

Q#	Section	Question	Answer
1	1.2	In addition to general consulting to the Common Pension Funds, as described as "Common Pension Fund D and Common Pension Fund E", is the intention to also have the GIC consult to the Supplemental Annuity Collective Trust (SACT) and the portion of the State's 529 plan (NJBEST) the DOI is responsible for?	Yes, the consultant may be required to provide assistance as needed with regard to each of those plans.
2	3.1-3.7.1	Is the scope outlined in Sections 3.1-3.7.1 of the RFP consistent with the current consultant's contract? If not, what items are different?	Not relevant to this RFP.
3	3.3	Is the State able to provide a list of public market investment managers and internally managed strategies to assist bidders in understanding the scope and complexity of the advisor oversight duties?	The Division manages all investment strategies internally. The Division utilizes investment advisers to provide advice with respect to certain portfolios, including international developing markets equity, international small capitalization equity, and high yield fixed income. A list of investment advisers currently engaged by the Division is attached as Exhibit A.
4	3.3.A	Please clarify the duties and responsibilities of the GIC in providing ongoing analysis and monitoring of internal investment staff. How many investment professionals are on staff?	From time to time the Division may ask for a review of processes used by Division staff for their investment and reporting processes. The Division currently has 59 employees.
5	3.5	Please describe the type of analysis expected from the general consultant regarding your brokerage program as describe in Section 3.5 (Operational Duties) of the Scope of Services.	The Division May request the GIC to perform TCA (Trading cost analysis) on the outside advisor program.
6	3.7	Does the NJ DOI know when the PFRS Board meetings will commence, when they will be held and where the meetings will take place?	PFRS Board meetings are held in Trenton. Dates and times of the meetings for 2019 may be found at: https://www.state.nj.us/treasury/pensions/board-meetings.shtml The meeting schedules for 2020 have not yet been adopted.
7	3.7.B	Do you have a preliminary schedule for the 6 in person and 6 telephonic meetings?	Dates and times of State Investment Council meetings for 2019 may be found at: https://www.state.nj.us/treasury/doinvest/calendar.shtml Dates and times of PFRS Board meetings for 2019 may be found at: https://www.state.nj.us/treasury/pensions/board-meetings.shtml The meeting schedules for 2020 have not yet been adopted. There is no schedule for Investment Committee meetings.
8	3.7.1	Regarding Section 3.7.1 (Special Projects) of the Scope of Services, what is your anticipated expectation of tasking the general consultant with valuation services with respect to certain investments?	While it is not anticipated that the general consultant will provide valuation services for the pension fund's investments, DOI reserves the right to request these services if deemed necessary.
9	5.1.11	Our firm is a closely-held Limited Liability Company (LLC), it has been our policy since the inception of the firm not to disclose our financial data unless and until the confidentiality agreement has been signed. We have provided a copy of the agreement and ask if the DOI can sign.	The Division does not have a practice of signing NDAs in connection with individual bidders, but will not disclose a company's financial information unless required by law, regulation or request of a government agency with jurisdiction over the Division. The Division notes that Section 1.6.2 of the RFP permits the bidder to designate specific information as not subject to disclosure pursuant to the exceptions to the OPRA or the common law, including the exception for trade secrets and proprietary commercial or financial information.
10	6.5	Is the State open to modifying this section to include 6.5.3 as written below?	
		<i>6.5.3 During the performance of the services by Contractor pursuant to the contract, DOI will retain and exercise all decision-making authority with respect to the management and administration of the retirement plan(s) funded by DOI and investments relating thereto.</i>	The Division will not amend Section 6.5.3 at this time. DOI notes that Section 1 of the State of New Jersey Standard Terms and Conditions, as modified by 6.15.1 of the RFP, provides that a bidder may present terms and conditions that are in conflict with those set forth in the RFP during negotiations prior to contract award; provided that negotiated terms and conditions may not conflict with any of the material terms and conditions set forth in the RFP. Further note that the Division does not intend for the Contractor to exercise any decision-making authority with respect to the management and administration of the retirement plans or of the Division's investments.
11	6.6	With regard to Ownership of Material, we can agree to these provisions in principle, but we would require further discussion between the parties to ensure the provisions are mutually agreeable, including protections for our firm's proprietary information.	DOI notes that Section 1 of the State of New Jersey Standard Terms and Conditions, as modified by 6.15.1 of the RFP, provides that a bidder may present terms and conditions that are in conflict with those set forth in the RFP during negotiations prior to contract award; provided that negotiated terms and conditions may not conflict with any of the material terms and conditions set forth in the RFP.
12	6.6.1	Is the State open to including the following at the end of paragraph 6.6.1?	
		<i>Notwithstanding the foregoing, DOI acknowledges that Contractor shall retain all of its rights in its methodologies, methods of analysis, ideas, concepts, know-how, techniques, skills, knowledge and experience possessed by Contractor before the commencement of the term of this agreement or acquired by Contractor during the provision of the services hereunder.</i>	The Division will not amend Section 6.6.1 at this time. The Division notes that Section 1 of the State of New Jersey Standard Terms and Conditions, as modified by 6.15.1 of the RFP, provides that a bidder may present terms and conditions that are in conflict with those set forth in the RFP during negotiations prior to contract award; provided that negotiated terms and conditions may not conflict with any of the material terms and conditions set forth in the RFP. Further note that the Division does not intend to take ownership of the contractor's methodologies, methods of analysis, ideas, concepts, know-how, techniques, skills, knowledge and experience possessed by Contractor before the commencement of the services provided under this RFP.

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13	6.7	We can agree to Security and Confidentiality provisions in principle, but our firm reserves the right to review/negotiate privacy, confidentiality and security issues if we are awarded the business and we are confident that we can come to mutually agreeable terms.	DOI notes that Section 1 of the State of New Jersey Standard Terms and Conditions, as modified by 6.15.1 of the RFP, provides that a bidder may present terms and conditions that are in conflict with those set forth in the RFP during negotiations prior to contract award; provided that negotiated terms and conditions may not conflict with any of the material terms and conditions set forth in the RFP.
14	6.7.2.7	Is the State open to replacing the current language in this section with the suggested language below?	
		<i>DOI acknowledges and agrees that it shall not provide Contractor with personally identifiable information under this Contract and if such information is inadvertently provided to Contractor, per Contractor's policies, Contractor will immediately notify DOI, either return such information or destroy it, thereby removing it from any of Contractor's systems.</i>	The Division will not amend Section 6.7.2.7 at this time. The Division notes that Section 1 of the State of New Jersey Standard Terms and Conditions, as modified by 6.15.1 of the RFP, provides that a bidder may present terms and conditions that are in conflict with those set forth in the RFP during negotiations prior to contract award; provided that negotiated terms and conditions may not conflict with any of the material terms and conditions set forth in the RFP.
15	6.15	Is the State open to the inclusion of the proposed language below as additions to the Terms and Conditions of the contract?	
		<i>Contractor shall not be responsible for reviewing or advising on the merits or risks of individual securities or derivatives holdings or purchase, sale or hedging strategies, the propriety of an individual security or derivative within a manager's asset allocation mandate, or on the conformity of individual securities holdings with DOI's investment policy and guidelines. Contractor shall not be responsible for providing advice to plan participants or beneficiaries.</i>	The Division will not amend Section 6.15 at this time. The Division notes that Section 1 of the State of New Jersey Standard Terms and Conditions, as modified by 6.15.1 of the RFP, provides that a bidder may present terms and conditions that are in conflict with those set forth in the RFP during negotiations prior to contract award; provided that negotiated terms and conditions may not conflict with any of the material terms and conditions set forth in the RFP. Further note that the Division does not intend for the Contractor to provide advice to plan participants or beneficiaries. The Division will acknowledge receipt of disclosures and documents at or prior to contract execution.
		<i>DOI acknowledges receipt of Contractor's disclosure statement, Form ADV, Parts 2A and 2B, more than 48 hours prior to the date of the execution of this Contract.</i>	The Division will not amend Section 6.15 at this time. The Division notes that Section 1 of the State of New Jersey Standard Terms and Conditions, as modified by 6.15.1 of the RFP, provides that a bidder may present terms and conditions that are in conflict with those set forth in the RFP during negotiations prior to contract award; provided that negotiated terms and conditions may not conflict with any of the material terms and conditions set forth in the RFP. Further note that the Division does not intend for the Contractor to provide advice to plan participants or beneficiaries. The Division will acknowledge receipt of disclosures and documents at or prior to contract execution.
		<i>DOI acknowledges receipt of Contractor's disclosure list of investment manager clients no later than the date of the execution of this Contract.</i>	The Division will not amend Section 6.15 at this time. The Division notes that Section 1 of the State of New Jersey Standard Terms and Conditions, as modified by 6.15.1 of the RFP, provides that a bidder may present terms and conditions that are in conflict with those set forth in the RFP during negotiations prior to contract award; provided that negotiated terms and conditions may not conflict with any of the material terms and conditions set forth in the RFP. Further note that the Division does not intend for the Contractor to provide advice to plan participants or beneficiaries. The Division will acknowledge receipt of disclosures and documents at or prior to contract execution.
		<i>DOI acknowledges receipt of Contractor's fee disclosure statement under the Employee Retirement Income Security Act of 1974 and included as an attachment to this Contract.</i>	The Division will not amend Section 6.15 at this time. The Division notes that Section 1 of the State of New Jersey Standard Terms and Conditions, as modified by 6.15.1 of the RFP, provides that a bidder may present terms and conditions that are in conflict with those set forth in the RFP during negotiations prior to contract award; provided that negotiated terms and conditions may not conflict with any of the material terms and conditions set forth in the RFP. Further note that the Division does not intend for the Contractor to provide advice to plan participants or beneficiaries. The Division will acknowledge receipt of disclosures and documents at or prior to contract execution.
16	8.1	Section 8.1 states the forms in this section are to be provided "before contract award." Does the DOI require these forms to be filled out as part of the submittal of the RFP response or post RFP response? If post RFP response, then when should we expect the deadline to be to complete these forms?	DOI does not require these forms to be submitted with the RFP response. If necessary, DOI would instruct the bidder after the RFP response to complete these forms. Please refer to Section 5.0 of the RFP which explains which forms are due with the RFP submission and Section 8.0 of the RFP which explains which forms are due prior to contract award.
	<u>Standard Terms and Conditions</u>		

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17	2.2 through 2.7	In principle, we can agree to the various provisions regarding compliance with employment laws and regulations and related political compliance requirements, but we would require further discussion between DOI's and our compliance team to ensure the provisions are mutually agreeable.	The Division is not amending Sections 2.2 through 2.7 at this time. DOI notes that Section 1 of the State of New Jersey Standard Terms and Conditions, as modified by 6.15.1 of the RFP, provides that a bidder may present terms and conditions that are in conflict with those set forth in the RFP during negotiations prior to contract award; provided that negotiated terms and conditions may not conflict with any of the material terms and conditions set forth in the RFP. Please note that any terms required by State statutes and regulations are not negotiable.
18	2.8	We take conflict of interest very seriously. We simply ask clients to acknowledge that some conflicts are inherent in the investment advisory business.	The Division requires all bidders to comply with the conflicts of interest provisions set forth in the RFP and the State Standard Terms and Conditions
19	4.1	Is the State open to including the following language here:	
		<i>Notwithstanding the foregoing, contractor shall discharge its duties as a consultant in accordance with the terms of this Contract and applicable law. The State acknowledges and agrees (i) that contractor has no authority or responsibility to manage or in any way direct the investment of any assets that are the subject of contractor's consulting services provided under the terms of this Agreement, (ii) that contractor has not and cannot make any promise, guarantee or other statement or representation regarding the future investment performance of such assets, and (iii) that contractor will not be liable for any losses or expenses incurred as a result of any action or omission by an investment manager, custodian or unrelated third party.</i>	The Division is not amending Section 4.1 at this time. DOI notes that Section 1 of the State of New Jersey Standard Terms and Conditions, as modified by 6.15.1 of the RFP, provides that a bidder may present terms and conditions that are in conflict with those set forth in the RFP during negotiations prior to contract award; provided that negotiated terms and conditions may not conflict with any of the material terms and conditions set forth in the RFP. Further note that the Division does not intend for the Contractor to manage investments, to guarantee investment performance, or to be responsible for the actions of unrelated third parties.
20	4.2	In principle, we can accept the insurance provision, but we would require further discussion between DOI's and our insurance team to ensure the provisions are mutually agreeable. The firm does not name its clients as additional insureds, and we will need to request some additional revisions to the insurance provisions of the Terms and Conditions, but DOI should rest assured that as, a premier global insurance broker, we have very robust insurance coverage to buttress its obligations to DOI.	DOI notes that Section 1 of the State of New Jersey Standard Terms and Conditions, as modified by 6.15.1 of the RFP, provides that a bidder may present terms and conditions that are in conflict with those set forth in the RFP during negotiations prior to contract award; provided that negotiated terms and conditions may not conflict with any of the material terms and conditions set forth in the RFP.
21	4.2	In principle, we can accept the insurance provision, but we would require further discussion between TSRI's and our firm's insurance team to ensure the provisions are mutually agreeable. Please see our standard insurance terms in our attached agreement template.	The Division is not amending its insurance terms at this time. DOI notes that Section 1 of the State of New Jersey Standard Terms and Conditions, as modified by 6.15.1 of the RFP, provides that a bidder may present terms and conditions that are in conflict with those set forth in the RFP during negotiations prior to contract award; provided that negotiated terms and conditions may not conflict with any of the material terms and conditions set forth in the RFP.
22	4.2	Please see our standard insurance terms in our attached agreement template.	The Division is not amending its insurance terms at this time. DOI notes that Section 1 of the State of New Jersey Standard Terms and Conditions, as modified by 6.15.1 of the RFP, provides that a bidder may present terms and conditions that are in conflict with those set forth in the RFP during negotiations prior to contract award; provided that negotiated terms and conditions may not conflict with any of the material terms and conditions set forth in the RFP.
23	5.4 Para A&B and 5.5 Para A&B	Is the State open to including the phrase " <i>subject to contractor's consent which shall not be reasonably withheld</i> " in the last sentence of 5.4A, 5.4B, 5.5A, and 5.5B?	The Division is not amending Section 5.4 or Section 5.5 at this time. DOI notes that Section 1 of the State of New Jersey Standard Terms and Conditions, as modified by 6.15.1 of the RFP, provides that a bidder may present terms and conditions that are in conflict with those set forth in the RFP during negotiations prior to contract award; provided that negotiated terms and conditions may not conflict with any of the material terms and conditions set forth in the RFP.

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24	5.7	We would be agreeable to a mutual right to terminate the agreement for default if either party is unable to cure a default within 30 days. We can agree to a termination for convenience of 30 days as well, subject to any termination fees set forth in the contract. Any termination assistance, delivery of materials or pro-rata refund would be subject to the termination provisions within the contract.	The Division is not amending Section 5.7 at this time. DOI notes that Section 1 of the State of New Jersey Standard Terms and Conditions, as modified by 6.15.1 of the RFP, provides that a bidder may present terms and conditions that are in conflict with those set forth in the RFP during negotiations prior to contract award; provided that negotiated terms and conditions may not conflict with any of the material terms and conditions set forth in the RFP.
25	5.8	With regard to Assignment, we would like to leave open an option to assign to an affiliate without prior consent.	The Division is not amending Section 5.8 at this time. DOI notes that Section 1 of the State of New Jersey Standard Terms and Conditions, as modified by 6.15.1 of the RFP, provides that a bidder may present terms and conditions that are in conflict with those set forth in the RFP during negotiations prior to contract award; provided that negotiated terms and conditions may not conflict with any of the material terms and conditions set forth in the RFP.
26	5.11	The Performance Guaranty of Contractor and Delivery Requirements do not appear to be consistent with laws and regulations that apply to the provision of investment advice. Please see our standard representations in our attached agreement template.	Section 5.11 of the State Standard Terms and Conditions is not applicable to the RFP or the services to be provided under the Contract.
27	6.5	As a matter of policy, we ask all clients to pay invoices within 30 days of receipt and to pay 9% interest on any outstanding balances thereafter. AHIC almost never imposes this charge, but the provision is important to incentivize timely payment.	As stated in Section 6.5 of the State Standard Terms and Conditions, payment under this RFP and resulting contract is governed by the Prompt Payment Act, N.J.S.A. 52:32-32 et seq.
28	7.8	Can the State confirm when the anti-lobby certificate is due? Either prior contracting or before RFP submission?	Section 7 of the State Standard Terms and Conditions is not applicable to this RFP or the resulting contract.
	<u>Waived Contracts Supplement to Standard Terms and Conditions</u>		
29	Section B, 2.17, 2.19	Delivery Time and Costs and Cash Discounts may conflict with laws and regulations that apply to investment advice, and we would require further discussion to ensure the provisions are mutually agreeable.	Sections 2.17 and 2.19 of the State Waived Supplement to the State Standard Terms and Conditions are not applicable to the services being provided under this RFP or resulting Contract
30	Section B, 3.8, 3.9, 3.10	Performance Security, Retainage and Subcontractor Utilization Plan would not appear to be appropriate for investment advisory services.	Sections 3.8 and 3.9 of the State Waived Supplement to the State Standard Terms and Conditions are not applicable to the services being provided under this RFP or resulting Contract. The Division expects the bidder to comply with requirements regarding the utilization of subcontractors.
31	Section B, 5.17	With regard to Confidentiality, we can accept the provision generally, but we would expect to be permitted to use or disclose to third parties DOI's confidential information relating to plan investments in combination with other data, provided that such use or disclosure does not identify Client, Client's retirement plans covered by our services, or the participants in those plans.	The Division is not amending Section 5.17 at this time. DOI notes that Section 1 of the State of New Jersey Standard Terms and Conditions, as modified by 6.15.1 of the RFP, provides that a bidder may present terms and conditions that are in conflict with those set forth in the RFP during negotiations prior to contract award; provided that negotiated terms and conditions may not conflict with any of the material terms and conditions set forth in the RFP.
32	Section C, 5.18	In principle, the Ownership provisions are acceptable to us; however, our firm reserves the right to review/negotiate intellectual property issues, including liability and indemnification, if we are awarded the business and we are confident that we can come to mutually agreeable terms.	DOI notes that Section 1 of the State of New Jersey Standard Terms and Conditions, as modified by 6.15.1 of the RFP, provides that a bidder may present terms and conditions that are in conflict with those set forth in the RFP during negotiations prior to contract award; provided that negotiated terms and conditions may not conflict with any of the material terms and conditions set forth in the RFP.
33	Section D	Our firm does not believe that the provisions that apply to Information Technology Waived Contracts would apply to investment advisory services.	Section D of the Waived State Standard Terms and Conditions is not applicable to this RFP or resulting contract.

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34	Section D, 2.10	Our firm reserves the right to review/negotiate privacy issues if we are awarded the business and we are confident that we can come to mutually agreeable terms.	Section D of the Waivered State Standard Terms and Conditions is not applicable to this RFP or resulting contract.
35	Section D, 4.1	In principle, we can agree to the Limitation of Liability, but further subject to our comments in the Standard Terms and Conditions above.	Section D of the Waivered State Standard Terms and Conditions is not applicable to this RFP or resulting contract.
36	Section D, 5.11	The Contractor Performance Warranties do not appear to be consistent with laws and regulations that apply to the provision of investment advice. Our firm asks its clients to acknowledge that asset management is inherently unpredictable. Please see our standard representations in our attached agreement template.	Section D of the Waivered State Standard Terms and Conditions is not applicable to this RFP or resulting contract.
37	Section D, 5.19	We will be completely transparent with DOI. [Contractor] prefers to avoid the costs and invasiveness of mandatory audits, but it will of course agree to audit provisions to the extent they are required by applicable law.	Section D of the Waivered State Standard Terms and Conditions is not applicable to this RFP or resulting contract.
38	Misc.	Do the forms associated with the checklist have to be completed as part of the submittal of the RFP response or post RFP response? If post RFP response, then when should we expect the deadline to be to complete these forms?	Please refer to Section 5.0 in the RFP which explains which forms are due with the RFP submission and Section 8.0 which explains which forms are due prior to contract award.
39		Can you please provide the reason for the issuance of this RFP?	The current General Consultant contract is expiring.
40		Are there any investment initiatives being planned for the next 12-18 months?	Key DOI goals and initiatives for 2019 are described in the Annual Report found at: https://www.nj.gov/treasury/doinvest/pdf/Sicreg/councilannualmeeting2019.pdf
41		Do the pension funds currently have a Securities Lending Program in place? If so, when was the Program initiated? When was the Program last reviewed?	The Division has had a Securities Lending Program in place for the Pension Fund for over 15 years. An RFP was recently issued, and the Division is in the process of reviewing bids.
42		Who is your current custodian?	State Street Bank and Trust Company
43		When was the last competitive custodian search conducted? Is there an expectation that a custodian search will need to be conducted in the next 12 – 18 months?	The last competitive global custodian search was concluded in 2017. The Division does not expect to conduct a new custodian search in the next 12-18 months.
44		Can you please confirm those asset classes for which in house portfolio management is utilized?	The Division manages all of its assets internally. The Division utilizes investment advisers to provide advice with respect to certain portfolios, including international developing markets equity, international small capitalization equity, and high yield fixed income.
45		Of the \$79.5B assets, what % is managed internally and in which asset classes? May we view your investment policy statement to the Common Pension Funds?	The Division manages all of its assets internally. The Division utilizes investment advisers to provide advice with respect to certain portfolios, including international developing markets equity, international small capitalization equity, and high yield fixed income. Investments in these portfolios totaled approximately \$6.6 billion as of June 30, 2018. The Division does not have an investment policy statement, but the Division is subject to policies adopted by the State Investment Council, including regulations (NJAC 17:16) and an asset allocation plan (https://www.nj.gov/treasury/doinvest/pdf/Sicreg/CurrentInvestmentPlan.pdf).
46		Could the current Investment Policy Statement be shared?	The Division does not have an investment policy statement, but the Division is subject to policies adopted by the State Investment Council, including regulations (NJAC 17:16) and an asset allocation plan (https://www.nj.gov/treasury/doinvest/pdf/Sicreg/CurrentInvestmentPlan.pdf).
47		Is there an expectation that the selected consulting firm will complete investment manager due diligence and searches?	Yes, as requested by the Division.
48		If possible, can you please provide the current fee being paid for investment advisory services?	Not relevant to this RFP.
49		We would expect to request a standard liability limit that would cap our liability for certain claims at an amount equal to the annual fees payable under the contract, in conformity with standard industry practice. The liability limit would not apply to losses arising from fiduciary breach, intellectual property infringement and breaches of confidentiality.	The Division is not adding this language to the RFP. DOI notes that Section 1 of the State of New Jersey Standard Terms and Conditions, as modified by 6.15.1 of the RFP, provides that a bidder may present terms and conditions that are in conflict with those set forth in the RFP during negotiations prior to contract award; provided that negotiated terms and conditions may not conflict with any of the material terms and conditions set forth in the RFP.
50		We would ask that DOI indemnify us against claims by third parties arising due to no fault of [Contractor] (for instance, nuisance suits by employees).	The Division does not have the authority to provide indemnification.
51		We would ask that neither party be liable for incidental, consequential, special, or punitive damages (including loss of profits, data, business or goodwill, or government fines, penalties, taxes, or filing fees), regardless of whether such liability is based on breach of contract, tort, strict liability, breach of warranty, failure of essential purpose or otherwise, and even if advised of the likelihood of such damages.	The Division is not adding this language to the RFP. DOI notes that Section 1 of the State of New Jersey Standard Terms and Conditions, as modified by 6.15.1 of the RFP, provides that a bidder may present terms and conditions that are in conflict with those set forth in the RFP during negotiations prior to contract award; provided that negotiated terms and conditions may not conflict with any of the material terms and conditions set forth in the RFP.