

**Absolute Return Strategies
(Phase 1)
RFP #I-2026-2
Response to Inquiries**

1. Will FoHF strategies be considered for this RFP?

Response: No

2. As detailed under this RFP's minimum requirements, the selected firm must be willing to accept a performance-based fee arrangement. Given this requirement, will 40-Act mutual funds be considered as a potential investment option for the Retirement System?

Response: Yes

3. Regarding Minimum Requirement (3) "The firm must be willing to accept a performance-based fee arrangement," would this be applicable to custom systematic index format where fee is linked to notional and not to performance.

Response: Yes

4. What is the definition of AUM used for the \$500mm threshold? We currently run a strategy that I think would be a good fit (and counts another large state pension as an investor) but as of 12/31/25 it had about \$350mm in equity and \$155mm in debt, so over \$500mm in total assets but obviously less than that in net assets.

Response: IPERS does not offer any exceptions to the minimum requirements.

5. Can you please confirm if a management and performance-based fee arrangement for the Product would be acceptable?

Response: While IPERS is open to considering a strategy with a management fee, it generally prefers that all or the vast majority of the fee/cost outlay be predominately performance-based.

6. Will IPERS consider a Fund of Fund, an Alternative Asset allocation strategy?

Response: No

7. Please clarify for question five, this requires 75% of the portfolio assets are liquidated and settled within five business days and not the additional step for the payment of proceeds to IPERS in the same five day window.

Response: Since these strategies will be part of our public market portfolio, IPERS prefers strategies that mainly trade liquid instruments and can be liquidated within five business days and proceeds settling immediately.

8. Our flagship absolute return strategy, with a multi-decade track record, is implemented using 3-month currency forwards. This approach is highly capital efficient, allowing clients to gain exposure with minimal capital outlay. Additionally, the notional implementation provides significant flexibility and scalability, enabling the strategy to function as an "alpha overlay" in a notional capacity. Given these characteristics, could you please advise if IPERS has a preferred target return or risk budget for this allocation? Understanding your desired risk parameters will allow us to present our historical returns scaled in a manner that aligns with your objectives, while also keeping in mind that due to our notional approach, these returns were achieved without necessitating a direct trade-off with existing capital allocations.

Response: IPERS does not set specific return targets or volatility objectives/constraints. Instead, IPERS typically sizes mandates based on tracking error or other volatility measures. IPERS currently employs multiple internal and external notionally funded strategies of varying volatilities in a portable alpha framework.

9. What is the anticipated size of the mandate and the expected timeline for funding?

Response: IPERS currently does not have a fixed allocation amount or a specific funding timeframe. Allocation sizes will vary based on factors such as return uniqueness, volatility levels and capacity.

10. Can you give guidance on return target and risk tolerance expectations?

Response: See Question 8.

11. Could you please clarify which vehicles are included within the term "collective fund"?

Response: IPERS defines "collective funds" as commingled funds in a variety of structures such as hedge funds, onshore/offshore, collective investment trusts, mutual funds, exchanged traded funds, unit trusts etc.

12. Are you open to Multi Asset Credit strategies that may tactically allocate to loans, high yield, and structured credit?

Response: See Question 7.

13. Are global strategies under consideration?

Response: Yes

14. Do you have a liquidity preference? Please confirm whether monthly liquidity is acceptable.

Response: See Question 7.

15. Would you consider a strategy that has the ability to short and are there any limitations?

Response: Yes, IPERS would consider strategies that have the ability to short securities.

16. As a Quantitative Investment Strategy (QIS) provider, we offer strategies with pre-determined bid/offers and reference execution (e.g., mid-market-on-close), explicitly excluding performance fees. Could you please confirm if this arrangement exempts us from any performance-based fee structures? We intend to submit a multi-asset risk premia portfolio for this Request for Proposal (RFP). While the portfolio itself has not been 'live' for the requested five-year minimum, the underlying assets meet the live date requirements. Given that QIS strategies often involve multi-asset, multi-style risk premia portfolios wrapped in a single index, with returns delivered to investors via swaps, can this submission be considered a single RFP?

Response: This RFP is solely meant for IPERS to select investment managers that will manage assets (on behalf of IPERS) in a fiduciary capacity.