

# MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

## A Pension Trust Fund of the City of Chicago

### Request for Proposal:

Global Low Volatility Investment Management Services

August 23, 2019

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### Manager Q & A

1. Can the Municipal Employees' Annuity and Benefit Fund of Chicago invest in a CIT? If CIT's are permissible, is there a preference for the investment structure (separate account or commingled)?

A commingled vehicle will be considered. Currently, a separate account is preferred.

2. Will institutional commingled funds, where MEABF will be the seed client, be considered for this potential mandate?

A commingled vehicle will be considered. Currently, a separate account is preferred.

3. Please confirm that the minority brokerage requirements only apply to separate accounts and not commingled vehicles such as CITs.

Minority brokerage requirements applied to all vehicle types.

4. Within your Investment Policy document, Appendix E: The M/W/DBE Broker-Dealer Utilization Policy states different and separate goals for M/W/DBE utilization within each of the sectors - US, Non US and EM equity portfolios. As this RFP is for a global mandate, do you have a specific overall percentage for a global portfolio?

We currently do not have a target goal for a global mandate. However, we will establish an appropriate target during the search process.

5. You request AUM as of "current" date – Would you like us to provide data as of June 30, 2019 or more recent?

June 30, 2019 is an acceptable date to use as "current."

6. Would you prefer to receive the RFP in your template, or can we use our own?

If the numbering and wording of questions and requirements is preserved, your own format is acceptable.

7. Would a performance fee structure be considered for the mandate?

A performance fee will be considered, but a simple management fee structure is preferred.

8. Question 93 asks for holdings overlap between various products. Is this as of a set date, or historical? If historical, over what time period? Also, what would you like to be included in the “various products” – is this only relevant to global equity portfolios?

Please provide overlap statistics as of the June 30, 2019 point in time. Your firm’s Global Equity strategies should be included in the analysis.

9. The questionnaire doesn’t appear to ask for our full track record of performance, however length of track record is listed as a qualification point. Will you utilize a database as part of the search in order to track performance or should this be included as part of our response? If you intend to use a database, which database will you use?

Marquette Associates will reach out to submitting firms for historical performance data for use in Marquette’s internal data for search analysis and reporting.

10. Will derivative-based strategies be considered for this mandate?

This search is for active-managed long-only equity strategies.

11. Regarding MEABF’s current search for Low Volatility, will index-based strategies be considered? If so, will there be an opportunity for index providers to participate in the RFP (although not in the capacity of fiduciary to the fund)?

This search is for active-managed long-only equity strategies.

12. Would MEABF consider a customized hedge fund of funds solution or are you only considering long-only solutions?

This search is for actively-managed long-only equity strategies.

13. If MEABF would consider a customized hedge fund of funds solution, would a long/short equity-focused portfolio be the most appropriate for this RFP or a more diversified portfolio encompassing the broad universe of hedge fund strategies?

This search is for actively-managed long-only equity strategies.

14. Would a global equity put selling strategy be considered for the mandate? The strategy aims to capture the returns of the global equity market by systematically selling put options on major global equity indices. (In particular, the returns generated by put sellers are less volatile) If so, would a blended benchmark such as 50% MSCI ACWI/50% CBOE PutWrite be acceptable?

This search is for active-managed long-only equity strategies.

15. Would you also entertain a Global Low-Vol smart-beta indexing strategy for your search?

This search is for active-managed long-only equity strategies.

16. Is this search open to hedge funds and which segment of the portfolio is it in? Traditional equity?

This search is for active-managed long-only equity strategies.