



REQUEST FOR PROPOSAL

Emerging Markets Equity

ID: RFP-##-##-##

Issued February 14, 2022

Responses due via email

by 4:30pm CT on March 31, 2022

Please include RFP ID on all correspondence

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I. Introduction

The State Universities Retirement System (“SURS” or the “System”) is soliciting proposals from qualified firms to provide _____ (“Strategies”).

All forms/required documents needed for submitting a Request for Proposal (“RFP”) are available on the SURS website at www.surs.org.

A proposer’s preparation and submittal of a proposal or subsequent participation in presentations or contract negotiations creates no obligation on the System to award a contract or to pay any associated costs. All proposals and related materials will be retained by the System and will be subject to disclosure as required in accordance with the Illinois Freedom of Information Act.

II. Description of SURS

SURS is the administrator of a cost-sharing, multiple employer, public employee retirement system that provides retirement, survivor, disability, and death benefits to employees of Illinois state universities, community colleges, and certain other affiliated organizations and agencies. SURS was created in 1941, by an act of the Illinois General Assembly, and is governed by the Illinois Pension Code (40 ILCS 5/15-101 et seq.). SURS provides benefit services to over 245,000 members who work for 61 employers. SURS is responsible for investing assets of more than \$23 billion in a

diversified portfolio of U.S. and foreign stocks, bonds, real estate, and alternative investments. SURS also administers a defined contribution plan, the Retirement Savings Plan, which currently has assets of approximately \$3.3 billion.

An elected and appointed, eleven-person, board of trustees, governs SURS. Five members of the board are appointed by the governor of the state of Illinois (one of whom is the chairperson of the Illinois Board of Higher Education). The remaining six members of the board are elected by participating members (four individuals) and annuitants (two individuals). The governor designates the chairperson of SURS from among the eleven trustees. Trustees serve six-year terms. SURS is funded by participant payroll deductions and annual employer contributions provided by the state of Illinois. By statute, SURS is defined as a "body politic and corporate" created by Article 15 of the Illinois Pension Code.

SURS currently employs approximately 161 staff, located in two offices in Champaign and Naperville, Illinois. Two SURS employees are in the Naperville office. The remaining SURS employees are currently situated in the Champaign offices at 1901 Fox Drive and 1801 Fox Drive.

A copy of SURS' most recent annual comprehensive financial report (ACFR) is available for review, or to download, at www.surs.org.

The Illinois Governmental Ethics Act, 40 ILCS 420, provides guidelines for ethical practices concerning state and local pension plans. Respondent providers should be familiar with the provisions of this Act.

Section 1-109.1(6) of the Illinois Pension Code (40 ILCS 5/1-109.1(6)) encourages Illinois public pension systems like SURS to utilize businesses owned by "minorities," "women," and "persons with disabilities" for all contracts and services, as those terms are defined in the Business Enterprise for Minorities, Women, and Persons with Disabilities Act ("BEMWPD", 30 ILCS 575). Additionally, Section 1-109.1(10) of the Illinois Pension Code (40 ILCS 5/1-109.1(10)) sets an aspirational goal of not less than 20 percent of contracts awarded to such businesses for "information technology services," "accounting services," "insurance brokers," "architectural and engineering services," and "legal services" as defined by the BEMWPD. Accordingly, businesses that meet these definitions are strongly encouraged to submit responses to this RFP.

A section of the Illinois Procurement Code concerning prohibitions of political contributions for vendors, 30 ILCS 500/50-37, may or may not apply to SURS service providers. However, each service provider should be familiar with the provisions of this section and comply with this section if the service provider deems it appropriate.

SURS is subject to its own procurement statutes and rules. Responders should be familiar with those procurement requirements as well. The selected responder will be paid by SURS directly.

Additional legal requirements that vendors should be familiar with are contained in the Addendum to Contract under Appendix D.

III. Services Required

SURS is soliciting proposals from qualified firms to provide _____ Strategies. These strategies, if incorporated into SURS' portfolio at the conclusion of this search would fall within the _____ asset class.

IV. Minimum Qualifications

- **Required Minimum Qualifications (RMQs)**

Failure to satisfy each of the minimum qualifications will result in the immediate rejection of the proposal. The responder must address each of the qualifications substantiating how the responder satisfies each of the minimum qualifications. The responses must contain sufficient information as prescribed to assure SURS of its accuracy. Failure to provide complete information will result in rejection of the proposal. The Proposer must certify in writing on the Minimum Qualifications Certification (Appendix A) that it meets all of the minimum qualifications and must be signed by an individual who is authorized to bind the Proposer contractually.

1. The proposing firm must have a minimum firm-level assets-under-management of \$__billion as of 12/31/20__, including at least \$__ million in the proposed strategy. Qualified Women, Minority, or Disabled Owned Businesses are exempt and will be evaluated for further consideration at SURS' discretion.

2. The responder must be willing to enter into a most favored nation clause certifying that the fees, costs, or pricing charged to SURS do not exceed the fees, costs, or pricing charged by the responder to any of its clients for the same or similar level of services.

3. The responder must present a fee proposal that includes an option for a fee schedule free of performance fees. Proposed solutions only available with performance fees will not be considered by SURS.

4. Proposing firm must be either a) registered as an investment adviser under the Investment Advisers Act of 1940 or b) a "bank" as defined in the Investment Advisers Act of 1940. If not, the firm must factually explain how and why they claim to be exempt from registration. The firm will promptly advise SURS if it, at any time, is not so registered. The firm must submit its full Form ADV (Parts I and II) and complete the required certifications contained in Appendix A.

5. The proposing firm must have an established (live) track record of at least 5 years managing the proposed emerging markets equity strategy as of 12/31/20__. Qualified Women, Minority, or Disabled Owned Businesses are exempt and will be evaluated for further consideration at SURS' discretion.

6. The proposing firm must have an established commingled fund structure in the proposed strategy or be willing to create one upon SURS' commitment.

7. Responder and its proposed team must have all authorizations, permits, licenses and certifications required by federal and state laws and regulations to perform the services specified in this RFP at the time responder submits a response to the RFP. Responder's audited financial statements must be made available for review.

8. Responder will comply with all legislation, applicable State fiduciary, ethics, and diversity laws, including any additional disclosure requirements.

9. The responder's key professionals and/or organization has no material conflicts with SURS or the SURS board.

10. Responder is not an Illinois finance entity or will annually certify that it complies with the requirements of the High-Risk Home Loan Act and the rules adopted pursuant to that Act that are applicable to responder.

- **Preferred Criteria (PC)**

1. The proposer has not been involved in any material litigation in the past five (5) years, or since firm inception if less than five (5) years.

2. The firm has at least two existing U.S. public pension fund clients with over \$1 billion in total plan assets, or at least one existing public plan as a client with over \$10 billion in total plan assets.

SURS retains the sole right to decide whether any responder is qualified to bid, including determining whether any responder's qualifications are sufficiently comparable to satisfy all of the above minimum and preferred qualifications.

V. Proposal Content

At a minimum, the proposal must include the following information to be considered for the engagement. For ease of review, each requirement should be addressed separately. **All communications regarding this RFP must include the RFP ID shown on the title page.**

Indexed Table of Contents

The proposal package must include an indexed table of contents to facilitate the review process.

Cover Letter

A cover letter, which will be considered an integral part of the proposal package, in the form of a standard business letter, must be signed by an individual authorized to bind the proposer contractually. This cover letter must indicate the signer is so authorized and must indicate the signer's title or position. An unsigned proposal will be rejected. The cover letter must also include:

- a. A statement that the proposal meets all requirements of this RFP, and that the offer tendered by the proposal will remain in full force and effect until and may be accepted by SURS at any time prior to 30 days beyond the deadline for submittal.
- b. A disclosure of any current business relationship or any current negotiations for prospective business with SURS, or with any member of the Board of Trustees or SURS staff, or any party currently rendering services to SURS.
- c. A statement that the proposer acknowledges that all documents submitted in response to this RFP may be subject to disclosure under the Illinois Freedom of Information Act and/or the Illinois Open Meetings Act.

Statement of Minimum Qualifications

Proposers must complete and return the Minimum Qualifications Certification in the form contained in Appendix A.

Reference Checks

Reference checks will be conducted for each finalist.

Company Organization and Disclosures

The Questionnaire (Appendix C), Diversity Disclosure (Appendix B), Sustainability Disclosure (Appendix E), and DEI Questionnaire (Appendix F), contained in this RFP must be completed and returned as part of the proposal.

Additionally, please submit firm diversity data to Morningstar via <https://idm.morningstar.com>. Further information on Morningstar DEI Data can be found in the Morningstar Diversity Data Toolkit document (appendix G).

Contract

This Request for Proposal is neither a contract nor meant to serve as a contract. It is anticipated that one of the proposals submitted in response to this Request for Proposal may be selected as the basis for negotiation of a contract with the proposer. Such a contract is presently contemplated to contain, at a minimum, the terms of the proposal submitted, as finally negotiated, and approved by the System. SURS reserves the right to negotiate additions, deletions, or modifications to the terms of any proposals submitted under this RFP.

The terms contained in Appendix D, Addendum to Contract, must be agreed to and accepted by the candidate or organization selected to perform the work contemplated by this RFP, unless exceptions are noted as part of the proposer's response. Any questions or exceptions to the terms and conditions included in Appendix D must be outlined as part of the proposer's response. However, SURS is not required to accept the responder's exceptions. Any exceptions noted in the proposer's response will be addressed and discussed during the review process, but no changes will be made to the terms contained in the Addendum to Contract attached hereto unless the proposer and SURS both agree to include said changes in the final contract awarded under this RFP.

VI. Submission of Proposals

All proposals must be received no later than the deadline stated in the Anticipated Timeline and Contact Information section. Submissions must be made via email to the identified contact person by the stated deadline. **Only email submissions will be accepted.**

The proposals become the property of SURS upon submission. All costs for developing proposals and attending presentations and/or interviews are entirely the responsibility of the proposer and shall not be chargeable to SURS.

Only one proposal from an individual, firm, partnership, corporation, or combination thereof, will be considered for this assignment.

VII. Evaluation Process

Pre-Evaluation Review

All proposals will be reviewed to determine if they contain all the required submittals specified in this RFP. Those not submitting all required information in the prescribed format will be rejected.

Proposal Evaluation

All proposals received by the SURS representative on or before the deadline listed above will be reviewed to determine whether they meet the minimum requirements of this RFP.

All proposals received by deadline that pass the pre-evaluation review will undergo an evaluation process conducted by SURS staff and SURS general consultant, Meketa. They will be reviewed to determine whether they meet the requirements of this RFP. SURS will consider the following factors in the evaluation process, ranked in no specific order, and will render a decision based on the perceived best fit and best value for the engagement. Fees will be one of the determining factors in this decision but will not be the primary determinative. Proposals will be evaluated based on criteria including:

- Organization
- Resources
- Experience
- Investment Team
- Commitment to Diversity
- Performance
- Fees
- Fit of Strategy within SURS overall portfolio
- Level of detail provided in the RFP response

Proposals that contain false or misleading statements or that provide references which do not support an attribute or condition claimed by the proposer will be rejected. Issuance of the Request for Proposal creates no obligation to award a contract or to pay any costs incurred in the preparation of a proposal. Nothing in this RFP or any resulting contract shall preclude SURS from procuring services similar to those described herein from other sources.

During the evaluation process, proposers may be requested to provide additional information and/or clarify contents of their proposal. Other than information requested by SURS, no proposer will be allowed to alter the proposal or add new information after the filing date.

Once finalists are selected, fees may be subject to a “best and final” offer process to be determined at the discretion of the System.

VIII. Anticipated Timeline and Contact Information

<u>Schedule</u>	<u>Dates</u>
Quiet Period Begins	February 14, 2022
RFP Issued	February 14, 2022
Responder Questions due	February 28, 2022, 4:30 p.m. CT
Responses to Questions	March 7, 2022
RFP Responses due on or before	March 31, 2022, 4:30 p.m. CT
Evaluations	April 2022
Interviews	April/May 2022
Selection by SURS	June 2, 2022

SURS may extend these deadlines at its discretion. Any such extensions will be posted to the SURS website.

SURS RFP Contact Information

Procurement Officer
Procurement_Officer@surs.org
 SURS
 1901 Fox Drive
 Champaign, IL 61825-2710

IX. Submission Process

Deadline

To be considered for selection, proposals **must be received via email in Adobe Acrobat format** at Procurement_Officer@surs.org **no later than 4:30 p.m. CT, March 31, 20__**. Please reference "RFP-##-##-## – _____ RFP Response" with name of responder in the subject line of your communications. An email confirmation will be sent confirming receipt of the proposal.

In addition, please email a copy of your proposal to _____ and _____ at _____ (consultants).

Withdrawal

A proposal may be withdrawn any time prior to the deadline by written notification signed by the individual applicant or authorized agent of the firm and received at Procurement_Officer@surs.org no later than the deadline of 4:30 p.m. CT, March 31, 20__. Please reference "RFP-##-##-## – _____ RFP Response" with name of responder in the subject line of your communications. An email confirmation will be sent confirming withdrawal of the proposal. The

proposal may be resubmitted with any modifications no later than the deadline. Modifications offered in any other manner will not be considered.

Questions

To clarify any issues in this Request for Proposal, SURS will respond only to questions that are presented in writing via email to Procurement_Officer@surs.org. All questions should be submitted to SURS by 4:30 p.m. CT, February 28, 20___. Please reference "RFP-##-##-## – _____ RFP Response" with name of responder in the subject line of your communications. These questions will be consolidated into a single Q&A document and responded to by SURS on or about, March 7, 20___, by 4:30 p.m. CT. The Q&A document will be posted on the SURS web site at www.surs.org/rfp-investment. This document will include all questions received and SURS' answers to the same without indicating the source of the query.

X. General Conditions

Freedom of Information Act Disclosure and Redacted RFP Response Requirement

All materials submitted in response to the RFP become property of SURS. Proposals remain confidential during the selection process. However, upon completion of the selection process, all responses, including that of the individual, vendor or firm selected, will be a matter of public information and will be open to public inspection in accordance with the state of Illinois Freedom of Information Act (FOIA).

If, in response to this RFP, trade secrets or commercial or financial information are furnished under a claim that they are proprietary, privileged, or confidential and that disclosure of the trade secrets or commercial or financial information would cause competitive harm to the person or business responding to this RFP, such claim must be clearly made, and such information must be clearly identified. (5 ILCS 140/7 and 7.5) **Responses to this RFP with every page marked as proprietary, privileged, or confidential will not satisfy this requirement.** Bidders are required to make a good faith attempt to properly identify only those portions of the response that are truly furnished under a claim that they are proprietary, privileged, or confidential and that disclosure of the trade secrets or commercial or financial information would cause competitive harm to the person or business responding to this RFP.

Redacted Version of RFP Response

In the event Responder believes and claims that certain materials or information contained in the submitted response are exempt from public disclosure under the Illinois FOIA, Responder is required to provide a redacted version of the response it believes will be suitable for release under the Illinois Freedom of Information Act. (5 ILCS 140/7 and 7.5) *Note: Pricing and fee structures are generally disclosable under FOIA. If Responder claims that any fee or pricing information qualifies for an exemption under FOIA, Responder must submit its legal analysis with the redacted version of its RFP response.*

A RESPONDER'S FAILURE TO PROVIDE A REDACTED VERSION OF THE RFP WILL RESULT IN SURS DISCLOSING THE RESPONDER'S ENTIRE RFP RESPONSE IF THE SAME IS REQUESTED UNDER THE ILLINOIS FREEDOM OF INFORMATION ACT AND NEITHER THE RESPONDER NOR ANY THIRD PARTIES SHALL HAVE ANY RECOURSE AGAINST SURS FOR ITS DISCLOSURE OF THE NON-REDACTED RFP RESPONSE.

However, any claim of privilege from disclosure is not definitive. SURS has the right and legal obligation to determine whether such information is exempt from disclosure under the Illinois Freedom of Information Act and no information will be considered or determined by SURS to be proprietary, privileged, or confidential unless it is identified and separated as indicated herein. (5 ILCS 140/7 and 7.5)

Ordinary Course of Business Communications Allowed

Other than existing normal business matters, respondents, potential respondents, or their representatives should not contact anyone at SURS (including SURS staff, members of the SURS advisory committees and members of the SURS board) other than the listed RFP contact. In addition, respondents must not discuss this RFP with any employee of SURS, trustee of SURS, employee of SURS' custodian, managers, legal counsel, or other advisors or persons/entities having contracts or other affiliations with SURS.

SURS Quiet Period Policy

Please note the following Quiet Period Policy establishing guidelines by which the SURS Board of Trustees and SURS staff will communicate with prospective vendors or service providers during a search process. **The quiet period for this RFP began on the date the RFP was issued: February 14, 20__.**

1. A Quiet Period will commence upon issuance of an RFP and end once a selection has been made by the Board and the completion of successful contract negotiations with a respondent;
2. Initiation, continuation, and conclusion of the Quiet Period shall be publicly communicated to prevent inadvertent violations;
3. All Board members, and Staff other than those directly involved in the search or the Chief Procurement Officer or their designee, shall refrain from communicating with respondents regarding any product or service related to the search in process. All Board members and Staff shall refrain from accepting meals, travel, hotel, or other value from such respondents;
4. Throughout the Quiet Period, if any Board member is contacted by a respondent, the Board member shall refer such party to the Chief Procurement Officer;
5. All authority related to the search process shall be exercised solely by the Investment Committee or Board as a whole or its designee(s), and not by individual Board members;
6. The Quiet Period does not prevent Board approved due diligence, client conference attendance or communications with an existing vendor; provided, however, that discussions related to the procurement and pending selection shall be avoided during those activities;
7. The provisions of this Policy shall apply throughout the Quiet Period and shall be communicated to respondents in conjunction with any search; and
8. A respondent may be disqualified from a search process for a violation of the Quiet Period or any portion of this Policy.

Rights Reserved

SURS reserves the right to amend any segment of the RFP prior to the announcement of a selected vendor/contractor. In such an event, all respondents will be afforded the opportunity to revise their proposals to accommodate the RFP amendment.

SURS reserves the right to remove any or all services from consideration for this contract. At its discretion, SURS may issue a separate contract for any service or groups of services included in this RFP. SURS may negotiate additional provisions to the contract awarded pursuant to this RFP.

SURS may request additional information from any or all bidders to assist in the evaluation of proposals, and SURS reserves the right to conduct background investigations of selected individuals or firms prior to awarding a contract under this RFP.

SURS does not bear any obligation to complete the RFP process or to select any individual(s) or firm(s). SURS also reserves the right without prejudice to reject any or all proposals submitted.

SURS will NOT reimburse any expenses incurred in responding to this RFP.

Equal Opportunity

SURS does not discriminate because of race, color, religion, creed, sex, sexual orientation, age, marital status, military status, certain unfavorable discharges from military service, political affiliation, citizenship, ancestry, national origin, physical or mental handicap or disability or any other characteristic protected by law. It is the System's intent to comply with all state, federal, and local equal employment and opportunity laws and public policies.

Terms and Conditions

Following a review of submitted materials, if requested, selected individuals or organizations must be prepared to make a presentation or otherwise participate in an in-person interview in Champaign, IL or in Chicago, IL with SURS staff members and/or members of the SURS Board of trustees at a date and location to be determined by SURS. SURS will not provide reimbursement for any costs incurred by the individuals or organizations associated with this presentation. Prior to the award of a contract pursuant to this RFP, selected individuals or firms must provide all requested documentation.

Appendix A: Statement of Minimum Qualifications

(Firm Name) _____ certifies that it meets the following minimum qualifications.

Please initial each as applicable.

1. _____ The proposing firm must have a minimum firm-level assets-under-management of \$ _____ billion as of 12/31/20____, including at least \$ _____ million in the strategy. Qualified Women, Minority, or Disabled Owned Businesses are exempt and will be evaluated for further consideration at SURS' discretion.
2. _____ The responder must be willing to enter into a most favored nation clause certifying that the fees, costs, or pricing charged to SURS do not exceed the fees, costs, or pricing charged by the responder to any of its clients for the same or similar level of services.
3. _____ The responder must present a fee proposal that includes an option for a fee schedule free of performance fees. Proposed solutions only available with performance fees will not be considered by SURS.
4. _____ Proposing firm must be either a) registered as an investment adviser under the Investment Advisers Act of 1940 or b) a "bank" as defined in the Investment Advisers Act of 1940. If not, the firm must factually explain how and why they claim to be exempt from registration. The firm will promptly advise SURS if it, at any time, is not so registered. The firm must submit its full Form ADV (Parts I and II) and complete the required certifications contained in Appendix A.
5. _____ The proposing firm must have an established (live) track record of at least 5 years managing the proposed emerging markets equity strategy as of 12/31/20____. Qualified Women, Minority, or Disabled Owned Businesses are exempt and will be evaluated for further consideration at SURS' discretion.
6. _____ The proposing firm must have an established commingled fund structure for the proposed strategy or be willing to create one upon SURS' commitment.
7. _____ Responder and its proposed team must have all authorizations, permits, licenses and certifications required by federal and state laws and regulations to perform the services specified in this RFP at the time responder submits a response to the RFP. Responder's audited financial statements must be made available for review.
8. _____ Responder will comply with all legislation, applicable State fiduciary, ethics, and diversity laws, including any additional disclosure requirements.
9. _____ The responder's key professionals and/or organization has no material conflicts with SURS or the SURS board.
10. _____ Responder is not an Illinois finance entity or will annually certify that it complies with the requirements of the High-Risk Home Loan Act and the rules adopted pursuant to that Act that are applicable to responder.

Signed: _____ Date: _____

Title: _____

Appendix B: S U R S Diversity Disclosure (Separate Attachment)

Sample

Service Provider Reporting

II. The number of contracts, oral or written, for investment services, consulting services, and professional and artistic services that the investment advisor, consultant, or private market fund has with Minority-, Women-, Persons with Disabilities-owned Business Enterprises (MWDBE) firms:

Service Provider Reporting		
Twelve Month Period Ending:		
Majority of equity owned by	Number of contracts	Fund expenses to date
Racial or Ethnic Minority	0	\$0.00
Women	0	\$0.00
Persons with a Disability	0	\$0.00
Total	0	\$0.00

Note: Please provide numeric responses

III. The number of contracts, oral or written, for investment services, consulting services, and professional and artistic services that the investment advisor, consultant, or private market fund, that is not an MWDBE firm but more than 50% of services are performed by:

Service Provider Reporting		
Twelve Month Period Ending:		
Non-MWDBE owned firms where more than 50% of the work is completed by:	Number of contracts	Fund expenses to date
Racial or Ethnic Minority	0	\$0.00
Women	0	\$0.00
Persons with a Disability	0	\$0.00
Total	0	\$0.00

Note: Please provide numeric responses

Other

Additional information on diversity/initiative programs can be attached as part of the response to this request.

By signing, I acknowledge that the information provided is correct.

Signature of Authorized Official: _____

Date: _____

Name (printed): _____

Title: _____

Diversity Disclosures

Certain provisions of the Illinois Pension Code require SURS to make disclosures to various governmental bodies regarding the diversity of investment advisers and consultants employed by SURS and private market funds in which SURS invests. In addition, SURS uses information provided by investment advisers, consultants, and private market funds to determine achievement of various diversity goals set by SURS in accordance with requirements of the Illinois Pension Code. Accordingly, SURS requests that you provide the disclosures set forth above.

Sample

Appendix C: Questionnaire

The following questionnaire must be completed and included with your response to this RFP. Type your responses in the same order as the questionnaire, listing the question first followed by your answer.

Contact and Company Information:

Name of Individual / Organization: _____

Mailing Address: _____

City: _____ State: _____

Zip Code: _____ Phone: _____

Fax: _____

Federal Employer Identification Number: _____

Contact Person(s):

Name: _____ Phone: _____

Title: _____

Fax: _____ Email: _____

Website: _____

PART 1: ORGANIZATION

1. Provide the following information:

Specific (proper) name of organization	
Company's address	
Specific (proper) name of product	
Inception date of product	
AUM of Firm	
AUM of product	
Suggested benchmark	

Proposed vehicle type (i.e., separate account, retail mutual fund, institutional mutual fund, commingled trust)	
---	--

2. If selected for this mandate, what is the name of the legal entity that will be represented on the contract(s)?
3. Briefly narrate (5 sentences or less) a description of your firm’s overall product offerings (such as equity and/or fixed, domestic and/or international, retail and/or institutional focus, etc.) and services (investment banking, investment management, credit services, etc.).
4. Provide a brief history of your firm’s involvement in the management of _____ strategies. How many years has your firm provided this type of management to public pension plans? Other institutional investors? What percentage of your firm’s business is dedicated to these strategy types? Have there been any major changes (closure of strategies, restructuring of teams) in the firm’s history in _____ ?
5. Describe your firm’s history. Detail any ownership and/or firm structural changes.
6. Is the organization involved in any business other than asset management? If yes, please explain.
7. Complete the information in the table below (as of 12/31/--).

Year founded	
Year firm became SEC registered	
# of firm employees (in total)	
# of investment professionals (in total)	
# of investment professionals (in mandate)	
% of mandate team represented by minority employees	
% of mandate team represented by women employees	
Firm Headquarter Location (city and state)	
Team Location(s) (city and state)	
Parent Company (or equivalent)	

8. List all current owners of the firm and % ownership

Name/Company	Relationship to firm (if any)	% Owned

9. If your organization is a subsidiary, affiliated with another firm or there is outside ownership, please address the nature of the relationship, method of communication, hierarchy of decision making and degree of influence.
10. Please indicate whether the firm is certified as a Minority, Women, or Disabled Business Enterprise (MWDBE) as defined by the [Illinois Business Enterprise for Minorities, Females, and Persons with Disabilities Act](#). If so, please provide a copy of the firm's certification.
11. Furnish an organizational chart.
12. Insert response as indicated to the following questions (as of 12/31/--). If answer yes (Y) to row C or D, please provide a brief explanation below the table.

A. Registered Investment Advisor? (Y/N)	
B. Exempt from SEC registration? (Y/N)	
C. Pending litigation or investigations? (Y/N)*	
D. Previous regulatory judgment(s) in last 5 yrs.? (Y/N)*	
E. Fiduciary liability insurance? (Y/N)	
F. Error & Omission insurance? (Y/N)	
G. Firm bonded? (Y/N)	
H. GIPS compliant? (Y/N)	
I. Attestation firm/auditor	

*Please provide brief explanation to C and D, do not refer us to your ADV or other SEC filings.

13. Please provide a copy of a current insurance certificate.
14. Please provide details on the financial condition of the firm (i.e., most recent annual report filed with the SEC).
15. Describe the levels (U.S. dollar amounts) of coverage for SEC-required (17g-1) fidelity bonds, errors and omissions coverage and any other fiduciary coverage which your firm carries. List the insurance carriers supplying the coverage, and please provide a copy.
16. When was your firm's last external audit? Identify the firm that conducted the audit. Please discuss any material findings. Has the firm changed auditors in the past three years? If so, explain.

PART 2: STAFFING

17. Who should SURS or its consultants contact regarding any questions about the information contained in your response to this RFP?

	Name/Title/address	Phone	Email
RFP Contact			

Portfolio Manager			
Client Service			

18. Indicate the number of personnel as designated below (as of 12/31/--). Count individuals only once when completing columns B and C (do not duplicate).

	A	B	C
	Total Firm Wide	# Involved in Product	# Dedicated in Product*
Strategic/Executive Advisors			
Portfolio Managers			
Analysts			
Traders			
Client Servicing/Marketing			
Minority Employees			
Women Employees			

* Not involved in other firm products

19. How does the firm seek diversity with respect to employees/teams? With respect to ownership? How has this evolved over time? Does your firm have a diversity or inclusion policy?

20. How does the firm's approach to diversity support your competitive advantages?

21. How would you describe the team structure? How many portfolio managers (or equivalent) and analysts (or equivalent) would you consider (i) dedicated to and (ii) involved in the strategy?

22. Do Portfolio Managers have client/marketing duties? If so, what percent of their time is allotted (on average) to these duties?

23. Complete the following table with information for key personnel associated with the strategy. **Please order the individuals in terms of Product-specific relevance (most important decision makers).** If titles are different than Portfolio Manager or Analyst, please indicate which individuals are functionally portfolio managers and which are functionally analysts.

Name (include designations)	Title	Highest level of Education	Institution	Years	Years involved with	Years in Current Cap	Years of Investment Experience

		tion		w i t h F i r m	Pro duct	acit y	ence

24. For investment professionals contributing to the strategy, please answer the following:
- What other duties do the portfolio managers/research analysts have? Do the analysts provide inputs used in any other strategy? If so, please explain.
 - Describe your firm's backup procedures in the event a key investment professional assigned to this account/product should leave the firm.
 - Who will serve as the client service officer for the account? How often will the person be available for client meetings?
 - Please provide a list of key investment professionals who have joined or departed over the past five years.
25. Provide biographies and/or résumés of all personnel associated with the Product.
26. Are the portfolio managers or investment professionals responsible for building the track record still managing the strategy? Have there been any changes to the decision makers of the strategy and/or team structure since inception?
27. Does your firm have a succession plan in place for key personnel on this strategy? Please describe.
28. Indicate the number of Product-related personnel changes for the past three calendar years as designated below. **For each individual counted in the table, please provide the reasons for the change.** If changes are due to promotions or transfers, please specify.

Product Related Personnel	20--		20--		20--	
	Gai n	Los s	Gai n	Los s	Gai n	Los s
Strategic/Exec. Advisors						
Portfolio Managers						
Analysts						
Traders						

Client Servicing/Marketi ng						
-----------------------------------	--	--	--	--	--	--

29. Describe compensation and incentive structures for the product's portfolio managers and analysts directly associated with the investment product. Please discuss how bonus/performance pools are allocated among portfolio managers, analysts, and other functional areas.
30. What allows your firm to retain top talent?
31. Based on your firm's legal structure, asset management and trading activities please provide a summary of which regulatory bodies you are required to be registered with.
32. Has your firm been the subject of an audit, censure (fine), inquiry or administrative action by the SEC, IRS, CFTC, DOL or other regulatory agencies in the past seven years? If so, explain findings and provide a copy, as well as evidence of any changes in procedures implemented as a result of such audit.
33. Has any employee associated with this product offering been party to any investigations, litigation (including any settled out of court), or regulatory action during the past 5 years (ending 12/31/21) while at this or any other firm? If so, please provide (i) a brief synopsis, (ii) the current status, and (iii) a comment on the action's merits.
34. Explain any legal judgments within the last 5 years (ending 12/31/21) pertaining to any current or former employee associated with this product while at this or any other firm. Specify whether the employee is involved in any pending litigation or investigations. If so, please provide a brief synopsis of the case.

PART 3: INVESTMENT STRATEGY

Note: Please keep answers clear, concise, and to the point. Lists and/or bullet points are encouraged if appropriate.

35. Please provide a list of the strategies being submitted and their corresponding name in the eVestment database.
36. Provide a one paragraph "elevator pitch" for the proposed product.
37. What are the defining features of the proposed product? Describe how your approach to this product differentiates your philosophy and process from your competitors. What are specific differentiating characteristics?
38. Describe the investment philosophy. Specify objective, approach, and strategy.
39. What is the most appropriate benchmark for your product? Why?
40. What is your firm's philosophy regarding the role of this strategy within an overall institutional investment portfolio?
41. How does the strategy utilize top-down and bottom-up elements?
42. How would you characterize the strategy's style (e.g., core, growth, value, deep value, relative value, garp, etc.)?

43. What academic/third-party research aided in the development of your strategy?
44. When analyzed under a regression-type framework (CAPM, Fama-French, etc.), do you believe the “alpha” will persist in the future?
45. Describe any return/alpha or risk models that are utilized.
46. If applicable, describe the valuation frameworks that are used for individual security selection.
47. How do you determine regional and/or country allocations? Are developed market securities in your investable universe?
48. How are sector and individual security weightings determined?
49. Provide a description of the portfolio construction process for the strategy.
- a. List each stage explicitly.
 - i. Discuss the quantitative and qualitative processes utilized in constructing the portfolio.
 - ii. Discuss process and sources of research in detail.
 1. Describe the sources of information used to select securities.
 2. How do you source ideas and/or data?
 - iii. Is there a model portfolio? How do separate accounts deviate from the model portfolio?
 - iv. What is the firm’s sell discipline?
50. Does the strategy employ any currency hedging? If so, please describe in detail.
51. Are there any current issues within the portfolio (e.g., illiquidity, impairment, etc.) or has there been in the past?
52. Provide expected return information and source(s) of added value over an appropriate Index. Please identify the percentage of each source. Why do you believe these alpha sources will be sustainable over the next market cycle?

Sources of Added Value	%
Sector Selection	
Security Selection	
Factor/Style Tilts	
Trading Execution	
Other Sources	

53. Describe the use of computer software and/or quantitative tools that are utilized in the research and investment process.
54. Would you describe your strategy as systematic or discretionary? If systematic, please provide a summary of the algorithms that are used. If discretionary, how do you ensure repeatability in the process?
55. Discuss any specific risks that you limit/monitor (e.g., tracking error, sector allocations, etc.), and how do you ensure these parameters are in-line with portfolio guidelines?

56. Describe any changes (or events) during the strategy's live track record that have impacted performance results.
57. Have there been any changes to the investment process (or models if applicable) since the inception of the strategy? If so, please describe.

PART 4: RISK CONTROL

58. Please supply
- the internal investment guidelines for the proposed strategy and
 - complete the table below

Policy Limits			
	Guidelines (Yes or No)	Maximum or Range	How Established (Absolute or Index Relative)
Max Cash Position			
Min Market Capitalization (\$millions)			
Max Market Capitalization (\$millions)			
Max Position Size			
Max Sector Exposure			
Max Industry Exposure			
Max Country Exposure			
Max Currency Hedging (% of portfolio)			

59. How do you define risk? Describe your firm's risk philosophy (i.e., benchmark relative or absolute loss aversion).
60. Describe your risk control process in detail. Describe the risk models/controls used in portfolio construction. Is cash used as a method of risk control? How do you monitor underlying factor exposures?
61. How do you monitor the product's adherence to its investment style and process? Specify who is responsible.
62. Describe how you evaluate and monitor liquidity risk, specifically commenting on how you would handle an "illiquidity event."
63. What is your strategy's expected return and volatility in absolute and relative terms?

64. How important is benchmark tracking error in the portfolio construction? Is it measured and managed? If so, how?
65. How do you monitor portfolio parameters with respect to client guidelines? Do you maintain a front-end and/or back-end compliance system for client guideline monitoring? What compliance systems/tools are used?
66. Do you maintain an in-house Compliance Department?
67. Describe how your internal control procedures effectively prevent conflicts of interest in employee, proprietary, and client discretionary trading.
68. Describe how your organization communicates compliance and regulatory policies/procedures.

PART 5: CLIENT BASE AND SERVICES

69. What is the capacity for this product and how did you arrive at this amount?
70. Describe your expectations for soft and hard closes (\$ amounts, timeline, etc.).
71. Please estimate how long it would take to liquidate the following portions of the entire strategy:

Percent	25%	50%	75%	100%
Days to Liquidate				

72. Provide the following as of 12/31/--. (Please note this information should match the data reported in the eVestment Alliance database.)

	Firm		Product	
	Assets (\$mil)	# of Accounts	Assets (\$mil)	# of Accounts
Total Assets				
Total Institutional Assets				
Tax Exempt				
Taxable				
By Client Type				
Corporate				
Superannuation				
Public Fund				
Union/Multi-Employer				
Foundation & Endowment				
Health Care				

Insurance				
High Net Worth				
Wrap Accounts				
Sub-advised				
Supranational				
Sovereign Wealth Funds				
Other				
Mutual Fund				

73. List your 10 largest clients in the **Product** in order of Assets under Management (AUM) with the following information as of 12/31/--. If you are unable to provide both client Name and AUM, we would prefer you provide AUM (and Client Type).

	Name	Client Type	Date Retained	AUM (\$mil)	US Tax Exempt Client (Yes or No)	Non US Tax Exempt (Yes or No)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						

74. Please provide the names, addresses, phone numbers, contacts, email addresses, and 12/31/--market values of the three largest U.S. public pension plans (or most equivalent) for which you manage this Product. SURS/Consultant will reach out to you (to secure permission) prior to contacting any listed clients.

75. Complete the following tables indicating accounts and market values of assets gained and lost for each of the last three calendar years. Where applicable, please provide reasons for product client losses and meaningful changes in firm wide and/or product assets.)

Firm Wide

	20--		20--		20--	
	Gain	Loss	Gain	Loss	Gain	Loss
Total # of Accounts						
Total Assets Under Advisement						
# of Public Fund Accounts						
Public Fund Assets						

Product

	20--		20--		20--	
	Gain	Loss	Gain	Loss	Gain	Loss
Total # of Accounts						
Total Assets Under Advisement						
# of Public Fund Accounts						
Public Fund Assets						

76. Please provide the following product information for the last three calendar years or since inception if less than three years. Please provide reasons for any meaningful changes in total assets and/or clients.

Assets under Management

	20--	20--	20--
Total Firm-wide assets			
Total Firm-wide public fund assets			
Total Product assets			
# of Total firm-wide clients			
# of Public fund clients			
# of Product clients			

PART 6: PERFORMANCE / QUANTITATIVE CHARACTERISTICS

77. Provide monthly rates of return (one NET of fees **and** one GROSS of fees) since inception, ending December 31, 20--. Please submit this information to eVestment Alliance **and** submit an Excel spreadsheet as part of this RFP. Performance for each should be monthly, in chronological order, and in one column, with no spaces or separations for aggregation (such as each quarter or by calendar year). Label each column by specific (proper) name, vehicle type, and NET or GROSS of fees.
78. At what level of GIPS compliance are these reported? Include all performance-related disclosures regarding composites. GIPS composite reporting formats are encouraged.
79. Describe how you analyze and evaluate the performance of the product. Include a discussion of your performance attribution analysis and any models or tools used. How do you incorporate the results of the performance attribution analysis in the management of the product?
80. Provide performance attribution for your strategy over the latest three- and five-year periods ending 12/31/--.
81. Please provide the following portfolio characteristics for the last three calendar years or since inception if less than three years.

General Information on Portfolio

	12/2 0--	12/2 0--	12/3 1/--
Number of underlying holdings			
Annual Turnover (by weight)			
Weighted Avg. Market Cap			
Median Market Cap			
Current Dividend Yield			
Current P/E (12-mo Trailing)			
Current P/S			
Avg. Earnings Growth Rate (past 5yrs)			
Avg. ROE			
Active Share vs. MSCI EM			
Trailing 1-year Tracking Error			
% in Cash			

% of Underlying Portfolio in Cap Range

	12/2 0--	12/2 0--	12/3 1/--
> \$100 billion			
\$75-100 billion			
\$50-75 billion			
\$25-50 billion			

\$10-25 billion			
\$2-10 billion			
< \$2 billion			

Sector Allocations (by percent held)

	12/2 0--	12/2 0--	12/3 1/--
Consumer Discretionary			
Consumer Staples			
Energy			
Financials			
Healthcare			
Industrials			
Information Technology			
Materials			
Telecom Services			
Utilities			
REITs			
Other			

Regional Allocations (by percent held)

	12/2 0--	12/2 0--	12/3 1/--
Latin America			
Brazil			
Other			
China			
Far East ex-China			
India			
Korea			
Taiwan			
Other			
Eastern Europe			
Russia			
Other			
Africa/Middle East			
Other Emerging Markets			
Developed Markets			

Top Ten Holdings (include weighting) of Underlying Portfolio

	12/20--	12/20--	12/31/--
--	---------	---------	----------

PART 7: FEES

82. What is your standard fee schedule for all vehicles offered for this product?

	Separate Account	Institutional Commingled Fund	Institutional Mutual Fund	Other
Product Name				
Vehicle Entity Type (e.g., LP, CIT, 40-act, etc.)				
Minimum Initial Investment				
Minimum Subsequent Investment				
Minimum Asset Level				
Subscription Frequency (when)				
Redemption Frequency (when)				
Redemption Notice Period (if any)				

Redemption Cash Proceeds Period				
Minimum Fee				
Fee Schedule and Calculation				
Estimated annual fund operating expenses (e.g., administration, audit, custody, etc.) (bps)				
Operating Expense Cap (bps)				
Redemption Penalty Fees (if any)				

83. What is your proposed fee schedule for this product if different than the standard schedule? Please state your proposed all-in fees and the breakdown between management fees vs. operating expenses as outlined in Appendix F. **(This is the fee schedule that will be used for evaluation purposes. Fees are a crucial element of the evaluation process)**

84. Is your “proposed fee” schedule, as stated in the above question, negotiable?

PART 8: ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) CONSIDERATIONS

85. Is your firm a signatory to the Principles for Responsible Investment (PRI) or a similar organization? Provide a copy or link to your most recent PRI assessment.

86. Does your firm produce periodic sustainability reports and make them available to investors and/or report on the role of ESG issues in your investment decision-making process? If so, how often? Please provide a copy.

87. Does your firm have an environmental, social, and governance (ESG) investment policy? Please provide a copy.

88. Describe how ESG factors are integrated into your investment strategy/process.

89. Do you incorporate ESG factors into your investment process (both individual security analysis and portfolio construction)?

Yes / No

	Integrate ESG into portfolio construction
	Integrate ESG into Individual investment analysis
	Integrate ESG into portfolio construction and individual investment analysis
	None

90. Which ESG factors do you assess? What is your source(s) of information/data?

91. How do you weigh the materiality of these factors?
92. What procedures do you have in place to systematically monitor ESG issues? Is ESG monitoring conducted by a dedicated internal ESG team, the investment team, or outsourced? Please describe.
93. Does your firm dedicate staff and/or other resources to ESG issues?

Yes / No

	Committee/Task Force
	Dedicated Staff
	Both
	Neither

94. How do you engage company management on material ESG concerns?
95. Do you have a method for evaluating your engagement with companies? If so, please describe.
96. Do you have a proxy voting policy that incorporates ESG issues? Please describe policy and implementation process.

PART 9: TRADING PRACTICES/INTERNAL CONTROL

97. What compliance system does your firm employ? How is compliance implemented in your firm's operations?
98. Provide a detailed summary of your firm's internal control structure. Who serves as your firm's compliance officer? Does the firm conduct periodic risk assessment?
99. Does your firm have an internal audit department?
100. Please describe the trading professionals of the firm. Does this strategy utilize the entire trading desk or a subset thereof? How many traders does the firm employ and where are they located? Where are the traders for this strategy located and how long have they been at the firm?
101. Please describe the systems/methods/venues/brokers that are utilized for trading this strategy
102. Have you ever violated a client guideline in the proposed strategy? If so, please describe the violation and the resolution.
103. Does the firm use electronic trading systems to monitor trading? If so, please describe.
104. How are trading costs monitored? How are costs minimized?
105. SURS encourages its investment managers to utilize the services of brokerage firms owned by minorities, women, and persons with a disability (MWDBE). Please comment on your ability to execute and monitor usage of MWDBE brokerage firms. If your firm tracks MWDBE utilization, what % of equity

trades firm-wide are done with MWDBE brokerage firms? What % of equity trades are done strategy wide with MWDBE brokerage firms?

106. What is your approach to partnering and/or working with diverse firms (such as MWBE) as vendors, partners, and/or clients?
107. Please provide a copy of your firm's personal trading policy and procedures document.
108. Describe your process for reconciling client transactions. How often do you reconcile your records of client positions and position records maintained by client custodians? How often do you review cash positions in your client accounts?

PART 10: OTHER

109. Please provide an electronic copy of your organization's SEC Form ADV (Parts I and II) as an attachment to your response.
110. Please describe (at a high-level) the business continuity/disaster recovery framework for the firm. Where are primary and backup data/application servers located? Is the server infrastructure maintained internally or by a third party? Are there offsite workstation locations? VPN capabilities?
111. Do you maintain an in-house legal staff? If yes, describe its role, staff profile, and the number of employees assigned to the department. If not, list the names of the external firms you use.
112. Over the last ten years, how many times has the firm been visited by a major regulator (e.g., SEC, CFTC, etc.)? What were the findings/outcomes from these visits? If there weren't any visits in this time period, when was the last time a visit occurred? Is the firm anticipating any visits in the near future?
113. Provide the name, address and contact of your independent litigators or accounting firm. In addition, explain the nature of the services they provide to your firm.
114. Do you have a Code of Ethics? Do you require all employees to follow it? How is it enforced? Please provide a copy.
115. List and describe any potential conflicts of interest your firm may have in the management of this mandate.
116. Please provide information on the type of reporting provided to clients, including timing of reports and details included. Provide a sample reporting package.
117. Briefly discuss the transparency of underlying information. Will SURS have online access to the underlying holdings?
118. Do you offer monthly or quarterly calls to review the overall portfolio? Do you hold annual investor meetings/conferences, etc.? Do you provide an annual strategic overview of the portfolio/market?
119. Provide a recent pitch-book and monthly/quarterly factsheet.

120. The information used in this search will be primarily obtained from this RFP and eVestment Alliance. While both sources cover a broad array of information, they may not necessarily cover all relevant topics and/or your firm may wish to disclose additional information. Therefore, please use this question to elaborate on any areas that you believe deserve additional attention.
121. Does your firm utilize/compensate one or more external placement agents in any of your institutional investment offerings? If so, please provide details on (i) how much assets and under what mandates the placement agent(s) was/were utilized and (ii) the compensation structure agreed upon between your firm and each placement agent.
122. Has your firm paid any unregistered third-parties such as placement agents to solicit government business?
123. Has your firm used a placement agent with this specific search? If so, please provide details on (i) name of the placement agent and (ii) the compensation structure agreed upon between your firm and the placement agent.

Appendix D: Addendum to Contract

ADDENDUM TO CONTRACT

In consideration of SURS entering into such contract, the Vendor/Contractor also agrees to the following:

- 1) If the Contractor is an individual, he or she certifies that he or she is not in default on an educational loan as provided in Section 3 of the Educational Loan Default Act, 5 ILCS 385/3.
- 2) The Contractor certifies that it is not barred from being awarded a contract or subcontract because of a conviction or admission of guilt for bribery or for bribing an officer or employee of the State of Illinois or any other state in that officer or employee's official capacity as provided in Section 50-5 of the Illinois Procurement Code, 30 ILCS 500/50-5 and further certifies that it is in compliance with Section 50-37 of the Illinois Procurement Code, 30 ILCS 500/50-37.
- 3) The Contractor certifies that it will provide a drug free workplace by engaging in the conduct prescribed in Section 3 of the Drug Free Workplace Act, 30 ILCS 580/3.
- 4) The Contractor certifies that it is not barred from contracting with SURS because of a violation of either Section 33E-3 (bid-rigging) or 33E-4 (bid rotating) of Article 33E of the Criminal Code of 1961, 720 ILCS 5/33E.
- 5) The Contractor certifies that neither it nor any substantially owned affiliated company is participating or shall participate in an international boycott in violation of the provisions of the U.S. Export Administration Act of 1979 or the regulations of the U.S. Department of Commerce promulgated under that Act.
- 6) The contractor certifies that no fees, commissions, or payments of any type have been or will be paid to any third party in connection with the contract to which this is an addendum, except as disclosed in the contract or an exhibit thereto as provided in 30 ILCS 500/50-25 and in 40 ILCS 5/1- 145.

The contractor shall promptly notify SURS if it ever has reason to believe that this certification is no longer accurate.

- 7) To the extent Illinois law is applicable to Contractor, pursuant to 775 ILCS 5/2-105, Contractor agrees to:
 - a) Refrain from unlawful discrimination and discrimination based on citizenship status in employment and undertake affirmative action to assure equality of employment opportunity and eliminate the effects of past discrimination;
 - b) Comply with the procedures and requirements of the Illinois Department of Human Rights' regulations concerning equal employment opportunities and affirmative action;
 - c) Provide such information, with respect to its employees and applications for employment, and assistance as the Illinois Department of Human Rights may reasonably request; and
 - d) Have written sexual harassment policies that shall include, at a minimum, the following information:
 - i) The illegality of sexual harassment;
 - ii) The definition of sexual harassment under State law;

- iii) A description of sexual harassment, utilizing examples;
 - iv) Contractor's internal complaint process including penalties;
 - v) The legal recourse, investigative and complaint process available through the Illinois Department of Human Rights and the Illinois Human Rights Commission;
 - vi) Directions on how to contact the Illinois Department of Human Rights and the Illinois Human Rights Commission; and
 - vii) Protection against retaliation as provided by Section 6-101 of the Illinois Human Rights Act. A copy of the policies shall be provided to the Illinois Department of Human Rights upon request.
- 8) To the extent it applies to Contractor and this contract, Contractor agrees to comply with the Illinois Prevailing Wage Act, 820 ILCS 130/1, *et seq.*
- 9) Contractor shall maintain, for a minimum of five (5) years after the completion of the contract, adequate books, records, and supporting documents to verify the amounts, recipients, and uses of all disbursements of funds passing in conjunction with the contract. Contractor shall further make all such books, records, and supporting documents related to the contract available for review and audit by the internal auditor of SURS and by the Illinois Auditor General and shall cooperate fully with any audit conducted by the internal auditor of SURS and the Illinois Auditor General and will further provide the internal auditor of SURS and the Illinois Auditor General full access to all relevant materials.
- 10) Contractor agrees to notify the SURS Ethics Officer if it solicits or intends to solicit for employment any of the employees of SURS during the term of the contract.
- 11) Contractor understands that SURS and this contract are subject to the provisions of the Illinois Open Meetings Act (5 ILCS 120/1, *et seq*) and the Illinois Freedom of Information Act (5 ILCS 140/1, *et seq*).
- 12) Counterparts. This Agreement and Addendum may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same agreement. The counterparts of this Agreement and Addendum may be executed and delivered by facsimile or other electronic signature by any of the parties to any other party and the receiving party may rely on the receipt of such document so executed and delivered by facsimile or other electronic means as if the original had been received.

Under penalties of perjury, Contractor certifies that _____ is its correct Federal Taxpayer Identification Number.

Contractor is doing business as a(n) (please circle applicable entity):

- Individual
- Corporation
- Real Estate Agent
- Trust or Estate
- Sole Proprietorship
- Not-for-Profit Corporation
- Governmental Entity
- Other: _____
- Partnership
- Medical and Health Care Services Provider Corporation
- Tax Exempt Organization (IRC 501(a) only)

Appendix E: Sustainability Disclosure (Separate Attachment)

Sample

SURS Sustainability Disclosure

In accordance with 30 ILCS 238/10, the following disclosure is required of any potential investment manager hired by SURS.

Name of Asset Management Firm: _____

Name of Strategy: _____

Firm Address: _____

Contact Person's Name: _____ Phone: _____

Please **attach** a response to the following:

Describe how the firm integrates sustainability factors into the investment decision-making process, investment analysis, portfolio construction, due diligence, and investment ownership in order to maximize anticipated risk-adjusted returns, identify projected risk, and execute the firm's fiduciary duties.

By signing, I acknowledge that the information provided is correct.

Signature of Authorized Official: _____ Date: _____

Name (printed): _____ Title: _____

Illinois Sustainable Investing Act

The five sustainability factors cited in the Illinois Sustainable Investing Act (30 ILCS 238/20) are listed below for reference:

"...Sustainability factors may include, but are not limited to, the following:

(1) Corporate governance and leadership factors, such as the independence of boards and auditors, the expertise and competence of corporate boards and executives, systemic risk management practices, executive compensation structures, transparency and reporting, leadership diversity, regulatory and legal compliance, shareholder rights, and ethical conduct.

(2) Environmental factors that may have an adverse or positive financial impact on investment performance, such as greenhouse gas emissions, air quality, energy management, water and wastewater management, waste and hazardous materials management, and ecological impacts.

(3) Social capital factors that impact relationships with key outside parties, such as customers, local communities, the public, and the government, which may impact investment performance. Social capital factors include human rights, customer welfare, customer privacy, data security, access and affordability, selling practices and product labeling, community reinvestment, and community relations.

(4) Human capital factors that recognize that the workforce is an important asset to delivering long-term value, including factors such as labor practices, responsible contractor and responsible bidder policies, employee health and safety, employee engagement, diversity and inclusion, and incentives and compensation.

(5) Business model and innovation factors that reflect an ability to plan and forecast opportunities and risks, and whether a company can create long-term shareholder value, including factors such as supply chain management, materials sourcing and efficiency, business model resilience, product design and life cycle management, and physical impacts of climate change."

Appendix F: DEI Questionnaire

SURS DEI Questionnaire¹

Firm Policies and Programs

1. Does your firm have a Diversity, Equity and Inclusion (DEI) policy or initiative? If 'yes', provide a copy of the policy. If 'no,' are you considering the development of such a policy or initiative?
2. Does your firm have a DEI Committee within the organization empowered to effect best DEI practices? If 'yes', provide details of the committee and their accomplishments over the past three years.
3. Does your firm have policies or practices in place to ensure that equal pay is provided for equal performance in equivalent roles regardless of gender and minority categorization? If 'yes', provide details of the policies/practices.
4. Does your firm have formal mentorship, sponsorship and/or employer affinity programs for minorities, women, and/or persons with a disability? If 'yes', provide details of the program(s).
5. Does your firm define goals and measure diversity outcomes at all levels of the organization, across all departments, and is compensation tied to the achievement of these goals? If 'yes', provide details.
6. Does your firm have procedures in place for the anonymous reporting and investigation of harassment, discrimination and/or workplace violence? If 'yes', please provide details of the procedures and how they are communicated to employees. If not, are you considering the establishment and communication of such procedures?
7. What improvements has the firm made in the hiring of minority-, women -, person with a disability-owned business (MWDB) in the past year?
8. If your firm is certified as a minority-, woman-, person with a disability-owned business, please provide a copy of the MWDB certification.
9. When selecting service providers, does the firm consider DEI policies or practices in the review process?
10. Does your firm require a Code of Conduct from service providers? If 'no', are you considering making this a requirement?
11. Does the firm utilize MWDBE investment banks for capital markets services, mergers and acquisitions services and/or other advisory services?

Employee Conduct and Training

12. Does your firm have a Code of Conduct that covers harassment, discrimination and/or workplace violence? If 'yes', provide a copy of the Code. If 'no,' are you considering the development and implementation of such a code?
13. Does your firm provide mandatory anti-harassment and non-discrimination training to all employees? If 'yes', please provide details and timing of the training. If 'no,' are you considering implementing a training program?
14. Have there been any claims of sexual or general harassment, misconduct, or discrimination against any current or former firm employees (while employed by your firm) within the last five years? If applicable, how did the Firm respond to any claims of sexual or general harassment, misconduct, or discriminations against any current or former employees (while employed by the Firm) within the last 5 years?

Initiatives

15. Does your firm work with organizations that promote the attraction and retention of women, minorities, and persons with a disability within the investment industry? If "yes", provide a list of these organizations, as well as any additional programs you have embraced.
16. Has your firm undertaken any actions to combat racism and sexism in the investment management industry in the last year? If 'yes', provide details.

Please complete the attached SURS Diversity Disclosure.

Footnote:

- ¹ For purposes of this Questionnaire and the attached SURS Diversity Disclosures, the terms “minority person”, “woman”, “person with a disability”, “minority-owned business”, “women-owned business”, and “business owned by a person with a disability” have the same meaning as those terms have in the Business Enterprise for Minorities, Women, and persons with Disabilities Act (30 ILCS 575), and “person with a disability-owned business” has the same meaning as “business owned by a person with a disability”.

Sample

Appendix G: Morningstar Submission (Separate Attachment)

Please submit firm diversity data to Morningstar via <https://idm.morningstar.com>. Further information on Morningstar DEI Data can be found in the Morningstar Diversity Data Toolkit document (Appendix G).

Sample

Firm Diversity Data

Submitting Diversity, Equity & Inclusion Data to Morningstar



The demand for transparency around workforce diversity and other environmental, social, and governance (ESG) considerations are on the rise. Investors see diversity as an opportunity—they see firms with diverse ownership as better long-term investments. They want to understand firm diversity policies and practices to get an edge on who is going to outperform on talent. And they want to see who firms are doing business with because that makes for a stronger business ecosystem.

Join us on this journey to bring transparency to this area of the investing world. Investor preferences and regulatory changes will increasingly demand diversity data so market players can understand and navigate sustainable investing. Therefore, making that data public is not only a commitment to improving transparency but to putting investors first.

Benefits of Submitting DEI data to Morningstar

Reduce redundancies and inefficiencies for your team. Having a reliable, centralized, and standardized repository of diversity data will reduce the reporting burden for asset managers and other service providers, as well as reduce collection costs for investors, wealth managers, and consultants.

Having this centralized data set will also support future analytics, marketing, tool making, and compliance work. It will support:

- ▶ platforms seeking to build assurance tools for interested end investors
- ▶ help advise a vetting process for those interested in screening investments through the lens of diversity and inclusion
- ▶ allow firms to examine the connection between diversity and their own performance
- ▶ empower firms to assess their supply chain
- ▶ help firms respond to anticipated regulatory scrutiny
- ▶ assist firms as they attempt to market themselves given shifting cultural trends

Institutional investors have already adopted the practice of using diversity data to inform investment decision-making. Therefore, asset managers who choose to disclose their diversity data to Morningstar are acting as leaders in transparency by meeting investor demands.

Morningstar's Institutional Data Manager (IDM)

IDM is a free, web-based interface for reporting data. In the case of diversity data, we are collecting firm-level data specific to the firm itself, and not a specific investment or strategy.

Morningstar's internal databases are linked directly to IDM and the raw data automatically flows through Morningstar's products with Quality Assurance check points along the way. All data submitted through IDM is made available in Morningstar DirectSM. IDM improves asset managers' reporting experience and efficiency.

With IDM, firms increase control of their data. The data-collection template is standardized, and users can review and edit the data as they submit it, improving accuracy. IDM's processes are designed with extensive user feedback, including usability testing, user interviews, and surveys.

On the following page, we outline the new data you can now report for your firm.

Data Collected for New DEI Submissions

Firm Ownership Diversity

Firm Ownership by Employees

Firm Ownership by Women

Firm Ownership by Person(s) with a Disability

Firm Ownership by Race and Ethnicity

Board & Workforce Demographics

Number of Board Members by Race and Ethnicity, Gender, and Person(s) with a Disability

Firm Employee Composition by Role, Race and Ethnicity, Gender, and Person(s) with a Disability

Diversity, Equity and Inclusion (DEI) Policies & Practices

Diversity, Equity and Inclusion Policy

Employee Code of Conduct and Procedures

Talent Acquisition & Retention

Inclusive Workplace Practices

Investment selection criteria

Certification as a Minority-, Women-, or Person(s) with a Disability-owned Business Enterprise (MWDBE)

Firm Utilization of Diverse Service Providers

Contracts and Expenses with Service Providers based on Ownership Diversity

Contracts and Expenses with Service Providers based on Workforce Diversity

Examples of DEI Data Points

- ▶ Percent of the Firm Owned by Women
- ▶ Number of Portfolio Managers at the Firm that are Hispanic or Latina Women
- ▶ Firm Actions to Promote Equitable Hiring Practices
- ▶ Annual Contract Expense with Service Providers that are Minority-Owned Businesses

Delivery & Distribution

Asset management firms can utilize idm.morningstar.com to submit their DEI data. This is a complimentary service provided by Morningstar.

Firms can also report any additional data on the firm and firm's strategies through the IDM site. Please contact your Success Representative or idm@morningstar.com for more information.