

## Q&A Document

1. The RFP does not specify which type of private equity investment the Laborers' Annuity and Benefit Fund of Chicago prefers. Will Venture Capital strategies be considered?

Yes.

2. As it relates to our Private Equity business, our historical performance track record is audited, and verifiable, however given the unique nature, and reporting stands of the asset class, this track record is not GIPS certified. Will our submission still be considered?

Due to feedback from general partners, GIPS verification will not be required for this search.

3. We noticed there are two Manager RFI word document questionnaires listed on your website containing similar questions. Are we expected to select one or would you like them both to be completed and submitted?

Please fill out the applicable RFI document only. Only one RFI document is required for submission.

4. Would LABF / Marquette consider Secondary Investment Funds for this mandate, and if so which RFP form should be filled out?

Yes. Please fill out the Fund of Funds RFI document.

5. Would LABF / Marquette consider Co-Investment funds for this mandated, and if so which RFP form should be filled out?

Yes. Please fill out the Fund of Funds RFI document if the underlying investments are private equity funds; and otherwise, fill out the Direct RFI document.

6. Will commingled private equity funds focused on co-investments be considered for this potential mandate?

Yes.

7. Will LABF / Marquette consider funds which are currently not in the market, but are expected to be open in 2020?

Only private equity funds accepting commitments on the RFP due date (September 30, 2019) are advised to respond to this RFP.

8. I wanted to reach out and see if there was any flexibility to the GIPS performance certification requirement. We are eager to respond and believe we could be a great partner for Chicago Laborers but unfortunately we do not have a GIPS verified track record despite our nearly 20 year history of managing discretionary assets.

Due to feedback from general partners, GIPS verification will not be required for this search.

9. Can a private equity fund of funds manager be selected who does not have a verifiable GIPS compliant investment performance record? If no, can a private equity fund of funds manager be selected who is considering going through the process of obtaining a verifiable GIPS compliant investment performance record?

Due to feedback from general partners, GIPS verification will not be required for this search.

10. For question 28, may we receive clarification on whether this applies to fund-of-funds that have discretion over their investment vehicles? If so, does LABF want to know the total underlying assets of the consultants that service our Limited Partners directly?

This question refers to consultants that advise limited partners directly.

11. For question 28, does LABF define "Fund" to mean the firm, our prior Fund, or the current Fund?

The "Fund" refers to, collectively, the current and prior funds within the same series or strategy.

12. For question 93, how is a former client defined?

A Limited Partner in a prior, fully realized fund.

13. Would a private equity secondary fund of funds be of interest for this proposal?

Yes, secondary fund of funds will be considered.

14. Does LABF have any ESG requirements?

There are no current requirements, but ESG strategies are welcome and will be evaluated.

15. The RFP asks that respondents provide "Prior funds deal by deal attribution". Is there a specific template respondents should complete, or should managers submit historical performance and attribution in their own format? Should the data be provided in Excel? Thank you in advance for your direction.

Excel format would be preferred. Your firm's own format is satisfactory.

16. Is the interest of the RFP to help LABF keep pace with current private equity deployment or to ramp up deployment (LABF fund is potentially behind in pacing)?

LABF is modestly ramping up deployment of capital to private equity funds.

17. Are the following important for selecting a manager for this mandate:

- a. Global exposure (Yes, No, Not important)? **Yes, potentially. US-Only or regional strategies will certainly be considered.**
- b. Complimentary of existing private equity managers (Yes, No, Not important)? **Not Important**
- c. J-Curve mitigation (Yes, No, Not important)? **Not Important**

18. Are original signatures required on the cover letter and RFP?

**No, electronic copies or stamped signatures are acceptable.**

#### **19. Minimum Qualifications within RFP Guide**

- *Item #2:* Any person or entity providing to the LABF the services sought by this RFP must agree in writing and without limitation to serve as a "fiduciary" to the Fund in accordance with the Illinois Pension Code (40 ILCS 5/1-101, et seq.) and to act in accordance with all requirements and standards of conduct applicable to fiduciaries (the fiduciary acknowledgement is required regardless of the proposed product's structure)
  - o GP question: GP will be able to serve as fiduciary for the commingled fund. Is this sufficient to satisfy this requirement?

**Please review the following sample language.**

**[The Investment Manager, Partnership, and the General Partner] acknowledge and agree that the Investor is a pension fund established by and subject to the Illinois Pension Code. [The General Partner and Investment Manager] acknowledge and agree that they each are a "fiduciary" pursuant to Section 1-101.2 of the Illinois Pension Code and that they shall discharge their duties as such pursuant to the Pension Code, including but not limited to Section 1-109 of the Illinois Pension Code. [The General Partner and Investment Manager] further agree that they will not engage in any transaction involving the Partnership that would constitute a "prohibited transaction" under Section 1-110 of the Illinois Pension Code.**

- *Item #4:* The responding general partner must have a three (3) year (the most recent three (3) year period ending June 30, 2019) verifiable GIPS compliant investment performance record in the asset class
  - o GP question: GP as a firm has been GIPS compliant since 1993, and is independently verified on an annual basis. However, we have not historically provided verifiable GIPS compliant investment performance record in the asset class since we typically provide performance information conforming to what we believe are market standards. GP is happy to provide our track record for the strategy conforming to GIPS standards. Once the product is launched and the first capital call has been made, we can begin distributing a GIPS Presentation for the proposed strategy when quarterly valuations and performance are finalized. Is this sufficient to satisfy this requirement?

**That is sufficient.**

#### **20. RFP Suitability Questionnaire**

- *Question #2*
  - o GP question: Similar to "Item #2" above, the GP will be able to serve as fiduciary for the commingled fund. Is this sufficient to satisfy this requirement?

**Please review the following sample language.**

**[The Investment Manager, Partnership, and the General Partner] acknowledge and agree that the Investor is a pension fund established by and subject to the Illinois Pension Code. [The General Partner and Investment Manager] acknowledge and agree that they each are a "fiduciary" pursuant to Section 1-101.2 of the Illinois Pension Code and that they shall**

discharge their duties as such pursuant to the Pension Code, including but not limited to Section 1-109 of the Illinois Pension Code. [The General Partner and Investment Manager] further agree that they will not engage in any transaction involving the Partnership that would constitute a “prohibited transaction” under Section 1-110 of the Illinois Pension Code.

- Question #6

- o GP question: Can LABF please clarify what is included in within “certain disclosure requirements”?

The disclosure requirements include disclosures per 40 ILCS 5/113.14, 113.15 and 113.21 and 40 ILCS 5/1A-108.5.

- Questions #4 and #7

- o GP questions: Can LABF please clarify what information pertaining to the GP could be made available to the public either on the website or through a potential FOIA request? Could LABF please provide us with a sample FOIA request and a summary of what has been submitted to satisfy such request?

Please review <http://www.labfchicago.org/investments/portfolio-data/> for the data that is disclosed on LABF’s website. As for a sample of a FOIA request, most requests are for data similar to the data that the LABF has made available on its website.

LABF is required to disclose to the public certain “public records” as defined in 5 ILCS 140/1 et seq. (“IL FOIA”), unless the disclosure of such public records meets any of the enumerated exemptions set forth in Section 7 of the IL FOIA. Please review the [RFP Guide](#) Terms and Conditions.

- Question #14

- o GP question: Can LABF please provide further clarification on this question? Please provide us with sample language requirement of what LABF is looking for in this question.

The following is sample language:

*The [General Partner, Investment Manager] shall be liable for its own negligence, negligent omissions, unauthorized acts, defaults and other breaches of trust, and for those of any officer or employee of the [General Partner, Investment Manager] in performance of its duties and responsibilities with respect to the LABF. The [General Partner, Investment] shall indemnify and hold the LABF and its trustees harmless against all claims, liabilities and expenses (including reasonable attorneys’ fees, taxes and penalties) that may arise as a result of the [General Partner’s, Investment Manager’s] negligence, negligent omissions, bad faith, fraud, unauthorized acts, defaults and other breaches of trust, or violation of any applicable law or regulation in the performance of the [General Partner’s, Investment Manager’s] duties or responsibilities under the LPA. To the extent the [General Partner, Investment Manager] is indemnified by the Partnership for any loss, liability, cost or expenses (including attorneys’ and accountants’ fees and expenses incurred in defense of any claims, and all judgments, fines and amounts paid in settlement) resulting from the [General Partner’s, Investment Manager’s] negligence, omissions, unauthorized acts, defaults or other breaches of trust, the [General Partner, Investment Manager] shall reimburse the LABF for the LABF’s pro rata share of such indemnification.*

- Question #15

**Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago ("Fund" or LABF")**  
**Request for Proposal ("RFP") for *Private Equity Fund***  
**Issued August 22, 2019**

- GP question: The GP can agree to this request for litigation that involves only LABF and the GP, with no involvement of other fund investors. Is this something LABF can get comfortable with?

**Yes.**

**This requirement shall apply for litigation that involves the LABF, on the one hand, and the GP, the partnership and/or the investment manager, on the other hand.**