

REQUEST FOR PROPOSAL

POLICEMEN’S ANNUITY AND BENEFIT FUND OF CHICAGO, ILLINOIS

Broker Services for the Sale of Private Markets Partnerships

The Retirement Board (“the Board”) of the Policemen’s Annuity and Benefit Fund of Chicago (“the Fund” or “PABF”) is requesting proposals from qualified firms interested in providing ***broker services for the sale of private markets partnerships*** (“Proposers”). Responding firms must demonstrate experience and expertise in all matters related to secondary private markets brokerage services. All responding firms must meet the highest standards of professional competence and ethics. The selected firm(s) will serve as a fiduciary in its capacity to the Fund. All forms/required documents needed for submitting a Request for Proposal (“RFP”) are available on the PABF website at www.chipabf.org.

Information regarding this RFP may not be available in any other form or location. Proposers are responsible for monitoring the website for periodic updates on this search.

The Fund is a pension fund of the City of Chicago established in 1887. The Board is made up of eight members. Decisions in regards to awarding mandates shall be at the sole discretion of the Board in exercising their investment authority to ensure the prudent investment of Fund assets. To learn more about the Fund you may visit our website at: www.chipabf.org

The Fund is governed by Illinois Compiled Statutes, which can be viewed at: www.illinois.gov

SUBMISSION OF PROPOSALS

The Board’s investment consultant NEPC, LLC shall oversee the RFP process. If you are interested, you must submit an electronic copy of the complete Proposal by **3:00 CST on May 1, 2017** responses submitted after this time and date will not be considered. All responses should be submitted electronically to:

Search Contact

NEPC (Consultant Contact)	ChicagoPoliceRFP@nepc.com
Chicago Policemen's Annuity and Benefit Fund	Aoifinn Devitt adevitt@chipabf.org

The subject line of your email submission should be “Broker Services for the Sale of Private Markets Partnerships RFP”.

You must also send one (1) bound hard copy of all your proposal materials (also by 3:00 pm CST on May 1, 2017) to:

Aoifinn Devitt
Chief Investment Officer
Chicago Policemen's Annuity and Benefit Fund
221 North LaSalle Street, Suite 1626
Chicago, Illinois 60601
-and-
DeAnna I. Jones
Senior Analyst
NEPC

10 South Wacker Drive, Suite 1230
Chicago, IL 60606

An RFP submission would be deemed complete only when ALL requested information has been completed in full and submitted as instructed above. Incomplete submissions or responses not submitted as instructed will be rejected and any follow on submissions in support of an application filed earlier will not be entertained under any circumstances.

SERVICES TO BE PROVIDED

The services to be provided shall include, but are not limited to, the following:

- Advise on secondary strategy and process for identifying the optimal asset/portfolio(s) for sale/acquisition, transaction structure, and potential acquirers/sellers of secondary limited partnership interests;
- Provide in-depth analysis on asset/portfolio valuation and reserve pricing;
- Collect and prepare due diligence materials;
- Identify potential buyers/sellers;
- Manage prospective buyer/seller diligence and material requests;
- Facilitate responses to additional requests for information from interested parties;
- Gather indicative pricing from select buyers/sellers and review existing proposals;
- Provide detailed investment recommendations to staff on the suggested transaction;
- Negotiate terms with interested parties;
- Oversight of legal structuring and purchase documentation process; and
- Coordinate general partner consent/transfer process and transaction closing.

QUIET PERIOD

- The Quiet Period begins when the RFP is issued and ends when the manager is selected by the Board or the process is declared to be complete. Managers will not contact Board members during the Quiet Period. A manager will be disqualified from the selection process for violating the Quiet Period. **The Quiet Period for this RFP begins April 4, 2017.**
- Questions concerning the RFP *must* be submitted in writing via e-mail to the investment consultant's search contact by **3pm CST on April 11, 2017**. Responses to properly submitted questions will be consolidated in a single Q&A document and posted on the consultant's website on or around **April 18, 2017**. **No phone calls please.**

REQUEST FOR PROPOSAL EVALUATION FACTORS

Proposals will be evaluated and subsequent judgments made taking into account the following criteria:

- Stability and General Experience of the Firm – as measured by the stability of the firm and experience in providing the services requested.
- Key Personnel – Personnel to be assigned to this account.
- Expertise – Similar work performed for other institutions.
- Client References – As measured by the quality of the references provided.
- Fees – Reasonableness and competitiveness of fees.
- RFP Proposal – Clarity and responsiveness to requirements as requested in the RFP.

SELECTION PROCESS

- All RFPs will be reviewed and evaluated by the Board of Trustees of PABF and NEPC. The Board will be responsible for the final selection of the firm(s) hired.

TERMS AND CONDITIONS

- PABF reserves the right to reject any or all proposals, or any portion thereof, that it feels is in the best interest of PABF and to negotiate with any one or more of the respondents. PABF reserves the right to cancel this procurement.
- Please be aware that all documents created as part of this RFP, including the responses provided by your firm as the respondent, shall be retained by PABF, considered public records and made available for inspection and copying as provided in Section 3 of the Illinois Freedom of Information Act ("FOIA"), 5 ILCS 140/1, et. seq. **You may provide a redacted version of your response to be subject to any FOIA request, however only confidential information may be redacted.**
- If selected, PABF will require the execution of a management service contract.
- This RFP is neither a contract nor meant to serve as a contract. A respondent's preparation or submittal of a proposal or subsequent participation in presentations or contract negotiations creates no obligation on the Fund to award a contract or to pay any associated costs.

MINIMUM QUALIFICATIONS

Please provide a signed cover letter with your response in which an authorized person acknowledges and confirming the firm's ability to meet the below minimum requirements. A failure to do so will constitute an incomplete response resulting in automatic elimination. The verification statement below should be part of the cover letter.

To be considered for the mandate, firms must provide or demonstrate the following:

- a) Any person or entity providing to PABF the services sought by this RFP must agree to serve as a "fiduciary" to the Fund in accordance with the Illinois Pension Code and to act in accordance with all requirements and standards of conduct applicable to fiduciaries.
- b) The proposed firm must have a minimum of five (5) years of experience, as of 12/31/16, in providing private markets brokerage services to institutional investors.
- c) Key principals must have previously executed private markets secondary transactions in excess of \$250 million in each of the last two years as of 12/31/16.
- d) Any Proposer qualifying as a "minority owned business", "female owned business" or "business owned by a person with a disability", as those terms are defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act, are exempt from (b) and (c) above and will be evaluated for further consideration at the discretion of the Board.
- e) Provide a copy of the firms EEOC disclosure statement and description of any initiatives or guidelines your firm has on the inclusion of women and minorities. Whether you have an EEOC disclosure statement or not, each Proposer complete the attached exhibit A with their firm's staff diversity exposure. Please note that per the law effective January 1, 2015 [40 ILCS 5/1-113.21], the employee diversity of senior staff must be delineated.

- f) As provided by IL Legislation (SB 452), an applying firm must provide the following disclosures to be considered: (1) The number and percentage of staff who are minority, female, or disabled; (2) The number of contracts for services that the applying entity has with a minority owned business, female owned business, or business owned by a person with a disability; and (3) The number of contracts for service that the applying entity has with businesses other than a minority owned business, female owned business, business owned by a person with a disability , if more than 50% of the services under that contract are performed by a minority person, a female, or a person with a disability. (Please provide as an additional exhibit titled "Exhibit B").
- g) Be familiar with and willing to adhere to Articles 1 and 5 of the Illinois Pension Code.
- h) Be familiar with and willing to adhere with the Illinois Freedom of Information Act (5 ILCS 140 *et seq.*).

VERIFICATION (Please include in the cover letter)

I certify under penalty of perjury, that I am a responsible official (as identified above) for the business entity described above as a Proposer, that I have personally examined and am familiar with the information submitted in this disclosure and all attachments, and that the information is true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including criminal sanctions which can lead to imposition of a fine and/or imprisonment.

(Firm Name)

(Name of Proposed Firm)

(Name and Title)

(Signature)

(Date)

REQUEST FOR PROPOSAL - QUESTIONNAIRE

Proposers must provide the following:

- A firm and team overview. As part of this overview, please include in this summary the date your firm was founded, the length of time senior team has worked together, the length of time your firm has provided the services listed in the scope of services.
- If registered with the SEC, please provide your Form ADV.
- Using specific examples, please demonstrate your firm’s experience in providing the requested scope of services to other institutional investors.
- A detailed breakdown of sell-side and buy-side advisory mandates (individually and in total) by dollar amount for each of the last three calendar years (2013-2016) broken out by asset class.

- A case study/overview of the top five (5) closed sell-side mandates in 2016.
- Detail your firm's experience/expertise in selling private markets fund of funds portfolios, including the positioning strategy for packaging portfolios.
- A secondary market overview, both historically and a 2017 outlook.
- A reference list of at least three clients (LPs) to whom you have provided broker services in the last year for the sale of private market partnerships; include the name, title, contact number, and a brief description of the services you provided.

REQUEST FOR PROPOSAL - FEE PROPOSAL

- Describe in detail the firm's proposed fees to perform the requested services in this RFP. Please indicate whether the proposal includes: 1) a performance-based fee, 2) a flat-fee or a percentage of NAV or percentage of purchase price, 3) varying fees based on transaction size, 4) varying fees based on asset types, and 5) break-up fees.
- If your fee proposal is on a retainer basis, please provide specific details on services provided in a retainer basis.
- Please provide comments regarding other fees a client may expect to incur which would be outside of the proposed fee schedule.

BY SUBMISSION OF A PROPOSAL, THE PROPOSER CERTIFIES:

- a) Fees in this proposal have been arrived at independently, without consultation, communication or agreement for the purpose of restricting competition.
- b) No attempt has been made, nor will be by the Proposer to induce any other person or firm to submit a proposal for the purpose of restricting competition.
- c) The person signing this proposal certifies that he/she is authorized to represent the company and is legally responsible for the decision as to the fee and supporting documentation provided as a result of this advertisement.
- d) Proposer will comply with all Federal regulations, policies, guidelines and requirements.
- e) Fees in this proposal have not been knowingly disclosed by the Proposer to any other Proposer and will not be so disclosed prior to award.

The undersigned agrees to provide Broker Services for the Sale of Private Markets Partnerships services to the PABF in accordance with the Request for Proposal and proposed fee.

(Signature), (Name, Title)

(Date)