REQUEST FOR PROPOSALS

For

Pension Fund General Investment Consulting Services

PROPOSAL SUBMISSION DEADLINE
October 27, 2017
12:00 p.m. (NOON) CDT

Submit to:
KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
611 S. Kansas Avenue, Suite 100
Topeka, KS 66603-3803
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I. INTRODUCTION

The Kansas Legislature established the Kansas Public Employees Retirement System in 1962 to provide retirement and related benefits to Kansas public servants. The System currently serves approximately 305,000 members, and manages over $18 billion in assets for them. Located in Topeka, Kansas, KPERS’ staff currently consists of about 100 employees in professional, management, technical and clerical support positions. KPERS is governed by a nine-member Board of Trustees. Four members are appointed by the Governor, two are appointed by legislative leaders, two are elected by System members, and one is the elected State Treasurer.

The Kansas Public Employees Retirement System, (“KPERS”) administers a defined benefit pension and related benefits for public employees in Kansas. KPERS is a governmental cost-sharing multiple-employer defined benefit plan governed by K.S.A. 74-4901 et seq. and Section 401(a) of the Internal Revenue Code. KPERS is an umbrella organization for three pension groups:

- the Kansas Public Employees Retirement System (including State, School, and Local Groups),
- the Kansas Police and Firemen’s Retirement System (KP&F), and
- the Kansas Retirement System for Judges (Judges).

The System’s assets are unitized on five employee groups. The Retirement System partners with approximately 1,500 public employers to provide retirement, disability and survivor benefits for public employees in Kansas. Our membership includes approximately 152,000 active employees, 97,000 retirees, and 56,000 inactive members. Participating employers include the State of Kansas, school districts, counties, cities, public libraries, hospitals and other governmental units.

Complete background and demographic information, including the System’s fiscal year 2016 Comprehensive Annual Financial Report and calendar year 2016 Actuarial Valuation Report, may be obtained from the Retirement System’s web site at http://www.kpers.org/procurement.html. Prospective bidders are encouraged to review these reports.

KPERS’ mission is to deliver retirement, disability and survivor benefits to its members and their beneficiaries. Six core values guide KPERS: service, integrity, respect, accountability, innovation and teamwork. These core values help determine how KPERS treats its members, how it treats its employees, and how it does business. KPERS strives to fulfill its mission by accomplishing three major goals:

- Investing and safeguarding the funds in KPERS’ care for the sole purpose of providing benefits for its members and their beneficiaries.
- Providing the best service possible to KPERS’ members and participating employers.
- Creating better awareness of KPERS’ benefits and programs by communicating clearly and often with members, employers, public officials and others.

KPERS has a strong investment program – as of June 30, 2017, its total portfolio returned 12.7% for the fiscal year, 5.6% for the last three years, and 9.7% over the past 5 years. Actual asset allocation at June 30, 2017 was:
<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Asset Value (Millions)</th>
<th>Percent of Portfolio</th>
<th>Target Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Equity</td>
<td>$5,071.0</td>
<td>27.5%</td>
<td>26.0%</td>
</tr>
<tr>
<td>International Equity</td>
<td>$4,519.4</td>
<td>24.5%</td>
<td>24.0%</td>
</tr>
<tr>
<td>Yield Driven</td>
<td>$1,383.2</td>
<td>7.5%</td>
<td>8.0%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>$2,011.8</td>
<td>10.9%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Real Return</td>
<td>$1999.6</td>
<td>10.8%</td>
<td>11.0%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>$1,695.8</td>
<td>9.2%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Alternative Investments</td>
<td>$932.4</td>
<td>5.1%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Cash Equivalents</td>
<td>$836.3</td>
<td>4.5%</td>
<td>4.0%</td>
</tr>
<tr>
<td><strong>Total Portfolio</strong></td>
<td><strong>$18,449.3</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

The Yield Driven portfolio consists of three Strategic Fixed Income portfolios, two domestic Real Estate Investment Trusts (REIT) portfolios, and a Master Limited Partnership (MLP) portfolio. The Real Return portfolio consists of a U.S. TIPS and a global inflation-linked bond portfolio, an infrastructure allocation and a timber allocation.

The System employs 25 different investment management firms across thirty-four different investment portfolios. In addition, the System has invested in 7 core real estate funds, 33 non-core real estate funds and 71 private equity funds. Additional information regarding the System and its membership may be found on the System’s website at [https://www.kpers.org](https://www.kpers.org).
II. PURPOSE

The Retirement System is issuing a Request for Proposals (“RFP”) for the purpose of soliciting qualified firms to provide pension fund general investment consulting services. The Retirement System’s general investment consultant serves as the Board’s investment consultant, and works closely with the staff of the Investment Division.

The Retirement System’s general investment consultant will be expected to provide the following services and support in the following areas:

- Asset/Liability Analysis
- Strategic and tactical asset class review
- Investment structure and strategy
- Investment risk monitoring and analysis
- Assistance with investment manager selection, oversight and evaluation
- Semi-annual investment performance analysis and reporting

We are inviting qualified organizations to submit an RFP to provide general investment consulting services to the Retirement System.

When responding to this RFP, we encourage you to describe the ways in which you believe your organization’s service capability is unique or would add particular value. Please be succinct in your answers and, if certain services cannot be provided, please so state where appropriate.

Your written response to the RFP and any other relevant information and materials are due by noon CDT on Friday, October 27, 2017.
III. MINIMUM QUALIFICATIONS

Respondents to the Request for Proposals must meet all of the following minimum qualifications. FAILURE TO SATISFY THE FOLLOWING QUALIFICATIONS MAY RESULT IN THE IMMEDIATE REJECTION OF THE RESPONDENT’S PROPOSAL.

1. The candidate firm must have consulting services clients whose assets aggregate to a minimum of $500 billion, including US based institutional clients whose assets aggregate to at least $150 billion, as of September 30, 2017.
2. The candidate firm must currently be providing general investment consulting services for at least three (3) US based public pension clients, each with assets with a market value in excess of $12 billion as of September 30, 2017.
3. The candidate firm or its key investment consulting professionals must have provided global investment consulting services to public pension funds for a minimum of ten years, as of September 30, 2017.
4. The candidate firm or each of its key investment consulting professionals must have at least ten years’ experience in a lead role identifying, evaluating, and selecting investment managers for public pension fund clients.
5. The candidate firm or each of its key professionals must have at least ten years’ experience monitoring investment managers across various asset classes and management styles for public pension fund clients.
6. The candidate firm must be a registered investment advisor with the SEC.
7. The candidate firm must be free from material conflicts of interest.
8. The candidate firm must agree to comply with all applicable Kansas laws, and be willing to be subject to the laws of the State of Kansas and the jurisdiction of its court system in the administration of the contracts governing this business relationship. (See Attachment D: State of Kansas Contractual Provisions Attachment.)
9. The candidate firm must agree to be a fiduciary to the plan as defined by the Retirement Act at K.S.A. 74-4901 et. seq.
10. If hired, the candidate firm must agree to disclose all conflicts of interest, all sources of revenue related to its relationship with the Retirement System, and all affiliations on an annual basis.
IV. REQUIRED PROPOSAL CONTENTS

A. Cover Letter

The cover letter should include the company name, address, and the name, title or position, e-mail address and telephone number of the person or persons authorized to bind the organization to all commitments made in its proposal. The letter must be signed by the person or persons who are authorized to bind the respondent contractually. The letter must also include the following statement:

“We have read the System’s Request for Proposals (RFP) for general investment consulting services and understand its intent. We certify that we have adequate personnel, equipment and facilities to provide the requested services. We understand that our ability to meet the criteria and provide the required services shall be judged solely by the KPERS Board of Trustees and its staff. Our proposal is genuine. We have no conflicts of interest in providing these services to KPERS. We have not directly or indirectly induced or solicited any person to submit a false proposal or to refrain from proposing, nor have we in any manner sought by collusion to secure an advantage over any other proposer. We have thoroughly examined the RFP requirements and our proposed fees cover all the services that we have indicated we can meet. We acknowledge and accept all terms and conditions included in the RFP.”

B. Minimum Qualifications Certification (Attachment A)

Respondents must complete and return Attachment A, “Minimum Qualifications Certification.” Within the response, respondents must provide written evidence of how each minimum qualification is met.

C. Investment Consulting Services Proposal Questionnaire (Attachment B)

Respondents must complete and return Attachment B, “Investment Consulting Services Proposal Questionnaire.” The information requested must be provided in the prescribed numbered format. It is important that each RFP question be completed as instructed. Any alternative or creative approaches may be attached separately, but may not be used in lieu of answering or completing any questions.

D. Fee Proposal (Attachment C)

Respondent’s fee proposal is to be submitted using the format in Attachment C.

E. Contractual Provisions Attachment (Attachment D)

The contractual provisions attachment contains mandatory State of Kansas contract provisions that will be applicable to the general investment consulting contract and must be attached to or incorporated in all contractual agreements. Agreement to these contractual provisions is a minimum requirement.
F. Israel Anti-BDS Certification (Attachment E)

The Israel Anti-BDS Certification attachment contains a certification required by the State of Kansas from all vendors.

G. On-site Visits

The Retirement System expects that it may choose to conduct on site interviews with the semi-finalist firms. In the event that the System does choose to conduct on site visits, KPERS will determine the occurrence, date, and time of such visits.

V. PROPOSAL SUBMISSION PROCEDURES

A. Submission

The deadline for submission of proposals is 12:00 noon central time on Friday, October 27, 2017. Six (6) hard copies and one (1) copy saved on a CD must be submitted and clearly marked as “General Investment Consultant Proposal.”

Proposal packages are to be delivered to:

Kansas Public Employees Retirement System
Attention: Elizabeth B. A. Miller, CFA
Chief Investment Officer
611 S. Kansas Avenue, Suite 100
Topeka, KS 66603

KPERS is not responsible for receipt of any proposal improperly labeled. KPERS will not accept faxed or e-mailed proposals. Any proposals delivered to KPERS after 12:00 noon CDT on Friday, October 27, 2017 will not be considered.

B. Withdrawal

A proposal may be withdrawn at any time prior to the final filing date and by written notification to KPERS signed by an authorized agent of the organization. The proposal may be re-submitted thereafter, but not after the final date and time. Modification offered in any other manner, oral or written, will not be considered after the submission deadline.

C. Preparation of Proposal

Each proposal shall be prepared simply and economically, avoiding the use of elaborate promotional materials beyond those sufficient to provide a complete and accurate presentation. The proposer understands and agrees that KPERS shall have no financial responsibility for any costs incurred by the proposer in responding to this RFP. The responses become the property of KPERS and are subject to public inspection. KPERS reserves the right to modify any part of the RFP with appropriate notification prior to the submission deadline. All proposals must state the period for which the proposal shall remain in effect with such period to be not less than 270 days from the deadline for submission of proposals.
D. Schedule

The schedule for the receipt and evaluation of the proposals, which is subject to change at the System’s discretion, is as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 25, 2017</td>
<td>Advertisement of RFP/website posting</td>
</tr>
<tr>
<td>October 13, 2017 5 pm CDT</td>
<td>Deadline for submission of written questions</td>
</tr>
<tr>
<td>October 27, 2017 12 noon CDT</td>
<td>Deadline for submission of proposals</td>
</tr>
<tr>
<td>November thru December, 2017</td>
<td>Proposal evaluation period</td>
</tr>
<tr>
<td>January through February, 2018</td>
<td>Semi-Finalist Interviews (Topeka, KS)</td>
</tr>
<tr>
<td>March through April, 2018</td>
<td>Site Visits to Finalists’ Offices</td>
</tr>
<tr>
<td>April 30, 2018</td>
<td>Submission of “best &amp; final” fee bids</td>
</tr>
<tr>
<td>May 17, 2018</td>
<td>Staff recommendation to the Board of Trustees</td>
</tr>
<tr>
<td>June, 2018</td>
<td>Final contract negotiations</td>
</tr>
</tbody>
</table>

E. Inquiries

Respondents requiring clarification of the intent and content of the RFP, or the RFP process, may request clarification only by submitting written questions to:

Elizabeth B. A. Miller, CFA  
Chief Investment Officer  
Kansas Public Employees Retirement System  
611 S. Kansas Avenue, Suite 100  
Topeka, KS 66603  

Or via electronic mail to: rfp_genconsultsearch@kpers.org

To ensure a response, questions must be received by 12:00 NOON CDT Friday October 13, 2017. Responses will be posted to the KPERS website as soon as practical after receipt.

KPERS reserves the right to request additional information from any or all respondents to assist in its evaluation process. However, respondents are prohibited from discussing, in any fashion other than in writing, the RFP, the RFP process or any proposal with KPERS staff members or members of the KPERS Board of Trustees prior to the conclusion (final selection) of the process. (Note: Regular business communications from the System’s current investment consultants in the normal course of business are excepted.)

Violations of these communication rules for the RFP process by a candidate may result in the candidate’s disqualification from the search process.

F. Contract Negotiations

After a review of the proposals and possible finalist presentations, the System intends to enter into contract negotiations with the successful candidate. These negotiations could include all aspects of services and fees. The initial term of the contract will be three (3) years, and the contract will be annually renewable for an additional seven (7) years. Fee bids should cover the entire term of the contract. KPERS reserves the right to award all, part or none of this contract and may award contracts to more than one proposer if deemed appropriate and desirable. The
respondent(s) to whom the contract is awarded will be required to enter into a written contract
with the System in a form approved by the State Attorney General. This RFP and the proposal, or
any part thereof, may be incorporated into and made a part of the final contract. Mandatory State
of Kansas contract provisions (that will be applicable to this final contract) are provided in
Attachment D.

VI.  PROPOSAL EVALUATION CRITERIA

All proposals will be reviewed to determine whether or not the minimum qualifications and
requirements specified in Attachment A have been met. KPERS may reject any or all proposals
and may or may not waive any immaterial deviation or defect in a proposal. KPERS’ waiver of
any immaterial deviation or defect shall in no way modify the RFP documents or excuse the
proposer from full compliance with the RFP requirements.

Proposals will be evaluated by a Procurement Negotiating Committee consisting of members of
KPERS staff. The factors to be utilized by the committee in evaluating the proposals will
include, but not be limited to, the following:

1. Candidate firm’s ability to provide the investment consulting services requested by the
   Retirement System;
2. Experience (both quality and quantity) of the firm and its staff in providing investment
   consulting services to other US public pension plans with global asset portfolios,
   including references from clients;
3. Qualifications and accessibility of the professionals to be assigned to the System’s
   relationship, particularly relevant experience providing general investment consulting
   services to public pension funds of comparable size and scope;
4. The quality, conciseness, clarity and completeness of the proposal; and
5. Proposed fees and compensation.

Candidate firms acknowledge that the Retirement System plans to conduct site visits for finalist
candidates in March and/or April, 2017, and agree to accommodate a site visit by representatives
of the Retirement System. KPERS will work with finalist candidates to determine the date and
time of such site visits.

Fees and compensation will be an important factor in the evaluation of general investment
consultant proposals. However, the System is not required to choose the lowest bid. KPERS
seeks to retain the highest quality organization to provide investment consulting services in a fair
and competitive process. Through the selection process, KPERS reserves its sole discretion in
awarding the contract. KPERS reserves the right: not to select any RFP response; to select any
portions of a particular response for further consideration; to accept a response other than the
lowest cost response submitted; or to reject any and all responses received if such action is
considered by KPERS in its sole discretion to be in the best interest of KPERS.
ATTACHMENT A: Minimum Qualifications Certification

The respondent hereby certifies that it meets all of the following minimum qualifications.
(Please include Attachment A with your response and provide evidence of how each qualification is or will be met).

1. The candidate firm must have consulting services clients whose assets aggregate to a minimum of $500 billion, including US based institutional clients whose assets aggregate to at least $150 billion, as of September 30, 2017.
2. The candidate firm must currently be providing general investment consulting services for at least three (3) US based public pension clients, each with assets with a market value in excess of $12 billion, as of September 30, 2017.
3. The candidate firm or its key investment consulting professionals must have provided global investment consulting services to public pension funds for a minimum of ten years, as of September 30, 2017.
4. The candidate firm or each of its key investment consulting professionals must have at least ten years’ experience in a lead role identifying, evaluating, and selecting investment managers for public pension fund clients.
5. The candidate firm or each of its key professionals must have at least ten years’ experience monitoring investment managers across various asset classes and management styles for public pension fund clients.
6. The candidate firm must be a registered investment advisor with the SEC.
7. The candidate firm must be free from material conflicts of interest.
8. The candidate firm must agree to comply with all applicable Kansas laws, and be willing to be subject to the laws of the State of Kansas and the jurisdiction of its court system in the administration of the contracts governing this business relationship. (See Attachment D: State of Kansas Contractual Provisions Attachment.)
9. The candidate firm must agree to be a fiduciary to the plan as defined by the Retirement Act at K.S.A. 74-4901 et. seq.
10. If hired, the candidate firm must agree to disclose all conflicts of interest, all sources of revenue related to its relationship with the Retirement System, and all affiliations on an annual basis.
ATTACHMENT B: Investment Consulting Services Proposal Questionnaire

INSTRUCTIONS: Please copy each question (or sub-component of a question) as stated in the RFP, and then follow with your answer.

A. BACKGROUND AND ORGANIZATION

1. Legal Name of Entity:
   a. Name of firm:
   b. Address:
   c. Contact:
   d. Phone:
   e. Fax:
   f. E-mail:
   g. Website:

2. If your firm has offices at locations other than this address, please provide the details below, and indicate which office will service the Retirement System:

<table>
<thead>
<tr>
<th>Location(s)</th>
<th>Number of Professionals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

3. Please provide a brief history of your firm and its ownership structure. Please list the owners of the firm from largest to smallest percentage of ownership. If the ownership structure of the firm has changed over the past three years, please provide an explanation of the nature of the change. Please describe any anticipated near term changes in the firm’s organizational structure.

4. Please list all organizations with which your firm is affiliated, either via common ownership or economic interest. Please include any business partners or joint ventures, including brokerage, management and research entities.

5. Please provide details of the financial condition of your firm. Describe any material changes in the last five years.

6. List your firm's lines of business and approximate contributions of each business to your organization's total revenue and operating income. If your firm is an affiliate or subsidiary of an organization, list the lines of business of the parent firm and identify the percentage of the parent firm's total revenue that your subsidiary or affiliate generates. (Please specify
the dollar amount and percentage of firm revenues that is directly attributable to investment consulting services.)

7. Discuss the overall business objectives of your firm with respect to future growth. Comment on any present or planned areas of emphasis over the near future.

8. Briefly describe the organizational structure of your firm.
   a. Provide organizational charts which clearly show the operating interrelationships and authority within the organization.
   b. Are investment consulting teams formed by function or by type of client? Please explain.
   c. Please discuss organizational changes in the past 3 years.
   d. Please discuss the firm’s approach to succession planning.

9. Please describe the three most important factors you believe distinguishes your organization in the investment consulting business.

10. Please describe your firm’s investment consulting philosophy, with particular focus on how your philosophy applies to public pension funds. (Items you may wish to address include, but are not limited to, the following: alignment of the investment strategy to the liability structure; the role of fixed income in the total portfolio; management of currency risk; the role of current income in meeting cash flow needs; risk mitigation strategies; the use of leverage in public and private market investments; the role of equity risk in the portfolio; the role of private market investments (illiquidity risk) in the portfolio; the efficacy of inflation hedging in a public pension plan investment portfolio; the role of credit risk in the portfolio.)

11. Please describe the experience of the firm in serving as a general investment consultant for statewide public pension funds. Please describe your firm’s familiarity with or involvement in public fund actuarial accounting and methodologies, and your firm’s ability to work with the System’s consulting actuary and to integrate their findings into your asset allocation work.

12. Please describe how your firm manages its advisory role to a client’s Board while also providing a supporting role to investment staff.

13. Describe what it means to be a successful investment consultant in 2017. How do you think that will change in the next five years?

14. Please describe your firm’s approach to cash flow modeling for public pension funds. Please discuss any experience your firm has had in assisting clients with modeling cash flows and managing liquidity over a 5-10 year time horizon.

15. Please discuss the firm’s views on appropriate benchmarks for (a) publicly traded equity and fixed income portfolios; (b) factor driven asset classes (i.e., yield driven; real return); and (c) private assets (private equity; real estate; infrastructure; timber). Please comment on the firm’s development and/or use of custom benchmarks for consulting clients.
16. Please describe your firm’s investment consulting expertise with respect to currency overlay programs and/or cash equitization programs (futures overlay).

17. Please discuss in detail your firm’s performance attribution analysis.

18. Please describe any special expertise of your firm. What do you consider to be your firm’s consulting specialties, strengths, and limitations?

19. Please describe your firm’s internal research capabilities. If you do not have dedicated internal research capabilities, please describe the external resources and sources utilized.

20. Please describe the subject matter and frequency of research provided to your investment consulting clients.

21. Please describe your firm’s risk management philosophy and analytical capabilities with respect to client risk management. Your answer should include, but not be limited to, a discussion of the following:
   - Please discuss your firm’s concept of investment risk and how it is best measured and managed. How does the firm incorporate this view into its work with public pension fund clients?
   - Do you use a risk analytics platform? If yes, and developed in-house, please describe the methodology. If yes, and you use an external vendor, who is the vendor?
   - Please describe the types of investment risk reporting and analytics provided to the investment staff of your consulting clients. How frequently are these reports provided? Please include sample risk reports in your response.
   - Please describe how your firm communicates risk concepts and risk measures to client Board members. Please provide an example of a communication to client Board members on risk topics.

22. Please describe any customized analytical tools that you provide to your clients, as well as their application and objectives.

23. Does your firm have an internal investment manager database? If yes, please describe, including the number of investment managers contained in the database for each asset class. If no, please indicate how you obtain information regarding investment managers, including the use of any third party investment manager databases.

24. Briefly describe your bonding, insurance coverage and indemnification provided to protect clients of service(s) proposed, including but not limited to Errors and Omissions and for Fidelity bonding. Indicate the type, carrier, carrier rating, levels, limits, deductibles and expiration, as applicable.

25. Please disclose the nature of any relationship you now have or have had in the past five years with any KPERS Board member, consultant, investment manager or staff.
26. Are there any actual or potential conflict of interest issues your firm would have in servicing the KPERS account? If so, please describe them.

27. Provide a brief explanation and indicate the current status of any business litigation or other proceedings related to the investment consulting business involving your firm or any officer or principal over the past five years. Describe the outcome of any findings.

28. Is your firm currently a party to litigation in progress? If yes, please explain in detail.

29. Provide a copy of your firm’s most recent audited financial statements, annual report, or another formal representation of your firm’s financial condition. Label this as **Exhibit A**.

B. **PERSONNEL**

30. Please provide detail on the number of employees in your firm as of September 30, 2017, by the following categories: lead consultants; consultants; analysts; administrators/managers; economists; marketing/business development staff; IT/systems staff; support/clerical employees; other and Total Employees. Please list only the primary function of each staff member, so that the individual categories add up to the total employees.

31. Does your firm have a diversity program? If yes, please describe the nature of the diversity program or programs.

32. Who will be the primary contact for this RFP process?

<table>
<thead>
<tr>
<th>RFP Contact</th>
<th>Name/Title/Address</th>
<th>Phone</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

33. Fill out the table below and provide biographical sketches and an organization chart of key individuals in charge of investment consulting services for public pension plans, the person responsible for our overall relationship and day to day services and back-up, and any other contacts. Label this as **Exhibit B**.

<table>
<thead>
<tr>
<th>Key Individuals</th>
<th>Title/Role</th>
<th>Tenure (in Yrs)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Current Position</td>
</tr>
<tr>
<td></td>
<td></td>
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<tr>
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<td></td>
<td></td>
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</tbody>
</table>

a. Which person on this list will be the lead investment consultant, should your firm be selected as the System’s general investment consultant? Where is their office located?
34. How do you determine the number of client relationships assigned to each lead investment consultant?
   
a. How many relationships are assigned to the lead Investment Consultant who would be assigned to the System’s relationship?
   
b. How do you measure the performance of your professional staff? Is there an incentive compensation structure for the professional staff? (If so, please describe the incentive compensation structure.)

35. Provide the following information on personnel turnover in your organization for the last three years.

<table>
<thead>
<tr>
<th>Position Titles</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gain</td>
<td>Transfer</td>
<td>Loss</td>
</tr>
<tr>
<td></td>
<td>Gain</td>
<td>Transfer</td>
<td>Loss</td>
</tr>
<tr>
<td></td>
<td>Gain</td>
<td>Transfer</td>
<td>Loss</td>
</tr>
<tr>
<td></td>
<td>Gain</td>
<td>Transfer</td>
<td>Loss</td>
</tr>
</tbody>
</table>

C. CLIENTS

36. Provide the following information on your general investment consulting clients.

All Investment Consulting Clients

<table>
<thead>
<tr>
<th></th>
<th>Total Number of Clients</th>
<th>Asset Value (US$ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 31, 2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec 31, 2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec 31, 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec 31, 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sept 30, 2017</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Public Fund Investment Consulting Clients Only

<table>
<thead>
<tr>
<th></th>
<th>Total Number of Clients</th>
<th>Asset Value (US$ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec 31, 2013</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec 31, 2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec 31, 2015</td>
<td></td>
<td></td>
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<tr>
<td>Dec 31, 2016</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sept 30, 2017</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

37. What is the median size of your firm’s public pension fund investment consulting clients?
38. Provide your client distribution as specified below. Report aggregate market values of total assets under advisement as of September 30, 2017.

<table>
<thead>
<tr>
<th></th>
<th>Number of Clients</th>
<th>Number of Plans</th>
<th>Asset Value (US$ millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taft Hartley-Union</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below $500 million</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$500+ million to $5 billion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$5+ billion to $20 billion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$20+ billion and Up</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below $500 million</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$500+ million to $5 billion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$5+ billion to $20 billion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$20+ billion and Up</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below $500 million</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$500+ million to $5 billion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$5+ billion to $20 billion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$20+ billion and Up</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endowments &amp; Foundations, etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Below $500 million</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$500+ million to $5 billion</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>$5+ billion to $20 billion</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$20+ billion and Up</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

39. Please provide the number of general investment consulting clients gained or lost by year in the past three years, and the number of public fund accounts gained/lost. Report the corresponding aggregate values for the total assets in US$ millions.

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Gain</td>
<td>Loss</td>
<td>Gain</td>
</tr>
<tr>
<td>Total # of Accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td># of Public Fund Accounts</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Fund Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

40. Please provide the names, contact persons, phone numbers, and email addresses of three of your existing public pension fund clients with more than $12 billion in assets. We may contact all, some or none of the provided references. Please secure advance approval from these clients so that we may contact them directly.

41. Please briefly describe the manner in which your firm would provide the following investment consulting services:
• Asset/Liability Study (triennial; working with Board of Trustees and CIO)
• Asset Class Review (working with investment staff)
• Comprehensive Review of Investment Manager
• Investment Manager Search
• Custodial Bank Search
• Working closely with the System’s staff and Board of Trustees to provide analysis and/or advice on relevant issues with respect to public pension fund management
• Assisting the CIO and investment staff in the management of investment risks at the total fund, asset class, and individual portfolio level.

D. **AUDIT, INTERNAL CONTROLS AND RISK MANAGEMENT**

42. Describe the risk controls that ensure accuracy of the reporting that your firm provides to its clients. Identify the internal and external entities that audit, regulate and/or review your consulting services. Briefly discuss the frequency and scope of audits performed during the last three years. Include a copy of any formal policies, and provide a relational organization chart for this function. Label this as **Exhibit C**.

43. Please describe the process by which your consultant’s recommendations are reviewed and monitored. Does your firm adhere to a level of consistency in consultant recommendations?

44. Please summarize any SEC, securities industry Self-Regulatory Organizations (SROs) or other governmental or regulatory enforcement proceedings or action taken with respect to your firm or its employees for the past five (5) years.

45. Please provide a copy of your most recent Form ADV (Part I & II). Label this as **Exhibit D**.

46. Please provide a detailed description of your organization’s Code of Ethics. Does your firm comply with the CFA Institute’s Code of Ethics and Standards of Professional Conduct?

E. **CLIENT RELATIONSHIP MANAGEMENT**

47. Describe in detail your client relationship management process including:
   a. Formal and informal oral and written communications
   b. Assignment of backup consultants when lead is unavailable
   c. Quality Assurance process

48. How do lead Investment Consultants ensure that investment consulting services are provided to a client in accordance with proper standards of care, regulatory requirements, and the executed agreement for service?

49. Do you outsource or subcontract any parts of your investment consulting business? If “yes,” please describe in detail which functions are outsourced and the reason for doing so.
Please provide the names of the providers, their office locations, how long they have been in business, and the qualifications of the specific individuals who would be working on the System’s relationship.

50. Please describe any revenue your firm receives from the following sources:

a. Does your firm provide any services to investment management firms or others for a fee? (If so, please describe.)
b. Does your firm have any affiliated brokerage operations? (If so, please describe.)
c. Does your firm sell data or performance reporting, or provide access to an exclusive manager “database” for a fee? (If so, please describe.)
d. Does your firm receive revenue from providing discretionary investment management services to clients? (If so, please indicate assets under management, by asset class and in total, as of September 30, 2017.)
e. Does your firm provide outsourced CIO services (“OCIO”)? (If so, please provide total number of OCIO clients and total assets under management as of September 30, 2017.)
f. Has your firm developed any investment products that are sold to others? (If so, please describe the products.)

F. PRIVATE EQUITY AND REAL ESTATE INVESTMENT CONSULTING SERVICES

51. Does your firm provide investment consulting services for private equity and/or private debt assets? (If the answer is “no,” please skip to question #56.)

52. If your firm does provide investment consulting services for private equity/debt assets, please provide a list (only) of the services offered by your firm for these assets.

53. Please provide an organizational chart of the firm’s resources dedicated to private equity investment consulting.

54. Please identify the total number of US based clients by client type (i.e., public pension plans, corporate pension plans, etc.)

55. Please identify the total dollar amount of private equity assets under advisement as of September 30, 2017.

56. Does your firm provide investment consulting services for private real assets (specifically, real estate, infrastructure, and/or timberland)? (If the answer is “no,” please skip to question #61.)

57. If your firm does provide investment consulting services for private real assets, please provide a list (only) of the services offered by your firm for these assets.

58. Please provide an org chart of the firm’s resources dedicated to private real assets investment consulting.

59. Please identify the total number of US based clients by client type (i.e., public pension plans, corporate pension plans, etc.)

60. Please identify the total dollar amount of private real assets under advisement as of September 30, 2017.
G. TECHNOLOGY

61. Please describe your emergency management / disaster recovery plan.

62. Please describe your firm’s approach to cybersecurity.

63. Does the firm utilize third-party or in-house resources for IT?

64. What has been the firm’s investment in systems development for the investment consulting systems over the past 3 years?

65. Describe the controls surrounding the firm’s information technology systems.

66. What equipment or software, if any, is necessary for KPERS staff to receive investment consulting services from your firm?

H. TERMS AND CONDITIONS OF CONTRACT

67. Affirm that the provisions of the State of Kansas Contractual Provisions Attachment (Attachment D) are acceptable. KPERS reserves the right to decline or classify as “unresponsive” any substantive changes, modifications, or revisions to the provisions of the State of Kansas Contractual Provisions Attachment.

68. Affirm that your firm can provide the Anti-BDS Israel Certification for the State of Kansas.

69. Affirm that your firm, or your firm’s Covered Associates, have not (1) made any contribution to an official of the state of Kansas in the previous two years, or (2) coordinated or solicited any person or political action committee to make (a) any contribution to any official of the State of Kansas or (b) any payment to a political party in Kansas.

70. Affirm that your firm, your firm’s agents, affiliates, principals, owners, officers, directors, managing members or employees having authority to act on your behalf, have not used any Lobbyists (see K.S.A. 46-222) registered in Kansas. (If Lobbyists registered in Kansas have been used by your firm or its agents, please provide a list of such Lobbyists.)
List of Exhibits to be provided by Proposer:

Exhibit A. Firm Financial Statements
Exhibit B. Personnel Bios/Organizational Chart
Exhibit C. Audit Policy/Organizational Chart
Exhibit D. Form ADV (Part I & II)
Exhibit E. Sample Reports (please see list below)

List of Sample Reports to be provided as Exhibit E:

- Asset/Liability Study (Summary Memo)
- Risk Management/Oversight Reports (for Staff/for Board)
- Investment Performance Report (for Board)

CERTIFICATION

The following certifies that all services and systems described are available, deliverable, and performed by professionals abiding to the highest fiduciary standards. In addition, audits performed by independent parties are diligently accomplished and documented. The undersigned hereby certifies that he or she is authorized to execute this RFP on behalf of _____________________________ and that the information, commitments, representations, and other provisions of the foregoing RFP are true and correct.

Name _______________________________________
Signature _____________________________________
Title _________________________________________
Date _________________________________________

END OF ATTACHMENT B
ATTACHMENT C: Fee Proposal

General Investment Consulting Cost Proposal:
Please provide a fee bid for two categories of services:

1. Retainer Services (provide fee bid for annual retainer)
2. Additional Services (provide fee bid for each project)

Retainer Services, including:
- Annual Review of Asset Allocation
- Cash Flow Modeling
- Annual Review of Statement of Investment Policy, Objectives, and Guidelines
- Attendance at regularly scheduled Board of Trustees meetings (includes Investment Committee meetings)*
- Formal planning meetings with investment staff ("Offsite meetings")**
- Attend periodic meetings of other Board Committees
- Provide Educational Sessions for Board members on investment-related topics*
- Provide general investment consulting services, including research and analysis of investment-related issues
- Provide assistance with one investment manager search per year

Proposed annual fee for Retainer Services: $_________________ Years 1-3
$_________________ Years 4-10

Additional Services: Years 1-3 Years 4-10
- Asset/Liability Study $__________ $__________
- Investment Manager Search $__________ $__________
- Custodial Bank Search $__________ $__________
- Comprehensive Review of Inv. Manager $__________ $__________
- Asset Class Review $__________ $__________
- Special Projects: please indicate how Special Projects would be priced (hourly rates? Custom pricing? Other?) _______________________________________

NOTES:
- All fee bids must include direct, incidental or out-of-pocket expenses. KPERS shall have no obligation to reimburse the consultant for any expenses incurred in connection with this assignment. This includes the cost of facilities (i.e., hotel conference room) for all offsite meetings with KPERS Investment Staff.
- Fee bids must cover the entire life of the consulting contract (initial 3 year term plus annual renewals for additional seven years).

*The KPERS Board meets six times per year for a two day meeting and holds an annual Board Educational Session in October.
**Offsite meetings are held with investment staff during months when there is no KPERS Board meeting, as needed.
ATTACHMENT D
State of Kansas
Department of Administration
DA-146a (Rev. 06-12)

CONTRACTUAL PROVISIONS ATTACHMENT

Important: This form contains mandatory contract provisions and must be attached to or
incorporated in all copies of any contractual agreement. If it is attached to the
vendor/contractor's standard contract form, then that form must be altered to contain the
following provision:

"The Provisions found in Contractual Provisions Attachment (Form DA-146a, Rev. 06-
12), which is attached hereto, are hereby incorporated in this contract and made a part
thereof."

The parties agree that the following provisions are hereby incorporated into the contract
to which it is attached and made a part thereof, said contract being the _____ day of
____________________, 20_____.

1. Terms Herein Controlling Provisions: It is expressly agreed that the terms of each and
every provision in this attachment shall prevail and control over the terms of any other
conflicting provision in any other document relating to and a part of the contract in which this
attachment is incorporated. Any terms that conflict or could be interpreted to conflict with
this attachment are nullified.

2. Kansas Law and Venue: This contract shall be subject to, governed by, and construed
according to the laws of the State of Kansas, and jurisdiction and venue of any suit in
connection with this contract shall reside only in courts located in the State of Kansas.

3. Termination Due To Lack Of Funding Appropriation: If, in the judgment of the Director
of Accounts and Reports, Department of Administration, sufficient funds are not appropriated
to continue the function performed in this agreement and for the payment of the charges
hereunder, State may terminate this agreement at the end of its current fiscal year. State
agrees to give written notice of termination to contractor at least 30 days prior to the end of
its current fiscal year, and shall give such notice for a greater period prior to the end of such
fiscal year as may be provided in this contract, except that such notice shall not be required
prior to 90 days before the end of such fiscal year. Contractor shall have the right, at the end
of such fiscal year, to take possession of any equipment provided State under the contract.
State will pay to the contractor all regular contractual payments incurred through the end of
such fiscal year, plus contractual charges incidental to the return of any such equipment.
Upon termination of the agreement by State, title to any such equipment shall revert to
contractor at the end of the State's current fiscal year. The termination of the contract
pursuant to this paragraph shall not cause any penalty to be charged to the agency or the
contractor.

4. Disclaimer of Liability: No provision of this contract will be given effect that attempts to
require the State of Kansas or its agencies to defend, hold harmless, or indemnify any
contractor or third party for any acts or omissions. The liability of the State of Kansas is
defined under the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.).
5. **Anti-Discrimination Clause:** The contractor agrees: (a) to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001 et seq.) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111 et seq.) and the applicable provisions of the Americans With Disabilities Act (42 U.S.C. 12101 et seq.) (ADA) and to not discriminate against any person because of race, religion, color, sex, disability, national origin or ancestry, or age in the admission or access to, or treatment or employment in, its programs or activities; (b) to include in all solicitations or advertisements for employees, the phrase "equal opportunity employer"; (c) to comply with the reporting requirements set out at K.S.A. 44-1031 and K.S.A. 44-1116; (d) to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor; (e) that a failure to comply with the reporting requirements of (c) above or if the contractor is found guilty of any violation of such acts by the Kansas Human Rights Commission, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration; (f) if it is determined that the contractor has violated applicable provisions of ADA, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration.

6. Contractor agrees to comply with all applicable state and federal anti-discrimination laws.

7. The provisions of this paragraph number 5 (with the exception of those provisions relating to the ADA) are not applicable to a contractor who employs fewer than four employees during the term of such contract or whose contracts with the contracting State agency cumulatively total $5,000 or less during the fiscal year of such agency.

8. **Acceptance of Contract:** This contract shall not be considered accepted, approved or otherwise effective until the statutorily required approvals and certifications have been given.

9. **Arbitration, Damages, Warranties:** Notwithstanding any language to the contrary, no interpretation of this contract shall find that the State or its agencies have agreed to binding arbitration, or the payment of damages or penalties. Further, the State of Kansas and its agencies do not agree to pay attorney fees, costs, or late payment charges beyond those available under the Kansas Prompt Payment Act (K.S.A. 75-6403), and no provision will be given effect that attempts to exclude, modify, disclaim or otherwise attempt to limit any damages available to the State of Kansas or its agencies at law, including but not limited to the implied warranties of merchantability and fitness for a particular purpose.

10. **Representative's Authority to Contract:** By signing this contract, the representative of the contractor thereby represents that such person is duly authorized by the contractor to execute this contract on behalf of the contractor and that the contractor agrees to be bound by the provisions thereof.

11. **Responsibility for Taxes:** The State of Kansas and its agencies shall not be responsible for, nor indemnify a contractor for, any federal, state or local taxes which may be imposed or levied upon the subject matter of this contract.

12. **Insurance:** The State of Kansas and its agencies shall not be required to purchase any insurance against loss or damage to property or any other subject matter relating to this contract, nor shall this contract require them to establish a "self-insurance" fund to protect against any such loss or damage. Subject to the provisions of the Kansas Tort Claims Act.
(K.S.A. 75-6101 et seq.), the contractor shall bear the risk of any loss or damage to any property in which the contractor holds title.

13. **Information:** No provision of this contract shall be construed as limiting the Legislative Division of Post Audit from having access to information pursuant to K.S.A. 46-1101 et seq.

14. **The Eleventh Amendment:** "The Eleventh Amendment is an inherent and incumbent protection with the State of Kansas and need not be reserved, but prudence requires the State to reiterate that nothing related to this contract shall be deemed a waiver of the Eleventh Amendment."

15. **Campaign Contributions / Lobbying:** Funds provided through a grant award or contract shall not be given or received in exchange for the making of a campaign contribution. No part of the funds provided through this contract shall be used to influence or attempt to influence an officer or employee of any State of Kansas agency or a member of the Legislature regarding any pending legislation or the awarding, extension, continuation, renewal, amendment or modification of any government contract, grant, loan, or cooperative agreement.
CERTIFICATION INDIVIDUAL OR COMPANY NOT CURRENTLY ENGAGED IN A BOYCOTT OF ISRAEL

In accordance with HB 2409, 2017 Legislative Session, the State of Kansas shall not enter into a contract with any Individual or Company to acquire or dispose of services, supplies, information technology or construction, unless such Individual or Company submits a written certification that such Individual or Company is not currently engaged in a boycott of Israel.

As an Individual or Contractor entering into a contract with the State of Kansas, it is hereby certified that the Individual or Company listed below is not currently engaged in a boycott of Israel.

________________________________________  ________________________________
Signature, Title of Contractor                      Date

____________________________________________
Printed Name

____________________________________________
Name of Company