



**Amended Request for Proposal**

**Private Credit Investment Manager**

**INV FY 2024-002**



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## I. SUMMARY

The Request for Proposal (RFP) has been issued by the Board of Trustees of the Public School Teachers' Pension and Retirement Fund of Chicago, more commonly known as Chicago Teachers' Pension Fund ("CTPF" or "Fund"). CTPF reserves the right to reject any or all proposals and to solicit additional proposals if that is determined to be in the best interest of the Fund. CTPF will partner with its investment consultant, Callan LLC ("Callan" or "Consultant") to evaluate responses received for this investment manager search.

**All candidate firms must submit their fund information to the Callan database (including any previous fund performance data, where applicable); there is no charge for this process. CTPF's Investment Policy, Procurement Policy, Administration Rules and Regulations and Code of Ethics, all of which are posted on CTPF's website (<https://www.ctpf.org/about-ctpf/governance>) and subject to change, are adopted and incorporated by reference.**

## II. BACKGROUND

Established by the Illinois General Assembly in 1895 as the Public School Teachers' Pension and Retirement Fund of Chicago, CTPF administers a multi-employer defined benefit public employee retirement fund. CTPF is administered in accordance with Illinois Compiled Statutes (ILCS) Chapter 40, Articles 1, 17, and 20.

CTPF is governed by a Board of Trustees made up of twelve (12) members. The Board of Trustees oversees the Fund's benefit programs, approves all benefits, makes investment decisions, and provides general operational oversight. For more information about the Fund, please visit [www.ctpf.org](http://www.ctpf.org).

## III. SCOPE OF WORK

CTPF reserves the right to select the Respondent(s) that best match CTPF's needs and budget.

### A. Scope of Private Credit Investment Manager Services

1. The Investment Manager will provide CTPF with a private credit strategy according to the following guidelines:
  - a. Minimum fund size: \$500 million
  - b. Evergreen or draw-down structure
  - c. Diversified (industry, capital structure placement, sub-strategy, etc.)
  - d. The following products will not be considered:
    - i. Secondaries strategies
    - ii. Trigger Funds

iii. Niche: energy (i.e. fossil fuels), franchise, insurance-linked, life settlement, real estate

e. Proposed benchmark: 50% JP Morgan High Yield + 50% Morningstar LSTA Loan Index + 1%

We seek responses from all qualified candidates. The total mandate size will be approximately \$350 million split among multiple managers.

2. The Investment Manager will have independent discretionary authority with respect to the investment of that portion of assets managed by the Investment Manager.
3. The Investment Manager shall provide monthly, quarterly and annual performance (gross and net of fees) and portfolio valuation reports to CTPF and Callan.
4. The Investment Manager shall adhere to the due diligence responsibilities as detailed in the Investment Management Agreement and Investment Guidelines.
5. The Investment Manager shall outperform the peer group median and the benchmark over full market cycles.
6. The Investment Manager will document all investment activity with CTPF's master custodian in accordance with the usual and customary standards of practice and confirm all executed transactions from custodial account records; CTPF's current master custodian is Bank of New York Mellon.

**B. Minimum Qualifications**

To be considered for selection, the Investment Manager must provide documented proof that the following minimum qualifications listed below are met. Minority and female-owned firms and firms owned by persons with a disability who do not meet the minimum qualifications may be considered on a case-by-case basis. See Exhibit A and attach the completed certification as Appendix A.

1. The Investment Manager shall qualify as: a) an Investment Manager duly registered with the Securities and Exchange Commission (SEC) pursuant to the Investment Advisors Act of 1940; or b) a bank, as defined by the Investment Advisors Act of 1940 (15 U.S.C. 80b-1, et seq.) and as indicated under the Illinois Pension Code (40 ILCS 5/1-113.14(b)).
2. The Investment Manager or team must have a fully documented three-year track record of managing a private credit portfolio on behalf of institutional investors.
3. The Investment Manager must have sufficient assets under management to support the professional staff required to successfully manage the strategy. A minimum of \$1 billion

in total firm assets under management is preferred, however, smaller firms may be considered.

4. The Investment Manager and its personnel must have all authorizations, permits, licenses and certifications required by federal, state and/or local law.
5. The Investment Manager shall carry errors and omissions insurance, or comparable instruments as determined by CTPF to cover negligent acts or omissions.
6. The Investment Manager must maintain sufficient procedures and capabilities to ensure timely and accurate backup, security and full recovery for all computers and other data storage systems.
7. The Investment Manager must have a company policy and practice of equal employment opportunity and non-discrimination.
8. The Investment Manager understands and will comply with the Chicago Teachers' Pension Fund Procurement Policy and Code of Ethics.
9. The Investment Manager understands that Chicago Teachers' pension Fund accepts no obligation for costs incurred by the candidate in anticipation of being awarded a contract.
10. The Investment Manager understands that Chicago Teachers' Pension Fund is exempt from federal, state, and local taxes and will not be responsible for any taxes levied on the Investment Manager as a result of any contract resulting from this RFP.
11. The Investment Manager must advise CTPF of its status as an Illinois finance entity as defined in Public Act 095-0521. If respondent is an Illinois finance entity, it must provide certification of compliance with the High Risk Home Loan Act. See Exhibit B. Complete as applicable, and attach as Appendix B.
12. The firm hereby warrants and attests that no finder's fee was paid, or will be paid, to any outside entity or person or any persons employed or affiliated with CTPF.
13. All candidate firms must complete CTPF's due diligence questionnaire (DDQ). Additionally, respondents must complete Callan's Manager Questionnaire and complete Callan's data collection spreadsheet when submitting a response to this RFP. This must be done prior to or in conjunction with submitting responses to this RFP. The DDQ is in Section VIII below. For information concerning Callan's Manager Questionnaire and data collection spreadsheet, go to Section VIII, question I.13.
14. Investment services provided by an Investment Manager shall be rendered pursuant to a written contract between the Investment Manager and the Board. The Illinois Pension Code Section 1-113.14 (c) requires that the contract include all of the below-listed items (40 ILCS 5/1-113.14(c)). By submitting your proposal in response to this RFP, you are acknowledging that the items listed below are non-negotiable and shall be included in the contract for investment services if you are selected as the winning bidder of this procurement.

- (1) Acknowledgement in writing by the Investment Manager that it is a fiduciary with respect to the pension fund or retirement system.
- (2) The description of the Board's investment policy and notice that the policy is subject to change.
- (3) (i) Full disclosure of direct and indirect fees, commissions, penalties, and other compensation, including reimbursement for expenses, that may be paid by or on behalf of the Investment Manager in connection with the provision of services to the pension fund or retirement system and (ii) a requirement that the Investment Manager update the disclosure promptly after a modification of those payments or an additional payment.
- (4) A requirement that the Investment Manager, in conjunction with the Board's Staff, submit periodic written reports, on at least a quarterly basis, for the Board's review at its regularly scheduled meetings. All returns on investment shall be reported as both gross and net returns after payment of all fees, commissions, and any other compensation.
- (5) Disclosure of the names and addresses of (i) the Investment Manager; (ii) any entity that is a parent of, or owns a controlling interest in, the Investment Manager; (iii) any entity that is a subsidiary of, or in which a controlling interest is owned by, the Investment Manager; (iv) any persons who have an ownership or distributive income share in the Investment Manager that is in excess of 7.5%; or (v) serves as an executive officer of the Investment Manager.
- (6) A disclosure of the names and addresses of all subcontractors, if applicable, and the expected amount of money each will receive under the contract, including an acknowledgment that the contractor must promptly make notification, in writing, if at any time during the term of the contract a contractor adds or changes any subcontractors. For purposes of this subparagraph (6), "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, services used to track compliance with legal standards, and investment fund of funds where the Board has no direct contractual relationship with the Investment Managers or partnerships.
- (7) A description of service to be performed.
- (8) A description of the need for the service.
- (9) A description of the plan for the post-performance review.
- (10) A description of the qualifications necessary.
- (11) The duration of the contract.
- (12) The method for charging and measuring cost.

#### IV. TIMELINE

EVENT	DUE DATE
RFP Distribution	December 1, 2023
Written questions due from Respondents	December 15, 2023
Compilation of questions and answers posted to <a href="http://www.ctpf.org">www.ctpf.org</a>	December 26, 2023
RFP Due Date	January 19, 2024, 4:00 PM (CT)

#### V. CONTACT

Any questions regarding this RFP shall be directed to:

Name(s)	Lupe Garcia, Senior Counsel/Contract and Procurement Administrator Sandy McNamara, Senior Paralegal and Contract Procurement Analyst
Address	Chicago Teachers' Pension Fund 425 South Financial Place Suite 1400 Chicago, IL 60605
Phone/Email	312-604-1119/ <a href="mailto:procurement@ctpf.org">procurement@ctpf.org</a>

#### VI. TERM OF ENGAGEMENT

The term of the engagement will be governed by the negotiated contract or agreement, as limited by the Illinois Pension Code and CTPF's administrative rules. CTPF may, in its sole discretion, terminate the contract at any time during that term.

#### VII. SUBMISSION GUIDELINES

In order to be considered for selection, proposals must be received via email, in PDF format, by Lupe Garcia at [procurement@ctpf.org](mailto:procurement@ctpf.org) **no later than 4:00 p.m. (CST), on January 19, 2024**. Late submissions may be rejected as unresponsive. Paper submissions will be rejected as non-conforming. An email confirmation will be sent to the Respondent upon receipt of the proposal.

This RFP is available in the [Procurement & Service Providers/Investment Procurements](#) link of the [About CTPF](#) tab on the CTPF website at [www.ctpf.org](http://www.ctpf.org) and on the Callan website at

[www.callan.com](http://www.callan.com) under the RFP section which is located by clicking on the "For Investment Managers & Advisers" tab on the Callan home page.

## **VIII. PROPOSAL CONTENT AND FORMAT**

All information requested in the RFP must be addressed in the Respondent's proposal. Proposals should provide a concise explanation of Respondent's qualifications and the proposed services to be rendered. Emphasis should be placed on completeness and clarity of content. Each proposal must be submitted in response to categories A. through P. outlined below and must be clearly labeled as such.

Bidders must submit "Public" and "Confidential" copies of the written proposal. Please label the copies of the written submissions respectively as "Public" and "Confidential". Should CTPF receive a request from a member of the public to release a copy of a written response to this RFP, CTPF will ask the affected respondent to review its "Public" copy of the response and notify CTPF if it believes there are exemptions to the release of the document(s) pursuant to the Illinois Freedom of Information Act.

### **A. Cover Letter**

1. Briefly state the Respondent's understanding of the work requested and a statement why the Respondent believes it is best qualified. The letter should be signed by the representative of the Respondent authorized to contract on behalf of the Respondent.

### **B. Title Page**

1. Date
2. Subject
3. Respondent's name and chief executive officer (or the equivalent)
4. Respondent's address
5. Respondent's website address
6. Respondent's phone number
7. Respondent's fax number
8. Contact's name
9. Contact's title
10. Contact's phone number
11. Contact's email address

### **C. Table of Contents**

### **D. Organization Summary**

1. Please indicate your firm's fiduciary classification:
  - i. \_\_\_\_\_ Bank
  - ii. \_\_\_\_\_ Insurance Company
  - iii. \_\_\_\_\_ Registered Investment Advisor (Investment Advisers Act of 1940)
  - iv. \_\_\_\_\_ Affiliate of Fiduciary



v. \_\_\_\_ Other:

2. If you have not registered as an investment advisor or are exempt, please describe the exemption. Do you plan to register?
3. Please acknowledge that your firm, if chosen, will act as a fiduciary with respect to the Fund.
  - i. \_\_\_\_ Yes
  - ii. \_\_\_\_ No
4. Does your firm qualify as a minority-owned business, a female-owned business, or as a business owned by a person with a disability as these terms are defined in the Illinois Business Enterprise for Minorities, Females, and Persons with Disabilities Act? If so, please provide a copy of the firm's certification. (Attach as Appendix C.)
  - i. \_\_\_\_ Yes
  - ii. \_\_\_\_ No
5. Address the tasks, services, and deliverables outlined in Section III - Scope of Work and describe the specific approach that will be taken towards each task, service, or deliverable.
6. Describe how Respondent has the necessary staffing and bandwidth to take on this engagement.
7. Please describe the history of the firm, and if appropriate, the history of the parent organization including:
  - i. Year the firm was founded and/or year the parent was founded.
  - ii. Ownership percentages and names.
  - iii. Year the firm began providing private credit investment management service to U.S. tax-exempt clients, and the nature of the firm's ownership and specific details regarding any affiliated companies or joint ventures.
  - iv. Whether investment management capabilities were developed in-house or derived through acquisition of talent from another firm. If the latter, indicate when this occurred.
  - v. Any material changes in your organization (including personnel changes) in the past five years. Please include prior names and the length of time your organization has been in business under its present name and ownership.
  - vi. List of strategies managed, including inception dates and brief descriptions.
8. Please provide the latest firm organization chart which diagrams the ownership structure and interrelationships between the parent-subsidiary, affiliate, or joint venture entities. Please also provide an organization chart for personnel. (Attach as Appendix D.)

9. Please discuss the firm's equal opportunity policy and complete the attached EEOC Chart (See Exhibit C.). The chart is also available in the Investment Procurements section of the CTPF website. (Attach as Appendix E.) Pursuant to Section 1-113.21 of the Illinois Pension Code, the candidate shall annually disclose on or about each September 1st:
- (1) the number of its investment and senior staff and the percentage of its investment and senior staff who are
    - (i) a minority person,
    - (ii) a woman, and
    - (iii) a person with a disability; and
  - (2) the number of contracts, oral or written, for investment services, consulting services, and professional and artistic services that the investment advisor, consultant, or private market fund has with (i) a minority-owned business, (ii) a women-owned business, or (iii) a business owned by a person with a disability; and
  - (3) the number of contracts, oral or written, for investment services, consulting services, and professional and artistic services the investment advisor, consultant, or private market fund has with a business other than
    - (i) a minority-owned business,
    - (ii) a women-owned business or
    - (iii) a business owned by a person with a disability, if more than 50% of services performed pursuant to the contract are performed by (a) a minority person, (b) a woman, and (c) a person with a disability.,
- the number of its investment and senior staff and the percentage of that staff that are a minority person, a female, a veteran, and a person with a disability. Further, the candidate shall disclose the number of contracts for investment, consulting, professional, and artistic services the candidate has with a minority or female owned business, a veteran owned small business, or a business owned by a person with a disability. The candidate shall also disclose the number of contracts for investment, consulting, professional, and artistic services which the candidate has with a business other than a minority or female 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 female, a veteran, or a person with a disability.

For the purposes of this subsection, the terms "minority person", "female", "person with a disability", "minority owned business", "female 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, Females, and Persons with Disabilities Act. For the purposes of this subsection, the terms "veteran" and "veteran owned small business" shall have the same meanings 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;

10. Please list all office locations in the table below. Provide the location, function, and number of professionals in each of your firm’s offices as follows:

Headquarters or Regional Office	Location	Function	No. of Professionals

11. Which of your firm’s offices would service this account? Which specific services would be provided by which offices? Describe in which office investment decisions are made for the proposed product and where the offices are located.
12. Please list your firm’s lines of business and the approximate contributions of each business to your organization’s total revenue. If you are an affiliate or subsidiary of an organization, what percentage of the parent firm’s total revenue does your subsidiary or affiliate generate?
13. What is the role of your parent firm in resource allocation and investment decisions? Please describe other relationships or affiliated transactions.
14. Please discuss the overall business objectives of your firm with respect to future growth. Comment on any present or planned areas of emphasis over the near future. Be sure to include in your response:
- Total assets or client relationships that will be accepted.
  - Maximum number of clients or assets per strategy.
  - Plans to launch or close strategies.
  - Plans to develop and expand resources.
  - Plans to merge with or acquire other firms.
  - Plans to spin off subsidiaries or be spun off by a parent firm.
15. Please list the total number of institutional clients as well as the total number of public plan clients.
16. Does your firm provide investment management services to U.S. tax-exempt investors? If so, to what extent?
17. Please discuss the breakeven assets under management and fee revenue that is required for your firm or business line to be profitable. Is your firm currently profitable and if not, what is required to reach profitability? Has your firm been unprofitable in any prior year in the past 10 years? If so, please provide details.

18. Please discuss your firm's cybersecurity policy, including a disclosure of testing and breaches. Describe your expected response time to notify CTPF if a cyber-attack or security breach should occur and the actions you would take to mitigate damages. (Attach as Appendix F.)
19. Briefly discuss your firm's disaster recovery plan/business continuity plan and procedures. Please provide a copy of the plan. (Attach as Appendix G.)
20. Does your firm or parent company run or have an interest in a securities brokerage firm? Does your firm trade for client accounts through this broker/dealer? If so, to what extent?

**E. Firm Personnel**

1. Please fill out the following table listing the number of individuals in each job function based on the most recent data available. If individuals hold multiple job functions or responsibilities, only count them once under their main responsibility and please detail this in the "Notes" section at the bottom of the table.

Job Function	Number of Employees
Portfolio Management	
Compliance	
Research Analysts	
Economists	
Client Service	
Senior Management	
Sales/IR	
Legal/Compliance	
Workout Team (Dedicated)	
Accounting/Reporting	
Operations	
Trading	
System/IT	
Other (Add rows to list categories)	
Total Firm Employees	

Notes: \_\_\_\_\_

2. Please list all principal officers, portfolio managers, analysts, and client service personnel in the table format below. Highlight the person(s) who would be responsible for the Fund account. Provide a biographical summary profile including their related experience and academic background. (Attach as Appendix H.) Describe their functional responsibility (including title) for this program using the following table:

Name	Office Location	Title	Duties	Yr. Started in Industry	Yr. Started with Firm	Education Degree/ College <sup>1</sup>	Percentage of Firm Ownership	Minority Classification

<sup>1</sup> Most advanced degree only.

3. Please provide personnel additions, terminations, and departures over the past five years. Please note which personnel are related to this product. Please provide a narrative for any terminations or departures of principal officers, portfolio managers, or analysts.

Name	Office Location	Title	Duties	Yr. Started with Firm	Yr. Left Firm	Education Degree/ College <sup>1</sup>	Percentage of Firm Ownership	Minority Classification

<sup>1</sup> Most advanced degree only.

4. Describe the succession plan for key investment professionals and the firm's senior leadership.
5. For those firm employees with no direct involvement in the proposed strategy, please describe the form/amount of their monetary investment in the proposed strategy. Note that members of this group should be distinct from those included in Question F.2.
6. Does your firm have a workout team? Are the members of this team dedicated solely to workouts or do members hold other responsibilities at the firm? Please describe the composition and experience of this team. Members of this team should be included in question E.2. above.
7. List any known (past or present) professional or personal relationships Respondent or its employees or contractors may have with individual CTPF Board members and/or Fund staff.
8. Identify any potential or actual conflicts of interest you have in providing services to CTPF. State whether you have ever provided services to CTPF, the City of Chicago, the Chicago Board of Education ("Chicago Public Schools" or "CPS"), the Chicago Teachers' Union ("CTU"), the Retired Teachers' Association of Chicago ("RTAC"), the Chicago Principals and Administrators Association ("CPAA"), any Chicago charter school, or any employee group or trade organization related to the aforementioned entities. If so, please state the name of each such client or former client,

contact information, and the nature and time frame of such representation. In providing such information you consent to and agree to release CTPF from any liability that may result from contacting such client(s) and communicating with such client(s) about your prior engagements and soliciting an opinion regarding the work performed for such reference. In addition, please state how you intend to resolve any potential or actual conflict of interest.

**F. Product Personnel**

1. Describe the compensation structure (salary/bonus split, incentive structure, etc.) for the investment professionals that are involved with the proposed strategy.
2. Please describe the form/amount of monetary investment of the investment team in the proposed strategy.
3. What distinguishes your team from the competition? What are your competitive advantages?
4. Please provide a list of all key personnel involved in the management of this product (i.e., dedicated to the product), including the lead portfolio manager, client service, investment committee, and research analysts. For each individual, please answer in the format below and attach biographies as part of Appendix H.

Name	Title	Education	Role at Firm	Yr. Started in Industry	Yr. Started with Firm	Tenure on Product	Cycle Experience	% Time Dedicated to Product

5. Discuss investment team turnover for the last five (5) years.
6. Discuss the succession plan for the proposed product's investment team. CTPF expects a reasonable notice of key personnel being removed from the engagement.
7. Is there a dedicated workout team for this product, or is the product investment team responsible for workout situations? Please describe the composition and experience of this team. Is this team distinct from the team described in question E.6. above? Please include members of this team in your response to question F.4. above.
8. Are there any gaps in the investment team with respect to industry knowledge/expertise that preclude investment in certain industries? If so,

what are the plans to address this and what is the potential impact to the strategy?

9. Discuss the use of employment contracts and any pending expirations. Additionally, indicate the number and nature of part-time professional staff to be employed in this engagement.
10. Will your Firm use outside contractors (subcontractors) for this engagement? If so, describe the confidentiality agreements in place to protect sensitive information from disclosure. What is the allocation or scope of services that will be assigned to outside contractors (subcontractors)?

#### **G. Client Service**

1. Please indicate the scope of services that will be provided for this account. Please include a description of how client servicing/communication responsibilities are divided between portfolio managers and client service/marketing personnel and how often portfolio managers meet with clients to review the portfolio.
2. How often would the primary contact for the Fund account be available for client meetings?
3. Please describe the client reporting process. How frequently are reports made available? What other communications, materials, reports, and resources are made available to clients? Please describe and provide samples. (Attach as Appendix I.)
4. Please discuss any annual investor conferences, seminars, institutional events, or email/conference call communications that your firm makes available for market updates and educational opportunities.

#### **H. Assets Under Management**

1. Please provide the current assets under management for the firm, investment division, and proposed strategy.
2. Provide the historical assets under management for the firm, investment division, and strategy for the shorter of (a) inception or (b) the last 10 years.
3. Please fill out the following tables for the proposed product and the firm. For closed end (draw-down) strategies, provide tables for predecessor funds in the same strategy.

Account Type	Assets (Millions) as of 9/30/23	Max Assets (Millions), historical	Number of Clients as of 9/30/23	Max Number of Clients (historical)
--------------	---------------------------------------	---	---------------------------------------	---

Corporate				
Public fund				
Union/multi-employer				
Foundation and endowment				
Insurance				
High-net-worth individuals				
Wrap accounts				
Sub-advised assets				
Other, please explain				
<b>Total</b>				

Vehicle Type	Assets in Millions as of 9/30/23	Max Assets (Millions), historical	Number of Clients as of 9/30/23	Max Number of Clients (historical)
Open-End (Evergreen)				
Closed-End (Draw-down)				
Other				
Mutual fund: retail class				

	Accounts Gained			Accounts Lost		
	# of Clients	Assets in Millions	% of Product Assets	# of Clients	Assets in Millions	% of Product Assets
YTD						
2023						
2022						
2021						
2020						
2019						
2018						
....						
....						
2013						

4. Please discuss the reasons for the lost accounts indicated in the tables above (please indicate plan terminations). Please describe if any clients/accounts lost were absorbed by other clients via right of first refusal (ROFR) or sold into the secondary market.
5. Please provide a representative client list for this product. (Attach as Appendix J.)



6. Please list the number and name(s) of U.S. tax-exempt plan sponsor clients, including all public and ERISA fund clients, in the proposed product as well as across the firm
7. Please identify any and all Illinois-based public plan clients of your firm and the proposed product, including AUM.

**I. Proposed Product & Performance**

1. Please provide the specific name and the inception date of the product under consideration.
2. What is the investment objective of this product? Please detail the fund size, target return, composition of return (income, appreciation, average coupon), targeted area of the capital structure, transaction types (refinancings, recapitalizations, restructurings, growth capital, acquisition financing, special situations, asset-based lending, cash-flow lending, etc.).
3. What benchmark is most appropriate for this product and why? How does this benchmark compare to CTPF's private credit benchmark, i.e. 50% JP Morgan High Yield + 50% Morningstar LSTA Loan Index + 1%?
4. Does the strategy's stated target benchmark influence portfolio construction?
5. Is your strategy a fund-of-funds product? If so, please describe and outline the available vehicles, approaches, and flexibility (i.e. customization). Additionally, please describe any relationships that may provide access to hard-to-access investment managers and strategies.
6. Please detail the fundraising timeline (if applicable) as well as the total commitments received to date, including the five largest commitment amounts and investor name.
7. Discuss subscription/redemption frequency/notice periods.
8. What is the strategy's cash management policy? What is the stated maximum cash position this strategy/vehicle can hold? What is the highest cash position the proposed strategy has held over the past five years? Are there flexible arrangements based on client preferences?
9. What is the capacity for this product in terms of clients and asset level? Please provide a rationale for the stated capacity.
10. For closed-end (draw-down) funds, what is the target fund size? How does this compare with prior funds in the same strategy or against different closed-end strategies offered by your firm, if any? Please provide a rationale for any differences noted.

11. For open-end (evergreen) funds, please detail considerations for a soft-close. When would you consider closing the strategy to all investors? Under what circumstances would you consider re-opening the strategy to new investors?
12. If applicable, please detail a list of third-party service providers, including roles and compensation.
13. Complete Callan's Manager Questionnaire, accessible at [www.callan.com](http://www.callan.com) under the "For Investment Managers & Advisers" dropdown menu. In addition, please complete Callan's data collection spreadsheet (attached as Exhibit D.) and return with your response marked as Appendix K.
14. For closed-end (draw-down) funds, please provide a list of prior funds, including fund size, status, and performance metrics.
15. Discuss performance for the fund or series of funds in the same strategy. Please describe major drivers/detractors to performance and the circumstances (position-level and macro) that led to the outcome. For closed-end funds, please discuss drivers of performance for each fund in the series. For fund-of-funds, please describe sub-manager attribution.
16. What is the strategy's performance ranking vs its peer group? Please provide calendar year and annualized rankings where possible. Please define/describe the peer group. How large is the peer group and how has this changed over time?
17. Please provide a complete list of investments in your current fund including descriptions, structure, terms, and current performance metrics. For closed-end funds, please provide information for the most recent fund. If your most recent fund is not yet in its investment period, please provide information from the predecessor fund in the series. For fund-of-funds, please provide a complete list of the sub-managers including descriptions, approach, performance, and the relative ranking of each-sub-manager versus their respective peer group.

**J. Investment Philosophy & Process**

1. Please briefly describe your firm's investment philosophy for the proposed product.
2. Discuss differentiating factors/competitive advantage of the proposed product.
3. How has the philosophy/approach changed since the inception of this product?

4. How does your process add value?
5. Explain what makes your philosophy and process unique.
6. Please describe the role of top-down economic, thematic, and/or sector allocation decisions in your investment process, and how these decisions are made and implemented.
7. Please discuss your firm's investment strategy, screening process, research process, and portfolio construction methodology. Please be specific in your discussion of your research process, including the use of fundamental, technical, quantitative, and economic analysis. Please provide any additional comments that are unique to your firm and the proposed product. Please indicate how your strategy for the proposed product may differ from other strategies offered by your firm. For fund-of-funds, please describe this process in terms of manager selection, portfolio construction, monitoring, and rebalancing.
8. Discuss duration for the portfolio. What is the minimum/maximum/average duration of your positions? How has this changed over time or, if applicable, between successive funds in the strategy?
9. Describe the composition and role of investment committee(s) in decision-making and portfolio construction. Who is responsible for final investment decisions?
10. If you currently manage both open-end (evergreen) and closed-end (draw down) vehicles for this strategy, please describe any differences between the vehicles.
11. Please describe any internal competing strategies (separate accounts, co-investments, other funds) and denote the number/size of competing strategies as well as the allocation policy of investments across internal strategies. Please disclose the extent of investment overlap (by borrower, in %) between the internal competing strategies.
12. Describe how an investment may be structured differently between internal competing products.
13. Discuss the return drivers of the proposed strategy (include history, research, ongoing development, etc.).
14. Discuss asset selection – decision factors, main attributes, size/profile of business, minimum vs targeted borrower criteria, expected spread.

15. Discuss origination/sourcing – areas of focus, strategy, team, market role (agent vs. participant). For fund-of-funds, please describe your manager sourcing, underwriting and selection process.
16. For fund-of-funds, do you maintain a preferred or “buy” list of approved managers and strategies? If so, please describe the criteria for this list and how often it is refreshed (i.e. turnover). Please disclose the current size of the list and the names of the managers/strategies in this list.
17. Discuss the historical vs targeted range of sole lender vs club deals. If participating in club deals, how often are you the deal lead/agent? How often do you attain majority/required lender’s rights? What is your approach to negotiating sacred rights as a minority lender?
18. With respect to club deals, please provide a complete list of sponsors your firm has worked with. Are any of these sponsors preferred? Provide an example of a recent club deal and outline the arrangements.
19. If applicable, please describe your strategy’s approach, philosophy, and experience with secondary investments, including historical vs targeted allocations for the proposed strategy, sourcing, selection, and risk management.
20. Describe the approach to co-investments for this product. If this differs from other products offered by your firm, please explain.
21. Discuss other aspects of the investment process, including due diligence, decision making, roles/responsibilities, portfolio construction, critical areas of focus, unique advantages, use of third parties, valuation determination, etc.
22. What are the diversification guidelines/ranges and constraints, including sectors, industries, market, geography, investment stage, typical debt or equity investment size, number of investments, and any exclusions? What is the firm’s process and policy for managing total firm exposure to sectors and industries? For fund-of-funds, what guidelines are in place for manager and strategy exposures?
23. What are the maximum/minimum position sizes an individual position can represent in the portfolio?
24. What are the current and historical (5yr) exposures (sector, industry, geography) of portfolio holdings for the proposed product? Why would these differ from targeted/future holdings? For closed-end funds, please describe how targeted exposures in the proposed product may differ from historical exposures in prior funds of the series. For fund-of-funds, please describe in terms of manager strategies in addition to above.

25. Discuss any industry/sector(s) that are historically preferred, including the rationale, if this will continue, and historical vs targeted range. In the same light, discuss areas avoided.
26. Please discuss historical as well as planned exposures for the proposed product in the following areas. Please be thorough and include various borrower and/or manager risk exposures, including (but not limited to) revenue, physical plant/property, personnel, key vendors, etc:
- i. Payment-In-Kind (PIK) Lending
  - ii. Crypto-currency or blockchain related companies
  - iii. Energy (fossil fuels)
  - iv. Education
  - v. Municipalities
  - vi. Russia
  - vii. China
  - viii. Taiwan
  - ix. Israel
27. What percentage of the portfolio is represented in the top 10 holdings?
28. For open-end (evergreen) funds, please list the annual portfolio turnover for the past three calendar years. Would you expect future portfolio turnover to be in-line with past results?
29. Please discuss risk controls and monitoring, including risk definitions, hedging strategies, tools, team, use of insurance, etc.
30. Discuss on-going monitoring, including roles/responsibilities, on-site visits, etc.
31. Discuss your approach to collateral in the investment process.
32. For asset-based lending, please describe your preference towards tangible vs intangible assets and your approach to underwriting.
33. Describe your use of covenants (affirmative, restrictive, financial) in the investment process, including a list of covenants and the accompanying financial metrics utilized for maintenance or incurrence covenants. Please describe how the required metrics may vary between different investments (for example, due to difference in industry between borrowers).
34. Describe the team's approach to a covenant violation (e.g. technical default)? In what circumstances would the investment team waive a technical default or escalate the matter legally?

35. Please disclose the historical rate of technical defaults for the strategy. For closed end (draw-down) funds, please provide these metrics for the strategy as a whole and for each fund in the series. Please discuss the circumstances for the investments involved and the steps taken to mitigate losses. For fund-of-funds, please provide historical metrics for the managers in the portfolio.
36. Describe approaches utilized to avoid/mitigate defaults and realized credit losses. When would asset management and/or workout teams get involved?
37. Please disclose the historical default rate for the strategy. For closed-end (draw-down) funds, please provide these metrics for the strategy as a whole and for each fund in the series. Please describe the circumstances for the investments involved and steps taken by the team to mitigate losses. For fund-of-funds, please provide historical metrics for the managers in the portfolio.
38. Please disclose the historical recovery rate for the strategy. For closed-end (draw-down) funds, please provide these metrics for the strategy as a whole and for each fund in the series. Please describe the circumstances for the investments involved and the steps taken by the team to mitigate losses. For fund-of-funds, please provide historical metrics for the managers in the portfolio.
39. Discuss the valuation process, including timing, internal vs external, etc.
40. Do you stress test your portfolios? If so, how do you stress test your portfolios?
41. Discuss the use of leverage in the proposed product, including fund/asset level limits, fixed/floating, instruments, monitoring, implicit and explicit, hedging, etc.
42. Discuss use of credit lines (subscription, NAV, etc.) for the proposed product.
43. Discuss hedging policies and types of instruments used to hedge.
44. Describe under what market conditions you expect your product to do well and to do poorly. Describe expected drivers of performance.
45. Do you expect the strategy to reinvest/recycle proceeds/distributions? How is this expected to impact fees? With respect to closed-end funds, please disclose the rate of reinvestment for earlier funds in this strategy and the extent to which this may differ to the expected rate of reinvestment for the proposed strategy.

46. If applicable, discuss the approach to ESG and the extent to which ESG is integrated in the investment process. Note that CTPF has committed to divestiture of fossil fuel holdings and/or to invest in viable clean energy sources to fully offset fossil fuel investments by December 2027. Please address how your product may impact this objective, either positively or negatively.

**K. Compliance and Governance**

1. Does your firm have a Chief Compliance Officer? If not, who is responsible for compliance?
2. Please describe the compliance assessment process, including the period covered, testing methods, and frequency. When was the last compliance assessment?
3. Please provide a short biography of the person(s) who is (are) responsible for the overall risk management of your firm and describe their individual functions. Please include the biography in Appendix H.
4. Describe internal controls for risk management and portfolio compliance. Be sure to include the firm's policy on portfolio managers trading for their own accounts.
5. Is your firm registered as an investment advisor under the Investment Advisors Act of 1940? If so, please provide a copy (electronic only) of your most recent ADV Part 1, Part 2, and 2B. If you have not registered as an investment advisor or are exempt, please describe the exemption. Do you plan to register? If your firm is domiciled outside of the U.S., please describe the regulatory authorities governing your activities and your registration status.
6. Has your firm ever been audited by the Securities and Exchange Commission (SEC) or by any regulatory agency in the last ten years? Has any regulatory body or market authority issued any orders or other sanctions against your firm in the last five years? If yes to either, please provide a description or summary of findings.
7. Please provide a summary of your firm's governance or internal control structure.
8. Please provide your firm's Conflict of Interest Policy and a description of policy enforcement procedures. (Attach as Appendix L.)
9. Please describe any potential conflicts of interest your firm and/or any individuals may have in the management of this account. If there are conflicts, please describe how they are addressed.

**L. Insurance, Confidentiality, and Litigation**

1. List the insurance carriers supplying the coverage for Securities and Exchange Commission (SEC) required (17g-1) fidelity bonds, errors and omissions coverage (E&O), Directors' and officers' coverage (D&O), client security breaches (cyber risk), and any other fiduciary or professional coverage which your firm carries. Disclose the status of any claims. (Attach as Appendix M.)
  - i. What limitation on liability, if any, do you impose through your contract? The Firm must not seek to unreasonably limit their liability for negligence.
  - ii. Does coverage for liability, due to your negligence, continue for a period following termination of the contract? If so, for how long?
  - iii. Identify the amount, type of coverage, deductible, and any coinsurance.
2. What is the organization's policy on confidentiality during and after the engagement?
3. Is your firm, related entities, affiliates, principals, and/or officers the focus of any pending or ongoing civil or criminal litigation, formal investigation, or administrative proceedings? If yes, please describe. Please provide a history (10 years) of litigation/proceedings/settlements and the current status of any pending issues.
4. With respect to the principals of your firm, please provide a history (10 years) of litigation/proceedings/settlements and the current status of any pending issues.

**M. Fund Documents, Side Letters**

1. Please attach current fund documents (e.g. Private Placement Memorandum (PPM), operating agreement (LP, LLC, etc), sample side letter, and other subscription documents) as Appendix N.
2. Please state the minimum investment level, if any, for CTPF to attain MFN rights.
3. Describe the extent to which CTPF will be granted excusal rights from investments with exposure to energy (fossil fuels), Russia, or other potential (future) areas as stipulated by CTPF's Board of Trustees?
4. Describe key-person terms outlined in your side-letter.

**N. Fees and Account Minimums:** For purposes of this section, contingent and placement fees are prohibited.

1. Describe the proposed management fees and breakpoints.
2. Describe performance /carried interest terms and illustrate the calculation.



3. Describe all fund fees vs. management company fees.
4. Are fees charged on committed or invested capital? Are fees for invested capital based on underlying asset NAV, cost-basis, or the lower thereof? Please provide your definition of “invested capital” as it pertains to calculating fees.
5. For fund-of-funds, please provide a complete breakdown of management fees, detailing the fund-of-fund manager fees and the sub-manager fees. Can the fund-of-fund manager attain more advantageous fee arrangements with the sub-managers? If so, please describe.
6. What is your billing frequency?
7. What is the minimum account your firm will accept? Does your firm charge a minimum annual fee? If so, what is that fee? Will it stay the same or change in the future based on some set formula?
8. State any special considerations with respect to billing or payment of fees and expenses that Respondent offers and that you believe would differentiate your Firm from other proposals and make your Firm’s services more cost effective to the Fund.
9. CTPF expects the lowest rate charged by Respondent for its governmental and non-profit clients. If for any reason Respondent is unwilling or unable to charge the lowest rate, please explain why.

#### **O. References**

1. Please provide three U.S. tax-exempt plan sponsors currently invested in the proposed product available for reference checks. For closed-end strategies, references from prior funds are also acceptable, with a preference for more recent references. Please provide the names, addresses, telephone numbers, email address, size of the accounts, and dates the accounts commenced. (Attach as Appendix O.) In providing such information, you consent to and hereby release CTPF from any liability that may arise from contacting your references and communicating with such references about your prior engagements and soliciting an opinion regarding the work performed for such reference.
2. Please provide three U.S. tax-exempt plan sponsors that terminated your firm’s strategy. For closed-end strategies, references from prior funds are also acceptable, with a preference for more recent references. Please provide the names, addresses, telephone numbers, email address, size of the accounts, and dates the accounts commenced and ended. (Attach as Appendix P.) In providing such information, you consent to and hereby

release CTPF from any liability that may arise from contacting your references and communicating with such references about your prior engagements and soliciting an opinion regarding the work performed for such reference.

#### **P. Appendices and Attachments**

Include in this section the appendices requested in Sections A-O above. The response to minority affiliation under Section XVIII of this RFP should be included as Appendix Q. The disclosures requested under Section XXIII of this RFP should be included as Appendix R. Note that the corresponding EEOC Chart (XXIII.vi) does not have to be duplicated in Appendix R if it is already provided as Appendix E. Respondents may refer to Appendix E (i.e., “See Appendix E”) to satisfy disclosure XXIII.vi.

Respondents may also include additional information or exhibits appropriate for CTPF’s consideration under this category as Appendix R.

- i. Appendix A – Minimum Qualifications Certification (See Exhibit A)
- ii. Appendix B – High Risk Home Loan Act Certification (See Exhibit B)
- iii. Appendix C – MWDBE Certification (if applicable)
- iv. Appendix D – Organizational Charts
- v. Appendix E – EEOC Chart (See Exhibit C)
- vi. Appendix F – Cybersecurity Policy
- vii. Appendix G – Disaster Recovery Plan/Business Continuity Plan
- viii. Appendix H – Biographies/CVs and Resumes
- ix. Appendix I – Sample Client Reports
- x. Appendix J – Representative Client List
- xi. Appendix K – Callan Strategy Information and Performance Spreadsheet (See Exhibit D)
- xii. Appendix L – Conflict of Interest Policy / Enforcement Procedures
- xiii. Appendix M – Proof of Insurance
- xiv. Appendix N – Fund Documents
- xv. Appendix O – References – Current Clients (3)
- xvi. Appendix P – References – Past Clients (3)
- xvii. Appendix Q – Response to Minority Affiliation outlined in Section XVIII
- xviii. Appendix R – Required Disclosures outlined in Section XXIII
- xix. Appendix S – Additional Information (optional)

## **IX. WRITTEN QUESTIONS**

Prospective Respondents who have questions regarding this RFP may email the contact listed above by the due date listed in the timeline above for written questions. Please reference **“Private Credit Investment Manager”** in the subject line of the email. The questions (without identification of the questioner) and the answers will be posted on the CTPF website according to the above timeline.

## **X. PROPOSAL EVALUATION**

The following guidelines will be used to analyze and evaluate all proposals. CTPF reserves the right to evaluate all factors deemed appropriate, whether such factors have been stated in this section.

### **A. QUALIFICATIONS**

To be selected for this engagement, the Respondent must demonstrate that it can meet the requirements of the RFP and the scope of work contained in the RFP. The Respondent must be regularly established in the industry of performing Private Credit Investment Management services described within this RFP and must provide detailed information in response to the due diligence questionnaire in Section VIII. CTPF may request information substantiating the above requirements. During the selection process, Respondents shall be evaluated based upon the following:

**Team/People** - stability of the organization, ownership structure, documented experience in the management of institutional portfolios, reputation of key professionals, manager tenure, depth of portfolio team and research team and length of team cohesiveness, record of integrity and business ethics.

**Process** - clearly defined, reasonable, and repeatable investment strategy, consistency of application, risk controls and uniqueness of the process.

**Performance** - documented ability to meet investment long-term performance relative to benchmarks, risk compared to benchmarks, consistency of performance relative to peers.

**Pricing** - fee schedule and associated costs

Failure to provide this information may result in a Respondent's proposal being deemed non-responsive.

### **B. REVIEW OF PROPOSALS**

- a. In collaboration with CTPF's Investment Consultant, an Evaluation Committee consisting of Fund staff will evaluate all proposals received.
- b. The Committee will determine if Respondents meet the mandatory requirements listed below:
  - i. The Respondent has no conflict of interest with respect to any other work performed by the Respondent.
  - ii. The Respondent must demonstrate that it can meet the requirements of the RFP and the Scope of Work contained in this RFP.
  - iii. The Respondent must adhere to the instructions in this RFP.
  - iv. The Respondent must follow the proposal content and format outlined in Section VIII.
  - v. The Respondent must provide all disclosures requested in Section XXIII, clearly marked as Appendix R.

- c. Factors to be considered by the Committee members include, but are not limited to:
  - i. Qualifications to perform the requested services;
  - ii. Fee Proposal;
  - iii. Responses to the Proposal Content in Section VIII; and
  - iv. Presentation to the Committee (if applicable).

Any contract award is ultimately a decision of the Board of Trustees. The Board of Trustees is not bound by the evaluations, scoring, or recommendations of the Evaluation Committee. This RFP is not an offer of a contract. Acceptance of a proposal does not commit CTPF to award a contract to any Respondent, even if the Respondent satisfied all requirements stated in this RFP. Publication of this RFP does not limit CTPF's right to negotiate for the services described in this RFP. CTPF reserves the right not to enter into an agreement with any of the Respondents to this RFP. The information submitted in response to this RFP becomes the exclusive property of CTPF.

## **XI. FINALIST PRESENTATIONS**

After the proposal submission due date, CTPF may contact the top-ranked Respondents to set up a meeting, approximately one hour or less in length, with the RFP Evaluation Committee either on-site at the CTPF offices, 425 S. Financial Place, Suite 1400, Chicago, IL 60605, or via video conference. If applicable, at these meetings, Respondents must be prepared to provide a brief presentation on their services as outlined in their proposal and answer any questions regarding their proposal. Additionally, Respondents may be invited to present to the CTPF Board of Trustees and/or a Board Committee.

At the discretion of the Board of Trustees, top-ranked Respondents may not be asked to present to the Evaluation Committee. Such Respondents may instead be asked to present directly to the Board of Trustees or to a Board Committee.

## **XII. RFP WITHDRAWAL OR MODIFICATION**

Proposals may be withdrawn or modified by a written or email request prior to the RFP due date. CTPF may, by written notice to all Respondents, cancel, postpone, or amend the RFP prior to the due date. If CTPF decides, at its sole discretion, that the revision or amendment will require additional time for response, the due date will be extended for all Respondents.

## **XIII. INCOMPLETE PROPOSALS**

CTPF reserves the right to request additional information or to reject the proposal outright if the information provided in a Respondent's proposal is deemed to be insufficient for evaluation. False, incomplete, or unresponsive statements in connection with a proposal may be sufficient cause for its rejection. The evaluation and determination of the fulfillment of the requirements will be determined by CTPF and such judgment shall be final.

Any proposal received at the designated email after the required time and date specified for receipt shall be considered late and non-responsive. Late proposals will not be evaluated and shall be deemed disqualified from evaluation and consideration for award.

Proposals submitted shall be valid for one hundred twenty (120) days following the closing date noted above. CTPF and the Respondent may extend this period by mutual written agreement. If a solicitation is cancelled before the due date, the offer will be returned to the Respondent who submitted the response.

#### **XIV. SELECTION OF WINNING BID**

Award of the contract resulting from this RFP will be based upon the most responsive Respondent whose offer, in the sole discretion of the Board of Trustees, is the most advantageous to CTPF in terms of the Respondent's submission, including, but not limited to qualifications, meeting contract requirements, cost, and other factors as specified in this RFP.

After evaluation of the proposals and approval by CTPF, all Respondents will be notified of the result. Contract negotiations will commence with the selected Respondent.

#### **XV. REIMBURSEMENT FOR PROPOSAL PREPARATION**

CTPF will not reimburse any expenses incurred in responding to this RFP including, but not limited to, the costs of preparing the response, providing any additional information, or making a presentation or presentations. CTPF reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected.

#### **XVI. QUIET PERIOD**

During the RFP review period (which begins on the date that the CTPF Board of Trustee's approves the RFP and runs until a contract is executed, there shall be no communication between Respondents and Board members or Fund staff (other than the RFP contact listed in Section V or her designee) regarding any product or service related to the search. Respondents may communicate with the RFP contact or her designee solely regarding administrative questions relating to the procurement process. All other questions must be timely asked and will be responded to through the RFP question and answer process.

The quiet period shall not prevent customary respondent due diligence, initiated by CTPF, or communications with a current service provider who happens to be a candidate, provided that any such communication must be in the ordinary course of business and necessary for the provision of current services provided by such service provider. Discussions relating to the pending selection are strictly prohibited.

#### **XVII. RFP LIMITATIONS AND CONDITIONS**

- A. This RFP does not commit CTPF to award an agreement or to procure services of any kind whatsoever. CTPF reserves the right, in its sole discretion, to negotiate with any

or all applicants considered, or to postpone, delay, or cancel this RFP, in whole or in part. CTPF may terminate discussions, in its sole discretion, or select another finalist. CTPF reserves the right to award an agreement or agreements based upon the proposals received. The Firm should not assume that there will be an opportunity to alter or amend its proposal later or at the time of contract negotiations.

- B. CTPF may request that Respondent clarify the content of the proposal. Other than for purposes of clarification, no Respondent will be allowed to alter or amend its proposal after the RFP due date.
- C. All materials submitted in response to this RFP shall be the sole property of CTPF. CTPF reserves the right to use any and all ideas submitted in the proposals.
- D. CTPF reserves the right to reject or cancel, in whole or in part, at any time, any and all proposals received; to waive minor irregularities; to negotiate in any manner necessary to best serve CTPF and to make a whole award, multiple awards, a partial award, or no award.
- E. CTPF reserves the right to reject any or all offers and to discontinue this RFP process without obligation or liability to any potential vendor.
- F. CTPF reserves the right to reject the proposal of Respondent who is not currently able to perform the contract. CTPF reserves the right to award a contract, if at all, to the Firm which will provide the best match to the requirements of the RFP and the needs of the Fund, which may not be the proposal offering the lowest fees. CTPF may take into consideration any factor it deems relevant, including but not limited to, past experience, financial stability, the ability to perform the requirements as set forth in this RFP, or previous failure to perform similar contracts in accordance with the terms, or in a timely manner, and other relevant criteria. CTPF is not required to accept for consideration any proposal that fails to address or does not comply with each of the requirements or the criteria set forth in this RFP.
- G. CTPF reserves the right to award a contract based on initial offers received, without discussions or requests for best and final offers. Conversely, CTPF reserves the right to request best and final offers.
- H. Any contract award is ultimately a decision of the Board of Trustees and is not required to be based on the evaluations, scoring, or recommendations by the Evaluation Committee.
- I. If Respondent submits a proposal, CTPF reserves the right to conduct its own due diligence and to undertake such investigations as it deems necessary to determine Respondent's satisfaction of the qualifications and ability to furnish the required services. Upon request, Respondent agrees to provide any and all information for this purpose.
- J. CTPF reserves the right to request additional documentation or information from Respondents. Requested information may vary by Respondent. CTPF may ask questions of any Respondent to seek clarification of a proposal to ensure that the Respondent understands the scope of the work or other terms of the RFP.
- K. CTPF does not guarantee or commit to contracting any specific number of projects to Respondent during the life of the agreement.
- L. Written approval from CTPF will be required for any news releases regarding the award of contract.

## **XVIII. MINORITY AFFILIATION**

CTPF is an equal employment opportunity employer, and endeavors to increase the utilization of vendors, both directly and as subcontractors, who are MWDBE companies. Please provide any information relative to your Firm's minority Firm affiliations or minority Firm participation in the engagement, and a MWDBE breakdown for your Firm. Please also provide any MWDBE subcontractors/subvendors that Respondent intends to use on this contract, including the name, role, and expected payments and/or percentage utilization. Please attach as Appendix Q.

## **XIX. WAIVER OF CLAIMS**

By submitting a proposal, the Respondent agrees to waive any claim it has or may have against CTPF, its Board of Trustees, and/or CTPF officers, employees, and agents arising out of or in connection with the administration, evaluation, or recommendation of any proposal, the waiver of any requirements under the RFP, the acceptance or rejection of any proposal, and/or the award of the contract.

## **XX. CONTRACT NEGOTIATIONS**

Once the Respondent(s) has(have) been selected to perform the services, the parties will begin negotiating the terms of the engagement. CTPF does not anticipate or desire a lengthy negotiation. CTPF may, in its sole discretion, terminate negotiations and proceed to engage another party for such services, whether that party was a Respondent, if the parties are unable to expediently negotiate an agreement or reach a bargaining impasse.

## **XXI. NOTICE REGARDING ILLINOIS PUBLIC RECORDS LAWS**

CTPF must comply with the Illinois Freedom of Information Act (5 ILCS 140/1 et seq. "FOIA Act"). CTPF cannot represent or guarantee that any information submitted in response to this RFP will be confidential. If CTPF receives a request for any document submitted in response to the RFP, CTPF's sole responsibility will be to notify Bidder of a request for such document to allow the Bidder to seek protection from disclosure in a court of competent jurisdiction. No documentation will be provided under FOIA until the contract has been awarded.

If CTPF denies a public records request based on a Bidder's representation that such information is proprietary, privileged, and/or confidential, Bidder, by submission of a response to this RFP making these proprietary, privileged, and/or confidential assertions, enters into a binding agreement to reimburse CTPF for, and to indemnify, defend, and hold harmless CTPF, its officers, Trustees, fiduciaries, employees, and agents from and against any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs, and expenses including, without limitation, attorneys' fees, expenses and court costs of any nature whatsoever (collectively, "Claims") arising from or relating to CTPF's complete or partial FOIA denial based on Bidder's assertions. By submitting your proposal, you further agree to indemnify, defend (at CTPF's discretion), and hold CTPF harmless from and against any and all Claims arising from or relating to CTPF's complete or partial disclosure of your proposal if CTPF determines, in its sole

discretion, that such disclosure is required by law, or if disclosure is ordered by a court of competent jurisdiction.

## **XXII. MOST FAVORED TERMS**

All prices, terms, warranties, and benefits offered by the Respondent in its proposal must be comparable or better than those offered by the Respondent in agreements with substantially similar governmental or quasi-governmental clients. Should the Respondent make available more favorable terms to a substantially similar governmental or quasi-governmental client with respect to the types of services set forth in Respondent's proposal, Respondent will make such prices, terms, or conditions available to CTPF.

## **XXIII. DISCLOSURES**

All Respondents must provide the written disclosures requested below in categories (i) through (ix) as part of their RFP responses. A response must be provided for each disclosure category below. Respondents should use "none" or "not applicable" as appropriate. Your disclosures must be clearly labeled as Appendix R. to your proposal.

- (i) The Respondent must disclose, labeling each category, separately: (a) any entity that is a parent of, or owns a controlling interest in, the Respondent, (b) any entity that is a subsidiary of, or in which a controlling interest is owned by, the Respondent, (c) any persons or entities who have an ownership or distributive income share in the Respondent that is in excess of seven and one-half percent (7.5%), and (d) any persons who serve as executive officers of the Respondent, including their titles.
- (ii) The Respondent must disclose, separately: (a) any direct or indirect payments in excess of \$1,000 per calendar year within the prior five (5) calendar years made to any community or not-for-profit organization relating to public education by: (i) the Respondent, (ii) any executive officer of the Respondent, (iii) any parent entity of the Respondent, (iv) the executive officers of any entity that is a parent of, or owns a controlling interest in, the Respondent, and (v) any Shareholder of Respondent with ownership or a distributive income share in the Respondent that is in excess of seven and one-half percent (7.5%); (b) any formal involvement with any community or not-for-profit organization relating to public education by any person or entity identified in (a) above; and (c) any involvement as a member or director of a charter school that contributes to the Fund of any person or entity identified in (a) above. For purposes of this Section XXIII (ii) and (iii), "Shareholder" shall mean any person who has an ownership or distributive income share in the Respondent.
- (iii) The Respondent must disclose if: (a)(i)any executive officer of the Respondent, (ii) any parent entity, (iii) the executive officers of any entity that is a parent of, or owns a controlling interest in, the Respondent, and (iv) any Shareholder of the Respondent with ownership or a distributive income share in the Respondent that is in excess of seven and one-half percent (7.5%) has given any



direct or indirect financial support in excess of \$1,000 per calendar year within the prior five (5) calendar years or (b) whether the persons or entities identified in (a) above have had any formal involvement within the prior five (5) calendar years with a 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, to education policy, or to 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 Trustees have determined that the following organizations presently fall under this required disclosure:

American Enterprise Institute,  
American Legislative Exchange Council,  
Brookings Institution,  
California Common Sense,  
California Policy Center,  
Civic Committee of the Commercial Club,  
Heritage Foundation,  
Howard Jarvis Taxpayers Association,  
Illinois Municipal League,  
Illinois Policy Institute,  
Independent Institute,  
Jessie Ball DuPont Fund,  
Laura and John Arnold Foundation,  
Mackinac Center for Public Policy,  
Manhattan Institute for Policy Research,  
Massachusetts Taxpayers Foundation,  
Mercatus Center at George Mason University,  
National Council on Teacher Quality,  
National Institute for Labor Relations Research,  
Nelson Rockefeller Institute of Government,  
National Taxpayers United of Illinois,  
Pioneer Institute,  
R Street Institute,  
Reason Foundation,  
Show Me Institute,  
State Policy Network,  
StudentsFirst,  
Taxpayers for Sustainable Pensions,

Taxpayers United of America,  
Teacherspensions.org,  
Texas Public Policy Foundation,  
The Future of Freedom of Foundation,  
The Pew Charitable Trust,  
UnionWatch,  
Urban Institute,  
Wyoming Liberty Group, and  
Any state or local affiliates or chapters of the above organizations.

- (iv) The Respondent and any parent, controlling entity, subsidiary, or affiliate must disclose any direct or indirect financial relationships, transactions, or consulting agreements with the Chicago Board of Education entered into within the prior five (5) calendar years. Any such direct or indirect financial relationships, transactions, consulting agreements, or consulting-related contracts with the Chicago Board of Education entered into on or after the execution of an agreement shall be identified in an amended Respondent Disclosure within thirty (30) calendar days of any new relationship, transaction, investment, agreement, or contract with the Chicago Board of Education.
- (v) The Respondent must disclose the names and addresses of any subcontractors and the expected amount and/or percentage of money each will receive under the agreement if authorized by the Fund.
- (vi) The total number of Respondent's staff. The number of Respondent's staff and percentage of its staff, broken out separately for each category, who are (1) a minority person, (2) a female, or (3) a person with a disability. This information must be provided using the EEOC chart available on CTPF's website. Supplemental information to the EEOC chart is welcome.
- (vii) The number of current contracts for consulting services and professional and artistic services that the Respondent has with a (1) minority owned business, (2) female owned business, or (3) business owned by a person with a disability.
- (viii) The number of current contracts for consulting services and professional and artistic services that the Respondent has with a business other than (1) a minority owned business, (2) a female owned business, or (3) a business owned by a person with a disability, under which, while the business is not owned by one of the above categories, where more than fifty percent (50%) of services performed pursuant to the contract are performed by (1) a minority person, (2) a female, or (3) a person with a disability.
- (ix) The Respondent shall agree to annually disclose various EEOC data and diversity of vendor's contracts as required by the Fund.

## **XXIV. AGREEMENT AND APPROVAL**

The Fund may select one or more firms to provide the services described herein. To the extent one or more firms are selected, CTPF will work to negotiate an agreement with the selected firm(s), giving due consideration to the stipulations in the Firm's(s') submitted standard agreement.

The selected firm(s) shall be required to assume full responsibility for all services and activities offered in its/their proposal whether or not provided directly. Further, CTPF will consider the selected firm(s) to be the sole point of contact with regard to contractual matters, including payment of fees.

The selected firm(s) and its/their personnel, including subcontractors, shall treat any and all information provided by CTPF as confidential and is/are prohibited from using that information for any other purposes than those provided by contract, without CTPF's express written consent.

The selected firm(s) shall not use a subcontractor without CTPF's express written consent. All terms and conditions of a contract with the selected firm(s) shall be equally binding on any subcontractors.

The selected firm(s) shall meet specific performance standards established during the contract negotiation process. The approved project schedule, specifying agreed upon, significant milestone events, and a project completion date, shall be incorporated into the contract as projects are identified and assigned to the successful Respondent(s) by CTPF.

## Exhibit A – Minimum Qualifications Certification

By submitting this proposal, I certify that the following statements and the information and representations submitted by the candidate are true:

Regarding: \_\_\_\_\_  
(Investment Manager Name)

- ☐ The Investment Manager is duly registered with the Securities and Exchange Commission (SEC) pursuant to the Investment Advisors Act of 1940 or is otherwise qualified to manage assets on behalf of Chicago Teachers' Pension Fund
- ☐ The product submitted for consideration is a private credit product in which the management team has a three-year track record of investing on behalf of institutional investors
- ☐ The Investment Manager must have sufficient assets under management to support the professional staff required to successfully manage the strategy. A minimum of \$1 billion in total firm assets under management is preferred, however smaller firms may be considered.
- ☐ All of the firms' personnel have all the authorizations, permits, licenses and certifications required by federal, state and local law.
- ☐ The firm carries errors and omissions insurance to cover negligent acts or omissions.
- ☐ The firm must maintain sufficient procedures and capabilities to ensure timely and accurate backup, security, and full recovery for all computers and other data storage systems.
- ☐ The firm has a company policy and practice of equal employment opportunity and non-discrimination.
- ☐ The Investment Manager understands and will comply with the Chicago Teachers' Pension Fund Procurement Policy and Code of Ethics.
- ☐ The Investment Manager understands that Chicago Teachers' Pension Fund accepts no obligation for costs incurred by the candidate in anticipation of being awarded a contract
- ☐ The Investment manager understands that Chicago Teachers' Pension Fund is exempt from federal, state, and local taxes and will not be responsible for any taxes levied on the Investment Manager as a result of any contract resulting from this RFP
- ☐ The Investment Manager must advise CTPF of its status as an Illinois finance entity as defined in Public Act 095-0521. If respondent is an Illinois finance entity, it must provide certification of compliance with the High Risk Home Loan Act. (See Exhibit B.)

- ☐ The firm hereby warrants and attests that no finder's fee was paid, or will be paid, to any outside entity or person or any persons employed or affiliated with CTPF.
- ☐ All candidate firms must complete CTPF's due diligence questionnaire (DDQ). Additionally, respondents must complete Callan's Manager Questionnaire and complete Callan's data collection spreadsheet when submitting a response to this RFP.
- ☐ Investment services provided by an Investment Manager shall be rendered pursuant to a written contract between the Investment Manager and the Board. The Illinois Pension Code Section 1-113.14 (c) requires that the contract include all of the below-listed items (40 ILCS 5/1-113.14(c)). By submitting your proposal in response to this RFP, you are acknowledging that the items listed below are non-negotiable and shall be included in the contract for investment services if you are selected as the winning bidder of this procurement.
  - ☐ Acknowledgement in writing by the Investment Manager that it is a fiduciary with respect to the pension fund or retirement system.
  - ☐ The description of the Board's investment policy and notice that the policy is subject to change.
  - ☐ (i) Full disclosure of direct and indirect fees, commissions, penalties, and other compensation, including reimbursement for expenses, that may be paid by or on behalf of the Investment Manager in connection with the provision of services to the pension fund or retirement system and (ii) a requirement that the Investment Manager update the disclosure promptly after a modification of those payments or an additional payment.
  - ☐ A requirement that the Investment Manager, in conjunction with the Board's Staff, submit periodic written reports, on at least a quarterly basis, for the Board's review at its regularly scheduled meetings. All returns on investment shall be reported as both gross and net returns after payment of all fees, commissions, and any other compensation.
  - ☐ Disclosure of the names and addresses of (i) the Investment Manager; (ii) any entity that is a parent of, or owns a controlling interest in, the Investment Manager; (iii) any entity that is a subsidiary of, or in which a controlling interest is owned by, the Investment Manager; (iv) any persons who have an ownership or distributive income share in the Investment Manager that is in excess of 7.5%; or (v) serves as an executive officer of the Investment Manager.
  - ☐ A disclosure of the names and addresses of all subcontractors, if applicable, and the expected amount of money each will receive under the contract, including an acknowledgment that the contractor must promptly make notification, in writing, if at any time during the term of the contract a contractor adds or changes any subcontractors. For purposes of this subparagraph (6), "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, services used to track compliance with legal standards, and investment fund of funds where the Board has no direct contractual relationship with the Investment Managers or partnerships.
  - ☐ A description of service to be performed.

- ☐ A description of the need for the service.
- ☐ A description of the plan for the post-performance review.
- ☐ A description of the qualifications necessary.
- ☐ The duration of the contract.
- ☐ The method for charging and measuring cost.

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Signature

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Name

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Date

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Title

## **Exhibit B**

## High Risk Home Loan Act Certification

Under Public Act 095-0521, for an Illinois finance entity to be eligible to invest or deposit CTPF funds, it must annually certify that it complies with the High Risk Home Loan Act.

An Illinois financial entity is defined in Public Act 095-0521 as any entity chartered under the Illinois Banking Act, the Savings Bank Act, the Illinois Credit Union Act or the Illinois Savings and Loan Act of 1985, and any person or entity licensed under the Residential Mortgage License Act of 1987, the Consumer Installment Loan Act or the Sales Finance Agency Act.

Using the definition of an Illinois financial entity given above, please advise us of your status by checking the appropriate box on the certification page.

## High Risk Home Loan Act Certification

☐ **Yes, we are an Illinois finance entity** as defined in Public Act 095-0521.  
(Please complete the Certification of Compliance *Illinois High Risk Home Loan Act* form below.)

☐ **No, we are not an Illinois finance entity** as defined in Public Act 095-0521.  
(Please skip the Certification of Compliance *Illinois High Risk Home Loan Act* form below.)

<b>INVESTMENT MANAGER / CONSULTANT:</b>
Company Name:
Signature:
Printed Name
Title:
Dated:

Public Act 095-0521

# Chicago Teachers Pension Fund

## Certification of Compliance

### *Illinois High Risk Home Loan Act*

I, \_\_\_\_\_, serving in the capacity of \_\_\_\_\_, on this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, being duly sworn and having knowledge of all matters set forth herein, state, affirm and certify as follows:

1. I represent \_\_\_\_\_, and I am duly authorized to provide this certificate on its behalf.
2. I am aware of the requirements of Section 1-110.10 of the Illinois Pension Code (40 ILCS 5/1-110.10), as well as the requirements of the High Risk Home Loan Act, (Act), and any rules adopted pursuant thereto.
3. Under the terms of the Illinois Pension Code, \_\_\_\_\_ is deemed an Illinois Finance Entity.
4. I am aware that no pension fund assets may be handled by the Illinois Finance Entity if  
it is not in compliance with the provisions of the High Risk Home Loan Act, including the filing of a completed certification with the Chicago Teachers Pension Fund.
5. I certify that \_\_\_\_\_ is in compliance with all the requirements of the High Risk Loan Act and the rules adopted pursuant to the Act.

\_\_\_\_\_  
(Firm)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name of Officer)

\_\_\_\_\_  
(Title)

Subscribed and sworn before me by \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Notary

*My Commission Expires:* \_\_\_\_\_

(Seal)

(Firm)

State of \_\_\_\_\_

County of \_\_\_\_\_