

Response to Questions Submitted Regarding 2025 Non-Discretionary Private Markets Consultant RFP Questions

PLEASE NOTE: These posted responses amend the RFP accordingly.

As COAERS requires upload of files, what will happen if the system is unavailable on Friday, Feb 7? Will the 5PM CST deadline be extended?

COAERS will not extend the deadline. Proposers will have sufficient time between receipt of their unique link for upload of files and the deadline for submission.

Is there any interest to create a hybrid relationship that includes traditional advisory services as well as discretionary co-investment, secondary investments and/or customized separate accounts? Or is this mandate limited to 100% non-discretionary/advisory focus?

A: This RFP is for Non-Discretionary Private Markets Consulting Services. COAERS expects the retained consultant to assist with developing investment strategy, guidelines, structures and approaches to the different segments of private markets.

During the general consulting search, firm ownership seemed to be an important issue for COAERS. Can you provide commentary on the ideal firm ownership structure that COAERS is seeking?

A: Questions related to ownership are intended to identify potential ownership risks with prospective service providers, as well as employee participation in the business.

With regard to direct investments in private equity, can you clarify if such investments would be direct investments in funds or direct investments in companies without a GP sponsor?

A: COAERS anticipates the initial program structure will invest in funds, and not in direct company investments with or without a GP sponsor.

With regard to Minimum Qualification #10 (database), would access to a third-party database qualify? Is access to this database by COAERS a mandatory requirement for this mandate?

A: Access to a comprehensive and reliable third-party database would qualify and is a mandatory requirement.

Does COAERS expect to source investment opportunities for review by the consultant? Approximately how many each year? To what extent will the private markets consultant be expected to provide operational and investment due diligence on managers and strategies identified by COAERS trustees and staff, in addition to managers and strategies surfaced through the consultant's own due diligence efforts?

A: COAERS does expect to source opportunities independently from the Consultant. The number of such opportunities is subject to fluctuation on a year-by-year basis. COAERS expects the private markets consultant to provide operational and investment due diligence on all recommendations

for investment. Questions in the RFP ask respondents to identify the number of independent analyses the base fee will cover. Any additional fees and charges not covered in the base fee should be identified in EXHIBIT 5: PROPOSED PRICING INFORMATION SHEET.

Does the duty to “assist in the legal review process” include an expectation that the private markets consultant provide legal advice to the plan?

A: COAERS does not expect the Consultant to provide legal advice to the plan unless this is part of the contracted services. However, COAERS does expect the Consultant to opine on key business terms, LPA provisions and other aspects of the legal review process necessary for legal counsel to properly perform their duties.

For the purposes of the consultant coordinating legal review among multiple clients, does COAERS expect to use any single legal counsel or is there flexibility on the choice of counsel?

A: There are many aspects of legal review and negotiations that are in common to all clients. COAERS is interested in knowing what processes the Consultant has in place to share these types of expenses across clients investing in the same funds. This includes the types of terms the Consultant typically negotiates on behalf of clients when recommending commitments.

Can we charge for review of key business terms and legal reviews outlined in points 10 & 12 on an ad hoc basis?

A: As the majority of recommendations are scaled across multiple clients of a given organization, COAERS anticipates that much of the review of key business, partnership and financial terms are likely performed by the Consultant. The Consultant should be in the best position to suggest means by which clients can mitigate these costs. Any additional fees and charges not covered in the base fee should be identified in EXHIBIT 5: PROPOSED PRICING INFORMATION SHEET.

What is the size of your senior staff? Do you have any dedicated staff to private markets?

A: COAERS currently has four seasoned investment professionals. While we are all generalists, we each have specific responsibilities and knowledge of or experience in private markets. COAERS anticipates adding to internal capabilities as the program grows and needs arise.

Question 46 asks respondents to describe their firm’s approach to modeling underlying investment exposures contained in Funds, and to what extent could this data be used in other platforms. Please advise which other platforms COAERS has in mind.

A: COAERS currently utilizes external risk management platforms, which can import data, in evaluating exposures across a number of metrics. This includes geography, sector, and industry among many other factors.

The Scope of Responsibilities includes attendance at Investment Committee (8 per year in Austin, Texas) and Board meetings (4 per year in Austin, Texas) to review performance, assess the investment program and make recommendations. In addition, attendance is typically required for the Board Workshop (usually two days, once per year, in Austin, Texas). Are the IC & Board meetings at the same time? What are the dates of the 2025 COAERS board and investment committee meetings? Are any of the IC meetings held virtually? We assume all Board meetings require attendance in person.

A: Please see the meeting schedule posted to the website and attached to the emailed response to questions. Please note all dates and times are tentative, and all meetings are typically held in person.

The Private Markets Investment Duties notes that COAERS expects the Consultant to "visit and tour the investment manager's key offices". Are we required to do an onsite at the time of recommendation or will a prior onsite review for the fund/manager suffice?

Will the private markets consultant be expected to travel to manager onsite meetings with COAERS investment staff?

A: While COAERS prefers the Consultant to travel to manager onsite meetings with investment staff, or, alternatively, invite investment staff to join them for an onsite visit, a prior in-person office visit is sufficient so long as it has occurred within a reasonable timeframe of the recommendation and there have been no significant changes to the organization or product under consideration.

Does COAERS have a back-office provider? If so, which provider do you use? If not, how do you intend to manage capital calls and distributions; will this be managed by staff or your investment consultant?

A: COAERS does not currently have an outsourced back-office provider. We expect the chosen Consultant to assist in evaluation of needs and different means of meeting the requirements as the program is built. It is anticipated that capital calls and distributions will be handled by COAERS staff.

Does COAERS have a Fee Reconciliation service provider? We note that we can list these services as optional add-ons in the fee proposal.

A: COAERS does not have a Fee Reconciliation service provider. The chosen Consultant is expected to ensure appropriate calculations of fees and carried interest paid on investments. Any additional fees and charges should be identified in EXHIBIT 5: PROPOSED PRICING INFORMATION SHEET.

How will alternative-related advisory responsibilities be divided between the General and Alternatives Consultants? Will the Alternatives consultant be responsible for pacing, private markets liquidity management, private markets reporting, private markets asset allocation (e.g, weights of Private Equity vs Private Credit and Real Assets sleeves), Asset Class portfolio structuring (e.g., targets to buyout vs venture capital strategies within the private equity portfolio)?

A: COAERS expects the chosen Consultant to work cooperatively with Investment Staff and COAERS General Consultant. Please refer to SECTION II: SCOPE OF SERVICES in the RFP.

Can COAERS provide the list of existing, active investments covered by the RFP (if any), including Investment Name, General Partner Name, Vintage Year, and Commitment amount (if possible). If providing a list is not possible, please confirm the number of existing active investments covered by the RFP.

A: COAERS currently has three private markets investments. These are:

Principal Core Open End Real Estate ~\$160mm

IFM Core Open End Infrastructure ~\$99mm

Blue Owl ODL Direct Lending (Evergreen) \$90mm committed, ~60mm called

Approximately how much capital will be committed and how many private investments are expected to be made each year? If available, can COAERS please provide the most recent pacing plan for private markets?

A: COAERS is in the nascent stages of building a private markets program. The amount of capital committed and number of fund approvals each year will vary by asset class and is dependent on the number of quality opportunities in the market in any given year. As there are no current drawdown funds in the portfolio, there is not a current pacing plan.

If the pacing plan is not available, does COAERS have a target number of managers and commitment size range per manager within each private markets segment? Can COAERS provide an expectation/estimate of the number and amount of anticipated fund commitments, per year, for the duration of the contract term?

A: COAERS expects the private markets consultant to assist in determining these variables.

In Section II, COAERS notes that it expects to make allocations to private equity strategies in time; does COAERS consider private equity consulting services to be included in the scope of the proposed mandate, or would the addition of private equity to the mandate qualify as “additional services”, as per Exhibit 5?

A: The mandate covers all private markets investments. This includes Private Equity, Private Credit, Real Estate and Infrastructure.