



CRISIS PROTECTION CLASS (CPC) IMPLEMENTATION TIMELINES

Rhode Island State Investment Commission

January 25, 2017

PCA

PENSION
CONSULTING
ALLIANCE

To Date: Progress on CPC Class Implementation

- At its September 28, 2016 meeting, the RISIC approved a 8% allocation to a Crisis Protection Class (CPC), based on strategic class modeling
- At its November 16, 2016 meeting, the RISIC received education:
 1. Reviewing the CPC role
 2. Introducing Systematic Trend Following role and its benchmark
 3. Outlining the CPC platform manager role & sourcing process
 4. Outlining the Systematic Trend Following manager sourcing
- In December 2016, Requests for Information (RFIs) were issued for:
 1. CPC platform managers
 2. Systematic Trend Following managers

Manager Due Diligence Process Outline

Already Done:

- PCA provided a short list of platform implementation / platform managers
 - Drafted and issued Request For Information (RFI)
- PCA / Cliffwater provided a short list of Systematic Trend Following managers
 - Drafted and issued Request For Information (RFI)

To Do Before the End of February:

- Conduct a review and evaluation of Platform and STF manager RFI responses
 - PCA and Rhode Island investment staff by first week of February
- Conduct onsite due diligence at a limited number of platform manager offices
 - PCA and Rhode Island investment staff onsite by end of February
- Platform manager recommendation: At March SIC meeting
 - PCA and Staff joint recommendation memo to SIC
 - Platform manager to present to SIC

Timeline for Implementation of Crisis Protection Class (CPC)

Staff and Consultant Tasks	Date	Done
<i>Asset-Liability Project</i>	<i>July 16</i>	Done
<i>CPC Strategic Class Modeling</i>	<i>Aug 16</i>	Done
<i>Asset-liability Modeling 8% CPCSM</i>	<i>Sept 16</i>	Done
<i>Long Duration Manager RFI issued</i>	<i>Oct 16</i>	Done
<i>Education: STF and Platform Mgrs</i>	<i>Nov 16</i>	Done
<i>Long Duration Selection (WAMCO, MacKay Shields)</i>	<i>Dec 16</i>	Done
<i>Developed / Issued Platform Manager RFIs</i>	<i>Dec 16</i>	Done
<i>Developed / Issued STF Manager RFIs</i>	<i>Dec 16</i>	Done
<i>Received RFI responses</i>	<i>Jan 17</i>	Done
Read and evaluate RFI responses	Feb 17	
Onsite Due Diligence of Platform Mgrs	Feb 17	
Select platform manager, contract with them	Mar 17	
Select asset manager platform legal structure	Apr 17	
Select STF manager, On-sites, ODD, contract	May 17	
Fund STF and Long Duration Managers	July 17	

Respondents to Manager Requests for Information CPC Class

Long Duration Managers	CPC Platform Managers	Systematic Trend Following Managers
Brown Brothers	Aberdeen / HM	AHL Man
Fidelity	Cliffwater / InfraHedge	AlphaSimplex
PIMCO	Franklin Templeton / K2	Aspect
MacKay Shields	FRM Man	Crabel
WAMCO	Lyxor	Credit Suisse
	Northstar	Graham
		GSA
		Rotella
		Welton

Selected managers in **bold**

Reiteration of Next Steps / Remaining Steps

- Read and evaluate RFI responses for platform managers
- Select platform manager finalists
- Conduct onsite due diligence of platform manager finalists
- Select platform manager, contract with them
- Select the platform legal structure for asset managers
- Select STF manager finalists, conduct onsite due diligence,
- Platform manager conducts operational due diligence
- Contract with STF managers
- Fund STF and Long Duration managers

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