# criteria

Request for Proposals

Minority and/or Women-Owned Business Enterprise (MWBE) Public Markets Investment Manager of Managers Search

PART 1 -- Introduction and Goal of the Request for Proposals (RFP)

1.1 INTRODUCTION

The Illinois Municipal Retirement Fund (IMRF) is requesting proposals from minority-owned[[1]](#footnote-1) Investment Manager of Managers (“MWBE MoM”) offering actively managed international equity and/or fixed income strategies. Proposals must offer a multi-manager solution solely utilizing underlying managers that qualify as minority owned investment managers as defined by the Illinois Pension Code. IMRF has at least $100 million to allocate. Multiple firms may be considered for the mandate(s). Firms may submit proposals for one or more strategies.

There is no expressed or implied obligation for IMRF to reimburse responding firms for any expenses incurred in preparing proposals in response to this request.

IMRF reserves the right to reject any or all proposals submitted. All proposals submitted will be evaluated by members of the IMRF Staff (“Staff”) and IMRF’s Investment Consultant (“Consultant”), Wilshire. The finalist(s) will be asked to make formal presentations of their proposals to the IMRF Investment Committee of the IMRF Board of Trustees. Firm(s) selection is subject to final approval by the IMRF Board of Trustees.

1.2 GOAL

IMRF is soliciting proposals from qualified MWBE MoM for international equity and/or fixed income strategies. The intent of the RFP is to establish a contractual relationship between IMRF and the selected firm(s) for the purpose of providing IMRF with a MWBE international equity manager of managers strategy and/or a MWBE fixed income manager of managers strategy.

1.3 QUIET PERIOD

The Quiet Period begins on February 3, 2020, and is the period of time beginning when the MWBE MoM search RFP is issued and ends when the firm(s) is (are) selected by the IMRF Board or the process is declared complete. Respondents should direct all questions and communications regarding this search during the Quiet Period to IMRF at [InvestmentsResponses@imrf.org](mailto:InvestmentsResponses@imrf.org).

Incumbent investment management firm respondents may communicate with the IMRF Board members during the Quiet Period, but may not discuss this search with IMRF Board members during the Quiet Period. The purpose of the Quiet Period is to ensure that all prospective firms have equal access to information regarding the search objective and requirements; to be certain that communications are consistent and accurate; and to make the search process and selection process efficient, diligent, and fair.

The Quiet Period will be posted to the IMRF website to prevent inadvertent violations by firms responding to this RFP.

IMRF Board members and members of the Staff not directly involved in this search shall refrain from communicating with the respondents regarding any product or service related to this search during the Quiet Period unless this communication takes place during a formal site visit or interview conducted as part of this search.

An RFP respondent will be disqualified for violating the Quiet Period.

Offering or providing anything of value to the IMRF Board members and members of the Staff is prohibited.

Quiet Period FAQ

In general, IMRF has an open door policy to meet with managers. It means that IMRF will meet with managers and they do not need any third party referral.

1) A third party (legislator, other person not specifically affiliated with a manager) contacts IMRF during an active search (not during the quiet period) and encourages IMRF to include Manager X in the search.

During a search, IMRF would not include a manager in the search based on any encouragement from a third party. Depending on the circumstances of the contact from the third party, the manager may get disqualified from further consideration and IMRF would report it to the Board during an open meeting when Staff gives their search summary and recommendations.

2) A third party contacts IMRF regarding Manager X, but there are no active searches (or there are no active searches related to Manager X).

If a third party contacts IMRF regarding Manager X (not during a search) IMRF would tell the third party that the manager has to contact Staff for a meeting. Based on our open door policy, IMRF would meet with the manager. No actual action other than a meeting is guaranteed.

3) IMRF is contacted during the quiet period from a manager that is in the search.

During a quiet period, contact from a manager in the search is treated based on circumstance. The manager could be responding to our questions for more information (which is fine). If they are contacting IMRF regarding a referral from a third party, Staff would tell them that it is not in the scope of RFP contact and they will get disqualified from further consideration if they continue this dialogue. If we end up disqualifying them, we would report it to the Board during an open meeting.

4) IMRF is contacted during the quiet period from a third party regarding a specific manager who is included in a search.

IMRF does not accept conversation from third parties on a manager during quiet period. Staff would tell them that we are in quiet period and can't discuss the search or the manager. If the third party does not discontinue the dialogue, such contact would be reported to any relevant ethics oversight body (such as the Legislative Inspector General, if the third party is a legislator, for example). Depending on that nature of the contact, IMRF may disqualify the manager. Any disqualification and/or ethics officer referral would be reported to the Board during an open meeting.

PART 2 -- Background Information on IMRF

2.1 PLAN DESCRIPTION

IMRF is a defined benefit, public pension plan established and governed by the Illinois Pension Code (40 ILCS 5/1-101 et seq), created for the exclusive purpose of providing retirement, death and disability benefits to employees of local units of government and school districts in Illinois. IMRF was 90.3% funded on an actuarial basis and 93.9% funded on a market value basis as of 9/30/2019. To review IMRF’s 2018 Comprehensive Annual Financial Report, please visit <https://www.imrf.org/en/about-imrf/transparency/annual-financial-report>.

IMRF is governed by a Board of eight elected trustees. Four are elected by employers, three are elected by participating members and one is elected by annuitants. For more information on the IMRF Board, please visit <https://www.imrf.org/en/about-imrf/board-of-trustees/board-of-trustees-directory>.

The IMRF Investment Department is comprised of 17 individuals including 14 investment professionals. The Investment Department is led by the Chief Investment Officer and is organized by key function areas: Public Markets, Private Markets, Emerging Manager Program & Total Portfolio, Internal Management and Operations.

The members of the Board, employees of the Board, and agents thereof stand in a fiduciary relationship to the members of the system regarding the investment and disbursement of any of the monies in the Fund.  In exercising this fiduciary responsibility, the Board is governed by the prudent man rule.

IMRF’s current Statement of Investment Policy can be found at <https://www.imrf.org/en/investments/policies-and-charter/investment-policies>.

The Statement of Investment Policy is reviewed by the Board on an annual basis and may be amended from time to time by a majority vote of the Board.

IMRF’s Minority Manager Program Overview

As of December 31, 2019, IMRF’s Minority investment manager program is $10.5 billion invested across domestic equity, international equity, fixed income, private equity and real estate asset classes, representing 23.5% of the Fund, above IMRF’s aspirational goal of 20%.

IMRF utilizes 49 Minority investment manager mandates directly to invest $8.6 billion or 19.5% of the Fund. The details are listed in the table below.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Asset Class | Number of Minority Manager Mandates | Minority $ AUM | Asset Class $ AUM | Minority % of Asset Class | Minority % of Total Fund Market Value | Minority % of Active Strategies |
|
| Domestic Equity | 2 | 1,396 | 17,932 | 7.8% | 3.1% | 4.5% |
| Fixed Income | 5 | 4,022 | 12,576 | 32.0% | 9.0% | 12.9% |
| International Equity | 5 | 1,713 | 8,600 | 19.9% | 3.8% | 5.5% |
| Private Equity\* | 28 | 1,198 | 4,557 | 26.3% | 2.7% | 3.9% |
| Real Estate\* | 9 | 370 | 4,831 | 7.6% | 0.8% | 1.2% |
| Total | 49 | 8,698 |  |  | 19.5% | 28.0% |
| *\*Private Equity and Real Estate are based on committed amounts. Fund of Fund values are reported at the underlying manager level. Values as of 12/31/2019. Total Fund Market Value equals $44,668,615,447. Total Active Strategies equals $31,082,528,363.* | | | | | | | |

Through Manager of Manager mandates, IMRF utilizes 71 Minority investment manager mandates to invest $1.8 billion or 4.1% of the Fund. The details are listed in the table below.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Asset Class | Number of Minority Manager Mandates | Minority $ AUM | Asset Class $ AUM | Minority % of Asset Class | Minority % of Total Fund Market Value | Minority % of Active Strategies |
|
| Fixed Income | 8 | 976 | 12,576 | 7.8% | 2.2% | 3.1% |
| International Equity | 6 | 348 | 8,600 | 4.0% | 0.8% | 1.1% |
| Private Equity\* | 39 | 134 | 4,557 | 2.9% | 0.3% | 0.4% |
| Real Estate\* | 18 | 358 | 4,831 | 7.4% | 0.8% | 1.2% |
| Total | 71 | 1,816 |  |  | 4.1% | 5.8% |
| *\*Private Equity and Real Estate are based on committed amounts. Fund of Fund values are reported at the underlying manager level. Values as of 12/31/2019. Total Fund Market Value equals $44,668,615,447. Total Active Strategies equals $31,082,528,363.* | | | | | | | |

Year to date as of June 30, 2019, Minority Investment Managers earned 26.8% of total investment management fees paid, above IMRF’s aspirational goal of 20%.

IMRF began allocating capital to MWBE investment management firms in 1985. In 2004, the IMRF Board of Trustee formally adopted MWBE investment manager and brokerage goals. Each year the goals are reviewed as part of the annual review of the Statement of Investment Policy. Based on portfolio construction needs, IMRF hires Minority investment managers directly through an RFP process and/or MoM platform. The program has grown from $1.7 billion in 2004 to $10.5 billion at the end of 2019.

2.2 PORTFOLIO DESCRIPTION

### IMRF’s portfolio is diversified and global in nature, having a total market value of $44.7 billion as of December 31, 2019. Approximately 86.96% of the portfolio is managed by outside investment managers with full discretion within agreed upon investment guidelines.

### Approximately 13.04% of the portfolio is managed internally by staff, and includes cash, equity, real estate, and alternative investments. The current IMRF Master Trustee is The Northern Trust Company located in Chicago, Illinois.

### Portfolio allocations as of December 31, 2019 were as follows:

|  | Asset Class Target | | Current Allocation |
| --- | --- | --- | --- |
| Large Cap Growth | |  | 12.98% |
| Large Cap Value | |  | 13.09% |
| Large Cap Passive Core | |  | 5.87% |
| Quantitative Factor Strategies | |  | 0.59% |
| Small Cap Growth | |  | 1.80% |
| Small Cap Value | |  | 3.52% |
| Micro Cap | |  | 1.03% |
| Public Real Assets | |  | 1.26% |
| Total U.S. Equity | | 37% | 40.15% |
|  | |  |  |
| International Large Cap Growth | |  | 3.23% |
| International Large Cap Value | |  | 3.03% |
| International Large Cap Core | |  | 9.13% |
| International All Cap Developed | |  | 0.33% |
| International Small Cap | |  | 1.16% |
| Emerging Markets | |  | 2.37% |
| Total International Equity | | 18% | 19.25% |
|  | |  |  |
| Domestic Fixed Core | |  | 7.77% |
| Domestic Fixed Passive Core | |  | 7.93% |
| Domestic Fixed Core Plus | |  | 8.87% |
| Bank Loans | |  | 1.29% |
| Emerging Markets Debt | |  | 0.51% |
| High Yield | |  | 1.77% |
| Total Fixed Income | | 28% | 28.15% |
|  | |  |  |
| Real Estate Core |  | | 3.52% |
| Real Estate Non-Core |  | | 3.11% |
| Total Real Estate\* | 9% | | 6.64% |
|  |  | |  |
| Private Equity |  | | 4.39% |
| Private Credit |  | | 0.29% |
| Timberland |  | | 0.17% |
| Agriculture |  | | 0.47% |
| Unlisted Infrastructure |  | | 0.10% |
| Total Alternative Investments\* | 7% | | 5.43% |
|  |  | |  |
| Cash | 1% | | 0.38% |
|  |  | |  |
| Total | 100% | | 100% |
|  | | | |
| \* Committed but unfunded amounts for real estate and alternatives are $1,419.5 million and $2,168.9 million, respectively. Assuming funding, the real estate current allocation would be 9.7% and the alternative investments current allocation would be 10.3%. | | | |

2.3 PORTFOLIO LONG TERM OBJECTIVES FOR THIS ASSIGMENT

The MWBE MoM shall create an international equity and/or a fixed income manager of managers portfolio(s) by identifying, selecting, hiring, allocating and reallocating assets to underlying MWBE investment managers.

The international equity mandate will be benchmarked to the MSCI All Country World ex-U.S. Index (net of withholding taxes) benchmark. The investment objective of the international equity portfolio is to outperform the benchmark over a market cycle. Specific outperformance and tracking error tolerance will be agreed upon at the point of contract and specified in the investment guidelines.

The fixed income mandate will be a Core Plus strategy benchmarked to the Bloomberg Barclays U.S. Aggregate Bond Index. The investment objective of the fixed income portfolio is to outperform the benchmark over a market cycle. Specific outperformance and tracking error tolerance will be agreed upon at the point of contract and specified in the investment guidelines.

## PART 3 -- Services to be Performed

### 3.1 SERVICES TO BE PERFORMED

IMRF continually seeks to employ investment managers who possess superior capabilities in the management of the assets for public retirement funds. IMRF further requires those investment managers selected and working on its behalf to meet the following set of conditions:

1. To recommend actions which in their best professional judgment are in the best interests of IMRF to meet the investment objectives of this RFP. The investment manager will construct and manage investment portfolios that are consistent with IMRF’s investment guidelines.  The investment manager will select, buy and sell specific securities or investments within the parameters specified by their investment management agreement with IMRF.
2. In the selection of broker-dealers with whom to place orders for the purchase or sale of securities for the Fund, the primary objective of the investment manager shall be to obtain the most favorable results for the Fund. The investment manager’s selection of broker-dealers may take into account the following factors:
3. satisfy IMRF’s goals for utilization of minority broker-dealers;
4. price and/or commission;
5. the broker-dealer’s facilities, reliability and financial responsibility;
6. the ability of the broker-dealer to effect securities transactions, particularly with respect to such aspects as timing, order size, execution of orders and the ability to complete a transaction through clearance, settlement and delivery;
7. the research provided by such broker-dealer to the investment manager which is expected to enhance general portfolio management capabilities, notwithstanding the fact that the Fund may not be the direct or exclusive beneficiary of such services and;
8. with the exception of investment-related research, soft dollar commissions may not be generated in order to satisfy, directly and/or indirectly, payment for any other services such as vendor fees, administrative expenses, and/or other externally sourced amenities.
9. To report to the Fund monthly on the composition and relative performance of the investments in their designated portfolios; the economic and investment outlook for the near and long term; significant changes in the portfolio under their management and the reasons for any significant differences between the performance of their portfolios and the appropriate market indices or other performance benchmarks established by the Fund and the investment manager(s).
10. Additional responsibilities as detailed in each investment manager’s agreement with the IMRF.

## PART 4 -- Qualifications for the Assignment

### 4.1 Qualifications

Eligible proposals will be from MWBE MoM. The MWBE MoM must meet the Illinois Pension Code definition of a minority investment manager.

A minority investment manager is defined as a qualified investment manager that manages an investment portfolio and meets the definition of “minority owned business,” “women owned business” or “business owned by a person with a disability” as defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act. Minority firms must be 51% or more owned by individuals that are minorities, women or persons with a disability and are citizens or lawful permanent residents of the United States. For a complete definition, go to the following website: [(30 ILCS 575/) Business Enterprise for Minorities, Women, and Persons with Disabilities Act.](http://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=550&ChapterID=7)

Eligible proposals will be from an established firm with all key personnel required to manage the strategy.

If selected as a finalist, the firm must be registered as an investment adviser or a bank as defined under the Investment Advisers Act of 1940.

If selected as a finalist, the firm must be bonded in accordance with the provisions of the Employee Retirement Income Security Act of 1974.

If selected as a finalist, the firm must agree to act as a fiduciary with respect to IMRF and/or the investment vehicle.

If selected as a finalist, the firm must be familiar with and be prepared to comply with Articles 1 and 7 of the Illinois Pension Code. Click on link to view: [Illinois Pension Code](https://www.imrf.org/en/about-imrf/illinois-pension-legislation/illinois-pension-code)

If selected as a finalist, the firm must complete the certifications in Exhibits A, B, C, and D.

### 4.2 REGISTERED INVESTMENT ADVISOR

##### A qualified firm is an investment management firm registered as an investment adviser under the Investment Advisers Act of 1940. The firm will promptly advise IMRF if it at any time is not so registered.

At the point of contract a final detailed agreement concerning services and performance expectations will be agreed upon between IMRF and the successful firm(s). The terms of the final contract between IMRF and the successful firm(s) will be binding and supersede this RFP. The contract will require the successful firm(s) to acknowledge, in writing, that it is a fiduciary with respect to IMRF.

Please complete the following exhibits and return with your response:

Exhibit A: High Risk Home Loan Act Certification

Exhibit B: Disclosure of Fees, Commissions, Penalties and Other Compensation Certification

Exhibit C: IMRF Disclosure Schedule Certification

Exhibit D: Minority, Woman, and Person with a Disability Owned Business Certification

Exhibit E: EEOC Diversity Profile Template

Exhibit F: Disclosures per Illinois Pension Code Section 1-113.21

Exhibit G: Certificates of Insurance

## PART 5 -- Specifications for the Assignment

### 5.1 MWBE Manager of Managers Portfolio(s)

### A. The MWBE MoM(s) will provide IMRF with an MWBE international equity portfolio and/or a MWBE fixed income portfolio. Specific investment management guidelines for this assignment will be negotiated with the successful respondents(s) during contract negotiations.

## PART 6 -- Requirements and Instructions for RFP Completion

### 6.1 RFP OBJECTIVE

##### A. To provide sufficient information for the preparation of competitive proposals by qualified respondents.

##### B. To provide for a fair and objective evaluation of proposals.

##### C. To result in a contract between the successful respondent(s) and IMRF.

### 6.2 RFP DUE DATE & DELIVERY

Responses are required to be submitted electronically in their original format to [InvestmentsResponses@imrf.org](mailto:InvestmentsResponses@imrf.org) and [IMRF@wilshire.com](mailto:IMRF@wilshire.com), no later than end of business day, Monday, February 24, 2020.

In addition, seven hard copies of the proposal inclusive of attachments and one electronic copy of the submission on a USB flash drive must be received by IMRF no later than end of business day, Monday, February 24, 2020. This submission must be addressed and delivered to:

Illinois Municipal Retirement Fund

2211 York Road, Suite 500

Oak Brook, Illinois, 60523-2337

Attn: Dhvani Shah, Chief Investment Officer

In addition to the above, one hard copy of the proposal inclusive of attachments must be received by Wilshire no later than end of business day, Monday, February 24, 2020. This submission must be addressed and delivered to:

Wilshire Associates Incorporated

1299 Ocean Avenue, Suite 700

Santa Monica, CA 90401

Attn: Ali Kazemi, Managing Director

All proposals must be complete in every respect and must answer concisely and clearly all questions asked in this RFP. Late proposals will not be accepted.

6.3 TIMELINE

While there is no fixed date for the selection of a MWBE MoM, it is anticipated that the firm(s) selection will be completed by May 29, 2020.

6.4 INQUIRIES

During the evaluation process, IMRF retains the right to request additional information or clarification from respondents to this RFP. IMRF may also allow corrections of errors or omissions by respondents.

#### Inquiries should be submitted via e-mail to [InvestmentsResponses@imrf.org](mailto:InvestmentsResponses@imrf.org) no later than

Thursday, February 13, 2020. After February 13, 2020, if a question appears unclear to you, please state your interpretation of the question and answer it accordingly. Frequently asked questions will be posted to IMRF’s website.

In all cases, no verbal communications will override written communications.

6.5 DISCLOSURE OF PROPOSAL CONTENT

In submitting a proposal, responders recognize that IMRF is subject to the Illinois Freedom of Information Act and, as such, the proposal may be subject to public disclosure after selection of a firm. Trade secrets or proprietary information must be clearly identified as such in the proposal and will not be released to the extent permitted by law.

6.6 DISPOSITION OF PROPOSALS

All proposals become the property of IMRF and will not be returned to the respondent. IMRF reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance of the conditions contained in this RFP, unless clearly and specifically noted in the proposal submitted and confirmed in the contract between IMRF and the firm selected.

6.7 SIGNATURE OF RESPONDENT AGENT

The proposal, and any clarifications to that proposal, shall be signed by an officer of the responding firm or a designated agent empowered to bind the firm in a contract.

PART 7 -- General Terms and Conditions of the Contract Including Criteria for the Evaluation of Performance

7.1 TERM OF ENGAGEMENT

The term of engagement shall commence on the effective date of the contract.

7.2 CRITERIA FOR THE EVALUATION OF PERFORMANCE

Performance shall be evaluated based upon successful execution of the services to be performed under the investment management agreement and/or other related documents.

PART 8 -- Selection Process

IMRF reserves the right to award this contract to the firm(s) which, in its sole opinion, will provide the best match to the requirements of the RFP. IMRF reserves the right to reject respondents due to their noncompliance with the requirements of this RFP. Additionally, IMRF reserves the right not to hire or defer the hiring of any firm.

8.1 SELECTION PROCESS

Staff and Consultant will review the RFP responses to identify qualified candidates based on the criteria presented in the RFP. Staff may interview all, some or none of the RFP respondents, conduct site visits to respondent offices, and conduct such other due diligence as is prudent under the circumstances.

#### Staff and Consultant will select finalist(s) and make a recommendation to the IMRF Investment Committee. The finalist(s) will present to the Investment Committee. The Investment Committee will make a recommendation to the IMRF Board. The IMRF Board shall then act on the recommendation of the Investment Committee.

#### During the selection process, all respondents to the RFP will primarily be evaluated and ranked on four primary factors:

#### People - stability of the organization, diversity efforts, ownership structure, and documented experience of key professionals

#### Process - clearly defined, reasonable, and repeatable investment strategy

#### Performance - documented ability to meet investment performance benchmarks

#### Pricing – fee schedule and associated costs are expected to be competitive and will be a significant consideration

#### IMRF reserves the right to reject any respondents due to noncompliance with the requirements and instructions in the RFP.

PART 9 -- Projected Timeline for Completion of the MWBE Manager of Managers Search

9.1 TIMELINE

A. Requests for Proposals issued by IMRF on Monday, February 3, 2020.

B. Inquiries for interpretation must be received by end of business day on Thursday, February 13, 2020.

#### C. Proposals must be received by end of business day on Monday, February 24, 2020.

#### D. First round interviews are expected to take place during March 6 and March 16-18, 2020 at IMRF’s office in Oak Brook, IL.

E. On-site due diligence meetings at respondents’ offices are expected to take place during April 8-24, 2020.

#### F. Finalists are expected to present to the IMRF Investment Committee on May 28, 2020.

## PART 10 – RFP Questionnaire

10.1 PROPOSAL PREPARATION INSTRUCTIONS AND MANDATORY REQUIREMENTS

A. The questions presented in Section 10.2 must be answered completely and in the same sequence. Failure to adequately respond may be cause for rejection of a firm’s proposal.

B. Responses to this RFP must be received electronically at [InvestmentsResponses@imrf.org](mailto:InvestmentsResponses@imrf.org) and [IMRF@wilshire.com](mailto:IMRF@wilshire.com) no later than end of business day, Monday, February 24, 2020.

Additionally, one digital copy (on USB flash drive) and seven hard copies of the proposal must be received by IMRF no later than end of business day, Monday, February 24, 2020.

Also, please send one hardcopy of the response inclusive of attachments to Wilshire, no later than end of business day, Monday, February 24, 2020.

Please see delivery instructions in Section 6.2.

10.2 REQUEST FOR PROPOSAL QUESTIONNAIRE

|  |  |
| --- | --- |
| FIRM NAME: |  |
| ADDRESS: |  |
| TELEPHONE #: |  |
| FAX #: |  |
| CLIENT CONTACT: |  |
| TITLE: |  |
| DATE: |  |
| E-MAIL ADDRESS: |  |
| FIRM WEBSITE: |  |

Does your firm qualify as a minority investment manager?

A “minority investment manager” is a qualified investment adviser whose firm is a “minority owned business”, or a “women owned business” or “business owned by a person with a disability” as those terms are defined in the Illinois Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

For more clarification on definitions, please access www.ilga.gov. The definition of “minority investment manager” can be found in Section 1-109.1 of the Illinois Pension Code and Section 1-113.21 of the Illinois Pension Code. Additional definitions can be found in the Illinois Business Enterprise for Minorities, Women, and Persons with Disabilities Act under Illinois Compiled Statutes, Chapter 30 (30 ILCS 575).

 Yes No

If yes, please select your firm’s AUM:

$10 million but less than $10 billion 

Equal or greater than $10 billion 

Name (Print):\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

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

#### A. ORGANIZATIONAL SUMMARY

A1. a. Please indicate your firm’s fiduciary classification:

Registered Investment Advisor

(registered under the federal Investment Advisors Act of 1940)

Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

b. Please acknowledge that your firm, if chosen, will act as a fiduciary with respect to IMRF.

Yes  No

A2. Please give a brief history of the firm including:

a. Year the firm was founded and/or year the parent was founded

b. Nature of the firm’s ownership structure and specific details with regard to any affiliated companies or joint ventures

c. Ownership names and percentages

d. Description and rationale of previous significant ownership changes

e. Year the firm began providing investment manager of managers services to U.S. tax-exempt clients

f. organization has been in business under its present name and ownership.

g. Description of the culture of the organization

A3. Please provide an organization chart which diagrams the ownership structure and interrelationships between the parent-subsidiary, affiliate, or joint venture entities (attach as Appendix 1).

A4. Please provide your firm’s current succession plans. Are there any current plans for senior members of the firm to retire?

A5. Please provide the location and function of each of your firm’s offices. Identify which office would service the IMRF account.

|  |  |  |
| --- | --- | --- |
| Location | Function | Number of Professionals |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

A6. Please provide details on the financial condition of your firm. Most recent annual financial reports filed with the SEC will be acceptable, but any recent material changes should be included. (Attach as Appendix 2)

A7. What is your firm’s breakeven AUM point?

A8. Please provide a copy of your firm’s most recent policies and procedures addressing business continuation and disaster recovery. (Attach as Appendix 3).

A9. 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:

* + plans to develop and expand resources
  + plans to merge with other firms
  + plans to acquire other firms
  + plans to spin off subsidiaries
  + plans to be spun off by a parent firm
  + plans for ownership or organizational changes

A10. Over the past ten years, has your organization or any of its affiliates or parent, or any officer or principal been involved in any business litigation or other legal proceedings related to investment activities? If so, provide a brief explanation and indicate the current status.

A11. 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?

A12. Does your firm provide investment management services to U.S. tax-exempt investors? If yes, to what extent?

A13. Does your firm permit its staff members to serve on boards of directors? If so, are any restrictions placed on this activity and how is their director compensation treated? Please attach as Appendix 4 your firm’s Conflict of Interest Policy and a description of policy enforcement procedures.

A14. Has your firm adopted the CFA Code of Ethics and Standards of Professional Conduct? If so, how is employee compliance monitored? If not, please explain why.

#### B. FIRM ASSETS UNDER MANAGEMENT

B1. Please complete the following table:

|  | 12/31/2015 | | 12/31/2016 | | 12/31/2017 | | 12/31/2018 | | 12/31/2019 | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | AUM (in millions) | # of clients | AUM (in millions) | # of clients | AUM (in millions) | # of clients | AUM (in millions) | # of clients | AUM (in millions) | # of clients |
| Total discretionary AUM |  |  |  |  |  |  |  |  |  |  |
| Total non-discretionary AUM |  |  |  |  |  |  |  |  |  |  |
| Total AUM |  |  |  |  |  |  |  |  |  |  |

B2. Please complete the following table.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2015 | | 2016 | | 2017 | | | 2018 | | 2019 | |
|  | AUM (in millions) | # of clients | AUM (in millions) | # of clients | AUM (in millions) | # of clients | AUM (in millions) | | # of clients | AUM (in millions) | # of clients |
| Accounts Gained |  |  |  |  |  |  |  | |  |  |  |
| Accounts Lost |  |  |  |  |  |  |  | |  |  |  |
| Net Gain/Loss |  |  |  |  |  |  |  | |  |  |  |

B3. Please discuss the reasons for the lost accounts indicated in the table above.

B4. As of 12/31/19, list all the asset classes and strategies managed by the firm using the table below as a guide. You may edit strategy/asset class names, as applicable.

| Strategy/Asset Class | AUM(in millions) |
| --- | --- |
| Core |  |
| Core Plus |  |
| High Yield |  |
| Total Fixed Income |  |
|  |  |
| International Equity Developed |  |
| Emerging Markets |  |
| Total International Equity |  |
|  |  |
| Small Cap |  |
| Large Cap |  |
| Total Domestic Equity |  |
|  |  |
| Total Firm AUM |  |

B5. As of 12/31/19, provide an AUM breakout by client type using the table below.

|  |  |
| --- | --- |
| Client Type | AUM (in millions) |
| Corporate |  |
| Public Fund |  |
| Union/multi-employer |  |
| Foundation and endowment |  |
| Insurance |  |
| High-net-worth individuals |  |
| Wrap accounts |  |
| Sub-advised assets |  |
| Other, please explain |  |
| Total Firm AUM |  |

B6. Does the firm provide any products or services other than investment management? If so, elaborate on these services and indicate respective percentage of firm-wide revenues from each service other than providing investment management to clients.

#### C. PERSONNEL

C1. Please provide your firm’s organization chart as of December 31, 2019. (Attach as Appendix 5)

C2. Please list all principal officers, and portfolio managers (key personnel) in the attached spreadsheet. Highlight the person(s) who would be responsible for the IMRF account. Complete all three tabs. Please submit in originally provided format (Attached as Appendix 6)



C3. Please provide biographies for all key personnel. (Attach as Appendix 7)

C4. What is the turnover of professional staff over the last five years? Please list professional staff positions hired, resigned, and terminated within the last five years, including a description of each position and the reason for the hire, resignation and/or termination, and whether the position was replaced or eliminated.

C5. If applicable, please describe any plans to increase personnel at the firm and at what levels/positions.

C6. Please discuss the compensation package available to your firm’s professional staff, including any incentive bonuses and how they are awarded. Please be detailed and specific without necessarily disclosing dollar amounts.

C7. What other programs do you have in place to retain key staff? Please be detailed and specific.

C8. Does your firm have a diversity policy for hiring employees? If so, please attach as Appendix 8.

C9. What recruitment activities does your firm have in place to hire minorities and women?

C10. Describe your firm’s back-up procedures in the event the key investment professional assigned to this account should leave the firm or be transferred to other accounts or duties.

D. COMPLIANCE

No person or entity shall retain a person or entity to attempt to influence the outcome of an investment decision of or the procurement of investment advice or services of a retirement system, pension fund, or investment board of this Code for compensation, contingent in whole or in part upon the decision or procurement of IMRF. If selected, your firm will be required to sign a disclosure form (Exhibit B) which shall include the date and amount of each payment and the name and address of each recipient of a payment. The investment manager or bank must also promptly update this disclosure after any modification of these payments or after making additional payments or new payments not previously reported.

D1. Does your firm, or parent firm, have Errors and Omissions Insurance? If yes, for what amount? Please attach evidence of your coverage as Appendix 9.

D2. Does your firm, or parent firm, have Directors’ and Officers’ Insurance? If yes, for what amount? Please attach evidence of your coverage as Appendix 10.

D3. Does your firm, or parent firm, have Fiduciary Liability Insurance? If yes, for what amount? Please attach evidence of your coverage as Appendix 11.

D4. Is your firm, or parent firm, bonded? If yes, for what amount? Please attach evidence of your coverage as Appendix 12.

D5. Does the firm have a Chief Compliance Officer (CCO)? If so, to whom does the CCO report? Does the CCO have other roles at the firm and what resources are available to the CCO? Please provide a biography of the CCO.

D6. When was your firm’s last regulatory inspection (e.g., by the SEC in the United States)? Please attach the inspection results as Appendix 13.

D7. Are you currently out of compliance with the SEC, DOL, or any other regulatory agency? If yes, please explain. Please provide a copy of your most recent ADV Part I and Part II (Attach as Appendix 14).

D8. Has any regulatory body or market authority issued any orders or other sanctions against your firm in the last ten years? Please discuss any inquiries your firm has received from the SEC during the past ten years. Has your firm received deficiency letters? If yes, please attach as Appendix 15.

D9. Have auditors ever issued a qualified opinion on your financial statements? If yes, please explain and attach a copy (Attach as Appendix 16). Additionally, please describe any auditor changes over the past five years.

D10. Please identify whether your firm prepares its financial statements in accordance with U.S. Generally Accepted Accounting Principles (GAAP), or different financial reporting standards, including International Financial Reporting Standards (IFRS).

D11. What policies do you have in place to address potential conflicts of interest? Please list any potential conflicts of interest that may be inherent in the proposed strategy.

E. PRODUCT SECTION – International Equity

INVESTMENT PHILOSOPHY AND PROCESS

E1. Please briefly describe your firm’s investment philosophy for the strategy you are proposing. How has it changed since the inception of this product? What distinguishes your firm from other manager of managers with respect to this product?

E2. Please discuss your entire investment process including resources and tools used for

* sourcing of underlying MWBE managers
* due diligence of underlying MWBE managers
* selection of underlying MWBE managers
* portfolio construction
* portfolio and underlying MWBE manager monitoring (guideline compliance, performance, organizational)
* portfolio risk management
* underlying MWBE manager assistance
* underlying MWBE manager graduation (policy/criteria)
* underlying MWBE manager termination (policy/criteria)
* rebalancing/use of transition managers

E3. Please complete the following table, identifying the MWBE (as defined by Illinois Pension Code) managers/strategies which your firm has experience with. You may add rows for more than one strategy with a manager. Use the format and data fields below and attach as Appendix 17.

| International Equity MWBE Manager Name | MWBE Firm AUM | Strategy Name | # of Clients per Strategy | Aggregate Client AUM per Strategy | Minority Classification |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
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|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

E4. Please provide an underlying MWBE manager due diligence report.

PROPOSED PRODUCT INFORMATION (If available, answer the questions below based on an existing international equity mandate. If not available, please complete based on a hypothetical international equity mandate.)

E5. Provide the name of the strategy and indicate if it is an existing or hypothetical mandate. All remaining questions should be answered based on the strategy named in E5.

E6. With respect to this product, who is responsible for investment strategy, manager due diligence, manager selection, portfolio construction, etc.? Discuss their specific roles within the investment team and relevant experience.

E7. Is the MSCI ACWI ex-US Index most appropriate benchmark for this strategy? If not, why not? What is the investment objective of this strategy?

E8. Assuming a $100 million mandate benchmarked to the MSCI ACWI ex-US Index, complete the table with respect to the underlying MWBE managers proposed for this strategy.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Manager Name | Minority Classification | Strategy  Name | Expected % Allocation | Strategy  AUM | Firm AUM |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

E9. Please complete the following table and specify the benchmark and inception date.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1 Year  Ending  12/31/19 | 3 Years  Ending  12/31/19 | 5 Years  Ending  12/31/19 | 10 Years  Ending  12/31/19 | Since Inception  Ending  12/31/19 |
| Return Gross of Fees |  |  |  |  |  |
| Return Net of Fees |  |  |  |  |  |
| Benchmark Return |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Return Gross of Fees |  |  |  |  |  |  |  |  |  |  |
| Return Net of Fees |  |  |  |  |  |  |  |  |  |  |
| Benchmark Return |  |  |  |  |  |  |  |  |  |  |

E10. Please complete the following characteristics as of 12/31/19.

|  |  |  |
| --- | --- | --- |
| Characteristic | Product | Benchmark  (Please Specify) |
|
| Weighted Avg Market Cap |  |  |
| Median Market Cap |  |  |
| Dividend Yield |  |  |
| Price/Book |  |  |
| Price/Sales |  |  |
| Price/Cash Flow |  |  |
| Price/Earnings |  |  |
| Number of Holdings |  |  |

E11. Please provide the sector weights as of 12/31/19. You may edit/add sectors as applicable.

|  |  |  |
| --- | --- | --- |
| Sector | Product | Benchmark  (Please Specify) |
| Cons. Discretionary |  |  |
| Cons. Staples |  |  |
| Energy |  |  |
| Finance |  |  |
| Health |  |  |
| Industrials |  |  |
| Info. Technology |  |  |
| Materials |  |  |
| Real Estate |  |  |
| Comm. Services |  |  |
| Utilities |  |  |

E12. Please provide the country weights as of 12/31/19. You may edit/add country names as applicable.

| Country | Product | Benchmark  (Please Specify) |
| --- | --- | --- |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

E13. What is the expected or targeted tracking error range? What is the actual annualized tracking error for the three year period ended December 31, 2019?

E14. Please provide a sample client report for this strategy. (Attach as Appendix 18)

E15. Please provide a representative client list for the strategy proposed.

E16. Please complete the Firm/Product Summary below. *Note: If your firm is submitting an RFP for multiple products, a Firm Product Summary exhibit must be completed for each product being submitted.* (Attach as Appendix 19)



F. PRODUCT SECTION – Fixed Income

INVESTMENT PHILOSOPHY AND PROCESS

F1. Please briefly describe your firm’s investment philosophy for the strategy you are proposing. How has it changed since the inception of this product? What distinguishes your firm from other manager of managers with respect to this product?

F2. Please discuss your entire investment process including resources and tools used for

* sourcing of underlying MWBE managers
* due diligence of underlying MWBE managers
* selection of underlying MWBE managers
* portfolio construction
* portfolio and underlying MWBE manager monitoring (guideline compliance, performance, organizational)
* portfolio risk management
* underlying MWBE manager assistance
* underlying MWBE manager graduation (policy/criteria)
* underlying MWBE manager termination (policy/criteria)
* rebalancing/use of transition managers

F3. Please complete the following table, identifying the MWBE (as defined by Illinois Pension Code) managers/strategies which your firm has experience with. You may add rows for more than one strategy with a manager. Use the format and data fields below and attach as Appendix 20.

| Fixed Income MWBE Manager Name | MWBE Firm AUM | Strategy Name | # of Clients per Strategy | Aggregate Client AUM per Strategy | Minority Classification |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
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|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

PROPOSED PRODUCT INFORMATION (If available, answer the below questions based on an existing fixed income mandate. If not available, please complete based on a hypothetical fixed income mandate.)

F4. Please provide an underlying MWBE manager due diligence report.

F5. Provide the name of the strategy and indicate if it is an existing or hypothetical mandate. All remaining questions should be answered based on the strategy named in F5.

F6. With respect to this product, who is responsible for investment strategy, manager due diligence, manager selection, portfolio construction, etc.? Discuss their specific roles within the investment team and relevant experience.

F7. Is the Bloomberg Barclays U.S. Aggregate Index the most appropriate benchmark for this strategy? If not, why not? What is the investment objective of this strategy?

F8. Assuming a $100 million mandate benchmarked to the Bloomberg Barclays U.S. Aggregate Index, complete the table with respect to the underlying MWBE managers proposed for this strategy.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Manager Name | Minority Classification | Strategy  Name | Expected % Allocation | Strategy  AUM | Firm AUM |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

F9. Please complete the following table and specify the benchmark and inception date.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 1 Year  Ending  12/31/19 | 3 Years  Ending  12/31/19 | 5 Years  Ending  12/31/19 | 10 Years  Ending  12/31/19 | Since Inception  Ending  12/31/19 |
| Return Gross of Fees |  |  |  |  |  |
| Return Net of Fees |  |  |  |  |  |
| Benchmark Return |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
| Return Gross of Fees |  |  |  |  |  |  |  |  |  |  |
| Return Net of Fees |  |  |  |  |  |  |  |  |  |  |
| Benchmark Return |  |  |  |  |  |  |  |  |  |  |

F10. Please complete the following characteristics as of 12/31/19.

|  |  |  |
| --- | --- | --- |
| Characteristic | Product | Benchmark  (Please Specify) |
|
| Credit Quality |  |  |
| Coupon |  |  |
| Effective Duration |  |  |
| Convexity |  |  |
| Yield to Worst |  |  |
| Spread to Worst |  |  |
| Average Price |  |  |

F11. Please provide the sector weights as of 12/31/19. You may add/edit sectors, as applicable.

|  |  |  |
| --- | --- | --- |
| Sector | Product | Benchmark  (Please Specify) |
| US Treasuries |  |  |
| Non-US Sovereign |  |  |
| Corporate |  |  |
| MBS |  |  |
| Agency |  |  |
| ABS |  |  |
| CMBS |  |  |
| Municipal |  |  |

F12. Please provide credit quality breakout as of 12/31/19. You may edit/add credits, as applicable.

|  |  |  |
| --- | --- | --- |
| Credit | Product | Benchmark  (Please Specify) |
| Aaa |  |  |
| Aa |  |  |
| A |  |  |
| Baa |  |  |
| Ba |  |  |
| B |  |  |
| Caa |  |  |
| Ca |  |  |
| C |  |  |
| NR |  |  |

F13. What is the expected or targeted tracking error range? What is the actual annualized tracking error for the three year period ended December 31, 2019?

F14. Please provide a sample client report for this strategy. (Attach as Appendix 21)

F15. Please provide a representative client list for the strategy proposed.

F16. Please complete the Firm/Product Summary below. *Note: If your firm is submitting an RFP for multiple strategies, a Firm Product Summary exhibit must be completed for each product being submitted.* (Attach as Appendix 22)



G. RISK MANAGEMENT

G1. How does your firm define risk?

G2. How does your firm monitor risk? What tools and/or preferred metrics do you utilize in order to monitor/evaluate risk across individual markets, asset classes, and client portfolios?

G3. Describe your firm’s approach to identifying and managing ESG factors within the investment and portfolio management process. Provide a copy of the policy, if available (Attach as Appendix 23). If not, indicate whether you are considering adopting a responsible investment policy. Are you a PRI signatory?

G4. Does your firm budget risk with regards to how you weight managers within the fund versus the amount of risk your managers are taking? If so please describe.

G5. Does your firm maintain a team or Chief Risk Officer dedicated to risk management?

H. MWBE PROGRAM

IMRF’s definition of MWBE managers can be found at

[(30 ILCS 575/) Business Enterprise for Minorities, Women, and Persons with Disabilities Act.](http://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=550&ChapterID=7)

H1. Do you have an investment manager database that is made available to clients? Does your investment manager database identify MWBE managers as defined by the Illinois Pension Code? Please describe how MWBE firms are added to your database. Do investment managers pay a fee to be included in your database? If so, please explain.

H2. Has anyone in your firm attended or testified at the Illinois Senate Committee on Pensions and Investments Minority and Woman Investment Hearings? If so, please list the person(s) from your firm that attended.

|  |  |  |
| --- | --- | --- |
| Hearing Date | Attended, Testified or Both | Name |
|  |  |  |
|  |  |  |
|  |  |  |

### H3. Does your firm host conferences and/or workshops specifically for MWBE investment managers? If so, please list the event and date it was held

|  |  |
| --- | --- |
| Date | Event Name |
|  |  |
|  |  |
|  |  |
|  |  |
|  |  |

### H4. How does your firm stay in contact with developments in the MWBE investment manager and broker community?

H5. IMRF has specific asset class goals for the utilization of MWBE broker/dealers. [(See IMRF’s Statement of Investment Policy)](https://www.imrf.org/en/investments/policies-and-charter/investment-policies) Does your firm currently have clients that have MWBE brokerage goals for Fixed Income and International Equity strategies? If so, please describe your role to ensure the client’s goals are met.

H6. Please complete the table below.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 2019 | 2018 | 2017 | 2016 |
| Number of meetings held with Minority, Women and Disabled owned firms |  |  |  |  |

### I. FEE PROPOSAL: Assuming $100 million mandate

I1. Please list your fee schedule for your proposed product (s).

I2. On average, what percentage of your fees are paid to underlying managers?

### APPENDICES TO QUESTIONNAIRE:

|  |  |
| --- | --- |
| Appendix 1 | Organization Chart/Ownership Structure |
| Appendix 2 | Annual Financial Reports Filed with SEC |
| Appendix 3 | Business Continuation/Disaster Recovery Policies and Procedures |
| Appendix 4 | Conflict of Interest Policy |
| Appendix 5 | Organization Chart |
| Appendix 6 | Key Personnel Chart |
| Appendix 7 | Key Personnel Biographies |
| Appendix 8 | Diversity Hiring Policy |
| Appendix 9 | Errors and Omissions Insurance |
| Appendix 10 | Directors’ and Officers’ Insurance |
| Appendix 11 | Fiduciary Liability Insurance |
| Appendix 12 | Bonded Coverage |
| Appendix 13 | SEC Inspection Results |
| Appendix 14 | ADV Part I and Part II |
| Appendix 15 | Deficiency Letters |
| Appendix 16 | Qualified Opinion Letter |
| Appendix 17 | List of Manager Names and Strategies |
| Appendix 18 | Sample Client Report-International Equity |
| Appendix 19 | Firm and Product Summary- International Equity |
| Appendix 20 | List of Manager Names and Strategies |
| Appendix 21 | Sample Client Report-Fixed Income |
| Appendix 22 | Firm and Product Summary- Fixed Income |
| Appendix 23 | ESG Policy |

### Exhibit A. High Risk Home Loan Act Certification

High Risk Home Loan Act

INSTRUCTIONS

In order for an Illinois finance entity to be eligible to invest or deposit IMRF funds, it must annually certify that it complies with the requirements of the High Risk Home Loan Act (815 ILCS 137). The full text of the Act can be found at [www.ilga.gov](http://www.ilga.gov); click on: Illinois Compiled Statutes; click on: Chapter 815 Business Transactions lastly, click on: 815 ILCS 137/ High Risk Home Loan Act.

An Illinois finance entity is defined by the Illinois Pension Code (40 ILCS 5/1-110.10(a)) 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 finance entity given above, please advise us of your status by checking the appropriate box on the certification page. For those entities that are an Illinois finance entity, please also complete the Certification of Compliance *Illinois High Risk Home Loan Act* form.

All Managers / Consultants MUST complete the first page of this form.

Illinois Finance Entity Certification

Yes, we are an Illinois finance entity as defined by the Illinois Pension Code (40 ILCS 5/1-110.10 (a))

(Please complete the Certification of Compliance *Illinois High Risk Home Loan*

*Act* form attached.)

No, we are not an Illinois finance entity as defined by the Illinois Pension Code (40 ILCS 5/1-110.10 (a)) (Please skip the Certification of Compliance *Illinois High Risk Home Loan Act* form attached.)

|  |
| --- |
| INVESTMENT MANAGER / CONSULTANT: |
| Company Name: |
| Signature: |
| Printed Name |
| Title: |
| Dated: |

Illinois Municipal Retirement Fund

Certification of Compliance

*Illinois High Risk Home Loan Act*

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, serving in the capacity of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, on this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2020, 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, (815 ILCS 137) (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 Illinois Municipal Retirement 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 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2020.

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

Notary

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

(*Seal*)

(Firm)

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

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

High Risk Home Loan Act

### Exhibit B. Disclosure of Fees, Commissions, Penalties and Other Compensation Certification

INSTRUCTIONS

Under the Illinois Pension Code, Investment Advisors and Consultants must annually certify that they are in compliance with certain sections of the Code in order to be eligible to provide services to an Illinois public pension fund.

All Managers / Consultants MUST complete this form.

Disclosure of Fees, Commissions, Penalties and Other Compensation Certification

Section 1-113.14(c) of the Illinois Pension Code (40 ILCS 5/1-113.14(e)) provides as follows:

*(e)… each investment adviser or consultant currently providing services or subject to an existing contract for the provision of services must disclose to the board of trustees all direct and indirect fees, commissions, penalties, and other compensation paid by or on behalf of the investment adviser or consultant in connection with the provision of those services and shall update that disclosure promptly after a modification of those payments or an additional payment. The disclosures required by this subsection (e) shall be in writing and shall include the date and amount of each payment and the name and address of each recipient of a payment.*

Pursuant to the foregoing, the undersigned (“Investment Manager or Consultant”) covenants, warrants and represents to the Trustees of the Illinois Municipal Retirement Fund (“IMRF”) as follows:

1. Investment Manager/Consultant and IMRF are parties to an Investment Advisory Agreement dated \_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Agreement”), pursuant to which Investment Manager/Consultant provides investment advisory services to IMRF.

|  |
| --- |
| INVESTMENT MANAGER / CONSULTANT: |
| Company Name: |
| Signature: |
| Printed Name |
| Title: |
| Dated: |

1. There have been no direct or indirect fees, commissions, penalties, or other compensation, including reimbursement for expenses, paid by or on behalf of your firm in connection with the provision of services to IMRF pursuant to the Agreement, except as follows: *(If none, state “none”; otherwise state the date and amount of each payment and the name and address of each recipient of a payment)*:

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

Investment Manager/Consultant shall update the above disclosure promptly after a modification of those payments or an additional payment.

### Exhibit C. IMRF Disclosure Schedule Certification

INSTRUCTIONS

IMRF Disclosure Schedule Certification

For an Investment Advisor or Consultant to be eligible to provide services to the Illinois Municipal Retirement Fund (IMRF), your firm must complete the IMRF Disclosure Schedule Certification, which includes an acknowledgement that your firm is familiar with the provisions of Sections 1-135 and 1-145 of the Code.

All Managers / Consultants MUST complete this form.

IMRF Disclosure Schedule Certification

Page 1 of 2

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ warrants and represents to IMRF as follows:

(Firm Name)

The following is a true, accurate and is a complete list of the names and addresses of (i) your firm; (ii) each entity that is a parent of, or owns a controlling interest in, your firm; (iii) each entity that is a subsidiary of, or in which a controlling interest is owned by your firm; (iv) all persons who have an ownership or distributive income share in your firm that is in excess of 7.5%; and (v) each person who serves as an executive officer of your firm:

(i)

(ii)

(iii)

(iv)

(v)

The following is a true, accurate and a complete list 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 paragraph “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 advisers or partnerships.)

*(If none, state “none”)*

IMRF Disclosure Schedule Certification

Page 1 of 2

IMRF Disclosure Schedule Certification

Page 2 of 2

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ acknowledges that it is familiar with the provisions of

(Firm Name)

Sections 1-135 and 1-145 of the Code, which read in their entirety as follows:

Sec. 1-135 Fraud Any person who knowingly makes any false statement or falsifies or permits to be falsified any record of a retirement system or pension fund created under this Code in an attempt to defraud the retirement system or pension fund is guilty of a Class 3 felony. (40 ILCS 5/1-135)

Sec. 1-145 Contingent and placement fees prohibited No person or entity shall retain a person or entity to attempt to influence the outcome of an investment decision of or the procurement of investment advice or services of a retirement system, pension fund, or investment board of this Code for compensation, contingent in whole or in part upon the decision or procurement. Any person who violates this Section is guilty of a business offense and shall be fined not more than $10,000. In addition, any person convicted of a violation of this Section is prohibited for a period of 3 years from conducting such activities. (40 ILCS 5/1‑145)

|  |
| --- |
| INVESTMENT MANAGER / CONSULTANT: |
| Company Name: |
| Signature: |
| Printed Name |
| Title: |
| Dated: |

IMRF Disclosure Schedule Certification

Page 2 of 2

### Exhibit D. Minority, Woman, and Person with a Disability Owned Business Certification

INSTRUCTIONS

Minority, Woman and Person with a Disability Owned Business Certification

The Illinois Municipal Retirement Fund Board of Trustees has adopted a policy which sets forth goals for increasing the utilization of qualified minority, woman and person with a disability owned business enterprises in the Fund’s management of its investment assets and use of its service providers. As an IMRF investment manager, broker, or service provider, we ask that you confirm if your company meets the requirements to be classified as a “Minority Owned Business” or a “Woman Owned Business” or a “Person with a Disability Owned Business” as detailed in Illinois Statute 30-ILCS-575: Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

When a business concern is owned at least 51% by any combination of minority persons, women, or persons with disabilities, even though none of the 3 classes alone holds at least a 51% interest, the ownership requirement for purposes of this Act is considered to be met. The certification category for the business is that of the class holding the largest ownership interest in the business. If 2 or more classes have equal ownership interests, the certification category shall be determined by the business concern.

The full text of Illinois Statute 30-ILCS-575 can be found at [www.ilga.gov](http://www.ilga.gov); click on: Illinois Compiled Statutes; click on: Chapter 30 Finance; lastly, click on: 30 ILCS 575/ Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

All Managers / Consultants MUST complete this form.

Minority, Woman and Person with a Disability Owned Business Certification

Pursuant to Illinois Statute 30-ILCS-575: Business Enterprise

for Minorities, Women, and Persons with Disabilities Act

 Our firm verifies that it *DOES NOT* meet the requirements to be classified as a “Minority, Woman and/or Person with a Disability Owned Business” as defined in Illinois Statute 30-ILCS-575 Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

 Our firm verifies that it *DOES* meet the requirements to be classified as a: *(must choose ONE)*

 “Minority Owned Business” as defined in Illinois Statute 30-ILCS-575 Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

African American  Asian  Latino  Other

“Woman Owned Business” as defined in Illinois Statute 30-ILCS-575 Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

 “Person with a Disability Owned Business” as defined in Illinois Statute 30-ILCS-575 Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

If your firm *DOES* meet the requirements to be classified as a “Minority, Woman and/or Person with a Disability Owned Business” as defined in Illinois Statute 30-ILCS-575 Business Enterprise for Minorities, Women, and Persons with Disabilities Act, please select your firm’s AUM:

$10 million but less than $10 billion

Equal to or greater than $10 billion

*Note*: *If your firm is certified as a Minority Owned Business by a State or local government entity, please include a copy of that certification.*

|  |
| --- |
| INVESTMENT MANAGER / CONSULTANT: |
| Company Name: |
| Signature: |
| Printed Name |
| Title: |
| Dated: |

### Exhibit E. EEOC Diversity Profile Template

Equal Employment Opportunity Commission Statistics

All of IMRF’s domestic equity, fixed income, international equity, real estate, alternative investment managers, and investment consultants are required to provide IMRF, on an annual basis, data on the ethnic make-up of their employee base. This information is reported to the Illinois Governor and General Assembly as part of IMRF’s Annual Diversity Report.

We ask for your cooperation in providing us with your firm’s ethnic make-up information as of December 31, 2019. An Excel template is attached for completion.

All data should be for Full-Time employees and is as of the most current date available by the managers.

Please list all individuals employed by your firm (add additional rows as needed)

\* Other minority represents those classifications not listed in the table



Exhibit F. Disclosures per Illinois Pension Code Section 1-113.21

Beginning January 1, 2015, section 1-113.21 of the Illinois Pension Code requires the following disclosure from the investment advisor, consultant or private market fund. Please complete items numbered 1, 2 and 3.

Name of investment advisor, consultant, or private market fund: Enter Name Here

Data as of: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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 disability1.

[A numerical value must be entered in each box. If this information is not available or your firm does not track, enter 0.]

|  |  |  |
| --- | --- | --- |
| Staff Classification | Number of Investment and Senior Staff Who Are | % Percentage of Investment and Senior Staff Who Are |
| Minority person |  | % |
| Woman |  | % |
| Person with a Disability |  | % |

1. 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) woman owned business, or (iii) a business owned by a person with a disability1.

[A numerical value must be entered in each box. If this information is not available or your firm does not track, enter 0.]

|  |  |
| --- | --- |
| Business Classification | Number of Contracts |
| Minority owned business |  |
| Woman owned business |  |
| Business owned by a person with a disability |  |

1. 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) woman 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 (i) a minority person, (ii) a woman, and (iii) a person with a disability1.

[A numerical value must be entered in each box. If this information is not available or your firm does not track, enter 0.]

|  |  |
| --- | --- |
| Classification of Person Performing Services at Majority owned firm | Number of Contracts |
| Minority person |  |
| Woman |  |
| Person with a Disability |  |

|  |
| --- |
| INVESTMENT ADVISOR / CONSULTANT/ PRIVATE MARKET FUND: |
| Company Name: |
| Signature: |
| Printed Name: |
| Title: |
| Dated: |

Illinois Public Act 98-1022 website: <http://www.ilga.gov/legislation/publicacts/98/PDF/098-1022.pdf>

Business Enterprise for Minorities, Women and Persons with Disabilities Act website: <http://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=550&ChapterID=7>

1Definitions per Illinois Law

Illinois Legislation & Laws website: <http://www.ilga.gov/>

"Contract" means all types of [State] agreements, regardless of what they may be called, for the procurement, use, or disposal of supplies, services, professional or artistic services, or construction or for leases of real property where the [State] is the lessee, or capital improvements, and including renewals, master contracts, contracts for financing through use of installment or lease-purchase arrangements, renegotiated contracts, amendments to contracts, and change orders.

 “Investment adviser”, "investment advisor", or "investment manager" with respect to a pension fund or retirement system established under Illinois Code if the person:

(1) is a fiduciary appointed by the board of trustees of the pension fund or retirement system in accordance with Section 1-109.1;

(2) has the power to manage, acquire, or dispose of any asset of the retirement system or pension fund;

(3) has acknowledged in writing that he or she is a fiduciary with respect to the pension fund or retirement system; and

(4) is at least one of the following: (i) registered as an investment adviser under the federal Investment Advisers Act of 1940 (15 U.S.C. 80b-1, et seq.); (ii) registered as an investment adviser under the Illinois Securities Law of 1953; (iii) a bank, as defined in the Investment Advisers Act of 1940; or (iv) an insurance company authorized to transact business in this State.

“Minority person” means a person who is a citizen or lawful permanent resident of the United States and who is a member of a minority as defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act.

"Minority owned business" means a business concern which is at least 51% owned by one or more minority persons, or in the case of a corporation, at least 51% of the stock in which is owned by one or more minority persons; and the management and daily business operations of which are controlled by one or more of the minority individuals who own it.

"Woman owned business" means a business concern which is at least 51% owned by one or more woman, or, in the case of a corporation, at least 51% of the stock in which is owned by one or more woman; and the management and daily business operations of which are controlled by one or more of the woman who own it.

"Business owned by a person with a disability" means a business concern that is at least 51% owned by one or more persons with a disability and the management and daily business operations of which are controlled by one or more of the persons with disabilities who own it. A not-for-profit agency for persons with disabilities that is exempt from taxation under Section 501 of the Internal Revenue Code of 1986 is also considered a "business owned by a person with a disability".

### Exhibit G. Certificates of Insurance

Certificates of Insurance

Please fill out the table below detailing your current insurance coverage, and submit a copy of these Certificates of Insurance, along with any other insurance required by law.

|  |  |  |
| --- | --- | --- |
| **Insurance Type** | **Amount of Coverage** | **Amount of Each Occurrence** |
| **Professional Liability Insurance including Errors & Omissions** |  |  |
| **Financial Institution Blanket Bond Coverage including Computer Crime** |  |  |
| **Commercial General Liability** |  |  |
| **Umbrella Liability coverage** |  |  |
| **Workers’ Compensation** |  |  |
| **Employers Liability** |  |  |

1. A minority investment manager is defined as a qualified investment manager that manages an investment portfolio and meets the definition of “minority owned business,” “women owned business” or “business owned by a person with a disability” as defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act. Minority firms must be 51% or more owned by individuals that are minorities, women or persons with a disability and are citizens or lawful permanent residents of the United States. For a complete definition, go to the following website: [(30 ILCS 575/) Business Enterprise for Minorities, Women, and Persons with Disabilities Act.](http://www.ilga.gov/legislation/ilcs/ilcs3.asp?ActID=550&ChapterID=7) [↑](#footnote-ref-1)