



Yoder/Bishop

RESOLUTION NO. 6510

WHEREAS, in January 2022, the Board of Directors approved an updated Statement of Investment Policy for the OPPD Retirement Plan that included the addition of one new asset class, private credit; and

WHEREAS, in May 2022, the Trust Selection Committee, assisted by Segal Marco Advisors, the District's investment advisor, initiated a search for a private credit manager for the Retirement Plan using criteria set by the Board of Directors; and

WHEREAS, the Trust Selection Committee reviewed the three leading candidates in this asset class resulting in interviews with all three investment managers; and

WHEREAS, Corbin Capital Partners and Neuberger Berman both meet all of the Statement of Investment Policy consideration criteria for an investment manager; and

WHEREAS, the Trust Selection Committee recommends the appointment of Corbin Capital Partners and Neuberger Berman as private credit managers for the OPPD Retirement Plan.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Omaha Public Power District as follows:

1. That Corbin Capital Partners is hereby appointed as an investment manager for the OPPD Retirement Plan, subject to the execution of an acceptable contract.
2. That Neuberger Berman is hereby appointed as an investment manager for the OPPD Retirement Plan, subject to the execution of an acceptable contract.
3. That District officers are hereby authorized and directed to execute and attest all documents that are necessary and proper to complete the appointment of the new investment managers.



Board Action

BOARD OF DIRECTORS

June 14, 2022

ITEM

Retirement Plan – Appointment of Investment Managers – Private Credit

PURPOSE

Approve the appointment of two Investment Managers for the OPPD Retirement Plan

FACTS

- a. In January 2022, the Board approved an updated Statement of Investment Policy (Policy) for the OPPD Retirement Plan that removed one asset class, global fixed income, and added one asset class, private credit. Due to the addition of a new asset class, the Trust Selection Committee (TSC), assisted by Segal Marco Advisors, initiated a search for a private credit manager using criteria established by the Board of Directors (Board).
- b. The TSC reviewed the three leading candidates and held interviews with Corbin Capital Partners, First Eagle Alternative Credit, and Neuberger Berman.
- c. After the interviews, Corbin Capital Partners and Neuberger Berman were selected for recommendation to the Board. Corbin Capital Partners and Neuberger Berman exceed all of the Policy consideration criteria for an investment manager, and their performances rank competitively in the private credit universe.
- d. The TSC recommends that the Board appoint Corbin Capital Partners and Neuberger Berman as private credit managers for OPPD's Retirement Plan.
- e. Attached is a letter from Segal Marco Advisors outlining the manager search process and concurring with the TSC's recommendation in the selection of Corbin Capital Partners and Neuberger Berman as OPPD Retirement Plan investment managers.

ACTION

Board's consideration of a resolution appointing Corbin Capital Partners and Neuberger Berman as investment managers for OPPD's Retirement Plan.

RECOMMENDED:

DocuSigned by:

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Jeffrey M. Bishop
Vice President and Chief Financial Officer

APPROVED FOR BOARD CONSIDERATION:

DocuSigned by:

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L. Javier Fernandez
President and Chief Executive Officer

JMB: jap

Attachments: Segal Marco Advisors Letter
Resolution

May 31, 2022

Omaha Public Power District Board of Directors
Omaha Public Power District
444 South 16th Street
Omaha, Nebraska 68102

Subject: Research Process for OPPD's Actively Managed Private Credit Manager Search.

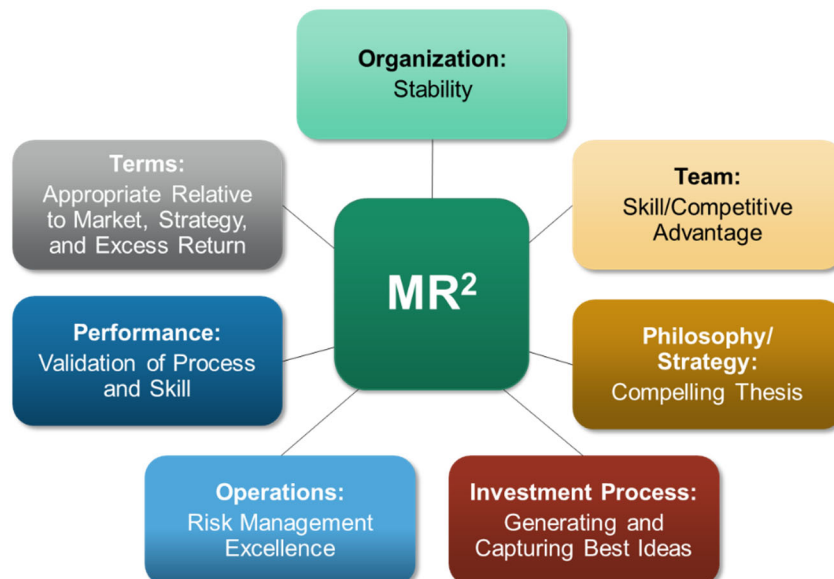
Dear Board of Directors:

We have detailed a description of the research process utilized by Segal Marco Advisors in the recommendation of Corbin Capital Partners and Neuberger Berman to manage the new allocation to Private Credit.

The process used was as follows:

1. Our research specialists employed a highly formalized process – Manager Research and Ranking Process (MR²) – to evaluate and select managers that were the “best in class”. Our process, consisting of three primary steps:
 - Identify managers from referrals, database screens, and publications
 - Meet with current and prospective managers
 - Perform in-depth due diligence on firms and their products
2. We reviewed the investment process of various managers' products as well as the organization of the firms to determine the long-term viability of their products and to detect the possibility of underperformance. MR² defines 34 success and risk factors within 7 categories.

Each manager was evaluated and scored based on these broad categories:



3. During each step, we applied a ranking system to measure and monitor a manager's history of adding value and the potential to add value in the future. We also looked at performance of prior

funds over time to determine whether objectives of risk and return had been met relative to targets/peers. Critical to our process was our evaluation of the three fundamental steps of investment management.

- Collecting, processing, and refining information
 - Constructing portfolios
4. Using MR², we focused on the qualitative and quantitative evaluation of managers. Critical components of our qualitative assessment were: the quality of the investment professionals, the potential of the philosophy to deliver value-added results, the integrity and rigor of the investment management process, long-term performance record, and the potential fit of the products being recommended for OPPD's Retirement Plan. We used quantitative tools to identify a manager's risk profile, value, and projected return expectations.
 5. In the ranking process, we assessed the firms and products' long-term viability, to determine the sources of value-added and to detect factors that could result in consistent future out-performance or under-performance. Each manager was evaluated and scored based on these categories to ensure consistency across firms and products.

The following ratings were officially assigned to each manager:

- Recommended,
- Under Consideration,
- Not Recommended and
- Sell.

Segal Marco Advisors considers the manager rankings to be an evolving and dynamic process. Additionally, we are constantly evaluating new managers and reevaluating established ones with changes in rankings by our research staff made when appropriate.

6. Before selecting the three candidates for each OPPD manager search, Segal Marco Advisors proposed the following criteria for the manager search. All candidates needed to exhibit the following characteristics:

Organization

- Firms that have been managing assets for at least five years.
- Firms with proven record of managing private credit funds and history of previous fund offerings.
- Firms with a relatively low level of personnel turnover.
- Firms that evidence-controlled fund offerings.
- Firms that offer funds with term lengths of 5-8 years.
- Firms with competitive fee structures.

Management Styles

- An investment process that derives the majority of its value-added from transaction selection and portfolio construction.
- An investment process that can be either a "fund of funds" approach or one of more direct lending. Additionally, transactions can be either "sponsored" or "non-sponsored".
- An investment process that is predominately focused on North America transactions.

Performance

- Verifiable track record with previous fund offerings.
 - Targeted net IRR range of 8% - 12%.
7. Based on the criteria, Segal Marco Advisors proposed three candidates for this mandate all of which were rated "Recommended". Segal Marco Advisors reviewed the candidates with the Trust Selection Committee on March 25th and the following firms were selected to provide in-person presentations on May 20th.

Private Credit

Corbin Capital Partners (Corbin)
First Eagle Alternative Credit (First Eagle)
Neuberger Berman

8. Following the interviews, the Trust Selection Committee selected commitments of 20% to Corbin Capital Partners and 80% to Neuberger Berman (for a combined 100%) as the managers of the new allocation to Private Credit for the OPPD Retirement Plan.
9. Based on the research process, Segal Marco Advisors supports the decision of the Trust Selection Committee in their recommendation to hire Corbin Capital Partners and Neuberger Berman in the stated commitment amounts.

If you have any questions about the research process for the selection of these managers, please feel free to call me at 770-541-4825.

Sincerely,



Jeffrey C. Boucek, CFA

cc: John Thurber