

Marion County Hospital District (MCHD) – Responses to Provider Questions
RFP 26-01: Alternative Investment Management Services

The following questions were received by the inquiry deadline established in the RFP. Responses are provided in accordance with Section 1 – Official Means of Communication.

This document is hereby incorporated into and made part of the RFP. All respondents are responsible for reviewing this posting and incorporating any applicable clarifications into their proposals.

- 1. Can you confirm if the District will consider bids from providers which exhibit sufficiently relevant experience in managing comparable mandates which are not non-profit entities, but which would other satisfy Minimum Qualification #6?**

Answer: Minimum Qualification #6 requires a minimum of 10 institutional-size non-profit clients (>\$50 million) for which the provider offers discretionary investment services. Your response should state the number of non-profit entities you work with in this capacity.

If there are other client types (such as public plans) that you provide similar services for and have similar governance structures, this data can be included separately within your response and will be considered accordingly.

- 2. Can you confirm whether the District’s expectations for fee transparency are satisfied by ODD reports and annual documentation review, or, whether MCHD anticipates requiring a standalone fee recalculation and reporting process?**

Answer: MCHD expects a level of fee transparency that supports an annual, detailed review of all fees across the alternatives portfolio, consistent with the RFP’s scope of services. MCHD’s OCIO providers are expected to provide the underlying data and support needed to complete an annual fee review and reconciliation (including, where applicable, recalculation and verification) in collaboration with MCHD’s Investment Advisor.

The past two annual fee reviews have focused on management fees, carry and operating expenses. It is intended to capture the majority of fees / expenses that MCHD pays within it’s investment portfolio, including private equity, private credit and marketable alternatives. Information IS requested on an underlying line-by-line basis, as well as an aggregated basis.

- 3. Beyond periodic portfolio update or pipeline calls, are there any expectations for the selected provider to attend or present at regular formal meetings either virtually or in-person?**

Answer: The selected provider should be prepared to participate in and present at formal meetings as requested by MCHD and/or its Investment Advisor. The exact cadence (virtual vs. in-person) will be determined by MCHD’s governance schedule and needs. Historically MCHD’s OCIO providers have presented to the Board of Trustees 1-2 times / year in-person. Outside of

this, portfolio updates take place virtually with MCHD's Investment Advisor on an as-needed basis.

- 4. Does the District anticipate that the selected provider will inherit existing or legacy alternatives holdings at the outset of the mandate? If so, could you please provide an overview of the number and nature of these holdings (e.g. investment name, general partner, vintage, etc.)**

Answer: The selected provider will assume responsibility for all existing alternatives holdings currently with incumbent providers, subject to an agreed transition plan.

Detailed position-level information (e.g., fund names, GPs, vintage years, commitments, NAV) is not yet being made available as MCHD and its Investment Advisor wants to see "blank sheet" proposals that reflect each respondent's best ideas. However, detailed information will be made available to finalists who will be asked to propose a transition timeline as part of their finals presentation.

- 5. A significant portion of the current alternatives managed by the OCIO providers are in illiquid asset classes. How are the alternative assets managed today: single separate investment manager line items within OCIO manager allocations, or will this be a carve out from multiple marketable managers that are currently in place?**

Answer: Today, alternatives exposures are managed within the existing OCIO relationships. The current structure is different with each OCIO provider managing both traditional and alternative assets according to the current IPS in place. The intent of this RFP process is to move to a new structure and appoint a specialist alternatives OCIO over the private markets and marketable alternatives portions of MCHD's portfolio. As such, the successful responder will receive MCHD's existing LP interests across alternatives. As of January 31, this is ~\$75M of the ~\$333M portfolio.

Existing exposure consists of a mixture of direct primary funds and fund-of-fund commitments within private equity, private credit, and private real assets. Within marketable alternatives there are investments in several commingled funds and some alternative 40 act mutual funds.

Additional details on the current structure and specific holdings will be provided to finalists.

- 6. Should the alternatives portfolio be considered a completion portfolio to the existing OCIO relationships?**

Answer: Please refer to the response to question 5 above. The intent with the RFP is to transition to a new structure of having traditional public market asset classes managed separately from MCHD's alternative portfolio. The selected provider will be expected to take on all existing alternative investments and transition over a reasonable timeframe to the proposed "blank sheet" portfolios for private equity, private credit and marketable alternatives.

7. How receptive would MCHD be to a fund of one structure or is there a preferred structure?

Answer: MCHD has historically intentionally shied away from this. However, there is willing to consider one if it can be shown to be net beneficial to MCHD and ultimately to achieving higher net returns. As such should respondents wish to propose a fund of one, a comparison of differences in costs, governance, impact on investment strategy, etc should be provided vs a program of directs and co-investments on an apples-to-apples basis. Information should also be provided on the liquidity implications if in the future MCHD moves to another OCIO provider.

8. How receptive would MCHD be to using commingled funds, in combination with direct commitments?

Part of the intent of this RFP is to move to a specialist provider that can source, due diligence and provide access to a high conviction set of primary, direct secondaries and co-investments across private equity and private credit, and direct fund investments within marketable alternatives.

The Marion County Hospital District does not predetermine the use of any specific implementation structure. Decisions regarding the use of commingled funds, direct commitments, or a combination of both are made by the District's Board of Trustees in its fiduciary capacity and in accordance with the District's Investment Policy Statement.

The District may consider commingled vehicles if they meet institutional requirements described in the RFP, including:

- Transparent reporting on underlying holdings, exposures, and performance
- Full fee disclosure, including all embedded or layered costs
- Clear identification and mitigation of conflicts of interest
- Reporting quality and frequency comparable to that available through direct commitments
- Compliance with Florida Sunshine Law and all public-records obligations

No structure will be considered if it limits the District's oversight, transparency, or governance authority.

All implementation approaches will be evaluated based on fiduciary prudence, alignment with strategic asset allocation, cost efficiency, risk considerations, and long-term benefit to the District. Final approval of any structure rests exclusively with the Board of Trustees.

9. **Could you please share the breakdown of the vintage year exposure for the private equity and private credit legacy commitments that are currently in place? Committed and invested capital by vintage year as well as any remaining NAV associated with each vintage would help guide our recommendations.**

Answer: Detailed position-level information (e.g., fund names, GPs, vintage years, commitments, NAV) is not yet being made available as MCHD and its Investment Advisor wants to see “blank sheet” proposals that reflect each respondent’s best ideas. However, detailed information may be made available to finalists who will be asked to propose a transition timeline as part of their final presentation.

10. **Is Wilshire’s Exhibit A included only to be illustrative of the semi-annual detailed fee questionnaire, or would you like responses to Exhibit A as part of our RFP response?**

Answer: Exhibit A is provided to illustrate the type and level of detail the District (through its Investment Advisor) may request in periodic due diligence questionnaires. Respondents are not required to complete Exhibit A as part of the proposal unless they choose to provide sample responses or examples; however, proposals should explicitly confirm willingness and ability to respond to such questionnaires and annual fee reviews on an ongoing basis.

11. **Will Wilshire be consolidating reporting for both the marketable and alternative pool? Would the Alternatives OCIO have oversight (including managing ongoing diligence, capital calls / distributions and reporting) on existing alternative investments?**

Answer: Yes, MCHD’s Investment Advisor will continue to calculate and provide consolidated reporting for the overall portfolio to MCHD. The Alternatives OCIO will be expected to input data to the Investment Advisor to account for this.

Regarding existing / legacy investments, the Alternatives OCIO is expected to provide the underlying data, reporting, and oversight required for the alternatives sleeve—including monitoring, valuations, cash flow activity (capital calls/distributions), and due diligence—covering both legacy and new alternatives investments - as part of the mandate. MCHD acknowledges that a “duty of care” mandate will apply to legacy private market positions.

12. **Other than meeting cash needs of the portfolio and of MCHD, are there further liquidity constraints we should be aware of when recommending an alternatives allocation?**

Answer: Liquidity constraints are in place at the aggregate MCHD portfolio level. The Board of Trustees has fiduciary responsibility for asset allocation, with input / recommendations made by the Investment Adviser. There are tolerance ranges around target weights which are wider for alternatives than traditional asset classes, reflecting both illiquidity and that the private markets portfolios are being built up. The selected OCIO provider will have some flexibility in executing the allocation strategy to reflect its outlook of the market.

Any additional liquidity targets or constraints will be discussed with finalists in the context of the District's Investment Policy Statement and operational requirements.

13. What promoted MCHD to issue this search for an alternative investment partner?

Answer: The MCHD's alternatives allocation has increased in recent years and the District is seeking a specialist firm with dedicated alternatives capabilities to enhance net of fees returns through a combination of portfolio construction, manager selection and access to co-investment deal flow (ideally fee-free). The goal is to establish a long-term relationship with a provider that can manage the alternatives portfolio in accordance with MCHD's Investment Policy Statement and governance needs.

14. Can MCHD please post the Exhibit B referenced in the Minimum Qualifications, which is a sample contract?

Answer: Exhibit B (Draft Contract), referenced in the Minimum Qualifications section of the RFP, has been posted via addendum on the District's website. Respondents are responsible for monitoring the District website for all updates and addenda in accordance with the RFP.

15. Can MCHD please provide position-level detail regarding the current portfolio of Alternative Investments, including manager names and fund names?

Answer: MCHD intentionally has not included detailed portfolio-level information at this stage of the process. If invited to the next phase, MCHD will provide comprehensive portfolio information, including performance, risk exposures, positioning, and implementation details, to ensure you have full transparency into our process and capabilities. At this stage, we are far more interested in understanding your ideas, frameworks, and differentiated thinking rather than driving the discussion with our current positioning.

16. Given MCHD's status as a governmental organization, is there any objection to respondents including public plans in response to any of the following questions:

- **Company Wide Information, Question 2: "...total number of non-profit clients..."**

Answer: Public plan experience may be included as supplemental context; however, respondents should still provide the requested non-profit client counts and statistics separately and clearly, as requested in the RFP. Do not combine the data points.

- **Proposed MCHD Team and Qualifications section, Question 5: "...a preference for clients most similar to the District in terms of type"**

Answer: No objections. MCHD recognizes that some elements of its governance structure more closely resemble public asset owners, but its investment objectives, time horizon, liquidity constraints etc are those of a perpetual non-profit organization. Proposing a team with experience working with other public and non-profit clients is seen as valuable.

- **Section 5: Evaluation Criteria: “Demonstrate experience advising and reporting to similar sized Governmental/non-profit organizations...”**

Answer: Yes, public plan experience may be included as supplemental context; MCHD will evaluate experience with similar governance and public accountability. Respondents should still address the RFP’s requested non-profit experience components directly as far as possible.

17. Can MCHD confirm if they have targets and/or constraints for specific risk, return, and liquidity objectives?

Answer: MCHD does not prescribe additional standalone numeric risk, return, or liquidity targets within this RFP beyond those outlined in the District’s Investment Policy Statement and the strategic asset allocation framework provided.

The District’s long-term asset allocation is designed to achieve a net-of-fees objective of CPI + 4% over a 10-year horizon at the total-portfolio level. Risk and liquidity considerations are assessed within this broader portfolio framework rather than through separate prescriptive metrics.

Within the alternatives allocation, expectations for return, volatility, and liquidity characteristics vary by asset class (e.g., private equity, private credit, and marketable alternatives) and are evaluated based on each category’s intended role in the overall portfolio rather than against fixed numeric thresholds.

Final determinations regarding risk, return, and liquidity parameters remain subject to Board approval and fiduciary oversight.

18. Proposed MCHD Portfolio section: we assume MCHD would like respondents to keep the same strategic portfolio allocations currently in place for the portfolios (i.e., 50% marketable alternatives / 30% private credit / 20% private equity), but please confirm.

Answer: Yes, at least initially. The agreed upon strategic allocations within the existing ~\$115 million alternatives portfolio are 50% marketable alternatives, 30% private credit, and 20% private equity. There are permissible allocation ranges around these targets, as set out in the IPS. Overall MCHD asset allocation is reviewed at least once every three years.

19. Regarding the current alternatives portfolio, what are the expectations in terms of responsibilities and services needed for the new OCIO?

Answer: The selected provider will assume responsibility for all existing alternatives holdings currently with incumbent providers, subject to an agreed transition plan.

MCHD’s expectations align with the Scope of Services outlined in the RFP. Key responsibilities include managing the alternatives portfolio in accordance with the District’s Investment Policy Statement; contributing to ongoing trustee education requirements on alternatives; providing monthly electronic valuation and performance reporting; supporting periodic presentations as

requested; communicating personnel changes; collaborating with the Investment Advisor for analysis and reporting; completing periodic due diligence questionnaires (Exhibit A) and annual detailed fee transparency reviews; and providing private markets pacing and cash flow projections as required.

20. Can respondents submit a redacted proposal, in order to protect sensitive information, trade secrets, etc. from being publicly disclosed?

Answer: MCHD is a governmental entity subject to Article I, Section 24 of the Florida Constitution and Chapter 119, Florida Statutes (Florida Public Records Law). Proposals submitted in response to this RFP are public records and may be subject to disclosure in accordance with Florida law.

Except where a specific statutory exemption applies, redacted proposal submissions are not contemplated under this RFP. As noted in the RFP, respondents may redact General Partner or co-investment names within case study examples where expressly permitted; however, proposals should otherwise be submitted in full to allow proper evaluation.

If a respondent believes certain information qualifies for exemption under Chapter 119, Florida Statutes, the respondent must clearly identify the specific statutory basis for the claimed exemption at the time of submission. Any such claim will be reviewed by the District and its legal counsel in accordance with applicable law.

21. Regarding the periodic re-bids referenced in Section 2, can MCHD please confirm their expectations regarding the length of the contract for the new Alternative Portfolio Specialist?

Answer: MCHD seeks to establish a long-term relationship under an indefinite-term contract that is terminable at will by either party upon thirty (30) days' notice and is also subject to periodic re-bid requirements as applicable. Accordingly, respondents should assume there is no fixed contract term, but rather an ongoing relationship subject to those provisions.

MCHD recognizes that the success of an alternatives OCIO mandate that includes private markets can only be fairly assessed over a long-term time horizon, such as 5 years or longer.

22. Can more recent effective dates be used for statistical questions where no specific date is provided? For example, in the Company-Wide Information section, Questions 3, 4, and 6 specify September 30, 2025, while other questions in this section ask for statistics but do not include a date.

Answer: Yes, where the RFP does not specify an 'as of' date, respondents may use the most recent available data (e.g., most recent quarter-end) as of the proposal submission, provided they clearly state the effective date for each statistic. Where the RFP specifies a date (e.g., September 30, 2025), respondents should provide information as of that specified date.

23. Regarding Question 4 of Alternatives Investment Philosophy, should “...democratization of alternatives...” be interpreted as the impact of Alternative Investments being expanded to include a focus on non-institutional investors?

Answer: Yes. Respondents should interpret ‘democratization of alternatives’ broadly, including the expansion of alternative investment products and access beyond traditional institutional investors (e.g., growth in wealth-channel products and structures), and discuss how these developments may affect forward-looking risks and opportunities in marketable alternatives, private credit, and private equity. MCHD and its Investment Advisor are keen to understand the respondents’ views on this trend and how it impacts the respondent’s proposal.

24. Can you confirm that the physical proposal package (including the electronic version stored physically on memory stick) is the sole form of submission? Are electronic-only email submissions (including all attachments, links, etc.) also required or preferred in addition to the physical proposal package?

Answer: As outlined in Section 1 – Proposal Submission of the RFP, respondents are required to submit one (1) original, ten (10) copies, and one (1) electronic copy on a memory stick. These materials must be delivered or mailed in a sealed package to the address specified in the RFP and clearly marked as instructed.

The physical proposal package, including the electronic version stored on the memory stick, constitutes the official and sole method of submission.

Electronic-only submissions via email (including attachments or links) are not required and will not be accepted in lieu of the physical proposal package.

25. Can you please confirm the District’s ability to accept FedEx delivery?

Answer: MCHD does accept deliveries via FedEx, UPS, or similar courier services. Deliveries are accepted Monday through Friday, between 8:00 a.m. and 4:00 p.m.

The proposal package must be addressed and delivered to:

Marion County Hospital District
Attn: **Debra Velez, Chief Operating Officer**
2547 East Silver Springs Blvd.
Ocala, FL 34470