**Waltham Contributory Retirement System**

**Request for Proposals**

**Manager of Managers or Discretionary/Outsourced CIO**

**Investment Services Platform**

The Waltham (MA) Retirement Board is seeking proposals from qualified firms to provide investment management services through either a Manager of Managers or Discretionary Services/Outsourced CIO platform. The System currently has approximately $225 million of its $310 million with such a program, with the remaining assets invested in various Massachusetts Pension Reserves Investment Trust (PRIT) strategies. The Board is considering making an allocation between $220 - $250 million. Please note that the Retirement Board is not seeking proposals for implemented investment consulting services.

All investments made by the Waltham Contributory Retirement Board are subject to the provisions of the Massachusetts General Laws, Chapter 32, as amended by Chapter 176 of the Acts of 2011, and the rules and regulations of the Public Employees Retirement Administration Commission (PERAC), 840 CMR. The selected investment manager(s) must have familiarity and agree to comply with all applicable laws and PERAC regulations.

The Board reserves the right to cancel or reject in whole or part any or all proposals in the best interest of the Retirement System.

The RFP is available for download up to the proposal deadline by visiting <https://www.fiducientadvisors.com/client-rfps>.

Proposal deadline is Wednesday July 6th, 2022 at 4:00 PM EDT. Late proposals will not be accepted.

Please carefully review the terms and conditions outlined in the following sections of the RFP prior to submitting a proposal.

* General Information and Instructions
* Mandatory Terms and Conditions per MGL Ch. 32, s.23B, as amended by Ch. 176 of the Acts of 2011.
* Required PERAC Disclosures
* Evaluation Criteria
* Minimum Criteria Certification
* Executive Summary and Investment Manager Questionnaire

Remainder of page left blank intentionally**GENERAL INFORMATION AND INSTRUCTIONS**

**Description of Services**

The Waltham (MA) Retirement Board is seeking proposals from qualified firms to provide investment management services through either a Manager of Managers or Discretionary Services/Outsourced CIO platform.

All investments made by the Waltham Contributory Retirement Board are subject to the provisions of the Massachusetts General Laws, Chapter 32, as amended by Chapter 176 of the Acts of 2011, and the rules and regulations of the Public Employees Retirement Administration Commission (PERAC), 840 CMR. The selected investment manager(s) must have familiarity and agree to comply with all applicable laws and PERAC regulations. Additional information on applicable laws and investment regulations may be found on PERAC’s website at [www.mass.gov/perac](http://www.mass.gov/perac).

Please direct any questions pertaining to this RFP via e-mail to:

Richard Carey

Senior Consulting Analyst

Fiducient Advisors

100 Northfield Drive

Windsor, CT 06095

E-Mail: [rcarey@fiducient.com](mailto:rcarey@fiducient.com)

**Availability of RFP:**

The RFP is available up to the proposal deadline by visiting <https://www.fiducientadvisors.com/client-rfps>.

**Proposal deadline:** Wednesday July 6th, 2022 at 4:00 PM EDT. Late proposals will not be accepted.

**Opening of Proposals:** Thursday July 7th, 2022 at 9:00 am EDT

A register of proposals will be maintained for public inspection.

**GENERAL INFORMATION AND INSTRUCTIONS, cont.**

**Expected Timing of Award**

Manager selection is expected to take place within 180 days of the RFP’s submission deadline but may be extended at the discretion of the Retirement Board. The timing of the award of the contract may be extended at the Board’s discretion upon mutual agreement between the Board and bidder(s).

The Board reserves the right to make an award without interviews of the bidders. A bidder should submit a proposal on its most favorable terms considering both services and price. The Board shall have sole discretion in deciding which bidders, if any, will be considered and/or interviewed following the initial evaluations.

**Rejection of Proposals**

The Retirement Board may, at its discretion, cancel a request for proposals or may reject in whole or in part any or all proposals in the best interest of the Retirement System.

**Modification of Proposals**

A bidder may correct, modify or withdraw a proposal by written notice to the retirement Board and Fiduciary Investment Advisors, the Board’s Investment Consultant, prior to the time and date set forth in the opening of proposals.

The Retirement Board reserves the right to waive minor informalities and/or allow the bidder to correct them.

**Submission of RFP: due on Wednesday July 6th, 2022 at 4:00 PM EDT. Late proposals will not be accepted.**

**Submit ONE complete electronic zip file copy via email to:**

Richard Carey

rcarey@fiducient.com

Senior Consulting Analyst

**Please note in the subject line: Waltham Retirement – (Manager Name) RFP Response**

All respondents **must include** the following with its proposal:

* Signed Cover Page or Letter - On the cover, please note your firm name, the RFP for which you are responding to, and the proposed product. The proposal must be signed by an official authorized to bind the firm, **and it shall contain a statement to the effect that the proposal is firm offer for acceptance by the Retirement Board for 180 days from the date of submission.**
* Required PERAC Vendor Contact Form, Certification, Disclosures, and Placement Agent Statement – please see the following page for additional information.
* Certified Minimum Criteria Response
* Investment Manager Questionnaire
* Due Diligence Process (for bidders proposing a manager of managers platform or bidders utilizing external managers as part of their platforms)
* Form ADV
* Copy of the firm’s Code of Ethics
* Other attachments as may be specified in the manager questionnaire

**Required Vendor Certifications and Disclosures**

**(as required by amended M.G.L. Ch. 32 s.23B)**

**Please note:** Submit one completed and signed set of the required PERAC forms below with your submission to the Board's Investment Consultant.The forms have been included with the RFP documents for your convenience. They may also be found on PERAC's website at [PERAC Compliance & Investments Forms | Mass.gov](https://www.mass.gov/lists/perac-compliance-investments-forms).

1. Vendor Contact Form
2. Vendor Certification of Good Faith
3. Vendor Disclosures (Compensation Paid and Received and Conflict of Interest)
4. Placement Agent Statement for Investment Managers (See Placement Agent Policy under mandatory contract terms and conditions)

**Failure to complete and submit all required disclosures will result in rejection of the bidder's proposal.**

**EVALUATION CRITERIA**

**Evaluation Criteria**

Each proposal that satisfies the minimum criteria will be evaluated initially through due diligence in the following areas. Each evaluation criteria will be assigned a rating of Highly Advantageous, Advantageous, Not Advantageous, or Unacceptable. Each proposal will receive a composite rating taking into consideration the collective ratings of the individual criteria.

* Organization
* Assets Under Management
* Depth and Scope of Providing Proposed Services
* Team and Dedicated Resources for Proposed Services
* Advisory Capabilities/Function as Manager of Managers or Outsourced CIO
* Investment Philosophy and Process including the due diligence process relating to the selection, retention and monitoring of external managers
* Track record providing proposed services
* Fees

The Retirement Board reserves the right to waive certain minimum requirements or other provisions if deemed by the Board to be in the best interest of the Retirement System to do so.

In addition, in PERAC’s Memo #18 of 2014 dated May 20, 2014, PERAC issued guidance with respect to the impact of Ch. 176 on a fund of funds (FoF) or manager of managers (MoM) structure; this includes services provided on a discretionary platform. The memo addresses additional required disclosures and/or representations for manager of managers’ investment vehicles. The memo also addresses the Board’s requirement to incorporate an assessment of the prospective manager’s due diligence process into the evaluation criteria.

The memo can be accessed through the following link: [PERAC # 18-14 (mass.gov)](https://www.mass.gov/doc/memorandum-18-0/download) . All prospective bidders are expected to review and understand the implications of the memo prior to submitting a proposal.

**MANDATORY CONTRACTUAL TERMS AND CONDITIONS**

Chapter 176 of the Acts of 2011, through the addition of Section 23B to Chapter 32 of M.G. L., expanded the mandatory contract provisions for the procurement of investment related services for Massachusetts Public Retirement Systems. The legislation may be found through the accessing the following link: <http://www.malegislature.gov/Laws/SessionLaws/Acts/2011/Chapter176>

The following mandatory contractual terms and conditions must be incorporated into the final written contract with the selected contractor (“Manager”). If terms and conditions cannot be met within a prospective fund’s offering and subscription documents, then the selected manager(s) will be expected to agree to the terms via side letter/agreement. Exceptions for closed-end investment vehicles are noted.

* The Retirement Board (“Board”) has advised the Manager that the Retirement System is subject to Investment Regulations (hereinafter the “Regulations”) promulgated by the Commonwealth of Massachusetts, Public Employee Retirement Administration Commission (“PERAC”), as set forth in 840 CMR, pursuant to Chapter 7, section 50 and is subject to Chapter 32, sections 21 and 23, and Chapter 176 of the Acts of 2011, of the Massachusetts General Laws.
* The Board has advised the Manager that the Board, pursuant to MGL c. 32, s. 23(2)(b) and M.G.L. c. 32, s. 23(2)(h), is limited in its ability to invest in Restricted Investments. For purposes of this paragraph, “Restricted Investment” shall mean an investment (i) in mortgages or collateral loans, (ii) in a bank or financial institution which directly or through any subsidiary has outstanding loans to any individual corporation engaged in the manufacture, distribution or sale of firearms, munitions, including rubber or plastic bullets, tear gas, armored vehicles, or military aircraft for use or development in any activity in South Africa or Northern Ireland, or in the stocks, securities or other obligations of any company so engaged, or (iii) in the securities of an entity which derives more than 15% of its revenues from the sale of tobacco products. PERAC, in Memorandum #30, 2014, dated September 18, 2014 (“Memo 30”) reiterated its position that in applying restriction (iii) above to pooled funds, PERAC assesses the 15% rule against the entire pool as the investing board is purchasing shares in the pool not the individual holdings of the pool.
  + The selected Manager(s) will be expected to acknowledge their ability and willingness to comply with all applicable laws and PERAC regulations.
* The contract shall not exceed a term of seven years, including any renewal, extension or option[Please note this is not applicable for closed end funds];
* The contract must contain a termination clause by which the contract may be terminated by 30 days written notice of either party to the other [Please note this is not applicable for closed end funds];
* Statement that the Manager is a fiduciary with respect to the funds which the Manager invests on behalf of the Retirement Board;

**MANDATORY CONTRACTUAL TERMS AND CONDITIONS, cont.**

* Statement that the Manager will not delegate its fiduciary responsibility to the Board under the contract;
* Statement that the Manager shall not be indemnified by the Retirement Board;
* Acknowledgment that the Manager is required to annually inform the Retirement Board and PERAC of any arrangements in oral or in writing, for compensation or other benefit received or expected to be received by the contractor or a related person from others in connection with the manager’s services to the Retirement Board or any other client;
* Acknowledgement that the Manager is required to annually disclose to the Retirement Board and PERAC compensation, in whatever form, paid or expected to be paid, directly or indirectly, by the Manager or a related person to others in relation to the Manager’s services to the Retirement Board or any other client;
* Acknowledgement that the Manager is required to annually disclose to the Retirement Board and PERAC in writing any conflict of interest the contractor may have that could reasonably be expected to impair the Manager’s ability to render unbiased and objective services to the Retirement Board;
* Placement Agent Policy – Each contract and amendment to an existing contract as of January 1, 2012 shall secure the agreement of the Manager in the final written agreement between the Retirement Board and the Manager to provide the board with the following remedies in the event the Manager knew or should have known of any material inaccuracy or omission in the placement agent information disclosure or any other violation of this policy:
  + The reimbursement of any management or advisory fees paid by the Board for the prior two years or an amount equal to the amounts paid or promised to be paid to the placement agent as a result of the Board investment, whichever is greater.
  + The authority to immediately terminate the investment management contract or other agreement with the Manager without penalty, to withdraw without penalty from a limited partnership, limited liability company or other investment vehicle, or to cease making further capital contributions (an paying any fees on these recalled commitments) to the limited partnership, limited liability company or other investment vehicle without penalty.
  + Each contract and amendment to an existing contract as of January 1, 2012 shall secure the agreement of the Manager in the final written agreement between the board and the manager that the manager shall be solely responsible for, and the board shall not pay (directly or indirectly), any fees, compensation or expenses for any placement agent used by the manager.

**MINIMUM CRITERIA RESPONSE**

Firms must meet all of the following minimum criteria. If your firm does not meet the minimum criteria, please do not submit a proposal. Failure to meet minimum qualifications will disqualify the bidder.

|  |  |
| --- | --- |
|  | **Yes/No** |
| 1. The firm is a registered investment advisor with the SEC or, if exempt, is registered with the Massachusetts Secretary of State. | |  |
| 1. The firm has been in operation as an investment management organization for at least five years and has at least five years of experience in providing Manager or Managers or Discretionary/Outsourced CIO Investment Management Services. | |  |
| 1. The firm has at least $1 Billion in total firm wide assets as an organization and has at least $1 Billion under management in the proposed platform. | |  |
| 1. The firm has completed and submitted a signed set of the PERAC Vendor Contact Form, Certification, Placement Agent Statement and Disclosures (see instructions) as required by PERAC. Failure to submit these forms will result in disqualification. | |  |
| 1. If selected, the bidder acknowledges that the firm is willing to represent that it will act as a fiduciary as set forth in Section 23(3) of M.G.L Ch. 32, will not require indemnification from the Retirement Board and that it will comply with additional mandatory contractual terms and conditions set forth in M.G.L. Ch. 32, Section 23(B) as amended by Chapter 176 of the Acts of 2011. **Important Notice:** If your firm is proposing a commingled fund or a mutual fund vehicle, as is with the case of a separate account, your firm will be required to address areas of non-compliance through representations via side letter, regardless of the investment vehicle being proposed. Please email the consultant if you require a sample side letter. | |  |

Certified by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name Date

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Authorized Signature/Title

**EXECUTIVE SUMMARY**

**(Maximum of five pages)**

**Provide all information as of March 31, 2022.**

1. Full Name of Firm and Main Location – also note the location of the proposed product’s investment team and where these investment management services are carried out
2. Primary Contact Information for this search; please include all contact information including address, phone and fax numbers and e-mail.
3. Name of Proposed Platform including the proposed investment vehicles.
4. Please provide a brief overview of your organization, describing the primary focus and nature of the firm (investment consulting, manager of managers or traditional multi-asset investment management firm). Include a history of the evolution of the services being proposed to the Retirement Board, including when these services were first offered as a manager or managers or OCIO platform. If the product was managed at a prior firm, please explain and include all relevant dates with key investment personnel information.
5. Please describe the structure through which you plan to deliver these services to the Retirement Board. Does the firm offer its own investment funds and if so are they managed internally or through sub-advisory relationships? Do the funds include only client assets or does your platform employ an open architecture structure? Please explain.
6. Firm-wide Assets Under Management (total)
7. List the total Assets and number of accounts managed in MoM or OCIO Platform. In addition, please include a history of the clients gained and lost in the respective platform over the past five years.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Market Value ($Mil) | Assets Gained ($Mil) | # of Clients Gained | Assets  Lost ($Mil) | # of Clients Lost |
| 2022 Ytd |  |  |  |  |  |
| 2021 |  |  |  |  |  |
| 2020 |  |  |  |  |  |
| 2019 |  |  |  |  |  |
| 2018 |  |  |  |  |  |
| 2017 |  |  |  |  |  |

* Please note any Massachusetts Public Funds included in the figures above.

1. Please list the proposed product assets and number of accounts by investment vehicle (i.e., separate account, commingled fund, and/or mutual fund.). Please list accounts and assets managed for any Massachusetts Public Fund clients.
2. Describe your investment philosophy and process and how your firm intends to add value for clients invested in the proposed platform, with an emphasis on the asset allocation decision and manager due diligence and selection process. Please explain how you differentiate your firm and investment strategy from your competitors. Note any unique characteristics of your research efforts and/or investment process.
3. List the Key Members of the Investment Team. For each, please provide, as an attachment, a brief biography including background and years of investment experience, years in current role and years at the firm. Note the lead decision maker(s) or team leader(s). Are team members responsible for other investment strategies or roles at the firm?
4. Please describe any potential conflicts of interest that may arise with providing these services to the Retirement Board.
5. Track Record (provide as separate attachment)

If you are proposing a discretionary platform that uses a model portfolio, please include the model’s composite record based on an asset mix of 80% Equity/20% Fixed Income, if applicable. If not, please provide, as a separate attachment, a summary of track records of underlying platform investments for the following asset classes. Include the Fund or Strategy name, vehicle type and benchmark over the trailing 1, 3, 5 and 10 Year Periods. Note whether fund level returns are provided gross or net of fees. Include all relevant disclosures as necessary.

* Core Fixed Income
* High Yield
* Unconstrained/Opportunistic Credit
* Global Bonds
* Emerging Markets Debt
* Passive Large Cap Index
* Active Large Cap Value
* Active Large Cap Growth
* Small Cap Core
* International ex-U.S.
* International Small Cap
* Emerging Markets Equity
* Global Equity

1. Please describe your experience and process for (1) recommending changes in the allocation or underlying investments, (2) reporting and (3) ongoing communication to and between both your client and its traditional investment consultant.

Remainder of page left blank intentionally

**INVESTMENT MANAGER QUESTIONNAIRE**

1. **GENERAL BACKGROUND INFORMATION**

1. Name and Full Address of Firm
2. Please check appropriate fiduciary classification for your firm:

\_\_\_\_\_Bank

\_\_\_\_\_Insurance Company

\_\_\_\_\_Registered Investment Advisor (Investment Advisors Act of 1940)

\_\_\_\_\_Registered with Massachusetts Office of Secretary of State

\_\_\_\_\_Affiliate of Fiduciary (Name Classification)

\_\_\_\_\_Other (explain)

1. Company Contacts

Primary Client Service/Relationship Manager: Title:

Phone:

E-Mail:

Portfolio Management:

Title:

Phone:

RFP/Data Contact:

Title:

Phone:

E-Mail:

1. Ownership & Affiliates
2. Briefly describe the organizational structure of the firm.
3. Please list all owners of firm include breakdown of internal and external ownership.
4. List all companies affiliated with the firm.
5. Please provide a brief history of your firm. Provide a timeline of key dates and events.
6. Offices and their Functions:

Please list primary locations and functions where the firm has offices and provide number of personnel at each location. Highlight the location of where the investment and service capabilities for the proposed product are carried out.

Location Function # Personnel

1. Please indicate month and year any external assets were first managed by the firm.
2. Please indicate the inception date of the proposed product.
3. Insurance/Legal/Compliance
4. Please indicate the name of carrier, dollar amount of coverage and note any deductible.

|  |  |  |  |
| --- | --- | --- | --- |
| Type | Carrier | Aggregate Coverage | Deductible |
| Errors & Omissions |  |  |  |
| Fiduciary Liability |  |  |  |
| Fidelity Bonding |  |  |  |
| Other (please explain) |  |  |  |

1. Is there current or pending business litigation or legal proceedings against your firm? If yes, please describe.
2. Has there been any business litigation, legal proceedings or regulatory action against the firm during the previous ten years? If yes, please describe.
3. Indicate the date of your most recent SEC examination. Were there any major deficiencies? If yes, please explain the findings and the firm’s resolution to such deficiencies.
4. Is there a dedicated compliance officer? Who is primarily responsible for developing policies and procedures to ensure firm-wide compliance with applicable state and federal law?
5. Has your firm adopted the CFA Institute’s Asset Manager Code of Professional Conduct? If not please attach a copy of the firm’s code of ethics and/or professional conduct.
6. Do you have a written Anti-Money Lending (“AML”) or Know-Your-Client (“KYC”) policies and procedures? If yes, please provide. If no, please explain how you guard against money laundering and, if applicable, how do you comply with the Patriot Act?
7. Please describe your policies and procedures as they relate to personal trading for your employees.
8. Describe your policies and procedures on eliminating potential conflicts of interest.
9. What systems are in place for ensuring that portfolio managers are in compliance with client guidelines?
10. Please describe the firm’s disaster recovery plan. Indicate if it has ever been implemented and provide the date of the most recent test.

I. Personnel:

1. Please indicate the number of people that have the following titles or perform the following roles as their primary responsibility (Please do not double count).

|  |  |  |
| --- | --- | --- |
|  | Firm-wide | Proposed Product |
| Chief Investment Officer |  |  |
| Portfolio Managers |  |  |
| Research Analysts |  |  |
| Economist |  |  |
| Traders |  |  |
| Portfolio Administration |  |  |
| Marketing |  |  |
| Client Service |  |  |
| Compliance |  |  |
| Administrative |  |  |
| Executive |  |  |
| Other (specify) |  |  |
| Total Employees |  |  |

2. Please note the key investment personnel of proposed product (*key personnel include all individuals directly involved in the investment management process of the product described in this questionnaire*). Please provide biographies as an attachment to the RFP.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name/Title | Yrs in Industry | Yrs with Firm | Yrs  in Role | Equity  Owner? |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

1. What measures are taken to increase retention of key investment professionals?
2. Describe the compensation structure for your firm's key investment professionals (portfolio managers, research analysts, etc.) including incentives, bonuses, performance based compensation, and equity ownership.
3. Describe firm’s succession plan relative to the departure of key investment professionals.
4. Please list personnel changes over the last five years for the key executives of the firm *and* key investment personnel as it relates to the *proposed product*:

*Key Executives of the Firm*

*Departures*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name | Position | Start  Date | Departure Date | Reason for Leaving |
|  |  |  |  |  |
|  |  |  |  |  |

*Additions*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name | Position | Start  Date | Departure Date | Comments |
|  |  |  |  |  |
|  |  |  |  |  |

*Key Investment Personnel for Proposed Product*

*Departures*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name | Position | Start  Date | Departure Date | Reason for Leaving |
|  |  |  |  |  |
|  |  |  |  |  |

*Additions*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name | Position | Start  Date | Departure Date | Comments |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

1. **ASSETS UNDER MANAGEMENT**
2. Please provide your assets under management as of March 31, 2022.

|  |  |  |
| --- | --- | --- |
|  | Total Firm | |
|  | Assets ($Mil) | Clients |
| Total Firmwide Assets |  |  |
| Total Tax-Exempt Assets |  |  |
| Total MoM/OCIO AUM |  |  |
| Total **proposed product** AUM |  |  |

**By Client Type**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Total Firm | | Proposed Product | |
|  | Assets ($Mil) | # of  Accounts | Assets  ($Mil) | # of  Accounts |
| Corporate |  |  |  |  |
| Taft Hartley |  |  |  |  |
| Public Fund |  |  |  |  |
| Endowment/Foundation |  |  |  |  |
| Individuals |  |  |  |  |
| Other (Specify) |  |  |  |  |
| Total |  |  |  |  |

1. Please list total assets under management (including asset flows) for the most recent quarter end and the last 5 calendar years:

**Firm Wide**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Market Value ($Mil) | Assets Gained  ($Mil) | # of Accts Gained | Assets  Lost ($Mil) | # of Accts Lost |
| 2022 Ytd |  |  |  |  |  |
| 2021 |  |  |  |  |  |
| 2020 |  |  |  |  |  |
| 2019 |  |  |  |  |  |
| 2018 |  |  |  |  |  |
| 2017 |  |  |  |  |  |

**Proposed Product**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Market Value ($Mil) | Assets Gained ($Mil) | # of Accts Gained | Assets  Lost ($Mil) | # of Accts Lost |
| 2022 Ytd |  |  |  |  |  |
| 2021 |  |  |  |  |  |
| 2020 |  |  |  |  |  |
| 2019 |  |  |  |  |  |
| 2018 |  |  |  |  |  |
| 2017 |  |  |  |  |  |

1. Please list the number of Massachusetts public fund clients you have on a firm wide basis and also for the proposed product as of March 31, 2022.

|  |  |  |
| --- | --- | --- |
| **Massachusetts Public Fund Clients** | Market Value ($Mil) | Number of Clients |
| Firm wide |  |  |
| Proposed Product |  |  |

1. Please note any Massachusetts Public Fund Clients Gained or Lost over the past five years ending March 31, 2022, both firm wide and for the proposed product.
2. Are you comfortable with the size of the asset base in the proposed product? Please describe any capacity constraints if strategy assets were to grow considerably. At what level are you planning to close the strategy/fund?
3. **CLIENT SERVICE**
4. Indicate the key personnel involved in client service and their years of experience. Please highlight the client service professional/relationship manager that would be assigned to this account.
5. Indicate the frequency for various forms of communications:

Portfolio Review:\_\_\_\_ Market Letter:\_\_\_\_

Conference Calls:\_\_\_\_ Whitepapers:\_\_\_\_

1. What size account is required to merit participation by the senior portfolio managers in finals presentations to potential clients? For accounts that are below this cutoff, who would attend the finals presentations?
2. Are portfolio managers otherwise accessible to clients?
3. Do you copy the consultant on all correspondence to clients?
4. Please provide a description of the reports you typically provide to clients. Is your firm able and willing to comply with special reporting requirements as required by PERAC and/or the Board’s consultant?
5. **INVESTMENT PHILOSOPHY and PROCESS**
6. Briefly describe your investment philosophy.
7. Briefly describe this strategy’s return and risk objectives.
8. What do you consider to be this product’s most appropriate comparative benchmark?
9. Describe how your firm adds value through the asset allocation decision.
10. Please provide some examples of proactive initiatives you have taken recently with clients regards to asset allocation and underlying investments given the current market environment i.e., an inevitable rise in interest rates, strengthening U.S. Dollar, and ongoing quantitative easing policies overseas?
11. Please provide your opinion and on the most appropriate asset allocations based on the following characteristics and substantiate your opinion. Please provide a sample portfolio based on what you would recommend for an asset allocation strategy.

Funded Status 56.8% as of January 1, 2020

Full Funding Target 2032

Actuarial Assumed RoR 7.75%

Current Asset Mix (Target Allocations)

Core Fixed Income 15.0%

High Yield Bonds 3.0%

Emerging Market Debt 3.0%

Value-Add Fixed Income 1.7%

Domestic Equity 28.4%

Large Cap 21.4%

Small/Mid Cap 7.0%

International Equity 23.0%

Developed 19.0%

Emerging 4.0%

Real Estate 10.0%

Hedge Funds 10.0%

Private Equity 5.0%

Other 0.9%

1. Please describe your flexibility in making changes to the asset allocation of the portfolio. Is the asset allocation mix customizable?
2. If you use a multi-manager platform, explain how you establish the asset allocation across underlying fund managers. Please provide an example of how a typical portfolio of managers is constructed for a fund for a common asset class such as Core Fixed Income or Large Cap Value Equity.
3. For all bidders utilizing external managers please provide, **as a clearly marked separate attachment**, a copy of a detailed description of your due diligence process for evaluating, selecting, retaining and monitoring of underlying fund managers. Please also include a description of the decision process by which you terminate an underlying manager within a fund.
4. If you manage funds internally, please describe your security screening and selection process. (Please include the universe from which securities are selected, exclusionary or prudence screens applied, level of quantitative versus qualitative research, ideal valuation /growth characteristics, etc.).
5. Do you visit the companies or managers in which you invest?
6. How does your firm implement its buy and sell decisions? Be specific. Under what circumstances would your firm deviate from its disciplines?
7. Do you use derivatives? If so when, to what extent, and how?
8. What are the unique attributes of your investment process that differentiates your product from your competitors?
9. Which of the following decision parameters are you actively managing/ controlling and what is your representative policy with respect to these efforts?
10. Allocation by Asset Class
11. Allocation by Country/Region/Emerging Markets
12. Allocation by sector/industry
13. Allocation by currency
14. How do you address currency risk? (Describe hedging policy, if applicable.)

**Non-Traditional Investment Strategies**

1. Briefly describe the manner in which you incorporate non-traditional strategies (Hedge Funds, Private Equity, Real Estate or other) into your multi-asset discipline.
2. How do you go about setting limits (if any) on allocations to a particular strategy/style?
3. Describe any unique aspects of your analytical/research efforts with respect to such strategies.
4. **PORTFOLIO CONSTRUCTION**
5. Please describe your process for portfolio diversification across asset class and underlying fund managers.
6. How many managers are in a typical portfolio? If you utilize a multi-manager fund structure, how many managers/sub-advisors are in a typical fund?
7. Please describe how you determine the allocation across multiple managers within a fund.
8. Do you seek to over or under weight industries, sectors, or certain risk characteristics when constructing multi-manager portfolios? Please describe.
9. Are you comfortable with the size of the asset base? If assets grew considerably would you close the platform or associated funds? Would you change the way the funds are managed?
10. Describe the manager turnover in the underlying funds being proposed to the Retirement Board and explain what types of environments may impact turnover.
11. Describe the use of cash in the portfolio.  What is the maximum percentage that would be allocated to cash?
12. How long does it take to fully invest a new account?
13. How do you limit dispersion in position sizes across similarly managed client accounts?
14. For bidders that utilize external managers, please provide a list of available investment strategies for use in a customized portfolio.
15. **RISK CONTROL PROCEDURES**
16. Please describe your upside sell discipline.
17. Please describe your downside sell discipline.
18. What strategies do you employ to limit the portfolio’s downside risk and loss potential?
19. What miscellaneous control procedures (both quantitative and qualitative) / software products do you employ?
20. Who is responsible for the product's risk management?
21. **PORTFOLIO MANAGEMENT**

A. Please describe your decision making process. Answer the following questions in your response:

1. How much discretion is given to individual portfolio managers?
2. Are decisions made by committees or by the manager?
3. Do you employ a team approach?
4. What is the average number of portfolios per manager?
5. **RESEARCH**

A. Please attach a short resume of the senior-most employee charged with your research activities:

B. Please indicate what percentage of the research effort comes from various sources (must add up to 100%):

Wall Street Research ( )%

Research Vendors ( )%

Regional Brokerage Research ( )%

Annual Reports 10K, etc. ( )%

Internal/Original ( )%

On Line Sources (IBES, Bloomberg, etc.) ( )%

Company Visits ( )%

Other (explain in addendum) ( )%

C. If you have an internal research capability, state the location(s) where such research is carried out and what specific research is conducted at each location.

D. What manager and/or securities databases are used by your firm? What pricing source is used for securities?

E. Provide any commentary you feel would communicate the uniqueness of your firm's research and due diligence efforts.

1. **TRADING**
2. Please discuss trading execution and allocation of issues across accounts. How do you ensure fairness?
3. How do you monitor trading costs (market impact plus commissions)? How are transaction costs managed to reduce their negative impact on performance?
4. Is your firm or its parent or affiliate a broker/dealer? Does your firm trade for client accounts through this broker/dealer? If so, state how much trading and the reason for trading with this related party? How is the inherent conflict of interest addressed?
5. Do you use discount or commission recapture brokers? Discuss your policy regarding the use of soft dollars and directed trades.
6. List the brokers/dealers your firm uses. How are broker/dealers selected, monitored and evaluated?
7. What percent of the dollar volume of trades executed in the last two years was directed to each dealer listed above?
8. What portfolio accounting system does your firm use?
9. **PERFORMANCE**
10. If you are proposing a platform that uses a model portfolio allocation, please include the model’s composite record based on an asset mix of 80% Equity/20% Fixed Income, if applicable. If not, please provide the track records of underlying funds you would recommend for the Retirement Board’s allocation assuming an 80%/20% mix. If not, please provide, as a separate attachment, a summary of track records of underlying platform investments for the following asset classes. Please include trailing 1, 3, 5 and 10-year performance versus the representative benchmark as of March 31, 2022. Note if returns are gross or net of fees. Please include all relevant disclosures. Please also include the inception date for each of the strategies/funds.

* Core Fixed Income
* High Yield
* Unconstrained/Opportunistic Credit
* Global Bonds
* Emerging Markets Debt
* Passive Large Cap Index
* Active Large Cap Value
* Active Large Cap Growth
* Small Cap Core
* International ex-U.S.
* International Small Cap
* Emerging Markets Equity
* Global Equity

1. For bidders that utilize external managers, do you have composite level performance for customized portfolios? If so please provide a list of other composites maintained by the firm along with the respective asset allocation targets. What efforts are made to control the dispersion of returns among accounts within the composite?
2. Is the performance data history submitted compliant with GIPS® standards? If yes, please indicate the effective date of compliance. If not, please explain.
3. Has the performance history been certified by an independent auditor? Please provide a copy of the audit results. If no, please explain.
4. Has the composite been verified for compliance with GIPS® by an independent verifier? If so, please attach a copy of the latest verification report.
5. Is the current investment team responsible for the historical performance record? If not, please explain.
6. Was the entire historical performance record generated at this firm? If not, please explain.

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1. **INVESTMENT MANAGEMENT FEES**

**Investment manager fee proposals should reflect the respondent’s most advantageous terms. Please assume a portfolio size of $220-250 Million.**

1. Please provide a detailed fee schedule for the proposed services. Please include all breakpoints. If you are providing the fee schedule based on a model portfolio please include a breakdown of the underlying allocations.
2. If the proposed product is offered through a commingled vehicles, either internally or externally managed, does the fee schedule include custody and other applicable expenses for the underlying funds? If not, please disclose any additional expenses in addition to the investment management fee applicable for the underlying mutual funds or commingled fund(s). Please note any caps to these expenses, if applicable.
3. Will your fee be applicable for the duration of the client assignment?
4. Is your proposed fee schedule negotiable? Please describe to the extent your firm is willing to negotiate its fee for the proposed mandate.
5. Describe the liquidity of the proposed platform and underlying investments. Please note any differences between investing contributions and processing redemptions, including any applicable constraints for redemptions.