

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

RESOLUTION

Brokerage Policy

WHEREAS, the trustees of the Laborers' and Retirement Board Employees' Annuity & Benefit Fund of Chicago (LABF) recognize a commitment to the success of minority owned businesses, female owned businesses, and businesses owned by a person with a disability, and to promoting opportunities to such businesses in the City of Chicago and within the State of Illinois;

WHEREAS, while recognizing this initiative, the trustees acknowledge their fiduciary responsibilities to LABF regarding best price and execution for all brokerage business executed on behalf of LABF;

WHEREAS, in addition to this policy of best price and execution, LABF also desires to utilize whenever possible Chicago-based minority owned, female owned, and disabled owned brokerage services in the City of Chicago and the State of Illinois;

WHEREAS, we support the aims of the Equal Employment Opportunity Commission, and acknowledge the desirability of open access to competition on the part of minority owned businesses, female owned businesses, and businesses owned by a person with a disability for the opportunity to provide brokerage services to LABF;

WHEREAS, minority owned businesses, female owned businesses, and businesses owned by a person with a disability are defined as a sole proprietorship, partnership, or corporation owned, operated, and controlled by minority group members, females, or disabled persons who have at least 51% ownership. These owners must have day to day operational and managerial control, and an interest in capital and earnings commensurate with his or her percentage of ownership. In addition, the brokerage firm and its operating members must be registered with the appropriate federal and state agencies and must have an established record of business performance through a history of having provided good execution and reporting services.

WHEREAS, the policy of the trustees regarding brokerage business is as follows;

Subject to best execution, investment managers of separately managed accounts are expected to meet the following minimum MWDBE commission requirements:

- Domestic Equity (Large, Mid, and Small Cap Equity) 40%
- Global Equity 30%
- International Equity 20%
- International Equity – Small Cap 10%
- Emerging Markets Equity 10%
- Fixed Income 25%

The percentage of commissions to meet LABF's MWDBE goals cannot be achieved by using indirect methods such as step-outs. Therefore, to meet LABF's MWDBE goals, all trades must be executed directly with the MWDBE brokers. The trustees prefer that the brokers utilized have an office in Chicago or within the State of Illinois.

Each manager will submit a compliance report to LABF on a quarterly basis. LABF investment staff will report to the Board of Trustees of LABF annually on the utilization of MWDBE brokers. If a manager fails to comply with the above guidelines on a calendar basis, they may be asked to appear before the Retirement Board and explain why they were unable to achieve the minimum MWDBE commission goals. Failure by an investment manager to meet MWDBE brokerage goals will be considered a factor when evaluating overall performance of the investment manager.

The MWDBE brokerage policy will be reviewed annually.

NOW THEREFORE BE IT RESOLVED: that the trustees of the Laborers' and Retirement Board Employees' Annuity & Benefit Fund of Chicago approve a policy of offering to minority owned businesses, female owned businesses, and businesses owned by a person with a disability, opportunities to provide brokerage business throughout Chicago and the State of Illinois for the efficient and continued operation of LABF.

I HEREBY CERTIFY that this is a true copy of a Resolution duly adopted by the Retirement Board of LABF, at a meeting held on February 18, 2014. The Resolution was first adopted at a meeting held on December 17, 2002 and subsequently reviewed and revised at various meetings of the Retirement Board as noted below.



Secretary
The Retirement Board

Original Date: 12/17/2002
Revised Date: 12/20/2005
Revised Date: 01/15/2008
Revised Date: 08/18/2009
Reviewed Date: 04/15/2011
Revised Date: 03/20/2012
Reviewed Date: 04/16/2013
Revised Date: 11/19/2013
Revised Date: 12/17/2013
Revised Date: 02/18/2014