



October 23, 2019

The following Q&A will serve as Amendment #1 to NYSIF's solicitation for High Yield Corporate Bond, Bank Loan & CLO Asset Manager Search, 2019-73-INV.

Material in this Amendment #1 supersedes any contradictory material in the solicitation.

All bids remain due by 2pm (Eastern) on 10/29/19.

High Yield Corporate Bond, Bank Loan CLO Asset Manager Search

RFP # 2019-73-INV

Amendment 1

| Question # | RFP Page # | RFP Section and Sub-Section Reference #/Heading | Question | NYSIF Response |
|------------|------------|---|---|---|
| 1 | | | We previously submitted a proposal for HY bonds only for the RFP that was recently pulled (High Yield Fixed Income (Corporate Bond) - 2019-01-INV) – our intent would be to only offer HY bonds again for this RFP, not the other strategies – please advise if what we submitted for the last RFP would serve for this purpose or is the RFP different and needs to be answered distinctly in its own format? | The previous search RFP 2019-01-INV was cancelled and no bids submitted for that search will be considered. Bidders must resubmit based on the requirements of the current solicitation, 2017-73-INV. |
| 2 | | | You are looking for an Asset Manager? | Yes. |
| 3 | | | We had previously submitted for US HY RFP for RFP # 2019-01-INV and were told this was canceled. I just want to confirm that we must re-submit for the new RFP? | The previous search RFP 2019-01-INV was cancelled and no bids submitted for that search will be considered. If you are interested in providing services to NYSIF, you will need to provide a response to the current solicitation, 2017-73-INV. |
| 4 | | | We have one question regarding the minimum requirements. Our Portfolio Manager, has been managing the ESG-integrated Impax High Yield Bond strategy since he joined Impax (from another leading asset manager) during October 2015, and the inception date of the GIPS composite for the strategy is October 30, 2015. However, Impax has been managing a High Yield Bond portfolio since June 1, 2004, so quite a long track record in this asset class. Will NYSIF consider our strategy for the purposes of this RFP, or will the lack of a 5-year composite track record disqualify us from moving forward? | <p>Bidders will be required to demonstrate how they meet the following requirements:</p> <p># 4 Minimum Requirement: Candidate firms must have a minimum of five years of verifiable GIPS-compliant performance history actively managing the proposed product for institutional clients.</p> <p>#5 Minimum Requirement: Lead portfolio manager or lead team members for the proposed strategy must have least at 5 years of direct experience managing these portfolios.</p> <p>If a bidder is unable to submit a minimum of 5 year GIPS compliant history the track record would not qualify.</p> |

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| 5 | | | Is there a Questions Submission Form for this search? | There is not a question submission form for this procurement. Please submit questions to contracts@nysif.com . |
| 6 | | | We are hoping to ascertain which consultant, if any, is involved in this search (we see no reference to a consultant in the RFP). | This information is not material to the bidders response to the solicitation. |
| 7 | | | Just curious to know if NYS Insurance Fund is seeking managers for corporate bank loans only as opposed to or in conjunction with taxable municipal bank loans? Would NYSIF be looking or consider taxable municipal obligations as part of its portfolio – granting that generally speaking municipal loans are not high yield obligations. | The mandate is specifically for corporate bank loans. |
| 8 | | | Ok, we'd like to apply. What do you need from us? | The solicitation outlines what is required from each bidding firm. Please review and submit accordingly. |
| 9 | | Attachment 1, Question 6 | Does the eVestment product, specifically, need to fit the minimum requirement of 5 years of verifiable GIPS-compliant performance history? Or, if the submitted optional separate performance history of an illustrative account that better aligns with the NYSIF mandate has 5+ years of verifiable GIPS-compliant performance history, would that be sufficient? | All data must be submitted via eVestment. Attachment 3 requests all eVestment product names that you would like NYSIF to consider (max of 2 per mandate). Bidders must submit at least 1 GIPS compliant track record per mandate (per Minimum Requirement #4). |
| 10 | | | Our firm has been registered as an investment advisor with the SEC since October 2017 (2 years) | Bidders will be required to demonstrate how they meet the following requirements: # 1 Minimum Requirement: Candidate firms must be registered with the SEC as an Investment Advisor for at least 5 years as of June 30, 2019. |

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| 11 | | | Our firm has a five year, verifiable, performance history but this track-record is not GIPS-compliant | Please refer to the answer provided under question # 4. |
| 12 | | | We provide holdings information as requested. We do not publish fixed income holdings information to databases. Please confirm whether or not publishing holdings is a requirement for the search | Holdings information is not required to be entered into eVestment. |
| 13 | | | We plan to submit proposals for all four mandates. Will you accept one minimum requirements document to cover all four mandates? Please clarify if submitting Attachment 2 once will also cover all four mandates. | One completed Attachment 2 will be accepted for all four mandates. |
| 14 | | | CLO Mandate: The RFI states that the manager must have "a minimum of five years of verifiable GIPS-compliant performance history..." Our AA+ to A-CLO strategy has 4.5yrs of performance and the Composite is not GIPS-compliant. Can we submit a proposal for this mandate? | Please refer to the answer provided under question # 4. |

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| 15 | | | <p>Multi-Strategy Mandate: The RFI states that the strategy must include high yield bonds, bank loans, and CLOs.</p> <p>Our Multi-strategy does in fact include high yield bonds, bank loans, and CLOs, as well high yield convertible bonds. Our view is that a high yield multi-strategy should include the full universe of high yield sub-sectors, though we can customize portfolios to include any subset thereof. Our strategy has over 5 years of verifiable GIPS-compliant performance history and a weighted average credit quality of B+.</p> <p>Can we submit a proposal for this mandate?</p> | Yes. |
| 16 | | | <p>We as a firm plan to respond to RFP 2019-73-INV. For clarification purposes, would communication with members of the NYSIF Investment Staff on topics that are unrelated to this RFP preclude us from being considered for this RFP?</p> | <p>Firms may continue business with NYSIF separately from this RFP. However, current or future proposed procurements or RFP/Bid documents may not be discussed with anyone other than the designated contacts in this solicitation.</p> |

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| 17 | | | We are submitting a response to NYSIF's High Yield Corporate Bond, Bank Loan, and CLO Asset Manager Search (2019-73-INV), and we have a question regarding Attachment 1 – NYSIF Minimum Requirements. Item 6 notes that we should submit composite returns and characteristics from inception through June 30, 2019. Is it sufficient for us to submit returns since inception, but characteristics for the last 10 years? | Yes. |

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| 18 | | | <p>Questions:</p> <ul style="list-style-type: none"> -Would NYSIF consider a waiver of GIPS compliance requirements? -If a waiver is not possible, would NYSIF consider accepting an engagement letter from a reputable GIPS advisory / performance verification firm? <p>Background to the questions</p> <ul style="list-style-type: none"> -Our firm would like to bid primarily on the "CLO" component of the RFP, although we do manage BANK loans as well and may bid for a multi-strategy CLO + bank loan option as well. -We have an uninterrupted track record in CLO debt investing dating back to 2009, but are not yet GIPS compliant. Our understanding was that, until updates last year, the GIPS compliance framework left a lot of unanswered questions for credit managers, particularly those that operate in markets that function predominantly on monthly valuation schedules. We were not comfortable that we could comply fully without further clarifications from the GIPS rules, but now this appears to have changed and we have begun exploring | <p>We will not waive the GIPS compliance requirement and cannot accept an engagement letter.</p> |

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| 19 | | | We are extremely interested in submitting mandates for this RFP however when going through Attachment 2, I realized we will not be able to meet/participate in MWBE. Is it possible to submit the mandates without filling out appendix M or is this a requirement? Look forward to hearing back | Appendix M is required. Please submit and we will review. |
| 20 | | | What metrics within eVestment will you focus on during the eVestment examination – performance, portfolio characteristics, commentary, etc.? Will the eVestment review be purely quantitative or also qualitative? | Requirements are listed in the solicitation. |
| 21 | | | Is there a standard form that you would like us to use when providing supplemental data? If not, would you prefer the supplement in MS Word or Excel? | If you are referring to the supplemental track record that must also be submitted via eVestment. No other supplemental data is being requested in the current initial step of this process. |
| 22 | | | Must all strategies for submission have an eVestment profile or can we simply provide supplemental data? For example, we have a long-standing track record for CLOs, but do not provide the information in eVestment. May we send the composite information as a supplement since it can take over 30 days to create a new profile in eVestment? | eVestment had previously informed us that data can be uploaded very quickly, even if a manager is new to their platform. Monthly returns must be submitted in eVestment since inception by 10/29 in order for the track record to be considered. |

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| 23 | | | We look forward to receiving your responses. Could you please confirm if they will be answered individually as received or posted online after the deadline date (Oct 22 nd at 2pm ET). | They will be individually answered and then posted online after the 10/22 deadline. |
| 24 | | | Regarding the 2019-73-INV High Yield Corporate Bond search, we were hoping to obtain the External Asset Manager Service Contract referenced in the opportunity documentation. If you could kindly let us know where to find the Contract, that would be much appreciated. | This item will be made available to the firm(s) selected for a contract award. |
| 25 | | | We wanted to reach out regarding the forms that are included as part of this RFP. As we submitted these forms as part of the previous Municipals RFP earlier this year, we wanted to check to see if we might be able to use the same forms that were previously completed and submitted. Please let us know if that would be sufficient or if you will need us to re-execute the supplemental documents. | All documents required in the RFP must be submitted and properly executed. We cannot accept documents submitted for any previous RFP's. |

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| 26 | | | <p>We have a strong Multi-Strategy track record and the capability to manage a Multi-Strategy Mandate with a weighted average credit quality of B+, as outlined in the search description. However, our GIPS-compliant performance history that corresponds with a Multi-Strategy Mandate is our Opportunistic Credit Strategy Composite, which has a weighted average credit quality of CAA1/CCC+ as of June 30, 2019.</p> <p>We wanted to check to ensure that we were still able to proceed with submitting for the Multi-Strategy Asset Mandate. Can you please confirm?</p> | Yes. |
| 27 | | | <p>NYSIF Exhibit C</p> <ul style="list-style-type: none"> • Section 12 states that we would confirm with "all policies and procedures of NYSIF in performance of the Contract including but not limited to security, physical, facility, documentary and cyber security rules, policies, procedures and protocols." -Please provide the policies/procedures in question. • Section 27 references insurance requirements. -Please provide the insurance requirements. | These items will be made available to the firm(s) selected for contract award. |

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| 28 | | | Will we be disqualified for not having a 5-year track record given how stringent the CLO mandate guidelines are? The composite we would like to propose incented in August 2016. | No, as long as a minimum of five years of verifiable GIPS-compliant performance history is submitted through eVestment. |
| 29 | | | May we submit simulated performance for the representative account to meet the 5-year track record requirement? | Minimum Requirement # 6 states that the composite history must be actual results. |
| 30 | | | Are emerging market securities considered a subset of high yield for the multi-strategy mandate? | No. |
| 31 | | | #6 within Minimum Requirements – We are asked to provide representative account performance history in addition to composite information if "...the generic composite does not align with the mandate that NYSIF has described." Are we allowed to propose a composite with certain underlying accounts that do not meet the 90% asset class threshold, so long as we also provide representative account performance that does meet this threshold? | The 90% threshold is a requirement that must be met. The minimum requirements for the track record are outlined in Attachment 1. |