

## REQUEST FOR INFORMATION:

### Contingent Fund

PCA is soliciting information for Contingent Fund managers (also known as dislocation and/or accordion funds) and would invite any interested GP to complete the attached Request for Information ("RFI"), subject to successfully meeting the following Minimum Qualifications. Please note that this RFI is meant for information purposes and is not intended to be fully comprehensive. PCA expects multiple searches may occur in the future with a comprehensive RFI being issued, depending on client circumstances. This RFI may be used to develop an initial short-list of candidates appropriate for additional analysis.

PCA believes that General Partners ("GPs") rather than Limited Partners ("LPs") or investment consultants are best positioned to identify and efficiently capitalize on the "credit pivot" – i.e., move from a benign credit environment to one that is stressed/distressed. The mandate under consideration is seeking to position clients to capitalize on such a pivot and the ensuing market dislocation. Key highlights include the following:

- The return objective for this mandate is not stated and ties to the GP's definition of a dislocation as well as their opportunity set.
- We are interested in exploring strategies that include market-based triggers to call capital and/or activate the fund as well as strategies where the activation decision is fully based on the GP's discretion. We look to GPs to define a dislocation.
- We envision opportunities that would require a separate account as well as a commingled fund. As an opportunistic rather than strategic allocation, we prefer structures that have a finite life in nature.
- We embrace a broad opportunity set including beta-focused approaches as well as highly idiosyncratic opportunities.

Unless otherwise stated, please provide information as of September 30, 2018.

Please return this RFI via email to PCA by no later than **January 7, 2019**. If interested, please return the completed RFI to:

Mary Bates  
Principal  
Pension Consulting Alliance, LLC  
Phone: 503.226.1050  
marybates@pensionconsulting.com

#### **Confidential or Proprietary Information**

The information provided within the RFI may be subject to the Sunshine Laws, which are U.S. federal and state laws requiring regulatory authorities' meetings, decisions, and records to be made available to the public.

The offeror shall designate those portions of the RFI that contain trade secrets or other proprietary data/information that the offeror wishes to remain confidential. This information must be clearly marked on each page and readily separable from the proposal to facilitate public inspection of the non-confidential portions. The entire proposal CANNOT be considered confidential. The fee proposal CANNOT be considered confidential.

**REQUIRED MINIMUM QUALIFICATIONS (“RMQs”)**

The Proposer must meet all the following RMQs, otherwise its proposal will be rejected. **For each RMQ, the Proposer must provide a detailed response (one sentence or more) stating how the Proposer complies and must initial alongside each RMQ, indicating that the Proposer has met the RMQ as of September 31, 2018. A response that is limited to a mere reference to other sections of the RFI will be insufficient. Any known deviations from the RMQs below must be disclosed in detail on this form.**

- The Proposer must be registered with the Securities and Exchange Commission (SEC), a Bank, or a licensed Insurance Company Affiliate. \_\_\_\_ (Initial)
- The Proposer must not have been censured by the SEC, CFTC, or subject to regulatory action within the last three (3) years. \_\_\_\_ (Initial)
- The Proposer must not have been involved in any material litigation in the past five (5) years, or since firm inception if less than five (5) years. \_\_\_\_ (Initial)
- The Proposer must be directly responsible for the management of the account, and all personnel responsible for the account must be employees of the firm. \_\_\_\_ (Initial)
- The Proposer must be able to provide a U.S. public pension plan as a reference, preferably for the proposed strategy. \_\_\_\_ (Initial)
- The Proposer must manage a minimum of \$1 billion on behalf of institutional clients. \_\_\_\_ (Initial)

By signing below, an authorized representative of the Proposer warrants that the Proposer accurately described their fulfillment of the above stated *Required Minimum Qualifications*

\_\_\_\_\_  
Authorized Signature (Print Name)

\_\_\_\_\_  
Title Date

\_\_\_\_\_  
Company

**PART 1: ORGANIZATION**

1. Provide the following information:

Contact for the RFI (including contact info)	
Organization name	
Strategy name	

2. Please provide a brief overview of the organization including history, offices location, ownership structure, number of professionals and any other relevant info.
3. Please provide AUM broken out by strategy and client type including detailed AUM for alternatives. Highlight firm-wide AUM growth over time.
4. Please provide an organizational chart.
5. Provide a list of senior investment professionals on the strategy including a brief bio.

**PART 2: INVESTMENT STRATEGY**

6. Describe your investment strategy in depth. Use this section to describe in detail anything that you believe is relevant to help us understand the proposed investment strategy. Specifically, please highlight the following:
  - i) how you define and identify market dislocation including projected return
  - ii) highlight how the fund/strategy will be activated - i.e., triggers/rules-based levels or discretionary or combination – and at what levels
  - iii) outline the justification for the aforementioned triggers or judgement
  - iv) highlight how the fund/strategy will be monetized/wound down
  - v) expected opportunity set including sample portfolio ranges
  - vi) highlight expected portfolio characteristics
  - vii) expected use of leverage
  - viii) use of hedging, if relevant
  - ix) proposed liquidity
7. Describe your investment process in detail including your approach to risk management.
8. Describe your experience capitalizing on a market dislocation (including in a closed-end structure, if relevant).
9. Provide relevant performance for a dislocation opportunity. Please describe the dislocation that you were capitalizing on.
10. Describe your market outlook.
11. Describe the biggest risk inherent in this strategy and how you will manage/mitigate it.

**PART 3: TERM SUMMARY**

12. Please provide the following information on key terms and conditions.
  - i) vehicle structure
  - ii) minimum (per vehicle type)
  - iii) target size
  - iv) projected launch
  - v) investment period or subscription
  - vi) harvest period or withdrawals
  - vii) management fee
  - viii) incentive fee (describe how it would be calculated)
  - ix) preferred return
13. Highlight key service providers (legal, audit, etc). If not yet selected, provide those used in past funds/similar vehicles.
14. Do you offer consultant level pricing - i.e., would you aggregate all PCA accounts for fee purposes?

**PART 4: OTHER**

15. How do you recommend incorporating a dislocation fund allocation into an annual commitment pacing model?
16. What do recommend as a funding source for this allocation?
17. Would you manage the funding source for this allocation and, if so, how?
18. Please provide a marketing presentation deck for the proposed strategy.
19. Please highlight your firm's competitive differentiators.