

Investment Manager Guidelines

The Retirement Board of the Firemen's Annuity and Benefit Fund of Chicago

20 South Clark Street – Suite 1400

Chicago, Illinois 60603

(312) 726-5823

(800) 782-7425

Manager: RhumbLine Advisers
Role: Large Cap Index Equity (Russell 1000 Index)

Objectives and Guidelines

Investment Objectives

- The primary investment objective of the Manager shall be to match the return of the performance benchmark, on a net of fee basis, over a full market cycle. A full market cycle, as referenced in these guidelines, is typically 3-5 years, but can be as long as 7+ years. The Performance Benchmark is the Russell 1000 Index.

Investment Guidelines

- Appropriate investments consist primarily of common stocks and/or convertible securities.
- The manager is expected to maintain a fully invested position at all times unless otherwise directed, with no more than 1% of the portfolio in cash equivalents. If a manager believes that a change in this guideline is in the interest of the Fund, the manager should bring this recommendation, in writing, immediately to the attention of the Board.
- Holdings may include up to 5% American Depository Receipts (ADRs).
- Use of Standard & Poor's Depository Receipts (SPDRs) is permitted for the purposes of liquidity, market exposure, or investment opportunity.

¹ As measured by the Callan Large Cap Core Equity Peer Group.

Manager: Chicago Equity Partners
Role: Enhanced Index Large Capitalization Equity

Objectives and Guidelines

Investment Objectives

- The Manager's primary objective will be to exceed the return of the Russell 1000 Index, on a net of fees basis. Over a full market cycle, the Manager is expected to outperform the Index by 0.25% or more.

Investment Guidelines

- Appropriate investments consist primarily of common stocks and/or convertible securities.
- The manager is expected to maintain a fully invested position at all times unless otherwise directed, with no more than 2% of the portfolio in cash equivalents. If a manager believes that a change in this guideline is in the interest of the Fund, the manager should bring this recommendation, in writing, immediately to the attention of the Board.
- Holdings may include up to 5% American Depository Receipts (ADRs) or direct foreign holdings.
- Use of Standard & Poor's Depository Receipts (SPDRs) is permitted for the purposes of liquidity, market exposure, or investment opportunity.

¹ As measured by the Callan Large Cap Core Equity Peer Group.

Manager: The Boston Company Asset Management
Role: Active Large Capitalization Value Domestic Equities

Objectives and Guidelines

Investment Objectives

- The primary investment objective for the Manager's portfolio shall be to post return in excess of the Russell 1000 Value Index. Over a full market cycle, the Manager is expected to outperform the Index, on a net of fees basis, by at least 0.5%.
- A secondary investment objective for the manager will be to rank in the upper 50% of a Peer Group¹ during intermediate time periods. Over a full market cycle, the Manager is expected to rank in the upper 33% of a Peer Group.¹

Investment Guidelines

- Appropriate investments consist primarily of common stocks and/or convertible securities.
- The manager is expected to maintain a fully invested position at all times unless otherwise directed, with no more than 10% of the portfolio in cash equivalents. If a manager believes that a change in this guideline is in the interest of the Fund, the manager should bring this recommendation, in writing, immediately to the attention of the Board.
- No single position will exceed the greater of 5% of the portfolio or 300 basis points above the benchmark weight of the security in the Index.
- The weighting in any one sector shall be a maximum of 10 percentage points above or below the Russell 1000 Value Index weight.
- Holdings may include up to 15% American Depository Receipts (ADRs) or direct foreign holdings.

¹ As measured by the Callan Large Cap Value Equity Peer Group.

Manager: Wells Fargo/ MetWest Capital Management

Role: Active Concentrated Large Capitalization Value Domestic Equities

Objectives and Guidelines

Investment Objectives

- The primary investment objective for the Manager's portfolio shall be to post returns in excess of the Russell 1000 Value Index. Over a full market cycle, the Manager is expected to outperform the Index, on a net of fees basis, by at least 0.5%.
- A secondary investment objective for the manager will be to rank in the upper 50% of a Peer Group¹ during intermediate time periods. Over a full market cycle, the Manager is expected to rank in the upper 33% of a Peer Group.¹

Investment Guidelines

- Appropriate investments consist primarily of common stocks and/or convertible securities.
- The manager is expected to maintain a fully invested position at all times unless otherwise directed, with no more than 10% of the portfolio in cash equivalents. If a manager believes that a change in this guideline is in the interest of the Fund, the manager should bring this recommendation, in writing, immediately to the attention of the Board.
- Holdings in any one company should not exceed the greater of 8% of the portfolio or 3 percentage points over the Index weighting, measured at market value.
- Holdings in one economic sector, as defined by GICS, should not exceed the greater of 30% of the portfolio or 150% of the Index weighting, measured at market value.
- Holdings may include up to 10% American Depository Receipts (ADRs) or direct foreign holdings.

¹ As measured by the Callan Large Cap Value Equity Peer Group.

Manager: Logan Capital Management

Role: Active Concentrated Large Capitalization Growth Domestic Equities

Objectives and Guidelines

Investment Objectives

- The primary investment objective for the Manager's portfolio shall be to post returns in excess of the Russell 1000 Growth Index. Over a full market cycle, the Manager is expected to outperform the Index, on a net of fees basis, by at least 0.5%.
- A secondary investment objective for the manager will be to rank in the upper 50% of a Peer Group¹ during intermediate time periods. Over a full market cycle, the Manager is expected to rank in the upper 33% of a Peer Group.¹

Investment Guidelines

- Appropriate investments consist primarily of common stocks and/or convertible securities.
- The manager is expected to maintain a fully invested position at all times unless otherwise directed, with no more than 10% of the portfolio in cash equivalents. If a manager believes that a change in this guideline is in the interest of the Fund, the manager should bring this recommendation, in writing, immediately to the attention of the Board.
- Holdings in any one company should not exceed the greater of 8% of the portfolio or 3 percentage points over the Index weighting, measured at market value.
- Holdings in any one economic sector, as defined by GICS, should not exceed the greater of 35% of the portfolio or 150% of the Index weighting, measured at market value.
- Holdings may include up to 10% American Depository Receipts (ADRs) or direct foreign holdings.

¹ As measured by the Callan Large Cap Growth Equity Peer Group.

Manager: Brown Advisory

Role: Active Concentrated Large Capitalization Growth Domestic Equities

Objectives and Guidelines

Investment Objectives

- The primary investment objective for the Manager's portfolio shall be to post returns in excess of the Russell 1000 Growth Index. Over a full market cycle, the Manager is expected to outperform the Index, on a net of fees basis, by at least 0.5%.
- A secondary investment objective for the manager will be to rank in the upper 50% of a Peer Group¹ during intermediate time periods. Over a full market cycle, the Manager is expected to rank in the upper 33% of a Peer Group.¹

Investment Guidelines

- Appropriate investments consist primarily of common stocks and/or convertible securities.
- The manager is expected to maintain a fully invested position at all times unless otherwise directed, with no more than 10% of the portfolio in cash equivalents. If a manager believes that a change in this guideline is in the interest of the Fund, the manager should bring this recommendation, in writing, immediately to the attention of the Board.
- Holdings in any one company should not exceed the greater of 8% of the portfolio or 3 percentage points over the Index weighting, measured at market value.
- Holdings in one economic sector, as defined by GICS, should not exceed the greater of 35% of the portfolio or 150% of the Index weighting, measured at market value.
- Holdings may include up to 10% American Depository Receipts (ADRs) or direct foreign holdings.

¹ As measured by the Callan Large Cap Growth Equity Peer Group.

Manager: Keeley Asset Management

Role: Active Small/Medium Capitalization Value Domestic Equities

Objectives and Guidelines

Investment Objectives

- The primary investment objective for the Manager's portfolio shall be to post returns in excess of the Russell 2500 Value Index. Over a full market cycle, the Manager is expected to outperform the Index, on a net of fees basis, by at least 1.0%.
- A secondary investment objective for the manager will be to rank in the upper 50% of a Peer Group¹ during intermediate time periods. Over a full market cycle, the Manager is expected to rank in the upper 33% of a Peer Group.¹

Investment Guidelines

- Appropriate investments consist of common stocks and cash equivalents.
- The manager is expected to maintain a fully invested position at all times unless otherwise directed, with no more than 10% of the portfolio in cash equivalents. If a manager believes that a change in this guideline is in the interest of the Fund, the manager should bring this recommendation, in writing, immediately to the attention of the Board.
- Holdings in any one company should not exceed the greater of 5% of the portfolio or 3 percentage points over the Index weighting, measured at market value.
- Holdings in one economic sector, as defined by GICS, should not exceed the greater of 30% of the portfolio or 150% of the Index weighting, measured at market value.
- Stocks may be purchased and/or held as long as they continue to reside in the Russell 2500 or Russell 2500 Value Index. Stocks outside of the Index may be held, but should not have a market capitalization greater than \$10 billion at initial purchase.
- Holdings may include up to 10% American Depository Receipts (ADRs) or direct foreign holdings.

¹ As measured by the Callan SMID Capitalization Value Equity Peer Group.

Manager: Neuberger Berman

Role: Active Small/Medium Capitalization Value Domestic Equities

Objectives and Guidelines

Investment Objectives

- The primary investment objective for the Manager's portfolio shall be to post returns in excess of the Russell 2500 Value Index. Over a full market cycle, the Manager is expected to outperform the Index, on a net of fees basis, by at least 1.0%.
- A secondary investment objective for the manager will be to rank in the upper 50% of a Peer Group¹ during intermediate time periods. Over a full market cycle, the Manager is expected to rank in the upper 33% of a Peer Group.¹

Investment Guidelines

- Appropriate investments consist of common stocks and cash equivalents.
- The manager is expected to maintain a fully invested position at all times unless otherwise directed, with no more than 10% of the portfolio in cash equivalents. If a manager believes that a change in this guideline is in the interest of the Fund, the manager should bring this recommendation, in writing, immediately to the attention of the Board.
- Holdings in any one company should not exceed the greater of 5% of the portfolio or 3 percentage points over the Index weighting, measured at market value.
- Holdings in one economic sector, as defined by GICS, should not exceed the greater of 30% of the portfolio or 150% of the Index weighting, measured at market value.
- Stocks may be purchased and/or held as long as they continue to reside in the Russell 2500 or Russell 2500 Value Index. Stocks outside of the Index may be held, but should not have a market capitalization greater than \$10 billion at initial purchase.
- Holdings may include up to 10% American Depository Receipts (ADRs) or direct foreign holdings.

¹ As measured by the Callan SMID Capitalization Value Equity Peer Group.

Manager: GlobeFlex Capital

Role: Active Small/Medium Capitalization Growth Domestic Equities

Objectives and Guidelines

Investment Objectives

- The primary investment objective for the Manager's portfolio shall be to post returns in excess of the Russell 2500 Growth Index. Over a full market cycle, the Manager is expected to outperform the Index, on a net of fees basis, by at least 1.0%.
- A secondary investment objective for the manager will be to rank in the upper 50% of a Peer Group¹ during intermediate time periods. Over a full market cycle, the Manager is expected to rank in the upper 33% of a Peer Group.¹

Investment Guidelines

- Appropriate investments consist of common stocks and cash equivalents.
- The manager is expected to maintain a fully invested position at all times unless otherwise directed, with no more than 10% of the portfolio in cash equivalents. If a manager believes that a change in this guideline is in the interest of the Fund, the manager should bring this recommendation, in writing, immediately to the attention of the Board.
- Holdings in any one company should not exceed the greater of 5% of the portfolio or 3 percentage points over the Index weighting, measured at market value.
- Holdings in one economic sector, as defined by GICS, should not exceed the greater of 35% of the portfolio or 200% of the Index weighting, measured at market value.
- Stocks may be purchased and/or held as long as they continue to reside in the Russell 2500 or Russell 2500 Growth Index. Stocks outside of the Index may be held, but should not have a market capitalization greater than \$10 billion at initial purchase.
- Holdings may include up to 10% American Depository Receipts (ADRs) or direct foreign holdings.

¹ As measured by the Callan SMID Capitalization Growth Equity Peer Group.

Manager: Jackson Square Partners

Role: Active Small/Medium Capitalization Growth Domestic Equities

Objectives and Guidelines

Investment Objectives

- The primary investment objective for the Manager's portfolio shall be to post returns in excess of the Russell 2500 Growth Index. Over a full market cycle, the Manager is expected to outperform the Index, on a net of fees basis, by at least 1.0%.
- A secondary investment objective for the manager will be to rank in the upper 50% of a Peer Group¹ during intermediate time periods. Over a full market cycle, the Manager is expected to rank in the upper 33% of a Peer Group.¹

Investment Guidelines

- Appropriate investments consist of common stocks and cash equivalents.
- The manager is expected to maintain a fully invested position at all times unless otherwise directed, with no more than 10% of the portfolio in cash equivalents. If a manager believes that a change in this guideline is in the interest of the Fund, the manager should bring this recommendation, in writing, immediately to the attention of the Board.
- Holdings in any one company should not exceed the greater of 8% of the portfolio or 3% over the Index weighting, measured at market value.
- Holdings in one economic sector, as defined by GICS, should not exceed the greater of 35% of the portfolio or 200% of the Index weighting, measured at market value.
- Stocks may be purchased and/or held as long as they continue to reside in the Russell 2500 or Russell 2500 Growth Index. Stocks outside of the Index may be held, but should not have a market capitalization greater than \$10 billion at initial purchase.
- Holdings may include up to 10% American Depository Receipts (ADRs) or direct foreign holdings.

¹ As measured by the Callan SMID Capitalization Growth Equity Peer Group.

Manager: Kennedy Capital Management

Role: Active Microcap Domestic Equities

Objectives and Guidelines

Investment Objectives

- The primary investment objective for the Manager's portfolio shall be to post returns in excess of the Russell MicroCap Index. Over a full market cycle, the Manager is expected to outperform the Index, on a net of fees basis, by at least 1.0%.
- A secondary investment objective for the manager will be to rank in the upper 50% of a Peer Group¹ during intermediate time periods. Over a full market cycle, the Manager is expected to rank in the upper 33% of a Peer Group.¹

Investment Guidelines

- Appropriate investments consist of common stocks and cash equivalents.
- The manager is expected to maintain a fully invested position at all times unless otherwise directed, with no more than 15% of the portfolio in cash equivalents. If a manager believes that a change in this guideline is in the interest of the Fund, the manager should bring this recommendation, in writing, immediately to the attention of the Board.
- Holdings in any one company should not exceed the greater of 5% of the portfolio or 3 percentage points over the Index weighting, measured at market value.
- Holdings in one economic sector, as defined by GICS, should not exceed the greater of 30% of the portfolio or 150% of the Index weighting, measured at market value.
- Stocks may be purchased and/or held as long as they continue to reside in the Russell MicroCap Index. Stocks outside of the Index may be held, but should not have a market capitalization greater than \$10 billion at initial purchase.
- Holdings may include up to 10% American Depository Receipts (ADRs) or direct foreign holdings.
- Up to 5% of the portfolio may be invested in convertible preferred stock and/or convertible bonds.

¹ As measured by the Callan Micro Cap Equity Peer Group.

Manager: Brandes Investment Partners

Role: Active International Large Capitalization Value Equities

Objectives and Guidelines

Investment Objectives

- The primary investment objective for the Manager's portfolio shall be to post returns in excess of the MSCI EAFE Index. Over a full market cycle, the Manager is expected to outperform the Index, on a net of fees basis, by at least 0.5%.
- A secondary investment objective for the manager will be to rank in the upper 50% of a Peer Group¹ during intermediate time periods. Over a full market cycle, the Manager is expected to rank in the upper 33% of a Peer Group.¹

Investment Guidelines

- The following securities are eligible for inclusion in the portfolio: common stocks, preferred stocks, Depositary Receipts ("DRs"), securities convertible into stocks, publicly listed Real Estate Investment Trusts (REITs), mutual funds, shares of closed end investment companies, participating shares, savings shares, non-voting shares, options contracts, exchange-traded funds (ETFs), participation/participatory notes (P-Notes), Low Exercise Price Options (LEPOs) and on occasion, fixed income securities.
- The manager is expected to maintain a fully invested position at all times unless otherwise directed, with no more than 10% of the portfolio in cash equivalents. If a manager believes that a change in this guideline is in the interest of the Fund, the manager should bring this recommendation, in writing, immediately to the attention of the Board.
- Holdings in any one company should not exceed the greater of 5% of the portfolio or 3 percentage points over the Index weighting, measured at market value.
- The manager must be invested across at least ten (10) developed countries. Holdings in one economic sector, as defined by GICS, should not exceed the greater of 30% of the portfolio or 200% of the Index weighting, measured at market value.
- Investments in emerging markets are to be limited to 30% of the portfolio.
- Forward contracts may be used at the manager's discretion to hedge currency exposure.

¹ As measured by the Callan Non-US Broad Value Equity Peer Group.

Manager: William Blair & Company

Role: Active International Large Capitalization Growth Equities

Objectives and Guidelines

Investment Objectives

- The primary investment objective for the Manager's portfolio shall be to post returns in excess of the MSCI All Country World Ex-US (Gross) IMI Index. Over a full market cycle, the Manager is expected to outperform the Index, on a net of fees basis, by at least 0.5%.
- A secondary investment objective for the manager will be to rank in the upper 50% of a Peer Group¹ during intermediate time periods. Over a full market cycle, the Manager is expected to rank in the upper 33% of a Peer Group.¹

Investment Guidelines

- Appropriate investments consist of non-US common stocks and cash equivalents.
- The manager is expected to maintain a fully invested position at all times unless otherwise directed, with no more than 10% of the portfolio in cash equivalents. If a manager believes that a change in this guideline is in the interest of the Fund, the manager should bring this recommendation, in writing, immediately to the attention of the Board.
- Holdings in any one company should not exceed the greater of 5% of the portfolio or 3 percentage points over the Index weighting, measured at market value.
- The manager must be invested across at least ten (10) developed countries. Holdings in one economic sector, as defined by GICS, should not exceed the greater of 35% of the portfolio or 200% of the Index weighting, measured at market value.
- Investments in emerging markets, including frontier markets, are to be limited to 35% of the portfolio. Investments in frontier markets are further limited to 5% of the portfolio.
- Forward contracts may be used at the manager's discretion to hedge currency exposure.

¹ As measured by the Callan Non-US Broad Growth Equity Peer Group.

Manager: Epoch Investment Partners

Role: International Small/Medium Capitalization Value Equity

Objectives and Guidelines

Investment Objectives

- The primary investment objective for the Manager's portfolio shall be to post returns in excess of the MSCI All Country World Ex-US Small Value (USD Net Dividend) Index. Over a full market cycle, the Manager is expected to outperform the Index, on a net of fees basis, by at least 1.0%.
- A secondary investment objective for the manager will be to rank in the upper 50% of a Peer Group¹ during intermediate time periods. Over a full market cycle, the Manager is expected to rank in the upper 33% of a Peer Group.¹

Investment Guidelines

- Appropriate investments consist of non-US common stocks and cash equivalents.
- The manager is expected to maintain a fully invested position at all times unless otherwise directed, with no more than 10% of the portfolio in cash equivalents. If a manager believes that a change in this guideline is in the interest of the Fund, the manager should bring this recommendation, in writing, immediately to the attention of the Board.
- Holdings in any one company should not exceed the greater of 5% of the portfolio or 3 percentage points over the Index weighting, measured at market value.
- The manager must be invested across at least ten (10) developed countries. Holdings in one economic sector, as defined by GICS, should not exceed the greater of 35% of the portfolio or 200% of the Index weighting, measured at market value.
- Investments in emerging markets are limited to 15% of the portfolio.
- Forward contracts may be used at the manager's discretion to hedge currency exposure.

¹ As measured by the Callan International Small Cap Equity Peer Group.

Manager: GlobeFlex

Role: Active International Small/Medium Capitalization Growth Equity

Objectives and Guidelines

Investment Objectives

- The primary investment objective for the Manager's portfolio shall be to post return in excess of the MSCI World Ex-US Small Cap Index. Over a full market cycle, the Manager is expected to outperform the Index, on a net of fees basis, by at least 1.0%.
- A secondary investment objective for the manager will be to rank in the upper 50% of a Peer Group¹ during intermediate time periods. Over a full market cycle, the Manager is expected to rank in the upper 33% of a Peer Group.¹

Investment Guidelines

- Appropriate investments consist of non-US common stocks and cash equivalents.
- The manager is expected to maintain a fully invested position at all times unless otherwise directed, with no more than 10% of the portfolio in cash equivalents. If a manager believes that a change in this guideline is in the interest of the Fund, the manager should bring this recommendation, in writing, immediately to the attention of the Board.
- Holdings in any one company should not exceed the greater of 5% of the portfolio or 3 percentage points over the Index weighting, measured at market value.
- The manager must be invested across at least ten (10) developed countries. Holdings in one economic sector, as defined by GICS, should not exceed the greater of 35% of the portfolio or 200% of the Index weighting, measured at market value.
- Investments in emerging markets are limited to 20% of the portfolio.
- Forward contracts may be used at the manager's discretion to hedge currency exposure.

¹ As measured by the Callan International Small Cap Equity Peer Group.

Manager: LSV Asset Management
Role: Emerging Markets Equities

Objectives and Guidelines

Investment Objectives

- The primary investment objective for the Manager's portfolio shall be to post returns in excess of the MSCI Emerging Markets (Gross) Index. Over a full market cycle, the Manager is expected to outperform the Index, on a net of fees basis, by at least 1.0%.
- A secondary investment objective for the manager will be to rank in the upper 50% of a Peer Group¹ during intermediate time periods. Over a full market cycle, the Manager is expected to rank in the upper 33% of a Peer Group.¹

Investment Guidelines

- Appropriate investments consist primarily of non-US common stocks and cash equivalents.
- The manager is expected to maintain a fully invested position at all times unless otherwise directed, with no more than 10% of the portfolio in cash equivalents. If a manager believes that a change in this guideline is in the interest of the Fund, the manager should bring this recommendation, in writing, immediately to the attention of the Board.
- Holdings in any one company should not exceed the greater of 5% of the portfolio or 3 percentage points over the Index weighting, measured at market value.
- The manager must be invested across at least ten (10) developing countries. Holdings in one economic sector, as defined by GICS, should not exceed the greater of 30% of the portfolio or 200% of the Index weighting, measured at market value.
- Forward contracts may be used at the manager's discretion to hedge currency exposure.

¹ As measured by the Callan Emerging Markets Broad (Gross) Peer Group.

Manager: EARNEST Partners
Role: Short Duration Fixed Income

Objectives and Guidelines

Investment Objectives

- The primary investment objective for the Manager's portfolio shall be to post returns in excess of the Bloomberg Barclays Government/Credit 1-3 Year Index.
- A secondary investment objective for the manager will be to rank in the upper 50% of a Peer Group¹ during intermediate time periods. Over a full market cycle, the Manager is expected to rank in the upper 33% of a Peer Group.¹

Investment Guidelines

- Appropriate investments consist of marketable debt securities including U.S. Treasuries and U.S. Federal Government Agencies, mortgages, asset-backed securities, corporates, money market instruments and other fixed income securities as deemed appropriate by the manager.
- Bonds purchased or owned must have a minimum quality rating of Baa3 (Moody's) or BBB (Standard & Poor's). The average quality of the portfolio must be A or better. Unrated U.S. Treasury and U.S. Federal Government Agency securities are permissible and will be treated as AAA rated for purposes of average quality calculations. Split rated securities will be assigned the higher of the split ratings. If a security is downgraded, Earnest must notify the client and liquidate the security within 90 days.
- Duration must be within +/- 25% of the Index.
- Individual security holdings (excluding cash equivalents and fixed income issues either issued or guaranteed by the U.S. Federal Government or one of its agencies) should not exceed 5% of the portfolio, measured at market value at the time of purchase into a specific portfolio.
- On a quarterly basis, EARNEST Partners shall provide in writing in a memo directed to the Board of Trustees the following information:
 - the amount of the portfolio that is invested in SBA and Title XI bonds (market value and percent of the portfolio);
 - the amount of the SBA and Title XI bonds that EARNEST Partners owns on behalf of other clients and in total at the firm;
 - the current market size for each of these two types of securities (market value) and the percentage of the outstanding market share that EARNEST Partners owns.

¹ As measured by the Callan Defensive Fixed Income Peer Group

Manager: EARNEST Partners
Role: Domestic Core Fixed Income

Objectives and Guidelines

Investment Objectives

- The primary investment objective for the Manager's portfolio shall be to post returns in excess of the Bloomberg Barclays Aggregate Bond Index. Over a full market cycle, the Manager is expected to outperform the Index, on a net of fees basis, by at least 0.25%.
- A secondary investment objective for the manager will be to rank in the upper 50% of a Peer Group¹ during intermediate time periods. Over a full market cycle, the Manager is expected to rank in the upper 33% of a Peer Group.¹

Investment Guidelines

- Appropriate investments consist of marketable debt securities including U.S. Treasuries and U.S. Federal Government Agencies, mortgages, corporates, Rule 144A, money market instruments and other fixed income securities as deemed appropriate by the manager. Rule 144A securities will be capped at 10% of the portfolio.
- The manager is expected to maintain a fully invested position at all times unless otherwise directed, with no more than 10% of the portfolio in cash equivalents. If a manager believes that a change in this guideline is in the interest of the Fund, the manager should bring this recommendation, in writing, immediately to the attention of the Board.
- Bonds purchased or owned must have a minimum quality rating of Baa3 (Moody's) or BBB- (Standard & Poor's). The average quality of the portfolio must be A or better. Unrated U.S. Treasury and U.S. Federal Government Agency securities are permissible and will be treated as AAA rated for purposes of average quality calculations.
- Individual security holdings (excluding cash equivalents and fixed income issues either issued or guaranteed by the U.S. Federal Government or one of its agencies) should not exceed 5% of the portfolio, measured at market value at the time of purchase into a specific portfolio.
- On a quarterly basis, EARNEST Partners shall provide in writing in a memo directed to the Board of Trustees the following information:
 - the amount of the portfolio that is invested in SBA and Title XI bonds (market value and percent of the portfolio);
 - the amount of the SBA and Title XI bonds that EARNEST Partners owns on behalf of other clients and in total at the firm;
 - the current market size for each of these two types of securities (market value) and the percentage of the outstanding market share that EARNEST Partners owns.

¹ As measured by the Callan Core Bond Fixed Income Peer Group.

Manager: Western Asset Management (WAMCO)

Role: Core Plus Fixed Income

Objectives and Guidelines

Investment Objectives

- The primary investment objective for the Manager's portfolio shall be to post returns in excess of the Bloomberg Barclays Aggregate Bond Index. Over a full market cycle, the Manager is expected to outperform the Index, on a net of fees basis, by at least 0.5%.
- A secondary investment objective for the manager will be to rank in the upper 50% of a Peer Group¹ during intermediate time periods. Over a full market cycle, the Manager is expected to rank in the upper 33% of a Peer Group.

¹ As measured by the Callan Core Plus Fixed Income Peer Group.

Investment Guidelines

- The following securities, denominated in USD (US Dollar) or non-USD, are eligible for inclusion in the portfolio: US Government and Agency issues, US and Non-US Corporates, Mortgage-Backed, Municipals, Asset-Backed, Convertibles, Preferreds, International Agencies, Emerging Markets Debt, Sovereign Debt, Supranational, Rule 144A, Bank Loans, Banker's Acceptance, CLO's, CBO's, CDO's, Swaps, Futures, Options, Certificates of Deposits, Commercial Paper and 4/2 Commercial Paper.
 - (a) Non-USD securities may be held on a currency hedged or un-hedged basis. The portfolio may invest in currency exchange transactions on a spot or forward basis. Both long and short currency exposures are permissible.
- The manager is expected to maintain a fully invested position at all times unless otherwise directed, with no more than 10% of the portfolio in cash equivalents. If a manager believes that a change in this guideline is in the interest of the Fund, the manager should bring this recommendation, in writing, immediately to the attention of the Board.
- The average credit quality of the portfolio shall be "A-/A3" or better. Issues must be rated investment-grade (Baa3/BBB-/BBB-) or higher using the middle rating of Moody's, S&P, and Fitch after dropping the highest and lowest available ratings. When a rating from only two agencies is available, the lower ("more conservative") is used. When a rating from only one agency is available, that is used to determine index eligibility. Expected ratings at issuance may be used when there are other index-eligible bonds from the same issuer that hold the same actual rating as the expected rating.
- Non-investment grade issues in the US ("BBB-/Baa3 or below") shall be limited to 25% of the total portfolio.
- Duration of the portfolio should remain within $\pm 25\%$ of the Barclays Capital Aggregate Index.
- No single issuer's securities shall represent more than 5% of the portfolio, excluding investments in commingled vehicles, U.S. Government and Agency securities.
- Obligations of other national governments are limited to 10% per issuer.
- Private mortgage-backed and asset-backed securities are limited to 5% per issuer, unless the collateral is credit independent of the issuer and the security's credit enhancement is generally

generated internally, in which case, the limit is 15% per issuer.

- A maximum of 25% of the portfolio may be invested in non-USD denominated securities.
- Up to 15% of the portfolio may be invested in non-USD via foreign currency transactions and unhedged foreign currency denominated bonds. Examples: 1) GBP bond 5% and GBP ffx -5% contributes 0 to this concentration; 2) a JPY bond 5%, unhedged, contributes 5% to this concentration; 3) a EUR short ffx of -3% would contribute an absolute value of 3% to this concentration. For the avoidance of doubt, Manager will net within currencies and the resulting value will contribute to the max percentage permitted, on an absolute basis.
- A maximum of 20% of the portfolio may be invested in 144A's without registration rights.
- Pooled vehicles (commingled and mutual fund products) may be used to implement a portion of the non-investment grade or non-dollar fixed income allocations.
- The use of derivative instruments that would cause the portfolio to be leveraged in any way is prohibited.
- Investments in currency options, swaps, forwards and futures are allowed for the purpose of hedging international security exposure.

Manager: Loomis, Sayles & Company
Role: Opportunistic Fixed Income

Objectives and Guidelines

Investment Objectives

- The primary investment objective for the Manager's portfolio shall be to post returns in excess of a hybrid performance benchmark consisting of 50% of the Bloomberg Barclays High Yield Index (2% Issuer Capped) plus 50% of the Bloomberg Barclays Government/Credit Index. Over a full market cycle, the Manager is expected to outperform the Index, on a net of fees basis, by at least 0.5%.
- A secondary investment objective for the manager will be to rank in the upper 50% of a Peer Group¹ during intermediate time periods. Over a full market cycle, the Manager is expected to rank in the upper 33% of a Peer Group.¹

Investment Guidelines

- The portfolio may be invested in any of the following, subject to the restrictions set forth below: fixed income securities (including, but not limited to, corporate bonds and securities issued or guaranteed by the U.S. government or its agencies or instrumentalities such as Federal National Mortgage Association and Federal Home Loan Mortgage Corporation), as well as securities issued or guaranteed by state, local and foreign governments or related agencies or instrumentalities, mortgage-backed and asset-backed securities, collateralized mortgage obligations, REIT debt, zero coupon securities, trust preferred securities, Rule 144A private placement securities, foreign securities (including but not limited to, U.S. dollar denominated securities, Eurobonds and Yankee bonds and Emerging Market debt instruments as further outlined below), supranational debt, convertible securities (including "busted" convertibles and equity securities into which or for which such convertible securities are converted or exchanged), preferred stock, foreign currency exchange transactions and commercial paper and other cash equivalents.
- Emerging Market debt instruments are those that are issued by sovereign domiciled in, or corporate entities incorporated in a country which carries a sovereign quality rating above or below investment grade by either S&P or Moody's or is unrated by both S&P and Moody's or which are denominated in the local currencies of such countries. Loomis Sayles may invest up to 33% of the market value of the portfolio in Emerging Market instruments.
- In addition to the allowable securities as noted above, common stock is permitted up to a maximum of 10%. Common stock may be held as a result of financial restructuring or bankruptcy, or upon exchange of a debt security held in the portfolio, or when purchased outright in conjunction with the purchase of a debt security of the same company for the purpose of creating a synthetic convertible.
- At least 50% of the market value of the portfolio should be rated BBB- or higher by Standard & Poor's, BBB- or higher by Fitch or Baa3 or higher by Moody's, as determined at the time of purchase. If a security is assigned different ratings by these agencies, the higher rating will be used. Loomis Sayles may continue to hold securities that are downgraded in quality subsequent to their purchase if, in the opinion of Loomis Sayles, it would be advantageous to do so and if the Board is informed, in writing.
- The manager is expected to maintain a fully invested position at all times unless otherwise

THE FIREMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO **Investment Manager Guidelines**

directed, with no more than 10% of the portfolio in cash or cash equivalents. If a manager believes that a change in this guideline is in the interest of the Fund, the manager should bring this recommendation, in writing, immediately to the attention of the Board.

- The average quality of the portfolio must be BBB- or better. Unrated U.S. Treasury and U.S. Federal Government Agency securities are permissible and will be treated as AA rated for purposes of average quality calculations.
- Up to 20% of the market value of the portfolio may be invested in preferred stocks.
- 50% or more of the market value of the portfolio must be invested in U.S. or Canadian issuers.
- 50% or more of the market value of the portfolio must be invested in U.S. or Canadian pay securities.
- No security, except securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities, will comprise more than 5% of the portfolio, as determined at market value.
- No industry, except securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities, will comprise more than 25% of the portfolio as determined at market value.
- Interests in privately and publicly offered commingled investments (“Funds”), including Funds advised by Loomis Sayles or its affiliates listed below:

Investment	Limit at time of purchase
The Loomis Sayles Senior Loan Fund, LLC	25%
Loomis Sayles Full Discretion Institutional Securitized Fund	20%

- Investments in Eligible Commingled Investments shall not be subject to any guidelines or restrictions included herein, with the exception of the credit quality, country, duration and currency restrictions. In applying the restrictions, the credit quality, country, duration and currency of the Fund will be used and not the credit qualities, countries, durations and currencies of the underlying instruments in the Funds. The Commingled Funds are not rated by S&P, Moody’s or Fitch. Therefore, Loomis Sayles’ internal ratings will be used for purposes of calculating the portfolio’s credit quality restrictions. The average credit quality will be calculated based on the quality of the underlying assets.
- If any parameters described above (except those which are to be determined at the time of purchase) are violated as a result of market movements, credit downgrades or other events not within the control of Loomis Sayles, Loomis Sayles shall have a reasonable period of time, not to exceed six months, to bring the portfolio into compliance with the foregoing investment guidelines.

¹ As measured by the Callan Core Plus Fixed Income Peer Group.

Manager: Pacific Investment Management Company (PIMCO)

Role: Commodities

Objectives and Guidelines

Investment Objectives

- The primary investment objective for the Manager's portfolio shall be to post returns in excess of Bloomberg Commodity Index.

Investment Guidelines

- Assets are to be invested in the PIMCO Commodities Real Return Fund – Institutional Class. As such, they are subject to the guidelines set forth in the Fund prospectus.
- To the extent not governed by the prospectus of the PIMCO Commodities Real Return Fund – Institutional Class, the following guidelines apply:
- The account will be managed so that the net total commodity exposure is equal to 100% of the underlying assets of the total account.
- Any leveraged derivative position must be fully collateralized.
- The collateral must be invested in investment grade fixed income securities.
- Holdings in one commodity sector should not exceed 150% of the Index weighting, measured at market value

¹ As measured by the Bloomberg Commodity Index.

Manager: Credit Suisse Asset Management (CSAM)

Role: Commodities

Objectives and Guidelines

Investment Objectives

- The primary investment objective for the Manager's portfolio shall be to post returns in excess of the S&P GSCI Index.

Investment Guidelines

- The account will be managed so that the net total commodity exposure is equal to 100% of the underlying assets of the total account.
- Any leveraged derivative position must be fully collateralized.
- Futures, forwards, swaps, options and/or warrants on both individual commodities (including but not limited to precious metals, base metals, energies, agricultural, and livestock) as well as the same derivatives on commodity indices such as the GSCI Index and/or its sub-indices may be bought or sold.
- Commodity futures and/or options positions may be traded on either domestic or foreign exchanges. Initial or variation margin will be posted against such positions at domestic or foreign exchanges.
- Over the counter commodity forwards, swaps and options may be traded with domestic or foreign counterparties provided they are rated A or better. Assets may be pledged against such positions as required.
- To add value to the account, the core long position in commodity exposure may be supplemented with additional overlay positions, including, but not limited to, calendar spreads, inter-market spreads, and intra-market spreads.
- The cash collateral underlying the futures contracts can be invested in the following: U.S. treasury and agency obligations, money market instruments of domestic and foreign issuers denominated in U.S. dollars, including commercial paper, bankers' acceptances, certificates of deposit, euro-dollar time deposits and variable rate issues, Corporate notes and bonds, asset-backed securities, repurchase agreements, municipal money market securities, municipal notes and bonds, mortgage-backed securities and money market mutual funds which limit their investments to the above mentioned instruments.
- The duration of the underlying collateral must be less than one year.
- Holdings in one commodity sector should not exceed 150% of the Index weighting, measured at market value.

Manager: Neuberger Berman
Role: Private Equity Fund of Funds

Objectives and Guidelines

Investment Objectives

- The primary investment objective shall be to generate an Internal Rate of Return (IRR) in excess of 12% over the life of the limited partnership.
- A secondary performance benchmark shall be to exceed the return of the Russell 3000 Index plus 3.0% over a market cycle.

Investment Guidelines

- Private equity investments should be made primarily through closed-end private equity funds.
- Adequate diversification by private equity subclass (venture capital, buyout, mezzanine, distressed debt, special situation, and non-U.S.) and by underlying private equity investment managers should be maintained.
- Neuberger Berman will execute for the Fund any and all documents pertaining to private equity limited partnership investments, including, but not limited to, private equity limited partnership agreements, private equity limited partnership subscriptions agreements and amendments to said agreements.

Manager: Mesirow Financial

Role: Private Equity – Limited Partnership (Direct Investment)

Objectives and Guidelines

Investment Objectives

- The primary investment objective shall be to generate an Internal Rate of Return (IRR) in excess of 12% over the life of the limited partnership.
- A secondary performance benchmark shall be to exceed the return of the Russell 3000 Index plus 3.0% over a market cycle.

Investment Guidelines

- Adequate diversification by industry, vintage year, and geography (domestic and non-US) should be maintained.
- Mesirow Financial will execute for the Fund any and all documents pertaining to private equity limited partnership investments, including, but not limited to, private equity limited partnership agreements, private equity limited partnership subscriptions agreements and amendments to said agreements.

Manager: Adams Street Partners
Role: Secondary Private Equity Fund of Funds

Objectives and Guidelines

Investment Objectives

- The primary investment objective shall be to generate an Internal Rate of Return (IRR) in excess of 10% over the life of the limited partnership.
- A secondary performance benchmark shall be to exceed the return of the Russell 3000 Index plus 3.0% over a market cycle.

Investment Guidelines

- Private equity investments should be made primarily through closed-end private equity funds. Primary private equity holdings shall be limited to 25% of total investments.
- Adequate diversification by secondary private equity subclass (venture capital, buyout, mezzanine, distressed debt, special situation, and non-U.S.) and by underlying private equity investment managers should be maintained.
- Adams Street Partners will execute for the Fund any and all documents pertaining to private equity limited partnership investments, including, but not limited to, private equity limited partnership agreements, private equity limited partnership subscriptions agreements and amendments to said agreements.

Manager: Pomona Capital
Role: Secondary Private Equity Fund of Funds

Objectives and Guidelines

Investment Objectives

- The primary investment objective shall be to generate an Internal Rate of Return (IRR) in excess of 10% over the life of the limited partnership.
- A secondary performance benchmark shall be to exceed the return of the Russell 3000 Index plus 3.0% over a market cycle.

Investment Guidelines

- Private equity investments should be made primarily through closed-end private equity funds. Primary private equity holdings shall be limited to 20% of total investments.
- Adequate diversification by private equity subclass (venture capital, buyout, mezzanine, distressed debt, special situation, and non-U.S.) and by underlying private equity investment managers should be maintained.
- Pomona Capital will execute for the Fund any and all documents pertaining to private equity limited partnership investments, including, but not limited to, private equity limited partnership agreements, private equity limited partnership subscriptions agreements and amendments to said agreements.

Manager: Apollo Global Management
Role: Global Real Estate Fund of Funds

Objectives and Guidelines

Investment Objectives

- The primary investment objective shall be to generate a return in excess of the National Council of Real Estate Investment Fiduciaries (NCREIF) Property Index.

Investment Guidelines

- Assets are managed by Apollo Global Management and were invested in the Citigroup Real Estate Partners II (Institutional), L.P. As such, they are subject to the guidelines set forth in the partnership agreement.
- Adequate diversification by real estate sectors, underlying investment manager, fund strategy, vintage year, and geography (domestic and non-US) should be maintained.
- Apollo Management will execute for the Fund any and all documents pertaining to real estate limited partnership investments, including, but not limited to, real estate limited partnership agreements, real estate limited partnership subscriptions agreements and amendments to said agreements.