

Laborers' and Retirement Board Employees'

Annuity & Benefit Fund of Chicago

Policy Regarding Investments in the Republic of Sudan

WHEREAS, the trustees of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago ("LABF") recognize that the United States government has determined that the Republic of Sudan is a nation that sponsors terrorism and genocide; and

WHEREAS, the General Assembly of Illinois has amended the Illinois Pension Code, 40 ILCS 5/1-110.6, to prohibit specific Retirement Systems from investing in certain Forbidden Entities related to the Republic of Sudan; and

WHEREAS, the trustees further recognize that 40 ILCS 5/1-110.6 does not apply to LABF because it is not a Retirement System, as that term is defined by the amendment to the Illinois Pension Code; and

WHEREAS, the trustees agree with the findings of the General Assembly of Illinois and consider investments in those entities deemed Forbidden Entities by 40 ILCS 5/1-110.6(b) to be inherently and unduly risky, not in the interest of LABF fund participants, annuitants and Chicago taxpayers, and against public policy; and

WHEREAS, the State of Illinois Prohibits investments in certain "Forbidden Entities," the State defines "Forbidden Entity" as:

- (1) The government of the Republic of the Sudan and any of its agencies, including but not limited to political units and subdivisions;
- (2) Any company that is wholly or partially managed or controlled by the government of the Republic of the Sudan and any of its agencies, including but not limited to political units and subdivisions;
- (3) Any company (i) that is established or organized under the laws of the Republic of the Sudan or (ii) whose principal place of business is in the Republic of the Sudan;
- (4) Any company (i) identified by the Office of Foreign Assets Control in the United States Department of the Treasury as sponsoring terrorist activities in the Republic of the Sudan; or (ii) fined, penalized, or sanctioned by the Office of Foreign Assets Control in the United States Department of the Treasury for any violation of any United States rules and restrictions relating to the Republic of the Sudan that occurred at any time following the effective date of this Act;
- (5) Any publicly traded company that is individually identified by an independent researching firm that specializes in global security risk and that has been retained by a certifying company as provided in subsection (c) of this Section as being a company that owns or controls property or assets located in, has employees or

facilities located in, provides goods or services to, obtains goods or services from, has distribution agreements with, issues credits or loans to, purchases bonds or commercial paper issued by, or invests in (A) the Republic of the Sudan; or (B) any company domiciled in the Republic of the Sudan; and

(6) Any private market fund that fails to satisfy the requirements set forth in subsections (d) and (e) of this Section.

Notwithstanding the foregoing, the term "forbidden entity" shall exclude (A) mutual funds that meet the requirements of item (iii) of paragraph (13) of Section 1-113.2 and (B) companies that transact business in the Republic of the Sudan under the law, license, or permit of the United States, including a license from the United States Department of the Treasury, and companies, except agencies of the Republic of the Sudan, who are certified as Non-Government Organizations by the United Nations, or who engage solely in (i) the provision of goods and services intended to relieve human suffering or to promote welfare, health, religious and spiritual activities, and education or humanitarian purposes; or (ii) journalistic activities.

40 ILCS 5/1-110.6(b).

NOW THEREFORE, BE IT RESOLVED THAT, the trustees of LABF approve this policy and endeavor to prohibit investments by its fund managers in certain Forbidden Entities, as defined above, related to the Republic of Sudan. However, the Laborers' and Retirement Board of the Employees' Annuity & Benefit Fund of Chicago does not require an investment manager to divest any security subject to this policy if so doing would result in a net loss to the Laborers' and Retirement Board Employees' Annuity & Benefit Fund of Chicago. Further such an investment manager shall act as a prudent investor in handling the investments of the LABF in the same prudent manner as it would in investing its own funds.;. This policy shall be reviewed annually.

I HEREBY CERTIFY that this is true copy of a Policy first duly adopted by the Retirement Board of the Laborers' and Retirement Board Employees' Annuity & Benefit Fund of Chicago, at a meeting held on February 18, 2014.

Secretary



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