REQUEST FOR INFORMATION
FUND OF FUNDS DUE DILIGENCE QUESTIONNAIRE – PRIVATE EQUITY

Introduction:
The Retirement Plan for Chicago Transit Authority Employees is requesting proposals from management firms interested in providing active private equity fund of funds investment management services to the Plan.

Goal:
The Board of Trustees is soliciting firms to provide active private equity fund of funds investment management services. The mandate is for approximately $30 million (this mandate may be awarded to a single investment manager or divided between two or more investment managers). This Request for Proposal (“RFP)/Search for Investment Advisor (“SIA) is not an offer to contract but seeks the submission of proposals from qualified, professional firms that may form the basis for negotiation of an Investment Management Agreement (IMA). Amendments to the IMA are disfavored. Any objections to the IMA shall be detailed in their response. The Trust 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 Trust.

The following documents are available on the Plan’s website at www.ctaretirement.org: the RFP, the Investment Policy, the Procurement Policy for Investment Advisors, and a sample IMA.

Timeline:
RFP/SIA Date of Issue: June 2, 2010
Deadline to Submit Written Questions: June 18, 2010
RFP/SIA Due Date: June 25, 2010
Proposal Evaluation (Tentative): July 16, 2010
Finalists Notification (Tentative): July 23, 2010
Finalists Presentations (Tentative): August 6, 2010

Submission Process:
The RFP/SIA process will be overseen by the Trust’s investment consultant, Gray & Company. The RFP/SIA is available on the Plan’s website listed above and the consultant’s website at www.egrayco.com. Questions concerning the RFP/SIA must be submitted via email to the search contact by 3:00 PM Central Standard Time on June 18, 2010. Respondents must submit an electronic copy of the completed RFP/SIA to the consultant at chris.kuhn@egrayco.com by 3:00 PM Central Standard Time, on June 25, 2010. Any responses received after the deadline will not be considered for this search.

Consultant Search Contact:
Christopher Kuhn, CFA, CAIA
Gray & Company
7 West Square Lake Road
Bloomfield Hills, MI 48302
Scope of Services:
The manager shall serve as a fiduciary to the Plan and have independent discretionary authority with respect to the management of the portfolio and subject to the agreed upon objectives and guidelines. The portfolio objectives and guidelines will be illustrated in Exhibit A of the IMA, once agreed upon by the Plan and the investment manager.

Minimum Qualifications:
To be qualified to participate in the RFP/SIA, all respondents must meet all of the following minimum qualifying criteria. The respondent must:
1. Be an investment advisor duly registered with the Securities & Exchange Commission pursuant to the Investment Advisors Act of 1940 and that such registration is current.
2. Have managed private equity fund of funds for at least three years.
3. Manage private equity fund of funds of at least $200 million.
4. Comply with all Federal and State laws applicable regarding investment entities.
5. Carry errors and omissions insurance or a comparable instrument to cover the firm’s negligent acts or omissions.
6. Maintain 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 IMA.

Evaluation Criteria:
1. Investment Philosophy and Methodology
2. Firm Background, Experience and Reputation
3. Portfolio Management and Client Services
4. Reasonableness of Fees
5. Fit with the Trust’s Overall Investment Policy and Allocations Among Existing Investment Advisers
6. Performance

The consultant, with the guidance of the Plan’s staff, shall determine how well the proposal meets the review criteria. The consultant shall present a list of higher qualified respondents to the Board.

Quiet Period:
According to the Plan’s Procurement Policy for Investment Advisers, the Quiet Period shall begin as of the deadline for the submission of responses to the RFP/SIA and end when the selection has been made by the Board. 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, staff and consultant cannot accept meals, travel, lodging or any other goods or service of value from the respondents. A respondent will be disqualified for violating the Quiet Period. Questions regarding the search shall be forwarded to the consultant.
Post Performance Review Process:
Post performance review, including termination, shall be conducted in accordance with the Plan’s Formal Investment Policy.

Disclosure of Proposal Content:
Respondents are advised that proposal materials are subject to the Illinois Freedom of Information Act, 5 ILCS 140. The law requires that at the conclusion of the selection process, the contents of all proposals be placed in the public domain and be open to inspection by interested parties. Trade secrets, confidential or proprietary information must be clearly identified as such in the proposal and will not be released to the extent permitted by law.

Disposition of Proposals:
All proposals become the property of the Plan and will not be returned to the respondent. The Plan 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.
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Please answer all questions. For any question left not answered, please note the exclusion with an N/A or an explanation. All data should be provided as of ___________________.

I. GENERAL INFORMATION

Firm Name: _____________________________________________________________
Address: ______________________________________________________________
City: ___________________________ State: _________ Zip: __________
Primary Contact Name: ______________________________________ Phone: ________
Title: ___________________________ Fax: _________________________________
E-mail: ________________________________________________________________
Legal Name of Fund under Consideration: __________________________________

II. FIRM INFORMATION

1. What year was the Firm founded?

2. Describe briefly the Firm’s history. Please include a brief summary of the Firm’s involvement with Private Equity Investments.

3. Please complete the following table:

<table>
<thead>
<tr>
<th>Firm is a SEC Registered Investment Advisor (Y/N)</th>
<th></th>
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<tbody>
<tr>
<td>If Yes – Name of Firm (as registered with SEC):</td>
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<tr>
<td>If Yes – SEC File Number:</td>
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<tr>
<td>If Yes – Please provide a copy of your most recent Form ADV</td>
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<tr>
<td>If No – Does the firm intend to register? When?</td>
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<tr>
<td>Provide any other regulatory bodies with which the Firm is registered.</td>
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<tr>
<td>Are you currently out of compliance with the SEC or any other regulatory body? If so, please explain.</td>
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<tr>
<td>Will the Firm as a co-fiduciary with respect to the work performed and investment recommendations made by the Firm?</td>
<td></td>
</tr>
</tbody>
</table>
4. Describe the Firm’s ownership structure. Please explain any recent (within the last five years) or pending changes in the ownership structure. Please provide a schedule detailing the amount of firm ownership held by employees and/or outside parties.

5. If the firm is affiliated with a financial service organization, please describe the reporting and control functions (firewall) in place between the Private Equity Firm and the affiliate.

6. Provide a list of the senior members of the Firm’s management team and the structure of their employment contracts with the Firm. Please include professional biographies for the management team and all other Private Equity investment professionals in the Biography Appendix.

7. Please complete the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>No. of Employees</th>
<th>Turnover (Last 5 yrs) No. Added and Departed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Management</td>
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<tr>
<td>Portfolio Managers</td>
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<tr>
<td>Portfolio Analysts/Support</td>
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<tr>
<td>Operations</td>
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<td>Legal/Compliance</td>
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<tr>
<td>Client Service/Marketing</td>
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<tr>
<td>Administrative/Clerical</td>
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<tr>
<td>Other (please define)</td>
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<tr>
<td>Total</td>
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</tbody>
</table>

8. Describe any broker/dealer affiliations of the Firm.

9. Provide contact information for the Firm’s external legal counsel. Please explain any recent (within the last five years) or pending changes to legal counsel.

10. Provide any legal or regulatory complaints, litigations, arbitrations, reparations, or other proceedings (pending or resolved) against or by the Firm in the past five years.
11. Provide contact information for the Firm’s auditor. Please explain any recent (within the last five years) or pending changes to the auditor.

12. Provide contact information for the Firm’s administrator. Please explain any recent (within the last five years) or pending changes to the administrator.

13. Provide contact information for the Firm’s custodian. Please explain any recent (within the last five years) or pending changes to the custodian.

14. Provide the types of liability insurance (e.g. Errors and Omissions) and other forms of coverage carried by your Firm to protect your clients. Please provide dollar amounts.

15. Please complete the following table:

<table>
<thead>
<tr>
<th></th>
<th>as of 9/30/09</th>
<th>as of 12/31/08</th>
<th>as of 12/31/07</th>
<th>as of 12/31/06</th>
<th>as of 12/31/05</th>
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</thead>
<tbody>
<tr>
<td>Total Firm Assets</td>
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<td>($mm)</td>
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<tr>
<td>Total No. of Clients</td>
<td></td>
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</tbody>
</table>

16. Describe the Firm’s plans for future growth. Please comment on the impact to the various divisions within your Firm and specifically on the submitted strategy.

17. Describe your back up procedures and disaster recovery plan. Please include the last date the plan was tested.

18. Provide your Firm’s ethics policy.

19. Describe the process to ensure employees comply with the ethics policy.
III. PRODUCT INFORMATION

1. Please complete the following table:

<table>
<thead>
<tr>
<th>Strategy Name:</th>
<th>Inception Date:</th>
<th>Name / Title</th>
<th>Years with this Firm</th>
<th>Years of PE Investment Experience</th>
<th>Years of Overall Investment Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Senior Professional:</td>
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<td></td>
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<tr>
<td>Senior Professional:</td>
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</tr>
<tr>
<td>Senior Professional:</td>
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</tbody>
</table>

Add rows as necessary

2. Please provide a list of additions or departures of Private Equity investment staff that have occurred over the previous five years.
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3. Please provide a breakdown of the private equity investments (PE) assets under management of the firm, by number of client accounts, current called commitments, uncalled commitments, NAV, and NAV + uncalled commitments. A client in a fund-of-funds vehicle is considered a single “account,” and the number of client accounts should represent the number of investors in a direct investment and/or a fund-of-funds vehicle.

<table>
<thead>
<tr>
<th>Account Type</th>
<th># Client Accounts</th>
<th>Current Called Commitments</th>
<th>Current Uncalled Commitments</th>
<th>Current NAV</th>
<th>Current NAV + Uncalled Commitments</th>
</tr>
</thead>
<tbody>
<tr>
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<tr>
<td>PE FoF</td>
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<tr>
<td>PE Direct Investments</td>
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<td></td>
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<tr>
<td>Client Type</td>
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<tr>
<td>Public Pension</td>
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<tr>
<td>Foundation/Endowment/Non-Profit</td>
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<tr>
<td>Corporate Pension</td>
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<tr>
<td>Financial Institutions</td>
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<tr>
<td>Family Office/High Net Worth Individuals</td>
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</tbody>
</table>

Assets and # of clients should reflect the total commitments to this strategy and any preceding PE FoF’s.

4. Describe the capacity (asset under management) for this strategy.

5. Provide a list of all the strategy’s underlying funds/managers, past or present, that been involved in fraud (as defined by the CFA Institute’s Standards of Professional Conduct). Please include a detailed description of each occurrence.

IV. PORTFOLIO MANAGEMENT

1. Briefly describe your investment philosophy regarding private equity assets in detail.

2. How do you approach allocation across different types of private equity strategies both generally and for clients of similar size to the client?
3. What are your risk/reward outlooks and expectations for private equity generally and specific strategies over the next 15 years, and how do these relate back to your investment philosophy?

4. Please describe your diversification considerations in building a portfolio. In the table use the target asset size for this client (approximately $30 million of commitments over three years), and describe your private equity “model portfolio”. Please use the following exact format (please add or delete rows as necessary):

<table>
<thead>
<tr>
<th>Strategy Type</th>
<th>% to Strategy</th>
<th># of Invs</th>
<th>Total $ to Strategy ($mil)</th>
<th>Expected Range of Returns</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
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<td></td>
<td>30,000,000</td>
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</table>

(1) Make selections from list in Question 36.

5. What is the firm’s policy regarding developed or "brand name" funds versus developing funds (e.g. first-time funds and general partner “reconstitutions” or “spin-outs”)?

6. Please describe your ability to invest the client’s account with “brand name” partnerships, which are normally inaccessible to new investors. What part of the portfolio would be with “brand name” general partners vs. partnerships openly seeking funds?

7. What is your firm’s definition of a “high quality” general partner group?

8. What is your policy on investing in smaller (below $200 million) or first-time funds?

9. Please detail any existing or potential conflicts between your firm’s consulting activities, services performed for other clients, personal (or employee) investment activity, and other current or potential relationships.

10. What role does international investing play in your investment approach?

11. If you provide direct or secondary investing services, please describe their roles in your portfolios.
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12. What distinguishes your firm from other private equity manger-of-managers?

V. MANAGER DUE DILIGENCE

1. Describe the process for identifying new hedge fund managers. Please include the use of “emerging managers” and your definition of an emerging manager.

2. Please provide a discussion of the firm’s investment selection / due diligence process.

3. How is the due diligence process documented?

4. Is any portion of the due diligence or investment process performed by individuals who are not full-time employees of your firm? If yes, please describe the nature of their relationship to your firm and the nature of their responsibilities.

5. Please describe your views on diversification within the portfolio.

6. Please describe the development of the “universe” of potential investments from which you select investments for the Fund.

7. Do you believe your firm has any unique access to certain strategies? If yes, please explain.

8. What does the firm do to add value to the investments after they are made: Please provide an example of how your active participation enhances investor value once an investment is made.

9. For each partner and their current boards, list the board of directors meeting schedule for the prior 12 months. Highlight in italics any in-person board meetings and annotate telephonic attendance or absences.

10. For each partner, provide three examples of that partner’s involvement in extending and negotiating offer letters to new CEOs. Provide offer letters signed and dated by the partner.
11. Describe the firm’s vacation policy. If policy differs from partner to partner, describe the policy by person or level (i.e., managing partners, partners, principals, associates, administrative staff). Describe “sabbatical” policies of the firm, where sabbaticals reflect absences greater than four weeks. Name partners who have taken such sabbaticals over the last two years.

12. For each partner, state the amount of that partner’s cash commitment (of the GP commitment) in the next fund as a percentage of that partner’s total net worth including securities, real estate, boats, planes, etc. Do not include management fees applied toward GP commitment.

13. In negotiating a partnership agreement, or similar document, describe areas the firm considers most important? Are there provisions the firm proactively seeks to include or improve upon?

14. Please describe how your legal capabilities are set up. Do you have general counsel that works with outside counsel, does your outside counsel report directly to a Managing Director, or do you do all your legal work in-house?

VI. OPERATIONAL POLICIES

1. Please provide the names of the firm’s primary external service providers (legal, accounting, etc.), and direct contact information.

2. What expenses are paid for by the Fund vs. the general partner of the Fund?

3. Please provide your pro forma annual budgets for the General Partner/management companies for all funds you currently manage (including the proposed new fund). Note: the duration of the investment/commitment periods for each fund.

4. Please discuss management of fund distributions. Do you prefer cash or securities distributions?

5. How does the Fund call capital from its investors (i.e. fully funded at closing, “just in time” funding, or scheduled funding)?
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6. How are distributions made to your limited partners?

7. Please comment on the Fund’s structure as it pertains to Unrelated Business Taxable Income (UBTI) issues for its investors.

8. Describe redemption/withdrawal/selling/exchanging process prior to fund maturity (if applicable).

9. What method do you utilize to calculate performance?

10. Are financial statements, investment valuations, and rates of return calculated in conformance with recognized industry standards?

11. What are the Fund’s normal reporting requirements? Within what time-frame can limited partners expect to receive annual tax and audited financial statements?

12. Discuss the availability of tax reporting information for taxable clients.

13. Can your client reports be customized to meet particular client needs?

14. How often do you meet with your clients, in your offices and theirs?

15. Do you have dedicated client service personnel? Please indicate who would be responsible for this relationship and describe their background and other responsibilities with your firm.

16. Are investment professionals readily accessible to the client?

17. Describe any preferential treatment received by other investors or employees invested in the strategy.
VII. FUND TERMS

1. Please furnish your firm’s:
   
a. Narrative fee schedule for the product being proposed.

b. It is anticipated that the client will deploy approximately $10 million of annual commitments per year to underlying partnerships, per the attached private equity portfolio projection model. Please quantify a 15-year projection of your fee schedule for the three years of client commitments shown. Please provide any commentary you may have regarding the attached portfolio projection, particularly regarding the commitment rate. Provide IRR and multiple assumptions for any carried interest, as appropriate.

<table>
<thead>
<tr>
<th>Year</th>
<th>Commitment</th>
<th>Fee</th>
<th>Carry (if any)</th>
<th>Expense Charge-Backs</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>10,000,000</td>
<td></td>
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<td>2011</td>
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2. Please include your firm’s private placement memorandum (PPM) and the limited partnership agreement. For either the proposed fund-of-funds (if available), or for the firm’s last relevant fund-of-funds offering.

3. What is the name and proposed size of the FOF offering you are submitting for consideration in this search?

4. What is the timing of the fund-raising of the proposed offering? Please provide the actual or expected dates of the:
   
a) start of fund raising (PPM available)
b) actual or anticipated first close and amount closed on to date

c) anticipated final close

d) actual or anticipated timeframe for the fund’s first commitment

e) If the fund is in progress please list the partnership commitments that have been made and the dollar amount committed to each fund.

5. Please describe the firm’s fundraising and fund investment cycle. How often do you raise FOFs and over what timeframe do you deploy the capital (e.g., raise and deploy a fund every year, raise a fund every 18 months and deploy the capital over three years, raise a fund every year and deploy each fund over four years, raise fund every three years and deploy it over three years?) Would a client typically invest in every fund, every other fund, etc.?

6. You may include additional narrative providing any comments of which you would like the client to be apprised.

VIII. PLACEMENT AGENTS

1. Name all placement agents and advisors, including contact names, addresses, e-mail addresses, and telephone and fax numbers.

2. Describe the placement agreements, including compensation structure. Please indicate who will be responsible for payment of placement agent compensation, and how and when compensation will be paid.

3. Nature of any affiliations between placement agent(s) and General Partner.
IX. SUPPORTING DOCUMENTS (to be provided in electronic format)

1. Biography Appendix

2. Offering Memorandum, Prospectus, or Private Placement Memorandum.

3. Current Pitch Book

4. Subscription or Application Document

5. SAS 70 Report, FRAG 21 Report, or Internal Controls Report

6. Sample of Monthly/Quarterly Investor Reports