



Request for Proposals Questions and Answers Investment Management Services Private Credit

1. Clarification on Search process.

- As described in the RFP, candidates are requested to submit information relevant to the Private Credit search including but not limited to firm information, capabilities, experience managing Private Credit discretionary mandate, details of discretionary accounts you currently manage, etc. for Phase I – Request for information. The document should be no more than 5 pages and there are no questions nor templates for this submission. Candidates are not required to submit additional documents nor Exhibits during this phase.
- Following Phase 1, we will identify high caliber candidates to participate in Phase 2 – Sample portfolio construction.
- IPOPf will identify highest caliber candidates from Phase 2 to participate in Phase 3 – Request for proposal and submit a comprehensive proposal including Exhibits.
- Any firm that meets the minimum criteria may submit a proposal if they so choose. Minimum qualifications are specified on the RFP

2. Are candidates able to provide separate copies of our proposal – one in full, and one that is redacted for public disclosure?

- All documents created as part of an RFP, including a Candidate's responses, shall be considered public records and shall be made available for inspection and copying as provided in Section 3 of the Illinois Freedom of Information Act, 5 ILCS 140/1, et seq. ("FOIA"). Section 7(1)(h) of FOIA exempts from production proposals, bids, and information which, if disclosed, would frustrate procurement, until an award or final selection is made. Pursuant to Section 7(1)(h), IPOPf does not intend to make public any Candidate responses until an award or final selection is made. Further, Section 7(1)(g) exempts from production "trade secrets and commercial or financial information obtained where the trade secrets or commercial or financial information are furnished under a claim that they are proprietary, privileged, or confidential, and that disclosure of the trade secrets or commercial or financial information would cause competitive harm to the person or business, and only insofar as the claim directly applies to the records requested." To the extent that a Candidate represents to the IPOPf in its RFP response that the Section 7(1)(g) exemption applies, the Candidate must mark each page accordingly and provide a separate version of the response that redacts only those pages, or portions of pages, that include such information.

3. Clarification on search preferences.

- The preferences outlined in the Scope of Services and Search Process section of the RFP document are not minimum qualifications. However, candidates must demonstrate their capabilities in a broader private credit universe and proven track record of managing broadly diversified discretionary mandate.

4. Vehicle and structure clarification.

- IPOPIF is open to considering all available solutions as broadly described in the RFP. Respondents may offer different solutions within single or separate proposals.
- IPOPIF is open to a structure that (1) satisfies all the terms required by Illinois statute, (2) constructed of candidates fund suite available to public pension funds, and (3) provides ease of administration/operation oversight. Regardless of the vehicle utilized, IPOPIF will require detailed fee disclosure reporting from the selected provider.

5. Are candidates allowed to submit multiple proposals?

- For Phase 1, IPOPIF is looking to identify firm's credentials, capabilities, and proven track record in managing broadly diversified discretionary mandate. We would prefer a single response in Phase I, but multiple responses from the same firm will be allowed.

6. Where can candidates locate Exhibit 2?

- There is no template for Exhibit 2 – Fee Proposal. Candidates may use their standard template for Exhibit 2.

7. Transparency on fees.

- Please provide a competitive fee structure for this phase of the process. Please note that there will be opportunities to sharpen your pencils further as we progress in this search process if you are invited to participate in the next phase.
- Please provide us with an overall fee load we can expect for your program; total fee, advisory, management, carry, administrative, operational, etc.
- Fund of funds should be able to provide transparency into underlying Fund level fees.
- IPOPIF's philosophy is being mindful of overall fee load with emphasis on net of fee performance.

8. Does IPOPIF have a target return (range)?

- IPOPIF believes diversified private credit portfolio should earn 2-4% premium to the BSL market. Additionally, Verus 10-year capital market assumption projects 9.8% return for private credit asset class. With that said, we would like to see how manager's ability to build a portfolio that best maximizes return with an appropriate level of risk given market conditions.

9. Does IPOPIF have preferences on the use of leverage?

- We acknowledge that leverage is a tool but also adds complexity and risk to the portfolio. Managers have discretion to use leverage appropriately at any level of the portfolio.

10. Does IPOPIF have preferences for certain esoteric sub strategies or loans?

- Managers should build a portfolio that provide gradual exposure to strategies/sub-strategies. Managers should understand that this portfolio is IPOPIF's first private credit portfolio and our preference for gradual exposure.

11. What is IPOPIF's preference for portfolio structure?

- IPOPIF would like a structure that best provides simplicity in administration and operation.

12. What is IPOPIF's preference for liquidity and income?

- Liquidity is not a leading concern/factor for IPOPIF and its private credit portfolio currently. Total Return, including income, would be an important factor.

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