Employees’ Retirement System of the State of Hawaii

**Request for Proposal**

**Investment Consultant Services**

**RFP 2022-05**

# QUESTIONNAIRE

*Your answers should be numbered consecutively as listed below, including the restatement of the*

*questions followed by your firm’s responses.*

* 1. **Organization**

1. Provide your company's headquarters name and address, and the primary RFP contact's name, phone number, address (if different), fax number, and e-mail address. Provide the address of the office that will service this account.
2. Provide the legal entity name that will be represented on the contract should your organization be awarded this consulting mandate.
3. How many offices does the firm currently have? Where are the offices located? Please provide the address and phone number. What Specified Services are provided by each office?
4. List all owners of the firm and describe the ownership structure by percentage. In addition, please state the name or entity of any one owner who controls more than 50% of the firm. Indicate any owners who are not involved with the ongoing management or daily affairs of the firm. Include an organizational chart with names, titles, and reporting relationships in Exhibit**A**.
5. Provide a brief history of your firm's involvement in the general consulting business, including the year of organization, current ownership structure, affiliations and any recent changes. Are ownership changes planned or anticipated at this time?
6. Does your firm also provide real estate consulting and private equity consulting services?
7. Was the firm founded primarily by principals and/or staff from another general consulting equity organization(s)? If “yes,” provide the name of the organization(s) from which these individuals came and the names of individuals from each organization(s). How many employees were there when the firm was founded? How many of the employees are still actively employed by the firm today and what are their roles or functions?
8. How many years has the firm provided general consulting services to public pension plans?
9. What do you consider to be your firm's consulting specialties, strengths, and limitations? What services, if any, does your firm (or any subsidiary) offer in addition to general consulting services? Describe the services of your organization that distinguish your firm from other general consultants, and discuss how your firm's strengths would add value to our Fund.
10. What percentage of your total firm (i.e., the contracting entity and parent, if applicable) revenues come from outside your general consulting services?
11. Describe your present and future business plan/strategy as it relates to ownership structure and general consulting services.
12. Is your firm a registered investment advisor with the SEC under the Investment Advisers Act of 1940? If not, what is your fiduciary classification?
13. Does your firm act as a fiduciary when serving as a pension fund general consultant? Please elaborate if your firm does not and why.
14. Does your firm or affiliates provide investment management, brokerage or other services for clients? If yes, please describe the service and the percentage of your total firm revenues that come from it.
15. Do you subcontract or outsource any parts of your investment consulting business? If “yes,” please describe in detail which parts are performed externally and the reason for doing so. Please provide the name(s) of the providers, their office location, how long they have been in business, and the qualifications of the specific people who will be working on our account.
16. Describe the levels of coverage for errors and omissions insurance or bonding and any other fiduciary or professional liability insurance the firm carries. List your insurance carriers.
17. If your firm maintains errors and omissions insurance coverage, or any fiduciary or professional liability coverage, have any claims been filed in the last five years? If so, provide an explanation and indicate the current status.
18. Provide (1) an organizational chart diagramming the relationship between the professional staff and if applicable (2) the parent-subsidiary, affiliate, joint venture entities, or sub-advisory relationships. Attach as Exhibit B.
19. Provide a copy of your most recent Form ADV (Part I & II). Attach as Exhibit C.
20. **Firm Experience**
21. Are there any investment asset classes or strategies currently used in the ERS portfolio or those we may be contemplating that your firm is not advising other clients? (Contemplated assets classes and strategies may include hedge funds, master limited partnerships, energy, infrastructure, commodities, dedicated non-US country funds, frontier markets, futures, synthetic exposure, non-US currency overlay). Please describe any strategies used by your other clients that are not currently being used by ERS.
22. What is your approach to client servicing and what distinguishes this approach from other investment consulting service providers?
23. Describe your firm’s overall business strengths, weaknesses and competitive advantages.
24. Explain how your firm controls the quality of service and implements quality control of reports and other written documents provided to your clients.
25. How are consultant’s recommendations to clients reviewed and monitored by your firm? Does your firm adhere to a level of consistency in consultant recommendations? Describe any benchmarks the firm has developed to evaluate the firm’s performance and the performance of the proposed primary consultant.
26. How is a servicing team structured around clients?
27. What is the typical workload of your client servicing/relationship manager? Is there a limit on the number of accounts that a consultant may handle?
28. Do any of the client-servicing personnel proposed for the ERS have responsibilities other than providing consulting services? If awarded this contract, will they continue to maintain those responsibilities? If not, which ones will be relinquished or what new role may be added?
29. What is the last three (3) years’ (ending 8/31/2022) turnover rate of the client servicing staff?
30. Provide the names and bios of the proposed client servicing team members for ERS. Provide the percentage of the time each of those people listed spend traveling and how many other clients each of them are assigned to.
31. How will this team be structured to best serve the needs of ERS?
32. Who has ultimate oversight for the investment consulting, back-office operations, and administrative support activities within your organization? What percentage of the time does this person spend traveling? Who is the back-up for this person (i.e., second in command)? What percentage of the time does this person spend traveling?
33. Does your organization subcontract any of the services (or key staff) required by ERS? If so, list the contract vendor and subcontracted service functions as well as how long you had the subcontract relationship with the named vendor. Also describe the skills and qualifications of the subcontractor and its employees who will be providing services for ERS.
34. Describe your firm’s back-up procedures in the event the key personnel assigned to this account should leave the firm or become disabled for an extended period of time.
35. Provide a brief description of your firm’s compensation arrangements. What incentives are in place to encourage key professionals to remain at the firm?

1. Complete the table below for the proposed client servicing team.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **Location** | **Responsibility** | **Number of Client Relationships** | **Years with Organization** | **Years Experience and Credentials** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

1. Personnel turnover in the past 5 years (ending 8/31/2022) - Complete the table below, include any staff additions or losses throughout the consulting department of the organization. Place an asterisk next to the name of any staff member who has left the firm.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name/Position | Joined/Left the Firm | Years with Firm | Replacement | Reason for leaving |
|  |  |  |  |  |
|  |  |  |  |  |

1. Do any of the client servicing personnel proposed for ERS service other Public Fund clients? If yes, specify the client names, contacts and telephone numbers.
2. Provide an estimate of the percentage of the Primary Consultant’s time, as well as the time of other dedicated consultants, to the ERS account.
3. List the Primary Consultant’s current clients and engagements by asset size, type of client and type of engagement.
4. Describe the work environment and corporate culture that your firm promotes. Do any of your employees work from remote locations?
5. Will the Primary Consultant who is responsible for the ERS account be available by phone and email during the ERS’s normal operating hours from 7:30 am to 5:30 pm (Hawaii Standard Time)?

**C. Clients**

1. Provide the number of your organization’s clients as categorized in the following matrix. Report aggregate values of their total asset market value in US$ millions for periods specified. Additionally, provide a list of current clients and attach as Exhibit D.

**Total Tax Exempt Investment Consulting Clients Only**

|  |  |  |
| --- | --- | --- |
|  | **Total Number of Clients** | **Asset Value**  **(US$ millions)** |
| **2017** |  |  |
| **2018** |  |  |
| **2019** |  |  |
| **2020** |  |  |
| **2021** |  |  |
| **8/31/2022** |  |  |

1. Provide the number of your organization’s clients as categorized in the following matrix. Report aggregate values of their total asset market value in US$ millions for periods specified.

**Public Fund Investment Consulting Clients Only**

|  |  |  |
| --- | --- | --- |
|  | **Total Number of Clients** | **Asset Value**  **(US$ millions)** |
| **2017** |  |  |
| **2018** |  |  |
| **2019** |  |  |
| **2020** |  |  |
| **2021** |  |  |
| **8/31/2022** |  |  |

3. Provide the number of **investment consulting accounts** gained and/or lost for the periods listed in the following matrix. For clients lost, please indicate why. Report corresponding market values in US$ millions as of initiation date for clients gained and termination date for clients lost. (YTD: 8/31/2022)

**Total Tax Exempt Investment Consulting Clients Only**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Clients Gained**  **(Number)** | **Clients Gained (US$ millions)** | **Clients Lost**  **(Number)** | **Clients Lost (US$ millions)** |
| **2017** |  |  |  |  |
| **2018** |  |  |  |  |
| **2019** |  |  |  |  |
| **2020** |  |  |  |  |
| **2021** |  |  |  |  |
| **2022 YTD**  **2022 YTD** |  |  |  |  |

**Public Fund Investment Consulting Clients Only**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Clients Gained**  **(Number)** | **Clients Gained (US$ millions)** | **Clients Lost**  **(Number)** | **Clients Lost (US$ millions)** |
| **2017** |  |  |  |  |
| **2018** |  |  |  |  |
| **2019** |  |  |  |  |
| **2020** |  |  |  |  |
| **2021** |  |  |  |  |
| **2022 YTD** |  |  |  |  |

Provide your organization’s client distribution as specified in the following table. Report aggregate market values of total assets in US$ million as of 8/31/2022..

**Tax-Exempt Client Asset Size Distribution**

| **Distribution** | **Number of Clients** | **Number of Plans/Pool of Assets** | **Aggregate Market Value**  **(US$ millions)** |
| --- | --- | --- | --- |
| ***Taft Hartley-Union*** |  |  |  |
| **Below $500 million** |  |  |  |
| **$500 million to $1 billion** |  |  |  |
| **$1 billion to $5 billion** |  |  |  |
| **$5 billion and Up** |  |  |  |
| ***Corporate*** |  |  |  |
| **Below $500 million** |  |  |  |
| **$500 million to $1 billion** |  |  |  |
| **$1 billion to $5 billion** |  |  |  |
| **$5 billion and Up** |  |  |  |
| ***Public Fund*** |  |  |  |
| **Below $500 million** |  |  |  |
| **$500 million to $1 billion** |  |  |  |
| **$1 billion to $5 billion** |  |  |  |
| **$5 billion and Up** |  |  |  |
| ***Endowments & Foundations*** |  |  |  |
| **Below $500 million** |  |  |  |
| **$500 million to $1 billion** |  |  |  |
| **$1 billion to $5 billion** |  |  |  |
| **$5 billion and Up** |  |  |  |
| **TOTAL** |  |  |  |

5. Provide a list of at least three public fund client references. The list, attached as Exhibit E, should include the following information:

1. Fund Name
2. Contact Name
3. Contact Title
4. Address
5. Telephone Number(s)
6. E-mail Address

**D. Personnel**

* + 1. State the total number of professionals assigned to providing professional-level general consulting services within your organization and how many of those professionals who would have direct responsibility for the ERS account. Please define your definition of “professional” in terms of functions and responsibilities. Please complete the table below for all professionals within your organization providing general consulting services.

**Team Experience**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Name** | **Title** | **Job Function** | **Education,**  **Credentials,**  **Professional**  **Designations** | **Years in General Consulting** | **Years in General Consulting** |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
|  |  |  |  |  |  |

* + 1. Provide biographies of your key professional personnel. (Exhibit E)
    2. List the name and location of primary individual(s) and the names and locations of personnel who directly support the primary individual(s) and backup personnel who would be responsible for our account and provide brief biographies including titles, functions, academic credentials, relevant experience and number of years in their current position on job functions and in private equity consulting, how many other accounts for which they currently have responsibility, and a profile of their current clients. Identify and explain the role of back-up personnel. (Exhibit E)
    3. List the office location (primary and secondary) from which the work is to be delivered. Will any of the key staff or support staff working on the ERS account work from a location other than an office (e.g., from home, remote facilities)
    4. List the personnel who share an equity stake in the organization and describe any other provided incentives to retain your most talented staff.
    5. Explain how junior level staff are trained or developed to assume more senior level positions in your firm and cite the criteria used to promote them.
    6. List and describe how many support staff including (but not limited to) research analysts and other technical personnel that the primary consultant has access to in servicing ERS account.
    7. What policies are in effect to control the workload as it relates to the number of clients serviced by each consultant? Is there a limit on the number of accounts that a consultant may handle?
    8. Describe the turnover in key professional personnel in each of the last five (5) years (ending 8/31/2022). Indicate the number of people gained/lost in the following categories:

a. Client consultants

b. Key technical personnel

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name/Position | Joined/Left the Firm | Years with Firm | Replacement | Reason for leaving |
|  |  |  |  |  |
|  |  |  |  |  |

* + 1. Describe your firm’s efforts to encourage and embrace diversity as it relates to staff. What initiatives, if any, does your firm have in place to encourage diversity throughout the organization?
    2. Who at the firm has named accountability for assessing ESG-related risks and opportunities, if any?

**E. Standard Consultant Services**

1. List all standard services provided in a typical general consulting and performance monitoring relationship. List the special services that you have provided to meet other needs of your clients including any service mentioned or referenced in this RFP and Questionnaire (and which of those mentioned or referenced in this RFP and Questionnaire that you will not do). Which of those services are in addition to (or not mentioned in) the Scope of Services described in this RFP?
2. Please elaborate on the approach, delivery frequency, and staffing assigned to the following *Specified Services* offerings (a portion or all) for a non-discretionary general consultant engagement.
   1. Asset/Liability Studies and portfolio optimization.
   2. Asset allocation and investment portfolio structure.
   3. Policy development and updates of client manual.
   4. Manager search and selection process.
   5. Benchmarking and analysis.
   6. Manager monitoring and style factor analysis.
   7. Performance measurement and attribution of portfolio and investment managers.
   8. Research and education.
   9. Cash flow modeling.
   10. Strategic and tactical planning.
   11. Special education.

**F. General Consulting Services**

**PHILOSOPHY AND APPROACH**

1. Please describe your investment consulting philosophy. Please address the decision-making process and the titles and responsibilities of the various individuals involved at each stage of the process.
2. How does your firm implement this philosophy? How would you implement this philosophy with respect to ERS?
3. What approaches does your firm use to communicate with your clients? What should a client expect from you in terms of client service? What is your availability to meet with the Investment Committee and staff for investment policy review, manager searches, review of individually managed account-related matters, and other issues that may arise?
4. Discuss the firm’s views on active vs. passive management and when it is appropriate to use each and how to determine the optimal mix.
5. Discuss the firm’s views on performance-based fees, flat fees with or without performance bonuses, or any other fee structures the firm may recommend. Provide recommendations on other methods for appropriately aligning investment managers’ economic interests and for lowering investment management costs.

**POLICY**

1. Describe how benchmarks are chosen or developed and how performance is compared to similar portfolios. Can the firm provide custom benchmarks? Style benchmarks? Indicate whether the firm has ever developed benchmarks and, if so, provide a description of the benchmarks developed.
2. Discuss the firm’s views on appropriate benchmarks for global public investment and alternative investment portfolios. Please include examples using market indices, style-related benchmarks and custom blended indices.
3. Discuss the firm’s experience and capability for providing advice on establishing investment guidelines.
4. Discuss in detail the firm’s overall experience and expertise in global public market investments and alternative investments, including emerging markets, hedging, derivatives and trading.
5. Describe the firm’s experience and capabilities in analyzing and monitoring global managers, including currency effects, the use of hedging, authorized countries, emerging markets and appropriate benchmarks.
6. Discuss your experience in working with the client’s actuary and how the findings of their study are integrated into the asset allocation policy.
7. Describe the firm’s ESG Policy, if any.

**PERFORMANCE**

1. Discuss in detail the firm’s performance attribution analysis. How does it handle global stock and bond portfolios containing derivative instruments such as futures and options?
2. Describe the firm’s methodology and sources of data for analyzing and evaluating your client’s portfolio performance, including the incorporation of illiquid assets such as real estate and alternative investments.
3. Describe the firm’s process for monitoring investment managers that will be utilized during the proposed relationship with ERS. Relate the process to a client’s goals, objectives and investment policy. Specifically, describe the monitoring of performance, risk, style integrity, contract compliance, account restrictions, activities creating potential conflicts of interest, reporting requirements, and trading costs (including foreign exchange).
4. Describe the firm’s internal system for monitoring manager compliance with the client’s Investment Policy Statement and specific manager guidelines, as well as style consistency.
5. Provide one sample each of the following reports that your firm will generate for the ERS as Exhibit F:
   1. Performance Attribution (Quarterly)
   2. Risk Analysis (Quarterly)
   3. Style and Factor Analysis (Quarterly)
   4. Trading Cost Analysis (Annually)

**RISK**

1. Discuss any other systems or mechanisms you provide that helps monitor or control manager risk.
2. Describe the firm’s criteria for recommending an investment manager to be placed on probation, removed from probation, or replaced.
3. Discuss any experience of the firm in helping the client manage and control its cash flow and liquidity over long periods of time (i.e., 10 years horizon or longer).

**OPERATIONS AND ADMINISTRATION**

1. Describe your firm’s experience in evaluating and making changes to a client’s policy and procedure manual. What experience do you have in drafting and formalizing individual manager guideline documents?
2. Describe how the firm would advise a client regarding minimizing trading costs (including foreign exchange) both on an ongoing basis and during a manager transition. Include a discussion on crossing and aggregating trades among internal and external accounts. What is the firm’s position on the use of a client’s commission dollars to purchase research or services for the use of the money manager?
3. Does your firm offer training of plan fiduciaries and staff as it relates to their investment responsibilities? If so, describe the type of training available and the qualifications of individuals assigned to conduct the training. Is this training included in the proposed fee?
4. Describe the firm’s technology capabilities and relate them to the consulting services or products. Does the firm provide any customized computer-based analytical tools to your clients? If so, include in the description the computer language in which the programs are written. Describe the services the firm provides over the internet that are accessible by clients on-line. Include a description of client account analysis and performance reporting that is available on-line.
5. Do you conduct period due diligence site visits of the investment managers of your clients? If not, will you participate at a specific client’s request, and will there be an additional charge for this service?
6. Discuss your experience in advising clients on transition management.
7. Discuss your experience in advising clients on commission recapture programs.
8. Discuss your experience in analyzing and evaluating securities lending programs. Have you recommended to your clients that they reduce their risk exposure with this type of program?
9. Discuss your philosophy on proxy voting as it pertains to allowing the investment managers vote proxy ballots versus uses a proxy voting agent? What experience do you have drafting proxy voting policy customized for the client? Comment on other forms of corporate governance activism that you believe add value to plan assets.
10. Discuss the kinds of education and training you provide to clients. What five educational topics do you believe are relevant for Boards and staff over the next five years?
11. Does your firm utilize, or otherwise interact, with placement agents? What value is derived from these relationships?

**G. Asset Allocation**

* + - * 1. Describe your firm’s asset allocation and liability modeling process. Is this modeling function included in the proposed fee? Do you conduct this modeling or do you sub-contract this service out? If sub-contracted, please name that vendor and related organizational information.
        2. Discuss in detail the theory and methodology of the asset allocation models the firm employs. How does the firm develop input data for the models employed? At a minimum, discuss for public equity fixed income, and alternatives, the derivation of expected returns, risks, correlations, use of constraints, or scenario forecasting. How are the liability structure, funding level, and changes in the contribution level incorporated? Discuss your capabilities for analyzing liabilities.
        3. Please present your current capital market assumptions, including the expected return for major asset classes, anticipated correlations between asset classes, expected asset class standard deviations, inflation and any associated commentary as Exhibit G.
        4. Describe the portfolio level risk management, or risk budgeting, analysis that your firm conducts for its clients. Describe how frequently this analysis is conducted and the various factors that are considered as part of the analysis. Attach a sample risk management or risk budgeting report that your firm would provide to ERS as Exhibit H.
        5. Does your firm assist clients with creating Fund level cash flow models to assess their overall liquidity? How is cash flow analysis integrated into the asset allocation model?

**H. Performance Measurement Reports**

1. How frequently are client reports generated?

2. How soon after each reporting period are the reports distributed?

3. Describe the qualitative factors, if any, that are included in your reports?

4. Discuss the differences you see in performance measurement using market indexes versus peer rankings.

5. How flexible is the format of your client reports? Do you have the ability to deliver electronic versions of your client reports?

6. Are there additional costs associated with customizing the client report format? If so, how are these customizations priced?

7. Please provide the following and attach as Exhibit I:

a. Sample performance reports that your firm will generate for ERS.

b. Material describing the rate of return calculation methodology used for individual and composite accounts.

c. Glossary or terminology definitions used by the consultant (if not already in your provided sample performance report).

8. Describe the quantitative measures used to assess ESG, if any.

**I. Manager Search Process**

1. Describe your manager search process from sourcing until manager is hired and contracted by the client

2. Does the firm maintain a database of investment managers and advisors? If your firm does not maintain an in-house database, what vendor do you purchase the database from? How many managers and advisors are contained in the database? What fields are tracked (e.g., name, style, AUM, capitalization, benchmark, etc.)? How often is the database updated?

3. Describe how the firm gathers, verifies, updates, maintains and analyzes the data collected on managers for the database. Describe the screening variables and capabilities of the database. Describe the capability of providing custom client reports. Describe the peer groups included in the database.

4. Is a fee charged, or other valuable consideration requested, to investment managers to be included in the database?

5. What expenses in the manager search process are not included in the proposed consultant fee? (e.g., travel expenses to conduct due diligence, RFI investment manager advertisements)

6. Describe the firm’s process for the evaluation and selection of investment managers for a client. Include how the firm evaluates a manager’s personnel and organization, investment philosophy, investment style(s) and products, research and/or modeling capabilities, financial condition, assets under management, type of clients, client service, and fees. Relate the process to a client’s goals, objectives, investment policy and fiduciary responsibility. Include a sample copy of your firm’s Manager Due Diligence Checklist or template as Exhibit J.

7. Describe your firm’s methodology and sources of data for analyzing and evaluating a potential manager’s performance. Discuss how the firm verifies the accuracy and appropriateness of a manager’s performance history submitted by a manager in response to a request for proposal.

8. Discuss the firm’s knowledge of and expertise in applying GIPS/AIMR performance presentation standards. Does the firm act as a third-party vendor to independently verify that manager’s performance returns are accurate and were calculated according to GIPS/AIMR standards?

9. How does ESG factor into your manager search process both at the business/organizational level and the strategy level?

10. What do you believe sets your manager search services apart from other consultants?

**J. Research**

1. Describe the internal structure and organization of your firm’s research department. If no separate department exists, describe how this function is structured or addressed. What percent of the firm’s revenues are annually reinvested in the firm’s research function?
2. Describe the manner in which internal and external resources and sources of information are used in the research process. How does the firm integrate internal and external research?
3. Describe in detail the type and frequency of research that would be provided to ERS. Through what media is it provided? Does the firm provide research reports other than those specifically requested by the client? If so, please describe. What research and analytical resources (including databases) does the firm possess that will be provided to ERS?
4. Attach as Exhibit K two samples of the firm’s recent research reports. Provide a list of research generated during 2021 and 2022. For each report, include the title of the research, date of issue, author and single line description of the subject.
5. Does your firm perform topical research on investment trends, inflation, geo-political events, products, strategies, etc.?
6. Outline the process for monitoring and reporting on market trends. Describe the capabilities for reporting and tracking international trends and influences.

**K. Custodian Bank Search Process**

1. Describe the firm’s expertise and experience in advising clients in custodial services and securities lending programs.
2. Describe your custodian bank search process. Please include details such as criteria used for selecting and evaluating a custodian.
3. Does your firm maintain an in-house database of custodian banks? If not, from what vendor do you purchase the database? How many banks are contained in the database?
4. Do you charge direct or indirect fees for custodian banks to be included in your firm’s database? If so, describe the fees.
5. If you have an in-house database, do you sell it to third parties? How do you receive compensation for selling it?
6. How often are custodian banks in your database reviewed? Under what circumstances are custodian banks added to your database? Deleted?
7. Describe any advantages that you perceive your custodian bank database has over your competitors.

**L. Litigation and Investigations**

1. Has there been any investigation, litigation (including any settled out of court) or regulatory action by regulatory agencies against the firm or any of its principal/owners. officers within the past five (5) years (ending 8/31/2022)? If so, please provide a synopsis, the current status, and a comment on the action’s merits.

2. Has any senior management or principal level employee or staff member been convicted of a misdemeanor or felony in the past five years? Please describe.

**M. Compliance and Conflicts of Interest**

1. Does the firm, or parent company, currently engage in any other business activities other than general consulting? If “yes,” describe the nature of the other business activities, what percentage of the general consulting business makes up the total revenue of the overall firm, and how you mitigate conflicts of interest among various parts of the business where such conflict exists or is *perceived* to exist.
2. Does your firm have a dedicated, full-time compliance officer? If not, who manages conflicts?
3. State whether or not the employees comply with the Code of Ethics and Standards of Professional Conduct of the Association of Investment Management and Research (AIMR).
4. Does your firm maintain a code of ethics? If so, attach as Exhibit L.
5. Does the firm currently manage, or plan to offer, any investment management or Fund of Funds products? If “yes,” describe how the firm avoids any conflicts of interest with these offerings.
6. Describe any financial relationships that exist with other organizations such as brokerage firms, insurance companies, commercial banks, investment banking firms, investment management firms, etc.
7. Describe your firm’s gift acceptance policy.
8. Please disclose the nature of any business relationship that the firm has now, or has had, in the past ten years with any current or past ERS Board member, consultant, or staff.
9. What is your firm’s position on third-party placement agents and do you currently engage or do business with such service providers? Where do they add value (if any)?

**N. Miscellaneous**

1. Based on what you know about the ERS, please write a one-page general consultant advisement plan briefly describing what recommendations or areas you would like to address with the Board of Trustees during the first year of an engagement. Include this recommendation write-up inExhibit M.

2. What impact has FASB 157 had on your business and its ability to report performance back to the client on a timely basis? Please describe some of the issues that your firm has addressed with complying with FASB 157 especially as it relates to your US public pension plan clients. What issues have your clients raised with your organization on this matter?

3. Describe the firm’s policy or position regarding FOIA (Freedom of Information Act) requests and other public disclosure laws. What are some of the issues that have been confronted by your other public pension clients?

1. Does the firm provide clients with an online web site or client portal? How long has this site been in use? Describe in detail the information that is available on this website.
2. The ERS is currently a member of NASRA, NASIO, and the ILPA. What other investment organizations would you recommend we join and why?
3. Describe the nature of your written Business Recovery Plan.