

QUESTIONS AND RESPONSES
REQUEST FOR PROPOSALS NO. 082-NN10 – INVESTMENT MANAGEMENT
SERVICES
SUPPLEMENTAL EARLY RETIREMENT PLAN (SERP)

1. Page 4 of the RFP, Question G: please provide a copy of the Plan's most recent Investment Policy Statement.

Investment policy can be found in the District's Board Policies number 6144, Section I Supplemental Early Retirement Plan, at the following Web Site:

<http://www.neola.com/miamidade-fl/>

2. Page 5 of the RFP, Question H: Please provide a copy of the Plan's most recent performance reports showing monthly and quarterly performance going back 5 years;

Enclosed is a copy of the April performance statement.

3. Page 9 of the RFP, in the last paragraph of Section VIII, Terms of Contract: Please clarify the following sentence: "The Board shall have the right to cancel the agreement for unacceptable performance at any time, giving the other party **sixty (30)** days prior written notice."

This is a typo and should read "thirty (30) days"

4. Who is currently overseeing the plan? Do you currently use the services of an investment consultant or investment management firm?

The plan is currently managed in-house.

5. If the RFP is to rehire or replace your current general investment consultant, what prompted the search?

The plan is currently managed in-house; seeking to out-source investment management of the Plan and improve performance.

6. How long has the incumbent firm been with your plan? Is the incumbent firm allowed or encouraged to rebid?

The plan is currently managed in-house.

7. What is the annual fee being paid to the current consultant?

The plan is currently managed in-house.

8. Is this mandate strictly for discretionary investment management/consulting services and if so, is it full or partial?

The mandate is for full discretionary investment management of the plan's investments, with the limitation that the assets are to be held by the School Board custodian and in the School Board name.

9. Do you anticipate making any changes to the asset allocation of the fund? Are you considering any new asset classes? When was the last asset allocation study completed for the plan?

Changes to the asset allocation will be made based on the recommendations of the selected proposer. The last asset allocation study was completed several years ago.

10. What is the most important investment issue your fund is currently facing?

Employing resources to determine ongoing appropriate investment strategy for a closed plan and executing the strategy.

11. What is the funding ratio of the plan? Since this is closed to new employees, what are the expected inflows and outflows of the plan?

See Attachment, Actuarial Report: Funding ratio is 59%. The plan pays participants approximately 4.1 million annually. District provides funding to the plan on a quarterly basis as noted in the Actuarial Report.

12. How often do you expect the investment consultant/manager to present to the Treasury Advisory Committee or participate in committee meetings? Are these meetings on a set date (i.e., fourth Tuesday of the month)?

The requirement is to present the investment results at least annually to the Treasury Advisory Committee. The Committee meets at least 4 times on an annual basis with no set dates. At the time a meeting is scheduled a quorum is obtained after making sure all financial consultants are also available on the selected date. There may be a need in the first year of implementation for the selected proposer to attend at least 2 meetings.

13. What strategic decisions are currently pending with the current consultant that the new consultant would likely become involved with?

There is no current consultant managing the plan.

14. Do you have an investment staff? If so, how many employees are there on staff?

The Treasury Department has reduced staff and only one individual is assigned to investments.

15. Are there any particular issues which concern the Board?

No

16. Does the portfolio manager/advisor have full discretion over the selection, hiring and firing of the investment managers/funds including executing the investment manager contracts?

Or

Would the advisor make a recommendation to the Trustees that would then be approved prior to the advisor taking action?

That is subject to the RFP evaluation process. Note that under Section III.K it is requested that the proposer provide the level of discretionary authority.

17. Do you consider Taft-Hartley plans as public plans for purposes of references

No

18. Does 'same portfolio manager' also mean 'same investment advisor' under Section VI.R.c.

Individual who will be key portfolio manager/investment decision maker for the SERP.

19. Page 6, Paragraph C.a: We are a privately held firm, and we will provide our audited financial report if selected as a finalist in your evaluation. If we do not provide the financial report with the RFP, will we be eliminated?

No, but will have to provide before final selection is made.

20. As an investment advisor we do not have a SSAE 16. Will this eliminate us?

No.

21. How many firms were invited to participate in the search?

RFP was published in the District's web site for full participation by qualifying entities.

22. Our response would require the firm to act as the custodian, in addition to being the discretionary investment manager. Would this be considered within the scope of the RFP? Please advise.

No, the RFP is only for investment management services and the custodial services have been separated for internal control purposes and will remain with Bank of New York Mellon.