

**Park Employees' and Retirement Board Employees' Annuity and Benefit Fund of Chicago  
Request for Competitive Proposal: Core Investment Grade Fixed Income**

**I. OVERVIEW**

The Board of Trustees (“Board”) of the Park Employees' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (the “Fund”) hereby issues a request for competitive proposal (“RFP”) from investment advisory firms that are a Minority-owned business, a Women-owned business, or a business owned by a person with a disability, as those terms are defined in the Fund’s Procurement Policy for Investment Advisers (“MWDBE”), interested in providing a Core Investment Grade Fixed Income strategy(s). All forms needed for submitting a response to this RFP are available on the Fund’s website at <https://www.chicagoparkpension.org/request-for-proposal/> and the consultant’s website at <https://meketa.com/manager-center/request-for-proposal/>. **Firms submitting proposals (“Respondents”) to this RFP are responsible for monitoring the Fund’s website for information pertaining to the RFP, while the RFP is outstanding.**

It is the public policy of the State of Illinois to encourage the Board to increase the racial, ethnic, and gender diversity of its fiduciaries to the greatest extent feasible within the bounds of financial and fiduciary prudence. In furtherance of this public policy and the requirements of the Illinois Pension Code (40 ILCS 5/1-109.1), it is the Board’s goal to use its best efforts to increase the racial, ethnic, and gender diversity of its fiduciaries, including its external investment managers. Consistent with that goal, the Board will only consider emerging investment managers, as defined in the Fund’s Procurement Policy for Investment Advisers, and MWDBE investment managers that meet the required capabilities for this RFP. If there are multiple emerging or MWDBE Respondents that meet the criteria set forth in the RFP, then the Board may choose the most qualified firm or firms to present.

**II. RFP TIMELINE AND MANDATE SIZE**

- A. Date of Issue: May 15, 2023
- B. RFP Submission Due Date: June 15, 2023
- C. Mandate Sizes: approximately \$23 million

**III. QUIET PERIOD**

As set forth in Section C(11) of the Fund’s Procurement Policy for Investment Advisers, dated April 16, 2020 (“Procurement Policy”), which can be found on the Fund’s website (<https://www.chicagoparkpension.org/about-us/policies/>), there shall be a quiet period to ensure that the selection process is efficient and fair. During the quiet period, all Board members and Fund Staff, to the extent practical, shall refrain from communicating with Respondents regarding any product or service offered by the candidate that is related to the search. During the quiet period, no fiduciary or Fund Staff, including the Fund’s Consultant Meketa Investment Group, Inc. (“Consultant”), shall accept meals, travel, lodging, entertainment, or any other good or service of value from any candidate or from any firm that is reasonably known to be interested in being a

candidate. If any Board member or Fund Staff member is contacted by a candidate during the quiet period about a matter relating to the pending selection, the Board member or Fund Staff member shall refer the candidate to the Consultant or to the Executive Director. All authority related to the search and selection process shall be exercised solely by the Board as a whole and not by individual Board members. While the quiet period does not prevent Board approved meetings, conference attendance, or communications with an existing service provider that is a candidate, discussion related to the pending selection shall be avoided during those activities. Candidates may be disqualified from a search process for a willful violation of this quiet period.

Notwithstanding the foregoing, the Consultant, counsel for the Fund, and the Fund's Staff may conduct discussions with candidates to: (A) Determine in greater detail a Respondent's qualifications and clarify any responses; and (B) Negotiate the various terms of the contract, including fees.

#### **IV. RFP PROCEDURES**

The Fund will post the RFP and all related materials on the Fund's website (<https://www.chicagoparkpension.org/request-for-proposal/>) at least 30 days before the response to the RFP is due. Qualified candidates that do not receive an RFP from the Fund or the Fund's Consultant are encouraged to compete and may obtain the RFP document from the Fund's website. Neither this RFP nor any response to this RFP should be construed as a legal offer.

All interested candidates must submit their responses in accordance with the proposal submission instructions below. The Fund reserves the right to reject any or all proposals submitted and to solicit additional proposals. All material submitted in response to the RFP will become the property of the Fund. The Fund is not responsible for any costs incurred by the Respondents in responding to this RFP.

The Board of Trustees' designee and the Fund's Consultant will review each response for content, quality and compliance with the RFP's requirements. The Fund will compile a list of all Respondents to the RFP, identifying which responses are complete and incomplete.

If it becomes necessary to revise any part of the RFP, or if additional information is necessary for a clarification of provisions within this RFP, prior to the due date for proposals, a supplement will be provided to all known Respondents and posted on the Fund's website. If a supplement is necessary, the Fund may extend the due date and time of the proposals to accommodate any additional information requirements.

Respondents are advised that the Fund is a public body subject to, and proposal materials are subject to, the Illinois Freedom of Information Act (5 ILCS 140). After completion of the RFP, selection by the Fund and successful negotiation of a contract, if any, all proposals may be viewed and copied by any member of the public, including news agencies and competitors. Respondents claiming a statutory exception to the Illinois Freedom of Information Act for information within the Respondents' proposals must identify relevant language as confidential and identify in the email transmission of the proposal whether confidential information is included. Further, each page of confidential documentation must be labeled as such. The Respondent must also specify which statutory exemption applies for each piece of confidential information. The Freedom of

Information Act can be found at the Illinois General Assembly's website (<http://www.ilga.gov/>).

The Fund reserves the right to make determinations of confidentiality. If the Fund disagrees with a Respondent's confidential designation, it may either reject the proposal or discuss its interpretation of the exemptions with the Respondent. If agreement can be reached, the proposal will be considered. If agreement cannot be reached, the Fund will remove the proposal from consideration.

Candidates will be evaluated pursuant to the evaluation factors set forth in Section C(9) of the Fund's Procurement Policy. Following review and evaluation of complete responses from interested Respondents, the field of candidates will be narrowed to a smaller list of the most highly qualified Respondents. The Board's designee and Consultant may conduct discussions with candidates to determine in greater detail a candidate's qualifications and clarify any responses.

Following any discussions with the selected Respondents, the Board's designee and Consultant will prepare Respondent recommendations for approval by the Board. The finalists may appear before the Board of Trustees to present their firms' qualifications. The Board may accept or modify the recommendation and make a selection(s), if appropriate.

The Fund will conduct the RFP process in accordance with applicable provisions of the Illinois Pension Code, the applicable portions of the State Officials and Employees Ethics Act, and the Fund's Procurement Policy.

No Respondent shall retain a person or entity to influence (i) the outcome of an investment decision or (ii) the procurement of investment advice or services of the Fund for compensation, contingent in whole or in part upon the decision or procurement.

## ***V. PROPOSAL SUBMISSION***

The Fund's Consultant shall oversee the RFP process. If a Respondent is interested in submitting a proposal, the Respondent must submit an electronic copy of the complete proposal by **3:00 PM CT, June 15, 2023** to:

Meketa Investment Group, Inc. E-mail: [rfpresponse@meketa.com](mailto:rfpresponse@meketa.com) or online via DiligenceVault.

If Staff and/or Consultant has/have a question(s) regarding how to interpret a Respondent's proposal, Staff and/or Consultant is/are authorized to request additional information from that Respondent.

**ANY PROPOSAL RECEIVED AFTER THE DUE DATE AND TIME WILL NOT BE CONSIDERED.**

### **PROPOSALS MUST CONTAIN THE FOLLOWING DOCUMENTS:**

- A. Transmittal Letter. A transmittal letter must be submitted on the Respondent's official business letterhead. The letter must identify all documents provided collectively as a response to the RFP and must be signed by an individual authorized to bind the

Respondent contractually. **An unsigned proposal will be rejected.** The letter must also contain the following:

- Statement that the proposal is being made without fraud or collusion; that the Respondent has not offered or received any finder's fees, inducements or any other form of remuneration, monetary or non-monetary, from any individual or entity relating to the RFP or the Respondent's proposal, or the selection of a finalist.
  - Statement that discloses any current business relationship or any current negotiations for prospective business with the Fund or any Fund Trustee or Fund Staff. Trustees and Staff are listed on the Fund's website (<https://www.chicagoparkpension.org/about-us/trustees-administrative-staff/>).
- B. Minimum Qualification Certification. The Respondent must complete the certification and provide all supporting documentation, including but not limited to the completed Exhibit A disclosures and diversity table.
- C. Investment Management Questionnaire. The Respondent must address the questionnaire items in the RFP in the order in which they appear in the RFP. Further, each question number and question in the RFP shall be repeated in its entirety before stating the answer. The Respondent should fully answer each question or, if unable to do so, the Respondent should provide a detailed explanation as to the reason that it is unable to fully answer; the failure to fully answer any question will be considered as part of the Candidate review process. Please note that certain questions require supporting documentation. This additional documentation should be submitted as attachments to the questionnaire.

## **VI. SCOPE OF SERVICES**

The Respondent will be a qualified MWDBE firm(s) that will provide a core investment grade fixed income strategy(s). The Fund will consider either commingled vehicles or separately managed structures. The Fund will consider the following in making its decision:

- Organization
- Resources
- Experience
- Investment Team
- Commitment to Diversity
- Performance
- Fees
- Level of detail provided in the RFP response

If incorporated into Fund's portfolio at the conclusion of this search, the strategy would fall within the Risk Mitigating Strategies asset class composite (fixed income).

## VII. POST PERFORMANCE REVIEW

Any Respondent retained by the Fund will undergo quarterly performance reviews in accordance with the Procurement Policy. Evidence of material non-compliance will be reviewed by the Fund's Staff and Consultant, as well as the Board of Trustees, if necessary.

## VIII. MINIMUM QUALIFICATION REQUIREMENTS AND CERTIFICATION

**Respondents must satisfy each of the following minimum qualifications for this RFP, in order to be given further consideration by the Fund. Failure to satisfy each of the requirements will result in the immediate rejection of the proposal. Failure to provide complete information will result in the rejection of the proposal.**

**Please mark "YES" or "NO" where indicated. If evidence is requested, please provide complete documentation.**

1. Respondent is an MWDBE investment adviser registered with the Securities and Exchange Commission under the federal Investment Advisers Act of 1940 or the Illinois Securities Law of 1953, a bank as defined in the Investment Advisers Act of 1940, or an insurance company authorized to transact business in Illinois. (Yes/No): \_\_\_\_\_ If yes, please provide appropriate evidence of MWDBE status (such as certification by the State of Illinois) and registered investment adviser status (such as ADV Forms I and II). If no, please provide substantiation.
2. Respondent and its proposed team have all authorizations, permits, licenses and certifications required by federal and state laws and regulations to perform the services specified in this RFP at the time Respondent submits a response to the RFP. (Yes/No): \_\_\_\_\_
3. Respondent has cyber liability insurance of at least **\$2 million**, a blanket fidelity bond or bonds of at least **\$5 million** and Errors & Omissions Insurance of at least **\$5 million**. (Yes/No): \_\_\_\_\_ If yes, please provide evidence. If no, please describe Respondent's coverage and provide evidence.
4. If retained for investment management services, Respondent must agree in writing to serve as a fiduciary as defined by the Illinois Pension Code. (Yes/No): \_\_\_\_\_
5. Respondent must agree to comply at all times with the Fund's Ethics Policy, which can be found on the Fund's website (<https://www.chicagoparkpension.org/about-us/policies/>). (Yes/No): \_\_\_\_\_
6. Respondent acknowledges that this RFP is being conducted pursuant to the Fund's Procurement Policy and Respondent agrees to comply with the Procurement Policy. (Yes/No): \_\_\_\_\_
7. Respondent shall comply with the "quiet period" guidelines designated in Section D (11)

of the Fund's Procurement Policy. (Yes/No): \_\_\_\_\_

8. Respondent shall provide in its response to this RFP the required disclosures by completing Exhibit A to this RFP. (Yes/No): \_\_\_\_\_
9. Respondent has reviewed the Fund's Investment Policy, which is subject to change and which can be found on the Fund's website (<https://www.chicagoparkpension.org/about-us/policies/>), and agrees that, if retained, Respondent can provide a strategy in furtherance of the Investment Policy. (Yes/No): \_\_\_\_\_
10. Respondent must comply with the Fund's Broker/Dealer Trading Policy set forth in the Fund's Investment Policy. (Yes/No): \_\_\_\_\_
11. Respondent must agree to execute and comply with the Fund's standard Investment Management Agreement, which can be found on the Fund's website (<https://www.chicagoparkpension.org/about-us/policies/>), or to state any objections to the standard Investment Management Agreement (amendments to the standard Investment Management Agreement are strongly disfavored). (Yes/No): \_\_\_\_\_

If Respondent does not agree to execute and comply with the Fund's standard Investment Management Agreement, then specify your objections.

12. Respondent agrees to provide the services as detailed in this RFP. (Yes/No): \_\_\_\_\_
13. Respondent's information technology systems meet or exceed industry best practices related to cyber-security, including but not limited to maintaining business contingency and disaster recovery plans sufficient to ensure the timely and accurate backup and full recovery for all computers and other data storage systems. If an incident compromises the security, confidentiality, or integrity of Fund data, Respondent shall immediately contain and remedy any such breach at its own expense. (Yes/No): \_\_\_\_\_

If yes, please provide a complete description of these procedures and capabilities, including your firm's disaster recovery and business continuity plan.

14. The Fund requires that its investment managers indemnify and hold harmless the Fund for the investment manager's own misconduct. (Yes/No): \_\_\_\_\_
15. The Fund's practice is to reserve all rights to seek all remedies in court (the Fund does not consent to arbitration), including the right to a jury trial, and Fund's further practice is that venue for any litigation shall be, and third parties shall submit to the jurisdiction of, the Circuit Court of Cook County or the U.S. District Court for the Northern District of Illinois. (Yes/No): \_\_\_\_\_
16. Respondent must provide the most favorable fee agreement. The Fund requires a "most favored nations" provision regarding all rights provided to similarly situated investors, including but not limited to management fees, expenses, withdrawals, and reporting. (Yes/No): \_\_\_\_\_

17. Respondent must agree that the Fund is subject to the Illinois Freedom of Information Act, 5 ILCS 140, *et seq.*, and that any information provided by Respondent to the Fund, unless exempted from production, is subject to public inspection, including but not limited to investment documents, contracts, and fee schedules. (Yes/No): \_\_\_\_\_
18. If Respondent is providing a combined management fee / incentive fee, it must also provide a management fee only option, free of incentive fee. (Yes/No): \_\_\_\_\_



IF RESPONDENT PROVIDED A “NO” RESPONSE TO ANY OF THE MINIMUM QUALIFICATION REQUIREMENTS ABOVE RESPONDENT SHOULD NOT SUBMIT A PROPOSAL TO THE FUND.

PLEASE CERTIFY THE RESPONDENT’S SATISFACTION OF THE MINIMUM QUALIFICATIONS BY PROVIDING THE RESPONDENT’S AUTHORIZED SIGNATURE BELOW.

*Authorized Signer Name:* \_\_\_\_\_

*Title:* \_\_\_\_\_

*Respondent Firm:* \_\_\_\_\_

*Signature:* \_\_\_\_\_

*Date:* \_\_\_\_\_

**Organization**

1. Where is the firm located (include headquarters and satellite offices)?
2. What is the firm's ownership structure? Is the firm partially or wholly employee-owned? Who are the major shareholders? If the firm is publicly, what percentage is publicly traded? Have there been any significant changes in the ownerships structure during the last five years?
3. What were the firm's total assets and assets in the Core Investment Grade Fixed Income strategy as of March 31, 2023?
4. Does the investment team that manages the Core Investment Grade Fixed Income strategy manage any other products at the firm? What is the asset level in those products and what percentage of the holdings in these other products overlap with the Core Fixed Income strategy?

**Investment Team**

5. Who is the portfolio manager(s) on this strategy? How long has the portfolio manager(s) managed this portfolio and how many years of industry experience does he/she have?
6. Briefly describe the investment team structure. How many analysts directly support this strategy and are they generalists or sector specialists? If the firm has a central research group, does the dedicated investment team utilize this group? Has there been any turnover on the investment team during the last five years?

**Investment Philosophy**

7. Please describe the investment philosophy for the Core Fixed Income strategy.
8. Within your investment discipline, how would you describe your investment style? Why have you gravitated toward this style and why have you chosen to manage money this way?
9. What is the benchmark for the Core Fixed Income portfolio? Does this benchmark include all of the securities you would consider investing in?
10. What do you believe your edge is vs. your peer group and how do you think you add value?

**Investment Process**

11. Please summarize your investment process in three or four bullet points. Specifically, what is your investable universe and how are investment ideas generated (e.g., screens, analyst knowledge, etc.). Briefly outline your due diligence process. How do securities get into the portfolio? Does the portfolio manager decide, the analysts, the entire investment team?

12. How do you think about valuation (e.g., relative to peers, the market, a security's own trading history, the company's growth rate, etc.)?

13. Is the portfolio bottom-up driven? Is there a top-down element to portfolio construction and to what extent do you incorporate macro thoughts about the economy into the decision-making process? Do you look for investment themes?

14. How do you think about the benchmark when constructing the portfolio?

15. How do you define "risk" and how do you control it in the portfolio?

16. How many securities does the final portfolio typically hold and what is the average annual portfolio turnover?

#### Fees

17. What investment vehicle and fee schedule are you proposing for this mandate?



I. General Information

Firm Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
Contact Name: \_\_\_\_\_ Phone: \_\_\_\_\_  
Title: \_\_\_\_\_ Fax: \_\_\_\_\_  
E-mail: \_\_\_\_\_  
Strategy under Consideration: \_\_\_\_\_

II. Firm Information

1. Please provide a brief firm history.
2. Where is the firm located (include headquarters and satellite offices)?
3. Is the Firm a Registered SEC Investment Advisor?  
If **yes**, please complete the following:  
a. Name of Firm (as registered with the SEC):  
  
b. SEC File Number:
- Yes: \_\_\_\_\_ No: \_\_\_\_\_
4. Do you qualify as an Investment Manager pursuant to ERISA Section 3(38), 29 U.S.C. Section 1002(38)?
5. Will your firm act as an ERISA fiduciary for our clients?
6. What is the firm's ownership structure? Note any recent (within the last five years) or pending changes in ownership structure.

7. Does the firm have a diversity statement? If so, please provide as an attachment.
8. Please describe your firm's ESG and diversity efforts.
9. Does the firm own or have any affiliation with a broker/dealer? If yes, please describe the relationship between the firm and its broker/dealer and whether the firm would utilize the services of the broker/dealer for this mandate.
10. What procedures does the firm employ to comply with ERISA's prohibited transaction restrictions? Is the firm a Qualified Professional Asset Manager (QPAM)?
11. Please discuss the firm's process in hiring and evaluating service providers (e.g. auditors, legal counsel, insurance providers).
12. Who is the firm's current auditor? Has the firm changed auditors in the past five years? If so, please explain why.
13. Does your firm have in-house counsel? If not, do you retain outside counsel to address legal and regulatory matters? What is the name of this firm and who is your attorney?
14. Please provide a brief description of any past or pending regulatory action, litigation or other legal proceedings involving the firm or any registered employees and/or principals. How were these issues resolved?
15. What types of liability insurance (e.g. Errors and Omissions, directors and officers, Fidelity Bond, cyber) and other forms of coverage does your firm carry to protect your clients? Please provide dollar amounts and proof of coverage.
16. ERISA Section 412 requires plan fiduciaries and other persons who "handle" assets of employee benefit plans to be bonded against losses to the plan from acts of fraud or dishonesty. Please provide bond dollar amounts and proof of bonding.
17. Please provide an organization chart that includes all senior management and all investment professionals. (In the Investment Team section we will ask for an organization chart of all the investment professionals who work on the investment product under consideration in this RFP.)
18. Are any investment professionals under employment contracts? If so, please discuss the nature of the contracts.



19. Please complete the following table:

	As of: 3/31/23	As of: 3/31/22	As of: 3/31/21	As of: 3/31/20	As of: 3/31/19	As of: 3/31/18
Total Firm Assets						
Total No. of Clients						

20. Please provide a list of all the investment strategies offered by the firm. Include the total amount of assets managed under each strategy, whether the strategy is open or closed, and, if applicable, the amount of capacity currently available in each strategy.

21. Please list any products the firm has completely liquidated or merged with an existing product. Briefly explain why the product was liquidated or merged.

22. What percentage of the firm's assets under management are institutional and retail?

23. What is the asset breakdown by separate accounts, commingled funds, mutual funds, and high net worth individuals?

24. If selected as a finalist candidate to present to the client, will you provide a complete copy of your form ADV and a statement of your financial condition?

25. Please provide Meketa Investment Group with your firm's most recent 408(b)(2) filing.

26. Is your firm represented by any third-party firm or individual whose purpose is marketing, and/or gathering assets for the firm and are compensated as such? If so, list all relationships and their nature.

27. Will any third-party organization or individual be compensated if your firm were to be hired for this mandate?

28. Is your firm a United Nations Principles for Responsible Investing (UNPRI) signatory? If your firm is a UNPRI signatory, please provide a copy of the latest Transparency Report.

29. Please provide your firm's mission statement as it applies to Environmental, Social, and Governance factors (ESG).

### III. Compliance and Operational Information

1. Does the firm have a Chief Compliance Officer (CCO)? Who is that individual? Do they have legal training? Please attach a copy of his/her biography and a copy of your compliance manual. (The manual should be attached in a separate file.)
2. What are the CCO's responsibilities? Is compliance their sole function or do they have other responsibilities? Approximately what portion of their time is spent on compliance issues?
3. Please state your firm's ethics policy. Does the firm have a Code of Ethics? If so, please include this document as an attachment.
4. How do you ensure that employees follow this ethics policy?
5. Has your firm ever experienced a significant violation of your compliance or ethics policy? If a violation has occurred, please explain what happened, how the violation of the firm's policies was handled, and how the issue was resolved.
6. How does your firm monitor employee investment and trading?
7. How often are employees trained in compliance policies?
8. What systems are in place for ensuring that portfolios are in compliance with client guidelines? Does the firm use any outside firms to help with compliance issues?
9. What is the firm's policy regarding the use of soft dollars? Are all soft dollars used strictly for the benefit of clients? Please provide the absolute level of soft dollars generated and the percentage of commissions this represented over each of the last three years.
10. Please explain how brokers are approved and briefly explain why you have selected these brokers. List the top five brokerage firms with whom you have conducted trades in the last year. Provide the percentage of your total trading volume that each firm accounted for, along with the average commission for each.



11. Has the firm recently ended any brokerage relationships? If so, why?
12. What systems and tools do you use for order entry (trading), portfolio accounting, and portfolio analysis?
13. Please describe how trade orders are created, submitted, and executed.
14. How much of the trading process is automated vs. manual?
15. What percentage of trades are executed through ECNs?
16. How are trades allocated between client accounts? Does the firm have a written allocation policy?
17. How are client investment restrictions incorporated into the order and trading process?
18. How are trade confirmations tracked?
19. How does the firm handle trading errors?
20. Does the firm track broker best execution? If so, how is this tracking performed? Can you provide a recent Trading Cost Analysis (TCA) report for the portfolio?
21. How does the firm monitor best execution on foreign currency transactions, if any?
22. Describe the firm's settlement process and what software is used.
23. Describe the firm's valuation process and procedures for securities. Does the firm use an independent pricing service? If so, what is the name of the service? How long does it take from month end for clients to receive estimate, final, and administrator values in accounts?
24. Describe the reconciliation process for equity, cash, dividend receivables, and other transactions.

25. Describe how the firm receives corporate action information. How do corporate actions elections take place?

26. Which individuals at the firm are authorized to place trades with broker-dealers, and issue trade settlement, corporate action and proxy statement instructions to custodian banks, and perform portfolio accounting functions?

27. How does your firm back up computer files and systems? Do you have a disaster recovery plan in place? Please explain your plan, in the event of a disaster, how long would it take to become fully functional?

28. What was the percentage of downtime during the last two years? The number of occurrences? What were the primary causes and how were the problems corrected?

29. Describe your approach to managing and reducing cybersecurity risk and protecting networks and data, including complying with the National Institute of Standards and Technology framework, the U.S. Department of Labor Cybersecurity Program Best Practices, and industry best practices. Have you had a SOC 1 or 2 audit performed? If so, please provide a summary of the results.

30. Describe all actual or suspected instances of compromised client data in the last three years and the actions taken by your organization.

31. Please attach a sample of a quarterly report.

32. How do you ensure that your clients adhere to policies set forth for the protection of the firm's other clients (e.g., prevention of market timing)?

IV. Product Information

- 1. What is the inception date of this product? When did the current portfolio manager or investment committee start managing this product? If there has been a portfolio manager change, please show the periods when each portfolio manager managed the product.

- 2. Please complete the following table:

	As of: 3/31/23	As of: 3/31/22	As of: 3/31/21	As of: 3/31/20	As of: 3/31/19	As of: 3/31/18
--	-------------------	-------------------	-------------------	-------------------	-------------------	-------------------

Assets Managed in  
Core Fixed Income

No. of Clients in  
Core Fixed Income

- 3. Please provide the number of clients in this strategy that have been gained and lost, and the respective amounts, during the past five years.

- 4. For your three largest client relationships in Core Fixed Income, please provide the size of the mandate and the inception date for each account/relationship.

- 5. Does the firm have a policy limiting assets under management for this strategy? If so, what is the stated level and what is the product's remaining capacity? How did you determine this amount?

- 6. Please list other products that overlap with this strategy. How much in AUM do you manage in each of these products, and what percentage of the portfolios overlap?

- 7. Please provide two client references for the Core Fixed Income strategy. Include the name and phone number of contact person, the type and size of the account and the inception date of the account.

- 8. Please provide the names of the portfolio manager(s) and client service personnel who will be assigned to this account.

9. Do you offer (or sub-advice) a mutual fund for this strategy? If so, what is its name and symbol?

10. Do you offer commingled portfolios for this strategy? Separate Accounts?

**V. Investment Team**

1. If it is different than the organization chart requested earlier, please provide an organization chart with all the investment professionals involved in the Fixed Income strategy and the bios of these individuals. We would like as much detail as possible. This information can be included separately. In addition, please complete the following tables:

Name	Tenure at Company	Tenure with Strategy	Industry Experience	Education/Credentials	Areas of Specialization	Other Products Supported

For the team that manages the strategy under consideration in this RFP, please complete the table below.

	Percentage of Team
Race and Ethnicity*	
African American/Black	
Asian/Hawaiian/Pacific Islander	
Latino/Hispanic	
White	
American Indian/Alaska Native	
Other	
Gender	
Male	
Female	
Non-Identified/Other	

2. Where is the individual/team that runs this strategy located?
3. How was the investment team built and how long has the current team been working together?
4. In addition to the proposed strategy, what other portfolio management responsibilities do the portfolio managers/research analysts have?

- Please list additions and departures to the management and research team(s) responsible for the Fixed Income strategy in the last five years, including their responsibilities. Provide a brief explanation for each departure, and list any replacement for these vacancies.

Additions: Name	Title	Coverage Responsibilities	Product Responsibilities	Date of Hire
-----------------	-------	---------------------------	--------------------------	--------------

--	--	--	--	--

--	--	--	--	--

Departures: Name	Title	Coverage Responsibilities	Product Responsibilities	Reason for Departure
------------------	-------	---------------------------	--------------------------	----------------------

--	--	--	--	--

--	--	--	--	--

- Please list the portfolio manager and analysts responsible for this product who invest their own assets in this product. What percentage of their assets does each invest in this product? What percentage does each invest in the firm's other products?

--

- Explain your approach to bringing new analysts/portfolio managers onto the team. Do you prefer to bring in seasoned/experienced individuals or do you hire younger investment professionals and train them? Why do you take this approach?

--

- Do you believe analysts should specialize and cover specific industries or is it preferable to be a generalist? Why?

--

- How does the firm address staff turnover, especially in the research area?

--

- What qualities make a good analyst and what do you do to try to develop their talent? Is there a mentoring process at your firm?

--

11. How do you evaluate your analysts and portfolio managers? Describe the compensation structure for portfolio managers and research analysts. What kind of behaviors are you trying to encourage?

12. What external research sources do you use in the Fixed Income process? Please approximate annual expenditures for third-party research (and associated technology) in each of the past three years.

## VI. Investment Philosophy and Strategy

1. Please describe the investment philosophy for the Fixed Income portfolio(s).
2. Within your investment discipline, how would you describe your investment style? Why have you gravitated toward this style and why have you chosen to manage money this way?
3. What is the benchmark for the Fixed Income portfolio(s)? Does this benchmark include all of the securities you would consider investing in?
4. Are macroeconomic assumptions incorporated into the investment process? If so, how?
5. Are portfolios managed around a duration target? If so, what has the range been over the past five years? Does this target vary depending on forecasts? How far from the target can portfolios move? Describe this process.
6. What role do yield curve strategies play in your fixed income management process?
7. Are sector, industry, and geographic weightings explicitly targeted, or are they the result of other strategy decisions?
8. How are assets allocated among rating categories and between investment grade and below-investment grade securities? If the portfolio does not purchase below-investment-grade securities, does it hold on to the bonds that are downgraded below investment-grade status? What is the limit to how much the portfolio will hold in below investment-grade securities?
9. Are "traditional" private placements purchased, meaning that there is no subsequent registration of the securities? Is there a limit to how much of the portfolio they may comprise?
10. Discuss the firm's investment strategy with respect to mortgage-backed securities and CMOs.



11. How often are the duration calculations of mortgage-backed securities updated? How are prepayment assumptions evaluated?
12. Discuss the investment strategy with respect to asset-backed securities.
13. Describe the use of futures or other derivative strategies to manage duration or to achieve other portfolio objectives.
14. Is leverage incorporated into your strategy? If so, explain.
15. How is cash utilized in your strategy? What is the maximum amount of cash a portfolio manager may raise in a portfolio? What is the typical range of cash allocation? How long may a portion of the portfolio remain uninvested?
16. Describe in detail any changes or refinements made to the firm's security selection process over the past five years.
17. What is the firm's policy toward split ratings? Discuss the use of internal ratings, if any.
18. Do you incorporate non-dollar and other non-U.S. bonds (including emerging markets debt) in your strategy? If so, what is your policy on hedging currency exposure? Please detail currency hedging activity, including extent and frequency, over the past five years.
19. What pricing services do you use? Are any securities in the portfolio "hand-priced," meaning that a price other than one provided by the pricing service is used? Please discuss procedures for and frequency of hand-pricing.
20. How many bonds are held in a typical portfolio? How many issuers? What is the maximum holding (at market value) in any one (non-U.S. government) issuer?
21. If a holding exceeds the firm's stated limit, what is the process for paring this holding?

22. Detail how portfolio risks are identified, monitored, and controlled. How are event and default risks controlled?

23. What has been the portfolio's annual turnover rate in each of the past five years?

Year	Turnover (%)

24. What elements of your strategy have had the greatest influence on returns relative to the benchmark?

25. Please explain in no more than one page what your competitive advantage is and why your firm should be hired for this mandate.

## VII. Investment Process & Portfolio Construction

1. Please describe the investment process for the Fixed Income strategy(s).
2. Who is the decision-making body that has final authority for the Fixed Income strategy(s)? Does it take the form of an investment policy committee, a team of portfolio managers and/or research analysts, or some other form? Who comprises this group?
3. What are the responsibilities of the decision-making body and of individual portfolio managers? What latitude do portfolio managers have to override investment committee and/or research recommendations?
4. Describe your research process, including the security universe covered by your research.
5. How are research ideas communicated to portfolio managers?
6. Are portfolio managers/analysts industry specialists or are they generalists?
7. What factors trigger a sell recommendation?
8. Do you incorporate ESG (environmental, social, and governance) principles into your research process or the management of portfolios? If so, why do you incorporate them? How are they incorporated and to what degree?
9. Is evaluation of a company's ESG factors a standard part of your research process? Do you have any dedicated ESG investment professionals?
10. Do you engage with company management and try to influence a company's ESG factors? If so, to what extent?
11. Do you subscribe to any external service that provides information on ESG factors?

12. What is your policy on proxy voting, specifically as it relates to ESG? What percentage of time does your firm vote proxies against the management recommendation and can you provide a recent proxy voting report or summary?

13. What percentage of your firm assets incorporates ESG principles?

VIII.

Portfolio Performance and Characteristics

1. Please provide monthly performance history since inception for the Fixed Income strategy(s) and stated benchmark(s). Include a discussion of the performance calculation methodology and whether it is GIPS compliant. If possible, please provide information both gross and net of fees.

2. Please provide annual return attribution analysis information, if available. Please include attribution analysis by sector/industry and issue selection. Please include a discussion of methodology, including whether analysis was performed internally or by an external company. If your firm does not produce or receive return attribution analysis, please state this.

3. Has the performance been audited and verified by a third party? If so, by whom and for what period?

4. Please provide portfolio and benchmark characteristics in the format below. Provide a brief explanation for any exposure listed as 'Other'.

Strategy	Benchmark
Portfolio Profile:	
Effective Duration (years)	
Yield to Maturity (%)	
Number of Holdings	
Average Credit Quality	
Credit Quality Breakdown (%):	
AAA	
AA	
A	
BBB	
Below BBB	
Non-rated	
Cash	
Sector Allocation:	
Treasury	
Agency	
Corporate	
Municipal	
MBS	
CMBS	
ABS	
Other	
Cash and Equivalents	
Sector Allocation:	
US	
Non-US Developed	
Emerging Markets	

IX. Fees & Related Management Costs

Please list all available investment vehicles related to the proposed product(s) in the table below. Clearly specify all operating expenses in column (4). If exact operating expenses are unavailable, please provide an estimate.

1	2	3	4	5	6	7
	Vehicle Type	Fee Schedule (%)	Operating Expenses	Same Fee Across All Clients?	Account Minimum (\$)	Minimum Fee (\$)
1						
2						
3						
Add as Needed						

- Identify the specific vehicle that you would propose for this mandate.
- Please explain any fee differences as specified in your response in column (5) above.
- Do you offer a performance-based fee? If so, please provide a performance-based fee schedule. Over what period is performance evaluated and against what benchmark? What is the base fee? Is there a maximum fee (a cap)?
 
  - Does your performance fee have a high water mark? If so, when does this high water mark crystallize; monthly, quarterly, annually, etc.?
  - Is your high water mark a standard high water mark or a modified high water mark?
- Do you offer a Most Favored Nations (MFN) clause? If so, would you be willing to provide this client an MFN?
- Does this product have any liquidity constraints? Discuss in detail your policy on subscriptions and redemptions for all vehicles specified in Question 1. What special provisions (i.e., lock-ups, reserves, in-kind payments, exit fees, delayed payments, queues, etc.) if any, exist?
- Is the proposed investment vehicle limited to a certain type of investor or plan (e.g. ERISA only, no health plans)? Does the proposed investment vehicle have any other unique features that Meketa should be aware of?

**Exhibit A**

**Required Disclosures**

Respondents are required to provide complete disclosure of each of the following. For purposes of these required disclosures, a Respondent must undertake an affirmative effort to determine the appropriate responses to the required disclosures as part of the response to the RFP. A response that the Respondent has a “pay to play” or a political donation policy is not responsive. The Respondent is expected to inquire of each individual subject to these disclosures as to the individual’s answers. The representations are considered material.

- 1. Pursuant to Section 1-113.14(c)(3) and (12) of the Illinois Pension Code, the method for charging and measuring fees, including disclosure of the direct and indirect fees, commissions, penalties, and other compensation, including reimbursement for expenses, that may be paid by or on behalf of the Respondent in connection with the provision of Investment Services to the Fund.

---



---



---



---



---

- 2. Pursuant to Section 1-113.14(c)(5) of the Illinois Pension Code, the names and addresses of: (A) the Respondent; (B) any entity that is a parent of, or owns a controlling interest in, the Respondent; (C) any entity that is a subsidiary of, or in which a controlling interest is owned by, the Respondent; (D) any persons who have an ownership or distributive income share in the Respondent that is in excess of 7.5%; or (D) any persons who serve as an executive officer of the Respondent. An “executive officer” shall mean any president, director, vice-president in charge of a principal business unit, division, or function (such as investment consulting, marketing, or administration), and any other employee who performs a policy-making role, regardless of the title given to their position.

---



---



---



---



---

- 3. A statement that contingent and placement fees are prohibited by Section 1-145 of the Illinois Pension Code.

---



---



---



---



---

4. Pursuant to Section 1-113.14(c)(6) of the Illinois Pension Code, the names and addresses of all subcontractors, if any, and the expected amount of money each will receive under the contract. For purposes of this section, "subcontractor" does not include non-investment related professionals or professionals offering services that are not directly related to the investment of assets, such as legal counsel, actuary, proxy voting services and services used to track compliance with legal standards.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Pursuant to Section 1-113.21 of the Illinois Pension Code, a disclosure of:  
A. the number of the Respondent's investment and senior staff and the percentage of that staff who are a minority person, a women, a veteran, or a person with a disability;

*Number and Percentage of Investment and Senior Staff*

Number of Minorities / Percent		Number of Women / Percent		Number of Veterans / Percent		Number of Persons with Disabilities / Percent	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

*Positions included in Investment and Senior Staff figures:*

\_\_\_\_\_

B. the number of contracts for investment, consulting, professional, and artistic services the Respondent has with a minority or women-owned business, a veteran owned small business, or a business owned by a person with a disability; and

*Number of Contracts*

Number of Minorities	Number of Women	Number of Veterans	Number of Persons with Disabilities
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

C. the number of contracts for investment, consulting, professional, and artistic services which the Respondent has with a business other than a minority or women-owned



business, a veteran owned small business, or a business owned by a person with a disability, if more than 50% of the services performed pursuant to that contract are performed by a minority person, a women, a veteran, or a person with a disability.

*Contracts in Excess of 50%*

Number of		Number of Persons	
Minorities	Number of Women	Number of Veterans	with Disabilities

For the purposes of this subsection, the terms “minority person”, “women”, “person with a disability”, “minority-owned business”, “women-owned business”, and “business owned by a person with a disability” have the same meaning as those terms have in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act. For the purposes of this subsection, the terms “veteran” and “veteran owned small business” have the same meaning as those terms have in 30 ILCS 500/45-57. For the purposes of this subsection, the terms “professional service” and “artistic service” have the same meanings as those terms have in 30 ILCS 500/1-15.60.

- 6. Respondent shall disclose any compensation or economic opportunity paid to PEABF’s Investment Consultant within the last 24 months. “Compensation” means any money, thing of value, or economic benefit conferred on, or received by, the Respondent in return for services rendered, or to be rendered, by himself, herself, or another. "Economic opportunity" means any purchase, sale, lease, contract, option, or other transaction or arrangement involving property or services wherein the Respondent may gain an economic benefit.

---



---



---



---

- 7. Disclosure by the Respondent, by any executive officer (as defined in item 2, above) or shareholder of the Respondent, by any parent entity, by any executive officers of any entity that is a parent of, or owns a controlling interest in, the Respondent, or by the entity itself of any financial support of \$1,000 or more in a calendar year within the prior five (5) calendar years and/or formal involvement with any community or not-for-profit organization with a central purpose of influencing public policy related to budgetary and fiscal policy which directly or indirectly relates to the continued availability and long-term viability of defined benefit pensions in the public sector, education policy, and retirement security policy.

For the purposes of this disclosure, an organization has the “central purpose” of influencing policy if it is understood with the exercise of reasonable due diligence, including but not limited to the examination of the organization’s IRS filings and other publicly- available

statements of purpose, that the organization intends to affect policy or engage in lobbying or other advocacy activity. A Respondent is not required to disclose contributions to organizations that engage in such activities in furtherance of providing medical research, aid to the poor, disaster relief, or other such tangible goods or service. The organizations listed in Exhibit A to the Fund’s Procurement Policy presently fall under this required disclosure policy.

---

---

---

---

---

8. Provide an employee diversity table by completing the attached Excel file.

# Employee Diversity Table

**Name of Firm**  
**Date**

Job Categories	Number of Employees															
	Race/Ethnicity															
	Male							Female								
	White/ Non- Minority	Hispanic or Latino	Black or African American	Native Hawaiian or Other Pacific	Asian	American Indian or Alaskan Native	More than one Race	White/ Non- Minority	Hispanic or Latino	Black or African American	Native Hawaiian or Other Pacific	Asian	American Indian or Alaskan Native	More than one Race		
Executive																
Investment Professionals																
Trading Professionals																
Legal/Compliance																
Marketing/Client Services																
Finance / Operations / IT																
Other Professionals																
Administrative / Other																
<b>Total # of Employees</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Total % of Employees</b>	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	
	#DIV/0!							#DIV/0!								

Persons with Disability (#)	
-----------------------------	--

Non-Minority Females (%)	#DIV/0!
Minority Females (%)	#DIV/0!
Non-Minority Males (%)	#DIV/0!
Minority Males (%)	#DIV/0!
Persons with Disabilities (%)	#DIV/0!