

## **Consultant RFP Questions**

**March 13, 2015**

Q: We have a question regarding to Minimum Qualification #3, which states that “Proposers currently must be providing financial and investment advisory services to at least five clients, each with portfolio assets exceeding \$250,000,000.”

In lieu of this requirement, would our response be accepted for evaluation if our total institutional client assets advised on a retainer basis exceeds \$2 billion? This amount is the equivalent of 8 clients, each with portfolio assets exceeding \$250 million.

Thank you for considering this question.

A: Yes, proposals submitted by advisors providing consulting services for a minimum of \$2 billion in institutional assets will be accepted for evaluation.

**March 18, 2015**

Q: Can you please tell us the current annual consulting fees being paid by COPERS for general and real estate consulting services?

A: \$196,000.00

Q: Can you please tell us the dates of the meetings which we would be expected to attend regularly?

A: Quarterly investments reviews which are scheduled for the third Thursday of February, May, August and November. Attendance is requested on an as needed basis for the remaining board and sub committee meetings.

**March 19, 2015**

Q: Do you have any specific issues in regards to your current consultant?

A: The RFP was issued for due diligence purposes and the current consultant is invited to bid.

Q: What do you think is the single most important characteristic of an investment consulting firm?

A: Honesty and an unencumbered willingness to do what is right for this plan.

Q: Do you have a preliminary schedule of the Board meetings? What frequency of meeting attendance will be required of the investment consultant (e.g., monthly, quarterly)? How many in person Board meetings per year are anticipated for real estate?

A: Please see previous post

Q: Do you currently use fund of funds or direct funds for your alternative investments?

A: Both

Q: Could you please provide COPERS' current private markets commitments, including firm name, fund name, vintage year, commitment amount, amount of capital that has been called, remaining uncalled capital and current NAV?

A: A listing of plan assets can be found on our website.

Q: Do you anticipate making any changes to the asset allocation of the Plan? Are you considering any new asset classes?

A: Not in the immediate future.

Q: What is the most important investment issue your Plan is currently facing?

A: Earning consistent returns while managing volatility so that we can help mitigate escalating funding costs.

Q: Can you describe the current roles of staff, committee, and consultant in selecting private equity products? Do you anticipate any change in roles or responsibilities?

A: The consultant conducts the search, reviews the results with the staff and both present recommendations to the board for consideration. We do not expect that to change.

Q: Have you adopted (or plan to adopt) UN PRI or other socially responsible investment initiatives? Do you require social screens in the selection of investment products?

A: No to both.

Q: Are there any restrictions on investments based on strategy, sector, fees or terms?

A: We have a codified prudent investor standard with the only additional requirement being an approval by 2/3 of the board for new investments.

Q: How many meetings is the consultant expected to attend? When are the meetings?

A: Please see previous post

Q: Are you required to do a formal RFP for manager searches or other vendor searches such as Trust and Custody?

A: We are not required to do an RFP for manager or other vendor searches.

Q: It appears you have a separate report for real estate. Is this the expectation going forward? How often is the real estate consulting team expected at meetings? Any other expectations regarding real estate consulting services?

A: We do anticipate continuing the practice of having a separate real estate report. The real estate consulting team would attend the quarterly performance presentation meetings and then as needed. The real estate consulting team would be required to keep sufficient investment opportunities in the pipeline to maintain our target allocation.

Q: You have 2 allocations to direct hedge funds. Is it expected that you will do additional direct hedge fund investing? Is the expectation this will be included in the general retainer?

A: There is the potential to add one or two more direct hedge funds on an opportunistic basis. The general consultant would be expected to participate in the search process to produce a finalist. The in depth operational due diligence for that finalist would be conducted by our fund of funds manager.

**March 20, 2015**

Q: Would it be correct to assume that consultants proposing real estate services only would not be involved in asset allocation responsibilities and accordingly should not address asset allocation questions?

A: That is correct.

Q: If a consultant prefers to share its financial statements with COPERS in a private setting as opposed to submitting same with the RFP response, will that RFP response be deemed non-responsive?

A: COPERS is subject to FOIA statutes and cannot ensure confidentiality of any material provided to it. The submission would not be considered non-responsive without this information; however, your position on this item would be noted for the selection committee,

Q: How does the Municipal Securities Rulemaking Board (MSRB) Rule G-37 apply to Investment Advisers who provide consulting services to the City but do not act as a broker, dealer or municipal securities dealer with respect to the City?

A: COPERS cannot advise proposers regarding how Municipal Securities Rulemaking Board (MSRB) Rule G-37 would apply to Investment Advisers pursuant to these services set forth in the Scope of Services of this RFP. COPER suggests that, if in doubt, proposers consult their own legal counsel regarding compliance with this Rule.

Q: Does the background screening requirement apply to current employees or is it limited to contract workers and subcontractors?

A: The requirement applies to all employees doing any work on behalf of COPERS.

Q: If the RFP is to rehire or replace your current general investment consultant, what prompted the search? Is the incumbent consulting firm allowed or encouraged to rebid?

A: Please see previous post

Q: How long has the incumbent consultant been with your plan?

A: Ten years

Q: What is the annual fee being paid to the current consultant?

A: Please see previous post

Q: Do you anticipate making any changes to the asset allocation of the fund? Are you considering any new asset classes?

A: Please see previous post

Q: What is the most important investment issue your fund is currently facing?

A: Please see previous post

Q: What is the funding ratio of the plan?

A: As of June 30, 2014, 58.7%

Q: Please provide a copy of your 2015 meeting schedule in which the investment consultant would be expected to attend. Please include workshops dates in scheduled.

A: Please see previous post.

Q: When was the last asset liability study conducted?

A: 2011

Q: What strategic decisions are currently pending with the current consultant that the new consultant would likely become involved with?

A: There are no strategic decisions currently pending.

Q: Do you have an investment staff? If so, how many employees are there on staff? How do you anticipate the consultant and the investment staff relationship working?

A: We have an investment staff of one. We expect it to continue to be a collaborative effort.

Q: Does the current consultant provide advice on both general consultant and real estate?

A: Yes they do.