



Illinois Municipal Retirement Fund

Suite 500 2211 York Road Oak Brook IL 60523-2337

Member Services Representatives 1-800-ASK-IMRF (1-800-275-4673)

www.imrf.org

August 22, 2014

The Honorable Pat Quinn
Governor of Illinois
James R. Thompson Center
100 West Randolph, Floor 16
Chicago, Illinois 60601

Dear Governor Quinn:

The Illinois Municipal Retirement Fund (IMRF) Board of Trustees is pleased to submit its annual report on Illinois Economic Opportunity Investments made by this retirement system as required by PA 96-0753. As of June 30, 2014, IMRF employed thirty-eight Illinois-based investment management firms and private equity partnerships managing assets with a market value of \$14.7 billion, representing 41.6% of the total IMRF investment portfolio. Additionally, IMRF is invested in thirty-four properties located in Illinois representing \$132.1 million in aggregate and 10.3% of IMRF's real estate portfolio as of March 31, 2014 (latest available information).

Table I identifies the economic opportunity investments made by IMRF with Illinois-based private equity partnerships and investment management firms. It also identifies the primary location of the business and the percentage of IMRF's assets in these economic opportunity investments.

Table II identifies the Illinois economic opportunity investments made by IMRF in real estate properties as of March 31, 2014 (latest available information). Table II also identifies the location of each property.

Table III identifies the Illinois economic opportunity investments made by IMRF in hedge fund managers and private equity portfolio companies as of March 31, 2014 (latest available information). Table III identifies the primary location of the business or project. IMRF has indirect holdings in these hedge fund managers and private equity portfolio companies.



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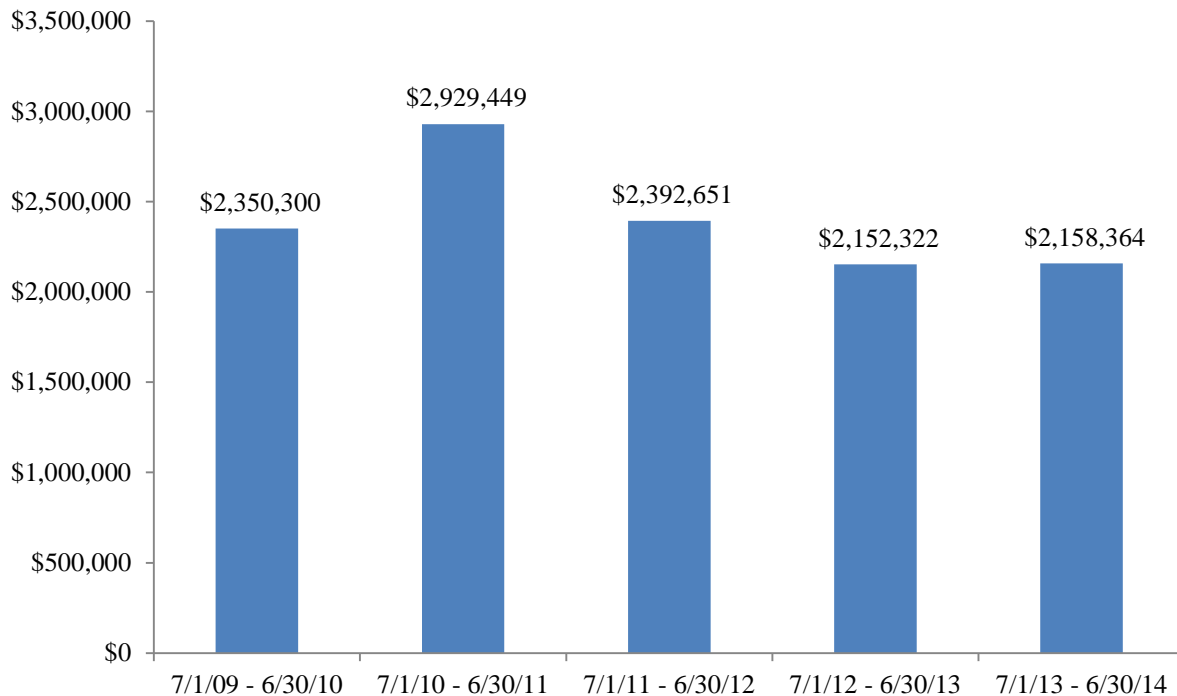
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IMRF promotes the economy of the State of Illinois by encouraging its investment managers to use Illinois-based broker/dealers. The following graph illustrates the total commissions generated by IMRF trades executed through Illinois-based broker/dealers. IMRF's Illinois brokerage commissions during the 12-month period ended June 30, 2014 were approximately \$2.2 million; or 8.5% of total IMRF brokerage commissions for the same 12-month period.

IMRF Brokerage Commissions Generated by Trades Executed through Illinois-Based Broker/Dealers





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Importantly, IMRF's Board of Trustees has adopted and implemented the following policy to increase the use of economic opportunity investments in Illinois:

“The Board recognizes that investments made in businesses operating in Illinois and in real estate and other assets in the state may contribute to an improved economic climate in the state. Therefore, where investment characteristics such as competitive rate of return in relation to the risks involved, minimum quality standards, liquidity considerations, and other investment objectives of the Board are equivalent, the Board favors investments which will have a positive impact on the economy of Illinois. However, nothing in this paragraph shall be construed to favor the foregoing of investment return in order to provide a subsidy to a particular group to the detriment of the Fund members, their beneficiaries, or their public employers.”

IMRF continues to seek out and promote economic development within the State of Illinois. The IMRF policy encourages economic opportunity investments in Illinois and the high percentage of IMRF's assets allocated to Illinois based investment managers demonstrates our commitment to promoting economic activity in our State.

Sincerely,

Louis W. Kosiba
Executive Director

LWK: ENS



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Table I
Illinois-Based Investment Management Firms and Private Equity Partnerships

<i>Illinois-Based Managers</i>	<i>City</i>	<i>Market Value as of 6/30/2014 (in millions)</i>	<i>Percentage of Total IMRF's Assets Under Management as of 6/30/2014</i>
Arbor Investments III	Chicago	\$2.7	0.0%
ARCH Venture Partners	Chicago	2.9	0.0%
Ariel Investments	Chicago	90.4	0.3%
Ativo Capital Management	Chicago	87.0	0.3%
Aurora Investment Management	Chicago	551.1	1.6%
Beecken, Petty, O'Keefe IV	Chicago	10.0	0.0%
BMO Asset Management	Chicago	1,147.3	3.3%
Channing Capital Management	Chicago	206.7	0.6%
Code, Hennessey & Simmons	Chicago	4.0	0.0%
Cozad/Westchester ⁽¹⁾	Champaign	152.9	0.4%
Alexander Farm ⁽¹⁾	Moultrie County	-	-
Bauer Farm ⁽¹⁾	Christian County	-	-
Dwyer Farm ⁽¹⁾	Douglas County	-	-
Seggebruch Farm ⁽¹⁾	Woodford County	-	-
Van Buskirk Farm ⁽¹⁾	Vermillion County	-	-
Fortaleza Asset Management, Inc.	Chicago	45.4	0.1%
GTCR Golder Rauner LLC	Chicago	30.0	0.0%
High Pointe Capital Management	Chicago	5.3	0.0%
Holland Capital Management	Chicago	1,061.6	3.0%
Industrial Opportunity Partners II	Evanston	0.9	0.0%
Lake Capital Partners II, LP	Chicago	2.8	0.0%
LSV Asset Management	Chicago	1,170.8	3.4%
Madison Dearborn Partners	Chicago	20.5	0.0%
Muller & Monroe Asset Management ⁽²⁾	Chicago	50.0	0.1%
DN Partners ⁽²⁾	Chicago	-	-
Hispania Private Equity Fund II ⁽²⁾	Chicago	-	-
Hopewell Ventures ⁽²⁾	Chicago	-	-
LaSalle Capital Group ⁽²⁾	Chicago	-	-
MK Capital II ⁽²⁾	Northbrook	-	-
Prism Mezzanine Fund ⁽²⁾	Chicago	-	-
Rock Island Partners ⁽²⁾	Oak Brook	-	-
Newport Capital Partners I, L.P.	Chicago	8.2	0.0%
Northern Trust Investments	Chicago	9,113.6	26.0%
Pfingsten Partners III, LP	Chicago	4.6	0.0%
Vista Credit Opportunities Fund I	Chicago	50.0	0.1%
Vistria Fund	Chicago	5.0	0.0%
Water Street Healthcare Partners	Chicago	0.8	0.0%
William Blair & Company	Chicago	846.0	2.4%
Willis, Stein & Partners	Chicago	5.0	0.0%
Total		\$ 14,675.5	41.6%

(1) Illinois farms owned through Cozad Westchester, an Illinois-based investment manager.

(2) Private equity fund investments owned through an Illinois-based, minority-owned fund-of-funds manager, Muller & Monroe Asset Management.



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Table II Illinois-Based Real Estate Investments

Real Estate Fund

City

Direct Investments

Carol Point III	Carol Stream
Mallard Lakes	Hanover Park
DuPage County Industrial	Glendale Heights/Elmhurst

Commingled Fund Investments

1360 Madeline Lane	Elgin
1640 Fullerton Court	Glendale Heights
1690 Cambridge Drive	Elgin
181 West Madison	Chicago
2700 Alft Lane	Elgin
2707 Eola	Aurora
4675 Turnberry Drive	Hanover Park
600 & 700 North Commerce	Aurora
Avant at the Arboretum	Lisle
Axis Apartments	Chicago
Belden Centre	Chicago
Broadway at Surf	Chicago
Central Park of Lisle	Lisle
Chicago IX Industrial	Various
Clybourn Galleria	Chicago
Danada Square East	Wheaton
Dermody Industrial	McCook
Highland Landmark V	Downers Grove
Midway Square	Chicago
Mondial River West	Chicago
Oak Brook Court	Oak Brook
Oakview Corporate Park	West Dundee
One O'Hare Center	Chicago
Randall Point	Elgin
Reserve at Evanston	Evanston
River Run at Naperville	Naperville
Select Service Hotel	Elmhurst/Burr Ridge
Territorial North	Bolingbrook
The Preserve at Osprey	Gurnee
VIP Holdings	Chicago
Westlake Plaza	Wilmette



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Table III Illinois-Based Hedge Fund Partnerships and Private Equity Portfolio Companies

<i>Illinois Based Company</i>	<i>City</i>
<i>Accruent</i>	<i>Chicago</i>
<i>Acme Industries, Inc.</i>	<i>Des Plaines</i>
<i>Acura Pharmaceuticals</i>	<i>Palatine</i>
<i>Adar IT</i>	<i>Arlington Heights</i>
<i>Addus Healthcare, Inc.</i>	<i>Palatine</i>
<i>Allston Trading</i>	<i>Chicago</i>
<i>Applied Systems, Inc.</i>	<i>University Park</i>
<i>Aquion Water Treatment Products</i>	<i>Elk Grove Village</i>
<i>Arcanum Alloy Design</i>	<i>Chicago</i>
<i>Automated Teller Machines*</i>	<i>Illinois</i>
<i>Belly, Inc.</i>	<i>Chicago</i>
<i>BenchPrep, Inc.</i>	<i>Chicago</i>
<i>Big Machines, Inc.</i>	<i>Chicago</i>
<i>BluePay Processing, Inc.</i>	<i>Naperville</i>
<i>Braintree Payment Solutions</i>	<i>Chicago</i>
<i>Canopy Financial, Inc.</i>	<i>Chicago</i>
<i>CCC Information Services</i>	<i>Chicago</i>
<i>CDW Corporation</i>	<i>Vernon Hills</i>
<i>Celerity Pharmaceuticals, LLC</i>	<i>Rosemont</i>
<i>Central Can Company</i>	<i>Chicago</i>
<i>Chinada Holdings, Inc.</i>	<i>Chicago</i>
<i>Claire's Stores</i>	<i>Chicago</i>
<i>Collaborative Learning, Inc.</i>	<i>Oakbrook Terrace</i>
<i>Columbus Manufacturing</i>	<i>Des Plaines</i>
<i>CompassCare, Inc.</i>	<i>Bannockburn</i>
<i>ComPsych Corporation</i>	<i>Chicago</i>
<i>CoolEdge Lighting</i>	<i>Champaign</i>
<i>Coskata</i>	<i>Warrenville</i>
<i>Coyote Logistics Holdings LLC</i>	<i>Chicago</i>
<i>Crealta Pharmaceuticals</i>	<i>Lake Forest</i>
<i>CSMG, Inc.</i>	<i>Chicago</i>
<i>Durata Therapeutics, Inc.</i>	<i>Chicago</i>
<i>EN Engineering, LLC</i>	<i>Downers Grove</i>



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<i>ENTACT Environmental Services Inc.</i>	<i>Westmont</i>
<i>Entertainment Cruises</i>	<i>Chicago</i>
<i>Espark</i>	<i>Chicago</i>
<i>Evanston Capital</i>	<i>Evanston</i>
<i>Eved LLC</i>	<i>Chicago</i>
<i>ExteNet Systems, Inc</i>	<i>Lisle</i>
<i>FCA, Inc.</i>	<i>Moline</i>
<i>Fidelis SeniorCare</i>	<i>Schaumburg</i>
<i>Fieldglass, Inc.</i>	<i>Chicago</i>
<i>Forefront Education, Inc.</i>	<i>Barrington</i>
<i>Fruition Partners</i>	<i>Chicago</i>
<i>Goji Food Solutions</i>	<i>Chicago</i>
<i>Grosvenor Capital Management</i>	<i>Chicago</i>
<i>GrubHub</i>	<i>Chicago</i>
<i>Healthation LLC</i>	<i>Lisle</i>
<i>Hill & Valley Inc.</i>	<i>Rock Island</i>
<i>Hi-Tech Manufacturing Inc.</i>	<i>Schiller Park</i>
<i>Horizon Pharma</i>	<i>Deerfield</i>
<i>Hub international Ltd.</i>	<i>Chicago</i>
<i>Innovation Group Investors, L.P.</i>	<i>Chicago</i>
<i>InStadium, Inc.</i>	<i>Chicago</i>
<i>Intellisys Technology</i>	<i>Oak Brook</i>
<i>iTRACS</i>	<i>Westchester</i>
<i>Izar Solar</i>	<i>Champaign</i>
<i>Jimmy John's Gourmet Sandwich Shops</i>	<i>Champaign</i>
<i>Juice Tyme Acquisition Corp.</i>	<i>Chicago</i>
<i>Keely Asset Management</i>	<i>Chicago</i>
<i>Kettle Partners</i>	<i>Chicago</i>
<i>K.R. Drenth Trucking Inc.</i>	<i>Lynwood</i>
<i>Land Lease Holdings: Communications Capital Group</i>	<i>Chicago</i>
<i>Language Stars, LLC</i>	<i>Chicago</i>
<i>M&M Pump and Supply, Inc.</i>	<i>Flora</i>
<i>Morton Industrial Group, Inc.</i>	<i>Morton</i>
<i>Narrative Science, Inc.</i>	<i>Chicago</i>
<i>National Pasteurized Eggs, Inc.</i>	<i>Lansing</i>
<i>Northshore Holdings Limited</i>	<i>Chicago</i>
<i>Nuveen Investments, Inc.</i>	<i>Chicago</i>
<i>NXT Capital Holdings</i>	<i>Chicago</i>
<i>Parts Town, LLC</i>	<i>Addison</i>



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<i>Peacock Engineering</i>	<i>Geneva</i>
<i>Poggled, Inc.</i>	<i>Chicago</i>
<i>Potbelly Sandwich Works, Inc.</i>	<i>Chicago</i>
<i>PrepMe</i>	<i>Chicago</i>
<i>Professional Service Industries</i>	<i>Oakbrook Terrace</i>
<i>R.J. O'Brien & Associates, LLC</i>	<i>Chicago</i>
<i>Revolution Healthcare Group LLC (TLContact, Inc.)</i>	<i>Chicago</i>
<i>RPK Capital</i>	<i>Chicago</i>
<i>Sage Products, Inc.</i>	<i>Cary</i>
<i>Salt Creek Advisors</i>	<i>Chicago</i>
<i>Service Logic</i>	<i>Chicago</i>
<i>Singlehop</i>	<i>Chicago</i>
<i>Skinny Corp</i>	<i>Chicago</i>
<i>Sorbent Therapeutics</i>	<i>Vernon Hills</i>
<i>Sportvision</i>	<i>Evanston</i>
<i>Spothero Inc.</i>	<i>Chicago</i>
<i>Sprout Social</i>	<i>Chicago</i>
<i>Standard Bancshares, Inc.</i>	<i>Hickory Hills</i>
<i>ST Residential</i>	<i>Chicago</i>
<i>Sun Trading LLC</i>	<i>Chicago</i>
<i>Survey tracking provider*</i>	<i>Illinois</i>
<i>Tagkast, Inc.</i>	<i>Chicago</i>
<i>Teleflex Marine</i>	<i>Litchfield</i>
<i>Time-O-Matic, Inc.</i>	<i>Danville</i>
<i>Transilwrap Inc.</i>	<i>Franklin Park</i>
<i>TransUnion Corporation</i>	<i>Chicago</i>
<i>Univa UD</i>	<i>Lisle</i>
<i>Vantage Specialty Chemicals Holdings</i>	<i>Chicago</i>
<i>Watchfire Technologies, Inc.</i>	<i>Danville</i>
<i>VHT, Inc.</i>	<i>Des Plaines</i>
<i>VSA Partners, Inc.</i>	<i>Chicago</i>
<i>Warranty Group</i>	<i>Chicago</i>
<i>Watermelon Express</i>	<i>Chicago</i>
<i>Wilton Products, Inc.</i>	<i>Woodridge</i>

These holdings are privately placed investments through commingled private equity investments. Therefore, IMRF does not have individual company valuations.

*The LPA for this portfolio fund which contains this portfolio company does not allow the manager to publicly disclose information regarding specific portfolio companies unless such information has become publicly available. As the information regarding the identity of this portfolio company and its ownership are not public knowledge, the manager is unable to disclose the name and location of the portfolio company at this time.