

**MARYLAND STATE RETIREMENT AGENCY
REQUEST FOR INFORMATION**

**PROGRAM MANAGER FOR
TERRA MARIA
DEVELOPING MANAGER PROGRAM
APRIL 2016**

Introduction and Purpose

The Board of Trustees for the Maryland State Retirement and Pension System manages a diversified investment portfolio valued at approximately \$44.2 billion as of December 31, 2015, for the exclusive benefit of participants of the several retirement and pension systems for state employees, teachers and employees of participating municipalities. The Maryland State Retirement and Pension System (the "System") is considering restructuring its Terra Maria Developing Manager Program. Thus, the Maryland State Retirement Agency (the "Agency") is issuing a Request for Information (RFI) to retain one or more Program Managers for assistance in implementing one or more investment mandates as described in this RFI.

The System initially formed an emerging manager program in April 2007. In September 2008, the System revised, expanded and transformed the program into Terra Maria, the Maryland developing manager program. The initial Terra Maria Program consisted of seven Program Managers in the public markets.

The objective of the Terra Maria Program is alpha generation, or performance, while at the same time providing smaller-size managers access to investment management opportunities offered by the System. Program Managers and investment managers are evaluated primarily on performance relative to benchmarks. While there is no absolute maximum in terms of assets under management for purposes of recommending investment managers to the Chief Investment Officer (the "CIO"), the Program Managers should be aware of the spirit of the program.

The Terra Maria Program will be constructed to reflect the structure of the System's asset allocation, as detailed in the Investment Policy Manual at:

http://www.sra.maryland.gov/Agency/Investment/Downloads/Investment_Policy_Manual.pdf

The Agency anticipates that the Program Manager will provide (1) emerging manager searches, selection recommendations, and termination recommendations, (2) emerging manager oversight, including portfolio monitoring and guideline compliance, and (3) performance measurement, reconciliation with custodian, and reporting. A more detailed discussion is included under "Potential Scope of Services" in this RFI.

The Agency is seeking Program Managers for the following asset classes (with respective benchmarks noted for evaluation purposes):

- U.S. Large Cap Equity
 - U.S. Small Cap Equity
 - Developed Market International Equity
 - Emerging Market Equity
 - U.S. Fixed Income
 - Absolute Return
- Russell 1000
 - S&P 600
 - MSCI World x-U.S.
 - MSCI Emerging Market Equity
 - Barclays Aggregate
 - HFRI Conservative FOF + 100 basis points

Offerors are invited to submit information for consideration for one or more (or all) of the asset classes. It is the Agency’s intention to choose one or more firms from this process to provide Program Management services for the System. The Agency may (i) choose one or more firms to provide Program Management services for only one of the asset classes described in this RFI, (ii) choose one or more firms to provide Program Management services for multiple asset classes described in this RFI, or (iii) determine not to choose any firms to provide the Program Management services described in this RFI.

Further information regarding the System is set forth in the System’s Comprehensive Annual Financial Report, a copy of which is available on the Agency’s website, <http://www.sra.state.md.us/Agency/Downloads/CAFR/Default.aspx>.

Timeline and Submission Details

Date	Action
4/29/2016	RFI is issued.
5/13/2016 (4:00 P.M.)	Due date for questions relating to the RFI. All questions relating to the RFI must be submitted via e-mail to terramariarfi@sra.state.md.us
5/20/2016	Answers to questions will be posted to the Agency’s website www.sra.state.md.us
5/31/2016 (4:00 P.M.)	Responses to RFI must be submitted in hard copy (address below) and electronic copy to terramariarfi@sra.state.md.us . Please note that the electronic submission should not contain a fee schedule.

The Agency will review submissions and contact those firms, if any, from which it desires additional information. The Agency may hold interviews with prospective managers on dates to be determined.

If your firm wishes to respond to this RFI, please return six (6) hard copies and one electronic copy of the firm’s response to the attached questionnaire (including the attached Bid/Proposal Affidavit) by 4:00 pm EST, May 31, 2016 to the address written below. Firms that respond to the RFI by submitting a proposal to provide the requested services will be referenced in this RFI as “Offerors”. The term “Contractor”, as used in this RFI, refers to the Offeror who enters into a contract with the System pursuant to this RFI. Please note that only one copy of the fee schedule is required for each asset class and should be sent in a separate envelope marked “**Terra Maria Developing Manager Program**”. Do not include the fee schedule with the six (6) hard copies or the electronic copy. Commingling the fee schedule with these submissions may disqualify the Offeror.

Robert M. Burd

Deputy Chief Investment Officer
Maryland State Retirement Agency
120 E. Baltimore Street, 12th Floor
Baltimore, MD 21202
terramariarfi@sra.state.md.us

On the submission's cover page, please provide the firm's name, primary contact person's name, phone and fax numbers, email address and mailing address. **Please clearly indicate on the cover page the asset class(es) for which you are submitting a response.** Additionally, please clearly state that your firm meets the following minimum qualifications: (1) your firm is registered as an investment advisor under the Investment Advisors Act of 1940 or exempt from registration (if exempt, please provide explanation of exemption), (2) your firm is willing to act as a fiduciary of the System, and (3) your firm is not in bankruptcy, conservatorship, receivership, or in the possession of a regulatory agency.

Responding firms should give specific attention to the clear identification of those portions of its submission that it considers confidential, proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the System under the Maryland Public Information Act, Section 4-101 to 4-601 of the General Provisions Article of the Annotated Code of Maryland. A blanket statement declaring that the entire response is confidential is not sufficient.

All questions relating to the RFI should be submitted via e-mail to terramariarfi@sra.state.md.us. Firms should not contact the System's Chief Investment Officer, Investment Division Staff, Board of Trustees, System's consultants or other Agency personnel to gain additional information regarding this RFI. Attempting to do so may result in the firm's disqualification.

Please note that the System will not be liable for any costs incurred with responding to this RFI. Also, the Agency reserves the right to evaluate submissions in its discretion. The Agency may decide to cancel the RFI at any time and reissue this or a similar request at a later date.

The Agency has attached its standard form of contract that it expects those Offerors selected for award to sign. Please note that this contract is attached for informational purposes only at this time and is not required to be completed and submitted in an Offeror's response to the RFI.

Minority Business Enterprises (MBEs) are encouraged to respond to this RFI. Offerors who consider themselves to be minority contractors are encouraged to obtain certification from the Maryland Department of Transportation. A minimum certified Minority Business Enterprise subcontract participation goal has not been established for this RFI. The Agency encourages Offerors to include socially and economically disadvantaged individuals on the team responding to this solicitation, if applicable.

POTENTIAL SCOPE OF SERVICES

Under the direction of the Agency's Investment Division staff ("Staff") and the Chief Investment Officer, the Program Manager shall provide the following services:

A. Portfolio Construction

1. Assemble a portfolio of managers that provide excess returns net of all fees at an appropriate level of risk.
2. Identify strategies that are most likely to provide alpha opportunities.
3. Combine and size those strategies to find a balance between diversification and alpha generation.

B. Manager Searches, Selections, Modifications and Terminations

1. Conduct due diligence reviews of prospective emerging managers from the mandate asset class. The review will include, but is not necessarily limited to, the manager's investment philosophy, strategy, performance, financial condition, business plan, and background checks on its key principals.
2. Meet with prospective emerging managers at their principal place of business and provide notification to Staff of scheduled meetings. Staff may join the Contractor on these visits.
3. Identify potential emerging managers for inclusion in the Program and prepare a written recommendation to the Chief Investment Officer for approval.
4. Direct contract negotiations, development of investment guidelines, performance benchmarks and fee schedules using Staff input and guidance.
5. If necessary, determine which emerging managers to terminate and prepare a written termination recommendation explaining the reasons for termination for the approval of the Chief Investment Officer.
6. Make periodic recommendations of managers to be considered for graduation.

C. Manager Oversight, Monitoring, and Compliance

1. Meet with all emerging managers at least annually and notify Staff immediately of any significant events affecting an emerging manager in the Program, such as the departure of a key team member, the loss of a large client, an adverse change in business operations, or a compliance violation.
2. Prepare a quarterly written evaluation of the Program to be discussed with Staff via call. This shall include a review of each emerging manager's investment strategy, performance, compliance procedures, soundness of business plan, staffing and business operations.
3. Meet, physically or via conference call, with the Staff to discuss the progress of the Program, manager issues, and possible new managers for the Program as warranted.
4. Provide a robust compliance system that (a) flags potential compliance violations, (b) provides for prompt research and resolution of potential compliance violation and (c) includes a "logging" function that documents resolution of potential compliance violations.
5. Provide Staff with electronic access to the compliance system, including the logs documenting resolution of potential compliance violations.
6. Monitor each manager's compliance with its investment guidelines and other contractual requirements and provide detailed compliance reports to the Agency.
7. To the extent you find practices of underlying managers are not industry-standard, work with the manager to implement appropriate policies and procedures.

D. Manager Performance Reporting; Risk Management

1. Prepare a quarterly report of each emerging manager's performance including return attribution, risk and holdings analysis and peer universe comparisons.
2. Develop and implement policies and procedures for placing an emerging manager on probation and for terminating an emerging manager.
3. Have a risk management system in place in order to be able to measure risk and risk-adjusted returns on each individual emerging manager at the account level, as well as at the total Program level.
4. Provide supplemental reporting as requested by the Agency.
5. Provide the Agency with electronic access to the risk management system.

E. Research and Analysis

1. Provide Staff with access to resources regarding emerging and developing manager programs and other trends in the industry.
2. Recommend changes to the Program as appropriate.

F. **Meetings**

1. At the Agency's request, attend meetings with the Agency, the Investment Committee of the Board or the Board to discuss the Program and any related issues. Participate in a formal annual due diligence meeting with Staff. These meetings can take place at the System's offices, or the Program Managers' offices.
2. At the Agency's request, organize meetings between Staff and the underlying managers.
3. Be available for meetings via telephone as needed.

G. **Public Relations**

Support the Program with written and oral presentations to executive and legislative bodies and other parties when requested.

H. **Other**

Respond promptly to Staff's requests and initiatives concerning the Program.

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PROPOSAL QUESTIONNAIRE

A. ORGANIZATIONAL BACKGROUND

1. Provide the following information about the firm:
 - a. A brief history of the firm, including its year of organization and the percentage owned by current employees.
 - b. The ownership structure of the firm, including any parent companies, affiliated companies or joint ventures and a list of all owners of the firm.
 - c. The location of the firm's headquarters and branch offices, and the number of employees at each location.
2. Describe any significant developments in the organization in the last three years and any significant developments that are pending.
3. Describe the firm's business plan and any anticipated changes. Do you plan to limit the growth of the firm? In what manner?
4. Describe the levels of coverage for errors and omissions insurance and any other fiduciary or professional liability insurance the firm carries. Is the coverage on a per client basis, or is the dollar figure applied to the firm as a whole? List the insurance carriers supplying the coverage.

B. DEPTH AND EXPERIENCE OF PERSONNEL

1. Name the person(s) you propose to be Primary Contact(s) for the System, and include a brief resume. Which of the firm's offices would service the System? What other responsibilities does the Primary Contact have at the firm?
2. Identify the principals of the firm and designate which individuals, including research and systems support personnel, will be committed to the System's account. Provide biographical information for all the individuals listed including level of expertise, the highest educational degree attained, and professional certifications.
3. What additional staff will be committed to System's account? Describe their roles and responsibilities, and provide brief biographies.
4. Provide an organizational chart for the firm including the number of managers and other professional employees, with their titles and responsibilities. What is the total number of employees at the firm?
5. What procedure is followed when the Primary Contact is unable to meet with a client or leaves the firm?

6. What has been the turnover among senior management and professionals over the last three years? Identify all professional employees who left the firm in the last three years, their responsibilities, date of departure, reason for leaving, and replacement.
7. Describe the firm's compensation arrangements for senior management and other professional employees, including any incentive and other bonuses. How and why are they awarded? Does staff participate in equity ownership?

C. INVESTMENT MANAGEMENT SERVICES

1. How long has the firm provided investment management services? Manager of manager services? Manager of emerging manager services?
2. What percentage of the firm's total revenues is derived from services other than manager of manager services? Other than manager of emerging manager services? Please list the other sources of revenue.
3. How does the firm evaluate the quality of its services? Describe any benchmarks the firm has developed to evaluate its performance and the performance of its professionals.
4. What is the firm's competitive advantage in providing program manager services to the System?

D. CLIENT COVERAGE AND REFERENCES

1. List the firm's manager of manager assignments and manager of emerging manager assignments using a table similar to that below. Use one table for manager of manager assignments and a second table for manager of emerging manager assignments, if applicable.

Client Type	Number	Assignment	\$ Assets Advised
Public Pension Funds			
Corporate Pension Funds			
Endowments			
Other			
Total			

2. Identify the firm's three (3) largest manager of emerging managers institutional investor clients with contact information, total client assets, assets advised for client, length of relationship, and services provided. The Agency may contact any of these clients.
3. Identify the firm's three (3) largest public fund clients with contact information, total client assets, assets advised for client, length of relationship, and services provided. The Agency may contact any of these clients.
4. Provide the number of accounts gained or lost during the last three years, and the reasons for any client departures.

E.

MANAGER RESEARCH AND MONITORING

1. Provide an organizational chart for the firm's manager research department, and include brief biographies of the five most senior members who focus on emerging managers.
2. Describe the manager research and selection process in detail. How does the process differ for emerging managers?
3. Describe the firm's database of emerging managers, including how many managers are in the database. Identify the managers by type of assets managed, style, market cap size, performance record, and ownership. How often is the database updated?
4. Provide a report on a manager selected for an emerging manager program and one on a manager not selected for an emerging manager program. This should include the rationale for the decision.
5. Describe the firm's manager monitoring process in detail, including the following :
 - a. adherence to style
 - b. performance versus benchmark
 - c. trading practices, including execution, commissions, soft dollar usage
 - d. marketing to prospective clients
 - e. business plan, financial condition, soundness of operations
 - f. adherence to fund documents (for hedge funds or commingled funds)
 - g. valuation practices (for hedge funds or commingled funds)
 - h. liquidity (for hedge funds or commingled funds)
6. Provide a manager monitoring report produced for a client.
7. How do you ensure that a manager is complying with the client's guidelines? What compliance software is used?
8. What sources are used to obtain manager performance data?
9. Describe the firm's policies and procedures for placing a manager on a watch list and on probation.
10. Describe the firm's policies and procedures for recommending a manager termination.
11. What support services does the firm provide to emerging managers? How are you compensated for these services? Identify the services and the amounts paid for each service.
12. How often and for what reasons would you conduct an on-site visit to a manager? Provide an example of a report following such a visit.
13. What do you see as the strengths and weaknesses of a manager-of-managers structure compared to a separate account structure in an emerging manager program?
14. Describe the information that the firm provides over the internet that is accessible on-line. Please include a description of any reports or other information that would be available to the System on-line.
15. What measures does your firm undertake in your research and selection process to remove barriers that limit participation by minority business enterprises?

F. CONFLICTS OF INTEREST

1. Provide a copy of your Code of Ethics. Do the firm and its employees comply with the Code of Ethics and Standards of Professional Conduct of the Association of Investment Management and Research (AIMR)?
2. How are potential conflicts of interest managed and disclosed?
3. Does the firm or any affiliate act as a money manager or broker/dealer?
4. How are conflicts of interest managed, disclosed or prevented if the firm or its affiliates provides investment management services or brokerage to investment managers?
5. Has the firm or any affiliate received any type of compensation from an investment manager in the last three years? Please identify any managers from whom any type of compensation has been received, the amount of the compensation, and the services provided to the manager.
6. Does a manager pay a fee to be included in your database? If so, provide an explanation.
7. Does the firm hold investment manager and client conferences? If so, briefly describe the events and whether the costs of the event are paid by the firm or the attendees.
8. In the last five years, has the firm, the Primary Contact, or any other officer or principal been involved in any business litigation, regulatory or other legal proceedings or government investigation involving allegations of fraud, negligence, criminal activity or breach of fiduciary duty relating to investment management activities? If so, provide a description, explanation, and indicate the current status.
9. Would there be any potential conflicts of interest if the firm was awarded the Contract to manage the Program by the System? If so, describe and explain. Also, describe the procedures in place that would mitigate or eliminate such potential conflicts of interest.

G. RESEARCH CAPABILITIES

1. How do you stay abreast of developing trends in the emerging manager sector? Are these resources available to clients?
2. Describe the internal structure and organization of the firm's research department. (If no separate department exists, describe how this function is structured).
3. What research would the firm be willing to provide to the System? Please provide examples of the firm's recent research reports.
4. What research do you produce on return and risk expectations for different strategies at different stages of the market cycle in order to inform your portfolio construction recommendations? Is this research available to clients?

H. MANDATE SPECIFIC INFORMATION

For each asset class for which the Offeror wishes to be considered, provide the following:

1. A since-inception monthly performance history as of March 31, 2016. The returns should be in excel format and include both gross and net of underlying manager fee returns for the mandate or similar mandate, including assets under advisement as of each calendar year-end of the history.
2. A description and rationale of the portfolio construction process employed or expected to be employed. Please include your views and expectations for alpha, correlations, tracking error and information ratios.
3. For equity and fixed income mandates, an analysis of the composite portfolio relative to the benchmark, including, as applicable, number of issues, number of issuers, valuation metrics, geographic exposures, active share, duration, quality, number of managers, tracking error and attribution analysis.
4. For fixed income, the System's benchmark is not the Barclays Aggregate. Please explain any products and/or services available to transform the exposures and characteristics to better match the System's benchmark.
5. For the absolute return mandate, the number and type of strategies employed, and the rationale for this structure.
6. For commingled fund arrangements, a description of how that mandate would be implemented including the negotiation of fund documents, side letter terms, etc.
7. A representative client list.
8. A fee proposal. Please note that one copy of the fee schedule should be sent in a separate envelope marked "**Terra Maria Developing Manager Program**". The electronic submission **should not** contain a fee schedule.
9. The optimal range for the number of managers.

I. OTHER

1. Please provide a copy of the firm's most recent audited financial statements, and SSAE 16, if applicable. If these are not available, please provide an explanation.
2. Please provide a copy of the firm's most recent ADV Parts 1 and 2.
3. Please sign and submit the attached Bid/Proposal Affidavit along with your RFI response.

BID/PROPOSAL AFFIDAVIT

A. AUTHORITY

I HEREBY AFFIRM THAT:

I, _____ (print name), possess the legal authority to make this Affidavit.

B. CERTIFICATION REGARDING COMMERCIAL NONDISCRIMINATION

The undersigned bidder hereby certifies and agrees that the following information is correct: In preparing its bid on this project, the bidder has considered all proposals submitted from qualified, potential subcontractors and suppliers, and has not engaged in "discrimination" as defined in §19-103 of the State Finance and Procurement Article of the Annotated Code of Maryland. "Discrimination" means any disadvantage, difference, distinction, or preference in the solicitation, selection, hiring, or commercial treatment of a vendor, subcontractor, or commercial customer on the basis of race, color, religion, ancestry, or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or any otherwise unlawful use of characteristics regarding the vendor's, supplier's, or commercial customer's employees or owners. "Discrimination" also includes retaliating against any person or other entity for reporting any incident of "discrimination". Without limiting any other provision of the solicitation on this project, it is understood that, if the certification is false, such false certification constitutes grounds for the State to reject the bid submitted by the bidder on this project, and terminate any contract awarded based on the bid. As part of its bid or proposal, the bidder herewith submits a list of all instances within the past 4 years where there has been a final adjudicated determination in a legal or administrative proceeding in the State of Maryland that the bidder discriminated against subcontractors, vendors, suppliers, or commercial customers, and a description of the status or resolution of that determination, including any remedial action taken. Bidder agrees to comply in all respects with the State's Commercial Nondiscrimination Policy as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland.

B-1. CERTIFICATION REGARDING MINORITY BUSINESS ENTERPRISES.

The undersigned bidder hereby certifies and agrees that it has fully complied with the State Minority Business Enterprise Law, State Finance and Procurement Article, §14-308(a)(2), Annotated Code of Maryland, which provides that, except as otherwise provided by law, a contractor may not identify a certified minority business enterprise in a bid or proposal and:

- (1) Fail to request, receive, or otherwise obtain authorization from the certified minority business enterprise to identify the certified minority proposal;
- (2) Fail to notify the certified minority business enterprise before execution of the contract of its inclusion in the bid or proposal;
- (3) Fail to use the certified minority business enterprise in the performance of the contract; or
- (4) Pay the certified minority business enterprise solely for the use of its name in the bid or proposal.

Without limiting any other provision of the solicitation on this project, it is understood that if the certification is false, such false certification constitutes grounds for the State to reject the bid submitted by the bidder on this project, and terminate any contract awarded based on the bid.

C. AFFIRMATION REGARDING BRIBERY CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business (as is defined in Section 16-101(b) of the State Finance and Procurement Article of the Annotated Code of Maryland), or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities including obtaining or performing contracts with public bodies has been convicted of, or has had probation before judgment imposed pursuant to Criminal Procedure Article, §6-220, Annotated Code of Maryland, or has pleaded nolo contendere to a charge of, bribery, attempted bribery, or conspiracy to bribe in violation of Maryland law, or of the law of any other state or federal law, except as follows (indicate the reasons why the affirmation cannot be given and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of person(s) involved, and their current positions and responsibilities with the business):

D. AFFIRMATION REGARDING OTHER CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities including obtaining or performing contracts with public bodies, has:

- (1) Been convicted under state or federal statute of:
 - (a) A criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract; or
 - (b) Fraud, embezzlement, theft, forgery, falsification or destruction of records or receiving stolen property;
- (2) Been convicted of any criminal violation of a state or federal antitrust statute;
- (3) Been convicted under the provisions of Title 18 of the United States Code for violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. §1961 et seq., or the Mail Fraud Act, 18 U.S.C. §1341 et seq., for acts in connection with the submission of bids or proposals for a public or private contract;
- (4) Been convicted of a violation of the State Minority Business Enterprise Law, §14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland;
- (5) Been convicted of a violation of §11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(6) Been convicted of conspiracy to commit any act or omission that would constitute grounds for conviction or liability under any law or statute described in subsections (1)—(5) above;

(7) Been found civilly liable under a state or federal antitrust statute for acts or omissions in connection with the submission of bids or proposals for a public or private contract;

(8) Been found in a final adjudicated decision to have violated the Commercial Nondiscrimination Policy under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland with regard to a public or private contract;

(9) Been convicted of a violation of one or more of the following provisions of the Internal Revenue Code:

(a) §7201, Attempt to Evade or Defeat Tax;

(b) §7203, Willful Failure to File Return, Supply Information, or Pay Tax,

(c) §7205, Fraudulent Withholding Exemption Certificate or Failure to Supply Information,

(d) §7206, Fraud and False Statements, or

(e) §7207 Fraudulent Returns, Statements, or Other Documents;

(10) Been convicted of a violation of 18 U.S.C. §286 Conspiracy to Defraud the Government with Respect to Claims, 18 U.S.C. §287, False, Fictitious, or Fraudulent Claims, or 18 U.S.C. §371, Conspiracy to Defraud the United States;

(11) Been convicted of a violation of the Tax-General Article, Title 13, Subtitle 7 or Subtitle 10, Annotated Code of Maryland;

(12) Been found to have willfully or knowingly violated State Prevailing Wage Laws as provided in the State Finance and Procurement Article, Title 17, Subtitle 2, Annotated Code of Maryland, if:

(a) A court:

(i) Made the finding; and

(ii) Decision became final; or

(b) The finding was:

(i) Made in a contested case under the Maryland Administrative Procedure Act; and

(ii) Not overturned on judicial review;

(13) Been found to have willfully or knowingly violated State Living Wage Laws as provided in the State Finance and Procurement Article, Title 18, Annotated Code of Maryland, if:

(a) A court:

(i) Made the finding; and

(ii) Decision became final; or

(b) The finding was:

(i) Made in a contested case under the Maryland Administrative Procedure Act; and

(ii) Not overturned on judicial review;

(14) Been found to have willfully or knowingly violated the Labor and Employment Article, Title 3, Subtitles 3, 4, or 5, or Title 5, Annotated Code of Maryland, if:

(a) A court:

(i) Made the finding; and

(ii) Decision became final; or

(b) The finding was:

(i) Made in a contested case under the Maryland Administrative Procedure Act; and

(ii) Not overturned on judicial review; or

(15) Admitted in writing or under oath, during the course of an official investigation or other proceedings, acts or omissions that would constitute grounds for conviction or liability under any law or statute described in §§B and C and subsections D(1)—(14) above, except as follows (indicate reasons why the affirmations cannot be given, and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved and their current positions and responsibilities with the business, and the status of any debarment):

E. AFFIRMATION REGARDING DEBARMENT

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities, including obtaining or performing contracts with public bodies, has ever been suspended or debarred (including being issued a limited denial of participation) by any public entity, except as follows (list each debarment or suspension providing the dates of the suspension or debarment, the name of the public entity and the status of the proceedings, the name(s) of the person(s) involved and their current positions and responsibilities with the business, the grounds of the debarment or suspension, and the details of each person's involvement in any activity that formed the grounds of the debarment or suspension).

F. AFFIRMATION REGARDING DEBARMENT OF RELATED ENTITIES

I FURTHER AFFIRM THAT:

(1) The business was not established and it does not operate in a manner designed to evade the application of or defeat the purpose of debarment pursuant to Sections 16-101, et seq., of the State Finance and Procurement Article of the Annotated Code of Maryland; and

(2) The business is not a successor, assignee, subsidiary, or affiliate of a suspended or debarred business, except as follows (you must indicate the reasons why the affirmations cannot be given without qualification):

G. SUB-CONTRACT AFFIRMATION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, has knowingly entered into a contract with a public body under which a person debarred or suspended under Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

H. AFFIRMATION REGARDING COLLUSION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business has:

(1) Agreed, conspired, connived, or colluded to produce a deceptive show of competition in the compilation of the accompanying bid or offer that is being submitted;

(2) In any manner, directly or indirectly, entered into any agreement of any kind to fix the bid price or price proposal of the bidder or offeror or of any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with the contract for which the accompanying bid or offer is submitted.

I. CERTIFICATION OF TAX PAYMENT

I FURTHER AFFIRM THAT:

Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with the Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Department of Labor, Licensing, and Regulation, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

J. CONTINGENT FEES

I FURTHER AFFIRM THAT:

The business has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency working for the business, to solicit or secure the Contract, and that the business has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency, any fee or any other consideration contingent on the making of the Contract.

K. ACKNOWLEDGEMENT

I ACKNOWLEDGE THAT this Affidavit is to be furnished to the Contract Manager and may be distributed to units of: (1) the State of Maryland; (2) counties or other subdivisions of the State of Maryland; (3) other states; and (4) the federal government. I further acknowledge that this Affidavit is subject to applicable laws of the United States and the State of Maryland, both criminal and civil, and that nothing in this Affidavit or any contract resulting from the submission of this bid or proposal shall be construed to supersede, amend, modify or waive, on behalf of the State of Maryland, or any unit of the State of Maryland having jurisdiction, the exercise of any statutory right or remedy conferred by the Constitution and the laws of Maryland with respect to any misrepresentation made or any violation of the obligations, terms and covenants undertaken by the above business with respect to (1) this Affidavit, (2) the contract, and (3) other Affidavits comprising part of the contract.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date: _____

By: _____ (print name of Authorized Representative and Affiant)

_____ (signature of Authorized Representative and Affiant)

INVESTMENT MANAGEMENT AGREEMENT
BETWEEN
THE STATE RETIREMENT AGENCY
FOR THE USE OF
THE BOARD OF TRUSTEES FOR THE
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
AND
[PROGRAM MANAGER]

TERRA MARIA DEVELOPING MANAGER PROGRAM

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ATTACHMENT 1

INVESTMENT MANAGEMENT AGREEMENT

TERRA MARIA DEVELOPING MANAGER PROGRAM

THIS INVESTMENT MANAGEMENT AGREEMENT (this "Agreement") is made this ____ day of _____, 2016, by and between the STATE RETIREMENT AGENCY for the use of the BOARD OF TRUSTEES FOR THE MARYLAND STATE RETIREMENT AND PENSION SYSTEM (the "System") (the State Retirement Agency, the Board, and the System are, collectively, the "Agency") and _____ (the "Program Manager").

1. SCOPE OF SERVICES.

1.1. Undertaking of Parties. The Agency appoints and retains the Program Manager to supervise and manage a portion of its investment portfolio, (the "Assignment"), subject to the discretion of the Agency's Chief Investment Officer ("CIO"), and subject to the terms and conditions of this Agreement (including all Exhibits). The Program Manager accepts the appointment and agrees to manage the Assignment under the terms and conditions set forth in this Agreement.

1.2. Inclusion of Exhibits, Attachments. This Agreement includes the additional terms and provisions in the following Exhibits and Attachment:

- a) Exhibit A - Program Guidelines;
- b) Exhibit B - Fee Schedule;
- c) Exhibit C - Mandatory Terms;
- d) Exhibit D - Remote Access Terms; and
- e) Attachment 1 - Annual Compliance Questionnaire and Certificate

The Exhibits and Attachment are attached hereto, incorporated by reference herein and made a part of this Agreement. If there is a conflict between a provision of the Mandatory Terms which are attached hereto as Exhibit C, and any other provision of this Agreement, then the provision of the Mandatory Terms shall control.

2. GENERAL RESPONSIBILITIES OF THE PROGRAM MANAGER.

The Program Manager acknowledges receipt of Exhibit A entitled "Program Guidelines" (the "Program Guidelines") from the Agency and of access via the Agency's web site at www.sra.state.md.us to the Agency's Investment Policy Manual (the "Manual"). The Program Manager shall comply with Exhibit A and this Agreement in its selection of and agreements with appropriate sub-managers (the "Sub-managers") for the Assignment.

The Program Manager agrees to manage the Assignment in conformity and compliance with the criteria, guidelines and procedures set forth in the Program Guidelines and the Manual, as the same may be amended from time to time by the Agency in writing; provided, however, that in the event of a conflict between the provisions of this Agreement and the Manual, this Agreement (reflecting the specific mandate of, authorizations granted by the Agency to, and the Program Guidelines applicable to, the Program Manager) shall control.

The Program Manager agrees to perform its duties under this Agreement in a prompt, professional and prudent manner and in accordance with the standard of care described in Section 4.2 of this Agreement.

Except as otherwise expressly provided in this Agreement, the authority granted the Program Manager under this Agreement may be exercised by it without further notice, consent, or approval by the Agency. Except as is expressly provided in this Agreement or as agreed in writing by the Agency, the Program Manager may not delegate to any party its authority to manage the Assignment. The Program Manager may not execute documents on behalf of the Agency, or authorize or permit any Sub-manager to execute documents on behalf of the Agency, without the prior written approval of the Agency.

At the Agency's request, the Manager will provide the Agency with the Manager's policies and procedures on the selection and monitoring of Futures Commission Merchants (FCMs). When the Manager makes a material change to the FCM policies and procedures, the Manager will notify the Agency and provide the Agency with a copy of the new policies and procedures within 20 business days. At the Agency's request, the Manager will provide the Agency with a list of FCMs that meet their selection criteria (the "List"). When the Manager removes a FCM from the List, the Manager will notify the Agency within one business day.

3. ASSIGNMENT ASSET PROCEDURES.

The assets in the Assignment subject to management shall be held by the Agency's custodian (the "Custodian") in segregated accounts and shall consist of cash and investments, plus all investment, reinvestment, and proceeds of the sale thereof, including, without limitation, all dividends and interest on investment, and all appreciation thereof, less withdrawals.

3.1. Procedures. All transactions involving the Assignment shall be consummated by payment to, or delivery by, the Custodian, of all cash and/or securities due to or from the Assignment. Instructions by the Sub-managers to the Custodian shall be made electronically or by facsimile and shall be issued only by persons designated from time to time by the Sub-manager in a written instrument delivered to the Custodian. The Sub-manager shall instruct all brokers or dealers executing transactions on behalf of the Assignment to forward to the Custodian, in electronic form, all brokerage confirmations promptly after execution of such transactions.

3.2. Allocation of Brokerage. When the Manager places orders for the purchase or sale of securities for the Account, the Manager may allocate such transactions to such brokers and dealers for execution on such markets at such prices and at such commission rates as in the good faith judgment of the Manager will be in the best interest of the Account and in accordance with the Manager's obligation to obtain best execution; provided, however, that, to the extent consistent with the foregoing, the Manager shall make a good faith effort to utilize as brokers "certified minority business enterprises (CMBEs)" certified by the Office of Minority Business Enterprise, Maryland Department of Transportation, telephone: (410) 865-1269. A current directory of CMBEs is available at <http://www.mdot.state.md.us>.

3.3. Proxies.

The Agency shall vote proxies for all securities held in separate accounts.

3.4. Valuation.

3.4.1. Each security listed on (i) any national security exchange, (ii) the NASDAQ Stock Market or (iii) the quotation system utilized by the Agency's Custodian for which last sale prices are disseminated, shall be valued by the Custodian at the last sale price on the valuation date as reported on the consolidated tape. Listed stocks not traded on such date, and all unlisted stocks regularly traded in the over-the-counter market, shall be valued at the latest available bid price quotation furnished to the Custodian designated by the Agency by such sources as may be deemed appropriate. Any other securities shall be valued in such manner as determined in good faith by the Custodian designated by the Agency to reflect their fair market value.

3.4.2. If a Sub-manager's monthly valuation differs from that of the Custodian, every effort shall be made by the Sub-manager to reconcile any valuation difference within three business days after the month-end in which the difference occurred. If the Sub-manager is unable to reconcile any valuation difference within three business days after the month-end, the Program Manager shall immediately assist the Sub-manager with the reconciliation. Ultimately, the Custodian's valuation is the book of record.

4. REPRESENTATIONS, WARRANTIES, COVENANTS AND ACKNOWLEDGMENTS OF THE PROGRAM MANAGER.

4.1. Qualification of Program Manager. The Program Manager warrants that it is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the "Advisers Act") and that it is registered or exempt from registration under Title 11 of the Corporation and Associations Article of the Annotated Code of Maryland, and that if that status changes it will notify the Agency in writing within 10 days of the change.

4.2. Fiduciary Status with respect to the Agency. The Program Manager acknowledges that it is a fiduciary (as that term is defined in Title 21, Subtitle 2 of the State Personnel and Pensions Article of the Annotated Code of Maryland ("SPP") and as defined in Section 3(21) of the Employees Retirement Income Security Act of 1974, as amended to date ("ERISA")) with respect to the services which it will provide under this Agreement, and is subject to the standards of care set forth in SPP § 21-203 with respect to the System and in regard to the services that it will provide under this Agreement in respect to the Assignment. The Program Manager accepts its appointment as such fiduciary, and specifically agrees to perform its duties with respect to the Agency and the Assignment with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims. The Program Manager agrees to discharge its duties with respect to the Agency and the Assignment (i) solely in the interest of the beneficiaries and participants of the System and (ii) otherwise in accordance with the terms of this Agreement. The Program Manager understands and acknowledges its potential liability for any breach of its aforesaid fiduciary duties, which liability includes, without limitation, payment of damages, restoration of any profits made through the use of the System's assets, and other equitable or remedial relief.

4.3. Prohibited Transactions. In addition to those other transactional limitations and prohibitions set forth in this Agreement, the following transactions are prohibited:

- (a) Transactions prohibited under SPP § 21-205;
- (b) Transactions prohibited under ERISA § 406(b); and
- (c) Transactions prohibited under ERISA § 406(a); provided, however, that transactions permitted under applicable statutory exemptions or administrative exemptions promulgated by the U.S. Department of Labor (each, an "Exempt Transaction") shall be permitted, provided that (i) the Manager gives the Agency written notification promptly after the use of an Exempt Transaction of a type not previously undertaken by the Manager for the Account and the exemption upon which the Manager relies in undertaking such Exempt Transaction, and (ii) the Agency has not given written notification to the Manager to discontinue the use of a specified type of Exempt Transaction.

4.4. Other Representations, Warranties and Covenants of the Program Manager. The Program Manager represents, warrants and covenants to the Agency as follows:

- (a) The Program Manager will comply with all requirements which any federal, state, local, foreign or international law or regulation may impose with respect to the subject matter of or transactions contemplated by this Agreement, including, without limitation, all transactions involving the Assignment ("Legal Requirements"), and will promptly cooperate with and furnish information to the Agency regarding such Legal Requirements.
- (b) The Program Manager shall refrain from transactions in which it may have a conflicting material interest (direct or indirect) without prior written consent.
- (c) All services that the Program Manager provides hereunder shall meet the requirements and standards set forth in this Agreement (including any Exhibits and attachments). At the Agency's request, the Program Manager shall promptly correct any errors or omissions in the provision of such services.
- (d) (i) No gratuities in the form of gifts, entertainment or otherwise, have been or will be offered or given to any officer, fiduciary or employee of the Agency or the System or the State of Maryland with a view toward securing any favorable treatment concerning the performance and/or continuation of this Agreement. If the Agency finds that the Program Manager has offered or given such gratuities, the Agency may terminate this Agreement at any time upon written notice.

(ii) Except for the compensation provided for in this Agreement, the Program Manager agrees that neither it nor any of its employees or agents shall receive any remuneration or take any action to receive any remuneration, of any type, nature or description whatsoever in connection with the investment of the assets of the Account or any of the assets of the Agency or the State of Maryland for the use of the Board of Trustees and the System. No person was paid a cash fee by or on behalf of the Program Manager to solicit an investment or advisory business from the Investor in a manner which would result in a violation of Rule 206(4)-3 promulgated under the Advisers Act (the "Solicitations Rule").

(iii) The Program Manager agrees that the Agency will not be charged, allocated, or otherwise required to bear any cost, expense, or other liability, directly or indirectly, for any amount of marketing, placement or solicitation expenses incurred by the Program Manager.

(iv) No actions have been taken by the Program Manager or its "covered associates" (as that term is defined in Rule 206(4)-5 promulgated under the Advisers Act (the "Political Contributions Rule")) that would violate the provisions of the Political Contributions Rule.

(v) The Program Manager agrees to provide the Agency access, upon written request, to books and records maintained by the Program Manager, as required by Rule 204-2 promulgated under the Advisers Act, that pertain to the Program Manager's compliance with the Solicitations Rule or the Political Contributions Rule.
- (e) The Program Manager shall not engage, directly or indirectly, in any financial or other transaction with any trustee, staff member, or employee of the Agency or the System which would violate standards in the Maryland Public Ethics Law, Title 5 of the General Provisions Article of the Annotated Code of Maryland, and any successor statute thereto.
- (f) In connection with its performance under this Agreement, the Program Manager shall not knowingly develop, provide or use any program, process, composition, writing, equipment, appliance or device, or any trademark, service mark, logo, idea, or any other work or invention of any nature, or any other tangible or intangible assets, that infringes or will

infringe on any patent, copyright, or trademark of any other person or entity, or is or will be a trade secret of any other person or entity.

- (g) The Program Manager shall promptly, and in any case within five (5) calendar days, notify the Agency in writing if: (1) there is any material change in the management personnel of the Program Manager or the professional personnel actively involved in rendering services hereunder; (2) any change in ownership or control of the Program Manager, or (3) any other material change in the business organization of the Program Manager, including, but not limited to, the filing for bankruptcy relief.
- (h) The Program Manager shall annually provide the Agency with copies of its audited financial statements, including its balance sheet, income statement and statement of cash flow, within fifteen (15) days after such financial statements become available.
- (i) The Program Manager shall (1) assist the Custodian as necessary to prepare required reporting or regulatory forms and filings regarding the Assignment and to take action necessary to recover any taxes improperly paid or withheld; (2) provide timely notice to the Agency of the existence of legal actions relating to the assets in the Assignment; (3) assist the Agency and its designees (including, but not limited to, securities litigation claims monitors, claim evaluators and litigation counsel) in pursuing any legal claims relating to any of the assets in the Assignment, as directed by the Agency; (4) retain, preserve, make available and produce to the Agency all documents necessary to pursue legal claims relating to any of the assets in the Assignment; and (5) follow the Agency's securities litigation guidelines set forth in the Manual.
- (j) To the extent permitted by applicable law, the Program Manager shall promptly advise the Agency in writing of any extraordinary investigation, examination, complaint, disciplinary action or other proceeding relating to or affecting the Program Manager's ability to perform its duties under this Agreement or involving any investment professional employed by the Program Manager in the twenty-four (24) preceding months, which is commenced by any of the following: the U.S. Securities and Exchange Commission; any stock exchange; the Financial Industry Regulatory Authority (FINRA); any Attorney General or any regulatory agency of any state of the United States; any U.S. Government department or agency, or any governmental agency regulating securities of any country in which the Program Manager is doing business. Except as otherwise required by law, the Agency shall maintain the confidentiality of all such information until the investigating entity makes the information public.
- (k) The Program Manager shall annually file with the Agency a compliance certificate, executed by a responsible officer of the Program Manager's firm, substantially in the form attached hereto as **Attachment 1**, within thirty (30) days after each June 30. As part of its annual compliance review, the Program Manager acknowledges and agrees that it will complete the Agency's Annual Compliance Questionnaire (the initial form of which is attached hereto at page 2 of **Attachment 1**, and as amended from time to time, the "Questionnaire"), and provide the Agency with written responses to the Questionnaire as appropriate.
- (l) The personnel and agents of the Program Manager responsible for discharging the Program Manager's duties and obligations under this Agreement are and will be individuals experienced in the performance of the various functions contemplated by this Agreement. None of such individuals has been convicted of any felony, found liable in a civil or administrative proceeding, pleaded no contest, or agreed to any consent decree with respect to any matter involving breach of trust, breach of fiduciary duty, fraud, violations of any federal or state securities law or the FINRA Code of Conduct, or bankruptcy law violations. The Program Manager shall immediately notify the Agency if this representation and warranty is no longer accurate.

- (m) The Program Manager does not and shall not knowingly employ in any capacity: (1) any employee of the State of Maryland or a unit thereof, or a fiduciary of the System, who (x) could influence the award of this Agreement or any competing assignment, or (y) does or will have any direct or indirect financial interest in this Agreement ("Interested Person") and (2) any spouse or economic dependent of any Interested Person.
- (n) Neither any representation, warranty, covenant or acknowledgment contained in this Agreement nor any written statement, certificate, or document furnished or to be furnished to the Agency by or on behalf of the Program Manager pursuant to this Agreement contains or will contain any misstatement of a material fact or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading.
- (o) The Program Manager is not in arrears with respect to the payment of any monies due and owing the State of Maryland, or any department or unit thereof, including, but not limited to, the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Agreement.
- (p) The Program Manager shall comply, and shall cause its Sub-managers and agents to comply, with the provisions of **Exhibit D** of this Agreement as a condition of the Agency authorizing any such person to have remote access to the Agency's data on systems maintained by the Custodian.

4.5. Reliance by the Agency. It is understood that the representations, warranties, covenants, acknowledgments and agreements set forth herein, including without limitation those required to be included in the Program Manager's contracts with Sub-managers pursuant to Section 9.2.2. hereof, will be relied upon by the Agency during the term of this Agreement. Further, except as provided in Sections 4.4(g) and 4.4(l) hereof, the Program Manager agrees that it shall notify the Agency in writing within 30 days in the event that any representations, warranties, covenants, acknowledgments or agreements shall cease to be true and correct at any time during the term of this Agreement. Upon receipt of notice, the Agency shall have the following options: (i) grant the Program Manager a reasonable period of time within which to take such actions as may be necessary to cure the default; (ii) refuse or limit approval of any invoice for payment and cause payments to the Program Manager to be reduced or withheld until such time as the Program Manager cures the default; or (iii) terminate the Program Manager in accordance with Section 8 hereof.

5. INDEMNIFICATION; INSURANCE.

5.1. Indemnification from Program Manager. The Program Manager agrees to indemnify and hold harmless the State Retirement Agency, the System, the Board, and their trustees, officers, employees and agents (any and all of whom is/are referred to as "Indemnified Party"), jointly and severally, from and against any and all losses, claims, damages, judgments, liabilities, fines or penalties of any nature whatsoever (any and all of which is/are referred to as "Damages"), to which the Indemnified Party may become subject, insofar as such Damages are caused by or arise directly out of the negligence, willful misconduct, breach of fiduciary duty, bad faith, improper or unethical practice, infringement of intellectual property rights, breach of trust, breach of confidentiality, breach of contract, or violation of any Legal Requirements (as that term is defined in Section 4.4(a) above) on the part of the Program Manager and its agents acting in connection with this Agreement or other documents or agreements governing transactions undertaken for the Assignment in connection with the Program Guidelines.. This indemnification shall survive the termination of this Agreement.

5.2. Insurance.

(a) The Program Manager shall obtain and maintain in full force and effect insurance of the types and amounts specified in this Section 5, and shall certify to the Agency in writing upon execution of this Agreement and at least annually thereafter the nature, amount of and carrier of insurance insuring the Program Manager against the risks specified, and the indemnification liabilities of the Program Manager provided, in this Agreement. The annual certification of insurance coverage shall be made in the annual compliance certificate in the form attached hereto as **Attachment 1**. Such insurance shall be provided by insurer(s) rated A-, class X or better by A.M. Best & Company, or otherwise approved in writing by the Agency.

(b) The Program Manager currently holds, and shall maintain as provided in Section 5.2(a), the following insurance coverage:

(i) directors and officers liability insurance coverage of ____ Million Dollars (\$____,000,000);

(ii) fidelity bond or similar coverage subject to a limit of liability of not less than ____ Million Dollars (\$____,000,000); and

(iii) fiduciary professional liability insurance or a similar policy covering any and all errors and omissions losses committed by the Program Manager, its agents, employees and subcontractors arising from the services which the program Manager provides pursuant to this Agreement with a per-occurrence limit of at least ____ Million Dollars (\$____,000,000) and an annual aggregate limit of at least ____ Million Dollars (\$____,000,000).

5.3. Notice of Claims and Recoveries. The Program Manager shall notify the Agency of claims made to, and any payment received on a claim from, any of its insurance carriers pertaining to the Agency, the System or the Assignment.

6. REPORTS AND MEETINGS.

6.1. Reports to Program Manager and Sub-managers. The Agency shall instruct the Custodian to provide the Program Manager and all Sub-managers with monthly statements and daily advices concerning the status of the Assignment. The Program Manager acknowledges receipt of the Agency's policies dealing with monthly reconciliation of the Sub-manager's account with the records of the Agency and the Custodian, and agrees to take the necessary actions to implement these procedures.

6.2. Reports to Agency. The Program Manager shall provide the Agency and the Agency's staff, auditors, accountants, Custodian, risk system providers, and other professional advisers, with such documents, reports, data, and other information at such times as the Agency may reasonably require. Such information shall be in a form satisfactory to, and approved by, the Agency and agreed to by the Program Manager in its reasonable discretion; provided, however, that performance will be reported in a format that complies with the CFA Institute's Global Investment Performance Standards.

6.3. Meetings. The Agency and the Program Manager shall meet at least annually at their mutual convenience concerning the Assignment, as well as at such other times as the Agency may reasonably request.

7. PAYMENT OF FEES.

7.1. Compensation. The Program Manager shall receive compensation for its services in accordance with the Fee Schedule which is attached hereto and marked **Exhibit B**. The fee shall be computed and paid as set forth in **Exhibit B** following the submission of a proper invoice to the Agency. The Program Manager represents that the fees contained in **Exhibit B** are the lowest offered to any client

with a comparable account (“Comparable Assignments”). In the event that the Program Manager reduces or agrees on fees which are less than the fees stated in **Exhibit B** for any of its clients with Comparable Assignments, it shall offer the same fee schedule to the Agency within 90 days, and the Agency shall automatically receive the benefit of any such more favorable terms at its option.

7.2. Proration of Fees. If the Program Manager does not provide services for a full calendar quarter, the calculation and payment of the fee hereunder shall be prorated accordingly and adjusted on a daily basis.

8. TERM AND TERMINATION.

8.1. Term. This Agreement shall commence on the date it is duly executed by both parties hereto. Subject to the provisions of Section 8.2 hereof, the Agreement shall continue in effect until the December 31st of the year in which the Agreement is executed, at which time it will automatically be renewed for successive one-year periods beginning each January 1st and ending the following December 31st of each year.

8.2. Termination. The Program Manager serves at the pleasure of the Agency, which retains the right to (i) increase or decrease the amount of funding of the Program Manager's Assignment, and (ii) renew or terminate this Agreement as provided herein. This Agreement may be terminated at any time by the Agency upon written notice to the Program Manager of such termination, and may be terminated by the Program Manager upon thirty days' prior written notice to the Agency, effective as of the date set forth in the notice. Unless otherwise agreed in writing, the fair market value of the Assignment shall be determined in accordance with the terms of the Agreement as of the effective date of the termination. Upon termination of the Agreement, the Program Manager's fees shall be based upon the fair market value of the Assignment as of the effective date of termination and shall be prorated to the effective date of termination. Any termination of this Agreement shall be without payment of any penalty by the Agency. Upon termination of this Agreement, the Program Manager shall cooperate with the Agency with respect to the transfer of the management of the securities and other assets in the Assignment.

8.3. Nonavailability of Funding. If the General Assembly of the State of Maryland fails to appropriate funds or if funds are not otherwise available for continued performance for any fiscal period of this Agreement succeeding the first fiscal period, this Agreement shall be canceled automatically as of the beginning of the fiscal year for which funds were not appropriated or otherwise made available; provided, however, that this will not affect either the State's rights or the Program Manager's rights under any termination clause in this Agreement. The effect of termination of this Agreement hereunder will be to discharge both the Program Manager and the Agency from future performance of this Agreement, but not from their rights and obligations existing at the time of termination. The Agency shall notify the Program Manager as soon as it has knowledge that funds may not be available for the continuation of this Agreement for each succeeding fiscal period beyond the first.

8.4. Remedies Nonexclusive and Cumulative. The rights and remedies of the Agency (including claims for breach of contract) shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement. Any termination of this Agreement under this Section 8 shall be without prejudice to any obligations or liabilities of either party accrued prior to such termination.

9. ENTIRE AGREEMENT, AMENDMENT, SUBCONTRACTING AND ASSIGNMENT.

9.1. Entire Agreement and Amendment. This Agreement constitutes the entire Agreement of the parties hereto and all previous communications between the parties whether written or oral with reference to the subject matter of this Agreement are hereby canceled and superseded. At any time and from time to time the Agency and the Program Manager may amend in whole or in part any or all of the provisions of this Agreement; provided, however, that such amendment must be in writing, duly signed, and mutually agreed to by the respective parties.

9.2. Subcontractors and Assignment.

- 9.2.1. Except for the agreements with Sub-managers to be approved as described in **Exhibit A** of this Agreement, the Program Manager may not subcontract any portion of the services provided under this Agreement without obtaining the prior written approval of the Agency, nor may the Program Manager assign this Agreement, or any of its rights or obligations hereunder, without the prior approval of the Agency. Any such subcontract or assignment shall be subject to any terms and conditions that the Agency deems necessary to protect the interest of the State. Notwithstanding any subcontract or assignment permitted hereunder, the Program Manager shall always remain liable to the Agency for the Program Manager's obligations hereunder and for all actions of any subcontractor or assignee to the same extent as the Program Manager is liable for its own actions hereunder. The Agency shall not be responsible for the fulfillment of the Program Manager's obligations to subcontractors.
- 9.2.2. In the agreements between the Program Manager and its Sub-managers pursuant to **Exhibit A** of this Agreement, the Program Manager shall require each Sub-manager to comply with the following sections of this Agreement: (i) Section 3 (relating to assignment asset procedures); (ii) Section 4.2 (relating to fiduciary status with respect to the Agency, as modified below); (iii) Section 4.3 (relating to prohibited transactions), (iv) Section 4.4 excluding subsections (h) and (k) (relating to representation, warranties and covenants); (v) Section 4.5 (relating to reliance by the Agency); (vi) Section 5.1 (relating to indemnification); (vii) Section 6.2 (relating to reports to Agency); (viii) Section 11 (relating to confidentiality and publicity); and (ix) **Exhibit C**, Articles I (relating to nondiscrimination in employment), III (relating to political contribution disclosure), and IV (relating to bribery).

For purposes of the agreements between the Program Manager and its Sub-managers pursuant to **Exhibit A** of this Agreement, the Program Manager shall require each Sub-manager to comply with the following version of Section 4.2:

Fiduciary Status with respect to the Agency. The Manager acknowledges that it has been designated to serve as a fiduciary of the System pursuant to Section 21-204(b)(2) of the State Personnel and Pensions Article of the Annotated Code of Maryland ("SPP") with respect to the services it will provide under this Agreement, and is subject to the standards of care set forth in SPP § 21-203 with respect to the System and in regard to the services that it will provide under this Agreement in respect to the Account. The Manager further acknowledges that it is an "investment manager" (as that term is defined in Section 3(38) of the Employees Retirement Income Security Act of 1974, as amended to date ("ERISA"), assuming ERISA applied to the System), and agrees to be subject to the fiduciary standards applicable thereto with respect to the System and in regard to the services that it will provide under this Agreement in respect to the Account. The Manager accepts its appointment as such fiduciary, and specifically agrees to perform its duties with respect to the Agency and the Account with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of like character and with like aims. The Manager agrees to discharge its duties with respect to the Agency and the Account (a)

solely in the interest of the beneficiaries and participants of the System and (b) otherwise in accordance with the terms of this Agreement. The Manager understands and acknowledges its potential liability for any breach of its aforesaid fiduciary duties, which liability includes, without limitation, payment of damages, restoration of any profits made through the use of the System's assets, and other equitable or remedial relief.

Upon execution of an agreement between Program Manager and each Sub-manager, the Program Manager shall:

- (i) provide the System and the Custodian with an executed copy of its agreement with the Sub-manager; and
- (ii) notify the System and the Custodian that the Sub-manager is authorized to act as Sub-manager for a specified portion of the funds of the Assignment.

9.2.3. The Agency, in its sole discretion, retains the right to contract directly with any Sub-manager at any time, without any additional fees being payable to the Program Manager by either the Agency or any Sub-manager.

10. NOTICES.

All instructions, notices, consents, demands or other communications required or contemplated by this Agreement shall be in writing, and shall be made by hand delivery, overnight courier service, first class mail, postage prepaid, facsimile transmission, or e-mail (provided, however, that if either facsimile transmission or e-mail is used, the notice must be accompanied by one of the foregoing hard copy delivery methods) addressed to the respective party or person at the appropriate address set forth below or to such other address as may be hereinafter specified by written notice, and shall be considered effectively given as of the date of hand delivery or facsimile transmission if received prior to 4:30 p.m. that day, or if not received by 4:30 p.m., the next following day, as of the date specified for overnight courier service delivery or as of three (3) days after the date of mailing, as the case may be, as follows:

If to the Agency:

Chief Investment Officer
Maryland State Retirement Agency
120 East Baltimore Street, 12th Floor
Baltimore, Maryland 21202
Telephone: (410) 625-5620 Facsimile: (410) 468-1701

If to the Program Manager:

Telephone: _____ Facsimile: _____

Designated names and addresses for receiving notice may be changed at any time by appropriate notice in accordance with the foregoing.

11. CONFIDENTIALITY AND PUBLICITY; INSPECTION; AUDIT; RETENTION OF RECORDS.

11.1. The Program Manager shall treat as confidential all proprietary information and materials relating to the Agency and the Assignment. The Program Manager further undertakes not to release any such materials to third parties without the Agency's prior permission.

11.2. The Program Manager agrees that, subject to Section 11.1, all reports, studies, analyses, specifications, recommendations and all other materials of whatsoever nature, prepared by the Program Manager solely for use under this Agreement or furnished to the Program Manager by the Agency solely for use under this Agreement, are to be considered confidential, and that the Program Manager will neither publish, circulate nor use any of the foregoing except in the performance of its work under this Agreement.

11.3. The Program Manager agrees that it will not issue any news releases to the public press or any publication wholly or partly related to its work under this Agreement without first obtaining the written consent of the Agency. The Program Manager further agrees that it will not make speeches, engage in public appearances, publish articles or otherwise publicize its work under this Agreement without prior written approval of the Agency.

11.4. The Program Manager (and any custodian dealing with the Assignment, if applicable) shall maintain and retain all records and documents relating to the Agreement for the longer of (a) a period of three (3) years from the date of final payment under the Agreement or subcontract hereunder or (b) any applicable foreign, federal or state regulatory requirements, including statute of limitations, and shall make the records and documents available for inspection and audit by authorized representatives of the State, including, but not limited to, the Agency's internal and external auditors, at all reasonable times.

12. CONSTRUCTION.

This Agreement and its performance shall be governed by and construed in accordance with the laws of the State of Maryland.

13. SECTION TITLES.

The titles to sections of this Agreement are intended solely as convenience and shall not be used as an aid in construction of any provisions hereof, or otherwise restrict or modify any of the terms or provisions hereof.

14. COUNTERPARTS.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same document.

15. WAIVER.

No failure or delay on the part of either party in exercising any right or remedy hereunder shall operate as a waiver thereof. No waiver by either party of any failure or refusal to comply with an obligation hereunder shall be deemed a waiver of any other or subsequent failure or refusal to so comply. No modification or waiver shall be effective unless it is duly executed by the Agency.

16. ADV REGISTRATION.

The Agency acknowledges receipt of a copy of Parts 1 and 2 of the Program Manager's ADV Registration Statement pursuant to Rule 204-3(a) of the Act (the "ADV"); provided, however, that: (a) if the Program Manager is exempt from such requirement, Program Manager agrees to provide the Agency with a letter from its counsel explaining the basis for such exemption, and (b) the Program Manager may supply the Agency with the redacted version of the Part 1 ADV posted on the SEC's website. The Program Manager acknowledges and agrees to provide the Agency with copies of the Program Manager's ADV (a) annually, as part of the annual compliance certification process (see **Attachment 1**) and (b) if, as and when the ADV is modified.

17. AUTHORITY.

Each party to the Agreement represents and warrants to the other that it has the full right, power, and authority to execute this Agreement and to perform the acts contemplated hereunder.

SIGNATURES APPEAR ON NEXT PAGE.

In recognition of their acceptance of the terms and conditions of this Agreement, the Agency and the Program Manager, acting by and through their duly authorized representatives, hereby execute this Agreement as a sealed instrument as of the day and year first written.

STATE RETIREMENT AGENCY FOR THE USE
OF THE BOARD OF TRUSTEES FOR THE
MARYLAND STATE RETIREMENT AND
PENSION SYSTEM

By: _____
R. Dean Kenderdine
Executive Director
Secretary of the Board

[PROGRAM MANAGER]

By: _____
Name:
Title:

Approved as to form and legal
sufficiency this _____ day of
_____, 2016

Assistant Attorney General

EXHIBIT A

**PROGRAM GUIDELINES
TERRA MARIA DEVELOPING MANAGER PROGRAM**

[INSERT GUIDELINES]

EXHIBIT B

FEE SCHEDULE

The Program Manager's fee shall be payable upon the market value of the assets under management at the end of each quarter to the Agency at the following address:

Patricia A. Wild
Managing Director
Maryland State Retirement Agency
120 East Baltimore Street, 12th Floor
Baltimore, Maryland 21202
Telephone: (410) 625-5631; Facsimile: (410) 468-1702

The parties agree that the market value of the Assignment shall be adjusted equitably to account for additions or withdrawals during the period. The parties have agreed that the Agency shall compensate the Program Manager for service rendered by payment according to the following schedule:

[INSERT FEE SCHEDULE]

PROGRAM MANAGER FEES

The Agency shall pay the Program Manager the compensation as so determined in arrears in quarterly installments. Payments for services rendered will only be made upon submission to the Agency *on the Program Manager's letterhead* of a properly completed invoice which, at a minimum, includes the following:

- A. The Program Manager's name, mailing address, ACH payment instructions and federal employer identification number;
- B. A detailed description of the services provided; and
- C. The basis upon which the fees were calculated. Any spreadsheets submitted to the Agency should be delivered in Excel format, rather than in a .pdf format.

For purposes of determining compensation payable to the Program Manager, the market value of the Assignment and the performance calculation of the Assignment shall be determined by the System's Custodian in accordance with Section 3.4 of this Agreement.

SUB-MANAGER FEES

In addition, at the end of each quarter, the Program Manager shall submit invoices for each Sub-manager to the Agency reflecting the fees payable by the Agency to each Sub-manager as well as the basis upon which such fees were calculated.

Upon approval of a proper invoice from the Program Manager, the Agency shall direct the Custodian to pay from the Assignment to the Sub-managers the compensation as so determined in arrears in quarterly installments. Payment for services rendered will only be made upon submission *on the Program Manager's or Sub-manager's letterhead* of a properly completed, separate invoice for each Sub-manager which, at a minimum, includes the following:

- A. The Sub-manager's name, mailing address, wire instructions and federal employer identification number;

- B. A detailed description of the services provided; and
- C. The basis upon which the fees were calculated. Any spreadsheets submitted to the Agency should be delivered in Excel format, rather than in a .pdf format.

For purposes of determining compensation payable to the Sub-managers, the market value of the Assignment shall be determined by the System's Custodian in accordance with Section 3.4 of this Agreement.

EXHIBIT C

MANDATORY CONTRACTUAL PROVISIONS

Pursuant to the Annotated Code of Maryland, State Finance and Procurement Article, §11-203(d), with minor exceptions, the Board of Trustees for the Maryland State Retirement and Pension System is exempt from the applicability of the State's procurement laws for services related to the external management of the investment of the assets of the System. Although the procurement of the services to be rendered by the Manager pursuant to the attached Agreement is, as a general matter, exempt from the procurement laws, under State law the following provisions of Maryland law must be included in any contract.

In view of the foregoing, the parties agree that the following provisions are hereby included in their Agreement:

ARTICLE I - NONDISCRIMINATION IN EMPLOYMENT

The Manager agrees: (a) not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, marital status, national origin, ancestry, or disability of a qualified individual with a disability; (b) to include a provision similar to that contained in subsection (a), above, in any underlying subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this clause.

ARTICLE II - FINANCIAL DISCLOSURE

The Manager shall comply with the provisions of § 13-221 of the State Finance and Procurement Article of the Annotated Code of Maryland, which requires that every business that enters into contracts, leases, or other agreements with the State of Maryland or its agencies during a calendar year under which the business is to receive in the aggregate \$100,000 or more, shall, within 30 days of the time when the aggregate value of these contracts, leases or other agreements reaches \$100,000, file with the Secretary of State of Maryland certain specified information to include disclosure of beneficial ownership of the business.

ARTICLE III - POLITICAL CONTRIBUTION DISCLOSURE

The Manager shall comply with the provisions of Election Law Article, Title 14 of the Annotated Code of Maryland, which requires that every person that enters into a contract for a procurement with the State, a county, or a municipal corporation, or other political subdivision of the State, during a calendar year in which the person receives a contract with a governmental entity in the amount of \$200,000 or more, shall, file with the State Board of Elections statements disclosing: (a) any contributions made during the reporting period to a candidate for elective office in any primary or general election; and (b) the name of each candidate to whom one or more contributions in a cumulative amount of \$500 or more were made during the reporting period. The statement shall be filed with the State Board of Elections: (a) before execution of a contract by the State, a county, municipal corporation or other political subdivision of the State, and shall cover the 24 months prior to when a contract was awarded; and (b) if the contribution is made after the execution of a contract, then twice a year, throughout the contract term, on: (i) February 5, to cover the six (6) month period ending January 31; and (ii) August 5, to cover the six (6) month period ending July 31. Additional information is available on the State Board of Elections website: http://www.elections.state.md.us/campaign_finance/index.html.

ARTICLE IV - BRIBERY

The Manager warrants that neither the Manager nor any officer, director or partner of the Manager nor any employee of the Manager directly involved in obtaining contracts with the State of Maryland, or any county or other sub-division of the State of Maryland, has been convicted of bribery, attempted bribery or conspiracy to bribe under the laws of any state or of the federal government, nor has engaged in conduct since July 1, 1977, which would constitute bribery, attempted bribery, or conspiracy to bribe under the laws of any state or the federal government except as herein expressly stated.(If none, so state)

As used herein, the word "convicted" includes an accepted plea of nolo contendere

EXHIBIT D

Remote Access Terms

In the event that the Agency authorizes the Program Manager, a Sub-manager or agents of such parties (each, an “Authorized Designee”) to have access on a remote basis to proprietary and third party systems as may be offered by State Street Bank and Trust, in its capacity as the Custodian (“State Street”) from time to time (each, a “System”), the Program Manager shall comply, and shall cause any other Authorized Designee to comply, with the following terms:

Authorized Designees shall comply with remote access operating standards and procedures and with user identification or other password control requirements and other security procedures as may be issued from time to time by State Street or its third party vendors for use of the System and access to the remote access services. The Program Manager shall be responsible for any use and/or misuse of the System and remote access services by a Sub-manager or agent. The Program Manager agrees to advise the Agency and State Street immediately in the event that the Program Manager learns or has reason to believe that any person given access to the System or remote access services has violated or intends to violate the terms set forth in this Exhibit D and the Program Manager will cooperate with State Street in seeking injunctive or other equitable relief. An Authorized Designee shall discontinue use of the System and remote access services, if requested, for any security reasons cited by State Street.

Each Authorized Designees agrees to keep the proprietary information confidential and to limit access to employees and Authorized Designees (under a similar duty of confidentiality) who require access to the System for the purposes intended. The foregoing shall not apply to information in the public domain or required by law to be made public.

Each Authorized Designee shall agree to use the remote access services only in connection with the proper purposes of this Agreement. The Program Manager will not, and will cause employees and Authorized Designees not to, (i) permit any other third party to use the System or the remote access services, (ii) sell, rent, license or otherwise use the System or the remote access services in the operation of a service bureau or for any purpose other than as expressly authorized under this Agreement, (iii) use the System or the remote access services for any fund, trust or other investment vehicle without the prior written consent of State Street, or (iv) allow or cause any information transmitted from the State Street’s databases, including data from third party sources, available through use of the System or the remote access services, to be published, redistributed or retransmitted for other than use for or on behalf of the Agency.

Each Authorized Designees agree that it will not modify the System in any way, enhance, copy or otherwise create derivative works based upon the System, nor will Authorized Designees reverse engineer, decompile or otherwise attempt to secure the source code for all or any part of the System.

Each Authorized Designee acknowledges that the disclosure of any proprietary information, or of any information which at law or equity ought to remain confidential, will immediately give rise to continuing irreparable injury to State Street or its third party licensors and vendors inadequately compensable in damages at law and that State Street shall be entitled to obtain immediate injunctive relief against the breach or threatened breach of any of the foregoing undertakings, in addition to any other legal remedies which may be available.

Each Authorized Designee acknowledges and agrees that the Agency may terminate authorization to access the System and remote access services at any time. In the event of termination, each Authorized

Designee will return to State Street all copies of documentation and other confidential information in its possession and immediately cease access to the System and remote access services.

ATTACHMENT 1

Annual Compliance Questionnaire and Certificate

June 30, ____

As the designated Chief Compliance Officer of _____ (the “Manager”), I hereby certify that (a) I am familiar with the Investment Management Agreement or similar agreement dated _____, ____ (the “Agreement”) between the State Retirement Agency (the “Agency”) for the use of the Board of Trustees for the Maryland State Retirement and Pension System (the “System”) and the Manager relating to the investment by the Manager of a portion of the System’s investment portfolio designated as the “Account”, and (b) I have reviewed the firm’s responses to the attached Agency’s Annual Compliance Questionnaire (the “Questionnaire”).

Except as disclosed in the responses to the Questionnaire and to the best of my knowledge after diligent inquiry, I hereby certify that:

- (a) All of the attached responses to the Questionnaire are true and correct as of June 30, ____;
- (b) All investments for the System’s Account made by the Manager during the State’s fiscal year ending June 30, ____ were made in compliance with the Investment Guidelines incorporated in the Agreement at the time each investment was made;
- (c) All current investment holdings in the Account are in compliance with Investment Guidelines currently applicable under the Agreement;
- (d) The Manager is in compliance with all representations, warranties, covenants and acknowledgments in the Agreement which apply to the Manager, including, but not limited to, compliance with the provisions relating to (1) conflicts of interest and (2) political contributions and payments for solicitation of advisory business; and
- (e) The insurance coverage currently held by the Manager is at least equal in scope and amount to the coverage as specified in the Agreement.

Dated: _____

By: _____
Name: _____
Title: _____

Regulatory Oversight

1. Has your firm adopted written compliance procedures, reviewed the adequacy of the procedures at least annually, and designated a chief compliance officer responsible for their administration? Please state when your firm most recently reviewed its compliance procedures and describe any material changes resulting from that review.
2. Has your firm or any present or former employee of your firm been investigated, fined or censured by any federal, state or industry regulatory body (a “regulatory body”)? If so, please provide an explanation.
3. Is your firm or any present or former employee of your firm a party to any pending litigation, investigation, or other proceeding by a regulatory body? If so, please provide an explanation.
4. When was your firm last inspected by any regulatory body? Please provide a summary of the inspection reports and your responses to the reports.
5. Have you compensated any clients upon, or in connection with, the termination of an agreement or investment management relationship with your firm over the last three years? If so, please provide an explanation.

Fees

6. Are there any fee arrangements with existing clients which would affect the Agency’s “most favored nation” clause?

Conflicts of Interest

7. Are there any potential conflicts of interest between your firm and members of the Board of Trustees or key staff of the Agency? If so, please provide an explanation.
8. With respect to the assets that your firm manages on behalf of the Agency, has your firm purchased any securities or executed security transactions through your firm or any affiliated entities? If so, please provide an explanation.
9. During the State’s fiscal year, the Agency utilized the services of the following consultant firms: Albourne America LLC, Altius Associates Limited, Meketa Investment Group, and Pension Consulting Alliance, Inc.. Does your firm have any business relationships with any of the Agency’s pension consultants? Has your firm paid any fees to any of the Agency’s pension consultants? If so, please provide an explanation.
10. Are there any other material conflicts of interest that have not been disclosed?

Guideline Compliance

11. During the State’s fiscal year ending June 30, ____, have there been any violations of the Investment Guidelines set forth in the Agreement?
12. Have there been any material trade errors that resulted in losses to the System’s investment?

Organizational Changes

13. Are there any significant matters about your firm that should be brought to our attention, such as organizational changes or ownership of your firm, that you have not previously told us? If so, please provide an explanation.

Other

14. Please provide details regarding any material developments relating to the topics covered in this questionnaire that have occurred from June 30, ____ to the date on which you completed the questionnaire.
15. Are there other material issues not discussed above that should be brought to our attention? If so, please provide an explanation.

16. Please provide updated copies of the following documents. Mark if each document if included. If the document is not included or not applicable, please state the reason.

Audited financial statement for firm's last two fiscal years

Reason Not Included:

Corporate governance policy

Reason Not Included:

Employee code of ethics policy

Reason Not Included:

Business disaster recovery plan

Reason Not Included:

Current Type 2, SSAE 16 report – internal controls review (if applicable)

Reason Not Included:

Form ADV Parts 1 and 2 (Note: Manager also must provide the Agency with copies of the Manager's ADV if, as and when the ADV is modified)

Reason Not Included:

Broker selection criteria

Reason Not Included:

Guidelines for allocating trades among clients' accounts

Reason Not Included:

Proxy voting guidelines if the firm votes proxies for any of the accounts it manages for us

Reason Not Included:

Soft dollar policy

Reason Not Included:

Internal Revenue Service Form W-9, W-8BEN or other documentation of classification under FATCA

Reason Not Included:

Limits, rules, guidelines, or restrictions utilized to implement the investment guidelines under the Agreement for the System's account(s)

Reason Not Included:

17. Please complete the enclosed Insurance Coverage Schedule (last page) and attach insurance certificates.

18. Did your approved list of Futures Commission Merchants (FCMs) or the policies and procedures for the selection and monitoring of FCMs change during the State's fiscal year ending June 30, ____? If so, please provide an explanation.

19. Please describe below any exceptions to the certifications set forth in paragraphs (a) – (e) of the chief compliance officer's certificate which accompanies this questionnaire. Please also disclose (i) any payments made to solicit advisory business from the System in a manner which would result in a violation of Rule 206(4)-3 promulgated under the Investment Advisers Act of 1940, even if the firm is not expressly subject to that rule, or (ii) actions taken by the firm or its "covered associates," as that term is defined in Rule 206(4)-5 promulgated under the Investment Advisers Act of 1940, that would violate the provisions of such rule, even if the firm is not expressly subject to that rule:

Schedule of Insurance Coverage

(Please attach copies of Insurance Certificates)

Type of Insurance Coverage	Insurer's Name & Policy Number	Expiration Date of Coverage	Contractual Amount of Coverage Required	Actual Amount of Coverage