**Index/Passive Management Provider Search**

**General Questionnaire**

**[Investment Firm Name]**

**Information requested as of 9/30/2020 (unless otherwise stated)**

**Instructions:**

**Please return this questionnaire in Word format (i.e. not in pdf).**

**Please do not alter the format of this template.**

**Please do not change or modify text in Green or Blue shaded boxes.**

**Please provide answers white boxes only.**

**Please provide any legal disclaimers as a separate attachment (i.e. do not include as part of this document).**

**eVestment Data**

In addition to the Offeror’s responses to the questions that follow, the Offeror’s product and performance data will be analyzed using a third-party database. The database is provided by eVestment, which can be located on the web at: www.eVestment.com. Populating the eVestment database with your firm and product information is a requirement for the completion of this RFP. If the database is not fully populated, your firm’s response will be considered incomplete. Please be sure to not leave fields blank. Respond as 0, none, or N/A only when necessary. You will not be contacted to fill in missing fields. Use additional comment fields provided to make qualifying notes as applicable. If your firm does not already utilize the eVestment Alliance, you can participate by sending an email with your contact information to: getmanager@evestmentalliance.com.

**All eVestment data must be as of September 30th, 2020**

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| **General Firm and AUM Information** | | | | | | |
| **Firm Name** | [Please enter] | | | | | |
| **Website** | [Please enter] | | | | | |
| **Office Locations** | **City** | | **State / Province** | **Country** | **Number of Employees** | **Year Founded** |
| **Main Office** | [Please enter] | | [Please enter] | [Please enter] | [Please enter] | [Please enter] |
| **Servicing Office(s)** | [Please enter] | | [Please enter] | [Please enter] | [Please enter] | [Please enter] |
| [Please enter] | | [Please enter] | [Please enter] | [Please enter] | [Please enter] |
| **Firm History / Description** | [Please describe the Firm’s origins, evolution and current structure. Please list any predecessor organizations or ownership or subsidiary relationships with other organizations.] | | | | | |
| **Ownership Structure** | [Please describe the Firm’s ownership structure. Describe any affiliate relationships and any expected changes in ownership.] | | | | | |
| **Firm Assets Under Management** | [Please provide the value of total assets under management for the Firm as of 9/30/2020. Please also provide the value of passively managed assets as of 9/30/2020 and as of each calendar year end for the prior 10 years.] | | | | | |
| **Clients** | [Please provide the total number of distinct clients (**not** **accounts**) for which you manage passive assets as of 9/30/2020 and as of each calendar year end for the prior 10 years.] | | | | | |
| **Insurance** | [Describe the firm’s insurance coverage outlining types and coverage limits. List SEC-required fidelity bonds, errors and omissions insurance, and any other fiduciary liability coverage your firm carries.] | | | | | |
| **Technology** | [Describe the firm’s technology infrastructure and integration across investment management, accounting, risk management, performance measurement and reporting. Has your firm been subject to any data breaches resulting from illegal or unknown sources accessing the firm’s information systems? Describe the firm’s disaster recovery strategy; outlining the firm’s strategy around natural disasters and other events that would cause your systems to shut down.] | | | | | |
| **Fees** | [Do you offer a Most Favored Nations (MFN) clause? If so, would you be willing to provide NYSIF with an MFN?] | | | | | |
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| **Team** | | | | | | |
| **Team Overview** | | [Please provide an overview of the passive management team(s). How many investment professionals are involved with the portfolios? Where are they located? How long have the teams worked together? Are any of the senior professionals related? Do they also manage non-passive strategies? Please discuss any relevant items not captured in the questions below.] | | | | |
| **Structure** | | [Please describe how the firm’s investment index team(s) is/are organized.] | | | | |
| **Trading/Execution Discretion** | | [Please discuss who on the investment team has trading discretion? Who has execution discretion? Please provide where these employees are located. Discuss how execution discretion is determined.] | | | | |
| **Compensation** | | [Please discuss compensation for portfolio managers. (E.g. discretionary or formulaic performance-based bonus? If discretionary, please provide a historic range as a % of base salary? If discretionary, who determines the bonus? Is any compensation deferred? If so, describe the deferral program.)] | | | | |
| **Products/Firm Investment** | | [Please list the $ amount of capital that the investment team(s) has/have invested in the investment products they are responsible for and with the Firm broadly.] | | | | |
| **Succession Planning** | | [Please discuss employee succession planning as it relates to Firm leadership, as well as to the senior individuals associated with managing your index products?] | | | | |
| **Future Hires** | | [Please discuss any planned future hires in the pipeline for investment and non-investment professionals. | | | | |

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| **Risk Management** | |
| **Risk Management Overview** | [Please provide a brief overview of the Firm’s risk management procedures and philosophy on taking risks outlining the mechanisms/system outputs that aid in taking and managing risk. How does the manager assess risk? What are acceptable risks vs. unacceptable risks? How are portfolios monitored for risk? Who is responsible for monitoring portfolio risk? Who does s/he report to? Is there a risk committee? Who comprises the committee? How often does the committee meet? What is the voting process? What occurs if there is a breach in risk guidelines? Please discuss any relevant items not captured in the questions below.] |
| **Risk & Investment Process** | [Describe the Firm’s risk management structure and outline the vision for how the risk management function is incorporated in the investment process.  Does the risk function operate independently of the investment team?] |
| **Tools and Analysis** | [Please describe as it pertains to your “Passive” strategies:   1. What analytical tools and models do you use? 2. Internal research resources 3. External research resources and tools utilized] |

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| **Product Offerings and Performance** | |
| **Passive Product List** | Please complete the following table that outlines your **all** of your passive management product offerings (add rows when necessary). Are all products currently offered in SMA format? If not, which ones are currently offered in an SMA format?  Additionally, if you have a track record for the below 6 strategies please list them in the first few rows.   * 1. Russell 3000   2. S&P 500   3. US IG Fixed Income (e.g. Bloomberg Barclays Agg)   4. US Taxable Municipal Bonds   5. US High Yield Bonds   6. US Bank Loans |
| |  |  |  |  |  | | --- | --- | --- | --- | --- | | eVestment Product Name | Index | 9/30/20 AUM | Strategy Inception Date | Investment Team Location | |  |  |  |  |  | |  |  |  |  |  | |  |  |  |  |  | |  |  |  |  |  | |  |  |  |  |  | |  |  |  |  |  | |  |  |  |  |  | |  |  |  |  |  | | |
| **Product Closings** | [Have you closed any passive funds/strategies since 2010? If so, why?] |
| **New Products** | [Are you open to creating new products/funds at the request of NYSIF if you do not currently offer an index that they would like to replicate? Have you done this before? How would you approach this endeavor (e.g., lockup, fund operating costs, etc.)?] |
| **Liquidity** | [Please detail any funds/indices that you would not offer daily liquidity for.] |
| **Methodology** | [Describe the methodology used to calculate performance history in the materials your firm has provided. Is performance GIPS compliant (please attach the most recent GIPS certification). If not compliant please provide a reason for non-compliance. Does any part of the composite history include results of a past firm or affiliation? If so, provide a reason for inclusion. What percentage of total product assets is included in the composite? Were any accounts managed to the benchmark excluded from the composite? If so, why? Please note that GIPS compliant performance is strongly preferred.] |

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| **Investment Process and Trading** | |
| **Portfolio Construction** | [Provide a detailed description of the portfolio construction processes that would be implemented across different strategies/asset classes. For example, do you utilize a full replication strategy for all products or a subset?] |
| **Tracking Error** | [How do you approach the potential tradeoff between tracking error and trading costs to track a relevant index or target portfolio? What are your expectations for tracking error versus the reference benchmark index?] |
| **Index Reconstitution** | [What is your strategy for index reconstitutions? How do you track costs (including implied costs? How do you manage trading around the reconstitution? Do you apply the same strategy for all types of index reconstitutions or does it ever vary based on the particular reconstitution make up or asset type? What are your typical commission rates for the index reconstitutions?] |
| **Investment Systems** | [Describe the use of computer software and/or quantitative tools that are utilized in the investment process (e.g., statistical/portfolio research, portfolio construction, risk models, etc.) across the various strategies/products.] |
| **Measurement of Success** | [How do you measure success of your passive product/strategy offerings?] |
| **Brokerage** | [1. Does the firm have any broker/dealer affiliations? If yes, please describe the relationship between the firm and its broker/dealer and whether the firm would utilize its services for this mandate.  2. What is the firm’s policy regarding the use of soft dollars? Please provide the absolute level of soft dollars generated and the percentage of commissions this represented over each of the last five years.  3. Does the firm track broker best execution? If so, how is this tracking performed? Can you provide a recent Trading Cost Analysis (TCA) report for the portfolio?] |

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| **Firm (Asset management division only) and Product Employee Breakdown** | | | |
| **Summary** | **Dedicated Firm**  **Employees** | **Dedicated “Passive Management” Employees\*** |
| **Total Employees** | [Please Enter #] | [Please Enter #] |
| **Employee Breakdown by Title/Function** |  |  |
| **Partners/Owners** | [Please Enter #] | [Please Enter #] |
| **Investment Professionals** | [Please Enter #] | [Please Enter #] |
| **Portfolio Management** | [Please Enter #] | [Please Enter #] |
| **Research** | [Please Enter #] | [Please Enter #] |
| **Trading** | [Please Enter #] | [Please Enter #] |
| **Risk Management** | [Please Enter #] | [Please Enter #] |
| **Administration (Non-Investment)** | [Please Enter #] | [Please Enter #] |
| **Legal** | [Please Enter #] | [Please Enter #] |
| **Compliance** | [Please Enter #] | [Please Enter #] |
| **Other (Please Describe)** | [Please Enter #] | [Please Enter #] |

\*Employees who will dedicate >50% of their time to the product

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| **Client Service and References** | |
| **Team** | [Please describe the Client Service and Relationship Management team assigned to NYSIF. How frequently are PMs available for meetings?] |
| **Industry Research** | [Please describe your firm’s ability to supply industry research or educational material on issues related to passive management. Please provide relevant examples of white papers published by your firm.] |
| **References** | [Please provide three references/contact information for large-scale investors in which you manage either: a) a material amount of passive management assets or b) a similar bundled/platform passive management offering.] |

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| **Litigation, Regulation and Compliance (Asset Management Unit Only)** | | |
| **Current Material Firm Litigation** | [Please describe any current/pending material litigation regarding the firm] | |
| **Past Material Firm Litigation** | [Please describe any past material litigation regarding the firm over the past 10 years] | |
| **Investment Professionals** | [Have any investment professionals at your Firm ever been subject to any investment-related judgments, indictments, or settlements of potential litigation with or without admission of fault, guilt or liability? If yes, explain.] | |
| **Compliance** | [Please describe the Firm’s compliance philosophy and staff allocated to this function, e.g. how many and which staff resources are assigned to this function, what are their roles and responsibilities? What are the key compliance procedures? Do you have a policy with regard to ethics, personal securities (if so, outline)? Detail the pre and post trade compliance monitoring process.] | |
| **Systems** | [Detail the systems used to ensure best practices, compliance rules, regulations and laws are followed. Was this system developed in-house or is it administered by a vendor. Detail the level of automation in the compliance system. How frequently are these compliance processes checked against current best practices?] | |
| **SEC Registered Investment Advisor** | **Year Registered** | [Please enter] |
| **Entity Name** | [Please enter] |
| **ADV Attached** | [Please attach Part I and II] |
| **SEC Oversight** | [Please describe the Firm’s most recent examination by the SEC. When was the date of the most recent SEC examination? What were the key findings? Were there any deficiencies noted and what was done to remediate them?] | |
| **Other Regulators** | [Please describe other regulatory authorities to which the Firm is subject. Has the Firm ever been subject to reviews or audits by these other regulatory bodies? What were the key findings?] | |
| **Personal Trading** | [Please discuss the Firm’s personal trading policy. Who is responsible for monitoring? Who does s/he report to? Discuss any material violations to the Firm’s trading policy.] | |
| **Investigations, Litigation, Claims** | [For the past 10 years has the firm, its officers or principals or any affiliate ever:   1. Been the focus of a non-routine SEC inquiry or investigation or a similar inquiry or investigation from any similar federal, state of self-regulatory body or organization, 2. Been a party to or settled any litigation concerning breach of fiduciary responsibility or other investment related matters, or 3. Submitted a claim to your errors & omission, fiduciary liability and/or fidelity bond insurance carrier(s)?   If “yes” to any, please provide details and the current status or disposition.] | |

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| **Diversity and Inclusion** | |
| **WMBDE Status** | [Is the firm a minority, woman, or service-disabled veteran owned business (SDVOB)? Include the percent ownership.] |
| **Diversity/Inclusion** | [Are diversity and inclusion goals integrated into the performance assessment process and determination of compensation for senior officials?] |
| **Compensation** | [Does the firm examine compensation for racial/ethnic or gender-based disparities?] |
| **Recruiting** | [Does the firm conduct targeted recruiting for women, minorities, or service-disabled veterans?] |
| **Policy Strategy** | [Does the firm have a written Diversity and Inclusion Recruiting Program/Strategy? (i.e. outreach, hiring, mentoring and/or scholarship programs designed to create a pipeline of minority and women professional talent to the firm).] |
| **Policy Program** | [Does the firm have a written Diversity and Inclusion Policy/Program? (i.e. business policy that encourages the inclusion of minorities, women, veterans, disabled and LGBTQ in its workforce and as business partners). If yes, do one or more members of the firm’s management/executive committee (or equivalent) have primary responsibility for leading the Diversity and Inclusion Policy/Program? If no to the previous question, does the firm have plans to create a Diversity and Inclusion Policy/Program within the next 12 months?] |
| **Diversity Committee** | [Does the firm have a Diversity and Inclusion Committee or equivalent?] |
| **Brokerage** | [Percentage of annual “Passive” trading US Dollar volumes for each of the past 5 years within the following categories:   1. MWBE owned firms 2. Service-Disabled Veteran Owned Firms 3. Other firms (i.e. not MWBE or Veteran)] |