

List of Questions for the State of Vermont RFP

Question 1: Is it possible to receive the questionnaire as a Word document, or do you prefer that we type answers on the sections that are forms (e.g., Company 1-5, Performance 3)?

Answer 1: The questionnaire is only available in a PDF format. Please type or write your responses on the forms.

Question 2: It sounds like these searches are for index products. Am I correct in assuming that you are in fact not looking for active managers?

Answer 2: Yes you are correct. The search is for index products – cap weighted index, equal weighted index and enhanced index (including portable alpha).

Question 3: I see in one publication that NEPC is conducting two separate Large Cap searches in Vermont – one for the State Retirement System and one for the State Teachers. Is this correct?

Answer 3: No. The search is being conducted for all three State of Vermont plans.

Question 4: Will derivative based enhanced index strategies be considered?

Answer 4: Yes, all types of enhanced index strategies will be considered.

Question 5: Will derivative based enhanced index strategies utilizing fixed income strategies with less than 1 year duration to manage collateral be considered?

Answer 5: Yes, all enhanced index strategies will be considered. Stock based enhanced indexing strategies will be considered, but a preference will be to not consider tilt (style) stock-based strategies. Index arbitrage strategies, index futures plus enhanced cash management, and volatility based strategies will also be considered.

Question 6: Would a separate account investment program be considered?

Answer 6: Yes. Separate account and limited partnerships will be considered. There are recognized benefits to Limited Partnership structures, such as accounting simplicity, reduced cost, and flexible contributions and withdrawals.

Question 7: What type of fee structures will be permissible?

Answer 7: "Standard" type fee structures and fee structures where fees are based upon the measured results of the portfolio over the benchmark will be considered.