

**Indiana Deferred Compensation Plans
Broad Agency Announcement—Active U.S. Large Cap Growth Equity
BAA Questions and Answers**

Any questions regarding the Broad Agency Announcements must be submitted by e-mail only to response@capcities.net no later than 5:00 p.m. Eastern on Friday, April 7, 2017. Proposals must be received no later than 5:00 p.m. Eastern on Wednesday, April 19, 2017.

1. Are you looking at a specific type of manager (GARP, High Growth, etc.)?

No. All types of Active U.S. Large Cap Growth Equity strategies will be considered.

2. Is there a preference for diversified vs. concentrated managers or is there a holdings range that is required or preferred?

No. All types of Active U.S. Large Cap Growth Equity strategies will be considered.

3. Is there a preference for, or a requirement towards, maximum non-US exposure within the strategy?

No. All types of Active U.S. Large Cap Growth Equity strategies will be considered.

4. We are interested in applying for the Indiana LCG search as we feel we have very strong performance and a long-term track record, but wanted to get an understanding if we are still eligible given the following:

- a. As a firm we have approximately \$500m in AUM, which is split between long only and a long biased hedge fund strategy. In the stand alone long only strategy we have \$150m in AUM, however across all products our long assets total ~\$400m.

Products with low assets and/or limited track records will be considered on a case-by-case basis. In this situation, managers who meet asset and track record requirements will be viewed more favorably.

- b. We offer managed account structures, where we could provide daily liquidity however do not have a mutual fund vehicle set up.

Any vehicle will be considered as long as it meets the recordkeeping requirements of the Plans. Please note that Empower requires investment managers to provide a daily NAV and share balance.

- c. Does that plan have a concentration limit where the \$66m cannot be larger than a certain percentage of total assets?

No, given this is a participant-direct Plan.

5. First, would you consider a Separate Account if the manager does not have a Mutual Fund or a CIT vehicle?

Yes; however, the product must support daily valuation and any other contractual requirements of the recordkeeper as outlined in Exhibit A.

6. Second, would you consider a manager who would be willing to launch a US Equity mutual fund or CIT in the event that he won the business?

Yes, but please note your anticipated timing of the launch within your BAA response.

7. The questionnaire does not specify a benchmark index. Would a mutual fund utilizing the S&P 500 for an official benchmark be considered if the strategy otherwise met the criteria for the US large cap value equity style?

Yes.

8. If a specific value-oriented benchmark index is required, is a separate account vehicle permissible?

Please include in your BAA response your product's benchmark. The product must support daily valuation and any other contractual requirements of the recordkeeper as outlined in Exhibit A.

9. As stated, mutual fund and collective investment trust vehicles are preferred as the vehicle type; however, the BAA does state all vehicle types will be considered. The recordkeeper requirements outlined in Exhibit A, however, would exclude some vehicles (i.e. separate accounts). Can you clarify if a separate account vehicle type would be suitable despite not being able to meet requirements in Exhibit A?

The product must support daily valuation and any other contractual requirements of the recordkeeper as outlined in Exhibit A.

10. Regarding responses: Your instructions state that our proposals should be submitted by email to Capital Cities. Please confirm that you require NO hard-bound copies of the proposal.

All proposals should be submitted to response@capcities.net. Hard-bound copies are not required.

11. Regarding Exhibit A, Question 4: The vendor must provide daily share positions to Empower Treasury for reconciliation purposes. We currently manage a fund for the Indiana Deferred Compensation plan where we provide to Empower daily activity files and weekly position files. Would weekly position files continue to meet your needs, or is daily a new requirement.

Exhibit A provides the standard recordkeeping requirements; however, your current arrangement with Empower supersedes the standard requirements.

12. Is there a preference for either a fundamental or quantitative investment strategy?

No. All types of Active U.S. Large Cap Growth Equity strategies will be considered.

13. Is there a preference for a mutual fund over a collective trust or will both vehicles be considered equally?

Both will be considered equally.

14. If mutual funds are preferred over collective trusts, is there a specific share class that is more appealing (e.g., Institutional, R6, etc.)?

The least expensive vehicle/share class on a net cost basis is required.

15. It appears that if a proposal is removed from consideration for failure to agree on confidentiality of its contents, the proposal would be rejected and would not be subject to public disclosure. Is that correct?

All respondents should expect their materials to be subject to public disclosure given the status of the Indiana Deferred Compensation Plans and the type of manager search being conducted (traditional U.S. Large Cap Growth Equity).

16. Are there any preferred or mandatory State contracting terms?

No.

17. Can you confirm that the Indiana Deferred Compensation Plans are eligible for investment in Collective Investment Trusts?

Yes.

18. We run a large cap equity strategy benchmarked to the S&P 500 Index but could easily replicate it using the Russell 1000 Growth Index as a benchmark. Would you accept a proposal showing hypothetical/back tested performance relative to the RIG Index?

Yes, but please clearly note that the prior performance is for a hypothetical/back-tested portfolio.