



FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

QUESTIONS AND ANSWERS

REQUEST FOR PROPOSAL

GENERAL INVESTMENT CONSULTANT (GIC) SERVICES

NO. 2023-GIC

RFP Issue Date: November 3, 2023

RFP Closing Date: January 2, 2024, at 5:00 PM (Pacific)

Questions and Answers Posting Date: November 30, 2023

For assistance, contact Donald Kendig at (559) 457-4400 or dkendig@fresnocountyca.gov

Question 1: Can you share the latest asset-liability study that was conducted?

Answer 1: Our studies are posted on our website here: <https://fresnocountyretirement.org/investment/> under the 3rd accordion from the top. While not depicted in the last Asset Liability August 8, 2021 like it is for the 2018 and 2013 studies, there is a primary study performed and then there might be an iterative process that comes after to finetune the ultimate asset allocation adopted, if one of the initial options is not.

Question 2: Are there any notable evaluations or topics being reviewed by the Board, Investment Committee and/or Staff?

Answer 2: Yes. Please see the 2024 Rolling Calendar (proprietary method but open source) in Exhibit A. This is what is known now. Investment related: 2024 capital market assumptions, Emerging markets/International Structure options (might change how we get exposure) or a search to replace Mondrian, General Investment Consultant search (staff project), Investment Counsel search (staff project), good-bye "Zombie" funds (staff project), addition of a complimentary multi-sector credit manager to PGIM allocation (dividing it in half), cash overlay program and feature optimization (let's make it awesome), evaluate all "cash" investments (what is considered cash anyway), Asset Liability Study, review underperforming managers (hopefully none), Investment Policy Statement and Investment Manager guidelines, Real Estate allocation review and possible investment recommendation, two-day educational on-site focusing on investment topics (Staff is counting on the investment consultant to help staff put something together that is stellar. Please see previous agendas on our website on the second Wed-Thu in October.), and various manager presentations/updates per the periodic review cycle. Everything else not investment related is staff related. This calendar has the recurring and notable items for next year.

QUESTIONS AND ANSWERS (CONT'D)

Question 3: Are there any expected changes (e.g., asset allocation, investment managers) that are not reflected in the current investment program?

Answer 3: Yes. Selection of a complimentary multi-sector credit manager to divide the PGIM allocation with. Evaluation of potential International/Emerging Market Equity structures with either the replacement of Mondrian (search), or a whole new way to do it (if a best practice) such as a primarily passive allocation with a global macro, long-short manager or two for the alpha part for example (advanced search and consolidation). Potential closed end real estate recommendation from GIC. Whatever the asset-liability study indicates is warranted.

Question 4: How many manager searches have been conducted each year over the last 3 years? Can this be provided by asset class?

Answer 4: Disclaimer: Past searches are no indication of future searches, nor the varying amounts of effort involved. We had 8 (displaying category and manager selected): 1) Private Credit – Aksia, 2) Multi-sector Credit: liquid – PGIM, 3) Multi-sector Credit: semi-liquid (concurrent) – HPS, 4) Core Bond – JPMorgan (to compliment Western), 5) Opportunistic Real Estate: Closed end – PCCP, 6) Core Real Estate – Harrison Street (to compliment Invesco Core), 7) Value Add Real Estate – Invesco Fund VI, and 8) Passive Domestic Equity ex-SmallCap Consolidation – Northern Trust (separate account conversion from comingled account and “fold-in” of other active managers). In other words, 2 or 3 a year keeping in mind consultant limitations limit how many searches can be done in any given time period. Note: private investment placements not the responsibility of the GIC are not included in this answer.

Question 5: On pg. 17 of the RFP, it asks for a Conflict of Interest Statement. Is this to be provided on a standalone page, or can it be included in the cover letter?

Answer 5: Please provide it separately on a standalone page in the order requested (after Table of Contents and before Trade Secrets Acknowledgement).

Question 6: On pg. 18 of the RFP, Questions IX.F.1-2 (pasted below) appear to be one question split into two parts. Please advise if these should be combined into one question as follows: Agency contract with date of original contract.

Describe all contracts that have been terminated before completion within the last five (5) years:

1. Agency contract with
2. Date of original contract

Answer 6: Number 1 could have been clearer, “1. Agency/Client who the contract is with.” The answer for IX.F. can be made in table format with 4 columns: Agency/Client, Date of Original Contract, Reason for Termination, and Agency/Client Contact, or made in an Agency/Client by Agency/Client paragraph, or made in any other format or order (alpha, date descending, date ascending, etc.) that contains the information and is legible.

End of questions and answers.

Exhibit A

FCERA's 2024 Rolling Board Calendar

Meeting Date	Submission Deadline (Noon)	Meeting	Manager/Vendor Presentations	Consent Disc. Closed	Who	Investment, Operational, Actuarial Performance Updates, Board Policy, & Other Significant Items
1/3/2024	n/a	Regular	Dark			
1/17/2024	1/9/2024	Regular		Consent	dk/?	Quarterly Administrator & Investment Officer Rpts
				Consent	jw	Strategic Plan Status
				Consent	fd	Quarterly Disability Status Report
				Consent	mb	Quarterly Trustee Travel Report
				Consent	mb	Annual Gov. Code 31522.8 Ed Compliance Rpt
				Consent	mb	Annual Board Meeting Attendance Report
				Consent	mb	Signatory Resolution and Specimen
				Consent	mb	SACRS Board of Directors Nominations
				Disc.	dk	GIC Responses Review and Selection of Finalists
				Disc.	dk	FY 2023 Due Diligence Report & 2024 Plan
				Disc.	Chair	Appoint Committee Members
				Disc.	ch	Annual Cash Flow Projection Report
2/7/2024	1/30/2024	Regular		Disc.	Verus	2024 Capital Market Assumptions and Asset Allocation Projections
				Disc.	Verus	Emerging Markets Considerations
				Consent	jch	Investment Counsel Confirmation and Direction
				Disc.	dk	Approve recommended "Zombie" Elimination Plan
				Disc.	Vrs/dk	TBD: Follow-ups from 2023 Educational Series
				Consent	pm	COLA Letter
2/7/2024	1/30/2024	PC	immediately following	Disc.	dk	Determine Administrator Ann. Review Parameters
2/21/2024	2/13/2024	Regular	GIC Finalists	Consent	ch	Budget Status for the Qtr. ended Dec. 31
				Disc.	dk	GIC Finalist Presentations and Decision
				Disc.	dk	Mid-year budget revisions as needed
3/6/2024	2/27/2024	Regular	Parametric Update	Disc.	Verus	Quarterly, December 31: Research, Guideline Compliance, & Investment Performance Rpts
				Consent	jch	Quarterly Overlay Update
				Consent	jch	Quarterly Internal Investment Compliance Report
				Other	PC	Administrator Evaluation Forms Distributed
3/20/2024	3/12/2024	Regular		Disc.	mb	SACRS Spring Conference Items - Nominations and Proxy Vote Designations, Etc.
				Consent	dk	General Investment Consultant Contract Approval
				Other	PC	Administrator Evaluations Due
4/3/2024	3/26/2024	Regular		Consent	ch	Unaudited Comparative Financial Statements for the Six Months Ended December 31, 2022 and June 30, 2021 with the Statement of Fiduciary NP
				Disc.	Vrs/dk	Post "Zombie" Elimination Report
				Disc.	Verus	Multisector Credit Considerations
				Disc.	Verus	Review of Cash Overlay Program and Rebalancing Policy and Procedures
4/3/2024	3/26/2024	PC	immediately following	Disc.	dk	Administrator Annual Review Results
4/17/2024	4/9/2024	Regular		Consent	dk/?	Quarterly Administrator & Investment Officer Rpts
				Consent	jw	Strategic Plan Status
				Consent	fd	Quarterly Disability Status Report
				Consent	mb	Quarterly Trustee Travel Report
				Closed	PC	Annual Administrator Review
4/17/2024	4/9/2024	DC	immediately following	Disc.	pm	Annual Revisit: Med Exam of Dsbly Recipients Plcy

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5/1/2024	4/23/2024	Regular	Baillie Gifford Update	Consent	ch	Budget Status for the Quarter ended March 31
				Disc.	Verus	Review of "Cash" Investments
				Consent	pm	Tegrit Service Level Agreement (SLA)
5/1/2024	4/23/2024	BC	immediately following	Disc.	dk	Proposed Administrative Budget Review
5/15/2024	n/a	Regular	Dark			
6/5/2024	5/28/2024	Regular	RBC Update	Disc.	Verus	Quarterly, March 31: Research, Guideline Compliance, & Investment Performance Rpts
				Disc.	dk/Vrs	Solicit Educational Series Topics from the Board
				Consent	jch	Quarterly Overlay Update
				Consent	jch	Quarterly Internal Investment Compliance Report
				Disc.	dk	Hearing: FCERA Administrative Budget
6/19/2024	6/11/2024	Regular		Consent	dk/mb	Approve FCERA Insurance Package for all Policies (Alliant and Chubb)
				Disc.	dk	Hearing: FCERA Administrative Budget (backup second hearing placeholder)
				Consent	mb	SACRS Legislative Items
7/3/2024	n/a	Regular	Dark			
7/17/2024	7/9/2024	Regular		Consent	dk/?	Quarterly Administrator & Investment Officer Rpts
				Consent	jw	Strategic Plan Status
				Consent	fd	Quarterly Disability Status Report
				Consent	mb	Quarterly Trustee Travel Report
				Consent	mb	SACRS Legislative Timeline
Consent	fd	Death Related Under/Over Pmts - Write-offs & Transfers, & Escheat Moneys - Misc Items - 2022-23				
8/7/2024	7/30/2024	Regular		Consent	jw	Due Diligence, Cash Liquidity, Succession Plan, Working After Retirement Policies
				Disc.	Verus	Asset Liability Study
				n/a	Verus	Verus Language due for FCERA ACFR
				Disc.	dk/Vrs	Discuss Initial Educational Series Topics and Draft Agenda
8/21/2024	n/a	Regular	Dark			
9/4/2024	8/27/2024	Regular	PGIM Update HPS Update	Disc.	Verus	Quarterly, June 30: Research, Guideline Compliance, & Investment Performance Rpts
				Disc.	Verus	Underperforming Manager Review
				Consent	jch	Quarterly Overlay Update
				Consent	ch	Budget Status for the Quarter ended June 30
				Disc.	dk/Vrs	Finalize Educational Series Topics and Approve Proposed Agenda
				Consent	ch	AB 2833 Report (Investment Fee Disclosure)
				Consent	jch	Quarterly Internal Investment Compliance Report
				Consent	mb	Board Member Election Results
				Consent	mb	Conflict of Interest Code
Consent	ch	Annual Proxy Voting Report as of June 30				
9/18/2024	9/10/2024	Regular		Disc.	mb	SACRS Fall Conference Items

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10/2-3/2024	10/6/2024	BE	Invesco Update and Other items to be added, as determined.	Disc.	Verus	Real Estate Program Review & Pacing
				Disc.	Verus	Investment/Operational Due Diligence (IDD/ODD) Summary Report
				Disc.	Verus	2025 Investment Work Plan
				Consent	jw	Board Charters, Code of Conduct, Data Security, Portable Electronic Devices, Board Ops, Returned Mail, Strategic Planning, Surplus Property, Wires, Ed and Travel
				Disc.	dk	Review the 2025 Rolling Calendar/Tentative Regular Meeting Schedule
10/16/2024	10/8/2024	Regular		Consent	mb	Quarterly Trustee Travel Report
				Consent	jw	Strategic Plan Status
				Consent	fd	Quarterly Disability Status Report
				Consent	pm	FCERA Annual Performance Statistics
				Consent	dk/?	Quarterly Administrator & Investment Officer Rpts
				Disc.	ch	GFOA Certificate of Achievement ACFR
				Disc.	mb	SACRS Fall Conference Items
11/6/2024	10/29/2024	Regular	Aksia Update	Consent	ch	Budget Status for the Quarter ended Sept. 30
				Disc.	Aksia	Private Credit Portfolio Update & Pacing Plan
				Consent	mb	SACRS Business Meeting Agenda & Materials
11/20/2024	n/a	Regular	Dark			
12/4/2022	11/26/2022	Regular	Hamilton Lane Update Northern Trust Update	Consent	dk	Receive RVK Report 6/30
				Disc.	Verus	Quarterly, September 30: Research, Guideline Compliance, & Investment Performance Rpts
				Disc.	Verus	Review of Investment Manager Guidelines
				Disc.	Verus	Review Investment Policy Statement (IPS)
				Disc.	HL	Private Equity Portfolio Update & Pacing Plan
				Consent	jch	Quarterly Overlay Update
				Consent	jch	Quarterly Internal Investment Compliance Report
				Consent	pm	Annual PEPRA Compensation Limit Review
				Consent	mb	Proposed Regular Board Meeting Schedule
12/11/2024	12/3/2024	AC	Clifton Larson Allen	Disc.	dk	Review Audit Results and Financial Reports
12/18/2024	12/10/2024	Regular	Actuarial Reports by Segal / ACFR Audit Reports by External Auditor	Disc.	ch/CLA	ACFR and Audit Reports
				Disc.	ch	Popular Annual Financial Report
				Disc.	Segal	Actuarial Report & GAS Reports - Segal
				Consent	pm	Pension Payroll Calendar
				Disc.	dck	FY 2024 Due Diligence Report & 2025 Plan
Disc.	BoR	Appoint Chair, Vice Chair for 2024				

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Recurring Item Notes:

Disabilities are heard at the earliest available regular meeting.
 Investment Items & Verus attendance are on the 1st regular meeting of the month.
 Cash Position and Retirements are on the 1st regular meeting of the month.
 Minutes are presented every regular meeting.
 Travel Requests and Attendance Reports are presented as needed.

Italics - Due Date Exception *Italics* - New since Last Board Dist.
Bold - FCERA website posting **Bold** - Transmit to the County

Legend

Regular Board (Regular) Meetings
Board Educational (BE) Series
Audit Committee (AC) Meetings
Budget Committee (BC) Meetings
Personnel Committee (PC) Meetings
Disability Committee (DC) Meetings
Meeting Cancelled (Dark)

Supplemental Items to Remember:

GFOA app & CAFR by 12/31 & the CAFR goes to the County by 12/31 and State Controller Schedules (LGFA's) submitted by 12/31
 Securities Lending Schedule of Borrowers - Approval Requested by Custodian as needed
 Joint Boards Meeting after Asset/Liability Studies and Major Experience Studies as needed
 Actuarial Experience Study Every 3 years (next one due 04/16/25 from 7/1/21 to June 30, 2024, for the June 30, 2025 AVR)
 Last Asset/Liability Study 08/7/2024 every 3 years (next one, 8/4/2027)
 Add Actuarial Audit RFP June 21, 2028 (done every seven years, unless something extreme happens)
 Next Pension System Upgrade - Split Accounts, 30-90 password changes or 2-factor authentication
 Strategic Plan is during odd years: last meeting in December for adoption with Educational Offsite for discussion
 Vendor RFPs Question per Due Diligence Policy (3-5 yrs): Actuary 8/5/26 for 1/1/27 (28 or 29), Board Counsel (Baker Manock)
 Fiduciary Counsel (project based), Investment Counsels (Foster and Foley sole source), General Consultant 6/17/26 for 4/1/27 (27 or 28),
 External Auditor FY 2025-26 on 12/17/25 (26 & 27), NDE & Datafied 6/18/25 for 10/1/2025 (26 & 27)

Policy and Charter Update Reminders

3/16/2022	3/5/2025	Administrative Proceedings and Appeals to the Board, Disability, Purchasing Card, Optional Settlement 4, Employer Contribution Equity, Reciprocity, Securities Monitoring and Litigation (Also provide RFP), Records Retention Over/Underpayment of Member Contributions, Over/Underpayment of Retirement Benefits, IPS
12/7/2022	12/3/2025	Boardroom Usage, Placement Agent Disclosure
2/15/2023	2/18/2026	Policy Development Process, Funding*, Interest Crediting and Undistributed Earnings, Communications, Divorce, and Public Records Requests
8/2/2023	8/5/2026	Due Diligence, Cash Liquidity, Succession Plan, Working After Retirement, Internal Revenue Code Compliance
9/6/2023	8/5/2026	Administrative Proceedings and Appeals to the Board
9/4/2024	9/2/2026	Conflict of Interest (Aggregated by the Board of Supervisors)
10/2/2024	10/6/2027	Board Charters, Code of Conduct, Data Security, Portable Electronic Devices, Board Ops, Returned Mail, Strategic Planning, Surplus Property, Wires, Ed and Travel

* Update Funding Policy anytime the assumed rate of return is changed.

Trustee	Standing Committees				Ad Hoc	Totals
	Audit	Budget	Disability	Personnel	Litigation	
Basua						0
Bonner						0
Coburn						0
Crow						0
Garcia						0
Jolly						0
Magsig						0
McDivitt						0
Robinson						0
Talford						0
Staff	DP	DCK/DP	DP	DCK	DCK	