The Investment Committee met in the IMRF offices in Oak Brook, Illinois, on Thursday, January 29, 2015. The Committee initiated discussion at 3:00 PM. Ms. Henry, Chairman of the Investment Committee, called the meeting to order at 3:15 P.M. when a quorum was present.

(15-01-01) (Roll Call) Mr. Sambol called the roll:

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

Also in attendance were: Mr. Miller, member of the IMRF Board of Trustees; Mr. Ball of Callan Associates; Mr. Kosiba, IMRF Executive Director; Ms. Shah, IMRF Chief Investment Officer; Mr. Sambol, IMRF Investment Officer - Operations; and IMRF Investment Staff.

(15-01-02) (Public Comments) There were no public comments.

(15-01-03) (Staff Presentation)

A. Review of Changes to Investment Committee Charter, Statement of Investment Policy and Real Estate Statement of Investment Policy The Chief Investment Officer presented an overview of recommended changes to IMRF’s Investment Committee Charter, Statement of Investment Policy, and Real Estate Statement of Investment Policy to the Committee. She noted that these documents are presented, reviewed and approved annually. The Chief Investment Officer also obtained verbal approval to change the Statement of Investment Policy’s domestic equity guideline for sector exposure from the Dow Jones U.S. Total Stock Market Index to the Russell 3000 Index. The Chief Investment Officer concluded by asking the Committee to recommend approval of the Investment Committee Charter, Statement of Investment Policy, and Real Estate Statement of Investment Policy to the Board.

(15-01-04) (Staff Reports)

A. 2014 MFPDOB Broker Utilization Report Staff presented the 2014 Annual Minority, Female and Disabled-Person Owned (MFPDOB) Broker Utilization Report. It was noted that IMRF’s MFPDOB brokerage commissions increased by 2.5% to $5.28 million; total commissions increased by 6.1% to $22.5 million; and that trades executed with MFPDOB broker/dealers represented 23.5% of IMRF’s total brokerage in 2014.
IMRF’s progress in achieving its MFDPOB brokerage goals was as follows:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Minimum Goal</th>
<th>2014 Actual</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. Equities</td>
<td>25%</td>
<td>41.6%</td>
<td>16.6%</td>
</tr>
<tr>
<td>International Equities</td>
<td>20%</td>
<td>25.7%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>22%</td>
<td>33.1%</td>
<td>11.1%</td>
</tr>
<tr>
<td>High Yield Bonds</td>
<td>5%</td>
<td>5.3%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Int’l S/C Equities</td>
<td>5%</td>
<td>8.0%</td>
<td>3.0%</td>
</tr>
<tr>
<td>U.S. Micro-Cap Equities</td>
<td>5%</td>
<td>18.8%</td>
<td>13.8%</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>0.35%</td>
<td>n/a</td>
</tr>
</tbody>
</table>

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

B. 2014 MFPDOB Manager Utilization Report  The 2014 Annual MFPDOB Manager Utilization Report was presented to the Committee. Highlights of this report included the following:

- IMRF’s MFPDOB assets increased by $350 million from 12/31/13 to 12/31/14;
- MFPDOB private equity commitments increased by $137 million during the same period;
- MFPDOB hedge fund assets increased by $95 million during the same period;
- MFPDOB assets in private equity have increased by $266 million in the last three years.

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 as a % of Total Portfolio</th>
<th>Actual % of Total Portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minority-owned</td>
<td>9% to 13%</td>
<td>12.1%</td>
</tr>
<tr>
<td>Female-owned</td>
<td>2% to 6%</td>
<td>2.9%</td>
</tr>
<tr>
<td>Disabled person-owned</td>
<td>0.5% to 1%</td>
<td>0.03%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Emerging Manager Goal By Asset Class</th>
<th>Minimum Goal Range as a % of Each Asset Class</th>
<th>Actual % of Asset Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>10% to 12% of the asset class</td>
<td>11.9%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>15% to 20% of the asset class</td>
<td>21.9%</td>
</tr>
<tr>
<td>Alternatives</td>
<td>5% to 10% of the asset class</td>
<td>11.9%</td>
</tr>
</tbody>
</table>
C. **2014 Proxy Voting Activity Report** Staff presented the 2014 Annual Proxy Voting Activity Report to the Committee. It was noted that IMRF voted 3,783 ballots for securities held within the domestic and international equity portfolios. Examples of IMRF's votes against management, and two definitional updates to the Proxy Voting Policy, were presented to the Committee.

D. **2014 Securities Lending Activity Report** The 2014 Securities Lending Activity Report was presented to the Committee. It was noted that IMRF earned $19.4 million in securities lending income in 2014. Of this amount, 18% was generated from fixed income securities and 82% was generated from equity securities in separate accounts and index funds. As of 12/31/14, IMRF had approximately $3.1 billion in securities out on loan through its separate accounts. Staff also stated that they will be evaluating securities lending collateral pool options with Callan and will present a recommendation to the Committee later this year.

(15-01-05)(Action Items)

A. ** Approve Statement of Investment Policy** It was moved by Ms. Stanish; and seconded by Mr. Piechocinski; to recommend that the Statement of Investment Policy be approved.

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

B. **Approve Real Estate Statement of Investment Policy** It was moved by Mr. Piechocinski; and seconded by Ms. Thompson; to recommend that the Real Estate Statement of Investment Policy be approved.

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

C. **Approve Investment Committee Charter** It was moved by Ms. Copper; and seconded by Ms. Henry; to recommend that the Investment Committee Charter be approved.

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

D. **Approve Investment Committee Meeting Minutes from October 23, 2014 Meeting** It was moved by Mr. Piechocinski; and seconded by Ms. Thompson; that the minutes of the October 23, 2014 meeting of the Investment Committee be approved.

   **Vote:**
   The motion was approved unanimously.
(15-01-06)(Staff Presentation)
A. Core Real Estate Presentation  The Chief Investment Officer reviewed IMRF’s allocations to core real estate; and presented an overview of two existing core real estate funds. This included recommendations for additional allocations to AEW Core Property Trust (U.S.), Inc., and Invesco Core Real Estate Fund (USA), LLC. After this presentation, the Chief Investment Officer recommends:

- allocating up to an additional $70 million to AEW Core Property Trust (U.S.), Inc.;
- allocating up to an additional $30 million to Invesco Core Real Estate Fund (USA), LLC; and,
- authorizing Staff to complete all documentation necessary to execute these recommendations

(15-01-07)(Action Item)
A. Approve allocations to AEW Core Property Trust (U.S.), Inc., and Invesco Core Real Estate Fund (USA), LLC  It was moved by Ms. Thompson; and seconded by Mr. Piechocinski; to recommend that the Board approve:

- allocating up to an additional $70 million to AEW Core Property Trust (U.S.), Inc.;
- allocating up to an additional $30 million to Invesco Core Real Estate Fund (USA), LLC; and,
- authorizing Staff to complete all documentation necessary to execute these recommendations

Vote:
The motion was approved unanimously.

(15-01-08)(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, February 26, 2015 beginning at 10:00 A.M.

(15-01-09)(Trustee Comments)  There were no trustee comments.
(15-01-10) (Adjourn)  By unanimous consent, the meeting of the Investment Committee adjourned at 4:07 P.M.

Chairman

Date

Clerk

Date