The Investment Committee met in the IMRF offices in Oak Brook, Illinois, on Thursday, February 24, 2011. Mr. Stafford, Chairman of the Investment Committee, called the meeting to order at 2:00 P. M.

(Roll Call) Mr. Sambol called the roll:

Present: Shoop, Thompson, Copper, Piechocinski, Henry, Stafford
Absent: None

Also in attendance were: Ms. Rademacher, member of the IMRF Board of Trustees; Ms. Becker-Wold, and Messrs. Dickinson and Ball of Callan Associates; Mr. Kosiba, IMRF Executive Director; Mr. Duquette, IMRF Deputy Executive Director; Mr. Richard DeCleene, IMRF Chief Financial Officer; Mr. Koziol, IMRF Chief Investment Officer; Mr. Sambol, IMRF Investment Manager; and Ms. Seplak, Ms. Vasquez, Mr. Talaga, Ms. Bulger, Ms. Villarreal, and Ms. Brunke, IMRF Investment Analysts.

(Action Item – Approve Investment Committee Meeting Minutes from October 21, 2010) The Chief Investment Officer asked for the approval of the minutes of the October 21, 2010 Investment Committee Meeting.

It was moved by Ms. Henry, and seconded by Mr. Shoop, that the minutes from the October 21, 2010 meeting of the Investment Committee be approved.

Vote:
The motion was approved unanimously.

(Action Item – Approve Investment Committee Charter) The Chief Investment Officer presented the Investment Committee Charter. After this presentation, he asked the Committee to recommend approval of this charter to the Board.

It was moved by Ms. Henry, and seconded by Ms. Thompson, to recommend that the Investment Committee Charter be approved.

Vote:
The motion was approved unanimously.
(11-02-04) (Action Item – Approve Statement of Investment Policy) The Chief Investment Officer presented changes to the Statement of Investment Policy. He then asked the Committee to approve this policy as amended.

It was moved by Ms. Henry, and seconded by Mr. Shoop, to recommend that the Board approve the Statement of Investment Policy as amended.

Vote:
The motion was approved unanimously.

(11-02-05) (Action Item – Approve Real Estate Statement of Investment Policy) The Chief Investment Officer presented the Real Estate Statement of Investment Policy. After this presentation, he asked the Committee to recommend approval of this policy to the Board.

It was moved by Ms. Thompson, and seconded by Ms. Copper, to recommend that the Real Estate Statement of Investment Policy be approved.

Vote:
The motion was approved unanimously.

(11-02-06) (Annual Proxy Voting Report) Staff presented the 2010 Annual Proxy Voting Report to the Committee. It was noted that IMRF voted 1,637 domestic ballots, and 1,623 international ballots. Examples of IMRF’s votes against management were also presented to the Committee.

(11-02-07) (Annual Minority, Female and Person With A Disability Owned Business (MFPDOB) Money Manager Utilization Report) The 2010 Annual Minority, Female and Disabled Person-Owned (MFPDOB) Money Manager Utilization Report was presented to the Committee. As of December 31, 2010, IMRF’s emerging manager allocations by manager classification were: minority-owned businesses 10.1% versus a goal of 9% to 13%; female-owned businesses 1.9% versus a goal of 2% to 6%; and businesses owned by a person with a disability 0% versus a goal of 0.5% to 1%. As of December 31, 2010, IMRF’s emerging manager allocations by asset class were: Equities 9.7% versus a goal of 10% to 12%; Fixed Income 18.7% versus a goal of 15% to 20%; and Alternatives 6.1% versus a goal of 5% to 10%. Additional information reported during the presentation included: summaries of the minority classifications of emerging managers used by IMRF; a summary of MFPDOB-focused Staff activities in 2010; and a review of the growth of assets managed by MFPDOB-owned firms since 2002.
Staff next presented the 2010 Annual Minority, Female and Disabled Person-Owned Broker Utilization Report. As of December 31, 2010, IMRF’s utilization of these broker/dealers was: U.S. Equities 32.99% versus a goal of 20%; International Equities 26.30% versus a goal of 20%; Fixed Income 18.75% versus a goal of 20%; High Yield Bonds 22.61% versus a goal of 5%; International Small-Cap Equities 12.12% versus a goal of 5%; U.S. Micro-Cap Equities 14.59% versus a goal of 5%; Emerging Market Equities 0% versus a goal of 5%; and Commingled Accounts 0.35% versus a goal of best efforts. Additional information presented to the Committee included: a summary of brokerage commission allocations by ethnicity; the growth of brokerage commissions executed with minority, female, and disabled person-owned broker/dealers since 2002; and the reasons why some managers failed to achieve our brokerage goals.

- The Committee recessed at 3:07 P.M.
- The meeting of the Investment Committee reconvened at 3:18 P.M.

Staff and Consultant presented a review of the investment portfolio’s strategic asset allocation targets and policy-level benchmarks. It was noted that the current strategic asset allocation is efficient and that no changes are needed. IMRF’s existing strategic target allocation is expected to achieve a 7.5% target return. It was also noted that the Fund’s policy-level benchmarks are efficient and that no changes are needed.

Staff and Consultant stated that the next steps in the 2011 Asset Allocation Process will be to review each segment of the portfolio including: U.S. equity; non-U.S. equity; fixed income; real estate; and alternative investments.

The Chairman reviewed the starting time for the March 24th Investment Committee Meeting. After discussion, it was the consensus of the Committee that their next meeting will be held on Thursday, March 24, 2011, beginning at 2:00 P.M.

There were no trustee comments.

There were no public comments.
By unanimous consent, the meeting of the Investment Committee adjourned at 4:07 P.M.

Chairman ____________________________ Date ____________________________

Clerk ____________________________ Date ____________________________