# VENDOR RESPONSe

## Describe your experience serving as investment consultant for other 529-qualified college savings plans and prepaid college tuition plans in which your responsibilities included a review of investment managers’ performance and/or benchmarking of individual mutual funds, ETFs, or other investment products.

## In addition to any experience with 529-qualified plans, please indicate your experience serving as investment consultant for similar plans, preferably governmental defined benefit plans in which your responsibilities included a review of investment managers’ performance and/or benchmarking of individual mutual funds, ETFs or other investment products.

## Provide a summary table which includes clients of similar size and complexity to the Nevada College Savings Plan under contract for the last five years for which you have acted as investment consultant for the services described within this SOW.

### Include in the summary table the agency name, type of agency, type of plan (i.e., college savings plan, prepaid college plan, defined benefit plan, defined contribution plan), type of investment vehicles (separate account, commingled fund, retail mutual fund, etc.) total assets under management, and asset classes reviewed.

## Describe your firm’s process and approach for the reviewing and monitoring of individual mutual funds, ETFs or separately managed accounts for your clients including the following:

### For the type of portfolios that comprise the College Savings Plan, do you consider a “Watch List” approach an appropriate mechanism for reporting and identifying possible performance or other issues to a governing body? Why or why not?

### If you do not recommend utilizing a “Watch List” approach, what process do you recommend for reporting issues and recommendations regarding funds and portfolios to the Board?

### Besides simply benchmarking returns, what other technical analysis do you conduct and report on for clients that comprise the basis of your recommendations regarding funds and portfolios to the Board?

## Once a fund or portfolio has been placed on “Watch List” status or in your firm’s view merits increased surveillance, describe the process you undertake to monitor the fund/portfolio and fund manager and conduct further due diligence and analysis.

## How do you balance the need to quickly assess and make recommendations based on the volatility of a fund’s return and/or its underperformance along with consideration of qualitative issues against the need to allow a fund’s manager to “ride out” performance over a longer period?

## What conditions would merit your recommendation to a governing body to immediately replace a fund and/or close the fund to future contributions?

## Describe your due diligence processes for investment managers, both on a portfolio management and operational risk basis. What are some of the key items you examine and the frequency?

## What techniques, reporting and analyses do you perform to determine whether an investment manager has violated his/her investment mandate and/or whether “style drift” has occurred?

## What are your sources for reviewing a fund’s holdings for compliance against the fund’s mandate, prospectus, contract, etcetera? Describe tools you developed in-house or that you purchased from vendors?

## In addition to a review of a fund’s holdings, are there are other techniques or statistical analysis that you perform to indicate whether the fund manager is out of compliance with the fund’s mandate, prospectus, contract, etcetera?

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## Discuss the level of access your firm has established to fund managers.

## Describe the analysis that you would conduct to determine the appropriateness of the asset allocations for the following:

### Age-based option included in the College Savings Program.

### Other multi-fund portfolios in the College Savings Program (i.e. risk-based portfolios); and

### Prepaid Programs

## From your experience describe how you prepare and present annual reports, such as, reports submitted to the Board, annual actuarial valuation studies, independent auditor reports, quarterly investment performance and program management reports.

## Briefly describe your experience in recommending selection, retention, and termination of investment managers.

## Describe any other services or analysis that you would recommend be included as part of the surveillance process and annual reporting process described in this RFP.

## Does your firm provide investment management services in addition to investment consulting? If so, describe how your firm mitigates against any potential conflicts of interest. Also, if your firm provides both services, explain why you believe this may be an advantage.

## Are there different analyses or issues related to the evaluation of funds or fund managers for a 529-qualified college savings plan than for a defined benefit or defined contribution plan?

## Describe the differences between analyzing a 529-qualified prepaid plan versus a 529-qualified college savings plan.

## Sample Reports – please include the following samples of your work product in a separate appendix.

### Please provide a sample “Watch” report, or equivalent report, that you currently provide for a client, preferably a large government agency, satisfying the requirements of Section 2.8.4 above.

### Please provide a sample memorandum or report provided for a current client, preferably a large government agency, that recommends replacement of a fund in a 529-qualified plan or governmental defined benefit or defined contribution plan.

### Please provide a sample due diligence report on an asset manager that you provided for a current client, preferably a large government agency.