ILLINOIS STATE BOARD OF INVESTMENT
Responses to Submitted Questions: Private Equity Consultant

This document serves as a formal response to the questions submitted through the process established by the Illinois State Board of Investment ("ISBI" or the "Board"). As stated in the Request for Competitive Proposals ("RFP"), questions concerning the RFP had to be submitted in writing via e-mail to the Search Contact by **3:00 PM, CDT, April 11, 2016**. Responses to questions properly submitted are consolidated into a single Q & A document as detailed below and posted on the Board's website on or about **April 18, 2016**. The Q & A document does not identify the source of the query.

1. How many meetings (Board meetings, Investment Policy Committee meetings, Emerging Manager Committee meetings, etc.) per year would the private equity investment consultant likely attend?

   The Board meets on a quarterly basis; the dates for the quarterly meetings are selected for the year at the end of the previous year. For 2016, the Board's remaining regularly scheduled meetings are on June 16th, September 15th and December 15th. In addition, the Board may hold Special Meetings on an ad hoc basis. The Investment Policy Committee and Emerging Manager Committee meet as often as necessary in the discretion of the Board or the Chair of the respective Committee. The Consultant will be expected to attend all Board and Investment Policy Committee meetings unless ISBI notifies the Consultant that their presence is unnecessary.

2. What percentage of the private equity program is expected to be made up of emerging managers? We noticed that ISBI's Diversity Policy states that "alternative investments are not subject to the requirements set forth in Public Act 96-006" and were hoping to confirm whether there was a target for private investments, and if so, whether that target was considered a soft-target or a hard-parameter.

   It is the policy objective of the Board to increase access and opportunities for emerging managers, brokers, minorities, women and persons with a disability. As defined by the Illinois Pension Code, the definition of an "emerging investment manager" is "a qualified investment adviser that manages an investment portfolio of at least $10M but less than $10B and is a 'minority owned business', 'female owned business', or 'business owned by a person with a disability' as those terms are defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act." The Consultant will be expected to work with ISBI Staff to identify investment managers and emerging and/or minority private equity funds. While alternative investments are not subject to the requirements set forth in Public Act 96-006, the Board has established a goal for the utilization of emerging and minority investment managers in alternative investments. These goals are outlined in the chart below and included in the Board's Diversity Policy.

Goals for the Utilization of Emerging and Minority Investment Managers

By Asset Class

	Percent of Asset Class	
Asset Class	**Emerging**	**Minority**
Equities	8% - 10%	8% - 10%
Fixed Income	10% - 12%	10% - 12%
Alternatives*	1% - 5%	1% - 5%

3. Is there a public domain best practice or preferred practice that ISBI follows with regard to the format of manager recommendations, policy recommendations, etc.?

   While the Board does not have a specific preferred format with regard to manager recommendations and policy recommendations, the Consultant shall provide the Board and ISBI Staff with documents, reports, and other information at such times as the Board or ISBI Staff may reasonably require. Such information shall be in a form satisfactory to the Board and the Board may direct the Consultant to adhere to a specific format for manager recommendations and policy recommendations. In addition, ISBI is a statutorily created public body subject to state laws including, without limitation, (i) the Illinois Freedom of Information Act (5 ILCS 140/1 et seq.) with provides generally that a public body's records and agreements are open to public inspection and copying unless exempted or subject to some specific protection under the aforementioned act, and (ii) the Illinois Open Meetings Act (5 ILCS 120/1 et seq.), which provides generally for open meetings for public boards (collectively the "Illinois Acts"). The Consultant is encouraged to specifically identify any confidential or proprietary information on its manager recommendations, policy recommendations and other reports to the Board that the Consultant reasonably believes may be exempt from disclosure under the Illinois Acts.

4. Will the private equity investment consultant be required to attend and vote at fund advisory board meetings?

   The Consultant may be required to attend and/or vote on behalf of the Board at fund advisory board meetings when directed by the Board or ISBI Staff.