



———— CITY OF AUSTIN ————
EMPLOYEES' RETIREMENT SYSTEM

Appendix A
Private Markets Non-Discretionary Investment
Consultant
Questionnaire and Document Request

City of Austin Employees' Retirement System
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EXECUTIVE SUMMARY

Please address the following items in five pages or less and include as part of your response to the RFP.

- I. Overview: Please summarize the key elements of your proposal including:
 - A. Your firm, its location, lines of business, number of employees in each area of investment consulting (including any discretionary, non-discretionary, OCIO and fund of fund activities), and institutional clients (total and all public pension plans);
 - B. A high-level summary of your fee proposal;
 - C. The consulting team that will work with COAERS, including biographies limited to a few sentences each and the number of other clients they serve; and
 - D. The top three reasons COAERS should retain your firm.

- II. Specialties, strengths, and limitations: Please summarize the following:
 - E. Your specialties, strengths and limitations in the areas of client interaction, research, private markets asset allocation, investment strategy, efficient portfolio design, performance evaluation, and manager searches and monitoring related to Private Markets investing;
 - F. Your philosophy and key policies regarding transparency, disclosure and communication with clients; and
 - G. The elements of your firm that you believe distinguish it most from its competitors.

- III. Key metrics: Please identify the following for the last three years:
 - H. Total number of research and consulting staff by each area;
 - I. The number of investment manager searches completed by asset class; and
 - J. The number of operational due diligence reviews, by asset class.

SPECIFIC NON - DISCRETIONARY PRIVATE MARKETS INVESTMENT CONSULTANT CAPABILITIES

PLEASE CLEARLY LABEL ALL EXHIBITS THAT YOU PROVIDE WITH (1) SUFFIXES SUCH AS A-16, A-31 OR A-42 THAT ARE IDENTICAL TO THE APPLICABLE QUESTION NUMBER, AND (2) A SHORT TITLE SUCH AS “CODE OF CONDUCT” OR “RISK BUDGET MODEL” THAT IS READILY ASSOCIATED WITH THE QUESTION’S SUBJECT MATTER OR CONTENTS OF THE EXHIBIT.

ORGANIZATION

1. Please list your firm’s complete name, address, voice telephone and fax numbers. Include the name and title of your proposed primary consultant and the location from which the consulting work will be done.
2. Please provide a brief history of your firm and parent organization (if any) going back to inception. Please include an overview of your firm’s history and experience in private markets. Describe any significant developments in your organization, such as changes in ownership, restructuring, or personnel reorganizations within the past five years. Please indicate the nature of any prospective changes your firm anticipates in its corporate structure, ownership, organization structure, leadership, location, professional staffing or product offerings.
3. Describe the ownership structure of your organization giving specific details with regard to your parent and any affiliated companies. Include an ownership organizational chart showing this structure. Show and describe the distinct lines of business of your firm and your parent (if any) which are in addition to your investment consulting line of business.
4. Describe any circumstances specifically related to your investment consulting activities under which your firm, its officers, or employees receive direct or indirect compensation from investment managers. This should include any form of compensation, including but not limited to discounted fees or carried interest for proprietary or Fund of Fund products offered by your organization.
5. Does your firm, its parent, or affiliate sell information, data or any other services to investment managers? If so, describe in detail.
6. Please identify your organization’s capabilities in the following areas:
 - A. Private Credit
 - B. Private Equity
 - C. Venture Capital
 - D. Real Estate
 - E. Infrastructure
 - F. Fund of Funds
 - G. Secondaries

7. Please describe your Firm’s financial stability, overall business objectives with respect to future growth, and provide the most recent audited financial statements.
8. What portion of the Firm’s revenue (if any) is generated by each of the below sources (should equal 100%) for each of the last three year-ends? If 2024 numbers are not available please provide the best estimate for each category.

| Source of Revenue | 2024 | 2023 | 2022 |
|--|-------------|-------------|-------------|
| Non-discretionary General Consulting advisory services | | | |
| Non-discretionary Private Markets advisory services | | | |
| Discretionary General Consulting advisory services | | | |
| Discretionary Private Markets advisory services | | | |
| OCIO services | | | |
| Fund of Funds | | | |
| Other (Please describe in detail) | | | |

9. Describe the firm's compensation arrangements for senior management, consultants and other professionals, including any incentive and other bonuses and how and for what they are awarded. What incentives are provided to attract and retain superior individuals and to ensure key professionals do not leave the firm either as a group or individually? Does staff participate in equity ownership? If ownership is not available, is there a specific arrangement for sharing in the profits earned by the enterprise? How does the firm tie client performance and satisfaction to a consultant's compensation?
10. Please describe a typical non-discretionary consulting engagement for a fund similar to COAERS.
11. Review the Scope of Services in Section II and provide a narrative demonstrating your firm’s ability to provide the services requested and, where applicable, disclose where your firm would not be able to provide the services in Section II. Feel free to list and describe other services your organization provides.
12. Please provide a sample contract for a private markets non-discretionary consulting engagement which includes Real Estate, Infrastructure, Private Equity (including Venture Capital), and Private Credit.

CLIENTS

13. Please list the number of clients you serve in Non-discretionary Private Markets Consulting within the following plan-type categories for each of the past three years:

| Client Plan Type | 2024 | 2023 | 2022 |
|-------------------------------------|-------------|-------------|-------------|
| Retirement Systems in Texas | | | |
| Other Public Employee/Government | | | |
| Union/Taft-Hartley | | | |
| Corporate | | | |
| Endowment and Foundation | | | |
| Family Office | | | |
| Registered Investment Advisor (RIA) | | | |
| Other (provide detail) | | | |

14. Please list the number of clients you serve in Non-discretionary Private Markets Consulting within the following total plan AUM size categories:

| Client Size (total plan assets at market) | Number of Clients | Number of Public Plans |
|--|--------------------------|-------------------------------|
| <\$1 billion | | |
| \$1 billion to \$5 billion | | |
| \$5 billion to \$20 billion | | |
| \$20 billion to \$50 billion | | |
| Over \$50 billion | | |

15. Please list the number of clients with portfolio-wide AUM over \$1 billion for these specific specialized consulting mandates:

| Type of Relationship | Number of Clients | | | |
|--------------------------------------|-------------------|---------------|------|------------------------------------|
| | Non-Discretionary | Discretionary | OCIO | Fund of Funds (Respondent managed) |
| Real Estate | | | | |
| Infrastructure | | | | |
| Private Equity | | | | |
| Private Credit | | | | |
| Venture Capital | | | | |
| Hedge Funds | | | | |
| Fund of Funds | | | | |
| Secondaries (not Fund of Funds) | | | | |
| Direct/Co-Investments | | | | |
| Other Alternatives (please describe) | | | | |

PERSONNEL

16. For the Primary (P), Secondary (S), and Primary Backup (B) personnel assigned to the COAERS account:
- a. Provide the names, their titles, and their biographies including educational qualifications, professional affiliations, and their investment performance of pension plans, for which they provided consulting services. Disclose the office location to which they primarily are assigned. Also, provide additional information using the format below:

| Role | Name | Title | Current # of Accounts Assigned, ex COAERS | Years with Firm | Years of Private Markets Investing Experience | Years of Private Markets Institutional Consulting Experience |
|------|------|-------|---|-----------------|---|--|
| P: | | | | | | |
| S: | | | | | | |
| B: | | | | | | |

- b. Provide client names, plan type (such as: Defined Benefit, Defined Contribution, Endowment, etc.), length of relationship, and asset size using the format below:

| Role | Client Name | Plan Type | Length of Relationship (in years) | Client's Asset Size (Total AUM \$M) | Client's Asset Size (Private Markets AUM \$M) |
|-------------|--------------------|------------------|--|--|--|
| P: | | | | | |
| S: | | | | | |
| B: | | | | | |

17. List senior staff hires and departures over the last three years, and for departures indicate the reason for termination or departure.
18. Across the firm, how many relationships on average does each consultant have? What is the maximum limit of relationships per consultant?
19. Please provide any other roles and responsibilities any consulting personnel assigned to COAERS hold within your parent organization, firm, and/or affiliates.

STANDARDS OF CONDUCT AND COMPLIANCE/REGULATORY MATTERS

20. Describe your compliance function and staffing. Describe your compliance processes as they relate to research personnel and your field consultants serving COAERS.
21. Does your firm have a written Code of Conduct, Ethics Policy and/or a set of standards for professional behavior? (Identify as an Exhibit Appendix.) If so, how are they monitored and enforced?
22. How are consultants' recommendations to clients reviewed and monitored by your organization for compliance? How does your firm maintain consistency in consultant recommendations while facilitating customization?
23. Does your firm allow employees to invest in any products or services managed or recommended by your organization? If so, please describe such opportunities in detail.
24. Within the last five years, has your organization or an officer or principal been involved in litigation or other legal proceedings relating to your business activities? If so, please provide an explanation and indicate the current status.
25. Other than broad industry sweeps, has the firm or any of its employees been investigated, disciplined or censured by any regulatory body in the past twenty years? If so, please describe.

ETHICAL PRACTICES AND CONFLICTS OF INTEREST

26. How does your firm identify and manage conflicts of interest? Are there any potential conflicts of interest issues your firm, affiliates or parent company would have in servicing COAERS? If so, please describe them.
27. Under what circumstances are employees allowed to hold an economic interest in funds or managers the firm recommends?
28. Describe any potential conflicts in your business model for private markets fund manager selection and oversight, and how you manage those.
29. Other than your own client-conference meals and multi-vendor-sponsored pension-conference meals, have you or anyone in your firm provided any gifts, travel and room expenses, entertainment or meals to any COAERS Trustee or Staff during the past twelve months? If yes, please describe the amount of any expenses and what they were for.
30. Are there any circumstances under which your firm or any individual in your firm receives compensation, finder's fees, soft dollars, direct or indirect services or any other benefit from investment managers or third parties? If yes, please describe in detail.

INSURANCE, LIABILITY AND DISASTER RECOVERY

31. What limitation(s) on liability, if any, do you seek to secure through your proposed form of contract or engagement agreement? Be as specific as possible.
32. In light of your non-discretionary fiduciary responsibility to the fund, please describe the limits, provisions or requirements with respect to indemnification of COAERS on which you would insist if your firm is engaged. If you have sample contract language, please provide it as an Exhibit Appendix.
33. Please confirm that your organization maintains the insurance coverages required in Section 3.7 of this RFP. Is the coverage on a per client basis, or is the dollar figure applied to the firm as a whole? List the insurance carriers by category, and their policy limits both aggregate and per client. Explain any issues you would have in obtaining such insurance or a rider at levels competitively comparable to coverage that would be offered by other finalists.
34. What client, investment-manager or employment-practice claims have been made to or paid by your insurance carriers in the last five years? Provide an explanation and indicate the current status.
35. Describe your disaster recovery (DR) plan, capabilities and facilities. When did you last test your DR plans and what did you learn/fix?

RESEARCH CAPABILITY AND PROCESSES

36. Please complete the tables in Schedule A.
37. Describe your firm's information technology capabilities and resources. Please list any 3rd party vendors that are used for critical processes in your private markets investment consulting practices.
38. Describe the firm's research organization and your division of labor. What is the process for identifying investment manager candidates, qualifying/vetting them, and providing manager research to your client's professional staff? Is there a difference in this process between discretionary and non-discretionary engagements? If so, please describe.
39. Other than databases you explain elsewhere, do you outsource or partner for any research function that would regularly be used in a COAERS relationship? If so, explain.
40. Does your organization provide market information and insights in different sectors of private markets? Please provide a sample report.
41. What ongoing metrics do you systematically maintain to measure useful post-hoc performance results of managers that your clients select? What are your capabilities and methodologies to evaluate quality of manager selection and/or errors in manager selection and de-selection?
42. Does your organization maintain its own database of private markets managers and funds?
 - A. If not, what database(s) are used?
 - B. Do clients have access to the database(s) used by the organization? Is there an additional charge for this access?
 - C. Does your organization have access to, and permit client access to, a comprehensive database of past, current, and expected future opportunities across different sectors of private markets?
 - D. Do these databases have access to extensive performance information to evaluate funds under consideration relative to similar types of managers?
 - E. Please describe the information maintained in these databases (i.e., breadth, time series, performance, information maintained on managers, etc.)
 - F. How is manager information entered into the database?
 - G. How many managers and funds are included in the database? Categorize your response by asset class and vintage year.
43. What additional resources will be dedicated or available to COAERS?

INVESTMENT STRATEGY, ASSET ALLOCATION AND MODELING

44. Please review the COAERS Investment Policy Statement and Private Credit Strategic Plan and provide general thoughts.
45. Has your firm articulated a set of investment beliefs or other guiding principles that underpin its approach? If so, please provide a copy.
46. Describe your firm's approach to modeling underlying investment exposures contained in Funds? To what extent could this data be used in other platforms?
47. Describe your firm's approach to managing and monitoring risks in private markets? Please provide examples.

PERFORMANCE ANALYTICS AND REPORTING

48. What databases and search/analytical engines do you routinely use for performance analysis and reporting?
49. What is the anticipated turnaround time in calendar days for each performance report after COAERS' custodian submits individual and consolidated returns to your firm?
50. Please provide samples of Investment Committee and Board reports for non-discretionary mandates. Include samples of both confidential reports for internal use only and reports for the public packet of the Investment Committee/Board.

BUILDING A NEW PROGRAM

51. Please identify how your organization can assist COAERS in the following areas:
 - A. Educating Board and Staff on Private Markets
 - B. Development of policy decisions
 - C. Development of an appropriate governance structure, including development of decision-making framework and delegation(s) of authority
 - D. Constructing an appropriate internal due diligence process
 - E. Record keeping and administration of private market investments
 - F. Performance measurement
 - G. Development of strategic plans for the asset class(es)
 - H. Pricing analysis
 - I. Sourcing, performing due diligence, recommending, and executing investment opportunities
52. Please describe your firm's experience assisting organizations similar to COAERS with developing a Private Markets program. Please provide specific examples. What do you believe the most critical factors are for success?

53. Is your organization willing to assist in training and supporting COAERS staff in building internal capabilities for private markets (both front and back office)? Please describe your experience and approach in doing so, and samples of associated educational materials.

MANAGER SELECTION, MONITORING AND TERMINATION

54. Please describe the firm's experience and capability for sourcing and conducting manager searches within each segment of private markets. Describe the firm's process from beginning to end. Include the resources the firm would use and the individuals that would be involved in the process.
55. Does your firm maintain a "top tier", "recommended list", "premier list" or other designation of managers and/or issue formal buy/avoid recommendations? If so, describe the process by which managers are added to and removed from the respective lists. By what means is that information communicated to clients and how timely are the notifications?
56. Please discuss the firm's process for ongoing diligence of managers.
57. Please discuss the firm's criteria for recommending the selection of investment opportunities. Is there any unique information or process your firm uses that assists you in identifying managers that will perform well going forward, other than those that have performed well in the recent past? What evidence do you have of your ability to identify a superior investment manager? What reports will you present to COAERS to demonstrate whether managers sourced by your firm have added value?
58. Describe components of the operational due diligence (ODD) services you will perform in manager selections as a part of your base fee. Discuss your experience in performing operational due diligence and outline your resources and capabilities. Identify what you consider the 3-5 most important factors that cause you to reject an otherwise attractive manager. Do you outsource any ODD services? If so, to whom? What operational due diligence reports on prospective or incumbent managers will you provide to COAERS' Staff for confidential internal review? Does this review differ by type of investment (i.e., Real Estate, Infrastructure, Private Equity (including Venture Capital), and Private Credit)?
59. If the Staff were to source one or more managers who are not familiar to your firm or already vetted, how would you go about providing independent due diligence for finalist firms if they become a COAERS recommendation? Please provide guidance on limitations for the number of managers on which you would be willing to provide independent due diligence in this fashion.
60. Describe your openness and approach to evaluating first and second time funds.
61. Is your organization willing to evaluate and perform due diligence on opportunities that cannot be scaled across other clients? Provide examples.
62. Please explain your firm's strategy for client-level fee management and mitigation and suggest how you envision COAERS participating in your strategies.

63. Please provide examples of two written recommendations each 1) to hire an investment manager and 2) to terminate (sell in the secondary market) or avoid an investment mandate (re-up) within the last 24 months.
64. How does your firm recommend modeling risk for private markets exposures? Please provide examples.
65. What legal review, analysis or negotiation does your organization provide to clients when making recommendations?
66. Does your organization share legal and other administrative expenses for recommendations or current holdings across clients? How are these allocated?
67. Describe how investment opportunities are allocated among clients and/or fund of funds or proprietary products sponsored by your firm. Please include:
 - a. Allocations among non-discretionary advisory clients, discretionary advisory clients, proprietary products and fund-of-funds
 - b. Whether any clients or funds have preference or priority
 - c. Whether prior relationships factor into the firm's allocation policy and if so, how they impact allocation policy and investment prioritization
 - d. Whether the firm maintains an investment queue and if so provide details on how the queue function

OUTSOURCED CIO (OCIO) and FUND of FUND (FoF) ACTIVITIES

The next 7 questions are required for all respondents with an OCIO or FoF business.

68. Does your organization provide OCIO, Fund of Funds, Proprietary Offerings or similar services?
 - A. If yes, please detail what services are available.
 - B. Please address conflicts of interest between your non-discretionary consulting services and your other businesses.
 - C. How does your firm allocate limited capacity deals across its various platforms and clients?
69. Describe the history, legal structure, and current scope of your firm's OCIO, Fund of Funds, Proprietary Offerings or similar services including the inception date, the size (in terms of assets under management and/or advisement), and the number of personnel assigned.
70. What conflicts does your firm believe that the OCIO, Fund of Funds, Proprietary Offerings or similar services creates with respect to the traditional consulting business? How does it manage those conflicts?

71. Does your firm sponsor investment vehicles aimed to help smaller clients aggregate their investments? If so, please list these and state the assets under management as well as the number of clients invested.
72. To what extent are performance fees used in your OCIO/FoF business? In your opinion does this create an incentive to favor performance-based clients over those who do not have such arrangements, and if so, how is this conflict managed by your firm?
73. Describe any differences between the compensation of employees either partially or wholly employed by these lines of business and the traditional consulting model.
74. Describe your firm's disclosure policy regarding the conflicts that arise in these businesses. Are potential conflicts disclosed out of an abundance of caution or must clients ask?

Schedule A
As of December 31, 2019

| | Private Credit | Private Equity | Venture Capital | Fund of Funds | Real Estate | Infrastructure | Secondaries |
|--|----------------|----------------|-----------------|---------------|-------------|----------------|-------------|
| | | | | | | | |
| # of employees dedicated to each | | | | | | | |
| # of managers in database | | | | | | | |
| # of funds in database | | | | | | | |
| Earliest vintage year in database | | | | | | | |
| Most recent vintage year in database | | | | | | | |
| # of SMAs monitored on behalf of clients | | | | | | | |
| | | | | | | | |
| For the three-year period ended 12/31/2019: | | | | | | | |
| # of funds recommended/committed | | | | | | | |
| # of onsite manager meetings | | | | | | | |
| # of manager due diligence reports (IDD) created | | | | | | | |
| # of operational due diligence reports created | | | | | | | |
| # of direct investments reviewed on behalf of clients | | | | | | | |
| # of co-investments reviewed on behalf of clients | | | | | | | |
| # of direct investments executed on behalf of clients | | | | | | | |
| # of co-investments executed on behalf of clients | | | | | | | |
| # of first or second funds recommended to clients | | | | | | | |
| # of unique opportunities where only one or a few clients had access | | | | | | | |

Schedule A
As of December 31, 2024

| | Private Credit | Private Equity | Venture Capital | Fund of Funds | Real Estate | Infrastructure | Secondaries |
|--|----------------|----------------|-----------------|---------------|-------------|----------------|-------------|
| | | | | | | | |
| # of employees dedicated to each | | | | | | | |
| # of managers in database | | | | | | | |
| # of funds in database | | | | | | | |
| Earliest vintage year in database | | | | | | | |
| Most recent vintage year in database | | | | | | | |
| # of SMAs monitored on behalf of clients | | | | | | | |
| | | | | | | | |
| For the three-year period ended 12/31/2024: | | | | | | | |
| # of funds recommended/committed | | | | | | | |
| # of onsite manager meetings | | | | | | | |
| # of manager due diligence reports | | | | | | | |
| # of operational due diligence reports | | | | | | | |
| # of direct investments reviewed on behalf of clients | | | | | | | |
| # of co-investments reviewed on behalf of clients | | | | | | | |
| # of direct investments executed on behalf of clients | | | | | | | |
| # of co-investments executed on behalf of clients | | | | | | | |
| # of first or second funds recommended to clients | | | | | | | |
| # of unique opportunities where only one or a few clients had access | | | | | | | |