

## Transition Management Questionnaire

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### **General Information**

- 1) Please provide a brief general history of your firm.
- 2) What is the ownership structure of the firm? Indicate all entities that have an ownership stake. Please provide a chart detailing owners by percentages.
- 3) How long has your firm been in the business of transition management?
- 4) Are you a certified Minority, Woman, or Disabled-Owned (at least 51% Minority, Woman, or Disabled-Owned) business? If so, please attach certification.
- 5) Please provide the names, roles, and years of experience of any professional staff fully dedicated to transition management at your firm.
- 6) Please provide the names, roles, years of experience, and reason for departure of any professional staff fully dedicated to transition management that have left your firm in the last 5 years.
- 7) Please indicate the professional(s) who would be responsible for this account.
- 8) Discuss your firm's transition management business growth over the last five years, including any increase or decrease in dedicated professionals, increase or decrease in technological resources, and increase or decrease of actual transition management events.
- 9) Is your firm represented by a third party firm, an outside individual(s) whose purpose was marketing and/or gathering assets for the firm, or an introducing agent that would be compensated for marketing and/or gathering assets for this RFP? If so, list all relationships and compensation structure.
- 10) Does your firm consider itself a specialist in any specific asset class? If not, please identify **one** asset class your firm believes it can add the most value in through its transition management group.

11) How do you add value to the process? Why should your firm be selected?

**Legal Information/Conflicts of Interest**

12) Describe the procedures that are in place to safeguard confidentiality throughout a transition. How do you avoid information leakage to the market?

13) Disclose any sanctions or disciplinary actions taken against the firm or any of its affiliates by the SEC, NASD, or other regulatory body within the last five years.

14) Disclose any legal or arbitration claims the firm or any of its affiliates has settled or been required to pay within the last five years.

15) Can your firm act as a fiduciary for this transition as a Registered Investment Advisor under the 1940 act? Has your firm served in this capacity in the past?

16) Describe those services/functions which would be performed when acting in a fiduciary capacity vs. not acting as a fiduciary.

17) Does your firm, including subsidiaries or closely held firms, receive any economic benefit other than what is explicitly quoted as a fee or commission for transition services? Please disclose all such means for economic benefit including soft dollars in addition to the fee or quoted commission charges.

18) Does your firm or an affiliate have a company or proprietary account in which you may be the other side of a given transaction? If so, what safeguards can you describe that ensure you are placing the goals of the client ahead of your firm's capability to book revenue in this manner?

19) Does your firm have any counterparty arrangements with hedge fund trading accounts? If so, please explain why this will not have a negative impact on the transition.

20) Please list all insurance carriers supplying your firm with coverage, including the type of coverage, and coverage amount.

21) Will your firm attest that your firm's only sources of material benefit resulting from this transition will be from commissions or fees explicitly accounted for with regard to the transition? Will you attest that your firm provides no opportunity for any outside party to gain knowledge of the trades that will be implemented?

**Process**

22) Discuss the primary goals of your transition management process.

23) Describe the relevant factors influencing your choice of transition execution strategy for a particular client circumstance.

24) Discuss your firm's process in determining the optimal mix between opportunity cost and market impact.

25) Describe the quantitative tools your firm uses during a transition management event.

26) Is your firm an agency, principal brokerage, or solely a manager? Please describe the brokerage relationships your firm has in place. Please describe the process used to select brokers for trades.

27) Discuss the risk management tools (both from an operational and trading standpoint) your firm utilizes during a transition management event.

28) Discuss your firm's methods for maintaining market and currency exposure to asset classes during a transition management event. Does your firm favor a particular method?

29) Discuss how the FX trades associated with international portfolios are executed.

30) Discuss your firm's capabilities handling non-U.S. equity and fixed income transition management events.

31) Please discuss your firm's usage of internal and external crossing, including your firm's definition for each. Please discuss what role your firm believes internal and external crossing should play in a transition management event.

- 32) Does your firm internalize order flow? If so, please list the various conflicts this situation creates and explain how you assure client orders are given best execution in regard to timing and price?
- 33) If given this transition, your firm will be expected to provide advice on methods to minimize both implicit costs and explicit costs, including trading costs. If your fees are based solely on commissions, how will you handle this conflict of interest?
- 34) How will you verify that you have performed and accounted for the transition properly?
- 35) Explain your firm's communication process with the client and investment consultant during the transition.
- 36) Explain the communication process with the target and legacy investment managers during the transition.
- 37) Please list all Minority, Woman, or Disabled-Owned broker/dealers that your firm utilizes for open market trading in the transition process. In the previous calendar year, what percentage of commissions of open market trades was executed through Minority, Woman, or Disabled-Owned broker/dealers?

### **Reporting**

- 38) Discuss your firm's calculations of relevant data when submitting a pre-trade report. Please make sure to discuss the estimated bid/ask spread, opportunity cost, market impact costs.
- 39) Discuss your firm's method of determining a security's liquidity when submitting a pre-trade report, and when determining the strategy for a transition management event.
- 40) How does your firm measure its relative success or failure after the completion of a transition management event?
- 41) Does your firm provide any reporting that shows the quality and cost effectiveness of FX trades that are performed?