

## Questionnaire for Emerging Market Debt Investment Management Services RFP

1. **Question: Is there an editable Word version of the attached Developed Markets International RFP?**

**Answer:** We have posted a Word version of the *Firm Questionnaire* for your convenience on our web portal. Download available at: <https://portal.ct.gov/OTT/Doing-Business/Requests-for-Information-Proposals-Bids>

2. **Question: If we can submit more than one strategy, do we have to submit a complete separate RFP document for each strategy or combined information for both strategies in one document? Do we have to submit two sets of attachments for each strategy proposed?**

**Answer:** Multiple responses must be submitted separately. Please do not combine responses.

3. **Question: Will Connecticut consider firms that manage only US dollar denominated EMD corporate bonds?**

**Answer:** We will consider all Emerging Market Debt strategies.

4. **Question: In the minimum requirements it says we need a three-year track record in a blended strategy of hard and local currency or standalone products for each. Would a track record in only one (local currency) suffice or is a track record in hard currency also required to be able to apply?**

**Answer:** We will consider all Emerging Market Debt strategies.

5. **Question: Would the committee consider evaluating a standalone Emerging Markets Corporate Bond USD Denominated strategy that meets the minimum qualifications of one manager to blend with another manager's Emerging Markets Debt Local Currency strategy?**

**Answer:** We will consider all Emerging Market Debt strategies.

6. **Question: Are you only looking at investment managers that can manage a portfolio to the entire proposed benchmark?**

**Answer:** We will consider all Emerging Market Debt strategies.

7. **Question: Will Connecticut consider an exception or waiver to the assets under management requirement for firms?**

**Answer:** Connecticut holds the right to waive assets under management requirements as we are putting together the structure of the portfolio.

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- 8. Question: Regarding the \$500MM minimum AUM for firm wide EMD assets, do all assets have to be in an EMD strategy or can assets be totaled from EMD assets across different strategies?**

**Answer:** The \$500MM minimum is a minimum on the particular Emerging Market Debt strategy. That said, Connecticut holds to right to waive assets under management requirements as we are putting together the structure of the portfolio.

- 9. Question: Would a waiver be granted for an AUM that meets the \$500MM minimum on 03/31/19, 06/30/19, and 09/30/19 but not on 12/31/19?**

**Answer:** Connecticut holds the right to waive assets under management requirements as we are putting together the structure of the portfolio.

- 10. Question: How involved is the consultant in the review and decision-making process for this mandate? Will it be a 50/50 decision between Meketa and the State of CT, or some other ratio?**

**Answer:** We work collaboratively during the process and the consultant does not have decision making authority.

- 11. Question: Regarding submission details, are all documents (including Legal and Policy Attachments) to be submitted via email, per the RFP instructions, or are certain documents required in hard copy?**

**Answer:** A hard copy version is not required for any of the documents. All submission should be emailed.

- 12. Question: Should the contracting entity be registered to do business with the State of Connecticut before responding to the RFP? Will the contracting entity be required to register with the State of Connecticut to do business if awarded the mandate?**

**Answer:** The RFP has a qualification that the Respondent must be a SEC Registered Investment Advisor, a U.S. regulated Bank or a financial institution similarly regulated within the jurisdictions in which it operates. Proof of licensure or registration must be furnished. Registrations (for example, those described in Section 6 (Representations and Warranties) of the IMA) would be required if the State of Connecticut were to enter a contract with Respondent.

- 13. Question: If a respondent is based outside the United States and precluded by home country laws from providing statistical data about the diversity of its workforce in the manner that the Office of the State Treasurer has indicated, would it be possible to consider accepting substitute reports or certifications that demonstrate the respondent's sincere commitment to workplace diversity and inclusion?**

**Answer:** The Office of the State Treasurer would consider accepting substitute reports or certifications that demonstrate the respondent's commitment to workplace diversity and

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inclusion. For example, a chart/table showing the total number of people by classification (so as to not reveal confidential information) would be acceptable.

**Sample: Promotion of Women and Minorities**

Year	Managing Director	Vice President	Director
2019	3	1	1
2018	2	5	1
2017	0	1	1

14. **Question: The Request for Proposals for Emerging Market Debt Investment Management Services lists “Appendix M - EVALUATION AND IMPLEMENTATION OF SUSTAINABLE PRINCIPLES” in the table of contents (page 2) and Attachment M is included in the Legal and Policy Attachments (page 46) however, there is no instruction to complete this form in the Directions for Completion of Legal and Policy Attachments (pages 18 -21). Are we required to submit a completed Attachment M as part of our proposal??**

**Answer:** Please complete attachment M, answering each question separately, and attach it to your proposal.

15. **Question: Regarding “Organizational Relationships” in the Firm Questionnaire; “Identify all subcontractors the Respondent plans to hire in the performance of the services outlined in this RFP.” We do not hire subcontractors for investment management services however, we outsource certain operational functions to a third party. These services include investment book record keeping, settlements, collateral management, corporate actions, reconciliations and performance management. For the purpose of this question, do you consider this this third party a subcontractor?**

**Answer:** In your response to the RFP, please identify the third-party you use for back office support; and the information requested around subcontractors for this entity in the RFP.

16. **Question: Please confirm whether Standard IMA Sections 15.A. and 26 as well as numerous other parts of the Conn. RFP require what is commonly referred to as an Affirmative Action plan containing a Utilization Analysis. If the answer is yes, please advise if the requirement for an Affirmative Action plan containing a Utilization Analysis is an unconditional requirement or whether there is any flexibility on that issue. Please advise if an Equal Opportunity in Employment Plan, that does not contain what is commonly referred to as an Affirmative Action plan containing a Utilization Analysis, would satisfy the requirements of Standard IMA Sections 15.A. and 26 as well as numerous other parts of the Conn. RFP.**

**Answer:** Section 15 of the IMA is Connecticut’s non-discrimination provision and tracks the following statute: Conn. Gen. Stat. 4a-60. The requirements of this statute as described in the IMA are required under Connecticut law. A respondent’s Affirmative Action plan may contain some of the aspects of Connecticut’s IMA provisions 15 and 26 to the IMA, but the provisions as drafted in the IMA are required by the Office of the Treasurer. In your response, please disclose any and all information pertaining to your efforts to increase inclusiveness.

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17. **Question:** XYZ has reviewed the Connecticut Treasurer’s Office Emerging Market Debt RFP (the “Conn. RFP”). XYZ is submitting this question to request clarification and interpretation of certain provisions of the Conn. RFP’s Section V.B. “Minimum Respondent Qualifications.” In addition to being an SEC-registered investment adviser, XYZ is also an indirect subsidiary of ABC, a non-U.S. investment adviser. 123 is an investment adviser registered in the United Kingdom with an office in London and is also an indirect subsidiary of ABC. Thus, XYZ and 123 share the same ultimate corporate parent (ABC). Would it be permissible, pursuant to the terms of the Conn. RFP, if XYZ responded to the RFP and would serve as the investment adviser of record for the mandate and 123, pursuant to a Participating Affiliate Agreement with XYZ, would serve as the day-to-day investment manager for the mandate? XYZ would be amenable to supplying any additional information, as requested, about 123, as part of its Conn. RFP Response.

**Answer:** Please supply additional information about the various entities that you would envision providing services to the State for this RFP. If possible, please include a copy of the Participating Affiliate Agreement.

18. **Question:** In Section V – Minimum Respondent Qualifications, Section D, State of Connecticut requires “Minimum three-year investment track record in the proposed emerging market blended debt strategy of hard dollar and local currency or standalone products for each mandate. Minimum three-year investment track record in each strategy if providing separate composites. (Emerging market portfolio management team may include their track record from another firm at which the team worked if they do not have three-year record at current firm. The team must have produced the track record.) Performance track record must be of actual portfolios, i.e., no paper portfolios.” Will the State of Connecticut Office of the Treasurer entertain proposals from managers with the underlying expertise but no composite for a 50/50 blend strategy?

**Answer:** Yes. Submitting both composites separately and/or the blend of your choosing would be appropriate for this RFP.

19. **Question:** In Firm Questionnaire, Question d.4 Provide the number of clients who have terminated an emerging market mandate. Should we respond to this data as of December 31, 2019?

**Answer:** Yes.

20. **Question:** In reference to Section VIII, Part B 4.d.1. “Quantify the number of public pension fund clients in total and the number that have over \$1 billion in assets,” would you like the number of public pension fund clients across all strategies or just EMD?

**Answer:** Please include both numbers

21. **Question:** Per the RFP in Section VIII, Part B “Required Format and Content for Responses” it states that “All proposals must follow the required format (below) and address all requirements

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listed in the prescribed order, using the prescribed numbering system. Failure to follow the required format may result in the disqualification of a proposal.” It appears that in Section VIII, Part B, after item #4 Firm Questionnaire, the numbering system seems to reset to 1 for the final five listed items starting at Performance History. Can you confirm if this was intentional, or if Performance History should be #5 along with the remaining items such as Organizational Relationships/References/Financial Condition/and Consultant databases to follow in succession as 6,7,8,9?

**Answer:** Our preference would be that you would attach the Firm Questionnaire, the Performance History, Organizational Relationships, etc. as separate pieces in order. “Failure to follow the required format” refers to failure to disclose all of the relevant pieces or changing the overall format of our requests.

- 22. Question: Regarding Section VIII.B.1, the cover letter instructions say a Manager must state we accept the IMA in its entirety or that it has submitted proposed revisions. However, in Section IX, RFP Conditions, it states the respondent must accept the standard contract language. May a Manager provide redlined clarifications or edits to contract language as part of its response to this RFP?**

**Answer:** You may submit proposed revisions to the IMA in redline format as a part of your response to this RFP.

- 23. Question: The Manager does not have an office in Connecticut and does not have employees in the state of Connecticut. We have an affirmative action program in accordance with federal contractor requirements. Would our federal AAP satisfy the State of Connecticut affirmative action requirements under this contract; if not, would you be able to comment on the Connecticut specific requirements?**

**Answer:** The requirements of this statute as described in the IMA are required under Connecticut law. A respondent’s Affirmative Action plan may contain some of the aspects of Connecticut’s IMA provisions 15 and 26 to the IMA, but the provisions as drafted in the IMA are required by the Office of the Treasurer. In your response, please disclose any and all information pertaining to your efforts to increase inclusiveness.

- 24. Question: Regarding Attachment A, Part V, the Manager has only recently begun to track the information regarding ‘% of applicants provided by source’ and would not be able to fully provide this data by the RFP due date. Would it be possible to supply this information at a later date, or should the Manager provide whatever is currently available for submission?**

**Answer:** Please supply what is currently available and send an update at a later date with the additional information.

- 25. Question: Regarding the Investment Policy Statement (Exhibit A) within Exhibit 2, Standard Investment Management Agreement, we have a question on Article VII, Investment**

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**Diversification (page 13). There are references to Connecticut General Statutes Sections 3-13d, 3-13g, 3-13h and 3-21e which are directed at the State Treasurer. Since these statutes have practical implications for external managers the Treasurer may hire, will those investment restrictions be explicitly described in any restricted list and manager specific guidelines provided to the successful bidder?**

**Answer:** Yes. We will provide a restricted list.

**26. Question: Regarding Attachment B, the RFP instructions state that a Manager may provide a written statement attesting that if they are selected for the mandate, the Manager would provide an executed certification document. Does the written statement that is submitted as part of the proposal need to be signed by an authorized representative who may act on behalf of the Manager?**

**Answer:** For the RFP, we are requesting a written statement that is signed by an authorized representative who may act on behalf of the manager. If awarded the mandate, we require that you provide Office of the Treasurer the NONDISCRIMINATION CERTIFICATION executed by an authorized signatory.

**27. Question: Regarding the Firm Questionnaire, Question e.4 should information be provided for all fixed income investment professionals? That is, in addition to the emerging markets fixed income professionals who would manage the proposed strategy, should the response include US/developed fixed income investment professionals as well?**

**Answer:** Please include all investment professionals and note the strategies they cover.

**28. Question: Non-U.S. firms must provide audited financial statements that comply with International Accounting Standards". What exactly do they mean by "International Accounting Standards?" Candriam Luxembourg does not comply – it uses Luxembourg accounting standards" called "Lux GAAP." Is this accepted?**

**Answer:** IFRS or GAAP are acceptable.

**29. Question: We notice your stipulation in the Investment Policy Statement that the manager cannot take long FX forward derivative exposure (or outright short) – per section 2 in the derivative guidelines. However, in the EMD section, you do make reference to investing in bonds and currencies.**

**Answer:** The IPS limits use of derivatives except where manager guidelines allow use. Derivatives have traditionally been used in this asset class to manage currency risk.