

Dear Candidate Manager:

The Oklahoma Police Pension and Retirement System ("OPPRS") is conducting a search for a long/short equity fund of funds manager. The mandate seeks an established manager with at least \$500 million in firm assets under management, \$250 million under management in the proposed strategy and a minimum of a three-year track record for this product.

OPPRS is a \$1.7 billion governmental tax-exempt pension fund. The fund currently has a target asset allocation of 60% equities and 40% to non-equities. It is expected that this assignment will initially be in the range of \$50 million to \$130 million.

In order to monitor the timeliness of your response and maintain confidentiality, it will be necessary for you to submit your response per the instructions below.

Please submit an electronic copy of your RFP response and all accompanying documents on a compact disc (CD) to the address listed below. Please send two (2) copies of the CD. The CDs must be received no later than 4:00 p.m. CT on December 29, 2011. Proposals received after the specified date and time will be rejected. Please send your response to the following address:

OPPRS Long/Short Equity Fund of Funds Proposal
c/o Finley & Cook, PLLC
1421 E. 45th St
Shawnee, OK 74804

Finley & Cook will provide a certified list of vendors who responded in a timely manner. This list will be used by OPPRS and Asset Consulting Group to evaluate your response.

In addition, please submit **one (1) email copy of the RFP and all accompanying documents to nick.petges@acgnet.com by December 29, 2011.**

Please note your response must be submitted via Compact Disc and received by Finley and Cook at the address above no later than 4:00 p.m. CT on December 29, 2011 for your proposal to be considered. An e-mail version alone is not sufficient.

Any questions regarding this assignment should be directed to Tom Janisch at Asset Consulting Group at (314) 862-4848. We look forward to your submittals.

OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM

REQUEST FOR PROPOSALS LONG/SHORT EQUITY FUND OF FUNDS MANAGER

The Oklahoma Police Pension and Retirement System (“OPPRS” or “the System”), located in Oklahoma City, Oklahoma, is an agency of the State of Oklahoma which is governed by a Board of Trustees (“the Board”). The Board administers a cost sharing multiple-employer defined benefit pension plan for municipal police officers of 133 participating municipalities in Oklahoma, which shall be referred to in this Request for Proposals as the OPPRS Plan. OPPRS is soliciting proposals from qualified firms to long/short equity fund of funds management services in accordance with the specifications, terms and conditions contained herein. For this mandate, the OPPRS is only seeking open-end fund managers. OPPRS is a \$1.7 billion public tax-exempt fund. It is expected that this assignment will initially be in the range of \$50 million to \$130 million. This Request for Proposals (RFP) establishes the specifications and requirements for submitting proposals, and provides information about the proposal evaluation process. The term “Vendor” as used in this RFP shall mean the company, firm, or person submitting a proposal for consideration.

OPPRS reserves the right without prejudice to reject any or all proposals submitted. There is no express or implied obligation for OPPRS to reimburse Vendors for any expenses incurred in preparing proposals in response to this RFP. In the event that none of the proposals are satisfactory to OPPRS, no selection will be made. Proposals submitted in response to this RFP become the property of OPPRS and are subject to public inspection. OPPRS reserves the right to modify the RFP contents and requirements at any time prior to the submission deadline.

This RFP is comprised of eight (8) sections, which contains twelve (12) pages total, as follows:

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This RFP can be found on the OPPRS website at www.opprs.ok.gov. If you are unable to download the document from the website, you can obtain an electronic copy of this RFP through e-mail. Send your request to: darci.gordon@opprs.ok.gov. All responses to this RFP must be submitted in accordance with the instructions contained in the RFP.

Regardless of the manner in which the RFP document is received by the Vendor, the contents of the RFP may not be altered in any way. The Vendor’s Affidavit and all questions must be identically reproduced in the submitted proposal. Any alterations to the contents of the RFP document will be grounds for rejection from consideration or termination of a resulting contract. By submitting an RFP, it is agreed by the Vendor that any misleading or false information given may be grounds for rejection from consideration, or termination of any resulting contract whenever and however discovered.

I. PROPOSAL COVER SHEET
 (Must be signed, notarized and returned.)

Proposal Name	Proposal Deadline
Long/Short Equity Fund of Funds Manager	must be received by 4:00 p.m. CT Thursday, December 29, 2011

Vendor Identification:

Name of Firm:	_____
Product name:	_____
FEI #	_____
Address:	_____
City/State/Zip Code:	_____
Contact Name:	_____
Telephone Number:	_____
Facsimile Number:	_____
Contact E-mail:	_____

VENDOR'S AFFIDAVIT

STATE OF _____)
) SS:
 COUNTY OF _____)

_____ (Print Name), of lawful age, being first duly sworn, on oath says that:

- (S)he is the duly authorized agent of _____, the vendor submitting this proposal which is attached to this statement for the purpose of certifying the facts pertaining to the existence of collusion among vendors and between vendors and state officials or employees, as well as facts pertaining to the giving or offering of things of value to government personnel in return for special consideration in the letting of any contract pursuant to the proposal to which this statement is attached;
- (S)he is fully aware of the facts and circumstances surrounding the making and submitting of this proposal and has been personally and directly involved in the proceedings leading to the submission of such proposals; and
- Neither the vendor nor anyone subject to the vendor's direction or control has been a party: a) to any collusion among vendors in restraint of freedom of competition by agreement to propose a fixed price or to refrain from submitting a proposal; b) to any collusion with any state official or employee as to quantity, quality or price in the prospective contract, or as to any other term of such prospective contract; nor, c) in any discussions between vendors and any state official concerning exchange of money or any other thing of value for special consideration in the award of this prospective contract; d) to paying, giving or donating or agreeing to pay, give or donate to any officer or employee of the State of Oklahoma, any money or other thing of value, either directly or indirectly, in procuring this prospective contract.
- The information contained in this proposal is true, correct and accurate as presented.

 Name/Title

Subscribed and sworn to before me this _____ day of _____, 20 ____.

 Notary Public

(seal)

My commission expires: _____

Commission No.: _____

II. MANDATORY REQUIREMENTS FOR SUBMITTING A PROPOSAL

- A. Proposals must be received by the deadline only at the following addresse:

Via U.S. Mail / Hand-Delivery to:

OPPRS Long/Short Equity Fund of Funds
c/o Finley & Cook, PLLC
1421 E. 45th Street
Shawnee, OK 74804

- B. The deadline for receipt of complete proposals is **4:00 p.m.** Central Time, on Thursday, December 29, 2011. Proposals submitted to an incorrect address or location or received after this date and time will be rejected and will not be considered.
- C. The Proposal must contain **a paper copy of the original Proposal Cover Sheet, fully completed, signed and notarized.** The original proposal must be clearly marked "ORIGINAL." Proposals should be formatted in substantial compliance with Section VI, *Proposal Preparation and Submission Requirements*. The Vendor shall submit an original CD plus one (1) additional CD of its entire response including the same number of any supplemental materials. The copy must be clearly marked "COPY." Vendor shall also submit one (1) email copy of the RFP and all accompanying documents to nick.petges@acgnet.net by Thursday, December 29, 2011. Packages must be labeled as indicated in Section VI, *Proposal Preparation and Submission Requirements*. The Original Proposal, the Proposal Cover Sheet, and the required copy must be submitted together in one completely sealed package, box or envelope. It must be clearly marked "OPPRS Long/Short Equity Fund of Funds Proposal" on the outside face of the package containing the proposal in order that the receiving agent (see paragraph A above) can see and identify it without opening the package. The sealed package must also show the Vendor's name and address on the outside of the sealed container so that the receiving agent can provide a certified list of Vendor's who responded in a timely manner without opening the package.
- D. Proposals may be mailed either by U.S. mail, express courier, or hand-delivered. The Vendor shall be responsible for actual delivery of the proposal to the proper address before the deadline regardless of the delivery method used. All proposals become the property of OPPRS.
- E. All proposals are considered to be public record after they are opened and initially processed, and shall be available for viewing and reproduction by any person.
- F. In submitting this proposal, the Vendor must agree to an audit which provides that books, records, documents, accounting procedures, practices or any other items of the service provider relevant to the proposal are subject to examination by OPPRS and the Oklahoma State Auditor and Inspector.
- G. It is the responsibility of the Vendor to ensure compliance with all requirements and deadlines. Proposals which are not in compliance with each and every requirement contained in this RFP may be rejected.
- H. All costs of preparation and presentation associated with your response to this RFP will be the responsibility of the Vendor. Vendors may be asked to make a presentation before the Board if selected as a finalist. None of the costs associated with this presentation will be reimbursed by OPPRS.

- I. The selection of investment managers for the state retirement systems is specifically exempt from the competitive bidding procedures established by Oklahoma Statutes (see 74 Oklahoma Statutes § 85.7). OPPRS reserves the right to request additional information from any Vendor and to accept or reject any proposal without specifying the reason for its actions. The Board reserves the right to request additional proposals. Further, the Board specifically reserves the right to renegotiate for lower fees at any time with any Vendor.
- J. The Board also reserves the right to award all, part, or none of this contract. The Board reserves the right to award contracts to more than one Vendor if deemed appropriate and desirable.
- K. The Vendor shall be bound by the information and representations contained in any proposal submitted. Said proposal is deemed to be a binding offer on the part of the Vendor. Vendor agrees that Oklahoma law will govern.
- L. Submission of a proposal in response to this RFP evidences the Vendor's acceptance of the terms and conditions within the RFP.
- M. The Vendor shall respond fully and completely to all requested information contained in this RFP in good faith and to the best of its abilities.
- N. The Vendor must fully disclose any proposed subcontracting of any of the required services.
- O. All Vendors must agree that any resulting contract and services will be subject to and interpreted by Oklahoma law, and agree that this RFP and the Vendor's response will be incorporated by reference to any resulting emerging market equity management agreement.

III. BACKGROUND

A. Legal Authorization

The Board is charged with the administration and investment of retirement funds for municipal police officers. The Board is authorized to select qualified investment managers pursuant to 11 Oklahoma Statutes § 50-105.4.

B. Board Composition

The System is administered by a Board of Trustees composed of 13 members.

C. Support Services

The System currently has 12 employees, and has an authorized staff of 12 employees. The Executive Director is the chief administrative officer of the System.

D. The OPPRS Plan

The OPPRS Plan is a qualified governmental defined benefit plan established under I.R.C. Section 401(a) and 11 Oklahoma Statutes §§ 50-101 et seq.

IV. TIMELINE

The following timeline is an estimate and may be adjusted at OPPRS' discretion any time during this procurement process.

TASK	DATE
Distribution of RFP/Posting of RFP on OPPRS Website	December 7, 2011
Proposals due (no later than 4:00 p.m. Central Time)	December 29, 2011
Finalist presentations	March 21, 2012
Award business (date contingent upon final negotiations)	March 21, 2012
Estimated contract start date	July 1, 2012

All proposals submitted in response to this RFP must be delivered to Finley & Cook, PLLC, OPPRS' external auditor, no later than **4:00 p.m.** Central Time on Thursday, **December 29, 2011**.

V. COMMUNICATION WITH OPPRS

Direct contact between prospective service providers and OPPRS Board members during this RFP process is prohibited. Violation of this provision of the RFP may result in rejection of a bidder's proposal.

VI. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS

Proposals submitted in response to this RFP should be prepared simply and economically, avoiding the use of elaborate promotional materials beyond those sufficient to provide a complete, accurate and reliable presentation. Each page of the proposal should be consecutively numbered. OPPRS assumes no financial responsibility for any costs incurred in responding to this RFP. All materials submitted in response to this RFP become the property of OPPRS and are subject to public inspection.

A. Proposal Packages

In addition to the submission requirements contained in paragraph *C* of Section II, *Mandatory Requirements for Submitting a Proposal*, Vendors should properly identify on the exterior of the packages containing their proposals the firm name, street address or P.O. Box, City, State and Zip Code. As indicated above, the RFP title should be visible on the outside face of the package.

B. Proposal Preparation

Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.

Proposals should be organized in the order listed in paragraph *C* below, *Proposal Contents*. All pages of the proposal should be consecutively numbered.

Ownership of all data, materials and documentation originated and prepared for OPPRS pursuant to the RFP shall belong exclusively to OPPRS and be subject to public inspection in accordance with the Oklahoma Open Records Act, 51 Oklahoma Statutes §§24A.1 et seq.

C. Proposal Contents

Proposals submitted in response to this RFP must include, at a minimum, the information and documents outlined below.

1. Signed Proposal Cover Sheet (see Section I).

The **original** signed and notarized proposal cover sheet must be submitted with the original CD. A copy of the proposal cover sheet must be included with the required CD of the proposal.

2. Response to RFP Questionnaire

Vendors must complete and return the RFP Questionnaire and Exhibits to the Questionnaire as described within this RFP. It is important that each question be completed as instructed. Any alternative or creative responses may be attached separately, but may not be used in lieu of answering or completing any questions. Failure to complete this questionnaire in the format provided may result in rejection of the proposal. Proposals containing false or misleading information may be rejected.

3. Fee Proposal

The Vendor's fee proposal must include the total fee.

VII. GENERAL TERMS AND CONDITIONS

A. Applicable Laws and Courts

This solicitation and any resulting contract shall be governed in all respects by the laws of the State of Oklahoma, and any litigation with respect thereto shall be brought in the District Court of Oklahoma County, Oklahoma. The Vendor shall comply with all applicable federal, state and local laws, rules and regulations.

B. Ethics in Public Contracting

By submitting their bids or proposals, Vendors certify that their bids/proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other Vendor, supplier, manufacturer or subcontractor in connection with their bid/proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of value, in exchange for procuring this contract.

C. Qualifications of Vendors

OPPRS may make such reasonable investigations as deemed proper and necessary to determine the ability of the Vendor to perform the services, and the Vendor shall furnish to OPPRS all such information and data for this purpose as may be requested. OPPRS reserves the right to inspect the Vendor's physical facilities prior to award to satisfy questions regarding the Vendor's capabilities. OPPRS further reserves the right to reject any proposal if the evidence submitted by, or investigations of, such Vendor show that the Vendor is not properly qualified to carry out the obligations of the contract and to provide the services contemplated therein.

D. Business Continuity

The Vendor must indicate any recent or anticipated changes in its corporate structure such as mergers, acquisitions, new venture capital, stock issue, etc. The Vendor agrees to present to OPPRS a business continuation plan for this program in the event of natural or other disaster.

E. Assignment of Contract

A contract shall not be assignable by the Vendor in whole or in part without the written consent of OPPRS.

F. Period of Contract

It is anticipated that the initial contract shall be for a one year period commencing on July 1, 2012 through June 30, 2013. Thereafter, the contract may be renewed by the Board annually. The Board reserves the right to terminate the contract upon 30 days notice, with or without cause.

The process of evaluating the proposals and conducting any subsequent interviews may extend two to three months following the proposal deadline, and possibly into the anticipated contract period. All vendors who have submitted a proposal will be notified of the Board's decision in writing after the final selection has been made. This notice of final selection may be the only communication between OPPRS and the Vendors.

G. Limitation of Liability, Hold Harmless Clauses & Indemnity

The State of Oklahoma and its agencies are constitutionally barred from limiting the liability of a private vendor. Agencies are similarly prohibited from holding a private entity harmless from liability or providing indemnity to a private entity. The contract between the successful Vendor and OPPRS will not have any such terms.

Request for Information

Hedge Fund of Funds

Company Name: _____

Proposed Product Name(s): _____

Contact: _____

Telephone: _____

Address: _____

Fax: _____

E-mail Address: _____

Website: _____

A. Description of the Organization and its Operations

1. Provide a brief history of the firm and how long your firm has been in business under its present name.
2. Describe any joint ventures or affiliations, including any ownership your firm or any entity under your control may hold in partnerships and/or other investment firms.
3. Please detail the ownership structure of the fund of funds firm.
 - a. Indicate the percentage ownership of each principal. Provide detail about any external owners.
 - b. Please specify if there is any ownership of the firm by someone who could be categorized as a member of a minority group or if there is any female ownership. Please describe this ownership.
 - c. Does the firm use any debt in its capital structure? If so, please provide the percentage of debt and equity and describe any debt financing arrangements.
4. Is the firm registered with any regulatory agency, such as the SEC, CFTC or any state agencies?
 - a. Provide a copy of the most recent disclosure statement (e.g. ADV) required by any regulatory agency (or agencies) with which the firm is registered, such as the SEC, CFTC or state agencies.
 - b. Provide a summary of any regulatory issue, investigation, sanction or similar matter the firm had during the last ten years.
 - c. State whether, during the last ten years, any regulatory agency has conducted an audit or review of the firm.
 - d. If such an audit or review was conducted, discuss any significant findings by the regulator.
 - e. Provide a copy of any deficiency letter or similar letter or report regarding such a regulatory audit or review.
 - f. Provide a description of any material litigation involving the firm or any of its principals during the last ten years, including the nature of the litigation, the parties, the court, cause number and the current status.

5. Has the firm adopted a formal compliance policy and/or a code of ethics for employees? If yes, please provide a copy of such policies.
6. Do you have a disaster recovery plan or contingency plan in place for unforeseen operational or personnel emergencies? If yes, please provide a copy of such plan.
7. Indicate any other lines of business other than providing hedge fund of fund products (i.e. brokerage, private equity management, direct hedge fund management, etc.). Specifically indicate whether your firm offers hedge fund database products, newsletters, index services, discretionary or non-discretionary hedge fund advisory services, etc. Indicate percentage of firm-wide revenues derived from services outside of fund of funds management.
8. Indicate whether your firm has any solicitation agreements, placement arrangements or pays any other type of selling compensation to third parties related to assets placed for your firm, and if so, describe the nature of those agreements.
9. Describe any changes in the structure of the firm over the past five years. Are there any structural changes contemplated? Briefly outline business plans including succession plans.
10. Does your firm manage individual hedge funds as well as fund of funds product? If yes, discuss the benefits and disadvantages of this dual role.
11. Do any of the firm's fund of fund products invest in another fund of funds, a third party feeder fund, or make use of a sub-advisor that does not take direct investment positions in securities?
12. Indicate if any of the firm's investment professionals have other business responsibilities outside of their employment with your firm, and state the nature if applicable.
13. Please provide the address of all offices operated by the firm which house staff involved with the firm's fund of hedge funds business. Indicate which offices house investment team members.
14. How are investment personnel compensated? What steps are taken to ensure retention of these individuals?

B. ERISA Products:

15. Describe your experience with Government and ERISA accounts. Please indicate which, if any, products are dedicated to ERISA clients.

C. Investment Philosophy and Process

16. Describe your investment philosophy and process. How has it changed over the past several years? Do you anticipate any changes to the philosophy and process in the future?
17. Provide an overview of your firm's specific areas of expertise/competitive advantage relative to peers. What unique features of your approach do you feel add the most value over time?
18. Indicate how the investment team's incentives are aligned with the firm's clients.
19. What percentage of the portfolio manager's personal assets and/or the firm's proprietary assets are invested in this program?

20. Who makes the final decision on strategy selection and manager selection? Briefly outline the decision process.
21. Describe how multi-manager portfolios are constructed. Are there any conditions under which your firm would deviate from your portfolio construction processes?
22. Describe the investment environments in which your strategy can be expected to outperform and underperform.
23. Is there a size (client or dollars) at which the firm might find it difficult to pursue its current investment strategy in this product? If so please include size and possible date of close.
24. Does your firm use portfolio overlays or leverage at the fund of funds level, and if so, under what circumstances might they be used?
25. Do any of the firm's fund of hedge fund products take any direct positions in securities?

D. Hedge Fund Manager Due Diligence Process

26. Describe how new managers and strategies are identified and monitored.
27. Describe the quantitative analysis that you perform on prospective hedge fund managers.
28. Describe the qualitative analysis that you perform on prospective hedge fund managers.
29. Prior to selecting a hedge fund manager, what organizational/structural due diligence occurs as it relates to the manager's operations/accounting/reporting, back office functions, and background checks. Please discuss whether you use any third parties to assist in this process.
30. Describe the legal due diligence process that you perform on prospective hedge fund managers, and whether you use external or internal counsel to review and prepare legal agreements with underlying managers.
31. How do you assess the accuracy and validity of the trade execution and accounting process of underlying managers?
32. Describe the process for communicating with managers once they are hired. How often do you normally meet with the hedge fund managers and what does the agenda include?
33. Indicate the frequency with which your firm conducts on-site visits to underlying hedge fund managers in which you are invested. Outline the specific nature of the visits and the issues addressed in this process.
34. What level of transparency is required from underlying hedge fund managers? Discuss the highest level of transparency and the lowest level of transparency of managers within your portfolio.
35. Does the firm have unique access to certain managers or strategies? Please explain any preferred access.

E. Conflicts of Interest

36. How do you handle issues related to allocations between customized separate accounts and your commingled funds? Please provide a copy of the firm's allocation policy.
37. Do you receive any fees or have any other economic interest in the revenues and profits of any direct hedge fund managers? Please explain if yes.

38. Please describe any actual or potential conflicts of interest that exist between investors, the fund managers, and the FOF managers. How are these conflicts mitigated?

F. Risk Management

39. Describe any optimization or risk control techniques used in the portfolio construction process.

40. How is compliance with guidelines monitored as positions increase or decrease in value due to market changes?

41. How is risk measured at both the manager level and the portfolio level?

42. What is the method for valuing less liquid securities in an underlying manager's portfolio?

43. Discuss your view on side pockets, private investments and PIPEs. Do you have a limit that underlying managers can allocate to such investments? How do you monitor these investments?

44. For underlying managers that have multiple products and/or separate accounts, how do you assess the fair allocation of investment positions across these products/accounts?

45. Do you ever invest side by side with managers?

46. Discuss any limits on the use of leverage at the manager level.

47. How is leverage determined or calculated and how often is it monitored (i.e. Long Market Value / Capital)?

G. FOF Manager Performance

48. In the attached Excel spreadsheet, please provide the monthly net performance since inception for any Fund of Funds products you would like us to consider.

49. Are the returns actual or back-tested?

50. Please include any performance disclosure information.

51. Has an external audit been prepared annually or more frequently and have the opinions been unqualified? Has there been a change in the audit firm within the past five years? If so, why?

52. Please provide a copy of the most recent annual audited financial statement for the fund you are proposing.

H. Service Providers

53. Please identify the auditing firm and the legal firm used for your fund of funds products.

I. Extraordinary Terms

54. What is the minimum dollar amount that your firm would require to manage a separate account or a single LP Fund?

55. Please describe any side letter agreements, acknowledgements or special arrangements between the Fund you are proposing and other investors.

56. Please include a copy of the Offering Memorandum for each proposed product.