



State of New Jersey

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TO: All Interested Bidders

DATE: October 18, 2021

RE: **Request for Proposals for Private Equity and Real Assets
Investment Consulting Services**

ADDENDUM #1

The following constitutes Addendum #1 to the above referenced solicitation. This addendum contains the following:

Answers to questions.

ALL published documents have been updated to reflect any changes as of the date of this addendum.

It is the bidder's responsibility to ensure that all changes are incorporated into their RFP submissions.

All other instructions, terms and conditions of the RFP shall remain the same.

Answers to Questions

Question #	Section	Question	Response
1	Section 1.1	Do you anticipate participating in direct co-investments outside of a fund structure?	No
2	Section 1.1	Would you have any interest in outsourcing the PE portfolio to gain efficiencies in the market?	Outsourcing the Private Equity portfolio is not included in this RFP.
3	Section 1.1	Are you interested in exploring opportunities in venture capital?	Venture capital strategies are included in the Private Equity portfolio.
4	Section 1.1	Do you have a preference for hiring a single advisor across all strategies or will you consider providers bidding on single asset class mandates?	We will consider providers bidding on either Private Equity only or Real Assets only, or both together.
5	Section 1.1	Why is the search being conducted at this time?	The current consulting contracts are scheduled to expire.
6	Section 1.4	Does the plan currently utilize a real assets consultant? If so, which firm is it?	Aksia TorreyCove
7	Section 1.4	Are the services for primary and secondary private equity services?	Yes

8	Section 1.6.4	Section 1.6.4. Page 10. After the Notice of Intent to Award is issued, we understand each RFP proposal will be made available to the public. Before releasing the RFP proposal to the public, will you exclude or redact those portions of the RFP proposal where bidder has designated (in good faith and with a legal and factual basis) that the information is exempt from public disclosure? Would DOI like us to submit a redacted copy, and if so, in which format?	DOI will redact portions of the proposal that are not subject to disclosure pursuant to the provisions of the New Jersey Open Public Records Act. DOI is not requesting a redacted copy of the proposal at this point.
9	Section 2.2	Section 2.2. Page 14. Clarification of credit strategies included under Private Equity and thus the mandate. We are aware DOI retains a consultant for credit. Is the “Global Diversified Credit” portfolio from the May 2021 Investment Reporting packet from your website included in this mandate or the credit consultant’s? Please explain how DOI expects the PE and RA consultant to advise on credit vs your existing credit consultant.	The credit strategies within the Private Equity portfolio and as part of this mandate include Distressed Debt (for control) and Mezzanine strategies. The Global Diversified Credit portfolio is not included in this mandate. DOI considers Private Credit to include the Global Diversified Credit portfolio, Credit-Oriented Hedge Funds and public BDCs and debt ETFs. DOI does not expect the Private Equity and/or Real Assets consultant to advise on Private Credit as defined above.
10	Section 3.1	What are the commitment pacing expectations for 2022 private equity?	This would be determined in conjunction with the Private Equity consultant. The Pension Plan currently is around \$94 billion, has a target allocation to Private Equity of 13% and is underweight target. Based on information disclosed during the March 2021 SIC meeting, the pacing budget for 2022 for Private Equity at that time was \$1.625 billion.
11	Section 3.1.1	Are you looking for your consultant to drive manager idea generation or do you expect staff to source managers which the consultant will then underwrite?	We employ both of those approaches in working with our consultants.

12	Section 3.1.2	Section 3.1.2 Page 15. Can you share the name of your risk aggregator and custodian and any specific services they provide for these portfolios? We ask due to Section 3.1.4.B – the report should include “exposures vs. the benchmark.” Would the consultant be using exposures collected by the risk aggregator and / or custodian? Does the risk aggregator collect portfolio company / deal level information on your PE and RA or is the consultant expected to do so? What return methodology is employed by DOI’s custodian? Does the contemplated reporting services include any involvement in setting up wires or cash payments to support capital call processing? Any information you can share about these two other service providers and their contracted services would be helpful to understand.	DOI engaged Burgiss/Caissa as Risk Aggregator to assist with exposure and performance analysis. State Street is the custodian for DOI. Both the risk aggregator and the asset consultant are expected to independently collect the data needed for exposure analysis and reporting. DOI currently reports performance on our accounting book of record. Reporting services for this mandate do not include setting up wires or cash payments. Additional information about the service providers will be provided during onboarding of the asset consultant(s).
13	Section 3.1.3.2	Section 3.1.3.2. Page 17. On average or based on a range, how many annual commitments does DOI plan to make across both portfolios?	We expect to make meaningful commitments across a select number of opportunities. This would be determined in conjunction with the consultant, and as a function of our pacing, diversification, resources, etc.
14	Section 3.1.3.2 C	Are there any expected changes to NJ DOI’s current approach to co-investments?	There is a potential to expand the size of the co-invest program, but there is no near-term expected change to investing alongside strategic partners (such as BlackRock and Neuberger Berman) and in side-car vehicles alongside existing GPs.
15	Section 3.1.4	Based on the structure of your performance report, we would like to understand if private debt (specifically distressed debt, mezzanine, special situations) falls within the purview of the private equity portfolio mandate?	The Private Equity portfolio includes Distressed Debt (for control), Mezzanine and Special Situations as disclosed in the Monthly Director's Report on our website. These strategies are included in the Private Equity portfolio mandate.
16	Section 3.1.4 J	Section 3.1.4 J Page 18. By “review” do you mean collect and report management fees and carried interest paid or are you also seeking fee validation / reconciliation services on the fees NJDOI paid to its managers? We assume the latter, but would like to confirm.	We are seeking a review of management fees, partnership expenses and carried interest for validation that these items are in alignment with the terms of the limited partnership.

17	Section 3.1.4 K	The scope indicates that the primary consultant should base performance on cash flows received from DOI's custodian. However, the custodial data generally does not provide sufficient detail to accurately capture activity such as fees and recallable returns of capital, changes in unfunded commitments levels, etc., so should the primary consultant plan to use data from manager capital call notices and fund financials and then reconcile to custodial data?	Yes.
18	Section 3.1.4 N	Can NJ DOI provide a sample of your ESG scoring, D&I reporting and MWBE tracking?	As part of the onboarding process, this will be made available after the contract is awarded.
19	Section 3.1.6	Section 3.1.6. Page 19. AGM attendance – can the consultant attend these virtually?	Yes
20	Section 3.2	Section 3.2 Page 19. We interpret that the Secondary Consultant's role is to fill gaps if the Primary Consultant cannot perform them. We do not believe we are a fit for the Secondary Consultant mandate as described and pricing. Should we make it clear in our bid that we should only be considered for the Primary Consultant role?	The Secondary Consultant's services are detailed in Sections 3.2.1 through 3.3. Submitted proposals can indicate consideration for primary and/or secondary consultant services.
21	Section 4.6.1	Section 4.6.1 Page 25. Our company is based in the United States, however, to help advise clients, our company uses consultants, inputs and resources supplied by our affiliates located outside of the United States. Would the DOI consider our company arrangement to cause the consulting services to be provided outside of the United States?	Yes.

22	Section 5.5.B	Section 5.5.B Page 30. We would be happy to provide a temporary login to our client portal under an NDA. Should we send our form NDA to this email address?	If required, DOI will execute an NDA on mutually agreeable terms.
23	Section 5.6.N	Section 5.6.N page 32. Can you provide your definition of "Deal Team"? We assume this would be Investment Due Diligence but would like to confirm.	This procurement is exclusively for separate accounts.
24	Admin	Are the incumbent(s) invited to rebid?	Yes.
25	Admin	When does the division hope to wrap up the search?	DOI expects to receive all bids by mid-November
