

ILLINOIS MUNICIPAL RETIREMENT FUND
MEETING NO. 11-04-I

MEETING OF THE
INVESTMENT COMMITTEE

The Investment Committee met in the IMRF offices in Oak Brook, Illinois, on Thursday, April 28, 2011. Mr. Stafford, Chairman of the Investment Committee, called the meeting to order at 3:00 P. M.

(11-04-01)(Roll Call) Mr. Sambol called the roll:

Present: Thompson, Copper, Henry, Piechocinski Stafford

Absent: Shoop

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

(11-04-02)(Action Item – Approve Investment Committee Meeting Minutes from March 24, 2011) The Chief Investment Officer asked for the approval of the minutes of the March 24, 2011 Investment Committee Meeting.

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

Vote:

The motion was approved unanimously.

(11-04-03)(Action Item –Consent to Assignment of Taplin, Canida & Habacht Investment Advisory Agreement) The Chief Investment Officer presented a request from Taplin, Canida & Habacht to assign their investment management agreement. He indicated that Taplin was requesting this assignment because their parent company, Marshall Ilsley Corporation, is being acquired by the Bank of Montreal. It was noted that there would be no change to the investment process used by Taplin, and that Taplin will remain independent of the Bank of Montreal. The Chief Investment Officer concluded by recommending that the assignment of the Taplin investment management agreement be approved.

It was moved by Ms. Thompson, and seconded by Ms. Copper, to recommend that the Board approve the assignment of the Taplin investment management agreement, and that Staff be authorized to execute all documents necessary to complete this assignment.

Vote:

The motion was approved unanimously.

(11-04-04)(Action Item – Consent to Assignment of Piedmont Investment Advisory Agreement) The Chief Investment Officer presented a request from Piedmont Investment Advisors to assign their investment management agreement. He indicated that Piedmont was requesting this assignment because Rosemont Investment Partners Fund II, L.P., will be acquiring a 30% ownership interest in Piedmont that is currently held by Legato Capital Management. It was noted that there would be no change to the investment process used by Piedmont. Additionally, Piedmont will remain independent of Rosemont Investment Partners and will continue to be a minority-owned firm. The Chief Investment Officer concluded by recommending that the assignment of the Piedmont investment management agreement be approved.

It was moved by Ms. Henry, and seconded by Ms. Copper; to recommend that the Board approve the assignment of the Piedmont investment management agreement, and that Staff be authorized to execute all documents necessary to complete this assignment.

Vote:

The motion was approved unanimously.

(11-04-05)(International Small-Cap Manager Search Presentation) Staff and Consultant presented an overview of the internal small-cap equity manager search. The objective of this search was to identify and evaluate qualified investment managers to oversee an international small-cap equity allocation of approximately \$300 million. The search included the evaluation of William Blair, an existing international small-cap equity manager with a current allocation of \$165 million.

Thirty-three firms responded to our RFP. Three responses were received from minority, female, and disabled-person owned (MFPDOB) firms. After all responses were evaluated by Staff and Consultant, six semi-finalists were interviewed. Staff and Consultant determined that GlobeFlex was the only qualified minority-candidate.

Three finalists — Epoch, Franklin Templeton, and GlobeFlex — were selected to present to the Investment Committee. William Blair was evaluated as qualified to continue managing their existing asset allocation. They were not asked to present to the Committee because they are an existing manager.

Staff and Consultant recommended:

- ◆ that William Blair be allowed to retain their existing international small-cap equity allocation;
- ◆ that one additional manager be selected that will be funded with \$150 million from the NTGI EAFE Index Fund; and,
- ◆ that Staff be authorized to execute all documentation necessary complete these transactions.

Following this presentation, the Chairman asked the Committee to vote on the motion to retain William Blair.

It was moved by Ms. Henry, and seconded by Ms. Thompson, to recommend to the Board that William Blair be allowed to retain their existing international small-cap equity allocation.

Vote:

The motion was approved unanimously.

(11-04-06)(International Small-Cap Manager Presentation— Epoch Investment Partners)
Mr. Pernice and Ms. Baker of Epoch Investment Partners presented a review of their firm's organization structure, performance history, investment strategy, and fees. This presentation was followed by questions from the Committee.

(11-04-07)(International Small-Cap Manager Presentation — Franklin Templeton Institutional) Messrs. Hodes and Bailey of Franklin Templeton Institutional presented a review of their firm's organization structure, performance history, investment strategy, and fees. This presentation was followed by questions from the Committee.

— The Committee recessed at 4:40 P.M.

— The meeting of the Investment Committee reconvened at 4:50 P.M.

(11-04-08)(International Small-Cap Manager Presentation — GlobeFlex Capital)
Messrs. Anslow and Bretz of GlobeFlex Capital presented a review of their firm's organization structure, performance history, investment strategy, and fees. This presentation was followed by questions from the Committee.

(11-04-09)(Action Item — Deliberation and Selection of International Small-Cap Manager) Following these presentations, the Committee and Staff discussed the strengths and weaknesses of each firm.

After discussion, it was moved by Ms. Henry, and seconded by Ms. Thompson, to recommend to the Board:

- ◆ that Franklin Templeton be retained to manage an international small-cap equity portfolio that will be funded with \$150 million from the NTGI EAFE Index Fund; and,
- ◆ that Staff be authorized to execute all documentation necessary to complete these transactions.

Vote:

The motion was approved unanimously.

(11-04-10)(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, May 19, 2011, beginning at 3:00 P.M.

(11-04-11)(Trustee Comments) There were no trustee comments.

(11-04-12)(Public Comments) There were no public comments.

(11-04-13)(Adjourn) By unanimous consent, the meeting of the Investment Committee adjourned at 5:36 P.M.

Chairman

Date

Clerk

Date