**SAMPLE PORTFOLIO GUIDELINES**

Please construct a hypothetical portfolio, composed of your firm’s actual best ideas in the following asset classes, using the following target allocations, based on the LABF investment policy targets for actively managed Fixed Income, US and Non-US Equities. Multiple managers may be utilized in an asset class, with at least one in each.

Fixed Income

25.0% - Core Fixed Income

US Equity

25.0% - Mid/Small Cap US Equity

Non-US Equity

25.0% - Developed Markets – Large Cap

12.5% - Developed Markets – Small Cap

12.5% - Emerging Markets

The managers selected must be the best in class, according to your firm, for each individual asset class. Correlations between managers should not be considered in portfolio construction.

The benchmark for the portfolio is expected to be a monthly dynamic benchmark, using a blend of actual beginning weights for each manager allocation and the benchmarks for each individual manager allocation.

Manager selection guidelines:

* Minimum Firm AUM: $10 million
* Maximum Firm AUM: $10 billion
* Firm Ownership: is a 'minority owned business', ‘women owned business', or 'business owned by a person with a disability' as those terms are defined in the Illinois Business Enterprise for Minorities, Women, and Persons with Disabilities Act. (At least 51% owned and controlled by persons who are minorities, women, or persons with disabilities. Completed definitions are listed under 30 ILCS 575/2)
* All else being equal, preference should be given to Illinois-based firms