

Question: Confirm that the minimum aggregate US small capitalization equity firm-wide assets of \$1 Billion does include the combination of all US SMID/Small/Micro strategies managed by our firm as defined in the RFP.

Question: We have Small Cap Value and Micro Cap Value strategies for consideration, but found the Minimum Qualifications of an aggregate \$1 billion in firm-wide U.S. small cap equity assets prohibitive. Given the capacity-constrained asset class, does the \$1 billion requirement also apply to micro-cap strategies as well as small cap?

Question: Given our focus down market cap, we do not have any U.S. small cap assets to include in this figure. Our firmwide AUM as of the end of the year was \$786 million and the broad majority of this figure is invested in our U.S. Microcap Strategy. Is this something you would consider?

Answer (for the 3 questions): We will consider strategies with assets that were, at minimum, \$500 million as of December 31, 2020. As the RFP indicates in **Section VIII Form and Content of Responses, Subsection B, under Cover Letter**, if a respondent does not meet all of the minimum qualifications, the respondent must identify which qualification(s) it does not meet and make a detailed case as to why the Treasurer should consider its firm and product.

Question: Is AUA factored into this metric when defining firm-wide assets to the extent firm provide model delivery for retail asset management platforms?

Answer: Only assets under management for institutional clients will be considered.

Question: "Aggregate U.S. small capitalization equity firm-wide assets must have exceeded \$1.0 billion as of December 31, 2020", can this qualification be based off our own market cap guidelines or do we need to use the \$300mm - \$10B definition for micro to smid cap stocks, as outlined in Section II, Part A - 5a?

Question: "Aggregate U.S. small capitalization equity firm-wide assets must have exceeded \$1.0 billion as of December 31, 2020", can this include US Small Cap stocks that are owned in other strategies that allocate to US Small Cap stocks? If so, should we apply the range of \$300mm - \$10B to come up with that asset level?

Answer (for both questions): We will consider strategies with assets that were, at minimum, \$500 million as of December 31, 2020. In addition, for market capitalization definitions, we will also consider the following definitions:

- U.S. small capitalization equity - companies with a market capitalization range as defined by the Russell 2000 Index
- U.S. micro capitalization equity - companies with a market capitalization range as defined by the Russell Microcap Index
- U.S. small/mid capitalization ("SMid") equity – companies with a market capitalization range as defined by the Russell 2500 Index

Question: Do you have hard limits on minimum or maximum capitalization at market (as opposed to at purchase)?

Question: Are the market cap ranges for securities at the time of purchase or for any holding in the portfolio?

Question: Should a security should exceed the maximum capitalization, is there a defined timeframe that the manager is expected to sell out of the security?

Answer (for the 3 questions): This will be addressed during guideline negotiations.

Question: Is there an exception if audited financial are not available?

Answer: There is no exception. Audited financials are required.

Question: Is there an editable Word version of the attached Developed Markets International RFP?

Answer: We have posted a Word version of the Manager Questionnaire, **Section VIII Form and Content of Responses** for your convenience on our web portal.

The download is available at: <https://portal.ct.gov/OTT>

Question: Can we submit more than one strategy for the search?

Answer: Yes. Respondents may submit multiple responses under one RFP submission. Please clearly delineate strategy-specific information.

Question: If we can submit more than one strategy, do we have to submit a complete separate RFP document for each strategy or combined information for both strategies in one document? Do we have to submit two sets of attachments for each strategy proposed?

Answer: Multiple responses may be submitted under one RFP submission. Please clearly delineate strategy-specific information.

Question: The cover requires statement of whether the firm is a “diverse” manager. How do you define “diverse”?

Answer: Please see Diversity Principles on our OTT website <https://portal.ct.gov/OTT>

Question: Does the State of CT have a requirement that they cannot be more than a certain percentage of a US Small Cap Equity Strategy?

Answer: It is preferred that the investment not to be more than 20% of a US Small Cap Equity strategy.

Question: Do you have advice on which small cap equity style (i.e. core, growth, value) the State is more likely to allocate to? Can you confirm whether there was a specific style focus for this search.

Answer: Every style will be considered. Please refer to Section II A of the RFP.

Question: Would the State of Connecticut consider a US Small Cap strategy that allows for a limited amount of developed-country international small- and mid-cap equity exposure (e.g. 20% or less)? Do you allow the manager to hold any Canadian stocks? Do you allow the manager to hold any other non-US stocks (up to 5% total)?

Answer: No. Please refer to Section II A of the RFP.

Question: Incorporation of ESG factors in the investment process is listed under Section VII C. Other Specific Criteria and in the RFP questions. How important will this criteria be in your investment strategy selection? Does the State have an exclusion list that defines ESG compliance for the strategy?

Answer: ESG is extremely important to our review. Please refer to [Attachment M](#) in the RFP regarding ESG considerations. Please see our [International Investment Restrictions by State Law](#) for an exclusion list applicable to all managers hired by the State.

Question: Would the plan consider a commingled investment trust as a vehicle for this mandate?

Answer: Our preference is a separate account structure.

Question: C. Clients / Question 1: "Quantify the number of public pension fund clients in total and the number that have over \$1 billion in assets." Is the asset level in reference to public clients that have at least \$1 billion invested with the manager, or at their own plan level?

Answer: The asset level refers to the client's own plan level.

Question: Do you allow the manager to participate in IPOs?

Answer: Strategies that participate in IPOs will be considered.

Question: Given the current Covid-19 environment, are notary signatures required for the Legal and Policy Attachments? Given our office is working remotely, is there any flexibility to be granted relief from having a physical notary signing for the attachments in the RFP?

Answer: Unfortunately, we are unable to waive notarization. If in-person notarization is not an option, your state/jurisdiction may be permitting "remote notarization" during the pandemic. Whatever your local jurisdiction currently deems as a properly/ legally notarized document is

what we'll accept (the notary law of the jurisdiction where the document is being notarized rules). Your counsel will be able to give guidance on the remote process.

Question: With regards to the documents that require notary public signatures, does the State of Connecticut require these documents to be sent both electronically and in hardcopy?

Answer: Yes.

Question: From our understanding, "Attachment M – Real Estate" is a supplemental attachment to Attachment M. For this U.S. small capitalization equity opportunity, is "Attachment M – Real Estate" a required Legal and Policy Attachment that we must complete and submit for this equity RFP?

Answer: The "Attachment M – Real Estate" is not required for this mandate.

Question: After reviewing the documents, some of these only seem relevant if we were to be selected for the mandate/executing an agreement. Could you please definitively let us know which of the Legal and Policy Attachments (including the Employer Information Report) are required at this stage in the RFP process?

Answer: All Legal and Policy Attachments are required at this stage.

Question: Attachment A: This document has a broken link on page five. Could you please send the correct link for WWW.OTT.CT.GOV?

Answer: As part of the RFP/contract procurement process of the Office of the Treasurer, prospective vendors must complete the following Legal and Policy Attachments found [here](#). The URL for all RFP requirements is <https://portal.ct.gov/OTT/Doing-Business/Compliance-Reporting> and the URL for [Attachment A](#) is https://portal.ct.gov/-/media/OTT/Doing-Business/Attachment-A_FINAL.pdf

Question: Would it be possible to share the restricted securities list that is referenced on Page 42 section 32?

Answer: The restricted list can be found [here](#).

Question: Would the State consider a small / mid cap strategy with a 1.5 year track record?

Answer: A three-year track record is required.

Question: Will you consider non-traditional equity strategies such as portable alpha and systematic strategies?

Answer: The Investment Policy Statement prohibits the use of short selling, leverage, and/or margin purchasing in the Domestic Equity Fund. Consequently, we are seeking long-only strategies at this time. We are willing to consider any unique long-only strategies.

Question: If we completed and submitted to the State a set of compliance attachments for the relevant contracting entity in July 2020, will that satisfy the compliance attachment requirement for the purpose of this RFP?

Answer: Please resubmit the set of compliance attachments with updated information for this RFP. If the previously submitted data is relevant, please resubmit with the updated date utilizing the Compliance forms in the RFP or found on the Office of the Treasurer's website.

Question: Attachment D: What would qualify as a "third party" referenced here under your definition?

Answer: Third party fees are defined by Connecticut General Statute Sec. 3-13j. "Third party fees" include, but are not limited to, management fees, placement agent fees, solicitation fees, referral fees, promotion fees, introduction or matchmaker fees, and due diligence fees.

Question: Section 6(O): *The Manager represents and warrants that it maintains and enforces a code of ethics which prohibits the misuse of material, non-public information by the Manager and any person associated with the Manager and ensures that personal securities transactions by the Manager's employees and authorized representatives are conducted in a manner that (i) does not adversely affect State Funds and (ii) is consistent with the fiduciary duty owed by the Manager to State Funds.*

Who does the client think a person associated with the Manager is? An employee.. an affiliate? Who are they looking for when they say authorized representatives?

Answer: This refers to the Manager's employees.

Question: Exhibit B-1: is this applicable to this basic equity only strategy? i.e., please confirm this does not relate to the establishment of accounts with broker/dealers as contemplated by Section 3(O)?

Answer: Exhibit B-1 is a list of the Treasurer's Connecticut-specific trading terms that should be included in an agreement with a counterparty to trade securities, including derivative documentation, such as ISDAs.