

CALLAN LLC DUE DILIGENCE QUESTIONNAIRE

INSTRUCTIONS

Please complete this investment due diligence questionnaire with current information unless otherwise specified. All information should be as of December 31, 2017. Information should be focused on the organization and private infrastructure assets.

PLEASE ANSWER EACH QUESTION COMPLETELY. DO NOT ANSWER A QUESTION BY REFERRING TO ANOTHER DOCUMENT OR ANOTHER QUESTION.

The investment due diligence questionnaire includes the following parts:

- This word document (Callan Open End Infra Due Diligence Questionnaire 2018.docx)
- Accompanying excel workbook with multiple tabs (Callan Open End Infra Performance Request 2018.xlsx)
- Instructions to input prior fund cash flows directly into the Callan database (*do not wait to begin this process*).
 - Please contact Kevin Nagy (nagyk@callan.com) for assistance

A complete response to the Callan Due Diligence Questionnaire includes the following and all items must be submitted on or before the due date of April 9, 2018, by 4:30 pm Central time.

- The completed and signed word document
- Additional word documents as requested in this DDQ.
- A PDF of the word document(s) and all appendices with a table of contents
- The completed excel workbook submitted as an excel file
- Submission of prior fund cash flows to the Callan database

All files should include your firm name. For example: Manager XYZ CTPF Open End Infra Search Response April XX 2018.docx.

Please note that there are other parts to the CTPF Request for Proposal that need to be completed and submitted by respondents. These are outlined CTPF Request for Proposal document.

Our server has a file size limit of 20 mb. Please zip your response or send in multiple emails indicating in the subject line email 1 of X, 2 of x, etc. to ensure your response will be properly received.

Contact Information:

Firm:

Product:

Date:

Firm Address:

Primary Contact:

Title:

Address:

Phone:

Email:

Fax:

All statements, information and representations made by my firm to Callan during the Evaluation Process are complete and accurate and reflect all the information that would be deemed relevant by a prudent investor. These statements, information and representations include, but are not limited to, the representation that our track record is complete and accurate and reflects all investments made by and vehicles sponsored by the current/prior team. For purposes of this questionnaire, "Evaluation Process" means all information and documentation provided by my firm in connection with Callan's evaluation including our introductory letter, responses to the due diligence questionnaire provided by Callan and related materials, and information provided in onsite meeting(s), subsequent conversations and requests until the date of Callan's investment recommendation to the client.

Authorized Signature: _____

Name (print):

Date:

SECTION I: ORGANIZATION

1. Name of SEC (or other appropriate regulatory agency) registered entity:
2. Date of SEC Registration:
3. Provide a complete form ADV (Parts I and II) and label as such.
4. Please provide a chart detailing the firm’s organizational structure
5. Please provide a description of your firm’s history and current activity, including a discussion of any mergers or acquisitions, significant developments, organizational or ownership changes, downsizings, funds or businesses launched and closed, etc. made within the past 5 years. The description should concentrate on the management of tax-exempt funds for U.S. clients.
6. Are there anticipated changes in the ownership structure that may take place over the life of the proposed fund? Please describe in detail.
7. Provide a summary of the firm’s lines of business related to infrastructure investing and management globally, including a breakdown of public and private infrastructure assets under management by region.
8. Describe your firm’s business plan for the next three years. What product(s) is your firm emphasizing? How will new and existing resources be allocated? Will a limit be placed on the total value of assets managed, employee count and/or the number of accounts for the total firm, individual portfolio manager or the commingled fund products? How is growth being managed at the firm so as not to impair your ability to provide performance results, portfolio administration and client servicing?
9. List the location of all directly related offices, the opening date of the office(s), and indicate whether the office(s) is used for portfolio management, research, acquisitions, asset management, marketing, client servicing or other functions. If other, please provide a description of functions performed. Following the list, please list offices that have been closed over the prior five years and indicate the date of original opening, date of closure, function performed and reason for closure. Include planned office openings and make the appropriate highlights. Please also identify which office will service this account.

Office Location	# Employees	Opening Date	Function (include if investment decisions for proposed product are made in each office)

10. Describe any conflicts of interest your firm may have in the management of this account. Include any activities of affiliated or parent organizations, brokerage activities, investment banking activities, or asset management, leasing, or other services provided to the fund. If you have a lending affiliate, do you borrow from it for the account? What is your policy with regard to buying assets or selling assets to an investor in the fund or to one its affiliates? Do you share ownership of any of the investments in the account with other funds or accounts you manage or with an investor in the account?
11. Please name all regulatory registered entities affiliated with the firm and the relationship to the management of the partnership/fund. Include dates of registration for each entity.

12. Please provide the date and the results of your most recent internal and external audit. What were the issues and how were they resolved? Please provide a copy of the auditors' opinion. Please provide a copy of the management letter and describe the actions that have been taken in response to the recommendations received.
13. Are you currently, or have you ever been, out of compliance with the SEC, DOL or any other regulatory agency? If yes, please explain and indicate whether any orders or sanctions have been issued against your firm or affiliate.
14. When was your most recent SEC or other regulatory agency inspection or examination? Please provide copies of the findings from all inspections or examinations within the past five years and highlight any identified deficiencies or issues. Please provide copies of the management letter and describe the actions that have been taken in response to the feedback received.
15. Describe the levels of coverage for SEC-required (17g-1), or equivalent regulatory agency-required, bonds, errors and omissions coverage and any other fiduciary coverage which your firm carries. List the insurance carriers supplying the coverage, the coverage amount and deductible
16. Have you or has the firm ever answered "yes" to any question in Item 11 – Disclosure Information - Form ADV - Part I? If so, please provide an explanation.
17. Please describe the status of any outstanding or pending insurance claims.
18. Has your firm faced litigation or investigation? If yes, provide a detailed explanation and indicate the current status of proceedings.
19. During the last five years, has any officer or principal of your organization been involved in litigation? If yes, provide a detailed explanation and indicate the current status of proceedings.
20. Has your firm or advisory affiliate received any subpoenas or information requests (formal or informal / federal or state) relating to money management activities that directly or indirectly relate to your management of fund vehicles or that could be deemed material by a reasonable investor?
21. Has your firm or any advisory affiliate been the focus of any litigation, investigation (formal and informal / preliminary, ongoing or resolved) or administrative proceeding (including settlements) relating to money management activities or other activities that directly or indirectly relate to your management of fund vehicles or that could be deemed material by a reasonable investor?
22. Has any regulatory body issued any orders or other sanctions against your firm or any advisory affiliate relating to money management activities or other activities that directly or indirectly relate to your management of fund vehicles or that could be deemed material by a reasonable investor?
23. Has your firm been convicted of, or plead guilty to, any felony, misdemeanor or civil enforcement proceedings in the past ten years? If yes, provide a detailed explanation and indicate the current status of proceedings.
24. What is the organization's approach to ESG investment? Is there a policy in place and how is it implemented? Please comment if there is specific implementation of these policies within the Fund strategy.
25. Does your organization utilize a benchmark for environmental sustainability? If so, which one?
26. Has your firm or any of the investments, currently or in the past, been subject to allegations or investigations from union labor organizations? If so, please describe the properties and relevant details.
27. Has a formal complaint been filed with the National Labor Relations Board (or any other government agencies globally) regarding your firm or pertaining to the assets under your management, both those held in joint ventures and wholly owned.
28. Please provide detail on your firm's responsible contractor policy.
29. Please describe your relationship with union labor organizations. Are there any formal arrangements or affiliations in place?

SECTION II: PERSONNEL

1. Please provide an attachment with professional biographies of all investment professionals for the strategy.
2. Who is the current portfolio manager(s) of the proposed strategy? Please provide a professional biography for the current portfolio manager(s).
3. Please provide a list of founding and subsequent portfolio manager(s) for the proposed strategy. If changes in portfolio manager(s) have been made, please provide a description of the history of the product and changes to the philosophy or process.
4. Do the members of the investment team have involvement in other products sponsored by your firm? If so, please describe.
5. Describe any planned additions to the investment team. Is this contingent on asset growth or any other factors?
6. What is the typical trajectory of investment professionals on the team?
7. Describe the compensation for investment professionals at all levels of the investment team.
 - a. How is compensation determined overall?
 - b. What is the typical percentage split among base salary, bonus and other forms of compensation? Describe other forms of compensation.
 - c. What long-term retention incentives are there for key employees?
 - d. Compare your compensation levels relative to peers.
 - e. Do members of the investment team have an equity interest in the firm? Please name those professionals.
 - f. Who determines the team's compensation?
 - g. List all professionals with employment contracts and the expiration dates of those contracts, highlighting those who are on the Investment Committee or on the portfolio team for the product
 - h. List all professionals with non-compete agreements and the expiration dates of those contracts.
8. Please describe the diversity of personnel on the fund team.
9. Do any of the professionals involved with the proposed account invest in the product? If so, how much (in \$)? Also describe the nature of the investment (e.g. up-front cash investment, loans from the firm, deferred compensation, etc.) and the economic terms of the investment that deviate from third-party investors.
10. What was the co investment by the Firm and individuals in prior products by product
11. If loans are extended to professionals for co-investment please detail the terms, including provisions for departures.
12. Has the philosophy or regulation around professional co-investment changed in the last three to five years? If so, please detail the change.
13. What is breakout of carry and the vesting schedule for the carried interest allocation? Is there a formula for determining how carried interest is allocated among investment professionals?
14. What happens to the allocated carried interest for a professional that leaves?
15. Does the firm maintain key man life insurance? If so, please describe.
16. Describe the team's succession plan for key investment professionals.

SECTION III: PROPOSED INVESTMENT VEHICLE

1. Product Name
2. Has the strategy ever operated under another name or has the strategy been merged with another product? Please explain.
3. Where is the above product domiciled? Please provide a diagram linking the legal structure of the aforementioned investment fund, General Partner entity, underlying investments and other related entities.
4. Is the vehicle regulated? If so by whom? What current regulatory issues were raised? Are any issues still unresolved? If yes, please explain.
5. Please provide a detailed description of the investment strategy of the proposed account. Include target return and other investment objectives, investment style, expected diversification ranges by geography, market, investment stage, sector type, typical equity or debt investment size, and how many investments you anticipate making.
6. What is the target return of the proposed investment vehicle? What component of the total return is expected to come from periodic income? What component of the total return is expected to come from appreciation? Are there any other anticipated sources of returns to the vehicle (e.g. origination fees, exit fees, current cash coupon)?
7. Will debt be employed at the asset-level and fund-level? If so, what is your financing strategy? Please address how much leverage will be utilized, whether the debt will be fixed or floating rate and any hedging that is anticipated. Also address cross collateralization, recourse to investors, mark-to-market provisions.
8. What is your foreign currency hedging policy? Please discuss any changes in this policy over the past three years.
9. Describe your transaction allocation procedure and attach your allocation policy.
10. Will a line of credit be utilized for the account? Please provide the relevant credit line terms. Please indicate the length of time investments are allowed to be held on the credit facility.
11. Will investors be liable for anything beyond their commitment?
12. What is the estimated capacity (# of clients and level of assets) for this strategy? How was that capacity estimated?
13. Is there an entry or redemption queue? How much?
14. How long will it take for a commitment of \$50 million to be invested? \$100 million?
15. For open-ended vehicles, detail the subscription and redemption and pricing mechanism, discretion to vary the price issuance or redemption and circumstances that may prompt you to use it and any deferral rights on redemption.
16. Describe how you dealt with liquidity needs of investment vehicles managed through the Global Financial Crisis. If any vehicles had redemptions suspended or vehicle terms extended, please detail the length of time for the suspension or extension, rationale for this approach and how communications were managed with investors of those vehicles.
17. Who is the external auditor of the investment vehicle? Is there a rotation process for external auditors?
18. Which benchmark is most appropriate for this strategy? Explain the benchmark selection and other relevant benchmark alternatives.

SECTION IV: INVESTMENT PROCESS

1. Please write a short paragraph explaining the investment strategy of the proposed fund.
2. Research Process: Include a discussion of the sources of your research (internal and external) and where research is conducted.
3. Key Decision-Makers: Detail at each stage of your decision making/portfolio construction process who the key professionals are.
4. Risk Management: How does your firm define, monitor and control risk? Please discuss all formal and informal risk controls, including:
 - a. What measures of risk are evaluated?
 - b. What systems are utilized for risk management?
 - c. Describe any hedges that are employed and the philosophy on hedging.
 - d. How is risk management incorporated in the investment process?
5. Acquisitions Process: How does your firm source and allocate investments?
6. Competing Strategies & Allocation Process: How does your firm deal with competing strategies from other separate accounts, co-investment or commingled fund vehicles? Detail the allocation process (rotation policy) your firm has in place. Please also indicate the number of clients currently in the rotation by strategy and investment type (if appropriate).
7. Sell Discipline: What is your firm's hold/sell policy?
8. Appraisal Process: Describe the appraisal and valuation policy and process for this fund. How frequently are valuations updated?
9. Economic Diversification: How does your firm view economic diversification as it relates to this fund?
10. Asset Management and Property Management: Please detail your asset management process and property management process. Please note whether property management is handled internally or via third party managers. If asset management or property management functions are provided by internal resources or affiliates, what kind of assurance can be provided that any fees are charged on market terms? Please describe the process for determining the fees charged. How are affiliate fees disclosed to investors? Please provide the document that is provided to investors.

SECTION V: PERFORMANCE

1. Please submit your prior fund cash flows to the database (contact Kevin Nagy – nagyk@callan.com).
2. Please comment on the impact each of marking debt to market and hedging instruments have had on your performance.
3. Please explain how you expect to meet or exceed your fund's objective over the next three years and the major expected drivers of returns.

SECTION VI: FEES

1. Please provide the fee structure for the proposed commingled Fund(s), including Asset Management, Acquisition, Disposition, Performance, etc.
2. Are there any "favored nations" clauses in the Fund's documents?
3. Please complete the Fee Structure tab in the Excel file.
4. Is there an expectation of any major fluctuation in the fund level fees or expenses or any expected changes to the fee structure?

SECTION VII: DOCUMENTS

1. Please provide all documents a proposed investor would review and sign including relevant memoranda (if available), operating agreement, limited partnership agreement, amendments, and subscription materials. If these materials are not provided or in existence, please comment on the timing.
2. Please provide a current marketing presentation for the firm as it applies to the proposed vehicle.
3. Please provide the latest quarterly and annual report for investors.
4. Please provide the Fund's 2018 strategic plan document.
5. Please provide any other documents that you think would be helpful.

SECTION VIII: REFERENCES

1. Please provide two U.S. tax-exempt plan sponsor clients invested in a current or prior investment vehicle. Please provide the names, addresses, telephone numbers, size of accounts and dates the accounts commenced.
2. Please provide two U.S. tax-exempt plan sponsor clients who did not re-up in your prior vehicle or for open end funds, who submitted redemptions requests and are no longer active investors. Provide the same information as in previous questions noting the date the relationship was terminated.