



**New York State Insurance Fund  
High Yield Corporate Bond, Bank Loan & CLO Asset Manager Search  
2019-73-INV**

**Description of Services:**

New York State Insurance Fund ("NYSIF") is seeking one or more asset manager(s) to manage one or more of the below mandates. The total expected allocation is estimated at \$1 billion to be distributed across the four categories below:

- High Yield Corporate Bonds;
- Bank Loans;
- CLOs;
- Multi-Strategy Below Investment Grade Assets (combination of all 3 of the above asset classes).

Firms may choose to submit proposals for any number of the mandates (i.e. firms may submit for one, two, three or all four of the mandates). Each proposal will be individually scored.

NYSIF reserves the right to contract with one or multiple firms for each of the mandates or none. Should NYSIF make multiple awards, accounts will be assigned at NYSIF's discretion. NYSIF reserves the right to change the mandate size at any time.

**Asset Mandate Description: High Yield Corporate Bonds**

1. Portfolio of US high yield corporate bonds
2. Weighted average credit quality of no lower than B+
3. Invested as a separately managed account
4. Limited by the following constraints:
  - All bonds must be issued in USD;
  - No purchases below B-;
  - 2% limit on hybrids;
  - No derivatives, leverage, or short selling usage;
  - Bonds must be rated by at least one of the following ratings agencies: Moody's, S&P, Fitch.

Benchmark: The bidder should submit data against the benchmark to which the product is actually managed. However, the Bidder may be expected to accept the BAML ICE HY **Constrained** BB-B Index if selected for the high yield mandate.

**Asset Mandate Description: Bank Loans**

1. Portfolio of US bank loans
2. Weighted average credit quality of no lower than B+
3. Invested as a separately managed account
4. Limited by the following constraints:

- All loans must be issued in USD;
- Broadly Syndicated Loans only;
- No purchases below B-;
- No derivatives, leverage, or short selling;
- Loans must be rated by at least one of the following ratings agencies: Moody's, S&P, Fitch.

Benchmark: The bidder should submit data against the benchmark to which the product is actually managed. However, the Bidder is expected to accept the Credit Suisse Leveraged Loan Index or the S&P Leveraged Loan BB/B Index if selected for the Bank Loan mandate.

#### **Asset Mandate Description: CLOs**

1. Portfolio of CLOs
2. Weighted average credit quality of A
3. Invested as a separately managed account
4. Limited by the following constraints:
  - All underlying loans must be issued in USD
  - Underlying loans must be broadly syndicated
  - Purchases must be rated between A- and AA+ inclusive
    - Must not have any ratings below A- from any of the rating agencies
    - Must be rated by at least one of the following: Moody's, S&P, Fitch
  - No derivatives, leverage, or short selling

Benchmark: The bidder should submit data against the benchmark to which the product is actually managed. However, the Bidder is expected to accept the JPM CLO Index AA/A (CLOIE) if selected for the CLO mandate.

#### **Asset Mandate Description: Multi-Strategy**

1. Portfolio including US high yield corporate bonds, US bank loans, and CLOs (the current product must include all 3 asset classes in order to qualify)
2. Weighted average credit quality of no lower than B+
3. Invested as a separately managed account
4. Limited by the following constraints:
  - Investments in each asset type shall follow the constraints noted in their respective sections above.

Benchmark: The bidder should submit data against the benchmark to which the product is actually managed. However, the benchmark for the mandate will be determined upon award.

#### **Minimum Reporting Requirements:**

- Monthly performance reports
  - Advisory on Other Than Temporary Impairment (OTTI)
  - Distressed sales reporting
- Performance attribution analysis
- Relevant market commentaries
- Credit watchlist and credit migration reports
- Semiannual reviews
- Annual ADV disclosures

**Dates and Submission Requirements:**

Interested firms can find search details on the NYSIF website at: [www.nysif.com/procurement](http://www.nysif.com/procurement) beginning on 9/27/19. Candidates should check this website frequently. Addenda, and/or any other information relative to this search, will be posted to the NYSIF procurement webpage

All firms must fulfill the minimum qualification requirements as outlined in Attachment 1. Failure to satisfy each of the minimum qualifications may result in the immediate rejection of the proposal. A completed Attachment 1 must be returned to NYSIF by 2pm (Eastern) on 10/29/19 at [contracts@NYSIF.com](mailto:contracts@NYSIF.com). Please reference RFP 2019-73-INV in the subject line.

In addition, bidders must submit the appendices listed in Attachment 2 and Attachment 3. Attachment 3 requires bidders to specify which mandate(s) they are bidding on and some details about their track record(s). Attachment 2 and Attachment 3 must also be returned to NYSIF by 2pm (Eastern) on 10/29/19 at [contracts@nysif.com](mailto:contracts@nysif.com). Please reference RFP 2019-73-INV in the subject line.

NYSIF's Exhibit A, B, and C are hereby incorporated into this solicitation by reference. Bidders do not need to return Exhibit A, B and C.

**Evaluation Requirements:**

The evaluation criteria will consist of three separate parts: (1) Technical Proposal, (2) a Financial Proposal, and (3) a quantitative factor for M/WBE, SBE or SDVOB certification in accordance to State Finance Law 163 (1) (j). Each part will be evaluated separately and independently. The relative weights of each part are as follows:

- (1) Technical Proposal: 75%
- (2) Financial Proposal: 20%
- (3) Minority and Woman-Owned Business Enterprises (MWBE) Certification, Small Business Enterprise (SBE) status, Service-Disabled Veteran Owned Business (SDVOB) Certification: 5%

For the Technical Proposal evaluation, proposals received will be evaluated in a multiple-step process. Following a review of data submitted to eVestment Alliance, bidders selected will be issued additional questions to facilitate the Technical proposal evaluation. MWBE, SBE and SDVOB status will also be evaluated at this step.

A group of finalists may be selected for in-person interviews at a mutually agreed date. Financial Proposals will also be evaluated at this finalist step.

**Participation of NYS Business Enterprises (MWBE):**

It is the policy of NYSIF to encourage the greatest possible participation by Minority and Women-Owned Business Enterprises (MWBE) as Bidders, subcontractors and suppliers on its procurement contracts, consistent with New York State laws. NYSIF has established a goal of 30% MWBE participation for this contract.

Bidders are required to submit the completed forms within Appendix M, contained in Attachment 2, by 2pm (Eastern) on 10/29/19 to [contracts@nysif.com](mailto:contracts@nysif.com).

**Participation of Service-Disabled Veteran Owned Business (SDVOB):**

Article 17-B of the New York State Executive Law provides for more participation in public procurement by certified Service-Disabled Veteran-Owned Businesses ("SDVOBs"). For purposes of this procurement, NYSIF conducted a comprehensive search and determined that the Contract does not offer sufficient opportunities to set specific goals for participation by SDVOBs. Nevertheless, Bidders are encouraged to make good faith efforts to promote and assist in the participation of SDVOBs on the Contract. The directory of New York State Certified SDVOBs can be viewed at: <https://ogs.ny.gov/veterans/>.

**Designated Contacts:**

Until a candidate(s) is selected, and the selection is announced by NYSIF via its webpage, candidates are only allowed to communicate with NYSIF via the designated email below. Any unauthorized contact may disqualify the candidate from further consideration (NY State Finance Law Sections 139-j and 139-k). Do not contact eVestment Alliance for specific details of the search.

Prospective candidates shall direct all questions for this search in writing to [contracts@nysif.com](mailto:contracts@nysif.com). All questions must be received by 2pm (Eastern) on 10/22/19.