



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

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

1. *I have an inquiry related to Section 2 – Minimum Requirements & Disclosure of the Firemen's Annuity & Benefit Fund of Chicago RFP, it states that "Respondent is an investment adviser registered with the Securities and Exchange Commission (SEC) pursuant to the Investment Advisers Act of 1940 or a bank similarly registered," and I wanted to clarify whether an "Exempt Reporting Advisor under the Investment Advisers Act of 1940," would qualify to participate in the RFP process?*

Answer: No, your firm is not qualified to participate in the RFP process. FABF requires that its investment advisers be registered with the SEC. An "Exempt Reporting Adviser" is not a registered adviser with the SEC and would thus, not meet the minimum requirement to participate in the search.

2. *We would like to confirm the details on AUM requirements for prospective candidates. [Our firm's] Infrastructure's total AUM as of 12/31/21 was **USD 2.7bn**. The vehicle which we intend to propose (eligible to US investors) has a Fund NAV of **USD 1.1bn** as of 12/31/21. Can someone please confirm our eligibility for this search?
One question I had after reviewing the qualifications was the \$2bn minimum of fund assets. Our Fund currently sits at \$1.3bn in AUM but as a firm we have over \$3bn in direct infrastructure investments. My hope is that Callan and FABF would look at the \$3bn number as qualification*

Answer: The minimum fund size to participate in the search is \$2 billion. Your fund does not meet the minimum requirements.

3. *While the general partner will be able to confirm it is a fiduciary with respect to its fund, and that it has fiduciary duties to the fund and the limited partners as set forth and modified in the fund's LPA, [our Fund] will not be able to agree to the prudent man standard set forth in the Illinois Pension Code (40 ILCS 5/1-109(b)). Instead, please note that [our Fund] has a vehicle available that is designed to accommodate retirement fund investors, like the Firemen's Annuity & Benefit Fund of Chicago, and manages that vehicle to qualify for an exception from the application of the plan asset rules of Section 3(42) of ERISA and the regulations thereunder. However, while we manage the fund under an exemption under ERISA, if the vehicle is deemed to have plan assets we would agree that we will manage the assets as fiduciaries under ERISA. In light of this, could you kindly let us know whether you would be able to consider [our fund] and if we should proceed with completing the RFP?*

Answer: FABF is a statutorily created public pension fund administered under Illinois law. The fiduciary requirements of its investment managers falls under the Illinois Pension Code and neither the Fund, nor its managers, are subject to ERISA with respect to the management of the Fund's assets. That being said, we are comfortable with the following parred down fiduciary language, which we have negotiated with other similarly situated co-mingled funds:

Notwithstanding anything to the contrary in the Partnership Agreement, the General Partner understands that the Investor is a statutorily created “governmental plan” and is not subject to the provisions of Title I of ERISA; however, each of the General Partner and the Investment Manager acknowledge that it is a fiduciary with respect to the Partnership and to the Limited Partners, including the Investor.

We will not accept further revisions to this language, however, so please proceed with FABF’s RFP as you and your legal team deem fit