



RESPONSE TO PRE-SUBMITTAL QUESTION REGARDING RFP FOR A FUND MANAGER TO MANAGE A DOUBLE BOTTOM LINE INVESTMENT FUND

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Note – some questions have been abridged

1. QUESTION: On Page A.1-5 and in Section 6. Budget, there is a statement that the “asset management fee will be 2.0% per annum”, split 87.5% (or a 1.75% per annum fee) to the Fund Manager and 12.5% (or a 0.25% per annum fee) to the Special Member. This section doesn’t address any carried interest (and how it may be split) but there’s a reference to carried interest to the Special Member in the bullet points under “Affiliate as Special Member” on Page A.1-2. Is there a carried interest contemplated to be paid to both the Fund Manager and the Special Member and how would this total carried interest be allocated between the two?

RESPONSE: The amounts and priority of the distribution of Fund earnings and return of capital are summarized below. Respondent shall confirm if the fee proposal is acceptable or submit an alternative proposal. Refer to Section 2.9 of the Request for Proposals for more information.

After distributions required to pay taxes, cash will be distributed in the order of the priority set forth as follows:

First, a preferred return on the investor’s capital at the rate of 6% per annum compounded annually. Second, investors will receive 100% of their invested capital on a pro rate basis.

Third, to the Fund Manager and the Special Member pro rata until such time as the Fund Manager has received 19% of funds previously distributed to investors as its carried interest and the Special Member has received 2% of funds previously distributed to investors as its carried interest.

Fourth, 19% to the Fund Manager, 2% to the Special Member, and the balance or 79% to all investors in proportion to funded commitments.

2. QUESTION: Does the Fund Manager need to be a SEC-registered investment adviser?

RESPONSE: Based on our initial review of the proposed Fund structure, the Fund Manager does not need to be a SEC-registered investment adviser. However, the final Fund structure and registration requirements of the Fund Manager are subject to negotiation between the Fund Manager, Special Members, and investors and the advice from legal counsel upon formation of the Fund.

3. QUESTION: Is the Fund Manager able to co-invest equity in the fund? If yes, what is the min/max of this co-investment amount from the Fund Manager?

RESPONSE: The Fund Manager is able to co-invest equity in the Fund. The current proposed terms are that the Fund Manager will invest no less than 5% of the total commitments to the Fund (with

no maximum investment amount). The final investment percentages and amounts are subject to negotiation between the Fund Manager, Special Member, and investors.