

Q&A Document

1. The RFP states that the proposer must have a 3 year track record in a given strategy. We have been running Fixed Income Relative Value strategies in multiple capacities across the firm for greater than 3 years, but the individual investment track record for the proposed strategy will reach the 3 year mark in May 2018. Will our proposal be considered on this basis?

Yes, this will be considered.

2. The RFP states that the candidates must have a minimum of \$250 million in AUM in the asset class. In addition to our assets within our proposed strategy (which stand at approx. \$165M) we manage Fixed Income Relative Value strategies within multiple alternative strategies at the firm (i.e. our \$17b flagship hedge fund risk premia strategy holds a 10% risk weight to Fixed Income Relative Value). Will our proposal be considered on this basis??

Yes, this will be considered.

3. Question 5-7. Regarding solvency and debt. We would like to respond for the Fund rather than the Firm since the Firm does not have audited financials, but the Funds do. Is that permitted? If not, does not answering disqualify?

Please provide a response with respect to the firm and note the figures that are not audited.

4. Question 14. In the heading of the second chart you list "Wrap*". Is there a footnote that was intended to be included with the "*"?

The footnote should read as follows:

The Wrap listing refers to other types of clients, such as brokerage relationships or wrap accounts.

5. Can you describe in more detail what information you are requesting for the Taft-Harley or Religious affiliated investors? We may not be able to include this in our response. Is not responding in this section disqualifying?

Please provide the percentage of Firm and Product AUM that is managed for Taft-Hartley or Religious investors, if possible. Please footnote if these figures are unavailable.

6. Question 40/48. Please confirm that questions 40 and 48 are duplicates and they are not intended to refer to different products or ask different questions? Should either be removed? "Are you a registered investment advisor? Please attach a copy of your ADV Part II."

Questions 40 and 48 are duplicates. Directing the reader to the answer for question 40 is an acceptable answer for question 48.

7. Question 97/107. Please confirm that questions 97 and 107 are duplicates and they are not intended to refer to different products or ask different questions? Should either be removed? "Please provide three references, including contact phone number and email address. Please include, at least, one current and one former client in your references."?

Questions 96 and 107 are duplicates. Directing the reader to the answer for question 96 is an acceptable answer for question 107.

8. Question 106. We will not be able to provide compensation for the board members. Is that disqualifying?

If the information is not possible to provide, please footnote with an explanation.

9. Cover Letter - Our legal team would like to qualify the cover letter so that it states it is to the best of our knowledge. Is that permitted?

This is permitted.

10. Suitability Questionnaire - Note that this will take some time to review and we may need to speak with Illinois counsel regarding some of these requests/questions. We may not answer all questions, or may decline some requests. Is that acceptable?

All questions must be answered for the submission to be considered.

11. Trying to be as responsive as possible, if a question is not applicable or cannot be disclosed in writing is it acceptable, to the extent that we can, include notes and a reference to call to discuss in further details? Is that disqualifying?

That would be acceptable, provided a valid justification is stated.

12. Regarding the Hedged Credit search, we have multiple products we feel would be appropriate for LABF, may managers submit more than one product for this search?

Yes, that is acceptable.

13. Would you please define more broadly what you are looking for in a Hedged Credit approach? Is the LABF seeking a market neutral approach or a hedged strategy that can use net credit beta and is dynamically managed?

LABF will consider various strategies including the strategies stated above.

14. Would you please confirm the requested "as of period" for the data aspects of the RFP.

3/31/18 would be preferred, but if unavailable, earlier dates are acceptable. Please make note of any data that is not as of 3/31/18.

15. The plan's January 31st investment report shows the creation of a dedicated 5% target to hedged credit, which is roughly around \$65 million. Can you please clarify that this is within the range of assets within the scope of this mandate?

This mandate will satisfy all or a portion of the 5% target allocation, at the Board's discretion.

**Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago ("Fund" or LABF")
Request for Proposal ("RFP") for Hedged Credit Fund
Issued March 30, 2018**

16. The proposed strategy must provide liquidity on a quarterly basis, which ours does, but please confirm that you are fine with a one-year initial lock up.

Lock-up terms are acceptable, and should be viewed as separate from the quarterly liquidity requirement.

17. Given that the portfolio is expected to be measured against the HFRI Relative Value Index, can you please clarify what you mean by hedged credit? In terms of hedge fund strategies, are you looking for long/short credit investments, fixed income arbitrage, distressed, etc. or a blend of credit strategies?

LABF will consider various strategies including the strategies stated above.

18. We have a question regarding the liquidity requirement of this mandate. The vehicle we would like to propose has an initial 1-year lockup and quarterly liquidity thereafter. Would these terms be acceptable for this mandate?

Lock-up terms are acceptable, and should be viewed as separate from the quarterly liquidity requirement.

19. Is this RFP available for Single Hedge Funds managers or for Fund of Funds as well? (There is a Manager RFI FOF on the website)

Direct and Fund of Funds products are both encouraged to submit responses.

20. How is "hedged credit strategy" and "hedge credit fund" defined? Can you expand on the expected or desired asset allocation and guidelines?

The expectation for a hedged credit manager does include/can include a number of different strategies, and will be given an approximate 5% allocation in the LABF portfolio.

21. Will you consider a product whose benchmark is other than the HFRI Relative Value Index (e.g. Bloomberg Barclays US Agg Index: Securitized)?

A secondary benchmark may be considered.

22. Would you consider a fund which seeks to maximize total return by investing in structured fixed income securities that can offer favorable risk/reward characteristics?

LABF will consider various strategies including the strategy stated above.