



SCHOOL EMPLOYEES RETIREMENT SYSTEM OF OHIO

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Request for Proposal – Master Record Keeper and Performance Services Questions Submitted to SERS

Questions relating to Master Record Keeping Services

Question 1: *Can you please provide a sample monthly and/or quarterly report package? Is there sample reporting for the monthly trial balance?*

Answer: We currently do not have standardized sample reports. We plan to utilize the reports generated by the service provider's system such as performance, holdings, and transactions reports to meet our reporting needs. Please see a limited sample of reports we are currently using posted on the SERS site.

Question 2: *Will you provide definitions of fund, asset class and individual levels? And aggregate and individual account level definitions?*

Answer: For definitions of fund and asset class, please refer to our Annual Investment Plan, Statement of Investment Policy, and Annual Comprehensive Financial Report. The relevant links can be found on page 4 of the RFP.

Each investment mandate (separate account) or commingled investment (including alternatives) are considered individual accounts/level. SERS uses aggregate/composite accounts to group individual accounts. For example, an aggregate account would be US Small Cap and it is comprised of 3 individual accounts.

Question 3: *Are there allocations from the accounts to individuals/investors?*

No, there are no allocations to individuals or investors.

Question 4: *Do daily services relate to the alternative asset classes?*

Answer: Yes, daily services do relate to alternative asset classes.

Specifically, we require that cash flows (capital calls & distributions), estimate performance (for some accounts), and capital statements be processed within a mutually agreed upon time to ensure accurate reporting.

Question 5: *Is there an estimate process used to complete the alternative asset class reporting by BD8? Does the estimate process include a true up in the subsequent month?*

Answer: We use the best available information to complete the reporting for alternative asset classes on BD8. The BD8 report is considered final for the period in which it is issued. Any necessary adjustments or true ups are made in the subsequent accounting period.

Question 6: *Is the alternative asset class unaudited financial statement frequency monthly? Do unaudited financial statements include a statement of cash flow?*

Answer: For valuation of our alternative investments, frequency of the unaudited financial statements is primarily quarterly, though some funds provide them monthly.

SERS does require the alternative investments to be part of all monthly reporting, including a statement of cash flow.

Question 7: *What is the scope of record keeping on alternative asset class SMA's? Are they treated similarly to an underlying LP or similarly to a segregated portfolio?*

Answer: All alternative asset classes are commingled or Fund of One. SERS does not have direct ownership in alternative assets.

Question 8: *What is the cashflow forecasting used for on the alternative asset classes?*

Answer: Cash flow forecasting for alternative assets is used to ensure that we have adequate liquidity to meet capital calls. We do not require a forecasting model; we only need forecasting based on actual cash flow notices as they are received.

Question 9: *Please list all industry indexes you currently utilize across your products. Do you currently utilize any customized or blended benchmarks or composites? Do you have direct agreements with your index providers, or are these via your existing service providers?*

Answer:

Utilized indexes:

- MSCI
 - ACWI
 - ACWI xUS
 - ACWI IMI
 - EAFE
 - EAFE & Canada
 - World xUS
 - World xUS Value
 - Emerging Markets
 - China A Index
- Bloomberg
 - US Universal Bond
 - US Aggregate Bond
 - US Government Bond
 - Commodity Index
- NCREIF ODCE Property
- Quarterly Smoothed CPI
- Burgiss (MSCI)
 - Custom Private Equity Benchmark (utilizes filters within the Burgiss (MSCI) Private Equity peer universe data set
 - Private IQ North American Buyouts
 - Private IQ European Buyouts
- FTSE 90 Day Treasury Bill
- FTSE 30 Day Treasury Bill
- ICE Bank of America
- US High Yield BB-B Constrained

- JP Morgan
 - Emerging Markets and Sovereign Bond Blended
- S&P Global
 - S&P 500
 - S&P Developed Small Cap
- Russell
 - Russell 1000, 2000, 3000
 - Core, Growth and Value for each of the above

Yes, we do utilize customized and blended benchmarks. SERS also utilizes hurdle benchmarks such as Bloomberg US Aggregate Bond + 2%.

Our agreements with index providers vary. We have direct agreements with some providers depending on the specific requirements and relationships with our vendors.

Question 10: *What is the volume and type(s) of historical performance information anticipated to be converted into a new performance system should providers change?*

Answer:

Approximate figures:

Accounts: ~300 active, ~400 terminated. Monthly return streams at this level vary from less than 5 years to more than 15 years.

Composites: ~50 actively used composites. Monthly return streams at this level vary from less than 5 years to more than 25 years.

SERS would work with the vendor to determine the best approach for historical data.