

Chicago Police SMID Value Equity Search Q&A

August 2020

- 1. We are a bank specialist alternative asset manager with three main strategies: Long-only Event Driven, Long-only KRE Fund, Long/Short Hedge Fund. The EPCM Event Driven Fund invests in high quality companies all of which are below \$1B in market cap (we are able to invest in larger companies however take-out premiums and risk/reward are most favorable in small cap). We buy undervalued companies as a going concern that we are comfortable owning in a downturn and the fund seeks to capitalize on the long-term bank consolidation trend by adding additional alpha on take-out identification, which has historically ranged between 10-20% of the portfolio per year. Banks in general and this fund is certainly value and small cap. Is this something that could fit for your client?**

This is an RFP for a long only SMID Value equity manager.

- 2. Our SMIDV strategy does not meet the \$100M minimum, however as a Value team, the team manages almost \$850 million in assets. Would you be open to considering team AUM level as well?**

This is fine as long as the strategy is the same, please note this in your RFP response.

- 3. The firm offers only one investment strategy - Contrarian Value - and has 3 products under the one strategy: Mid-Cap; Smid and Small. Same investment team/same strategy. Total firm AUM is \$700 Million, but the Smid Cap and Small Cap portfolios are under \$100 Million. Are we qualified to participate if the product is under \$100 Million but the strategy is at \$700 Million?**

This is fine as long as the strategy is the same, please note this in your RFP response.

- 4. Would the Fund consider a small company manager that tends more towards value as well as small and mid-cap equities, but historically has used the R2000 benchmark?**

This is an RFP for a long only SMID Value equity manager, the benchmark for this mandate will be the Russell 2500 Value index.

- 5. Could you please confirm the "as of" date for the following minimum qualification: "proposed investment strategy must have at least \$100 million in assets"?**

The as of date for all data requested and minimum qualifications is June 30, 2020.