

**Employees Retirement System of the City of St. Louis
Request for Proposal and Qualifications for
Private Equity Fund of Funds Investment Management Services**

The Board of Trustees of the Employees Retirement System of the City of St. Louis requests proposals from qualified investment managers to provide investment management services to the Board, on behalf of the Plan, which has a combined market value of approximately \$790 million.

The Board employs a multiple manager approach to investment of the Plan's assets. **The Board seeks a private equity fund of funds investment manager.** The initial portfolio assignment is **estimated to initially be approximately \$20 million.** The actual dollar amount of the assignment could change.

In order to qualify for consideration, your firm's product **must** meet the following criteria. **IF ALL CRITERIA ARE NOT MET, DO NOT SUBMIT A RESPONSE.**

Requirements:

- The product offering should be a fund of fund; no direct private equity funds will be considered.
- The firm should have \$250 million of private equity assets under management.
- The firm (or its predecessor) should have a minimum of 5 years of experience in the private equity asset class with a seasoned investment management team.
- The firm should have the ability to manage a \$20 million institutional mandate.
- The fund offering should be \$100 million or greater.
- The fund size should be consistent with the resources available and reasonable with respect to other/previous funds raised by the firm.
- The firm must demonstrate a past track record of investing with top quartile partnerships. The fund of funds must provide private equity exposure diversified by sector, partnership, and vintage year.
- Fund of funds manager must be a Registered Investment Advisor and maintain registration.
- Investment manager must agree to abide by the Missouri Fiduciary Standards 105.687-105.690.
- The System is subject to Sunshine Law provisions. As a result, Investment manager must be willing to provide information to the System to satisfy Freedom of Information Act (FOIA) requests.
- Obtain and maintain a business license with the City of St. Louis.
- Have and maintain an Affirmative Action Policy.

All RFP responses are due by 4:00 p.m., Central Time, on June 5, 2015. Submit completed responses via email to the attention of Chris Keller (c_keller@summitstrategies.com) and Anna Marie Curran (a_curran@summitstrategies.com). Please note that faxed responses as well as responses received after the due date will not be considered.

Missouri Revised Statutes

Chapter 105 **Public Officers and Employees--Miscellaneous Provisions** **Section 105.687**

August 28, 2009

Definitions.

105.687. As used in sections 105.687 to 105.689, the following terms mean:

- (1) "Equity interests", limited partnership interests and other interests in which the liability of the investor is limited to the amount of the investment, but does not include general partnership interests or other interests involving general liability of the investor;
- (2) "Invest" or "investment", utilization of money in the expectation of future returns in the form of income or capital gain;
- (3) "Investment fiduciary", a person who either exercises any discretionary authority or control in the investment of a public employee retirement system's assets or who renders for a fee advice for a public employment retirement system;
- (4) "Small business", an independently owned and operated business as defined in Title 15 U.S.C. Section 632A and as described by Title 13 CFR Part 121*;
- (5) "Small business investment company", an incorporated body or a limited partnership under Section 301 of Title III of the Small Business Investment Act of 1958, 15 U.S.C. 681;
- (6) "System", a public employee retirement system established by the state or any political subdivision of the state;
- (7) "Venture capital firm", a corporation, partnership, proprietorship, or other entity, the principal businesses of which is the making of investments in small businesses, either directly or indirectly by investing in entities the principal business of which is the making of investments in small businesses.

(L. 1987 S.B. 20 § 1)

*Original rolls contain "21", an apparent typographical error.

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Missouri Revised Statutes

Chapter 105 **Public Officers and Employees--Miscellaneous Provisions** **Section 105.688**

August 28, 2009

Investment fiduciaries, duties.

105.688. The assets of a system may be invested, reinvested and managed by an investment fiduciary subject to the terms, conditions and limitations provided in sections 105.687 to 105.689. An investment fiduciary shall discharge his or her duties in the interest of the participants in the system and their beneficiaries and shall:

- (1) Act with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a similar capacity and familiar with those matters would use in the conduct of a similar enterprise with similar aims;
- (2) Act with due regard for the management, reputation, and stability of the issuer and the character of the particular investments being considered;
- (3) Make investments for the purposes of providing benefits to participants and participants' beneficiaries, and of defraying reasonable expenses of investing the assets of the system;
- (4) Give appropriate consideration to those facts and circumstances that the investment fiduciary knows or should know are relevant to the particular investment or investment course of action involved, including the role of the investment or investment course of action plays in that portion of the system's investments for which the investment fiduciary has responsibility. For purposes of this subdivision, "appropriate consideration" shall include, but is not necessarily limited to a determination by the investment fiduciary that a particular investment or investment course of action is reasonably designed, as part of the investments of the system, to further the purposes of the system, taking into consideration the risk of loss and the opportunity for gain or other return associated with the investment or investment course of action; and consideration of the following factors as they relate to the investment or investment course of action:
 - (a) The diversification of the investments of the system;
 - (b) The liquidity and current return of the investments of the system relative to the anticipated cash flow requirements of the system; and
 - (c) The projected return of the investments of the system relative to the funding objectives of the system;
- (5) Give appropriate consideration to investments which would enhance the general welfare of this state and its citizens if those investments offer the safety and rate of return comparable to other investments available to the investment fiduciary at the time the investment decision is made.

(L. 1987 S.B. 20 § 2)

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Missouri Revised Statutes

Chapter 105 **Public Officers and Employees--Miscellaneous Provisions** **Section 105.689**

August 28, 2009

Investment fiduciary may make investments in certain countries.

105.689. Nothing in sections 105.687 to 105.689 shall prevent any investment fiduciary from making investments in any company which does business in any country with which the United States maintains diplomatic relations.

(L. 1987 S.B. 20 § 3, A.L. 1992 S.B. 499, et al.)

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Missouri Revised Statutes

Chapter 105 Public Officers and Employees--Miscellaneous Provisions Section 105.690

August 28, 2009

Selection of fiduciaries, preference to Missouri firms.

105.690. When selection is made of a venture capital firm, a consultant or a fiduciary, preference must be given to a Missouri based company.

(L. 1987 S.B. 20 § 4)

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Private Equity Fund of Funds Investment Manager Questionnaire

Section 1: Organization

1. Please provide the following information for your firm:
 - a. Firm name
 - b. Firm headquarters address
 - c. Firm headquarters telephone number
 - d. Name of parent firm (if any)
 - e. Name of affiliations or subsidiaries (if any)
 - f. Month, day and year firm was founded
2. Please provide the following information regarding your primary contact person for the product under consideration:
 1. Contact name
 2. Address
 3. Telephone
 4. Facsimile
 5. Email address
3. Describe the ownership structure and any changes to it since inception of the firm. Name the key owners of the fund with % ownership.
4. What percentage of the firm is owned by minorities, if any? The term "minorities" includes, but is not necessarily limited to African-Americans, Native-Americans, Hispanic-Americans, and Asian Americans.
5. Describe any other investment, advisory, or other business activities of the General Partner or its parent organization.
6. Please provide your firm's AUM by year from 2004-2014
7. List any current or pending litigation or regulatory action with which the firm is involved.
8. Discuss whether any of the key individuals of your firm or any of its affiliated entities have ever (i) filed for bankruptcy or (ii) had any judgments entered against them. If so, please describe the circumstances. Also, describe all settlements of legal actions involving your firm, the individual principals or any affiliates.
9. Describe your firm's emergency arrangements to cover major business interruptions such as fire, flood, etc.
10. Please comment on your firm's policies of affirmative action. A copy of your Affirmative Action Policy should be attached as part of your response.
11. Describe how your firm has dealt with Freedom of Information Act (FOIA) requests from your public fund clients.

Section 2: Management

1. Identify your key employees by title, date of joining, age and years of industry experience.
2. Describe all departures from the investment team. Include title, date of joining and departure, reason for leaving.
3. Describe the anticipated time commitment of each investment professional relating to the fund. Please provide the approximate percentage time dedicated by each professional by completing the table below to a) managing the firm, b) deal sourcing, c) due diligence, d) investment monitoring, e) non-fund initiatives, f) marketing.

Name	Managing Firm	Deal Sourcing	Due Diligence	Monitoring	Marketing	Non-Fund Initiatives

4. Describe the compensation structure of each investment professional and incentives to staff.
5. Describe any succession programs for the firm and Fund's keyman clause.
6. Does the firm anticipate adding more staff and if so, at what levels?
7. Will the General Partner use an Investment Committee? If yes, include the name and background of all Investment Committee members. Do investment decisions require a unanimous vote, a majority vote, or a consensus?

Section 3: Partnership terms

1. Provide the management fees that will be charged by the fund. Will the fees be charged on invested or committed capital?
2. Discuss the GP's commitment to the Fund including the method and timing of payments (Are the commitments leveraged? Are the commitments loaned? Do the commitments represent deferred management fees?) Please provide amount and names of key GP commitment providers.
3. Has the General Partner engaged any placement agent(s), consultant(s) or any other party(ies) to assist in the fundraising efforts for the Fund? If so, please list the firm, key contact(s), and contractual arrangements.
4. Describe in detail the allocation of carried interest among investment professionals including percentage allocation to the top carry holders.
5. How is carried interest vested for those parties that participate?
6. Describe your allocation policy between funds you manage and any separate account or advisory clients.

Section 3: Strategy and Performance

1. Please provide the anticipated investment mix by;
 1. Primary funds, secondary and co-investments
 2. Geographic allocation between US, non-US developed and emerging markets
 3. Strategy allocation between buyout, venture, credit and/or special situations
 4. Number of underlying partnerships
2. Please describe any changes in the investment strategy or philosophy over the last 10 years
3. Summarized performance for all prior funds including net IRR, net TVPI, and DPI by fund
4. Provide cash flows (calls, distributions and NAVs) by fund for all prior funds.