

# Broker Evaluation FAQ

## Frequently Asked Questions

### What is the Broker Questionnaire?

The questionnaire's purpose is to collect information from CalPERS' current equity brokers and other firms interested in having a trading relationship with the CalPERS Global Equity internal trading unit. The questionnaire, which is periodically revised, helps us evaluate brokers' capabilities, including:

- Trading capabilities across different order types, execution strategies and regions
- Operational ability to receive, process, and settle trades in a robust and efficient manner
- Value-added ways that brokers can help CalPERS manage the Global Equity investment portfolio

### How often do Brokers need to submit for consideration?

In years past, the broker questionnaire was available for submission to all brokers on an annual basis. With our recent update, all brokers, new or existing, are encouraged to submit their information when they feel either ready to apply for the first time or to update their previously submitted data. This will help CalPERS stay up-to-date and facilitates an open candidate pool.

In addition, every three years, CalPERS will require all brokers interested in remaining in the candidate pool to resubmit their information. This will help ensure the information on all brokers in the candidate pool is up-to-date and confirms your continued interest in participating in our broker selection process.

### Can I retrieve a copy of a prior questionnaire submission?

Yes, if you need a copy of your prior questionnaire submission, please email [CalPERS\\_Brokerage\\_Questionnaire@calpers.ca.gov](mailto:CalPERS_Brokerage_Questionnaire@calpers.ca.gov).

### I am a current broker, or previously submitted a questionnaire. Do I still need to (re)submit?

Yes, since we have recently made updates to our internal process and the platform being used, we are kindly requesting all brokers resubmit a questionnaire, so they are active on the new platform.

### Can I continuously update my questionnaire?

Brokers are encouraged to update their questionnaire with any new or major updates as needed. This will help CalPERS stay updated with the latest information on brokers in the candidate pool. Also, if you need to make any corrections, please resubmit your questionnaire, as once your firm information has been submitted, you will be unable to make changes. Please note that any minor or non-urgent updates do not require you to re-submit.

**How long does a Broker remain in the broker candidate pool if not selected?**

A broker may remain in the broker candidate pool indefinitely if not selected, but every three years, we require firms to update their information and confirm their continued interest in remaining in the candidate pool.

**When are the Broker Questionnaires evaluated?**

CalPERS typically performs a formal review of the performance of all current active equity brokers on an annual basis, typically within a few months after the fiscal year end. If a trading need is identified upon that review, CalPERS will review broker questionnaires from the candidate pool to assess whether any candidate brokers can potentially address that trading need. With an open candidate pool, CalPERS may also review brokers apart from the formal annual review to address more immediate trading needs.

**What are the factors that are used in the performance evaluation?**

Some factors for the performance evaluation are how well brokers maintain trading capabilities across different order types, execution strategies and regions, operational ability to receive, process, and settle trades in a robust and efficient manner, value-added ways that brokers can help CalPERS manage the Global Equity investment portfolio. Other important factors such as communication with the desk, relationship with CalPERS Operations and Middle Office, and response time to trading related inquiries/issues are considered in the evaluation process.

There may be periods where no immediate trading needs are identified, and no additional brokers are added to the active roster. Since trading needs may change as CalPERS' investment strategies and market dynamics evolve, we would encourage interested brokers to remain in the candidate pool.

**How will I know whether I've been selected or not?**

After we have completed our Annual Performance cycle, we will reach out to any new or returning candidate broker via email informing them they have been selected or not selected for the current Active Equity Roster. This communication will come in the form of email so please ensure all contact information submitted on Broker Questionnaire is up to date and current.

**Who do I contact if I have questions?**

If you have any questions, please reach out to [CalPERS Brokerage Questionnaire@calpers.ca.gov](mailto:CalPERS_Brokerage_Questionnaire@calpers.ca.gov) and someone will assist you with any of your questions.