



## State of New Jersey

DEPARTMENT OF THE TREASURY  
DIVISION OF INVESTMENT  
P.O. BOX 290  
TRENTON, NJ 08625-0290

**CHRIS CHRISTIE**  
*Governor*

**ANDREW P. SIDAMON-ERISTOFF**  
*State Treasurer*

**KIM GUADAGNO**  
*Lt. Governor*

TO: All Bidders

FROM: Christopher McDonough, Director

DATE: May 14, 2014

RE: Amendment #2  
Request for Proposals for Investment Advisers for High  
Yield Fixed Income and Municipal Fixed Income Request  
for Proposals (RFP)

- 1) Please be advised that the deadline to submit proposals has been postponed. The new deadline for proposals is:

**Thursday, May 29, 2014 by 3:00 p.m. Eastern**

Proposals must be received in DOI's office by the deadline in order to be considered.

- 2) Please be advised that the "RFP Appendix Tables" have been revised and posted to DOI's website. The originally posted Tables requested incorrect dates.
- 3) Section 5.13.8 of the RFP has an incorrect reference to the corresponding table in the Appendix. . The RFP is hereby amended to read:

5.13.8 Table 5.12.0 requires the current and remaining capacity for each proposed strategy. How is this capacity determined? If this capacity is reached, would a "hard" (no new assets from any source) or "soft" (new assets allowed from existing clients or within certain vehicles) close be instituted?

- 4) Sections 3.2.2, 3.2.3, and 3.2.4 of the RFP are hereby amended to read:

3.2.2 Contractor shall execute trades on behalf of DOI; provided, however, that Contractor shall obtain approval of trades from the Designated DOI Liaison(s) (as identified upon contract award) before any trades can be executed. It is anticipated that Contractor shall provide the Designated DOI Liaison(s) with a summary of proposed trades by 3:30 p.m. Eastern Time prior to each trading day (or such other time as agreed in writing by Contractor and the DOI). Contractor shall provide electronically a summary of proposed trades to the Designated DOI Liaison(s), using a template to be provided by the Designated DOI Liaison(s), which summary shall include information requested by the Designated DOI Liaison(s) such as the name of any issuers whose obligations are proposed to be bought or sold, trade direction (buy or sell), a brief description of the obligations, a security identifier, the proposed timeframe for purchasing or selling each position, a brief description of the rationale for each proposed transaction, and the quantity or notional value of each proposed transaction. Upon receipt, the Designated DOI Liaison(s) shall review the summary of proposed trades and shall notify Contractor whether or not such proposed trades have been approved for execution. The target time for response by the Designated DOI Liaison(s) will be 8:30 a.m. Eastern time on the following day (or such other time as agreed in writing by Contractor and the DOI). In the case of requests sent during the trading day, the Designated DOI Liaison(s) will endeavor to respond on a best efforts basis. Responses to trade requests submitted on those days when DOI is not open for business (e.g., Saturday, Sunday, designated State holidays and State declared closures) shall be responded to on the next day when DOI is open.

Upon approval, Contractor may execute trades within the approved timeframe in such manner as to facilitate best execution and accommodate changes in market conditions. After the expiration of the approved timeframe, Contractor must re-propose any unexecuted trades. Contractor may not exceed the approved quantity or notional value, but has the ability to purchase or sell less than the approved amount and has the ability not to make a trade as market conditions dictate; provided, however, that Contractor shall notify the Designated DOI Liaison(s) when it elects to do so.

3.2.3 By 8:00 p.m. Eastern time at the end of each trading day (or such other time as agreed in writing by Contractor and DOI), Contractor shall provide electronically a summary of executed trades to the Designated DOI Liaison(s), using a template to be provided by the Designated DOI Liaison(s), which summary shall include information such as the issuer's name, the quantity or notional value of obligations bought or sold, and the price at which such purchases or sales occurred. Upon receipt, the Designated DOI Liaison(s) shall review the summary of executed trades to confirm that such trades were pre-approved. If a discrepancy is found, DOI will request an explanation of the trade, which explanation shall be provided immediately. In the event that Contractor places a trade without obtaining prior approval in accordance with Section 3.2.2, Contractor shall bear responsibility for any loss or execution costs resulting from reversing the trade.

3.2.4 Contractor will provide advice to the Designated DOI Liaison(s) on the exercise of rights, options, warrants, conversion privileges, and redemption privileges, and the

tender of securities pursuant to a tender offer (“corporate actions”) as promptly as possible after Contractor has received request for such advice from DOI. Contractor shall not vote securities in the portfolio in response to proxies or corporate actions solicited by the issuers or their agents of such securities. Contractor will take no action with respect to legal actions (such as class action suits and bankruptcies) pertaining to assets in the portfolio. However, Contractor will provide advice with respect to such proxies, corporate actions and legal actions as DOI may reasonably request. Contractor will provide advice to Designated DOI Liaison(s) by e-mail on corporate actions by no later than 1 p.m. prevailing U.S. Eastern Time three (3) Business Days prior to the response deadline or, if Contractor has not received information about such action more than three (3) Business Days prior to the response deadline, as promptly as possible after Contractor has received such information. The Designated DOI Liaison(s) will review the recommendation(s) and inform Contractor what actions have been taken or voted as appropriate. Under no circumstances shall Contractor execute any legal agreement (including, but not limited to, Brokerage Agreements, Option Agreements, Futures Agreements, Margin Agreements, ISDAs or agreements in connection with the Dodd-Frank Act) on DOI’s behalf.

5) Section 10 of Exhibit 8.1.1 (Investment Adviser Agreement) is amended to read:

10. Proxies; Legal Actions; Corporate Actions. Investment Adviser shall not vote securities in the Account in response to proxies solicited by the issuers of such securities. Investment Adviser will take no action with respect to legal actions (such as class action suits and bankruptcies) pertaining to assets in the Account. However, Investment Adviser will provide advice with respect to such proxies and legal actions as the Division may reasonably request. Investment Adviser will provide advice to Designated Division Liaison(s) by e-mail on the exercise of rights, options, warrants, conversion privileges, and redemption privileges, and the tender of securities pursuant to a tender offer (“corporate actions”) by no later than 1 p.m. prevailing U.S. Eastern Time three (3) Business Days prior to the response deadline or, if Investment Adviser has not received information about such action more than three (3) Business Days prior to the response deadline, as promptly as possible after Investment Adviser has received such information. The Designated Division Liaison(s) will review the recommendation(s) and inform Investment Adviser what actions have been taken or voted as appropriate. Under no circumstances shall Investment Adviser execute any legal agreement (including, but not limited to, Brokerage Agreements, Option Agreements, Futures Agreements, Margin Agreements, ISDAs or agreements in connection with the Dodd-Frank Act) on the Division’s behalf.