

Illiquid Investments Advisor

Request for Proposal

Issued October 2, 2017

Revised October 12, 2017



Orange County Employees Retirement System (OCERS)

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<http://www.ocers.org>

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Section 1: Introduction

The Orange County Employees Retirement System (“OCERS”) is issuing this Request for Proposal (“RFP”) to solicit proposals from qualified firms to provide consulting services for investments in illiquid assets. In general, the firm selected as a result of this RFP will provide strategic advice, source investments, conduct due diligence, report and monitor the illiquid assets portfolio, collaborate with OCERS’ Staff and Investment Committee, and attend meetings as needed.

OCERS was established in 1945 under the provisions of the County Employees Retirement Law of 1937, and provides members with retirement, disability, death, and cost-of-living benefits. There are approximately 42,000 members served by OCERS, of which over 15,000 are retirees. The OCERS Investment Committee is comprised of all the members of the Board of Retirement. The Board of Retirement has nine members, four of whom are appointed by the County’s Board of Supervisors, four are elected by the active members of OCERS, and one, the County Treasurer, who serves as an ex officio member. There is also one elected alternate member. The Board has plenary authority and fiduciary responsibility for the investment of assets of the pension fund and administration of the retirement system. OCERS has approximately 75 employees at one physical location, 2223 E. Wellington Ave., Suite 100, Santa Ana, CA 92701.

Section 2: General Information

All terms, conditions, requirements and procedures included in this RFP must be met for a response to be qualified as complete. A submission that fails to meet any material term, condition, requirement or procedure of this RFP may be disqualified. OCERS reserves the right to waive or permit cure of non-material errors or omissions. OCERS reserves the right to modify, amend, or cancel the terms of the RFP at any time. All responses must be submitted in accordance with the specific terms of this RFP. The submission requirements for this RFP are set forth below. A proposal shall constitute an irrevocable offer for 180 days following the deadline for submission of proposals to this RFP. Reference to a certain number of days in this RFP shall mean business days unless otherwise specified.

If a firm responding to this RFP discovers an ambiguity, conflict, discrepancy, omission or other error in this RFP, notice should be provided to RFP4Investments@ocers.org. OCERS is not responsible for, and has no liability for or obligation to correct any errors or omission in this RFP.

Section 3: OCERS' Point of Contact

From the date of issuance of this RFP until the selection of one or more Respondents is completed and announced, Respondents are not permitted to communicate with any OCERS Staff member or Committee Member regarding this RFP, except through the Point of Contact named herein. Respondents violating the communications prohibition may be disqualified at OCERS' discretion. Respondents having current business with OCERS must limit their communications to the subject of such business.

The Point of Contact for questions and all matters relating to this RFP is:

Name:	Julius Cuaresma
Title:	Investment Staff Specialist
Address:	OCERS 2223 E. Wellington Ave., Suite 100 Santa Ana, CA 92701
Telephone:	(714) 569-4874
Email:	RFP4Investments@ocers.org
OCERS Website:	www.OCERS.org
Updates / Status:	See the OCERS website for status of the RFP and announcements. These items can also be found here: http://www.ocers.org/rfp/requestforproposal.htm

Section 4: Submission of Proposals

It is the responsibility of the Respondent to ensure that the proposal arrives on or before the specified time and date. Failure to comply with this provision will result in disqualification of the RFP response. Proposals must be submitted to OCERS by 5 p.m. (Pacific Time Zone) by the due date stated below in the [RFP Calendar](#).

Proposals may be submitted electronically in Microsoft Word or Adobe Acrobat PDF format to the email address noted in [Section 3](#). In addition, Respondent must also submit one (1) hard copy of its proposal.

Note that responses will be subject to disclosure to the public upon written request under the California Public Records Act. See [Section 12: Notice Regarding the California Public Records Act and the Brown Act](#) later in this document for additional information.

Section 5: Proposal Requirements

Proposals must include the following information:

1. A cover letter providing:
 - a. A statement affirming that the signatory is empowered and authorized to bind the Respondent to an agreement with OCERS and that signatory represents and warrants that the information stated in the proposal is accurate and may be relied upon by OCERS in considering and potentially accepting the proposal.

- b. Respondents are invited to submit proposals for any one, combination or all of the Illiquid Investments Advisory Services described in [A. Description of Consulting Services Sought](#). However, the proposal ***must clearly identify the intended service offering(s) in the cover letter of the submission.***
2. An Executive Summary that provides the Respondent's background, experience and other qualifications to provide consulting services, specifically responding to the following: What are Respondent's specialties and strengths? What differentiates Respondent from its competitors? What are Respondent's limitations? Why should OCERS hire Respondent rather than its competitors? Please list Respondent's top five (5) competitors. What illiquid investments advisory services are you responding for?
3. The completed response should also include:
 - a. [Appendix A \(Minimum Qualifications Compliance\)](#)
 - b. [Appendix B \(Signature Page\)](#)
 - c. [Appendix C \(Response to Questionnaire\)](#)
 - d. [Appendix D \(Fee Proposal Form\)](#)
 - e. [Appendix E \(Form of Professional Services Agreement\)](#)
 - f. [Appendix F \(Reports\)](#)

Section 6: Review and Evaluation Criteria

Respondents will be evaluated in the sole discretion of OCERS based upon the following factors:

1. Whether Respondent meets all the minimum qualifications as specified in [C. Minimum Qualifications](#).
2. Proposal evaluation
 - Quantitative and qualitative research capabilities
 - Depth, breath, and experience of the team proposed to provide services to OCERS
 - Access to premier general partners
 - Investment philosophy
 - The organization, completeness, and quality of the proposal, including cohesiveness, conciseness, and clarity
 - Pricing and value

The factors will be considered as a whole, without a specific weighting. The balancing of the factors is in OCERS' sole discretion. Factors other than those listed may be considered by OCERS in making its selection. OCERS reserves the right in its discretion to request additional information from any Respondent, although such requests may not be made to all Respondents.

OCERS reserves the right to require one or more interviews with or personal presentations by finalists to be conducted with OCERS' Staff, some of the Investment Committee Members, and/or the entire Investment Committee.

Section 7: Right to Reject Proposal

By submitting a proposal, Respondents acknowledge that they have read this RFP, understand it, and agree to be bound by its requirements unless clearly and specifically noted in the proposal. OCERS reserves the right without prejudice to reject any and all proposals. OCERS reserves the right to modify the terms and

requirements of this RFP. Any such changes or corrections will be posted on OCERS’ website, available at www.ocers.org.

Section 8: Incomplete Proposals

If the information in the proposal is deemed to be insufficient for evaluation, OCERS reserves the right to request additional information or to reject the proposal outright. False, incomplete, or unresponsive statements in connection with a proposal may be sufficient for its rejection. The selection of the fulfillment of the requirements will be determined by OCERS and such judgment shall be final.

Section 9: Schedule of Events

Respondents are encouraged to communicate any questions regarding this RFP by the deadline stated below in the RFP Calendar. Questions should be sent in writing via email to RFP4Investments@ocers.org

Questions and answers will be communicated to all Respondents by posting a Questions Response Document on OCERS’ website by the date stated in the RFP Calendar. OCERS reserves the right to modify this schedule at any time.

RFP CALENDAR

Deliverable	Date	Time
Release of RFP	October 2	5:00 pm (PDT)
RFP Questions Deadline	October 13	5:00 pm (PDT)
RFP Answers Posted	October 19	5:00 pm (PDT)
RFP Submission Deadline	October 31	5:00 pm (PDT)
OCERS’ Review of RFP Submissions	November 1 - November 17	
Semi-finalist presentations at OCERS	December 4 - December 8	
Finalist on-site due diligence meetings	January 2018	
Finals presentation at Investment Committee meeting	February 2018	

Section 10: Addendum

OCERS may modify this RFP prior to the date fixed for submission by posting, mailing, or emailing an addendum to the Respondents known to be interested in submitting a proposal. If any Respondent determines that an addendum unnecessarily restricts its ability to bid, it must notify OCERS in writing no later than three days before the deadline for submitting bids. Failure of a Respondent to receive or acknowledge receipt of any addendum shall not relieve the Respondent of the responsibility for complying with the terms thereof.

Section 11: Non-Discrimination Requirement

By submitting a proposal, the Respondent represents that it and its subsidiaries do not and will not discriminate against any employee or applicant for employment on the basis of race, religion, sex, color, national origin, sexual orientation, ancestry, marital status, physical condition, pregnancy or pregnancy-related conditions, political affiliations or opinion, age, or medical condition.

Section 12: Notice Regarding the California Public Records Act and the Brown Act

All proposals submitted in response to this RFP will become the exclusive property of OCERS. Proposals will not be returned to the Respondent and will be subject to public disclosure pursuant to the California Public Records Act (California Government Code Sections 6250 et. seq., the "Act"). The Act provides generally that all records relating to a public agency's business are open to public inspection and copying, unless specifically exempted under one of several exemptions set forth in the Act.

If a Respondent believes that any portion of its proposal is exempt from public disclosure under the Act, such portion must be marked "TRADE SECRET," "CONFIDENTIAL," or "PROPRIETARY." OCERS will not publicly disclose any portions so designated, provided that such designation is, in OCERS' reasonable discretion, consistent with applicable law. Proposals marked in their entirety as "TRADE SECRET," "CONFIDENTIAL," or "PROPRIETARY" will not be honored, and OCERS will not deny public disclosure of all or any portion of proposals so marked. By submitting a proposal with specifically selected portions marked "TRADE SECRET," "CONFIDENTIAL," or "PROPRIETARY" Respondent represents that it has a good faith belief that such material is exempt from disclosure under the Act, and Respondent agrees to reimburse OCERS for, and to indemnify, defend and hold harmless OCERS, its officers, fiduciaries, employees and agents from and against: (a) any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs and expenses including, without limitation, attorneys' fees, expenses and court costs of any nature whatsoever (collectively, "Claims") arising from or relating to OCERS' non-disclosure of any such designated portions of Respondent's proposal; and (b) any and all Claims arising from or relating to OCERS' public disclosure of any such designated portions of Respondent's proposal if OCERS reasonably determines disclosure is deemed required by law, or if disclosure is ordered by a court of competent jurisdiction.

In addition to the foregoing, the OCERS Board and committee meetings are subject to California open-meeting requirements set forth in the Ralph M. Brown Act (Gov. Code §§ 54950-54962) (the "Brown Act"). Respondent's proposal and/or contract (if the Respondent is selected) may be presented or discussed at a public meeting of the OCERS Board (or at an Investment Committee meeting). Among other things, this means that, regardless of whether Respondent marks portions of its proposal as "TRADE SECRET," "CONFIDENTIAL," or "PROPRIETARY," that information may be discussed or presented at a meeting that is open to the public under the Brown Act.

Section 13: Engagement Agreement

OCERS will propose an engagement agreement ("Agreement") to the successful Respondent, which will contain such terms as OCERS in its sole discretion may require. In addition, the Selected Respondent ("Advisor") will agree that this RFP and the Respondent's response will be incorporated by reference into any resulting Agreement.

Section 14: General Conditions

This RFP is not an offer to contract. Acceptance of a proposal neither commits OCERS to award a contract to any Respondent even if all requirements stated in this RFP are met, nor does it limit OCERS' right to negotiate

the terms of an engagement agreement in OCERS' best interest, including requirement of terms not mentioned in this RFP. OCERS reserves the right to contract with a Respondent for reasons other than lowest price.

Failure to comply with the requirements of this RFP may subject the proposal to disqualification. Publication of this RFP does not limit OCERS' right to negotiate for the services described in this RFP. If deemed by OCERS to be in its best interests, OCERS may negotiate for the services described in this RFP with a party that did not submit a proposal. OCERS reserves the right to choose to not enter into an agreement with any of the Respondents to this RFP.

Section 15: Reservations by OCERS

In addition to the other provisions of this RFP, OCERS reserves the right to:

1. Cancel this RFP, in whole or in part, at any time.
2. Make such investigation as it deems necessary to determine the Respondent's ability to furnish the required services, and the Respondent agrees to furnish all such information for this purpose as OCERS may request.
3. Reject the proposal of any Respondent who is not currently in a position to perform the contract, or who has previously failed to perform similar contracts properly, or in a timely manner, or for any other reason in OCERS' sole discretion.
4. Waive irregularities, to negotiate in any manner necessary to best serve the public interest, and to make a whole award, multiple awards, a partial award, or no award.
5. Award a contract, if at all, to the Respondent which will provide the best match to the requirements of the RFP and the service needs of OCERS in OCERS' sole discretion, which may not be the proposal offering the lowest fees.
6. Reject any or all proposals submitted in response to this RFP.
7. Determine the extent, without limitation, to which the services of a successful Respondent are or are not actually utilized.
8. The information that a Respondent submits in response to this RFP becomes the exclusive property of OCERS. OCERS will not return any proposal or reimburse proposal preparation or submission expenses.

OCERS appreciates your time and looks forward to receiving your proposal.

All responses to this RFP must be submitted prior to the RFP Submission Deadline stated in the RFP Calendar to:

Orange County Employees Retirement System

Attention: Julius Cuaresma

2223 E. Wellington Ave., Suite 100

Santa Ana, CA 92701

A. Description of Consulting Services Sought

OCERS requests proposals for “Illiquid Investments Advisor Services,” defined as consulting services for the direct commitment of capital or funding for investments in less than liquid vehicles including without limitation limited partnerships, separate accounts, funds of one and/or commingled vehicles within the global equities, credit and real assets asset categories.

The purpose of this RFP is to select an Investment Advisor instead of an active manager of any portfolio, fund of illiquid assets or funds of funds. OCERS will consider proposals for one or more of the following services: (1) a full service Illiquid Investments Advisor, (2) an Advisor for various illiquid investments only, or (3) an Advisor for a specific category of illiquid investments. OCERS will also consider proposals that are limited to specific illiquid investment categories, classes or types (e.g. illiquid credit strategies; or real assets including illiquid real estate, natural resources, timber, farmland, and infrastructure). The proposal must demonstrate that the Respondent is capable of providing advice and recommendations on all categories, classes or types of assets identified in the Respondent’s proposal. Proposals must specifically identify the scope of services offered under appropriate descriptive headings and any illiquid investment asset categories, strategies, or vehicles excluded from the services offered.

Respondents are invited to submit proposals for any one, combination or all of the Illiquid Investments Advisory Services described above. However, the proposal ***must clearly identify the intended service offering(s) in the cover letter of the submission.***

B. Common Components of Scope of Work and Deliverables

Regardless of the scope services proposed or the category, class or type of investments proposed, the proposal must address each of the components listed below. OCERS will consider additional components of work explained in the proposal that a Respondent believes to be necessary or advantageous to OCERS.

1. Strategic Illiquid Investments Advisory Services

- a. Provide ongoing recommendations concerning long-term investment policy, objectives and strategy for the illiquid assets portfolio that is consistent with OCERS’ Investment Policy.
- b. Prepare special analyses and/or research, as requested by OCERS’ Staff, to define goals and objectives, monitor portfolio risk, and model program cash flows/commitment pacing for the illiquid assets portfolios.
- c. Provide a rolling 24-month forward calendar for high conviction general partners by sub-strategy and geography.
- d. Provide a comprehensive analysis of OCERS’ current illiquid portfolio, including risk analysis, manager evaluations, and an action plan, if appropriate.
- e. Conduct and prepare comprehensive written research, analysis, and advice on specific investment issues, special projects or other activities, as requested.
- f. Appear as needed at Investment Committee meetings, or other meetings to: (i) present research, analyses, written reports and recommendations; and (ii) respond to questions relating to the illiquid asset portfolios or the illiquid asset market.
- g. Attend meetings with OCERS’ Staff, in order to provide advice and counsel on matters related to the illiquid assets portfolio, as needed.
- h. Coordinate and communicate with OCERS’ Staff about illiquid asset funds in the portfolio on an ongoing basis, in order to ensure the effective and successful administration of the illiquid asset

portfolios.

- i. Provide other consulting services ancillary to identification, analysis, and evaluation of goals, strategies, and objectives of illiquid assets portfolios.

2. Illiquid Asset Fund Investment Sourcing and Due Diligence

It is expected that the Advisor will assist OCERS' Staff with recommendations to the Investment Committee about sourcing and due diligence for illiquid asset fund investments. The fund sourcing and due diligence will include the following actions, at a minimum:

- a. Develop a proactive, structured process to: (i) analyze the full universe of available investments; and (ii) efficiently identify investments most advantageous to OCERS. This process will include detailed analysis of prospective investments identified by OCERS' Staff.
- b. Conduct due diligence on prospective investments that the Advisor or OCERS' Staff recommend for consideration. Due diligence will include evaluation of the prospective investment fund's history, team, performance, strategy, and operations. Present written recommendations to OCERS' Staff and Investment Committee which will include: (i) the results of the Advisor's due diligence; (ii) a discussion of strategic considerations; (iii) an analysis regarding how the recommendation fits within OCERS' illiquid assets portfolio; and, (iv) a detailed business review of the illiquid assets investment fund terms and fund documents. The due diligence investigation will also include operational evaluation of a prospective fund or manager's governance, organization, back office, accounting, risk, systems and valuation methodologies.
- c. Work with OCERS' Staff and legal counsel in the negotiation of investment contract terms and conditions.

3. Reporting and Monitoring of the Illiquid Assets Portfolio

In monitoring the portfolio, the Advisor must perform the following:

- a. Prepare Performance Evaluations Reports. Advisor shall use information provided by OCERS and, at OCERS' election, by State Street Bank, or such other custody bank as OCERS may designate from time to time (the "Custody Bank"), reflecting the activity and performance of each illiquid investment portfolio and illiquid asset class to prepare the following reports, analyses, and evaluations:
 - i. Advisor shall have full responsibility for monitoring and reporting investment performance on all illiquid investments and, will assist OCERS' Staff in deployment of internal procedures for supplemental monitoring and performance measurement of illiquid investments.
 - ii. Advisor shall provide written illiquid investment performance evaluation reports quarterly. The quarterly reports shall be completed and submitted within thirty days following the submission to the Advisor of accurate data by OCERS or, at OCERS' election, by the Custody Bank.
 - iii. Each quarterly report described in the previous paragraph shall include, at a minimum: allocation breakdown by geography, sector and industry; updates on each investment fund; listing of each investment fund by sector; date of commitment to each investment fund; commitment amount to each investment fund; draw-down amounts by investment fund; outstanding commitment by investment fund; distribution amounts by investment fund; investment fund NAVs; multiples by investment fund; the internal rate of return of each investment fund; and all items above aggregated for the total illiquid assets portfolio.

- iv. Each quarterly report described in paragraph (ii) shall also include: statistical and graphic data serving as the basis for the evaluation; narrative comments with respect to the performance and the data; including relevant observations with respect to market conditions, risk levels, management styles; and an executive summary of pension plan fund and investment portfolio performance.
 - v. Each quarterly report described in paragraph (ii) reports will include an analytical review of the illiquid investment portfolio, including returns and risk. The Advisor shall calculate the various rates of return, including time and dollar weighted averages, effective and market rates of return with rates of returns generated by a representative number of similar public pension plan funds, and shall compare those results with the rates of return generated by appropriate benchmark indices as determined for each portfolio, with the rates of return generated by the total fund, and with the rates of return generated by a representative number of other organizations managing comparable investments. The evaluation will also include performance attribution analysis for each portfolio.
 - vi. Advisor shall discuss each quarterly performance evaluation report with OCERS' investment Staff for review prior to presentation to the Investment Committee. The Advisor may, at OCERS' discretion, be asked to present each quarterly performance evaluation report to the Investment Committee at meetings specified by OCERS.
 - vii. Advisor shall prepare updates for quarterly Investment Committee meeting packets and other periodic reporting that OCERS may require.
- b. Reconcile all cash flows, net asset values, and investment data with the Custody Bank reports and records for accuracy.
 - c. Take responsibility for the timely review and analysis of key events that may affect the illiquid asset portfolios. This review and analysis shall cover, without limitation, market changes, changes in senior management, and substantial reductions in portfolio value. Monitoring will be conducted through surveillance of the media, communication with professional networks, and the systematic review of the reporting for the Funds.
 - d. Assist in any actions taken to protect the interests of OCERS as an investor, and interact, where necessary, with portfolio general partners to ensure individual fund compliance with contract terms.
 - e. Assist OCERS' Staff in attending partnership annual meetings, and, where appropriate, serve on advisory boards.
 - f. Review and recommend courses of action for all fund document amendments.

4. Physical Presence at Meetings

Advisor's representatives must attend:

- a. Quarterly Investment Committee meetings or more frequently as may be directed by OCERS;
- b. Annual Staff Retreat (couple of days during the Fall); and
- c. Meetings related to investment manager searches and site visits (as needed).

5. Collaboration with Investment Committee and Staff

Advisor must:

- a. Provide educational workshops to the Investment Committee on specific issues designated by OCERS and/or recommended by the Advisor.

- b. Provide comments and analysis on proposed federal and state legislation affecting the illiquid assets portfolio.
- c. Meet with OCERS' Staff quarterly, or as may be necessary from time to time, to review the illiquid portfolio, update OCERS' Staff regarding the current market/new issues and advise regarding improvements to the illiquid assets portfolios.

6. Collaboration with General Consultant Regarding Formulation and Review of Investment Goals, Objectives, and Policies

The Advisor shall collaborate with OCERS' general consultant in regards to providing ongoing advice and technical support in the establishment and refinement of portfolio strategic asset allocation, investment goals, objectives, and policies.

OCERS periodically engages the services of the general consultant and actuary to conduct an asset/liability modeling study. The asset/liability modeling study is on a project basis only. While the general consultant will take the lead on asset liability studies, the Advisor shall assist in any matter necessary and applicable. The Advisor must have demonstrated capabilities in this area.

7. Conflicts with OCERS' Staff and Consultants

Advisor shall, in its fiduciary capacity to OCERS, act at all times in the best interests of OCERS and the OCERS Fund. Advisor will collaborate with OCERS' Staff and its general consultant while avoiding conflicts of interest. The Advisor has the responsibility to advise OCERS and OCERS' other investment consultants if Advisor disagrees with recommendations made by other investment consultants under contract with OCERS. Notwithstanding any provisions contained in the Agreement between Advisor and OCERS to the contrary, the final decision of OCERS shall prevail. Advisor shall collaborate with OCERS' general consultant to provide timely reporting of the performance of OCERS' illiquid investments to be included in the calculation of OCERS' total fund performance.

8. Other

Conduct such services under the contract as may be reasonably asked of an Illiquid Investments Advisor by a public pension plan.

C. Minimum Qualifications

Certification Requirement

Each Respondent must certify, by no later than the deadline set forth in the RFP Calendar, that it meets all of the following minimum qualifications as of the date its proposal is submitted to OCERS. In order to certify, the Respondent shall complete, sign, and submit all forms required by this RFP. These documents include: [Appendix A \(Minimum Qualifications Compliance\)](#), [Appendix B \(Signature Page\)](#), [Appendix C \(Questionnaire\)](#), [Appendix D \(Fee Proposal Form\)](#), [Appendix E \(Form of Professional Services Agreement\)](#), [Appendix F \(Reports\)](#).

FAILURE TO MEET AND CERTIFY TO THE FOLLOWING SHALL RESULT IN THE REJECTION OF THE PROPOSAL FOR NON-RESPONSIVENESS.

List of Minimum Qualifications Compliance

1. Respondent must be a SEC-registered investment advisor or exempt from registration. If exempt, the Respondent must explain the nature of their exemption from registration.
2. Respondent must meet the following minimum client base and experience requirements as of June 30, 2017:
 - a. Respondent must have at least five (5) defined benefit pension plan clients, of which three (3) are public pension plans with total plan assets of at least \$5 billion each.
 - b. Respondent must have five (5) years' experience in providing investment consulting services to U.S. tax-exempt clients with total plan assets of at least \$5 billion.
 - c. Respondent proposing investment consulting services for illiquid asset classes must have five (5) years' experience providing direct investment and due diligence consulting to a U.S. tax-exempt client with total assets of at least \$5 billion.
 - d. In lieu of compliance with 2b. and 2c., OCERS would also consider if key members of the team have worked together for five (5) years at a firm other than the Respondent firm, with a visible track record and client references in providing investment consulting services:
 - i. To U.S. tax-exempt clients with total plan assets of at least \$5 billion; and
 - ii. For illiquid asset classes, providing direct investment and due diligence consulting to a U.S. tax-exempt client with total assets of at least \$5 billion.
3. Other Requirements. Respondent must:
 - a. Acknowledge that in the event that it is awarded a contract under this RFP, Respondent will be disqualified from serving as an active manager of any portfolio, including without limitation an illiquid assets fund or fund of funds for OCERS. This will not be applicable to commitments made prior to awarding of the advisory services contract.
 - b. If Respondent is advanced to the semi-finals stage; OCERS is willing to sign a non-disclosure agreement (NDA) to allow the Respondent to share a pro-forma of general partners that would be made available to OCERS and OCERS will have the liberty to confirm access to such general partners.
 - c. Agree to be a fiduciary to OCERS as that term is defined by the laws and rules governing the OCERS' Retirement Board.
 - d. Disclose annually to OCERS any revenues, income, fee breaks, soft dollars, hotel and travel expense, or other items of significant monetary value received by the Advisor or any affiliates from investment managers, general partners, brokerage firms, investment banks or other financial services businesses.
4. Respondent must agree to keep the proposal open for a period of not less than 180 days from October 31, 2017.
5. The Agreement will incorporate terms and provisions that are materially similar to those included in the Form of Professional Services Agreement attached to this RFP as [Appendix E](#).
6. Respondent must agree to submit a fee proposal with its proposal on the form provided in [Appendix D](#).

D. Questionnaire

I. ORGANIZATION

1. Identify the location of the main office and any satellite offices globally.
2. State the Respondent's mission statement and philosophy.
3. Provide a brief history of the Respondent and its operations, including the year formed, ownership structure, and any ownership changes that occurred during the past five (5) years. Note any anticipated changes to the Respondent's corporate or organizational structure.
4. List the Respondent's lines of business and the approximate contributions of each business to Respondent's total revenue. If Respondent is an affiliate or subsidiary of an organization, what percentage of the parent firm's total revenue does the subsidiary or affiliate generate?
5. Provide details on the financial condition of the Respondent (include debt/equity and debt/total assets, and other pertinent ratios). Attach Respondent's current audited financial statement.
6. Describe the levels of coverage for errors and omissions insurance and any other fiduciary or professional liability insurance Respondent carries. List the insurance carriers supplying the coverage and supply certificates evidencing the coverage.
7. Provide a brief description of any past or pending regulatory action, litigation, legal proceeding or other investigation involving Respondent or any of its affiliates or parent, or any registered employees and/or principals as defendants in the last five (5) years. Where applicable, provide an explanation and indicate the current status or disposition of the proceedings.
8. Provide an organizational chart of the Respondent and describe the relationship between each component and the consulting group. The chart should include the positions and functions of all professionals in the organization.
9. Identify the key personnel and their roles within the organization including a summary of years with Respondent and prior experience.
10. Provide a brief description of Respondent's plans for growth over the next three (3) to five (5) years, such as new client assets, personnel composition, succession planning, and additional firm services.
11. Does Respondent have a written code of conduct or a set of standards for professional behavior? Has Respondent adopted the CFA Code of Ethics and Standards of Professional Conduct? How is employee

compliance monitored? Please describe findings of the most recent compliance review. Include a copy of Respondent’s written code of conduct if the CFA Code is not used.

12. Describe the key features of Respondent’s business continuation and disaster recovery plans.

13. Complete the chart below:

Mandate Type	# of Clients	Market Value	Uncalled Commitments	Target Annual Commitments
Monitoring/Reporting Accounts				
Non-Discretionary Accounts				
Discretionary Accounts				
Commingled Funds/Funds of Funds				
Secondary Funds/Accounts				
Other				

14. Provide a list of full-retainer clients lost or gained during the past three (3) years, including consulting AUM. Give the reasons for any terminations or resignations.

15. Provide a list of all public fund clients, including the size of the fund and the length of serviced provided to them by Respondent.

II. ADVISOR TEAM INFORMATION

16. For each primary and backup person/team member Respondent proposes to assign to OCERS’ account, provide a resume or biography and the following information:

- a. Description of his or her primary role
- b. Description of current position and responsibilities
- c. Tenure at firm
- d. Areas of expertise and experience
- e. Education and professional designations and memberships
- f. Relevant publications and presentations
- g. The number and names of clients currently served

17. What is the turnover of professional staff (senior management and advisory personnel) over the last five (5) years? Please list staff positions hired, resigned and terminated within the last five (5) years, including a description of each position and the reason for the hire, resignation and/or termination.

18. Describe the Respondent's compensation and incentive program and/or other programs for hiring and retaining key personnel. How does Respondent tie client performance and satisfaction to compensation? Please be detailed and specific.
19. What is the average and maximum number of clients assigned per professional staff? Describe Respondent's succession plan in the event the key personnel in this assignment should leave Respondent. Describe how you consult with the client for its input when considering replacements.
20. Describe any services performed by Respondent that may not be offered by other consultants or advisors.
21. Please detail any significant contributions Respondent has made in developing and defining "best practices" in the pension fund investment consulting field.

III. ILLIQUID ASSET CONSULTING SERVICES

Illiquid assets, as defined by OCERS, include private equity, illiquid credit, real estate and real assets. Please specify if the proposal is specific to only one or several of these asset types.

22. Please provide Respondent's view of the current illiquid asset market. Provide a comment for private equity, illiquid credit, real assets and real estate.
23. What are the current risk return expectations for the following illiquid assets, including sub-asset classes? Based on the expectations, what is the near term investment thesis?
 - a. Private Equity
 - i. Venture Capital
 - ii. Buyout
 - iii. Growth Equity
 - iv. Secondaries
 - b. Private Credit
 - i. Direct Lending
 - ii. Mezzanine Debt
 - iii. Special Situations
 - iv. Distressed Debt
 - v. Energy Debt
 - c. Real Assets
 - i. Core Private Real Estate
 - ii. Value Add Private Real Estate
 - iii. Opportunistic Private Real Estate

- iv. Timber/Farmland
- v. Oil and Gas Partnerships
- vi. Infrastructure

24. Outline a process for maintaining and providing a continuous review of investment policies as it pertains to illiquid assets including but not limited to, investment strategies and implementation issues, such as pacing, draw-downs, the quality of investments and transparency of underlying investments.

25. For Respondent’s illiquid asset advisory group, please provide the following information:

	2016	2015	2014	2013	2012
Total Discretionary Accounts (#)					
Total Non-Discretionary Accounts (#)					
Total Accounts/Relationships (#)					
Total Discretionary Accounts (\$)					
Total Non-Discretionary Accounts (\$)					
Total Assets under Advisement (\$)					

26. Does Respondent have any selection biases? Does Respondent advocate allocation of capital to first time funds?

27. How is Respondent helping position client portfolios, or what changes is Respondent currently recommending to outperform public markets over the next five (5) years?

28. Explain your position on the use of large strategic or separate accounts with select managers?

29. Explain your position on the trend of larger private equity firms “going public”?

30. What is your view on firms expanding their products/strategies with brand extensions?

31. What are Respondent’s thoughts regarding the following items as they relate to OCERS:

- a. Advisory board seats
- b. Benchmarks
- c. Co-investments
- d. Direct investments
- e. Fund of fund investments
- f. Leverage
- g. Secondaries
- h. Size of commitments

32. How does Respondent monitor risk in various illiquid asset investments?
33. In your opinion, are there any strategies in the illiquid areas where funds could be deployed more tactically? Please discuss your views.
34. How does Respondent allocate commitments among client accounts generally and for discretionary vs. non-discretionary?
35. Explain Respondent's ability to introduce OCERS to new opportunities and general partners outside OCERS' existing illiquid assets portfolio.
36. Provide details regarding Respondent's investment approach, including sourcing and portfolio construction.
37. Describe Respondent's due diligence process, including a description of the following components:
- a. Staffing
 - b. Investment analysis
 - c. Utilization of third party resources
 - d. Legal/Compliance review
 - e. Operational review
 - f. On-going monitoring – how often is ongoing due diligence conducted and how often are site visits made?
38. Given the emergence of standardized reporting templates (e.g., ILPA and OPERA), discuss the level of information you look for while sourcing and in conducting the due diligence process?
39. In an [Appendix E](#), please provide the following reports (include sector/strategy description) for each asset category within illiquid assets:
- a. Examples of Investment fund level information
 - b. Names of all funds reviewed 2012-2016
 - c. All funds recommended to clients each year since 2006, include net IRR, TVPI and DPI
 - d. Funds slated for review in 2017
 - e. Example of a due diligence report for recommended investment
 - f. Example of a due diligence report for declined investment
 - g. Sample white papers authored over the past three (3) years

40. What is Respondent's approach for assessing its performance on non-discretionary mandates? Describe the Respondent's process of establishing benchmark performance targets for a client and how that selection relates to the benchmark for individual investment funds.
41. Describe the different methodologies, measures and sources of data utilized by Respondent for calculating, analyzing and evaluating its clients' private equity performance. What benchmarks and databases are available? Which does Respondent prefer and why?
42. List the overall net IRR and net multiple for all of the Respondent's private equity clients for three (3), five (5), and ten (10) year periods, ended December 31, 2016. In addition, please provide net IRR and net multiple for the last ten (10) vintage years, ending December 31, 2016. Include percentile charts of performance relative to the universe. It is not necessary to identify clients by name.
43. Provide an overview of your back-office operations. Please list specific services provided to clients regarding transaction management, fund accounting and fund administration capabilities, including:
 - a. Assigned staff, their background and experience.
 - b. Accounting and reporting systems.
 - c. Internal controls and procedures for validating and tracking capital draws, funding commitments, partnership management fees, and other expenses or cash flows related to partnership investments on behalf of clients.
 - d. Steps taken to assure timely notification of capital draws and distributions from partnerships.
 - e. Describe how Respondent manages or assists with clients' stock distributions.
 - f. Amount of involvement needed by OCERS' Staff to complete, monitor and manage such transactions and functions.

IV. OCERS' PORTFOLIO RELATED

OCERS adopted the most recent asset allocation policy in January 2017 ([see Exhibit A](#)), the most significant changes include, private equity increasing from 6% to 8%; real assets (real assets and real estate) increasing from 18% to 22% and credit decreasing from 14% to 13%. The current private equity program is primarily invested through four fund-of-funds and the allocation (based on NAV) as of August 2017 was 5.4%. The Investment Committee in September 2017 voted to move private debt strategies with fund-level leverage from the credit allocation to private equity bringing the private equity allocation to 8.7%. The real assets category includes energy, infrastructure, timber, agriculture, and real estate. The real estate allocation is expected to have a 10% target; the remaining 12% of the real assets is still to be determined.

44. Demonstrate the Respondent's consulting approach by providing a preliminary assessment of OCERS' current illiquid asset portfolio (or the relevant portion(s) for which the Respondent is proposing services). Please describe the Respondent's approach and methodology for analyzing OCERS' investment policy and asset holdings and discuss the process that will be utilized to recommend investment objectives and/or investment policies to OCERS. Highlight the risk management component of this process. What unique client factors would Respondent consider? How will your organization provide customized consulting to OCERS while avoiding a more generic approach to its advisory services?

45. Please describe how Respondent would work with OCERS to understand how the illiquid assets would fit within OCERS' total fund. What types of investment mixes would Respondent recommend for OCERS? [See Exhibit B for OCERS' current illiquid investments](#). Please provide a pro-forma (with explanation) outlining the recommended percent allocation across all illiquid asset categories. The pro-forma should include the geographic allocation and the underlying sector level allocations as well.
46. Based on your pro-forma as described above, please discuss your firm's philosophy and experience investing in international illiquid assets. What percentage of the current client base invests in the international sector? As it pertains to OCERS, what is the target weighting for international exposure? Please provide Respondent's history and coverage of international funds and/or managers. Describe the team within the organization that is dedicated to international illiquid assets.
47. Based on your pro-forma as described above, please discuss your experience investing in private debt. What percent of the current client base invests in private debt? What target allocation would you advocate for OCERS? As private debt encompasses an array of strategies, what specific strategies are recommended (e.g. special situation, distressed debt, direct senior debt and energy)? Please provide Respondent's history and coverage of private debt funds and/or managers. Describe the team within the organization that is dedicated to private debt.
48. Describe Respondent's philosophy and experience investing in real assets. What percentage of the current client base invests in real assets? What target allocation would you advocate for OCERS? As real assets encompass an array of strategies, what specific strategies are recommended (e.g. infrastructure, timber/farmland, real estate)? Please provide Respondent's history and coverage of real asset funds and/or managers. Describe the team within the organization that is dedicated to real assets.
49. OCERS has a target split of 50/50 between core and non-core real estate, the current split is 70/30 core/non-core. Additionally, the core real estate is invested in open-end commingled funds. In light of today's market conditions, please discuss in detail what is your recommended strategy for real estate? What is your opinion on the use of open-end commingled vehicles in the core real estate space? Discuss the extent and rationale for use of leverage in real estate portfolios.
50. OCERS has a target allocation of 8% to private equity (presently invested through fund-of-funds); recently a few of the private credit managers were moved to the private equity bringing the allocation from 5.4% to 8.7%. The private credit managers are expected to get paid down in the next 5 years. Please provide a detailed private equity pacing plan for a direct program.
51. OCERS has small allocations to farmland, infrastructure and timberland; please discuss your views on these assets and their role in a future real assets allocation.
52. Discuss your views on how much energy allocation is optimal within the 22% allocation to real assets. What is your proposal for structuring the energy allocation in light of the current market conditions?

V. RESEARCH CAPABILITIES

- 53. Describe Respondent’s commitment to research and technology enhancements. What percentage of Respondent’s revenue is reinvested into the research department? Please provide the most recent annual dollar amount.

- 54. Describe the structure and organization of Respondent’s research department, including the number and experience of analysts. Does Respondent gather and maintain its own data or does it utilize a third party’s database?

- 55. Please provide the number of funds in Respondent’s database by strategy as categorized in the table below:

Strategy	# in Database	# of Funds Performed Due Diligence	# of Funds Recommended	# of Funds with Client Capital
Venture Capital				
Buyout				
Growth Equity				
Mezzanine				
Special Situations				
Distressed				
Secondary				
Co-Investments				
Core Real Estate				
Opp Real Estate				
Value Add Real Estate				
Timber/Farmland				
Oil & Gas				
Infrastructure				
Hedge Funds				
Fund of Funds				

- 56. How does Respondent perform due diligence on international funds? Please describe the process.

- 57. Describe the system used by Respondent to support investment fund searches and performance evaluations. In particular, address the degree of automation of the system and the timing for Respondent’s review of manager performance, style characteristics, holdings and policy compliance.

- 58. Include a description of the research and other technical resources, including on-line databases and computer based analytical tools that you make available for the clients. Please provide demo access to your database and or/any tools made available to clients.

VI. CONFLICTS OF INTEREST

- 59. Disclose any business Respondent, affiliates, or parent company does with any OCERS investment-related associates.

60. Are there any actual or potential conflict of interest issues Respondent would have in servicing OCERS? If so, describe them.
61. How does Respondent identify and manage conflicts of interest?
62. OCERS would encourage limiting any conflict as relating to direct/indirect ownership of investment managers, brokers, etc. If your firm has any such conflict, please provide details of the conflict and how your firm would address such a conflict?
63. Does Respondent hold or sponsor money manager or client conferences? If so, describe all conferences Respondent held or sponsored in the past 24 months. If these services are offered on complementary basis to public pension plan clients with gift reporting requirements, how are these complementary services disclosed?
64. Has Respondent, or anyone in Respondent, provided any gifts, travel and room expenses, entertainment or meals to any OCERS Committee member or OCERS Staff member during the past 36 months? If yes, describe the expenses and their purpose.
65. List and describe any professional relationship Respondent has had with OCERS during the past three (3) years.
66. Are there any circumstances under which Respondent, or any individual in Respondent, remits or receives compensation, finder's fees or any other benefit to or from investment managers or third parties? If so, what is the extent of these payments in relation to Respondent's other revenue?

VII. MISCELLANEOUS

67. Briefly describe how a new client would transition to Respondent? Does Respondent backload transaction and/or investment performance data? Please describe any problems the Respondent has encountered in transitioning a new client from their previous Advisor?

VIII. REFERENCES

68. Provide a list of five (5) public fund clients with target annual minimum commitments of \$200 million to which Respondent provides illiquid asset investment consulting services, including name, primary contact, telephone number, email address, asset values, number of years the client has retained Respondent and the product(s) or service(s) the client uses. OCERS may contact any of these clients for reference purposes.

IX. FEE SCHEDULE

69. Propose your service model and fee schedule (with breakdown and details) for OCERS.

Exhibit A: OCERS' Current Asset Allocation

Asset Class	Current Allocation	Target Allocation
Global Equity	40.9%	35%
Private Equity ¹	8.7%	8%
Core Fixed Income	12.3%	17%
Credit	16.0%	13%
Real Assets ²	15.5%	22%
Risk Mitigation	2.4%	5%
Absolute Return ³	2.5%	0%
Cash Overlay	1.8%	0%

¹ The private equity asset class includes private equity fund-of-funds and private debt; private debt managers with fund-level leverage were recently moved from the Credit allocation to private equity

² The real assets asset class includes energy, infrastructure, timber, agriculture, and real estate

³ The absolute return asset class has been eliminated and we expect to receive all assets by December 31, 2017

Exhibit B: OCERS' Current Illiquid Investments

Orange County Employees Retirement System

As of March 31, 2017

Investments	Fund Type	Commitments	Contributions	% of Commitment Contributed	Distributions	Market Value
Fund Total		3,586,360,661.00	2,060,379,807.20	57.45	805,920,276.66	1,909,091,226.00
Agriculture		120,000,000.00	86,849,059.00	72.37	0.00	112,959,512.29
UBS		40,000,000.00	40,000,000.00	100.00	0.00	56,756,596.29
UBS AgriVest Farmland Fund	Commingled	40,000,000.00	40,000,000.00	100.00	0.00	56,756,596.29
Hancock Natural Resource Group		80,000,000.00	46,849,059.00	58.56	0.00	56,202,916.00
Orange Farms, LLC	SMA	80,000,000.00	46,849,059.00	58.56	0.00	56,202,916.00
Energy		980,000,000.00	520,239,488.87	53.09	109,274,792.04	474,989,163.21
BlackRock		200,000,000.00	67,193,973.00	33.60	0.00	75,910,327.00
Orange 2015 DisloCredit Fund	Fund of 1	125,000,000.00	52,226,832.00	41.78	0.00	56,085,506.00
Blackrock Orange PEP Fund	FoF	75,000,000.00	14,967,141.00	19.96	0.00	19,824,821.00
Brigade Capital Management, LP		100,000,000.00	100,000,000.00	100.00	0.00	120,550,318.32
Brigade Energy Opportunities Fund LP	Commingled	100,000,000.00	100,000,000.00	100.00	0.00	120,550,318.32
EIG Global Energy		130,000,000.00	88,677,663.45	68.21	37,550,342.64	82,882,968.89
EIG Energy Fund XV-A, L.P.	Commingled	70,000,000.00	55,506,273.58	79.29	37,021,750.65	44,336,737.83
EIG Energy Fund XVI	Commingled	60,000,000.00	33,171,389.87	55.29	528,591.99	38,546,231.06
EnerVest Energy		115,000,000.00	108,685,757.00	94.51	28,042,126.00	27,048,496.00
EnerVest Energy Institutional Fund XIV-A, L.P.	Commingled	35,000,000.00	28,685,757.00	81.96	1,101,351.00	27,491,955.00
EnerVest Energy Fund XIII	Commingled	40,000,000.00	40,000,000.00	100.00	1,428,453.00	(1,560,731.00)
EnerVest Energy Inst Fund XII-A	Commingled	40,000,000.00	40,000,000.00	100.00	25,512,322.00	1,117,272.00
Kayne Anderson Capital Advisors, L.P.		310,000,000.00	122,038,302.00	39.37	39,234,674.00	133,355,277.00
Kayne Anderson Energy Fund VI (QP), L.P.	Commingled	70,000,000.00	46,635,877.00	66.62	25,287,628.00	47,891,363.00
Kayne Anderson Energy Fund VII	Commingled	140,000,000.00	60,999,674.00	43.57	9,723,440.00	68,810,187.00
Kayne Private Energy Income Fund	Commingled	100,000,000.00	14,402,751.00	14.40	4,223,606.00	16,653,727.00
Tennenbaum Capital		125,000,000.00	33,643,793.42	26.92	4,447,649.40	35,241,776.00
Tennenbaum Energy Opportunities Fund, LP	Fund of 2	125,000,000.00	33,643,793.42	26.92	4,447,649.40	35,241,776.00
Infrastructure		260,000,000.00	0.00	0.00	0.00	0.00
Argo		130,000,000.00	0.00	0.00	0.00	0.00
Argo Capital Platform 2017	Fund of 1	130,000,000.00	0.00	0.00	0.00	0.00
BlackRock		130,000,000.00	0.00	0.00	0.00	0.00
Global Renewable Power Fund II	Commingled	130,000,000.00	0.00	0.00	0.00	0.00
Timber		140,000,000.00	140,000,000.00	100.00	22,100,000.00	137,326,122.00
BTG Pactual		40,000,000.00	40,000,000.00	100.00	3,000,000.00	47,027,873.00
Valencia Tree, LLC	SMA	40,000,000.00	40,000,000.00	100.00	3,000,000.00	47,027,873.00
Hancock Natural Resource Group		100,000,000.00	100,000,000.00	100.00	19,100,000.00	90,298,249.00
Hancock Timber-Valencia Forests LLC	SMA	100,000,000.00	100,000,000.00	100.00	19,100,000.00	90,298,249.00
Private Credit		550,000,000.00	332,066,900.93	60.38	2,850,794.67	394,562,887.50
Alcentra		110,000,000.00	56,550,904.34	51.41	0.00	49,252,299.00
Alcentra Clareant European Direct Lending Fund II	Commingled	110,000,000.00	56,550,904.34	51.41	0.00	49,252,299.00
Monroe Capital		70,000,000.00	52,454,411.00	74.93	2,805,282.00	54,689,943.00
Monroe Capital Private Credit Fund II	Commingled	70,000,000.00	52,454,411.00	74.93	2,805,282.00	54,689,943.00
Park Square		150,000,000.00	78,641,664.82	52.43	(99,173.53)	88,658,934.00
Park Square Capital Credit OPP II (USD)	Commingled	100,000,000.00	78,641,664.82	78.64	(99,173.53)	88,658,934.00
Park Square Credit Opportunities III	Commingled	50,000,000.00	0.00	0.00	0.00	0.00
OCP Asia		220,000,000.00	144,419,920.77	0.66	144,686.20	201,961,711.50
OCP Asia Orchard Landmark I	Commingled	120,000,000.00	120,000,000.00	100.00	0.00	174,304,828.30
OCP Asia Orchard Landmark II	Commingled	100,000,000.00	24,419,920.77	24.42	144,686.20	27,656,883.20
Private Equity		1,536,360,661.00	981,224,358.40	63.87	671,694,689.95	789,253,541.00
Abbott Capital		530,000,000.00	393,250,000.00	74.20	165,499,999.99	359,916,347.00
Abbott Capital Private Equity 2007	FoF	75,000,000.00	70,500,000.00	94.00	59,250,000.00	46,062,928.00
Abbott Capital Private Equity 2008	FoF	75,000,000.00	69,750,000.00	93.00	40,875,000.00	60,538,208.00
Abbott Capital Private Equity 2009	FoF	75,000,000.00	66,750,000.00	89.00	27,000,000.00	64,562,802.00
Abbott Capital Private Equity 2010	FoF	75,000,000.00	64,125,000.00	85.50	20,625,000.00	64,016,741.00
Abbott Capital Private Equity 2011	FoF	45,000,000.00	35,100,000.00	78.00	7,200,000.00	36,874,011.00
Abbott Capital Private Equity 2012	FoF	50,000,000.00	31,000,000.00	62.00	4,249,999.99	32,507,893.00
Abbott Capital Private Equity 2013	FoF	45,000,000.00	25,650,000.00	57.00	3,375,000.00	25,548,044.00
Abbott Capital Private Equity 2014	FoF	45,000,000.00	21,150,000.00	47.00	2,025,000.00	20,892,483.00
Abbott Capital Private Equity 2015	FoF	45,000,000.00	9,225,000.00	20.50	900,000.00	8,913,237.00
Advent International Group	SMA	5,000,000.00	1,170,000.00	23.40	0.00	1,148,722.00
Advent International GPE VIII-B	with Abbott	5,000,000.00	1,170,000.00	23.40	0.00	1,148,722.00

Adams Street Partners, LLC		419,433,820.00	293,220,869.00	69.91	151,422,238.00	260,429,605.00
Adams St 2015 Direct Growth FD	Direct Fund	5,000,000.00	1,400,000.00	28.00	0.00	1,355,666.00
Adams St 2015 Non US Fund LP	FoF	6,000,000.00	750,000.00	12.50	0.00	982,572.00
Adams Street - 2007 Direct Fund, L.P.	Direct Fund	5,000,000.00	4,827,500.00	96.55	6,420,849.00	3,189,475.00
Adams Street - 2007 Non-U.S. Fund, L.P.	FoF	17,500,000.00	16,458,750.00	94.05	11,633,960.00	11,409,871.00
Adams Street - 2007 U.S. Fund, L.P.	FoF	27,500,000.00	26,015,000.00	94.60	23,919,036.00	18,963,603.00
Adams Street - 2008 Direct Fund, L.P.	Direct Fund	5,000,000.00	4,635,000.00	96.35	6,438,813.00	3,881,456.00
Adams Street - 2008 Non-U.S. Fund, L.P.	FoF	20,000,000.00	17,370,000.00	86.85	8,860,656.00	15,882,091.00
Adams Street - 2008 U.S. Fund, L.P.	FoF	25,000,000.00	22,680,000.00	90.72	20,867,276.00	19,336,177.00
Adams Street - 2009 Direct Fund, L.P.	Direct Fund	5,000,000.00	4,815,000.00	96.30	4,765,524.00	3,627,372.00
Adams Street - 2009 Non-U.S. Em. M. Fund	FoF	5,000,000.00	4,077,500.00	81.55	574,996.00	5,097,267.00
Adams Street - 2009 Non-US Developed MKT	FoF	15,000,000.00	12,285,000.00	81.90	5,731,297.00	10,219,536.00
Adams Street - 2009 U.S. Fund, L.P.	FoF	25,000,000.00	20,950,000.00	83.80	10,859,375.00	21,894,574.00
Adams Street - 2010 Direct Fund, L.P.	Direct Fund	5,000,000.00	4,635,000.00	92.70	3,972,267.00	3,364,201.00
Adams Street - 2010 Non-US Developed MKT	FoF	15,000,000.00	12,112,500.00	80.75	5,196,387.00	10,116,431.00
Adams Street - 2010 Non-US Em. M. Fund	FoF	5,000,000.00	3,895,000.00	77.90	438,990.00	4,800,462.00
Adams Street - 2010 U.S. Fund, L.P.	FoF	25,000,000.00	19,575,000.00	78.30	8,555,283.00	21,258,107.00
Adams Street - 2011 Direct Fund, L.P.	Direct Fund	2,000,000.00	1,770,000.00	88.50	1,290,870.00	1,869,274.00
Adams Street - 2011 Emerging Mkts Fund	FoF	2,000,000.00	1,387,000.00	69.35	126,626.00	1,777,074.00
Adams Street - 2011 Non-US Developed MKT	FoF	6,000,000.00	4,476,000.00	74.60	1,619,128.00	3,949,193.00
Adams Street - 2011 U.S. Fund, L.P.	FoF	10,000,000.00	7,600,000.00	76.00	2,023,311.00	8,426,032.00
Adams Street 2012 Global Fund LP	FoF	35,000,000.00	23,586,500.00	67.39	2,890,055.00	25,214,861.00
Adams Street 2013 Global Fund LP	FoF	25,000,000.00	14,750,000.00	59.00	1,036,301.00	15,840,558.00
Adams Street 2014 Global Fund LP	FoF	45,000,000.00	22,117,500.00	49.15	2,342,312.00	22,570,286.00
Adams Street 2015 US Fund LP	FoF	4,000,000.00	772,000.00	19.30	132,645.00	977,698.00
Adams Street Co-Investment Fund III A	Direct Fund	10,000,000.00	3,975,000.00	39.75	211,454.00	4,402,557.00
Adams Street Global Secondary Fund 5 LP	FoF	20,000,000.00	14,225,950.00	71.13	3,714,467.00	11,524,405.00
Adams Street Venture Growth Fund VI	Direct Fund	35,000,000.00	7,868,000.00	22.48	0.00	7,907,033.00
Brinson Partners - 1998 Primary Fund	FoF	992,803.00	987,428.00	99.46	1,709,111.00	24,914.00
Brinson Partners - 1999 Primary Fund	FoF	904,301.00	866,604.00	95.83	1,320,432.00	33,033.00
Brinson Partners - 2000 Primary Fund	FoF	1,689,386.00	1,606,420.00	95.09	2,468,066.00	91,765.00
Brinson Partners - 2001 Primary Fund	FoF	873,551.00	836,002.00	95.70	1,205,311.00	119,174.00
Brinson Partners - 2002 Primary Fund	FoF	227,062.00	219,912.00	96.85	398,427.00	14,134.00
Brinson Partners - 1998 Primary Fund II	FoF	4,846,186.00	4,819,950.00	99.46	5,675,482.00	121,611.00
Brinson Partners - 1999 Primary Fund II	FoF	4,443,464.00	4,258,233.00	95.83	4,486,333.00	162,314.00
Brinson Partners - 2000 Primary Fund II	FoF	457,067.00	434,620.00	95.09	537,198.00	24,828.00
HarbourVest Partners, LLC		40,000,000.00	38,925,000.00	97.31	55,507,426.00	3,014,708.00
Harbourvest Intl Private Equity IV	FoF	10,000,000.00	9,750,000.00	97.50	16,355,354.00	783,689.00
HarbourVest Partners VI - Direct Fund	FoF	5,000,000.00	4,925,000.00	98.50	4,554,000.00	371,140.00
HarbourVest Partners VI-Buyout Fund	FoF	10,000,000.00	9,550,000.00	95.50	16,854,012.00	546,148.00
HarbourVest Partners VI-Partnership Fund	FoF	15,000,000.00	14,700,000.00	98.00	17,744,060.00	1,313,731.00
Mesirow Financial		198,900,000.00	132,529,500.00	66.63	75,767,358.00	127,478,314.00
Mesirow Financial Private Equity Co-Investment Fund VII-B, L.P.	Direct Fund	18,900,000.00	2,929,500.00	15.50	0.00	2,959,946.00
Mesirow Financial Private Equity Fund IV	FoF	60,000,000.00	56,700,000.00	94.50	50,993,559.00	41,708,022.00
Mesirow Financial Private Equity Fund V	FoF	60,000,000.00	48,000,000.00	80.00	24,610,333.00	56,152,211.00
Mesirow Financial Private Equity Fund VI	FoF	60,000,000.00	24,900,000.00	41.50	163,466.00	26,658,135.00
Pantheon		250,000,000.00	32,056,111.00	12.82	0.00	32,565,524.00
Pantheon Multi-Strategy Program - 2014 Series	FoF	100,000,000.00	20,739,575.00	20.74	0.00	21,865,421.00
Pantheon Multi-Strategy Program - 2015 Series	FoF	75,000,000.00	7,625,216.00	10.17	0.00	7,222,857.00
Pantheon Multi-Strategy Program - 2016 Series	FoF	75,000,000.00	3,691,320.00	4.92	0.00	3,477,246.00
Adams Street Legacy SMA (1991-2003)	SMA	93,026,841.00	90,072,878.40	96.82	223,497,667.96	4,700,321.00

Appendix A: List of Minimum Qualifications Compliance

1. Respondent must be a SEC-registered investment advisor or exempt from registration. If exempt, the Respondent must explain the nature of their exemption from registration.

YES NO EXEMPT IF EXEMPT, PLEASE EXPLAIN:

2. Respondent must meet the following minimum client base and experience requirements as of June 30, 2017:

- a. A Respondent must have at least five (5) defined benefit pension plan clients, of which three (3) are public pension plans with total plan assets of at least \$5 billion each.

YES NO

- b. A Respondent must have five (5) years' experience in providing investment consulting services to U.S. tax-exempt clients with total plan assets of at least \$5 billion.

YES NO

- c. A Respondent proposing investment consulting services for illiquid asset classes must have five (5) years' experience providing direct investment and due diligence consulting to a U.S. tax-exempt client with total assets of at least \$5 billion.

YES NO

- d. In lieu of compliance with 2b. and 2c., OCERS would also consider if key members of the team have worked together for five (5) years at a firm other than the Respondent firm, with a visible track record and client references in providing investment consulting services:

- i. To U.S. tax-exempt clients with total plan assets of at least \$5 billion;

YES NO

- ii. For illiquid asset classes, providing direct investment and due diligence consulting to a U.S. tax-exempt client with total assets of at least \$5 billion.

YES NO

3. Other Requirements. Respondent must:

- a. Acknowledge that in the event that it is awarded a contract under this RFP, Respondent will be disqualified from serving as an active manager of any portfolio, including without limitation an illiquid assets fund or fund of funds for OCERS. This will not be applicable to commitments made prior to awarding of the advisory services contract.

YES NO

- b. If the Respondent is advanced to the semi-finals stage, OCERS is willing to sign a non-disclosure agreement (NDA) to allow the Respondent to share a pro-forma of GPs that would be made available to OCERS and OCERS will have the liberty to confirm access to such GPs.

YES NO

c. Agree to be a fiduciary to OCERS as that term is defined by the laws and rules governing the Retirement Board.

YES **NO**

d. Disclose annually to OCERS any revenues, income, fee breaks, soft dollars, hotel and travel expense, or other items of significant monetary value received by the Respondent or any affiliates from investment managers, general partners, brokerage firms, investment banks or other financial services businesses.

YES **NO**

4. Respondent must agree to keep the proposal open for a period of not less than 180 days from October 31, 2017.

YES **NO**

5. The Agreement will incorporate terms and provisions that are materially similar to those included in the Form of Professional Services Agreement attached to this RFP as [Appendix E](#).

YES **NO**

6. Respondent must agree to submit a fee proposal with its proposal on the form provided in [Appendix D](#).

YES **NO**

Appendix B: Signature Page

Appendix C: Response to Questionnaire

Appendix D: Fee Proposal Form

Appendix E: Form of Professional Services Agreement

Appendix F: Reports

Please provide the following reports (include sector/strategy description) for each asset category within illiquid assets:

- a. Examples of Investment fund level information
- b. Names of all funds reviewed 2012-2016
- c. All funds recommended to clients each year since 2006, include net IRR, TVPI and DPI
- d. Funds slated for review in 2017
- e. Example of a due diligence report for recommended investment
- f. Example of a due diligence report for declined investment
- g. Sample white papers authored over the past three (3) years