



Chicago Teachers' Pension Fund

Questions and Answers #1 Related to the RFP for Core Fixed Income Investment Manager Services

1. There are three contacts listed for submission, but only two group emails provided. The same two this email is being sent to. Can you please confirm if there is another email we should be sending our submission to?

Answer: Please submit RFP responses to the two emails provided: 1) Procurement@CTPF.org and 2) CTPFFixedIncome@callan.com.

2. Relating to #13 in the minimum qualifications. We populate information in the Callan database via OMNI quarterly. When clicking the link for the manager questionnaire (For Investment Managers & Advisers>Manager Questionnaire), we are brought to our main portal page, where all information is up to date. Is this what needs to be completed? Or is there another questionnaire we need to complete? We do not see an item titled "Manager Questionnaire" to complete.

Answer: Yes, the information on your portal page is what needs to be updated.

3. Section VIII of the RFP states bidders must submit "Public" and "Confidential" copies of the written proposal. If we are not requesting any information remain confidential, do we need both a Public and Confidential copy or may we submit only one Public copy of the proposal?

Answer: If preferred, responders may submit a Public version only.

4. Section III A.4 mentions an Investment Management Agreement and Investment Guidelines. Are there separate documents to review, and if so, where can we access those documents?

Answer: The Investment Management Agreement and Investment Guidelines will be provided at a later stage of the RFP process.

5. Will a strategy that follows/is benchmarked to the intermediate segment of the Bloomberg U.S. Aggregate Bond Index (rather than the AGG) effect our ability to be considered for this mandate? For additional background, in April 2018, we changed our benchmark from the Bloomberg Aggregate Index to the Bloomberg Intermediate Aggregate Index because the key characteristics of the Bloomberg Aggregate Index (duration and credit quality) had changed meaningfully after 2009 and no longer reflected the intermediate-term duration and lower credit risk profile of our strategy.

Answer: CTPF is evaluating strategies benchmarked to the Bloomberg Aggregate Index.

6. Would a Chicago placed-based portfolio (where we invest the proceeds in bonds that support the greater Chicago area) be considered if the account met the financial criteria? We ask because we can submit this as an option, having constructed such types of separate account portfolios for other clients. In fact, since our strategy inception in 1999, we have invested \$14.9 billion across the U.S., \$773 Million where the proceeds are directly benefitting communities in IL with \$150 Million of that focused on the 5 counties comprising the greater Chicago Area.

Answer: Yes, CTPF would consider this strategy.

7. We received the attached EEOC table to complete as part of the RFP. Thank you. To confirm is this the most up to date version and if so should the data be as of 12/31/2023?

Answer: Please provide data through 12/31/2023.

8. I understand that CTPF has increased their allocation to the overall fixed income portfolio. At this time is the fund also considering adding core plus managers as part of this RFP, will that be part of a later standalone search, or are you all set with your existing managers in this category?

Answer: A Core Plus search is not currently contemplated.

9. Does CTPF have a current preference regarding vehicle type?

Answer: CTPF prefers to invest in a separate account.

10. Minimum Requirement #14 (3)(i) Full disclosure of direct and indirect fees, commissions, penalties, and other compensation, including reimbursement for expenses, that may be paid by or on behalf of the Investment Manager in connection with the provision of services to the pension fund or retirement system and (ii) a requirement that the Investment Manager update the disclosure promptly after a modification of those payments or an additional payment.

Will you please clarify if this requirement includes the disclosure of compensation to staff of the selected Investment Manager for the management and servicing of account?

Answer: This does not include compensation to the staff of the selected Investment Manager for the management and servicing of the account.

11. Would an internally managed mutual fund that is registered with the SEC under the Investment Company Act of 1940 – not the Investment Advisors Act of 1940 meet the minimum qualification?

Answer: An internally managed mutual fund registered under the Investment Company Act of 1940 will be considered for this RFP.

12. Would CTPF consider a core fixed income commingled fund?

Answer: CTPF prefers to invest in a separate account.

13. Would exceptions be considered as it relates to the minimum requirements such as item 14, and/or the IMA template?

Answer: As stated in the Item 14 paragraph, items listed within Item 14 are non-negotiable.

14. Within the RFP and Section H of the IMA template, both require various disclosures to be submitted – is there a preferred format that the disclosures should take?

Answer: Please provide relevant and required disclosures in PDF format.

15. Under Section D, Question #44 and #45, please clarify that you would like information on the total par value amount traded through the latest year (i.e., 2023).

Answer: Yes, the tables provided in the RFP contain a typo. Please provide data for the three most recent years (i.e., 2021, 2022 and 2023).

16. Will the mandate permit the use of futures or other derivatives for hedging and duration/curve management purposes? What is CTPF's preferred approach towards the use of derivatives (e.g., Treasury futures)?

Answer: The mandate for this search will allow for usage of futures and/or derivatives. Managers should note how and when they are employed and how they manage counterparty risk.

17. Number 13 under the section for Minimum Qualification mentions completing Callan's Manager Questionnaire prior to or in conjunction to submitting response to the RFP. We understand this to be having our firm's data on the Callan Data website at <https://app.callan.com/>. Is our understanding correct?

Answer: Yes.

18. Number 13 under the section for Minimum Qualification, it makes mention of completing CTPF's due diligence questionnaire (DDQ). We understand this to be a separate document that is not due prior to or in conjunction when submitting

responses to the RFP (only the Callan's Manager Questionnaire has this timing requirement).

- a. If the CTPF DDQ is required to be completed prior to or in conjunction to submitting response to the RFP, can you please share the document?

Answer: The CTPF DDQ is required to be completed as part of your RFP submission. The DDQ can be found in Section D.

19. Regarding the EEOC Exhibit C file, what is the difference between the Company and Business unit and /or Business unit and CTPF Team?

Answer: If applicable, CTPF would like EEOC information at the 1) company level, 2) business unit the proposed strategy resides under and 3) the actual team or group that will be managing the CTPF mandate.

20. Page 5. #12. "The firm hereby warrants and attests that no finder's fee was paid, or will be paid, to any outside entity or person or any persons employed or affiliated with CTPF. " Does the outside entity and persons only need to be disclosed if they are affiliated or employed with CTPF?

Answer: The requirement is no finder's fee was or will be paid to 1) any outside entity or person or 2) any persons employed or affiliated with CTPF.

21. Does this allocation allow high yield securities and, if so, up to what percentage?

Answer: As this is specifically a Core Fixed Income search, no plus sectors (including high yield) are allowed.

22. Are there specific credit quality and/or tracking error constraints with the search that could preclude our firm from proposing a Core Plus Strategy?

Answer: As this is specifically a Core Fixed Income search, no plus sectors or parameters are allowed.