

MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

A Pension Trust Fund of the City of Chicago

Request for Proposal:

International Small Cap Investment Management Services
September 21, 2020

Manager Q & A

- **MEABF (the Fund) would like to make a clarification on the search and its proposed mandate amount under the Overview. The Fund is currently reviewing all options for the asset class and the amount of this mandate can be as little as \$40 million to \$150 million.**

1. **Are electronically signed PDFs acceptable, or do the documents need to be printed, signed with a pen, and scanned?**

Electronic signature is acceptable.

2. **Is there any flexibility regarding the minimum amount of E&O insurance required for Respondents qualified as “emerging investment managers”?**

No, the requirement is the same for all managers.

3. **Assuming the answer to our question 1 above is “No”, is it necessary for the Respondent to have E&O Insurance coverage of at least \$5 million at the time of submitting the RFP, or may an investment manager with coverage of less than \$5 million be considered, with the understanding that the level of insurance coverage will be increased to \$5 million in advance of funding?**

Coverage of \$5 million at the time of funding will be acceptable.

4. **Will the Fund and consultant consider a manager of emerging managers strategy for this search?**

No. This search is for direct investment accounts only.

5. **Will the Fund and the consultant consider a CIT vehicle for this search?**

Yes, a CIT will be considered.

6. **Our firm offers the International Small Cap Equity strategy as both a separate account and a limited partnership. Would Municipal Employees', Officers' and Officials' Annuity and Benefit Fund of Chicago consider an investment in a commingled fund?**

Yes, MEABF would consider both SMA and a commingled fund offering.

- 7. While the RFP language states preference for a separately managed account, would MEABF be open to considering a pooled vehicle?**

Yes, a pooled vehicle will be considered.

- 8. Across the franchise we manage over \$1B in Small Cap Equity assets globally, however our International Small Cap strategy specifically, is less than \$20M. In regards to Minimum Qualification #9, “the Fund should not represent more than 20% of assets under management in the particular strategy being submitted for consideration”, would we qualify based on assets for our assets representing our broad Small Cap Equity strategy?**

The minimum qualification pertains to the strategy. If the strategy being offered in the search belongs to a composite data, and that composite data meets the minimum qualification, we encourage you to participate.

- 9. International small cap strategy does not meet the minimum AUM requirement as defined by Section VII.9 of the RFP. Does this exclude the strategy from the search?**

You must meet the minimum qualification to participate in the search.

- 10. Our firm’s International Small Cap Equity strategy is typically benchmarked against the MSCI World Ex-US Small Cap index, though we have the capability to provide other indexes for this mandate. Would MSCI World Ex-US Small Cap be a considered benchmark for this search?**

Yes, we are considering both international small cap indices.

- 11. Will the Fund consider a carve out international strategy from a global small-cap equity strategy?**

No, carve out international small cap strategies will not be considered.

- 12. With regards to the aforementioned search, could you please confirm whether directed brokerage is a requirement?**

MEABF’s Brokerage goals can be found on MEABF’s Investment Policy Statement:

<https://www.meabf.org/investments/policy>.

- 13. We believe that we are a strong candidate for this mandate but it is unclear as to whether we qualify as an emerging manager.**

- a. Our firm is currently 30% women-owned, the firm’s AUM as of 6/30/2020 is \$2.8 BIL
- b. The International Small Cap Strategy inception date is April 2015 (track record of 5+ years)
- c. The International Small Cap Strategy AUM as of 6/30/2020 is less than \$1 MIL.

Illinois pension code requires AUM under \$2 BIL and 51% minority ownership for an Investment Manager to be considered Emerging. If your firm meets the minimum qualification, we encourage you to participate.

14. Do you have a specific time period for Performance you would like us to use or simply YTD?

Please include performance through 8/31/2020.

15. Should all the most recent YTD data be as of June 30, 2020?

Please include performance through 8/31/2020.