

ILLINOIS MUNICIPAL RETIREMENT FUND
MINUTES OF
REGULAR MEETING NO. 13-06
JUNE 28, 2013

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 13-06

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:00 a.m., June 28, 2013, in the Fund Office at 2211 York Road, Suite 400, Oak Brook, Illinois.

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

Ms. Enright called the roll:

Present: Nannini, Piechocinski, Stafford, Thompson, Copper, Kuehne

Absent: Henry, Stulir

Ms. Becker-Wold, Messrs. Ball and Robinson from Callan Associates, Ms. Foley from Seyfarth Shaw LLP., Ms. Nicholson from AonHewitt, Ms. Vazquez from CNR Consulting, Inc., and representatives from Cabrera Capital Markets, and Loop Capital were also present.

(13-06-01) (Investment Manager Activities - Callan and Associates) Ms. Becker-Wold gave the following report to the Board on the activities of IMRF's investment managers:

May 31, 2013



**Illinois Municipal
Retirement Fund
Monthly Performance Report**

**Investment Measurement Service
Monthly Review**

Major Market Returns

Returns

for Periods Ended May 31, 2013

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	2.40	15.64	27.88	16.97	5.87	8.36
Russell:1000 Index	2.22	15.48	27.62	16.92	5.57	7.96
Russell:Midcap Index	2.15	16.86	30.51	17.46	6.75	10.89
Russell:2000 Index	4.00	16.45	31.07	15.72	7.15	9.78
MSCI:ACWI ex-US (Net)	(2.31)	4.49	25.79	9.13	(1.62)	9.40
MSCI:EAFE US\$	(2.41)	7.94	31.62	11.00	(1.60)	8.32
MSCI:Emer Markets	(2.52)	(3.29)	14.50	5.74	(0.90)	15.40
Barclays:Aggregate Index	(1.78)	(0.91)	0.91	4.59	5.50	4.66
NCREIF ODCE Index	0.88	4.50	10.21	14.50	(0.65)	6.75
NAREIT Equity Index	(5.93)	8.58	17.82	16.92	5.53	11.34

In May, U.S. equities rose for the 11th month out of the last twelve. This trend of consistently positive returns has pushed the Dow Jones U.S. Total Stock Market Index's one-year return to 27.9%, trailing the Russell 2000's return of 31.1%. Other major capital markets have lagged during this time. International equities fell over 2.3% in May, giving the MSCI ACWI ex-U.S. Index a trailing twelve month return of 25.8%. The Barclays Aggregate Bond Index declined 1.8% in the month but rose 0.9% over the last year.

The economy continued to show modest signs of improvement in May with first quarter GDP growing at 2.4%, much stronger than the prior quarter's 0.4% growth. Employment improved with the addition of 172,000 jobs per month for the last twelve months. This pace of job growth has not been able to significantly reduce the stubbornly high unemployment rate, currently 7.6%. Despite being very low, inflation fell again, hitting 1.1%.

One of the few bright spots outside of the U.S. in 2013 turned south in May. Through April, Japan was up 21.4% for the year but fell 5.7% in May. The new Prime Minister, Shinzo Abe, is pursuing an aggressive quantitative easing and currency weakening program to kick start inflation and the economy. Japan's economy has, at least initially, responded well to this stimulus, growing 4.1% in the first quarter of 2013. The longer-term effects are unknown.

*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 May 31, 2013

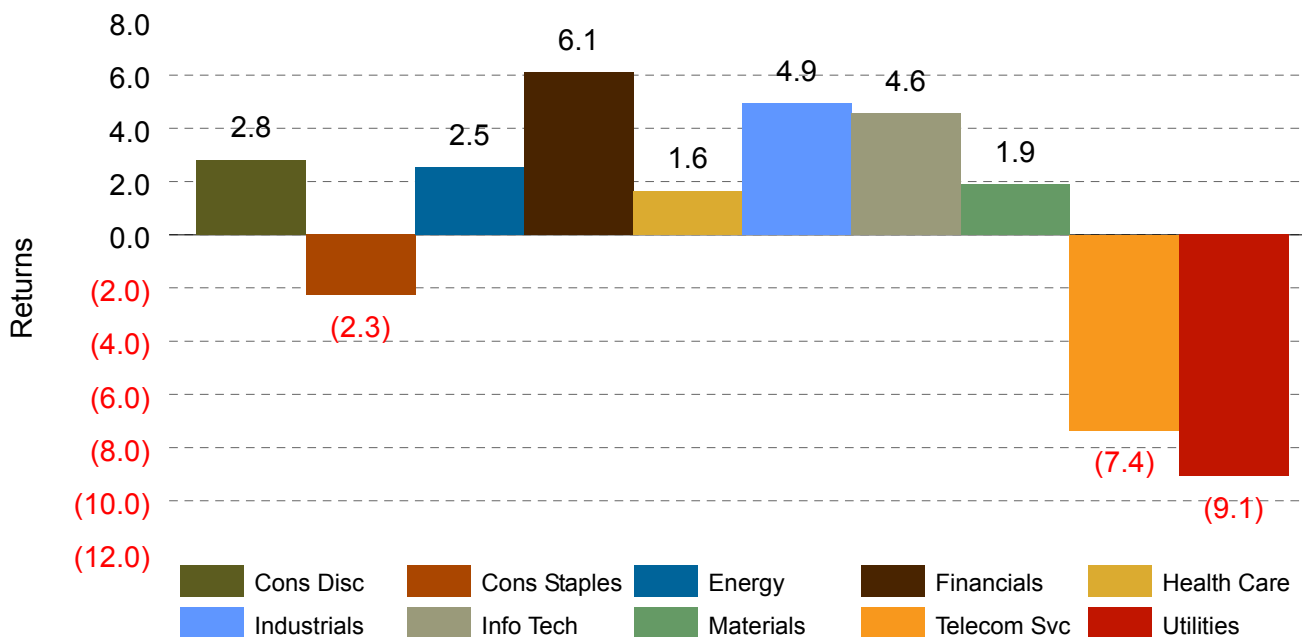
Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
DJ:US Total Mkt Ix	2.40	15.64	27.88	16.97	5.87	8.36
Russell:1000 Index	2.22	15.48	27.62	16.92	5.57	7.96
Russell:1000 Growth	1.86	13.95	22.55	17.20	6.28	7.75
Russell:1000 Value	2.57	16.93	32.71	16.59	4.73	8.02
Russell:Midcap Index	2.15	16.86	30.51	17.46	6.75	10.89
Russell:2000 Index	4.00	16.45	31.07	15.72	7.15	9.78
Russell:2000 Growth	5.07	18.17	30.86	17.46	7.69	9.90
Russell:2000 Value	2.99	14.85	31.31	13.97	6.51	9.53

Domestic equities rose again in May with small cap stocks leading their larger counterparts. The Russell 2000 Index gained 4.0% followed by large caps (DJ:U.S. Total Market: +2.4%) and midcaps (Russell Midcap: +2.2%).

Value stocks outperformed growth stocks in the large cap segment (Russell 1000 Value: 2.6%; Russell 1000 Growth: 1.9%). In the small cap segment, growth outperformed value (Russell 2000 Growth: 5.1%; Russell 2000 Value: 3.0%).

Seven out of the ten sectors of the S&P 500 Index gained ground in May, led by Financials (+6.1%). The exceptions were the defensive sectors, Utilities, Telecommunication Services and Consumer Staples, fell 9.1%, 7.4% and 2.3%, respectively. This reversed the trend seen over the last twelve months when defensive sectors led the more cyclical sectors.

S&P 500 Sector Returns for Month Ended May 31, 2013



Returns

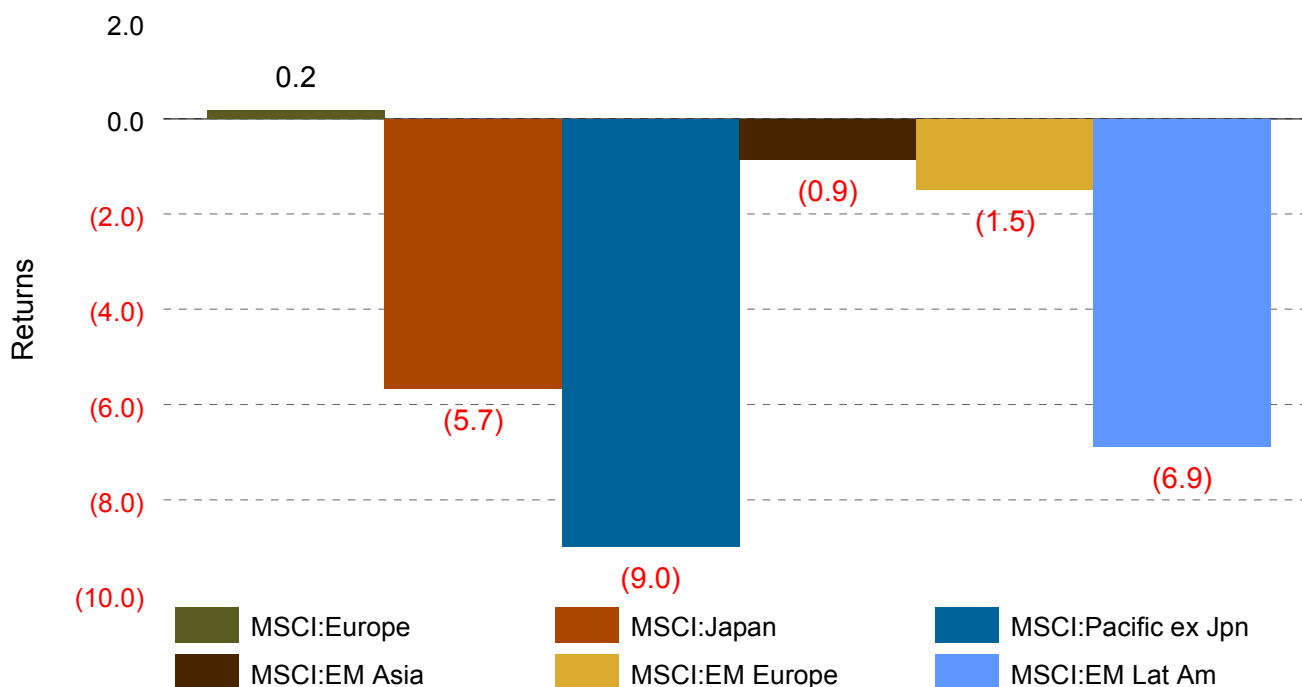
for Periods Ended May 31, 2013

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
MSCI:ACWI ex-US (Net)	(2.31)	4.49	25.79	9.13	(1.62)	9.40
MSCI:ACWI ex US Gr	(1.84)	5.88	25.23	10.32	(1.32)	9.31
MSCI:ACWI ex US Val	(2.61)	3.67	27.48	8.88	(1.05)	10.38
MSCI:EAFE US\$	(2.41)	7.94	31.62	11.00	(1.60)	8.32
MSCI:EAFE Hedged	0.05	13.16	32.14	6.21	(2.35)	4.57
MSCI:Emer Markets	(2.52)	(3.29)	14.50	5.74	(0.90)	15.40
MSCI:ACWI ex-US Small Cap	(1.96)	7.28	26.23	10.94	1.87	12.35

Facing a strongly rising dollar, international equity markets fell in May (MSCI ACWI ex-U. S. Net Index: -2.3%). The strengthening of the dollar against most currencies cost unhedged investors about 3.0%. The local currency return for the MSCI ACWI ex-U.S. Index was 0.7% versus the dollar return of -2.3%. The MSCI Emerging Markets Index declined for the month (-2.5%). Emerging Markets equities have now fallen 3.3% year-to-date.

Every major international region fell in May with the exception of Europe, which only managed to eke out gain of 0.2%. The Pacific ex-Japan region fell the most, losing 9.0%.

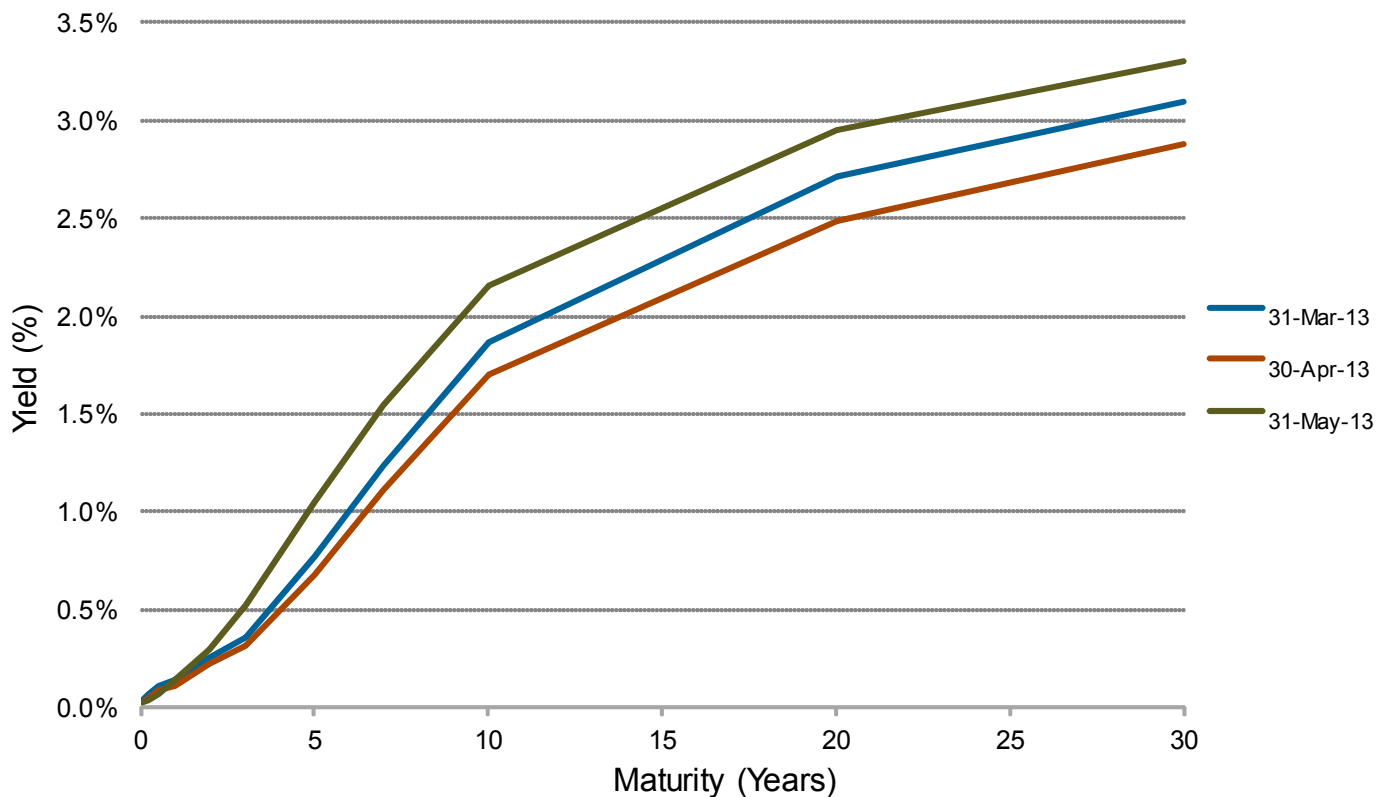
Regional Returns for Month Ended May 31, 2013



Returns
for Periods Ended May 31, 2013

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Barclays:Aggregate Index	(1.78)	(0.91)	0.91	4.59	5.50	4.66
Barclays:Govt Index	(1.63)	(0.95)	(0.72)	3.90	4.72	4.13
Barclays:Credit	(2.36)	(0.77)	4.25	7.18	7.47	5.38
Barclays:Mortgage Idx	(1.53)	(1.06)	(0.03)	3.23	5.03	4.82
Barclays:US TIPS Index	(4.36)	(3.95)	(1.79)	6.42	5.49	5.47
ML:High Yield CP Idx	(0.55)	4.21	14.69	11.88	10.49	9.24
3 Month T-Bill	0.01	0.03	0.12	0.11	0.32	1.74

Treasury Yield Curve



Fixed income posted a loss in May (Barclays Aggregate Bond Index: -1.8%) moving year-to-date returns into negative territory (-0.9%). Yields rose across the curve; the yield on the 10-year Treasury increased from 1.70% to 2.16%.

All fixed income sectors posted losses for the month. Inflation linked bonds really suffered, losing almost 4.4%, followed by Credit (-2.4%). Despite the upward movement in equity markets the High Yield sector still declined (-0.6%). However, high yield bonds have provided investors with positive year-to-date returns (+4.2%), the only fixed income sector to do so.

Total Fund

Total Fund assets at the end of May were \$30.11 billion, slightly up from \$30.05 billion at the end of April. The Fund gained 0.67% for the month, outperforming the benchmark by 0.64%. Domestic equity, international equity and fixed income all beat their respective benchmarks. Over the last year, the fund is up 19.67% exceeding the benchmark by 2.89%.

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 May 31, domestic equity exceeded its target allocation by 6.3%. All other asset classes were within the allowable range.

US Equity

Large Cap: In aggregate, the Fund's large cap managers gained 2.73%, leading the Russell 1000 Index by 0.51%. Growth portfolios collectively outperformed their benchmark by 59 basis points for the month and value portfolios outperformed by 57 basis points. Growth managers returned 2.45%. Holland was the best performing active manager with a return of 3.30%. The Large Cap Value managers returned 3.14%, leading the Russell 1000 Value Index return of 2.57%. LSV was the best performing manager in the group with a return of 4.38%. The Large Cap Active Core segment rose 3.07%, which topped the Russell 1000 Index's return of 2.22%.

Small Cap: The Small Cap portfolio gained 4.95%, outpacing the Russell 2000 Index by 0.95%. Small Cap Growth and Value rose 4.93% and 4.55%, respectively. Frontier was the best performing small cap growth manager and Dimensional Fund Advisors was the best in value. The Micro Cap segment returned 5.79% in May. Wall Street performed very well in the micro-cap segment, rising 6.77% for the month.

International Equity

Large Cap: International stocks did not fare nearly as well as U.S. stocks in May. International Large Cap managers fell 1.81%. However, this return was 50 basis points ahead of the MSCI ACWI ex-U.S. Index. International Large Cap Growth lost 1.06% with EARNEST Partners performing the worst (-1.17%). International Large Cap Value returned -1.81% for the month. Mondrian was the worst performer, declining 2.31%. The Large Cap Active Core Group fell 1.52% in May with the weakest performance coming from GlobeFlex.

International Small Cap and Emerging Markets: The International Small Cap managers declined 0.62%, outperforming the ACWI Small Cap ex-U.S. Index by 134 basis points. The emerging markets portfolio, managed by Genesis, returned -1.32% during May, outperforming the MSCI Emerging Markets Index by 120 basis points.

Domestic Fixed Income

The total fixed income portfolio dropped 1.69% as yields rose from the prior month. The high yield segment was the best performing segment during the month, falling 0.67%.

Active Core: The active core fixed income component returned -1.74%, outperforming the BC Aggregate Index by 4 basis points. The enhanced core portfolio retreated 1.80%.

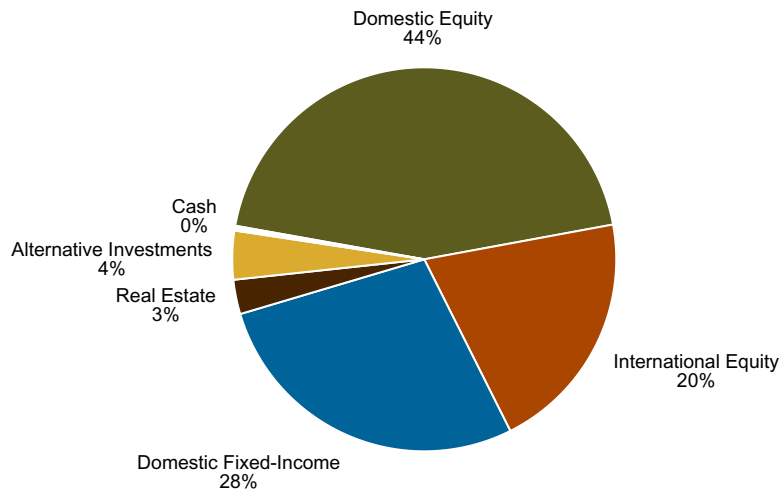
Core Plus: The core plus managers lost 1.89% which trailed the Barclays Aggregate Index. Taplin, Canida, Habacht suffered more than the other managers (-2.18%).

High Yield: In a tough month for fixed income in general the high yield component only lost 0.67%, trailing the ML High Yield Cash Pay Index (-0.55%). Pyramis returned -0.87% in May while McKay Shields lost 0.46%.

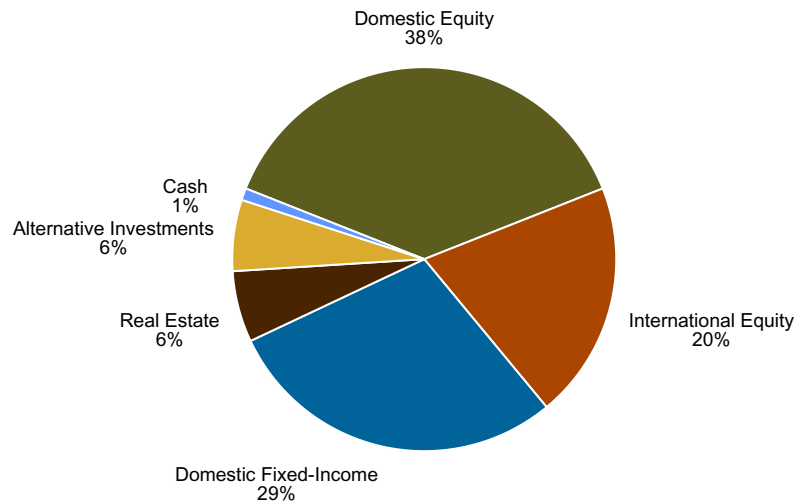
Actual vs Target Asset Allocation

The first chart below shows the Fund's asset allocation as of May 31, 2013. The second chart shows the Fund's 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	13,339	44.3%	38.0%	6.3%	1,896
International Equity	6,171	20.5%	20.0%	0.5%	148
Domestic Fixed-Income	8,386	27.8%	29.0%	(1.2%)	(347)
Real Estate	862	2.9%	6.0%	(3.1%)	(944)
Alternative Investments	1,231	4.1%	6.0%	(1.9%)	(576)
Cash	125	0.4%	1.0%	(0.6%)	(176)
Total	30,114	100.0%	100.0%		

* Current Month Target = 38.0% US Total Stock Market Idx, 29.0% Barclays Aggregate Index, 20.0% MSCI ACWI x US (Net), 6.0% NFI-ODCE Value Weight Gr+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 May 31, 2013, with the distribution as of April 30, 2013.

Asset Distribution Across Investment Managers

	May 31, 2013		April 30, 2013	
	Market Value	Percent	Market Value	Percent
Domestic Equity	\$13,339,414,287	44.30%	\$12,964,316,038	43.14%
Large Cap Growth				
BlackRock LCG	661,510,070	2.20%	648,129,259	2.16%
Holland	872,073,454	2.90%	844,231,130	2.81%
NTGI S&P 500 Growth Idx	812,832,453	2.70%	795,349,029	2.65%
Sands	926,985,857	3.08%	907,410,033	3.02%
Vision	65,194,834	0.22%	63,686,445	0.21%
Large Cap Value				
Dodge & Cox	865,225,934	2.87%	840,496,527	2.80%
BMO	921,297,541	3.06%	897,544,572	2.99%
LSV	922,149,231	3.06%	883,444,451	2.94%
NTGI S&P 500 Value Idx	853,951,244	2.84%	832,861,831	2.77%
Large Cap Core				
Piedmont	158,443,896	0.53%	154,079,893	0.51%
Progress	526,914,396	1.75%	510,858,000	1.70%
NTGI MarketCap Index	2,393,003,316	7.95%	2,384,885,917	7.94%
Small Cap Growth				
Fortaleza	38,784,163	0.13%	37,286,328	0.12%
Frontier	609,349,201	2.02%	576,385,510	1.92%
Pyramis	645,905,259	2.14%	619,534,175	2.06%
Small Cap Value				
Channing	65,567,835	0.22%	64,147,656	0.21%
Dimensional Small Cap Value	558,383,034	1.85%	529,253,423	1.76%
Inv. Counselors of Maryland	609,289,051	2.02%	586,505,280	1.95%
Lombardia	133,954,497	0.44%	127,826,656	0.43%
Micro Cap				
Ariel	79,511,953	0.26%	75,694,567	0.25%
Ativo	37,684,977	0.13%	36,292,197	0.12%
Dimensional Micro Cap	236,638,662	0.79%	225,490,692	0.75%
Wall Street	344,763,430	1.14%	322,922,466	1.07%
International Equity	\$6,170,855,998	20.49%	\$6,277,890,434	20.89%
International Large Cap Growth				
EARNEST Partners	499,171,703	1.66%	505,098,178	1.68%
McKinley	71,781	0.00%	73,290	0.00%
William Blair	531,850,467	1.77%	536,968,804	1.79%
International Large Cap Value				
Brandes	444,927,831	1.48%	451,167,526	1.50%
Lombardia	27,425,557	0.09%	27,523,744	0.09%
Mondrian	446,177,865	1.48%	456,743,608	1.52%
Lazard	85,790,369	0.28%	87,389,349	0.29%
International Large Cap Core				
Arrowstreet	452,669,371	1.50%	458,879,889	1.53%
Brown	227,684,470	0.76%	228,113,226	0.76%
GlobeFlex	450,214,470	1.50%	461,046,797	1.53%
NTGI MSCI EAFE Index	2,144,625,050	7.12%	2,195,445,306	7.31%
International Small Cap				
AXA Rosenberg	8,913	0.00%	9,150	0.00%
Franklin Templeton	166,693,248	0.55%	166,530,993	0.55%
William Blair	192,829,972	0.64%	195,250,889	0.65%

Mondrian and Lombardia were funded 3/20/2012, Lazard was funded 3/21/2012.
Franklin Templeton Intl SC was funded 07/27/2011. BlackRock LCG was funded 07/12/2011. Vision was funded 06/17/2011.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of May 31, 2013, with the distribution as of April 30, 2013.

Asset Distribution Across Investment Managers

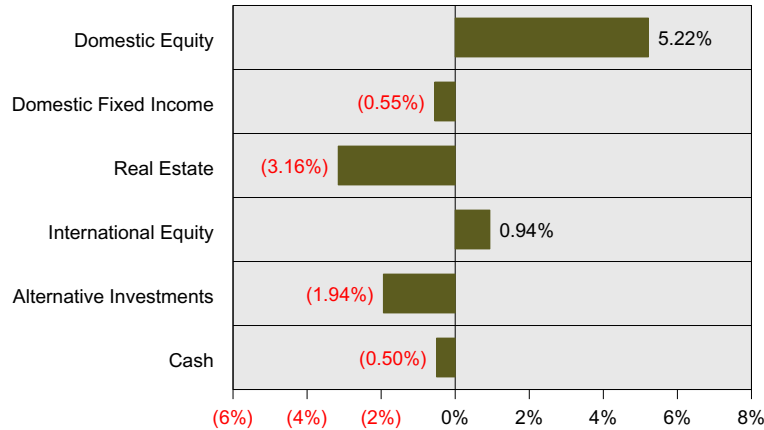
	May 31, 2013		April 30, 2013	
	Market Value	Percent	Market Value	Percent
Emerging Markets				
Genesis	500,714,931	1.66%	507,649,684	1.69%
Domestic Fixed-Income	\$8,385,629,682	27.85%	\$8,529,957,301	28.38%
Domestic Fixed Core				
EARNEST Partners	537,825,434	1.79%	547,375,683	1.82%
Piedmont	528,988,461	1.76%	538,351,393	1.79%
BlackRock Enhanced	953,739,315	3.17%	971,268,176	3.23%
NTGI BC Aggregate Index	1,393,897,153	4.63%	1,419,615,876	4.72%
Domestic Fixed Core Plus				
BlackRock Core Plus	709,580,342	2.36%	722,146,559	2.40%
LM Capital	829,272,093	2.75%	846,071,710	2.82%
Progress Fixed Income	429,606,984	1.43%	436,283,618	1.45%
Taplin, Canida, & Habacht	822,766,724	2.73%	841,079,837	2.80%
Western	1,103,218,400	3.66%	1,123,786,572	3.74%
High Yield				
MacKay Shields	525,249,664	1.74%	527,656,152	1.76%
Pyramis High Yield	551,485,112	1.83%	556,321,724	1.85%
Real Estate	\$862,467,197	2.86%	\$846,422,031	2.82%
Real Estate Core				
BlackRock Granite	74,142,252	0.25%	74,142,252	0.25%
TA Buckhead Ind. Prop.	244,372,241	0.81%	240,692,509	0.80%
Cornerstone Patriot	89,905,362	0.30%	89,905,362	0.30%
INVESCO Core RE	89,151,857	0.30%	89,151,857	0.30%
Real Estate Non-Core				
Franklin Templeton EMREFF	23,543,030	0.08%	24,466,947	0.08%
Olympus Real Estate Fund II	330,536	0.00%	330,536	0.00%
Security Capital	56,554,292	0.19%	55,643,889	0.19%
Dune II	44,988,474	0.15%	44,988,474	0.15%
Non-Core Real Estate Funds*	103,744,743	0.34%	92,099,749	0.31%
Rockwood Fund VIII	37,106,949	0.12%	37,256,623	0.12%
Almanac ARS V	47,875,738	0.16%	47,072,311	0.16%
TA Fund IX	50,751,723	0.17%	50,671,522	0.17%
Alternative Investments	\$1,230,904,249	4.09%	\$1,227,745,654	4.09%
Absolute Return				
Aurora	513,237,407	1.70%	512,090,894	1.70%
Grosvenor	1	0.00%	6,214,165	0.02%
Mesirow	6,771,155	0.02%	8,083,655	0.03%
Private Equity				
Abbott	296,540,423	0.98%	293,477,144	0.98%
Muller & Monroe ILPEFF	12,541,794	0.04%	12,051,741	0.04%
Muller & Monroe MPEFF	19,737,475	0.07%	19,282,306	0.06%
Pantheon	171,805,949	0.57%	167,834,012	0.56%
Private Equity Fund - Domestic	14,860,385	0.05%	13,435,396	0.04%
Agriculture				
Cozad/Westchester	133,017,486	0.44%	132,884,166	0.44%
Timberland				
Forest Investment Assoc.	62,392,175	0.21%	62,392,175	0.21%
Cash	\$124,700,051	0.41%	\$207,117,190	0.69%
Total Fund	\$30,113,971,464	100.0%	\$30,053,448,648	100.0%

*Non-Core Real Estate Funds funded since September 2011.

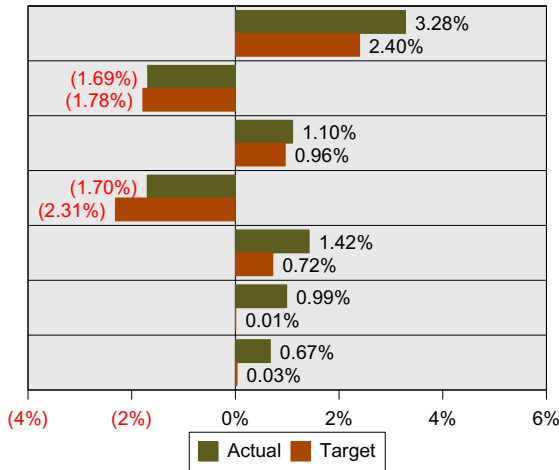
Monthly Total Fund Relative Attribution - May 31, 2013

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.

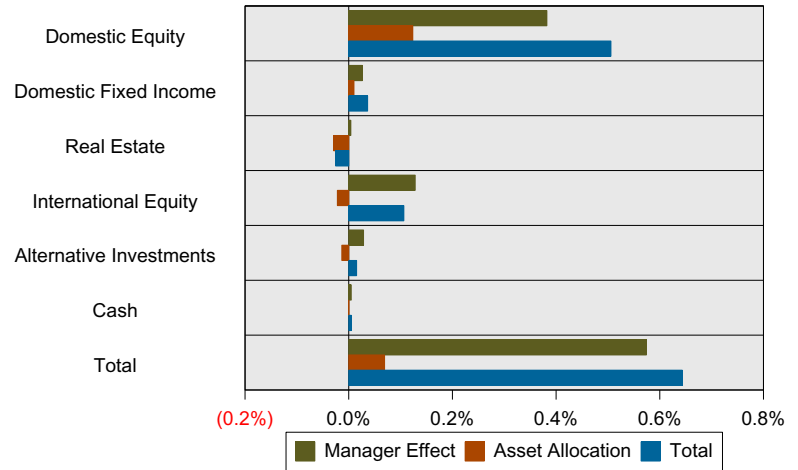
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Month ended May 31, 2013

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	43%	38%	3.28%	2.40%	0.38%	0.12%	0.51%
Domestic Fixed Income	28%	29%	(1.69%)	(1.78%)	0.03%	0.01%	0.04%
Real Estate	3%	6%	1.10%	0.96%	0.00%	(0.03%)	(0.03%)
International Equity	21%	20%	(1.70%)	(2.31%)	0.13%	(0.02%)	0.11%
Alternative Investments	4%	6%	1.42%	0.72%	0.03%	(0.01%)	0.02%
Cash	0%	1%	0.99%	0.01%	0.00%	0.00%	0.00%
Total			0.67%	0.03%	0.57%	0.07%	0.64%

* Current Month Target = 38.0% US Total Stock Market Idx, 29.0% Barclays Aggregate Index, 20.0% MSCI ACWI x US (Net), 6.0% NFI-ODCE Value Weight Gr+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 May 31, 2013

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Equity (12/31/81)	3.28%	8.47%	15.95%	29.36%
DJ U.S. Total Stock Market Index	2.40%	8.20%	15.64%	27.88%
Domestic Equity - Net (12/31/04)	3.26%	8.41%	15.81%	29.05%
International Equity (08/31/86)	(1.70%)	3.50%	7.49%	29.87%
MSCI ACWI x US (Net)	(2.31%)	1.48%	4.49%	25.79%
International Equity - Net (12/31/04)	(1.76%)	3.43%	7.35%	29.47%
Domestic Fixed-Income (12/31/81)	(1.69%)	(0.33%)	(0.08%)	3.95%
BC Aggregate Index	(1.78%)	(0.71%)	(0.91%)	0.91%
Domestic Fixed-Inc. - Net (12/31/04)	(1.70%)	(0.38%)	(0.17%)	3.74%
Real Estate (04/30/85)	1.10%	2.87%	4.64%	11.45%
Blended Benchmark**	0.96%	2.91%	4.89%	11.64%
Real Estate - Net (12/31/04)	1.10%	2.72%	4.49%	10.90%
Alternative Investments (01/31/86)	1.42%	2.90%	5.20%	8.64%
Alternatives Custom Benchmark***	0.72%	2.18%	3.66%	9.00%
Alternative Investments - Net (12/31/04)	1.40%	2.85%	6.23%	8.51%
Absolute Return (12/31/01)	0.23%	1.39%	3.50%	7.06%
HFR Fund-of-Funds Index	0.70%	2.36%	4.84%	8.42%
Private Equity (01/31/86)	3.22%	5.33%	5.49%	7.95%
Alternatives Custom Benchmark***	0.72%	2.18%	3.66%	9.00%
Agriculture (09/30/97)	(0.00%)	0.12%	15.90%	28.69%
Blended Benchmark**	0.96%	2.91%	4.89%	11.64%
Timberland (09/30/92)	(0.25%)	1.91%	(1.74%)	(4.70%)
Blended Benchmark**	0.96%	2.91%	4.89%	11.64%
Total Fund (12/31/81)	0.67%	4.44%	8.47%	19.67%
Total Fund Benchmark	0.03%	3.48%	6.95%	16.78%
Total Fund - Net (12/31/04)	0.65%	4.39%	8.41%	19.41%

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

** The Blended Benchmark is currently ODCE Value Weigh Index+1%. Returns between January 1, 2007 and December 31, 2012 reflect NPI+1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%.

Given that ODCE returns are updated quarterly, an approximation of the Index is used in the monthly reports.

*** 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 May 31, 2013

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Equity (12/31/81)	17.07%	6.03%	8.94%	11.52%
DJ U.S. Total Stock Market Index	16.97%	5.87%	8.36%	11.13%
Domestic Equity - Net (12/31/04)	16.78%	5.77%	-	6.35%
International Equity (08/31/86)	11.68%	(0.42%)	10.28%	8.21%
MSCI ACWI x US (Net)	9.13%	(1.62%)	9.40%	-
International Equity - Net (12/31/04)	11.35%	(0.73%)	-	5.68%
Domestic Fixed-Income (12/31/81)	6.46%	7.08%	5.76%	9.14%
BC Aggregate Index	4.59%	5.50%	4.66%	8.51%
Domestic Fixed-Inc. - Net (12/31/04)	6.29%	6.93%	-	5.75%
Real Estate (04/30/85)	13.24%	(0.20%)	5.85%	4.44%
Blended Benchmark**	14.18%	3.64%	6.43%	7.40%
Real Estate - Net (12/31/04)	13.06%	(0.30%)	-	5.20%
Alternative Investments (01/31/86)	7.49%	2.98%	8.57%	10.92%
Alternatives Custom Benchmark***	9.08%	10.24%	11.17%	13.56%
Alternative Investments - Net (12/31/04)	7.27%	2.72%	-	7.56%
Absolute Return (12/31/01)	3.30%	0.72%	4.64%	4.68%
HFR Fund-of-Funds Index	3.18%	(0.50%)	3.66%	3.76%
Private Equity (01/31/86)	10.26%	3.77%	11.60%	12.99%
Alternatives Custom Benchmark***	9.08%	10.24%	11.17%	13.56%
Agriculture (09/30/97)	15.82%	9.48%	10.31%	7.37%
Blended Benchmark**	14.18%	3.64%	6.43%	6.73%
Timberland (09/30/92)	0.26%	2.10%	3.15%	8.51%
Blended Benchmark**	14.18%	3.64%	6.43%	6.94%
Total Fund (12/31/81)	12.05%	5.84%	8.43%	10.19%
Total Fund Benchmark	11.28%	5.43%	7.70%	-
Total Fund - Net (12/31/04)	11.81%	5.62%	-	6.64%

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

** The Blended Benchmark is currently ODCE Value Weigh Index+1%. Returns between January 1, 2007 and December 31, 2012 reflect NPI+1%. Returns prior to January 1, 2007, reflect those of the Consumer Price Index +5%.

Given that ODCE returns are updated quarterly, an approximation of the Index is used in the monthly reports.

*** 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 May 31, 2013

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Large Cap Equity (12/31/81)	2.73%	8.23%	15.34%	28.31%
Russell 1000 Index	2.22%	8.09%	15.48%	27.62%
Large Cap Growth (12/31/81)	2.45%	6.92%	12.41%	21.59%
BlackRock LCG (07/31/11)	2.06%	5.98%	9.85%	19.82%
LCG Blended Benchmark*	1.86%	7.92%	13.95%	22.55%
Russell 1000 Growth Index	1.86%	7.92%	13.95%	22.55%
BlackRock LCG - Net (07/31/11)	2.06%	5.98%	9.76%	19.49%
Holland (10/31/94)	3.30%	6.93%	14.05%	21.34%
LCG Blended Benchmark*	1.86%	7.92%	13.95%	22.55%
Russell 1000 Growth Index	1.86%	7.92%	13.95%	22.55%
Holland - Net (12/31/04)	3.30%	6.87%	13.93%	21.05%
NTGI S&P 500 Growth Idx (07/31/01)	2.20%	8.24%	14.05%	23.28%
S&P/Citi 500 Growth Index	2.20%	8.24%	14.03%	23.18%
NTGI S&P 500 Growth Idx - Net (12/31/04)	2.20%	8.24%	14.04%	23.27%
Sands (10/31/03)	2.16%	6.40%	11.30%	21.13%
LCG Blended Benchmark*	1.86%	7.92%	13.95%	22.55%
Russell 1000 Growth Index	1.86%	7.92%	13.95%	22.55%
Sands - Net (12/31/04)	2.10%	6.34%	11.17%	20.84%
Vision (06/30/11)	2.37%	7.46%	13.02%	22.61%
LCG Blended Benchmark*	1.86%	7.92%	13.95%	22.55%
Russell 1000 Growth Index	1.86%	7.92%	13.95%	22.55%
Vision - Net (06/30/11)	2.37%	7.31%	12.71%	21.92%
Large Cap Value (09/30/82)	3.14%	9.53%	17.97%	35.90%
Dodge & Cox (08/31/03)	2.95%	9.61%	17.35%	37.79%
LCV Blended Benchmark**	2.57%	8.24%	16.93%	32.71%
Russell 1000 Value Index	2.57%	8.24%	16.93%	32.71%
Dodge & Cox - Net (12/31/04)	2.95%	9.56%	17.24%	37.54%
BMO (01/31/01)	2.65%	8.79%	17.47%	33.71%
LCV Blended Benchmark**	2.57%	8.24%	16.93%	32.71%
Russell 1000 Value Index	2.57%	8.24%	16.93%	32.71%
BMO - Net (12/31/04)	2.59%	8.74%	17.35%	33.42%
LSV (01/31/03)	4.38%	11.40%	20.52%	40.18%
LCV Blended Benchmark**	2.57%	8.24%	16.93%	32.71%
Russell 1000 Value Index	2.57%	8.24%	16.93%	32.71%
LSV - Net (12/31/04)	4.32%	11.34%	20.37%	39.83%
NTGI S&P 500 Value Idx (07/31/99)	2.53%	8.25%	16.47%	32.17%
S&P/Citi 500 Value Index	2.49%	8.21%	16.81%	32.14%
NTGI S&P 500 Value Idx - Net (12/31/04)	2.53%	8.25%	16.46%	32.16%

* 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 May 31, 2013

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Equity (12/31/81)	17.08%	5.62%	8.19%	10.99%
Russell 1000 Index	16.92%	5.57%	7.96%	11.31%
Large Cap Growth (12/31/81)	17.29%	6.75%	7.96%	11.41%
BlackRock LCG (07/31/11)	-	-	-	7.41%
LCG Blended Benchmark*	17.20%	6.28%	7.48%	14.15%
Russell 1000 Growth Index	17.20%	6.28%	7.75%	14.15%
BlackRock LCG - Net (07/31/11)	-	-	-	7.15%
Holland (10/31/94)	17.29%	7.74%	8.36%	9.88%
LCG Blended Benchmark*	17.20%	6.28%	7.48%	9.02%
Russell 1000 Growth Index	17.20%	6.28%	7.75%	8.12%
Holland - Net (12/31/04)	16.95%	7.44%	-	6.33%
LCG Blended Benchmark*	17.20%	6.28%	7.48%	6.78%
Russell 1000 Growth Index	17.20%	6.28%	7.75%	6.97%
NTGI S&P 500 Growth Idx (07/31/01)	17.70%	6.67%	7.59%	4.58%
S&P/Citi 500 Growth Index	17.67%	6.64%	7.56%	4.54%
NTGI S&P 500 Growth Idx - Net (12/31/04)	17.69%	6.66%	-	6.44%
S&P/Citi 500 Growth Index	17.67%	6.64%	7.56%	6.86%
Sands (10/31/03)	22.50%	11.02%	-	10.51%
LCG Blended Benchmark*	17.20%	6.28%	7.48%	7.25%
Russell 1000 Growth Index	17.20%	6.28%	7.75%	7.45%
Sands - Net (12/31/04)	22.20%	10.73%	-	8.26%
LCG Blended Benchmark*	17.20%	6.28%	7.48%	6.78%
Russell 1000 Growth Index	17.20%	6.28%	7.75%	6.97%
Vision (06/30/11)	-	-	-	13.03%
LCG Blended Benchmark*	17.20%	6.28%	7.48%	12.90%
Russell 1000 Growth Index	17.20%	6.28%	7.75%	12.90%
Vision - Net (06/30/11)	-	-	-	12.43%
Large Cap Value (09/30/82)	17.18%	4.70%	8.48%	10.19%
Dodge & Cox (08/31/03)	17.29%	4.87%	-	8.39%
LCV Blended Benchmark**	16.59%	4.73%	7.84%	7.66%
Russell 1000 Value Index	16.59%	4.73%	8.02%	7.86%
Dodge & Cox - Net (12/31/04)	17.05%	4.64%	-	5.38%
LCV Blended Benchmark**	16.59%	4.73%	7.84%	5.73%
Russell 1000 Value Index	16.59%	4.73%	8.02%	5.89%
BMO (01/31/01)	17.97%	4.24%	9.51%	6.93%
LCV Blended Benchmark**	16.59%	4.73%	7.84%	4.15%
Russell 1000 Value Index	16.59%	4.73%	8.02%	5.31%
BMO - Net (12/31/04)	17.70%	3.99%	-	6.57%
LCV Blended Benchmark**	16.59%	4.73%	7.84%	5.73%
Russell 1000 Value Index	16.59%	4.73%	8.02%	5.89%
LSV (01/31/03)	17.81%	6.05%	9.90%	10.59%
LCV Blended Benchmark**	16.59%	4.73%	7.84%	8.64%
Russell 1000 Value Index	16.59%	4.73%	8.02%	8.69%
LSV - Net (12/31/04)	17.50%	5.76%	-	6.56%
LCV Blended Benchmark**	16.59%	4.73%	7.84%	5.73%
Russell 1000 Value Index	16.59%	4.73%	8.02%	5.89%
NTGI S&P 500 Value Idx (07/31/99)	16.22%	4.18%	7.58%	3.85%
S&P/Citi 500 Value Index	16.16%	4.16%	7.54%	3.85%
NTGI S&P 500 Value Idx - Net (12/31/04)	16.21%	4.18%	-	5.02%
S&P/Citi 500 Value Index	16.16%	4.16%	7.54%	5.38%

* The LCG Blended Benchmark is currently the Russell 1000 Growth Index. Returns prior to January 1, 2006, reflect those 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 May 31, 2013

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Large Cap Active Core (12/31/04)	3.07%	7.99%	15.37%	27.46%
Piedmont (05/31/11)	2.83%	7.77%	13.53%	24.41%
Russell 1000 Index	2.22%	8.09%	15.48%	27.62%
Piedmont - Net (05/31/11)	2.83%	7.67%	13.31%	23.92%
Progress (01/31/05)	3.14%	8.05%	15.93%	28.40%
DJ U.S. Total Stock Market Index	2.40%	8.20%	15.64%	27.88%
Progress - Net (01/31/05)	3.14%	7.89%	15.59%	27.64%
Large Cap Passive Core (12/31/84)	2.44%	8.26%	15.71%	27.98%
NTGI MarketCap Idx (01/31/85)	2.44%	8.26%	15.71%	27.98%
DJ U.S. Total Stock Market Index	2.40%	8.20%	15.64%	27.88%
NTGI MarketCap Idx - Net (12/31/04)	2.44%	8.26%	15.71%	27.97%

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 May 31, 2013

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Active Core (12/31/04)	15.96%	4.87%	-	6.08%
Piedmont (05/31/11)	-	-	-	9.67%
Russell 1000 Index	16.92%	5.57%	7.96%	12.27%
Piedmont - Net (05/31/11)	-	-	-	9.24%
Progress (01/31/05)	16.06%	4.93%	-	6.17%
DJ U.S. Total Stock Market Index	16.97%	5.87%	8.36%	6.34%
Progress - Net (01/31/05)	15.37%	4.30%	-	5.55%
Large Cap Passive Core (12/31/84)	16.96%	5.75%	8.24%	10.90%
NTGI MarketCap Idx (01/31/85)	17.00%	5.77%	8.25%	10.93%
DJ U.S. Total Stock Market Index	16.97%	5.87%	8.36%	10.90%
NTGI MarketCap Idx - Net (12/31/04)	16.99%	5.77%	-	6.15%
DJ U.S. Total Stock Market Index	16.97%	5.87%	8.36%	6.72%

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 May 31, 2013

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Small Cap Equity (06/30/88)	4.95%	9.17%	17.78%	32.60%
Russell 2000 Index	4.00%	8.40%	16.45%	31.07%
Small Cap Growth (06/30/88)	4.93%	8.99%	17.90%	31.70%
Fortaleza (11/30/06)	4.02%	6.36%	14.22%	23.59%
Russell 2000 Growth Index	5.07%	9.71%	18.17%	30.86%
Fortaleza - Net (11/30/06)	4.02%	6.22%	13.95%	22.83%
Frontier (07/31/88)	5.72%	9.73%	17.39%	29.83%
Russell 2000 Growth Index	5.07%	9.71%	18.17%	30.86%
Frontier - Net (12/31/04)	5.72%	9.59%	17.11%	29.20%
Pyramis (07/31/88)	4.26%	8.46%	18.63%	34.05%
Russell 2000 Growth Index	5.07%	9.71%	18.17%	30.86%
Pyramis - Net (12/31/04)	4.26%	8.33%	18.40%	33.63%
Small Cap Value (08/31/89)	4.55%	7.97%	16.27%	33.71%
Channing (06/30/11)	2.21%	6.50%	13.87%	38.89%
Russell 2000 Value Index	2.99%	7.17%	14.85%	31.31%
Channing - Net (06/30/11)	2.21%	6.31%	13.45%	37.84%
DFA Small Cap Value (01/31/96)	5.50%	9.52%	18.64%	39.71%
Russell 2000 Value Index	2.99%	7.17%	14.85%	31.31%
DFA Small Cap Value - Net (12/31/04)	5.38%	9.39%	18.36%	39.03%
Inv. Counselors of Maryland (04/30/99)	3.88%	6.21%	13.88%	28.13%
Russell 2000 Value Index	2.99%	7.17%	14.85%	31.31%
Inv. Couns. of Maryland - Net (12/31/04)	3.88%	6.11%	13.66%	27.64%
Lombardia (05/31/11)	4.79%	10.51%	18.95%	33.86%
Russell 2000 Value Index	2.99%	7.17%	14.85%	31.31%
Lombardia - Net (05/31/11)	4.79%	10.32%	18.56%	32.97%
Micro Cap (06/30/84)	5.79%	11.98%	20.61%	32.11%
Ariel (10/31/10)	5.06%	13.10%	21.31%	30.98%
Russell 2000 Value Index	2.99%	7.17%	14.85%	31.31%
Russell 2000 Index	4.00%	8.40%	16.45%	31.07%
Russell Microcap Index	4.45%	10.14%	17.53%	32.59%
Ariel - Net (10/31/10)	5.06%	12.87%	20.83%	29.96%
Ativo (09/30/10)	3.86%	12.57%	23.80%	37.56%
Russell 2000 Growth Index	5.07%	9.71%	18.17%	30.86%
Russell 2000 Index	4.00%	8.40%	16.45%	31.07%
Russell Microcap Index	4.45%	10.14%	17.53%	32.59%
Ativo - Net (09/30/10)	3.86%	12.37%	23.36%	36.49%
DFA Micro Cap (07/31/87)	4.94%	9.02%	16.62%	33.29%
Russell 2000 Value Index	2.99%	7.17%	14.85%	31.31%
Russell 2000 Index	4.00%	8.40%	16.45%	31.07%
DFA Micro Cap - Net (12/31/04)	4.82%	8.89%	16.34%	32.64%
Wall Street (07/31/90)	6.77%	13.77%	22.98%	31.01%
Russell 2000 Growth Index	5.07%	9.71%	18.17%	30.86%
Russell 2000 Index	4.00%	8.40%	16.45%	31.07%
Wall Street - Net (12/31/04)	6.77%	13.56%	22.53%	30.04%

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 May 31, 2013

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Small Cap Equity (06/30/88)	17.10%	8.17%	12.65%	12.66%
Russell 2000 Index	15.72%	7.15%	9.78%	9.66%
Small Cap Growth (06/30/88)	17.00%	7.67%	12.56%	13.31%
Fortaleza (11/30/06)	19.25%	6.38%	-	5.61%
Russell 2000 Growth Index	17.46%	7.69%	9.90%	6.71%
Fortaleza - Net (11/30/06)	18.63%	5.83%	-	5.09%
Frontier (07/31/88)	15.93%	8.62%	11.81%	13.34%
Russell 2000 Growth Index	17.46%	7.69%	9.90%	7.51%
Frontier - Net (12/31/04)	15.25%	7.84%	-	8.53%
Russell 2000 Growth Index	17.46%	7.69%	9.90%	7.41%
Pyramis (07/31/88)	17.76%	8.08%	13.97%	13.96%
Russell 2000 Growth Index	17.46%	7.69%	9.90%	7.51%
Pyramis - Net (12/31/04)	17.12%	7.50%	-	10.39%
Russell 2000 Growth Index	17.46%	7.69%	9.90%	7.41%
Small Cap Value (08/31/89)	16.09%	7.88%	11.81%	12.35%
Channing (06/30/11)	-	-	-	13.44%
Russell 2000 Value Index	13.97%	6.51%	9.53%	11.63%
Channing - Net (06/30/11)	-	-	-	12.59%
DFA Small Cap Value (01/31/96)	17.87%	9.97%	13.05%	13.14%
Russell 2000 Value Index	13.97%	6.51%	9.53%	9.94%
DFA Small Cap Value - Net (12/31/04)	17.31%	9.43%	-	7.42%
Russell 2000 Value Index	13.97%	6.51%	9.53%	5.94%
Inv. Counselors of Maryland (04/30/99)	14.82%	6.67%	11.16%	12.32%
Russell 2000 Value Index	13.97%	6.51%	9.53%	9.99%
Inv. Couns. of Maryland - Net (12/31/04)	14.31%	6.13%	-	7.26%
Russell 2000 Value Index	13.97%	6.51%	9.53%	5.94%
Lombardia (05/31/11)	-	-	-	11.17%
Russell 2000 Value Index	13.97%	6.51%	9.53%	9.74%
Lombardia - Net (05/31/11)	-	-	-	10.47%
Micro Cap (06/30/84)	18.24%	8.09%	11.49%	12.31%
Ariel (10/31/10)	-	-	-	17.11%
Russell 2000 Value Index	13.97%	6.51%	9.53%	14.63%
Russell 2000 Index	15.72%	7.15%	9.78%	15.47%
Russell Microcap Index	14.64%	6.35%	8.21%	15.26%
Ariel - Net (10/31/10)	-	-	-	16.18%
Ativo (09/30/10)	-	-	-	15.43%
Russell 2000 Growth Index	17.46%	7.69%	9.90%	17.57%
Russell 2000 Index	15.72%	7.15%	9.78%	16.69%
Russell Microcap Index	14.64%	6.35%	8.21%	17.14%
Ativo - Net (09/30/10)	-	-	-	14.57%
DFA Micro Cap (07/31/87)	17.42%	8.96%	11.32%	11.38%
Russell 2000 Value Index	13.97%	6.51%	9.53%	10.31%
Russell 2000 Index	15.72%	7.15%	9.78%	8.75%
DFA Micro Cap - Net (12/31/04)	16.86%	8.44%	-	6.36%
Russell 2000 Growth Index	17.46%	7.69%	9.90%	7.41%
Russell 2000 Index	15.72%	7.15%	9.78%	6.73%
Wall Street (07/31/90)	19.43%	8.14%	11.89%	14.44%
Russell 2000 Growth Index	17.46%	7.69%	9.90%	7.34%
Russell 2000 Index	15.72%	7.15%	9.78%	9.54%
Wall Street - Net (12/31/04)	18.53%	7.30%	-	6.76%
Russell 2000 Growth Index	17.46%	7.69%	9.90%	7.41%
Russell 2000 Index	15.72%	7.15%	9.78%	6.73%

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 May 31, 2013

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Equity (08/31/86)	(1.81%)	3.92%	7.98%	30.89%
MSCI ACWI ex-US Index	(2.31%)	1.48%	4.49%	25.79%
Intl Large Cap Growth (08/31/02)	(1.06%)	2.08%	5.99%	28.89%
EARNEST Partners (09/30/04)	(1.17%)	0.27%	3.97%	27.93%
MSCI ACWI ex-US Index	(2.31%)	1.48%	4.49%	25.79%
MSCI ACWI ex-US Growth	(1.84%)	2.05%	5.88%	25.23%
EARNEST Partners - Net (12/31/04)	(1.22%)	0.22%	3.87%	27.29%
William Blair (09/30/02)	(0.95%)	3.84%	7.97%	29.81%
MSCI ACWI ex-US Index	(2.31%)	1.48%	4.49%	25.79%
MSCI ACWI ex-US Growth	(1.84%)	2.05%	5.88%	25.23%
William Blair - Net (12/31/04)	(1.04%)	3.74%	7.77%	29.33%
Intl Large Cap Value (09/30/95)	(1.81%)	5.72%	8.56%	29.11%
Brandes (12/31/95)	(1.38%)	7.69%	10.72%	30.94%
MSCI ACWI ex-US Index	(2.31%)	1.48%	4.49%	25.79%
MSCI ACWI ex-US Value	(2.61%)	1.38%	3.67%	27.48%
Brandes - Net (12/31/04)	(1.43%)	7.64%	10.60%	30.66%
Lombardia (3/31/12)	(0.36%)	4.42%	7.18%	39.94%
MSCI ACWI ex-US Index	(2.31%)	1.48%	4.49%	25.79%
MSCI ACWI ex-US Value	(2.61%)	1.38%	3.67%	27.48%
Lombardia - Net (3/31/12)	(0.50%)	4.27%	6.99%	39.29%
Mondrian (3/31/12)	(2.31%)	4.56%	6.92%	26.83%
MSCI ACWI ex-US Index	(2.31%)	1.48%	4.49%	25.79%
MSCI ACWI ex-US Value	(2.61%)	1.38%	3.67%	27.48%
Mondrian - Net (3/31/12)	(2.44%)	4.42%	6.66%	26.20%
Lazard (3/31/12)	(1.83%)	2.35%	6.73%	31.67%
MSCI ACWI ex-US Index	(2.31%)	1.48%	4.49%	25.79%
MSCI ACWI ex-US Value	(2.61%)	1.38%	3.67%	27.48%
Lazard - Net (3/31/12)	(1.89%)	2.29%	6.60%	31.35%

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 May 31, 2013

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Equity (08/31/86)	11.66%	(0.80%)	9.66%	8.20%
MSCI ACWI ex-US Index	9.13%	(1.62%)	9.40%	-
Intl Large Cap Growth (08/31/02)	12.62%	(0.54%)	10.78%	10.08%
EARNEST Partners (09/30/04)	12.06%	2.98%	-	12.78%
MSCI ACWI ex-US Index	9.13%	(1.62%)	9.40%	7.29%
MSCI ACWI ex-US Growth	10.32%	(1.32%)	9.31%	7.89%
EARNEST Partners - Net (12/31/04)	11.57%	2.50%	-	10.35%
MSCI ACWI ex-US Index	9.13%	(1.62%)	9.40%	5.85%
MSCI ACWI ex-US Growth	10.32%	(1.32%)	9.31%	6.49%
William Blair (09/30/02)	14.30%	0.51%	11.13%	10.49%
MSCI ACWI ex-US Index	9.13%	(1.62%)	9.40%	9.01%
MSCI ACWI ex-US Growth	10.32%	(1.32%)	9.31%	8.99%
William Blair - Net (12/31/04)	13.87%	0.12%	-	6.66%
MSCI ACWI ex-US Index	9.13%	(1.62%)	9.40%	5.85%
MSCI ACWI ex-US Growth	10.32%	(1.32%)	9.31%	6.49%
Intl Large Cap Value (09/30/95)	8.79%	(1.43%)	9.32%	9.89%
Brandes (12/31/95)	8.99%	(1.32%)	9.38%	9.97%
MSCI ACWI ex-US Index	9.13%	(1.62%)	9.40%	5.54%
MSCI ACWI ex-US Value	8.88%	(1.05%)	10.38%	-
Brandes - Net (12/31/04)	8.74%	(1.58%)	-	3.63%
MSCI ACWI ex-US Index	9.13%	(1.62%)	9.40%	5.85%
MSCI ACWI ex-US Value	8.88%	(1.05%)	10.38%	6.12%
Lombardia (3/31/12)	-	-	-	15.39%
MSCI ACWI ex-US Index	9.13%	(1.62%)	9.40%	8.30%
MSCI ACWI ex-US Value	8.88%	(1.05%)	10.38%	8.57%
Lombardia - Net (3/31/12)	-	-	-	14.90%
Mondrian (3/31/12)	-	-	-	9.27%
MSCI ACWI ex-US Index	9.13%	(1.62%)	9.40%	8.30%
MSCI ACWI ex-US Value	8.88%	(1.05%)	10.38%	8.57%
Mondrian - Net (3/31/12)	-	-	-	8.78%
Lazard (3/31/12)	-	-	-	13.67%
MSCI ACWI ex-US Index	9.13%	(1.62%)	9.40%	8.30%
MSCI ACWI ex-US Value	8.88%	(1.05%)	10.38%	8.57%
Lazard - Net (3/31/12)	-	-	-	13.43%

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 May 31, 2013

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Active Core (01/31/08)	(1.52%)	4.23%	8.83%	31.76%
Arrowstreet (02/29/08)	(1.35%)	4.41%	8.85%	35.15%
MSCI ACWI ex-US Index	(2.31%)	1.48%	4.49%	25.79%
Arrowstreet - Net (02/29/08)	(1.47%)	4.29%	8.60%	34.53%
Brown (09/30/04)	(0.19%)	6.84%	13.09%	34.46%
MSCI ACWI ex-US Index	(2.31%)	1.48%	4.49%	25.79%
Brown - Net (12/31/04)	(0.25%)	6.77%	12.95%	33.90%
GlobeFlex (02/28/06)	(2.35%)	2.77%	6.79%	27.25%
MSCI ACWI ex-US Index	(2.31%)	1.48%	4.49%	25.79%
GlobeFlex - Net (02/28/06)	(2.45%)	2.67%	6.57%	26.72%
Intl Large Cap Pass. Core (12/31/99)	(2.31%)	3.82%	8.27%	32.21%
NTGI MSCI EAFE Idx (01/31/00)	(2.31%)	3.82%	8.27%	32.21%
MSCI EAFE Index	(2.41%)	3.51%	7.94%	31.62%
NTGI EAFE Idx - Net (12/31/04)	(2.31%)	3.82%	7.29%	31.01%
International Small Cap (11/30/05)	(0.62%)	4.58%	10.91%	30.42%
Franklin Templeton (07/31/11)	0.10%	3.75%	11.20%	31.33%
ACWI Small Cap ex US	(1.96%)	2.28%	7.28%	26.23%
Franklin Templeton - Net (07/31/11)	(0.09%)	3.56%	10.80%	30.36%
William Blair (08/31/10)	(1.24%)	5.30%	10.67%	29.64%
ACWI Small Cap ex US	(1.96%)	2.28%	7.28%	26.23%
Intl SC Blended Benchmark	(1.96%)	2.28%	7.28%	26.23%
William Blair - Net (08/31/10)	(1.43%)	5.10%	10.24%	28.64%
Emerging Markets (01/31/92)	(1.32%)	(1.45%)	0.42%	19.70%
Genesis (04/30/04)	(1.32%)	(1.45%)	0.42%	19.70%
MSCI Emerging Markets Index	(2.52%)	(3.42%)	(3.29%)	14.50%
Genesis - Net (12/31/04)	(1.37%)	(1.60%)	0.09%	18.88%

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 May 31, 2013

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Active Core (01/31/08)	13.06%	1.65%	-	2.36%
Arrowstreet (02/29/08)	12.90%	1.56%	-	2.31%
MSCI ACWI ex-US Index	9.13%	(1.62%)	9.40%	(0.02%)
Arrowstreet - Net (02/29/08)	12.36%	1.06%	-	1.84%
Brown (09/30/04)	11.77%	2.86%	-	8.72%
MSCI ACWI ex-US Index	9.13%	(1.62%)	9.40%	7.29%
Brown - Net (12/31/04)	11.26%	2.47%	-	6.21%
MSCI ACWI ex-US Index	9.13%	(1.62%)	9.40%	5.85%
GlobeFlex (02/28/06)	13.75%	(1.52%)	-	3.65%
MSCI ACWI ex-US Index	9.13%	(1.62%)	9.40%	3.05%
GlobeFlex - Net (02/28/06)	13.26%	(1.96%)	-	3.19%
Intl Large Cap Pass. Core (12/31/99)	11.36%	(1.19%)	8.73%	2.63%
NTGI MSCI EAFE Idx (01/31/00)	11.35%	(1.21%)	8.72%	2.64%
MSCI EAFE Index	11.00%	(1.60%)	8.32%	2.25%
NTGI EAFE Idx - Net (12/31/04)	11.01%	(1.39%)	-	4.54%
MSCI EAFE Index	11.00%	(1.60%)	8.32%	4.79%
International Small Cap (11/30/05)	15.02%	(1.41%)	-	3.41%
Franklin Templeton (07/31/11)	-	-	-	6.23%
ACWI Small Cap ex US	10.94%	1.87%	12.35%	1.13%
Franklin Templeton - Net (07/31/11)	-	-	-	5.50%
William Blair (08/31/10)	-	-	-	15.11%
ACWI Small Cap ex US	10.94%	1.87%	12.35%	9.72%
Intl SC Blended Benchmark	11.76%	0.32%	11.35%	10.95%
William Blair - Net (08/31/10)	-	-	-	12.26%
Emerging Markets (01/31/92)	10.31%	4.89%	18.36%	10.35%
Genesis (04/30/04)	10.31%	4.89%	-	15.07%
MSCI Emerging Markets Index	5.74%	(0.90%)	15.40%	11.37%
Genesis - Net (12/31/04)	9.62%	4.23%	-	13.04%
MSCI Emerging Markets Index	5.74%	(0.90%)	15.40%	11.12%

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 May 31, 2013

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Dom. Fixed Active Core (03/31/01)	(1.74%)	(0.60%)	(0.34%)	2.50%
EARNEST Partners (04/30/05)	(1.74%)	(0.57%)	(0.16%)	2.38%
BC Aggregate Index	(1.78%)	(0.71%)	(0.91%)	0.91%
EARNEST Partners - Net (04/30/05)	(1.80%)	(0.62%)	(0.26%)	2.17%
Piedmont (05/31/05)	(1.74%)	(0.62%)	(0.52%)	2.62%
BC Aggregate Index	(1.78%)	(0.71%)	(0.91%)	0.91%
Piedmont - Net (05/31/05)	(1.74%)	(0.66%)	(0.64%)	2.41%
Dom. Fixed Enhanced Core (03/31/00)	(1.80%)	(0.84%)	(1.05%)	1.40%
BlackRock Enhanced (04/30/00)	(1.80%)	(0.84%)	(1.05%)	1.40%
BC Aggregate Index	(1.78%)	(0.71%)	(0.91%)	0.91%
BlackRock Enhanced - Net (12/31/04)	(1.82%)	(0.98%)	(1.19%)	1.20%
Dom. Fixed Passive Core (12/31/89)	(1.81%)	(0.77%)	(0.96%)	0.90%
NTGI BC Agg. Index (01/31/90)	(1.81%)	(0.77%)	(0.96%)	0.90%
BC Aggregate Index	(1.78%)	(0.71%)	(0.91%)	0.91%
NTGI BC Agg. Index - Net (12/31/04)	(1.81%)	(0.77%)	(0.97%)	0.90%

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 May 31, 2013

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Dom. Fixed Active Core (03/31/01)	5.88%	6.45%	4.55%	5.24%
EARNEST Partners (04/30/05)	5.68%	6.48%	-	5.73%
BC Aggregate Index	4.59%	5.50%	4.66%	5.25%
EARNEST Partners - Net (04/30/05)	5.47%	6.26%	-	5.52%
Piedmont (05/31/05)	5.79%	6.22%	-	5.26%
BC Aggregate Index	4.59%	5.50%	4.66%	5.14%
Piedmont - Net (05/31/05)	5.60%	6.03%	-	5.05%
Dom. Fixed Enhanced Core (03/31/00)	4.87%	5.52%	4.70%	6.01%
BlackRock Enhanced (04/30/00)	4.87%	5.52%	4.70%	6.05%
BC Aggregate Index	4.59%	5.50%	4.66%	5.97%
BlackRock Enhanced - Net (12/31/04)	4.76%	5.42%	-	4.92%
BC Aggregate Index	4.59%	5.50%	4.66%	5.10%
Dom. Fixed Passive Core (12/31/89)	4.59%	5.39%	4.62%	6.71%
NTGI BC Agg. Index (01/31/90)	4.59%	5.39%	4.62%	6.74%
BC Aggregate Index	4.59%	5.50%	4.66%	6.73%
NTGI BC Agg. Index - Net (12/31/04)	4.58%	5.38%	-	4.92%
BC Aggregate Index	4.59%	5.50%	4.66%	5.10%

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 May 31, 2013

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Fixed Core Plus (12/31/81)	(1.89%)	(0.61%)	(0.51%)	3.62%
BlackRock Core Plus (03/31/07)	(1.74%)	(0.73%)	(0.86%)	1.67%
BC Aggregate Index	(1.78%)	(0.71%)	(0.91%)	0.91%
BlackRock Core Plus - Net (03/31/07)	(1.75%)	(0.75%)	(1.10%)	1.41%
LM Capital (04/30/05)	(1.99%)	(0.79%)	(0.87%)	3.38%
BC Aggregate Index	(1.78%)	(0.71%)	(0.91%)	0.91%
LM Capital - Net (04/30/05)	(1.99%)	(0.83%)	(0.95%)	3.22%
Progress Fixed Income (12/31/05)	(1.53%)	(0.33%)	(0.05%)	3.34%
BC Aggregate Index	(1.78%)	(0.71%)	(0.91%)	0.91%
Progress Fixed Inc. - Net (12/31/05)	(1.53%)	(0.41%)	(0.23%)	2.98%
Taplin, Canida, Habacht (04/30/05)	(2.18%)	(0.64%)	(0.62%)	4.92%
BC Aggregate Index	(1.78%)	(0.71%)	(0.91%)	0.91%
Taplin, Canida, Hab. - Net (04/30/05)	(2.18%)	(0.68%)	(0.68%)	4.78%
Western (10/31/01)	(1.83%)	(0.49%)	(0.10%)	4.24%
BC Aggregate Index	(1.78%)	(0.71%)	(0.91%)	0.91%
Western - Net (12/31/04)	(1.86%)	(0.52%)	(0.16%)	4.10%
High Yield (03/31/86)	(0.67%)	2.03%	3.93%	13.80%
MackKay Shields (10/31/00)	(0.46%)	1.92%	3.87%	13.09%
ML High Yield Cash Pay Index	(0.55%)	2.35%	4.21%	14.69%
MackKay Shields - Net (12/31/04)	(0.46%)	1.83%	3.78%	12.61%
Pyramis (07/31/86)	(0.87%)	2.13%	3.98%	14.48%
ML High Yield Cash Pay Index	(0.55%)	2.35%	4.21%	14.69%
Pyramis - Net (12/31/04)	(0.87%)	2.05%	3.84%	14.15%

Taplin, Canida, & Habacht moved to Core Plus October 1, 2010.

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 May 31, 2013

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Fixed Core Plus (12/31/81)	6.53%	6.78%	5.43%	8.94%
BlackRock Core Plus (03/31/07)	5.68%	6.15%	-	5.92%
BC Aggregate Index	4.59%	5.50%	4.66%	5.46%
BlackRock Core Plus - Net (03/31/07)	5.53%	6.04%	-	5.82%
LM Capital (04/30/05)	6.24%	6.65%	-	6.08%
BC Aggregate Index	4.59%	5.50%	4.66%	5.25%
LM Capital - Net (04/30/05)	6.07%	6.48%	-	5.91%
Progress Fixed Income (12/31/05)	5.79%	6.52%	-	6.25%
BC Aggregate Index	4.59%	5.50%	4.66%	5.46%
Progress Fixed Inc. - Net (12/31/05)	5.42%	6.15%	-	5.90%
Taplin, Canida, Habacht (04/30/05)	6.92%	7.09%	-	5.83%
BC Aggregate Index	4.59%	5.50%	4.66%	5.25%
Taplin, Canida, Hab. - Net (04/30/05)	6.78%	6.96%	-	5.73%
Western (10/31/01)	7.19%	7.36%	5.82%	6.46%
BC Aggregate Index	4.59%	5.50%	4.66%	5.23%
Western - Net (12/31/04)	7.04%	7.21%	-	5.60%
BC Aggregate Index	4.59%	5.50%	4.66%	5.10%
High Yield (03/31/86)	11.69%	10.80%	10.17%	10.36%
Mackay Shields (10/31/00)	11.77%	9.95%	10.06%	10.10%
ML High Yield Cash Pay Index	11.88%	10.49%	9.24%	8.42%
Mackay Shields - Net (12/31/04)	11.39%	9.56%	-	7.75%
ML High Yield Cash Pay Index	11.88%	10.49%	9.24%	8.42%
Pyramis (07/31/86)	11.62%	11.67%	10.29%	10.14%
ML High Yield Cash Pay Index	11.88%	10.49%	9.24%	8.96%
Pyramis - Net (12/31/04)	11.12%	11.25%	-	8.65%
ML High Yield Cash Pay Index	11.88%	10.49%	9.24%	8.42%

Taplin, Canida, & Habacht moved to Core Plus October 1, 2010.

Manager Summary

Five Best Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Outperformance (in % points)	Since Inception Outperformance (in % points)	
Brown	8.60	1.43	(09/30/04)
Ariel	6.46	2.48	(10/31/10)
Brandes	6.23	4.43	(12/31/95)
Ativo	5.63	-2.14	(09/30/10)
Wall Street	4.81	7.10	(07/31/90)

Five Worst Performing Portfolios vs. Benchmarks

Manager	Year-to-Date Underperformance (in % points)	Since Inception Underperformance (in % points)	
BlackRock LCG	-4.10	-6.74	(07/31/11)
Fortaleza	-3.95	-1.10	(11/30/06)
Sands	-2.65	3.26	(10/31/03)
Piedmont LC	-1.95	-2.60	(05/31/11)
Investment Counselors of Maryland	-0.97	2.33	(04/30/99)

Five Highest Returning Portfolios

Manager	Year-to-Date Return (in % points)	Since Inception Return (in % points)	
Ativo	23.80	15.43	(09/30/10)
Wall Street	22.98	14.44	(07/31/90)
Ariel	21.31	17.11	(10/31/10)
LSV	20.52	10.59	(01/31/03)
Lombardia	18.95	11.17	(05/31/11)

Five Lowest Returning Portfolios

Manager	Year-to-Date Return (in % points)	Since Inception Return (in % points)	
BlackRock Enhanced	-1.05	6.05	(04/30/00)
NT Barclays Agg	-0.96	6.74	(01/31/90)
LM Capital	-0.87	6.08	(04/30/05)
BlackRock Core Plus	-0.86	5.92	(03/31/07)
Taplin, Canida, Habacht	-0.62	5.83	(04/30/05)

Returns are shown gross of investment management fees.

Excludes Real Estate and Alternative Investments portfolios.

(13-06-02) (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 #13-05-31

Schedules - Dated June 28, 2013

- 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 April was prepared by The Northern Trust Company.

Participation of New Unit of Government (1)

Village of Harristown

County: Marion

2013 Rate: 8.89%

Effective Participation Date: July 1, 2013

Number of Participating Employees: 3

It was moved by Ms. Thompson, seconded by Mr. Nannini, to approve the items on the Consent Agenda.

Vote: Unanimous Voice Vote
Absent: Henry, Stulir

(13-06-03) (Financial Reports) The Chair presented the following financial reports for approval.

- Review of June Financial Reporting Package
- April Interim Financial Statements
- Impact of 2013 Year-To-Date Investment Income on Employer Reserves, Funding Status and Average Employer Contribution Rates
- Schedule T - Report of Expenditures

It was moved by Mr. Kuehne, seconded by Mr. Piechocinski to approve the Financial Reports as presented.

Vote: Unanimous Voice Vote
Absent: Henry, Stulir

(13-06-04) (Report of the Investment Committee) The Chair of the Investment Committee reported on the meeting held on June 28, 2013.

He reported that due to concerns related to Blackrock's organizational structure and underperformance, staff and consultant presented a recommendation to the Investment Committee to terminate the BlackRock Enhanced Index Portfolio and to transfer these funds to the Northern Trust Investments (NTI) Barclay's Aggregate Bond Index Fund.

It was the consensus of the Investment Committee to recommend the Board approve staff and consultant's recommendation.

The Chair stated that staff presented an overview of the core component of IMRF's real estate portfolio, including recommended increases to the allocations to two existing core managers and an allocation to a core manager that is an existing manager in the Fund's non-core real estate portfolio.

Next, representatives from AEW Core Property Trust (U.S.), Inc. presented a review of their firm's organizational structure, investment strategy and performance history.

It was the consensus of the Investment Committee to recommend the Board approve an increased commitment of up to \$25 million to Cornerstone Patriot Fund, L.P.; subject to satisfactory legal due diligence; and to authorize staff to complete all documentation necessary to execute this recommendation.

It was the consensus of the Investment Committee to recommend that the Board approve an increased commitment of up to \$25 million to Invesco Core Real Estate Fund (USA), LLC; subject to satisfactory legal due diligence; and to authorize staff to complete all documentation necessary to execute this recommendation.

Lastly, it was the consensus of the Investment Committee to recommend that the Board approve a commitment of up to \$125 million to AEW Core Property Trust (U.S.), Inc.; subject to satisfactory legal due diligence; and to authorize staff to complete all documentation necessary to execute this recommendation.

It was moved by Ms. Thompson, seconded by Ms. Copper, to accept the recommendations of the Investment Committee.

Vote: Unanimous Voice Vote
Absent: Henry, Stulir

(13-06-05) (Legislative Wrap-Up) The Legislative Liaison presented a wrap-up to the Board on IMRF legislation that was passed during the 2013 General Assembly spring session.

The Legislative Liaison reported the following IMRF-related legislation had passed out of both Houses and will become effective upon the Governor's signature:

- HB 1351 - changes the return-to-work rules for retirees to require re-enrollment at the employer's hourly standard of actual work, instead of when the position is "normally expected" to remain under the hourly standard.
- HB 1444 - contains the technical changes in the legislative agenda.
- HB 2656 - requires police chiefs to pay the actuarially calculated cost of the transfer to SLEP from a downstate police pension fund.
- HB 2620 - would create an exception to the current RFP requirements for investment services to no longer require the competitive bid process for contracts for follow-on funds with the same fund sponsor through closed-end funds.

Lastly, she noted for the remainder of 2013, a short summer session is likely to be scheduled to address pension reform.

Questions and discussion followed.

(12-06-06) (Litigation Update) The following is an update of the currently pending litigation:

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. Just as in the *Stevens* case, IMRF has been named as a "necessary party" to the lawsuit so that any judgment can be properly enforced.

Status: On February 7, 2013, the parties appeared before the Court where the County indicated that it had changed its mind and was no longer interested in settling the case. The Plaintiffs have filed a motion to enforce the settlement agreement. The hearing on that motion that was set for April 2, 2013 was postponed.

JOSEPH PRAZEN v. IMRF

Summary: This is an administrative review action involving an ERI return to work situation. The IMRF Board determined that Plaintiff's creation of s corporation was a guise to avoid the ERI forfeiture provisions contained in 7-141.1(g).

Status: Petition for Leave to appeal granted on November 28, 2012. IMRF's brief was filed on January 2, 2013. Oral argument before the Illinois Supreme Court was held on May 22, 2013. Waiting for opinion.

**IN RE TRIBUNE CO, ET AL. , THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS
OF TRIBUNE CO, ET AL. VS. FITZSIMONS, ET AL.**

Summary: The unsecured creditors in the Tribune bankruptcy have sued investors who sold their Tribune stock at the time of the buyout. The plaintiff's theory is that the buyout was fraudulent and therefore a portion of those stockholders' proceeds from the stock sale was due to the fraud and should be returned to the Tribune's bankruptcy estate.

Status: IMRF has joined with other public plans and is using a shared counsel (Ice Miller LLP). A motion to dismiss was argued on May 23, 2013. We are awaiting a decision.

DIEHL V. BOARD OF TRUSTEES (12 MR 1282 DuPage)

Summary: Appeal of denial of total and permanent disability based on voluntary resignation.

Status: Briefing schedule entered. Hearing is set for August 8, 2013.

**LEHMAN BROS. SPECIAL FINANCING, INC. V. BANK OF AMERICA NATIONAL ASSOC.,
ET AL.**

Summary: This case was filed in the Lehman Bros. Bankruptcy matter. IMRF owned a bond, purchased by one of the Progress managers, for which we were paid in full at the time Lehman became insolvent. In this case, certain of the parties in the Lehman bankruptcy are attempting to recoup the proceeds of our bond, as well as others.

Status: This adversary proceeding in the bankruptcy matter is currently stayed (on hold) while the proper defendants are determined.

VILLAGE OF OAK BROOK V. THOMAS SHEAHAN, ET. AL. (13 MR 942)

Summary: This is an administrative review action challenging the Board's decision upholding the granting of MEABF and Deerfield credit transfers to Thomas Sheahan, the former police chief of Oak Brook and deny the Village's request to recalculate their liability excluding the service credits transferred from MEABF and Deerfield. The Village is also seeking a declaratory judgment that Section 8-226.7 is unconstitutional special legislation.

Status: Case was filed on June 6, 2013. The administrative record is being prepared and an appearance will be filed within the appropriate time frame.

(13-06-07) (Report of Executive Director)

Representation of IMRF

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

Trustee Roundtable Survey

The Executive Director reviewed the survey results of the June 19, 2013 Trustee Roundtable that was held in Chicago.

IMRF Strategic Plan

The Executive Director noted that the Board would begin the process of developing IMRF's next Strategic Plan in July 2013.

(13-06-08)_ (Executive Director Performance Appraisal Discussion)

Ms. Nicholson from AonHewitt moderated a discussion with the Board regarding the 2013 Performance Appraisal of the Executive Director.

(13-06-09) (Adjournment)

It was the consensus of the Board, to adjourn the Board Meeting at 10:15 a.m., to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, Illinois, at 9:00 a.m. on July 26, 2013.

Vote: Unanimous Voice Vote

Absent: Henry, Stulir

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.