

**Absolute Return Strategies
(Phase 1)
RFP #I-2024-2
Response to Inquiries**

1. Our opportunistic hedge fund product's total AUM is \$491mm Current commitments will take us well over \$500mm by the end of Q1. Are we able to still submit a proposal?

IPERS does not offer any exceptions to the minimum requirements.

2. We submit the following questions:
 - Whether companies from Outside USA can apply for this? (like from India or Canada)
 - Whether we need to come over there for meetings?
 - Can we perform the tasks (related to the RFP) outside USA? (like from India or Canada)
 - Can we submit the proposals via email?

Proposals to the RFP can come from outside the U.S. if they meet the minimum requirements. The tasks can we performed outside of the U.S. and submitted by email. If the strategy passes the initial screening process and is part of the second round, a questionnaire will be required to be completed. Meetings via Zoom, Microsoft Teams are typical but infrequent traveling to IPERS may be required.

3. Do potential managers need to be SEC registered, or can you invest in offshore vehicles / managers?

IPERS can invest with offshore managers and offshore vehicles and the manager must be registered with an equivalent governing authority in their country of business.

4. Our proposed product is a commingled vehicle with approximately \$350mm in AuM and 7-year track record. However, we manage other vehicles that share the same underlying return streams as the proposed product that total in excess of \$500M. Would this meet the criteria for the RFP submission?

Yes.

5. The entity responding to the RFP is not registered with the SEC but we rely on Private Fund Exemption, which allows us to manage private funds, and can provide proof of exemption. Can you please confirm this satisfies minimum requirement #1.

See Question 3 and Question 9.

6. We believe our absolute return credit strategy is a good fit for the recent RFP. The strategy meets all requirements except AUM. The strategy had \$499 million as of year-end and has since funded an additional \$100 million mandate. The team managing this strategy manages \$22 billion in total assets. Would this be a strategy IPERS would want to consider for this search?

IPERS does not offer any exceptions to the minimum requirements.

7. Concerning requirement number one covering SEC registration, the managing entity for our fund is not registered with the SEC, but the entity is filed as an ERA “exempt reporting adviser”. Are we correct that being filed as an ERA as opposed to being registered with the SEC would disqualify us from consideration for the mandate?

See Question 3 and Question 9.

8. To address requirement number three regarding a performance fee, would IPERS consider a fee that includes a base management fee component and a performance fee component, or would 100% of the fee need to be based on performance?

IPERS is willing to entertain a combination of management and incentive fee at this point. IPERS prefers that all/the vast majority of the fee outlay remain performance based.

9. What are the liquidity requirements for the mandate and would a fund with a year lock-up be considered?

IPERS prefers the majority of the returns for an absolute return strategy to be delivered through marketable/public market securities. IPERS does not have specific liquidity objectives, a lock-up may be considered.

10. Will IPERS consider strategies that were previously submitted and subsequently not chosen during IPERS’s last absolute return RFP in early 2023?

Yes.

11. If we submit proforma returns of a multi-strat that is a blend of multiple live strategies, do each of the component live strategy returns also need to meet the requirements of the RFP outlined in Part 1 Section B and C?

Carve outs from strategies that have a verifiable track record (for the carve out) and satisfying all the RFP minimum requirements will be considered.