

## **Notice of Issuance of a Request for Proposal (RFP) For a Global Tactical Asset Allocation mandate**

The Pennsylvania Turnpike Commission (“Commission”) has established a Retiree Medical Trust (“Trust”) to fund post-retirement medical benefits. The Trustees of the Trust are issuing a public Request for Proposal (RFP) for the purpose of identifying, evaluating and retaining a qualified investment management firm to manage approximately \$26 million in a Global Tactical Asset Allocation (GTAA) mandate.

The minimum criteria for investment management firms to be considered well-qualified for this mandate would include:

1. Offering a separate account or commingled fund with a minimum of a 5-year operating history;
2. Manage a well-diversified portfolio by having multiple asset classes and strategies;
3. Have a minimum of \$1 billion in assets in their GTAA strategy;
4. Will not use leverage in their strategy;
5. Have reasonable fees;
6. Have an independent audit of any commingled funds performed by a reputable firm at least annually;
7. Carry a minimum of \$10 million in Errors and Omissions Insurance;
8. The firm should be domiciled in the United States and must be registered as an Investment Advisor with the SEC (or regulated by an appropriate State Insurance Commission, or by the Office of the Comptroller of the Currency);
9. The firm must have no material regulatory issues during the past 10 years;

Firms interested in responding to the RFP are directed to contact the Trust’s Investment Consultant listed below to obtain a copy of the RFP.

Do NOT contact the Commission Staff or Trustees. Direct contact with the Commission Staff, Commissioners or Trustees will result in disqualification. All questions and the RFP responses should be directed to the Trust’s Investment Consultant:

David A. Russell, CFA  
Investment Performance Services, LLC  
642 Newtown Yardley Road, Newtown, PA 18940  
Phone: (215) 867-2330 Email: [drussell@ips-net.com](mailto:drussell@ips-net.com)

The RFP is only available from Investment Performance Services, LLC beginning on or about **July 11, 2014**. The deadline for submitting a response to the RFP to Investment Performance Services is **Monday, August 18<sup>th</sup> at 4:00 PM Eastern Daylight Saving Time**.

Proposals are to be submitted electronically via email in PDF format to the Trust’s

Investment Consultant, listed above. The reference line of the email and attached PDF file name should be structured: “[YourFirmName] – PA Turnpike Commission GTAA RFP Response”

Potential vendors shall assume all responsibility for submitting the required information in an accurate, complete, and timely manner. The Trustees reserve the right to reject any and all vendor proposals for any reason, alter the mandate and modify the portfolio constraints and characteristics listed above, alter or amend the RFP and extend deadlines for submission.

The Trust currently intends that a single contract will be awarded for the contemplated mandate. The Trust reserves the right to reject any and all proposals or to negotiate separately with competing proposers. The Trust is not liable for any cost incurred by the firms in their preparation and submission of proposals, in participating in the RFP process or in the award of any contract.

All RFP responses will be reviewed by the Trust’s Investment Consultant and leading candidates responses will be evaluated by the Trustees. The following criteria, in relative order of importance, will be used in evaluating each proposal:

- 1) Organizational Factors – 30%
  - a. Firm stability, resources, ownership, lack of conflicts of interest
  - b. Qualifications and experience of investment professionals;
  - c. Professional experience, staffing adequacy, regulatory compliance
  - d. Product longevity, suitability and fit with Trust objectives
  - e. SEC registration, annual fund audits
  - f. Portfolio transparency
  - g. Presence in and commitment to the Commonwealth of Pennsylvania
- 2) Product Factors – 40%
  - a. Product objectives, targeted risk and return
  - b. Investment strategy, number of asset classes/strategies used,
  - c. History of value-added through shifts in portfolio allocations
  - d. Favorable fund terms and fees
- 3) Track Record – 25%
  - a. Long-term performance and attribution
- 4) Client Service – 5%
  - a. Comprehensive and detailed portfolio information
  - b. Information flows and responsiveness, ease of transactions

The Trustees, Investment Consultant and staff reserve the right to conduct additional due diligence, engage in discussions with, or require additional information or documentation from any potential vendor. Potential vendors may also be required to make an oral and/or written presentation of their qualifications and their proposal to the Trust’s Investment Consultant, Trustees and Commission staff.

Responses to the Request for Proposal will be held in confidence and will not be revealed or discussed with any competitor, unless disclosure is required to be made (1) under the provisions of any Commonwealth or United States statute or regulation; or (2) by rule or order of any court of competent jurisdiction.

In accordance with the Pennsylvania Right-to-Know Law (RTKL), proposers shall identify any and all portions of the Proposal that contains confidential proprietary information or is protected by a trade secret. For more information on the RTKL, visit the Office of Open Records' website at [www.openrecords.state.pa.us](http://www.openrecords.state.pa.us)