

**Q A**  
**RFP # 2009-009-INV**  
**Emerging Manager-of-Managers**

#	Question	Answer
1	Bid Section II, "Technical Specifications", Paragraph C.11. Will the sub-managers be entering a contract directly with NYSIF?	NYSIF will contract will with the Manager of Managers (MoM). The contracts between the MoM and sub-manager must be approved by NYSIF. There will be NYSIF-required terms & conditions that must be included in the subcontracts.
2	Bid Section Appendix B1, Paragraph 38.f. If NYSIF is not contracting directly with the sub-managers, but rather with the Contractor, are the sub-managers legally deemed "subcontractors" for purposes of this solicitation? This paragraph indicates a prohibition on subcontracting.	The sub-managers will be deemed "subcontractors". The section referenced (Appendix B1, Paragraph 38.f.) does not disallow subcontractors; it requires NYSIF approval for the use of subcontractors. The awarded manager will be required to ensure the subs have met all technical specifications. Use of subcontracts will be allowed for this contract
3	Bid Section Appendix P, NYSIF IPS, Exhibit D, Emerging Manager Investment Policy, VII.C. "Structure". Are the minority- and women-owned investment managers considered for inclusion in this program required to be approved by the Division?	To be considered MWBE for this engagement, managers must be certified by the NYS Division of Minority and Women Business Development.  Fast-track approval may be obtained by firms already certified elsewhere. For more information on certification, see: <a href="http://www.nylovesmwbe.ny.gov/Certification/Overview/Overview.htm">http://www.nylovesmwbe.ny.gov/Certification/Overview/Overview.htm</a>
4	Bid Section I, "General Information", Paragraph I. The restriction to invest only in equity securities "of solvent American companies rated A- or better by at least one of the following rating agencies: Moody's, Standard & Poor's, or Fitch" is very limiting when constructing a diversified program of emerging managers. Several of the emerging managers we use have informed us that they would not be able to participate in this program due to this constraint, particularly in the mid and small cap areas. Many companies in this market segment are not rated, often because they carry little or no debt on their balance sheets. Even within the S&P 500, these guidelines would limit managers to 128 companies (26%) out of the S&P 500 names, and some entire industries would be excluded. A move even to BBB+ would significantly increase the investment opportunities.	Within the prevailing legal and regulatory constraints imposed on NYSIF, NYSIF may exempt certain managers participating in the Emerging Manager of Managers program from only buying companies rated A- or better by the listed rating agencies. However, Managers must only buy solvent American companies.
5	Bid Section II, Technical Specifications, Paragraph C.12. Since the Technical Specifications are not part of the Bid/Proposal Format (which outlines the required submission), how are we to "demonstrate" an existing MWBE program? And where should the questions in 12.a-d be addressed?	The awarded manager will be required to demonstrate an existing MWBE program, after notification of award. This is listed under technical specifications, as it is a mandatory requirement. By submitting a bid, you are certifying that you meet the minimum mandatory requirements.
6	Are each of the "Minimum Requirements" to be addressed item-by-item in the submission?	No. By submitting a bid, you are certifying that you meet the minimum mandatory requirements

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7	<p>Page 10 of 26  Section I- #5: Historical performance must be CFA Institute compliant.  We would like to gain some clarity around whether the compliance of historical performance is referring to that of our organization, XXX or the underlying managers in the proposed program</p>	Refers to the historical performance of the underlying managers.
8	<p>Page 13 of 26  #7- The Firm must comply with all applicable CFA Institute performance presentation standards.  Again, we would like to determine whether the compliance of historical performance is referring to that of our organization, XXX, or the underlying managers in the proposed program.  XXX and its affiliates do not claim compliance with Global Investment Performance Standards (GIPS). XXX seeks to apply industry best practices in the performance calculation, audit and verification of its funds, portfolios, and investment programs.  Furthermore, we are not aware of any opportunity where we were unable to bid or not selected based on lack of GIPS compliance claim.</p>	<p>Compliance of historical performance is referring to the underlying manager.  Note: Firms must not violate any performance presentation standards. This does not require firms to submit an audited track record.</p>
9	<p>1. Section III, C, 11  The names of the managers under contract with XXX are considered proprietary information because the process of sourcing and executing a thorough due diligence on these managers requires significant personnel expertise and substantial systems resources. Therefore, at this early stage in the selection process, would it be acceptable to submit a redacted list of the managers under contract, which details each firm's product market cap size/style, AUM, ownership status and location of the principal office?</p>	All firms must comply with the question. However, firms may particularize the reasons why certain material submitted in proposals should not be disclosed and how such disclosure would substantially injure their competitive position.
10	<p>2. Section IV, B states:  "Step Two will consist of interview by the semi-finalists as described in Section D below. "  Can you please advise where these interviews will take place?</p>	Step Two interviews will be conducted via telephone.
11	<p>We manage emerging manager-of-manager portfolios that have over four years of live track record. However, we will not reach a three year track record versus a benchmark listed in section C ("Purpose Of This RFP" within "General Information" of your RFP) until November 2009. In addition to slightly less than three years of live track record, we can offer simulated performance of the currently funded emerging managers in our portfolios for periods that would reach a three year track record.  Please let us know if this experience will satisfy the requirements to respond to this RFP.</p>	This will satisfy the requirements.

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12	Would the sub-managers hired by the primary Contractor/Manager be considered "sub-contractors" for purposes of the bid, or would NYS enter into contracts directly with such sub-managers?	See Answer #2
13	Can you please supply a copy of the standard investment manager contract for External Investment Managers?	The standard investment manager contract consists of the following four items: Appendix A - Standard Clauses for NYS Contracts The Agreement (signed document that incorporates all docs listed here) The RFP, including all appendices and exhibits. Bidder's Proposal  The above items together constitutes the contract agreement.
14	Will the sub-managers be required to execute such NYS standard investment manager contract, or is the primary Contractor/Manager free to use its own form of sub-advisory agreement?	See Answer #1
15	Will each of the sub-managers be subject to all of the same general terms and conditions of the bid (e.g., insurance requirements) that the primary Contractor/Manager will be subject to? If yes, will the primary Contractor/Manager be responsible legally for ensuring that each of the sub-managers complies with all of the NYS general terms and conditions or will sub-manager compliance be monitored by NYS directly?	The awarded MoM will be responsible for ensuring that each sub-manager complies with the contract between the MoM and the sub-managers.  Sub-managers must carry insurance deemed appropriate by the EMoM.
16	What is the name of your Custodial Bank?	JP Morgan Chase
17	In regards to question 28, Section G in the questionnaire, will you disqualify bidders that do not provide 3 references for the proposed product, but instead provide 2 references for the proposed product and 1 for a similar product managed by the same team? Also, will you disqualify bidders that can not provide 2 references for prior clients in the proposed product?	Submitting less than three references will not disqualify a bidder.
18	In regards to question 8, Section III request for Statement of Competing Commitments, can you please further explain and provide an example of what should be included in such a document?	Please consider any potential for conflicts of interest between your staff and other clients with regard to NYSIF's interests and investment requirements. Additionally, NYSIF wants to know about any other contractual commitments of key personnel that may exist during the engagement of investment management for NYSIF.