

New York State Deferred Compensation Plan ESG Active Global Equity Management Services Search

RFP Questions and Answers

- 1) We meet 7 of the 8 required criteria including our strong ESG work except for the firm AUM, as our current AUM is \$2.2B. We continue to see strong growth as AUM has doubled in the last 18 months. We would like to respond to the RFP and were hoping you could share your thoughts on the AUM issue.

Per the RFP: The proposing firm must have a minimum of \$5 billion in firm assets under management, as of March 31, 2025.

- 2) Would minority managers be considered for this RFP, if not meeting all of the stated minimum requirements?

To be considered for this RFP, the proposing firm and strategy must meet all minimum requirements.

- 3) The RFP indicates the need for a daily valued, daily liquid pooled investment vehicle (mutual fund, CIT, etc.). Furthermore, the Minimum Requirements laid out in the RFP indicate that "...NYSDCP seeks to have its participants' assets represent no more than...25% of a vehicle's assets, though these constraints are non-binding". Our firm currently offers multiple Global ESG strategies that meet the other minimum requirements stipulated in the RFP (length of track record, product AUM, minimal style, regional and market drift, etc.) but we do not currently offer a pooled vehicle for US clients. We would be very interested in launching a CIT vehicle, with the NYSDC Plan as the potential seed investor (we currently offer several strategies in a daily valued, daily liquid Collective Investment Trust that is used by many defined contribution and deferred comp plans). Would the Board be willing to consider having the Plan be a seed investor in a new daily valued, daily liquid CIT vehicle and thereby waive the constraint of having participants' assets not represent more than 25% of a vehicle's assets, provided all other minimum requirements for the product are met?

Per the RFP: Please note the Plan is not willing to seed a vehicle such as a CIT.

Per the RFP: The proposed strategy must have a minimum of \$1 billion in product assets under management and \$500 million in the proposed vehicle's assets under management.

- 4) Our suggestion was to offer the Plan an opportunity to seed a CIT Vehicle with us if we made to the final stage, and in-turn we would offer the Plan a potentially discounted fee in return for seeding the CIT. Do you believe this is negotiable with the Plan and/or could you confirm this is acceptable with you for us to participate in this RFP?

Per what is stated explicitly in the RFP, the Plan is not willing to seed a CIT.

- 5) It appears as if we have an additional external investor that could potentially fund a CIT, would a seed investor that invests \$10 million be sufficient for NYS Deferred? Or would they have a higher investment vehicle number in mind.

The proposed strategy must have a minimum of \$1 billion in product assets under management and \$500 million in the proposed vehicle's assets under management.

- 6) I'm wondering if you are able to confirm quickly that there is no flexibility on vehicle assets?

The proposed strategy must have a minimum of \$1 billion in product assets under management and \$500 million in the proposed vehicle's assets under management.

- 7) While we have live ETFs in EM and International, our Core Equity global strategy would need to be an SMA. Is that something they would consider?

We appreciate your firm's interest but as stated in the RFP separate accounts will not be considered, and we are unable to make any exceptions.

- 8) Our Fund meets the minimum AUM requirements at the strategy level, as well as for our daily valued Luxembourg fund (which would not be appropriate for the Plan). Would the NY State Deferred Compensation

Board be open to considering the seeding of a CIT at a discounted fee level? While the strategy meets the minimum, the CIT would be a new vehicle and would not meet the AUM threshold on its own.

The proposed vehicle must be a daily valued, daily liquid vehicle (mutual fund or CIT) that can be used in a 457(b) Plan. The Plan is not willing to seed a vehicle.

- 9) Regarding Appendix B: Diversity Statistics Grid chart, could you please confirm whether it should be completed at the firm level or at the strategy level for the Portfolio Manager and Investment Team?

At the firm level.

- 10) Is this search intended as a potential replacement for Impax, or is the Committee seeking to evaluate a broader set of strategies that offer similar ESG characteristics but with potentially lower tracking error?

The RFP is required due to the upcoming contract expiration for Impax; the incumbent is invited to rebid.

- 11) The RFP references limitations on style, regional, and market cap drift. Should we interpret this as a preference for a more core-oriented global equity strategy that still maintains strong ESG integration and sustainability credentials?

Please see the product design requirements stated in the RFP, including: Portfolio construction is required to be in line with the relevant index and therefore exhibit a minimum of style, regional or market capitalization drift.

- 12) Does the Committee consider strategies to be applicable if their investment thesis directly links positive environmental or social outcomes to financial return potential (e.g., growth of climate or social solutions as a driver of alpha)?

Please see the product design requirements stated in the RFP, including: The RFP is seeking strategies that employ ESG integration and thematic investment approaches for pecuniary objectives and not strategies with impact objectives.

- 13) Would the Committee consider a strategy currently only available through a GSF or OEIC vehicle? If not, is there flexibility to submit such a strategy under this RFP?

No, only mutual funds and CITs will be considered.

- 14) Could you please clarify which elements of the listed asset limits are binding versus non-binding?

These requirements are all binding: The proposing firm must have a minimum of \$5 billion in firm assets under management, as of March 31, 2025. The proposed strategy must have a minimum of \$1 billion in product assets under management and \$500 million in the proposed vehicle's assets under management.

- 15) There is no mention of redactions within the RFP requirements. Will we need to create a redacted version of the RFP?

The requirements for submission are specified within the RFP itself including this section pertaining to your question:

Freedom of Information Law and Proposer's Proposals

The purpose of the State's Freedom of Information Law ("FOIL"), which is contained in Public Officers Law Sections 84-90, is to promote the public's right to know the process of governmental decision making and to grant maximum public access to governmental records. Thus, a member of the public may submit a FOIL request for contracts awarded by the Board or for the proposals submitted to the Board in response to an RFP. After formal contract approval by the Office of the State Comptroller, the proposal of the successful proposer and the proposals of the non-successful proposers are subject to disclosure under FOIL.

Pursuant to Section 87(2)(d) of Public Officers Law, the Board may deny access to those portions of proposals or portions of a successful proposer's contract which are trade secrets or submitted to the Board by a commercial enterprise or derived from information obtained from a commercial enterprise and which if disclosed would cause substantial injury to the competitive position of the subject enterprise. Please note that information, which you may claim as proprietary, copyrighted, or rights reserved is not protected from disclosure under FOIL.

If there is information in your proposal that meets the definition set forth in Section 87(2)(d) of the Public Officers Law, you must so inform the Board in a letter accompanying your proposal. This letter must contain the following information:

Identification by page, line, or other appropriate designation of that specific portion of the proposal which contains the information; and

A detailed justification of why disclosure of such information to the public under FOIL would cause substantial injury to your competitive position. Please note that the courts have ruled that a mere conclusory statement that certain information is a trade secret and that disclosure would cause injury to your competitive position is insufficient to protect it from disclosure under FOIL.

Failure to identify the information you believe should be protected by Section 87(2)(d) may result in such information being disclosed if a FOIL request is received.

It is your responsibility to contact an attorney with any questions about FOIL.

- 16) We currently have ~\$500m in our Global strategy and are just about to launch a 40 Act mutual fund for the strategy in the coming weeks. On this basis, should we complete the RFP or are the minimum requirements hard rules and we should not complete?

No, that strategy would not meet the minimum requirements listed in the RFP.

- 17) We only have an SMA that has under \$500mm in AUM or we have a UCIT ICAV vehicle with \$940mm. Would you consider the UCIT instead or is that a hard requirement? Would the Plan be open to a UCIT structure as we don't have other options such as a mutual fund or a CIT available.

NYSDC is only considering CITs or Mutual Funds for this procurement.

- 18) Could you please clarify the requirement with respect to vehicle minimum as we want to confirm our interpretation of the requirement. There is a clause stating these requirements are non-binding. We meet the product assets under management minimum, however, our CIT falls short of the \$500mm minimum. Could you please advise if it would be acceptable to participate?

No, this would not meet the minimum stated in the RFP of \$500 MM in the vehicle.

- 19) Our strategy has \$5bn in Assets under Management, but our US Mutual Fund has less than \$50 million. Are you willing to waive the minimum vehicle requirement?

We are unable to waive the minimum vehicle requirement.