CITY OF NEW YORK
OFFICE OF THE COMPTROLLER
MARK LEVINE

ADDENDUM NO. 2

DATE: July 6, 2026

TO: All Recipients of the Notice of Search for Equity Index Investment Management Products and Services for the New York City Retirement Systems
PIN: 015-268-328-00 QQ

FROM: Samantha Bobb
Deputy Director of Contracts

SUBJECT: Addendum No. 2: Questions and Answers about the Notice of Search

****

This Addendum No. 2 answers questions received from perspective investment management firms. As a reminder, information must be submitted to consultant databases on **July 15, 2026 by 11:59 PM EST**.

QUESTIONS	RESPONSES
Can you please confirm what equity index strategies are in scope and what strategies we should be updating in the databases and in eVestment?	All equity index strategies are in scope as one of the Systems may have the need for additional managers or index products at some point in the future. All strategies should be updated in eVestment.
My question pertains to your goal to encourage participation by small businesses. Given your AUM and track record requirements, which exclude all but the largest firms, would you consider a carve out for smaller, New York City-based values-aligned firms?	The Minimum Requirements apply to all firms, even if they are New York City based and values-aligned.
Could you please confirm whether this search is focused on U.S. equities and whether it is intended to reflect your current lineup of index managers and capabilities as outlined on your website?	The search is not focused on U.S. equites. It covers all public equity index products in all geographies.
Specifically, could you please confirm whether index providers are permitted to participate directly in this RFP process, or if participation must be through partnership with, or submission by, an investment manager?	This is not an RFP process; it is a Notice of Search as per the City's PPB Rules. Index providers must meet the Minimum Requirements and follow the submission procedures in the Notice of Search to be considered.

QUESTIONS	RESPONSES
Is there any degree of flexibility with respect to AUM requirements in the Performance Track Record minimums?	There is no flexibility with respect to AUM and other Minimum Requirements.
Will strategies with 50bps tracking error be considered?	All strategies that meet the Minimum Requirements will be considered at the initial stage of the consultant evaluations.
The Minimum Requirements in the Notice of Search state that firms must have a total firm AUM in Equity Index Products of at least $20 billion. Would the Comptroller's Office consider managers that have firmwide AUM of at least $20 billion, even if their equity index product AUM is below $20 billion?	The Minimum Requirements in the Notice of Search applies to all proposing firms.
Can the Comptroller's Office provide the list of equity benchmarks under consideration for this search?	All equity benchmarks are under consideration as we intend to create a Pool of managers and products that may be needed at a future date even though there may not be a current allocation.
Will ESG, climate, or other responsible-investing objectives be embedded in any benchmark under consideration, whether through an off-the-shelf or custom index? If not, should managers assume any ESG, climate, or responsible-investing requirements would need to be implemented at the portfolio level while measuring against a standard equity benchmark?	ESG, climate and other objectives are not currently embedded in any current benchmarks used by the Systems. The Systems do have excluded companies lists (for example, some exclude fossil fuel reserve owners) but all mandates/accounts are currently benchmarked to standard indexes.
Apart from benchmark design and portfolio implementation, will selected managers be expected to undertake any issuer engagement, stewardship, or climate-related engagement activities?	Managers are expected to undertake issuer engagement, stewardship, and climate-related engagement activities where prudent and consistent with a System's guidelines. Proposers will receive more information on this and related topics during the evaluation process.
Beyond the Iran Divestment Act, are there any other prohibited securities, issuers, sectors, countries, or other portfolio-level restrictions that managers will be required to implement?	Yes, the Systems all have their own lists of excluded companies. We will share these with prospective managers at the appropriate time later in the procurement process.

QUESTIONS	RESPONSES
Which specific mandates or market exposures are expected to be included in this search (for example, U.S., non-U.S., global, large cap, small cap, ACWI, emerging markets, or other segments)?	All equity benchmarks are under consideration as we intend to create a Pool of managers and products that may be needed at a future date even though there may not be a current allocation. Current equity index accounts include those benchmarked to the following: Russell 1000, Russell Top 200, Russell 2000 Growth, Russell 2000 Value, MSCI World ex-USA, MSCI World ex-USA Small Cap, MSCI Emerging Markets.
For passive/capitalization-weighted mandates, what implementation objectives and tolerances should managers assume, including any tracking-error expectations, transition requirements, and rebalancing parameters?	In general, we prefer less tracking error and low-cost trading. These may vary based on type of benchmark and any excluded securities. We have no ex-ante targets and will compare the various offerings using these and other parameters.
Will selected managers be expected to manage only standard capitalization-weighted index accounts, or should they also expect to support custom benchmarks or other portfolio customizations at inception?	Currently, only standard capitalization weighted index accounts are in use but managers must work with the excluded companies lists.
How does the Comptroller expect assets to be allocated between immediate awards and pool appointments, and is there an expected minimum account size or funding range for an initial allocation?	It is expected at this time that the type and size of immediate awards will be similar to the current allocations. Use of managers/products from the pool will be identified when the need for such a product arises.
Although securities lending is not included in this search, are there any portfolio-level restrictions or operational requirements related to securities lending that selected managers should be aware of?	No, not at this time.
Can the Comptroller provide any preliminary guidance on the expected fee proposal structure?	With over $85 billion invested in equity index products we expect our scale to result in the lowest fees available in the market place.
Section VII, Z: Does the “Subcontractor Tracking Notice” include asset management affiliates located outside of the US to which the registered investment adviser has delegated investment management authority pursuant to the SEC’s participating affiliate arrangement?	No, the "Subcontractor Tracking Notice" provides general guidance to proposers on how to utilize the subcontractor reporting system. A copy of the notice mentioned in Section VII.Z is attached to this addendum.

QUESTIONS	RESPONSES
Exhibit 1, Annual Certification Obligation of Consultants and Managers: Our periodic review that mirrors under Rule 206(4)-7 is conducted by internal UBS employees, not by a third-party. We do, however, have a third-party review components of our compliance policy as part of other reviews that are conducted at the firm. Does this satisfy the plan's requirements? For context, we have previously managed capital for the plan and could certainly share additional detail here.	No, that does not satisfy the Ethics and Compliance Policy's requirements. Per the Policy, "*The Systems require that the Managers and Consultants conduct a third-party review of their compliance program for sufficiency and effectiveness. Each Manager/Consultant must certify that it has a periodic review of its Compliance manual and compliance controls by an independent third-party at least once every three years. The periodic review should mirror that under Rule 206(4)-7 of the Investment Advisers Act of 1940. Internal review by the General Counsel, Chief Compliance Officer, or similar official of the firm or any of its Affiliates does not qualify as an independent review.* *Note: For the purpose of this Policy, the term "Affiliate" is defined as any person that controls, is under common control with, or is controlled by the Manager. The term "control" is defined as the power to direct or cause the direction of the management and policies of the applicable entity through ownership of voting securities or beneficial interests, by contract or otherwise. Persons or entities having control include any Manager, managing member, manager or executive officer of the applicable entity, and any direct or indirect holder of a 10% or greater ownership interest in the Manager, or such applicable entity. An Affiliate includes a parent, subsidiary, debtor, creditor, entity under common ownership, entity in which the Manager/Consultant has invested or which has an investment in the Manager/Consultant or entity with which the Manager/Consultant has a strategic alliance.*"

SUBCONTRACTOR TRACKING NOTICE

As of March 2013 The City has implemented a new web based subcontractor reporting system through The City's Payee Information Portal (PIP), available at www.nyc.gov/pip. In order to use the new system, a PIP account will be required. Detailed instructions on creating a PIP account and using the new system are also available at that site. Additional assistance with PIP may be received by emailing the Financial Information Services Agency Help Desk at pip@fisa.nyc.gov.

In order to obtain subcontractor approval under section 3.02 of Appendix A or Article 17 of the Standard Construction Contract and PPB Rule § 4-13 Contractor is required to list the subcontractor in the system. For each subcontractor listed, Contractor is required to provide the following information: maximum contract value, description of subcontractor work, start and end date of the subcontract and identification of the subcontractor's industry. Thereafter, Contractor will be required to report in the system the payments made to each subcontractor within 30 days of making the payment. If any of the required information changes throughout the term of the contract, Contractor will be required to revise the information in the system.

Failure of the Contractor to list a subcontractor and/or to report subcontractor payments in a timely fashion may result in the Agency declaring the Contractor in default of the Contract and will subject Contractor to liquidated damages in the amount of $100 per day for each day that the Contractor fails to identify a subcontractor along with the required information about the subcontractor and/or fails to report payments to a subcontractor, beyond the time frames set forth herein or in the notice from The City. For construction contracts, the provisions of Article 15 of the Standard Construction Contract shall govern the issue of liquidated damages.

Contractor hereby agrees to these provisions.