

ILLINOIS MUNICIPAL RETIREMENT FUND
MEETING NO. 10-10-I

MEETING OF THE
INVESTMENT COMMITTEE

The Investment Committee met in the IMRF offices in Oak Brook, Illinois, on Thursday, October 21, 2010. Mr. Bochmann, Chairman of the Investment Committee, called the meeting to order at 1:10 P. M.

(10-10-01)(Roll Call) Mr. Sambol called the roll:

Present: Bochmann, Thompson, Stafford, Henry, Copper
Absent: Shoop, Faklis, Rademacher

Also in attendance were: Ms. Becker-Wold, and Messrs. Robinson, Dickinson and Ball of Callan Associates; Mr. Kosiba, IMRF Executive Director; Mr. DeCleene, IMRF Chief Financial Officer; Mr. Koziol, IMRF Chief Investment Officer; Mr. Sambol, IMRF Investment Manager; and Ms. Seplak, Ms. Bulger and Mr. Talaga, IMRF Investment Analysts.

- Ms. Rademacher, member of the Investment Committee, entered the meeting at 1:12 P.M.

(10-10-02)(Action Item – Approve Investment Committee Meeting Minutes from August 26, 2010) The Chief Investment Officer asked for the approval of the minutes of the August 26, 2010 Investment Committee Meeting.

It was moved by Ms. Thompson, and seconded by Ms. Copper, that the minutes from the August 26, 2010 meeting of the Investment Committee be approved.

Vote:

The motion was approved unanimously.

(10-10-03)(Investment Manager Evaluation – Core Real Estate Fund Managers) Mr. Avery Robinson of Callan Associates and the Chief Investment Officer presented an overview of the core real estate fund manager search. It was noted that IMRF conducted this search using an RFP process. It was also noted that no responses were received from minority-owned firms.

Seventeen firms responded to the RFP. From this group, fourteen were evaluated by Staff and Consultant. Three finalists – INVESCO, Cornerstone and AEW — were subsequently selected to present to the Investment Committee. These finalists were selected based on Staff and Consultant's evaluation of their organizational structure,

performance history, investment strategy and fees. Staff and Consultant also discussed issues for consideration associated with each finalist.

After this presentation, Staff and Consultant recommended:

- ◆ that \$75 million be allocated each to two of the three candidates;
- ◆ that these allocations be made using a combination of funds withdrawn from the NTGI Barclay's Capital Aggregate Bond Index and cash; and,
- ◆ that Staff be authorized to execute all documentation necessary to complete these transactions.

(10-10-04)(INVESCO Core Real Estate – U.S.A. Fund Presentation) Ms. Haen and Ms. Ellis-Beckham; and Messrs. Swango and Grubbs of Invesco U.S.A. Fund presented a review of their firm's organization structure, performance history, investment strategy and fees. This presentation was followed by questions from the Committee.

(10-10-05)(Break) The Committee recessed at 2:33 P.M.

–The meeting of the Investment Committee reconvened at 2:47 P.M.

(10-10-06)(Cornerstone Patriot Fund Presentation) Ms. Stake; and Messrs. Murdy, Higgins, Gately and Gorham of Cornerstone Patriot Fund presented a review of their firm's organization structure, performance history, investment strategy and fees. This presentation was followed by questions from the Committee.

–The Committee recessed at 3:47 P.M.

–The meeting of the Investment Committee reconvened at 3:58 P.M.

(10-10-07)(AEW Core Property Trust Fund Presentation) Ms. Herbst; and Messrs. Bradley, Martin, and McWhorter of AEW Core Property Trust Fund presented a review of their firm's organization structure, performance history, investment strategy and fees. This presentation was followed by questions from the Committee.

(10-10-08)(Action Item-Deliberation and Assignment of Core Real Estate Fund Allocation) Following these presentations, the Committee and Staff discussed the strengths and weaknesses of each firm.

After discussion, it was moved by Ms. Rademacher; and seconded by Ms. Thompson; to recommend to the Board:

- ◆ that \$75 million be allocated each to INVESCO and Cornerstone;
- ◆ that these allocations be made using a combination of funds withdrawn from the NTGI Barclay's Capital Aggregate Bond Index and cash; and,
- ◆ that Staff be authorized to execute all documents necessary to retain INVESCO and Cornerstone.

Vote:

The motion was approved unanimously.

(10-10-09)(New Business) There was no new business presented or discussed during the meeting.

–The next meeting of the Investment Committee will be held tentatively in January, 2011.

(10-10-10)(Trustee Comments) There were no trustee comments.

(10-10-11)(Public Comments) There were no public comments.

(10-10-12)(Adjourn) By unanimous consent, the meeting of the Investment Committee adjourned at 5:05 P.M.

Chairman

Date

Clerk

Date