

## RESPONSES TO INQUIRIES (JUNE 18, 2026)

- 1. Does the District anticipate maintaining multiple OCIO relationships, or could the selected firm's mandate evolve over time based on performance and fit?**

At this time, the District is solely seeking an OCIO specializing in alternative investments.

- 2. What areas of focus or improvement does the District expect a new OCIO to prioritize within the alternatives portfolio?**

The aim of this RFP is to solicit and evaluate each alternatives firm's best ideas in terms of investment thesis, research rigor, and portfolio construction. The key determinant of success is net of fee performance in absolute and peer benchmark-relative terms.

- 3. To what extent may a newly selected OCIO transition existing investments, subject to liquidity considerations?**

The selected 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. As such, the selected finalist is expected to assume control of all legacy assets.

- 4. Approximately what proportion of the alternatives portfolio represents unfunded commitments versus deployable capital?**

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 final presentation.

- 5. How should the OCIO balance liquidity, income generation, and long term return objectives within the alternatives allocation?**

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.

**6. Could you clarify the respective roles of the Board of Trustees, Investment Advisor, and OCIO in reviewing and approving new investments?**

The Board of Trustees maintain fiduciary control over the assets of the District, as well as appointing the Investment Advisor and OCIO managers. The Investment Advisor is tasked with recommending strategic asset allocation targets, providing consolidated performance reporting and overseeing the District's OCIO relationships. The OCIO manager is responsible for investing the District's assets consistent with the Investment Policy Statement.

**7. What criteria will the District use to evaluate the success of the selected OCIO relationship over time?**

MCHD's expectations align with the Scope of Services outlined in the RFP. The key determinant of success is net of fee performance in absolute and peer benchmark-relative terms. Key responsibilities include managing the alternatives portfolio in accordance with the District's Investment Policy Statement; contributing to ongoing trustee education requirements on alternatives as needed; 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 pricing and cash flow projections as required.