

## Chicago Teachers' Pension Fund Private Equity RFP Addendum: Respondent Questions & Answers

1. Is it expected that the mandate will go to more than one party?

**Given the size of the mandate, it is possible that it could go to one or two parties.**

2. For the Opportunity to Hire Diversity page of the EEOC chart, it requests that the table be completed for the U.S. workforce individuals. We are not based in the U.S. and most of our workforce does meet the definition as they are not U.S. citizens. Do we complete the table for our workforce based the criteria listed? How do we address the EEOC reporting requirements for non-U.S. citizens for the Diversity Profile for the Firm? In addition, for the EEOC vendor chart, we note that most of our vendors are not U.S.-based and therefore would not qualify under the definition of MWDBE, which qualifies in the instructions as American citizen. Do you have any specific guidance on how to address this?

**We understand that most companies outside the U.S. do not, or cannot, collect this type of information. In such situations, we would like at a minimum to have a snapshot of the gender and demographic diversity of your firm. Ideally, you can fit it into our EEOC chart template.**

3. What role is your consultant, Callan Associates playing in this RFP process? Are they involved in making recommendations of Investment Managers as a part of the selection process?

**Callan Associates LLC is the Plan's General Consultant and they support us on real estate and infrastructure. However, they are not involved in the private equity searches.**

4. Could you please clarify further under Fees and Disclosure Information (b), found on page 15 of the RFP, what is being requested? Are you after a summary of any fees and expenses covered by the Fund?

**Yes, direct fees would include management fee and carry. Indirect would be a summary of fees and expenses we can expect to be covered by the Fund or Partnership.**

5. Could you please clarify further under Fees and Disclosure Information (i), what time period this is in reference to. In addition, there is a reference to an attachment, Exhibit B. Could you please provide this or point us to where we may be able to locate this?

**As a candidate, Disclosures A-G should be submitted through June 30, 2018. Should you be selected as a finalist, we will ask for an update prior to interviews. Should you win a mandate from us, it will be an annual disclosure process for the length of our relationship.**

**Exhibit B. The candidate will be submitting Exhibit B by reference when they sign and submit pages 20 and 21 of the RFP.**

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6. Could you confirm whether Exhibit A of the Fund's Procurement Policy mentioned in Fees and Disclosure Information (f), is found on page 28 as Exhibit 1 – Prohibited Entities?

**Yes, that is correct. Prohibited Entities can be found in the CAPP (Contract Administration and Procurement Policy on (Page 28 Exhibit 1 – Prohibited Entities). I would refer you to the Procurement Policy for Investment Advisers for a complete listing as it was just updated on July 17, 2018 (Page 14 – Exhibit A).**

7. Will CTPF consider a bespoke fund with CTPF as the sole investor investing in funds and co-investments in companies?

**Yes, we will consider bespoke funds as described. We would consider that a fund of one.**

8. Will CTPF consider a segregated account investing in funds and co-investments in companies?

**Yes, we would consider a segregated account as described. We would consider that a separate account.**

9. What is the significance of funds being open for investment before July 2018? If we propose a funds and co-investment solution, as set out in 1 and/or 2 above, do the funds in this solution need to be open for investment before July 2018?

**For a fund of one or separate account structure, the date described would not apply.**

10. Would CTPF consider a fund's strategy which includes a significant exposure, approximately 50%, to Africa, but also includes investments in other emerging market geographies?

**For this mandate, CTPF would prefer a diversified Africa focused strategy.**

11. Alternatively, would CTPF invest in a fund that provides a specific carve-out for CTPF so that CTPF's commitment is only exposed to Africa investments and not exposed to other emerging market geographies?

**Yes, CTPF would consider the fund described.**

12. To what extent does a double-bottom-line investment strategy of the manager influence CTPF's decision?

**CTPF is a public pension plan. Our decision is influenced by many factors, including, but not limited to; track record, team, process, organizational stability, diversity, ESG, impact and portfolio fit.**

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13. The proposed investment fund and its predecessor funds are in a fluid process whereby further exits and investments are anticipated during the proposal period. How do we provide material updates during this time?

**For this first round, we would ask that respondents submit investment activity that includes activity through Q1 2018. As we move to a finalist group, we will ask for updates.**

14. The proposed investment fund's final close is Q1 2019. Does with work within the timeline of your decision making process?

**Yes, that is a sufficient timeline.**

15. Where can we specify the investment product proposed (e.g. co-investment vs. direct investment in the fund)? We do not see a place to specify this in the ILPA DDQ.

**You can specify the proposed investment product in Section 2.5 under 2.0 Fund: General Information or 3.0 Investment Strategy.**

16. Could you confirm that an Investment Manager domiciled in Mauritius and duly registered with the appropriate local authority qualifies for consideration?

**Yes, a Mauritius domiciled investment would qualify for consideration.**

17. In the CTPF RFP document on p. 15, Firm Information requests "Number of institutional clients" (item e). Does this refer to the number of LPs which are institutions?

**Yes, and to further clarify; SWF's, DFI's, Pension Plans', Large Family Offices, Foundations and Endowments.**

18. In Appendix E2 of the ILPA DDQ, does the item "Inv. Transaction Currency" refer to the currency the company operates in or the currency of the transaction?

**Please use the currency of the transaction. Should we need clarification on conversions, we will inquire.**

19. In the EEOC Open-End Table Excel document, what does "CTPF Team" refer to?

**The team that will be assigned to cover CTPF's investment,**

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20. Does Directors & Officers insurance suffice for requirement #8 on p. 4 of the CTPF RFP document? It states that the Investment Manager “shall carry errors and omissions insurance or comparable instruments as determined by CTPF to cover negligent acts or omissions.”

**CTPF requires managers to provide evidence of binding coverage for negligent acts or omissions before we will execute a contract. That coverage is usually provided in an E&O policy.**

21. ILPA DDQ Appendix B1 requires a breakdown of time allocation. We track time allocation by the following 3 categories. Is this level of detail granular enough?

1. Business Development: sourcing and transaction execution
2. Portfolio: monitoring and exits
3. Other: fundraising, admin, etc.

**Yes, this level of detail is sufficient.**

22. Does CTPF have preferences for what kinds of references we provide in Appendix C of the ILPA DDQ, which instructs: “Provide a broad cross-section of references (e.g., co-investors, deal sources, bankers, and personal references)”?

**We will leave the selection of which type of references are provided to the respondent**

23. The RFP states that “The proposed investment vehicle must be open for subscription before July 2018.” Our fund will not be open for subscription until later this year. Does that disqualify us from responding to the RFP?

**We will consider funds that are in pre-launch or are very close to launching. At a bare minimum, we must find comfort that there will be a PPM and LPA available by finalist interviews in September 2018.**

24. The RFP states “All candidate firms must complete the ILPA Due Diligence Questionnaire in addition to submitting a response to this RFP.” And also “In addition, one hardcopy of the proposal must be received by CTPF ...” Can I clarify that the attachments referred to in the ILPA questionnaire as “Appendix A – Requested Documents” must also be submitted? And, assuming the answer is yes, is it only the proposal itself that must be submitted in hard copy or are the DDQ and Requested Documents also required in hard copy?

**We will require one hard copy of the entire RFP, DDQ, Appendices, etc.**

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25. We are a credit-focused strategy, but we hope that we qualify under your Special Situations bracket? Please confirm.

**We would view Special Situations strategy as funds with the flexibility to invest across capital structures, whether by purchasing secondary market debt (stressed or distress-for-control) or making direct equity investments in stressed or distressed businesses. Importantly, the strategy does not require a distressed macro environment to invest successfully, relying instead on “situational” stress or distress that can be uncovered in any industry, sector or individual company at any point in the economic cycle.**

26. We would like to request the version of the ILPA Due Diligence Questionnaire you'd prefer we use.

**The ILPA DDQ is on our website [www.ctpf.org](http://www.ctpf.org) under [Investment Procurements](#). We use Version 1.1 that was originally released in October 2013 and revised in September 2016.**

27. Will CTPF accept that the selected investment manager will act as a fiduciary to the pooled investment vehicle rather than to Chicago Teachers' Pension Fund itself?

**No, the Investment Manager must act as a fiduciary to Chicago Teachers' Pension Fund.**

28. Is CTPF willing to sign a Non-Disclosure Agreement with a prospective manager covering RFP submission materials?

**No, we will not sign a Non-Disclosure Agreement covering the RFP submission materials.**

29. Will CTPF accept proposals for funds that are not currently open but expect to have a first close on or around December 2018?

**Please see Question #23 (previously answered).**