

# OKLAHOMA PUBLIC EMPLOYEES RETIREMENT SYSTEM

## Question and Answer Document

### Investment Consulting Services #515-17-164

**Q. *What is the current consultants' annual fee?***

- A. The current consultant's fee is \$280,000 per year. This fee is inclusive of all associated expenses and the only fee OPERS pays for consulting services.

**Q. *Why are you looking for a consultant at this time?***

- A. The search is being conducted due to the expiration of the current consulting contract.

**Q. *Do you have a tentative schedule of meeting dates and times for the first year of the contract?***

- A. The meeting dates for the contract period occurring in calendar year 2017 are as follows:

July 20<sup>th</sup>, August 17<sup>th</sup>, October 19<sup>th</sup>, and November 16<sup>th</sup>.

The Committee meetings are held in the morning (Investment, Audit, Budget and Policy) and the full Board meeting usually starts at 1:30 pm the same date. All Committee and Board meeting times are subject to change.

The meeting dates for calendar year 2018 have not been set or approved by the Board of Trustees.

**Q. *Please describe any recent projects that have been completed for the Plans or any pending projects for calendar year 2017.***

- A. At the end of 2015, OPERS closed on the direct investment in an office building in Oklahoma City. The building, held in the investment portfolio, serves to diversify the investment portfolio and generate income, in addition to eventually becoming the permanent home of OPERS.

Effective November 1, 2015, the OPERS defined benefit plan was closed to most new state employees. OPERS launched a new defined contribution plan for new state employees, called Pathfinder.

OPERS does not comment on pending projects.

**Q. *When was the last asset/liability study conducted? As a result, were any new asset classes or investment strategies added?***

- A. The last asset/liability study was conducted in April 2014. There were no new asset classes or investment strategies added as a result of the study.

The next asset/liability study is expected to be in April 2017.

**Q. How many investment manager searches were performed in each of the last three years?**

- A. OPERS' manager search activity has historically been limited. Over the past three years, only one investment manager search was conducted, in 2016, for a large cap growth mandate. A manager has been selected and the mandate is currently in the process of being funded.

**Q. When was the last recordkeeping search performed?**

- A. The last recordkeeping search was performed in August 2011. The normal 1-year contract period (with four additional extensions) for services provided to both Defined Contribution plans was extended due to the launch of Pathfinder in 2015.

It is expected that a recordkeeping search will occur in the Fall of 2017.

**Q. What is the Board's policy regarding Trustee education?**

- A. There is not a formal policy regarding Trustee education, however, Trustee education is very important to OPERS. Trustees are expected to have the knowledge necessary to fulfill their fiduciary duty. New Trustees are given an orientation administered by staff. Trustees may also attend conferences, like the Oklahoma Pension Fund Trustees Education Conference, to enhance their knowledge base of pension-related concepts. Historically, the staff and the consultant have worked together to provide topical educational sessions. The investment consultant is expected to assist staff with any educational needs that may arise.

**Q. Question 3, Section B. Could you confirm the time frame requested?**

- A. The time frames should be 2016 YTD, 2015, 2014, and 2013 instead of 2011 YTD, 2010, 2009, 2008.

**Q. Do you have the 2017 calendar for the regularly scheduled Board meetings that the consultant would be attending?**

- A. Please see related answer above.