**APPENDIX A: QUESTIONNAIRE**

**\*\*You must provide separate RFP responses for each product response if your firm is submitting multiple products.\*\***

1. **Firm History**
2. Organization
   1. Firm Name (Legal name of the contracting entity):
   2. Address:
   3. Telephone:
   4. Contact(s)/Title:
   5. Email address:
3. History & Background
4. Year Founded.
5. Number and Location of Offices.
6. Please describe the organizational structure of your company, including the parent company, any holding company and subsidiaries and affiliates.
7. For privately held firms, describe how equity is distributed across the owners. Are the majority of equity owners employees?
8. Do you anticipate any near-term change in your company’s ownership or other significant change in your company? If yes, please explain.
9. Has your company’s ownership or senior management changed in the past ten years? If yes, please explain.
10. Over the past five years has your company, or any officer or principal, been involved in any business litigation or legal proceedings, including, without limitation, involving the State or any agency or political subdivision thereof? If yes, provide a brief explanation and indicate current status.
11. Discuss the results of any regulatory examination (such as by the SEC) and any material issues raised by your independent auditors in the past three years.
12. Discuss briefly your firm’s disaster recovery plan and any recent modifications. When were your procedures last tested and what was the outcome?
13. Describe the firm’s compliance structure and policies. What systems are used to monitor compliance?
14. Provide the date when your organization became duly authorized to do business in the State of New York. If you are not currently authorized, provide the date which you anticipate being duly authorized.
15. Provide information on your insurance coverage and bonding:

|  |  |
| --- | --- |
| **Type of Policy/Bond** | **$ Amount Per \_\_\_\_\_ (Indicate)** |
| Fiduciary liability |  |
| Errors and omissions |  |
| Other (describe) |  |

1. Briefly describe the firm’s cyber-security system including any programs and/or infrastructure used to prevent access to client data and other confidential information. When was the system last tested and what was the outcome?
2. **Diversity and Inclusion**
3. Does your firm maintain a formal Diversity & Inclusion Policy?
4. Who oversees your firm's diversity & inclusion efforts?
5. How often are your employee diversity statistics reported to your board or executive committee?
6. Does your firm maintain a policy for recruiting women and diverse employees?
7. Does your firm participate in recruitment initiatives focused on attracting women and/or diverse candidates?
8. Describe your firm's strategies and tactics for retaining women and diverse employees.
9. Describe efforts to improve diversity and inclusion on the investment team.
10. How often does your firm offer training programs around diversity & inclusion and/or unconscious biases?
11. Describe your firm's D&I training policy and the most recent training initiative.
12. Does your firm offer flexible working hours for those in need?
13. What percent of your workforce works remotely? (under normal circumstances)
14. What percent of your investment team works remotely? (under normal circumstances)
15. Does your firm maintain a formal internal Pay-Parity Policy?
16. What percent of your firm's suppliers represent women and diverse-owned businesses?
17. **Assets Under Management**
18. Please provide the following information as of September 30, 2024 and year-end 2023, 2022, 2021, and 2020:
19. Total firm-wide assets under management.
20. Total subject product assets under management.
21. Total assets in subject product broken out by vehicle type (e.g., commingled fund, mutual fund, other).
22. What is your stated target capacity for the proposed strategy? How did you arrive at this asset figure? When was the target last reviewed?
23. Has this strategy ever been closed to new or current investors? If the capacity target is reached, will you continue to accept additional inflows from existing clients?
24. **Clients**
25. Please list the number of clients and the amount of assets for which your firm has provided product/strategy management services for each of the past five years as described in Section III, of the RFP, entitled ‘Product Design Requirements’.

|  |  |  |
| --- | --- | --- |
| **As of (Date)** | **Number of Clients** | **Total Market Value of Assets** |
| September 30, 2024 |  |  |
| December 31, 2023 |  |  |
| December 31, 2022 |  |  |
| December 31, 2021 |  |  |
| December 31, 2020 |  |  |

1. Please list your three largest Section 457 Plan accounts by amount of assets for this product/strategy.

|  |  |
| --- | --- |
| **Client** | **Assets ($ Mil.)** |
| 1. |  |
| 2. |  |
| 3. |  |

1. Please list your three largest defined contribution plan accounts, other than Section 457 Plan accounts, by amount of assets for which product/strategy management services are provided by your firm.

|  |  |
| --- | --- |
| **Client** | **Assets ($ Mil.)** |
| 1. |  |
| 2. |  |
| 3. |  |

1. Provide the following information regarding product/strategy client gains and losses for the past five calendar years.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Year** | **$Assets Gained** | **# Accounts Gained** | **$ Assets Lost** | **# Accounts Lost** |
| 2024 (as of 9/30/24) |  |  |  |  |
| 2023 |  |  |  |  |
| 2022 |  |  |  |  |
| 2021 |  |  |  |  |
| 2020 |  |  |  |  |

1. Provide a current list of the firm’s five largest product/strategy clients, including name, contact, telephone number, asset values, length of relationship, and the services provided. After informing you of our intentions, the Board may contact any of these clients as references.
2. **Personnel**
3. Describe the investment team responsible for this strategy (or teams, if there are separate teams for equity and fixed income). Include resumes of key members. Detail the primary roles and responsibilities of key decision-makers in areas such as investment strategy, asset allocation, portfolio construction, risk management, research, security selection, and trading.
4. Who has the final decision-making authority within the investment team for the equity portion, fixed income portion, and total balanced fund? Describe the discretion given to portfolio managers regarding buying/selling securities and portfolio construction.
5. Are portfolios managed by individual portfolio managers, or is a team-based approach adopted? How long have the current portfolio managers (if team) worked together? If risk is divided among various portfolio manager resources, how is that determination made?
6. Do portfolio managers execute their own trades?
7. How are research analysts integrated into the decision-making process. Where have resources been added across research and are there any areas that would benefit from additional resources?
8. Detail any changes in the investment team over the past five years, specifying the timings and reasons for these changes. How did the firm adapt to these changes? Also, outline contingency plans in case of the departure of key investment professionals.
9. Describe the process for integrating new analysts or portfolio managers into the team and the firm's approach to nurturing talent.
10. Outline the compensation structures for different investment professionals like portfolio managers, analysts, traders, etc. Elaborate on packages ensuring team stability and criteria for participation in ownership, profit sharing, or bonuses. If equity is provided, specify its nature (purchased/granted) and the typical vesting schedule.
11. Are senior decision-makers invested in this strategy?
12. Who does the Chief Investment Officer report to?
13. Who does the Chief Risk Officer report to?
14. Elaborate on the firm's succession planning measures and strategies to mitigate risks associated with key personnel.
15. **Investment Philosophy and Process**

Please answer the following questions as they pertain to the proposed product composite(s). This information is intended to supplement information collected in Callan DNA. We will also be utilizing Callan DNA to review return and portfolio characteristics information.

1. Indicate the full name of the product that your firm is proposing.
2. Provide the strategy's name as it appears in the CallanDNA database.
3. Discuss your investment philosophy, strategy, and objectives.
4. What is your performance objective for this fund? Why?
5. Describe how your investment philosophy influences portfolio construction and returns in comparison to the benchmark.
6. What sets your strategy apart from competitors? Identify areas in the equity and fixed income markets where your team may have an information advantage. Are there specific market segments where the strategy tends to over or underweight?
7. In which market environments do you expect this strategy to outperform or underperform?
8. Discuss the evolution of the philosophy and process since the strategy’s inception. What spurred these changes and when were they instituted?
9. If applicable, provide a list of the underlying funds used for implementation. For each fund, indicate the asset class, benchmark, and if the option is actively or passively managed. Indicate if the investment is broadly available or exclusive to the balanced fund. If sub-advisors are used, please discuss the process by which these advisors are selected and monitored.
10. Delve into the details of your investment decision-making process, addressing the following:
11. How are investment ideas generated and by whom?
12. Are macroeconomic factors considered in the investment process? If so, could you elaborate on how they are incorporated?
13. Which criteria guide your investment selection?
14. Could you elucidate on the quantitative or qualitative factors that influence a buy decision?
15. What is the procedure followed when deciding to sell a position?
16. How is an investment idea integrated into the portfolio? When evaluating the desirability of an individual security, what is the typical holding period considered?
17. Could you discuss the methodology for determining the size of individual positions? Are there specific metrics that portfolio managers rely upon to ensure appropriate sizing?
18. Thoroughly describe your research process, touching on aspects like:
19. How do you define the investable opportunity universe for this strategy? Do you employ quantitative methods or screening techniques to zero in on specific issuer traits?
20. How is research coverage structured – do you rely on generalists, specialists, or a combination of both?
21. Describe the platform on which research is published and disseminated. Is it proprietary or third-party? Do all PMs have access to research across sectors? Please provide a sample research note.
22. If the focus is on specialized coverage, could you specify how coverage is demarcated, perhaps by equity versus fixed income, private/public, industry, credit quality, rates, currency, or dedicated ESG?
23. On average, how many names is each analyst tasked with, in terms of primary (present in portfolios or potential buy/sell candidates) or secondary coverage (periodic reviews)?
24. Are the research analysts assisting the portfolio management team dedicated members or part of a centralized shared resource pool?
25. Who is responsible for setting the research agenda, and how is it ensured that the requirements of this strategy are consistently met?
26. What mechanisms are in place to monitor and assess the quality of research?
27. Could you comment on the utilization of third-party data or insights, and clarify the degree to which such external information plays a crucial role in the research process?
28. Do you employ internal ratings? If so, could you provide more details?
29. How frequently does your team engage with the management of portfolio issuers?
30. **Portfolio Construction and Product Dynamics**
31. Which benchmark do you deem appropriate for this strategy and why?
32. Specify the performance (excess return) and risk (tracking error) targets or ranges for this strategy. If no specific targets or ranges are set, indicate any other metrics employed to measure success.
33. Detail the investment guidelines and typical portfolio ranges, including constraints related to allocations between equities and fixed income, position sizes, issuer concentration, sectors, credit quality, duration, country, currency, and other relevant factors.
34. Typically, how many holdings are contained in a portfolio?
35. If relevant, discuss the role of non-US equity and/or fixed income in this strategy. What portion of the historical excess return can be attributed to these allocations? What is your stance on hedging currency exposure?
36. Describe the purpose and utilization of derivatives, such as futures, forwards, swaps, and options, in the portfolio.
37. If applicable, how is leverage employed in the strategy?
38. Is cash management an active component of this strategy? What has been the historical range?
39. Provide the average portfolio turnover rate for the past seven years.
40. As possible, please provide sample guidelines for this product.
41. Describe the separation of responsibilities between portfolio management, trading, and operations, and provide insights into your trading capabilities.
42. How are trading errors addressed?
43. Define risk within the portfolio context and describe measures taken to manage and capitalize on it.
44. Provide an overview of the risk management function, detailing systems in use, team size, and reporting structures.
45. Describe the interaction dynamics between risk professionals and the investment team overseeing this strategy.
46. Enumerate the systems in place for portfolio management, trading, accounting, and risk management.
47. Describe your performance attribution system and review process, emphasizing how historical performance data is used to refine the investment process. Provide an attribution for the last five years.
48. Describe your typical approach for issuer reorganization or restructuring (serving on steering committees, equity disposition, etc.).
49. Explain how different economic environments, such as recessions, inflation, and disinflation, impact your investment criteria and strategy.
50. Quantify the expected value add from factors like actual asset allocation deviation from equity/fixed income targets, sector allocation, security selection, duration management, yield curve positioning, and trading.
51. Highlight key successful investment ideas from the past five years and their positive impact on relative performance.
52. Discuss less successful investment ideas from the past five years and their impact on relative performance.
53. **Fees**

Please provide your fee proposal for the vehicle(s) being proposed. The proposed vehicle must be a daily valued, daily liquid vehicle such as a mutual fund or CIT that can be used in a 457(b) Plan. **Separate accounts will not be considered. Please note the Plan is not willing to seed a CIT.**

For each vehicle available to NYSDCP, please detail the size of the vehicle, the fee schedule, whether or not there are other administrative expenses associated with the vehicle, any revenue sharing or loads, and if the fee is contingent on the level of assets mapped into the option. It is expected that one option will be selected (incumbent assets of $2.4 BN) and that the contract period will be in effect for a maximum of ten years.

Please fill out the table below for each strategy / vehicle being proposed:

|  |  |
| --- | --- |
| **Proposed vehicle legal structure (ex: Mutual Fund or CIT)** |  |
| **Unit/Share class and Ticker (if available)** |  |
| **If not a mutual fund, please also provide the legal structure of the commingled fund (LLC, Delaware Business Trust, 3c1, or any other)** |  |
| **Full Fee Schedule** |  |
| **Entry/Exit Fees (Y/N)** |  |
| **Securities Lending Split (Fund/Manager)** |  |
| **Trailing 12 month % of assets on loan** |  |
| **Trailing 12-month net income from SL** |  |
| **Product AUM (in $MM) as of 6/30/24** |  |
| **Vehicle AUM (in $MM) as of 6/30/24 (please include the AUM of all shares in the pool)** |  |
| **Daily Valuation (Y/N)** |  |
| **Daily Liquid (Y/N)** |  |
| **Minimum Account Size $MM** |  |
| **Is the proposed vehicle on the Nationwide recordkeeper platform? If not, and if chosen, are you willing to get on it?** |  |
| **Is there revenue sharing with Nationwide (Y/N) - DC Only** |  |