

**REQUEST FOR PROPOSALS FROM  
FINANCIAL ORGANIZATIONS FOR THE PROVISION OF STABLE VALUE  
STRUCTURE MANAGEMENT SERVICES FOR THE DEFERRED COMPENSATION  
PLAN FOR EMPLOYEES OF THE STATE OF NEW YORK AND OTHER  
PARTICIPATING PUBLIC JURISDICTIONS (“PLAN”)**

**RFP RESPONDENT QUESTIONS AND ANSWERS**

- 1. Could the contract awarded under this RFP include fixed income management services for a portion of the Stable Income Fund’s assets in addition to the provision of the Stable Value Structure Manager Services described in Section III of the RFP?** The Board is considering allowing the Stable Value Structure Manager (SVSM) to provide fixed income management services for a portion of the portfolio, but the RFP response should only relate to the provision of Stable Value Structure Management services. Please provide a fee schedule based on both the SVSM services only and SVSM plus limited fixed income management.
- 2. If the contract awarded under this RFP could include fixed income management services, should the Proposer include product information in the Callan database concerning the fixed income strategy being proposed?** No.
- 3. Since the Stable Value Structure Manager will have responsibility for recommendations with regard to the selection of underlying portfolio managers and wrapped separate account fixed income products, can you please confirm whether the Stable Value Structure Manager will be serving as the Board’s “independent consultant” for purposes of Section 9003 of the Rules and Regulations of the Deferred Compensation Board of the State of New York?** Yes, but strictly for the Stable Income Fund.
- 4. What role will the Stable Value Structure Manager play in providing input on the guidelines for the underlying portfolio managers, given that the Stable Value Structure Manager is responsible for both securing wrap contracts for underlying portfolio managers and for managing the aggregate risk characteristics of the Fund?** The Stable Value Structure Manager will have full input. The Plan’s Investment Consultant provides review and commentary on the recommendations made by the SVSM.
- 5. To assist us in evaluating the withdrawal risk by employers that electively participate in the Plan, please provide the percentage of the Stable Income Fund held by Participants who are or were employees of the State or its agencies. Can you please also provide the count of electively participating Public Employers whose Participants own more than 5% of the Stable Income Fund and the percentage of the Stable Income Fund owned by Participants of each such Public Employer?** An Excel spreadsheet is attached showing a breakdown by age and whether the participant is active or retired. A breakdown by employer is not available.

6. **In regards to question 2 of Section V. Fees of Appendix A-Stable Value Management Services, would the Board prefer to have an illustrative proposed portfolio structure in addition to a separate fee proposal with the stable value structure manager serving as one of the underlying wrapped fixed income managers for evaluation purposes?** It is not necessary to provide an illustration of a proposed portfolio structure.
7. **Are the portfolios that make up the stable value option managed separately or are they invested in commingled products by each manager?** Separately managed portfolios.
8. **Who is responsible for negotiating guidelines with the sub-advisors if these are individual portfolios and not in existing commingled vehicles?** The Stable Value Structure Manager.
9. **Do you use a communicated rate, and if so, is there a master wrap agreement with any of the issuers?** There are multiple global wraps secured by the Stable Value Structure Manager as well as insurance company separate accounts coupled with individual wraps.
10. **Is there a wash between the Schwab self-directed brokerage window and the stable value option?** No.
11. **Indemnification (Page 13): Are there any exceptions to this clause, particularly if the recommended investment is a collective trust fund, where indemnification of the other investors in the fund against failure by a new investor to qualify to participate is very important in the operation of the fund?** No.
12. **Assurances (Page 15): Could you provide/refer to the specific local laws, regulations, and policies applicable to this mandate to allow us to review and confirm accordance?** See the Board's Rules and Regulations on the Plan's web site: [www.nysdcp.com](http://www.nysdcp.com).
13. **Cancellation of Convenience (Page 15): Would an extension to 30 days or more be possible for this clause, particularly since arranging for transition in stable value with wrap providers can take time for the wrap providers to approve new parties?** This would be subject to contract negotiations.
14. **VI. Conditions ii (Page 17): Can additional language be added to explicitly commit the Board to the 30 day time period?** Subject to contract negotiations.
15. **Appendix A 9. Set off Rights (page 42). Can we add a provision that in the event benefits may be payable to participants under the terms of a wrap contract, but the payment is withheld by the issuer of the contract, the Board will not withhold fees from the Contractor against those wrap benefits, since that would violate accounting rules concerning how benefit responsive contracts work?** No.

16. **Would our company be disqualified if the specific phrases “predisposing genetic characteristics” or “domestic violence victims” are not listed in our EEO written policy? If not, is there a way that we can certify that these categories of people are included within the scope of our EEO policy, and if so, what is that process?** This would not automatically disqualify your firm. If selected, sufficient proof of compliance may be required.
17. **To better enable us to develop and propose a complete investment strategy, would it be possible to receive more detailed demographic information on the participants invested in the Stable Income Fund?** See attached Excel spreadsheet.
18. **We noted that on page 23, question #5, respondents are asked to address their respective approach to “allocating between internally versus externally managed strategies”. The Fee section also asks for two proposals; one as only the Structure Manager and another for providing additional fixed income services in managing assets underlying stable value contracts. Can the State provide any more detail on their preference for a structure manager that also manages assets in underlying fixed income strategies?** The Board does not have a preference whether or not a Stable Value Structure Manager proposer also managed underlying fixed income strategies. The current Stable Value Structure Manager does not manage any of the underlying fixed income assets in the Stable Income Fund. If such services are provided, this would be less than 20% of the Stable Income Fund assets.
19. **Is it possible to receive the RFP as a Word document?** Yes, one is available upon request.
20. **What level of discretion does the structure manager have with respect to hiring/firing of underlying managers and allocating assets among product structures deemed to be optimal?** The Stable Value Structure Manager can make recommendations, but the Board would need to approve the hiring/firing of managers. The allocation of assets within the Fund is managed by the Stable Value Structure Manager after advising the Board.
21. **To what degree is experience with 457 plans required? Would experience managing stable value assets within 401(k) plans and/or 403(b) plans be equally satisfactory?** Yes, provided that experience with restrictive investment policies can be demonstrated.

## NYSDC Stable Value Fund Data

12/31/2015

### Stable Income Fund Active

Age	Number of Participants	% of Participants	Assets Invested	% of Assets
Under age 29	3233	4.10%	\$9,955,319.20	0.32%
30 - 39	10866	13.78%	\$101,211,775.53	3.28%
40 - 49	19762	25.06%	\$484,815,757.59	15.71%
50 - 59	33946	43.04%	\$1,644,943,519.23	53.29%
60 - 69	10116	12.83%	\$731,757,273.41	23.71%
70 and over	940	1.19%	\$113,927,861.88	3.69%
	78,863	100.00%	\$3,086,611,506.84	100.00%

### Stable Income Fund Inactive

Age	Number of Participants	% of Participants	Assets Invested	% of Assets
Under age 29	464	0.82%	\$2,126,632.19	0.06%
30 - 39	2223	3.94%	\$16,698,932.01	0.49%
40 - 49	5110	9.06%	\$109,005,206.77	3.20%
50 - 59	16250	28.81%	\$866,504,181.41	25.43%
60 - 69	23377	41.45%	\$1,747,843,242.81	51.30%
70 and over	8972	15.91%	\$665,173,631.20	19.52%
	56,396	100.00%	\$3,407,351,826.39	100.00%