

Request for Proposal

For

Investment Consultants

Responses to Written Questions

Q: Is the Retirement Board willing to consider retaining one investment consultant for the defined benefit plan and another investment consultant for the defined contribution plan?

A: Yes

Q: Would the Board prefer to retain a single investment consultant for all aspects of this scope of engagement?

A: STRS Ohio does not have a preference.

Q: How many manager searches have been conducted each year, over the past three years?

A: Fiscal year 2023 – 2 (International Equity and REIT)
Fiscal year 2022 – 0
Fiscal year 2021 – 1 (International Equity)

Q: Can you please provide a copy of your most recent Asset Liability study?

A: [2022 Final Asset Liability Study Presentation](#) Note: Mix 3C was chosen.

Q: Please indicate the amount you are currently paying the incumbent on an annual basis.

A: For fiscal year 2022, STRS Ohio paid Callan approximately \$125,000 each quarter or approximately \$500,000 annually.

Q: Are the required meetings scheduled in advance for 2023? If so can you please provide the schedule or indicate the frequency?

A: The fiscal year 2024 meeting schedule is not yet finalized. Generally, board meetings are held the third Thursday of every month, with no meetings in January and July. The November session is for Board Education and Planning.

Q: How many meetings do you expect to have in person on an annual basis?

A: 10, including the Board Education and Planning session.

Q: Do you currently utilize a separate alternatives assets consultant? If so can you disclose what you are currently paying the alternatives assets incumbent(s) on an annual basis?

A: An alternatives investment consultant is outside the scope of this RFP. Cliffwater is currently the alternatives investment consultant. STRS Ohio pays Cliffwater approximately \$21,000 each month or approximately \$252,000 annually. At the April 2023 board meeting, in conclusion of an RFP process that began in November 2022, the Board selected Callan as the new alternatives investment consultant with a term beginning July 1, 2023.

Q: Will the Plan consider a response that includes delegation of the implementation decisions to the Consultant (manager selection, structure, rebalancing, operations) if it can be shown that delegation would be expected to save the Plan significant costs? The Plan in this case would retain its most important asset allocation and policy decisions.

A: The RFP does not contemplate delegating implementation decisions to the general consultant. STRS Ohio's Statement of Fund Governance delegates investment decisions pertaining to portfolio management, investment transactions, external investment managers, and risk management to investment staff. Importantly, investment staff seeks the advice, guidance, and recommendations of Board-retained investment consultants. Investment consultants should provide advice that seeks to achieve the best risk adjusted returns net of all costs.