

# New York State Deferred Compensation Board - Active Fixed Income RFP (Within Stable Income Fund)

## RFP Questions and Answers

### Manager 1

1. I noticed in the RFP that Appendix A and B require Excel document submissions, however, I do not see Excel versions of these Appendices available on the NYSDC website. Can you please advise whether excel versions are available or we should copy the template from the PDF that is available?

**RFP excel and word documents can be found on Callan's website at the following link:**

<https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>

2. Does Goldman have influence over the underlying managers as we don't have stable Value business with them. Will they consider managers outside of their alliances?

**GSAM is the stable value structure manager of the NYSDC Stable Income Fund; they make the recommendations to the Board on the underlying managers in the Fund.**

**Per the RFP:**

**Review by Stable Value Structure Manager**

**Based on the criteria described above, GSAM Stable Value, LLC will review and screen all bids and recommend finalists to the Board by around January 19, 2024. All finalists will receive notice of their selection.**

### Manager 2

3. The Product Design Requirements states that you are considering strategies that benchmark three different benches.
  - 1) Bloomberg Intermediate Aggregate Index
  - 2) Bloomberg 1-3 year Gov/Credit Index
  - 3) Bloomberg 1-3 year Government Index

However in the Appendix B excel formatted document it states the following in line 19:

Provide a complete fee schedule for each strategy assuming a \$700 million to \$1.0 billion placement for a strategy benchmarked to the Bloomberg Intermediate Gov./Credit Index and a \$500 million placement for a strategy benchmarked to the Bloomberg 1-3 Government or Bloomberg 1-3 Gov./Credit Index.

Is a strategy benchmarked to the Intermediate Gov/Credit being considered for this search?

**This was a typo. NYSDC is not seeking strategies benchmarked to the Bloomberg Intermediate Gov/Credit Index. Revised RFP documents have been posted at:**

<https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>

### Manager 3

4. Please let us know if you are open to ETFs in response to this RFP for active managers for New York State Deferred Compensation Board

**For this RFP, only separately managed accounts that will be subject to NYSDC Stable Income Fund guidelines are being considered.**

### Manager 4

5. Could you please confirm the contract procurement number for Appendix D?

**The contract procurement number for Appendix D is #C240003**

# New York State Deferred Compensation Board - Active Fixed Income RFP (Within Stable Income Fund)

## RFP Questions and Answers

### Manager 5

6. As it relates to the intermediate core fixed income opportunity, our US aggregate team has a 30+year client for which we have managed a ~\$40M customized portfolio to the Intermediate Aggregate Index. This investor however, has multiple SRI restrictions. We were hoping to confirm whether or not we should submit the track record for this specific representative account? Or would it make sense to also include our Core track record that is managed in a similar style against the US Aggregate Index, as this mandate would likely fall somewhere in between?

**A Core Fixed Income track record benchmarked to the full Bloomberg Aggregate is non-responsive.**

**To comply, a strategy needs a track record measured against one of the RFP's stated benchmarks. If you believe the referenced strategy with SRI restrictions is compliant, you could submit the strategy and note the restrictions.**

### Manager 6

7. Would a strategy track record managed against the BofAML 1-3 Year Treasury Index be acceptable to satisfy the minimum requirement of a GIPS compliant strategy track record of at least five (5) years as of September 30, 2023 that is benchmarked against the Bloomberg 1-3 Year Government Index.

**It is preferred that the proposing firm possess a GIPS compliant strategy track record that is benchmarked against the Bloomberg Intermediate Aggregate Index, Bloomberg 1-3 Year Government/Credit Index, or the Bloomberg 1-3 Year Government Index. Proposals that are managed against different but similar benchmarks, would be measured against these benchmarks.**

### Manager 7

8. It is understood, per the RFP outline instructions, that the Appendix A and B portions of the questionnaire are to be submitted as an Excel document. However, it is unclear if applicants are encouraged to create their own Excel documents following the format of the questionnaire or if Excel documents for both Appendix A and B will be provided for applicants to fill out and complete.

**RFP excel and word documents can be found on Callan's website at the following link:**  
<https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>

### Manager 8

We understand the mandate will be benchmarked to the Bloomberg Intermediate Aggregate Index, and that a GIPS compliant track record vs. the Intermediate Agg Index is "preferred" (*page 11, minimum requirements*).

9. We are considering two strategies; one with the Bloomberg Aggregate Index as the primary benchmark and the other benchmarked vs. Intermediate Government/Credit Index. Would the plan consider either of these strategies for this mandate or would there be a preference based on similarity to the Intermediate Aggregate Index?

**This RFP seeks short duration and intermediate fixed income RFP responses as outlined in the RFP. Intermediate strategies will be screened against the Intermediate Aggregated Index, per the RFP, not the Aggregate or Intermediate Gov/Credit.**

We also noted this benchmark reference on page 19 in the question about fees:

*Provide a complete fee schedule for each strategy assuming a \$700 million to \$1.0 billion placement for a strategy benchmarked to the Bloomberg Intermediate Gov./Credit Index and a \$500 million placement for a strategy benchmarked to the Bloomberg 1-3 Government or Bloomberg 1-3 Gov./Credit Index.*

## New York State Deferred Compensation Board - Active Fixed Income RFP (Within Stable Income Fund)

### RFP Questions and Answers

10. Can the intermediate Core Fixed Income mandate be benchmarked to the Bloomberg Intermediate Gov./Credit Index?

**No, this is a typo in the RFP. The updated questionnaire is on the Callan website.**

<https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>

11. Once a Vendor ID is obtained, is it required anywhere else besides the Vendor Responsibility Questionnaire?

**No.**

#### Manager 9

12. With respect to this search and RFP document, are you able to provide the excel documents? The plan website only has the PDF with pictures of the excel.

**RFP excel and word documents can be found on Callan's website at the following link:**

<https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>

13. Can you confirm that all data in the Appendix B – Product Questionnaire workbook should be provided as of 9/30/2023 unless otherwise noted?

**Please use data as of 9/30/23. A revised version of Appendix B has been posted to Callan's website at:**

<https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>

14. In the Appendix B – Product Questionnaire workbook, within the “Team” tab under “Team Product Lineup,” AUM (\$mm) is requested as of 12/31/2021. Should this be as of 12/31/2022 or 9/30/2023?

**Please use data as of 9/30/23. A revised version of Appendix B has been posted to Callan's website at:**

<https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>

15. What is the Contract Procurement Number for this search as requested in Appendix D?

**The contract procurement number for Appendix D is #C240003**

16. In Exhibit F, p. 11, #5 Credit Quality Guidelines: we don't see any mention of Not Rated securities. There are a number of structured securities that don't pay for a S&P, Moody's or Fitch rating, but may have a DBRS, Kroll or Morningstar rating or no 3rd party rating at all given the very short nature of the security. Are Not Rated bonds permitted and if so, what is the percentage that would be allowed?

**At time of purchase, securities must be rated at least investment grade (Baa3/BBB- equivalent or better) by at least one Nationally Recognized Statistical Rating Organizations.**

#### Manager 10

17. In Question 19 on the Product tab of the Appendix B product questionnaire, the fee schedules requested are for strategies benchmarked to the Bloomberg Intermediate Gov/Credit Index and the Bloomberg 1-3 Government or Bloomberg 1-3 Gov/Credit Index. Should the fee schedules provided be for strategies benchmarked to the Bloomberg Intermediate Aggregate Index and the Bloomberg 1-3 Government or Bloomberg 1-3 Gov/Credit Index?

**No, this is a typo in the RFP. The updated questionnaire is on the Callan website.**

<https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>

## New York State Deferred Compensation Board - Active Fixed Income RFP (Within Stable Income Fund)

### RFP Questions and Answers

18. On the Team tab of the Appendix B product questionnaire, the Team Product Lineup table requests the AUM as of 12/31/2021. Will you please confirm if you want data as of 12/31/2021 or 12/31/2022 (or another more recent date)?

**Please use data as of 9/30/23. A revised version of Appendix B has been posted to Callan's website at:**  
<https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>

#### Manager 11

19. We currently manage a portfolio benchmarked to the Bloomberg Intermediate G/C Index. The RFP states that the benchmark will be the Bloomberg Intermediate Aggregate Index. Can you please confirm whether we should only submit a response for the Intermediate Aggregate Index or both the Intermediate Aggregate and Intermediate G/C Index?

**Only products responsive to the Bloomberg Intermediate Aggregate Index should be included.**

20. Are you open to managers submitting responses for both Intermediate and Short mandates? If so, would you like us to submit two proposal packages or one proposal package with two appendix B, one for each strategy?

**Yes. We prefer separate submissions for each mandate – with distinct cover letter's, executive summaries, and Appendix B. Appendix A, Appendix C, and Appendix D only need to be submitted once by firms providing multiple strategy responses.**

21. Is the proposed strategy required to be in eVestment?

**No**

22. Within Appendix B Row 11, Column F/G the AUM is as of 12/31/2021. Should this be as of 12/31/2022 or 9/30/2023?

**Please use data as of 9/30/23. A revised version of Appendix B has been posted to Callan's website at:**  
<https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>

#### Manager 12

23. Will there be a carve-out of this \$1 Billion RFP for an Emerging/Minority manager? It doesn't say on the RFP, but would like to ask if this something being considered by Callan?

**Per the RFP:**

***In accordance with subdivision 2 of section 5 of the New York State Finance Law, the Board is committed to ensuring the inclusion of MWBE Asset Managers and MWBE Financial and Professional Service Firms in requests for proposals or searches conducted by or on behalf of the Board with respect to the selection of service providers to the New York State Deferred Compensation Plan. Proposals should indicate if your organization is designated MWBE.***

**Also per the RFP, GSAM is the stable value structure manager and leads the RFP review process:**

***Based on the criteria described above, GSAM Stable Value, LLC will review and screen all bids and recommend finalists to the Board by around January 19, 2024. All finalists will receive notice of their selection.***

**Multiple managers could be hired coming out of this request for proposal.**

# New York State Deferred Compensation Board - Active Fixed Income RFP (Within Stable Income Fund)

## RFP Questions and Answers

### Manager 13

24. Can managers submit 3 separate products with a single set of “additional documents” (i.e. firm information, vendor docs, anything that would be consistent across the three products)

**Yes. We prefer separate submissions for each mandate – with distinct cover letter’s, executive summaries, and Appendix B. Appendix A, Appendix C, and Appendix D only need to be submitted once by firms providing multiple strategy responses.**

25. Is GSAM going to have a role in the RFP process? If so, in what capacity?

**Per the RFP, GSAM is the stable value structure manager and leads the RFP review process:**

***Based on the criteria described above, GSAM Stable Value, LLC will review and screen all bids and recommend finalists to the Board by around January 19, 2024. All finalists will receive notice of their selection.***

### Manager 14

26. Could you please confirm with the client what date we should use when answering questions/providing data for this RFP (ex; data as of 9/30/23, etc.). The data they want for each question is inconsistent (one question stated data as of 12/31/21 and some of the other tables only go to 2022). By default we would use 9/30/23 data/content but I think it’s good to check with the client.

**Please use data as of 9/30/23. A revised version of Appendix B has been posted to Callan’s website at:**

**<https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>**

27. Is there any restrictions on a firm bidding on both opportunities?

**No**

28. **Sworn docs scope** – do the contract & product questionnaires need to be sworn to or is it just appendix C (vendor responsibility questionnaire) that is the sworn doc?
- We’re unsure if the ‘questionnaire’ stated in the certification below includes the actual RFP or just the vendor questionnaire.

**The undersigned certifies that he/she:**

- is knowledgeable about the submitting Business Entity’s business and operations;
- has read and understands all of the questions contained in the **questionnaire**;
- has not altered the content of the **questionnaire** in any manner;
- has reviewed and/or supplied full and complete responses to each question;
- to the best of his/her knowledge, information and belief, confirms that the Business Entity’s responses are true, accurate and complete, including all attachments, if applicable;
- understands that New York State government entities will rely on the information disclosed in the questionnaire when entering into a contract with the Business Entity; and
- is under an obligation to update the information provided herein to include any material changes to the Business Entity’s responses at the time of bid/proposal submission through the contract award notification, and may be required to update the information at the request of the New York State government entities or OSC prior to the award and/or approval of a contract, or during the term of the contract.

**Only the Vendor Questionnaire needs to be notarized.**

## New York State Deferred Compensation Board - Active Fixed Income RFP (Within Stable Income Fund)

### RFP Questions and Answers

#### Manager 15

29. Do you have a preference for one or multiple/separate submissions if we intend to submit for both strategies?

**We prefer separate submissions for each mandate – with distinct cover letter's, executive summaries, and Appendix B. Appendix A, Appendix C, and Appendix D only need to be submitted once by firms providing multiple strategy responses.**

30. What is the screening process or rubric associated with this search? More specifically, in past searches there have been specific metrics which included, but weren't limited to, the following listed below. Our understanding was that managers had to have a certain percentile ranking to continue forward. Could you provide perspective into any minimum performance criteria you will be using in your selection process?

- Trailing Returns on a 3 and 5 year basis
- Tracking error
- Drawdown
- 5 year alpha

**In selecting a financial organization, quantitative and qualitative criteria that comply with the requirements of the Board's Rules and Regulations, including sections 9003.2 and 9003.3, will be used.**

31. New York State has managers that manage to the benchmarks specified today. Could you provide color as to what is driving the search? Are they looking to replace or add managers to the Stable Value roster?

**This search is being conducted due to existing manager contracts expiring in 2024.**

#### Manager 16

32. If possible, can you provide Appendix A and Appendix B in excel format?

**RFP excel and word documents can be found on Callan's website at the following link:**  
<https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>

33. If proposing more than one strategy, should we complete two separate proposals for each?

**We prefer separate submissions for each mandate – with distinct cover letter's, executive summaries, and Appendix B. Appendix A, Appendix C, and Appendix D only need to be submitted once by firms providing multiple strategy responses.**

#### Manager 17

34. The request is for team as of 12/31/2021. Is that the desired date or do you prefer team as of 12/31/22?

**Please use data as of 9/30/23. A revised version of Appendix B has been posted to Callan's website at:**  
<https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>

#### Manager 18

35. How flexible is the plan with regards to benchmarks? Our strategy is benchmarked against the Intermediate Government/Credit Bond Index, not the Intermediate Aggregate Bond Index and whether NYSDCP would be open to changing the benchmark.

**NYSDC is not open to changing the benchmark.**

## New York State Deferred Compensation Board - Active Fixed Income RFP (Within Stable Income Fund)

### RFP Questions and Answers

36. On Appendix B (Product Questionnaire) – Client Account Information and Appendix B (Product Questionnaire) – Portfolio Positioning  
The Questionnaire template reads that all data should be submitted for the year-ending on December 31, 2022, is this correct ?

**Please use data as of 9/30/23. A revised version of Appendix B has been posted to Callan's website at:**  
<https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>

#### Manager 19

37. If more than one strategy is being proposed, are all appendices required once again?

**We prefer separate submissions for each mandate – with distinct cover letter's, executive summaries, and Appendix B. Appendix A, Appendix C, and Appendix D only need to be submitted once by firms providing multiple strategy responses.**

38. Where a date is not specified, should one assume year or quarter-end? Example: Appendix B, Tab "Clients", Question #4.

**Please use data as of 9/30/23. A revised version of Appendix B has been posted to Callan's website at:**  
<https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>

#### Manager 20

39. We have reviewed the New York State Deferred Compensation Board RFP ("NYS RFP") and are submitting this question to request clarification and interpretation of various references to Affirmative Action in the NYS RFP, specifically Exhibits A and B. In this area of law, various jurisdictions use differing terminology. Please clarify whether Exhibits A and B require a formal Affirmative Action Plan, or if an Equal Employment Opportunity/Non-Discrimination policy would satisfy the requirements of the NYS RFP?

**This RFP does not require an Affirmative Action plan. An Equal Employment Opportunity/Non-Discrimination policy would satisfy the requirements of the RFP.**

40. Are CLOs permitted?

**Please refer to Section B(2)(c) in the Investment Guidelines contained in Exhibit F**

**(c) Residential and commercial mortgage-backed securities, corporate bonds(including Covered Bonds), asset-backed securities (including CMOs and CLOs), structured notes and other similar fixed income investments;**

#### Manager 21

41. Our Fixed Income team is comfortable managing portfolios against the desired benchmarks/guidelines outlined in the RFP for both the Active Intermediate Aggregate Fixed Income and Active Short Duration Fixed Income mandates. However, the GIPS-compliant +5-year track records we maintain and report in eVestment are measured against the Bloomberg Intermediate US Gov/Credit Index and ICE BofAv 1-3 Year UST Index. Would the Board consider our proposal given that we can manage portfolios benchmarked to the Bloomberg Intermediate Aggregate Index, Bloomberg 1-3 Year Government/Credit Index and Bloomberg 1-3 Year Government Index?

**It is preferred that the proposing firm possess a GIPS compliant strategy track record that is benchmarked against the Bloomberg Intermediate Aggregate Index, Bloomberg 1-3 Year Government/Credit Index, or the Bloomberg 1-3 Year Government Index. Proposals that are managed against different but similar benchmarks, would be measured against these benchmarks.**

## New York State Deferred Compensation Board - Active Fixed Income RFP (Within Stable Income Fund)

### RFP Questions and Answers

42. To confirm, are you looking for AUM & employee data as of 9/30/2023 or 12/31/2022 within the Overview & Team tabs of Appendix B (Product Questionnaire)?

**Please use data as of 9/30/23. A revised version of Appendix B has been posted to Callan's website at: <https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>**

43. May a proposer submit clarifying language with respect to the contract terms outlined within the RFP?

**No.**

#### **Manager 22**

44. For investment strategies we are submitting in response to the RFP, is there a requirement to have the strategies listed and updated in Callan DNA and/or eVestment?

**No.**

#### **Manager 23**

45. We currently manage Short Duration assets in NYSDC's Stable Value option. Given we manage assets today, would we be considered for an additional short duration mandate/assets should we respond with a proposal to the short duration RFP? We do intend to respond to the Intermediate Bond RFP.

**The Board has flexibility to allocate additional assets to any of the existing strategies without a RFP response for that strategy.**

46. Are there any corresponding documents we should be filling out for Appendix A & B (i.e. Excel file)? Should we respond in our own formatting?

**RFP excel and word documents can be found on Callan's website at the following link: <https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>**

47. In Appendix B, under Client/Account Information, Questions 2-4, while we will check with our clients about their desire to be named in an RFP, some prefer to remain anonymous either by name and/or AUM level. May we respond with "Anonymous Client - Client Type" (i.e. Corporate Plan, Public Fund, etc.) for these questions?

**Yes**

#### **Manager 24**

48. Can one manager be selected for multiple exposures?

**Yes**

49. Are you seeking a replacement of an existing manager or will this be adding to the lineup?

**This search is the result of expiring contracts.**

50. Do the proposed mandates need to be benchmarked to the exact index stated in the RFP or can it be effectively the same? (i.e. ICE vs. Bloomberg)



## New York State Deferred Compensation Board - Active Fixed Income RFP (Within Stable Income Fund)

### RFP Questions and Answers

**It is preferred that the proposing firm possess a GIPS compliant strategy track record that is benchmarked against the Bloomberg Intermediate Aggregate Index, Bloomberg 1-3 Year Government/Credit Index, or the Bloomberg 1-3 Year Government Index. Proposals that are managed against different but similar benchmarks, would be measured against these benchmarks.**

51. What is the permitted tracking error across the benchmarks?

**In selecting a financial organization, quantitative and qualitative criteria that comply with the requirements of the Board's Rules and Regulations, including sections 9003.2 and 9003.3, will be used.**

52. If submitting for multiple mandates, can the final submission be a single PDF or would you prefer separate RFPs for each mandate?

**We prefer separate submissions for each mandate – with distinct cover letter's, executive summaries, and Appendix B. Appendix A, Appendix C, and Appendix D only need to be submitted once by firms providing multiple strategy responses.**

53. Would you prefer the data tables in excel or everything in PDF?

**Appendix A and Appendix B should be provided in Excel and PDF formats. Please note for a proposal to be considered complete and receive consideration, it must include all information requested in Section IV. B. "Form and Substance of Proposals" found on pages 7 through 9 of the RFP.**

#### Manager 25

54. Do you have an Excel version of Appendix A and B?

**RFP excel and word documents can be found on Callan's website at the following link:**  
<https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>

55. Our firm is interested in presenting two strategies for the mandate in consideration. To clarify the submission process, could you please advise if we should complete a separate proposal for each strategy or if filling out two Product Appendices will suffice?

**We prefer separate submissions for each mandate – with distinct cover letter's, executive summaries, and Appendix B. Appendix A, Appendix C, and Appendix D only need to be submitted once by firms providing multiple strategy responses.**

#### Manager 26

56. Will the formatted Excel spreadsheets be provided for Appendix A and B?

**RFP excel and word documents can be found on Callan's website at the following link:**  
<https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>

57. Appendix B - #6, Does the investment team managing this strategy share resources with any other investment teams within the firm (e.g. credit research)? Is this data requested for 12/31/21 or 12/31/2022?

**Please use data as of 9/30/23. A revised version of Appendix B has been posted to Callan's website at:**  
<https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>

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58. Appendix B - Diversity and Inclusion chart. Is this data requested for 12/31/2022?

**Please use data as of 9/30/23. A revised version of Appendix B has been posted to Callan's website at:**

<https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>

59. Exhibit B – Product Questionnaire, Product Information question 19. The requested requests a fee schedule for a strategy benchmarked to the Bloomberg Intermediate Gov./Credit Index. Can you confirm this should reflect Bloomberg Intermediate Aggregate Index?

**This was a typo. NYSDC is not seeking strategies benchmarked to the Bloomberg Intermediate Gov/Credit Index. Revised RFP documents have been posted at:**

<https://www.callan.com/new-york-state-deferred-compensation-board-active-fixed-income-rfp/>

60. Appendix D requests the Contract Procurement Number. Where can we find that number for this search?

**The contract procurement number for Appendix D is #C240003**

#### Manager 27

61. We are submitting a RFP to rebid on the Short Duration Fixed Income mandate that we already manage. Are all of the sections within the RFP required to be completed for an existing mandate? For example, references? We are happy to provide this information, but just wanted to verify.

**Yes.**

62. Are separate PDFs accepted for the cover letter, executive summary, and appendixes? Or do they need to be aggregated into one PDF when submitting the RFP?

**We prefer separate submissions for each mandate – with distinct cover letter's, executive summaries, and Appendix B. Appendix A, Appendix C, and Appendix D only need to be submitted once by firms providing multiple strategy responses.**

63. Do you require a PDF and Excel file submitted for Appendix A and Appendix B?

**Appendix A and Appendix B should be provided in Excel and PDF formats. Please note for a proposal to be considered complete and receive consideration, it must include all information requested in Section IV. B. "Form and Substance of Proposals" found on pages 7 through 9 of the RFP.**