

1. As a global investment manager, we have employees located in countries with laws and regulations in place that do not allow for the collection and/or dissemination of diversity data. Would we be in violation if we only included data on our U.S. workforce?

*This is acceptable. Please provide any available information.*

2. There are three questions at the bottom of the Employee Diversity Table, two of which are related to the diversity of the ownership of any companies we have contracts in place with. We do not track the status of these vendors in regards to being minority owned, female owned, or owned by a person with a disability. Would the inability to answer these questions lead to a rejection of our proposal?

*This is acceptable. Please provide any available information.*

3. Looking at the minimum qualification criteria, we were wondering if the Fund may consider being a seed investor. We currently manage approximately 30bn in various single strategies within multi-credit. Additionally, does 10% AUM limit apply to the AUM of the Municipal Employees' Annuity and Benefit Fund of Chicago, or a multi-credit mandate size (190M).

*The "10% of AUM" maximum requirement refers to the size of the mandate in relation to the AUM of the firm (20% for the strategy). Being a seed investor would not be preferable, but can be considered.*

4. Understanding that this investment management mandate is an Opportunistic Credit objective, would you accept a proposal for a strategy that includes active short positions as part of the investment strategy? If not, would you consider a Credit strategy that has utilized short positions historically that could be customized to be long-only?

*No, this is a long-only open-ended mandate. A customized long-only strategy would be considered.*

5. Would you consider a proposed strategy with slightly less than a 3 year track record, from an organization with a significantly longer track record of several, similar flexible credit strategies?

*This would be acceptable.*

6. Would less liquid strategies also be considered?

*The liquidity of the investment vehicle would be preferred to be at least quarterly.*

7. Will MEABF consider strategies that invest in directly originated subordinate loans, preferred equity and other credit instruments backed by commercial real estate?

*Those strategies will be considered as part of the overall mandate portfolio.*

8. In reviewing the RFP and associated IPS the current *High Yield Fixed Income Manager Guidelines* have restrictions around 144A and CMO's. Will those guidelines apply to this mandate?

*No, specific guidelines will be agreed upon for this mandate.*

9. The current *High Yield Fixed Income Manager Guidelines* state 'the average duration of the portfolio is not to vary by more than +/-50% from the duration of the respective index.' Will those guidelines apply to this mandate?

*No, specific guidelines will be agreed upon for this mandate.*

10. If the above guidelines won't apply, are there other guidelines beyond those mentioned in the RFP that need to be adhered to?

*Guidelines will be mutually agreed upon by MEABF and the selected manager.*

11. Can you please confirm if there are any particular structures required, preferred, or not acceptable for the plan for commingled funds or if any open-ended private fund managed in the strategy that is available for plan assets would be acceptable?

*Open-end commingled vehicles or separately managed accounts will be considered.*

12. While our Multi-Asset Credit strategy has been in existence for less than 3 years, we have a 10 year track record managing high yield bonds, loans and structured credit. Should our firm submit an RFP or will our proposal get rejected due to track record requirements?

*This would be acceptable.*

13. Would the board and consultant consider a global strategy that invests in U.S. and European sub-IG credit assets?

*Yes.*

14. Can we provide the diversity data at the firm level rather than by job category?

*Please provide information at the most granular level that your firm is able to.*

15. Is the pool of capital subject to ERISA?

*No, the Fund is subject to Illinois state statute.*

16. Are strategies that focus on existing instruments trading in the secondary market within the scope of this RFP?

*The mandate allows for primary or secondary market instruments.*

17. Will strategies that focus predominantly on stressed/distressed credits be considered?

*No, the majority allocations of this mandate is expected to be high yield bonds and senior loans.*

18. Will evergreen hedge funds be considered? Or only closed-ended, committed capital drawdown funds?

*No, this is a long-only open-ended mandate.*

19. If closed-ended, committed capital drawdown funds will be considered, does MEABF consider co-anchor opportunities? We ask because MEABF's allocation would likely be greater than 20% of our drawdown fund's AUM but we would be highly accommodative on fees for a co-anchor larger than \$85MM.

*No, this is a long-only open-ended mandate.*

20. With regard to Section VII Minimum Qualifications, how should a Firm submitting bidding proposals address Item 10 if it does not gather Diversity Profile data due to privacy concerns?

*Please provide information your firm has available. If you are unable to provide any information, please provide a brief explanation.*

21. Is there a desired return target range for the MAC mandate?

*There is no explicit target rate of return for this mandate. It will be determined based on the guidelines and target allocations for the selected strategy.*

22. Our commingled fund vehicle represents ~70% of total strategy assets, with the balance ~30% being SMAs. The Fund is less than 10% of Firm AUM, and less than 20% of the credit business' AUM. Are you open to considering a manager where the Fund is greater than 20% of strategy assets as noted in Question #9 in the "VII. Minimum qualifications" section?

*The "Fund" in the context of this requirement refers to MEABF. It seems that this scenario would be acceptable, as long as the MEABF account would meet the maximum percentage requirement for the firm AUM and strategy AUM.*

23. Will strategies failing to meet the 20% threshold for a \$190mm mandate, but meeting that threshold for an \$80mm mandate, be eligible for consideration?

*Yes, that would be considered.*

24. Is there a preference for SMA vs Commingled Fund?

*Both vehicles will be considered.*

25. Are there any liquidity constraints for the MAC mandate? Would a quarterly liquid evergreen commingled fund be considered?

*Quarterly liquidity is acceptable.*

26. Will you accept individual track records for the strategies within the multi credit opportunistic strategy or does the track record for the opportunistic strategy have to be an existing strategy that already has all of the underlying components?

*It is preferable to have a track record for a multi credit strategy, but individual track records will be considered.*

27. Would it be correct to assume that MEABF would like all data in a manager's response as of 6/30/2021 unless noted otherwise?

*Yes, please submit data as of 6/30/21.*

28. Our UK based investment business is unable to provide some of the requested data in the Employee Diversity Table. Would it be ok if we provide those statistics at the broader firm level?

*That will be acceptable.*

29. Can an individual authorized to bind the firm sign the Multi Asset Credit Questionnaire or must this be signed by the responding firm's CCO?

*CCO is preferred, but that will be acceptable.*

30. Are there any specific items that will be requirements in the side letter?

*A side letter can be used to meet requirements detailed in the Contractual Standard and Disclosure Certification.*

31. What is MEABF's return objective or indicative benchmark for the mandate?

*The proposed benchmark is a blend of 1/3 Senior Loans, 1/3 High Yield, 1/3 Emerging Markets Debt.*

32. Are there any other material guideline requirements we should be aware of outside of what is defined in Section VIII?

*Guidelines will be mutually agreed upon by MEABF and the selected manager.*

33. For the strategy track record can we utilize various vehicles to show longer term historical experience?

*Yes, this is acceptable.*

34. Given MEABF's existing exposures to HY and Loans, would MEABF prefer an investment solution that may offer more significant diversification through lower beta exposure to credit via an opportunistic / event driven investment approach?

*This mandate should be agnostic to MEABF's other portfolio allocations.*

35. Would MEABF prefer an investment solution that exclusively invests in credit, or would MEABF consider a solution focused on credit with opportunistic equity exposure (e.g., preferred or post re-org equity)?

*Those strategies will be considered.*

36. Is there a preference on liquidity terms (e.g. daily, monthly, quarterly)?

*The liquidity of the investment vehicle would be preferred to be at least quarterly.*

37. Are managers-of-managers eligible to participate in this search?

*We are looking for direct mandate for this search.*

38. Does the 3 year track record have to have taken place at the current firm? Does the team's 5 year track record with the products at a previous firm (which has continued at the current firm) meet the minimum qualifications?

*The track record of the investment team does not have to be with the current firm only.*

39. Regarding Minimum Qualification #7 (Respondent must have a track record of at least three years of experience managing assets within the asset class): The specific strategy and vehicle that we plan to propose has a two year track record. However, we have long standing track records of greater than three years within the individual sector components (i.e. emerging markets debt, high yield, bank loans, securitized credit, etc.) as well as other multi-sector strategies. Would MEABF accept other track records in addition to our proposed strategy's two year track record in meeting this minimum qualification?

*This would be acceptable.*

40. Question #88 (Sector Allocations): We noted that the table asks for only the Index data as of 12/31/19, but portfolio data for all other time periods. Can you please confirm if you are expecting both portfolio and index data as of each year end, or if you are only expecting portfolio data as of each year end?

*Please excuse the error in the document. The Index data should be as of 12/31/20, for comparison to the 12/31/20 Portfolio data. The 3<sup>rd</sup> column should be Portfolio data as of 12/31/19, and the subsequent columns for the previous calendar periods (2018, 2017, and so on).*

41. Can the strategy use non-USD exposures?

*Non-USD exposures will be considered.*

42. Does the securitized/structured product allocation really need to be high yield? There isn't a lot of truly high yield securitized paper out in the market and the BBB-rated and even some A-rated

structured product trades with spread, vols, and returns comparable to high yield bonds and loans.

*Investment Grade Credit should be no more than 10-20% of the portfolio.*

43. On page 7 of the RFP intro document, MEABF indicates that “Investment grade credit should be no more than 10-20% [of the portfolio] and should be use opportunistically...” We wanted to confirm that when MEABF is referring to investment grade credit here, they are not include EM sovereigns that happen to be IG rated (i.e., that this is meant to refer to Developed Market IG-rated corporates and sovereigns)?

*EMD is outside*

44. Does MEABF have specific liquidity guidelines or restrictions related to this mandate?

*The liquidity of the investment vehicle would be preferred to be at least quarterly.*

45. Is MEABF looking for/considering credit drawdown vehicles or is the preference for evergreen?

*This mandate is for an open-end commingled vehicle of separately managed account.*

46. Is this mandate meant to be a less liquid private debt focused mandate, or a more liquid multi-strategy credit mandate?

*This mandate is for an open-end commingled vehicle of separately managed account.*

47. We understand that the performance objective is to beat a mutually agreed upon benchmark. How should we think about your expected return objectives? (ie; how do you define “opportunistic”).

*The portfolio guidelines are expected to provide very broad ranges for each investable asset class, and the portfolio management team should make decisions to allocate to the most advantageous positions to exceed the agreed upon benchmark.*

48. Can the Fund clarify the preference on vehicle type – a mutual fund, separately managed account, or a collective investment trust (if MEABF is eligible)?

*Open-end commingled vehicles or separately managed accounts will be considered.*

49. In a separately managed account, implementation may be challenging in order to fully fund each underlying strategy at a size less than \$150mm. How likely is the Fund to award the mandate(s) to one manager?

*One manager is likely, two managers is possible.*

50. Can the Fund provide guidance on desired allocation ranges among each sub-asset classes and ability to move tactically among them?

*The portfolio guidelines are expected to provide very broad ranges for each investable asset class, and the portfolio management team should make decisions to allocate to the most advantageous positions to exceed the agreed upon benchmark.*

51. With regards to Section 1-113.21 of the Illinois Pension Code, are you able to provide some guidance and/or clarification on The MEABF's actual view of how these requirements apply in practice? If we cannot currently commit to tracking and providing M/W/DBE data in its full and accurate form, would MEABF be willing to accept a best efforts estimate in the interim, until we are in a position to accurately report the statistics of our many vendors, advisors, and consultants? We would greatly appreciate the opportunity to participate in this search process, and are open to any suggestions that the MEABF may have for a firm in a similar scenario. Thank you.

*Please provide information your firm has available. If you are unable to provide any information, please provide a brief explanation.*