

Answers to Asset Management and Transition Service:

- What is the timeframe in which PFRSNJ envisions having the transition project completed?

We anticipate that the transition of the assets, at least for Common Pension Fund D, the traditional securities will occur around January 1, 2022. Common Pension Fund E will be allowed to unwind naturally as distributions from the fund occur, and are placed into the Separate PFRSNJ account.

- Is the role of the consultant to provide advice on the transition of assets or to implement the transition of assets?
 - For example, what is the expected level of engagement regarding transitioning all of the agreements for the private assets in the Common Pension Fund E? i.e, will the consultant be responsible for oversight of the custodian movement of assets? Or will they be required to work directly with the general partner/investment managers to complete the required documentation by the private asset managers?

We have not come to a determination yet if we are going to create separate agreements with all of the partnerships in Common Pension Fund E. One way we have thought about this, is to allow the fund to naturally wind down. However, there is the possibility that we will create one master agreement, and then create side letters with these funds, as we take them over. Currently NEPC, the Board's investment consultant has advised to leave Common Fund E intact, and to take distributions from it over time. Regarding Common Pension Fund D, I have started to write an IMA for the 14 managers that will be a template for those agreements.

- Is the plan to separate a pro-rata slice for all 250 private assets? –
We are working through the details of whether we are going to leave Common Pension Fund E intact and simply receive distributions, or whether we are going to engage in separate agreements for all of the funds.
- The RFQ mentions that the asset transfer will require the evaluation of all investment managers retained within the Common Pension Fund D. Is the expectation that manager evaluations would fall into the scope of this project? –
We are working with our Investment team to evaluate the Common Pension Fund D investment managers, but yes, we are going to be evaluating the same as part of this project.
- Would the scope of the project include any investment manager transition of assets or solely a pro-rata carve out of the existing managers within Common Fund D.
At this point, it is simply the transition of the existing managers. If we go out to RFP for new managers, that would be separate work.

- What is the expected duration for the entire project?

We anticipate that the project will see the transition of the assets in January 2022. We will need a lead up to that point, but State Street is indicating the actual transfer will take approximately 7 days to process the transferring of assets into the separate accounts. The total project will be approximately six months in duration.

- Will the selected firm receive a copy of the professional services agreement including the terms and conditions in advance of the negotiation process?

We will enter into a professional services contract after the bid proposals come in, and once a firm has been selected. Entry into the agreement however, will be based upon approval by both of the entities involved.

- Is the state willing to accept deviations to the terms and conditions of the agreement language from the selected firm?

The PFRSNJ has more ability to accept terms that are not identical to the normal standard terms that are used by the State of New Jersey. However, that being said, we have certain terms at the PFRSNJ that we need to include in any agreement, such as cancellation with 30 days-notice if the Board is not happy with the work of the transition consultant.