



PERA

Public Employees
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of New Mexico

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INVESTED IN TOMORROW.

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Questions received in connection with the 2016 Listed Infrastructure RFP

QUESTION 1:

In reviewing Appendix F, Sample Professional Service Agreement, our legal department has asked to see a document referenced as “Exhibit C” that I cannot find in the issued RFP. I have highlighted the reference in the attached PDF. Are you able to provide a sample of this for us to review during the RFP response period?

ANSWER 1:

Exhibit C - Management Fee Agreement, of the Professional Service Agreement will be produced when the contract negotiations between the Offeror and New Mexico PERA are initiated.

QUESTION 2:

The lettering in Appendix E – Fee Proposal, goes from B to D, skipping C on page 40. Please confirm this is a simple error and there is not a question missing from the RFP we should respond to.

ANSWER 2:

We apologize for the clerical error. The information provided is complete and there is not a missing question.

QUESTIONS 3:

Clarification on the flexibility to make revisions?

It is unclear from the RFP how much scope there is to make changes to the standard contract – on p. 9 it says “PERA will not accept any terms and conditions that change the terms and conditions . . . in the sample contract”. If true, that would mean we cannot make any changes. However, the last sentence of the same paragraph on p. 9 says “PERA will not accept substantive changes to the indemnification or jurisdictional terms and conditions of the sample contract”; the need to specifically call out those two sections in the sample contracts suggests that there is some flexibility to make some changes to the other provisions in the sample contract. Is that assumption correct?

ANSWER 3:

Flexibility to make changes to the Professional Service Agreement are limited.

QUESTION 4:

On p. 47, the sample contract references Exhibit E (The Contractor's Warranties to PERA), but I do not see this in the RFP. We will need to review before we can agree to a sample contract. Is there a way to get a copy or sample of this?

ANSWER 4:

New Mexico PERA has provided a sample of Exhibit E - The Contractor's Warranties to PERA, for review. Please refer to page 4 of this document.

QUESTION 5:

[Page 6, Section III. Scope of Work, 2nd paragraph] The RFP states that "The proposed products should minimize the use of energy-related master limited partnerships (MLPs), as PERA maintains a separate allocation to MLPs."

Please clarify New Mexico's preferred allocation to MLPs. Is the preference to always have a 0% allocation to MLPs, excluding them altogether for this mandate? If not, will New Mexico recommend a preset range that managers will have to adhere to and if so, what would that range be? We run two global listed infrastructure strategies: one that excludes MLPs at all times and one that includes a 0-25% allocation to MLPs. We would appreciate guidance as to which strategy we should put forth for consideration.

ANSWER 5:

We will accept a 0-10% allocation to Master Limited Partnerships.

QUESTION 6:

[Page 6, Section III. Scope of Work, 2nd paragraph] The RFP states that "PERA will support the hedging of non-US currency exposure in any products proposed."

Are you seeking an investment manager who will potentially hedge on New Mexico's behalf or does New Mexico intend to hedge on their own internal desk or utilize a third party provider?

ANSWER 6:

Proposals that employ hedging strategies will be considered, however, those strategies will be fully employed by the Offeror, as PERA does not execute internal hedging. Hedging is at the discretion of Offeror.

QUESTION 7:

[Appendix D, Warranties - page 38]

Are we required to sign Appendix D, Warranties and submit it with the final RFP response?

ANSWER 7:

Appendix D - Warranties, is required to be signed and submitted with all final RFP responses.

QUESTION 8:

While the dates in the questionnaire call for data as of 9/30/15, would it be advisable to also include 12/31/15 data?

Question 2, pp. 21

Question 4, pp. 22

Section N. Exhibits - C. Performance

ANSWER 8:

We would appreciate performance data, as of December 31, 2015. However, in an effort to remain consistent in data evaluation, we ask that each Offeror ensure all eVestment Alliance data has been successfully submitted through September 30, 2015.

WARRANTIES
LISTED INFRASTRUCTURE
INVESTMENT MANAGEMENT SERVICES

Contractor agrees to the incorporation of the following warranties in any contract entered into with PERA:

- A. Contractor warrants that it is registered as an investment advisor under the Investment Advisors Act of 1940 and that it shall maintain such registration at all times during the term of the contract (unless exempt and explanation of exemption is attached).
- B. Contractor warrants that it meets or will meet before the award of a contract the bonding requirement provided by Section 412 of the Employment Retirement Income Security Act of 1974 (ERISA) or that it carries at least an equivalent fidelity bond applicable to Contractor's actions under the Contract (unless exempt, and explanation of exemption is attached).
- C. Contractor warrants that it will not delegate its fiduciary responsibilities assumed pursuant to the Contract.
- D. Contractor warrants that it has completed, obtained, and performed all registrations, filings, approvals, authorizations, consents or examinations, required by a government or governmental authority, including the State of New Mexico, for acts contemplated by the Contract.

Authorized Signature

Date

Title

Name of Firm