



December 21, 2015

The Honorable Bruce Rauner
Governor of Illinois
James R Thompson Center
100 West Randolph Street, 16-100
Chicago, IL 60601

RE: Annual Diversity Report

Dear Governor Rauner:

The Illinois Municipal Retirement Fund (IMRF) Board of Trustees is pleased to submit its annual report on the diversity policies established as required under Section 1-109.1 of the Illinois Pension Code. The report provides the policies the IMRF Board of Trustees has adopted to increase the utilization of minority and emerging owned investment managers, the utilization of minority owned broker-dealers, the racial, ethnic, and gender diversity of fiduciaries, including consultants and senior staff and the utilization of minorities, females and persons with disabilities for all contracts and services. The 2015 Diversity Report provides the details of all minorities, female, and persons with a disability owned investment management firms including assets under management by asset class and as a percentage of the total IMRF investment portfolio.

Please contact me at (630) 368-5355 if you have any questions.

Very truly yours,

Louis W. Kosiba
Executive Director

Enclosure

Illinois Municipal Retirement Fund 2015 Diversity Report

Respectfully submitted to the Illinois Governor and the General Assembly



Locally funded, financially sound.



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Illinois Municipal Retirement (IMRF) Board of Trustees is pleased to submit its annual report on diversity. Our 2015 Diversity Report provides the policies the IMRF Board of Trustees has adopted to increase 1) utilization of minority and emerging owned investment managers, 2) utilization of minority owned broker-dealers, 3) racial, ethnic, and gender diversity of fiduciaries, including consultants and senior staff and 4) utilization of minorities, females and persons with disabilities for all contracts and services. The 2015 Diversity Report provides the details of all minorities, female, and persons with a disability owned investment management firms including assets under management by asset class and as a percentage of the total IMRF investment portfolio.

Minority, Female and Persons with Disability Owned Investment Manager Summary

As of September 30, 2015, IMRF utilizes investment managers owned by minorities, females or persons with disabilities to manage \$6.2 billion or 18.57% of the total IMRF investment portfolio across domestic equity, fixed income, international equity, private equity and real estate asset classes. The table details the assets under management by asset class and investment manager classification.

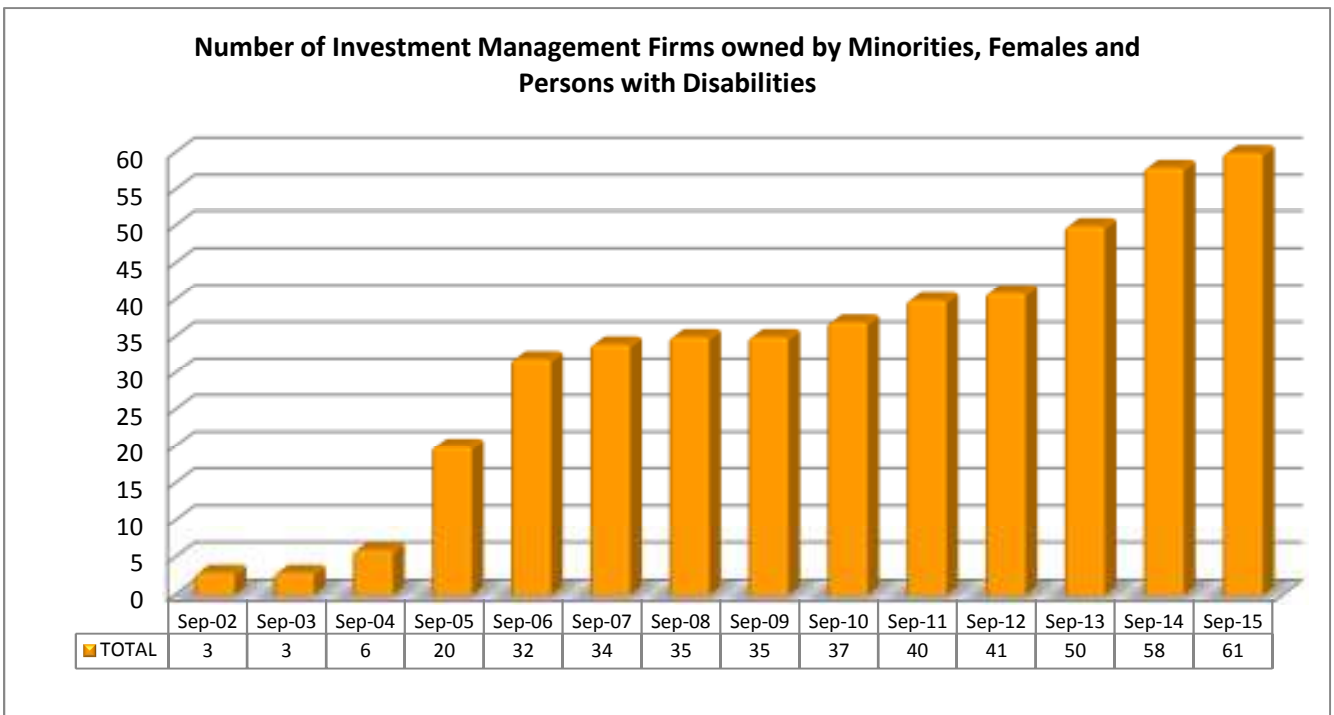
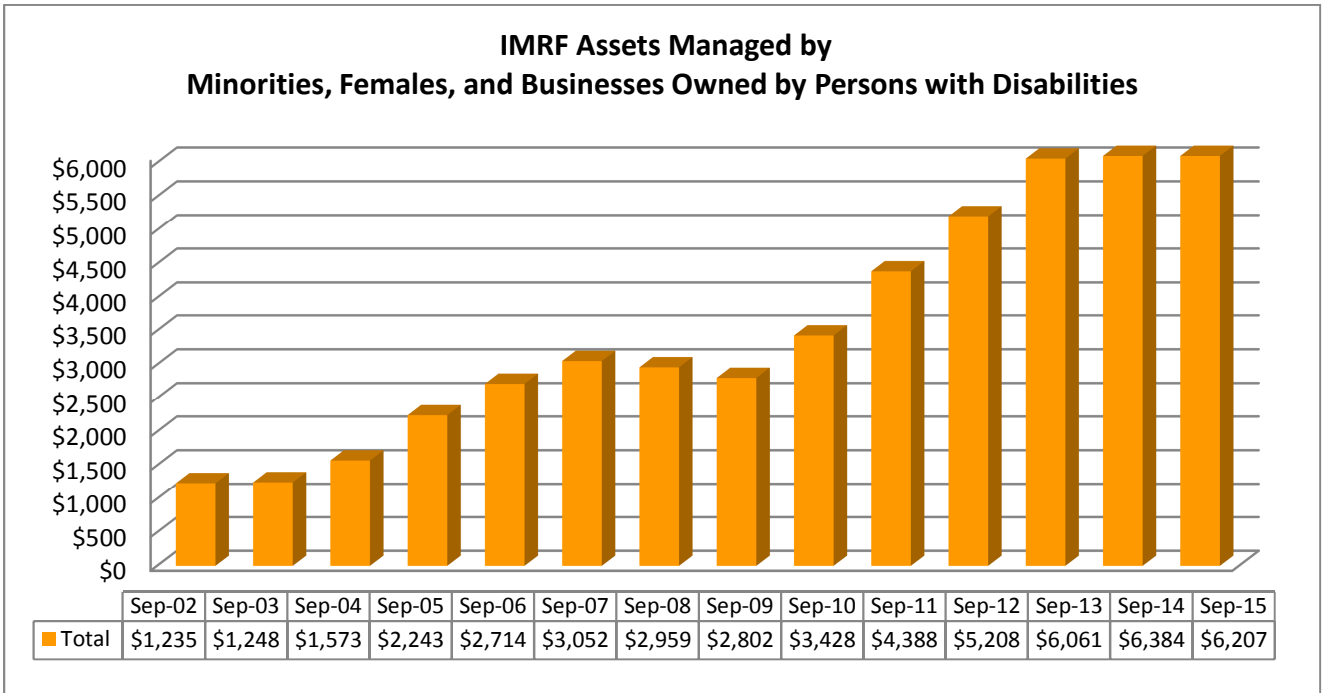
| Asset Class | African American | Latino | Female | Asian | Disabled | Grand Total |
|----------------------|------------------------|------------------------|----------------------|----------------------|---------------------|------------------------|
| Domestic Equity | 1,015,591,051 | 195,438,064 | 158,518,706 | | | 1,369,547,820 |
| Fixed Income | 1,219,976,550 | 1,365,003,676 | 261,468,498 | | | 2,846,448,725 |
| Hedge Fund | 12,741,829 | 41,705,862 | 12,300,120 | 92,632,534 | | 159,380,345 |
| International Equity | 787,063,799 | 101,818,493 | 529,670,488 | 26,396,086 | | 1,444,948,866 |
| Private Equity* | 227,799,157 | 36,581,047 | 8,480,942 | 26,104,604 | | 298,965,751 |
| Real Estate* | | 50,401,220 | | 22,079,522 | 14,849,944 | 87,330,686 |
| Total | \$3,263,172,386 | \$1,790,948,362 | \$970,438,754 | \$167,212,746 | \$14,849,944 | \$6,206,622,192 |

* Private Equity and Real Estate values are committed amounts

| Investment Manager Classification | Minority AUM | % of Total Fund Market Value* |
|-----------------------------------|------------------------|-------------------------------|
| African American | 3,263,172,386 | 9.76% |
| Latino | 1,790,948,362 | 5.36% |
| Female | 970,438,754 | 2.90% |
| Asian | 167,212,746 | 0.50% |
| Disabled | 14,849,944 | 0.04% |
| Total | \$6,206,622,192 | 18.57% |

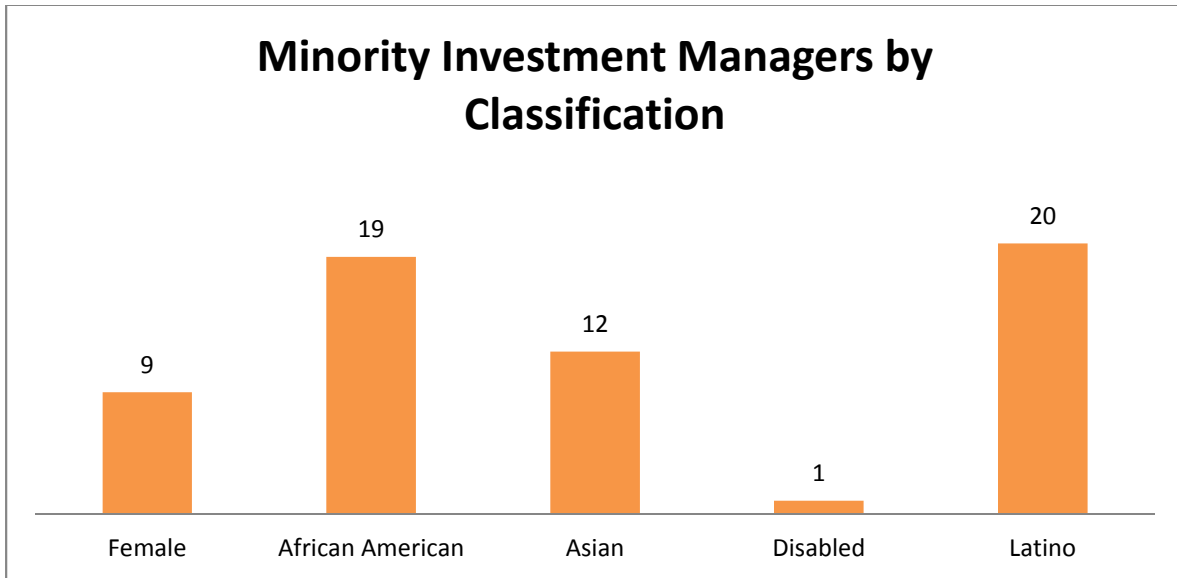
* Total Fund Market Value as of 9/30/15 was \$33,428,596,561

Since 2002, IMRF has increased its utilization of investment management firms owned by minorities, females and businesses owned by persons with disabilities. The assets managed have increased from \$1.2 billion to \$6.2 billion over a 13 year period. The number of investment managers has increased from 3 to 61, since 2002.



Note: The total number of managers for 2014 has been revised from 55 to 58.

As of September 30, 2015, IMRF has 61 investment managers that are owned by minorities, females and persons with disabilities. The graph below provides the number of minority managers by classification.



In an effort to increase the use of minority investment managers, IMRF attended the following conferences/events to foster relationships with the minority manager community:

- Toigo Board Meeting and Gala
- NASP Annual Pension and Financial Services Conference
- PE WIN Emerging Manager Event
- Women in Real Estate Luncheon
- Toigo Groundbreakers Women in Leadership Summit
- Progress' Plan Sponsor and EM Conference

Since 2013, IMRF has launched targeted RFPs that specifically focus on minority owned firms. In 2015, IMRF launched a RFP for an investment manager to implement a real estate manager of manager program that would invest solely in investment management firms owned by minorities, females and persons with disabilities. Artemis, a female owned investment management firm, was hired to implement the real estate manager of manager program.

IMRF utilizes Progress Investment Management, Aurora Investment Management, Abbott Capital, Pantheon, and Artemis as manager of manager/ fund of fund programs to hire underlying minority investment managers. Progress has two Public Market mandates, international equity and fixed income, that invest solely in firms owned by minorities, females, and persons with disabilities. The Alternative mandates managed by Aurora, Abbott and Pantheon include firms owned by minorities, females, and persons with disabilities as well as non-minority investment management firms. IMRF refers minority investment managers to one of the manager of managers or fund of funds programs when IMRF does not have plans for an investment manager search. The manager of managers and fund of funds programs make portfolio changes at their discretion.

The IMRF Board of Trustees requires that its consultant, Callan Associates, use non-discriminatory practices when recommending investment manager candidates and that they maintain a database of

minority, female and persons with disabilities owned investment managers. Callan's database contains 273 minorities, females and a persons with disabilities owned investment managers. A list of these investment managers is attached as Exhibit A.

Additionally, in 2010 Callan Associates launched Callan Connects to enhance their coverage of emerging manager and minority, woman, and disabled-owned firms (MWDO). One day each quarter is reserved for Callan research professionals to meet with emerging managers (defined as any firm with assets under management between \$10 million and \$3 billion) and MWDO firms, or those majority owned by minorities, females and persons with disabilities that have assets under management between \$10 million and \$10 billion. Managers have 30 minutes to present their firm and its products.

From 10/1/14 through 9/30/15, Callan Associates has met with 31 emerging and MWDO firms through Callan Connects: 8 in New Jersey, 9 in Boston, 9 in Chicago, and 5 in San Francisco. In total, Callan Associates had meetings with 168 MWDO firms from 10/1/14 through 9/30/15, inclusive of the Callan Connects meetings.

Utilization of Minority Investment Manager Policy

IMRF has adopted a policy that sets forth goals for utilization of minority investment managers defined as a qualified investment adviser that manages an investment portfolio and is a minority owned business, female owned business or business owned by a person with a disability. The Minority Investment Manager Utilization Policy is provided in Exhibit B.

As of September 30, 2015, the actual IMRF portfolio allocations per minority investment manager classification were as follows:

| Minority Investment Manager Classification | Minimum Goal as a % of Total Portfolio | Actual % of Total Portfolio |
|--|--|-----------------------------|
| Minority Owned Businesses | 9% to 13% | 15.62% |
| Female Owned Businesses | 2% to 6% | 2.90% |
| Businesses Owned by a Person with a Disability | 0.5% to 1% | 0.04% |
| Total | | 18.57% |

As of September 30, 2015, the actual IMRF portfolio minority investment manager allocations per asset class were as follows:

| Portfolio Asset Class | Minimum Goal as a % of Asset Class | Actual % of Asset Class |
|------------------------------|------------------------------------|-------------------------|
| Equities | 10% to 12% | 13.86% |
| Fixed Income | 15% to 20% | 29.62% |
| Alternatives ⁽ⁱⁱ⁾ | 5% to 10% | 11.13% |

(ii) Actual percentage of Asset Class for Alternatives is calculated using committed amounts in the numerator and denominator. Hedge Fund assets are based on NAV or funded amounts.

The table below lists the Minority Investment Managers by classification and % of Total Fund's Market Value.

| Classification | Asset Class | Manager Name | AUM | % of Total Fund Market Value |
|-----------------------|----------------------|---|-------------|-------------------------------------|
| African American | Domestic Equity | Ariel | 66,307,771 | 0.20% |
| African American | Domestic Equity | Channing | 161,613,210 | 0.48% |
| African American | Domestic Equity | Holland | 787,670,069 | 2.36% |
| African American | Fixed Income | Earnest | 563,048,369 | 1.68% |
| African American | Fixed Income | Piedmont | 547,252,296 | 1.64% |
| African American | Fixed Income | Progress | 0 | 0.00% |
| African American | Fixed Income | Progress Subadvisor Pugh Capital Management, Inc. | 109,675,886 | 0.33% |
| African American | Hedge Fund | Aurora Subadvisor Elizabeth Park | 12,741,829 | 0.04% |
| African American | International Equity | Brown | 267,743,765 | 0.80% |
| African American | International Equity | Earnest | 461,419,919 | 1.38% |
| African American | International Equity | Progress Int Subadvisor Brown Capital Management, Inc. | 40,192,023 | 0.12% |
| African American | International Equity | Progress Int Subadvisor Metis Global Partners | 17,708,091 | 0.05% |
| African American | International Equity | Progress International | 0 | 0.00% |
| African American | Private Equity | Abbott Capital Subadvisor ICV III | 4,512,858 | 0.01% |
| African American | Private Equity | ICV III | 20,000,000 | 0.06% |
| African American | Private Equity | Muller & Monroe ILPEFF | 4,691,387 | 0.01% |
| African American | Private Equity | Muller & Monroe ILPEFF Subadvisor Ascend Ventures II | 1,384,754 | 0.00% |
| African American | Private Equity | Muller & Monroe ILPEFF Subadvisor ICV Partners II | 865,471 | 0.00% |
| African American | Private Equity | Muller & Monroe ILPEFF Subadvisor RLJ Equity Partners | 2,163,678 | 0.01% |
| African American | Private Equity | Muller & Monroe ILPEFF Subadvisor Smith Whiley Pelham Fund II | 1,730,942 | 0.01% |
| African American | Private Equity | Muller & Monroe ILPEFF Subadvisor Syncom Venture Partners V | 1,730,942 | 0.01% |

| | | | | |
|-------------------------------|----------------------|--|----------------------|--------------|
| African American | Private Equity | Muller & Monroe M2PEFF | 2,494,789 | 0.01% |
| African American | Private Equity | Muller & Monroe M2PEFF Subadvisor DBL Equity Fund -BAEF II | 1,661,021 | 0.00% |
| African American | Private Equity | Muller & Monroe M2PEFF Subadvisor Smith Whiley Pelham Fund III | 1,563,314 | 0.00% |
| African American | Private Equity | Pantheon Subadvisor ICV III | 5,000,000 | 0.01% |
| African American | Private Equity | Vista Credit Opp Fund I | 50,000,000 | 0.15% |
| African American | Private Equity | Vista Foundation Fund II | 15,000,000 | 0.04% |
| African American | Private Equity | Vista V | 100,000,000 | 0.30% |
| African American | Private Equity | Vistria | 15,000,000 | 0.04% |
| Total African American | | | 3,263,172,386 | 9.76% |
| Asian | Hedge Fund | Aurora Subadvisor Adi Capital | 16,622,177 | 0.05% |
| Asian | Hedge Fund | Aurora Subadvisor Columbus Hill Partners, LP | 37,288,246 | 0.11% |
| Asian | Hedge Fund | Aurora Subadvisor Guard Macro US Feeder Fund | 18,876,178 | 0.06% |
| Asian | Hedge Fund | Aurora Subadvisor Naya Funds | 8,610,281 | 0.03% |
| Asian | Hedge Fund | Aurora Subadvisor Sentinel Dome | 11,235,652 | 0.03% |
| Asian | International Equity | Progress Int Subadvisor Arga Investment Management, LP | 26,396,086 | 0.08% |
| Asian | Private Equity | Abbott Capital Subadvisor Storm Ventures V | 4,000,000 | 0.01% |
| Asian | Private Equity | Abbott Capital Subadvisor Vivo Capital Fund VIII | 3,500,000 | 0.01% |
| Asian | Private Equity | Abbott Capital Subadvisor Vivo Ventures VII | 6,004,410 | 0.02% |
| Asian | Private Equity | Mayfield XIV | 5,000,000 | 0.01% |
| Asian | Private Equity | Pantheon Subadvisor Khosla Seed | 220,000 | 0.00% |
| Asian | Private Equity | Pantheon Subadvisor Khosla Seed B | 1,080,000 | 0.00% |
| Asian | Private Equity | Pantheon Subadvisor Khosla Seed C | 2,250,000 | 0.01% |
| Asian | Private Equity | Pantheon Subadvisor Khosla Ventures III | 680,194 | 0.00% |
| Asian | Private Equity | Pantheon Subadvisor Khosla Ventures IV | 1,120,000 | 0.00% |
| Asian | Private Equity | Pantheon Subadvisor Khosla Ventures V | 2,250,000 | 0.01% |
| Asian | Real Estate | Franklin Templeton Subadvisor GreenOak U.S. | 11,723,640 | 0.04% |
| Asian | Real Estate | Franklin Templeton Subadvisor GreenOak U.S. Co-Investment | 2,930,910 | 0.01% |

| | | | | |
|--------------------------------|----------------------|---|--------------------|--------------|
| Asian | Real Estate | Franklin Templeton Subadvisor Noble Hospitality Fund II, L.P. | 7,424,972 | 0.02% |
| Total Asian American | | | 167,212,746 | 0.50% |
| Disabled | Real Estate | Franklin Templeton Subadvisor Newport Capital Partners Fund I, L.P. | 14,849,944 | 0.04% |
| Total Disabled American | | | 14,849,944 | 0.04% |
| Female | Domestic Equity | Vision | 158,518,706 | 0.47% |
| Female | Fixed Income | Progress Subadvisor Concerto Asset Management, LLC | 29,867,821 | 0.09% |
| Female | Fixed Income | Progress Subadvisor Longfellow Investment Management Co. | 103,169,098 | 0.31% |
| Female | Fixed Income | Progress Subadvisor New Century Advisors, LLC | 128,431,579 | 0.38% |
| Female | Hedge Fund | Aurora Subadvisor Aperimus Partners, L.P. | 12,300,120 | 0.04% |
| Female | International Equity | GlobeFlex | 470,664,374 | 1.41% |
| Female | International Equity | Progress Int Subadvisor Strategic Global Advisors, LLC | 59,006,114 | 0.18% |
| Female | Private Equity | Abbott Capital Subadvisor Oak HC/FT Partners | 4,500,000 | 0.01% |
| Female | Private Equity | Muller & Monroe ILPEFF Subadvisor Castile Ventures III | 1,730,942 | 0.01% |
| Female | Private Equity | Pantheon Subadvisor Oak HC/FT Partners | 2,250,000 | 0.01% |
| Total Female | | | 970,438,754 | 2.90% |
| Latino | Domestic Equity | Ativo | 51,140,485 | 0.15% |
| Latino | Domestic Equity | Lombardia Small Cap | 144,297,578 | 0.43% |
| Latino | Fixed Income | Garcia Hamilton | 249,921,014 | 0.75% |
| Latino | Fixed Income | LM Capital | 862,674,431 | 2.58% |
| Latino | Fixed Income | Progress Subadvisor Garcia Hamilton & Associates | 122,843,246 | 0.37% |
| Latino | Fixed Income | Progress Subadvisor GIA Partners, LLC | 98,672,449 | 0.30% |
| Latino | Fixed Income | Progress Subadvisor Ramirez Asset Management Inc. | 30,892,536 | 0.09% |
| Latino | Hedge Fund | Aurora Subadvisor Kabouter | 11,871,404 | 0.04% |
| Latino | Hedge Fund | Aurora Subadvisor Miura Global Partners II, LP | 18,205,340 | 0.05% |
| Latino | Hedge Fund | Aurora Subadvisor Roystone Capital | 11,629,118 | 0.03% |
| Latino | International Equity | Lombardia International | 27,981,320 | 0.08% |
| Latino | International Equity | Progress Int Subadvisor Ativo Capital Management, LLC | 35,377,177 | 0.11% |
| Latino | International Equity | Progress Int Subadvisor Glovista Investments, LLC | 38,459,996 | 0.12% |

| | | | | |
|---|----------------|--|----------------------|---------------|
| Latino | Private Equity | Abbott Capital Subadvisor Clearlake Capital Partners III | 7,500,597 | 0.02% |
| Latino | Private Equity | Abbott Capital Subadvisor NMS Fund II | 4,518,171 | 0.01% |
| Latino | Private Equity | AUA Private Equity Fund, LP | 5,000,000 | 0.01% |
| Latino | Private Equity | Estancia | 5,000,000 | 0.01% |
| Latino | Private Equity | Muller & Monroe ILPEFF Subadvisor Nogales Investors II | 748,965 | 0.00% |
| Latino | Private Equity | Muller & Monroe M2PEFF Subadvisor Hispania Private Equity II | 1,563,314 | 0.00% |
| Latino | Private Equity | NMS II | 5,000,000 | 0.01% |
| Latino | Private Equity | Pantheon Subadvisor NMS Fund II | 2,250,000 | 0.01% |
| Latino | Private Equity | Valor III | 5,000,000 | 0.01% |
| Latino | Real Estate | Franklin Templeton Subadvisor Hudson Realty Capital V, L.P. | 11,723,640 | 0.04% |
| Latino | Real Estate | Franklin Templeton Subadvisor Long Wharf Real Estate Partners IV, L.P. | 13,677,580 | 0.04% |
| Latino | Real Estate | Oak Street Real Estate Capital | 25,000,000 | 0.07% |
| Total Latino American | | | 1,790,948,362 | 5.36% |
| Total Minority Investment Managers | | | 6,206,622,192 | 18.57% |

Utilization of Emerging Investment Manager Policy

IMRF has adopted a policy that sets forth goals for utilization of emerging investment managers defined as a qualified investment adviser that manages an investment portfolio of at least \$10 million but less than \$10 billion and is a minority owned business, female owned business or business owned by a person with a disability.

As of September 30, 2015, the actual IMRF portfolio allocations per emerging investment manager classification were as follows:

| Emerging Investment Manager Classification | Minimum Goal as a % of Total Portfolio | Actual % of Total Portfolio |
|--|--|-----------------------------|
| Minority Owned Businesses | 9% to 13% | 12.55% |
| Female Owned Businesses | 2% to 6% | 2.90% |
| Businesses Owned by a Person with a Disability | 0.5% to 1% | 0.04% |
| Total | | 15.50% |

As of September 30, 2015, the actual IMRF portfolio emerging investment manager allocations per asset class were as follows:

| Portfolio Asset Class | Minimum Goal as a % of Asset Class | Actual % of Asset Class |
|------------------------------|------------------------------------|-------------------------|
| Equities | 10% to 12% | 11.59% |
| Fixed Income | 15% to 20% | 23.76% |
| Alternatives ⁽ⁱⁱ⁾ | 5% to 10% | 11.13% |

(ii) Actual percentage of Asset Class for Alternatives is calculated using committed amounts in the numerator and denominator. Hedge Fund assets are based on NAV or funded amounts.

The Emerging Investment Manager Utilization Policy and a listing of the Emerging Investment Manager names and addresses are provided in Exhibit C and D, respectively.

The table below lists the Emerging Investment Managers by classification and % of Total Fund's Market Value.

| Classification | Asset Class | Manager Name | AUM | % of Total Fund Market Value |
|-----------------------|----------------------|---|-------------|-------------------------------------|
| African American | Domestic Equity | Ariel | 66,307,771 | 0.20% |
| African American | Domestic Equity | Channing | 161,613,210 | 0.48% |
| African American | Domestic Equity | Holland | 787,670,069 | 2.36% |
| African American | Fixed Income | Piedmont | 547,252,296 | 1.64% |
| African American | Fixed Income | Progress | 0 | 0.00% |
| African American | Fixed Income | Progress Subadvisor Pugh Capital Management, Inc. | 109,675,886 | 0.33% |
| African American | Hedge Fund | Aurora Subadvisor Elizabeth Park | 12,741,829 | 0.04% |
| African American | International Equity | Brown | 267,743,765 | 0.80% |
| African American | International Equity | Progress Int Subadvisor Brown Capital Management, Inc. | 40,192,023 | 0.12% |
| African American | International Equity | Progress Int Subadvisor Metis Global Partners | 17,708,091 | 0.05% |
| African American | International Equity | Progress International | 0 | 0.00% |
| African American | Private Equity | Abbott Capital Subadvisor ICV III | 4,512,858 | 0.01% |
| African American | Private Equity | ICV III | 20,000,000 | 0.06% |
| African American | Private Equity | Muller & Monroe ILPEFF | 4,691,387 | 0.01% |
| African American | Private Equity | Muller & Monroe ILPEFF Subadvisor Ascend Ventures II | 1,384,754 | 0.00% |
| African American | Private Equity | Muller & Monroe ILPEFF Subadvisor ICV Partners II | 865,471 | 0.00% |
| African American | Private Equity | Muller & Monroe ILPEFF Subadvisor RLJ Equity Partners | 2,163,678 | 0.01% |
| African American | Private Equity | Muller & Monroe ILPEFF Subadvisor Smith Whiley Pelham Fund II | 1,730,942 | 0.01% |
| African American | Private Equity | Muller & Monroe ILPEFF Subadvisor Syncom Venture Partners V | 1,730,942 | 0.01% |
| African American | Private Equity | Muller & Monroe M2PEFF | 2,494,789 | 0.01% |
| African American | Private Equity | Muller & Monroe M2PEFF Subadvisor DBL Equity Fund - BAEF II | 1,661,021 | 0.00% |

| | | | | |
|-------------------------------|----------------------|--|----------------------|--------------|
| African American | Private Equity | Muller & Monroe M2PEFF Subadvisor Smith Whiley Pelham Fund III | 1,563,314 | 0.00% |
| African American | Private Equity | Pantheon Subadvisor ICV III | 5,000,000 | 0.01% |
| African American | Private Equity | Vista Credit Opp Fund I | 50,000,000 | 0.15% |
| African American | Private Equity | Vista Foundation Fund II | 15,000,000 | 0.04% |
| African American | Private Equity | Vista V | 100,000,000 | 0.30% |
| African American | Private Equity | Vistria | 15,000,000 | 0.04% |
| Total African American | | | 2,238,704,099 | 6.70% |
| Asian | Hedge Fund | Aurora Subadvisor Adi Capital | 16,622,177 | 0.05% |
| Asian | Hedge Fund | Aurora Subadvisor Columbus Hill Partners, LP | 37,288,246 | 0.11% |
| Asian | Hedge Fund | Aurora Subadvisor Guard Macro US Feeder Fund | 18,876,178 | 0.06% |
| Asian | Hedge Fund | Aurora Subadvisor Naya Funds | 8,610,281 | 0.03% |
| Asian | Hedge Fund | Aurora Subadvisor Sentinel Dome | 11,235,652 | 0.03% |
| Asian | International Equity | Progress Int Subadvisor Arga Investment Management, LP | 26,396,086 | 0.08% |
| Asian | Private Equity | Abbott Capital Subadvisor Storm Ventures V | 4,000,000 | 0.01% |
| Asian | Private Equity | Abbott Capital Subadvisor Vivo Capital Fund VIII | 3,500,000 | 0.01% |
| Asian | Private Equity | Abbott Capital Subadvisor Vivo Ventures VII | 6,004,410 | 0.02% |
| Asian | Private Equity | Mayfield XIV | 5,000,000 | 0.01% |
| Asian | Private Equity | Pantheon Subadvisor Khosla Seed | 220,000 | 0.00% |
| Asian | Private Equity | Pantheon Subadvisor Khosla Seed B | 1,080,000 | 0.00% |
| Asian | Private Equity | Pantheon Subadvisor Khosla Seed C | 2,250,000 | 0.01% |
| Asian | Private Equity | Pantheon Subadvisor Khosla Ventures III | 680,194 | 0.00% |
| Asian | Private Equity | Pantheon Subadvisor Khosla Ventures IV | 1,120,000 | 0.00% |
| Asian | Private Equity | Pantheon Subadvisor Khosla Ventures V | 2,250,000 | 0.01% |
| Asian | Real Estate | Franklin Templeton Subadvisor GreenOak U.S. | 11,723,640 | 0.04% |
| Asian | Real Estate | Franklin Templeton Subadvisor GreenOak U.S. Co-Investment | 2,930,910 | 0.01% |

| | | | | |
|--------------------------------|-------------------------|---|--------------------|--------------|
| Asian | Real Estate | Franklin Templeton Subadvisor Noble Hospitality Fund II, L.P. | 7,424,972 | 0.02% |
| Total Asian American | | | 167,212,746 | 0.50% |
| Disabled | Real Estate | Franklin Templeton Subadvisor Newport Capital Partners Fund I, L.P. | 14,849,944 | 0.04% |
| Total Disabled American | | | 14,849,944 | 0.04% |
| Female | Domestic Equity | Vision | 158,518,706 | 0.47% |
| Female | Fixed Income | Progress Subadvisor Concerto Asset Management, LLC | 29,867,821 | 0.09% |
| Female | Fixed Income | Progress Subadvisor Longfellow Investment Management Co. | 103,169,098 | 0.31% |
| Female | Fixed Income | Progress Subadvisor New Century Advisors, LLC | 128,431,579 | 0.38% |
| Female | Hedge Fund | Aurora Subadvisor Aperimus Partners, L.P. | 12,300,120 | 0.04% |
| Female | International Equity | GlobeFlex | 470,664,374 | 1.41% |
| Female | International Equity | Progress Int Subadvisor Strategic Global Advisors, LLC | 59,006,114 | 0.18% |
| Female | Private Equity | Abbott Capital Subadvisor Oak HC/FT Partners | 4,500,000 | 0.01% |
| Female | Private Equity | Muller & Monroe ILPEFF Subadvisor Castile Ventures III | 1,730,942 | 0.01% |
| Female | Private Equity | Pantheon Subadvisor Oak HC/FT Partners | 2,250,000 | 0.01% |
| Total Female | | | 970,438,754 | 2.90% |
| Latino | Domestic Equity | Ativo | 51,140,485 | 0.15% |
| Latino | Domestic Equity | Lombardia Small Cap | 144,297,578 | 0.43% |
| Latino | Fixed Income | Garcia Hamilton | 249,921,014 | 0.75% |
| Latino | Fixed Income | LM Capital | 862,674,431 | 2.58% |
| Latino | Fixed Income | Progress Subadvisor Garcia Hamilton & Associates | 122,843,246 | 0.37% |
| Latino | Fixed Income | Progress Subadvisor GIA Partners, LLC | 98,672,449 | 0.30% |
| Latino | Fixed Income | Progress Subadvisor Ramirez Asset Management Inc. | 30,892,536 | 0.09% |
| Latino | Hedge Fund | Aurora Subadvisor Kabouter | 11,871,404 | 0.04% |
| Latino | Hedge Fund | Aurora Subadvisor Miura Global Partners II, LP | 18,205,340 | 0.05% |
| Latino | Hedge Fund | Aurora Subadvisor Roystone Capital | 11,629,118 | 0.03% |

| | | | | |
|---|----------------------|--|----------------------|---------------|
| Latino | International Equity | Lombardia International | 27,981,320 | 0.08% |
| Latino | International Equity | Progress Int Subadvisor Ativo Capital Management, LLC | 35,377,177 | 0.11% |
| Latino | International Equity | Progress Int Subadvisor Glovista Investments, LLC | 38,459,996 | 0.12% |
| Latino | Private Equity | Abbott Capital Subadvisor Clearlake Capital Partners III | 7,500,597 | 0.02% |
| Latino | Private Equity | Abbott Capital Subadvisor NMS Fund II | 4,518,171 | 0.01% |
| Latino | Private Equity | AUA Private Equity Fund, LP | 5,000,000 | 0.01% |
| Latino | Private Equity | Estancia | 5,000,000 | 0.01% |
| Latino | Private Equity | Muller & Monroe ILPEFF Subadvisor Nogales Investors II | 748,965 | 0.00% |
| Latino | Private Equity | Muller & Monroe M2PEFF Subadvisor Hispania Private Equity II | 1,563,314 | 0.00% |
| Latino | Private Equity | NMS II | 5,000,000 | 0.01% |
| Latino | Private Equity | Pantheon Subadvisor NMS Fund II | 2,250,000 | 0.01% |
| Latino | Private Equity | Valor III | 5,000,000 | 0.01% |
| Latino | Real Estate | Franklin Templeton Subadvisor Hudson Realty Capital V, L.P. | 11,723,640 | 0.04% |
| Latino | Real Estate | Franklin Templeton Subadvisor Long Wharf Real Estate Partners IV, L.P. | 13,677,580 | 0.04% |
| Latino | Real Estate | Oak Street Real Estate Capital | 25,000,000 | 0.07% |
| Total Latino American | | | 1,790,948,362 | 5.36% |
| Total Emerging Investment Managers | | | 5,182,153,905 | 15.50% |

The table below lists the emerging investment manager activity year to date as of 9/30/15.

| Action | Asset Class | Classification | Emerged/Emerging | Manager Name | Assets (\$millions) |
|---|--------------------|-----------------------|-------------------------|--|----------------------------|
| Full Withdraw | Domestic Equity | Latino American | Emerging | Fortaleza Asset Management, Inc. | -41.7 |
| Partial Withdraw | Domestic Equity | African American | Emerging | Holland | -325.0 |
| New hire | Fixed Income | Latino American | Emerging | Garcia Hamilton | 100.0 |
| Additional Allocation | Fixed Income | Latino American | Emerging | Garcia Hamilton | 150.0 |
| Full Withdraw | Hedge Fund | Asian American | Emerging | Aurora Subadvisor Bloom Tree Fund | -8.8 |
| New Hire | Hedge Fund | Asian American | Emerging | Aurora Subadvisor Guard Macro US Feeder Fund | 16.8 |
| Committed Capital | Private Equity* | Asian American | Emerging | Abbott Capital Subadvisor Storm Ventures V | 4.0 |
| Committed Capital | Private Equity* | Asian American | Emerging | Abbott Capital Subadvisor Vivo Capital Fund VIII | 3.5 |
| Committed Capital | Private Equity* | Latino American | Emerging | AUA Private Equity | 5.0 |
| Committed Capital | Private Equity* | Asian American | Emerging | Pantheon Subadvisor Khosla Seed C | 2.3 |
| Committed Capital | Private Equity* | Latino American | Emerging | Valor Equity Partners III | 5.0 |
| Additional Commitment | Private Equity* | African American | Emerging | Vistria Fund | 10.0 |
| Committed Capital | Real Estate* | Latino American | Emerging | Oak Street Real Estate Capital | 25.0 |
| *Private Equity and Real Estate are committed amounts | | | | | |
| | | | | Total | \$(54.0) |

Utilization of Minority Broker-Dealer Policy

In further recognition of the objectives of the Illinois Pension Code, the IMRF Board of Trustees has adopted a policy that sets forth goals for increasing the utilization of minority broker-dealers. The policy is provided in Exhibit E.

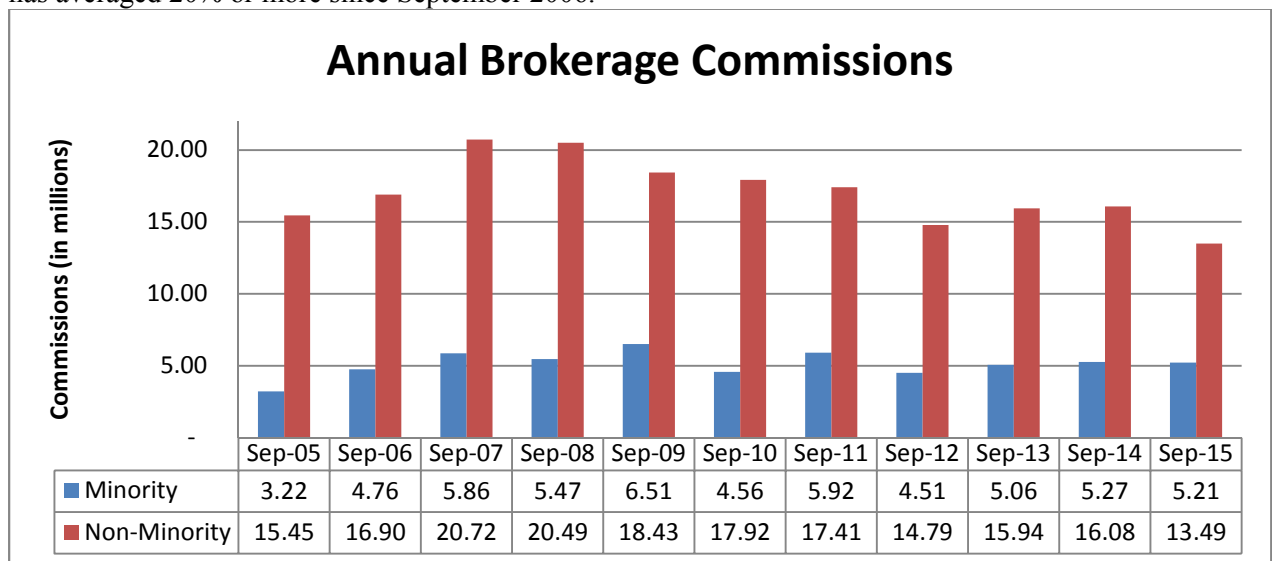
The total commission amounts are based on actual commissions for equities and estimated commissions for fixed income. The table below lists by asset classes the minimum brokerage goals by asset class and actual brokerage goals achieved as of September 30, 2015.

| Asset Class | Minimum Goal | Actual % |
|----------------------------------|---------------------|-----------------|
| U.S. Equities | 25% | 40.77% |
| International Equities | 20% | 27.75% |
| Fixed Income | 22% | 40.95% |
| High-Yield Bonds | 5% | 7.02% |
| U.S. Micro-Cap Equities | 7% | 19.02% |
| International Small-Cap Equities | 5% | 9.16% |
| Commingled Accounts | Best Efforts | 0.28% |

To ensure that progress is continuously made toward achieving our minority, female or a person with a disability owned brokerage goals, our money managers are required to report their use of minority, female or a person with a disability owned business enterprise broker/dealers monthly. If a manager fails to achieve their respective goal of commissions directed to minority, female or a person with a disability owned business enterprise broker/dealers during a given month, they must provide written notification to IMRF explaining why this goal was not achieved. Each quarter, IMRF will review each investment managers' year to date utilization of MFPDOB brokers. If the manager is not meeting the goal on a year to date basis, IMRF will contact the manager to remind them of the goals. Consequences for not meeting IMRF's minority brokerage goals are situation specific and range from increased monitoring, placement on a watch list, asset reduction, termination and exclusion from receiving additional allocations/mandates.

IMRF's external investment managers execute trades through minority, female and persons with a disability owned broker/dealers. For the twelve months ended September 30, 2015, \$5.2 million, or 27.86% of the total commissions paid by IMRF, were executed by broker/dealers owned by minorities, females or by a person with a disability.

The following chart shows IMRF's continued use of minority, female or persons with a disability owned broker/dealers over the last ten years ending September 30th. Importantly, the total percentage of commissions to minority, female or a person with a disability owned broker/dealers has averaged 20% or more since September 2006.



The attached Exhibit F lists the minority, female and a person with a disability owned broker/dealers and the commissions they earned from IMRF between October 1, 2014 and September 30, 2015.

In addition to adopting goals for minority, female or a person with a disability owned money managers and brokerage, the IMRF Board of Trustees has appointed the President of the Board as the Trustee responsible for monitoring the progress toward achieving these goals.

IMRF maintains a list of minority, female and person with a disability owned broker dealers that have contacted IMRF and provided their contact details. The list is posted on IMRF's website under the Investment section. While this is not an approved list, IMRF's investment managers may utilize this list to select minority broker dealers, at their sole discretion.

IMRF maintains a list of its investment managers and their contact details. The list is posted on IMRF's website under the Investment section. Minority brokers may utilize this list to contact IMRF's investment managers.

Additionally, IMRF is available to assist in facilitating dialogue between minority broker dealers and its investment managers.

Racial, Ethnic, and Gender Diversity of Fiduciaries, including Consultants and Senior Staff Policy

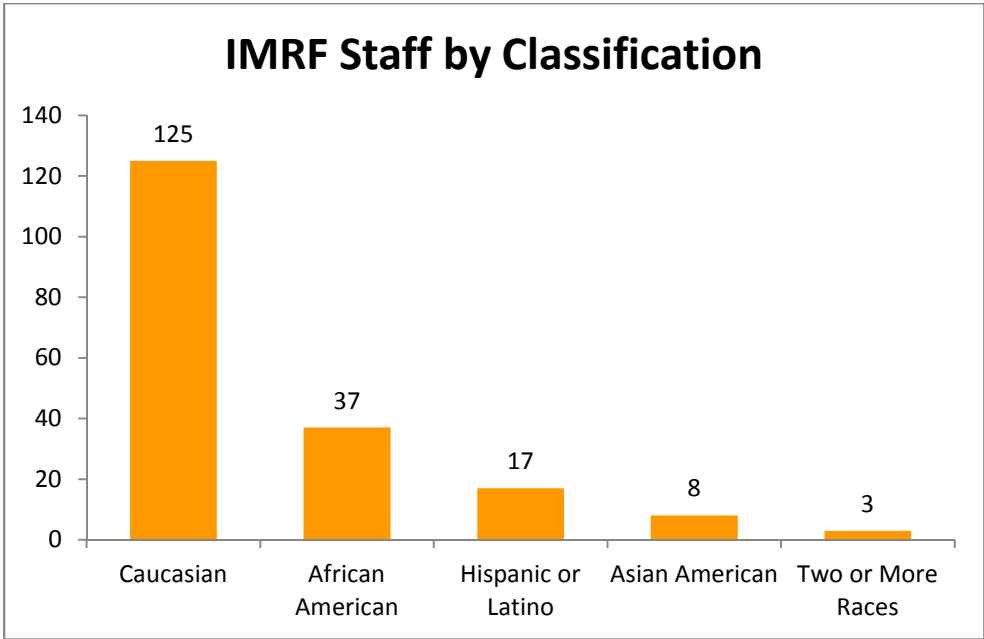
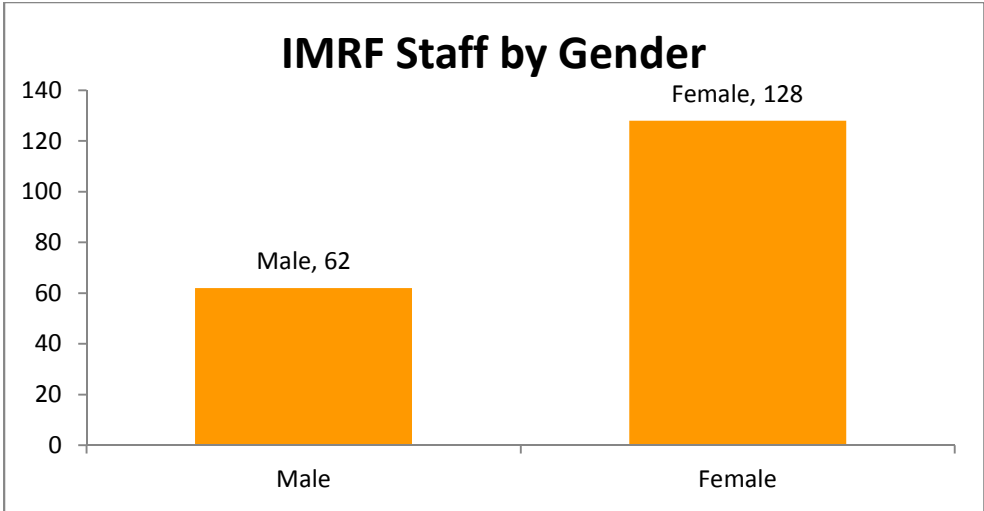
In its ongoing dedication to diversity principles, IMRF has adopted goals for increasing the racial, ethnic, and gender diversity of its fiduciaries, including its consultants and senior staff. The policy is provided in Exhibit G.

For the Board of Trustees, IMRF encourages individuals who qualify as minorities, females or a person with a disability to run for election to the Board of Trustees. IMRF trustees are elected by employers, members, and annuitants. No Trustees are appointed or hold office ex-officio. As of 9/30/15, the IMRF Board of Trustees is comprised of 8 individuals of which 4 or 50% are minority and/or females.

For other fiduciaries, such as consultants, IMRF is committed to diversity in hiring such firms. Importantly, IMRF will also work to ensure that majority firms acting as fiduciaries hire and promote minorities, females or persons with disabilities into top management and ownership positions. As of 9/30/15, IMRF's investment consultant, Callan Associates, has a staff of 140 individuals of which 90 or 64.3% are minorities and females.

For senior staff, IMRF's goal for senior staff is to mirror the diversity found in the external recruiting area. Senior staff consists of directors, managers, supervisors, and team leaders. From 10/01/2014 thru 09/30/2015, IMRF experienced two departures from our senior staff (two minority females). During the same time period, IMRF hired four external candidates to senior staff positions (two non-minority females and two minority females) and internally promoted no employees to senior staff positions. The resulting number of females and minorities in senior staff positions remains in line with our diversity goals. These goals will be reviewed annually.

IMRF has a total of 190 employees. The graphs below provide the breakout by gender and classification.



Utilization of Businesses Owned by Minorities, Females, and Persons with Disabilities for all Contracts and Services Policy

Advancing its commitment to diversity principles, IMRF adopted goals for the utilization of businesses owned by minorities, females, and persons with disabilities for all contracts and services. The complete policy can be found in Exhibit H.

It is the policy of the IMRF Board of Trustees to include qualified minority and female owned business enterprises and businesses owned by a person with a disability in the Fund's

procurement process and to objectively evaluate all qualified businesses regardless of race, gender or handicap.

IMRF set a minimum goal of 18% for contracts and purchases from businesses owned by minorities, women, and persons with a disability as a share of all of its contracts and purchases. These goals are based on the percentage of total dollar amount of all purchasing contracts let, excluding payments such as postage, rent (utilities), insurance premiums, and some single-source technology solutions.

The Purchasing Unit carefully tracks the usage of businesses owned by minorities, females, and persons with a disability (minority) in order to meet or exceed the goal. IMRF is continually looking to expand its database of qualified suppliers, with special emphasis on minority owned businesses. The Purchasing Unit added 3 minority owned businesses to the vendor database in 2015, and utilized 18 different minority owned vendors during the past year. The IMRF Board of Trustees approved a policy whereby minority vendors can be selected as the winning bidder if their bid is up to 15% more than non-minority vendors. This increases our utilization of minority vendors. These progressive practices and policies help us towards the achievement of our 18% utilization goal. As of 11/30/15, IMRF's utilization of minority owned businesses was 16.08% of total expenditures.

The Purchasing Unit will continue to review and analyze the goal each year. The goal may be modified by IMRF to further increase the usage of minority owned businesses as IMRF continues to gain experience and knowledge using the diversity guidelines set to meet Illinois Pension Code. These goals shall be reviewed by the IMRF Board of Trustees annually.

IMRF recognizes the benefits that diversity offers in its investment portfolio, suppliers, and consultants. It values the enrichment from having a diverse employee base and diversity in its fiduciaries. The globalization of business, coupled with the rapidly changing demographics world-wide, continues to create opportunities for organizations that are willing to access untapped talent. IMRF seeks to be such an organization while striving to achieve its vision of providing the highest quality retirement services to its members, beneficiaries and employers.

Exhibit A

Callan Associates' Investment Manager Database of Minority, Female and Persons with a Disability-Owned Investment Managers as of September 30, 2015

- 1 Abaris Asset Management LLC.
- 2 Adelante Capital Management LLC
- 3 Advent Capital Management, LLC
- 4 Affinity Investment Advisors Inc.
- 5 Alethea Capital Management, LLC
- 6 Ambassador Capital Management
- 7 American Private Equity Group, LLC
- 8 AmerIsrael Capital Management, LLC
- 9 Amero Global
- 10 Anchor Investment Partners LLC
- 11 Apex Capital Management, Inc.
- 12 Aqua Investment Management, LLC
- 13 Aquila Infrastructure Management, Inc.
- 14 Arborist Capital, LLC
- 15 ARGA Investment Management, LP
- 16 Argus Investors' Counsel, Inc.
- 17 Ariel Investments, LLC
- 18 Artemis Real Estate Partners
- 19 Athena Global Investors LLC
- 20 Ativo Capital Management
- 21 Atlantic Asset Management, LLC
- 22 Attucks Asset Management, LLC
- 23 Avanath Capital Partners
- 24 Aventis Asset Management, LLC
- 25 Bilgili Holding
- 26 Bivium Capital Partners, LLC
- 27 Black Knight Asset Management, LLC
- 28 BlueCreek Investment Partners, LLC
- 29 Boston Common Asset Management LLC
- 30 Bowling Portfolio Management, Inc.
- 31 Bretwood Capital Partners, LLC
- 32 Brightwood Capital Advisors, LLC
- 33 Broadstone Real Estate, LLC
- 34 Brown Capital Management, LLC
- 35 Buford Dickson Harper & Sparrow
- 36 Cabrera Capital Partners, LLC
- 37 Cameron Capital Management
- 38 Campbell Newman Asset Management, Inc.
- 39 Canopy Investment Advisors
- 40 Capital Commercial Investments
- 41 Capital Innovations, LLC
- 42 Capital Management Associates, LLC
- 43 Capital Prospects LLC
- 44 Capital REIT Investments LLC
- 45 Capri/Capital Advisors
- 46 Cartica Management, LLC
- 47 Cascade Partners, LLC
- 48 Castile Ventures
- 49 Cauldron Investment Co., LLC
- 50 Centinela Capital
- 51 Cerner Capital Management
- 52 Champion Capital Research, Inc.
- 53 Chandler Asset Management, Inc.
- 54 Channing Capital Management, LLC
- 55 Chess Capital Partners
- 56 Cheswold Lane Asset Management, LLC
- 57 ChrisKen Management
- 58 Cincinnati Asset Management, Inc.
- 59 Citizens Advisers
- 60 CityView
- 61 Claremont Investment Partners LLC
- 62 Clear Alternatives LLC
- 63 Collins Capital
- 64 Concerto Asset Management, LLC
- 65 Concordius Capital Advisors LLC
- 66 Conquest Strategies, LLC
- 67 Consilium Investment Management
- 68 Contrarian Capital Management, L.L.C.
- 69 Credo Capital Management, LLC
- 70 CT Mason Inc.
- 71 Cutler & Company LLC
- 72 Cutler Investment Counsel, LLC
- 73 D.B. Fitzpatrick & Company, Inc.
- 74 Daruma Capital Management, LLC
- 75 Dash Acquisitions LLC
- 76 Davis, Ross, McGee & McCauley Investment Advisors, LLC
- 77 Decatur Capital Management, Inc.
- 78 Denali Advisors LLC
- 79 Dermot Company, Inc. (The)
- 80 DG Capital Management, Inc.
- 81 Dinsmore Capital Management
- 82 Domini Social Investments, LLC
- 83 Drexel Hamilton Investment Partners
- 84 DTZ Investment & Asset Management
- 85 Eachwin Capital, LP
- 86 Eagle Capital Management
- 87 EARNEST Partners, LLC
- 88 Edgar Lomax Company (The)
- 89 EDIN Opportunity Fund, LLC
- 90 Effissimo Capital Management Pte Ltd
- 91 ElmTree Funds
- 92 Empiric Institutional
- 93 Emys Capital, LLC
- 94 ENDEX Capital Management, LLC
- 95 Ethika Investments
- 96 Fairbanks Investment Fund
- 97 Fairpointe Capital LLC
- 98 Fairview Capital
- 99 Falcon Bridge Capital, LLC
- 100 Fan Asset Management

Callan Associates' Investment Manager Database of
Minority, Female and Persons with a Disability-Owned Investment Managers
as of September 30, 2015

| | |
|--|---|
| 101 FB Lake LLC | 151 Lanin Partners SpA |
| 102 Fiduciary Management Associates | 152 Lasair Capital LLC |
| 103 First Fiduciary Investment Counsel, Inc. | 153 Lauren Templeton Capital Management, LLC |
| 104 FIS Group, Inc. | 154 LBJ Realty |
| 105 Fisher Lynch Capital, LLC | 155 Leading Edge Investment Advisors, LLC |
| 106 Fortaleza Asset Management, Inc. | 156 Lebenthal Asset Management, LLC |
| 107 Garcia Hamilton & Associates | 157 Lebenthal-Lisanti Capital Growth LLC |
| 108 Gaw Capital Partners | 158 Lee Financial Group |
| 109 Gerding Edlen | 159 Leeb Capital Management, Inc. |
| 110 GIA Partners, LLC | 160 Legato Capital Management LLC |
| 111 GlobeFlex Capital, L.P. | 161 Lesa Sroufe & Co., Inc. |
| 112 Glovista Investments LLC | 162 Lizard Investors LLC |
| 113 Goode Investment Management, Inc. | 163 LM Capital Group, LLC |
| 114 Graham & Dodd Fund LLC (The) | 164 Loja Group LLC |
| 115 Greenfield Seitz Capital Management, LLC | 165 Lombardia Capital Partners, LLC |
| 116 GreenOak Real Estate Advisors LP | 166 Long Wharf Real Estate Partners |
| 117 Gries Financial LLC | 167 Longfellow Investment Management Co. |
| 118 Griffin Asset Management, Inc. | 168 Longwell Company |
| 119 Griffith Properties | 169 Loop Capital Investment Management |
| 120 GW Capital, Inc. | 170 MacFarlane Partners |
| 121 Hahn Capital Management | 171 Mar Vista Investment Partners |
| 122 Hanoverian Capital, LLC | 172 Martin Investment Management, LLC |
| 123 Hanseatic Management Services, Inc. | 173 Matarin Capital Management, LLC |
| 124 HCM Investors, Incorporated | 174 Matterhorn Capital Management, LLC |
| 125 Heard Capital LLC | 175 MayfieldGentry Realty Advisors, LLC |
| 126 Herndon Capital Management, LLC | 176 MC Credit Partners LP |
| 127 High Pointe Capital Management | 177 MD Witter Investments, LLC |
| 128 Hinoki Capital Management, LLC | 178 Merlin Asset Management |
| 129 Holland Capital Management | 179 Metis Global Partners |
| 130 Hollencrest Capital Management | 180 Metropolitan Capital Strategies, LLC |
| 131 Holt-Smith Advisors | 181 Midway Capital Research & Management, LLC |
| 132 Hoover Investment Management | 182 Mission Creek Capital Partners, Inc. |
| 133 Howland and Associates, LLC | 183 Moonstone Asset Management, Inc. |
| 134 HP Capital Venture, LLC | 184 Mosser Capital Management, LLC |
| 135 Hudson Realty Capital | 185 Muller & Monroe Asset Management, LLC |
| 136 Hughes Capital Management, Inc. | 186 Native American Fund Advisors, LLC |
| 137 Industry Capital | 187 Natura Capital LLC |
| 138 Inroads Capital Management, LLC | 188 NCM Capital Management Group, Inc. |
| 139 Intergeneration Capital Management | 189 Neon Liberty Capital Management, LLC |
| 140 Ivory Investment Management, L.P. | 190 Neosho Capital LLC |
| 141 John Hsu Capital Group, Inc. | 191 New Amsterdam Partners LLC |
| 142 Johnson's Global Advisors Corp. | 192 New Century Advisors, LLC |
| 143 Julex Capital Management, LLC | 193 Newbrook Capital Advisors LP |
| 144 K.M. Moore & Co., LLC | 194 Newport Capital Partners |
| 145 Kabouter Management, LLC | 195 Nicholas Investment Partners |
| 146 Kapstream Capital | 196 Nichols Asset Management LLC |
| 147 Keel Asset Management, LLC | 197 Nile Capital Management, LLC |
| 148 KJ Capital Management LLC | 198 NorthShore Advisors LLC |
| 149 Kohala Capital Partners, LLC | 199 Oak Associates |
| 150 KRA Capital Management, Inc. | 200 Oak Street Real Estate Capital, LLC |

Callan Associates' Investment Manager Database of
Minority, Female and Persons with a Disability-Owned Investment Managers
as of September 30, 2015

| | |
|---|---|
| 201 OakBrook Investments, LLC | 251 Strategic Value Partners, LLC |
| 202 Octagonal Capital Partners, LP | 252 Sutton Place Capital Management LLC |
| 203 Opus Capital Management Inc. | 253 Swarthmore Group, Inc. (The) |
| 204 Palisade Investment Partners Limited | 254 Tanaka Capital Management Inc. |
| 205 Palisades Investment Partners, LLC | 255 Trinity Street Asset Management |
| 206 Paradigm Asset Management, LLC | 256 TZA Realty Advisors |
| 207 Paradigm Capital Management, Inc. | 257 Unimar Financial Services, LLC |
| 208 Parkway Capital Investors II, L.P. | 258 United Investment Managers |
| 209 Parlan Financial Corporation | 259 UrbanAmerica Principals III, LLC |
| 210 Pendo LLC | 260 VICAR Capital Advisors |
| 211 Pennybacker Capital, LLC | 261 Vision Capital Management, Inc. |
| 212 Perennial Capital Advisors, LLC | 262 W3 Partners, LLC |
| 213 Phocas Financial Corp. | 263 Wada Capital Management, LLC |
| 214 Piedmont Investment Advisors, LLC | 264 Washington Square Capital Management, LLC |
| 215 Pillar Pacific Capital Management, LLC | 265 Waypoint Asset Management LLC. |
| 216 Pluscios Management LLC | 266 West Branch Capital, LLC |
| 217 Prendergast Capital Management | 267 Westpeak Global Advisors |
| 218 Princeton Advisory Group, Inc. | 268 Williams Capital Management, LLC |
| 219 Princeton Alternative Investments | 269 Wolf Asset Management |
| 220 Profit Investment Management | 270 Xavier Capital Management, LLC |
| 221 ProForza Advisors LLC | 271 Zeo Capital Advisors |
| 222 Progress Investment Management Company | 272 Zevenbergen Capital Investments LLC |
| 223 Provident Group | 273 Zevin Asset Management |
| 224 Pugh Capital Management Inc. | |
| 225 QVT Mount Auburn Capital, LP | |
| 226 Ramirez Asset Management, LLC | |
| 227 Red Ivy Capital, LLC | |
| 228 Redwood Investments, LLC | |
| 229 Renaissance Capital | |
| 230 Robinson Value Management, Ltd. | |
| 231 Runde & Co. LLC | |
| 232 Runnymede Capital Management, Inc. | |
| 233 Salus Capital Management, Inc. | |
| 234 San Juan Asset Management Inc. | |
| 235 Seacrest Investment, LLC | |
| 236 Seedling Capital, LLC | |
| 237 Semper Capital Management, L.P. | |
| 238 Sera Capital Management, LLC | |
| 239 Silva Capital Management LLC | |
| 240 Sit Investment Associates, Inc. | |
| 241 Sky Investment Counsel | |
| 242 Smith, Graham & Co. Investment Advisors, L.P. | |
| 243 South Texas Money Management, Ltd. | |
| 244 SPARX Asset Management Co., Ltd. | |
| 245 Spence Asset Management Inc. | |
| 246 Sperry Capital Partners, LLC | |
| 247 StoneRidge Investment Partners, LLC | |
| 248 Strategic Development Investments, LLC | |
| 249 Strategic Global Advisors | |
| 250 Strategic Investment Partners LLC | |

Exhibit B

Minority Investment Manager Utilization (In Compliance with Section 1-109.1 of the Illinois Pension Code)

The Illinois Municipal Retirement Fund is committed to providing opportunities for minority investment managers. A minority investment manager is defined as a qualified investment manager that manages an investment portfolio and meets the definition of “minority owned business”, “female owned business”, or “business owned by a person with a disability”, as defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act (MFPDOB). The Illinois Municipal Retirement Fund Board of Trustees has adopted the following minimum goals for the utilization of MFPDOB investment management firms.

Goals for Utilization of MFPDOB Minority Investment Managers by Investment Manager Classification

| <u>Investment Manager Classification</u> | <u>Minimum Goal as a Percentage of Total Portfolio</u> |
|--|--|
| Minority Owned Businesses | 9% to 13% |
| Female Owned Businesses | 2% to 6% |
| Businesses Owned by a Person with a Disability | 0.5% to 1% |

Goals for Utilization of MFPDOB Minority Investment Managers by Asset Class

| <u>Asset Class</u> | <u>Minimum Goal as a Percentage of Asset Class</u> |
|--------------------|--|
| Equities | 10% to 12% of the asset class |
| Fixed Income | 15% to 20% of the asset class |
| Alternatives | 5% to 10% of the asset class |

Exhibit C

Emerging Investment Manager Utilization (In Compliance with Section 1-109.1 of the Illinois Pension Code)

The Illinois Municipal Retirement Fund is committed to providing opportunities for emerging investment managers. An emerging investment manager is defined as a qualified investment advisor that manages an investment portfolio of at least \$10,000,000 but less than \$10,000,000,000 and is a “minority owned business”, “female owned business” or “business owned by a person with a disability as defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act (MFPDOB). The Illinois Municipal Retirement Fund Board of Trustees has adopted the following minimum goals for the utilization of MFPDOB emerging investment management firms.

Goals for Utilization of MFPDOB Emerging Investment Managers by Investment Manager Classification

| <u>Emerging Investment Manager Classification</u> | <u>Minimum Goal as a Percentage of Total Portfolio</u> |
|---|--|
| Minority Owned Businesses | 9% to 13% |
| Female Owned Businesses | 2% to 6% |
| Businesses Owned by a Person with a Disability | 0.5% to 1% |

Goals for Utilization of MFPDOB Emerging Investment Managers by Asset Class

| <u>Asset Class</u> | <u>Minimum Goal as a Percentage of Asset Class</u> |
|--------------------|--|
| Equities | 10% to 12% of the asset class |
| Fixed Income | 15% to 20% of the asset class |
| Alternatives | 5% to 10% of the asset class |

Exhibit D

**IMRF LIST OF MINORITY, FEMALE AND PERSONS WITH A
DISABILITY-OWNED INVESTMENT MANAGERS**

As of September 30, 2015

Adi Capital Management LLC

529 5th Avenue, 8th Floor
New York, NY 10017

Aperimus Partners LP

4640 Admiralty Way, 5th Floor
Marina Del Rey, CA 90292

Ariel Investments

200 East Randolph Drive, Suite 2900
Chicago, IL 60601

Ascend Ventures

1500 Broadway, 14th Floor
New York, NY 10036

Ativo Capital Management LLC

120 North LaSalle Street, Suite 2150
Chicago, IL 60602

ARGA Investment Management LP

1010 Washington Blvd.
Stamford, CT 06901

AUA Private Equity Partners

666 Fifth Avenue, 27th Floor
New York, NY 10103

Brown Capital Management

1201 North Calvert Street
Baltimore, MD 21202

Castile Ventures

930 Winter Street, Suite 500
Waltham, MA 02451-1449

Channing Capital Management LLC

10 South LaSalle Street, Suite 2650
Chicago, IL 60603

Clearlake Capital

233 Wilshire Boulevard, Suite 800
Santa Monica, CA 90401

**IMRF LIST OF MINORITY, FEMALE AND PERSONS WITH A
DISABILITY-OWNED INVESTMENT MANAGERS**

As of September 30, 2015

Columbus Hill Partners, LP

830 Morris Turnpike, 2nd Floor
Short Hills, NJ, 07078

Concerto Asset Management, LLC

401 North Tryon Street, 10th Floor
Charlotte, NC 28202

DBL Investors

One Montgomery Street, Suite 2375
San Francisco, CA 94104

Estancia Capital Management LLC

20865 N. 90th Place, Suite 200
Scottsdale, AZ 85255

Elizabeth Park Capital Management

29525 Chagrin Blvd, Suite 318
Pepper Pike, OH 44122

EARNEST Partners LLC

1180 Peachtree Street, Suite 2300
Atlanta, GA 30309

Garcia Hamilton & Associates LP

Five Houston Center, 1401 McKinney, Suite 1600
Houston, TX 77010

GIA Partners, LLC

12 East 49th Street 33rd Floor
New York, NY, United States, 10017

GlobeFlex Capital

4365 Executive Drive, Suite 720
San Diego, CA 92121

Glovista Investments, LLC

One Evertrust Plaza, 11th Floor
Jersey City, NJ 07302

Green Oak

399 Park Avenue, 22nd Floor
New York, NY 10022

**IMRF LIST OF MINORITY, FEMALE AND PERSONS WITH A
DISABILITY-OWNED INVESTMENT MANAGERS**

As of September 30, 2015

Guard Macro US Feeder Fund

17/F Guangdon Investment Tower
148 Connaught Road Central
Hong Kong

Hispania

311 South Wacker Drive, Suite 4200
Chicago, IL 60606

Holland Capital Management

303 West Madison, Suite 700
Chicago, IL 60606

Hudson Realty Capital

250 Park Avenue South, 3rd Floor
New York, NY 10003

ICV Capital Partners

299 Park Avenue, 34th Floor
New York, NY 10171

LM Capital Group

750 B Street, Suite 3010
San Diego, CA 92101

Kabouter Management

401 North Michigan Avenue, Suite 2510
Chicago, IL 60611

Khosla Ventures

2128 Sand Hill Road
Menlo Park, CA 94025

Lombardia Capital Partners LLC

55 South Lake Avenue, Suite 750
Pasadena, CA 91101

Longfellow Investment Management Co.

20 Winthrop Square
Boston, MA 02110

Long Wharf

One Federal Street, 26th Floor
Boston, MA 02110

**IMRF LIST OF MINORITY, FEMALE AND PERSONS WITH A
DISABILITY-OWNED INVESTMENT MANAGERS**

As of September 30, 2015

Metis Global Partners

11988 El Camino Real, Suite 550
San Diego, CA 92130

Mayfield Fund

2800 Sand Hill Road, Suite 250
Menlo Park, CA 94025

Miura Global Management

780 T101 Park Avenue, 21st Floor
New York, NY 10178

Muller & Monroe Asset Management

180 N. Stetson Avenue, Suite 1320
Chicago, IL 60601

Naya Management LLP

54 Baker Street, 2nd Floor
London, W1U 7BU
United Kingdom

New Century Advisors LLC

2 Wisconsin Circle, Suite 940
Chevy Chase, MD 20815

Newport Capital Partners

5215 Old Orchard Road, Suite 970
Skokie, IL 60077

New Mainstream Capital

77 Water Street, Suite 5601
New York, NY 10005

Noble Hospitality

3424 Peachtree Road, NE
Atlanta, GA 30326

Nogales Investors

9229 W. Sunset Boulevard, Suite 900
Los Angeles, CA 90069

Oak HC/FT Partners

3 Pickwick Plaza
Greenwich, CT 06830

**IMRF LIST OF MINORITY, FEMALE AND PERSONS WITH A
DISABILITY-OWNED INVESTMENT MANAGERS**

As of September 30, 2015

Oak Street Real Estate Capital

125 South Wacker Drive, Suite 1220
Chicago, IL 60606

Piedmont Investment Advisors LLC

300 West Morgan Street, Suite 1200
Durham, NC 27701

Progress Investment Management

33 New Montgomery Street, 19th floor
San Francisco, CA 94105

Pugh Capital Management Inc

520 Pike Street, Suite 2900
Seattle, WA 98144

Ramirez Asset Management

61 Broadway, Suite 2924
New York, NY 10006

RLJ Equity Partners

3 Bethesda Metro Center, Suite 1000
Bethesda, MD 20814

Roystone Capital Capital Management LP

767 Third Avenue, 6th Floor
New York, NY 10017

Smith Whiley & Company

242 Trumbull Street, 8th Floor
Hartford, CT 06103

Sentinel Dome Partners

3 Embarcadero Center, Suite 1680
San Francisco, CA 94111

Storm Ventures

3000 Sand Hill Road, Bldg 4, Suite 210
Menlo Park, CA 94025

Strategic Global Advisors

100 Bayview Circle, Suite 650
Newport Beach, CA 92660

**IMRF LIST OF MINORITY, FEMALE AND PERSONS WITH A
DISABILITY-OWNED INVESTMENT MANAGERS**

As of September 30, 2015

Syncom Venture Partners

8515 Georgia Avenue, Suite 725
Silver Spring, MD 20910

Valor Equity Partners

875 North Michigan Ave, Suite 3214
Chicago, IL 60611

Vista Equity Partners

401 Congress Avenue, Suite 3100
Austin, TX 78701

Vision Capital Management, Inc.

One Southwest Columbia Street, Suite 915
Portland, OR 97258-2010

Vistria Group

300 E. Randolph, Suite 4030
Chicago, IL 60601

Vivo Ventures

575 High Street, Suite 201
Palo Alto, CA 94301

Exhibit E

Minority Broker/Dealer Utilization

The firms that are to act as a securities broker-dealer with respect to the purchase and sale of assets for the Fund shall be selected by the investment manager in its sole discretion. The investment manager or any entity controlled by or controlling it, or affiliated with it, shall not act as a securities broker-dealer with respect to purchases and sales of assets allocated to the investment manager unless the Board specifically approves such action.

In the selection of broker-dealers with whom to place orders for the purchase or sale of securities for the Fund, the primary objective of the investment manager shall be to obtain the most favorable results for the Fund. The investment manager's selection of broker-dealers may take into account such relevant factors as (1) price and/or commission; (2) the broker-dealer's facilities, reliability and financial responsibility; (3) the ability of the broker-dealer to effect securities transactions, particularly with respect to such aspects as timing, order size, execution of orders and the ability to complete a transaction through clearance, settlement and delivery; and (4) the research and other services provided by such broker-dealer to the investment manager which are expected to enhance general portfolio management capabilities, notwithstanding the fact that the Fund may not be the direct or exclusive beneficiary of such services. The investment manager's selection of such broker-dealers shall be in accordance with Article I of the Illinois Pension Code (40 ILCS 5/1-101 et seq.), the Investment Advisors Act of 1940 and any other applicable securities laws, rules and regulations.

Minority Broker/Dealer Utilization Goal

The Illinois Municipal Retirement Fund is committed to providing opportunities for minority owned and female owned broker/dealers and broker/dealers owned by a person with a disability (MFPDOB). The Illinois Municipal Retirement Fund Board of Trustees has adopted a policy which sets forth goals for increasing the utilization of MFPDOB broker/dealers.

The minimum expectations for the utilization of MFPDOB broker/dealers are based on commission dollars. Investment managers of separately managed investment portfolios, in the following asset classes, must meet the minimum goals:

| <u>Asset Class</u> | <u>2015 Minimum goal</u> |
|----------------------------------|--------------------------|
| U.S. Equities | 25% |
| International Equities | 20% |
| Fixed Income * | 22% |
| High-Yield Bonds | 5% |
| U.S. Micro-Cap Equities | 7% |
| International Small-Cap Equities | 5% |
| Emerging Market Equities | 5% |

* Excludes emerging market debt, bank loans and opportunistic strategies.

Investment managers are prohibited from using indirect methods such as step-outs to achieve these goals.

Investment managers of pooled/commingled investment portfolios are directed to use their best efforts to execute trades with MFPDOB broker/dealers.

All investment managers executing brokerage on behalf of the Illinois Municipal Retirement Fund are directed to meet these minimum goals in their specific portfolios and shall report monthly on their utilization of MFPDOB broker/dealers. Any investment manager failing to meet the minimum goal during the reporting month must provide a written explanation disclosing the reasons for not meeting the goal.

Staff will report to the Board of Trustees annually on the utilization of MFPDOB broker/dealers. Investment managers not meeting the MFPDOB broker/dealer utilization goal will be identified in the report. An investment manager's ability to meet an MFPDOB brokerage goal is an integral part of the manager monitoring process.

Exhibit F

**MINORITY, FEMALE AND PERSONS WITH A
DISABILITY-OWNED BUSINESS ENTERPRISES
BROKERAGE COMMISSIONS PAID**

October 1, 2014 - September 30, 2015

| | | |
|--|----|------------------|
| Academy Securities Inc. 550 W Van Buren, Suite 1410 Chicago, IL 60607 | \$ | 15,718 |
| Alamo Capital 1777 Botelho Dr., Ste 375 Walnut Creek,CA 94596-5041 | \$ | 26,542 |
| Andes Capital 205 W. Wacker Drive, Suite 1804 Chicago, IL 60606 | \$ | 1,716 |
| Blaylock Robert Van, LLC 208 S. LaSalle Street, Suite 1331 Chicago, IL 60604 | \$ | 137,605 |
| BOE Securities 440 South LaSalle Street, 4th Floor Chicago, IL 60605 | \$ | 22,122 |
| Cabrera Capital Markets 10 South LaSalle Street, Suite 1050 Chicago, IL 60603 | \$ | 318,710 |
| Capital Institutional Services 1601 Elm Street, Suite 3900 Dallas, TX 75201 | \$ | 5,936 |
| CastleOak Securities 111 East 58th Street, 6th Floor New York, NY 10022 | \$ | 1,052,265 |
| Cheevers & Co 440 South LaSalle Street, Suite 415 Chicago, IL 60605 | \$ | 405,687 |
| CL King & Associates One Liberty Square, 5th Floor Boston, MA 02109 | \$ | 193,851 |

| | | |
|--|----|------------------|
| Divine Capital Markets 39 Broadway, 36th Floor New York, NY 10006 | \$ | 1,191 |
| Drexel Hamilton 2000 Market Street, Suite 780 Philadelphia, PA 19103 | \$ | 251,609 |
| Falcon Square Capital 4000 Westchase Blvd Raleigh, NC 27607 | \$ | 39,461 |
| FIG Partners 1175 Peachtree Street, NE 100, Suite 2250 Atlanta, GA 30361 | \$ | 3,069 |
| Great Pacific Securities 151 Kalmus Drive Costa Mesa, CA 92626 | \$ | 26,340 |
| Guzman & Company 101 Aragon Avenue Coral Gables, FL 33134 | \$ | 9,230 |
| Indiana Merchant Bank 11555 North Meridian Street, Suite 400 Carmel, IN 46032 | \$ | 2,841 |
| Loop Capital Markets 200 West Jackson Blvd., Suite 1600 Chicago, IL 60606 | \$ | 1,167,791 |
| M. Ramsey King Securities, Inc 93 Tomlin Circle Burr Ridge, IL 60527 | \$ | 353,549 |
| MFR Securities 675 Third Avenue, 11th Floor New York, NY 10017 | \$ | 44,404 |
| Mischler Financial Group 1101 Bayside Drive, Suite 201 Corona del Mar, CA 92625 | \$ | 147,274 |

| | | |
|---|----|------------------|
| Montrose Securities 44 Montgomery Street, Suite 3050 San Francisco, CA 94104 | \$ | 77,091 |
| North South Capital 200 W. Adams Street, Suite 2230 Chicago, IL 60606 | \$ | 229,270 |
| Penserra Securities LLC 20 Broad Street, Suite 2602 New York, NY 10005 | \$ | 112,425 |
| Sturdivant & Co Plaza 1000 at Main St., Suite 200 Voorhees, NJ 08043 | \$ | 72,675 |
| Telsey Advisory Group 535 Fifth Avenue, 12th Floor New York, NY 10017 | \$ | 34,843 |
| Thomas Reynolds 45 Broadway, 31st Floor New York, NY 10006 | \$ | 51,314 |
| Topeka Capital Markets 40 Wall Street New York, NY 10005 | \$ | 89,381 |
| Toussaint Capital Partners 110 Wall Street, 11th Floor New York, NY 10005 | \$ | 3,798 |
| Vandham Securities 50 Tice Blvd. Woodcliff Lake, NJ 07677 | \$ | 90,929 |
| Williams Capital Group, LP 650 Fifth Avenue, 11th floor New York, NY 10019 | \$ | 222,442 |
| TOTAL COMMISSIONS PAID | \$ | 5,211,077 |

Exhibit G

POLICY REGARDING RACIAL, ETHNIC, AND GENDER DIVERSITY OF FIDUCIARIES, INCLUDING CONSULTANTS AND SENIOR STAFF

Purpose

This policy defines IMRF's goals for diversity in its senior staff and fiduciaries.

Philosophy

The Illinois Municipal Retirement Fund is committed to diversity in all hiring, employment, and contracting decisions and to providing opportunities for minorities, women and persons with a disability to have a meaningful role at IMRF.

Board of Trustees

IMRF's goal is to achieve diversity through the current Board election process. Trustees are elected by employers, members, and annuitants. No trustees are appointed or hold office ex-officio. The Board of Trustees encourages individuals who qualify as minority to run for the Board of Trustees. In addition, stakeholder groups representing IMRF members and employers are encouraged to seek out qualified minorities to support in all elections for the IMRF Board of Trustees.

Senior Staff

IMRF's goal is that staff diversity levels mirror the external recruiting area. Senior staff consists of directors, managers, supervisors, and team leaders.

IMRF defines its external recruiting area as six northeast Illinois counties – Cook, DuPage, Kane, Lake, McHenry and Will. The population for comparison is taken from the US Census 2000 "total civilian labor force."

As of the 2000 US Census, the recruiting area is 47% female; 43% minority; and 66% female and minority.

IMRF considers its existing employee population as the primary recruiting base for senior staff positions. By having a diverse staff at all levels of the organization, the Fund offers internal promotion opportunities to reflect diversity on its senior staff.

IMRF has an internal job posting program which requires all open positions to be posted without exception. By providing a variety of training and development programs, all staff members have the opportunity to gain the required education and skills to apply for senior staff openings.

The programs include a tuition reimbursement program, available upon hire; and a Succession Plan Program, with a separate tuition reimbursement program and training program.

All staff involved in hiring and employment processes, including Human Resources, must perform their roles with highest integrity as required by IMRF's Code of Conduct and Business Ethics policies.

The IMRF Employee Handbook states the following:

IMRF does not tolerate discrimination towards applicants, employees, visitors, or vendors, on the basis of gender, race, color, religion, family status, military and veteran status, disability, sexual orientation, national origin, age, or political beliefs.

Even though IMRF is not subject to annual filing requirements of the Equal Employment Opportunity Commission (EEOC), we will annually complete an "EEO-1 form" to monitor the racial, ethnic and gender diversity of the entire staff.

Other Fiduciaries

In addition to the Board of Trustees and IMRF staff, other third party consultants act as fiduciaries to the Fund. When searching for consultants, IMRF is committed to diversity in hiring such firms. IMRF will also work to ensure that majority firms acting as fiduciaries hire and promote minorities into top management and ownership positions. IMRF will obtain EEO-1 forms from the consultants to monitor the racial, ethnic and gender diversity of their staff and owners

Exhibit H

Diversity Procurement Policy

The purpose of this policy is to establish a framework for the utilization of businesses owned by minorities, females, and persons with a disability (collectively known as MFPDOB firms) in the procurement activities of the Illinois Municipal Retirement Fund (IMRF).

The goal of the policy is to promote utilization of businesses owned by minorities, females, and persons with a disability in procurement activities.

The objectives of the policy are to:

- Increase competition through a diverse source of suppliers and consultants
- Maintain and strengthen the overall competitiveness of IMRF procurements
- Assure compliance with Illinois Public Act 96-0006

Policy

The IMRF Purchasing Unit strives to insure that members, employers, and taxpayers receive the maximum value for each dollar spent by purchasing products and services from responsive suppliers and consultants at the lowest reasonable cost. The Purchasing Unit manages the bidding process to insure compliance with policies. IMRF is committed to ensuring fair consideration of all suppliers and consultants in its day-to-day purchase of goods and services. IMRF recognizes that working with a wide range of suppliers and consultants provides an open, competitive and diverse business environment.

It is the policy of the IMRF Board of Trustees to include qualified minority and female owned business enterprises and businesses owned by a person with a disability in the Fund's procurement process and to objectively evaluate all qualified businesses regardless of race, gender or handicap.

IMRF is committed to including firms among prospective providers of purchased goods and services. Special efforts will be made to insure identification of eligible firms for inclusion in the bid process, including monitoring of MFPDOB -related listings to identify possible MFPDOB contractors and service providers. It is IMRF's policy to take affirmative action to ensure that certified minority-owned, female-owned and disabled-owned business enterprises are given the opportunity to demonstrate their ability to provide the Fund with products and services at competitive prices.

We will ask our vendors to refrain from unlawful discrimination and discrimination based on citizenship status in employment and to undertake affirmative action to assure equality of employment opportunity and compliance with the Department of Human Rights' regulations concerning equal employment opportunities and affirmative action.

MFPDOB firms will be identified using resources such as the City of Chicago Certification and Compliance System MFPDOB Directory and other public agency resources. All new suppliers and consultants seeking to do business with IMRF will be asked to complete a form to certify the diversity of their business. Ownership of suppliers and consultants will be tracked by the Purchasing Unit. IMRF staff will seek and encourage MFPDOB businesses to submit bids each time IMRF publishes a request for bids or proposals.

IMRF has set a minimum goal of 18% for contracts and purchases from businesses owned by minorities, females, and persons with a disability as a share of all of its contracts and purchases. These goals are based on the percentage of total dollar amount of all purchasing contracts let, excluding payments such as postage, rent (utilities), insurance premiums, and single-source technology solutions.

IMRF typically awards bids to the lowest cost vendor. However to meet the goals set for this diversity policy bids may be awarded to a vendor other than the low bidder, if it is a MFPDOB vendor and its bid is within 10% or \$10,000 (whichever is lower) of the low bid.

The Purchasing Unit will track the usage of MFPDOB businesses in order to meet the goal and review and analyze it each year. The goal may be modified by IMRF to further increase the usage of MFPDOB businesses as IMRF gains experience and knowledge using the diversity guidelines set to meet Public Act 96-0006. These goals shall be reviewed by the IMRF Board of Trustees annually.

Definitions

- (1) "Minority person" shall mean a person who is a citizen or lawful permanent resident of the United States and who is:
 - (a) African American (a person having origins in any of the black racial groups in Africa);
 - (b) Hispanic (a person of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race);
 - (c) Asian American (a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent or the Pacific Islands); or
 - (d) Native American or Alaskan Native (a person having origins in any of the original peoples of North America).

(2) "Female" shall mean a person who is a citizen or lawful permanent resident of the United States and who is of the female gender.

(2.05) "Person with a disability" means a person who is a citizen or lawful resident of the United States and is a person qualifying as being disabled under subdivision (2.1) of this subsection (A).

(2.1) "Disabled" means a severe physical or mental disability that:

(a) results from: amputation, arthritis, autism, blindness, burn injury, cancer, cerebral palsy, Crohn's disease, cystic fibrosis, deafness, head injury, heart disease, hemiplegia, hemophilia, respiratory or pulmonary dysfunction, mental retardation, mental illness, multiple sclerosis, muscular dystrophy, musculoskeletal disorders, neurological disorders, including stroke and epilepsy, paraplegia, quadriplegia and other spinal cord conditions, sickle cell anemia, ulcerative colitis, specific learning disabilities, or end stage renal failure disease; and

(b) substantially limits one or more of the person's major life activities.

Another disability or combination of disabilities may also be considered as a severe disability for the purposes of item (a) of this subdivision (2.1) if it is determined by an evaluation of rehabilitation potential to cause a comparable degree of substantial functional limitation similar to the specific list of disabilities listed in item (a) of this subdivision (2.1).

(3) "Minority owned business" means a business concern which is at least 51% owned by one or more minority persons, or in the case of a corporation, at least 51% of the stock in which is owned by one or more minority persons; and the management and daily business operations of which are controlled by one or more of the minority individuals who own it.

(4) "Female owned business" means a business concern which is at least 51% owned by one or more females, or, in the case of a corporation, at least 51% of the stock in which is owned by one or more females; and the management and daily business operations of which are controlled by one or more of the females who own it.

(4.1) "Business owned by a person with a disability" means a business concern that is at least 51% owned by one or more persons with a disability and the management and daily business operations of which are controlled by one or more of the persons with disabilities who own it. A not-for-profit agency for persons with disabilities that is exempt from taxation under Section 501 of the Internal Revenue Code of 1986 is also considered a "business owned by a person with a disability".

(9) "Control" means the exclusive or ultimate and sole control of the business including, but not limited to, capital investment and all other financial matters, property, acquisitions,

contract negotiations, legal matters, officer-director-employee selection and comprehensive hiring, operating responsibilities, cost-control matters, income and dividend matters, financial transactions and rights of other shareholders or joint partners. Control shall be real, substantial and continuing, not pro forma. Control shall include the power to direct or cause the direction of the management and policies of the business and to make the day-to-day as well as major decisions in matters of policy, management and operations. Control shall be exemplified by possessing the requisite knowledge and expertise to run the particular business and control shall not include simple majority or absentee ownership.

(10) "Business concern or business" means a business that has average annual gross sales over the three most recent calendar years of less than \$31,400,000 as evidenced by the federal income tax return of the business. A firm with gross sales in excess of this cap may apply to the Business Enterprise Council for Minorities, Females, and Persons with Disabilities for certification for a particular contract if the firm can demonstrate that the contract would have significant impact on businesses owned by minorities, females, or persons with disabilities as suppliers or subcontractors or in employment of minorities, females, or persons with disabilities.

(B) When a business concern is owned at least 51% by any combination of minority persons, females, or persons with disabilities, even though none of the three classes alone holds at least a 51% interest, the ownership requirement for purposes of this Act is considered to be met. The certification category for the business is that of the class holding the largest ownership interest in the business. If 2 or more classes have equal ownership interests, the certification category shall be determined by the Department of Central Management Services.