

Q&A Document

1. Will strategies that are primarily focused on investing in the equity tranche of CLOs (Collateralized Loan Obligations) be considered for this mandate?

Yes, these strategies will be considered.

2. What are the range of target returns and target risks (i.e., volatility) in mind for this mandate?

The target rate of return range is generally 8-12%.

3. How many managers are expected to be selected for this mandate?

It is likely that 1 or 2 mandates will be awarded.

4. The suitability questionnaire appears to be geared towards both separate accounts and private investment products (i.e., the Illinois fiduciary standard isn't directly applicable to a 3rd party Delaware fund). How do 3rd party investment fund managers typically complete this provision?

Third-party investment fund managers hired by LABF are required to comply with this provision.

5. Similarly, the questions re: compliance with the Illinois Pension Code appear, at first glance, to be inapplicable to a 3rd party fund manager (i.e., we are providing services to the Fund and the Limited Partners generally in our capacity as investment manager, not to the pension fund specifically). How to 3rd party investment fund managers typically complete this provision?

Third-party investment fund managers hired by LABF are required to comply with this provision.

6. The private credit investment team has been at its current firm for less than five years. Prior to joining their current firm, the investment team's senior leadership collectively executed substantially the same private credit strategy at their previous firm. The loans made at their previous firm are listed in publicly available filings published by a BDC. Is the investment team's track record at their current firm together with the information in the publicly available filings sufficient to meet minimum requirement #5?

The investment team's demonstrable track record of at least 5 years will be sufficient to meet this requirement.

7. We had a question regarding LABF's Private Credit search and wondered if there was any guidance you could provide for when LABF would be prepared to commit capital. If even a general timeline could be provided it would help gauge whether LABF could meet manager final fund closures.

LABF is prepared to commit to one or more funds in 2021 and/or 2022.

8. Is a live fund vintage track record required for minimum qualification #5 or will pre-fund opportunistic/private credit deals made by the investment team be considered?

Yes, pre-fund opportunistic/private credit deals made by the investment team will be considered.

9. Will checking “no” on any of the questions in the Suitability Questionnaire automatically disqualify the submission?

Checking “no” to certain questions in the Suitability Questionnaire may automatically disqualify you from further consideration by LABF as the Suitability Questionnaire identifies crucial requisites that are required by the Illinois Pension Code or have been established by the LABF Board of Trustees. If a “no” answer is given, the LABF encourages the respondent to provide a detailed explanation as to the reason for such answer.

10. Will LAFB invest in an onshore vehicle or offshore vehicle with UBTI/ECI blockers?

Onshore vehicles are preferred.

11. Is the pool of capital subject to ERISA?

No.

12. Would LAFB be willing to sign a standard non-disclosure agreement in order to receive confidential data? Marquette has executed an NDA so we are able to share the data with them if LAFB does not want to proceed with executing the document.

No.

LABF is subject to the Illinois Freedom of Information Act, 5 ILCS 140/1 et seq. (“FOIA”). Pursuant to FOIA, LABF is required to disclose “public records” in its possession (as defined in the FOIA), unless the disclosure of such public records meets any of the enumerated exemptions set forth in Section 7 of the FOIA. A firm responding to this RFP claiming a statutory exemption from the FOIA for information within the firm’s submission must specifically identify relevant language as confidential, provide a detailed explanation why the exemption applies, and identify in the email transmission of the proposal whether confidential information is included. Further, each page of your transmission that contains confidential information must be labeled as such. Your firm must also specify which statutory exemption applies for each piece of confidential information. The Illinois Freedom of Information Act can be found at the Illinois General Assembly’s website (<http://www.ilga.gov/>). LABF reserves the right to make all determinations of confidentiality pursuant to FOIA and Illinois Attorney General interpretation.

13. We leverage a security protocol called Microsoft Information Program (“MIP”) for some confidential data. MIP limits viewing/editing capabilities to permissioned recipients only and access will expire after 4 months. To support this security protocol, we require the email addresses of all individuals that would like to access the file, specifically the email address that your MSFT Excel is licensed under. We have found that in some cases the email we see on screen is different from the licensed email. There are two places you can check. One is on top right-hand corner of the excel window. If you hover over your name, it should show an email address. The second is under Account or User Information. Please let us know the appropriate email(s) to receive access.

RFP@labfchicago.org is a licensed account.

Marquette Associates will contact you with email addresses to be granted access.

14. With regard to the Suitability Questionnaire - are we limited to Y/N responses or are we able to add language to more thoroughly respond?

Respondents are strongly encouraged to provide a Y/N response. However, respondents are not limited to Y/N responses and can provide a more detailed response.

15. With regard to the RFP materials and IL FOIA, will we be given the chance to provide a redacted version for IL FOIA requests? We would redact certain data provided under the exception for trade secrets and financial information.

Yes. Please review the response to question 12 above.

16. Will open-ended opportunistic credit hedge funds be considered?

Yes, these strategies will be considered.

17. Will investment teams that have 9+ year track records but have transitioned to new businesses in the last 4 years be excluded outright? Or will the track record in total meet the 5 year minimum requirement?

Please see answer to question 6 above.

18. Is there any flexibility with the five-year minimum track record? Our firm has a 20+ year history and track record in the private markets; however, our track record in private credit specifically is less than five years. Please confirm whether we should submit a response given this information.

Yes, that will be considered.

19. Can you advise on the timing of your commitment? If this will be a 2021 or 2022 investment?

Please see answer to question 7 above.

20. Is if "proposer" is defined as the firm itself, or the specific investment team. I ask because our team has been with the firm for less than 5 years but has over 5 years verifiable investment performance record from their time at a prior organization.

Please see answer to question 6 above.

21. Can you please provide if your investment will be considered taxable or tax exempt for vehicle purposes (onshore/offshore)?

Onshore vehicles are preferred.

22. Will LABF Chicago consider both evergreen funds and drawdown funds?

Both fund types will be considered.

23. Are strategies that focus on existing instruments trading in the secondary market within the scope of this RFP?

Yes, these strategies will be considered.

24. Will distressed credit strategies be considered?

Yes, these strategies will be considered.

25. Will LABF consider strategies that directly originate loans to commercial real estate borrowers, or is the search focused exclusively on corporate private credit managers?

Yes, these strategies will be considered.