

Questions & Answers

Minimum and Desirable Qualifications

- 1) **Question:** The desirable qualifications includes a that prospective managers manage “a total of at least \$500 million in emerging market equity product(s) managed for pension funds, endowments and/or foundations”. The AUM for my Emerging Markets Strategy as of September 2018 is under \$300 million. Would this bar us from consideration?
Answer: No. The desirable qualifications are *desirable*, but only the minimum requirements A-J are *required* for consideration.
- 2) **Question:** Would WSIB consider investing with a firm and strategy that is not GIPS compliant?
Answer: Per minimum qualification (E), firms that are not currently GIPS compliant may submit a written commitment that they will become GIPS compliant within twelve months of contract signature, should they be awarded the mandate.
- 3) **Question:** As a firm registered outside of the US, we do not have an SSAE16 audit. We have an annual SSAE16-style report presented to and reviewed by the Audit Committee and chaired by an independent non-Executive Director. This report is presented by our internal Audit Department rather than an external audit firm, though it adopts a standard format. Would we be required to convert to an external audit firm if awarded a mandate?
Answer: Per minimum qualification (I), firms that do not conduct an annual SSAE 16 must have in place an operational control structure that is determined to be appropriate and reasonable by the WSIB.
- 4) **Question:** Are managers able to submit for both a broad emerging markets equity strategy *and* a China A share strategy?
Answer: Yes.
- 5) **Question:** Would WSIB consider investing in a monthly-valued commingled fund with no gates or lock-ups?
Answer: Per minimum qualification (B), the product must retain daily liquidity.
- 6) **Question:** Will factor-based strategies be considered for this mandate?
Answer: If the product meets all the minimum qualifications, then it will be considered.
- 7) **Question:** Our GEM offering track records only dates back to early 2018, but we have [region-specific] composites that date back much earlier. Would it be appropriate to submit the composite for consideration and ask for the flexibility to invest in [other regions] given our exploration of those markets?
Answer: It would not be appropriate to submit region specific composites for a broad GEM mandate. The only other composite we will consider are mandates focused on investing in China with access to China-A shares.
- 8) **Question:** Would WSIB consider offerings that do not include exposure to Latin America or Europe, the Middle East, and Africa?
Answer: This search is for mandates with broad exposure to emerging markets (e.g. MSCI EM IMI) or mandates focused on investing in China with access to China-A shares.
- 9) **Question:** We have several strategies that may meet the WSIB’s needs. Can you advise us on which to submit, or should we submit them all?
Answer: Any product that meets the minimum qualifications will be considered.
- 10) **Question:** Our emerging market equity product is benchmarked against the MSCI Emerging Markets index ND. Is this an acceptable benchmark for this mandate?

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Answer: The product should provide broad exposure to emerging markets and we provided the MSCI EM IMI index as an example of one such index. Candidates may view their strategy as best benchmarked against another index, but the WSIB will ultimately assign the benchmark for evaluation should your strategy be awarded a mandate.

Database/Submission Questions

11) **Question:** Can data from specific funds/mandates which are part of a GIPS composite be submitted on their own to better highlight investment performance and still be considered GIPS compliant?

Answer: No.

12) **Question:** The Search Document requires that all databases be updated with current data by 4:30 PT on January 14, 2019. With regards to eVestment you require data through September 30, 2018. Do you require September 30 data for all three databases, or will Callan and Meketa require year-end data?

Answer: Providing updated data as of September 30, 2018 to Callan and Meketa is sufficient for the January 14, 2019 deadline.

Question: Can we submit pro-forma performance for a hypothetical emerging strategy combining live performance of two strategies?

Answer: No.

13) **Question:** For the eVestment database, are there any specific data fields required in order to be considered for this search that are beyond the eVestment mandatory requirements?

Answer: Providing the eVestment mandatory requirements is sufficient for the submission of your product information into their database. As the search progresses, the WSIB may request additional data.

14) **Question:** Is there an opportunity to ask questions after the question period ended on January 3, 2019?

Answer: Candidate managers will have the opportunity to ask WSIB questions if they are invited to Olympia for further due diligence, and managers with whom staff decide to do an onsite will have many opportunities to ask WSIB questions, but there will be no further opportunities for questions *at this stage of the process*.

Procedural Questions

15) **Question:** The only information you will be initially accessing directly or through consultants is the data and information in the three databases (Callan, Meketa, and eVestment) listed in the search document? I.e. there is not an RFP, RFI, or questionnaire to fill out at this stage?

Answer: WSIB is not issuing an RFP, RFQQ, or RFI at this time for this mandate. The consultants may have a questionnaire or other requirements for placing your data in their databases and if so, please be sure to fulfill those requirements. The WSIB does not require any information beyond updated data in those databases at this time.

16) **Question:** Is there an additional questionnaire we need to fill out in addition to filling in the databases?

Answer: The consultants may require a questionnaire or other requirements for placing your data into their database and if so, please be sure to fulfill those requirements. The WSIB does

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not require a questionnaire at this time. Additional information may be required as the process moves forward.

17) **Question:** Do we need to submit a letter of intent to participate, or is updating the databases sufficient?

Answer: A letter of intent to participate is not required.

18) **Question:** Do we need to certify that we meet the minimum qualifications?

Answer: The consultants may require such certification, but the WSIB does not at this time.

19) **Question:** When updating the Meketa database, can you provide guidance as to how we should respond if submitting multiple strategies? Should we delineate the strategies in our response to each question, or is there a different approach you would prefer? Meketa appears to provide only one link to update and our strategies have their own profiles in the Callan and eVestment databases.

Answer: Please refer questions about the databases to the appropriate representative as described in the Search document:

- Callan LLC (Callan) database, Marina van Steen, at 415-274-3024; vansteen@callan.com
- Meketa Investment Group (Meketa) database, David Hetzer, at 781-471-3628; dhetzer@meketagroup.com
- eVestment database, Paul Loudon, at 678.569.1465, paul@evestment.com

The Mandate

20) **Question:** What is the approximate size of the possible allocation for this mandate?

Answer: All decisions regarding allocations will be decided toward the end of the search process.

21) **Question:** Will the current allocation be the primary source of funding for this mandate?

Answer: All decisions regarding allocations will be decided toward the end of the search process.

22) **Question:** Will this allocation be in a single investment in an SMA or a commingled fund?

Answer: All decisions regarding allocations will be decided toward the end of the search process. Separate accounts and commingled funds will be considered.

23) **Question:** Is this search a replacement of an existing mandate or a new investment?

Answer: This search is a rebid of the existing emerging markets equity portfolio.

24) **Question:** Is there a targeted or minimum initial investment size being considered for this mandate?

Answer: WSIB has not determined how much will be allocated to active emerging markets equity. As it relates to individual manager mandates, WSIB would not foresee funding below \$100 million.

25) **Question:** Will WSIB consider a base plus performance fee or pure performance fee proposal?

Answer: Yes.