

**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**MEETING NO. 18-08-I**

**MEETING OF THE**  
**INVESTMENT COMMITTEE**

The Investment Committee met in the IMRF offices in Oak Brook, Illinois, on Thursday, August 23, 2018. Mr. Kuehne, Chairman of the Investment Committee, called the meeting to order at 2:00 P.M.

(18-08-01)(Roll Call) Mr. Sambol called the roll:

Present: Copper; Stanish; Miller; Henry; Wallace; Thompson; Williams and Kuehne  
Absent: None

Also in attendance were: Mr. Rick Baert of Pensions & Investments; Ms. Angela Myers of Loop Capital; Ms. Christine Polito-Fyelling of Heitman; Ms. Janet Becker-Wold and Messrs. Ball and Robertson of Callan Associates; Ms. Shah, IMRF Chief Investment Officer; Mr. Sambol, IMRF Investment Officer - Operations; and members of the IMRF Investment Staff.

(18-08-02)(Public Comments) There were no public comments.

(18-08-03)(Action Item)

- A. Approve Investment Committee Meeting Minutes from May 17, 2018 Meeting The Chairman asked for the approval of the minutes of the May 17, 2018 Investment Committee Meeting.

It was moved by Ms. Stanish; and seconded by Mr. Wallace; that the minutes of the May 17, 2018 meeting of the Investment Committee be approved.

Vote:

The motion was approved unanimously.

(18-08-04)(Staff Presentation)

- A. Private Equity Recommendations The Chief Investment Officer presented an overview of ABRY Advanced Securities Fund IV, L.P.; Versant Ventures VII, L.P., and Versant Medical Technology I, L.P. After this presentation, the Chief Investment Officer recommends:

- authorization of a commitment of up to \$75 million to ABRY Advanced Securities Fund IV, L.P., subject to satisfactory legal due diligence;
- authorization of a commitment of up to \$40 million to Versant Ventures VII, L.P., subject to satisfactory legal due diligence;
- authorization of a commitment of up to \$20 million to Versant Medical Technology I, L.P., subject to satisfactory legal due diligence; and,
- authorization of Staff to complete all documentation necessary to execute these recommendations

(18-08-05)(Manager Presentations)

- A. ABRY Advanced Securities Fund IV, L.P. Mr. Brucato of ABRY Advanced Securities Fund IV, L.P., presented a review of his firm's organization structure, investment strategy and product. This presentation was followed by questions from the Committee.
- B. Versant Ventures VII, L.P. and Versant Medical Technology I, L.P. Messrs. Davis and Nielsen, and Ms. Ozawa, of Versant Ventures VII, L.P. and Versant Medical Technology I, L.P., presented a review of their firm's organization structure, investment strategy and product. This presentation was followed by questions from the Committee.

(18-08-06)(Action Items)

- A. Approve Allocations to ABRY Advanced Securities Fund IV, L.P., Versant Ventures VII, L.P., and Versant Medical Technology I, L.P. It was moved by Ms. Henry; and seconded by Ms. Thompson; to recommend that the Board approve:
- authorization of a commitment of up to \$75 million to ABRY Advanced Securities Fund IV, L.P., subject to satisfactory legal due diligence;
  - authorization of a commitment of up to \$40 million to Versant Ventures VII, L.P., subject to satisfactory legal due diligence;
  - authorization of a commitment of up to \$20 million to Versant Medical Technology I, L.P., subject to satisfactory legal due diligence; and,
  - authorization of Staff to complete all documentation necessary to execute this recommendation

Vote:

The motion was approved unanimously.

(18-08-07)(Staff Presentation)

A. Public Market Recommendations The Chief Investment Officer presented an overview of Crescent Capital Group and Ativo Capital Management. After this presentation, the Chief Investment Officer recommends:

Crescent Capital Group

- authorization to initiate a withdrawal request for full redemption of IMRF's investment within the Crescent High Income Fund;
- authorization to change the Crescent High Income Fund mandate to a Crescent Private Debt separately managed account mandate, pending satisfactory legal due diligence; and,
- authorization of Staff to complete all documentation necessary to execute these recommendations

Ativo Capital Management

- authorization to change the mandate from U.S. Micro-Cap to International Developed + Canada, subject to satisfactory legal due diligence;
- authorization of a full withdrawal (approximately \$136 million) from Ativo U.S. Micro-Cap to fund the Ativo International Developed + Canada strategy; and,
- authorization of Staff to complete all documentation necessary to execute these recommendations

(18-08-08)(Action Items)

A. Approve Public Market Recommendations for Crescent Capital Group and Ativo Capital Management It was moved by Mr. Miller; and seconded by Ms. Stanish; to recommend that the Board approve:

Crescent Capital Group

- authorization to initiate a withdrawal request for full redemption of IMRF's investment within the Crescent High Income Fund;
- authorization to change the Crescent High Income Fund mandate to a Crescent Private Debt separately managed account mandate, pending satisfactory legal due diligence; and,
- authorization of Staff to complete all documentation necessary to execute these recommendations

Ativo Capital Management

- authorization to change the mandate from U.S. Micro-Cap to International Developed + Canada, subject to satisfactory legal due diligence;
- authorization of a full withdrawal (approximately \$136 million) from Ativo U.S. Micro-Cap to fund the Ativo International Developed + Canada strategy; and ,
- authorization of Staff to complete all documentation necessary to execute these recommendations

Vote:

The motion was approved unanimously.

(18-08-09)(Staff Presentation)

A. Master Trust Fee Extension Recommendation. The Chief Investment Officer presented an overview of the existing master trust fee schedule provided by the Northern Trust. After this presentation, the Chief Investment Officer recommends:

- authorization to approve the five-year extension of the current Northern Trust master trust fee schedule

(18-08-10)(Action Item)

A. Approve Master Trust Fee Extension Recommendation. It was moved by Ms. Stanish; and seconded by Ms. Thompson; to recommend that the Board approve:

- authorization to approve the five-year extension of the current Northern Trust master trust fee schedule

Vote:

The motion was approved unanimously.

(18-08-11)(Staff and Consultant Presentation)

A. 2017 Annual Private Equity Portfolio Performance Presentation Consultant Robertson of Callan Associates and the Chief Investment Officer presented the 2017 Annual Private Equity Portfolio Performance.

--The Committee recessed at 3:51 P.M.

--The meeting of the Investment Committee reconvened at 4:01 P.M.

(18-08-12)(CIO Update)

A. Internal Management Project – Verbal Update The Chief Investment Officer presented a verbal update on the internal management project. The discussion centered on implementation of the program, evaluation of the strategy, staffing, costs, policies and procedures. After discussion, the Committee provided guidance that the internal management project be included in the 2019 budget.

(18-08-13)(Investment Updates)

A. Oaktree Transportation and Energy Infrastructure Fund, Heitman America Core Real Estate Trust, L.P., and CBRE Global Investors Pan European Core Fund The Chief Investment Officer reported that investments with Oaktree Transportation and Energy Infrastructure Fund, Heitman America Core Real Estate Trust, L.P., and the CBRE Global Investors Pan European Fund will not be pursued. The above-referenced investments were approved by the Board of Trustees on May 19, 2017, November 17, 2017, and August 26, 2016, respectively.

(18-08-14)(New Business) The Executive Director informed the Committee that IMRF will be receiving a site visit from the National Institute of Standards and Technology Board of Examiners as part of our 2018 Malcolm Baldrige National Quality Award application.

--The next meeting of the Investment Committee is scheduled to be held on Thursday, November 15, 2018 beginning at 2:00 P.M.

(18-08-15)(Trustee Comments) There were no trustee comments.

(18-08-16)(Adjourn) By unanimous consent, the meeting of the Investment Committee adjourned at 4:50 P.M.

Thomas F. Kudine  
Chairman

10/25/18  
Date

David A. Kauf  
Clerk

October 25, 2018  
Date