

ILLINOIS MUNICIPAL RETIREMENT FUND
MINUTES OF
REGULAR MEETING NO. 14-08
AUGUST 22, 2014

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 14-08

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:00 a.m., on Friday, August 22, 2014, in the Fund Office at 2211 York Road, Suite 400, Oak Brook, Illinois.

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

Ms. Enright called the roll:

Present: Stanish, Stulir, Thompson, Copper, Henry, Kuehne, Piechocinski
Absent: Stafford

Ms. Becker-Wold and Mr. Ball from Callan Associates, Ms. Widlus from Seyfarth Shaw LLP, Ms. Cullins and Ms. Callion from Hewitt EnnisKnupp, Ms. Hartford from CEM Benchmarking, a representative from Bateman Law Offices along with a court reporter and representatives from Loop Capital and Topeka Capital Markets were also present.

(14-08-01)(2nd Quarter Investment Performance Report) Ms. Becker-Wold of Callan Associates presented an evaluation of IMRF's investment performance for the period ending June 30, 2014.

The report was followed by discussion from Board Members.

(14-08-02) (Investment Manager Activities - Callan Associates) Mr. Ball of Callan Associates presented the following report to the Board on the activities of IMRF's investment managers for the month of July 2014:

July 31, 2014



**Illinois Municipal
Retirement Fund
Monthly Performance Report**

**Investment Measurement Service
Monthly Review**

The following report was prepared by Callan Associates Inc. ("CAI") using information from sources that include the following: fund trustee(s); fund custodian(s); investment manager(s); CAI computer software; CAI investment manager and fund sponsor database; third party data vendors; and other outside sources as directed by the client. CAI assumes no responsibility for the accuracy or completeness of the information provided, or methodologies employed, by any information providers external to CAI. Reasonable care has been taken to assure the accuracy of the CAI database and computer software. 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 2014 by Callan Associates Inc.

Major Market Returns

Returns

for Periods Ended July 31, 2014

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	(1.99)	4.83	16.24	16.55	17.16	8.59
Russell:1000 Index	(1.62)	5.53	17.06	16.84	17.13	8.40
Russell:Midcap Index	(2.95)	5.46	16.36	16.36	19.30	10.59
Russell:2000 Index	(6.05)	(3.06)	8.56	13.59	16.56	8.78
MSCI:ACWI ex-US (Net)	(0.99)	4.51	15.48	5.86	8.84	7.96
MSCI:EAFE US\$	(1.97)	2.72	15.07	7.96	9.40	7.07
MSCI:Emer Markets	2.02	8.46	15.72	0.74	7.68	12.72
Barclays:Aggregate Index	(0.25)	3.66	3.97	3.04	4.47	4.80
NCREIF:ODCE Index	0.97	6.55	12.54	12.38	10.78	7.13
NAREIT Equity Index	0.03	17.70	12.18	11.28	21.09	9.58

July was set to become the sixth consecutive month of gains for U.S. equities, but on the last day of trading markets sold off sharply pushing them into negative territory. Weak earnings coupled with the possibility of a government default in Argentina soured investor sentiment. Non-U.S. equity lead U.S. equity returning -1.0% and -2.0%, respectively. Fixed income was also negative, dropping 25 basis points for the month.

Second quarter GDP (+4.0%) rebounded sharply after a disappointing contraction during the first quarter. Economic growth was aided by consumers emerging from a particularly harsh winter; an environment that yielded increased spending on durable goods such as cars and appliances in addition to expanding business inventories.

The Fed announced it would scale back quantitative easing by cutting monthly purchases to \$25 billion in August and at the current pace the program will wind down by October. A total of 209,000 jobs were added to payrolls during July marking the sixth consecutive month of over 200,000 job gains. The unemployment rate ticked up to 6.2% primarily due to an increase in the labor force participation rate.

The Eurozone continues to face economic headwinds with GDP growth stagnating in the second quarter at 0.2%. Italy, Germany and France slid into recession as their economies contracted 0.8%, 0.6% and 0.1%, respectively. Unemployment remains elevated at 11.5% and inflation ticked down to 0.4%, far below the European Central Bank's target of 2.0%. Lastly, sanctions between the Eurozone and Russia may dampen already weak growth in both regions.

*Due to a lag in the reporting of NCREIF Property Index returns, the monthly return shown is deduced from the most recent quarterly return. This monthly return, when compounded over three months, equates to the quarterly return.

U.S. Equity Overview

Returns

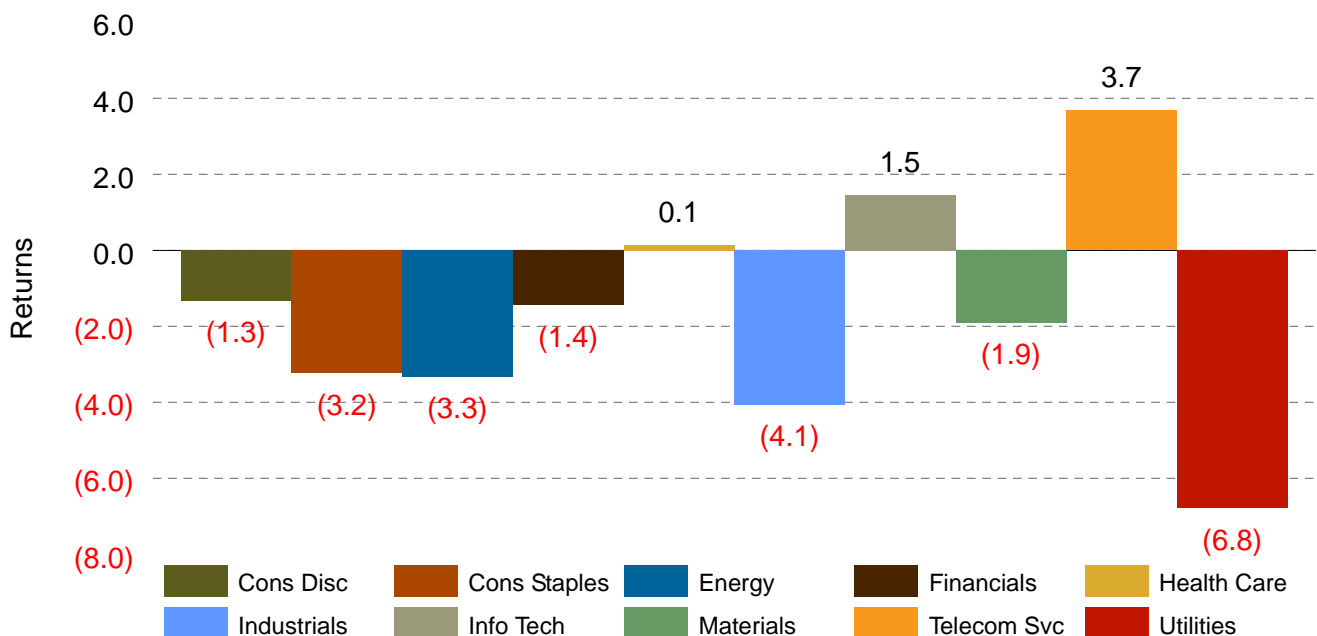
for Periods Ended July 31, 2014

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	(1.99)	4.83	16.24	16.55	17.16	8.59
Russell:1000 Index	(1.62)	5.53	17.06	16.84	17.13	8.40
Russell:1000 Growth	(1.53)	4.68	18.69	16.05	17.25	8.66
Russell:1000 Value	(1.70)	6.43	15.47	17.56	16.97	7.99
Russell:Midcap Index	(2.95)	5.46	16.36	16.36	19.30	10.59
Russell:2000 Index	(6.05)	(3.06)	8.56	13.59	16.56	8.78
Russell:2000 Growth	(6.06)	(3.97)	8.93	13.63	17.24	9.39
Russell:2000 Value	(6.05)	(2.10)	8.18	13.55	15.83	8.07

U.S. markets sank in July (-2.0%) sending year-to-date returns down to 4.8%. Telecom Services, IT and Health Care were the only sectors in the black with gains of 3.7%, 1.5% and 0.1%, respectively. Utilities trailed all other sectors (-6.8%) followed by Industrials (-4.1%).

In the small cap space value outperformed growth by a basis point. Year-to-date returns for small cap stocks (Russell 2000 Index: -3.1%) trail mid caps (Russell Midcap Index: 5.5%) and large caps (Russell 1000 Index: 5.5%).

S&P 500 Sector Returns for 1 Month Ended July 31, 2014



Returns
for Periods Ended July 31, 2014

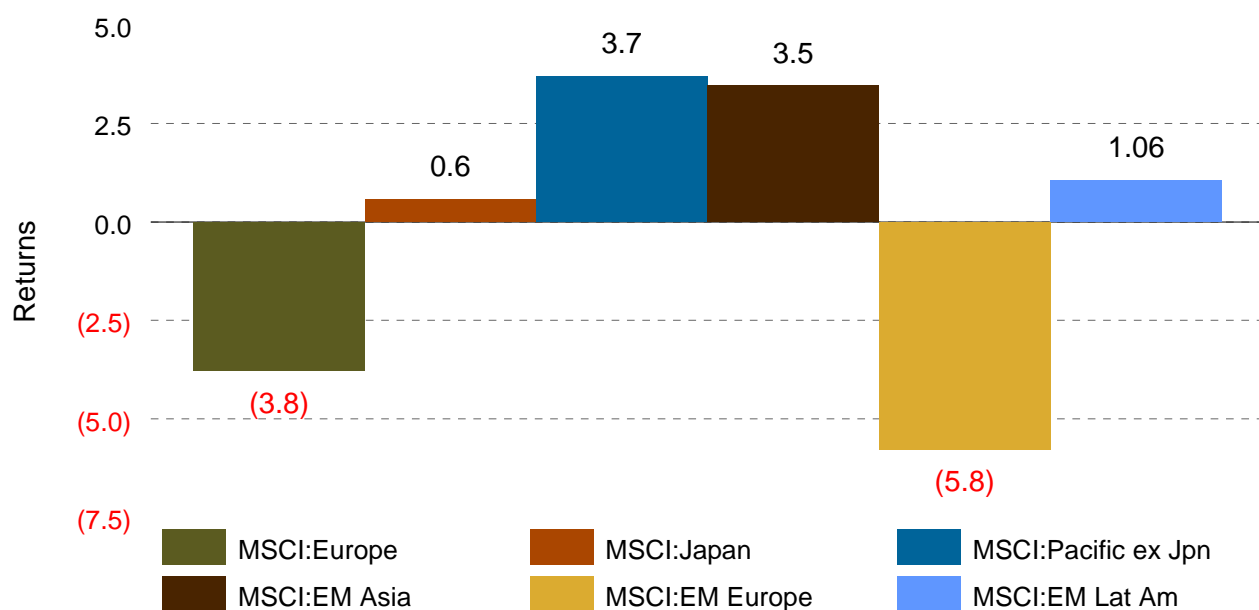
Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
MSCI:ACWI ex-US (Net)	(0.99)	4.51	15.48	5.86	8.84	7.96
MSCI:ACWI ex US Gr	(1.44)	3.53	13.79	5.52	9.47	8.27
MSCI:ACWI ex US Val	(0.50)	6.22	18.19	7.14	9.12	8.56
MSCI:EAFE US\$	(1.97)	2.72	15.07	7.96	9.40	7.07
MSCI:EAFE Hedged	(0.23)	1.05	9.81	8.52	6.22	3.70
MSCI:Emer Markets	2.02	8.46	15.72	0.74	7.68	12.72
MSCI:ACWI ex-US Sm Cap (Net)	(1.89)	5.21	17.85	6.22	12.10	10.03

Non-U.S. equities led U.S. equities in July (MSCI ACWI ex-U.S. (Net): -1.0%), but over the last year foreign stocks underperformed domestic stocks by 0.8%. A stronger dollar hurt returns for the month as hedged returns led dollar returns by 1.7%. Small caps (MSCI ACWI ex-U.S. Small Cap (Net) Index: -1.9%) trailed the broader market.

Major international regional performance was mixed in July. Developed Pacific markets excluding Japan and emerging markets in Asia lead all regions returning 3.7% and 3.5%, respectively. Emerging markets in Europe lagged all other regions (-5.8%) followed by developed European countries (-3.8%).

Emerging markets continue to climb, gaining 2.0% during the month and 8.5% year-to-date. Over the last ten years, emerging markets outpaced U.S. (Russell 3000 Index) and developed non-U.S. equities (MSCI EAFE Index) by 4.3% and 5.7%, respectively.

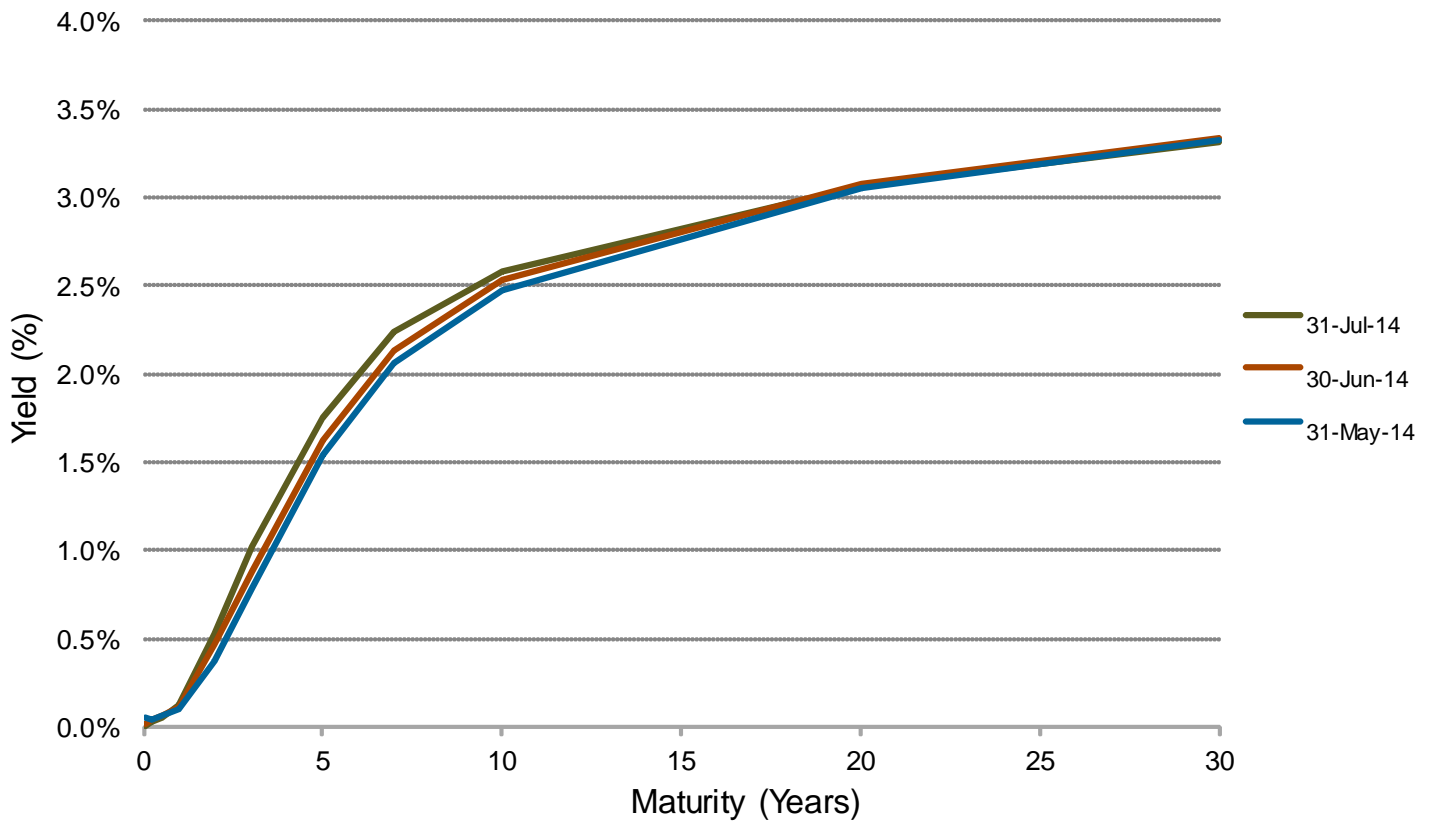
Regional Returns for 1 Month Ended July 31, 2014



Returns
for Periods Ended July 31, 2014

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Barclays:Aggregate Index	(0.25)	3.66	3.97	3.04	4.47	4.80
Barclays:Govt Index	(0.16)	2.50	2.01	2.26	3.33	4.32
Barclays:Credit	(0.04)	5.65	6.64	5.03	6.84	5.71
Barclays:Mortgage Idx	(0.59)	3.42	4.14	2.29	3.63	4.79
Barclays:US TIPS Index	0.03	5.86	3.71	2.25	5.54	5.15
ML:High Yield CP Idx	(1.33)	4.15	8.20	8.31	12.18	8.53
3 Month T-Bill	0.00	0.02	0.05	0.08	0.11	1.62

Treasury Yield Curve

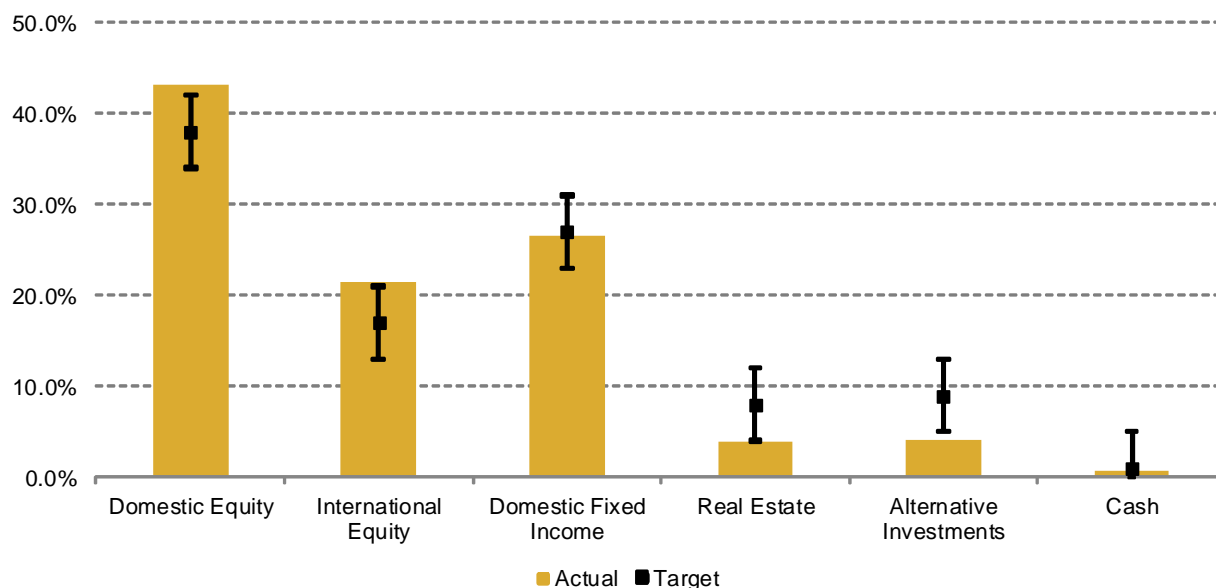


The Barclays Aggregate Bond index was negative for July (-0.3%), but remains in positive territory year-to-date (+3.7%). Yields on the intermediate end of the curve rose slightly and the 10-year Treasury yield increased five basis points to 2.58%. Inflation protected securities eked out a three basis point gain to lead all sectors while high yield bonds (-1.3%) trailed their counterparts. Inflation protected securities (Barclays TIPS Index: 5.9%) have outperformed the broader market year-to-date. All sectors are positive year-to-date and over the trailing year.

Total Fund

Total Fund assets at the end of July were \$34.18 billion, down from \$34.79 billion at the end of June. The Fund fell 1.55% for the month, underperforming the benchmark return by 69 basis points. All public asset classes underperformed their respective benchmarks. Over the last year, the fund is up 12.68% leading the benchmark by 0.95%.

Current policy states that when the actual allocations of the asset classes differ by more than four percentage points from their policy targets, a recommendation for rebalancing will be made to the Board of Trustees. As of July 31, U.S. and Non-U.S. equity exceeded their target allocations by 5.2% and 4.5%, respectively. All other asset classes were within the allowable range. The Chief Investment Officer and Consultant do not recommend any rebalancing at this time.



U.S. Equity

The U.S. equity composite fell 2.51%, relative to the -1.99% return for the Dow Jones U.S. Total Stock Market Index (DJTSMI). In both large and small caps, growth outperformed value. The smaller capitalization bias detracted for the month as large cap stocks outperformed small caps.

Large Cap: In aggregate, the Fund's large cap managers returned -1.17% and led the Russell 1000 Index by 0.45%. Growth outperformed value with a return of -0.67% and outperformed the Russell 1000 Growth Index by 86 basis points. Sands was the best performing growth manager, gaining 0.68%. Value portfolios collectively returned -1.18% outperforming their benchmark for the month by 52 basis points. Dodge and Cox was the best performing value manager with a return of -0.98%.

Small Cap: The Small Cap portfolio fell 6.01% outperforming the Russell 2000 Index by 0.04%. Small Cap Growth and Value returned -5.47% and -5.83%, respectively. Pyramis was the best performing small cap growth manager and Lombardia was the best in value. The Micro Cap segment fell 7.35% in July. Ativo was the top performer in the micro-cap segment returning -4.11% for the month.

International Equity

In July, the MSCI ACWI ex-U.S. (Net) Index outperformed the DJTSMI and the IMRF international equity composite led its U.S. equity counterpart. In aggregate, international equity managers returned -1.49%, behind the -0.99% return of the benchmark. Genesis was the most impressive international manager gaining 1.41%. Emerging market equities bolstered international returns while small cap stocks detracted.

Large Cap: International Large Cap managers fell 1.67%. This return was 68 basis points behind the MSCI ACWI ex-U.S. (Net) Index. International Large Cap Growth returned -0.81% with Earnest Partners performing best (-0.44%). International Large Cap Value returned -2.08% for the month. Brandes (-1.93%) led all other value managers. The Large Cap Active Core Group fell 1.54% in July with Progress providing the strongest performance (-0.63%).

International Small Cap and Emerging Markets: The International Small Cap managers returned -2.48% and underperformed the ACWI Small Cap ex-U.S. Index by 59 basis points. The emerging markets portfolio, managed by Genesis, rose 1.41% during July, but underperformed the MSCI Emerging Markets Index by 61 basis points.

U.S. Fixed Income

For the month, the total fixed income portfolio returned -0.44% (behind the BC Aggregate Index return of -0.25%) as yields rose for intermediate maturities. The core plus segment was the best performer, returning -0.23%.

Active Core: The active core fixed income component, which is made up of EARNEST Partners and Piedmont, returned -0.24%, leading the BC Aggregate Index by one basis point.

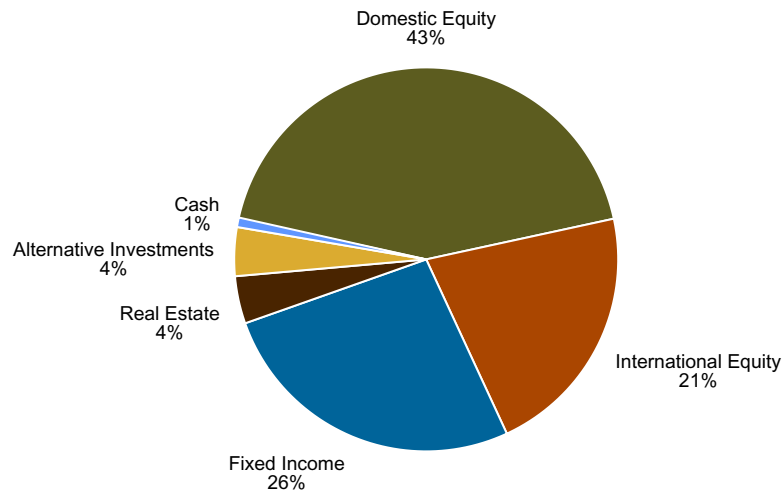
Core Plus: The core plus managers returned -0.23% ahead of the Barclays Aggregate Index by two basis points. Western outperformed the other managers, returning -0.10%.

High Yield: The high yield component managed by MacKay Shields fell 1.11% in July, leading the ML High Yield Cash Pay Index (-1.33%).

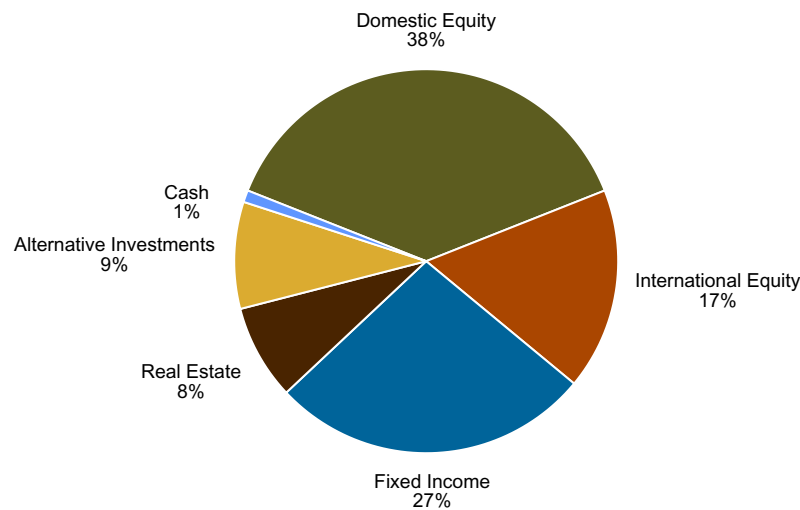
Actual vs Target Asset Allocation

The first chart below shows the Fund's asset allocation as of July 31, 2014. The second chart shows the Fund's target asset allocation as outlined in the investment policy statement.

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$Millions Actual	Percent Actual	Percent Target	Percent Difference	\$Millions Difference
Domestic Equity	14,750	43.2%	38.0%	5.2%	1,764
International Equity	7,339	21.5%	17.0%	4.5%	1,529
Fixed Income	9,049	26.5%	27.0%	(0.5%)	(178)
Real Estate	1,368	4.0%	8.0%	(4.0%)	(1,366)
Alternative Investments	1,404	4.1%	9.0%	(4.9%)	(1,672)
Cash	265	0.8%	1.0%	(0.2%)	(76)
Total	34,176	100.0%	100.0%		

* Current Month Target = 38.0% US Total Stock Market Idx, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI x US (Net), 9.0% 9% Annually, 8.0% NFI-ODCE Value Weight Net and 1.0% 3-month Treasury Bill.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of July 31, 2014, with the distribution as of June 30, 2014.

Asset Distribution Across Investment Managers

	July 31, 2014		June 30, 2014	
	Market Value	Percent	Market Value	Percent
Domestic Equity	\$14,750,481,813	43.16%	\$15,566,220,910	44.74%
Large Cap Growth				
BlackRock LCG	569,110,493	1.67%	575,835,668	1.66%
Holland	1,045,129,913	3.06%	1,061,606,153	3.05%
NTGI S&P 500 Growth Idx	756,792,027	2.21%	766,310,484	2.20%
Sands	1,221,866,969	3.58%	1,213,561,099	3.49%
Vision	161,359,387	0.47%	162,343,592	0.47%
Large Cap Value				
Dodge & Cox	1,096,912,406	3.21%	1,107,933,785	3.18%
BMO	1,135,157,870	3.32%	1,147,302,655	3.30%
LSV	1,156,057,069	3.38%	1,170,847,481	3.37%
NTGI S&P 500 Value Idx	736,084,855	2.15%	747,461,364	2.15%
Large Cap Core				
Progress	311,698	0.00%	426,126,154	1.22%
NTGI MarketCap Index	2,844,416,082	8.32%	2,902,063,609	8.34%
Small Cap Growth				
Fortaleza	42,024,113	0.12%	45,434,749	0.13%
Frontier	713,316,826	2.09%	763,878,744	2.20%
Pyramis	760,009,131	2.22%	793,803,881	2.28%
Small Cap Value				
Channing	162,018,050	0.47%	172,224,197	0.50%
Dimensional Small Cap Value	660,367,525	1.93%	699,513,382	2.01%
Inv. Counselors of Maryland	714,997,092	2.09%	761,593,033	2.19%
Lombardia	155,087,291	0.45%	163,866,100	0.47%
Micro Cap				
Ariel	84,881,845	0.25%	90,449,238	0.26%
Ativo	47,237,727	0.14%	49,271,836	0.14%
Dimensional Micro Cap	282,106,994	0.83%	298,716,915	0.86%
Wall Street	405,236,448	1.19%	446,076,791	1.28%
International Equity	\$7,338,831,807	21.47%	\$7,575,595,171	21.77%
International Large Cap Growth				
EARNEST Partners	567,555,391	1.66%	570,076,429	1.64%
William Blair	610,368,349	1.79%	617,502,246	1.77%
International Large Cap Value				
Brandes	542,829,684	1.59%	553,485,829	1.59%
Lombardia	34,734,491	0.10%	35,496,921	0.10%
Mondrian	518,963,929	1.52%	530,404,432	1.52%
Lazard	99,470,444	0.29%	102,004,165	0.29%
International Large Cap Core				
Arrowstreet	539,731,695	1.58%	550,061,204	1.58%
Brown	281,092,157	0.82%	285,333,898	0.82%
GlobeFlex	531,245,732	1.55%	540,082,832	1.55%
NTGI MSCI EAFE Index	2,391,663,784	7.00%	2,565,527,592	7.37%
Progress Intl Equity	249,755,775	0.73%	251,338,859	0.72%
International Small Cap				
Franklin Templeton	193,479,439	0.57%	198,031,999	0.57%
William Blair	222,515,199	0.65%	228,534,731	0.66%

Mondrian and Lombardia were funded 3/20/2012, Lazard was funded 3/21/2012.
Franklin Templeton Intl SC was funded 07/27/2011. BlackRock LCG was funded 07/12/2011. Vision was funded 06/17/2011.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of July 31, 2014, with the distribution as of June 30, 2014.

Asset Distribution Across Investment Managers

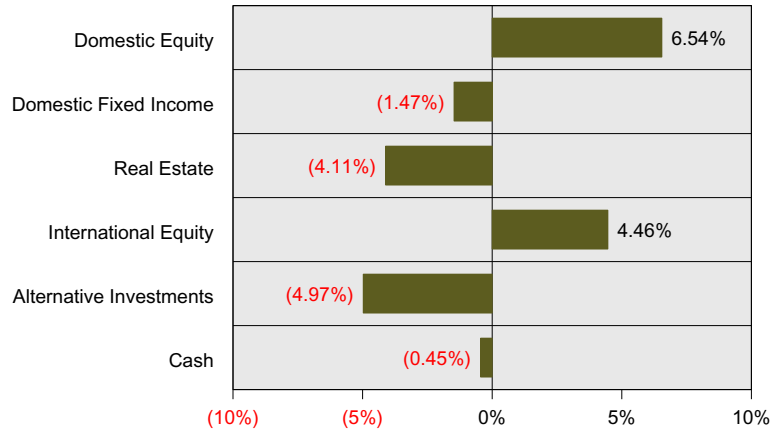
	July 31, 2014		June 30, 2014	
	Market Value	Percent	Market Value	Percent
Emerging Markets				
Genesis	555,425,736	1.63%	547,714,035	1.57%
Fixed Income	\$9,048,940,249	26.48%	\$8,716,580,622	25.05%
Domestic Fixed Core				
EARNEST Partners	551,145,813	1.61%	551,781,292	1.59%
Piedmont	544,814,292	1.59%	546,782,737	1.57%
BlackRock Enhanced	-	-	5	0.00%
Passive Core				
BlackRock US Debt	1,317,497,785	3.86%	1,320,582,483	3.80%
NTGI BC Aggregate Index	1,429,296,404	4.18%	1,432,758,931	4.12%
Domestic Fixed Core Plus				
BlackRock Core Plus	734,396,030	2.15%	735,935,810	2.12%
LM Capital	858,072,982	2.51%	861,216,470	2.48%
Progress Fixed Income	606,605,623	1.77%	607,979,358	1.75%
Taplin, Canida, & Habacht	863,099,473	2.53%	865,493,079	2.49%
Western	1,151,172,398	3.37%	1,152,301,202	3.31%
Bank Loans				
Babson	175,000,000	0.51%	-	-
Emerging Markets Debt				
Standish	187,012,164	0.55%	-	-
High Yield				
Mackay Shields	614,028,355	1.80%	620,530,405	1.78%
Pyramis High Yield	16,798,929	0.05%	21,218,850	0.06%
Real Estate	\$1,367,873,901	4.00%	\$1,348,571,653	3.88%
Real Estate Core				
TA Buckhead Ind. Prop.	269,012,129	0.79%	269,012,129	0.77%
Cornerstone Patriot	123,045,772	0.36%	123,045,772	0.35%
INVESCO Core RE	125,775,659	0.37%	126,755,592	0.36%
AEW Core Property Trust	130,622,703	0.38%	129,037,016	0.37%
CBRE US Core Property Trust	126,368,667	0.37%	122,868,667	0.35%
Real Estate Non-Core				
Franklin Templeton EMREFF	45,662,767	0.13%	46,836,102	0.13%
Olympus Real Estate Fund II	154,191	0.00%	154,191	0.00%
Security Capital	55,827,817	0.16%	55,827,817	0.16%
Dune II	35,260,931	0.10%	35,260,931	0.10%
Non-Core Real Estate Funds*	343,927,326	1.01%	322,846,606	0.93%
Rockwood Fund VIII	29,584,325	0.09%	33,159,823	0.10%
Almanac ARS V	36,583,434	0.11%	37,718,826	0.11%
TA Fund IX	46,048,181	0.13%	46,048,181	0.13%
Alternative Investments	\$1,404,228,048	4.11%	\$1,403,601,656	4.03%
Absolute Return				
Aurora	562,738,226	1.65%	574,509,239	1.65%
Private Equity				
Abbott	313,870,341	0.92%	314,933,426	0.91%
Muller & Monroe ILPEFF	11,843,777	0.03%	11,804,460	0.03%
Muller & Monroe MPEFF	16,212,047	0.05%	16,226,798	0.05%
Pantheon	182,107,969	0.53%	182,973,519	0.53%
Private Equity Fund - Domestic	100,458,620	0.29%	86,157,146	0.25%
Agriculture				
Cozad/Westchester	145,686,925	0.43%	145,686,924	0.42%
Timberland				
Forest Investment Assoc.	71,310,143	0.21%	71,310,143	0.20%
Cash	\$265,303,755	0.78%	\$181,301,292	0.52%
Total Fund	\$34,175,659,574	100.0%	\$34,791,871,303	100.0%

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

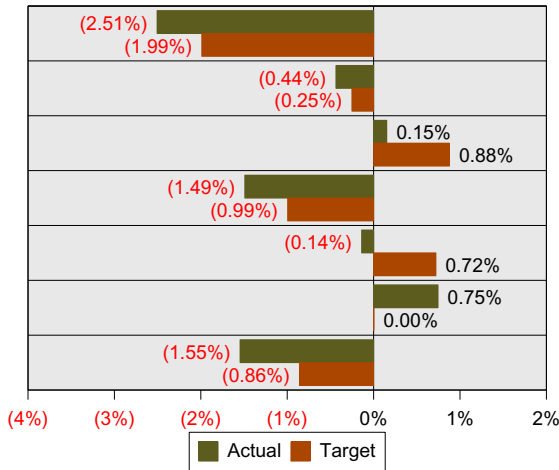
Monthly Total Fund Relative Attribution - July 31, 2014

The following analysis approaches Total Fund Attribution from the perspective of relative return. Relative return attribution separates and quantifies the sources of total fund excess return relative to its target. This excess return is separated into two relative attribution effects: Asset Allocation Effect and Manager Selection Effect. The Asset Allocation Effect represents the excess return due to the actual total fund asset allocation differing from the target asset allocation. Manager Selection Effect represents the total fund impact of the individual managers excess returns relative to their benchmarks.

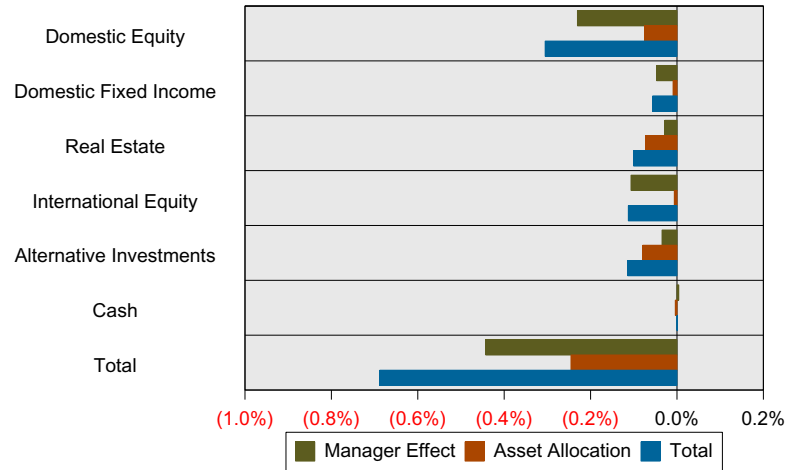
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Month ended July 31, 2014

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	45%	38%	(2.51%)	(1.99%)	(0.23%)	(0.07%)	(0.31%)
Domestic Fixed Income	26%	27%	(0.44%)	(0.25%)	(0.05%)	(0.01%)	(0.06%)
Real Estate	4%	8%	0.15%	0.88%	(0.03%)	(0.07%)	(0.10%)
International Equity	21%	17%	(1.49%)	(0.99%)	(0.11%)	(0.01%)	(0.11%)
Alternative Investments	4%	9%	(0.14%)	0.72%	(0.03%)	(0.08%)	(0.11%)
Cash	1%	1%	0.75%	0.00%	0.00%	(0.00%)	0.00%
Total			(1.55%)	(0.86%)	(0.44%)	(0.25%)	(0.69%)

* Current Month Target = 38.0% US Total Stock Market Idx, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI x US (Net), 9.0% 9% Annually, 8.0% NFI-ODCE Value Weight Net and 1.0% 3-month Treasury Bill.

Asset Class Returns

The table below details the rates of return for the fund's asset class composites over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended July 31, 2014

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Equity (12/31/81)	(2.51%)	2.27%	2.40%	15.65%
DJ U.S. Total Stock Market Index	(1.99%)	2.68%	4.83%	16.24%
Domestic Equity - Net (12/31/04)	(2.53%)	2.22%	2.24%	15.37%
International Equity (08/31/86)	(1.49%)	2.21%	4.55%	16.53%
MSCI ACWI x US (Net)	(0.99%)	2.63%	4.51%	15.48%
International Equity - Net (12/31/04)	(1.50%)	2.17%	4.40%	16.18%
Fixed Income (12/31/81)	(0.44%)	1.02%	4.29%	5.35%
BC Aggregate Index	(0.25%)	0.94%	3.66%	3.97%
Fixed Income - Net (12/31/04)	(0.45%)	1.00%	4.19%	5.20%
Real Estate (04/30/85)	0.15%	3.06%	7.21%	12.13%
Blended Benchmark**	0.88%	2.68%	5.96%	11.51%
Real Estate - Net (12/31/04)	0.15%	3.06%	7.21%	12.13%
Alternative Investments (01/31/86)	(0.14%)	3.29%	6.82%	13.18%
Alternatives Custom Benchmark***	0.72%	2.18%	5.16%	9.00%
Alternative Investments - Net (12/31/04)	(0.14%)	3.26%	6.61%	12.80%
Absolute Return (12/31/01)	0.00%	2.96%	4.54%	9.01%
HFR Fund-of-Funds Index	(0.50%)	1.60%	1.53%	5.94%
Private Equity (01/31/86)	(0.28%)	5.11%	9.49%	17.32%
Alternatives Custom Benchmark***	0.72%	2.18%	5.16%	9.00%
Agriculture (09/30/97)	0.00%	(0.56%)	5.38%	14.10%
Blended Benchmark**	0.88%	2.68%	5.96%	11.51%
Timberland (09/30/92)	(0.26%)	(0.88%)	6.13%	10.59%
Blended Benchmark**	0.88%	2.68%	5.96%	11.51%
Total Fund (12/31/81)	(1.55%)	1.99%	3.69%	12.68%
Total Fund Benchmark	(0.86%)	2.14%	4.60%	11.73%
Total Fund - Net (12/31/04)	(1.56%)	1.95%	3.55%	12.43%

* Current Month Target = 38.0% US Total Stock Market Idx, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI x US (Net), 9.0% 9% Annually, 8.0% NFI-ODCE Value Weight Net and 1.0% 3-month Treasury Bill.

** The Blended Benchmark is currently ODCE Value Weigh Index. Returns between January 1, 2007 and December 31, 2012 reflect NPI+1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%.

Given that ODCE returns are updated quarterly, an approximation of the Index is used in the monthly reports.

*** The Alternatives Custom Benchmark is based on an annualized rate of return of 9.0%. Prior to July 1, 2010 the Benchmark was based on an annual return of 12.0%. Prior to 2004, the Benchmark was based on an annual return of 13.0%. Prior to 2003, it was based on an annual return of 15.0%.

Asset Class Returns

The table below details the rates of return for the fund's asset class composites over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended July 31, 2014

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Equity (12/31/81)	16.49%	17.48%	9.02%	11.78% ^(1/82)
DJ U.S. Total Stock Market Index	16.55%	17.16%	8.59%	11.48% ^(1/82)
Domestic Equity - Net (12/31/04)	16.20%	17.19%	-	7.75% ^(1/05)
International Equity (08/31/86)	8.35%	10.86%	8.71%	8.49% ^(9/86)
MSCI ACWI x US (Net)	5.86%	8.84%	7.96%	-
International Equity - Net (12/31/04)	8.01%	10.54%	-	6.71% ^(1/05)
Fixed Income (12/31/81)	4.50%	6.50%	5.79%	8.95% ^(1/82)
BC Aggregate Index	3.04%	4.47%	4.80%	8.42% ^(1/82)
Fixed Income - Net (12/31/04)	4.34%	6.34%	-	5.47% ^(1/05)
Real Estate (04/30/85)	11.99%	8.16%	6.45%	4.72% ^(5/85)
Blended Benchmark**	12.12%	11.04%	6.92%	7.57% ^(5/85)
Real Estate - Net (12/31/04)	11.99%	8.16%	-	6.06% ^(1/05)
Alternative Investments (01/31/86)	7.95%	9.17%	8.32%	10.98% ^(2/86)
Alternatives Custom Benchmark***	9.00%	9.54%	10.77%	13.36% ^(2/86)
Alternative Investments - Net (12/31/04)	7.68%	8.88%	-	8.08% ^(1/05)
Absolute Return (12/31/01)	4.08%	5.34%	4.62%	4.95% ^(1/02)
HFR Fund-of-Funds Index	2.98%	3.81%	3.43%	3.79% ^(1/02)
Private Equity (01/31/86)	9.74%	12.73%	11.24%	13.14% ^(2/86)
Alternatives Custom Benchmark***	9.00%	9.54%	10.77%	13.36% ^(2/86)
Agriculture (09/30/97)	18.23%	11.12%	11.35%	7.73% ^(10/97)
Blended Benchmark**	12.12%	11.04%	6.92%	7.07% ^(10/97)
Timberland (09/30/92)	4.35%	3.90%	4.10%	8.83% ^(10/92)
Blended Benchmark**	12.12%	11.04%	6.92%	7.20% ^(10/92)
Total Fund (12/31/81)	10.73%	12.10%	8.38%	10.30% ^(1/82)
Total Fund Benchmark	9.79%	11.05%	7.69%	-
Total Fund - Net (12/31/04)	10.48%	11.85%	-	7.39% ^(1/05)

* Current Month Target = 38.0% US Total Stock Market Idx, 27.0% Barclays Aggregate Index, 17.0% MSCI ACWI x US (Net), 9.0% 9% Annually, 8.0% NFI-ODCE Value Weight Net and 1.0% 3-month Treasury Bill.

** The Blended Benchmark is currently ODCE Value Weigh Index. Returns between January 1, 2007 and December 31, 2012 reflect NPI+1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%.

Given that ODCE returns are updated quarterly, an approximation of the Index is used in the monthly reports.

*** The Alternatives Custom Benchmark is based on an annualized rate of return of 9.0%. Prior to July 1, 2010 the Benchmark was based on an annual return of 12.0%. Prior to 2004, the Benchmark was based on an annual return of 13.0%. Prior to 2003, it was based on an annual return of 15.0%.

Large Cap Equity Returns

The table below details the rates of return for the fund's large cap growth and large cap value managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended July 31, 2014

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Large Cap Equity (12/31/81)	(1.17%)	3.72%	4.83%	18.02%
Russell 1000 Index	(1.62%)	2.93%	5.53%	17.06%
Large Cap Growth (12/31/81)	(0.67%)	5.31%	2.92%	19.11%
BlackRock LCG (07/31/11)	(1.16%)	4.29%	(0.53%)	17.75%
LCG Blended Benchmark*	(1.53%)	3.52%	4.68%	18.69%
Russell 1000 Growth Index	(1.53%)	3.52%	4.68%	18.69%
BlackRock LCG - Net (07/31/11)	(1.16%)	4.23%	(0.64%)	17.46%
Holland (10/31/94)	(1.55%)	3.74%	2.81%	15.20%
LCG Blended Benchmark*	(1.53%)	3.52%	4.68%	18.69%
Russell 1000 Growth Index	(1.53%)	3.52%	4.68%	18.69%
Holland - Net (12/31/04)	(1.60%)	3.69%	2.65%	14.96%
NTGI S&P 500 Growth Idx (07/31/01)	(1.24%)	4.25%	5.95%	19.51%
S&P/Citi 500 Growth Index	(1.24%)	4.19%	5.96%	19.49%
NTGI S&P 500 Growth Idx - Net (12/31/04)	(1.24%)	4.25%	5.94%	19.49%
Sands (10/31/03)	0.68%	8.11%	2.79%	24.27%
LCG Blended Benchmark*	(1.53%)	3.52%	4.68%	18.69%
Russell 1000 Growth Index	(1.53%)	3.52%	4.68%	18.69%
Sands - Net (12/31/04)	0.68%	8.11%	2.67%	24.06%
Vision (06/30/11)	(0.60%)	3.62%	3.34%	14.71%
LCG Blended Benchmark*	(1.53%)	3.52%	4.68%	18.69%
Russell 1000 Growth Index	(1.53%)	3.52%	4.68%	18.69%
Vision - Net (06/30/11)	(0.67%)	3.54%	3.11%	14.39%
Large Cap Value (09/30/82)	(1.18%)	2.85%	6.42%	18.14%
Dodge & Cox (08/31/03)	(0.98%)	4.03%	6.22%	20.17%
LCV Blended Benchmark**	(1.70%)	2.34%	6.43%	15.47%
Russell 1000 Value Index	(1.70%)	2.34%	6.43%	15.47%
Dodge & Cox - Net (12/31/04)	(1.03%)	3.97%	6.06%	19.93%
BMO (01/31/01)	(1.06%)	2.37%	6.51%	17.94%
LCV Blended Benchmark**	(1.70%)	2.34%	6.43%	15.47%
Russell 1000 Value Index	(1.70%)	2.34%	6.43%	15.47%
BMO - Net (12/31/04)	(1.06%)	2.32%	6.39%	17.68%
LSV (01/31/03)	(1.26%)	2.90%	7.24%	19.07%
LCV Blended Benchmark**	(1.70%)	2.34%	6.43%	15.47%
Russell 1000 Value Index	(1.70%)	2.34%	6.43%	15.47%
LSV - Net (12/31/04)	(1.26%)	2.90%	7.11%	18.78%
NTGI S&P 500 Value Idx (07/31/99)	(1.52%)	1.80%	5.34%	14.37%
S&P/Citi 500 Value Index	(1.53%)	1.77%	5.33%	14.29%
Illinois Municipal- NTGI S&P 500 Value	(1.52%)	1.79%	5.33%	14.36%

* The LCG Blended Benchmark is currently the Russell 1000 Growth Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Growth Index.

** The LCV Blended Benchmark is currently the Russell 1000 Value Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Value Index.

Large Cap Equity Returns

The table below details the rates of return for the fund's large cap growth and large cap value managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended July 31, 2014

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception	
Large Cap Equity (12/31/81)	17.22%	17.47%	8.62%	11.32%	(1/82)
Russell 1000 Index	16.84%	17.13%	8.40%	11.68%	(1/82)
Large Cap Growth (12/31/81)	15.94%	17.66%	8.86%	11.75%	(1/82)
BlackRock LCG (07/31/11)	11.49%	-	-	11.49%	(8/11)
LCG Blended Benchmark*	16.05%	17.25%	8.41%	16.05%	(8/11)
Russell 1000 Growth Index	16.05%	17.25%	8.66%	16.05%	(8/11)
BlackRock LCG - Net (07/31/11)	11.22%	-	-	11.22%	(8/11)
Holland (10/31/94)	14.90%	16.93%	8.56%	10.28%	(11/94)
LCG Blended Benchmark*	16.05%	17.25%	8.41%	9.50%	(11/94)
Russell 1000 Growth Index	16.05%	17.25%	8.66%	8.65%	(11/94)
Holland - Net (12/31/04)	14.65%	16.60%	-	7.58%	(1/05)
NTGI S&P 500 Growth Idx (07/31/01)	16.74%	17.38%	8.58%	5.91%	(8/01)
S&P/Citi 500 Growth Index	16.70%	17.33%	8.55%	8.07%	(8/01)
NTGI S&P 500 Growth Idx - Net (12/31/04)	16.73%	17.37%	-	8.04%	(1/05)
Sands (10/31/03)	19.66%	24.55%	11.63%	11.87%	(11/03)
LCG Blended Benchmark*	16.05%	17.25%	8.41%	8.09%	(11/03)
Russell 1000 Growth Index	16.05%	17.25%	8.66%	8.16%	(11/03)
Sands - Net (12/31/04)	19.43%	24.27%	-	10.41%	(1/05)
Vision (06/30/11)	14.64%	-	-	13.61%	(7/11)
LCG Blended Benchmark*	16.05%	17.25%	8.41%	15.21%	(7/11)
Russell 1000 Growth Index	16.05%	17.25%	8.66%	15.21%	(7/11)
Vision - Net (06/30/11)	14.09%	-	-	13.09%	(7/11)
Large Cap Value (09/30/82)	19.09%	17.54%	8.60%	10.57%	(10/82)
Dodge & Cox (08/31/03)	19.88%	18.10%	8.87%	9.69%	(9/03)
LCV Blended Benchmark**	17.56%	16.97%	7.82%	8.51%	(9/03)
Russell 1000 Value Index	17.56%	16.97%	7.99%	8.76%	(9/03)
Dodge & Cox - Net (12/31/04)	19.64%	17.84%	-	7.34%	(1/05)
BMO (01/31/01)	18.64%	17.07%	9.51%	7.93%	(2/01)
LCV Blended Benchmark**	17.56%	16.97%	7.82%	4.94%	(2/01)
Russell 1000 Value Index	17.56%	16.97%	7.99%	6.31%	(2/01)
BMO - Net (12/31/04)	18.37%	16.80%	-	8.11%	(1/05)
LSV (01/31/03)	20.30%	18.51%	9.71%	11.96%	(2/03)
LCV Blended Benchmark**	17.56%	16.97%	7.82%	9.84%	(2/03)
Russell 1000 Value Index	17.56%	16.97%	7.99%	9.85%	(2/03)
LSV - Net (12/31/04)	19.99%	18.20%	-	8.30%	(1/05)
NTGI S&P 500 Value Idx (07/31/99)	17.14%	16.33%	7.44%	5.00%	(8/99)
S&P/Citi 500 Value Index	17.07%	16.27%	7.38%	4.99%	(8/99)
NTGI S&P 500 Value Idx - Net (12/31/04)	17.13%	16.32%	-	6.37%	(1/05)

* The LCG Blended Benchmark is currently the Russell 1000 Growth Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Growth Index.

** The LCV Blended Benchmark is currently the Russell 1000 Value Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Value Index.

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 July 31, 2014

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Large Cap Passive Core (12/31/84)	(1.99%)	2.69%	4.87%	16.31%
NTGI MarketCap Idx (01/31/85)	(1.99%)	2.69%	4.87%	16.31%
DJ U.S. Total Stock Market Index	(1.99%)	2.68%	4.83%	16.24%
NTGI MarketCap Idx - Net (12/31/04)	(1.99%)	2.69%	4.86%	16.30%

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 July 31, 2014

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Passive Core (12/31/84)	16.62%	17.24%	8.49%	11.19% ^(1/85)
NTGI MarketCap Idx (01/31/85)	16.62%	17.26%	8.50%	10.93% ^(2/85)
DJ U.S. Total Stock Market Index	16.55%	17.16%	8.59%	10.88% ^(2/85)
NTGI MarketCap Idx - Net (12/31/04)	16.61%	17.25%	-	7.56% ^(1/05)

Small Cap Equity Returns

The table below details the rates of return for the fund's small cap growth, small cap value, and micro cap managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended July 31, 2014

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Small Cap Equity (06/30/88)	(6.01%)	(1.54%)	(3.78%)	9.61%
Russell 2000 Index	(6.05%)	(0.26%)	(3.06%)	8.56%
Small Cap Growth (06/30/88)	(5.47%)	(1.19%)	(3.47%)	10.52%
Fortaleza (11/30/06)	(7.51%)	(0.82%)	(7.76%)	0.92%
Russell 2000 Growth Index	(6.06%)	0.73%	(3.97%)	8.93%
Fortaleza - Net (11/30/06)	(7.62%)	(0.95%)	(8.11%)	0.42%
Frontier (07/31/88)	(6.62%)	(2.69%)	(4.01%)	9.96%
Russell 2000 Growth Index	(6.06%)	0.73%	(3.97%)	8.93%
Frontier - Net (12/31/04)	(6.74%)	(2.82%)	(4.37%)	9.42%
Pyramis (07/31/88)	(4.26%)	0.24%	(2.70%)	11.64%
Russell 2000 Growth Index	(6.06%)	0.73%	(3.97%)	8.93%
Pyramis - Net (12/31/04)	(4.26%)	0.24%	(2.94%)	11.28%
Small Cap Value (08/31/89)	(5.83%)	(0.98%)	(1.79%)	10.16%
Channing (06/30/11)	(5.92%)	(0.93%)	(1.14%)	11.50%
Russell 2000 Value Index	(6.05%)	(1.27%)	(2.10%)	8.18%
Channing - Net (06/30/11)	(6.04%)	(1.05%)	(1.51%)	10.98%
DFA Small Cap Value (01/31/96)	(5.60%)	(0.57%)	(1.67%)	10.79%
Russell 2000 Value Index	(6.05%)	(1.27%)	(2.10%)	8.18%
DFA Small Cap Value - Net (12/31/04)	(5.60%)	(0.69%)	(1.92%)	10.25%
Inv. Counselors of Maryland (04/30/99)	(6.12%)	(1.34%)	(2.04%)	9.92%
Russell 2000 Value Index	(6.05%)	(1.27%)	(2.10%)	8.18%
Inv. Couns. of Maryland - Net (12/31/04)	(6.12%)	(1.43%)	(2.23%)	9.50%
Lombardia (05/31/11)	(5.36%)	(1.14%)	(1.75%)	7.67%
Russell 2000 Value Index	(6.05%)	(1.27%)	(2.10%)	8.18%
Lombardia - Net (05/31/11)	(5.52%)	(1.30%)	(2.25%)	6.95%
Micro Cap (06/30/84)	(7.35%)	(3.31%)	(8.17%)	6.83%
Ariel (10/31/10)	(6.15%)	(5.60%)	(12.14%)	(2.52%)
Russell 2000 Value Index	(6.05%)	(1.27%)	(2.10%)	8.18%
Russell 2000 Index	(6.05%)	(0.26%)	(3.06%)	8.56%
Russell Microcap Index	(6.72%)	(2.31%)	(5.27%)	8.27%
Ariel - Net (10/31/10)	(6.35%)	(5.80%)	(12.69%)	(3.32%)
Ativo (09/30/10)	(4.11%)	(0.11%)	(3.38%)	13.76%
Russell 2000 Growth Index	(6.06%)	0.73%	(3.97%)	8.93%
Russell 2000 Index	(6.05%)	(0.26%)	(3.06%)	8.56%
Russell Microcap Index	(6.72%)	(2.31%)	(5.27%)	8.27%
Ativo - Net (09/30/10)	(4.29%)	(0.30%)	(3.93%)	12.90%
DFA Micro Cap (07/31/87)	(5.56%)	(1.65%)	(3.91%)	10.02%
Russell 2000 Value Index	(6.05%)	(1.27%)	(2.10%)	8.18%
Russell 2000 Index	(6.05%)	(0.26%)	(3.06%)	8.56%
DFA Micro Cap - Net (12/31/04)	(5.56%)	(1.78%)	(4.16%)	9.48%
Wall Street (07/31/90)	(9.15%)	(4.30%)	(10.61%)	6.06%
Russell 2000 Growth Index	(6.06%)	0.73%	(3.97%)	8.93%
Russell 2000 Index	(6.05%)	(0.26%)	(3.06%)	8.56%
Wall Street - Net (12/31/04)	(9.33%)	(4.48%)	(11.13%)	5.26%

Small Cap Equity Returns

The table below details the rates of return for the fund's small cap growth, small cap value, and micro cap managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended July 31, 2014

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Small Cap Equity (06/30/88)	14.59%	18.19%	11.44%	12.79% (7/88)
Russell 2000 Index	13.59%	16.56%	8.78%	9.56% (7/88)
Small Cap Growth (06/30/88)	13.61%	17.47%	11.69%	13.41% (7/88)
Fortaleza (11/30/06)	10.19%	16.25%	-	5.90% (12/06)
Russell 2000 Growth Index	13.63%	17.24%	9.39%	7.53% (12/06)
Fortaleza - Net (11/30/06)	9.55%	15.66%	-	5.37% (12/06)
Frontier (07/31/88)	13.36%	16.66%	11.30%	13.52% (8/88)
Russell 2000 Growth Index	13.63%	17.24%	9.39%	7.90% (8/88)
Frontier - Net (12/31/04)	12.81%	16.20%	-	7.05% (1/05)
Pyramis (07/31/88)	14.00%	18.43%	12.87%	14.00% (8/88)
Russell 2000 Growth Index	13.63%	17.24%	9.39%	7.90% (8/88)
Pyramis - Net (12/31/04)	13.47%	17.81%	-	10.98% (1/05)
Small Cap Value (08/31/89)	15.23%	18.12%	10.35%	12.52% (9/89)
Channing (06/30/11)	16.43%	-	-	15.13% (7/11)
Russell 2000 Value Index	13.55%	15.83%	8.07%	11.94% (7/11)
Channing - Net (06/30/11)	15.62%	-	-	14.34% (7/11)
DFA Small Cap Value (01/31/96)	16.17%	20.22%	10.50%	13.37% (2/96)
Russell 2000 Value Index	13.55%	15.83%	8.07%	10.10% (2/96)
DFA Small Cap Value - Net (12/31/04)	15.61%	19.65%	-	8.38% (1/05)
Inv. Counselors of Maryland (04/30/99)	14.24%	16.82%	10.15%	11.95% (5/99)
Russell 2000 Value Index	13.55%	15.83%	8.07%	9.60% (5/99)
Inv. Couns. of Maryland - Net (12/31/04)	13.79%	16.29%	-	8.16% (1/05)
Lombardia (05/31/11)	15.29%	-	-	11.98% (6/11)
Russell 2000 Value Index	13.55%	15.83%	8.07%	10.73% (6/11)
Lombardia - Net (05/31/11)	14.48%	-	-	11.24% (6/11)
Micro Cap (06/30/84)	15.15%	19.39%	10.22%	12.44% (7/84)
Ariel (10/31/10)	14.45%	-	-	13.46% (11/10)
Russell 2000 Value Index	13.55%	15.83%	8.07%	13.95% (11/10)
Russell 2000 Index	13.59%	16.56%	8.78%	14.76% (11/10)
Russell Microcap Index	14.40%	16.17%	6.84%	15.09% (11/10)
Ariel - Net (10/31/10)	13.51%	-	-	12.52% (11/10)
Ativo (09/30/10)	17.69%	-	-	17.21% (10/10)
Russell 2000 Growth Index	13.63%	17.24%	9.39%	16.45% (10/10)
Russell 2000 Index	13.59%	16.56%	8.78%	15.62% (10/10)
Russell Microcap Index	14.40%	16.17%	6.84%	16.39% (10/10)
Ativo - Net (09/30/10)	16.80%	-	-	16.32% (10/10)
DFA Micro Cap (07/31/87)	15.94%	18.50%	9.70%	11.47% (8/87)
Russell 2000 Value Index	13.55%	15.83%	8.07%	10.28% (8/87)
Russell 2000 Index	13.59%	16.56%	8.78%	8.84% (8/87)
DFA Micro Cap - Net (12/31/04)	15.38%	17.94%	-	7.52% (1/05)
Wall Street (07/31/90)	14.48%	20.53%	10.89%	14.49% (8/90)
Russell 2000 Growth Index	13.63%	17.24%	9.39%	7.89% (8/90)
Russell 2000 Index	13.59%	16.56%	8.78%	9.95% (8/90)
Wall Street - Net (12/31/04)	13.53%	19.59%	-	7.67% (1/05)

International Equity Returns

The table below details the rates of return for the fund's international large cap growth and international large cap value managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended July 31, 2014

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Equity (08/31/86)	(1.67%)	1.88%	4.29%	16.67%
MSCI ACWI ex-US Index	(0.99%)	2.63%	4.51%	15.48%
Intl Large Cap Growth (08/31/02)	(0.81%)	3.13%	3.14%	15.09%
EARNEST Partners (09/30/04)	(0.44%)	3.09%	3.96%	15.56%
MSCI ACWI ex-US Index	(0.99%)	2.63%	4.51%	15.48%
MSCI ACWI ex-US Growth	(1.44%)	2.32%	3.53%	13.79%
EARNEST Partners - Net (12/31/04)	(0.44%)	3.09%	3.86%	15.38%
William Blair (09/30/02)	(1.16%)	3.16%	2.39%	14.65%
MSCI ACWI ex-US Index	(0.99%)	2.63%	4.51%	15.48%
MSCI ACWI ex-US Growth	(1.44%)	2.32%	3.53%	13.79%
William Blair - Net (12/31/04)	(1.16%)	3.07%	2.20%	14.23%
Intl Large Cap Value (09/30/95)	(2.08%)	1.35%	6.12%	18.39%
Brandes (12/31/95)	(1.93%)	0.74%	5.36%	19.96%
MSCI ACWI ex-US Index	(0.99%)	2.63%	4.51%	15.48%
MSCI ACWI ex-US Value	(0.50%)	3.27%	6.22%	18.19%
Brandes - Net (12/31/04)	(1.98%)	0.63%	5.13%	19.57%
Lombardia (3/31/12)	(2.15%)	(1.61%)	3.85%	21.09%
MSCI ACWI ex-US Index	(0.99%)	2.63%	4.51%	15.48%
MSCI ACWI ex-US Value	(0.50%)	3.27%	6.22%	18.19%
Lombardia - Net (3/31/12)	(2.29%)	(1.75%)	3.40%	20.40%
Mondrian (3/31/12)	(2.16%)	1.92%	7.61%	17.25%
MSCI ACWI ex-US Index	(0.99%)	2.63%	4.51%	15.48%
MSCI ACWI ex-US Value	(0.50%)	3.27%	6.22%	18.19%
Mondrian - Net (3/31/12)	(2.16%)	1.92%	7.34%	16.66%
Lazard (3/31/12)	(2.48%)	2.77%	3.53%	15.11%
MSCI ACWI ex-US Index	(0.99%)	2.63%	4.51%	15.48%
MSCI ACWI ex-US Value	(0.50%)	3.27%	6.22%	18.19%
Lazard - Net (3/31/12)	(2.48%)	2.42%	3.05%	14.45%

International Equity Returns

The table below details the rates of return for the fund's international large cap growth and international large cap value managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended July 31, 2014

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Equity (08/31/86)	8.62%	10.72%	8.28%	8.49% ^(9/86)
MSCI ACWI ex-US Index	5.86%	8.84%	7.96%	-
Intl Large Cap Growth (08/31/02)	7.75%	11.55%	9.09%	10.35% ^(9/02)
EARNEST Partners (09/30/04)	6.13%	11.92%	-	12.37% ^(10/04)
MSCI ACWI ex-US Index	5.86%	8.84%	7.96%	7.67% ^(10/04)
MSCI ACWI ex-US Growth	5.52%	9.47%	8.27%	8.02% ^(10/04)
EARNEST Partners - Net (12/31/04)	5.67%	11.40%	-	10.57% ^(1/05)
William Blair (09/30/02)	9.98%	13.07%	9.49%	11.74% ^(10/02)
MSCI ACWI ex-US Index	5.86%	8.84%	7.96%	10.50% ^(10/02)
MSCI ACWI ex-US Growth	5.52%	9.47%	8.27%	10.13% ^(10/02)
William Blair - Net (12/31/04)	9.55%	12.64%	-	7.38% ^(1/05)
Intl Large Cap Value (09/30/95)	8.74%	8.51%	6.96%	10.32% ^(10/95)
Brandes (12/31/95)	9.82%	9.16%	7.28%	10.59% ^(1/96)
MSCI ACWI ex-US Index	5.86%	8.84%	7.96%	5.87% ^(1/96)
MSCI ACWI ex-US Value	7.14%	9.12%	8.56%	-
Brandes - Net (12/31/04)	9.53%	8.90%	-	5.35% ^(1/05)
Lombardia (3/31/12)	-	-	-	18.86% ^(4/12)
MSCI ACWI ex-US Index	5.86%	8.84%	7.96%	10.62% ^(4/12)
MSCI ACWI ex-US Value	7.14%	9.12%	8.56%	12.06% ^(4/12)
Lombardia - Net (3/31/12)	-	-	-	18.25% ^(4/12)
Mondrian (3/31/12)	-	-	-	11.53% ^(4/12)
MSCI ACWI ex-US Index	5.86%	8.84%	7.96%	10.62% ^(4/12)
MSCI ACWI ex-US Value	7.14%	9.12%	8.56%	12.06% ^(4/12)
Mondrian - Net (3/31/12)	-	-	-	11.04% ^(4/12)
Lazard (3/31/12)	-	-	-	13.59% ^(4/12)
MSCI ACWI ex-US Index	5.86%	8.84%	7.96%	10.62% ^(4/12)
MSCI ACWI ex-US Value	7.14%	9.12%	8.56%	12.06% ^(4/12)
Lazard - Net (3/31/12)	-	-	-	12.77% ^(4/12)

International Equity Returns

The table below details the rates of return for the fund's international large cap core, international small cap, and emerging markets managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended July 31, 2014

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Active Core (01/31/08)	(1.54%)	3.31%	5.97%	18.67%
Arrowstreet (02/29/08)	(1.88%)	3.72%	4.82%	18.80%
MSCI ACWI ex-US Index	(0.99%)	2.63%	4.51%	15.48%
Arrowstreet - Net (02/29/08)	(1.88%)	3.72%	4.57%	18.24%
Brown (09/30/04)	(1.49%)	2.78%	6.88%	21.12%
MSCI ACWI ex-US Index	(0.99%)	2.63%	4.51%	15.48%
Brown - Net (12/31/04)	(1.55%)	2.71%	6.68%	19.93%
GlobeFlex (02/28/06)	(1.64%)	3.25%	6.74%	17.38%
MSCI ACWI ex-US Index	(0.99%)	2.63%	4.51%	15.48%
GlobeFlex - Net (02/28/06)	(1.64%)	3.25%	6.53%	16.90%
Progress Intl Equity (06/30/14)	(0.63%)	-	-	-
MSCI ACWI ex US Index	(0.97%)	2.79%	4.86%	15.98%
Progress Intl Equity - Net (06/30/14)	(0.66%)	-	-	-
Intl Large Cap Pass. Core (12/31/99)	(1.96%)	0.72%	3.04%	15.49%
NTGI MSCI EAFE Idx (01/31/00)	(1.96%)	0.72%	3.04%	15.49%
MSCI EAFE Index	(1.97%)	0.59%	2.72%	15.07%
NTGI EAFE Idx - Net (12/31/04)	(1.97%)	0.72%	3.03%	15.48%
International Small Cap (11/30/05)	(2.48%)	1.09%	1.48%	13.10%
Franklin Templeton (07/31/11)	(2.30%)	1.55%	4.10%	15.30%
ACWI Small Cap ex US	(1.89%)	1.85%	5.21%	17.85%
Franklin Templeton - Net (07/31/11)	(2.30%)	1.55%	3.71%	14.67%
William Blair (08/31/10)	(2.63%)	0.70%	(0.69%)	11.26%
ACWI Small Cap ex US	(1.89%)	1.85%	5.21%	17.85%
Intl SC Blended Benchmark	(1.89%)	1.85%	5.21%	17.85%
William Blair - Net (08/31/10)	(2.63%)	0.49%	(1.07%)	10.41%
Emerging Markets (01/31/92)	1.41%	7.08%	10.22%	17.60%
Genesis (04/30/04)	1.41%	7.08%	10.27%	17.48%
MSCI Emerging Markets Index	2.02%	8.45%	8.46%	15.72%
Genesis - Net (12/31/04)	1.41%	6.97%	9.94%	17.00%

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 July 31, 2014

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Active Core (01/31/08)	9.84%	12.41%	-	4.80% ^(2/08)
Arrowstreet (02/29/08)	9.75%	12.25%	-	4.75% ^(3/08)
MSCI ACWI ex-US Index	5.86%	8.84%	7.96%	1.78% ^(3/08)
Arrowstreet - Net (02/29/08)	9.22%	11.72%	-	4.27% ^(3/08)
Brown (09/30/04)	12.20%	12.57%	-	9.50% ^(10/04)
MSCI ACWI ex-US Index	5.86%	8.84%	7.96%	7.67% ^(10/04)
Brown - Net (12/31/04)	11.51%	11.99%	-	7.72% ^(1/05)
GlobeFlex (02/28/06)	8.78%	12.36%	-	5.22% ^(3/06)
MSCI ACWI ex-US Index	5.86%	8.84%	7.96%	4.44% ^(3/06)
GlobeFlex - Net (02/28/06)	8.32%	11.92%	-	4.76% ^(3/06)
Progress Intl Equity (06/30/14)	-	-	-	(0.63%) ^(7/14)
MSCI ACWI ex US Index	6.34%	9.31%	8.43%	(0.97%) ^(7/14)
Progress Intl Equity - Net (06/30/14)	-	-	-	(0.12%) ^(6/14)
Intl Large Cap Pass. Core (12/31/99)	8.40%	9.83%	7.47%	3.55% ^(1/00)
NTGI MSCI EAFE Idx (01/31/00)	8.40%	9.81%	7.46%	4.04% ^(2/00)
MSCI EAFE Index	7.96%	9.40%	7.07%	3.65% ^(2/00)
NTGI EAFE Idx - Net (12/31/04)	8.39%	9.81%	-	5.86% ^(1/05)
International Small Cap (11/30/05)	9.33%	12.53%	-	4.73% ^(12/05)
Franklin Templeton (07/31/11)	9.05%	-	-	9.05% ^(8/11)
ACWI Small Cap ex US	6.22%	12.10%	10.03%	6.22% ^(8/11)
Franklin Templeton - Net (07/31/11)	8.32%	-	-	8.32% ^(8/11)
William Blair (08/31/10)	9.58%	-	-	14.49% ^(9/10)
ACWI Small Cap ex US	6.22%	12.10%	10.03%	11.20% ^(9/10)
Intl SC Blended Benchmark	6.22%	11.82%	9.14%	12.07% ^(9/10)
William Blair - Net (08/31/10)	8.71%	-	-	13.66% ^(9/10)
Emerging Markets (01/31/92)	4.94%	12.33%	15.82%	10.36% ^(2/92)
Genesis (04/30/04)	4.91%	12.31%	15.83%	15.19% ^(5/04)
MSCI Emerging Markets Index	0.74%	7.68%	12.72%	12.03% ^(5/04)
Genesis - Net (12/31/04)	4.34%	11.67%	-	12.71% ^(1/05)

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.

Fixed Income Returns

The table below details the rates of return for the fund's domestic fixed core managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended July 31, 2014

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Dom. Fixed Active Core (03/31/01)	(0.24%)	1.08%	4.16%	4.48%
EARNEST Partners (04/30/05)	(0.12%)	1.08%	4.32%	4.31%
BC Aggregate Index	(0.25%)	0.94%	3.66%	3.97%
EARNEST Partners - Net (04/30/05)	(0.12%)	1.08%	4.21%	4.15%
Piedmont (05/31/05)	(0.36%)	1.07%	4.00%	4.66%
BC Aggregate Index	(0.25%)	0.94%	3.66%	3.97%
Piedmont - Net (05/31/05)	(0.40%)	1.03%	3.88%	4.49%
Dom. Fixed Passive Core (12/31/89)	(0.24%)	1.00%	3.81%	4.01%
BlackRock US Debt (08/31/13)	(0.23%)	1.04%	3.85%	4.10%
BC Aggregate Index	(0.25%)	0.94%	3.66%	3.97%
BlackRock US Debt - Net (08/31/13)	(0.23%)	1.04%	3.85%	4.10%
NTGI BC Agg. Index (01/31/90)	(0.24%)	0.97%	3.78%	4.04%
BC Aggregate Index	(0.25%)	0.94%	3.66%	3.97%
NTGI BC Agg. Index - Net (12/31/04)	(0.24%)	0.97%	3.77%	4.03%

Fixed Income Returns

The table below details the rates of return for the fund's domestic fixed core managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended July 31, 2014

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Dom. Fixed Active Core (03/31/01)	3.96%	5.66%	4.95%	5.02% ^(4/01)
EARNEST Partners (04/30/05)	4.10%	5.53%	-	5.18% ^(5/05)
BC Aggregate Index	3.04%	4.47%	4.80%	4.75% ^(5/05)
EARNEST Partners - Net (04/30/05)	3.91%	5.32%	-	4.97% ^(5/05)
Piedmont (05/31/05)	3.82%	5.63%	-	4.96% ^(6/05)
BC Aggregate Index	3.04%	4.47%	4.80%	4.67% ^(6/05)
Piedmont - Net (05/31/05)	3.63%	5.45%	-	4.75% ^(6/05)
Dom. Fixed Passive Core (12/31/89)	3.08%	4.58%	4.76%	6.52% ^(1/90)
BlackRock US Debt (08/31/13)	-	-	-	3.74% ^(10/13)
BC Aggregate Index	3.04%	4.47%	4.80%	3.52% ^(10/13)
BlackRock US Debt - Net (08/31/13)	-	-	-	3.73% ^(10/13)
NTGI BC Agg. Index (01/31/90)	3.10%	4.59%	4.76%	6.59% ^(2/90)
BC Aggregate Index	3.04%	4.47%	4.80%	6.59% ^(2/90)
NTGI BC Agg. Index - Net (12/31/04)	3.09%	4.58%	-	4.62% ^(1/05)

Fixed Income Returns

The table below details the rates of return for the fund's domestic fixed core plus and high yield managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended July 31, 2014

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Fixed Core Plus (12/31/81)	(0.23%)	1.34%	4.81%	5.84%
BlackRock Core Plus (03/31/07)	(0.21%)	1.13%	4.11%	4.81%
BC Aggregate Index	(0.25%)	0.94%	3.66%	3.97%
BlackRock Core Plus - Net (03/31/07)	(0.21%)	1.11%	3.91%	4.59%
LM Capital (04/30/05)	(0.37%)	1.22%	3.94%	5.11%
BC Aggregate Index	(0.25%)	0.94%	3.66%	3.97%
LM Capital - Net (04/30/05)	(0.40%)	1.18%	3.82%	4.95%
Progress Fixed Income (12/31/05)	(0.23%)	1.03%	4.40%	5.21%
BC Aggregate Index	(0.25%)	0.94%	3.66%	3.97%
Progress Fixed Inc. - Net (12/31/05)	(0.30%)	0.95%	4.13%	4.85%
Taplin, Canida, Habacht (04/30/05)	(0.28%)	1.62%	6.03%	7.15%
BC Aggregate Index	(0.25%)	0.94%	3.66%	3.97%
Taplin, Canida, Hab. - Net (04/30/05)	(0.31%)	1.59%	5.92%	6.97%
Western (10/31/01)	(0.10%)	1.50%	5.20%	6.37%
BC Aggregate Index	(0.25%)	0.94%	3.66%	3.97%
Western - Net (12/31/04)	(0.10%)	1.47%	5.13%	6.23%
High Yield (03/31/86)	(1.11%)	0.90%	4.69%	8.28%
MacKay Shields (10/31/00)	(1.05%)	0.54%	4.23%	8.26%
ML High Yield Cash Pay Index	(1.33%)	0.46%	4.15%	8.20%
MacKay Shields - Net (12/31/04)	(1.05%)	0.46%	4.05%	7.89%

Taplin, Canida, & Habacht moved to Core Plus October 1, 2010.

Fixed Income Returns

The table below details the rates of return for the fund's domestic fixed core plus and high yield managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended July 31, 2014

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Fixed Core Plus (12/31/81)	4.56%	6.63%	5.57%	8.77% ^(1/82)
BlackRock Core Plus (03/31/07)	3.94%	5.86%	-	5.52% ^(4/07)
BC Aggregate Index	3.04%	4.47%	4.80%	4.99% ^(4/07)
BlackRock Core Plus - Net (03/31/07)	3.74%	5.71%	-	5.40% ^(4/07)
LM Capital (04/30/05)	4.04%	5.92%	-	5.67% ^(5/05)
BC Aggregate Index	3.04%	4.47%	4.80%	4.75% ^(5/05)
LM Capital - Net (04/30/05)	3.88%	5.75%	-	5.50% ^(5/05)
Progress Fixed Income (12/31/05)	4.28%	5.71%	-	5.76% ^(1/06)
BC Aggregate Index	3.04%	4.47%	4.80%	4.94% ^(1/06)
Progress Fixed Inc. - Net (12/31/05)	3.91%	5.33%	-	5.41% ^(1/06)
Taplin, Canida, Habacht (04/30/05)	5.07%	6.72%	-	5.67% ^(5/05)
BC Aggregate Index	3.04%	4.47%	4.80%	4.75% ^(5/05)
Taplin, Canida, Hab. - Net (04/30/05)	4.93%	6.58%	-	5.54% ^(5/05)
Western (10/31/01)	5.09%	7.63%	5.84%	5.99% ^(11/01)
BC Aggregate Index	3.04%	4.47%	4.80%	4.80% ^(11/01)
Western - Net (12/31/04)	4.95%	7.48%	-	5.40% ^(1/05)
High Yield (03/31/86)	8.15%	12.22%	8.99%	10.22% ^(4/86)
MackKay Shields (10/31/00)	8.71%	11.49%	8.54%	9.89% ^(11/00)
ML High Yield Cash Pay Index	8.31%	12.18%	8.53%	8.52% ^(11/00)
MackKay Shields - Net (12/31/04)	8.31%	11.09%	-	7.59% ^(1/05)

Taplin, Canida, & Habacht moved to Core Plus October 1, 2010.

Manager Summary

Five Best Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Outperformance	Since Inception Outperformance	
	(in % points)	(in % points)	
Mondrian	3.10	0.91	(03/31/12)
Brown	2.37	1.83	(09/30/04)
Taplin	2.36	0.92	(04/30/05)
GlobeFlex	2.23	0.78	(02/28/06)
Genesis	1.81	3.16	(04/30/04)

Five Worst Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Underperformance	Since Inception Underperformance	
	(in % points)	(in % points)	
Ariel	-10.04	-0.49	(10/31/10)
Wall Street	-6.63	6.60	(07/31/90)
William Blair Small Cap	-5.90	3.30	(08/31/10)
BlackRock LCG	-5.21	-4.56	(07/31/11)
Fortaleza	-3.79	-1.62	(11/30/06)

Five Highest Returning Portfolios

Manager	Year-to-Date Return	Since Inception Return	
	(in % points)	(in % points)	
Genesis	10.27	15.19	(04/30/04)
Mondrian	7.61	11.53	(03/31/12)
Brown	6.88	9.50	(09/30/04)
GlobeFlex	6.74	5.22	(02/28/06)
BMO	6.51	7.93	(01/31/01)

Five Lowest Returning Portfolios

Manager	Year-to-Date Return	Since Inception Return	
	(in % points)	(in % points)	
Ariel	-12.14	13.46	(10/31/10)
Wall Street	-10.61	14.49	(07/31/90)
Fortaleza	-7.76	5.90	(11/30/06)
Frontier	-4.01	13.52	(07/31/88)
DFA Micro Cap	-3.91	11.47	(07/31/87)

Returns are shown gross of investment management fees.

Excludes Real Estate and Alternative Investments portfolios.

The report was followed by discussion from Board Members.

(14-08-03) (Annual Economic Opportunity Investment Report) The Chief Investment Officer presented an overview of the Annual Illinois Economic Opportunity Investment Report. She reported under Public Act 96-0753, this report must be submitted to the Governor and General Assembly annually by September 1st.

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

Vote: Stanish, Stulir, Thompson, Henry, Kuehne, Piechocinski
Absent: Stafford

(14-08-04) (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	14-05-30
Special Board Meeting	14-06S-19

Schedules - Dated June 26, 2014

- 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

Schedules - Dated July 2014

- 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

Schedules - Dated August 14, 2014

- 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.

It was moved by Ms. Henry, seconded by Mr. Kuehne, to approve the items on the Consent Agenda.

Vote: Unanimous Voice Vote
Absent: Stafford

(14-08-05) (Financial Reports) The Chair presented the following financial reports for approval.

- Review of June, July and August Reporting Packages
- Statement of Fiduciary Net Position for April, May and June
- Impact of 2014 Year-To-Date (June, July and August) Investment Income on
- Employer Reserves, Funding Status and Average Employer Contribution Rates
- Schedule T - Report of Expenditures (June, July and August)

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

Vote: Unanimous Voice Vote
Absent: Stafford

(14-08-06) (Report of the Audit Committee Meeting) The Chair of the Audit Committee reported on the meeting held on August 22, 2014.

The Chair reported IMRF's Internal Audit Manager, Julia Davidyan, presented an addendum to Crowe Horwath's IT Internal Audit Services Plan Engagement Letter dated November 22, 2013 for approval. She noted the original scope of work that included testing of certain Horizon project items needs to be revised.

After questions and discussion, it was the consensus of the Audit Committee to recommend the Board approve the addendum to Crowe Horwath's IT Internal Audit Services Plan Engagement Letter.

It was moved by Mr. Kuehne, seconded by Mr. Piechocinski, to approve the recommendation of the Audit Committee.

Vote: Unanimous Voice Vote
Absent: Stafford

(14-08-07) (Report of the Benefit Review Committee) The Chair of the Benefit Review Committee reported on the Benefit Review Committee meetings held on July 24, 2014 and August 21, 2014.

He first reported on the July 24, 2014 Benefit Review Committee meeting.

It was moved by Mr. Stulir, seconded by Mr. Piechocinski, to accept the following recommendations of the Benefit Review Committee:

- To uphold the staff decision denying Gerald Ponio's application for omitted service credit for the period of time he served as a paid on-call firefighter for Central Stickney Fire Protection District.

- To uphold the staff decision finding that Gordon Sunderlage was not eligible for temporary disability benefits under Section 7-146.
- To defer making a determination regarding Michael Drea's request to rescind his retirement, allowing his ECO pension to be recalculated using the higher salary of County Treasurer, pending the State of Illinois' response to Mr. Drea's FOIA request for telephone records.
- To overturn the staff's determination to remove the 401(a) contributions, recalculate the pension and create a prepayment of benefits for retirees Gordon, Champagne, Hawes and Phillips of the City of Rock Island.
- To uphold staff's determination to deny Temporary disability benefits for Jeanne Williams.
- To Uphold staff's determination to deny Total and Permanent disability benefits for Carol Michalowski.

Vote: Unanimous Voice Vote
Absent: Stafford

Next, the Chair of the Benefit Review Committee reported on the August 21, 2014 Benefit Review Committee meeting.

It was moved by Mr. Stulir, seconded by Mr. Piechocinski, to accept the following recommendations of the Benefit Review Committee:

- To Uphold staff's determination that Michael Drea is not entitled to rescind his 2012 retirement so that his pension can be recalculated at the salary of County Treasurer, a position he held for eight months.
- To defer making a decision pending additional information to be received from Julie Davinroy.
- To uphold staff's determination that Levester Paul Husband should not be permitted to post-date his retirement benefits.
- To uphold staff's determination that Jackie Ardyce Bruns is not entitled to IMRF surviving spouse benefits pursuant to Section 7-154 of the Illinois Pension Code.
- To uphold staff's determination to deny Temporary disability benefits for Shannon Sterrett.

Vote: Unanimous Voice Vote
Absent: Stafford

Lastly, it was the consensus of the Benefit Review Committee to defer making a decision regarding the contract amendment to allow the Consultant (Dr. Miller) to appear at hearing via video-conferencing, pending additional information and video conferencing testing to determine if video conferencing is a viable option.

(14-08-08) (Report of the Investment Committee) The Chair of the Investment Committee reported on the Investment Committee meeting held on August 21, 2014.

The Investment Committee heard recommendations from staff and consultant as well as presentation from two non-U.S. Private Equity firms.

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

- For Non-U.S. Private Equity
 - o Allocating up to £33 million (approximately \$56.1 million) to Inflexion Buyout Fund IV, L.P., subject to satisfactory legal due diligence;
 - o Allocating up to £22 million (approximately \$37.4 million) to Inflexion Partnership Capital Fund I, L.P., subject to due diligence; and,
 - o Authorizing staff to complete all documentation necessary to execute these recommendations.

- For Emerging Markets
 - o Allocating an additional \$150 million to the Genesis Emerging Markets Commingled Fund (expected funding in October 2014); and,
 - o Authorizing staff to determine the appropriate funding source at that time.

After questions and discussion, it was moved by Ms. Henry, seconded by Mr. Piechocinski, to approve the recommendations of the Investment Committee.

Vote: Unanimous Voice Vote
Absent: Stafford

Lastly, the Chief Investment Officer presented a draft agenda to the Board for the Investment Strategy Summit, to be held on October 7 and 8, 2014 in Chicago.

(14-08-09) (IMRF Endorsed Long Term Care Insurance) General Counsel presented a revised plan of long term care insurance products to be offered by IMRF for approval by the Board.

She noted that IMRF's retiree insurance consultant, Doyle Rowe LTD, is proposing a new approach to offering IMRF active and retired members' long term care insurance that would allow more members to participate by keeping premiums down and relaxing qualification requirements.

After questions and discussion, it was moved by Ms. Thompson, seconded by Ms. Stanish, to endorse the revised plan of long term care insurance products to be offered, including asking employers to agree to payroll deductions for employees who elect to purchase long term care insurance.

Vote: Unanimous Voice Vote
Absent: Stafford

(14-08-10) (CEM Benchmarking Presentation) Ms. Hartford from CEM Benchmarking, Inc. (CEM) presented IMRF's benefit administration benchmarking results for fiscal year 2013.

The Deputy Executive Director also participated in the presentation.

This report can be used as a management tool to assist IMRF in improving customer service levels by: understanding how IMRF compares to other retirement systems; by identifying areas for service and process improvements; and, by sharing ideas and best practices.

Ms. Hartford presented the following key highlights from the 2013 CEM Report:

- IMRF's total cost was \$84 per active and retiree (\$25 below the peer average cost of \$109), which is excellent given IMRF's higher volumes in key member transactions, higher cost environment, and having a consistently high service score that ranks in the top 10-15% of the North American Peer Group.
- IMRF ranks 6th in overall service in the North American Peer Group (out of 45 public pension systems);
- IMRF is the only system to offer all 17 of the online transactions that CEM measures.

The presentation was following by discussion.

(14-08-11) (Expanded Litigation Update) The following is an update of the currently pending or recently concluded litigation:

VRAKAS, et al. v. COUNTY OF WILL, et al. (Will County)

Facts:

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. IMRF has been named as a "necessary party" to the lawsuit so that any judgment can be properly enforced.

Issue:

Was the County was required to enroll the correctional officers in IMRF as "sheriff's law enforcement employees?"

Procedural History:

Case has been pending since December 14, 2009 with parties filing various motions to dismiss and for summary judgment. The most recent cross motions for summary judgment have been argued. The County and Plaintiffs were actively discussing settlement and appeared to have reached an agreement. The agreement had been signed by all 68 Plaintiffs and the County indicated that it wanted to create a class so that it could be assured that all potential plaintiffs were included. A hearing was set for certification of the class action on February 7, 2013, however, on that date the parties appeared before the Court where the County indicated that it had changed its mind and was no longer interested in settling the case.

Current Status:

Summary judgment was granted to the County and the matter is being appealed.

IN RE TRIBUNE CO, ET AL. , THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
OF TRIBUNE CO, ET AL. VS. FITZSIMONS, ET AL.

Facts:

The unsecured creditors in the Tribune bankruptcy sued investors who sold their Tribune stock at the time of the leveraged buyout by the group headed by Sam Zell. IMRF sold its stock to the buyout group and is included as a defendant.

Issue:

The plaintiffs' theory is that the buyout was fraudulent and therefore a portion of the proceeds from the stock sale was based on that fraud and should be returned to the Tribune's bankruptcy estate. At the time Tribune Company exited from bankruptcy, this lawsuit was assigned to a trustee to continue on behalf of the creditors.

Procedural History:

The plaintiffs spent time finding all of the former stockholders to add as defendants; an agreement of the parties led to the small stockholders (under \$50,000 in proceeds) being dismissed; a motion to dismiss filed by certain of the defendants was granted and a portion of the complaint was dismissed. That ruling is on appeal and litigation on the remaining issues is proceeding.

Current Status:

IMRF has joined with other public plans to use a shared counsel (Ice Miller LLP). The defendant groups filed a joint motion to dismiss the remaining issues.

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

Facts:

This is an administrative review action challenging the IMRF Board's decision upholding the granting of MEABF and Deerfield credit transfers to Thomas Sheahan, the former police chief of Oak Brook and denying the Village's request to recalculate their liability excluding the service credits transferred from MEABF and Deerfield. The Village claims that IMRF should not have accepted the Deerfield transfer because IMRF was not paid for the transfer from Deerfield until after the Plaintiff had terminated his employment. The Village also claims that the MEABF transfer was improper because Sheahan did not pay his portion of the contributions, resulting in less time being transferred than what was originally in Sheahan's account with MEABF. The Village is also seeking a declaratory judgment that Section 8-226.7 is unconstitutional special legislation.

Issues:

Whether IMRF properly allowed the transfers of MEABF and Deerfield Police Pension fund service credit.

Whether the public act allowing the transfer of MEABF service was a violation of the constitutional prohibition against special legislation.

Procedural History:

Case was filed on June 6, 2013. On Oct 3, 2013 the judge set a briefing schedule on IMRF's motion to dismiss regarding the issue of whether all proper parties have been named. IMRF's brief was due November 1 and a hearing was set for January 7. At the hearing held on January 7, IMRF's motion was granted. The Village was required to re-plead Count II of the complaint (the declaratory judgment count) naming MEABF as a necessary party. A briefing schedule was set on the administrative review count. The Village filed their amended complaint and IMRF has answered. IMRF filed its brief on count I (administrative review) on March 25. MEABF filed a motion to dismiss.

Current Status:

On June 17, 2014 Judge Sheen issued a lengthy opinion wherein he found that the transfers of the Deerfield service and the MEABF service were done incorrectly. Specifically, Judge Sheen found that Mr. Sheahan was not active when the final payment was made to transfer his Deerfield credit and the statute required that he be active during all stages of such transfer and also that because Mr. Sheahan did not pay his portion to transfer the MEABF credit that IMRF acted improperly by crediting him with a portion of that service. A motion for a stay was filed by Mr. Sheahan and it was argued on July 28. The stay was denied. IMRF has ceased making pension payments to Mr. Sheahan and he has appealed that determination so this issue will come back before the Board. Also on July 28, Judge Sheen allowed a counterclaim to be filed by Sheahan against IMRF. Sheahan alleges breach of fiduciary duty and breach of contract against IMRF. Sheahan has not yet appealed the circuit court order.

KATHERINE HINTERLONG V. IMRF (13 MR 1928) DUPAGE CO.

Facts:

Ms. Hinterlong applied for disability benefits on June 5, 2012. She indicated that her last day of work was May 30, 2012. Ms. Hinterlong was examined by her doctor on April 20, 2012. At this time he noted that she was "applying for disability and would like to discuss". Ms. Hinterlong was aware in April of 2012 that she would not be recommended for reemployment for the next school year. Ms. Hinterlong's employer submitted their certificate of disability on June 6, 2012. This form indicates last day worked was May 30, 2012 (the school year ended). The ER form also indicated that Ms. Hinterlong was terminated due to performance on June 5, 2012. The IMRF termination form shows the date of termination as June 5, 2012. On July 11, 2012 the physician's statement was received which said that although she was disabled as of May 30, 2012 he did not recommend she stop working until July 2012. Ms. Hinterlong advised IMRF employee Debra Hawkins that her first date of treatment with a physician following last day worked was not scheduled until July 24, 2012. There is nothing in the file which shows Ms. Hinterlong's ability to work changed from April 2012 (when she was seen) to the time she was declared disabled by her doctor (without being seen).

Staff denied the claim on July 23, 2012 based on the fact that Ms. Hinterlong was not a participating employee as of the date of her first treatment (July 24, 2012) following her last day worked. (May 30, 2012) Since Ms. Hinterlong did not meet the qualifying criteria for disability, her claim was not investigated as to whether her condition was disabling. Later (sometime on or near July 26, 2012) the 5.42 form was changed to state that Ms. Hinterlong should stop working on May 30, 2012. IMRF has no documentation stating Ms. Hinterlong was seen by a doctor on or near this date. She had been seen in April of 2012 and the notes report that the examination was normal. On August 21, 2012 Larry Dixon wrote to Ms. Hinterlong explaining she was not eligible because she was not a participating member "as of her first treatment visit date following her last date worked". This is an administrative review action challenging the Board's decision upholding the denial of temporary disability for Katherine Hinterlong.

Issue:

Whether Katherine Hinterlong is qualified to receive IMRF temporary disability benefits pursuant to 40 ILCS 5/7-146?

Procedural History:

Case was filed in December of 2013. IMRF timely filed its answer and appearance in January of 2014.

Current Status:

IMRF's brief was filed and a hearing on the merits was held on July 11, 2014. IMRF's determination that Ms. Hinterlong did not qualify to apply for disability benefits because she was separated from IMRF service at the time her disability was incurred was upheld by Judge Wheaton. Hinterlong has appealed to the 2nd District Appellate Court.

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

Facts:

Kathleen Konicki was an elected member of the Will County Board. She elected to participate in IMRF in 1997. In 1998, she filled out paperwork to enroll herself in Original ECO. The documentation shows that she later changed her mind and asked that she not be enrolled. IMRF allowed her to make this choice. Ms. Konicki does not dispute this. Much later, in 2008, Ms. Konicki applied for and was enrolled in Revised ECO. Ms. Konicki terminated her participation in IMRF in November of 2012 with 192 months of service credit. She was advised that she could convert service to Revised ECO at any time after she retired but that it was a one-time opportunity that was prospective only and she qualified only for Revised ECO, not original ECO, due to the fact that P.A. 91-0685 added a subsection (h) to Section 7-145.1 of the Pension Code which stated that she would participate only in Revised ECO if she made contributions to ECO after January 26, 2000 (the effective date of P.A. 91-0685)

On February 12, 2013, Kathy O'Brien, IMRF's General Counsel, sent a letter explaining why Ms. Konicki could only participate in Revised ECO and a staff determination with appeal rights was sent on April 1, 2013. Ms. Konicki's dispute is with the staff determination that she is eligible to convert her service only to Revised ECO and not to Original ECO. The Benefit Review Committee and ultimately the IMRF Board upheld the staff determination and it is from this decision that Ms. Konicki appealed

Issue:

Whether Kathleen Konicki qualifies to convert her IMRF service to Original ECO?

Procedural History:

Filed on January 24, 2014. Answer, Appearance and Motion to Dismiss timely filed. Hearing on motion to dismiss, March 6, 2014 (Dismissal of Trustee Stanish and setting of briefing schedule). Agreed order entered on March 6, 2014 by Judge Belz dismissing Trustee Stanish and setting briefing schedule and hearing date.

Current Status:

Plaintiff's brief was filed on May 6, 2014. IMRF's brief was filed on June 17, 2014 and a hearing will be held on August 15, 2014.

BURGER v. IMRF (12 MR 127 McHenry) (new number 14 MR 79)(Cases consolidated)

Facts:

Ms. Burger injured herself on the job and was receiving IMRF temporary disability. She developed additional medical issues after termination. After receiving the case back from the circuit court, IMRF asked its medical consultants to review the matter. Their original opinion regarding Ms. Burger's eligibility was not changed.

Issue:

Whether Ms. Burger is totally and permanently disabled under the Pension Code.

Procedural History:

The circuit court remanded the case to IMRF in 2013 with instructions to allow the cross examination of Drs. Rao and Miller and to consider diagnoses after the termination date if such diagnoses are causally related to conditions diagnosed prior to termination. The case went back to the Benefit Review Committee in December which again upheld the denial of benefits (written decision dated 1/13/14) The Plaintiff's attorney unexpectedly passed away and a new attorney took the case. An appeal was filed on February 14, 2014. IMRF timely filed the administrative record and its appearance on March 17, 2014.

Current Status:

A briefing schedule has been sent.

VILLAGE OF WESTMONT V. IMRF 2014 MR 528 (DUPAGE CO.)

Facts:

Westmont employs part-time firefighters who work over 1000 hours a year. Westmont does not have a fire pension fund (despite the fact that the population of Westmont is over 5,000) because it employs only part-time firefighters. In August of 2013, IMRF General Counsel Kathleen O'Brien advised Westmont that it should enroll its part-time firefighters in IMRF if they worked over 1,000 hours per year. Westmont has adopted the 1000 hour standard for participation in IMRF. Westmont appealed that decision to the IMRF Board as well as its subsequent reclassification from Group IV to Group VI firefighters in the IMRF Authorized Agent's manual ("AA manual"). The Board affirmed staff and this administrative review action followed.

Issue:

Whether Westmont is required to enroll its part time firefighters in IMRF if they work over 1000 hours per year.

Procedural History:

Filed on April 15, 2014.

Current Status:

IMRF's brief is due on August 18, 2014. Argument is set for September 11, 2014.

Olympus Corporation

Facts:

IMRF and other US institutional investors have joined in a lawsuit in Japan against Olympus Corporation based on securities fraud. We are acting through a European company (Deminor International) that manages non-US securities litigation under contract with the owners of the securities. This process for non-US based securities litigation is now necessary because of a decision of the US Supreme Court finding that US courts have no jurisdiction in securities fraud matters against non-US corporations, if the securities were not purchased on a US exchange.

Issue:

The plaintiffs' allegations are of the usual securities fraud type: that Olympus purposely misstated financials or gave misleading information in an effort to boost or support the price of its securities. When the misstatements were discovered, the prices fell, causing damage to investors who purchased the securities during the inflated period.

Current Status:

This matter is pending and settlement discussions are ongoing.

**Trustees of the Mineworkers' Pension Scheme Limited and Others v
The Royal Bank of Scotland Group plc**

Facts:

IMRF has joined in a lawsuit in London against the Royal Bank of Scotland, based on securities fraud. We are sharing US counsel with other US public pension funds and British counsel with those funds and other non-US organizations.

Issue:

The plaintiffs' allegations are that RBS purposely misstated its financial position in connection with a securities offering in 2008. After IMRF and the other plaintiffs had purchased the securities, RBS required a massive bailout from the British government and the value of the securities collapsed.

Current Status:

The complaint was filed in March 2013 and discovery is pending. Discovery in litigation in British courts is much narrower and simpler than in the US.

**PETERSON V. VILLAGE OF FOX LAKE AND IMRF 14 CV 9349(US DISTRICT COURT, ND
ILL)**

Facts:

IMRF member was terminated by his employer and filed suit in federal court alleging he was denied due process.

Issue:

Was member's right to due process violated when he was terminated?

Procedural History:

Complaint was filed in June 2014. IMRF was named to make sure the member's pension credit are included in any back salary he might be awarded.

Current Status:

IMRF has appeared in this matter. No further action will be necessary as no allegations concerning IMRF were made in this case.

KARYN O'CONNOR V. IMRF 14 MR 678 (DUPAGE CO)

Facts:

Ms. O'Connor applied for temporary disability benefits on August 26, 2005. Staff approved temporary disability benefits on October 25, 2005. On December 15, 2008, the Medical Consultant reviewed the records and opined that Ms. O'Connor met the IMRF definition of Total and Permanent disability as of April 1, 2008. December 8, 2013, the IMRF Medical Consultant reviewed the updated medical records of Ms. O'Connor and opined that Ms. O'Connor was no longer eligible for IMRF Total and Permanent disability benefits beyond December 31, 2013. Staff Concurred and benefits were terminated effective January 31, 2014. February 11, 2014, Ms. O'Connor appealed staff's determination, did not submit any additional medical information and was scheduled for an in-person hearing on March 27, 2014. The Board upheld staff's decision that Ms. O'Connor was no longer eligible to receive disability benefits.

Issue:

Whether Ms. O'Connor is totally and permanently disabled under the Pension Code.

Procedural History:

Ms. O'Connor filed a Complaint for Administrative Review on March 28, 2014 with the DuPage County Circuit Court. Answer, Appearance and Motion to Dismiss were timely filed. Hearing on Motion to Dismiss Certain Defendants was held July 17, 2014. Agreed Order entered by Judge Wheaton dismissing named staff and Medical Consultant, briefing schedule and hearing date were set.

Status:

IMRF has answered and filed a motion to dismiss certain defendants. The motion to dismiss was granted, dismissing IMRF staff and Dr. Rao from the complaint. A briefing schedule was set, with IMRF's brief due on September 25, 2014 and a hearing is scheduled for November 6 in front of Judge Wheaton.

SCOTT TATE V. IMRF 2014 MR 34 (FRANKLIN CO)

Facts:

Mr. Tate applied for temporary disability benefits on November 16, 2010 based on a medical diagnosis following an October 13, 2010 on-the-job injury. Mr. Tate was released to return to work on December 20, 2012 with restrictions for which his employer was unable to accommodate. Therefore, Mr. Tate received disability benefits for the period from December 16, 2010 to June 30, 2013. Prior to the exhaustion of Mr. Tate's temporary disability benefits, an extensive total and permanent disability investigation of his claim was conducted. On July 20, 2013, the Medical Consultant reviewed the entire file with respect to Mr. Tate's eligibility for IMRF total and permanent disability benefits. Based on the records available, Mr. Tate did not meet the eligibility and was denied total and permanent disability on July 24, 2013. Mr. Tate filed an appeal of staff's determination and submitted additional medical evidence.

The Medical Consultant reviewed the additional records and noted that Mr. Scott did not meet the IMRF definition of total and permanent disability. On April 24, 2014, the Board upheld staff's decision that Mr. Tate was no longer eligible to receive disability benefits.

Issue:

Whether Mr. Tate is totally and permanently disabled under the Pension Code.

Procedural History:

Mr. Tate filed a Complaint for Administrative review in Franklin County Circuit Court. Answer and Appearance were timely filed.

Status:

Case filed on June 4, 2014 in Franklin County. IMRF has filed its answer and appearance.

(14-08-12) (Report of Executive Director) The Executive Director discussed the status of the IMRF Modernization Program.

(14-08-13)(Executive Session) It was moved by Mr. Piechocinski, seconded by Ms. Stanish to go into Executive Session as the full Board to discuss a personnel matter pursuant to Section 2(c)(1)of the Open Meetings Act.

Vote: Unanimous Voice Vote
Absent: Stafford

Ms. Henry left the meeting at Noon.

The full Board reconvened the Board Meeting.

(14-08-14) (Adjournment) It was moved by Mr. Piechocinski, seconded by Mr. Kuehne, to adjourn the Board Meeting at 12:30 p.m., to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, Illinois, at 9:30 a.m. on November 21, 2014.

Vote: Unanimous Voice Vote
Absent: Henry, Stafford

President

Date

Secretary

Date

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