



Introduction:

The Metropolitan Water Reclamation District Retirement Fund (Fund) is requesting proposals from investment management firms (Investment Manager) interested in providing Infrastructure products (Mandates). The Fund will entertain both Open-End/Evergreen structures and Closed-End products. The preference is for Open-end strategies; however, Closed-end strategies will be considered depending on length of lock-up period. The Fund is seeking a verifiable track record in the strategy.

Goal:

The Board of Trustees (Board) is soliciting firms that provide the Mandates requested. The size of the mandate is expected to represent 3-5% of Fund assets or approximately \$50.0 million - \$80.0 million. This Request for Proposal (RFP) is not an offer to contract but seeks the submission of proposals from qualified, professional firms that may form the basis for a successful negotiation of a contract (Agreement). The Fund reserves the right to reject any or all proposals and to solicit additional proposals if that is determined to be in the best interests of the Fund.

The Board sets goals of identifying, reviewing, and considering firms that are emerging investment managers and investment managers that are minority-owned businesses, women-owned businesses and businesses owned by a person with a disability (“MWDBE”) that meet the required capabilities for this RFP. If a Respondent is an emerging investment manager or an MWDBE investment manager and meets the criteria in the RFP, then that Respondent shall receive an invitation by the Board to present in accordance with the Illinois Pension Code. If there are multiple emerging or MWDBE Respondents that meet the criteria set forth in the RFP, then the Board may choose the most qualified firm or firms to present. The Board encourages MWDBE Firms to participate in this RFP.

Timeline:

RFP Date of Issue:	Wednesday, January 8, 2025
Deadline to Submit Written Questions:	Friday, January 24, 2025
Responses to submitted questions - Fund website:	Friday, January 31, 2025
RFP Due Date:	Friday, February 21, 2025
Proposal Evaluation to Staff (Tentative):	Friday, March 14, 2025
Finalists Determination (Tentative):	TBD
Finalists Presentations (Tentative):	TBD

Submission Process:

The RFP process will be overseen by the Fund’s investment consultant, Marquette Associates (Consultant). This RFP is available on the Fund’s website at <https://www.mwrdrf.org/do-business-with-us/>, and is being conducted in accordance with the Fund’s Investment Policy, the Investment Services Procurement Policy, and Ethics Policy, which are available on the Fund’s

website at <https://www.mwrdrf.org/investment-and-financial-reporting/policies/>, and are subject to change.

Questions concerning the RFP must be submitted via email to openrfp@marquetteassociates.com by 3:00 PM Central Standard Time on Friday, January 24, 2025.

Respondents must submit an electronic copy of the completed RFP to the Consultant at openrfp@marquetteassociates.com by 3:00 PM Central Standard Time, on Friday, February 21, 2025.

Any responses received after the deadline will not be considered for this search.

Consultant Search Contact:

openrfp@marquetteassociates.com

Marquette Associates, Inc.
180 N LaSalle St., Suite 3500
Chicago, IL 60601

Scope of Services:

The Investment Manager shall serve as a fiduciary to the Fund and have independent discretionary authority with respect to the management of the portfolio, subject to the agreed upon objectives and guidelines.

Minimum Qualifications:

Fund Staff and Investment Consultant will consider the following criteria, along with other evaluation criteria, when considering Investment Managers who respond to the RFP:

1. Must be an investment adviser registered with the Securities and Exchange Commission under the federal Investment Advisers Act of 1940 or the Illinois Securities Law of 1953, a bank as defined in the Investment Advisers Act of 1940, or an insurance company authorized to transact business in Illinois.
2. Must agree in writing to serve as a fiduciary as defined by the Illinois Pension Code. Note that as a fiduciary, you, or your investment adviser, may not engage in certain “prohibited transactions” as set forth in Section 1-110 of the Illinois Pension Code. (40 ILCS 5/1-101.2, 40 ILCS 5/1-109, 40 ILCS 5/1-110, 40 ILCS 5/1-114 and 40 ILCS 5/1-115).
3. Comply with all Federal and State laws applicable regarding investment entities.
4. Comply at all times with the Fund’s Ethics Policy, which is available on the Fund’s website at <https://www.mwrdrf.org/investment-and-financial-reporting/policies/> .
5. Carry errors and omissions insurance and cyber liability insurance.
6. Information technology systems meet or exceed industry best practices related to cybersecurity, including but not limited to, maintaining sufficient procedures and capabilities to ensure the timely and accurate backup and full recovery for all computers and other data storage systems related to the Agreement. If an incident compromises the security, confidentiality, or integrity of Fund data or assets, Respondent shall immediately contain and remedy any such breach at its own expense.

7. Provide a verifiable track record for the proposed strategy with at least three years of history.
8. Certifies that it is not barred from doing business with the City of Chicago under the Chicago Municipal Code, including but not limited to under Article I of Chapter 1-23 or Section 2-92-320 of the Chicago Municipal Code.
9. Certifies that it is not barred from being awarded a State of Illinois contract or subcontract because of a conviction or admission of guilt for bribery or for bribing an officer or employee of the State of Illinois or any other state in that officer's or employee's official capacity as provided in Section 50-5 of the Illinois Procurement Code, 30 ILCS 500/50-5.
10. Certifies that it is not barred from contracting with any State of Illinois entity because of a violation of either Section 33E-3 (bid-rigging) or 33E-4 (bid-rotating) of Article 33E of the Criminal Code of 1961, 720 ILCS 5/33E.
11. Must provide the most favorable fee agreement. The Fund requires a "most favored nations" provision regarding all rights provided to similarly situated investors, including but not limited to management fees, expenses, withdrawals, and reporting. Any fee structure or other relevant information provided in the RFP is accurate and will be honored for a period of at least one year from the RFP due date.
12. The Fund's practice is to reserve all rights to seek all remedies in court (the Fund does not consent to arbitration), including the right to a jury trial, and Fund's further practice is that venue for any litigation shall be, and third parties shall submit to the jurisdiction of, the Circuit Court of Cook County or the U.S. District Court for the Northern District of Illinois.

Evaluation Factors:

Candidates will be evaluated pursuant to the evaluation factors set forth in Section D.7 of the Fund's Procurement of Investment Services Policy, as summarized here:

1. Fit with the Fund's Overall Investment Policy and Allocations Among Existing Investment Advisers
2. Investment Philosophy and Process Methodology
3. Background, Experience and Reputation
4. Performance
5. Portfolio Management and Client Services
6. Reasonableness of Fees
7. Disclosures under Section D.5.h, D.5.i, and D.5k of the Procurement of Investment Services Policy
8. Decision-Useful Sustainability Factors
9. Respondent's Approach to Managing and Reducing Cybersecurity Risk

The Consultant, with the guidance of the Fund's staff, shall determine how well the proposal meets the evaluation factors. The Consultant shall present a list of the top-qualified respondents to the Board.

Quiet Period:

In accordance with Section D.9 of the Fund's Procurement of Investment Services Policy, which is available on the Fund's website at <https://www.mwrdrf.org/investment-and-financial-reporting/policies/>, a quiet period shall begin as of the publication date of this RFP and end when an Agreement has been executed. The quiet period prohibits respondents from communicating with the Board or staff regarding any product relative to this search. During the quiet period, the Board, Fund staff and Consultant cannot accept meals, travel, lodging or any other goods or service of value from the Investment Managers. A respondent will be disqualified for violating the quiet period. Questions regarding the search shall be forwarded to the Consultant.

Performance Review Process:

Performance review shall normally be conducted in accordance with the Fund's Investment Policy.

Disclosure of Proposal Content:

Respondents are advised that the Fund is a public body subject to, and proposal materials are subject to, the Illinois Freedom of Information Act (5 ILCS 140). The Freedom of Information Act can be found at the Illinois General Assembly's website (<http://www.ilga.gov/>). After completion of the RFP, selection by the Fund and successful negotiation of a contract, if any, all proposals may be viewed and copied by any member of the public, including news agencies and competitors.

Respondents claiming a statutory exemption to the Illinois Freedom of Information Act for information within the Respondents' proposals must identify in the email transmission of the proposal whether confidential information is included and identify the specific exemption claimed. For example, Section 7(1)(g) of FOIA exempts from production "trade secrets and commercial or financial information obtained where the trade secrets or commercial or financial information are furnished under a claim that they are proprietary, privileged, or confidential, and that disclosure of the trade secrets or commercial or financial information would cause competitive harm to the person or business, and only insofar as the claim directly applies to the records requested." To the extent that you represent to the Fund that the Section 7(1)(g) exemption applies, you must mark each page of your RFP response accordingly and provide a separate version of the response that redacts only those pages, or portions of pages, that include such information.

The Fund will determine, in its sole discretion, whether the materials are subject to public disclosure, if a request is made in accordance with FOIA for materials submitted in response to this RFP. If the Fund denies a public records request based on a Respondent's representation that such information is exempt from production, Respondent, by submission of a response to this RFP, agrees to reimburse the Fund for, and to indemnify, defend, and hold harmless the Fund, its officers, Trustees, fiduciaries, employees, and agents from and against any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs, and expenses including, without limitation, attorneys' fees, expenses and court costs of any nature whatsoever arising from or relating to the Fund's complete or partial FOIA denial based on Respondent's assertions.

Disposition of Proposals:

All proposals become the property of the Fund and will not be returned to the respondent. The Fund reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance of the conditions contained in this RFP.

Organization

- 1) Please provide the name, title, address, phone number, fax number, and e-mail address for the individual that would serve as our primary contact servicing the account.
- 2) What is the name of the ultimate parent entity? Please give a brief history of your organization and discuss the general ownership structure. What year was your organization established? Have there been any changes in the ownership structure of your firm in the past five years? If yes, please explain in detail.
- 3) What is the name of the entity providing infrastructure investment services? Please give a brief history of this entity and discuss the general ownership structure.
- 4) Please provide total assets under management and infrastructure assets under management for both the ultimate parent entity and the entity providing infrastructure investment services.
- 5) Please list city and state of all directly related offices (indicate headquarters), the opening date of the office(s), and indicate whether the office(s) is used for portfolio management, acquisitions, asset management, research, marketing and/or client servicing.
- 6) Please provide details (and diagrams if available) of the legal structure of the General Partner, and all affiliated management companies or corporations.
- 7) If your firm is an affiliate/subsidiary of a larger organization or a joint venture partner with another organization, describe the method of communication and quality control between the two organizations. Define the specific responsibilities of each of the parties.
- 8) Describe how the infrastructure investment entity manages potential conflicts of interest with other business units of your parent entity.
- 9) Is your firm represented by any third-party firm or individual whose purpose is marketing and/or gathering assets for the firm and are compensated as such? If so, list all relationships and their nature. How will these fees be paid?
- 10) Please describe your firm initiatives for diversity and inclusion in terms of your overall firm, senior leadership, and investment teams.
- 11) Please provide the following diversity & inclusion statistics:

Males	Caucasian	African American	Asian	Hispanic	Disabled	Other	Total
Senior Executives / Mgmt.							
Inv. Professionals (Excluding Traders)							
Inv. Professionals (Traders)							
Inv. Professionals (Excluding Sales / Marketing & Client Service)							
Sales / Marketing & Client Services							
Other Non-Professionals							
Total							

From the above, how many are Veterans? _____

Females	Caucasian	African American	Asian	Hispanic	Disabled	Other	Total
Senior Executives / Mgmt.							
Inv. Professionals (Excluding Traders)							
Inv. Professionals (Traders)							
Inv. Professionals (Excluding Sales / Marketing & Client Service)							
Sales / Marketing & Client Services							
Other Non-Professionals							
Total							

From the above, how many are Veterans? _____

Services provided pursuant to your firm's contracts for services	#Contracts with MWDBE businesses	#Contracts with non-MWDBE businesses, where >50% of the services were provided by a MWDBE person
Investment services		
Consulting services		
Professional services		
Artistic services		

Personnel

- 12) Please describe the composition of the team (i.e. support staff, analysts, etc...). How long has the team been together?
- 13) Please describe your dedicated infrastructure resources (i.e. number of people including partners, front office (operations), back office, legal, IR, etc.)
- 14) Please describe the Fund structure (inclusive of GP, fund manager, investment advisor, etc.) and include an explanation of domiciles selected for the incorporation of various legal entities?
- 15) Please provide biographies of the General Partners and key investment professionals responsible for the Fund.
- 16) Please provide three references for each principal of the General Partner.
- 17) Please discuss the role of each of the principals of the General Partner and specify how much of each principal's time will be allocated to the investment activities of this partnership. What other funds or separate accounts or other firm duties do the principals designated to this fund have?
- 18) Are the investment professionals under employment contracts/non-compete agreements with the firm?
- 19) Please briefly discuss the compensation structure and how is compensation decided? How is the carried interest/performance fee distributed?
- 20) What are the vesting provisions?
- 21) What is the form and amount of commitments of the investment team in the Fund?
- 22) Have any professionals left the Firm over the last five years? If so, please identify the investments these professionals participated in and to what degree.
- 23) Please discuss your hiring plans for future partners and professionals. Please discuss organizational growth/succession plans. Are there any plans to recruit key additional personnel? If so, at what levels are these new hires expected?
- 24) What are the key person provisions? What is the incentive system for the key man?
- 25) What is the internal decision-making process among senior investment professionals for: Internal matters? New professionals? Operations and management decisions?

Compliance/ Conflicts of Interest

- 26) Is the entity providing infrastructure investment services an SEC registered investment advisor? If yes, append a copy of your Form ADV and include the date of registration. If no, please explain why not.
- 27) Have the principals of the General Partner, the Fund, or any of the General Partner's affiliates been the subject of a regulatory action, censure or legal action alleging fiduciary misconduct within the past 5 years? If yes, please attach a detailed review.
- 28) Identify and discuss any actual or potential conflicts of interest with respect to the principals of the General Partner, the Fund, or any of the General Partner's affiliates? Describe how the principals of the General Partner, the Fund, or any of the General Partner's affiliates manage potential conflicts of interest with other business units of your parent entity.
- 29) Will your firm acknowledge its status as a fiduciary under ERISA in a contract or side letter?

General Investment Strategy & Process

Strategy:

- 30) What is the firm's investment philosophy? Does the Fund have a sector and regional/country focus?
- 31) List the types of investment opportunities potentially available in this strategy. What does your firm interpret as infrastructure assets?
- 32) Please summarize the partnership's investment guidelines. What are the limits on an investment as a percent of capital? Are there sector limits? Geographic limits? What are the maximum leverage guidelines? Is the partnership limited to specializing in only specific types of investments?
- 33) Discuss the risks involved in your strategy, and how you plan to manage these risks.
- 34) Does the fund hedge interest rate risk and/or currency risk? If so how?
- 35) What is the average length of time infrastructure investments are held or are expected to be held?
- 36) Will the Fund make follow-on investments into portfolio companies? What is the decision-making process for investing additional capital in existing portfolio companies?

- 37) How is deal flow sourced: Internal, Investment Bank, Private Equity, Other Investment Professionals, etc...? How is deal flow unique for the firm? Does the Fund source deals independently or jointly with others?
- 38) Do you expect to be involved in public company takeovers?
- 39) What is the average number of opportunities reviewed by the firm per year? What is the average number of opportunities that the firm performs full due diligence for per year? What is the average number of opportunities that the firm submits a bid on per year?

Process:

- 40) Provide an overview of the Fund's investment process. Describe each stage of your firm's internal decision-making processes. Please explain the Investment Committee process in detail. How many members are on the Investment Committee? Does it take a unanimous or majority vote to pass the committee?
- 41) How often do the professionals meet as a group? What forum(s) do the professionals use for information and idea sharing?
- 42) What is the Fund's documentation process (e.g. due diligence lists, deal logs)? Are the following professionals always engaged in the due diligence process and what reports do they typically provide?
 - a) Accountants
 - b) Outside law firms
 - c) Other outside consultants and advisors
- 43) Please explain the firm's pricing discipline, including an explanation of the approach to the valuation of investment opportunities.
- 44) Can the Fund use bridging/leverage in investments? If so, what is the average target debt/equity ratio for investments? What is the leverage limit?
- 45) When does the Fund insist on Board representation? What controls and rights does the Fund seek when taking minority positions?
- 46) What is the Fund's post-acquisition deal monitoring process? What will be the major factors monitored in the portfolio companies? How frequently will the firm interact with portfolio company management post investment? How often and in what form will reporting be received from portfolio companies? Are there separate teams/people responsible for monitoring investments?
- 47) How are assets insured for business disruptions, casualties, etc.?
- 48) How does your firm add value to investments on a strategic, financial, and operating basis?

- 49) How will the Fund evaluate potential exits and when does the firm decide to pursue potential exits? What types of exit strategies will most likely be used for portfolio investments? What is the exit approval process?
- 50) Are there follow-on fund/Evergreen fund options or LP purchase options after the term of the fund?

Current Offering

- 51) Please fill-in the following table covering terms and conditions for your current partnership offering.

Fund Name:
General Partner (“GP”):
Placement Agent Name:
Target Fund Size:
GP Commitment:
Hard LP Commitments:
Min. Commitment Size:
Max. Commitment Size:
Commitment Period:
Target Return (Gross IRR, Net IRR, Current Return):
Term:
Management Fee:
Preferred Return:
Carried Interest:
Catch Up:
Clawback:
Acquisition Fee:
Financing Fee:
Other Fees:
Termination Provision:
Removal of the GP:

- 52) Please provide an update on fundraising activities to date, including: signed commitments, soft commitments, number of signed LP’s, planned/ actual first close, and planned final close? Please indicate the percentage of international commitments and percentage of U.S. commitments?
- 53) What are the requirements for an Advisory Board seat? Will an Advisory Board give final approval to distributions?
- 54) What steps have you taken to ensure that the Limited Partners will not be liable for any issues beyond the term of the partnership?
- 55) Does the fund have a Responsible Contractor Policy? If so, please provide a copy.

Security and Miscellaneous

- 56) Please discuss the current reporting available for the fund. What type of information is available? How long after quarter end are performance reports available, etc...? Please provide a typical performance report.
- 57) Describe the firm's security environment. Specifically cover the physical, digital security, and policy measure safeguards that you have put in place to control access to portfolio reporting systems and client account information.
- 58) Describe your firm's approach to securing email and web communications.
- 59) How does your firm defend against cyber attacks?
- 60) How does your firm secure mobile devices such as phones, tablets, and laptops?
- 61) Have you had your security assessed by a third party? If so, when was this last completed and by which provider?
- 62) Has your firm ever had a data security breach? If so, please describe the incident as well as the corrective actions.
- 63) Please provide three references, including contact phone number and email address. Please include, at least, one current and one former client in your references.
- 64) Please describe the firm's (or fund administrators') documentation requests related to AML/KYC when onboarding a new client to any commingled funds of this strategy. For each commingled fund (LP, CIT, LLC, etc.), each feeder (onshore, offshore), and each client type (E&F, pension, state/city, family office, individual, etc.), please list all documents required. Please be specific and note if you require any of the following: authorized signer's SSN; driver's license; passport; a government picture ID; list of Board of Trustees/Directors; notarized signature pages; third-party AML attestation; and any others.
- 65) Please provide us with the following material:
 - A copy of your most recent ADV, if applicable.
 - A copy of the PPM, LP Agreement, and Subscription Agreement.
 - A copy, via email, of your most recent presentation on the product.

Authorized Signature

I, an authorized signer of _____, have reviewed all of the aforementioned statements and documents. To the best of our ability, we believe all statements and documents to be accurate, truthful and timely.

Signature

Print Name