

ILLINOIS MUNICIPAL RETIREMENT FUND
MINUTES OF
REGULAR MEETING NO. 12-01
JANUARY 27, 2012

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 12-01

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:00 a.m., January 27, 2012, in the Fund Office at 2211 York Road, Suite 400, Oak Brook, Illinois.

Ms. Henry presided as Chair and called the meeting to order.

Ms. Enright called the roll:

Present: Faklis, Henry, Nannini, Piechocinski, Stafford, Thompson
Absent: Copper

Ms. Becker-Wold and Ms. Weiskirch from Callan Associates, Mr. Moss from Seyfarth Shaw LLP, Mr. Frick from Deloitte Consulting, Ms. Manley from Service Employees International Union (SEIU), Ms. Myers from Loop Capital Markets and Mr. Picketts from Cabrera Capital were also present.

(12-01-01) (Board of Trustees) The Chair reported that Mark F. Nannini had subscribed to the constitutional oath of office that was filed in the Fund's records.

(12-01-02) (Investment Manager Activities - Callan Associates) Ms. Becker-Wold gave the following report to the Board on the activities of IMRF's investment managers:

**Callan Associates Inc.
Investment Measurement Service
Monthly Review**

**Illinois Municipal Retirement Fund
Monthly Performance Report
December 31, 2011**

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. In preparing the following report, CAI has not reviewed the risks of individual security holdings or the compliance/non-compliance of individual security holdings with investment policies and guidelines of a fund sponsor, nor has it assumed any responsibility to do so. Copyright 2012 by Callan Associates Inc.

Returns
for Periods Ended December 31, 2011

	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	0.82	1.08	1.08	15.15	0.24	3.86
Russell:1000 Index	0.84	1.50	1.50	14.81	(0.02)	3.34
Russell:Midcap Index	(0.12)	(1.55)	(1.55)	20.17	1.41	6.99
Russell:2000 Index	0.66	(4.18)	(4.18)	15.63	0.15	5.62
MSCI:ACWI ex US	(1.10)	(13.33)	(13.33)	11.20	(2.48)	6.76
MSCI:EAFE US\$	(0.95)	(12.14)	(12.14)	7.65	(4.72)	4.67
MSCI:Emer Markets	(1.20)	(18.17)	(18.17)	20.42	2.70	14.20
BC:Aggr Bd	1.10	7.84	7.84	6.77	6.50	5.78
NCREIF Property Index	1.09	14.64	14.64	2.54	3.16	8.09
NAREIT Equity Index	4.67	8.29	8.29	21.05	(1.42)	10.21

December was a relatively calm month compared to the rest of 2011. Domestic equities were marginally positive (DJ US Total Stock Market Index: +0.8%) and international equities fell only slightly (MSCI ACW ex-US Index: -1.1%). While third quarter GDP was revised lower from 2.0% to 1.8%, unemployment continued to show a downward trend (8.5% in December). Year-over-year inflation in November came in at 3.4%, where it has been since May but up over 2% from November 2010. Although no clear cut solution has been found for the European debt crisis, investors seemed somewhat satisfied with the progress made in December.

Domestic bonds performed well again as the BC Aggregate Bond Index rose 1.1%. This brought the full year return 7.8%. While this return is higher than its annualized 10-year return of 5.8%, it is lower than the 30-year return of almost 9.0%.

The public real estate market, as measured by the NAREIT Equity Index, rebounded in December, rising 4.7%. The year-to-date return is now 8.3%.

*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.

Returns
for Periods Ended December 31, 2011

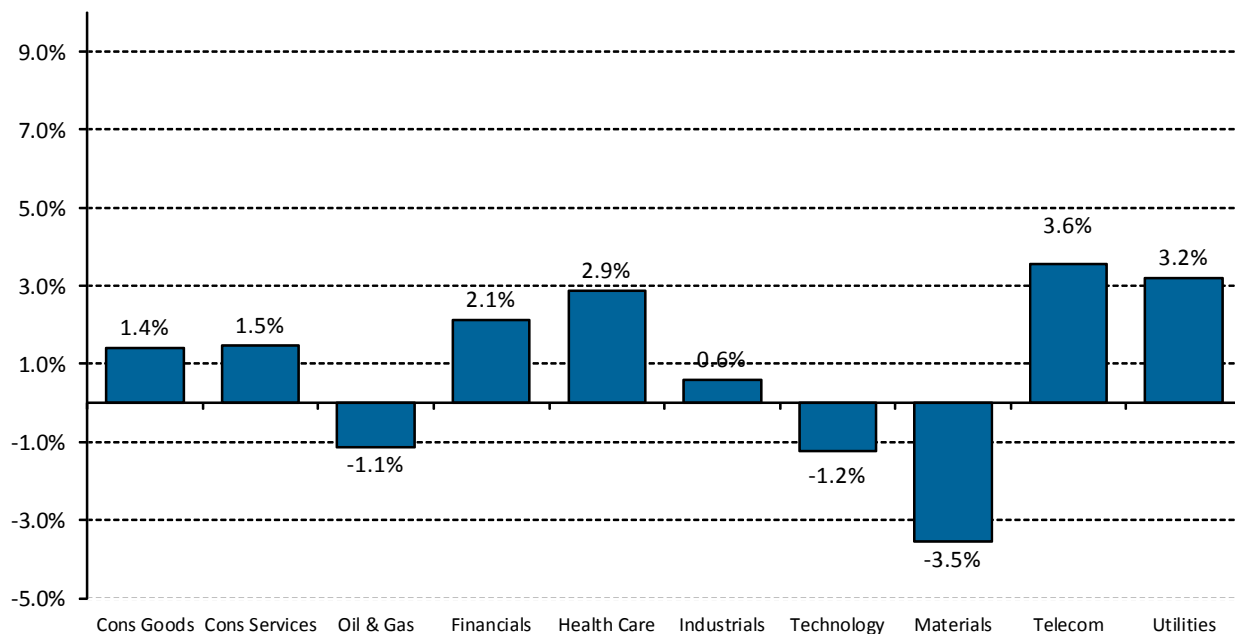
	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	0.82	1.08	1.08	15.15	0.24	3.86
Russell:1000 Index	0.84	1.50	1.50	14.81	(0.02)	3.34
Russell:1000 Growth	(0.32)	2.64	2.64	18.02	2.50	2.60
Russell:1000 Value	2.02	0.39	0.39	11.55	(2.64)	3.89
Russell:Midcap Index	(0.12)	(1.55)	(1.55)	20.17	1.41	6.99
Russell:2000 Index	0.66	(4.18)	(4.18)	15.63	0.15	5.62
Russell:2000 Growth	(0.22)	(2.91)	(2.91)	19.00	2.09	4.48
Russell:2000 Value	1.57	(5.50)	(5.50)	12.36	(1.87)	6.40

For the month, domestic equities were slightly positive in each major market segment, except mid caps. Large caps outperformed mid and small caps but the margin was narrow. The Russell 1000 Index was up 0.8%, followed by the Russell 2000 (+0.7%) and the Russell Midcap Index (-0.1%).

Value stocks outpaced growth stocks for the month (Russell 1000 Value: +2.0%; Russell 1000 Growth: -0.3%; Russell 2000 Value: +1.6%; Russell 2000 Growth: -0.2%).

In terms of sector performance, the Telecom, Utilities, and Health Care sectors all performed well (+3.6%, +3.2%, +2.9%, respectively) and the Materials sector fell the most (-3.5%).

DJ US Total Stock Market Sector Returns



Returns
for Periods Ended December 31, 2011

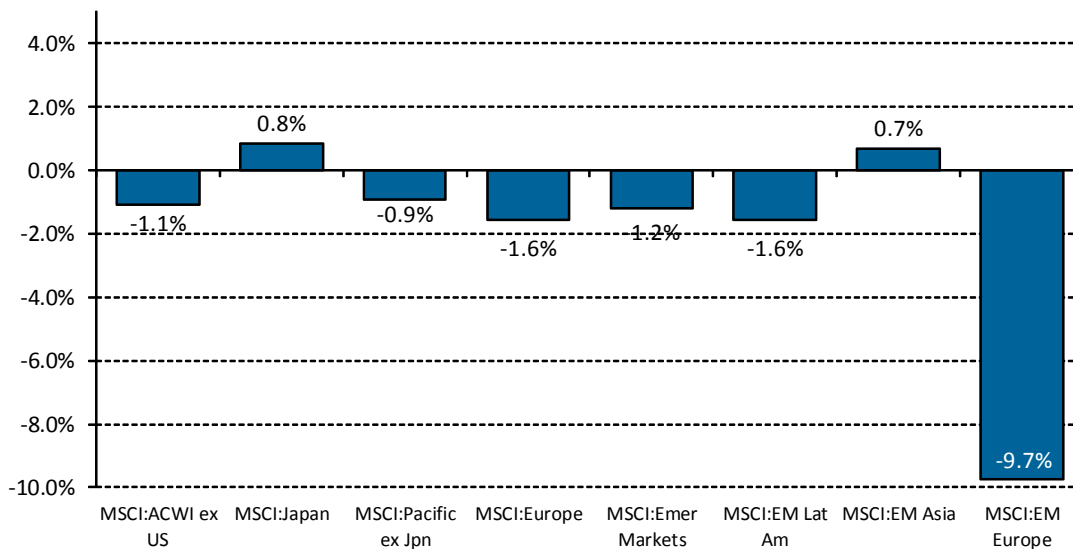
	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
MSCI:ACWI ex US	(1.10)	(13.33)	(13.33)	11.20	(2.48)	6.76
MSCI:ACWI ex US Gr	(1.60)	(13.93)	(13.93)	11.21	(1.84)	5.94
MSCI:ACW ex US Val	(0.60)	(12.71)	(12.71)	11.16	(3.17)	7.52
MSCI:EAFE US\$	(0.95)	(12.14)	(12.14)	7.65	(4.72)	4.67
MSCI:EAFE Hedged	0.40	(14.76)	(14.76)	2.20	(8.53)	(1.53)
MSCI:Emer Markets	(1.20)	(18.17)	(18.17)	20.42	2.70	14.20
S&P:Dev x US Sm Cap	(1.93)	(14.49)	(14.49)	14.80	(3.21)	9.44

International stocks continued to pull back in December, which marked the seventh month of negative returns out of the last eight. Emerging Markets Europe was by far the worst performing region, falling 9.7%. The next worst region was Emerging Markets Latin America, which was down 1.6%. The best performing region was Japan, returning +0.8%.

Developed country stocks, as measured by the MSCI EAFE Index, were down 1.0%. The U.S. dollar strengthened again in December so U.S. dollar based investors fared worse than local currency based investors; the MSCI EAFE-Hedged Index was up 0.4%. The MSCI Emerging Markets Index fell a little more than its developed country counterpart (-1.2%).

Outside the United States, value stocks outperformed growth stocks. The MSCI ACW ex-US Value Index fell 0.6% and the MSCI ACW ex-US Growth Index lost 1.6%.

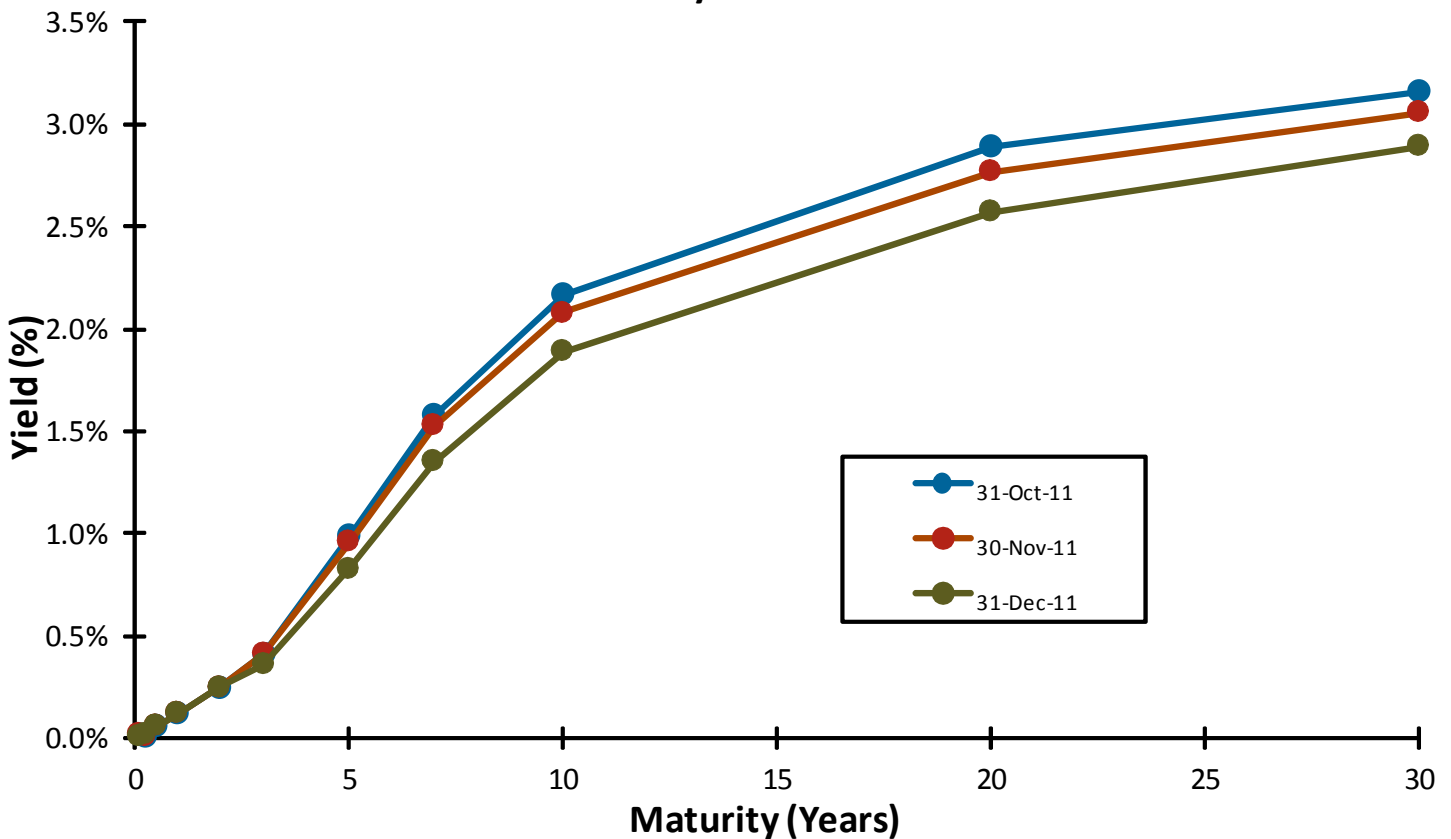
Monthly Regional Returns



Returns
for Periods Ended December 31, 2011

	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
BC:Aggr Bd	1.10	7.84	7.84	6.77	6.50	5.78
BC:Govt Index	0.89	9.02	9.02	4.01	6.56	5.59
BC:Credit	1.94	8.35	8.35	10.90	6.80	6.35
BC:Mortgage Idx	0.70	6.23	6.23	5.83	6.54	5.69
BC:US TIPS Index	0.04	13.56	13.56	10.38	7.95	7.57
ML:High Yield CP Idx	2.49	4.50	4.50	23.46	7.25	8.54
3 Month T-Bill	0.00	0.10	0.10	0.14	1.48	1.95

Treasury Yield Curve



The fixed income market benefited from falling yields across most maturities. All major segments of the domestic bond market provided investors with positive returns in December. The overall bond market, as represented by the BC Aggregate Bond Index, rose 1.1%. Both the credit and high yield markets performed very well (BC Credit Index: +1.9%; ML High Yield Cash Pay Index: +2.5%). Cash continues to give investors almost no return; the 3 Month T-Bill returned 0.1% for all of 2011.

Callan met with the following IMRF investment managers during the month:

Arrowstreet Capital, Limited Partnership
BlackRock Granite
Brandes Investment Partners
Franklin Templeton
Pyramis Management Trust Co.
Sands Capital Management, Inc.
Security Capital
Sentinel Real Estate Corporation

Total Fund

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 December 31st, all allocations were within the allowable range.

The Total Fund returned 0.52% during December, meeting the Total Fund Benchmark. Over the trailing year, the Fund was down 0.29%, lagging the benchmark by 1.77%. International Equity, Absolute Return, and Private Equity exceeded their target benchmarks over this period.

US Equity

Large Cap: Large Cap Growth underperformed Value for the month and quarter ending December. The Fund's Large Cap Growth managers returned -0.71%, trailing the Russell 1000 Growth Index by 0.39%. All of the large cap growth managers underperformed their benchmark. The Large Cap Value managers returned 2.04%, essentially equaling the Russell 1000 Value Index. BMO was the best performing manager in the group with a return of 2.80%. The Large Cap Core managers underperformed with an aggregate return of -0.01%.

Small Cap: The Small Cap portfolio returned 0.97% during the month. Small Cap Growth and Value managers were up 0.33% and 1.30% respectively. The Micro Cap segment gained 1.58% during the month with strong relative performance from Ariel and Wall Street.

International Equity

Large Cap: International Large Cap managers returned -1.14%, essentially flat to the MSCI ACW ex-US Index. EARNEST turned in the best International Growth performance with a return of 0.02%. Brandes, the sole International Value manager returned -0.89%. The International Large Cap Active Core group returned -1.15% during December.

International Small Cap and Emerging Markets: The international small cap managers returned -1.57% versus their benchmark return of -1.81%. Outperformance came from Franklin Templeton. The emerging markets portfolio managed by Genesis lost 1.46% during December, lagging the MSCI Emerging Markets Index by 0.26%.

Domestic Fixed Income

Active Core: The active core fixed income component returned 1.26%, outperforming the BC Aggregate Index by 16 basis points. The enhanced core portfolio also returned 1.26%.

Core Plus: The core plus managers posted a gain of 1.46%, beating the BC Aggregate by 36 basis points. Taplin had the best monthly performance at 1.84%.

High Yield: It was a good month for high yield. MacKay Shields and Pyramis collectively returned 2.31%, trailing the ML High Yield index return of 2.49%.

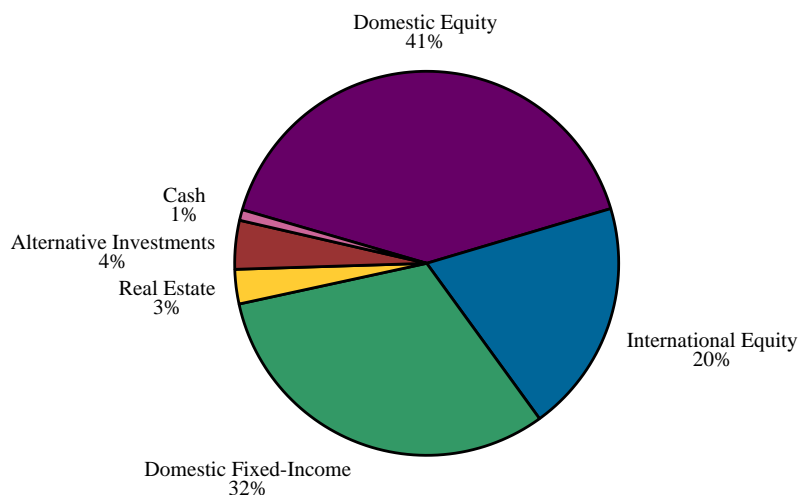
Alternatives

Performance for real estate, absolute return, private equity, agriculture and timberland are incomplete and/or lagged in the monthly reports so are not representative of current returns.

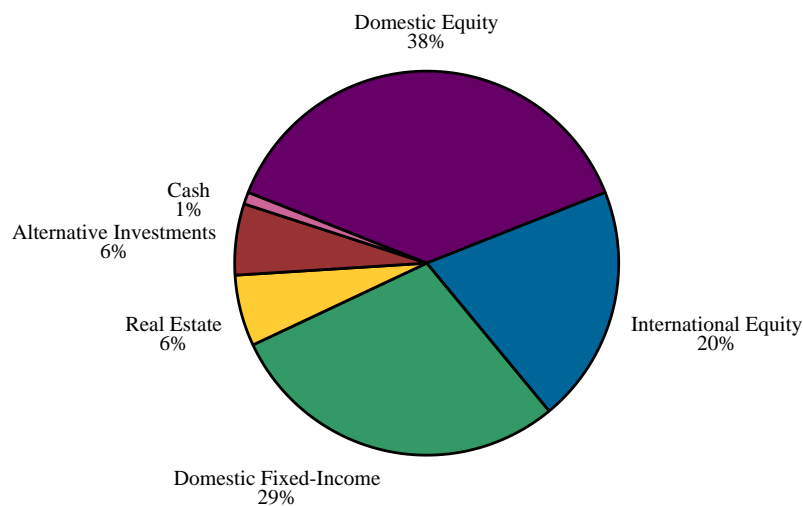
Actual vs Target Asset Allocation

The first chart below shows the Funds asset allocation as of December 31, 2011. The second chart shows the Funds 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	10,123	40.9%	38.0%	2.9%	726
International Equity	4,846	19.6%	20.0%	(0.4%)	(100)
Domestic Fixed-Income	7,808	31.6%	29.0%	2.6%	637
Real Estate	712	2.9%	6.0%	(3.1%)	(771)
Alternative Investments	1,006	4.1%	6.0%	(1.9%)	(478)
Cash	234	0.9%	1.0%	(0.1%)	(13)
Total	24,729	100.0%	100.0%		

* Current Month Target = 38.0% US Total Stock Market Idx, 29.0% BC Aggregate Index, 20.0% MSCI ACWI x US (Net), 6.0% NCREIF Total Index+1.0%, 6.0% 9% Annually and 1.0% 3-month Treasury Bill.

01/27/2012

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of December 31, 2011, with the distribution as of November 30, 2011.

Asset Distribution Across Investment Managers

	December 31, 2011		November 30, 2011	
	Market Value	Percent	Market Value	Percent
Domestic Equity	\$10,122,722,660	40.94%	\$10,050,738,473	40.71%
Large Cap Growth				
BlackRock LCG	525,362,057	2.12%	531,470,005	2.15%
Holland	673,173,367	2.72%	684,088,541	2.77%
NTGI S&P 500 Growth Idx	752,584,904	3.04%	749,961,979	3.04%
Sands	668,668,374	2.70%	672,945,067	2.73%
Vision	48,970,796	0.20%	49,266,435	0.20%
Large Cap Value				
Dodge & Cox	602,074,340	2.43%	593,781,621	2.40%
BMO	673,111,775	2.72%	654,770,565	2.65%
LSV	642,862,491	2.60%	629,655,845	2.55%
NTGI S&P 500 Value Idx	684,658,724	2.77%	672,533,613	2.72%
Large Cap Core				
Piedmont	120,254,548	0.49%	118,871,811	0.48%
Progress	388,656,977	1.57%	390,078,268	1.58%
NTGI MarketCap Index	1,878,956,916	7.60%	1,863,537,145	7.55%
Small Cap Growth				
Buford	28,575,369	0.12%	28,741,039	0.12%
Fortaleza	29,737,599	0.12%	29,590,407	0.12%
Frontier	452,692,402	1.83%	451,775,293	1.83%
Pyramis	469,352,541	1.90%	466,991,879	1.89%
Small Cap Value				
Channing	46,851,114	0.19%	45,746,702	0.19%
Dimensional Small Cap Value	384,427,066	1.55%	380,617,385	1.54%
Inv. Counselors of Maryland	455,235,138	1.84%	450,470,956	1.82%
Lombardia	100,812,634	0.41%	97,862,235	0.40%
Micro Cap				
Ariel	53,356,116	0.22%	52,124,154	0.21%
Ativo	26,714,118	0.11%	26,333,259	0.11%
Dimensional Micro Cap	171,008,363	0.69%	169,406,868	0.69%
Wall Street	244,624,933	0.99%	240,117,404	0.97%
International Equity	\$4,845,651,094	19.60%	\$4,904,314,932	19.86%
International Large Cap Growth				
EARNEST Partners	274,624,018	1.11%	274,576,163	1.11%
McKinley	254,575,621	1.03%	259,819,781	1.05%
William Blair	670,804,457	2.71%	684,202,344	2.77%
International Large Cap Value				
Brandes	573,193,260	2.32%	578,322,943	2.34%
International Large Cap Core				
Arrowstreet	345,668,020	1.40%	350,907,206	1.42%
Brown	164,271,468	0.66%	167,380,926	0.68%
GlobeFlex	345,647,601	1.40%	347,250,003	1.41%
NTGI MSCI EAFE Index	1,542,220,647	6.24%	1,556,907,790	6.31%
International Small Cap				
AXA Rosenberg	195,150	0.00%	200,056	0.00%
Franklin Templeton	119,531,676	0.48%	120,170,637	0.49%
William Blair	143,095,295	0.58%	146,640,469	0.59%

Franklin Templeton Intl SC was funded 07/27/2011. BlackRock LCG was funded 07/12/2011. Vision was funded 06/17/2011. Channing and Lombardia were funded 05/26/2011. Piedmont LC was funded 05/19/2011. Brown and GlobeFlex moved to International Large Cap Active Core April 1, 2011.



Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of December 31, 2011, with the distribution as of November 30, 2011.

Asset Distribution Across Investment Managers

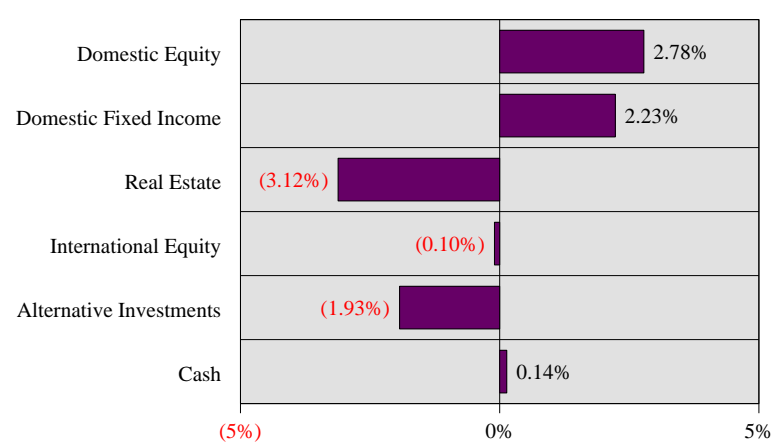
	December 31, 2011		November 30, 2011	
	Market Value	Percent	Market Value	Percent
Emerging Markets				
Genesis	411,823,881	1.67%	417,936,613	1.69%
Domestic Fixed-Income	\$7,807,850,890	31.57%	\$7,696,912,842	31.17%
Domestic Fixed Core				
EARNEST Partners	508,731,916	2.06%	502,540,900	2.04%
Piedmont	499,501,658	2.02%	493,102,740	2.00%
BlackRock Enhanced	916,803,782	3.71%	905,365,517	3.67%
NTGI BC Aggregate Index	1,349,189,814	5.46%	1,334,778,429	5.41%
Domestic Fixed Core Plus				
BlackRock Core Plus	676,781,470	2.74%	668,584,912	2.71%
LM Capital	779,887,443	3.15%	768,870,607	3.11%
Progress Fixed Income	401,957,364	1.63%	396,507,992	1.61%
Taplin, Canida, & Habacht	756,637,546	3.06%	742,933,927	3.01%
Western	1,019,443,049	4.12%	1,005,508,675	4.07%
High Yield				
MacKay Shields	442,560,541	1.79%	433,420,075	1.76%
Pyramis High Yield	456,356,308	1.85%	445,299,067	1.80%
Real Estate	\$712,413,275	2.88%	\$710,350,934	2.88%
Real Estate Opportunistic				
Franklin Templeton EMREFF	10,453,937	0.04%	9,281,574	0.04%
Lazard Freres	27,281,603	0.11%	27,281,603	0.11%
Olympus Real Estate Fund II	1,099,218	0.00%	1,155,858	0.00%
Security	48,491,780	0.20%	48,048,582	0.19%
Dune Real Estate Fund II	28,183,754	0.11%	28,183,754	0.11%
Real Estate Core				
BlackRock Granite Fund	65,396,873	0.26%	65,396,873	0.26%
Buckhead	226,868,054	0.92%	226,868,054	0.92%
Cornerstone	77,552,715	0.31%	77,552,715	0.31%
INVESCO	79,879,464	0.32%	78,117,823	0.32%
Sentinel	30,457,528	0.12%	30,457,785	0.12%
Real Estate Value Added				
Cornerstone Fund VIII	16,678,114	0.07%	16,678,113	0.07%
Rockwood	20,506,405	0.08%	20,506,405	0.08%
Almanac Realty	31,948,336	0.13%	30,694,768	0.12%
TA Fund IX	47,615,494	0.19%	50,127,027	0.20%
Alternative Investments	\$1,005,704,918	4.07%	\$1,002,631,774	4.06%
Absolute Return				
Aurora	132,781,432	0.54%	133,258,490	0.54%
Grosvenor	114,877,656	0.46%	115,435,106	0.47%
Mesirow	113,742,437	0.46%	114,952,401	0.47%
Private Equity				
Abbott	281,969,191	1.14%	286,424,799	1.16%
Muller & Monroe ILPEFF	13,722,465	0.06%	13,555,811	0.05%
Muller & Monroe MPEFF	15,773,541	0.06%	15,514,576	0.06%
Pantheon	159,387,154	0.64%	159,630,329	0.65%
Agriculture				
Cozad/Westchester	107,885,521	0.44%	98,294,742	0.40%
Timberland				
Forest Investment Assoc.	65,521,782	0.26%	65,521,782	0.27%
Cash	\$234,163,097	0.95%	\$326,479,261	1.32%



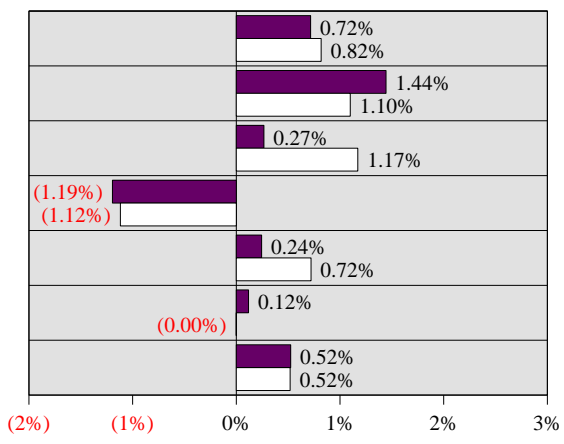
Monthly Total Fund Relative Attribution - December 31, 2011

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.

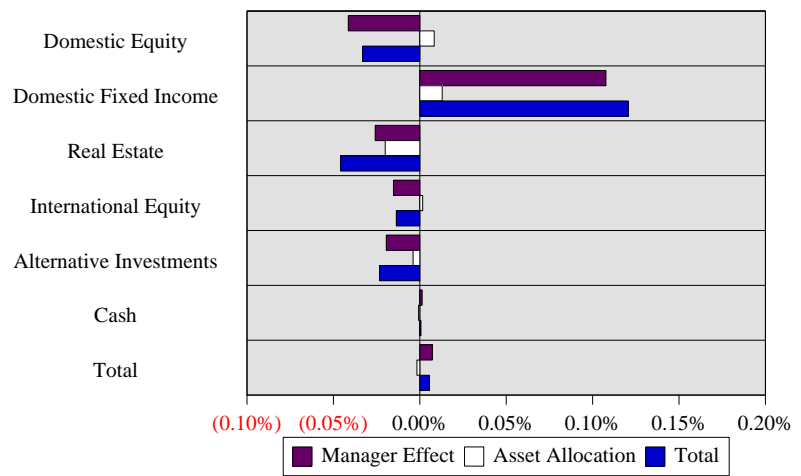
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Month ended December 31, 2011

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	41%	38%	0.72%	0.82%	(0.04%)	0.01%	(0.03%)
Domestic Fixed Income	31%	29%	1.44%	1.10%	0.11%	0.01%	0.12%
Real Estate	3%	6%	0.27%	1.17%	(0.03%)	(0.02%)	(0.05%)
International Equity	20%	20%	(1.19%)	(1.12%)	(0.02%)	0.00%	(0.01%)
Alternative Investments	4%	6%	0.24%	0.72%	(0.02%)	(0.00%)	(0.02%)
Cash	1%	1%	0.12%	(0.00%)	0.00%	(0.00%)	0.00%
Total			0.52%	0.52%	0.01%	(0.00%)	0.01%

* Current Month Target = 38.0% US Total Stock Market Idx, 29.0% BC Aggregate Index, 20.0% MSCI ACWI x US (Net), 6.0% NCREIF Total Index+1.0%, 6.0% 9% Annually 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 December 31, 2011

	Last Month	Last 3 Months	Year to Date
Domestic Equity (12/31/81)	0.72%	12.53%	(0.74%)
DJ U.S. Total Stock Market Index	0.82%	12.11%	1.08%
Domestic Equity - Net (12/31/04)	0.72%	12.45%	(0.99%)
International Equity (08/31/86)	(1.19%)	3.62%	(12.28%)
MSCI ACWI x US (Net)	(1.12%)	3.72%	(13.71%)
International Equity - Net (12/31/04)	(1.19%)	3.56%	(12.50%)
Domestic Fixed-Income (12/31/81)	1.44%	2.03%	7.60%
BC Aggregate Index	1.10%	1.12%	7.84%
Domestic Fixed-Inc. - Net (12/31/04)	1.43%	1.99%	7.44%
Real Estate (04/30/85)	0.27%	2.99%	12.06%
Blended Benchmark**	1.17%	3.55%	15.64%
Real Estate - Net (12/31/04)	0.27%	2.99%	12.06%
Alternative Investments (01/31/86)	0.24%	(0.85%)	5.10%
Alternatives Custom Benchmark***	0.72%	2.18%	9.00%
Alternative Investments - Net (12/31/04)	0.24%	(0.90%)	4.90%
Absolute Return (12/31/01)	(0.62%)	(0.21%)	(4.28%)
HFR Fund-of-Funds Index	(0.31%)	(0.26%)	(5.51%)
Private Equity (01/31/86)	(1.03%)	(3.62%)	12.33%
Alternatives Custom Benchmark***	0.72%	2.18%	9.00%
Agriculture (09/30/97)	9.76%	9.64%	9.70%
Blended Benchmark**	1.17%	3.55%	15.64%
Timberland (09/30/92)	0.00%	0.52%	4.08%
Blended Benchmark**	1.17%	3.55%	15.64%
Total Fund (12/31/81)	0.52%	6.28%	(0.29%)
Total Fund Benchmark	0.52%	6.07%	1.48%
Total Fund - Net (12/31/04)	0.52%	6.22%	(0.50%)

* Current Month Target = 38.0% US Total Stock Market Idx, 29.0% BC Aggregate Index, 20.0% MSCI ACWI x US (Net), 6.0% NCREIF Total Index+1.0%, 6.0% 9% Annually and 1.0% 3-month Treasury Bill.

** The Blended Benchmark is currently NPI + 1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%. As the returns of the NPI are updated quarterly, an approximation of the Index is used during the first two months of each quarter.

*** 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 December 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Equity (12/31/81)	15.75%	0.39%	4.24%	10.95%
DJ U.S. Total Stock Market Index	15.15%	0.24%	3.86%	10.58%
Domestic Equity - Net (12/31/04)	15.48%	0.15%	-	3.14%
International Equity (08/31/86)	11.41%	(3.15%)	6.54%	7.64%
MSCI ACWI x US (Net)	10.70%	(2.92%)	6.31%	-
International Equity - Net (12/31/04)	11.09%	(3.45%)	-	3.26%
Domestic Fixed-Income (12/31/81)	10.45%	6.91%	6.51%	9.33%
BC Aggregate Index	6.77%	6.50%	5.78%	8.81%
Domestic Fixed-Inc. - Net (12/31/04)	10.31%	6.78%	-	5.92%
Real Estate (04/30/85)	(3.40%)	(1.06%)	4.94%	4.02%
Blended Benchmark**	3.54%	4.16%	5.91%	7.20%
Real Estate - Net (12/31/04)	(3.40%)	(1.06%)	-	3.86%
Alternative Investments (01/31/86)	4.59%	4.58%	6.46%	11.07%
Alternatives Custom Benchmark***	10.49%	11.09%	11.94%	13.81%
Alternative Investments - Net (12/31/04)	4.29%	4.29%	-	7.48%
Absolute Return (12/31/01)	5.41%	0.95%	4.35%	4.32%
HFR Fund-of-Funds Index	3.64%	(0.71%)	3.27%	3.35%
Private Equity (01/31/86)	4.40%	7.58%	7.93%	13.27%
Alternatives Custom Benchmark***	10.49%	11.09%	11.94%	13.81%
Agriculture (09/30/97)	5.06%	4.01%	6.88%	6.08%
Blended Benchmark**	3.54%	4.16%	5.91%	6.27%
Timberland (09/30/92)	1.42%	7.09%	4.66%	9.45%
Blended Benchmark**	3.54%	4.16%	5.91%	6.62%
Total Fund (12/31/81)	12.15%	2.85%	6.00%	9.92%
Total Fund Benchmark	11.13%	3.24%	5.82%	-
Total Fund - Net (12/31/04)	11.92%	2.64%	-	4.90%

* Current Month Target = 38.0% US Total Stock Market Idx, 29.0% BC Aggregate Index, 20.0% MSCI ACWI x US (Net), 6.0% NCREIF Total Index+1.0%, 6.0% 9% Annually and 1.0% 3-month Treasury Bill.

** The Blended Benchmark is currently NPI + 1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%. As the returns of the NPI are updated quarterly, an approximation of the Index is used during the first two months of each quarter.

*** 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 December 31, 2011

	Last Month	Last 3 Months	Year to Date
Large Cap Equity (12/31/81)	0.64%	11.52%	0.65%
Russell 1000 Index	0.84%	11.84%	1.50%
Large Cap Growth (12/31/81)	(0.71%)	9.40%	1.62%
BlackRock LCG (07/31/11)	(1.15%)	7.37%	-
LCG Blended Benchmark*	(0.32%)	10.61%	2.64%
Russell 1000 Growth Index	(0.32%)	10.61%	2.64%
BlackRock LCG - Net (07/31/11)	(1.15%)	7.37%	-
Holland (10/31/94)	(1.60%)	10.13%	4.81%
LCG Blended Benchmark*	(0.32%)	10.61%	2.64%
Russell 1000 Growth Index	(0.32%)	10.61%	2.64%
Holland - Net (12/31/04)	(1.60%)	10.08%	4.51%
NTGI S&P 500 Growth Idx (07/31/01)	0.35%	10.84%	4.63%
S&P/Citi 500 Growth Index	0.33%	10.81%	4.65%
NTGI S&P 500 Growth Idx - Net (12/31/04)	0.35%	10.84%	4.61%
Sands (10/31/03)	(0.64%)	8.66%	2.98%
LCG Blended Benchmark*	(0.32%)	10.61%	2.64%
Russell 1000 Growth Index	(0.32%)	10.61%	2.64%
Sands - Net (12/31/04)	(0.64%)	8.59%	2.72%
Vision (06/30/2011)	(0.60%)	10.27%	-
LCG Blended Benchmark*	(0.32%)	10.61%	2.64%
Russell 1000 Growth Index	(0.32%)	10.61%	2.64%
Vision - Net (06/30/2011)	(0.60%)	10.11%	-
Large Cap Value (09/30/82)	2.04%	13.27%	(0.08%)
Dodge & Cox (08/31/03)	1.41%	11.65%	(3.04%)
LCV Blended Benchmark**	2.02%	13.11%	0.39%
Russell 1000 Value Index	2.02%	13.11%	0.39%
Dodge & Cox - Net (12/31/04)	1.41%	11.59%	(3.25%)
BMO (01/31/01)	2.80%	14.03%	3.75%
LCV Blended Benchmark**	2.02%	13.11%	0.39%
Russell 1000 Value Index	2.02%	13.11%	0.39%
BMO - Net (12/31/04)	2.80%	13.96%	3.51%
LSV (01/31/03)	2.10%	14.36%	0.39%
LCV Blended Benchmark**	2.02%	13.11%	0.39%
Russell 1000 Value Index	2.02%	13.11%	0.39%
LSV - Net (12/31/04)	2.10%	14.28%	0.13%
NTGI S&P 500 Value Idx (07/31/99)	1.80%	12.95%	(0.46%)
S&P/Citi 500 Value Index	1.82%	12.98%	(0.48%)
NTGI S&P 500 Value Idx - Net (12/31/04)	1.80%	12.95%	(0.47%)

* 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 December 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Equity (12/31/81)	14.91%	0.05%	3.26%	10.42%
Russell 1000 Index	14.81%	(0.02%)	3.34%	10.78%
Large Cap Growth (12/31/81)	18.33%	2.78%	2.85%	10.96%
BlackRock LCG (07/31/11)	-	-	-	(9.46%)
LCG Blended Benchmark*	18.02%	2.50%	2.72%	(2.95%)
Russell 1000 Growth Index	18.02%	2.50%	2.60%	(2.95%)
BlackRock LCG - Net (07/31/11)	-	-	-	(9.46%)
Holland (10/31/94)	19.42%	4.43%	4.40%	9.09%
LCG Blended Benchmark*	18.02%	2.50%	2.72%	8.07%
Russell 1000 Growth Index	18.02%	2.50%	2.60%	7.11%
Holland - Net (12/31/04)	19.05%	4.14%	-	3.84%
NTGI S&P 500 Growth Idx (07/31/01)	16.62%	2.38%	2.89%	2.56%
S&P/Citi 500 Growth Index	16.57%	2.38%	2.84%	2.52%
NTGI S&P 500 Growth Idx - Net (12/31/04)	16.61%	2.37%	-	3.78%
Sands (10/31/03)	31.12%	6.55%	-	8.05%
LCG Blended Benchmark*	18.02%	2.50%	2.72%	5.02%
Russell 1000 Growth Index	18.02%	2.50%	2.60%	5.25%
Sands - Net (12/31/04)	30.77%	6.26%	-	5.08%
Vision (06/30/2011)	-	-	-	(5.01%)
LCG Blended Benchmark*	18.02%	2.50%	2.72%	(3.92%)
Russell 1000 Growth Index	18.02%	2.50%	2.60%	(3.92%)
Vision - Net (06/30/2011)	-	-	-	(5.17%)
Large Cap Value (09/30/82)	11.75%	(2.39%)	3.57%	9.44%
Dodge & Cox (08/31/03)	12.99%	(3.26%)	-	5.24%
LCV Blended Benchmark**	11.55%	(2.64%)	3.17%	4.97%
Russell 1000 Value Index	11.55%	(2.64%)	3.89%	5.20%
Dodge & Cox - Net (12/31/04)	12.74%	(3.48%)	-	1.21%
BMO (01/31/01)	11.53%	(0.66%)	5.18%	4.82%
LCV Blended Benchmark**	11.55%	(2.64%)	3.17%	1.72%
Russell 1000 Value Index	11.55%	(2.64%)	3.89%	2.99%
BMO - Net (12/31/04)	11.26%	(0.90%)	-	3.31%
LSV (01/31/03)	12.73%	(1.89%)	-	7.94%
LCV Blended Benchmark**	11.55%	(2.64%)	3.17%	6.25%
Russell 1000 Value Index	11.55%	(2.64%)	3.89%	6.31%
LSV - Net (12/31/04)	12.42%	(2.17%)	-	2.62%
NTGI S&P 500 Value Idx (07/31/99)	11.60%	(2.92%)	2.90%	1.67%
S&P/Citi 500 Value Index	11.55%	(2.96%)	2.87%	1.67%
NTGI S&P 500 Value Idx - Net (12/31/04)	11.60%	(2.93%)	-	1.39%

* 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 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 December 31, 2011

	Last Month	Last 3 Months	Year to Date
Large Cap Active Core (12/31/04)	(0.01%)	11.76%	(0.51%)
Piedmont (05/31/11)	1.16%	10.71%	-
Russell 1000 Index	0.84%	11.84%	1.50%
Piedmont - Net (05/31/11)	1.16%	10.60%	-
Progress (01/31/05)	(0.36%)	12.09%	(0.67%)
DJ U.S. Total Stock Market Index	0.82%	12.11%	1.08%
Progress - Net (01/31/05)	(0.36%)	11.93%	(1.25%)
Large Cap Passive Core (12/31/84)	0.83%	12.15%	1.14%
NTGI MarketCap Idx (01/31/85)	0.83%	12.15%	1.14%
DJ U.S. Total Stock Market Index	0.82%	12.11%	1.08%
NTGI MarketCap Idx - Net (12/31/04)	0.83%	12.15%	1.14%



Large Cap Equity Returns

The table below details the rates of return for the fund's large cap 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 December 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Active Core (12/31/04)	13.87%	0.19%	-	3.04%
Piedmont (05/31/11)	-	-	-	(8.72%)
Russell 1000 Index	14.81%	(0.02%)	3.34%	(6.25%)
Piedmont - Net (05/31/11)	-	-	-	(8.89%)
Progress (01/31/05)	13.81%	0.16%	-	3.06%
DJ U.S. Total Stock Market Index	15.15%	0.24%	3.86%	3.20%
Progress - Net (01/31/05)	13.14%	(0.44%)	-	2.46%
Large Cap Passive Core (12/31/84)	15.34%	0.02%	3.71%	10.28%
NTGI MarketCap Idx (01/31/85)	15.38%	0.04%	3.72%	10.32%
DJ U.S. Total Stock Market Index	15.15%	0.24%	3.86%	10.28%
NTGI MarketCap Idx - Net (12/31/04)	15.38%	0.03%	-	3.00%

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 December 31, 2011

	Last Month	Last 3 Months	Year to Date
Small Cap Equity (06/30/88)	0.97%	15.77%	(5.21%)
Russell 2000 Index	0.66%	15.47%	(4.18%)
Small Cap Growth (06/30/88)	0.33%	14.47%	(6.24%)
Buford (10/31/06)	(0.58%)	14.63%	(4.91%)
Russell 2000 Growth Index	(0.22%)	14.99%	(2.91%)
Buford - Net (10/31/06)	(0.58%)	14.51%	(5.29%)
Fortaleza (11/30/06)	0.50%	14.02%	2.92%
Russell 2000 Growth Index	(0.22%)	14.99%	(2.91%)
Fortaleza - Net (11/30/06)	0.50%	13.88%	2.44%
Frontier (07/31/88)	0.20%	13.33%	(7.34%)
Russell 2000 Growth Index	(0.22%)	14.99%	(2.91%)
Frontier - Net (12/31/04)	0.20%	13.18%	(8.07%)
Pyramis (07/31/88)	0.51%	15.63%	(5.97%)
Russell 2000 Growth Index	(0.22%)	14.99%	(2.91%)
Pyramis - Net (12/31/04)	0.51%	15.16%	(6.71%)
Small Cap Value (08/31/89)	1.30%	16.98%	(4.59%)
Channing (06/30/11)	2.41%	15.67%	-
Russell 2000 Value Index	1.57%	15.97%	(5.50%)
Channing - Net (06/30/11)	2.41%	15.43%	-
DFA Small Cap Value (01/31/96)	1.00%	15.92%	(6.75%)
Russell 2000 Value Index	1.57%	15.97%	(5.50%)
DFA Small Cap Value - Net (12/31/04)	1.00%	15.79%	(7.17%)
Inv. Counselors of Maryland (04/30/99)	1.06%	17.21%	(3.50%)
Russell 2000 Value Index	1.57%	15.97%	(5.50%)
Inv. Couns. of Maryland - Net (12/31/04)	1.06%	17.09%	(3.91%)
Lombardia (05/31/11)	3.02%	20.74%	-
Russell 2000 Value Index	1.57%	15.97%	(5.50%)
Lombardia - Net (05/31/11)	3.02%	20.53%	-
Micro Cap (06/30/84)	1.58%	15.97%	(5.14%)
Ariel (10/31/2010)	2.36%	15.12%	(4.00%)
Russell 2000 Growth Index	(0.22%)	14.99%	(2.91%)
Russell 2000 Index	0.66%	15.47%	(4.18%)
Russell Microcap Index	1.39%	13.83%	(9.27%)
Ariel - Net (10/31/10)	2.36%	14.85%	(4.83%)
Ativo (09/30/10)	1.44%	12.88%	(7.79%)
Russell 2000 Growth Index	(0.22%)	14.99%	(2.91%)
Russell 2000 Index	0.66%	15.47%	(4.18%)
Russell Microcap Index	1.39%	13.83%	(9.27%)
Ativo - Net (09/30/10)	1.44%	12.65%	(8.55%)
DFA Micro Cap (07/31/87)	0.95%	14.61%	(2.70%)
Russell 2000 Growth Index	(0.22%)	14.99%	(2.91%)
Russell 2000 Index	0.66%	15.47%	(4.18%)
DFA Micro Cap - Net (12/31/04)	0.95%	14.48%	(3.15%)
Wall Street (07/31/90)	1.87%	17.50%	(6.78%)
Russell 2000 Growth Index	(0.22%)	14.99%	(2.91%)
Russell 2000 Index	0.66%	15.47%	(4.18%)
Wall Street - Net (12/31/04)	1.87%	17.27%	(7.53%)

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 December 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Small Cap Equity (06/30/88)	19.84%	2.83%	8.64%	11.93%
Russell 2000 Index	15.63%	0.15%	5.62%	8.86%
Small Cap Growth (06/30/88)	20.15%	3.66%	8.31%	12.69%
Buford (10/31/06)	13.40%	0.97%	-	1.75%
Russell 2000 Growth Index	19.00%	2.09%	4.48%	2.44%
Buford - Net (10/31/06)	12.95%	0.57%	-	1.35%
Fortaleza (11/30/06)	17.46%	2.16%	-	1.83%
Russell 2000 Growth Index	19.00%	2.09%	4.48%	2.44%
Fortaleza - Net (11/30/06)	16.90%	1.67%	-	1.36%
Frontier (07/31/88)	20.86%	5.03%	7.66%	12.76%
Russell 2000 Growth Index	19.00%	2.09%	4.48%	6.60%
Frontier - Net (12/31/04)	19.82%	4.18%	-	5.89%
Pyramis (07/31/88)	21.30%	4.32%	9.75%	13.31%
Russell 2000 Growth Index	19.00%	2.09%	4.48%	6.60%
Pyramis - Net (12/31/04)	20.54%	3.69%	-	7.71%
Small Cap Value (08/31/89)	18.21%	1.07%	8.94%	11.55%
Channing (06/30/11)	-	-	-	(9.00%)
Russell 2000 Value Index	12.36%	(1.87%)	6.40%	(8.94%)
Channing - Net (06/30/11)	-	-	-	(9.27%)
DFA Small Cap Value (01/31/96)	19.69%	(0.54%)	9.41%	11.74%
Russell 2000 Value Index	12.36%	(1.87%)	6.40%	8.77%
DFA Small Cap Value - Net (12/31/04)	19.12%	(1.06%)	-	3.49%
Inv. Counselors of Maryland (04/30/99)	17.51%	1.94%	8.69%	11.21%
Russell 2000 Value Index	12.36%	(1.87%)	6.40%	8.54%
Inv. Couns. of Maryland - Net (12/31/04)	16.91%	1.41%	-	4.47%
Lombardia (05/31/11)	-	-	-	(6.98%)
Russell 2000 Value Index	12.36%	(1.87%)	6.40%	(11.17%)
Lombardia - Net (05/31/11)	-	-	-	(7.22%)
Micro Cap (06/30/84)	21.47%	(0.86%)	5.44%	11.59%
Ariel (10/31/10)	-	-	-	3.71%
Russell 2000 Growth Index	19.00%	2.09%	4.48%	10.82%
Russell 2000 Index	15.63%	0.15%	5.62%	9.02%
Russell Microcap Index	14.23%	(3.75%)	4.63%	6.61%
Ariel - Net (10/31/10)	-	-	-	2.97%
Ativo (09/30/10)	-	-	-	5.10%
Russell 2000 Growth Index	19.00%	2.09%	4.48%	21.61%
Russell 2000 Index	15.63%	0.15%	5.62%	18.42%
Russell Microcap Index	14.23%	(3.75%)	4.63%	15.53%
Ativo - Net (09/30/10)	-	-	-	4.46%
DFA Micro Cap (07/31/87)	18.42%	0.26%	8.17%	10.60%
Russell 2000 Growth Index	19.00%	2.09%	4.48%	5.82%
Russell 2000 Index	15.63%	0.15%	5.62%	7.93%
DFA Micro Cap - Net (12/31/04)	17.87%	(0.23%)	-	2.96%
Wall Street (07/31/90)	24.21%	(0.79%)	3.79%	13.63%
Russell 2000 Growth Index	19.00%	2.09%	4.48%	6.33%
Russell 2000 Index	15.63%	0.15%	5.62%	8.65%
Wall Street - Net (12/31/04)	23.27%	(1.58%)	-	3.21%

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 December 31, 2011

	Last Month	Last 3 Months	Year to Date
Intl Large Cap Equity (08/31/86)	(1.14%)	3.60%	(11.92%)
MSCI ACWI ex-US Index	(1.12%)	3.72%	(13.71%)
Intl Large Cap Growth (08/31/02)	(1.52%)	4.32%	(12.57%)
EARNEST Partners (09/30/04)	0.02%	5.42%	(10.12%)
MSCI ACWI ex-US Index	(1.12%)	3.72%	(13.71%)
MSCI ACWI ex-US Growth	(1.60%)	4.16%	(13.93%)
EARNEST Partners - Net (12/31/04)	0.02%	5.36%	(10.29%)
McKinley (02/28/06)	(2.02%)	3.05%	(14.76%)
MSCI ACWI ex-US Index	(1.12%)	3.72%	(13.71%)
MSCI ACWI ex-US Growth	(1.60%)	4.16%	(13.93%)
McKinley - Net (02/28/06)	(2.02%)	2.90%	(15.20%)
William Blair (09/30/02)	(1.96%)	4.36%	(13.14%)
MSCI ACWI ex-US Index	(1.12%)	3.72%	(13.71%)
MSCI ACWI ex-US Growth	(1.60%)	4.16%	(13.93%)
William Blair - Net (12/31/04)	(1.96%)	4.36%	(13.37%)
Intl Large Cap Value (09/30/95)	(0.89%)	2.76%	(10.30%)
Brandes (12/31/95)	(0.89%)	2.76%	(10.30%)
MSCI ACWI ex-US Index	(1.12%)	3.72%	(13.71%)
MSCI ACWI ex-US Value	(0.60%)	3.40%	(12.71%)
Brandes - Net (12/31/04)	(0.89%)	2.71%	(10.50%)

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 December 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Equity (08/31/86)	10.50%	(3.74%)	5.68%	7.62%
MSCI ACWI ex-US Index	10.70%	(2.92%)	6.31%	-
Intl Large Cap Growth (08/31/02)	13.25%	(2.83%)	-	8.67%
EARNEST Partners (09/30/04)	18.63%	3.91%	-	12.13%
MSCI ACWI ex-US Index	10.70%	(2.92%)	6.31%	5.84%
MSCI ACWI ex-US Growth	11.21%	(1.84%)	5.94%	6.32%
EARNEST Partners - Net (12/31/04)	18.16%	3.50%	-	9.38%
McKinley (02/28/06)	7.14%	(5.84%)	-	(2.10%)
MSCI ACWI ex-US Index	10.70%	(2.92%)	6.31%	0.35%
MSCI ACWI ex-US Growth	11.21%	(1.84%)	5.94%	0.89%
McKinley - Net (02/28/06)	6.60%	(6.32%)	-	(2.57%)
William Blair (09/30/02)	15.37%	(2.86%)	-	8.65%
MSCI ACWI ex-US Index	10.70%	(2.92%)	6.31%	8.11%
MSCI ACWI ex-US Growth	11.21%	(1.84%)	5.94%	7.91%
William Blair - Net (12/31/04)	14.98%	(3.21%)	-	3.71%
Intl Large Cap Value (09/30/95)	5.74%	(4.71%)	6.41%	9.45%
Brandes (12/31/95)	5.74%	(4.71%)	6.41%	9.50%
MSCI ACWI ex-US Index	10.70%	(2.92%)	6.31%	4.74%
MSCI ACWI ex-US Value	11.16%	(3.17%)	7.52%	-
Brandes - Net (12/31/04)	5.45%	(4.94%)	-	1.45%

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 December 31, 2011

	Last Month	Last 3 Months	Year to Date
Intl Large Cap Active Core (01/31/08)	(1.15%)	3.54%	(12.13%)
Arrowstreet (02/29/08)	(1.49%)	2.43%	(11.74%)
MSCI ACWI ex-US Index	(1.12%)	3.72%	(13.71%)
Arrowstreet - Net (02/29/08)	(1.49%)	2.30%	(12.17%)
Brown (09/30/04)	(1.85%)	3.73%	(14.03%)
MSCI ACWI ex-US Index	(1.12%)	3.72%	(13.71%)
Brown - Net (12/31/04)	(1.85%)	3.45%	(14.41%)
GlobeFlex (02/28/06)	(0.46%)	4.58%	(11.08%)
MSCI ACWI ex-US Index	(1.12%)	3.72%	(13.71%)
GlobeFlex - Net (02/28/06)	(0.46%)	4.46%	(11.47%)
Intl Large Cap Pass. Core (12/31/99)	(0.94%)	3.40%	(11.76%)
NTGI MSCI EAFE Idx (01/31/00)	(0.94%)	3.40%	(11.76%)
MSCI EAFE Index	(0.95%)	3.33%	(12.14%)
NTGI EAFE Idx - Net (12/31/04)	(0.94%)	3.40%	(11.77%)
International Small Cap (11/30/05)	(1.57%)	2.18%	(12.65%)
Franklin Templeton (07/31/11)	(0.53%)	2.56%	-
ACWI Small Cap ex US	(1.81%)	0.40%	(18.50%)
Franklin Templeton - Net (07/31/11)	(0.53%)	2.41%	-
William Blair (08/31/10)	(2.41%)	1.88%	(10.50%)
ACWI Small Cap ex US	(1.81%)	0.40%	(18.50%)
Intl SC Blended Benchmark	(1.81%)	0.40%	(15.71%)
William Blair - Net (08/31/10)	(2.41%)	1.65%	(11.23%)
Emerging Markets (01/31/92)	(1.46%)	4.76%	(15.04%)
Genesis (04/30/04)	(1.46%)	4.76%	(15.04%)
MSCI Emerging Markets Index	(1.20%)	4.45%	(18.17%)
Genesis - Net (12/31/04)	(1.46%)	4.66%	(15.51%)

Brown and GlobeFlex moved to International Large Cap Active Core April 1, 2011.

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 December 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Active Core (01/31/08)	14.16%	-	-	(3.74%)
Arrowstreet (02/29/08)	14.34%	-	-	(3.70%)
MSCI ACWI ex-US Index	10.70%	(2.92%)	6.31%	(4.99%)
Arrowstreet - Net (02/29/08)	13.79%	-	-	(4.14%)
Brown (09/30/04)	11.35%	(3.73%)	-	5.68%
MSCI ACWI ex-US Index	10.70%	(2.92%)	6.31%	5.84%
Brown - Net (12/31/04)	10.91%	(4.04%)	-	2.74%
GlobeFlex (02/28/06)	11.84%	(3.61%)	-	(0.02%)
MSCI ACWI ex-US Index	10.70%	(2.92%)	6.31%	0.35%
GlobeFlex - Net (02/28/06)	11.38%	(4.05%)	-	(0.47%)
Intl Large Cap Pass. Core (12/31/99)	8.13%	(4.31%)	5.03%	0.88%
NTGI MSCI EAFE Idx (01/31/00)	8.10%	(4.33%)	5.02%	0.88%
MSCI EAFE Index	7.65%	(4.72%)	4.67%	0.52%
NTGI EAFE Idx - Net (12/31/04)	8.09%	(4.33%)	-	2.04%
International Small Cap (11/30/05)	10.31%	(7.00%)	-	(0.96%)
Franklin Templeton (07/31/11)	-	-	-	(19.89%)
ACWI Small Cap ex US	18.46%	(1.74%)	10.61%	(19.72%)
Franklin Templeton - Net (07/31/11)	-	-	-	(20.01%)
William Blair (08/31/10)	-	-	-	6.87%
ACWI Small Cap ex US	18.46%	(1.74%)	10.61%	1.13%
Intl SC Blended Benchmark	14.25%	(3.48%)	9.28%	3.49%
William Blair - Net (08/31/10)	-	-	-	2.95%
Emerging Markets (01/31/92)	26.87%	6.37%	15.81%	9.99%
Genesis (04/30/04)	26.87%	6.41%	-	14.99%
MSCI Emerging Markets Index	20.42%	2.70%	14.20%	11.59%
Genesis - Net (12/31/04)	26.11%	5.77%	-	12.71%

Brown and GlobeFlex moved to International Large Cap Active Core April 1, 2011.

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-US Small Cap Index thereafter.



Domestic 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 December 31, 2011

	Last Month	Last 3 Months	Year to Date
Dom. Fixed Active Core (03/31/01)	1.26%	1.80%	8.27%
EARNEST Partners (04/30/05)	1.23%	1.70%	8.76%
BC Aggregate Index	1.10%	1.12%	7.84%
EARNEST Partners - Net (04/30/05)	1.23%	1.64%	8.56%
Piedmont (05/31/05)	1.30%	1.91%	7.61%
BC Aggregate Index	1.10%	1.12%	7.84%
Piedmont - Net (05/31/05)	1.30%	1.87%	7.44%
Dom. Fixed Enhanced Core (03/31/00)	1.26%	1.61%	8.10%
BlackRock Enhanced (04/30/00)	1.26%	1.61%	8.10%
BC Aggregate Index	1.10%	1.12%	7.84%
BlackRock Enhanced - Net (12/31/04)	1.26%	1.61%	8.04%
Dom. Fixed Passive Core (12/31/89)	1.08%	1.11%	7.82%
NTGI BC Agg. Index (01/31/90)	1.08%	1.11%	7.82%
BC Aggregate Index	1.10%	1.12%	7.84%
NTGI BC Agg. Index - Net (12/31/04)	1.08%	1.11%	7.81%



Domestic 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 December 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Dom. Fixed Active Core (03/31/01)	9.00%	6.47%	5.18%	5.40%
EARNEST Partners (04/30/05)	8.76%	6.70%	-	6.11%
BC Aggregate Index	6.77%	6.50%	5.78%	5.89%
EARNEST Partners - Net (04/30/05)	8.55%	6.49%	-	5.90%
Piedmont (05/31/05)	8.59%	6.20%	-	5.49%
BC Aggregate Index	6.77%	6.50%	5.78%	5.75%
Piedmont - Net (05/31/05)	8.40%	6.02%	-	5.28%
Dom. Fixed Enhanced Core (03/31/00)	8.31%	6.32%	5.77%	6.40%
BlackRock Enhanced (04/30/00)	8.31%	6.32%	5.77%	6.44%
BC Aggregate Index	6.77%	6.50%	5.78%	6.42%
BlackRock Enhanced - Net (12/31/04)	8.23%	6.25%	-	5.39%
Dom. Fixed Passive Core (12/31/89)	7.02%	6.38%	5.73%	7.00%
NTGI BC Agg. Index (01/31/90)	7.02%	6.38%	5.73%	7.03%
BC Aggregate Index	6.77%	6.50%	5.78%	7.03%
NTGI BC Agg. Index - Net (12/31/04)	7.01%	6.37%	-	5.44%



Domestic 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 December 31, 2011

	Last Month	Last 3 Months	Year to Date
Domestic Fixed Core Plus (12/31/81)	1.46%	1.83%	7.92%
BlackRock Core Plus (03/31/07)	1.23%	1.99%	8.36%
BC Aggregate Index	1.10%	1.12%	7.84%
BlackRock Core Plus - Net (03/31/07)	1.12%	1.88%	8.21%
LM Capital (04/30/05)	1.44%	2.04%	7.84%
BC Aggregate Index	1.10%	1.12%	7.84%
LM Capital - Net (04/30/05)	1.44%	2.00%	7.67%
Progress Fixed Income (12/31/05)	1.37%	1.31%	7.39%
BC Aggregate Index	1.10%	1.12%	7.84%
Progress Fixed Inc. - Net (12/31/05)	1.37%	1.22%	7.02%
Taplin, Canida, Habacht (04/30/05)	1.84%	2.08%	7.85%
BC Aggregate Index	1.10%	1.12%	7.84%
Taplin, Canida, Hab. - Net (04/30/05)	1.84%	2.05%	7.71%
Western (10/31/01)	1.39%	1.57%	7.96%
BC Aggregate Index	1.10%	1.12%	7.84%
Western - Net (12/31/04)	1.39%	1.53%	7.81%
High Yield (03/31/86)	2.31%	5.05%	5.02%
MacKay Shields (10/31/00)	2.11%	5.40%	7.11%
ML High Yield Cash Pay Index	2.49%	6.17%	4.50%
MacKay Shields - Net (12/31/04)	2.11%	5.40%	6.84%
Pyramis (07/31/86)	2.50%	4.71%	3.07%
ML High Yield Cash Pay Index	2.49%	6.17%	4.50%
Pyramis - Net (12/31/04)	2.50%	4.63%	2.59%



Domestic 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 December 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Fixed Core Plus (12/31/81)	10.57%	6.39%	6.17%	9.14%
BlackRock Core Plus (03/31/07)	9.92%	-	-	6.67%
BC Aggregate Index	6.77%	6.50%	5.78%	6.40%
BlackRock Core Plus - Net (03/31/07)	9.83%	-	-	6.60%
LM Capital (04/30/05)	9.29%	7.08%	-	6.43%
BC Aggregate Index	6.77%	6.50%	5.78%	5.89%
LM Capital - Net (04/30/05)	9.11%	6.91%	-	6.26%
Progress Fixed Income (12/31/05)	8.21%	6.84%	-	6.67%
BC Aggregate Index	6.77%	6.50%	5.78%	6.21%
Progress Fixed Inc. - Net (12/31/05)	7.83%	6.46%	-	6.33%
Taplin, Canida, Habacht (04/30/05)	9.21%	6.43%	-	5.77%
BC Aggregate Index	6.77%	6.50%	5.78%	5.89%
Taplin, Canida, Hab. - Net (04/30/05)	9.08%	6.30%	-	5.68%
Western (10/31/01)	12.74%	6.08%	6.66%	6.57%
BC Aggregate Index	6.77%	6.50%	5.78%	5.64%
Western - Net (12/31/04)	12.58%	5.93%	-	5.62%
High Yield (03/31/86)	23.98%	7.57%	10.17%	10.20%
MacKay Shields (10/31/00)	21.17%	6.94%	10.31%	9.76%
ML High Yield Cash Pay Index	23.46%	7.25%	8.54%	7.75%
MacKay Shields - Net (12/31/04)	20.79%	6.59%	-	6.84%
Pyramis (07/31/86)	27.02%	8.23%	10.06%	9.93%
ML High Yield Cash Pay Index	23.46%	7.25%	8.54%	8.69%
Pyramis - Net (12/31/04)	26.55%	7.80%	-	7.70%

Real Estate Returns

The table below details the rates of return for the fund's real estate opportunistic, real estate core, and real estate value added 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 December 31, 2011

	Last Month	Last 3 Months	Year to Date
Real Estate Opportunistic (03/31/99)	0.33%	0.27%	3.52%
F. Templeton EMREFF (08/31/11)	(0.01%)	(5.94%)	-
Blended Benchmark*	1.17%	3.55%	15.64%
Lazard Freres (07/31/98)	0.00%	(5.37%)	(2.12%)
Blended Benchmark*	1.17%	3.55%	15.64%
Olympus RE Fund II (05/31/98)	(4.90%)	(1.52%)	(7.05%)
Blended Benchmark*	1.17%	3.55%	15.64%
Security (10/31/97)	0.92%	2.68%	2.43%
Blended Benchmark*	1.17%	3.55%	15.64%
Dune Real Estate Fund II (01/31/09)	0.00%	4.07%	18.29%
Blended Benchmark*	1.17%	3.55%	15.64%
Real Estate Core (03/31/99)	0.37%	3.90%	13.97%
BlackRock Granite Fund (07/31/07)	0.00%	0.90%	14.23%
Blended Benchmark*	1.17%	3.55%	15.64%
Buckhead (07/31/95)	0.00%	4.02%	13.78%
Blended Benchmark*	1.17%	3.55%	15.64%
Cornerstone (06/30/11)	0.00%	3.40%	-
Blended Benchmark*	1.17%	3.55%	15.64%
INVESCO (04/30/2011)	2.26%	2.26%	-
RE Blended Benchmark	1.17%	3.55%	15.64%
Sentinel (09/30/85)	0.00%	9.57%	22.42%
Blended Benchmark*	1.17%	3.55%	15.64%
Real Estate Value Added (09/30/08)	(0.21%)	1.80%	12.03%
Cornerstone Fund VIII (09/30/11)	0.00%	(1.30%)	-
Blended Benchmark*	1.17%	3.55%	15.64%
Rockwood (03/31/09)	0.00%	3.06%	25.91%
Blended Benchmark*	1.17%	3.55%	15.64%
Almanac Realty (09/30/08)	(0.82%)	1.66%	2.75%
Blended Benchmark*	1.17%	3.55%	15.64%
TA - Fund IX (04/30/10)	0.00%	2.43%	14.06%
Blended Benchmark*	1.17%	3.55%	15.64%

Returns are reported net of fee for all real estate managers. Returns are derived from incomplete data.

* The Blended Benchmark is currently NPI + 1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%. As the returns of the NPI are updated quarterly, an approximation of the Index is used during the first two months of each quarter.

Real Estate Returns

The table below details the rates of return for the fund's real estate opportunistic, real estate core, and real estate value added 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 December 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Real Estate Opportunistic (03/31/99)	13.26%	(0.31%)	8.81%	8.42%
F. Templeton EMREFF (08/31/11)	-	-	-	(5.94%)
Blended Benchmark*	3.54%	4.16%	5.91%	4.76%
Lazard Freres (07/31/98)	0.75%	5.17%	6.49%	(0.01%)
Blended Benchmark*	3.54%	4.16%	5.91%	6.26%
Olympus RE Fund II (05/31/98)	(19.82%)	(15.24%)	(10.93%)	(7.82%)
Blended Benchmark*	3.54%	4.16%	5.91%	6.28%
Security (10/31/97)	28.03%	0.57%	13.53%	13.40%
Blended Benchmark*	3.54%	4.16%	5.91%	6.26%
Dune Real Estate Fund II (01/31/09)	(11.14%)	-	-	(11.14%)
Blended Benchmark*	3.54%	4.16%	5.91%	3.54%
Real Estate Core (03/31/99)	(5.80%)	(0.51%)	4.07%	5.61%
BlackRock Granite Fund (07/31/07)	(15.50%)	-	-	(9.43%)
Blended Benchmark*	3.54%	4.16%	5.91%	2.68%
Buckhead (07/31/95)	(1.47%)	4.61%	7.93%	10.14%
Blended Benchmark*	3.54%	4.16%	5.91%	6.42%
Cornerstone (06/30/11)	-	-	-	3.40%
Blended Benchmark*	3.54%	4.16%	5.91%	7.21%
INVESCO (04/30/2011)	-	-	-	10.60%
Blended Benchmark*	3.54%	4.16%	5.91%	11.66%
Sentinel (09/30/85)	(4.75%)	(2.78%)	3.03%	4.42%
Blended Benchmark*	3.54%	4.16%	5.91%	7.18%
Real Estate Value Added (09/30/08)	0.57%	-	-	(7.71%)
Cornerstone Fund VIII (09/30/11)	-	-	-	(1.30%)
Blended Benchmark*	3.54%	4.16%	5.91%	4.76%
Rockwood (03/31/09)	-	-	-	(65.17%)
Blended Benchmark*	3.54%	4.16%	5.91%	5.54%
Almanac Realty (09/30/08)	7.46%	-	-	(2.04%)
Blended Benchmark*	3.54%	4.16%	5.91%	0.64%
TA - Fund IX (04/30/10)	-	-	-	5.29%
Blended Benchmark*	3.54%	4.16%	5.91%	16.50%

Returns are reported net of fee for all real estate managers. Returns are derived from incomplete data.

* The Blended Benchmark is currently NPI + 1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%. As the returns of the NPI are updated quarterly, an approximation of the Index is used during the first two months of each quarter.

Alternative Investments Return

The table below details the rates of return for the fund's absolute return, private equity, agriculture, and timberland 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 December 31, 2011

	Last Month	Last 3 Months	Year to Date
Absolute Return (12/31/01)	(0.62%)	(0.21%)	(4.28%)
Aurora (10/31/01)	(0.36%)	0.42%	(5.43%)
Alternatives Custom Benchmark*	0.72%	2.18%	9.00%
HFR Fund-of-Funds Index	(0.31%)	(0.26%)	(5.51%)
Grosvenor (01/31/02)	(0.48%)	0.51%	(3.24%)
Alternatives Custom Benchmark*	0.72%	2.18%	9.00%
HFR Fund-of-Funds Index	(0.31%)	(0.26%)	(5.51%)
Mesirow (01/31/02)	(1.05%)	(1.64%)	(3.95%)
Alternatives Custom Benchmark*	0.72%	2.18%	9.00%
HFR Fund-of-Funds Index	(0.31%)	(0.26%)	(5.51%)
Private Equity (01/31/86)	(1.03%)	(3.62%)	12.33%
Abbott (06/30/87)	(1.56%)	(4.05%)	13.43%
Alternatives Custom Benchmark*	0.72%	2.18%	9.00%
Abbott - Net (12/31/04)	(1.56%)	(4.17%)	12.90%
Muller & Monroe ILPEFF (06/30/05)	0.00%	(0.58%)	2.26%
Alternatives Custom Benchmark*	0.72%	2.18%	9.00%
Muller & Monroe MPEFF (04/30/08)	(0.02%)	(4.69%)	11.10%
Alternatives Custom Benchmark*	0.72%	2.18%	9.00%
Pantheon (10/31/00)	(0.27%)	(3.00%)	11.33%
Alternatives Custom Benchmark*	0.72%	2.18%	9.00%
Pantheon - Net (12/31/04)	(0.27%)	(3.13%)	10.90%
Agriculture (09/30/97)	9.76%	9.64%	9.70%
Cozad/Westchester (09/30/97)	9.76%	9.64%	9.70%
Blended Benchmark**	1.17%	3.55%	15.64%
Timberland (09/30/92)	0.00%	0.52%	4.08%
Forest Investment Assoc. (09/30/92)	0.00%	0.52%	4.08%
Blended Benchmark**	1.17%	3.55%	15.64%

Returns are reported net of fee ex Abbott and Pantheon. Returns are derived from incomplete data.

* 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%.

** The Blended Benchmark is currently NPI + 1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index + 5%. As the returns of the NPI are quarterly, an estimate is used during the first two months of each quarter.

Alternative Investments Return

The table below details the rates of return for the fund's absolute return, private equity, agriculture, and timberland 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 December 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Absolute Return (12/31/01)	5.41%	0.95%	4.35%	4.32%
Aurora (10/31/01)	6.19%	1.98%	5.67%	5.74%
Alternatives Custom Benchmark*	10.49%	11.09%	11.94%	12.01%
HFR Fund-of-Funds Index	3.64%	(0.71%)	3.27%	3.43%
Grosvenor (01/31/02)	5.54%	0.90%	4.24%	4.24%
Alternatives Custom Benchmark*	10.49%	11.09%	11.94%	11.94%
HFR Fund-of-Funds Index	3.64%	(0.71%)	3.27%	3.27%
Mesirow (01/31/02)	4.41%	(0.15%)	4.15%	4.15%
Alternatives Custom Benchmark*	10.49%	11.09%	11.94%	11.94%
HFR Fund-of-Funds Index	3.64%	(0.71%)	3.27%	3.27%
Private Equity (01/31/86)	4.40%	7.58%	7.93%	13.27%
Abbott (06/30/87)	3.89%	7.22%	7.95%	14.36%
Alternatives Custom Benchmark*	10.49%	11.09%	11.94%	13.75%
Abbott - Net (12/31/04)	3.38%	6.74%	-	10.76%
Muller & Monroe ILPEFF (06/30/05)	0.94%	(2.63%)	-	(11.40%)
Alternatives Custom Benchmark*	10.49%	11.09%	11.94%	11.31%
Muller & Monroe MPEFF (04/30/08)	3.40%	-	-	(2.59%)
Alternatives Custom Benchmark*	10.49%	11.09%	11.94%	10.79%
Pantheon (10/31/00)	5.70%	8.62%	10.31%	8.35%
Alternatives Custom Benchmark*	10.49%	11.09%	11.94%	12.28%
Pantheon - Net (12/31/04)	5.25%	8.14%	-	13.59%
Agriculture (09/30/97)	5.06%	4.01%	6.88%	6.08%
Cozad/Westchester (09/30/97)	5.06%	4.01%	6.88%	6.08%
Blended Benchmark**	3.54%	4.16%	5.91%	6.27%
Timberland (09/30/92)	1.42%	7.09%	4.66%	9.45%
Forest Investment Assoc. (09/30/92)	1.42%	7.09%	4.66%	9.45%
Blended Benchmark**	3.54%	4.16%	5.91%	6.62%

Returns are reported net of fee ex Abbott and Pantheon. Returns are derived from incomplete data.

* 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%.

** The Blended Benchmark is currently NPI + 1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index + 5%. As the returns of the NPI are quarterly, an estimate is used during the first two months of each quarter.



Illinois Municipal Retirement Fund Manager Summary For Month Ending December 31, 2011

Five Best Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Outperformance (in % points)	Since Inception Outperformance (in % points)	
Rockwood	10.27	-70.71	(03/31/09)
William Blair Intl SC	8.00	5.74	(08/31/10)
Sentinel Real Estate	6.78	-2.76	(09/30/85)
Fortaleza	5.83	-0.61	(11/30/06)
Abbot	4.42	0.61	(06/30/87)

Five Worst Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Underperformance (in % points)	Since Inception Underperformance (in % points)	
Lazard Freres	-17.76	-6.27	(07/31/98)
Aurora	-14.43	-14.43	(10/31/01)
Security	-13.21	-13.21	(10/31/97)
Mesirow	-12.95	-7.79	(01/31/02)
Almanac Realty	-12.89	-2.68	(09/30/08)

Five Highest Returning Portfolios

Manager	Year-to-Date Return (in % points)	Since Inception Return (in % points)	
Rockwood	25.91	-65.17	(03/31/09)
Sentinel Real Estate	22.42	4.42	(09/30/85)
Dune	18.29	-11.14	(01/31/09)
BlackRock Granite	14.23	-9.43	(07/31/07)
TA Associates - Fund IX	14.06	5.29	(04/30/10)

Five Lowest Returning Portfolios

Manager	Year-to-Date Return (in % points)	Since Inception Return (in % points)	
Genesis	-15.04	14.99	(04/30/04)
McKinley Capital	-14.76	-2.10	(02/28/06)
Brown	-14.03	5.68	(09/30/04)
William Blair Intl LC	-13.14	8.65	(09/30/02)
NTGI - MSCI EAFE	-11.76	0.88	(01/31/00)

Returns are shown gross of investment management fees with the exception of Real Estate and Alternative Investments (ex Abbott and Pantheon)

(12-01-03) (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 #11-12-16

Schedules - Dated January 27, 2012

- Schedule A - Benefit award listing of retirement, temporary disability, death benefits, and refund of employee contributions processed during the preceding calendar month under Article 7 of the Illinois Pension Code.
- Schedule B - Adjustment of Benefit Awards showing adjustments required in benefit awards and the reasons therefore.
- Schedule C - Benefit Cancellations.
- Schedule D - Expiration of Temporary Disability Benefits terminated under the provisions of Section 7-147 of the Illinois Pension Code.
- Schedule E - Total and Permanent Disability Benefit Awards recommended by the Fund's medical consultants as provided by Section 7-150 of the Illinois Pension Code.
- Schedule F - Benefits Terminated.
- Schedule G - Administrative Benefit Denials.
- Schedule P - Administrative Denial of Application for Past Service Credit.
- Schedule S - Prior Service Adjustments

Administration - Master Trustee Report

The Master Trustee Report for the month of November was prepared by The Northern Trust Company.

Bids (4)

One High Speed Black and White Digital Copier/Printer

Approved Bidder: Konica Minolta

Approved Bid: \$61,646.43

One High Speed Color Digital Copier/Printer

Approved Bidder: Imagetec, LP

Approved Bid: \$52,975.57

Two Digital Network Connected Copier/Printers
Approved Bidder: Canon
Approved Bid: \$20,534.20

After questions and discussion, it was moved by Ms. Faklis, seconded by Ms. Thompson to approve the items on the Consent Agenda.

Vote:

Aye: Faklis, Piechocinski, Stafford Thompson, Henry
Nay: None
Abstain: Nannini
Absent: Copper

(12-01-04) (Financial Report) The Chair presented the following financial report for approval.

- Review of January Reporting Package

It was moved by Ms. Faklis, seconded by Ms. Thompson, to approve the Financial Report as presented.

Vote: Unanimous Voice Vote
Absent: Copper

(12-01-05) (Financial Report) The Chair presented the following financial report for approval.

- November Interim Financial Statements

It was moved by Ms. Faklis, seconded by Ms. Thompson, to approve the Financial Report as presented.

Vote: Unanimous Voice Vote
Absent: Copper

(12-01-06) (Financial Report) The Chair presented the following financial report for approval.

- Impact of 2011 Estimated Investment Income on Employer Reserves, Funding Status and Average Employer Contribution Rate

It was moved by Ms. Thompson, seconded by Mr. Stafford, to approve the Financial Report as presented.

Vote: Unanimous Voice Vote
Absent: Copper

(12-01-07) (Financial Reports) The Chair presented the following financial reports for approval.

- Impact of 2012 Year-To-Date Investment Income on Employer Reserves, Funding Status and Average Employer Contribution Rate
- Schedule T - Report of Expenditures

It was moved by Ms. Thompson, seconded by Ms. Faklis, to approve the Financial Reports as presented.

Vote: Unanimous voice Vote
Absent: Copper

(12-01-08) (Changing Amortization Method for Unfunded Liability) The Chief Financial Officer stated as part of the Triennial Experience Study 2008-2010 that was presented at the December 16, 2011 Board Meeting, Gabriel, Roeder, Smith & Company recommended IMRF change its amortization period from an open method to a closed method for taxing bodies.

He further noted that the Board deferred taking any action until additional information was presented showing the impact on employers.

The Chief Financial Officer noted the change in the amortization method would be consistent with IMRF's 2011-2013 Strategic Plan as it relates to our financial strength and sustainability.

After questions and discussion, it was moved by Ms. Faklis, seconded by Ms. Thompson, to adopt the recommendation from Gabriel, Roeder, Smith & Company to change the amortization method for taxing bodies from the current 30 year open (rolling) method to a 30 year closed method until the period reaches 15 years, at which point it would be converted to a 15 year rolling period.

Vote:

Aye: Faklis, Nannini, Piechocinski, Thompson, Henry
Nay: Stafford
Absent: Copper

(12-01-09) (Appointment of 2012 Board Committees) The Chair proposed the following Committees for 2012:

Audit Committee

Mark Nannini, Chair
Bill Stafford, Vice Chair
Gwen Henry
Sharon U. Thompson

Benefit Review Committee

Ruth Faklis, Chair
Natalie Copper, Vice Chair
Gwen Henry
John Piechocinski

Investment Committee

Bill Stafford, Chair
Mark Nannini, Vice Chair
Natalie Copper
Gwen Henry
John Piechocinski
Sharon U. Thompson

Legislative Committee

Sharon U. Thompson, Chair
John Piechocinski, Vice Chair
Natalie Copper
Ruth Faklis
Gwen Henry

It was moved by Ms. Thompson, seconded by Mr. Piechocinski, to approve the above 2012 Committees.

Vote: Unanimous Voice Vote
Absent: Copper

(12-01-10) (Employee Trustee Vacancy) The Executive Director provided Board Members with options for filling the current Board vacancy that was created with Marvin R. Shoop, Jr.'s departure from the Board on December 31, 2011. The Board needs to appoint someone to fill his vacancy for 2012. An election will be held in the Fall for the remainder of his term (January 1, 2013 through December 31, 2015).

After questions and discussion, it was moved by Ms. Thompson to appoint the individual who has expressed an interest in running in the Fall 2012 Employee Trustee Election to fill the Board vacancy for the remainder of 2012.

The motion failed due to lack of a second.

After further questions and discussion, it was moved by Ms. Faklis, seconded by Mr. Stafford, to have the Executive Director contact former employee trustee candidates, along with an individual who expressed an interest in running in the Fall 2012 Employee Trustee Election. Furthermore, the Executive Director will request any interested candidate provide the Board with a resume, and be available for an interview on February 23, 2012.

Vote: Unanimous Voice Vote
Absent: Copper

(12-01-11) (Amendment to Board Charter) The Executive Director presented an amended Board Charter for approval.

He stated the current Board Charter does not address appointments of trustees to the Board when a vacancy arises.

It was moved by Ms. Thompson, seconded by Mr. Nannini, to adopt the following Board Charter as amended.

BOARD CHARTER

The Board of Trustees was established under State law to govern and administer IMRF. The Board has those powers and duties delegated to it by the Illinois General Assembly and which may be reasonably inferred from the statute or general trust law to carry out its purpose. Within this role, the Trustees have a duty as fiduciaries under the law to act solely for the benefit of members and beneficiaries (known as the Exclusive Benefit Rule).

The Board views itself as being primarily a policy-making and governance body. By operation of law, the Board shall appoint an Executive Director to manage the office and to carry out the technical administrative duties of the Fund subject to ongoing monitoring and oversight. The Board does not engage in regular day-to-day management functions at IMRF.

Each Trustee is elected for a term of five years unless appointed or elected to fill a vacancy. If elected, the term of office begins January 1st of the year following election. If appointed to fill a vacancy, the term begins as specified by the Board of Trustees. A Trustee is disqualified immediately upon termination of employment, whether or not such termination is contested, or upon any change in status which qualified the Trustee for election. A Trustee may resign upon providing written notice to the Board President or Board Vice President.

The Board shall fill vacancies as is practicable consistent with their fiduciary duties. If a vacancy occurs more than 2 years before the end of the term, and if the vacancy is filled, it is filled until the next normal election date of Trustees. If the remaining term is less than 2 years, then the position, if filled, is filled until the next normal election date.

When filling a vacancy, the Board, as a general rule, shall solicit resumes from the appropriate electorate for the Board vacancy which has occurred (executive, employee, annuitant). If the vacancy is for a period of less than twelve months, the Board may adopt other procedures, such as (but not limited to) interviewing former trustees or former candidates which have run in elections for that trustee position.

Board officers include a President, Vice President and Secretary. They are elected by a majority vote of Trustees each December to take office January 1st for a one-year term. Officers are nominated by a Committee consisting of the Board President, Vice-President and Secretary. Additional nominations can be introduced by any trustee at the time for a vote.

Officers can be removed for any reason by a majority vote. Vacancies in an office are to be filled at the Board Meeting next after the vacancy occurs. Officers are limited to two consecutive one-year terms.

Vote: Unanimous Voice Vote
Absent: Copper

(12-01-12) (Fiduciary Liability Insurance) General Counsel discussed the feasibility of obtaining a fiduciary liability insurance policy for the Board. IMRF dropped its fiduciary liability insurance policy in 1997, when the Board retained fiduciary counsel.

She stated since new insurance brokers were retained in 2010, they were asked to obtain quotes for fiduciary liability coverage as part of a review of IMRF's entire insurance program.

After questions and discussion, it was moved by Ms. Faklis, seconded by Mr. Stafford, to obtain fiduciary liability coverage from Chubb with a \$5 million policy with a \$500,000 deductible.

Vote:
Aye: Faklis, Nannini, Piechocinski, Stafford, Thompson
Nay: None
Absent: Copper

(12-01-13) (Legislative Update) The Legislative Liaison updated the Board on current legislative activity.

She reported House Bill 3813 was signed into law on January 4, 2012. One provision in this bill that affects IMRF is the requirement that the Board and Chief Executive Officer of all funds and the State Board of Investments must report any reasonable suspicion of fraudulent statements or records being filed or accepted with the fund or board.

Lastly, the Legislative Liaison noted the spring 2012 legislative session is scheduled to begin on January 31, 2012.

Discussion followed.

(12-01-14) (Litigation Update) The following is an update of the currently pending litigation:

STEVENS vs. VILLAGE OF OAK BROOK, et al.

Summary: An IMRF annuitant has filed suit against his former employer seeking a determination that he is entitled to Omitted Service credits for the years 1980 through 2000. The employer had previously determined that the member was not entitled to establish such credits for the period in question.

Status: Oral argument on Motion to Clarify set for January 26, 2012.

VRAKAS, et al. v. COUNTY OF WILL, et al.

Summary: Fifty-eight (58) full-time correctional deputies, sergeants and lieutenants have sued Will County seeking a determination that they were "sheriff's law enforcement employees" with respect to their pre-December 1, 2005 enrollments, as such, in IMRF.

Status: Plaintiff's have filed a motion for summary judgment. Defendants have responded.

WABASH COUNTY, ILLINOIS vs. IMRF, et al.

Summary: Board dismissed an employer's "Request for Correction of Records".

Status: BRC hearing on remaining procedural issues will be on April 26, 2012. Briefs are due by March 9, 2012. Status with Circuit court on June 1, 2012.

BOARD OF ED. OF JOLIET TOWNSHIP H.S. DIST. 204, et. al. v. IMRF, et.al.

Summary: This is an administrative review of a return to work case regarding three administrative employees of the District who went back to work for the District after their respective retirements.

Status: Plaintiff's brief due March 9, 2012, IMRF brief due May 9, 2012. Hearing May 22, 2012.

IMRF v. DIANE WILLIAMS-EASTERN, et al.

Summary: This is an interpleader action filed by IMRF asking the court to determine to whom and in what amounts the death benefits of Robert Eastern Jr. should be paid.

Status: Venue transferred to St. Clair county, awaiting notice from court and future date.

JOSEPH PRAZEN v. IMRF

Summary: This is an administrative review action involving an ERI return to work situation.

Status: Notice of Appeal to the Fourth District Appellate Court filed on January 12, 2012.

LIARAKOS V. IMRF

Summary: Appeal of denial of total and permanent disability.

Status: Status set on January 31, 2012, Courtroom 2007, Wheaton, Illinois.

(12-01-15) (Report of Executive Director)

Investments

The market value of the Fund's investment portfolio, including short-term investments, but excluding disposition costs, totaled \$24.7 billion on November 30, 2011. This was a decrease of \$348.7 million from the market value as of October 31, 2011.

Fixed income investments of \$2,592.1 million were made in November. The market value of fixed income investment managers totaled \$6,691.5 million.

Domestic equity investments of \$160.4 million were made in November. The market value of domestic equity investment managers totaled \$10,049.7 million.

International equity investments of \$674.3 million were made in November. The market value of international equity investment managers totaled \$5,909.8 million.

The market value of real estate investment managers totaled \$716.5 million.

The market value of alternative investment managers totaled \$1,003.3 million.

The market value of cash equivalents totaled \$327.4 million.

4th Quarter 2011 Strategic Objectives Update

The Executive Director updated the Board on the fourth quarter 2011 strategic objectives.

Quarterly Compliance Certification

The Executive Director reported IMRF has been in compliance with the applicable Statutes and Regulations and the IMRF Ethics Code and Travel Policy during the 4th quarter 2011.

Representation of IMRF

The Executive Director reviewed the meetings and other events that he attended, as a representative of IMRF, since his December report.

(12-01-16) (Adjournment) It was moved by Ms. Faklis, seconded by Mr. Nannini, to adjourn the Board Meeting at 10:30 a.m., to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, Illinois, at 9:00 a.m. on February 24, 2012.

Vote: Unanimous Voice Vote

Absent: Copper

President

Date

Secretary

Date

Schedules A, B, C, D, E, F, G, P and S are omitted from this copy of Minutes. These schedules are identical to schedules attached to Minutes distributed to Board of Trustees prior to meeting.