

**ILLINOIS MUNICIPAL RETIREMENT FUND  
MINUTES OF  
REGULAR MEETING NO. 16-08  
AUGUST 26, 2016**

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 16-08

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:00 a.m. August 26, 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, Miller, Stanish, Thompson, Wallace, Williams, Copper  
Absent: None

Ms. Becker-Wold and Mr. Ryan from Callan Associates, and representatives from Loop Capital and Pensions and Investments were also present.

(16-08-01) 2<sup>nd</sup> Quarter 2016 Investment Manager Report) Ms. Becker-Wold of Callan Associates presented an evaluation of IMRF's investment performance for the period ending Jun 30, 2016.

Discussion Followed.

(16-08-02) (Investment Manager Activities - Callan Associates) Mr. Ball of Callan Associates presented the following report to the Board on the activities of IMRF's investment managers for the month of July 2016:



**July 31, 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**

July 31, 2016

**Major Market Returns  
Returns**

for Periods Ended July 31, 2016

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Russell:3000 Index	3.97	7.74	4.44	10.59	12.99	7.82
Russell:1000 Index	3.81	7.69	4.84	10.93	13.22	7.89
Russell:Midcap Index	4.57	10.31	4.37	10.37	12.73	8.79
Russell:2000 Index	5.97	8.32	0.00	6.74	10.43	7.17
MSCI:ACWI x US (Net)	4.95	3.88	(5.54)	1.35	1.35	2.26
MSCI:EAFE	5.07	0.42	(7.53)	2.00	3.02	1.98
MSCI:EM	5.03	11.77	(0.75)	(0.29)	(2.75)	3.90
Barclays:Aggregate Index	0.63	5.98	5.94	4.23	3.57	5.06
NFI-ODCE Index	0.71	5.10	11.26	12.83	12.62	6.12
FTSE:NAREIT Equity Index	4.15	18.09	22.29	14.76	13.17	7.53

Global equity markets recovered nicely in July after the late June 'Brexit' referendum caused a short-lived spike in volatility. Fears abated in the following weeks as loose monetary policies around the world are expected to continue. The Bank of Japan announced another stimulus package at the end of July and kept interest rates in negative territory while the Federal Reserve held rates steady for another month. Returns reflected this rebound in sentiment as the Russell 3000 ended the month at an all-time high (+4.0%). International equity markets also produced solid returns in July (MSCI ACWI x US Index: 5.0%; MSCI Emerging Markets Index: 5.0%).

The U.S. labor market experienced another month of impressive gains as employers added 255,000 jobs in July and the unemployment rate held steady at 4.9%. This number confirms that the dismal May employment numbers were just a blip in an otherwise positive trend. The labor force participation rate ticked up 0.1% in July to 62.8% and average hourly earnings increased 2.6% year-over-year supporting the labor markets continued resilience.

First quarter GDP was revised downward to a disappointing 0.8% while initial second quarter figures came in at 1.2%. This was well below consensus expectations of 2.6% and is the third straight quarter lower than the 2% average seen throughout this recovery. Strong consumer spending was a bright spot in this otherwise sluggish figure, advancing at a 4.2% rate. Business spending, however, declined as companies took a cautious stance during global economic uncertainty.

Both headline and core CPI increased 0.2% month-over-month in June. The trailing 12 month figures show increases of 1.0% and 2.3% for headline and core, respectively. Inflation in the U.S. is firming partly because housing and medical costs are rising. Housing costs account for one-third of CPI and are up 3.5% year-over-year. The price of oil, however, fell 15.4% in July, hitting a three-month low on the back of increased drilling from U.S. producers and a strengthening U.S. dollar. This may hurt inflation numbers next month but economists are seeing a broader trend of accelerating prices in more stable categories like services.

\*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

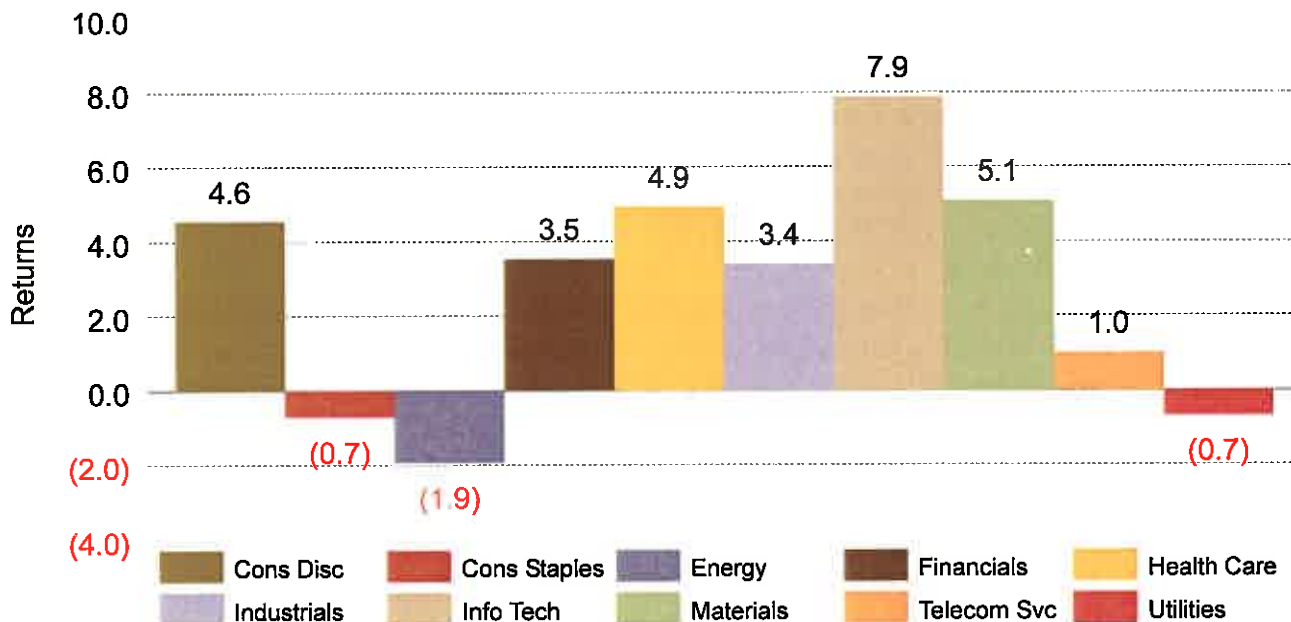
for Periods Ended July 31, 2016

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Russell:3000 Index	3.97	7.74	4.44	10.59	12.99	7.82
Russell:1000 Index	3.81	7.69	4.84	10.93	13.22	7.89
Russell:1000 Growth	4.72	6.15	4.35	12.86	13.62	9.50
Russell:1000 Value	2.90	9.38	5.38	8.99	12.75	6.18
Russell:Midcap Index	4.57	10.31	4.37	10.37	12.73	8.79
Russell:2000 Index	5.97	8.32	0.00	6.74	10.43	7.17
Russell:2000 Growth	6.54	4.84	(5.30)	7.39	10.78	8.40
Russell:2000 Value	5.40	11.81	5.59	6.01	10.03	5.85

The Russell 3000 Index posted a gain of 4.0% in July. Large caps were up 3.8% (Russell 1000 Index), underperforming the small and mid cap segments for the month and the year. The Russell 2000 Index rose 6.0% during July while the Russell Midcap Index rose 5.0%. In both large and small segments, value stocks trailed growth for the quarter (Russell 1000 Value Index: +2.9%; Russell 1000 Growth Index: +4.7%; Russell 2000 Value Index: +4.6%; Russell 2000 Growth Index: +5.9%) but value still outperforms by 3.2% and 7.0% year to date, respectively.

Results were mostly positive across the economic sectors of the S&P 500 Index. Information Technology was back in the lead, up 7.9%. Materials, Health Care, and Consumer Discretionary rode the middle of the pack rising by 5.1%, 4.9%, and 4.6%, respectively. The worst performer was Energy, which fell 1.9% as oil prices decreased throughout the month.

S&P 500 Sector Returns for 1 Month Ended July 31, 2016



**Returns**  
**for Periods Ended July 31, 2016**

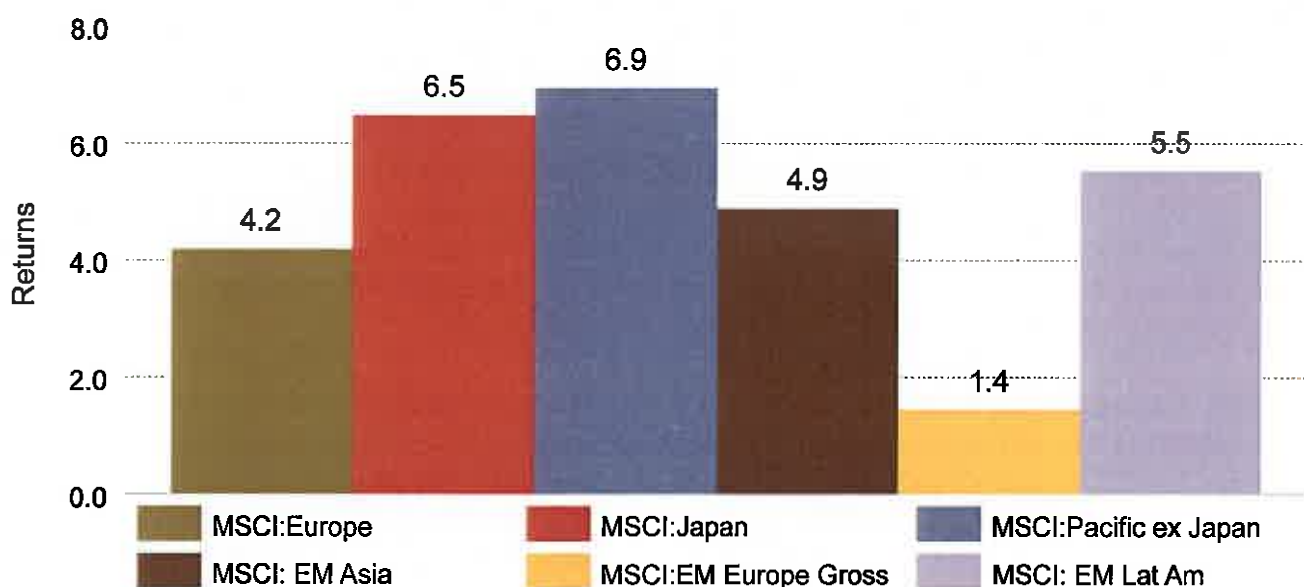
Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
MSCI:ACWI x US (Net)	4.95	3.88	(5.54)	1.35	1.35	2.26
MSCI:ACWI x US Gr	4.82	5.25	(1.58)	3.85	2.95	3.59
MSCI:ACWI x US Val	5.12	3.28	(8.60)	(0.29)	0.62	1.81
MSCI:EAFE	5.07	0.42	(7.53)	2.00	3.02	1.98
MSCI:EAFE Hedged Gross	4.78	(4.39)	(11.32)	3.09	4.98	0.13
MSCI:EM	5.03	11.77	(0.75)	(0.29)	(2.75)	3.90
MSCI:ACWI SC x US	5.56	5.36	1.74	5.13	3.40	4.75

International equities woke up from last month's nap posting comparable returns to their U.S. counterparts in July. The MSCI ACWI x U.S. Index surged 5.0%, leading to a gain of 3.9% year to date. As the dollar weakened, local currency returns fell behind dollar denominated returns. The MSCI Emerging Markets Index continued its rally gaining 5.0% in July, bringing its year to date figure to an impressive 11.8%. Small cap stocks outside of the U.S. also delivered this month (MSCI ACWI SC x U.S. Index: +5.6%).

Pockets of the non-U.S. markets weathered a bit of uncertainty throughout July. Britain elected new leadership in the wake of the vote for the U.K. to leave the E.U. A failed coup attempt in Turkey led to added uncertainty about the stability of the region. The Bank of Japan delivered a highly anticipated policy decision and pledged modest additional stimulus measures, underwhelming both critics and markets.

Despite this noise, MSCI regional returns were all positive in July. Developed Asian regions led the charge with Pacific ex Japan advancing 6.9% and Japan rising 6.5%. Developed Europe managed a respectable 4.2% increase but European emerging markets struggled behind positing a mere 1.4%.

**Regional Returns for 1 Month Ended July 31, 2016**



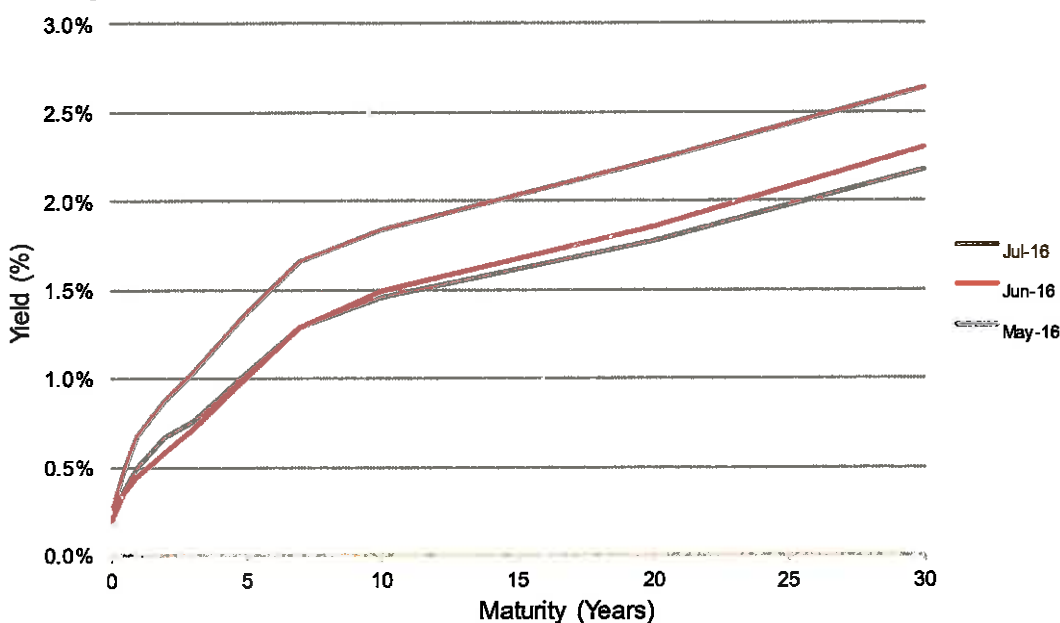
U.S. Fixed Income Overview

Returns

for Periods Ended July 31, 2016

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Barclays:Aggregate Index	0.63	5.98	5.94	4.23	3.57	5.06
Barclays:Govt Index	0.39	5.64	5.61	3.62	3.12	4.64
Barclays:Credit	1.31	8.95	8.28	5.47	4.97	6.09
Barclays:Mortgage Idx	0.20	3.32	3.90	3.86	2.86	4.83
Barclays:US TIPS Index	0.87	7.16	5.04	2.36	2.02	4.67
3 Month T-Bill	0.03	0.17	0.22	0.10	0.09	1.00
ML:High Yield CP Idx	2.54	11.97	4.90	4.38	5.96	7.52
CS:Lev Loan	1.41	5.69	2.26	3.15	4.12	4.19
JPM:EMBI Global	1.56	12.62	11.58	6.65	6.17	7.73
JPM:GBI-EM GI Div.	0.35	14.71	5.30	(3.20)	(2.38)	5.34

Treasury Yield Curve



July was a month of rate fluctuation. The yield curve paints an incomplete picture of July rate behavior. After an initial drop to start the month, the long end of the curve rose until the 20th, then dropped a notch on the FOMC meeting announcement. The GDP announcement on the 29th fueled a further decline as rates on maturities over two years moved downward the last day of the month. The short end remained fixed, flattening the shape of the curve. Rates recovered the following day for maturities over five years and started to rise again as they had throughout mid July.

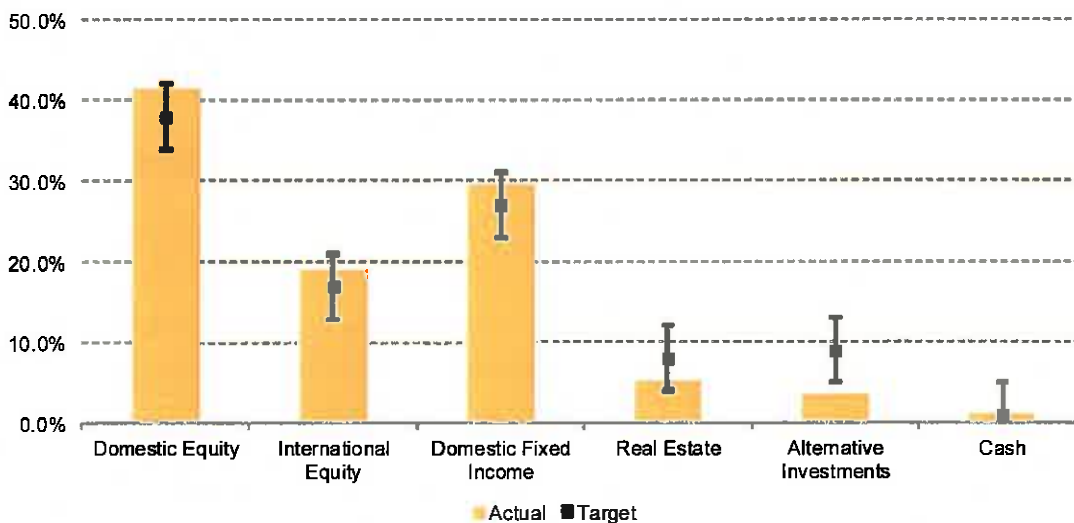
The Barclays Aggregate Index rose 0.6% during July. Government securities ticked upward 0.4% for the month (Barclays Government Index). Investment-grade credit gained a respectable 1.3% (Barclays Credit Index). Mortgage backed securities was the least exciting area for the second month in a row, producing only a 20 bps gain (Barclays Mortgage Index). U.S. Treasury Inflation Protected Securities climbed 0.9% (Barclays U.S. TIPS Index). U.S. high yield was back on top this month, gaining 2.5% (ML High Yield CP Index). Levered loans and emerging market debt also posted positive performance.

**Executive Summary**

**Total Fund**

Total Fund assets at the end of July were \$35.66 billion, up from \$34.70 billion at the end of June. The Fund gained 3.04% for the month, outperforming the benchmark return by 46 basis points. Both U.S. Equity and Non-U.S. Equity returns were positive in July as speculation grew for looser global monetary policies. Real Estate led its benchmark by 6 basis points in July, returning 0.69%. Alternatives fell 0.53% in July, trailing the 0.07% return of its benchmark. Fixed Income produced a positive absolute return of 0.95%, while the BC Aggregate Index only returned 0.63%. Over the last year, the Fund returned 1.64%, trailing the 4.14% 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 July, Alternatives were below target allocation by 5.4%. 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 advanced 4.52%, while the Russell 3000 Index returned 3.97% in July. Small capitalization outperformed by a modest margin relative to large capitalization, while growth exceeded value across capitalizations.

**Large Cap:** In aggregate, the Fund's large cap managers returned 4.30%, outperforming the Russell 1000 Index return by 0.49%. Growth managers gained 5.20% and outperformed the Russell 1000 Growth Index return of 4.72%. In a reversal from June, Sands was the best performing active growth manager, returning 7.16%. Value portfolios collectively returned 3.80%, 90 basis points more than the Russell 1000 Value Index. All active value managers produced positive absolute returns in July.

**Small Cap:** The Small Cap composite returned 5.16% but trailed the Russell 2000 Index by 0.81%. Small Cap Growth and Value returned 5.36% and 4.88%, respectively. Frontier (+6.78%) was again the best performing active small cap growth manager and Channing (+5.67%) was the best active manager in value. The Micro Cap composite returned 5.33% in July. With a return of 7.17%, Wall Street was again the top performer in the micro cap segment.



**International Equity**

In July, the International Equity composite returned 4.77% but slightly underperformed the MSCI ACWI ex-U.S. (Net) Index by 18 basis points.

Large Cap: International Large Cap managers gained 4.84% but underperformed the MSCI ACWI ex-U.S. (Net) Index return of 4.95%. International Large Cap Growth returned 5.44%. Just like in June, EARNEST Partners (+6.76%) was best performing international large cap growth manager. International Large Cap Value returned 3.76% for the month. All value managers produced positive absolute returns during the month as Brandes (+4.30%) led the way. The International Large Cap Active Core composite returned 4.90% in July. GlobeFlex (+6.28%) was the top performing International Large Cap Active Core manager.

International Small Cap and Emerging Markets: The International Small Cap managers were up 5.55%, performing in line with the ACWI Small Cap ex-U.S. Index. The emerging markets portfolio, managed by Genesis, gained 3.52% in July, but underperformed the MSCI Emerging Markets Index by 1.57%.

**Fixed Income**

For the month, the total fixed income portfolio returned 0.95%, 32 basis points more than the BC Aggregate Index. The high yield fixed income segment was the best performer, advancing 2.50%.

Active Core: The active core fixed income component, which is made up of EARNEST Partners, Piedmont and Garcia Hamilton, returned 0.65%, in line with the BC Aggregate Index return of 0.63%. Piedmont led the way with a return of 0.72% while Garcia Hamilton (+0.67%) and EARNEST Partners (+0.58%) followed closely behind.

Core Plus: The core plus managers advanced by 1.03% and outperformed the BC Aggregate Index return by 40 basis points. Taplin, Canida, Habacht (+1.52%) was the best performing core plus manager in July.

Bank Loans: The bank loans component, managed by Babson, returned 1.39% and performed in line with its custom benchmark.

Emerging Markets: The emerging markets component, managed by Standish, returned 1.05%, 8 basis points more than its custom benchmark.

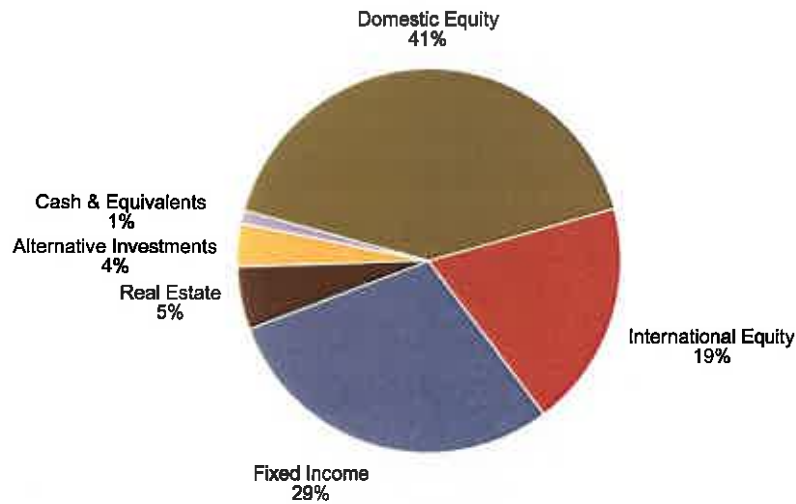
Opportunistic: The opportunistic component, managed by Crescent, produced a return of 0.48%, while its custom benchmark returned 1.98%.

High Yield: The high yield manager, MacKay Shields, returned 2.50%, leading the way for all fixed income managers.

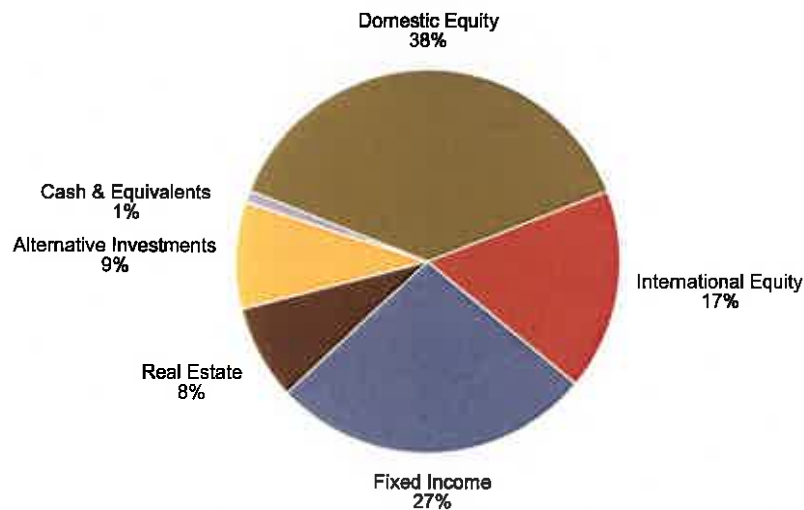
## Actual vs Target Asset Allocation

The first chart below shows the Fund's asset allocation as of July 31, 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	14,776	41.4%	38.0%	3.4%	1,224
International Equity	6,829	19.1%	17.0%	2.1%	766
Fixed Income	10,520	29.5%	27.0%	2.5%	891
Real Estate	1,879	5.3%	8.0%	(2.7%)	(974)
Alternative Investments	1,278	3.6%	9.0%	(5.4%)	(1,932)
Cash & Equivalents	381	1.1%	1.0%	0.1%	24
Total	35,664	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 July 31, 2016, with the distribution as of June 30, 2016.

### Asset Distribution Across Investment Managers

	July 31, 2016		June 30, 2016	
	Market Value	Percent	Market Value	Percent
<b>Domestic Equity</b>	<b>\$14,776,487,086</b>	<b>41.43%</b>	<b>\$14,143,507,117</b>	<b>40.76%</b>
<b>Large Cap Growth</b>				
Holland	863,608,422	2.42%	833,472,609	2.40%
NTGI S&P 500 Growth Idx	1,513,972,614	4.25%	1,446,906,834	4.17%
Sands	1,174,666,452	3.29%	1,096,217,766	3.16%
Vision	-	-	9	0.00%
<b>Large Cap Value</b>				
Dodge & Cox	1,141,175,993	3.20%	1,087,517,370	3.13%
BMO	1,219,574,860	3.42%	1,183,173,811	3.41%
LSV	1,230,919,757	3.45%	1,184,775,560	3.41%
NTGI S&P 500 Value Idx	1,052,673,034	2.95%	1,024,713,201	2.95%
<b>Large Cap Core</b>				
NTGI MarketCap Index	2,813,784,277	7.89%	2,705,493,313	7.80%
<b>Small Cap Growth</b>				
Frontier	637,758,573	1.79%	597,249,790	1.72%
FIAM	930,349,579	2.61%	891,119,096	2.57%
<b>Small Cap Value</b>				
Channing	183,804,638	0.52%	173,944,070	0.50%
Dimensional Small Cap Value	718,623,498	2.01%	685,573,783	1.98%
Inv. Counselors of Maryland	604,159,921	1.69%	576,975,743	1.66%
Lombardia	-	-	106	0.00%
<b>Micro Cap</b>				
Ariel	65,452,931	0.18%	62,647,241	0.18%
Ativo	106,055,593	0.30%	102,712,727	0.30%
Dimensional Micro Cap	321,666,257	0.90%	306,038,980	0.88%
Wall Street	198,240,686	0.56%	184,975,110	0.53%
<b>International Equity</b>	<b>\$6,829,258,389</b>	<b>19.15%</b>	<b>\$6,592,462,463</b>	<b>19.00%</b>
<b>International Large Cap Growth</b>				
EARNEST Partners	502,067,029	1.41%	470,066,150	1.35%
William Blair	595,933,543	1.67%	571,082,050	1.65%
<b>International Large Cap Value</b>				
Brandes	497,963,917	1.40%	477,423,454	1.38%
Lombardia	18,598	0.00%	163,630	0.00%
Mondrian	490,356,839	1.37%	475,004,035	1.37%
Lazard	95,255,950	0.27%	91,931,048	0.26%
<b>International Large Cap Core</b>				
Arrowstreet	536,463,643	1.50%	513,497,012	1.48%
Brown	284,289,182	0.80%	275,963,268	0.80%
GlobeFlex	521,275,985	1.46%	490,474,695	1.41%
NTGI MSCI EAFE Index	2,019,863,893	5.66%	1,996,946,575	5.75%
Progress Intl Equity	239,916,976	0.67%	228,638,576	0.66%
<b>International Small Cap</b>				
Franklin Templeton	188,192,611	0.53%	179,095,370	0.52%
William Blair	236,673,868	0.66%	223,423,911	0.64%
<b>Emerging Markets</b>				
Genesis	620,986,356	1.74%	599,855,838	1.73%

## Investment Manager Asset Allocation

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

### Asset Distribution Across Investment Managers

	July 31, 2016		June 30, 2016	
	Market Value	Percent	Market Value	Percent
<b>Fixed Income</b>	<b>\$10,520,403,286</b>	<b>29.50%</b>	<b>\$10,447,036,425</b>	<b>30.10%</b>
<b>Domestic Fixed Core</b>				
EARNEST Partners	576,221,696	1.62%	575,399,532	1.66%
Piedmont	567,814,940	1.59%	565,373,178	1.63%
Garcia Hamilton	541,528,496	1.52%	539,185,972	1.55%
<b>Passive Core</b>				
BlackRock US Debt	1,438,634,550	4.03%	1,429,463,431	4.12%
NTGI BC Aggregate Index	1,559,213,924	4.37%	1,549,408,280	4.46%
<b>Domestic Fixed Core Plus</b>				
BlackRock Core Plus	772,684,644	2.17%	769,215,953	2.22%
Brandes Core Plus	256,551,106	0.72%	255,401,099	0.74%
LM Capital	890,501,872	2.50%	886,154,925	2.55%
Progress Fixed Income	871,375,904	2.44%	863,338,000	2.49%
Taplin, Canida, & Habacht	887,936,060	2.49%	877,615,000	2.53%
Western	953,475,161	2.67%	944,959,340	2.72%
<b>Bank Loans</b>				
Babson	297,420,833	0.83%	296,744,979	0.86%
<b>Emerging Markets Debt</b>				
Standish	186,196,315	0.52%	184,264,819	0.53%
<b>Opportunistic Fixed Income</b>				
Crescent	111,934,237	0.31%	113,038,890	0.33%
<b>High Yield</b>				
MackKay Shields	605,817,688	1.70%	594,421,715	1.71%
FIAM High Yield	3,095,859	0.01%	3,051,313	0.01%
<b>Real Estate</b>	<b>\$1,879,407,720</b>	<b>5.27%</b>	<b>\$1,879,693,820</b>	<b>5.42%</b>
<b>Real Estate Core</b>				
TA Buckhead Ind. Prop.	332,753,817	0.93%	340,058,169	0.98%
Cornerstone Patriot	138,740,792	0.39%	138,740,792	0.40%
INVESCO Core RE	183,716,049	0.52%	178,778,442	0.52%
AEW Core Property Trust	224,587,818	0.63%	219,740,209	0.63%
CBRE US Core Property Trust	154,572,582	0.43%	152,381,945	0.44%
<b>Real Estate Non-Core</b>				
Franklin Templeton EMREFF	48,157,609	0.14%	48,589,334	0.14%
Security Capital	62,157,424	0.17%	60,432,645	0.17%
Dune II	38,606,496	0.11%	38,606,496	0.11%
Non-Core Real Estate Funds*	593,378,578	1.66%	597,307,697	1.72%
Non-Core Intl Real Estate Funds**	42,197,951	0.12%	42,485,627	0.12%
Rockwood Fund VIII	8,275,482	0.02%	10,309,343	0.03%
Almanac ARS V	14,230,101	0.04%	14,230,101	0.04%
TA Fund IX	38,033,021	0.11%	38,033,021	0.11%
<b>Alternative Investments</b>	<b>\$1,277,543,136</b>	<b>3.58%</b>	<b>\$1,383,029,281</b>	<b>3.99%</b>
<b>Absolute Return</b>				
Aurora	138,782,971	0.39%	256,282,971	0.74%
<b>Private Equity</b>				
Abbott	305,685,332	0.86%	311,002,250	0.90%
Muller & Monroe ILPEFF	7,732,657	0.02%	7,729,539	0.02%
Muller & Monroe MPEFF	11,267,363	0.03%	11,267,363	0.03%
Pantheon	197,109,074	0.55%	195,277,783	0.56%
Private Equity Fund - Domestic	343,816,505	0.96%	328,220,184	0.95%
Private Equity Fund - International	14,583,810	0.04%	14,683,787	0.04%
<b>Agriculture</b>				
Premiere Partners IV	183,176,871	0.51%	183,176,871	0.53%
<b>Timberland</b>				
Forest Investment Assoc.	75,388,553	0.21%	75,388,553	0.22%
<b>Cash &amp; Equivalents</b>	<b>\$381,005,364</b>	<b>1.07%</b>	<b>\$256,414,998</b>	<b>0.74%</b>
<b>Total Fund</b>	<b>\$35,664,104,981</b>	<b>100.0%</b>	<b>\$34,702,144,104</b>	<b>100.0%</b>

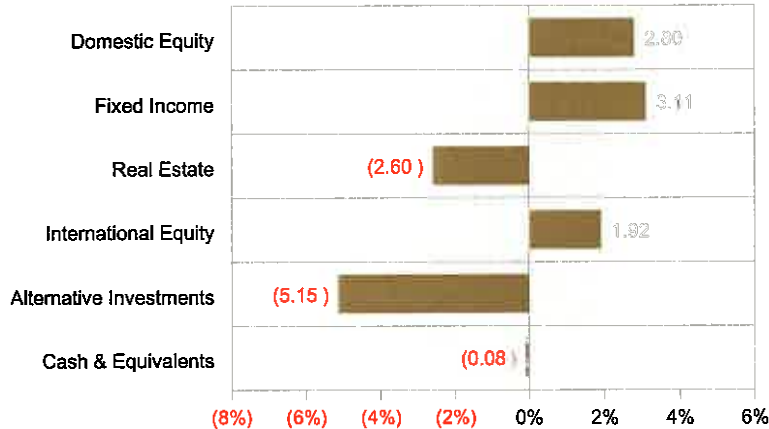
\* Non-Core Real Estate Funds funded since September 2011.

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

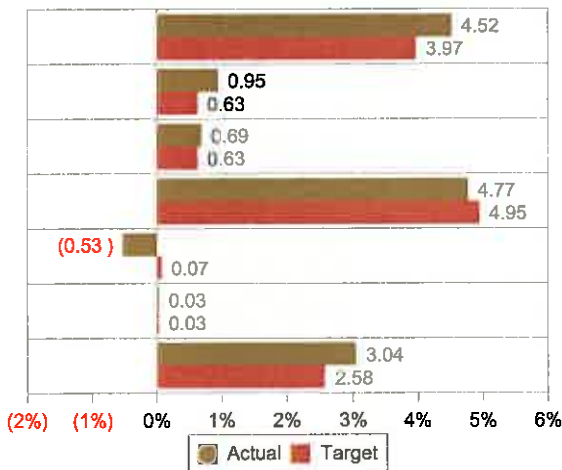
## Monthly Total Fund Relative Attribution - July 31, 2016

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.

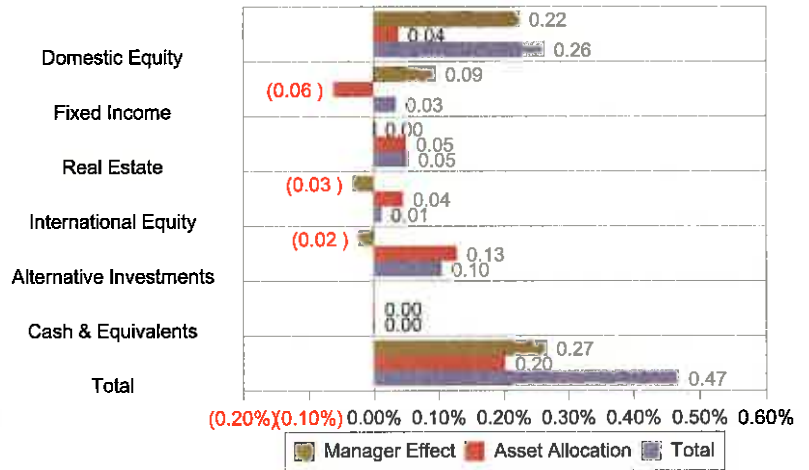
### Asset Class Under or Overweighting



### Actual vs Target Returns



### Relative Attribution by Asset Class



### Relative Attribution Effects for Month ended July 31, 2016

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	41%	38%	4.52%	3.97%	0.22%	0.04%	0.26%
Fixed Income	30%	27%	0.95%	0.63%	0.09%	(0.06%)	0.03%
Real Estate	5%	8%	0.69%	0.63%	0.00%	0.05%	0.05%
International Equity	19%	17%	4.77%	4.95%	(0.03%)	0.04%	0.01%
Alternative Investments	4%	9%	(0.53%)	0.07%	(0.02%)	0.13%	0.10%
Cash & Equivalents	1%	1%	0.03%	0.03%	0.00%	0.00%	0.00%
<b>Total</b>			<b>3.04%</b>	<b>2.58%</b>	<b>+ 0.27%</b>	<b>+ 0.20%</b>	<b>0.47%</b>

\* 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 July 31, 2016

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Equity	4.52%	5.33%	5.08%	0.74%
Blended Benchmark**	3.97%	6.05%	7.74%	4.44%
Domestic Equity - Net	4.50%	5.28%	4.93%	0.49%
International Equity	4.77%	1.71%	3.38%	(4.12%)
MSCI ACWI x US (Net)	4.95%	1.60%	3.88%	(5.54%)
International Equity - Net	4.75%	1.66%	3.27%	(4.36%)
Fixed Income	0.95%	2.80%	6.74%	5.85%
BC Aggregate Index	0.63%	2.47%	5.98%	5.94%
Fixed Income - Net	0.94%	2.78%	6.67%	5.72%
Real Estate	0.69%	2.14%	4.51%	10.81%
Blended Benchmark***	0.63%	1.91%	4.55%	10.25%
Real Estate - Net	0.69%	2.14%	4.51%	10.73%
Alternative Investments	(0.53%)	(0.09%)	0.06%	3.22%
Alternatives Custom Benchmark****	0.07%	1.52%	4.48%	8.30%
Alternative Investments - Net	(0.54%)	(0.14%)	(0.07%)	2.91%
Absolute Return	0.00%	0.91%	(1.44%)	(3.13%)
HFR Fund-of-Funds Index	1.46%	1.48%	(1.21%)	(4.25%)
Private Equity	(0.79%)	(0.30%)	1.20%	4.03%
Alternatives Custom Benchmark****	0.07%	1.52%	4.48%	8.30%
Agriculture	0.00%	0.26%	0.36%	21.40%
Blended Benchmark***	0.63%	1.91%	4.55%	10.25%
Timberland	(0.25%)	(1.73%)	(1.82%)	1.40%
Blended Benchmark***	0.63%	1.91%	4.55%	10.25%
<b>Total Fund</b>	<b>3.04%</b>	<b>3.45%</b>	<b>4.94%</b>	<b>1.64%</b>
Total Fund - Net	3.03%	3.41%	4.83%	1.43%
Total Fund Benchmark	2.58%	3.54%	6.13%	4.14%

\* 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 July 31, 2016

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Equity	9.24%	12.25%	7.80%	11.45% <sup>(1/82)</sup>
Blended Benchmark**	10.53%	12.95%	7.94%	11.26% <sup>(1/82)</sup>
Domestic Equity - Net	8.98%	11.97%	7.54%	7.43% <sup>(1/05)</sup>
International Equity	3.18%	3.70%	3.39%	7.68% <sup>(9/86)</sup>
MSCI ACWI x US (Net)	1.35%	1.35%	2.26%	-
International Equity - Net	2.87%	3.38%	3.07%	4.93% <sup>(1/05)</sup>
Fixed Income	4.62%	4.40%	5.83%	8.67% <sup>(1/82)</sup>
BC Aggregate Index	4.23%	3.57%	5.06%	8.19% <sup>(1/82)</sup>
Fixed Income - Net	4.49%	4.26%	5.69%	5.24% <sup>(1/05)</sup>
Real Estate - Net	11.58%	11.72%	5.40%	6.95% <sup>(1/05)</sup>
Blended Benchmark***	11.79%	12.05%	7.53%	7.79% <sup>(1/05)</sup>
Alternative Investments	8.08%	7.01%	6.62%	10.62% <sup>(2/86)</sup>
Alternatives Custom Benchmark****	8.77%	8.86%	10.09%	13.05% <sup>(2/86)</sup>
Alternative Investments - Net	7.70%	6.70%	6.32%	7.59% <sup>(1/05)</sup>
Absolute Return	3.35%	2.68%	3.11%	4.34% <sup>(1/02)</sup>
HFR Fund-of-Funds Index	2.05%	1.84%	1.75%	3.28% <sup>(1/02)</sup>
Private Equity	10.16%	8.53%	8.79%	12.71% <sup>(2/86)</sup>
Alternatives Custom Benchmark****	8.77%	8.86%	10.09%	13.05% <sup>(2/86)</sup>
Agriculture	17.66%	18.73%	11.14%	8.92% <sup>(10/97)</sup>
Blended Benchmark***	11.79%	12.05%	7.53%	7.58% <sup>(10/97)</sup>
Timberland	5.16%	3.63%	4.80%	8.29% <sup>(10/92)</sup>
Blended Benchmark***	11.79%	12.05%	7.53%	7.59% <sup>(10/92)</sup>
<b>Total Fund</b>	<b>6.75%</b>	<b>7.95%</b>	<b>6.79%</b>	<b>9.92%</b> <sup>(1/82)</sup>
Total Fund - Net	6.52%	7.71%	6.56%	6.74% <sup>(1/05)</sup>
Total Fund Benchmark	7.28%	7.90%	6.68%	6.69% <sup>(1/05)</sup>

\* 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 July 31, 2016

	Last Month	Last 3 Months	Year to Date	Last 12 Months
<b>Large Cap Equity</b>	<b>4.30%</b>	<b>5.17%</b>	<b>5.13%</b>	<b>1.92%</b>
Russell 1000 Index	3.81%	5.87%	7.69%	4.84%
<b>Large Cap Growth</b>	<b>5.20%</b>	<b>5.87%</b>	<b>2.15%</b>	<b>0.88%</b>
Holland	3.62%	4.21%	3.09%	1.01%
LCG Blended Benchmark*	4.72%	6.33%	6.15%	4.35%
Russell 1000 Growth Index	4.72%	6.33%	6.15%	4.35%
Holland - Net	3.62%	4.16%	2.98%	0.79%
NTGI S&P 500 Growth Idx	4.63%	7.04%	6.29%	5.29%
S&P/Citi 500 Growth Index	4.65%	7.06%	6.27%	5.28%
NTGI S&P 500 Growth Idx - Net	4.63%	7.04%	6.29%	5.29%
Sands	7.16%	5.97%	(3.04%)	(3.63%)
LCG Blended Benchmark*	4.72%	6.33%	6.15%	4.35%
Russell 1000 Growth Index	4.72%	6.33%	6.15%	4.35%
Sands - Net	7.16%	5.91%	(3.16%)	(3.87%)
<b>Large Cap Value</b>	<b>3.80%</b>	<b>4.08%</b>	<b>6.06%</b>	<b>1.24%</b>
Dodge & Cox	5.13%	4.86%	6.32%	(0.33%)
LCV Blended Benchmark**	2.90%	5.41%	9.38%	5.38%
Russell 1000 Value Index	2.90%	5.41%	9.38%	5.38%
Dodge & Cox - Net	5.13%	4.86%	6.20%	(0.54%)
BMO	3.21%	2.48%	3.47%	(0.88%)
LCV Blended Benchmark**	2.90%	5.41%	9.38%	5.38%
Russell 1000 Value Index	2.90%	5.41%	9.38%	5.38%
BMO - Net	3.21%	2.43%	3.35%	(1.11%)
LSV	4.10%	4.53%	6.09%	1.26%
LCV Blended Benchmark**	2.90%	5.41%	9.38%	5.38%
Russell 1000 Value Index	2.90%	5.41%	9.38%	5.38%
LSV - Net	4.04%	4.47%	5.89%	1.01%
NTGI S&P 500 Value Idx	2.73%	4.57%	9.07%	5.78%
S&P/Citi 500 Value Index	2.72%	4.58%	9.13%	5.79%
NTGI S&P 500 Value Idx - Net	2.73%	4.57%	9.07%	5.77%
<b>Large Cap Passive Core</b>	<b>4.00%</b>	<b>6.08%</b>	<b>7.76%</b>	<b>4.52%</b>
NTGI MarketCap Idx	4.00%	6.08%	7.76%	4.52%
DJ U.S. Total Stock Market Index	3.99%	6.05%	7.67%	4.39%
NTGI MarketCap Idx - Net	4.00%	6.07%	7.76%	4.51%

\* 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, 2016

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception	
<b>Large Cap Equity</b>	<b>10.25%</b>	<b>12.83%</b>	<b>7.78%</b>	<b>11.04%</b>	(1/82)
Russell 1000 Index	10.93%	13.22%	7.89%	11.47%	(1/82)
<b>Large Cap Growth</b>	<b>11.05%</b>	<b>12.37%</b>	<b>9.07%</b>	<b>11.48%</b>	(1/82)
Holland	10.25%	12.02%	9.20%	10.05%	(11/94)
LCG Blended Benchmark*	12.86%	13.62%	9.50%	9.55%	(11/94)
Russell 1000 Growth Index	12.86%	13.62%	9.50%	8.78%	(11/94)
Holland - Net	10.04%	11.80%	8.93%	7.60%	(1/05)
NTGI S&P 500 Growth Idx	13.26%	14.10%	9.46%	6.48%	(8/01)
S&P/Citi 500 Growth Index	13.26%	14.08%	9.44%	6.45%	(8/01)
NTGI S&P 500 Growth Idx - Net	13.26%	14.10%	9.45%	8.42%	(1/05)
Sands	9.93%	12.87%	11.20%	10.50%	(11/03)
LCG Blended Benchmark*	12.86%	13.62%	9.50%	8.40%	(11/03)
Russell 1000 Growth Index	12.86%	13.62%	9.50%	8.46%	(11/03)
Sands - Net	9.69%	12.63%	10.93%	9.12%	(1/05)
<b>Large Cap Value</b>	<b>9.16%</b>	<b>13.21%</b>	<b>6.56%</b>	<b>10.23%</b>	(10/82)
Dodge & Cox	8.69%	12.98%	6.24%	8.69%	(9/03)
LCV Blended Benchmark**	8.99%	12.75%	6.18%	8.10%	(9/03)
Russell 1000 Value Index	8.99%	12.75%	6.18%	8.31%	(9/03)
Dodge & Cox - Net	8.48%	12.76%	6.00%	6.61%	(1/05)
BMO	9.27%	13.06%	6.96%	7.57%	(2/01)
LCV Blended Benchmark**	8.99%	12.75%	6.18%	5.07%	(2/01)
Russell 1000 Value Index	8.99%	12.75%	6.18%	6.26%	(2/01)
BMO - Net	9.03%	12.80%	6.71%	7.56%	(1/05)
LSV	9.47%	13.91%	7.30%	10.89%	(2/03)
LCV Blended Benchmark**	8.99%	12.75%	6.18%	9.24%	(2/03)
Russell 1000 Value Index	8.99%	12.75%	6.18%	9.26%	(2/03)
LSV - Net	9.18%	13.61%	7.01%	7.66%	(1/05)
NTGI S&P 500 Value Idx	8.87%	12.64%	6.00%	5.15%	(8/99)
S&P/Citi 500 Value Index	8.82%	12.59%	5.95%	5.13%	(8/99)
NTGI S&P 500 Value Idx - Net	8.86%	12.63%	5.99%	6.34%	(1/05)
<b>Large Cap Passive Core</b>	<b>10.59%</b>	<b>13.02%</b>	<b>7.84%</b>	<b>10.98%</b>	(1/85)
NTGI MarketCap Idx	10.59%	13.02%	7.86%	10.73%	(2/85)
DJ U.S. Total Stock Market Index	10.49%	12.93%	7.93%	10.68%	(2/85)
NTGI MarketCap Idx - Net	10.58%	13.02%	7.85%	7.60%	(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, 2016

	Last Month	Last 3 Months	Year to Date	Last 12 Months
<b>Small Cap Equity</b>	<b>5.16%</b>	<b>5.79%</b>	<b>4.92%</b>	<b>(2.49%)</b>
Russell 2000 Index	5.97%	8.29%	8.32%	0.00%
<b>Small Cap Growth</b>	<b>5.36%</b>	<b>5.86%</b>	<b>0.32%</b>	<b>(8.84%)</b>
Frontier	6.78%	8.23%	0.86%	(11.10%)
Russell 2000 Growth Index	6.54%	8.91%	4.84%	(5.30%)
Frontier - Net	6.78%	8.23%	0.53%	(11.52%)
FIAM	4.40%	4.30%	(0.06%)	(3.21%)
Russell 2000 Growth Index	6.54%	8.91%	4.84%	(5.30%)
FIAM - Net	4.28%	4.05%	(0.42%)	(4.01%)
<b>Small Cap Value</b>	<b>4.88%</b>	<b>5.38%</b>	<b>9.98%</b>	<b>4.62%</b>
Channing	5.67%	7.74%	11.23%	3.05%
Russell 2000 Value Index	5.40%	7.65%	11.81%	5.59%
Channing - Net	5.54%	7.49%	10.80%	2.41%
DFA Small Cap Value	4.82%	4.51%	8.44%	2.58%
Russell 2000 Value Index	5.40%	7.65%	11.81%	5.59%
DFA Small Cap Value - Net	4.82%	4.38%	8.16%	2.06%
Inv. Counselors of Maryland	4.71%	6.71%	12.59%	9.94%
Russell 2000 Value Index	5.40%	7.65%	11.81%	5.59%
Inv. Couns. of Maryland - Net	4.71%	6.61%	12.36%	9.46%
<b>Micro Cap</b>	<b>5.33%</b>	<b>6.53%</b>	<b>4.03%</b>	<b>(7.84%)</b>
Ariel	4.48%	1.97%	2.51%	(14.58%)
Russell Microcap Index	5.23%	5.98%	3.46%	(4.40%)
Russell 2000 Value Index	5.40%	7.65%	11.81%	5.59%
Russell 2000 Index	5.97%	8.29%	8.32%	0.00%
Ariel - Net	4.27%	1.76%	1.85%	(15.31%)
Ativo	3.19%	4.61%	2.52%	(0.90%)
Russell Microcap Index	5.23%	5.98%	3.46%	(4.40%)
Russell 2000 Growth Index	6.54%	8.91%	4.84%	(5.30%)
Russell 2000 Index	5.97%	8.29%	8.32%	0.00%
Ativo - Net	3.19%	4.61%	2.12%	(1.47%)
DFA Micro Cap	5.11%	6.11%	8.69%	4.25%
Russell 2000 Value Index	5.40%	7.65%	11.81%	5.59%
Russell 2000 Index	5.97%	8.29%	8.32%	0.00%
DFA Micro Cap - Net	5.11%	5.98%	8.41%	3.73%
Wall Street	7.17%	10.35%	(1.14%)	(17.51%)
Russell 2000 Growth Index	6.54%	8.91%	4.84%	(5.30%)
Russell 2000 Index	5.97%	8.29%	8.32%	0.00%
Wall Street - Net	6.97%	10.14%	(1.81%)	(18.30%)

## 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, 2016

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
<b>Small Cap Equity</b>	<b>6.64%</b>	<b>10.73%</b>	<b>8.62%</b>	<b>12.23%</b> (7/88)
Russell 2000 Index	6.74%	10.43%	7.17%	9.29% (7/88)
<b>Small Cap Growth</b>	<b>8.23%</b>	<b>10.96%</b>	<b>9.06%</b>	<b>12.95%</b> (7/88)
Frontier	5.30%	9.12%	8.70%	12.74% (8/88)
Russell 2000 Growth Index	7.39%	10.78%	8.40%	7.80% (8/88)
Frontier - Net	4.75%	8.57%	6.28%	6.25% (1/05)
FIAM	10.97%	12.64%	10.30%	13.75% (8/88)
Russell 2000 Growth Index	7.39%	10.78%	8.40%	7.80% (8/88)
FIAM - Net	10.36%	12.03%	9.65%	10.79% (1/05)
<b>Small Cap Value</b>	<b>6.96%</b>	<b>11.19%</b>	<b>8.04%</b>	<b>11.98%</b> (9/89)
Channing	8.15%	12.36%	-	11.66% (7/11)
Russell 2000 Value Index	6.01%	10.03%	5.85%	9.13% (7/11)
Channing - Net	7.67%	11.69%	-	11.01% (7/11)
DFA Small Cap Value	6.43%	11.27%	7.57%	12.45% (2/96)
Russell 2000 Value Index	6.01%	10.03%	5.85%	9.59% (2/96)
DFA Small Cap Value - Net	5.95%	10.76%	7.05%	7.59% (1/05)
Inv. Counselors of Maryland	8.60%	11.68%	8.58%	11.48% (5/99)
Russell 2000 Value Index	6.01%	10.03%	5.85%	9.05% (5/99)
Inv. Couns. of Maryland - Net	8.17%	11.24%	8.08%	8.05% (1/05)
<b>Micro Cap</b>	<b>3.10%</b>	<b>9.39%</b>	<b>6.67%</b>	<b>11.71%</b> (7/84)
Ariel	(9.04%)	2.96%	-	3.80% (11/10)
Russell Microcap Index	5.14%	9.96%	5.23%	10.96% (11/10)
Russell 2000 Value Index	6.01%	10.03%	5.85%	10.73% (11/10)
Russell 2000 Index	6.74%	10.43%	7.17%	11.58% (11/10)
Ariel - Net	(9.80%)	2.11%	-	2.94% (11/10)
Ativo	9.47%	13.46%	-	13.74% (10/10)
Russell Microcap Index	5.14%	9.96%	5.23%	11.84% (10/10)
Russell 2000 Growth Index	7.39%	10.78%	8.40%	12.99% (10/10)
Russell 2000 Index	6.74%	10.43%	7.17%	12.17% (10/10)
Ativo - Net	8.71%	12.64%	-	12.92% (10/10)
DFA Micro Cap	7.85%	12.18%	8.02%	11.14% (8/87)
Russell 2000 Value Index	6.01%	10.03%	5.85%	9.90% (8/87)
Russell 2000 Index	6.74%	10.43%	7.17%	8.63% (8/87)
DFA Micro Cap - Net	7.31%	11.64%	7.50%	7.30% (1/05)
Wall Street	0.63%	7.58%	6.23%	13.13% (8/90)
Russell 2000 Growth Index	7.39%	10.78%	8.40%	7.79% (8/90)
Russell 2000 Index	6.74%	10.43%	7.17%	9.63% (8/90)
Wall Street - Net	(0.20%)	6.68%	5.39%	5.78% (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, 2016

	Last Month	Last 3 Months	Year to Date	Last 12 Months
<b>Intl Large Cap Equity</b>	<b>4.84%</b>	<b>1.47%</b>	<b>2.52%</b>	<b>(5.09%)</b>
MSCI ACWI ex-US Index	4.95%	1.60%	3.88%	(5.54%)
<b>Intl Large Cap Growth</b>	<b>5.44%</b>	<b>3.03%</b>	<b>2.61%</b>	<b>(4.57%)</b>
EARNEST Partners	6.76%	3.77%	4.60%	(4.49%)
MSCI ACWI ex-US Index	4.95%	1.60%	3.88%	(5.54%)
MSCI ACWI ex-US Growth	4.82%	3.85%	5.25%	(1.58%)
EARNEST Partners - Net	6.76%	3.77%	4.60%	(4.49%)
William Blair	4.35%	2.42%	0.99%	(4.63%)
MSCI ACWI ex-US Index	4.95%	1.60%	3.88%	(5.54%)
MSCI ACWI ex-US Growth	4.82%	3.85%	5.25%	(1.58%)
William Blair - Net	4.26%	2.23%	0.71%	(5.08%)
<b>Intl Large Cap Value</b>	<b>3.76%</b>	<b>0.06%</b>	<b>3.99%</b>	<b>(5.67%)</b>
Brandes	4.30%	(1.41%)	2.79%	(6.83%)
MSCI ACWI ex-US Index	4.95%	1.60%	3.88%	(5.54%)
MSCI ACWI ex-US Value	5.12%	(0.30%)	3.28%	(8.60%)
Brandes - Net	4.30%	(1.41%)	2.79%	(6.88%)
Mondrian	3.23%	1.80%	5.01%	(4.72%)
MSCI ACWI ex-US Index	4.95%	1.60%	3.88%	(5.54%)
MSCI ACWI ex-US Value	5.12%	(0.30%)	3.28%	(8.60%)
Mondrian - Net	3.23%	1.80%	5.01%	(4.97%)
Lazard	3.62%	0.59%	3.74%	(4.52%)
MSCI ACWI ex-US Index	4.95%	1.60%	3.88%	(5.54%)
MSCI ACWI ex-US Value	5.12%	(0.30%)	3.28%	(8.60%)
Lazard - Net	3.62%	0.53%	3.61%	(4.76%)

## 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, 2016

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
<b>Intl Large Cap Equity</b>	<b>3.29%</b>	<b>3.90%</b>	<b>3.12%</b>	<b>7.70%</b> <sup>(9/86)</sup>
MSCI ACWI ex-US Index	1.35%	1.35%	2.26%	-
<b>Intl Large Cap Growth</b>	<b>2.36%</b>	<b>3.11%</b>	<b>3.28%</b>	<b>8.25%</b> <sup>(9/02)</sup>
EARNEST Partners	0.67%	1.09%	6.06%	9.02% <sup>(10/04)</sup>
MSCI ACWI ex-US Index	1.35%	1.35%	2.26%	5.40% <sup>(10/04)</sup>
MSCI ACWI ex-US Growth	3.85%	2.95%	3.59%	6.48% <sup>(10/04)</sup>
EARNEST Partners - Net	0.53%	0.77%	5.63%	7.48% <sup>(1/05)</sup>
William Blair	3.86%	5.39%	4.27%	9.78% <sup>(10/02)</sup>
MSCI ACWI ex-US Index	1.35%	1.35%	2.26%	8.11% <sup>(10/02)</sup>
MSCI ACWI ex-US Growth	3.85%	2.95%	3.59%	8.48% <sup>(10/02)</sup>
William Blair - Net	3.45%	4.97%	3.87%	5.78% <sup>(1/05)</sup>
<b>Intl Large Cap Value</b>	<b>3.25%</b>	<b>3.63%</b>	<b>2.11%</b>	<b>8.90%</b> <sup>(10/95)</sup>
Brandes	3.20%	3.95%	2.27%	9.05% <sup>(1/96)</sup>
MSCI ACWI ex-US Index	1.35%	1.35%	2.26%	4.75% <sup>(1/96)</sup>
MSCI ACWI ex-US Value	(0.29%)	0.62%	1.81%	-
Brandes - Net	3.00%	3.73%	2.04%	3.59% <sup>(1/05)</sup>
Mondrian	3.38%	-	-	4.61% <sup>(4/12)</sup>
MSCI ACWI ex-US Index	1.35%	1.35%	2.26%	3.08% <sup>(4/12)</sup>
MSCI ACWI ex-US Value	(0.29%)	0.62%	1.81%	2.09% <sup>(4/12)</sup>
Mondrian - Net	2.95%	-	-	4.18% <sup>(4/12)</sup>
Lazard	3.16%	-	-	5.94% <sup>(4/12)</sup>
MSCI ACWI ex-US Index	1.35%	1.35%	2.26%	3.08% <sup>(4/12)</sup>
MSCI ACWI ex-US Value	(0.29%)	0.62%	1.81%	2.09% <sup>(4/12)</sup>
Lazard - Net	2.67%	-	-	5.31% <sup>(4/12)</sup>

## 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, 2016

	Last Month	Last 3 Months	Year to Date	Last 12 Months
<b>Intl Large Cap Active Core</b>	<b>4.90%</b>	<b>2.38%</b>	<b>3.90%</b>	<b>(2.07%)</b>
Arrowstreet	4.47%	3.09%	5.39%	(3.17%)
MSCI ACWI ex-US Index	4.95%	1.60%	3.88%	(5.54%)
Arrowstreet - Net	4.47%	2.98%	5.14%	(3.63%)
Brown	3.02%	(0.66%)	(1.11%)	(3.43%)
MSCI ACWI ex-US Index	4.95%	1.60%	3.88%	(5.54%)
Brown - Net	2.95%	(0.78%)	(1.30%)	(4.58%)
GlobeFlex	6.28%	2.80%	4.55%	(0.32%)
MSCI ACWI ex-US Index	4.95%	1.60%	3.88%	(5.54%)
GlobeFlex - Net	6.28%	2.70%	4.33%	(0.73%)
Progress Intl Equity	4.93%	3.60%	5.50%	(1.67%)
Custom Benchmark	5.03%	2.03%	4.71%	(3.34%)
MSCI ACWI ex-US Index	4.95%	1.60%	3.88%	(5.54%)
Progress Intl Equity - Net	4.93%	3.60%	5.23%	(2.05%)
<b>Intl Large Cap Pass. Core</b>	<b>5.05%</b>	<b>0.74%</b>	<b>0.72%</b>	<b>(7.19%)</b>
NTGI MSCI EAFE Idx	5.05%	0.74%	0.72%	(7.19%)
MSCI EAFE Index	5.07%	0.62%	0.42%	(7.53%)
NTGI EAFE Idx - Net	5.05%	0.74%	0.72%	(7.20%)
<b>International Small Cap</b>	<b>5.55%</b>	<b>1.72%</b>	<b>1.33%</b>	<b>(0.21%)</b>
Franklin Templeton	5.08%	0.24%	0.58%	(4.31%)
ACWI Small Cap ex US	5.56%	1.79%	5.36%	1.74%
Franklin Templeton - Net	5.08%	0.24%	0.38%	(4.86%)
William Blair	5.93%	2.93%	1.93%	3.31%
ACWI Small Cap ex US	5.56%	1.79%	5.36%	1.74%
Intl SC Blended Benchmark	5.56%	1.79%	5.36%	1.74%
William Blair - Net	5.73%	2.54%	1.34%	2.31%
<b>Emerging Markets</b>	<b>3.63%</b>	<b>4.02%</b>	<b>14.03%</b>	<b>3.14%</b>
Genesis	3.52%	4.02%	14.03%	3.14%
MSCI Emerging Markets Index	5.09%	5.33%	12.02%	(0.38%)
Genesis - Net	3.52%	4.02%	14.03%	3.03%

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, 2016

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
<b>Intl Large Cap Active Core</b>	<b>5.42%</b>	<b>5.52%</b>	-	<b>3.50%</b> (2/08)
Arrowstreet	5.67%	5.59%	-	3.52% (3/08)
MSCI ACWI ex-US Index	1.35%	1.35%	2.26%	0.11% (3/08)
Arrowstreet - Net	5.17%	5.09%	-	3.04% (3/08)
Brown	7.00%	7.40%	5.39%	7.94% (10/04)
MSCI ACWI ex-US Index	1.35%	1.35%	2.26%	5.40% (10/04)
Brown - Net	5.86%	6.52%	4.81%	6.25% (10/05)
GlobeFlex	4.84%	4.79%	3.65%	4.02% (3/08)
MSCI ACWI ex-US Index	1.35%	1.35%	2.26%	2.55% (3/08)
GlobeFlex - Net	4.41%	4.35%	3.19%	3.56% (3/08)
Progress Intl Equity Custom Benchmark	-	-	-	(2.27%) (7/14)
MSCI ACWI ex-US Index	1.35%	1.35%	2.26%	(4.03%) (7/14)
Progress Intl Equity - Net	-	-	-	(5.32%) (7/14)
				(2.64%) (7/14)
<b>Intl Large Cap Pass. Core</b>	<b>2.37%</b>	<b>3.42%</b>	<b>2.38%</b>	<b>2.66%</b> (1/00)
NTGI MSCI EAFE Idx	2.37%	3.42%	2.37%	3.08% (2/00)
MSCI EAFE Index	2.00%	3.02%	1.98%	2.69% (2/00)
NTGI EAFE Idx - Net	2.36%	3.41%	2.37%	4.16% (1/05)
<b>International Small Cap</b>	<b>4.90%</b>	<b>5.92%</b>	<b>2.80%</b>	<b>4.02%</b> (12/05)
Franklin Templeton	3.83%	4.71%	-	4.71% (8/11)
ACWI Small Cap ex US	5.13%	3.40%	4.75%	3.40% (8/11)
Franklin Templeton - Net	3.19%	4.02%	-	4.02% (8/11)
William Blair	5.77%	6.95%	-	10.52% (9/10)
ACWI Small Cap ex US	5.13%	3.40%	4.75%	7.02% (9/10)
Intl SC Blended Benchmark	5.13%	3.40%	3.77%	7.58% (9/10)
William Blair - Net	4.89%	6.07%	-	9.66% (9/10)
<b>Emerging Markets</b>	<b>0.99%</b>	<b>0.25%</b>	<b>7.04%</b>	<b>8.89%</b> (2/92)
Genesis	0.96%	0.22%	7.05%	11.35% (5/04)
MSCI Emerging Markets Index	0.07%	(2.41%)	4.24%	8.69% (5/04)
Genesis - Net	0.57%	(0.25%)	6.47%	9.08% (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, 2016

	Last Month	Last 3 Months	Year to Date	Last 12 Months
<b>Dom. Fixed Active Core</b>	<b>0.65%</b>	<b>2.53%</b>	<b>6.12%</b>	<b>5.99%</b>
EARNEST Partners	0.58%	2.47%	5.54%	6.23%
BC Aggregate Index	0.63%	2.47%	5.98%	5.94%
EARNEST Partners - Net	0.52%	2.42%	5.38%	6.02%
Piedmont	0.72%	2.50%	6.69%	5.66%
BC Aggregate Index	0.63%	2.47%	5.98%	5.94%
Piedmont - Net	0.68%	2.45%	6.56%	5.49%
Garcia Hamilton	0.67%	2.67%	6.14%	6.26%
BC Aggregate Index	0.63%	2.47%	5.98%	5.94%
Garcia Hamilton	0.64%	2.61%	6.04%	6.15%
<b>Dom. Fixed Passive Core</b>	<b>0.64%</b>	<b>2.49%</b>	<b>6.06%</b>	<b>6.03%</b>
BlackRock US Debt	0.64%	2.50%	6.07%	6.07%
BC Aggregate Index	0.63%	2.47%	5.98%	5.94%
BlackRock US Debt - Net	0.64%	2.50%	6.07%	6.06%
NTGI BC Agg. Index	0.63%	2.49%	6.06%	6.00%
BC Aggregate Index	0.63%	2.47%	5.98%	5.94%
NTGI BC Agg. Index - Net	0.63%	2.49%	6.05%	6.00%



## 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, 2016

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
<b>Dom. Fixed Active Core</b>	<b>4.61%</b>	<b>4.24%</b>	<b>5.38%</b>	<b>4.97%</b> (4/01)
EARNEST Partners	4.79%	4.47%	5.58%	5.15% (5/05)
BC Aggregate Index	4.23%	3.57%	5.06%	4.68% (5/05)
EARNEST Partners - Net	4.58%	4.26%	5.36%	4.94% (5/05)
Piedmont	4.36%	3.98%	5.23%	4.83% (6/05)
BC Aggregate Index	4.23%	3.57%	5.06%	4.62% (6/05)
Piedmont - Net	4.21%	3.81%	5.04%	4.63% (6/05)
Garcia Hamilton	-	-	-	5.35% (6/15)
BC Aggregate Index	4.23%	3.57%	5.06%	4.70% (6/15)
Garcia Hamilton	-	-	-	5.25% (6/15)
<b>Dom. Fixed Passive Core</b>	<b>4.32%</b>	<b>3.64%</b>	<b>5.02%</b>	<b>6.36%</b> (1/90)
BlackRock US Debt	4.36%	-	-	4.50% (10/13)
BC Aggregate Index	4.23%	3.57%	5.06%	4.33% (10/13)
BlackRock US Debt - Net	4.36%	-	-	4.49% (10/13)
NTGI BC Agg. Index	4.31%	3.63%	5.02%	6.43% (2/90)
BC Aggregate Index	4.23%	3.57%	5.06%	6.42% (2/90)
NTGI BC Agg. Index - Net	4.30%	3.63%	5.01%	4.59% (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, 2016

	Last Month	Last 3 Months	Year to Date	Last 12 Months
<b>Domestic Fixed Core Plus</b>	<b>1.03%</b>	<b>2.86%</b>	<b>6.84%</b>	<b>6.21%</b>
BlackRock Core Plus	0.72%	2.58%	6.09%	6.04%
BC Aggregate Index	0.63%	2.47%	5.98%	5.94%
BlackRock Core Plus - Net	0.72%	2.56%	6.07%	5.89%
Brandes Core Plus	0.60%	2.53%	-	-
BC Aggregate Index	0.63%	2.47%	5.98%	5.94%
Brandes Core Plus - Net	0.60%	2.53%	-	-
LM Capital	0.88%	2.30%	6.24%	6.46%
BC Aggregate Index	0.63%	2.47%	5.98%	5.94%
LM Capital - Net	0.84%	2.25%	6.11%	6.24%
Progress Fixed Income	0.93%	2.79%	6.52%	6.05%
BC Aggregate Index	0.63%	2.47%	5.98%	5.94%
Progress Fixed Inc. - Net	0.93%	2.79%	6.34%	5.80%
Taplin, Canida, Habacht	1.52%	3.27%	8.30%	6.29%
BC Aggregate Index	0.63%	2.47%	5.98%	5.94%
Taplin, Canida, Hab. - Net	1.52%	3.23%	8.23%	6.15%
Western	1.20%	3.39%	7.30%	6.62%
BC Aggregate Index	0.63%	2.47%	5.98%	5.94%
Western - Net	1.20%	3.39%	7.30%	6.55%
<b>Bank Loans</b>	<b>1.39%</b>	<b>2.12%</b>	<b>5.41%</b>	<b>2.16%</b>
Babson	1.39%	2.12%	5.41%	2.16%
Custom Benchmark	1.38%	2.25%	5.45%	2.48%
Babson - Net	1.41%	2.14%	5.45%	2.20%
<b>Emerging Markets</b>	<b>1.05%</b>	<b>3.27%</b>	<b>12.74%</b>	<b>5.73%</b>
Standish	1.05%	3.27%	12.74%	5.73%
Custom Benchmark	0.97%	2.60%	13.14%	7.50%
Standish - Net	1.05%	3.19%	12.54%	5.36%
<b>Opportunistic Fixed Income</b>	<b>0.48%</b>	<b>4.39%</b>	<b>3.77%</b>	<b>(0.36%)</b>
Crescent	0.48%	4.39%	3.77%	(0.36%)
Custom Benchmark	1.98%	3.37%	9.02%	3.68%
Crescent - Net	0.48%	4.39%	3.71%	(0.60%)
<b>High Yield</b>	<b>2.50%</b>	<b>4.57%</b>	<b>10.59%</b>	<b>5.43%</b>
MacKay Shields	2.50%	4.75%	11.15%	6.12%
ML High Yield Cash Pay Index	2.54%	4.32%	11.97%	4.90%
MacKay Shields - Net	2.50%	4.67%	10.96%	5.74%

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, 2016

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
<b>Domestic Fixed Core Plus</b>	<b>4.97%</b>	<b>4.55%</b>	<b>5.64%</b>	<b>8.52%</b> (1/82)
BlackRock Core Plus	4.70%	4.22%	-	5.33% (4/07)
BC Aggregate Index	4.23%	3.57%	5.06%	4.85% (4/07)
BlackRock Core Plus - Net	4.52%	4.03%	-	5.20% (4/07)
Brandes Core Plus	-	-	-	3.19% (3/16)
BC Aggregate Index	4.23%	3.57%	5.06%	3.80% (3/16)
Brandes Core Plus - Net	-	-	-	3.19% (3/16)
LM Capital	4.81%	4.29%	5.86%	5.49% (5/05)
BC Aggregate Index	4.23%	3.57%	5.06%	4.68% (5/05)
LM Capital - Net	4.64%	4.12%	5.69%	5.32% (5/05)
Progress Fixed Income	4.60%	4.28%	5.70%	5.49% (1/06)
BC Aggregate Index	4.23%	3.57%	5.06%	4.83% (1/06)
Progress Fixed Inc. - Net	4.28%	3.94%	5.35%	5.14% (1/06)
Taplin, Canida, Habacht	5.13%	4.70%	5.73%	5.40% (5/05)
BC Aggregate Index	4.23%	3.57%	5.06%	4.68% (5/05)
Taplin, Canida, Hab. - Net	4.99%	4.57%	5.60%	5.27% (5/05)
Western	5.48%	5.07%	5.78%	5.86% (11/01)
BC Aggregate Index	4.23%	3.57%	5.06%	4.74% (11/01)
Western - Net	5.36%	4.94%	5.64%	5.32% (1/05)
<b>Bank Loans</b>	-	-	-	<b>2.26%</b> (8/14)
Babson	-	-	-	2.26% (8/14)
Custom Benchmark	-	-	-	2.54% (8/14)
Babson - Net	-	-	-	2.28% (8/14)
<b>Emerging Markets</b>	-	-	-	<b>(0.22%)</b> (8/14)
Standish	-	-	-	(0.22%) (8/14)
Custom Benchmark	1.48%	1.64%	6.35%	(0.83%) (8/14)
Standish - Net	-	-	-	(0.51%) (8/14)
<b>Opportunistic Fixed Income</b>	-	-	-	<b>0.04%</b> (8/14)
Crescent	-	-	-	(0.39%) (9/14)
Custom Benchmark	3.67%	5.03%	6.09%	1.99% (9/14)
Crescent - Net	-	-	-	(0.51%) (9/14)
<b>High Yield</b>	<b>5.31%</b>	<b>6.41%</b>	<b>7.91%</b>	<b>9.78%</b> (4/86)
MacKay Shields	5.49%	6.86%	7.60%	9.14% (11/00)
ML High Yield Cash Pay Index	4.38%	5.96%	7.52%	7.74% (11/00)
MacKay Shields - Net	5.13%	6.47%	7.24%	6.92% (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)	
Taplin, Canida, Habacht	<b>2.32</b>	<b>0.58</b>	<b>04/30/2005</b>
Genesis	<b>2.01</b>	<b>2.66</b>	<b>04/30/2004</b>
Arrowstreet	<b>1.52</b>	<b>3.04</b>	<b>02/29/2008</b>
Western	<b>1.32</b>	<b>1.12</b>	<b>10/31/2001</b>
Mondrian	<b>1.13</b>	<b>1.52</b>	<b>03/31/2012</b>

**Five Worst Performing Portfolio's vs. Benchmarks**

Manager	Year-to-Date Underperformance	Since Inception Underperformance	
	(in % points)	(in % points)	
Ariel	<b>-9.30</b>	<b>-6.93</b>	<b>10/31/2010</b>
Sands	<b>-9.18</b>	<b>2.10</b>	<b>10/31/2003</b>
Wall Street	<b>-5.98</b>	<b>5.34</b>	<b>07/31/1990</b>
BMO	<b>-5.91</b>	<b>2.51</b>	<b>01/31/2001</b>
Crescent	<b>-5.24</b>	<b>-2.30</b>	<b>07/31/2014</b>

**Five Highest Returning Portfolios**

Manager	Year-to-Date Return	Since Inception Return	
	(in % points)	(in % points)	
Genesis	<b>14.03</b>	<b>11.35</b>	<b>04/30/2004</b>
Standish	<b>12.74</b>	<b>-0.22</b>	<b>07/31/2014</b>
Inv Counselors of MD	<b>12.59</b>	<b>11.48</b>	<b>04/30/1999</b>
Channing	<b>11.23</b>	<b>11.66</b>	<b>06/30/2011</b>
MacKay Shields	<b>11.15</b>	<b>9.14</b>	<b>10/31/2000</b>

**Five Lowest Returning Portfolios**

Manager	Year-to-Date Return	Since Inception Return	
	(in % points)	(in % points)	
Sands	<b>-3.04</b>	<b>10.50</b>	<b>10/31/2003</b>
Wall Street	<b>-1.14</b>	<b>13.13</b>	<b>07/31/1990</b>
Brown	<b>-1.11</b>	<b>7.94</b>	<b>09/30/2004</b>
Pyramis SCG	<b>-0.06</b>	<b>13.75</b>	<b>07/31/1988</b>
Franklin	<b>0.58</b>	<b>4.71</b>	<b>07/31/2011</b>

Returns are shown gross of investment management fees.

Excludes Real Estate and Alternative Investments portfolios.

(16-08-03) (Pension Administration Benchmarking Presentation) Mr. Slingerland from CEM Benchmarking, Inc. (CEM) along with the Deputy Executive Director, presented IMRF's benefit administration benchmarking results for the fiscal year 2015.

The Deputy Executive Director noted that in addition to providing important benchmarking metrics, this study helps IMRF identify customer service activities offering improvement possibilities. As a result of analyzing CEM reports, IMRF has implemented numerous service improvements over the past several years.

Mr. Slingerland presented the following key highlights from the 2015 CEM Report:

- IMRF's total cost was \$91 per active member and retiree (\$32 below the peer average cost of \$123), which is excellent cost performance given higher volumes in key member and employer transactions; higher cost environment; and, high service score that consistently ranks in the top 10% to 15% of the North American Peer Group.
- IMRF ranks 7<sup>th</sup> in overall service in the North American Peer Group (out of 44 public pension systems);
- IMRF is one of three peers that offer all 18 of CEM's listed online transaction tools, the highest number in CEM's database.

The presentation was followed by discussion.

(16-08-04) (Annual Economic Opportunity Investment Report) The Executive Director presented an overview of the Annual Illinois Economic Opportunity Investment Report. He reported under Public Act 96-0753, this report must be submitted to the Governor and General Assembly annually by September 1<sup>st</sup>.

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

Vote: Unanimous Voice Vote  
Absent: None

(16-08-05) (Consent Agenda) The Chair presented an agenda consisting of a Consent Agenda. The following items remained on the Consent Agenda since no Board member asked for their removal.

Approval of Minutes

Regular Meeting 16-07-22

Schedules - Dated August 26, 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.

Participation of New Units of Government

Arthur Community Park District  
County: Douglas and Moultrie  
2016 Rate: 5.70%  
Effective Participation Date: September, 2016  
Number of Participating Employees: 1

Village of Crestwood  
County: Cook  
2016 Rate: 11.04%  
Effective Participation Date: September 1, 2016  
Number of Participating Employees: 43

Participation of Township

Sheldon Township  
County: Iroquois  
Estimated 2016 Rate: 10.33%  
Effective Participation Date: January 1, 2017  
Number of Participating Employees: 1

The following bid was presented to the Board for approval:

One Chevrolet Impala Automobile  
Approved Bidder: Miles Chevrolet  
Approved Bid: \$23,726 (including delivery, title and registration)

After questions and discussion, it was moved by Ms. Henry, seconded by Ms. Thompson, to approve the items on the consent agenda.

Vote: Unanimous Voice Vote  
Absent: None

(16-08-06) (Financial Reports) The Chair presented the following financial reports for approval.

- Review of August Financial Reporting Packages
- Statement of Fiduciary Net Position for June
- Impact of 2016 Year-To-Date Investment Income on Employer Reserves, Funding Status and Average Employer Contribution Rates
- Schedule T - Report of Expenditures for July

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

Vote: Unanimous Voice Vote  
Absent: None

(16-08-07) (Benefit Review Committee Meeting) The Chair of the Benefit Review Committee reported on the Benefit Review Committee Meeting held on August 25, 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 benefits to Katherine Hadler.
- To uphold staff's determination to deny total and permanent disability benefits to Theresa Miller.
- To uphold staff's determination to deny total and permanent benefits to Kristen Lonerwright.
- To uphold staff's determination to deny total and permanent benefits to Kelly Baar.
- To uphold staff's determination to deny total and permanent disability benefits to Christian Brown.
- To uphold staff's determination to deny temporary disability benefits to Jennifer Wilmoth.
- To uphold staff's determination to deny temporary disability benefits to Michelle Ramey.

Vote: Unanimous Voice Vote  
Absent: None

(16-08-08) (Report of the Investment Committee Meeting) The Chair of the Investment Committee reported on the meeting held August 25, 2016.

Staff and consultant gave a European Core Real Estate presentation along with recommendations to the Investment Committee, followed by presentations from three European Core Real Estate Managers (CBRE Global Investors Pan European Core Fund; Cornerstone European Core Fund; and, Invesco European Core Fund).

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

- For Real Estate
  - o allocate up to €50 million (approximately \$56.5 million) to CBRE Global Investors Pan European Core Fund, subject to satisfactory legal due diligence;
  - o allocate up to €25 million (approximately \$28.3 million) to Cornerstone European Core Fund, subject to satisfactory legal due diligence;
  - o allocate up to €50 million (approximately \$56.5 million) to Invesco European Core Fund, subject to satisfactory legal due diligence; and,
  - o authorize Staff to complete all documentation necessary to execute these recommendations.

Next, the Chief Investment Officer gave a presentation along with a recommendation on Private Equity.

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

- For Private Equity
  - o allocate up to \$20 million to Versant Venture Capital VI, L.P., subject to satisfactory legal due diligence; and,
  - o authorize Staff to complete all documentation necessary to execute this recommendation.

The Chief Investment Officer gave a presentation and recommendation on Public Markets.

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

- For Public Markets
  - o withdraw \$300 million from the Frontier Small Cap Growth Equity mandate;
  - o allocate an additional \$300 million to the Northern Trust S&P 500 Value Equity Index mandate; and,
  - o authorize Staff to complete all documentation necessary to execute this recommendation.

Lastly, staff and consultant presented the 2016 Asset Liability Modeling Study Update to the Committee.

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

Vote: Unanimous Voice Vote  
Absent: None



(16-08-09) (Approval of Contract for Selection of Actuarial Peer Review Firm) The Chief Financial Officer stated that every five years IMRF solicits a third party actuarial firm to review work performed by our actuarial consultant (currently Gabriel Roeder Smith & Company). This type of review is best practice. The last third party review was conducted in 2011.

The process started in June 2016, a Request For Proposal (RFP) was sent to fifteen actuarial firms, and IMRF received responses from three firms (Foster & Foster; Milliman; and, Segal Group, Inc.). An internal selection committee of IMRF staff reviewed the submitted proposals and interviewed each responding firm.

The Chief Financial Officer and the internal selection committee recommend that Milliman be retained to conduct IMRF's third party actuarial review for a fee of \$53,500.

After questions and discussion, it was moved by Mr. Miller, seconded by Ms. Stanish, to approve staff's recommendation to retain the firm of Milliman to conduct IMRF's third party actuarial review at a fee of \$53,500.

Vote: Unanimous Voice Vote  
Absent: None

(16-08-10) (Trustee Vacancies) The Executive Director presented a recommendation to the Board along with a memorandum reviewing past practices when a vacancy occurred on the Board of Trustees; identifying three relevant time periods for which a policy is mandated or can be developed: two years or more; one year to two years; and, less than one year.

After questions and discussion, it was moved by Mr. Miller, seconded by Mr. Wallace, to approve the following staff recommendation:

When the Board has discretion to fill a trustee vacancy prior to an election:

- 1) Not making a distinction and combining the One Year to Two Years and Less than One Year periods, treating them as one (Appointment Until An Election is Held).
- 2) The Board act as a "Committee of the Whole".
- 3) Appoint a former trustee to the category he or she last served in (i.e. Executive to Executive; Employee to Employee; Annuitant to Annuitant).
- 4) If a former trustee is not available:
  - a) Solicit candidates for a position from the appropriate Trustee Group (Executive, Employee or Annuitant).
  - b) The Board will review resumes, conduct interviews and appoint a replacement trustee until an election is held and the elected trustee takes office.

Vote: Unanimous Voice Vote  
Absent: None

(16-08-11) (Procurement Policy) The Executive Director reported staff requested and received approval for two exceptions to IMRF's MFPDOB Procurement Policy in 2016. As a result of these exceptions, staff reviewed IMRF's current policy to determine if any changes were necessary.

In 2008, IMRF established MBPDOB vendor utilization goals for non-investment services and goods, and expanded this to an aspirational goal of 20% utilization when legislation was passed in 2015.

After a thorough review, staff determined no changes were needed. IMRF, however, will consider using occasional MFPDOB-only bids only when a pool of qualified MFPDOB vendors is pre-qualified.

Questions and discussion followed.

(16-08-12) (Implementation SB 2701 - IMRF Participation for County Board Members) The Executive Director reported SB 2701 prohibits IMRF participation for new county board members. For current board members, it requires the employer to file a resolution no less than 90 days after an election of any board member certifying that the position continues to meet the hourly standard. Also, the county board member must submit monthly logs of time worked to the employer.

He stated, with action by the Governor pending, it is desirable for the IMRF Board to adopt a rule for the administration of this bill if it should become law.

After questions and discussion, it was moved by Mr. Miller, seconded by Mr. Wallace, to adopt the following resolution:

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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; and

WHEREAS, Sections 7-137(b)2.5 and 7-137.2 of the Illinois Pension Code provide the requirements for participation in IMRF for members of a county board; and

WHEREAS, it is necessary for the Board of Trustees to adopt rules for the efficient administration of sections 7-137(b)2.5 and 7-137.2.

THEREFORE, BE IT RESOLVED that the following administrative rules be and are hereby adopted by the Board of Trustees:

**IMRF Participation for County Board Members**

A member of a county board may participate in IMRF under the following conditions:

- a) The county board member was first elected or appointed to the county board before the effective date of P.A. 99-XXX (SB 2701); and

b) The county board has on file with IMRF a current resolution approved by IMRF finding that the board members are expected to work at least 600 or 1000 hours (as appropriate) or more in a year, as specified at section 7-137.2(a): and

c) While a member of the county board, the county board member has elected, in a written notice filed with IMRF, to participate in IMRF; and

d) The county board member files the time sheets in a form acceptable to IMRF and as provided by section 7-137.2(b).

#### **Documentation of Time Worked on County Business**

The time sheets required by section 7-137.2(b) must:

a) Contain a detailed record of the time the county board member spent on official government business during each month of the year specifically setting forth the date, length of time, and type of official government business performed; and

b) Be filed with the county's fiscal officer (or designee) monthly, by the 10<sup>th</sup> day of the month following the reporting month. The form may be in either electronic or paper format and will be considered late if filed after the 20<sup>th</sup> day of the month following the reporting month. A time sheet must be filed each month, even if the county board member is reporting no hours worked in that month; and

c) Evidence the county board member worked at least the number of hours required for IMRF participation with the county (either 600 or 1000 hours) on an annual basis. The reporting year will begin as of the later of the effective date of P.A. 99-XXX (SB 2701) or the month the county board member took office.

#### **Definition of Official Government Business**

Official government business is defined as:

- a) Attendance at county board and committee meetings;
- b) Preparation for county board and committee meetings;
- c) Meetings and communication with county staff;
- d) Meetings and communication with constituents;
- e) Meetings and communication with other elected officials;
- f) Attendance at official county functions;
- g) Attendance at meetings of other local governmental boards related to county business;
- h) Attendance at meetings of civic and commercial organizations related to county business;
- i) Other activities related to county business, including office hours at the county administration building.

Official government business does not include:

- a) Activities related to campaigning for public office;
- b) Activities defined as "prohibited political activity" at section 1-5 of the State Officials and Employees Ethics Act (5 ILCS 430/1-1 et seq.);

c) Time spent "on-call" or informally available to constituents.

Travel time:

Travel for which reimbursement would be paid to county employees under the county's personnel policies may be included as official government business.

### **County Board Resolution**

In order for a county board member to be eligible to participate in IMRF, the county board must pass a resolution finding that the position of county board member will require at least 600 or 1000 hours (as appropriate for that county) of work in a twelve month period. This resolution must be adopted and filed with IMRF within 90 days after each election in which a member or members of the county board are elected or re-elected.

### **Termination of IMRF Participation**

An IMRF-participating county board member who fails to file the time sheets required by this resolution and section 7-137.2, or who files the time sheets late as defined herein for more than 2 consecutive months will become ineligible and IMRF participation will be terminated. Termination of IMRF participation for failure to file or late filing will be irrevocable.

If the county board fails to adopt the required IMRF participation resolution within 90 days after an election, the entire board will become ineligible, and IMRF participation will end for those board members in IMRF, as of the last day of the last month in which the resolution could have been adopted. Termination of participation for failure to adopt the required resolution will be irrevocable.

### **IMRF Participation Opt-Out**

An individual county board member may opt-out of current IMRF participation in lieu of filing the times sheets required by section 7-137.2. The opt-out must be in writing, signed by the official and will be irrevocable after it is received by IMRF. Individual opt-outs will not impact the IMRF participation of other members of the county board.

Vote: Unanimous Voice Vote

Absent: None

(16-08-13) (Independent Legal Counsel) The Executive Director and General Counsel presented a recommendation to the Board regarding independent legal counsel for IMRF.

The Executive Director stated IMRF currently uses several independent law firms for legal advice/work. The law firm of Seyfarth Shaw has been acting as both fiduciary and general counsel when an independent opinion is necessary or employment law is involved.

He further stated that staff would like to reduce Seyfarth Shaw's role as fiduciary counsel and retain a minority firm for general legal work.

After questions and discussion, it was moved by Mr. Miller, seconded by Ms. Copper, to approve the following staff recommendation, as amended:

- (1) Staff be authorized to re-negotiate the contract with Seyfarth Shaw, retaining them solely as fiduciary counsel; eliminating attendance at Board Meetings.
- (2) Staff be authorized to issue a Request For Proposal to hire a minority law firm to provide general legal services.
- (3) Staff will bring proposed minority law firm to the Board for approval.

Vote: Unanimous Voice Vote  
Absent: None

(16-08-14) (Triennial Strategic Planning Process Report) The Deputy Executive Director and Performance Excellence Manager updated the Board on the Triennial Strategic Planning Process for the 2017-2019 Strategic Plan.

Staff used the results from the STEP and SWOT analyses the Board completed in July and developed Strategic Objectives to align with each of IMRF's four Key Result Areas (Financial Health; Customer Engagement; Workforce Engagement; and, Operational Excellence), along with nineteen suggested key strategies to focus efforts on reaching each objective.

Discussion followed.

(16-08-15) (Litigation Update) The following is an update of the currently pending or recently concluded litigation:

**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 Chicago 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 so is a defendant in this matter. At the time Tribune Company exited from bankruptcy, this lawsuit was assigned to a trustee to continue on behalf of the creditors. IMRF received \$4 million in the sale.

**Current Status:** The portion of the creditors' complaint based on the theory of constructive fraudulent transfer was dismissed on motions and that decision has now been upheld on appeal. A motion to dismiss the intentional fraudulent transfer claim is pending.

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

**FACTS:** This case started as an administrative review action brought by the Village of Oak Brook challenging the IMRF Board's decision upholding the pension of Thomas Sheahan, the former police chief of the Oak Brook, which was based on MEABF and Deerfield credit transfers and denying the Village's request to recalculate their liability, excluding from the pension the service credits transferred from MEABF and Deerfield. The case went up to the Appellate Court and the IMRF Board decision upholding the transfers of service credit was overturned. After the trial court had overturned the IMRF Board, IMRF stopped paying Sheahan his pension. Sheahan has subsequently filed three additional counterclaims contesting that decision by IMRF. His counterclaims have been dismissed, except for one claim that Sheahan's equal protection rights have been violated.

**CURRENT STATUS:** IMRF's motion to dismiss Sheahan's Second Amended Counterclaim was granted and Sheahan was given leave to file a Third Amended Counterclaim. He has filed that counterclaim and the judge set the case for a status on August 25, 2016, at which time the Judge gave IMRF 30 days to respond to the Third Amended Counterclaim.

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

**FACTS:** 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 and thus his pension was incorrectly calculated. After the Circuit Court determined the transfers invalid, IMRF stopped Sheahan's pension and Sheahan appealed to the IMRF Board. This case is 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 any changes to his pension more than 35 days after the decision in the Oak Brook case (in which the Board denied the Village of Oak Brook's appeal of the pension and the service credit transfers)..IMRF appealed and moved to stay that decision and the Appellate Court granted a stay but required the filing of a \$200,000.00 bond with the Circuit court.

**CURRENT STATUS:** Sheahan has filed a Petition for Leave to Appeal with the Illinois Supreme Court which is pending. IMRF filed a motion to publish the Appellate Rule 23 opinion which was denied and a motion to release the \$200,000.00 bond which was granted. The bond has been returned to IMRF.

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

**FACTS:** Plaintiff was a Will County Board member from 1996 through 2012. Will County had adopted Original ECO in 1998. On January 26, 2000 Original ECO was closed and Revised ECO became effective. Plaintiff's first ECO contributions were made in 2007; seven years after Revised ECO became effective. IMRF would only allow participation in Revised ECO and Plaintiff believed she had a vested right to participate in Original ECO. The Act creating Revised ECO provided a new subsection h:

"The changes to this Section made by this amendatory Act of the 91st General Assembly apply to persons who first make an additional contribution under this Section on or after the effective date of this amendatory Act." (emphasis added). (40 ILCS 5/7-145.1(h))

Plaintiff claimed that the law allowed persons with pre-January 26, 2000 service to convert such service to Original ECO, and that Revised ECO was unconstitutional under the Pension Protection Clause as applied to her. The Board upheld the staff determination and Plaintiff appealed. The County and the Attorney General refused to become involved in the case.

**CURRENT STATUS:** On July 29, 2016, Judge Belz upheld the IMRF Board's decision finding that the law clearly did not allow Plaintiff to participate in Original ECO and that the law creating Revised ECO did not violate the Pension Protection Clause. Plaintiff has 30 days from July 29, 2016 to file a notice of appeal.

**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:** Waiting for a hearing date from the court.

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

**FACTS:** 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 back wages 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 because our Board Agenda was not sufficiently detailed regarding the decision.

**HISTORY AND CURRENT STATUS:** This is a newly filed case. IMRF's appearance and administrative record was filed on July 28, 2016 and a case management call is set for December 1, 2016 before Judge Lawrence. This case deals with the issue concerning wage increases paid in arrears in a lump sum under a collective bargaining agreement and the County will be given the option to adjust the wages



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

**Facts:** This is litigation that came out of the General Motors bankruptcy. A loan to GM 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 for this loan. A group of unsecured creditors sued to force the recipients of the loan pay-off proceeds to return them to the bankruptcy estate. It took several years before the plaintiffs could find all of the loan investors to serve notice of the lawsuit. IMRF received approximately \$3.3 million in proceeds from this investment.

**Current Status:** The parties are currently arguing about the value of the remaining security. We are sharing our defense counsel with several other public pension funds.

(16-08-16) (Legislative Update) The Legislative Liaison and IMRF's Legislative Consultant presented a wrap up of IMRF's legislative activity during the 99<sup>th</sup> General Assembly.

The Legislative Liaison reported that the following four bills on the Board's 2016 legislative agenda were signed into law:

- Senate Bill 2972 (Public Act 99-747) - increases the current minimum pension from \$30 to \$100 above which a member cannot longer take a refund if he or she is immediately eligible to take a pension at the time of application.
- Senate Bill 2896 (Public Act 99-745) - 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 2894 (Public Act 99-580) - removes the one-year limit on the retroactive payment of surviving spouse annuities.
- House Bill 4259 (Public Act 99-0830) - excludes new employees of the following employers from participation: Illinois Municipal League; Illinois Association of Park Districts; Township Officials of Illinois; and, United Counties Council.

The Legislative Liaison noted that the new legislation that IMRF supports, senate amendment #1 to House Bill 2701, requiring governing bodies to recertify that they meet the hourly standard for participation in IMRF, has passed both houses and is awaiting the Governor's signature.

She reported the General Assembly will return for the fall veto session on November 15<sup>th</sup>, and the 100<sup>th</sup> General Assembly begins January 2017.

Discussion followed.



(16-08-17) (Modernization Update) The Executive Director, Chief Information Services Officer and IMRF's Modernization Consultant gave an update to the Board on IMRF's modernization efforts.

Discussion followed.

(16-08-18) (Report of Executive Director

**Quarterly Strategic Objectives Report**

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

**Senate Hearing Update**

The Executive Director updated the Board on the August 12<sup>th</sup> Senate Hearing that he attended along with several investment staff.

IMRF investment staff was commended by the Senate Committee on the well-documented presentation they submitted.

(16-08-19) (Correspondence to Trustees) The Executive Director discussed correspondence that was received from two IMRF retirees.

(16-08-20) (Trustee Forum) The Chair reported the following Trustee requested authorization from the Board for the following conference:

David Miller                      "East Coast Sustainable Investing Conference"  
RFKennedy Compass  
October 18-19, 2016  
Washington, D.C.

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

Vote:    Unanimous Voice Vote  
Absent: None

(16-08-21) (Recognition of First Five IMRF Employers) The Executive Director noted that since this year marks IMRF's 75<sup>th</sup> Anniversary after beginning operations in 1941, IMRF has been executing its 75<sup>th</sup> Anniversary Communications Plan which focuses on three main audiences: IMRF staff, IMRF members, and IMRF employers.

He stated that one focus of the Communications Plan is the passage of Resolutions of Appreciation honoring IMRF's first five participating employers: the City of Evanston, the City of Galesburg, the Village of Riverside, the City of Rockford, and the Rockford Park District.

It was moved by Ms. Thompson, seconded by Ms. Copper, to adopt the following Resolutions of Appreciation honoring IMRF's first five participating employers:

**ILLINOIS MUNICIPAL RETIREMENT FUND**

**BOARD OF TRUSTEES**

**Resolution of Appreciation**

WHEREAS, the Rockford Park District is one of IMRF's five founding employers, and boldly entered into a groundbreaking pension plan partnership for its employees in 1941;

WHEREAS, the Rockford Park District has been an active employer with IMRF since it began with a \$5,000 investment in 1941; growing to \$34.5 billion in assets in 2016;

WHEREAS, for 75 years, the Rockford Park District has provided financial security and dignity in retirement to its former employees, with IMRF paying more than \$27 million in pension benefits to Rockford Park District retirees;

WHEREAS, the Rockford Park District has had more than 249 recipients of retirement, disability, and death benefits;

WHEREAS, for 75 years, the Rockford Park District has worked to attract and retain quality employees through offering the IMRF benefit package;

WHEREAS, the Rockford Park District has 230 employees currently participating in IMRF;

WHEREAS, the Rockford Park District's account with IMRF is financially sound, including an aggregate funded status of 89.13%;

THEREFORE, BE IT RESOLVED, the IMRF Board of Trustees recognizes and honors the Rockford Park District for its 75-year commitment to supporting the retirement security of the District's public servants.

Adopted by the IMRF Board of Trustees on \_\_\_\_\_.

\_\_\_\_\_  
Tom Kuehne  
*President*

\_\_\_\_\_  
Sue Stanish  
*Vice President*

\_\_\_\_\_  
Natalie Copper  
*Secretary*

\_\_\_\_\_  
Gwen Henry

\_\_\_\_\_  
David Miller

\_\_\_\_\_  
Alex Wallace

\_\_\_\_\_  
Sharon U. Thompson

\_\_\_\_\_  
Trudy Williams



**ILLINOIS MUNICIPAL RETIREMENT FUND**

**BOARD OF TRUSTEES**

**Resolution of Appreciation**

WHEREAS, the City of Rockford is one of IMRF's five founding employers, and boldly entered into a groundbreaking pension plan partnership for its employees in 1941;

WHEREAS, the City of Rockford has been an active employer with IMRF since it began with a \$5,000 investment in 1941; growing to \$34.5 billion in assets in 2016;

WHEREAS, for 75 years, the City of Rockford has provided financial security and dignity in retirement to its former employees, with IMRF paying more than \$135 million in pension benefits to City of Rockford retirees;

WHEREAS, the City of Rockford has had more than 1,274 recipients of retirement, disability, and death benefits;

WHEREAS, for 75 years, the City of Rockford has worked to attract and retain quality employees through offering the IMRF benefit package;

WHEREAS, the City of Rockford has 570 employees currently participating in IMRF;

WHEREAS, the City of Rockford's account with IMRF is financially sound, including an aggregate funded status of 88.10%;

THEREFORE, BE IT RESOLVED, the IMRF Board of Trustees recognizes and honors the City of Rockford for its 75-year commitment to supporting the retirement security of the City's public servants.

Adopted by the IMRF Board of Trustees on \_\_\_\_\_.

\_\_\_\_\_  
Tom Kuehne  
*President*

\_\_\_\_\_  
Sue Stanish  
*Vice President*

\_\_\_\_\_  
Natalie Copper  
*Secretary*

\_\_\_\_\_  
Gwen Henry

\_\_\_\_\_  
David Miller

\_\_\_\_\_  
John Piechocinski

\_\_\_\_\_  
Sharon U. Thompson

\_\_\_\_\_  
Trudy Williams



**ILLINOIS MUNICIPAL RETIREMENT FUND**

**BOARD OF TRUSTEES**

**Resolution of Appreciation**

WHEREAS, the Village of Riverside is one of IMRF's five founding employers, and boldly entered into a groundbreaking pension plan partnership for its employees in 1941;

WHEREAS, the Village of Riverside has been an active employer with IMRF since it began with a \$5,000 investment in 1941; growing to \$34.5 billion in assets in 2016;

WHEREAS, for 75 years, the Village of Riverside has provided financial security and dignity in retirement to its former employees, with IMRF paying more than \$1.1 million in pension benefits to Village of Riverside retirees;

WHEREAS, the Village of Riverside has had more than 82 recipients of retirement, disability, and death benefits;

WHEREAS, for 75 years, the Village of Riverside has worked to attract and retain quality employees through offering the IMRF benefit package;

WHEREAS, the Village of Riverside has 58 employees currently participating in IMRF;

WHEREAS, the Village of Riverside's account with IMRF is financially sound, including an aggregate funded status of 89.13%;

THEREFORE, BE IT RESOLVED, the IMRF Board of Trustees recognizes and honors the Village of Riverside for its 75-year commitment to supporting the retirement security of the Village's public servants.

Adopted by the IMRF Board of Trustees on \_\_\_\_\_.

\_\_\_\_\_  
Tom Kuehne  
*President*

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Sue Stanish  
*Vice President*

\_\_\_\_\_  
Natalie Copper  
*Secretary*

\_\_\_\_\_  
Gwen Henry

\_\_\_\_\_  
David Miller

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John Piechocinski

\_\_\_\_\_  
Sharon U. Thompson

\_\_\_\_\_  
Trudy Williams



**ILLINOIS MUNICIPAL RETIREMENT FUND**

**BOARD OF TRUSTEES**

**Resolution of Appreciation**

WHEREAS, the City of Galesburg is one of IMRF's five founding employers, and boldly entered into a groundbreaking pension plan partnership for its employees in 1941;

WHEREAS, the City of Galesburg has been an active employer with IMRF since it began with a \$5,000 investment in 1941; growing to \$34.5 billion in assets in 2016;

WHEREAS, for 75 years, the City of Galesburg has provided financial security and dignity in retirement to its former employees, with IMRF paying more than \$41 million in pension benefits to City of Galesburg retirees;

WHEREAS, the City of Galesburg has had more than 236 recipients of retirement, disability, and death benefits;

WHEREAS, for 75 years, the City of Galesburg has worked to attract and retain quality employees through offering the IMRF benefit package;

WHEREAS, the City of Galesburg has 149 employees currently participating in IMRF;

WHEREAS, the City of Galesburg's account with IMRF is financially sound, including an aggregate funded status of 86.67%;

THEREFORE, BE IT RESOLVED, the IMRF Board of Trustees recognizes and honors the City of Galesburg for its 75-year commitment to supporting the retirement security of the City's public servants.

Adopted by the IMRF Board of Trustees on \_\_\_\_\_.

\_\_\_\_\_  
Tom Kuehne  
*President*

\_\_\_\_\_  
Sue Stanish  
*Vice President*

\_\_\_\_\_  
Natalie Copper  
*Secretary*

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Gwen Henry

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David Miller

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John Piechocinski

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Sharon U. Thompson

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Trudy Williams





**ILLINOIS MUNICIPAL RETIREMENT FUND**

**BOARD OF TRUSTEES**

**Resolution of Appreciation**

WHEREAS, the City of Evanston is one of IMRF's five founding employers, and boldly entered into a groundbreaking pension plan partnership for its employees in 1941;

WHEREAS, the City of Evanston has been an active employer with IMRF since it began with a \$5,000 investment in 1941; growing to \$34.5 billion in assets in 2016;

WHEREAS, for 75 years, the City of Evanston has provided financial security and dignity in retirement to its former employees, with IMRF paying more than \$164 million in pension benefits to City of Evanston retirees;

WHEREAS, the City of Evanston has had more than 1,022 recipients of retirement, disability, and death benefits;

WHEREAS, for 75 years, the City of Evanston has worked to attract and retain quality employees through offering the IMRF benefit package;

WHEREAS, the City of Evanston has 531 employees currently participating in IMRF;

WHEREAS, the City of Evanston's account with IMRF is financially sound, including an aggregate funded status of 91.66%;

THEREFORE, BE IT RESOLVED, the IMRF Board of Trustees recognizes and honors the City of Evanston for its 75-year commitment to supporting the retirement security of the City's public servants.

Adopted by the IMRF Board of Trustees on \_\_\_\_\_.

\_\_\_\_\_  
Tom Kuehne  
*President*

\_\_\_\_\_  
Sue Stanish  
*Vice President*

\_\_\_\_\_  
Natalie Copper  
*Secretary*

\_\_\_\_\_  
Gwen Henry

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David Miller

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John Plechocinski

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Sharon U. Thompson

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Trudy Williams



Vote: Unanimous Voice Vote  
Absent: None

(16-08-22) (Executive Session) The Chair asked for a motion to go into executive session for the purpose of discussing probable litigation, under section 2(c)(11) of the Open Meetings Act, and discussing the performance of the Executive Director under section 2(c)(1).

Motioned by: Ms. Copper  
Seconded by: Ms. Stanish

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

It was moved by Ms. Henry, 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

(16-08-23) (Litigation) It was moved by Mr. Wallace, seconded by Mr. Miller, to authorize litigation against Deloitte Consulting, Inc.

Vote: Unanimous Voice Vote  
Absent: None

(16-08-24) (Executive Director Performance Review) It was moved by Ms. Copper, seconded by Ms. Stanish, to grant the Executive Director a 5% salary increase.

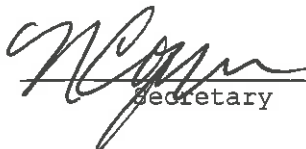
Vote: Unanimous Voice Vote  
Absent: None

(16-08-25) (Adjournment) It was moved by Ms. Thompson, seconded by Ms. Copper, to adjourn the Board Meeting at 12:35 p.m., to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, Illinois, at 9:00 a.m. on November 18, 2016.

Vote: Unanimous Voice Vote  
Absent: None

  
\_\_\_\_\_  
President

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Secretary

  
\_\_\_\_\_  
Date

