The Investment Committee met in the IMRF offices in Oak Brook, Illinois, on Thursday, June 21, 2012. Mr. Stafford, Chairman of the Investment Committee, called the meeting to order at 2:55 P.M.

(12-06-01)(Roll Call) Mr. Sambol called the roll:

Present: Nannini, Piechocinski, Stulir, Copper, Stafford, Henry, Thompson
Absent: None

Also in attendance were: Ms. Becker-Wold and Mr. Ball of Callan Associates; Mr. Kosiba, IMRF Executive Director; Ms. Shah, IMRF Chief Investment Officer; Mr. Sambol, IMRF Investment Manager; and IMRF Investment Analysts.

(12-06-02)(Public Comments) There were no public comments.

(12-06-03)(Action Items)

A. approve investment committee meeting minutes from may 17, 2012 meeting The Chief Investment Officer asked for the approval of the minutes of the May 17, 2012 Investment Committee Meeting.

It was moved by Ms. Henry; and seconded by Mr. Piechocinski; that the minutes of the May 17, 2012 meeting of the Investment Committee be approved.

Vote:
The motion was approved unanimously.
(12-06-04)(Hedge Funds)

A. Hedge Fund Presentation by Callan Mr. Ball of Callan Associates presented an educational overview of Hedge Fund Investing to the Committee. This included the following topics: hedge fund performance; hedge fund strategies; hedge fund risk management; and the implementation of a hedge fund program.

B. Hedge Fund Presentation by Staff The Chief Investment Officer presented an evaluation of the allocations, fees, investment strategies, and performance of IMRF’s three hedge fund managers: Aurora; Grosvenor; and Mesirow. After this presentation, she recommended:

- that the number of fund-of-funds managers in the Hedge Fund Portfolio be reduced by fully redeeming from the Mesirow-Manager Fund, Ltd., and Grosvenor Institutional Partners, L.P. (approximately $119 million for each manager);

- that the structure of IMRF’s investment with Aurora Investment Management be changed from a commingled fund-of-funds to a separate account fund-of-funds by fully redeeming from Aurora Limited Partnership (approximately $139 million) and establishing a separate account fund-of-funds with a $500 million mandate (the approximate $125 million difference between existing hedge fund allocations and the $500 million mandate will be funded from cash reserves and/or the NTI Index Funds), pending satisfactory negotiation of terms and structure; and,

- that Staff be authorized to complete all documentation necessary to execute these recommendations.

(12-06-05)(Private Equity)

A. Staff Presentation for Minority Private Equity Manager RFP The Chief Investment Officer presented an overview of IMRF’s private equity investment program to the Committee. After this presentation, she recommended that Staff be granted approval to launch a request for proposal (RFP) for a MFPDOB private equity manager.

(12-06-06)(Action Items)

A. Approve recommendation for Minority Private Equity Manager RFP Following this presentation and after discussion, it was moved by Ms. Henry; and seconded by Mr. Piechocinski; to recommend that the Board approve Staff’s recommendation to launch an RFP for a MFPDOB private equity manager

Vote:
The motion was approved unanimously.
B. **Approve recommendation for Hedge Fund Portfolio**  After further discussion, it was moved by Mr. Nannini; and seconded by Ms. Copper; to recommend:

For the Hedge Fund Portfolio:

- that the number of fund-of-funds managers in the Hedge Fund Portfolio be reduced by fully redeeming from the Mesirow-Manager Fund, Ltd., and the Grosvenor Institutional Partners, L.P. (approximately $119 million for each manager);

For Aurora Investment Management:

- that the structure of IMRF’s investment with Aurora Investment Management be changed from a commingled fund-of-funds to a separate account fund-of-funds by fully redeeming from Aurora Limited Partnership (approximately $119 million) and establishing a separate account fund-of-funds with a $500 million mandate (the approximate $125 million difference between existing hedge fund allocations and the $500 million mandate will be funded from cash reserves and/or the NTI Index Funds), pending satisfactory negotiation of terms and structure; and,

- that Staff be authorized to complete all documentation necessary to execute these recommendations.

**Vote:**  
The motion was approved unanimously.

**(12-06-07)(New Business)**  There was no new business presented or discussed during the meeting.

- The next meeting of the Investment Committee is scheduled to be held on Thursday, July 26, 2012.

**(12-06-08)(Trustee Comments)**  There were no trustee comments.
(12-06-09)(Adjourn) By unanimous consent, the meeting of the Investment Committee adjourned at 3:45 P.M.

Chairman ____________________________  Date ____________________________

Clerk ____________________________  Date ____________________________