

Request for Proposals

Private Asset Advisor

Supporting

The NC State Investment Fund, Inc.

October 13, 2016

REQUEST FOR PROPOSALS

NC State Investment Fund, Inc.

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I. SUMMARY

A. PURPOSE:

This is a Request for a Fee Proposal from qualified institutions to provide Private Asset Consultation for the NC State Investment Fund, Inc. Qualified respondents will have established experience servicing nonprofit institutions and have reporting capabilities to meet specialized requirements of the Fund.

B. CONTRACTING OFFICE:

Mary Peloquin-Dodd
NC State Investment Fund, Inc., Asst. Treasurer
Campus Box 7207
Raleigh, NC 27695-7207
ATTENTION: Private Asset Advisor RFP

C. PROPOSAL SCHEDULE:

Submission deadline: November 15, 2016

Announcement of decision: March 3, 2017

D. QUESTIONS:

All questions regarding this Request for Proposals should be directed to Tresson Patterson, via e-mail at ptpatter@ncsu.edu. Questions should be submitted no later than October 24, 2016. No phone calls will be accepted. A summary of all questions and answers will be posted on the NC State University Foundations Accounting & Investments website by October 31, 2016. The website can be located at <https://foundationsaccounting.ofa.ncsu.edu/>.

E. AWARD:

Proposals will be evaluated on several factors including, but not limited to:

- Organization, including financial strength and stability
- Assets under advisement
- Experience of team
- Experience with nonprofit institutions, specifically universities
- Reporting capabilities
- Fees
- Manager access
- References

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II. BACKGROUND INFORMATION

The NC State Investment Fund, Inc. (“NCSIF”) is a governmental not-for-profit organization established as a separate, incorporated investment fund. There are currently two separate pools in the Fund. Eight University Associated Entities, as well as NC State University’s Endowment Fund, invest their long-term endowment funds through the long term pool (“LTIP”). This pool currently utilizes the services of UNC Management Company (“UNCMC”), Blackrock Liquid Policy Portfolio (“LPP”), BlackRock Private Equity, JPMorgan Private Equity, SEI Private Equity, and the State Treasurer’s Short Term Investment Fund (“STIF”).

NCSIF currently has diversified private asset exposure through UNCMC in addition to private equity exposure with BlackRock, JPMorgan, and SEI. The private equity portfolio outside of UNCMC was originally a commitment of \$41.5m across eight investments, with vintage years ranging from 2006-2011. The current NAV of these funds as of June 30, 2016 is \$23.9m. The majority of the portfolio contains an allocation to fund-of-funds with a small allocation to direct co-investments.

III. SERVICES

NCSIF’s last commitment to private equity was 2011 and is looking to continue this program with the assistance of a consultant that specializes in private assets. This private asset program should consider the following:

- Portfolio Planning & Design
 - Develop pacing plan
 - Provide support and advice for private asset allocation design
- Investment Sourcing
 - Work with Staff and Board to develop search criteria
 - Conduct due diligence on potential candidates
 - Provide analysis and information to assist Staff in the preparation of materials for Board presentations as it relates to the private portfolio
- Due Diligence
 - Conduct due diligence on funds identified by the Staff and Board in addition to the firm’s own databases
 - Involve Staff in the due diligence process
- Negotiation and Legal Review
 - Assist in negotiation of business terms and appropriate structural incentives
 - Provide investment fee negotiation services with potential managers as requested
 - Provide legal review of documents
- Portfolio Monitoring
 - Provide ongoing analysis and monitoring of fund managers
 - Notify Staff of any underperformance, noncompliance, significant changes, or adverse events, and provide advice on such issues as soon as they are made known
 - Provide advice on concerns and termination procedures
 - Evaluate fund manager compliance with industry best practice standards

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- Review all cash flows and provide both a quarterly and fiscal year break down, including all expenses, management fees, and carried interest
- Provide fund and company level summary performance data based on monthly cash flows received from the Funds' custodian and on statements received quarterly from fund managers
- Communicate any issues or concerns to Staff regarding workflow and any other operational issues
- Respond to inquiries in an appropriate and timely manner
- Share all firm research, including white papers, and provide regular access to research staff
- Operational
 - Participate in Board meetings, either onsite or via conference calls

IV. Assets Overview

As of June 30, 2016, the LTIP had a total of approximately \$683.4 million invested with various managers. We have provided a breakout of the assets below:

Investment/Manager	% of Fund	FMV as of 6/30/2016
UNCIF*	91.21%	\$ 623,327,283
Blackrock LPP	5.09%	\$ 34,817,975
BlackRock Private Equity	0.55%	\$ 3,740,557
JP Morgan Private Equity		
European Pooled	0.43%	\$ 2,967,087
US Direct	0.06%	\$ 414,580
US Pooled	0.64%	\$ 4,406,146
Pooled Venture	0.70%	\$ 4,757,309
SEI Private Equity	1.12%	\$ 7,626,963
State Treasurers Investment Fund	0.19%	\$ 1,322,093
Total	100.00%	\$ 683,379,993

*Within UNCIF, the LTIP is exposed to multiple pools of private assets. Please see next page for breakdown.

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Strategy	% of UNCIF Private Portfolio	FMV as of 6/30/2016*
Total Buyout	29.24%	\$ 61,995,377
Direct-Co PE	0.17%	\$ 356,217
Domestic PE	12.21%	\$ 25,880,501
International PE	7.54%	\$ 15,974,941
Global PE	2.44%	\$ 5,165,140
Growth Equity PE	4.23%	\$ 8,973,916
Growth International PE	2.10%	\$ 4,452,707
Wind Down Mgrs PE	0.56%	\$ 1,191,955
Total Venture	32.35%	\$ 68,571,682
Direct-Co VC	3.39%	\$ 7,179,133
Early/Mid VC	21.90%	\$ 46,417,754
Later/Growth VC	5.55%	\$ 11,768,846
Dist. Stock VC	0.28%	\$ 589,127
Wind Down Mgrs VC	1.23%	\$ 2,616,821
Total ENR	16.95%	\$ 35,923,067
Oil & Gas	11.58%	\$ 24,537,839
Power Infra.	2.99%	\$ 6,343,394
Timber	0.94%	\$ 1,986,592
Direct-Co ENR	0.82%	\$ 1,739,981
Wind Down Mgrs ENR	0.05%	\$ 95,904
Energy Technology	0.30%	\$ 643,930
Metals & Mining	0.27%	\$ 575,427
Total Real Estate	21.46%	\$ 45,499,811
Public REIT	2.13%	\$ 4,507,509
Direct-Co RE	0.85%	\$ 1,808,484
Domestic RE	13.82%	\$ 29,305,660
International RE	2.67%	\$ 5,658,363
Global RE	1.08%	\$ 2,288,006
Wind Down Mgrs RE	0.91%	\$ 1,931,790
Total	100.00%	\$ 211,989,938

*Actual values may vary due to rounding

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V. GENERAL TERMS AND CONDITIONS

GOVERNING LAW: This contract is made under and shall be governed and construed in accordance with the laws of the State of North Carolina.

1. **SITUS:** The place of this contract, its situs and forum, shall be Wake County, North Carolina, where all matters, whether sounding in contract or tort, relating to its validity, construction, interpretation and enforcement shall be determined.

2. **INDEPENDENT CONTRACTOR:** The Contractor shall be considered to be an independent contractor and as such shall be wholly responsible for the work to be performed and for the supervision of its employees. The Contractor represents that it has, or will secure at its own expense, all personnel required in performing the services under this agreement. Such employees shall not be employees of, or have any individual contractual relationship with the Funds.

3. **KEY PERSONNEL:** The Contractor shall not substitute key personnel assigned to the performance of this contract without prior written approval by the Funds. The individuals designated as key personnel for purposes of this contract are those specified in the Contractor's proposal.

4. **SUBCONTRACTING:** Work proposed to be performed under this contract by the Contractor or its employees shall not be subcontracted without prior written approval of the Funds. Acceptance of an offeror's proposal shall include any subcontractor(s) specified therein.

5. **INSPECTION AT CONTRACTOR'S SITE:** The Funds reserve the right to inspect, at a reasonable time, the equipment/item, plant or other facilities of a prospective contractor prior to contract award, and during the contract term as necessary for the Funds determination that such equipment/item, plant or other facilities conform with the specifications/requirements and are adequate and suitable for the proper and effective performance of the contract.

6. **PERFORMANCE AND DEFAULT:** If, through any cause, the Contractor shall fail to fulfill in timely and proper manner the obligations under this agreement, the Funds shall thereupon have the right to terminate this contract by giving written notice to the Contractor and specifying the effective date thereof. In that event, all finished or unfinished deliverable items under this contract prepared by the Contractor shall, at the option of the Funds, become its property, and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such materials. Notwithstanding, the Contractor shall not be relieved of liability to the Funds for damages sustained by the Funds by virtue of any breach of this agreement, and the Funds may withhold any payment due the Contractor for the purpose of setoff until such time as the exact amount of damages due the Funds from such breach can be determined.

In case of default by the Contractor, the Funds may procure the services from other sources and hold the Contractor responsible for any excess cost occasioned thereby. The Funds reserves the right to require performance bond or other acceptable alternative guarantees from the successful offeror without expense to the Funds.

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In addition, in the event of default by the Contractor under this contract, the Funds may immediately cease doing business with the Contractor, immediately terminate for cause all existing contracts the Funds has with the Contractor, and de-bar the Contractor from doing future business with the Funds.

Upon the Contractor filing a petition for bankruptcy or the entering of a judgment of bankruptcy by or against the Contractor, the Funds may immediately terminate, for cause, this contract and all other existing contracts the Contractor has with the Funds.

7. GOVERNMENTAL RESTRICTIONS: In the event any Governmental restrictions are imposed which necessitate alteration of the material, quality, workmanship or performance of the items offered prior to their delivery, it shall be the responsibility of the contractor to notify, in writing, the Funds at once, indicating the specific regulation which required such alterations. The Funds reserves the right to accept any such alterations, including any price adjustments occasioned thereby, or to cancel the contract.

8. FORCE MAJEURE: Neither party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by an act of war, hostile foreign action, nuclear explosion, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

9. TERMINATION: The Funds may terminate this agreement at any time by providing written notice to the contractor at least thirty (30) days before the effective date of the termination. In that event, all finished or unfinished deliverable items prepared by the Contractor under this contract shall, at the option of the Funds, become its property. If the contract is terminated by the Funds as provided herein, the Contractor shall be paid for services satisfactorily completed, less payment or compensation previously made. All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitations.

10. CONFIDENTIALITY: Any information, data, instruments, documents, studies or reports given to or prepared or assembled by the Contractor under this agreement shall be kept as confidential and not divulged or made available to any individual or organization without the prior written approval of the Funds.

11. CARE OF PROPERTY: The Contractor agrees that it shall be responsible for the proper custody and care of any property furnished it for use in connection with the performance of this contract or purchased by it for this contract and will reimburse the Funds for loss of damage of such property.

12. COPYRIGHT: No deliverable items produced in whole or in part under this agreement shall be the subject of an application for copyright by or on behalf of the Contractor. In addition, all inventions and the copyright in and to any copyrightable work, including, but not limited to, copy, art, negatives, photographs, designs, text, software, or documentation created as part of the

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Contractor's performance of this project shall vest in the Funds, and the Contractor agrees to assign all rights therein to the Funds. Contractor further agrees to provide the Funds with any and all reasonable assistance which the Funds may require to file patent applications, to obtain copyright registrations, or to perfect its title in any such inventions or works, including the execution of any documents submitted by the Funds.

13. **ASSIGNMENT:** No assignment of the Contractor's obligations or the Contractor's right to receive payment hereunder shall be permitted. However, upon written request approved by the Funds, the Funds may:

- a. Forward the Contractor's payment check(s) directly to any person or entity designated by the Contractor, or
- b. Include any person or entity designated by Contractor as a joint payee on the Contractor's payment check(s).

In no event shall such approval and action obligate the Funds to anyone other than the Contractor and the Contractor shall remain responsible for fulfillment of all contract obligations.

14. **COMPLIANCE WITH LAWS:** The Contractor shall comply with all laws, ordinances, codes, rules, regulations, and licensing requirements that are applicable to the conduct of its business, including those of federal, state, and local agencies having jurisdiction and/or authority.

15. **AFFIRMATIVE ACTION:** The Contractor shall take affirmative action in complying with all Federal and State requirements concerning fair employment and employment of people with disabilities, and concerning the treatment of all employees without regard to discrimination by reason of race, color, religion, sex, national origin, or disability.

16. **SAFETY STANDARDS:** All manufactured items and/or fabricated assemblies subject to operation under pressure, operation by connection to an electric source, or operation involving a connection to a manufactured, natural, or LP gas source shall be constructed and approved in a manner acceptable to the appropriate state inspector which customarily requires the label or re-examination listing or identification marking of the appropriate safety standard organization; such as the American Society of Mechanical Engineers for pressure vessels; the Underwriters Laboratories and /or National Electrical Manufacturers' Association for electrically operated assemblies; or the American Gas Association for gas operated assemblies, where such approvals of listings have been established for the type of device offered and furnished. Further, all items furnished shall meet all requirements of the Occupational Safety and Health Act (OSHA), and state and federal requirements relating to clean air and water pollution.

17. **INSURANCE:** During the term of the contract, the contractor at its sole cost and expense shall provide commercial insurance of such type and with such terms and limits as may be reasonably associated with the contract. As a minimum, the contractor shall provide and maintain the following coverage and limits:

- a. **Worker's Compensation** - The contractor shall provide and maintain Worker's Compensation Insurance, as required by the laws of North Carolina, as well as employer's liability coverage with minimum limits of \$500,000.00, covering all of Contractor's employees who are engaged in any work under the contract. If any work is subcontracted, the contractor shall require the subcontractor to provide the same coverage for any of its

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- employees engaged in any work under the contract.
- b. **Commercial General Liability** - General Liability Coverage on a Comprehensive Broad Form on an occurrence basis in the minimum amount of \$3,000,000 with \$1,000,000 per occurrence. (Defense cost shall be in excess of the limit of liability.)
 - c. **Automobile** - Automobile Liability Insurance, to include liability coverage, covering all owned, hired and non-owned vehicles, used in connection with the contract. The minimum combined single limit shall be \$1,000,000.00 bodily injury and property damage; \$1,000,000.00 uninsured/under insured motorist; and \$1,000.00 medical payment.

Providing and maintaining adequate insurance coverage is a material obligation of the contractor and is of the essence of this contract. All such insurance shall meet all laws of the State of North Carolina. Such insurance coverage shall be obtained from companies that are authorized to provide such coverage and that are authorized by the Commissioner of Insurance to do business in North Carolina. The contractor shall at all times comply with the terms of such insurance policies, and all requirements of the insurer under any such insurance policies, except as they may conflict with existing North Carolina laws or this contract. The limits of coverage under each insurance policy maintained by the contractor shall not be interpreted as limiting the contractor's liability and obligations under the contract.

18. **ADVERTISING:** Contractor shall not use the existence of this contract or the name of the NC State Investment Fund, Inc., the NC State University Foundation, Inc. or the State of North Carolina or North Carolina State University as part of any advertising without prior written approval from the Funds.

19. **ENTIRE AGREEMENT:** This contract and any documents incorporated specifically by reference represent the entire agreement between the parties and supersede all prior oral or written statements or agreements. This Request for Proposal, any addenda thereto, and the offeror's response are incorporated herein by reference as though set forth verbatim.

All promises, requirements, terms, conditions, provisions, representations, guarantees, and warranties contained herein shall survive the contract expiration or termination date unless specifically provided otherwise herein, or unless superseded by applicable Federal or State statutes of limitation.

20. **AMENDMENTS:** This contract may be amended only by written amendments duly executed by the Funds and the Contractor.

21. **GENERAL INDEMNITY:** The Contractor shall hold and save the Funds, its officers, agents, representatives and employees, harmless from liability of any kind, including all claims and losses accruing or resulting to any other person, firm, or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this contract, and from any and all claims and losses accruing or resulting to any person, firm, or corporation that may be injured or damaged by the Contractor in the performance of this contract and that are attributable to the negligence or intentionally tortious acts of the Contractor. The Contractor represents and warrants that it shall make no claim of any kind or nature against the Funds representatives or agents who are involved in the delivery or processing of contractor goods to the Funds. The representation and warranty in the preceding sentence shall survive the termination or expiration of this contract.

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22. PRICING: All prices offered herein shall be firm against any increases. Request by the Contractor for a cost increase relevant to any contract extension shall be submitted in writing one hundred and eighty (180) days prior to each contract renewal. The Funds reserves the option of accepting a Contractor's proposed cost increase or canceling the service and seeking proposals from other contractors. Requests for cost increases will be indexed to the same percent as any change in the Consumer Price Index/All Urban Consumers for the previous twelve month period of the request.

23. DEBARMENT CERTIFICATION: Offeror certifies to the best of its knowledge and belief, that it nor any of its principals a) are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contract by any Federal agency; b) have not within a three year period preceding this award been convicted of or had a civil judgment rendered against them for: commission of a fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state or local) contract or subcontract; violation of Federal or state antitrust statutes relating to this submission of offers; or commission of embezzlement, theft, forgery, bribery, falsifications or destruction of records, making false statements, or receiving stolen property; and c) are not presently indicted for, or otherwise criminally or civilly charged by a government entity with, commission of any of these offenses enumerated herein. The offer certifies that they have not, within a three year period preceding this offer, had one or more contracts terminated for default by any federal agency.

"Principals" for the purpose of this certification, means officers; directors; owners; partners; and persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary, division, or business segments, and similar positions.)

This certification concerns a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution. Certification of this provision is a material representation of fact upon which reliance was placed when making an award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to other remedies available to the Funds, the Funds may terminate this agreement for default. Offeror hereby certifies these conditions and does so by signing the execution page of this quote document.

24. PRESERVATION OF RECORDS: If the Funds provides any data to Contractor pursuant to this Agreement then Contractor shall preserve and maintain the data for a period of three (3) years or as indicated in a litigation hold letter issued by the Funds. Contractor shall immediately preserve and maintain data (and any generated email correspondence) upon the Funds request or upon notice of litigation or audit and further Contractor shall make available all data the Funds may specify with the time limits required.

25. CONTRACTOR EMPLOYEE BACKGROUND CHECKS: The Supplier shall, at no additional cost to the Funds, secure appropriate background checks on all employees to be assigned to any resulting contract. These background checks shall include criminal conviction and sex offender checks at a minimum. These background checks shall be maintained by the supplier and are subject to audit by appropriate Funds or state officials at any time during and for five (5) years after

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the contract end date. The Funds may withhold consent of any of Supplier's employees to be placed on a Funds assignment at its sole discretion.

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VI. PROPOSAL SUBMISSION

A. Instructions

For a proposal to be considered:

1. Interested parties must submit proposals electronically. Electronic copies should be submitted via e-mail to Tresson Patterson at tpatter@ncsu.edu.
2. The proposal must include a comprehensive fee schedule as outlined on page 17.
3. The proposal must answer questions posed in the "Questionnaire" on pages 13-17, including the excel files mentioned on pages 13 and 15.
4. Proposals must be emailed to the contracting office by 5PM on November 15, 2016. Late proposals will not be considered for award.
5. Proposals without the fully authorized "Request for Proposal", as found on page 18, will not be considered.

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B. Questionnaire

Organization Background, Experience and Stability

1. When was your firm founded?
2. Where is your firm headquartered?
3. With which regulatory agencies are you licensed or registered?
4. Describe the ownership structure of your firm.
5. Do you anticipate any change in ownership over the next 12 months?
6. What lines of business are your firm and any affiliates engaged in?
7. What services do you provide as it relates to private assets?
8. Please describe your strengths that differentiate your private asset consulting from other providers.
9. Identify and describe any litigation or investigation by a regulatory authority that your organization or officers have been involved in over the last five years that relate to your consulting services.
10. Please describe any merger and/or acquisitions you have been involved in over the past five years. Do you anticipate any mergers and/or acquisitions involving your company in the near future?
11. Provide your SEC Form ADV Parts I and II submissions for the last two years.
12. What is your average client size in terms of assets? Please note the largest, smallest and median size of your client base broadly and for municipal, public pension fund, and university clients.
13. Please complete the excel file (appendix tables) with your distribution of clients by size, relationship, type, and strategy. Also please complete the table for the total number of accounts gained (gross) and lost (gross) over the past five calendar years.
14. What percentage of your revenues are generated by non-discretionary private asset consulting services?
15. Describe your policies regarding confidentiality of client information.
16. Please provide five references of similar size and plan type (including company name, contact, title, and telephone number). *At least three of these references should represent university clients.*
17. Please provide the number of non-discretionary private asset accounts that you have gained and lost for each of the last three calendar years.

Investment Philosophy, Strategy, and Process

18. Describe your process for developing and recommending a policy asset allocation for a well-diversified private asset program.

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19. What, if any analytical tools do you use during the portfolio construction process?
20. Describe your philosophy and approach to private assets. What are the most compelling opportunities and risks the firm sees today?
21. Explain your process for:
 - a. Sourcing private funds. Please break out by strategy type (venture, buyout, real estate, ENR, etc.)
 - b. Initial evaluation
 - c. Pre-recommendation due diligence
 - d. Post-recommendation due diligence
 - e. Monitoring and evaluating funds after investment
22. Are your manager recommendations restricted by a short list of approved managers? Do you conduct due diligence on managers presented by well-connected members of the Board as possible investments within the portfolio?
23. Onsite visits:
 - a. Do you always conduct on-site visits for each private managers prior to recommending that fund?
 - b. How often do you conduct on-site visits to the manager of private funds currently held in your clients' accounts?
 - c. In the last three years, for how many private funds have you conducted on-site visits where you have not recommended that fund?
 - d. Do you allow members of the Client's staff to attend onsite visits?
24. How do you ensure access to the best managers for clients?
25. How do you prioritize clients in regards to managers with limited capacity?
26. How many sponsors of private funds that you have used successfully in client accounts are unlikely to accept money from new investors in private funds that they may sponsor?
27. Do you research, recommend, or allocate to small managers (less than \$500m)?
28. Describe your approach to manager selection.
29. Do you recommend secondary funds and or co-investments? Why, or why not?
30. If a private equity fund should make some of its payments to investors in kind (in shares of stock for example), how do you advise going about the retention or sale of those assets?

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31. What is the minimum expected return you require of an illiquid fund in order to recommend it to a client?
32. What is the firm's system for tracking prospective investments? Do you utilize proprietary or external databases? Will Staff have access to these databases?
33. Please state your risk monitoring policy for client portfolios.
34. Describe how your organization interacts with private fund managers.
35. How do you negotiate fee schedules for clients?
36. Do you provide advice on MRI (mission-related) or ESG (environmental, social, and corporate governance) investing within the context of private investments?
37. What are the most crucial elements that will make the portfolio successful in the long run, and how are you able to help the client accomplish that?

Performance

38. Please complete the excel file for the appendix performance tables with composite data for your clients, both in aggregate and only for those with a non-discretionary consulting relationship. Please also include the quartile rank for each.
39. Do you follow the Global Investment Performance Standards (GIPS) for calculating and presenting your firm's performance history?

Servicing Team

40. Please provide an organizational chart and a discussion of your staff structure.
41. Do you assign one primary relationship manager, or will our Staff be working with different people based on the service requested?
42. Describe the team that will service the relationship including the day-to-day contact and provide biographies. Where will these individuals be located?
43. How many accounts does this individual or team currently handle and how big are these accounts?
44. What level of employee turnover have you experienced in the last three years?

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45. Will any services be outsourced?

Disaster Recovery

46. Describe your emergency disaster recovery procedures.

47. Do you have duplicate offsite backup location in case of emergency? If so, where is this office located?

48. When was the last full backup test?

49. Have these procedures been used in the last three years? Please detail the circumstances.

Online Communication

50. What reports and functions are available online? Please provide examples.

51. Can the client download the data to create custom reports? Can data from your online system be exported to applications such as Microsoft Excel?

52. How current are the transactions and valuations?

53. How far back can historical data be accessed?

54. Do you provide training for client personnel in the use of the system? How is such training conducted (e.g., in person, via teleconference, etc.)?

55. Describe your system security (e.g., encryption and online authentication).

Portfolio Reporting

56. Is your reporting software proprietary? If not, who is providing the software?

57. Discuss your reporting platform in terms of content, timeliness and delivery method.

58. In what delivery formats are reports available? With what frequency do you produce each report and when does the client receive them?

59. Provide a sample set of the standard monthly and quarterly performance reports. Please highlight any competitive strengths in your performance reporting.

60. How soon after the end of the reporting period will portfolio and activity data be available online?

61. Please describe how accommodative your reporting capabilities are to provide customized reporting solutions to our Staff.

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62. Does your system have the capability of exporting reports to external software providers through secured processes such as FTP (file transfer protocol)?

63. *How does your firm incorporate legacy private investments into the portfolio performance reporting?*

Procedures and Controls

64. Is there a general audit system in place? Does a major public accounting firm certify it? Discuss the frequency and scope of review performed. Provide the most recent audit and internal controls reports.

65. Please describe the frequency and scope of audits performed by internal auditors, if applicable.

66. What is your system of quality control to ensure accuracy in reporting?

67. How long do you maintain client records following termination?

Fees

68. Please submit a detailed fee schedule for your firm's non-discretionary private asset consulting services, including a detailed itemized listing of all fees and charges that might be applied. Please include any additional fees that may be incurred for an outsourced service such as legal review or assistance with Fund audits.

69. How long can you guarantee your proposed fee schedule, provided there were no revisions in the type of services required?

70. Please list any additional services that are NOT included in the standard fee schedule.

71. Please describe any fee guarantees and any conditions that would cause an increase in fees.

72. Do you provide continuing most-favored nation assurance on your fees?

73. Are fees negotiable?

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C. Execution of Proposal

Date: _____

The potential Contractor certifies the following by placing an "X" in all blank spaces:

- ___ That this proposal was signed by an authorized representative of the entity.
- ___ The cost and availability of all equipment, materials and supplies associated with performing the services outlined herein have been determined and included in the proposed costs.
- ___ That all labor costs, direct and indirect, have been determined and included in the proposed cost.
- ___ That the potential Contractor agrees to the conditions as set forth in this **Request for Proposals** with no exceptions.
- ___ That the potential Contractor can obtain a performance bond, if required herein, and insurance as specified.
- ___ That the proposal is submitted competitively and without collusion, that none of our officers, directors, or owners of an unincorporated business entity has been convicted of any violations of Chapter 78A of the General Statutes, the Securities Act of 1933, or the Securities Exchange Act of 1934 (G.S. 143-59.2), and that we are not an ineligible vendor as set forth in G.S. 143-59.1. False certification is a Class 1 Felony.

Therefore, in compliance with the foregoing **Request for Proposals**, and subject to all terms and conditions thereof, the undersigned offers and agrees, if this proposal is accepted by November 15, 2016, to furnish the services for the prices quoted during any resulting contract period.

CONTRACTOR _____

ADDRESS _____

CITY AND STATE _____ ZIP CODE _____

PHONE _____ FAX _____

BY _____ TITLE _____

E-MAIL _____ FEDERAL ID NUMBER _____

SIGNATURE _____

ACCEPTANCE OF PROPOSAL

DATE: _____

AGENCY _____ CITY AND STATE _____

BY _____ TITLE _____

(Signature)