



1/8/24

The following Q&A and updated Attachment 1, Mandatory Requirement Affirmation will serve as Amendment #1 to NYSIF's Request for Proposals (RFP) for Muni Asset Manager, bid number 2023-40-INV. Material in this Amendment supersedes any contradictory material in the RFP.

Note: Attachment 1, Mandatory Requirement Affirmation, Qualification 5 was updated to reflect that eVestment Alliance Data must be entered by 1/31/24. It has been posted on NYSIF's website ([www.nysif.com/procurement](http://www.nysif.com/procurement)) as a separate Microsoft Word attachment labeled "UPDATED Attachment 1, Mandatory Requirement Affirmation dated 1/8/24."

Please note that the due date for the submission of bids **has not changed.**

All bids are due 1/31/24, by 2:00 p.m.(eastern).

Sincerely,

A handwritten signature in black ink that reads "Alexandria Romano".

Alexandria Romano  
Contract Management Specialist 3

**Muni Asset Manager  
RFP #2023-40-INV  
Amendment 1**

Question #	RFP Page #	RFP Section and Sub-Section Reference #/Heading	Question	NYSIF Response
1			Can you please let us know the anticipated investment amount for this RFP (MUNI ASSET MANAGER RFP # 2023-40-INV)?	TBD
2	Page 73 of Attachment 3-Appendices	D. Form 102 - Workforce Utilization Report 3. Pursuant to Executive Order #162, contractors and subcontractors are also required to report the gross wages paid to each of their employees for the work performed by such employees on the contract on a quarterly basis.	Does disclosure of employee compensation apply to this bid and would it be subject to FOIL requests?	Employee compensation does not apply to this procurement, however, any information included within your proposal would be subject to FOIL requests unless clearly outlined "confidential."
3	Page 3 of 45 of the RFP	New York State Insurance Fund MUNI ASSET MANAGER RFP # 2023-40-INV 10. Insurance Requirements	If we have some changes to the Insurance Requirements can, and if so, where should we include them with our proposal?	Bidders should include a "Comments and Limitations" Section within your proposal that outlines any requested changes you have with any of the RFP documents.
4	Page 42 of 45	ATTACHMENT E Manager's Investment Specifications	Is the benchmark the same as ICE BAML BROAD US TAXABLE MUNICIPAL index, symbol TXMB?	No, Please refer to the 2nd key point in the document "Attachment E - Manager Guidelines" for details.
5	Page 42 of 45	ATTACHMENT E Manager's Investment Specifications	The target duration needs to be +/- 0.5yrs of the benchmark. Is that Duration to Worst or Effective Duration?	It is effective duration.
6	1	General Firm and AUM Information	What is the total opportunity amount? Will it be funded with securities or cash? If cash, would NYSIF expect funds to come in tranches and if so, over what period?	TBD
7	1	General Firm and AUM Information	Is the current portfolio actively managed or buy-and-maintain?	It is actively managed.
8	1	General Firm and AUM Information	Is this search for a manager addition or replacement?	Neither - it is part of the routine procurement process.
9	2	Team Information, Muni Investment Process and Custom Mandates	Would NYSIF be able to provide annual gain/loss constraints on an overall basis as well as what is mentioned in the RFP on issue basis?	No overall annual gain/loss constraints. Details please refer to the document "Attachment E - Manager Guidelines".
10	2	Team Information, Muni Investment Process and Custom Mandates	Are there any regular cash flow requirements on the portfolio?	No
11	3	Team Information, Muni Investment Process and Custom Mandates	What is the expectation of ramp up of a \$200mm portfolio? Of a \$500mm portfolio?	TBD
12	4	Performance and Portfolio Characteristics	Does NYSIF envision an issue with providing tax-exempt track record given the customized nature of taxable insurance mandates? Taxable and tax-exempt issues are pari passu from a credit perspective; taxables spread off of treasuries, tax exempts spread off of AAA munis.	We do not accept this.
13	5	Performance and Portfolio Characteristics	Is selection of BBB credits permitted or should they only be held as a result of a credit migration event?	BBB credit is allowed but with a limit. Please refer to the 7th and 10th key points in the document "Attachment E - Manager Guidelines" for details.
14	6	Risk Management and Compliance	Is NYSIF asking for recommended position limits or guardrails around which positions we would consider excessive?	No, we are not asking for such recommendations.
15	6	Risk Management and Compliance	Would NYSIF permit purchasing of: municipals issued with corporate CUSIPs? Bonds with optional call? Including some non-index issues that are cheaper but less liquid?	Please refer to the 5th key point in the document "Attachment E - Manager Guidelines" for the question regarding corporate CUSIPs. The rest are allowed.

**Muni Asset Manager  
RFP #2023-40-INV  
Amendment 1**

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16	N/A	Attachment E	Could you please share the parent index constituents of benchmark Q87A?	Parent index ticker:TXBL
17	N/A	Attachment E	Would you please share NYSIF's existing taxable muni holdings? Understanding the unrealized gain/loss profile of its current holdings will help us better understand any potential constraints in constructing a portfolio.	This will be provided to awarded firm(s) upon contract.
18	N/A	Attachment E	Should we consider this portfolio as total return or book yield oriented?	Total Return
19	N/A	N/A	What does NYSIF envision leveraging for reporting/accounting software (BRS Aladdin, Clearwater, etc.)?	BRS Aladdin
20	None	None	We noted that Nuveen and Western were awarded the taxable muni mandate in 2019. Have there any other changes to your muni manager line-up since then?	No changes
21	Appendix Z (P. 89), Appendices Attachment	Appendix Z, Fee Agreement	Is \$250M the starting size of the mandate with expectation to grow or is that the final expected AUM?	TBD
22	None	None	Will the mandate be funded in-kind or in-cash?	TBD
23	None	None	What will Mercer's involvement in the search be?	NYSIF staff will work with Mercer during the RFP process.
24	None	Qualifications document says "Due MM/DD/YYYY"	By when should the eVestment data be loaded to the system?	1/31/2024
25	None	None	Does NYSIF expect to select a bidder by a particular date? When is the mandate anticipated to fund?	TBD
26	Appendix E (P. 42)	Guidelines - Section 10, Limits on Categories and Issuers & Section 5, Permissible Investments	Are corporate CUSIP taxable municipal securities permitted? These would include securities backed by a US state, municipality, county, territory or quasi-municipal corporations (including colleges, universities and hospitals).	Please refer to the 5th key point in the document "Attachment E - Manager Guidelines".
27	Appendix E (P. 42)	Guidelines - Section 5, Permissible Investments	How does NYSIF define corporate obligors in the municipal market? Is there a sector that should be excluded like the Industrial Development and Pollution Control sector or would this be on a bond by bond basis. If security specific, would NYSIF consider bonds issued by the Alabama Economic Settlement Authority (CUSIP: 01026CAD3) that are secured by settlement payments following the Gulf Oil spill a taxable municipal bond with a corporate obligor and thus prohibited?	Please refer to the 5th key point in the document "Attachment E - Manager Guidelines".
28	Appendix E (P. 42)	Guidelines	Are there any max limits on sector or state exposures?	Please refer to the 9th and 10th key points in the document "Attachment E - Manager Guidelines" for the constraints and limits
29	Appendix E (P. 42)	Guidelines - General Question	Please confirm callable securities are allowed.	Yes, they are allowed.
30	Appendix E (P. 42)	Guidelines - General Question	Please confirm Build America Bonds (BABs) are allowed.	Please refer to the 5th key point in the document "Attachment E - Manager Guidelines".
31	Appendix E (P. 42)	Guidelines - Section 2 - Realized Capital Gain and Loss Annual Authority	Can you clarify what the gain / loss constraints for the mandate are and over what measurement frequency? We see there is a gross \$1M limit on a single portfolio position but what about the overall portfolio? How should we be thinking about managing gains and losses?	Please refer to the 3rd key point in the document "Attachment E - Manager Guidelines". No gain/loss limit on the overall portfolio.
32	Appendix E (P. 42)	Guidelines - General Question	Are there constraints on make whole call/extraordinary redemptions provisions?	No constraints on make whole call/extraordinary redemptions
33	Appendix E (P. 42)	Guidelines - General Question	Are there constraints on sinking funds?	No constraints on sinking funds
34	Appendix E (P. 42)	Guidelines - General Question	Please confirm no maturity constraints.	No maturity constraints
35	Appendix E (P. 42)	Guidelines - General Question	Are there restrictions on dollar price at purchase?	No restrictions

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36	Appendix E (P. 42)	Guidelines - Section 6, Prohibited Investments	Can you clarify how "majority of revenue" is defined? Are municipal securities who's obligor owns or operates hospitals or other health-care facilities allowed unless a majority of revenue derived from those activities comes from facilities situated in New York City? If so, how does NYSIF define a majority of revenues and how does NYSIF define facilities situated in New York City?	Issuers who own and operate hospitals or other health-care facilities are acceptable, as long as 51% of revenue is derived from locations/sources outside of the 5 boroughs of New York City (Manhattan, Brooklyn, The Bronx, Queens, and Staten Island.)
37	pg 42-43	Attachment E, 5. Permissible Investments	Are corporate CUSIPs of not for profit issuers allowed?	Please refer to the 5th key point in the document "Attachment E - Manager Guidelines".
38	pg 44	Attachment E, 9. Tracking Error	What systems will be used to measure ex-ante tracking error?	The individual manager's analytical system will be utilized.
39	pg 1	Attachment 1, Mandatory Requirements Affirmation	Please confirm a U.S. tax-exempt municipal GIPS composite with a 30 year track record is sufficient to meet the mandatory requirements for submission. The composite assets are managed by the same investment team (portfolio management, research analyst and traders) and utilize the same investment process as our taxable municipal strategy. In addition to the GIPS composite, we will submit taxable municipal carve out performance.	No, we require verifiable, GIPS-compliant performance history for managing taxable municipal bonds.
40	pg 2	Attachment 1, Mandatory Requirements Affirmation	If we would like to submit carve out performance in addition to the GIPS composite, can this be submitted to eVestment for access only by NYSIF and Mercer for the purposes of this RFP and not viewable by any other parties? Alternatively, is it sufficient to only submit the GIPS composite on eVestment and include carve out performance and portfolio characteristics in our written response?	This can be submitted through the "Track Record" document.
41	pg 38-39	Attachment C, NDA	Does the NDA need to be returned with our submission or is it for reference only?	This can be returned with your bid.
42	Pg 2	Mandate description document, 4. Questionnaire	Should all questions included in Attachment 2, Muni Asset Manager Questionnaire be answered or only a particular section? The mandate description document mentions bidders should complete the "general section".	The entire Attachment 2, Muni Asset Manager Questionnaire needs to be addressed.
43	Minimum Requirements Attachment, pages 1 and 2	Firm Mandatory Requirements: Qualifications 2, 4 and 5	For purposes of meeting minimum requirements, is the NYSIF open to considering US Taxable Munis AUM and/or track record derived from broader strategy composites? Our firm has deep expertise and a long track record successfully managing US Taxable Munis, however, we do not currently manage a dedicated US Taxable Muni Sector strategy. Our current and historical taxable muni implementation has been as an important component within diversified mandates.	No
44	42	ATTACHMENT E - Manager's Investment Specifications Municipal Bond Portfolio, Taxable Municipal Fixed-Income Securities 2. PERFORMANCE BENCHMARK(S)	Would the NYSIF be open to utilizing the Bloomberg Municipal Index Taxable Bonds (Ticker: BTMNTX) subject to the same screens and restrictions found in the ICE BofAML Broad US Taxable Municipal Securities Custom Screened Index (Ticker: Q87A)?	No