

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
Minutes of Regular Board Meeting # 959**

March 12, 2015

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LABORERS' & RETIREMENT BOARD EMPLOYEES'
ANNUITY & BENEFIT FUND OF CHICAGO

Report of Meeting No. 959 held on March 12, 2015, starting at 1:05 p.m. in the office of the Pension Fund.

The following were present:

Board Members:

Victor Roa, President (Local 1001)
Erin Keane, Vice President (First Deputy Comptroller, City of Chicago)
Michael LoVerde, Secretary (City of Chicago)
Kurt Summers, Jr., Trustee (City Treasurer, City of Chicago) (Arrival at 1:22 p.m.)
Lois Scott, Trustee (Chief Financial Officer, City of Chicago)
Carol Hamburger, Trustee (Deputy Budget Director, City of Chicago)
Joseph Rinella, Trustee (City of Chicago)
James Capasso, Jr., Trustee (Retired)

Staff & Consultants:

Graham Grady – Taft Stettinius & Hollister LLP, Fund's Attorney
Cary Donham – Taft Stettinius & Hollister LLP, Fund's Attorney
Dr. Terence Sullivan – Fund's Physician
Kristin Finney-Cooke – NEPC, LLC, Fund's Investment Consultant
Kristen Jackson – NEPC, LLC, Fund's Investment Consultant
Mario Tate – NEPC, LLC, Fund's Investment Consultant
Michael Walsh – Executive Director and Chief Investment Officer
Peggy Grabowski – Comptroller
Kathy Schanding – Fund Actuary
Joan Newman – Benefits Manager
Margie Grazevich – Benefits Payroll Manager
John Carroll – Compliance Administrator

Observers: Heather Arison of JP Morgan Chase.

President Roa determined that a quorum was present. It was moved by Trustee LoVerde, seconded by Trustee Hamburger that the regular minutes of Meeting No. 958 be approved as amended.

Roll-call: For--Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against-- None.

This item was taken out of order. It was moved by Trustee LoVerde, seconded by Trustee Scott, that the minutes of the executive sessions 1, 2 and 3 of meeting No. 958 be approved as submitted.

Roll-call: For--Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against-- None.



***Laborers' and Retirement Board Employees'
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Board Members:

I am transmitting herewith the minutes for the meeting of the Retirement Board which was held on **March 12, 2015**. The minutes are comprised of the following:

- Approval of minutes from prior meetings
- Public Participation
- Schedule A: Applications for Refunds
 - 1. Refund of Contributions Due to Separation from Service
 - 2. Miscellaneous Refunds
 - a. Refund to MEAB-Errors in Deductions
- Schedule B: Payment of Administrative Expenses
- Schedule C: Applications for Annuities
 - 1. Employee Annuity Applications
 - 2. Spouse and Child Annuity Applications
- Schedule D: Adjustment Refunds to New Annuitants
- Schedule E: Applications for Duty Disability Benefits
- Schedule F: Applications for Ordinary Disability Benefits
- Schedule G: Applications for Extension of Duty Disability Benefits
- Schedule H: Applications for Extension of Ordinary Disability Benefits
- Schedule I: Payment of Uncashed Checks of Deceased Members
- Investments Report
- Executive Session No. 1
- Investments Report Continued
- Administrative Report
- Executive Session No. 2
- Investments Report Continued
- Legal Report
- Executive Session No. 3
- Executive Session No. 4
- Executive Session No. 5
- Adjournment

All the foregoing matters were checked upon receipt into the Office of the Retirement Board and were found to be hereinafter set forth.

Sincerely,

Michael R. LoVerde
Retirement Board Secretary

LABORERS' & RETIREMENT BOARD EMPLOYEES'
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PUBLIC PARTICIPATION

None.

SCHEDULE A – APPLICATIONS FOR REFUNDS

1. Refund of Contributions Due to Separation from Service

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that Refunds of Contributions Due to Separation be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against--None.

2. Miscellaneous Refunds

a. Refund to MEAB – Errors in Deduction

It was moved by Trustee LoVerde, seconded by Trustee Scott, that Refunds to the Municipal Employee Annuity and Benefit Fund for Errors in Deductions be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against--None.

SCHEDULE B – ADMINISTRATIVE EXPENSES

Administrative Invoices and Investment Invoices

It was moved by Trustee LoVerde, seconded by Trustee Rinella, that Invoices, as amended, be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against-- None.

SCHEDULE C – APPLICATIONS FOR ANNUITIES

1. Employee Annuities

It was moved by Trustee LoVerde, seconded by Trustee Scott, that applications presented for Employee Annuities be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against-- None.

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2. Spouse and Child Annuities

It was moved by Trustee Scott, seconded by Trustee LoVerde, that applications presented for Spouse and Child Annuities be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against-- None.

SCHEDULE D – ADJUSTMENT REFUNDS TO NEW ANNUITANTS

It was moved by Trustee LoVerde, seconded by Trustee Capasso, that Adjustment Refunds be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against-- None.

SCHEDULE E – DUTY DISABILITY BENEFITS

This section was taken out of order. Trustee LoVerde made a motion, seconded by Trustee Rinella, to approve the Duty Disability Benefits for the seasonal cases listed in the proposal using the rate of pay at the date of injury.

Roll-call: For-- Trustees Roa, LoVerde, Rinella and Capasso.
Against-- Trustees Keane, Summers, Scott and Hamburger.

The motion did not pass.

Trustee Scott made a motion, seconded by Trustee Summers, to approve the Duty Disability Benefits for seasonal cases listed in the proposal using the seasonal calculation method.

Roll-call: For-- Trustees Keane, Summers, Scott, and Hamburger.
Against-- Trustees Roa, LoVerde, Rinella and Capasso.

The motion did not pass.

It was moved by Trustee LoVerde, seconded by Trustee Scott that the remaining applications for Duty Disability Benefits be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against-- None.

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SCHEDULE F – ORDINARY DISABILITY BENEFITS

This section was taken out of order. Trustee LoVerde made a motion, seconded by Trustee Capasso, that the Board approve the Ordinary Disability benefit applications for Employee #69640 and Employee #69491 based upon the rate of pay at date of injury.

Roll-call: For-- Trustees Roa, LoVerde, Rinella and Capasso.
Against-- Trustees Keane, Summers, Scott and Hamburger.

The motion did not pass.

Trustee Scott made a motion, seconded by Trustee Summers, that the Board approve the Ordinary Disability benefits for Employee #69640 and Employee #69491 based upon the Seasonal Calculation method. The Fund member will be paid Ordinary Disability benefits calculated at the seasonal rate until such time as a court of law issues a final judgment related to the current litigation that is being heard in the Circuit Court of Cook County determining that the seasonal calculation methodology is not in compliance with Article 11 of the Illinois Pension Code or until such time as the Board makes a different decision in this matter.

Roll-call: For-- Trustees Keane, Summers, Scott, Hamburger and Rinella.
Against-- Trustees Roa, LoVerde and Capasso.

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the remaining applications for Ordinary Disability benefits be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against-- None.

SCHEDULE G – EXTENSION OF DUTY DISABILITY BENEFITS

It was moved by Trustee LoVerde, seconded by Trustee Scott, that applications for Extension of Duty Disability Benefits be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against--None.

SCHEDULE H – EXTENSION OF ORDINARY DISABILITY BENEFITS

This item was taken out of order. Trustee Hamburger made a motion, seconded by Trustee Scott, that the Board approve the application for Extension of Ordinary Disability benefit for Employee #68286.

Roll-call: For-- Trustees Keane, Summers, Scott, Hamburger and Rinella.
Against-- Trustees Roa, LoVerde and Capasso.

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Dr. Sullivan identified Laborers' Employee #65110 and Employee #67761 as starred cases and explained the circumstances to the Board. Following the explanation of the starred cases, it was moved by Trustee Hamburger, seconded by Trustee LoVerde, that the applications for the remaining Extension of Ordinary Disability Benefits be approved and ordered paid.

Roll-call: For--Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against--None.

SCHEDULE I – PAYMENT OF UNCASHED CHECKS OF DECEASED MEMBERS

It was moved by Trustee Scott, seconded by Trustee LoVerde, that the Payment of Uncashed Checks of Deceased Members be approved and ordered paid.

Roll-call: For--Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against--None.

INVESTMENTS REPORT

February Performance Flash and Watch List

Ms. Finney-Cooke reviewed with trustees the preliminary Performance Flash Report for February 2015 and the Watch List.

UBS Presentation

The LABF's client team from UBS Global Asset Management made a presentation to the trustees on the Fund's Emerging Market Debt portfolio.

At this point in the meeting, the trustees went back and voted on some of the remaining items from the Proposal.

EXECUTIVE SESSION NO. 1

At 2:15 p.m., Trustee Scott requested an executive session under 5 ILCS 120/2(c)(7) to discuss the sale or purchase of securities, investments or investment contracts. Trustee LoVerde seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against-- None.

At 2:26 p.m., Trustee Hamburger made a motion, seconded by Trustee Scott, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against-- None.

The trustees took no action.

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INVESTMENTS REPORT CONTINUED

Due Diligence

The trustees reviewed a memo prepared by NEPC, LLC regarding Western Asset Management's internal risk management and oversight procedures and processes.

ADMINISTRATIVE REPORT

Entrust Special Opportunities Fund III Capital Call

Entrust Special Opportunities Fund III requested a capital call on February 20, 2015 in the amount of \$175,717.00.

Entrust Special Opportunities Fund II Capital Call

Entrust Special Opportunities Fund II requested a capital call on March 3, 2015 in the amount of \$19,604.00.

Midwest Mezzanine Fund IV Capital Call

Midwest Mezzanine Fund IV requested a capital call on March 6, 2015 in the amount of \$16,274.21.

Entrust Special Opportunities Fund III Capital Call

Entrust Special Opportunities Fund III requested a capital call on March 18, 2015 in the amount of \$175,700.00.

Mesirow X Distribution

Mesirow X made a distribution on February 18, 2015 in the amount of \$625,000.00.

Mesirow Fund IV Distribution

Mesirow Fund IV made a distribution on February 19, 2015 in the amount of \$100,000.00.

Mesirow Real Estate Value Fund Distribution

Mesirow Real Estate Value Fund made a distribution on February 24, 2015 in the amount of \$133,857.02.

Mesirow X Distribution

Mesirow X made a distribution on February 27, 2015 in the amount of \$415,000.00.

Midwest Mezzanine Fund IV Distribution

Midwest Mezzanine Fund IV made a distribution on March 6, 2015 in the amount of \$141,097.90.

Mesirow VIII Distribution

Mesirow VIII made a distribution on March 6, 2015 in the amount of \$32,510.00.

Investment Consultant Services RFP

Mr. Walsh updated the trustees on the status of the Fund's RFP for a Full-Service Investment Consultant.

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Annuity Repayment Review

The trustees reviewed and discussed an overpayment that was made to the daughter of a deceased member. After a lengthy discussion of the facts in the matter, and pursuant to 40 ILCS 5/1-135 of the Illinois Pension Code, Trustee Scott made a motion, seconded by Trustee LoVerde, to report this matter to the Cook County State's Attorney.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against-- None.

INVESTMENTS REPORT CONTINUED

Liquidity Study

This item was taken out of order. Ms. Finney-Cooke and Mr. Tate reviewed with trustees the Liquidity Study that was prepared by NEPC. The trustees directed NEPC to prepare Asset Liability Modeling Studies using two scenarios: P.A. 98-0641 upheld and P.A. 98-0641 overturned.

Active Risk Budgeting

The trustees deferred the discussion of this matter until a future meeting.

ADMINISTRATIVE REPORT CONTINUED

Aggregate Pricing Resolution

The trustees reviewed a draft of the Aggregated Investment Fee & Pricing Resolution. After discussion of the draft, Trustee Capasso made a motion, seconded by Trustee Hamburger, that the Board approve the resolution as presented at the meeting.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against-- None.

See attached resolution.

Statement of Economic Interests

The trustees were notified of the need to complete their Statement of Economic Interests filing with the Cook County Clerk by May 1, 2015.

Treasurer Summers left the meeting at 4:06 p.m.

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EXECUTIVE SESSION NO. 2

At 4:07 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(1) to discuss personnel matters. Trustee Rinella seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Scott, Hamburger, Rinella and Capasso.
Against-- None.

At 4:50 p.m., Trustee LoVerde made a motion, seconded by Trustee Hamburger, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Scott, Hamburger, Rinella and Capasso.
Against-- None.

The trustees took no action.

LEGAL REPORT

Seasonal Disability

Mr. Donham updated trustees on the status of the seasonal disability case, Patton and Acevedo v. LABF, currently pending in the Circuit Court of Cook County. Fund Counsel will send trustees a copy of a legal memorandum to be filed with the Circuit Court of Cook County.

Securities Lending

Mr. Donham updated trustees on the securities lending litigation.

EXECUTIVE SESSION NO. 3

At 4:56 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss potential or current litigation of the Fund. Trustee Rinella seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Scott, Hamburger, Rinella and Capasso.
Against-- None.

At 4:57 p.m., Trustee Hamburger made a motion, seconded by Trustee LoVerde, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Scott, Hamburger, Rinella and Capasso.
Against-- None.

The Board took no action.

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EXECUTIVE SESSION NO. 4

At 4:57 p.m., Trustee Hamburger requested an executive session under 5 ILCS 120/2(c)(11) to discuss potential or current litigation of the Fund. Trustee LoVerde seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Scott, Hamburger, Rinella and Capasso.
Against-- None.

At 5:05 p.m., Trustee LoVerde made a motion, seconded by Trustee Hamburger, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Scott, Hamburger, Rinella and Capasso.
Against-- None.

The Board took no action.

EXECUTIVE SESSION NO. 5

At 5:05 p.m., Trustee Hamburger requested an executive session under 5 ILCS 120/2(c)(11) to discuss potential or current litigation of the Fund. Trustee LoVerde seconded the motion.

Roll-call: For-- Trustees Keane, Scott, Hamburger, Rinella and Capasso.
Against-- None.
Abstain -- Trustees Roa and LoVerde.

At 5:09 p.m., Trustee Rinella made a motion, seconded by Trustee Hamburger, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Keane, Scott, Hamburger, Rinella and Capasso.
Against-- None.
Absent -- Trustees Roa and LoVerde.

The Board took no action.

ADJOURNMENT

With no further business, Trustee Rinella made a motion to adjourn. Trustee Keane seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Scott, Hamburger, Rinella and Capasso.
Against-- None.

**PUBLIC PENSION AND BENEFIT FUND AGGREGATED INVESTMENT FEE &
PRICING RESOLUTION**

WHEREAS, the Laborers' and Retirement Board Employees' Annuity and Benefit Fund ("LABF") is a qualified defined benefit plan organized under the laws of the State of Illinois, 40 ILCS 5/11 et seq., and existing for the benefit of its annuitants and beneficiaries as designated by law, and

WHEREAS, the LABF enters into investment management agreements, from time to time, with investment managers for the management of its investment portfolios, and

WHEREAS, consistent with their fiduciary duties, the Trustees of LABF desire to defray the reasonable expenses of LABF by securing lower fees for the management of its investment portfolios, and

WHEREAS, by collecting and comparing investment management and performance fee ("Fee" or "Fees") information with other local benefit plans, included but not limited to: the Laborers' and Retirement Board Employees' Annuity and Benefit Fund, the Municipal Employees', Officers, And Officials' Annuity and Benefit Fund, the Firemen's Annuity and Benefit Fund, the Public School Teachers' Pension and Retirement Fund, the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund, the Retirement Plan for Chicago Transit Authority Employees, the Chicago Transit Authority Retiree Health Care Trust, the County Employees' and Officers' Annuity and Benefit Fund, the Forest Preserve District Employees' Annuity and Benefit Fund, and the Metropolitan Water Reclamation District Retirement Fund (any of which may be "Participating Funds"), the Trustees of LABF anticipate that it may be possible to lower such Fees in certain circumstances.

WHEREAS, the Treasurer of the City of Chicago (the "Treasurer") serves as the custodian and a trustee of LABF, MEABF, FABF and PABF and serves as the custodian of CTPF, and

WHEREAS, the LABF desires the Treasurer to assist in assessing information regarding the amount of Fees paid to investment managers by the LABF in addition to any Participating Funds, and

WHEREAS, the LABF desires to work together with any Participating Funds and with the Treasurer to address potential opportunities to secure lower Fees.

NOW THEREFORE BE IT RESOLVED BY THE LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY AND BENEFIT FUND AS FOLLOWS:

SECTION 1. The above recitals are incorporated herein and made a part hereof.

SECTION 2. LABF agrees to provide Fee information, to the extent legally permissible, to the Treasurer, including: (a) Fees pursuant to investment management and limited partnership

agreements ("Agreements") currently in place; (b) Fees pursuant to Agreements not yet entered into; and (c) information on investment performance to the extent relevant to the determination or assessment of such Fees. For the avoidance of doubt, Fee information includes, without limitation, the Fee schedules on which such Fees are computed as well as Most Favored Nation ("MFN") provisions.

SECTION 3. LABF understands that the Treasurer intends to create and maintain a database of Fee information (the "Clearinghouse") that has been or will be collected from LABF and any Participating Funds, and that designated employees and trustees of the Funds shall have access to the Clearinghouse.

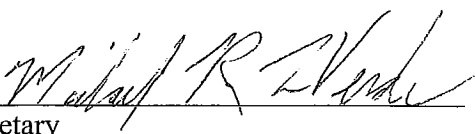
SECTION 4. LABF understands that the Treasurer intends to convene a working group to consider the information provided to the Clearinghouse, at which LABF and any Participating Fund will have representation. LABF further understands that on a quarterly basis, the Treasurer intends to post the analysis of the Clearinghouse data online and provide it to each of the Funds, the Mayor of the City of Chicago and other organizations such as, but not limited to, the Chicago Federation of Labor Committee on Pensions, Health and Welfare also known as the Chicago Trustees Roundtable.

SECTION 5. LABF authorizes its Executive Director, Chief Investment Officer, Investment Consultant and counsel to work with the Treasurer to investigate current and prospective opportunities for securing lower Fees for the management of its investment portfolios, along with those of any Participating Funds, including but not limited to economies of scale, joint agreements, and MFNs, and recommend the same to LABF and any Participating Funds, subject to the recognition that any coordinated action must be prudent and in the best interests of each of LABF and any Participating Funds, and its participants and beneficiaries, as independently determined by its respective Board of Trustees.

SECTION 6. Nothing contained herein shall serve to invalidate any management agreements now existing, or entered into by the Board of Trustees by any Funds who shall at times retain their right to make independent judgments. and enter into such agreements as the Board of Trustees deems appropriate.

SECTION 7. Any Fund who is a party to this resolution may rescind its consent to the resolution at any time. Receipt by the Treasurer of a notice of rescission by any fund shall be effective immediately.

I HEREBY CERTIFY that this is a true copy of a Resolution duly adopted by the Retirement Board of the Laborers' and Retirement Board Employees' Annuity & Benefit Fund of Chicago, at a meeting held on March 12, 2015.


Secretary
The Retirement Board