

Q&A Document

1. Is this a volatility only strategy?

We are looking for strategies that are designed to capture the volatility risk premium in listed equity index options on U.S. and/or global indices, such as the S&P 500 or the MSCI ACWI.

2. Can this strategy have both long and short volatility strategies in it?

We are looking for strategies that are actively selling fully collateralized exchange-traded options on equity indices.

3. What goal is the strategy designed to achieve, i.e. protect against declines in growth assets when there is uncertainty in the market?

The goal of the strategy is to outperform the S&P 500 over a full market cycle, while reducing volatility relative to the S&P 500 by at least 40%. The strategy should protect against drawdowns and recover faster from stress events.

4. Do you have a target asset class for the underlying of the strategy?

We are targeting U.S equities and/or global equities for this strategy.

5. Do you have a target Beta to the underlying for the strategy?

A Beta of less than or equal to 0.5 is preferred.

6. Do you have any geographic focus or restrictions for the underlying of the strategy?

U.S. and Global strategies will be accepted.

7. Do you have any ESG target or constraint for the underlying of the strategy?

No. Strategies with ESG focus will be considered.

8. Do you have any leverage constraint for the strategy (for example in terms of notional of options outstanding as percentage of the capital invested in the strategy)?

We are only interested in strategies that are selling fully collateralized options on equity indices. Strategies that use added leverage will not be considered.

9. For an Options strategy, are we required to use minority-broker set-asides?

Minority or female-owned firms brokerage utilization will be on a best efforts basis for options trading. However, any allocations within the mandate portfolio that fall within one of the asset class categories listed in LABF MWDBE broker-dealer utilization policy should follow the respective MWDBE broker-dealer utilization goals.

10. For the team, the Head of the product has been on the strategy since inception. In May 2019 we added an additional Portfolio Manager to the team. Can we still participate in the search?

Yes.

11. Is LABF looking for hedge fund, long-only or other solutions?

LABF is looking for strategies that look to capture the volatility risk premium associated with equity index options.

12. Will LABF consider an idiosyncratic volatility strategy focused on convertibles?

For this search, LABF is looking for strategies that look to capture the volatility risk premium associated with equity index options.

13. Is there any flexibility around the at-least monthly liquidity minimum requirement?

No.

14. Similarly, Is there any flexibility around an incentive fee structure or only the stated maximum management fee of 35bps?

Incentive fee structures will be considered and judged against the 35bps maximum management fee requirement.

15. With regard to the selection criteria for Commitment to Sustainability, please confirm if the sustainability factors are meant to apply to this particular mandate or the investment manager in general.

Yes, the sustainability factors consideration does apply to this mandate.

16. With regard to the broker-dealer utilization goals table, please confirm that this mandate does not fall within one of the enumerated asset classes on page 17 of the Investment Policy Statement. Otherwise, please specify which asset class applies.

This mandate does not specifically fall within one of the asset classes detailed in the investment policy. Minority or female-owned firms brokerage utilization will be on a best efforts basis for options trading. However, any allocations within the mandate portfolio that fall within one of the asset class categories should follow the respective MWDBE broker-dealer utilization goals.