**Appendix A**

**RFP Questions**

# PRODUCT IDENTIFICATION:

1. What product(s) are you proposing to SFERS? Provide the name(s) of the product(s) and a brief description of the scope of the mandate and summary metrics:

●Name of product:

● Inception date:

●Onshore or offshore:

● Total assets as of March 31, 2017 for specific product.

* Amount of investment from existing employees
* Amount of investment from the investment team managing the product
* Amount in a commingled fund
* Amount in separate accounts

● If you do not provide separately managed accounts, please explain why you do not.

● Preferred benchmark:

● Style bias (value, growth, or neutral) versus preferred benchmark:

● Target return:

● Long only or long/short:

● If long/short, please answer the following questions:

* Are the short positions made as hedges or to earn alpha?
* Are the shorts of individual stocks, sectors, and/or indices?
* What restrictions are there on short positions?
* Are there restrictions on leverage?
* How much leverage was in the portfolio at year-end 2016, 2015, and 2014?

1. Complete similar Product Identification responses for *all other* global and non-US equity products offered by your firm, *not including* the products listed above and proposed to SFERS for this search.

# WARRANTIES

1. Does your firm warrant that it maintains, or has applied for it by the due date of the RFP, an Errors and Omissions Insurance policy providing prudent coverage for negligent acts or omissions and that such coverage is applicable to Manager’s actions under the Contract? E&O insurance is required throughout the duration of the assignment.
2. Does your firm warrant that all information and statements in this RFP are complete and true? Any statement or claim found to be incomplete, misleading or false will be grounds for immediate disqualification or dismissal and may be subject to legal action.
3. Does your firm warrant that it is compliant with the CFA Institute Global Investment Performance Standards (GIPS)? If not, please explain.
4. Does your firm warrant that it is an SEC-registered investment advisor or exempt from registration? If exempt, explain nature of exemption.
5. Does your firm warrant that it has entered all information on the subject product, requested in the eVestment Alliance Manager Database, including monthly and quarterly returns since inception through March 31, 2017, for the subject account? Where the RFP requests that data be provided to eVestment Alliance, please confirm that your firm has populated eVestment Alliance with the appropriate data.
6. Does your firm warrant that it will be directly responsible for the management of the account and that all personnel responsible for the account will be employees of the firm?
7. Does your firm warrant that it is willing to manage a portfolio that excludes securities by U.S. based issuers involved in the production of tobacco products and issuers identified by SFERS with incompatible activities in Sudan, Firearms, and Thermal Coal? (See attached exhibits for SFERS’ current investment restriction lists).
8. Does your firm warrant that the senior members of the proposed investment team have worked together for at least three continuous years at their current or a former employer?
9. Does your firm warrant that it has sent Equal Employment Opportunity Employer Information Report Form EEO-1 on Workforce Composition (Section D) to John Lutz at NEPC, LLC ([jlutz@nepc.com](mailto:jlutz@nepc.com)) and Han Pham at SFERS ([han.pham@sfgov.org](mailto:han.pham@sfgov.org)) by the due date of the RFP?

<https://www.eeoc.gov/employers/eeo1survey/upload/eeo1-2-2.pdf>

1. Have you or anyone in your firm provided any gifts, travel and room expenses, entertainment or meals to any SFERS Board member or Staff (See Appendix G) during the past 12 months? If yes, please describe the amount of the expense and what it was for, as well as the date.
2. Does your firm currently utilize the services of a third party marketer or placement agent for the subject product? Has your firm utilized such services in the past? If yes, provide details on this relationship(s).

###### **FIRM INFORMATION**

1. Provide the name, title, email address and phone number of the person responsible for submitting the RFP. If there is a different person that SFERS or NEPC should contact with questions regarding this RFP submission, please also provide here.
2. When was the Firm founded? Please list the name(s) and provide brief background(s) on the founding member(s). When was the launch of your first global or non-US public equity product?
3. State the total assets under management for the organization, the amount in public equity and the amount in non-public equity strategies? What types of investment strategies do you have outside of public equities? What was the amount from employee capital? Please provide data as of March 31, 2017, and at calendar year end for each of the last ten years. Discuss any meaningful changes in asset levels.
4. Briefly describe the ownership of the firm, including the individuals or entities that are the largest owners of the firm. Provide a list of the individuals or entities (and their percentage ownership) that have more than a 10% ownership, and indicate whether any of them are involved in the subject product or management of the Firm.
5. What succession plans are in place for current owners?
6. Have there been any material developments (changes in ownership, personnel, business, etc.) since January 2000? Briefly describe such developments, with particular emphasis on the effect of such changes on the subject product.
7. Discuss any prospective changes in ownership, personnel, or the business over the next 12-24 months.
8. Provide a chart describing the firm’s organizational structure, with a depiction of where the subject product fits in the overall structure.
9. State the total number of employees at the firm and those specifically involved in the proposed product as of March 31, 2017, and at calendar year end since 2000. Discuss any material changes in the number of employees.
10. State the number of total investment professionals employed by the firm and for the proposed product as of March 31, 2017, and at each calendar year end since 2000. Discuss any significant changes.
11. Has your firm or any of its principals ever been involved in litigation (including such litigation while at prior employers) where an allegation of a breach of fiduciary responsibility was made? If yes, explain and provide details, and including status and resolution of the litigation. Please discuss any significant litigation of any kind for the firm since its inception as well as any current matters.
12. Has your firm been involved in an investigation or enforcement action by a regulatory agency such as the SEC? If yes, explain and provide details.
13. Has any employee of your firm, or your firm itself, been involved in litigation, investigation or enforcement action by a regulatory agency, or other legal proceedings related to investment activities of any type? If yes, explain and provide details.
14. Discuss the overall business objectives of your firm with respect to future growth, including specific comments with respect to the subject product and your assessment of asset capacity in the product. Regarding the subject product, be specific about the factors used in your determination of capacity.
15. What percentage of total firm revenue is from management fees earned from the management of dedicated global and non-US equity products? Of the proposed product? What percentage is from performance fees? Please provide data as of March 31, 2017, and at calendar year end since 2000.
16. What percentage of total firm revenue is from management fees earned from all public equity products? What percentage is from performance fees from all public equity products? Please provide data as of March 31, 2017, and at calendar year end since 2000.
17. Please list all employees, including their titles, who receive income from performance fees. Please provide rough estimates of what percentage of the total performance fees each person or role receives. Discuss any plans to change the distribution of performance fees.
18. Please provide a breakout of your assets by investor type (foundations & endowments, corporate pensions, public pensions, sovereign wealth funds, investment firms, family offices, high net worth clients, etc.).
19. Does your firm offer any hedge fund products? If so, respond to the following questions:
    * + 1. Briefly describe the hedge fund strategy (ies) that is (are) currently offered by your firm and the current assets under management in each strategy.
        2. Which investment professionals are involved in the management of the hedge fund(s)? Are any of these professionals involved in any capacity in the subject product?
        3. Describe your firm’s policy for the allocation of trades between the long only and hedge fund portfolios. How is priority of trades handled?
        4. Who is responsible for overseeing that equal priority is accorded to trades for the long only and the hedge fund portfolios? How do they monitor the timing of trades for each portfolio in individual issues?
        5. What other procedures and policies are in place to ensure any conflicts of interest between the long only and hedge funds strategies are avoided? What conflicts between the long only and hedge funds strategies cannot be avoided and how are these managed?
20. Is your firm, its parent or affiliate a broker/dealer? If “Yes,” briefly describe the affiliation and indicate whether your firm trades in the subject product with the parent or affiliate.
21. Does your firm currently provide benefits to domestic partners of employees that are equivalent to those provided to spouses of employees? If yes, briefly describe. If no, indicate whether your firm would adopt such benefits if it were selected for this assignment.
22. Describe the organization’s continuity plans for handling events that may cause business interruption (e.g. terrorist attack, earthquake or other natural disasters, etc.).

**PRODUCT INFORMATION**

**Investment Professionals:**

1. How many portfolio managers, analysts, and traders are dedicated to the subject product (dedicated = 100% of their time)? If portfolio managers trade the portfolio, indicate that. Please provide data as of March 31, 2017, and at each calendar year end since 2000.
2. How many other portfolio managers, analysts, and traders work part-time on the subject product? Please provide data as of March 31, 2017, and at each calendar year end since 2000. Discuss any significant changes.
3. Identify which individuals on the team, if any, are under employment contracts. Please indicate remaining length of such employment contracts.
4. Complete the following table for the most senior professionals responsible for the subject product (no more than 10). Also, please indicate who would be responsible for working with SFERS if your firm were awarded this mandate.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name & Location** | **Title & Responsibility** | **Total Years Experience w/ Subject product** | **Total Years’ Experience in Global or Non-US Equity** | **Years with Firm** | **School** | **Most Advanced Degree** | **Ownership Interest (%)** | **Approx. % of time devoted to subject product** |
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1. For the senior professionals listed in the table above, indicate any other products for which the individual(s) is/are responsible and how their time is allocated among the various products.
2. Provide a brief timeline of the portfolio manager(s) responsible for the subject product since inception. Indicate whether the individuals responsible for establishing the investment process used in the subject product still involved in its management and describe any changes.
3. Supply the following data for senior personnel, including all portfolio managers, traders, and research analysts, who have either joined or left the subject product team from January 1, 2000 to the date of submission of the RFP. Include any additions or departures that have not yet occurred and indicate the expected date of occurrence. List changes in order of most recent occurrence.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Date** | **Name** | **Title & Responsibility** | **Replacement** | **Reason for Addition/Departure** |
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1. Are the analysts/portfolio managers considered generalists or specialists? If specialists, please list each investment team member’s expertise.
2. Provide an organization chart for the public equity team, including any shared resources with other products.
3. Have there been any changes to the manner in which the team is organized and responsibilities assigned since January 1, 2000? If so, please describe the change and the rationale for the change.
4. How does your firm attract and retain key personnel responsible for the subject product?
5. Describe the compensation arrangements and how they are related to performance, including base salary and bonuses, for key professionals involved in the subject product. Are bonuses paid all in cash, partially invested in the firm’s investment strategies, or something else? Are bonuses paid all in cash up front or vested over a period of time. If vested, state the vesting period and whether it is a cliff or pro-rata. Describe compensation arrangements related to asset levels in the subject product, if any.
6. How would you describe your firm’s culture and how does it support the investment process?
7. Briefly describe the frequency of portfolio reviews, and by whom; include a description of the role of any Investment Policy Committee, and other relevant oversight committees.
8. Briefly describe procedures to ensure compliance with client guidelines established for the portfolio and your experience in managing accounts with similar restrictions.
9. Describe how risk management is conducted for the subject product. What are the key parameters? Who is responsible and what is their role in the organization and relationship to the portfolio management group? Describe any changes in risk management at the firm and in the subject product since inception of the investment product.

**Product Background**

1. List any accounts (including size and date of termination) that have been lost from the subject product since Inception and explain the reasons for the loss.
2. List the assets under management in the subject product as of March 31, 2017, and for each calendar year end since inception.
3. List the five largest clients in the product as of March 31, 2017, portfolio size, and the inception date of these accounts.
4. At what asset size do you intend to cease accepting more business in the subject product? Please note if you plan to close the account to all business or to new accounts, and how existing clients will be notified and treated in the event of a closure. Explain the rationale to the plan (or the absence of a plan).
5. Has the subject product been closed to new accounts (soft close) or new assets (hard close) in the past? If so, provide dates and indicate at what asset size. Why did the product close? When and why did it re-open?
6. Has management ever made a decision to return capital to clients due to market conditions or for other reasons? If so, please discuss the thought process behind this decision. Provide dates and indicate at what asset size you returned capital to clients and how much capital was returned.
7. Has management ever put up gates or limits on liquidity due to market conditions? If so, please elaborate on the reasons for implementing gates. When were gates erected and for how long?
8. What advantages and disadvantages are presented by your firm’s size and the subject product’s size to achieving superior performance in the future?

**Investment Philosophy, Process and Portfolio Construction:**

1. Describe your firm’s investment philosophy in the subject product. Is the approach primarily bottom-up or top-down? Please describe other important features that will assist SFERS in understanding your approach to investing.
2. Have there been any changes to this philosophy since the product’s inception? If yes, please describe, including the timing of any changes, and their rationale.
3. Describe the portfolio decision-making process, including identifying the individual(s) ultimately making individual security buy and sell decisions relating to the portfolio. If the team structure or decision-making process has changed since 2000, please provide details.
4. Describe your firm’s overall strengths in equity research and how this is applied to analysis of the subject product. What are particular hallmarks of your firm’s research?
5. Have there been any enhancements to the research process or additional universe coverage established since Inception? Please provide details regarding these enhancements and universe coverage changes, including the timing of any changes.
6. Describe any quantitative models or other tools used in the management of the subject product. Who developed the quantitative model or tools, when did they develop it, and are they still involved in running the model/tools in the subject product?
7. Is the identification of macroeconomic, demographic, political, regulatory changes, or other themes important to your investment process in the subject product? If yes, describe.
8. Describe the universe from which securities are selected and how the universe is narrowed down to a more manageable list. Include minimum and maximum market capitalizations at purchase and any geographical limits.
9. How is market capitalization and trading volume of a stock taken into consideration in evaluating a security for purchase or research? Is there a minimum market capitalization or trading volume that you will consider for purchase? Other threshold?
10. How does your firm evaluate the risks in the following areas: country and political risk, accounting practices, legal standards, corporate governance practices, investor protections, capital market openness, transaction costs, labor practices, market liquidity and market volatility?
11. Describe your approach to stock selection and major factors used in selecting securities. Describe the role of fundamental research in your stock selection process.
12. What valuation factors are critical to your stock selection process and how are they applied? Describe the firm’s process for valuing securities.
13. What percentage of the firm’s research is generated internally? Please elaborate on any proprietary research tools or analysis. If external research is employed, please describe, including how the firm pays for such research (e.g., soft dollars). Do you use expert networks? If so, please provide the names of the firms that your firm utilizes. Do you have a specific budget for research? If so, how much was the budget for the full calendar year 2015 and estimate for 2016?
14. Do company visits play a role in your investment process? If yes, describe their role. If no, why not?
15. Provide data on the number of company meetings your firm held for each of the last five calendar years as it pertains to the subject product. Please distinguish between on-site meetings at the company, meetings at your offices, and meetings held elsewhere.
16. Describe your sell discipline(s) in the subject product. Are there any automatic sales of securities initiated when a security declines in value by a certain amount? Please describe.
17. Discuss the investment strategy behind your current holdings (as of March 31, 2017) and recent changes in strategy or tactics in the last five years.
18. What analytical systems are utilized in evaluating your investable universe? Describe the role of such software in your investment process for the subject product, and whether the systems used are proprietary.
19. Describe the portfolio construction process. Be specific with respect to individual security weights, sector allocation, country and regional allocations, and cash holdings.
20. Complete the following table for a representative portfolio in the subject product. These characteristics should be consistent with your firm’s recommended investment guidelines for the subject product.

|  |  |
| --- | --- |
| Typical Range in number of Holdings |  |
| Sector or Industry Constraints |  |
| Country Constraints |  |
| Regional Constraints |  |
| Maximum Position Size (as % of portfolio’s market value) |  |
| Maximum Cash Allocation (as % of portfolio’s market value) |  |

1. Describe your regional/country allocation process, including any model that applies to the process. Describe your criteria for making country selection and weighting decisions.
2. Describe overall constraints on country weightings in the subject product. What are the maximum individual country weights in the subject product?
3. Has the portfolio been systematically overweight or underweight any countries versus its benchmark in the last three years? What are your expectations for such weights going forward? In particular discuss your firm’s views and positioning in its US weightings.
4. Are there any countries (frontier or other) that your firm would not consider for purchase? List and describe your rationale for these exclusions, and any process for re-assessing them.
5. Do any of the countries in which your firm invests in the subject product require special custody arrangements? If so, identify which countries and what arrangements.
6. Include a table with the portfolio’s country weights and the benchmark’s country weights as of March 31, 2017. Discuss any material overweight or underweight positions as well as any recent changes to country weights. Discuss any significant changes in country weights over time.
7. Are there any securities or industries/sectors that you would not consider for purchase?
8. Describe how industry weights are established, including any model or constraints that apply to the process. Include a table with the portfolio’s sector or sub sector weights and the benchmark’s weights as of March 31, 2017. Discuss any material sector overweight or underweight positions as well as any recent changes to sector weights. Discuss notable changes in sector and sub-sector/industry weights over time.
9. Does your firm buy Initial Public Offerings (IPOs) in the subject product? If so, do you apply any special valuation criteria? Describe any such criteria.
10. Do you include ADRs in your portfolios, and what circumstances would cause you to purchase an ADR if local shares were available? Are there any maximum limits on ADRs and how are ADRs identified and selected?
11. Do you invest in non-benchmark securities? If so, what is the maximum allowed. Please elaborate on these non-benchmark securities.
12. Do you hedge currency exposure and under what circumstances? If you do not hedge currency risk, please explain why not.
13. Do you take active currency hedges in the portfolio (e.g., to manage currency risk but not necessarily hedge actual exposures)? If so, please describe.
14. What were the currency hedges in the portfolio as of March 31, 2017, and at each calendar year-end since 2000? Detail the position sizes and rationale behind the hedges, and their impact on performance relative to the benchmark.
15. Describe the largest currency hedges in the portfolio over its life including the size of the positions, the timing and duration of the positions, the impact on performance, and the rationale behind the hedges.
16. Describe how the analysis of currency trends affects the stock selection or sector and currency allocation in the subject product. Include a description of the inputs to your firm’s analysis of currency trends.
17. Describe the use of cash and any policies you have to limit cash holdings. What would be your recommended guideline limit on cash in the subject portfolio? What has been the range for cash since the inception of the portfolio?
18. Does your firm use fixed income securities (including convertibles) in the subject product? If yes, describe the circumstances, the types of securities held, and any portfolio limits. Provide a table with the percent of fixed income held in the portfolio from 2000 to 2017.
19. Do you invest in assets that are not public equity or fixed income? If so, please elaborate?
20. State the number of holdings in the portfolio as of March 31, 2017, and at calendar year-end since 2000 and at calendar year end since 2000.
21. Please list your top ten holdings, including ticker, company name, brief description of firm, and sector. Also, provide the individual company weighting, the aggregate top ten weighting, and provide the benchmark weighting for each holding as of March 31, 2017. For each of these names, indicate the days trading volume held by your firm in each of these positions. Provide this data for a representative separate account.
22. Does your proposed product have a style bias (e.g. value, growth, etc.)? Please describe.
23. Please provide the following statistics for the portfolio as of March 31, 2017, as well as for your preferred benchmark. If any of these statistics differ meaningfully from either expectation or historic periods, please explain why.

|  |  |  |
| --- | --- | --- |
|  | Portfolio | Preferred Benchmark |
| Price to Book |  |  |
| Price to Earnings (trailing 12 months |  |  |
| Price to Earnings (forward 12 months) |  |  |
| Dividend Yield |  |  |
| Median Market Capitalization |  |  |
| Weighted Average Market Capitalization |  |  |
| Annual Portfolio Turnover in stocks |  |  |
| Active Share |  |  |

1. What is your allowable market cap range for your investment universe? Please update the following table with the portfolio’s market capitalization breakdown as of March 31, 2017, and at calendar year end for the last five years:

|  |  |  |
| --- | --- | --- |
| Market Cap Breakdown | Subject Portfolio (%) | Relevant Index (%) |
| $0 to $2 billion |  |  |
| $2 to $10 billion |  |  |
| $10 to $50 billion |  |  |
| >$50 billion |  |  |

1. If requested by SFERS, will your firm be able to provide holdings based information for a representative account in the subject product on a monthly basis for the last ten years? The requested information is expected to include: Ticker/CUSIP/ISIN, Date, # of shares and market value.
2. Will the portfolio invest in out-of-benchmark securities? If so, describe the nature of these securities and how they are used and any constraints applied to these holdings. As of March 31, 2017, provide the name and portfolio market value weight of each out of benchmark security.
3. Describe the use of cash and any policies you have to limit cash holdings. What would be your recommended guideline limit on cash in the subject portfolio?
4. How does your firm assess the effectiveness of trading in the subject product? Provide evidence of effective trading in the product.
5. Describe the techniques that your firm uses to control trading costs in the subject product.

**PERFORMANCE**

1. What is your firm’s recommended benchmark for the subject product and why? Describe whether or not a style (e.g., Growth or Value, or capitalization constrained) benchmark would be useful for your firm for the subject product.
2. What ANNUALIZED, NET–OF-FEE excess return do you expect the strategy to produce over a full market cycle (typically 3-5 years) versus your preferred benchmark? What fees are you assuming?
3. Please provide ANNUALIZED, GROSS and NET–OF-FEE returns, monthly standard deviation, Sharpe ratio, active share, and tracking error as of March 31, 2017, for your investment product and the relevant benchmark for YTD, 1-year, 3-year, 5-year, 10-year and since inception.
4. What is the upside and downside capture (relative your preferred benchmark) of net returns as of March 31, 2017 for 1-year, 3-year, 5-year, 10-year, and since inception?
5. What is the expected annualized tracking error for the product versus your preferred benchmark? What was the realized tracking error as of March 31, 2017, over the trailing 3-year, 5-year, 10-year and since inception?
6. Describe any portfolio construction or other risk controls in place in the subject product specifically to affect tracking error.
7. Provide actual attribution analysis of a representative fully-discretionary portfolio over the past one, three, five, and ten years as of March 31, 2017, as well as calendar years since 2000 to distinguish historical value added from your investment decisions versus your preferred benchmark (i.e. sector selection, % security selection, % timing/cash). Sources of value added should sum to total excess returns in each period. You may also provide (in addition) attribution analysis versus a benchmark that you identify as your preferred benchmark, if different.
8. How does the actual attribution analysis compare to what you would expect prospectively for this product, and how would you account for any differences?
9. Is the performance record of the subject product constructed according to CFA Institute GIPS standards for composites? If the performance record for the subject product is not GIPS-compliant, describe in detail how it is constructed and why GIPS compliance is not feasible.
10. Provide a table listing GIPS disclosures, including assets in composites, percent of assets, number of accounts, and composite dispersion as of March 31, 2017, and at each calendar year-end since 2000.
11. Describe the constituents of your GIPS track record, including the general guidelines for the separate accounts and whether mutual funds or commingled funds are included.
12. Please describe the circumstances under which a client should expect this product to underperform the appropriate benchmark. A detailed response will be appreciated. If you state “years such as 200X,” please describe what made that year or time period inhospitable for your investment process.
13. Describe the circumstances under which a client should expect this product to outperform the appropriate benchmark. A detailed response will be appreciated. If you state “years such as 200X,” please describe what made that year or time period particularly hospitable for your investment process.
14. Describe periods (identify dates) in which your product experienced above average t tracking error (either positive or negative) versus a relevant benchmark (identify) and the circumstances that led to it. Indicate any change(s) such periods may have led to in the management of the portfolio and how they were implemented.

**OTHER**

1. What is the separate account minimum for the subject product?
2. Discuss the merits of using a commingled fund for exposure in the subject product versus a separate account. Indicate which you recommend for a portfolio of the size contemplated by SFERS (estimated to be to $500 million) and why.
3. Do you recommend allowing the use of a commingled fund for exposures within a separate account? If so, describe which fund(s) and their structure, fund type and which exposures.
4. Approximately how much time would your firm recommend for prudently investing $150 million in the subject product? $300 million or $500 million?
5. Would your firm be willing to direct commissions for this portfolio if you were hired? If yes, describe potential impact in terms of performance or other issues. If no, explain why not.
6. SFERS restricts investments in US tobacco companies and certain companies with activities in Sudan, Firearms, and Thermal Coal. (See Appendix A for list of restricted securities.) Briefly describe the impact these restrictions will have on your ability to add value in the subject product, and what actions you would take (if any) to compensate for the impact of the restrictions.
7. In an unrestricted representative portfolio in the subject product, what restricted US tobacco companies did you hold as of March 31, 2017, and what is the portfolio market value weight of each holding?
8. In an unrestricted representative portfolio in the subject product, what restricted Sudan-related issuers did you hold as of March 31, 2017, and what is the portfolio market value weight of each holding?
9. In an unrestricted representative portfolio in the subject product, what restricted firearms and ammunition manufacturers and retailers that sell firearms did you hold as of March 31, 2017, and what is the portfolio market value weight of each holding?
10. In an unrestricted representative portfolio in the subject product, what restricted thermal coal did you hold as of March 31, 2017, and what is the portfolio market value weight of each holding? What special expertise and competitive advantage do you bring to the management of Global or Non-US Equity? Please limit your response to no more than 4 brief reasons.

**REFERENCES**

1. Provide the organization name, address, telephone number, contact name and title for three (3) clients (preferably U.S. public funds) that are invested in the subject product. If three accounts in the subject product are not available, list references in a related product. If the reference is invested in a product other than the subject product, please note the product. Indicate the length of your relationship and assets under management for each reference. ASSUME SFERS STAFF WILL CONTACT EACH REFERENCE, AND ADVISE REFERENCES ACCORDINGLY; INDICATING OTHERWISE WILL BE CONSIDERED NON-RESPONSIVE. Provide the information requested for each of your references below.
   1. Reference #1:
   2. Reference #2:
   3. Reference #3:
2. Provide the organization name, address, telephone number, contact name and title for three (3) clients (preferably U.S. public funds) that were invested in the subject product but have terminated their account. If three accounts in the subject product are not available, list references in a related product. If the reference is invested in a product other than the subject product, please note the product. Indicate the length of your relationship and assets under management for each reference. ASSUME SFERS STAFF WILL CONTACT EACH REFERENCE, AND ADVISE REFERENCES ACCORDINGLY; INDICATING OTHERWISE WILL BE CONSIDERED NON-RESPONSIVE. Provide the information requested for each of your references below.
   * + 1. Reference #1:
       2. Reference #2:
       3. Reference #3:

###### **FEE PROPOSAL**

1. Would you accept a “fulcrum” performance fee (i.e., performance-based fee) arrangement with a base fee of 25 basis points or less?
2. Provide your proposed separate account fee schedule for the subject product.
3. What would be your fee IN BASIS POINTS for a $150 million separate account managed on behalf of SFERS? (Do not provide a fee schedule or indicate the fee is negotiable.)
4. What would be your fee IN BASIS POINTS for a $300 million separate account managed on behalf of SFERS? What would be your fee IN BASIS POINTS for a $500 million separate account managed on behalf of SFERS? (Do not provide a fee schedule or indicate the fee is negotiable.)
5. Is there a commingled fund, mutual fund or LP fund structure available that is managed in the same way as assets in the subject product performance composite? If so, describe all such products and indicate their fee schedule.
6. Would you be willing to sign a “Most Favored Nations” clause as an addendum to your contract?