# ILLINOIS MUNICIPAL RETIREMENT FUND
## MINUTES OF
## SPECIAL MEETING NO. 17-05
## MAY 19, 2017

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 17-05

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:10 a.m. on May 19, 2017, in the Fund Office at 2211 York Road, Suite 400, Oak Brook, Illinois.

Ms. Stanish presided as Chair and called the meeting to order.

Ms. Enright called the roll:

Present: Thompson, Williams, Copper, Henry, Kuehne, Miller, Stanish
Absent: Wallace

Ms. Becker-Wold and Messrs. Ball and Robinson from Callan Associates, Messrs. Murphy, Buis and Pieterse from Gabriel Roeder Smith & Company, and representatives from Loop Capital and Pensions and Investments were also present.

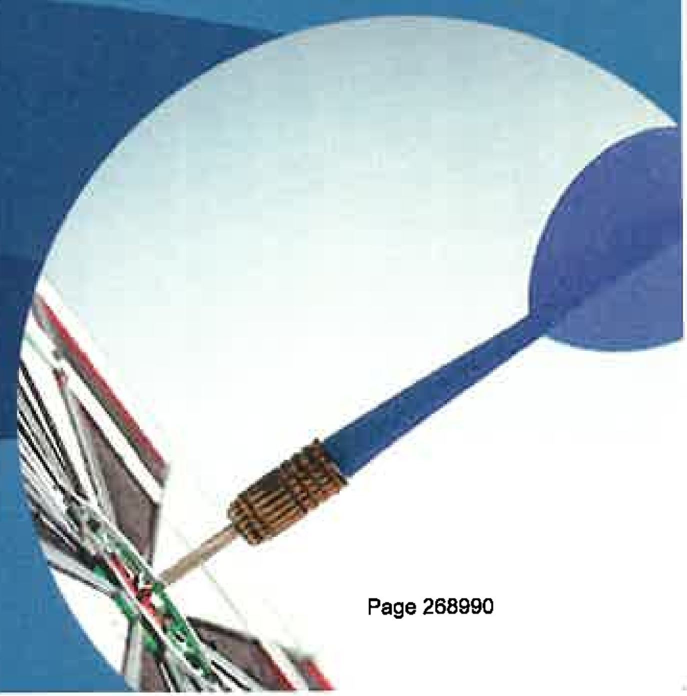
(17-05-01) (Gabriel, Roeder Smith & Company 2016 Actuarial Valuation and Gain (Loss) Analysis) Messrs. Murphy and Pieterse from Gabriel Roeder Smith & company presented IMRF's Annual Actuarial Valuation as of December 31, 2016, and IMRF's Gain/Loss Analysis as presented below.

GRS Retirement Consulting

# IMRF

## Annual Actuarial Valuation and Gain (Loss) Analysis December 31, 2016

May 19, 2017



# ANNUAL ACTUARIAL VALUATION

GRS Retirement Consulting

05/19/2017

# Purpose

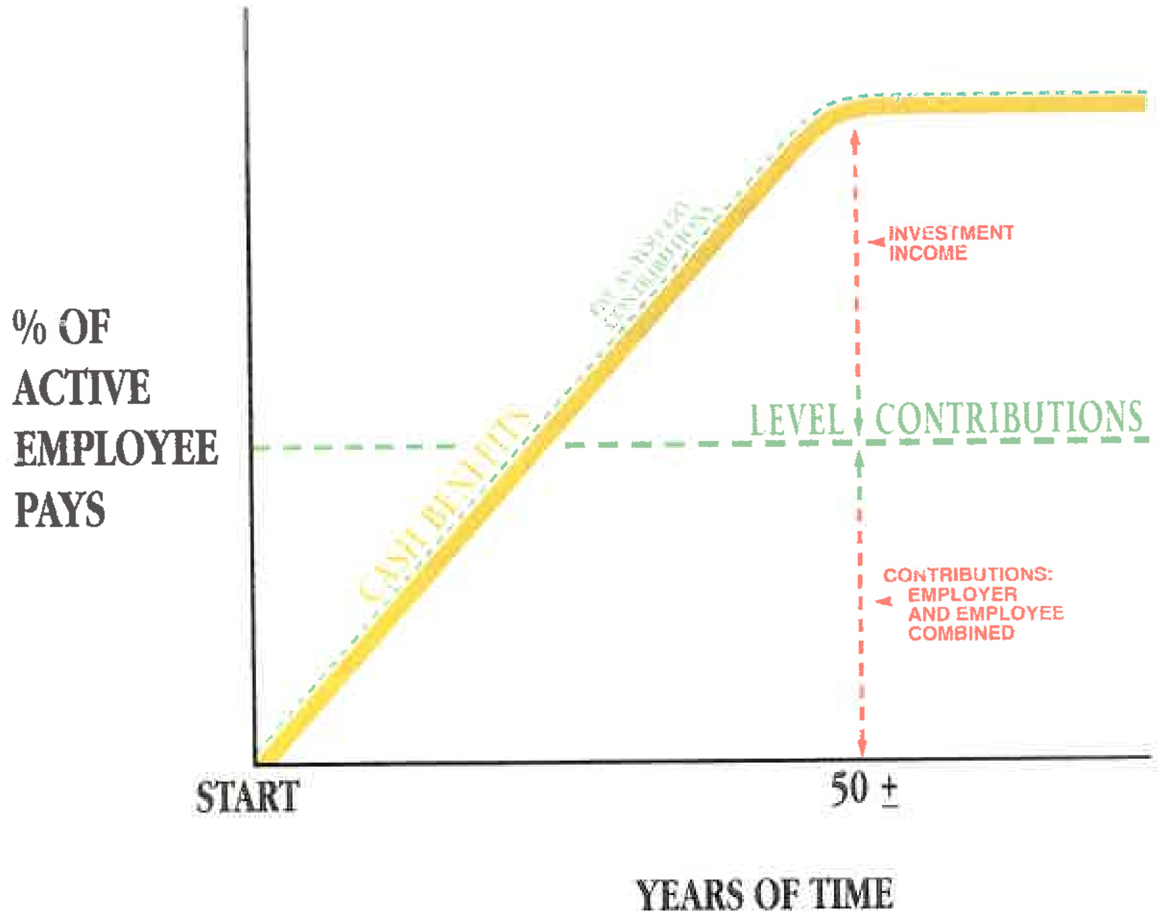
- Calculate employer rates for 3,315 rate groups for the 2018 calendar year
- Measure financial position and funding progress
- Explain changes in financial position that occurred during the year

# Basic Funding Objective

Establish and receive contributions which:

- Remain approximately level (as a % of payroll) from generation to generation
- When combined with present assets and future investment return, are sufficient to pay benefits to current and future retirees

# Financing Diagram



# Valuation Uses Data On

1) People
2) Plan Benefits
3) Employers
4) Assets

# IMRF Population

| | 2016 | 2015 |
|---|---|---|
| Active Members | | |
| • Tier 1 | 117,962 | 125,563 |
| • Tier 2 | 56,873 | 48,269 |
| • Total | 174,835 | 173,832 |
| Retirees | 122,086 | 117,028 |
| Inactive Members | 132,213 | 141,236 |
| Total | 429,134 | 432,096 |

# IMRF Population

| | 2016 | 2015 |
|---|---|---|
| Active Members | | |
| • Regular | 170,527 | 169,431 |
| • SLEP | 4,143 | 4,167 |
| • ECO | 165 | 234 |
| Total | 174,835 | 173,832 |
| Inactive Members | | |
| • Regular | 131,385 | 140,401 |
| • SLEP | 699 | 725 |
| • ECO | 129 | 110 |
| Total | 132,213 | 141,236 |

# MRF Employers 12/31/2016

| | |
|---|---|
| School Districts | 851 |
| Townships | 496 |
| Other | 489 |
| Villages | 475 |
| Cities | 307 |
| Counties (Regular, SLEP & ECO) | 269 |
| Library Districts | 226 |
| Park Districts | 202 |
| Total | 3,315 |
| Employers with no Active Members | 380 |
| Total | 3,695 |

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# Value of Assets ($ Millions)

| | 2016 | 2015 |
|---|---|---|
| Funding Value (FV) | $36,773 | $34,913 |
| Market Value (MV) | $36,447 | $34,461 |
| Ratio | 100.9% | 101.3% |
| Difference between FV and MV | $ (326) | $ (452) |
| Market Value Rate of Return | 7.6% | 0.5% |
| Funding Value Rate of Return | 7.2% | 8.5% |

# Development of Average Contribution Rates Applicable to Calendar Year 2018

## (Results as of December 31, 2016)

| | % of Active Member Pays | | |
|---|---|---|---|
| | Regular | SLEP | ECO |
| Tier 1 Normal Cost | 7.29 % | 12.47 % | 16.85 % |
| Tier 2 Normal Cost | 4.41 % | 8.30 % | 16.85 % |
| Average Employer Contributions for Normal Cost* | | | |
| Retirement | 6.54 % | 11.47 % | 16.51 % |
| $3,000 Lump Sum Death Benefit | 0.03 % | 0.02 % | 0.04 % |
| Total & Permanent Disability Benefit | 0.04 % | 0.14 % | 0.30 % |
| Total Normal Cost | 6.61 % | 11.63 % | 16.85 % |
| Lump Sum Death-in-Service Benefits | 0.12 % | 0.12 % | 0.15 % |
| Temporary Disability | 0.07 % | 0.07 % | 0.07 % |
| 13th Payments | 0.62 % | 0.62 % | 0.62 % |
| Unfunded (Overfunded) Liabilities (25 years)^ | 3.63 % | 7.03 % | 65.03 % |
| Early Retirement Incentive Liabilities | 0.19 % | 0.10 % | 0.00 % |
| SLEP Supplemental Liabilities | 0.00 % | 1.92 % | 0.00 % |
| **Total Average Employer Rate** | **11.24 %** | **21.49 %** | **82.72 %** |
| Prior Year Averages | 11.34 % | 22.39 % | 73.50 % |

** Average of Tier 1 and Tier 2 cost weighted on expected payroll.*

*^ 10 years for instrumentalities.*

Dupage County, Peoria County and Union School District 46 subject to individual rating.

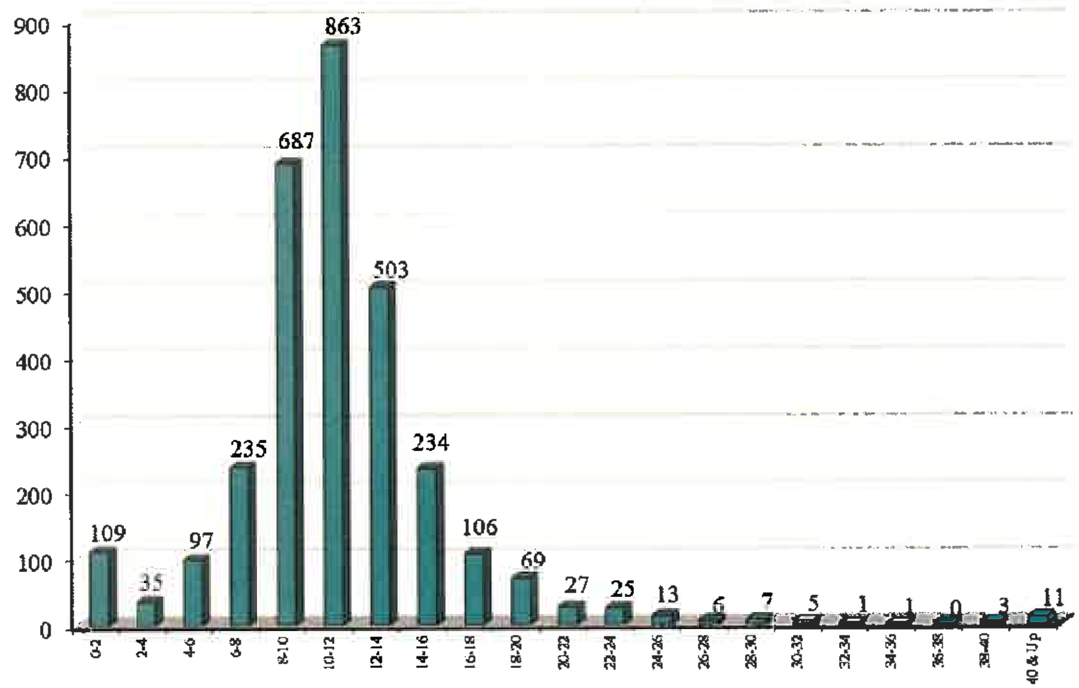
# History of Total Average Employer Contribution Rates

| Rate Applies to Calendar Year | Rate Computed as of December 31 | Employer Contribution Rate Expressed as % of Active Payroll | | | | | |
|---|---|---|---|---|---|---|---|
| | | Regular Members | | SLEP Members | | ECO Members | |
| | | Normal Cost | Average Total Rate | Normal Cost | Average Total Rate | Normal Cost | Average Total Rate |
| 1999 | 1997 [3] | 7.23% | 9.03% | 10.62% | 14.65% | 21.48% | 36.14% |
| 2000 | 1998 | 7.17% | 8.16% | 10.42% | 14.28% | 23.39% | 41.38% |
| 2001 | 1999 [1] | 7.41% | 6.64% | 12.02% | 14.86% | 23.85% | 42.58% |
| 2002 | 2000 | 7.62% | 5.87% | 11.94% | 14.13% | 18.05% | 38.46% |
| 2003 | 2001 | 7.66% | 6.22% | 11.96% | 14.04% | 17.95% | 40.37% |
| 2004 | 2002 [1] | 7.60% | 7.82% | 12.47% | 16.29% | 18.18% | 44.90% |
| 2005 | 2003 | 7.61% | 9.25% | 12.48% | 17.15% | 18.07% | 42.66% |
| 2006 | 2004 | 7.64% | 10.04% | 12.56% | 18.25% | 18.01% | 44.90% |
| 2007 | 2005 [1, 2] | 7.43% | 9.72% | 11.66% | 18.42% | 17.52% | 41.30% |
| 2008 | 2006 | 7.42% | 9.47% | 11.63% | 19.33% | 16.96% | 41.80% |
| 2009 | 2007 | 7.42% | 9.27% | 11.63% | 18.65% | 17.08% | 42.77% |
| 2010 | 2008 [1, 4] | 7.58% | 11.89% | 11.97% | 21.63% | 17.24% | 43.57% |
| 2011 | 2009 [4] | 7.58% | 12.14% | 11.97% | 21.76% | 17.20% | 42.72% |
| 2012 | 2010 [4] | 7.58% | 12.42% | 12.01% | 22.48% | 17.22% | 47.15% |
| 2013 | 2011 [1, 2, 4] | 7.77% | 12.85% | 12.74% | 23.40% | 17.63% | 46.85% |
| 2014 | 2012 [4] | 7.64% | 12.58% | 12.61% | 23.20% | 17.59% | 74.52% |
| 2015 | 2013 [4] | 7.51% | 11.69% | 12.42% | 22.33% | 17.73% | 70.37% |
| 2016 | 2014 [1, 4] | 6.84% | 11.73% | 11.95% | 22.71% | 16.49% | 86.07% |
| 2017 | 2015 [4] | 6.71% | 11.34% | 11.77% | 22.39% | 16.83% | 73.50% |
| **2018** | **2016 [4]** | **6.61%** | **11.24%** | **11.63%** | **21.49%** | **16.85%** | **82.72%** |

*1 Assumption change.*
*2 Benefit change.*
*3 Changed to payroll weighted average method.*
*4 Before optional phase-in plan.*

# Contribution Rates for Employer Groups 2016 Actuarial Valuation

## 3,037 Regular Employers




**Employer Contribution Rate as a Percentage of Active Member Payroll**
**(Prior to Optional Phase-in Plan)**

A-4

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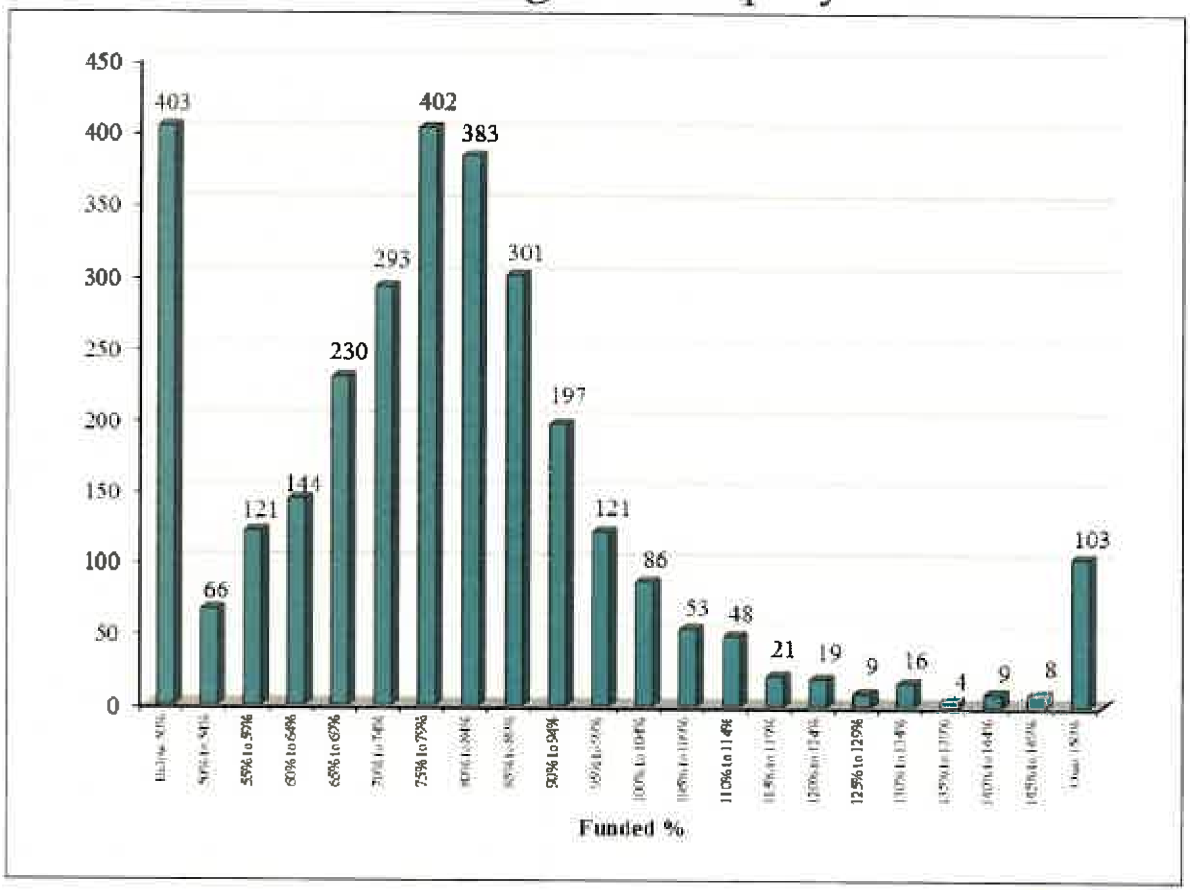
# Funded Ratios for Employer Groups 2016 Actuarial Valuation

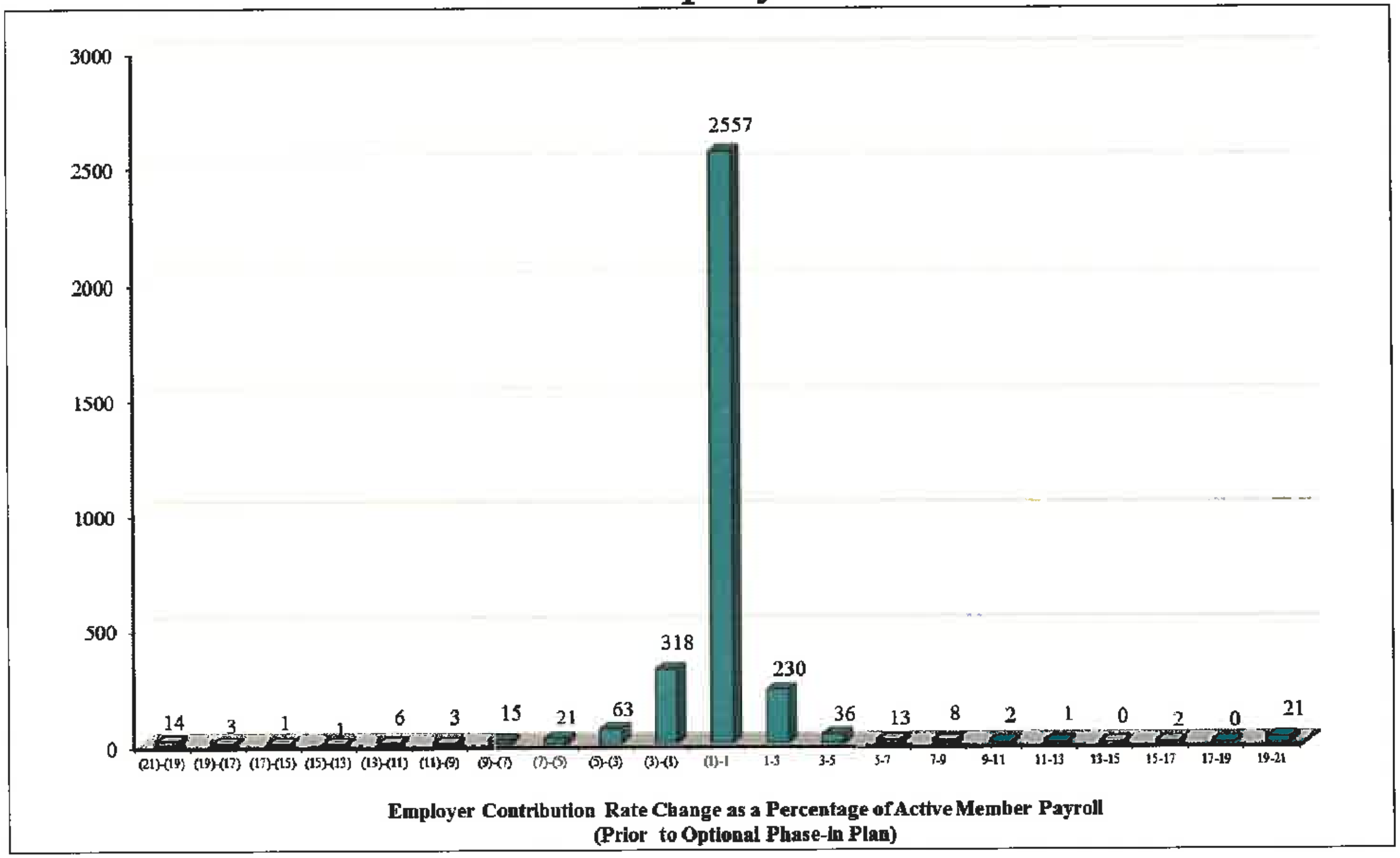
## 3,037 Regular Employers




A-4

# Contribution Rate Changes for Employer Groups – 2016 Actuarial Valuation

3,315 Employers




A-7

# Average Funding Ratios Comparative Statement

| Valuation Date | Funded Ratio AVA Basis | Funded Ratio MV Basis | Basis AVA Basis Payroll | Accrued Liability Payroll |
|---|---|---|---|---|
| 1994 | 87.1% | 87.7% | 35.6% | 275.8% |
| 2007 | 96.1% | 100.0% | 16.0% | 408.4% |
| 2008* | 84.3% | 70.3% | 64.1% | 409.2% |
| 2009 | 83.2% | 81.5% | 71.0% | 423.2% |
| 2010 | 83.3% | 86.3% | 76.3% | 455.8% |
| 2011*# | 83.0% | 80.2% | 81.7% | 481.4% |
| 2012 | 84.3% | 85.9% | 78.7% | 501.9% |
| 2013 | 87.6% | 96.6% | 64.7% | 520.4% |
| 2014* | 87.3% | 93.0% | 70.8% | 556.5% |
| 2015 | 88.4% | 87.3% | 66.1% | 570.7% |
| 2016 | 88.9% | 88.1% | 65.4% | 590.3% |

** Assumption change*
*# Benefit change*



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# Outlook for 2017 Valuation

- 2017 Valuation affects 2019 contribution rates
- Unrecognized asset losses from smoothing method will drive rates up by about 10 basis points
- Increased number of people subject to post-2011 provisions (Tier 2) will drive rates down by about 10 basis points
- But, Experience Study (Fall, 2017) could increase or decrease rates
- Conclusion: If IMRF earns about 7.5% in 2017 and other assumptions are in line with expectations, average 2019 contribution rates may be similar to average 2018 rates

# GAIN (LOSS) ANALYSIS

# Gain (Loss) Analysis

- A Gain (Loss) Analysis measures differences between Actual and Assumed Experience in each Risk Area

# IMRF Risk Areas

| **Demographic** | **Economic** |
|---|---|
| Normal retirement | Salary increases |
| Early retirement | Investment return |
| Death-in-service | |
| Disability | |
| Other separations | |

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# Change in Unfunded Accrued Liabilities During the Calendar Year 2016

| | Unfunded Liability Development During | |
|---|---|---|
| | 2016 | 2015 |
| Unfunded Liability January 1 | $4,573,446,421 | $4,764,939,075 |
| (Assumed Payments) | (295,381,436) | (306,609,121) |
| Assumed Interest | 332,065,180 | 346,011,165 |
| Expected Unfunded Liability December 31 | 4,610,130,165 | 4,804,341,119 |
| Change Due to Experience Study | 0 | 0 |
| Change Due to Benefit Changes | 0 | 0 |
| Change Due to Data Changes | 0 | 0 |
| Change Due to Investment Experience | 109,908,168 | (313,208,972) |
| Change Due to Other Sources | (134,725,458) | 82,314,274 |
| Actual Unfunded Liability December 31 | $4,585,312,875 | $4,573,446,421 |
| **Gain (Loss) for the Year** | **$ 24,817,290** | **$ 230,894,698** |

# Investment Gain (Loss) - $ Millions

| | | |
|---|---|---|
| 1. | Beginning Funding Value | $34,913 |
| 2. | Net Cash Flow | (625) |
| 3. | Assumed Return | 2,595 |
| 4. | Expected Funding Value: 1+2+3 | 36,883 |
| 5. | Actual Funding Value | 36,773 |
| 6. | Gain (Loss): 5-4 | (110) |

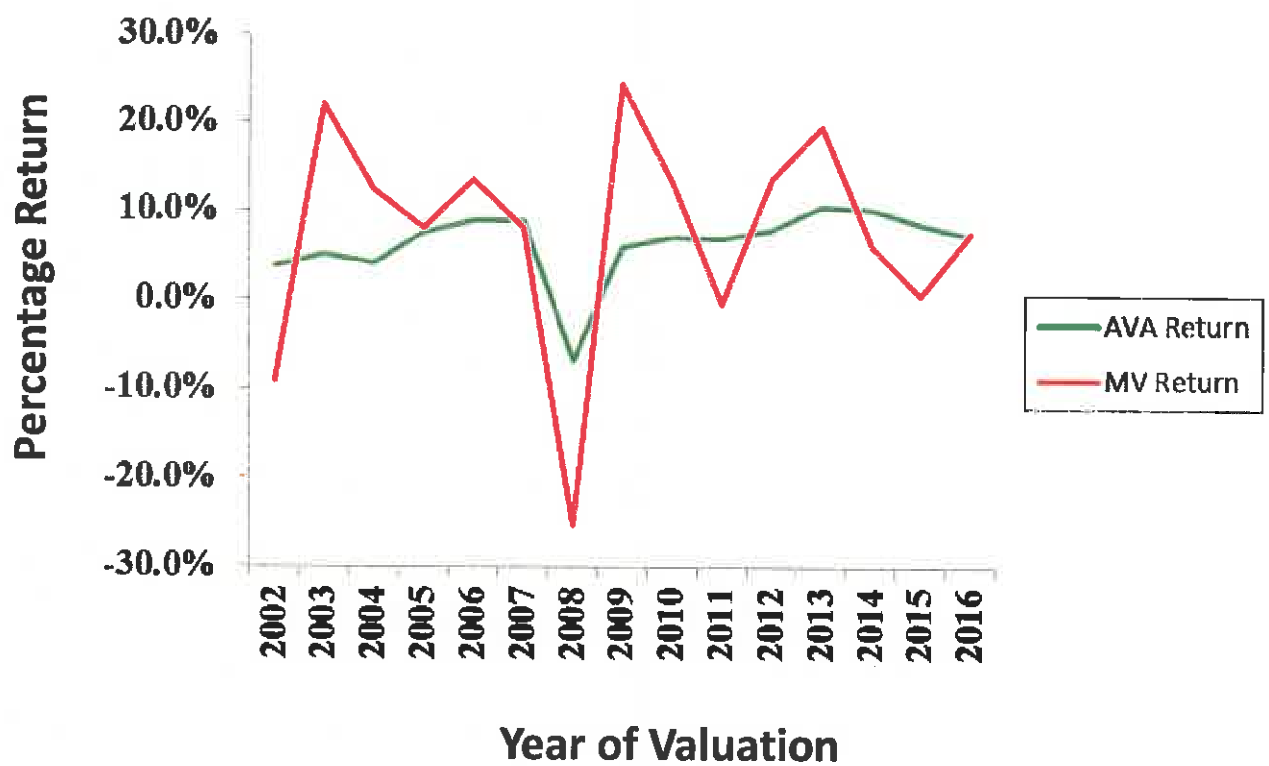
# How Does Asset Smoothing Impact Future Valuations

- Difference between Market Value and Funding Value ($327) million) phased-in over next four years

| Valuation Date | Scheduled Asset Gain | Potential Contribution Increase |
|---|---|---|
| 12/31/2017 | $(109,908,168) | 0.1% |
| 12/31/2018 | $(109,908,168) | 0.1% |
| 12/31/2019 | $(109,908,169) | 0.1% |
| 12/31/2020 | $3,107,243 | 0.0% |

- Assumes Market Value earns 7.5% in the next four years
- Actual results will likely be different

# Market Value Return vs. Actuarial Value Return



# Gain (Loss) Experience

**Gain/Loss Experience expressed as a % of beginning of year liabilities**

| | |
|---|---|
| Pay Increases | 0.79 % |
| Investment Return | (0.28) % |
| Service Retirement Benefits | (0.05)% |
| Early Retirement Benefits | (0.01)% |
| Vested Benefits | (0.03)% |
| Death and Survivor Benefits | (0.01) % |
| Disability Benefits | 0.03 % |
| Refunds | 0.09 % |
| Risks not Related to Assumptions | (0.47)% |

# Experience Gains & Losses by Risk Area - Comparative Statement

| Experience Period | Pay Increases | Investment Return | Service Retirement | Early Retirement | Vested Deferred Retirement | Death and Survivor Benefits | Disability Benefits | Terminated with Refund | Other | Total Gain (Loss) $ | Total Gain (Loss) Percent of Liabilities |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1998 | $ (69.9) | $ 515.7 | $ 37.8 | $(8.7) | $ 37.8 | $7.7 | $ 5.7 | $(10.5) | $ (197.0) | $ 318.6 | 2.9 % |
| 1999 [1] | 5.5 | 962.1 | (6.8) | (5.1) | (14.6) | 0.6 | 6.4 | (21.1) | (168.1) | 758.9 | 6.4 % |
| 2000 | 12.2 | 642.5 | 0.8 | (2.8) | (8.7) | 1.8 | 9.8 | (22.4) | (89.2) | 544.0 | 4.2 % |
| 2001 | (29.5) | 69.4 | (4.9) | (1.0) | (20.3) | 2.9 | 10.0 | 11.4 | 1.4 | 39.4 | 0.3 % |
| 2002 [1] | 19.5 | (611.8) | (9.9) | (2.0) | (31.0) | 4.3 | 6.9 | 2.3 | (66.7) | (688.4) | (4.5)% |
| 2003 | 36.8 | (404.6) | (18.4) | (5.4) | (28.0) | 2.3 | 5.9 | 10.0 | (250.0) | (651.4) | (3.9)% |
| 2004 | (0.3) | (478.5) | (14.7) | (5.3) | (27.5) | 3.4 | 7.3 | 15.8 | (183.0) | (682.6) | (3.8)% |
| 2005 [1] | 130.0 | 23.8 | (10.4) | (5.0) | (28.3) | 1.9 | 12.0 | 19.3 | (111.2) | 32.1 | 0.2 % |
| 2006 | 23.5 | 262.2 | (8.6) | (3.4) | (32.7) | 2.1 | 9.4 | 11.1 | (211.7) | 51.9 | 0.3 % |
| 2007 | (15.4) | 305.8 | (8.4) | (2.6) | (35.3) | 4.1 | 10.2 | 23.2 | (170.5) | 111.1 | 0.6 % |
| 2008 [1] | 8.2 | (3,331.5) | 2.4 | (2.1) | (40.8) | 1.8 | 11.4 | 9.1 | (40.5) | (3,382.0) | (12.6)% |
| 2009 | 70.2 | (343.2) | 11.6 | (0.5) | (38.3) | 3.5 | 12.9 | (11.8) | (53.5) | (349.1) | (1.4)% |
| 2010 | 359.6 | (90.5) | (0.2) | 0.0 | (32.3) | 3.3 | 7.3 | (0.3) | (442.1) [2] | (195.2) | (0.7)% |
| 2011 [1] | 238.9 | (164.3) | (22.9) | (5.7) | (25.9) | 7.3 | 8.2 | 19.9 | (344.4) [3] | (288.9) | (1.0)% |
| 2012 | 230.2 | 71.0 | 2.0 | (3.0) | (24.7) | 6.5 | 20.8 | 23.8 | (89.0) | 237.6 | 0.8 % |
| 2013 | 141.5 | 811.5 | (11.6) | (2.8) | (22.7) | 3.2 | 15.7 | 45.1 | (74.0) | 905.9 | 2.8 % |
| 2014 [1] | 64.2 | 767.6 | (19.3) | (4.9) | (19.7) | (2.2) | 17.2 | 37.9 | (1,274.8) [3] | (434.0) | (1.3)% |
| 2015 | 22.9 | 313.2 | (28.5) | (4.7) | (16.8) | (3.4) | 15.8 | 33.0 | (100.6) | 230.9 | 0.6 % |
| 2016 | 312.7 | (109.9) | (20.2) | (2.6) | (14.1) | (3.3) | 12.0 | 35.7 | (185.5) | 24.8 | 0.1 % |

1 *Includes changes in assumptions due to the Experience Study.*
2 *Includes one-time data changes of approximately $250 million.*
3 *Includes Experience Study changes.*

# Reconciliation of Employer Contribution

| | Regular | SLEP | ECO | Total |
|---|---|---|---|---|
| **Prior Year** | **11.34 %** | **22.39 %** | **73.50 %** | **11.94 %** |
| Tier 2 Structure | (0.12)% | (0.16)% | 0.00 % | (0.12)% |
| Investment Return | 0.12 % | 0.20 % | 0.67 % | 0.09 % |
| Pay Increases | (0.16)% | (1.38)% | (0.37)% | (0.16)% |
| Demographic (Retirement, Turnover, etc.) | (0.02)% | 0.19 % | 2.20 % | 0.00 % |
| Payroll Growth | 0.09 % | 0.49 % | 5.13 % | 0.08 % |
| Death and Disability Rate Change | (0.08)% | (0.08)% | (0.05)% | (0.08)% |
| Other | 0.07 % | (0.16)% | 1.64 % | 0.03 % |
| **Current Year** | **11.24 %** | **21.49 %** | **82.72 %** | **11.79 %** |

# Conclusion

- Investment markets continue to be volatile
- IMRF is still well-funded, (89% funding value basis, 88% market value basis) considering recent historic market volatility; national average is around 75%

# Disclaimers

- This presentation is intended to be used in conjunction with the actuarial valuation report issued on March 22, 2017. This presentation should not be relied on for any purpose other than the purpose described in the valuation report.
- This presentation shall not be construed to provide tax advice, legal advice or investment advice.
- If you need additional information in order to make an informed decision, please contact the authors.

Next, Mr. Buis from Gabriel Roeder Smith & Company gave a presentation on Contribution Rate Volatility.

He noted that Contribution Rate Volatility is influenced by investment market volatility; funding policy (asset smoothing and amortization policy); and, employer demographics.

Mr. Buis also reviewed the key features of IMRF's current funding policy with the Board.

Discussion followed.

(17-05-02) (1st Quarter Investment Performance Report) Ms. Becker-Wold from Callan Associates presented an evaluation of IMRF's investment performance for the period ending March 31, 2017.

Questions and discussion followed.

(17-05-03) (Investment Manager Activities - Callan Associates) Mr. Ball of Callan Associates presented the following report to the Board on the activities of IMRF's investment managers for the month of April 2017:

Callan

April 30, 2017

# Illinois Municipal Retirement Fund Monthly Performance Report

## Investment Measurement Service Monthly Review

## Market Environment
### As of April 30, 2017

| Index | Last Month | Year to Date | Last Year | Last 3 Years | Last 5 Years | Last 10 Years |
|---|---|---|---|---|---|---|
| Russell:3000 Index | 1.06 | 6.86 | 18.58 | 10.10 | 13.57 | 7.23 |
| S&P:500 | 1.03 | 7.16 | 17.92 | 10.47 | 13.68 | 7.15 |
| Russell:2000 Index | 1.10 | 3.59 | 25.63 | 9.03 | 12.95 | 7.05 |
| MSCI:ACWI ex US | 2.14 | 10.17 | 12.59 | 0.83 | 5.13 | 1.12 |
| MSCI:EM | 2.19 | 13.88 | 19.13 | 1.79 | 1.49 | 2.48 |
| Blmbg:Aggregate | 0.77 | 1.59 | 0.83 | 2.66 | 2.27 | 4.30 |
| NCREIF:Total Index | -- | -- | -- | -- | -- | -- |
| Blmbg:Commodity Price Idx | (1.57) | (4.00) | (1.76) | (15.21) | (9.87) | (6.98) |

The market malaise encountered at the end of March continued through much of April. In the U.S., the withdrawal of the health care reform bill continued to cast doubt around the likelihood of other pro-growth policies. Abroad, concerns over the potential election of French populist candidate Le Pen and associated implications regarding the stability of the European Union produced caution. However, investor sentiment improved on April 24 when results of the first round election increased the probability that moderate candidate Macron would become France's next President. In the wake of this news, global equity markets posted positive returns with non-U.S. indices leading their U.S. counterparts. The Russell 3000 Index rose 1.1% during the period. The MSCI ACWI ex U.S. Index advanced 2.1%, propelled by performance in both developed and emerging Europe. The MSCI Emerging Markets Index was up 2.2%. The U.S. Aggregate gained 0.8% over the period as investors had flocked to the relative safety of bonds leading up to the French election.

After slowing last month, nonfarm payroll growth rebounded, adding 211,000 jobs. Excluding March, over 200,000 jobs have now been added each month this year. On the heels of this strength the unemployment rate continued to drop, falling to 4.4%. This is the lowest reading since May 2001. The labor force participation rate held relatively steady, falling only one tenth to 62.9%. Average hourly earnings registered 0.3% month-over-month and 2.5% year-over-year increases. While these figures came in near consensus, wage pressure remains stubbornly absent given the tight labor market conditions.

Headline CPI fell 0.3% month-over-month in March, coming in below consensus expectations. Year-over-year, the index is up 2.4%. Core CPI fell a disappointing 0.1% for the month due to lower energy prices but rose 2.0% year-over-year. The communications component saw a steep drop of 3.5%, reflecting a decline in wireless phone services. Apparel and transportation each contracted as well. Overall, the results pointed to weak consumer demand for goods and services. The initial estimate for first quarter GDP was a paltry 0.7%, driven by the same lack of consumer demand that hampered CPI. The reading also saw a divergence between private investment, which was relatively strong, and consumer spending. Although GDP tends to be weakest in the first quarter due to seasonality, the result was still below expectations.

*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.

**U.S. Equity Overview**
**As of April 30, 2017**

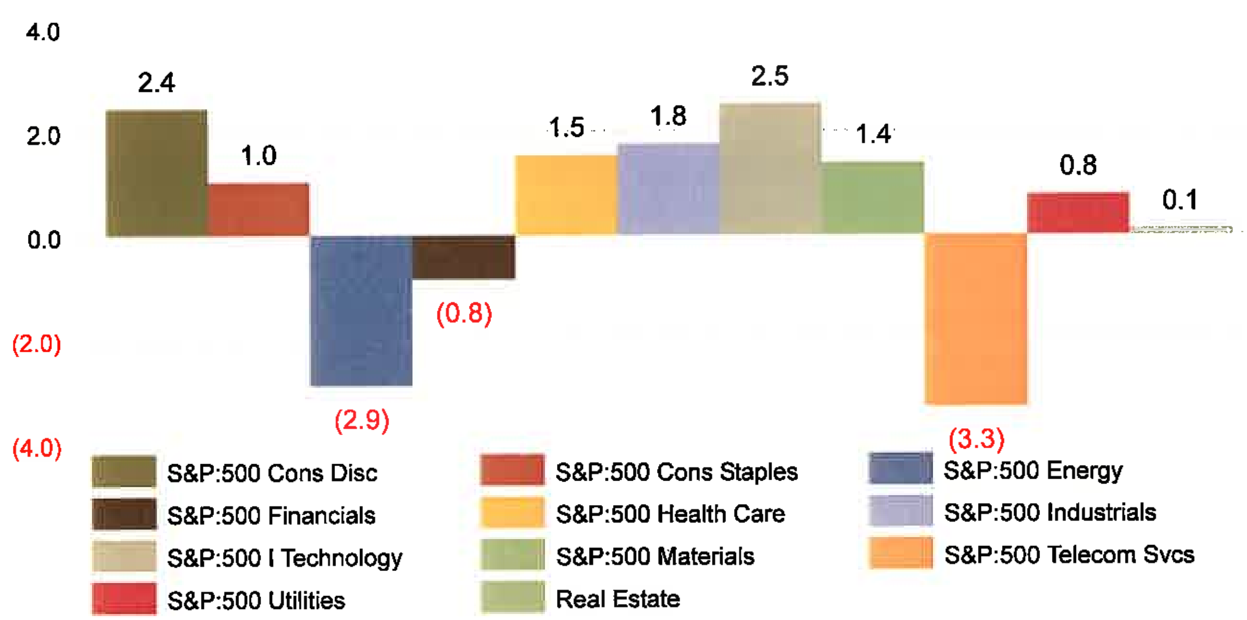
| Index | Last Month | Year to Date | Last Year | Last 3 Years | Last 5 Years | Last 10 Years |
|---|---|---|---|---|---|---|
| Russell:3000 Index | 1.06 | 6.86 | 18.58 | 10.10 | 13.57 | 7.23 |
| Russell:1000 Index | 1.06 | 7.15 | 18.03 | 10.20 | 13.63 | 7.25 |
| Russell:1000 Growth | 2.29 | 11.40 | 19.50 | 12.11 | 13.87 | 8.88 |
| Russell:1000 Value | (0.19) | 3.07 | 16.55 | 8.26 | 13.32 | 5.53 |
| Russell:Midcap Index | 0.77 | 5.96 | 16.70 | 8.97 | 13.34 | 7.62 |
| Russell:2000 Index | 1.10 | 3.59 | 25.63 | 9.03 | 12.95 | 7.05 |
| Russell:2000 Growth | 1.84 | 7.29 | 24.06 | 9.27 | 12.89 | 7.97 |
| Russell:2000 Value | 0.39 | 0.26 | 27.18 | 8.71 | 12.96 | 6.02 |

After trading flat to negative for most of April, U.S. equities generated strong results in the final week of the month, lifting broad benchmarks into positive territory. This lift came as the markets cheered French election results, which went in favor of the moderate candidate over the populist candidate, stemming fears of further challenges for the European Union.

Returns among large and small caps were generally uniform (Russell 1000 Index: +1.1%; Russell 2000 Index: +1.1%). Growth continued to outperform value as it has each month this year (Russell 1000 Growth: +2.3%; Russell 1000 Value: -0.2%). The Russell Midcap Index lagged the broader equity market but still produced a healthy 0.8% return.

Among S&P sectors, cyclicals such as Consumer Discretionary (+2.4%) and Industrials (+1.8%) fared better than defensive sectors including Consumer Staples (+1.0%) and Utilities (+0.8%). Technology (+2.5%) was also an area of strength as larger names such as Alphabet, Microsoft, and Facebook drove the sector upward. Conversely, Energy (-2.9%), Financials (-0.8%), and Telecom (-3.3%) struggled.

**S&P 500 Index Sector Returns**



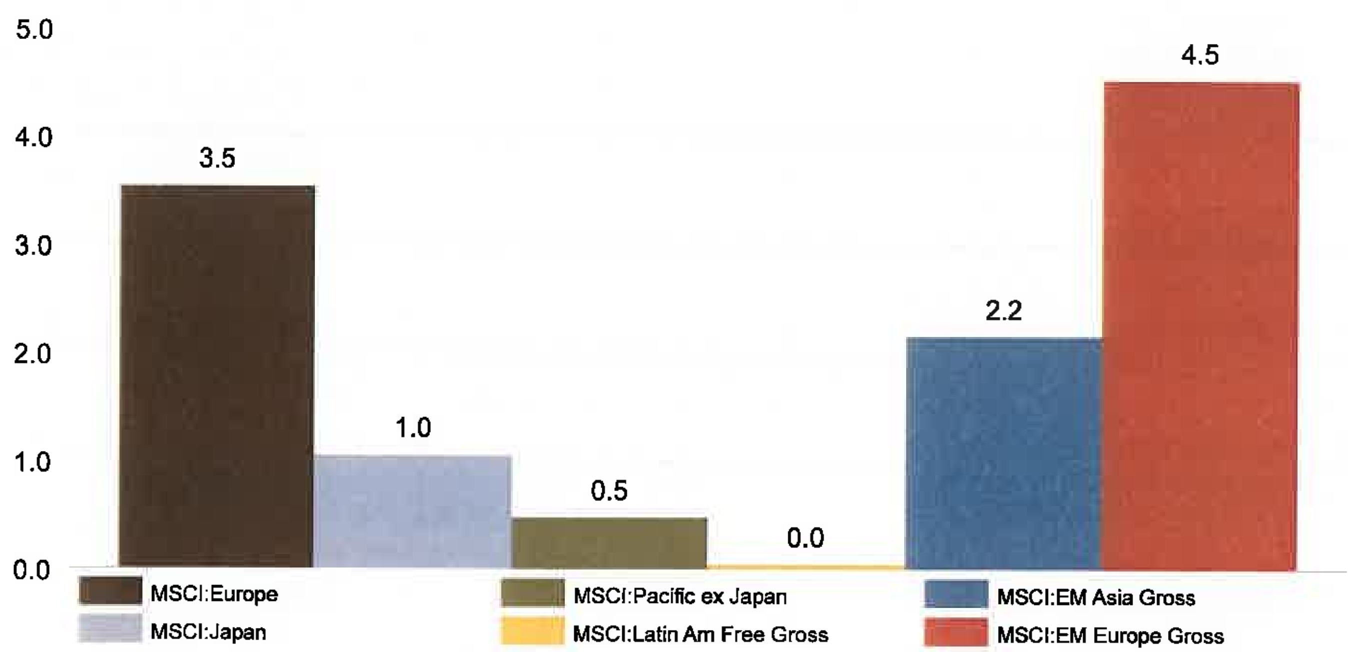
**Non-U.S. Equity Overview**
**As of April 30, 2017**

| Index | Last Month | Year to Date | Last Year | Last 3 Years | Last 5 Years | Last 10 Years |
|---|---|---|---|---|---|---|
| MSCI:ACWI ex US | 2.14 | 10.17 | 12.59 | 0.83 | 5.13 | 1.12 |
| MSCI:EAFE | 2.54 | 9.97 | 11.29 | 0.86 | 6.78 | 0.87 |
| MSCI:EAFE Hedged Net | 1.52 | 6.62 | 19.20 | 7.70 | 11.80 | 2.57 |
| MSCI:EM | 2.19 | 13.88 | 19.13 | 1.79 | 1.49 | 2.48 |
| MSCI:ACWI ex US Small Cap | 3.00 | 12.04 | 12.48 | 3.53 | 7.49 | 2.89 |

The French presidential election headlined international news as the country advanced through the first round with a run off between candidate Le Pen and Macron scheduled for early May. International stocks continued to outperform their U.S. counterparts in April (MSCI ACWI ex U.S.: 2.1% vs Russell 3000 Index: +1.1%). The European Central Bank made no policy changes in April, inflation rose to a 1.9% annualized rate, and speculation of further reduction in quantitative easing increased. Japan produced positive returns, but had no major economic developments during the month. Emerging markets (+2.2%) outperformed developed markets, bolstered by the U.S. dollar weakness (MSCI EAFE Index: +2.5% vs MSCI EAFE Hedged Index: +1.5%).

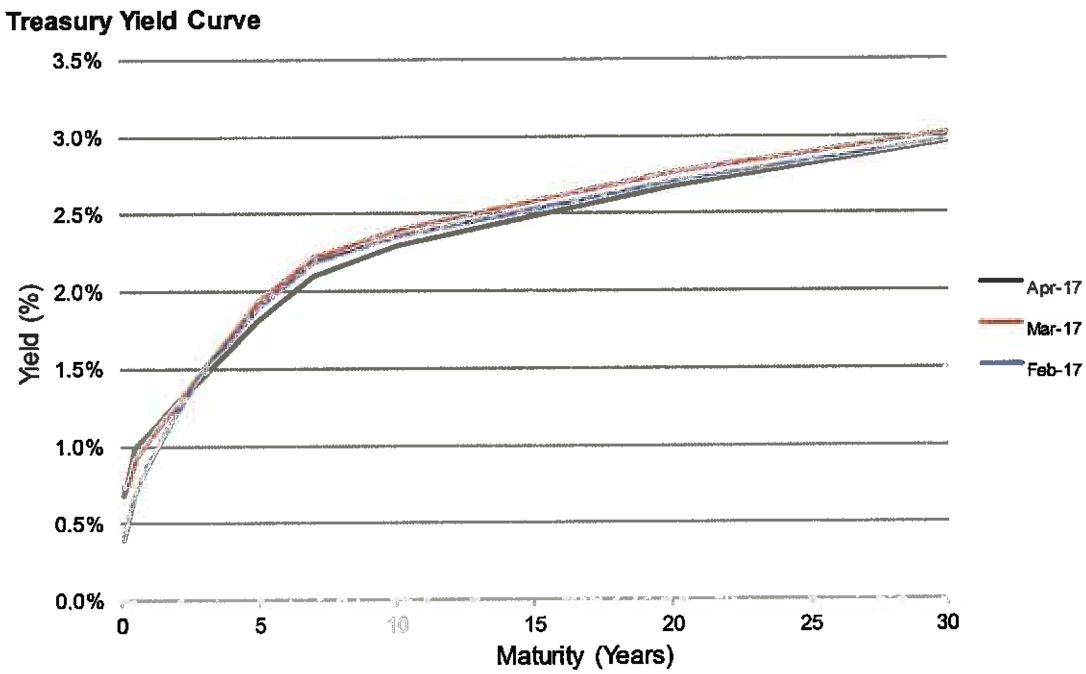
All MSCI regional returns were in the black for the month. Emerging Europe (MSCI Emerging Europe) lead the way returning 4.5%, followed by developed Europe (MSCI Europe) with a return of 3.5%. Europe as a whole was followed by Asian emerging markets (MSCI EM Asia), Japan (MSCI Japan), Pacific ex Japan (MSCI Pacific ex Japan), and Latin America (MSCI Latin America), returning 2.2%, 1.0%, 0.5% and 0.0%, respectively.

**MSCI Regional Returns**



**Fixed Income Overview**
**As of April 30, 2017**

| Index | Last Month | Year to Date | Last Year | Last 3 Years | Last 5 Years | Last 10 Years |
|---|---|---|---|---|---|---|
| Blmbg:Aggregate | 0.77 | 1.59 | 0.83 | 2.66 | 2.27 | 4.30 |
| Blmbg:US Government | 0.68 | 1.37 | (0.57) | 2.09 | 1.45 | 3.80 |
| Blmbg:Credit | 1.00 | 2.31 | 2.74 | 3.45 | 3.63 | 5.32 |
| Blmbg:Mortgage Backed Sec | 0.65 | 1.13 | 0.66 | 2.60 | 2.04 | 4.18 |
| Blmbg:US TIPS | 0.59 | 1.86 | 1.73 | 1.77 | 0.69 | 4.22 |
| ML:US High Yield Cash Pay | 1.14 | 3.87 | 13.56 | 4.76 | 6.84 | 7.26 |
| 3 Month T-Bill | 0.07 | 0.17 | 0.40 | 0.19 | 0.15 | 0.65 |
| CS:Lev Loan | 0.44 | 1.64 | 8.16 | 3.80 | 4.80 | 4.16 |




Fixed income returns were relatively muted in April following the much anticipated rate increase on March 15. The Fed continues to reiterate their intent for two more rate hikes in 2017, but the market implied probabilities of those hikes are not convincing. The Treasury curve flattened during the month as the long end of the curve dropped, rates falling as investors searched for safety in the face of political uncertainty. The short end rose in anticipation of future rate hikes. The 6-month Treasury showed the greatest increase, finishing the month up eight basis points at 0.99%. The 10-year fell 11 basis points to 2.29%. Despite a slowdown during April, new issuance remains ahead of last year.

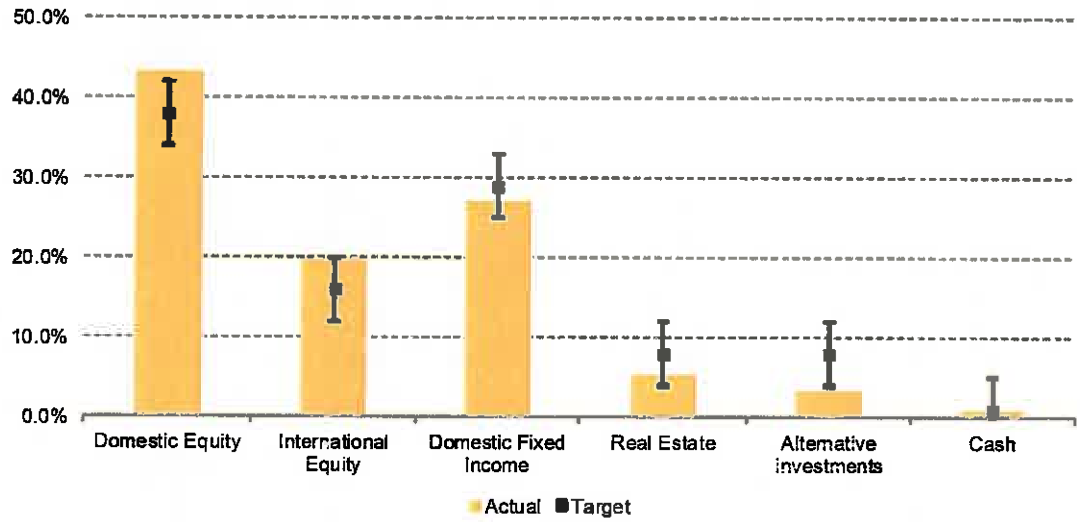
Fixed income sectors produced positive returns across the board in April. The Bloomberg Aggregate Index peaked on April 18, and then slowly faded into the end of the month. The Index still managed to return 0.8% for the period. High Yield (ML High Yield CP Index: +1.1%) bounced back from a disappointing March, providing the strongest return of all fixed income sectors in April. Credit (Bloomberg Credit Index), the second best performer year to date (+2.3%), closely followed high yield returning 1.0% during the month. High yield and credit were followed by governments (Bloomberg Government Index: +0.7%), mortgages (Bloomberg Mortgage Backed Securities Index: +0.7%), TIPS (Bloomberg U.S. TIPS Index: +0.6%) and leveraged loans (Credit Suisse Leverage Loans Index: +0.4%).

## Executive Summary

### Total Fund

Total Fund assets grew to $38.10 billion at the end of April, up approximately $517.8 million from the end of March. The Fund outperformed its benchmark during April, gaining 1.17%. The U.S. Equity composite fell 11 basis points short of its benchmark, while the International Equity composite outpaced its benchmark by 33 basis points. Real Estate ended April up 0.84%, ahead of the 0.51% return of its benchmark. Alternatives added 0.19% but missed the 0.72% return of its benchmark. Fixed Income gained 0.80% during the month, outperforming the 0.77% return of the Bloomberg Aggregate Index. For the trailing year, the Fund is up 12.20% and ahead of its benchmark by 1.61%.

Current policy states that when 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 April, Alternatives was below target allocation by 4.6% and Domestic Equity was above the target allocation by 5.4%. All other asset classes were within the allowable range. The Chief Investment Officer and Consultant do not recommend any rebalancing at this time.




### U.S. Equity

The U.S. Equity composite added 0.95% during April but missed the 1.06% return of the Russell 3000 Index. Large cap had the advantage over small cap, while style returns were mixed across the capitalizations.

Large Cap: IMRF's Large Cap managers were in line with the Russell 1000 Index during April, returning 1.06%. In aggregate, growth managers advanced 2.69% compared to the 2.29% return of the Russell 1000 Growth Index. Continuing the trend from last month, Sands was the best performing Large Cap Growth manager, gaining 3.56% in April. Despite falling 5 basis points, the value managers still outperformed the Russell 1000 Value Index by 14 basis points. Dodge & Cox was the only value manager that posted a positive absolute return for the quarter, gaining 0.43% relative to the -0.19% return of the Russell 1000 Value Index.

Small Cap: The Small Cap composite added 0.56% in April but missed the 1.10% return of the Russell 2000 Index. In a reversal of recent trends, the Small Cap Value managers (+0.72%) had the edge over the Small Cap Growth managers (+0.11%) in April. Similar to March, Frontier (+1.75%) was the best performing Small Cap Growth manager, while Inv. Counselors of Maryland (+1.00%) was the best performing Small Cap Value manager. The Micro-Cap composite advanced 1.23% in April, led by the 2.65% return of Ativo. The liquidation of Ariel began in April.

### International Equity

The International Equity composite outpaced the 2.14% return of the MSCI ACWI ex-U.S. (Net) Index in April, returning 2.47%.

Large Cap: International Large Cap managers had a positive absolute return of 2.36% compared to the 2.14% return of the MSCI ACWI ex-U.S. (Net) Index. International Large Cap Growth managers collectively grew 3.04%, led by the 3.22% return of William Blair. In aggregate, the International Large Cap Value managers gained 1.37%. Lazard led the way for the International Large Cap Value managers, returning 3.35%.

International Small Cap and Emerging Markets: The International Small Cap managers returned 4.63%, and beat the 3.00% return of the ACWI Small Cap ex US Index. Both Franklin Templeton (+4.80%) and Willian Blair (+4.49%) posted strong absolute returns in April. The Emerging Markets portfolio, managed by Genesis, advanced 2.10% during the month but missed the 2.21% return of the MSCI Emerging Markets Index.

### Fixed Income

The Fixed Income composite added 80 basis points in April, finishing 3 basis points ahead of the Bloomberg Aggregate Index. Continuing its streak, the Emerging Markets Debt manager, Standish, was the best performing Fixed Income manager, returning 1.54%.

Active Core: In aggregate, the Active Core Fixed Income managers slightly underperformed the 0.77% return of the Bloomberg Aggregate Index, gaining 0.74% during April. Both EARNEST Partners and Piedmont outperformed the Bloomberg Aggregate Index, while Garcia Hamilton fell slightly behind the benchmark.

Core Plus: The Core Plus managers collectively advanced 0.74%. Taplin, Canida, Habacht was the best performing manager, adding 1.02%, followed closely by Brandes (+0.90%), Western (+0.89%), and LM Capital (+0.88%). Performance data for Progress is not yet available.

Bank Loans: The Bank Loans composite, managed by Barings, gained 1.04% during April, outperforming the 0.43% return of its custom benchmark.

Emerging Markets: The Emerging Market Debt component, managed by Standish, was again the best performer in the Fund's Fixed Income composite, returning 1.54%, and surpassing its custom benchmark return of 1.24%.

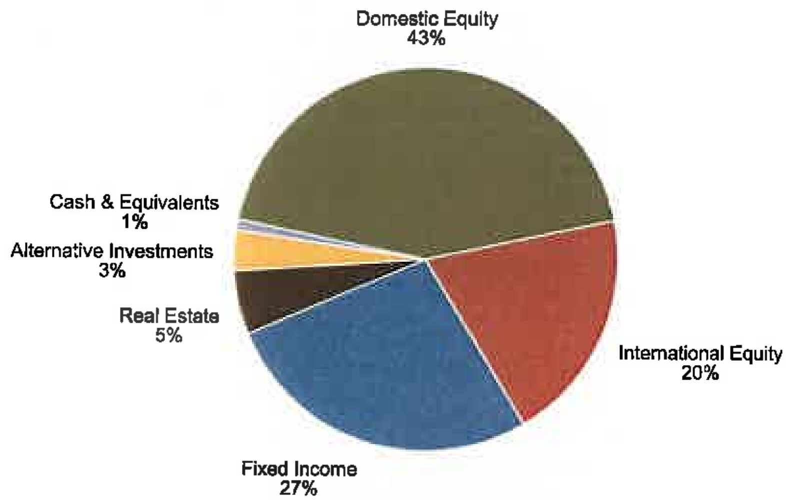
Opportunistic: The Opportunistic fixed income allocation, managed by Crescent, grew 0.91% in April, and outpaced the 0.78% return of its custom benchmark.

High Yield: The high yield manager, MacKay Shields, outperformed its benchmark by 8 basis points, growing 1.22% during April.

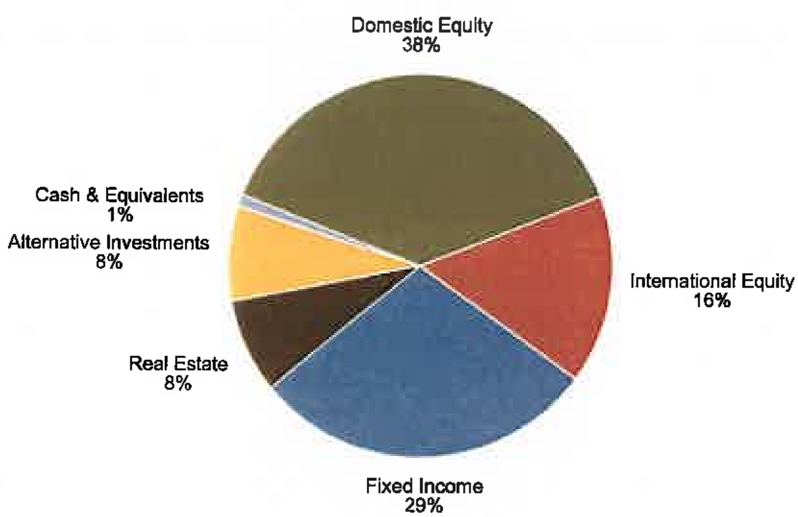
## Actual vs Target Asset Allocation

The first chart below shows the Fund's asset allocation as of April 30, 2017. 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 | 16,533 | 43.4% | 38.0% | 5.4% | 2,056 |
| International Equity | 7,509 | 19.7% | 16.0% | 3.7% | 1,414 |
| Fixed Income | 10,370 | 27.2% | 29.0% | (1.8%) | (678) |
| Real Estate | 2,048 | 5.4% | 8.0% | (2.6%) | (1,000) |
| Alternative Investments | 1,280 | 3.4% | 8.0% | (4.6%) | (1,768) |
| Cash & Equivalents | 358 | 0.9% | 1.0% | (0.1%) | (23) |
| Total | 38,097 | 100.0% | 100.0% | | |

* Current Month Target = 38.0% Russell 3000 Index, 29.0% Blmbg Aggregate, 16.0% MSCI ACWI ex US, 8.0% NCREIF NFI-ODCE Val Wt Nt, 8.0% 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 April 30, 2017, with the distribution as of March 31, 2017.

### Asset Distribution Across Investment Managers

| | April 30, 2017 | | March 31, 2017 | |
|---|---|---|---|---|
| | Market Value | Percent | Market Value | Percent |
| **Domestic Equity*** | **$16,532,629,988** | **43.40%** | **$16,440,844,737** | **43.75%** |
| **Large Cap Growth** | | | | |
| Holland | 965,234,012 | 2.53% | 938,702,327 | 2.50% |
| NTGI S&P 500 Growth Idx | 1,684,993,329 | 4.42% | 1,653,028,686 | 4.40% |
| Sands | 1,336,342,617 | 3.51% | 1,290,403,469 | 3.43% |
| **Large Cap Value** | | | | |
| Dodge & Cox | 1,351,770,359 | 3.55% | 1,349,317,547 | 3.59% |
| BMO | 1,353,987,959 | 3.55% | 1,363,493,687 | 3.63% |
| LSV | 1,382,407,076 | 3.63% | 1,385,126,820 | 3.69% |
| NTGI S&P 500 Value Idx | 1,582,013,967 | 4.15% | 1,582,751,181 | 4.21% |
| **Large Cap Core** | | | | |
| NTGI MarketCap Index | 3,148,379,291 | 8.26% | 3,115,555,096 | 8.29% |
| **Small Cap Growth** | | | | |
| Frontier | 393,601,598 | 1.03% | 386,831,552 | 1.03% |
| FIAM | 1,030,553,497 | 2.71% | 1,035,787,334 | 2.76% |
| **Small Cap Value** | | | | |
| Channing | 213,659,747 | 0.56% | 214,449,546 | 0.57% |
| Dimensional Small Cap Value | 849,178,977 | 2.23% | 842,764,551 | 2.24% |
| Inv. Counselors of Maryland | 718,771,095 | 1.89% | 711,631,886 | 1.89% |
| **Micro Cap** | | | | |
| Ariel | 15,013,901 | 0.04% | 73,882,461 | 0.20% |
| Ativo | 125,022,095 | 0.33% | 121,790,571 | 0.32% |
| Dimensional Micro Cap | 381,700,469 | 1.00% | 375,328,023 | 1.00% |
| **International Equity** | **$7,509,160,896** | **19.71%** | **$7,327,276,592** | **19.50%** |
| **International Large Cap Growth** | | | | |
| EARNEST Partners | 574,925,987 | 1.51% | 558,786,462 | 1.49% |
| William Blair | 646,474,356 | 1.70% | 626,295,151 | 1.67% |
| **International Large Cap Value** | | | | |
| Brandes | 557,545,069 | 1.46% | 552,518,517 | 1.47% |
| Lombardia | 5,219 | 0.00% | 5,186 | 0.00% |
| Mondrian | 533,484,100 | 1.40% | 525,352,585 | 1.40% |
| Lazard | 101,322,098 | 0.27% | 98,039,864 | 0.26% |
| **International Large Cap Core** | | | | |
| Arrowstreet | 606,877,894 | 1.59% | 591,598,653 | 1.57% |
| Brown | 305,807,169 | 0.80% | 296,096,032 | 0.79% |
| GlobeFlex | 588,286,605 | 1.54% | 574,933,500 | 1.53% |
| NTGI MSCI EAFE Index | 2,185,162,888 | 5.74% | 2,129,214,814 | 5.67% |
| Progress Intl Equity | 257,544,151 | 0.68% | 257,544,151 | 0.69% |
| **International Small Cap** | | | | |
| Franklin Templeton | 215,808,690 | 0.57% | 205,929,571 | 0.55% |
| William Blair | 254,281,047 | 0.67% | 243,357,537 | 0.65% |
| **Emerging Markets** | | | | |
| Genesis | 681,640,842 | 1.79% | 667,609,755 | 1.78% |
| **Total Fixed Income** | **$10,369,746,657** | **27.22%** | **$10,305,955,574** | **27.42%** |
| **Domestic Fixed Core** | | | | |
| EARNEST Partners | 551,904,581 | 1.45% | 548,818,595 | 1.46% |
| Piedmont Investment | 552,742,186 | 1.45% | 549,880,773 | 1.46% |
| Garcia Hamilton | 523,434,722 | 1.37% | 521,059,137 | 1.39% |

* includes asset in equity transition account.

## Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of April 30, 2017, with the distribution as of March 31, 2017.

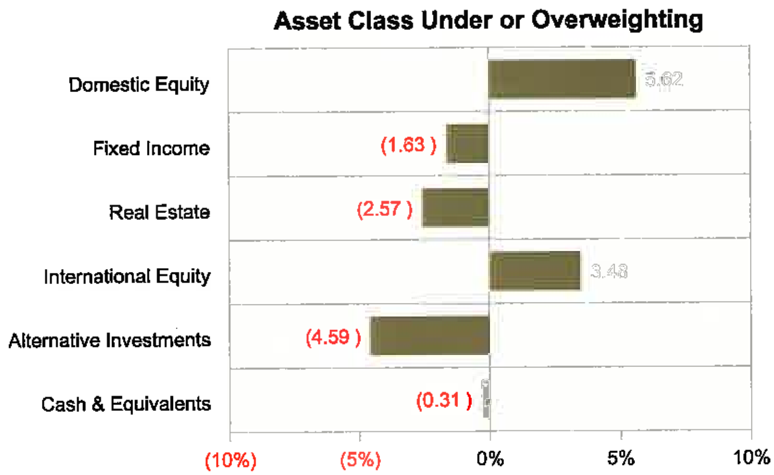
### Asset Distribution Across Investment Managers

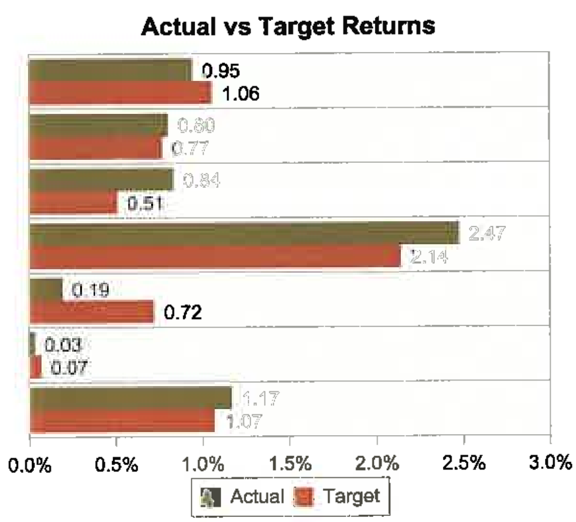
| | April 30, 2017 | | March 31, 2017 | |
|---|---|---|---|---|
| | Market Value | Percent | Market Value | Percent |
| **Domestic Fixed Passive Core** | | | | |
| NTGI Blmbg Agg. Index | 1,533,172,227 | 4.02% | 1,521,620,770 | 4.05% |
| BlackRock US Debt | 1,416,524,647 | 3.72% | 1,405,411,216 | 3.74% |
| **Domestic Fixed Core Plus** | | | | |
| BlackRock Core Plus | 749,656,857 | 1.97% | 744,774,345 | 1.98% |
| Brandes Core Plus | 247,183,202 | 0.65% | 245,172,466 | 0.65% |
| LM Capital | 864,733,726 | 2.27% | 859,209,254 | 2.29% |
| Progress Fixed Income | 862,411,700 | 2.26% | 862,411,700 | 2.29% |
| Taplin, Canida, & Habacht | 878,528,750 | 2.31% | 871,976,328 | 2.32% |
| Western | 935,525,836 | 2.46% | 928,814,873 | 2.47% |
| **Bank Loans** | | | | |
| Barings Global Loan Fund | 308,303,700 | 0.81% | 308,305,862 | 0.82% |
| **Emerging Markets Debt** | | | | |
| Standish | 197,831,362 | 0.52% | 194,830,239 | 0.52% |
| **Opportunistic Fixed Income** | | | | |
| Crescent | 117,768,792 | 0.31% | 118,192,368 | 0.31% |
| **High Yield** | | | | |
| MacKay Shields | 628,954,738 | 1.65% | 624,617,347 | 1.66% |
| FIAM High Yield | 1,069,630 | 0.00% | 860,300 | 0.00% |
| **Real Estate** | **$2,047,526,100** | **5.37%** | **$2,055,545,012** | **5.47%** |
| **Real Estate Core** | | | | |
| TA Buckhead Ind. Prop. | 379,353,340 | 1.00% | 379,353,340 | 1.01% |
| Barings Core Property Fund | 142,996,842 | 0.38% | 142,996,842 | 0.38% |
| Barings European Core Property | 21,513,578 | 0.06% | 21,130,308 | 0.06% |
| INVESCO Core RE | 190,928,291 | 0.50% | 187,728,020 | 0.50% |
| AEW Core Property Trust | 224,180,987 | 0.59% | 222,513,392 | 0.59% |
| CBRE US Core Property Trust | 162,791,481 | 0.43% | 158,669,597 | 0.42% |
| **Real Estate Non-Core** | | | | |
| Artemis MWBE Spruce | 50,976,625 | 0.13% | 50,976,625 | 0.14% |
| Franklin Templeton EMREFF | 38,025,722 | 0.10% | 38,025,722 | 0.10% |
| Security Capital | 53,590,036 | 0.14% | 53,590,036 | 0.14% |
| Dune II | 34,307,190 | 0.09% | 34,307,190 | 0.09% |
| Non-Core Real Estate Funds* | 650,493,122 | 1.71% | 643,020,004 | 1.71% |
| Non-Core Intl Real Estate Funds** | 79,855,068 | 0.21% | 75,780,685 | 0.20% |
| Rockwood Fund VIII | 2,654,798 | 0.01% | 5,020,557 | 0.01% |
| Almanac ARS V | 6,824,931 | 0.02% | 9,559,662 | 0.03% |
| TA Fund IX | 9,034,089 | 0.02% | 32,873,033 | 0.09% |
| **Alternative Investments** | **$1,279,907,285** | **3.36%** | **$1,287,489,186** | **3.43%** |
| **Absolute Return** | | | | |
| Aurora | 30,901,940 | 0.08% | 33,634,196 | 0.09% |
| **Private Equity** | | | | |
| Abbott | 311,773,410 | 0.82% | 312,068,783 | 0.83% |
| Muller & Monroe ILPEFF | 2,913,771 | 0.01% | 2,913,771 | 0.01% |
| Muller & Monroe MPEFF | 9,436,695 | 0.02% | 9,436,695 | 0.03% |
| Pantheon | 210,948,663 | 0.55% | 211,303,239 | 0.56% |
| Private Equity Fund - Domestic | 425,014,923 | 1.12% | 430,191,782 | 1.14% |
| Private Equity Fund - International | 33,011,779 | 0.09% | 29,880,376 | 0.08% |
| **Agriculture** | | | | |
| Premiere Partners IV | 181,970,435 | 0.48% | 183,163,900 | 0.49% |
| **Timberland** | | | | |
| Forest Investment Assoc. | 73,935,669 | 0.19% | 74,896,443 | 0.20% |
| **Cash & Equivalents** | **$357,996,627** | **0.94%** | **$162,022,522** | **0.43%** |
| **Total Fund** | **$38,096,967,552** | **100.0%** | **$37,579,133,623** | **100.0%** |

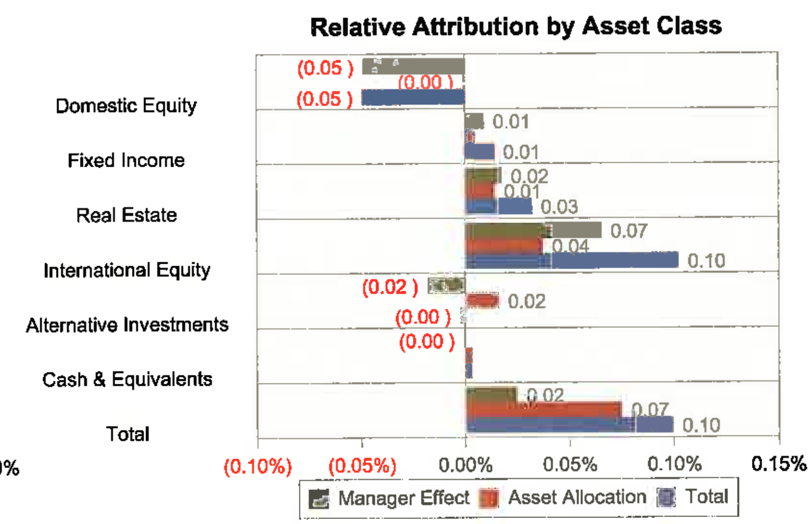
* Non-Core Real Estate Funds funded since September 2011.
** Non-Core International Real Estate Funds funded since August 2014.

## Monthly Total Fund Relative Attribution - April 30, 2017

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.




### Relative Attribution Effects for Month ended April 30, 2017

| Asset Class | Effective Actual Weight | Effective Target Weight | Actual Return | Target Return | Manager Effect | Asset Allocation | Total Relative Return |
|---|---|---|---|---|---|---|---|
| Domestic Equity | 44% | 38% | 0.95% | 1.06% | (0.05%) | (0.00%) | (0.05%) |
| Fixed Income | 27% | 29% | 0.80% | 0.77% | 0.01% | 0.00% | 0.01% |
| Real Estate | 5% | 8% | 0.84% | 0.51% | 0.02% | 0.01% | 0.03% |
| International Equity | 19% | 16% | 2.47% | 2.14% | 0.07% | 0.04% | 0.10% |
| Alternative Investments | 3% | 8% | 0.19% | 0.72% | (0.02%) | 0.02% | (0.00%) |
| Cash & Equivalents | 1% | 1% | 0.03% | 0.07% | (0.00%) | 0.00% | 0.00% |
| **Total** | | | **1.17% =** | **1.07% +** | **0.02% +** | **0.07%** | **0.10%** |

* Current Month Target = 38.0% Russell 3000 Index, 29.0% Blmbg Aggregate, 16.0% MSCI ACWI ex US, 8.0% NCREIF NFI-ODCE Val Wt Nt, 8.0% 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 April 30, 2017**

| | Last Month | Last 3 Months | Year to Date | Last 12 Months |
|---|---|---|---|---|
| Domestic Equity | 0.95% | 4.11% | 6.09% | 19.77% |
| Blended Benchmark** | 1.06% | 4.89% | 6.86% | 18.58% |
| Domestic Equity - Net | 0.93% | 4.06% | 6.02% | 19.51% |
| International Equity | 2.47% | 6.99% | 10.66% | 12.69% |
| MSCI ACWI x US (Net) | 2.14% | 6.40% | 10.17% | 12.59% |
| International Equity - Net | 2.46% | 6.95% | 10.59% | 12.35% |
| Fixed Income | 0.80% | 1.67% | 2.09% | 3.01% |
| Blmbg Aggregate Index | 0.77% | 1.40% | 1.59% | 0.83% |
| Fixed Income - Net | 0.79% | 1.64% | 2.04% | 2.88% |
| Real Estate | 0.84% | 1.59% | 1.82% | 8.43% |
| Blended Benchmark*** | 0.51% | 1.54% | 2.07% | 7.23% |
| Real Estate - Net | 0.84% | 1.59% | 1.82% | 8.43% |
| Alternative Investments | 0.19% | 3.65% | 2.35% | 7.91% |
| Alternatives Custom Benchmark**** | 0.72% | 2.18% | 2.91% | 9.00% |
| Alternative Investments - Net | 0.18% | 3.61% | 2.29% | 7.64% |
| Absolute Return | 16.24% | 43.38% | 17.89% | 25.44% |
| HFR Fund-of-Funds Index | 0.56% | 1.94% | 2.97% | 6.27% |
| Private Equity | (0.00%) | 3.85% | 3.32% | 10.54% |
| Alternatives Custom Benchmark**** | 0.72% | 2.18% | 2.91% | 9.00% |
| Agriculture | (0.65%) | (1.14%) | (1.15%) | (1.71%) |
| Blended Benchmark*** | 0.51% | 1.54% | 2.07% | 7.23% |
| Timberland | (1.53%) | (1.53%) | (1.53%) | (1.03%) |
| Blended Benchmark*** | 0.51% | 1.54% | 2.07% | 7.23% |
| **Total Fund** | **1.17%** | **3.80%** | **5.41%** | **12.20%** |
| Total Fund - Net | 1.15% | 3.76% | 5.35% | 11.98% |
| Total Fund Benchmark | 1.07% | 3.58% | 5.07% | 10.59% |

* Current Month Target = 38.0% Russell 3000 Index, 29.0% Blmbg Aggregate, 16.0% MSCI ACWI ex US, 8.0% NCREIF NFI-ODCE Val Wt Nt, 8.0% 9% Annually and 1.0% 3-month Treasury Bill.
** The Blended Benchmark is currently Russell 3000 Index. Returns prior to January 1, 2015, reflect those of the Dow Jones U.S. Total Stock Market Index.
*** The Blended Benchmark is currently ODCE Value Weighted Index. 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 April 30, 2017**

| | Last 36 Months | Last 60 Months | Last 120 Months | Since Inception |
|---|---|---|---|---|
| Domestic Equity | 9.44% | 13.38% | 7.44% | 11.60% (1/82) |
| Blended Benchmark** | 10.07% | 13.52% | 7.34% | 11.36% (1/82) |
| Domestic Equity - Net | 9.19% | 13.10% | 7.17% | 8.07% (1/05) |
| International Equity | 2.22% | 7.22% | 2.02% | 7.85% (9/86) |
| MSCI ACWI x US (Net) | 0.83% | 5.13% | 1.12% | - |
| International Equity - Net | 1.91% | 6.88% | 1.71% | 5.48% (1/05) |
| Fixed Income | 3.26% | 3.41% | 5.20% | 8.49% (1/82) |
| Blmbg Aggregate Index | 2.66% | 2.27% | 4.30% | 7.96% (1/82) |
| Fixed Income - Net | 3.13% | 3.27% | 5.06% | 4.93% (1/05) |
| Real Estate - Net | 10.67% | 10.89% | 4.53% | 7.03% (1/05) |
| Blended Benchmark*** | 10.63% | 11.13% | 7.39% | 7.74% (1/05) |
| Alternative Investments | 7.48% | 8.10% | 5.96% | 10.62% (2/86) |
| Alternatives Custom Benchmark**** | 9.00% | 9.00% | 9.94% | 12.97% (2/86) |
| Alternative Investments - Net | 7.13% | 7.77% | 5.67% | 7.74% (1/05) |
| Absolute Return | 9.03% | 7.57% | 4.08% | 5.61% (1/02) |
| HFR Fund-of-Funds Index | 2.21% | 3.39% | 1.12% | 3.43% (1/02) |
| Private Equity | 9.92% | 10.03% | 8.19% | 12.75% (2/86) |
| Alternatives Custom Benchmark**** | 9.00% | 9.00% | 9.94% | 12.97% (2/86) |
| Agriculture | 11.64% | 15.58% | 9.44% | 8.46% (10/97) |
| Blended Benchmark*** | 10.63% | 11.13% | 7.39% | 7.56% (10/97) |
| Timberland | 0.08% | 2.32% | 4.67% | 7.86% (10/92) |
| Blended Benchmark*** | 10.63% | 11.13% | 7.39% | 7.57% (10/92) |
| **Total Fund** | **6.11%** | **8.88%** | **6.18%** | **9.95%** (1/82) |
| Total Fund - Net | 5.88% | 8.64% | 5.95% | 7.01% (1/05) |
| Total Fund Benchmark | 6.43% | 8.37% | 6.04% | 6.84% (1/05) |

* Current Month Target = 38.0% Russell 3000 Index, 29.0% Blmbg Aggregate, 16.0% MSCI ACWI ex US, 8.0% NCREIF NFI-ODCE Val Wt Nt, 8.0% 9% Annually and 1.0% 3-month Treasury Bill.
** The Blended Benchmark is currently Russell 3000 Index. Returns prior to January 1, 2015, reflect those of the Dow Jones U.S. Total Stock Market Index.
*** The Blended Benchmark is currently ODCE Value Weighted Index. 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 April 30, 2017

| | Last Month | Last 3 Months | Year to Date | Last 12 Months |
|---|---|---|---|---|
| **Large Cap Equity** | **1.06%** | **4.89%** | **7.44%** | **19.02%** |
| Russell 1000 Index | 1.06% | 5.04% | 7.15% | 18.03% |
| **Large Cap Growth** | **2.69%** | **8.08%** | **13.31%** | **18.82%** |
| Holland | 2.83% | 8.37% | 11.89% | 16.47% |
| LCG Blended Benchmark* | 2.29% | 7.77% | 11.40% | 19.50% |
| Russell 1000 Growth Index | 2.29% | 7.77% | 11.40% | 19.50% |
| Holland - Net | 2.78% | 8.26% | 11.78% | 16.18% |
| NTGI S&P 500 Growth Idx | 1.93% | 7.39% | 10.59% | 19.13% |
| S&P/Citi 500 Growth Index | 1.95% | 7.43% | 10.65% | 19.15% |
| NTGI S&P 500 Growth Idx - Net | 1.93% | 7.39% | 10.59% | 19.13% |
| Sands | 3.56% | 8.74% | 18.05% | 20.55% |
| LCG Blended Benchmark* | 2.29% | 7.77% | 11.40% | 19.50% |
| Russell 1000 Growth Index | 2.29% | 7.77% | 11.40% | 19.50% |
| Sands - Net | 3.56% | 8.69% | 17.99% | 20.28% |
| **Large Cap Value** | **(0.05%)** | **2.76%** | **3.94%** | **19.24%** |
| Dodge & Cox | 0.43% | 3.09% | 5.54% | 25.90% |
| LCV Blended Benchmark** | (0.19%) | 2.35% | 3.07% | 16.55% |
| Russell 1000 Value Index | (0.19%) | 2.35% | 3.07% | 16.55% |
| Dodge & Cox - Net | 0.43% | 3.04% | 5.49% | 25.71% |
| BMO | (0.53%) | 2.66% | 3.89% | 15.69% |
| LCV Blended Benchmark** | (0.19%) | 2.35% | 3.07% | 16.55% |
| Russell 1000 Value Index | (0.19%) | 2.35% | 3.07% | 16.55% |
| BMO - Net | (0.53%) | 2.61% | 3.83% | 15.44% |
| LSV | (0.03%) | 2.68% | 3.16% | 19.92% |
| LCV Blended Benchmark** | (0.19%) | 2.35% | 3.07% | 16.55% |
| Russell 1000 Value Index | (0.19%) | 2.35% | 3.07% | 16.55% |
| LSV - Net | (0.09%) | 2.62% | 3.04% | 19.64% |
| NTGI S&P 500 Value Idx | (0.05%) | 2.61% | 3.31% | 16.35% |
| S&P/Citi 500 Value Index | (0.07%) | 2.54% | 3.22% | 16.13% |
| NTGI S&P 500 Value Idx - Net | (0.05%) | 2.61% | 3.31% | 16.34% |
| **Large Cap Passive Core** | **1.05%** | **4.88%** | **6.92%** | **18.69%** |
| NTGI MarketCap Idx | 1.05% | 4.88% | 6.92% | 18.69% |
| DJ U.S. Total Stock Market Index | 1.04% | 4.85% | 6.89% | 18.56% |
| NTGI MarketCap Idx - Net | 1.05% | 4.88% | 6.91% | 18.68% |

* 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 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 April 30, 2017**

| | Last 36 Months | Last 60 Months | Last 120 Months | Since Inception | |
|---|---|---|---|---|---|
| **Large Cap Equity** | **10.05%** | **13.60%** | **7.41%** | **11.18%** | (1/82) |
| Russell 1000 Index | 10.20% | 13.63% | 7.25% | 11.55% | (1/82) |
| **Large Cap Growth** | **10.76%** | **12.56%** | **8.76%** | **11.59%** | (1/82) |
| Holland | 10.49% | 11.94% | 9.10% | 10.25% | (11/94) |
| LCG Blended Benchmark* | 12.11% | 13.87% | 8.88% | 9.79% | (11/94) |
| Russell 1000 Growth Index | 12.11% | 13.87% | 8.88% | 9.04% | (11/94) |
| Holland - Net | 10.26% | 11.69% | 8.82% | 8.07% | (1/05) |
| NTGI S&P 500 Growth Idx | 12.16% | 14.24% | 8.92% | 6.89% | (8/01) |
| S&P/Citi 500 Growth Index | 12.13% | 14.22% | 8.91% | 6.85% | (8/01) |
| NTGI S&P 500 Growth Idx - Net | 12.15% | 14.23% | 8.91% | 8.83% | (1/05) |
| Sands | 9.55% | 12.24% | 11.35% | 10.94% | (11/03) |
| LCG Blended Benchmark* | 12.11% | 13.87% | 8.88% | 8.85% | (11/03) |
| Russell 1000 Growth Index | 12.11% | 13.87% | 8.88% | 8.91% | (11/03) |
| Sands - Net | 9.31% | 11.99% | 11.09% | 9.67% | (1/05) |
| **Large Cap Value** | **9.06%** | **14.57%** | **6.21%** | **10.43%** | (10/82) |
| Dodge & Cox | 10.10% | 15.87% | 6.51% | 9.65% | (9/03) |
| LCV Blended Benchmark** | 8.26% | 13.32% | 5.53% | 8.44% | (9/03) |
| Russell 1000 Value Index | 8.26% | 13.32% | 5.53% | 8.63% | (9/03) |
| Dodge & Cox - Net | 9.89% | 15.63% | 6.28% | 7.77% | (1/05) |
| BMO | 8.53% | 13.88% | 6.53% | 8.01% | (2/01) |
| LCV Blended Benchmark** | 8.26% | 13.32% | 5.53% | 5.48% | (2/01) |
| Russell 1000 Value Index | 8.26% | 13.32% | 5.53% | 6.62% | (2/01) |
| BMO - Net | 8.29% | 13.63% | 6.29% | 8.13% | (1/05) |
| LSV | 9.15% | 15.41% | 6.81% | 11.36% | (2/03) |
| LCV Blended Benchmark** | 8.26% | 13.32% | 5.53% | 9.50% | (2/03) |
| Russell 1000 Value Index | 8.26% | 13.32% | 5.53% | 9.52% | (2/03) |
| LSV - Net | 8.89% | 15.13% | 6.52% | 8.37% | (1/05) |
| NTGI S&P 500 Value Idx | 8.51% | 13.04% | 5.33% | 5.56% | (8/99) |
| S&P/Citi 500 Value Index | 8.42% | 12.94% | 5.26% | 5.53% | (8/99) |
| NTGI S&P 500 Value Idx - Net | 8.51% | 13.04% | 5.32% | 6.87% | (1/05) |
| **Large Cap Passive Core** | **10.14%** | **13.59%** | **7.26%** | **11.10%** | (1/85) |
| NTGI MarketCap Idx | 10.14% | 13.59% | 7.27% | 10.85% | (2/85) |
| DJ U.S. Total Stock Market Index | 10.03% | 13.49% | 7.32% | 10.80% | (2/85) |
| NTGI MarketCap Idx - Net | 10.14% | 13.58% | 7.26% | 8.11% | (1/05) |

* 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.

## 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 April 30, 2017**

| | Last Month | Last 3 Months | Year to Date | Last 12 Months |
|---|---|---|---|---|
| **Small Cap Equity** | **0.56%** | **1.58%** | 1.81% | **21.89%** |
| Russell 2000 Index | 1.10% | 3.18% | 3.59% | 25.63% |
| **Small Cap Growth** | **0.11%** | **2.28%** | **3.86%** | **18.28%** |
| Frontier | 1.75% | 4.87% | 6.98% | 23.12% |
| Russell 2000 Growth Index | 1.84% | 5.57% | 7.29% | 24.06% |
| Frontier - Net | 1.63% | 4.74% | 6.72% | 22.44% |
| FIAM | (0.51%) | 1.32% | 2.71% | 15.53% |
| Russell 2000 Growth Index | 1.84% | 5.57% | 7.29% | 24.06% |
| FIAM - Net | (0.62%) | 1.21% | 2.60% | 14.87% |
| **Small Cap Value** | **0.72%** | **0.67%** | **0.33%** | **24.62%** |
| Channing | (0.37%) | (0.14%) | (0.10%) | 25.24% |
| Russell 2000 Value Index | 0.39% | 0.98% | 0.26% | 27.18% |
| Channing - Net | (0.49%) | (0.26%) | (0.34%) | 24.48% |
| DFA Small Cap Value | 0.76% | 0.11% | (0.75%) | 23.49% |
| Russell 2000 Value Index | 0.39% | 0.98% | 0.26% | 27.18% |
| DFA Small Cap Value - Net | 0.76% | (0.01%) | (0.87%) | 22.89% |
| Inv. Counselors of Maryland | 1.00% | 1.58% | 1.77% | 26.95% |
| Russell 2000 Value Index | 0.39% | 0.98% | 0.26% | 27.18% |
| Inv. Couns. of Maryland - Net | 1.00% | 1.49% | 1.68% | 26.22% |
| **Micro Cap** | **1.23%** | **2.74%** | **1.58%** | **22.80%** |
| Ativo | 2.65% | 5.68% | 3.79% | 23.53% |
| Russell Microcap Index | 1.03% | 2.97% | 1.41% | 25.03% |
| Russell 2000 Growth Index | 1.84% | 5.57% | 7.29% | 24.06% |
| Russell 2000 Index | 1.10% | 3.18% | 3.59% | 25.63% |
| Ativo - Net | 2.50% | 5.51% | 3.48% | 22.83% |
| DFA Micro Cap | 1.70% | 2.76% | 1.24% | 25.92% |
| Russell 2000 Value Index | 0.39% | 0.98% | 0.26% | 27.18% |
| Russell 2000 Index | 1.10% | 3.18% | 3.59% | 25.63% |
| DFA Micro Cap - Net | 1.70% | 2.63% | 1.11% | 25.30% |

## 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 April 30, 2017**

| | Last 36 Months | Last 60 Months | Last 120 Months | Since Inception |
|---|---|---|---|---|
| **Small Cap Equity** | **7.87%** | 12.91% | **8.26%** | **12.45%** (7/88) |
| Russell 2000 Index | 9.03% | 12.95% | 7.05% | 9.60% (7/88) |
| **Small Cap Growth** | **8.19%** | **12.57%** | **8.47%** | **13.03%** (7/88) |
| Frontier | 5.53% | 11.01% | 8.32% | 12.89% (8/88) |
| Russell 2000 Growth Index | 9.27% | 12.89% | 7.97% | 8.08% (8/88) |
| Frontier - Net | 4.92% | 10.38% | 5.82% | 6.92% (1/05) |
| FIAM | 10.77% | 14.26% | 9.66% | 13.78% (8/88) |
| Russell 2000 Growth Index | 9.27% | 12.89% | 7.97% | 8.08% (8/88) |
| FIAM - Net | 10.15% | 13.67% | 9.04% | 10.99% (1/05) |
| **Small Cap Value** | **9.16%** | **14.02%** | **7.85%** | **12.31%** (9/89) |
| Channing | 9.32% | 15.69% | - | 12.96% (7/11) |
| Russell 2000 Value Index | 8.71% | 12.96% | 6.02% | 11.04% (7/11) |
| Channing - Net | 8.82% | 15.03% | - | 12.32% (7/11) |
| DFA Small Cap Value | 8.54% | 14.60% | 7.44% | 12.87% (2/96) |
| Russell 2000 Value Index | 8.71% | 12.96% | 6.02% | 10.09% (2/96) |
| DFA Small Cap Value - Net | 8.04% | 14.06% | 6.92% | 8.54% (1/05) |
| Inv. Counselors of Maryland | 11.01% | 14.23% | 8.40% | 12.05% (5/99) |
| Russell 2000 Value Index | 8.71% | 12.96% | 6.02% | 9.67% (5/99) |
| Inv. Couns. of Maryland - Net | 10.49% | 13.74% | 7.88% | 9.02% (1/05) |
| **Micro Cap** | **4.57%** | **11.23%** | **6.05%** | **11.91%** (7/84) |
| Ativo | 10.80% | 16.88% | - | 14.95% (10/10) |
| Russell Microcap Index | 7.36% | 12.99% | 5.37% | 13.24% (10/10) |
| Russell 2000 Growth Index | 9.27% | 12.89% | 7.97% | 13.65% (10/10) |
| Russell 2000 Index | 9.03% | 12.95% | 7.05% | 13.24% (10/10) |
| Ativo - Net | 10.03% | 16.04% | - | 14.12% (10/10) |
| DFA Micro Cap | 9.99% | 14.99% | 8.12% | 11.49% (8/87) |
| Russell 2000 Value Index | 8.71% | 12.96% | 6.02% | 10.26% (8/87) |
| Russell 2000 Index | 9.03% | 12.95% | 7.05% | 8.95% (8/87) |
| DFA Micro Cap - Net | 9.44% | 14.42% | 7.60% | 8.30% (1/05) |

## 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 April 30, 2017**

| | Last Month | Last 3 Months | Year to Date | Last 12 Months |
|---|---|---|---|---|
| **Intl Large Cap Equity** | **2.36%** | **6.65%** | **10.28%** | **12.52%** |
| MSCI ACWI ex-US Index | 2.14% | 6.40% | 10.17% | 12.59% |
| | | | | |
| **Intl Large Cap Growth** | **3.04%** | **6.69%** | **10.96%** | **14.57%** |
| | | | | |
| EARNEST Partners | 2.84% | 6.94% | 11.35% | 18.75% |
| MSCI ACWI ex-US Index | 2.14% | 6.40% | 10.17% | 12.59% |
| MSCI ACWI ex-US Growth | 2.97% | 8.11% | 12.47% | 11.53% |
| EARNEST Partners - Net | 2.84% | 6.94% | 11.35% | 18.64% |
| | | | | |
| William Blair | 3.22% | 6.48% | 10.61% | 11.10% |
| MSCI ACWI ex-US Index | 2.14% | 6.40% | 10.17% | 12.59% |
| MSCI ACWI ex-US Growth | 2.97% | 8.11% | 12.47% | 11.53% |
| William Blair - Net | 3.13% | 6.39% | 10.42% | 10.60% |
| | | | | |
| **Intl Large Cap Value** | **1.37%** | **5.34%** | **7.72%** | **10.04%** |
| | | | | |
| Brandes | 0.86% | 3.50% | 5.91% | 10.17% |
| MSCI ACWI ex-US Index | 2.14% | 6.40% | 10.17% | 12.59% |
| MSCI ACWI ex-US Value | 1.47% | 5.12% | 8.39% | 14.67% |
| Brandes - Net | 0.86% | 3.50% | 5.91% | 10.05% |
| | | | | |
| Mondrian | 1.55% | 6.86% | 9.23% | 10.75% |
| MSCI ACWI ex-US Index | 2.14% | 6.40% | 10.17% | 12.59% |
| MSCI ACWI ex-US Value | 1.47% | 5.12% | 8.39% | 14.67% |
| Mondrian - Net | 1.55% | 6.86% | 9.23% | 10.34% |
| | | | | |
| Lazard | 3.35% | 7.82% | 10.04% | 7.45% |
| MSCI ACWI ex-US Index | 2.14% | 6.40% | 10.17% | 12.59% |
| MSCI ACWI ex-US Value | 1.47% | 5.12% | 8.39% | 14.67% |
| Lazard - Net | 3.35% | 7.76% | 9.97% | 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 April 30, 2017**

| | Last 36 Months | Last 60 Months | Last 120 Months | Since Inception |
|---|---|---|---|---|
| **Intl Large Cap Equity** | **2.20%** | **7.54%** | 1.77% | **7.87%** (9/86) |
| MSCI ACWI ex-US Index | 0.83% | 5.13% | 1.12% | - |
| **Intl Large Cap Growth** | **2.26%** | **6.46%** | **1.90%** | **8.60%** (9/02) |
| EARNEST Partners | 1.42% | 5.65% | 4.14% | 9.64% (10/04) |
| MSCI ACWI ex-US Index | 0.83% | 5.13% | 1.12% | 5.94% (10/04) |
| MSCI ACWI ex-US Growth | 2.65% | 5.94% | 2.16% | 6.69% (10/04) |
| EARNEST Partners - Net | 1.24% | 5.38% | 3.76% | 8.18% (1/05) |
| William Blair | 3.03% | 7.21% | 2.66% | 9.87% (10/02) |
| MSCI ACWI ex-US Index | 0.83% | 5.13% | 1.12% | 8.43% (10/02) |
| MSCI ACWI ex-US Growth | 2.65% | 5.94% | 2.16% | 8.56% (10/02) |
| William Blair - Net | 2.62% | 6.78% | 2.27% | 6.10% (1/05) |
| **Intl Large Cap Value** | **1.26%** | **7.13%** | **0.72%** | **9.07%** (10/95) |
| Brandes | 1.10% | 7.96% | 1.03% | 9.30% (1/96) |
| MSCI ACWI ex-US Index | 0.83% | 5.13% | 1.12% | 5.09% (1/96) |
| MSCI ACWI ex-US Value | (0.13%) | 5.22% | 0.94% | - |
| Brandes - Net | 0.90% | 7.72% | 0.80% | 4.31% (1/05) |
| Mondrian | 1.57% | 6.39% | - | 5.71% (4/12) |
| MSCI ACWI ex-US Index | 0.83% | 5.13% | 1.12% | 4.72% (4/12) |
| MSCI ACWI ex-US Value | (0.13%) | 5.22% | 0.94% | 4.62% (4/12) |
| Mondrian - Net | 1.14% | 5.90% | - | 5.23% (4/12) |
| Lazard | 1.54% | 6.60% | - | 6.41% (4/12) |
| MSCI ACWI ex-US Index | 0.83% | 5.13% | 1.12% | 4.72% (4/12) |
| MSCI ACWI ex-US Value | (0.13%) | 5.22% | 0.94% | 4.62% (4/12) |
| Lazard - Net | 0.93% | 5.93% | - | 5.75% (4/12) |

## 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 April 30, 2017**

| | Last Month | Last 3 Months | Year to Date | Last 12 Months |
|---|---|---|---|---|
| **Intl Large Cap Active Core** | **2.23%** | 6.96% | **11.71%** | **13.85%** |
| Arrowstreet | 2.58% | 5.78% | 11.68% | 16.63% |
| MSCI ACWI ex-US Index | 2.14% | 6.40% | 10.17% | 12.59% |
| Arrowstreet - Net | 2.58% | 5.66% | 11.56% | 16.10% |
| Brown | 3.28% | 8.57% | 11.11% | 6.99% |
| MSCI ACWI ex-US Index | 2.14% | 6.40% | 10.17% | 12.59% |
| Brown - Net | 3.22% | 8.51% | 10.91% | 5.53% |
| GlobeFlex | 2.32% | 8.15% | 13.10% | 16.02% |
| MSCI ACWI ex-US Index | 2.14% | 6.40% | 10.17% | 12.59% |
| GlobeFlex - Net | 2.32% | 8.05% | 12.99% | 15.57% |
| Progress Intl Equity | 0.00% | 5.22% | 9.41% | 11.34% |
| Custom Benchmark | 2.32% | 7.17% | 11.34% | 13.92% |
| MSCI ACWI ex-US Index | 2.14% | 6.40% | 10.17% | 12.59% |
| Progress Intl Equity - Net | 0.00% | 5.22% | 9.28% | 10.93% |
| **Intl Large Cap Pass. Core** | **2.63%** | **7.10%** | **10.21%** | **11.79%** |
| NTGI MSCI EAFE Idx | 2.63% | 7.10% | 10.21% | 11.79% |
| MSCI EAFE Index | 2.54% | 6.87% | 9.97% | 11.29% |
| NTGI EAFE Idx - Net | 2.63% | 7.10% | 10.20% | 11.78% |
| **International Small Cap** | **4.63%** | **10.20%** | **13.90%** | **12.55%** |
| Franklin Templeton | 4.80% | 11.06% | 15.15% | 14.96% |
| ACWI Small Cap ex US | 3.00% | 7.90% | 12.04% | 12.48% |
| Franklin Templeton - Net | 4.80% | 11.06% | 15.15% | 14.33% |
| William Blair | 4.49% | 9.48% | 12.86% | 10.59% |
| ACWI Small Cap ex US | 3.00% | 7.90% | 12.04% | 12.48% |
| Intl SC Blended Benchmark | 3.00% | 7.90% | 12.04% | 12.48% |
| William Blair - Net | 4.30% | 9.28% | 12.44% | 9.54% |
| **Emerging Markets** | **2.10%** | **8.06%** | **12.04%** | **14.53%** |
| Genesis | 2.10% | 8.11% | 12.15% | 14.82% |
| MSCI Emerging Markets Index | 2.21% | 8.03% | 13.95% | 19.58% |
| Genesis - Net | 2.10% | 8.01% | 11.99% | 14.18% |

Brown and GlobeFlex moved to International Large Cap Active Core April 1, 2011.
Progress Custom Benchmark is a comprised of each manager's weighted benchmark.
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 April 30, 2017**

| | Last 36 Months | Last 60 Months | Last 120 Months | Since Inception |
|---|---|---|---|---|
| **Intl Large Cap Active Core** | 4.29% | **9.16%** | - | **4.40%** (2/08) |
| Arrowstreet | 5.23% | 10.01% | - | 4.62% (3/08) |
| MSCI ACWI ex-US Index | 0.83% | 5.13% | 1.12% | 1.23% (3/08) |
| Arrowstreet - Net | 4.78% | 9.49% | - | 4.14% (3/08) |
| Brown | 3.83% | 10.22% | 3.66% | 8.08% (10/04) |
| MSCI ACWI ex-US Index | 0.83% | 5.13% | 1.12% | 5.94% (10/04) |
| Brown - Net | 2.62% | 9.14% | 2.97% | 6.39% (1/05) |
| GlobeFlex | 4.59% | 8.43% | 2.68% | 4.87% (3/06) |
| MSCI ACWI ex-US Index | 0.83% | 5.13% | 1.12% | 3.32% (3/06) |
| GlobeFlex - Net | 4.20% | 7.98% | 2.23% | 4.42% (3/06) |
| Progress Intl Equity | - | - | - | 0.86% (7/14) |
| Custom Benchmark | - | - | - | 0.87% (7/14) |
| MSCI ACWI ex-US Index | 0.83% | 5.13% | 1.12% | (0.39%) (7/14) |
| Progress Intl Equity - Net | - | - | - | 0.45% (7/14) |
| **Intl Large Cap Pass. Core** | **1.26%** | **7.21%** | **1.29%** | **3.16%** (1/00) |
| NTGI MSCI EAFE Idx | 1.26% | 7.21% | 1.28% | 3.56% (2/00) |
| MSCI EAFE Index | 0.86% | 6.78% | 0.87% | 3.17% (2/00) |
| NTGI EAFE Idx - Net | 1.25% | 7.20% | 1.28% | 4.78% (1/05) |
| **International Small Cap** | **4.51%** | **9.12%** | **0.97%** | **4.68%** (12/05) |
| Franklin Templeton | 4.18% | 8.99% | - | 6.59% (8/11) |
| ACWI Small Cap ex US | 3.53% | 7.49% | 2.89% | 4.75% (8/11) |
| Franklin Templeton - Net | 3.54% | 8.27% | - | 5.88% (8/11) |
| William Blair | 4.79% | 9.23% | - | 10.47% (9/10) |
| ACWI Small Cap ex US | 3.53% | 7.49% | 2.89% | 7.81% (9/10) |
| Intl SC Blended Benchmark | 3.53% | 7.49% | 2.01% | 8.31% (9/10) |
| William Blair - Net | 3.91% | 8.34% | - | 9.61% (9/10) |
| **Emerging Markets** | **1.20%** | **2.83%** | **5.37%** | **9.04%** (2/92) |
| Genesis | 1.28% | 2.88% | 5.39% | 11.54% (5/04) |
| MSCI Emerging Markets Index | 2.16% | 1.85% | 2.81% | 9.23% (5/04) |
| Genesis - Net | 0.69% | 2.30% | 4.77% | 9.33% (1/05) |

Brown and GlobeFlex moved to International Large Cap Active Core April 1, 2011.
Progress Custom Benchmark is a comprised of each manager's weighted benchmark.
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.

## 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 April 30, 2017**

| | Last Month | Last 3 Months | Year to Date | Last 12 Months |
|---|---|---|---|---|
| **Dom. Fixed Active Core** | **0.74%** | **1.45%** | **1.73%** | **1.53%** |
| EARNEST Partners | 0.81% | 1.41% | 1.65% | 0.94% |
| Blmbg Aggregate Index | 0.77% | 1.40% | 1.59% | 0.83% |
| EARNEST Partners - Net | 0.77% | 1.37% | 1.57% | 0.77% |
| Piedmont | 0.79% | 1.57% | 1.98% | 2.26% |
| Blmbg Aggregate Index | 0.77% | 1.40% | 1.59% | 0.83% |
| Piedmont - Net | 0.75% | 1.53% | 1.90% | 2.09% |
| Garcia Hamilton | 0.61% | 1.37% | 1.56% | 1.43% |
| Blmbg Aggregate Index | 0.77% | 1.40% | 1.59% | 0.83% |
| Garcia Hamilton | 0.58% | 1.34% | 1.50% | 1.29% |
| **Dom. Fixed Passive Core** | **0.77%** | **1.41%** | **1.63%** | **0.85%** |
| BlackRock US Debt | 0.79% | 1.44% | 1.64% | 0.92% |
| Blmbg Aggregate Index | 0.77% | 1.40% | 1.59% | 0.83% |
| BlackRock US Debt - Net | 0.79% | 1.44% | 1.64% | 0.92% |
| NTGI Blmbg Agg. Index | 0.76% | 1.38% | 1.61% | 0.78% |
| Blmbg Aggregate Index | 0.77% | 1.40% | 1.59% | 0.83% |
| NTGI Blmbg Agg. Index - Net | 0.76% | 1.38% | 1.61% | 0.77% |

## 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 April 30, 2017**

| | Last 36 Months | Last 60 Months | Last 120 Months | Since Inception |
|---|---|---|---|---|
| **Dom. Fixed Active Core** | **3.14%** | **2.91%** | **4.69%** | **4.68% (4/01)** |
| EARNEST Partners | 3.18% | 2.89% | 4.78% | 4.69% (5/05) |
| Blmbg Aggregate Index | 2.66% | 2.27% | 4.30% | 4.25% (5/05) |
| EARNEST Partners - Net | 2.98% | 2.67% | 4.56% | 4.48% (5/05) |
| Piedmont | 3.13% | 2.94% | 4.62% | 4.51% (6/05) |
| Blmbg Aggregate Index | 2.66% | 2.27% | 4.30% | 4.18% (6/05) |
| Piedmont - Net | 2.97% | 2.78% | 4.44% | 4.31% (6/05) |
| Garcia Hamilton | - | - | - | 2.57% (6/15) |
| Blmbg Aggregate Index | 2.66% | 2.27% | 4.30% | 1.98% (6/15) |
| Garcia Hamilton | - | - | - | 2.47% (6/15) |
| **Dom. Fixed Passive Core** | **2.74%** | **2.31%** | **4.25%** | **6.12% (1/90)** |
| BlackRock US Debt | 2.80% | - | - | 3.09% (10/13) |
| Blmbg Aggregate Index | 2.66% | 2.27% | 4.30% | 2.95% (10/13) |
| BlackRock US Debt - Net | 2.79% | - | - | 3.09% (10/13) |
| NTGI Blmbg Agg. Index | 2.70% | 2.29% | 4.25% | 6.18% (2/90) |
| Blmbg Aggregate Index | 2.66% | 2.27% | 4.30% | 6.17% (2/90) |
| NTGI Blmbg Agg. Index - Net | 2.69% | 2.28% | 4.24% | 4.16% (1/05) |

## 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 April 30, 2017

| | Last Month | Last 3 Months | Year to Date | Last 12 Months |
|---|---|---|---|---|
| **Domestic Fixed Core Plus** | **0.74%** | **1.70%** | **2.08%** | **2.81%** |
| BlackRock Core Plus | 0.84% | 1.67% | 1.84% | 1.62% |
| Blmbg Aggregate Index | 0.77% | 1.40% | 1.59% | 0.83% |
| BlackRock Core Plus - Net | 0.84% | 1.66% | 1.83% | 1.51% |
| Brandes Core Plus | 0.90% | 1.69% | 2.05% | 1.28% |
| Blmbg Aggregate Index | 0.77% | 1.40% | 1.59% | 0.83% |
| Brandes Core Plus - Net | 0.90% | 1.69% | 2.05% | 1.28% |
| LM Capital | 0.88% | 1.85% | 2.11% | 2.05% |
| Blmbg Aggregate Index | 0.77% | 1.40% | 1.59% | 0.83% |
| LM Capital - Net | 0.84% | 1.81% | 2.03% | 1.88% |
| Progress Fixed Income | 0.00% | 0.81% | 1.19% | 1.74% |
| Blmbg Aggregate Index | 0.77% | 1.40% | 1.59% | 0.83% |
| Progress Fixed Inc. - Net | 0.00% | 0.81% | 1.10% | 1.49% |
| Taplin, Canida, Habacht | 1.02% | 1.93% | 2.44% | 4.95% |
| Blmbg Aggregate Index | 0.77% | 1.40% | 1.59% | 0.83% |
| Taplin, Canida, Hab. - Net | 0.99% | 1.90% | 2.38% | 4.78% |
| Western | 0.89% | 2.17% | 2.74% | 3.96% |
| Blmbg Aggregate Index | 0.77% | 1.40% | 1.59% | 0.83% |
| Western - Net | 0.86% | 2.14% | 2.70% | 3.81% |
| **Bank Loans** | **1.04%** | **1.51%** | **2.23%** | **9.05%** |
| Barings Global Loan Fund | 1.04% | 1.51% | 2.23% | 9.30% |
| Custom Benchmark | 0.43% | 1.06% | 1.69% | 8.05% |
| Barings Global Loan Fund - Net | 1.04% | 1.51% | 2.25% | 9.33% |
| **Emerging Markets** | **1.54%** | **5.32%** | **7.36%** | **9.73%** |
| Standish | 1.54% | 5.32% | 7.36% | 9.73% |
| Custom Benchmark | 1.24% | 4.42% | 6.32% | 6.33% |
| Standish - Net | 1.54% | 5.23% | 7.26% | 9.35% |
| **Opportunistic Fixed Income** | **0.91%** | **1.89%** | **2.76%** | **10.57%** |
| Crescent | 0.91% | 1.89% | 2.76% | 10.57% |
| Custom Benchmark | 0.78% | 1.76% | 2.73% | 10.84% |
| Crescent - Net | 0.91% | 1.83% | 2.70% | 10.00% |
| **High Yield** | **1.25%** | **2.13%** | **3.43%** | **13.20%** |
| MacKay Shields | 1.22% | 2.12% | 3.43% | 13.79% |
| ML High Yield Cash Pay Index | 1.14% | 2.50% | 3.87% | 13.56% |
| MacKay Shields - Net | 1.22% | 2.03% | 3.34% | 13.40% |

Taplin, Canida, & Habacht moved to Core Plus October 1, 2010.
Barings Custom Benchmark is comprised of the Credit Suisse US Leveraged Loan Index and the Credit Suisse Western European Leveraged Loan Index, weighted by the portfolio's market value to each sector.
Standish Custom Benchmark is 50% JPM GBI-EM Index, 25% JPM EMBI Global Index and 25% JPM Corporate EMBI Diversified Index.
Crescent Custom Benchmark is 50% ML U.S. High Yield Master II Index and 50% S&P/LSTA Leveraged Loan Index.

## 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 April 30, 2017**

| | Last 36 Months | Last 60 Months | Last 120 Months | Since Inception | |
|---|---|---|---|---|---|
| **Domestic Fixed Core Plus** | 3.46% | 3.48% | 4.98% | 8.33% | (1/82) |
| BlackRock Core Plus | 3.17% | 2.96% | 4.82% | 4.84% | (4/07) |
| Blmbg Aggregate Index | 2.66% | 2.27% | 4.30% | 4.32% | (4/07) |
| BlackRock Core Plus - Net | 3.02% | 2.79% | 4.69% | 4.71% | (4/07) |
| Brandes Core Plus | - | - | - | 1.65% | (3/16) |
| Blmbg Aggregate Index | 2.66% | 2.27% | 4.30% | 1.84% | (3/16) |
| Brandes Core Plus - Net | - | - | - | 1.65% | (3/16) |
| LM Capital | 3.41% | 3.26% | 5.14% | 5.12% | (5/05) |
| Blmbg Aggregate Index | 2.66% | 2.27% | 4.30% | 4.25% | (5/05) |
| LM Capital - Net | 3.25% | 3.09% | 4.97% | 4.95% | (5/05) |
| Progress Fixed Income | 2.84% | 3.06% | 4.92% | 5.02% | (1/06) |
| Blmbg Aggregate Index | 2.66% | 2.27% | 4.30% | 4.36% | (1/06) |
| Progress Fixed Inc. - Net | 2.53% | 2.71% | 4.56% | 4.68% | (1/06) |
| Taplin, Canida, Habacht | 3.85% | 4.03% | 5.34% | 5.19% | (5/05) |
| Blmbg Aggregate Index | 2.66% | 2.27% | 4.30% | 4.25% | (5/05) |
| Taplin, Canida, Hab. - Net | 3.71% | 3.88% | 5.21% | 5.06% | (5/05) |
| Western | 4.07% | 4.00% | 5.10% | 5.61% | (11/01) |
| Blmbg Aggregate Index | 2.66% | 2.27% | 4.30% | 4.40% | (11/01) |
| Western - Net | 3.92% | 3.86% | 4.95% | 5.03% | (1/05) |
| **Bank Loans** | - | - | - | **4.09%** | (8/14) |
| Barings Global Loan Fund | - | - | - | 4.18% | (8/14) |
| Custom Benchmark | - | - | - | 3.90% | (8/14) |
| Barings Global Loan Fund - Net | - | - | - | 4.19% | (8/14) |
| **Emerging Markets** | - | - | - | **2.07%** | (8/14) |
| Standish | - | - | - | 2.07% | (8/14) |
| Custom Benchmark | 1.53% | 1.85% | 5.34% | 0.69% | (8/14) |
| Standish - Net | - | - | - | 1.75% | (8/14) |
| **Opportunistic Fixed Income** | - | - | - | **3.53%** | (8/14) |
| Crescent | - | - | - | 3.32% | (9/14) |
| Custom Benchmark | 4.24% | 5.70% | 5.94% | 4.12% | (9/14) |
| Crescent - Net | - | - | - | 2.99% | (9/14) |
| **High Yield** | **5.61%** | **7.07%** | **7.60%** | **9.82%** | (4/86) |
| MacKay Shields | 5.80% | 7.29% | 7.35% | 9.25% | (11/00) |
| ML High Yield Cash Pay Index | 4.76% | 6.84% | 7.26% | 7.93% | (11/00) |
| MacKay Shields - Net | 5.44% | 6.90% | 6.97% | 7.18% | (1/05) |

Taplin, Canida, & Habacht moved to Core Plus October 1, 2010.
Barings Custom Benchmark is comprised of the Credit Suisse US Leveraged Loan Index and the Credit Suisse Western European Leveraged Loan Index, weighted by the portfolio's market value to each sector.
Standish Custom Benchmark is 50% JPM GBI-EM Index, 25% JPM EMBI Global Index and 25% JPM Corporate EMBI Diversified Index.
Crescent Custom Benchmark is 50% ML U.S. High Yield Master II Index and 50% S&P/LSTA Leveraged Loan Index.

**Five Best Performing Portfolio's vs. Benchmarks**

| Manager | Year-to-Date Outperformance (in % points) | Since Inception Outperformance (in % points) | |
|---|---|---|---|
| Sands | 6.66 | 2.09 | 10/31/2003 |
| Franklin | 3.11 | 1.84 | 07/31/2011 |
| Dodge & Cox | 2.46 | 1.21 | 08/31/2003 |
| Arrowstreet | 1.51 | 3.05 | 02/29/2008 |
| Inv Couselors of MD | 1.51 | 2.39 | 04/30/1999 |

**Five Worst Performing Portfolio's vs. Benchmarks**

| Manager | Year-to-Date Underperformance (in % points) | Since Inception Underperformance (in % points) | |
|---|---|---|---|
| Pyramis SCG | -4.58 | 5.69 | 07/31/1988 |
| Brandes | -4.26 | 4.21 | 12/31/1995 |
| Ativo | -3.50 | 1.30 | 09/30/2010 |
| Progress Int'l Equity | -1.93 | -0.01 | 05/31/2014 |
| Genesis | -1.80 | 2.31 | 04/30/2004 |

**Five Highest Returning Portfolios**

| Manager | Year-to-Date Return (in % points) | Since Inception Return (in % points) | |
|---|---|---|---|
| Sands | 18.05 | 10.94 | 10/31/2003 |
| Franklin | 15.15 | 6.60 | 07/31/2011 |
| GlobeFlex | 13.10 | 4.83 | 02/28/2006 |
| William Blair Int'l SC | 12.86 | 10.47 | 08/31/2010 |
| Genesis | 12.15 | 11.54 | 04/30/2004 |

**Five Lowest Returning Portfolios**

| Manager | Year-to-Date Return (in % points) | Since Inception Return (in % points) | |
|---|---|---|---|
| DFA SCV | -0.75 | 12.87 | 01/31/1996 |
| Channing | -0.10 | 12.96 | 06/30/2011 |
| Progress | 1.19 | 5.02 | 12/31/2005 |
| DFA Micro Cap | 1.24 | 11.49 | 07/31/1987 |
| NTGI BC Agg | 1.61 | 6.18 | 01/31/1990 |

Returns are shown gross of investment management fees.

Excludes Real Estate and Alternative Investments portfolios.

(17-05-04) (4th Quarter 2016 Real Estate Performance Report) Mr. Robinson from Callan Associates presented an evaluation of IMRF's real estate performance for the period ending December 31, 2016.

Discussion followed.

(17-05-05) (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 17-04-27

Schedules - Dated April 30, 2017

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

Bids

Office Furniture
Approved Bidder: Forward Space
Approved Bid: $56,054.67

Mainframe Data Base Extraction Software
Sole Source: Treehouse Software
Approved Bid: $86,400.

Support for VMWare vSphere and vCenter Software
Approved Bidder: Software House, Inc.
Approved Bid: $129,420.00

Participation of New Unit of Government

Municipal Consolidated Dispatch
County: Cook
2017 Rate: 9.66%
Effective Participation Date: August 1, 2017
Number of Participating Employees: 16

Review of May Financial Reporting Packages

Statement of Fiduciary Net Position (March 31, 2017)

Impact of 2017 Year-To-Date Investment Income on Employer Reserves, Funding Status and Average Employer Contribution Rates

Schedule T - Report of Expenditures (April 30, 2017)

It was moved by Ms. Henry, seconded by Mr. Kuehne, to approve the Consent Agenda as presented.

Vote: Unanimous Voice Vote
Absent: Wallace

(17-05-06) (Audit Committee Meeting) The Chair of the Audit Committee reported on the meeting held on May 19, 2017.

She stated the Chief Financial Officer presented the RSM SOC-1 Type 2 Report for the period April 1, 2016 to March 31, 2017, (unmodified opinion). He reported that IMRF's external auditors, RSM, proposed a scope period of January 1, 2017 through December 31, 2017 for the next SOC-1 Type 2 Report period.

It was the consensus of the Audit Committee to approve the proposed change in the SOC-1 Type 2 Report period.

IMRF's external auditors, RSM, presented information on their work on the 2016 Financial Statement Audit, noting there were no proposed audit adjustments or internal control findings brought to the Audit Committees' attention. RSM will continue with their fieldwork on the Financial Statements, the Schedule of Changes in Fiduciary Net Position by Employer and the Census Attestation. RSM will issue their final opinion by May 31, 2017, and barring any last minute changes, the CAFR and Schedule of Changes in Fiduciary Net Position by Employer and the Census Attestation will be accepted by the Audit Committee by teleconference.

Next, IMRF's Chief Audit Officer reported on the completion of the 2016 internal audit plan including 174 employer audits during 2016. She noted IMRF system controls are operating effectively and the 2016 audit on IMRF had no exceptions.

Lastly, the Committee held private sessions with the IMRF's external and internal auditors.

Discussion followed.

(17-05-07) (Benefit Review Committee Meeting) The Vice Chair of the Benefit Review Committee reported on the Benefit Review Committee Meeting held on May 18, 2017.

It was moved by Ms. Copper, seconded by Mr. Kuehne, to accept the following recommendations of the Benefit Review Committee:

- To adopt the written findings and conclusions of the IMRF Hearing Officer in the case of Daniela Tainer Partipilo which upheld staff's determination.
- To adopt the written findings and conclusions of the IMRF Hearing Officer in the case of Becky Fedrigon which upheld staff's determination.
- To overturn staff's decision regarding the return to work of George Compton.
- To uphold staff's decision denying total and permanent disability benefits to Hilaria G. Garcia.
- To defer the Temporary Disability Denial case of John M. Zarr, III to the August 17, 2017 Benefit Review Committee Meeting.
- To refer the temporary disability denial case of Daphne Flowers to staff for further consideration.

Vote: Unanimous Voice Vote
Absent: Wallace

(17-05-08) (Report of the Investment Committee Meeting) The Chair of the Investment Committee reported on the meeting held May 18, 2017.

The Investment Committee heard presentations from two Listed Infrastructure managers, Cohen & Steers Listed Infrastructure Strategy and Brookfield Global Infrastructure Securities Strategy, and two Unlisted Infrastructure managers, Oaktree Infrastructure Fund(Parallel), L.P.; and, Partners Group Direct Infrastructure 2016 Transportation and Energy (USD) A, L.P. followed by recommendations from staff.

It was the consensus of the Investment Committee to recommend the Board approve the following recommendations:

For Listed Infrastructure

- Allocate up to $300 million to Cohen & Steers Listed Infrastructure Strategy, subject to satisfactory legal due diligence;
- Allocate up to $150 million to Brookfield Global Infrastructure Securities strategy, subject to satisfactory legal due diligence;

- Allocations to these managers will be funded from a source deemed appropriate by the IMRF CIO (e.g. domestic equity large cap value) and,
- Authorize staff to complete all documentation necessary to execute these recommendations.

For Unlisted Infrastructure

- Allocate up to $100 million to Oaktree Transportation and Energy Infrastructure Fund (Parallel), L.P., subject to satisfactory legal due diligence;
- Allocate up to $100 million to Partners Group Direct Infrastructure 2016 (USD) A, L.P., subject to satisfactory legal due diligence; and,
- Authorize staff to complete all documentation necessary to execute these recommendations.

Next, staff presented Fixed Income recommendations to the Investment Committee for approval.

It was the consensus of the Investment Committee to recommend the Board approve the following recommendations:

For Fixed Income

- Termination and full withdrawal of BlackRock Core Plus mandate (approximately $750 million);
- Additional allocation of $200 million to Earnest Partners Core Fixed Income mandate;
- Additional allocation of $200 million to Garcia Hamilton Core Fixed Income mandate;
- Additional allocation of $200 million to Piedmont Core Fixed Income mandate;
- Allocation of residual assets of approximately $150 million to BlackRock U.S. Debt Index/NTI Bloomberg Barclays US Aggregate Bond Index; and,
- Authorize staff to complete all documentation necessary to execute these recommendations.

It was moved by Ms. Henry seconded by Mr. Miller to approve the Infrastructure and Fixed Income recommendations of the Investment Committee.

Vote: Unanimous Voice Vote
Absent: Wallace

(17-05-09) (Approval Trustee Election Procedures) General Counsel presented the following materials concerning the 2017 Executive Trustee Election. They include a proposed 2017 Executive Trustee Election Schedule; General Memorandum - IMRF Trustee Election Fact Sheet; Nominating Petition Forms; Biographical Information Form and, a memorandum regarding judges and clerks for the 2017 Employee Trustee Election. IMRF employers will elect one Executive Trustee for a five-year term beginning January 1, 2018.

# 2017 EXECUTIVE TRUSTEE ELECTION SCHEDULE

**MAY 19, 2017**

The Board of Trustees will approve the 2017 Executive Trustee Election Schedule, nominating petition forms, biographical information form, and election rules at the May Board Meeting. The Board will also appoint election judges and clerks. This election is for one Executive Trustee for a five-year term.

**MAY 19, 2017 – DECEMBER 15, 2017**

All election information requests will be directed to the Executive Director, Communications Manager, or Legislative Liaison and will be documented in a Candidate Contact log. Staff will not disclose any specific information regarding candidates before candidates have been certified in September. No election information, other than what is available on the IMRF website, will be provided to third parties, except as required by the Freedom of Information Act (FOIA). No quantities of IMRF materials (e.g. benefit booklets and forms) will be provided to candidates, including incumbent candidates. No candidates may campaign during IMRF training sessions for employers, members, and annuitants.

**JUNE 2, 2017**

IMRF staff will solicit bids for the printing of the Executive Trustee ballots.

**JUNE 30, 2017**

The IMRF *Employer Digest* will announce the Executive Trustee Election. IMRF staff will mail paper copies of the announcement to employers without internet access. The IMRF website will be updated with all election information, including nominating petitions, election rules, and candidate biography forms.

**JUNE 29, 2017**

IMRF staff will open and review the bids for the printing of the Executive Trustee ballots.

**JULY 20, 2017**

IMRF staff will make a recommendation regarding the vendor to print the ballots by this date.

**AUGUST 1, 2017 - SEPTEMBER 15, 2017**

Nominating petitions and biography forms for Executive Trustee will be accepted in the Fund offices. Petition forms must be received by IMRF no later than 4:30 PM on September 15, 2017. Candidates are encouraged to submit their biography forms as soon as three petition forms are received, and no later than September 15, 2017.

**SEPTEMBER 18, 2017**

IMRF staff will verify the Executive Trustee nominating petitions by this date.

**SEPTEMBER 19, 2017**

The envelope order (artwork, specifications, etc.) will go to the printer. We will also send the vendor the ballot mailing date.

**SEPTEMBER 19, 2017**

The Executive Director will confirm nominees for one Executive Trustee position at the September Board Meeting. If only one candidate is certified as a nominee, then that candidate will be submitted to be confirmed as Executive Trustee for the new term.

**SEPTEMBER 19, 2017**

IMRF staff will send letters to all candidates who submitted nominating petitions informing them whether or not they will be on the ballot. The Executive Trustee candidates will be provided the names of the other candidates. The nominees will also receive a proof of their biography for correction and comment. Final changes or corrections to the proofs are due back by **September 29, 2017.**

**SEPTEMBER 29, 2017***

If an election will be held for the Executive Trustee, the IMRF *Employer Digest* will include an overview of the procedures for the Executive Trustee election. Otherwise, the *Digest* will include information on the new Executive Trustee.

**OCTOBER 2, 2017***

IMRF staff will send the ballot to the printer. Also, the two Authorized Agent address electronic files will go to the mailing vendor (Governing Body employers and Authorized Agent employers) after staff reviews the quality of the address format. Candidate information will be posted on the IMRF web site.

**OCTOBER 11, 2017***

The IMRF *Employer Digest* will again explain the eligibility requirements for voting in the Executive Trustee Election.

**OCTOBER 11, 2017***

The Executive Trustee ballots will be mailed after staff reviews samples to verify print quality and addressing accuracy. Mailings will be directed to the Authorized Agent or Governing Body as appropriate. IMRF staff will verify each employer's certification on the ballot envelope as completed ballots are received at the IMRF office.

**DECEMBER 12, 2017***

Voted Executive Trustee ballots must be received at the Oak Brook office by 4:30 PM. Staff will pick up any final ballots from the post office at 4:30 PM.

**DECEMBER 13, 2017***

IMRF staff will tabulate the Executive Trustee ballots and a final vote tally will be prepared. All candidates will be notified by telephone of the final vote tally. Written notice of the final vote tally will also be mailed by certified mail, return receipt requested, to all candidates. Each candidate will also receive notice of IMRF's Recount Procedures.

**DECEMBER 15, 2017***

The IMRF Board of Trustees will certify the results of the 2017 Executive Trustee Election at the December Board Meeting. IMRF staff will mail a written notice of the certification to all candidates. Staff will post the election results on the IMRF web site. Staff will send a General Memo with election results to employers in January.

**DECEMBER 29, 2017**

IMRF staff will ensure that email addresses on the IMRF Public Email Inbox are updated, including the addition of the email address for any new Trustee.

***These items will not be required if there is only one eligible candidate as of the petition due date**

# GENERAL MEMORANDUM #XXX

**To:** All Authorized Agents

**Subject:** 2017 Executive Trustee Election

**Date:** June 30, 2017

In November, IMRF employers will elect one Executive Trustee for a five-year term. The five-year term will run from January 1, 2018, through December 31, 2022.

You can obtain information on nominating procedures, qualifications, sample petitions, and a biographical questionnaire by visiting the Board of Trustees area of the IMRF website, by sending us a secure message, or by calling an IMRF Member Services Representative at 1-800-ASK-IMRF (275-4673) Monday through Friday, 7:30 AM to 5:30 PM.

The State Officials and Employees Ethics Act includes prohibitions against political activity during work hours. It is our opinion that these prohibitions do not apply to elections for the IMRF Board of Trustees. Gathering signatures and other activities of running for the IMRF Board are not included in prohibited political activity regulated by the Act.

Sincerely,

Louis W. Kosiba
Executive Director

# IMRF Executive Trustee Election

Board meetings are held at least quarterly. Some Board committees meet every month in which there is a Board meeting; others meet less frequently or as needed. Trustees serve without compensation but are reimbursed for expenses incurred while attending meetings.

### Terms and conditions of office

In November, IMRF employers will elect one Executive Trustee for a five-year term. The five-year term of office will run from January 1, 2018, through December 31, 2022.

### Nominating procedures—petitions

The petitions explain the nominating procedures for Executive Trustee. Nominating petitions for Executive Trustee candidates can be submitted either by Authorized Agents or by governing bodies of IMRF employers. Regardless of who submits the nominating petitions, at least three petitions must be submitted.

If an Authorized Agent submits a nominating petition, his or her notice of appointment must be on file with IMRF, and the notice of appointment must indicate that the governing body has delegated the power to make such nomination to the Authorized Agent.

If a governing body files a petition, the petition must be adopted by the governing body and certified by the clerk or other proper official.

Petitions for Executive Trustee candidates will be accepted in the IMRF Oak Brook and Springfield offices between August 1, 2017, and the close of business at 4:30 PM, September 15, 2017. **Mail, hand deliver, scan and email (IMRFTrusteeElection@imrf.org), or fax (630-706-4656) the completed petitions to IMRF, ATTN: IMRF Trustee Petitions.**

If you scan the petitions and email them to IMRF or if you fax the petitions to IMRF, please call IMRF at 1-800-ASK-IMRF (275-4673) to confirm that they were sent.

Petitions postmarked on or before September 15, 2017, but received after that date will not be accepted.

The State Officials and Employees Ethics Act includes prohibitions against political activity during work hours. It is our opinion these prohibitions do not apply to elections for the IMRF Board of Trustees. Gathering IMRF member signatures and other activities of running for the IMRF Board are not included in prohibited political activity regulated by the Act.

On September 19, 2017, letters will be sent to all candidates who submitted nominating petitions informing them whether they will be on the ballot. Executive Trustee candidates will also be provided the names of the other candidates at that time.

### Qualifications

A nominee for Executive Trustee must be employed by an IMRF employer as a chief executive officer, chief finance officer, or other officer, executive, or department head. The nominee must also participate in IMRF and have at least eight years of IMRF service credit as of December 31, 2017.

### Executive Trustee ballots

Ballots, along with candidates' biographies, will be mailed to Authorized Agents or governing bodies as appropriate on October 11, 2017, and must be returned by the close of business at 4:30 PM, December 12, 2017.

Not all Authorized Agents can vote in the Executive Trustee election. The only Authorized Agents who can vote are those whose Notice of Appointment filed with IMRF indicates they have been given such power. Otherwise, the governing body would cast the ballot, and the clerk or other proper official would certify the ballot.

### New Trustee orientation

It is critical for the sound governance of IMRF that Trustees be fully informed with regard to IMRF's nature, purposes, structure, operational systems, and processes. To that end, the newly elected Trustee will participate in an in-depth New Trustee Orientation Program designed to fully inform them of IMRF's key functions and their responsibilities as Trustee. The Program is more fully described in the IMRF Board Candidate Packet, available in the Board of Trustees area of the IMRF website.

The Candidate Packet also includes information about the Illinois Governmental Ethics Act, which requires individuals serving as IMRF Trustees to file a written statement of economic interest.

IMRF

2211 York Road, Suite 500 Oak Brook, IL 60523-2337 1-800-ASK-IMRF (275-4673)

www.imrf.org

NOTICE TO AUTHORIZED AGENTS June 30, 2017

# NOMINATION OF EXECUTIVE TRUSTEE

Petitions for Executive Trustee candidates will be accepted in the IMRF Oak Brook and Springfield offices between August 1, 2017, and the close of business at 4:30 PM, September 15, 2017. Mail, hand deliver, scan and email (IMRFTrusteeElection@imrf.org), or fax (630-368-5397) the completed petitions to IMRF, ATTN: IMRF Trustee Petitions. Petitions postmarked on or before September 15, 2017, but received after that date will not be accepted.

**One Executive Trustee will be elected for a five-year term, commencing January 1, 2018**. Currently Trustees meet one day each month and frequently more often. Trustees serve without compensation but are reimbursed for their expenses, including lost wages if they are not paid by their employer during absences while performing IMRF Board duties.

A nominee for Executive Trustee must be employed by a participating governmental unit in the capacity of chief executive officer, chief finance officer, or other officer, executive, or department head. The nominee must also be a participating member and have at least eight years of service credit with IMRF as of December 31, 2017. Service forfeited by acceptance of a refund of member contributions and not reinstated is not considered for the eight-year requirement.

Nominations must be by petition: (1) adopted by the governing body and certified by the clerk or other proper official of the participating municipality or participating instrumentality, or (2) submitted by an Authorized Agent whose Notice of Appointment, on file with IMRF, indicates that the Authorized Agent has been delegated the power to make such nomination. Petitions by at least three participating municipalities or participating instrumentalities are necessary to nominate a candidate.

The State Officials and Employees Ethics Act includes prohibitions against political activity during work hours. It is our opinion that these prohibitions do not apply to elections for the IMRF Board of Trustees. Gathering signatures and other activities of running for the IMRF Board are not included in prohibited political activity regulated by the Act.

## FORM OF PETITION

I hereby certify that the ______________________ ______________________

Governing Body Municipality or Participating Instrumentality

1. ☐ By a resolution duly passed by the governing body

2. ☐ By virtue of the power delegated to its Authorized Agent in a notice on file with the Fund, hereby petitions

that ______________________ residing at ______________________

Name of Employee Street

______________________ occupying the position of ______________________

City Title

with ______________________ be a candidate for the office of Executive Trustee of the

Name of Employer

Illinois Municipal Retirement Fund for a five-year term of office beginning January 1, 2017.

______________________ ______________________

Date Signature

______________________

Title

Illinois Municipal Retirement Fund

# 2017 Executive Trustee Election—Biographical Information



- **Return this completed form with your signed petitions** to IMRF, ATTN IMRF Trustee Petitions, 2211 York Road, Suite 500, Oak Brook IL 60523-2337 or fax to 630-368-5397.
- You must submit your petitions and biography form **no later than 4:30 PM, Friday, September 15, 2017.**
- If you prefer, you can email your biography and scans of your signed petitions to **IMRFTrusteeElection@imrf.org**.
- We suggest you submit your biography form as soon as you obtain the required signatures on your petitions.
- After IMRF receives your completed biography form, you will receive a proof of your biography as it will appear in the newsletter. Changes to your biography can be made at that time.
- Sample biographies can be found on page 3.

The information you provide will be used to create your biography which will appear on the ballot. Your biography will be faxed or emailed to you for your approval.

How would you like to receive a copy of your biography for review? ☐ Email ☐ Fax

Name ____________________ Date ____________________

____________________ BUSINESS ADDRESS ____________________ PHONE

____________________ HOME ADDRESS ____________________ PHONE

____________________ EMAIL ADDRESS ____________________ FAX

## IMRF participating positions

**Current Position**

Job Title ____________________ Employer ____________________

**Length of service**

in this position __________ FROM __________ TO with this employer __________ FROM __________ TO

**Current job duties —** Generally, the description of your current job duties should not exceed 50 words.

*You can use a separate sheet if preferred.*

Please include total number of persons supervised and the name and title of your supervisor.

### Previous IMRF positions

Job Title ______________________________ Employer ______________________
Length of service
in this position __________ __________ with this employer __________ __________
FROM TO FROM TO

Job Title ______________________________ Employer ______________________
Length of service
in this position __________ __________ with this employer __________ __________
FROM TO FROM TO

Job Title ______________________________ Employer ______________________
Length of service
in this position __________ __________ with this employer __________ __________
FROM TO FROM TO

## Other pertinent information

**Not more than 80 words.**

*You can use a separate sheet if preferred.*

Other experience, training, or qualifications supporting your candidacy; and/or any goals, objectives, or views you would endorse or pursue as a Trustee. You may consider answering some of the following questions. *Providing responses to these questions is **optional**; they are provided only as a guide.*

1. Why are you running for Executive Trustee?
2. What do you hope to accomplish as an Executive Trustee?
3. How will your experience as an IMRF member help you in your role as an Executive Trustee?
4. How will your prior work experience help you in your role as an Executive Trustee?
5. What are the key issues surrounding public pensions? How should they be addressed?
6. What key issues surrounding public pensions should an IMRF employer be concerned with?

# Sample Candidate Biography

*(Maximum available space shown below)*

## Executive Trustee Sample Bio

Executive Trustee Candidate Name
500 N. Anywhere Ave.
Anywhere, Illinois 60004

**Current Position** — Director of Administrative Services, Village of Anywhere.

**Length of Service** — With the Village of Anywhere since May 1977, in this position since September 1991; Secretary/ Administrative Intern with the Village of Anywhere Park from November 1973 to May 1977.

**Duties** — As Director of Administrative Services, I am a Department Head reporting directly to the Village Administrator. In this position, I am responsible for organization-wide (125 full-time employees, including Public Works, Parks and Recreation, Library, Clerical, Police and Fire) personnel administration including recruitment, hiring, employee records, collective bargaining, employee benefit plan and health insurance administration, risk management, general liability and workers' compensation insurance, cable television franchise administration, special management studies, and research and program development initiated by the department or Board of Trustees.

**Other Pertinent Information** — As the IMRF Authorized Agent for the Village of Anywhere for 11 years, I have assisted members with problems on disability and retirement claims on numerous occasions. I am seeking this position to work to improve the quality of service provided to IMRF participants.

# MEMORANDUM

**TO:** BOARD OF TRUSTEES

**FROM:** BONNIE SHADID

**DATE:** 5/11/2017

**RE:** APPROVAL OF TRUSTEE ELECTION JUDGES AND CLERKS

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## Executive Summary

The Board appoints staff to serve as judges and clerks to administer the 2017 Executive Trustee Election.

## Background

IMRF staff administers the process for electing IMRF Trustees. Election judges coordinate various activities and make administrative decisions allowing for a smooth election process. The clerks are responsible for completing specific activities during the election process. The Board appoints staff to these positions for purposes for administering the Trustee election.

## Recommendation

Staff recommends that the Board approve the appointment of the following IMRF staff members to serve as judges and clerks for the 2017 Trustee election.

Judges:
- Bonnie Shadid
- Brandi Smith

Clerks:
- Tamika Harrington – Chief Clerk
- Rick Baier
- Erin Cochran
- Larice Davis
- Jennifer Ellison
- Helen Huang
- John Krupa
- Victoria Lane
- Anne-marie Lilly
- Michael Nesson
- Denise Streit
- Keyla Vivas

It was moved by Mr. Miller, seconded by Ms. Thompson, to approve the 2017 Executive Trustee Election Schedule and Procedures.

Vote: Unanimous Voice Vote
Absent: Wallace

(17-05-10) (IMRF Eligibility Certification for Appointed Governing Body Members) General Counsel recommended the Board adopt a resolution requiring biennial re-certification of eligibility for IMRF participation for the members of appointed governing bodies.

After questions and discussion, it was moved by Mr. Miller, seconded by Ms. Copper, to adopt the following proposed 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 7-200 of the Pension Code authorizes the Board of Trustees to make administrative decisions on participation and coverage which are necessary for carrying out the intent of the fund in accordance with the provisions of Article 7 of the Pension Code; and

WHEREAS, Section 7-137 of the Pension Code establishes an IMRF participation standard for employees and elected officials of IMRF participating units of government. This standard limits IMRF participation to persons who hold positions or occupy elected offices "normally requiring performance of duty" for at least 600 or 1,000 hours per year; and

WHEREAS, IMRF Board Resolution 1968-7273 requires the governing body of an IMRF participating unit of government to adopt a resolution in a form satisfactory to IMRF finding that certain elected positions normally require performance of duty during 600 hours (or 1,000 hours, as applicable) or more in a year, if the incumbent in that position is to be eligible for IMRF participation; and

WHEREAS, the IMRF Board finds it is appropriate that the governing body of an IMRF participating unit of government whose members are appointed also adopt a resolution finding that its members are normally required to work during 600 hours (or 1,000 hours, as applicable) or more in a year, if the members of that governing body are to be enrolled in IMRF; and

WHEREAS, the IMRF Board finds it is appropriate that the appointed governing body of an IMRF participating unit of government re-certify at least biennially that its members are normally required to work during 600 hours (or 1,000 hours, as applicable) or more in a year, if the members of that governing body are to continue participation in IMRF.

NOW, THEREFORE, BE IT RESOLVED that the IMRF Board of Trustees adds the following requirement to the rules regarding IMRF participation for elected officials: every two years the governing body of an IMRF participating unit of government whose members are appointed must adopt a resolution finding that the members of that governing body are normally required to work during 600 hours (or 1,000 hours, as applicable) or more in a year, if the members of that governing body are to participate in IMRF.

BE IT FURTHER RESOLVED that an initial resolution regarding the appointed governing body must be adopted no later than September 1, 2017.

Vote: Unanimous Voice Vote
Absent: Wallace

(17-05-11) (Legislative Update) General Counsel updated the Board on current legislative activity.

She reported that both bills on the Board's 2017 Legislative Agenda passed the House and are now in the Senate (HB 2966 - would update qualifications section for IMRF Trustees to ensure the Board candidates are vested; HB 3070 - would codify current IMRF practice to allow members to make one payment for service credit purchases after termination).

General Counsel discussed one newly introduced bill, HB 4045, that is identical to SB 16, as originally introduced and, in the provisions applicable to IMRF, would create a hybrid plan for new employees of each of the pension systems. The proposal introduced in the Senate was amended to remove IMRF.

Discussion followed.

(17-05-12 (Litigation Update) ) The following is an update of the currently pending or recently concluded litigation:

**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 sued investors who sold their Tribune stock at the time of the buyout by the Sam Zell group. 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:** The stockholders' motion to dismiss the intentional fraudulent transfer claim was granted on January 6, 2017 and the claim against them was dismissed. Another portion of this claim against the stockholders was previously dismissed on motions and that decision was upheld on appeal. Therefore, unless there is an appeal of the January 6 decision, the case against the disinterested stockholders (including IMRF) is over.

The Court has granted the creditors motion for an order allowing an appeal of this decision, notwithstanding that claims against other defendants remain to be litigated.

## KATHLEEN KONICKI V. IMRF (14 MR 32) (SANGAMON CO)

**Summary:** Administrative review challenging the Board's decision that Ms. Konicki was not eligible to convert service into Original ECO.

**Status:** On July 29, 2016, Judge Belz upheld the IMRF Board's decision finding that the law clearly did not allow Plaintiff to participate in Original ECO and that the law creating Revised ECO did not violate the Pension Protection Clause. Plaintiff had 30 days from July 29, 2016 to file a notice of appeal. She did not do so, however, it was discovered that the court clerk never mailed Plaintiff the judge's order. Konicki filed a motion for relief from Judgment which was granted. The case has been appealed to the Fourth District Appellate Court and a scheduling order has been entered. IMRF's appellate brief was due in May but is now due in June because of several motions filed by Ms. Konicki.

## MCLEAN COUNTY V. IMRF (MCLEAN COUNTY 2016 MR 563)

**Summary:** This is an appeal from the IMRF Board's decision denying an exemption from the AP for a charge to McLean County that resulted from a payment of back wages under a collective bargaining agreement that was entered into after January 1, 2012. The County also charges a violation of the Open Meetings Act by IMRF claiming that its Board Agenda was not sufficiently detailed regarding the decision.

**Status:** IMRF and McLean County are working on the details based on the Board Resolution allowing certain back wages to be allocated to prior months when AP charges are involved and a new case management date is set for June 2017. This case has been voluntarily dismissed and will be coming off the report.

## MOTORS LIQUIDATION COMPANY AVOIDANCE ACTION TRUST VS. JP MORGAN CHASE, *ET AL.* (US BANKRUPTCY CT., SO. DIST. OF N.Y.)

**Summary:** This is an adversary action stemming from the General Motors bankruptcy. A loan in which IMRF was an investor was paid off after the bankruptcy filing. It was later discovered that an error, before the bankruptcy, had released part of the security. A group of unsecured creditors sued to force the recipients of the loan pay-off proceeds to return them.

**Status:** The parties are currently litigating the value of the remaining security, which if it is sufficient would end the case. We are sharing our defense counsel with several other public pension funds.

## THERESA MILLER V. IMRF (16 MR 58 MONROE COUNTY)

**Summary:** This is an administrative review of the Board's decision to deny total and permanent disability benefits to Ms. Miller.

**Status:** IMRF's answer and appearance were filed on 11/28/2016.

**KATHERINE HADLER V. IMRF (16 MR 1375 DUPAGE COUNTY)**

**Summary:** This is an administrative review of the Board's decision to deny total and permanent disability benefits to Ms. Hadler.

**Status:** Judge Fullerton issued a written decision on April 3,2017 upholding the decision of the IMRF Board. Ms. Hadler has appealed to the Second District Appellate Court.

**CARRIE MCHUGH V. IMRF (17 MR 135 KANE COUNTY)**

**Summary:** This is an administrative review of the IMRF Board's decision adopting the recommendation of the IMRF hearing officer which found that Ms. McHugh was ineligible for disability benefits due to a voluntary termination of her employment with the City of Aurora.

**Status:** IMRF's answer and appearance were filed and an initial court appearance is set for 5/18/17.

**JOSHUA PEA V. IMRF (ST. CLAIR COUNTY 17 MR 1380**

**Summary:** This is an appeal challenging the Board's denial of total and permanent disability benefits.

**Status:** IMRF has filed an appearance and the administrative record.

(17-05-13) (Report of Executive Director

**Special Board Meeting**

The Executive Director stated that IMRF's Executive Search Firm, EFL Associates, requested a meeting with the Board to discuss the Executive Search.

It was the consensus of the Board to hold a Special Board Meeting on June 15, 2017 at 9:00 a.m.

**Quarterly Strategic Objectives Update**

The Executive Director updated the Board on the 1st Quarter Strategic Objectives.

Ms. Thompson left the meeting at 11:42 a.m.

(17-05-14)(Trustee Forum) The Chair reported the following Trustees requested authorization from the Board for the following conference:

| | |
|---|---|
| Trudy Williams | IPPFA 2017 Regional Seminar<br>June 20, 2017<br>Edwardsville, IL |
| Sharon U. Thompson | IPPFA Mid-American Pension Conference<br>October 3-6, 2017<br>St. Louis, MO |

It was moved by Ms. Copper, seconded by Mr. Kuehne, to approve the above Trustee requests.

Vote: Unanimous Voice Vote
Absent: Wallace

(17-05-15) (Executive Session) The Chair asked for a motion to go into executive session for the purpose of discussing the performance of the Executive Director under Section 2(c)(1) of the Open Meetings Act.

Motioned by: Mr. Miller
Seconded by: Ms. Copper

Vote:
Aye: Williams, Copper, Henry, Kuehne, Miller, Stanish
Nay: None
Absent: Thompson, Wallace

It was moved by Mr. Miller, seconded by Ms. Copper, that the Board go back into open session.

Vote:
Aye: Williams, Copper, Henry, Kuehne, Miller, Stanish
Nay: None
Absent: Thompson, Wallace

(17-03-15) (Adjournment) It was the moved by Mr. Miller, seconded by Mr. Kuehne, to adjourn the Board Meeting at 12:10 p.m., to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, Illinois, at 9:00 a.m. on June 15, 2017.

Vote: Unanimous Voice Vote
Absent: Thompson, Wallace

Sue Stanish
President

11/17/17
Date

Secretary

Date