

Location in RFP	Section	Question	Response
Page 6	VI, Q7 & Q9	We manage an International SMID portfolio with in excess of \$1bn however the track record dates back to 2019. This portfolio was the result of separating our retail assets from our institutional International Small Cap Strategy. The International Small Cap portfolio is only available to institutional investors and inception dates back to 2012 (\$450mIn AUM). These strategies are run by the same team and meet all other criteria listed in the RFP .	Offerors must meet all minimum requirements as stated.
		Firm wide assets of \$25bn: Setanta Asset Management has firm wide assets of \$14.0bn on 31st December 2022 , would this be considered sufficient to be able to participate?	Offerors must meet all minimum requirements as stated. Firm AUM level of \$25 billion or greater is required.
		Investment in Strategy \$4bn: Setanta has an EAFE/International Equity strategy with assets of \$2.2bn on 31st December 2022, would this be considered sufficient to be able to participate?	Offerors must meet all minimum requirements as stated. Investment strategy AUM level of \$4 billion or greater is required.
		Performance track record length and GIPS: Setanta has an EAFE/International track record that started in December 2003 i.e., 19 years but it is not a GIPS track record, is this a hard rule and the track record must be GIPS?	Offerors must meet all minimum requirements as stated.
Page 5	VI, Q4	We are a dedicated international small cap manager with a 17 year track record in the space. FIRM AUM are under \$25 billion. Will any exceptions to total firm AUM be made for boutique investment managers focused exclusively on the small and mid market cap range?	Offerors must meet all minimum requirements as stated. Firm AUM level of \$25 billion or greater is required.
Page 6	Q6	In regards to the minimum qualification requiring a continuous ten-year performance track record for the product that is being presented, would you accept a product where the PM has consistently applied the same investment philosophy and process for over 10 years; however, the first years of said track record where at a different firm? Due to SEC rules, we would be unable to show the complete track record linked.	Offerors must meet all minimum requirements as stated.
		I'm reaching out on behalf of Wasatch Global Investors. We were very much looking forward to submitting our Wasatch International ex-US Small Cap strategy for this search with New Mexico State Investment Council, but then noted the criteria on firm-wide AUM of at least \$25 billion as of December 31, 2022. Wasatch's AUM for the years-ended 2021 and 2020 was well above \$25 billion, but with the market volatility last year, our firm AUM ended 2022 at \$22.4 billion, and is currently at \$23.8 billion as of March 31, 2023.	Offerors must meet all minimum requirements as stated. Firm AUM level of \$25 billion or greater as of 12/31/2022 is required.
	Q4	Is the \$25 billion firm AUM threshold apply for the International Small Cap Core mandate?	Offerors must meet all minimum requirements as stated. Firm AUM level of \$25 billion or greater is required.
Page 6	Q6	Is it required that the manager have 5 separate accounts at the firm or ideally the strategy level of \$250 million or more? What if a manager has 3 separate accounts that are equal to or great than \$250 million, would that be considered?	Offerors must meet all minimum requirements as stated. At least five separate accounts, preferably, though not necessarily, in the proposed product is required.

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Page 5		While we meet the minimum requirements noted in the RFP, we are cognizant that the language in the documents state the need for “Large Cap Core and Small Cap Core” strategies. Our strategies utilize the core benchmarks mentioned in the search documents, however, we consider ourselves to be a value style manager. Can you please confirm if you would accept proposals for strategies that have specific style tilts, but utilize the benchmarks you have requested.	Managers meeting MQs will be considered, the SIC will give preference to those that best fulfill the stated mandate.
		TSW meets the product AUM criteria for our international large cap and small cap strategies but we do not meet the firm AUM requirement of \$25B as outlined. As of 12/31/2022 we had \$19.4B in AUM. While compliance will not permit us to provide 3/31 AUM at this time, it is larger than the AUM at year end but still doesn’t meet the \$25B requirement.	Offerors must meet all minimum requirements as stated. Firm AUM level of \$25 billion or greater is required.
Page 1	III	We note the requirement to comply with all SIC’s policies, however on your website there are 18 policies in total and a number of these don’t appear relevant to the services in question (e.g. there are policies covering private equity, real estate and renewable energy). Would it be possible to be provided with a list of those we need to review (i.e. those that would place an obligation or requirement on the manager, as opposed to SIC and its employees) and what would be the mechanism for notifying us of changes to these policies?	Offerors should be familiar with the following policies: Council Code of Conduct; ESG Policy; Employee Code of Conduct; Employee Gift Policy; NM SIC Approved Investment Policy Final 2020.01.28; Non-Discrimination & Anti-Harassment Policy; Open Meetings Resolution 2022; Soft Dollar Policy; Transparency & Disclosure Policy. Note that although not all of these policies expressly relate to outside managers, the SIC expects that managers will be familiar with these rules so that they do not inadvertently aid in the violation of rules applicable to others. SIC expects managers to periodically review these policies.
Page 5	VI	Can we ask how SIC would define “large cap” and “small cap” in the IMA/Investment Guidelines?	A portfolio of stocks with a weighted average market-cap, median market-cap range, and market-cap quintile allocations that broadly reflect the applicable index.

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Page 19	X.C, E1, 6 and E2, 8	Can we ask for clarification as to how best to communicate proposed changes to terms in Section X and Appendix E, and whether drafting changes would be considered material? For example, we note the inclusion of an MFN clause and whilst we can accept the concept of granting an MFN, we have standard language we would like to propose. As another example, whilst we can agree to the concept of a key person clause, a 3 calendar day notification timeframe is very short for us, and potentially unnecessary given the team-based approach we operate. We would be happy to provide a mark-up with our submission if that would be helpful to gauge the types of comments we would like to discuss, to allow SIC to assess materiality? To be clear, we have no changes for Appendix D which we note was non-negotiable.	Given the potential investment of State/taxpayer monies, the SIC's position is that the MFN should apply as broadly as possible. Note that the SIC expects Offerors to be willing to accept the terms and conditions set forth in the RFP. Generally, this means accepting the exact terms set forth. Further note that the RFP provides that Offeror "must be willing to sign Appendix E from this RFP with no (or minimal) changes" and that "Appendix D, in particular, should be non-negotiable." With this understanding, if there are other specific provisions that Offeror believes would be workable with non-material changes, the Offeror may submit a markup of such limited provisions with an explanation as necessary. If Offeror submits such a markup, the Offeror should indicate which, if any, of such amendments would be necessary for Offeror to accept the contract.
	E1, 1	We note that in addition to discretionary investment management services, there are references to the appointed manager providing advisory services with respect to economic forecasts, investment outlook and industry emphasis, and a requirement to provide advice as to when specific segments of the equity markets are attractive. Can we clarify precisely what the expectations are for these services? We do provide quarterly investment commentary to clients and regular thought-pieces via a Research Journal and our Website (https://www.walterscott.com/insights/), however we wanted to check whether SIC was looking for something additional, more tailored or specific?	These are general conversations and will not require specific or tailored communications or deliverables.
		Any flexibility on the below: Product Assets Under Management, as of December 31, 2022: a. International Large-Cap Core: the Offeror must have at least \$4.0 billion assets under management in the proposed product(s) as of December 31, 2022.	Offerors must meet all minimum requirements as stated. Investment strategy AUM level of \$4 billion or greater is required.
		Any flexibility on the below: Have at least five major U.S. tax-exempt clients (public or corporate) that have \$2.0 billion or more in total plan assets as of December 31, 2022. This requirement is firm-wide and does not necessarily apply to the proposed product.	Offerors must meet all minimum requirements as stated.

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		<p>With respect to the \$25B minimum firm AUM requirement:</p> <p>Our firm consists of several large divisions, including several boutiques, which we maintain separately from a brand identity perspective. Our intention is to respond to this RFP with a product offered through one of our boutique firms, and as such the GIPS operating division for that specific entity does not meet the \$25B minimum. However, our overall global asset management firm AUM is well over the minimum, with several hundred billion in assets under management.</p> <p>Our experience is that this is typically an acceptable structure for meeting firm level minimums, given the boutique entity is integrated into our overall organization with compliance, legal and operational systems overlap. May we respond with this division, and refer to the overall firm AUM in order to comply with the \$25B minimum requirement? Thank you.</p>	Yes, this is acceptable.
	VI, Q4, Q5	If a firm's AUM is slightly less than \$25 billion [deficit of <\$10 billion], and strategy AUM is slightly less than \$4 billion [deficit of <\$2.5 billion], should the manager abstain from submitting a response to this RFP. All other qualifications are met.	Offerors must meet all minimum requirements as stated.
	VI, Q5, a and b	We manage several international strategies that are benchmarked to traditional MSCI indices (including MSCI World ex-US, MSCI Emerging Market, MSCI World ex US Small Cap, MSCI EM Small Cap, etc.) that are sub-components of the products we intend to put forward in this search, representing well over \$10b in client assets. Our longest track record using the same investment process and insights dates back over 20+ years. While we are well equipped to manage these mandates, we are either under the ten year performance requirement or managing under the asset levels referenced in the minimum qualifications (MQs). Given our history, breadth of relevant strategies and total assets would this be considered sufficient to meet the MQs for the search?	Offerors must meet all minimum requirements as stated. For instance, Investment strategy AUM level of \$4 billion or greater is required.
Page 5-6	Q5 & Q9	<p>Your qualification requirement number five states that (as of 12/31/222) managers must have Product Assets Under management of at least \$4 billion in International Large-Cap Core and least \$1 billion in International Small Cap Core.</p> <p>Connor Clark & Lunn Investment Management total firm assets as of 12/31/2022 were \$40 billion. Of that total International Equity Assets exceeded \$4 billion and International Small Cap assets exceeded \$1 billion. As we are a systematic equity manager applying the same process across markets these capabilities are offered as products to clients once they indicate a benchmark preference. We believe this satisfies requirement number five.</p>	Offerors must meet all minimum requirements as stated. Investment strategy AUM level of \$4 billion or greater is required for Large-Cap Core and \$1 billion for Small-Cap Core.

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Page 5-6	Q5 & Q9	<p>Your qualification requirement number nine states that the Product Track Record must be least ten years continuous, as of December 31, 2022.</p> <p>Connor Clark & Lunn Investment Management has a GIPS performance track record for International Equity strategy that will reach its ten-year continuous track record during Q3 2023. We began a GIPS compliant track record for International Small Cap Equity just over three years ago. We highlight the 20 year management history of this team with our systematic process across equity indices, including those specified in this RFP. Given 20 years' experience, and current GIPS performance presentations, will our response be accepted?</p>	Offerors must meet all minimum requirements as stated. The product must have at least a continuous ten-year performance track record actively managing the product you are presenting for consideration in compliance with GIPS performance presentation standards as of December 31, 2022
B-17	B.I.14	Appendix B, Section B, Question 19 asks for a minimum of 3 references of clients of this strategy; however, Appendix B, Section I, Question 14 asks for a representative client list and the 5 largest clients in the strategy, along with contact information for each of them; are 3 client references required or are 5 client references required for this RFP?	A minimum of three (3) references from clients for this strategy are required.
A-1	A.13	Appendix A (Cover Letter), Question 13 notes that SIC may become subject to subpoenas as well as questioning and informational demands by the governor, legislature and other instrumentalities of the State of New Mexico. Given this, can we provide both a unredacted and redacted submission to the RFP?	As indicated in the RFP, any information submitted by Offeror becomes subject to New Mexico's public disclosure laws. Further, Offeror agrees to fully release, waive and hold the SIC, SIO and their employees and officers harmless from any and all liability or costs associated with the release of any information whatsoever. This would apply to both redacted and unredacted submissions. Note, however, that New Mexico's public disclosure laws generally protect trade secrets. Accordingly, if Offeror provided the proposal in both redacted and unredacted forms, the SIC would respond to any public records request in the first instance with the redacted form. There can be no guarantee, however, that the unredacted form would not ultimately become subject to disclosure.
B-17	B.B.3.b	Appendix B, Section B, Question 3, asks "Indicate below that all data has been entered into eVestment through December 31, 2022, as that information will be used to supplement this questionnaire and will be considered official record for this search". Given eVestment has many different fields, which fields are required to be populated in eVestment to be considered for this search?	Relevant firm, team, performance, and characteristic data should be sufficient. However, we encourage respondents to be as thorough as possible when populating the data base.

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Page 5	VI.5.b	In reference to New Mexico State Investment Council RFP #23-337-0001, we would like to request further information on the requirement that an Offeror proposing an International Small-Cap Core strategy must have at least \$1 billion assets under management in the proposed product. Would you consider including a firm's total allocation to international small caps across different products, not just the proposed product, as part of the \$1.0 billion minimum? We would like to propose an international small-cap product that has total AUM of \$650 million. However, our firm manages over \$1 billion of investments in international small cap stocks when considering allocations to small-caps across all the firm's strategies, including our all-cap international equity and emerging markets equity products.	Offerors must meet all minimum requirements as stated.
		Would the SIC be willing to accept a product that is managed to the MSCI ACWI ex US and the MSCI ACWI ex US Small Cap benchmarks?	Yes. Please use the ND version of the benchmark to answer relative performance questions.
		We manage a core international small cap equity approach that meets all the minimum requirements for the RFP except with an inception date of 30 June 2013. Would the SIC be willing to review this product that has created alpha across the 1, 3, 5 and SI periods but is six months short of the 10yr track record?	Offerors must meet all minimum requirements as stated.
Page 5	VI	Our international small-cap team employs a differentiated growth philosophy which translates to a tendency to own both "growth" and "value" companies. While we tend not to correlate with other growth managers, we also exhibit exposure to growth. Major US tax-exempt clients benchmark us to both MSCI ACWI ex US Small Cap Growth and MSCI ACWI ex US Small Cap. Would this approach be considered for the small cap core search, assuming all minimum qualifications are met?	Managers meeting MQs will be considered, the SIC will give preference to those that best fulfill the stated mandate.
Page 5	VI.5	Regarding the following minimum qualification, we are curious if the end-clients through a sub-advisory partnership count towards the five major U.S. tax-exempt clients requirement. <i>Have at least five major U.S. tax-exempt clients (public or corporate) that have \$2.0 billion or more in total plan assets as of December 31, 2022. This requirement is firm-wide and does not necessarily apply to the proposed product;</i>	The sub-advisory relationship counts as a single client.

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Page 5	VI.5.a	<p>We do not manage active strategies to the preferred benchmark (MSCI ACWI ex-US), however we do manage active international strategies to the MSCI component benchmarks (MSCI World ex-US & EM). Would either of the following alternatives be acceptable:</p> <p>NT Quality Large Cap Core International strategy (Benchmark: MSCI World ex-US)</p> <p>Blended component strategies that make up the MSCI ACWI ex-US primary benchmark:</p> <p>NT Quality Large Cap Core International strategy (Benchmark: MSCI World ex-US)</p> <p>NT Quality Large Cap Core Emerging Markets ESG (Benchmark: MSCI Emerging Markets)</p> <p>Note: the QLCC EM strategy has been live for 3.5 years, but full backtest available.</p> <p>The QLCC EM strategy has ESG exclusions that are not material to the broad index universe</p>	Blended strategies will not be considered.
Page 5	VI.5.a	<p>While we do not meet the \$4B AUM minimum for our Quality Large Cap Core (QLCC) International strategy, our QLCC strategies are consistently implemented across the globe using our proprietary Quality, Value & Momentum factor definitions. We managed a combined \$3.8 B of QLCC regional strategies (US, Int'l, Global, EM) as of December 31, 2022. Additionally, we manage \$27.8 B of global large cap core strategies that utilize various combinations of our proprietary factor definitions and similar investment process.</p>	Offerors must meet all minimum requirements as stated.
Page 3	V.10	<p>Page 3: Under section V. Scope of Work, #10: "Meet SIC and SIO reporting and communication requirements, including delivering monthly investment management statements which show any and all investments, receipts, disbursements, other transactions and reconciled month-end valuation with the SIC's custodial bank as of the close of business on the last business day of each month, with copies of such statements delivered to both the SIC's custodial bank and SIO by the fourth business day of the beginning of each month."</p> <p>Can you please clarify if the above is stating that all reports are due on the 4th business day or only the reconciliation?</p>	Investment manager reconciliation data must be uploaded to the SIC's custodian by the fourth business day of the beginning of each month.
Page 5	VI.5.a	<p>Page 5: Under section VI. Minimum Qualifications, 5a: "International Large-Cap Core: the Offeror must have at least \$4.0 billion assets under management in the proposed product(s) as of December 31, 2022". Could you please clarify whether this asset minimum is at the vehicle or strategy level?</p>	This is at the strategy level.

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Page 19	X.B	Page 19: Under section X. Certain Material Contract Terms and Conditions, B: we note the policy statement that the SIO's Soft Dollar Policy (https://api.realfile.rtsclients.com/PublicFiles/7c4d03015a164367930068bfb95f6a0/59579828-85a6-472f-ad77-8541a50ea7f0/Soft%20Dollar%20Policy.pdf) is to pay direct for fees without the use of soft dollars. Please can we confirm that managers may use soft dollars in connection with eligible research and brokerage services provided they comply with Section 28(e) of the Securities Exchange Act of 1934?	Per the language in Section X.B: "any soft dollar transactions in respect of the SIC Funds shall comply with the requirements of the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended."
Page 20	X.G	Page 20: Under section X. Certain Material Contract Terms and Conditions, G: we note the redemption requirement that the manager may not intentionally cause the SIC to redeem or otherwise require SIC to terminate its investment, in whole or in part, on less than ninety (90) calendar days' notice. Please can you clarify the intent so we can understand if this impacts our investment discretion over the account?	Ninety (90) days is the minimal time required for the responsible transition of assets to a new manager.
Appendix E	E1	Page E-1: With respect to Appendix E, can the Offeror provide a redline or comments in a separate attachment highlighting provisions for further discussion should the Offeror be awarded the mandate?	The SIC expects Offeror to be willing to accept the terms and conditions set forth in the RFP. Generally, this means accepting the exact terms set forth. Note that the RFP provides that Offeror "must be willing to sign Appendix E from this RFP with no (or minimal) changes" and that "Appendix D, in particular, should be non-negotiable." With this understanding, the Offeror may submit a redline to Appendix E, with explanatory comments as necessary. The Offeror should indicate which, if any, proposed changes would be necessary for Offeror to accept the contract.
		Can you please share who is the custodian of the NM Funds.	JPMorgan Chase & Co.
Page 3	V.1	Will the SIC consider strategies that only invest in developed markets and exclude emerging markets?	The SIC is not looking for developed only strategies.
Page 3	V.1	Will the SIC consider strategies that invest in both developed and emerging markets?	Yes.
Page 3	V.1	Will the SIC consider all cap strategies in addition to large cap strategies?	Managers meeting MQs will be considered, the SIC will give preference to those that best fulfill the stated mandate.
Page 5,6	VI, Q7	Could you please clarify the benchmark for the \$500 million to \$1.0 billion account? Section VI. Paragraph one at the top of page 5 states MSCI ACWI ex-US – ND and item 7 on page 6 states MSCI ACWI ex-US Large cap Core.	MSCI ACWI ex-US – ND

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Page 23	XIII.G.1	<p>Can you provide a more precise definitions of “fully invested” (i.e. cash limit percentages) and “brief periods” as referred to in the Cash Limits section of the RFP?</p> <p><i>Under Cash Investment Guidelines (XIII.G.1) it says “Cash positions will be kept to the minimum necessary for liquidity, distributions and ongoing investment activities.” Then under General Investment Restrictions and/or Guidelines (XIV.G) it says “Cash equivalents held by Managers can be disruptive to the allocation process. Unless otherwise authorized, Managers are expected to be fully invested at all times in the types of securities for which they have responsibility, with the exception of brief periods between the sale of an existing security and the purchase of a replacement security.” CG has typically interpreted “fully invested” as no more than 5 to 10% max cash, but these guidelines if interpreted literally would almost seem to require 0% max cash except for short periods while investing.</i></p>	The description speaks for itself.
Page 24	XIV.1	<p>The guidelines seem to indicate that hedging is allowed but perhaps not preferred. Could we confirm that is the case? And if hedging is allowed and were to be used, is there any more specific guidance in this area and/or hedging limits to be aware of? And could we get confirmation if forward contracts allowed?</p> <p><i>The hedging language in the General Investment Restrictions and/or Guidelines (XIV.I) section seems unusual. It says “The Funds are exposed to currency risk through its international equity, fixed income, absolute return and private equity mandates. Over long periods of time, currency movements do not add significant returns to the portfolio. However, exposure to currency risk increases diversification due to lack of correlation with other portfolio risks. Also, hedging currency risk incurs significant expenses. Therefore, NMSIC utilizes unhedged benchmarks and does not require its Managers to hedge the currency exposure in their portfolios.” It almost reads as if we’re allowed to hedge currency exposure, but they’d actually rather we not.</i></p>	The description speaks for itself.

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Page 25	XVI	<p>Within the Economically Targeted Investments (ETI) section, the last three points though refer to specific benefits to the economy of New Mexico. Would the client expect us to consider those in our investment decisions for the portfolio? If so, are there further details around the expectation of how to demonstrate that (i.e. reporting) or monitor for those?</p> <p><i>Economically Targeted Investments (“ETI”) in the Severance Tax Permanent Fund have two objectives in the statutes: first, to obtain a risk-adjusted rate of return under the Prudent Investor Rule, and second, to enhance the economy of New Mexico. To achieve these two objectives, the following specific goals will apply to the portfolio. SIO Investment Staff will ensure that:</i></p> <p><i>Credit quality is maintained and risk is minimized;</i></p> <p><i>Market-based yields that are proportional to the assumed risks are obtained;</i></p> <p><i>Each investment will stimulate the economy of New Mexico on a continuing basis;</i></p> <p><i>Each investment will expand business activity in the state; and</i></p> <p><i>Each investment will promote the creation and preservation of jobs.</i></p>	This is not applicable to this mandate.
Page 3	V.8	On page 3 under Section V, Scope of Work, item 8, can you please clarify whether the opportunistic portfolio mentioned is in reference to a sleeve within the active equity portfolio or is in reference to the mandate more broadly?	The mandate more broadly.
Page 5	VI.5.a	On page 5 under Section VI, Minimum Qualifications, item 5, it notes the following: “International Large-Cap Core: the Offeror must have at least \$4.0 billion assets under management in the proposed product(s) as of December 31, 2022” – for purposes of Product AUM, are only individual products considered here, or can the team provide the combined AUM of two strategies run by the same team with the same benchmark?	The description speaks for itself.