

**ILLINOIS MUNICIPAL RETIREMENT FUND
MINUTES OF
REGULAR MEETING NO. 17-12
DECEMBER 15, 2017**

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

ILLINOIS MUNICIPAL RETIREMENT FUND

MEETING NO. 17-12

REGULAR MEETING

OF THE

BOARD OF TRUSTEES

The Regular Meeting of the Board of Trustees was held at 9:00 a.m. on December 15, 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: Wallace, Williams*, Copper, Henry, Kuehne, Stanish, Thompson
Absent: Miller

*Trustee Williams was present via telephone.

Ms. Becker-Wold and Mr. Ball from Callan Associates, and Mr. Murphy from Gabriel Roeder Smith and Company were also present.

Trustee Miller entered the Board Meeting at 9:10 a.m.

(17-12-01) (Investment Return Assumption - Gabriel Roeder Smith & Company) Mr. Murphy of Gabriel Roeder Smith & Company discussed changing IMRF's investment return assumption from 7.5% to 7.25%. He outlined several phase-in options.

After questions and discussion, it was moved by Mr. Kuehne, seconded by Ms. Thompson, to reduce the investment return assumption from 7.5% to 7.25% with a three year phase-in period.

Vote:

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

The motion failed due to a lack of five aye votes.

(17-12-02) (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 October 2017:

October 31, 2017



**Illinois Municipal
Retirement Fund
Monthly Performance Report**

**Investment Measurement Service
Monthly Review**

The following report was prepared by Callan using information from sources that include the following: fund trustee(s); fund custodian(s); investment manager(s); Callan computer software; Callan investment manager and fund sponsor database; third party data vendors; and other outside sources as directed by the client. Callan assumes no responsibility for the accuracy or completeness of the information provided, or methodologies employed, by any information providers external to Callan. Reasonable care has been taken to assure the accuracy of the Callan database and computer software. Callan does not provide advice regarding, nor shall Callan be responsible for, the purchase, sale, hedge or holding of individual securities, including, without limitation securities of the client (i.e., company stock) or derivatives in the client's accounts. In preparing the following report, Callan has not reviewed the risks of individual security holdings or the conformity of individual security holdings with the client's investment policies and guidelines, nor has it assumed any responsibility to do so. Advice pertaining to the merits of individual securities and derivatives should be discussed with a third party securities expert. Copyright 2017 by Callan.

Market Environment
As of October 31, 2017

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Russell:3000 Index	2.18	16.40	23.98	10.53	15.12	7.61
S&P:500	2.33	16.91	23.63	10.77	15.18	7.51
Russell:2000 Index	0.85	11.89	27.85	10.12	14.49	7.63
MSCI:ACWI ex US	1.88	23.41	23.64	5.71	7.29	0.92
MSCI:EM	3.51	32.26	26.45	5.70	4.83	0.60
Blmbg:Aggregate	0.06	3.20	0.90	2.40	2.04	4.19
NCREIF:Total Index	0.56	5.66	6.88	9.67	10.29	6.18
Blmbg:Commodity Price Idx	2.05	(1.52)	1.52	(9.87)	(9.60)	(7.28)

In October, positive economic indicators in the U.S. and abroad kept the equity rally alive. The euro zone saw record annualized growth in the third quarter. The Bank of Japan (BOJ) voted at the end of the month to hold its monetary policy steady while the country rides a six quarter economic winning streak. At the end of the month, the Federal Open Market Committee (FOMC) upgraded its view on the U.S. economy, solidifying expectations for a December rate hike. The dollar strengthened versus the euro for the second month in a row. Despite the rising dollar, the MSCI Emerging Markets Index increased 3.5%. Rates rose across the Treasury curve, though the U.S. Aggregate still eked out a 0.1% gain. The Russell 3000 Index rose 2.2% during the month and the MSCI ACWI ex U.S. Index advanced 1.9%.

Nonfarm payroll growth met consensus expectations this month. There were 261,000 jobs added during October. Jobs affected by last month's hurricane, such as restaurants and construction, saw large payroll increases. Manufacturing also saw a sizable jump. The biggest contributor, however, was professional business services which added 50,000 jobs. In October, the unemployment rate fell 0.1% to 4.1%, a 17-year low. The labor-force participation rate rang in at 62.7%, down a sharp 0.4% from September's reading. This concurrent drop in both unemployment and participation suggests that the pool of discouraged workers whose skill sets are compatible with available jobs is drying up due to hiring and that remaining discouraged workers who lack marketable skills are dropping out of the work force.

Headline CPI, which includes food and energy, managed a 0.1% increase month-over-month and fell two tenths to 2.0% year-over-year. Core CPI, which excludes food and energy, increased 0.2% over the past month and rose 0.1% to a slightly better-than-expected 1.8% over the trailing 12 months. Wireless services, up 0.4%, housing, up 0.3%, and medical, up 0.3%, all improved during the month. New vehicles and drugs, both down 0.2%, were areas of weakness in the October. The initial estimate of third quarter GDP clocked in at 3.0% annualized. Personal consumption revved during the quarter and was a large driver of growth, particularly in the durable goods arena. Inventories, a significant contributor to the figure, rose as a result of the late August storms. However, this may be absorbed due to the strong consumer demand.

*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.

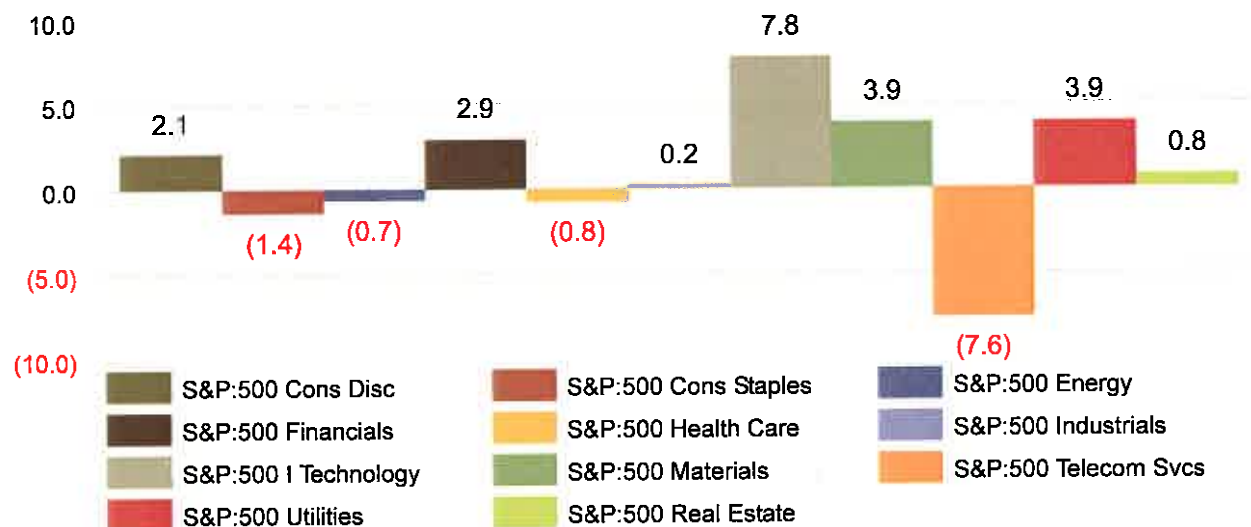
U.S. Equity Overview
As of October 31, 2017

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Russell:3000 Index	2.18	16.40	23.98	10.53	15.12	7.61
Russell:1000 Index	2.29	16.78	23.67	10.58	15.18	7.61
Russell:1000 Growth	3.87	25.40	29.71	13.15	16.83	9.13
Russell:1000 Value	0.73	8.70	17.78	7.99	13.48	5.99
Russell:Midcap Index	1.67	13.60	21.09	9.04	14.87	8.09
Russell:2000 Index	0.85	11.89	27.85	10.12	14.49	7.63
Russell:2000 Growth	1.55	18.62	31.00	10.51	15.36	8.16
Russell:2000 Value	0.13	5.81	24.81	9.67	13.58	7.04

U.S. equities extended the year's gains during October. Indices were propelled by continued economic expansion, both domestically and abroad, and tech stocks. The market was also encouraged by the FOMC, which met on October 31 and announced an upgrade of the country's economic growth from "rising moderately" to "rising at a solid rate." This month, the market followed its year-to-date trend and continued its trek upward. Also on track with the year-to-date trend, large caps outperformed small caps during October (Russell 1000 Index: +2.3%; Russell 2000 Index: +0.9%). Similarly, growth has outperformed value year-to-date and that rang true again last month (Russell 1000 Growth: +3.9%; Russell 1000 Value: +0.7%). The Russell Midcap Index sat between the two extremes and returned 1.7% for the month.

The Energy sector had the hurricane-force wind let out of its balloon and revisited its losing streak as stockpiles grew. Energy fell 0.7% to end the month. In a similar fashion, Telecommunications returned to its frequent position as a top detractor, plunging 7.6%. Information Technology was the top contributor for the month, gaining 7.8%. Materials and Utilities were runners up, each gaining 3.9% and contributing positively to the index's overall return. Financials continued to gain on the back of rising rates, increasing 2.9%. Consumer Discretionary and Real Estate also bolstered index performance, returning 2.1% and 0.8%, respectively.

S&P 500 Index Sector Returns



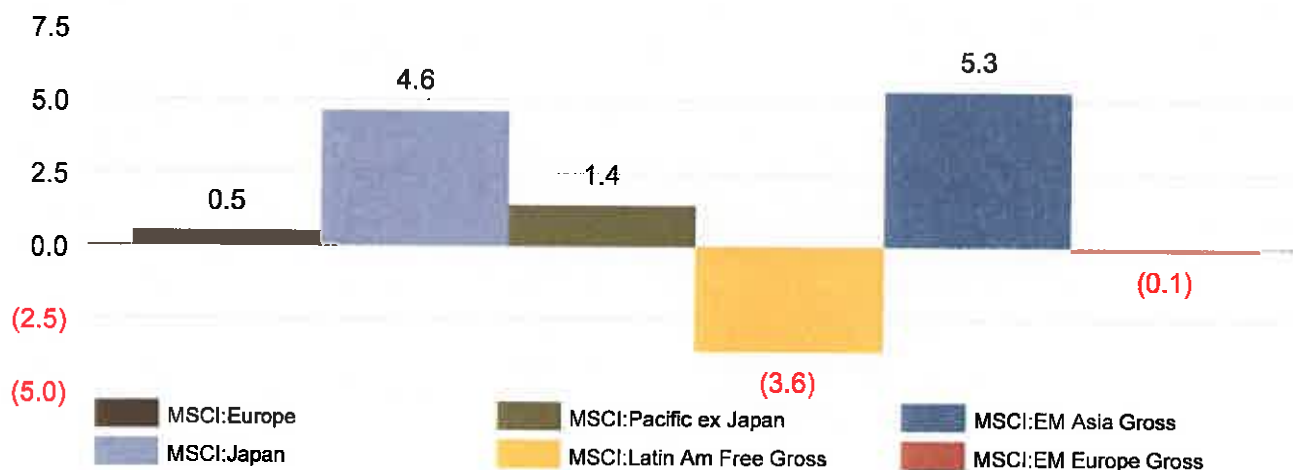
Non-U.S. Equity Overview
As of October 31, 2017

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
MSCI:ACWI ex US	1.88	23.41	23.64	5.71	7.29	0.92
MSCI:EAFE	1.52	21.78	23.44	6.08	8.53	1.10
MSCI:EAFE Hedged Net	3.05	15.74	22.58	9.55	12.89	3.05
MSCI:EM	3.51	32.26	26.45	5.70	4.83	0.60
MSCI:ACWI ex US Small Cap	1.87	25.85	24.70	9.68	10.08	3.18

A concurrent economic recovery around the globe continued to lift broad non-U.S. equity markets to an eleventh straight positive month (MSCI ACWI ex US: +1.9%). Euro zone GDP grew at a 2.5% annualized rate during the third quarter. This is the fastest growth rate since the first quarter of 2011. On October 26, the European Central Bank (ECB) announced it would cut its bond buying program in half, down to 30 billion euros each month. President Draghi said the ECB would be open to increasing the quantity again if economic conditions call for it. At its October meeting, the BOJ kept its target for the 10-year government bond at zero, but reduced its core inflation projection by 0.3% for the 2018 fiscal year. The U.S. Dollar Index is still at a net loss for the year but has gained slightly the past two months. In October, the MSCI EAFE Hedged Index (+3.1%) outperformed the MSCI EAFE Index (+1.5%) by 153 basis points. Emerging markets had a strong showing despite the strengthening dollar and the MSCI EM Index rose 3.5%. It is up an impressive 32.3% year to date. Non-U.S. equities trailed their U.S. counterparts (Russell 3000 Index: +2.2% vs. MSCI ACWI ex U.S. Index: +1.9%).

Asian emerging markets was the top performing region during the month. The MSCI EM Asia Index gained 5.3%, propelled upwards by the index's largest constituents, Tencent Holdings, Samsung Electronics, Alibaba Group, and Taiwan Semiconductor. All of which are Information Technology companies. The MSCI Japan Index came in second, climbing 4.6% during the period. The third largest constituent in the index, SoftBank, climbed 9.5% during the month on the back of its multiple tech investments. Latin American emerging markets brought up the rear, dropping 3.6% (MSCI Latin America Index). Continued political upheaval and runaway inflation in the region has hampered equity markets.

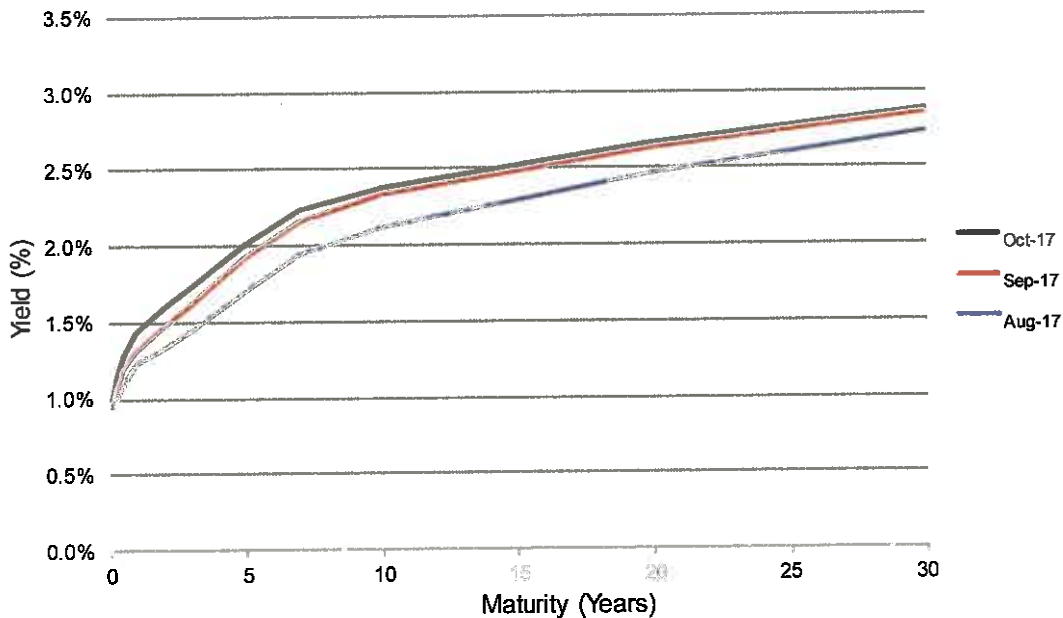
MSCI Regional Returns



Fixed Income Overview
As of October 31, 2017

Index	Last Month	Year to Date	Last Year	Last 3 Years	Last 5 Years	Last 10 Years
Blmbg:Aggregate	0.06	3.20	0.90	2.40	2.04	4.19
Blmbg:Long Gov/Credit	0.40	8.09	2.52	4.83	3.78	7.24
Blmbg:US Government	(0.11)	2.13	(0.62)	1.65	1.26	3.52
Blmbg:Credit	0.34	5.43	3.18	3.62	3.07	5.45
Blmbg:Mortgage Backed Sec	(0.03)	2.29	0.53	2.10	1.99	4.03
Blmbg:US TIPS	0.21	1.94	(0.11)	1.40	(0.11)	3.81
ML:US High Yield Cash Pay	0.38	7.47	9.14	5.60	6.26	7.63
3 Month T-Bill	0.09	0.66	0.72	0.35	0.24	0.45
CS:Leveraged Loan	0.66	3.72	5.25	4.09	4.45	4.36

Treasury Yield Curve



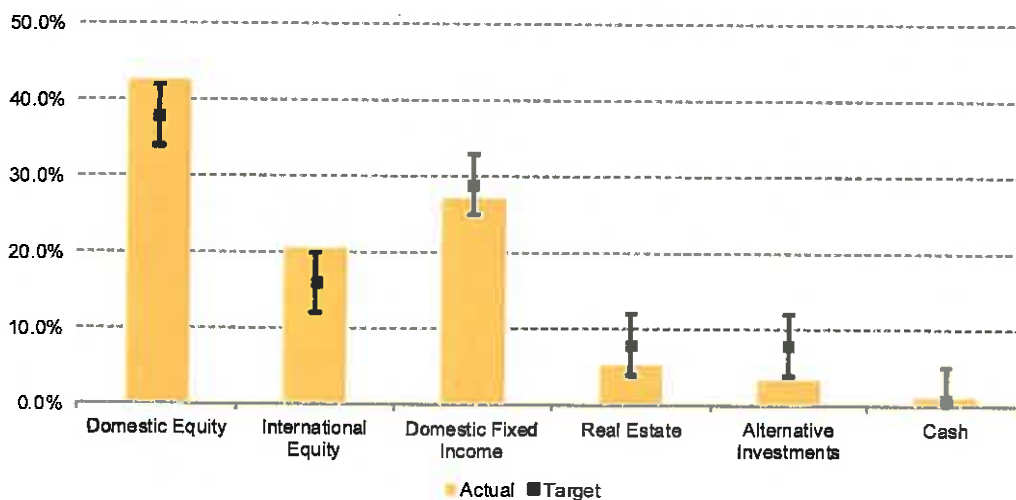
Treasury yields rose across the curve on positive economic data and expectations of a December rate hike. Intermediate yields moved the most, with increases dwindling to near nothing on the long end of the curve. The 1-month Treasury increased three basis points to 0.99%, the 5-year rose 9 basis points to 2.01% and the 30-year rose 2 basis points to 2.88%. The biggest increase was seen at the 2-year maturity, which popped 13 basis points to 1.60%, its highest rate since October 28, 2008. At the October Fed meeting, the committee reiterated its intention for a December rate increase.

Fixed income sector returns were mostly positive for the month despite the increase in rates. The Bloomberg Aggregate Index gained 0.1%. Leveraged loans did well in the environment and the Credit Suisse Leveraged Loan Index returned 0.7%. Long duration also put up a good showing and gained 0.4% (Bloomberg Long Government/Credit Index). High yield rose 0.4% (ML: U.S. High Yield Cash Pay) and credit followed close behind, up 0.3% (Bloomberg Credit Index). TIPS saw a boost on the back of rising inflation expectations (Bloomberg US TIPS Index: +0.2%). Governments dipped and mortgage-backed securities were flat, dropping 0.1% and three basis points, respectively (Bloomberg U.S. Government Index and Bloomberg Mortgage Backed Security Index). All sectors remain positive year to date.

Total Fund

The market value of the Total Fund was \$40.38 billion at the end of October, an increase of \$578.3 million from the prior month. The Fund added 1.24% during the month, and trailed the 1.25% return of its benchmark. After outperforming in September, both Domestic and International Equity trailed their respective benchmarks in October. Domestic Equity increased 1.86% relative to the 2.18% return of its benchmark, and International Equity gained 1.68%, trailing its benchmark by 20 basis points. Real Estate grew 1.05% during October and outperformed the 0.54% return of its benchmark. Alternatives gained 0.59%, trailing the benchmark by 13 basis points. The Fixed Income composite returned 0.10%, beating the Bloomberg Aggregate Index return of 0.06%. For the trailing year, the Fund is 2.46% ahead of its benchmark, returning 16.56%.

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 October month end, Alternatives was below the target allocation by 4.6%, International Equity was above target by 4.6%, and Domestic Equity was above target by 4.5%. The Chief Investment Officer and Consultant do not recommend any rebalancing at this time.



U.S. Equity

The U.S. Equity composite gained 1.86% during October, trailing the 2.18% return of the Russell 3000 Index. For the month, large caps outperformed small caps, and growth beat value.

Large Cap: IMRF's Large Cap managers added 2.12% during October relative to the 2.29% return of the Russell 1000 Index. In aggregate, growth managers added 3.25% versus the 3.87% return of the Russell 1000 Growth Index. Sands returned 3.23%, trailing the benchmark by 64 basis points. Value Managers returned 1.44% collectively, outperforming the 0.73% return of the Russell 1000 Value Index.

Small Cap: The Small Cap composite (+1.07%) beat the Russell 2000 Index by 22 basis points in October. The growth managers collectively returned 0.62% relative to the 1.55% return of the Russell 2000 Growth Index. Frontier (+2.39%) beat the benchmark, while FIAM (-0.07%) trailed. The value managers returned 1.53% and outperformed the 0.13% return of the Russell 2000 Value Index. Channing (+1.21%), DFA (+1.13%) and Investment Counselors of Maryland (+2.01%) all outperformed the index. The Micro Cap composite increased 1.12% in October.

International Equity

The International Equity composite slightly trailed the 1.88% return of the MSCI ACWI ex-U.S. (Net) Index, returning 1.68%.

International Large Cap: International Large Cap managers collectively gained 1.60% and trailed the MSCI ACWI ex-U.S. Index by 28 basis points. International Large Cap Growth managers trailed the MSCI ACWI ex-U.S. Growth Index by 57 basis points, gaining 1.84% in aggregate. William Blair and EARNEST both underperformed the benchmark, returning 1.97% and 1.70%, respectively. International Large Cap Value managers returned 0.52%, trailing the MSCI ACWI ex-U.S. Value Index by 85 basis points. Mondrian and Lazard both produced positive results, returning 1.65% and 1.44%, respectively.

International Small Cap and Emerging Markets: The International Small Cap managers surpassed the 1.87% return of the MSCI ACWI Small Cap ex-U.S. Index, returning 2.11%. Franklin Templeton (+2.96%) outperformed the benchmark by 109 basis points. The Emerging Markets Portfolio, managed by Genesis, returned 2.17% and trailed the MSCI Emerging Markets Index by 134 basis points.

Fixed Income

The Fixed Income composite was up 0.10% in October relative to the 0.06% return of the Bloomberg Aggregate Index.

Active Core: In aggregate, the Active Core Fixed Income managers were up 0.11%, 5 basis points ahead of the Bloomberg Aggregate Index. EARNEST (+0.12%), Piedmont (+0.07%) and Garcia Hamilton (+0.14%) outperformed.

Core Plus: Core Plus managers ended the month up 0.09%. Brandes and Western trailed the benchmark by five and 17 basis points, respectively. LM Capital (+0.11%), Progress (+0.17%) and TCH (+0.24%) outperformed.

Bank Loans: The Bank Loans portfolio, managed by Barings, returned 0.63% in October, in line with the return of its custom benchmark.

Emerging Markets: The Emerging Markets Debt component, managed by Standish, lost 1.29% during October, trailing the return of its custom benchmark (-1.25%).

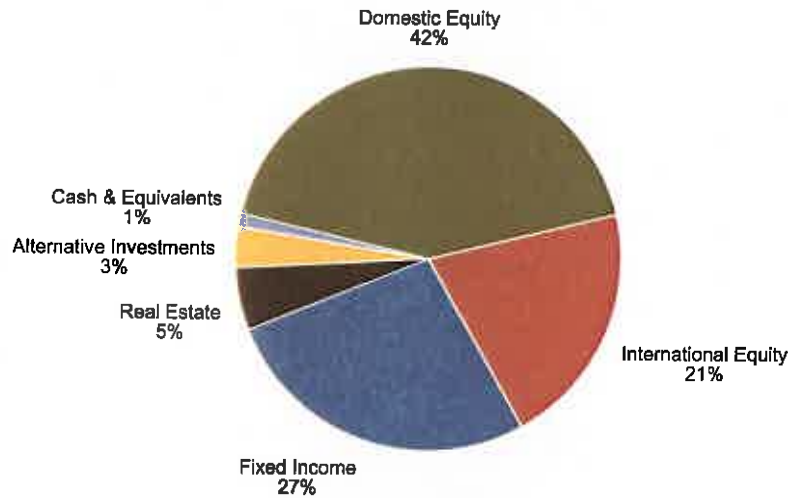
Opportunistic: The Opportunistic Fixed Income allocation, managed by Crescent, gained 0.45% during the month relative to the 0.49% return of its custom benchmark.

High Yield: The High Yield portfolio, managed by Mackay Shields, returned 0.19% and trailed the 0.38% return of its benchmark.

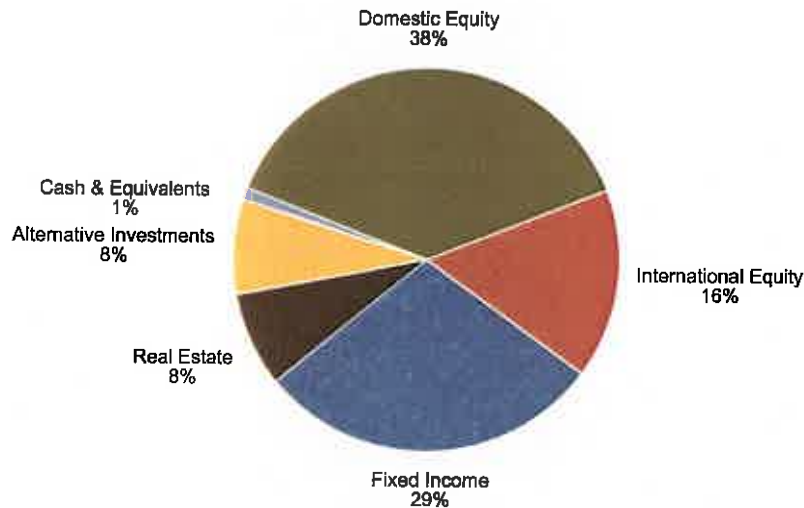
Actual vs Target Asset Allocation

The first chart below shows the Fund's asset allocation as of October 31, 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	17,147	42.5%	38.0%	4.5%	1,803
International Equity	8,313	20.6%	16.0%	4.6%	1,852
Fixed Income	10,942	27.1%	29.0%	(1.9%)	(769)
Real Estate	2,160	5.3%	8.0%	(2.7%)	(1,071)
Alternative Investments	1,391	3.4%	8.0%	(4.6%)	(1,839)
Cash & Equivalents	428	1.1%	1.0%	0.1%	24
Total	40,381	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 October 31, 2017, with the distribution as of September 30, 2017.

Asset Distribution Across Investment Managers

	October 31, 2017		September 30, 2017	
	Market Value	Percent	Market Value	Percent
Domestic Equity*	\$17,147,409,436	42.46%	\$16,842,318,252	42.31%
Large Cap Growth				
Holland	2	0.00%	5,498	0.00%
NTGI S&P 500 Growth Idx	1,876,273,617	4.65%	1,817,041,210	4.57%
Sands	1,761,322,206	4.36%	1,706,193,855	4.29%
Large Cap Value				
Dodge & Cox	1,436,073,715	3.56%	1,427,121,484	3.59%
BMO	1,476,304,911	3.66%	1,452,403,872	3.65%
LSV	1,491,555,201	3.69%	1,465,414,797	3.68%
NTGI S&P 500 Value Idx	1,682,803,630	4.17%	1,663,255,106	4.18%
Large Cap Core				
NTGI MarketCap Index	3,430,465,219	8.50%	3,357,453,045	8.44%
Small Cap Growth				
Frontier	440,641,742	1.09%	430,359,952	1.08%
FIAM	1,093,840,999	2.71%	1,094,648,594	2.75%
Small Cap Value				
Channing	227,632,881	0.56%	224,917,450	0.57%
Dimensional Small Cap Value	582,786,030	1.44%	576,296,959	1.45%
Inv. Counselors of Maryland	645,099,434	1.60%	632,370,297	1.59%
Micro Cap				
Ativo	135,310,869	0.34%	133,388,001	0.34%
Dimensional Micro Cap	415,118,466	1.03%	410,948,076	1.03%
Public Real Assets				
Brookfield	147,116,848	0.36%	148,967,575	0.37%
Cohen & Steers	305,063,666	0.76%	301,532,480	0.76%
International Equity	\$8,312,950,871	20.59%	\$8,175,021,645	20.54%
International Large Cap Growth				
EARNEST Partners	654,357,454	1.62%	643,130,005	1.62%
William Blair	742,488,214	1.84%	728,120,060	1.83%
International Large Cap Value				
Brandes	594,880,501	1.47%	598,958,046	1.50%
Lombardia	1	0.00%	1	0.00%
Mondrian	583,579,503	1.45%	574,093,467	1.44%
Lazard	112,219,700	0.28%	110,627,803	0.28%
International Large Cap Core				
Arrowstreet	684,687,067	1.70%	666,103,283	1.67%
Brown	334,190,218	0.83%	329,364,257	0.83%
GlobeFlex	676,666,341	1.68%	662,091,333	1.66%
NTGI MSCI EAFE Index	2,316,821,035	5.74%	2,282,322,652	5.73%
Progress Intl Equity	298,718,985	0.74%	293,123,121	0.74%
International Small Cap				
Franklin Templeton	246,115,953	0.61%	239,049,521	0.60%
William Blair	290,817,487	0.72%	286,780,896	0.72%
Emerging Markets				
Genesis	777,408,411	1.93%	761,257,201	1.91%

* 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 October 31, 2017, with the distribution as of September 30, 2017.

Asset Distribution Across Investment Managers

	October 31, 2017		September 30, 2017	
	Market Value	Percent	Market Value	Percent
Total Fixed Income	\$10,941,683,334	27.10%	\$10,957,137,226	27.53%
Domestic Fixed Core				
EARNEST Partners	752,024,574	1.86%	753,634,169	1.89%
Piedmont Investment	752,888,072	1.86%	754,513,681	1.90%
Garcia Hamilton	726,746,373	1.80%	726,772,304	1.83%
Domestic Fixed Passive Core				
NTGI Blmbg Agg. Index	1,657,435,556	4.10%	1,656,413,953	4.16%
BlackRock US Debt	1,587,422,416	3.93%	1,586,429,411	3.99%
Domestic Fixed Core Plus				
BlackRock Core Plus	74,901	0.00%	76,623	0.00%
Transition Account	97	0.00%	151,276	0.00%
Brandes Core Plus	246,360,739	0.61%	246,588,258	0.62%
LM Capital	864,779,206	2.14%	867,033,654	2.18%
Progress Fixed Income	887,772,918	2.20%	886,276,064	2.23%
Taplin, Canida, & Habacht	882,862,793	2.19%	883,487,138	2.22%
Western	1,044,284,865	2.59%	1,048,236,376	2.63%
Bank Loans				
Barings Global Loan Fund	582,491,588	1.44%	585,230,394	1.47%
Emerging Markets Debt				
Standish	205,537,585	0.51%	208,213,275	0.52%
Opportunistic Fixed Income				
Crescent	118,011,743	0.29%	118,880,955	0.30%
High Yield				
MacKay Shields	632,668,099	1.57%	634,874,857	1.60%
FIAM High Yield	321,808	0.00%	324,840	0.00%

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

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

Investment Manager Asset Allocation

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

Asset Distribution Across Investment Managers

	October 31, 2017		September 30, 2017	
	Market Value	Percent	Market Value	Percent
Real Estate	\$2,159,612,879	5.35%	\$2,128,482,395	5.35%
Real Estate Core				
TA Buckhead Ind. Prop.	400,477,134	0.99%	400,477,134	1.01%
Barings Core Property Fund	148,446,007	0.37%	144,847,067	0.36%
Barings European Core Property	29,808,931	0.07%	29,288,280	0.07%
INVESCO Core RE	194,170,415	0.48%	192,926,452	0.48%
AEW Core Property Trust	228,935,137	0.57%	225,364,887	0.57%
CBRE US Core Property Trust	169,908,585	0.42%	165,845,686	0.42%
Real Estate Non-Core				
Artemis MWBE Spruce	108,153,350	0.27%	92,679,140	0.23%
Franklin Templeton EMREFF	31,306,163	0.08%	32,581,970	0.08%
Security Capital	52,453,602	0.13%	51,404,700	0.13%
Dune II	30,187,072	0.07%	30,187,072	0.08%
Non-Core Real Estate Funds*	685,676,737	1.70%	684,172,437	1.72%
Non-Core Intl Real Estate Funds**	68,006,936	0.17%	66,324,733	0.17%
Rockwood Fund VIII	2,972,621	0.01%	2,972,621	0.01%
Almanac ARS V	3,282,145	0.01%	3,582,173	0.01%
TA Fund IX	5,828,044	0.01%	5,828,044	0.01%
Alternative Investments	\$1,391,411,654	3.45%	\$1,394,386,974	3.50%
Absolute Return				
Aurora	20,608,102	0.05%	20,490,409	0.05%
Private Equity				
Abbott	324,624,162	0.80%	337,574,512	0.85%
Muller & Monroe ILPEFF	495,905	0.00%	495,905	0.00%
Muller & Monroe MPEFF	9,243,050	0.02%	9,243,050	0.02%
Pantheon	224,133,669	0.56%	222,025,941	0.56%
Private Equity Fund - Domestic	517,197,826	1.28%	507,399,716	1.27%
Private Equity Fund - International	43,374,091	0.11%	43,722,591	0.11%
Agriculture				
Premiere Partners IV	178,046,928	0.44%	178,046,928	0.45%
Timberland				
Forest Investment Assoc.	73,687,921	0.18%	75,387,921	0.19%
Cash & Equivalents	\$427,942,732	1.06%	\$305,372,538	0.77%
Total Fund	\$40,381,010,905	100.0%	\$39,802,719,030	100.0%

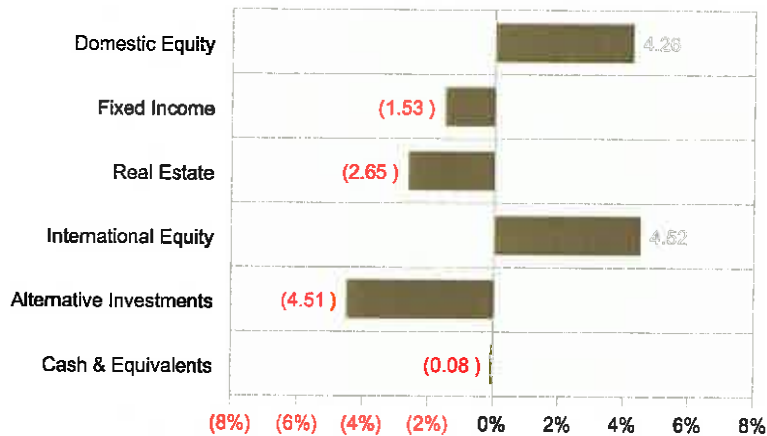
* Non-Core Real Estate Funds funded since September 2011.

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

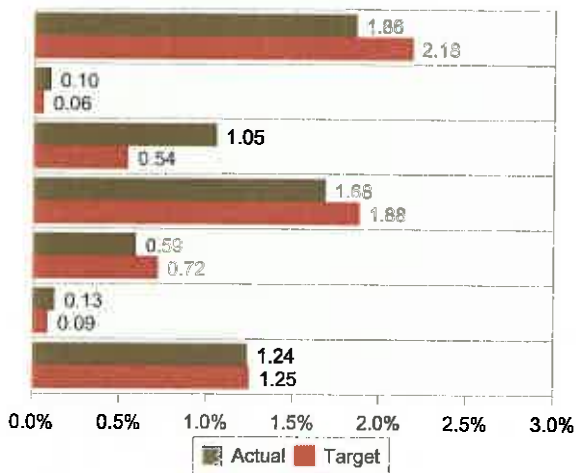
Monthly Total Fund Relative Attribution - October 31, 2017

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.

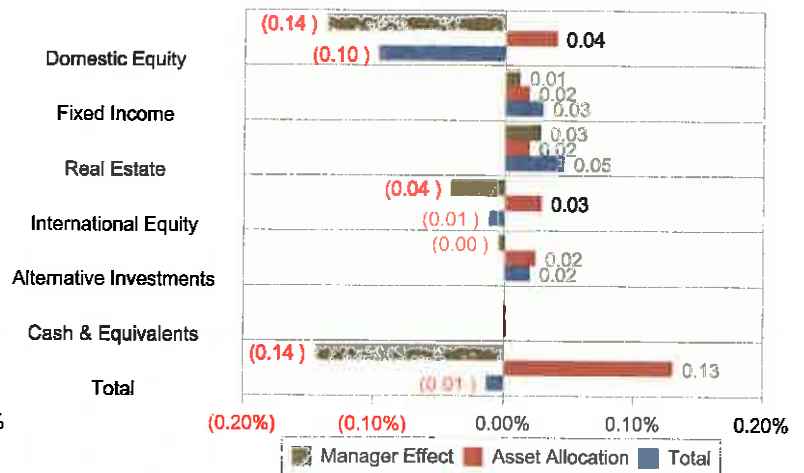
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Month ended October 31, 2017

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Domestic Equity	42%	38%	1.86%	2.18%	(0.14%)	0.04%	(0.10%)
Fixed Income	27%	29%	0.10%	0.06%	0.01%	0.02%	0.03%
Real Estate	5%	8%	1.05%	0.54%	0.03%	0.02%	0.05%
International Equity	21%	16%	1.68%	1.88%	(0.04%)	0.03%	(0.01%)
Alternative Investments	3%	8%	0.59%	0.72%	(0.00%)	0.02%	0.02%
Cash & Equivalents	1%	1%	0.13%	0.09%	0.00%	0.00%	0.00%
Total			1.24%	1.25%	(0.14%)	0.13%	(0.01%)

* 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 October 31, 2017

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Equity	1.86%	4.91%	15.63%	24.94%
Blended Benchmark**	2.18%	4.88%	16.40%	23.98%
Domestic Equity - Net	1.84%	4.85%	15.45%	24.68%
International Equity	1.68%	4.30%	24.17%	24.05%
MSCI ACWI x US (Net)	1.88%	4.32%	23.41%	23.64%
International Equity - Net	1.66%	4.21%	23.88%	23.64%
Fixed Income	0.10%	0.72%	4.28%	2.56%
Blmbg Aggregate Index	0.06%	0.47%	3.20%	0.90%
Fixed Income - Net	0.08%	0.68%	4.16%	2.42%
Real Estate	1.05%	2.26%	7.38%	9.48%
Blended Benchmark***	0.54%	1.64%	5.30%	6.62%
Real Estate - Net	1.05%	2.26%	7.38%	9.48%
Alternative Investments	0.59%	2.36%	8.70%	11.60%
Alternatives Custom Benchmark****	0.72%	2.18%	7.45%	9.00%
Alternative Investments - Net	0.58%	2.32%	8.55%	11.39%
Absolute Return	1.00%	1.53%	36.14%	43.55%
HFR Fund-of-Funds Index	1.12%	2.39%	6.74%	7.97%
Private Equity	0.72%	3.54%	11.52%	14.72%
Alternatives Custom Benchmark****	0.72%	2.18%	7.45%	9.00%
Agriculture	0.00%	(3.83%)	(4.38%)	(3.86%)
Blended Benchmark***	0.54%	1.64%	5.30%	6.62%
Timberland	0.00%	1.01%	1.77%	4.33%
Blended Benchmark***	0.54%	1.64%	5.30%	6.62%
Total Fund	1.24%	3.33%	13.13%	16.56%
Total Fund - Net	1.22%	3.26%	12.94%	16.32%
Total Fund Benchmark	1.25%	2.98%	11.73%	14.10%

* 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.

** 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 October 31, 2017

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Equity	10.12%	15.24%	7.66%	11.70% (1/82)
Blended Benchmark**	10.53%	15.08%	7.68%	11.46% (1/82)
Domestic Equity - Net	9.86%	14.97%	7.40%	8.46% (1/05)
International Equity	7.29%	9.23%	2.06%	8.12% (9/86)
MSCI ACWI x US (Net)	5.71%	7.29%	0.92%	-
International Equity - Net	6.92%	8.88%	1.74%	6.20% (1/05)
Fixed Income	3.20%	3.02%	5.21%	8.43% (1/82)
Blmbg Aggregate Index	2.40%	2.04%	4.19%	7.89% (1/82)
Fixed Income - Net	3.05%	2.87%	5.06%	4.90% (1/05)
Real Estate - Net	10.64%	10.91%	4.78%	7.19% (1/05)
Blended Benchmark***	9.68%	10.63%	6.87%	7.69% (1/05)
Alternative Investments	8.15%	9.26%	5.54%	10.66% (2/86)
Alternatives Custom Benchmark****	9.00%	9.00%	9.79%	12.91% (2/86)
Alternative Investments - Net	7.81%	8.93%	5.26%	7.94% (1/05)
Absolute Return	13.15%	10.50%	4.89%	6.39% (1/02)
HFR Fund-of-Funds Index	2.82%	4.13%	0.88%	3.56% (1/02)
Private Equity	10.32%	11.44%	7.28%	12.81% (2/86)
Alternatives Custom Benchmark****	9.00%	9.00%	9.79%	12.91% (2/86)
Agriculture	10.30%	14.61%	9.12%	8.06% (10/87)
Blended Benchmark***	9.68%	10.63%	6.87%	7.53% (10/87)
Timberland	1.53%	4.31%	4.96%	7.99% (10/92)
Blended Benchmark***	9.68%	10.63%	6.87%	7.55% (10/92)
Total Fund	7.43%	9.99%	6.30%	10.03% (1/82)
Total Fund - Net	7.19%	9.74%	6.07%	7.31% (1/05)
Total Fund Benchmark	7.26%	9.17%	6.09%	7.08% (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 October 31, 2017

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Large Cap Equity	2.12%	4.81%	17.66%	24.86%
Russell 1000 Index	2.29%	4.80%	16.78%	23.67%
Large Cap Growth	3.25%	4.89%	26.50%	26.81%
NTGI S&P 500 Growth Idx	3.26%	5.96%	23.14%	26.48%
S&P/Citi 500 Growth Index	3.28%	5.97%	23.24%	26.51%
NTGI S&P 500 Growth Idx - Net	3.26%	5.96%	23.14%	26.47%
Sands	3.23%	4.92%	34.75%	29.08%
LCG Blended Benchmark*	3.87%	7.15%	25.40%	29.71%
Russell 1000 Growth Index	3.87%	7.15%	25.40%	29.71%
Sands - Net	3.23%	4.87%	34.54%	28.79%
Large Cap Value	1.44%	4.59%	12.46%	23.75%
Dodge & Cox	0.81%	3.70%	13.18%	25.14%
LCV Blended Benchmark**	0.73%	2.50%	8.70%	17.78%
Russell 1000 Value Index	0.73%	2.50%	8.70%	17.78%
Dodge & Cox - Net	0.81%	3.64%	13.00%	24.89%
BMO	1.81%	5.70%	14.48%	25.55%
LCV Blended Benchmark**	0.73%	2.50%	8.70%	17.78%
Russell 1000 Value Index	0.73%	2.50%	8.70%	17.78%
BMO - Net	1.81%	5.65%	14.30%	25.28%
LSV	1.98%	5.89%	12.78%	25.33%
LCV Blended Benchmark**	0.73%	2.50%	8.70%	17.78%
Russell 1000 Value Index	0.73%	2.50%	8.70%	17.78%
LSV - Net	1.98%	5.89%	12.58%	25.11%
NTGI S&P 500 Value Idx	1.18%	3.28%	9.89%	19.72%
S&P/Citi 500 Value Index	1.15%	3.25%	9.74%	19.62%
NTGI S&P 500 Value Idx - Net	1.18%	3.28%	9.89%	19.71%
Large Cap Passive Core	2.17%	4.87%	16.50%	24.09%
NTGI MarketCap Idx	2.17%	4.87%	16.50%	24.09%
DJ U.S. Total Stock Market Index	2.17%	4.85%	16.42%	23.96%
NTGI MarketCap Idx - Net	2.17%	4.87%	16.49%	24.08%

* The LCG Blended Benchmark is currently the Russell 1000 Growth Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Growth Index.

** The LCV Blended Benchmark is currently the Russell 1000 Value Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Value Index.

Large Cap Equity Returns

The table below details the rates of return for the fund's large cap growth and large cap value managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized.

Returns for Periods Ended October 31, 2017

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Large Cap Equity	10.40%	15.52%	7.69%	11.30% ^(1/82)
Russell 1000 Index	10.58%	15.18%	7.61%	11.65% ^(1/82)
Large Cap Growth	10.82%	15.73%	8.81%	11.76% ^(1/82)
NTGI S&P 500 Growth Idx	12.36%	16.42%	9.27%	7.38% ^(8/01)
S&P/Citi 500 Growth Index	12.37%	16.40%	9.25%	7.34% ^(8/01)
NTGI S&P 500 Growth Idx - Net	12.35%	16.41%	9.26%	9.38% ^(1/05)
Sands	9.43%	16.51%	10.79%	11.58% ^(11/03)
LCG Blended Benchmark*	13.15%	16.83%	9.13%	9.44% ^(11/03)
Russell 1000 Growth Index	13.15%	16.83%	9.13%	9.50% ^(11/03)
Sands - Net	9.17%	16.27%	10.53%	10.40% ^(1/05)
Large Cap Value	9.67%	15.50%	6.75%	10.52% ^(10/82)
Dodge & Cox	10.58%	16.13%	7.17%	9.83% ^(9/03)
LCV Blended Benchmark**	7.99%	13.48%	5.99%	8.53% ^(9/03)
Russell 1000 Value Index	7.99%	13.48%	5.99%	8.72% ^(9/03)
Dodge & Cox - Net	10.37%	15.90%	6.94%	8.04% ^(1/05)
BMO	9.45%	15.46%	7.08%	8.39% ^(2/01)
LCV Blended Benchmark**	7.99%	13.48%	5.99%	5.64% ^(2/01)
Russell 1000 Value Index	7.99%	13.48%	5.99%	6.75% ^(2/01)
BMO - Net	9.22%	15.21%	6.83%	8.61% ^(1/05)
LSV	10.12%	16.62%	7.70%	11.63% ^(2/03)
LCV Blended Benchmark**	7.99%	13.48%	5.99%	9.56% ^(2/03)
Russell 1000 Value Index	7.99%	13.48%	5.99%	9.57% ^(2/03)
LSV - Net	9.88%	16.35%	7.42%	8.78% ^(1/05)
NTGI S&P 500 Value Idx	8.77%	13.74%	5.63%	5.76% ^(8/99)
S&P/Citi 500 Value Index	8.67%	13.62%	5.58%	5.73% ^(8/99)
NTGI S&P 500 Value Idx - Net	8.77%	13.73%	5.63%	7.11% ^(1/05)
Large Cap Passive Core	10.60%	15.17%	7.61%	11.21% ^(1/85)
NTGI MarketCap Idx	10.60%	15.17%	7.62%	10.97% ^(2/85)
DJ U.S. Total Stock Market Index	10.49%	15.05%	7.67%	10.91% ^(2/85)
NTGI MarketCap Idx - Net	10.59%	15.16%	7.61%	8.50% ^(1/05)

* The LCG Blended Benchmark is currently the Russell 1000 Growth Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Growth Index.

** The LCV Blended Benchmark is currently the Russell 1000 Value Index. Returns prior to January 1, 2006, reflect those of the S&P 500/Citigroup Value Index.

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 October 31, 2017

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Small Cap Equity	1.07%	5.78%	9.69%	25.60%
Russell 2000 Index	0.85%	5.78%	11.89%	27.85%
Small Cap Growth	0.62%	3.95%	11.91%	23.21%
Frontier	2.39%	5.84%	19.78%	30.25%
Russell 2000 Growth Index	1.55%	6.95%	18.62%	31.00%
Frontier - Net	2.27%	5.71%	19.20%	29.62%
FIAM	(0.07%)	3.20%	9.02%	20.59%
Russell 2000 Growth Index	1.55%	6.95%	18.62%	31.00%
FIAM - Net	(0.07%)	3.20%	8.76%	20.03%
Small Cap Value	1.53%	7.34%	8.13%	28.24%
Channing	1.21%	5.82%	6.43%	25.46%
Russell 2000 Value Index	0.13%	4.59%	5.81%	24.81%
Channing - Net	1.09%	5.70%	5.91%	24.85%
DFA Small Cap Value	1.13%	6.63%	5.68%	25.75%
Russell 2000 Value Index	0.13%	4.59%	5.81%	24.81%
DFA Small Cap Value - Net	1.13%	6.42%	5.21%	25.04%
Inv. Counselors of Maryland	2.01%	8.54%	11.59%	32.07%
Russell 2000 Value Index	0.13%	4.59%	5.81%	24.81%
Inv. Couns. of Maryland - Net	2.01%	8.26%	11.09%	31.35%
Micro Cap	1.12%	6.92%	10.51%	25.49%
Ativo	1.44%	5.83%	12.33%	29.18%
Russell Microcap Index	(0.16%)	7.08%	10.99%	29.52%
Russell 2000 Growth Index	1.55%	6.95%	18.62%	31.00%
Russell 2000 Index	0.85%	5.78%	11.89%	27.85%
Ativo - Net	1.29%	5.67%	11.64%	28.39%
DFA Micro Cap	1.01%	7.28%	10.11%	30.07%
Russell 2000 Value Index	0.13%	4.59%	5.81%	24.81%
Russell 2000 Index	0.85%	5.78%	11.89%	27.85%
DFA Micro Cap - Net	1.01%	7.15%	9.69%	29.42%
Public Real Assets	0.37%	0.69%	-	-
Public Real Assets Benchmark (1)	0.82%	0.78%	-	-
Brookfield Public Global Inf	(1.24%)	(1.63%)	-	-
Dow Jones Global Infra Comp Idx	(0.83%)	(1.44%)	11.49%	10.53%
Brookfield Public Global Inf - Net	(1.24%)	(1.63%)	-	-
Cohen & Steers Public Global Inf	1.17%	1.85%	-	-
FTSE GI Core Infr 50/50 N	1.37%	1.52%	17.98%	15.86%
Cohen & St Public Global Inf - Net	1.17%	1.85%	-	-

(1) 1/3 Dow Jones Brookfield Global Infrastructure Composite Index + 2/3 FTSE Global Core Infrastructure 50/50 Net Tax 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 October 31, 2017

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Small Cap Equity	9.42%	14.70%	8.31%	12.51% (7/88)
Russell 2000 Index	10.12%	14.49%	7.63%	9.72% (7/88)
Small Cap Growth	9.28%	14.78%	8.04%	13.08% (7/88)
Frontier	8.15%	14.31%	8.49%	13.10% (8/88)
Russell 2000 Growth Index	10.51%	15.36%	8.16%	8.31% (8/88)
Frontier - Net	7.53%	13.70%	6.42%	7.57% (1/05)
FIAM	11.14%	15.92%	9.20%	13.76% (8/88)
Russell 2000 Growth Index	10.51%	15.36%	8.16%	8.31% (8/88)
FIAM - Net	10.52%	15.35%	8.60%	11.04% (1/05)
Small Cap Value	10.85%	15.38%	8.60%	12.38% (9/89)
Channing	10.02%	15.70%	-	13.01% (7/11)
Russell 2000 Value Index	9.87%	13.58%	7.04%	11.07% (7/11)
Channing - Net	9.48%	15.12%	-	12.37% (7/11)
DFA Small Cap Value	9.63%	15.22%	8.79%	12.88% (2/98)
Russell 2000 Value Index	9.67%	13.58%	7.04%	10.12% (2/98)
DFA Small Cap Value - Net	9.11%	14.67%	8.26%	8.70% (1/05)
Inv. Counselors of Maryland	13.53%	16.47%	8.96%	12.27% (5/99)
Russell 2000 Value Index	9.67%	13.58%	7.04%	9.72% (5/99)
Inv. Couns. of Maryland - Net	12.94%	15.93%	8.43%	9.41% (1/05)
Micro Cap	7.02%	13.29%	6.34%	12.00% (7/84)
Ativo	10.33%	18.27%	-	15.11% (10/10)
Russell Microcap Index	9.86%	14.57%	6.48%	13.69% (10/10)
Russell 2000 Growth Index	10.51%	15.36%	8.16%	14.24% (10/10)
Russell 2000 Index	10.12%	14.49%	7.63%	13.48% (10/10)
Ativo - Net	9.59%	17.43%	-	14.28% (10/10)
DFA Micro Cap	11.79%	16.43%	8.95%	11.60% (8/87)
Russell 2000 Value Index	9.67%	13.58%	7.04%	10.28% (8/87)
Russell 2000 Index	10.12%	14.49%	7.63%	9.07% (8/87)
DFA Micro Cap - Net	11.24%	15.86%	8.43%	8.65% (1/05)
Public Real Assets	-	-	-	0.69% (8/17)
Public Real Assets Benchmark (1)	-	-	-	0.78% (8/17)
Brookfield Public Global Inf	-	-	-	(1.63%) (8/17)
Dow Jones Global Infra Comp Idx	1.89%	8.03%	6.66%	(1.44%) (8/17)
Brookfield Public Global Inf - Net	-	-	-	(1.63%) (8/17)
Cohen & Steers Public Global Inf	-	-	-	1.85% (8/17)
FTSE GI Core Infr 50/50 N	6.01%	9.74%	-	1.52% (8/17)
Cohen & St Public Global Inf - Net	-	-	-	1.85% (8/17)

(1) 1/3 Dow Jones Brookfield Global Infrastructure Composite Index + 2/3 FTSE Global Core Infrastructure 50/50 Net Tax Index

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 October 31, 2017

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Equity	1.60%	4.15%	23.29%	23.87%
MSCI ACWI ex-US Index	1.88%	4.32%	23.41%	23.64%
Intl Large Cap Growth	1.84%	4.62%	26.87%	26.37%
EARNEST Partners	1.70%	3.17%	26.67%	27.59%
MSCI ACWI ex-US Index	1.88%	4.32%	23.41%	23.64%
MSCI ACWI ex-US Growth	2.41%	5.30%	28.22%	25.19%
EARNEST Partners - Net	1.70%	3.12%	26.61%	27.53%
William Blair	1.97%	5.94%	27.04%	25.32%
MSCI ACWI ex-US Index	1.88%	4.32%	23.41%	23.64%
MSCI ACWI ex-US Growth	2.41%	5.30%	28.22%	25.19%
William Blair - Net	1.89%	5.76%	26.60%	24.88%
Intl Large Cap Value	0.52%	2.60%	16.69%	17.85%
Brandes	(0.73%)	1.41%	13.06%	15.04%
MSCI ACWI ex-US Index	1.88%	4.32%	23.41%	23.64%
MSCI ACWI ex-US Value	1.37%	3.48%	19.87%	23.20%
Brandes - Net	(0.73%)	1.41%	12.89%	14.87%
Mondrian	1.65%	3.70%	19.64%	20.18%
MSCI ACWI ex-US Index	1.88%	4.32%	23.41%	23.64%
MSCI ACWI ex-US Value	1.37%	3.48%	19.87%	23.20%
Mondrian - Net	1.65%	3.57%	19.20%	19.58%
Lazard	1.44%	3.28%	21.88%	21.27%
MSCI ACWI ex-US Index	1.88%	4.32%	23.41%	23.64%
MSCI ACWI ex-US Value	1.37%	3.48%	19.87%	23.20%
Lazard - Net	1.38%	3.16%	21.58%	20.90%

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 October 31, 2017

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Equity	7.23%	9.44%	1.82%	8.12% ^(9/86)
MSCI ACWI ex-US Index	5.71%	7.29%	0.92%	-
Intl Large Cap Growth	7.24%	8.80%	1.74%	9.26% ^(9/02)
EARNEST Partners	6.67%	7.81%	3.61%	10.34% ^(10/04)
MSCI ACWI ex-US Index	5.71%	7.29%	0.92%	6.62% ^(10/04)
MSCI ACWI ex-US Growth	7.79%	8.74%	1.92%	7.49% ^(10/04)
EARNEST Partners - Net	6.50%	7.56%	3.28%	8.94% ^(1/05)
William Blair	7.76%	9.71%	2.42%	10.54% ^(10/02)
MSCI ACWI ex-US Index	5.71%	7.29%	0.92%	8.96% ^(10/02)
MSCI ACWI ex-US Growth	7.79%	8.74%	1.92%	9.21% ^(10/02)
William Blair - Net	7.33%	9.31%	2.03%	6.99% ^(1/05)
Intl Large Cap Value	5.64%	8.44%	1.24%	9.25% ^(10/85)
Brandes	5.55%	9.17%	1.40%	9.40% ^(1/98)
MSCI ACWI ex-US Index	5.71%	7.29%	0.92%	5.52% ^(1/98)
MSCI ACWI ex-US Value	4.54%	6.75%	0.79%	-
Brandes - Net	5.33%	8.94%	1.16%	4.65% ^(1/05)
Mondrian	5.84%	7.80%	-	6.92% ^(4/12)
MSCI ACWI ex-US Index	5.71%	7.29%	0.92%	6.43% ^(4/12)
MSCI ACWI ex-US Value	4.54%	6.75%	0.79%	6.09% ^(4/12)
Mondrian - Net	5.31%	7.29%	-	6.41% ^(4/12)
Lazard	5.26%	8.10%	-	7.77% ^(4/12)
MSCI ACWI ex-US Index	5.71%	7.29%	0.92%	6.43% ^(4/12)
MSCI ACWI ex-US Value	4.54%	6.75%	0.79%	6.09% ^(4/12)
Lazard - Net	4.71%	7.40%	-	7.13% ^(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 October 31, 2017

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Intl Large Cap Active Core	2.23%	4.91%	26.65%	26.12%
Arrowstreet	2.79%	5.43%	26.00%	26.86%
MSCI ACWI ex-US Index	1.88%	4.32%	23.41%	23.64%
Arrowstreet - Net	2.79%	5.31%	25.58%	26.29%
Brown	1.47%	3.71%	21.27%	21.03%
MSCI ACWI ex-US Index	1.88%	4.32%	23.41%	23.64%
Brown - Net	1.47%	3.71%	21.05%	19.52%
GlobeFlex	2.20%	5.05%	30.09%	29.02%
MSCI ACWI ex-US Index	1.88%	4.32%	23.41%	23.64%
GlobeFlex - Net	2.20%	4.96%	29.74%	28.55%
Progress Intl Equity	1.91%	4.83%	26.90%	24.03%
Custom Benchmark	1.52%	4.22%	25.62%	24.62%
MSCI ACWI ex-US Index	1.88%	4.32%	23.41%	23.64%
Progress Intl Equity - Net	1.91%	4.70%	26.44%	23.42%
Intl Large Cap Pass. Core	1.51%	4.05%	22.24%	23.92%
NTGI MSCI EAFE Idx	1.51%	4.05%	22.24%	23.92%
MSCI EAFE Index	1.52%	4.01%	21.78%	23.44%
NTGI EAFE Idx - Net	1.51%	4.05%	22.23%	23.92%
International Small Cap	2.11%	5.65%	30.20%	27.13%
Franklin Templeton	2.96%	5.56%	31.54%	29.88%
ACWI Small Cap ex US	1.87%	5.18%	25.85%	24.70%
Franklin Templeton - Net	2.96%	5.38%	30.87%	29.22%
William Blair	1.41%	5.73%	29.08%	24.90%
ACWI Small Cap ex US	1.87%	5.18%	25.85%	24.70%
Intl SC Blended Benchmark	1.87%	5.18%	25.85%	24.70%
William Blair - Net	1.22%	5.34%	28.12%	23.97%
Emerging Markets	2.17%	4.79%	28.36%	23.53%
Genesis	2.17%	4.79%	28.36%	23.53%
MSCI Emerging Markets Index	3.51%	5.46%	32.64%	26.91%
Genesis - Net	2.12%	4.64%	27.72%	22.79%

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 October 31, 2017

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Intl Large Cap Active Core	9.26%	11.36%	-	5.52% (2/08)
Arrowstreet	9.56%	11.97%	-	5.69% (3/08)
MSCI ACWI ex-US Index	5.71%	7.29%	0.92%	2.36% (3/08)
Arrowstreet - Net	9.05%	11.45%	-	5.20% (3/08)
Brown	7.94%	11.88%	4.00%	8.48% (10/04)
MSCI ACWI ex-US Index	5.71%	7.29%	0.92%	6.62% (10/04)
Brown - Net	6.70%	10.85%	3.32%	6.86% (1/05)
GlobeFlex	10.36%	10.92%	2.43%	5.92% (3/06)
MSCI ACWI ex-US Index	5.71%	7.29%	0.92%	4.18% (3/06)
GlobeFlex - Net	9.93%	10.49%	1.98%	5.47% (3/06)
Progress Intl Equity	7.72%	-	-	5.31% (7/14)
Custom Benchmark	7.09%	-	-	4.45% (7/14)
MSCI ACWI ex-US Index	5.71%	7.29%	0.92%	3.12% (7/14)
Progress Intl Equity - Net	7.23%	-	-	4.87% (7/14)
Intl Large Cap Pass. Core	6.49%	8.94%	1.52%	3.67% (1/00)
NTGI MSCI EAFE Idx	6.49%	8.94%	1.51%	4.07% (2/00)
MSCI EAFE Index	6.08%	8.53%	1.10%	3.68% (2/00)
NTGI EAFE Idx - Net	6.49%	8.93%	1.50%	5.44% (1/05)
International Small Cap	10.87%	11.54%	2.09%	5.65% (12/05)
Franklin Templeton	10.58%	11.44%	-	8.33% (8/11)
ACWI Small Cap ex US	9.68%	10.08%	3.18%	6.32% (8/11)
Franklin Templeton - Net	9.78%	10.68%	-	7.58% (8/11)
William Blair	11.12%	11.63%	-	11.78% (8/10)
ACWI Small Cap ex US	9.68%	10.08%	3.18%	9.00% (8/10)
Intl SC Blended Benchmark	9.68%	10.08%	2.57%	9.47% (9/10)
William Blair - Net	10.20%	10.77%	-	10.91% (9/10)
Emerging Markets	5.46%	5.42%	4.33%	9.44% (2/92)
Genesis	5.46%	5.42%	4.33%	12.20% (5/04)
MSCI Emerging Markets Index	6.08%	5.21%	0.93%	10.10% (5/04)
Genesis - Net	4.83%	4.82%	3.71%	10.07% (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 October 31, 2017

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Dom. Fixed Active Core	0.11%	0.63%	3.45%	1.48%
EARNEST Partners	0.12%	0.52%	3.54%	1.25%
Blmbg Aggregate Index	0.06%	0.47%	3.20%	0.90%
EARNEST Partners - Net	0.09%	0.48%	3.38%	1.09%
Piedmont	0.07%	0.65%	3.69%	1.87%
Blmbg Aggregate Index	0.06%	0.47%	3.20%	0.90%
Piedmont - Net	0.07%	0.62%	3.58%	1.75%
Garcia Hamilton	0.14%	0.72%	3.10%	1.33%
Blmbg Aggregate Index	0.06%	0.47%	3.20%	0.90%
Garcia Hamilton	0.14%	0.72%	3.02%	1.22%
Dom. Fixed Passive Core	0.06%	0.48%	3.29%	0.95%
BlackRock US Debt	0.06%	0.50%	3.33%	1.03%
Blmbg Aggregate Index	0.06%	0.47%	3.20%	0.90%
BlackRock US Debt - Net	0.06%	0.50%	3.33%	1.02%
NTGI Blmbg Agg. Index	0.06%	0.47%	3.25%	0.88%
Blmbg Aggregate Index	0.06%	0.47%	3.20%	0.90%
NTGI Blmbg Agg. Index - Net	0.06%	0.47%	3.24%	0.88%

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 October 31, 2017

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Dom. Fixed Active Core	2.81%	2.52%	4.65%	4.64% (4/01)
EARNEST Partners	2.85%	2.56%	4.76%	4.65% (5/05)
Blmbg Aggregate Index	2.40%	2.04%	4.19%	4.20% (5/05)
EARNEST Partners - Net	2.66%	2.36%	4.55%	4.44% (5/05)
Piedmont	2.85%	2.53%	4.57%	4.46% (6/05)
Blmbg Aggregate Index	2.40%	2.04%	4.19%	4.14% (6/05)
Piedmont - Net	2.72%	2.37%	4.40%	4.27% (6/05)
Garcia Hamilton	-	-	-	2.67% (6/15)
Blmbg Aggregate Index	2.40%	2.04%	4.19%	2.23% (6/15)
Garcia Hamilton	-	-	-	2.58% (6/15)
Dom. Fixed Passive Core	2.48%	2.07%	4.16%	6.07% (1/90)
BlackRock US Debt	2.53%	-	-	3.12% (10/13)
Blmbg Aggregate Index	2.40%	2.04%	4.19%	2.98% (10/13)
BlackRock US Debt - Net	2.53%	-	-	3.12% (10/13)
NTGI Blmbg Agg. Index	2.43%	2.05%	4.15%	6.13% (2/90)
Blmbg Aggregate Index	2.40%	2.04%	4.19%	6.12% (2/90)
NTGI Blmbg Agg. Index - Net	2.43%	2.05%	4.14%	4.13% (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 October 31, 2017

	Last Month	Last 3 Months	Year to Date	Last 12 Months
Domestic Fixed Core Plus	0.09%	0.72%	4.43%	2.54%
Brandes Core Plus	0.01%	0.35%	3.39%	1.05%
Blmbg Aggregate Index	0.06%	0.47%	3.20%	0.90%
Brandes Core Plus - Net	0.01%	0.35%	3.39%	1.05%
LM Capital	0.11%	0.67%	4.00%	2.09%
Blmbg Aggregate Index	0.06%	0.47%	3.20%	0.90%
LM Capital - Net	0.07%	0.63%	3.83%	1.93%
Progress Fixed Income	0.17%	0.74%	4.16%	2.42%
Blmbg Aggregate Index	0.06%	0.47%	3.20%	0.90%
Progress Fixed Inc. - Net	0.17%	0.66%	3.91%	2.08%
Taplin, Canida, Habacht	0.24%	1.00%	4.82%	3.42%
Blmbg Aggregate Index	0.06%	0.47%	3.20%	0.90%
Taplin, Canida, Hab. - Net	0.24%	1.00%	4.72%	3.32%
Western	(0.11%)	0.59%	5.55%	3.44%
Blmbg Aggregate Index	0.06%	0.47%	3.20%	0.90%
Western - Net	(0.11%)	0.55%	5.47%	3.33%
Bank Loans	0.63%	1.11%	4.37%	6.36%
Barings Global Loan Fund	0.63%	1.11%	4.37%	6.36%
Custom Benchmark	0.63%	0.98%	3.90%	5.38%
Barings Global Loan Fund - Net	0.59%	1.06%	4.02%	5.90%
Emerging Markets	(1.29%)	0.62%	11.54%	8.28%
Standish	(1.29%)	0.62%	11.54%	8.28%
Custom Benchmark	(1.25%)	0.22%	9.72%	5.73%
Standish - Net	(1.29%)	0.53%	11.25%	7.90%
Opportunistic Fixed Income	0.45%	1.11%	6.07%	7.91%
Crescent	0.45%	1.11%	6.07%	7.91%
Custom Benchmark	0.49%	1.11%	5.51%	7.09%
Crescent - Net	0.45%	1.05%	5.59%	7.29%
High Yield	0.19%	1.49%	7.29%	8.53%
MacKay Shields	0.19%	1.42%	7.24%	8.63%
ML High Yield Cash Pay Index	0.38%	1.26%	7.47%	9.14%
MacKay Shields - Net	0.19%	1.33%	6.96%	8.26%

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 October 31, 2017

	Last 36 Months	Last 60 Months	Last 120 Months	Since Inception
Domestic Fixed Core Plus	3.30%	3.02%	5.02%	8.28% (1/82)
Brandes Core Plus	-	-	-	1.94% (3/16)
Bimbg Aggregate Index	2.40%	2.04%	4.19%	2.24% (3/16)
Brandes Core Plus - Net	-	-	-	1.94% (3/16)
LM Capital	3.18%	2.75%	5.05%	5.06% (5/05)
Bimbg Aggregate Index	2.40%	2.04%	4.19%	4.20% (5/05)
LM Capital - Net	3.01%	2.59%	4.88%	4.89% (5/05)
Progress Fixed Income	3.07%	2.88%	4.92%	5.06% (1/06)
Bimbg Aggregate Index	2.40%	2.04%	4.19%	4.31% (1/06)
Progress Fixed Inc. - Net	2.73%	2.55%	4.56%	4.72% (1/06)
Taplin, Canida, Habacht	3.56%	3.31%	5.36%	5.17% (5/05)
Bimbg Aggregate Index	2.40%	2.04%	4.19%	4.20% (5/05)
Taplin, Canida, Hab. - Net	3.42%	3.19%	5.23%	5.04% (5/05)
Western	3.97%	3.58%	5.30%	5.61% (11/01)
Bimbg Aggregate Index	2.40%	2.04%	4.19%	4.36% (11/01)
Western - Net	3.84%	3.46%	5.16%	5.05% (1/05)
Bank Loans	5.14%	-	-	4.77% (8/14)
Barings Global Loan Fund	5.14%	-	-	4.77% (8/14)
Custom Benchmark	4.31%	-	-	3.98% (8/14)
Barings Global Loan Fund - Net	4.58%	-	-	4.22% (8/14)
Emerging Markets	1.96%	-	-	2.95% (8/14)
Standish	1.96%	-	-	2.95% (8/14)
Custom Benchmark	2.16%	1.43%	4.98%	1.57% (8/14)
Standish - Net	1.62%	-	-	2.63% (8/14)
Opportunistic Fixed Income	4.42%	-	-	3.99% (8/14)
Crescent	4.42%	-	-	3.83% (9/14)
Custom Benchmark	4.81%	5.23%	6.20%	4.33% (9/14)
Crescent - Net	3.98%	-	-	3.41% (9/14)
High Yield	6.47%	6.69%	7.97%	9.78% (4/88)
MacKay Shields	6.77%	6.79%	7.66%	9.20% (11/00)
ML High Yield Cash Pay Index	5.60%	6.26%	7.63%	7.91% (11/00)
MacKay Shields - Net	6.40%	6.42%	7.28%	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	Since Inception Outperformance	
	(in % points)	(in % points)	
Sands	9.36	2.14	10/31/2003
BMO	5.78	2.75	01/31/2001
Inv Counselors of MD	5.77	2.55	04/30/1999
Franklin	5.70	2.01	07/31/2011
Dodge & Cox	4.48	1.30	08/31/2003

Five Worst Performing Portfolio's vs. Benchmarks

Manager	Year-to-Date Underperformance	Since Inception Underperformance	
	(in % points)	(in % points)	
Brandes	-10.35	3.89	12/31/1995
Pyramis SCG	-9.60	5.45	07/31/1988
Ativo	-6.29	0.87	09/30/2010
Genesis	-4.28	2.10	04/30/2004
Mondrian	-3.77	0.49	03/31/2012

Five Highest Returning Portfolios

Manager	Year-to-Date Return	Since Inception Return	
	(in % points)	(in % points)	
Sands	34.75	11.58	10/31/2003
Franklin	31.54	8.33	07/31/2011
GlobeFlex	30.09	5.88	02/28/2006
William Blair Int'l SC	29.08	11.78	08/31/2010
Genesis	28.36	12.20	04/30/2004

Five Lowest Returning Portfolios

Manager	Year-to-Date Return	Since Inception Return	
	(in % points)	(in % points)	
NTGI BC Agg	3.25	6.13	01/31/1990
Blackrock US Debt	3.33	3.08	09/01/2013
Earnest FI	3.54	4.65	04/30/2005
Piedmont	3.69	4.43	05/31/2005
LM Capital	4.00	5.06	04/30/2005

Returns are shown gross of investment management fees.

Excludes Real Estate and Alternative Investments portfolios.

(17-12-03) (Approval of 2017 Diversity Report) The Executive Director presented the 2016 Annual Diversity Report to the Board for approval, noting under Public Act 96-006, IMRF is required to submit an annual report to the Governor and General Assembly.

It was moved by Ms. Henry, seconded by Ms. Thompson, to approve the submission of the 2017 Annual Diversity Report to the Governor and General Assembly.

Vote: Unanimous Voice Vote
Absent: None

(17-12-04) (ILPEX Update) The Deputy Executive Director reported that since submitting our *Illinois Performance Excellence (ILPEX) Award for Excellence Application* in June 2017, we were notified that we will be receiving the *Gold Award for Achievement of Excellence*.

He noted that as a recipient of a Gold Award, IMRF is now eligible to apply for the *Malcolm Baldrige National Quality Award*, the highest level of national recognition for performance excellence in the United States.

The Deputy Executive Director stated IMRF management recommends IMRF continue its Journey of Excellence through the completion of the *Malcolm Baldrige Application* in 2018.

It was moved by Ms. Henry, seconded by Mr. Wallace, to approve IMRF management's recommendation.

Vote: Unanimous Voice Vote
Absent: None

(17-12-05) (Recognition Proposals) The Executive Director noted that IMRF's receipt of a Gold Award from Illinois Performance Excellence marks a historic high point in IMRF's *Journey of Excellence*.

He stated that since this award was a team effort by every member of IMRF. He recommended that staff be formally thanked and recognized.

It was moved by Mr. Miller, seconded by Ms. Stanish, to approve the following proposals formally thanking and recognizing IMRF staff:

- One additional personal day to be taken at staff's discretion in 2018
- A memento (to be determined)
- A luncheon on Friday, February 23, 2018

Vote: Unanimous Voice Vote
Absent: None

(17-12-06) (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 17-11-17

Schedules - Dated December 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

Bids

Data Closet Equipment
Approved Bidder: Konsultek
Approved Bid: \$48,342.18

FS Load Balancer Maintenance
Approved Bidder: Konsultek
Approved Bid: \$41,482.22

Sophos Security Maintenance Renewal
Approved Bidder: Systems Solutions, Inc.
Approved Bid: \$47,172.50

Contractor for 3rd Floor Carpet Replacement
Approved Bidder: Carpeting Et Cetera
Approved Bid: \$45,980.00

Participation of New Units of Government

Indian Valley Vocational Center
County: DeKalb
2017 Rate: 13.05%
Effective Participation Date: October 1, 2017
Number of Participating Employees: 6

Knox Warren Special Education District
County: Knox and Warren
2017 Rate: 12.05%
Effective Participation Date: July 1, 2017
Number of Participating Employees: 34

It was moved by Mr. Miller, seconded by Mr. Kuehne, to approve the items on the consent agenda.

Vote: Unanimous Voice Vote
Absent: None

(17-12-07) (Financial Reports) The Chair presented the following financial reports for approval.

- Review of December Financial Reporting Packages
- Statement of Fiduciary Net Position for October 2017
- Impact of 2017 Year-To-Date Investment Income on Employer Reserves, Funding Status and Average Employer Contribution Rates
- Schedule T - Report of Expenditures for November

It was moved by Ms. Thompson, seconded by Ms. Henry to approve the Financial Reports as presented.

Vote: Unanimous Voice Vote
Absent: None

(17-12-08) (Amendment to 2018 Budget) The Executive Director presented a recommendation to the Board for an Amendment to the 2018 Budget for the Horizon Telephone Integration.

He noted that enhancements to the IMRF telephone systems are needed to support Key Strategies in the IMRF Strategic Plan for 2017-2019 and to support the new Horizon systems.

After questions and discussion, it was moved by Mr. Wallace, seconded by Ms. Copper, to approve the Amendment to the 2018 Budget for the Horizon Telephone Integration in the amount of \$570,000 (\$265,000 Capital and \$305,000 in professional services).

Vote: Unanimous Voice Vote
Absent: None

(17-12-09) (Certification of Results of Executive Trustee Election) The Legislative Liaison presented the results of the recent Executive Trustee Election.

5 Year Term, commencing January 1, 2018 - One to be Elected

	<u>Votes Received</u>
Stephanie A. Helms	263
Douglas A. Krieger	233
Tom Kuehne	457

Brad Trent	85
Write-In Candidates	1
Spoiled Ballots	24

It was moved by Mr. Miller, seconded by Ms. Thompson, to certify the results of the 2017 Executive Trustee Election, acknowledging the election of Tom Kuehne (5-Year Term).

Vote: Unanimous Voice Vote
Absent: None

(17-12-09) (Election of 2018 Board Officers & Appointments) The Officer Nominating Committee recommended the Board approve the following Trustees for Board Officers: Natalie Copper for the Office of President of the Board, David Miller for the Office of Vice President of the Board, and Alex Wallace, Jr. for the Office of Secretary of the Board commencing January 1, 2018.

It was moved by Ms. Henry, seconded by Mr. Kuehne, to approve the recommendations of the Officer Nominating Committee.

Vote: Unanimous Voice Vote
Absent: None

(17-12-10) (2018 Board Meeting Dates) The Executive Director presented three proposed lists of 2018 Board Meeting dates.

After questions and discussion, it was moved by Ms. Henry, seconded by Mr. Miller, to adopt the following 2018 Board Meeting dates:

- February 23, 2018
- May 18, 2018
- August 24, 2018
- November 16, 2018
- December 14, 2018

Vote: Unanimous Voice Vote
Absent: None

(17-12-11) (Appointment of Consultants to the Board for 2018) It was moved by Mr. Wallace seconded by Ms. Henry, to appoint Gabriel, Roeder, Smith & Co., as actuary; appoint Rehabilitation Medicine, Dr. Noel Rao as medical consultant/physical medicine; appoint Dr. Rachelle Miller, as medical consultant/psychiatry; and, CNR Consulting, Inc., Nancy Vazquez, to assist the fund in 2018.

Vote: Unanimous Voice Vote
Absent: None

(17-12-12) (Benefit Review Committee Meeting) The Chair of the Benefit Review Committee reported on the Benefit Review Committee Meeting held on December 14, 2016.

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

- To uphold the staff decision terminating temporary disability benefits to Nichol Sharp.
- To overturn the staff decision terminating temporary disability benefits to David P. Meimers.
- To uphold the staff decision denying total and permanent disability benefits to Joseph P. Reents.
- To defer the hearing on Elizabeth E. Costello's appeal of the denial of total and permanent disability benefits to a date to be determined in the future.
- To adopt the following updated Non-Disability Appeal Procedures:

**APPEAL PROCEDURES
(NON-DISABILITY)**

I. Administrative Staff Determination.

(1) Staff Determination. The IMRF administrative staff is responsible for the daily claims-processing function of the Fund, including processing of all claims for benefits or service credit or any other claims against or relating to the Fund.

(2) Benefit Oversight Committee. The purpose of the Committee is to review all requests for hearing on non-disability claims before the Benefit Review Committee or the Administrative Hearing Officer. The Committee shall determine whether such hearing requests are appropriate and ready for a hearing before the Benefit Review Committee or the Administrative Hearing Officer. The Committee shall be composed of the Executive Director, the Deputy Executive Director, the General Counsel, and the Benefits Manager.

II. Hearing.

(1) Petition. Any person or employer adversely affected by an administrative staff determination not involving a disability claim (medical) may petition for a hearing. The petition must be in writing but may be in any format and need merely inform the Fund of the petitioner's desire for a hearing.

The petition should be directed to the Associate General Counsel in the IMRF Oak Brook office and must be received by IMRF no later than sixty-three (63) days after the date of the administrative staff determination letter. Failure to timely file an appeal petition shall result in the administrative staff determination becoming a final administrative decision, for purposes of the Administrative Review Law, on the sixty-fourth (64th) day after the date of the staff determination letter.

(2) Acknowledgment of Petition; Statement of Claim. Upon the filing of a petition for a hearing, the Associate General Counsel shall send an acknowledgment of the petition informing the claimant that he/she is required to file a Statement of Claim within ninety-one (91) days of the date of the appeal acknowledgement letter. On any acknowledgement of a petition by an individual member, the Associate General Counsel shall copy

any IMRF employer who may be impacted by the appeal. The Statement of Claim shall include:

- o the petitioner's name, MID, and address;
- o the name and address of the petitioner's authorized representative, if any;
- o a statement of the facts forming the basis for the appeal, which may include any new or additional evidence;
- o any documents or other materials the petitioner wishes to be considered in conjunction with the appeal;
- o an explanation of the relief sought;

The Statement of Claim shall be limited to 20 pages, excluding exhibits. If typewritten, the pages must be 8-1/2" x 11", paginated, one-sided with 12-point font, double-spaced text. Exhibits shall be marked in a manner to allow electronic scanning. The petitioner shall file at least one unbound copy of the Statement of Claim with the Associate General Counsel. The Statement of Claim may be filed electronically with the Associate General Counsel.

Should the petitioner choose not to submit a Statement of Claim, as required by these procedures, the appeal will be considered at the first available hearing date occurring after the expiration of ninety-one (91) days from the date of the appeal acknowledgement letter.

In the event that a petitioner fails to submit a Statement of Claim, consideration of the appeal will be based solely upon the written materials that are already in the IMRF file on the due date for the Statement of Claim.

(3) Presiding Authority. An Administrative Hearing Officer will hear appeals of staff decisions regarding the following:

- o Employer contribution delinquencies
- o Employer rates
- o Accelerated payments due under Section 7-172(k) of the Illinois Pension Code
- o Eligibility for IMRF participation
- o IMRF-reportable earnings
- o Benefit forfeitures due to job-related felonies
- o Contested beneficiary designations and eligibility
- o ERI return-to-work violations

A hearing officer will be an independent attorney licensed to practice law in Illinois, designated by the Board of Trustees.

The Board of Trustees Benefit Review Committee will hear appeals of staff decisions regarding the following:

- o Benefit calculation errors and resulting benefit recoupment
- o Annuitant return to work issues (non-ERI related)

(4) Scheduling of Hearing. Upon receipt of the Statement of Claim, the petitioner's claim shall be assigned to the next available hearing date. However, if the Statement of Claim reveals that the appeal only concerns legal, as opposed to factual issues, or if no Statement of Claim is filed and it appears from the staff determination that the appeal only concerns legal, as opposed to factual issues, a formal hearing will not be held, and the Board of Trustees will decide the appeal based solely upon the written record. In that case, the Board of Trustees will decide the appeal via Board Schedule H.

(5) Notification. Upon scheduling of a hearing, a petitioner shall be provided with written notice of the date and place of the hearing and the subject matter of the hearing. The petitioner or his/her representative

will be provided with all documentation and other materials to be presented at the hearing by the administrative staff.

(6) Continuances and Extensions of Time. Continuances of the hearing date and other extensions of time may be granted to the petitioner upon request, if received more than 14 days before the scheduled hearing date.

An appeal will normally be considered at the first available hearing date after the receipt of the petitioner's Statement of Claim.

Absent extraordinary circumstances, no more than one continuance or extension shall be granted.

(7) Late Submissions. Any documents or other materials that are submitted in addition to a Statement of Claim must be received by IMRF no later than twenty (20) days prior to the scheduled hearing date. Any additional materials received less than twenty (20) days before the hearing date will be considered a late submission. Whenever a petitioner makes a late submission, the petitioner will be offered following alternatives:

- o The petitioner can proceed with the hearing as scheduled; however, the late submission will not be considered; or
- o The petitioner can request, and receive, a postponement of the hearing until the earliest available future date in order to allow for consideration of the late submission.

If a hearing is postponed in order to allow for consideration of the late submission, any additional materials submitted within twenty (20) days of the re-scheduled hearing date **WILL NOT** be considered.

(8) Failure to Appear. In the event that a petitioner fails to appear on the scheduled hearing date, the consideration of the appeal will be based solely upon the written materials that are already in the IMRF file. The recommendation to the Board of Trustees will be based on those materials.

(9) Representation. The petitioner may be represented by counsel or a designated spokesperson at the hearing. The Associate General Counsel or his/her designated representative shall present the IMRF administrative staff position.

(10) Conduct of the Hearing.

(a) Appearance. The petitioner is not required to personally appear at the hearing and may be represented solely by the Statement of Claim on file. In the alternative, at the petitioner's discretion, the petitioner or his/her representative may appear in person or the hearing may be conducted via telephone or video conference.

(b) Procedures. The Chairman of the Benefit Review Committee or the Administrative Hearing Officer shall conduct a full and fair hearing; maintain order and make a sufficient record for a full and true disclosure of the facts and issues. The hearing shall be informal and the rules of evidence shall not apply. The petitioner shall be limited to no more than 30 minutes to present their appeal.

The Benefit Review Committee or the Administrative Hearing Officer shall be provided with a copy of the Statement of Claim, a statement of the position of the administrative staff, which shall include the

administrative staff determination, and such other documentation as is available.

Members of the Benefit Review Committee or the Administrative Hearing Officer may ask questions necessary for better understanding of the facts or law.

The Benefit Review Committee or the Administrative Hearing Officer may determine that additional information or further investigation is required before a decision can be made. If so, the hearing shall be continued and the staff directed as necessary.

Hearings before the Benefit Review Committee shall be open to the public, unless the chair, for good cause shown, and pursuant to the applicable provisions of the Open Meetings Act, shall determine otherwise. A quorum of the Committee is needed for all of its hearings.

An IMRF employer may provide written materials to IMRF staff for incorporation into the packet submitted to the Benefit Review Committee or the Administrative Hearing Officer. Any IMRF employer that may be impacted by an appeal has standing to actively participate in the hearing before the Administrative Hearing Officer or the Benefit Review Committee. At the discretion of the Administrative Hearing Officer or the Benefit Review Committee, a pre-hearing meeting may be held to discuss and resolve procedural issues related to the participation of multiple parties at the hearing.

(c) Record of Proceedings. A record of proceedings shall be kept which shall be in the form of a non-verbatim summary report. The petitioner may obtain a verbatim record of the hearing by arranging for a court reporter. The petitioner is responsible for paying the actual costs entailed. The Associate General Counsel shall be the custodian of the documents and the record of proceedings.

(d) Determination (Benefit Review Committee). Upon conclusion of all evidence and arguments, the Benefit Review Committee shall deliberate and make its decision as to the disposition of the claim. The vote of at least a majority of a quorum shall be required for any decision of the Benefit Review Committee.

The Benefit Review Committee shall render one of the following recommendations to the full Board of Trustees:

- affirmance of the administrative staff determination;
- reversal of the administrative staff determination;
- request the development of an alternative resolution; or,
- in the case of deadlock, continuation of the claim for consideration by the full Board of Trustees.

Where an appeal is to be decided via Schedule H, any one member of the Committee can request that the matter be removed from said Schedule and placed on a future Committee agenda for hearing and recommendation.

(e) Determination (Administrative Hearing Officer). Upon conclusion of all evidence and arguments, the Administrative Hearing Officer shall prepare written findings of fact and conclusions of law to support a recommendation to the Board of Trustees. That recommendation shall be:

- affirmance of the administrative staff determination;
- reversal of the administrative staff determination; or

- request the development of an alternative resolution.

III. Final Administrative Decision.

(1) Decision of the Full Board of Trustees. The full Board of Trustees will consider the recommendation of the Benefit Review Committee or the Administrative Hearing Officer in making the decision for the Fund as to the disposition of the appeal. At least five (5) affirmative votes shall be required for any decision of the Board of Trustees. The Board of Trustees shall render one of the following decisions:

- o affirmance of the administrative staff determination;
- o reversal of the administrative staff determination; or
- o request the development of an alternative resolution.

The Board of Trustees will normally consider an appeal at the first available meeting following receipt of the Benefit Review Committee's recommendation or, if the appeal only concerns legal, as opposed to factual issues, after the expiration of the aforementioned ninety-one (91) day period.

(2) Final Administrative Decision. A decision of the Board of Trustees either affirming or reversing the determination of the administrative staff shall be a final administrative decision for purposes of review under the Illinois Administrative Review Act (735 ILCS 5/3-101 et seq.) Remand of the proceedings to the administrative staff by the Board of Trustees shall not be considered a final decision, nor shall requesting the development of an alternative resolution be considered a final decision.

(3) Remand. In the case of a remand of the proceedings to the Administrative Hearing Officer, the Administrative Hearing Officer shall present the requested information to the full Board of Trustees at the next regularly scheduled meeting, and the Board of Trustees shall make a final administrative decision.

(4) Notice of Decision. IMRF Staff shall send written notice of the decision of the Board of Trustees to the petitioner and, if applicable, the petitioner's representative. In any case where the IMRF employer participates in an appeal by an individual member, IMRF Staff shall also send written notice of the decision of the Board of Trustees to the IMRF employer and its representative.

- To adopt the following revised Benefit Oversight Committee Charter:

BENEFIT OVERSIGHT COMMITTEE CHARTER

updated December 14, 2017

PURPOSE

The purpose of the Committee is to review all requests for hearing on non-disability claims before the Benefit Review Committee (BRC) or the Administrative Hearing Officer, as described in the non-disability appeal procedures adopted by the Board of Trustees. The Committee shall determine whether such hearing requests are appropriate and ready for a BRC or Administrative Hearing Officer hearing.

COMPOSITION

Chairperson: Executive Director

Members: Deputy Executive Director, Benefits Manager, General Counsel

RESPONSIBILITY

The Legal Department will prepare the files on non-disability hearing requests for the Committee. For the hearing request case reviews, the Committee will either send cases on to the Board's Benefit Review Committee, Administrative Hearing Officer, or back to the appropriate department for further action.

MEETINGS

Meetings of the Committee will be held on an as-needed basis.

- To adopt the following Benefit Review Committee Charter with no recommended changes:

December 2017

BENEFIT REVIEW COMMITTEE CHARTER

The Board of Trustees of the Illinois Municipal Retirement Fund has adopted this Benefit Review Committee ("Committee") Charter. The Benefit Review Committee of the Board shall review and reassess this charter annually and recommend any proposed changes to the Board for approval.

PURPOSE

To assist the Board of Trustees in fulfilling its oversight responsibilities for the process of hearing appeals of certain staff determinations regarding members' claims for benefits, benefit calculation errors and resulting benefit recoupment and non-ERI related return to work issues. The Committee will review written findings and conclusions of the IMRF Hearing Officer related to employer contribution delinquencies, employer rates, accelerated payments, eligibility for participation, IMRF reportable earnings, felony forfeitures, contested beneficiary designations, ERI return-to-work violations and other appeals assigned to the IMRF Hearing Officer for determination. The Board may assign other duties to the Committee.

AUTHORITY

The Benefit Review Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

- ◆ Utilize outside medical consultants or others to advise the committee or assist in the conduct of an investigation.
- ◆ Seek any information it requires from Fund employees--all of whom are directed to cooperate with the Committee's requests--or external parties.
- ◆ Meet with Fund staff, medical consultants, outside counsel, and members as necessary.

COMPOSITION

The Benefit Review Committee will consist of at least three members of the Board of Trustees. At the January Board Meeting, the president of the Board will nominate, and the full Board will elect, committee members and the committee chair for one-year terms.

MEETINGS

The Committee will generally meet as scheduled, with authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via teleconference or videoconference. In the absence of the Chairperson, the vice chairperson shall preside. In absence of both the chairperson and vice chairperson the other members of the Committee shall designate a chairperson pro tem to preside over the Committee meeting.

The Committee will require that staff, medical consultants, and others attend meetings to provide pertinent information, as necessary. Meeting agendas will be prepared and

provided in advance of the meetings. Staff will provide the Committee with a copy of the statement of claim, a statement of the position of the administrative staff, and any other documentation (medical records, etc.) available to the Fund. For appeals heard by the IMRF Hearing Officer, the Committee will be provided with the written findings and conclusions. Members of the Committee may ask questions necessary for better understanding of the facts or law.

All Committee hearings shall be open to the public unless the chairperson, for good cause shown and pursuant to the applicable provisions of the Open Meetings Act, shall determine otherwise. The member/claimant is not required to attend the meeting, and may be represented solely by the statement of claim on file. However, he/she may appear at the meeting in person, by teleconference, or by videoconference. The member may come alone, with an attorney, or with any other authorized representative. An attorney or other authorized representative may represent the member in his/her absence.

Staff will prepare minutes for each meeting. These minutes will serve as a record of proceedings in the form of a non-verbatim report. The claimant may obtain a verbatim record of hearing taken by a court reporter provided he/she makes a timely request for a court reporter to be present. The claimant must pay the full cost for the services of a court reporter.

RESPONSIBILITIES

The Committee will carry out the following responsibilities:

Hear appeals of certain staff determinations regarding members' claims for disability benefits, benefit calculation errors and resulting benefit recoupment and non-ERI return to work issues

Review the findings and conclusions of the IMRF Hearing officer related to employer contribution delinquencies, employer rates, accelerated payments, eligibility for participation, IMRF reportable earnings, felony forfeitures, contested beneficiary designations, ERI return-to-work violations and any other appeals assigned to the IMRF Hearing Officer for determination

Staff will schedule the hearings on the meeting dates selected by the Committee..

Determination by the Committee

Upon conclusion of all evidence and arguments, the Benefit Review Committee will make a decision as to the disposition of the claim. At least a majority vote is required for any decision of the Benefit Review Committee. The Committee will render one of the following decisions: affirmance of the staff recommendation, reversal of the staff recommendation, remand of the proceedings to staff for further investigation, request the development of an alternative resolution, or, in the case of deadlock, continuation of the claim for consideration by the full Board of Trustees. The decision will be in the form of a recommendation to the full Board of Trustees or, in the case of deadlock, without recommendation.

Immediately following each Committee meeting staff will prepare the chairperson's summary report to the Board of Trustees.

The Benefits Manager, or other staff designee, will send written notice of the decision of the Board of Trustees to the claimant, and if applicable, to the claimant's representative.

Reporting Responsibilities

- ◆ Regularly report to the Board of Trustees about Committee activities, issues, and related recommendations.
- ◆ Provide an open avenue of communication between medical consultants and the Board of Trustees.
- ◆ Review any other issues that relate to Committee responsibilities.

Other Responsibilities

- ◆ Perform other activities related to this charter as requested by the Board of Trustees.
- ◆ Institute and oversee special investigations as needed.
- ◆ Make recommendations to the Board of Trustees concerning policies related to the responsibilities set forth herein.
- ◆ Confirm annually that all responsibilities outlined in this charter have been carried out.

Vote: Unanimous Voice Vote
Absent: None

(17-12-13) (Report of the Investment Committee Meeting) The Chair of the Investment Committee reported on the meeting held December 14, 2017.

Staff gave a Private Equity presentation to the Investment Committee that included recommendations, followed by presentations from three private equity managers (Lightspeed India Partners II, L.L.C., ChrysCapital Fund VIII, L.L.C., and True North Fund VI, L.L.P.).

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

- For Private Equity
 - Allocate up to \$25 million to Lightspeed India Partners II, L.L.C., subject to satisfactory legal due diligence;
 - Allocate up to \$50 million to ChrysCapital Fund VIII, L.L.C., subject to satisfactory legal due diligence;
 - Allocate up to \$25 million to TrueNorth Fund VI, L.L.P., subject to satisfactory legal due diligence; and,
 - Authorize staff to complete all documentation necessary to execute these recommendations.

Next, staff gave a Fixed Income presentation to the Investment Committee that included recommendations.

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

- For Fixed Income
 - Authorize staff to convert the Brandes Core Plus Fixed Income mandate to a Core Fixed Income mandate (approximately \$246.4 million as of October 31, 2017);
 - Allocate an additional \$100 million to Brandes Core Fixed Income mandate from funds withdrawn from the NTGI MSCI EAFE Index account; and,
 - Authorize staff to complete all documentation necessary to execute these recommendations.

Lastly, the Investment Committee heard an educational session from FTSE Russell on Factor Indices.

It was moved by Mr. Miller, seconded by Mr. Wallace, to approve the recommendations of the Investment Committee.

Vote: Unanimous Voice Vote
Absent: None

(17-12-14) (Report of the Legislative Committee Meeting) The Chair of the Legislative Committee reported on the meeting held on December 14, 2017.

The Legislative Committee reviewed one additional proposal to add to the Board's Legislative Agenda a change to the statute to allow terminated Board Members to complete their current term of office.

It was the consensus of the Legislative Committee to not vote on this proposal.

It was moved by Ms. Thompson, seconded by Ms. Copper, to adopt the report of the Legislative Committee.

Vote: Unanimous Voice Vote
Absent: None

(17-12-15) (Amendment to the IMRF Anti-Harassment Policy) General Counsel presented an amendment to the IMRF Anti-Harassment Policy for approval by the Board.

She stated that Public Act 100-554 effective November 16, 2017, amended the State Officials and Employee Ethics Act requiring formal policies on the prohibition of sexual harassment. This requirement was also made applicable to units of local government. IMRF's current Policy Against Harassment includes all the provisions required by 100-554, with the exception of the requirement that the policy provide for the consequences for knowingly making a false report and that the policy specifically states that whistleblower protections under the Whistleblower Act are included.

It was moved by Mr. Kuehne, seconded by Mr. Miller, to adopt the following resolution amending the IMRF Policy Against Harassment:

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, P.A. 100-554 requires an amendment to the IMRF Policy Against Harassment found in the Board Ethics Policy (2013-10-05(a); and

WHEREAS, it is appropriate that the Board amend its Policy Against Harassment.

NOW THEREFORE BE IT RESOLVED that the Board of Trustees of the Illinois Municipal Retirement Fund does hereby adopt the following amended Policy Against Harassment:

It is the desire of the Board of Trustees that employees work in an atmosphere free from all forms of harassment. Therefore, this policy prohibits all types of harassment, including, but not limited to, harassment based on: sex, race, color, religion, national origin, age, marital status, disability, handicap, or any other classification protected under applicable law. This policy extends to each and every level of IMRF.

Accordingly, harassment, whether by an employee, a Trustee, an IMRF member or annuitant, a customer, a member of management, or a visitor will not be tolerated. Activities of this nature are unlawful and serve no legitimate purpose; they have a disruptive effect on an individual's ability to perform his/her job, and they undermine the integrity of the employment relationship.

Harassment is verbal or physical conduct relating to an individual's sex, race, color, religion, national origin, age, marital status, disability, handicap, or any other classification protected under applicable law when this conduct:

1. Has the purpose or effect of creating an intimidating, hostile, or offensive working environment;
2. Has the purpose or effect of unreasonably interfering with an individual's work performance; or
3. Otherwise adversely affects an individual's employment opportunities.

We recognize examples of conduct that may constitute prohibited harassment include: slurs, jokes, cartoons, stereotypes, statements, etc., based upon sex, race, color, religion, national origin, age, marital status, disability, handicap, any other classification protected under applicable law, and unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

1. Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
2. An individual's submission to or rejection of such conduct is used as a basis for an employment decision affecting that individual; or
3. The purpose or the effect of such conduct is to substantially interfere with the affected individual's work performance or to create an intimidating, hostile, or offensive work environment.

Although the above defines "unlawful" harassment, it is also a violation of this policy to commit or engage in any unprofessional or inappropriate conduct based on any protected classification, whether or not such conduct rises to the level of "unlawful" harassment.

Retaliation against any individual who has complained about harassment, filed a charge of harassment, or who otherwise participated in an investigation of harassment will not be tolerated.

Reports of violations of this Policy may be made to Supervisors, Managers, Directors, the Human Resources Manager or the Executive Director.

No Supervisor, Manager or Director has the authority to condition any tangible job benefit on an employee's putting up with or agreeing to any conduct that may violate this policy. If an employee believes that he or she has been deprived of any job benefit or that he or she has been

threatened, he or she should immediately report it to one of the individuals listed above. Supervisors, Managers and Directors must report immediately to the Executive Director and/or the Human Resources Manager any incidents that they hear about or observe that may constitute a violation of this policy.

If the allegations involve the Human Resources Manager, then Supervisors, Managers and Directors should report the incident(s) to the Executive Director. If the allegations involve the Executive Director, Supervisors, Managers and Directors should report the incident(s) to the President, Vice President and/or Secretary of the Board of Trustees.

The confidentiality of harassment allegations will be protected to the extent possible under the circumstances. IMRF will actively investigate all harassment complaints, and, if it is determined that harassment has occurred, management will take appropriate disciplinary action against the offending party, up to and including immediate termination of employment.

Retaliation against any person who has complained about harassment, filed a charge of harassment, or who otherwise participated in an investigation of harassment will not be tolerated. Furthermore, no Supervisor, Manager, or Director has the authority to require anyone to tolerate or agree to any conduct that violates this policy in order to receive any job benefit, including compensation, duties, assignments, promotions, etc. Such activities are unlawful and will result in severe discipline, up to and including immediate termination of employment.

Pursuant to the Whistleblower Act (740 ILCS 174/15(a)), an employer may not retaliate against an employee who discloses information in a court, an administrative hearing, or before a legislative commission or committee, or in any other proceeding, where the employee has reasonable cause to believe that the information discloses a violation of a State or federal law, rule, or regulation. In addition, an employer may not retaliate against an employee for disclosing information to a government or law enforcement agency, where the employee has reasonable cause to believe that the information discloses a violation of a State or federal law, rule, or regulation. (740 ILCS 174/15(b)).

IMRF acknowledges a person's right to contact the Illinois Department of Human Rights (IDHR) at the James R. Thompson Center, 100 Randolph Street, Suite 10-100, Chicago, Illinois 60601, about filing a formal complaint. The IDHR will investigate a complaint, and, if it determines that there is sufficient evidence of harassment to proceed further, it will file a complaint with the Illinois Human Rights Commission (HRC), located at the same address on the fifth floor. If the IDHR does not complete its investigation within 365 days, a complaint may be filed directly with the HRC between the 365th and the 395th day.

Also a complaint may be filed with the Equal Employment Opportunity Commission (EEOC) at 500 West Madison Street, Suite 2800, Chicago Illinois 60661.

Anyone filing a complaint concerning a violation or suspected violation of this Policy must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Policy. Any allegations which prove to have been made maliciously or known to be false will be viewed as a serious disciplinary offense.

Vote: Unanimous Voice Vote

Absent: None

(17-12-16) (Cash Earnings Related to Healthcare) The Executive Director presented three options to the Board regarding amending IMRF's current definition of earnings regarding cash payments related to healthcare.

After questions and discussion, it was moved by Mr. Miller, seconded by Ms. Henry, to adopt the following resolution offering employers a choice whether the cash is reportable.

WHEREAS, section 7-114 of the Illinois Pension Code provides that earnings as reported to the Illinois Municipal Retirement Fund for use in the calculation of IMRF benefits shall be an amount to be determined by the Board of Trustees equal to the total amount of money paid to any employee for personal services or official duties as an employee including compensation, fees, allowances and other emoluments paid for official duties, and also the money value of any board, lodging and other allowances provided to the employee in lieu of cash; and

WHEREAS, the Board of Trustees is required under section 7-114 of the Illinois Pension Code to specifically define earnings to be reported to the Illinois Municipal Retirement Fund; and

WHEREAS, the Board of Trustees must periodically review its definition of earnings and update that definition as needed; and

WHEREAS, the value of employer provided health insurance is not reportable to IMRF as earnings; and

WHEREAS, some employers provide cash as an alternative to employer provided health insurance or for the purpose of purchasing other healthcare related benefits, and

WHEREAS, Cash payments given by an employer to an employee (in lieu of or in addition to employer provided insurance) to purchase health insurance or other healthcare related benefits on an insurance exchange, through the employer itself, through a spouse's plan, or any other source have been found to be not reportable to IMRF based on the rule that the value of employer provided health insurance is not reportable; and

WHEREAS, the Board of Trustees has determined that an amendment to the definition of reportable earnings for cash payments made to an employee in lieu of or related to healthcare benefits is needed

NOW THEREFORE BE IT RESOLVED by the Board of Trustees of the Illinois Municipal Retirement Fund that the IMRF definition of earnings is amended as follows:

IMRF reportable earnings includes all cash payments made separately from salary and made in lieu of employer provided health insurance or cash payments made in association with or related to healthcare benefits, at the option of a participating unit of government. The participating unit of government must affirmatively allow IMRF reporting of such compensation by adoption of a resolution by its governing body.

BE IT FURTHER RESOLVED that, unless the participating unit of government has affirmatively elected to allow IMRF reporting of such compensation, any cash payments made to an employee in lieu of or related in any way to healthcare benefits is excluded from IMRF reportable earnings.

Vote: Unanimous Voice Vote
Absent: None

(17-12-17) (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.

The Court has granted the creditors motion for an order allowing an appeal of the January 6 decision, notwithstanding that claims against other defendants remain to be litigated.

KATHLEEN KONICKI V. IMRF (14 MR 32) (4-17-0056) (SANGAMON CO/ FOURTH DIST. APPELLATE COURT)

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 has filed its appellate brief and a motion to strike the Plaintiff's brief. IMRF's motion to strike the brief was granted and Plaintiff was given additional time to re-file a brief which is in compliance with the Supreme Court rules. Plaintiff has filed her brief and

IMRF has filed its brief. The Court has dispensed with oral argument and IMRF is awaiting a decision.

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 November 28, 2016. IMRF's brief was filed on November 20, 2017. A hearing will be held on January 22, 2018 at 1 pm.

KATHERINE HADLER V. IMRF (16 MR 1375 DUPAGE COUNTY) (2-17-0303 SECOND DISTRICT APPELLATE COURT)

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. The case has been fully briefed and is pending. Oral argument has not yet been scheduled.

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 a status hearing is set for 12/20/2017 in Kane County. A briefing schedule will be entered.

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

Summary: This is an administrative review of the IMRF Board's denial of total and permanent disability benefits.

Status: IMRF has filed an appearance and the administrative record. IMRF and Plaintiff's counsel have entered an agreed briefing schedule. IMRF's brief is being filed on December 11, 2017.

LSR v. IMRF (SANGAMON COUNTY 2017 MR 782)

Summary: This is an administrative review of staff's termination of a member's total and permanent disability benefits. The member did not appeal the staff determination, so a hearing was not held before the BRC.

Status: IMRF has filed an appearance and the administrative record in the case and is awaiting further direction from the court.

ROSEMARIE MOLAS v. IMRF (U.S. EEOC 440-2017-05688)

Summary: This is an EEOC charge of retaliatory discharge by a former employee.

Status: IMRF has filed an appearance and a position statement pursuant to EEOC procedures and is awaiting further direction from the Commission.

(17-12-18) (Report of the Executive Director)

Modernization Update

The Executive Director gave an update to the Board on IMRF's modernization efforts.

(17-12-19) (Trustee Forum) The Chair reported the following Trustees requested authorization from the Board for the following conferences:

Gwen Henry	2018 World Investment Forum FTSE Russell May 20-23, 2018 Park City, Utah
Tom Kuehne	Trustees Institute IFEBP February 12-14, 2018 Orlando, FL
Sue Stanish	2018 World Investment Forum FTSE Russell May 20-23, 2018 Park City, Utah

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

Vote: Unanimous Voice Vote
Absent: None

(17-12-20) (Appreciation of Service - Louis W. Kosiba) Members of the Board of Trustees honored IMRF Executive Director Louis Kosiba who will be retiring from IMRF on December 31, 2017, with the following resolution:

WHEREAS, Louis W. Kosiba, Executive Director, has faithfully served IMRF from September 1988 through December 2017, and;

WHEREAS, Louis W. Kosiba contributed to IMRF first as manager for the Field Services department from 1988 to 1990, then as General Counsel from 1990 to 2001, and finally as Executive Director beginning July 2001, and;

WHEREAS, under Louis W. Kosiba's leadership, IMRF exceeded annual investment return goals 10 times and its fiduciary net position increased from \$16.1 billion in 2000 to more than \$40 billion in November 2017, and;

WHEREAS, during Louis W. Kosiba's tenure as Executive Director, IMRF's active membership increased from 159,810 to 175,019; IMRF retirees increased from 71,300 to 123,206; and the number of employers participating in the IMRF increased from 2,791 to 2,987, and;

WHEREAS, under Louis W. Kosiba's guidance, IMRF adopted its first vision statement and set of organizational values; developed its first Strategic Plan; and opened its first regional office in Springfield, and;

WHEREAS, with Louis W. Kosiba at the helm, IMRF enhanced member and employer services by developing a workshop program to educate members, employers, and retirees about the services offered by IMRF; establishing a toll-free customer service call center; introducing self-service tools to employers for reporting wages and enrolling members online; and launching annual rate meetings for employers to meet face-to-face with IMRF leaders, and;

WHEREAS, Louis W. Kosiba supported continuous process improvement with the adoption of the Baldrige Criteria for Performance Excellence and in encouraging active participation in the Illinois Performance Excellence (ILPEX) recognition program, in which IMRF received a Bronze Award for "Commitment to Excellence" in 2009, two Silver Awards for "Progress towards Excellence" in 2012 and 2014, and a Gold Award for "Achievement of Excellence" in 2017, and;

WHEREAS, Louis W. Kosiba was one of the founders of the National Association of Public Pension Attorneys (NAPPA) in 1987, and served on its Board of Directors; he is also an active member of the National Association of State Retirement Administrators (NASRA), a member of the Board of Trustees for ILPEX, and is on the leadership team for Generations Serving Generations, and;

WHEREAS, Louis W. Kosiba made a difference in so many people's lives during his time as Executive Director, and his presence will be greatly missed by members, employers, and staff alike;

THEREFORE, BE IT RESOLVED, that the IMRF Board of Trustees recognizes and honors Louis W. Kosiba for his significant contributions and excellent service to the Illinois Municipal Retirement Fund.

Adopted by the IMRF Board of Trustees on Friday, December 15, 2017.

(17-12-21) (Appreciation of Service - Kathy O'Brien) Members of the Board of Trustees honored IMRF General Counsel Kathy O'Brien who will be retiring from IMRF on December 31, 2017, with the following resolution:

WHEREAS, Kathy O'Brien, General Counsel, has faithfully served IMRF from May 1986 through December 2017, and;

WHEREAS, Kathy O'Brien contributed to the Legal department throughout her tenure at IMRF, first as Staff Attorney, then Chief Counsel, and finally General Counsel beginning July 2001, and;

WHEREAS, as General Counsel, Kathy O'Brien helped build IMRF's strong reputation in the public pension community by guiding the IMRF Board of Trustees in establishing policies that both reflect the legal intent of the Illinois Pension Code and enact IMRF's vision to provide the highest quality retirement services to members, their beneficiaries, and employers, and;

WHEREAS, during her 31 years at IMRF, Kathy O'Brien executed more than 350 Board Resolutions on behalf of the IMRF Board of Trustees; she also created IMRF's legal interpretations process to help staff communicate IMRF's application of the Illinois Pension Code with members and employers, and;

WHEREAS, as IMRF's Compliance Officer, Kathy O'Brien ensured that IMRF conducted business in full compliance with laws and regulations as well as internal standards and policies, providing annual training to staff on the Code of Conduct and other legal matters, and;

WHEREAS, as a senior leader, Kathy O'Brien was instrumental in moving IMRF forward as an organization through her role implementing IMRF's Strategic Plan as a sponsor of several action plans; ensuring the continuation of IMRF's modernization effort by approving contracts with vendors; and advancing IMRF's Journey of Excellence by supporting innovation and continuous process improvement throughout the organization, and;

WHEREAS, under Kathy O'Brien's leadership, IMRF launched a new logo, brand, and website in 2015 to better inform members, employers, and the public about IMRF; IMRF also launched a new intranet in 2017 to enhance employee engagement and internal communication for IMRF staff, and;

WHEREAS, throughout her time at IMRF, Kathy O'Brien assisted internal departments by providing guidance and advice on legal issues involving members, employers, and staff, and;

WHEREAS, Kathy O'Brien's extensive legal knowledge and expertise combined with her positive and dynamic personality will be greatly missed by all IMRF stakeholders;

THEREFORE, BE IT RESOLVED, that the IMRF Board of Trustees recognizes and honors Kathy O'Brien for her significant contributions and excellent service to the Illinois Municipal Retirement Fund.

Adopted by the IMRF Board of Trustees on Friday, December 15, 2017.

(17-12-22) (Board Self-Evaluation) Board Members along with Ms. Cullins from Aon Hewitt, conducted a self-evaluation.

(17-12-23) (Adjournment) It was consensus of the Board to adjourn the Board Meeting at 11:40 p.m., to reconvene in the Fund offices, 2211 York Road, Suite 400, Oak Brook, Illinois, at 9:00 a.m. on February 23, 2018.



President

Feb 23, 2018

Date



Secretary

2-23-2018

Date