

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
Minutes of Regular Board Meeting # 968**

December 10, 2015

***Suite 1300 • 321 N Clark Street • Chicago Illinois 60654-4739
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**LABORERS' & RETIREMENT BOARD EMPLOYEES'
ANNUITY & BENEFIT FUND OF CHICAGO**

December 10, 2015

Report of Meeting No. 968 held on December 10, 2015, starting at 10:08 a.m. in the office of the Laborers' Pension Fund.

The following were present:

Board Members:

Victor Roa, President (Local 1001)
Erin Keane, Vice President (First Deputy Comptroller, City of Chicago)
Michael LoVerde, Secretary (Active Employee Elected Member)
Kurt Summers, Jr., Trustee (City Treasurer, City of Chicago) (*arrived at 10:10 a.m.*)
Carol Hamburger, Trustee (Managing Deputy Comptroller, City of Chicago)
James Capasso, Jr., Trustee (Retired Elected Member)
Carole Brown, Trustee (Chief Financial Officer, City of Chicago)
James Joiner, Trustee (Active Employee Elected Member)

Staff & Consultants:

Graham Grady – Taft Stettinius & Hollister LLP, Fund's Attorney
Cary Donham – Taft Stettinius & Hollister LLP, Fund's Attorney
Dr. Terence Sullivan – Fund's Physician
Mike Cairns– NEPC, LLC, Fund's Investment Consultant
Deanna Ingram – NEPC, LLC, Fund's Investment Consultant
Michael Walsh – Executive Director and Chief Investment Officer
Peggy Grabowski – Comptroller
Kathy Schanding – Fund Actuary
Joan Newman –Benefits Manager
Margie Grazevich – Benefits Payment Manager
Irene Velazquez – Benefits Payment Assistant
John Carroll – Compliance Administrator
Sheila Jones – Administrative Coordinator
Nadia Oumata – Manager of Accounting and Investments
Colin Hannigan – Benefits Data Analyst

Absent: None

Observers: None

President Roa determined that a quorum was present.

It was moved by Trustee LoVerde, seconded by Trustee Capasso, that the minutes of the Special Meeting of November 4, 2015 be approved as submitted.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Brown and Capasso.
Against -- None.
Abstain – Trustee Joiner.

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the regular minutes of Meeting No. 967 be approved as submitted.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Brown and Capasso.
Against -- None.
Abstain – Trustee Joiner

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the minutes of the executive sessions 1, 2, 3 and 4 of meeting No. 967 be approved as submitted.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Brown and Capasso.
Against -- None.
Abstain – Trustee Joiner.

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It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the minutes of the executive session of the Special Meeting of November 4, 2015 be approved as submitted.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Brown and Capasso.
Against -- None.
Abstain – Trustee Joiner

It was moved by Trustee Capasso, seconded by Trustee Summers, to retain the current Board Officers of the LABF for the year 2016: Victor Roa – President, Erin Keane – Vice President and Michael LoVerde – Secretary.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Brown, Joiner and Capasso.
Against -- None.



***Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago***

Board Members:

I am transmitting herewith the minutes for the meeting of the Retirement Board which was held on **December 10, 2015**. The minutes are comprised of the following:

- Approval of minutes from prior meetings
- Public Participation
- Welcome new trustee
- Election of Officers
- Schedule A: Applications for Refunds Due to Separation from Service
 - 1.
- Schedule B: Applications for Annuities
 1. Employee Annuity Applications
 2. Spouse and Child Annuity Applications
- Schedule C: Adjustment Refunds to New Annuitants
- Schedule D: Applications for Duty Disability Benefits
- Schedule E: Applications for Ordinary Disability Benefits
- Schedule F: Applications for Extension of Duty Disability Benefits
- Schedule G: Applications for Extension of Ordinary Disability Benefits
- Schedule I: Payment of Administrative Expenses
- Administrative Report
- Executive Session No. 1
- Investments Report
- Executive Session No. 2
- Investments Report Continued
- Executive Session No. 3
- Investments Report Continued
- Legal Report
- Executive Session No. 4
- Executive Session No. 5
- Executive Session No. 6
- Legal Report Continued
- Adjournment

All the foregoing matters were checked upon receipt into the Office of the Retirement Board and were found to be hereinafter set forth.

Sincerely,

Michael R. LoVerde
Retirement Board Secretary

**LABORERS' & RETIREMENT BOARD EMPLOYEES'
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PUBLIC PARTICIPATION

None.

WELCOME

The LABF trustees welcomed James J. Joiner to the LABF Board of Trustees.

SCHEDULE A – APPLICATIONS FOR REFUNDS

1. Refund of Contributions Due to Separation from Service

It was moved by Trustee LoVerde, seconded by Trustee Capasso, that Refunds of Contributions Due to Separation be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Brown, Joiner and Capasso.
Against -- None.

SCHEDULE B – APPLICATIONS FOR ANNUITIES

1. Employee Annuities

It was moved by Trustee LoVerde, seconded by Trustee Keane, that applications presented for Employee Annuities be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Brown, Joiner and Capasso.
Against -- None.

2. Spouse and Child Annuities

It was moved by Trustee Brown, seconded by Trustee Capasso, that applications presented for Spouse and Child Annuities be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Brown, Joiner and Capasso.
Against -- None.

SCHEDULE C – ADJUSTMENT REFUNDS TO NEW ANNUITANTS

It was moved by Trustee LoVerde, seconded by Trustee Capasso, that Adjustment Refunds be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Brown, Joiner and Capasso.
Against -- None.

SCHEDULE D – APPLICATIONS FOR DUTY DISABILITY BENEFITS

It was moved by Trustee Summers, seconded by Trustee LoVerde, that the applications for Duty Disability Benefits be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Brown, Joiner and Capasso.
Against -- None.

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SCHEDULE E – APPLICATIONS FOR ORDINARY DISABILITY BENEFITS

It was moved by Trustee LoVerde, seconded by Trustee Keane, that the applications for Ordinary Disability Benefits be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Brown, Joiner and Capasso.
Against -- None.

SCHEDULE F – EXTENSION OF DUTY DISABILITY BENEFITS

It was moved by Trustee Brown, seconded by Trustee LoVerde, that the applications for Extension of Duty Disability Benefits be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Brown, Joiner and Capasso.
Against -- None.

SCHEDULE G – EXTENSION OF ORDINARY DISABILITY BENEFITS

It was moved by Trustee LoVerde, seconded by Trustee Capasso, that the applications for Extension of Ordinary Disability Benefits be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Brown, Joiner and Capasso.
Against -- None.

SCHEDULE H – PAYMENT OF UNCASHED CHECKS OF DECEASED MEMBERS

None.

SCHEDULE I – PAYMENT OF ADMINISTRATIVE EXPENSES

Administrative Invoices and Investment Invoices

It was moved by Trustee LoVerde, seconded by Trustee Capasso, that Invoices be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Brown, Joiner and Capasso.
Against -- None.

ADMINISTRATIVE REPORT

Mesirow Financial RE Value Fund II

Mesirow Financial RE Value Fund II requested a capital call on December 8, 2015 in the amount of \$394,815.00.

Mesirow Financial PE Partnership IV

Mesirow Financial PE Partnership IV made a distribution on November 18, 2015 in the amount of \$100,000.00.

Mesirow Financial RE Value Fund

Mesirow Financial RE Value Fund made a distribution on November 23, 2015 in the amount of \$122,666.00.

Mesirow Financial Capital Partners IX

Mesirow Financial Capital Partners IX made a distribution on November 24, 2015 in the amount of \$200,000.00.

Mesirow Financial RE Value Fund II

Mesirow Financial RE Value Fund II made a distribution on November 24, 2015 in the amount of \$20,220.00.

Mesirow Partnership Fund II

Mesirow Partnership Fund II made a distribution on December 1, 2015 in the amount of \$306,250.00.

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Cash Needs, Capital Calls and Distributions

Mr. Walsh informed the trustees that up to \$12 million will be withdrawn from the Thomas White portfolio to cover monthly expenses.

Draft Funding Letter and Fund Overview Chart

Mr. Walsh reported that a draft of the funding letter that was requested by the trustees at the October 2015 Board meeting had been circulated to the trustees for review. Mr. Walsh will incorporate any additional comments and circulate a revised draft, along with a list of proposed recipients, to the trustees for review prior to the January 2016 Board meeting.

2016 Meeting Dates

Mr. Walsh presented trustees with the Fund's 2016 Schedule of Monthly Meetings. It was moved by Trustee LoVerde, seconded by Trustee Joiner, that the amended 2016 Board meeting schedule be approved.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Brown, Joiner and Capasso.
Against -- None.

Miscellaneous: 2015 Minority Investment Hearings – Mr. Walsh gave an update regarding the Senate hearings that were held on November 18 and 19, 2015.

2016 Administrative Budget – Mr. Walsh introduced the 2016 Administrative Budget to trustees.

EXECUTIVE SESSION NO. 1

At 10:47 a.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(1) to discuss personnel matters. Trustee Hamburger seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Brown, Joiner and Capasso.
Against -- None.

At 11:08 a.m., Trustee LoVerde made a motion, seconded by Trustee Joiner, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Brown, Joiner and Capasso.
Against -- None.

Trustee Hamburger noted that the percentage increases associated with some of the salaries in the 2016 Administrative Budget were larger than the percentage increases to 2016 prevailing rates [for LABF participants with laborer titles].

It was moved by Trustee LoVerde, seconded by Trustee Summers, to approve the 2016 Administrative Budget.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Brown, Joiner and Capasso.
Against -- None.

INVESTMENTS REPORT

Mike Cairns introduced Deanna Ingram as a new member of the NEPC team who will assist Mike and Kristin Finney-Cooke with the LABF relationship.

EXECUTIVE SESSION NO. 2

At 11:12 a.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(7) to discuss the sale or purchase of securities, investments or investment contracts. Trustee Hamburger seconded the motion.

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Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Brown, Joiner and Capasso.
Against -- None.

At 11:43 a.m., Trustee Hamburger made a motion, seconded by Trustee Summers, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Brown, Joiner and Capasso.
Against -- None.

It was moved by Trustee Summers, seconded by Trustee LoVerde, to approve the proposal from Ardian and make a \$10 million investment, subject to final contract negotiations, in their Private Equity Secondaries product ASF VII.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger and Capasso.
Against -- None.
Abstain -- Trustees Brown and Joiner.

INVESTMENTS REPORT CONTINUED

November 30, 2015 Preliminary Flash Report

Mr. Cairns reviewed with trustees the Preliminary Flash report for November 30, 2015.

EXECUTIVE SESSION NO. 3

At 11:57 a.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(7) to discuss the sale or purchase of securities, investments or investment contracts. Trustee Hamburger seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Brown, Joiner and Capasso.
Against -- None.

At 12:10 p.m., Trustee LoVerde made a motion, seconded by Trustee Hamburger, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Hamburger, Brown, Joiner and Capasso.
Against -- None.

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, to place PIMCO on expanded watch for performance reasons.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Hamburger, Brown, Joiner and Capasso.
Against -- None.

INVESTMENTS REPORT CONTINUED

It was moved by Trustee LoVerde, seconded by Trustee Joiner, to start the RFP process for a low volatility GTAA fund manager.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Hamburger, Brown, Joiner and Capasso.
Against -- None.

Trustee Brown left at 12:18 p.m.

Watch List

Mr. Cairns presented the Watch List to trustees and suggested no further changes to the list.

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RFP Updates

Mr. Cairns updated the trustees on the Private Equity Direct Lending RFP and the Emerging Market Debt RFP that are currently in process.

SMID Growth RFP Update

Mr. Walsh reported to trustees that the SMID Growth RFP was completed and that the mandate with Apex Capital Management was funded.

LEGAL REPORT

P.A. 98-0641 – Mr. Donham updated the trustees on the oral arguments before the IL Supreme Court in the Johnson v. LABF case that were heard on November 17, 2015.

EXECUTIVE SESSION NO. 4

At 12:27 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss potential or current litigation of the Fund. Trustee Hamburger seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Joiner and Capasso.
Against -- None.

At 12:47 p.m., Trustee LoVerde made a motion, seconded by Trustee Joiner, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Joiner and Capasso.
Against -- None.

The trustees took no action.

EXECUTIVE SESSION NO. 5

At 12:48 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss potential or current litigation of the Fund. Trustee Keane seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Joiner and Capasso.
Against -- None.

At 12:49 p.m., Trustee LoVerde made a motion, seconded by Trustee Hamburger, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Joiner and Capasso.
Against -- None.

The trustees took no action.

EXECUTIVE SESSION NO. 6

At 12:50 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss potential or current litigation of the Fund. Trustee Keane seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Joiner and Capasso.
Against -- None.

At 12:53 p.m., Trustee LoVerde made a motion, seconded by Trustee Summers, that the executive session be adjourned and that the Board return to open session.

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Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Joiner and Capasso.
Against -- None.

The trustees took no action.

ADMINISTRATIVE REPORT CONTINUED

Real Estate Contract

Mr. Walsh reviewed with trustees the status of the LLC agreement with MEABF for the Funds' investment in the Mesirow Financial Real Estate Value Fund II, L.P.

It was moved by Trustee LoVerde, seconded by Trustee Capasso, to approve the LLC and Assignment agreements between the LABF and MEABF subject to approval by the MEABF Board.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Joiner and Capasso.
Against -- None.

ADJOURNMENT

With no further business, at 12:55 p.m., Trustee LoVerde made a motion to adjourn. Trustee Summers seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Hamburger, Joiner and Capasso.
Against -- None