2021 Investment Consultant RFP
Questions & Answers:

1. Considering current events surrounding COVID-19 and the constraints of remote work, would your organization be willing and able to accept an electronic RFP submission (via email) and waive the hard copy submission requirement?

   Yes, considering the current remote working environment, CTPF will accept an electronic RFP submission. Please verify that your RFP submission and any attachments have been received in completion as many emails are constrained by size limitations.

2. Including Board Meetings, Investment Committee Meetings, First Friday Meetings, and meetings with Staff, approximately how many in-person meetings (virtual meetings during Covid-19) is your general consultant expected to attend on an annual or monthly basis?

   CTPF conducts a monthly board meeting throughout the year excluding one summer month (TBD) equating to 11 Board Meetings. CTPF also conducts 6 Investment Committee Meetings throughout the year. CTPF holds a First Friday Meeting approximately 10 months during the year. Lastly, Staff meets and collaborates with the general consultant for approximately 90 minutes (twice a month) and holds weekly 30-minute calls with the real estate consulting team which combined totals 5 hours monthly.

   Consultants will be required to attend approximately 27 Board related meetings per year. Given the schedule of meetings, there may be 2-3 meetings per month. *Please see Exhibit A.*

3. What is your expectation of investment committee meeting attendance for the Private Equity and Real Estate consultant(s)?

   Specifically, Real Assets and Private Equity Consultants are expected to attend at least 3 Board Meetings (Pacing Study and Performance presentations) and 2 Investment Committee Meetings (Real Assets and Private Equity Investment Manager Due Diligence presentations). Also, two First Friday Meetings are reserved for prospective Real Asset managers. In Summary, Real Assets and Private Equity Managers are required to attend 5-7 total meetings per year.

4. Can you please advise on the specifics of First Friday's, as referenced on Page 3 of the RFP? Is this when meetings are held with the Investment Committee and/or Staff?

   First Friday Meetings are meetings that are conducted on the first Friday of each month to hear presentations from prospective managers. Prospective managers are allowed 15-25 minutes to present their strategy, performance and organization to a subset of Trustees, Investment Staff, Consultants and other attendees which may include other public pension systems, fund-of-fund managers, manager-of-managers, organizations interested in emerging managers, etc.

   It provides prospective managers with the opportunity to initiate and foster relationships with Chicago Teachers' Pension Fund staff and consultants. First Friday Meetings have been held for over 10 years. First Friday meetings are designed to provide emerging and diverse managers with a forum to present to institutional investors.

5. How is the internal investment staff structured? (i.e. CIO, asset class heads, analysts, traditional vs. alternatives, etc.)

   CTPF's Investment Staff includes a total of 10 team members. The Chief Investment Officer provides leadership to four Portfolio Managers, one Investment Compliance Manager, one Senior Portfolio Analyst and three Portfolio Analysts.

   The Portfolio Manager-Private Equity, Portfolio Manager-Real Assets & Fixed Income, Portfolio Manager-Domestic Equity, Portfolio Manager-International Equity and the Investment Compliance Manager report directly to the Chief Investment Officer. Each Portfolio Manager has a Portfolio Analyst that reports to them.

6. Referring to page 29, question 24: Will detailed firm financial information be kept confidential?

   Chicago Teachers' Pension Fund is subject to FOIA laws. However, exceptions are available for information that poses competitive and financial harm and damage if disclosed. A firm's financial information would be covered under exceptions. Please provide financial information as a separate appendix and label the information CONFIDENTIAL.

7. How many manager searches have been conducted each year, over the last 3 years?

During 2018, two searches were conducted (one infrastructure open-end search and one non-core real estate search) with the assistance of consultants. Investment staff conducted two private equity searches internally and without the assistance of consultants.

During 2019, one search was conducted (one minority, women and persons with disability owned infrastructure firm search) with the assistance of consultants. Investment staff conducted two private equity searches internally and without the assistance of consultants.

During 2020, Investment staff conducted one private equity search internally and without the assistance of consultants.

8. How often does CTPF conduct ALM studies?

CTPF reviews the Asset Allocation Policy every 2-3 years. CTPF requires the Consultants to periodically conduct Asset Liability Studies every 4-6 years or more often if market activity requires. The consultants work in conjunction with the Fund's actuary to conduct a formal asset liability modeling study taking into account various capital market assumptions, risk tolerance, and funding scenarios appropriate for the Fund.

9. Can you please describe your current advisor's process for evaluating manager compliance with investment guidelines?

CTPF's investment staff monitors and manages investment manager's compliance with investment guidelines utilizing tools purchased from the custodian. Consultants advise when changes are recommended to the investment guidelines to manage investment risks.

10. In your list of current managers, many have an asterisk next to their name. Can you please let us know what this indicates?

The Investment Managers with the asterisk next to their names indicate that they are Minority, Women and/or Persons with Disability owned investment asset firms.

11. Is your preference for a single firm to provide all required advisory services listed (i.e., General, Real Estate and Private Equity), or do you prefer to retain a general consulting firm alongside one or more specialist firms?

Currently, CTPF has a single consultant that provides general consultant and real asset consultant services. We will consider a single provider of all advisory services or any combination of services you wish to respond with.

12. What did the $630,000 listed as fees to Callan in your 2019 CAFR cover (i.e., did the fee reflect advisory service for General, Real Estate and Private Equity assignments or some subset)?

The consultant fees listed in the CAFR cover the advisory services for Callan general and real assets consultant services.

13. How is the total fee for consulting services currently broken down between general consulting and private equity consulting?

Currently, the totals fees paid are for the services of the general consultants and real asset consultants. CTPF currently does not utilize a private equity consultant and will continue to manage private equity in-house unless the RFP demonstrates a more efficient and effective means to manage the private equity portfolio.

The $610,000 Callan consultant fee includes approximately $365,000 for general consultant and $245,000 for the real asset consultant.

14. For a firm proposing for all three services, would you prefer a single fee proposal or a breakdown indicating the fee for each service?

For a firm proposing all three services, we would prefer a breakdown indicating the fee for each service and a single fee if all three services were selected.

15. Is the incumbent invited to bid on each of the three service areas?

Yes, the Current consultant is invited to participate in the search and bid on each of the services.

16. In each of Private Equity, Private Real Estate, Private Real Assets / Infrastructure, what specific services are required by the consultant?
    a. Investment Policy Statement reviews?
    b. Pacing studies?
    c. Proactive manager sourcing? How many funds per year?
    d. Opine on managers recommended by staff? How many funds per year?
    e. Monitoring existing managers? If meetings are required, how often with each manager or how many meetings per year?
    f. Dedicated private markets performance reporting?

Private Equity and Real Assets Consultants are required to assist with Investment Policy Statement reviews, conduct annual Pacing Studies and quarterly performance reports.

As CTPF's procurement process requires the Fund to procure through a request for proposal process, Real Asset consultants are required to review all respondents and

opine on semi-finalists and finalists. Private Equity is managed by CTPF staff internally and private equity investment managers are recommended, selected, and managed by CTPF staff.

Real Asset consultants are required to monitor existing managers and conduct periodic meetings

17. Do you have any expectations on changing the current private equity or real estate allocations?

At the end of 2019, CTPF completed an Asset Liability Study and decided to maintain the current asset allocation policy inclusive of a 5% allocation to private equity, a 9% allocation to real estate and a 2% allocation to infrastructure. CTPF does not expect to change the alternative investment allocations until a subsequent asset allocation review is conducted.

18. What do you expect to commit to private equity on an annual basis over the next three years?

The most current CTPF private equity pacing study details that in 2021, we expect to commit $125 million to private equity; in 2022, we expect to commit $265 million to private equity and in 2023, we expect to commit $65 million to private equity.

19. What do you expect to commit to real estate on an annual basis over the next three years?

The most current CTPF real estate pacing study details that in 2021, we expect to commit $90 million to real estate; in 2022, we expect to commit $30 million to real estate and in 2023, we expect to commit $30 million to real estate.

The most current CTPF infrastructure pacing study details that in 2021, we expect to commit $25 million to infrastructure; in 2022, we expect to commit $40 million to infrastructure and in 2023, we expect to commit $40 million to infrastructure.

20. Over the last three years, how many private equity managers have you committed to annually?

In 2018, CTPF committed to 3 private equity managers; in 2019, CTPF committed to 6 private equity managers and in 2020, CTPF committed to 3 private equity managers.

21. Over the last three years, how many real estate managers have you committed to annually?

In 2018, CTPF committed to 4 real estate managers; in 2019, CTPF committed to 2 real estate managers and in 2020, CTPF committed to 2 real estate managers.

In 2018, CTPF committed to 2 infrastructure managers; in 2019, CTPF committed to 1 infrastructure manager and in 2020, CTPF committed to 1 infrastructure manager.

22. In Section II, "Independence of Judgment," Question 1, regarding conflicts of interest. Please confirm that CTPF is not requiring a prospective consultant to represent that it has no conflicts and/or that its policies and procedures avoid/prevent all conflicts of interest.

CTPF is not requiring a prospective consultant to represent that is has no conflicts of interest or policies to prevent all conflicts of interest. Including a Conflict of Interest Policy would be considered a policy or procedure to avoid/prevent conflicts of interest.

23. In that same section, Question 4, regarding serving as an investment advisor for clients, we are registered as an investment advisor with the SEC and provide various types of investment advice to our clients. Please provide more information on what the concern is here or if there is a specific role as investment adviser that this question is meant to pick up.

The question is meant to identify whether the prospective consultant is a registered SEC investment adviser and serves as an investment advisor to clients in any capacity. There is no specific role as an investment adviser that is of concern or question.

Exhibit A

2021

Board of Trustees
Meeting Schedule

Thursday, January 21, 2021
Thursday, February 18, 2021
Thursday, March 18, 2021
Thursday, April 15, 2021
Thursday, May 20, 2021
Thursday, June 17, 2021
Thursday, July 15, 2021 * (May be removed)
Thursday, August 19, 2021
Thursday, September 23, 2021
Thursday, October 21, 2021
Thursday, November 18, 2021
Tuesday, December 16, 2021

All meetings are held at 9:30 a.m. unless otherwise noted.

Investment Committee
Meeting Schedule

Thursday, February 25, 2021
Thursday, April 22, 2021
Thursday, June 24, 2021
Thursday, August 26, 2021
Thursday, October 28, 2021

All meetings are held at 9:30 a.m. unless otherwise noted.

2021

Investment Department
First Friday Meeting Schedule

January - No Meeting
Friday, February 5, 2021
Friday, March 5, 2021
Friday, April 2, 2021
Friday, May 7, 2021 (Real Estate)
Friday, June 4, 2021
July- No Meeting
Friday, August 6, 2021
Friday, September 10, 2021
Friday, October 1, 2021
Friday, November 5, 2021 (Real Estate)
Friday, December 3, 2021

All meetings are held at 9:30 a.m. unless otherwise noted.