

Policemen’s Annuity and Benefit Fund of Chicago

Minority and Female Investment Hearing Questionnaire Senate Pensions & Investments Committee

1. What is the percentage of minority and women representation on the Board of Trustees of your fund (“the Fund”)? Please identify the minority and women members of the Board of Trustees by name, specifying which members are African American, Asian American, and Latino.

	African American	Latino	Female	Total
Juan Carlos Avila		1		
Carole Brown	1		1	
Carol Hamburger			1	
Kurt Summers, Jr.	1			
TOTAL (#)	2/8	1/8	2/8	4/8
Total (%)	25%	12.5%	25%	50%

2. What is the percentage of minority and women representation on the Fund’s investment staff (excluding support staff)? Please specify the percentage of African Americans, Asian Americans, Latinos, and women.

The fund appointed a new Chief Investment Officer, Ms. Aoifinn Devitt, in April 2016. There are no other investment staff, although the Fund’s Executive Director, Ms. Regina Tuczak, also assists in investment matters occasionally. As such 100% of the Fund’s investment staff are women. There are 0% African Americans, Asian Americans and Latinos.

3. What is the percentage of minority and women representation on the Fund’s consulting staff that is specifically assigned to the Fund (excluding support staff)? Please specify the percentage of African Americans, Asian Americans, Latinos, and women.

Four individuals are assigned to the PABF account; two of these individuals are African American women. In total, African American women make up 50% of the Fund’s assigned team.

Name	Title	Ethnicity	Gender
Kevin Leonard	Partner, Senior Consultant	White	Male
Kristin Finney Cooke	Senior Consultant	African American	Female
DeAnna Ingram	Senior Analyst	African American	Female
David Adams	Performance Analyst	White	Male

4. What is the percentage of minority and women representation at the Fund’s hired consulting firm (excluding support staff)? Please specify the percentage of African Americans, Asian Americans, Latinos, and women.

NEPC has a total of 208 employees (excluding support staff), 5% (or 11 employees) of employees are African American, 9% (or 18 employees) are Asian American and 3% (7 employees) are Latino America and 21% (or 44 employees) are women.

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	Total Staff	Non-Minority Men	Non-Minority Women	African American	Asian American	Latino American
Number	208	128	44	11	18	7
Percentage	100%	62%	21%	5%	9%	3%

5. What is the percentage of minority and women representation at the Fund's majority owned asset managers who are specifically assigned to the Fund's accounts (excluding support staff)? Please specify the percentage of African Americans, Asian Americans, Latinos, and women.

Please see attached Exhibit A, which contains the diversity tables submitted by the Fund's investment managers for March 31, 2016.

6. As of December 31, 2015 and March 31, 2016, what were the total amounts of the Fund's assets?

Investment assets at December 31, 2015=\$2,472,717,854

Investment assets at March 31, 2016=\$2,395,127,638

7. What is your average initial allocation to MBE firms in each of the listed asset classes since 2013? What is your average initial allocation to non-MBE firms in each of the listed asset classes since 2013: Domestic Equity, International Equity, Fixed Income, Hedge Fund, Real Estate, and Private Equity.

Allocations since December 2013

Domestic Equity:

\$0-MBE

\$90 million-Non-MBE

International Equity:

\$92 million-MBE

\$92 million Non-MBE

Fixed Income:

\$90 million (incremental \$50 million to existing relationship)-MBE

\$90 million Non-MBE

\$20 million Non-MBE (Direct lending – not funded yet)

\$20 million Non-MBE (Direct lending – not funded yet)

\$20 million Non-MBE (Opportunistic Credit – not funded yet)

\$20 million Non-MBE (Opportunistic Credit – not funded yet)

Hedge Funds

\$20 million-MWBE

No Allocations made in Real Estate or Private Equity

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8. What percent of assets were allocated to MWBE firms in searches not specifically designated for emerging managers?

2014

Fixed Income=LM Capital allocated \$90 million/\$650 million (14%)

2015

Hedge Funds=Pluscios Management LLC \$20 million/\$145 million (14%)

NOTE: The only hedge fund allocation that has been funded is the MWBE manager listed above. The others are not likely to be funded until 2016, pending increased employer contributions.

9. How many direct-hire RFP's have you issued in 2016 for emerging managers in the following alternatives asset classes: Real Estate, Hedge Fund, and Private Equity.

One direct-hire RFP was issued in 2016 for a cash management manager. The manager for this position has not yet been selected, although one of the three emerging managers who responded will progress to the interview stage.

10. Are all of your underlying managers meeting MWBE brokerage goals? Are there any consequences for underlying managers not meeting MWBE brokerage goals?

Managers that do not meet MWBE brokerage goals are placed on the Fund's watch list. If the situation is not remedied, they are requested to present to the Fund's Board of Trustees. Termination is considered on a case by case basis.

Currently, the Fund has one firm on the Watch List for failure to meet brokerage requirements: Artisan. At this time last year Wells was also on the Watch List but they have since remedied their shortcoming in the area and are now meeting our brokerage goals. The Fund's Chief Investment Officer is visiting Artisan at their headquarters in early August and will discuss their failure to meet the brokerage goals with them and recommend any action necessary.

11. How many of your managers have violated your MWBE Brokerage Policy on multiple occasions? Who are these firms and how many times have they violated the policy?

Artisan has been on the Fund's watch list since July of 2013, due to failure to meet brokerage requirements.

12. For 2015, please list [1] **asset classes**, [2] money managers, [3] the amount of assets managed in that **asset class** (in column [1]) per manager as of December 31, 2015, [4] the percentage of assets this represents in that **asset class** (in column [1]) as of December 31, 2015, and [5] the percentage of assets this represents in the overall Fund as of December 31, 2015. Please also list [6] the amount of fees paid per **asset class** (in column [1]) in 2015, [7] the percentage of fees paid to this manager [2] compared to fees paid by the Fund in this **asset class** (in column [1]) in 2015, [8] the percentage of fees paid to this manager [2] compared to fees paid by the overall Fund in 2014, and [9] the classification (i.e. African American, Latino, Asian American, Female) of the manager [2]. Please be sure to sort the table by **Asset Class** [1] then Classification [9].

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Asset Class [1]	Manager [2]	Assets under Management			Total fees Paid			Classification [9]
		[3] \$ in Asset Class	[4] % of Asset Class	[5] % of Total	[6] \$ in Asset Class	[7] % of Asset Class	[8] % of Total	
Equity	Denali Advisors	\$46 M	4%	1.9%	\$229 K	3%	2%	Native American
Equity	Holland Capital*	\$89 M	7.7%	3.6%	\$329 K	5%	2%	African American
Equity	Earnest	\$78 M	7%	3.2%	\$808 K	12%	6%	African American
Equity	TOTAL	\$213 M	18.5%	8.6%	\$1,302 K	20%	10%	
	TOTAL EQUITY	\$1,153 M			\$6,581 K			
Fixed Income	LM Capital	\$90 M	14%	3.60%	\$97 K	5%	1%	Latino
	TOTAL	\$90 M	14%	3.60%	\$97 K	5%	1%	
	TOTAL FIXED INCOME	\$ 646 M			\$1,974 K			
Alternatives	Muller & Munroe	\$15.3 M	6.9%	0.7%	\$89 K	2%	1%	African American
	TOTAL	\$15.3 M	6.9%	0.7%	\$89 K	2%	1%	
	TOTAL ALTERNATIVES	\$222.5 M			\$5,462 K			
TOTAL	Chicago Police	\$2,472 M			\$14,082 K			

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Sorted by Classification:

Asset Class	Manager	Assets under Management			Total fees Paid			Classification
		[3] \$ in Asset Class	[4] % of Asset Class	[5] % of Total	[6] \$ in Asset Class	[7] % of Asset Class	[8] % of Total	
[1]	[2]							[9]
Equity	Holland Capital*	\$89 M	7.7%	3.60%	\$329 K	5%	2%	African American
Equity	Earnest	\$78 M	7%	3.20%	\$808 K	12%	6%	African American
Alternatives	Muller & Munroe	\$15.3 M	6.9%	1%	\$89 K	2%	1%	African American
						TOTA L	9%	
Fixed Income	LM Capital	\$90 M	14%	3.60%	\$97 K	5%	1%	Latino
						TOTA L		
Equity	Denali Advisors	\$46 M	4%	1.90%	\$229 K	3%	2%	Native American
						TOTA L	2%	

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13. For 2016, please complete the following table as of March 31, 2016. Please list [1] the **asset class**, [2] the money manager, [3] the amount of assets managed in that **asset class** (in column [1]), [4] the percentage of assets this represents in that **asset class** (in column [1]), and [5] the percentage of assets this represents in the overall Fund. Please also list [6] the amount of fees paid per **asset class** (in column [1]), [7] the percentage of fees paid to this manager [2] compared to fees paid by the Fund in this **asset class** (in column [1]), [8] the percentage of fees paid to this manager [2] compared to fees paid by the overall Fund, and [9] the classification (e.g. African American, Latino, Asian American, Female) of the manager [2]. Please be sure to sort the table by **Asset Class** [1] then Classification [9].

Asset Class [1]	Manager [2]	Assets under Management			Total fees Paid			Classification [9]
		[3] \$ in Asset Class	[4] % of Asset Class	[5] % of Total	[6] \$ in Asset Class	[7] % of Asset Class	[8] % of Total	
Equity	Denali Advisors	\$48 M	4%	1.80%	\$60 K	3%	1%	Native American
Equity	Holland Capital*	\$88 M	7.6%	3.60%	\$80 K	4%	1%	African American
Equity	Earnest	\$83 M	7%	3.20%	\$177 K	10%	3%	African American
Equity	TOTAL	\$219 M	19.0%	8.80%	\$1,786 K			
	TOTAL EQUITY	\$1,152 M						
Fixed Income	LM Capital	\$93 M	15%	3.60%	\$97 K	5%	2%	Latino
	TOTAL	\$93 M	15%	3.60%	\$97 K	5%		
	TOTAL FIXED INCOME	\$ 616 M			\$1,974 K			
Alternatives	Muller & Munroe	\$15 M	7%	0.7%	\$19 K	1%	0%	African American
	TOTAL	\$15 M	7%		\$19 K	1%		
	TOTAL ALTERNATIVES	\$212 M			\$1,714 K			
TOTAL	Chicago Police	\$2,472 M			\$5,462 K			

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Sorted by Classification:

Asset Class	Manager	Assets under Management			Total fees Paid			Classification
[1]	[2]	[3] \$ in Asset Class	[4] % of Asse t Clas s	[5] % of Total	[6] \$ in Asset Class	[7] % of Asset Class	[8] % of Tot al	[9]
Equity	Holland Capital*	\$88 M	7.6 %	3.60%	\$80 K	4%	1%	African American
Equity	Earnest	\$83 M	7%	3.20%	\$177 K	10%	3%	African American
Alternatives	Muller & Munroe	\$15 M	7%	0.7%	\$19 K	1%	0%	African American
						TOT AL	5%	
Fixed Income	LM Capital	\$93 M	15%	3.60%	\$97 K	5%	2%	Latino
						TOT AL	2%	
Equity	Denali Advisors	\$48 M	4%	1.80%	\$60 K	3%	1%	Native American
						TOT AL	1%	

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16. As of December 31, 2015 and March 31, 2016 what percentage (based on assets managed within each **asset class**) of money managers retained by the Fund is African American? Latino? Asian American? Female? Please identify these entities by name.

As of December 31, 2015			
Asset Class	Classification	% allocation	Manager Name
Equity	African American	14.70%	Holland Capital, Earnest
	Other	4%	Denali
Fixed Income	Latino	14%	LM Capital
Private Equity	African American	7%	Muller and Monroe
As of March 31, 2016			
Asset Class	Classification	% allocation	Manager Name
Equity	African American	14.60%	Holland Capital, Earnest
	Other	4%	Denali
Fixed Income	Latino	15%	LM Capital
Private Equity	African American	7%	Muller and Monroe

17. Exclusive of a manager of managers program, as of December 31, 2015 and March 31, 2016, what percentage of money managers retained by the Fund is African American? Latino? Asian American? Female? Please identify these entities by name.

The Fund does not utilize a manager of managers program. The data presented for item #16 represents direct investments.

18. Are any of your managers of managers minority- or female-owned firms? (If so, please name the firm and the amount of assets being managed. If not, and you have hired a manager of managers, please name the firm and the amount of assets being managed.)

The Fund does not utilize a manager of managers program.

19. If you have hired a manager of managers, what fees are paid to your manager of managers? What amount of the manager of managers fees are paid to the underlying managers? Please be specific and request this from your manager of managers.

The Fund does not utilize a manager of managers program.

20. At what point do you consider direct hiring of successful underlying managers in a manager of managers program not including alternative investments?

The Fund does not utilize a manager of managers program.

21. What percent of assets by **asset class** were allocated to Illinois-headquartered minority- and female-owned investment managers in 2015 and 2016 (March 31)? What is the total dollar

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amount of those assets allocated to Illinois-headquartered minority- and female-owned investment managers relative to each **asset class**?

As of December 31, 2015			
Asset Class	% allocation to IL Firm	Dollar Amount	Manager Name
Equity	7.70%	\$89 M	Holland Capital
Private Equity	7%	\$15.3 M	Muller and Monroe
As of March 31, 2016			
Asset Class	% allocation to IL Firm	Dollar Amount	Manager Name
Equity	7.60%	\$88 M	Holland Capital
Private Equity	7%	\$15 M	Muller and Monroe

22. What is the percentage of the total dollar amount of investment management fees that is paid by the Fund to Illinois-headquartered minority- and female-owned investment managers in 2015 and 2016 (through March 31)? What is the total dollar amount of those fees by **asset class**? Please specify the percentage and total dollar amount for African American-, Latino-, Asian American-, and female-owned, Illinois-headquartered investment managers?

As of December 31, 2015			
Asset Class	% asset class fee paid to IL Firm	Dollar Amount of fee	Manager Name
Equity	5%	\$329 K	Holland Capital
Private Equity	2%	\$89 K	Muller and Monroe
As of March 31, 2016			
Asset Class	% asset class fee paid to IL Firm	Dollar Amount	Manager Name
Equity	4%	\$80 K	Holland Capital
Private Equity	1%	\$19 K	Muller and Monroe

23. Please list, by investment manager, all brokers utilized during 2015 and through March 31, 2016, and the total commission paid to each broker utilized. Please denote MWBE brokers by ethnic group and Illinois-based broker/dealers. Please separate the managers and their brokers utilized by **asset class** (i.e., domestic equity, international equity, fixed income, etc.). For fixed income, please list par value traded by manager with each broker as opposed to estimating commissions. Separate commissions paid as follows: (a) total and (b) net of step outs, correspondence, commission recapture, and/or any other non-direct trading. Please include all asset managers that manage asset classes that trade publically traded securities. (e.g. REIT Managers, Hedge Fund Managers, etc.) Are any managers excluded from your policy currently and what are your plans to rectify this issue?

Please see Exhibit B. There are no managers excluded from our policy currently.

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24. What are the consequences for individual managers who do not meet or exceed your MWBE goals? Please list managers that are not in compliance with your goals and the total commissions paid in 2015 and 2016 (through March 31). Please list by broker the dollar amounts on your account.

The managers are placed on the Fund's Watch List. If the situation is not remedied, they are requested to present to the Board of Trustees. Termination is considered on a case-by-case basis.

Currently, Artisan is on the Fund's Watch List for failure to comply with the Fund's brokerage policy. Please see Exhibit B,(b) and (s) for specific broker and commissions details.

25. In 2015 and 2016 (through March 31), what is the total dollar amount of commissions paid and percentage of the total paid to Illinois-headquartered minority- and female-owned broker/dealers? Please separate commissions paid as follows: (a) total and (b) net of step outs, correspondence, and/or any other non-direct trading.

As of December 31, 2015		
Asset Class	Total Amount of commissions paid	% paid to IL headquartered minority and female owned broker/dealers
Equity	\$ 764,584.84	28.31%
Fixed Income (commission equivalent)	NA	42.35%
As of March 31, 2016		
Asset Class	Total Amount of commissions paid	% paid to IL headquartered minority and female owned broker/dealers
Equity	\$ 226,015.49	17.63%
Fixed Income (commission equivalent)	NA	38.11%

26. Do you require your fixed income managers to meet your goals by product or in aggregate? (e.g. do you have goals for corporate bonds traded, treasury bonds traded, mortgage securities traded, etc.) If not, why not?

The Fund requires that investment managers meet their goals and objectives in aggregate within their mandate. The Fund does not maintain goals by product.

27. Has the Board of Trustees implemented a policy encouraging the hiring of minority or women money managers by the Fund across all **asset classes**? If so, when was the policy promulgated? How has this policy been implemented? Describe any changes made to the policy and its execution in the last year to improve minority and female-owned business enterprise

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participation. Are there any **asset classes** that do not have minority and women representation? Please provide a copy of the policy.

Please see Exhibit C.

The Policy was updated to incorporate requirements of SB 452/Public Act 098-1022. It has been implemented and we are continuously surveying the universe to source suitable minority and female-owned businesses for our portfolio. The Chief Investment Officer held the following meetings in the months since joining the Fund and the numbers of Emerging Managers are indicated in the right hand column.

Month	Current Manager Meetings	New Manager Meetings	Of which Emerging Managers	Conferences Attended	Total
January					
February					
March					
April	4	4	1		8
May	24	20	3	<ul style="list-style-type: none"> Opal Emerging Manager Summit 	44
June	8	19	4	<ul style="list-style-type: none"> NASP Buyouts MFA 	27
July	13	7	2	<ul style="list-style-type: none"> Pension Bridge 	20
August					
September					
October					
November					
December					

28. Has the Board of Trustees implemented a policy encouraging the hiring of minority- and female-owned broker/dealers by the Fund's asset managers? If so, when was the policy promulgated? How has this policy been implemented? Does your policy include all asset managers who trade publicly traded assets (e.g. REITs, hedge funds, etc)? Does your policy preclude the utilization of non-direct trading methods toward meeting your goals? Describe any changes made to the policy and its execution in the last year to improve minority and female-owned business enterprise participation. Please provide a copy of the policy.

Please see Exhibit D.

There were no significant changes to the policy in 2015 and 2016, to-date.

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29. What steps is the Fund taking to encourage direct trading with minority- and female-owned broker/dealers across all relevant **asset classes** instead of step-outs and correspondent relationships?

Step-outs to meet MWDBE brokerage requirements are prohibited since January of 2011.

30. Please list transition managers utilized in 2015 and 2016 (through March 31) and commissions paid to each. Have you utilized any MWBE managers? If so who and if not why not?

In 2015, the Fund engaged Northern Trust Transition Management in May, 2015, for a very complex fixed income transition. Total commissions paid to Northern Trust were \$104,479. Northern Trust partnered with multiple MWBE firms during this transition, which are noted below. No commissions were charged by Northern Trust on the MWBE broker trades. Since Northern Trust did not execute these trades, Northern Trust is unable to report on MWBE firm commission paid.

MWBE Firm	Estimated Market Value Traded
Cabrerra	\$ 1,094,768.50
CL King	\$ 13,855,638.19
Loop Capital	\$ 33,786,730.13
Mischler Financial	\$ 20,281,280.60
Williams Capital	\$ 64,906,582.57
Grand Total	\$ 133,925,000.00

Please note that Loop Capital and Penserra were solicited for bids for this transition. Loop Capital declined to bid, citing that they did not offer international fixed income transition management coverage. Various complexities arose with the transition, and the Fund's investment consultant recommended that Northern Trust be utilized, given their direct involvement with custody of certain assets.

There were no transition managers utilized in 2016 to date.

31. If you don't use a pool of transition managers, how do you determine which transition managers to utilize?

The Policemen's Annuity and Benefit Fund of Chicago does have a pool of transition managers. A RFP was performed in late 2014 for Transition Management Services. After a thorough review of the responding firms' stability and general experience, key personnel, expertise client references, process, philosophy and style, and fees, the Board of Trustees, in January of 2015, added Loop Capital, Northern Trust and Penserra to the Fund's pool of transition managers.

32. Of the transitions that are conducted, what were the total fees and commissions paid to transition managers? Please list and denote fees and commissions paid to all transition managers individually and denote MWBE firms.

As noted above, the Fund conducted one transition and paid Northern Trust \$104,479 in commissions in 2015. 27% of the transition (traded market value) was outsourced to MWBE firms listed above in question 31. Due to the nature of how MWBE firms trade fixed income, Northern Trust was unable to report on the commission earned, they were only able to report on the amount of the trade Northern Trust outsourced to MWBE firms.

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No transitions occurred in 2016.

33. Please list gross commissions paid in 2015 and 2016 (through March 31) to brokers used during transitions. In addition, please list the names and commissions paid to each broker.

See the response to question 31 for MWBE firms Northern Trust partnered with for the fixed income transition in 2015. Due to the nature of how MWBE firms trade fix income, Northern Trust was unable to report on the commission earned. Northern Trust was only able to report on the amount of the trade outsourced to MWBE firms, which was 27% of the transition

34. Are the Fund's transitions managers required to meet or exceed the Fund's minority/women owned brokerage firm utilization goals, if the Fund has goals, when conducting open market trades during transitions? Please explain.

Yes. Transition managers are required to meet the requirements stated in the Fund's Brokerage Policy (see Exhibit D).

35. Public Act 96-6 required funds to adopt goals across all **asset classes**.

How has the Fund's goals changed since passage of the new law? The goals are now explicit.

How else has PA 96-6 impacted the Fund's use of emerging investment managers? The Fund has implemented improvements in monitoring and reporting. Annually, the Fund's goals for emerging market managers are reviewed and considered. Additionally, NEPC requests that all firms under consideration for Illinois based clients provide the Illinois MWDBE certification.

How do you promote transparency within the Board? All meetings are open to the Public. Additionally, performance, asset allocation, manager allocations, fees paid to managers and other important statistics are reported on the Fund's website.

Are your full Board meetings and Investment Committee meetings entirely open to the public?
Yes

Has the Board gone into Executive Session regarding non-legal matters in the past? If so, for what general reasons did the Board decide to hold an Executive Session instead of a public hearing? Yes. The Board does enter into Executive Sessions. These sessions are held to protect the assets of the Fund, including the purchase and sale of certain securities. Additionally, contract negotiations are discussed.

Do you (or have you) given consideration to providing the same written materials to the public so they can follow and understand the proceedings better? (as general referencing discloses little in the greater interest of transparency) Yes.

36. Is there a maximum allocation your plan is allowed to allocate to a MWBE firm? If so, what is the maximum? Is there a maximum allocation your plan is allowed to allocate to a MWBE firm for each **asset class**? If so, what is the maximum by **asset class**?

No.

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37. Is there a maximum allocation your plan is allowed to allocate to trade with an MWBE firm? IF so, what is the maximum? IS there a maximum volume or percent your plan is allowed to trade with a MWBE firm for each asset class? IF so, what is the maximum? IS your policy a ceiling or floor? Why?

No.

38. What standards do you and your consultants use to confirm and certify that an investment manager or broker is MWBE?

NEPC uses eVestment to certify a manager's MWDBE status, additional if the firm is selected for further due diligence a copy of their MWDBE certification is requested.

With respect to brokers, this decision is outsourced to the Fund's investment managers.

39. How many MWBE firms did your consultant recommend in searches which occurred in 2015 and 2016 (through March 31)? How many MWBE firms did your consultant recommend in searches without a specific MWBE participation mandate? How many MWBE firms are currently on your consultant's recommended or select lists?

In 2015, NEPC recommended 62 MWBE firms in 45 different searches. In 2016, through June 30, 2016, 45 MWBE firms have been recommended in 39 different searches. Of the 62 searches conducted in 2015, 4 of these searches were for MWBE firms. For 2016, to date none of the 45 searches conducted were for MWBE firms. Currently, NEPC has 18 strategies on our FPLs from 11 different MWBE Investment Firms.

40. Have you issued any RFPs which preclude MWBE firms, as a whole, from responding due to minimum requirements of the RFP? Please include all RFPs issued across all **asset classes** from June 30, 2015 to March 31, 2016.

No. Additionally, MWDBE firms are exempt from some requirements in the initial screening process, such as length of track record, assets under management and number of dedicated investment professionals.

RFPs issued since June 2015

Opportunistic Credit Investment Advisory Services (October 2015)

Private Debt Direct Lending Investment Advisory Services (October 2015)

41. What, if any, precautions do you take so there is no discrimination in hiring or firing a firm based on the political affiliation of a firm's partners or employees?

Each RFP requests minimum requirements of the respondent. Such minimum requirements include, but are not limited to, longevity of the product offered, agreement and ability to serve as Fiduciary to the Fund, established track record, minimum level of assets under management, quantity of dedicated investment professionals, explanation of style and product objectives.

Prior to hiring any investment management firm, an officer of the firm must also sign a letter indicating awareness and compliance with the Fund's ethics policy.

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42. **Chart:** Please complete the charts below to the best of your ability. If a chart does not apply to your Fund please leave it blank.

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Please complete and edit based on your asset allocation and fund. The categories are for guidance but should include strategies within each asset class in which your fund is invested for both the asset management and brokerage goals and actual utilization information.

CHICAGO POLICEMEN'S ANNUITY AND BENEFIT FUND

Total Fund Assets as of December 31, 2015
\$2,472 million
Total Fund Assets as of March 31, 2016
\$2,395 million

Composition of Board and Staff	
Total Minority/Female Trustees	4 of 8
African-American	2 of 8
Latino	1 of 8
Non-Minority Female	1 of 8
Total Investment Staff	1 of 1
African-American	0 of 1
Latino	0 of 1
Non-Minority Female	1 of 1
Total Consultant Staff	2 of 4
African-American	2 of 4
Latino	0 of 4
Non-Minority Female	0 of 4
Staff of Majority Owned Firms	See
African-American	Exhibit
Latino	A
Non-Minority Female	

MWD Manager Utilization Goal	
Total	
Large Cap Equity	Equity
Mid Cap Equity	is
Small Cap Equity	11% - 13%
Global Equity	
International Equity	Included in
International Small Cap Equity	Equity
Emerging Markets Equity	
Fixed Income	3% - 5%
Real Estate (Public and Private)	
Private Equity	
Hedge Funds	Alternatives are
Infrastructure	4% to 5%
MWD Brokerage Goal	
Large Cap Equity	Domestic
Mid Cap Equity	Equity is 35%
Small Cap Equity	
Global Equity	
International Equity	International
International Small Cap Equity	Equity is 10%
Emerging Markets Equity	
Emerging Markets Debt	NA
REITS/Real Estate (Public)	0%
Fixed Income	25%
Hedge Funds	NA

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ASSET MANAGEMENT

For Calendar Year 2015				As of March 31, 2016			
Assets Managed by MWBE		% of Assets Managed by MWBE		Assets Managed by MWBE		% of Assets Managed by MWBE	
African-American	8%	Large Cap Equity	5%	African-American	8%	Large Cap Equity	6%
Latino (a)	4%	Mid Cap Equity	0%	Latino (a)	4%	Mid Cap Equity	0%
Asian-American	0%	Small Cap Equity	0%	Asian-American	0%	Small Cap Equity	0%
Female	0%	Global Equity	0%	Female	0%	Global Equity	0%
Other	2%	International Equity	0%	Other	2%	International Equity	0%
		International Small Cap Equity	0%			International Small Cap Equity	0%
% of fees paid to MWBE		Emerging Markets Equity	3%	% of fees paid to MWBE		Emerging Markets Equity	3%
African-American	9%	Fixed Income	4%	African-American	5%	Fixed Income	4%
Latino (a)	1%	Real Estate (Public and Private)	0%	Latino (a)	2%	Real Estate (Public and Private)	0%
Asian-American	0%	Private Equity	1%	Asian-American	0%	Private Equity	1%
Female	0%	Hedge Funds	0%	Female	0%	Hedge Funds	0%
Other	2%	Infrastructure	0%	Other	1%	Infrastructure	0%
% of assets managed by IL MWBE firms			4.4%	% of assets managed by IL MWBE firms			4.3%
% of fees paid to IL MWBE firms			3%	% of fees paid to IL MWBE firms			1.50%

Policemen's Annuity and Benefit Fund of Chicago

BROKERAGE

DOMESTIC EQUITY (EXCLUDING REITS AND HEDGE FUNDS)

Total commissions paid to MWBE firms in 2015			Total commissions paid to MWBE firms in as of March 31, 2016		
	\$	%		\$	%
African-American	\$76,785.1	42.4%	African-American	\$19,712.2	43.4%
Asian	\$0.0	0.0%	Asian	\$0.0	0.0%
Disabled	\$1,430.1	0.8%	Disabled	\$2,146.8	4.7%
Latino	\$10,272.0	5.7%	Latino	\$3,687.2	8.1%
Female	\$18,795.6	10.4%	Female	\$889.6	2.0%
Total	\$107,282.8	59.2%	Total	\$26,435.8	58.2%
Total commissions paid to IL MWBE firms in 2014 (in thousands)			Total commissions paid to IL MWBE firms in as of September 30, 2015 (in thousands)		
	\$	%		\$	%
IL Based	\$104,753.8	57.8%	IL Based	\$17,093.7	37.6%
GRAND TOTAL	\$ 181,149			\$ 45,460	

INTERNATIONAL EQUITY (EXCLUDING REITS AND HEDGE FUNDS)

Total commissions paid to MWBE firms in 2015			Total commissions paid to MWBE firms in as of March 31, 2016		
	\$	%		\$	%
African-American	\$57,231.5	10.1%	African-American	\$11,221.7	6.4%
Asian	\$0.0	0.0%	Asian	\$0.0	0.0%
Disabled	\$0.0	0.0%	Disabled	\$0.0	0.0%
Latino	\$28,999.3	5.1%	Latino	\$1,559.0	0.9%
Female	\$22,776.4	4.0%	Female	\$10,234.8	5.8%
Total	\$109,007.2	19.2%	Total	\$23,015.5	13.0%
Total commissions paid to IL MWBE firms in 2014 (in thousands)			Total commissions paid to IL MWBE firms in as of September 30, 2015 (in thousands)		
	\$	%		\$	%
IL Based	\$105,448.2	18.5%	IL Based	\$21,456.5	12.1%
GRAND TOTAL	\$ 569,155			\$ 176,663	

GLOBAL EQUITY (EXCLUDING REITS AND HEDGE FUNDS) – NA SEE INTERNATIONAL EQUITY

Policemen's Annuity and Benefit Fund of Chicago

FIXED INCOME (EXCLUDING REITS AND HEDGE FUNDS)

Total trades through MWBE firms in 2015			Total trades through MWBE firms in as of March 31, 2016		
	\$	%		\$	%
African-American	\$875,036,535.3	21.0%	African-American	\$215,000,794.0	22.2%
Asian	\$0.0	0.0%	Asian	\$0.0	0.0%
Disabled	\$898,189,325.2	21.6%	Disabled	\$151,322,819.0	15.6%
Latino	\$33,808,337.2	0.8%	Latino	\$36,021,173.0	3.7%
Female	\$3,418,985.0	0.1%	Female	\$0.0	0.0%
Total	\$1,810,453,182.7	43.5%	Total	\$402,344,786.0	41.5%
Total commissions paid to IL MWBE firms in 2014 (in thousands)			Total commissions paid to IL MWBE firms in as of September 30, 2015 (in thousands)		
	\$	%		\$	%
IL Based	\$1,763,467,983.8	42.3%	IL Based	\$369,553,057.8	38.1%
GRAND TOTAL	\$4,164,402,107.6			\$969,602,039	

HEDGE FUNDS (ACROSS ALL PUBLICLY TRADED SECURITIES) – NA

REITS

Total commissions paid to MWBE firms in 2015 (in thousands)			Total commissions paid to MWBE firms in as of March 31, 2016 (in thousands)		
	\$	%		\$	%
African-American	\$0.0	0.0%	African-American	\$0.0	0.0%
Asian	\$0.0	0.0%	Asian	\$0.0	0.0%
Disabled	\$0.0	0.0%	Disabled	\$0.0	0.0%
Latino	\$0.0	0.0%	Latino	\$0.0	0.0%
Female	\$6,229.4	43.6%	Female	\$1,298.9	33.4%
Total	\$6,229.4	43.6%	Total	\$1,298.9	33.4%
Total commissions paid to IL MWBE firms in 2014 (in thousands)			Total commissions paid to IL MWBE firms in as of September 30, 2015 (in thousands)		
	\$	%		\$	%
IL Based	\$6,229.4	43.6%	IL Based	\$1,298.9	33.4%
GRAND TOTAL	\$14,280.84			\$3,892.49	

OTHER (IDENTIFY ASSET CLASS) - NA