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## General Consultant RFP SamCERA Responses to Proposer Questions

1. Can you please confirm the current annual fee being paid to the incumbent consultant?

The annual retainer fee for the current consultant is \$450,000 per year.

2. How likely is the SamCERA to make a change in consultant?

This question does not relate to the content of the RFP or the RFP process, but rather the outcome of the process. SamCERA refers proposers to Section VIII. Proposal Selection Process and Evaluation of the RFP document, which states the evaluation criteria and the process that will be used in the evaluation of proposals.

3. How many manager due diligence on sites were requested of the current consultant over each of the past 3 years?

SamCERA requested the following due diligence on site manager meetings: three in 2016, four in 2015 and two in 2014.

4. Do the annual reviews conducted at the SamCERA offices for public market managers coincide with Board and/or Investment Committee meetings?

No.

Are these meetings conducted all at once or periodically throughout the year?

Periodically throughout the year, one or two days a month with multiple managers per day grouped by asset category, with each review typically lasting approximately 1.5 hours.

5. Does the current general consultant provide Private Market support?

Yes, SamCERA's current consultant provides private market support, including private equity, private real assets, real estate, and private credit.

6. Is the scope outlined in the RFP consistent with the current consultant's contract? If not, what items are different?

Yes, the scope in the RFP document is generally consistent with the current consultant's contract.

7. Is the annual Board Retreat scheduled at the time of a regularly scheduled board meeting?

The annual retreat is typically scheduled over two days in April. The April Board meeting (usually a truncated agenda) takes place in the afternoon on one of the retreat days.

8. Has the Board launched (or about to launch) any new investment initiatives not currently reflected in the current asset allocation or manager roster?

The Board has not launched any new investment initiatives. It is anticipated that the Board may investigate: (a) enhancing its risk management capabilities and (b) ways to capture the volatility risk premium embedded in equity options.

9. How many meetings did the consultant attend in 2016, including Board meetings, annual due diligence manager reviews and any other special meetings, such as the annual two-day retreat?

The consultant (or firm representative) attended ten Board meetings and a two-day annual Board retreat, which were in SamCERA's offices. In addition, the consultant (or firm representative) attended in person in SamCERA's offices or telephonically for a total of 22 annual reviews held on 13 dates (many dates had multiple annual review meetings).

10. How many new manager searches were conducted in 2016? How many new manager searches are likely to occur in 2017? If there are likely to be new searches in 2017, what are the asset classes or style groups likely to be added or expanded?

There were two manager searches performed during 2016 (not including private equity and private real assets sourcing).

It is anticipated that the searches in 2017 may include opportunistic credit, private credit, and real estate mandates.

11. Is the consultant required to attend annual due diligence manager meetings and new manager search onsite or can a manager research specialist from the consulting firm attend instead?

SamCERA requests that a representative from the consulting firm participate in all manager annual review meetings and manager on-sites. The determination of whether that representative should be the consultant or a manager research specialist will be determined on a case-by-case basis.

Does the consultant and/or manager research specialist need to attend annual due diligence meetings onsite in SamCERA's offices or can the firm participate by conference call?

SamCERA prefers that the consulting firm representatives attend the annual reviews and manager on-site meetings in person, but is open to conference call participation on a case-by-case basis.

12. What did SamCERA pay its current consultant in 2016? Does SamCERA's contract delineate between generalist consulting and alternatives consulting fees (private equity, private real assets, private real estate)? If so, how are the fees split? Is it SamCERA's preference to maintain the relationship with one consultant or to separate the mandates into generalist and alternatives consulting assignments?

The retainer fee that SamCERA pays its current consultant is \$450,000 per year. This fee covers both generalist consulting and alternative consulting fees (private equity, private real assets, private real estate, private credit).

The determination as to whether SamCERA retains one or more consultants will be determined as part of the RFP process.

13. In what way is SamCERA seeking to expand its risk management capabilities – through enhanced risk consulting, enhanced risk tools or both?

This determination will be made as part of the RFP Process based on the proposals received.

14. What are the annual fees for the existing contract that the Board is paying to its current consultant? Are there project-related fees associated with the current arrangement that are not part of the base fee?

The retainer fee that SamCERA pays its current consultant is \$450,000 per year. This fee covers both generalist consulting and alternative consulting fees (private equity, private real assets, private real estate, private credit), and does not include project-related fees.

15. What do you think is the single most important characteristic of an investment consulting firm?

This question does not pertain to a clarification of the intent or content of the RFP, or of the competitive proposal process. SamCERA refers proposers to Section VIII. Proposal Selection Process and Evaluation of the RFP document, which states the evaluation criteria and the process that will be used in the evaluation of proposals.

16. What are the assumed/target rates of return for the Plan?

SamCERA's current assumed earnings rate is 7.0%.

17. Do you anticipate making any changes to the asset allocation of the Plan? Are you considering any new asset classes?

In October 2016, the Board approved a new asset allocation policy, which is listed on page 3 of the RFP document. It is anticipated that the Board may investigate: (a) enhancing its risk management capabilities and (b) ways to capture the volatility risk premium embedded in equity options in the future.

18. What is the most important investment issue your Plan is currently facing?

This question does not pertain to a clarification of the intent or content of the RFP, or of the competitive proposal process. SamCERA refers proposers to its Investment Policy Statement which reflects the Board's investment objectives, investment beliefs and policies.

19. Are there any projects that the Staff and the Board are currently working on that a new consultant would be involved with?

It is anticipated that the Board may commence searches in 2017 in the areas of opportunistic credit, private credit, and real estate mandates.

20. Would the Board be willing to move their meeting?

The Board's regular meeting day and time is set by Board regulation. Over the years, the Board has once or twice amended its regulation to change the meeting time but it has not changed its meeting day.

21. What degree of private market research/review do you expect from your consultant on an ongoing basis?

Please refer to Section IV. Requested Services, and specifically to #9 Private Markets (Private Equity, Private Real Assets, and Private Real Estate) and #10 Private Equity and Private Real Assets Annual Review on page 7 of the RFP document for requested scope of services for private market assets.

22. What are the ongoing monitoring responsibilities for existing managers you expect from your consultant on an ongoing basis?

Please refer to Section IV. Requested Services, and specifically to #7 Investment Manager Research and #8 Due Diligence Meetings on pages 6 and 7 of the RFP document for requested scope of services for due diligence responsibilities for existing managers.

23. Can an allocation estimate of consultant fees be provided (e.g., general consulting, private real estate, private real assets, and private equity)?

Yes, an allocation estimate is acceptable as long as the fee proposal is a fixed fee for all services requested.

24. In preparing our separately priced proposed fee, is there a preferred structure (e.g., four separate quotes (general consulting, private real estate, private real assets, and private equity) or two separate quotes (general consulting and private markets))?

SamCERA prefers just two separate quotes for your separately priced proposed fee (general consulting and private markets).

25. Can a semi-annual private market performance report be provided?

Due to the fact that these reports contain confidential information, we cannot release a sample report. Please refer to RFP Section IV, Requested Services, specifically item 14 on page 8 which lists the report requirements for private equity and real assets.

26. How often was the Investment Committee convened in 2016? What is the expected yearly average?

The Investment Committee did not meet in 2016. At this time, the Investment Committee is not scheduled to meet going forward. Rather, it will be convened on an as needed basis.