

**REQUEST FOR PROPOSALS (“RFP”) for**

**INVESTMENT CONSULTING SERVICES**

**RELEASE DATE: June 13, 2024**

**DEADLINE FOR INQUIRIES: July 5, 2024, 4:00 P.M. (CT)**

**DEADLINE FOR SUBMISSION: July 19, 2024, 4:00 P.M. (CT)**

Table of Contents

[Introduction 4](#_Toc169086338)

[A. Overview of Request for Consulting Services 4](#_Toc169086339)

[B. RFP Timeline 4](#_Toc169086340)

[C. Selection Process 4](#_Toc169086341)

[Background on the Nebraska Investment Council 5](#_Toc169086342)

[D. Plan Description 5](#_Toc169086343)

[E. Portfolio 5](#_Toc169086344)

[Requirements and Instructions for RFP Completion 7](#_Toc169086345)

[F. Delivery Instructions 7](#_Toc169086346)

[G. Responding for Different Services 7](#_Toc169086347)

[H. Inquiries 7](#_Toc169086348)

[I. Disposition of Proposals 7](#_Toc169086349)

[J. Signature of Respondent Agent 7](#_Toc169086350)

[K. Minimum Qualifications and Requirements 8](#_Toc169086351)

[Scope of Services 9](#_Toc169086352)

[L. General Consulting 9](#_Toc169086353)

[M. Performance Measurement: 10](#_Toc169086354)

[N. Real Assets 10](#_Toc169086355)

[O. Private Equity 11](#_Toc169086356)

[RFP Questionnaire 12](#_Toc169086357)

[P. General Organizational Information (All Firms Must Complete) 12](#_Toc169086358)

[1. Firm Information 12](#_Toc169086359)

[2. Assets Advised and Clients 14](#_Toc169086360)

[3. Personnel 16](#_Toc169086361)

[Q. RFP Questionnaire- General Consulting and Performance Management 18](#_Toc169086362)

[1. Asset Allocation and Portfolio Management 18](#_Toc169086363)

[2. Risk 19](#_Toc169086364)

[3. Manager Research 20](#_Toc169086365)

[4. Portfolio Evaluation 22](#_Toc169086366)

[5. Manager Searches 22](#_Toc169086368)

[6. Performance Measurement 24](#_Toc169086369)

[R. RFP Questionnaire- Real Assets 26](#_Toc169086370)

[1. Team 26](#_Toc169086371)

[2. Philosophy and Process 26](#_Toc169086372)

[3. Portfolio Evaluation 29](#_Toc169086373)

[4. Non-discretionary vs Discretionary 29](#_Toc169086375)

[5. Operational due diligence 29](#_Toc169086376)

[6. Client Portal 29](#_Toc169086377)

[7. Performance 29](#_Toc169086378)

[8. Reporting 30](#_Toc169086379)

[S. RFP Questionnaire- Private Equity 31](#_Toc169086380)

[1. Team 31](#_Toc169086381)

[2. Philosophy and Process 31](#_Toc169086382)

[3. Portfolio Evaluation 33](#_Toc169086383)

[4. Non-discretionary vs discretionary 33](#_Toc169086385)

[5. Operational due diligence 33](#_Toc169086386)

[6. Client Portal 34](#_Toc169086387)

[7. Performance 34](#_Toc169086388)

[8. Reporting 34](#_Toc169086389)

[Fee Proposal 35](#_Toc169086390)

[Appendices 36](#_Toc169086391)

# Introduction

## Overview of Request for Consulting Services

The Nebraska Investment Council (“the Council”) is requesting proposals from investment consulting firms to provide general investment consulting services across all major asset classes, periodic asset liability studies, and performance measurement services. The Council currently utilizes a general nondiscretionary advisor but will consider specialty consulting firms for real assets and private equity. The Council may consider a discretionary manager model depending on the case made. Firms may submit individual or combined proposals for 1) general consulting and performance measurement, 2) real assets nondiscretionary and/or discretionary and 3) private equity nondiscretionary and/or discretionary). A single firm or multiple firms may be considered and/or hired for the services required.

There is no expressed or implied obligation for the Council to reimburse responding firms for any expenses incurred in preparing proposals in response to this request or any other costs incurred in anticipation of being awarded a contract.

## RFP Timeline

The following is the expected timeline, but the Council may change as needed.

|  |  |
| --- | --- |
| Activity | Expected Date |
| Release RFP | June 13, 2024 |
| Respondent’s Inquiry Period Ends | June 21, 2024, 4:00 pm (CT) |
| Answers to Inquiries | July 5, 2024 |
| Respondent RFP Submission Due | July 19, 2024, 4:00 pm (CT) |
| Semi-finalist Presentation | Last two weeks of August 2024 |
| Finalist Presentation | September 11, 2024 |

All proposals made in response to this Request For Proposal (RFP) must remain open and in effect for a period of not less than 180 days after the due date specified. Any proposal accepted by the Council for the purpose of contract negotiations shall remain valid until superseded by a contract or until rejected by the Council.

## Selection Process

The Council reserves the right to award this contract to the firm(s) which, in its sole opinion, will provide the best match to the requirements of the RFP. The Council reserves the right to reject any or all proposals submitted. In evaluating proposals, the Council will carefully consider the merits of both bundled and unbundled services, as well as the potential value-add of specialty consulting services and/or discretionary services, ensuring comprehensive coverage across all investment needs.

All proposals submitted will be evaluated by the consulting services RFP committee made up of Council board members and staff. The committee may interview all, some, or none of the RFP respondents, conduct site visits to respondent offices, and conduct such other due diligence as is prudent under the circumstances. The semi-finalist(s) will be asked to make formal presentations of their proposals to the consulting services RFP committee. A finalist will be asked to make formal presentations to the Council board.

# Background on the Nebraska Investment Council

## Plan Description

The Council was established in 1969 as a centralized state investment agency. Governing laws include Neb, Rev. Stat. §§ 72-1237 through 72-1260, the State Funds Investment Act, and Neb. Rev. Stat. §§ 72-1261 through 72-1269, the Capital Expansion Act.

The Council is governed by an eight-member board of directors. The chair and four other private citizens are appointed by the Governor and confirmed by the State Legislature. There are three ex-officio members: the State Treasurer, the Director of the Nebraska Public Employees Retirement Systems, and the Administrator of the Omaha School Employees’ Retirement System. The Council board appoints a State Investment Officer (SIO), subject to approval of the Governor and the State Legislature. The SIO and eight other investment professionals make up the Council staff.

## Portfolio

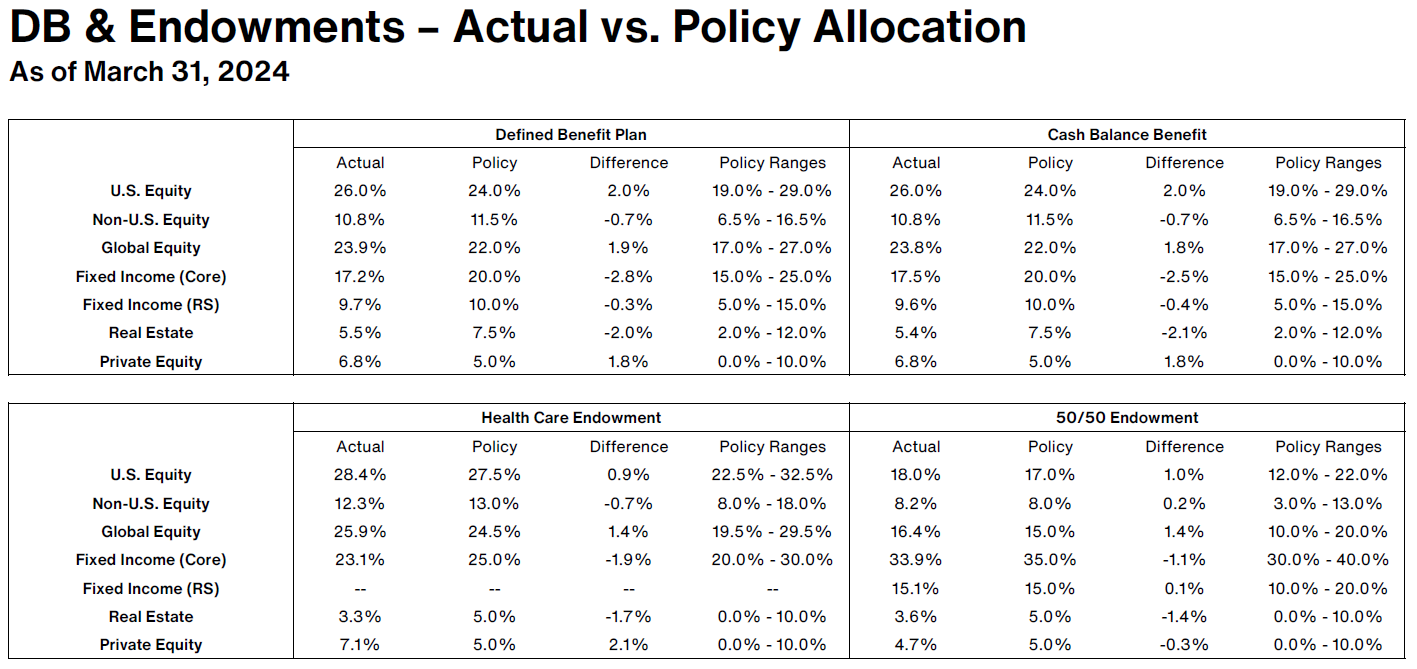
The Council has a responsibility to monitor the portfolios and ensure investment strategies provide sufficient long-term rewards relative to appropriate levels of risk. The actuarial return assumption for all plans is 7%, except for Omaha School Employees’ Retirement System (OSERS) which will be 7% in 2025.

The Council oversees $41 billion in assets across 33 investment programs. The funds are spread among over 60 investment firms and over 150 investments.

|  |  |  |
| --- | --- | --- |
|  | Plans or Programs | Amount |
| Defined Benefit Plans | 4 | $16.7 billion |
| OSERS | 1 | $1.6 billion |
| Other Retirement Plans | 7 | $4.2 billion |
| Operating Investment Pool | 1 | $9.9 billion |
| Public Endowment | 12 | $1.7 billion |
| Educational Savings | 4 | $6.6 billion |
| Enable Savings | 1 | $38 million |
| State Trusts | 3 | $72 million |

As of December 31, 2023

The portfolios’ actual vs policy asset allocations are as follows as of March 31, 2024:



For additional information regarding the Council and the investment programs, please access: <https://nic.nebraska.gov/>.

The Council’s annual reports can be found at: <https://nic.nebraska.gov/performance-publications>.

# Requirements and Instructions for RFP Completion

## Delivery Instructions

Responses are required to be submitted electronically in their original format to [nic.sio@nebraska.gov](mailto:nic.sio@nebraska.gov), no later than the time stated in the RFP Timeline in section B.

In addition, five hard copies of the proposal, inclusive of attachments must be received by the Council no later than the end of the time stated in the RFP Timeline. This submission must be addressed and delivered to:

Nebraska Investment Council

1526 K Street, Suite 420

Lincoln, NE 68508

Attn: Ellen Hung, State Investment Officer

All proposals must be complete in every respect and must answer concisely and clearly all questions asked in this RFP. Late proposals will not be accepted.

## Responding for Different Services

The Council will consider individual mandates for 1) general consulting and performance measurement, 2) real assets nondiscretionary or discretionary and 3) private equity nondiscretionary or discretionary. The Council may select an individual consultant for all mandates bundled or may select individual consultants for each mandate.

All respondents must complete Section P of the RFP Questionnaire. Candidates that would like to be considered for General Consulting and Performance Measurement must complete Section Q. Candidates that would like to be considered for real assets must complete Section R. Candidates that would like to be considered for private equity must complete Section S. Candidates that would like to be considered for multiple mandates must complete each respective section.

## Inquiries

All inquiries and requests for information relating to this RFP must be emailed to: nic.sio@nebraska.gov no later than the due date outlined in the RFP timeline. The email should reference “Consulting Services RFP” in the subject line. Frequently asked questions and responses will be posted to the NIC website on the date specified in the RFP Timeline.

## Disposition of Proposals

All proposals become the property of the Council and will not be returned to the respondent. The Council reserves the right to retain all proposals submitted and to use any ideas in a proposal regardless of whether that proposal is selected. Submission of a proposal indicates acceptance of the conditions contained in this RFP, unless clearly and specifically noted in the proposal.

## Signature of Respondent Agent

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

## Minimum Qualifications and Requirements

Unless otherwise specified, as of the response due date, respondents must meet the following minimum requirements to be considered for the contract.

1. The investment consulting firm must be a Registered Investment Advisor under the Investment Company Act of 1940 evidenced by Form ADV Parts I and II.
2. The investment consulting firm must have been in the business of providing investment consulting services for a minimum of five (5) years.
3. The general investment consulting firm must have a minimum of two (2) public pension fund clients for which general investment consulting services are provided with at least $10 billion or more in the investment portfolio.
4. Those responding to the real assets and/or private equity specialty consulting only must have a minimum of two (2) public pension fund clients for which specialty consulting services are provided with at least $1 billion or more in the investment portfolio.
5. The investment consulting firm must assign a minimum of three (3) professionals to cover the Council’s account, with one (1) individual serving as the primary/lead consultants and one (1) individual serving as the backup primary consultant. Secondary professional(s) assigned to the Council’s account must be able to adequately service the account in conjunction with and/or in the absence of the primary consultants.
6. The primary and backup consultants assigned to the Council’s account must have a minimum of five (5) years of investment consulting experience, either at the current or a prior firm, serving in a senior investment advisory role, preparing and/or overseeing investment policy initiatives, implementation of investment allocation strategies, and preparation of evaluations and recommendations of investment managers for public pension plans.
7. The investment consulting firm must disclose all conflicts of interest and/or the appearance of a conflict of interest, all sources of revenue and affiliations especially, but not limited to, those concerning investment managers recommended by the firm.
8. Fees must be assessed on a fixed-structure basis, as opposed to a percentage of assets under advisement.
9. The investment consulting firm must agree to act as a fiduciary within the meaning of applicable Nebraska law.
10. The investment consulting firm must agree to comply with Nebraska law as it applies to investments made by the Council.

# Scope of Services

The selected consultant is expected to provide ongoing advice and technical support in the establishment and refinement of portfolio asset allocation, investment goals, objectives, and policies. The consultant will also assist the Council with services including but not limited to rebalancing activities, portfolio structure reviews, transition management, securities lending, custodial evaluation, and recommending new investment opportunities.

The Investment Consultant will also be responsible for performing performance calculations and providing the Council with comprehensive performance measurement reports, which will be customized to include information most relevant to the needs of the Board and the Staff. Services will include, but not be limited to:

## General Consulting

1. Attendance by a Senior/Lead Consultant at Council meetings.
2. Attendance at meetings to present investment performance, provide an assessment of any investment or investment manager issues, to discuss topical issues and possible policy impact to the Council, and to present any recent research conducted by the Investment Consultant. The Council currently meets six times per year for one day (usually 8:30 am – 3:00 pm CT), although may meet more or less frequently, as needed.
3. A review of the strategic asset allocation including a review and assessment of the underlying capital market assumptions. Assist Staff in implementing the strategic asset allocation plan.
4. Collaborate with the Nebraska Public Employee Retirement Systems’ (NPERS) actuaries to perform asset liability modeling studies as needed.
5. Review investment management guidelines, benchmark selection, investment management fee schedule and investment management agreements.
6. Conduct portfolio structure reviews as needed.
7. Review the Investment Governance Policies, Administrative Policies, and Investment Policy Statements on an annual basis.
8. Conduct investment manager searches as requested by staff on an as needed basis.
9. Ongoing due diligence on existing investment managers including assessments of new products/strategies, risk/return profile, and organizational changes. This due diligence may also include site visits when appropriate.
10. Provide prompt and regular communications regarding important developments concerning existing investment managers, ensuring timely updates are conveyed efficiently and effectively.
11. Provide Staff with access and training (if applicable) to Investment Consultant’s investment manager and performance databases.
12. Provide full access to all research produced by Investment Consultant.
13. When requested, provide access to educational sessions for Board Members and/or Staff.
14. Assist in portfolio transition event considerations, and with evaluating pre-trade analyses, post-trade analyses, and proposals from transition managers.
15. Assist in evaluating the Council’s securities lending program.
16. Assist in evaluating custodial banking services and fees.
17. Availability by phone, virtually, or in-person for meetings as needed by staff relating, but not limited to, manager monitoring, performance, portfolio rebalancing, RFP projects, investment manager guideline reviews, and other ad hoc items.

## Performance Measurement:

1. Conduct quarterly performance calculations.
2. Quarterly reports will also contain written commentary on the investment results of all portfolios in the context of their objectives and benchmarks, specific commentary on factors affecting performance, and a review of notable organizational issues for each investment manager.
3. The report will include a manager monitoring list for organizational and performance issues.
4. A Senior/Lead Consultant must attend every meeting of the Council to present fund performance, investment manager issues, and be prepared to address any other related issues.
5. Quarterly reconciliations between investment manager returns and returns calculated by the consultant. Performance calculations for the internally managed portfolios should be prepared in collaboration with information provided by the custodian and Staff. Quarter end reconciliations must include written explanations of any differences outside established tolerance ranges.
6. Provide access to Investment Consultant’s performance database as it relates to the Council’s historical performance.
7. Be available by phone, virtually or in-person for meetings when appropriate for questions on an interim basis.

## Real Assets

The Council currently utilizes the general consultant to provide nondiscretionary consulting services for real assets. The Council will consider specialty consulting services and will evaluate the appropriateness of nondiscretionary vs discretionary services based on proposals received.

1. Attendance by a senior/lead consultant as needed at Council meetings to provide an assessment of any investment or manager issue that occurs during the period, to discuss topical issues and possible policy impact to the Council, and to present any recent research conducted by the real assets consultant.
2. Conduct annual reviews of the real asset portfolios focusing on the structure and diversification of the portfolio.
3. Conduct annual pacing studies to assist in maintaining the Council’s target allocation over the long-term.
4. Provide support in conducting periodic portfolio structure reviews.
5. Provide quarterly (or as needed) forward calendar/pipeline discussions.
6. Support the selection of real asset investments for new real asset fund managers and/or separate accounts and/or assisting in re-underwriting existing managers, and/or co-investment opportunities, including conducting on-site visits.
7. Provide ongoing monitoring of the Council’s real assets managers and related real assets investments focusing on investment performance and organizational issues such as, but not limited to, changes in ownership, retention of professional staff, fee changes, and new products.
8. Prepare quarterly reports summarizing the investment performance of the various real asset managers. All reports will include: an analysis of the current market environment, a summary of the most recent events in the financial markets, a review of the performance of the major market indexes, an analysis of the asset allocation of the current investment program, a complete return analysis, and a review of the investment results in the context of their objectives and benchmarks, along with specific commentary on factors affecting performance.
9. Present a real asset review annually to the Council including an overview of the market environment, pacing plan, and an overview of the portfolio performance.
10. Provide the Council staff with access to all real assets research produced by the real assets consultant.
11. When requested, provide access to educational sessions for the Council Board and/or Staff.
12. Work collaboratively with the general consultant on asset liability studies, pacing plans and other projects as needed.
13. Be available by phone, virtually or in-person for meetings when appropriate for further discussion or questions.

## Private Equity

The Council currently utilizes the general consultant to provide nondiscretionary consulting services for private equity. The Council will consider specialty consulting services and will evaluate the appropriateness of nondiscretionary vs discretionary services based on proposals received.

1. Attendance by a senior/lead consultant as needed at Council meetings to provide an assessment of any investment or manager issue that occurs during the period, to discuss topical issues and possible policy impact to the Council, and to present any recent research conducted by the private equity consultant.
2. Conduct annual reviews of the private equity portfolios focusing on the structure and diversification of the portfolio.
3. Conduct annual pacing studies to assist in maintaining the Council’s target allocation over the long-term.
4. Provide support in conducting periodic portfolio structure reviews.
5. Provide quarterly (or as needed) forward calendar/pipeline discussions.
6. Support the selection of private equity investments for new private equity fund managers and/or separate accounts and/or assisting in re-underwriting existing managers, and/or co-investment opportunities, including conducting on-site visits.
7. Provide ongoing monitoring of the Council’s private equity managers and related private equity investments focusing on investment performance and organizational issues such as, but not limited to, changes in ownership, retention of professional staff, fee changes, and new products.
8. Prepare quarterly reports summarizing the investment performance of the various private equity managers. All reports will include: an analysis of the current market environment, a summary of the most recent events in the financial markets, a review of the performance of the major market indexes, an analysis of the asset allocation of the current investment program, a complete return analysis, and a review of the investment results in the context of their objectives and benchmarks, along with specific commentary on factors affecting performance.
9. Present a private equity review annually to the Council including an overview of the market environment, pacing plan, and an overview of the portfolio performance.
10. Provide the Council staff with access to all private equity research produced by the private equity consultant.
11. When requested, provide access to educational sessions for the Council Board and/or Staff.
12. Work collaboratively with the general consultant on asset liability studies, pacing plans and other projects as needed.
13. Be available by phone, virtually or in-person for meetings when appropriate for further discussion or questions.

# RFP Questionnaire

## General Organizational Information (All Firms Must Complete)

### Firm Information

1. Complete the following table:

|  |  |
| --- | --- |
| Firm Name |  |
| Address |  |
|  |  |
| Client Contact |  |
| Title |  |
| Telephone |  |
| Email Address |  |
| Firm Website |  |

1. Complete the Firm Submission Summary file below. Attach as **Appendix 1.**



1. Indicate your firm’s fiduciary classification:

Registered Investment Advisor

(Registered under the federal Investment Advisors Act of 1940)

Other: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. Acknowledge that your firm, if chosen, will act as a fiduciary with respect to the Council.

Yes  No

1. Give a brief history of the firm including:
2. Year the firm was founded and/or year the parent was founded.
3. Nature of the firm’s ownership structure and specific details regarding any affiliated companies or joint ventures.
4. Ownership names and percentages.
5. Description and rationale of previous significant ownership changes.
6. Year the firm began providing investment consulting services to U.S. tax-exempt clients.
7. Whether investment consulting capabilities were developed in-house or derived through acquisition of talent from another firm. If the latter, indicate when this occurred.
8. Any material changes in the organization (including personnel changes) in the past five years. Include prior names and the length of time the organization has been in business under its present name and ownership.
9. Description of the culture of the organization.
10. Describe your firm's consulting specialties and strengths.
11. Provide an organization chart which diagrams the ownership structure and interrelationships between the parent-subsidiary, affiliate, or joint venture entities. (Attach as **Appendix 2**)
12. Provide your firm’s most recent succession plans. Are there any current plans for senior members of the firm to retire?
13. Provide the location and function of each of your firm’s offices:

|  |  |  |
| --- | --- | --- |
| **Location** | **Function** | **Number of Professionals** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

1. Which of your firm’s offices would service this account? Which specific services would be provided by which offices?
2. List your firm’s lines of business and the approximate contributions of each business to your organization’s total revenue. If you are an affiliate or subsidiary of an organization, what percentage of the parent firm’s total revenue does your subsidiary or affiliate generate?
3. Provide details on the financial condition of your firm. Most recent annual reports filed with the SEC will be acceptable, but any recent material changes should be included. (Attach as **Appendix 3**)
4. Include a copy of your most recent ADV. (Attach as **Appendix 4**)
5. Provide a copy of your firm’s most recent policies and procedures addressing business continuation and disaster recovery. (Attach as **Appendix 5**)
6. Discuss the overall business objectives of your firm with respect to future growth. Comment on any present or planned areas of emphasis over the near future. Be sure to include in your response:
7. Total assets or client relationships that will be accepted.
8. Plans to develop and expand resources.
9. Plans to merge with other firms.
10. Plans to acquire other firms.
11. Plans to spin off subsidiaries.
12. Plans to be spun off by a parent firm.
13. Plans for ownership or organizational changes.
14. Over the past ten years, has your organization or any of its affiliates or parent, or any officer or principal been involved in any business litigation or other legal proceedings related to your consulting or investment activities? If so, provide a brief explanation and indicate the current status.
15. Discuss any inquiries your firm has received from the SEC during the past ten years.
16. Does your firm or parent company run or have an interest in a securities brokerage firm? Does your firm trade for client accounts through this broker/dealer? If so, to what extent?
17. Do you have any arrangements with broker-dealers under which you or a related company will benefit if money managers place trades for their clients with such broker dealers?
18. What percentage of your clients use investment managers, investment funds, brokerage services or other service providers from whom you receive fees or any other type of compensation due to clients’ use of such services?
19. Does your firm accept investment managers as clients? If so, for what products or services? What percentage of the firm’s revenues are derived directly from investment managers?
20. Does your firm provide investment management services to U.S. tax-exempt investors? If yes, to what extent?
21. Do you have any policies or procedures to address conflicts of interest or to prevent payments or relationships from being considered when you provide advice to clients?
22. Does your firm permit its staff members to serve on boards of directors? If so, are any restrictions placed on this activity and how is their director compensation treated? Attach as **Appendix 6** your firm’s Conflict of Interest Policy and a description of policy enforcement procedures.
23. Does your firm have a Client Advisory Board or similar structure? Provide description.
24. Has your firm adopted the CFA Code of Ethics and Standards of Professional Conduct? If so, how is employee compliance monitored? If not, explain why.

### Assets Advised and Clients

1. Include all institutional clients in the following chart:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **12/31/19** | **12/31/20** | **12/31/21** | **12/31/22** | **12/31/23** |
| Total discretionary assets advised ($millions) |  |  |  |  |  |
| Total non-discretionary assets advised ($millions)\* |  |  |  |  |  |
| Total assets of Project-based clients\*\* ($millions) |  |  |  |  |  |
| **Total assets advised ($millions)** |  |  |  |  |  |
| **Total Number of Clients** |  |  |  |  |  |

\* Include only clients based on full retainer.

\*\* Include clients that only engage on a project basis

1. Include only public pension plan clients in the following chart:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **12/31/19** | **12/31/20** | **12/31/21** | **12/31/22** | **12/31/23** |
| Total discretionary assets advised ($millions) |  |  |  |  |  |
| Total non-discretionary assets advised ($millions)\* |  |  |  |  |  |
| Total assets of Project-based clients\*\* ($millions) |  |  |  |  |  |
| **Total assets advised ($millions)** |  |  |  |  |  |
| **Total Number of Clients** |  |  |  |  |  |

\* Include only clients based on full retainer.

\*\* Include clients that only engage on a project basis

1. List all U.S. tax-exempt pension plan accounts currently advised in the format shown below. If the name of client cannot be divulged, state type (i.e., “Public Fund” or “Corporate Fund”) instead. Also, please highlight public pension funds.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name | Hire Date | 12/31/23 Market Value ($ millions) | General Description of Portfolio | Retainer Client, Project Client, Both (“R”, “P”, “B”) |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |

1. Identify the total number of consulting clients (by full-retainer or project) by type (corporate plan, public plan, etc.).
2. What is the average consultant to client ratio? What is the maximum number of clients and asset amounts assigned to a consultant?
3. Provide details on the number, names, and asset values of all terminated U.S. tax-exempt institutional client relationships in the past three years, with reasons for the termination. Provide the name, contact name, title, and telephone number of three clients which have terminated your firm’s services in the last three years.
4. Provide the name, contact name, title, and telephone number of three U.S. tax-exempt public pension fund consulting clients as references. References similar to the Council’s size and requested mandate would be appreciated.

### Personnel

1. Provide your firm’s organization chart as of December 31, 2023. (**Appendix 7**)
2. List below the total number of persons employed by your firm:

|  |  |  |
| --- | --- | --- |
|  | **Total** | |
| Consultants |  | |
| Research Professionals  (Provide breakdown by asset class) | Total\* |  |
| Generalist |  |
| Capital Markets |  |
| Public Equity |  |
| Fixed Income |  |
| Private Equity |  |
| Private Credit |  |
| Private Real Assets |  |
| Other |  |
| Performance Measurement Specialists |  | |
| Other Professionals (Specify functional role) |  | |
| Support/ Clerical |  | |

\* Do not double count professionals for total if they provide research for multiple sectors.

1. List all principal officers, consultants, and client service officers who would be responsible for this account. This information should be provided in the format below.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Name | Office | Title | Responsibilities | Total Years Experience | Years with Firm | Education\* |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

\*Most advanced degree only

1. Provide the biographies of all the individuals listed in the table above.
2. For both the primary and backup consultant(s) listed above, please disclose the total assets and number of clients advised, and any other duties assigned to that person. Discuss why the primary or backup consultants were selected as the proposed primary consultant(s).
3. Describe your firm’s back-up procedures in the event the primary consultant assigned to this account should leave the firm or is not available to attend a scheduled meeting.
4. Complete the attached team table including a list of consulting and research professionals, departures over the past seven years and additions over the past seven years. Attach the file as **Appendix 8** in your submission.



1. If applicable, describe any plans to increase personnel at the firm and at what levels/positions.
2. Discuss the compensation package available to your firm’s professional staff, including any incentive bonuses and how they are awarded. Be detailed and specific without necessarily disclosing dollar amounts. How does the firm tie client performance and satisfaction to a consultant’s compensation?
3. What other programs do you have in place to retain key staff? Be detailed and specific.

## RFP Questionnaire- General Consulting and Performance Management

(Only Firms Submitting a Proposal for General Consulting and Performance Management should Complete this section)

### Asset Allocation and Portfolio Management

1. Discuss your firm’s model for client engagement, detailing the approach to interaction and communication. Address how both research professionals and general consultants interact with the client, while considering varying client needs, staff levels, and levels of experience among client personnel.
2. Describe your investment philosophy and process including:
3. The approach to formulating goals and objectives and your preferred means to monitor/oversee their achievement.
4. Discuss how you seek to maximize expected return, minimize risk, and achieve optimal levels of diversification for large asset owners like the Council.
5. Address the decision-making process and the titles and responsibilities of the various individuals involved in each step of the asset allocation process.
6. How often does your firm recommend a formal review of asset allocation plans?
7. Describe how you tailor implementation of asset allocation to parallel client objectives (e.g., time horizon, liquidity needs, risk/return objectives, etc.?)
8. Describe your firm’s view on rebalancing. Include discussion on targets, ranges, frequency, and implementation methods.
9. Describe your firm’s view of tactical asset allocation along with any other methods to express an opinion on market valuations, temporal price dislocations, and/or prevailing macroeconomic themes.
10. Describe your firm’s capital markets model. How has your model evolved over time based on market conditions and academic research? Discuss the process utilized to construct your risk/return expectations from start to finish. What time horizons are utilized for your forecasts and why? How are your projections vetted over time for reliability/accuracy?
11. Provide your firm’s current inputs to the asset allocation model. Include at a minimum expected returns, standard deviations and correlation coefficients for all asset classes covered. Discuss why certain asset classes are included over others within the model and if comprehensive modeling is done for more esoteric, “niche,” sub-assets. If the firm produces a Capital Markets Assumption whitepaper describing the methodologies, please provide as **Appendix 9**.
12. Provide your philosophy and views on conducting asset class structure reviews, approach to optimal portfolio implementation, and total portfolio liquidity analysis.
13. If you could change the current asset allocation, manager roster, and/or intra-asset class structural complexion, what recommendations would your firm have for the Council? Include details and explanation for suggested changes.
14. Describe your firm’s view on the role of passive management (by asset class) in your clients’ portfolios. Specifically address your view on the appropriate active/passive mix within a public market’s portfolio of a pension fund client.
15. Does your firm have experience in advising clients with internally managed public markets portfolios? If so, please describe your relationship with those clients.
16. Describe your view on cash management strategies, including cash overlay or equitization of cash.
17. Describe your views on utilizing fund-level leverage and/or capital efficient overlay programs.
18. Describe your views on utilizing absolute return, low volatility strategies and other diversified return strategies.
19. What role and proportion does your firm generally recommend for non-U.S. denominated assets for U.S. tax-exempt client portfolios? What is your firm’s recommendation on currency hedging?
20. Describe your firm’s view on securities lending. What are your firm’s views on the benefits and/or risks of these programs? What percentage of your firm’s clients participate in securities lending programs? Briefly describe your firm’s capabilities associated with the evaluation and monitoring of securities lending programs.
21. Discuss your firm’s philosophy on transition management. Have you assisted with a search for qualified transition managers? What percentage of your firm’s clients utilize transition management? Briefly discuss your firm’s capabilities in monitoring transition events from start to finish (e.g., pre-trade through post-trade analyses) and what risks your firm views as paramount throughout the process.
22. Does your firm have a dedicated resource for the analysis of transition management, securities lending, and other custody related issues (i.e., a securities finance expert)? If so, please provide the biographies of these individuals below.

### Risk

1. Describe any risk management capabilities/services offered to clients. Are these included in the General Consulting retainer fees or are there additional associated costs?
2. How does your firm define risk? What are the most important dimensions of risk faced by a large public pension plan like the Council?
3. Describe your firm’s approach to risk management? What preferred metrics do you utilize to monitor risk across individual markets, asset classes, and client portfolios?
4. What is your firm’s approach to advising clients during periods of elevated market volatility? Cite specific examples of recommendations made to clients that were in reaction to tail risk events (e.g., GFC, COVID-19, 2022 selloff, etc.).
5. Describe your experience in utilizing scenario analysis and/or stress testing for client portfolios. What capabilities do you employ (proprietary and/or third-party) to assess left-tail risk?
6. Describe your firm’s view on active risk budgeting at the total portfolio and asset class composite levels. Have you created a risk budget model that is utilized by your clients?
7. Discuss your views on investment manager tracking error. How would you work with Staff in determining appropriate levels of active risk for current or future investment manager mandates?
8. How do you advise clients in managing the components of active risk? What is your firm’s view on the appropriate contribution to risk from factors vs. asset-specific effects?
9. Discuss your firm’s views on utilizing factor risk as a driver of excess returns. What factor tilts would you recommend implementing in today’s market environment? Why?
10. Discuss your firm’s approach to risk management across the private markets asset classes.
11. What is your firm’s approach to managing private markets active risk in the context of the total portfolio?
12. Do you advise any clients that participate in tail risk hedging, currency hedging and/or crisis risk offset portfolios? Describe your views on implementing these types of allocations within a broader portfolio mix.
13. Discuss your firm’s approach to managing risks that are indirectly related to company/asset-specific factors (e.g. macroeconomic, geopolitical, ESG, cybersecurity, headline, etc.).

### Manager Research

1. Describe your firm’s philosophy with respect to manager evaluations (formal review, ad hoc, etc.).
2. Discuss the manager research process in detail, including manager sourcing, initial due diligence, and ongoing monitoring.
3. Is there a set criteria or checklist that is covered during manager due diligence meetings? If so, please attach a checklist attached as **Appendix 10**, if applicable.
4. Briefly describe the ongoing due diligence process for existing managers. What issues are examined in the due diligence process? Who conducts the on-site visits for existing managers?
5. Do you perform investment manager fee analysis as part of your consultant services? If so, discuss how often you review fees and what resources do you utilize to benchmark management fees.
6. How often are on-site/virtual due diligence visits conducted with your clients’ managers? Indicate, in a table format, the number of on-site/virtual due diligence visits your firm conducted over the past three years in the following asset classes: U.S. Equity, Global Equity, International Equity, U.S. Fixed Income, Global Fixed Income, International Fixed Income, Private Real Assets, Private Equity, Private Credit, Hedge Funds, and Others.
7. How many investment management firms are listed in your database? Furnish a listing of firms and attach as **Appendix 11**.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2021** | **2022** | **2023** |
| U.S. Equity |  |  |  |
| Global Equity |  |  |  |
| International Equity |  |  |  |
| US Fixed Income |  |  |  |
| Global Fixed Income |  |  |  |
| International Fixed Income |  |  |  |
| Private Real Assets |  |  |  |
| Private Equity |  |  |  |
| Private Credit |  |  |  |
| Hedge Funds |  |  |  |
| Others |  |  |  |

1. Attach sample manager research memos for each of the major public markets asset classes. (Attach as **Appendix 12**)
2. Provide a description of the methodology by which your firm monitors existing investment performance. Cite specific examples where a client’s portfolio performance was enhanced, or a potential problem identified and corrected as a result of your monitoring activities. What benchmarks and objectives do you use to evaluate investment manager and portfolio performance?
3. Discuss the composition/structure of your manager research team.
4. How is coverage split up amongst members of the team? How is ultimate coverage responsibility decided?
5. How many managers/strategies are assigned to each team member?
6. Identify the public markets managers/strategies which your firm has experience within the following table.

| **Manager** | **Yes/No** | **# of Clients / Aggregate Client AUM** | **Strategy/Benchmark** | **Yes/No** | **# of Clients / Aggregate Client AUM** |
| --- | --- | --- | --- | --- | --- |
| **Domestic Equity** | | | | | |
| BlackRock |  |  | Russell 3000 Index |  |  |
| Northern Trust Asset Management |  |  | Russell 3000 Index |  |  |
| **Global Equity** | | | | | |
| BlackRock |  |  | ACWI IMI ex-US Index |  |  |
| Arrowstreet |  |  | Global equity |  |  |
| Wellington |  |  | Global perspectives |  |  |
| Dodge & Cox |  |  | Global equity |  |  |
| GQG |  |  | Global equity |  |  |
| **Fixed Income** | | | | | |
| BlackRock |  |  | Core-plus |  |  |
| BlackRock |  |  | Aggregate bond index |  |  |
| PIMCO |  |  | Core-plus total return |  |  |
| PIMCO |  |  | Diversified income |  |  |
| PIMCO |  |  | Bravo II |  |  |
| Baird |  |  | Advisors’ core-plus |  |  |
| Loomis Sayles |  |  | Multi-sector full discretion |  |  |
| Barings |  |  | Global high yield credit |  |  |

### Portfolio Evaluation

Refer to the Council’s 1st quarter 2024 performance report to answer questions 4aand 4c.

Link to performance reports:

<https://nic.nebraska.gov/sites/default/files/doc/NIC%201Q24%20Dashboard_FINAL.pdf>

1. Discuss the steps your firm would take to analyze the Council’s current investment portfolio.
2. After an initial review of the Council’s asset allocation, portfolio structure, and investment managers, discuss any preliminary views or areas of strength, risk, and potential areas to enhance the portfolio.
3. Discuss any proposed changes you would make if awarded the mandate.

### Manager Searches

1. Describe your investment manager search process and capabilities. Include descriptions of the development and maintenance of your investment manager database and the criteria used to make manager recommendations. Furnish an example of a recent search, including the circumstances surrounding the decision to search for a new investment manager, your role, any recommendation your firm made, the selection criteria, the final selection, and post selection performance of the manager.
2. How do you handle situations where the manager research recommendations are different from the staff’s recommendations? Provide any relevant examples of where the consultant provided a negative recommendation, albeit the client moved forward, including the rationale.
3. On average, what is the typical lead time needed to complete an investment manager search from start to finish? Does this timeline vary based on the asset class/strategy sought?
4. Indicate, in a table format, the number of investment manager searches with which you have assisted clients during the past three years in the following asset classes: U.S. Equity, Global Equity, International Equity, U.S. Fixed Income, Global Fixed Income, International Fixed Income, Private Real Assets, Private Equity, Private Credit, Hedge Funds, and dedicated Others.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **2021** | **2022** | **2023** |
| U.S. Equity |  |  |  |
| Global Equity |  |  |  |
| International Equity |  |  |  |
| Fixed Income |  |  |  |
| Global Fixed Income |  |  |  |
| International Fixed Income |  |  |  |
| Private Real Assets |  |  |  |
| Private Equity |  |  |  |
| Private Credit |  |  |  |
| Hedge Funds |  |  |  |
| Others |  |  |  |

1. Does your firm utilize an approved manager list? If so, how often is it updated and how do you ensure that all firms have an opportunity for inclusion? How many strategies are approved? How many strategies have been added/dropped in the past three years?
2. Describe your firm’s philosophy on investment manager fee structures.
3. Do you assist your clients in establishing and evaluating investment manager guidelines?
4. Discuss how you evaluate and communicate to client’s negative news learned about a manager. Is there a mechanism to inform all clients with exposure in a timely manner?

### Performance Measurement

1. Describe how your firm will obtain data from the Council’s custodian and investment managers.
2. Describe your firm’s quality control procedures. How does your firm verify the accuracy of data received from the custodian and from the investment managers?
3. Describe your firm’s step-by-step process for return reconciliation, including the expected process timeline. How will discrepancies between your firm, the custodian, and the investment managers be investigated and resolved?
4. Do you provide clients with return reconciliations and what is the frequency? If so, please provide a sample format. (Attach as **Appendix 13**)
5. Does your firm provide daily or weekly performance calculations?
6. How would the Council receive monthly index and benchmark returns from your firm? How soon after month-end is reliable performance information available? Are these available daily or weekly?
7. Discuss the timing of monthly and quarterly performance reports and presentations delivery.
8. Does your firm provide client access to your performance database? Describe the features available to clients.
9. Do you subscribe to or maintain a proprietary plan sponsor peer universe? If so, please discuss the composition of plans similar to the Council.
10. List all the investment manager universes that your firm uses. If they are proprietary, please describe how they are constructed.
11. Provide a sample monthly and quarterly performance reporting package. (Attach as **Appendix 14**). Can you and are you willing to customize your reporting package?
12. Does your firm’s quarterly reporting package contain:
13. attribution analysis at the total fund, asset class, and investment manager level?
14. portfolio characteristics analysis at the investment manager level?
15. holdings based style analysis at the investment manager level?
16. Describe any risk analysis that is included in your performance reports.
17. Does your firm comply with GIPS performance presentation standards?
18. Who would be the performance measurement personnel assigned to this account? Describe the back-up procedure in the event the assigned personnel are unavailable. Provide biographies for all personnel that would be involved in this account.
19. What percentage of your firm’s total revenue was derived from performance measurement services in 2023?
20. Describe how a new performance measurement client would transition to your firm. Do you backload transaction and/or investment performance data? How do you reconcile to the previous consultant’s data? Provide a timeline.

**Note: If your Firm is only submitting a proposal for General Consulting and Performance Measurement, then skip to Fee Proposal.**

## RFP Questionnaire- Real Assets

### Team

1. Identify the primary real assets consultant(s) that would be responsible for this relationship. Provide detailed biographical information including the length of time at the firm, the total assets and number of clients advised, and any other duties assigned to that person.
2. List below the total number of dedicated real assets professionals employed by the firm by category. Do not double count professionals in the total if they provide research for multiple sectors.

|  |  |
| --- | --- |
| Consultants |  |
| Research Analysts (Total) |  |
| Generalists |  |
| Real Estate |  |
| Infrastructure |  |
| Agriculture |  |
| Timber |  |
| Other |  |
| **Total Real Assets Professionals** |  |

1. Discuss the team’s experience and ability to cover global markets.

### Philosophy and Process

1. Describe your real assets investment philosophy and process. Include the approach to formulating goals and objectives, and a description of the modeling concepts and related methodology used to perform real asset allocation modeling. Also, address the decision-making process and the titles and responsibilities of the various individuals involved in each step of the process.
2. Discuss your current views on the real assets markets. What segments of the market do you feel provide the best risk/return opportunities in this market and what segments are you monitoring more closely?
3. What is the range of real asset target allocations which you are currently recommending to your clients and why?
4. What expected risk and return assumptions are you currently recommending clients use in their real assets portfolio asset allocation modeling? Do you develop assumptions by strategy (i.e., Core, Value Add, Opportunistic Real Estate, Infrastructure, Agriculture, Energy, Timber)?
5. How do you work with clients in conducting portfolio structure reviews?
6. Discuss your pacing model. What are the key assumptions utilized to model forward-looking cash flows? Is the model based in Excel and provided to clients to conduct their own scenario testing?
7. Do you provide clients with a forward calendar/pipeline? Describe the frequency and method of communication utilized in presenting opportunities that may align with the client’s portfolio objectives.
8. What role and proportion does your firm generally recommend for non-U.S. dollar denominated assets for U.S. tax-exempt client portfolios? What is your firm’s recommendation on currency hedging?
9. Discuss how your team sources new investment opportunities. What percentage is client driven versus proactive sourcing by the consulting team?
10. Describe your real assets investment manager search process and capabilities. Include descriptions of the development and maintenance of your real assets investment manager database and the criteria used to make real assets manager recommendations. Include an example of a recent search, including the circumstances surrounding the decision to search for a new real assets investment manager, your role, any recommendation your firm made, the selection criteria, the final selection, and post selection performance of the real assets investment manager. Attach a sample real assets search report as **Appendix 15**.
11. Provide, in the format below, the number of real assets investment manager searches which you have assisted clients during the last three years ending December 31, 2023, and the dollars allocated to each strategy.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Strategy Type** | **Open-End Commingled Funds** | **Closed-End Funds** | **Separate Accounts** | **Co-Investments** |
| Core |  |  |  |  |
| Value Add |  |  |  |  |
| Opportunistic |  |  |  |  |
| Non-U.S. RA |  |  |  |  |
| RE Debt |  |  |  |  |
| Other |  |  |  |  |
| **Total** |  |  |  |  |

1. Provide, in the format below, the number of real assets investments by type that your firm has reviewed and recommended for investment over the past three vintage years:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2021** | | | **2022** | | | **2023** | | |
|  | Number of Funds | |  | Number of Funds | |  | Number of Funds | |  |
|  | Reviewed | Approved | $ Committed | Reviewed | Approved | $ Committed | Reviewed | Approved | $ Committed |
| Core |  |  |  |  |  |  |  |  |  |
| Value Add |  |  |  |  |  |  |  |  |  |
| Opportunistic |  |  |  |  |  |  |  |  |  |
| Non-U.S. RA |  |  |  |  |  |  |  |  |  |
| RE Debt |  |  |  |  |  |  |  |  |  |
| Other |  |  |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |  |  |

1. Discuss your views on utilizing diversified funds relative to sector specialists.
2. Describe your firm’s philosophy regarding real assets investment manager fee structures and evaluating legal terms. Include any support you provide to clients in evaluating economic and non-economic terms. Provide examples of where you were able to assist clients in improving the terms.
3. Have you been able to provide clients with consultant aggregation discounts? Provide the number of deals and dollar amount committed that received aggregate discounts in the last three years ending 12/31/2023.
4. Provide a description of the methodology by which your firm monitors existing real asset investment performance. Cite specific examples where a client’s portfolio performance was enhanced, or a potential problem identified and corrected as a result of your monitoring activities. What benchmarks and objectives do you use to evaluate real asset investment manager and portfolio performance?
5. What specific methods would you use to keep the Council abreast of significant developments in the real assets investment field?
6. Describe your firm’s capabilities in evaluating co-investment opportunities. Include experience with initial due diligence and ongoing monitoring.
7. Describe your firm’s capabilities in evaluating secondaries opportunities. Include experience with initial due diligence and ongoing monitoring.
8. Do you advise any clients on real assets separate accounts? If so, please describe the total assets under management, property types, and geography.

### Portfolio Evaluation

Refer to the Council’s alternative investment performance report to answer questions 3aand 3c.

Link to performance reports:

<https://nic.nebraska.gov/sites/default/files/doc/NIC%20Alternative%20Investment%20Performance%20Summary%20--%20as%20of%2012-31-2023.pdf>

1. Discuss the steps your firm would take to analyze the Council’s current real assets portfolio.
2. After an initial review of the Council’s portfolio structure and investment managers, discuss any preliminary views or areas of strength, risk, and potential areas to enhance the portfolio.
3. Discuss any proposed changes you would make if awarded the mandate.

### Non-discretionary vs Discretionary

1. Does your firm provide non-discretionary and discretionary consulting services?
2. What are the advantages and disadvantages of non-discretionary consulting services?
3. What are the advantages and disadvantages of discretionary consulting services?
4. Does you firm prefer non-discretionary or discretionary client relationships and why?
5. What consulting services are being proposed?

Non-discretionary  Discretionary

### Operational due diligence

1. Does your firm include operational due diligence as part of its process?
2. Discuss your operational due diligence capabilities, if applicable.
3. Attach a sample operational due diligence report as **Appendix 16**

### Client Portal

1. Do you have a real assets investment manager database that is made available to clients online?

1. What information is provided online?
2. What capabilities and functionalities are provided online?

### Performance

1. Discuss your process for calculating performance for private real asset managers.
2. Is there a dedicated team for calculating and generating real assets performance reports?
3. Does your firm utilize any proprietary or third-party software in the calculation?

### Reporting

1. Can your firm generate reports with holdings level data?
2. What performance benchmarks do you utilize in your reporting?
3. Provide a sample real assets performance report in **Appendix 17**.

## RFP Questionnaire- Private Equity

(Complete this section only if submitting proposal for private equity consulting services)

### Team

1. Identify the primary private equity consultant(s) that would be responsible for this relationship. Provide detailed biographical information including the length of time at the firm, the total assets and number of clients advised, and any other duties assigned to that person.
2. How many dedicated private equity professionals are employed by the firm?
3. Discuss the team’s experience and ability to cover global markets.

### Philosophy and Process

1. Describe your private equity investment philosophy and process. Include the approach to formulating goals and objectives, and a description of the modeling concepts and related methodology used to perform private equity allocation modeling. Also, address the decision-making process and the titles and responsibilities of the various individuals involved in each step of the process.
2. Discuss your current views on the private equity markets. What segments of the market do you feel provide the best risk/return opportunities in this market and what segments are you monitoring more closely?
3. What is the range of private equity target allocations which you are currently recommending to your clients and why?
4. What expected risk and return assumptions are you currently recommending clients use in their private equity portfolio asset allocation modeling? Do you develop assumptions by strategy (i.e., venture, buyout, growth equity)?
5. How do you work with clients in conducting portfolio structure reviews?
6. Discuss your pacing model. What are the key assumptions utilized to model forward-looking cash flows? Is the model based in Excel and provided to clients to conduct their own scenario testing?
7. Do you provide clients with a forward calendar/pipeline? Describe the frequency and method of communication utilized in presenting opportunities that may align with the client’s portfolio objectives.
8. What role and proportion does your firm generally recommend for non-U.S. dollar denominated assets for U.S. tax-exempt client portfolios? What is your firm’s recommendation on currency hedging?
9. Discuss how your team sources new investment opportunities. What percentage is client driven versus proactive sourcing by the consulting team?
10. Describe your private equity investment manager search process and capabilities. Include descriptions of the development and maintenance of your private equity investment manager database and the criteria used to make recommendations. Include an example of a recent search, including the circumstances surrounding the decision to search for a new private equity investment manager, your role, any recommendation your firm made, the selection criteria, the final selection, and post selection performance. Attach a sample real assets search report as **Appendix 18**.
11. Provide, in the format below, the number of private equity investment manager searches which you have assisted clients during the last three years ending December 31, 2023, and the dollars allocated to each strategy.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Strategy Type** | **Open-End Commingled Funds** | **Closed-End Funds** | **Separate Accounts** | **Co-Investments** |
| Buyout |  |  |  |  |
| Venture/Growth Equity |  |  |  |  |
| Other |  |  |  |  |
| **Total** |  |  |  |  |

1. Provide, in the format below, the number of private equity investments by type that your firm has reviewed and recommended for investment over the past three vintage years:

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **2021** | | | **2022** | | | **2023** | | |
|  | Number of Funds | |  | Number of Funds | |  | Number of Funds | |  |
|  | Reviewed | Approved | $ Committed | Reviewed | Approved | $ Committed | Reviewed | Approved | $ Committed |
| Buyout |  |  |  |  |  |  |  |  |  |
| Venture /Growth Equity |  |  |  |  |  |  |  |  |  |
| Other |  |  |  |  |  |  |  |  |  |
| Total |  |  |  |  |  |  |  |  |  |

1. Discuss your views on utilizing diversified funds relative to sector specialists.
2. Describe your firm’s philosophy regarding private equity investment manager fee structures and evaluating legal terms. Include any support you provide to clients in evaluating economic and non-economic terms. Provide examples of where you were able to assist clients in improving the terms.
3. Have you been able to provide clients with consultant aggregation discounts? Provide the number of deals and dollar amount committed that received aggregate discounts in the last three years ending 12/31/2023.
4. Provide a description of the methodology by which your firm monitors existing private equity investment performance. Cite specific examples where a client’s portfolio performance was enhanced, or a potential problem identified and corrected as a result of your monitoring activities. What benchmarks and objectives do you use to evaluate investment manager and portfolio performance?
5. What specific methods would you use to keep the Council abreast of significant developments in the private equity investment field?
6. Describe your firm’s capabilities in evaluating co-investment opportunities. Include experience with initial due diligence and ongoing monitoring.
7. Describe your firm’s capabilities in evaluating secondaries opportunities. Include experience with initial due diligence and ongoing monitoring.
8. Do you advise any clients on private equity separate accounts? If so, please describe the total assets under management, investment types, and geography.

### Portfolio Evaluation

Refer to the Council’s alternative investment performance report to answer questions 3aand 3c.

Link to performance reports:

<https://nic.nebraska.gov/sites/default/files/doc/NIC%20Alternative%20Investment%20Performance%20Summary%20--%20as%20of%2012-31-2023.pdf>

1. Discuss the steps your firm would take to analyze the Council’s current private equity portfolio.
2. After an initial review of the Council’s portfolio structure and investment managers, discuss any preliminary views or areas of strength, risk, and potential areas to enhance the portfolio.
3. Discuss any proposed changes you would make if awarded the mandate.

### Non-discretionary vs discretionary

1. Does your firm provide non-discretionary and discretionary consulting services?
2. What are the advantages and disadvantages of non-discretionary consulting services?
3. What are the advantages and disadvantages of discretionary consulting services?
4. Does you firm prefer non-discretionary or discretionary client relationships and why?
5. What consulting services are being proposed?

Non-discretionary  Discretionary

### Operational due diligence

1. Does your firm include operational due diligence as part of its process?
2. Discuss your operational due diligence capabilities, if applicable.
3. Attach a sample operational due diligence report as **Appendix 19**.

### Client Portal

1. Do you have a private equity investment manager database that is made available to clients online?

1. What information is provided online?
2. What capabilities and functionalities are provided online?

### Performance

1. Discuss your process for calculating performance for private equity managers.
2. Is there a dedicated team for calculating and generating private equity performance reports?
3. Does your firm utilize any proprietary or third-party software in the calculation?

### Reporting

1. Can your firm generate reports with holdings level data?
2. What performance benchmarks do you utilize in your reporting?
3. Provide a sample private equity performance report in **Appendix 20**.

# Fee Proposal

Provide an annual, five-year fee proposal for each consulting service(s) your firm is bidding on: 1) General Consulting and Performance Measurement, 2) Real Assets Nondiscretionary and/or discretionary and 3) Private Equity Nondiscretionary and/or discretionary. Use the below spreadsheet to provide your fee proposal and attach it as **Appendix 21**.



* If bidding on multiple services, please provide both bundled and unbundled fee proposals.
* Fees should encompass all services outlined in the Scope of Services Section of the RFP.
* Your proposal should be inclusive of RFP/ Manager searches. Specify the number of searches available in the contract price, as well as per project fee rate for RFP searches/manager recommendation memos.
* The fee proposals should be inclusive of administrative, third-party, travel, and all costs of providing the services described in this RFP.
* Your fee proposal should specify all fees for special services that are not included in the retainer fee.

# Appendices

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Appendix Listing** | | |  |  |
|  |  |  | **Appendix Name** | **Question Reference** |
|  | Appendix | 1 | Firm Submission Summary | P.1.b. |
|  | Appendix | 2 | Ownership Structure Chart | P.1.f. |
|  | Appendix | 3 | Financial Reports | P.1.k. |
|  | Appendix | 4 | ADV Part I and Part II | P.1.l. |
|  | Appendix | 5 | Business Continuation and Disaster Recovery Policies and Procedures | P.1.m. |
|  | Appendix | 6 | Conflict of Interest Policy and Description of Policy Enforcement Procedures | P.1.w. |
|  | Appendix | 7 | Organization Chart | P.3.a. |
|  | Appendix | 8 | Team Table (Team Details, Departures, Additions) | P.3.g. |
|  | Appendix | 9 | Capital Markets Assumption whitepaper | Q.1.h. |
|  | Appendix | 10 | Manager Due Diligence Meeting Checklist (if applicable) | Q.3.C. |
|  | Appendix | 11 | Database Manager List | Q.3.g |
|  | Appendix | 12 | Manager Research Memo | Q.3.h. |
|  | Appendix | 13 | Sample Return Reconciliation | Q.6.d. |
|  | Appendix | 14 | Sample Monthly and Quarterly Performance Reports | Q.6.k. |
|  | Appendix | 15 | Sample Real Assets Search Report | R.2.j. |
|  | Appendix | 16 | Sample Operational Due Diligence Real Assets Report | R.5.c. |
|  | Appendix | 17 | Sample Real Assets Performance Report | R.8.c. |
|  | Appendix | 18 | Sample Private Equity Search Report | S.2.j. |
|  | Appendix | 19 | Sample Operational Due Diligence Private Equity Report | S.5.c. |
|  | Appendix | 20 | Sample Alternatives Performance Report | S.8.c. |
|  | Appendix | 21 | Fee Proposal |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |
|  |  |  |  |  |