



**Responses to questions for the Firemen's Annuity & Benefit Fund of Chicago ("FABF")
Request for Proposal (RFP): US SMID Value Equity**

(Please note that similar questions have been grouped together.)

1. *Would you consider a track record for a small cap value strategy (benchmarked to the Russell 2000 Value) that has meaningfully outperformed the Russell 2500 Value index as well?*

Would you accept and consider a proposal for a US Small Cap Value strategy?

Answer: The search is specifically geared toward identifying a U.S. Equity SMID Cap Value manager. Strategies benchmarked against the Russell 2000 Value index will not be considered.

2. *Your SMID RFP is specific to value and is benchmarked to the Russell 2500 Value index. Our SMID fund sits in the blend category and is benchmarked to the Russell 2500 index and is a core strategy. Please let me know if this type of strategy would be considered or if it must be SMID value.*

Answer: The search is specifically geared toward identifying a U.S. Equity SMID Cap Value manager; core or blend strategies will not be considered.

3. *Is the minimum AUM requirement per submitted strategy, or AUM managed within all the firm's US Small Cap; US small and mid-cap; and Mid cap strategies? If the answer is per submitted strategy, are you only looking for a SMID strategy benchmarked against the Russell 2500 Value, or would you consider a SCV strategy benchmarked against Russell 2000 Value which shares similar characteristics to our SMID strategy?*

Answer: In measuring the minimum AUM requirement, assets managed in dedicated small value mandates can be included if managed by the same team that manages the small/mid cap value strategy. However, strategies benchmarked against the Russell 2000 Value index will not be considered for investment.

4. *The AUM of our US Small and Mid-Cap Value strategy is below the minimum requirement and the Firemen's Annuity & Benefit Fund of Chicago's mandate would make up more than 20% of the proposed strategy. Would you consider the submission of our SVC strategy which Firemen's Annuity & Benefit Fund of Chicago's would not make up 20% or more of the strategy assets?*

Answer: The search is specifically geared toward identifying a U.S. Equity SMID Cap Value manager. In measuring the minimum AUM requirement, assets managed in dedicated small value mandates can be included if managed by the same team that manages the small/mid cap value strategy. The "20% or more" criteria will be determined against the total team assets.

5. *The requirements list that the respondent must manage \$500 million in U.S. small/mid cap value equity assets. Is this a requirement that the proposed product for the search must have small/mid cap value equity assets under management of over \$500 million, or that the manager must have a minimum of \$500 million in U.S. small and mid cap value equity assets managed across different products?*

Answer: Ideally, the proposed product would have assets under management of \$500 million. However, in measuring the minimum AUM requirement, all assets following a similar strategy as the proposed strategy (such as small cap value) managed by the team of the proposed strategy can be included.

6. *Will a Collective Investment Trust (CIT) be considered?*

Answer: Investing in the proposed strategy via a CIT would be considered.

7. *The requirement contained in the MFN language in the Advisor Disclosure Statement is reasonably standard. Can you provide any more detail with regard to the phrase "...including but not limited to management fees, expenses, withdrawals, and reporting."?*

Answer: FABF seeks similar treatment and rights that are provided to similarly situated investors implemented via a "most-favored nations" clause in the contract. This "similar treatment" applies to:

- Management fees – paying same amount of management fees
- Expenses – expense allocation should be fair (example – commissions—we should not pay higher commissions than similar investors),
- Withdrawals – withdrawal requests should be managed fairly without prioritizing one client over another
- Reporting – timing and content of reporting should be similar