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| Request for Proposals |
| Intermediate-Term Investment Grade Fixed Income Strategy |
| **Louisiana Municipal Police Employees’ Retirement System (MPERS)** |

**SECTION I: OVERVIEW**

The Louisiana Municipal Police Employees’ Retirement System (“MPERS” or “System”) is soliciting proposals from Intermediate-Term Investment Grade Fixed Income managers, the passive benchmark for which is the Bloomberg Barclays US Intermediate Govt/Credit Index. The System’s total allocation to the selected manager will be approximately $50 million.

A. Overview of the Funds

Louisiana Municipal Police Employees’ Retirement System was created effective July 1, 1973 and was placed under the management of a Board of Trustees for the purpose of providing retirement allowances and other benefits for full-time municipal police officers and employees in the state of Louisiana, secretaries to chiefs of police, and employees of the retirement system. The System now has approximately $2.1 billion in investment assets, as of January 31. 2019.

B. Scope of Services

MPERS is seeking one firm to provide investment management services in an Intermediate-Term Investment Grade Fixed Income strategy. The services sought include:

1. Discretionary investment of plan assets

2. Compliance with all board policies, including the investment policy statement as adopted and Louisiana Revised Statutes.

3. Attending board meetings if requested by the MPERS Board of Trustees

4. Providing on-going education to trustees and staff, if requested.

**Louisiana Municipal Employees’ Retirement System (MPERS) hereby reserves the right to: 1) Discontinue the RFP in whole or in part, 2) Reject any and all proposals, 3) Waive minor irregularities in any proposal, 4) Request clarification of information submitted, and 5) Request additional information from any proposer.**

**SECTION II: MINIMUM ELIGIBILITY REQUIREMENTS**

At the time of submission of the proposal, the submitting proposer must provide a written cover letter (a template for which is provided in Section V) from its presiding officer confirming that the respondent meets all of the minimum criteria set forth below. If your firm does not meet all of the criteria, the proposal may not be considered. In addition to confirming that all of the minimum criteria are met, please disclose any campaign contributions and/or contractual business the firm or any employee of the firm may have with any MPERS trustee or staff member. If you have nothing to disclose, please state that also.

In order to be considered as a candidate in this search process, please provide by email a signed copy of the cover letter (a template for which is provided in Section V) to Taylor Camp, Adam Carll, and David Barnes at the email addresses listed below. Cover letters must be received by the deadline established in Section III. Any letters received after the deadline will have their responses eliminated from consideration.

Taylor Camp Adam Carll and David Barnes

Subject: MPERS Int. Fixed Income Search Subject: MPERS Int. Fixed Income Search

Email: [taylor@lampers.org](mailto:taylor@lampers.org) Email: [acarll@nepc.com](mailto:acarll@nepc.com)

Phone: (225) 929-7411 Email: [dbarnes@nepc.com](mailto:dbarnes@nepc.com)

Phone: (678) 433-4410

The following criteria are the minimum qualifications.

1. The firm offers a vehicle available in the proposed strategy for qualified public defined benefit plan investments.
2. As of March 31, 2019, no individual account makes up more than 50% of the assets of the strategy being proposed.
3. As of March 31, 2019, the named firm has a minimum three-year performance record for the specific strategy that it is proposing. The track record must be calculated in compliance with the CFA Institute’s Global Investment Performance Standards (GIPS). Simulated or back-tested returns of any kind will not be accepted.
4. Liquidity for the product being proposed should be at least monthly.
5. Your organization is a Registered Investment Advisor with the SEC or is an exempt entity. Exemption is allowed only for collective investment funds that are bank administered trusts, which are exempt from SEC registration (as the federal regulatory and supervisory responsibilities for fiduciary activities of national banks is the responsibility of the Office of the Comptroller of the Currency).
6. The named firm must agree to:
   1. be a Fiduciary to the Plan subject to the Fiduciary and Investment Responsibilities of [LA R.S. 11:261](http://www.legis.la.gov/Legis/Law.aspx?d=75158), *et seq.*;
   2. enter into an agreement in accordance with, and that shall be governed by, the laws of the State of Louisiana; and
   3. not require MPERS to indemnify the named firm, except for damages caused by MPERS or its employees.

**SECTION III: TIMELINE AND SELECTION PROCESS**

The following schedule has been established by the MPERS Board and may be changed by the Board if necessary. If the schedule changes, all changes will be reflected on the NEPC search website at <http://www.nepc.com/investment_managers/advertised_searches>.

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| *Action* | *Date* |
| RFP issuance and advertisement period | April 5 - May 17, 2019 |
| Deadline for submission of written questions | May 17, 2019 |
| Responses to RFP questions posted | May 24, 2019 |
| Deadline for submission of cover letter | May 31, 2019 |
| Finalists interviews | July 17, 2019 |
| Contract awarded | As soon as practical following finalist selection and completion of contract negotiation |

A. Question and Answers

In an effort to clarify any issues in this RFP, MPERS or NEPC will only respond to questions that are presented in writing and received by e-mail. Questions should be addressed to Adam Carll and David Barnes at the contact information provided above. All questions and answers will be consolidated into a single document and posted on the NEPC search website. The source of questions will not be disclosed in the document.

Blackout Period: Other than the other RFP response itself and questions allowed according to the RFP document, any further marketing communication related to this search with MPERS board members or staff is strictly prohibited from April 5, 2019 until after selection of the finalist. Any violation of this standard may be grounds for elimination from the search.

B. Proposal Submission

Respondent’s firm, strategy, product and performance will be analyzed through the use of a third-party database. The database is provided by *eVestment* and is located on the web at [www.eVestment.com](http://www.eVestment.com). As such, all relevant fields must be updated in the *eVestment* database to be considered for this RFP.

Populating the *eVestment* database with firm and product information is essential to the completion of the RFP process. If the database is not fully populated, responses may be considered incomplete and may be grounds for discontinuing consideration of proposals and products for this search. Data fields should not be left blank, and should not contain *0, none, or N/A* unless necessary. Respondents will not be contacted by MPERS’ consultant or any MPERS representative to fill in missing data fields. Respondents should use additional comment fields provided to make qualifying notes as applicable.

If your firm does not already utilize the *eVestment* database, you can participate by sending an email with your contact information to: [getmanager@evestment.com](mailto:getmanager@evestment.com). A representative from eVestment will call you to establish the firm in the database. There is no charge for supplying data to the database. **All data must be as of March 31, 2019 and must be entered by May 31, 2019**. Data submitted after this date may not be considered.

C. Evaluation and Selection Process

Proposals will be summarized by the MPERS investment consultant and evaluated by the MPERS staff and the MPERS Board of Trustees. All firms selected as finalists will be required to appear at the August 21, 2019 board meeting for oral interviews.

**SECTION IV: PROPOSAL CONTENT**

The proposal of participant managers will consist of the cover letter as described in Section II and the data submitted to the *eVestment*  database as described in Section III. The database is located on the web at: www.eVestment.com.

The data fields in eVestment include but are not limited to the following:

1. Firm name, address, and year founded
2. Firm ownership structure including percentage employee owned, publicly held, parent owned
3. Are there any pending changes in firm ownership?
4. Is the firm a registered SEC advisor?
5. GIPS compliance
6. List prior or pending litigation
7. Total firm assets values and number of accounts by type (separate, commingled) and by class (equities: active, bonds: active)
8. Asset value and number of accounts by client type
9. Asset value and number of accounts by geographic region
10. Number of accounts and dollars gained and lost for previous five years
11. Product team description including number of portfolio managers, research analysts, traders and average years of experience
12. Employee turnover for previous 5 years
13. Product name, description, inception date, asset class, investment focus, preferred benchmark, investment approach, style emphasis, primary duration emphasis, and fund structure
14. Product assets under management and number of accounts broken down by client type
15. Product assets value and number of accounts by type (separate, commingled, mutual fund)
16. Number of issues in the portfolio, number of sectors, number of industries, annual turnover, and yield to maturity for the portfolio
17. Performance for trailing YTD, 1 year, 3 year, 5 year, 7 year, 10 year, since inception compared to the benchmark
18. Annual returns for each of the previous 10 calendar years
19. Risk and Regression measures including: Standard deviation, correlation coefficient, R-squared, alpha, and max drawdown for trailing 1 year, 3 year, 5 year, 7 year, 10 year, since inception in addition to the calendar year for the previous 10 years
20. Efficiency measures including: Sharpe Ratio, Treynor Ratio, Sortino Ratio, Tracking Error, Information Ratio, upside and downside market capture for trailing 1 year, 3 year, 5 year, 7 year, 10 year, since inception in addition to the calendar year for the previous 10 years
21. Average quality issue and minimum quality issue
22. Breakdown of current portfolio by credit rating along with 3 year average and 3 year high
23. Maturity and duration measures including: Average Duration, Modified Duration, Effective Duration, and Covexity
24. Breakdown of portfolio by security type
25. Policy limits for maximum cash position, issuer exposure, sector exposure, industry exposure, country, and regional exposure
26. Policy limits for security types
27. Description of research and screening process
28. Description of portfolio construction and risk control methodology
29. Description of buy/sell discipline
30. Description of trading strategy
31. Description of investment summary and philosophy
32. Use of derivatives
33. Redemption terms for separate accounts, commingled accounts, and mutual funds
34. Firm financial information including balance sheet and income statement information
35. Firm’s corporate governance policies
36. Firm internal control systems and disaster recovery
37. Listing of third party relationships
38. Insurance coverage
39. Fee schedule and relevant fee disclosures

Respondents should use additional comment fields provided to make qualifying notes as applicable. All responses should be direct and clear.

**SECTION V: Cover Letter**

Louisiana Municipal Police Employees’ Retirement System (MPERS)

Intermediate-Term Investment Grade Fixed Income Manager Search

The Louisiana Municipal Police Employees’ Retirement System (“MPERS” or “System”) is soliciting proposals from Intermediate-Term Investment Grade Fixed Income managers, the passive benchmark for which is the Bloomberg Barclays US Intermediate Govt/Credit Index. The System’s total allocation to the selected manager will be approximately $50 million.

[Insert firm name] is hereby submitting notification to participate in the above stated proposal process. [Insert firm name] is submitting information for its proposed product - [insert specific fund name – exactly as it appears in the eVestment database] - for the purposes of this Request for Proposal.

[Insert firm name] has read, understands, and agrees to abide by the proposal process as outlined in the complete Request for Proposal document.

Please disclose below any campaign contributions and/or any contractual business with any Louisiana Municipal Police Employees’ Retirement System trustee or staff member. If you have nothing to disclose, please state so below:

Campaign contribution disclosure: ­­­­­­­­­­­­­­­­

**MINIMUM CRITERIA**

1. [Insert firm name] offers an investment vehicle available in the strategy for qualified public defined benefit plan investments.

YES \_\_\_\_\_ NO\_\_\_\_\_

1. As of March 31, 2019, no individual account makes up more than 50% of the assets of the strategy being proposed.

YES \_\_\_\_\_ NO\_\_\_\_\_

1. As of March 31, 2019, [insert firm name] has a minimum three-year performance record for the specific strategy proposed in this search. The track record must be calculated in full compliance with the CFA Institute’s Global Investment Performance Standards (GIPS®). Simulated or back-tested returns of any kind will not be accepted.

YES \_\_\_\_\_ NO\_\_\_\_\_

1. Is liquidity for the product being proposed at least monthly?

YES\_\_\_\_\_ NO\_\_\_\_\_\_

1. As of March 31, 2019, [insert firm name] is a Registered Investment Advisor with the SEC or is an exempt entity. Exemption is allowed only for collective investment funds that are bank administered trusts, which are exempt from SEC registration (as the federal regulatory and supervisory responsibilities for fiduciary activities of national banks is the responsibility of the Office of the Comptroller of the Currency).

YES\_\_\_\_\_ NO\_\_\_\_\_\_

1. [Insert firm name] agrees to:

a. be a Fiduciary to the Plan subject to subject to the Fiduciary and Investment Responsibilities of LA R.S. 11:261, *et seq.*;

b. enter into an agreement in accordance with, and that shall be governed by, the laws of the State of Louisiana; and

c. not require MPERS to indemnify the named firm, except for damages caused by MPERS or its employees.

YES\_\_\_\_\_ NO\_\_\_\_\_\_

The undersigned certifies that above statements are true and correct.

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Signature Date

Primary RFP Contact Information

[Insert primary RFP contact name]

[Insert primary RFP contact mailing address]

[Insert primary RFP contact email address]

[Insert primary RFP contact phone number]