



PENSION CONSULTING ALLIANCE, INC.

**REQUEST FOR INFORMATION FOR
PRIVATE EQUITY INVESTMENT MANAGEMENT SERVICES**

RFI Issued: March 5, 2010

Responses Due: March 26, 2010 at 4:00 PM EST

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I. INTRODUCTION AND BACKGROUND

Pension Consulting Alliance, Inc. (“PCA”), acting on behalf of one U.S. public pension fund (the “Fund”), is distributing this Request for Information (“RFI”) to identify qualified investment management organizations to provide private equity investment services. The primary purpose of this RFI is to identify one or more managers to assist the Fund in designing and implementing two separate mandates: (i) a private equity co-investment program and (ii) a fund-of-funds program for middle-market buyout activity in Europe. The goal of these strategies is to provide exposure to niche segments of the private equity market. Selected managers will invest on behalf of the Fund and construct thoughtfully crafted portfolios emphasizing investments with best-in-class general partners and diversification across investment strategies, styles and geographies. ***Proposers may submit responses to the RFI for one or both of the proposed strategies based on qualifications set forth in the RFI.***

Investment Objectives

The Fund aspires to generate attractive risk-adjusted returns within the top quartile of private equity partnerships and investments. The Fund’s primary objective with respect thereto is to identify and engage the most qualified managers in the private equity arena. Such managers are essential to the Fund’s ability to realize the attractive returns. The Fund seeks to ensure that the interests of such managers are consistent with that of the Fund. A strong alignment of interests is a fundamental element in creating an environment in which management is provided with adequate discretion to be fully accountable for investment results. The Fund expects selected managers to serve as a general resource to its overall program and to utilize a fair and transparent evaluation process.

PCA may identify one or more qualified firm(s) to provide the investment services for ***each*** strategy outlined in the RFI. PCA is looking for qualified managers to manage customized investment vehicles (as described in Scope of Services in Section III) and will consider all submissions from Proposers, including: (i) experienced private equity managers; (ii) private equity consultants; (iii) fund-of-funds managers; and (iv) new groups specifically formed to submit a proposal.

Investment Approach

Overall, the manager(s) should construct a highly diversified portfolio of co-investments and/or funds (as applicable and based on each separate mandate) that includes the following important dimensions of diversification and economic returns:

- Total return-driven strategy;
- Targeted returns in the mid 20s;
- Diversification across markets, vintage year, niches, strategies and managers;
- Initiative in seeking out the undiscovered teams or best in class teams and niche strategies; and
- Sensitivity to emerging firms that are women and minority owned.

II. RFI TIMELINE AND EXPLANATION OF EVENTS

A. Sequence of Events

	Action	Date
1	Issuance of RFI	March 5, 2010
2	Deadline to submit written questions	March 12, 2010
3	Responses to written questions posted	March 16, 2010
4	Deadline for submission of responses	March 26, 2010
5	Evaluation of responses ends	April 16, 2010
6	Anticipated start of interviews and due diligence (no earlier than the week of)	April 19, 2010
7	Finalist interviews (no earlier than the week of)	May 3, 2010
8	Anticipated notification of award (no earlier than the week of)	May 24, 2010
9	Approval of contract	June 7, 2010
10	Anticipated commencement of work	June 21, 2010

B. Explanation of Events

1. **Issuance of RFI** – The RFI will be released on March 5, 2010.
2. **Deadline to submit written questions** – Proposers will have an opportunity to submit written questions and requests for clarification of this RFI. All questions and requests for clarification should cite the particular RFI section and paragraph number (where applicable) and must be submitted to PCA VIA E-MAIL ONLY at the following address: *perfi@pensionconsulting.com*. All written questions must be submitted no later than 5:00 PM Eastern Standard Time on March 12, 2010. Inquiries received after the deadline stated above will not be considered. ***No telephone inquiries or other non-written inquiries from Proposers will be accepted.***

3. **Responses to written questions posted** – Written responses to all Proposers' written questions will be made available by March 16, 2010 on PCA's website at the following address:
www.pensionconsulting.com/perfi.htm.
4. **Deadline for submission of responses** – The deadline for receipt of all proposals is 4:00 PM Eastern Standard Time on March 26, 2010. ***No fax transmissions of the RFI are allowed. No exceptions to this deadline will be allowed. Late submissions will not be considered. Please refer to Section V – Proposal Format and Submission for detailed instructions of proposal format, content and submission process.***
5. **Evaluation of responses** – The evaluation of proposals will be performed by PCA in accordance to the Evaluation Criteria specified in Section VI – Evaluation Criteria. This process will take place until April 16, 2010.
6. **Other Considerations:** PCA and the Fund have the right to reject any and all proposals. In addition, all costs for developing proposals and attending interviews are entirely the responsibility of the Proposer and shall not be reimbursed by either PCA or the Fund.

III. SCOPE OF SERVICES

PCA is soliciting written responses from investment management firms for two separate mandates: (i) Private Equity Co-Investments and (ii) European Middle-Market Buyout Fund-of-Funds. Proposers may submit responses for one or both mandates. The select manager(s) will invest on behalf of the Fund and construct portfolios emphasizing investments with best in class general partners and diversification across investment strategies, sectors, vintage years, styles and geographies.

A. Private Equity Co-Investment Mandate

The Fund seeks investment managers that are capable of targeting private equity co-investment opportunities, primarily alongside the Fund's existing corporate finance private equity managers, and secondarily, alongside managers with whom the Fund does not have an existing relationship. The Fund initially seeks to make a commitment of \$200 million to fulfill the co-investment mandate.

B. European Middle-Market Buyout Fund-of-Funds Mandate

The Fund makes use of separate account vehicles to enable it to make investments in: (i) geographies and subsectors with respect to which its private equity portfolio lacks exposure; and (ii) smaller-sized buyout and venture capital partnerships. Such account vehicles enable the Fund to avoid dedicating internal staff resources to opportunities to which it could potentially invest only a limited amount of capital.

The Fund seeks a fund-of-funds manager to provide the Fund with exposure to European middle-market buyout funds that invest in portfolio companies operating across a range of industry groups. The goal of the mandate is to provide the Fund exposure to a niche segment of the private equity market that is often challenged in accessing the large institutional capital base. Underlying funds should be managed by established private equity firms and some allocation may be made for investments in emerging middle-market buyout funds. The Fund initially seeks to make a commitment of \$200 million to fulfill the European middle-market buyout fund-of-funds mandate.

C. The selected manager(s) for each mandate, as a fiduciary to the Fund, will be required to provide the following services (where applicable):

1. Seek opportunities, oversee the selection process and conduct a thorough analysis of investment opportunities. The analysis shall include the review of the performance and track record of the investment opportunity, the attractiveness, strengths and weaknesses of the opportunity; focus on the appropriateness of the investment for the Fund and consideration of the existing portfolio, sector, investment criteria and specific risks (headline, political, governance); review of the investment philosophies and processes, internal and risk controls; the nature and extent of the sponsoring general partner's diligence; deal terms, ownership structure and rights and alignment of interests.
2. Perform an independent analysis of investment opportunities. Conduct financial reviews, background checks, due diligence reviews on prospective investments, general partners and co-investment structures.
3. Evaluate and negotiate agreements (subscription agreement, limited partnership agreement, financing agreements or other similar documents) structuring the terms and conditions of the investments to ensure the best possible protection and return.

4. For new investments, provide a written investment recommendation memorandum documenting the results of independent analysis.
5. Present comprehensive portfolio reporting to the staff of the Fund from deal inception through exit and provide total portfolio oversight through transaction exit. Promptly execute all necessary administrative tasks (e.g. capital calls, approvals required by the applicable agreement, etc.). Evaluate all investments on a quarterly basis and provide a comprehensive report covering the following:
 - i. Current status, overview and outlook of market conditions of each investment;
 - ii. Summarize all investments in a table, with columns including fund name, general partner, vintage year, fund strategy, geographic focus, size, commitment amount, capital drawn, capital returned, latest valuation and IRR from inception to the reporting date;
 - iii. Summarize the portfolio's overall financial status (total commitments, capital drawn, capital returned, latest valuation and IRR from inception to the reporting date) by sub-asset class and in total; and operations during the reporting period (new commitments, capital drawn, capital returned and increase or decrease in valuation relative to the prior reporting period);
 - iv. Compare the portfolio's performance to the appropriate benchmarks and analyze any material under- or over-performance;
 - v. Provide an update on the status of each of the individual portfolio holdings, including any material adverse changes, the general partner's compliance with all legal agreements, status of the portfolio companies, capital called (current quarter and inception-to-date), distributions (current quarter and inception-to-date), carrying value (current and change from prior quarter), inception-to-date performance and any other information deemed necessary or relevant by investors.
6. Prepare an annual report as soon as possible after the end of each fiscal year reflecting the year's investment activities, transactions, returns, appraised market values and other matters which may have a bearing on the performance of the investment portfolio. Provide audited financial statements of the account by a nationally recognized independent public accounting firm.

7. Proactively identify potential issues in fund investments (e.g. claw back liabilities, key man triggers, etc.) relating to the portfolio and, where possible, take remedial and corrective action in advance. Conduct on-going review of each investment and advise the Fund on matters requiring action by investment staff. Seek representation on the advisory board whenever possible.
8. Attend periodic meetings (anticipated to be quarterly, however, more frequency may be necessary) regarding investment opportunities being reviewed, performance monitoring of individual and/or portfolio of investments and review of the various investment markets under consideration.
9. Prepare and present to the staff of the Fund an annual investment plan which identifies attractive investments, describes how the investment firm will implement the plan and discuss investment return objectives based on the Fund's established investment guidelines.
10. For all investments that the Fund chooses to commit capital, the manager must co-invest a meaningful amount alongside the Fund for the equity stake investment.
11. Facilitate the transfer of select relationships to the Fund's portfolio as relationships mature over time (if necessary).
12. Comply with the Fund's policies and procedures. Managers selected for in-depth review and due diligence will receive the Fund's policies and procedures for review and compliance.
13. Have dedicated professional staff that will focus exclusively on the Fund's account. A key objective would be for the same individuals to continue to work on behalf of the Fund for the term of the investment period.
14. Maintain an open door policy. Encourage and actively seek out all aspects of diversity throughout investment decision making process.

IV. MINIMUM QUALIFICATIONS

Respondents to the RFI must meet the following minimum qualifications. ***Failure to satisfy the following qualifications may result in the rejection of the Respondent's proposal.***

A. Private Equity Co-Investment Mandate

To be considered, respondents must agree to provide the requested services outlined in the Scope of Services in Section III of this RFI, as well as to meet any other requirements stated in this RFI. The management team of the Proposer must have the following qualifications:

1. A minimum of five (5) years experience in private equity co-investment activities and transactions relating to partnership, direct investment activities and/or any other complementary private equity activities (including but not limited to deal sourcing, analyzing and screening, negotiating, closing transactions, monitoring and exiting investments.
2. Excellent deal flow and strong relationships/presence to support the priorities of the private equity co-investment mandate.
3. Equal employment opportunity record as evidenced by the composition of the firm's personnel and the firm's affirmative action and equal employment opportunity policies and practices.

B. European Middle-Market Buyout Fund-of-Funds Mandate

To be considered, respondents must agree to provide the requested services outlined in the Scope of Services in Section III of this RFI, as well as to meet any other requirements stated in this RFI. The management team of the Proposer must have the following qualifications:

1. A minimum of five (5) years experience in private equity investment activities and transactions relating to partnerships, fund-of-funds, direct investment activities and/or any other complementary private equity activities (including but not limited to deal sourcing, analyzing and screening, negotiating, closing transactions, monitoring and exiting investments. A strong preference will be given to managers with fund-of-funds experience in Europe.

2. Demonstrated strong relationships with private equity managers in the European middle-market buyout sector.
3. Excellent deal flow to support the priorities of the private equity fund-of-funds mandate.
4. Experience investing in emerging private equity fund managers.
5. Equal employment opportunity record as evidenced by the composition of the firm's personnel and the firm's affirmative action and equal employment opportunity policies and practices.

C. Minimum Terms and Conditions as set forth by the Fund

Fund Size	The Fund will be the only investor in the fund-of-funds vehicle. The Fund is open to considering proposals for various commitment sizes.
Commitment Period	The investment period will be the earlier of up to four years from the effective date or the date on which the capital is fully committed, to be extended at the Fund's discretion.
General Partner Commitment	The General Partner will contribute to the Fund's total commitments.
No-fault Termination	The Fund will have the right to terminate the commitment period at will without cause.
Veto Rights	The Fund will have discretion to reject any investment opportunity. In addition, the Fund must waive in writing any variance from the investment policies and procedures, otherwise the investment will be rejected.
Fees & Profit Participation	The Fund is open to consider all competitive fee proposals. After the investment period, the Fund expects there will be a step down in management fees on the aggregate capital commitments invested, directly or indirectly, in portfolio investments less any realizations or write-offs. The Fund will consider proposals for profit participation at a certain multiple or preferred return.
Transfer	The Fund reserves the right to transfer investments out of the investment vehicle at any time. With regard to the co-investment vehicle, the Fund will retain the right to trigger the sale of any investment

	or partnership from the portfolio to ensure that the Fund can control exit strategy.
Key Man Termination	The key professionals must devote the necessary amount of time for the entire investment period.
Removal of General Partner	The Fund will have the option to remove the General Partner at its discretion.

V. PROPOSAL FORMAT AND SUBMISSION

A. Proposal Format

All proposals must be printed on standard 8 ½ x 11 paper, indexed and placed within a binder. Completeness, clarity and brevity are expected.

A proposal that is incomplete in any material respect may be eliminated from consideration. The following outlines the required information to be provided, in the following order, by Proposers. Responses that do not follow the prescribed format may be eliminated from consideration.

The Proposer's response to this RFI must be organized and indexed in the following format:

1. **Title Page** – Submit a Title Page providing the RFI subject; the Proposer's name and address; and the date of the proposal.
2. **Table of Contents** – The Table of Contents should clearly identify all material (by section and page number) included in the proposal.
3. **Cover Letter** – The Cover Letter must be completed and signed by an individual authorized to bind the Proposer contractually. Please indicate the title or position the signer holds with the Proposer.

The Cover Letter shall also contain:

- i. The Proposer's name;
- ii. The name, telephone number, e-mail address and fax number of the individual within the Proposer's firm who will be the primary contact during consideration of the proposal;
- iii. A statement as to the Proposer's interest in either the co-investment mandate or the European middle-market buyout fund-of-funds mandate;

- iv. The Proposer's willingness to perform the Scope of Services as described Section III;
 - v. Explicitly indicate acceptance of the Minimum Qualifications as described in Section IV;
 - vi. A statement as to the availability of staff to perform all services described.
- 4. Completed Questionnaire** – The completed response to the questionnaire included in Section VII of this RFI shall be **no more than 40 pages** in length (not including supplementary attachments included with the RFI).
- 5. Client References** – The Proposer must submit at least five (5) client references in the format specified in Section VIII of this RFI.

B. Proposal Submission

Each Proposer must submit **FOUR (4)** hard copies of the complete response and all supporting documentation to PCA. In addition, **ONE (1)** electronic copy of the response must be submitted on a compact disc (CD). The preferred formats are Microsoft Word and/or Adobe PDF.

All submissions must be addressed to:

**Pension Consulting Alliance, Inc.
Private Equity Request for Information
80 Broad Street, 5th Floor
New York, NY 10004**

C. Other Considerations

PCA and the Fund have the right to reject any and all proposals. In addition, all costs for developing proposals and attending interviews are entirely the responsibility of the Proposer and shall not be reimbursed by either PCA or the Fund.

VI. EVALUATION CRITERIA

The evaluation process will be conducted in a comprehensive and impartial manner. PCA and the Fund will review and evaluate all proposals. The final score will be determined based on the written proposals using the evaluation criteria set forth below. The finalists' references will be checked and the information obtained will be used in scoring.

The following Evaluation Criteria will be used:

- A. Depth of organization and resources;
- B. Quality of management team and management capabilities;
- C. Track record and access to relevant deal flow;
- D. Quality of investment activities and strategy;
- E. Financial condition;
- F. Fee economics, terms and conditions;
- G. Interviews and site visit(s);
- H. Overall quality of written proposal and oral presentation; and
- I. Willingness to accept the terms of the Fund's contract.

Managers will be screened and ranked according to the above criteria. Thereafter, PCA and the Fund may select one or more managers for in-depth review. ***Managers selected for in-depth review will receive the Fund's policies and procedures for review and compliance.*** If selected for in-depth review, the manager(s) will be asked to certify compliance with the Fund's various policies and procedures.

VII. QUESTIONNAIRE

A. ORGANIZATION

1. Provide the following background information:
 - a. Firm's name;
 - b. Addresses of all office locations, indicating primary functions of each office as well as the servicing office for the proposed relationship;
 - c. Main contact person (name, title, telephone number, email) for the proposed relationship; and
 - d. Firm's website.
2. Briefly describe the firm including:
 - a. Background and operating history of the firm;
 - b. Year firm was formed and began managing assets;
 - c. The ownership structure. Indicate all entities that have an ownership stake in the firm (entity names and ownership percentages); and
 - d. Affiliated companies or joint ventures and the nature of any financial relationships.
3. List all owners of the Proposer (individuals and business entities) and their ownership percentages.
4. Provide a corporate organizational chart showing the relationship between the Proposer and all parent, subsidiary, affiliate or joint venture entities. Briefly describe all such entities.
5. Provide a breakdown (in U.S. dollars) of the company's private equity assets under management as of 12/31/2009, by number of assets, type of asset and carrying value. Please provide any comments or footnotes necessary to clarify your company's assets under management. (For European fund-of-funds, assets may be listed in Euros or local currency.)
6. Describe any lines of business in which the Proposer engages that might conflict with providing services to a public pension fund. Explain how any such conflicts will be mitigated.
7. Describe any additional resources, available to or provided by, the Proposer or its affiliated entities (i.e. research, back office management, etc.).

8. Explain how the Proposer is organized (including all operating divisions, functional areas and the number of employees within each area).
9. Provide an organizational chart depicting the Proposer's investment professionals, highlighting the individuals that are proposed to work on the mandate.
10. Explain any significant developments in the organization (e.g., changes in ownership, restructuring, reorganization of personnel, etc.) that occurred in the last five years.
11. Explain the Proposer's management succession plan.
12. Describe the Proposer's five-year business plan. Detail any significant anticipated changes that may occur within the next five years.
13. Provide the current company audited financial statements for the past three years.
14. Is the Proposer a registered investment advisor? If yes, in what jurisdiction(s)?
15. List the names and addresses of women-owned, minority-owned and emerging businesses with which you do business (other than participating fund managers).
16. Provide the name(s) of auditing and law firms the Proposer would use.

B. FUND MANAGEMENT TEAM

1. Identify all individuals to be assigned to the Fund's relationship. Please provide information as outlined below:
 - a. Complete the following table;

Name	Title	Relationship Role	Years of PE Experience	Years with Firm



- b. Identify which professionals will be responsible for the day-to-day management of the Fund's relationship; and
 - c. Identify the professionals that comprise the Investment Committee. Does the approval of investment decisions by the committee require a unanimous vote or will majority approval suffice?
2. Provide a brief biography for each person to be assigned to the relationship with the Fund. Describe each individual's specific experience relative to the services required. Additionally, attach a resume for each person to be assigned to the relationship with the Fund.
 3. Describe the Proposer's compensation program for investment professionals (including senior, mid-level and junior investment professionals and staff). How does this arrangement encourage employee retention?
 4. How does the compensation program maintain a proper alignment with clients' interests? Are there other ways the Proposer aligns its interests with that of its clients?
 5. How is carried interest split among the Proposer's team (if applicable)?
 6. Have any investment professionals left or joined the firm since December 31, 2004. Please provide information as detailed in the tables below:

a. Departures; and

Name	Title	Years with Firm	Year of Departure	Reason for Departure

b. New Hires.

Name	Title	Year of Hire

7. Are there any plans to hire additional staff?
8. Since January 1, 1998, has the Proposer or any of its professionals been named as a defendant in any action (including any civil action, SEC enforcement action, stock exchange, SRO or trade association disciplinary action or any similar proceeding) alleging fraud or other criminal activity or misfeasance or malfeasance in relation to the investment management services that the Proposer provides? If yes, please describe.
9. Describe any past, current or pending litigation involving any professionals in the Proposer's partnership, management team or affiliate. If applicable, describe the judgments and/or settlements arising from any such actions.
10. What level of commitment would the Proposer commit to the proposed investment vehicle? How would the Proposer structure this commitment (cash, deferral of management fees, etc.)?
11. What size co-investment would the Proposer make alongside the Fund (e.g. 2% GP, 98% LP)?

C. CONFLICTS OF INTEREST

1. Please disclose any conflict of interest, as it relates to the Proposer, that may arise from:
 - a. Separate accounts and commingled funds;
 - b. Multiple lines of business;
 - c. The Proposer's relationship with its parent or other affiliates, joint venture partners and strategic partners; and
 - d. Representing a public pension plan.
2. Does the Proposer or any of its employees invest their own capital in opportunities recommended or not recommended for clients? If yes, explain how potential conflicts are mitigated.
3. Detail any circumstances under which the Proposer, its affiliates, officers or employees, or the ultimate parent of the Proposer, in each case, has utilized placement agent or marketing services. Please disclose any economic or financial interest that the Proposer has with any party that could be perceived to conflict with the conduct by the Proposer of business with a public pension plan.

D. TRACK RECORD

1. Quantify your track record and/or business building and value creation experience.
2. Provide a detailed overview of the Proposer's transaction experience. For groups newly formed, please demonstrate the transaction experiences of the management team and key professionals.

PCA and the Fund will ask finalists to provide details of cash flows or value creation associated with each investment in order to verify Internal Rates of Return calculations, performance measurements and business building capabilities.

E. INVESTMENT ACTIVITIES AND STRATEGY – PRIVATE EQUITY CO-INVESTMENTS MANDATE

1. Describe the Proposer's experience in analyzing and recommending direct investments in operating companies.
2. Describe the Proposer's experience in analyzing and recommending strategic investments in private equity firms. Does the Proposer operate any co-investment vehicles for institutional investors?
3. How many private equity co-investment opportunities does the Proposer evaluate each year?
4. Discuss the skill set of the Proposer's management team to implement the co-investment strategy.
5. How does the Proposer approach the search for, and the identification of, high quality private equity teams and investments? Describe the Proposer's efforts to strengthen its deal sourcing capabilities.
6. What are the Proposer's plans to get the Fund access to private equity co-investments that are expected to be top-performers?
7. What advisory or investment management services does the Proposer or its affiliates provide to clients through consulting/advisory mandates, separate accounts, commingled fund-of-funds or direct investment programs?

8. Provide a list of all present and past separate accounts managed by the Proposer, including the size of total commitments and a brief summary of each investment strategy. Include an overview of the successes and challenges faced in executing the strategy.
9. Describe the philosophy and investment decision-making process the Proposer utilizes for identifying, analyzing and investing, including due diligence procedures/process.
10. Describe the process the Proposer uses for allocating investment opportunities among the Proposer's clients, commingled funds and internal accounts. Does the Proposer report the results of internal asset allocations to the Proposer's clients? If yes, please describe.
11. Does the Proposer maintain a proprietary database of private equity investments? Provide a description of the database.
12. The Fund is interested in developing strategic relationships with private equity managers in the form of co-investments activities. How would the Proposer develop a co-investment strategy and portfolio for a public pension plan? How would the Proposer envision an allocation by size, investment types, geography and vintage year?
13. What is the Proposer's current view of the private equity market? Where does the Proposer see investment opportunities?
14. What is the Proposer's definition of risk with respect to the proposed mandate? If more than one, specify each with its level of importance. Describe how the Proposer monitors and manages risk such as residual risk versus the benchmark, common factor analysis, security, sector and industry weightings and value at risk.
15. Describe any risk measurement models used and how this analysis is incorporated in the portfolio management process.
16. Identify the Proposer's competitors and the Proposer's competitive advantage. What sets the Proposer's firm apart from others?

17. Describe why the Proposer is best suited to provide co-investment services to the Fund.
18. Discuss how the Proposer handled a problem investment by describing the problem, how the problem was identified, actions taken, results, lessons learned and overall timeframe for resolution.
19. Discuss the Proposer's monitoring capabilities. How many professionals are dedicated to monitoring, accounting and reporting?
20. Describe the Proposer's transaction management and back office capacity including internal controls and procedures for validating and tracking capital draws, funding requirements, partnership management fees and partnership extensions.
21. How is performance data reported to limited partners/clients? Is it done in hard copy or via electronic access? If via electronic access, is it done via e-mail, online secure access, etc?
22. How often are formal reviews of performance conducted?

F. INVESTMENT ACTIVITIES AND STRATEGY – EUROPEAN MIDDLE-MARKET BUYOUT FUND-OF-FUNDS MANDATE

1. Describe the Proposer's experience in analyzing and making investments in European middle-market buyout funds.
2. In evaluating a private equity fund, what criteria are deemed most important?
3. Discuss the Proposer's deal sourcing capabilities. How many private equity funds do you evaluate on a yearly basis? How do you gain information access to funds and managers? What kind of network resources and contacts does the Proposer have in the community in which it makes investments?
4. Does the Proposer maintain a proprietary database of private equity funds? Provide a description of the database (number of managers, type of information contained in the database, etc.).
5. Provide a list of all present and past comingled fund-of-fund investment vehicles (open and closed ended) managed by the Proposer, including the

size of total commitments and a brief summary of their investment strategy (if applicable). Include an overview of the successes and challenges faced in executing the strategy.

6. Describe how investment opportunities are allocated among these accounts/vehicles. What policies/allocation mechanisms are in place to avoid potential conflicts of interest?
7. Discuss the Proposer's approach to making investments. Does it use a top-down approach based on market research trends or a bottom-up approach focused on investment opportunities in the market?
8. What type of historical performance data is requested from managers of underlying funds?
9. During the analysis of a fund, is the value of underlying portfolio companies confirmed by the Proposer's own analysis? How does the Proposer evaluate portfolio companies? What metrics are used in evaluating portfolio companies?
10. Does the Proposer typically seek membership in the advisory committee when making an investment? Please explain.
11. What is the Proposer's approach to portfolio construction? How do you diversify across vintage year, manager, geography, etc.?
12. Are there certain industries or sectors that the Proposer will not consider for investment? Please explain.
13. What is the Proposer's definition of risk with respect to the proposed mandate? If more than one, specify each with its level of importance. Describe how the Proposer monitors and manages risk such as residual risk versus the benchmark, common factor analysis, security, sector and industry weightings, and value at risk.
14. Describe any risk measurement models used and how this analysis is incorporated in the portfolio management process.
15. What is the Proposer's view of the current European private equity market? What are some of the challenges of the market? What are the areas of

opportunities within the market? Over the last 18 months, has the Proposer altered its investment approach and/or strategy in the market?

16. What are the Proposer's thoughts regarding a European middle-market buyout strategy? Are there opportunities within this strategy? If so, please describe.
17. Identify the Proposer's competitors and the Proposer's competitive advantage. What sets the Proposer's firm apart from others?
18. Address any actual, potential or perceived investment allocation issues associated with this mandate and how the Proposer will address these issues should they arise.
19. Describe why the Proposer is best suited to provide European middle-market buyout fund-of-funds investment services to the Fund.
20. Discuss the Proposer's monitoring capabilities. How many professionals are dedicated to monitoring, accounting and reporting?
21. Describe the Proposer's transaction management and back office capacity including internal controls and procedures for validating and tracking capital draws, funding requirements, partnership management fees and partnership extensions.
22. How is performance data reported to limited partners/clients? Is done in hard copy or via electronic access? If via electronic access, is it done via email, online secure access, etc?
23. How often are formal reviews of performance conducted?

G. ALIGNMENT OF INTERESTS AND FEES

1. How will the Proposer assure alignment of interests with the partnerships/companies in which the Proposer expects to invest?
2. Describe how the Proposer's firm would align its interests and those of the assigned management team to the Fund.

3. Provide a fee structure proposal for the co-investment mandate and/or the fund-of-funds mandate as applicable. This may include fees and/or performance-based compensation. Assume that fees are paid outside the capital commitment amounts. Define any other profit incentives/expenses that may be payable. If applicable, provide a mathematical example of your proposed distribution waterfall and the net economics to the Fund over the life of the mandate (assume 5 years for this purpose).

H. OTHER INFORMATION AND DISCLOSURE

1. Proposers seeking to do business with the Fund are required to disclose all third party compensation agreements in connection with the maintenance or procurement of business with the Fund. Responses to this questionnaire must include a disclosure as to any third party compensation agreements. If a contract is awarded, the agreement will contain a covenant that requires continuing disclosure in such form and substance as shall be directed by the Fund periodically.
2. Does the Proposer have a disaster recovery plan in place? Does the Proposer have alternative office space and systems available to: (i) permit it to continue to deliver the services described in this RFI; and (ii) preserve all associated electronic and written records, in each case, in the event of a disaster? Describe the Proposer's disaster recovery plan.
3. Attach a copy of three investment recommendation memos you have provided to clients since January 1, 2005. If you provide clients with investment rejection memos, please attach one. Please include a copy of an investment memo for an investment consistent with the mandates outlined in the RFI and a copy of an investment memorandum summarizing the manager's view on the investment opportunity that was fully evaluated but declined.

I. CLIENT REFERENCES

Client Name	
Client Type	
Length of Relationship	
Contact Name/Title	
Address	
Telephone Number	
E-mail Address	

Client Name	
Client Type	
Length of Relationship	
Contact Name/Title	
Address	
Telephone Number	
E-mail Address	

Client Name	
Client Type	
Length of Relationship	
Contact Name/Title	
Address	
Telephone Number	
E-mail Address	

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E-mail Address	