The Investment Committee met in the IMRF offices in Oak Brook, Illinois, on Thursday, July 21, 2011. Mr. Stafford, Chairman of the Investment Committee, called the meeting to order at 11:04 A.M.

(Roll Call) Mr. Sambol called the roll:

Present: Piechocinski, Stafford, Henry, Thompson
Absent: Copper, Shoop

Also in attendance was: Ms. Faklis, member of the IMRF Board of Trustees; Ms. Becker-Wold, and Messrs. Robinson, Dickinson, and Ball of Callan Associates; Mr. Kosiba, IMRF Executive Director; Mr. Koziol, IMRF Chief Investment Officer; Mr. Sambol, IMRF Investment Manager; and Ms. Seplak, Ms. Bulger, and Mr. Talaga, IMRF Investment Analysts.

(Action Item – Approve Investment Committee Meeting Minutes from May 19, 2011) The Chief Investment Officer asked for the approval of the minutes of the May 19, 2011 Investment Committee Meeting.

It was moved by Mr. Piechocinski, and seconded by Ms. Thompson, that the minutes from the May 19, 2011 meeting of the Investment Committee be approved.

Vote:
The motion was approved unanimously.

Trustee Copper, member of the Investment Committee, entered the meeting at 11:16 A.M.

(Pacing Study Review and Manager Fund Evaluation) Representatives from Callan Associates and the Chief Investment Officer presented a review of the IMRF Real Estate Portfolio Pacing Study. This included an overview of current real estate markets; core and non-core strategies and return expectations; and the portfolio’s existing diversification by manager and investment strategy. Also included was a review of the real estate portfolio’s funding
status, long-term recapitalization plans for the portfolio’s core and non-core strategies, and the investment goals for 2011 and 2012.

Staff and Consultant next presented their evaluation of two, value-added real estate fund investment managers --- Cornerstone and TA Associates Realty. It was noted that IMRF has existing relationships with both firms. Staff and Consultant discussed the organization structure, performance history, investment strategy, and fees associated with each firm. Issues for consideration pertaining to Cornerstone and TA Associates Realty were also reviewed with the Committee.

After the presentation, Staff and Consultant recommended:

- that $50 million be allocated each to Cornerstone and TA Realty;
- that these allocations be made using funds withdrawn from the NTGI Index Funds; and,
- that Staff be authorized to execute all documentation necessary to complete these transactions.

Trustee Shoop, member of the Investment Committee, entered the meeting at 11:43 A.M.

(11-07-04)(Cornerstone Real Estate Fund VIII Presentation) Messrs. Dudeck, Higgins, and Gately of Cornerstone presented a review of their firm’s organization structure, performance history, investment strategy, and fees. This presentation was followed by questions from the Committee.

(11-07-05)(Break) The Committee recessed at 12:25 P.M.

- The meeting of the Investment Committee reconvened at 1:01 P.M.

(11-07-06)(TA Associates Fund X Presentation) Messrs. Ruane and Raisides, and Ms. Hohenthal of TA Associates Realty presented a review of their firm’s organization structure, performance history, investment strategy, and fees. This presentation was followed by questions from the Committee.

- Ms. Faklis, member of the IMRF Board of Trustees, entered the meeting at 1:36 P.M.
(11-07-07)(Action Item – Deliberation and Allocation Decision) Following these presentations, the Committee and Staff discussed the strengths and weaknesses of each firm.

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

- that $50 million be allocated each to Cornerstone and TA Realty;
- that these allocations be made using funds withdrawn from the NTGI Index Funds; and,
- that Staff be authorized to execute all documentation necessary to complete these transactions.

Vote:

The motion was approved unanimously.

(11-07-08)(New Business) There was no new business presented or discussed during the meeting.

- It was decided that there will not be a meeting of the Investment Committee in August.

(11-07-09)(Trustee Comments) There were no trustee comments.

(11-07-10)(Public Comments) There were no trustee comments.

(11-07-11)(Adjourn) By unanimous consent, the meeting of the Investment Committee adjourned at 1:54 P.M.