

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

321 N. Clark Street, Suite 1300, Chicago, IL 60654

Special Meeting – Regular Minutes

October 8, 2020

9:04 AM

Via Teleconference

Date of Meeting: October 8, 2020
Start Time: 9:04 a.m.
Location: Via Teleconference

The following were Present:

Victor Roa	– President
James Joiner	– Vice President
Michael LoVerde	– Secretary
James Capasso, Jr.	– Trustee
Melissa Conyears-Ervin*	– Trustee (joined at 9:10 a.m.)
Stephen Skardon	– Trustee
Reshma Soni	– Trustee

Staff & Consultants:

Joseph Burns	– Jacobs, Burns, Orlove & Hernandez, Outside Counsel
Taylor Muzzy	– Jacobs, Burns, Orlove & Hernandez, Outside Counsel
Elis Redish	– Jacobs, Burns, Orlove & Hernandez, Outside Counsel
James Wesner	– Marquette Associates, Investment Consultant
Kweku Obed	– Marquette Associates, Investment Consultant
Neil Capps	– Marquette Associates, Investment Consultant
Jessica Noviskis	– Marquette Associates, Investment Consultant
Tina Consola	– Executive Director
Peggy Grabowski	– Comptroller
John Carroll	– Compliance Administrator
Nadia Oumata	– Director of Investments

Absent: Jennie Bennett – Trustee

Observer: Craig Slack – Office of the City Treasurer, City of Chicago

** Denotes partial attendance during the open portion of the meeting.*

A special meeting of the Retirement Board (“Board”) of the Laborers’ and Retirement Board Employees’ Annuity and Benefit Fund of Chicago (“LABF” or “Fund”) was held via teleconference on October 8, 2020. President Roa declared there was a quorum after Secretary LoVerde took attendance. There was no public participation.

President Roa read a statement regarding P.A 101-0640 which establishes guidelines for the Open Meetings Act as it pertains to remote meetings during this or any other disaster or emergency, and determined that an in-person meeting was not practical or prudent because of the COVID-19 pandemic. President Roa then confirmed the attendance of Board members, Fund staff, consultants, and general public, verified that each person could hear clearly, and informed all participants that the meeting was being recorded. President Roa further informed the Board that all votes would be taken by roll call with each Board member identifying themselves before voting.

INVESTMENTS REPORT

Mr. Wesner previewed the investment-related items on the agenda for the meeting.

Alternative Investments Allocation Review

Hedge Fund Report - Mr. Wesner reviewed the hedge fund section of the report and provided an in-depth review of the Fund's hedge fund portfolio noting that the Fund has a 5% target allocation to hedge funds. Mr. Wesner reviewed the characteristics and performance of each hedge fund manager in the portfolio. In reviewing the portfolio, Mr. Wesner noted the investments that have lagged compared to their benchmarks and indicated that there will be a further discussion at the October 20, 2020, meeting regarding an implementation plan to address certain areas of concern. The Trustees inquired about various aspects of the hedge fund allocation and the possible adjustments to the allocation at this time.

Real Assets Report - Mr. Obed reviewed the real assets section of the report and provided an in-depth review of the Fund's real estate and infrastructure investments. He reviewed the characteristics and performance of each of the managers in the real assets portfolio and explained how the managers performed as part of the review. The Trustees inquired about this allocation and about how the real estate market is performing in general.

Private Markets Report - Mr. Wesner reviewed the private markets section of the report and provided an in-depth review of the Fund's underlying investments in the private markets allocation. Mr. Wesner noted that the Board has succeeded in adding qualified MWDBE investment managers to its private markets portfolio, one of the highest allocation level to MWDBE firms in this space he has seen. He also noted that the Fund needs to continue making new investments to private markets funds to meet, and eventually maintain, its target allocation of 7%. Mr. Wesner indicated that Marquette Associates will be preparing an implementation recommendation for LABF's full portfolio for review at the October 20, 2020 Board meeting.

Management Fees Analysis

This item was conducted in executive session.

EXECUTIVE SESSION NO. 1

At 10:29 a.m., Trustee Skardon requested an executive session under 5 ILCS 120/2(c)(7) to discuss the sale or purchase of securities, investments, or investment contracts. Trustee Capasso seconded the motion.

Roll-call: For -- Trustees Roa, Joiner, LoVerde, Capasso, Conyears-Ervin, Soni, and Skardon.
Against -- None.

At 11:00 a.m. Trustee Skardon made a motion, seconded by Trustee Capasso, that the executive session be adjourned and that the Board return to open session.

Roll-call: For -- Trustees Roa, Joiner, LoVerde, Capasso, Conyears-Ervin, Soni, and Skardon.
Against -- None.

The Trustees took no action.

INVESTMENTS REPORT CONTINUED

Foreign Tax Recovery Services RFP

Ms. Consola gave an overview of the previously approved Foreign Tax Recovery Services RFP. The Trustees asked LABF staff to move forward with this RFP.

Volatility Risk Premium ("VRP") Review

Jessica Noviskis from Marquette Associates conducted an educational session for the Trustees on Volatility Risk Premium Investing. The Trustees asked questions about this investment product and how it would fit within the LABF portfolio.

The Trustees were credited with 40 minutes of training for this session.

Trustee Education: Tales from the Legal Crypt

This item was postponed to a future meeting.

Miscellaneous

The Board discussed logistics related to respondent presentations for the Fund's Registered Lobbyist RFI which will occur at the November 17, 2020 Board meeting.

ADJOURNMENT

With no further business, at 11:46 p.m., Trustee LoVerde made a motion to adjourn. Trustee Joiner seconded the motion.

Roll-call: For -- Trustees Roa, Joiner, LoVerde, Capasso, Conyears-Ervin, Soni, and Skardon.
Against -- None.