TITLE: <u>**VPIC Manager Search Process Policy**</u>

Policy:

Subject to its responsibilities under 3 V.S.A. § 523, the Vermont Pension Investment Committee ("VPIC") has established the following manager selection and hiring process that includes the following elements:

1. Upon VPIC initiating an investment manager search, Treasurer's Office Staff ("Staff") and the investment consultant shall collaborate on a search book and determine that all managers included on the list could be an appropriate fit for the portfolio and that compelling managers are not excluded.

2. Staff and the investment consultant shall analyze the search book list and eliminate investment managers where significant concerns are present and narrow the search book to an appropriate short-list.

3. Staff and the investment consultant will conduct due diligence on each manager on the short-list and determine best fit for the VPIC portfolio. Best fit may include more than one manager where it makes sense to split the mandate to optimize the allocation.

4. Staff and the investment consultant shall return to a subsequent VPIC meeting to present the search book and detail their due diligence process and recommendation to the Committee. If staff and the investment consultant believe only one manager is the best fit for the allocation, the recommendation will so state. In other cases, staff and the investment consultant may recommend VPIC interview more than one finalist if splitting a mandate is optimal or in the unlikely scenario where staff and the investment consultant cannot recommend a best finalist.

5. The Committee may deliberate on the search book and consider the recommendation by the staff and investment consultant. VPIC may choose to accept the recommendation, interview additional managers, widen the search, or consider other alternatives.

6. At the request of the VPIC, Staff and the investment consultant will coordinate in-person interviews with managers selected for consideration for a subsequent meeting.