



August 18, 2017

The Honorable Bruce Rauner
Governor of Illinois
James R. Thompson Center
100 West Randolph, Floor 16
Chicago, Illinois 60601

Dear Governor Rauner:

The Illinois Municipal Retirement Fund (IMRF) Board of Trustees is pleased to submit its annual report on Illinois Economic Opportunity Investments made by this retirement system as required by Section 1A-108.5 of the Illinois Pension Code. As of June 30, 2017, IMRF employed 35 Illinois-based investment management firms and private equity partnerships managing assets with a market value of \$15.9 billion, representing 41.1% of the total IMRF investment portfolio. Additionally, IMRF is invested in 111 properties located in Illinois representing \$146.6 million in aggregate and 7.21% of IMRF's real estate portfolio as of March 31, 2017 (latest available information).

Table I identifies the economic opportunity investments made by IMRF with Illinois-based private equity partnerships and investment management firms. It also identifies the primary location of the business and the percentage of IMRF's assets in these economic opportunity investments.

Table II identifies the Illinois economic opportunity investments made by IMRF in real estate properties as of March 31, 2017 (latest available information). Table II also identifies the location of each property.

Table III identifies the Illinois economic opportunity investments made by IMRF in private equity portfolio companies as of March 31, 2017 (latest available information). Table III also identifies the primary location of the business or project. IMRF has indirect holdings in these private equity portfolio companies.

IMRF promotes the economy of the State of Illinois by encouraging its investment managers to use Illinois-based broker/dealers. During the 12-month period ended June 30, 2017, IMRF's brokerage commissions generated by trades executed through Illinois-based broker/dealers were approximately \$1.7 million. This represented 14.7% of IMRF's equity brokerage commissions for the same period.

During the 12-month period ended June 30, 2017, IMRF's par-value trades executed through Illinois-based broker/dealers were approximately \$3.5 billion. This represented 3.7% of total IMRF fixed income par-value trades for the same period.

Importantly, IMRF's Board of Trustees has adopted and implemented the following policy to increase the use of economic opportunity investments in Illinois:

"The Board recognizes that investments made in businesses operating in Illinois and in real estate and other assets in the state may contribute to an improved economic climate in the state. Therefore, where investment characteristics such as competitive rate of return in relation to the risks involved, minimum quality standards, liquidity considerations, and other investment objectives of the Board are equivalent, the Board favors investments which will have a positive impact on the economy of Illinois. However, nothing in this paragraph shall be construed to favor the foregoing of investment return in order to provide a subsidy to a particular group to the detriment of the Fund members, their beneficiaries, or their public employers."

IMRF continues to seek out and promote economic development within the State of Illinois. The IMRF policy encourages economic opportunity investments in Illinois and the high percentage of IMRF's assets allocated to Illinois based investment managers demonstrates our commitment to promoting economic activity in our State.

Sincerely,

Louis W. Kosiba
Executive Director

LWK: ENS

Table I
Illinois-Based Investment Management Firms and Private Equity Partnerships

<i>Illinois-Based Managers</i>	<i>City</i>	<i>MV/Commitment as of 6/30/2017 (in millions)</i>	<i>Percentage of Total IMRF's Assets Under Management as of 6/30/2017</i>
Arbor Investments III	Chicago	\$2.7	0.0%
ARCH Venture Partners	Chicago	2.9	0.0%
Ariel Investments	Chicago	1.5	0.0%
Ativo Capital Management	Chicago	127.7	0.3%
Beecken, Petty, O'Keefe IV	Chicago	10.0	0.0%
BMO Asset Management	Chicago	1,376.9	3.6%
Channing Capital Management	Chicago	212.6	0.6%
Code, Hennessey & Simmons	Chicago	3.7	0.0%
GTCR Golder Rauner LLC	Chicago	16.5	0.0%
Holland Capital Management	Chicago	942.9	2.4%
Industrial Opportunity Partners II	Evanston	0.9	0.0%
Lake Capital Partners II, LP	Chicago	2.8	0.0%
LaSalle Income & Growth VI	Chicago	20.0	0.0%
LaSalle Income & Growth VII	Chicago	25.0	0.0%
LSV Asset Management	Chicago	1,395.1	3.6%
Madison Dearborn Partners	Chicago	24.5	0.0%
Muller & Monroe Asset Mgmt ⁽¹⁾⁽²⁾	Chicago	50.0	0.1%
<i>Hispania P/Equity Fund II</i> ⁽²⁾	Chicago	-	-
<i>MK Capital II</i> ⁽²⁾	Northbrook	-	-
Newport Capital Partners I, L.P.	Chicago	14.9	0.0%
Northern Trust Investments	Chicago	10,250.7	26.6%
Oak Street Real Estate Capital III	Chicago	25.0	0.0%
Oak Street Real Estate Capital IV	Chicago	75.0	0.2%
Pfingsten Partners III, LP	Chicago	4.6	0.0%
Security Capital	Chicago	51.2	0.2%
Valor Equity Partners III	Chicago	5.0	0.0%
Valor Equity Partners IV	Chicago	75.0	0.2%
Vista Credit Opportunities Fund I	Chicago	50.0	0.1%
Vista Credit Opportunities Fund II	Chicago	50.0	0.1%
Vistria Fund - <i>Pantheon</i>	Chicago	3.0	0.0%
Vistria Fund - <i>Direct</i>	Chicago	15.0	0.0%
Vistria Fund II	Chicago	75.0	0.2%
Water Street Healthcare Partners	Chicago	3.0	0.0%
Waud Capital Partners QP IV	Chicago	4.0	0.0%
William Blair & Company	Chicago	935.2	2.4%
Total		\$ 15,852.0	41.1%

(1) Muller & Monroe is an Illinois-based, African American private equity fund-of-funds manager whose first fund (ILPEFF) invests in minority, women, Illinois and Midwest.

(2) Muller & Monroe's second fund (M2PEFF) invests in emerging funds in the US and Canada.

Table II
Illinois-Based Real Estate Investments

Real Estate

City

Direct Investments

Carol Point III
DuPage County Industrial

Carol Stream
Glendale Heights/Elmhurst

Commingled Fund Investments

1000 Business Center Drive
1001-11 Commerce Court
1003 N. Rush
1005 Westgate Drive
1050 Business Center Drive
123 North Wacker
1400 Business Center Drive
1441 Business Center Drive
1500 Bishop Court
1525 Chase Avenue
1550 Bryn Mawr Avenue
1794 Winthrop Road
1855 Greenleaf Avenue
1925 Busse Road
2020 Parkes Drive
2080 Lunt Avenue
2287 Mt. Prospect Road
250 N. Mannheim
2500 Lunt Avenue
2700 Alft Lane
2707 Eola
2750 Alft Lane
3501 Mount Prospect
370 Randy Road
3838 N. River Road
385 Kimberly Drive
431 Lakeview Court
475 Kehoe Boulevard
520 Business Center
55 Howard Avenue
5601-5631 W. Howard Avenue
5633-5675 W. Howard Avenue
5677-5707 W. Howard Avenue
5700 McDermott
5709-5751 W. Howard Avenue
65 S. Fairbank Street
701 Lunt Avenue
820 Commerce Parkway

Mount Prospect
Buffalo Grove
Chicago
Addison
Mount Prospect
Chicago
Mount Prospect
Mount Prospect
Mount Prospect
Elk Grove Village
Itasca
Des Plaines
Elk Grove Village
Elk Grove Village
Broadview
Elk Grove Village
Des Plaines
Hillside
Elk Grove Village
Elgin
Aurora
Elgin
Franklin Park
Carol Stream
Schiller Park
Carol Stream
Mount Prospect
Carol Stream
Mount Prospect
Des Plaines
Niles
Niles
Niles
Berkeley
Niles
Addison
Elk Grove Village
Carpentersville

951 Commerce Court
951 Main Street
Albion Avenue
Alexander Farm
ARCP
ARCP
ARCP
Avant at the Arboretum
BRE Select – Clarion
BRE Select – Clarion
Bauer Farm
Belden Centre
Bloomingdale Corporate Center
Central Park of Lisle
City View at the Highlands
Club Quarters
Clybourn Galleria
Crossland Economy Studios
Dollar General Corporation
Dollar General Corporation
Duke
Duke
Dwyer Farm
El Cubano
Freedom Commons
GE Core
GE Core
GE Core
GE Core – One Lincoln Center
GE Core – Oakbrook Terrace Tower
GE Core
Hanover Place
InTown Suites Chicago West
InTown Suites Downers Grove
InTown Suites O’Hare
Joliet and DuPage
MetLife Inc.
Midway Square
Mondial River West
Motel 6
Motel 6
Motel 6
Motel 6
Motel 6
Motel 6
Motel 6
Motel 6
Motel 6
Motel 6
Motel 6
Motel 6
Motel 6

Buffalo Grove
Lombard
Schaumburg
Moultrie
Chicago
Hillside
Oswego
Lisle
Deerfield
Lombard
Christian
Chicago
Bloomingdale
Lisle
Lombard
Chicago
Chicago
Waukegan
Andalusia
Woodhull
Downers Grove
Rosemont
Douglas
Chicago
Naperville
Deerfield
Des Plaines
Oak Brook
Oak Brook Terrace
Oak Brook Terrace
Westchester
Tinley Park
Villa Park
Downers Grove
Elk Grove Village
Various
Aurora
Chicago
Chicago
Arlington Heights
Aurora
Caseyville
East Peoria
Elk Grove Village
Glenview
Joliet
Rolling Meadows
Schiller Park
Springfield
Villa Park

Motorola Solutions Inc.
North Water Residences
Praedium
Promenade Bolingbrook
Proviso Drive
Red Roof Inn
Red Roof Inn
Reserve at Evanston
River North Point
Rook – Midway Village
Rook – Wright Campus
Rook
Seggebruch Farm
Shire
Shops at GlenPoint
The Arboretum
Van Buskirk Farm
Westlake Plaza
Westmont Village Apartments
Wheaton 121
Willis Tower

Schaumburg
Chicago
Lombard
Bolingbrook
Melrose Park
Joliet
Naperville
Evanston
Chicago
Chicago
Chicago
Lake Barrington
Woodford
Bannockburn
Glenview
South Barrington
Vermillion
Wilmette
Westmont
Wheaton
Chicago

Table III
Illinois-Based
Private Equity Portfolio Companies

<i>Illinois Based Companies</i>	<i>City</i>
Aasonn Holdings	Naperville
Acura Pharmaceuticals	Palatine
Acxiom IT Outsourcing, Inc.	Downers Grove
Adar IT	Arlington Heights
Addus Healthcare, Inc.	Palatine
Alliantgroup	Chicago
Allston Trading	Chicago
Applied Systems, Inc.	University Park
Arcanum Alloy Design	Chicago
ATI Physical Therapy	Bolingbrook
Belly, Inc.	Chicago
Berlin Packaging	Chicago
BluePay Processing, Inc.	Naperville
Caremerge, Inc.	Chicago
Catalytic, Inc.	Chicago
CCC Information Services	Chicago
Celerity Pharmaceuticals, LLC	Rosemont
Chicago Board Option Exchange	Chicago
Ciespace Corporation	Oak Brook
Cirrus Holdings, LLC	Schaumburg
CloudCraze Software, LLC	Chicago
Collaborative Learning, Inc.	Oakbrook Terrace
ComPsych Corporation	Chicago
Coskata	Warrenville
Culligan International Group	Rosemont
Dough, Inc.	Chicago
DuPage Medical Group	Downers Grove
Durata Therapeutics, Inc.	Chicago
EN Engineering, LLC	Downers Grove
Enlivant	Chicago
Ensono, LLC	Downers Grove
Espark	Chicago
Evanston Capital	Evanston
Eved LLC	Chicago
Flexera Software, LLC	Itasca

FLS Transportation Services	Chicago
Fooda, Inc.	Chicago
Fort Dearborn Company	Elk Grove Village
Gamma Technologies, Inc.	Westmont
Generation Brands, Inc.	Skokie
Goji Food Solutions	Chicago
Greco & Sons	Bartlett
Grosvenor Capital Management	Chicago
Help at Home, Inc.	Chicago
Horizon Pharma	Deerfield
Hub international Ltd.	Chicago
Infiniscene, Inc.	Chicago
Innovation Group Investors, L.P.	Chicago
Insureon Holdings, LLC	Chicago
Intellisys Technology	Oak Brook
Izar Solar	Champaign
Jimmy John's Gourmet Sandwich Shops	Champaign
Juice Tyme Acquisition Corp.	Chicago
Kaufman Hall and Associates	Skokie
Kettle Partners	Chicago
Kuvare Holdings, LLC	Chicago
Lanai Holdings, LLC	Warrenville
Language Stars, LLC	Chicago
Lanzatech NZ Ltd.	Chicago
Maestro Healthcare Technology	Highland Park
Market Track	Chicago
Millenium Trust Company, LLC	Oak Brook
Narrative Science, Inc.	Chicago
Network Merchants, Inc.	Roselle
Northshore Holdings Limited	Chicago
Nuveen Investments, Inc.	Chicago
NXT Capital Holdings	Chicago
Oasis Financial	Rosemont
Omega Wireless	Chicago
Option Care, Inc.	Buffalo Grove
Origin Healthcare Solutions	Chicago
Parts Town, LLC	Addison
Peacock Foods	Geneva
Perfect Pipeline, Inc.	Chicago
Portillos	Chicago
PowerReviews, Inc.	Chicago
Pregis Corporation	Deerfield

PrepMe	Chicago
R.J. O'Brien & Associates, LLC	Chicago
Raise Marketplace Inc	Chicago
Raymundos Food Group, LLC	Bedford Park
Resolute Industrial Holdings, LLC	Wheeling
Salt Creek Advisors	Chicago
SG360	Chicago
SGDL Holdings, Inc.	Wheeling
Singlehop	Chicago
Skinny Corp	Chicago
SMS Assist, LLC	Chicago
Spothero Inc.	Chicago
Sprout Social	Chicago
ST Residential	Chicago
Standard Bancshares, Inc.	Hickory Hills
STATS LLC	Northbrook
Sun Trading LLC	Chicago
Tagkast, Inc.	Chicago
Tecta America Corporation	Rosemont
TerSera Therapeutics	Chicago
The Warranty Group, Inc.	Chicago
Time-O-Matic, Inc.	Danville
Transilwrap Inc.	Franklin Park
TransUnion Corporation	Chicago
Univa UD	Lisle
US Foods	Rosemont
Vantage Specialty Chemicals Holdings	Chicago
Veriflow Systems	Champaign
Vivid Seats, LLC.	Chicago
VSA Partners, Inc.	Chicago
Watchfire Technologies, Inc.	Danville
Watermelon Express	Chicago
Wellspring Worldwide, Inc.	Chicago
Wilton Products, Inc.	Woodridge

These holdings are privately placed investments through commingled private equity investments. Therefore, IMRF does not have individual company valuations.