

Attachment 3-Proposed Board Investment Consultant Proposal Questionnaire

A. Organization and Structure

Please provide a brief overview of your firm including:

1. The year the firm was founded,
2. The number of years your organization has been providing pension consulting services to tax exempt organizations,
3. Brief description of the ownership structure of your firm,
4. Identify affiliated or subsidiary organization(s),
5. Brief description of compensation structure, including equity ownership, and other details on how employees are incentivized,
6. Detail any significant developments in your organization in the past two years (ex. Changes in ownership, personnel reorganization, new business ventures, etc.),
7. Detail significant developments in your organization anticipated in the near future,
8. Advise whether or not, within the past two (2) years, if your firm, or any officer or principal, has been involved in any litigation or other legal proceedings relating to your consulting activities. If so, please provide a brief explanation on the current status, and,
9. Provide details on the number, names and asset values of any terminated or lost consulting relationships in the last three (3) years (if applicable), with reasons for termination.
10. Using the table format below, please list your firm's lines of business and contribution to your organization's total revenue on a percentage basis, for the past three (3) years, and a projection for 2022.

Lines of Business	2019	2020	2021	2022 est.
General Pension Consulting	%	%	%	%
Other Consulting Services	%	%	%	%
Other (Please Describe)	%	%	%	%

11. Please identify your five (5) largest total revenue clients by name, including asset values and products or services the client uses.

B. Conflicts and Disclosures

12. Is your firm, its parent or affiliate, registered with the SEC or a state securities regulator as an investment adviser? If so, please include your firm’s ADV Disclosure Parts 1 and 2, in your firm’s RFP response (if included as an exhibit or attachment, the ADV disclosure(s) will not be considered part of the twenty (20) page maximum). If your firm is not registered with the SEC or a state securities regulator as an investment adviser, please provide your firm’s fiduciary classification.

13. Does your firm or a related company, or any principal or officer of your firm, have relationships with asset managers that you recommend, consider for recommendation, or otherwise mention to your tax-exempt clients, for consideration? If so, describe those relationships.

14. Does your firm or a related company, or any principal or officer of your firm (you) receive any payments from asset managers, that you recommend to your tax-exempt clients for consideration? If so, what is the extent of these payments in relation to your other income?

15. If your firm is awarded the contract, will your firm and its principal(s) and/or officer(s) acknowledge in writing that you have a fiduciary obligation as an investment adviser to CalPERS Board of Administration, the System, and the beneficiaries of the System, while providing the consulting services detailed in this RFP?

16. Do you consider yourself a fiduciary under ERISA with respect to the recommendations you will provide with respect to the services described in this RFP?

17. Explain in detail any potential for conflict which would be created by your representation of CalPERS, including other client relationships which may inhibit services to CalPERS on a primary basis.

18. Please list any other relationships / contracts / business activity that involve CalPERS, its Board Members, top staff, or investment managers or consultants. Please see www.calpers.ca.gov for a current listing of Board Members and investment managers / consultants.

19. Explain in detail any potential for conflicts of interest which would be created by your firm’s representation of CalPERS. Please include any activities of affiliated or parent organizations as well as other client relationships which may inhibit services to CalPERS.

C. Experience & Depth

20. Provide the names of professionals who will be assigned to the CalPERS account including the primary consultant and principal assistant (Identify the primary consultant with an asterisk (*) and any individuals that will be directly involved in the CalPERS account). Please use format below. (Please update Service Area categories as needed, in the table below).

Service Area	Firm employees that will be dedicated to CalPERS Account	Total number of employees at the firm employed in this area
Direct Board Reporting Services		
Research Services		
Consulting Services		
Risk Management Services		
Asset Allocation/Asset Liability Modeling Services		
Performance Services		
Investment Policy Review Services		
Investment Office Program Review Services		
External Manager Review Services		
Ongoing Education		

21. Please provide biographical information of the key individuals who will represent the firm and directly interact with the CalPERS Board. Please provide no more than the top three individual’s biographical information.

22. Describe your firm's experience working with Defined Contribution accounts such as 401(k)'s, 403(b), and 457 plans. Please explain the services provided and size of accounts.

23. When you compare your firm to the other consulting firms, what makes your firm unique in institutional consulting services?

I. General Pension Investment Board Consultant Questions

A. General Services

Describe your firm's experience and how your firm would provide the General Pension Consultant "General Services" described in the RFP. Specifically, your firm's experience and how your firm would perform the following:

1. Providing written opinions as an independent fiduciary.
2. Providing opinions relevant to the prudent and optimal management of a pension fund.
3. Explain the steps your firm would take to proactively inform the Board of Administration Committee of any concern or issue that could potentially expose the CalPERS Pension System to investment, operational or reputational risks identified through the normal course of business.
4. Identifying and creating a peer benchmark for a pension fund.
5. Providing research, detailed market and trend analysis and advice to a Board of Administration. Explain how your firm has a competitive advantage in providing such advice (if any).

B. Asset Allocation, Affiliate Trust and Risk Management Services:

Describe how your firm would provide the General Pension Consultant "Asset Allocation," "Affiliate Trust" and "Risk Management" services described in the RFP. Specifically, your firm's experience and how your firm would perform the following:

6. Asset Liability Management consulting including asset liability management involving multiple different asset classes including affiliate trusts. Describe your experience in establishing capital market assumptions for Asset Liability Modeling and obtaining estimates and forecasts from the model.

7. Providing guidance to a Board in relation to:

- a. the use of different types of asset allocation models (risk factor based versus traditional asset allocation);
- b. benefits and risks of less liquid asset classes versus more liquid asset classes;

- c. benefits and risks of private versus public asset classes; and,
- d. alternative benchmarks.

8. Providing opinions to a Board on risk characteristics and the risk profile of a fund including the risk characteristics and risk profile relative to a fund's peer universe.

9. Participating in and presenting Asset Liability Modeling and other asset allocation information to a Board.

C. Performance:

Describe how your firm would provide the General Pension Consultant "Performance" services described in the RFP. Specifically, your firm's experience and how your firm would perform the following:

10. The following benchmark activities for a fund:

- a. opining on the appropriateness of a fund's benchmark;
- b. reviewing and approving requests for benchmark replacements and modifications; and,
- c. reviewing and providing opinions of custom benchmarks.

11. The following performance activities for a fund:

- a. reporting on investment performance, performance attribution, including an analysis of a fund's investment performance relative to its peer universe;
- b. providing recommendations and justifications for recommendations on any issues that would hinder a Board's ability to meet its fund's long-term investment objectives;
- c. analyze the reasonableness, benchmarks, measurements and appropriateness of staff performance plans including a comparison of industry peers; and,
- d. validate year-end, quantitative measurements on Staff performance plans.

D. Reviews:

Describe how your firm would provide the General Pension Consultant "Investment Policy Review," "Investment Office Program Reviews" and "External Manager Review" services described in the RFP. Specifically, your firm's experience and how your firm would perform the following:

12. Providing a review of a fund's investment policies and procedures guidelines including: how staff is adhering to the policies and procedures, whether or not the policies and procedures meet industry guidelines, are consistent with other policies and whether or not the policies and procedures align with the fund's investment beliefs.

13. Providing written recommendations for amendments and/or modifications to an investment policy or procedure and your firm's experience preparing and presenting the recommendation to a Board.

14. Reviewing and opining on the process used to identify and source external managers.

15. Reviewing and opining on investment manager fees and expenses.

16. Reviewing and opining on a fund's internal programs versus industry standards and best practices.

17. Providing periodic written program reviews. Sample program areas include: global equity, global fixed income, affiliate trusts, etc.

18. Opining on program reviews.

E. Ongoing Education:

Describe how your firm would provide the General Pension Consultant "Ongoing Education" services. Specifically, your firm's experience and how your firm would perform the following:

19. Providing educational sessions for board members relating to: pertinent investment topics relating to the management of a system, current investment topics and capital market trends.

II. Private Asset Investment Board Consultant Questions

A. General Services:

Describe how your firm would provide the Private Asset Class Pension Consultant "General Services" described in the RFP. Specifically, your firm's experience and how your firm would perform the following:

1. Providing input, analysis and recommendations relating to the Private Asset Class to a Board of Administration. This would include the attendance and presentations at both private and public Board of Administration meetings.

2. Maintaining a "total fund" perspective when performing the services of the private asset class.

3. Researching and making recommendations for use of innovative investment strategies and securities related to the private asset class.
4. Preparing and presenting analyses of current issues as they pertain to a fund's total portfolio and private asset class.
5. Providing training to a Board of Administration Committee on investment topics.
6. Conducting workshops on specific issues determined by a Board of Administration Committee.

B. Asset Allocation and Risk Management Services:

Describe your experience and how your firm would provide the Private Asset Class Pension Consultant "Asset Allocation" and "Risk Management" services described in the RFP. Specifically, your firm's experience and how your firm would perform the following:

7. Working with a fund's Asset Liability Model including defining the market opportunity set, capital market assumptions, benchmarks and asset classes relevant to the model.
8. Reviewing and opining on the risk characteristics and risk profile of the private asset class.

C. Performance Services:

Describe your experience and how your firm would provide the Private Asset Class Pension Consultant "Performance" services described in the RFP. Specifically, your firm's experience and how your firm would perform the following:

9. Benchmark activities for a fund:
 - a. opining on the appropriateness of a fund's private asset class benchmark;
 - b. reviewing and approving requests for private asset class benchmark replacements and modifications; and,
 - c. reviewing and providing opinions of custom benchmarks.
10. Performance activities for a fund:
 - a. Reporting on annual and semi-annual investment performance of a private asset class;
 - b. Reporting on a private asset class performance relative to its peer universe;

c. Providing recommendations and justifications for recommendations on any issues that would hinder a Board's ability to meet its fund's long-term investment objectives; and,

d. Analyze the reasonableness, benchmarks, measurements and appropriateness of staff performance plans including a comparison of industry peers.

D. Reviews:

Describe your experience and how your firm would provide the Private Asset Class Pension Consultant "Investment Policy Review" and "External Manager Review" services described in the RFP. Specifically, your firm's experience and how your firm would perform the following:

11. Providing a review of a private asset class's investment policies and procedures guidelines including: how staff is adhering to the policies and procedures, whether or not the policies and procedures meet industry guidelines, are consistent with other policies and whether or not the policies and procedures align with the fund's investment beliefs.

12. Providing written recommendations for amendments and/or modifications to a private asset class's investment policy or procedure and your firm's experience preparing and presenting the recommendation to a Board.

13. Reviewing and opining on the process used to identify and source external managers of a private asset class.

14. Reviewing and opining on investment manager fees and expenses of a private asset class.

E. Backup to the General Board Investment Consultant Pension Services:

Describe your experience and how your firm would provide the Private Asset Class Pension Consultant "Backup to the General Board Consulting Pension Services" described in the RFP. Specifically, your firm's experience and how your firm would perform the following:

15. Ability to maintain availability to meet the needs of the CalPERS Board of Administration Investment Committee including regular attendance of Committee meetings, meetings with the Committee chair and/or vice chair to discuss and prepare for Committee meetings.

16. Providing second opinions to a general pension consultant.

17. Providing independent analyses and recommendations on asset allocation strategies, investment policies and investment office programs.

18. Opining and reporting on industry trends and views and general investment portfolio management.

19. Opining and reporting on asset and sector performance, attribution analysis, and investment risk assessments.

20. Attending, participating and leading Committee workshops.

21. Participating in Asset Allocation and Liability Workshops including assisting in development of assumptions, reviewing, and commenting on materials and participating in pre-meetings.