

## OK Tobacco Settlement Endowment Trust Fund Consultant RFP Q&amp;A responses

1. Who is your current consultant? ANSWER: New England Pension Consultants
2. Has the current consultant been asked to bid? ANSWER: Yes
3. Why is the Board conducting a search at this time? ANSWER: Due diligence primarily – the board has determined the consultant contract will have a five year term. The current consultant contract expires in November 2011. State law requires a competitive bidding process.
4. May we have a copy of the current performance report? (posted on the RFP website)
5. What laws govern investment of the fund? ANSWER: Oklahoma Constitution Article 10, Section 40, and Title 62, Section 2305-2310 of the statutes as well as AG Opinion #2011-11 also posted in the State Treasurer's website. The governing laws were included in the RFP as exhibits A and B.
6. What are the current concerns / pressing issues facing the Board of Investors?  
ANSWER: The Oklahoma Tobacco Settlement Endowment Trust Fund Board of Investors will consider appropriate asset allocation resulting from changes that may result from the recent AG Opinion (#2011-11) regarding the annual earnings calculation. This opinion is attached to this email and posted on Treasurer's website and will be addressed at the next quarterly meeting of the Oklahoma Tobacco Settlement Endowment Trust Fund Board of Investors.
7. What are the dates and times of all meetings that the investment consultant is expected to attend? ANSWER: The Board of Investors meets quarterly. The 2011 dates are as follows: February 9 (rescheduled to Feb 22), June 8, August 10 (rescheduled to Aug 24<sup>th</sup>) and November 16<sup>th</sup> (all beginning at 10:30AM). Additionally, there are periodic special meetings to address specific issues.
8. Our firm has consultants that specialize in one of two distinct areas – 1) public pension plans or 2) non-profit organizations, and we are trying to determine who would be the assigned consultant. As we realize the Oklahoma Tobacco fund is a government endowment, what is the Board's preference – a consultant who has experience working with government entities, or a consultant who has experience working with endowments/foundations? Question in the RFP are somewhat inconsistent as to which is more important (F.4 asks for experience with public funds only, G.1 & G.2 ask for client information only on endowments, R.1 ask for public fund client references only).

ANSWER: The Board of Investors is interested in a consultant who will assist in developing and implementing investment policy, manager search and selection, and performance evaluation along with other consulting services that may include educational and research opportunities for governmental entities. Strong experience with endowments will be essential regarding the administration of the fund, while governmental experience could prove beneficial with regard to the governmental requirements of the funds administration. The recent Attorney General opinion regarding constitutional “earnings” language is a good example of how governmental experience may impact the consulting services requested.

9. What are the annual fees for the existing contract that the Fund is paying to its current consultant? ANSWER: Fees paid for the final year of the contract will be \$100,000.
10. Are there concerns with or plans to make a change to the Fund’s master custodian? ANSWER: None at this time.