

**REQUEST FOR PROPOSALS FROM
FINANCIAL ORGANIZATIONS FOR THE PROVISION OF
PASSIVE CORE FIXED INCOME AND ACTIVE CORE PLUS FIXED INCOME
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. We are responding to the New York State Def Comp Core Plus RFP and have a question as it relates to Standard Clauses for NYS Contracts, Appendix A, #2 Non-Assignment Clause, page 3:

2. NON-ASSIGNMENT CLAUSE. In accordance with Section 138 of the State Finance Law, this contract may not be assigned by the Contractor or its right, title or interest therein assigned, transferred, conveyed, sublet or otherwise disposed of without the State’s previous written consent, and attempts to do so are null and void. Notwithstanding the foregoing, such prior written consent of an assignment of a contract let pursuant to Article XI of the State Finance Law may be waived at the discretion of the contracting agency and with the concurrence of the State Comptroller where the original contract was subject to the State Comptroller’s approval, where the assignment is due to a reorganization, merger or consolidation of the Contractor’s business entity or enterprise. The State retains its right to approve an assignment and to require that any Contractor demonstrate its responsibility to do business with the State. The Contractor may, however, assign its right to receive payments without the State’s prior written consent unless this contract concerns Certificates of Participation pursuant to Article 5-A of the State Finance Law.

Question - Is it acceptable to the State if an investment manager uses a third party to perform select middle and back-office operational functions including pricing, portfolio accounting, auditing and reporting?

Yes, this is acceptable. The Board would contract with the firm responding to the RFP.

2. Question about NYSDCP’s US Fixed Income search: We would like to propose our actively-managed US core bond fund that is benchmarked against the Barclays US Agg. It has a 42-year track record, expense ratio of 25 bps, and \$30 billion in AUM. It falls in the Morningstar OE Intermediate-Bond category. It has flexibility to invest in certain “plus” sectors -- as of 12/31/2015, its 10-year average exposure to high-yield and EMD securities were 2.22% and 4.15%, respectively. While not technically categorized as US Core “Plus”, would such a strategy qualify for this search?

Yes, such a strategy would be considered in the Core Plus search.

3. For question #18 in Appendix B: Vendor Responsibility Form, are you fine with us submitting the form if the contract is awarded?

No, this must be submitted as part of your response.