

ILLINOIS MUNICIPAL RETIREMENT FUND
MEETING NO. 11-03-I

MEETING OF THE
INVESTMENT COMMITTEE

The Investment Committee met in the IMRF offices in Oak Brook, Illinois, on Thursday, March 24, 2011. Mr. Stafford, Chairman of the Investment Committee, called the meeting to order at 2:02 P. M.

(11-03-01)(Roll Call) Mr. Sambol called the roll:

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

Also in attendance were: Ms. Becker-Wold, and Messrs. Allen, Dickinson and Ball of Callan Associates; Mr. Kosiba, IMRF Executive Director; Mr. Koziol, IMRF Chief Investment Officer; Mr. Sambol, IMRF Investment Manager; and Ms. Vasquez, Ms. Brunke, Ms. Villarreal, Mr. Talaga, Ms. Bulger, and Ms. Seplak, IMRF Investment Analysts.

(11-03-02)(Action Item – Approve Investment Committee Meeting Minutes from February 24, 2011) The Chief Investment Officer asked for the approval of the minutes of the February 24, 2011 Investment Committee Meeting.

It was moved by Ms. Henry, and seconded by Ms. Thompson, that the minutes from the February 24, 2011 meeting of the Investment Committee be approved.

Vote:

The motion was approved unanimously.

(11-03-03)(Action Item –Manager Structure Review) Staff and Consultant presented a review of the current manager structure for IMRF's U.S. Equity, Non-U.S. Equity, and Fixed-Income portfolios. Analyses of the investment styles within each portfolio were also presented to the Committee.

After this review, Staff and Consultant presented the following recommendations for the U.S. Equity, International Equity, and Fixed Income Portfolios.

For U.S. Equities:

- Complete large-cap growth search and evaluation of Alliance Bernstein;
- Modify contracts with Piedmont Investment Advisors, Channing Capital Management, and Lombardia Capital Partners to graduate them from the Progress portfolio into direct mandates;
- Effect rebalancing in an orderly manner to minimize transaction costs and market impact, while maintaining equity exposure throughout the transition;

For Non-U.S. Equities:

- Complete International Small-Cap search;
- Identify Large-Cap Value Manager to compliment Brandes;
- Identify Emerging Markets Manager to complement Genesis;
- Effect rebalancing in an orderly manner to minimize transaction costs and market impact, while maintaining equity exposure throughout the transition;

For Fixed Income:

- Increase Active Core exposure by moving assets from the NTGI Barclay's Capital Aggregate Bond Index Fund to the actively managed Piedmont and EARNEST Partners portfolios;
- Evaluate the merits of moving additional assets from the Core Portfolio to the Core Plus portfolio;
- Evaluate the merits of moving additional assets into the High Yield portfolio;
- Based on the evaluations, develop target allocations between Core, Core Plus, and High Yield portfolios, and across the managers within those portfolios; and,
- Develop resulting rebalancing recommendations as needed.

After discussion, it was moved by Ms. Henry; and seconded by Ms. Thompson; to recommend that the Board approve the U.S. Equity, Non-U.S. Equity, and Fixed-Income Portfolio recommendations presented by Staff and Consultant.

Vote:

The motion was approved unanimously.

(11-03-04)(New Business) There was no new business presented or discussed during the meeting.

–The next meeting of the Investment Committee will be held on Thursday, April 28, 2011, beginning at 3:00 P.M.

(11-03-05)(Trustee Comments) There were no trustee comments.

(11-03-06)(Public Comments) There were no public comments.

(11-03-07)(Adjourn) By unanimous consent, the meeting of the Investment Committee adjourned at 3:08 P.M.

Chairman

Date

Clerk

Date