Dahab Associates, Inc.

#### Request for Proposal – 2023

**Private Credit**

**Taunton Contributory Retirement System**

**Please note that the fee sections of this RFP must be separated from this document**

**and saved as a separate file named “****(Firm name) fees.doc”.**

**Introduction**

The Taunton Contributory Retirement System, (the “Plan”), located in Massachusetts, is conducting a private credit manager search under the guidance of its investment consultant, Greg McNeillie. The Fund has approximately $400 million in total assets. The amount of this search is $3-5 million. All proposals will be evaluated by the investment consultant and recommendations will be made to the Plan. The final decision will be made by the Board of Trustees, (the “Board”).

**Timetable**

**Proposals are due: September 15, 2023 at 12:00 pm EST**

**Formats Required: Email to both Paul Slivinski** **at Taunton** **and to Dahab Associates (instructions below)**

**Additional Information**

Any addenda or corrections to this RFP will be posted at <http://www.dahab.com/searches/>

While Dahab Associates does not usually make submissions public on a proactive basis, our clients retain the right to use and/or make publicly available any and all submissions, for searches done on their behalf, as they see fit or as required by law or regulation. Such rights are retained by our clients and by Dahab Associates irrespective of requests for confidentiality from submitting firms.

The client and Dahab Associates reserve the right to accept or reject any proposals, or any parts thereof, and to waive any formalities in the proposal, constrained by any applicable laws and guidelines, if it is deemed in our client’s best interests to do so.

**Contract Terms**

All contracts must include all mandatory terms and conditions applicable to the procurement, specifically those set forth in Massachusetts General Law Chapter 32 Section 23B(k)(1)(a) thru (e), which depending on whether it is a separate contract or a commingled fund, will need to be in a side letter. Subsections (c), (d) and (e) may simply reference the forms previously filed with PERAC.

(k) (1) In the event of a competitive process to select an investment service provider the request for proposals shall include mandatory contractual terms and conditions to be incorporated into the contract including provisions:

(a) stating that the contractor is a fiduciary with respect to the funds which the contractor invests on behalf of the retirement board;   
(b) stating that the contractor shall not be indemnified by the retirement board;   
(c) requiring the contractor to annually inform the commission and the board of any arrangements in oral or in writing, for compensation or other benefit received or expected to be received by the contractor or a related person from others in connection with the contractors services to the retirement board or any other client;  
(d) requiring the contractor to annually disclose to the commission and the retirement board compensation, in whatever form, paid or expected to be paid, directly or indirectly, by the contractor or a related person to others in relation to the contractors services to the retirement board or any other client; and   
(e) requiring the contractor to annually disclose to the commission and the retirement board in writing any conflict of interest the contractor may have that could reasonably be expected to impair the contactor’s ability to render unbiased and objective services to the retirement board. Other mandatory contractual terms and conditions shall address investment objectives, brokerage practices, proxy voting and tender offer exercise procedures, terms of employment and termination provisions.

All contracts shall be for not more than 7 years, including any renewal period. The board reserves the right to limit the term of years to fewer than 7 in its sole discretion.

Additionally, MGL Chapter 32 Section 23B (k)(3) states:

A person submitting a proposal for the procurement or disposal of services to a retirement board shall certify in writing on the proposal as follows:

The undersigned certifies under penalties of perjury that this proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean a natural person, business, partnership, corporation, union, committee, club or other organization, entity or group of individuals.

(Signature of individual submitting bid or proposal)

(Name of business)

**Evaluation Criteria**

Criteria to be used in evaluating the proposals will include the following (where applicable):

1. The ability to manage a private credit product under the objectives established by the Board and in accordance with requirements and restrictions mandated by MGL c. 32, and the Public Employees Retirement Administration Commission.
2. The ability to analyze and monitor financial markets.
3. Acceptable risk characteristics.
4. Clear and demonstrable buy and sell disciplines, security selection processes, and execution procedures.
5. The ability to keep the execution and transaction costs down to competitive levels.
6. The financial strength and the stability of the organization.
7. The ability to achieve superior investment returns on an absolute and relative basis.
8. The ability to provide these services at competitive rates.
9. Familiarity with managing assets for Massachusetts public pension funds.

**PERAC Forms**

Please submit the following documents with your electronic submission, which can be downloaded from the PERAC web site; the links are provided below. Firms that are invited to the Finals presentation will be required to bring the original form to the meeting.

Vendor Contact Information:

<https://www.mass.gov/doc/vendor-contact-information/download>

Vendor Certification:

<https://www.mass.gov/doc/vendor-certification/download>

Vendor Disclosures:

<https://www.mass.gov/doc/vendor-disclosures/download>

Placement Agent Statement for Investment Managers:

<https://www.mass.gov/doc/placement-agent-statement-for-investment-managers/download>

**Formatting Guidelines for filling out this RFP**

Dahab Associates, Inc. electronically processes all RFP submissions. We require that your responses adhere to the following guidelines. All instructions given throughout this RFP must be followed, and all responses must be received on time. Failure to comply with these requirements may lead to disqualification in accordance with applicable laws and/or client’s guidelines.

**Note: This individual document must be renamed in accordance with the “Submission Guidelines” section, reflecting the firm name, submitting product, and asset class.**

* Fill out **this specific** RFP Document, as opposed to updating an old copy. This RFP contains electronic bookmarks to allow automated processing of **this** document.
* **Save this RFP document as a Microsoft Word Document** (.doc, .docx or .docm are acceptable).
  + **Do not save as an Adobe PDF** file.
  + Do not compress this document, password protect it, or set it to read-only.
* Do not copy/paste tables from another RFP into this RFP as it may overwrite our bookmarks.
  + You may copy and paste the paragraphs of text for long-answer questions (for example team structure, history or investment philosophy) into the cell. However, please refrain from doing this for statistics, fees, performance figures, and other brief answers.
* If you are curious about the bookmarks in this document, and want to see exactly where they occur, press ALT+I+K within Word to display a list of them. Please do not modify them in any way.
* Do not put disclaimers or clarifications into your answer boxes, or superscripts referring to footnotes, especially after statistics.
  + Do not indicate that your provided statistics differ from what those requested. Simply leave the entire box cell blank if you are unable to provide the statistic.
  + Any compliance related disclosures may be placed in the footer of the page, but without superscripts.
* If statistical information for a given question is unavailable (e.g. short life of fund or too close to quarter end), leave the cell blank only.
  + Do not provide similar but unrequested information, even if you wish to clarify how the data differ from the requested information
* General non-statistical data may be presented as of the most recent available information, and may be more current than the statistical data (for example, team or client departures/additions should reflect the most current available information).
* Do not change the formatting, markup or overall appearance of this RFP to match the aesthetics of your firm’s presentational material. Minor changes are allowable, such as changing font sizes or the font face, if required by your compliance department.
* **Preferred format for monetary denominations (as a guideline to maintain consistency among submissions)**:
  + To **one** decimal place for billions and trillions
  + **No** decimal places for thousands or millions.
  + mm for millions, k for thousands, B for billions and T for trillions.
  + Correct examples would be $434mm, $500k and$8.2B
  + **Incorrect examples** (we’d have to change these by hand) would be $434,234,495.33, $20.5mm or $8,212mm.
* Always answer questions fully in the space provided. Never reference another document or another question in this RFP in lieu of answering the question asked.
  + **Specifically, never refer to other documents for fee schedules, performance numbers, or attached organization charts, regardless of whether that document is included with your submission.**
* Answer within the provided cell. All cells in this document will expand to accommodate the size of your response.

**Email Submission Instructions:**

Electronic submission of the RFP must follow the guidelines below for proper recognition of the submission.

* **Attach your full submission in an email submission. Include this RFP and the additional required documents as outlined in the General Submission Guidelines. All files should be provided as separate files attached to the same email, but may be made in separate emails so long as they have the \*exact\* same subject line.**
* **Do not submit your RFP via a download service, secure email attachment, nor password-protection. Such services require a login to a secure site to retrieve submissions and cannot meet our requirement that the email submission in its exact form remain accessible. This is to ensure access to the exact email submission remains accessible for at least 7 years (most third-party services require passwords and expire after a short period of time).**
* **Do not zip the files.**
* **While this RFP document must be in .docx or .doc format, all other documents may be in the format of your choosing (.xlsx, .pdf, etc). However, it is critical that this RFP \*not\* be in PDF format.**
* Please ensure you name the RFP file accordingly, and if this file is reviewed by your firm’s compliance, make sure that they know to maintain the title and that the subject email is important as well. Do not add additional portions to the name (i.e. do not add a section number)
* **Email to:** **pslivinski@taunton-ma.gov AND** [**rfp@dahab.com**](mailto:rfp@dahab.com)
  + - Subject: RFP: Taunton-PC-[firm name]-[product name]
    - Filename: Taunton-PC-[firm name]-[product name].doc
* Submission emails should only contain the electronic document being submitted, with no questions or important content referenced within the body of the email itself. Text included in submission emails will likely not be read.
* Note that submissions should be for one product per email, with all requested documents provided as separate attachments (unzipped, un-password protected).

**General Submission Guidelines**

* Include a cover letter that binds the firm contractually. This letter must have the consent of an individual authorized to approve this document and must indicate the individual advising this. A digital signature is welcome, but not necessary.
  + The cover letter should be named “Cover Letter-[firm name]-[product name]” in your choice of format, PDF or Word Document both acceptable
  + The letter should be brief and indicate the specific search for which the proposal is intended and any and all investment vehicles for which this search is being offered (and for which any minimums fees/account sizes are waived, if applicable). It should name the strategy under consideration and the portfolio manager responsible for the performance. Indicate how long that person has been in that position.
  + Any major changes within the last year or contemplated within the next year with respect to the firm, the ownership structure, or personnel should be explained in the letter.
  + State that the proposal is irrevocable for 120 days.
* Submit an email proposal, in accordance with the electronic submission instructions outlined above.
* Unless specifically requested, no paper copies should be sent with this submission.

**Email Submission Checklist**

* This RFP
* The cover letter
* PERAC Forms
* **A separate Word document that contains the fee structure pages named “fees.doc”**
* A sample portfolio holdings sheet, broken out by sectors/industries.
* A copy of your organizational chart. Please include a chart that at least shows the full structure of the relevant team for this submission.
* A sample contract, PPM, or other offering document, if one exists for this product.
* Please, do not attach an Annual Report, as they tend to be of large size.
* Double check that you are sending your email to **both** **[pslivinski@taunton-ma.gov](mailto:pslivinski@taunton-ma.gov)** and [**rfp@dahab.com**](mailto:rfp@dahab.com) and that your subject line conforms with the formatting in the previous Email Submission Instructions section.

**Asking Questions**

* Questions about this RFP and search should go to Chris Mills or Kevin Condy.
  + Phone: 631-665-6181
  + Email: [chris@dahab.com](mailto:chris@dahab.com) or [kevin@dahab.com](mailto:kevin@dahab.com)
    - Subject line if asked via email:
    - **Question: Taunton Private Credit**

Dahab Associates, Inc.

#### Request for Proposal – 2023

**Private Credit**

**Taunton Contributory Retirement System**

|  |  |
| --- | --- |
| Company Name |  |
| Investment Style |  |
| Product Name |  |
| Principal Address |  |
| Telephone Number |  |
| Email Address |  |
| Individual Completing this RFP |  |
| Position |  |
| Mailing Address (if different from above) |  |
| Telephone Number (if different from above) |  |
| Fax Number |  |
| Date Completed |  |

|  |  |
| --- | --- |
| Firm Name |  |

1. **Summary**

**General Information:**

|  |  |
| --- | --- |
| Firm Name |  |
| Product Name |  |
| Location of Headquarters |  |
| State the Parent Company or if Independent |  |
| Tax-Exempt Private Credit Assets Under Management |  |
| Total Private Credit Assets Under Management |  |
| Year Founded |  |
| Year Registered |  |
| Number of PERAC Clients |  |
| Contact Name |  |
| Contact Number |  |
| Contact Email |  |

**Fund Information:**

|  |
| --- |
| Please provide the following figures for a representative account, with the data as of  the end of the 2nd Quarter 2023 |
| Do not submit the following data for any other quarter, even if footnoted as such.  It is acceptable to submit preliminary data, if necessary. |

|  |  |
| --- | --- |
| Product Name |  |
| Current Assets in Fund |  |
| Target size of the Fund |  |
| Type of Fund (core, core plus, opportunistic, etc.) |  |
| Legal Structure of Product (as specific as possible, e.g. 3C1, 3C7, etc.) |  |
| Target Investment Allocation (%) |  |
| Target Geographic Allocation (%) |  |
| Target Number of Investments |  |
| Leverage at the Fund Level |  |
| Benchmark |  |
| Vintage Year |  |
| Expected Life of The Fund |  |
| Timeline of Closings (first, final closings, etc.) |  |
| Target Return |  |
| Target Cash Yield |  |

1. **Firm Affiliation**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **1.** | Is the firm independent? |  | | |
| **2.** | Is the firm registered under the Investment Advisors Act of 1940? | | |  |
| **3.** | Is the firm registered with the FSA? | | |  |
| **4.** | Is the firm registered with other regulatory agencies? If yes, please provide further details. | | | |
|  |  | | | |
| **5.** | Is the firm minority owned? If so, what percent? | |  | |
| **6.** | Is the firm women owned? If so, what percent? | |  | |
| **7.** | Is the firm a subsidiary of, or related in any way to: | | | |

|  |  |
| --- | --- |
| a brokerage firm |  |
| an insurance company |  |
| a bank |  |
| other |  |

|  |  |  |
| --- | --- | --- |
| **8.** | What is the name of the parent company? |  |
| **9.** | If the firm is related in any fashion (financially or otherwise) to any other entity, explain. | |
|  |  | |
| **10.** | Please provide details on the financial condition of the firm (e.g., most recent annual report). | |
|  |  | |
| **11.** | Please provide details of the ownership structure of the firm. | |
|  |  | |

1. **General Background Information**

|  |  |
| --- | --- |
| **1.** | Please indicate the types of accounts that your firm currently manages: |

|  |  |
| --- | --- |
| Separately Managed |  |
| Commingled Fund |  |
| Domestic Fund |  |
| Offshore Fund |  |
| Other |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **2.** | Please give a brief history of the firm. | | | |
|  |  | | | |
| **3.** | When was the firm founded? |  | | |
| **4.** | When was it registered as an investment advisor? | |  | |
| **5.** | When did the firm begin to manage tax-exempt accounts? | | |  |
| **6.** | How often are your financial statements reviewed by external auditors? | | | |
|  |  | | | |

|  |  |
| --- | --- |
| **7.** | Has the firm changed auditors in the past three years? If so, please explain. |
|  |  |
| **8.** | Detail the level of fiduciary liability coverage the firm has for fidelity bonds, errors & omissions, or any other fiduciary liability coverage. |
|  |  |
| **9.** | Is the firm or any principal of the firm now the subject of a SEC or other regulatory body sanction? If so, explain. |
|  |  |
| **10.** | Has the firm or any principal of the firm ever been the subject of a SEC or other regulatory body sanction? If so, explain. |
|  |  |
| **11.** | Discuss, in detail, any litigation brought against the firm in the last five (5) years. |
|  |  |
| **12.** | Provide a breakdown of assets by investment strategy (as of the most recent quarter end). |

|  |  |  |
| --- | --- | --- |
| **Investment Strategy** | **# of Accounts** | **Market Value (mm)** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

|  |  |
| --- | --- |
| **13.** | provide a breakdown of the *FIRM’S* accounts & assets in the following table: |

|  |  |  |
| --- | --- | --- |
| **U.S. Domiciled** | **# of Accounts (Clients)** | **Market Value (mm)** |
| **Tax-Exempt Assets:** |  |  |
| ERISA |  |  |
| Public |  |  |
| Taft-Hartley |  |  |
| Endowment |  |  |
| Foundation |  |  |
| Religious Order |  |  |
| Commingled |  |  |
| Other |  |  |
| **Total Tax-Exempt** |  |  |
|  |  |  |
| **Taxable Assets:** |  |  |
| Personal Trusts |  |  |
| Commingled |  |  |
| **Total Taxable** |  |  |
|  |  |  |
| **Overall Total** |  |  |

|  |  |  |
| --- | --- | --- |
| **Non-U.S. Domiciled** | **# of Accounts (Clients)** | **Market Value (mm)** |
| **Tax Exempt Assets:** |  |  |
| ERISA |  |  |
| Public |  |  |
| Taft-Hartley |  |  |
| Endowment |  |  |
| Foundation |  |  |
| Religious Order |  |  |
| Commingled |  |  |
| Other |  |  |
| **Total Tax-Exempt** |  |  |
|  |  |  |
| **Taxable Assets:** |  |  |
| Personal Trusts |  |  |
| Commingled |  |  |
| **Total Taxable** |  |  |
|  |  |  |
| **Overall Total** |  |  |

|  |  |
| --- | --- |
| **14.** | Please provide a breakdown of the *PRODUCT’S* accounts & assets in the following table: |

|  |  |  |  |
| --- | --- | --- | --- |
| **U.S. Domiciled** | **# of Accounts** | **Market Value (mm)** | **Undrawn commitment (mm)** |
| **Tax-Exempt Assets:** |  |  |  |
| ERISA |  |  |  |
| Public |  |  |  |
| Taft-Hartley |  |  |  |
| Endowment |  |  |  |
| Foundation |  |  |  |
| Religious Order |  |  |  |
| Commingled |  |  |  |
| Other |  |  |  |
| **Total Tax-Exempt** |  |  |  |
|  |  |  |  |
| **Taxable Assets:** |  |  |  |
| Personal Trusts |  |  |  |
| Commingled |  |  |  |
| **Total Taxable** |  |  |  |
|  |  |  |  |
| **Overall Total** |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **Non-U.S. Domiciled** | **# of Accounts** | **Market Value (mm)** | **Undrawn commitment (mm)** |
| **Tax Exempt Assets:** |  |  |  |
| ERISA |  |  |  |
| Public |  |  |  |
| Taft-Hartley |  |  |  |
| Endowment |  |  |  |
| Foundation |  |  |  |
| Religious Order |  |  |  |
| Commingled |  |  |  |
| Other |  |  |  |
| **Total Tax-Exempt** |  |  |  |
|  |  |  |  |
| **Taxable Assets:** |  |  |  |
| Personal Trusts |  |  |  |
| Commingled |  |  |  |
| **Total Taxable** |  |  |  |
|  |  |  |  |
| **Overall Total** |  |  |  |

|  |  |
| --- | --- |
| **15.** | What are the firm’s plans for growth of these assets? |
|  |  |
| **16.** | Are there plans for limiting growth in any of the above areas? |
|  |  |
| **17.** | How does the firm plan to staff the growth of the firm described above? |
|  |  |
| **18.** | Provide details of the current offices and any future plans for expansion. Detail the staffing at each of the offices. |
|  |  |
| **19.** | Name the 10 largest tax-exempt funds, including the size of their investment in the proposed product. For clients that declined to be named, please include an appropriate designation (e.g. public fund in California). |
|  |  |
| **20.** | Indicate the # of clients & assets of tax-exempt accounts the *FIRM* has gained & lost in each category: |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Gained** | **2018** | | **2019** | | **2020** | | **2021** | | **2022** | |
|  | **#** | **$** | **#** | **$** | **#** | **$** | **#** | **$** | **#** | **$** |
| **Public** |  |  |  |  |  |  |  |  |  |  |
| **ERISA** |  |  |  |  |  |  |  |  |  |  |
| **Taft-Hartley** |  |  |  |  |  |  |  |  |  |  |
| **Endowment** |  |  |  |  |  |  |  |  |  |  |
| **Foundation** |  |  |  |  |  |  |  |  |  |  |
| **Religious Order** |  |  |  |  |  |  |  |  |  |  |
| **Other** |  |  |  |  |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Lost** | | **2018** | | **2019** | | **2020** | | **2021** | | **2022** | |
|  | | **#** | **$** | **#** | **$** | **#** | **$** | **#** | **$** | **#** | **$** |
| **Public** | |  |  |  |  |  |  |  |  |  |  |
| **ERISA** | |  |  |  |  |  |  |  |  |  |  |
| **Taft-Hartley** | |  |  |  |  |  |  |  |  |  |  |
| **Endowment** | |  |  |  |  |  |  |  |  |  |  |
| **Foundation** | |  |  |  |  |  |  |  |  |  |  |
| **Religious Order** | |  |  |  |  |  |  |  |  |  |  |
| **Other** | |  |  |  |  |  |  |  |  |  |  |
| **Total** | |  |  |  |  |  |  |  |  |  |  |
| **21.** | | Please discuss any unusually large number of accounts or assets lost. | | | | | | | | | | |
|  | |  | | | | | | | | | | |

|  |  |
| --- | --- |
| **22.** | Indicate the # of clients & assets of tax-exempt accounts the *PRODUCT* has gained & lost: |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Gained** | **2018** | | **2019** | | **2020** | | **2021** | | **2022** | |
|  | **#** | **$** | **#** | **$** | **#** | **$** | **#** | **$** | **#** | **$** |
| **Public** |  |  |  |  |  |  |  |  |  |  |
| **ERISA** |  |  |  |  |  |  |  |  |  |  |
| **Taft-Hartley** |  |  |  |  |  |  |  |  |  |  |
| **Endowment** |  |  |  |  |  |  |  |  |  |  |
| **Foundation** |  |  |  |  |  |  |  |  |  |  |
| **Religious Order** |  |  |  |  |  |  |  |  |  |  |
| **Other** |  |  |  |  |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Lost** | **2018** | | **2019** | | **2020** | | **2021** | | **2022** | |
|  | **#** | **$** | **#** | **$** | **#** | **$** | **#** | **$** | **#** | **$** |
| **Public** |  |  |  |  |  |  |  |  |  |  |
| **ERISA** |  |  |  |  |  |  |  |  |  |  |
| **Taft-Hartley** |  |  |  |  |  |  |  |  |  |  |
| **Endowment** |  |  |  |  |  |  |  |  |  |  |
| **Foundation** |  |  |  |  |  |  |  |  |  |  |
| **Religious Order** |  |  |  |  |  |  |  |  |  |  |
| **Other** |  |  |  |  |  |  |  |  |  |  |
| **Total** |  |  |  |  |  |  |  |  |  |  |

|  |  |
| --- | --- |
| **23.** | For this Product, please discuss any unusually large number of accounts or assets lost. |
|  |  |

1. **Characteristics of Proposed Product**

|  |  |
| --- | --- |
| **1.** | Indicate the target investment allocation percentages for the submitted product. |

|  |  |
| --- | --- |
| Direct Corporate Lending |  |
| Consumer Lending |  |
| Real Estate Lending |  |
| Rescue Finance |  |
| Specialty Lending |  |
| Other (please specify) |  |

|  |  |
| --- | --- |
| **2.** | Describe the legal structure of the product. |
|  |  |
| **3.** | What is the target soft close for this product? |
|  |  |
| **4.** | Please describe the proposed product’s strategy. |
|  |  |
| **5.** | When was the strategy established and has it changed in the last five (5) years? |
|  |  |
| **6.** | Describe the firm’s competitive advantage in this strategy and how it will be sustained. |
|  |  |
| **7.** | Describe the members of the investment team and their roles in managing this product. |
|  |  |
| **8.** | Please provide the percentage and dollar amount invested by the General Partner. |
|  |  |
| **9.** | Will the General Partner act as a fiduciary? How is the General Partner’s interest aligned with the investors? |
|  |  |
| **10.** | What is the Target volatility of this product? |
|  |  |
| **11.** | Describe the use of leverage in this product. |
|  |  |
| **12.** | How are securities in the portfolio valued and how frequently are they valued? |
|  |  |
| **13.** | How frequently is the portfolio valued? |
|  |  |
| **14.** | How does the firm source investment opportunities? |
|  |  |
| **15.** | Describe the asset allocation methodology. |
|  |  |
| **16.** | Please describe the qualitative & quantitative characteristics used for portfolio construction in detail |
|  |  |
| **17.** | Explain how existing investments are monitored. |
|  |  |
| **18.** | Detail your process for subscriptions and redemptions. |
|  |  |
| **19.** | What information is provided to investors of this product? |
|  |  |
| **20.** | Describe the performance measurement that is provided to investors. Please include copies of sample reports. |
|  |  |
| **21.** | Will an investor be subject to UBTI? If so, please elaborate. |
|  |  |
| **22.** | Identify the professionals used for this product (attorney, auditor, etc.). |
|  |  |
| **23.** | Describe the relationship, if any, between the professionals used in this product. |
|  |  |
| **24.** | Provide a copy of the offering memorandum and/or subscription agreement for the product. |
|  |  |
| **25.** | Provide the names, titles and contact information for five (5) references for the product. |
|  |  |
| **26.** | Has the firm entered into any side letter arrangements with any limited partners? If so, please describe. If not, does the firm anticipate doing so? |
|  |  |
| **27.** | What is the estimated number of portfolio investments? Is there a maximum dollar amount in any investment? |
|  |  |
| **28.** | How does the strategy manage default risk? |
|  |  |
| **29.** | Please provide the annual dollar amount, number of defaults, and percentage defaults in your funds for the last five years. |
|  |  |
| **30.** | Where in the capital stack does the strategy seek to invest? |
|  |  |
| **31.** | Please provide the target industry allocation, country allocation and vintage year allocation for the product. |
|  |  |
| **32.** | What are the policies for allocation of expenses to the fund vs. the firm? Provide a dollar amount and break down for the three previous funds. |
|  |  |

1. **Due Diligence**

|  |  |
| --- | --- |
| **1.** | Describe the due diligence process. This should include: a detailed explanation of staff members and their responsibilities in the process, criteria for accepting or rejecting investments, legal due diligence, use of any third parties, etc. |
|  |  |
| **2.** | Please provide a copy of the firm’s past two (2) years of deals and commitments. |
|  |  |
| **3.** | Please provide a sample due diligence questionnaire. |
|  |  |
| **4.** | Please provide a sample analysis for an approved commitment and one for a declined commitment. |
|  |  |
| **5.** | How many deals does the team underwrite in a given year? |
|  |  |
| **6.** | Does the firm have an investment committee? If so, please describe how decisions are made. |
|  |  |
| **7.** | Is consensus needed for investment decisions or a simple majority? |
|  |  |
| **8.** | What is the typical investment commitment ($mm and % of total of the Fund)? |
|  |  |
| **9.** | How much transparency do you provide your clients? |
|  |  |
| **10.** | Please discuss the current market opportunity. How is it different from the environment from prior funds? |
|  |  |

1. **Risk Management**

|  |  |
| --- | --- |
| **1.** | Describe the risk management procedures. |
|  |  |
| **2.** | Who is responsible for risk management (please provide their background)? |
|  |  |
| **3.** | Describe risk management technology. |
|  |  |
| **4.** | Describe the back-office procedures and staffing. |
|  |  |
| **5.** | How would you describe your process for increasing recovery rates, in the case of credit default? |
|  |  |
| **6.** | How have risk protections changed since the inception of you company? |
|  |  |

1. **Personnel**

|  |  |
| --- | --- |
| **1.** | In the table below, indicate the appropriate number of employees employed in each category for the firm. |

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2020** | **2021** | **2022** |
| **Senior Investment Professionals** |  |  |  |
| **Junior Investment Professionals** |  |  |  |
| **Finance/Accounting** |  |  |  |
| **Marketing/Client Services** |  |  |  |
| **IT/Technical Support** |  |  |  |
| **Administration/support** |  |  |  |
| **Other** |  |  |  |
| **Total** |  |  |  |

|  |  |
| --- | --- |
| **2.** | In the table below, please provide further details of your professionals. Include a detailed biography, responsibilities and funds managed by each person (this information may be included in an appendix). Identify the professionals who will be assigned to this account. |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name** | **Title** | **Responsibilities** | **Years with firm** | **Years of Private Equity Experience** |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

|  |  |
| --- | --- |
| **3.** | In the last Five (5) years, how many professionals have left the firm or private credit group for any reason? Please Elaborate on their responsibilities and the reason for their departure. Were any of the departures from the investment team that manages the proposed product? |
|  |  |
| **4.** | Describe the method of compensation for your professionals. Please include information on equity ownership interests, carried interest, long-term incentive plans, etc. |
|  |  |
| **5.** | Please describe any non-compete clauses that exist for key investment personnel. |
|  |  |
| 6. | How are fees and carried interest allocated among employees? Are any individuals or business entities not employed by the firm included? |
|  |  |

1. **Performance**

|  |  |  |
| --- | --- | --- |
| **1.** | Is the firm in compliance with the CFA Institute’s Standards? |  |
| **2.** | Please provide details of the independent verification by outside auditors. | |
|  |  | |

|  |  |
| --- | --- |
| **3.** | Please complete the table with information for the proposed Fund as well as all previous Funds. |

**Fund Record as of 06/30/23**

**(If additional room is required, please extend this chart as necessary)**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Name of Fund | Fund Size | Vintage Year | Fund Type | # of Investments | Unrealized Fair  Market Value | Realized  Gains/Losses | Total Realized &  Unrealized Value | Gross  IRR | Net  IRR | MOIC/TVPI\* |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |

\*TVPI represents the ratio of total value (cumulative distributions plus residual value) to paid-in capital, MOIC represents the multiple of invested capital

|  |  |
| --- | --- |
| **4.** | Please explain all IRR calculations and provide supporting data. |
|  |  |
| **5.** | Please provide the benchmarks for the submitted product and explain why they are appropriate. |
|  |  |

**The rest of this document should be separated from the RFP and included as a separate “fees.doc” file.**

1. **Fee Structure**

|  |  |  |  |
| --- | --- | --- | --- |
| **1.** | Please state the firm’s fee structure **(Include all carried interest, preferred return, management fees, incentive fees, etc.).** | | |
|  |  | | |
| **2.** | Please provide a sample fee schedule for the life of the fund or 10 years. Explain the assumptions used to make the schedule. | | |
|  |  | | |
| **3.** | Is the fee structure negotiable? |  | |
| **4.** | What is the minimum account size? | |  |
| **5.** | What is the lock-up period? | |  |
| **6.** | Provide the full fund closings schedule (include past closings, all anticipated future closings, and final closing) | |  |
| **7.** | What is the interest charge to investors in subsequent closings? | |  |
| **8.** | Describe your redemption policy. | | |
|  |  | | |