



Illinois Firefighters' Pension Investment Fund
Responses to Submitted Questions: Emerging Markets Large Cap Equity ex-China

This document serves as a formal response to the questions submitted through the process established by the Illinois Firefighters' Pension Investment Fund ("FPIF") in its Request for Competitive Proposal ("RFP") for Emerging Markets Large Cap Equity ex-China. As stated in the RFP, questions concerning the RFP had to be submitted in writing via e-mail to the Procurement Contact by **12:00 PM Central Time on Friday, March 14, 2025**. Responses to questions properly submitted are consolidated into a single Q & A document as detailed below and posted on FPIF's website on **Friday, March 21, 2025**. The Q & A document does not identify the source of the query.

AUM

1. AUM:
 - a. Do the minimum requirements of a five-year track record and \$600 million in total assets as of 12/31/24 need to be for an EM Large Cap ex-China strategy?
 - b. Regarding the minimum of \$600 million in total assets under management in the proposed Emerging Markets Large Cap Equity product/strategy, our EM ex-China strategy assets are lower than that level. However, we have a similarly managed Emerging Markets Equity strategy (same team, philosophy, process) that is greater than the minimum asset level. Would this meet your requirements for EM ex-China?
 - c. We manage \$6Bn+ in EM Core assets, including dedicated EM ex-China assets. Does the required minimum of \$600MM need to be solely in the dedicated EM ex-China strategy?
 - d. We are considering submitting a proposal for the IFPIF ex-China RFP and wanted to clarify a specific Qualification requirement. Regarding MQC point 6, which specifies a minimum total AUM of \$600mm — is that requirement specific to the ex-China Strategy or to the overall Emerging Markets (EM) Platform?
 - e. Given the current AUM of the Emerging Markets ex China strategy has since surpassed the \$600 million minimum qualification, does FPIF consider our strategy as qualifying?
 - f. Could you confirm whether the minimum requirement of USD 600 million in total assets under management for the proposed Emerging Markets Large Cap Equity product/strategy is a strict requirement?
 - g. Exhibit C references AUM of \$600M. Please confirm this is at the EM total strategy level and not specific to only the ex-China strategy stand-alone?

Minimum qualifications do not apply to the proposed emerging markets large cap ex-China strategy. Minimum qualifications apply to the proposed emerging markets large cap or all cap strategy.

2. Minimum:
 - a. Do the minimum requirements of a five-year track record and \$600 million in total assets as of 12/31/24 need to be for an EM Large Cap ex-China strategy?
 - b. As an emerging manager with eight years since our founding, we did not have \$600 million in total assets under management in the proposed Emerging Markets Large Cap Equity product/strategy as of December 31, 2024. Given our MWDBE and emerging manager status, would this requirement be subject to exemption or flexibility?

Only products/strategies that meet the minimum qualifications will be considered.

3. We wish to participate in this search; however, we wanted to clarify the qualification on the minimum of \$600 million in total AUM in the proposed Emerging Markets Large Cap Equity product/strategy as of December 31, 2024. Are firms able to include their broader Emerging Markets Large Cap Equity strategy as part of the minimum AUM requirement, or is the requirement meant to be specific only to a firm's ex-China strategy?

All respondents must submit an emerging markets large cap equity strategy or an emerging markets all cap equity strategy that meets the minimum qualifications. In addition to that strategy, if the respondent has an emerging markets large cap or all cap ex-China strategy that is managed with the same process, team and philosophy, please submit that strategy in addition to the flagship strategy as stated in the RFP. Minimum qualifications do not apply to the ex-China strategy.

Strategy/Submissions

4. Strategy:
 - a. Are strategies that utilize derivatives allowed?
 - b. The benchmarks for our EM and EM ex-China strategies are MSCI EM and MSCI EM ex China. Are off-benchmark securities permitted? (Our country/currency models trade a few developed countries)
 - c. Does this mandate allow for strategies that invest in companies with market cap outside of large cap? If so, are there any percentage constraints?
 - d. Will FPIF consider an Emerging Markets Large Cap strategy with targeted Excess Return of .75%-1.00% and Expected Tracking Error of 1.75%?
 - e. Is the plan comfortable with managers submitting a track record for all cap emerging markets provided the investment manager is comfortable managing a separate account focused on large cap securities?
 - f. All-Cap EM equity ex-China approach will be considered as an applicable solution for this mandate and will meet the minimum requirements?

Yes, all strategies that meet the minimum qualifications will be considered.

5. Will you accept submissions based on emerging strategies that are not specifically ex-China? We would like to propose our emerging markets all cap equity strategy that meets all of the minimum requirements and supplement our submission with data for our similarly managed emerging markets ex-China strategy that does not meet the minimum AUM and track record requirements.

Yes. Each firm must submit one emerging markets large cap or all cap equity strategy that meets the minimum qualifications. In addition to that strategy, if the respondent has an emerging markets large cap or all cap ex-China strategy that is managed with the same process, team and philosophy, please submit that strategy in addition to the flagship strategy as stated in the RFP. Minimum qualifications do not apply to the ex-China strategy. Please note the details around how to submit two strategies in the RFP and in this document.

6. Positioning:
 - a. Does the proposed EM strategy need to be dedicated ex-China, or would a strategy with limited and/or underweight positioning to China meet the requirements of this search?
 - b. For the FPIF Emerging Markets Large Cap Equity ex-China RFP, we intend to propose a replication of a ruled-based active equity EM ex-China index. Although we do not currently manage assets benchmarked to this index, our firm manages more than the minimum required AUM of \$600M in Large Cap Emerging Markets (\$1.9B in MSCI ACWI xUS and \$545M in MSCI EM). We would manage the rules-based active equity EM ex-China strategy

using the same replication methodology and portfolio management team used for these current strategies. Our firm claims compliance with the Global Investment Performance Standards (GIPS®) and has more than five years of GIPS compliant performance in each of these strategies with EM assets. Our firm is a MWBE firm. Will our proposal be considered?

Each firm must submit one emerging markets large cap or all cap equity strategy that meets the minimum qualifications. In addition to that strategy, if the respondent has an emerging markets large cap or all cap ex-China strategy that is managed with the same process, team and philosophy, please submit that strategy in addition to the flagship strategy as stated in the RFP. Minimum qualifications do not apply to the ex-China strategy. Please note the details around how to submit two strategies in the RFP and in this document.

7. Targets:

- a. Do you have any tracking error or excess return targets for this mandate?
- b. While we understand FPIF is seeking EM large cap equity, is there a max allocation allowed for small to mid?

FPIF does not have a specific target. All strategies that meet the minimum qualifications will be considered.

8. Will an EM Large Cap strategy with a low China weight fulfill the minimum qualifications?

The RFP is for an emerging markets large cap ex-China equity mandate. Each firm must submit one emerging markets large cap or all cap equity strategy that meets the minimum qualifications. In addition to that strategy, if the respondent has an emerging markets large cap or all cap ex-China strategy that is managed with the same process, team and philosophy, please submit that strategy in addition to the flagship strategy as stated in the RFP.

9. With regards to the "FPIF RFP Emerging Markets Large Cap Equity- Ex. China RFP, will regional strategies be considered as well to potentially be part of the mandate from a diversification standpoint?

No, the RFP is for an emerging markets large cap ex-China equity mandate.

10. Would you be willing to accept a bespoke mandate? If we have been running an EME strategy that includes China, we can provide the information from a carve out on the strategy. Would that be acceptable?

Yes. Minimum qualifications do not apply to the proposed emerging markets large cap or all cap ex-China strategy. Minimum qualifications apply to the proposed emerging markets large cap or all cap strategy.

11. Track Record:

- a. We have an Emerging Markets large cap strategy that meets both the AUM and track record length requirements (launched in May 2011). However, the Emerging Markets ex-China strategy that we would be proposing meets the AUM requirement but does not fulfill the track record length requirement (it was launched in April 2022). Would it be acceptable to qualify for this search with the track record for the Emerging Markets large cap strategy, given that it meets all the necessary requirements, but respond with our Emerging Markets ex-China strategy?
- b. EM meets all of the minimum qualifications however EMXC does not (AUM and length of track record). Would FPIF consider our EMXC strategy within the context of the team's EM strategy?

- c. Is an EM ex-China five-year GIPS compliant performance history required, or will a 5-year GIPS compliant performance history of an EM strategy suffice? With acknowledgement the strategy will be run ex-China?
- d. Is the plan comfortable with a manager who meets the asset and track record requirements with a strategy that is inclusive of China, but also offers an ex-China strategy that is not yet at five years of track record? If so, may we complete the minimum qualifications document based on the strategy that meets the minimums?

Yes. Minimum qualifications do not apply to the proposed emerging markets large cap or all cap ex-China strategy. Minimum qualifications apply to the proposed emerging markets large cap or all cap strategy.

12. Is the correct understanding that if we have a GIPS-compliant EM Large Cap ex-China composite we should present that with our submission, and if not, we should provide our broader GIPS-compliant EM composite? Or are you asking us to provide both (if both are available)?

Please submit both.

13. We have two standalone strategies, one for Emerging Markets ex China, and one Emerging Markets Leading Companies Strategy. While both strategies are managed within the overall Emerging Markets Equity Team, and all team members contribute research ideas, portfolio construction is undertaken by a Portfolio Construction Group (PCG) which is different for both strategies. Should we therefore submit two Exhibit B questionnaires (i.e., two separate documents) or submit one and mention both strategies within the same document? We understand that we need to submit two excel spreadsheets.

Please submit one Exhibit B. Separate responses to questions in Exhibit B for emerging markets large cap and emerging markets large cap ex-China strategies are only required when responses would differ between the strategies.

14. The RFP mentions showing both EM and EM ex China track records if available. Should we be showing our longer GEM core (2011) track record and the ex-China (2023) track records as part of the submission?

Yes, please provide track records for both submissions.

Questionnaire

15. In Exhibit E: Additional Documentation and Data, it's listed out what respondents "must" provide. If a firm does not have all of the listed documentation, or policies are currently under review, is it best to simply note that or will that deem the submission as not meeting what was required to submit?

Yes, please note.

16. Question 69 in "Exhibit B: Questionnaire" asks about significant underperformance. Could you provide your definition of significant underperformance?

PIF does not have a standard definition.

17. Market Capitalization:

- a. For the following, 'Trailing 1-, 3-, 5-, 7-, and 10-year attribution based on market capitalization vs. the MSCI Emerging Markets ex-China Index or the MSCI Emerging Markets Index (use the appropriate index based on the strategy). Do you have approximate definitions for market cap that we should be using?

- b. Can you please define the market capitalization for EM Large Cap?

Market cap definitions should align with MSCI classifications.

18. Submissions:

- a. Both of our EM Large Cap Equity and EM Large Cap Equity ex-China strategies are GIPS compliant. Could FPIF provide more clarity on which questions should be answered for our EM Large Cap Equity within the questionnaire? We understand that FPIF prefers to see data for both strategies, however we would appreciate additional guidance on the non-qualitative/non-data driven questions you would like to see answered for both strategies.
- b. If we are submitting both the EM and EM ex-China strategies, would we be required to provide separate responses only for the specific questions where the two strategies differ? In other words, since our organizational details remain the same, would a single response suffice for that section? We would then also submit two of the "RFP-Data-Sheet-EME-LC-ex-China" sheets as well.

Separate responses to RFP questions for emerging markets large cap and emerging markets large cap ex-China strategies are only required when responses would differ between the strategies. Note: a separate excel data sheets is required for each strategy.

19. Will FPIF accept proposals for multiple strategies or are submitters limited to one?

Each firm must submit one emerging markets large cap or all cap equity strategy that meets the minimum qualifications. In addition to that strategy, if the respondent has an emerging markets large cap or all cap ex-China strategy that is managed with the same process, team and philosophy, please submit that strategy in addition to the flagship strategy as stated in the RFP. Minimum qualifications do not apply to the ex-China strategy. Please note the details around how to submit two strategies in the RFP and in this document.

20. What type of fee structure would you consider for this search? Would you be interested in exploring a blended approach that combines both a management fee and performance fee?

Fee proposals are at the managers discretion. Management fees are preferred.

21. In regards to Item 2.2 Company Questionnaire, it is stated that "each question number and question in the RFP should be repeated in its entirety before stating the answer." We are interpreting that to mean that the response to the RFP Questionnaire be formatted in a standard 'Question and Answer' format with the questions from Exhibit B carried over to our response document (example below). Are you able to confirm that is correct or if further repetition is needed in each response?

1. In what year was the responding firm founded?

1992

Yes, this is the correct interpretation.

References

22. Should we advance, we are willing to provide references at a later stage in the due diligence process. Will the proposal be rejected if references are not provided at this time?

References are due at the time of submission.

23. While I believe we meet every other qualification, we are unable to provide 4 references for our EM strategy. We can, however, provide 4 references for our Global/ACWI strategies that include EM assets. Would that suffice?

It is not mandatory that the client references be invested in the proposed strategy. However, FPIF would prefer references in the proposed strategies.

Other

24. Does FPIF have a preference between fundamental vs systematic strategies?

No, all strategies that meet the minimum qualifications will be considered.