

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
Minutes of Regular Board Meeting No. 991**

November 21, 2017

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

November 21, 2017

Report of Meeting No. 991 held on November 21, 2017, starting at 1:07 p.m. at the office of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago ("Fund" or "LABF"). The following notes attendance:

Board Members:	Victor Roa	– President (Union Appointed Member)
	Erin Keane	– Vice President (City Comptroller, City of Chicago) (<i>entered at 1:48pm</i>)
	Michael LoVerde	– Secretary (Active Employee Elected Member)
	Carol Hamburger	– Trustee (Managing Deputy Comptroller, City of Chicago)
	James Capasso, Jr.	– Trustee (Annuitant Elected Member)
	James Joiner	– Trustee (Active Employee Elected Member)
Staff & Consultants:	Graham Grady	– Taft Stettinius & Hollister LLP, Fund's Counsel
	Cary Donham	– Taft Stettinius & Hollister LLP, Fund's Counsel
	Dr. Terence Sullivan	– Fund's Physician
	James Wesner	– Marquette Associates, Fund's Investment Consultant
	Kweku Obed	– Marquette Associates, Fund's Investment Consultant
	Michael Walsh	– Executive Director and Chief Investment Officer
	Peggy Grabowski	– Comptroller
	John Carroll	– Compliance Officer
	Sheila Jones	– Administrative Coordinator
	Nadia Oumata	– Manager of Accounting and Investments
	Tina Rhoten	– Benefits Manager
	Paul Rzeszutko	– Assistant Benefits Manager
	Nicole Evangelista	– Payment Services Coordinator
	Irene Velazquez	– Payment Services Assistant
	Christopher Lucas	– Staff Actuary/Senior Developer
Absents:	Kurt Summers, Jr.	– Trustee (City Treasurer, City of Chicago)
	Carole Brown	– Trustee (Chief Financial Officer, City of Chicago)
Observers:	None	

President Roa determined that a quorum was present after Secretary LoVerde took attendance.



*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 **November 21, 2017**. The minutes are comprised of the following:

- Public Participation
- Approval of Minutes From Prior Meetings
- Schedule A: Applications for Refunds
 - 1. Refund of Contributions Due to Separation from Service
 - 2. Miscellaneous Refunds
- Schedule B: Applications for Annuities
 - 1. Employee Annuities
 - 2. Spouse and Child Annuities
- 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 H: Payment of Uncashed Checks of Deceased Members
- Schedule I: Payment of Administrative Expenses
- Investments Report
- Executive Session No. 1
- Investments Report Continued
- Administrative Report
- Executive Session No. 2
- Administrative Report Continued
- Executive Session No. 3
- Legal Report
- Executive Session No. 4
- 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

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PUBLIC PARTICIPATION

None.

APPROVAL OF MINUTES FROM PREVIOUS MEETINGS

It was moved by Trustee LoVerde, seconded by Trustee Joiner, that the regular minutes of the Special Meeting held on October 5, 2017 be approved as submitted.

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

This item was taken out of order. It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the minutes of Executive Sessions 1 and 2 of the Special Meeting held on October 5, 2017 be approved as submitted.

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

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the regular minutes of Meeting No. 990 held on October 24, 2017 be approved as submitted.

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

It was moved by Trustee LoVerde, seconded by Trustee Joiner, that the minutes of Executive Sessions 1, 2, 3 and 4 of Meeting No. 990 held on October 24, 2017 be approved as submitted.

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

SCHEDULE A – APPLICATIONS FOR REFUNDS

1. Refund of Contributions Due to Separation from Service

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that applications presented for Refunds of Contributions Due to Separation from Service be approved and ordered paid.

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

2. Miscellaneous Refunds

It was moved by Trustee LoVerde, seconded by Trustee Joiner, that applications presented for Miscellaneous Refunds be approved and ordered paid.

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

SCHEDULE B – APPLICATIONS FOR ANNUITIES

1. Employee Annuities

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

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

2. Spouse and Child Annuities

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the applications for Spouse and Child Annuities be approved and ordered paid.

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

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SCHEDULE C – ADJUSTMENT REFUNDS TO NEW ANNUITANTS

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

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

SCHEDULE D – APPLICATIONS FOR DUTY DISABILITY BENEFITS

As a follow-up from the October 24, 2017 Board meeting, Mr. Walsh updated the Trustees with some of the details related to the starred case of Giannola.

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

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

SCHEDULE E – APPLICATIONS FOR ORDINARY DISABILITY BENEFITS

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

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

SCHEDULE F – EXTENSION OF DUTY DISABILITY BENEFITS

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

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

SCHEDULE G – EXTENSION OF ORDINARY DISABILITY BENEFITS

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

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

SCHEDULE H – PAYMENT OF UNCASHED CHECKS OF DECEASED MEMBERS

It was moved by Trustee Capasso, seconded by Trustee LoVerde, that the applications for Payment of Uncashed Checks of Deceased Members be approved and ordered paid.

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

SCHEDULE I – PAYMENT OF EXPENSES

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

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

**LABORERS' & RETIREMENT BOARD EMPLOYEES'
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INVESTMENTS REPORT

3rd Quarter Performance Report

Mr. Obed presented the 3rd Quarter Performance Report.

October 31, 2017 Preliminary Performance Report

Mr. Obed reviewed the October 31, 2017 Preliminary Performance Report.

Watch List

Mr. Wesner discussed the procedure used to add/remove managers from the Watch List. Mr. Wesner reviewed two Marquette Associates memos which included recommendations pertaining to the Watch List.

It was moved by Trustee LoVerde, seconded by Trustee Capasso, to remove Ariel Investments Micro Cap Value, Keeley Asset Management, PIMCO All Asset, Entrust Capital Special Opp Funds II and III, Apex Capital (Fiera), Vontobel, and Newport Capital Partners (DV Urban Realty Partners I LP) from the Watch List.

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

See attachment.

It was moved by Trustee LoVerde, seconded by Trustee Capasso, to add ASB Allegiance Real Estate Fund to the Watch List.

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

See attachment.

Asset Allocation Discussion

This topic was discussed in executive session.

EXECUTIVE SESSION NO. 1

At 1:37 p.m., Trustee Joiner 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, LoVerde, Hamburger, Capasso and Joiner.
Against -- None.

At 1:49 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, Hamburger, Capasso and Joiner.
Against -- None.

It was moved by Trustee LoVerde, seconded by Trustee Joiner, to cancel the RFP previously issued for a Global Tactical Asset Allocation (GTAA) investment manager.

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

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, to cancel the RFP previously issued for an Absolute Return Fixed Income investment manager.

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

INVESTMENTS REPORT CONTINUED

RFP Discussions

Mr. Wesner discussed the issuance of two RFPs that Marquette Associates is recommending, one for a Global Low Volatility Equity investment manager and another for a Private Equity Buyout Fund investment manager.

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It was moved by Trustee LoVerde, seconded by Trustee Capasso, to issue an RFP for Global Low Volatility Equity advisory services.

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

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, to issue an RFP for a Private Equity Buyout fund manager.

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

ADMINISTRATIVE REPORT

Meeting Dates and Office Holidays

Mr. Walsh presented a draft of the proposed Board meeting dates for 2018.

It was moved by Trustee LoVerde, seconded by Trustee Joiner, to approve the proposed meeting dates as reviewed in the meeting.

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

See attachment.

LABF Staff/Annuitant Health Insurance Policy

This topic was discussed in executive session.

EXECUTIVE SESSION NO. 2

At 2:00 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss current or potential litigation of the Fund. Trustee Hamburger seconded the motion.

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

At 2:07 p.m., Trustee LoVerde made a motion, seconded by Trustee Capasso, that the executive session be adjourned and that the Board return to open session.

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

The Trustees took no action.

Legislative Matters

Mr. Walsh gave a brief update on a potential trailer bill to PA 100-0023 and noted that this would likely be a 2018 initiative. He reported that, to date, the Speaker's Office has been focused on discussions with the State retirement systems regarding the defined benefit/defined contribution "hybrid" component of the legislation and that there has yet to be much discussion regarding the provisions specifically affecting the Laborers' and Municipal Employees' Funds. Mr. Walsh also updated the Trustees on the Interceptor provisions and the Assignment of Receipts provisions and noted that the Municipal Employees' Annuity and Benefit Fund of Chicago had discussed draft legislation to address some of the inconsistencies related to these two items.

Trustee Roa requested that Mr. Walsh re-circulate a letter that was previously sent to Illinois State Representative Barbara Flynn Curry in November of 2016 which discusses some possible changes to a previous iteration of the legislation that was ultimately included in PA 100-0023.

Trustee Keane requested some information regarding procedural issues affecting the timing of legislation.

The Board instructed Fund staff, for discussion purposes only, to have the State Legislative Reference Bureau draft legislation clarify the law regarding the Intercept provision which is part of P.A. 100-0023. Mr. Walsh and the Trustees thought that the draft legislation could mirror the changes the Fund suggested in the aforementioned letter to Representative Barbara Flynn Curry. The Trustees asked that the draft legislation be circulated to the Trustees prior to the December 19, 2017 Board meeting.

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Irrevocable Election

Mr. Walsh gave an overview of the responses the Fund received related the Irrevocable Election that was required to be administered as part of P.A. 100-0023. He reported that LABF received 35 election forms by the November 15, 2017 deadline; Of the 35, two were ultimately revoked prior to the deadline and two were unclear and will require additional research.

Miscellaneous

- 2018 Budget – Mr. Walsh informed the Board that the 2018 budget would be presented at the December 19, 2017 Board meeting and that he would be scheduling preliminary meetings with the Trustees prior to the December meeting to discuss the budget.

- Election of Officers – Mr. Walsh reminded the Board that the annual Election of Board Officers would take place at the December 19, 2017 Board meeting.

- December Board Meetings Start Time – Mr. Walsh reminded the Board that the December Board meeting begins at 10am instead of the usual starting time of 1pm.

EXECUTIVE SESSION NO. 3

At 2:34 p.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, Hamburger, Capasso and Joiner.
Against -- None.

At 2:49 p.m., Trustee LoVerde made a motion, seconded by Trustee Capasso, that the executive session be adjourned and that the Board return to open session.

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

It was moved by Trustee LoVerde, seconded by Trustee Capasso, to allow anyone who retires from the Fund during 2018 to be allowed to elect to participate in the Fund's Retiree Health Care benefits with any applicable subsidy that would apply in the year 2018.

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

LEGAL REPORT

Coveliers Litigation

Mr. Donham reported to the Board that Mr. Coveliers filed a Petition for Leave to appeal this matter to the Illinois Supreme Court and that the LABF had submitted a response to that filing. A response from the court is expected around the end of January, 2018.

Johnson Litigation

Mr. Donham reminded the Trustees of the matter regarding the attorney's fees for Mr. Krislov related to the Johnson litigation and he said that Mr. Krislov made motion to appeal this matter directly to the Illinois Supreme Court.

Underwood Litigation

This topic was discussed in executive session.

EXECUTIVE SESSION NO. 4

At 2:54 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss current or potential litigation of the Fund. Trustee Capasso seconded the motion.

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

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At 2:56 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, Hamburger, Capasso and Joiner.
Against -- None.

The Trustees took no action.

ADJOURNMENT

With no further business, at 2:56 p.m., Trustee LoVerde made a motion to adjourn the meeting. Trustee Keane seconded the motion.

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

To: Retirement Board – Laborers’ & Retirement Board Employees’ Annuity & Benefit Fund of Chicago (“LABF”)
From: Marquette Associates, Inc.
Date: November 20, 2017
Re: **Watchlist Recommendations**

Background

On November 14, 2017, Staff and Marquette discussed the existing manager watchlist for the LABF. As part of the discussion, both parties reviewed the rationale for the following managers being placed on watch:

- Ariel Investments Micro Cap Value portfolio being added to the list for performance reasons (8/18/15 Board meeting)
- PIMCO being placed on watch for organizational changes (2/18/14 Board meeting) and performance reasons (12/10/15 Board meeting)
- Entrust being placed on watch for organizational changes (2/23/15 Board meeting)
- Apex Capital (Fiera), and Vontobel being added to the watchlist for organizational changes (3/22/16 Board meeting)
- Keeley being placed on watch for organizational changes (11/22/16 Board meeting)
- Newport Capital (DV Urban Realty Partners I LP) being added to the watchlist for performance reasons and organizational changes (7/21/09 Board meeting)

Recommendation:

Following discussions with Staff, Marquette is recommending that all of the aforementioned firms be removed from the watchlist for the following reasons:

- Ariel Investments Micro Cap Value portfolio – strategy has been phased out of the portfolio for asset allocation reasons
- Apex Capital (Fiera), Keeley, Vontobel, PIMCO, Entrust, and Newport Capital – enough time has elapsed to note that the organizational concerns that lead to these managers being placed on watch are not currently viewed as being material
- PIMCO – Performance is no longer a concern
- Newport Capital – Nearly all assets have been distributed, removing the material performance concern

Additionally, Marquette is recommending that ASB Capital Management be added to the watchlist for performance reasons. Please refer to Marquette’s separate memo on ASB for additional information.

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To: Trustees of the Laborers' & Retirement Board Employees' Annuity & Benefit Fund of Chicago
From: Jeremy Zirin, CAIA – Senior Real Assets Analyst
Date: November 2, 2017
Re: **ASB Allegiance Real Estate Fund Recommendation**

Topic

The ASB Allegiance Real Estate Fund ("the Fund") has underperformed the NFI-ODCE¹ benchmark ("benchmark") over the past seven consecutive quarters and is lagging the benchmark on a 1, 3, and 5-year basis net of fees as of September 30, 2017. As a result of the Fund's poor performance, this memorandum provides a high-level overview of the Fund including a deep dive into the factors contributing to the underperformance.

Fund Overview

The ASB Allegiance Fund is an open-ended diversified U.S. core real estate fund that invests in the four main commercial property sectors (retail, office, industrial, & multifamily) stressing the supply-constrained East and West coast markets. While the fund's inception dates back to 1984, with the management change of Robert Bellinger to Portfolio Manager in 2003 the strategy has been focused on core, supply-constrained, high quality assets. Access to non-core development & larger assets are typically invested through Joint Ventures. Additionally, the Fund has the lowest leverage in its peer group, currently 15% as of 9/30/2017.

Robert Bellinger, ASB Real Estate Investments President and CEO, heads the strategy as the Executive Portfolio Manager along with dedicated ASB Allegiance Fund Portfolio Manager Larry Braithwaite. With the exception of three Junior Analysts who left the firm to pursue their MBAs earlier this year, the Allegiance Fund portfolio management team has remained intact with no major departures over the past several years.

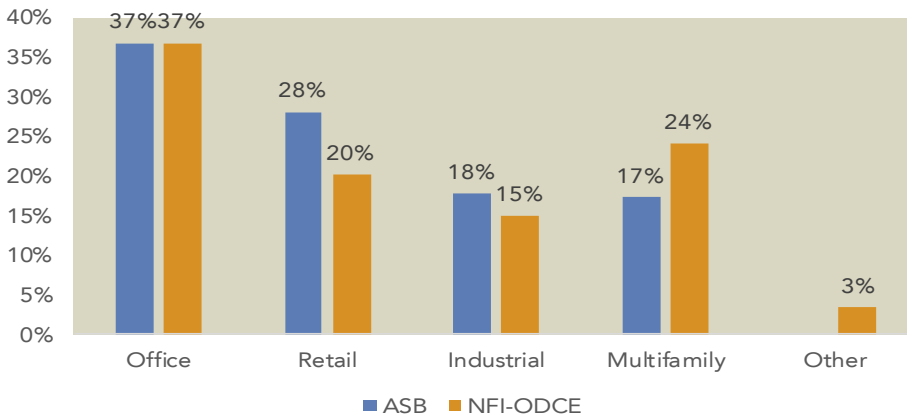
The following exhibits provide a snapshot of the portfolio:

Fund Facts*

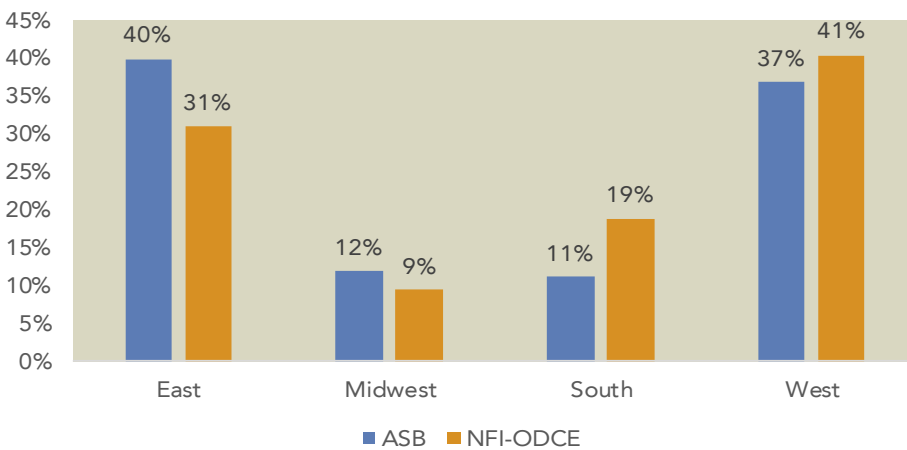
Fund Gross Assets	\$7.0 billion
Net Assets	\$5.9 billion
Leverage	14.70%
Cash and Equivalents	1.40%
Operating Occupancy	91%
Number of Investments	76
Number of Investors	350+

¹ Represented by the NFI-ODCE Equal Weight return benchmark. *As of 2Q17

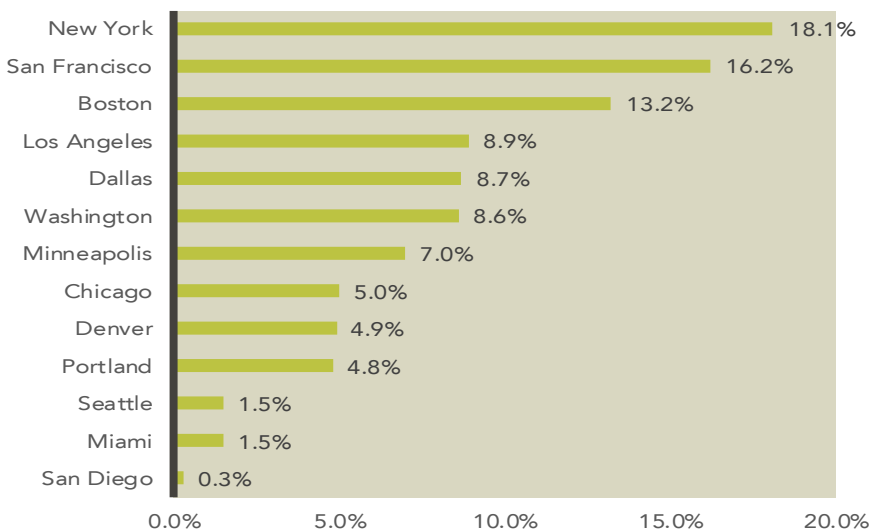
Sector Exposure



Geographic Exposure



Top MSAs



Performance

Annualized	3Q17 (%)	YTD (%)	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)
ASB TR (Net)	0.56%	2.10%	2.67%	8.67%	10.00%	5.09%
NFI-ODCE EqW TR (Net)	1.68%	4.89%	6.93%	10.11%	10.64%	3.95%

Calendar	2016 (%)	2015 (%)	2014 (%)	2013 (%)	2012 (%)	2011 (%)	2010 (%)	2009 (%)	2008 (%)
ASB TR (Net)	4.60%	16.20%	12.47%	12.67%	11.43%	19.90%	15.90%	-30.26%	-5.45%
NFI-ODCE EqW TR (Net)	8.35%	14.19%	11.42%	12.36%	9.92%	14.99%	15.12%	-31.29%	-11.09%

As of the third quarter of 2017, the ASB Allegiance Real Estate Fund generated an approximate 56 bps net return underperforming the NFI-ODCE by 112 bps. As shown in the exhibit above, Year-to-date and on a 1, 3, and 5-year basis, the Fund delivered below benchmark net returns. Over the longer-term 10-year period, however, the Fund's return remains above the benchmark at 5.09% vs. 3.95%. Additionally, the Fund outperformed every calendar year from 2008 – 2015.

Exhibit 1: Income Return (Net)

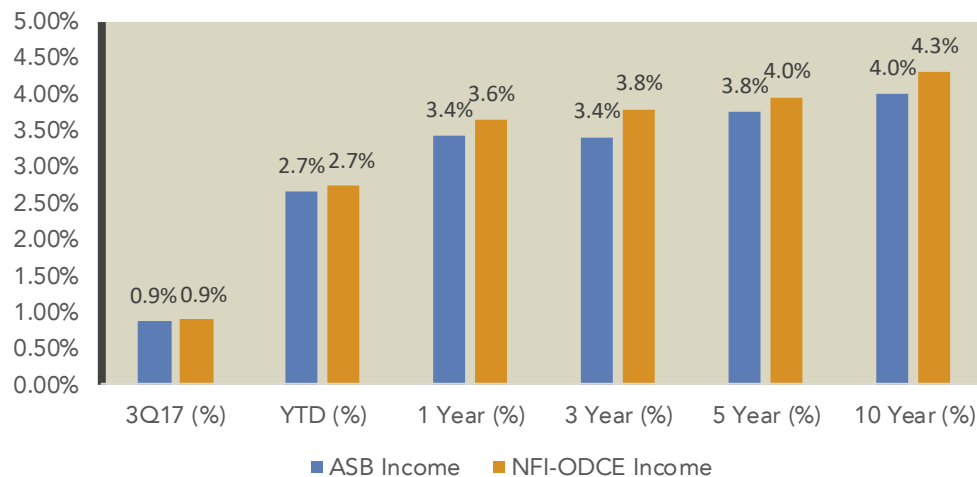
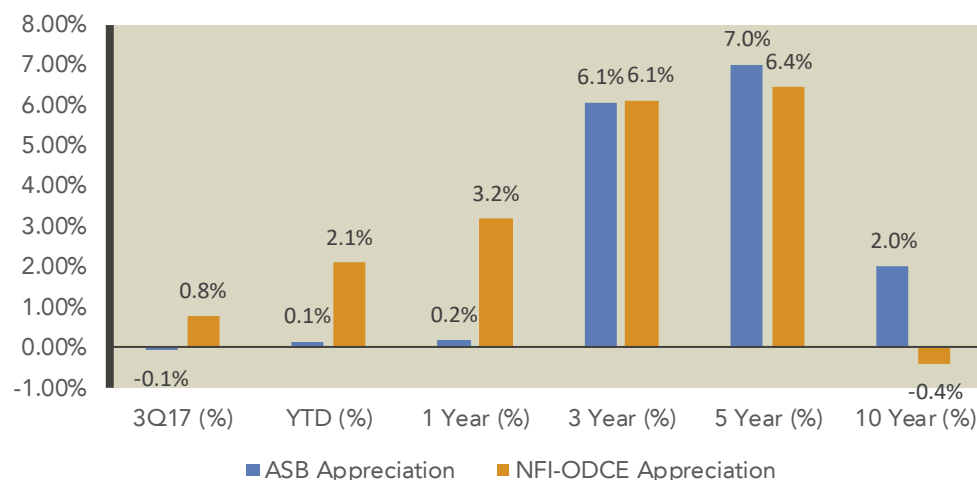


Exhibit 2: Appreciation Return



From an income and appreciation perspective illustrated in exhibits 1 and 2, the Fund's net income has delivered slightly below benchmark returns over the last 1, 3, 5, and 10-year annualized periods. The appreciation returns, however, have been much worse particularly over the last year with an abysmal 0.2% vs. 3.2% for the benchmark. While the shorter-term appreciation has struggled to keep up, the long-term 5, and 10-year returns have outperformed the benchmark with a 7.0% vs. 6.4% and 2.0% vs. -0.4% return, respectively.

There are several structural factors impacting performance including the Fund's low leverage which was slightly below 15% at the end of the third quarter of 2017. Leverage alone accounts for approximately 90 bps of underperformance per annum vs. the benchmark since 2016. However, ASB remains committed to maintaining lower leverage vs. the benchmark, but aims to rebalance upwards toward an 18-20% range, just slightly below the benchmark. In an effort to increase fund leverage, ASB recently sourced two new investments that are scheduled to close in the fourth quarter where they have added additional leverage. One asset is an office in Washington D.C. and the other is an industrial building New York.

Another notable impact of underperformance came from the Fund's high concentration to gateway markets which have moderated and led to a negative appreciation return in the third quarter. While this has hurt performance over the past several quarters, the high concentration helped in 2010 – 2015 as gateway markets recovered much quicker after the financial crises. As rents have historically appreciated in gateway markets, tenants are pulling back and, as a result, rent growth and property appreciation has slowed and the investment market has responded by sharpening their view for expectations. ASB's exposure to the top 10 gateway markets within the ODCE is approximately 89% vs. 60% for the benchmark.

Additionally, the Minneapolis office sector has been a weak and poor performing market for Fund. ASB likes Minneapolis because it has a well-educated population and a solid corporate company presence, but the market has experienced weakness in fundamentals. The Fund owns 225 South Sixth Street (Capella Tower office building) which represents an approximate 5% allocation to the Fund based on NAV that has experienced challenges. ASB spent capital updating the building's lobby, public space, fitness center, but substantial new supply has damaged fundamentals resulting in a significant write-down in the asset. Capella office building is currently a disposition candidate for the portfolio since it has been a drag on the portfolio.

Recommendation: Alert

Marquette recommends placing the ASB Allegiance Real Estate Fund on **"Alert"** due to persistent underperformance since 2016. While the portfolio management team has been stable with no major departures, the Fund's seven consecutive quarters of underperformance has been disappointing and cause for concern. We will continue to monitor the Fund's performance and any major changes to the team and or investment process.

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

2018
SCHEDULE OF MONTHLY BOARD MEETING DATES

993	1:00 pm	January	Tuesday, January 23, 2018
994	1:00 pm	February	Tuesday, February 20, 2018
995	9:00 am	March	Tuesday, March 20, 2018
996	1:00 pm	April	Tuesday, April 17, 2018
997	1:00 pm	May	Tuesday, May 22, 2018
998	1:00 pm	June	Tuesday, June 19, 2018
999	1:00 pm	July	Tuesday, July 24, 2018
1000	1:00 pm	August	Tuesday, August 21, 2018
1001	1:00 pm	September	Tuesday, September 18, 2018
1002	1:00 pm	October	Tuesday, October 23, 2018
1003	1:00 pm	November	Tuesday, November 20, 2018
1004	9:00 am	December	Tuesday, December 18, 2018

**Special Investment Meetings are tentatively planned for March 7 and October 4 of 2018 at 9:00am.*