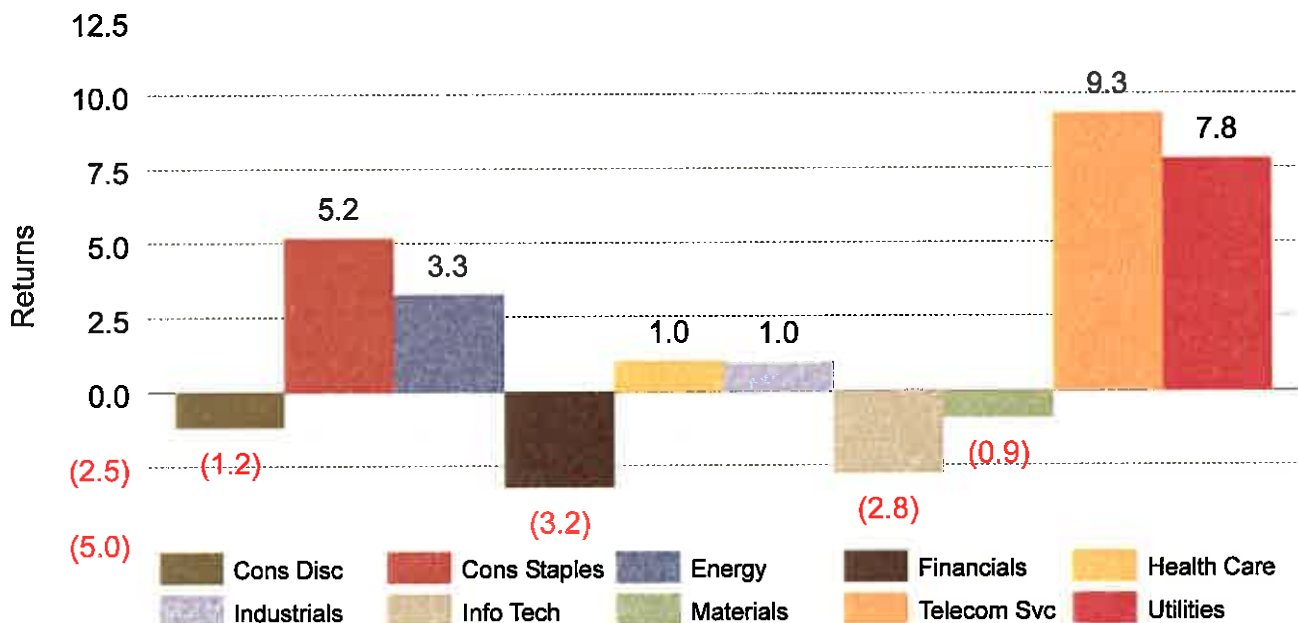
for Periods Ended June 30, 2016

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Russell:3000 Index	0.21	3.62	2.14	11.13	11.60	7.40
Russell:1000 Index	0.23	3.74	2.93	11.48	11.88	7.51
Russell:1000 Growth	(0.39)	1.36	3.02	13.07	12.35	8.78
Russell:1000 Value	0.86	6.30	2.86	9.87	11.35	6.13
Russell:Midcap Index	0.46	5.50	0.56	10.80	10.90	8.07
Russell:2000 Index	(0.06)	2.22	(6.73)	7.09	8.35	6.20
Russell:2000 Growth	(0.46)	(1.59)	(10.75)	7.74	8.51	7.14
Russell:2000 Value	0.30	6.08	(2.58)	6.36	8.15	5.15

The Russell 3000 Index posted a gain of 0.2% in June. Large caps were up 0.2% (Russell 1000 Index), outperforming their smaller counterparts for the month (Russell 2000 Index: 0.0%) but lagging the midcap segment (Russell Midcap Index: +0.5%). Value stocks outperformed growth across market capitalizations (Russell 1000 Value Index: +0.9%; Russell 1000 Growth Index: -0.4%; Russell 2000 Value Index: +0.3%; Russell 2000 Growth Index: -0.5%).

Results were mixed across the economic sectors of the S&P 500 Index. In a risk off environment, the higher yielding sectors soared - Telecom Services jumped 9.3% followed by Utilities (+7.8%). In the middle of the pack were Consumer Staples (+5.2%) and Energy (+3.3%). Information Technology fell from its May lead to place second to last in June (-2.8%). Financials brought up the rear, falling 3.2%.

S&P 500 Sector Returns for 1 Month Ended June 30, 2016



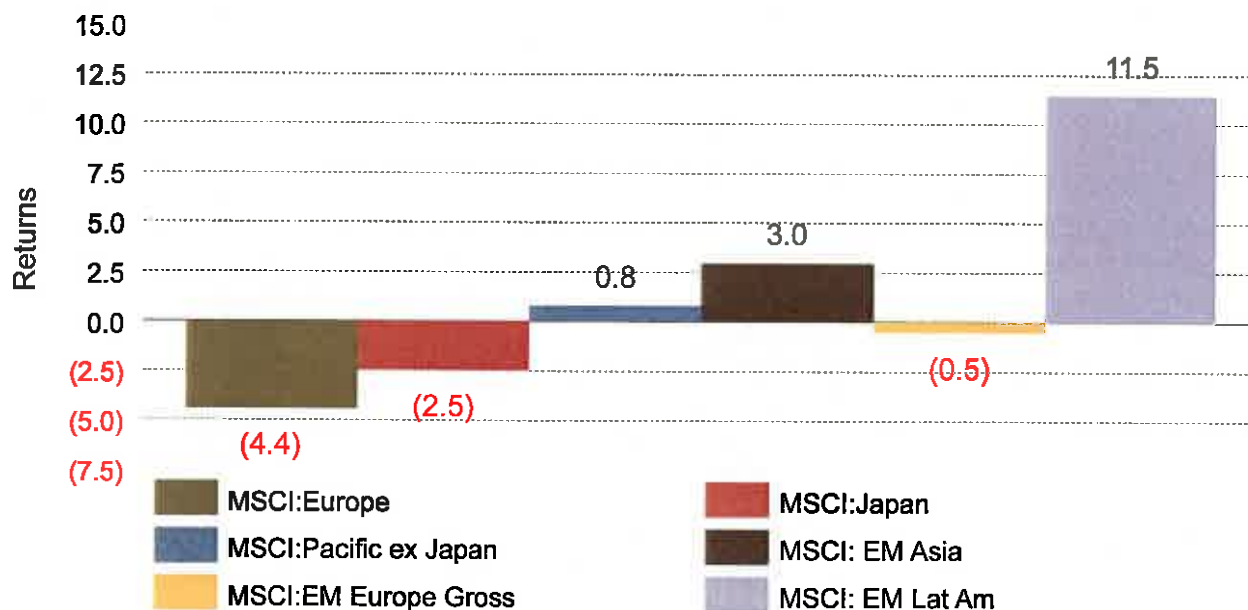
Returns
for Periods Ended June 30, 2016

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
MSCI:ACWI x US (Net)	(1.53)	(1.02)	(10.24)	1.16	0.10	1.87
MSCI:ACWI x US Gr	(0.36)	0.40	(5.85)	3.48	1.87	3.16
MSCI:ACWI x US Val	(2.60)	(1.75)	(13.74)	(0.30)	(0.80)	1.45
MSCI:EAFE	(3.36)	(4.42)	(10.16)	2.06	1.68	1.58
MSCI:EAFE Hedged Gross	(4.05)	(8.76)	(12.45)	2.91	3.23	(0.25)
MSCI:EM Gross	4.10	6.60	(11.71)	(1.21)	(3.44)	3.88
MSCI:ACWI SC x US	(2.93)	(0.20)	(5.46)	4.93	2.28	4.08

International equities posted disappointing returns compared to their U.S. counterparts in June (MSCI ACWI x U.S. Index: -1.5%). As the dollar strengthened, local currency returns fared worse than dollar denominated returns (MSCI EAFE Index: -3.4%; MSCI EAFE Hedged Index: -4.0%). The MSCI Emerging Markets Index continued to show signs of strength, gaining 4.1% in June. Small cap stocks outside of the U.S. fell (MSCI ACWI SC x U.S. Index: -2.9%). On June 23rd, Britain voted to leave the European Union. This announcement caused several days of equity market turmoil and pushed treasury yields to record lows. The day following the vote, the euro fell 2.7% against the dollar and 6.4% against the yen. The pound fell 8.9% against the dollar. After several days, markets seemed to absorb the shock and normalize. While the "Brexit" vote created volatility in the short term, longer term effects remain unclear.

MSCI regional returns were split in June. Latin American emerging markets, after falling 10.8% in May, recovered this month and surged 11.5%. Developed Europe ended the month down only 4.4%, reflecting a small recovery after the 8.8% drop experienced the day "Brexit" referendum results were announced.

Regional Returns for 1 Month Ended June 30, 2016



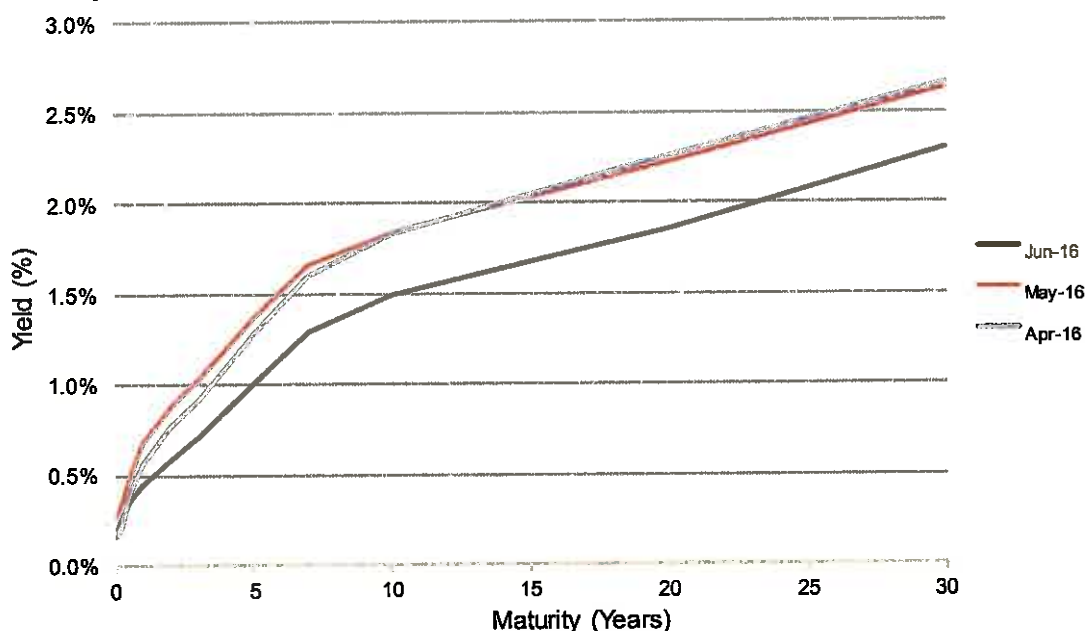
U.S. Fixed Income Overview

Returns

for Periods Ended June 30, 2016

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Barclays:Aggregate Index	1.80	5.31	6.00	4.06	3.76	5.13
Barclays:Govt Index	2.14	5.22	6.04	3.45	3.38	4.73
Barclays:Credit	2.28	7.54	7.55	5.26	5.20	6.11
Barclays:Mortgage Idx	0.81	3.10	4.34	3.76	3.01	4.96
Barclays:US TIPS Index	2.08	6.24	4.35	2.31	2.63	4.75
3 Month T-Bill	0.04	0.15	0.19	0.09	0.09	1.04
ML:High Yield CP Idx	1.07	9.20	1.70	4.16	5.69	7.36
CS:Lev Loan	0.03	4.23	0.93	3.03	3.87	4.10
JPM:EMBI Global	3.73	10.90	10.32	6.44	6.25	7.91
JPM:GBI-EM GI Div	6.15	14.30	2.24	(3.49)	(2.19)	5.74

Treasury Yield Curve

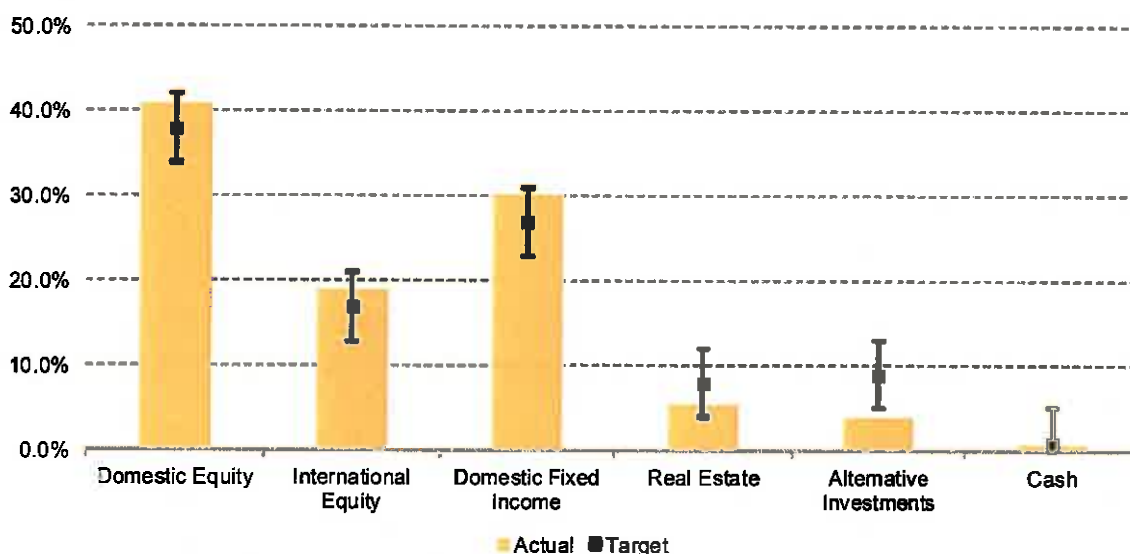


In June, yields on Treasuries greater than five years experienced a parallel downward shift. Yields for maturities less than three years also fell. Rates dropped across all maturities throughout the first half of the month and then stabilized after the FOMC meeting announcement on the 15th. The Committee voted 10-0 in favor of holding its target rate steady. They cited job growth and business investment as soft, but strengthening net exports and household spending as positives for the economy. Forecasts indicate a slower rate hike path over the next two years than previously indicated. Following this announcement, most maturities saw their yield drift upwards until the result of the "Brexit" referendum was announced on the 24th. The "leave" result sent the yield on the 10-year tumbling 25 bps to end the month at 1.49%. The Barclays Aggregate Index rose 1.8% during June. Government securities rallied 2.1% for the month (Barclays Government Index) and investment-grade credit increased 2.3% (Barclays Credit Index). U.S. Treasury Inflation Protected Securities climbed 2.1% (Barclays U.S. TIPS Index). U.S. high yield took a break from its meteoric rise, gaining only 1.1% for the month (ML High Yield CP Index). Levered loans were flat in June while emerging market debt surged.

Total Fund

Total Fund assets at the end of June were \$34.70 billion, down from \$34.84 billion at the end of May. The Fund returned -0.24% for the month, missing the benchmark return by 66 basis points. Both U.S. equity returns and non-U.S. equity returns were negative in June amid the significant volatility resulting from an uncertain global economic picture. Real Estate and Alternatives underperformed their benchmarks by 0.73% and 0.97%, respectively. Fixed Income produced a positive absolute return of 1.74% while the BC Aggregate Index returned 1.80%. Over the last year, the Fund returned -0.65%, trailing the 2.47% return of the benchmark.

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 June, Alternatives were below target allocation by 5%. All other asset classes were within the allowable range. The Chief Investment Officer and Consultant do not recommend any rebalancing at this time.



U.S. Equity

The U.S. Equity composite returned -0.92%, while the Russell 3000 Index returned 0.21% in June. Small capitalization outperformed by a modest margin relative to large capitalization, while value exceeded growth across capitalizations.

Large Cap: In aggregate, the Fund's large cap managers returned -0.93% which missed the Russell 1000 Index return by 1.16%. Growth managers declined by 1.70%, and underperformed the Russell 1000 Growth Index return of -0.39%. In a reversal from May, Sands was the worst performing active growth manager, returning -4.00%. Value portfolios collectively returned -1.02%, underperforming the Russell 1000 Value Index during the month by 188 basis points. All active value managers produced negative absolute returns in June.

Small Cap: The Small Cap composite returned -0.90%, and underperformed the Russell 2000 Index by 0.84%. Small Cap Growth and Value returned -1.94% and -0.51%, respectively. Frontier (-1.24%) was the best performing active small cap growth manager and Investment Counselors of Maryland (+0.21%) was the best active manager in value. The Micro Cap composite returned 0.65% in June. Wall Street was the top performer in the micro cap segment returning 2.75% for the month.

International Equity

In June, the International Equity composite declined 1.89%, and underperformed the MSCI ACWI ex-U.S. (Net) Index by 36 basis points.

Large Cap: International Large Cap managers fell 2.240% and underperformed the MSCI ACWI ex-U.S. (Net) Index return of -1.53%. International Large Cap Growth decreased 1.74%. EARNEST Partners (-1.20%) was best performing international large cap growth manager. International Large Cap Value returned -1.81% for the month. All value managers produced negative absolute returns during the month. The International Large Cap Active Core composite returned -1.44% in June. Arrowstreet (+0.85%) was the top performing International Large Cap Active Core manager.

International Small Cap and Emerging Markets: The International Small Cap managers were down 4.02%, underperforming the ACWI Small Cap ex-U.S. Index by 1.09%. The emerging markets portfolio, managed by Genesis, gained 3.13% in June, but underperformed the MSCI Emerging Markets Index by 0.97%.

Fixed Income

For the month, the total fixed income portfolio returned 1.74% (behind of the BC Aggregate Index return of 1.80%) as yields dropped to record lows. The emerging markets fixed income segment was the best performer, advancing 4.37%.

Active Core: The active core fixed income component, which is made up of EARNEST Partners, Piedmont and Garcia Hamilton, returned 1.71%, just missing the BC Aggregate Index by 9 basis points. Piedmont led the way with a return of 1.76% while Garcia Hamilton (+1.72%) and EARNEST Partners (+1.64%) followed closely behind.

Core Plus: The core plus managers advanced by 1.82%, slightly outperforming the BC Aggregate Index return of 1.80%. Western outperformed the other managers, producing a return of 2.16%.

Bank Loans: The bank loans component, managed by Babson, declined by 0.24% and underperformed its custom benchmark by 19 basis points.

Emerging Markets: The emerging markets component, managed by Standish, returned 4.37%, and led the way for the Fixed Income composite in June.

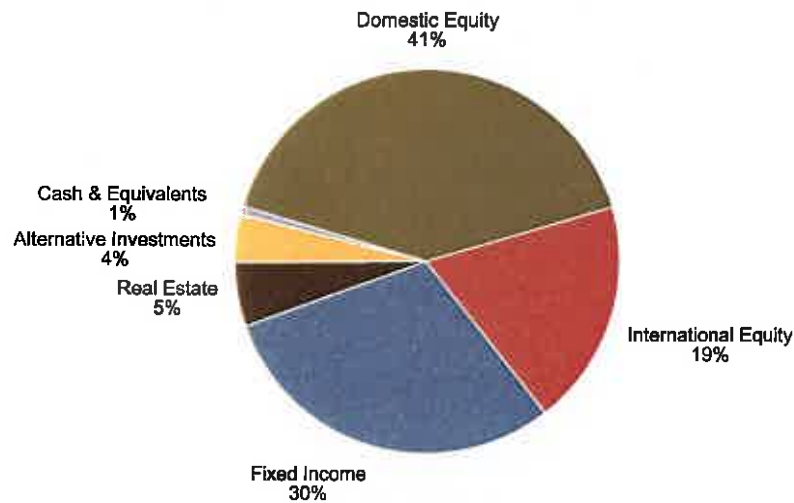
Opportunistic: The opportunistic component, managed by Crescent, produced a return of 0.31%, while its custom benchmark returned 0.56%.

High Yield: The high yield manager, MacKay Shields, returned 1.32%, beating the ML High Yield Cash Pay Index by 25 basis points.

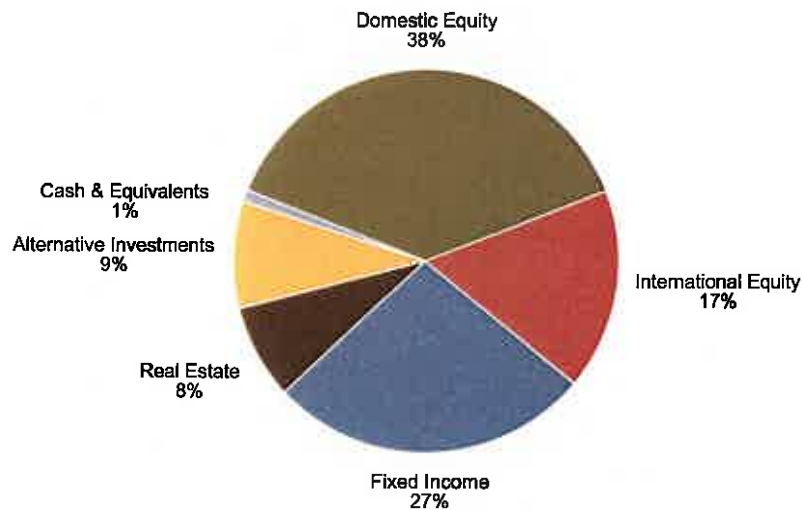
Actual vs Target Asset Allocation

The first chart below shows the Fund's asset allocation as of June 30, 2016. The second chart shows the Fund's target asset allocation as outlined in the investment policy statement.

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$Millions Actual	Percent Actual	Percent Target	Percent Difference	\$Millions Difference
Domestic Equity	14,144	40.8%	38.0%	2.8%	957
International Equity	6,592	19.0%	17.0%	2.0%	693
Fixed Income	10,447	30.1%	27.0%	3.1%	1,077
Real Estate	1,879	5.4%	8.0%	(2.6%)	(897)
Alternative Investments	1,383	4.0%	9.0%	(5.0%)	(1,740)
Cash & Equivalents	256	0.7%	1.0%	(0.3%)	(91)
Total	34,702	100.0%	100.0%		

* Current Month Target = 38.0% Russell 3000 Index, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI ex US, 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 June 30, 2016, with the distribution as of May 31, 2016.

Asset Distribution Across Investment Managers

	June 30, 2016		May 31, 2016	
	Market Value	Percent	Market Value	Percent
Domestic Equity	\$14,143,569,172	40.76%	\$14,294,843,801	41.04%
Large Cap Growth				
Holland	833,472,615	2.40%	840,929,439	2.41%
NTGI S&P 500 Growth Idx	1,446,906,834	4.17%	1,451,978,863	4.17%
Sands	1,096,217,756	3.16%	1,141,937,181	3.28%
Vision	9	0.00%	158,344	0.00%
Large Cap Value				
Dodge & Cox	1,087,517,368	3.13%	1,117,244,389	3.21%
BMO	1,183,173,817	3.41%	1,206,981,785	3.46%
LSV	1,184,775,565	3.41%	1,198,113,924	3.44%
NTGI S&P 500 Value Idx	1,024,713,201	2.95%	1,015,779,067	2.92%
Large Cap Core				
NTGI MarketCap Index	2,705,493,313	7.80%	2,700,247,217	7.75%
Small Cap Growth				
Frontier	597,249,789	1.72%	604,760,167	1.74%
FIAM	891,119,096	2.57%	913,017,348	2.62%
Small Cap Value				
Channing	173,944,071	0.50%	175,504,805	0.50%
Dimensional Small Cap Value	685,573,783	1.98%	692,566,318	1.99%
Inv. Counselors of Maryland	576,975,626	1.66%	575,760,183	1.65%
Lombardia	106	0.00%	7,683,327	0.02%
Micro Cap				
Ariel	62,645,492	0.18%	63,033,995	0.18%
Ativo	102,776,642	0.30%	102,941,452	0.30%
Dimensional Micro Cap	306,038,980	0.88%	306,180,736	0.88%
Wall Street	184,975,110	0.53%	180,023,854	0.52%
International Equity	\$6,592,462,463	19.00%	\$6,720,239,662	19.29%
International Large Cap Growth				
EARNEST Partners	470,066,150	1.35%	475,759,592	1.37%
William Blair	571,082,050	1.65%	583,805,791	1.68%
International Large Cap Value				
Brandes	477,423,454	1.38%	492,837,868	1.41%
Lombardia	163,630	0.00%	1,329,949	0.00%
Mondrian	475,004,035	1.37%	477,375,785	1.37%
Lazard	91,931,048	0.26%	92,961,852	0.27%
International Large Cap Core				
Arrowstreet	513,497,012	1.48%	509,147,681	1.46%
Brown	275,963,268	0.80%	285,137,085	0.82%
GlobeFlex	490,474,695	1.41%	504,932,429	1.45%
NTGI MSCI EAFE Index	1,996,946,575	5.75%	2,065,677,138	5.93%
Progress Intl Equity	228,181,000	0.66%	230,904,516	0.66%
International Small Cap				
Franklin Templeton	179,095,370	0.52%	187,607,808	0.54%
William Blair	223,423,911	0.64%	231,755,821	0.67%
Emerging Markets				
Genesis	599,210,264	1.73%	581,006,347	1.67%

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2016, with the distribution as of May 31, 2016.

Asset Distribution Across Investment Managers

	June 30, 2016		May 31, 2016	
	Market Value	Percent	Market Value	Percent
Fixed Income	\$10,447,036,425	30.10%	\$10,284,590,703	29.52%
Domestic Fixed Core				
EARNEST Partners	575,399,532	1.66%	567,650,784	1.63%
Piedmont	565,373,178	1.63%	556,837,974	1.60%
Garcia Hamilton	539,185,972	1.55%	530,687,480	1.52%
Passive Core				
BlackRock US Debt	1,429,463,431	4.12%	1,404,565,824	4.03%
NTGI BC Aggregate Index	1,549,408,280	4.46%	1,521,358,898	4.37%
Domestic Fixed Core Plus				
BlackRock Core Plus	769,215,953	2.22%	756,830,665	2.17%
Brandes Core Plus	255,401,099	0.74%	250,994,653	0.72%
LM Capital	886,154,925	2.55%	873,531,301	2.51%
Progress Fixed Income	863,338,000	2.49%	849,099,647	2.44%
Taplin, Canida, & Habacht	877,615,000	2.53%	864,485,943	2.48%
Western	944,959,340	2.72%	926,812,851	2.66%
Bank Loans				
Babson	296,744,979	0.86%	297,452,025	0.85%
Emerging Markets Debt				
Standish	184,264,819	0.53%	176,546,340	0.51%
Opportunistic Fixed Income				
Crescent	113,038,890	0.33%	112,691,500	0.32%
High Yield				
MacKay Shields	594,421,715	1.71%	590,260,910	1.69%
FIAM High Yield	3,051,313	0.01%	4,783,909	0.01%
Real Estate	\$1,879,441,742	5.42%	\$1,890,410,769	5.43%
Real Estate Core				
TA Buckhead Ind. Prop.	340,058,169	0.98%	343,049,248	0.98%
Cornerstone Patriot	140,291,053	0.40%	140,291,053	0.40%
INVESCO Core RE	178,778,442	0.52%	178,778,442	0.51%
AEW Core Property Trust	219,740,209	0.63%	219,740,209	0.63%
CBRE US Core Property Trust	152,381,945	0.44%	152,381,945	0.44%
Real Estate Non-Core				
Franklin Templeton EMREFF	48,589,334	0.14%	47,791,894	0.14%
Security Capital	58,630,306	0.17%	58,630,306	0.17%
Dune II	38,606,496	0.11%	42,194,662	0.12%
Non-Core Real Estate Funds*	597,307,697	1.72%	593,597,455	1.70%
Non-Core Intl Real Estate Funds**	42,485,627	0.12%	46,258,105	0.13%
Rockwood Fund VIII	10,309,343	0.03%	10,189,401	0.03%
Almanac ARS V	14,230,101	0.04%	18,624,140	0.05%
TA Fund IX	38,033,021	0.11%	38,883,909	0.11%
Alternative Investments	\$1,383,434,077	3.99%	\$1,388,730,514	3.99%
Absolute Return				
Aurora	256,282,971	0.74%	285,286,812	0.82%
Private Equity				
Abbott	310,067,399	0.89%	310,708,086	0.89%
Muller & Monroe ILPEFF	7,729,539	0.02%	7,729,539	0.02%
Muller & Monroe MPEFF	11,342,127	0.03%	12,096,134	0.03%
Pantheon	195,931,118	0.56%	196,197,320	0.56%
Private Equity Fund - Domestic	328,220,184	0.95%	303,694,070	0.87%
Private Equity Fund - International	14,683,767	0.04%	13,591,577	0.04%
Agriculture				
Premiere Partners IV	182,767,680	0.53%	182,767,684	0.52%
Timberland				
Forest Investment Assoc.	76,409,292	0.22%	76,659,292	0.22%
Cash & Equivalents	\$256,414,998	0.74%	\$256,686,326	0.74%
Total Fund	\$34,702,358,876	100.0%	\$34,835,501,775	100.0%

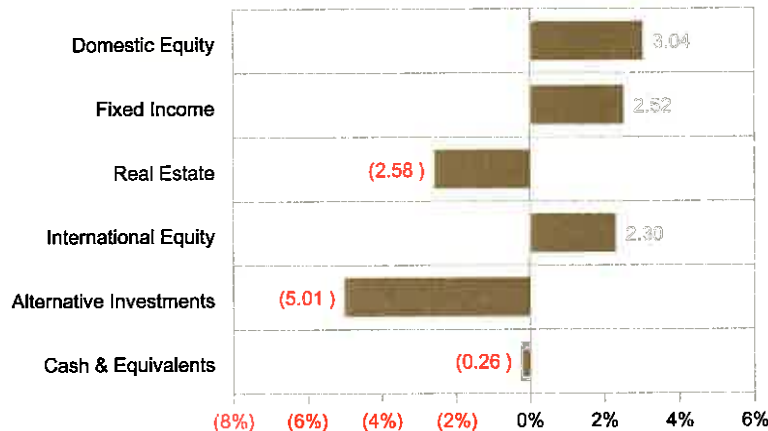
* Non-Core Real Estate Funds funded since September 2011.

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

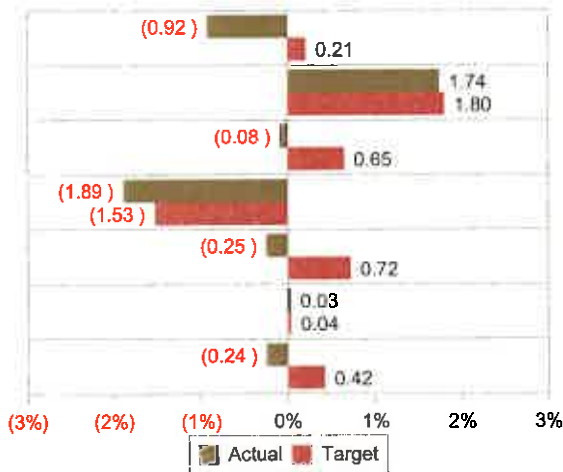
Monthly Total Fund Relative Attribution - June 30, 2016

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.

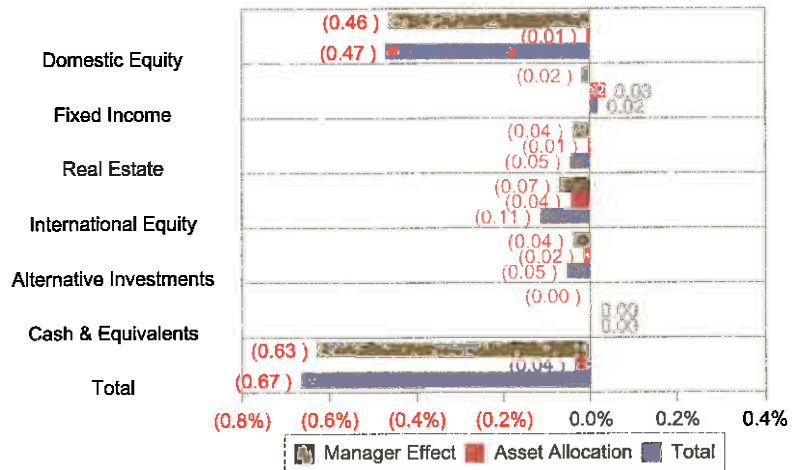
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Month ended June 30, 2016

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	41%	38%	(0.92%)	0.21%	(0.46%)	(0.01%)	(0.47%)
Fixed Income	30%	27%	1.74%	1.80%	(0.02%)	0.03%	0.02%
Real Estate	5%	8%	(0.08%)	0.65%	(0.04%)	(0.01%)	(0.05%)
International Equity	19%	17%	(1.89%)	(1.53%)	(0.07%)	(0.04%)	(0.11%)
Alternative Investments	4%	9%	(0.25%)	0.72%	(0.04%)	(0.02%)	(0.06%)
Cash & Equivalents	1%	1%	0.03%	0.04%	(0.00%)	0.00%	0.00%
Total			(0.24%)	0.42%	(0.63%)	(0.04%)	(0.67%)

* Current Month Target = 38.0% Russell 3000 Index, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI ex US, 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 June 30, 2016

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Equity	(0.92%)	1.79%	0.53%	(2.65%)
Blended Benchmark**	0.21%	2.63%	3.62%	2.14%
Domestic Equity - Net	(0.92%)	1.74%	0.41%	(2.90%)
International Equity	(1.89%)	(0.71%)	(1.33%)	(8.22%)
MSCI ACWI x US (Net)	(1.53%)	(0.64%)	(1.02%)	(10.24%)
International Equity - Net	(1.89%)	(0.75%)	(1.41%)	(8.46%)
Fixed Income	1.74%	2.72%	5.74%	5.45%
BC Aggregate Index	1.80%	2.21%	5.31%	6.00%
Fixed Income - Net	1.74%	2.70%	5.68%	5.32%
Real Estate	(0.08%)	1.65%	3.71%	11.89%
Blended Benchmark***	0.65%	1.95%	3.94%	10.85%
Real Estate - Net	(0.08%)	1.65%	3.71%	11.81%
Alternative Investments	(0.25%)	0.53%	0.57%	3.81%
Alternatives Custom Benchmark****	0.72%	2.18%	4.40%	9.00%
Alternative Investments - Net	(0.25%)	0.49%	0.45%	3.50%
Absolute Return	0.00%	0.91%	(1.44%)	(3.13%)
HFR Fund-of-Funds Index	(0.43%)	0.61%	(2.56%)	(5.38%)
Private Equity	(0.41%)	0.58%	1.91%	4.92%
Alternatives Custom Benchmark****	0.72%	2.18%	4.40%	9.00%
Agriculture	0.00%	(0.02%)	0.14%	20.89%
Blended Benchmark***	0.65%	1.95%	3.94%	10.85%
Timberland	0.00%	(0.01%)	(0.25%)	3.03%
Blended Benchmark***	0.65%	1.95%	3.94%	10.85%
Total Fund	(0.24%)	1.52%	1.83%	(0.65%)
Total Fund - Net	(0.25%)	1.48%	1.74%	(0.86%)
Total Fund Benchmark	0.42%	1.85%	3.47%	2.47%

* Current Month Target = 38.0% Russell 3000 Index, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI ex US, 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 Weighted 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 June 30, 2016

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Equity	9.78%	10.70%	7.23%	11.34% (1/82)
Blended Benchmark**	11.04%	11.57%	7.51%	11.17% (1/82)
Domestic Equity - Net	9.51%	10.43%	6.96%	7.08% (1/05)
International Equity	3.11%	2.47%	2.99%	7.54% (9/86)
MSCI ACWI x US (Net)	1.16%	0.10%	1.87%	-
International Equity - Net	2.80%	2.16%	2.66%	4.55% (1/05)
Fixed Income	4.42%	4.52%	5.87%	8.66% (1/82)
BC Aggregate Index	4.06%	3.76%	5.13%	8.19% (1/82)
Fixed Income - Net	4.28%	4.37%	5.73%	5.19% (1/05)
Real Estate - Net	11.70%	11.71%	5.47%	6.93% (1/05)
Blended Benchmark***	11.99%	12.17%	7.54%	7.79% (1/05)
Alternative Investments	8.29%	7.12%	6.71%	10.67% (2/86)
Alternatives Custom Benchmark****	9.00%	9.00%	10.19%	13.08% (2/86)
Alternative Investments - Net	7.92%	6.81%	6.41%	7.69% (1/05)
Absolute Return	2.91%	2.60%	3.12%	4.37% (1/02)
HFR Fund-of-Funds Index	1.92%	1.64%	1.59%	3.20% (1/02)
Private Equity	10.78%	8.76%	8.93%	12.77% (2/86)
Alternatives Custom Benchmark****	9.00%	9.00%	10.19%	13.08% (2/86)
Agriculture	17.61%	18.65%	11.10%	8.95% (10/97)
Blended Benchmark***	11.99%	12.17%	7.54%	7.58% (10/97)
Timberland	7.09%	3.90%	5.03%	8.39% (10/92)
Blended Benchmark***	11.99%	12.17%	7.54%	7.59% (10/92)
Total Fund	7.00%	7.12%	6.50%	9.85% (1/82)
Total Fund - Net	6.76%	6.88%	6.27%	6.51% (1/05)
Total Fund Benchmark	7.46%	7.24%	6.48%	6.51% (1/05)

* Current Month Target = 38.0% Russell 3000 Index, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI ex US, 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 Weighted 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 June 30, 2016

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Large Cap Equity	(0.93%)	1.59%	0.80%	(0.29%)
Russell 1000 Index	0.23%	2.54%	3.74%	2.93%
Large Cap Growth	(1.70%)	0.40%	(2.90%)	(0.60%)
Holland	(0.89%)	0.78%	(0.51%)	2.21%
LCG Blended Benchmark*	(0.39%)	0.61%	1.36%	3.02%
Russell 1000 Growth Index	(0.39%)	0.61%	1.36%	3.02%
Holland - Net	(0.89%)	0.73%	(0.61%)	1.99%
NTGI S&P 500 Growth Idx	(0.35%)	1.03%	1.59%	4.25%
S&P/Citi 500 Growth Index	(0.36%)	1.01%	1.55%	4.24%
NTGI S&P 500 Growth Idx - Net	(0.35%)	1.03%	1.58%	4.25%
Sands	(4.00%)	(0.20%)	(9.51%)	(7.32%)
LCG Blended Benchmark*	(0.39%)	0.61%	1.36%	3.02%
Russell 1000 Growth Index	(0.39%)	0.61%	1.36%	3.02%
Sands - Net	(4.00%)	(0.25%)	(9.63%)	(7.55%)
Large Cap Value	(1.02%)	1.88%	2.18%	(1.62%)
Dodge & Cox	(2.43%)	1.87%	1.13%	(4.05%)
LCV Blended Benchmark**	0.86%	4.58%	6.30%	2.86%
Russell 1000 Value Index	0.86%	4.58%	6.30%	2.86%
Dodge & Cox - Net	(2.43%)	1.82%	1.02%	(4.25%)
BMO	(1.57%)	0.40%	0.25%	(3.22%)
LCV Blended Benchmark**	0.86%	4.58%	6.30%	2.86%
Russell 1000 Value Index	0.86%	4.58%	6.30%	2.86%
BMO - Net	(1.57%)	0.35%	0.14%	(3.44%)
LSV	(0.76%)	1.65%	1.90%	(1.85%)
LCV Blended Benchmark**	0.86%	4.58%	6.30%	2.86%
Russell 1000 Value Index	0.86%	4.58%	6.30%	2.86%
LSV - Net	(0.76%)	1.59%	1.78%	(2.09%)
NTGI S&P 500 Value Idx	0.88%	3.91%	6.18%	3.39%
S&P/Citi 500 Value Index	0.89%	3.96%	6.24%	3.38%
NTGI S&P 500 Value Idx - Net	0.88%	3.90%	6.17%	3.38%
Large Cap Passive Core	0.19%	2.64%	3.62%	2.17%
NTGI MarketCap Idx	0.19%	2.64%	3.62%	2.17%
DJ U.S. Total Stock Market Index	0.18%	2.61%	3.55%	2.04%
NTGI MarketCap Idx - Net	0.19%	2.64%	3.61%	2.16%

* 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 June 30, 2016

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Equity	10.75%	11.40%	7.31%	10.93% (1/82)
Russell 1000 Index	11.48%	11.88%	7.51%	11.38% (1/82)
Large Cap Growth	11.27%	11.14%	8.37%	11.35% (1/82)
Holland	10.67%	11.07%	8.88%	9.91% (11/94)
LCG Blended Benchmark*	13.07%	12.35%	8.78%	9.36% (11/94)
Russell 1000 Growth Index	13.07%	12.35%	8.78%	8.58% (11/94)
Holland - Net	10.44%	10.82%	8.61%	7.32% (1/05)
NTGI S&P 500 Growth Idx	13.38%	12.94%	8.99%	6.20% (8/01)
S&P/Citi 500 Growth Index	13.41%	12.92%	8.97%	6.16% (8/01)
NTGI S&P 500 Growth Idx - Net	13.37%	12.93%	8.98%	8.06% (1/05)
Sands	10.34%	11.62%	10.08%	9.97% (11/03)
LCG Blended Benchmark*	13.07%	12.35%	8.78%	8.06% (11/03)
Russell 1000 Growth Index	13.07%	12.35%	8.78%	8.12% (11/03)
Sands - Net	10.10%	11.37%	9.80%	8.53% (1/05)
Large Cap Value	9.85%	11.50%	6.29%	10.13% (10/82)
Dodge & Cox	8.79%	11.01%	5.78%	8.32% (9/03)
LCV Blended Benchmark**	9.87%	11.35%	6.13%	7.92% (9/03)
Russell 1000 Value Index	9.87%	11.35%	6.13%	8.12% (9/03)
Dodge & Cox - Net	8.56%	10.78%	5.55%	6.20% (1/05)
BMO	10.33%	11.48%	6.72%	7.39% (2/01)
LCV Blended Benchmark**	9.87%	11.35%	6.13%	4.90% (2/01)
Russell 1000 Value Index	9.87%	11.35%	6.13%	6.09% (2/01)
BMO - Net	10.09%	11.22%	6.47%	7.32% (1/05)
LSV	10.19%	12.04%	7.08%	10.63% (2/03)
LCV Blended Benchmark**	9.87%	11.35%	6.13%	9.07% (2/03)
Russell 1000 Value Index	9.87%	11.35%	6.13%	9.08% (2/03)
LSV - Net	9.92%	11.76%	6.79%	7.35% (1/05)
NTGI S&P 500 Value Idx	9.73%	11.23%	5.82%	5.00% (8/99)
S&P/Citi 500 Value Index	9.66%	11.18%	5.77%	4.99% (8/99)
NTGI S&P 500 Value Idx - Net	9.72%	11.22%	5.81%	6.14% (1/05)
Large Cap Passive Core	11.09%	11.64%	7.41%	10.87% (1/85)
NTGI MarketCap Idx	11.09%	11.64%	7.42%	10.62% (2/85)
DJ U.S. Total Stock Market Index	10.99%	11.54%	7.49%	10.57% (2/85)
NTGI MarketCap Idx - Net	11.08%	11.63%	7.41%	7.30% (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 June 30, 2016

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Small Cap Equity	(0.90%)	2.40%	(0.23%)	(8.64%)
Russell 2000 Index	(0.06%)	3.79%	2.22%	(6.73%)
Small Cap Growth	(1.94%)	1.96%	(4.78%)	(10.84%)
Frontier	(1.24%)	1.82%	(5.54%)	(17.43%)
Russell 2000 Growth Index	(0.46%)	3.24%	(1.59%)	(10.75%)
Frontier - Net	(1.24%)	1.70%	(5.85%)	(17.92%)
FIAM	(2.40%)	2.06%	(4.27%)	(5.51%)
Russell 2000 Growth Index	(0.46%)	3.24%	(1.59%)	(10.75%)
FIAM - Net	(2.40%)	1.94%	(4.51%)	(6.19%)
Small Cap Value	(0.51%)	2.34%	4.87%	(3.31%)
Channing	(0.89%)	4.75%	5.26%	(4.14%)
Russell 2000 Value Index	0.30%	4.31%	6.08%	(2.58%)
Channing - Net	(0.89%)	4.63%	4.98%	(4.63%)
DFA Small Cap Value	(1.01%)	1.09%	3.45%	(5.31%)
Russell 2000 Value Index	0.30%	4.31%	6.08%	(2.58%)
DFA Small Cap Value - Net	(1.01%)	0.96%	3.19%	(5.79%)
Inv. Counselors of Maryland	0.21%	4.24%	7.52%	1.42%
Russell 2000 Value Index	0.30%	4.31%	6.08%	(2.58%)
Inv. Couns. of Maryland - Net	0.21%	4.15%	7.30%	0.98%
Micro Cap	0.65%	3.57%	(1.23%)	(14.53%)
Ariel	(0.62%)	0.15%	(1.89%)	(25.53%)
Russell Microcap Index	(0.59%)	3.97%	(1.68%)	(12.06%)
Russell 2000 Value Index	0.30%	4.31%	6.08%	(2.58%)
Russell 2000 Index	(0.06%)	3.79%	2.22%	(6.73%)
Ariel - Net	(0.62%)	(0.05%)	(2.32%)	(26.18%)
Ativo	(0.16%)	3.79%	(0.58%)	(5.36%)
Russell Microcap Index	(0.59%)	3.97%	(1.68%)	(12.06%)
Russell 2000 Growth Index	(0.46%)	3.24%	(1.59%)	(10.75%)
Russell 2000 Index	(0.06%)	3.79%	2.22%	(6.73%)
Ativo - Net	(0.16%)	3.60%	(0.98%)	(6.08%)
DFA Micro Cap	(0.05%)	2.43%	3.41%	(3.16%)
Russell 2000 Value Index	0.30%	4.31%	6.08%	(2.58%)
Russell 2000 Index	(0.06%)	3.79%	2.22%	(6.73%)
DFA Micro Cap - Net	(0.05%)	2.30%	3.14%	(3.64%)
Wall Street	2.75%	7.03%	(7.76%)	(23.97%)
Russell 2000 Growth Index	(0.46%)	3.24%	(1.59%)	(10.75%)
Russell 2000 Index	(0.06%)	3.79%	2.22%	(6.73%)
Wall Street - Net	2.75%	6.83%	(8.21%)	(24.70%)

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 June 30, 2016

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception	
Small Cap Equity	7.29%	8.86%	7.71%	12.07%	(7/88)
Russell 2000 Index	7.09%	8.35%	6.20%	9.09%	(7/88)
Small Cap Growth	8.74%	8.84%	8.10%	12.78%	(7/88)
Frontier	5.52%	6.51%	7.44%	12.52%	(8/88)
Russell 2000 Growth Index	7.74%	8.51%	7.14%	7.58%	(8/88)
Frontier - Net	4.94%	5.95%	5.57%	5.69%	(1/05)
FIAM	11.64%	10.92%	9.55%	13.62%	(8/88)
Russell 2000 Growth Index	7.74%	8.51%	7.14%	7.58%	(8/88)
FIAM - Net	11.02%	10.31%	8.91%	10.47%	(1/05)
Small Cap Value	7.81%	9.46%	7.20%	11.82%	(9/89)
Channing	9.09%	10.64%	-	10.64%	(7/11)
Russell 2000 Value Index	6.36%	8.15%	5.15%	8.15%	(7/11)
Channing - Net	8.59%	10.01%	-	10.01%	(7/11)
DFA Small Cap Value	7.27%	9.64%	6.78%	12.25%	(2/96)
Russell 2000 Value Index	6.36%	8.15%	5.15%	9.34%	(2/96)
DFA Small Cap Value - Net	6.78%	9.13%	6.25%	7.21%	(1/05)
Inv. Counselors of Maryland	9.47%	9.91%	7.72%	11.24%	(5/99)
Russell 2000 Value Index	6.36%	8.15%	5.15%	8.76%	(5/99)
Inv. Couns. of Maryland - Net	9.04%	9.47%	7.23%	7.68%	(1/05)
Micro Cap	3.64%	7.74%	5.44%	11.56%	(7/84)
Ariel	(8.39%)	1.96%	-	3.06%	(11/10)
Russell Microcap Index	5.95%	8.20%	4.31%	10.14%	(11/10)
Russell 2000 Value Index	6.36%	8.15%	5.15%	9.87%	(11/10)
Russell 2000 Index	7.09%	8.35%	6.20%	10.62%	(11/10)
Ariel - Net	(9.15%)	1.11%	-	2.23%	(11/10)
Ativo	11.40%	12.11%	-	13.35%	(10/10)
Russell Microcap Index	5.95%	8.20%	4.31%	11.04%	(10/10)
Russell 2000 Growth Index	7.74%	8.51%	7.14%	11.95%	(10/10)
Russell 2000 Index	7.09%	8.35%	6.20%	11.23%	(10/10)
Ativo - Net	10.56%	11.25%	-	12.51%	(10/10)
DFA Micro Cap	8.68%	10.58%	7.10%	10.99%	(8/87)
Russell 2000 Value Index	6.36%	8.15%	5.15%	9.73%	(8/87)
Russell 2000 Index	7.09%	8.35%	6.20%	8.44%	(8/87)
DFA Micro Cap - Net	8.14%	10.04%	6.57%	6.89%	(1/05)
Wall Street	0.41%	5.49%	4.66%	12.87%	(8/90)
Russell 2000 Growth Index	7.74%	8.51%	7.14%	7.55%	(8/90)
Russell 2000 Index	7.09%	8.35%	6.20%	9.42%	(8/90)
Wall Street - Net	(0.41%)	4.64%	3.83%	5.21%	(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 June 30, 2016

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Equity	(2.24%)	(0.95%)	(2.21%)	(8.58%)
MSCI ACWI ex-US Index	(1.53%)	(0.64%)	(1.02%)	(10.24%)
Intl Large Cap Growth	(1.74%)	(0.86%)	(2.68%)	(9.68%)
EARNEST Partners	(1.20%)	(1.13%)	(2.02%)	(11.43%)
MSCI ACWI ex-US Index	(1.53%)	(0.64%)	(1.02%)	(10.24%)
MSCI ACWI ex-US Growth	(0.36%)	0.64%	0.40%	(5.85%)
EARNEST Partners - Net	(1.20%)	(1.13%)	(2.02%)	(11.48%)
William Blair	(2.18%)	(0.63%)	(3.22%)	(8.19%)
MSCI ACWI ex-US Index	(1.53%)	(0.64%)	(1.02%)	(10.24%)
MSCI ACWI ex-US Growth	(0.36%)	0.64%	0.40%	(5.85%)
William Blair - Net	(2.18%)	(0.72%)	(3.41%)	(8.53%)
Intl Large Cap Value	(1.81%)	(0.88%)	0.23%	(8.48%)
Brandes	(3.13%)	(2.24%)	(1.45%)	(11.02%)
MSCI ACWI ex-US Index	(1.53%)	(0.64%)	(1.02%)	(10.24%)
MSCI ACWI ex-US Value	(2.60%)	(1.46%)	(1.75%)	(13.74%)
Brandes - Net	(3.13%)	(2.24%)	(1.45%)	(11.11%)
Mondrian	(0.50%)	0.47%	1.72%	(6.02%)
MSCI ACWI ex-US Index	(1.53%)	(0.64%)	(1.02%)	(10.24%)
MSCI ACWI ex-US Value	(2.60%)	(1.46%)	(1.75%)	(13.74%)
Mondrian - Net	(0.50%)	0.47%	1.72%	(6.26%)
Lazard	(1.53%)	(0.84%)	0.12%	(7.04%)
MSCI ACWI ex-US Index	(1.53%)	(0.64%)	(1.02%)	(10.24%)
MSCI ACWI ex-US Value	(2.60%)	(1.46%)	(1.75%)	(13.74%)
Lazard - Net	(1.53%)	(0.89%)	(0.01%)	(7.28%)

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 June 30, 2016

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Equity	3.27%	2.63%	2.70%	7.55% ^(9/86)
MSCI ACWI ex-US Index	1.16%	0.10%	1.87%	-
Intl Large Cap Growth	1.99%	1.84%	2.81%	7.89% ^(9/02)
EARNEST Partners	(0.25%)	(0.46%)	5.60%	8.48% ^(10/04)
MSCI ACWI ex-US Index	1.16%	0.10%	1.87%	5.01% ^(10/04)
MSCI ACWI ex-US Growth	3.48%	1.87%	3.16%	6.10% ^(10/04)
EARNEST Partners - Net	(0.41%)	(0.79%)	5.17%	6.93% ^(1/05)
William Blair	4.00%	4.19%	3.87%	9.50% ^(10/02)
MSCI ACWI ex-US Index	1.16%	0.10%	1.87%	7.78% ^(10/02)
MSCI ACWI ex-US Growth	3.48%	1.87%	3.16%	8.16% ^(10/02)
William Blair - Net	3.61%	3.79%	3.48%	5.44% ^(1/05)
Intl Large Cap Value	3.39%	2.28%	1.76%	8.74% ^(10/95)
Brandes	3.44%	2.48%	1.86%	8.87% ^(1/98)
MSCI ACWI ex-US Index	1.16%	0.10%	1.87%	4.53% ^(1/98)
MSCI ACWI ex-US Value	(0.30%)	(0.80%)	1.45%	-
Brandes - Net	3.23%	2.26%	1.63%	3.24% ^(1/05)
Mondrian	3.30%	-	-	3.92% ^(4/12)
MSCI ACWI ex-US Index	1.16%	0.10%	1.87%	1.98% ^(4/12)
MSCI ACWI ex-US Value	(0.30%)	(0.80%)	1.45%	0.94% ^(4/12)
Mondrian - Net	2.86%	-	-	3.48% ^(4/12)
Lazard	3.54%	-	-	5.17% ^(4/12)
MSCI ACWI ex-US Index	1.16%	0.10%	1.87%	1.98% ^(4/12)
MSCI ACWI ex-US Value	(0.30%)	(0.80%)	1.45%	0.94% ^(4/12)
Lazard - Net	2.75%	-	-	4.54% ^(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 June 30, 2016

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Active Core	(1.44%)	(0.69%)	(0.94%)	(6.15%)
Arrowstreet	0.85%	1.71%	0.88%	(7.28%)
MSCI ACWI ex-US Index	(1.53%)	(0.64%)	(1.02%)	(10.24%)
Arrowstreet - Net	0.85%	1.60%	0.64%	(7.73%)
Brown	(3.22%)	(3.19%)	(4.01%)	(3.30%)
MSCI ACWI ex-US Index	(1.53%)	(0.64%)	(1.02%)	(10.24%)
Brown - Net	(3.22%)	(3.25%)	(4.13%)	(4.40%)
GlobeFlex	(2.86%)	(2.10%)	(1.63%)	(5.99%)
MSCI ACWI ex-US Index	(1.53%)	(0.64%)	(1.02%)	(10.24%)
GlobeFlex - Net	(2.86%)	(2.20%)	(1.84%)	(6.38%)
Progress Intl Equity	(1.18%)	0.22%	0.34%	(7.26%)
Custom Benchmark	(1.39%)	(0.75%)	(0.31%)	(9.23%)
MSCI ACWI ex-US Index	(1.53%)	(0.64%)	(1.02%)	(10.24%)
Progress Intl Equity - Net	(1.18%)	0.10%	0.08%	(7.74%)
Intl Large Cap Pass. Core	(3.33%)	(1.24%)	(4.12%)	(9.83%)
NTGI MSCI EAFE Idx	(3.33%)	(1.24%)	(4.12%)	(9.83%)
MSCI EAFE Index	(3.36%)	(1.46%)	(4.42%)	(10.16%)
NTGI EAFE Idx - Net	(3.33%)	(1.24%)	(4.13%)	(9.84%)
International Small Cap	(4.02%)	(2.85%)	(4.00%)	(4.76%)
Franklin Templeton	(4.54%)	(3.68%)	(4.28%)	(9.55%)
ACWI Small Cap ex US	(2.93%)	(0.87%)	(0.20%)	(5.46%)
Franklin Templeton - Net	(4.54%)	(3.68%)	(4.47%)	(10.07%)
William Blair	(3.60%)	(2.17%)	(3.77%)	(0.54%)
ACWI Small Cap ex US	(2.93%)	(0.87%)	(0.20%)	(5.46%)
Intl SC Blended Benchmark	(2.93%)	(0.87%)	(0.20%)	(5.46%)
William Blair - Net	(3.60%)	(2.35%)	(4.15%)	(1.31%)
Emerging Markets	3.13%	3.18%	10.03%	(7.11%)
Genesis	3.13%	3.18%	10.03%	(7.11%)
MSCI Emerging Markets Index	4.10%	0.80%	6.60%	(11.71%)
Genesis - Net	3.13%	3.18%	10.03%	(7.25%)

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 June 30, 2016

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Active Core	5.38%	4.32%	-	2.95% ^(2/08)
Arrowstreet	5.80%	4.35%	-	3.01% ^(3/08)
MSCI ACWI ex-US Index	1.16%	0.10%	1.87%	(0.46%) ^(3/08)
Arrowstreet - Net	5.30%	3.85%	-	2.53% ^(3/08)
Brown	7.57%	6.67%	5.10%	7.72% ^(10/04)
MSCI ACWI ex-US Index	1.16%	0.10%	1.87%	5.01% ^(10/04)
Brown - Net	6.43%	5.80%	4.52%	6.02% ^(1/05)
GlobeFlex	4.31%	3.40%	3.17%	3.44% ^(3/08)
MSCI ACWI ex-US Index	1.16%	0.10%	1.87%	2.09% ^(3/08)
GlobeFlex - Net	3.88%	2.97%	2.71%	2.98% ^(3/08)
Progress Intl Equity Custom Benchmark	-	-	-	(4.78%) ^(7/14) (6.52%) ^(7/14)
MSCI ACWI ex-US Index	1.16%	0.10%	1.87%	(7.78%) ^(7/14)
Progress Intl Equity - Net	-	-	-	(5.16%) ^(7/14)
Intl Large Cap Pass. Core	2.44%	2.08%	1.98%	2.37% ^(1/00)
NTGI MSCI EAFE Idx	2.44%	2.08%	1.97%	2.78% ^(2/00)
MSCI EAFE Index	2.06%	1.68%	1.58%	2.40% ^(2/00)
NTGI EAFE Idx - Net	2.43%	2.08%	1.97%	3.74% ^(1/05)
International Small Cap	4.78%	4.66%	2.20%	3.52% ^(12/05)
Franklin Templeton	3.52%	-	-	3.74% ^(8/11)
ACWI Small Cap ex US	4.93%	2.28%	4.08%	2.32% ^(8/11)
Franklin Templeton - Net	2.81%	-	-	3.05% ^(8/11)
William Blair	5.84%	5.65%	-	9.59% ^(9/10)
ACWI Small Cap ex US	4.93%	2.28%	4.08%	6.14% ^(9/10)
Intl SC Blended Benchmark	4.93%	2.28%	3.05%	6.70% ^(9/10)
William Blair - Net	5.02%	4.82%	-	8.76% ^(9/10)
Emerging Markets	0.37%	(0.61%)	6.83%	8.76% ^(2/92)
Genesis	0.34%	(0.63%)	6.84%	11.11% ^(5/04)
MSCI Emerging Markets Index	(1.21%)	(3.44%)	3.88%	8.31% ^(5/04)
Genesis - Net	(0.07%)	(1.11%)	6.26%	8.81% ^(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 June 30, 2016

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Dom. Fixed Active Core	1.71%	2.36%	5.43%	5.99%
EARNEST Partners	1.64%	2.15%	4.94%	6.39%
BC Aggregate Index	1.80%	2.21%	5.31%	6.00%
EARNEST Partners - Net	1.64%	2.10%	4.83%	6.18%
Piedmont	1.76%	2.69%	5.93%	5.36%
BC Aggregate Index	1.80%	2.21%	5.31%	6.00%
Piedmont - Net	1.76%	2.65%	5.84%	5.19%
Garcia Hamilton	1.72%	2.06%	5.43%	7.03%
BC Aggregate Index	1.80%	2.21%	5.31%	6.00%
Garcia Hamilton	1.72%	2.03%	5.36%	6.94%
Dom. Fixed Passive Core	1.81%	2.26%	5.39%	6.09%
BlackRock US Debt	1.77%	2.26%	5.39%	6.13%
BC Aggregate Index	1.80%	2.21%	5.31%	6.00%
BlackRock US Debt - Net	1.77%	2.25%	5.39%	6.12%
NTGI BC Agg. Index	1.84%	2.27%	5.39%	6.06%
BC Aggregate Index	1.80%	2.21%	5.31%	6.00%
NTGI BC Agg. Index - Net	1.84%	2.27%	5.39%	6.05%

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 June 30, 2016

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Dom. Fixed Active Core	4.42%	4.45%	5.44%	4.96% ^(4/01)
EARNEST Partners	4.52%	4.67%	5.65%	5.14% ^(5/05)
BC Aggregate Index	4.06%	3.76%	5.13%	4.66% ^(5/05)
EARNEST Partners - Net	4.31%	4.46%	5.44%	4.93% ^(5/05)
Piedmont	4.25%	4.19%	5.29%	4.80% ^(6/05)
BC Aggregate Index	4.06%	3.76%	5.13%	4.60% ^(6/05)
Piedmont - Net	4.10%	4.02%	5.10%	4.60% ^(6/05)
Garcia Hamilton	-	-	-	5.13% ^(6/15)
BC Aggregate Index	4.06%	3.76%	5.13%	4.46% ^(6/15)
Garcia Hamilton	-	-	-	5.04% ^(6/15)
Dom. Fixed Passive Core	4.14%	3.82%	5.10%	6.36% ^(1/90)
BlackRock US Debt	-	-	-	4.39% ^(10/13)
BC Aggregate Index	4.06%	3.76%	5.13%	4.23% ^(10/13)
BlackRock US Debt - Net	-	-	-	4.39% ^(10/13)
NTGI BC Agg. Index	4.13%	3.82%	5.09%	6.42% ^(2/90)
BC Aggregate Index	4.06%	3.76%	5.13%	6.41% ^(2/90)
NTGI BC Agg. Index - Net	4.13%	3.81%	5.09%	4.57% ^(10/5)

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 June 30, 2016

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Fixed Core Plus	1.82%	2.70%	5.74%	5.83%
BlackRock Core Plus	1.83%	2.33%	5.34%	6.06%
BC Aggregate Index	1.80%	2.21%	5.31%	6.00%
BlackRock Core Plus - Net	1.81%	2.32%	5.31%	5.89%
Brandes Core Plus	1.85%	2.32%	-	-
BC Aggregate Index	1.80%	2.21%	5.31%	6.00%
Brandes Core Plus - Net	1.85%	2.32%	-	-
LM Capital	1.66%	2.20%	5.31%	6.17%
BC Aggregate Index	1.80%	2.21%	5.31%	6.00%
LM Capital - Net	1.66%	2.16%	5.23%	6.01%
Progress Fixed Income	1.68%	2.50%	5.54%	5.80%
BC Aggregate Index	1.80%	2.21%	5.31%	6.00%
Progress Fixed Inc. - Net	1.68%	2.42%	5.36%	5.46%
Taplin, Canida, Habacht	1.76%	3.48%	6.68%	5.11%
BC Aggregate Index	1.80%	2.21%	5.31%	6.00%
Taplin, Canida, Hab. - Net	1.76%	3.45%	6.61%	4.97%
Western	2.16%	3.03%	6.03%	6.28%
BC Aggregate Index	1.80%	2.21%	5.31%	6.00%
Western - Net	2.16%	3.03%	6.03%	6.21%
Bank Loans	(0.24%)	2.66%	3.97%	0.74%
Babson	(0.24%)	2.66%	3.97%	0.74%
Custom Benchmark	(0.05%)	2.69%	4.01%	1.25%
Babson - Net	(0.24%)	2.68%	3.99%	0.76%
Emerging Markets	4.37%	4.62%	11.57%	3.05%
Standish	4.37%	4.62%	11.57%	3.05%
Custom Benchmark	4.48%	3.87%	12.05%	5.19%
Standish - Net	4.37%	4.53%	11.37%	2.69%
Opportunistic Fixed Income	0.31%	2.53%	3.28%	(0.89%)
Crescent	0.31%	2.53%	3.28%	(0.89%)
Custom Benchmark	0.56%	4.40%	6.90%	1.35%
Crescent - Net	0.31%	2.53%	3.21%	(1.13%)
High Yield	1.28%	5.61%	7.90%	2.95%
Mackay Shields	1.32%	5.87%	8.44%	3.64%
ML High Yield Cash Pay Index	1.07%	5.78%	9.20%	1.70%
Mackay Shields - Net	1.32%	5.78%	8.25%	3.27%

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 June 30, 2016

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception	
Domestic Fixed Core Plus	4.72%	4.67%	5.69%	8.51%	(1/82)
BlackRock Core Plus	4.52%	4.37%	-	5.30%	(4/07)
BC Aggregate Index	4.06%	3.76%	5.13%	4.83%	(4/07)
BlackRock Core Plus - Net	4.34%	4.18%	-	5.17%	(4/07)
Brandes Core Plus	-	-	-	2.57%	(3/16)
BC Aggregate Index	4.06%	3.76%	5.13%	3.15%	(3/16)
Brandes Core Plus - Net	-	-	-	2.57%	(3/16)
LM Capital	4.69%	4.46%	5.93%	5.45%	(5/05)
BC Aggregate Index	4.06%	3.76%	5.13%	4.66%	(5/05)
LM Capital - Net	4.53%	4.29%	5.76%	5.28%	(5/05)
Progress Fixed Income	4.39%	4.40%	5.75%	5.44%	(1/08)
BC Aggregate Index	4.06%	3.76%	5.13%	4.81%	(1/08)
Progress Fixed Inc. - Net	4.04%	4.04%	5.39%	5.09%	(1/08)
Taplin, Canida, Habacht	4.76%	4.83%	5.70%	5.30%	(5/05)
BC Aggregate Index	4.06%	3.76%	5.13%	4.66%	(5/05)
Taplin, Canida, Hab. - Net	4.63%	4.69%	5.56%	5.17%	(5/05)
Western	5.08%	5.11%	5.84%	5.81%	(11/01)
BC Aggregate Index	4.06%	3.76%	5.13%	4.73%	(11/01)
Western - Net	4.96%	4.98%	5.70%	5.25%	(1/05)
Bank Loans	-	-	-	1.62%	(8/14)
Babson	-	-	-	1.62%	(8/14)
Custom Benchmark	-	-	-	1.91%	(8/14)
Babson - Net	-	-	-	1.63%	(8/14)
Emerging Markets	-	-	-	(0.77%)	(8/14)
Standish	-	-	-	(0.77%)	(8/14)
Custom Benchmark	1.21%	1.76%	6.61%	(1.37%)	(8/14)
Standish - Net	-	-	-	(1.07%)	(8/14)
Opportunistic Fixed Income	-	-	-	(0.21%)	(8/14)
Crescent	-	-	-	(0.67%)	(9/14)
Custom Benchmark	3.49%	4.76%	5.96%	1.00%	(9/14)
Crescent - Net	-	-	-	(0.79%)	(9/14)
High Yield	4.94%	6.11%	7.73%	9.72%	(4/88)
MacKay Shields	5.08%	6.62%	7.40%	9.02%	(11/00)
ML High Yield Cash Pay Index	4.16%	5.69%	7.36%	7.61%	(11/00)
MacKay Shields - Net	4.71%	6.24%	7.04%	6.74%	(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.

Five Best Performing Portfolio's vs. Benchmarks

Manager	Year-to-Date Outperformance	Since Inception Outperformance	
	(in % points)	(in % points)	
Genesis	3.43	2.80	04/30/2004
Mondrian	2.74	1.94	03/31/2012
Arrowstreet	1.90	3.11	02/29/2008
Inv Counselors of MD	1.44	2.48	04/30/1999
Taplin, Canida, Habacht	1.37	0.51	04/30/2005

Five Worst Performing Portfolio's vs. Benchmarks

Manager	Year-to-Date Underperformance	Since Inception Underperformance	
	(in % points)	(in % points)	
Sands	-10.87	1.91	10/31/2003
Ariel	-7.97	-6.81	10/31/2010
Wall Street	-6.16	5.32	07/31/1990
BMO	-6.04	2.50	01/31/2001
Dodge & Cox	-5.17	0.41	08/31/2003

Five Highest Returning Portfolios

Manager	Year-to-Date Return	Since Inception Return	
	(in % points)	(in % points)	
Standish	11.57	-0.77	07/31/2014
Genesis	10.03	11.11	04/30/2004
MacKay Shields	8.44	9.02	10/31/2000
Inv Counselors of MD	7.52	11.24	04/30/1999
Taplin, Canida, Habacht	6.68	5.26	04/30/2005

Five Lowest Returning Portfolios

Manager	Year-to-Date Return	Since Inception Return	
	(in % points)	(in % points)	
Sands	-9.51	9.97	10/31/2003
Wall Street	-7.76	12.87	07/31/1990
Frontier	-5.54	12.52	07/31/1988
Franklin	-4.28	3.74	07/31/2011
Pyramis SCG	-4.27	13.62	07/31/1988

Returns are shown gross of investment management fees.

Excludes Real Estate and Alternative Investments portfolios.

(16-07-04) (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 16-05-20

Schedules - Dated June 2016

- 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 July 22, 2016

- 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 New Units of Government

Manhattan Fire Protection District
 County: Will
 2016 Rate: 10.89%
 Effective Participation Date: August 1, 2016
 Number of Participating Employees: 2

Niles Public Library District
 County: Cook
 2016 Rate: 8.12%
 Effective Participation Date: August 1, 2016
 Number of Participating Employees: 70

Plano Area Special Education Cooperative
 County: Kendall
 2016 Rate: 8.75%
 Effective Participation Date: July 1, 2016
 Number of Participating Employees: 19

Putnam County Conservation District
 County: Putnam
 2016 Rate: 14.53%
 Effective Participation Date: August 1, 2016
 Number of Participating Employees: 2

Revised Master Trust Fee Schedule

Staff recommends the Board approve the revised master trust fee schedule with the Northern Trust, running through March 31, 2019.

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

Vote: Unanimous Voice Vote
 Absent: Stanish

The following bids were presented to the Board for approval:

Dell Backup-Restore Servers & Support

Approved Bidder: Konsultek

Approved Bid: \$252,144.11

Palo Alto Firewall, Maintenance & Professional Services

Approved Bidder: Konsultek

Approved Bid: \$179,867.92

Backup Connectivity Cisco Switches, Modules, SFPS, Cables & Support

Approved Bidder: Insight

Approved Bid: \$81,959.21

Quantum Scalar i40 Tape Library

Approved Bidder: Insight

Approved Bid: \$43,894.68

Office Furniture for Tenant Improvement

Approved Bidder: Forward Space

Approved Bid: \$76,657.08

New Staff Vehicles (13)

Approved Bidder: Packey Webb Ford

Approved Bid: \$166,083.89

After questions and discussion, it was moved by Ms. Henry, seconded by Ms. Copper, to approve the above bids.

Vote: Unanimous Voice Vote

Absent: Stanish

Abstain: Miller

Ms. Stanish entered the Board Meeting at 10:11 a.m.

(16-07-05) (Financial Reports) The Chair presented the following financial reports for approval.

- Review of June and July Financial Reporting Packages
- Statement of Fiduciary Net Position for April and May
- Impact of 2016 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, May and June

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

Vote: Unanimous Voice Vote

Absent: None

(16-07-06) (Benefit Review Committee Meeting) The Chair of the Benefit Review Committee reported on the Benefit Review Committee Meeting held on July 21, 2016.

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 total and permanent disability benefit to Rae L. Kocinski.
- To adopt the written findings and conclusions of the IMRF Hearing Officer regarding Sabrina Wheatly.
- To uphold staff's determination that Annie Delgado violated the return to work provisions of the Pension Code by remaining in an IMRF qualified position as Village Trustee while drawing her IMRF pension which was based in part on service in that position.
- To allow Annie Delgado to rescind her original election to participate in IMRF as a Village Trustee and that the prepayment be calculated as the portion of her pension that related to her service as a Village Trustee, and Annie Delgado's pension credits related to that position shall be removed going back to her original date of enrollment in IMRF for the Village Trustee position and her pension shall be recalculated to reflect the removal of that service.
- To uphold staff's determination to deny temporary disability benefits to Kimberly Orvis.
- To uphold staff's determination to deny total and permanent disability benefits to Renae Woellert.

Vote: Unanimous Voice Vote
Absent: None

(16-07-07) (Report of the Investment Committee Meeting) The Chair of the Investment Committee reported on the meeting held July 21, 2016.

Staff gave a Real Estate presentation along with recommendations to the Investment Committee, followed by presentations from three Real Estate Managers (CBRE Strategic Partners U.S. Value 8, L.P.; AEW Partners VIII, L.P.; and Long Wharf Real Estate Partners V, L.P.).

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

- For Real Estate
 - o allocate up to \$35 million to CBRE Strategic Partners U.S. Value 8, L.P., subject to satisfactory legal due diligence,
 - o allocate up to \$50 million to AEW Partners VIII, L.P., subject to satisfactory legal due diligence,
 - o allocate up to \$30 million to Long Wharf Real Estate Partners V, L.P., subject to satisfactory legal due diligence; and,
 - o authorize staff to complete all documentation necessary to execute these recommendations.

Next, the Chief Investment Officer along with representatives from Callan Associates presented the 2015 Annual Private Equity Portfolio Performance Review to the Committee.

It was moved by Ms. Stanish, seconded by Mr. Miller, to approve the above recommendations of the Investment Committee contingent on due diligence and completion of all necessary documentation.

Vote: Unanimous Voice Vote
Absent: None

(16-07-08) (Report of the Legislative Committee) The Chair of the Legislative Committee presented a report on the meeting held via teleconference on June 23, 2016.

It was the consensus of the Legislative Committee to recommend the Board take the following position on newly introduced legislation:

Senate Bill 2701 - SUPPORT - requires county boards and members to file certain information for continued eligibility for IMRF participation with respect to that position. It also excludes new county board members from eligibility for participation in IMRF with respect to that position.

After questions and discussion, it was moved by Mr. Miller, seconded by Ms. Thompson, to approve the recommendation of the Legislative Committee.

Vote: Unanimous Voice Vote
Absent: None

(16-07-09) (New Board Resolution) General Counsel presented a resolution to the Board for approval allowing allocation of retroactive salary settlement payments when an Accelerated Payment would otherwise be required.

She stated that earnings are reported to IMRF in the month they are paid to the participating employee, regardless of when the compensation is earned, which could cause unexpected Accelerated Payment problems when the retroactive salary is paid in a lump sum after the late settlement of a collective bargaining agreement.

After questions and discussion, it was moved by Ms. Copper, seconded by Ms. Thompson, to adopt the following resolution:

WHEREAS, section 7-198 of the Illinois Pension Code authorizes the Board of Trustees of the Illinois Municipal Retirement Fund to establish rules necessary or desirable for the efficient administration of the Fund, including the time and manner of making contributions by participating employers; and

WHEREAS, section 7-200 of the Illinois Pension Code gives the Board of Trustees the authority to carry on any reasonable activities necessary for carrying out the intent of the fund in accordance with the provisions of the Pension Code; and

WHEREAS, section 7-172(k) was added to the Illinois Pension Code by P.A. 97-0609, which contained a number of provisions designed to strengthen the sustainability of the fund and to discourage pension spiking; and

WHEREAS, section 7-172(k) provides for an immediate payment (called an Accelerated Payment) by the employer of the present value of that portion of a pension (calculated at retirement) resulting from a specified increase in the final rate of earnings; and

WHEREAS, the Board of Trustees has the authority and responsibility to make rules regarding the efficient administration of section 172(k); and

WHEREAS, the Board of Trustees has the authority and responsibility to make rules regarding employer reporting.

NOW THEREFORE BE IT RESOLVED by the Board of Trustees of the Illinois Municipal Retirement Pension Fund that retroactive earnings paid in a lump sum upon settlement of a collective bargaining agreement will be allocated back to the period the compensation was earned if that lump sum results in an Accelerated Payment charge.

Vote: Unanimous Voice Vote
Absent: None

(16-07-10) (Executive Director Search) The Executive Director stated that with his retirement on December 31, 2017, a vacancy for the position of Executive Director will be created.

The Executive Director presented a memorandum recommending that IMRF conduct a comprehensive search for a new Executive Director that would include internal as well as external candidates.

After questions and discussion, it was moved by Ms. Henry, seconded by Ms. Stanish, to adopt the following recommendation:

- To conduct a comprehensive search for candidates through the assistance of an Executive Search Firm. Current staff (internal candidates) would interview for the position alongside external candidates.

Vote: Unanimous Voice Vote
Absent: None

(16-07-11) (Trustee Vacancies) The Executive Director presented a memorandum reviewing past practices when a vacancy occurred on the Board of Trustees; identifying relevant time periods and recommending a new procedure.

After questions and discussion, it was the consensus of the Board to defer action until the August 26, 2016 Board Meeting, when the Executive Director will present an amended recommendation for Board approval.

(16-07-12) (Litigation Update) The following is an update of the currently pending litigation:

VRAKAS, et al. v. COUNTY OF WILL, et al. (Will County)

Summary: Fifty-eight (58) full-time correctional deputies, sergeants and lieutenants 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 was named as a "necessary party" to the lawsuit so that any judgment could be properly enforced.

Status: After several years and an appeal to the Third District Appellate Court, the majority of the deputies lost their claim for additional SLEP credit. The matter is with the trial court to determine the status of approximately 6 of the original plaintiffs who were able to prove they were sworn deputies before they were first enrolled in SLEP. We are waiting for this part of the case to conclude. We will then enroll those few plaintiffs who are determined to be entitled to additional SLEP credit.

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

Summary: The unsecured creditors in the Tribune bankruptcy have sued investors who sold their Tribune stock at the time of the buyout. The plaintiff's theory is that the buyout was fraudulent and therefore a portion of those stockholders' proceeds from the stock sale was due to the fraud and should be returned to the Tribune's bankruptcy estate.

Status: A motion to dismiss the remaining portions of the complaint, not already dismissed, is pending.

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

Summary: This is an administrative review action challenging the IMRF Board's decision upholding the granting of MEABF and Deerfield credit transfers to Thomas Sheahan, the former police chief of Oak Brook and denying the Village's request to recalculate their liability excluding the service credits transferred from MEABF and Deerfield.

Status: On June 26, 2015 the Second District Appellate Court upheld Judge Sheen's decision to overturn the decision of the IMRF Board and found the transfers invalid. The Supreme Court declined to hear the case.

Status: IMRF's motion to dismiss Sheahan's Second Amended Counterclaim was granted and Sheahan was given leave to file a Third Amended Counterclaim. The case is set for a status on August 25, 2016.

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

Summary: This case transpired as a result of the Circuit Court and Appellate Court finding in the 2013 Oak Brook case that Sheahan's credits were improperly transferred. After the Circuit Court determined the transfers invalid, IMRF stopped Sheahan's pension and Sheahan appealed to the IMRF Board. This case was an appeal of the February 24, 2015 BRC decision to uphold the termination of Mr. Sheahan's pension payments. Mr. Sheahan claimed that IMRF could not terminate his benefits more than 35 days from the date of its first decision in the Oak Brook case. Sheahan also claimed IMRF was estopped from terminating his benefits since IMRF told Sheahan what to do and Sheahan followed IMRF's instructions in transferring his service credits from MEABF and the Deerfield Police Pension Fund. The Circuit Court agreed with Sheahan that IMRF could not make a decision more than 35 days after the decision in the Oak Brook case (where IMRF believed the transfers were valid) and IMRF appealed.

Status: The Appellate Court, in an opinion issued on June 20, 2016, overturned the Circuit Court's decision and upheld IMRF's termination of Sheahan's SLEP benefits. The Court distinguished the long line of police pension cases holding that a pension board could not change its interpretation of a statute more than 35 days after granting a pension. The Court saw this case as different in that it involved the reversal by a court of a final administrative decision and IMRF never changed its interpretation of the law, it simply followed the law as it was told to do by the court. The Court found that not only could IMRF cease paying the SLEP benefits, but that it had no right to do so under the law since Section 7-179 of the Pension Code only authorizes payments "in accordance with the law". Citing the Westmont case, the Court found that estoppel did not require IMRF to pay Sheahan a pension. Estoppel cannot apply to force IMRF to continue to apply the law in a manner that is inconsistent with the Pension Code. As to Sheahan's argument that IMRF breached its fiduciary duty to him, the Court stated that Sheahan did not cite any cases that stated failing to provide a correct interpretation of a statute was a breach of fiduciary duty.

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

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

Status: Argument was held on July 7, 2016 and Judge Belz ordered that the parties submit proposed orders by July 22, 2016.

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

Summary: Appeal of a denial of disability benefits.

Status: Case has been transferred to new counsel in Lake County and IMRF is waiting for transfer order. IMRF has contacted the new attorney for Ms. Sterrett and Ms. Sterrett's old attorney.

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

Summary: Appeal of Board decision to deny omitted service application and enrollment of Putnam County Public Defender

Status: This case is currently being briefed. IMRF has filed its brief. No hearing has been set.

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

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

Status: A hearing was held on June 27, 2016 and IMRF's denial of temporary disability benefits was upheld.

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

Summary: 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.

Status: Judge Garcia affirmed the IMRF Board decision on May 10, 2016. Mr. Gianopolus will not appeal.

MCLEAN COUNTY V. IMRF (MCLEAN COUNTY 2016 MR 563)

Summary: This is an appeal from the IMRF Board's decision denying an exemption from the AP for a charge to McLean County that resulted from a payment of backwages under a collective bargaining agreement that was entered into after January 1, 2012. The County also charges a violation of the Open Meetings Act by IMRF claiming that its Board Agenda was not sufficiently detailed regarding the decision.

Status: This is a newly filed case. IMRF's appearance is due on July 28, 2016 and a case management call is set for December 1, 2016 before Judge Lawrence.

MOTORS LIQUIDATION COMPANY AVOIDANCE ACTION TRUST VS. JP MORGAN CHASE, ET AL. (US BANKRUPTCY CT., SO. DIST. OF N.Y.)

Summary: This is an adversary action stemming from the General Motors bankruptcy. A loan in which IMRF was an investor was paid off after the bankruptcy filing. It was later discovered that an error, before the bankruptcy, had released part of the security. A group of unsecured creditors sued to force the recipients of the loan pay-off proceeds to return them. It took several years before the plaintiffs could find all of the investors to serve notice of the lawsuit.

Status: IMRF was only recently served notice that it is a defendant in this matter. The parties are currently arguing about the value of the remaining security. We are sharing our defense counsel with several other public pension funds.

MCKNIGHT V. MCKNIGHT (DUPAGE COUNTY)

Summary: This is a divorce case. IMRF was joined as a necessary party. IMRF mistakenly accepted a QILDRO which had wrong calculations attached. Now it cannot be administered by IMRF and an amended QILDRO is required because the prior QILDRO requires payment of more than the member's pension.

Status: IMRF has agreed to participate as a necessary party and will enter its appearance by the end of July 2016.

Discussion followed.

(16-07-13) (Legislative Update) General Counsel gave an update to the Board on current legislative activity.

General Counsel noted the General Assembly adjourned its spring session on June 29, 2016, and will return for the fall veto session on November 15th.

She reported that three of the four bills on the Board's 2016 legislative agenda passed the General Assembly and have been sent to the Governor:

- Senate Bill 2894 - removes the one-year limit on the retroactive payment of surviving spouse annuities.
- Senate Bill 2896 - allows for an employer penalty for return to work violations, up to one-half of the total annuity paid to the annuitant during the return to work period.
- Senate Bill 2972 - increases the current minimum pension from \$30 to \$100 above which a member can no longer take a refund if he or she is immediately eligible to take a pension at the time of application.

Lastly, General Counsel reported that new legislation that IMRF supports, senate amendment #1 to House Bill 2701, requiring governing bodies to re-certify that they meet the hourly standard for participation in IMRF, has passed both houses and is awaiting the Governor's signature.

Discussion followed.

(16-07-14) (Report of Executive Director

Quarterly Strategic Objectives Report

The Executive Director updated the Board on the second quarter 2016 Strategic Objectives.

(16-07-15) (Appreciation of Service) Members of the Board of Trustees honored IMRF staff member Ron Daliege who retired from IMRF on June 30, 2016, with the following resolution:

WHEREAS, Ron Daliege, Data Base Analyst, has faithfully served IMRF from March 1981 through June 2016, and;

WHEREAS, Ron Daliege contributed to the Information Services department throughout his tenure at IMRF, first as a Senior Programmer from 1981 to 1986, followed by Programming Supervisor from 1987 to 1989, Technical Specialist from 1989 to 1990, and finally Data Base Analyst beginning 1990, and;

WHEREAS, Ron Daliege was instrumental in the development of IMRF's pension administration system, working with staff from across IMRF to create an efficient structure for maintaining member and employer data, and;

WHEREAS, throughout his tenure, Ron Daliege sustained IMRF's database management practices, ensuring accuracy of thousands of pieces of information, and;

WHEREAS, Ron Daliege played a key role in fulfilling FOIA requests, supporting the Legislative Liaison and other IMRF staff in providing information to external parties quickly, accurately, and without complaint, and;

WHEREAS, during his more than 35 years at IMRF, Ron Daliege supported IMRF staff throughout the organization while providing exceptional customer service, accurate information, and an overall pleasant attitude, and;

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

Adopted by the IMRF Board of Trustees on Friday, July 22, 2016.

It was moved by Ms. Henry, seconded by Ms. Copper to adopt the above resolution.

Vote: Unanimous Voice Vote
Absent: None

(16-07-16) (Trustee Forum) The Chair reported the following Trustee requested authorization from the Board for the following conference:

Alex Wallace, Jr. "Annual Conference"
IFEBC
November 13-16, 2016
Orlando, FL

It was moved by Ms. Copper, seconded by Ms. Thompson, to approve the above Trustee request.

Vote: Unanimous Voice Vote
Absent: None

(16-07-17) (Executive Session) The Chair moved that the Board go into Executive Session for the purpose of discussing the performance of the Executive Director. Section 2(c)(1) of the Open Meetings Act authorizes a portion of the meeting be closed for that purpose.

The motion was seconded by Ms. Stanish.

Vote:

Aye: Henry, Miller, Stanish, Thompson, Wallace, Williams, Copper
Nay: None
Absent: None

It was moved by Mr. Miller, seconded by Mr. Copper, that the Board go back into open session.

Vote:

Aye: Henry, Miller, Stanish, Thompson, Wallace, Williams, Copper
Nay: None
Absent: None

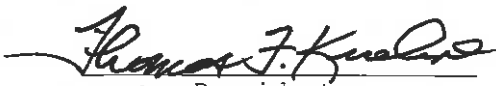
It was moved by Mr. Miller, seconded by Ms. Copper to recommend a 5% increase for the Executive Director, subject to publication and legal requirements, with formal action taken at the August 26, 2016 Board Meeting.

Vote:

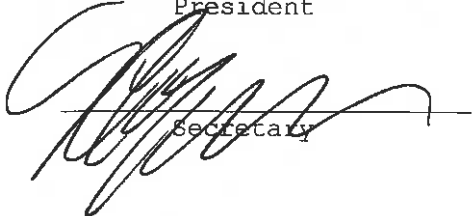
Aye: Henry, Miller, Stanish, Thompson, Wallace, Williams, Copper
Nay: None
Absent: None

(16-07-18) (Adjournment) It was moved by Mr. Wallace, seconded by Ms. Copper, to adjourn the Board Meeting at 11:50 p.m., to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, Illinois, at 9:00 a.m. on August 26, 2016.

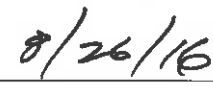
Vote: Unanimous Voice Vote
Absent: None




President



Secretary



Date



Date

