



**New York State Insurance Fund
Securitized Credit Manager Search
2021-01-INV**

Description of Services:

The New York State Insurance Fund (“NYSIF”) is seeking asset manager(s) to manage a portfolio of securitized credit investments.

NYSIF reserves the right to contract with one or multiple managers (“Managers”) for the mandate or none. Should NYSIF make multiple awards, accounts will be assigned at NYSIF’s discretion and will be based on factors including, but not limited to:

- Organizational expertise managing securitized credit assets
- Product offerings in securitized credit assets
- Manager performance track record in securitized credit products

Mandate Description

- 1) Portfolio of Securitized credit investments
 - a. Non-agency RMBS (AA-A rated)
 - b. Non-agency CMBS (AA rated)
 - c. ABS (AA-A rated)
 - d. Private ABS
- 2) Weighted average credit quality of no lower than A
- 3) Invested as a separately managed account
- 4) Limited by the following constraints
 - a. All investments must be issued in USD
 - b. No purchases below A-
 - c. No derivatives, leverage or short selling usage
 - d. Securities 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. Bidder should submit performance for a single composite which best represents their track record in a mandate similar to what NYSIF has described above.

Minimum Requirements:

- 1) Candidate firms must be registered with the SEC as an Investment Advisor for at least 5 years as of December 31st, 2020.
- 2) Candidate firms must be directly responsible for the management of the relevant accounts, and all personnel responsible for the account must be employees of the firm or a legal joint venture partner.

- 3) Candidate firms must have a minimum of \$200 million under management in securitized credit assets as of December 31st, 2020.
- 4) Candidate firms must have a minimum of five years of verifiable GIPS-compliant performance history managing the proposed product for institutional clients.
- 5) Lead portfolio manager or lead team members for the proposed strategy must have at least 5 years of direct experience managing securitized credit portfolios at the candidate firm or prior firms.
- 6) Candidate firms must submit their monthly and quarterly product composite returns and quarterly portfolio characteristics since inception through December 31st, 2020 to NYSIF's and NEPC's designated product database via eVestment Alliance, which can be located on the web at: www.evestment.com. If the database is not fully populated, your firm's response will be considered incomplete. Please be sure to not leave fields blank. Respond as 0, none, or N/A only when necessary. You will not be contacted to fill in missing fields. Use additional comment fields provided to make qualifying notes as applicable. If your firm does not already utilize the eVestment Alliance database, you can participate by sending an email with your contact information to: data@evestment.com. All eVestment Alliance data must be as of December 31st, 2020 and must be entered by MM/DD/YYYY. NYSIF and NEPC staff reserve the right to request more recent returns and portfolio information from candidates subsequent to receiving solicitation responses.
 - a. Data must be gross of fees.
 - b. A composite managed on a total return basis is preferred
 - c. Composite must be actively managed (i.e. NYSIF is not seeking an index product).
 - d. The composite performance history submitted to eVestment Alliance must be actual results (not simulated nor back-tested). It must also exclude accounts that contain less than 90% of investments in securitized credit consistent with the above mandate.

If selected for a contract award, the external asset manager must:

- Enter into NYSIF's standard External Asset Manager Service Contract;
- Acknowledge receipt of and maintain compliance with NYSIF's Asset Manager Guidelines.

Dates and Submission Requirements:

Interested firms can find search details on the NYSIF website at: www.nysif.com/procurement beginning on **1/29/21**. Candidates should check this website frequently. Addenda, and/or any other information relative to this search, will be posted to the NYSIF procurement webpage

Prospective candidates shall direct all questions for this search in writing to contracts@nysif.com. All questions must be received by 2pm (Eastern) on **2/16/21**. NYSIF's response to these questions will be posted on NYSIF's website: www.nysif.com/procurement.

All firms must fulfill the minimum qualification affirmation 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 as well as Attachment 2, Securitized Credit Questionnaire A and Attachment 3, NYSIF Appendices must be returned to via email by 2pm (Eastern) on **3/8/21** to contracts@NYSIF.com and NYSIFsecuritized@nepc.com. Please reference #2021-01-INV in the subject line.

In addition, firms must complete Appendix Z, Fee Schedule. This must be returned to via email by 2pm (Eastern) on **3/8/21** to contracts@NYSIF.com. Note: Appendix Z should **NOT** be sent to NYSIFsecuritized@nepc.com.. Please reference #2021-01-INV in the subject line.

Attachment 4, Securitized Credit Questionnaire B will be sent to firms at a later date.

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 proposals will be evaluated in a three-step process.

Step 1 Criteria Points (100 points)

- Responses to Questions in Attachment 1, Minimum Qualification Affirmation and Attachment 2, Securitized Credit Questionnaire A - **95**
- MWBE, SBE or SDVOB Status – **5**

Following a review of data submitted to eVestment Alliance, Attachment 1, 2 and 3, the top 20 bidders plus any vendors within 10% of the first-place bidder will be issued Attachment 4, Securitized Credit Questionnaire B, to facilitate the Technical proposal evaluation. MWBE, SBE and SDVOB status will also be evaluated at this step. Points from Step One will not be added to points for Step Two.

Step 2 Criteria Points (100 points)

- Responses to Questions in Attachment 4, Securitized Credit Questionnaire B - **95**
- MWBE, SBE or SDVOB Status – **5**

From Step Two, the top eight bidders plus any vendors within 10% of the first-place bidder will advance to Step Three, interviews/fees/MWBE, SBE, or SDVOB status. Points from Step Two will not be added to points for Step Three. Award(s) will be based solely on the scores received in Step Three.

Step 3 Criteria Points (100 points)

- Strength/experience of proposed team and dedicated resources - **20**
- Investment process and philosophy - **20**
- Performance track record - **20**
- Risk management systems, tools, and controls - **20**
- Fees - **15**
- MWBE, SBE, or SDVOB Status - **5**

NYSIF will provide a list of subjects to be covered in the presentation/interview and questions to be addressed. Contributions of the proposed lead personnel should be included. Presentations may be up to 90 minutes. Questions may be asked by the evaluation committee based on material covered in the presentation/interview and/or in the proposal.

Presentation/interviews will be conducted virtually. It will be the responsibility of the Bidder to present the proposed staff at the scheduled time. Bidders will be responsible for any and all costs associated with the presentation. Interviews will be tentatively scheduled for the week of May 10th 2021.

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 3/8/21 to 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.