



August 26, 2016

The Honorable Bruce Rauner

James R Thompson Center
100 West Randolph Street, 16-100
Chicago, IL 60601

Dear Governor Rauner:

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 Section 1A-108.5 of the Illinois Pension Code. As of June 30, 2016, IMRF employed 44 Illinois-based investment management firms and private equity partnerships managing assets with a market value of \$13.9 billion, representing 40.0% of the total IMRF investment portfolio. Additionally, IMRF is invested in 107 properties located in Illinois representing \$199.8 million in aggregate and 10.7% of IMRF's real estate portfolio as of March 31, 2016 (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, 2016 (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, 2016 (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.

IMRF promotes the economy of the State of Illinois by encouraging its investment managers to use Illinois-based broker/dealers. During the 12-month period ended June 30, 2016, IMRF's brokerage commissions generated by trades executed through Illinois-based broker/dealers were in excess of \$1.9 million. This included fixed income brokerage commission trades for the six-month period ending December 31, 2015 and equity brokerage commission trades for the 12-month period ending June 30, 2016. This represented 13.3% of total IMRF brokerage commissions for the same period.

As of January 1, 2016, commission dollar data was no longer collected for fixed income managers. These managers have since reported only “par-value” trades. For the six-month period ending June 30, 2016, IMRF’s par-value trades executed through Illinois-based broker/dealers were approximately \$1.7 billion. This represented 3.7% of total IMRF par-value trades for the same period.

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

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

<i>Illinois-Based Managers</i>	<i>City</i>	<i>Market Value as of 6/30/2016 (in millions)</i>	<i>Percentage of Total IMRF's Assets Under Management as of 6/30/2016</i>
Arbor Investments III	Chicago	\$2.7	0.0%
ARCH Venture Partners	Chicago	2.9	0.0%
Ariel Investments	Chicago	62.6	0.2%
Ativo Capital Management	Chicago	148.7	0.4%
Aurora Investment Management	Chicago	256.3	0.7%
Beecken, Petty, O'Keefe IV	Chicago	10.0	0.0%
BMO Asset Management	Chicago	1,183.2	3.4%
Channing Capital Management	Chicago	173.9	0.5%
Code, Hennessey & Simmons	Chicago	4.0	0.0%
GTCR Golder Rauner LLC	Chicago	22.5	0.1%
Holland Capital Management	Chicago	833.5	2.4%
Industrial Opportunity Partners II	Evanston	0.9	0.0%
Lake Capital Partners II, LP	Chicago	2.8	0.0%
LaSalle Income & Growth VI	Chicago	20.0	0.1%
LaSalle Income & Growth VII	Chicago	25.0	0.1%
LSV Asset Management	Chicago	1,184.8	3.5%
Madison Dearborn Partners	Chicago	25.7	0.1%
Muller & Monroe Asset Mgmt ⁽¹⁾⁽²⁾	Chicago	50.0	0.1%
<i>DN Partners ⁽¹⁾</i>	<i>Chicago</i>	-	-
<i>Hispania P/Equity Fund II ⁽²⁾</i>	<i>Chicago</i>	-	-
<i>Hopewell Ventures ⁽¹⁾</i>	<i>Chicago</i>	-	-
<i>LaSalle Capital Group ⁽¹⁾</i>	<i>Chicago</i>	-	-
<i>MK Capital II ⁽²⁾</i>	<i>Northbrook</i>	-	-
<i>Prism Mezzanine Fund ⁽¹⁾</i>	<i>Chicago</i>	-	-
<i>Rock Island Partners ⁽¹⁾</i>	<i>Oak Brook</i>	-	-
Newport Capital Partners I, L.P.	Chicago	14.9	0.0%
Northern Trust Investments	Chicago	8,723.5	25.1%
Oak Street Real Estate Capital	Chicago	25.0	0.1%
Pfingsten Partners III, LP	Chicago	4.6	0.0%
Premier Partners IV		183.2	0.5%
<i>Alexander Farm</i>	<i>Moultrie County</i>	-	-
<i>Bauer Farm</i>	<i>Christian County</i>	-	-
<i>Dwyer Farm</i>	<i>Douglas County</i>	-	-
<i>Seggebruch Farm</i>	<i>Woodford County</i>	-	-

<i>Van Buskirk Farm</i>	<i>Vermillion County</i>	-	-
Security Capital	Chicago	60.4	0.2%
Valor Equity Partners III	Chicago	5.0	0.0%
Vista Credit Opportunities Fund I	Chicago	50.0	0.1%
Vista Credit Opportunities Fund II	Chicago	50.0	0.1%
Vistria Fund - <i>Pantheon</i>	Chicago	3.0	0.0%
Vistria Fund - <i>Direct</i>	Chicago	15.0	0.0%
Water Street Healthcare Partners	Chicago	3.0	0.0%
Waud Capital Partners QP IV	Chicago	4.0	0.0%
William Blair & Company	Chicago	794.5	2.3%
Total		\$ 13,946.0	39.6%

(1) Muller & Monroe is an Illinois-based, African American private equity fund-of-funds manager whose first fund (ILPEFF) invests in minority, women, Illinois and Midwest.

(2) Muller & Monroe's second fund (M2PEFF) invests in emerging funds in the US and Canada.

Table II
Illinois-Based Real Estate Investments

Real Estate

City

Direct Investments

Carol Point III
Mallard Lakes
DuPage County Industrial

Carol Stream
Hanover Park
Glendale Heights/Elmhurst

Commingled Fund Investments

1003 Rush
1111 West 22nd Street
1360 Madeline Lane
1640 Fullerton Court
1690 Cambridge Drive
181 West Madison
1925 Busse Road
250 North Mannheim
2700 Alft Lane
2707 Eola
2750 Alft Lane
3501 Mount Prospect
4675 Turnberry Drive
5700 McDermott
600 & 700 North Commerce
Albion Avenue
Avant at the Arboretum
Axis Apartments
Belden Centre
Broadway at Surf
Central Park of Lisle
Chicago IX Industrial
Clover Creek
Club Quarters Chicago
Clybourn Galleria
Comfort Suites Bloomington
Commerce Plaza
Courtyard Bloomington
Courtyard Champaign
Courtyard Peoria

Chicago
Oak Brook
Elgin
Glendale Heights
Elgin
Chicago
Elk Grove Village
Hillside
Elgin
Aurora
Elgin
Franklin Park
Hanover Park
Berkeley
Aurora
Schaumburg
Lisle
Chicago
Chicago
Chicago
Lisle
Various
Lombard
Chicago
Chicago
Bloomington
Oak Brook
Bloomington
Champaign
Peoria

Courtyard Springfield	Springfield
Crossland Chicago Extended Stay	Chicago
Danada Square East	Wheaton
Dermody Industrial	McCook
Executive Towers	Downers Grove
Fairfield Inn & Suites Champaign	Champaign
Fairfield Inn & Suites Forsyth	Forsyth
Fairfield Inn & Suites Galesburg	Galesburg
Fairfield Inn & Suites Joliet	Joliet
Fairfield Inn & Suites Kankakee	Kankakee
Fairfield Inn & Suites Naperville	Naperville
Fairfield Inn & Suites Peru	Peru
Fairfield Inn & Suites Quincy	Quincy
Fairfield Inn & Suites Tinley Park	Tinley Park
Fairmont Chicago	Chicago
Hampton Inn Tinley Park	Tinley Park
Hanover Place	Tinley Park
Hillside Town Center	Chicago
Hotel Indigo Chicago-Vernon Hills	Vernon Hills
Intercontinental Chicago	Chicago
InTown Suites Chicago West	Villa Park
InTown Suites Downers Grove	Downers Grove
InTown Suites O'Hare	Elk Grove Village
Joliet and DuPage	<i>Various</i>
Kingsbury Center	Chicago
MetLife Office	Chicago
Midway Square	Chicago
Mondial River West	Chicago
Motel 6 – 1040 Glenview	Glenview
Motel 6 – 1189 Springfield	Springfield
Motel 6 – Arlington Heights	Arlington Heights
Motel 6 – Aurora – Southwest	Aurora
Motel 6 – East Peoria	East Peoria
Motel 6 – Elk Grove	Elk Grove Village
Motel 6 – Joliet – North I-55	Joliet
Motel 6 – Northwest	Rolling Meadows
Motel 6 – O'Hare Airport	Schiller Park
Motel 6 – St. Louis	Caseyville
Motel 6 – West	Villa Park
North Water Residences	Chicago
Oakbrook Terrace Tower	Oakbrook Terrace
Oakview Corporate Park	West Dundee
O'Hare International Drive	Rosemont
One Lincoln Center	Oakbrook Terrace
One Parkway North	Deerfield
Point O'Hare	Des Plaines

Prairie Market
Promenade Bolingbrook
Proviso Drive
Randall Point
Red Roof Inn
Red Roof Plus
Reserve at Evanston
Residence Inn Deerfield
Residence Inn Lombard
Residence Inn Peoria
Residence Inn Rockford
River North Point
River Run at Naperville
Riverway
Riverway Daycare
Shops at GlenPoint
SpringHill Suites Burr Ridge
SpringHill Suites Elmhurst
Territorial North
The Arboretum
The Preserve at Osprey
TownePlace Suites Naperville
University Tech Park at IIT
VIP Holdings
Westbrook Corporate Center
Westlake Plaza
Wheaton 121
Willis Tower

Oswego
Bolingbrook
Melrose Park
Elgin
Joliet
Naperville
Evanston
Deerfield
Lombard
Peoria
Rockford
Chicago
Naperville
Rosemont
Rosemont
Glenview
Burr Ridge
Elmhurst
Bolingbrook
South Barrington
Gurnee
Naperville
Chicago
Chicago
Westchester
Wilmette
Wheaton
Chicago

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

<i>Illinois Based Companies</i>	<i>City</i>
Aasonn Holdings	Naperville
ABRA Auto Body & Glass	O'Fallon
Acme Industries, Inc.	Des Plaines
Acura Pharmaceuticals	Palatine
Acxiom Outsourcing ITO	Downers Grove
Adar IT	Arlington Heights
Addus Healthcare, Inc.	Palatine
Aldera, Inc	Lisle
Alliantgroup	Chicago
Allston Trading	Chicago
Amplify Snack Brands, Inc	Skokie
Applied Systems, Inc.	University Park
Aquion Water Treatment Products	Elk Grove Village
Arcanum Alloy Design	Chicago
Athletico Management, LLC	Hinsdale
Automated Teller Machines*	Illinois
Belly, Inc.	Chicago
BenchPrep, Inc.	Chicago
Berlin Packaging	Chicago
BluePay Processing, Inc.	Naperville
Canopy Financial, Inc.	Chicago
CCC Information Services	Chicago
CDW Corporation	Vernon Hills
Celerity Pharmaceuticals, LLC	Rosemont
Central Can Company	Chicago
Chinada Holdings, Inc.	Chicago
Cirrus Holdings, LLC	Schaumburg
Claire's Stores	Chicago
Cole-Parmer	Vernon Hills
Collaborative Learning, Inc.	Oakbrook Terrace
Columbus Manufacturing	Des Plaines

CompassCare, Inc.	Bannockburn
ComPsych Corporation	Chicago
CoolEdge Lighting	Champaign
Coskata	Warrenville
CSMG, Inc.	Chicago
Document Management Holdings	Hinsdale
Dough, Inc.	Chicago
DuPage Medical Group	Downers Grove
Durata Therapeutics, Inc.	Chicago
EN Engineering, LLC	Downers Grove
ENTACT Environmental Services Inc.	Westmont
Entertainment Cruises	Chicago
Espark	Chicago
Evanston Capital	Evanston
Eved LLC	Chicago
FCA, Inc.	Moline
Fidelis SeniorCare	Schaumburg
Flexera Software, LLC	Itasca
Fooda, Inc.	Chicago
Gamma Technologies, Inc.	Westmont
Goji Food Solutions	Chicago
Grosvenor Capital Management	Chicago
Grub Hub Seamless Inc.	Chicago
Help at Home, Inc.	Chicago
Hill & Valley Inc.	Rock Island
Hi-Tech Manufacturing Inc.	Schiller Park
Horizon Pharma	Deerfield
Hub international Ltd.	Chicago
Infiniscene, Inc.	Chicago
Innovation Group Investors, L.P.	Chicago
InStadium, Inc.	Chicago
Insureon Holdings, LLC	Chicago
Intellisys Technology	Oak Brook
iTRACS	Westchester
Izar Solar	Champaign
Jimmy John's Gourmet Sandwich Shops	Champaign
Juice Tyme Acquisition Corp.	Chicago
Kaufman Hall and Associates	Skokie
Keely Asset Management	Chicago

Kettle Partners	Chicago
K.R. Drenth Trucking Inc.	Lynwood
Language Stars, LLC	Chicago
Maestro Healthcare Technology	Highland Park
Millenium Trust Company, LLC	Oak Brook
M&M Pump and Supply, Inc.	Flora
Morton Industrial Group, Inc.	Morton
Narrative Science, Inc.	Chicago
National Pasteurized Eggs, Inc.	Lansing
Network Merchants, Inc.	Roselle
Northshore Holdings Limited	Chicago
Nuveen Investments, Inc.	Chicago
NXT Capital Holdings	Chicago
One Touch Point Corp.	Oak Brook
Option Car, Inc.	Deerfield
Parts Town, LLC	Addison
Peacock Engineering	Geneva
Perfect Pipeline, Inc.	Chicago
Poggled, Inc.	Chicago
Portillos	Chicago
PowerReviews, Inc.	Chicago
Pregis Corporation	Deerfield
PrepMe	Chicago
R.J. O'Brien & Associates, LLC	Chicago
Raise Marketplace Inc	Chicago
Raymundos Food Group, LLC	Bedford Park
Revolution Healthcare Group LLC (TLContact, Inc.)	Chicago
Sage Products, Inc.	Cary
Salt Creek Advisors	Chicago
Serta Simmons Holdings	Hoffman Estates
Service Logic	Chicago
Singlehop	Chicago
Skinny Corp	Chicago
SMS Assist, LLC	Chicago
Sorbent Therapeutics	Vernon Hills
Sportsvision	Evanston
Spothero Inc.	Chicago
Sprout Social	Chicago
ST Residential	Chicago

Standard Bancshares, Inc.	Hickory Hills
STATS LLC	Northbrook
Sun Trading LLC	Chicago
Survey tracking provider*	Illinois
Tagkast, Inc.	Chicago
TerSera Therapeutics	Chicago
The Warranty Group, Inc.	Chicago
Time-O-Matic, Inc.	Danville
Transilwrap Inc.	Franklin Park
TransUnion Corporation	Chicago
Univa UD	Lisle
Vantage Specialty Chemicals Holdings	Chicago
Veriflow Systems	Champaign
VHT, Inc.	Des Plaines
Village Practice Management Company, LLC.	Chicago
Vivid Seats, LLC.	Chicago
VSA Partners, Inc.	Chicago
Watchfire Technologies, Inc.	Danville
Watermelon Express	Chicago
Wellspring Worldwide, Inc.	Chicago
Wilton Products, Inc.	Woodridge

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.