

ILLINOIS STATE BOARD OF INVESTMENT
Form Request for Competitive Proposal: Private Equity Consultant

I. OVERVIEW.

The Illinois State Board of Investment (“ISBI”) hereby issues a request for competitive proposals (“RFP”) from qualified private equity investment consultants (“Respondent(s)” or “Consultant(s)”) to provide support services to assist portfolio management in the ongoing development and diversification of its private equity portfolio. ISBI has a ten percent target allocation that includes private debt and international funds and/or managers. The Consultant will provide assistance in strategic private equity investment planning, as well as due diligence support, for proposed partnership commitments. ISBI will also consider including performance reporting as a component of this relationship.

All forms needed for submitting a response to this RFP are available on ISBI’s website at: <http://www.isbi.illinois.gov/RFP.htm>. **Respondents to this RFP are responsible for monitoring ISBI’s website for information pertaining to the RFP, while the RFP is outstanding.**

ISBI is a non-appropriated, statutorily created public pension fund responsible for managing and investing the pension assets of the Illinois General Assembly Retirement System, the Judges’ Retirement System of Illinois and the State Employees’ Retirement System of Illinois. ISBI’s net assets totaled \$15.3 billion as of December 31, 2015. ISBI is created by, and subject to, the Illinois Pension Code as well as other state and federal laws. More information regarding ISBI can be found by reviewing its enabling statute at 40 ILCS 5/22A and its website at: <http://www.isbi.illinois.gov>. Further, please review the attached excel spreadsheet labeled as “ISBI Private Equity Portfolio as of 09.30.15.xls” for a list of ISBI’s private equity investments.

II. RFP TIMELINE.

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|--|------------------------------------|
| A. Date of Issue: | Monday, April 4, 2016 |
| B. Deadline to Submit Written Questions: | Monday, April 11, 2016, 3:00PM CST |
| C. Q & A Document Posted: | Monday, April 18, 2016 |
| D. Final Filing Date: | Friday, April 29, 2016 3:00PM CST |
| E. Potential Interviews: | TBD |
| F. Finalist Notified By: | Thursday, June 16, 2016 |

III. ISBI RFP PROCEDURES.

ISBI will provide notice of this RFP in the State of Illinois newspaper and in one or more industry periodicals at least 14 days before the response to the RFP is due. The RFP document may also be obtained from ISBI’s website. Neither this RFP nor any response to this RFP should be construed as a legal offer.

Public Act 96-0006 encourages ISBI to increase the racial, ethnic, and gender diversity of its fiduciaries, to the greatest extent feasible within the bounds of financial and fiduciary prudence. In furtherance of this Act, it is the goal of ISBI to use its best efforts to increase the racial, ethnic, and

gender diversity of its fiduciaries, including its Consultants. ISBI encourages minority, female and disabled-owned Consultants to submit proposals to this RFP.

All interested Consultants must submit their responses in accordance with the proposal submission instructions below. ISBI reserves the right to reject any or all proposals submitted. All material submitted in response to the RFP will become the property of ISBI. ISBI is not responsible for any costs incurred by the Respondents in responding to this RFP.

If it becomes necessary to revise any part of the RFP, or if additional information is necessary for a clarification of provisions within this RFP, prior to the due date for proposals, a supplement will be provided to all known Respondents and posted on ISBI's website. If a supplement is necessary, ISBI may extend the due date and time of the proposals to accommodate any additional information requirements.

Respondents are advised that proposal materials are subject to the Illinois Freedom of Information Act (5 ILCS 140). After completion of the RFP, selection by ISBI and successful negotiation of a contract, if any, proposals submitted may be viewed and copied by any member of the public, including news agencies and competitors. Respondents claiming a statutory exception to the Illinois Freedom of Information Act for information within the Respondents' proposals must identify relevant language as confidential, and identify in the email transmission of the proposal whether confidential information is included. Further, each page of confidential documentation must be labeled as such. The Respondent must also specify which statutory exemption applies for each piece of confidential information. The Freedom of Information Act can be found at the Illinois General Assembly's website (<http://www.ilga.gov/>).

ISBI reserves the right to make determinations of confidentiality. If ISBI disagrees with a Respondent's confidential designation, it may either reject the proposal or discuss its interpretation of the exemptions with the Respondent. If an agreement can be reached, the proposal will be considered. If an agreement cannot be reached, ISBI will remove the proposal from consideration.

ISBI shall conduct the RFP process in accordance with applicable provisions of the Illinois Pension Code, the State Officials and Employees Ethics Act and any other relevant authority under the Illinois Compiled Statutes. All ex parte communications between ISBI and its Staff and interested parties, including Respondents, or non-interested parties shall be recorded or disclosed, in accordance with the State Officials and Employees Ethics Act.

No Respondent shall retain a person or entity to influence (i) the outcome of an investment decision or (ii) the procurement of investment advice or services of ISBI for compensation, contingent in whole or in part upon the decision or procurement.

ISBI shall post the name of the successful Respondent, if any, on ISBI's website, along with a disclosure including the total amount applicable to the contract, the total fees paid or to be paid and a description of the factors that contributed to the selection of the Consultant. Any contract negotiated will not exceed five years in duration. Options to renew or extend the contract will not be included.

This RFP does not obligate ISBI to complete the RFP process. ISBI reserves the right to amend any segment of the RFP prior to the announcement of the selected firm(s). In case of such amendment,

all Respondents will be afforded the opportunity to revise their proposals to accommodate the RFP amendment. ISBI also reserves the right to remove one or more of the Services from consideration should the evaluation show that it is in ISBI's best interest to do so. ISBI also may, at its discretion, issue a separate contract for any service or group of services included in this RFP.

The evaluation process will be structured to secure highly skilled, diligent, responsive and experienced professional personnel who will be effective in providing the high quality of private equity consulting services that ISBI desires. The primary objective of the evaluation process is to select one or more firms that:

- clearly demonstrates a thorough understanding of the scope of the engagement and the specific responsibilities entailed;
- possesses adequate resources to handle assigned responsibilities and to handle extenuating circumstances that may arise;
- assigns highly skilled, experienced, diligent, responsive, and professional personnel to perform the required duties;
- maintains high ethical standards and reputation;
- are competitive in terms of fees; and
- have no conflict of interest existing between ISBI and other clients.

ISBI reserves the right to request additional information from any or all Responders to assist it in its evaluation process.

However, *during the proposal period, no responding private equity investment consultant or any person acting on behalf of a responding private equity investment consultant may contact ISBI Board of Trustees, any individual Trustee, or ISBI staff member, other than the Search Contact specified below, by e-mail.* No Respondent may, at any time, attempt to influence the evaluation other than by a properly submitted response to this RFP or to a formal request for information or presentation.

Current private equity investment consultants who are responding to this RFP are expected to limit their contact for business transactions to ISBI employees with whom they ordinarily interact and to avoid direct contact with Trustees or other staff during the proposal period.

Violation of these rules constitutes grounds to reject the proposal of any offender.

IV. PROPOSAL SUBMISSION.

Consultants interested in submitting a proposal must submit an electronic copy of the complete proposal by **3:00 PM, CDT, April 29, 2016** to:

SEARCH CONTACT: Johara Farhadieh
Illinois State Board of Investment
Deputy Executive Director
Johara.Farhadieh@illinois.gov AND
ISBI.Backstop@illinois.gov

Procedural and substantive questions concerning the RFP must be submitted in writing via e-mail to the Search Contact by **3:00 PM, CDT, April 11, 2016**. Responses to questions properly submitted will be consolidated in a single Q & A document and posted on ISBI's website on or about **April 18, 2016**. The Q & A document will not identify the source of the query.

PLEASE NOTE: Respondents WILL NOT receive individualized responses from the Search Contact, in response to questions submitted by a Respondent. Respondents must review the Q & A document posted on ISBI's website to receive answers to all questions submitted.

ANY PROPOSAL RECEIVED AFTER THE APRIL 29, 2016 DUE DATE AND TIME WILL NOT BE CONSIDERED.

PROPOSALS MUST CONTAIN THE FOLLOWING DOCUMENTS:

- A. Transmittal Letter. A transmittal letter must be submitted on the Respondent's official business letterhead. The letter must identify all documents provided collectively as a response to the RFP, and must be signed by an individual authorized to bind the Respondent contractually. An unsigned proposal shall be rejected. The letter must also contain the following:
- Statement that the proposal is being made without fraud or collusion; that the Respondent has not offered or received any finder's fees, inducements or any other form of remuneration, monetary or non-monetary, from any individual or entity relating to the RFP, the Respondent's proposal or the Board of Trustee's Consultant selection.
 - Statement that discloses any current business relationship or any current negotiations for prospective business with ISBI or any ISBI Board Trustee or ISBI Staff.
- B. Minimum Qualification Certification. The Respondent must complete the certification and provide all supporting documentation.
- C. Questionnaire. The Respondent must address the questionnaire items in the RFP in the order in which they appear in the RFP. Further, each question number and question in the RFP shall be repeated in its entirety before stating the answer. Certain questions require supporting documentation. This supporting documentation should be submitted as attachments to the questionnaire.
- D. Vendor Disclosure Attachment(s).

V. *SCOPE OF SERVICES.*

ISBI seeks a Consultant with substantial experience advising public defined benefit plans to provide comprehensive investment consulting services for ISBI's private equity portfolio. The Consultant selected will work closely with Staff and will report regularly to Board of Trustees of ISBI and Investment Policy and Emerging Manager Committees.

ISBI expects any Consultant retained under this RFP to provide the following services, at a

minimum:

A. Strategic Private Equity Consulting.

1. Provide recurring recommendations concerning long-term investment policy, objectives and strategy for the private equity portfolio.
2. Prepare special analyses and/or research, as requested by Staff, to define goals and objectives, monitor portfolio risk and model program cash flows/commitment pacing for the private equity portfolio.
3. Conduct and prepare comprehensive written research, analysis and advice on specific investment issues, or conduct special projects or other activities, as requested.
4. Appear as needed at Board meetings, Investment Policy Committee meetings, Emerging Manager Committee meetings or other meetings to (i) present research, analyses, written reports and recommendations or (ii) respond to questions relating to the private equity portfolio or the private equity market.
5. Attend meetings with Staff, in order to provide advice and counsel on matters related to the private equity portfolio, as needed.
6. Coordinate and communicate with ISBI, Staff and private equity funds in the portfolio on an ongoing basis, in order to ensure the effective and successful administration of the private equity portfolio.
7. Work with Staff to identify qualified emerging and minority investment managers. 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 ‘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.” A minority investment manager 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 with assets under management greater than \$10B. Please refer to ISBI’s [Diversity Policy](#) for more information.
8. Provide other consulting services consistent with or required in connection with the private equity portfolio and its goals, strategies and objectives.

B. Private Equity Fund Investment Sourcing and Due Diligence.

It is expected that private equity fund investments will be sourced by both the Consultant and Staff. Private equity fund sourcing and due diligence will include the following actions, at a minimum:

1. Develop a proactive, structured process to (i) analyze the full universe of available investments and (ii) identify efficiently those investments most advantageous to ISBI for investment. This process will include detailed analysis of prospective investments identified by Staff.
2. Conduct due diligence on those prospective investments that Consultant or Staff recommend for consideration. Due diligence will include evaluation of the prospective investment fund’s history, team, performance and strategy. The Consultant will ensure that investments reviewed will comply with Illinois laws governing investments with ties to Iran and Sudan and companies that boycott Israel.
3. Present written recommendations to the Staff, Board, and Investment Policy Committee which will include: (i) the results of Consultant’s due diligence, (ii) a discussion of strategic considerations, (iii) an analysis regarding how the recommendation fits within

- ISBI's private equity portfolio and (iv) a detailed business review of the private equity investment fund terms and fund documents.
4. Work with Staff and legal counsel in the negotiation of contract terms and conditions.

C. Monitoring of the Private Equity Portfolio.

As of September 30, 2015, ISBI has approximately \$607.0 million invested in private investment funds. Additionally, ISBI has approximately \$311.6 million committed, the funds of which have yet to be drawn down.

In monitoring the portfolio the Consultant must:

1. Take responsibility for the timely review and analysis of key events that may affect the private equity portfolio. This review and analysis may cover market changes, changes in senior management or substantial reductions in portfolio value. Monitoring will be conducted through surveillance of the media, communication with professional networks and the systematic review of the funds' reporting, at a minimum.
2. Assist in any actions taken to protect the interests of ISBI as an investor, and interact, where necessary, with portfolio general partners to ensure individual fund compliance with contract terms.
3. Assist Staff in attending partnership annual meetings, and, where appropriate, serve on advisory boards.
4. Review and recommend courses of action for all fund document amendments.

D. Database Management.

The Consultant will develop and maintain a database, management of which will include, at a minimum, the following:

1. Record all historical information on cash flows, net asset values, unfunded commitments, fee payments, cost basis and returns per investment.
2. Record performance data, including IRR and multiple calculations, and measure the recorded data against performance benchmarks.
3. Review cash flows and performance data by individual investment, asset class and the total portfolio over quarterly periods.

E. Reporting.

The Consultant will provide the following reporting:

1. Quarterly performance reporting, which will include, at a minimum:
 - a. Allocation breakdown by geography, sector and industry;
 - b. Updates on each investment fund;
 - c. Listing of each investment fund by sector;
 - d. Date of commitment to each investment fund;
 - e. Commitment amount to each investment fund;
 - f. Draw-down amounts by investment fund;
 - g. Outstanding commitment by investment fund;
 - h. Distribution amounts by investment fund;
 - i. Investment fund NAVs;
 - j. Multiples by investment fund;
 - k. IRR of each investment fund; and
 - l. Items a – k aggregated for the total private equity portfolio.
2. Reconcile the quarterly reporting with the Custodian's reports and records for accuracy.

F. Other.

1. Provide educational workshops to Board Members on specific issues designated by ISBI and/or recommended by the Consultant.
2. Provide comments and analysis on proposed federal and state legislation affecting the private equity portfolio.
3. Support the Staff, Board, Investment Policy Committee, and Emerging Manager Committee through written and/or oral presentations with government agencies, legislative committees, auditors etc.
4. Meet with Staff quarterly to review the private equity portfolio, update Staff regarding the current market/new issues and advise regarding improvements to the private equity portfolio.

VI. *POST PERFORMANCE REVIEW*

Any Respondent retained by ISBI will undergo quarterly performance reviews, at Staff's discretion, wherein the Respondent's compliance with agreement objectives and deliverables will be assessed. Evidence of material non-compliance will be reviewed by ISBI's Staff, as well as the Board of Trustees of ISBI, if necessary.

VII. **MINIMUM QUALIFICATION REQUIREMENTS AND CERTIFICATION.**

Respondents must satisfy each of the following minimum qualifications for this RFP, in order to be given consideration. Failure to satisfy each of the requirements will result in the immediate rejection of the proposal. Failure to provide complete information will result in the rejection of the proposal.

Please circle “YES” or “NO” where indicated. If evidence is requested, please provide complete documentation.

1. Respondent is an investment adviser registered with the Securities and Exchange Commission under the federal Investment Advisers Act of 1940. (Yes/No):_____
If yes, please provide Form ADV I and II.
2. Respondent and its proposed team have all authorizations, permits, licenses and certifications required by federal and state laws and regulations to perform the services specified in this RFP at the time Respondent submits a response to the RFP. (Yes/No):_____
3. If retained for consulting services, Respondent agrees to serve as a fiduciary as defined by the Illinois Pension Code. (Yes/No):_____
4. Respondent has reviewed both ISBI’s Investment Policy, which includes ISBI’s Diversity Policy, Sudan Divestment Policy, and Iran Divestment Policy, found via ISBI’s website (<http://www.illinois.gov/isbi/Pages/Reporting.aspx>), and agrees that, if retained, Respondent can provide investment consulting services in furtherance of these policies. (Yes/No):_____
5. Respondent has both (i) reviewed ISBI’s Vendor Disclosure Policy (attached as ***Exhibit A***) **and** (ii) provided all disclosures required under the Policy. If Respondent has no disclosures to report, Respondent has indicated that fact in the firm’s response. (Yes/No):_____
6. Respondent has (i) reviewed the representations and certifications, outlined in ***Exhibit B***, **and** (ii) agrees that, if retained to provide consulting services, such representations and certifications will be incorporated into the investment consulting contract. Limited drafting changes may be negotiated during any contract negotiation. (Yes/No):_____
7. Respondent agrees to provide the services as detailed in the Scope of Services section of this RFP and any other requirements as stated in this RFP. (Yes/No):_____
8. The primary/lead contact for ISBI’s account must have a minimum of five (5) total years of experience working with public/private defined benefit plans, endowments and or foundations as a private equity consultant, as of December 31, 2015. (Yes/No):_____
9. Respondent must advise on least five (5) private/public plan clients with at least target commitments of \$100 million total as of December 31, 2015. (Yes/No):_____

10. If retained, Respondent will, in conjunction with ISBI's Staff, submit periodic written reports, on at least a quarterly basis, for ISBI's review at its regularly scheduled meetings. All returns on investment shall be reported as net returns after payment of all fees, commissions, and any other compensation, in addition to any other reporting requested. (Yes/No):_____

11. Respondent maintains sufficient procedures and capabilities necessary to ensure the timely and accurate backup and full recovery for all computers and other data storage systems related to an ISBI account(s). (Yes/No): _____

If yes, please provide a complete description of these procedures and capabilities, including frequency of testing and latest test results.

IF RESPONDENT PROVIDED A "NO" RESPONSE TO ANY OF THE MINIMUM QUALIFICATION REQUIREMENTS ABOVE, RESPONDENT SHOULD NOT SUBMIT A PROPOSAL TO ISBI.

PLEASE CERTIFY THE RESPONDENT'S SATISFACTION OF THE MINIMUM QUALIFICATIONS BY PROVIDING THE RESPONDENT'S AUTHORIZED SIGNATURE BELOW.

Authorized Signer Name: _____

Title: _____

Respondent Firm: _____

Signature: _____

Date: _____

VIII. QUESTIONNAIRE.

Organizational Background

1. Identify the location of the main office and, if different, the office from which services would be provided to ISBI. Does your firm have an office located in Chicago, Illinois?
2. State the firm's mission statement and philosophy.
3. Provide a brief history of your firm and its operations, including the year formed, ownership structure, and any ownership changes that occurred during the past five (5) years. Does your firm anticipate future changes in its organization? Please provide an organization chart of your firm.
4. Is your firm a certified Minority, Woman, or Person with a Disability owned Business Enterprise (MWDDBE)? If yes, please provide a state-issued certification.
5. List your firm's lines of business and the approximate contributions of each business to your firm's total revenue. If your firm is an affiliate or subsidiary of an organization, what percentage of the parent firm's total revenue does the subsidiary or affiliate generate?
6. Please provide details on the financial condition of your firm, including levels of debt and payoff plans for any debt.
7. Please provide a brief description of your firm's plans for growth such as, growth of gaining new client assets, personnel composition, succession planning, and additional firm services, over the next three (3) to five (5) years.
8. Describe the levels of coverage for errors and omissions insurance and any other fiduciary or professional liability insurance the firm carries. List the insurance carriers supplying the coverage and supply certificates evidencing the coverage.
9. Please provide a brief description of any past or pending regulatory action, litigation, legal proceeding or other investigation involving the firm or any of its affiliates or parent, or any registered employees and/or principals as defendants in the last five (5) years. If so, provide an explanation and indicate the current status or disposition of the proceedings.
10. Does your firm have a written code of conduct or a set of standards for professional behavior? Has the firm adopted the CFA Code of Ethics and Standards of Professional Conduct? How is employee compliance monitored? Please describe findings of the most recent compliance review. Include a copy of your firm's Code of Ethics if the CFA Code is not used.
11. Complete the charts below:

Mandate Type	# of Clients	Market Value	Uncalled Commitments	Target Annual Commitments
Monitoring/Reporting Accounts				
Non-Discretionary Accounts				
Discretionary Accounts				
Commingled Funds/Fund of Funds				
Secondary Funds/Accounts				
Other				

12. Provide a listing of full-retainer clients lost or gained during the past three (3) years, including consulting AUM.
13. Provide a listing of all public fund clients, including the size of the fund and the length of service provided to them by your firm.

14. Is your firm, its parent, or affiliate a broker/dealer?
15. Does your firm have any arrangements with broker-dealers under which your firm or a related company will benefit if money managers place trades for their clients with such broker-dealers?
16. Does your firm provide investment management services/investment outsourcing services (should be listed as a line of business in question 5)? Describe the service and the allocation process of investment ideas/managers/funds between investment outsourcing clients and consulting clients, particularly for capacity constrained managers/products/ideas.
17. What percentage of your clients utilize money managers, investment funds, brokerage services or other service providers from whom your firm receive fees (should be listed as a line of business in question 5)?
18. Does your firm have any policies or procedures to address conflicts of interest or to prevent payments or relationships from being considered when it provides advice to clients?

Consultant Team Information

19. Please provide contact information for each consultant that will be assigned to ISBI in the following grid:

Name	Address	Business Phone	Mobile Phone	Business Fax	E-mail Address

20. Please attach biographies of the primary and backup consultants who would be assigned to this engagement, including (i) the role of each consultant for this assignment, (ii) the year each consultant joined your firm, (iii) a description of his or her position and current responsibilities, (iv) areas of expertise and experience, (v) education and professional designations and memberships, (vi) relevant publications and presentations, and (vii) the number and names of clients these consultants currently serve.
21. Which of these consultants would attend meetings of the Board of Trustees of ISBI and its Investment Policy and Emerging Manager Committees?
22. What is the turnover of professional staff (senior management and consulting personnel) over the last five (5) years? Please list staff positions hired, resigned and terminated within the last five (5) years, including a description of each position and the reason for the hire, resignation and/or termination.
23. Describe the firm’s compensation and incentive program and/or other programs for hiring and retaining key consultant personnel. How does the firm tie client performance and satisfaction to a consultant’s compensation? Please be detailed and specific.
24. What is the percentage representation of minority, women or persons with a disability of the consulting staff that would be assigned to ISBI?
25. If your firm is a member or supporter of minority, women or disabled professionals organizations, please list the organization, your firm’s level of involvement and a contact person (along with contact information) for the respective organization.

Private Equity Investment Consulting Services

26. Please provide your firm’s view of the current private equity market.
27. What are your current risk and return expectations for private equity, generally? What are your current risk and return expectations for the following sub-asset classes: Venture Capital, Buyout, Growth Equity, Mezzanine Debt, Special Situations, Distressed Debt, Secondaries, Co-Investments? Based on your expectations, what is your near term investment thesis?
28. Discuss the steps your firm would take to analyze ISBI’s current private equity portfolio.
29. ISBI recently adopted a 10% allocation to private equity, which represents a doubling of the percentage allocation from the previous 5% allocation. What experience does your firm have in achieving a significantly increased target allocation in a timely, yet prudent manner? Please provide a detailed implementation strategy.
30. Outline a process for maintaining and providing a continuous review of ISBI’s Investment Policy as it pertains to private equity including but not limited to, investment strategies and implementation issues, such as pace of commitment draw-downs, the quality of investments and transparency of underlying investments.
31. For your firm’s private equity consulting group, please provide the following information:

For the following:	# of Discretionary Accounts	# of Non-discretionary Accounts	# of Accounts/ Relationships	\$ for Discretionary Accounts	\$ for Non-discretionary Accounts	Total Assets
2015						
2014						
2013						
2012						
2011						

32. Please describe how your firm would work with ISBI to understand how private equity would fit within ISBI’s total asset allocation. What types of investment mixes would your firm recommend for ISBI?
33. Describe your firm’s philosophy and experience investing in international private equity. What percentage of your current client base invests in the international sector? As it pertains to ISBI, what is the target weighting for international exposure? Please provide your firm’s history and coverage of international funds and/or managers.
34. Describe your firm’s philosophy and experience investing in private debt. What percent of your current client base invests in private debt? What target allocation would you advocate for ISBI? As private debt encompasses an array of strategies, what specific strategies are recommended (e.g. special situation, distressed debt, direct senior debt)? Please provide your firm’s history and coverage of private debt funds and/or managers.
35. What are your firm’s thoughts regarding the following as it relates to ISBI:
 - Advisory board seats;
 - Benchmarks;
 - Co-investments;
 - Debt vs. Equity investments;
 - Direct investments;
 - Fund of fund investments;
 - Leverage;
 - Secondaries;

- Size of commitments;
 - Tactical vs. strategic; and
 - Types of investments.
36. How does your firm monitor risk in various private equity investments?
 37. How does your firm allocate commitments among client accounts generally and for discretionary vs. non-discretionary?
 38. Explain your firm's ability to introduce ISBI to new opportunities and general partners outside ISBI's existing private equity portfolio.
 39. Provide details regarding your firm's investment approach, including sourcing and portfolio construction.
 40. Describe your firm's due diligence process, including a description of the following component:
 - Staffing;
 - Investment analysis;
 - Utilization of third party resources;
 - Legal review; and
 - On-going monitoring – how often is ongoing due diligence conducted and how often are site visits made?
 41. In an appendix, please provide examples of the following reports (include sector/strategy description):
 - Private Equity Investment Fund deal log;
 - All funds reviewed 2011 – 2015;
 - All funds recommended to clients each year since 2011;
 - Funds slated for review in 2016;
 - Due-diligence report for recommended investment;
 - Due-diligence report for declined investment; and
 - Sample white papers authored over the past three (3) years.
 42. Describe your firm's experience and capabilities in investing with emerging and/or minority private equity funds as further outlined in ISBI's Diversity Policy. If available, please provide at least three (3) emerging and/or minority private equity funds recommended by your firm.
 43. Does your firm have a dedicated consultant seeking emerging investment managers?
 44. What is your firm's approach for assessing its performance on non-discretionary mandates? Describe your firm's process of establishing benchmark performance targets for a client and how that selection relates to the benchmark for individual investment funds.
 45. Describe the different methodologies, measures and sources of data utilized by your firm for calculating, analyzing and evaluating its clients' private equity performance. What benchmarks and databases are available? Which does your firm prefer and why?
 46. List the overall net IRR and net multiple for all of the firm's private equity clients for three (3), five (5), and seven (7) year periods, ended September 30, 2015. In addition, please provide net IRR and net multiple for the last seven (7) vintage years, ending September 30, 2015. Include percentile charts of performance relative to the universe. It is not necessary to identify clients by name. If available, please include December 31, 2015 data, as well.
 47. Describe your firm's experience and capabilities in investing with clients who have policies regarding responsible contractors.
 48. Describe your firm's experience and capabilities in analyzing, monitoring and investing client assets with legislative investment restrictions, such as restrictions on investing in companies

with ties to Iran and Sudan or companies that boycott Israel as discussed further in ISBI's Investment Policy.

Research Capabilities

49. Describe your firm's commitment to research and system enhancements. What percentage of your firm's revenue is reinvested into the research department? Please provide the most recent annual dollar amount.
50. Describe the structure and organization of your firm's research department, including the number and experience of analysts. Does your firm gather and maintain its own data or does it utilize a third party's database?
51. Please provide the number of funds in your firm's database by strategy as categorized in the table below:

Strategy	# in Database	# of Funds performed Due Diligence	# of Funds Recommended	# of Funds with Client Capital
Venture Capital				
Buyout				
Growth Equity				
Mezzanine				
Special Situations				
Distressed				
Secondary				
Co-Investments				
Fund of Funds				

52. How does your firm perform due diligence on international funds? Please describe the process.
53. Describe the system used by your firm to support investment fund searches and performance evaluations. In particular, address the degree of automation of the system and the timing for your firm's review of manager performance, style characteristics, holdings and policy compliance (e.g., daily, weekly, monthly, and quarterly).
54. Does your firm provide online services? If so, please describe any reports or other information that would be available to ISBI online.

Miscellaneous

55. What are your firm's consulting specialties and strengths? What differentiates your firm from its competitors? What are your firm's limitations? Why should ISBI hire your firm rather than its competitor(s)? Please list your firm's top five (5) competitors.
56. Briefly describe how a new client would transition to your firm. Does your firm backload transaction and/or investment performance data? Please describe any problems your firm has encountered in transitioning a new client from their previous consultant?
57. Has your firm adopted the Principles for Responsible Investment ("PRI")? If so, when? If adopted, please include a discussion of actions taken, if any, as a result of the adoption of PRI. If your firm has not adopted PRI, has there been any discussion regarding PRI? If so, what were the key issues or concerns surrounding PRI?

Fees

58. How would your firm propose structuring the fees in a relationship with ISBI? What would your firm expect its total annual fee to be? Please provide a fee proposal as an attachment to the response to this RFP which includes an all-inclusive flat fee for each year of the contract. Fees should include all consultant travel and services. Please indicate in your response if a government rate is offered and whether fees are negotiable. In assessing fees, assume a three (3) year contract term with the option to renew for two (2) successive one year periods.
59. Describe any consultant duties not discussed in previous sections of this RFP which your firm believes have been overlooked. Discuss associated fees.

References

Provide a list of five (5) public fund clients with target commitments over \$100 million to which your firm provides private equity investment consulting services, including name, contact, telephone number, asset values, number of years the client has retained your firm and the product(s) or service(s) the client uses. ISBI may contact any of these clients for reference purposes.

Exhibit A

The Illinois State Board of Investment (ISBI) acts as fiduciary for the General Assembly Retirement System, Judges' Retirement System, and State Employees' Retirement System of Illinois. As fiduciaries, the Board is responsible for managing, investing, reinvesting, preserving and protecting fund assets.

It is the policy objective of the Illinois State Board of Investment (ISBI) to prevent actual, potential or perceived conflicts of interest with its current and prospective vendors on behalf of its participants.

In furtherance of this policy, ISBI shall require the following disclosures:

1. Political Contribution Disclosure

All (i) vendors submitting bidding proposals to ISBI and (ii) vendors retained by ISBI, as well as each of the aforesaid vendors' solicitors, finders, officers, directors, partners, principals, lobbyists, and any individual whose compensation is directly derived by the awarding of ISBI's contracts must provide written disclosures of all political contributions made during the preceding five years to a Board Member or a Board Member's Campaign Committee, and provide disclosures in writing of any future political contributions made to Board Members or a Board Member's Campaign Committee.

All, (i) vendors submitting bidding proposals to ISBI and (ii) vendors retained by ISBI, as well as each of the aforesaid vendors' solicitors, finders, officers, directors, partners, principals, lobbyists, and any individual whose compensation is directly derived by the awarding of ISBI's contracts must provide written disclosures of any future instances where a Board Member or a Board Member's Campaign Committee solicits any political contributions from such persons, regardless of the candidate or political campaign committee for whom the solicitation is requested.

Additionally, (i) vendors submitting bidding proposals to ISBI and (ii) vendors retained by ISBI, as well as each of the aforesaid vendors' solicitors, finders, officers, directors, partners, principals, lobbyists, and any other individual whose compensation is directly derived by the awarding of ISBI's contracts, must provide written disclosures of all political contributions made during the preceding five years to any political committee established to promote the candidacy of the office of the Governor or any other declared candidate for that office.

The failure to provide written disclosures of political contributions or solicitations may result in the disqualification or termination of the vendor.

PROVIDE RESPONDENT'S POLITICAL CONTRIBUTION DISCLOSURES IN AN ATTACHMENT.

IF RESPONDENT HAS NO POLITICAL CONTRIBUTIONS TO REPORT, INDICATE THAT RESPONDENT HAS NO DISCLOSURES TO REPORT IN AN ATTACHMENT.

2. Public Act 95-0971 Disclosures

Public Act 95-0971 (the Act) amends the Illinois Procurement and Election Codes (i) to require certain “business entities” to register with the State Board of Elections; (ii) to require state bidding documents and contracts to contain language referencing a business entity’s duty to register with the State Board of Elections and duty to provide a registration-related certification; and (iii) to restrict business entities from making political contributions to any political committee established to promote the candidacy of the officeholder responsible for awarding the contract on which the business entity has submitted a bid or proposal, which is the Governor in the case of the Board. ISBI constitutes a “State Agency” under the Act. On January 30, 2008, the Board resolved to apply the Act’s requirements to ISBI’s contracts.

All (i) vendors submitting bidding proposals to ISBI and (ii) vendors retained by ISBI must comply with all requirements of the Act that are applicable to the particular vendor. Please note that any contract formed between ISBI and vendor is voidable for vendor’s failure to comply with the requirements of the Act.

Please read the Act carefully, as it may affect your ability to do business with ISBI. The Act may require registration and disclosures by you with the State Board of Elections, and requires specific language to be present in ISBI bidding materials and contracts. Further, the Act may restrict you from making political contributions to certain state officeholders.

DISCLOSE WHETHER RESPONDENT CONSTITUTES A “BUSINESS ENTITY” UNDER THE ACT.

IF RESPONDENT IS A BUSINESS ENTITY, RESPONDENT MUST ATTACH REGISTRATION CERTIFICATION IN AN ATTACHMENT.

3. Vendor Disclosure of Financial Interests and Potential Conflicts of Interest

All bidding materials from potential ISBI vendors must be accompanied by a disclosure of any ownership of the vendor in excess of 5%, as well as a disclosure of any distributive income share in excess of \$100,000.00 of the bidding entity and its parent entity. If the vendor is a publicly traded entity subject to Federal 10K reporting, it may submit its 10K disclosure to satisfy the 5% ownership disclosure. Distributive income share, in this instance, is a fee, commission, bonus or any other form of remuneration conferred by the bidding entity or its parent contingent on the bidding entity’s selection for procurement of services by ISBI.

Disclosures must include at least the names, addresses, and dollar or proportionate share of ownership of each person identified and their instrument of ownership.

PLEASE PROVIDE OWNERSHIP DISCLOSURES IN AN ATTACHMENT.

IF RESPONDENT HAS NO OWNERSHIP DISCLOSURES TO REPORT, INDICATE THAT RESPONDENT HAS NO OWNERSHIP DISCLOSURES TO REPORT IN AN ATTACHMENT.

Further, the bidding entity must disclose whether any of the following relationships, conditions, or statuses are applicable to representatives of the bidding entity or its parent entity:

- a. State employment, currently or in the previous three years, including contractual employment services;
- b. State employment by spouse, father, mother, son, daughter or immediate family including contractual employment for services in the previous two years;
- c. Elective Status: the holding of elective office of the State of Illinois, the government of the United States, any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois currently or in the previous three years;
- d. Relationship to anyone (spouse, father, mother, son, daughter or immediate family) holding elective office currently or in the previous two years;
- e. Employment, currently or in the previous three years, as or by any registered lobbyist of the State government;
- f. Relationship to anyone (spouse, father, mother, son, daughter or immediate family) who is or was a registered lobbyist of the State government in the previous two years;
- g. Compensated employment, currently or in the previous three years, by any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections;
- h. Relationship to anyone (spouse, father, mother, son, daughter or immediate family) who is or was a compensated employee in the last two years of any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections.

PROVIDE DISCLOSURES APPLICABLE UNDER SECTION 3.a. – 3.h. IN AN ATTACHMENT.

IF RESPONDENT HAS NO DISCLOSURES TO REPORT FOR 3.a. – 3.h., INDICATE RESPONDENT HAS NO DISCLOSURES TO REPORT FOR 3.a. – 3.h. IN AN ATTACHMENT.

4. Public Act 98-1022 Disclosures

Public Act 98-0122 (the Act) amends the Illinois Pension Code to require certain disclosures regarding utilization of minorities, females and persons with a disability. For purposes of this Policy, the terms “minority owned business”, “female owned business”, and “business owned by a person with a disability” are as defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.” In accordance with the Act, all (i) vendors submitting bidding proposals to ISBI and (ii) vendors retained by ISBI must provide the following numerical data:

- a. The number of the vendor’s investment and senior staff and the percentage of its investment and senior staff who are a (i) minority person, (ii) female, or (iii) person with a disability;

DIVERSITY PROFILE								
Name of Investment Advisory Firm:								
Data as of:								
Job Category	Non-Disabled				Disabled		Total Minority, Female and Disabled Persons	Total Staff Minority & Non-Minority
	Non-Minority		Minority		Male	Female		
	Male	Female	Male	Female				
Senior Staff (as defined by your Firm)								
Investment Professionals (Excluding Senior Staff)								
Total Senior Staff & Investment Professionals								
Percent of Total Senior & Investment Professionals								

Note: Do not count employees twice. Employees must be placed in one category ONLY.

Example: A black female with a disclosed disability can go into either the “minority female” category OR the “disabled female” category, not both.

b. The number of contracts, oral or written, that the vendor has in place for investment services, consulting services, and professional and artistic services that constitute a (i) minority owned business, (ii) female owned business, or (iii) business owned by a person with a disability; and

c. The number of contracts, oral or written, that the vendor has in place for investment services, consulting services, and professional and artistic services where more than 50% of services performed pursuant to contract are performed by a (i) minority person, (ii) female, or (iii) person with a disability but do not constitute a business owned by a minority, female, or person with a disability.

Number of contracts, oral or written, for investment services, consulting services, and professional and artistic services that the investment advisor, consultant or private market fund has with:		
	Number of Contracts	Funds Expenses to Date
Minority/Female/Disabled Firms		
Non-Minority owned Firms where greater than 50% of the services performed pursuant to the contact are completed by Minority/Female/Disabled persons within that Firm.		
Total		\$

Finally, in a separate attachment, please provide any additional information related to your firm’s diversity initiatives that might be useful during the search and/or selection process.

These disclosures are not intended to prohibit or prevent any contract. The disclosures are (i) considered by ISBI, within the bounds of financial and fiduciary prudence, prior to awarding a contract and (ii) used to fully and publicly disclose any potential conflict to ISBI so that ISBI may adequately discharge its duty to protect its participants.

When a potential for a conflict of interest is identified, discovered, or reasonably suspected, the Executive Director shall review and comment on it in writing to the Board's Audit and Compliance Committee. This Committee shall recommend in writing to the Board whether to void or allow the contract, bid, proposal or response weighing the best interests of the State of Illinois. The comment and determination shall be a part of the associated file.

These thresholds and disclosures do not relieve ISBI, or its designees, from reasonable care and diligence for any contract, bid, proposal or response. ISBI, or its designees, shall use any reasonably known and publicly available information to discover any undisclosed potential conflict of interest and act to protect the best interest of the State of Illinois.

Failure to make any disclosure required by this provision may render the contract, bid, proposal, response or relationship voidable by ISBI and may result in the termination of any existing relationship, suspension from future contracts, bids, proposals, responses or relationships for a period up to ten years. Reinstatement must be reviewed and commented on in writing by the Executive Director. ISBI shall determine in writing whether and when to reinstate the party at issue. The comment and determination must be a part of the associated file.

Additionally, all disclosures must note any other current or pending contracts, leases, bids, proposals, responses or other ongoing procurement relationships the bidding, proposing, or responding entity has with any other unit of State government and must clearly identify the unit and the contract, lease, bid, proposal, response or other relationship.

This policy shall be disclosed to all vendors as early as possible in the marketing process, ideally at the initial point of contact with ISBI. However, a failure on the part of ISBI to make such disclosure shall in no way detract from the application of this policy.

ADOPTED: September 7, 2005

AMENDED: December 16, 2005

AMENDED: January 30, 2009

AMENDED: December 5, 2014

AMENDED: March 20, 2015

Exhibit B

Representations and Certifications:

1. _____ shall comply with all applicable laws of the State of Illinois and the United States of America, and any governmental or regulatory authority outside of the United States.
2. _____ certifies that no finder's fee or commission has been or shall be paid to any individual or organization resulting from the establishment of this investment relationship.
3. No party may assign this Agreement, in whole or in part, nor delegate except as contemplated herein all or part of the performance of duties required of it by this Agreement without the prior written consent of the other party, and any attempted assignment or delegation without such consent shall be void.
4. If any provision of this Agreement shall be held invalid, illegal or unenforceable, the validity, legality or enforceability of the other provisions of this Agreement shall not be affected, and there shall be deemed substituted for the provision at issue a valid, legal and enforceable provision as similar as possible to the provision at issue.
5. _____ And ISBI each represents to the other that it is duly authorized and fully empowered to execute, deliver and perform this Agreement.
6. _____ certifies that is has not been barred from entering into this Agreement as a result of a violation of Section 33E-3 or Section 33E-4 of the Illinois Criminal Code of 1961.
7. _____ shall maintain, for a minimum of 5 years after the completion of this Agreement, adequate books, records and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with this Agreement. _____ further agrees to cooperate fully with any audit and to makes this Agreement, and all books, records and supporting documents related to this Agreement, available to the Auditor General, chief procurement officer, internal auditor, and the purchasing agency. Failure to maintain the books, records and supporting documents required by this Agreement shall establish a presumption in favor of the State of Illinois for the recovery of any funds paid by the State of Illinois under this Agreement for which adequate books, records, and supporting documentation are not available to support their purported disbursement.
8. _____ certifies that _____ is its correct tax identification number and that the manager is doing business as a _____.
9. Any amount of compensation due according to the terms of this Agreement for which an appropriation is required and for which no appropriation has been enacted by the Illinois General Assembly and signed into law by the Governor shall not be due and payable and this Agreement shall become null and void as to such compensation unless and until the required appropriation is made.
10. _____ certifies that neither it, nor any of its affiliates, is participating or shall participate in an international boycott in violation of the provisions of the United States Export Administration Act of 1979.
11. _____ certifies that it is not barred from being awarded a contract under 30 ILCS 500/50-5. Section 50-5 prohibits a contractor from entering into a contract with a State Agency if the contractor has been convicted of bribery or attempting to bribe an officer or employee of the State of Illinois, or if the contractor has made an admission of guilt of such conduct which is a matter of record. Further, _____ acknowledges that ISBI may declare this Agreement void if this certification is false.
12. _____ certifies that it is not barred from being awarded a contract under 30 ILCS 500/50-10. Section 50-10 prohibits a contractor from entering into a contract with a State

Agency if the contractor has been convicted of a felony and 5 years have not passed from the completion of the sentence for that felony. Further, _____ acknowledges that the Board may declare this Agreement void if this certification is false.

13. _____ certifies that it, and any of its affiliates (as defined in the Illinois Procurement Code), is not barred from being awarded a contract under 30 ILCS 500/50-11. Section 50-11 prohibits a contractor from entering into a contract with a State Agency if the contractor knows or should know that it, or any of its affiliates, is delinquent in the payment of any debt to the State of Illinois, as defined by the Debt Collection Board. Further, _____ acknowledges that the Board may declare this Agreement void if this certification is false.
14. _____ certifies that it is not barred from being awarded a contract under 30 ILCS 500/50-12. Section 50-12 prohibits a contractor from entering into a contract with a State Agency if the contractor, or any affiliate, has failed to collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with the provisions of the Illinois Use Tax Act. Further, _____ acknowledges that the Board may declare this Agreement void if this certification is false.
15. _____ certifies that is not barred from being awarded a contract under 30 ILCS 500/50-14. Section 50-14 prohibits a contractor from entering into a contract with a State Agency if the contractor has been found by a court or the Pollution Control Board to have committed a willful or knowing violation of the Environmental Protection Act within the last 5 years. Further, _____ acknowledges that ISBI may declare this Agreement void if this certification is false.
16. _____ certifies that during the five years prior to the date of this Agreement, no officer, director, partner or other managerial agent of the _____ has been convicted of a felony under the Sarbanes-Oxley Act of 2002 or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953. Further, _____ acknowledges that ISBI shall declare this Agreement void if this certification is false.
17. Public Act 95-0971: _____ certifies, in Exhibit ___ to this Agreement , that they have registered as a Business Entity with the State Board of Elections and acknowledges a continuing duty to update the registration pursuant to PA 95-0971 (the “Act”). Further, _____ acknowledges that all Contracts between State Agencies and a Business Entity that do not comply with the Act shall be voidable under the Act.
18. _____ certifies that it does not pay dues or fees, or subsidize or otherwise reimburse its employees or agents for any dues or fees to any discriminatory club.
19. _____ certifies that it will provide a drug free workplace and will not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance during the performance of this Agreement. This certification applies to contracts of \$5,000 or more with individuals, and to entities with 25 or more employees.
20. _____ will furnish to ISBI, from time to time, such evidence as ISBI may reasonably request that it satisfies the foregoing requirements, and shall promptly notify ISBI if it has reason to believe that any of the foregoing representations, warranties or covenants may cease to be satisfied.
21. Consultant represents and warrants to ISBI that it is registered as an investment adviser under the Investment Advisors Act of 1940.
22. Consultant acknowledges that it is a “fiduciary” with respect to the Account assets within the meaning of Article 1 of the Illinois Compiled Statutes, Chapter 40, Act 5; warrants that none of the disqualifications described in Section 411 of ERISA apply to the Consultant; and specifically agrees to perform its duties under this Agreement with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like

capacity and familiar with such matters would use in an enterprise of like character and with like aims.

23. _____ shall secure, and maintain throughout the term of the investment management relationship with ISBI, insurance that satisfies the requirements set forth below that is provided by insurer(s) rated A- or better by A.M. Best & Company. _____ shall provide ISBI:
- a. A copy of the requisite insurance policies upon initiation of the contract;
 - b. an annual certification that the insurance requirements continue to be satisfied; and
 - c. evidence of continued satisfaction of the insurance requirements upon request.

The minimum insurance requirement shall include:

- d. a bond protecting the Account assets that meets the requirements of, and that is in the amount specified under, ERISA and the regulations thereunder; and
 - e. errors and omissions coverage in an amount equal to the greater of: \$5 million or 5% of the assets under management, up to a maximum of \$10 million of coverage. The errors and omissions insurance shall protect the Account against losses from the negligent acts, errors or omissions of Consultant.
24. _____ shall notify ISBI in writing within five (5) business days of any material changes in senior officers, senior personnel involved in the management of the Account, ownership, significant legal actions instituted against Consultant, or any investigations, examinations, or other proceedings commenced by any governmental regulatory agency which is not conducted in the ordinary course of Consultant's business.
25. _____ certifies that Consultant and, to the best of its knowledge, Consultant's subcontractors (if any), have complied with Illinois Executive Order 1-2007.
26. _____ certifies that Consultant is not an Illinois Finance Entity as defined by 40 ILCS 5/1-110.10.
27. If _____ retains any subcontractors to perform any portion of the work hereunder, then Consultant shall promptly provide notification, in writing, to ISBI. Consultant shall also disclose the names and addresses of all subcontractors and the expected amount of money each will receive under the contract. Consultant shall provide ISBI a copy of any subcontract with an annual value of more than \$25,000 so identified within 20 days after the execution of this Agreement or after execution of the subcontract, whichever is later. In addition, Consultant acknowledges that if at any time during the term of the contract it adds or changes any subcontractors, it will provide notification, in writing, to ISBI. For purposes of this certification, "subcontractor" does not include non-investment related professionals or professionals offering services that are not directly related to the investment of assets, such as legal counsel, actuary, proxy-voting advisory services, services used to track compliance with legal standards, and investment fund of funds where ISBI has no direct contractual relationship with the investment advisers or partnerships.
28. _____ acknowledges that a description of this Agreement shall be posted on ISBI's website, including the name of the organization, the total amount applicable to the Agreement, the total fees paid or to be paid under the Agreement and a disclosure, approved by ISBI, describing the factors that contributed to the selection of the organization.
29. _____ agrees to disclose the names and address of: (i) Consultant; (ii) any entity that is a parent of, or owns a controlling interest in, Consultant; (iii) any entity that is a subsidiary of, or in which a controlling interest is owned by, Consultant; (iv) any persons who have an

ownership or distributive income share in Consultant that is in excess of 7.5%; or (v) any persons who serve as executive officers of Consultant.

30. _____ agrees to provide full disclosure of direct and indirect fees, commissions, penalties, and other compensation, including reimbursement for expenses, that may be paid by or on behalf of the organization in connection with the provisions of services to ISBI. Such disclosure shall be updated promptly after a medication of those payments or an additional payment.
31. Consultant is not in violation of the “revolving door prohibition” on procurement activity relating to a State Agency under 30 ILCS 500/50-30.

NOTE – ADDITIONAL CERTIFICATIONS AND REPRESENTATIONS MAY BE NEGOTIATED IN ANY RESULTING AGREEMENT WITH ISBI.

ISBI Private Equity Portfolio
As of 09.30.2015

Investment	Commitment	Funding	Valuation Date	Adjusted Valuation	IRR	Multiple of Cost
ABS Capital Partners IV	15,000,000	13,224,250	9/30/2015	2,292,820	20.56	2.3
Advent VI	30,000,000	28,815,005	9/30/2015	32,171,182	18.2	1.94
Blackstone Mezzanine Partners	20,000,000	16,664,968	9/30/2015	552,299	9.36	1.28
Blackstone V	35,000,000	33,916,260	9/30/2015	21,181,269	10.3	1.66
Blackstone VI	35,000,000	25,167,979	9/30/2015	26,902,147	11.39	1.21
Boston Millennia Partners II	10,000,000	10,000,000	9/30/2015	3,026,366	-1.61	0.88
BV VIII	30,000,000	8,317,026	9/30/2015	9,861,357	197.64	1.85
Castile III	15,000,000	15,004,549	9/30/2015	5,363,010	-10.36	0.63
Clearlake Capital III	20,000,000	19,680,080	9/30/2015	20,026,914	28.26	1.35
Clearlake Capital IV	20,000,000	864,616	9/30/2015	825,804	-4.49	0.96
Court Square II	35,000,000	32,913,900	9/30/2015	15,970,161	13.65	1.81
Court Square III	20,000,000	8,315,603	9/30/2015	4,688,159	6.98	1.09
DLJ Investment Partners II	30,000,000	26,144,987	9/30/2015	48,322	10.35	1.22
Franklin Park International 2012	10,000,000	2,461,649	9/30/2015	2,427,390	-2.2	0.97
Franklin Park International 2013	10,000,000	2,330,219	9/30/2015	2,193,445	-6.17	0.92
Franklin Park International 2014	10,000,000	1,429,132	9/30/2015	1,446,002	0.39	1
Franklin Park Venture 2008	20,000,000	18,799,433	9/30/2015	23,785,157	19.12	1.84
Franklin Park Venture 2009	10,000,000	8,928,653	9/30/2015	15,188,916	24.74	2.13
Franklin Park Venture 2010	10,000,000	5,725,444	9/30/2015	7,762,505	19.26	1.59
Franklin Park Venture 2012	10,000,000	6,357,267	9/30/2015	9,965,883	34.84	1.61
Franklin Park Venture 2013	10,000,000	4,469,265	9/30/2015	5,716,527	34.36	1.3
Franklin Park Venture 2014	10,000,000	3,756,313	9/30/2015	4,071,019	12	1.08
Franklin Park Venture 2015	15,000,000	265,480	9/30/2015	253,219	-8.33	0.95
GTCR IX	35,000,000	32,451,969	9/30/2015	6,999,448	14.33	1.83
GTCR VI	30,000,000	30,512,408	9/30/2015	735,587	-3.84	0.89
GTCR VII/VIIA	45,781,250	45,500,000	9/30/2015	72,658	25.94	2.43
Hopewell Ventures	10,000,000	10,000,000	9/30/2015	2,442,877	-14.67	0.33
InterWest VII	18,000,000	18,000,000	9/30/2015	2,152,581	-2.01	0.82
InterWest VIII	20,000,000	20,000,000	9/30/2015	4,509,382	-4.88	0.69
Invesco US Venture Partnership II	35,000,000	33,026,135	9/30/2015	2,293,705	-3.46	0.8
Irving Place II	15,000,000	15,758,310	9/30/2015	689,235	10.61	1.52
JK&B Capital IV	9,428,291	9,428,291	9/30/2015	1,898,900	9.14	1.84
KPS Special Situations Fund III	30,000,000	30,935,363	9/30/2015	11,919,066	22.94	1.68
KPS Special Situations Fund IV	20,000,000	1,929,551	9/30/2015	1,342,057	14.86	1.17
Levine Leichtman V	20,000,000	17,285,408	9/30/2015	15,660,278	7.89	1.04
Lightspeed Venture VI	24,000,000	22,020,547	9/30/2015	1,322,223	1.29	1.07
Madison Dearborn IV	40,000,000	38,862,471	9/30/2015	5,667,321	14.61	1.96
Madison Dearborn V	35,000,000	31,398,538	9/30/2015	20,304,838	7.02	1.54
Madison Dearborn VI	35,000,000	30,632,551	9/30/2015	26,346,507	22.56	1.66
OCM Opportunities III	25,000,000	25,000,000	9/30/2015	348,424	11.96	1.5
OCM Opportunities IV	25,000,000	25,000,000	9/30/2015	74,893	28.37	1.65
Odyssey Fund V	20,000,000	1,203,876	9/30/2015	624,657	-92.03	0.52
Riverside Capital Appreciation Fund V	35,000,000	30,584,574	9/30/2015	13,526,756	11.26	1.46
Riverside IV	25,000,000	18,995,419	9/30/2015	10,875,635	15.67	1.63
Riverside V	20,000,000	9,590,040	9/30/2015	6,001,401	-31.27	0.63
SCP II	15,000,000	19,266,923	9/30/2015	4,206,098	-6.98	0.63
Sprout IX	11,250,000	11,250,000	9/30/2015	308,098	5.8	1.43
Sterling III	29,000,000	28,641,616	9/30/2015	20,894,847	9.4	1.57
Summit Accelerator Fund	3,200,000	3,024,000	9/30/2015	158,084	9.86	1.78
Summit PE VII-A	30,375,000	30,570,961	9/30/2015	26,590,593	10.69	1.72
Summit Ventures IV	10,000,000	9,700,000	9/30/2015	31,271	103.96	7.64
Summit Ventures V	15,000,000	14,475,000	9/30/2015	64,520	8.05	1.38
Summit Ventures VI	22,500,000	22,500,000	9/30/2015	3,206,149	15.26	2.1
TA XI	25,000,000	23,000,000	9/30/2015	23,846,156	18.55	1.52
TCW Shop IV	20,000,000	30,215,077	9/30/2015	22,936	5.79	1.22
The Resolute Fund I	25,000,000	25,108,805	9/30/2015	5,862,006	16.43	2.31
The Resolute Fund II	35,000,000	35,403,913	9/30/2015	23,630,193	9.85	1.42
Thomas Lee V	35,000,000	39,966,947	9/30/2015	98,999	13.74	1.6
TL Ventures V	15,000,000	15,000,000	9/30/2015	940,327	-12.49	0.47

ISBI Private Equity Portfolio
As of 09.30.2015

Investment	Commitment	Funding	Valuation Date	Adjusted Valuation	IRR	Multiple of Cost
Valor II	25,000,000	22,840,175	9/30/2015	38,127,815	23.38	2.5
Valor III	20,000,000	9,423,726	9/30/2015	11,047,606	14.68	1.17
Vista Equity Partners Fund V	30,000,000	19,954,524	9/30/2015	20,078,076	10.58	1.06
Warburg Pincus Equity Partners LP	30,000,000	30,000,000	9/30/2015	413,973	10.26	1.65
Warburg Pincus IX	30,000,000	30,000,000	9/30/2015	5,681,867	10.2	1.76
Warburg Pincus VIII	40,000,000	40,000,000	9/30/2015	11,317,043	14.53	2.24
Warburg Pincus X	35,000,000	35,000,000	9/30/2015	21,606,684	7.66	1.4
WCAS IX	25,000,000	24,750,000	9/30/2015	47,423	11.15	1.66
WCAS XI	35,000,000	33,404,300	9/30/2015	25,494,518	14.43	1.52
Wicks Capital Partners IV	20,000,000	9,068,344	9/30/2015	6,838,846	15.68	1.42
Wind Point V	15,000,000	16,564,369	9/30/2015	4,790,162	8	1.28
WPG Venture Associates V	30,000,000	29,710,319	9/30/2015	143,700	-9.17	0.65
Total	1,688,534,541	1,456,855,530		606,976,292		