

Request for Proposal

For

Investment Consultants

State Teachers Retirement System of Ohio



Prepared by

STRS Ohio
275 East Broad Street
Columbus, Ohio 43215

May 2, 2023

TABLE OF CONTENTS

1.0 Project Overview	3
2.0 Overview of STRS Ohio	3
3.0 Scope of engagement	5
4.0 Submission Guidelines	9
5.0 General Information for Investment Consultants	10
6.0 Proposal Format	13
7.0 Investment Consultant Selection Criteria and Process	13
Attachment 1: Communications Protocols Governing Investment Consultants and STRS Ohio	15
Attachment 2: Statement of Minimum Qualifications / Consultant Certification	16
Attachment 3: Due Diligence Questionnaire	19
Attachment 4: Fee Proposal	28
Attachment 5: Contract Provisions	29

1.0 PROJECT OVERVIEW

The State Teachers Retirement Board of Ohio (“the Board”) issues this Request for Proposals (“RFP”) to solicit competitive proposals from qualified investment consulting firms (each an “Investment Consultant,” collectively “Investment Consultants”) capable of providing general consulting services (“General Investment Consultant”). General consulting services are described in Section 3 below. The Board’s objective is to obtain Investment Consultant(s) that represent the best quality and value for the State Teachers Retirement System of Ohio (“STRS Ohio”) according to the terms and conditions of this RFP. The services and requirements described in this RFP are mandatory unless specifically described as optional. Proposals responsive to this RFP may be for one or more than one of the defined benefit fund, health care fund, and/or defined contribution program.

The Board seeks general investment consulting services for each of its existing funds – defined benefit, health care, defined contribution and any others created during the term of the contract. The general investment consulting services will cover the following areas: asset allocation and asset-liability studies; investment policies; education on a broad array of topics; performance analysis and reporting to the Board.

2.0 OVERVIEW OF STRS OHIO

Established in 1920, STRS Ohio is one of the nation’s premier retirement systems, serving nearly 500,000 active, inactive and retired Ohio public educators. STRS Ohio offers a defined benefit plan, defined contribution plan, and combined plan. STRS Ohio also offers a retiree health care program funded by a health care fund. STRS Ohio benefits include service retirement, disability, and survivor benefits for benefit recipients and their dependents. In FY2022, STRS Ohio paid more than \$7 billion in service retirements, disability and survivor benefits, plus \$194 million for optional health care coverage net of health care premiums.

STRS Ohio operates in accordance with Chapter 3307 of the Ohio Revised Code (ORC) as enacted by the Ohio General Assembly. STRS Ohio is legally separate from and fiscally independent of state and local governments. More detailed information about STRS Ohio can be found on its website: www.strsoh.org.

Board

STRS Ohio is governed by an eleven (11) member retirement board. Seven (7) Board members are elected to four-year terms by their peers: 5 contributing members, who are active members of STRS Ohio and 2 retired teacher members. Other Board members include: the superintendent of public instruction or a designee; the treasurer of state’s investment designee; and two investment expert members, one appointed by the governor and one jointly appointed by the speaker of the house of representatives and the president of the senate.

Investments

As of August 31, 2022, STRS Ohio had investment assets of approximately \$88 billion, making it one of the largest public pension funds in the country, allocated as shown in the following table.

Asset Class	Actual (\$bil)	Actual %	7/1/2022 Target %	10/1/2022 Target %	Range %
Liquidity Reserves	1.06	1.2	1	1	0-5
Fixed Income:					
Core Fixed Income	12.60	14.3	16	17	13-22
Liquid Treasury Portfolio	2.71	3.1	5	5	0-7
Total Fixed Income	15.31	17.4	21	22	13-29
Equities:					
Domestic Equities	23.87	27.1	27	26	21-31
International + Global Equities	19.51	22.2	22	22	17-27
Total Equities	43.38	49.3	49	48	
Real Estate	9.50	10.8	10	10	6-13
Alternative Investments:					
Private Equity	10.42	11.9	9	9	6-14
Opportunistic/Diversified	8.27	9.4	10	10	6-14
Total Alternative Investments	18.69	21.3	19	19	12-25
Total Fund	87.94	100%	100%	100%	

Overall asset mix, year-to-date return and asset class performance reports can be found on the STRS Ohio website at: [Overall Asset Mix/Portfolio Performance Report \(strsoh.org\)](https://www.strsoh.org/Overall-Asset-Mix-Portfolio-Performance-Report).

STRS Ohio has demonstrated strong investment performance, evidenced in the Trustee Summary Report for the periods ending June 30, 2022:

Periods Ending June, 2022
Annualized Rates of Return

	Fiscal YTD	1 Year	3 Years	5 Years	10 Years	20 Years
Experienced Returns						
Have returns affected funded ratio?						
1. Total fund return *	-3.61%	-3.61%	8.73%	8.57%	9.32%	8.13%
2. Actuarial discount rate ***	7.00%	7.00%	7.30%	7.36%	7.56%	7.77%
3. Relative Performance (1-2)	-10.61%	-10.61%	1.42%	1.21%	1.76%	0.37%
Has plan been rewarded for capital market risk?						
4. Total fund benchmark return	-5.62%	-5.62%	7.58%	7.79%	8.90%	7.71%
5. Minimum risk/high cost policy of 91-Day T-Bills	0.17%	0.17%	0.63%	1.11%	0.64%	1.19%
6. Impact of asset mix policy (4-5)	-5.79%	-5.79%	6.95%	6.68%	8.26%	6.52%
Has plan been rewarded for active management risk?						
7. Active management effect (1-4) *	2.01%	2.01%	1.14%	0.78%	0.42%	0.42%
8. Net active management return estimated **	1.89%	1.89%	1.02%	0.65%	0.29%	0.30%

* Gross Returns are net of transaction costs and gross of management fees, except for alternative investments & real estate where the return is also net of all external investment management fees and costs, including carried interest and other fund expenses.

** Net returns are net of all internal and external investment management fees and costs, including carried interest and other fund expenses.

*** The actuarial rate of return assumption was decreased from 7.45% to 7.00%, effective as of 6/30/2021.

The STRS real estate return includes the use of leverage.

The STRS Ohio total fund policy return (blended benchmark) is 28% Russell 3000, 23% International Blended Benchmark, 21% Fixed Income Blended Benchmark, 10% Real Estate Blended Benchmark, 17% Alternative Investments Blended Benchmark (prior to July 1, 2021, the Alternative Investment benchmark was the Alternative Investment Actual Return), and 1% 90-day Treasury Bill as of July 1, 2019.

A substantial portion of STRS Ohio assets (approximately 65%) are managed by an internal investment staff ("Staff") of nearly 100 investment professionals. This includes half of the allocation to international equities, as well as substantial portions of the Real Estate, Fixed Income, Domestic Equity, and Alternatives asset classes. Additionally, within alternative investments, STRS Ohio has a Board strategic initiative to grow its exposure to direct and co-investments.

The most recent STRS Ohio Annual Investment Plan and Annual Comprehensive Financial Report can be found on STRS Ohio's website, [Annual Reports | STRS Ohio](#).

3.0 SCOPE OF ENGAGEMENT

The objective of this RFP is to identify Investment Consultant(s) with the expertise, experience, and resources to provide general consulting services as described below.

STRS Ohio's Investment Consultant(s) will be expected to provide the following services and support in the following areas:

- Asset-liability study (generally every 3 to 5 years)
- Review Investment Policies, Fund Governance and Annual Investment Plan
- Performance monitoring and reporting
- Manager Due Diligence and External manager search
- Market Research and Education
- Other Duties

- Defined Contribution Program
- Special projects as requested

3.1 Asset-Liability Studies

Generally, every three to five years, STRS Ohio requests a comprehensive asset-liability study for the total fund including: defined benefit and health care funds. Specific responsibilities for each study include:

- Conducting an asset-liability study
- Recommending appropriate long-term asset allocation targets and ranges
- Establishing long-term capital market return expectations and correlations for the asset classes
- Recommending appropriate risk tolerances
- Coordinating liability analysis findings with STRS Ohio and its actuary, where applicable
- Providing STRS Ohio with access to analytical software and models

3.2 Investment Policies, Fund Governance and Annual Investment Plan review

The selected Investment Consultant(s) will provide expert investment advice and recommendations for the STRS Ohio defined benefit, defined contribution, and health care funds and asset classes. The Investment Consultant(s) will:

- Review and comment on the Statement of Investment Beliefs every three to five years and make appropriate recommendations.
- Annually review and comment on STRS Ohio's Statement of Investment Objectives and Policy ("SIOP") and Statement of Fund Governance and any revisions recommended during the year including:
 - Reviewing total fund benchmark and asset class benchmarks in use to ensure they are appropriate and current and providing guidance and recommendations to the Board in its selection of investment performance benchmarks for all asset classes the Board employs
 - Providing advice concerning the structure and diversification of STRS Ohio investments
- Annually perform and present a thorough review (both oral and written) of the staff's Annual Investment Plan based upon the Investment Consultant's analysis of current economic and market fundamentals, both domestic and international, including an examination of the suggested targets for assets within the fund for the upcoming plan year or investment period under consideration.

3.3 Performance Monitoring and Reporting

The selected Investment Consultant(s) will provide performance monitoring, evaluation and reporting for the STRS Ohio total fund including defined benefit, defined contribution, and health care funds; asset class composites; specific portfolios and internal and external public market managers. Performance monitoring and reporting duties performed by the selected Investment Consultant(s) will include the following:

- Perform and present quarterly investment performance reviews of the results of each asset class and total fund with comparisons to relevant benchmarks, performance objectives, and risk levels, including:
 - Annualized performance for one, three, five, ten and twenty years updated through the most recent quarter
 - Attribution analysis and summaries of each asset class in terms of performance, manager rankings and other relevant information
- Analyzing investment performance versus peer composites for all public market mandates
- Providing expert market commentary and trends

3.4 Manager Due Diligence

The selected Investment Consultant(s) will provide investment due diligence for internal and external managers for the defined benefit, defined contribution, and health care funds. Specific due diligence duties performed by the selected Investment Consultant(s) will include the following:

- Ongoing monitoring of the managers selected by STRS Ohio, including but not limited to US Equities, International Equities, US Fixed Income, Non-US Fixed Income, and variations of such markets (tactical asset allocation, currency management, etc.)
- Performance measurement and analytics reports to be provided quarterly
- Collaborating with Staff on the due diligence of potential or existing investment managers and in identifying new investment opportunities
- Providing Staff access to a comprehensive investment manager database of global public market asset managers as well as the Investment Consultant's recommended manager list and manager evaluation protocols
- Assisting Staff with the preparation of requests for proposals, development of evaluation factors and methods, evaluating proposals, interviewing managers, and making recommendations concerning the selection and termination of managers
- Providing investment due diligence and operational due diligence in the search for new mandates and in the periodic review of external investment managers including screening of investment managers RFPs, manager rankings, investment process, characteristics of products and key professionals
- Reviewing the benchmarks, performance objectives, risk tolerances, and investment guidelines for the selected external public market managers

- Periodically reviewing (3-5 years) STRS Ohio's internal investment strategies. The reviews should contain attribution analyses, performance analysis, and inherent fee advantage relative to a custom peer group of external managers to evaluate the value add STRS Ohio gains from internal investment management.

3.5 Market Research and Education

The selected Investment Consultant(s) will provide expert market research and education including:

- Conduct an annual investment seminar for the Board to be held in Columbus, Ohio
- Annually provide updated capital market assumptions and a corresponding expected total fund return
- Annually provide an economic overview
- Proactively advise the Board and Staff of new investment vehicles and techniques or major changes in existing practices within the industry and, upon request, prepare a comprehensive analysis and make recommendations concerning those developments
- Respond in an agreed-upon and timely manner to Board member and/or Staff inquiries between meetings
- Provide access to research commentaries, publications, and the Investment Consultant's research staff
- Provide timely capital market and economic updates

3.6 Other Duties

- Attend and participate at STRS Ohio Board meetings and STRS Ohio Investment Committee meetings
- Provide comments to the Board
- Provide advice to the Board regarding risk management
- Work cooperatively and constructively with other consulting organizations retained by STRS Ohio
- Perform special projects as needed and participate in workshops or other events on specific issues designated by the Board and Staff
- Provide research commentaries and other publications
- Special projects as requested

3.8 Defined Contribution Program

Review the current design and structure of the defined contribution program and make recommendations for enhancements based upon defined contribution trends, best practices and provide other advice on a quarterly basis.

- Review defined contribution program investment choices and fees annually and recommend changes as appropriate
- Review target date choice glidepaths and qualified default investment alternatives annually and provide recommendations as appropriate
- Discuss/review defined contribution program performance with Staff on a quarterly basis
- Review defined contribution program service providers and provide recommendations as appropriate

4.0 SUBMISSION GUIDELINES

4.1 Required Proposal Contents

A. Cover Letter

The cover letter should include the company name, address, and the name, title or position, e-mail address, telephone number and signature of the person or persons authorized to contractually bind the Investment Consultant to all commitments made in its proposal ("Respondent or Respondents"). The letter must also include the following statements:

"We have read the Board's Request for Proposals (RFP) for general 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 STRS Ohio Board and Staff.

Our proposal is genuine. We have no interest, direct or indirect, which would materially conflict with our provision of these services to STRS Ohio, and we shall not employ, in the performance of such services, any person having such a conflict. We have not directly or indirectly attempted to induce or solicit 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. Our proposal is valid until such time that STRS Ohio has completed the RFP Process. We acknowledge and accept all terms and conditions included in the RFP, including without limitation the contract provisions in Attachment 5, and do not assume there will be an opportunity to negotiate any aspect of the proposal.

We understand that all documents submitted pursuant to this request may be subject to disclosure under Ohio's Public Records Act. We have and will continue to adhere to the

Communication Protocols Governing Investment Consultants and STRS Ohio described in Attachment 1.

The individual signing our proposal is authorized to sign on behalf of our firm, to make decisions as to fees and pricing, and has not participated nor will participate in any action contrary to the above statements.”

B. Statement of Minimum Qualifications / Consultant Certification (Attachment 2)

Respondents must complete and return Attachment 2, “Statement of Minimum Qualifications / Consultant Certification.”

C. Due Diligence Questionnaire (Attachment 3)

Respondents must complete and return Attachment 3, “Due Diligence 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 4)

Investment Consultant’s fee proposal is to be submitted using the format in Attachment 4.

E. Contract Provisions (Attachment 5)

The contract provisions attachment contains mandatory provisions that will be applicable to the consulting contract(s) and must be attached to or incorporated therein. Agreement to these contractual provisions is non-negotiable.

5.0 GENERAL INFORMATION FOR INVESTMENT CONSULTANTS

5.1 Questions

STRS Ohio issues and is the sole point of contact for this RFP. Any questions or concerns regarding the RFP should be routed via e-mail to consultantrfp@strsoh.org. Answers to questions will be posted in accordance with Section 5.11 of the RFP.

5.2 Rejection of Proposals

STRS Ohio reserves the right, in its sole discretion, to reject any or all proposals submitted, without comment, and to waive as to any Investment Consultant or as to all Investment Consultants, any informality or irregularity in a proposal or proposals or any failure to conform to the instructions in this RFP. STRS Ohio may negotiate separately with any or all competing Investment Consultants.

5.3 Incurring Costs

STRS Ohio is not liable for any cost or expenses incurred by Investment Consultants in the preparation of proposals or for attendance at any conference(s) or meeting(s) related to this RFP.

STRS Ohio makes no representations or warranties, express or implied, either collectively or individually, as to the accuracy or completeness of the information in this RFP. Nothing contained in this RFP is or shall be relied upon as a promise or representation, whether as to the past or the future. Investment Consultant candidates should conduct independent analysis of STRS Ohio and any data contained or referenced in this RFP.

5.4 Request for Proposal is not a contract

This Request for Proposal is neither a contract nor an offer to contract.

5.5 Disclosure of RFP and Proposal Contents

STRS Ohio is subject to the Ohio Public Records Act and the documents submitted pursuant to this RFP may be subject to a public records request. Accordingly, Investment Consultants should submit, along with its response to this RFP, a copy of its response in which any information that is trade secret or is otherwise exempt from disclosure under the Ohio Public Records Act is redacted, along with a description of the specific reasons for each redaction, including a reference to the statutory basis within the Ohio Revised Code upon which Investment Consultant is relying for the redaction. If a request for records is made that includes information Investment Consultant has submitted pursuant to this RFP, STRS Ohio will provide the requestor with the redacted version of Investment Consultant's response provided pursuant to this section. If any redaction is challenged, Investment Consultant will be called upon, at its sole expense, to defend the validity of said redaction. If the position taken by Investment Consultant in its redactions hereunder results in STRS Ohio suffering any damages, fees or other losses of any kind, Investment Consultant shall indemnify STRS Ohio for such losses. If no redacted copy of the proposal is provided by Investment Consultant, Investment Consultant will be deemed to have consented to the release of its submitted proposal, and to have waived any cause of action against STRS Ohio resulting from the release of Investment Consultant's proposal.

All proposals, documents, and other materials submitted in response to this RFP will become the property of STRS Ohio and will not be returned to Investment Consultant. STRS Ohio will have the right to use any materials or ideas submitted in any proposal without compensation to the Investment Consultant.

5.6 Alternate Proposals and Collusive Proposals

Alternate proposals will not be accepted. Proposals received from any Investment Consultants who engage in collusive bidding will be rejected.

5.7 Modification/Termination of RFP

STRS Ohio may, in its sole discretion and without incurring any liability to any Investment Consultant, modify or terminate this RFP at any time.

5.8 Safeguarding Confidential Information

The Investment Consultant(s) selected will be required to acknowledge and agree that all records and information of STRS Ohio, including information related to members, accounts, investments, operations, application systems, development environment and infrastructure, are and will remain the property of STRS Ohio; that Investment Consultant(s) will maintain and use all records and information only in its performance of the services it will be providing to STRS Ohio and only in compliance with the laws of Ohio; and that Investment Consultant(s) will refrain from using or disclosing any information for any purpose, unless STRS Ohio specifically consents in writing to a particular use or release of information. Upon the request of STRS Ohio, Investment Consultant(s) will execute a separate non-disclosure agreement.

5.9 News Releases

News releases and/or any other public release of information pertaining to this RFP and/or any resulting project may not be made without STRS Ohio's prior written approval.

5.10 Tentative Schedule of Events

STRS Ohio reserves the right, at its sole discretion, to modify any dates stated in this RFP at any time without notice and accepts no liability to the extent the actual schedule differs from the dates set forth herein. In the event a change is made to the RFP Schedule, a revised schedule will be posted on the STRS Ohio website.

- Issuance of RFP: May 2, 2023
- Question Deadline: May 19, 2023
- Posting of Responses to Written Questions: May 26, 2023
- Notice of Intent to Respond Deadline: June 9, 2023
- RFP Response Deadline: June 16, 2023
- Evaluation of Qualifying Proposals: June – July 2023
- Finalist Firms Presentation to Board or Committee: September 2023
- Reference Calls: October 2023
- Selection of Successful Firm(s): November 2023
- Contract(s) Negotiated / Executed: November – December 2023
- Commencement date of Contract(s): January 1, 2024

5.11 Questions Concerning RFP

Questions concerning this RFP must be submitted via e-mail to consultantrfp@strsoh.org and will be accepted until 5:00 PM Eastern time on May 19, 2023. Questions and answers will be posted on the STRS Ohio website in the same location as the RFP on May 26, 2023. Any verbal responses from STRS Ohio are to be considered informational only.

5.12 RFP Response Deadline

To be considered, proposals must arrive via e-mail to consultantrfp@strsoh.org no later than June 16, 2023 by 5:00 PM Eastern time. Please provide (2) electronic copies of the proposal via email (including one (1) redacted copy for public records requests as described in Section 5.5 of this RFP, if applicable).

Please note that certain submissions made via email may be blocked due to file size limitations on either Investment Consultant's or STRS Ohio's email servers. Please submit your proposal with enough time in advance of the deadline to ensure the transmission goes through in its entirety, and to re-submit by the deadline if necessary. If submissions are not received by STRS Ohio by the deadline for whatever reason, including due to non-transmittal due to size limitations, they will be rejected.

6.0 PROPOSAL FORMAT

To be considered, proposals shall, at a minimum, include all data and information required by this RFP. Proposals shall be in sufficient form and detail to enable a comprehensive understanding and analysis of an Investment Consultant's proposal and all responses required by this RFP. An Investment Consultant's failure to comply with any preparation instructions, terms and conditions, requirements or other aspects of this RFP may be grounds for elimination of Investment Consultant from this RFP process.

For ease of review by STRS Ohio, each requirement should be addressed in a separate section of the proposal. The proposal should be formatted on consecutively numbered pages and include a table of contents.

The proposal for STRS Ohio should be clear, coherent, legible, and prepared in sufficient detail for effective evaluation by STRS Ohio. The proposal must be submitted electronically pursuant to the instructions contained in Section 5.12 of this RFP.

7.0 INVESTMENT CONSULTANT SELECTION CRITERIA AND PROCESS

The criteria upon which the evaluation of the proposals will be based include, but are not limited to, the following:

- Completeness and thoroughness of the proposal
- Investment Consultant's qualifications, service and product offerings
- Investment Consultant's resources and capabilities
- Qualifications and expertise of the assigned Investment Consultant staff
- Proposed deliverables
- Cost
- Other considerations

Lowest rate/pricing is not required to be the primary factor in selecting an Investment Consultant. However, any proposal that does not fall within a competitive range may be excluded from further evaluation. STRS Ohio will identify areas, if any, requiring further

clarification. STRS Ohio will notify Investment Consultants if there are questions or if any issues exist requiring clarification and Investment Consultants must then respond in writing within a specified timeframe.

The receipt of a copy of this RFP by an Investment Consultant and a submission of a written proposal by Investment Consultant does not constitute an obligation of STRS Ohio to grant an interview.

STRS Ohio may hold discussions with some or all of the Investment Consultants to further explore their proposals, the scope and nature of the services they would provide, and the various approaches they may take regarding the project.

In making an evaluation of any proposal or making any determination with respect to the evaluation or choice of an Investment Consultant, STRS Ohio shall not be limited to reviewing information provided by an Investment Consultant during the RFP process, and may, at STRS Ohio's sole discretion, consider any pertinent information concerning an Investment Consultant's performance of services similar to the services requested for or on behalf of STRS Ohio.

The finalists will be asked to make an in-person presentation to the Retirement Board in September 2023.

The selection decision is at the sole discretion of STRS Ohio and is final.

This Request for Proposal is issued on May 2, 2023. STRS Ohio reserves the right, in its sole discretion, to amend or cancel this RFP.

STRS Ohio Request For Proposal

ATTACHMENT 1 – Communication Protocols Governing Investment Consultants and STRS Ohio

This RFP includes and imposes certain restrictions on communications between STRS Ohio and Investment Consultants responding to the RFP.

Investment Consultants are restricted from communicating with STRS Ohio Staff or the Board in any manner, whether oral, written, electronic or otherwise, from the time this RFP is issued through the final award and approval of the contract or termination of this RFP. In addition, Investment Consultants should not discuss this RFP with any employee or agent of the Treasurer of the State of Ohio, Fifth Third Bank, The Northern Trust Company, or any entity serving as investment manager for STRS Ohio or a consultant to the Board. **Any communications with STRS Ohio in violation of this Attachment 1 may result in immediate disqualification of such Investment Consultant.**

The following communications channels are permissible for Investment Consultants to communicate with STRS Ohio to ensure that no violations of these Communication Protocols occur:

- **Questions Concerning the RFP:** See Section 5.11 of the RFP.
- **Supplemental Questions:** STRS Ohio may, after an RFP has been posted, post to the STRS Ohio website supplemental RFP questions for Investment Consultants to answer. If such supplemental questions are posted by STRS Ohio, Investment Consultants shall respond to such questions according to the instructions included with the supplemental questions.
- **Finalist Presentations:** See Section 5.10 of the RFP.
- **Additional Information:** STRS Ohio may, but is not obligated to, request additional information and materials from any Investment Consultant for evaluation of its proposal. Information submitted by an Investment Consultant absent a request by STRS Ohio that is not in the nature of a correction or clarification to the proposal will not be considered. A Respondent must immediately notify STRS Ohio if any information in a proposal becomes invalid or untrue prior to the completion of the RFP process. STRS Ohio may disqualify an Investment Consultant from further consideration if it fails to immediately notify STRS Ohio of invalid or untrue information or fails to respond to STRS Ohio's request for additional information and materials. STRS Ohio shall have no obligation to inform any Investment Consultant of any deficiency in its proposal.

Notwithstanding the above, Investment Consultants who currently do business with STRS Ohio may continue to communicate with STRS Ohio in the normal course of such business, provided any such communication does not relate to this RFP.

STRS Ohio Request For Proposal

ATTACHMENT 2 – Statement of Minimum Qualifications / Consultant Certification

A Respondent must sign and return Attachment 2 along with the response.

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 Investment Consultant’s proposal.**

- Investment Consultant(s) agree to act as fiduciary under applicable state and federal laws, including but not limited to ORC Chapter 3307, and in accordance with the standard of care of a fiduciary under Title I of the Employee Retirement Income Security Act of 1974 (ERISA) that would be applicable if STRS Ohio were subject to ERISA, even though STRS Ohio is itself exempt from the requirements of ERISA.
- Investment Consultant(s) will not delegate its fiduciary responsibilities assumed under the agreement.
- The General Investment Consultant firm must have consulting services clients whose assets under advisement aggregate to a minimum of \$500 billion, including U.S. based institutional clients whose assets aggregate to at least \$150 billion, as of September 30, 2022.
- The General Investment Consultant firm must have consulting services clients who manage assets internally.
- The candidates for General Investment Consultant must currently be providing general investment consulting services, including asset-liability modeling and asset allocation studies, for at least three (3) U.S. based public retirement system clients each with similar size and asset mix to STRS Ohio.
- The candidates for Investment Consultant 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 March 31, 2023; individuals assigned to STRS Ohio will have at least ten years’ of public retirement system investment consulting experience.
- The candidates for Investment Consultant 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.
- The candidates for Investment Consultant firm or each of its key professionals must have a least ten years’ experience monitoring investment managers across various asset classes and management styles for public pension fund clients.
- The candidates for Investment Consultant firm is and will be throughout the course of its engagement with STRS Ohio, a registered investment adviser with the SEC under the Investment Advisers Act of 1940.
- Investment Consultant(s) must be free from material conflicts of interest with STRS Ohio, including its Board, consultants, custodians, and investment managers, and must

disclose all conflicts of interest, all sources of revenue and all affiliations, including but not limited to those involving investment managers and other service providers recommended by the firm.

- Investment Consultant(s) must maintain errors and omissions insurance as well as fiduciary liability insurance providing a prudent amount of coverage for negligent acts or omissions and that such coverage will be applicable to the firm's actions under any agreement resulting from this Request for Proposals. Investment Consultant(s) will maintain a fidelity bond of at least one million dollars (\$1,000,000), or such other amount as may be required by section 3307.181(E) of the Ohio Revised Code, to cover losses by reason of fraud or dishonesty.
- By signing below, Respondent agrees to comply with all terms, conditions and requirements described in this RFP the failure of which shall be grounds for rejection of the Investment Consultant's proposal, as determined by STRS Ohio in its sole discretion.

Investment Consultant Information (to be completed by Respondent):

Firm Name	Telephone Number ()	E-mail address
Address		
Indicate primary contact person, if different from individual signing this certification sheet:		
Name and Title	Telephone Number ()	E-mail Address
Prospective Consultant Name (Print)		Title

In Witness Whereof, Respondent hereby certifies that the foregoing information and representations are true, complete, and accurate to the best of Respondent's knowledge and belief, and agrees to comply with the obligations contained herein:

Respondent:

By: _____

Title: _____

Name: _____

Date: _____

STRS Ohio Request For Proposal

ATTACHMENT 3 – Due Diligence Questionnaire

Respondents shall complete each section of this attachment. Responses should be clear, concise and complete.

Firm Name: _____

Contact Person: _____

Title: _____

Address: _____

Phone: _____

Email: _____

This questionnaire is intended to provide STRS Ohio with specific information concerning the Investment Consultant’s ability to provide the services as described in this RFP. Please try to limit your responses to no more than one (1) page per question and type each response in the same order as listed in this questionnaire.

A. FIRM

1. Give a brief history and description of your firm including:
 - a. Year organized and history of investment consulting services
 - b. Country and state of incorporation, principal place of business and address of the office(s) that will be providing services to STRS Ohio
 - c. Ohio authorization(s) to conduct business or confirmation that none is needed
 - d. Date of initial U.S. Securities and Exchange Commission (SEC) investment adviser registration and/or any other regulatory agency registration. Please explain if exempted from registration.
2. Describe any predecessor entities and/or key management professionals.
3. Provide location of, function of, and number of employees in each of the firm's offices.
4. Describe the nature of your firm's ownership, including specific details with regard to affiliated companies, subsidiaries, or joint ventures. Please provide a chart showing the organizational ownership structure.
5. If your firm is employee owned, provide the ownership breakdown by individual. What are the criteria for an employee to become an owner?
6. What ownership or structural changes have occurred in the last five years? Are ownership or structural changes expected in the next five years?
7. If available, please provide a report, study, or assessment of the Investment Consultant, prepared by an unbiased independent third-party source, concerning client satisfaction and measures of your firm's strengths and weaknesses vis-à-vis your key competitors.
8. Please provide your most recent financial statements, including a statement of financial position, an annual income statement, and a balance sheet.
9. Briefly outline the firm's succession plan.
10. Discuss the overall business objectives of your firm with respect to future growth, including any limits to client / consultant ratio. Comment on present or planned areas of emphasis over the near future.
11. Describe your firm's key strengths, competitive advantages, and weaknesses and how these relate to your overall business objectives.
12. Does the firm have a business recovery plan in effect including plans for an alternative work site in the event of a business disruption? Provide a general description.
13. Please provide a description of your information technology security program and certifications.
14. Please describe the insurance coverage for your firm including coverage amount, deductibles, and A.M. Best rating of insurance carrier. Include the amounts of general errors and omissions liability insurance coverage and fiduciary liability insurance coverage against acts of fraud and dishonesty.

15. Provide a breakdown of your assets under advisement (\$ millions) by client type as of 12/31/2022.

	Total Assets Under Advisement		
	\$ Amount	% Total	# Accounts
Public			
Corporate			
Insurance			
Taft-Hartley			
Endowment/Foundation			
Mutual Funds			
Other Commingled Funds			
Sub-Advised Funds			
Other (Please Define)			
TOTAL			

16. List the services your firm provides and revenue to the firm (\$ millions).

	Total Revenue		
	\$ Amount	% Total	# Accounts
Consulting			
Asset Management			
Other			
TOTAL			

17. Who are the major outside suppliers you rely on to create your product? Please list your service providers for the following:

- a. Auditing
- b. Legal
- c. Accounting
- d. Consulting
- e. Actuarial
- f. Risk
- g. Research/Analysis
- h. Any others

18. Complete the following table with clients comparable in size and complexity to STRS Ohio for which your firm currently provides services like those described in Section 3.0 – Scope of Engagement. Use more space as required. Please provide the name and telephone number of a responsible official who may be contacted as a reference. STRS Ohio reserves the right to contact any of the client references and to conduct reference checks beyond that supplied by the

Respondents. Please provide a summary description of the scope of work demonstrating your relevant experience with similar projects.

- a. Use the following classification for Client Type - Public Pension Plan, Corporate Pension Plan, Taft-Hartley Plan, Endowment, Foundation, Family Office, Retail or Other.

Client	Client Type	Assets (\$ millions)	Client Mandate	First Year of Service

19. Complete the following table with clients for which within the last five years your firm formerly provided services similar to those you propose to offer. Use more space as required. Provide contact name, e-mail address and phone number.

- a. Use the following classification for Client Type - Public Pension Plan, Corporate Pension Plan, Taft-Hartley Plan, Endowment, Foundation, Family Office, Retail or Other.

Client	Client Type	Assets (\$ millions)	Client Mandate	First Year of Service	Last Year of Service

20. List the clients for which your firm has guided effective implementation of investment strategies.
21. Please describe in detail how your firm on-boards a new client from their former Investment Consultant.

B. LEGAL / REGULATORY

22. Provide a complete copy of your firm's most recent full Form ADV (Parts I and II and accompanying schedules).
23. Describe any lawsuits, orders, arbitration proceedings or other judicial, administrative or regulatory proceedings, investigations or settlements relating to the business activities of Investment Consultant, its individual principals, directors, or affiliates over the past ten years. Include the nature of the litigation, the parties, and the status of the litigation.

24. Please describe any material litigation to which your company is currently a party. In addition, please describe any material litigation that your company has been involved in over the last three years.
25. Please provide a list and describe litigation brought or threatened against your company by existing or former clients over the past five years.
26. Please disclose and describe:
 - a. Any significant findings by any regulatory agency that conducted an audit or review of the firm within the last ten years.
 - b. Any deficiency letter or similar report by any regulatory agency regarding an audit or review of the firm within the last ten years.
27. Did your firm receive any Paycheck Protection Program or other loan forgiveness from the U.S. Small Business Administration? What was the rationale for accepting the funds?

C. PERSONNEL

28. Provide a list of all key personnel. Identify with an asterisk (*) those who will be assigned to STRS Ohio's account. Please further identify with an (x) which professional will be designated as primary consultant (the professional who will be directly interfacing with STRS Ohio most of the time) and with a (y) the senior most investment professional assigned to STRS Ohio's account. Clearly identify and explain any instances where the firm's professionals have other business responsibilities outside of their employment with the firm. Use more space as required. Include the following for each:
 - a. Name and title
 - b. Location
 - c. Education and designations
 - d. Clients
 - e. Current responsibilities
 - f. Firm tenure
 - g. Industry tenure and background
 - h. Number and size of clients managed
29. Describe how you intend to service this account. Who is responsible for client communications?
30. Describe your firm's experience with internally managed mandates.
31. Describe all additions and departures of professionals over the past five years. Include name, area of responsibility, departure date, and reason for leaving. Was the position filled? If so, by whom?
32. Describe incentives used by your firm in obtaining and maintaining key personnel.

33. Provide an organizational chart for your firm. Show a separate organization chart of individuals involved in providing services to STRS Ohio.
34. Provide a summary of the reasons why the individual proposed to be assigned to the services on the account can provide STRS Ohio with the best assistance available.
35. Please describe your firm's procedures if a contact person assigned to this engagement leaves your firm during the term of the engagement.
36. Please estimate the proportion of available time that the primary consultant assigned to STRS Ohio will spend on this account and the number of other clients for whom they are/will be primary. Show the approximate assets under management for clients of the primary consultant.
37. Discuss your organization's employee compensation program and how this aligns interests with clients.

D. CONSULTING SERVICES – GENERAL

38. List all of the firm's standard services provided for a typical pension plan.
39. List special services that the firm has provided to meet other needs of the Investment Consultant's clients and / or services unique to the firm.
40. Briefly summarize the firm's philosophy relating to the Investment Consultant's relationship with retirement board members, the board's staff and investment managers.
41. Describe the firm's process for analyzing a client's existing investment policy. Describe the firm's method for recommending modifications to and monitoring of the investment policy and strategy.
42. Describe the firm's asset-liability modeling capability and portfolio structure analysis. Describe the manner in which the firm would assist the Board in recommending changes and monitoring asset mix.
43. Describe the firms' consulting process regarding internal investment management programs. Please list and describe similar clients.
44. Describe the Investment Consultant's process for evaluating a client's investment performance including determination and / or recommendation of benchmarks.
45. Provide your firm's most recent expected return, standard deviation and correlation matrix for major asset classes. How many asset classes (and subclasses) do you model?
46. How often do you update your capital market assumptions? Also, describe how this work is accomplished at your firm and the support for your results.
47. What are the pros and cons of mean-variance optimization as a method for allocating to assets? What other methods do you use and how? Describe and explain any constraints placed during your modeling process.
48. Describe any method by which you model Alternatives expected returns, volatility or other risk characteristics.

49. Describe your process for performing a comprehensive asset allocation and liability study.
50. Explain any innovative recommendations your firm has made relating to asset allocation and liability studies.
51. Describe your philosophy for achieving a top-performing investment program at a large public pension plan.
52. What is your view of active management versus index management?
53. Explain your philosophy on the role of policies within a large public pension plan investment program.
54. Explain your philosophy for establishing investment strategies within a large public pension plan.
55. Please provide at least one specific example of your firm proactively advising a client of a new investment vehicle or technique and how the client implemented it.
56. Do you provide any customized computer services for clients (databases, models, research websites, training, etc.)?
57. Explain your firm's views on manager fee schedules (flat versus performance-based, what are appropriate fee structures for AUM-constrained strategies, the usefulness of breakpoints, the usefulness of MFN clauses, comments on how plans with STRS Ohio's scale can control fees and expenses, etc.).
58. Describe your firm's approach to creating a cost-effective investment program at a large public pension plan.
59. Describe your firms' consulting process regarding internally managed direct and co-investment programs. Please list and describe similar clients.
60. What strategies do you recommend beyond traditional long only investing?

E. DUE DILIGENCE

61. Explain your philosophy and methods for evaluating external managers, including systems for collecting and analyzing data, process for filtering, due diligence procedure, process for scoring or recommendation, and criteria and procedure for recommending watch-listing or termination.
62. For external manager searches, what manager database systems are you currently using, are these systems available for client use, and are manager evaluation reports accessible online?
63. Provide a copy of your most comprehensive type of external manager due diligence report resulting in a recommendation and investment.
64. Provide a sample operational due diligence manager report.
65. Discuss the key factors on which you rely in assessing manager skill. What criteria do you use in evaluating managers?

66. What is your process for reviewing asset classes and internal public market managers?
67. Describe the process that is or will be used to conduct investment manager searches.
68. Please provide a copy of your approved manager list.
69. How many managers do you maintain on your manager search database? Describe any advantage that you perceive your database has versus your competitors. If you meet with managers, how often do you do so? What is the nature of those visits?
70. If you have an in-house database, do you sell it to third parties? How do you receive compensation for selling it? What fees or other consideration, if any, do you receive from managers who wish to be maintained in your database?

F. RISK MANAGEMENT

71. Please describe your firm's risk management capabilities as they apply to a client's investment portfolios.
72. What risk management systems and methods do you use and what are their benefits and limitations?
73. How do you measure risk for Alternatives? What risk management systems and methods do you use and what are their benefits and limitations?
74. Please describe your organization's methods for safeguarding client data and for disaster recovery of your operations.

G. DEFINED CONTRIBUTION

75. Please provide a brief description of your experience consulting to defined contribution plans on design of their investment options.
76. Describe the scope of the consulting work you provide to defined contribution plans.
77. Describe how you would help STRS Ohio evaluate its current defined contribution plan design and structure an improved model.
78. Describe any major trends within defined contribution plans you are currently discussing with clients.
79. Do you have a dedicated defined contribution plan support unit? If not, what resources does your firm dedicate to supporting defined contribution plans?
80. Provide a description of relevant experience you have assisting a defined contribution plan client with recordkeeper searches, including the resulting transition process and outcomes.

H. CONFLICTS OF INTEREST

81. How does the firm identify and manage potential conflicts of interest? Describe any actual or potential conflicts of interest that exist between the firm, clients, Alternatives partnerships, and other entities and how they are mitigated.

82. Describe any potential conflicts of interest your firm might encounter if selected to provide the services described in this RFP and how these will be mitigated.
83. Please describe any relationships that your company has with any potential or existing investment managers and/or service providers of STRS Ohio, including any potential fees or other remuneration your company may receive for recommending their products or services.
84. Disclose any known personal or pecuniary interest, direct or indirect, in the services contemplated by this RFP held by any officer, member, employee or agent of STRS Ohio.
85. Provide a list of and describe your firm's professional relationships involving STRS Ohio, the State of Ohio or its political subdivisions in the past five (5) years, together with a statement explaining why such relationships do not constitute a conflict of interest.
86. Provide the names of any individuals who will be providing a service to STRS Ohio who were employed by STRS Ohio in the last three years.
87. Does your firm offer discretionary products? If so, describe your process in detail, including personnel, differences in their compensation, etc.
88. Has your firm adopted the CFA Code of Ethics and Standards of Professional Conduct?
89. Provide a copy of your Conflict of Interest Policy.
90. Provide a copy of your Ethics Policy.
91. Provide a copy of your policy that controls employees' personal investment transactions.
92. Describe your firm's internal compliance monitoring.

I. OTHER

93. Provide a list of published research originating with your firm, including date, and show frequency and inception period of any routinely prepared commentaries, and provide sample research papers that demonstrate investment strategies.
94. Provide a sample performance report for a client assessing performance and allocations at the fund, asset class and manager levels.
95. Describe any education programs your firm has conducted or makes available to clients.

J. ADDITIONAL INFORMATION

The Investment Consultant should provide any other information it believes relevant to the engagement.

STRS Ohio Request For Proposal

ATTACHMENT 4 – Fee Proposal

Provide the not-to exceed fees for all services proposed to be provided by the firm in the following formats:

1. Bundled – provide the total annual fee for all services being proposed that include those services listed in 3.0 Scope of Engagement.
2. Unbundled – provide an itemized fee for the following:
 - a) Asset-liability study – defined benefit plan (every 3-5 years)
 - b) Asset-liability study – health care plan (every 3-5 years)
3. Will you certify that the fees provided are the most favorable fee schedule that the firm offers for clients with similar requirements? If no, please explain why.

The quotes should assume a three-year contract, with two one-year extension options, and include all travel and other out-of-pocket expenses. STRS Ohio shall have no obligation to reimburse the Investment Consultant(s) for any expenses incurred in connection with this engagement.

Once the Investment Consultant(s) are selected, the fee may be refined depending on factors which may affect the fee. In no case will the refined fee be higher than the proposed fee.

STRS Ohio Request For Proposal**ATTACHMENT 5 – Contract Provisions**

Please provide a copy of the firm's typical contract for services described in this RFP, along with a copy of your certificate of insurance. The sample contract is for informational purposes only. STRS Ohio will provide the form of contract to be entered into for the services, which will include the following provisions with which the Investment Consultant is expected to agree and which provisions shall control in the event of any conflict:

- Investment Consultant(s) shall act with respect to any transaction arising from or pertaining to its services or involving any interest of STRS Ohio, only under the contract and shall not receive any remuneration in connection with such transaction except under the contract or as may be determined by mutual agreement of STRS Ohio and Investment Consultant(s) in writing in advance.
- Investment Consultant(s) shall disclose in writing those actual and potential conflicts of interest that could reasonably be expected to affect the objectivity of the firm or its employees in fulfilling their duties to STRS Ohio and will update STRS Ohio promptly in the event of any additional actual or potential conflicts of interest.
- Investment Consultant(s) will provide annual disclosure of its business relationships with all investment managers or other providers of investment services employed by STRS Ohio. This disclosure will include information on the specific services provided and the specific amounts paid to Investment Consultant(s).
- Investment Consultant(s) shall comply with all applicable federal, state and local laws, including but not limited to the reporting requirements contained in Ohio Revised Code Sections 101.90 et seq. (concerning the Joint Legislative Ethics Committee), and Chapter 102 and related statutes (concerning the Ohio Ethics Law) in its performance of services under the contract.
- Investment Consultant(s) shall warrant and represent that it has not paid and will not pay, has not given and will not give, any remuneration or thing of value directly or indirectly to STRS Ohio or any of its Board members, officers, employees or agents, or any third party with respect to any contracts, including but not limited to a finder's fee, cash solicitation fee or a fee for consulting, lobbying or otherwise, except as specifically provided for in the contract.
- Investment Consultant(s) shall warrant and represent that it is registered with the Securities and Exchange Commission under the Investments Advisers Act of 1940, as amended, and will maintain said registration throughout the term of the contract or any extension thereof.
- Investment Consultant(s) shall warrant and represent that it and its individual representatives have expertise of the sort encompassed by the contract and understands that STRS Ohio is relying on said expertise. Investment Consultant(s) shall utilize its best efforts as an expert in carrying out its obligations under the contract.

- Investment Consultant(s) shall warrant and represent that any and all services under the contract will be provided solely within the United States.
- Investment Consultant(s) shall warrant and represent that it will notify STRS Ohio within ten (10) business days of any (i) material changes in the ownership or management of Investment Consultant or key personnel involved in providing services to STRS Ohio, (ii) legal actions instituted against Investment Consultant involving the provision of investment advisory or other investment fiduciary services, or (iii) investigations, examinations or other proceedings commenced by any governmental regulatory agency that are not conducted either in the ordinary course of Investment Consultant’s business or as part of an industry sweep or other fact-finding inquiry.
- The contract shall be governed by the laws of the State of Ohio, and any legal action relating to the contract will be brought in the courts located in Franklin County, Ohio.
- Investment Consultant(s) shall indemnify STRS Ohio from any actual or potential claims (including reasonable attorney’s fees) arising from the negligent or intentional conduct of Investment Consultant(s), or any breach of the contract or violation of applicable law by Investment Consultant. Investment Consultant(s) shall agree to defend, at its sole cost and expense, STRS Ohio against any and all such claims or legal actions if called upon to do so.
- Investment Consultant(s) shall agree to adhere to the standard of care and conduct required of a fiduciary under (i) Ohio Revised Code Chapter 3307 and any and all other applicable federal and state laws and (ii) Title I of the Employee Retirement Income Security Act of 1974 and interpretations thereof and regulations and exemptions thereunder (collectively, “ERISA”) that would be applicable if STRS Ohio were subject to ERISA, even though STRS Ohio is itself exempt from the requirements of ERISA.
- Investment Consultant(s) shall agree to provide the Board with the quality and quantity of technical expertise and advice reasonably expected from a financial consulting organization representing itself to be of a high caliber and competence to enable the Board to oversee a state-of-the-art investment program.
- Investment Consultant(s) shall agree to attend each regularly scheduled Board meeting and such other special or emergency meetings as the Board may request.