

**ILLINOIS MUNICIPAL RETIREMENT FUND
MINUTES OF
REGULAR MEETING NO. 11-12
DECEMBER 16, 2011**

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 11-12

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:00 a.m., December 16, 2011, in the Fund Office at 221 1 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, Stafford, Thompson, Copper
Absent: None

Mr. Ball from Callan Associates, Mr. Moss from Seyfarth Shaw LLP, and representatives from Loop Capital, Cabrera Capital and MR Beal were also present.

(11-12-01) (Investment Manager Activities - Callan Associates) Mr. Ball gave the attached 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
November 30, 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 November 30, 2011

	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	(0.29)	0.26	7.09	15.50	0.31	3.96
Russell:1000 Index	(0.26)	0.66	7.38	15.10	0.07	3.37
Russell:Midcap Index	(0.50)	(1.43)	5.39	21.91	1.44	7.43
Russell:2000 Index	(0.36)	(4.80)	2.75	17.56	0.09	6.18
MSCI:ACWI ex US	(5.08)	(12.36)	(5.49)	13.70	(1.67)	7.01
MSCI:EAFE US\$	(4.85)	(11.30)	(4.12)	10.11	(3.95)	4.83
MSCI:Emer Markets	(6.66)	(17.18)	(11.26)	23.98	3.86	15.21
BC:Aggr Bd	(0.09)	6.67	5.52	7.69	6.14	5.59
NCREIF Property Index	1.09	13.41	15.13	1.19	3.24	8.00
NAREIT Equity Index	(3.78)	3.46	8.29	25.41	(2.62)	9.97

The markets generally trended down in November until the last day of the month when we saw gains of more than 4%. This gain made the domestic equity market nearly flat (DJ Total Stock Market Index -0.3%) and helped the international markets avoid another terrible month in 2011 (MSCI ACW Index -5.1%). The cause of this strong rally was the news that the Federal Reserve, the European Central Bank, and other major central banks would undertake a coordinated action to allow banks in need (e.g. European banks) to borrow dollars cheaply in order to shore up their capital accounts.

In other good news, the unemployment rate in the U.S. fell from 9.0% in October to 8.6% at the end of November. Inflation also fell during the month to 3.5% (from 3.9% in October). Even though the estimate for third quarter GDP growth was lowered by 0.5% to 2.0%, this still shows a positive trend as first quarter growth was 0.4% and second quarter growth was 1.3%.

Domestic bonds were down marginally as the BC Aggregate Bond Index fell 0.1%. Its year-to-date return is now 6.7%.

The public real estate market, measured by the NAREIT Equity Index, slumped in November, falling 3.8%. Its year-to-date return is now +3.5%.

*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 November 30, 2011

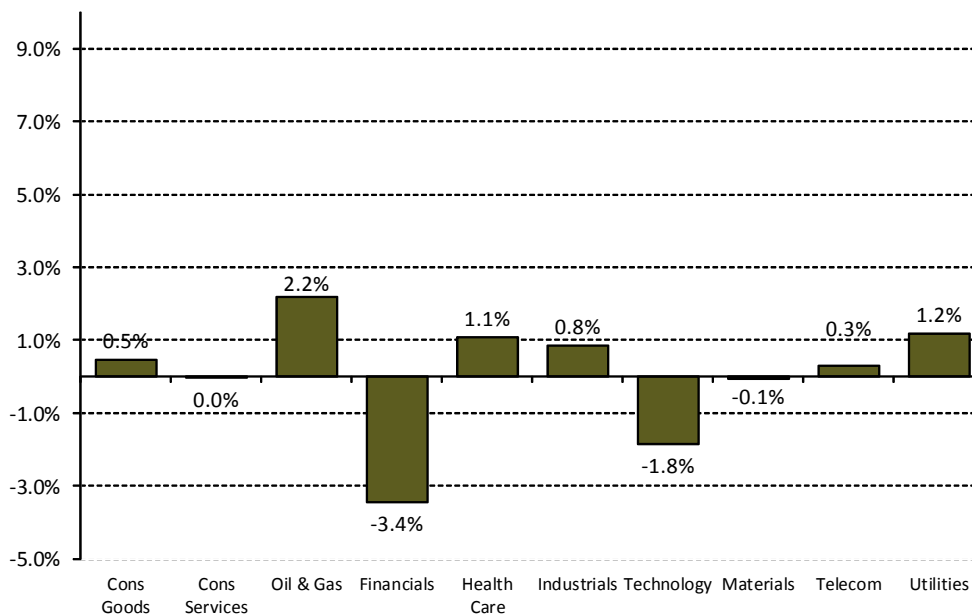
	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	(0.29)	0.26	7.09	15.50	0.31	3.96
Russell:1000 Index	(0.26)	0.66	7.38	15.10	0.07	3.37
Russell:1000 Growth	(0.01)	2.97	8.65	18.85	2.64	2.61
Russell:1000 Value	(0.52)	(1.59)	6.17	11.32	(2.59)	3.93
Russell:Midcap Index	(0.50)	(1.43)	5.39	21.91	1.44	7.43
Russell:2000 Index	(0.36)	(4.80)	2.75	17.56	0.09	6.18
Russell:2000 Growth	(0.53)	(2.69)	4.70	21.21	2.08	5.14
Russell:2000 Value	(0.20)	(6.96)	0.77	14.03	(2.01)	6.87

Domestic equities were slightly negative in every major market segment for November. Large caps slightly outperformed mid and small caps but the margin was narrow. The Russell 1000 Index was down 0.3%, followed by the Russell 2000 (-0.4%) and the Russell Midcap Index (-0.5%).

Large value stocks lagged large growth stocks (Russell 1000 Value: -0.5%; Russell 1000 Growth: 0.0%) but small value stocks outperformed their growth counterparts (Russell 2000 Value: -0.2%; Russell 2000 Growth: -0.5%).

The Financial sector struggled in November, falling 3.4%, as concerns about their balance sheets weighed on investors. The Oil and Gas sector was the biggest gainer, up 2.2%, followed by Utilities with a return of 1.2%.

DJ US Total Stock Market Sector Returns



Returns
for Periods Ended November 30, 2011

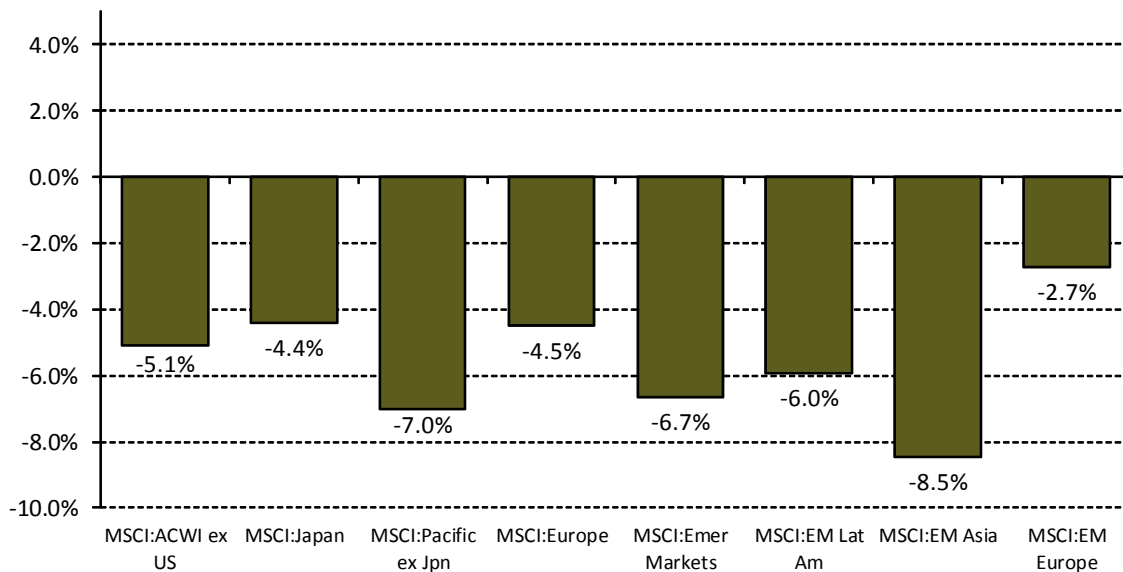
	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
MSCI:ACWI ex US	(5.08)	(12.36)	(5.49)	13.70	(1.67)	7.01
MSCI:ACWI ex US Gr	(4.76)	(12.54)	(5.87)	14.06	(0.97)	6.28
MSCI:ACW ex US Val	(5.41)	(12.18)	(5.09)	13.29	(2.40)	7.69
MSCI:EAFE US\$	(4.85)	(11.30)	(4.12)	10.11	(3.95)	4.83
MSCI:EAFE Hedged	(2.76)	(15.10)	(11.05)	2.47	(7.82)	(1.41)
MSCI:Emer Markets	(6.66)	(17.18)	(11.26)	23.98	3.86	15.21
S&P:Dev x US Sm Cap	(5.26)	(12.81)	(3.56)	18.43	(2.16)	9.67

International stocks stumbled in November, giving back some of the gains made in October. The worst performing region, Emerging Markets Asia lost 8.5%, and the best performing region, Emerging Markets Europe, fell 2.7%.

Developed country stocks, as measured by the MSCI EAFE Index, were down 4.9%, compared to their October gain of 9.6%. The U.S. dollar strengthened in November so U.S. Dollar based investors fared worse than local currency based investors; the MSCI EAFE-Hedged Index was down only 2.8%. The MSCI Emerging Markets Index fell more than their developed country counterparts (-6.7%).

Outside the United States, growth stocks performed better than value stocks. The MSCI ACW ex-US Growth Index fell 4.8% and the MSCI ACW ex-US Value Index lost 5.4%.

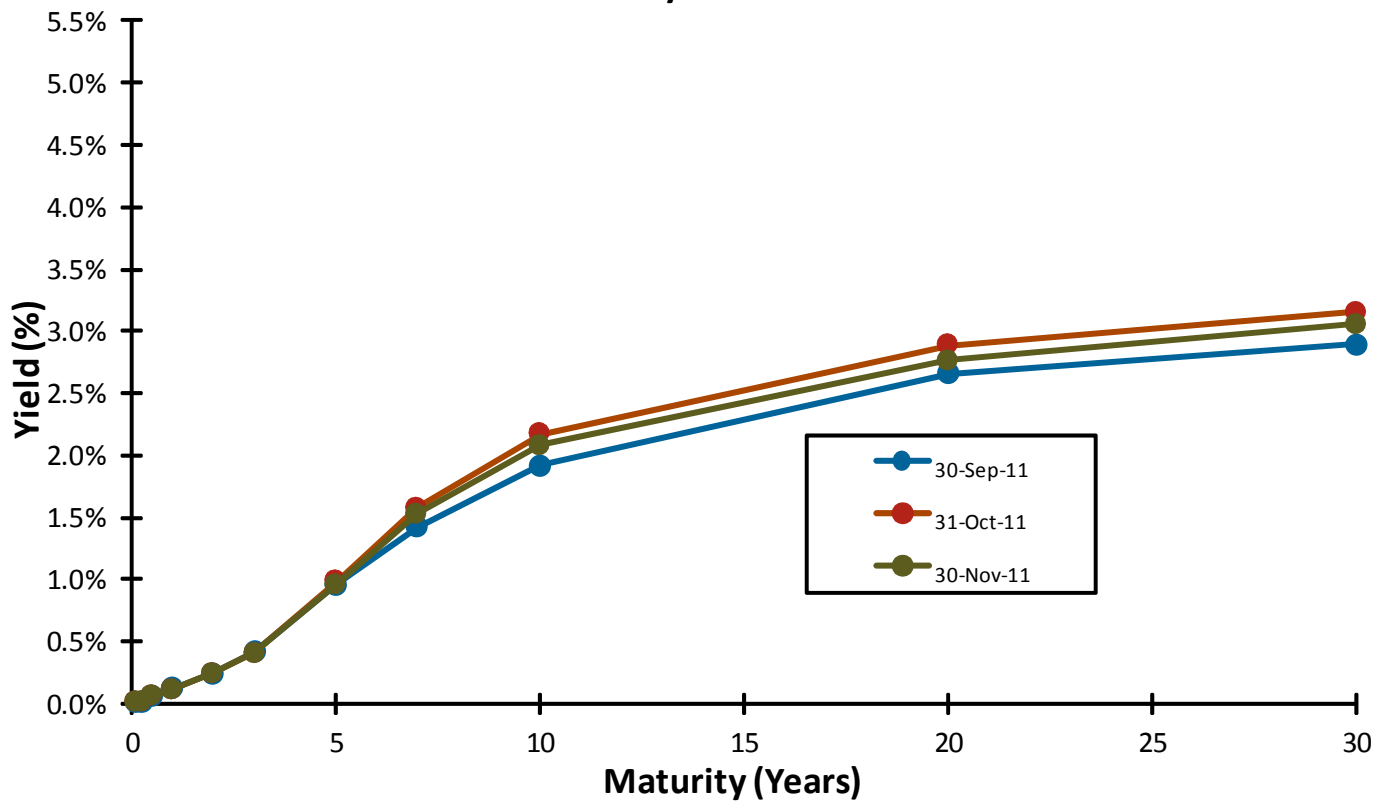
Monthly Regional Returns



Returns
for Periods Ended November 30, 2011

	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
BC:Aggr Bd	(0.09)	6.67	5.52	7.69	6.14	5.59
BC:Govt Index	0.67	8.06	6.31	4.88	6.22	5.41
BC:Credit	(1.68)	6.29	5.21	12.44	6.20	6.07
BC:Mortgage Idx	0.18	5.49	4.91	6.17	6.33	5.58
BC:US TIPS Index	0.77	13.52	11.76	12.17	7.44	7.44
ML:High Yield CP Idx	(2.16)	1.96	3.72	25.48	6.95	8.20
3 Month T-Bill	0.00	0.10	0.12	0.15	1.57	1.97

Treasury Yield Curve



While the fixed income market was generally flat for November (the BC Aggregate Bond Index lost 0.1%), sector returns were dispersed. The Merrill Lynch High Yield Cash Pay Index fell almost 2.2%, and the BC Credit Index was down 1.7%. On the positive side, the BC US TIPS Index gained 0.8% and the BC Government Index rose 0.7%. While the ML High Yield Cash Pay Index has the best 10-year performance (+8.2%) among the major domestic fixed income sectors, the BC US TIPS Index now has the best 5-year performance (+7.4%)

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

BlackRock Financial Management, Inc.

BlackRock Granite

Dimensional Fund Advisors

Earnest Partners, LLC

INVESCO

Lazard Freres

Mackay Shields

Piedmont Investment Advisors, LLC

Rothschild Realty Managers, 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 November 30th, all allocations were within the allowable range.

The Total Fund returned -1.27% during November, trailing the Total Fund Benchmark by 0.23%. Over the trailing year, the Fund was up 3.45%, lagging the benchmark by -1.53%. International equities outperformed their index while domestic equities and fixed income both trailed their target benchmarks over this period.

US Equity

Large Cap: The Fund's Large Cap Growth managers returned -0.61%, trailing the Russell 1000 Growth Index by 0.60%. Holland was the only large cap manager to post a positive return during the month. The Large Cap Value managers returned -0.49%, exceeding the Russell 1000 Value Index return by 0.03%. BMO was the best performing manager in the group with a return of -0.20%.

Small Cap: The Small Cap portfolio returned -0.44% during the month. Small Cap Growth managers were down -0.49%. Small Cap Value managers were down -0.29%. The Micro Cap segment lost -0.62% during the month.

International Equity

Large Cap: International Large Cap managers returned -4.50 % exceeding the MSCI ACW ex-US Index by 0.60%. William Blair turned in the best International Growth performance with a return of -3.76%. Brandes, the sole International Value manager returned -4.25%. The International Large Cap Active Core Group returned -4.68% during November.

International Small Cap and Emerging Markets: William Blair posted a gain of -4.34% exceeding the index by 1.39%. The emerging markets portfolio managed by Genesis returned -5.79% during November, beating the MSCI Emerging Markets Index by 0.87%.

Domestic Fixed Income

Active Core: The active core fixed income component returned 0.16%, outperforming the BC Aggregate Index by 25 basis points. The enhanced core portfolio returned 0.07% outperforming its index by 16 basis points.

Core Plus: The core plus managers posted a loss of -0.51 %, trailing the BC Aggregate by 42 basis points. BlackRock had the best monthly performance at 0.36%.

High Yield: MacKay Shields and Pyramis collectively returned -1.97%, beating the ML High Yield index return of -2.16%.

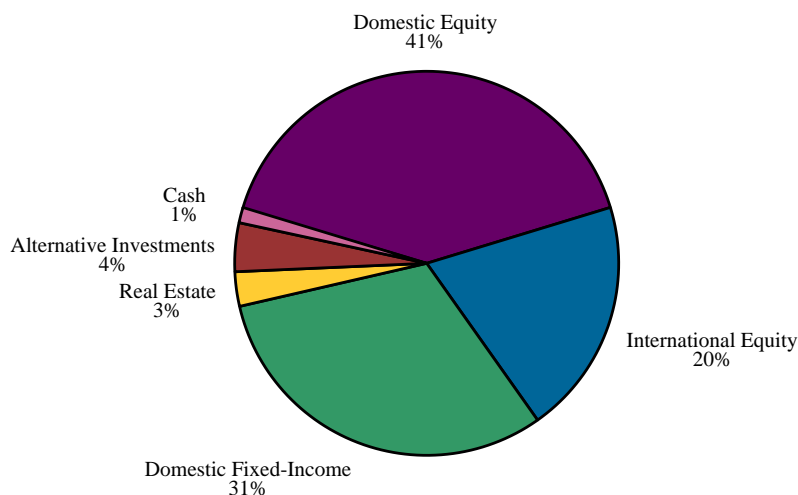
Alternatives

Performance for real estate, absolute return, private equity, agriculture and timberland are incomplete and/or lagged in the monthly reports so are not representative of current returns.

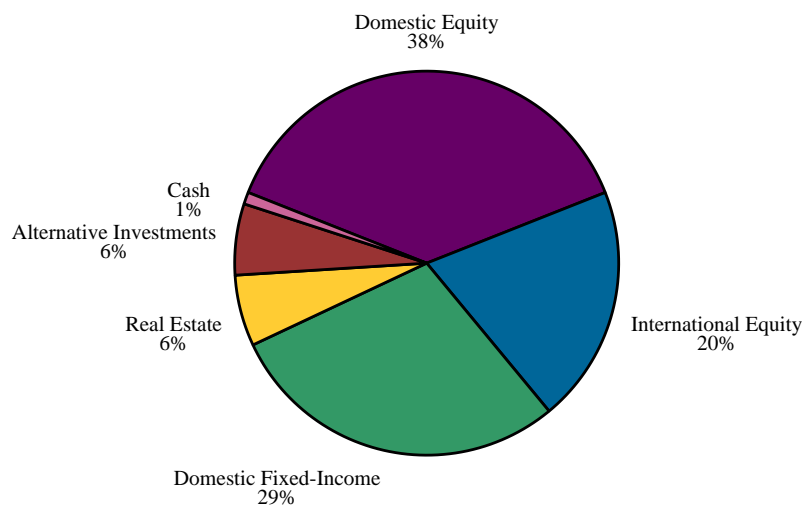
Actual vs Target Asset Allocation

The first chart below shows the Funds asset allocation as of November 30, 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	10,051	40.7%	38.0%	2.7%	664
International Equity	4,904	19.9%	20.0%	(0.1%)	(36)
Domestic Fixed-Income	7,696	31.2%	29.0%	2.2%	532
Real Estate	715	2.9%	6.0%	(3.1%)	(768)
Alternative Investments	1,011	4.1%	6.0%	(1.9%)	(471)
Cash	326	1.3%	1.0%	0.3%	79
Total	24,703	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.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of November 30, 2011, with the distribution as of October 31, 2011.

Asset Distribution Across Investment Managers

	November 30, 2011		October 31, 2011	
	Market Value	Percent	Market Value	Percent
Domestic Equity	\$10,050,659,906	40.69%	\$10,099,140,965	40.32%
Large Cap Growth				
BlackRock LCG	531,470,003	2.15%	541,206,789	2.16%
Holland	684,088,540	2.77%	681,526,345	2.72%
NTGI S&P 500 Growth Idx	749,961,979	3.04%	750,920,583	3.00%
Sands	672,945,067	2.72%	680,882,020	2.72%
Vision	49,266,436	0.20%	49,736,139	0.20%
Large Cap Value				
Dodge & Cox	593,729,034	2.40%	599,831,250	2.39%
BMO	654,770,565	2.65%	656,068,795	2.62%
LSV	629,655,846	2.55%	632,766,960	2.53%
NTGI S&P 500 Value Idx	672,533,613	2.72%	674,650,156	2.69%
Large Cap Core				
Piedmont	118,871,810	0.48%	119,750,008	0.48%
Progress	390,029,025	1.58%	392,448,637	1.57%
NTGI MarketCap Index	1,863,537,145	7.54%	1,868,656,752	7.46%
Small Cap Growth				
Buford	28,741,039	0.12%	28,979,204	0.12%
Fortaleza	29,590,407	0.12%	29,530,692	0.12%
Frontier	451,775,292	1.83%	462,212,024	1.85%
Pyramis	466,991,879	1.89%	461,198,937	1.84%
Small Cap Value				
Channing	45,746,702	0.19%	46,628,485	0.19%
Dimensional Small Cap Value	380,617,385	1.54%	383,192,898	1.53%
Inv. Counselors of Maryland	450,470,957	1.82%	451,646,609	1.80%
Lombardia	97,857,362	0.40%	96,082,751	0.38%
Micro Cap				
Ariel	52,124,154	0.21%	51,385,884	0.21%
Ativo	26,334,456	0.11%	27,074,253	0.11%
Dimensional Micro Cap	169,406,868	0.69%	170,019,622	0.68%
Wall Street	240,144,345	0.97%	242,745,173	0.97%
International Equity	\$4,904,314,932	19.85%	\$5,141,518,690	20.53%
International Large Cap Growth				
EARNEST Partners	274,576,163	1.11%	288,545,723	1.15%
McKinley	259,819,781	1.05%	270,831,820	1.08%
William Blair	684,202,344	2.77%	710,904,754	2.84%
International Large Cap Value				
Brandes	578,322,943	2.34%	604,023,705	2.41%
International Large Cap Core				
Arrowstreet	350,907,206	1.42%	368,550,980	1.47%
Brown	167,380,926	0.68%	174,702,189	0.70%
GlobeFlex	347,250,003	1.41%	364,762,041	1.46%
NTGI MSCI EAFE Index	1,556,907,790	6.30%	1,635,780,573	6.53%
International Small Cap				
AXA Rosenberg	200,056	0.00%	207,255	0.00%
Franklin Templeton	120,170,637	0.49%	126,268,309	0.50%
William Blair	146,640,469	0.59%	153,299,807	0.61%

Franklin Templeton Intl SC was funded 07/27/2011. BlackRock LCG was funded 07/12/2011. Vision was funded 06/17/2011. Channing and Lombardia were funded 05/26/2011. Piedmont LC was funded 05/19/2011. Brown and GlobeFlex moved to International Large Cap Active Core April 1, 2011.



Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of November 30, 2011, with the distribution as of October 31, 2011.

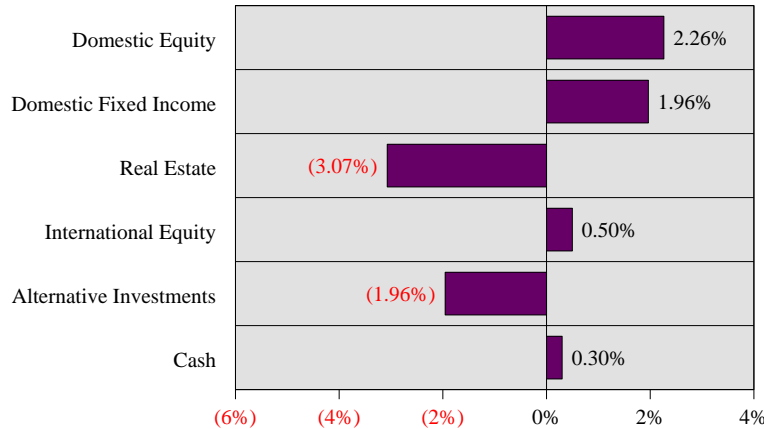
Asset Distribution Across Investment Managers

	November 30, 2011		October 31, 2011	
	Market Value	Percent	Market Value	Percent
Emerging Markets				
Genesis	417,936,613	1.69%	443,641,534	1.77%
Domestic Fixed-Income	\$7,695,900,786	31.15%	\$7,781,785,169	31.07%
Domestic Fixed Core				
EARNEST Partners	502,432,721	2.03%	501,629,110	2.00%
Piedmont	493,102,740	2.00%	493,686,473	1.97%
BlackRock Enhanced	905,263,600	3.66%	904,636,558	3.61%
NTGI BC Aggregate Index	1,334,778,429	5.40%	1,385,612,267	5.53%
Domestic Fixed Core Plus				
BlackRock Core Plus	668,715,971	2.71%	666,310,049	2.66%
LM Capital	768,020,827	3.11%	773,224,081	3.09%
Progress Fixed Income	396,756,500	1.61%	398,857,895	1.59%
Taplin, Canida, & Habacht	742,933,927	3.01%	752,253,801	3.00%
Western	1,005,723,652	4.07%	1,009,798,798	4.03%
High Yield				
MacKay Shields	430,823,513	1.74%	439,111,952	1.75%
Pyramis High Yield	447,348,907	1.81%	456,664,186	1.82%
Real Estate	\$714,530,525	2.89%	\$738,369,000	2.95%
Real Estate Opportunistic				
Franklin Templeton EMREFF	9,281,574	0.04%	9,281,574	0.04%
Lazard Freres	27,281,603	0.11%	27,487,351	0.11%
Olympus Real Estate Fund II	1,155,858	0.00%	1,116,186	0.00%
Security	49,446,872	0.20%	49,446,872	0.20%
Dune Real Estate Fund II	28,183,754	0.11%	27,082,628	0.11%
Real Estate Core				
BlackRock Granite Fund	65,396,873	0.26%	65,396,873	0.26%
Buckhead	223,528,061	0.90%	221,417,886	0.88%
Cornerstone	77,552,715	0.31%	75,000,000	0.30%
INVESCO	78,117,823	0.32%	78,117,823	0.31%
Sentinel	30,457,785	0.12%	60,884,114	0.24%
Real Estate Value Added				
Cornerstone Fund VIII	16,678,113	0.07%	17,342,565	0.07%
Rockwood	26,627,699	0.11%	26,301,689	0.11%
Rothschild	30,694,768	0.12%	30,553,259	0.12%
TA Fund IX	50,127,027	0.20%	48,940,180	0.20%
Alternative Investments	\$1,010,655,862	4.09%	\$1,014,675,999	4.05%
Absolute Return				
Aurora	133,258,490	0.54%	134,735,908	0.54%
Grosvenor	116,088,984	0.47%	116,088,984	0.46%
Mesirow	114,952,401	0.47%	112,162,104	0.45%
Private Equity				
Abbott	293,100,210	1.19%	293,495,282	1.17%
Muller & Monroe ILPEFF	13,603,267	0.06%	13,730,225	0.05%
Muller & Monroe MPEFF	16,210,392	0.07%	16,210,392	0.06%
Pantheon	159,572,330	0.65%	164,383,293	0.66%
Agriculture				
Cozad/Westchester	98,304,268	0.40%	98,304,267	0.39%
Timberland				
Forest Investment Assoc.	65,521,782	0.27%	65,521,782	0.26%
Cash	\$326,479,261	1.32%	\$270,107,069	1.08%

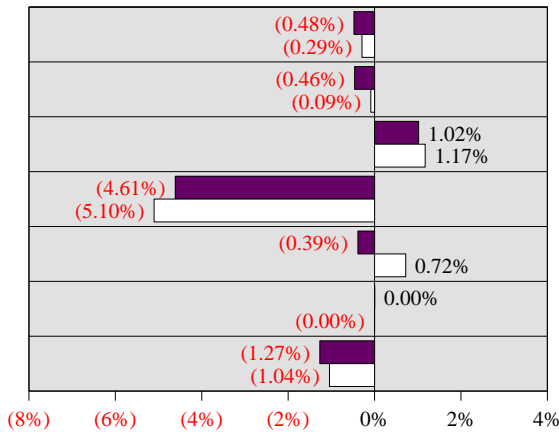
Monthly Total Fund Relative Attribution - November 30, 2011

The following analysis approaches Total Fund Attribution from the perspective of relative return. Relative return attribution separates and quantifies the sources of total fund excess return relative to its target. This excess return is separated into two relative attribution effects: Asset Allocation Effect and Manager Selection Effect. The Asset Allocation Effect represents the excess return due to the actual total fund asset allocation differing from the target asset allocation. Manager Selection Effect represents the total fund impact of the individual managers excess returns relative to their benchmarks.

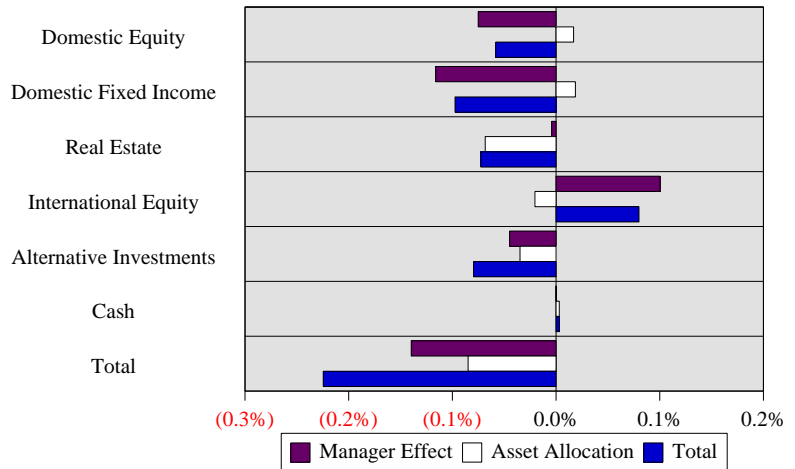
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Month ended November 30, 2011

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	40%	38%	(0.48%)	(0.29%)	(0.08%)	0.02%	(0.06%)
Domestic Fixed Income	31%	29%	(0.46%)	(0.09%)	(0.12%)	0.02%	(0.10%)
Real Estate	3%	6%	1.02%	1.17%	(0.00%)	(0.07%)	(0.07%)
International Equity	20%	20%	(4.61%)	(5.10%)	0.10%	(0.02%)	0.08%
Alternative Investments	4%	6%	(0.39%)	0.72%	(0.04%)	(0.03%)	(0.08%)
Cash	1%	1%	0.00%	(0.00%)	0.00%	0.00%	0.00%

Total (1.27%) = (1.04%) + (0.14%) + (0.08%) (0.22%)

* 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.

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 November 30, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Equity (12/31/81)	(0.48%)	2.09%	(1.44%)	5.21%
DJ U.S. Total Stock Market Index	(0.29%)	2.58%	0.26%	7.09%
Domestic Equity - Net (12/31/04)	(0.53%)	2.02%	(1.69%)	4.95%
International Equity (08/31/86)	(4.61%)	(5.78%)	(11.22%)	(4.53%)
MSCI ACWI x US (Net)	(5.10%)	(6.78%)	(12.73%)	(5.90%)
International Equity - Net (12/31/04)	(4.66%)	(5.84%)	(11.44%)	(4.78%)
Domestic Fixed-Income (12/31/81)	(0.46%)	0.57%	6.05%	5.46%
BC Aggregate Index	(0.09%)	0.75%	6.67%	5.52%
Domestic Fixed-Inc. - Net (12/31/04)	(0.48%)	0.54%	5.91%	5.32%
Real Estate (04/30/85)	1.02%	2.75%	11.46%	12.30%
Blended Benchmark**	1.17%	3.55%	14.32%	16.13%
Real Estate - Net (12/31/04)	1.02%	2.75%	11.46%	12.30%
Alternative Investments (01/31/86)	(0.39%)	(0.84%)	5.69%	7.34%
Alternatives Custom Benchmark***	0.72%	2.18%	8.22%	9.00%
Alternative Investments - Net (12/31/04)	(0.44%)	(0.89%)	5.48%	7.13%
Absolute Return (12/31/01)	0.36%	(3.09%)	(3.51%)	(2.03%)
HFR Fund-of-Funds Index	(0.71%)	(2.06%)	(4.55%)	(2.44%)
Private Equity (01/31/86)	(1.07%)	0.25%	15.25%	15.57%
Alternatives Custom Benchmark***	0.72%	2.18%	8.22%	9.00%
Agriculture (09/30/97)	0.00%	0.12%	(0.04%)	7.86%
Blended Benchmark**	1.17%	3.55%	14.32%	16.13%
Timberland (09/30/92)	0.00%	2.63%	4.08%	7.67%
Blended Benchmark**	1.17%	3.55%	14.32%	16.13%
Total Fund (12/31/81)	(1.27%)	(0.16%)	(0.79%)	3.45%
Total Fund Benchmark	(1.04%)	0.40%	0.96%	4.98%
Total Fund - Net (12/31/04)	(1.31%)	(0.21%)	(1.00%)	3.23%

* 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 November 30, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Equity (12/31/81)	16.35%	0.44%	4.43%	10.96%
DJ U.S. Total Stock Market Index	15.50%	0.31%	3.96%	10.58%
Domestic Equity - Net (12/31/04)	16.08%	0.19%	-	3.07%
International Equity (08/31/86)	14.27%	(2.26%)	6.86%	7.71%
MSCI ACWI x US (Net)	13.19%	(2.11%)	6.57%	-
International Equity - Net (12/31/04)	13.95%	(2.57%)	-	3.48%
Domestic Fixed-Income (12/31/81)	11.37%	6.52%	6.29%	9.31%
BC Aggregate Index	7.69%	6.14%	5.59%	8.80%
Domestic Fixed-Inc. - Net (12/31/04)	11.23%	6.39%	-	5.77%
Real Estate (04/30/85)	(3.75%)	(0.46%)	4.94%	4.01%
Blended Benchmark**	2.19%	4.04%	5.79%	7.18%
Real Estate - Net (12/31/04)	(3.75%)	(0.46%)	-	3.83%
Alternative Investments (01/31/86)	4.61%	4.87%	6.56%	11.13%
Alternatives Custom Benchmark***	10.57%	11.14%	11.99%	13.83%
Alternative Investments - Net (12/31/04)	4.31%	4.59%	-	7.66%
Absolute Return (12/31/01)	5.24%	1.38%	4.44%	4.44%
HFR Fund-of-Funds Index	3.47%	(0.16%)	3.49%	3.49%
Private Equity (01/31/86)	4.90%	8.23%	8.18%	13.43%
Alternatives Custom Benchmark***	10.57%	11.14%	11.99%	13.83%
Agriculture (09/30/97)	3.21%	3.43%	5.91%	5.42%
Blended Benchmark**	2.19%	4.04%	5.79%	6.23%
Timberland (09/30/92)	2.52%	7.28%	4.66%	9.49%
Blended Benchmark**	2.19%	4.04%	5.79%	6.58%
Total Fund (12/31/81)	13.20%	2.96%	6.07%	9.93%
Total Fund Benchmark	11.97%	3.29%	5.85%	-
Total Fund - Net (12/31/04)	12.98%	2.74%	-	4.89%

* 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 November 30, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Large Cap Equity (12/31/81)	(0.49%)	2.18%	0.01%	6.34%
Russell 1000 Index	(0.26%)	2.64%	0.66%	7.38%
Large Cap Growth (12/31/81)	(0.61%)	2.08%	2.34%	7.35%
BlackRock LCG (07/31/11)	(1.80%)	(0.11%)	-	-
LCG Blended Benchmark*	(0.01%)	2.79%	2.97%	8.65%
Russell 1000 Growth Index	(0.01%)	2.79%	2.97%	8.65%
BlackRock LCG - Net (07/31/11)	(1.80%)	(0.11%)	-	-
Holland (10/31/94)	0.38%	4.48%	6.51%	11.45%
LCG Blended Benchmark*	(0.01%)	2.79%	2.97%	8.65%
Russell 1000 Growth Index	(0.01%)	2.79%	2.97%	8.65%
Holland - Net (12/31/04)	0.38%	4.43%	6.20%	11.13%
NTGI S&P 500 Growth Idx (07/31/01)	(0.13%)	3.14%	4.26%	9.73%
S&P/Citi 500 Growth Index	(0.14%)	3.14%	4.31%	9.75%
NTGI S&P 500 Growth Idx - Net (12/31/04)	(0.13%)	3.14%	4.24%	9.71%
Sands (10/31/03)	(1.17%)	0.30%	3.64%	6.81%
LCG Blended Benchmark*	(0.01%)	2.79%	2.97%	8.65%
Russell 1000 Growth Index	(0.01%)	2.79%	2.97%	8.65%
Sands - Net (12/31/04)	(1.17%)	0.24%	3.38%	6.54%
Vision (06/30/2011)	(0.94%)	2.35%	-	-
LCG Blended Benchmark*	(0.01%)	2.79%	2.97%	8.65%
Russell 1000 Growth Index	(0.01%)	2.79%	2.97%	8.65%
Vision - Net (06/30/2011)	(1.09%)	2.20%	-	-
Large Cap Value (09/30/82)	(0.49%)	1.92%	(2.08%)	5.28%
Dodge & Cox (08/31/03)	(1.01%)	0.33%	(4.39%)	2.94%
LCV Blended Benchmark**	(0.52%)	2.49%	(1.59%)	6.17%
Russell 1000 Value Index	(0.52%)	2.49%	(1.59%)	6.17%
Dodge & Cox - Net (12/31/04)	(1.01%)	0.27%	(4.59%)	2.72%
BMO (01/31/01)	(0.20%)	2.41%	0.93%	7.07%
LCV Blended Benchmark**	(0.52%)	2.49%	(1.59%)	6.17%
Russell 1000 Value Index	(0.52%)	2.49%	(1.59%)	6.17%
BMO - Net (12/31/04)	(0.26%)	2.35%	0.69%	6.81%
LSV (01/31/03)	(0.49%)	2.16%	(1.67%)	5.74%
LCV Blended Benchmark**	(0.52%)	2.49%	(1.59%)	6.17%
Russell 1000 Value Index	(0.52%)	2.49%	(1.59%)	6.17%
LSV - Net (12/31/04)	(0.56%)	2.09%	(1.93%)	5.46%
NTGI S&P 500 Value Idx (07/31/99)	(0.31%)	2.64%	(2.23%)	5.80%
S&P/Citi 500 Value Index	(0.32%)	2.65%	(2.27%)	5.77%
NTGI S&P 500 Value Idx - Net (12/31/04)	(0.31%)	2.64%	(2.24%)	5.79%

* 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 November 30, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Equity (12/31/81)	15.24%	0.15%	3.31%	10.42%
Russell 1000 Index	15.10%	0.07%	3.37%	10.78%
Large Cap Growth (12/31/81)	18.88%	2.95%	2.92%	11.02%
BlackRock LCG (07/31/11)	-	-	-	(8.41%)
LCG Blended Benchmark*	18.85%	2.64%	2.77%	(2.64%)
Russell 1000 Growth Index	18.85%	2.64%	2.61%	(2.64%)
BlackRock LCG - Net (07/31/11)	-	-	-	(8.41%)
Holland (10/31/94)	19.97%	4.85%	4.85%	9.23%
LCG Blended Benchmark*	18.85%	2.64%	2.77%	8.14%
Russell 1000 Growth Index	18.85%	2.64%	2.61%	7.17%
Holland - Net (12/31/04)	19.60%	4.55%	-	4.12%
NTGI S&P 500 Growth Idx (07/31/01)	16.95%	2.39%	2.87%	2.55%
S&P/Citi 500 Growth Index	16.89%	2.39%	2.82%	2.51%
NTGI S&P 500 Growth Idx - Net (12/31/04)	16.93%	2.38%	-	3.77%
Sands (10/31/03)	31.88%	6.49%	-	8.22%
LCG Blended Benchmark*	18.85%	2.64%	2.77%	5.11%
Russell 1000 Growth Index	18.85%	2.64%	2.61%	5.34%
Sands - Net (12/31/04)	31.53%	6.20%	-	5.24%
Vision (06/30/2011)	-	-	-	(4.44%)
LCG Blended Benchmark*	18.85%	2.64%	2.77%	(3.61%)
Russell 1000 Growth Index	18.85%	2.64%	2.61%	(3.61%)
Vision - Net (06/30/2011)	-	-	-	(4.60%)
Large Cap Value (09/30/82)	11.79%	(2.36%)	3.55%	9.39%
Dodge & Cox (08/31/03)	13.62%	(3.10%)	-	5.11%
LCV Blended Benchmark**	11.32%	(2.59%)	3.12%	4.77%
Russell 1000 Value Index	11.32%	(2.59%)	3.93%	5.00%
Dodge & Cox - Net (12/31/04)	13.37%	(3.33%)	-	1.02%
BMO (01/31/01)	11.71%	(0.89%)	5.23%	4.59%
LCV Blended Benchmark**	11.32%	(2.59%)	3.12%	1.55%
Russell 1000 Value Index	11.32%	(2.59%)	3.93%	2.83%
BMO - Net (12/31/04)	11.45%	(1.13%)	-	2.94%
LSV (01/31/03)	13.17%	(1.87%)	-	7.77%
LCV Blended Benchmark**	11.32%	(2.59%)	3.12%	6.07%
Russell 1000 Value Index	11.32%	(2.59%)	3.93%	6.13%
LSV - Net (12/31/04)	12.85%	(2.15%)	-	2.35%
NTGI S&P 500 Value Idx (07/31/99)	11.30%	(2.81%)	2.88%	1.54%
S&P/Citi 500 Value Index	11.23%	(2.85%)	2.84%	1.53%
NTGI S&P 500 Value Idx - Net (12/31/04)	11.29%	(2.82%)	-	1.15%

* 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 November 30, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Large Cap Active Core (12/31/04)	(0.64%)	2.43%	(0.51%)	5.42%
Piedmont (05/31/11)	(0.73%)	1.78%	-	-
Russell 1000 Index	(0.26%)	2.64%	0.66%	7.38%
Piedmont - Net (05/31/11)	(0.73%)	1.68%	-	-
Progress (01/31/05)	(0.62%)	2.63%	(0.32%)	5.63%
DJ U.S. Total Stock Market Index	(0.29%)	2.58%	0.26%	7.09%
Progress - Net (01/31/05)	(0.76%)	2.48%	(0.91%)	5.01%
Large Cap Passive Core (12/31/84)	(0.27%)	2.61%	0.31%	7.16%
NTGI MarketCap Idx (01/31/85)	(0.27%)	2.61%	0.31%	7.17%
DJ U.S. Total Stock Market Index	(0.29%)	2.58%	0.26%	7.09%
NTGI MarketCap Idx - Net (12/31/04)	(0.27%)	2.61%	0.31%	7.16%



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 November 30, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Active Core (12/31/04)	14.55%	0.40%	-	3.08%
Piedmont (05/31/11)	-	-	-	(9.77%)
Russell 1000 Index	15.10%	0.07%	3.37%	(7.02%)
Piedmont - Net (05/31/11)	-	-	-	(9.94%)
Progress (01/31/05)	14.63%	0.43%	-	3.15%
DJ U.S. Total Stock Market Index	15.50%	0.31%	3.96%	3.12%
Progress - Net (01/31/05)	13.96%	(0.17%)	-	2.54%
Large Cap Passive Core (12/31/84)	15.74%	0.08%	3.82%	10.28%
NTGI MarketCap Idx (01/31/85)	15.78%	0.10%	3.83%	10.32%
DJ U.S. Total Stock Market Index	15.50%	0.31%	3.96%	10.28%
NTGI MarketCap Idx - Net (12/31/04)	5.77%	0.09%	-	2.91%

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 November 30, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Small Cap Equity (06/30/88)	(0.44%)	1.84%	(6.11%)	1.73%
Russell 2000 Index	(0.36%)	1.86%	(4.80%)	2.75%
Small Cap Growth (06/30/88)	(0.49%)	1.09%	(6.55%)	1.54%
Buford (10/31/06)	(0.82%)	0.73%	(4.36%)	1.43%
Russell 2000 Growth Index	(0.53%)	2.00%	(2.69%)	4.70%
Buford - Net (10/31/06)	(0.82%)	0.63%	(4.74%)	1.03%
Fortaleza (11/30/06)	0.20%	1.71%	2.41%	9.32%
Russell 2000 Growth Index	(0.53%)	2.00%	(2.69%)	4.70%
Fortaleza - Net (11/30/06)	0.08%	1.59%	1.93%	8.81%
Frontier (07/31/88)	(2.26%)	2.11%	(7.53%)	0.40%
Russell 2000 Growth Index	(0.53%)	2.00%	(2.69%)	4.70%
Frontier - Net (12/31/04)	(2.38%)	1.99%	(8.26%)	(0.40%)
Pyramis (07/31/88)	1.26%	0.11%	(6.44%)	1.92%
Russell 2000 Growth Index	(0.53%)	2.00%	(2.69%)	4.70%
Pyramis - Net (12/31/04)	0.85%	(0.29%)	(7.17%)	1.12%
Small Cap Value (08/31/89)	(0.29%)	2.26%	(5.81%)	2.32%
Channing (06/30/11)	(1.89%)	0.29%	-	-
Russell 2000 Value Index	(0.20%)	1.71%	(6.96%)	0.77%
Channing - Net (06/30/11)	(1.89%)	0.09%	-	-
DFA Small Cap Value (01/31/96)	(0.67%)	0.84%	(7.67%)	0.74%
Russell 2000 Value Index	(0.20%)	1.71%	(6.96%)	0.77%
DFA Small Cap Value - Net (12/31/04)	(0.78%)	0.73%	(8.09%)	0.29%
Inv. Counselors of Maryland (04/30/99)	(0.26%)	3.03%	(4.51%)	3.51%
Russell 2000 Value Index	(0.20%)	1.71%	(6.96%)	0.77%
Inv. Couns. of Maryland - Net (12/31/04)	(0.36%)	2.93%	(4.91%)	3.07%
Lombardia (05/31/11)	1.85%	5.39%	-	-
Russell 2000 Value Index	(0.20%)	1.71%	(6.96%)	0.77%
Lombardia - Net (05/31/11)	1.85%	5.21%	-	-
Micro Cap (06/30/84)	(0.62%)	2.49%	(6.58%)	0.22%
Ariel (10/31/2010)	1.60%	1.45%	(6.08%)	(0.61%)
Russell 2000 Growth Index	(0.53%)	2.00%	(2.69%)	4.70%
Russell 2000 Index	(0.36%)	1.86%	(4.80%)	2.75%
Russell Microcap Index	(0.94%)	(0.15%)	(10.52%)	(2.27%)
Ariel - Net (10/31/10)	1.60%	1.21%	(6.88%)	(1.46%)
Ativo (09/30/10)	(2.67%)	(0.92%)	(9.04%)	(4.88%)
Russell 2000 Growth Index	(0.53%)	2.00%	(2.69%)	4.70%
Russell 2000 Index	(0.36%)	1.86%	(4.80%)	2.75%
Russell Microcap Index	(0.94%)	(0.15%)	(10.52%)	(2.27%)
Ativo - Net (09/30/10)	(2.67%)	(1.12%)	(9.79%)	(5.66%)
DFA Micro Cap (07/31/87)	(0.36%)	2.66%	(3.61%)	4.25%
Russell 2000 Growth Index	(0.53%)	2.00%	(2.69%)	4.70%
Russell 2000 Index	(0.36%)	1.86%	(4.80%)	2.75%
DFA Micro Cap - Net (12/31/04)	(0.47%)	2.55%	(4.06%)	3.76%
Wall Street (07/31/90)	(1.04%)	2.99%	(8.45%)	(1.62%)
Russell 2000 Growth Index	(0.53%)	2.00%	(2.69%)	4.70%
Russell 2000 Index	(0.36%)	1.86%	(4.80%)	2.75%
Wall Street - Net (12/31/04)	(1.23%)	2.79%	(9.18%)	(2.41%)

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 November 30, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Small Cap Equity (06/30/88)	21.59%	2.59%	9.30%	11.93%
Russell 2000 Index	17.56%	0.09%	6.18%	8.86%
Small Cap Growth (06/30/88)	22.18%	3.38%	9.01%	12.72%
Buford (10/31/06)	13.21%	1.10%	-	1.90%
Russell 2000 Growth Index	21.21%	2.08%	5.14%	2.53%
Buford - Net (10/31/06)	12.76%	0.71%	-	1.48%
Fortaleza (11/30/06)	19.80%	1.79%	-	1.76%
Russell 2000 Growth Index	21.21%	2.08%	5.14%	2.53%
Fortaleza - Net (11/30/06)	19.23%	1.30%	-	1.28%
Frontier (07/31/88)	23.89%	4.97%	8.43%	12.80%
Russell 2000 Growth Index	21.21%	2.08%	5.14%	6.63%
Frontier - Net (12/31/04)	22.82%	4.12%	-	5.93%
Pyramis (07/31/88)	22.95%	3.76%	10.39%	13.34%
Russell 2000 Growth Index	21.21%	2.08%	5.14%	6.63%
Pyramis - Net (12/31/04)	22.18%	3.13%	-	7.73%
Small Cap Value (08/31/89)	19.77%	0.99%	9.51%	11.53%
Channing (06/30/11)	-	-	-	(11.15%)
Russell 2000 Value Index	14.03%	(2.01%)	6.87%	(10.34%)
Channing - Net (06/30/11)	-	-	-	(11.41%)
DFA Small Cap Value (01/31/96)	21.21%	(0.41%)	10.05%	11.74%
Russell 2000 Value Index	14.03%	(2.01%)	6.87%	8.71%
DFA Small Cap Value - Net (12/31/04)	20.63%	(0.93%)	-	3.38%
Inv. Counselors of Maryland (04/30/99)	19.25%	1.81%	9.27%	11.19%
Russell 2000 Value Index	14.03%	(2.01%)	6.87%	8.46%
Inv. Couns. of Maryland - Net (12/31/04)	18.64%	1.27%	-	4.37%
Lombardia (05/31/11)	-	-	-	(9.71%)
Russell 2000 Value Index	14.03%	(2.01%)	6.87%	(12.54%)
Lombardia - Net (05/31/11)	-	-	-	(9.95%)
Micro Cap (06/30/84)	22.60%	(0.83%)	6.18%	11.56%
Ariel (10/31/10)	-	-	-	2.06%
Russell 2000 Growth Index	21.21%	2.08%	5.14%	11.85%
Russell 2000 Index	17.56%	0.09%	6.18%	9.08%
Russell Microcap Index	15.38%	(3.71%)	5.16%	5.84%
Ariel - Net (10/31/10)	-	-	-	1.28%
Ativo (09/30/10)	-	-	-	4.30%
Russell 2000 Growth Index	21.21%	2.08%	5.14%	23.42%
Russell 2000 Index	17.56%	0.09%	6.18%	19.13%
Russell Microcap Index	15.38%	(3.71%)	5.16%	15.36%
Ativo - Net (09/30/10)	-	-	-	3.62%
DFA Micro Cap (07/31/87)	19.89%	0.43%	8.78%	10.60%
Russell 2000 Growth Index	21.21%	2.08%	5.14%	5.85%
Russell 2000 Index	17.56%	0.09%	6.18%	7.93%
DFA Micro Cap - Net (12/31/04)	19.33%	(0.07%)	-	2.85%
Wall Street (07/31/90)	25.18%	(0.82%)	4.60%	13.59%
Russell 2000 Growth Index	21.21%	2.08%	5.14%	6.37%
Russell 2000 Index	17.56%	0.09%	6.18%	8.65%
Wall Street - Net (12/31/04)	24.23%	(1.61%)	-	2.99%



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 November 30, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Equity (08/31/86)	(4.50%)	(5.55%)	(10.90%)	(4.14%)
MSCI ACWI ex-US Index	(5.10%)	(6.78%)	(12.73%)	(5.90%)
Intl Large Cap Growth (08/31/02)	(4.07%)	(6.09%)	(11.22%)	(4.96%)
EARNEST Partners (09/30/04)	(4.84%)	(7.14%)	(10.14%)	(3.98%)
MSCI ACWI ex-US Index	(5.10%)	(6.78%)	(12.73%)	(5.90%)
MSCI ACWI ex-US Growth	(4.76%)	(7.31%)	(12.54%)	(5.87%)
EARNEST Partners - Net (12/31/04)	(4.84%)	(7.19%)	(10.31%)	(4.16%)
McKinley (02/28/06)	(4.07%)	(9.54%)	(13.01%)	(6.84%)
MSCI ACWI ex-US Index	(5.10%)	(6.78%)	(12.73%)	(5.90%)
MSCI ACWI ex-US Growth	(4.76%)	(7.31%)	(12.54%)	(5.87%)
McKinley - Net (02/28/06)	(4.20%)	(9.66%)	(13.46%)	(7.32%)
William Blair (09/30/02)	(3.76%)	(4.27%)	(11.41%)	(5.40%)
MSCI ACWI ex-US Index	(5.10%)	(6.78%)	(12.73%)	(5.90%)
MSCI ACWI ex-US Growth	(4.76%)	(7.31%)	(12.54%)	(5.87%)
William Blair - Net (12/31/04)	(3.76%)	(4.27%)	(11.64%)	(5.65%)
Intl Large Cap Value (09/30/95)	(4.25%)	(2.80%)	(9.50%)	(2.98%)
Brandes (12/31/95)	(4.25%)	(2.80%)	(9.50%)	(2.98%)
MSCI ACWI ex-US Index	(5.10%)	(6.78%)	(12.73%)	(5.90%)
MSCI ACWI ex-US Value	(5.41%)	(6.10%)	(12.18%)	(5.09%)
Brandes - Net (12/31/04)	(4.31%)	(2.86%)	(9.70%)	(3.19%)

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 November 30, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Equity (08/31/86)	13.33%	(2.86%)	5.95%	7.70%
MSCI ACWI ex-US Index	13.19%	(2.11%)	6.57%	-
Intl Large Cap Growth (08/31/02)	15.90%	(1.85%)	-	8.93%
EARNEST Partners (09/30/04)	20.39%	5.03%	-	12.28%
MSCI ACWI ex-US Index	13.19%	(2.11%)	6.57%	6.07%
MSCI ACWI ex-US Growth	14.06%	(0.97%)	6.28%	6.64%
EARNEST Partners - Net (12/31/04)	19.92%	4.59%	-	9.49%
McKinley (02/28/06)	10.29%	(5.15%)	-	(1.79%)
MSCI ACWI ex-US Index	13.19%	(2.11%)	6.57%	0.55%
MSCI ACWI ex-US Growth	14.06%	(0.97%)	6.28%	1.18%
McKinley - Net (02/28/06)	9.73%	(5.64%)	-	(2.27%)
William Blair (09/30/02)	18.03%	(1.71%)	-	8.97%
MSCI ACWI ex-US Index	13.19%	(2.11%)	6.57%	8.32%
MSCI ACWI ex-US Growth	14.06%	(0.97%)	6.28%	8.17%
William Blair - Net (12/31/04)	17.64%	(2.07%)	-	4.04%
Intl Large Cap Value (09/30/95)	9.17%	(3.98%)	6.62%	9.56%
Brandes (12/31/95)	9.17%	(3.98%)	6.62%	9.61%
MSCI ACWI ex-US Index	13.19%	(2.11%)	6.57%	4.84%
MSCI ACWI ex-US Value	13.29%	(2.40%)	7.69%	-
Brandes - Net (12/31/04)	8.87%	(4.22%)	-	1.60%

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 November 30, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Active Core (01/31/08)	(4.68%)	(6.63%)	(11.11%)	(3.97%)
Arrowstreet (02/29/08)	(4.79%)	(5.35%)	(10.40%)	(3.19%)
MSCI ACWI ex-US Index	(5.10%)	(6.78%)	(12.73%)	(5.90%)
Arrowstreet - Net (02/29/08)	(4.91%)	(5.47%)	(10.84%)	(3.67%)
Brown (09/30/04)	(4.19%)	(7.31%)	(12.41%)	(6.54%)
MSCI ACWI ex-US Index	(5.10%)	(6.78%)	(12.73%)	(5.90%)
Brown - Net (12/31/04)	(4.45%)	(7.56%)	(12.80%)	(6.95%)
GlobeFlex (02/28/06)	(4.80%)	(7.56%)	(10.67%)	(3.64%)
MSCI ACWI ex-US Index	(5.10%)	(6.78%)	(12.73%)	(5.90%)
GlobeFlex - Net (02/28/06)	(4.91%)	(7.67%)	(11.06%)	(4.07%)
Intl Large Cap Pass. Core (12/31/99)	(4.82%)	(5.50%)	(10.92%)	(3.70%)
NTGI MSCI EAFE Idx (01/31/00)	(4.82%)	(5.50%)	(10.92%)	(3.70%)
MSCI EAFE Index	(4.85%)	(5.62%)	(11.30%)	(4.12%)
NTGI EAFE Idx - Net (12/31/04)	(4.82%)	(5.50%)	(10.93%)	(3.70%)
International Small Cap (11/30/05)	(4.56%)	(7.88%)	(11.26%)	(4.99%)
Franklin Templeton (07/31/11)	(4.83%)	(8.15%)	-	-
ACWI Small Cap ex US	(5.73%)	(10.50%)	(17.00%)	(8.71%)
Franklin Templeton - Net (07/31/11)	(4.83%)	(8.28%)	-	-
William Blair (08/31/10)	(4.34%)	(7.65%)	(8.29%)	(1.81%)
ACWI Small Cap ex US	(5.73%)	(10.50%)	(17.00%)	(8.71%)
Intl SC Blended Benchmark	(5.73%)	(10.50%)	(14.16%)	(5.05%)
William Blair - Net (08/31/10)	(4.55%)	(7.85%)	(9.04%)	(2.61%)
Emerging Markets (01/31/92)	(5.79%)	(6.76%)	(13.82%)	(7.64%)
Genesis (04/30/04)	(5.79%)	(6.76%)	(13.82%)	(7.64%)
MSCI Emerging Markets Index	(6.66%)	(9.68%)	(17.18%)	(11.26%)
Genesis - Net (12/31/04)	(5.79%)	(6.85%)	(14.25%)	(8.15%)

Brown and GlobeFlex moved to International Large Cap Active Core April 1, 2011.

Intl SC Blended Benchmark consists of the S&P Developed Ex-U.S. Small Cap Index through May 31, 2011 and the MSCI ACWI Ex-U.S. Small Cap Index thereafter.

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 November 30, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Active Core (01/31/08)	16.79%	-	-	(3.53%)
Arrowstreet (02/29/08)	17.10%	-	-	(3.40%)
MSCI ACWI ex-US Index	13.19%	(2.11%)	6.57%	(4.82%)
Arrowstreet - Net (02/29/08)	16.54%	-	-	(3.85%)
Brown (09/30/04)	15.22%	(2.65%)	-	6.02%
MSCI ACWI ex-US Index	13.19%	(2.11%)	6.57%	6.07%
Brown - Net (12/31/04)	14.76%	(2.97%)	-	3.05%
GlobeFlex (02/28/06)	13.82%	(2.77%)	-	0.06%
MSCI ACWI ex-US Index	13.19%	(2.11%)	6.57%	0.55%
GlobeFlex - Net (02/28/06)	13.35%	(3.22%)	-	(0.40%)
Intl Large Cap Pass. Core (12/31/99)	10.61%	(3.54%)	5.20%	0.97%
NTGI MSCI EAFE Idx (01/31/00)	10.57%	(3.56%)	5.19%	0.97%
MSCI EAFE Index	10.11%	(3.95%)	4.83%	0.60%
NTGI EAFE Idx - Net (12/31/04)	10.57%	(3.56%)	-	2.21%
International Small Cap (11/30/05)	13.50%	(6.03%)	-	(0.72%)
Franklin Templeton (07/31/11)	-	-	-	(19.46%)
ACWI Small Cap ex US	22.21%	(0.69%)	10.80%	(18.24%)
Franklin Templeton - Net (07/31/11)	-	-	-	(19.58%)
William Blair (08/31/10)	-	-	-	5.78%
ACWI Small Cap ex US	22.21%	(0.69%)	10.80%	1.06%
Intl SC Blended Benchmark	17.81%	(2.46%)	9.50%	2.70%
William Blair - Net (08/31/10)	-	-	-	5.04%
Emerging Markets (01/31/92)	30.49%	7.41%	16.85%	10.11%
Genesis (04/30/04)	30.49%	7.45%	-	15.38%
MSCI Emerging Markets Index	23.98%	3.86%	15.21%	11.90%
Genesis - Net (12/31/04)	29.71%	6.80%	-	13.10%

Brown and GlobeFlex moved to International Large Cap Active Core April 1, 2011.

Intl SC Blended Benchmark consists of the S&P Developed Ex-U.S. Small Cap Index through May 31, 2011 and the MSCI ACWI Ex-U.S. Small Cap Index thereafter.

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 November 30, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Dom. Fixed Active Core (03/31/01)	0.02%	0.87%	6.91%	5.91%
EARNEST Partners (04/30/05)	0.16%	1.36%	7.41%	6.23%
BC Aggregate Index	(0.09%)	0.75%	6.67%	5.52%
EARNEST Partners - Net (04/30/05)	0.16%	1.30%	7.22%	6.04%
Piedmont (05/31/05)	(0.12%)	0.39%	6.23%	5.42%
BC Aggregate Index	(0.09%)	0.75%	6.67%	5.52%
Piedmont - Net (05/31/05)	(0.12%)	0.35%	6.06%	5.24%
Dom. Fixed Enhanced Core (03/31/00)	0.07%	0.84%	6.73%	5.62%
BlackRock Enhanced (04/30/00)	0.07%	0.84%	6.73%	5.62%
BC Aggregate Index	(0.09%)	0.75%	6.67%	5.52%
BlackRock Enhanced - Net (12/31/04)	0.07%	0.84%	6.68%	5.56%
Dom. Fixed Passive Core (12/31/89)	(0.06%)	0.79%	6.68%	5.50%
NTGI BC Agg. Index (01/31/90)	(0.06%)	0.79%	6.68%	5.50%
BC Aggregate Index	(0.09%)	0.75%	6.67%	5.52%
NTGI BC Agg. Index - Net (12/31/04)	(0.06%)	0.78%	6.67%	5.49%



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 November 30, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Dom. Fixed Active Core (03/31/01)	9.62%	6.12%	4.95%	5.32%
EARNEST Partners (04/30/05)	9.11%	6.34%	-	5.99%
BC Aggregate Index	7.69%	6.14%	5.59%	5.79%
EARNEST Partners - Net (04/30/05)	8.89%	6.12%	-	5.78%
Piedmont (05/31/05)	9.21%	5.84%	-	5.36%
BC Aggregate Index	7.69%	6.14%	5.59%	5.65%
Piedmont - Net (05/31/05)	9.02%	5.66%	-	5.14%
Dom. Fixed Enhanced Core (03/31/00)	9.34%	5.94%	5.58%	6.33%
BlackRock Enhanced (04/30/00)	9.34%	5.94%	5.58%	6.38%
BC Aggregate Index	7.69%	6.14%	5.59%	6.36%
BlackRock Enhanced - Net (12/31/04)	9.26%	5.86%	-	5.27%
Dom. Fixed Passive Core (12/31/89)	7.88%	6.02%	5.55%	6.98%
NTGI BC Agg. Index (01/31/90)	7.88%	6.02%	5.55%	7.00%
BC Aggregate Index	7.69%	6.14%	5.59%	7.00%
NTGI BC Agg. Index - Net (12/31/04)	7.87%	6.01%	-	5.35%

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 November 30, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Fixed Core Plus (12/31/81)	(0.51%)	0.50%	6.36%	5.59%
BlackRock Core Plus (03/31/07)	0.36%	1.52%	7.07%	6.23%
BC Aggregate Index	(0.09%)	0.75%	6.67%	5.52%
BlackRock Core Plus - Net (03/31/07)	0.36%	1.52%	7.04%	6.20%
LM Capital (04/30/05)	(0.67%)	0.01%	6.19%	5.52%
BC Aggregate Index	(0.09%)	0.75%	6.67%	5.52%
LM Capital - Net (04/30/05)	(0.67%)	(0.03%)	6.02%	5.35%
Progress Fixed Income (12/31/05)	(0.53%)	0.47%	6.00%	4.60%
BC Aggregate Index	(0.09%)	0.75%	6.67%	5.52%
Progress Fixed Inc. - Net (12/31/05)	(0.61%)	0.39%	5.63%	4.23%
Taplin, Canida, Habacht (04/30/05)	(1.24%)	(0.07%)	5.89%	5.29%
BC Aggregate Index	(0.09%)	0.75%	6.67%	5.52%
Taplin, Canida, Hab. - Net (04/30/05)	(1.24%)	(0.10%)	5.76%	5.16%
Western (10/31/01)	(0.40%)	0.63%	6.50%	5.83%
BC Aggregate Index	(0.09%)	0.75%	6.67%	5.52%
Western - Net (12/31/04)	(0.44%)	0.59%	6.36%	5.68%
High Yield (03/31/86)	(1.97%)	(0.14%)	2.59%	4.65%
MacKay Shields (10/31/00)	(1.89%)	0.92%	4.27%	5.69%
ML High Yield Cash Pay Index	(2.16%)	(0.06%)	1.96%	3.72%
MacKay Shields - Net (12/31/04)	(1.89%)	0.92%	4.00%	5.42%
Pyramis (07/31/86)	(2.04%)	(1.15%)	1.02%	3.66%
ML High Yield Cash Pay Index	(2.16%)	(0.06%)	1.96%	3.72%
Pyramis - Net (12/31/04)	(2.12%)	(1.23%)	0.55%	3.18%



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 November 30, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Fixed Core Plus (12/31/81)	11.96%	5.96%	5.94%	9.11%
BlackRock Core Plus (03/31/07)	10.96%	-	-	6.52%
BC Aggregate Index	7.69%	6.14%	5.59%	6.27%
BlackRock Core Plus - Net (03/31/07)	10.91%	-	-	6.48%
LM Capital (04/30/05)	10.92%	6.68%	-	6.27%
BC Aggregate Index	7.69%	6.14%	5.59%	5.79%
LM Capital - Net (04/30/05)	10.75%	6.50%	-	6.10%
Progress Fixed Income (12/31/05)	9.02%	6.43%	-	6.53%
BC Aggregate Index	7.69%	6.14%	5.59%	6.11%
Progress Fixed Inc. - Net (12/31/05)	8.64%	6.05%	-	6.19%
Taplin, Canida, Habacht (04/30/05)	9.73%	5.97%	-	5.55%
BC Aggregate Index	7.69%	6.14%	5.59%	5.79%
Taplin, Canida, Hab. - Net (04/30/05)	9.60%	5.84%	-	5.46%
Western (10/31/01)	14.37%	5.69%	6.41%	6.49%
BC Aggregate Index	7.69%	6.14%	5.59%	5.57%
Western - Net (12/31/04)	14.21%	5.54%	-	5.48%
High Yield (03/31/86)	24.14%	7.33%	9.90%	10.13%
MacKay Shields (10/31/00)	20.91%	6.63%	10.11%	9.57%
ML High Yield Cash Pay Index	25.48%	6.95%	8.20%	7.57%
MacKay Shields - Net (12/31/04)	20.53%	6.29%	-	6.52%
Pyramis (07/31/86)	27.65%	8.06%	9.74%	9.87%
ML High Yield Cash Pay Index	25.48%	6.95%	8.20%	8.61%
Pyramis - Net (12/31/04)	27.18%	7.63%	-	7.49%

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 November 30, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Real Estate Opportunistic (03/31/99)	1.00%	(0.75%)	4.44%	5.82%
F. Templeton EMREFF (08/31/11)	0.00%	(5.93%)	-	-
Blended Benchmark*	1.17%	3.55%	14.32%	16.13%
Lazard Freres (07/31/98)	0.00%	(5.37%)	(2.12%)	(2.12%)
Blended Benchmark*	1.17%	3.55%	14.32%	16.13%
Olympus RE Fund II (05/31/98)	3.55%	3.55%	(2.26%)	(2.26%)
Blended Benchmark*	1.17%	3.55%	14.32%	16.13%
Security (10/31/97)	0.00%	0.61%	4.45%	6.96%
Blended Benchmark*	1.17%	3.55%	14.32%	16.13%
Dune Real Estate Fund II (01/31/09)	4.07%	4.07%	18.29%	18.29%
Blended Benchmark*	1.17%	3.55%	14.32%	16.13%
Real Estate Core (03/31/99)	0.94%	3.68%	12.80%	13.62%
BlackRock Granite Fund (07/31/07)	0.00%	4.73%	14.23%	19.05%
Blended Benchmark*	1.17%	3.55%	14.32%	16.13%
Buckhead (07/31/95)	0.95%	2.49%	12.11%	12.11%
Blended Benchmark*	1.17%	3.55%	14.32%	16.13%
Cornerstone (06/30/11)	3.40%	3.40%	-	-
Blended Benchmark*	1.17%	3.55%	14.32%	16.13%
INVESCO (04/30/2011)	0.00%	2.15%	-	-
RE Blended Benchmark	1.17%	3.55%	14.32%	16.13%
Sentinel (09/30/85)	0.00%	9.57%	22.42%	22.42%
Blended Benchmark*	1.17%	3.55%	14.32%	16.13%
Real Estate Value Added (09/30/08)	1.37%	1.99%	12.24%	12.24%
Cornerstone Fund VIII (09/30/11)	(1.30%)	(1.30%)	-	-
Blended Benchmark*	1.17%	3.55%	14.32%	16.13%
Rockwood (03/31/09)	2.74%	2.74%	25.51%	25.51%
Blended Benchmark*	1.17%	3.55%	14.32%	16.13%
Rothschild (09/30/08)	0.00%	2.50%	3.59%	3.59%
Blended Benchmark*	1.17%	3.55%	14.32%	16.13%
TA - Fund IX (04/30/10)	2.43%	2.43%	14.06%	14.06%
Blended Benchmark*	1.17%	3.55%	14.32%	16.13%

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 November 30, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Real Estate Opportunistic (03/31/99)	15.14%	0.25%	8.98%	8.55%
F. Templeton EMREFF (08/31/11)	-	-	-	(5.93%)
Blended Benchmark*	2.19%	4.04%	5.79%	3.55%
Lazard Freres (07/31/98)	0.75%	5.17%	6.49%	(0.01%)
Blended Benchmark*	2.19%	4.04%	5.79%	6.21%
Olympus RE Fund II (05/31/98)	(18.46%)	(14.38%)	(10.52%)	(7.53%)
Blended Benchmark*	2.19%	4.04%	5.79%	6.23%
Security (10/31/97)	32.41%	1.49%	13.92%	13.64%
Blended Benchmark*	2.19%	4.04%	5.79%	6.21%
Dune Real Estate Fund II (01/31/09)	-	-	-	(11.44%)
Blended Benchmark*	2.19%	4.04%	5.79%	3.23%
Real Estate Core (03/31/99)	(6.49%)	0.12%	4.03%	5.56%
BlackRock Granite Fund (07/31/07)	(15.24%)	-	-	(9.60%)
Blended Benchmark*	2.19%	4.04%	5.79%	2.46%
Buckhead (07/31/95)	(1.95%)	4.34%	7.77%	10.09%
Blended Benchmark*	2.19%	4.04%	5.79%	6.38%
Cornerstone (06/30/11)	-	-	-	3.40%
Blended Benchmark*	2.19%	4.04%	5.79%	5.98%
INVESCO (04/30/2011)	-	-	-	8.16%
Blended Benchmark*	2.19%	4.04%	5.79%	10.39%
Sentinel (09/30/85)	(4.75%)	(2.78%)	3.03%	4.43%
Blended Benchmark*	2.19%	4.04%	5.79%	7.16%
Real Estate Value Added (09/30/08)	0.64%	-	-	(7.84%)
Cornerstone Fund VIII (09/30/11)	-	-	-	(1.30%)
Blended Benchmark*	2.19%	4.04%	5.79%	3.55%
Rockwood (03/31/09)	-	-	-	(66.30%)
Blended Benchmark*	2.19%	4.04%	5.79%	5.27%
Rothschild (09/30/08)	7.75%	-	-	(1.84%)
Blended Benchmark*	2.19%	4.04%	5.79%	0.30%
TA - Fund IX (04/30/10)	-	-	-	5.56%
Blended Benchmark*	2.19%	4.04%	5.79%	16.59%

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 November 30, 2011

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Absolute Return (12/31/01)	0.36%	(3.09%)	(3.51%)	(2.03%)
Aurora (10/31/01)	(1.10%)	(2.13%)	(5.09%)	(2.62%)
Alternatives Custom Benchmark*	0.72%	2.18%	8.22%	9.00%
HFR Fund-of-Funds Index	(0.71%)	(2.06%)	(4.55%)	(2.44%)
Grosvenor (01/31/02)	0.00%	(1.04%)	(2.22%)	(0.87%)
Alternatives Custom Benchmark*	0.72%	2.18%	8.22%	9.00%
HFR Fund-of-Funds Index	(0.71%)	(2.06%)	(4.55%)	(2.44%)
Mesirow (01/31/02)	2.49%	(6.10%)	(2.93%)	(2.50%)
Alternatives Custom Benchmark*	0.72%	2.18%	8.22%	9.00%
HFR Fund-of-Funds Index	(0.71%)	(2.06%)	(4.55%)	(2.44%)
Private Equity (01/31/86)	(1.07%)	0.25%	15.25%	15.57%
Abbott (06/30/87)	(0.13%)	1.99%	17.91%	18.72%
Alternatives Custom Benchmark*	0.72%	2.18%	8.22%	9.00%
Abbott - Net (12/31/04)	(0.25%)	1.87%	17.36%	18.17%
Muller & Monroe ILPEFF (06/30/05)	(0.19%)	(0.23%)	2.61%	2.60%
Alternatives Custom Benchmark*	0.72%	2.18%	8.22%	9.00%
Muller & Monroe MPEFF (04/30/08)	0.00%	(0.43%)	16.11%	16.08%
Alternatives Custom Benchmark*	0.72%	2.18%	8.22%	9.00%
Pantheon (10/31/00)	(2.93%)	(2.73%)	11.60%	11.10%
Alternatives Custom Benchmark*	0.72%	2.18%	8.22%	9.00%
Pantheon - Net (12/31/04)	(3.05%)	(2.86%)	11.16%	10.67%
Agriculture (09/30/97)	0.00%	0.12%	(0.04%)	7.86%
Cozad/Westchester (09/30/97)	0.00%	0.12%	(0.04%)	7.86%
Blended Benchmark**	1.17%	3.55%	14.32%	16.13%
Timberland (09/30/92)	0.00%	2.63%	4.08%	7.67%
Forest Investment Assoc. (09/30/92)	0.00%	2.63%	4.08%	7.67%
Blended Benchmark**	1.17%	3.55%	14.32%	16.13%

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 November 30, 2011

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Absolute Return (12/31/01)	5.24%	1.38%	4.44%	4.44%
Aurora (10/31/01)	6.16%	2.34%	5.89%	5.83%
Alternatives Custom Benchmark*	10.57%	11.14%	11.99%	12.04%
HFR Fund-of-Funds Index	3.47%	(0.16%)	3.49%	3.56%
Grosvenor (01/31/02)	5.22%	1.38%	-	4.39%
Alternatives Custom Benchmark*	10.57%	11.14%	11.99%	11.96%
HFR Fund-of-Funds Index	3.47%	(0.16%)	3.49%	3.41%
Mesirow (01/31/02)	4.22%	0.32%	-	4.30%
Alternatives Custom Benchmark*	10.57%	11.14%	11.99%	11.96%
HFR Fund-of-Funds Index	3.47%	(0.16%)	3.49%	3.41%
Private Equity (01/31/86)	4.90%	8.23%	8.18%	13.43%
Abbott (06/30/87)	4.67%	8.09%	8.34%	14.60%
Alternatives Custom Benchmark*	10.57%	11.14%	11.99%	13.76%
Abbott - Net (12/31/04)	4.16%	7.60%	-	11.51%
Muller & Monroe ILPEFF (06/30/05)	(0.14%)	(2.17%)	-	(11.49%)
Alternatives Custom Benchmark*	10.57%	11.14%	11.99%	11.34%
Muller & Monroe MPEFF (04/30/08)	4.90%	-	-	(1.47%)
Alternatives Custom Benchmark*	10.57%	11.14%	11.99%	10.83%
Pantheon (10/31/00)	5.76%	8.93%	10.33%	8.44%
Alternatives Custom Benchmark*	10.57%	11.14%	11.99%	12.30%
Pantheon - Net (12/31/04)	5.31%	8.45%	-	13.80%
Agriculture (09/30/97)	3.21%	3.43%	5.91%	5.42%
Cozad/Westchester (09/30/97)	3.21%	3.43%	5.91%	5.42%
Blended Benchmark**	2.19%	4.04%	5.79%	6.23%
Timberland (09/30/92)	2.52%	7.28%	4.66%	9.49%
Forest Investment Assoc. (09/30/92)	2.52%	7.28%	4.66%	9.49%
Blended Benchmark**	2.19%	4.04%	5.79%	6.58%

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 November 30, 2011

Five Best Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Outperformance (in % points)
Rockwood	11.19
Abbot	9.68
William Blair Intl SC	8.71
Sentinel Real Estate	8.10
Muller and Monroe MPEFF	7.89

Five Worst Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Underperformance (in % points)
Lazard Freres	-16.44
Cozad/Westchester	-14.36
Aurora	-13.31
Mesirow	-11.15
Rothschild Realty	-10.73

Five Highest Returning Portfolios

Manager	Year-to-Date Return (in % points)
Rockwood	25.51
Sentinel Real Estate	22.42
Dune	18.29
Abbot	17.90
Muller and Monroe MPEFF	16.11

Five Lowest Returning Portfolios

Manager	Year-to-Date Return (in % points)
Genesis	-13.82
McKinley Capital	-13.01
Brown	-12.41
William Blair Intl LC	-11.41
NTGI - MSCI EAFE	-10.92

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

(11-12-02) (Gabriel, Roeder, Smith & Company - 50-Year Actuarial Projection Report and Triennial Experience Study) Messrs. Murphy, Buis and Pieterse were present from Gabriel, Roeder, Smith & Company (GRS) to present the 50-Year Actuarial Report and Triennial Experience Study.

Mr. Murphy reviewed the 50-year Actuarial Projection Report for the period beginning January 1, 2011.

He discussed 50-year projections for population and cash flow. He also explained the affect on funding levels and employer contribution rates using IMRF's assumed investment rate of return (7.5%) and two alternative rates (+/- 1%).

Questions and discussion followed.

Next, Messrs. Buis and Pieterse presented the results of the 3-year analysis of experience of IMRF (January 1, 2008 to December 31, 2010). The analysis was made for the purpose of updating the actuarial assumptions used in valuing the actuarial liabilities of IMRF in compliance with Section 7-213 of the Illinois Pension Code.

After questions and discussion, it was moved by Ms. Faklis, seconded by Ms. Copper, to approve the following recommendations from GRS:

- A change to the most recent mortality table published by the SOA (RP2000) with a projection to 2020 with scale AA
- No change to the current price inflation assumption of 3%
- No change to current wage inflation assumption of 4%
- No change to the investment return assumption of 7.5%

Vote: Unanimous Voice Vote

Absent: None

After further discussion, it was the consensus of the Board to defer making a decision on the recommendation from GRS to change the amortization period from an open rolling 30-year period to a closed period to the January 27, 2012 Board Meeting.

(11-12-03) (2011 Diversity Report) The Investment Manager presented the 2011 Annual Diversity Report to the Board for review, noting under Public Act 96-006, IMRF is required to submit an annual report to the Governor and General Assembly.

It was moved by Ms. Henry, seconded by Mr. Stafford to approve the submission of the 2011 Diversity Report to the Governor and General Assembly.

Vote: Unanimous Voice Vote

Absent: None

(11-12-04) (Diversity Policy Revision) The Executive Director presented a revision to IMRF's Diversity Procurement Policy.

He stated the Diversity Procurement Policy currently has guidelines for approving bids from Minority/Female/Person with Disability Owned Business (MFPDOB) vendors when they are not the lowest bidder, but are within 10% of the lowest bid. Staff is recommending raising the percentage to 15%.

After questions and discussion, it was moved by Ms. Thompson, seconded by Ms. Rademacher, to approve staff's recommendation to amend IMRF's Diversity Procurement Policy to award bids within 15% of the lowest bid to MFPDOB vendors.

Vote: Unanimous Voice Vote

Absent: None

(11-12-05) (Consent Agenda) The Chair presented an agenda consisting of a Consent Agenda. The following items remained on the Consent Agenda since no Board member asked for their removal.

Approval of Minutes

Regular Meeting #11-11-18

Schedules - Dated December 16, 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

Administration - Master Trustee Report

The Master Trustee Report for the month of October was prepared by The Northern Trust Company.

Bids (7)

Mainframe Virtual Tape Backup Solution, Annual Maintenance,
& Implementation Services

&

Approved Bidder: Integrated Data Storage

Approved Bid: \$137,738

McAfee Enterprise Firewall Annual Maintenance Renewal

Approved Bidder: Sayers

Approved Bid: \$5,115.75

Treehouse Software License Upgrade

Sole Source: Treehouse Software

Approved Bid: \$13,000 (initial cost); \$1,950 increase to annual maintenance

2012 Member Newsletters-Revised

Approved Bidder: Creative Printing

Approved Revised Bid: \$93,715

2011 Regular Benefits Booklet Tier 1

Approved Bidder: United Graphics

Approved Bid: \$8,477.55

2011 Regular Benefits Booklet Tier 2

Approved Bidder: United Graphics

Approved Bid: \$8,564.92

Connectivity Systems Software License Upgrade

Sole Source: Connectivity Systems, Inc.

Approved Bid: \$14,194 (initial cost); \$4,040 increase to annual maintenance

Participation of New Unit of Government (1)

Tri-city Public Library District

County: Monroe

2012 Rate: 6.26%

Effective Participation Date: January 1, 2012

Number of Employees: 1

It was moved by Ms. Henry, seconded by Ms. Rademacher to approve the items on the Consent Agenda.

Vote: Unanimous Voice Vote

Absent: None

(11-12-06) (Financial Reports) The Chair presented the following financial reports for approval.

- October Interim Financial Statements
- Impact of 2010 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. Rademacher, seconded by Ms. Thompson, to approve the Financial Reports as presented.

Vote: Unanimous Voice Vote

Absent: None

(11-12-07) (Certification of Results of Executive Trustee Election) The Executive Director presented the results of the recent Executive Trustee Election.

5-Year Term, Commencing January 1, 2012 - One to be Elected

	<u>Votes Received</u>
Mark F. Nannini	459
Evelyn M. Gleason	345
David C. Miller	292
Write-In Candidates	1
Spoiled Ballots	14

It was moved by Ms. Faklis, seconded by Ms. Henry, to certify the results of the 2011 Employee Trustee Election acknowledging the election of Mark F. Nannini (5-Year Term).

Vote: Unanimous Voice Vote
Absent: None

(11-12-08) (Employee Trustee Vacancy) Trustee Shoop stated with his departure from the Board on December 31, 2011, the Board needs to appoint someone to fill his vacancy for 2012, until an election can be held in the Fall for the remainder of his term (through December 31, 2015).

Trustee Shoop presented a recommendation for the employee trustee vacancy for the period January 1, 2012 through December 31, 2012.

After questions and discussion, it was the consensus of the Board to table the decision of appointing someone to fill the vacancy until the January 27, 2012 Board Meeting.

(11-12-09) (Election of 2011 Board Officers) The Nominating Committee recommended the Board approve the following names of Gwen Henry for the Office of President of the Board, William Stafford for the Office of Vice President of the Board, and Natalie Copper for the Office of Secretary of the Board commencing January 1, 2012.

It was moved by Ms. Thompson, seconded by Ms. Faklis, to approve the recommendations of the Nominating Committee.

Vote: Unanimous Voice Vote
Absent: None

(11-12-10) (Appointment to Ethics Commission) General Counsel noted it was in order for the Board to appoint a Board Member to the IMRF Ethics Commission for 2012.

The IMRF Ethics Commission is a three-person body established to investigate, conduct hearings and issue recommendations for disciplinary actions regarding violations of the IMRF Ethics Policy. The Commission is comprised of the Board President and the IMRF Internal Auditor, along with a third rotating member to be appointed by the Board each year.

General Counsel also requested that a conflict substitute for the third member be appointed for 2012.

It was moved by Ms. Faklis, seconded by Ms. Rademacher, that Mr. Piechocinski be appointed as the third member of the IMRF Ethics Commission and Ms. Copper be appointed as his conflict substitute of the IMRF Ethics Commission for 2012.

Vote: Unanimous Voice Vote
Absent: None

(11-12-11) (Appointment of Consultants) The Executive Director stated it was in order to appoint the following firms to assist the Fund in 2012:

- BIK & Co., LLP, Internal Auditor
- Gabriel, Roeder, Smith & Co., Actuary
- Marionjoy Medical Group, Medical Consultant/Physical Medicine
- Rachelle Miller, M.D., Medical Consultant/Psychiatry
- Seyfarth Shaw, LLP, Fiduciary Counsel

It was moved by Ms. Henry, seconded by Ms. Rademacher, to retain the above firms for calendar year 2012.

Vote: Unanimous Voice Vote
Absent: None

(11-12-12) (Adoption of Board Rule on IRC Section 415 Limitations) General Counsel stated a final action regarding IMRF's IRS qualification letter that was received earlier this year is for the Board to adopt a rule clarifying IMRF's statutory language on the limits to benefit payments from the trust.

After questions and discussion, it was moved by Ms. Henry, seconded by Ms. Thompson, to adopt the attached administrative Board rule:

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, section 7-224 of the Pension Code provides that benefits paid by IMRF shall not exceed the limitations of Section 415(b), (c) and (e) of the Internal Revenue Code of 1986; and

WHEREAS, section 1-116 of the Pension Code requires all of the pension funds and retirement systems established under the Pension Code to comply with the applicable contribution and benefit limitations of Section 415 of the Internal Revenue Code of 1986; and

WHEREAS, it is necessary to adopt a rule for the efficient administration and clarification of sections 7-224 and 1-116.

THEREFORE BE IT RESOLVED that the following administrative rule be and is hereby adopted by the Board of Trustees:

RULE ON 415 LIMITATIONS

1. Basic 415 Limitations

Notwithstanding any other provisions to the contrary, and pursuant to 40 ILCS 5/1-116, the Member contributions made to, and retirement benefits paid from, IMRF shall be limited to such extent as may be necessary to conform to the requirements of Section 415 of the Internal Revenue Code of 1986, as now or hereafter amended ("Code"), for a qualified pension plan.

2. Limitation Year

For purposes of Code Section 415, the limitation year is the calendar year.

3. Participation in Other Qualified Plans: Aggregation of Limits.

- (a) The 415(b) limit with respect to any Member who at any time has been a member in any other defined benefit plan as defined in Code Section 414(j) maintained by the Member's employer in this plan shall apply as if the total benefits payable under all such defined benefit plans in which the Member has been a member were payable from one (1) plan.
- (b) The 415(c) limit with respect to any Member who at any time has been a member in any other defined contribution plan as defined in Code Section 414(i) maintained by the Member's employer in this plan shall apply as if

the total annual additions under all such defined contribution plans in which the Member has been a member were payable from one (1) plan.

4. Basic 415(b) Limitation.

Before January 1, 1995, a Member may not receive an annual benefit that exceeds the limits specified in Code Section 415(b), subject to the applicable adjustments in that section. On and after January 1, 1995, a Member may not receive an annual benefit that exceeds the dollar amount specified in Code Section 415(b)(1)(A), subject to the applicable adjustments in Code Section 415(b) and subject to any additional limits that may be specified in this section. In no event shall a Member's annual benefit payable in any limitation year from IMRF be greater than the limit applicable at the annuity starting date, as increased in subsequent years pursuant to Code Section 415(d) and the regulations thereunder.

5. Definition of Annual Benefit

For purposes of Code Section 415(b), the "annual benefit" means a benefit payable annually in the form of a straight life annuity (with no ancillary benefits) without regard to the benefit attributable to after-tax employee contributions (except pursuant to Code Section 415(n)) and to rollover contributions (as defined in Code Section 415(b)(2)(A)). The "benefit attributable" shall be determined in accordance with Treasury Regulations.

6. Adjustments to Basic 415(b) Limitation for Form of Benefit.

If the benefit under the plan is other than the form specified in 5, then the benefit shall be adjusted so that it is the equivalent of the annual benefit, using factors prescribed in Treasury Regulations.

- (a) If the form of benefit without regard to the automatic benefit increase feature is not a straight life annuity or a qualified joint and survivor annuity, then the preceding sentence is applied by either reducing the Code Section 415(b) limit applicable at the annuity starting date or adjusting the form of benefit to an actuarially equivalent amount [determined using the assumptions specified in Treasury Regulation § 1.415(b)-1(c)(2)(ii)] that takes into account the additional benefits under the form of benefit as follows:
- (b) For a benefit paid in a form to which Code Section 417(e)(3) does not apply (generally, a monthly benefit), the actuarially equivalent straight life annuity benefit that is the greater of (or the reduced 415(b) limit applicable at the annuity starting date which is the "lesser of" when adjusted in accordance with the following assumptions):
 - (i) The annual amount of the straight life annuity (if any) payable to the Member under the plan commencing at the same annuity starting date as the form of benefit to the Member, or

- (ii) The annual amount of the straight life annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member, computed using a 5% interest assumption (or the applicable statutory interest assumption) and (i) for years prior to January 1, 2009, the applicable mortality tables described in Treasury Regulation § 1.417(e)-1(d)(2) (Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Rulings 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Code Section 417(e)(3)(B) (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Code Section 417(e)(3)(B)); or
- (c) For a benefit paid in a form to which Code Section 417(e)(3) applies [generally, a lump sum benefit], the actuarially equivalent straight life annuity benefit that is the greatest of (or the reduced 415(b) limit applicable at the annuity starting date which is the "least of" when adjusted in accordance with the following assumptions):
 - (i) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using the interest rate and mortality table, or tabular factor, specified in the plan for actuarial experience;
 - (ii) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable, computed using a 5.5 percent interest assumption (or the applicable statutory interest assumption) and (i) for years prior to January 1, 2009, the applicable mortality tables for the distribution under Treasury Regulation § 1.417(e)-1(d)(2) (the mortality table specified in Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Code Section 417(e)(3)(B) (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Code Section 417(e)(3)(B)); or
 - (iii) The annual amount of the straight life annuity commencing at the annuity starting date that has the same actuarial present value as the particular form of benefit payable (computed using the applicable interest rate for the distribution under Treasury Regulation § 1.417(e)-1(d)(3) (the 30-year Treasury rate (prior to January 1 2007, using the rate in effect for the month prior to retirement, and on and after January 1, 2007, using the rate in effect for the first day of the plan year with a one-year stabilization

period)) and (i) for years prior to January 1, 2009, the applicable mortality tables for the distribution under Treasury Regulation § 1.417(e)-1(d)(2) (the mortality table specified in Revenue Ruling 2001-62 or any subsequent Revenue Ruling modifying the applicable provisions of Revenue Ruling 2001-62), and (ii) for years after December 31, 2008, the applicable mortality tables described in Code Section 417(e)(3)(B) (Notice 2008-85 or any subsequent Internal Revenue Service guidance implementing Code Section 417(e)(3)(B)), divided by 1.05.

- (d) The actuary may adjust the 415(b) limit at the annuity starting date in accordance with the above subsections (2) and (3).

7. Benefits Not Taken into Account for 415(b) Limit.

For purposes of this section, the following benefits shall not be taken into account in applying these limits:

- (a) Any ancillary benefit which is not directly related to retirement income benefits;
- (b) That portion of any joint and survivor annuity that constitutes a qualified joint and survivor annuity;
- (c) Any other benefit not required under Code Section 415(b)(2) and Treasury Regulations thereunder to be taken into account for purposes of the limitation of Code Section 415(b)(1).

8. Other Adjustments in 415(b) Limitation.

- (a) In the event the Member's retirement benefits become payable before age sixty-two (62), the limit prescribed by this section shall be reduced in accordance with Treasury Regulations pursuant to the provisions of Code Section 415(b), so that such limit (as so reduced) equals an annual straight life benefit (when such retirement income benefit begins) which is equivalent to a one hundred sixty thousand dollar (\$160,000) (as adjusted) annual benefit beginning at age sixty-two (62).
- (b) In the event the Member's benefit is based on at least fifteen (15) years of service as a full-time employee of any police or fire department or on fifteen (15) years of military service, the adjustments provided for in (a) above shall not apply.
- (c) The reductions provided for in (a) above shall not be applicable to pre-retirement disability benefits or pre-retirement death benefits.

9. Less than Ten (10) Years of Participation or Service Adjustment for 415(b) Limitations.

The maximum retirement benefits payable to any Member who has completed less than ten (10) years of service shall be the amount determined under section (4), as adjusted under section (6) and/or (8), multiplied by a fraction, the numerator of which is the number of the Member's years of participation and the denominator of which is ten (10). The limit under section 10 (concerning the \$10,000 limit) shall be similarly reduced for any member who has accrued less than ten (10) years of service, except the fraction shall be determined with respect to years of service instead of years of participation. The reduction provided by this subsection cannot reduce the maximum benefit below 10% of the limit determined without regard to this subsection. The reduction provided for in this subsection shall not be applicable to pre-retirement disability benefits or pre-retirement death benefits.

10. Ten Thousand Dollar (\$10,000) Limit.

Notwithstanding the foregoing, the retirement benefit payable with respect to a Member shall be deemed not to exceed the 415 limit if the benefits payable, with respect to such Member under the plan and under all other qualified defined benefit pension plans to which the Member's employer contributes, do not exceed ten thousand dollars (\$10,000) for the applicable limitation year and for any prior limitation year and the employer has not any time maintained a qualified defined contribution plan in which the Member participated; provided, however, that if the Member has completed less than ten (10) years of service, the limit under this section shall be a reduced limit equal to ten thousand dollars (\$10,000) multiplied by a fraction, the numerator of which is the number of the Member's years of service and the denominator of which is ten (10).

11. Effect of COLA without a Lump Sum Component on 415(b) Testing.

Effective on and after January 1, 2003, for purposes of applying the 415(b) limit to a Member with no lump sum benefit, the following will apply:

- (a) a Member's applicable 415(b) limit will be applied to the Member's annual benefit in the Member's first limitation year without regard to any cost of living adjustments;
- (b) to the extent that the Member's annual benefit equals or exceeds the 415(b) limit, the Member will no longer be eligible for cost of living increases until such time as the benefit plus the accumulated increases are less than the 415(b) limit; and
- (c) thereafter, in any subsequent limitation year, a Member's annual benefit, including any cost of living increases, shall be tested under the then applicable 415(b) limit including any adjustment to the Code Section 415(b)(1)(A) dollar limit under Code Section 415(d), and the regulations thereunder.

12. Effect of COLA with a Lump Sum Component on 415(b) Testing.

On and after January 1, 2009, with respect to a Member who receives a portion of the Member's annual benefit in a lump sum, a Member's applicable Limit will be applied taking into consideration cost of living increases as required by Code Section 415(b) and applicable Treasury Regulations.

13. 415(c) Limit on Contributions and Other Additions.

After-tax member contributions or other annual additions with respect to a Member may not exceed the lesser of \$40,000 (as adjusted pursuant to Code Section 415(d)) or 100% of the Member's compensation.

- (a) Annual additions are defined to mean the sum (for any year) of employer contributions to a defined contribution plan, member contributions, and forfeitures credited to a Member's individual account. Member contributions are determined without regard to rollover contributions and to picked-up employee contributions that are paid to a defined benefit plan.
- (b) For purposes of applying the 415(c) limits only and for no other purpose, the definition of compensation where applicable will be compensation actually paid or made available during a limitation year, except as noted below and as permitted by Treasury Regulation § 1.415(c)-2, or successor regulation; provided, however, that member contributions picked up under Code Section 414(h) shall not be treated as compensation.
- (c) Unless another definition of compensation that is permitted by Treasury Regulation § 1.415(c)-2, or successor regulation, is specified by the plan, compensation will be defined as wages within the meaning of Code Section 3401(a) and all other payments of compensation to an employee by an employer for which the employer is required to furnish the employee a written statement under Code Sections 6041(d), 6051(a)(3) and 6052 and will be determined without regard to any rules under Code Section 3401(a) that limit the remuneration included in wages based on the nature or location of the employment or the services performed (such as the exception for agricultural labor in Code Section 3401(a)(2)).
 - (i) However, for limitation years beginning on and after January 1, 1998, compensation will also include amounts that would otherwise be included in compensation but for an election under Code Section 125(a), 402(e)(3), 402(h)(1)(B), 402(k), or 457(b). For limitation years beginning on and after January 1, 2001, compensation will also include any elective amounts that are not includible in the gross income of the employee by reason of Code Section 132(f)(4).
 - (ii) For limitation years beginning on and after January 1, 2009, compensation for the limitation year will also include compensation paid by the later of 2½ months after an employee's severance from

employment or the end of the limitation year that includes the date of the employee's severance from employment if:

- (A) the payment is regular compensation for services during the employee's regular working hours, or compensation for services outside the employee's regular working hours (such as overtime or shift differential), commissions, bonuses or other similar payments, and, absent a s everance from employment, the payments would have been paid to the employee while the employee continued in employment with the employer; or
- (B) the payment is for unused accrued bona fide sick, vacation or other leave that the employee would have been able to use if employment had continued; or
- (C) payments pursuant to a nonq ualified unfunded deferred compensation plan, but only if the payments would have been paid to the member at the same time if the member had continued employment with the employer and only to the extent that the payment is includible in the member's gross income.

Any payments not described in paragraph (B) above are not considered compensation if paid after severance from employment, even if they are paid within 2½ months following severance from employment, except for payments to the individual who does not currently perform services for the employer by reason of qualified military service (within the meaning of Code Section 414(u)(1)) to the extent these payments do not exceed the amounts the individual would have received if the individual had continued to perform services for the employer rather than entering qualified military service.

An employee who is in qualified military service (within the meaning of Code Section 414(u)(1)) shall be treated as receiving compensation from the employer during such period of qualified military service equal to (i) the compensation the employee would have received during such period if the employee were not in qualified military service, determined based on the rate of pay the employee would have received from the employer but for the absence during the period of qualified military service, or (ii) if the compensation the employee would have received during such period was not reasonably certain, the employee's average compensation from the employer during the twelve (12) month period immediately preceding the qualified military service (or, if

shorter, the period of employment immediately preceding the qualified military service).

- (iii) Back pay, within the meaning of Treasury Regulation § 1.415(c)-2(g)(8), shall be treated as compensation for the limitation year to which the back pay relates to the extent the back pay represents wages and compensation that would otherwise be included under this definition.
- (d) If the annual additions for any member for a plan year exceed the limitation under Code Section 415(c), the excess annual addition will be corrected as permitted under the Employee Plans Compliance Resolution System (or similar IRS correction program).
- (e) For limitation years beginning on or after January 1, 2009, a member's compensation for purposes of section 14 shall not exceed the annual limit under Code Section 401(a)(17).

14. Service Purchases under Section 415(n).

Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, if a Member makes one or more contributions to purchase permissive service credit under the plan, then the requirements of Code Section 415(n) will be treated as met only if:

- (a) the requirements of Code Section 415(b) are met, determined by treating the accrued benefit derived from all such contributions as an annual benefit for purposes of Code Section 415(b), or
- (b) the requirements of Code Section 415(c) are met, determined by treating all such contributions as annual additions for purposes of Code Section 415(c).
- (c) For purposes of applying this section, the system will not fail to meet the reduced limit under Code Section 415(b)(2)(C) solely by reason of this subparagraph and will not fail to meet the percentage limitation under Code Section 415(c)(1)(B) solely by reason of this section.
- (d) For purposes of this section the term "permissive service credit" means service credit—
 - (i) recognized by the plan for purposes of calculating a Member's benefit under the plan,
 - (ii) which such Member has not received under the plan, and
 - (iii) which such Member may receive only by making a voluntary additional contribution, in an amount determined under the plan,

which does not exceed the amount necessary to fund the benefit attributable to such service credit.

Effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, such term may include service credit for periods for which there is no performance of service, and, notwithstanding clause (B), may include service credited in order to provide an increased benefit for service credit which a Member is receiving under the plan.

- (e) The plan will fail to meet the requirements of this section if—
 - (i) more than five years of nonqualified service credit are taken into account for purposes of this subparagraph, or
 - (ii) any nonqualified service credit is taken into account under this paragraph before the Member has at least five years of participation under the plan.
- (f) For purposes of paragraph (e), effective for permissive service credit contributions made in limitation years beginning after December 31, 1997, the term "nonqualified service credit" means permissive service credit other than that allowed with respect to—
 - (i) service (including parental, medical, sabbatical, and similar leave) as an employee of the Government of the United States, any State or political subdivision thereof, or any agency or instrumentality of any of the foregoing (other than military service or service for credit which was obtained as a result of a repayment described in Code Section 415(k)(3)),
 - (ii) service (including parental, medical, sabbatical, and similar leave) as an employee (other than as an employee described in clause (A)) of an education organization described in Code Section 170(b)(1)(A)(ii) which is a public, private, or sectarian school which provides elementary or secondary education (through grade 12), or a comparable level of education, as determined under the applicable law of the jurisdiction in which the service was performed,
 - (iii) service as an employee of an association of employees who are described in clause (i), or
 - (iv) military service (other than qualified military service under Code Section 414(u)) recognized by the plan.
- (g) In the case of service described in clause (i), (ii), or (iii), such service will be nonqualified service if recognition of such service would cause a

Member to receive a retirement benefit for the same service under more than one plan.

- (h) In the case of a trustee-to-trustee transfer after December 31, 2001, to which Code Section 403(b)(13)(A) or Code Section 457(e)(17)(A) applies (without regard to whether the transfer is made between plans maintained by the same employer)—
 - (i) the limitations of paragraph (e) will not apply in determining whether the transfer is for the purchase of permissive service credit, and
 - (ii) the distribution rules applicable under federal law to the plan will apply to such amounts and any benefits attributable to such amounts.
- (i) For an eligible participant, the limitation of Code Section 415(c)(1) shall not be applied to reduce the amount of permissive service credit which may be purchased to an amount less than the amount which was allowed to be purchased under the terms of the plan as in effect on August 5, 1997. For purposes of this paragraph an eligible participant is an individual who first became a participant in the plan before January 1, 1998.

15. Modification of Contributions for 415(c) and 415(n) Purposes.

Notwithstanding any other provision of law to the contrary, the plan may modify a request by a Member to make a contribution to the plan if the amount of the contribution would exceed the limits provided in Code Section 415 by using the following methods:

- (a) If the law requires a lump sum payment for the purchase of service credit, the plan may establish a periodic payment plan for the Member to avoid a contribution in excess of the limits under Code Section 415(c) or 415(n).
- (b) If payment pursuant to subparagraph (a) will not avoid a contribution in excess of the limits imposed by Code Section 415(c) or 415(n), the plan may either reduce the Member's contribution to an amount within the limits of those sections or refuse the Member's contribution.

16. Repayments of Cashouts.

Any repayment of contributions (including interest thereon) to the plan with respect to an amount previously refunded upon a forfeiture of service credit under the plan shall not be taken into account for purposes of Code Section 415, in accordance with applicable Treasury Regulations.

17. Reduction of Benefits Priority.

Reduction of benefits and/or contributions to all plans, where required, shall be accomplished by first reducing the Member's defined benefit component under any defined benefit plans in which the Member participated, such reduction to be made first with respect to the plan in which the Member most recently accrued benefits and thereafter in such priority as shall be determined by the plan and the plan administrator of such other plans; and next, by reducing the Member's defined contribution component benefit under any defined benefit plans; and next, by reducing or allocating excess forfeitures for defined contribution plans in which the Member participated, such reduction to be made first with respect to the plan in which the Member most recently accrued benefits and thereafter in such priority as shall be established by the plan and the plan administrator for such other plans provided, however, that necessary reductions may be made in a different manner and priority pursuant to the agreement of the plan and the plan administrator of all other plans covering such member.

Vote: Unanimous Voice Vote
Absent: None

(11-12-13) (Adoption of Board Policy on Limitations Period for Disability Applications/Medical Documentation) General Counsel reported staff is currently working on procedures to end IMRF's issue of old disability case files that are technically open, but missing required documentation.

She stated staff would like to add a Board-adopted limitation period for providing the required documentation.

After discussion, it was moved by Ms. Rademacher, seconded by Ms. Henry, to adopt the attached 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, Section 7-179 of the Illinois Pension Code gives the Board of Trustees the authority to authorize the payment of any annuity or other benefit in accordance with Article 7 of the Pension Code; and

WHEREAS, section 7-200 of the Illinois Pension Code gives the Board of Trustees the authority to make administrative decisions on participation and coverage, as well as on the other matters which are necessary for carrying out the intent of Article 7 of the Pension Code; and

WHEREAS, sections 7-146 and 7-150 of the Illinois Pension Code provide the eligibility requirements for IMRF temporary and total and permanent disability benefits, which include submitting a three part application and providing adequate documentation of disability, and submitting continued medical documentation of disability as requested while receiving disability benefit payments; and

WHEREAS, it is necessary to establish a reasonable period during which a claim for disability benefits must be filed, and during which continued medical documentation of disability, as requested, be submitted.

NOW THEREFORE BE IT RESOLVED by the Board of Trustees of the Illinois Municipal Retirement Fund that reasonable notice of incomplete or missing documentation will be given to disability applicants/disabilitants (reasonable notice to mean not less than 2 requests for information sent not less than 2 weeks apart). Thereafter, a final request will give the member 21 days to provide the required documentation. If the member fails to provide the requested documentation within 21 days from the date of the notice, the claim will be closed and no disability benefits or additional disability benefits will be payable for that claimed disability.

Vote: Unanimous Voice Vote
Absent: None

(11-12-14) (Legislative Update) The Legislative Liaison updated the Board on current legislative activity.

She stated only one pension-related bill (House Bill 3813) passed the General Assembly during the fall veto session. This bill would require all Illinois pension funds to report any reasonable suspicion of fraudulent statements or records being filed or accepted.

She further reported the 97th General Assembly's spring session will begin on January 31, 2012.

Discussion followed.

(11-12-15) (April 2012 Board Meeting Location) The Legislative Liaison discussed the feasibility of combining the Board's annual Springfield Drive-Down with the April 27, 2012 Board Meeting.

She noted combining the two events would reduce the number of days that Board Members would need to be away from the office (from four to three), and would allow more members the opportunity to attend a Board Meeting.

After discussion, it was moved by Ms. Henry, seconded by Mr. Stafford, to conduct the Board's Annual Drive-Down in conjunction with the April 27, 2012 Board Meeting to be held in Springfield, Illinois.

Vote: Unanimous Voice Vote
Absent: None

(11-12-16) (Litigation Update) The following is an update of the currently pending litigation:

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.

Status: IMRF statement regarding limitation on retroactive service filed on Oct 14, 2011. Oral arguments set for December 13, 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.

Status: Plaintiff's have filed a motion for summary judgment. IMRF has not been advised of the hearing date but has a call into counsel to determine when it will be heard.

WABASH COUNTY, ILLINOIS vs. IMRF, et al.

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

Status: BRC hearing on remaining procedural issues previously set for December 15, 2011 will need to be rescheduled to early 2012. Tentative Benefit Review Committee Meeting date of March 23, 2012.

BOARD OF ED. OF JOLIET TOWNSHIP H.S. DIST. 204, et. al. v. IMRF, et.al.

Summary: This is an administrative review of a return to work case regarding three administrative employees of the District who went back to work for the District after their respective retirements.

Status: Motion to Dismiss granted in part and denied in part. Plaintiff to amend complaint. Answer due December 26, 2011.

IMRF v. DIANE WILLIAMS-EASTERN, et al.

Summary: This is an interpleader action filed by IMRF asking the court to determine to whom and in what amounts the death benefits of Robert Eastern Jr. should be paid.

Status: Hearing on motion to transfer venue set for November 29, 2011. Judge Schmidt ordered the case transferred to St. Clair County.

JOSEPH PRAZEN v. IMRF

Summary: This is an administrative review action involving an ERI return to work situation.

Status: Brief due on December 16, 2011. Hearing scheduled for December 20, 2011.

LIARAKOS V. IMRF

Summary: Appeal of denial of total and permanent disability.

Status: Answer and appearance filed November 8, 2011

(11-12-17) (Fiduciary Liability Insurance) General Counsel discussed the prospect of purchasing fiduciary liability insurance for IMRF Trustees.

She reported that since 1997, the IMRF Board has retained fiduciary counsel to replace fiduciary liability insurance, and as a best practice. Last year, IMRF engaged new insurance brokers and asked them to obtain quotes for fiduciary liability coverage as part of a review of IMRF's entire insurance program.

General Counsel stated that IMRF's current practice is prudent, reasonable and cost effective.

After questions and discussion, staff was directed to gather additional information as to the practices of other pension funds, and bring the findings back to the Board for further discussion at the January 27, 2012 Board Meeting.

(11-12-18) (Report of Executive Director)

Investments

The market value of the Fund's investment portfolio, including short-term investments, but excluding disposition costs, totaled \$2 5.0 billion on October 31, 2011. This was an increase of \$1,740.6 million from the market value as of September 30, 2011.

Fixed income investments of \$1, 450.0 million were made in October. The market value of fixed income investment managers totaled \$6,771.9 million.

Domestic equity investments of \$1 59.1 million were made in October. The market value of domestic equity investment managers totaled \$10,099.5 million.

International equity investments of \$8 71.6 million were made in October. The market value of international equity investment managers totaled \$6,151.3 million.

The market value of real estate investment managers totaled \$ 738.4 million.

The market value of alternative investment managers totaled \$ 1,014.8 million.

The market value of cash equivalents totaled \$271.0 million.

Representation of IMRF

The Executive Director reviewed the meetings and conferences that he attended, as a representative of IMRF, since his November report.

2012 Board Committee Dates

The Executive Director presented a list of proposed 2012 Board Committee Meeting dates to the Board for review.

(11-12-19) (Appreciation of Service - Martha H. Rademacher) Members of the Board of Trustees honored Martha H. Rademacher who will be stepping down from the IMRF Board, effective January 1, 2012, with the attached resolution:

ILLINOIS MUNICIPAL RETIREMENT FUND

BOARD OF TRUSTEES

Resolution of Appreciation

WHEREAS, Martha H. Rademacher has served as an IMRF Executive Trustee from January 2002 through December 2011, and;

WHEREAS, during her tenure as an Executive Trustee, Martha H. Rademacher served as Board President, Board Vice President, and Board Secretary, as a member of the Benefit Review Committee including four terms as chair, the Actuarial and Rate Committee as chair, the Audit Committee including one term as chair, the Legislative Committee and the Investment Committee, and;

WHEREAS, Martha H. Rademacher demonstrated a strong personal commitment to IMRF members and employers by supporting legislative changes including allowing retired members to return work for an IMRF employer and keep their IMRF pension if the position requires less than the employer's hourly standard, removing the two year time limit for benefit protection leaves, and giving the Annuitant Trustee the right to vote, and;

WHEREAS, during her time as an Executive Trustee, Martha H. Rademacher supported many improvements to IMRF including the development of the IMRF Governance Manual, changes to the Benefit Review Committee processes resulting in more efficient and more objective decision making, development of IMRF's Strategic Planning process, the redesign of the Annual Member Statement, the publication of IMRF's first Popular Annual Financial Report, and the development a long-term strategy for the overall modernization of IMRF's enterprise pension administration system, and;

WHEREAS, as an Executive Trustee, Martha H. Rademacher has served honorably as a member of the IMRF Board of Trustees and has exhibited true concern for all IMRF members, employers, and staff, and;

THEREFORE, BE IT RESOLVED, that the IMRF Board of Trustees recognizes and honors Martha H. Rademacher for her contributions and service to the Illinois Municipal Retirement Fund.

Adopted by the IMRF Board of Trustees on Friday, December 16, 2011.

Marvin R. Shoop, Jr.
President

Gwen Henry
Secretary

William Stafford
Vice President

Natalie Copper

Ruth E. Faklis

John Piechocinski

Sharon U. Thompson

It was moved by Ms. Henry, seconded by Mr. Stafford, to adopt the resolution.

The motion was approved by acclamation.

(11-12-20) (Appreciation of Service - Marvin R. Shoop, Jr.) Members of the Board of Trustees honored Marvin R. Shoop, Jr. who will be stepping down from the IMRF Board, effective January 1, 2012, with the attached resolution:

ILLINOIS MUNICIPAL RETIREMENT FUND

BOARD OF TRUSTEES

Resolution of Appreciation

WHEREAS, Marvin R. Shoop, Jr. has served as an IMRF Employee Trustee from January 1995 through December 2011, and;

WHEREAS, during his tenure as an Employee Trustee, Marvin R. Shoop, Jr. served as Board President, Board Vice President, and Board Secretary, as a member of the Benefit Review Committee including nine terms as chair, the Drake Oak Brook Hotel Acquisition Committee including one term as chair, the Legislative Committee including one term as Chair, the Personnel/Budget/Insurance Committee, and the Investment Committee, and;

WHEREAS, Marvin R. Shoop, Jr. demonstrated a strong personal commitment to IMRF members and employers by supporting legislative changes including eliminating the temporary disability benefit pre-existing condition exclusion for members with fewer than five years of service credit, eliminating the reduction in surviving spouse pensions for spouses who are more than five years younger than the deceased member, giving the Annuitant Trustee the right to vote, and supporting the endorsement of health insurance plans for IMRF retirees, and;

WHEREAS, during his time as an Employee Trustee, Marvin R. Shoop, Jr. supported many improvements to IMRF including the purchase of the Drake Oak Brook Hotel, major improvements to IMRF's benefit payment system, the development of the IMRF website including the expansion of Employer Access and Member Access, the implementation of 1-800-ASK-IMRF, the opening of IMRF's first regional counseling center in Springfield, the redesign of the Annual Member Statement, the publication of IMRF's first Popular Annual Financial Report, and the development a long-term strategy for the overall modernization of IMRF's enterprise pension administration system, and;

WHEREAS, as an Employee Trustee, Marvin R. Shoop, Jr. has served honorably as a member of the IMRF Board of Trustees and has exhibited true concern for all IMRF members, employers, and staff, and;

THEREFORE, BE IT RESOLVED, that the IMRF Board of Trustees recognizes and honors Marvin R. Shoop, Jr. for his contributions and service to the Illinois Municipal Retirement Fund.

Adopted by the IMRF Board of Trustees on Friday, December 16, 2011.

Gwen Henry
Vice President

William Stafford
Secretary

Natalie Copper

Ruth E. Faklis

John Piechocinski

Martha H. Rademacher

Sharon U. Thompson

It was moved by Ms. Henry, seconded by Ms. Thompson to adopt the resolution.

The motion was approved by acclamation.

(11-12-21) (Adjournment) It was moved by Ms. Thompson, seconded by Ms. Faklis, to adjourn the Board Meeting at 11:30 a.m., to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, Illinois, at 9:00 a.m. on January 27, 2012.

Vote: Unanimous Voice Vote

Absent: None

President

Date

Secretary

Date

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