

Instructions to Investment Managers/Marketeers

FRS IS A GOVERNMENTAL ENTITY STAFFED BY PUBLIC EMPLOYEES. THE PURPOSE OF THESE INSTRUCTIONS IS TO ASSURE THAT TIME ALLOCATED BY FRS PERSONNEL IS USED PRODUCTIVELY. MEETINGS THAT ARE PRODUCTIVE ARE ASSIGNED GREATER PRIORITY THAN THOSE THAT ARE MERELY INFORMATIVE. IF YOU ARE UNWILLING OR UNABLE TO FOLLOW THE INSTRUCTIONS BELOW, THEN PLEASE FEEL FREE TO CALL THE FRS INVESTMENT CONSULTANT INSTEAD (NEPC/DAVID BARNES/678- 433-4400) AND DISCUSS YOUR INVESTMENT INFORMATION WITH THEIR ANALYSTS. THESE INSTRUCTIONS DO NOT APPLY TO MANAGERS THAT ALREADY HAVE AN EXISTING CONTRACTUAL RELATIONSHIP WITH FRS.

THESE INSTRUCTIONS DO NOT APPLY IF YOU ARE RESPONDING TO A REQUEST FOR PROPOSAL (RFP). FOR RFP PURPOSES, YOU MUST REFER TO AND ADHERE SOLELY TO THE COMMUNICATION INSTRUCTIONS SET FORTH IN THE RFP.

One of the pleasures of this job is to work with investment professionals. Great satisfaction can be derived from talking with a person who has done homework in advance and can make meaningful observations about the FRS portfolio. For instance, a person who has reviewed the on-line monthly FRS flash reports, and can explain differences between existing FRS managers and the company which the person represents, stands head and shoulders above managers who do no advance work. It is obvious when a person has done little or no advance work regarding the prospective client (FRS) and those meetings tend to be nonproductive. For that reason, the FRS staff screens managers/marketeers to assure that staff time is allocated only to the most productive activities.

A marketeer (or client service representative or business development representative) who says "this is just an introductory meeting" or "this is a relationship business" might not realize that employees of small retirement systems like FRS have very limited time in which to accomplish multiple job responsibilities. For some retirement system professionals, an introductory meeting is an inefficient allocation of time and human resources. Moreover, the best way to form a good, long-lasting relationship, is to be respectful of the retirement professional's time. Examples of time wasters are questions like these- Tell me about your portfolio? What changes are you looking to make? And the greatest- How can our firm be of service to you?

If, for whatever reason, you are unable or unwilling to follow these instructions, then there is still a way for you to get your firm exposed to FRS. You can contact the system's investment agent, NEPC. They develop biographical information regarding managers/firms that is furnished to the FRS board when needed.

Time is valuable and must be allocated wisely. If we accepted every call from every investment manager/marketeer, surveyor, or conference host, then our days would be filled with phone calls instead of work done on behalf of members, retirees, employers, and trustees. If you want to inform us about the methodology, performance, or composition of your firm, don't call. Do so by emailing any information you desire to the attention of FRS Investments at frs@lafrs.org. We are not asking you, or the hundreds of other marketeers, to provide information. You do so of your own accord. The material will be reviewed. We might also forward it to our Investment Consultant (NEPC) or any other third party we deem appropriate for an opinion but, in any event, do not expect a reply. We do not accept cold calls because they are disruptive. If the material you email is of interest to us, then we'll call you.

If not, we won't. Any material you voluntarily furnish becomes the sole property of FRS and is subject to public disclosure pursuant to the Louisiana Public Records Act, irrespective of any disclaimer to the contrary in the material submitted.

The FRS staff has an open-door policy and will gladly meet with any manager/marketeer who takes it upon himself or herself to do the few things that are asked in order to make the meeting productive. Meetings typically last about an hour, but if you do the work ahead of time, we will respect your effort by assuring you have a full opportunity to present your material.

If you wish to make an appointment for an on-site visit, then please follow all of these instructions carefully-

- (1) Do not call ahead with questions. Any information you might need is posted on this website, see minutes, monthly flash reports, annual financial statements, or actuarial valuations. Do your homework. If it takes you a long time to research this website to discover an answer to a question, then that is probably the same amount of time it would have taken an FRS employee to do the same research for you. Moreover, as public employees, our ethics laws prohibit us from performing research projects for non-governmental third-parties. It is considered an unlawful donation of public resources, particularly where the research will be used for commercial purposes. By contrast, if you submit a request for public documents to supplement your research, then we are required by law to provide any requested document that we have in our custody, unless it is protected by the "trade secret" exception to the law. Any such request must specifically identify a particular document. The law protects FRS from overly broad or burdensome document requests (fishing expedition) and also does not require the staff to create a document in response to a request.
- (2) Review the monthly FRS flash reports. The report is divided into asset classes. Find your asset class and determine if FRS has an existing manager in that same class. If so, compare your firm's returns to the performance of the FRS manager for the same period, gross of fees. Quantify the difference in a dollar value. If FRS would have left money on the table by not having your firm, disclose that, then we have something to talk about. If not, then we likely already have the firm we need and you should direct your marketing efforts to NEPC instead.
- (3) Provide your firm's GIPS compliant performance numbers on a calendar year basis for the last ten calendar years for the product you wish to discuss. Report all available calendar years if the product was incepted within ten years. Do not use cumulative average returns.
- (4) Disclose whether you are an employee of the firm or a third-party marketeer (introductory agent). Disclose your compensation arrangement (type, not amount) if you are a third-party representative.

Once you have furnished this information to FRS Investments (frs@lafirs.org) in advance, we will confirm receipt by reply email and invite your call to set an appointment. We will not schedule an appointment unless we have received all of the information required herein above. We will only schedule an appointment if the appropriate FRS professional has time available for that purpose. We will do our best to let you know if an appointment must be cancelled, but appointments may be cancelled at any time and without notice, particularly when the Louisiana state legislature is in session. Schedule appointments, flights, and accommodations at your own risk.