

Introduction:

The Chicago Transit Authority Retiree Health Care Trust (“Trust”), a Section 115 Trust, is requesting proposals from investment management firms interested in providing international equity investment management services to the Trust.

Purpose:

The Board of Trustees is soliciting firms to provide international equity investment management services for approximately \$35 million in a commingled fund vehicle. This Request for Proposal (RFP) is not an offer to contract but seeks the submission of proposals from qualified, professional firms. The Trust reserves the right to reject any or all proposals and to solicit additional proposals if that is determined to be in the best interests of the Trust.

Timeline:

RFP Date of Issue:	March 31, 2023
RFP Due Date:	April 30, 2023
Proposal Evaluation (Tentative):	May 2023
Finalists Notification (Tentative):	June 2023
Finalists Presentations (Tentative):	June/July 2023

Submission Process:

The RFP process will be overseen by the Plan’s investment consultant, Marquette Associates. Questions concerning the RFP must be submitted via email to efrazier@marquetteassociates.com. Any responses received after the deadline will not be considered for this search.

Scope of Services:

The manager shall serve as a fiduciary to the Trust and have independent discretionary authority with respect to the management of the portfolio and subject to the agreed upon objectives and guidelines. The portfolio objectives and guidelines will be illustrated in the IMA, once agreed upon by the Trust and the investment manager. The Respondent, a qualified investment adviser, will directly manage assets for the Board in a commingled fund for an active international equity portfolio mandate.

Minimum Qualifications:

To be qualified to participate in the RFP, all respondents must meet all of the following minimum qualifying criteria. The respondent must:

1. Accept responsibility as a co-fiduciary with respect to the work performed and investment recommendations made by the Firm.

2. The firm must be a registered investment advisor with the Securities & Exchange Commission pursuant to the Investment Advisors Act of 1940, as amended, and the registration must be current.
3. The firm/manager must have an E&O Insurance Policy minimum of \$5 million.
4. Comply with all Federal and State laws applicable regarding investment entities.
5. Maintain sufficient procedures and capabilities to ensure the timely and accurate backup and full recovery for all computers and other data storage systems.
6. The Investment Manager must acknowledge that it has reviewed the Illinois Pension Code and that the proposed investment will be subject to the applicable provisions of the Illinois Pension Code (40 ILCS 5/1). For a complete review, please visit:
 - [40 ILCS 5/ Illinois Pension Code. \(ilga.gov\)](http://ilga.gov)

Furthermore, all respondents must meet all of the following minimum qualifying criteria unless the firm is at least 51% minority, women, or disabled owned. Unless qualified as a minority, women, or disabled-owned business, the respondent must:

1. Manage at least \$1 billion in total firm assets as of December 31, 2021.
2. Demonstrate historical management of at least \$500 million of assets in the proposed strategy.
3. Provide a verifiable track record for the proposed strategy with at least five years of history.

If respondent does not meet any of the minimum qualification requirements above, respondent should not submit a proposal to the Plan.

Evaluation Criteria:

1. Investment Philosophy and Methodology
2. Firm Background, Experience and Reputation
3. Portfolio Management and Client Services
4. Reasonableness of Fees
5. Fit with the Plan's Overall Investment Policy and Allocations Among Existing Investment Advisers
6. Performance

The Plan will select the Manager(s) it determines to be fully qualified and best suited among those submitting proposals. ***All proposals received in response to this RFP may be rejected and the Plan may seek new or additional proposals or may decline to select any Manager(s).***

The consultant, with the guidance of the Plan's staff, shall determine how well the proposal meets the review criteria. The consultant shall present a list of higher

qualified respondents to Plan staff.

Quiet Period:

According to the Trust's Procurement Policy for Investment Advisers, the Quiet Period shall begin as of the publication date of this RFP and end when the selection has been made by the Board. The Quiet Period prohibits respondents from communicating with the Board or staff regarding any product relative to this search. During the Quiet Period, the Board, staff and consultant cannot accept meals, travel, lodging or any other goods or service of value from the respondents. A respondent will be disqualified for violating the Quiet Period. Questions regarding the search shall be forwarded to the consultant.

Post Performance Review Process:

Post performance review, including termination, shall be conducted in accordance with the Trust's Formal Investment Policy.

Disclosure of Proposal Content:

Respondents are advised that proposal materials are subject to the Illinois Freedom of Information Act, 5 ILCS 140. The law requires that at the conclusion of the selection process, the contents of all proposals be placed in the public domain and be open to inspection by interested parties. Trade secrets, confidential or proprietary information must be clearly identified as such in the proposal and will not be released to the extent permitted by law.

Disposition of Proposals:

All proposals become the property of the Plan and will not be returned to the respondent. The Plan reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance of the conditions contained in this RFP.

International Equity Request for Information

Product Class: International Large Cap Equity

Benchmark Index: MSCI ACWI ex-US

Data as of: March 31, 2023

Due Date for RFI: April 30, 2023

Marquette Contact: Evan Frazier

Recipient Email: efrazier@marquetteassociates.com

Questionnaire received back via: Email

I. Firm

- 1) Please provide the year your firm was established and give a brief history of your firm.
- 2) Please provide the organization's name, and the name, title, address, phone number, fax number, and email address of the individual who will be our primary contact.
- 3) Please provide the address and website of the firm's headquarters and all branch offices.
- 4) Please comment on the financial solvency of your firm.
- 5) Do you have any firm debt?
- 6) What is the amount of firm debt?
- 7) What are the plans, with timeframe described, to pay off the firm debt?
- 8) What is the minimum asset level required for your firm to remain profitable?
Please be specific.
- 9) Please provide a brief description of your firm's plans for growth, such as asset growth, personnel growth, succession planning, over the next 3-5 years.
- 10) Please give succession plans for key employees if retirements are planned within 5 years.

11) Please describe your firm initiatives for diversity and inclusion in terms of your overall firm, senior leadership, and investment teams.

12) Please provide the following diversity & inclusion statistics:

	% Minority	% Female
Overall Firm		
Senior Leadership		
Investment Team for this Strategy		

II. Ownership

13) Please discuss your general ownership structure, including what percentage of your firm is owned by current active employees.

14) Have there been any changes in the ownership structure of your firm in the past five years? If yes, please explain in detail.

15) Please explain any known or potential changes in firm ownership or personnel.

III. Client Breakdown

16) Please provide the firm's and product's breakdown by clients as of the current date (as measured by % of assets under management) using the following format. Please provide a brief explanation as to the contents of "other."

	Corporate	Foundation/ Endowment	HNW/ Family	Insurance/ Financial	Mutual Fund	Public
Firm						
Product						

	Religious	Taft- Hartley	Sub- Advisory	Wrap*	Other
Firm					
Product					

17) Please provide the firm's and product's breakdown by clients as of the current date (as measure by # of clients under management) using the following format. Please provide a brief explanation as to the contents of "other."

	Corporate	Foundation/ Endowment	HNW/ Family	Insurance/ Financial	Mutual Fund	Public
Firm						
Product						

	Religious	Taft- Hartley	Sub- Advisory	Wrap*	Other
Firm					
Product					

18) Please provide the approximate client turnover in the *firm* using the format below.

	2017	2018	2019	2020	2021	2022	YTD
# of Clients Gained							
Assets (\$MM) Gained							
# of Clients Lost							
Assets (\$MM) Lost							

19) Please provide the approximate client turnover in the *product* using the format below.

	2017	2018	2019	2020	2021	2022	YTD
# of Clients Gained							
Assets (\$MM) Gained							
# of Clients Lost							
Assets (\$MM) Lost							

20) Please provide the following information on the product's client breakdown:

	Assets (in Millions)
Average Client Size:	
Largest:	
Smallest:	

IV. Investment Professionals

Firm Specific:

- 21) Please provide brief biographies of the investment professionals (analysts/portfolios managers/traders) in the firm.
- 22) List ownership and % held by the investment professionals of your firm.
- 23) List directorships or board positions held by investment professionals at other firms.
- 24) Please discuss the compensation plan of the investment professionals. Please distinguish the differences between the portfolio manager's compensation and analyst compensation.
- 25) Please specifically describe whether the bonus plans are based on asset growth, investment performance, or some combination. If any or part of the compensation is based on investment performance, please specifically cite the performance measurement (performance vs. peers, vs. benchmark) and the time period involved (1 year, 3 years, or a weighted measurement).
- 26) Are the investment professionals under employment contracts with the firm?
- 27) What are the terms of the employment contracts, including non compete clauses?
- 28) Discuss all turnover of investment professionals (analysts/portfolio managers/traders and marketers) in the firm during the last three years.
- 29) Is your firm represented by any third party firm or individual whose purpose is marketing and/or gathering assets for the firm? If so, list all relationships and compensation structure.

30) Are you a registered minority (at least 51% minority owned) investment manager? If so, please attach state or local registration.

Product Specific:

31) Please provide brief biographies of the investment professionals (analysts/portfolio managers/traders/operational due-diligence personnel) on this product.

32) What is the estimated percentage of time each professional devotes solely to this product?

33) Do your investment professionals invest their own assets in this product?

34) Does the day-to-day portfolio manager have more than one-third of his or her liquid net worth invested in this product?

V. Products Offered

35) What are the total assets for the various investment products offered by your firm using the following table:

Product	Assets Under Management (in millions)					Availability: CF, SA, or MF
	2019	2020	2021	2022	YTD	

36) What is the minimum account size for a separately-managed portfolio for all your products? Please specify by product.

VI. Compliance

37) Please attach a copy of your firm's Code of Ethics.

38) Is your firm affiliated with a broker dealer?

39) If yes to #36, do you trade with your affiliated broker dealer? If applicable, what percentage of trades for this product execute through the affiliated broker dealer?

40) If yes to #36, please describe, in detail, the processes the firm has in place to prevent the transmission of material nonpublic information between the asset management arm and the broker dealer?

41) If yes to #36, please describe the separation of duties and systems between the broker dealer and asset management in regards to traders, back office, and settlement functions.

42) If yes to #36, does your broker dealer have a separate profit and loss statement than the rest of the firm's business entities? If no, please explain.

43) Are you compliant with GIPS® Standards?

44) Have you contracted with an outside firm to conduct a GIPS® verification? If yes, please indicate the last verification year and name of outside firm. If yes, please provide the most recent verification letter.

45) Are you a registered investment advisor? Please attach a copy of your ADV Part II.

46) Please provide a brief description of any past or pending regulatory action, litigation, or other legal proceedings involving the firm or any registered employees and/or principals as defendants in the last 5 years.

47) Are you currently or have you been in the last 5 years out of compliance with the DOL? If yes, please explain thoroughly.

48) Are you currently or have you been in the last 5 years out of compliance with the SEC? If yes, please explain thoroughly.

49) Are you currently or have you been in the last 5 years out of compliance with any regulatory agency? If yes, please explain thoroughly.

- 50) Has your firm been audited by the SEC, DOL, or any regulatory agency in the past 5 years?
- 51) When was your last audit, please be specific by month and year, by the SEC, DOL or any regulatory agency.
- 52) Please explain any and all findings on your most recent SEC audit, including minor deficiencies. Please attach a copy of the SEC Review findings and firm responses.
- 53) Are you a registered investment advisor? Please attach a copy of your ADV Part II.
- 54) What is your firm's Errors & Omissions (E&O) Insurance policy limit in millions? Please attach proof of E&O Insurance coverage.
- 55) Do you have a dedicated compliance officer?
- 56) Does your compliance officer serve other roles within the firm? If so, please describe.
- 57) Who is the firm's independent auditor?
- 58) How long has the firm's independent auditor been serving in this capacity?
- 59) Who is the firm's legal counsel or do you use an in-house legal team?
- 60) Please provide brief biographies for your legal counsel, indicating how long they have been serving in this capacity.
- 61) Please describe your firm's disaster recovery and business continuity plans.
- 62) Please address the most recent date and the numbers of times you have practiced and tested your procedures in the past 5 years, and the results of those exercises.
- 63) Please provide a copy of your firm's disaster recovery and business continuity procedures.
- 64) Please address your back-up capabilities and/or offsite location, particularly related to your trading desk, in the event your primary office location was inaccessible.
- 65) What is your firm's personal trading policy?

- 66) What are your procedures for personal trading policy violations?
- 67) How many violations of your personal trading policy have occurred in the past 12 months? Please describe the nature of each violation.
- 68) What software, systems and/or processes ensure client-specific guidelines and regulations are adhered to?
- 69) Will your firm acknowledge its status as a fiduciary under ERISA in a contract or side letter?

VII. Trading and Soft Dollars

- 70) Please describe your firm’s policy on soft dollar trading.
- 71) If your firm utilizes soft dollar, please list the top five brokers utilized in the **last calendar year**:

Broker
1)
2)
3)
4)
5)

- 72) If your firm utilizes soft dollars, please rank by dollar value, in descending order, your top-five soft dollar relationships within the last year:

Item/Vendor	Dollar Value (\$)
1)	
2)	
3)	
4)	
5)	

- 73) If a client requests no soft dollars be used in the construction of their separate account, can you comply?
- 74) If you didn’t use soft dollars, what impact would that have on portfolio performance and trading costs?
- 75) Please describe the trading platforms utilized by your firm’s trading desk.
- 76) Do you run a 24-hour desk to trade on international exchanges? Please

describe how you break out these duties among your trading staff.

- 77) Do you utilize minority-owned brokerage firms for trades?
- 78) Please provide a list of the minority-owned brokerage firms you utilize.
- 79) Are you conducting step-outs or direct trades with minority-brokerage firms? Please indicate the breakout of step-outs to direct trades.
- 80) What percentage of your firm's actual trades are with minority-owned brokerage firms?
- 81) Please provide a list of the electronic trading platforms that you utilize and, for each, please specify whether you use MWBE firms as part of that electronic process and how that is done. For each electronic trade platform used, please list the MWBE broker/dealer you transacted with through that platform over the past year, and, for each MWBE broker/dealer on that electronic platform, please specify the dollar amount and percentage of total trade volume going through that broker/dealer over the past year.
- 82) Please discuss your portfolio manager's interaction with your trading desk.
- 83) How are orders communicated, does the portfolio manager specify price, etc.

VIII. Product Investment Process

- 84) Please provide a complete review of your firm's investment methodology for the product and the decision making process. Please comment specifically on:
- Top-down versus bottom-up analysis, if appropriate
 - Initial stock universe/benchmark
 - Market capitalization criteria
 - Liquidity criteria
 - Stock selection criteria
 - Buy/sell decision
 - Sector weightings
 - Country weightings
 - Number of portfolio holdings
 - Average portfolio turnover
- 85) Against what benchmark is the product evaluated?
- 86) Do you think this is the appropriate benchmark or would you prefer an alternate benchmark? If so, please discuss.

- 87) What part(s) of your process add the most value? Please provide backup data on your answer.
- 88) Has there been a time when the product significantly underperformed its benchmark over a consecutive three-quarter period? If so, please explain.
- 89) Has there been a performance time period that best highlights your investment style? If yes, please explain in detail.
- 90) Have there been any changes to the product's investment process over the past five years? If yes, please describe in detail.
- 91) Please discuss your risk analysis and control methodology.
- 92) Are sector weightings determined relative to a benchmark? If so, what is the range relative to the benchmark?
- 93) Will there ever be a time when a sector is not represented?
- 94) At what asset level, if any, will you close this product?
- 95) Please discuss your assessment of the current market outlook and how your firm plans to provide superior performance for clients in the years ahead.
- 96) What distinguishes your firm from other investment managers with respect to this product?
- 97) What can be expected from the product in a bull market? In a bear market?
- 98) Please list the holdings overlap (number and % of assets) between your various products, using the following table

	Product A		Product B		Product C		Product D		Product E	
	#	%	#	%	#	%	#	%	#	%
Product A										
Product B										
Product C										
Product D										
Product E										

IX. Fees, Security, and Other

- 99) What is your standard fee schedule for this product? Please list "Marquette

client” fees, including minimum account sizes and breakpoints, for all vehicles (separate account, CIT, LP, LLC, mutual fund) available for this strategy. Please complete the following table for all commingled funds for this strategy.

Fund/Vehicle Name & Type (CIT, LP, etc.)	Onshore/Offshore	3c1/3c7	ERISA Eligible?	ERISA Capacity	DB Eligible?	DC Eligible?	Non-ERISA Eligible?	Liquidity

100) What is the current Most Favored Nations Policy?

101) How do you ensure compliance with this policy?

102) If you have a commingled fund available for this strategy, please list all associated fees in addition to the management fee (transactions fees, operational, etc) and any fee caps that may be in place.

103) If you have a commingled fund available for this strategy, what is the trading policy for a new client entering the strategy? Is there a separate trading account open? Is there a flat basis point fee?

104) Does the strategy participate in foreign tax reclamation?

105) If so, for which investment vehicles?

106) Are there certain markets your firm looks to reclaim taxes from? Are there certain markets where the firm does not attempt to reclaim taxes from?

107) If you have been attempting to reclaim foreign tax withholdings, what is the estimated benefit (bps) for the last three calendar years?

Year	2022	2021	2020	2019 (example)
Tax reclamation (bps)				22 bps

108) Are you open to side letters to address legal concerns?

- 109) What are the liquidity terms for this product?
- 110) Does your firm have any SRI restrictions available for this product?
- 111) Please describe your firm's SRI restrictions policy for this product.
- 112) Do you have a specific ESG product for this strategy? If so, please elaborate both at a firm and product level how ESG issues are addressed, what data is collected and used to assess these issues, and what differentiates this process versus other competitors.
- 113) Please provide three references, including contact phone number and email address. Please include, at least, one current and one former client in your references.
- 114) Describe the firm's security environment. Specifically cover the physical, digital security, and policy measure safeguards that you have put in place to control access to portfolio reporting systems and client account information.
- 115) Describe your firm's approach to securing email and web communications.
- 116) How does your firm defend against cyber attacks?
- 117) How does your firm secure mobile devices such as phones, tablets, and laptops?
- 118) Have you had your security assessed by a third party? If so, when was this last completed and by which provider?
- 119) Has your firm ever had a data security breach? If so, please describe the incident as well as the corrective actions.
- 120) Please provide three references, including contact phone number and email address. Please include, at least, one current and one former client in your references.
- 121) Please describe the firm's (or fund administrators') documentation requests related to AML/KYC when onboarding a new client to any commingled funds of this strategy. For each commingled fund (LP, CIT, LLC, etc.), each feeder (onshore, offshore), and each client type (E&F, pension, state/city, family office, individual, etc.), please list all documents required. Please be specific and note if you require any of the following: authorized signer's SSN; driver's license; passport; a government picture ID; list of Board of Trustees/Directors; notarized signature pages; third-party AML attestation;

and any others.

X. Attachments and Disclosure

Please check off items included as attachments. If any **required** items are excluded, please indicate an alternate means for our review of requested items.

Required	Included?
ADV Part II	_____
SEC Review Findings Letter	_____
Disaster Recovery and Business Continuity Plans	_____
Code of Ethics	_____
Proof of E&O Insurance Coverage	_____

Include, if Applicable	Included?
State or Local Registration for M/WBE	_____
GIPS Verification Letter	_____

Chief Compliance Officer Signature

I, chief compliance officer of _____, have reviewed all of the aforementioned statements and documents. To the best of our ability, we believe all statements and documents to be accurate, truthful and timely.

Signature

Print Name