



## **RFP 20-23-01 General Consultant – Defined Benefit**

### **Questions & Answers**

- 1.) Please provide the number of public market searches that would have fallen within the scope of this engagement over the last five years.

Nine public market searches were conducted in the last five years.

- 2.) Please detail the level of assistance your general consultant provides with documentation and/or actions related to the Fund’s partnerships.

The general consultant provides high level oversight of the private markets program as part of the total fund review, but partnership-level actions are generally handled by the specialty consultants. SURS currently retains three specialty private markets consultants: non-discretionary real assets consultant, discretionary private equity advisor and discretionary private credit advisors.

- 3.) What level of performance reporting is provided by your general consultant for alternative asset classes (e.g., standard reporting with time-weighted returns or specialized private markets reporting with exposures, IRRs, multiples, peer comparisons, etc.)?

General consultant receives time-weighted and IRR information from the custodian to include in performance reports for alternative asset classes.

- 4.) Please provide a sample of the Fund’s risk dashboard.

The current risk dashboard is attached. SURS is transitioning to use BlackRock’s Aladdin risk system to provide additional information.

- 5.) What is the annual fee schedule for your current general consultant? Is the scope of services described in this RFP consistent with the existing engagement?

The scope of services described in this RFP is consistent with the existing engagement.

The Annual Retainer is \$523,000 and includes one custody search per contract period, three public manager searches (including fund-of-funds) per year, one transition manager pool search per contract period, and costs of travel to attend all required meetings.

Project Work - cost per search/study above what is included in the retainer:

Asset/Liability Study	\$50,000
Custodian/Securities Lending Search	\$50,000
Public Markets Manager Search	\$30,000

6.) What would you like to see improved with the investment program and/or working relationship with your consultant?

SURS strives to continually improve the relationship with its general investment consultant.

Key areas of focus include, but are not limited to:

- Ample resources dedicated to the SURS account,
- Robust asset-liability modeling capabilities,
- Broad expertise/knowledge in both high-level and manager-level strategy matters,
- Excellent responsiveness to requests from SURS,
- Robust educational materials/presentations for both SURS staff and Board,
- Strong communication skills,
- Proactive strategy recommendations, and
- Robust reporting capabilities.

SURS periodically conducts an evaluation of the incumbent consultant, soliciting feedback from both Trustees and staff. The findings are shared with the consultant firm to both identify areas of strength and opportunities for improvement.

7.) Please provide the schedule of Board of Trustees meetings for the next 12 months that will require in-person attendance.

Since May 2022, Board meetings have been conducted via video conference pursuant to the Governor's COVID-19 Executive Order dated May 27, 2022 and subsection (e) of Section 7 of the Illinois Open Meetings Act. However, the Governor may not extend the Executive Order and/or a full, in-person meeting may be deemed practical and prudent at any time. The meetings for the next 12 months are:

September 15, 2022

October 20, 2022

December 8, 2022

February 2-3, 2023

March 9, 2023

April 20, 2023

June 1, 2023

8.) Will there be an opportunity in the contracting stage to reach mutually agreeable MFN contractual language, while still agreeing to the MFN commitment?

Yes.

9.) Section 9 of Appendix D contains language that appears to be inapplicable to investment advisory services being provided on a fixed fee/retainer basis and appears to be more applicable to time and materials based/sale of goods contracts. Accordingly, would SURS be willing to remove or modify this section to more accurately align with the contemplated services?

This records retention requirement is applicable to all public contracts, not just those that are "time and materials based/sale of goods contracts." Our vendors are required to maintain sufficient records that would enable the Illinois Auditor General to conduct an audit to confirm that the expenditure of public funds was supported by the terms of the contract and that said funds were paid out correctly. SURS will not agree to remove this requirement, but it can agree to reduce the required records retention time period to three years.

10.) Please provide the Investment Committee meeting schedule (for which the hired Consultant is expected to attend) for the remainder of 2022 and 2023.

See answer to question #7.

11.) How many manager searches have been conducted each year, over the last 3 years?

The number of public manager searches started in each year was:

2019 – 5

2020 – 1

2021 – 2

2022 – 1

12.) What is the biggest investment-related issue the Committee is currently facing?

The biggest investment-related issue is constructing a portfolio that balances risk associated with both the funded status of the pension and achieving the assumed rate of return.