

**RESPONSE TO QUESTIONS SUBMITTED REGARDING
GENERAL INVESTMENT CONSULTANT RFP**

What prompted the RFP? Is the incumbent consulting firm allowed or encouraged to rebid?

COAERS contract with the current consultant expires in June 2024. The incumbent is both allowed and encouraged to rebid.

How many firms received the RFP?

This is an open bidding process. COAERS does not track the number or names of organizations that may download the RFP from our website.

How many firms will be interviewed for the finals process?

COAERS does not have a predetermined number of firms to interview.

Do you have a 2024 schedule of the monthly meetings?

A calendar of expected Board and Committee Meeting dates will be provided in the final written answers. *Please note these dates (and times) are subject to change.*

Would you please clarify the annual meeting attendance expectation of the general investment consultant—total number of in-person vs. virtual?

COAERS expects the consultant to attend all scheduled Board and Investment Committee Meetings in person. We recognize there may be occasions where in person attendance is either not necessary or not possible. In these instances, COAERS expects the consultant will participate via teleconference.

Who is your current custodian bank?

Bank of New York Mellon provides custodial services to the System.

How large is your internal investment staff?

COAERS currently has four full-time investment professionals.

We understand there are two RFPs currently for COAERS, General Investment Consulting and Private Markets Consulting. What is the reasoning for the two mandates?

There is only one RFP currently in the market. Concurrent to the issuance of this RFP, COAERS has issued a Request for Information for Private Markets Consulting Services to gather information regarding the services available.

Do you have a separate alternative assets consultant?

COAERS does not currently have a separate alternative assets consultant.

Would there be interest in retaining one consultant who has resources to handle both mandates?

A decision regarding retention of consultants will be made at the appropriate time.

Regarding “Section 6. Questionnaire & Document Submission Request”, can you confirm that requested documents should be after all narrative answers or should the requested document follow the question directly?

COAERS prefers all attachments be placed behind the completed Questionnaire.

Is the Scope of Services listed in the RFP the same as what the incumbent is currently providing? If not, what is different?

The Scope of Services is what COAERS currently anticipates is needed for successful execution of our investment program.

Questions 7 and 36 of the RFP refer to “Section XXX” and “Section XX,” respectively. Can you please confirm where these sections can be found?

Question 7 refers to the Scope of Services (Section II) of the RFP. Question 36 refers to Insurance Coverages and may be found in Section 3.7. A corrected RFP has been posted to the COAERS website.

Can you please describe and provide the COAERS “Premier List” as identified under section 2.4 in the scope of services?

COAERS Premier List is a list of pre-approved managers for all mandates currently or anticipated to be employed by the system. This list is considered confidential and not for distribution.

We notice the Scope of Services requirement 2.3 in the General Consultant RFP and A.2 in the Private Markets Consultant RFI are nearly identical.

Can you provide any clarification regarding if/how these two requirements differ and/or which consultant will ultimately be responsible for this deliverable?

COAERS is in the early stages of building out a private markets program. Currently we expect the General Consultant to assist in this process, including the ability to create and opine on strategic planning and pacing analysis.

COAERS has not determined whether a Private Markets Consultant will be retained. Should the organization decide to do so, we expect the General Consultant to work in conjunction with and have the capacity to opine on the strategic planning and pacing analysis provided by the Private Markets Consultant.

We encourage General Consultants responding to this RFP who have private markets capabilities to also reply to the RFI.

Can you please clarify the intent of question 66, specifically what is meant by the consultants’ “strategies”?

COAERS is requesting information regarding a consulting firm’s strategies for minimizing cost.

Can you provide an example of a deliverable that satisfies the manager due diligence requirement under section 2.4 in the scope of services, “Perform comprehensive due diligence including onsite investment and operational due diligence”.

COAERS expects its General Investment Consultant to perform independent due diligence, including onsite investment and operational due diligence, for all managers. Due diligence is highly dependent on the nature of the manager and the strategy.

What is the typical due diligence process for investment manager searches currently?

The due diligence process for investment manager searches will vary by asset class and need.

Process is determined at the time a need is identified, and typically covers both Operational and Investment Due Diligence.

Can you please clarify what your expectations would be for ODD? We find plan sponsor definitions and expectations to be quite varied, so want to make sure we're responding appropriately to what is being asked.

Operational due diligence is highly dependent on the nature of the manager and the strategy.

How many manager searches have you done on average per year in the last three years?

As a best practice, COAERS regularly reviews all managers and mandates for both performance and appropriateness.

What are the annual fees for the existing contract that the System is paying to its current consultant?

COAERS currently pays approximately \$300,000 annually for General Investment Consulting Services.

Are there project-related fees associated with the current arrangement that are not part of the base fee?

Projects not anticipated or included as part of the general course of business may be subject to additional fees.

The RFP mentions an asset liability and asset allocation study were conducted in 2023. What strategic decisions or implementation tasks are currently pending with the current consultant that the new consultant would likely become involved with?

The Asset Allocation adopted as a result of these studies includes an allocation to Private Credit. COAERS General Investment Consultant is expected to be able to assist with the oversight and/or implementation of this allocation. Future Asset Allocation studies may include additional exposures not currently in the COAERS portfolio, in which case the Consultant is expected to assist with implementation.

Are there any expected changes (e.g., asset allocation, investment managers) that are not reflected in the current investment performance report? Are you considering any new asset classes?

COAERS Board recently approved the System's first investment in Private Credit. This investment is not yet reflected in the investment performance report. As a best practice, COAERS regularly reviews its Asset Allocation for inclusion of new or different strategies. Additionally, all managers and mandates are regularly reviewed for both performance and appropriateness.

As COAERS requires upload of files, what will happen if the system is unavailable on Friday, Feb 9? Will the 5PM CST deadline be extended?

No. Proposers will have sufficient time between receipt of their unique link for upload of files and the deadline for submission.

Page 22 of the RFP suggests that respondents may note exceptions to any provision contained in the RFP. However, other sections of the RFP seem to suggest that such exceptions are limited to the requirements listed on Exhibit 6. Can you please confirm whether respondents may note exceptions and/or alternative language to any provision contained in the RFP?

This is limited to exceptions in Exhibit 6.

Is there currently a formal process in place for investment manager guideline compliance monitoring? If so, can you describe it and or provide a sample deliverable?

COAERS currently requires managers to self-attest quarterly to compliance with all policies, procedures, and associated investment guidelines.

At this point I will open it to questions from the audience. Please note that this session is being recorded, and COAERS will make a good faith attempt to include these questions and answers in the document set to registered proposers and posted on our website.

Audience Question:

Is this going to be a(n) asset management fee? Or a fee based on one fee for the entire service? Is there any fiduciary duty as well?

COAERS is not looking for asset managers; we are looking for a general investment consultant. All vendors for COAERS are required contractually to agree to be fiduciaries to the system.

Audience Question:

If so, is there a specific fiduciary definition? You are looking for a 316, 321, 338?

COAERS is looking for the highest possible standard you might imagine.

PLEASE NOTE: THESE QUESTIONS AND ANSWERS AMEND THE RFP ACCORDINGLY.