



December 21, 2016

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's (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 2016 Diversity Report provides the details of all minorities, females, and persons with a disability owned investment management firms including assets under management.

Included in the report are the policies the IMRF Board of Trustees adopted to increase the:

- utilization of minority and emerging owned investment managers,
- utilization of minority owned broker-dealers,
- racial, ethnic, and gender diversity of fiduciaries, including consultants and senior staff, and
- utilization of minorities, females and persons with disabilities for all contracts and services.

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 2016 Diversity Report

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Respectfully submitted to the Illinois Governor and the General Assembly



*Locally funded, financially sound.*



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## **Introduction**

Illinois Municipal Retirement Fund's (IMRF) Board of Trustees is pleased to submit its annual report on diversity. Our 2016 Diversity Report provides the policies that the IMRF Board of Trustees has adopted to increase 1) utilization of emerging investment managers, 2) racial, ethnic, and gender diversity of fiduciaries, including consultants and senior staff, 3) utilization of minority owned broker-dealers, 4) utilization of minorities, females and persons with disabilities for all contracts, and 5) utilization of minority-owned investment managers. This report provides the assets managed by all minorities, females, and persons with a disability owned investment management firms 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, 2016, the Illinois Municipal Retirement Fund's market value was \$35.82 billion. IMRF utilizes 56 investment managers owned by minorities, females or persons with disabilities (Minority-owned) to manage \$7.2 billion. This represents 20.10% of the total IMRF investment portfolio across domestic equity, fixed income, international equity, private equity and real estate asset classes.

Since 10/1/2015, the amount of assets managed by Minority-owned firms increased by approximately \$1.0 billion. During the period of 10/1/2015 to 9/30/2016, the following commitments, funding and ownership changes occurred:

- \$100 million in commitments to Artemis Real Estate Partners
- \$20 million in commitments to Mayfield
- \$175 million in commitments to Vista Equity
- \$50 million allocation to Ativo
- \$275 million allocation to Garcia Hamilton
- \$30 million commitment to Long Wharf
- \$200 million funded to Progress Fixed Income Manager of Managers
- Due to employee ownership changes, Wall Street Associates, an existing IMRF manager with a \$200 million mandate, became a Minority- owned firm.

The table details the assets under management by asset class and investment manager classification.

Investment Manager Classification	Domestic Equity	International Equity	Fixed Income	Real Estate	Private Equity	Hedge Fund	Total
African American	\$1,123	\$851	\$1,317	\$0	\$406	\$0	\$3,697
Latino	\$329	\$92	\$1,779	\$80	\$37	\$8	\$2,324
Asian	-	\$20	-	\$22	\$46	\$10	\$98
Female	-	\$612	\$339	\$100	\$15	-	\$1,066
Disabled	-	-	-	\$15	-	-	\$15
<b>Total</b>	<b>\$1,452</b>	<b>\$1,575</b>	<b>\$3,435</b>	<b>\$217</b>	<b>\$504</b>	<b>\$18</b>	<b>\$7,200</b>

Values shown are in millions.

Private Equity and Real Estate values are committed amounts.

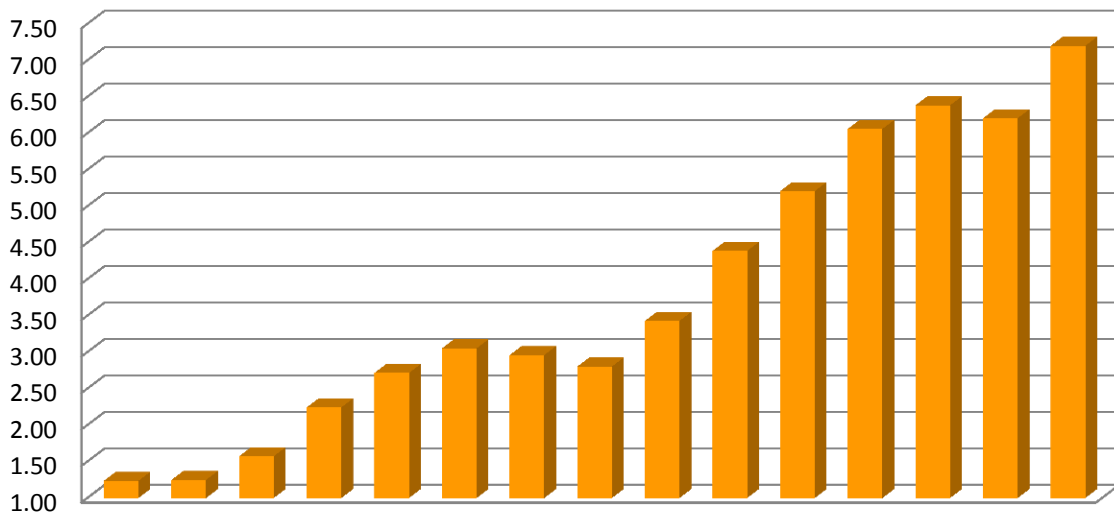
IMRF's Hedge Fund of Fund was terminated in February 2016. This portfolio is in liquidation.

The table below details the percentage of the assets under management and percentage of the total Fund's market value by investment manager classification.

Investment Manager Classification	Assets Under Management (in millions)	% of Total Fund Market Value
African American	\$3,697	10.3%
Latino	\$2,324	6.5%
Asian	\$98	0.3%
Female	\$1,066	3.0%
Disabled	\$15	0.04%
<b>Total</b>	<b>\$7,200</b>	<b>20.1%</b>

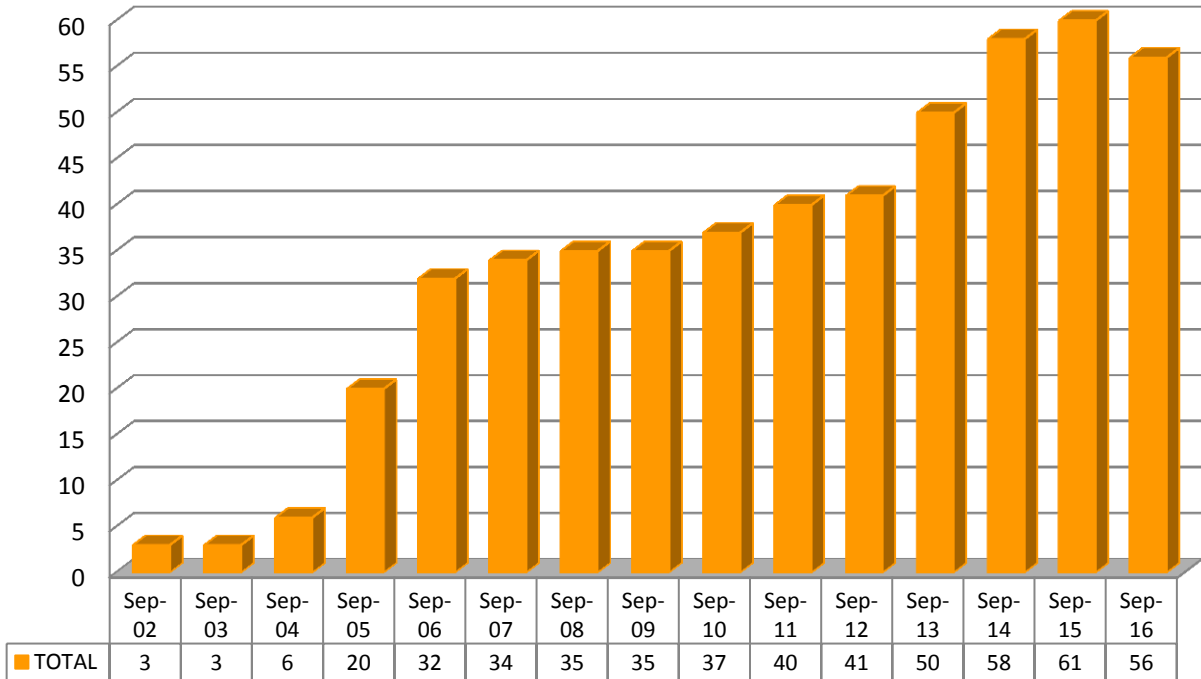
Since 2002, IMRF has increased its utilization of Minority-owned investment managers. Minority-owned investment managers' assets under management increased from \$1.2 billion to \$7.2 billion over a 14 year period. Over the same time period, the number of Minority- owned asset managers that manage IMRF's assets increased from 3 to 56.

### IMRF Assets Managed by Minority, Females, and Businesses Owned by Persons with Disabilities (in billions)



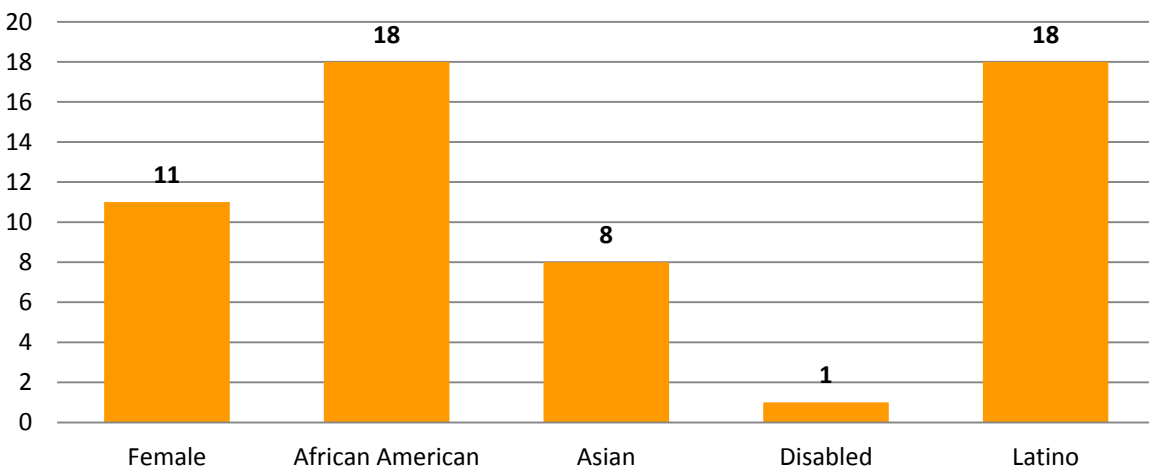
	Sep-02	Sep-03	Sep-04	Sep-05	Sep-06	Sep-07	Sep-08	Sep-09	Sep-10	Sep-11	Sep-12	Sep-13	Sep-14	Sep-15	Sep-16
■ Total	\$1.2	\$1.2	\$1.5	\$2.2	\$2.7	\$3.0	\$2.9	\$2.8	\$3.4	\$4.3	\$5.2	\$6.0	\$6.3	\$6.2	\$7.2

## Number of Investment Management Firms owned by Minorities, Females and Persons with Disabilities



As of September 30, 2016, IMRF has allocated capital to 56 investment firms that are owned by minorities, females and persons with disabilities. The graph below provides the number of minority managers by classification.

## Minority Investment 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 Emerging and Minority manager community:

- REEM Emerging Managers Summit
- Consortium East
- Toigo Board Meeting and Gala
- NASP Annual Pension and Financial Services Conference
- New America Alliance (NAA) National Tour
- Holland 25<sup>th</sup> Anniversary Educational Event
- Treasurer Frerich's Diverse Managers Forum
- Grosvenor's 2016 Small and Emerging Manager Conference
- NAA 16<sup>th</sup> Wall Street Summit
- 14<sup>th</sup> Annual Illinois Legislative Latino Caucus Foundation Conference

In February 2016, IMRF hosted the National Association of Investment Companies (NAIC). Twelve investment management firms visited IMRF's office and met Dhvani Shah, Chief Investment Officer and the Investment Staff. Each investment manager provided an overview of their firm and investment capabilities. IMRF's Investment Staff provided an overview of the IMRF portfolio, manager selection process, and emerging manager program. IMRF's Policy for the Selection of Investment Managers is in Exhibit K.

For many of the managers this was their first time meeting IMRF's Investment Staff. They left the meeting with a better understanding of the Fund, the manager selection process, and made a direct contact at IMRF.

In September 2016, Dhvani Shah, Chief Investment Officer, hosted the Toigo Institute Industry Insights Across Asset Classes. The Toigo Institute's goal is to bring greater diversity to the finance industry. The Institute offers programs and events for minority and female professionals interested in advancing their careers.

On November 30, 2016, the Illinois Municipal Retirement Fund, State Universities Retirement System of Illinois, Municipal Employees' Annuity and Benefit of Chicago, Metropolitan Water Reclamation Retirement Fund and Illinois State Board of Investments hosted the Illinois Public Fund Collective on Diversity and Inclusion in Financial Services. The Collective was a half-day gathering of Illinois Public Funds committed to supporting and expanding opportunities for diverse investment management and brokerage firms.

### **Dedicated Minority Manager of Managers/ Fund of Funds Programs**

IMRF utilizes Progress Investment Management, Franklin Templeton, Artemis Real Estate Partners and Muller & Monroe as manager of managers/ fund of funds programs dedicated to hiring underlying Minority-owned investment managers. These firms have



full discretion to hire investment management firms that are 51% or more owned by minorities, females or persons with a disability. In total, IMRF has committed \$1.29 billion to these four manager of managers/fund of funds providers to date.

### **International Equity and Fixed Income**

IMRF hired Progress Investment Management, an African American owned firm, in 2004. They are IMRF's sole manager of managers' provider for the Public Market asset classes. Progress manages two Public Market mandates, international equity and fixed income. Progress has full discretion to hire managers, terminate managers, and rebalance these portfolios.

As of 9/30/16, the \$250 million international equity portfolio is invested across six underlying Minority-owned investment firms. The investment management firms and their classifications are listed below:

<b>Manager</b>	<b>Minority Classification</b>
1. Glovista Investments	Latino
2. Metis Global Partners	Female
3. Arga Investment Management	Asian American
4. Ativo Capital Management	Latino
5. Strategic Global Advisors	Female
6. Brown Capital Management	African American

As of 9/30/16, the \$872 million fixed income portfolio is invested across eight underlying Minority-owned investment firms. The investment management firms and their classifications are listed below:

<b>Manager</b>	<b>Minority Classification</b>
1. Garcia Hamilton & Associates	Latino
2. Pugh Capital Management	African American
3. Ramirez Asset Management	Latino
4. GIA Partners	Latino
5. Longfellow Investment Management Co.	Female
6. New Century Advisors	Female
7. Advent Capital Management	African American
8. Concerto Asset Management	Female

### **Real Estate**

In 2010, IMRF committed \$75 million to Franklin Templeton to implement a real estate fund of funds portfolio exclusively focused on investing in Minority-owned firms. The portfolio is fully committed to six real estate funds and one co-investment. The investment management firms and their classifications are listed below:

<b>Manager</b>	<b>Minority Classification</b>
1. Argosy Real Estate Partners	African American, at time of commitment
2. Hudson Realty Capital	Latino
3. GreenOak	Asian American
4. Newport Capital Partners	Disabled
5. Noble	Asian American
6. Long Wharf	Latino

In 2015, IMRF launched an RFP for an investment manager to implement a real estate manager of managers 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 managers program. This manager of managers program is constructed as an evergreen separate account. IMRF will make annual allocations to this mandate consistent with the Fund's strategic plan; the 2016 allocation is \$75 million. As of 9/30/16, the program committed \$25 million to Artemis Healthcare Fund I.

### **Private Equity**

In 2004, IMRF committed \$25 million to Muller & Monroe, an African American owned private equity firm, to implement a fund of funds program focused on investing in minority and female owned private equity firms and firms based in the U.S. Midwest region. As of 2007, the program is fully committed to fourteen private equity funds; half of which are minority and female owned funds. The investment management firms and their regions/classifications are listed below:

<b>Manager</b>	<b>Region</b>
1. DN Partners	Illinois
2. HKW Capital Partners	Indiana
3. Hopewell Ventures	Illinois
4. LaSalle Capital Group	Illinois
5. Prism Investors	Illinois
6. Rock Island Capital	Illinois
7. Strength Capital Partners	Michigan

<b>Manager</b>	<b>Minority Classification</b>
1. Ascend Ventures	African American
2. Castile Ventures	Female
3. ICV Partners	African American
4. Nogales Investors	Latino
5. RLJ Equity Partners	African American
6. Smith Whiley	African American
7. Syncom Venture Partners	African American

As of 9/30/16, IMRF has three manager of managers programs that are active and exclusively focused on reviewing Minority-owned managers for inclusion in the portfolio. Minority-owned firms interested in discussing their firm and investment capabilities may contact IMRF, Progress Investment Management and Artemis Real Estate Partners. Contact information is provided in Exhibit A.

**Private Equity Fund of Funds Programs**

IMRF has two private equity separate account mandates with Abbott Capital and Pantheon. Abbott and Pantheon commit capital to firms owned by minorities, females, and persons with disabilities as well as non-minority owned investment management firms. These two mandates are constructed as evergreen separate accounts. IMRF makes annual commitments to each program consistent with IMRF’s Strategic Plan. The fund of funds managers make portfolio changes at their discretion. IMRF refers Minority-owned investment managers to the fund of funds managers when IMRF does not have plans for an investment manager search. Contact information is provided in Exhibit A.

As of 9/30/16, Abbott Capital committed over \$41 million to nine funds managed by eight Minority-owned firms. The investment managers and their classifications are listed below.

<b><u>Manager</u></b>	<b><u>Minority Classification</u></b>
1. Vivo Ventures	Asian American
2. Clearlake Capital Partners	Latino
3. Oak HC/FT Partners	Female
4. ICV Partners	African American
5. NMS	Latino
6. Storm Ventures	Asian
7. Canvas Ventures	Female
8. 1315 Healthcare Fund	Female

As of 9/30/16, Pantheon committed over \$20 million to ten funds managed by five Minority-owned firms. The investment managers and their classifications are listed below.

<b><u>Manager</u></b>	<b><u>Minority Classification</u></b>
1. Khosla Ventures	Asian American
2. ICV Partners	African American
3. Oak HC/FT Partners	Female
4. NMS	Latino
5. Vistria	African American

## **Investment Consultant**

The IMRF Board of Trustees requires that its investment consultant (see IMRF's Policy for the Selection of Investment Consultants, Exhibit J), Callan Associates use non-discriminatory practices when recommending investment manager candidates and that they maintain a database of minority, females and persons with disabilities owned investment managers. Callan's database contains 295 minorities, females and a persons with disabilities owned investment managers. A list of these investment managers is attached as Exhibit B.

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. Information regarding Callan Connects can be found at <https://www.callan.com/connects/>.

From 10/1/15 through 9/30/16, Callan Associates met with 27 emerging and MWDO firms through Callan Connects: 10 in New Jersey, 4 in Boston, 7 in Philadelphia, and 6 in San Francisco. In total, Callan Associates conducted 129 meetings with MWDO firms from 10/1/15 through 9/30/16, 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 C.

As of September 30, 2016, 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	13%	17.1%
Female Owned Businesses	6%	3.0%
Businesses Owned by a Person with a Disability	1%	0.04%
Total	20.0%	20.1%

As of September 30, 2016, 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
Domestic Equity	8.0%	9.6%
International Equity	15.0%	22.7%
Fixed Income	20.0%	32.6%
Hedge Funds*	15.0%	18.1%
Real Estate	4.0%	7.6%
Private Equity	10.0%	23.7%
Timberland	Best Efforts	0.0%
Agriculture	Best Efforts	0.0%

*Private Equity and Real Estate percentages are calculated using committed amounts. Timberland and Agriculture percentages are calculated using NAVs. Hedge Fund asset class is currently in liquidation and may not meet minority goals.*

The table below lists the Minority Investment Managers by classification and % of Total Fund's Market Value as of 9/30/16.

Minority Classification	Asset Class	Manager Name	Assets Under Management (in millions)	% of Total Fund Market Value
African American	Fixed Income	Advent Capital	32.2	0.1%
African American	Domestic Equity	Ariel Investments	69.4	0.2%
African American	Private Equity	Ascend Ventures	1.4	0.0%
African American	International Equity	Brown Capital Management	286.4	0.8%
African American	International Equity	Brown Capital Management	48.9	0.1%
African American	Domestic Equity	Channing Capital Management	185.6	0.5%
African American	Private Equity	DBL Equity Fund- BAEF II, L.P.	1.6	0.0%
African American	Fixed Income	Earnest Partners	571.5	1.6%
African American	International Equity	Earnest Partners	516.2	1.4%

<b>Minority Classification</b>	<b>Asset Class</b>	<b>Manager Name</b>	<b>Assets Under Management (in millions)</b>	<b>% of Total Fund Market Value</b>
<b>African American</b>	Domestic Equity	Holland Capital Management	867.8	2.4%
<b>African American</b>	Private Equity	ICV Capital Partners II	0.9	0.0%
<b>African American</b>	Private Equity	ICV Capital Partners III	20.0	0.1%
<b>African American</b>	Private Equity	ICV Capital Partners III	4.5	0.0%
<b>African American</b>	Private Equity	ICV Capital Partners III	5.0	0.0%
<b>African American</b>	Private Equity	Muller & Monroe	4.7	0.0%
<b>African American</b>	Private Equity	Muller & Monroe	2.6	0.0%
<b>African American</b>	Fixed Income	Piedmont Investment Advisors	565.8	1.6%
<b>African American</b>	Fixed Income	Progress Investment Management	-	-
<b>African American</b>	International Equity	Progress Investment Management	-	-
<b>African American</b>	Fixed Income	Pugh Capital Management	147.2	0.4%
<b>African American</b>	Private Equity	RLJ Equity Partners	2.2	0.0%
<b>African American</b>	Private Equity	Smith Whiley II	1.7	0.0%
<b>African American</b>	Private Equity	Smith Whiley III	1.6	0.0%
<b>African American</b>	Private Equity	Syncom V	1.7	0.0%
<b>African American</b>	Private Equity	Vista Credit Opportunities Fund I	50.0	0.1%
<b>African American</b>	Private Equity	Vista Credit Opportunities Fund II	50.0	0.1%
<b>African American</b>	Private Equity	Vista Equity Partners V	100.0	0.3%
<b>African American</b>	Private Equity	Vista Equity Partners VI	100.0	0.3%
<b>African American</b>	Private Equity	Vista Foundation Fund II	15.0	0.0%
<b>African American</b>	Private Equity	Vista Foundation Fund III	25.0	0.1%

<b>Minority Classification</b>	<b>Asset Class</b>	<b>Manager Name</b>	<b>Assets Under Management (in millions)</b>	<b>% of Total Fund Market Value</b>
<b>African American</b>	Private Equity	Vistria Fund	15.0	0.0%
<b>African American</b>	Private Equity	Vistria Fund	3.0	0.0%
<b>Total African American</b>			<b>\$3,697</b>	<b>10.3%</b>
<b>Latino</b>	Domestic Equity	Ativo Capital Management	109.7	0.3%
<b>Latino</b>	International Equity	Ativo Capital Management	48.2	0.1%
<b>Latino</b>	Private Equity	AUA Private Equity	5.0	0.0%
<b>Latino</b>	Private Equity	Clearlake Capital Group	7.5	0.0%
<b>Latino</b>	Private Equity	Estancia Capital Partners	5.0	0.0%
<b>Latino</b>	Fixed Income	Garcia Hamilton & Associates	537.4	1.5%
<b>Latino</b>	Fixed Income	Garcia Hamilton & Associates	129.8	0.4%
<b>Latino</b>	Fixed Income	GIA Partners	137.9	0.4%
<b>Latino</b>	International Equity	Glovista Investments	43.4	0.1%
<b>Latino</b>	Private Equity	Hispania Private Equity Fund II	1.6	0.0%
<b>Latino</b>	Real Estate	Hudson Realty Capital V	11.7	0.0%
<b>Latino</b>	Fixed Income	LM Capital Group	888.0	2.5%
<b>Latino</b>	Real Estate	Long Wharf IV	13.7	0.0%
<b>Latino</b>	Real Estate	Long Wharf V	30.0	0.1%
<b>Latino</b>	Private Equity	New Mainstream Capital II	5.0	0.0%
<b>Latino</b>	Private Equity	New Mainstream Capital II	4.5	0.0%
<b>Latino</b>	Private Equity	New Mainstream Capital II	2.3	0.0%
<b>Latino</b>	Private Equity	Nogales Investors II	0.7	0.0%

Minority Classification	Asset Class	Manager Name	Assets Under Management (in millions)	% of Total Fund Market Value
Latino	Real Estate	Oak Street Real Estate Capital III	25.0	0.1%
Latino	Fixed Income	Ramirez Asset Management	86.1	0.2%
Latino	Hedge Fund	Roystone Capital Partners L.P.	7.7	0.0%
Latino	Private Equity	Valor Equity Partners III	5.0	0.0%
Latino	Domestic Equity	Wall Street Associates	218.9	0.6%
<b>Total Latino</b>			<b>\$2,324</b>	<b>6.5%</b>
Asian	International Equity	Arga Investments	20.0	0.1%
Asian	Real Estate	GreenOak U.S.	11.7	0.0%
Asian	Real Estate	GreenOak Co-Investment	2.9	0.0%
Asian	Private Equity	Khosla Seed, L.P.	0.2	0.0%
Asian	Private Equity	Khosla Ventures III	0.7	0.0%
Asian	Private Equity	Khosla Ventures IV	1.1	0.0%
Asian	Private Equity	Khosla Ventures Seed B, L.P.	1.1	0.0%
Asian	Private Equity	Khosla Ventures Seed C, L.P.	2.3	0.0%
Asian	Private Equity	Khosla Ventures V	2.3	0.0%
Asian	Private Equity	Mayfield Fund XIV	5.0	0.0%
Asian	Private Equity	Mayfield XV	10.0	0.0%
Asian	Private Equity	Mayfield Select	10.0	0.0%
Asian	Real Estate	Noble Hospitality Fund II	7.4	0.0%
Asian	Hedge Fund	Sentinel Dome	10.2	0.0%



Minority Classification	Asset Class	Manager Name	Assets Under Management (in millions)	% of Total Fund Market Value
Asian	Private Equity	Storm Ventures V	4.0	0.0%
Asian	Private Equity	Vivo Capital VIII	3.5	0.0%
Asian	Private Equity	Vivo Ventures VII	6.0	0.0%
<b>Total Asian</b>			<b>\$98</b>	<b>0.3%</b>
Female	Private Equity	1315 Healthcare Fund	3.5	0.0%
Female	Real Estate	Artemis MWBE Spruce Program	50.0	0.1%
Female	Real Estate	Artemis RE Partners Healthcare Fund I	25.0	0.1%
Female	Real Estate	Artemis RE Partners Healthcare Fund I	25.0	0.1%
Female	Private Equity	Canvas Ventures 2	3.5	0.0%
Female	Private Equity	Castile Ventures III	1.7	0.0%
Female	Fixed Income	Concerto Asset Management	32.3	0.1%
Female	International Equity	GlobeFlex Capital	525.8	1.5%
Female	Fixed Income	Longfellow Investment Management	140.7	0.4%
Female	International Equity	Metis Global Partners	22.1	0.1%
Female	Fixed Income	New Century Advisors	165.9	0.5%
Female	Private Equity	Oak HC/FT	4.5	0.0%
Female	Private Equity	Oak HC/FT	2.3	0.0%
Female	International Equity	Strategic Global Advisors	63.7	0.2%
<b>Total Female</b>			<b>\$1,066</b>	<b>3.0%</b>

Minority Classification	Asset Class	Manager Name	Assets Under Management (in millions)	% of Total Fund Market Value
Disabled	Real Estate	Newport Capital Partners I, L.P.	14.9	0.0%
<b>Total Disabled</b>			<b>\$15</b>	<b>0.0%</b>
		<b>Total Assets Managed by Minority-Owned Firms</b>	<b>\$7,200</b>	<b>20.1%</b>

### 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. IMRF utilizes three Minority-owned investment management firms whose assets under management exceed \$10 billion therefore are not considered emerging. The Emerging Investment Manager Utilization Policy and a listing of the Emerging Investment Manager names and addresses are provided in Exhibit D and Exhibit E, respectively.

As of September 30, 2016, 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	13%	<b>12.9%</b>
Female Owned Businesses	6%	<b>3.0%</b>
Businesses Owned by a Person with a Disability	1%	<b>0.04%</b>
<b>Total</b>	<b>20.0%</b>	<b>16.9%</b>

As of September 30, 2016, 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
Domestic Equity	8.0%	<b>9.2%</b>
International Equity	15.0%	<b>15.2%</b>
Fixed Income	20.0%	<b>27.2%</b>

Portfolio Asset Class	Minimum Goal as a % of Asset Class	Actual % of Asset Class
Hedge Funds*	15.0%	<b>18.1%</b>
Real Estate	4.0%	<b>7.6%</b>
Private Equity	10.0%	<b>7.7%</b>
Timberland	Best Efforts	<b>0.0%</b>
Agriculture	Best Efforts	<b>0.0%</b>

*Private Equity and Real Estate percentages are calculated using committed amounts. Timberland and Agriculture percentages are calculated using NAVs. Hedge Fund asset class is currently in liquidation and may not meet minority goals.*

The table below lists the Emerging Investment Managers by classification and the percentage of Total Fund's Market Value as of 9/30/16.

<b>Minority Classification</b>	<b>Asset class</b>	<b>Manager Name</b>	<b>Assets Under Management (in millions)</b>	<b>% of Total Fund Market Value</b>
<b>African American</b>	Fixed Income	Advent Capital	32.2	0.1%
<b>African American</b>	Private Equity	Ascend Ventures	1.4	0.0%
<b>African American</b>	International Equity	Brown Capital Management	286.4	0.8%
<b>African American</b>	International Equity	Brown Capital Management	48.9	0.1%
<b>African American</b>	Domestic Equity	Channing Capital Management	185.6	0.5%
<b>African American</b>	Private Equity	DBL Equity Fund- BAEF II, L.P.	1.6	0.0%
<b>African American</b>	Domestic Equity	Holland Capital Management	867.8	2.4%
<b>African American</b>	Private Equity	ICV Capital Partners II	0.9	0.0%
<b>African American</b>	Private Equity	ICV Capital Partners III	20.0	0.1%
<b>African American</b>	Private Equity	ICV Capital Partners III	4.5	0.0%
<b>African American</b>	Private Equity	ICV Capital Partners III	5.0	0.0%
<b>African American</b>	Private Equity	Muller & Monroe	4.7	0.0%
<b>African American</b>	Private Equity	Muller & Monroe	2.6	0.0%
<b>African American</b>	Fixed Income	Piedmont Investment Advisors	565.8	1.6%
<b>African American</b>	Fixed Income	Progress Investment Management	-	-
<b>African American</b>	International Equity	Progress Investment Management	-	-
<b>African American</b>	Fixed Income	Pugh Capital Management	147.2	0.4%
<b>African American</b>	Private Equity	RLJ Equity Partners	2.2	0.0%
<b>African American</b>	Private Equity	Smith Whiley II	1.7	0.0%

<b>Minority Classification</b>	<b>Asset class</b>	<b>Manager Name</b>	<b>Assets Under Management (in millions)</b>	<b>% of Total Fund Market Value</b>
<b>African American</b>	Private Equity	Smith Whiley III	1.6	0.0%
<b>African American</b>	Private Equity	Syncom V	1.7	0.0%
<b>African American</b>	Private Equity	Vistria Fund	15.0	0.0%
<b>African American</b>	Private Equity	Vistria Fund	3.0	0.0%
<b>Total African American</b>			<b>\$2,200</b>	<b>6.1%</b>
<b>Latino</b>	Domestic Equity	Ativo Capital Management	109.7	0.3%
<b>Latino</b>	International Equity	Ativo Capital Management	48.2	0.1%
<b>Latino</b>	Private Equity	AUA Private Equity	5.0	0.0%
<b>Latino</b>	Private Equity	Clearlake Capital Group	7.5	0.0%
<b>Latino</b>	Private Equity	Estancia Capital Partners	5.0	0.0%
<b>Latino</b>	Fixed Income	Garcia Hamilton & Associates	537.4	1.5%
<b>Latino</b>	Fixed Income	Garcia Hamilton & Associates	129.8	0.4%
<b>Latino</b>	Fixed Income	GIA Partners	137.9	0.4%
<b>Latino</b>	International Equity	Glovista Investments	43.4	0.1%
<b>Latino</b>	Private Equity	Hispania Private Equity Fund II	1.6	0.0%
<b>Latino</b>	Real Estate	Hudson Realty Capital V	11.7	0.0%
<b>Latino</b>	Fixed Income	LM Capital Group	888.0	2.5%
<b>Latino</b>	Real Estate	Long Wharf IV	13.7	0.0%
<b>Latino</b>	Real Estate	Long Wharf V	30.0	0.1%
<b>Latino</b>	Private Equity	New Mainstream Capital II	5.0	0.0%

<b>Minority Classification</b>	<b>Asset class</b>	<b>Manager Name</b>	<b>Assets Under Management (in millions)</b>	<b>% of Total Fund Market Value</b>
<b>Latino</b>	Private Equity	New Mainstream Capital II	4.5	0.0%
<b>Latino</b>	Private Equity	New Mainstream Capital II	2.3	0.0%
<b>Latino</b>	Private Equity	Nogales Investors II	0.7	0.0%
<b>Latino</b>	Real Estate	Oak Street Real Estate Capital III	25.0	0.1%
<b>Latino</b>	Fixed Income	Ramirez Asset Management	86.1	0.2%
<b>Latino</b>	Hedge Fund	Roystone Capital Partners L.P.	7.7	0.0%
<b>Latino</b>	Private Equity	Valor Equity Partners III	5.0	0.0%
<b>Latino</b>	Domestic Equity	Wall Street Associates	218.9	0.6%
<b>Total Latino</b>			<b>\$2,324</b>	<b>6.5%</b>
<b>Asian</b>	International Equity	Arga Investments	20.0	0.1%
<b>Asian</b>	Real Estate	GreenOak U.S.	11.7	0.0%
<b>Asian</b>	Real Estate	GreenOak Co-Investment	2.9	0.0%
<b>Asian</b>	Private Equity	Khosla Seed, L.P.	0.2	0.0%
<b>Asian</b>	Private Equity	Khosla Ventures III	0.7	0.0%
<b>Asian</b>	Private Equity	Khosla Ventures IV	1.1	0.0%
<b>Asian</b>	Private Equity	Khosla Ventures Seed B, L.P.	1.1	0.0%
<b>Asian</b>	Private Equity	Khosla Ventures Seed C, L.P.	2.3	0.0%
<b>Asian</b>	Private Equity	Khosla Ventures V	2.3	0.0%
<b>Asian</b>	Private Equity	Mayfield Fund XIV	5.0	0.0%
<b>Asian</b>	Private Equity	Mayfield XV	10.0	0.0%

<b>Minority Classification</b>	<b>Asset class</b>	<b>Manager Name</b>	<b>Assets Under Management (in millions)</b>	<b>% of Total Fund Market Value</b>
<b>Asian</b>	Private Equity	Mayfield Select	10.0	0.0%
<b>Asian</b>	Real Estate	Noble Hospitality Fund II	7.4	0.0%
<b>Asian</b>	Hedge Fund	Sentinel Dome	10.2	0.0%
<b>Asian</b>	Private Equity	Storm Ventures V	4.0	0.0%
<b>Asian</b>	Private Equity	Vivo Capital VIII	3.5	0.0%
<b>Asian</b>	Private Equity	Vivo Ventures VII	6.0	0.0%
<b>Total Asian</b>			<b>\$98</b>	<b>0.3%</b>
<b>Female</b>	Private Equity	1315 Healthcare Fund	3.5	0.0%
<b>Female</b>	Real Estate	Artemis MWBE Spruce Program	50.0	0.1%
<b>Female</b>	Real Estate	Artemis RE Partners Healthcare Fund I	25.0	0.1%
<b>Female</b>	Real Estate	Artemis RE Partners Healthcare Fund I	25.0	0.1%
<b>Female</b>	Private Equity	Canvas Ventures 2	3.5	0.0%
<b>Female</b>	Private Equity	Castile Ventures III	1.7	0.0%
<b>Female</b>	Fixed Income	Concerto Asset Management	32.3	0.1%
<b>Female</b>	International Equity	GlobeFlex Capital	525.8	1.5%
<b>Female</b>	Fixed Income	Longfellow Investment Management	140.7	0.4%
<b>Female</b>	International Equity	Metis Global Partners	22.1	0.1%
<b>Female</b>	Fixed Income	New Century Advisors	165.9	0.5%
<b>Female</b>	Private Equity	Oak HC/FT	4.5	0.0%
<b>Female</b>	Private Equity	Oak HC/FT	2.3	0.0%

Minority Classification	Asset class	Manager Name	Assets Under Management (in millions)	% of Total Fund Market Value
Female	International Equity	Strategic Global Advisors	63.7	0.2%
<b>Total Female</b>			<b>\$1,066</b>	<b>3.0%</b>
Disabled	Real Estate	Newport Capital Partners I, L.P.	14.9	0.04%
<b>Total Disabled</b>			<b>\$15</b>	<b>0.04%</b>
		<b>Total Assets Managed by Minority-Owned Firms</b>	<b>\$5,703</b>	<b>15.9%</b>

The table below lists the emerging investment manager activity for the one year period ending 9/30/16.

Action	Asset Class	Minority Classification	Manager Name	Assets (\$millions)
<b>Additional Allocation</b>	Fixed Income	African American	Progress Fixed Income	200.0
<b>Withdrawals</b>	Domestic Equity	Latino	Wall Street Micro Cap Growth	-200.0
<b>Committed Capital</b>	Real Estate	Female	Artemis Real Estate Partners, LLC	75.0
<b>New Hire</b>	Fixed Income	African American	Progress Subadvisor Advent Capital Management, LLC	29.9
<b>Full Withdrawal</b>	Hedge Fund	Asian American	Aurora Subadvisor Columbus Hill Partners, LP	-18.9
<b>Committed Capital</b>	Private Equity	Asian American	Mayfield XV	10.0
<b>Committed Capital</b>	Private Equity	Asian American	Mayfield Select	10.0
<b>Full Withdrawal</b>	Domestic Equity	Female	Vision Large Cap Growth Equity	-164.0
<b>Full Withdrawal</b>	Domestic Equity	Latino	Lombardia Small Cap Value Equity	-139.0
<b>Full Withdrawal</b>	Domestic Equity	Latino	Lombardia International Large Cap Value	-29.0
<b>Additional Allocation</b>	Domestic Equity	Latino	Ativo Micro Cap Equity	50.0



<b>Action</b>	<b>Asset Class</b>	<b>Minority Classification</b>	<b>Manager Name</b>	<b>Assets (\$millions)</b>
<b>Additional Allocation</b>	Fixed Income	Latino	Garcia Hamilton Core Fixed Income	275.0
<b>Committed Capital</b>	Real Estate	Female	Artemis Real Estate Partners Healthcare Fund I	25.0
<b>Committed Capital</b>	Real Estate	Latino	Long Wharf Real Estate Partners V	30.0
<b>Committed Capital</b>	Private Equity	African American	Pantheon Subadvisor Vistria Fund	3.0
<b>Committed Capital</b>	Private Equity	Female	Abbott Subadvisor Canvas Ventures 2	3.5
<b>Committed Capital</b>	Private Equity	Female	Abbott Subadvisor 1315 Healthcare Fund	3.5
<b>Committed Capital</b>	Real Estate	Female	Artemis RE Partners Subadvisor Artemis RE Partners Healthcare Fund I	25.0

## 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 F.

As of January 2016, the total commission amounts are based on commission dollars for Equities and par value for Fixed Income. Previously, IMRF's fixed income investment managers were estimating fixed income commissions paid to brokers. The table below lists the minimum brokerage goals by asset class and actual minority brokerage goals achieved year to date as of September 30, 2016.

<b>Asset Class</b>	<b>Minimum Goal</b>	<b>Actual Percentage</b>
U.S. Equities	25.00%	36.89%
U.S. Large-Cap Equities	30.00%	45.66%
International Equities	20.00%	31.62%
International Small-Cap Equities	5.00%	10.32%
U.S. Micro-Cap Equities	7.00%	27.70%
Equity Commingled Accounts	Best Efforts	1.32%
Hedge Funds <sup>1</sup>	Best Efforts	0.00%
Emerging Market Equities <sup>2</sup>	5.00%	0.00%
<b>Total Equities</b>		<b>28.22%</b>

<b>Asset Class</b>	<b>Minimum Goal</b>	<b>Actual Percentage</b>
Fixed Income	22.00%	31.11%
High Yield Bonds <sup>3</sup>	5.00%	8.26%
Emerging Market Debt	Best Efforts	0.00%
Fixed Income Commingled Accounts	Best Efforts	0.02%
Opportunistic Strategies <sup>2</sup>	Best Efforts	0.00%
Bank Loans <sup>2</sup>	Best Efforts	0.00%
<b>Total Fixed Income</b>		<b>9.61%</b>

<sup>1</sup> - The separate account Hedge Fund of Funds mandate was terminated on 2/2016.

<sup>2</sup> - No separate account mandates.

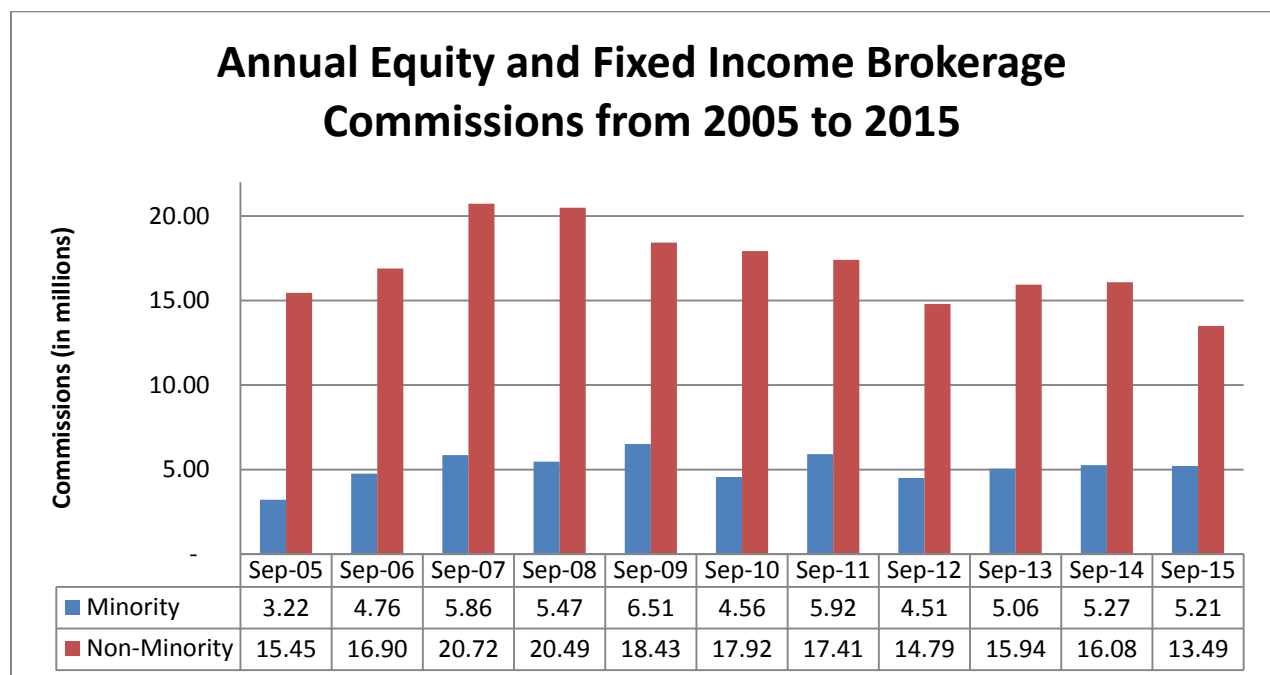
<sup>3</sup> - Pyramis High Yield mandate was terminated on 03/2014.

To ensure that progress is continuously made toward achieving our minority, female and a person with a disability owned brokerage goals, our investment 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 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 Minority-owned 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 ending September 30, 2016, \$3.0 million, or 28.48% of the total Equity commissions paid by IMRF, were executed by broker/dealers owned by minorities, females or by a person with a disability. For the same time period, 7.8 million par or 10.22% of the total Fixed Income par volume traded was executed by broker/dealers owned by minorities, females or by a person with a disability.

The historical chart below shows IMRF's use of minority, female or persons with a disability owned broker/dealers since 2005. 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 G lists the minority, female and a person with a disability owned broker/dealers and the commissions they earned from IMRF between October 1, 2015 and September 30, 2016.

In addition to adopting goals for minority, female or a person with a disability owned investment managers and broker/dealers, 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**

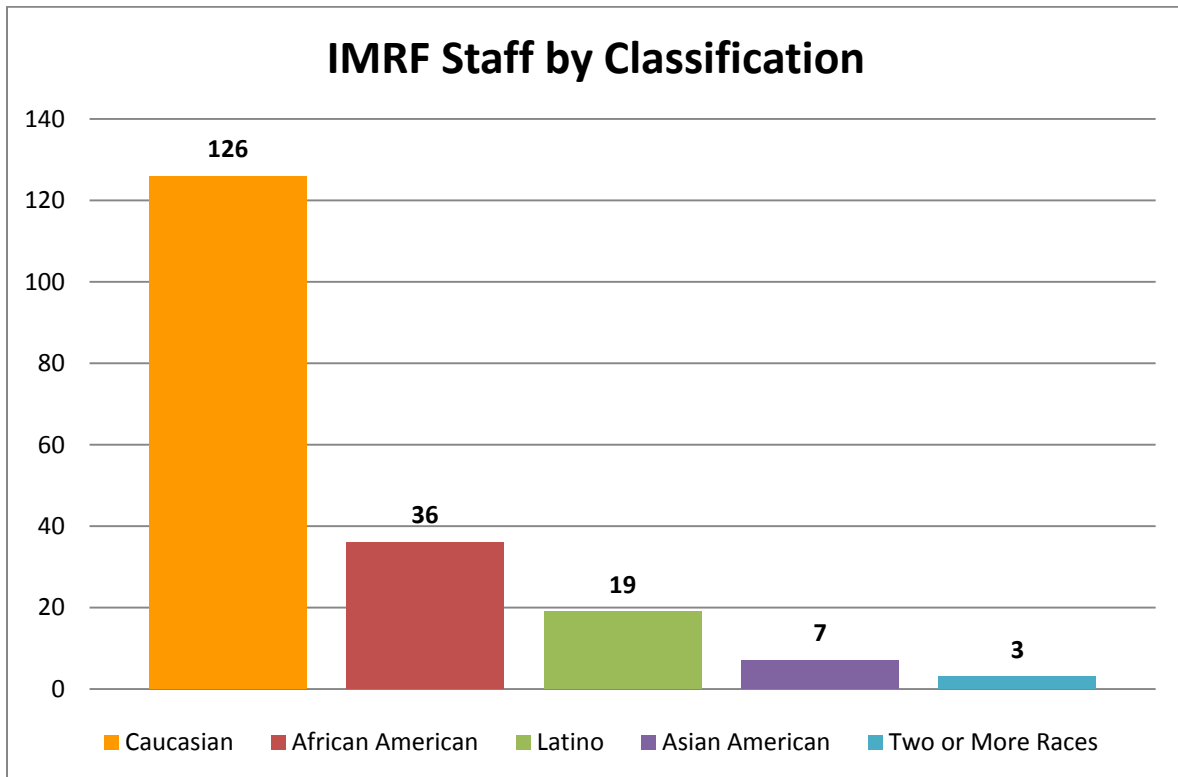
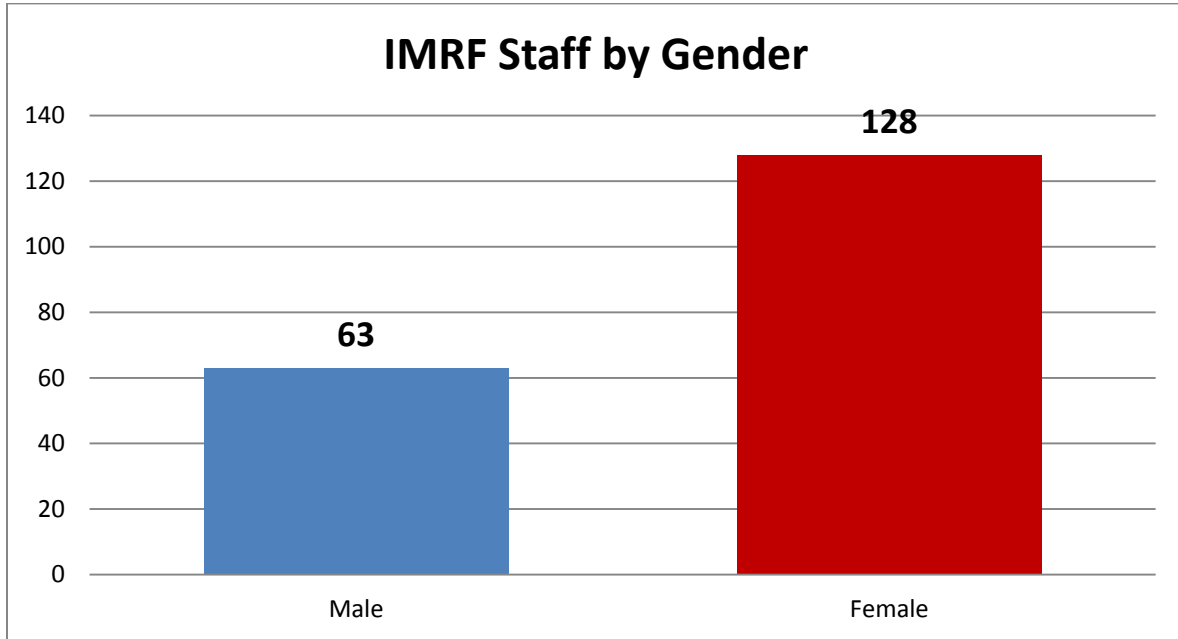
In its ongoing dedication to diversity principles, IMRF has adopted goals for increasing the racial, ethnic, and gender diversity of its fiduciaries, including its consultants and senior staff. The policy is provided in Exhibit H.

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 9/30/16, the IMRF Board of Trustees is comprised of 8 individuals of whom 6 or 75% 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 9/30/16, IMRF's investment consultant, Callan Associates, has a staff of 141 individuals of which 76 or 54% 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 10/01/2015 thru 09/30/2016, IMRF experienced two departures from our senior staff (two Non-minority females). During the same time period, IMRF hired two external candidates to senior staff positions (one Non-minority male and one minority female) and internally promoted one employee to senior staff position (one minority female). 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 191 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 (Minority-owned) for all contracts and services. The complete policy can be found in Exhibit I.

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.

In 2016, IMRF increased its minimum goal of 18% to 20% 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 some single-source technology solutions.

The Procurement Unit carefully tracks the usage of businesses owned by minorities, females, and persons with a disability 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 Procurement Unit added 5 Minority-owned businesses to the vendor database in 2016, and utilized 19 different Minority-owned vendors during the past year. The IMRF Board of Trustees approved a policy whereby Minority-owned vendors can be selected as the winning bidder if their bid is up to 15% more than Non-minority-owned vendors. This increases our utilization of Minority-owned vendors. These progressive practices and policies help us towards the achievement of our 20% utilization goal. As of 9/30/2016, IMRF's utilization of Minority-owned businesses was 31.44% of total expenditures.

The Procurement 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.

## **Exhibits**

## **Exhibit A. Contact Information for IMRF, Fund of Funds and Manager of Managers**

### **Illinois Municipal Retirement Fund**

Rosa Vasquez  
Investment Officer- Emerging Manager  
Program and Total Portfolio  
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Oak Brook, Illinois 60523  
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rvasquez@imrf.org

### **Progress Investment Management Company**

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mwilliams@progressinvestment.com

### **Artemis Real Estate Partners**

Gina Baker Chambers  
Vice President  
5404 Wisconsin Avenue, Suite 1150  
Chevy Chase, Maryland 20815  
202-370-7452  
gina.chambers@ArtemisREP.com

### **Abbott Capital Management**

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Managing Director  
1290 Avenue of the Americas, 9th Floor  
New York, New York 10104  
212-757-2700  
lpangburn@abbottcapital.com

Tim Maloney  
Managing Director  
1290 Avenue of the Americas, 9th Floor  
New York, New York 10104  
212-757-2700  
tmaloney@abbottcapital.com



**Pantheon**

Yokasta Segura-Baez

Principal

1095 Avenue of Americas, 24th Floor

New York, New York 10036

212-205-2000

yokasta.baez@pantheon.com

## **Exhibit B. Callan Associates' Investment Manager Database**

### **Callan Associates' Investment Manager Database of Minority, Female and Persons with a Disability-Owned Investment Managers as of September 30, 2016**

1	Abacus Multi-Family Partners III	48	Capital Innovations, LLC
2	Abaris Asset Management LLC.	49	Capital Management Associates, LLC
3	Adelante Capital Management LLC	50	Capital Prospects LLC
4	Admiral Capital (Affiliated w/USAA)	51	Capital REIT Investments LLC
5	Advent Capital Management, LLC	52	Capri Capital Advisors
6	Affinity Investment Advisors Inc.	53	Cartica Management, LLC
7	Alethea Capital Management, LLC	54	Cascade Partners, LLC
8	Ambassador Capital Management	55	Castile Ventures
9	American Private Equity Group, LLC	56	Cauldron Investment Co., LLC
10	AmerIsrael Capital Management, LLC	57	Centinela
11	Amero Global	58	Cerner Capital Management
12	Anchor Investment Partners LLC	59	Champion Capital Research, Inc.
13	Aqua Investment Management, LLC	60	Chandler Asset Management, Inc.
14	Aquila Infrastructure Management, Inc.	61	Channing Capital Management, LLC
15	Arborist Capital, LLC	62	Chess Capital Partners
16	ARGA Investment Management, LP	63	Cheswold Lane Asset Management, LLC
17	Argus Investors' Counsel, Inc.	64	ChrisKen Management
18	Ariel Investments, LLC	65	Cincinnati Asset Management, Inc.
19	Artemis Real Estate Partners	66	Citizens Advisers
20	Asland Capital Partners (Affiliated w/ARES)	67	CityView
21	Athena Global Investors LLC	68	Claremont Investment Partners LLC
22	Ativo Capital Management	69	Clear Alternatives LLC
23	Attucks Asset Management, LLC	70	Collins Capital
24	Avanath Capital Partners	71	Concerto Asset Management, LLC
25	Aventis Asset Management, LLC	72	Conquest Strategies, LLC
26	Basis Investment Group	73	Consilium Investment Management
27	Belay Investment Group	74	Contrarian Capital Management, L.L.C.
28	Berkeley Capital Advisers	75	Cordillera Investment Partners, LLC
29	Big 5 Asset Management	76	Corporate Realty Investment Capital LLC
30	Bilgili Holding	77	Credo Capital Management, LLC
31	BirdRock Asset Management	78	CT Mason Inc.
32	Bivium Capital Partners, LLC	79	Cutler & Company LLC
33	Black Knight Asset Management, LLC	80	Cutler Investment Counsel, LLC
34	BlueCreek Investment Partners, LLC	81	Daruma Capital Management, LLC
35	Boston Common Asset Management	82	Dash Acquisitions LLC
36	Bowling Portfolio Management, Inc.	83	Davis, Ross, McGee & McCauley Investment Advisors
37	Bretwood Capital Partners, LLC	84	Decatur Capital Management, Inc.
38	Briarwood Chase Management LLC	85	Denali Advisors LLC
39	Brightwood Capital Advisors, LLC	86	Dermot Company, Inc. (The)
40	Broadstone Real Estate, LLC	87	Desai Capital Management, LLC

**Callan Associates' Investment Manager Database of  
Minority, Female and Persons with a Disability-Owned Investment Managers  
as of September 30, 2016**

41	Brown Capital Management, LLC	88	DG Capital Management, Inc.
42	Buford Dickson Harper & Sparrow	89	Domini Social Investments, LLC
43	Cabrera Capital Partners, LLC	90	Drexel Hamilton Investment Partners
44	Cameron Capital Management	91	DTZ Investment & Asset Mgmt.
45	Campbell Newman Asset Management	92	Eachwin Capital, LP
46	Canopy Investment Advisors	93	EARNEST Partners, LLC
47	Capital Commercial Investments	94	Edgar Lomax Company (The)
95	EDIN Opportunity Fund, LLC	142	Howland and Associates, LLC
96	Effissimo Capital Management Pte Ltd	143	HP Capital Venture, LLC
97	ElmTree Funds	144	Hudson Realty Capital
98	EM Johnson Interest, Inc.	145	Hughes Capital Management, Inc.
99	Empiric Institutional	146	Industry Capital
100	Emys Capital, LLC	147	Inroads Capital Management, LLC
101	ENDEX Capital Management, LLC	148	Intergeneration Capital Management
102	ETHIKA INVESTMENTS	149	Integrated Capital
103	Fairbanks Investment Fund	150	Ivory Investment Management, L.P.
104	Fairpointe Capital LLC	151	John Hsu Capital Group, Inc.
105	Fairview Capital	152	Johnson's Global Advisors Corp.
106	Falcon Bridge Capital, LLC	153	Julex Capital Management, LLC
107	Fan Asset Management	154	Kaboutter Management, LLC
108	FB Lake LLC	155	KJ Capital Management LLC
109	First Fiduciary Investment Counsel, Inc.	156	Kohala Capital Partners, LLC
110	FIS Group, Inc.	157	KRA Capital Management, Inc.
111	Fisher Lynch Capital, LLC	158	Lanin Partners SpA
112	Fortaleza Asset Management, Inc.	159	Lasair Capital LLC
113	Garcia Hamilton & Associates	160	Lauren Templeton Capital Management, LLC
114	Gaw Capital Partners	161	LBG Realty Advisors
115	Gerding Edlen	162	Leading Edge Investment Advisors, LLC
116	GIA Partners, LLC	163	Lebenthal Asset Management, LLC
117	Gilman Hill Asset Management, LLC	164	Lebenthal-Lisanti Capital Growth LLC
118	GlobeFlex Capital, L.P.	165	Lee Financial Group
119	Glovista Investments LLC	166	Leeb Capital Management, Inc.
120	Goode Investment Management, Inc.	167	Legato Capital Management LLC
121	GQG Partners LLC	168	Lesa Sroufe & Co., Inc.
122	Graham & Dodd Fund LLC (The)	169	Lizard Investors LLC
123	Green Hall Capital	170	LM Capital Group, LLC
124	Greenfield Seitz Capital Management, LLC	171	Loja Group LLC
125	GreenOak Real Estate Advisors LP	172	Lombardia Capital Partners, LLC
126	Gries Financial LLC	173	Long Wharf Real Estate Partners
127	Griffin Asset Management, Inc.	174	Longfellow Investment Management Co.
128	Griffith Properties	175	Longwell Company
129	Hahn Capital Management	176	Loop Capital Investment Management
130	Hanoverian Capital, LLC	177	MacFarlane Partners
131	Hanseatic Management Services, Inc.	178	Manhattan West Asset Management, LLC
132	HAS Capital, LLC	179	Mar Vista Investment Partners

**Callan Associates' Investment Manager Database of  
Minority, Female and Persons with a Disability-Owned Investment Managers  
as of September 30, 2016**

133	HAV Capital, LLC	180	Martin Investment Management, LLC
134	HCM Investors, Incorporated	181	Matarin Capital Management, LLC
135	Heard Capital LLC	182	Matterhorn Capital Management, LLC
136	Herndon Capital Management, LLC	183	MayfieldGentry Realty Advisors, LLC
137	High Pointe Capital Management	184	MB Global
138	Hinoki Capital Management, LLC	185	MC Credit Partners LP
139	Holland Capital Management	186	MD Witter Investments, LLC
140	Hollencrest Capital Management	187	Metis Global Partners
141	Hoover Investment Management	188	Metropolitan Capital Strategies, LLC
189	Midway Capital Research & Management	236	Profit Investment Management
190	Mirae Asset Global Investments (USA)	237	ProForza Advisors LLC
191	Mission Creek Capital Partners, Inc.	238	Progress Investment Management Company
192	Moonstone Asset Management, Inc.	239	Provident Group
193	Morgan Creek	240	Pugh Capital Management Inc.
194	Morningside Asset Management LLC	241	QVT Mount Auburn Capital, LP
195	Mosser Capital Management, LLC	242	Ramirez Asset Management, LLC
196	Muller & Monroe Asset Management, LLC	243	RAYS Capital Partner Limited
197	Native American Fund Advisors, LLC	244	Red Ivy Capital, LLC
198	Natura Capital LLC	245	Redwood Investments, LLC
199	NCM Capital Management Group, Inc.	246	Renaissance Capital
200	Neon Liberty Capital Management, LLC	247	RLJ Development
201	Neosho Capital LLC	248	RMA/Northbridge
202	New Amsterdam Partners LLC	249	Robinson Value Management, Ltd.
203	New Century Advisors, LLC	250	Runde & Co. LLC
204	Newbrook Capital Advisors LP	251	Runnymede Capital Management, Inc.
205	Newport Capital Partners	252	Safe Harbor Management
206	Nicholas Investment Partners	253	Salus Capital Management, Inc.
207	Nichols Asset Management LLC	254	San Juan Asset Management Inc.
208	Nile Capital Management, LLC	255	Seacrest Investment, LLC
209	Noble Investment Group	256	Seedling Capital, LLC
210	North Point Global	257	Semper Capital Management, L.P.
211	NorthShore Advisors LLC	258	Sera Capital Management, LLC
212	Oak Associates	259	Silva Capital Management LLC
213	Oak Street Real Estate Capital, LLC	260	Sit Investment Associates, Inc.
214	OakBrook Investments, LLC	261	Sky Investment Counsel
215	Octagonal Capital Partners, LP	262	Smith, Graham & Co. Investment Advisors, L.P.
216	One Stone Global	263	South Texas Money Management, Ltd.
217	Opus Capital Management Inc.	264	SPARX Asset Management Co., Ltd.
218	Palisade Investment Partners Limited	265	Spence Asset Management Inc.
219	Palisades Investment Partners, LLC	266	Sperry Capital Partners, LLC
220	Paradigm Asset Management, LLC	267	StoneRidge Investment Partners, LLC
221	Paradigm Capital Management, Inc.	268	StoneRidge PMG Advisors, LLC
222	Parkway Capital Investors II, L.P.	269	Strategic Development Investments, LLC
223	Parlan Financial Corporation	270	Strategic Global Advisors
224	Pendo LLC	271	Strategic Investment Partners LLC

**Callan Associates' Investment Manager Database of  
Minority, Female and Persons with a Disability-Owned Investment Managers  
as of September 30, 2016**

225	Pennybacker Capital, LLC	272	Strategic Value Partners, LLC
226	Penserra Capital Management LLC	273	Sutton Place Capital Management LLC
227	Perennial Capital Advisors, LLC	274	Swarthmore Group, Inc. (The)
228	Phocas Financial Corp.	275	Tanaka Capital Management Inc.
229	Piedmont Investment Advisors, LLC	276	Trinity Street Asset Management
230	Pillar Pacific Capital Management, LLC	277	TZA Realty Advisors
231	Pluscios Management LLC	278	Unimar Financial Services, LLC
232	Premium Point Investments	279	United Investment Managers
233	Prendergast Capital Management	280	UrbanAmerica Principals III, LLC
234	Princeton Advisory Group, Inc.	281	VICAR Capital Advisors
235	Princeton Alternative Investments	282	Vision Capital Management, Inc.
283	W3 Partners, LLC		
284	Wada Capital Management, LLC		
285	Washington Square Capital Management		
286	Waypoint Asset Management LLC.		
287	West Branch Capital, LLC		
288	Westpeak Global Advisors		
289	Williams Capital Management, LLC		
290	Wolf Asset Management		
291	Working Lands Investment Partners		
292	Xavier Capital Management, LLC		
293	Zeo Capital Advisors		
294	Zevenbergen Capital Investments LLC		
295	Zevin Asset Management		

**Exhibit C. Minority Investment Manager Utilization Policy  
(In Compliance with Section 1-109.1 (9) 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.

Minority Investment Management firms must be 51% or more owned by individuals that are minorities, females or persons with a disability and are citizens or lawful permanent residents of the United States. For a complete definition go to the following website: <http://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=550&ChapterID=7>

The Illinois Municipal Retirement Fund Board of Trustees has adopted 3 separate goals for: (i) minority investment managers that are minority owned businesses; (ii) minority investment managers that are female owned businesses; and (iii) minority investment managers that are businesses owned by a person with a disability.

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

<u>Investment Manager Classification</u>	<u>Minimum Goal as a Percentage of Total Fund Market Value</u>
Minority Owned Businesses	13%
Female Owned Businesses	6%
Businesses Owned by a Person with a Disability	1%

**Goals for Utilization of Minority Investment Managers by Asset Class**

<u>Asset Class</u>	<u>Minimum Goal as a Percentage of Asset Class</u>
Domestic Equity	8%
International Equity	15%
Fixed Income	20%
Real Estate*	4%
Private Equity*	10%
Hedge Funds	15%
Timberland	Best Efforts
Agriculture	Best Efforts

\*based on committed amounts

**Exhibit D. Emerging Investment Manager Utilization  
(In Compliance with Section 1-109.1 (4) 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.

Emerging Investment Management firms must be 51% or more owned by individuals that are minorities, females or persons with a disability and are citizens or lawful permanent residents of the United States. For a complete definition go to the following website: <http://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=550&ChapterID=7>

The Illinois Municipal Retirement Fund Board of Trustees has adopted 3 separate goals for: (i) emerging investment managers that are minority owned businesses; (ii) emerging investment managers that are female owned businesses; and (iii) emerging investment managers that are businesses owned by a person with a disability.

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

<u>Emerging Investment Manager Classification</u>	<u>Minimum Goal as a Percentage of Total Fund Market Value</u>
Minority Owned Businesses	13%
Female Owned Businesses	6%
Businesses Owned by a Person with a Disability	1%

**Goals for Utilization of Emerging Investment Managers by Asset Class**

<u>Asset Class</u>	<u>Minimum Goal as a Percentage of Asset Class</u>
Domestic Equity	8%
International Equity	15%
Fixed Income	20%
Real Estate*	4%
Private Equity*	10%
Hedge Funds	15%
Timberland	Best Efforts
Agriculture	Best Efforts

\* based on committed amounts

## **Exhibit E. List of IMRF's Minority Investment Management Firms**

### **Illinois Municipal Retirement Fund Emerging, Minority, Female and Disabled - Owned Investment Management Firms**

**As of September 30, 2016**

#### **1315 Capital, LLC**

3020 Market Street, Suite 104  
Philadelphia, PA 19104

#### **Advent Capital Management, LLC**

1271 Avenues of Americas, 45th Floor  
New York, NY 10020

#### **ARGA Investment Management, LP**

1010 Washington Boulevard, 6th Floor  
Stamford, CT 06901

#### **Ariel Investments, LLC**

200 East Randolph Drive, Suite 2900  
Chicago, IL 60601

#### **Artemis Real Estate Partners**

5404 Wisconsin Avenue, Suite 1150  
Chevy Chase, MD 20815

#### **Ascend Ventures Group**

1500 Broadway, 14th Floor  
New York, NY 10036

#### **Ativo Capital Management, LLC**

120 North LaSalle Street, Suite 2150  
Chicago, IL 60602

#### **AUA Private Equity Partners**

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



**Illinois Municipal Retirement Fund  
Emerging, Minority, Female and Disabled - Owned Investment  
Management Firms**

**As of September 30, 2016**

**Brown Capital Management**

1201 North Calvert Street  
Baltimore, MD 21202

**Canvas Ventures**

3200 Alpine Road  
Portola Valley, CA 94028

**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 Group**

233 Wilshire Boulevard, Suite 800  
Santa Monica, CA 90401

**Concerto Asset Management, LLC**

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

**DBL Investors, LLC**

One Montgomery Street, Suite 2375  
San Francisco, CA 94104

**EARNEST Partners, LLC**

1180 Peachtree Street, Suite 2300  
Atlanta, GA 30309

**Estancia Capital Management, LLC**

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

**Illinois Municipal Retirement Fund  
Emerging, Minority, Female and Disabled - Owned Investment  
Management Firms**

**As of September 30, 2016**

**Garcia Hamilton & Associates, LP**

5 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, LP**

4365 Executive Drive, Suite 720  
San Diego, CA 92121

**Glovista Investments, LLC**

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

**GreenOak Real Estate US, LLC**

285 Madison Avenue, Suite 1800  
New York, NY 10017

**HCP & Company**

200 West Madison, Suite 970  
Chicago, IL 60606

**Holland Capital Management, LLC**

303 West Madison, Suite 700  
Chicago, IL 60606

**Hudson Realty Capital, LLC**

5-9 Union Square West, 6th Floor  
New York, NY 10003

**ICV Capital Partners, LLC**

810 7th Avenue, 35th Floor  
New York, NY 10019

**Illinois Municipal Retirement Fund  
Emerging, Minority, Female and Disabled - Owned Investment  
Management Firms**

**As of September 30, 2016**

**Khosla Ventures, LLC**

2128 Sand Hill Road  
Menlo Park, CA 94025

**LM Capital Group, LLC**

750 B Street, Suite 3010  
San Diego, CA 92101

**Longfellow Investment Management Company, LLC**

20 Winthrop Square, 2nd Floor  
Boston, MA 02110

**Long Wharf Real Estate Partners, LLC**

One Federal Street, 26th Floor  
Boston, MA 02110

**Mayfield Fund, LLC**

2484 Sand Hill Road, Bldg. 4  
Menlo Park, CA 94025

**Metis Global Partners**

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

**Muller & Monroe Asset Management, LLC**

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

**New Century Advisors, LLC**

2 Wisconsin Circle, Suite 940  
Chevy Chase, MD 20815

**New MainStream Capital, LLC**

77 Water Street, 26th Floor  
New York, NY 10005

**Illinois Municipal Retirement Fund  
Emerging, Minority, Female and Disabled - Owned Investment  
Management Firms**

**As of September 30, 2016**

**Newport Capital Partners**

350 North LaSalle, Suite 700  
Chicago, IL 60654

**Noble Investment Group**

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, Suite 302  
Greenwich, CT 06830

**Oak Street Real Estate Capital, LLC**

125 South Wacker Drive, Suite 1220  
Chicago, IL 60606

**Piedmont Investment Advisors, LLC**

2605 Meridian Parkway, Suite 105  
Durham, NC 27713

**Progress Investment Management Company, LLC**

33 New Montgomery Street, Suite 1900  
San Francisco, CA 94105

**Pugh Capital Management Inc.**

520 Pike Street, Suite 2900  
Seattle, WA 98101

**Ramirez Asset Management Inc.**

61 Broadway, 29th Floor  
New York, NY 10006

**Illinois Municipal Retirement Fund  
Emerging, Minority, Female and Disabled - Owned Investment  
Management Firms**

**As of September 30, 2016**

**RLJ Equity Partners, LLC**

7315 Wisconsin Avenue, Suite 900 East  
Bethesda, MD 20814

**Roystone Capital Management, LP**

780 Third Avenue, 41th Floor  
New York, NY 10017

**Sentinel Dome Partners, LLC**

3 Embarcadero Center, Suite 1680  
San Francisco, CA 94111

**Smith Whiley & Company**

37 Jerome Avenue, Suite Two  
Bloomfield, CT 06002

**Storm Ventures, LLC**

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

**Strategic Global Advisors, LLC**

100 Bayview Circle, Suite 650  
Newport Beach, CA 92660

**Syncom Venture Partners**

4800 Hampden Lane, Suite 200  
Bethesda, MD 20814

**Valor Equity Partners**

875 North Michigan Ave, Suite 3214  
Chicago, IL 60611

**Vista Equity Partners, LLC**

401 Congress Avenue, Suite 3100  
Austin, TX 78701

**Illinois Municipal Retirement Fund  
Emerging, Minority, Female and Disabled - Owned Investment  
Management Firms**

**As of September 30, 2016**

**Vistria Group, LP**

300 East Randolph, Suite 4030  
Chicago, IL 60601

**Vivo Capital, LLC**

575 High Street, Suite 201  
Palo Alto, CA 94301

**Wall Street Associates, LLC**

1200 Prospect Street, Suite 100  
La Jolla, CA 92037

## Exhibit F. Minority Broker/Dealer Utilization Policy

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. The Illinois Municipal Retirement Fund Board of Trustees has adopted a policy which sets forth goals for increasing the utilization of minority broker/dealers.

The minimum expectations for the utilization of minority broker/dealers are based on commission dollars for Equities and par value for Fixed Income. Investment managers of separately managed investment portfolios, in the following asset classes, must meet the minimum goals:

<u>Asset Class</u>	<u>2016 Minimum Goal</u>
U.S. Equities	25%
U.S. Large-Cap Equities	30%
U.S. Micro-Cap Equities	7%
International Equities	20%
Fixed Income	22%
High-Yield Bonds	5%
International Small-Cap Equities	5%
Emerging Market Equities	5%

<u>Asset Class</u>	<u>2016 Minimum Goal</u>
Emerging Market Debt	Best Efforts
Bank Loans	Best Efforts
Opportunistic Strategies	Best Efforts
Hedge Funds	Best Efforts

*Note: This broker/dealer utilization goal will be reviewed annually. IMRF may allow current investment managers a limited transition period when minority broker/ dealer utilization goals are increased.*

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 minority broker/dealers. Efforts will be evaluated during semi-annual portfolio review meetings.

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 minority 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.

Transition managers are expected to meet or exceed IMRF's current minority brokerage goals.

Staff will report to the Board of Trustees annually on the utilization of minority broker/dealers. Investment managers not meeting the minority broker/dealer utilization goal will be identified in the report. An investment manager's ability to meet a minority brokerage goal is an integral part of the manager monitoring process. Consequences for not meeting IMRF's minority brokerage goals are situation specific and range from increased monitoring, placement on watch list, asset reduction, termination, and exclusion from receiving additional allocations/mandates.



## Exhibit G. Broker Commissions Paid to Minority-owned firms

### MINORITY, FEMALE AND PERSONS WITH A DISABILITY-OWNED BUSINESS ENTERPRISES EQUITY AND FIXED INCOME BROKERAGE COMMISSIONS PAID

October 1, 2015 - September 30, 2016

<b>Academy Securities Inc.</b> 550 W Van Buren, Suite 1410 Chicago, IL 60607	\$	9,022
<b>Alamo Capital</b> 201 N Civic Drive, Suite 360 Walnut Creek, CA 94596	\$	10,231
<b>Andes Capital</b> 205 W. Wacker Drive, Suite 1804 Chicago, IL 60606	\$	3,627
<b>Blaylock Robert Van, LLC</b> 208 S. LaSalle Street, Suite 1331 Chicago, IL 60604	\$	80,725
<b>BOE Securities</b> 440 South LaSalle Street, 4th Floor Chicago, IL 60605	\$	6,579
<b>Bonwick Capital Partners</b> 40 West 57th Street, 27th Floor New York, NY 10019	\$	7,282
<b>Cabrera Capital Markets</b> 10 South LaSalle Street, Suite 1050 Chicago, IL 60603	\$	134,758
<b>Capital Institutional Services</b> 1601 Elm Street, Suite 3900 Dallas, TX 75201	\$	77,999

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

**October 1, 2015 - September 30, 2016**

<b>CastleOak Securities</b> 111 East 58th Street, 6th Floor New York, NY 10022	\$	215,129
<b>Cheevers &amp; Co</b> 440 South LaSalle Street, Suite 415 Chicago, IL 60605	\$	404,469
<b>CL King &amp; Associates</b> One Liberty Square, 5th Floor Boston, MA 02109	\$	128,127
<b>Divine Capital Markets</b> 39 Broadway, 36th Floor New York, NY 10006	\$	2,027
<b>Drexel Hamilton</b> 2000 Market Street, Suite 780 Philadelphia, PA 19103	\$	107,387
<b>Falcon Square Capital</b> 4000 Westchase Blvd., Suite 310 Raleigh, NC 27607	\$	3,256
<b>FIG Group</b> 3710 Rawlins Street, Suite 975 Dallas, TX 75219	\$	7,016
<b>Great Pacific</b> 151 Kalmus Drive, Suite H8 Costa Mesa, CA 92626	\$	2,092
<b>Guzman &amp; Company</b> 101 Aragon Avenue Coral Gables, FL 33134	\$	215

*Exhibit G  
Broker Commissions Paid to Minority-owned Firms*

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

**October 1, 2015 - September 30, 2016**

<b>Loop Capital Markets</b>	<b>\$</b>	<b>743,735</b>
200 West Jackson Blvd., Suite 1600 Chicago, IL 60606		
<b>M. Ramsey King Securities, Inc.</b>	<b>\$</b>	<b>424,519</b>
93 Tomlin Circle Burr Ridge, IL 60527		
<b>MFR Securities</b>	<b>\$</b>	<b>1,190</b>
675 3rd Ave New York, NY 10017		
<b>Mischler Financial Group</b>	<b>\$</b>	<b>61,364</b>
1101 Bayside Drive, Suite 201 Corona del Mar, CA 92625		
<b>Montrose Securities</b>	<b>\$</b>	<b>7,178</b>
44 Montgomery Street, Suite 3050 San Francisco, CA 94104		
<b>North South Capital</b>	<b>\$</b>	<b>327,466</b>
200 W. Adams Street, Suite 2230 Chicago, IL 60606		
<b>Pacific American Securities</b>	<b>\$</b>	<b>6,270</b>
9191 Towne Centre Drive, Suite 406 San Diego, CA 92122		
<b>Penserra Securities LLC</b>	<b>\$</b>	<b>150,675</b>
20 Broad Street, Suite 2602 New York, NY 10005		
<b>Podesta and Company</b>	<b>\$</b>	<b>3,604</b>
208 S LaSalle Street, Suite 1460 Chicago, IL 60604		

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

**October 1, 2015 - September 30, 2016**

<b>Sturdivant &amp; Co</b> Plaza 1000 at Main St., Suite 200 Voorhees, NJ 08043	\$	<b>71,055</b>
<b>Telsey Advisory Group</b> 535 Fifth Avenue, 12th Floor New York, NY 10017	\$	<b>6,648</b>
<b>Thomas Reynolds</b> 45 Broadway, 31st Floor New York, NY 10006	\$	<b>68,089</b>
<b>Topeka Capital Markets</b> 40 Wall Street New York, NY 10005	\$	<b>123,559</b>
<b>Tribal Capital Markets</b> 405 Lexington Ave, 54th Floor New York, NY 10174	\$	<b>18,741</b>
<b>Vandham Securities</b> 50 Tice Blvd. Woodcliff Lake, NJ 07677	\$	<b>77,783</b>
<b>Williams Capital Group, LP</b> 650 Fifth Avenue, 11th floor New York, NY 10019	\$	<b>175,946</b>
<b>TOTAL COMMISSIONS PAID</b>	\$	<b>3,467,761</b>

## **Exhibit H. Diversity Fiduciary Policy**

### **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."

IMRF will work to ensure its workforce reflects the recruiting area's population or the population diversity of the recruiting area diversity as reported in the most recent decennial census.

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 programs, with eligibility after two years of employment.

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 I. Purchasing Diversity Policy**

### **Purpose**

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 statutes.

### **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 20% 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 building and staff related payments such as postage, rent, travel expenses and insurance premiums.

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 15% 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 statutory diversity guidelines. These goals shall be reviewed by the IMRF Board of Trustees annually.

All terms used in this policy shall have the same definitions as those found in the Illinois Business Enterprise for Minorities, Females, and Persons with Disabilities Act (30 ILCS 575 et seq.).



## **Exhibit J. Policy for the Selection of Investment Consultants**

### **1. Purpose**

This policy defines the process used by the Board to procure investment consultants.

### **2. Philosophy**

The Board will use professional investment consultants that are fiduciaries to make recommendations on investment strategy and asset allocation; report on the performance of the investment portfolio and investment managers; assist with the selection of investment managers; and recommend new investment opportunities.

### **3. Procurement Process**

The process for selecting investment consultants will be competitive and open. A search may be started due to the expiration of a contract, termination of an investment consultant or a need to add an investment consultant. A Request for Proposal (RFP) shall be prepared by Staff based on the investment consultant services needed. The RFP shall be advertised in the State newspaper and a notice will be posted on the IMRF website. The RFP shall be made available on the IMRF website at least fourteen days before the response is due. An RFP will be conducted every 5 years as required by Section 1-113.14 of the Illinois Pension Code.

### **4. RFP Specifications**

The RFP will provide background information on IMRF and will request detailed information on matters relevant to the investment consultant search being conducted. The RFP will generally be organized as follows:

- (a)** Introduction and Goal of RFP
- (b)** Background Information on IMRF
- (c)** Services to be Performed
- (d)** Qualifications for Assignment
- (e)** Specifications for Assignment
- (f)** Requirements and Instruction for RFP Completion
- (g)** General Terms and Conditions of the Contract Including Criteria for the Evaluation of Performance

**(h)** Selection Process

**(i)** Projected Timeline for Completion of the Investment Consultant Search

## **5. Quiet Period**

The Quiet Period is the period of time beginning when the investment consultant search RFP is issued and ends when the investment consultant is selected by the Board or the process is declared to be complete.

Investment consultant respondents shall not contact IMRF Board members during the Quiet Period and should direct all communications to the Chief Investment Officer, or the Executive Director, or the contact identified in the RFP.

Incumbent investment consultant respondents may communicate with IMRF Board members during the Quiet Period, but may not discuss the investment consultant search with the Board during the Quiet Period.

The purpose of the Quiet Period is to ensure that all prospective investment consultants have equal access to information regarding the search objective and requirements; to be certain that communications are consistent and accurate; and to make the search process and selection process efficient, diligent and fair.

The Quiet Period will be posted to the IMRF website to prevent inadvertent violations by investment consultants responding to the RFP.

IMRF Board members shall refrain from communicating with the respondents regarding any product or service related to the search during the Quiet Period unless this communication takes place during a Consultant presentation related to the search recommendation.

IMRF Staff shall refrain from communicating with the respondents regarding any product or service related to the search during the Quiet Period unless this communication is initiated by the RFP team for information related to the search.

An investment consultant respondent shall be disqualified for violating the Quiet Period.

## **6. Selection Process**

Staff shall objectively review the RFP's to identify qualified candidates based solely on the criteria presented in the RFP. Staff may interview all; some or none of the RFP respondents, undertake site visits to respondent offices, and conduct such other due diligence as is prudent under the circumstances.

Staff will prepare a report and make a recommendation to the Investment Committee during a public meeting of the Investment Committee.

The Investment Committee will consider Staff's recommendation and will determine if a recommendation for the award of a contract will be made to the Board. The Board shall then act on the recommendation of the Investment Committee.

During the selection process all respondents to the RFP will be evaluated and ranked based upon:

- (a)** Organization - stability, ownership, documented experience of key professionals, and diversity efforts.
- (b)** Consulting Skill - investment philosophy, investment manager information collection and monitoring systems, risk management tools, performance measurement systems and breadth of consulting expertise and experience.
- (c)** Fees - Consulting fees for services requested and associated costs.

Staff is required to identify all minority and female owned firms and firms owned by a person with a disability in the report presented to the Investment Committee. Staff must specify the reasons when these firms are not included in the recommendation.

IMRF reserves the right to reject any respondents due to noncompliance with the requirements and instructions in the RFP.

IMRF also reserves the right to not hire or defer the hiring of any investment consultant.

## **7. Contract Execution**

When the contract has been awarded by action of the IMRF Board of Trustees, Staff will take the steps necessary to retain the investment consultant including negotiations and execution of the contract. The term of the contract shall not exceed five years.

Upon execution of the contract, a summary of the contract will be posted on the IMRF website, as required by Section 1-113.14 of the Illinois Pension Code.

## **Exhibit K. Policy for the Selection of Investment Managers**

### **1. Purpose**

This policy defines the process used by the Board to procure investment managers.

### **2. Philosophy**

The Board recognizes the availability of qualified minority, female, and person with a disability owned business enterprises.

It is the policy of the Board to include qualified minority managers in the selection process and to objectively evaluate all qualified investment manager candidates regardless of race, gender or handicap.

All qualified investment manager candidates will be evaluated based on: demonstrated professional performance; organizational depth; institutional investment management capability; and reasonableness of fee structure, regardless of the amount of investment assets under management, or age of the investment management firm.

The Board will use professional consultants that do not use discriminatory practices in the creation and maintenance of their investment manager databases and will require the consultants used by the Fund to affirm their use of nondiscriminatory practices when evaluating investment manager candidates.

### **3. Procurement Process**

When a search is necessary to fill a need in the investment portfolio (e.g. termination of a manager or addition of a new mandate to the portfolio) a Request for Proposal (RFP) shall be prepared. The search will be advertised in the State newspaper and a notice will be posted on the IMRF website. The RFP shall be made available on the IMRF website at least fourteen days before the response is due. When appropriate, the RFP shall also be made available on the investment consultant's website.

An RFP process is not required to place additional assets with an investment management firm that already manages IMRF assets. Upon termination of a manager, assets may be placed with any appropriate investment management firm and/or transition management firm pending a decision for final disposition by the Board.

#### **4. RFP Specifications**

The RFP will provide background information on IMRF and will request detailed information on matters relevant to the investment manager search being conducted. The RFP will generally be organized as follows:

- (a)** Introduction and Goal of the RFP
- (b)** Background Information on IMRF
- (c)** Services to be Performed
- (d)** Qualifications for the Assignment
- (e)** Specifications for the Assignment
- (f)** Requirements and Instructions for RFP Completion
- (g)** General Terms and Conditions of the Contract Including Performance Review Criteria
- (h)** Selection Process and Criteria
- (i)** Projected Timeline for Completion of the Manager Search

#### **5. Quiet Period**

The Quiet Period is the period of time beginning when the investment manager search RFP is issued and ends when the investment manager is selected by the Board or the process is declared to be complete.

Investment manager respondents shall not contact IMRF Board members during the Quiet Period and should direct all communications to the Chief Investment Officer or the Executive Director or the contact identified in the RFP.

The purpose of the Quiet Period is to ensure that all prospective investment managers have equal access to information regarding the search objective and requirements; to be certain that communications are consistent and accurate; and to make the search process and selection process efficient, diligent and fair.

The Quiet Period will be posted to the IMRF website to prevent inadvertent violations by investment managers responding to the RFP. IMRF Board members shall refrain from communicating with the respondents regarding any product or service related to the search during the Quiet Period unless this communication takes place during a manager presentation related to the search recommendation.

IMRF Staff shall refrain from communicating with the respondents regarding any product or service related to the search during the Quiet Period unless this communication is initiated by the RFP team for information related to the search.

An investment manager respondent shall be disqualified for violating the Quiet Period.

## **6. Selection Process**

For searches when a consultant is retained, Staff and consultant will work jointly. Staff shall objectively review the RFP's to identify qualified candidates based solely on the criteria presented in the RFP. Staff and consultant may interview all, some or none of the RFP respondents, undertake site visits to respondent offices, and conduct such other due diligence as is prudent under the circumstances. The process may end at this point if there are no qualified candidates among the respondents.

Staff will present the results of the RFP process to the Investment Committee in the form of a written report. This report will be presented during a public meeting. Staff will make a recommendation to the Board or the Investment Committee of the Board. The Board will consider the recommendation from Staff and determine if the award of a mandate will be made.

During the selection process all respondents to the RFP will be evaluated and ranked on four primary factors:

- (a) People** - stability of the organization, ownership structure, diversity efforts and documented experience of key professionals
- (b) Process** - clearly defined, reasonable and repeatable investment strategy
- (c) Performance** - documented ability to meet investment performance benchmarks
- (d) Pricing** - fee schedule and associated costs

Staff and consultant are required to identify all minority and female owned firms and firms owned by a person with a disability in the report presented to the Investment Committee. The most qualified minority candidate(s) will be invited to present to the Board or the Investment Committee of the Board. Staff and consultant must specify the reason when these firms are not included in the recommendation.

IMRF reserves the right to reject respondents due to noncompliance with the requirements and instructions in the RFP.

IMRF also reserves the right to not hire or defer the hiring of any investment manager.

### **Contract Execution**

When the contract has been awarded by action of the IMRF Board of Trustees, Staff will take the steps necessary to retain the investment manager including negotiations and execution of the contract.

### **7. Website Postings required by Section 1-113.14 of the Illinois Pension Code.**

Upon execution of an investment management agreement, a summary of the contract will be posted on the IMRF website in the Investments portal under Investment Managers. Results of manager searches conducted by RFP will be posted under Business Opportunities. Investments made without a formal RFP will be posted under Business Opportunities and shall name the person(s) authorizing the procurement and the reason for the exception.