

**ILLINOIS MUNICIPAL RETIREMENT FUND
MINUTES OF
REGULAR MEETING NO. 11-02
FEBRUARY 25, 2011**

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 11-02

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:00 a.m., February 25, 2011, in the Fund Office at 2211 York Road, Suite 400, Oak Brook, Illinois.

Mr. Shoop presided as Chair and called the meeting to order.

Ms. Enright called the roll:

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

Ms. Becker-Wold, Messrs. Ball and Robinson from Callan Associates, Mr. Moss from Seyfarth Shaw LLP., and a representative from Loop Capital were also present.

(11-02-01)(Board of Trustees) Board members welcomed Trustee Piechocinski to the IMRF Board.

(11-02-02)(4th Quarter Investment Performance Report) Ms. Becker-Wold of Callan Associates presented an evaluation of IMRF's investment performance for the period ending December 31, 2010.

The report was followed by discussion from Board Members.

(11-02-03) (Investment Manager Activities - Callan Associates) Mr. Ball of Callan Associates presented the following report to the Board on the activities of IMRF's investment managers:

**Callan Associates Inc.
Investment Measurement Service
Monthly Review**

**Illinois Municipal Retirement Fund
Monthly Performance Report
January 31, 2011**

The following report was prepared by Callan Associates Inc. ("CAI") using information from sources that include the following: fund trustee(s); fund custodian(s); investment manager(s); CAI computer software; CAI investment manager and fund sponsor database; third party data vendors; and other outside sources as directed by the client. CAI assumes no responsibility for the accuracy or completeness of the information provided, or methodologies employed, by any information providers external to CAI. Reasonable care has been taken to assure the accuracy of the CAI database and computer software. In preparing the following report, CAI has not reviewed the risks of individual security holdings or the compliance/non-compliance of individual security holdings with investment policies and guidelines of a fund sponsor, nor has it assumed any responsibility to do so. Copyright 2011 by Callan Associates Inc.

Returns
for Periods Ended January 31, 2011

	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ: US Total Stk Mkt Idx	2.21	2.21	24.26	1.04	2.73	2.39
Russell:1000 Index	2.40	2.40	23.33	0.45	2.51	1.74
Russell:Midcap Index	2.13	2.13	32.58	4.07	4.06	6.60
Russell:2000 Index	(0.26)	(0.26)	31.36	4.57	2.64	5.77
MSCI:ACWI ex US	1.00	1.00	18.50	(0.96)	4.08	5.92
MSCI:EAFE US\$	2.36	2.36	15.38	(3.21)	1.72	3.75
MSCI:Emer Markets	(2.69)	(2.69)	22.81	3.55	10.13	14.43
BC:Aggr Bd	0.12	0.12	5.06	5.36	5.82	5.68
NCREIF Property Index	1.52	1.52	14.53	(3.87)	3.57	7.46
NAREIT Composite Idx	3.80	3.80	39.00	1.85	1.60	10.50

January continued where December left off as most markets were in positive territory. The only major market segments to fall were small cap domestic equities and emerging markets. January lacked any significant negative news, at least as viewed by the capital markets.

Large cap domestic stocks outperformed their smaller partners by returning 2.4% versus 2.1% for midcaps and -0.3% for small caps. International developed markets also performed well (MSCI EAFE Index +2.4%). Emerging markets were down considerably (MSCI Emerging Markets Index -2.7%).

While the bond market did not go negative, it gained a meager 0.1%. However, longer term returns are still very attractive as the BC Aggregate Bond Index has returned more than an annualized 5.0% over the last 1, 3, 5, and 10 year periods.

Real estate markets were positive in January, continuing their strong run since mid-2009. Public real estate markets also continued their recent dominance over private markets.

*Due to a lag in the reporting of NCREIF Property Index returns, the monthly return shown is deduced from the most recent quarterly return. This monthly return, when compounded over three months, equates to the quarterly return.

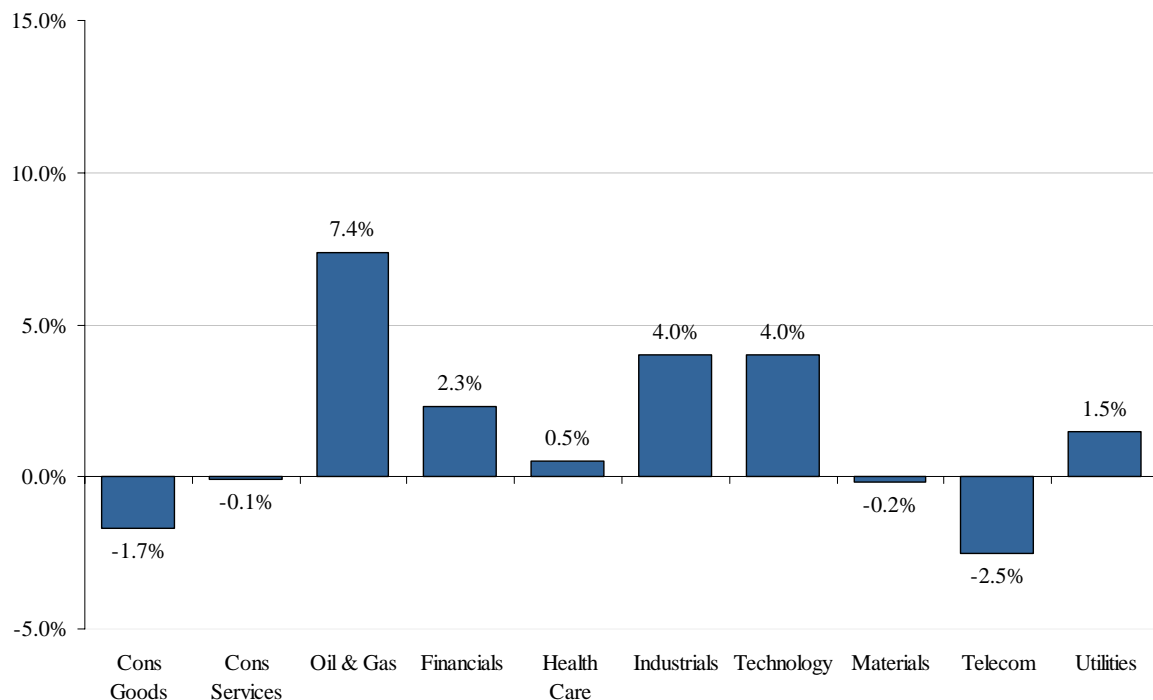
Returns
for Periods Ended January 31, 2011

	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ: US Total Stk Mkt Idx	2.21	2.21	24.26	1.04	2.73	2.39
Russell:1000 Index	2.40	2.40	23.33	0.45	2.51	1.74
Russell:1000 Growth	2.54	2.54	25.14	3.12	3.91	(0.40)
Russell:1000 Value	2.26	2.26	21.54	(2.39)	0.96	3.45
Russell:Midcap Index	2.13	2.13	32.58	4.07	4.06	6.60
Russell:2000 Index	(0.26)	(0.26)	31.36	4.57	2.64	5.77
Russell:2000 Growth	(0.56)	(0.56)	34.38	5.31	3.26	2.92
Russell:2000 Value	0.05	0.05	28.33	3.64	1.90	8.13

Domestic equities had mixed results during January. The positive performance trend continued in large cap equities with a return of 2.4% for the month. Mid and small cap stocks trailed large cap with small cap declining 0.3%. Growth stocks outperformed value stocks within the large cap arena; however the trend was opposite in small cap equity as value beat growth. One year return numbers prove that equity markets continue to surge across the capitalization spectrum.

The oil and gas sector did very well in January, jumping 7.4%. The industrial and technology sectors also did well, as both gained 4.0%. Telecommunications performed the worst return, losing 2.5%.

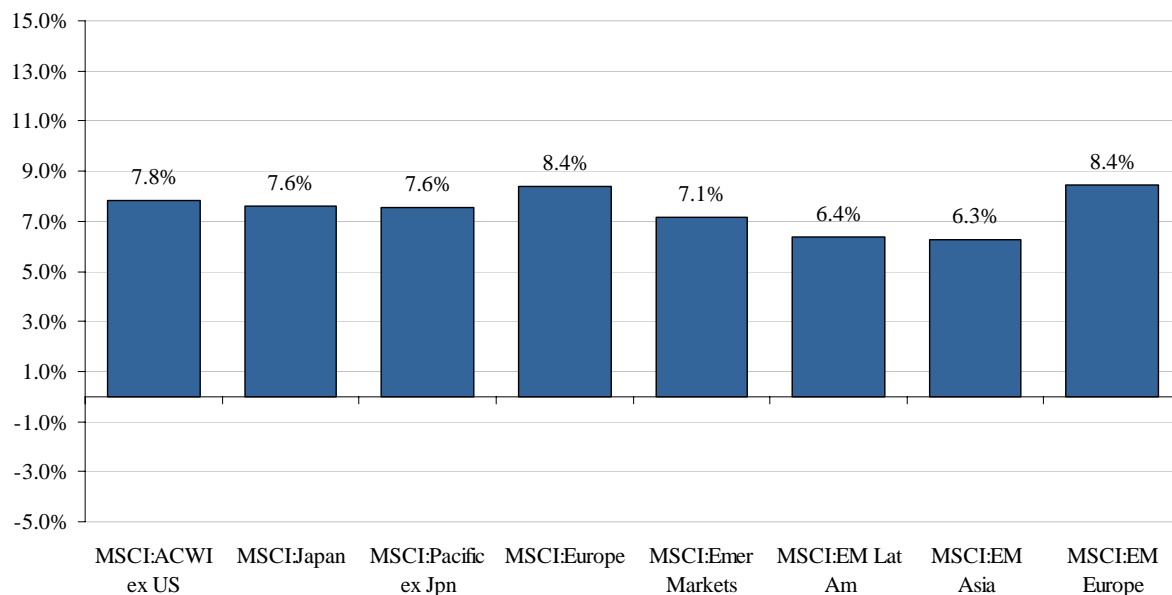
DJ US Total Stock Market Sector Returns



Returns
for Periods Ended January 31, 2011

	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
MSCI:ACWI ex US	1.00	1.00	18.50	(0.96)	4.08	5.92
MSCI:ACWI ex US Gr	(0.51)	(0.51)	20.16	(1.16)	4.03	4.48
MSCI:ACW ex US Val	2.55	2.55	16.77	(0.82)	4.08	7.25
MSCI:EAFE US\$	2.36	2.36	15.38	(3.21)	1.72	3.75
MSCI:EAFE Hedged	1.51	1.51	8.12	(5.88)	(3.06)	(1.81)
MSCI:Emer Markets	(2.69)	(2.69)	22.81	3.55	10.13	14.43
S&P:Dev x US Sm Cap	0.98	0.98	25.69	1.25	3.85	9.28

Monthly Regional Returns



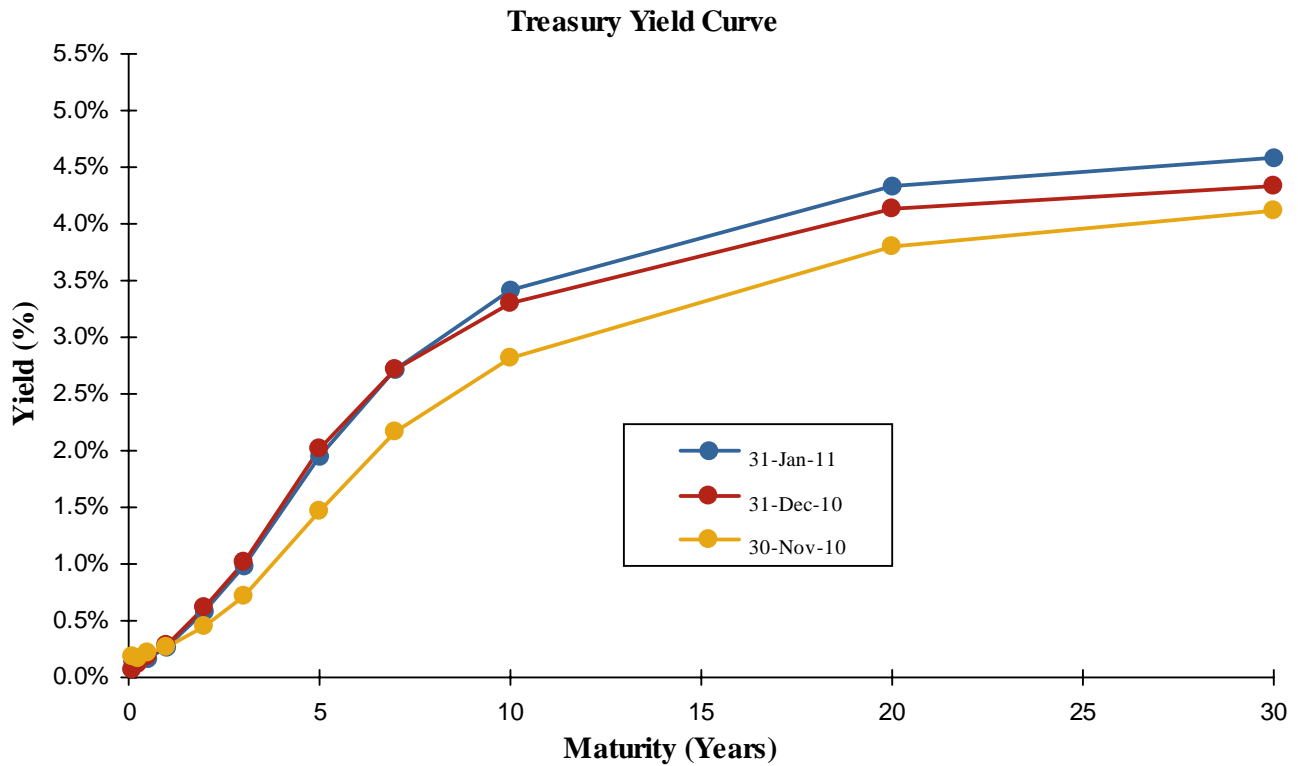
Developed international and emerging markets had opposite results during January. Developed international stocks gained 2.4% while emerging markets declined 2.7%. The negative emerging markets return impacted the MSCI ACWI ex-U.S. Index, which returned 1.0% for the month. The dollar continued to show weakness as the unhedged version of the EAFE Index outperformed the hedged version by 0.9%.

No one region was an outlier in January. Europe, both developed and emerging markets, performed very well, each returning about 8.4%. Emerging markets in Asia and in Latin America trailed other regions, returning 6.3 and 6.4%, respectively.

Value stocks outperformed growth stocks for the month and this trend is now seen in the three, five, and ten year numbers.

Returns
for Periods Ended January 31, 2011

	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
BC:Aggr Bd	0.12	0.12	5.06	5.36	5.82	5.68
BC:Govt Index	0.00	0.00	4.01	4.24	5.49	5.31
BC:Credit	0.21	0.21	7.03	6.50	6.07	6.28
BC:Mortgage Idx	0.05	0.05	4.04	5.89	6.28	5.73
BC:US TIPS Index	0.20	0.20	4.83	3.69	5.37	6.83
ML:High Yield CP Idx	2.08	2.08	15.87	11.19	8.78	8.31
3 Month T-Bill	0.01	0.01	0.13	0.63	2.36	2.32



After two months of negative returns for the fixed income market the Barclays Aggregate index posted a gain of 0.1% in January. High Yield was the best performing segment (+2.1%) and credit returned 0.2%. Government securities were the worst performers with no gain during the month. The Treasury yield curve continued to steepen as yields on bonds with maturities of ten years or more moved up.

Callan met with the following IMRF investment managers during the month:

Adams Street Partners, LLC
Alliance Bernstein
Apex Capital Management
BlackRock Financial Management, Inc.
BlackRock Granite
Brandes Investment Partners
Channing Capital Management
Dodge & Cox Investment Managers (On-site)
Forest Investment Associates
Frontier Capital Management, LLC
GlobeFlex Capital, LP
Grosvenor Capital Management, LP
McKinley Capital Management, Inc.
Pantheon Ventures, Inc.
Pyramis Management Trust Co.
Western Asset Management
William Blair & Company, LLC

Total Fund

Current policy states that when the actual allocations of the asset classes differ by more than four percentage points from their policy targets, a recommendation for rebalancing will be made to the Board of Trustees. As of January 31st, all allocations, except Real Estate, were within the allowable range.

The Total Fund returned 1.20% for January, trailing the Total Fund Benchmark by 1 basis point. Over the trailing year, the Fund was up 17.15%, beating the benchmark by 0.99%. Public market equity asset class composites underperformed their respective benchmarks for the month, while the fixed income composite outperformed the BC Aggregate Index.

US Equity

Large Cap: The Fund's Large Cap Growth managers returned 2.07%, trailing the Russell 1000 Growth Index return of 2.54%. Alliance Bernstein was the best performing growth manager, up 3.12%. The Large Cap Value managers returned 3.17%, outperforming the Russell 1000 Value Index return of 2.26%. Harris was the best performing manager in the group with a return of 3.23%. The Progress portfolio was up 1.87%, lagging the DJ U.S. Total Stock Market Return by 0.34%.

Small Cap: The Small Cap portfolio rose 0.15% for the month. Small Cap Growth managers were up 0.12% with Buford posting the strongest monthly performance. Small Cap Value managers were up 0.18%. The Micro Cap segment gained 0.19% during the month.

International Equity

Large Cap: International Large Cap managers returned 1.39% compared to a gain of 0.98% for the MSCI ACW ex-US Index. Large Cap Value significantly outpaced Large Cap Growth during the month with returns of 3.20% and 0.00% respectively. Brandes was the best performing manager as value led growth during January. The Large Cap Active Core portfolio, managed by Arrowstreet, rose 0.07%, trailing the ACWI ex-US Index.

International Small Cap and Emerging Markets

William Blair posted a loss of -0.41% trailing their index by 1.39%. The emerging markets portfolio managed by Genesis returned -3.94% during January, lagging the MSCI Emerging Markets Index by 1.25%. For the one-year period, the portfolio is up 24.57%.

Domestic Fixed Income

Active Core: The active core fixed income component returned 0.34%, ahead of the BC Aggregate by 22 basis points. The enhanced core portfolio both outperformed its index for the month.

Core Plus: The core plus managers posted a gain of 0.39% compared to a gain of 0.12% for the BC Aggregate. Western had the best relative returns.

High Yield: MacKay Shields and Pyramis combined were up 2.17%, beating the ML High Yield index return of 2.08%, as lower quality credits continued to perform well.

Alternatives

Real Estate: Core and opportunistic real estate investments gained 0.99% and 0.19% respectively versus the blended benchmark (NPI+1%) return of 1.60%.

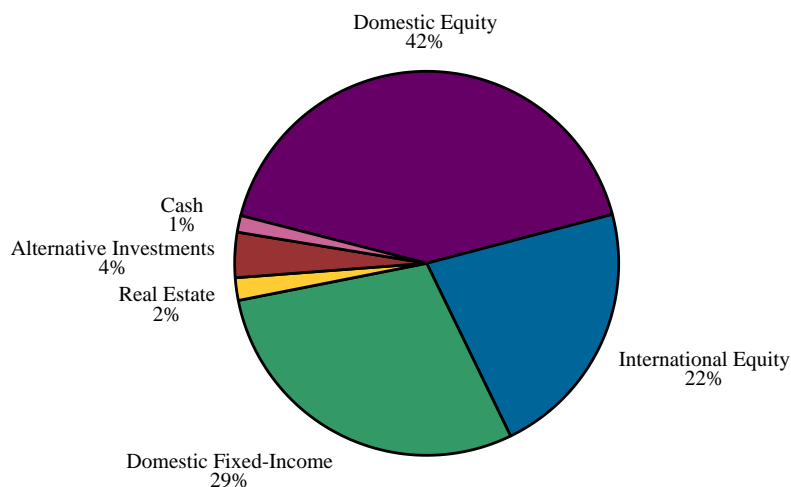
Absolute Return: The hedge fund-of-funds returned 0.97% for the month compared to the HRF Fund-of-Funds Index gain of 0.27%.

Agriculture and Timberland: The Agriculture portfolio returned -0.10% during the month, but is up 7.40% for the trailing year. Timberland fell 0.25% during January and has a 2.84% gain over the last year.

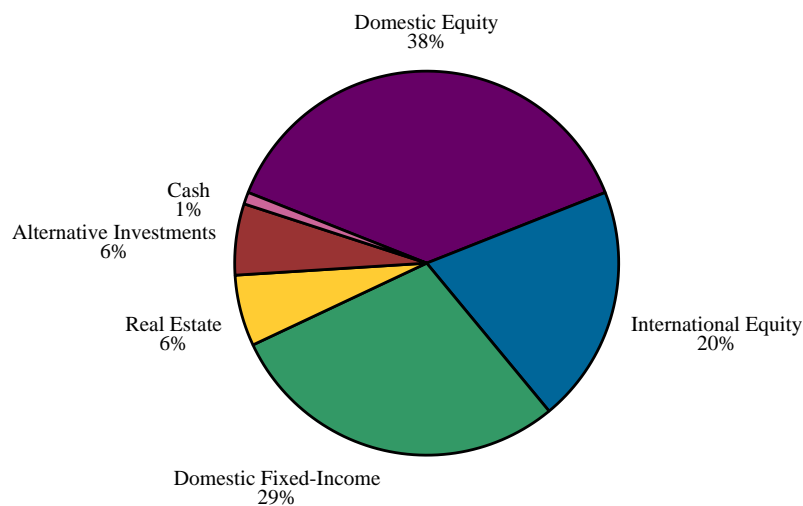
Actual vs Target Asset Allocation

The first chart below shows the Funds asset allocation as of January 31, 2011. The second chart shows the Funds target asset allocation as outlined in the investment policy statement.

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$Millions Actual	Percent Actual	Percent Target	Percent Difference	\$Millions Difference
Domestic Equity	10,645	41.9%	38.0%	3.9%	982
International Equity	5,575	21.9%	20.0%	1.9%	489
Domestic Fixed-Income	7,391	29.1%	29.0%	0.1%	17
Real Estate	480	1.9%	6.0%	(4.1%)	(1,046)
Alternative Investments	977	3.8%	6.0%	(2.2%)	(549)
Cash	362	1.4%	1.0%	0.4%	108
Total	25,430	100.0%	100.0%		

* Current Month Target = 38.0% US Total Stock Market Idx, 29.0% BC Aggregate Index, 20.0% MSCI ACWI x US (Net), 6.0% NCREIF Total Index+1.0%, 6.0% 9% Annually and 1.0% 3-month Treasury Bill.

02/25/2011

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of January 31, 2011, with the distribution as of December 31, 2010.

Asset Distribution Across Investment Managers

	January 31, 2011		December 31, 2010	
	Market Value	Percent	Market Value	Percent
Domestic Equity	\$10,645,072,102	41.86%	\$10,470,318,614	41.79%
Large Cap Growth				
Alliance Bernstein	532,752,395	2.09%	516,645,202	2.06%
Holland	523,063,590	2.06%	511,734,338	2.04%
NTGI S&P 500 Growth Idx	1,206,341,352	4.74%	1,187,846,705	4.74%
Sands	595,077,544	2.34%	583,013,435	2.33%
Large Cap Value				
Dodge & Cox	268,895,858	1.06%	260,954,078	1.04%
Harris	607,542,407	2.39%	588,538,172	2.35%
LSV	503,187,257	1.98%	488,451,405	1.95%
NTGI S&P 500 Value Idx	1,204,789,443	4.74%	1,167,149,358	4.66%
Large Cap Core				
Progress	382,620,573	1.50%	375,589,319	1.50%
NTGI MarketCap Index	2,568,796,835	10.10%	2,239,118,437	8.94%
NTGI MarketCap Index - NL	-	-	303,991,840	1.21%
Small Cap Growth				
Buford	30,962,987	0.12%	30,054,024	0.12%
Fortaleza	22,004,790	0.09%	21,737,832	0.09%
Frontier	408,477,960	1.61%	403,268,273	1.61%
Pyramis	570,581,226	2.24%	574,477,930	2.29%
Small Cap Value				
Dimensional Small Cap Value	244,768,064	0.96%	244,133,347	0.97%
Inv. Counselors of Maryland	484,601,948	1.91%	483,948,561	1.93%
Micro Cap				
Ariel	57,643,512	0.23%	55,583,987	0.22%
Ativo	28,932,103	0.11%	28,972,205	0.12%
Dimensional Micro Cap	126,479,091	0.50%	127,495,621	0.51%
Wall Street	277,553,166	1.09%	277,614,544	1.11%
International Equity	\$5,575,238,227	21.92%	\$5,527,042,255	22.06%
International Large Cap Growth				
Brown	144,837,739	0.57%	142,507,621	0.57%
EARNEST Partners	255,578,243	1.01%	251,151,052	1.00%
GlobeFlex	393,333,595	1.55%	388,713,709	1.55%
McKinley	298,385,657	1.17%	298,676,059	1.19%
William Blair	761,152,846	2.99%	772,283,588	3.08%
International Large Cap Value				
Brandes	659,467,804	2.59%	639,037,994	2.55%
International Large Cap Core				
Arrowstreet	391,905,431	1.54%	391,626,822	1.56%
NTGI MSCI EAFE Index	2,042,788,850	8.03%	1,682,338,356	6.71%
NTGI MSCI EAFE Index - NL	-	-	313,052,138	1.25%
International Small Cap				
William Blair	159,239,186	0.63%	159,892,506	0.64%
AXA Rosenberg	357,946	0.00%	357,064	0.00%

William Blair International Small Cap Equity was funded August 6, 2010. AXA Rosenberg was liquidated on the same date. Ariel and Ativo were funded September 16, 2010 and September 14, 2010 respectively.



Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of January 31, 2011, with the distribution as of December 31, 2010.

Asset Distribution Across Investment Managers

	January 31, 2011		December 31, 2010	
	Market Value	Percent	Market Value	Percent
Emerging Markets				
Genesis	468,190,929	1.84%	487,405,347	1.95%
Domestic Fixed-Income	\$7,391,452,939	29.07%	\$7,351,103,122	29.34%
Domestic Fixed Core				
EARNEST Partners	258,979,088	1.02%	258,382,681	1.03%
Piedmont	281,354,318	1.11%	280,128,077	1.12%
BlackRock Enhanced	852,850,469	3.35%	848,169,273	3.39%
NTGI BC Aggregate Index	1,742,491,720	6.85%	1,740,366,888	6.95%
Domestic Fixed Core Plus				
BlackRock Core Plus	627,044,211	2.47%	624,577,430	2.49%
LM Capital	725,360,937	2.85%	723,227,243	2.89%
Progress Fixed Income	375,502,239	1.48%	374,295,973	1.49%
Taplin, Canida, & Habacht	703,265,726	2.77%	701,605,041	2.80%
Western	950,004,643	3.74%	944,304,988	3.77%
High Yield				
MacKay Shields	420,838,820	1.65%	413,184,814	1.65%
Pyramis High Yield	453,760,768	1.78%	442,860,715	1.77%
Real Estate	\$479,756,801	1.89%	\$465,456,623	1.86%
Real Estate Opportunistic				
Lazard Freres	30,980,389	0.12%	30,980,389	0.12%
Olympus Real Estate Fund II	1,182,547	0.00%	1,182,547	0.00%
Security	48,802,388	0.19%	49,078,648	0.20%
Dune Real Estate Fund II	7,951,036	0.03%	7,951,036	0.03%
Real Estate Core				
BlackRock Granite Fund	57,689,489	0.23%	57,251,561	0.23%
Buckhead	209,478,991	0.82%	209,478,991	0.84%
Sentinel	53,154,590	0.21%	53,154,590	0.21%
Real Estate Value Added				
Rockwood	17,878,570	0.07%	12,431,664	0.05%
Rothschild	18,454,154	0.07%	17,262,550	0.07%
Alternative Investments	\$976,988,987	3.84%	\$981,518,144	3.92%
Absolute Return				
Aurora	140,751,633	0.55%	140,406,086	0.56%
Grosvenor	119,844,948	0.47%	118,727,390	0.47%
Mesirow	120,612,088	0.47%	118,421,158	0.47%
Private Equity				
Abbott	269,441,232	1.06%	275,013,270	1.10%
Muller & Monroe ILPEFF	13,207,747	0.05%	13,368,516	0.05%
Muller & Monroe MPEFF	12,793,168	0.05%	12,379,843	0.05%
Pantheon	150,102,009	0.59%	152,967,712	0.61%
Agriculture				
Cozad/Westchester	86,797,781	0.34%	86,797,778	0.35%
Timberland				
Forest Investment Assoc.	63,306,371	0.25%	63,306,371	0.25%
Cash	\$361,917,539	1.42%	\$258,193,252	1.03%
Total Fund	\$25,430,426,594	100.0%	\$25,053,632,011	100.0%



Asset Class Returns

The table below details the rates of return for the fund's asset class composites over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended January 31, 2011

	Year to Date	Last 3 Months	Last 12 Months
Domestic Equity (12/31/81)	1.94%	10.39%	25.80%
DJ U.S. Total Stock Market Index	2.21%	9.82%	24.26%
Domestic Equity - Net (12/31/04)	1.93%	10.34%	25.53%
International Equity (08/31/86)	0.87%	3.97%	18.53%
MSCI ACWI x US (Net)	0.98%	4.69%	18.01%
International Equity - Net (12/31/04)	0.86%	3.91%	18.22%
Domestic Fixed-Income (12/31/81)	0.55%	(0.56%)	7.36%
BC Aggregate Index	0.12%	(1.53%)	5.06%
Domestic Fixed-Inc. - Net (12/31/04)	0.54%	(0.60%)	7.22%
Real Estate (04/30/85)	0.77%	2.54%	12.82%
Blended Benchmark**	1.60%	4.87%	15.53%
Real Estate - Net (12/31/04)	0.77%	2.54%	12.82%
Alternative Investments (01/31/86)	0.39%	4.56%	10.26%
Alternatives Custom Benchmark***	0.72%	2.18%	10.24%
Alternative Investments - Net (12/31/04)	0.39%	4.50%	10.02%
Absolute Return (12/31/01)	0.97%	3.15%	6.39%
HFR Fund-of-Funds Index	(0.27%)	1.80%	5.79%
Private Equity (01/31/86)	0.10%	5.32%	15.18%
Alternatives Custom Benchmark***	0.72%	2.18%	10.24%
Agriculture (09/30/97)	(0.10%)	7.79%	7.40%
Blended Benchmark**	1.60%	4.87%	15.53%
Timberland (09/30/92)	(0.25%)	3.19%	2.84%
Blended Benchmark**	1.60%	4.87%	15.53%
Total Fund (12/31/81)	1.20%	5.10%	17.15%
Total Fund Benchmark	1.21%	4.63%	16.16%
Total Fund - Net (12/31/04)	1.18%	5.05%	16.92%

* Current Month Target = 38.0% US Total Stock Market Idx, 29.0% BC Aggregate Index, 20.0% MSCI ACWI x US (Net), 6.0% NCREIF Total Index+1.0%, 6.0% 9% Annually and 1.0% 3-month Treasury Bill.

** The Blended Benchmark is currently NPI + 1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%. As the returns of the NPI are updated quarterly, an approximation of the Index is used during the first two months of each quarter.

*** The Alternatives Custom Benchmark is based on an annualized rate of return of 9.0%. Prior to July 1, 2010 the Benchmark was based on an annual return of 12.0%. Prior to 2004, the Benchmark was based on an annual return of 13.0%. Prior to 2003, it was based on an annual return of 15.0%.

Asset Class Returns

The table below details the rates of return for the fund's asset class composites over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended January 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Equity (12/31/81)	1.67%	2.72%	2.80%	11.45%
DJ U.S. Total Stock Market Index	1.04%	2.73%	2.39%	11.11%
Domestic Equity - Net (12/31/04)	1.43%	2.47%	-	4.16%
International Equity (08/31/86)	(2.21%)	3.30%	6.00%	8.58%
MSCI ACWI x US (Net)	(1.43%)	3.62%	5.49%	-
International Equity - Net (12/31/04)	(2.51%)	2.94%	-	6.26%
Domestic Fixed-Income (12/31/81)	6.84%	6.57%	6.23%	9.41%
BC Aggregate Index	5.36%	5.82%	5.68%	8.99%
Domestic Fixed-Inc. - Net (12/31/04)	6.72%	6.44%	-	5.76%
Real Estate (04/30/85)	(8.02%)	0.16%	5.14%	3.75%
Blended Benchmark**	(2.87%)	2.74%	5.10%	6.93%
Real Estate - Net (12/31/04)	(8.02%)	0.16%	-	2.70%
Alternative Investments (01/31/86)	0.10%	6.23%	3.09%	11.33%
Alternatives Custom Benchmark***	11.41%	11.65%	12.49%	13.99%
Alternative Investments - Net (12/31/04)	(0.17%)	5.93%	-	7.98%
Absolute Return (12/31/01)	0.31%	3.85%	-	5.42%
HFR Fund-of-Funds Index	(1.66%)	1.79%	3.92%	4.22%
Private Equity (01/31/86)	(0.75%)	8.48%	3.17%	13.31%
Alternatives Custom Benchmark***	11.41%	11.65%	12.49%	13.99%
Agriculture (09/30/97)	(0.10%)	8.87%	6.09%	5.80%
Blended Benchmark**	(2.87%)	2.74%	5.10%	5.69%
Timberland (09/30/92)	7.71%	6.31%	3.63%	9.74%
Blended Benchmark**	(2.87%)	2.74%	5.10%	6.22%
Total Fund (12/31/81)	3.85%	5.18%	5.18%	10.33%
Total Fund Benchmark	3.59%	5.12%	5.04%	-
Total Fund - Net (12/31/04)	3.65%	4.95%	-	6.03%

* Current Month Target = 38.0% US Total Stock Market Idx, 29.0% BC Aggregate Index, 20.0% MSCI ACWI x US (Net), 6.0% NCREIF Total Index+1.0%, 6.0% 9% Annually and 1.0% 3-month Treasury Bill.

** The Blended Benchmark is currently NPI + 1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%. As the returns of the NPI are updated quarterly, an approximation of the Index is used during the first two months of each quarter.

*** The Alternatives Custom Benchmark is based on an annualized rate of return of 9.0%. Prior to July 1, 2010 the Benchmark was based on an annual return of 12.0%. Prior to 2004, the Benchmark was based on an annual return of 13.0%. Prior to 2003, it was based on an annual return of 15.0%.

Large Cap Equity Returns

The table below details the rates of return for the fund's large cap growth and large cap value managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended January 31, 2011

	Year to Date	Last 3 Months	Last 12 Months
Large Cap Equity (12/31/81)	2.44%	9.69%	23.63%
Russell 1000 Index	2.40%	9.60%	23.33%
Large Cap Growth (12/31/81)	2.07%	8.83%	25.54%
Alliance Bernstein (02/28/02)	3.12%	10.34%	21.20%
LCG Blended Benchmark*	2.54%	9.45%	25.14%
Russell 1000 Growth Index	2.54%	9.45%	25.14%
Alliance Bernstein - Net (12/31/04)	3.12%	10.26%	20.85%
Holland (10/31/94)	2.21%	8.77%	23.29%
LCG Blended Benchmark*	2.54%	9.45%	25.14%
Russell 1000 Growth Index	2.54%	9.45%	25.14%
Holland - Net (12/31/04)	2.21%	8.72%	22.87%
NTGI S&P 500 Growth Idx (07/31/01)	1.56%	7.38%	23.29%
S&P/Citi 500 Growth Index	1.54%	7.35%	23.17%
NTGI S&P 500 Growth Idx - Net (12/31/04)	1.56%	7.38%	23.28%
Sands (10/31/03)	2.07%	10.54%	37.37%
LCG Blended Benchmark*	2.54%	9.45%	25.14%
Russell 1000 Growth Index	2.54%	9.45%	25.14%
Sands - Net (12/31/04)	2.00%	10.47%	37.01%
Large Cap Value (09/30/82)	3.17%	10.54%	21.23%
Dodge & Cox (08/31/03)	3.05%	9.98%	19.36%
LCV Blended Benchmark**	2.26%	9.75%	21.54%
Russell 1000 Value Index	2.26%	9.75%	21.54%
Dodge & Cox - Net (12/31/04)	2.99%	9.91%	19.07%
Harris (01/31/01)	3.23%	10.48%	22.86%
LCV Blended Benchmark**	2.26%	9.75%	21.54%
Russell 1000 Value Index	2.26%	9.75%	21.54%
Harris - Net (12/31/04)	3.23%	10.41%	22.56%
LSV (01/31/03)	3.02%	9.42%	20.08%
LCV Blended Benchmark**	2.26%	9.75%	21.54%
Russell 1000 Value Index	2.26%	9.75%	21.54%
LSV - Net (12/31/04)	3.02%	9.34%	19.74%
NTGI S&P 500 Value Idx (07/31/99)	3.22%	11.19%	21.34%
S&P/Citi 500 Value Index	3.23%	11.21%	21.27%
NTGI S&P 500 Value Idx - Net (12/31/04)	3.22%	11.19%	21.33%

* The LCG Blended Benchmark is currently the Russell 1000 Growth Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Growth Index.

** The LCV Blended Benchmark is currently the Russell 1000 Value Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Value Index.

Large Cap Equity Returns

The table below details the rates of return for the fund's large cap growth and large cap value managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended January 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Equity (12/31/81)	0.71%	2.26%	1.11%	10.86%
Russell 1000 Index	0.45%	2.51%	1.74%	11.32%
Large Cap Growth (12/31/81)	4.39%	3.46%	(1.17%)	11.38%
Alliance Bernstein (02/28/02)	1.07%	0.56%	-	3.13%
LCG Blended Benchmark*	3.12%	3.91%	1.04%	3.41%
Russell 1000 Growth Index	3.12%	3.91%	(0.40%)	3.60%
Alliance Bernstein - Net (12/31/04)	0.76%	0.26%	-	3.62%
Holland (10/31/94)	6.39%	4.97%	3.22%	9.45%
LCG Blended Benchmark*	3.12%	3.91%	1.04%	8.43%
Russell 1000 Growth Index	3.12%	3.91%	(0.40%)	7.40%
Holland - Net (12/31/04)	6.10%	4.70%	-	4.10%
NTGI S&P 500 Growth Idx (07/31/01)	3.01%	3.47%	-	2.54%
S&P/Citi 500 Growth Index	2.97%	3.44%	0.86%	2.49%
NTGI S&P 500 Growth Idx - Net (12/31/04)	3.00%	3.46%	-	3.90%
Sands (10/31/03)	9.04%	5.16%	-	8.54%
LCG Blended Benchmark*	3.12%	3.91%	1.04%	5.07%
Russell 1000 Growth Index	3.12%	3.91%	(0.40%)	5.18%
Sands - Net (12/31/04)	8.74%	4.87%	-	5.82%
Large Cap Value (09/30/82)	(2.64%)	1.10%	2.60%	9.91%
Dodge & Cox (08/31/03)	(1.99%)	0.60%	-	6.56%
LCV Blended Benchmark**	(2.39%)	0.96%	1.66%	5.61%
Russell 1000 Value Index	(2.39%)	0.96%	3.45%	5.96%
Dodge & Cox - Net (12/31/04)	(2.22%)	0.34%	-	2.46%
Harris (01/31/01)	(2.22%)	1.36%	5.16%	5.16%
LCV Blended Benchmark**	(2.39%)	0.96%	1.66%	1.66%
Russell 1000 Value Index	(2.39%)	0.96%	3.45%	3.45%
Harris - Net (12/31/04)	(2.47%)	1.12%	-	3.82%
LSV (01/31/03)	(1.78%)	1.65%	-	9.66%
LCV Blended Benchmark**	(2.39%)	0.96%	1.66%	7.68%
Russell 1000 Value Index	(2.39%)	0.96%	3.45%	7.70%
LSV - Net (12/31/04)	(2.07%)	1.36%	-	3.55%
NTGI S&P 500 Value Idx (07/31/99)	(3.19%)	0.96%	1.58%	2.42%
S&P/Citi 500 Value Index	(3.21%)	0.92%	1.55%	2.42%
NTGI S&P 500 Value Idx - Net (12/31/04)	(3.20%)	0.95%	-	2.23%

* The LCG Blended Benchmark is currently the Russell 1000 Growth Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Growth Index.

** The LCV Blended Benchmark is currently the Russell 1000 Value Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Value Index.



Large Cap Equity Returns

The table below details the rates of return for the fund's large cap core managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended January 31, 2011

	Year to Date	Last 3 Months	Last 12 Months
Large Cap Active Core (12/31/04)	1.87%	9.56%	22.44%
Progress (01/31/05)	1.87%	9.56%	22.44%
DJ U.S. Total Stock Market Index	2.21%	9.82%	24.26%
Progress - Net (01/31/05)	1.87%	9.41%	21.71%
Large Cap Passive Core (12/31/84)	2.20%	9.82%	24.05%
NTGI MarketCap Idx (01/31/85)	2.13%	9.74%	24.08%
DJ U.S. Total Stock Market Index	2.21%	9.82%	24.26%
NTGI MarketCap Idx - Net (12/31/04)	2.13%	9.74%	24.07%



Large Cap Equity Returns

The table below details the rates of return for the fund's large cap core managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended January 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Active Core (12/31/04)	0.84%	2.72%	-	3.96%
Progress (01/31/05)	0.84%	2.72%	-	4.41%
DJ U.S. Total Stock Market Index	1.04%	2.73%	2.39%	4.40%
Progress - Net (01/31/05)	0.23%	2.15%	-	3.81%
Large Cap Passive Core (12/31/84)	0.71%	2.48%	2.21%	10.74%
NTGI MarketCap Idx (01/31/85)	0.72%	2.49%	2.22%	10.43%
DJ U.S. Total Stock Market Index	1.04%	2.73%	2.39%	10.39%
NTGI MarketCap Idx - Net (12/31/04)	0.71%	2.48%	-	3.67%

Small Cap Equity Returns

The table below details the rates of return for the fund's small cap growth, small cap value, and micro cap managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended January 31, 2011

	Year to Date	Last 3 Months	Last 12 Months
Small Cap Equity (06/30/88)	0.15%	13.11%	35.08%
Russell 2000 Index	(0.26%)	11.40%	31.36%
Small Cap Growth (06/30/88)	0.12%	13.74%	36.07%
Buford (10/31/06)	3.02%	17.27%	31.92%
Russell 2000 Growth Index	(0.56%)	11.66%	34.38%
Buford - Net (10/31/06)	3.02%	17.27%	31.40%
Fortaleza (11/30/06)	1.23%	14.15%	41.39%
Russell 2000 Growth Index	(0.56%)	11.66%	34.38%
Fortaleza - Net (11/30/06)	1.11%	13.89%	40.74%
Frontier (07/31/88)	0.98%	15.06%	37.70%
Russell 2000 Growth Index	(0.56%)	11.66%	34.38%
Frontier - Net (12/31/04)	0.86%	14.93%	37.06%
Pyramis (07/31/88)	(0.68%)	12.61%	34.60%
Russell 2000 Growth Index	(0.56%)	11.66%	34.38%
Pyramis - Net (12/31/04)	(0.68%)	12.43%	33.90%
Small Cap Value (08/31/89)	0.18%	13.00%	30.53%
DFA Small Cap Value (01/31/96)	0.26%	14.56%	38.61%
Russell 2000 Value Index	0.05%	11.12%	28.33%
DFA Small Cap Value - Net (12/31/04)	0.26%	14.43%	37.95%
Inv. Counselors of Maryland (04/30/99)	0.14%	12.23%	26.80%
Russell 2000 Value Index	0.05%	11.12%	28.33%
Inv. Couns. of Maryland - Net (12/31/04)	0.14%	12.12%	26.10%
Micro Cap (06/30/84)	0.19%	11.97%	43.90%
Ariel (10/31/2010)	3.71%	9.01%	-
Russell 2000 Growth Index	(0.56%)	11.66%	34.38%
Russell 2000 Index	(0.26%)	11.40%	31.36%
Russell Microcap Index	(1.05%)	11.85%	31.52%
Ariel - Net (10/31/10)	3.50%	8.79%	-
Ativo (09/30/10)	(0.13%)	6.89%	-
Russell 2000 Growth Index	(0.56%)	11.66%	34.38%
Russell 2000 Index	(0.26%)	11.40%	31.36%
Russell Microcap Index	(1.05%)	11.85%	31.52%
Ativo - Net (09/30/10)	(0.36%)	6.65%	-
DFA Micro Cap (07/31/87)	(0.80%)	11.40%	33.37%
Russell 2000 Growth Index	(0.56%)	11.66%	34.38%
Russell 2000 Index	(0.26%)	11.40%	31.36%
DFA Micro Cap - Net (12/31/04)	(0.80%)	11.26%	32.77%
Wall Street (07/31/90)	(0.02%)	13.43%	53.38%
Russell 2000 Growth Index	(0.56%)	11.66%	34.38%
Russell 2000 Index	(0.26%)	11.40%	31.36%
Wall Street - Net (12/31/04)	(0.20%)	13.22%	52.32%

Small Cap Equity Returns

The table below details the rates of return for the fund's small cap growth, small cap value, and micro cap managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended January 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Small Cap Equity (06/30/88)	6.65%	5.60%	9.65%	12.76%
Russell 2000 Index	4.57%	2.64%	5.77%	9.13%
Small Cap Growth (06/30/88)	6.84%	5.83%	9.07%	13.62%
Buford (10/31/06)	(1.43%)	-	-	3.15%
Russell 2000 Growth Index	5.31%	3.26%	2.92%	3.04%
Buford - Net (10/31/06)	(1.79%)	-	-	3.70%
Fortaleza (11/30/06)	2.02%	-	-	1.87%
Russell 2000 Growth Index	5.31%	3.26%	2.92%	3.04%
Fortaleza - Net (11/30/06)	1.52%	-	-	1.37%
Frontier (07/31/88)	10.39%	7.22%	7.97%	13.90%
Russell 2000 Growth Index	5.31%	3.26%	2.92%	7.10%
Frontier - Net (12/31/04)	9.53%	6.42%	-	8.53%
Pyramis (07/31/88)	7.00%	6.42%	11.30%	14.16%
Russell 2000 Growth Index	5.31%	3.26%	2.92%	7.10%
Pyramis - Net (12/31/04)	6.45%	5.79%	-	10.16%
Small Cap Value (08/31/89)	5.68%	4.62%	10.94%	12.38%
DFA Small Cap Value (01/31/96)	6.47%	3.68%	11.42%	13.15%
Russell 2000 Value Index	3.64%	1.90%	8.13%	9.75%
DFA Small Cap Value - Net (12/31/04)	5.94%	3.13%	-	5.40%
Inv. Counselors of Maryland (04/30/99)	5.28%	5.13%	10.71%	11.77%
Russell 2000 Value Index	3.64%	1.90%	8.13%	9.01%
Inv. Couns. of Maryland - Net (12/31/04)	4.68%	4.58%	-	5.94%
Micro Cap (06/30/84)	2.98%	1.35%	5.36%	12.28%
Ariel (10/31/10)	-	-	-	9.01%
Russell 2000 Growth Index	5.31%	3.26%	2.92%	11.66%
Russell 2000 Index	4.57%	2.64%	5.77%	11.40%
Russell Microcap Index	1.98%	(0.79%)	6.13%	11.85%
Ariel - Net (10/31/10)	-	-	-	8.79%
Ativo (09/30/10)	-	-	-	12.53%
Russell 2000 Growth Index	5.31%	3.26%	2.92%	16.46%
Russell 2000 Index	4.57%	2.64%	5.77%	15.95%
Russell Microcap Index	1.98%	(0.79%)	6.13%	18.16%
Ativo - Net (09/30/10)	-	-	-	12.28%
DFA Micro Cap (07/31/87)	5.23%	2.18%	9.21%	11.00%
Russell 2000 Growth Index	5.31%	3.26%	2.92%	6.08%
Russell 2000 Index	4.57%	2.64%	5.77%	8.33%
DFA Micro Cap - Net (12/31/04)	4.71%	1.68%	-	3.86%
Wall Street (07/31/90)	2.98%	1.55%	3.06%	14.71%
Russell 2000 Growth Index	5.31%	3.26%	2.92%	7.02%
Russell 2000 Index	4.57%	2.64%	5.77%	9.54%
Wall Street - Net (12/31/04)	2.09%	0.71%	-	5.06%



International Equity Returns

The table below details the rates of return for the fund's international large cap growth and international large cap value managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended January 31, 2011

	Year to Date	Last 3 Months	Last 12 Months
Intl Large Cap Equity (08/31/86)	1.39%	4.37%	17.98%
MSCI ACWI ex-US Index	0.98%	4.69%	18.01%
Intl Large Cap Growth (08/31/02)	(0.00%)	3.71%	22.61%
Brown (09/30/04)	1.64%	4.52%	12.28%
MSCI ACWI ex-US Index	0.98%	4.69%	18.01%
MSCI ACWI ex-US Growth	(0.51%)	4.23%	20.16%
Brown - Net (12/31/04)	1.57%	4.10%	11.72%
EARNEST Partners (09/30/04)	1.76%	5.50%	24.69%
MSCI ACWI ex-US Index	0.98%	4.69%	18.01%
MSCI ACWI ex-US Growth	(0.51%)	4.23%	20.16%
EARNEST Partners - Net (12/31/04)	1.76%	5.50%	24.51%
GlobeFlex (02/28/06)	1.19%	4.91%	23.12%
MSCI ACWI ex-US Index	0.98%	4.69%	18.01%
MSCI ACWI ex-US Growth	(0.51%)	4.23%	20.16%
GlobeFlex - Net (02/28/06)	1.19%	4.91%	22.59%
McKinley (02/28/06)	(0.10%)	4.51%	20.91%
MSCI ACWI ex-US Index	0.98%	4.69%	18.01%
MSCI ACWI ex-US Growth	(0.51%)	4.23%	20.16%
McKinley - Net (02/28/06)	(0.22%)	4.38%	20.16%
William Blair (09/30/02)	(1.44%)	2.06%	24.50%
MSCI ACWI ex-US Index	0.98%	4.69%	18.01%
MSCI ACWI ex-US Growth	(0.51%)	4.23%	20.16%
William Blair - Net (12/31/04)	(1.44%)	1.98%	24.06%
Intl Large Cap Value (09/30/95)	3.20%	4.08%	12.44%
Brandes (12/31/95)	3.20%	4.08%	12.44%
MSCI ACWI ex-US Index	0.98%	4.69%	18.01%
MSCI ACWI ex-US Value	2.55%	5.23%	16.77%
Brandes - Net (12/31/04)	3.20%	4.08%	12.20%

International Equity Returns

The table below details the rates of return for the fund's international large cap growth and international large cap value managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended January 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Equity (08/31/86)	(3.03%)	2.77%	4.78%	8.57%
MSCI ACWI ex-US Index	(1.43%)	3.62%	5.49%	-
Intl Large Cap Growth (08/31/02)	(2.59%)	3.29%	-	11.51%
Brown (09/30/04)	(0.45%)	4.34%	-	8.60%
MSCI ACWI ex-US Index	(1.43%)	3.62%	5.49%	8.93%
MSCI ACWI ex-US Growth	(1.16%)	4.03%	4.48%	9.32%
Brown - Net (12/31/04)	(0.79%)	4.04%	-	6.14%
EARNEST Partners (09/30/04)	4.38%	11.76%	-	15.81%
MSCI ACWI ex-US Index	(1.43%)	3.62%	5.49%	8.93%
MSCI ACWI ex-US Growth	(1.16%)	4.03%	4.48%	9.32%
EARNEST Partners - Net (12/31/04)	3.97%	11.16%	-	13.32%
GlobeFlex (02/28/06)	(3.55%)	2.59%	-	2.64%
MSCI ACWI ex-US Index	(1.43%)	3.62%	5.49%	3.75%
MSCI ACWI ex-US Growth	(1.16%)	4.03%	4.48%	4.34%
GlobeFlex - Net (02/28/06)	(3.99%)	2.14%	-	2.17%
McKinley (02/28/06)	(6.84%)	0.67%	-	0.68%
MSCI ACWI ex-US Index	(1.43%)	3.62%	5.49%	3.75%
MSCI ACWI ex-US Growth	(1.16%)	4.03%	4.48%	4.34%
McKinley - Net (02/28/06)	(7.32%)	0.17%	-	0.17%
William Blair (09/30/02)	(2.37%)	2.63%	-	12.82%
MSCI ACWI ex-US Index	(1.43%)	3.62%	5.49%	12.71%
MSCI ACWI ex-US Growth	(1.16%)	4.03%	4.48%	12.04%
William Blair - Net (12/31/04)	(2.72%)	2.23%	-	6.56%
Intl Large Cap Value (09/30/95)	(3.79%)	2.26%	6.05%	11.11%
Brandes (12/31/95)	(3.79%)	2.26%	6.05%	11.31%
MSCI ACWI ex-US Index	(1.43%)	3.62%	5.49%	6.34%
MSCI ACWI ex-US Value	(0.82%)	4.08%	7.25%	-
Brandes - Net (12/31/04)	(4.04%)	1.94%	-	4.10%



International Equity Returns

The table below details the rates of return for the fund's international large cap core, international small cap, and emerging markets managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended January 31, 2011

	Year to Date	Last 3 Months	Last 12 Months
Intl Large Cap Active Core (01/31/08)	0.07%	2.88%	18.50%
Arrowstreet (02/29/08)	0.07%	2.88%	18.50%
MSCI ACWI ex-US Index	0.98%	4.69%	18.01%
Arrowstreet - Net (02/29/08)	0.07%	2.76%	17.94%
Intl Large Cap Pass. Core (12/31/99)	2.38%	5.36%	15.74%
NTGI MSCI EAFE Idx (01/31/00)	2.27%	5.25%	15.63%
MSCI EAFE Index	2.36%	5.32%	15.38%
NTGI EAFE Idx - Net (12/31/04)	2.26%	5.25%	15.62%
International Small Cap (11/30/05)	(0.41%)	5.08%	18.74%
William Blair (08/31/2010)	(0.41%)	5.09%	-
S&P SmCap World ex-US Index	0.98%	8.07%	25.69%
William Blair - Net (08/31/2010)	(0.41%)	4.97%	-
Emerging Markets (01/31/92)	(3.94%)	(0.43%)	24.57%
Genesis (04/30/04)	(3.94%)	(0.43%)	24.57%
MSCI Emerging Markets Index	(2.69%)	1.51%	22.81%
Genesis - Net (12/31/04)	(3.94%)	(0.53%)	23.88%

International Equity Returns

The table below details the rates of return for the fund's international large cap core, international small cap, and emerging markets managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended January 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Active Core (01/31/08)	(0.74%)	-	-	(0.74%)
Arrowstreet (02/29/08)	(0.74%)	-	-	(0.76%)
MSCI ACWI ex-US Index	(1.43%)	3.62%	5.49%	(2.42%)
Arrowstreet - Net (02/29/08)	(1.17%)	-	-	(1.20%)
Intl Large Cap Pass. Core (12/31/99)	(2.82%)	2.09%	4.12%	2.33%
NTGI MSCI EAFE Idx (01/31/00)	(2.89%)	2.05%	4.10%	2.93%
MSCI EAFE Index	(3.21%)	1.72%	3.75%	2.58%
NTGI EAFE Idx - Net (12/31/04)	(2.89%)	2.04%	-	4.90%
International Small Cap (11/30/05)	(4.25%)	(0.73%)	-	1.40%
William Blair (08/31/2010)	-	-	-	21.59%
S&P SmCap World ex-US Index	1.25%	3.85%	9.28%	25.41%
William Blair - Net (08/31/2010)	-	-	-	21.46%
Emerging Markets (01/31/92)	8.87%	12.55%	15.15%	11.26%
Genesis (04/30/04)	8.87%	12.59%	-	20.50%
MSCI Emerging Markets Index	3.55%	10.13%	14.43%	17.85%
Genesis - Net (04/30/04)	8.23%	11.94%	-	17.39%

Domestic Fixed-Income Returns

The table below details the rates of return for the fund's domestic fixed core managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended January 31, 2011

	Year to Date	Last 3 Months	Last 12 Months
Dom. Fixed Active Core (03/31/01)	0.34%	(0.93%)	6.19%
EARNEST Partners (04/30/05)	0.23%	(1.22%)	5.79%
BC Aggregate Index	0.12%	(1.53%)	5.06%
EARNEST Partners - Net (04/30/05)	0.23%	(1.22%)	5.62%
Piedmont (05/31/05)	0.44%	(0.66%)	7.10%
BC Aggregate Index	0.12%	(1.53%)	5.06%
Piedmont - Net (05/31/05)	0.39%	(0.71%)	6.91%
Dom. Fixed Enhanced Core (03/31/00)	0.55%	(1.09%)	5.70%
BlackRock Enhanced (04/30/00)	0.55%	(1.09%)	5.70%
BC Aggregate Index	0.12%	(1.53%)	5.06%
BlackRock Enhanced - Net (12/31/04)	0.55%	(1.10%)	5.64%
Dom. Fixed Passive Core (12/31/89)	0.12%	(1.51%)	5.06%
NTGI BC Agg. Index (01/31/90)	0.12%	(1.51%)	5.06%
BC Aggregate Index	0.12%	(1.53%)	5.06%
NTGI BC Agg. Index - Net (12/31/04)	0.12%	(1.51%)	5.04%

Domestic Fixed-Income Returns

The table below details the rates of return for the fund's domestic fixed core managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended January 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Dom. Fixed Active Core (03/31/01)	6.02%	5.82%	-	5.15%
EARNEST Partners (04/30/05)	5.69%	5.92%	-	5.46%
BC Aggregate Index	5.36%	5.82%	5.68%	5.33%
EARNEST Partners - Net (04/30/05)	5.47%	5.71%	-	5.25%
Piedmont (05/31/05)	5.62%	5.80%	-	5.20%
BC Aggregate Index	5.36%	5.82%	5.68%	5.21%
Piedmont - Net (05/31/05)	5.43%	5.58%	-	4.98%
Dom. Fixed Enhanced Core (03/31/00)	5.32%	5.72%	5.68%	6.30%
BlackRock Enhanced (04/30/00)	5.32%	5.72%	5.68%	6.35%
BC Aggregate Index	5.36%	5.82%	5.68%	6.33%
BlackRock Enhanced - Net (12/31/04)	5.25%	5.65%	-	5.06%
Dom. Fixed Passive Core (12/31/89)	5.11%	5.71%	5.64%	6.97%
NTGI BC Agg. Index (01/31/90)	5.11%	5.71%	5.64%	7.06%
BC Aggregate Index	5.36%	5.82%	5.68%	7.05%
NTGI BC Agg. Index - Net (12/31/04)	5.10%	5.70%	-	5.08%

Domestic Fixed-Income Returns

The table below details the rates of return for the fund's domestic fixed core plus and high yield managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended January 31, 2011

	Year to Date	Last 3 Months	Last 12 Months
Domestic Fixed Core Plus (12/31/81)	0.39%	(0.81%)	7.48%
BlackRock Core Plus (03/31/07)	0.39%	(1.01%)	6.97%
BC Aggregate Index	0.12%	(1.53%)	5.06%
BlackRock Core Plus - Net (03/31/07)	0.39%	(1.02%)	6.93%
LM Capital (04/30/05)	0.30%	(1.21%)	6.52%
BC Aggregate Index	0.12%	(1.53%)	5.06%
LM Capital - Net (04/30/05)	0.25%	(1.29%)	6.35%
Progress Fixed Income (12/31/05)	0.32%	(0.96%)	6.56%
BC Aggregate Index	0.12%	(1.53%)	5.06%
Progress Fixed Inc. - Net (12/31/05)	0.32%	(1.05%)	6.20%
Taplin, Canida, Habacht (04/30/05)	0.24%	(0.79%)	6.22%
BC Aggregate Index	0.12%	(1.53%)	5.06%
Taplin, Canida, Hab. - Net (04/30/05)	0.20%	(0.82%)	6.08%
Western (10/31/01)	0.60%	(0.31%)	9.02%
BC Aggregate Index	0.12%	(1.53%)	5.06%
Western - Net (12/31/04)	0.60%	(0.35%)	8.87%
High Yield (03/31/86)	2.17%	3.16%	15.38%
MacKay Shields (10/31/00)	1.85%	2.64%	13.84%
ML High Yield Cash Pay Index	2.08%	2.66%	15.87%
MacKay Shields - Net (12/31/04)	1.85%	2.55%	13.43%
Pyramis (07/31/86)	2.46%	3.66%	16.91%
ML High Yield Cash Pay Index	2.08%	2.66%	15.87%
Pyramis - Net (12/31/04)	2.46%	3.57%	16.35%



Domestic Fixed-Income Returns

The table below details the rates of return for the fund's domestic fixed core plus and high yield managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended January 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Fixed Core Plus (12/31/81)	5.95%	5.90%	6.02%	9.19%
BlackRock Core Plus (03/31/07)	5.75%	-	-	6.35%
BC Aggregate Index	5.36%	5.82%	5.68%	6.06%
BlackRock Core Plus - Net (03/31/07)	5.70%	-	-	6.29%
LM Capital (04/30/05)	6.51%	6.61%	-	6.13%
BC Aggregate Index	5.36%	5.82%	5.68%	5.33%
LM Capital - Net (04/30/05)	6.32%	6.43%	-	5.96%
Progress Fixed Income (12/31/05)	6.09%	6.43%	-	6.39%
BC Aggregate Index	5.36%	5.82%	5.68%	5.72%
Progress Fixed Inc. - Net (12/31/05)	5.72%	6.10%	-	6.06%
Taplin, Canida, Habacht (04/30/05)	6.39%	5.81%	-	5.46%
BC Aggregate Index	5.36%	5.82%	5.68%	5.33%
Taplin, Canida, Hab. - Net (04/30/05)	6.26%	5.68%	-	5.33%
Western (10/31/01)	6.15%	5.85%	-	6.13%
BC Aggregate Index	5.36%	5.82%	5.68%	5.18%
Western - Net (12/31/04)	6.00%	5.67%	-	5.36%
High Yield (03/31/86)	11.65%	9.20%	9.93%	10.51%
MacKay Shields (10/31/00)	9.49%	8.13%	9.75%	10.28%
ML High Yield Cash Pay Index	11.19%	8.78%	8.31%	8.60%
MacKay Shields - Net (12/31/04)	9.10%	7.78%	-	7.16%
Pyramis (07/31/86)	13.88%	10.30%	10.15%	10.32%
ML High Yield Cash Pay Index	11.19%	8.78%	8.31%	9.01%
Pyramis - Net (12/31/04)	13.52%	9.85%	-	9.00%



Real Estate Returns

The table below details the rates of return for the fund's real estate opportunistic, real estate core, and real estate value added managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended January 31, 2011

	Year to Date	Last 3 Months	Last 12 Months
Real Estate Opportunistic (03/31/99)	0.19%	1.57%	24.61%
Lazard Freres (07/31/98)	0.00%	0.00%	27.14%
Blended Benchmark*	1.60%	4.87%	15.53%
Olympus RE Fund II (05/31/98)	0.00%	(0.75%)	0.07%
Blended Benchmark*	1.60%	4.87%	15.53%
Security (10/31/97)	0.34%	2.70%	24.79%
Blended Benchmark*	1.60%	4.87%	15.53%
Dune Real Estate Fund II (01/31/09)	0.00%	1.38%	26.16%
Blended Benchmark*	1.60%	4.87%	15.53%
Real Estate Core (03/31/99)	0.99%	2.58%	10.55%
BlackRock Granite Fund (07/31/07)	0.76%	5.02%	15.45%
Blended Benchmark*	1.60%	4.87%	15.53%
Buckhead (07/31/95)	1.45%	2.99%	10.05%
Blended Benchmark*	1.60%	4.87%	15.53%
Sentinel (09/30/85)	0.00%	0.00%	8.01%
Blended Benchmark*	1.60%	4.87%	15.53%
TA - Fund IX (04/30/10)	0.04%	0.04%	-
Blended Benchmark*	1.60%	4.87%	15.53%
Real Estate Value Added (09/30/08)	0.00%	5.93%	2.10%
Rockwood (03/31/09)	0.00%	9.88%	(4.13%)
Blended Benchmark*	1.60%	4.87%	15.53%
Rothschild (09/30/08)	0.00%	3.91%	5.57%
Blended Benchmark*	1.60%	4.87%	15.53%

Returns are reported net of fee for all real estate managers. Returns are derived from incomplete data.

* The Blended Benchmark is currently NPI + 1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%. As the returns of the NPI are updated quarterly, an approximation of the Index is used during the first two months of each quarter.



Real Estate Returns

The table below details the rates of return for the fund's real estate opportunistic, real estate core, and real estate value added managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended January 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Real Estate Opportunistic (03/31/99)	(0.49%)	2.32%	9.66%	8.86%
Lazard Freres (07/31/98)	1.54%	10.46%	6.72%	0.16%
Blended Benchmark*	(2.87%)	2.74%	5.10%	5.66%
Olympus RE Fund II (05/31/98)	(18.75%)	(13.66%)	(10.07%)	(7.88%)
Blended Benchmark*	(2.87%)	2.74%	5.10%	5.67%
Security (10/31/97)	3.86%	3.73%	15.08%	14.30%
Blended Benchmark*	(2.87%)	2.74%	5.10%	5.69%
Dune Real Estate Fund II (01/31/09)	-	-	-	(22.98%)
Blended Benchmark*	(2.87%)	2.74%	5.10%	(0.05%)
Real Estate Core (03/31/99)	(9.33%)	0.08%	4.46%	4.94%
BlackRock Granite Fund (07/31/07)	(18.99%)	-	-	(15.06%)
Blended Benchmark*	(2.87%)	2.74%	5.10%	(0.65%)
Buckhead (07/31/95)	(2.01%)	5.54%	9.04%	10.01%
Blended Benchmark*	(2.87%)	2.74%	5.10%	5.95%
Sentinel (09/30/85)	(13.48%)	(5.04%)	2.22%	3.76%
Blended Benchmark*	(2.87%)	2.74%	5.10%	6.91%
TA - Fund IX (04/30/10)	-	-	-	(4.02%)
Blended Benchmark*	(2.87%)	2.74%	5.10%	13.48%
Real Estate Value Added (09/30/08)	-	-	-	(13.17%)
Rockwood (03/31/09)	-	-	-	(82.72%)
Blended Benchmark*	(2.87%)	2.74%	5.10%	2.64%
Rothschild (09/30/08)	-	-	-	(4.02%)
Blended Benchmark*	(2.87%)	2.74%	5.10%	(4.54%)

Returns are reported net of fee for all real estate managers. Returns are derived from incomplete data.

* The Blended Benchmark is currently NPI + 1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%. As the returns of the NPI are updated quarterly, an approximation of the Index is used during the first two months of each quarter.

Alternative Investments Return

The table below details the rates of return for the fund's absolute return, private equity, agriculture, and timberland managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended January 31, 2011

	Year to Date	Last 3 Months	Last 12 Months
Absolute Return (12/31/01)	0.97%	3.15%	6.39%
Aurora (10/31/01)	0.25%	2.59%	6.91%
Alternatives Custom Benchmark*	0.72%	2.18%	10.24%
HFR Fund-of-Funds Index	(0.27%)	1.80%	5.79%
Grosvenor (01/31/02)	0.94%	2.93%	7.21%
Alternatives Custom Benchmark*	0.72%	2.18%	10.24%
HFR Fund-of-Funds Index	(0.27%)	1.80%	5.79%
Mesirow (01/31/02)	1.85%	4.04%	5.00%
Alternatives Custom Benchmark*	0.72%	2.18%	10.24%
HFR Fund-of-Funds Index	(0.27%)	1.80%	5.79%
Private Equity (01/31/86)	0.10%	5.32%	15.18%
Abbott (06/30/87)	(0.21%)	5.26%	12.64%
Alternatives Custom Benchmark*	0.72%	2.18%	10.24%
Abbott - Net (12/31/04)	(0.21%)	5.14%	12.09%
Muller & Monroe ILPEFF (06/30/05)	(0.22%)	0.73%	25.55%
Alternatives Custom Benchmark*	0.72%	2.18%	10.24%
Muller & Monroe MPEFF (04/30/08)	(0.59%)	6.22%	16.88%
Alternatives Custom Benchmark*	0.72%	2.18%	10.24%
Pantheon (10/31/00)	0.74%	5.78%	19.11%
Alternatives Custom Benchmark*	0.72%	2.18%	10.24%
Pantheon - Net (12/31/04)	0.74%	5.65%	18.52%
Agriculture (09/30/97)	(0.10%)	7.79%	7.40%
Cozad/Westchester (09/30/97)	(0.10%)	7.79%	7.40%
Blended Benchmark**	1.60%	4.87%	15.53%
Timberland (09/30/92)	(0.25%)	3.19%	2.84%
Forest Investment Assoc. (09/30/92)	(0.25%)	3.19%	2.84%
Blended Benchmark**	1.60%	4.87%	15.53%

Returns are reported net of fee ex Abbott and Pantheon. Returns are derived from incomplete data.

* The Alternatives Custom Benchmark is based on an annualized rate of return of 9.0%. Prior to July 1, 2010 the Benchmark was based on an annual return of 12.0%. Prior to 2004, the Benchmark was based on an annual return of 13.0%. Prior to 2003, it was based on an annual return of 15.0%.

** The Blended Benchmark is currently NPI + 1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index + 5%. As the returns of the NPI are quarterly, an estimate is used during the first two months of each quarter.

Alternative Investments Return

The table below details the rates of return for the fund's absolute return, private equity, agriculture, and timberland managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended January 31, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Absolute Return (12/31/01)	0.31%	3.85%	-	5.42%
Aurora (10/31/01)	1.52%	4.80%	-	6.99%
Alternatives Custom Benchmark*	11.41%	11.65%	12.49%	12.29%
HFR Fund-of-Funds Index	(1.66%)	1.79%	3.92%	4.31%
Grosvenor (01/31/02)	0.13%	3.28%	-	5.08%
Alternatives Custom Benchmark*	11.41%	11.65%	12.49%	12.22%
HFR Fund-of-Funds Index	(1.66%)	1.79%	3.92%	4.21%
Mesirow (01/31/02)	(0.85%)	3.37%	-	5.28%
Alternatives Custom Benchmark*	11.41%	11.65%	12.49%	12.22%
HFR Fund-of-Funds Index	(1.66%)	1.79%	3.92%	4.21%
Private Equity (01/31/86)	(0.75%)	8.48%	3.17%	13.31%
Abbott (06/30/87)	(2.25%)	7.87%	3.01%	14.44%
Alternatives Custom Benchmark*	11.41%	11.65%	12.49%	13.93%
Abbott - Net (12/31/04)	(2.72%)	7.40%	-	10.38%
Muller & Monroe ILPEFF (06/30/05)	(3.60%)	(5.05%)	-	(13.60%)
Alternatives Custom Benchmark*	11.41%	11.65%	12.49%	11.68%
Muller & Monroe MPEFF (04/30/08)	-	-	-	(6.63%)
Alternatives Custom Benchmark*	11.41%	11.65%	12.49%	11.36%
Pantheon (10/31/00)	2.64%	9.84%	8.25%	8.13%
Alternatives Custom Benchmark*	11.41%	11.65%	12.49%	12.55%
Pantheon - Net (12/31/04)	2.17%	9.29%	-	14.18%
Agriculture (09/30/97)	(0.10%)	8.87%	6.09%	5.80%
Cozad/Westchester (09/30/97)	(0.10%)	8.87%	6.09%	5.80%
Blended Benchmark**	(2.87%)	2.74%	5.10%	5.69%
Timberland (09/30/92)	7.71%	6.31%	3.63%	9.74%
Forest Investment Assoc. (09/30/92)	7.71%	6.31%	3.63%	9.74%
Blended Benchmark**	(2.87%)	2.74%	5.10%	6.22%

Returns are reported net of fee ex Abbott and Pantheon. Returns are derived from incomplete data.

* The Alternatives Custom Benchmark is based on an annualized rate of return of 9.0%. Prior to July 1, 2010 the Benchmark was based on an annual return of 12.0%. Prior to 2004, the Benchmark was based on an annual return of 13.0%. Prior to 2003, it was based on an annual return of 15.0%.

** The Blended Benchmark is currently NPI + 1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index + 5%. As the returns of the NPI are quarterly, an estimate is used during the first two months of each quarter.



Illinois Municipal Retirement Fund Manager Summary For Month Ending January 31, 2011

Five Best Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Outperformance (in % points)
Ariel	4.27
Buford, Dickson, Harper & Sparrow	3.58
Brandes Investment	2.22
Fortaleza Asset Management	1.79
Permira Advisors	1.58

Five Worst Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Underperformance (in % points)
William Blair Intl LC	-2.42
Forest Investment Associates	-1.85
Cozad/Westchester Agricultural Asset	-1.70
Dune Capital Management	-1.60
Sentinel Real Estate	-1.60

Five Highest Returning Portfolios

Manager	Year-to-Date Return (in % points)
Ariel	3.71
Harris	3.23
NTGI S&P 500 Value	3.22
Brandes Investment	3.20
Alliance Bernstein	3.12

Five Lowest Returning Portfolios

Manager	Year-to-Date Return (in % points)
Genesis Investment	-3.94
William Blair Intl LC	-1.44
Dimensional Fund Advisors Micro Cap	-0.80
Pyramis Global Advisors SC Equity	-0.68
Muller and Monroe MPEFF	-0.59

Returns are shown gross of investment management fees with the exception of Real Estate and Alternative Investments (ex Abbott and Pantheon)

(11-02-04) (3rd Quarter Real Estate Performance Report) Mr. Robinson of Callan Associates presented a review of IMRF's real estate performance for the period ending September 30, 2010.

(11-02-05) (Consent Agenda - Schedules A-S) The Chair presented the following Schedules for Board approval:

Schedules - Dated February 25, 2011

- Schedule A - Benefit award listing of retirement, temporary disability, death benefits, and refund of employee contributions processed during the preceding calendar month under Article 7 of the Illinois Pension Code.
- Schedule B - Adjustment of Benefit Awards showing adjustments required in benefit awards and the reasons therefore.
- Schedule C - Benefit Cancellations.
- Schedule D - Expiration of Temporary Disability Benefits terminated under the provisions of Section 7-147 of the Illinois Pension Code.
- Schedule E - Total and Permanent Disability Benefit Awards recommended by the Fund's medical consultants as provided by Section 7-150 of the Illinois Pension Code.
- Schedule F - Benefits Terminated.
- Schedule G - Administrative Benefit Denials.
- Schedule P - Administrative Denial of Application for Past Service Credit.
- Schedule R - Prior Service - New Governmental Units
- Schedule S - Prior Service Adjustments

It was moved by Ms. Faklis, seconded by Ms. Henry to approve Schedules A-S.

Vote: Unanimous Voice Vote
Absent: Stafford

(11-02-06) (Consent Agenda - Minutes of January 28, 2011 Board Meeting) The Chair presented the Minutes of the January 28, 2011 Board Meeting for Board approval.

It was moved by Ms. Thompson seconded by Ms. Faklis to approve the Minutes of the January 28, 2011 Board Meeting.

Vote: Unanimous Voice Vote
Absent: Stafford

(11-02-07) (Consent Agenda - Master Trustee Report & Bids) The Chair presented the Master Trustee Report for the month of December along with the following seven bids for Board approval:

Bids

Consulting Services - Development of Information Technology Strategic Plan
Approved Bidder: L. R. Wechsler, Ltd.

Approved Bid: \$79,500.00

IMRF 2011 Regular Tier 2 Benefits Booklet

Approved Bidder: Marquardt Printing

Approved Bid: \$6,345.00

Two Digital Network Connected Copier/Printers

Approved Bidder: Canon

Approved Bid: \$20,786.00

Antivirus/Malware Protection Replacement

Approved Bidder: SHI

Approved Bid: \$20,047.76

Data Center Fire Suppression System Upgrades-Addendum II

Previously Approved Bidder & Bid: Fox Valley; \$15,580

New Costs: \$4,075

New Total: \$19,655

Office Chair Replacement

Approved Bidder: OEC Business Interiors

Approved Bid: \$8,339.00

Replacement of Data Center Air Conditioning Units

Approved Bidder: Midwest Mechanical

Approved Bid: \$172,187

It was moved by Ms. Thompson, seconded by Ms. Rademacher, to approve the Master Trustee Report for the month of December and the seven bids.

Vote: Unanimous Voice Vote
Absent: Stafford

(11-02-08) (Financial Reports) The Chair presented the following financial reports for approval.

- Review of February Financial Reporting Package
- December Interim Financial Statements
- Impact of 2011 Year-To-Date Investment Income on Employer Reserves, Funding Status and Average Employer Contribution Rates
- Schedule T - Report of Expenditures

It was moved by Ms. Henry, seconded by Ms. Rademacher, to approve the Financial Reports as presented.

Vote: Unanimous Voice Vote
Absent: Stafford

(11-02-09) (Report of the Benefit Review Committee) The Chair of the Benefit Review Committee reported on the meeting held on February 24, 2011.

It was moved by Ms. Rademacher, seconded by Ms. Henry, to accept the following recommendations of the Benefit Review Committee:

- To defer making a recommendation on the disputed denial of request to elect a reversionary beneficiary by Joseph Jolivette until such time that staff can review the medical records, provided by member's counsel during the hearing, to determine if that review changes staff's determination. Furthermore, the Committee requests that staff schedule this matter for final deliberation at the Committee's April 28, 2011 meeting.
- To adopt the following resolution:

WHEREAS, section 7-198 of the Illinois Pension Code authorizes the Board of Trustees of the Illinois Municipal Retirement Fund to establish rules necessary or desirable for the efficient administration of the Fund; and

WHEREAS, P.A. 96-1495 amended the IMRF sheriff's law enforcement employees plan for members beginning participation on or after January 1, 2011; and

WHEREAS, P.A. 96-1495 added subsections 7-142.1(f), (g), (h), (i), and (j) to Article 7 of the Pension Code; and

WHEREAS, subsection 7-142.1(f) provides, in part, that "for all purposes under this Code (including without limitation the calculation of benefits and employee contributions), the annual earnings of a sheriff's law enforcement employee to whom this Section applies shall not include overtime..." (emphasis added); and

WHEREAS, it is necessary that the Board of Trustees define "overtime" for purposes of administering subsection 7-142.1(f).

NOW THEREFORE BE IT RESOLVED that "overtime" as used in section 7-142.1(f) shall mean any compensation paid for hours worked in excess of a standard workday or workweek.

BE IT FURTHER RESOLVED that "overtime" as used in section 7-142.1(f) shall also include any cash outs for time accrued due to hours worked in excess of a standard workday or workweek (commonly called "comp time").

- To concur with staff's determination to deny the omitted service (actually prior service) application filed by Brian Shahinian because he was not an employee but rather a student intern.
- To deny the application for total and permanent disability benefits filed by Tina Sorrells.

- To approve the application for temporary disability benefits filed by Carol Post for the period from May 14, 2010 through May 31, 2011, which is the date her temporary disability benefits will be exhausted.

Vote: Unanimous Voice Vote

Absent: Stafford

(11-02-10) (Report of the Investment Committee) In the absence of the Chair of the Investment Committee, Trustee Shoop reported on the meeting held on February 24, 2011.

The Chief Investment Officer presented the Investment Committee Charter; the Statement of Investment Policy; and, the Real Estate Statement of Investment Policy to the Committee for review.

It was the consensus of the Investment Committee to recommend to the Board that the Investment Committee Charter; Statement of Investment Policy; and, Real Estate Statement of Investment Policy be approved.

Staff presented IMRF's 2010 Annual Proxy Voting Activity Report; the 2010 Annual Minority, Female and Disabled Person-Owned Money Manger Utilization Report; and, the 2010 Annual Minority, Female and Disabled Person-Owned Broker Utilization Report to the Committee.

Next, staff and consultant presented the first step in the 2011 Asset Allocation Process which included a review of the investment portfolio's strategic asset allocation targets and policy-level benchmarks.

It was noted that the next steps of the 2011 Asset Allocation Process will be to review each segment of the portfolio.

It was moved by Mr. Shoop, seconded by Ms. Henry, to accept the recommendations of the Investment Committee.

Vote: Unanimous Voice Vote

Absent: Stafford

(11-02-11) (Report of the Legislative Committee) The Chair of the Legislative Committee reported on the meeting held on February 23, 2011 via teleconference.

The Chair of the Legislative Committee reported the Committee took no position on the following legislation:

- HB 1325 - authorizes Illinois pension funds to set up an alternative defined contribution plan.

It was the consensus of the Committee to support the following legislation:

- SB 1613 - mandates indemnification of Board members of the non-state-funded systems for actions arising from their duties as trustees.

Next, it was the consensus of the Committee to oppose the following legislation:

- SB 1679 - consolidates the investment functions of the downstate police and fire funds into IMRF and would add two additional trustees to the Board from each of the two groups.

Lastly, it was the consensus of the Legislative Committee to remove the following two items from the Board's 2011 Legislative Agenda:

- Increase the death benefit from \$3,000 to \$5,000
- Stabilize the 13th check at 75% of the annuity payment

After questions and discussion, it was moved by Ms. Thompson, seconded by Ms. Henry, to accept the recommendations of the Legislative Committee.

Vote: Unanimous Voice Vote
Absent: Stafford

(11-02-12) (2011-2012 Projection Report - Death and Disability Rates) The Chief Financial Officer recommended the following:

- Increase the average death benefit rate in 2012 to 0.20% of payroll, an increase from the .16% rate for 2011;
- Maintain the disability benefit rate in 2012 at 0.13% of payroll, the same rate as 2011.

He further estimates:

- Benefit payments will exceed contributions by more than \$185 million in 2011;
- IMRF credited approximately \$481 million of interest and \$1.3 billion of residual investment income to employer reserves in 2010 due to the positive investment returns of 13.4% in 2010; and
- The supplemental retirement benefit for 2011 will be approximately 45% of the monthly benefit.

After questions and discussion, it was moved by Ms. Faklis, seconded by Ms. Copper, to approve the 2012 Death and Disability rates as presented.

Vote: Unanimous Voice Vote
Absent: Stafford

(11-02-13) (Legislative Update) The Legislative Liaison updated the Board on current legislative activity.

She highlighted the following IMRF-related legislation that has been introduced in the 97th General Assembly:

- HB 2037 - permits elected/appointed coroners to participate in SLEP
- HB 2975 - reduces the minimum age for retirement without a reduction under Tier Two from age 67 to 62
- HB 3076 - requires IMRF employers to pay the present cost of contribution increases due to salary increases of more than 6%, with certain exclusions
- HB 3370 - requires IRMF to create an alternative defined contribution plan

She noted a total of twenty-four bills pertaining to IMRF have been introduced in the General Assembly.

Next, the Legislative Liaison discussed the upcoming Board of Trustees Springfield Drive-Down, scheduled March 1 and 2, 2011.

Discussion followed.

(11-02-14) (Litigation Update) The following is an update of the currently pending litigation:

In Re: MARRIAGE OF CORBETT

Summary: Staff rejected a Qualified Illinois Domestic Relations Order ("QILDRO") that was received by IMRF after a member's death.

Pending: A court hearing will be held on March 3, 2011, at which time the trial court may decide whether the proposed alternate payee is entitled to any portion of the member's death benefit.

DICKENS vs. IMRF, et al.

Summary: Board denied temporary disability benefit.

Pending: Plaintiff's brief is due to be filed no later than March 14, 2010.

McBRIDE, et al. vs. ANDERSON, et al.

Summary: A deceased member's children have sued the member's cousin, as well as IMRF, with respect to entitlement to the member's \$22,000+ lump sum death benefit.

Pending: IMRF has agreed to suspend payment of the death benefit until further order of the Court.

STEVENS vs. VILLAGE OF OAK BROOK, et al.

Summary: An IMRF annuitant has filed suit against his former employer seeking a determination that he is entitled to Omitted Service credits for the years 1980 through 2000. The employer had previously determined that the member was not entitled to establish such credits for the period in question.

Pending: The case will now proceed to the discovery phase, with a possible trial sometime in 2011.

VRAKAS, et al. v. COUNTY OF WILL, et al.

Summary: Fifty-eight (58) full-time correctional deputies, sergeants and lieutenants have sued Will County seeking a determination that they were "sheriff's law enforcement employees" with respect to their pre-December 1, 2005 enrollments, as such, in IMRF.

Pending: A status hearing date has been scheduled for April 5, 2011.

WABASH COUNTY, ILLINOIS vs. IMRF, et al.

Summary: Board dismissed an employer's "Request for Correction of Records".

Pending: In all likelihood, a decision by the appellate court will be rendered during the first or second quarter of 2011.

(11-02-15) (Report of Executive Director)

Investments

The market value of the Fund's investment portfolio, including short-term investments, but excluding disposition costs, totaled \$25.1 billion on December 31, 2010. This was an increase of \$1,019.2 million from the market value as of November 30, 2010.

Fixed income investments of \$1,293.7 million were made in December. The market value of fixed income investment managers totaled \$6,406.6 million. Domestic equity investments of \$557.4 million were made in December. The market value of domestic equity investment managers totaled \$10,470.6 million.

International equity investments of \$1,241.0 million were made in December. The market value of international equity investment managers totaled \$6,471.4 million.

The market value of real estate investment managers totaled \$465.5 million.

The market value of alternative investment managers totaled \$986.2 million.

The market value of cash equivalents totaled \$258.9 million.

2011 Regional Manager Meeting

The Executive Director reviewed a preliminary agenda for the Regional Manager Meeting scheduled for June 12-18, 2011 in California.

2011 Trustee Roundtable

The Executive Director discussed the location and possible agenda items for the Board's 2011 Roundtable that is scheduled for September 22, 2011.

(11-02-16) (Trustee Forum) The Chair reported the following Trustee requested authorization from the Board to attend the following conference:

Ruth E. Faklis	"2011 Emerging Manager Summit"
	Opal Financial Group
	May 16-17, 2011
	Chicago, IL

It was moved by Ms. Rademacher seconded by Ms. Thompson, to approve the above Trustee request.

Vote: Unanimous Voice Vote
Absent: Stafford

(11-02-17) (Adjournment) It was moved by Ms. Faklis, seconded by Ms. Thompson, to adjourn the Board Meeting at 11:10 a.m., to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, Illinois, at 9:00 a.m. on March 25, 2011.

Vote: Unanimous Voice Vote
Absent: Stafford

President

Date

Secretary

Date

Schedules A, B, C D, E F, G, P, R and S are omitted from this copy of Minutes. These schedules are identical to schedules attached to Minutes distributed to Board of Trustees prior to meeting.