[Company name]

Response to

Commonwealth of Massachusetts

IRC 457 Employees Deferred Compensation Plan

Request for Response

for

Passive Index Investment Management Services

Submitted on [date of submittal]

**Proposal Due Date August 13, 2015 at 4:00 PM EDT**

**Response Checklist**

|  |  |  |
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**General Instructions – MUST BE FOLLOWED**

*Instructions: The following pages are the exact form and format that all responses are to follow and use. For each form or document there is a brief “Instructions” section that precedes the form or document giving bidders as much information as possible explaining how to fill in the form. Please follow these instructions exactly.*

*Do not change the order of the forms or documents when providing a response. Please provide the files in a manner that retains the sequence defined herein and name the files [Bidder Name] Response to IRC 457 Employees Deferred Compensation Plan – Investment Management Services: Passive Index File x of y where “x” is the sequence of the files and “y” is the total number of separate files.*

***Please make sure that all signatures on all forms are listed in the table at the top of the form called “Contractor Authorized Signatory Listing”. There should be no signature on any form that is not listed in that table.*** *Also, please make sure you fill in all required lines, boxes, etc. on each form as the instructions dictate.*

*Do not put any cost related information in the main portion of the response. All cost related information, either direct, or that can be derived, must only be in the cost proposal portion of the response.*

*Do not delete any forms, do not remove any forms. All forms are REQUIRED even if in some cases you are simply signing the form or you feel the form does not apply to your firm. There is no form or submission that is considered optional. If you need to separate the forms in order to get them signed and scanned either put them in the file (PDF) in the same order or add them as a separate file as indicated above as “IRC 457 Employees Deferred Compensation Plan – Investment Management Services: Passive Index File x of y”.*

**Cover Letter Instructions**

*Instructions: Fill in the cover letter as detailed below making sure that the appropriate blanks are filled in, and that the signature block is fully filled in and signed by a person listed in the Contractor Authorized Signatory Listing table on the upper half of the form.*

*When providing the URL for the ADV Forms I & II, please provide a direct URL to your firm’s ADV Form I & Form II, respectively. Do not simply provide a link to the SEC search site or to the full listing for your firm of SEC filings. You must provide a direct link to your firm’s current, active, and relevant ADV Forms I & II.*

***Do not list multiple names for the “Primary Point of Contact”***

**Cover Letter**

[Insert Company Logo if desired]

Firm Name:

Firm Address:

Name of Primary Contact:

Title of Primary Contact:

Address of Primary Contact:

Phone Number of Primary Contact:

Email Address of Primary Contact:

URL for Firm’s ADV Form I:

Note: Bidders must fill out a separate questionnaire for each mandate.

* Passive Large Cap Equity
* Passive Small Cap Equity
* Passive International Equity
* Passive Treasury Inflation Protected Securities (TIPS)
* Passive Fixed Income

**Confirmation of Key RFR Requirements**

*Instructions: Checking the boxes below confirms acceptance of these proposal commitments. Any unchecked items can be considered grounds for elimination from this procurement. This form needs to be signed by a person listed on the Contractor Authorized Signature Verification form – e.g., a person who has authority to legally bind the firm.*

* This proposal is a firm and irrevocable offer that will be valid for 200 days from the date of submission.
* Bidder confirms that it agrees with and its proposal is in conformance with all requirements and terms in this RFR.
* Bidder confirms that the signature below binds the firm to all statements, enclosures and attachments contained within this proposal response document.

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Executive Summary**

*Instructions: Provide free-form summary not to exceed three pages.*

**Executive Summary.** Please submit an executive summary consisting of not more than three pages that summarize the contents of the Response with the firm’s name located on the top of the page. The Executive Summary shall be attached to the cover letter.

**NOTE: NO COST INFORMATION SHALL BE INCLUDED ANYWHERE IN THE RESPONSE EXCEPT IN A SEPARATE SEALED ENVELOPE.**

**Statement of Minimum Qualifications**

*Instructions: Check each minimum qualification that your firm meets. If your firm meets the qualification (by checking the box), state your basis for an affirmative assertion. If your firm does not meet the qualification as stated, provide information explaining why this minimum qualification does not apply to your firm. It is in the PMT’s sole discretion to determine if a minimum qualification will result in disqualification.*

* The candidate must be able to offer all mandates under this procurement.
* Passive Large Cap Equity
* Passive Small Cap Equity
* Passive International Equity
* Passive Treasury Inflation Protection Securities
* Passive Fixed Income
* Firm is SEC-registered. If exempted from SEC registration, explain the nature of the exemption provided. Provide below a web URL to the full Form ADV (Part I and Part II). *Note: The ADV Form Part II will be reviewed by the PMT during the Phase III process and before the award of any contract.* *[Insert your exemption text here.]*
* The investment professionals must have the following performance history length in the product being proposed as of June 30, 2015.
* Passive Large Cap Equity 5 Years
* Passive Small Cap Equity 5 Years
* Passive International Equity 5 Years
* Passive Treasury Inflation Protection Securities 5 Years
* Passive Fixed Income 5 Years
* The investment professionals whose performance history is submitted must be the team responsible for the management of the Commonwealth’s account.
* The candidate must have at least three IRC 401K, 403B or 457 plans directly invested in the subject products being proposed, as of June 30, 2015.
* As of June 30, 2015, the candidate must have at least the following minimum assets (taxable & tax exempt) under management in the subject product being proposed:
* Passive Large Cap Equity $1 billion
* Passive Small Cap Equity $1 billion
* Passive International Equity $1 billion
* Passive Treasury Inflation Protection Securities $1 billion
* Passive Fixed Income $1 billion

**Legal and Other Requirements**

*Instructions: Confirm by checking each legal and other requirement. Where an item cannot be checked as 100% compliant, provide an explanation or clarification of why the item could not be checked or where there are stipulations on the verification of the requirement as stated.*

* **Solvency**: Our firm has not been in bankruptcy and/or receivership within the last three **calendar years.**
* **Firm’s State of Incorporation:** *[Insert state name or if not incorporated identify firm’s legal structure.]*
* **Corporate Good Standing:** Our firm is in good standing in our state of incorporation and has complied with all filing requirements of the state of incorporation. If the state of incorporation is not Massachusetts, our firm agrees to comply with all filing requirements of the Secretary of the Commonwealth within thirty days of contract award if selected.
* **Licenses and Registrations:** Our firm meets all applicable state and federal requirements, and has all the licenses and registrations necessary to perform the contract.
* **Pending Litigation (None):** There are no pertinent judgments, criminal convictions, investigations or litigations pending against our firm or any of its officers, directors, employees, agents or subcontractors that our firm is aware of. The Office of the State Treasurer and Receiver General reserves the right to reject a response based on this information. If separate responses are required for different divisions or subsidiaries of the Bidder, the Bidder must submit a separate response for each division or subsidiary**.**
* **Pending Litigation (Yes):** Our firm is aware of the following pertinent judgments, criminal convictions, investigations and/or litigations pending against our firm and/or any of our officers, directors, employees, agents or subcontractors.

*[List and detail any pending litigation here.]*

The Office of the State Treasurer and Receiver General reserves the right to reject a response based on this information. If separate responses are required for different divisions or subsidiaries of the Bidder, the Bidder must submit a separate response for each division or subsidiary**.**

* **Compliance with RFR Requirements:** Our firm agrees to meet every specification, requirement or condition set forth in the RFR.
* **Cease and Desist**: If selected for any services solicited through this RFR, our firm agrees to immediately notify the Office of the State Treasurer and Receiver General of any cease and desist order issued.
* **Confidentiality:** Our firm acknowledges that all materials and information provided to the Contractor by the Office of the State Treasurer and Receiver General or acquired by the Contractor on behalf of the Office of the State Treasurer and Receiver General shall be regarded as confidential information in accordance with federal and state law, and ethical standards. The Contractor must take all necessary steps to safeguard the confidentiality of such materials or information. Furthermore, each party will sign a mutually agreed upon confidentiality statement.

Representations and Warranties

Compliance with all criteria listed below is mandatory in order for a bid to be accepted for further review. Lack of compliance may result in disqualification of the Bidder.

**Note: By checking each box your firm confirms that the submitted bid meets these requirements.**

* Our firm warrants that it meets, or will meet before the award of the Contract, the bonding requirement provided by Section 412 of the Employment Retirement Income Security Act of 1974 (ERISA) or that it carries at least an equivalent fidelity bond that will be applicable to respondent's actions under that Contract. **(Provide a copy or proof of a fidelity bond indicating that all employees who perform work under the contract are covered, unless exempt and an explanation of exemption is attached.)**

*[Insert proof of fidelity bond here as an image.]*

* Our firm warrants that it maintains an errors and omissions insurance policy as well as fiduciary liability insurance providing a prudent amount of coverage for negligent acts or omissions and that such coverage will be applicable to bidder's actions under the Contract. **Provide a copy of your errors and omissions insurance policy.** Please be advised the Treasury typically requires $10,000,000 per claim and $20,000,000 annual coverage.
* Our firm warrants that it will not delegate its fiduciary responsibilities assumed under the Contract.
* Our firm warrants that it has completed, obtained and performed all registrations, filings, approvals, authorizations, consents or examinations required by a government or governmental authority for acts contemplated by the Contract.
* Our firm warrants that it agrees to meet every specification, requirement or condition set forth in the RFR and any additional contract document executed by the parties.

# COMMONWEALTH OF MASSACHUSETTS

# OFFICE OF THE STATE TREASURER AND RECEIVER GENERAL

# Disclosure Statement

*Instructions: Firms seeking to provide investment management, consulting, custody, record keeping, auditing and other professional services (the “engagement”) to the Commonwealth of Massachusetts Office of the State Treasurer and Receiver General in general, and in particular, to the Commonwealth of Massachusetts Employees Deferred Compensation Plan (“Plan”) must complete a disclosure statement providing complete and accurate responses to the questions below. Firms selected to provide such services to the Plan have a continuing obligation to update responses to these questions, in writing, immediately upon any change to such responses. The questions in this Disclosure Statement should be read broadly, and any perceived ambiguity should be resolved in favor of disclosure. Any questions concerning the disclosures required should be directed to the Office of the State Treasurer and Receiver General.*

**Note: The total response to this disclosure should not exceed four pages.**

1. Describe in detail your firm’s organizational structure, and identify any controlling stockholders, parents, subsidiaries, affiliates, partners, general partners or principals (all such individuals or entities hereinafter collectively referred to as the “firm”).

*[Insert response here.]*

2. Identify any relationship of the firm, its joint ventures, consultants, lobbyists, subcontractors, agents or placement agents that relate in any way to the engagement.

*[Insert response here.]*

3. Aside from the engagement, describe any services provided by the firm to the Commonwealth.

*[Insert response here.]*

4. Aside from the services and/or donations described in response to Question 3, above, describe any services provided by the firm to the Office of the State Treasurer and Receiver-General or any trust, board, commission or authority of which the State Treasurer and Receiver-General is a member or trustee. (A list of such entities is attached as Appendix A.)

*[Insert response here.]*

5. Aside from the services and/or donations described in responses to Questions 3 and 4, above, describe any services provided by the firm to the Commonwealth of Massachusetts or any of its political subdivisions.

*[Insert response here.]*

6. Did or will the firm provide or share, agree to provide or share, or arrange to provide or share any compensation or benefit, direct or indirect, to any individual or entity for assisting the firm in:

a) Obtaining the engagement; or

b) Performing the services required by the engagement?

If the answer to Question 6 is “yes,” provide for each the individual or entity:

a) The name and address of such individual or entity;

b) A description of the assistance provided; and

c) The compensation or benefit.

*[Insert response here.]*

7. Does the firm have any ongoing relationship, arrangement or agreement with any individual or entity with respect to sharing compensation for services to:

a) PRIM;

b) Any trust, board, commission or authority of which the Treasurer is a member or trustee; or

c) The Commonwealth of Massachusetts or its political subdivisions?

If the answer to Question 7 is “yes,” provide for each such individual or entity:

a) The name and address of such individual or entity;

b) A description of the relationship, arrangement or agreement; and

c) The compensation shared.

*[Insert response here.]*

Signed under the pains and penalties of perjury this \_\_\_\_\_\_\_day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2015.

Name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

(Print)

Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Questionnaire Response**

*Instructions: Submit one questionnaire as follows* ***for each mandate*** *listed in the RFR (Section V.A and Section VI.A). Each question must be answered in the space following the question.* ***Bidders must submit a separate PDF for each Questionnaire****.*

*Reminder: All Bidders are required to submit a bid for all five mandates.*

VII (A) GENERAL QUESTIONNAIRE

**Section VII, A, GENERAL QUESTIONNAIRE:** For each firm, the GENERAL QUESTIONAIRE need only be completed once.

**A**. **FIRM BACKGROUND, EXPERIENCE AND GENERAL DESCRIPTION**

* + - 1. Indicate your firm’s fiduciary classification:

1. Bank;
2. Insurance Company;
3. Registered Investment Advisor (Investment Advisers Act of 1940);
4. Affiliate of Fiduciary; and
5. Other.
   * + 1. Describe the ownership of the firm, including but not limited to:
6. Ownership structure and affiliated companies or joint ventures;
7. List percentage owned by three largest owners;
8. If the firm is an affiliate, what percent of the parent firm’s total revenue is generated by your organization;
9. If the firm is a joint venture partner, identify the percentage of ownership and revenues recognized by each partner in the combined association; and
10. Describe any material changes in ownership in the past three years.
    * + 1. Provide the month and year of SEC 1940 Act registration.
        2. Describe in detail any material developments within your organization (changes in ownership, personnel, business, etc.) over the past three (3) years.
        3. Provide an organizational chart diagramming the relationships between the professional staff as well as the parent-subsidiary, affiliate, or joint venture entities.
        4. Describe the levels (U.S. dollar amounts) of coverage for SEC-required (17g-1) fidelity bonds, errors and omissions coverage, and any other fiduciary coverage which your firm carries. Include the insurance carriers supplying the coverage. Please provide a copy of your bond(s).
        5. Over the past five (5) years, has your organization or any of its affiliates or parent, or any office or principal been involved in any business litigation, regulatory or legal proceedings? If so, provide a detailed explanation and indicate the current status.
        6. Has your firm been the subject of an audit, censure, fine, inquiry or administrative action by the SEC, IRS or DOL in the past five years? If yes, explain findings and provide evidence of changes in procedures implemented as a result of the findings.
        7. Is your organizations duly licensed to do business in Massachusetts? If not, please provide an opinion of counsel giving their opinion as to whether they anticipate any difficulties in obtaining all necessary Massachusetts licenses for your firm.
        8. Describe any potential conflicts of interest your firm may have in management of this account. Include any activities of affiliated or parent organizations, brokerage activities, investment banking activities, or any past or current relationships with Deferred Compensation Plan members. Disclose any business relationship with the Plan’s investment consultant Aon Hewitt Investment Consulting, Inc., or third-party administrator/recordkeeper Empower Retirement (formerly doing business as Great-West Retirement Services).
        9. Please complete the table below with the requested information as of 06-30-2015. Exclude enhanced index assets/strategies from index totals: however, they should be included in the total firm-wide assets. Total firm-wide assets should include all investment strategies.

|  |  |  |
| --- | --- | --- |
| **Asset Class** | **Assets ($) Under management** | **Number of Strategies** |
| Passive Domestic Equity |  |  |
| Passive International Equity |  |  |
| Passive Domestic Fixed Income |  |  |
| Passive International Fixed Income |  |  |
| Other Passive\* |  |  |
| Total Passive AUM |  |  |
| Total Firm-wide AUM |  |  |
| \*Please note the types of strategies (e.g. commodities, real estate, etc.) |  |  |

VIII INVESTMENT SERVICES QUESTIONNAIRES

A separate INVESTMENT SERVICES QUESTIONNAIRE must be submitted for each mandate.

* Passive Large Cap Equity
* Passive Small Cap Equity
* Passive International Equity
* Passive Treasury Inflation Protection Securities
* Passive Fixed Income

**VIII-1 INVESTMENT SERVICES QUESTIONNAIRE:** Passive Large Cap Equity investment services

(benchmark: S&P 500 Index)

**A. Subject Product**

1. Subject Product Information:
   1. Product or Fund Name;
   2. Advisor or Sub-advisor Name;
   3. Fund type (mutual, commingled, collective trust, separate account, etc.);
   4. Share Class (if applicable);
   5. Valuation Frequency (if applicable); and
   6. Inception Date of Subject Product.
2. Subject product references the specific product your firm is proposing for consideration as described above. Provide subject product assets under management (AUM):

In millions, as of year-end dates:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **6/30/15** | **12/31/14** | **12/31/13** | **12/31/12** | **12/31/11** |
| (a) Total Assets Under Management (AUM) All products |  |  |  |  |  |
| (b) Total AUM Subject Product |  |  |  |  |  |
| (c) Total AUM Subject Product Retail and Institutional |  |  |  |  |  |
| (d) Total AUM Subject Product Institutional only |  |  |  |  |  |
| (e) Total AUM Subject Product Separate Account; Tax Exempt |  |  |  |  |  |
| (f) Total AUM Subject Product Commingled; Tax Exempt |  |  |  |  |  |

1. Provide five largest U.S. tax-exempt accounts invested in the subject product, including public and ERISA fund clients.

|  |  |  |
| --- | --- | --- |
| **Name** | **Date of Inception** | **MV 06/30/15** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

1. List number of clients and total assets gained in the subject product for each of the past three (3) calendar years (2014, 2013, 2012)
2. List number of clients and total assets lost in the subject product for each of the past three (3) calendar years (2014, 2013, 2012)

**B. QUALITY, STABILITY, DEPTH AND EXPERIENCE OF PERSONNEL**

1. Provide a list of the key professionals, including portfolio managers and analysts, assigned to the subject portfolio; include the following information, along with a brief bio:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **Title** | **Yrs. Exp. in subject mandate** | **Yrs. with subject product** | **Degrees/ Designations** | **Schools** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

1. Indicate key professionals that have joined or departed the firm in the subject product for the past three years.
2. Describe your firm’s backup procedures in the event key investment professionals on the subject product should leave the firm
3. Who will be the client service officer? How often would they be available for client meetings? Would a portfolio manager be available for client presentations, for example, on an annual basis?

**C. INVESTMENT PHILOSOPHY, PROCESS AND PERFORMANCE**

1. Describe your firm’s investment philosophy for the **passive** **large cap equity** product.
   * 1. Do you fully replicate the index or perform any type of sampling techniques?
     2. Why do you believe this philosophy will be successful in the future? Provide any evidence or research, which supports this belief.
     3. How has this philosophy changed over time?
2. How important is benchmark-tracking error in portfolio construction? What has been the range of historical tracking error for the subject product?
3. What are your procedures regarding the management of the strategy around index reconstitutions?
   1. How do you deal with new entrants/exits from the index?
4. Describe your portfolio construction process. Include any detail on each of the following:
   1. What relative limits are in place at a stock, sector, country, region, currency, size or other relevant level?
   2. Please include detail on the types of derivatives used and policies surrounding the use of derivatives. What type of risk measures are taken specifically with regard to derivatives exposure and usage?
5. How is portfolio risk managed and monitored? Describe all risk management functions and tools utilized.
6. Do you use cash as a method of risk control? Indicate how much cash is generally held in the portfolio.
7. Describe any risk measurement models (such as BARRA, etc.) used and how this analysis is incorporated in the portfolio management process.
8. Describe how market timing is prevented in the subject product.
9. How do you monitor the product’s adherence to its investment style and process? Specify who is responsible.
10. Describe your firm’s trading capabilities related to this product. Provide a description of your trading platform, including systems (proprietary and off-the-shelf) for execution and processing.
11. What steps have you taken to automate the trade flow process? What areas are still handled manually?
12. How do you leverage your infrastructure to ensure firm-wide collaboration in execution (broker/dealer relationships) and capital market conditions (liquidity)? How does your firm manage to and monitor market liquidity?
13. Describe how you measure trading costs (commissions and market impact).
14. If your firm is affiliated with a broker/dealer, describe whether or not you trade through this affiliated brokerage.
15. Please describe the oversight procedures that would minimize the risk of traders acting outside of their given latitude in executing trades.
16. If you have soft dollar relationships with broker-dealers, please disclose the following:
    * 1. Soft dollar policy and when last reviewed.
      2. Percentage of trades executed tied to soft dollar relationships.
      3. List of resources funded by soft dollars that would normally be funded with hard dollars.
17. Are you able to provide accurate, audited asset and transaction statements within 2-3 weeks of month's end? Explain.
18. Please explain your firm’s research process. State the location(s) where such research is carried out and what specific research is conducted at each location.
19. Describe the software packages used to manage portfolios. If owned, was it internally developed and by whom? Is it internally maintained? How long has the current system been in place?
20. What unique attributes does your firm or your product have which distinguish it from its competitors in the fulfillment of this assignment?
21. Does the strategy engage in securities lending? If it does:
    1. Who operates the program?
    2. Does the securities’ lending agent provide indemnity against losses?
    3. Please provide a description of the collateral policy including details of how risk is managed on a daily basis.
    4. What is your recall policy for securities on loan?
    5. Please provide the split in securities lending revenue between the pooled fund and any other parties.
    6. What credit research is performed on counterparties?
22. If the question above was answered yes, do you offer a strategy that does not engage in securities lending?

**D. PERFORMANCE**

1. Provide historical quarterly performance (net of all investment management fees) for the ten years ending 6-30-15, or since inception.
2. Indicate if the performance is 1) composite of separate accounts, 2) mutual fund or 3) commingled account.

Subject Product Performance Net of Fees (in U.S. dollars)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **6/30/15** | **2014** | **2013** | **2012** | **2011** | **2010** | **2009** | **2008** | **2007** | **2006** |
| Qtr 1 |  |  |  |  |  |  |  |  |  |  |
| Qtr 2 |  |  |  |  |  |  |  |  |  |  |
| Qtr 3 |  |  |  |  |  |  |  |  |  |  |
| Qtr 4 |  |  |  |  |  |  |  |  |  |  |
| Total  Annual |  |  |  |  |  |  |  |  |  |  |
| S&P 500 Index |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Net Annualized Returns Ending 06-30-15** | **One year** | **Three Year** | **Five Year** | **Ten Year** |
| Subject Product Return |  |  |  |  |
| S&P 500 Index |  |  |  |  |
| Difference |  |  |  |  |

**VIII-2 INVESTMENT SERVICES QUESTIONNAIRE:** Passive Small Cap Equity investment services

(Benchmark: Russell 2000 Index and/or S&P Completion Index)

**A. Subject Product**

1. Subject Product Information:
2. Product or Fund Name;
3. Advisor or Sub-advisor Name;
4. Fund type (mutual, commingled, collective trust, separate account, etc.);
5. Share Class (if applicable);
6. Valuation Frequency (if applicable); and
7. Inception Date of Subject Product
8. Subject product references the specific product your firm is proposing for consideration as described above. Provide subject product assets under management (AUM):

In millions, as of year-end dates

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **6/30/15** | **12/31/14** | **12/31/13** | **12/31/12** | **12/31/11** |
| (a) Total Assets Under Management (AUM) All products |  |  |  |  |  |
| (b) Total AUM Subject Product |  |  |  |  |  |
| (c) Total AUM Subject Product Retail and Institutional |  |  |  |  |  |
| (d) Total AUM Subject Product Institutional only |  |  |  |  |  |
| (e) Total AUM Subject Product Separate Account; Tax Exempt |  |  |  |  |  |
| (f) Total AUM Subject Product Commingled; Tax Exempt |  |  |  |  |  |

1. Provide five (5) of your firm’s largest U.S. tax-exempt accounts invested in the subject product, including public and ERISA fund clients.

|  |  |  |
| --- | --- | --- |
| **Name** | **Date of Inception** | **MV 06/30/15** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

1. List the number of clients and total assets gained in the subject product for each of the past three (3) calendar years (2014, 2013, 2012)
2. List the number of clients and total assets lost in the subject product for each of the past three (3) calendar years (2014, 2013, 2012)
3. **QUALITY, STABILITY, DEPTH AND EXPERIENCE OF PERSONNEL**
4. Provide a list of the key professionals, including portfolio managers and analysts, assigned to the subject portfolio; include the following information, along with a brief bio:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **Title** | **Yrs. Exp. in subject mandate** | **Yrs. With subject product** | **Degrees/ Designations** | **Schools** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

1. Indicate key professionals that have joined or departed the firm in the subject product for the past three (3) years.
2. Describe your firm’s backup procedures in the event key investment professionals on the subject product should leave the firm.
3. Who will be the client service officer? How often would they be available for client meetings? Would a portfolio manager be available for client presentations, for example, on an annual basis?
4. **INVESTMENT PHILOSOPHY, PROCESS AND PERFORMANCE**
5. Describe your firm’s investment philosophy for the **passive** **small cap equity** product.
6. Do you fully replicate the index or perform any type of sampling techniques?
7. Why do you believe this philosophy will be successful in the future? Provide any evidence or research, which supports this belief.
8. How has this philosophy changed over time?
9. How important is benchmark-tracking error in portfolio construction? What has been the range of historical tracking error for the subject product?
10. What are your procedures regarding the management of the strategy around index reconstitutions?
    1. How do you deal with new entrants/exits from the index?
11. Describe your portfolio construction process. Include any detail on each of the following:
    1. What relative limits are in place at a stock, sector, country, region, currency, size or other relevant level?
    2. Please included detail on the types of derivatives used and policies surrounding the use of derivatives. What type of risk measures are taken specifically with regard to derivatives exposure and usage?
12. How is portfolio risk managed and monitored? Describe all risk management functions and tools utilized.
13. Do you use cash as a method of risk control? Indicate how much cash is generally held in the portfolio.
14. Describe any risk measurement models (such as BARRA, etc.) used and how this analysis is incorporated in the portfolio management process.
15. Describe how market timing is prevented in the subject product.
16. How do you monitor the product’s adherence to its investment style and process? Specify who is responsible.
17. Describe your firm’s trading capabilities related to this product. Provide a description of your trading platform, including systems (proprietary and off-the-shelf) for execution and processing.
18. What steps have you taken to automate the trade flow process? What areas are still handled manually?
19. How do you leverage your infrastructure to ensure firm-wide collaboration in execution (broker/dealer relationships) and capital market conditions (liquidity)? How does your firm manage to and monitor market liquidity?
20. Describe how you measure trading costs (commissions and market impact).
21. If your firm is affiliated with a broker/dealer, describe whether or not you trade through this affiliated brokerage.
22. Please describe the oversight procedures that would minimize the risk of traders acting outside of their given latitude in executing trades.
23. If you have soft dollar relationships with broker-dealers, please disclose the following:
24. Soft dollar policy and when last reviewed.
25. Percentage of trades executed tied to soft dollar relationships.
26. List of resources funded by soft dollars that would normally be funded with hard dollars.
27. Are you able to provide accurate, audited asset and transaction statements within 2-3 weeks of month's end? Explain.
28. Please explain your firm’s research process. State the location(s) where such research is carried out and what specific research is conducted at each location.
29. Describe the software packages used to manage portfolios. If owned, was it internally developed and by whom? Is it internally maintained? How long has the current system been in place?
30. What unique attributes does your firm or your product have which distinguish it from its competitors in the fulfillment of this assignment?
31. Does the strategy engage in securities lending? If it does:
    1. Who operates the program?
    2. Does the securities’ lending agent provide indemnity against losses?
    3. Please provide a description of the collateral policy including details of how risk is managed on a daily basis.
    4. What is your recall policy for securities on loan?
    5. Please provide the split in securities lending revenue between the pooled fund and any other parties.
    6. What credit research is performed on counterparties?
32. If the question above was answered yes, do you offer a strategy that does not engage in securities lending?
33. **PERFORMANCE**
34. Provide historical quarterly performance (net of all investment management fees) for the ten (10) years ending 06-30-15, or since inception.
35. Indicate if the performance is 1) composite of separate accounts, 2) mutual fund or 3) commingled account.
36. Subject Product Performance (in U.S. dollars)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **06/30/15** | **2014** | **2013** | **2012** | **2011** | **2010** | **2009** | **2008** | **2007** | **2006** |
| Qtr 1 |  |  |  |  |  |  |  |  |  |  |
| Qtr 2 |  |  |  |  |  |  |  |  |  |  |
| Qtr 3 |  |  |  |  |  |  |  |  |  |  |
| Qtr 4 |  |  |  |  |  |  |  |  |  |  |
| Total  Annual |  |  |  |  |  |  |  |  |  |  |
| \*Russell 2000 Index and/or S&P Completion Index |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Net Annualized returns ending 06-30-15** | **One year** | **Three Year** | **Five Year** | **Ten Year** |
| Subject Product Return |  |  |  |  |
| \*Russell 2000 Index and/or S&P Completion Index |  |  |  |  |
| Difference |  |  |  |  |

**\*for comparison purposes please include the index performance for both the Russell 2000 Index and the S&P Completion Index**

**VIII-3 INVESTMENT SERVICES QUESTIONNAIRE:** Passive International Equity investment services

(benchmark: (MSCI) All Country World Ex US IMI Index and/or FTSE Global All Cap ex-US Index)

**A. Subject Product**

1. Subject Product Information:
2. Product or Fund Name;
3. Advisor or Sub-advisor Name;
4. Fund type (mutual, commingled, collective trust, separate account, etc.);
5. Share Class (if applicable);
6. Valuation Frequency (if applicable); and
7. Inception Date of Subject Product.
8. Subject product references the specific product your firm is proposing for consideration as described above. Provide subject product assets under management (AUM):

In millions, as of year-end dates:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **6/30/15** | **12/31/14** | **12/31/13** | **12/31/12** | **12/31/11** |
| (a) Total Assets Under Management (AUM) All products |  |  |  |  |  |
| (b) Total AUM Subject Product |  |  |  |  |  |
| (c) Total AUM Subject Product Retail and Institutional |  |  |  |  |  |
| (d) Total AUM Subject Product Institutional only |  |  |  |  |  |
| (e) Total AUM Subject Product Separate Account; Tax Exempt |  |  |  |  |  |
| (f) Total AUM Subject Product Commingled; Tax Exempt |  |  |  |  |  |

1. Provide your firm’s five (5) largest U.S. tax-exempt accounts invested in subject product, including public and ERISA fund clients.

|  |  |  |
| --- | --- | --- |
| **Name** | **Date of Inception** | **MV 06/30/15** |
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1. List the number of clients and total assets gained in the subject product for each of the past three (3) calendar years (2014, 2013, 2012)
2. List the number of clients and total assets lost in the subject product for each of the past three (3) calendar years (2014, 2013, 2012)
3. Provide three (3) current clients who are invested in the subject product that can be contacted for references. Provide the firm name, contact person and title, phone number, product name, account type (defined benefit, defined contribution, endowment), length of relationship and assets under management.
4. Identify three (3) clients that have terminated accounts in the subject product over the past three years that can be contacted as references. Provide the firm name, contact person and title, phone number, product name, account value and reason for termination.

**B. QUALITY, STABILITY, DEPTH AND EXPERIENCE OF PERSONNEL**

1. Provide a list of the key professionals, including portfolio managers and analysts, assigned to the subject portfolio; include the following information, along with a brief bio:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **Title** | **Yrs. Exp. in subject mandate.** | **Yrs. With subject product** | **Degrees/ Designations** | **Schools** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

1. Indicate key professionals that have joined or departed the firm in the subject product for the past three years.
2. Describe your firm’s backup procedures in the event key investment professionals on the subject product should leave the firm.
3. Who will be the client service officer? How often would they be available for client meetings? Would a portfolio manager be available for client presentations, for example, on an annual basis?

**C. INVESTMENT PHILOSOPHY, PROCESS AND PERFORMANCE**

1. Describe your firm’s investment philosophy for the **passive** **international equity** product.
2. Do you fully replicate the index or perform any type of sampling techniques?
3. Why do you believe this philosophy will be successful in the future? Provide any evidence or research, which supports this belief.
4. How has this philosophy changed over time?
5. How important is benchmark-tracking error in portfolio construction? What has been the range of historical tracking error for the subject product?
6. What are your procedures regarding the management of the strategy around index reconstitutions?
   1. How do you deal with new entrants/exits from the index?
7. Describe your portfolio construction process. Include any detail on each of the following:
   1. What relative limits are in place at a stock, sector, country, region, currency, size or other relevant level?
   2. Please included detail on the types of derivatives used and policies surrounding the use of derivatives. What type of risk measures are taken specifically with regard to derivatives exposure and usage?
8. How is portfolio risk managed and monitored? Describe all risk management functions and tools utilized.
9. Do you use cash as a method of risk control? Indicate how much cash is generally held in the portfolio.
10. Describe any risk measurement models (such as BARRA, etc.) used and how this analysis is incorporated in the portfolio management process.
11. Describe how market timing is prevented in the subject product.
12. How do you monitor the product’s adherence to its investment style and process? Specify who is responsible.
13. Describe your firm’s trading capabilities related to this product. Provide a description of your trading platform, including systems (proprietary and off-the-shelf) for execution and processing.
14. What steps have you taken to automate the trade flow process? What areas are still handled manually?
15. How do you leverage your infrastructure to ensure firm-wide collaboration in execution (broker/dealer relationships) and capital market conditions (liquidity)? How does your firm manage to and monitor market liquidity?
16. Describe how you measure trading costs (commissions and market impact).
17. If your firm is affiliated with a broker/dealer, describe whether or not you trade through this affiliated brokerage.
18. Please describe the oversight procedures that would minimize the risk of traders acting outside of their given latitude in executing trades.
19. If you have soft dollar relationships with broker-dealers, please disclose the following:
20. Soft dollar policy and when last reviewed.
21. Percentage of trades executed tied to soft dollar relationships.
22. List of resources funded by soft dollars that would normally be funded with hard dollars.
23. Are you able to provide accurate, audited asset and transaction statements within 2-3 weeks of month's end? Explain.
24. Please explain your firm’s research process. State the location(s) where such research is carried out and what specific research is conducted at each location.
25. Describe the software packages used to manage portfolios. If owned, was it internally developed and by whom? Is it internally maintained? How long has the current system been in place?
26. What unique attributes does your firm or your product have which distinguish it from its competitors in the fulfillment of this assignment?
27. Does the strategy engage in securities lending? If it does:
    1. Who operates the program?
    2. Does the securities’ lending agent provide indemnity against losses?
    3. Please provide a description of the collateral policy including details of how risk is managed on a daily basis.
    4. What is your recall policy for securities on loan?
    5. Please provide the split in securities lending revenue between the pooled fund and any other parties.
    6. What credit research is performed on counterparties?
28. If the question above was answered yes, do you offer a strategy that does not engage in securities lending?

**D. PERFORMANCE**

1. Provide historical quarterly performance (net of all investment management fees) for the ten years ending 06-30-15, or since inception.
2. Indicate if the performance is 1) composite of separate accounts, 2) mutual fund or 3) commingled account.
3. Subject Product Performance Net of Fees (in U.S. dollars)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **6-30-15** | **2014** | **2013** | **2012** | **2011** | **2010** | **2009** | **2008** | **2007** | **2006** |
| Qtr 1 |  |  |  |  |  |  |  |  |  |  |
| Qtr 2 |  |  |  |  |  |  |  |  |  |  |
| Qtr 3 |  |  |  |  |  |  |  |  |  |  |
| Qtr 4 |  |  |  |  |  |  |  |  |  |  |
| Total  Annual |  |  |  |  |  |  |  |  |  |  |
| \*(MSCI) All Country World Ex US IMI Index and/or FTSE Global All Cap ex-US Index |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Net Annualized returns ending 06-30-15** | **One year** | **Three Year** | **Five Year** | **Ten Year** |
| Subject Product Return |  |  |  |  |
| \*(MSCI) All Country World Ex US IMI Index and/or FTSE Global All Cap ex-US Index |  |  |  |  |
| Difference |  |  |  |  |

**\*For comparison purposes please include the index performance for both the (MSCI) All Country World Ex US IMI Index and the FTSE Global All Cap ex-US Index**

**VIII-4 INVESTMENT SERVICES QUESTIONNAIRE:** Passive Fixed Income investment services

(Benchmark: Barclays Capital U.S. Aggregate Bond Index)

**A. Subject Product**

1. Subject Product Information:
2. Product or Fund Name;
3. Advisor or Sub-advisor Name;
4. Fund type (mutual, commingled, collective trust, separate account, etc.);
5. Share Class (if applicable);
6. Valuation Frequency (if applicable); and
7. Inception Date of Subject Product.
8. Subject product references the specific product your firm is proposing for consideration as described above. Provide subject product assets under management (AUM):

In millions, as of year-end dates:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **6/30/15** | **12/31/14** | **12/31/13** | **12/31/12** | **12/31/11** |
| (a) Total Assets Under Management (AUM) All products |  |  |  |  |  |
| (b) Total AUM Subject Product |  |  |  |  |  |
| (c) Total AUM Subject Product Retail and Institutional |  |  |  |  |  |
| (d) Total AUM Subject Product Institutional only |  |  |  |  |  |
| (e) Total AUM Subject Product Separate Account; Tax Exempt |  |  |  |  |  |
| (f) Total AUM Subject Product Commingled; Tax Exempt |  |  |  |  |  |

1. Provide five largest U.S. tax-exempt accounts invested in subject product, including public and ERISA fund clients.

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| --- | --- | --- |
| **Name** | **Date of Inception** | **MV 06/30/15** |
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1. List the number of clients and total assets gained in the subject product for each of the past three (3) calendar years (2014, 2013, 2012)
2. List the number of clients and total assets lost in the subject product for each of the past three (3) calendar years (2014, 2013, 2012)
3. **QUALITY, STABILITY, DEPTH AND EXPERIENCE OF PERSONNEL**
4. Provide a list of the key professionals, including portfolio managers and analysts, assigned to the subject portfolio; include the following information, along with a brief bio:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **Title** | **Yrs. Exp. in subject mandate** | **Yrs. With subject product** | **Degrees/ Designations** | **Schools** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

1. Indicate key professionals that have joined or departed the firm in the subject product for the past three (3) years.
2. Describe your firm’s backup procedures in the event key investment professionals on the subject product should leave the firm.
3. Who will be the client service officer? How often would they be available for client meetings? Would a portfolio manager be available for client presentations, for example, on an annual basis?
4. **INVESTMENT PHILOSOPHY, PROCESS AND PERFORMANCE**
5. Describe your firm’s investment philosophy for the **passive** **fixed income** product.
6. Do you fully replicate the index or perform any type of sampling techniques?
7. Why do you believe this philosophy will be successful in the future? Provide any evidence or research, which supports this belief.
8. How has this philosophy changed over time?
9. How important is benchmark-tracking error in portfolio construction? What has been the range of historical tracking error for the subject product?
10. What are your procedures regarding the management of the strategy around index reconstitutions?
    1. How do you deal with new entrants/exits from the index?
11. Describe your portfolio construction process. Include any detail on each of the following:
12. What relative limits are in place at the issuer, sector, country, region, currency, size or other relevant level?
13. Please included detail on the types of derivatives used and policies surrounding the use of derivatives. What type of risk measures are taken specifically with regard to derivatives exposure and usage?
14. How is portfolio risk managed and monitored? Describe all risk management functions and tools utilized.
15. Do you use cash as a method of risk control? Indicate how much cash is generally held in the portfolio.
16. Describe any risk measurement models (such as POINT, etc.) used and how this analysis is incorporated in the portfolio management process.
17. Describe how market timing is prevented in the subject product.
18. How do you monitor the product’s adherence to its investment style and process? Specify who is responsible.
19. Describe your firm’s trading capabilities related to this product. Provide a description of your trading platform, including systems (proprietary and off-the-shelf) for execution and processing.
20. What steps have you taken to automate the trade flow process? What areas are still handled manually?
21. How do you leverage your infrastructure to ensure firm-wide collaboration in execution (broker/dealer relationships) and capital market conditions (liquidity)? How does your firm manage to and monitor market liquidity?
22. Describe how you measure trading costs (commissions and market impact).
23. If your firm is affiliated with a broker/dealer, describe whether or not you trade through this affiliated brokerage.
24. Please describe the oversight procedures that would minimize the risk of traders acting outside of their given latitude in executing trades.
25. If you have soft dollar relationships with broker-dealers, please disclose the following:
26. Soft dollar policy and when last reviewed.
27. Percentage of trades executed tied to soft dollar relationships.
28. List of resources funded by soft dollars that would normally be funded with hard dollars.
29. Are you able to provide accurate, audited asset and transaction statements within 2-3 weeks of month's end? Explain.
30. Please explain your firm’s research process. State the location(s) where such research is carried out and what specific research is conducted at each location.
31. Describe the software packages used to manage portfolios. If owned, was it internally developed and by whom? Is it internally maintained? How long has the current system been in place?
32. What unique attributes does your firm or your product have which distinguish it from its competitors in the fulfillment of this assignment?
33. Does the strategy engage in securities lending? If it does:
    1. Who operates the program?
    2. Does the securities’ lending agent provide indemnity against losses?
    3. Please provide a description of the collateral policy including details of how risk is managed on a daily basis.
    4. What is your recall policy for securities on loan?
    5. Please provide the split in securities lending revenue between the pooled fund and any other parties.
    6. What credit research is performed on counterparties?
34. If the question above was answered yes, do you offer a strategy that does not engage in securities lending?
35. **PERFORMANCE**
36. Provide historical quarterly performance (net of all investment management fees) for the ten years ending 06/30/15, or since inception.
37. Indicate if the performance is 1) composite of separate accounts, 2) mutual fund or 3) commingled account.
38. Subject Product Performance Net of Fees (in U.S. dollars)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **6-30-15** | **2014** | **2013** | **2012** | **2011** | **2010** | **2009** | **2008** | **2007** | **2006** |
| Qtr 1 |  |  |  |  |  |  |  |  |  |  |
| Qtr 2 |  |  |  |  |  |  |  |  |  |  |
| Qtr 3 |  |  |  |  |  |  |  |  |  |  |
| Qtr 4 |  |  |  |  |  |  |  |  |  |  |
| Total  Annual |  |  |  |  |  |  |  |  |  |  |
| Barclays Capital U.S. Aggregate Bond Index |  |  |  |  |  |  |  |  |  |  |

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| --- | --- | --- | --- | --- |
| **Net Annualized returns ending 06-30-15** | **One year** | **Three Year** | **Five Year** | **Ten Year** |
| Subject Product Return |  |  |  |  |
| Barclays Capital U.S. Aggregate Bond Index |  |  |  |  |
| Difference |  |  |  |  |

**VIII-5 INVESTMENT SERVICES QUESTIONNAIRE:** Passive TIPS investment services

(Benchmark: Barclays US Treasury Inflation 1-10 Year Index)

**A. Subject Product**

1. Subject Product Information:
   1. Product or Fund Name;
   2. Advisor or Sub-advisor Name;
   3. Fund type (mutual, commingled, collective trust, separate account, etc.);
   4. Share Class (if applicable);
   5. Valuation Frequency (if applicable); and
   6. Inception Date of Subject Product.
2. Subject product references the specific product your firm is proposing for consideration as described above. Provide subject product assets under management (AUM):

In millions, as of year-end dates:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **6/30/15** | **12/31/14** | **12/31/13** | **12/31/12** | **12/31/11** |
| (a) Total Assets Under Management (AUM) All products |  |  |  |  |  |
| (b) Total AUM Subject Product |  |  |  |  |  |
| (c) Total AUM Subject Product Retail and Institutional |  |  |  |  |  |
| (d) Total AUM Subject Product Institutional only |  |  |  |  |  |
| (e) Total AUM Subject Product Separate Account; Tax Exempt |  |  |  |  |  |
| (f) Total AUM Subject Product Commingled; Tax Exempt |  |  |  |  |  |

1. Provide a list of your firm’s five (5) largest U.S. tax-exempt accounts invested in subject product, including public and ERISA fund clients.

|  |  |  |
| --- | --- | --- |
| **Name** | **Date of Inception** | **MV 06/30/15** |
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|  |  |  |
|  |  |  |

1. List the number of clients and total assets gained in the subject product for each of the past three (3) calendar years (2014, 2013, 2012)
2. List the number of clients and total assets lost in the subject product for each of the past three (3) calendar years (2014, 2013, 2012)

**B. QUALITY, STABILITY, DEPTH AND EXPERIENCE OF PERSONNEL**

1. Provide a list of the key professionals, including portfolio managers and analysts, assigned to the subject portfolio; include the following information, along with a brief bio:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **Title** | **Yrs. Exp. in subject mandate** | **Yrs. With subject product** | **Degrees/ Designations** | **Schools** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

1. Indicate key professionals that have joined or departed the firm in the subject product for the past three (3) years.
2. Describe your firm’s backup procedures in the event key investment professionals on the subject product should leave the firm.
3. Who will be the client service officer? How often would they be available for client meetings? Would a portfolio manager be available for client presentations, for example, on an annual basis?

**C. INVESTMENT PHILOSOPHY, PROCESS AND PERFORMANCE**

1. Describe your firm’s investment philosophy for the passive **“TIPS”** product.
2. Do you fully replicate the index or perform any type of sampling techniques?
3. Why do you believe this philosophy will be successful in the future? Provide any evidence or research, which supports this belief.
4. How has this philosophy changed over time?
5. How important is benchmark-tracking error in portfolio construction? What has been the range of historical tracking error for the subject product?
6. What are your procedures regarding the management of the strategy around index reconstitutions?
   1. How do you deal with new entrants/exits from the index?
7. Describe your portfolio construction process. Include any detail on each of the following:
8. What relative limits are in place at the issuer, sector, country, region, currency, size or other relevant level?
9. Please included detail on the types of derivatives used and policies surrounding the use of derivatives. What type of risk measures are taken specifically with regard to derivatives exposure and usage?
10. How is portfolio risk managed and monitored? Describe all risk management functions and tools utilized.
11. Do you use cash as a method of risk control? Indicate how much cash is generally held in the portfolio.
12. Describe any risk measurement models (such as POINT, etc.) used and how this analysis is incorporated in the portfolio management process.
13. Describe how market timing is prevented in the subject product.
14. How do you monitor the product’s adherence to its investment style and process? Specify who is responsible.
15. Describe your firm’s trading capabilities related to this product. Provide a description of your trading platform, including systems (proprietary and off-the-shelf) for execution and processing.
16. What steps have you taken to automate the trade flow process? What areas are still handled manually?
17. How do you leverage your infrastructure to ensure firm-wide collaboration in execution (broker/dealer relationships) and capital market conditions (liquidity)? How does your firm manage to and monitor market liquidity?
18. Describe how you measure trading costs (commissions and market impact).
19. If your firm is affiliated with a broker/dealer, describe whether or not you trade through this affiliated brokerage.
20. Please describe the oversight procedures that would minimize the risk of traders acting outside of their given latitude in executing trades.
21. If you have soft dollar relationships with broker-dealers, please disclose the following:
22. Soft dollar policy and when last reviewed.
23. Percentage of trades executed tied to soft dollar relationships.
24. List of resources funded by soft dollars that would normally be funded with hard dollars.
25. Are you able to provide accurate, audited asset and transaction statements within 2-3 weeks of month's end? Explain.
26. Please explain your firm’s research process. State the location(s) where such research is carried out and what specific research is conducted at each location.
27. Describe the software packages used to manage portfolios. If owned, was it internally developed and by whom? Is it internally maintained? How long has the current system been in place?
28. What unique attributes does your firm or your product have which distinguish it from its competitors in the fulfillment of this assignment?
29. Does the strategy engage in securities lending? If it does:
    1. Who operates the program?
    2. Does the securities lending agent provide indemnity against losses?
    3. Please provide a description of the collateral policy including details of how risk is managed on a daily basis.
    4. What is your recall policy for securities on loan?
    5. Please provide the split in securities lending revenue between the pooled fund and any other parties.
    6. What credit research is performed on counterparties?
30. If the question above was answered yes, do you offer a strategy that does not engage in securities lending?

**D. PERFORMANCE**

1. Provide historical quarterly performance (net of all investment management fees) for the ten years ending 06-30-15, or since inception.
2. Indicate if the performance is 1) composite of separate accounts, 2) mutual fund or 3) commingled account.
3. Subject Product Performance Net of Fees (in U.S. dollars)

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **6-30-15** | **2014** | **2013** | **2012** | **2011** | **2010** | **2009** | **2008** | **2007** | **2006** |
| Qtr 1 |  |  |  |  |  |  |  |  |  |  |
| Qtr 2 |  |  |  |  |  |  |  |  |  |  |
| Qtr 3 |  |  |  |  |  |  |  |  |  |  |
| Qtr 4 |  |  |  |  |  |  |  |  |  |  |
| Total  Annual |  |  |  |  |  |  |  |  |  |  |
| Barclays US Treasury Inflation 1-10 Year Index |  |  |  |  |  |  |  |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Net Annualized returns ending 06-30-15** | **One year** | **Three Year** | **Five Year** | **Ten Year** |
| Subject Product Return |  |  |  |  |
| Barclays US Treasury Inflation 1-10 Year Index |  |  |  |  |
| Difference |  |  |  |  |

**IX COMPLIANCE/INTERNAL CONTROL STRUCTURE**

1. Provide a summary of your firm’s compliance program. Identify key personnel in the compliance process.
2. Does your firm maintain a Code of Ethics? If so, please describe.
3. Is your firm compliant with the CFA Institute Asset Manager Code of Professional Conduct? If not, discuss your firm’s reasons for choosing not to comply. (For reference the CFA Code of Professional Conduct can be found at [www.cfainstitute.org/ethics/codes/assetmanager/Pages/index.aspx](http://www.cfainstitute.org/ethics/codes/assetmanager/Pages/index.aspx).)
4. How quickly are you able to provide audited asset and transaction statements after month end?
5. Have you ever violated a client guideline in a broad mandate portfolio? If so, please describe the violation and the resolution.

# Mandatory Forms and Supporting Material

**Note: Each and every form in this section must be filled in. Where the form provides a signature line, the form must be signed. All signatures must be legible, please also print the person’s name next to the signature. All signatories must be listed as a valid authority of the organization as indicated on the “Contractor Authorized Signatory Listing” contained within this section. One of each of the following forms is required for your entire submission.**

**Commonwealth Terms and Conditions**

*Instructions: Click on the link below to open a copy of the Commonwealth Terms and Conditions Form.* ***Fill in 2nd page blanks. Please ensure you sign the form****. This form cannot be changed or modified. This form must be signed as is. If your firm takes exceptions to anything in this contract document the exception should be clearly identified in the cover letter. However, this form cannot be modified in any way. The Treasury will evaluate as part of the evaluation process a bidder’s compliance with these terms and discuss with the bidder if in the opinion of the PMT the exception is not a cause for disqualification.*

**

**Standard Contract Form**

*Instructions: Click on the link below to open a copy of the Standard Contract Form.* ***Fill in boxes highlighted in yellow. Please ensure you sign the form.*** *This form cannot be changed or modified. This form must be signed as is. If your firm takes exceptions to anything in this contract document the exception should be clearly identified in the cover letter. However, this form cannot be modified in any way. The Treasury will evaluate as part of the evaluation process a bidder’s compliance with these terms and discuss with the bidder if in the opinion of the PMT the exception is not a cause for disqualification.*

**

**Massachusetts Substitute W-9 Form**

*Instructions: Click on the link below to open a copy of the W-9 form. Follow the instructions and paste the filled in form on this page or provide as an attachment. Filling in the form and signing is required. You do not need to provide a copy of the 2nd page instructions.*

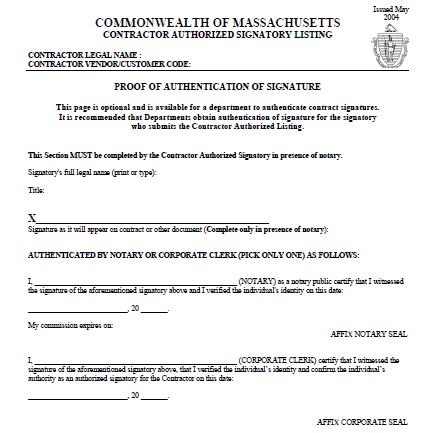
**

**Contractor Authorized Signatory Listing**

*Instructions: Please note that this form typically accounts for 80% of the cures necessary during procurements due to bidders not following the instructions. Please read all instructions carefully. At the bottom of this page is a link to the proper Contractor Authorized Signatory Form. Follow the instructions below and paste the filled in form on this page or provide as an attachment. Filling in the form and signing is required. It is essential that the person signing the cover letter and all forms is listed on this form as a signatory legally authorized to bind the firm.* ***Please enter your firm’s name at the top of the form where it says “Contractor Legal Name”.***

The person signing the proposal documents must be listed here, unless they are a corporate officer as identified here. In that case, the same name is listed in both locations and signed and notarized.

This signature must be one of these corporate officers OR Bidder must supply notarized corporate documents showing that the signatory has the right to delegate binding corporate authority.





**Tax Compliance Certification**

*Instructions: The Bidder must demonstrate that it is in compliance with all Federal and Commonwealth tax laws (regardless of corporate locations) including M.G.L. Chapter 62C, Section 49A. The Bidder must submit an original or photocopy of a Certificate of Tax Compliance in Good Standing, which has been issued by the Commonwealth of Massachusetts Department of Revenue (DOR) within the past year. This Certificate may be obtained by submitting a request to:*

*Taxpayer Services Division, Certificate Unit*

*Department of Revenue*

*PO Box 7066*

*Boston, Massachusetts 02204*

*(617) 887-6550*

*The application must list the tax types for which the business is liable, including such items as meals, room occupancy, sales, use, withholding, corporate income and others as applicable. The issuance of the certificate normally takes several weeks and, as such, Bidders should indicate that their request for a certificate is sought in connection with a Commonwealth solicitation (with a deadline). If the Bidder does not submit the requested tax certificate with the proposal, the Bidder must submit documentation evidencing that the appropriate application has been filed. Evidence includes: facsimile transmittal, mailing receipt, receipt-stamped application, etc. The Certificate must be issued and provided to the Treasury prior to the final execution of the Standard Contract Form.*

**Simplified Instructions/Clarifications:**

* A proper response to this requirement entails one of the following two submission requirements:
  + If your firm DOES NOT HAVE A CURRENT (within the past year) Massachusetts Compliance Certificate:
    - If requested via FAX You must provide 2 things:
      * A copy of the filled in request form that was sent to MA DOR. If this method is used, you simply need to print a copy of the request confirmation and insert an image or hardcopy in this response template.
      * A copy of the transmission request. Make sure you retain a copy of the fax transmittal confirmation receipt and provide an image or Photocopy of the proof of transmittal along with a copy of the original form faxed.
    - If you requested via the MA DOR Website at <https://wfb.dor.state.ma.us/webfile/certificate/Public/Webforms/Welcome.aspx> you only need to provide a screenshot or copy of the request confirmation showing the request number
  + If your firm DOES HAVE A CURRENT (within the past year) Massachusetts Compliance Certificate which is has a date of certificate no more than one year from your submission date of this proposal, then provide a copy of the certificate.

**Do not provide a copy of the Secretary of State** form from Massachusetts or your state of incorporation certifying that you are a registered corporation in your state or in Massachusetts. The form required is a Tax Compliance form that can only come from the Commonwealth of Massachusetts’ Department of Revenue. If you are not a registered tax-paying corporation in Massachusetts, the Massachusetts DOR will inform the requestor that a Certificate of Compliance cannot be provided. MA DOR not being able to provide a Certificate of Compliance to a unregistered company not doing business in Massachusetts is not grounds for disqualification.

*Clicking on the link below is the PDF form to be sent to the Massachusetts DOR:*

**

**Treasury Supplier Diversity Program**

*Instructions:* ***Firms are required to fill in and submit this form even if they choose*** *not* ***to participate in the program.*** *If a firms does not wish to participate they should fill in Part I of the form only and sign the form. Firms are welcome to cross out the other Parts of the form to make it clear that they are not participating. Firms are not obligated to participate in this program. However, 5% of the scoring points are allocated to a high quality TSDP.*

*A link for the TSDP response form is located below. Provide this form (page 1 only) along with your response in this section. Bidder’s Supplier Diversity Program Plan must include a copy of the TSDP certification of each Minority and Women Business Enterprise (M/WBE) company listed for consideration. A certified Bidder may not list itself as being a Supplier Diversity Program Partner to its own company. This form is NOT the same as the SDO certification of the Bidder’s company.*

**

**Invest in Massachusetts Plan**

*Instructions:* ***Firms are required to fill in and submit this form even if they choose*** *not* ***to participate in the program.*** *If a firm does not wish to participate they should fill in Part I completely and in Part II check the “no” box. Firms are welcome to cross out the other parts of the form to make it clear that they are not participating. Firms are not obligated to participate in this program. However, 5% of the scoring points are allocated to a high quality Invest in Massachusetts plan.*

*A link for the Invest in MA response form is located below. Provide the form (not the instructions also included in a link below) along with your response in this section.*



**Certificate of Non-Collusion**

*Instructions: A link to the Certificate of Non-Collusion response form is located below. Insert a signed version of this form here (either as a pasted image or as a hardcopy).*

**

**Fidelity Bond and Errors and Omissions Policy**

*Instructions: Bidders are required to provide a copy or proof of any fidelity bond or professional liability insurance policy extending to any or all employees who perform work under the contract.*

**ADV Forms I & II**

*Instructions: Provide a copy, a link to an embedded document or a direct URL to the IAPD database (directly to the document, not a link to the IAPD search).*

*[Insert copy, direct URL or embed document here.]*

**Cost Response**

**This response section MUST be submitted in a separate document from the prior pages in a separate sealed envelope.**

*Instructions:*

* One copy of the cost response form is required inclusive of all five (5) separate proposed fee schedules for the following mandates:
* Passive Large Cap Equity
* Passive Small Cap Equity
* Passive International Equity
* Passive Treasury Inflation Protection Securities
* Passive Fixed Income

* All figures are to be expressed in actual $US dollars (e.g., do not use $K, $M and do not

include fractional dollars).

* Any assumptions, caveats or other bounds or limitations on the pricing submitted are to be explicitly stated in the separately submitted cost proposal only. **Any inclusion of pricing or pricing related limitations in the questionnaires or technical response may result in disqualification.**

**Cut and Paste the following into a separate document. 🡺**

[Company name]

**COST RESPONSE**

Commonwealth of Massachusetts

IRC 457 Employees Deferred Compensation Plan

Request for Response (15-DC-Passive Index)

for

Investment Management Services

Passive Index

Submitted on [date of submittal]

Provide one cost proposal form inclusive of all five (5) separate proposed fee schedules for the following mandates. If more than one vehicle is proposed, provide fee schedules for each vehicle:

* Passive Large Cap Equity
* Passive Small Cap Equity
* Passive International Equity
* Passive Treasury Inflation Protection Securities
* Passive Fixed Income

Once a manager(s) has been selected, negotiations of the fee may become necessary in order to account for the size of funding, the increments of funding and any clarification. In no case will the negotiations result in a fee that is higher than the fee contained in the proposal.

1. Proposed Fees: Complete the table below (Table 1) for all investment products proposed by your firm.

Table 1

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  | **Fees** | | | | **Total Fees** |
| **Product Name** | **Investment Vehicle and Share Class[[1]](#footnote-1)** | **Mgmt. Fee[[2]](#footnote-2)** | **Admin. Fee** | **12B-1 Fee** | **Other Fee[[3]](#footnote-3) (Specify)** | **Basis Points** |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **Total Fees** |  |  |  |  |  |  |

* + - 1. Are there any fee rebates available to the record keeper? Are there any other rebates that the record keeper is obtaining from the investment manager/funds?
      2. Disclose all fee relationships with the Commonwealth’s current managers and/or current record keeper and complete the table below if applicable.

|  |  |  |
| --- | --- | --- |
|  | **Rebate to Record keeper** | |
| **Product Name** | **Basis Points** | **Dollars** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

1. Do fees specified above in Section A include custody, accounting or other administrative fees? If not, please specify.

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Name of Firm**  **Date**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Signature** (Authorized Signatory) **Title**

Cost Proposal

Commonwealth-Sponsored Retirement Plan for Employees of Non-Profit Organizations

The State Treasurer and Receiver-General reserves the right to contract with the Bidder(s) that are awarded the contract(s) for the Commonwealth’s Deferred Compensation Plan, to provide the same or similar services contemplated by this RFR, under the same or similar terms for any Commonwealth-sponsored retirement plan(s) established for employees of non-profit organizations. (Please be advised that this Plan was established under Chapter 60 of the Acts of 2012.)

Provide one cost proposal form inclusive of all five (5) separate proposed fee schedules for the passively managed large cap equity, passively managed small cap equity, passively managed international equity, passively managed small cap equity, passively managed international equity, passively managed Treasury Inflation Protected Securities (TIPS), and passively managed fixed income investment management services for any Commonwealth-sponsored retirement plan(s) established for employees of non-profit organizations. If more than one vehicle is proposed, provide fee schedules for each vehicle.

Once a manager(s) has been selected, negotiations of the fee may become necessary in order to account for the size of funding, the increments of funding and any clarification. In no case will the negotiations result in a fee that is higher than the fee contained in the proposal.

1. Proposed Fees - Complete the table below for all investment products proposed by your firm.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Fees** | | | | **Total Fees** |
| **Product Name** | **[[4]](#footnote-4)Investment Vehicle and Share Class[1]** | **Plan Assets under Management**  **(Size of Funding)** | **[[5]](#footnote-5)Mgmt. Fee[2]** | **Admin. Fee** | **12B-1 Fee** | **[[6]](#footnote-6)Other Fee[3]** | **Basis Points** |
| **Total Fees** |  |  |  |  |  |  |  |

* + 1. Are there any fee rebates available to the record keeper? Are there any other rebates that the record keeper is obtaining from the investment manager/funds?

|  |  |  |
| --- | --- | --- |
|  | **Rebate to Record keeper** | |
| **Product Name** | **Basis Points** | **Dollars** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

1. Do fees specified above in Section A (1) include custody, accounting or other administrative fees? If not, please specify.

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**  **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Name of Firm**  **Date**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Signature** (Authorized Signatory) **Title**

1. Specify if the proposed investment vehicle is an individually managed separate account, institutional commingled fund or mutual fund, etc. If mutual fund, specify and describe the share class. [↑](#footnote-ref-1)
2. Include fee schedule, if appropriate. [↑](#footnote-ref-2)
3. Specify the "other fee". "Other fees" should include, but not be limited to, fees associated with participants' transfer of account balances between investment options, including investment transfer expenses and any front-end loads, contingent back-end loads, termination fees, redemption fees and surrender charges. In addition, any wrap fees or pricing charges for non-publicly traded assets should also be included. [↑](#footnote-ref-3)
4. 1 Specify if the proposed investment vehicle is an individually managed separate account, institutional commingled fund or mutual fund, etc. If mutual fund, specify and describe the share class.

   2 Include fee schedule, if appropriate.

   3 Specify the "other fee". "Other fees" should include, but not be limited to, fees associated with participants' transfer of account balances between investment options, including investment transfer expenses and any front-end loads, contingent back-end loads, termination fees, redemption fees and surrender charges. In addition, any wrap fees or pricing charges for non-publicly traded assets should also be included. [↑](#footnote-ref-4)
5. [↑](#footnote-ref-5)
6. [↑](#footnote-ref-6)