

**Request for Proposals**

**Global Customized Private Equity Separate Account Search**

## *PART 1 – INTRODUCTION AND GOAL OF THE RFP*

### 1.1 INTRODUCTION - General Information

The Illinois Municipal Retirement Fund (“IMRF”) is requesting proposals from investment management firms offering a Global Customized Private Equity Separate Account. In order to be considered, investment management firms must have custom separate account capabilities and the ability to transfer in, manage and monitor an existing private equity funds separate account portfolio, if needed. IMRF has at least $50 million to initially allocate to this mandate. IMRF has a preference for an Open-End Fund-of-One structure and proposals solely comprised of commingled fund products will not be considered.

In order to be considered, investment manager proposals must be able to make global primary fund commitments, including minority-owned managers[[1]](#footnote-1)(as defined by the Illinois Pension Code) and opportunistically invest in secondary funds and co-investments. Private equity subsectors can include buyout, growth equity, venture capital, mezzanine and special situations. IMRF has a preference for investment management firms that primarily focus on discretionary mandates in a non-advisory capacity. Multiple investment management firms offering private equity separate accounts may be considered for the mandate. Please refer to Part 4 of this RFP for qualifications for the assignment.

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 Investment Department staff (“Staff”) and IMRF’s investment consultant (“Consultant”), Callan Associates. The final candidate(s) will make formal presentations to the Investment Committee of the IMRF Board of Trustees (“Board”). Selection of the investment manager(s) is subject to final approval by the IMRF Board.

### 1.2 GOAL

IMRF is soliciting proposals from qualified investment management firms for an investment in a global private equity separate account, structured as an Open-End Fund-of-One. 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 global allocations to primary funds, including minority-owned managers and opportunistically to secondary funds and co-investments as well as have the ability to transfer in, manage and monitor an existing separate account private equity funds portfolio, if needed. Private equity subsectors include buyout, growth equity, venture capital, mezzanine, special situations.

### 1.3 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.

### 1.4 QUIET PERIOD

The Quiet Period begins on February 5, 2018 and is the period of time beginning when the investment manager search RFP is issued and ends when the investment management firm(s) is(are) selected by the IMRF Board or the process is declared to be complete.

Respondents should direct all questions and communications regarding this investment management search during the quiet period to Callan Associates LLC at[delucea@callan.com](mailto:delucea@callan.com), [bise@callan.com](mailto:bise@callan.com) and IMRF at [privatemarkets@imrf.org](mailto:privatemarkets@imrf.org).

Incumbent investment management firm respondents may communicate with the IMRF Board members during the Quiet Period, but may not discuss this investment management search with IMRF Board members during the Quiet Period. The purpose of the Quiet Period is to ensure that all prospective investment managers 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 investment managers 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 investment management 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 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 public pension plan established and governed by the Illinois Pension Code (40 ILCS 5/1-101 et seq).

### 2.2 STATEMENT OF INVESTMENT POLICY

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.  
  
Within this framework the Board seeks to optimize the total return on the Fund’s portfolio through a policy of diversified investment to achieve maximum rates of return within a parameter of prudent risk as measured on the total portfolio.

IMRF’s current Statement of Investment Policy 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.

### 2.3 PORTFOLIO DESCRIPTION

IMRF’s portfolio is a diversified and global portfolio having a total market value of approximately $41 billion as of December 31, 2017. IMRF’s Alternative Investment portfolio is $1.4 billion in net asset value and $924 million in unfunded commitments as of December 31, 2017. Private Equity represents 89% of the Alternative Investments portfolio. IMRF’s strategic asset allocation targets are as follows:

|  |  |  |
| --- | --- | --- |
| Asset Class | Actual Allocation as of 12/31/17 | Strategic Target |
| Domestic Equity | 43.3% | 38.0% |
| International Equity | 20.6% | 16.0% |
| Fixed Income | 27.0% | 29.0% |
| Real Estate\* | 5.3% | 8.0% |
| Alternative Investments\*  (i.e. Unlisted Infrastructure, Private Equity, Agriculture, Timber) | 3.5% | 8.0% |
| Cash | 0.3% | 1.0% |
| Total | 100.0% | 100.0% |

\* As of December 31, 2017, the allocation including unfunded commitments to alternative and real estate investments were 5.8% and 8.8%, respectively.

### 2.4 PORTFOLIO LONG TERM OBJECTIVES FOR THIS ASSIGNMENT:

The investment manager shall primarily allocate capital globally to primary funds, including minority-owned managers and opportunistically to secondary funds and co-investments, as well as have the ability to transfer in, manage and monitor an existing separate account private equity funds portfolio, if needed. Private equity subsectors include buyout, growth equity, venture capital, mezzanine and special situations.

IMRF expects to make annual allocations beyond the initial allocation for custom separate accounts. The primary objective for this account is to deliver superior returns by investing capital in top tier private equity managers. The account will also be evaluated based on portfolio construction in terms of strategy weightings, allocation to top performing managers and geography.

## *PART 3 -- 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. Such recommendations include but are not limited to: (a) the allocation of assets among primary funds, including minority-owned managers and opportunistically to secondaries and co-investment opportunities globally and; (b) the ability to transfer in, manage and monitor an existing separate account private equity funds portfolio, if needed.
2. To report to the Fund in most instances monthly, but at least quarterly, on the composition and relative performance of the investments in their designated portfolios; the economic and investment outlook for the near and long term; pipeline of potential investments; significant changes in the portfolio under their management during the quarter; and discussions on portfolio performance and construction.
3. At a minimum, to report to the IMRF, in writing, quarterly financial statements and annual audited financial statements, including capital account balance statement (quarter, year and inception-to-date) and a schedule of investments.
4. To represent IMRF’s best interest in legal negotiations for investments and on Limited Partner Advisory Boards (where applicable).
5. Additional responsibilities as detailed in the legal agreement and related documents.

## *PART 4 – Qualifications for the assignment*

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

IMRF has a preference for investment management firms that primarily focus on discretionary mandates from non-advisory firms.

Eligible firms must have custom separate account capabilities and the ability to transfer in, manage and monitor an existing separate account private equity funds portfolio.

Eligible firms must be able to make global primary fund commitments, including minority-owned managers and opportunistically to secondary funds and co-investments. Private equity subsectors can include buyout, growth equity, venture capital, mezzanine and special situations.

IMRF has a preference for an Open-End Fund-of-One structure and proposals solely comprised of commingled products will not be considered.

IMRF has a preference for managers who do not charge carried interest on primary fund investments.

Depending on the firm, the firm may need to 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 agree to act as a fiduciary with respect to 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.

## *PART 5 – Specifications for the assignment*

Investment Manager (s) approved by the IMRF Board of Trustees will execute a final investment contract (i.e. Investment Management Agreement, Limited Partnership Agreement, etc.) that 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. In addition, IMRF will require the successful firm(s) to acknowledge, in writing, that it is (they are) a fiduciary with respect to the investment vehicle. The following certifications will also be required:

1. Exhibit A: IMRF Disclosure Schedule of Certification
2. Exhibit B: High Risk Home Loan Act Certification
3. Exhibit C: Illinois Governmental Ethics Act Certification

### 5.1 IDEMNIFICATION AND STANDARD OF CARE PROVISIONS

For consideration of investment, IMRF expects a form of the following standard Indemnification and Standard of Care provisions in the legal documents.

1. *Indemnification:*

To the fullest extent permitted by law, the Partnership shall defend, indemnify and hold harmless each of the Indemnifying Parties from and against all liability, loss, damage, cost and expenses, including without limitation reasonable attorney’s fees, and all claims, suits , and demands therefore, (“Losses”) in respect of or arising from the affairs of the partnership except to the extent arising as a result of (1) any breach by the of the Standard of Care, (2) negligence, wrongful or intentional misconduct, bad faith or fraud or (3) any violation of applicable law that has a material adverse effect on Partnership, provided that the Partnership shall have no liability for indirect or punitive damages.

The General Partner shall indemnify the partnership for any Losses in respect of (1) any breach by the General Partner of the Standard of Care, (2) negligence, wrongful or intentional misconduct, bad faith or fraud or (3) any violation of applicable law by the General Partner that has a material adverse effect on Partnership, provided that the Partnership.

1. *Standard of Care:*

The General Partner acknowledges it is a fiduciary to the partnership and shall discharge its duties under this Agreement with the care, skill, prudence and diligence under circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, and will conduct itself and exercise its authority in accordance with the fiduciary standards set forth in ERISA and the Illinois Pension Code, as amended (the “Standard of Care”).

### 5.2 SAMPLE SIDE LETTER

IMRF’s sample standard side letter is attached. At the time of contract, IMRF expects the attached standard provisions to be part of the side letter. Additional provisions may be added after full review of legal documents and dependent on legal negotiations.



## *PART 6 – RFP OBJECTIVE*

### 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 continuing contract between the successful respondent(s) and IMRF.

D. Must be completed and submitted in original format.

### 6.2 RFP DUE DATE AND DELIVERY

This RFP is available in the Business Opportunities section of the Investments tab on the IMRF website at [www.imrf.org](http://www.imrf.org). **Responses are required to be submitted electronically in their original format to** [privatemarkets@imrf.org](mailto:privatemarkets@imrf.org),[delucea@callan.com](mailto:delucea@callan.com) **and** [bise@callan.com](mailto:bise@callan.com) **no later than end of business day, February 23, 2018.**

#### In addition, four hard copies of the proposal and one electronic copy of the submission on either a USB flash drive or CD-ROM must be received by IMRF no later than end of business day, February 23, 2018. 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, an electronic copy of the submission should be provided on either a CD-ROM or USB flash drive to Callan Associates no later than the end of business day, February 23, 2018. This submission must be addressed and delivered to:

**Callan Associates**

**600 Montgomery Street, Suite 800**

**San Francisco, CA 94111**

**Attn: Ashley Deluce – IMRF**

To participate as a candidate in IMRF’s private equity Open-End Fund-of-One search, your firm must have up-to-date information in Callan’s general private equity manager search database. All information in Callan’s database will be treated confidentially. If you are not sure if your information is up to date, please contact Ashely De Luce ([delucea@callan.com](mailto:delucea@callan.com) or 415-274-3032) in Callan’s Private Equity Group. Callan’s general private equity manager search database must be updated no later than end of business day, February 23, 2018.

All proposals must be complete in every respect and must answer concisely and clearly all questions asked in the original format of this RFP.

If you plan to submit multiple products, please submit one RFP response and multiple product specific sections as necessary.

Late proposals will not be accepted.

### 6.3 TIMELINE

While there is no fixed date for the selection of a Global Customized Private Equity Separate Account(s), it is anticipated that the selection will be completed by May 18, 2018.

### 6.4 INQUIRIES

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

Inquiries must be submitted to Callan Associates at [delucea@callan.com](mailto:delucea@callan.com), [bise@callan.com](mailto:bise@callan.com) and IMRF at [privatemarkets@imrf.org](mailto:privatemarkets@imrf.org).

Inquiries must be received no later than end of business day February 15, 2018. After February 15, 2018, if a question appears unclear to you, please state your interpretation of the question and answer it accordingly.

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 manager. 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 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 PERFORMANCE REVIEW CRITERIA*

### 7.1 TERM OF ENGAGEMENT

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

### 7.2 CRITERIA FOR THE POST PERFORMANCE REVIEW

#### Performance shall be evaluated based upon successful execution of the services to be performed under the limited partnership agreement, private placement memorandum and 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 for investment management services.

### 8.1 CRITERIA FOR THE POST PERFORMANCE REVIEW

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

Staff will select finalist(s) and make a recommendation to the 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 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 - ability to invest in top quartile private equity managers and construct a superior portfolio in terms of strategy, allocation to top tier managers and geography.

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 GLOBAL CUSTOMIZED PRIVATE EQUITY SEPARATE ACCOUNT SEARCH*

### 9.1 TIMELINE

A. Requests for Proposals publicized by IMRF on February 5, 2018.

B. Inquiries for interpretation must be received by end of business day, February 15, 2018

C. Proposals must be received no later than end of business day, February 23, 2018

D. First round interviews will be held between March 14th - 16th, 2018 at IMRF’s office in Oak Brook, IL.

E. On-site due diligence meetings are expected to take place between April 9th - 17th, 2018

F. Finalists are expected to present to the IMRF Investment Committee on May 17, 2018

## *PART 10 – RFP QUESTIONNAIRE: GLOBAL CUSTOMIZED PRIVATE EQUITY SEPARATE ACCOUNT SEARCH*

### 10.1 PROPOSAL PREPARATION INSTRUCTIONS AND MANDATORY REQUIREMENTS

#### The questions presented in Sections 10.2 through 10.3 must be answered completely and in the same sequence. Failure to adequately respond may be cause for rejection of a firm’s proposal.

#### Responses to this RFP must be received electronically at [delucea@callan.com](mailto:delucea@callan.com), [bise@callan.com](mailto:bise@callan.com) and [privatemarkets@imrf.org](mailto:privatemarkets@imrf.org) no later than end of business day, Friday, February 23, 2018. Additionally, one digital copy (either a USB flash drive or CD-ROM) and four hard copies of the proposal must be received by IMRF no later than end of business day, Friday, February 23, 2018. Please see delivery instructions in Section 6.2.

### 10.2 REQUEST FOR PROPOSAL QUESTIONNAIRE

Global private equity separate account search



**Does your firm qualify as a minority investment manager?**

**A “minority investment manager” is a qualified investment adviser whose firm’s 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, Females, and Persons with Disabilities Act.**

**For more clarification on definitions please access** [www.ilga.gov](http://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:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

### 10.3 FIRM INFORMATION

A. ORGANIZATIONAL SUMMARY

A1. Please indicate your firm’s fiduciary classification. Please check all that apply:

\_\_\_\_\_ Registered Investment Advisor

(registered under the federal Investment Advisors Act of 1940)

\_\_\_\_\_ Bank

(as defined in the federal Investment Advisors Act of 1940)

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

If your firm is exempt from being a Registered Investment Advisor, please provide your reason for exemption.

A2. Please describe the history of the firm including your private equity investment team, and if appropriate, the history of the parent organization including:

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

b. ownership percentages and names.

c. description and rationale of previous significant ownership changes

d. the year the firm began providing investment management services to U.S.

tax-exempt clients, and the nature of the firm’s ownership and specific details with regard to any affiliated companies or joint ventures.

e. whether investment management capabilities were developed in-house or derived through acquisition of talent from another firm. If the latter, indicate when this occurred.

f. 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.

g. year customized separate accounts were first offered.

h. description of all business lines of the organization. If your firm has capabilities with customized separate accounts and ability to transfer, manage and monitor an existing separate account private equity funds portfolio.

i. describe 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 A)

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

A5. Please provide the location and function of each of your firm’s offices:

Location Function Number of

Investment Professionals

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

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

A7. 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 C)

A8. 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 amount of number of clients or assets per portfolio manager

- 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

A9. Please provide the name of the regulatory body overseeing the firm, this product, and the dates of registration.

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 your management or investment activities? If so, provide a brief explanation and indicate the current status.

A11. Does your firm provide investment management services to U.S. tax-exempt investors? If so, to what extent?

A12. Does your firm permit its staff members to serve on boards of directors of publicly traded companies? If so, are any restrictions placed on this activity and how is their director compensation treated?

B.FIRM ASSETS UNDER MANAGEMENT

B1. Please provide a breakdown of the private equity investments (PE) assets under management of the firm as of 9/30/2017, by number of accounts, uncalled commitments, NAV and both combined. A fund-of-funds should be listed as a single “account,” but number of clients should represent the number of investors in fund-of-funds vehicles, please do not double count clients in multiple vehicles. Please provide any comments or footnotes necessary to clarify your firm’s assets under management. (Note: The Uncalled and NAV totals should reconcile with the information in Tab 4 (Summary FOFs Performance) of the spreadsheet titled “IMRF GLOBAL CORE FOF QST PERFORMANCE.XLS” (see Question J1).

**Product Type**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Strategy Type** | **# Accounts** | **Uncalled** | **NAV ($mm)** | **Uncalled+NAV** | **%** |
| Fund-of-funds | 0 | 0 | 0 | 0 | **0** |
| Secondary Funds | 0 | 0 | 0 | 0 | **0** |
| Direct Co-Invest Funds | 0 | 0 | 0 | 0 | **0** |
| Separate Accounts: |  |  |  |  |  |
| Discretionary | 0 | 0 | 0 | 0 | **0** |
| Non-Discretionary | 0 | 0 | 0 | 0 | **0** |
| Fund-of-One | 0 | 0 | 0 | 0 | **0** |
| **Total PE Accounts** | **0** | **0** | **0** | **0** | **0** |

**Investor Type**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Investor/Client Type** | **# Clients** | **Uncalled** | **NAV ($mm)** | **Uncalled+NAV** | **%** |
| Public Pension Plans | 0 | 0 | 0 | 0 | **0** |
| Corporate Pension Plans | 0 | 0 | 0 | 0 | **0** |
| Foundations and Endowments | 0 | 0 | 0 | 0 | **0** |
| Financial Institutions (Banks, Ins.) | 0 | 0 | 0 | 0 | **0** |
| Other (HNW Individuals) (T-H) | 0 | 0 | 0 | 0 | **0** |
| **Total Clients** | **0** | **0** | **0** |  | **0** |

B2. Separate Accounts Gained and Lost

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Accounts Gained** | | | **Accounts Lost** | | |
|  | **Number** | **Dollars**  **($mm)** | **% of**  **Product**  **Assets** | **Number** | **Dollars**  **($mm)** | **% of**  **Product**  **Assets** |
| 2017 |  |  |  |  |  |  |
| 2016 |  |  |  |  |  |  |
| 2015 |  |  |  |  |  |  |
| 2014 |  |  |  |  |  |  |
| 2013 |  |  |  |  |  |  |

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

B4. Please provide a representative client list for this product proposed.

B6. By fund and/or account, please attach a list of representative institutional investors in the firm’s private equity products.

B7. Please include both existing vehicles and new vehicle expected to be raised in 2018, 2019, 2020, 2021 and 2022. Please provide actual client or vehicle names.

**Estimated Future Client Investment Requirement Analysis (in $ million)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Client** | **2018** | **2019** | **2020** | **2021** | **2022** |
| Client/Commingled Vehicle | 0 | 0 | 0 | 0 | 0 |
| Client/Commingled Vehicle | 0 | 0 | 0 | 0 | 0 |
| Client/Commingled Vehicle | 0 | 0 | 0 | 0 | 0 |
| Etc. | 0 | 0 | 0 | 0 | 0 |
| Total | 0 | 0 | 0 | 0 | 0 |

B8. What is the firm's plan and capacity for future growth?

B9. Please describe your firm’s allocation policy for investments among clients and vehicles and attach a copy of the firm’s allocation policy, as Appendix D. What is the waterfall for allocating a highly subscribed partnership offering, or other investment opportunities where client-base appetite exceeds the available commitment?

C. FIRM PERSONNEL

C1. Please include your firm’s organizational chart as of December 31, 2017. (Attach as Appendix E)

C2. Key Personnel - List below those individuals who are involved in the firm's Private Equity decision making process (add additional rows as necessary).

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **Title** | **A** | **B** | **C** | **D** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

(A) = % Time spent on investment activities (vs. non-investment such as firm management, client service, business development, etc.)

(B) = Years with this firm

(C) = Years of private equity investment experience

(D) = Years of overall investment experience

C3. Please include brief biographies for all the Private Equity Investments professionals in the firm.

C4. Provide the number of professional and support personnel in the table below. Include support personnel supporting multiple strategies in the total category.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Staffing** |  |  |  |  |  |  |
| **Position** | **Primaries** | **Co-Investment** | **Secondaries** | **Emerging Managers** | **Other (Please Describe)** | **Total** |
| Sr. Investment Professionals | 0 | 0 | 0 | 0 | 0 | 0 |
| Jr. Investment Professionals | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Sr. Non-Inv. Professionals | 0 | 0 | 0 | 0 | 0 | 0 |
| Monitoring and Support | 0 | 0 | 0 | 0 | 0 | 0 |
| Marketing/Client Service | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **0** | **0** | **0** | **0** | **0** | **0** |

C5. Indicate the turnover (number of people) that occurred in your investment staff during the years listed below.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | **Partners &** | **Partners &** |  |
|  | **Staff** | **Staff** | **Key Personnel** | **Key Personnel** | **Net** |
|  | **Additions** | **Terminations** | **Additions** | **Terminations** | **Totals** |
| 2017 |  |  |  |  |  |
| 2016 |  |  |  |  |  |
| 2015 |  |  |  |  |  |
| 2014 |  |  |  |  |  |
| 2013 |  |  |  |  |  |

C6. Please explain any unusual general turnover, and turnover of senior professionals. Please include details for partners and key investment decision-makers, including whether they were replaced and whether any replacement was internal or a new hire.

C7. What would you consider your key professionals’ competitive advantage in making private equity investments?

C8. What private equity research does your firm’s investment professionals’ conduct as part of or in addition to their normal responsibilities?

C9. 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.

D. ORGANIZATION DIVERSITY EFFORTS

D1. Please fill out the Diversity Profile table for your entire firm. Please submit in originally provided format. (Attach as Appendix F)



D2. Please complete the following disclosure per Illinois Pension Code Section 1-113.21. (Attach as Appendix G)



D3. What recruitment activities does your firm have in place to hire and promote minorities and women?

D4. Does your firm have an internship program or participate in any external organization internship programs (i.e. TOIGO, SEO) to increase ethnic and gender diversity at your organization. Please explain.

E. COMPLIANCE

E1. Does your firm, or parent firm, have Errors and Omissions Insurance? If yes, for what amount? Please attach evidence of your coverage as Appendix H.

E2. Does your firm, or parent firm, have Directors’ and Officers’ Insurance? If yes, for what amount? Please attach evidence of your coverage as Appendix I.

E3. Does your firm, or parent firm, have Fiduciary Liability Insurance? If yes, for what amount? Please attach evidence of your coverage as Appendix J.

E4. Is your firm, or parent firm, bonded? If yes, for what amount? Please attach evidence of your coverage as Appendix K.

E5. Please describe the compliance assessment process, including the time period covered, testing methods, and frequency.

E6. When was the last compliance assessment? Please attach a summary of the report as Appendix L, if possible.

E7. Does the firm have a Chief Compliance Officer? 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.

E8. When was your firm’s last regulatory inspection (e.g., by the SEC in the United States)? Please attach the inspection results as Appendix M.

E9. Has any regulatory body or market authority issued any orders or other sanctions against your firm in the last ten years? Has your firm received deficiency letters? If yes, please attach with Appendix M.

E10. Is your firm or any affiliate, the focus of any pending or ongoing litigation, formal investigation or administrative proceedings related to money management activities? If yes, please describe.

E11. Have the principals of your firm been under investigation related to money management activities in the last ten years? If yes, please explain.

E12. Have auditors ever issued a qualified opinion on financial statements for any of your firm’s funds? If yes, please explain and attach a copy. (Attach as Appendix N, if applicable)

F. INVESTMENT PHILOSOPHY AND PROCESS

F1. Briefly describe your investment philosophy regarding private equity assets.

F2. How do you approach allocations across different types of private equity strategies in your proposed separate account (small versus large buyout, venture, growth equity, special situation, mezzanine, distressed/restructuring)? Do you plan to include any secondary, co-investments, minority-owned managers?

Please use the table below to indicate your “model portfolio” by strategy. For modelling purposes only, assume $250 million allocated evenly over a five-year period. Please use the following exact format (please add or delete rows as necessary):

|  |  |  |  |
| --- | --- | --- | --- |
| **Strategy Type** | **# Inv** | **Total $ (mil)** | **%** |
| Venture Capital | 0 | 0 | 0 |
| Early‑Stage VC | 0 | 0 | 0 |
| Later‑Stage VC | 0 | 0 | 0 |
| Multi‑Stage VC | 0 | 0 | 0 |
| Growth Equity | 0 | 0 | 0 |
| Small Buyouts | 0 | 0 | 0 |
| Larger Buyouts | 0 | 0 | 0 |
| Industry-focused | 0 | 0 | 0 |
| Restructuring/Distressed | 0 | 0 | 0 |
| Subordinated Debt | 0 | 0 | 0 |
| Secondary Purchases | 0 | 0 | 0 |
| Co-Investments | 0 | 0 | 0 |
| Other (Please Specify) | 0 | 0 | 0 |
| **Total Investments** | **0** | **0** | **0** |

F3. Discuss your approach to risk management, both at individual transaction and for the portfolio as a whole. How do you plan to mitigate risk in the fund and/or investments?

F4. What is your policy on investing in smaller (below $500 million) or first-time funds?

F5. What is the firm's policy/approach regarding developed or "brand name" funds versus developing funds (e.g. first-time funds and general partner “reconstitutions” or “spin-outs”)? In your portfolio as of September 30, 2017, how many first time funds did you have? What percentage of the total portfolio is represented by first time funds, based on Net Asset Value?

F6. Please describe your ability to invest the client’s account with “brand name” partnerships, which are normally inaccessible to new investors. What part of the portfolio would be with “brand name” general partners vs. partnerships openly seeking funds?

F7. What is your firm’s definition of a “high quality” general partner?

F8. If you provide direct or secondary investing services, please discuss how you would utilize them in the proposed separate account in year 1 of the mandate. (Please break out expected allocations to primaries, secondaries and co-investments.)

F9. What distinguishes your firm from other private equity manager-of-managers?

F10. Discuss your experience with mandates focused on minority-owned managers (as defined by the Illinois Pension Code). Complete the tables below including the number of firms tracked in your database and discretionary investments made using the Illinois definition of 51% ownership:

|  |  |  |
| --- | --- | --- |
| **Classification** | **Number of Minority GP’s in database** | **Number of Minority GP’s invested with Discretionary Capital** |
| African American | 0 | 0 |
| Latino | 0 | 0 |
| Asian | 0 | 0 |
| Woman | 0 | 0 |
| Person with a Disability | 0 | 0 |
| **Total** | **0** | **0** |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2017 Commitments to Minority Firms** | | **2016 Commitments to Minority Firms** | | **2015 Commitments to Minority Firms** | | **2014 Commitments to Minority Firms** | | **2013 Commitments to Minority Firms** | |
| **Classification** | **($) Millions** | **# of Investments** | **($) Millions** | **# of Investments** | **($) Millions** | **# of Investments** | **($) Millions** | **# of Investments** | **($) Millions** | **# of Investments** |
| African American | $ | 0 | $ | 0 | $ | 0 | $ | 0 | $ | 0 |
| Latino | $ | 0 | $ | 0 | $ | 0 | $ | 0 | $ | 0 |
| Asian | $ | 0 | $ | 0 | $ | 0 | $ | 0 | $ | 0 |
| Woman | $ | 0 | $ | 0 | $ | 0 | $ | 0 | $ | 0 |
| Person with a Disability | $ | 0 | $ | 0 | $ | 0 | $ | 0 | $ | 0 |
| **Total** | **$** | **0** | **$** | **0** | **$** | **0** | **$** | **0** | **$** | **0** |

G. INVESTMENT

G1. Describe your firm’s methods for proactively accessing deal flow and process for screening investments.

G2. Please indicate how many partnerships or other investments, by type, between 01/01/2008 and 12/31/2017 (10 years) your firm has:

A) Identified and preliminarily reviewed

B) Began due diligence on

C) Closed investments in; and

D) Dollar amount you have invested

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Strategy Type** | **A** | **B** | **C** | **D** |  |
|  | **#** | **#** | **#** | **$** | **%** |
| Venture Capital | 0 | 0 | 0 | 0 | 0 |
| Early‑Stage VC | 0 | 0 | 0 | 0 | 0 |
| Later‑Stage VC | 0 | 0 | 0 | 0 | 0 |
| Multi‑Stage VC | 0 | 0 | 0 | 0 | 0 |
| Growth Equity | 0 | 0 | 0 | 0 | 0 |
| Small Buyouts | 0 | 0 | 0 | 0 | 0 |
| Larger Buyouts | 0 | 0 | 0 | 0 | 0 |
| Industry-focused | 0 | 0 | 0 | 0 | 0 |
| Restructuring/Distressed | 0 | 0 | 0 | 0 | 0 |
| Subordinated Debt | 0 | 0 | 0 | 0 | 0 |
| Secondary Purchases | 0 | 0 | 0 | 0 | 0 |
| Co-Investments | 0 | 0 | 0 | 0 | 0 |
| Other (Please Specify) | 0 | 0 | 0 | 0 | 0 |
| **Total Investments** | **0** | **0** | **0** | **0** | **0** |

Of the total number of partnership in Column C, what is the total number of discrete general partner firms (i.e., count excludes reinvestments with the same GP)?

G3. Describe your firm’s due diligence process for primary fund, secondary and co-investment opportunities. (Attach checklist as Appendix O.)

1. Describe each step in your due diligence process, which would lead to an investment.
2. Discuss qualitative and quantitative aspects.
3. Describe the most common critical areas of focus.
4. Describe how you document your process.
5. Provide an example of an internal investment memorandum pertaining to a recommended investment.

G4. Describe how you conduct performance attribution for primary private equity fund investments.

G5. Describe your operational due diligence (“ODD”) resources and process. How are the ODD results integrated into the investment decision and monitoring process?

G6. Describe the internal decision-making dynamics of the organization.

H. NEGOTIATIONS

H1. In negotiating a partnership agreement, or similar document, describe areas the firm considers most important. Are there provisions the firm proactively seeks to include or improve upon?

H2. Please describe how your legal capabilities are set up. Do you have general counsel that works with outside counsel, does your outside counsel report directly to a key professional, or do you do all your legal work in-house? If external counsel is used, are legal costs passed to clients? How do you monitor legal costs?

1. MONITORING, REPORTING AND EXIT

I1. How frequently are you in contact with the general partners of funds in which your clients are invested?

I2. Describe the methods you employ to determine whether the general partners are reporting reasonable investment carrying values. What do you do when you feel there is an inaccuracy? How are you currently complying with ASC 820 and how do you help your clients adhere to AU Section 9332?

I3. Describe your typical reporting duties and responsibilities with your clients. Please describe your reporting analytics and provide a sample quarterly report as Appendix P. Do your quarterly reports provide a summary of actions taken during the quarter? Can client access their portfolio data on-line? Please describe.

I4. How many partnerships have you managed through full partnership term and liquidation? What is your process for closing out liquidated funds?

I5. Please describe how the firm arrives at a hold or sell decision on an in-kind distribution of public stock, including the research and evaluation discipline employed.

I6. Has your firm adopted the Institutional Limited Partners Association (ILPA) fee, expense, and carried interest template in order to gather total cost information for underlying partnerships? If not, please describe your process.

I7. Does your firm have the capacity and willingness to transfer in, manage and monitor an existing separate account portfolio of private equity funds? If not, please explain.

I8. Please discuss your previous experience taking over private equity separate accounts. Include a discussion of the number of accounts transitioned, total commitments and number of partnerships for each transition.

I9. Please highlight the steps of your take over process.

J. INVESTMENT HISTORY

J1. Embedded is an MS Excel spreadsheet titled “IMRF GLOBAL CORE FOF QST PERFORMANCE.XLS” that has four Tabs, which request vintage year and cumulative performance data for all investments made since January 1, 1990 through September 30, 2017. The first Tab investment performance is for primary partnerships only and is divided into three separate tables: 1) discretionary, 2) non-discretionary and 3) combined. The second and third Tabs request information for secondaries and co-investments, respectively (if any). The fourth Tab requests summary data for each historical fund-of-funds vehicle. Please complete the Workbook and return the RFP response as an MS Excel file.



To participate as a candidate in IMRF’s Global Customized Private Equity Separate Account Search, your firm must have up-to-date information in Callan’s general private equity manager search database. All information in Callan’s database will be treated confidentially. If you are not sure if your information is up to date, please contact Ashely De Luce ([delucea@callan.com](mailto:delucea@callan.com) or 415-274-3032) in Callan’s Private Equity Group. Note: Information provided for the database should reconcile with the questionnaire information provided for Question J1.

K. OTHER

K1. Please state the firm’s policy on making political contributions by both the firm and employees.

K2. Please detail any existing or potential conflicts between your firm’s consulting activities, services performed for other clients, personal (or employee) investment activity, and other current or potential relationships.

K3. Please provide three client references that are current investors in the vehicle type being proposed for IMRF. Provide name of contact, email and phone number.

M. FEES

M1. Please provide a detailed discussion of your fee proposal, including any assumptions made.

M2. For modeling purposes only, please assume $250 million allocated evenly over a five-year time horizon. Please quantify a 15-year projection of your fee schedule for the vehicle shown on behalf of the IMRF separate account. Please provide any commentary you may have regarding the attached portfolio projection. Provide IRR and multiple assumptions for any carried interest for secondaries and co-investments, as appropriate.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | **Carry** | **Expense** | **Total** |
| **Year** | **Commitment** | **Fee** | **(if any)** | **Charge-Backs** |  |
| 1 |  |  |  |  |  |
| 2 |  |  |  |  |  |
| 3 |  |  |  |  |  |
| 4 |  |  |  |  |  |
| 5 |  |  |  |  |  |
| 6 |  |  |  |  |  |
| 7 |  |  |  |  |  |
| 8 |  |  |  |  |  |
| 9 |  |  |  |  |  |
| 10 |  |  |  |  |  |
| 11 |  |  |  |  |  |
| 12 |  |  |  |  |  |
| 13 |  |  |  |  |  |
| 14 |  |  |  |  |  |
| 15 |  |  |  |  |  |

1. IMRF requires all managers to provide an Excel spreadsheet containing the method to calculate the fees shown in the table above for the product being proposed. The spreadsheet should be for a period of at least 15 years and include all assumptions used. The spreadsheet must include all calculations (not “pasted values”) Please include the Excel spreadsheet with your response. (Attach as Appendix R)

M3. Please provide the most recent Private Placement Memorandum for the active fund that the IMRF separate account will be investing alongside. (Attach as Appendix Q) Additionally, provide a copy of your firm’s due diligence questionnaire (if available). (Attach as Appendix S)

M4. Please describe how the IMRF separate account will fit into the firm’s allocation policy, including any commingled vehicles and other accounts with similar mandates. Please discuss any vehicles that have priority allocations.

M5. Please include a sample quarterly report and audited annual report of your global commingled fund. (Attach as Appendix T and Appendix U respectively)

M6. Please provide any additional narrative that you would like to bring to IMRF’s attention.

N. SUMMARY

N1. Please complete the Firm/Fund Summary based upon the firm’s proposal of a separate account mandate or commingled fund mandate. If submitting multiple proposals, please fill out a separate firm/fund summary for each proposed product. **Please submit in originally provided format.** (Attach as Appendix V)

****

APPENDICES TO QUESTIONNAIRE

1. Organizational Chart – Ownership Structure/Parent Company
2. Financial Statements
3. ADV Part I and II
4. Allocation Policy
5. Organizational Chart – Firm
6. Diversity Profile – Entire Firm
7. Disclosure per Section 1-113.21 of the Illinois Pension Code
8. Evidence of Errors and Omissions Insurance
9. Evidence of Directors’ and Officers’ Insurance
10. Evidence of Fiduciary Liability Insurance
11. Evidence that Firm is Bonded
12. Compliance Assessment Report (if applicable)
13. Regulatory Inspection Report and Orders, Sanctions, Deficiency Letters, if applicable
14. Qualified Opinion
15. Due diligence process checklist
16. Sample Quarterly Report (if applicable)
17. Private Placement Memorandum (if applicable)
18. IMRF proposed fee model
19. Due diligence questionnaire (if applicable)
20. Quarterly Report for Commingled Fund (if applicable)
21. Audited Financials for Commingled Fund (if applicable)
22. Firm/Fund Summary

Exhibit A

**M**

**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.

**RF D**r an Investment Advor 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.



**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 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 or the Illinois State Board of Investment in an attempt to defraud the retirement system or pension fund created under this Code or the Illinois State Board of Investment 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: |



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 IMRF funds, it must annually certify that it complies with the High Risk Home Loan Act. An Illinois finance 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 finance 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 attached.)

**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 attached.)

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



Certification of Compliance

*Illinois High Risk Home Loan Act*

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, serving in the capacity of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, on this \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2018, 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 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 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2018.

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

Notary

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

(*Seal*)

(Firm)

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

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

Public Act 095-0521



Exhibit C

**The Illinois Governmental Ethics Act Certification**

Under Public Act 096-0006, for an Investment Advisor or Consultant to be eligible to provide services to an Illinois pension fund, it must annually certify that it complies with Public Act 096-0006, The Illinois Governmental Ethics Act.

All Managers / Consultants MUST complete this form.



**The Illinois Governmental Ethics Act Certification**

Disclosure Pursuant to Public Act 96-0006

40 ILCS 5/1-113.14(e), enacted by the General Assembly as part of Public Act 96-0006 and effective as of January 1, 2010, 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 person shall update the 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.
2. 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)*:

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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

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

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,” “female owned business” or “business owned by a person with a disability” as defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act. Minority Investment Management firms must be 51% or more owned by individuals that are minorities, females or persons with a disability and are citizens or lawful permanent residents of the United States. For more clarification on definitions, please access [www.ilga.gov](http://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, Females, and Persons with Disabilities Act under Illinois Compiled Statutes, Chapter 30 (30 ILCS 575). [↑](#footnote-ref-1)