



**New York State Insurance Fund
Private Placement Asset Manager Search
2021-02-INV**

Description of Services:

The New York State Insurance Fund ("NYSIF") is seeking asset manager(s) to manage a portfolio of private placement corporate bonds.

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 private placement assets
- Product offerings in private placement assets
- Manager performance track record in private placement products

Mandate Description

- 1) Portfolio of US Investment Grade debt instruments that are not registered with the SEC.
- 2) Weighted average credit quality of no lower than BBB (or the category of "2" within the framework used by the Securities Valuation Office of the National Association of Insurance Commissioners)
- 3) Invested as a separately managed account
- 4) Limited by the following constraints
 - a. All debt instruments must be issued in USD
 - b. No purchases where the rating as assigned by the Securities Valuation Office of the National Association of Insurance Commissioners is, or is reasonably expected to be, below "2"
 - c. No derivatives, leverage or short selling usage
 - d. Debt instruments must be rated (either at time of purchase or within a reasonable timeframe thereafter) by the Securities Valuation Office of the National Association of Insurance Commissioners

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 "ICE BofA US Corporate Index" if selected for the mandate.

Minimum Requirements:

- 1) Candidate firms must have been 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 private placement debt instruments of the nature described in the first item under "Mandate Description" (above) 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 at 5 years of direct experience managing private placement 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 not to 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, on average over the time period in question, less than 90% of investments in private placement debt instruments of the nature described in the first item under "Mandate Description" (above).

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 **2/11/21**. 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, Private Placements Questionnaire and Attachment 3, NYSIF Appendices must be returned to via email by 2pm (Eastern) on **3/1/21** to contracts@NYSIF.com and NYSIFprivateplacements@nepc.com. Please reference #2021-02-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 **3/1/21** to contracts@NYSIF.com. Note: Appendix Z should **NOT** be sent to NYSIFprivateplacements@nepc.com. Please reference #2021-02-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 proposals will be evaluated in a two-step process.

Step 1 Criteria Points (100 points)

- Responses to Questions in Attachment 1, Minimum Qualification Affirmation and Attachment 2, Private Placements Questionnaire - **95**
- MWBE, SBE or SDVOB Status - **5**

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

Step 2 Criteria Points (100 points)

- Strength/experience of proposed team and dedicated resources - **25**
- Investment process and philosophy - **15**
- Performance track record - **20**
- Risk management systems, tools, and controls - **15**
- Fees - **20**
- 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 March 15th, 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 3/1/21 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.