



August 28, 2015

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, 2015, IMRF employed thirty-nine Illinois-based investment management firms and private equity partnerships managing assets with a market value of \$14.2 billion, representing 40.0% of the total IMRF investment portfolio. Additionally, IMRF is invested in eighty-eight properties located in Illinois representing \$164.8 million in aggregate and 11.1% of IMRF's real estate portfolio as of March 31, 2015 (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, 2015 (latest available information). Table II also identifies the location of each property.

Table III identifies the Illinois economic opportunity investments made by IMRF in hedge fund managers and private equity portfolio companies as of March 31, 2015 (latest available information). Table III identifies the primary location of the business or project. IMRF has indirect holdings in these hedge fund managers and 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, 2015, IMRF's brokerage commissions generated by trades executed through Illinois-based broker/dealers were approximately \$1.9 million. This represented 8.8% of total IMRF brokerage commissions 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>Market Value as of 6/30/2015 (in millions)</i>	<i>Percentage of Total IMRF's Assets Under Management as of 6/30/2015</i>
Arbor Investments III	Chicago	\$2.7	0.0%
ARCH Venture Partners	Chicago	2.9	0.0%
Ariel Investments	Chicago	84.2	0.2%
Ativo Capital Management	Chicago	93.8	0.3%
Aurora Investment Management	Chicago	583.6	1.6%
<i>Kabouter Mgmt LLC</i>	Chicago	-	-
<i>Balyasny Asset Mgmt</i>	Chicago	-	-
Beecken, Petty, O'Keefe IV	Chicago	10.0	0.0%
BMO Asset Management	Chicago	1,247.1	3.5%
Channing Capital Management	Chicago	181.5	0.5%
Code, Hennessey & Simmons	Chicago	4.0	0.0%
Premier Partners IV		159.2	0.5%
<i>Alexander Farm</i>	Moultrie County	-	-
<i>Bauer Farm</i>	Christian County	-	-
<i>Dwyer Farm</i>	Douglas County	-	-
<i>Seggebruch Farm</i>	Woodford County	-	-
<i>Van Buskirk Farm</i>	Vermillion County	-	-
GTCR Golder Rauner LLC	Chicago	27.0	0.1%
Holland Capital Management	Chicago	967.2	2.7%
Industrial Opportunity Partners II	Evanston	0.9	0.0%
Lake Capital Partners II, LP	Chicago	2.8	0.0%
LSV Asset Management	Chicago	1,234.5	3.5%
Madison Dearborn Partners	Chicago	20.5	0.1%
Muller & Monroe Asset Mgmt ⁽²⁾	Chicago	50.0	0.1%
<i>DN Partners</i> ⁽¹⁾	Chicago	-	-
<i>Hispania P/Equity Fund II</i> ⁽²⁾	Chicago	-	-
<i>Hopewell Ventures</i> ⁽¹⁾	Chicago	-	-
<i>LaSalle Capital Group</i> ⁽¹⁾	Chicago	-	-
<i>MK Capital II</i> ⁽²⁾	Northbrook	-	-
<i>Prism Mezzanine Fund</i> ⁽¹⁾	Chicago	-	-
<i>Rock Island Partners</i> ⁽¹⁾	Oak Brook	-	-
Newport Capital Partners I, L.P.	Chicago	14.9	0.0%
Northern Trust Investments	Chicago	8,600.4	24.2%
Pfingsten Partners III, LP	Chicago	4.6	0.0%
Valor Equity Partners III	Chicago	5.0	0.0%
Vista Credit Opportunities Fund I	Chicago	50.0	0.1%
Vistria Fund	Chicago	5.0	0.0%
Water Street Healthcare Partners	Chicago	3.0	0.0%

William Blair & Company	Chicago		846.7	2.4%
Willis, Stein & Partners	Chicago		5.0	0.0%
Total		\$	14,206.5	40.0%

(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

<u>Real Estate Fund</u>	-	<u>City</u>
<u>Direct Investments</u>		
Carol Point III		Carol Stream
Mallard Lakes		Hanover Park
DuPage County Industrial		Glendale Heights/Elmhurst
<u>Commingled Fund Investments</u>		
1003 Rush		Chicago
1360 Madeline Lane		Elgin
1640 Fullerton Court		Glendale Heights
1690 Cambridge Drive		Elgin
181 West Madison		Chicago
1925 Busse Road		Elk Grove Village
2700 Alft Lane		Elgin
2707 Eola		Aurora
2750 Alft Lane		Elgin
4675 Turnberry Drive		Hanover Park
600 & 700 North Commerce		Aurora
Avant at the Arboretum		Lisle
Axis Apartments		Chicago
Belden Centre		Chicago
Broadway at Surf		Chicago
Central Park of Lisle		Lisle
Chicago IX Industrial		Various
Clover Creek		Lombard
Clybourn Galleria		Chicago
Comfort Suites Bloomington		Bloomington
Courtyard Bloomington		Bloomington
Courtyard Champaign		Champaign
Courtyard Peoria		Peoria
Courtyard Springfield		Springfield
Danada Square East		Wheaton
Dermody Industrial		McCook
Executive Towers		Downers Grove
Fairfield Inn & Suites Champaign		Champaign
Fairfield Inn & Suites Forsyth		Forsyth
Fairfield Inn & Suites Galesburg		Galesburg
Fairfield Inn & Suites Joliet		Joliet
Fairfield Inn & Suites Kankakee		Kankakee
Fairfield Inn & Suites Naperville		Naperville
Fairfield Inn & Suites Peru		Peru
Fairfield Inn & Suites Quincy		Quincy
Fairfield Inn & Suites Tinley Park		Tinley Park
Focus Senior Housing		Tinley Park
Hampton Inn Tinley Park		Tinley Park

Highland Landmark V	Downers Grove
Hillside Town Center	Chicago
Hotel Indigo Chicago-Vernon Hills	Vernon Hills
InTown Suites Chicago West	Villa Park
InTown Suites Downers Grove	Downers Grove
InTown Suites O'Hare	Elk Grove Chicago
Joliet and DuPage	<i>Various</i>
Kingsbury Center	Chicago
Marriott Chicago Southwest	Burr Ridge
Midway Square	Chicago
Mondial River West	Chicago
Motel 6 – Arlington Heights	Arlington Heights
Motel 6 – Aurora – Southwest	Aurora
Motel 6 – East Peoria	East Peoria
Motel 6 – Elk Grove	Elk Grove Village
Motel 6 – Glenview	Glenview
Motel 6 – Joliet – North I-55	Joliet
Motel 6 – Normal	Normal
Motel 6 – Northwest	Rolling Meadows
Motel 6 – O'Hare Airport	Schiller Park
Motel 6 – Springfield	Springfield
Motel 6 – St. Louis	Caseyville
Motel 6 – West	Villa Park
Oak Brook Court	Oak Brook
Oakview Corporate Park	West Dundee
O'Hare International Drive	Rosemont
One O'Hare Center	Chicago
Prairie Market	Oswego
Promenade Bolingbrook	Bolingbrook
Randall Point	Elgin
Reserve at Evanston	Evanston
Residence Inn Deerfield	Deerfield
Residence Inn Lombard	Lombard
Residence Inn Peoria	Peoria
Residence Inn Rockford	Rockford
River Run at Naperville	Naperville
Riverway	Rosemont
Riverway Daycare	Rosemont
Sleep Inn Springfield	Springfield
SpringHill Suites Burr Ridge	Burr Ridge
SpringHill Suites Elmhurst	Elmhurst
Territorial North	Bolingbrook
The Arboretum	South Barrington
The Preserve at Osprey	Gurnee
TownePlace Suites Naperville	Naperville
VIP Holdings	Chicago
Westlake Plaza	Wilmette

Table III
Illinois-Based
Hedge Fund Partnerships and Private Equity Portfolio Companies

<i>Illinois Based Company</i>	<i>City</i>
<i>Aasonn Holdings</i>	<i>Naperville</i>
<i>ABRA Auto Body & Glass</i>	<i>O'Fallon</i>
<i>Acme Industries, Inc.</i>	<i>Des Plaines</i>
<i>Acura Pharmaceuticals</i>	<i>Palatine</i>
<i>Adar IT</i>	<i>Arlington Heights</i>
<i>Addus Healthcare, Inc.</i>	<i>Palatine</i>
<i>Aldera, Inc</i>	<i>Lisle</i>
<i>Alliantgroup</i>	<i>Chicago</i>
<i>Allston Trading</i>	<i>Chicago</i>
<i>Applied Systems, Inc.</i>	<i>University Park</i>
<i>Aquion Water Treatment Products</i>	<i>Elk Grove Village</i>
<i>Arcanum Alloy Design</i>	<i>Chicago</i>
<i>Athletico Management, LLC</i>	<i>Hinsdale</i>
<i>Automated Teller Machines*</i>	<i>Illinois</i>
<i>Belly, Inc.</i>	<i>Chicago</i>
<i>BenchPrep, Inc.</i>	<i>Chicago</i>
<i>Berlin Packaging</i>	<i>Chicago</i>
<i>Big Machines, Inc.</i>	<i>Chicago</i>
<i>BluePay Processing, Inc.</i>	<i>Naperville</i>
<i>Canopy Financial, Inc.</i>	<i>Chicago</i>
<i>CCC Information Services</i>	<i>Chicago</i>
<i>CDW Corporation</i>	<i>Vernon Hills</i>
<i>Celerity Pharmaceuticals, LLC</i>	<i>Rosemont</i>
<i>Central Can Company</i>	<i>Chicago</i>
<i>Chinada Holdings, Inc.</i>	<i>Chicago</i>
<i>Claire's Stores</i>	<i>Chicago</i>
<i>Cole-Parmer</i>	<i>Vernon Hills</i>
<i>Collaborative Learning, Inc.</i>	<i>Oakbrook Terrace</i>
<i>Columbus Manufacturing</i>	<i>Des Plaines</i>
<i>CompassCare, Inc.</i>	<i>Bannockburn</i>
<i>ComPsych Corporation</i>	<i>Chicago</i>
<i>CoolEdge Lighting</i>	<i>Champaign</i>
<i>Coskata</i>	<i>Warrenville</i>
<i>Coyote Logistics Holdings LLC</i>	<i>Chicago</i>
<i>Crealta Pharmaceuticals</i>	<i>Lake Forest</i>

<i>CSMG, Inc.</i>	<i>Chicago</i>
<i>Document Management Holdings</i>	<i>Hinsdale</i>
<i>Dough, Inc.</i>	<i>Chicago</i>
<i>Durata Therapeutics, Inc.</i>	<i>Chicago</i>
<i>EN Engineering, LLC</i>	<i>Downers Grove</i>
<i>ENTACT Environmental Services Inc.</i>	<i>Westmont</i>
<i>Entertainment Cruises</i>	<i>Chicago</i>
<i>Espark</i>	<i>Chicago</i>
<i>Evanston Capital</i>	<i>Evanston</i>
<i>Eved LLC</i>	<i>Chicago</i>
<i>ExteNet Systems, Inc</i>	<i>Lisle</i>
<i>FCA, Inc.</i>	<i>Moline</i>
<i>Fidelis SeniorCare</i>	<i>Schaumburg</i>
<i>Fooda, Inc.</i>	<i>Chicago</i>
<i>Forefront Education, Inc.</i>	<i>Barrington</i>
<i>Fruition Partners</i>	<i>Chicago</i>
<i>Goji Food Solutions</i>	<i>Chicago</i>
<i>Grosvenor Capital Management</i>	<i>Chicago</i>
<i>Hill & Valley Inc.</i>	<i>Rock Island</i>
<i>Hi-Tech Manufacturing Inc.</i>	<i>Schiller Park</i>
<i>Horizon Pharma</i>	<i>Deerfield</i>
<i>Hub international Ltd.</i>	<i>Chicago</i>
<i>Innovation Group Investors, L.P.</i>	<i>Chicago</i>
<i>InStadium, Inc.</i>	<i>Chicago</i>
<i>Intellisys Technology</i>	<i>Oak Brook</i>
<i>iTRACS</i>	<i>Westchester</i>
<i>Izar Solar</i>	<i>Champaign</i>
<i>Jimmy John's Gourmet Sandwich Shops</i>	<i>Champaign</i>
<i>Juice Tyme Acquisition Corp.</i>	<i>Chicago</i>
<i>Kaufman Hall and Associates</i>	<i>Skokie</i>
<i>Keely Asset Management</i>	<i>Chicago</i>
<i>Kettle Partners</i>	<i>Chicago</i>
<i>K.R. Drenth Trucking Inc.</i>	<i>Lynwood</i>
<i>Land Lease Holdings: Communications Capital Group</i>	<i>Chicago</i>
<i>Language Stars, LLC</i>	<i>Chicago</i>
<i>Maestro Healthcare Technology</i>	<i>Highland Park</i>
<i>M&M Pump and Supply, Inc.</i>	<i>Flora</i>
<i>Morton Industrial Group, Inc.</i>	<i>Morton</i>
<i>Narrative Science, Inc.</i>	<i>Chicago</i>
<i>National Pasteurized Eggs, Inc.</i>	<i>Lansing</i>
<i>Network Merchants, Inc.</i>	<i>Roselle</i>
<i>Northshore Holdings Limited</i>	<i>Chicago</i>
<i>Nuveen Investments, Inc.</i>	<i>Chicago</i>

<i>NXT Capital Holdings</i>	<i>Chicago</i>
<i>One Touch Point Corp.</i>	<i>Oak Brook</i>
<i>Parts Town, LLC</i>	<i>Addison</i>
<i>Peacock Engineering</i>	<i>Geneva</i>
<i>Poggled, Inc.</i>	<i>Chicago</i>
<i>Portfillos</i>	<i>Chicago</i>
<i>Potbelly Sandwich Works, Inc.</i>	<i>Chicago</i>
<i>PowerReviews, Inc.</i>	<i>Chicago</i>
<i>Pregis Corporation</i>	<i>Deerfield</i>
<i>PrepMe</i>	<i>Chicago</i>
<i>Professional Service Industries</i>	<i>Oakbrook Terrace</i>
<i>Raymundos Food Group, LLC</i>	<i>Bedford Park</i>
<i>R.J. O'Brien & Associates, LLC</i>	<i>Chicago</i>
<i>Raise Marketplace Inc</i>	<i>Chicago</i>
<i>Revolution Healthcare Group LLC (TLContact, Inc.)</i>	<i>Chicago</i>
<i>Sage Products, Inc.</i>	<i>Cary</i>
<i>Salt Creek Advisors</i>	<i>Chicago</i>
<i>Serta Simmons Holdings</i>	<i>Hoffman Estates</i>
<i>Service Logic</i>	<i>Chicago</i>
<i>Singlehop</i>	<i>Chicago</i>
<i>Skinny Corp</i>	<i>Chicago</i>
<i>SkinnyPop Popcorn LLC</i>	<i>Skokie</i>
<i>Sorbent Therapeutics</i>	<i>Vernon Hills</i>
<i>Spothero Inc.</i>	<i>Chicago</i>
<i>Sprout Social</i>	<i>Chicago</i>
<i>Standard Bancshares, Inc.</i>	<i>Hickory Hills</i>
<i>STATS LLC</i>	<i>Northbrook</i>
<i>ST Residential</i>	<i>Chicago</i>
<i>Sun Trading LLC</i>	<i>Chicago</i>
<i>Survey tracking provider*</i>	<i>Illinois</i>
<i>Tagkast, Inc.</i>	<i>Chicago</i>
<i>Time-O-Matic, Inc.</i>	<i>Danville</i>
<i>Transilwrap Inc.</i>	<i>Franklin Park</i>
<i>TransUnion Corporation</i>	<i>Chicago</i>
<i>Univa UD</i>	<i>Lisle</i>
<i>Vantage Specialty Chemicals Holdings</i>	<i>Chicago</i>
<i>Veriflow Systems</i>	<i>Champaign</i>
<i>Watchfire Technologies, Inc.</i>	<i>Danville</i>
<i>VHT, Inc.</i>	<i>Des Plaines</i>
<i>VSA Partners, Inc.</i>	<i>Chicago</i>
<i>Warranty Group</i>	<i>Chicago</i>

Watermelon Express

Wilton Products, Inc.

Chicago

Woodridge

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

*The LPA for this portfolio fund which contains this portfolio company does not allow the manager to publicly disclose information regarding specific portfolio companies unless such information has become publicly available. As the information regarding the identity of this portfolio company and its ownership are not public knowledge, the manager is unable to disclose the name and location of the portfolio company at this time.