The Investment Committee met in the IMRF offices in Oak Brook, Illinois, on Thursday, February 27, 2014. Ms. Henry, Chairman of the Investment Committee, called the meeting to order at 2:18 P.M.

(Roll Call) Mr. Sambol called the roll:

Present: Kuehne; Stulir; Copper; Piechocinski; Henry; Stanish; and Thompson by audio conference
Absent: Stafford

Also in attendance were: 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.

There were no public comments.

(A) Approve Investment Committee Meeting Minutes from January 23, 2014 Meeting The Chairman asked for the approval of the minutes of the January 23, 2014 Investment Committee Meeting.

It was moved by Mr. Kuehne; and seconded by Mr. Stulir; that the minutes of the January 23, 2014 meeting of the Investment Committee be approved.

Vote: The motion was approved unanimously.

A. Private Equity Funds – ABRY Advanced Securities III, Vista Private Equity V, Lightspeed X and Lightspeed Select The Chief Investment Officer presented an overview of four private equity funds. This included recommended allocations to ABRY Advanced Securities Fund III, L.P., Vista Equity Partners Fund V, L.P., Lightspeed Venture Partners X, L.P., and Lightspeed Venture Partners Select, L.P. After this presentation, the Chief Investment Officer recommends:

- a commitment of up to $50 million be made to ABRY Advanced Securities Fund III, L.P., subject to satisfactory legal due diligence;
• a commitment of up to $100 million be made to Vista Equity Partners Fund V, L.P., subject to satisfactory legal due diligence;
• a commitment of up to $30 million be made to Lightspeed Venture Partners X, L.P., subject to satisfactory legal due diligence;
• a commitment of up to $10 million be made to Lightspeed Venture Partners Select, L.P., subject to satisfactory legal due diligence; and,
• authorizing Staff to complete all documentation necessary to execute these recommendations

B. Non-Core Real Estate Fund – CBRE Strategic Partners U.S. Value 7, L.P. The Chief Investment Officer presented an overview of CBRE Strategic Partners U.S. Value 7, L.P. After this presentation, the Chief Investment Officer recommends:

• a commitment of up to $35 million to CBRE Strategic Partners U.S. Value 7, L.P., subject to satisfactory legal due diligence; and,
• authorizing Staff to complete all documentation necessary to execute this recommendation

C. MFPDOB Middle Market Buyout Private Equity Manager Search – AUA, Estancia, NMS, Valor, and Vistria The Chief Investment Officer reviewed the MFPDOB Sector-Focused (Limited to Three Sectors or Less) Middle Market Buyout Private Equity Manager Search. Nine firms responded to this RFP. All nine firms qualified as an MFPDOB manager as defined in the Illinois Pension Code. After all responses were evaluated, Staff interviewed each of the nine firms. Following these interviews, one firm, Palladium, was determined to be out of the RFP scope since the Fund’s strategy was not limited to three sectors. Five firms: AUA Private Equity Fund, L.P.; Estancia Capital Partners, L.P.; New Mainstream Capital Fund II, L.P.; Valor Equity Partners III, L.P.; and Vistria Fund, L.P.; were selected for on-site due diligence visits and each of them is being recommended. The Chief Investment Officer presented overviews on each of the five firms. After this presentation, the Chief Investment Officer recommends:

• a commitment of up to $5 million to AUA Private Equity Fund, L.P., subject to satisfactory legal due diligence;
• a commitment of up to $5 million to Estancia Capital Partners, L.P., subject to satisfactory legal due diligence;
• a commitment of up to $5 million to New Mainstream Capital Fund II, L.P., subject to satisfactory legal due diligence;
• a commitment of up to $5 million to Valor Equity Partners III, L.P., subject to satisfactory legal due diligence;
• a commitment of up to $5 million to Vistria Fund, L.P., subject to satisfactory legal due diligence; and,
• authorizing Staff to complete all documentation necessary to execute these recommendations
(14-02-05)(Investment Manager Presentations)

A. **ABRY Advanced Securities Fund III, L.P.** Ms. Koenig and Mr. Connor of ABRY Advanced Securities Fund III, L.P. presented their product. This presentation was followed by questions from the Committee.

B. **Vista Equity Partners Fund V, L.P.** Mr. Smith of Vista Equity Partners Fund V, L.P. presented his product. This presentation was followed by questions from the Committee.

C. **Lightspeed Venture Partners X, L.P., and Lightspeed Venture Partners Select, L.P.** Mr. Nieh of Lightspeed Venture Partners X, L.P. and Select L.P. presented his products. This presentation was followed by questions from the Committee.

(14-02-06)(Action Items)

A. **Approve Allocation to ABRY Advanced Securities Fund III, L.P.** It was moved by Mr. Kuehne; and seconded by Mr. Piechocinski; to recommend that the Board approve a commitment of up to $50 million to ABRY Advanced Securities Fund III, L.P., subject to satisfactory legal due diligence; and to authorize Staff to complete all documentation necessary to execute this recommendation.

    Vote:
    
    The motion was approved unanimously.

B. **Approve Allocation to Vista Equity Partners Fund V, L.P.** It was moved by Mr. Piechocinski; and seconded by Ms. Cooper; to recommend that the Board approve a commitment of up to $100 million to Vista Equity Partners Fund V, L.P., subject to satisfactory legal due diligence; and to authorize Staff to complete all documentation necessary to execute this recommendation.

    Vote:
    
    The motion was approved unanimously.

C. **Approve Allocation to Lightspeed Venture Partners X, L.P.** It was moved by Mr. Kuehne; and seconded by Ms. Stanish; to recommend that the Board approve a commitment of up to $30 million to Lightspeed Venture Partners X, L.P., subject to satisfactory legal due diligence; and to authorize Staff to complete all documentation necessary to execute this recommendation.

    Vote:
    
    The motion was approved unanimously.
D. **Approve Allocation to Lightspeed Venture Partners Select, L.P.** It was moved by Ms. Stanish; and seconded by Mr. Piechocinski; to recommend that the Board approve a commitment of up to $10 million to Lightspeed Venture Partners Select, L.P., subject to satisfactory legal due diligence; and to authorize Staff to complete all documentation necessary to execute this recommendation.

**Vote:**

The motion was approved unanimously.

--- Committee member Stanish left the meeting at 4:25 P.M.

(14-02-07)(Investment Manager Presentation)

A. **CBRE Strategic Partners U.S. Value 7, L.P.** Mr. Maddocks of CBRE Strategic Partners U.S. Value 7, L.P. presented his product. This presentation was followed by questions from the Committee.

(14-02-08)(Action Item)

A. **Approve Allocation to CBRE Strategic Partners U.S. Value 7, L.P.** It was moved by Mr. Kuehne; and seconded by Mr. Stulir; to recommend that the Board approve a commitment of up to $35 million to CBRE Strategic Partners U.S. Value 7, L.P., subject to satisfactory legal due diligence; and to authorize Staff to complete all documentation necessary to execute this recommendation.

**Vote:**

The motion was approved unanimously.

--- Committee member Thompson ended her participation in the meeting by audio conference at 4:45 P.M.

(14-02-09)(Investment Manager Presentation)

A. **AUA Private Equity Fund, L.P.** Messrs. Unanue, Benyaminy and Chichi of AUA Private Equity Fund, L.P., presented their product. After this presentation, the Committee decided to vote on all five MFPDOB Sector-Focused Middle Market Buyout Private Equity Manager recommendations while a quorum of the Committee was in attendance.
(14-02-10)(Action Items)

A. Approve Allocations to MFPDOB Sector-Focused Middle Market Buyout Private Equity Managers – AUA Private Equity Fund, L.P., Estancia Capital Partners, L.P., New Mainstream Capital Fund II, L.P., Valor Equity Partners III, L.P., and Vistria Fund, L.P. It was moved by Mr. Kuehne; and seconded by Mr. Piechocinski; to recommend that the Board approve:

- a commitment of up to $5 million to AUA Private Equity Fund, L.P., subject to satisfactory legal due diligence;
- a commitment of up to $5 million to Estancia Capital Partners, L.P., subject to satisfactory legal due diligence;
- a commitment of up to $5 million to New Mainstream Capital Fund II, L.P., subject to satisfactory legal due diligence;
- a commitment of up to $5 million to Valor Equity Partners III, L.P., subject to satisfactory legal due diligence;
- a commitment of up to $5 million to Vistria Fund, L.P., subject to satisfactory legal due diligence; and,
- authorization of Staff to complete all documentation necessary to execute this recommendation

Vote:

The motion was approved unanimously.

---Committee member Kuehne left the meeting at 5:30 P.M.

(14-02-11)(Investment Manager Presentations)

A. Estancia Capital Partners, L.P. Messrs. Mendez and Moriuchi of Estancia Capital Partners, L.P., presented their product. This presentation was followed by questions from the Committee.

B. New Mainstream Capital Fund II, L.P. Messrs. Chavez and Jordan of New Mainstream Capital Fund II, L.P., presented their product. This presentation was followed by questions from the Committee.

C. Valor Equity Partners III, L.P. Mr. Gracias of Valor Equity Partners III, L.P., presented his product. This presentation was followed by questions from the Committee.

D. Vistria Fund, L.P. Messrs. Nesbitt, Kirkpatrick and Parkinson of Vistria Fund, L.P., presented their product. This presentation was followed by questions from the Committee.
A. 2013 Securities Lending Activity Report  Staff presented the 2013 Annual Securities Lending Activity Report. It was noted that IMRF earned $18.7 million in securities lending income in 2013. Of this amount, 21% was generated from fixed income securities and 79% was generated from equity securities in separate accounts and index funds. As of 12/31/13, IMRF had approximately $2.7 billion in securities on loan through its separate accounts.

B. 2013 MFPDOB Broker Utilization Report  Staff presented the 2013 Annual Minority, Female and Disabled-Person Owned (MFPDOB) Broker Utilization Report. It was noted that IMRF’s MFPDOB brokerage commissions increased by 22% to $5.15 million; total commissions increased by 11% to $21.22 million; and that trades executed with MFPDOB broker/dealers represented 24% of IMRF’s total brokerage in 2013.

IMRF’s progress in achieving its MFPDOB brokerage goals was as follows:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Minimum Goal</th>
<th>2013 Actual</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Equities</td>
<td>25%</td>
<td>37.35%</td>
<td>12.35%</td>
</tr>
<tr>
<td>International Equities</td>
<td>20%</td>
<td>26.24%</td>
<td>6.24%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>22%</td>
<td>26.79%</td>
<td>4.79%</td>
</tr>
<tr>
<td>High Yield Bonds</td>
<td>5%</td>
<td>5.89%</td>
<td>0.89%</td>
</tr>
<tr>
<td>Int’l S/C Equities</td>
<td>5%</td>
<td>9.32%</td>
<td>4.32%</td>
</tr>
<tr>
<td>U.S. Micro-Cap Equities</td>
<td>5%</td>
<td>20.46%</td>
<td>15.46%</td>
</tr>
<tr>
<td>Emerging Market Equities</td>
<td>5%</td>
<td>*</td>
<td>*</td>
</tr>
<tr>
<td>Commingled Accounts</td>
<td>Best Efforts</td>
<td>0.26%</td>
<td>n/a</td>
</tr>
</tbody>
</table>

*IMRF does not have a separately managed emerging market allocation.

C. 2013 MFPDOB Manager Utilization Report  The 2013 Annual Minority, Female and Disabled-Person Owned (MFPDOB) Money Manager Utilization Report was presented to the Committee. Highlights of this report included the following:

- IMRF’s MFPDOB assets under management grew by $700 million, or 12.5% to $6.0 billion in 2013;
- Female-owned firm managed assets grew by $171 million, or 24.4% to $873 million;
- African American-owned firm managed assets grew by $402 million, or 12.4% to $3.63 billion;
- Asian American-owned firm managed assets grew by $107 million, or 77% to $246 million;
- Latin American-owned firm managed assets grew by $51 million, or 4.2% to $1.25 billion
IMRF’s progress in achieving its emerging investment manager goals was as follows:

<table>
<thead>
<tr>
<th>Emerging Manager Classification Goal</th>
<th>Minimum Goal Range</th>
<th>Actual % of Total Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minority-owned</td>
<td>9% to 13%</td>
<td>12.2%</td>
</tr>
<tr>
<td>Female-owned</td>
<td>2% to 6%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Disabled person-owned</td>
<td>0.5% to 1%</td>
<td>0.04%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Emerging Manager Goal By Asset Class</th>
<th>Minimum Goal Range</th>
<th>Actual % of Asset Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>10% to 12% of the asset class</td>
<td>13.2%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>15% to 20% of the asset class</td>
<td>20.5%</td>
</tr>
<tr>
<td>Alternatives</td>
<td>5% to 10% of the asset class</td>
<td>8.1%</td>
</tr>
</tbody>
</table>

D. **2013 Proxy Voting Activity Report**  Staff presented the 2013 Annual Proxy Voting Activity Report to the Committee. It was noted that IMRF voted 1,628 domestic ballots and 1,980 international ballots. Examples of IMRF’s votes against management were also presented to the Committee.

(14-02-13)(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 Friday, March 28, 2014 beginning at 9:00 A.M.

(14-02-14)(Trustee Comments) There were no trustee comments.
(14-02-15)(Adjourn) By unanimous consent, the meeting of the Investment Committee adjourned at 6:58 P.M.

___________________________  ____________________________
Chairman                      Date

___________________________  ____________________________
Clerk                          Date