

- 1. We are a MWDBE firm, with a 3+ year track record in EMD, mostly in hard currency. Would a majority hard currency portfolio (primarily USD) be considered? Our PM has managed EMD for almost 35 years.**
 - This is a search for a local currency emerging market debt mutual fund or pooled investment product, any other products submitted will not be considered.
- 2. How can this portfolio perform in a potentially appreciating USD environment? Would you consider allowing the manager to tilt the portfolio between hard and local currency based upon their macro views?**
 - This is a search for a local currency emerging market debt mutual fund or pooled investment product, any other products submitted will not be considered.
- 3. Any views on EMD corporate names versus sovereigns and potential maximum and minimum exposure? Most new corporate bond issuance is coming from Latin America. Will you enforce minimum and maximum geographic exposures worldwide?**
 - This is a search for a pooled fund (ie. mutual fund, commingled, etc.), this will not be a customized account.
- 4. Regarding minimum requirement #4, our dedicated Emerging Markets Debt Local Currency strategy has \$400 million in AUM as of 3/31/18. However, the team responsible for the local currency strategy is also responsible for our hard currency strategy which as of 3/31/18 has assets in excess of \$10B in AUM with several private and public clients. Can the assets and accounts within the team's hard currency strategy be counted towards satisfying the minimum requirement of having \$500 million in institutional assets?**
 - This is acceptable.
- 5. As of 4/30/18, the lead portfolio manager has managed the strategy for the required 3 year period, with the manager's tenure beginning on May 1, 2015 rather than April 1, 2015 as stated in the RFP minimum requirement. Please confirm if this is acceptable tenure for this search.**
 - This is acceptable.
- 6. Will the selected investment management firm be asked to act as a fiduciary to the commingled fund in which the Policemen's Annuity Benefit Fund is invested, or to the PABF themselves?**
 - The selected manager(s) the manager agreeing to be a fiduciary to the commingled fund and not specifically to PABF. Please explain in your response how you would plan to address this fiduciary requirement and whether you plan to act as a fiduciary to the commingled product.
- 7. The majority of EM bond returns come from the underlying exposure to FX and therefore using EM currency is functionally equivalent to EM local currency debt, achieving the same objectives with notable advantages: greater security of principal, greater liquidity, lower trading costs and the flexibility to allocate freely across the EM space – as such, would the PABF consider an allocation to a long-EM FX currency pooled fund that meets all the other criteria including similar clients, minimum strategy AUM and minimum track record?**
 - This is a search for a local currency emerging market debt mutual fund or pooled investment product, any other products submitted will not be considered.

8. As a Europe-based asset manager which does not actively track diversity-related data, and which does not have an EEOC disclosure statement, are we able to request an exemption from completing the Diversity Chart and providing diversity disclosures for contracts for service?

- Your firm may choose to omit this information from your RFP response, however please note that per Illinois pension code the Board of Trustees are required to consider a firm's diversity during the evaluation process.

9. As a Europe-based asset manager which has a Canadian-domiciled parent company, with a U.S. division, are we able to provide the diversity data of the parent company and/or the U.S. division only in the Diversity Chart and contracts for service?

- Yes.

10. "Proposer must have at least \$500 million in institutional (taxable and non-taxable) assets under management in the strategy as of March 31, 2018." Assuming this question is to determine the scale of a firm's EM Debt franchise and, more specifically, their experience in local currency debt, are assets for our EM Local Debt strategy managed in sleeves of other internal institutional multi-strategy portfolios eligible for consideration, in addition to the institutional buyer assets in the proposed product to highlight that our firm has experience and scale in EM Local Debt?

- This is acceptable.

11. Would a UCITS vehicle be considered if there is a favorable (early investor) fee schedule?

- Yes.

12. Will you be considering managers rated a 1 (on the new rating system)?

- This is an open RFP all managers submitting a response for the request product will be considered.

13. Under Terms and Conditions, "If selected, PABF will require the execution of a management service contract." Is it possible to receive a copy of said contract in advance of the proposal Due Date of May 31st?

- This will be provided, upon request, if your firm is selected as a semifinalist.

14. Minimum qualification #7 states, "Must be proposing a pooled fund/mutual fund with (at minimum) monthly liquidity." The available vehicles for our Emerging Country Local Debt Strategy are (1) a Limited Partnership, organized under the laws of Delaware, or (2) a UCITS Fund, organized under the laws of Ireland, both of which offer at minimum monthly liquidity. Would either or both of these vehicle types be acceptable to the plan?

- This is acceptable.

15. Since this RFP only allows for a 'pooled vehicle or mutual fund' as acceptable investment vehicle options – how can we accommodate the Illinois code, transparency, and fiduciary requirements if we intend to propose a registered investment company for this mandate?

- Please reference #6 above.

16. Can you please provide the “Fund’s MWBE brokerage goal requirements?”

- This target will be determined once a finalist(s) has been selected.

17. Is there a tracking error target or target tracking error range for the strategy?

- None have been established.

18. Would you like to see GIPS compliant composite performance since inception or performance for the specific investment vehicle and share class (or both)?

- Both

19. Is there a target fee range for the investment? If so, what is the acceptable range?

- None have been established.

20. If we are proposing a 40-Act Mutual Fund, then we cannot enter into an investment management agreement directly with the plan or act as a fiduciary to the plan. An investment in the Mutual fund is governed solely by the prospectus, SAI, and relevant securities laws. Historically, this has not been an issue for our firm when conducting business with public plans in Illinois that utilize 40-Act Mutual Funds. Is this acceptable to Chicago PABF? If so, should we state in the cover letter that we cannot agree to the first two minimum qualifications — investment management agreement or serving as a fiduciary to the plan — because we are proposing a 40-Act Mutual Fund?

- This is not an acceptable vehicle.

21. What if any constraints or preferences exist around credit ratings?

- Please reference question 3 above.

22. To satisfy minimum qualification #4, would you accept institutional assets in EMD Local assets across all strategies managed by our firm? Or, does the \$500 million minimum institutional threshold apply to the proposed EMD Local strategy only?

- This is acceptable.

23. Can the Policemen’s Annuity and Benefit Fund of Chicago implement this EMD – local strategy utilizing an Offshore SICAV vehicle?

- This is acceptable.

24. The RFP mentions “long only” in the minimum qualifications. Our strategy is consistent with the benchmark in holding long bond exposures, however, will also employ the use of Interest Rate Futures and Swaps as well as FX Forwards for both risk implementation and hedging purposes. Is this permissible?

- This is acceptable.