**The Concord Retirement System**

**Request for Proposals**

**Global Multi-Asset Allocation Management Services**

**Notice to Prospective Respondents**

The Concord (MA) Retirement Board is seeking proposals from qualified investment managers to provide Global Multi-Asset Allocation investment management services across for the Retirement System’s $200 million investment portfolio. The Board is contemplating an allocation in this Global Multi-Asset Allocation strategy of up to 25% ($50 million) of their $200 million total investment portfolio. The Board expects to award the full mandate to one manager.

All investments made by the Concord 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).

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

Proposal deadline is Thursday January 5, 2023 at 4:00 PM EDT. Late proposals will not be accepted.

**GENERAL INFORMATION AND INSTRUCTIONS**

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 – Vendor Contact Form, Vendor Certification; Vendor Disclosures (Compensation Paid, Compensation Received and Conflict of Interest) and Placement Agent Statement
* Evaluation Criteria
* Minimum Criteria Certification
* Executive Summary and Investment Manager Questionnaire

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

Richard Carey

Fiducient Advisors

100 Northfield Drive

Windsor, CT 06095

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

(860) 697-7448

**Availability of RFP:**

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

**Proposal deadline:** Thursday January 5, 2023 at 4:00 PM EDT Late proposals will not be accepted.

**Opening of Proposals:** Friday January 6, 2023 at 9:00 am EDT

A register of proposals will be maintained for public inspection.

**Expected Timing of Award**

Manager selection is expected to take place within 180 days of the RFP’s submission deadline. 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 following the initial evaluations and/or interviews.

**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 Fiducient Advisors, the Board’s Investment Consultant, prior to the deadline set forth in the proposal.

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

**Submission of RFP: due on Thursday January 5, 2023 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](mailto:rcarey@fiducient.com)

**Please also cc Linda Boucher, Concord Retirement Board’s Executive Director at**

[lboucher@concordretirement.org](mailto:lboucher@concordretirement.org)

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

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

* Signed Cover Page - On the Cover Page, please note your firm name, the RFP for which you are responding to, and the proposed strategy. 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 Forms and Disclosures
* Certified Minimum Criteria Response
* Investment Manager Questionnaire
* Form ADV
* Other attachments as may be specified in the manager questionnaire

**Required Vendor and Certification Forms**

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

**Please note: Submit one set of completed and signed** 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 <http://www.mass.gov/perac/compliance-investments/compliance-forms/>.

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

**Failure to complete and submit all required disclosures will result in rejection of 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
* Investment Team
* Investment Philosophy & Process
* Investment Performance
* Investment 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.

**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 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;
* 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;
* Statement that the Manager is a fiduciary with respect to the funds which the Manager invests on behalf of the Retirement Board;
* 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;

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

* 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 pursuant to the Investment Advisors Act of 1940, is registered with the Office of the Secretary of State of the Commonwealth of Massachusetts. | |  |
| 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 managing global multi-asset portfolios. | |  |
| 1. The proposed product must have at least $500 million in assets under management as of September 30, 2022. | |  |
| 1. The composite or performance record of the proposed product(s) must have a five-year track record as of September 30, 2022. | |  |
| 1. The firm has completed and submitted two signed originals of the required Vendor Certification, Disclosures and Placement Agent Statement 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(B) 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 agreement, regardless of the investment vehicle being proposed. Please email the Board’s 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 September 30, 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 email and phone
3. Name of Proposed Investment Strategy and vehicle(s)
4. Month and Year firm began managing proposed strategy. If the strategy was managed at a prior firm, please explain and include all relevant dates with key investment personnel information
5. Firm-wide Assets Under Management (total)
6. Total active Global Multi-Asset assets under management
7. Total Assets and number of accounts managed in proposed strategy
8. How many Multi-Asset funds do you offer to institutional clients? Please list those funds.
9. Please list the proposed strategy assets and number of accounts by all available investment vehicles (i.e., separate account, commingled fund, and/or mutual fund).
10. Please note the investment vehicle(s) you are proposing to the Retirement Board based on a potential allocation of $40-50 million.
11. ***Briefly*** describe your investment philosophy and process and describe how your firm intends to add value for clients invested in the proposed product. Please explain how you differentiate your firm and investment strategy from your competitors. Note any unique characteristics of your research and/or investment process.
12. List the Key Members of the Investment Team. For each, please provide the 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 at the firm?
13. Please list the name of the strategy and/or composite profile for the proposed product as provided in the eVestment Alliance database. Please ensure data for the firm and proposed product is fully updated through September 30, 2022.

**INVESTMENT MANAGER QUESTIONNAIRE**

**I. 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 strategy name and 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. Does the firm have a team dedicated to Multi-Asset strategies?
5. 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 |
|  |  |  |  |  |
|  |  |  |  |  |

**II. ASSETS UNDER MANAGEMENT**

1. Please provide your assets under management as of September 30, 2022.

|  |  |  |
| --- | --- | --- |
|  | Total Firm | |
|  | Assets ($Mil) | Clients |
| Total Firm-wide Assets |  |  |
| Total Tax-Exempt Assets |  |  |
| Total Global Multi-Asset AUM |  |  |
| Total **proposed product** AUM |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | Total Firm | | Proposed Product | |
| **By Client Type** | 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 |
| YTD |  |  |  |  |  |
| 2021 |  |  |  |  |  |
| 2020 |  |  |  |  |  |
| 2019 |  |  |  |  |  |
| 2018 |  |  |  |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Proposed Product** | Market Value ($Mil) | Assets Gained ($Mil) | # of Accts Gained | Assets  Lost ($Mil) | # of Accts Lost |
| YTD |  |  |  |  |  |
| 2021 |  |  |  |  |  |
| 2020 |  |  |  |  |  |
| 2019 |  |  |  |  |  |
| 2018 |  |  |  |  |  |

1. Please list the names of Massachusetts public fund clients you have on a firm wide basis and also for the proposed product as of December 30, 2017

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

1. Please note any Massachusetts Public Fund Clients Gained or Lost over the past five years ending September 30, 2022, 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?

**III. CLIENT SERVICE**

1. 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.
2. 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?

**IV.    INVESTMENT PHILOSOPHY and PROCESS**

1. Briefly describe your investment philosophy.
2. Briefly describe this strategy’s return and risk objectives.
3. What do you consider to be this product’s most appropriate comparative benchmark?
4. In what market environments would you expect your proposed product to outperform or underperform relative to its benchmark?
5. Please describe the investment strategy for the proposed product (top down, bottom-up, quantitative). Please explain any changes or enhancements that have been made to the investment strategy and process over the life of the product.
6. Please describe the firm’s asset allocation policy and include an explanation of how decisions are made with respect to asset allocation across various asset classes. Describe how your firm adds value through the asset allocation decision.
7. 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, the U.S. Dollar, equity valuations and fiscal policy, both domestic and abroad.
8. Please describe your flexibility in making changes to the asset allocation of the portfolio.
9. Please describe how allocation decisions are implemented for the proposed product. Does your firm use a fund of funds approach and if so, please describe the types of investment vehicles utilized and provide an explanation of any liquidity issues across the total fund vehicle and any underlying funds, if applicable.
10. Describe your rebalancing process, including top down and bottom up factors that drive major shifts in allocation decisions. Also include an explanation of how your firm mitigates the impact on performance and transaction costs associated with rebalancing.
11. Please note any minimum or maximum exposure ranges for the various asset classes utilized in the proposed product.
12. For each of the underlying asset classes, please describe your investment philosophy, investment strategy, and security screening and selection process. Include an explanation of how buy and sell decisions are implemented across asset classes.
13. Do you use derivatives? If so, when, to what extent, and how?
14. What are the unique attributes of your investment process that differentiates your product from your competitors?
15. Which of the following decision parameters are you actively managing/ controlling and what is your representative policy with respect to these efforts?
16. Allocation by Asset Class
17. Allocation by Country/Region/Emerging Markets
18. Allocation by sector/industry
19. Allocation by currency
    1. How do you address currency risk? (Describe hedging policy, if applicable.)
20. Briefly describe the manner in which you incorporate non-traditional strategies (Hedge Funds, Private Equity, Real Estate or other) into your multi-asset discipline.
21. How do you go about setting limits (if any) on allocations to a particular strategy/style?
22. Describe any unique aspects of your analytical/research efforts with respect to such strategies.

**V. ENVIORMENTAL, SOCIAL, and GOVERNANCE (ESG) FRAMEWORK**

1. Does your investment philosophy incorporate any type of environmental, social, or governance (ESG) considerations? If so, please elaborate on any areas of focus.
2. If ESG factors are incorporated, how do you view their impact on portfolio construction? Risk mitigation, return enhancement or potentially both?
3. How do analysts incorporate ESG factors into the security analysis process?
4. Does your firm engage with company management regarding ESG practices via proxy voting or any other form of shareholder activism?
5. Does your firm subscribe to any third party ESG scoring or evaluations frameworks?
6. Does your portfolio exclude or avoid investing in any areas of the market due to ESG considerations?
7. At what asset size would your firm be willing to manage a custom separate account with exclusionary guidelines? Are there certain exclusions that you have found to be problematic in the past?

1. Is your firm a UN PRI Signatory?

**VI. PORTFOLIO CONSTRUCTION**

1. Please describe your process for portfolio diversification across asset class and underlying investment strategies.
2. Are you comfortable with the size of the asset base for the proposed strategy as a whole and the underlying asset classes in which it invests? If assets grew considerably would you close the strategy? Would you change the way the funds are managed?
3. Describe the turnover of the proposed strategy and explain what types of environments may impact turnover.
4. Describe the use of cash in the portfolio.  What is the maximum percentage that would be allocated to cash?
5. How long does it take to fully invest a new account?
6. How do you limit dispersion in position sizes across similarly managed client accounts?
7. Please provide the historical asset allocation of the proposed product as of year-end for the last five calendar years.

**VII. RISK CONTROL PROCEDURES**

1. Please describe your upside sell discipline.
2. Please describe your downside sell discipline.
3. What strategies do you employ to limit the portfolio’s downside risk and loss potential?
4. What miscellaneous control procedures (both quantitative and qualitative) / software products do you employ?
5. Who is responsible for the product's risk management?
6. How is risk budgeted across the portfolio?
7. **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 |  | Internal/Original |  |
| Research vendors |  | Online sources (please list) |  |
| Regional brokerage research |  | Company Visits |  |
| Security databases |  | Other (explain) |  |
| Annual reports, 10k, etc. |  |  |  |

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 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 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?

**XI. PERFORMANCE**

1. The eVestment Alliance database will be used to evaluate historical performance. Please ensure that the performance track record, both gross and net of fees is updated in the database through the most recent quarter end for the proposed product’s composite and applicable investment vehicle being proposed to the Board if different. **Please attach a page with all composite disclosures and notes.** **If your composite is not in compliance with GIPS® standards, please provide an explanation of the differences. If your firm is proposing an institutional mutual fund, please include the mutual fund’s return history and attach a prospectus.**
2. What efforts are made to control the dispersion of returns among accounts within the composite?
3. Is the performance data history submitted compliant with GIPS® standards? If yes, please indicate the effective date of compliance. If not, please explain.
4. Has the performance history been certified by an independent auditor? Please provide a copy of the audit results. If no, please explain.
5. Has the composite been verified for compliance with GIPS® by an independent verifier? If so, please attach a copy of the latest verification report.
6. Is the current investment team responsible for the historical performance record? If not, please explain.
7. Was the entire historical performance record generated at this firm? If not, please explain.

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**XII. INVESTMENT MANAGEMENT FEES**

**Investment manager fee proposals should reflect the respondent’s most advantageous terms. Please assume a portfolio size of $40-50 Million.**

1. Please state the fee schedule for the proposed product for all available investment vehicles open to the client (separate account, commingled fund and/or mutual fund if applicable).
   1. Highlight specifically the vehicle you are proposing to the Retirement Board.
   2. Please include all breakpoints.
   3. Note availability of waivers to the minimum account size, if applicable
   4. For commingled and/or mutual funds, provide the net expense ratio or ‘all in’ fee. Please also break out the management fee from fund related fees and expenses.
2. If the proposed product is offered through a commingled vehicle, does the fee schedule include custody and other applicable expenses? If not, please disclose any additional expenses in addition to the investment management fee applicable for the commingled fund. Please note any caps to these expenses, if applicable.
3. Will your fee be applicable for the duration of the client assignment? Please note that the expected initial term of the award is for a period of seven years.
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. Please provide the following investment vehicle information where applicable.
   1. Separate Account
      1. Minimum Account Size
      2. Minimum Annual Fee
   2. Commingled Fund
      1. Fund Name
      2. Fund Structure (Group Trust, CIT, 3C7, LP, LLC etc.)
      3. Fund Minimum Account Size
      4. Liquidity (Daily, Monthly)
      5. Minimum Fee
   3. Institutional Mutual Fund
      1. Fund Name
      2. Fund Ticker and Cusip
      3. Fund Minimum Account Size
      4. Please attach a prospectus