

**REQUEST FOR PROPOSAL
POLICEMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO, ILLINOIS
Long/Short Equity Custom Solution**

REQUEST FOR PROPOSAL

POLICEMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO, ILLINOIS

Separate Account Long/Short Equity Fund of Hedge Funds

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 separate account (customized solution) long/short equity fund of hedge fund portfolio services ("Proposer"). Expected mandate size will be between \$25 million and \$50 million. 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. The Board's investment consultant NEPC, LLC shall oversee the RFP process. All forms/required documents needed for submitting a Request for Proposal ("RFP") are available on NEPC's website at www.nepc.com.

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 the Fund's 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

If you are interested in responding to this RFP, you must submit an electronic copy of your complete Proposal by 3:00 CST on July 31, 2017 responses submitted after this time and date will not be considered. All responses should be submitted electronically to:

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 "Long/Short Equity Hedge Fund of Funds RFP".

You must also send one (1) bound hard copy of all your proposal materials (also by 3:00 pm CST on July 31, 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.

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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 July 5, 2017.

Questions concerning the RFP must be submitted in writing via e-mail to the investment consultant's search contact by 3pm CST on July 10, 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 July 18, 2017. **No phone calls please.**

RFP Timeline

The following is a list of anticipated critical dates regarding the proposal and possible contract process:

Request for Proposal Issued	July 5, 2017
Due Date to Submit Written Questions	July 10, 2017
Q&A Document Posted	July 18, 2017
Due Date for Proposal	July 31, 2017
Potential Interviews	TBD
Finalist Notified By	TBD

The timeline is subject to change. Any changes to the timeline will be posted on NEPC's website.

TERMS AND CONDITIONS

1. 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.
2. 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. **In addition to your proposal, you may also provide a redacted version of your proposal to be subject to any FOIA request, however only confidential information may be redacted.**
3. If selected, PABF will require the execution of a management service contract.
4. 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.
5. The Fund is not obligated to award a contract to any of the respondents to this RFP.

EVALUATION AND SELECTION

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

1. **Stability and General Experience of the Firm** – as measured by the stability of the financial condition of the firm and experience in providing the services requested.
2. **Key Personnel** – Personnel to be assigned to this account, including key professionals, back-up and other staff assistance, and education and experience of all such key personnel.
3. **Expertise** – (a) Similar work performed for other institutions.
4. **Client References** – as measured by the quality of the references provided.

255 State Street | Boston, MA 02109 | TEL: 617.374.1300 | www.nepc.com

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5. **Process** – Consistent process implementation.
6. **Performance** – Firm's L/S track record.
7. **Fees** – Reasonableness and competitiveness of fees.
8. **RFP Proposal** – Clarity and responsiveness to requirements as requested in the RFP.

Selection Process:

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

MINIMUM QUALIFICATIONS

Please provide a cover letter with your response, in which each qualification is listed and an authorized person initials the firm's ability to meet or exceed each qualification. Failure to do so will constitute an incomplete response.

To be considered for appointment as a Long/Short investment manager pursuant to this proposal, investment management firms must demonstrate the following:

1. Acknowledge that your firm is willing to act as a fiduciary with respect to the Policemen's Annuity and Benefit Fund of Chicago in accordance with the Illinois Pension Code, 40 ILCS 5/1 et seq.;
2. Acknowledge that your firm is: (i) registered as an investment adviser under the Investment Advisers Act of 1940, as amended (15 U.S.C.80b-1 et seq.) (the "IAA"); (ii) registered as an investment adviser under the Illinois Securities Law of 1953, as amended (815 ILCS 5/1 et seq.); (iii) a bank, as defined in the IAA; or (iv) an insurance company authorized to transact business in the State of Illinois. If your firm is not a Registered Investment Advisor under the Securities Act of 1940, please explain why your firm is exempt in your cover letter.
3. The key decision makers must each possess more than 5 years investment experience and a minimum of 3 years' experience in managing multi-manager equity accounts or investing in L/S equity strategies.
4. A 3 year (as of March 31, 2017) verifiable L/S equity performance track record. For the purpose of this question a representative account, composite, or equity long short carve out of a multi-strategy program will suffice.
5. Must be proposing a separate account that can be customized for PABF.
6. 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 (3) and (4) above and will be evaluated for further consideration at the discretion of the Board.
7. Provide a copy of the firm's 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 **MUST** 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 and investment personnel must be delineated. *(Please provide as an additional exhibit titled "Exhibit A")*.
8. As required by IL Legislation (SB 452), an applying firm must provide the following disclosures to be considered: (1) 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 (2) The number of contracts for service(s) that the applying entity has with businesses other than a minority owned business, female owned business, business owned by a

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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").*

9. Be familiar with and willing to adhere to Articles 1 and 5 of the Illinois Pension Code.
10. Be familiar with and willing to adhere to the Investment Transparency section of Illinois code and permit the Fund to list your firm on its website and a brief description of any agreement for investment services.
11. Be comfortable with the FOIA (Illinois Freedom of Information Act) that the Fund adheres to, which includes the requirements from 5 ILCS 140 et seq. This includes, but is not limited to disclosure of fee schedules.
12. Confirm your ability to comply with Section 145 of Article 1 of the Illinois Pension Code (815 ILCS 5/1-145) relating to Placement Agents and Third Party Marketers. Specifically Section 145 prohibits contingent and placement fees, no third party marketers can be used for gaining a fund investment.

VERIFICATION (Please include in the cover letter)

I certify under penalty of perjury, that I am a responsible official 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.

(Signature), (Name, Title)

Required Documents Checklist	
Required Documents	<p>In order for your firm's submission to be deemed complete, please submit all of the following documents:</p> <ol style="list-style-type: none"> 1. Cover letter 2. Exhibit A – Employee Diversity Chart and EEOC statement requested in #11 of the minimum qualifications (provided excel chart) 3. Exhibit B – MWDBE vendors and consultant questionnaire, requested in #12 of the minimum qualifications 4. Exhibit C – Example of Standard Report (monthly and quarterly) 5. Exhibit D – Sample Investment Policy 6. Exhibit E – Monthly Performance Exhibit- monthly performance in excel for track record 7. Exhibit F – Short biography on each of the key professionals in the proposed product 8. Exhibit G – MWDBE certification (if applicable) 9. Exhibit H – Fee Schedule Certification 10. Exhibit I – Legal Disclosure

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Please return this questionnaire in word format (i.e. not in PDF).

Please do not alter the format of this template.

Please do not change or modify text in BLUE or PURPLE shaded boxes. Please provide answers in the WHITE boxes provided.

Please try to be as concise as possible with answers. If a question is not applicable please respond "N/A"

Please provide any legal disclaimers as a separate attachment (i.e. do not include as part of this document).

General Firm and Fund Information			
Primary Contact Person	[Name.]		
	[Email Address.]		
	[Phone number(s).]		
Firm Name	[Please enter.]		
Office Locations	City	State / Province	Country
Main Office	[Please enter.]	[Please enter.]	[Please enter.]
Location of L/S Equity Strategy Team	[Please enter.]	[Please enter.]	[Please enter.]
Additional Office Locations	[Please enter.]	[Please enter.]	[Please enter.]
	[Please enter.]	[Please enter.]	[Please enter.]
	[Please enter.]	[Please enter.]	[Please enter.]
	[Please enter.]	[Please enter.]	[Please enter.]
	[Please enter.]	[Please enter.]	[Please enter.]
	[Please enter.]	[Please enter.]	[Please enter.]
Year Firm was Founded	[Please enter.]		
L/S Strategy Inception Date	[Please enter.]		
Firm History / Description	[Please describe the firm's origins, evolution and current structure. Please list any predecessor organizations or ownership or subsidiary relationships with other organizations.]		
Firm Asset Under Management as of 6/30/17	[Please add the firm wide asset under management.]		
L/S Strategy Assets Under Management as of 6/30/17	[Please add the value of assets under management for the proposed product.]		

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Please describe the ownership of the firm	<p>a) If an affiliate, designate percent of parent firm's total revenue generated by your organization. Elaborate on affiliations with any brokerage firms and/or broker-dealers.</p> <p>b) If the firm is a joint venture partner, identify the percentage of ownership and revenues recognized by each partner to the combined association.</p> <p>c) Pending organizational or ownership changes.</p>
Minority/Women Business Entity	[Please note if the firm is MWBE certified.]
Litigation, Regulation and Compliance	
Current Material Firm Litigation	[Please describe any current material litigation regarding the firm.]
Past Material Firm Litigation	[Please describe any past material litigation regarding the firm.]
Compliance	[Please describe the Firm's compliance philosophy and staff allocated to this function, e.g. how many and which staff resources are assigned to this function, what are their roles and responsibilities? What are the key compliance procedures?]
SEC Registered Investment Advisor (if applicable)	Year Registered [Please enter.]
	Entity Name [Please enter.]
SEC Oversight (if applicable)	[Please describe the Firm's most recent examination by the SEC. When was the date of the most recent SEC examination? What were the key findings? Were there any deficiencies noted and what was done to remediate them?]
Investment Product Information	
Investment Philosophy	<ol style="list-style-type: none"> 1. Please describe your investment philosophy and proposed strategy in as much detail as possible. 2. Please provide a breakdown of principal office locations of the underlying managers. 3. Are there any strategies that you specifically avoid? Please indicate reasons. 4. Provide the names of all members in the investment policy or strategy committee. What is the frequency of regularly scheduled investment policy or strategy meetings? 5. Please describe how your strategy has changed since the fund's inception. 6. Please articulate what you believe is your fund's competitive advantage? How do you differentiate yourself from your competitors? 7. Please discuss your views on the utility of a long/short equity strategy as an equity substitute – including the types of market environments in which you believe that this makes sense and how investors should size this aspect of their portfolio. 8. How would you set objectives for the investor in terms of return, volatility and correlation? 9. How do you justify the higher fee load in long/short equity strategies when compared to traditional equity strategies? 10. Please discuss your approach to fees in this area – your efforts to secure lower fees with underlying managers, if any, and your views on the evolving opportunity set in equity long/short investing given the current macro environment.
Investment Process	<ol style="list-style-type: none"> 1. Please discuss your investment process in as much detail as possible. Is your investment process top down, bottom up or a

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	<p>combination? What do you think is more important when building a fund of hedge funds? Why?</p> <ol style="list-style-type: none"> 2. Who makes the final subjective investment decisions required by your approach? What is your process if that person is unavailable? 3. Have you made any meaningful permanent or temporary changes to the investment process during the period of the published track record? Please describe any change(s) and dates they went into effect. 4. Describe your philosophy towards manager selection, including the general criteria you use to select underlying managers? 5. Please identify factor exposures you are willing to accept in order to monetize your edge. 6. For each of the last three years, what factors have been the primary contributors and detractors to performance? 7. What are the key factors you evaluate when determining the maximum capacity of your strategy? What is your best estimate of the maximum amount of capital that can be managed using your existing methodology and resources? 8. Does your firm formally incorporate ESG considerations into the investment selection and portfolio management processes? If so, please send a copy of your most up to date ESG policy and standards. 9. Is your firm is a PRI signatory?
<p>Portfolio Construction</p>	<ol style="list-style-type: none"> 1. Describe your portfolio construction methodology. What drives your net exposure and how many managers will your portfolio typically have? Please describe your diversification policy. 2. On what basis do you meaningfully change the asset allocation of your portfolio? Please describe the last time this happened and your reasoning. 3. Do you have any maximum/minimum allocation percentages to the underlying strategies/managers? If so, indicate philosophy behind the allocations. 4. How do liquidity concerns impact the portfolio construction process? What circumstances would cause a liquidity problem for the fund? 5. How have you dealt with any liquidity problems in the past, specifically, have you made any changes to your processes to address liquidity issues? 6. What process would you use to control and/or accommodate large additions or redemptions to your strategy? 7. Describe any portfolio constraints (e.g. strategy, liquidity, geography, currency, etc) – are these internal or specifically outlined in your prospectus? 8. How do you monitor correlation among various managers and how does this affect portfolio construction? 9. How is the percentage of capital invested in any single manager determined and overall market exposure levels established and monitored? 10. Have you ever lost more than 20% in any single underlying fund in which you invested? The 20% drop in NAV should be calculated from the specific hedge fund's high-water mark (not <u>cost</u>). 11. For the last 2 managers added to the portfolio, please describe your thesis for adding them to the portfolio and how you measured their contribution to the portfolio. 12. What has been your average manager turnover for each of the last 3 calendar years? What are the criteria for manager termination? Please identify each terminated manager, date of redemption notice and reason for termination for the track record provided. 13. Please discuss your experience in managing customized accounts for clients, in particular for public pension funds. Please mention past

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	<p>investment objectives, portfolio construction guidelines (e.g. net long bands, leverage and concentration levels) and any efforts made to take existing long-only equity exposures into account when building the portfolio. You may in this section propose a model portfolio for the Fund based on your knowledge of its existing equity exposures (a list of the Fund's current equity portfolio is located at the end of this RFP).</p>
<p>Manager Due Diligence</p>	<ol style="list-style-type: none"> 1. Describe how your research team is structured, including individual responsibilities and specialties of each team member. 2. Describe in detail how you source managers, including any proprietary strategies for access. 3. Describe your research process (top down, bottom up or some combination) and, generally speaking, how do managers find their way into the portfolio. 4. How many hedge funds do you currently monitor? Please break down your investible universe into various categories of monitoring intensity. Based on the category with the most intensity, what is the average number of managers that each analyst covers? 5. Please describe the system(s) you use to track manager information, including legal documents, meeting notes and performance statistics. 6. Do you have a dedicated operational due diligence team? What is the timing of this process (before, during or after the strategy due diligence?). 7. Do you perform background checks on underlying managers? Please describe how you determine whom to review, when to do it (at the beginning or end of the due diligence process) and also if you review the related management firm and/or related funds. 8. List any information sources, data providers and/or external vendors you may use to generate and evaluate ideas. 9. Please describe the steps you take to get comfortable that the underlying manager's portfolio is properly valued. 10. Please describe any current research projects in which you are involved that may result in additional strategies, improvements to your approach or changes to your existing philosophy or process.
<p>Subscriptions</p>	<ol style="list-style-type: none"> 1. Who has ultimate responsibility for all buy decisions? If team based, do certain members have veto power? 2. Who has ultimate responsibility for all sell decisions? If team based, do certain members have veto power? 3. Do you have any capacity agreements in place? If so, with how many managers? 4. Do you invest with managers outside of the United States and, if so, how many of your total managers does this represent? With the varying degrees of legal recourse in offshore jurisdictions, how do you measure and evaluate controls over fund assets. 5. Please describe your philosophy towards separate accounts with managers. 6. Has your firm ever had any exposure to failed managers – for any reason? If so, please describe. 7. Please describe your procedures for redeeming assets from underlying managers. How does your fund manage the redemption decision while at the same time not alienating the manager? What general factors have caused you to redeem from managers in the past? 8. Investment allocations: <ol style="list-style-type: none"> a. How are subscriptions allocated across the various pools you manage? b. What controls are in place to ensure that all funds/accounts are treated equally?

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	<ul style="list-style-type: none"> c. Describe the process used to assess potential investments versus specific fund constraints? d. When are proprietary/house orders placed, if any? Are these done separately or with client orders? Who monitors this and how is this documented?
<p>Risk Management</p>	<ul style="list-style-type: none"> 1. Who is responsible for risk management and to whom do they report. Please describe how they express their veto authority if portfolio limits are breached? 2. Please describe the minimum level of transparency you require in order to invest with a manager. 3. Describe in detail your process for communicating with the underlying managers and monitoring them once they are in the portfolio. How often do you conduct on-site visits with the manager as part of your monitoring process? 4. Describe the risks inherent in your portfolio – identify the major factors to which the fund is exposed (e.g. volatility, credit, liquidity, geopolitical, leverage etc). 5. How do you measure, monitor and control derivative exposure? How do you go about getting this information from each manager and how do you <u>validate</u> and <u>evaluate</u> the information obtained? 6. Describe the process, if any, you use to hedge factors to which you do not want exposure. 7. Describe the process you use to monitor and rebalance the portfolio. 8. Please identify and describe your top three largest drawdowns; the factors that caused them; how you recovered from them; how the experience shaped your philosophy and how these events <u>practically</u> affected your investment philosophy. 9. How do you measure and manage risk with managers that have relatively illiquid strategies; do not provide adequate transparency; or use a short-term trading approach? 10. Leverage: <ul style="list-style-type: none"> a. Please describe how you define and measure leverage and your general policy (including constraints) on its use. b. Do you ever use leverage at the fund of funds level? If so, what are the parameters and is there a maximum amount that can be used? c. How do you treat derivatives when calculating leverage and risk exposures d. What is the fund's lowest and highest level of market exposure (both long and short) over the last three years in gross terms? 11. Please describe your use of swaps. 12. Describe "hard" and "soft" overall portfolio constraints and how you ensure compliance with each. 13. Describe the portfolio management tools, quantitative models and/or techniques you use to define, measure and isolate specific risks. Please provide sample reports as exhibits. 14. Please describe your methods or tools you use to monitor individual managers and for aggregating portfolio risk exposures. 15. What type of risk reports are made available to investors? Are any of your underlying managers on a platform such as MSCI HedgePlatform where investors can receive monthly standard market exposure reports?
<p>Operations/Back Office</p>	<ul style="list-style-type: none"> 1. Who is responsible for your back office operations and to whom do they report? 2. Describe in detail your cash management policy, including named persons with their relevant authorization levels for all cash movements into and out of the cash accounts of any funds or management companies. 3. Custodian/Bank/Transfer Agent:

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	<ol style="list-style-type: none"> a. How do you monitor, measure and manage counterparty risk? b. How often do you monitor counterparty quality? Please describe the process you employ. c. For each of the fund's custodians, please indicate who they are and amount held by each. 4. Describe the due diligence you performed on your current service providers. Identify your minimum quality standards; how these were evaluated and your process for ongoing monitoring. 5. Who has overall responsibility for information technology and to whom do they report? What are their general duties and how many people are in this group? 6. Please list all software systems used in your accounting or back office operations and their purpose. Please indicate whether the maintenance of these programs is done internally or outsourced. 7. Who has access to back office systems within the firm and how is access controlled? 8. Please describe where your primary network resides and the physical security surrounding it. 9. NAV pricing process: <ol style="list-style-type: none"> a. Who/what entity calculates monthly and official NAV? b. From where does the pricing entity obtain portfolio holding information? c. If the NAV is calculated by a third party, does the advisor check for accuracy? How? d. How are disagreements over pricing with the pricing entity resolved? e. Are any securities held at cost? Why are they marked at cost and what percentage of the portfolio do they represent. f. Has there ever been a restatement of an official NAV? If so, please describe. 10. Please describe any side-pockets employed by your fund. Describe your policies and procedures for side-pocket accounting. 11. Describe the process you have in place to make funds available for redemptions, including any backup lines you may have. 12. Please describe your philosophy for matching your assets (portfolio exposures and liquidity) with liabilities (redemption schedule). Has your redemption schedule changed since inception of the fund?
<p>Administration</p>	<ol style="list-style-type: none"> 1. Has the firm changed any of its service providers since inception? If so, please identify prior service providers, date of change and reason for change. 2. Please provide a list of all custodians used and the amounts held by each as of the most recent date for which information is available. 3. Describe in detail the administrator's contracted role and the date of hire. 4. Is your performance, as reported, calculated under GIPS (Global Investment Performance Standards)? 5. Please explain any meaningful differences in performance between your domestic and offshore funds in the past two years. 6. Do you have an independent audit committee for the board of the Advisor? If so, please identify members. 7. Do all of the funds to which you advise receive annual audits by an independent accounting firm? For any audited funds, have any received a qualified opinion over the last 5 years? If so, please explain. 8. Have you ever changed auditors for any of the funds which you have advised? 9. How frequently is each fund audited? When has the audit typically

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	<p>been completed? Is there a date by when the audit must be completed?</p> <ol style="list-style-type: none"> 10. Are the audits done in accordance with generally accepted auditing standards? Do the auditors perform sample valuation tests of the fund's portfolio securities or does the audit provide 100% verification? Does the audit report list specific managers or aggregate market exposures? 11. Please break down in percentage terms the fees charged to the Fund. If you pass through any fees other than legal, administration and auditing fees to investors, please describe the nature and amount of those charges. What is your policy on such expenses and are they capped? 12. Do you have any 3rd party marketing agreements? If so, please explain each relationship and how fees are paid. 13. Do any principals of the Advisor have liquidity term different from any other investors in your fund? 14. Have you ever granted fee sharing, reduced fees or preferred liquidity arrangements to any investors in your funds? Do you now – if so, please explain? 15. Please provide a descriptive summary of side letter agreement terms currently outstanding. Please summarize this by each key term and applicable AUM for each term. 16. Does the fund accept investments from parties subject to Title I of ERISA? If so, does the manager plan to limit such investments in order to avoid being considered "plan assets"? 17. For all taxable partnerships, has the fund ever generated income that would qualify as "unrelated business taxable income" (UBTI) within the meaning of Section 512 (including section 514) of the US Internal Revenue Code of 1986, as amended (The Code)? Does the fund make any special accommodations for investors that are US tax-exempt investors so as to not generate any UBTI that would be attributed to such investor's capital account? 18. Does the fund's administrator do all the fund accounting or is mirror records kept by the Advisor? If records are also kept by the advisor, describe the reconciliation process to reconcile to the administrator. Where are the investor records physically located? 						
Reporting	<ol style="list-style-type: none"> 1. Do you provide weekly performance estimates? 2. How soon after month end do you provide investors with preliminary NAVs and when do you release final month-end NAVs? Have you failed to meet this schedule at any time during the past year? 3. Do you provide performance attribution information? If so, please provide an example as an exhibit. 4. Do you provide any written commentary on your portfolio? If yes, how often do you distribute investment commentary or reports? 5. Please provide, as an exhibit herewith, a list of all regulatory filings you are required to make. 						
Minimum Account Size	[Please give the minimum account size and if the mandate size listed is below the vehicle minimum account size or minimum fee, please state if you are willing to waive the minimum for this mandate?]						
Assets	<table border="1"> <tr> <td data-bbox="472 1644 776 1717">2012</td> <td data-bbox="776 1644 1510 1717">[Please enter 12/31/12 asset value for the L/S Equity Strategy.]</td> </tr> <tr> <td data-bbox="472 1717 776 1791">2013</td> <td data-bbox="776 1717 1510 1791">[Please enter 12/31/13 asset value for the L/S Equity Strategy.]</td> </tr> <tr> <td data-bbox="472 1791 776 1866">2014</td> <td data-bbox="776 1791 1510 1866">[Please enter 12/31/14 asset value for the L/S Equity Strategy.]</td> </tr> </table>	2012	[Please enter 12/31/12 asset value for the L/S Equity Strategy.]	2013	[Please enter 12/31/13 asset value for the L/S Equity Strategy.]	2014	[Please enter 12/31/14 asset value for the L/S Equity Strategy.]
2012	[Please enter 12/31/12 asset value for the L/S Equity Strategy.]						
2013	[Please enter 12/31/13 asset value for the L/S Equity Strategy.]						
2014	[Please enter 12/31/14 asset value for the L/S Equity Strategy.]						

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	2015	[Please enter 12/31/15 asset value for the L/S Equity Strategy.]
	2016	[Please enter 12/31/16 asset value for the L/S Equity Strategy.]
References		
Reference 1	Name	[Please enter.]
	Relationship to Firm	[Please enter.]
	Firm / Title	[Please enter.]
	Business Address	[Please enter.]
	Business Telephone	[Please enter.]
	Business Email	[Please enter.]
Reference 2	Name	[Please enter.]
	Relationship to Firm	[Please enter.]
	Firm / Title	[Please enter.]
	Business Address	[Please enter.]
	Business Telephone	[Please enter.]
	Business Email	[Please enter.]

Exhibit I – Fee Schedule Certification

		Fee Proposal
Fee Proposal	Effective Fee on a \$50MM account	[Please enter.]
	Tiered Fee Schedule	[Please enter.]
	Administrative Fee/Incentive Fee/Other Fee	[Please enter.]

The undersigned agrees to provide *Long/Short Equity Fund of Funds* investment management services to the PABF in accordance with the Request for Proposal and Proposal Price Sheet.

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.

(Signature), (Name, Title)

(Date)

**REQUEST FOR PROPOSAL
POLICEMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO, ILLINOIS
Long/Short Equity Custom Solution**

Current Equity Allocation (49.5% of total portfolio)

Domestic Equity Allocation (24.4% of total portfolio)

Manager Name	Strategy/Capitalization/Benchmark	PABF Portfolio (%)
Northern Trust	Passive Large Cap Core Russell 1000	3.9
Holland Capital	Active Large Cap Growth Russell 1000 Growth	3.9
Montag & Caldwell	Active Large Cap Growth Russell 1000 Growth	1.8
Denali Advisors	Active Large Cap Value Russell 1000 Value	2.1
Great Lakes	Active Large Cap Value S&P 500/Citigroup Value	4.3
William Blair & Co	Active Small/Mid Cap Growth Russell 2500 Growth	4.1
Fisher Investment	Active Small/Mid Cap Value Russell 2500 Value	4.3

International Equity Allocation (25.1% of total portfolio)

Manager Name	Strategy/Capitalization/Benchmark	PABF Portfolio (%)
Artisan Partner	Active International Equity MSCI ACWI ex US	4.4
William Blair & Co	Active International Equity MSCI EAFE	5.8
UBS	Active International Equity MSCI ACWI ex US	2.5
Acadian	Active International Equity MSCI World Small Cap	4.7
EARNEST Partners	Active Emerging Market Equity MSCI Emerging Markets	3.8
Lazard	Active Emerging Market Equity MSCI Emerging Markets	3.9