Below are the questions received by the Office of the Illinois State Treasurer (“Treasurer”) and the Treasurer’s responses. Any capitalized terms that are not defined herein have the meaning set forth in the Request for Proposals Taxable Municipal Bond Emerging Manager (370-500-17-004) (“RFP”) published by the Treasurer on September 23, 2016.

1. If a manager has filed with its state for “emerging manager” status but has not yet received its certification, can they still respond to the RFPs?

   Yes, Respondents may submit a Proposal if they haven’t received a certification from their own state, however they must qualify as an “emerging investment manager,” as defined by 30 ILCS 575/4f.

2. Based on Appendix A/Section 5/Bullet Point K) “… whether the interest earned thereon is taxable or tax-exempt under federal law”, can the portfolio invest in tax-exempt securities? Currently, the 2yr & 3yr tax-exempt/treasury relative ratios are greater than 100%, there is compelling reason to include tax-exempt securities as part of the investment universe.

   Section III of the RFP, the Scope of Service, only includes taxable municipal bonds.

3. Please confirm the maximum allocation to taxable municipals is 55% as per Appendix A/Section 8/Bullet Point D1).

   Section III of the RFP, the Scope of Service, is for management of approximately $25 million.

4. We ask that you confirm that . . . [we qualify] as an emerging manager.

   Respondents should see the definition of “emerging investment manager” provided at 30 ILCS 575/4f to determine whether they qualify as an emerging investment manager.

Please e-mail Chief Procurement Officer Jim Underwood at junderwood@illinoistreasurer.gov with questions regarding this addendum or the RFP.