

NEIL ABERCROMBIE  
GOVERNOR



**STATE OF HAWAII**  
EMPLOYEES' RETIREMENT SYSTEM

December 12, 2012

**ADDENDUM NO. 3**  
To  
Request for Proposals  
For Private Equity Consultant Services  
RFP 2012-04

Issued November 19, 2012

**OFFERORS:**

- I. The following change has been made to the "Private Equity Questionnaire (Word 97-2003) document". The updated Word Questionnaire is available online at: <http://ers.ehawaii.gov>

H. Firm Capabilities & Investment Process, Item #10:

10. Assume the ERS existing private equity portfolio and holdings (see attached ERS Private Equity holdings report dated ~~10/31/2012~~ 6/30/2012) at a 3.8% net asset value target with a current market valuation of approximately \$450 million, a non-discretionary engagement,, and an overall plan sponsor fund that is projected to grow at 4% per year. Assume the incumbent discretionary core private equity manager commits \$150 million annually. Describe the appropriate fund commitment "bite size" for Buyout, VC, Growth Equity, Distressed Debt and Special Situation funds that will allow the client to reach a 7% Private Equity target on a funded basis. How long will it take for the client to reach the 7% net asset value target? Would your firm have any challenges providing adequate commitments each year without sacrificing quality of fund investments? Has your firm ever been unable to meet the desired commitment size for any of your clients, and if "yes," how did your firm address this issue?

- II. Please replace pages 5, 17, 18 and 19 of 37, in the Request for Proposals for Private Equity Consultant Services, RFP 2012-04. Changes are in bold print.

All other terms and conditions remain unchanged.

Very truly yours,

Wesley K. Machida  
Administrator



Employees' Retirement System  
of the State of Hawaii