



IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

## REQUEST FOR PROPOSAL

MANAGED ACCOUNT PLATFORM SERVICES

**RFP # I-2022-5**

Issued June 21, 2022

**Iowa Public Employees' Retirement System**

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## PART 1

### PURPOSE, MINIMUM REQUIREMENTS AND SCOPE OF SERVICES

#### A. PURPOSE

1. The purpose of this Request for Proposal (“RFP”) is to hire a managed account platform provider (“Provider”) to implement IPERS’ Liquid Absolute Return Strategies (“LARS”) and Alternative Risk Premia (“ARP”) programs.
2. IPERS seeks Providers to implement a turn-key solution to support the administration and management of a diversified group of LARS managers and an internally managed Alternative Risk Premia program as an overlay to the IPERS Fund.
3. IPERS is not seeking proposals for hedge fund consulting or “fund of fund” services in response to this RFP.
4. Respondents must satisfy all minimum requirements for their proposal to receive consideration by IPERS.
5. Any firm that meets the minimum requirements of this RFP is encouraged to submit a proposal. The RFP is available electronically on the IPERS website, [www.ipers.org](http://www.ipers.org), and on the state of Iowa website, [www.iowa.gov](http://www.iowa.gov).

#### B. BACKGROUND INFORMATION

IPERS is a multiple-employer, cost-sharing pension plan for Iowa teachers and state and local government employees. As of March 31, 2022, IPERS’ investment portfolio had a market value of approximately \$43.1 billion. IPERS intends to utilize liquid absolute return strategies (such as Commodity Trading Advisors (CTAs), Foreign Exchange (FX), Managed Futures, Commodities etc.) in its portfolio as an alpha overlay on the Fund’s cash allocation. IPERS currently utilizes 7 investment managers in this program and intends to use the services for its internal Alternative Risk Premia (ARP) program. The ARP portfolio will invest in systematic trading strategies through derivative contracts (swaps), with the objective of exhibiting low correlation to traditional asset classes. (IPERS makes no guarantees to any minimum or maximum number of managers or assets.) A managed account platform provider is sought by IPERS to provide middle- and back-office services for these strategies.

The System’s current investment policies, most recent Annual Comprehensive Financial Report and other information regarding IPERS may be viewed at [www.ipers.org](http://www.ipers.org).

C. MINIMUM REQUIREMENTS

To be considered as a Provider for the requested services, a firm submitting a proposal must meet all the following minimum requirements:

1. As of March 31, 2022, the firm must provide managed account services to existing clients whose platform assets serviced under aggregate are at least \$1 billion.
2. The provider must have at least three (3) years of experience from March 31, 2022, serving as a managed account provider for institutional clients.
3. The provider must currently provide all the Services specified in section 1.D.
4. The provider, in submitting its proposal, agrees that it will not require contract terms that violate IPERS' legal principles described in section 1.E.

D. SCOPE OF SERVICES

**A Provider must be able to provide:**

**For each account, the following Middle-Office Services:**

- Receive a copy of trade ticket electronically from investment managers and verify with the counterparties execution details
- Counterparty matching and processing
- Daily independent valuation of all derivative positions utilizing industry standard market pricing methods
- Daily position reconciliation with all involved entities
- Daily independent calculation of required collateral positions
- Verification of collateral positions and margin requirements with brokers and counterparties
- Instructing IPERS custodian with amounts to pay or receive margin on a daily basis
- Exposure monitoring by counterparty for all derivative positions (initial margin and notional amounts)

**For each account, the following Accounting Services:**

- Capture and process daily trade activity and liaison with all involved entities
- Provide reconciled end of day profit and loss statements
- Calculate portfolio net asset value (daily soft and monthly hard NAV)
- Prepare monthly books, including but not limited to general ledgers, P&L schedules, commission schedules, etc.
- Receive and coordinate payment of expenses, fees etc.
- Prepare monthly detailed trial balances adjusted for accruals
- Calculate and record management fees, incentive fees, investment expenses, etc.
- Prepare schedules as needed for use by independent external auditors

**For each account, the following Investment Administration Services:**

- Report cash positions and forecasts to investment managers and IPERS staff
- Monitor compliance with investment guidelines
- Receive and handle any margin calls and/or corresponding notifications (by individual accounts) and provide for resolution
- Assist investment manager with risk management through use of appropriate technology and reporting systems
- Assist and coordinate opening bank accounts at IPERS' custodian and brokerage accounts at IPERS' counterparties
- Track and report liquidity of underlying contracts/positions held in all accounts
- Coordinate communication and prepare ad-hoc reports to all stakeholders as needed
- Monitor compliance with all swap/derivative related documents/guidelines such as swap term sheets/confirmations, counterparty ISDA and CSAs.
- Provide daily independent valuation of all derivative positions utilizing industry standard market pricing methods

**The following Performance Measurement Services:**

- Calculate and report investment performance using time-weighted returns or internal rate of return (as deemed appropriate by IPERS staff) for each account and the combined LARS program
- Calculate individual account and aggregated performance statistics
- Deliver daily performance data and reports via electronic means
- Compile and report holdings and basic performance attribution as defined by IPERS staff

**The following Reporting Services:**

- Maintain database of positions and performance data for all managers and accounts
- Maintain database of daily returns by account and by individual position
- Provide aggregate portfolio-level exposure reporting for geographies, currencies, asset class or custom categories
- Provide performance breakdown reporting as needed
  - Regarding ARP: Performance reporting as directed by IPERS investment team, including but not limited to performance and contribution reporting by strategy, sleeve and underlying positions/markets
- Provide a user interface for IPERS staff, managers and other authorized entities to view relevant information via a computer, tablet, phone, etc.
- Ability to provide all relevant information to third-party systems if needed
- Have a robust mechanism of alerts for IPERS staff and managers to monitor exposure limits, cash levels, impending margin calls, etc.

- In the event of termination or resignation of services, provider must give to IPERS or an authorized entity, all the data aggregated during the lifetime of the relationship, in an agreed-upon electronic format
- Ability to receive and maintain underlying position level data related to swap/derivatives contracts held in the LARS-ARP portfolio

**The following Risk Reporting Services:**

- Provide risk-reporting on all accounts on the managed platform to staff on a daily (t+1) basis
- Ability to load positions from custodian bank for other IPERS public market managers on a monthly basis to provide overall monthly fund risk metrics
- Risk reporting should have the following broad information presented and preserved electronically
  - A record of gross and net leverage employed in the accounts
  - Beta of the portfolio against major market indices (varying time frames)
  - Value at Risk (VaR) based statistics for hypothetical “what-if” and historical scenarios
  - Exposure reports by asset class or custom grouping
    - Regarding ARP: Provide exposure reports as specified by IPERS investment team, including but not limited to gross notional exposure, exposures by strategy and sleeve, exposure by individual positions/markets
  - Correlation estimates across manager returns
  - Ability to drill down reports by manager and at the total platform level (online interactive preferred)
  - Active Risk estimates of manager

**E. IPERS' LEGAL REQUIREMENTS**

**IPERS is an Iowa state agency and has some unique legal requirements that prospective bidders need to understand before submitting a proposal. Note that Minimum Requirement #4 in section 1.C of this RFP requires a firm to agree that it will not require any contract terms that violate the principles described below. While contract wording may be negotiable, the principles are not. Firms are strongly encouraged to have their legal counsel review the principles below before submitting a proposal. Do not submit a proposal unless your firm is willing to accept that IPERS must abide by these principles.**

**1. Indemnity from Liability**

The Provider agrees to indemnify and hold harmless the State of Iowa, the System, and the System's staff and Board members (“Indemnified Parties”) jointly and severally, from and against any and all losses, claims, damages, settlements,

judgments, expenses, costs (including attorney fees of IPERS staff or of the Iowa Attorney General's Office) or liabilities of any kind which result from the Provider's negligent or wrongful performance in breach of this Contract or of any agreement which the Provider, in its capacity as such, entered into with a third party.

IPERS will not accept an agreement containing provisions that require IPERS to indemnify or defend the provider (or any affiliate, director, employee, contractor, subcontractor or agent of the service provider, etc.) unless such indemnification is under Iowa Code Chapter 669 or breach of contract law in the state of Iowa.

2. Sovereign Immunity

IPERS hereby reserves all immunities, defenses, rights or actions arising out of its sovereign status or under the Eleventh Amendment to the United States Constitution, and no waiver of any such immunities, defenses, rights or actions shall be implied or otherwise deemed to exist by its entry into the Contract by any express or implied provision thereof or by any actions or omissions to act on behalf of IPERS or any representative or agent of IPERS, whether taken pursuant to the Contract or prior to the entry by IPERS into the Contract. For greater certainty, it is understood that the sovereignty and authority of IPERS, and the nature and extent any such immunities, defenses, rights or actions shall be determined under the Iowa Constitution and other substantive laws of Iowa.

3. Jurisdiction of Disputes

This Contract shall be governed under Iowa law. Jurisdiction over disputes involving this Contract, not settled by mutual consent of the parties, shall be solely in the courts of the State of Iowa and shall be tried in Polk County, Iowa District Court or the United States District Court for the Southern District of Iowa, if jurisdiction is appropriate in federal court

4. IPERS will not agree to provisions that would either limit the liability of the service provider (or any other person or entity) for specified types of damages (including, without limitation, consequential, indirect, direct, incidental, special, punitive, exemplary, loss of business, lost profits, lost revenues, business interruption, loss or corruption of business information or data, etc.) or place any sort of cap or total limit on the amount of damages for which a service provider could be held liable under the contract. Note: this is not intended to preclude a service provider from relying on standard force majeure clauses that excuse failures to perform due to circumstances outside the reasonable control of a party, like disasters, war, acts of God, etc.
5. IPERS will not agree to provisions that provide for exclusive remedies or which otherwise limit any remedies or legal recourse that may be available to IPERS or the state of Iowa

6. IPERS will not agree to any confidentiality or nondisclosure provisions that create obligations that conflict with IPERS' legal obligations under applicable open records laws, including but not limited to Iowa Code Chapter 22
7. IPERS will not agree to pledge or make any assets, monies, accounts and/or collateral of IPERS subject to any liens, security interests, rights of set off or recoupment in favor of the service provider. IPERS will not grant a security interest in or pledge a lien against its assets in favor of a service provider. This is not intended to limit the ability of a futures exchange to avail itself of rights to initial and variation margin, etc. IPERS will not agree to any provisions that would require IPERS to waive any legal exemptions from attachment of assets or execution of judgments against IPERS' assets or property.
8. IPERS will not agree to provisions that would limit a service provider's liability or responsibility for breach of contract to only if the breach resulted from the service provider's gross negligence, willful misconduct or fraud. A provider should be responsible for any contract breach.



## PART 2

### ADMINISTRATIVE INFORMATION

#### A. INSTRUCTIONS FOR SUBMITTING PROPOSALS

1. Providers responding to this RFP must provide answers to the questions posed in Part 3 of this RFP. All proposals must be complete in every respect and must answer concisely and clearly all questions proposed by the RFP. Late proposals will not be accepted.
2. **Proposals shall be submitted with a cover letter stating in the affirmative that the firm meets each and all the minimum requirements listed in Part 1.C and is able and willing to provide the scope of services described in Part 1.D of this RFP.** The cover letter and the offer made by the proposal, and any clarifications to that proposal shall be signed by an officer of the offering firm or a designated agent empowered to bind the firm in a contract. The cover letter must also identify any sections of the proposal that the firm is identifying as confidential (see Disclosure of Proposal Content below).
3. Proposals should follow the order of questions as they are asked in Part 3 of this RFP. In response to each question asked in Part 3, restate the **main** question (denoted by a number or a letter) in bold font followed by your answers stated in regular font. Responses should be thorough and answer the specific question asked (including the issues addressed in the bullet points following a question).
4. Supporting material must be clearly referenced to the applicable question posed in Part 3.
5. Communication regarding this RFP or the firm's proposal shall only be made to the RFP Coordinator identified in item 9 below, and firms should not discuss the RFP or their proposal with other IPERS staff, Board members or IPERS' consultant. Firms will be given the opportunity to submit written requests for clarification of questions or terms contained in the RFP. In all cases, verbal communications will not override written communications.
6. IPERS reserves the right to amend this RFP at any time. In the event IPERS amends the RFP, the amendment will be posted on IPERS' website at [www.ipers.org](http://www.ipers.org). A firm's response to this RFP must include an acknowledgement of all such amendments.
7. **Proposals must be received no later than 3:00 p.m. CST, July 22, 2022.**

8. A firm must submit its proposal **only** as an electronic file via email to [investments-rfp@ipers.org](mailto:investments-rfp@ipers.org). The email should be clearly marked with the subject "RFP # I-2022-5 Submission." Firms submitting proposals that do not meet the minimum requirements will be so notified.

9. RFP Coordinator:

Melinda McElroy  
Iowa Public Employees' Retirement System  
7401 Register Drive  
Des Moines, IA 50321  
Phone: (515) 281-0030  
Email: [investments-rfp@ipers.org](mailto:investments-rfp@ipers.org)

B. REJECTION OF PROPOSALS

1. IPERS reserves the right to reject without penalty any or all proposals in whole or in part received by this request, due to noncompliance with the requirements of this RFP or for any other reason. Issuance of this RFP in no way constitutes a commitment by IPERS to award a contract or to enter into a contract with a successful bidder. IPERS further reserves the right to cancel this RFP, to issue a new RFP or to award a contract in whole or in part if deemed in the best interest of IPERS. The RFP and the RFP process are for the sole benefit of IPERS and its members. IPERS will not pay for any information herein requested, nor is it liable for any costs incurred by the submitting proposals.
2. Providers whose proposals do not meet the minimum requirements will be so notified. After evaluation of the proposals, selection and approval by IPERS, all Providers will be notified of the successful firm or firms.
3. IPERS reserves the right to not hire or to defer the hiring of a firm for these services.

C. DISCLOSURE OF PROPOSAL CONTENT

The laws of Iowa require that the content of bidders' proposals be maintained in confidence prior to the issuance of a notice of intent to award a contract. If IPERS issues a notice of intent to award a contract at the conclusion of the selection process, the contents of all proposals, excluding confidential information, will be placed in the public domain and open to inspection by interested parties. Trade secrets or proprietary information that are recognized as such and protected by law may be withheld, but only if designation of such sections is stated in proposing firms' cover letters and confidential information is ***clearly identified*** as such on each of the applicable pages within the body of the proposal.

Any proposal submitted which contains confidential information must be conspicuously marked on the outside as containing confidential information, and each page upon which confidential information appears must be conspicuously marked as containing

confidential information. Identification of the entire proposal as confidential shall be deemed non-responsive and disqualify the firm.

**If the firm designates any portion of the RFP as confidential, the firm must submit one “excised copy” of the proposal from which the confidential information has been excised. This excised copy is in addition to the copy requested in Part 2, A.8 of this RFP.** The confidential material must be excised in such a way as to allow the public to determine the general nature of the material removed and to retain as much of the proposal as possible.

The firm’s failure to request confidential treatment of material shall be deemed by IPERS as a waiver of any right to confidentiality, which the firm may have had.

D. PROPOSAL OBLIGATIONS

The contents of the proposal and any clarifications thereto submitted by the successful Provider shall become part of the contractual obligation and will be incorporated by reference into the ensuing contract.

E. DISPOSITION OF PROPOSALS

All proposals submitted become the property of IPERS. Notwithstanding the foregoing, if IPERS decides to terminate the selection process prior to the issuance of a notice of intent to award a contract, it will destroy or shall direct the destruction of all proposals and no file copies, either physical or electronic, shall be maintained by IPERS or its agents. Proposals that are received after the submission deadline will not be considered.

F. GRATUITIES

1. The laws of Iowa provide that it is a felony to offer or promise to give anything of value or benefit to a state employee with the intent to influence that employee’s duties. Evidence of violations of this statute will be turned over to the proper prosecuting attorney.
2. IPERS provides reimbursement for transportation, lodging, meals and miscellaneous expenses for its employees.
3. IPERS employees are subject to stringent statutory restrictions relative to acceptance of gifts, meals, lodging or transportation from any service contractor. Except for expenses associated with attending Provider-sponsored educational conferences, and only to the extent such expenses are covered by the Provider for its other clients, no meals, or travel expenses may be provided or subsidized by a Provider for IPERS employees.

G. IOWA STATUTES AND RULES

The terms and conditions of this RFP shall be construed in accordance with the laws of Iowa. Whenever differences exist between federal and state statutes or regulations affecting this procurement, interpretation shall be in the direction of that which is most beneficial to the interests of the state of Iowa.

H. SIGNATURE OF PROVIDER'S AGENT

The offer made by the proposal, and any clarifications to that proposal, shall be signed by an officer of the offering firm or a designated agent empowered to bind the firm in a contract.

I. AWARD OF MANDATE

IPERS reserves the right to award a contract not necessarily to the firm with the lowest fee or cost proposal, but to the firm or firms that will provide the best match to the requirements of the RFP. The successful Provider or Providers will be determined in accordance with the evaluation criteria defined by IPERS.

J. EVALUATION OF PROPOSALS

IPERS will evaluate the proposals according to the evaluation criteria specified in this RFP. It is possible that IPERS may conduct finalist interviews and office visits with the top scoring candidate firms. Staff will provide a formal hiring recommendation to the IPERS Investment Board, which will make the final Provider selection(s).

K. EVALUATION CRITERIA

Proposals will be evaluated using the following criteria:

Organization/Firm	15%
Operations	20%
Information Technology	15%
Performance and Risk Reporting	20%
Pricing	30%

L. THE RESULTING CONTRACT

The contract that IPERS expects to award as a result of the RFP will be based upon the proposal submitted by the successful Provider(s) and this RFP. The contract between IPERS and the Provider(s) shall be a combination of the specifications, terms and conditions of the RFP, the offer contained in the proposal submitted by the Provider, any

written clarifications or changes made in accordance with the provisions herein, and any other terms deemed necessary by IPERS.

IPERS will issue a notice of intent to award if or when a winning proposal has been selected. The firm submitting the winning proposal will then be required to enter into discussions with IPERS to negotiate and finalize a contract before an award is made. These discussions are to be finalized and all exceptions resolved within approximately three weeks of notification; if not, the firm's proposal may be rejected, and discussions may be initiated with other firms that submitted proposals meeting the RFP's minimum requirements. Negotiated provisions must be consistent with the firm's offer; furthermore, no negotiated provision of any proposed contract shall, in the sole discretion of IPERS, affect Part 1, Section E, set forth in this RFP, affect the evaluation criteria set forth in this RFP, or give the successful firm a competitive advantage.

M. TERM OF CONTRACT

The resulting contract shall be for a three-year period from the date of its execution, with the option to annually renew for up to additional one-year periods, not exceeding a total period of six years. The resulting contract may be terminated at IPERS' discretion, with or without cause, after thirty (30) days written notice to the Provider.

N. SCHEDULE OF EVENTS

1. **June 21, 2022** – RFP IS ISSUED.
2. **June 30, 2022** – INQUIRIES – Inquiries and requests for interpretation or clarification of the RFP from potential bidders will be accepted only via email. All inquiries must be received no later than 3:00 p.m. CST on this date. Firms must email their inquiries to IPERS (with subject as "RFP # I-2022-5 Inquiry") at the following address: [investments-rfp@ipers.org](mailto:investments-rfp@ipers.org).
3. **July 8, 2022** – RESPONSE TO INQUIRIES – If possible, responses will be posted on <https://www.ipers.org/about-us/requests-proposals> by 3:00 p.m. CST on this date.
4. **July 22, 2022** – PROPOSALS DUE – The email containing the proposal and any excised copy of the proposal must be received by 3:00 p.m. CST on this date. **The proposal must be emailed only to [investments-rfp@ipers.org](mailto:investments-rfp@ipers.org).**
5. **August 2022** – FINALIST INTERVIEWS AND OFFICE VISITS – if necessary.
6. **August–September 2022** (Tentative) – ANNOUNCEMENT OF SELECTION – The System will notify all firms that submitted a proposal of its selection, which shall be subject to successful negotiation of a contract with the selected firm(s).

O. AUTHORIZATION TO RELEASE INFORMATION

IPERS reserves the right, either directly or through its authorized representative, to obtain from all sources, pertinent information concerning a firm, a firm's products, services, personnel or subcontractors.

By submitting a proposal, the firm hereby authorizes IPERS and its authorized representatives to obtain information regarding the firm's performance on other contracts, agreements, or other business arrangements, its business reputation and any other matter pertinent to the evaluation and selection of a successful firm in response to this RFP. This includes, but is not limited to, the right to conduct criminal history, prior performance, reference checks and other background investigations for persons retained by the firm or other persons identified in the firm's proposal. This also includes, but is not limited to, the right to obtain, verify and consider information from sources such as the firm's performance of contracts for other clients.

The firm, in submitting its proposal, hereby releases, acquits and forever discharges IPERS, the state of Iowa and their trustees, officers, employees and agents from any and all liability whatsoever including all claims, demands and cause of action of every nature and kind affecting the firm that it may have or ever claim to have relation to information, data, opinions and references obtained by IPERS in the evaluation and selection of a firm in response to this RFP.

The firm, in submitting its proposal, authorizes IPERS and its authorized representatives to contact all the persons, entities and references which are directly or indirectly, listed, submitted or referenced in firm's proposal submitted in response to this RFP.

By submitting its proposal, firm authorizes all persons and entities to provide information, data and opinions with regard to firm's performance under any contract, agreement or other business arrangement, firm's ability to perform, firm's business reputation and any other matter pertinent to the evaluation of firm. The firm and its partners, officers, directors, employees and agents hereby release, acquit and forever discharge any such person or entity and their officers, directors, employees and agents from any and all liability whatsoever, including all claims, demands and causes of action of every nature and kind affecting the undersigned firm that it may have or ever claim to have relating to information, data, opinions and references supplied to IPERS in the evaluation and selection of a successful firm in response to this RFP.

P. ETHICS POLICY DISCLOSURES

IPERS' staff and Board members are subject to an Ethics Policy adopted by the Investment Board (which can be viewed at <http://www.ipers.org/investments/policy/index.html>). The Ethics Policy requires firms and their agents to disclose campaign contributions made

to campaigns for public elective office of IPERS staff and Board members. If your firm is selected as a semifinalist, you will be required to disclose any campaign contributions made by the firm and/or its employees or agents to any campaign for public elective office of IPERS Board and staff members or their spouses within the previous two-year period.

Q. APPEALS

*Filing an appeal.* Any firm that filed a timely bid or proposal and that is aggrieved by an award made by IPERS may appeal the decision by filing a written notice of appeal with Chief Executive Officer (CEO) Greg Samorajski, 7401 Register Drive, Des Moines, Iowa, 50321, within five (5) calendar days of the date of award, exclusive of Saturdays, Sundays and legal state holidays. IPERS must receive the notice of appeal within the specified time frame for it to be considered timely. The notice of appeal shall state the grounds upon which the firm challenges the IPERS' award.

*Procedures for vendor appeal.* The appeal will be treated as "other agency action" in accordance with Iowa Code chapter 17A and cases interpreting this Code chapter. The procedure for an appeal of "other agency action" is to allow the firm an opportunity to be heard. To fulfill this obligation, the firm has five (5) calendar days from the date the notice of appeal was filed with IPERS to submit any written arguments and documents it wants considered related to the merits of the appeal.

The aggrieved firm may, or may not, be afforded an opportunity to discuss the merits of the appeal with CEO Samorajski, over the telephone or in person. CEO Samorajski will issue a final agency decision related to the appeal. The exclusive means for a firm to seek further review of the final agency decision shall be governed by Iowa Code §17A.19.

### PART 3

### QUESTIONNAIRES

**The proposal must answer the following questions:**

**A. ORGANIZATION / FIRM**

1. Provide a brief overview of the firm, and include:
  - a. The legal name of the firm that will be contracting with IPERS to provide the Services described in this RFP. (Note: Answers to all remaining questions in this part shall refer to the legal entity you name here.)
  - b. A description of the firm's legal organization (corporation, partnership, etc.) and where organized.
  - c. An organizational chart and description of the legal relationship the firm has with any parent organizations, subsidiaries and affiliates.
  - d. The firm's registration numbers and current registration with any regulatory agencies (SEC, FSA) and licenses with any authorities.
2. Does the firm agree that if it is selected as a Provider, it will not require any contract terms that violate IPERS' legal principles described in section 1.E of this RFP?
3. Describe your organization's major operations and technology initiatives currently and in the recent past. How did these expenditures enhance your offerings to the marketplace?
4. Provide an organizational chart for your firm, clearly marking total head count, and provide bios for the individuals that are responsible for the following areas:
  - a. Onboarding new accounts
  - b. Daily operations
  - c. Accounting and finance
  - d. Legal
  - e. Information technology
  - f. Risk and performance reporting
5. List key personnel that have joined/left the firm in the last three (3) years indicating their experience with the firm, experience in the industry and reasons for joining/departure.
6. Do you also provide services to any "affiliated" asset management firms? Provide details on confidentiality of client data and other Chinese wall policies instituted at your firm.



7. Do you work with specific service providers (legal, audit, brokers, banks, etc.)? Are you entitled to any rebates or commissions from these entities, soft or otherwise?
8. Describe how the firm's compensation policies align employee's interests with clients.
9. Complete the following table

	2019	2020	2021
Total AUM at Dec. 31:			
Total # of accounts at Dec. 31:			
# of accounts gained in the year:			
AUM of accounts gained in the year:			
# of accounts lost in the year:			
AUM of accounts lost in the year:			
Commingled managed account AUM			
# of commingled managed accounts			
Dedicated managed accounts AUM			
# of dedicated managed accounts			

10. Provide a pie chart indicating the types of clients that use your firm's managed account platform services, splitting them between pension funds, endowments, hedge funds, family offices and affiliated and other institutional investors. Provide the AUM for each category as of December 31, 2021.
11. Identify your three (3) largest and smallest clients? Indicate their AUM under the managed accounts platform
12. Provide a chart indicating the types of investment strategies deployed on your managed platforms (Equity long/short, Macro/CTA, Credit, FX, ARP, etc.) by AUM under your platform.
13. Describe the insurance coverage carried by your firm along with deductibles and types of acts that are covered.

**B. OPERATIONS**

1. Provide a detailed overview/flow chart of how your firm provides these services to clients and the key performance indicators used to evaluate your performance and service agreements.
2. Will the firm use any non-affiliated third parties to provide some or all the services? If yes, explain why and describe in detail the business arrangement between the firm and any third party.
3. In your opinion, what parts of the operations need IPERS staff involvement? Elaborate.

4. What are your organization's major operational strengths and weaknesses?
  - a. Specifically, do you have a capacity constraint as it relates to AUM/size under this platform?
  - b. Are there any strategies/instruments that your firm cannot manage?
5. List all the types of investment strategies managed on your platform. Also, highlight key differences in servicing each type of strategy.
6. Describe your experience working directly with clients/asset-owners (and not with hedge fund consultants) with specific examples. What do you foresee as key areas that require more attention by IPERS staff?
7. Describe your experience and process working with swap exposures. Please discuss daily collection of underlying position data and any independent valuation processes.
8. Without disclosing a name, describe the services that you provide to an existing client that resembles closest to the IPERS requirements.
9. Discuss the range of legal support you foresee to provide IPERS with respect to setup and administration of the managed account platform.
10. Identify any potential conflicts of interest that exist between your firm, your clients, managers under your platform, service providers, counterparties and other entities.
11. Describe the process to oversee margin, collateral and cash management. Specifically indicate processes followed for margin calls, delivery/roll notifications, etc.
12. Explain the following operational sub-process:
  - a. Moving collateral and cash between IPERS custodian and broker.
  - b. Trade, positions and NAV reconciliation.
  - c. Valuation procedures and policies. Are there any security types that are valued by third parties? Indicate for SWAPs and premia's
  - d. Client data confidentiality clearly indicating the teams that will have access to IPERS data.
13. What were your biggest errors/mistakes (historically) and what have you modified to improve your operational process?
14. Provide your most recent internal control review/audit reports. When was the most recent SSAE 16 or similar audit conducted?
15. Describe the processes used to check and report investment manager restrictions and compliance to guidelines.
16. How frequently do you estimate the NAV of accounts? Will you be able to provide a daily P&L by manager and program?

C. INFORMATION TECHNOLOGY

1. Provide a brief overview of the IT suite used for the systems. Also provide names, specifications and details of internally built vs purchased software. Indicate data providers for pricing of NAV's.
2. Provide the last three (3) year's annual IT budgets, clearly indicating the type and purpose of investments.
3. Do your systems have secure client access for clients? Are there certain areas that are restricted to clients? Do you offer an online portal that is interactive?
4. How many user licenses are provided to clients for online services?
5. At what time during the day are the daily reports made available?
6. Are all your IT systems developed in-house? If not, list your technology providers?
7. Provide your disaster-recovery policy and continuity plans. Have the plans ever been tested, or a drill conducted? What were the results of this exercise?
8. Have your systems experienced failure(s) that impacted client use? Provide details, the time it took to resolve, and the compensation paid out.
9. Have your systems experienced failure(s) that impacted your ability to conduct day-to-day operations (such as collateral or cash movements)?
10. Explain in detail the process used to on-board managers, brokers, custodians, risk systems, etc. to exchange data.
11. Provide a copy of all daily, monthly and ad-hoc reports that IPERS will have access to through your systems.
12. Do you provide a role-based access system? Can IPERS customize the information available to different members of the IPERS team?
13. Do you provide access via online sites or smart-phone apps? Do your apps provide the same functionality as your web-portals? Elaborate.

D. PERFORMANCE AND RISK REPORTING

1. Does your firm have experience in providing consolidated performance and risk reports to institutional investors through your platform? If so, describe the systems used and attach sample reports that cater to the risk statistics described under Risk Reporting Services in Part 1.D.
2. Provide a brief overview of your reporting capabilities, highlighting the risk metrics requested in the Scope of Services.
3. What is the typical frequency of client reporting for the provided risk reports? Group them by frequency.
4. Are your report formats and statistics customizable by the client? If so, describe in

detail a custom report constructed for an existing client clearly indicating the challenges and time taken to deliver said report.

5. Does your system accommodate real-time reporting or pricing of positions?
6. Do you provide full portfolio look through on a daily basis? Can your system consolidate positions and views across multiple managers/accounts?
7. Provide a list of all non-standard or proprietary measures that are provided to clients. Also include a brief explanation of the measure.
8. Provide sample reports and screenshots (with comments) available to clients as attachments to this request.

E. PRICNG

1. The following are the major assumptions to be considered for pricing services:
  - a. Back/Middle Office Relationships: 5 FCMs, 9-10 Counterparties and 5-10 Managers.
  - b. Instruments traded: Exchange traded derivatives, SWAPs and FX Forwards.
  - c. Total assets trading level for LARS program: \$1 billion for CTA strategies and \$300 million for ARP.
  - d. Daily P&L and Risk reporting, consolidated monthly fund risk reporting, monthly NAVs.
2. Provide a detailed fee proposal for all services that are included in the scope using above assumptions. Preference will be given to providers that provide the following:
  - a. A tiered "all-in" fee schedule (by % of assets serviced).
  - b. Fee breakups (in as much detail as possible) by broad categories of service.
3. Other than the fees listed in your fee proposal, list all additional revenue and remuneration that your organization will receive in connection with your relationship with IPERS.
4. Are there additional costs (not listed) IPERS will incur to establish the relationship with the provider? If yes, provide an estimate.