



IOWA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

## REQUEST FOR PROPOSAL

OPERATIONAL DUE DILIGENCE SERVICES

**RFP # I-2022-4**

Issued June 20, 2022

**Iowa Public Employees' Retirement System**

7401 Register Drive

Des Moines, IA 50321

Phone: 515-281-0030

Email: [investments-rfp@ipers.org](mailto:investments-rfp@ipers.org)

Website: [www.ipers.org](http://www.ipers.org)

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## PART 1

### PURPOSE, BACKGROUND, MINIMUM REQUIREMENTS AND SCOPE OF SERVICES

#### A. PURPOSE

1. The purpose of this Request for Proposal ("RFP") is to hire an operational due diligence service provider ("Provider") to evaluate investment managers for IPERS' various non-custody investment programs ("Programs"), which include Liquid Absolute Return Strategies ("LARS"), Portable Alpha Strategies and Private Markets Program ("PMP").
2. IPERS seeks Providers to conduct a detailed evaluation of the investment managers' firm, potential conflicts, service providers, fund terms and capital, legal and compliance, financing, internal controls, valuation, IT security, as well as trading operations.
3. Respondents must satisfy all minimum requirements for their proposal to receive consideration by IPERS.
4. Any firm that meets the minimum requirements of this RFP is encouraged to submit a proposal. The RFP is available electronically on the IPERS website, [www.ipers.org](http://www.ipers.org), and on the state of Iowa website, [www.iowa.gov](http://www.iowa.gov).

#### B. BACKGROUND INFORMATION

IPERS is a multiple-employer, cost-sharing pension plan for Iowa teachers and state and local government employees. As of December 31, 2021, IPERS' investment portfolio had a market value of approximately \$43 billion.

The LARS program utilizes highly liquid, systematic absolute return strategies (such as Commodity Trading Advisors (CTAs), Foreign Exchange (FX), Managed Futures, Global Macro, etc.) and functions as an alpha overlay on IPERS' cash allocation. LARS managers invest as trading advisors through IPERS' separately managed accounts platform and will not have custody of capital or assets.

The Portable Alpha program will include any active strategies that generate returns in a fashion uncorrelated to standard market betas and can be ported over various market betas. There are no restrictions on the underlying asset classes or financial instruments used to generate the return. The strategy return can be delivered through a collective fund or separately managed account.

The PMP program contains private equity, private credit and private real asset equity strategies. These strategies are non-custody assets and they have historically been made through either a commingled fund structure or separately management account.

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

C. MINIMUM REQUIREMENTS

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

1. As of December 31, 2021, the firm must have been in the business of conducting operational due-diligence reviews of investment managers that fall within all the Programs described above for at least five (5) years.
2. The Provider must have conducted such reviews on at least ten (10) LARS managers, ten (10) Portable Alpha managers and ten (10) Private Markets managers in the last five (5) years. Your response to Question 14 in Part 3 will be utilized as support for this minimum requirement.
3. The Provider must currently provide all the Services specified in section 1.D.
4. The Provider, in submitting its proposal, agrees that it will not require contract terms that violate IPERS' legal principles described in section 1.E.

D. SCOPE OF SERVICES

**Provider must perform the following scope of services for each review, as applicable:**

1. General Operations

- a. Meet with the firm's management and investment management personnel to gain an understanding of the firm, the investment strategy pertaining to IPERS and the internal control environment.
- b. Evaluate the firm and principal's regulatory registration and compliance histories; investigate nature and outcome of any past or current regulatory actions, exams, etc.; confirm that the firm is properly registered with required regulatory bodies.
- c. Perform background checks on firm's principals and key investment management personnel, including searches for any criminal, civil and regulatory issues.
- d. Evaluate the firm's audited financial statements for any indications of financial or operational control weaknesses.
- e. Evaluate the adequacy of a manager's internal control policies and advise as to any perceived weaknesses.
- f. Evaluate the adequacy of a manager's compliance procedures and policies and advise as to any perceived weaknesses.
- g. Evaluate the risk to IPERS of the manager's use of any outsourced services and/or consultants and advise as to any perceived weaknesses.

- h. Evaluate the firm's disaster recovery plan and other business continuity plans and advise as to any perceived weaknesses.
  - i. Evaluate how the firm controls conflict of interest issues such as soft dollar arrangements, personal trading policies, side letters, trade allocation policies, etc. and advise as to any perceived deficiencies or weaknesses.
  - j. Evaluate and advise as to any perceived reputational risk associated with IPERS' selection of the manager.
2. Trading Operations
- a. Thoroughly evaluate all the steps of the trading process (from trading models that originate trade ideas to the OMS/execution platforms) and advise as to any potential operational risks or perceived weaknesses.
  - b. Evaluate the manager's processes for pre-trade and post-trade compliance with client account guidelines and advise as to any perceived weaknesses.
  - c. Evaluate the manager's trade process controls (such as trade authorization, trading limits, trade capture, "fat finger" error controls, error escalation policy, how exceptions/overrides are documented, etc.) and advise as to any potential weaknesses.
3. Reporting
- a. Provide a comprehensive written report to IPERS describing the Provider's operational due diligence review of each manager, identifying any areas of concern from the background or regulatory checks and highlighting any areas for improvement in the manager's operational processes

E. IPERS' LEGAL REQUIREMENTS

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

1. Indemnity from Liability

The Provider agrees to indemnify and hold harmless the state of Iowa, the System, and the System's staff and Board members ("Indemnified Parties") jointly and severally, from and against any and all losses, claims, damages, settlements, judgments, expenses, costs (including attorney fees of IPERS staff or of the Iowa Attorney General's Office) or liabilities of any kind which result from the Provider's negligent or wrongful performance in breach of this Contract or of any agreement which the Provider, in its capacity as such, entered into with a third party.

2. Sovereign Immunity

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

3. Jurisdiction of Disputes

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

## PART 2

### ADMINISTRATIVE INFORMATION

#### A. INSTRUCTIONS FOR SUBMITTING PROPOSALS

1. Providers responding to this RFP must provide answers to the questions posed in Part 3 of this RFP. All proposals must be complete in every respect and must answer concisely and clearly all questions proposed by the RFP. Late proposals will not be accepted.
2. **Proposals shall be submitted with a cover letter stating in the affirmative that the firm meets each and all the minimum requirements listed in Part 1.C and is able and willing to provide the scope of services described in Part 1.D of this RFP.** The cover letter and the offer made by the proposal, and any clarifications to that proposal shall be signed by an officer of the offering firm or a designated agent empowered to bind the firm in a contract. The cover letter must also identify any sections of the proposal that the firm is identifying as confidential (see Disclosure of Proposal Content below).
3. Proposals should follow the order of questions as they are asked in Part 3 of this RFP. In response to each question asked in Part 3, restate the **main** question (denoted by a number or a letter) in bold font followed by your answers stated in regular font. Responses should be thorough and answer the specific question asked (including the issues addressed in the bullet points following a question).
4. Supporting material must be clearly referenced to the applicable question posed in Part 3.
5. Communication regarding this RFP or the firm's proposal shall only be made to the RFP Coordinator identified in item 9 below, and firms should not discuss the RFP or their proposal with other IPERS staff, Board members or IPERS' consultant. Firms will be given the opportunity to submit written requests for clarification of questions or terms contained in the RFP. In all cases, verbal communications will not override written communications.
6. IPERS reserves the right to amend this RFP at any time. In the event IPERS amends the RFP, the amendment will be posted on IPERS' website at [www.ipers.org](http://www.ipers.org). A firm's response to this RFP must include an acknowledgement of all such amendments.
7. **Proposals must be received no later than 4:30 p.m. CST, July 15, 2022.**
8. A firm must submit its proposal **only** as an electronic file via email to [investments-rfp@ipers.org](mailto:investments-rfp@ipers.org). The email should be clearly marked with the subject "RFP # I-2022-4 Submission." Firms submitting proposals that do not meet the minimum requirements will be so notified.

9. The RFP Coordinator is:

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

B. REJECTION OF PROPOSALS

1. Firms responding to this RFP must restrict their proposed investment structure to that specified in this RFP. Proposals offering alternate or substitute structures will be treated as not meeting the RFP's minimum requirements and will be rejected.
2. IPERS reserves the right to reject without penalty any or all proposals in whole or in part received by this request, due to noncompliance with the requirements of this RFP or for any other reason. Issuance of this RFP in no way constitutes a commitment by IPERS to award a contract or to enter into a contract with a successful bidder. IPERS further reserves the right to cancel this RFP, to issue a new RFP or to award a contract in whole or in part if deemed in the best interest of IPERS. The RFP and the RFP process are for the sole benefit of IPERS and its members. IPERS will not pay for any information herein requested, nor is it liable for any costs incurred by the submitting proposals.
3. After evaluation of the proposals, selection and approval by IPERS, all Providers will be notified of the successful firm or firms.
4. IPERS reserves the right to not hire or to defer the hiring of a firm for these services.

C. DISCLOSURE OF PROPOSAL CONTENT

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

Any proposal submitted which contains confidential information must be conspicuously marked on the outside as containing confidential information, and each page upon which confidential information appears must be conspicuously marked as containing confidential information. Identification of the entire proposal as confidential shall be deemed non-responsive and disqualify the firm.

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

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

D. PROPOSAL OBLIGATIONS

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

E. DISPOSITION OF PROPOSALS

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

F. GRATUITIES

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

G. IOWA STATUTES AND RULES

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

H. SIGNATURE OF PROVIDER'S AGENT

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

I. AWARD OF MANDATE

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

J. EVALUATION OF PROPOSALS

IPERS will evaluate the proposals according to the evaluation criteria specified in this RFP. It is possible that IPERS may conduct finalist interviews and office visits with the top scoring candidate firms.

K. EVALUATION CRITERIA

Proposals will be evaluated using the following criteria:

Organization/Firm	10%
General Operations Due Diligence	25%
Trading Operations Due Diligence	25%
Reporting	10%
Pricing	30%

L. THE RESULTING CONTRACT

The contract that IPERS expects to award as a result of the RFP will be based upon the proposal submitted by the successful Provider(s) and this RFP. The contract between IPERS and the Provider(s) shall be a combination of the specifications, terms, and conditions of the RFP, the offer contained in the proposal submitted by the Provider, any written clarifications or changes made in accordance with the provisions herein, and any other terms deemed necessary by IPERS.

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

discretion of IPERS, affect Part 1, Section E, set forth in this RFP, affect the evaluation criteria set forth in this RFP, or give the successful firm a competitive advantage.

M. TERM OF CONTRACT

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

N. SCHEDULE OF EVENTS

1. **June 20, 2022** - RFP IS ISSUED.
2. **June 27, 2022** - INQUIRIES - Inquiries and requests for interpretation or clarification of the RFP from potential bidders will be accepted only via email. All inquiries must be received no later than 3:00 p.m. CST on this date. Firms must email their inquiries to IPERS (with subject as "RFP # I-2022-4 Inquiry") at the following address: [investments-rfp@ipers.org](mailto:investments-rfp@ipers.org).
3. **July 1, 2022** - RESPONSE TO INQUIRIES - Responses will be posted on <https://www.ipers.org/about/requests-proposals> by 3:00 p.m. CST on this date.
4. **July 15, 2022** - PROPOSALS DUE - The email containing the proposal and any excised copy of the proposal must be received by 4:30 p.m. CST on this date. **The proposal must be emailed only to [investments-rfp@ipers.org](mailto:investments-rfp@ipers.org).**
5. **August 2022** - FINALIST INTERVIEWS & OFFICE VISITS - If necessary.
6. **September 2022** (Tentative) - ANNOUNCEMENT OF SELECTION - The System will notify all firms that submitted a proposal of its selection, which shall be subject to successful negotiation of a contract with the selected firm(s).

O. AUTHORIZATION TO RELEASE INFORMATION

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

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

The firm, in submitting its proposal, hereby releases, acquits and forever discharges

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

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

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

P. ETHICS POLICY DISCLOSURES

IPERS' staff and Board members are subject to an Ethics Policy adopted by the Investment Board (which can be viewed at <https://ipers.org/investments/investment-policy>). The Ethics Policy requires firms and their agents to disclose campaign contributions made to campaigns for public elective office of IPERS staff and Board members. If your firm is selected as a semifinalist, you will be required to disclose any campaign contributions made by the firm and/or its employees or agents to any campaign for public elective office of IPERS Board and staff members or their spouses within the previous two (2) year period.

Q. APPEALS

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

*Procedures for vendor appeal.* The appeal will be treated as "other agency action" in accordance with Iowa Code chapter 17A and cases interpreting this Code chapter. The procedure for an appeal of "other agency action" is to allow the firm an opportunity to be heard.

To fulfill this obligation, the firm has five (5) calendar days from the date the notice of appeal was filed with IPERS to submit any written arguments and documents it wants considered related to the merits of the appeal. The aggrieved firm may, or may not, be afforded an opportunity to discuss the merits of the appeal with CEO Samorajski, over the telephone or in person. CEO Samorajski will issue a final agency decision related to the appeal. The exclusive means for a firm to seek further review of the final agency decision shall be governed by Iowa Code §17A.19.

**PART 3**  
**QUESTIONNAIRE**

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

1. Provide a brief overview of the Provider, and include:
  - a. The legal name of the firm that will be contracting with IPERS to provide the Services described in this RFP. (Note: Answers to all remaining questions in this part shall refer to the legal entity you name here.)
  - b. A description of the firm's legal organization (corporation, partnership, etc.) and where organized. Please also provide the ownership structure.
  - c. An organizational chart and description of the legal relationship the firm has with any parent organizations, subsidiaries and affiliates.
2. Is the firm's business regulated by any government authority? If yes, please identify those regulators and regulations.
3. Does the firm agree that if it is selected as a Provider, it will not require any contract terms that violate IPERS' legal principles described in section 1.E of this RFP?
4. Does your firm maintain an Errors and Omissions Insurance policy providing coverage for negligent acts or omissions? E&O insurance is required throughout the duration of the assignment. Please describe the firm's insurance coverages, amounts the firm maintains, as well as any deductibles or limitations. Have there been any material claims made against the E&O insurance?
5. Will all the scope of services described in this RFP be performed by the employees of the firm? Describe any service that the firm plans to use a third party to perform.
6. Has your firm or any employee at your firm, or ex-employee while employed at your firm, ever been involved in litigation where an allegation of negligence or a breach of fiduciary responsibility was made? If yes, please explain.
7. Has your firm been involved in any investigation or enforcement action by a regulatory agency? If yes, please explain.
8. Have any employees of your firm, or ex-employees while employed at your firm, been involved in litigation, investigation or enforcement action by a regulatory agency or other legal proceedings related to investment activities? If yes, please explain.
9. Have any employees of your firm, or your firm itself, been involved in any other litigation in the past ten (10) years? Please explain.

10. List your firm's key personnel that would oversee and conduct operational due diligence reviews on Program's managers if the firm was hired by IPERS. Provide brief biographies on each, including their respective roles at the firm, description of their experience and especially any experience or expertise they may have reviewing the various Program's strategies.
11. Please list the name, title and date of departure for any key employee that left the firm from January 1, 2016, through the date of submission of your proposal.
12. Have there been any material developments – such as changes in ownership, key personnel, business strategy – over the past five (5) years? If yes, describe such developments. Does the firm know of or anticipate any prospective major changes in ownership or key employees over the next twelve (12) months? If yes, please describe the succession plan and its potential impact on firm's resources and business strategy, etc.
13. What percentage of your firm's revenue was derived from provision of operational due-diligence services in 2021? What percentage of your firm's revenue was derived from providing investment advisory services in 2021?
14. Please provide an overview of the firm, including its history and the types of services it provides. Describe any special expertise or experience the firm has conducting operational due diligence on investment managers that fall within the Programs described in section I.B above.
15. Does your firm or any affiliated entities offer any investment products or investment management services? If so, respond to the following questions:
  - a. Describe the strategies that are offered by your firm and the assets under management in each product as of 12/31/21.
  - b. What procedures and policies are in place to control any conflicts of interest between the firm's investment management business and the firm's operational due diligence business?
  - c. Please provide an overview of all other outside business activities performed by the firm and related key persons. Please disclose if any key person has interest in these outside business activities.

16. Complete the table below as of 12/31/21, showing the total number of *initial* operational due diligence reviews the firm has provided to clients in the last five (5) years by the Programs in section I.B, other strategies not included in the Programs, and the number of reviews conducted in total. Provide the information by type of client.

	# That Involved Private Market Strategies	# That Involved LARS Strategies	# That Involved Portable Alpha Strategies	# That Involved Other Strategies	Total # of Operational DD Reviews Conducted
Public Pension Funds					
Endowments & Foundations					
Corporate clients					
Other					
TOTAL					

17. What key strengths or competitive advantages does the firm have with respect to conducting operational due diligence services on investment management firms? Any for Program's strategies in particular?
18. Discuss your organization's compensation and incentive policies for employees conducting operational due diligence services.
19. List any due diligence consulting mandates that the firm lost from January 1, 2016, to the date of submission. State the name or type of account, the size of the engagement at termination and the reasons for the loss.
20. Please describe the firm's technology capabilities and relate them to the firm's due diligence services. Do you provide any custom computer-based tools to the firm's clients? If so, please elaborate, particularly with respect to tools related to managed futures strategies.
21. Please describe in detail the following:
  - a. Steps of the process the firm intends to follow in conducting due diligence on Program's managers. Include flow-charts if necessary.
  - b. Quantitative and qualitative factors that are examined.
  - c. Important checks in the trade life cycle of systematic strategies.
22. What factors or findings in an operational due diligence project would cause you to recommend that a client not utilize the manager?

23. On average, what percentage of your time in an operational due diligence project is spent "on-site" at a manager's offices?
- Please list the firm's annual budget and time on each manager's initial ODD and ongoing monitoring.
  - How many on-site operational due diligence reviews has the firm conducted outside of the United States in the five (5) years ended 12/31/21? In what countries did such onsite meetings take place?
  - How does the firm integrate remote ODD with on-site ODD, especially for new managers, small sized managers, emerging managers and non-U.S. based managers, etc.?
  - Describe the role of background checks and reference checks with clients and service providers in evaluating managers.
24. Please furnish one complete manager evaluation report that was provided to a client for each of the Programs described in section I.B above. Manager and client names may be redacted as needed. Highlight any differences in your ODD evaluation of an investment management firm due to strategy.
25. List the process you use to evaluate a manager's "trade life cycle"? Explain in detail your checks to determine:
- Possibilities of fat-finger errors
  - Trade allocations and priorities of clients
  - Adherence to client specific guidelines
  - Trade breaks and error reporting
  - Model validation and trade algorithm checks
  - Rogue trader safeguards, etc.
26. Please elaborate two (2) areas that the firm has placed more emphasis on, or new areas that the firm has added to its ODD process since the last three (3) years.
27. Provide your proposed fee to provide the scope of services requested in this RFP.
- Provide a fee quote to provide the entire scope of services per each manager review. The quote should cover all costs for providing the scope of services for a manager located in the continental United States. No out-of-pocket expenses will be paid by IPERS.
  - IPERS realizes that some of these managers may reside outside of the continental United States. Provide a fee quote to provide the entire scope of services per each manager review. The quote should cover all costs for providing the scope of services for a manager located *outside of the continental United States*. No out-of-pocket expenses will be paid by IPERS.
28. References - Provide the organization name, address, telephone number, contact name and title for at least three (3) existing clients (preferably at least two (2) of whom should be U.S. based institutional clients) that use your firm's operational due diligence services.

29. Provide the organization name, address, telephone number, contact name and title for at least two (2) managers from each of the Program's described in Section I.B above who can discuss the operational due diligence your firm conducted on their firm or product. Not including references will be considered non-responsive.
  
30. Given IPERS' explanation of what it is trying to accomplish in hiring a Provider, do you believe there are any other services or tasks that are missing from the Scope of Services defined in section 1.D of this RFP? If yes, please describe the services or additional tasks that should be included to accomplish a thorough operational due diligence review of a manager within the various Programs described in Section I.B.